

BUDGET STEERING COMMITTEE

21 NOVEMBER 2022

MAYORAL COMMITTEE

21 NOVEMBER 2022

DISTRICT COUNCIL

21 NOVEMBER 2022

1. SUBJECT: SECOND ADJUSTMENT BUDGET 2022/2023 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) / TWEDE AANSUIWERINGSBEGROTING 2022/2023 MEDIUM TERMYN EN INKOMSTE EN UITGAWE RAAMWERK (MTIUR) / ULWABIWO-MALI LWESIBINI OLU-LUNGISIWEYO LUKA 2022/2023 LWENGENISO YEXESHA ELIFUTSHANE KUNYE NENDLELA YENCITHO(MTREF)

(6/18/7)

14 November 2022

REPORT FROM THE EXECUTIVE MAYOR (M BOOYSEN)

2. PURPOSE OF THE REPORT

The report is tabled to council in terms of section 28(2) (Municipal Adjustments Budgets) as required in terms of the Municipal Finance Management Act 56 of 2003.

3. DELEGATED AUTHORITY

Council

4. EXECUTIVE SUMMARY

The Budget and Reporting Regulations Section 23 Subsection (3) states-

If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.

Additional revenues/allocations received from National and/or Provincial government must be tabled before council at the first Council meeting following the allocation of the additional funds – such allocations (totalling R19m) is included here.

These adjustments have to be brought into the 2022/23 budget by means of an Adjustment Budget tabled to Council for approval.

5. RECOMMENDATIONS

That council take the following resolutions:

(1) That the second adjustments budget of Garden Route District Municipality for the financial year 2022/2023 as set out in the schedules contained in Section 4 be **approved:**

- i. Table B1 Adjustments Budget Summary;
- ii. Table B2 Adjustments Budget Financial Performance (by standard classification);
- iii. Table B3 Adjustments Budget Financial Performance (by municipal vote);
- iv. Table B4 Adjustment Budget Financial Performance (revenue by source); and
- v. Table B5 Adjustment Budget Capital Expenditure (by municipal vote and funding source)

(2) Council approves the Adjustment Operating Expenditure Budget of R511,643,133

(3) Council approves the Adjustment Operating Revenue Budget of R505,851,075

(4) Council approves the Adjustment Capital Budget of R127,797,414

(5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the 2022/23 financial year be compiled and tabled to the Executive Mayor for approval.

AANBEVELINGS

Dat die raad die volgende resolusies aanvaar:

- (1) *Dat die tweede aangepaste Begroting van Garden Route Distriksmunisipaliteit vir die finansiële jaar 2022/2023 soos vervat in die skedules van Seksie 4 goedgekeur word:*

- i. *Tabel B1 Aangepaste Begrotings Opsomming;*
 - ii. *Tabel B2 Aangepaste Begroting Finansiële Prestasie (volgens standaard klassifikasie);*
 - iii. *Tabel B3 Aangepaste Begroting Finansiële Prestasie (volgens pos);*
 - iv. *Tabel B4 Aangepaste Begroting Finansiële Prestasie (volgens finansieringsbron); en*
 - v. *Tabel B5 Aangepaste Kapitale Begroting (volgens pos en finansieringsbron)*
- (2) *Die Raad die Aangepaste Uitgawe Begroting van R511,643,133 goedkeur.*
- (3) *Die Raad die Aangepaste Inkomste Begroting van R505,851,075 goedkeur.*
- (4) *Die Raad die Aangepaste Kapitaal Begroting van R127,797,414 goedkeur.*
- (5) *Dat die hersiende Dienslewering- en Begrotings Implementerings Plan vir 2022/2023 opgestel en aan die Uitvoerende Burgermeester voorgelê word vir goedkeuring.*

IZINDULULO

Sesokuba iBhunga lithathe ezi zigqibo zilandelayo:

