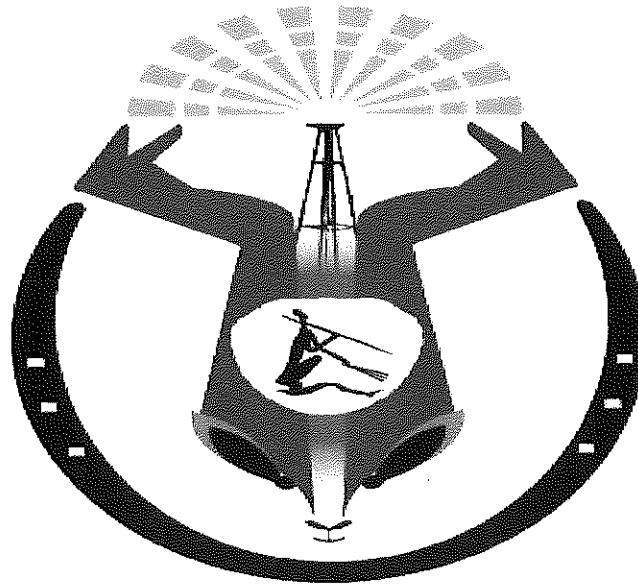


UBUNTU MUNICIPALITY

ADJUSTMENT BUDGET NUMBER 3

2019-2020

Ubuntu Municipality



*menswaardigheid • hoop • erfenis
ubuntu • ithemba • izithethe
humanity • hope • heritage*

ADJUSTED BUDGET OF
UBUNTU
MUNICIPALITY

2019/20

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Abbreviations and Acronyms

AMR	Automated Meter Reading	ℓ	litre
ASGISA	Accelerated and Shared Growth Initiative	LED	Local Economic Development
BPC	Budget Planning Committee	MEC	Member of the Executive Committee
CBD	Central Business District	MFMA	Municipal Financial Management Act Programme
CFO	Chief Financial Officer	MIG	Municipal Infrastructure Grant
MM	Municipal Manager	MMC	Member of Mayoral Committee
CPI	Consumer Price Index	MPRA	Municipal Properties Rates Act
CRRF	Capital Replacement Reserve Fund	MSA	Municipal Systems Act
DBSA	Development Bank of South Africa	MTEF	Medium-term Expenditure Framework
DoRA	Division of Revenue Act	MTREF	Medium-term Revenue and Expenditure Framework
DWA	Department of Water Affairs	NERSA	National Electricity Regulator South Africa
EE	Employment Equity	NGO	Non-Governmental organisations
EEDSM	Energy Efficiency Demand Side Management	NKPIs	National Key Performance Indicators
EM	Executive Mayor	OHS	Occupational Health and Safety
FBS	Free basic services	OP	Operational Plan
GAMAP	Generally Accepted Municipal Accounting Practice	PBO	Public Benefit Organisations
GDP	Gross domestic product	PHC	Provincial Health Care
GDS	Gauteng Growth and Development Strategy	PMS	Performance Management System
GFS	Government Financial Statistics	PPE	Property Plant and Equipment
GRAP	General Recognised Accounting Practice	PPP	Public Private Partnership
HR	Human Resources	PTIS	Public Transport Infrastructure System
HSRC	Human Science Research Council	RG	Restructuring Grant
IDP	Integrated Development Strategy	RSC	Regional Services Council
IT	Information Technology	SALGA	South African Local Government Association
kℓ	kilolitre	SAPS	South African Police Service
km	kilometre	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator		
kWh	kilowatt		

Part 1 – Annual Budget**1.1 Mayor's Report**

- a) Due to Covid 19 the municipality had to do the following adjustments.
 - a. Two new allocations from National Treasury R5 200 000.00 for WSIG and R66 000.00 for Disaster Management grant.
 - b. There was unavoidable expenditure for personal protective equipment amounting to R350 000.00

1.2 Council Resolutions

The Council of Ubuntu Municipality, acting in terms of section 28 (2) of the Municipal Finance Management Act, (Act 56 of 2003) approves and adopts:

- 1.1. The annual budget adjustments of the municipality for the financial year 2019/20 and the multi-year and single-year capital appropriations as set out in the following tables in part 1.8 of this report
 - 1.1.1. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table B2;
 - 1.1.2. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table B3;
 - 1.1.3. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table B4; and
 - 1.1.4. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table B5.
- 1.2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables in part 1.4 of this report:
 - 1.2.1. Budgeted Financial Position as contained in Table B6;
 - 1.2.2. Budgeted Cash Flows as contained in Table B7;
 - 1.2.3. Cash backed reserves and accumulated surplus reconciliation as contained in Table B8;
 - 1.2.4. Asset management as contained in Table B9; and
2. The Council of Ubuntu Municipality take note of the fact that adjusted budget is not funded in Table B8. The financial recovery plan has been adopted to make the budget funded over the long term.
3. The adjustment budget is adopted on 17 June 2020

1.3 Executive Summary

- a) This adjustment budget is service delivery orientated. 40 new households will have access to water and sanitation services in Richmond. The bulk water supply in Merriman will improve and the reverse osmosis plant in Loxton will improve the quality and quantity of water supply in Loxton.