- (1) Sesokuba ulwabiwo-mali lwesibini olulungisiweyo loMasipala Wesithili se Garden Route kunyakamali ka 2022/2023 njengoko kuchaziwe kuluhlu oluqulwathwe kuMhlathi 4 luphunyezwe:
- i. *Table B1 Ushwankathelo loLwabiwo-Mali Olu-Lungisiweyo*
 - ii. *Table B2 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ngokwendlela ezifanelekileyo);*
 - iii. *Table B3 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ngokwevoti yomasipala);*
 - iv. *Table B4 Ulwabiwo-Mali Olulungisiweyo Umsebenzi Wezemali (ingeniso ngokovimba); kunye*

v. Table B5 Ulwabiwo-Mali Olulungisiweyo Incitho Yenkunzi (ngokwevoti yomasipala kunye nenxaso yovimba)

(2) IBhunga liphumeze Ulwabiwo-Mali Olu-Lungisiweyo Lencitho Eqhubayo ye R511,643,133

(3) IBhunga liphumeze uLwabiwo-Mali Oluqhubayo Lwengeniso noluyi R505,851,075

(4) IBhunga liphumeze Ulwabiwo-Mali Oluyinkunzi Olu-Lungisiweyo lwe R127,797,414

(5) Sesokuba ulungisowe Lonikezelo Nkonzo kunye Nesicwangciso Sokumiselwa koLwabiwo-Mali(SDBIP) kunyakamali ka 2022/2023 luqulunqwe kwaye luthiwe theca kuSodolophu obekekileyo ukuze luphunyezwe.

6. DISCUSSION / BACKGROUND

7. BACKGROUND

Section 28 of the Municipal Finance Management Act 2003 (No.56) (MFMA) determines that a Municipality may revise an approved annual budget through an adjustment budget.

Subsection (2) also determines that an adjustment budget:

- a) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- b) May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- c) May, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor;
- d) May authorize the utilization of projected savings in one vote towards spending under another vote;
- e) May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time

to include projected roll-overs when the annual budget for the current year was approved by the Council;

f) May correct any errors in the annual budget; and

g) May provide for any other expenditure within a prescribed framework.

Subsection (4) determines that only the mayor may table an adjustment budget in the municipal Council, but an adjustment budget in terms of subsection (2) (b) to (g) may only be tabled within any prescribed limitations as to timing or frequency.

Subsection (5) states that when an adjustment budget is tabled, it must be accompanied by an explanation of how the adjustment budget affects the annual budget and a motivation of any material changes to the annual budget.

Subsection (6) states very clearly that property rates and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan.

Cognizance must also be taken of **Section 15** of the MFMA which refers to the appropriation of funds for expenditure.

Subsection **(a)** determines very clearly that expenditure may only be incurred in terms of an approved budget; and

(b) Within the limits of the amounts appropriated for the different votes in an approved budget.

Also take note of **Section 23 (5)** of the Budget and Reporting Regulations which refers to the Timeframes for tabling of adjustment budgets.

Subsection (3) states-

If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.

Also take note of **Section 23 (3)** of the Budget and Reporting Regulations which refers to the timeframes of tabling of adjustment budgets.

7.1. DISCUSSION

Additional funding to the amount of R19.1m was allocated to Garden Route District Municipality by the Department of Transport and Public works (for the Roads function performed on behalf of Province) and therefore a second adjustment budget is tabled at Council for approval in terms of Subsection (3) of the Budget and Reporting Regulations.

These adjustments have to be brought into the 2022/2023 budget by means of an Adjustment Budget tabled to Council for approval.

Detail and further explanation is provided in the report below.

7.2. FINANCIAL IMPLICATION

Financial implications as per the Report attached.

7.3. RELEVANT LEGISLATION

Municipal Finance Management Act, No 56 of 2003

Municipal Budget and Reporting Regulations, 17 April 2009

ANNEXURES

- 2ND Adjustment Budget Report 2022/2023 MTREF



GARDEN ROUTE DISTRICT MUNICIPALITY

FINANCIAL YEAR 2022 - 2023

ADJUSTMENT BUDGET REPORT

2022/2023 MTREF

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations April 2009

MFMA – The Municipal Finance Management Act – No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget. In Garden Route District this

means the different GFS classification the budget is divided.