- b) Access to basic services will improve based on point 1.3(a)
- c) With the adoption of this adjustment budget comes a change in the SDBIP. The change is that 40 stands in Richmond will be supplied with water and sanitation bulk infrastructure in Richmond. The bulk water supply in Merriman will improve and the reverse osmosis plant in Loxton will improve the quality and quantity of water supply in Loxton.
- d) This is the third adjustment budget and all the impact of all previous adjustments can be found in column 7 (Prior Adjustments in all adjustment budget tables.)



1.4 Adjustment Budget Tables

NC071 Ubuntu - Table B1 Adjustments Budget Summary - 17/06/2020											
Description	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Net. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	9 636	21 200	-	-	-	-	-	-	21 200	10 214	10 627
Service charges	26 991	31 633	-	-	-	-	-	-	31 633	31 795	39 692
Investment revenue	364	364	-	-	-	-	-	-	364	368	409
Transfers recognised - operational	38 707	38 697	-	-	-	66	30	96	38 793	41 674	45 029
Other own revenue	37 859	41 567	-	-	-	-	(15 000)	(16 000)	26 567	40 128	42 533
Total Revenue (excluding capital transfers and contributions)	113 557	133 660	-	-	-	66	(14 970)	(14 904)	116 756	124 398	138 690
Employee costs	43 831	37 540	-	-	-	-	-	-	37 540	41 362	42 549
Remuneration of councillors	2 691	3 002	-	-	-	-	(500)	(500)	2 502	918	973
Depreciation & asset impairment	28 711	31 603	-	-	-	-	-	-	31 603	30 433	32 258
Finance charges	5 802	5 802	-	-	-	-	-	-	5 802	6 150	8 510
Materials and bulk purchases	19 522	19 522	-	-	-	-	-	-	19 522	20 694	21 935
Transfers and grants	1 000	0	-	-	-	-	-	-	0	87	93
Other expenditure	64 166	47 660	-	-	-	-	360	360	48 040	55 252	58 545
Total Expenditure	155 744	145 130	-	-	-	-	(120)	(120)	145 010	164 896	162 874
Surplus/(Deficit)	(42 187)	(11 470)	-	-	-	66	(14 850)	(14 784)	(26 264)	(30 498)	(24 184)
Transfers recognised - capital	14 976	14 976	-	-	-	5 200	-	5 200	20 176	12 488	13 228
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(27 212)	3 505	-	-	-	5 266	(14 850)	(9 584)	(6 079)	(16 010)	(10 956)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(27 212)	3 505	-	-	-	5 266	(14 850)	(9 584)	(6 079)	(16 010)	(10 956)
Capital expenditure & funds sources											
Capital expenditure	14 976	15 376	-	-	-	5 200	-	5 200	20 576	12 190	12 727
Transfers recognised - capital	14 976	14 976	-	-	-	5 200	-	5 200	20 176	12 190	12 727
Borrowing	0	0	-	-	-	-	-	-	0	0	0
Internally generated funds	-	200	-	-	-	-	-	-	200	-	-
Total sources of capital funds	14 976	15 176	-	-	-	5 200	-	5 200	20 376	12 190	12 727
Financial position											
Total current assets	18 008	28 792	-	-	-	66	(350)	(284)	28 508	13 238	14 113
Total non current assets	15 175	641 178	-	-	-	5 200	-	5 200	646 378	654 204	655 276
Total current liabilities	(1 530)	83 412	-	-	-	-	-	-	83 412	80 335	80 395
Total non current liabilities	8 846	18 047	-	-	-	-	-	-	18 047	8 846	8 846
Community wealth/Equity	26 867	568 511	-	-	-	5 266	150	5 416	673 927	576 258	580 210
Cash flows											
Net cash from (used) operating	16 536	22 705	-	-	-	5 266	(350)	4 916	27 621	16 285	17 604
Net cash from (used) investing	(14 975)	(15 175)	-	-	-	(5 200)	-	(5 200)	(20 376)	(12 190)	(12 727)
Net cash from (used) financing	-	(7 300)	-	-	-	-	-	-	(7 300)	(4 000)	(4 000)
Cash/cash equivalents at the year end	3 129	2 090	-	-	-	66	(350)	(284)	1 808	1 901	2 776
Cash backing/surplus reconciliation											
Cash and investments available	18 008	2 090	-	-	-	66	(350)	(284)	1 806	2 401	3 279
Application of cash and investments	(1 530)	87 278	-	-	-	-	(2 471)	(2 471)	64 807	73 959	73 506
Balance - surplus (shortfall)	19 538	(65 188)	-	-	-	66	2 121	2 187	(63 001)	(71 558)	(70 227)
Asset Management											
Asset register summary (WDV)	859 578	641 178	-	-	-	5 200	-	5 200	646 378	654 204	655 276
Depreciation & asset impairment	28 565	31 498	-	-	-	-	-	-	31 498	-	-
Renewal and Upgrading of Existing Assets	14 976	9 970	-	-	-	-	0	0	9 970	10 270	10 701
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-
Free services											
Cost of Free Basic Services provided	725	3 589	-	-	-	-	-	-	3 569	769	816
Revenue cost of free services provided	921	921	-	-	-	-	-	-	921	977	1 035
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

NC071 Ubuntu - Table B2 Adjustments Budget Financial Performance (functional classification) - 17/06/2020

Standard Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	1, 4	A	5	6	7	8	9	10	11	12		
		A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
<i>Governance and administration</i>		52 019	67 081	--	--	--	68	30	96	67 177	55 044	59 092
Executive and council		1 001	1 001	--	--	--	--	30	30	1 031	1 002	1 002
Finance and administration		61 017	68 079	--	--	--	68	--	66	68 145	54 043	58 090
Internal audit		--	--	--	--	--	--	--	--	--	--	--
<i>Community and public safety</i>		700	700	--	--	--	--	--	--	700	830	832
Community and social services		689	689	--	--	--	--	--	--	689	818	819
Sport and recreation		11	11	--	--	--	--	--	--	11	12	12
Public safety		--	--	--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--	--	--
<i>Economic and environmental services</i>		33 854	34 054	--	--	--	--	--	--	34 054	36 885	36 033
Planning and development		84	84	--	--	--	--	--	--	84	88	89
Road transport		33 771	33 971	--	--	--	--	--	--	33 971	35 797	37 045
Environmental protection		--	--	--	--	--	--	--	--	--	--	--
<i>Trading services</i>		41 959	46 800	--	--	--	5 200	--	5 200	52 080	44 227	53 061
Energy sources		19 007	16 676	--	--	--	--	--	--	16 676	20 076	27 460
Water management		14 629	20 801	--	--	--	5 200	--	5 200	28 001	16 507	16 437
Waste water management		4 521	4 621	--	--	--	--	--	--	4 621	4 793	5 080
Waste management		3 802	4 801	--	--	--	--	--	--	4 801	3 852	4 084
Other		--	--	--	--	--	--	--	--	--	--	--
Total Revenue - Functional	2	128 532	148 635	--	--	--	5 268	30	5 298	153 931	138 886	151 918
Expenditure - Functional												
<i>Governance and administration</i>		67 044	59 849	--	--	--	--	(120)	(120)	59 729	64 834	68 782
Executive and council		6 424	5 658	--	--	--	--	(500)	(500)	6 159	3 887	4 119
Finance and administration		60 620	54 190	--	--	--	--	380	380	54 570	60 946	64 663
Internal audit		--	--	--	--	--	--	--	--	--	--	--
<i>Community and public safety</i>		1 828	5 924	--	--	--	--	--	--	5 924	1 846	1 953
Community and social services		1 817	1 886	--	--	--	--	--	--	1 886	1 834	1 939
Sport and recreation		0	4 049	--	--	--	--	--	--	4 049	0	0
Public safety		12	8	--	--	--	--	--	--	8	12	13
Housing		--	--	--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--	--	--
<i>Economic and environmental services</i>		21 383	18 492	--	--	--	--	--	--	18 492	21 399	21 953
Planning and development		12 238	12 079	--	--	--	--	--	--	12 079	12 511	12 999
Road transport		9 144	6 414	--	--	--	--	--	--	6 414	8 088	8 854
Environmental protection		--	--	--	--	--	--	--	--	--	--	--
<i>Trading services</i>		65 489	60 885	--	--	--	--	--	--	60 885	66 819	70 188
Energy sources		44 939	43 664	--	--	--	--	--	--	43 664	48 208	48 980
Water management		3 280	2 814	--	--	--	--	--	--	2 814	3 448	3 585
Waste water management		8 277	6 933	--	--	--	--	--	--	6 933	8 349	8 586
Waste management		9 013	7 454	--	--	--	--	--	--	7 454	8 813	9 056
Other		--	--	--	--	--	--	--	--	--	--	--
Total Expenditure - Functional	3	155 744	145 130	--	--	--	--	(120)	(120)	145 010	154 898	162 874
Surplus/ (Deficit) for the year		(27 212)	3 805	--	--	--	5 268	150	5 416	8 920	(18 010)	(10 956)