Legislative Framework

This report has been prepared in terms of the following enabling legislation.

The Municipal Finance Management Act – No. 56 of 2003

Section 28 Municipal Adjustment Budgets

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

Schedule B format of adjustment budgets

PART 1 – IN-YEAR REPORT

SECTION 1 – MAYORAL SPEECH

Honourable Speaker, leaders of the Opposition, honourable members of the Garden Route District Council on both sides of the house, The Municipal Manager and his Executive Management Team, the Members of the Media, interest groups and the citizens of the Garden Route District Municipality. I would like to express a hearty warm welcome to you all. We are here today to approve the second adjustment budget for the 2022/2023 financial year.

Section 23(3) of the Budget and Reporting Regulations which refers to the timeframes of tabling of adjustment budgets states-

- If a national or provincial adjustments budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available council meeting, but within 60 days of the approval of the relevant national or provincial adjustments budget, table an adjustments budget referred to in section 28(2)(b) of the Act in the municipal council to appropriate these additional revenues.

GRDM received additional allocation with regards to the Roads Department to the amount of R19,100,000 from the Department of Public Works. The administration fee will increase with R940,115 for the additional allocation, and this amount will be allocated to the Calitzdorp Hot Spring Thatch Roof Project in order to fund the completion of the project relating to urgent reparations to thatched roofs and other assets at the resort.

The details of the above inclusions into the budget are as follows:

Summary

BUDGET - Second Adjustment Budget (21 November 2022)				
DESCRIPTION	Approved Budget 2022/2023	Prior Adjusted Budget	2nd Budget Adjustments	Total 2nd Adjustment Budget
OPERATING EXPENDITURE				
Revenue	480,350,118	485,810,960	20,040,115	505,851,075
Expenditure	487,297,291	492,543,133	19,100,000	511,643,133
Surplus / (Deficit)	- 6,947,173	- 6,732,173	940,115	- 5,792,058
CAPITAL EXPENDITURE				
Capital Expenditure	126,642,299	126,857,299	940,115	127,797,414
TOTAL NET MOVEMENT IN CAPEX AND OPEX			-	

Note that the 2022/23 adjustments budget totals to a net deficit, but it is not an unfunded budget. The deficit on the budget remains the same as the Roll-Over adjustment budget, the net effect on the bottom-line for the adjustments are R0. GRDM has accumulated surpluses which will fund the shortfall in the short term, with numerous projects in various stages of implementation to ensure GRDM can maintain its healthy financial position in the current extremely challenging economic conditions, as well as over the long term.

Operational Budget:

Income: The operational revenue budget has increased by approximately R20 million, the largest items contributing to the increase is as follows:

- The Roads budget increased with a total of R19.1m with the additional allocation on the roads expenditure up to 30 June 2023. This is offset by an increase in Roads revenue with the same amount.
- Income for Agency Services increase with R940,115 (6% of additional Roads allocation as per signed MOA) and the expenditure were allocated to the planning and economic development department in order to fund the completion of the project relating to urgent reparations to thatched roofs and other assets at the resort.

Expenditure: The operational expenditure budget has increased by R19.1 million on the Roads Department budget – to be allocated to applicable lines as projects in the Department requires.

- Income for Agency Services increase with R940,115 and the expenditure were allocated to the planning and economic development department for urgent reparations to thatched roofs and other assets at the resort.

SUMMARY OF TOTAL ADDITIONAL FUNDING:

GARDEN ROUTE DISTRICT MUNICIPALITY: ADDITIONAL FUNDING – 2022/2023 FINANCIAL YEAR

Project R'000	Original Budget R'000	Adjusted Budget R'000	Provisional Revised Budget R'000
Routine Maintenance	89,480,000	7,732,000	97,212,000
Resealing	23,480,000	1,127,000	24,607,000
Regravelling	24,570,000	2,324,000	26,894,000
Upgrade: Slangriver	1,000,000	13,354,000	14,354,000
Upgrade: Slangriver Causeway	6,000,000		6,000,000
Upgrade Fancourt	24,000,000	(5,437,000)	18,563,000
Total	168,530,000	19,100,000	187,630,000

The detailed report provides a reconciliation between the additional funding included in the Adjustment Budget as well as the expenditure increased as per the MOA.