References

- Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes
- Total Revenue by standard classification must reconcile to Total Operating Revenue shown in the Adjustments Budget Financial Performance (revenue and expenditure)
- Total Operating Expenditure by standard classification must reconcile to Total Operating Expenditure shown in the Adjustments Budget Financial Performance (revenue and expenditure)
- All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abattoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification
- Only complete if a previous adjusted budget has been approved in the same financial year. Reflect most recent adjusted budget.
- Additional cash-backed accumulated funds/unspent funds (MFMA section 18(1)(b) and section 28(2)(e)) identified after the Original Budget approved and after annual financial statements audited (note: only where underspending could not reasonably have been foreseen)
- Increases of funds approved under MFMA section 31
- Adjustments approved in accordance with MFMA section 29
- Adjustments to transfers from National or Provincial Government
- Adjusts. = 'Other' Adjustments proposed to be approved; including revenue under-collection (MFMA section 28(2)(a)); additional revenue appropriation on existing programmes (section 28(2)(b)); projected savings (section 28(2)(d)); error correction (section 28(2)(f))
- G = B + C + D + E + F
- Adjusted Budget H = (A or A1/2 etc) + G

NC071 Ubuntu - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 17/06/2020												
Vote Description <i>(insert departmental structure etc)</i>	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavold.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H	+1 2020/21	+2 2021/22
Revenue by Vote												
Vote 1 - Office of the Municipal Manager	f	-	1 001	-	-	-	-	30	30	1 031	-	-
Vote 2 - Financial Services Directorate		54 558	58 425	-	-	-	68	(15 000)	(14 934)	41 491	58 471	62 729
Vote 3 - Corporate & Community Services		35 613	44 296	-	-	-	-	-	-	44 296	37 777	39 932
Vote 4 - Infrastructure & Planning		38 361	46 912	-	-	-	5 200	-	5 200	52 112	40 638	48 257
Vote 5 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	128 632	146 635	-	-	-	5 268	(14 970)	(9 704)	138 931	136 868	151 918
Expenditure by Vote												
Vote 1 - Office of the Municipal Manager	1	1 665	5 658	-	-	-	-	(500)	(500)	5 158	727	770
Vote 2 - Financial Services Directorate		77 080	48 433	-	-	-	-	360	360	48 813	53 791	57 079
Vote 3 - Corporate & Community Services		16 499	13 023	-	-	-	-	-	-	13 023	39 806	41 379
Vote 4 - Infrastructure & Planning		60 460	78 016	-	-	-	-	-	-	78 016	60 572	63 645
Vote 5 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	155 744	145 130	-	-	-	-	(126)	(120)	145 010	154 896	162 874
Surplus/ (Deficit) for the year	2	(27 212)	3 505	-	-	-	5 268	(14 850)	(9 584)	(6 079)	(18 010)	(10 956)
References												
1. Insert "Vote"; e.g. Department, if different to standard classification structure												
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)												
3. Only complete if a previous adjusted budget has been approved in the same financial year. Reflect most recent adjusted budget.												
4. Additional cash-backed accumulated funds/unspent funds (MFMA section 18(1)(b) and section 28(2)(e)) identified after the Original Budget approved and after annual financial statements audited (note: only where underspending could not reasonably have been foreseen)												
5. Increases of funds approved under MFMA section 31												
6. Adjustments approved in accordance with MFMA section 28												
7. Adjustments to transfers from National or Provincial Government												
8. Adjusts. = "Other" Adjustments proposed to be approved; including revenue under-collection (MFMA section 28(2)(e)); additional revenue appropriation on existing programmes (section 28(2)(b)); projected savings (section 28(2)(d)); error correction (section 28(2)(f))												
9. G = B + C + D + E + F												
10. Adjusted Budget H = (A or A1/2 etc) + G												

6

NC071 Ubuntu - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 17/06/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Net. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjus.	Adjus.	Budget	Budget	Budget
R thousands	1	A	3	4	5	6	7	8	9	10		
		A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	9 638	21 200	--	--	--	--	--	--	21 200	10 214	10 827
Service charges - electricity revenue	2	13 919	11 589	--	--	--	--	--	--	11 589	18 115	25 393
Service charges - water revenue	2	4 760	10 822	--	--	--	--	--	--	10 822	5 035	5 337
Service charges - sanitation revenue	2	4 521	4 521	--	--	--	--	--	--	4 521	4 793	5 080
Service charges - refuse revenue	2	3 801	4 800	--	--	--	--	--	--	4 800	3 852	4 083
Rental of facilities and equipment		204	1 700	--	--	--	--	--	--	1 700	216	229
Interest earned - external investments		384	384	--	--	--	--	--	--	384	388	409
Interest earned - outstanding debtors		3 170	5 182	--	--	--	--	--	--	5 182	3 381	3 562
Dividends received		0	0	--	--	--	--	--	--	0	0	0
Fines, penalties and forfeits		33 402	33 402	--	--	--	--	(16 000)	(15 000)	18 402	35 408	37 531
Licences and permits		--	--	--	--	--	--	--	--	--	--	--
Agency services		350	550	--	--	--	--	--	--	550	371	393
Transfers and subsidies		38 707	38 697	--	--	--	66	30	96	38 793	41 874	45 029
Other revenue	2	732	732	--	--	--	--	--	--	732	776	818
Gains on disposal of PPE		--	--	--	--	--	--	--	--	--	--	--
Total Revenue (excluding capital transfers and contributions)		113 557	133 660	--	--	--	66	(14 976)	(14 904)	118 756	124 398	138 690
Expenditure By Type												
Employee related costs		43 831	37 540	--	--	--	--	--	--	37 540	41 382	42 549
Remuneration of councillors		2 691	3 002	--	--	--	--	(500)	(500)	2 502	918	973
Debt impairment		35 097	32 097	--	--	--	--	--	--	32 097	37 203	39 435
Depreciation & asset impairment		28 711	31 603	--	--	--	--	--	--	31 603	30 433	32 259
Finance charges		5 802	5 802	--	--	--	--	--	--	5 802	6 150	6 519
Bulk purchases		19 491	19 491	--	--	--	--	--	--	19 491	20 661	21 800
Other materials		31	31	--	--	--	--	--	--	31	33	35
Contracted services		8 970	8 970	--	--	--	--	--	--	8 970	6 232	6 726
Transfers and subsidies		1 000	0	--	--	--	--	--	--	0	87	93
Other expenditure		12 120	8 593	--	--	--	--	360	380	8 973	11 818	12 384
Loss on disposal of PPE		--	--	--	--	--	--	--	--	--	--	--
Total Expenditure		165 744	145 130	--	--	--	--	(120)	(120)	145 010	154 898	162 874
Surplus/(Deficit)		(42 187)	(11 470)	--	--	--	66	(14 850)	(14 764)	(26 254)	(30 499)	(24 184)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		14 975	14 975	--	--	--	5 200	--	5 200	20 176	12 488	13 228
Transfers and subsidies - capital (in-kind - all)		--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) before taxation		(27 212)	3 505	--	--	--	5 266	(14 850)	(9 584)	(6 079)	(18 010)	(10 956)
Taxation		--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after taxation		(27 212)	3 505	--	--	--	5 266	(14 850)	(9 584)	(6 079)	(18 010)	(10 956)
Atributable to minorities		--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) attributable to municipality		(27 212)	3 505	--	--	--	5 266	(14 850)	(9 584)	(6 079)	(18 010)	(10 956)
Share of surplus/ (deficit) of associates		--	--	--	--	--	--	--	--	--	--	--
Surplus/ (Deficit) for the year		(27 212)	3 505	--	--	--	5 266	(14 850)	(9 584)	(6 079)	(18 010)	(10 956)