Capital Budget:

The capital budget increases with R940,115 in respect of the Calitzdorp Hot Springs Thatch Roof project.

I would therefore like to recommend that council approve the following resolutions:

- (1) That the adjustment budget of Garden Route District Municipality for the financial year **2022/2023** as set out in the schedules contained in Section 4 be approved:
 - (i) Table B1 Adjustments Budget Summary;
 - (ii) Table B2 Adjustments Budget Financial Performance (by standard classification);
 - (iii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - (iv) Table B4 Adjustments Budget Financial Performance (revenue by source); and
 - (v) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)
- (2) That the adjusted operating expenditure budget of Garden Route District Municipality for the financial year **2022/2023 of R511,643,133** be approved.

- (3) That the adjusted operating revenue budget of Garden Route District Municipality for the financial year **2022/2023 of R505,851,075** be approved.
- (4) That the adjusted capital of Garden Route District Municipality for the financial year **2022/2023 of R127,797,414**
- (5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the **2022/2023** financial year be compiled and tabled to the Executive Mayor for approval .

SECTION 2 – RESOLUTIONS

8. Municipal Financial Management Act, 56 of 2003 - SECTION 28 Municipal adjustment budgets.

These are the resolutions being presented to Council in terms of Municipal Finance Management Act, 56 of 2003 on the adjustment budget and related information.

9. RECOMMENDATION:

- (1) That the adjustment budget of Garden Route District Municipality for the financial year **2022/2023** as set out in the schedules contained in Section 4 be approved:
 - (i) Table B1 Adjustments Budget Summary;
 - (ii) Table B2 Adjustments Budget Financial Performance (by standard classification);
 - (iii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - (iv) Table B4 Adjustments Budget Financial Performance (revenue by source); and
 - (v) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)
- (2) That the adjusted operating expenditure budget of Garden Route District Municipality for the financial year **2022/2023 of R511,643,133** be approved.
- (3) That the adjusted operating revenue budget of Garden Route District Municipality for the financial year **2022/2023 of R505,851,075** be approved.

- (4) That the adjusted capital budget of Garden Route District Municipality for the financial year **2022/2023 of R127,797,414** be approved.
- (5) That a revised Service Delivery and Budget Implementation Plan (SDBIP) for the **2022/2023** financial year be compiled and tabled to the Executive Mayor for approval.

SECTION 3 - EXECUTIVE SUMMARY

3.1 Introduction

This budget report is tabled in terms of the Municipal Finance Management Act, 56 of 2003 and the Municipal Budget and Reporting regulations, dated 17 April 2009.

Municipal Finance Management Act, 56 of 2003

Section 28(1) *A municipality may revise an approved annual budget through an adjustment budget.*

Section 28(2)(b) *may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;*

Section 28(2)(d) *may authorise the utilisation of projected savings in one vote towards spending under another vote;*

Section 28(2)(f) *may correct any errors in the annual budget*

Section 28(3) *An adjustment budget must be in a prescribed format.*

Municipal Budget and Reporting Regulations, 17 April 2009, Regulation 23 Timeframes for tabling of adjustments budgets:

Sub regulation (1) states –

An adjustment budget referred to in section 28(2)(b),(d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year.

Schedule B Adjustment budget and supporting documentation of municipalities

(1) An adjustment budget and support documentation of a municipality that is –

Contemplated in sub regulation 23(1) must have all the headings in the sequence shown in the table of contents below, contain the information described in this Schedules and be appropriately page numbered, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

The Adjustment budget is tabled to Council for approval, this adjustment budget includes the additional funding received from Department of Public Works.