NC071 Ubuntu - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 17/06/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavail.	Prov. Govt	Adjsts.	Adjsts.	Budget	Budget	Budget
	A	5	6	7	8	9	10	11	12			
		A1	B	C	D	E	F	G	H			
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted												
Vote 1 - Office of the Municipal Manager	2	-	-	-	-	-	-	-	-	-	-	
Vote 2 - Financial Services Directorate		0	200	-	-	-	-	-	200	0	0	
Vote 3 - Corporate & Community Services		-	-	-	-	-	-	-	-	-	-	
Vote 4 - Infrastructure & Planning		14 975	14 975	-	-	5 200	-	5 200	20 175	12 190	12 727	
Vote 5 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	
Capital multi-year expenditure sub-total	3	14 975	15 175	-	-	5 200	-	5 200	20 375	12 190	12 727	
Single-year expenditure to be adjusted												
Vote 1 - Office of the Municipal Manager	2	0	0	-	-	-	-	-	0	0	0	
Vote 2 - Financial Services Directorate		0	0	-	-	-	-	-	0	0	0	
Vote 3 - Corporate & Community Services		-	-	-	-	-	-	-	-	-	-	
Vote 4 - Infrastructure & Planning		0	200	-	-	-	-	-	200	0	0	
Vote 5 - COMMUNITY & SOCIAL SERVICES		0	0	-	-	-	-	-	0	0	0	
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-	-	
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total		0	200	-	-	-	-	-	200	0	0	
Total Capital Expenditure - Vote		14 975	15 375	-	-	5 200	-	5 200	20 575	12 190	12 727	
Capital Expenditure - Functional												
Governance and administration												
Executive and council		-	-	-	-	-	-	-	-	0	0	
Finance and administration		-	-	-	-	-	-	-	-	0	0	
Internal audit		-	-	-	-	-	-	-	-	-	-	
Community and public safety												
Community and social services		-	-	-	-	-	-	-	-	-	-	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	-	-	
Economic and environmental services												
Planning and development		-	-	-	-	-	-	-	-	0	0	
Road transport		-	-	-	-	-	-	-	-	0	0	
Environmental protection		-	-	-	-	-	-	-	-	-	-	
Trading services												
Energy sources		14 975	14 975	-	-	5 200	-	5 200	20 175	12 190	12 727	
Water management		5 005	5 005	-	-	-	-	-	6 005	1 920	2 026	
Waste water management		9 970	9 970	-	-	5 200	-	5 200	15 170	10 270	10 701	
Waste management		-	-	-	-	-	-	-	-	-	-	
Other		-	200	-	-	-	-	-	200	-	-	
Total Capital Expenditure - Functional	3	14 975	15 175	-	-	5 200	-	5 200	20 375	12 190	12 727	
Funded by:												
National Government		14 975	14 975	-	-	5 200	-	5 200	20 175	12 190	12 727	
Provincial Government		-	-	-	-	-	-	-	-	-	-	
District Municipality		-	-	-	-	-	-	-	-	-	-	
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	
Transfers recognised - capital	4	14 975	14 975	-	-	5 200	-	5 200	20 175	12 190	12 727	
Borrowing		0	0	-	-	-	-	-	0	0	0	
Internally generated funds		-	200	-	-	-	-	-	200	-	-	
Total Capital Funding		14 975	15 175	-	-	5 200	-	5 200	20 375	12 190	12 727	

NC071 Ubuntu - Table B6 Adjustments Budget Financial Position - 17/06/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavold.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2020/21	+2 2021/22
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash		18 008	2 090	-	-	-	66	(350)	(284)	1 806	2 401	3 278
Call investment deposits	1	0	-	-	-	-	-	-	-	0	-	0
Consumer debtors	1	0	10 834	-	-	-	-	-	-	10 834	10 834	10 834
Other debtors		0	15 745	-	-	-	-	-	-	15 745	0	0
Current portion of long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Inventory		0	123	-	-	-	-	-	-	123	0	0
Total current assets		18 008	28 792	-	-	-	66	(350)	(284)	28 508	13 235	14 113
Non current assets												
Long-term receivables		-	0	-	-	-	-	-	-	0	-	-
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		0	29 638	-	-	-	-	-	-	29 638	0	0
Investment in Associates		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	15 175	611 614	-	-	-	5 200	-	5 200	616 714	651 925	652 999
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		(0)	27	-	-	-	-	-	-	27	2 278	2 278
Other non-current assets		-	0	-	-	-	-	-	-	0	0	0
Total non current assets		15 175	641 178	-	-	-	5 200	-	5 200	646 378	654 204	655 278
TOTAL ASSETS		33 183	669 970	-	-	-	5 266	(350)	4 916	674 886	667 440	669 391
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		0	-	-	-	-	-	-	-	0	0	0
Consumer deposits		0	0	-	-	-	-	-	-	0	0	0
Trade and other payables		(1 530)	60 335	-	-	-	-	-	-	60 335	60 335	60 335
Provisions		0	3 077	-	-	-	-	-	-	3 077	0	0
Total current liabilities		(1 530)	63 412	-	-	-	-	-	-	63 412	60 335	60 335
Non current liabilities												
Borrowing	1	1 619	7 233	-	-	-	-	-	-	7 233	1 619	1 619
Provisions	1	7 228	10 614	-	-	-	-	-	-	10 614	7 228	7 228
Total non current liabilities		8 846	18 047	-	-	-	-	-	-	18 047	8 846	8 846
TOTAL LIABILITIES		7 317	101 459	-	-	-	-	-	-	101 459	69 181	69 181
NET ASSETS	2	25 867	568 511	-	-	-	5 266	(350)	4 916	573 427	578 258	580 210
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		25 867	568 511	-	-	-	5 266	(350)	4 916	573 427	578 258	580 210
Reserves		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		25 867	568 511	-	-	-	5 266	(350)	4 916	573 427	578 258	580 210

NC071 Ubuntu - Table B7 Adjustments Budget Cash Flows - 17/06/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands		3	4	5	6	7	8	9	10	+1 2020/21	+2 2021/22	
		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		5 782	14 840					-	-	14 840	16 730	16 874
Service charges		20 151	23 639					-	-	23 639	23 933	33 034
Other revenue		8 286	7 993					30	30	8 023	8 673	9 069
Government - operating	1	38 707	38 697				68	-	68	38 763	41 874	45 029
Government - capital	1	14 975	14 975				5 200	-	5 200	20 175	12 160	12 727
Interest		2 266	3 691					-	-	3 691	2 402	2 546
Dividends		-	-					-	-	-	-	-
Payments												
Suppliers and employees		(71 741)	(76 628)					(380)	(380)	(76 008)	(85 358)	(97 471)
Finance charges		(2 901)	(5 802)					-	-	(5 802)	(3 076)	(3 911)
Transfers and Grants	1	-	-					-	-	-	(67)	(69)
NET CASH FROM/(USED) OPERATING ACTIVITIES		15 538	22 705	-	-	-	5 268	(350)	4 918	27 621	16 285	17 604
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-					-	-	-	-	-
Decrease (increase) in non-current debtors		-	-					-	-	-	-	-
Decrease (increase) other non-current receivables		-	-					-	-	-	-	-
Decrease (increase) in non-current investments		-	-					-	-	-	-	-
Payments												
Capital assets		(14 975)	(15 175)				(5 200)	-	(5 200)	(20 375)	(12 160)	(12 727)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(14 975)	(15 175)	-	-	-	(5 200)	-	(5 200)	(20 375)	(12 160)	(12 727)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-					-	-	-	-	-
Borrowing long term/refinancing		-	-					-	-	-	-	-
Increase (decrease) in consumer deposits		-	-					-	-	-	-	-
Payments												
Repayment of borrowing		-	(7 300)					-	-	(7 300)	(4 000)	(4 000)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(7 300)	-	-	-	-	-	-	(7 300)	(4 000)	(4 000)
NET INCREASE/ (DECREASE) IN CASH HELD												
Cash/cash equivalents at the year begin:	2	581	230	-	-	-	68	(350)	(284)	(54)	85	877
Cash/cash equivalents at the year end:	2	2 568	1 860	-	-	-	66	-	-	1 860	1 868	1 901
	2	3 128	2 090	-	-	-	66	(350)	(284)	1 808	1 901	2 779

NC071 Ubuntu - Table B8 Cash backed reserves/accumulated surplus reconciliation - 17/06/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Net. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H			
Cash and Investments available												
Cash/cash equivalents at the year end	1	3 128	2 090	-	-	-	68	(350)	(284)	1 806	1 901	2 779
Other current investments > 90 days		14 878	0	-	-	-	-	-	-	0	600	600
Non current assets - investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and Investments available:		18 006	2 090	-	-	-	68	(350)	(284)	1 806	2 401	3 279
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(1 530)	67 278	-	-	-	-	(2 471)	(2 471)	64 807	73 959	73 608
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(1 530)	67 278	-	-	-	-	(2 471)	(2 471)	64 807	73 959	73 608
Surplus(shortfall)		16 536	(65 188)	-	-	-	68	2 121	2 187	(63 001)	(71 658)	(70 227)

NC071 Ubuntu - Table B10 Basic service delivery measurement - 17/08/2020

Description	Ref	Budget Year 2019/20									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavold.	Net. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H	+1 2020/21	+2 2021/22
Household service targets	1											
Water:												
Piped water inside dwelling												
Piped water inside yard (but not in dwelling)	2											
Using public tap (at least min. service level)												
Other water supply (at least min. service level)												
<i>Minimum Service Level and Above sub-total</i>												
Using public tap (< min. service level)	3											
Other water supply (< min. service level)	3,4											
No water supply												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	6											
Sanitation/sewerage:												
Flush toilet (connected to sewerage)												
Flush toilet (with septic tank)												
Chemical toilet												
Pit toilet (ventilated)												
Other toilet provisions (> min. service level)												
<i>Minimum Service Level and Above sub-total</i>												
Bucket toilet												
Other toilet provisions (< min. service level)												
No toilet provisions												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	6											
Energy:												
Electricity (at least min. service level)												
Electricity - prepaid (> min. service level)												
<i>Minimum Service Level and Above sub-total</i>												
Electricity (< min. service level)												
Electricity - prepaid (< min. service level)												
Other energy sources												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	5											
Refuse:												
Removed at least once a week (min. service)												
<i>Minimum Service Level and Above sub-total</i>												
Removed less frequently than once a week												
Using communal refuse dump												
Using own refuse dump												
Other rubbish disposal												
No rubbish disposal												
<i>Below Minimum Service Level sub-total</i>												
Total number of households	6											
Households receiving Free Basic Service	16											
Water (6 kilolitre per household per month)												
Sanitation (free minimum level of service)												
Electricity/other energy (50kwh per household per month)												
Refuse (removed at least once a week)												
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitre per indigent household per month)		170	561						561	180	201	
Sanitation (free sanitation service to indigent households)												
Electricity/other energy (50kwh per indigent household)		182	622						622	203	215	
Refuse (removed once a week for indigent households)		355	2 386						2 386	376	399	
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)												
Total cost of FBS provided		728	3 569						3 569	769	815	
Highest level of free service provided												
Property rates (R'000 value threshold)												
Water (kilolitre per household per month)												
Sanitation (kilolitre per household per month)												
Sanitation (Rand per household per month)												
Electricity (kw per household per month)												
Refuse (average litres per week)												
Revenue cost of free services provided (R'000)	17											
Property rates (tariff adjustment) (Impenmissable values per section 17 of MPRA)												
Property rates exemptions, reductions and rebates and Impenmissable values in excess of section 17 of MPRA		571	571						571	506	542	
Water (in excess of 6 kilolitre per indigent household per month)												
Sanitation (in excess of free sanitation service to indigent households)		350	350						350	371	393	
Electricity/other energy (in excess of 60 kwh per indigent household per month)												
households)												
Municipal Housing - rental rebate												
Housing - top structure subsidies												
Other												
17 June 2020		921	921						921	977	1 035	13