3.2 Adjustment Budget

Operational Budget

Comparison between the **Original, Rollover, and Second Adjustment Budget** for the financial year 2022/23 MTREF:

BUDGET - Second Adjustment Budget (21 November 2022)					
DESCRIPTION	Approved Budget 2022/2023	Roll - Over Budget 2022/2023	Second Adjustment Budget 2022/2023	Approved Budget 2023/24	Approved Budget 2024/25
OPERATING EXPENDITURE					
Operational Income	480,350,118	480,350,118	485,810,960	499,722,115	530,845,281
Unspent Grants		5,460,842			
Additional Funding (DTPW)			20,040,115		
Revised Operational Income	480,350,118	485,810,960	505,851,075	499,722,115	530,845,281
Operational Expenditure	487,297,291	487,297,291	492,543,133	506,670,494	534,654,277
National Grants		-			
Provincial Grants		5,245,842			
Additional funding (DTPW)			19,100,000		
Revised Operational Expenditure	487,297,291	492,543,133	511,643,133	506,670,494	534,654,277
Surplus / (Deficit)	- 6,947,173	- 6,732,173	- 5,792,058	- 6,948,379	- 3,808,996
CAPITAL EXPENDITURE					
Capital Expenditure	126,642,299	126,642,299	126,857,299	158,401,316	10,550,000
Provincial Grants		215,000	-		
Additional Funding (DTPW)			940,115		
Revised Capital Budget	126,642,299	126,857,299	127,797,414	158,401,316	10,550,000
Less funded from NT Grants	4,000,000	4,000,000	4,000,000	4,000,000	5,000,000
Less funded from PT Grants	-	215,000	215,000		
Less funded from Borrowings	107,232,299	107,232,299	107,232,299	153,851,316	2,850,000
Less funded from CRR	8,210,000	8,210,000	9,150,115	550,000	-
Less funded from Donated PPE	7,200,000	7,200,000	7,200,000		
Surplus / (Deficit) after Capital	126,642,299	126,857,299	127,797,414	158,401,316	7,850,000

OPERATING SURPLUS/(DEFICIT)

A deficit of R5 792 058 is proposed for the Second Adjustments Budget. Note that the 2022/23 adjustments budget totals to a net deficit, but it is not an unfunded budget. GRDM has accumulated surpluses which will fund the shortfall in the short term, with numerous projects in various stages of implementation to ensure GRDM can maintain its healthy financial position in the current extremely challenging economic conditions, as well as over the long term. These additional allocations contained in the second adjustment budget have a zero effect on the bottom line as the revenue equals the expenditure

Capital Budget

The capital budget increases with R940,115 in respect of the Calitzdorp Hot Springs Thatch Roof project.

3.3 Provision of basic services

The municipality as a category C municipality do not deliver basic services in respect of the following:

- Provision of Water services
- Provision of sanitation services
- Provision of refuse
- Provision of housing

3.4 SDBIP and MTREF financial sustainability

The municipality tabled a balanced/funded budget during the May council approval budget process. The SDBIP was compiled on the basis of this approved budget.

The additional funding projects tabled in this report for inclusion in the budget is funded from Provincial allocation or a result of a negotiation process and being concluded by means of a Memorandum of Understanding (MOU) or Service Level Agreement (SLA).

The adjustment will have no negative effect on the sustainability of the original budget as approved by council.

3.5 High level summary of adjustments

The following table illustrates the Original Budget approved by council for the **2022/2023** MTREF period during the May council budget approval process and the subsequent movement of the proposed August rollover budget.

BUDGET - Second Adjustment Budget (21 November 2022)				
DESCRIPTION	Approved Budget 2022/2023	Prior Adjusted Budget	2nd Budget Adjustments	Total 2nd Adjustment Budget
OPERATING EXPENDITURE				
Revenue	480,350,118	485,810,960	20,040,115	505,851,075
Expenditure	487,297,291	492,543,133	19,100,000	511,643,133
Surplus / (Deficit)	- 6,947,173	- 6,732,173	940,115	- 5,792,058
CAPITAL EXPENDITURE				
Capital Expenditure	126,642,299	126,857,299	940,115	127,797,414
TOTAL NET MOVEMENT IN CAPEX AND OPEX			-	

Revised High-level summary of budget approval required:

BUDGET - Second Adjustment Budget (21 November 2022)					
DESCRIPTION	Approved Budget 2022/2023	Roll - Over Budget 2022/2023	Second Adjustment Budget 2022/2023	Approved Budget 2023/24	Approved Budget 2024/25
OPERATING EXPENDITURE					
Operational Income	480,350,118	480,350,118	485,810,960	499,722,115	530,845,281
Unspent Grants		5,460,842			
Additional Funding (DTPW)			20,040,115		
Revised Operational Income	480,350,118	485,810,960	505,851,075	499,722,115	530,845,281
Operational Expenditure	487,297,291	487,297,291	492,543,133	506,670,494	534,654,277
National Grants		-			
Provincial Grants		5,245,842			
Additional funding (DTPW)			19,100,000		
Revised Operational Expenditure	487,297,291	492,543,133	511,643,133	506,670,494	534,654,277
Surplus / (Deficit)	- 6,947,173	- 6,732,173	- 5,792,058	- 6,948,379	- 3,808,996
CAPITAL EXPENDITURE					
Capital Expenditure	126,642,299	126,642,299	126,857,299	158,401,316	10,550,000
Provincial Grants		215,000	-		
Additional Funding (DTPW)			940,115		
Revised Capital Budget	126,642,299	126,857,299	127,797,414	158,401,316	10,550,000
Less funded from NT Grants	4,000,000	4,000,000	4,000,000	4,000,000	5,000,000
Less funded from PT Grants	-	215,000	215,000		
Less funded from Borrowings	107,232,299	107,232,299	107,232,299	153,851,316	2,850,000
Less funded from CRR	8,210,000	8,210,000	9,150,115	550,000	-
Less funded from Donated PPE	7,200,000	7,200,000	7,200,000		
Surplus / (Deficit) after Capital	126,642,299	126,857,299	127,797,414	158,401,316	7,850,000

PART 2 SUPPORTING DOCUMENTATION

Section 5 - Adjustments to budget assumptions

The budget assumption as tabled with the Original budget 2022/2023 is still applicable.

The following additional assumption is applicable for the tabling of this Adjustment budget as follows:

- **Unspent MOU / SLA** – Agreements to continue with the projects is in order and the respective departments will ensure compliance to the original signed MOU /SLA is adhered to and deviations from the above will be reported to the responsible authorities.

Section 6 – Adjustments to budget funding

The adjustment to budget funding will be on the expenditure side where additional budgeting will be added to the existing budget to ensure the implementation of these additional funding.

Section 7 – Adjustments to expenditure on allocations and grant programmes

No adjustments to expenditure on allocations and grant programmes are permissible during this budget process. All adjustments required will be done during the January mid-year budget process.

Section 8 – Adjustments to Grants made by the Municipality

The municipality do not intent making any allocation to external parties from its own revenues resources.

Section 9 – Adjustments to Councillor and Allowances and Employee Benefits

No adjustments to councillor allowance and employee benefits are permissible during this budget process. All adjustments required will be done during the January mid- year budget process.

Section 10 – Adjustments to Service Delivery and Budget Implementation Plan

As part of council's resolution Service Delivery and Budget Implementation Plan will be revised and presented to the Mayor to incorporate these projects.

This will be concluded as per the legislative requirements.

Section 11 – Adjustment to Capital expenditure

Provincial grant roll-over allocations:

R940,115 of the additional allocation (being 6% agency fee on the additional allocation for Roads of R19.1m) is allocated to capital expenditure

Section 12 – Municipal Manager’s quality certificate



54 York Street,
George
Western Cape
6529

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OFFICE OF THE MUNICIPAL MANAGER

Enquiries:	L. Hoek
Reference:	6/18/7/2022-2023
Date:	14 November 2022

QUALITY CERTIFICATE

I **Monde Stratu**, municipal manager of **Garden Route District Municipality**, hereby certify that the **Second Adjustment Budget 2022/2023 MTREF** and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print Name MONDE STRATU

Accounting Officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**.

Signature

Date

14/11/2022