2 Part 2 – Supporting Documentation

2.1 Adjustments to budget assumptions

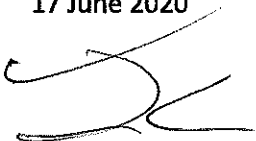
- There are no material change in assumptions from previous budgets except that the fines issued will reduce materially due to challenges with the service provider whose contract has subsequently been ended.

2.2 Adjustments to budget funding

- a) The following adjustments towards the funding of the budget needs to be highlighted:
 - a. R5 200 000.00 new capital funding has been received from national government. Another R66 000.00 operational grant has been received for disaster management. Councillors and Senior managers also donated 4 percent of their gross allowance or salary towards COVID 19 projects.
 - b. There is a financial recovery plan to ensure long term sustainability of the municipality.
 - c. There will be slight decrease in the financial reserves due to this trying times.
 - d. The short-term sustainability of the municipality is still uncertain due to low collection rate and high growth in debtors and creditors.
- b) Table A7 provides comfort that the operating and capital budget is funded as prescribed by section 18 of the MFMA.
- c) The collection rates have been adjusted downwards due to Covid 19 and challenges with Sebata billing system.
- d) There are no investments of the municipality that is maturing. In fact there are no long-term investments.
- e) On 19 May 2020 council resolved that all senior managers and councillors must donate 4% of their salary and allowances towards the municipal Covid 19 project. All councillors and SM agreed except for councillor Schutz. These contributions is for May 2020 and June 2020 salary and allowances
- f) There is no adjustment with regards to proceeds to sale of assets.
- g) There are no adjustments with regards to leasing of assets. There is also a material problem with tenants without lease agreements and needs to be resolved as soon as possible to improve revenue
- h) There are no previous year's cash backed reserves therefore there can be no adjustment with regards to that.
- i) The municipality does not intend to make new loans.
- j) Additional R 5 200 000.00 was received from Water Service Infrastructure Grant and R66 000.00 from Disaster Management Grant. The latter is way too little to address the financial loss the municipality is incurring.

2.3 Adjustments to expenditure on allocations and grant programmes

- a) Table A5 shows that additional R5 200 000.00 will be spend on improving the Sanitation infrastructure.



2.4 Adjustments to allocations or grants made by the municipality

- a) The municipality does not make any grants to any entity.

2.5 Adjustment to councillors allowances and employee benefits

- a) There is a reduction in the councilor allowances due to the final cost of living received for 2020 fiscal year.

2.6 Adjustments to SDBIP

- a) The SDBIP also needs to be revised based on the information provided above.

2.7 Adjustments to capital expenditure

- a. There is R5 200 000.00 change increase in Water and Sanitation infrastructure.

2.8 Other supporting documentation

- a. There is no other supporting documentation



2.9 Municipal Manager's quality certificate

QUALITY CERTIFICATE

I Dibere Maposa as acting municipal manager of **Ubuntu Municipality**,

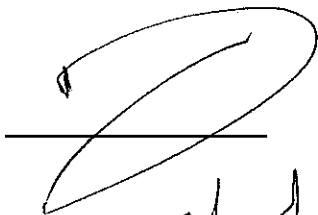
hereby certify that –

The 3rd Adjustment budget

For Financial **2019/2020 financial year** has been prepared in terms of Local Government Municipal Finance Management Act (56/2003) Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009

Acting Municipal Manager of **Ubuntu Local Municipality (NC071)**

Signature



Date

17/06/2020

