



nelson mandela bay  
M U N I C I P A L I T Y  
PORT ELIZABETH | UITENHAGE | DESPATCH

# **2013/14 ADJUSTMENTS BUDGET**

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## **PART 1 – 2013/14 ADJUSTMENTS BUDGET**

### **1.1 Executive Mayor's Report**

#### **1.1.1 Summary of reasons for the 2013/14 Adjustments Budget**

In accordance with section 28 of the Municipal Finance Management Act, No 56 of 2003 (MFMA), a municipality must revise its approved annual budget through an adjustments budget, in the following circumstances:

- (i) To adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue;
- (ii) To 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;
- (iii) To authorise the utilisation of projected savings in one vote towards spending under another vote;
- (iv) To authorise 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 rollovers when the annual budget for the current year was approved by the Council;
- (v) To correct any errors in the annual budget.

The Municipal Budget and Reporting Regulations stipulate that one adjustments budget may be tabled in the Municipal Council during a financial year. The Adjustments Budget must normally be approved by Council by the end of February.

In line with the MFMA and the Municipal Budget and Reporting Regulations, the 2013/14 approved Budget has been adjusted. The adjustment has been mainly necessitated as a result of the following:

- The need to adjust revenue and expenditure estimates, in line with revenue collection levels.
- The need to appropriate additional revenues that became available over and above those anticipated in the approved 2013/14 Budget.
- The need to authorise the utilisation of projected savings in one vote towards spending under another vote.
- The need to authorise the spending of unspent funds at the end of the 2012/13 financial year.

1.1.2 The Executive Mayor recommends that the Council approves the 2013/14 Adjustments Budget.

### **1.2 2013/14 Adjustments Budget Resolutions**

#### **1.2.1 Approval of the Adjustments Budget**

(i) The Executive Mayor recommends that the Council, by resolution taken by the majority of its full number, and in terms of Section 30(2) of the Local Government: Municipal Structures Act No. 117 of 1998 (as amended), read in conjunction with Section 28 of the Local Government: Municipal Finance Management Act, Act 56 of 2003, approves the 2013/14 Adjustments Budget as set-out in the following tables:

- Table B1 Adjustments Budget Summary: page 6;

- Table B2 Adjustments Budget Financial Performance (revenue and expenditure by standard classification): page 8;
- Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote): page 9;
- Table B4 Adjustments Budget Financial Performance (revenue by source and expenditure by type): page 10;
- Table B5 Adjustments Budget Capital Expenditure by vote and standard classification and funding source: page 16;
- Table B6 Adjustments Budget Financial Position: page 19;
- Table B7 Adjustments Budgeted Cash Flows: page 20;
- Table B8 Cash backed reserves/accumulated surplus reconciliation: page 22;
- Table B9 Asset Management: page 23;
- Table B10 Basic Service Delivery: page 25.

1.2.2 That the 2013/14 Consolidated Adjustments Budget, which includes the financial impact of the municipal entity (MBDA), be noted.

### 1.3 Executive Summary

The 2013/14 Adjustments Budget amounts to R9,5 billion, comprising of R7,9 billion for the Operating Budget and R1,6 billion for the Capital Budget. The Operating Adjustments Budget reflects an increase of R231,6 million compared to the originally approved 2013/14 Operating Budget, whilst the Adjustments Capital Budget reflects an increase of R455,4 million, compared to the originally approved budget.

The increase in the Operating Budget of R231,6 million is made up as follows:

	<u>R'000</u>
Reduction in Remuneration of Councillors	(478)
Reduction in Debt Impairment	(4,030)
Reduction in Bulk Purchases	(42,219)
Reduction in Contracted Services	(22,858)
Reduction in Finance Charges	(1,147)
Reduction in Depreciation	<u>(69,114)</u>
<b>Total Expenditure Reductions</b>	<b><u>(139,846)</u></b>
Increase in Employee Related Costs	13,712
Increase in Repairs and Maintenance	77,939
Increase in General Expenses	278, 921
Increase in Transfers and Grants	<u>879</u>
<b>Net Increase</b>	<b><u>231,605</u></b>

In terms of funding the Capital Budget, the Municipality relies mainly on grant funding. The funding sources, supporting the Municipality's capital expenditure, are summarised below:

	<b>2013/14 Original Budget</b>	<b>2013/14 Adjustments Budget</b>	<b>Variance</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>
<b>Total Capital Budget</b>	<b>1 135 283</b>	<b>1 590 649</b>	<b>455 366</b>
<b>Funded as follows:</b>			
Grant funding	717 512	1 049 498	331 986
Internal funding	376 570	492 081	115 511
Public Contributions	41 201	49 609	7 868
<b>Total</b>	<b>1 135 283</b>	<b>1 590 649</b>	<b>455 366</b>

The increase in the capital grant funding is mainly attributable to the roll over of unspent grant funding as at the end of the 2012/13 financial year and additional allocations gazetted during the 2013/14 financial year. The unspent grant funding relates to the Integrated Public Transport System (IPTS) of R272 million, whilst a further allocation of R85 million was gazetted for IPTS Infrastructure. Furthermore, the increase in internal funding is mainly attributable to the planned spending of funds, which remained unspent as at the end of the 2012/13 financial year.

It is to be noted that the 2013/14 adjusted budgeted cash flow statement projects a cash and investments balance of R1,1 billion as at 30 June 2014, compared to the amount of R957,4 million as per the original budgeted cash flow statement.

A provision of R314,2 million has been set aside to cover potential bad debts arising from property rates and service charges not collected. This is based upon a level of payment of debtors' accounts averaging 94%.

The Assistance to the Poor Programme currently, provides the following benefits to poor households in the Metro:

- Free 8kl of water
- Free basic sanitation
- Free 75 kwh Electricity
- Free basic refuse removal
- Property rates subsidy
- Environmental charges

Out of a total of 276 850 formal households, some 85 049 households receive the aforementioned assistance.

#### **1.4 Adjustments Budget Tables – Parent Municipality**

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's 2013/14 Adjustments Budget to be considered for approval by Council. Each table is accompanied by *explanatory notes*.

Table B1 - Adjustments Budget Summary

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	1,214,337	-	-	-	-	-	40,028	40,028	1,254,365
Service charges	4,089,228	-	-	-	-	-	(107,194)	(107,194)	3,982,035
Investment revenue	43,240	-	-	-	-	-	17,120	17,120	60,360
Transfers recognised - operational	1,119,572	-	-	-	-	-	317,206	317,206	1,436,779
Other own revenue	930,752	-	-	-	-	-	57,039	57,039	987,791
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>7,397,129</b>						<b>324,200</b>	<b>324,200</b>	<b>7,721,329</b>
Employee costs	1,963,367	-	-	-	-	-	13,712	13,712	1,977,080
Remuneration of councillors	57,199	-	-	-	-	-	(478)	(478)	56,722
Depreciation & asset impairment	885,807	-	-	-	-	-	(69,114)	(69,114)	816,693
Finance charges	190,534	-	-	-	-	-	(1,147)	(1,147)	189,387
Materials and bulk purchases	2,829,759	-	-	-	-	-	35,719	35,719	2,865,478
Transfers and grants	401,269	-	-	-	-	-	879	879	402,149
Other expenditure	1,331,876	-	-	-	-	-	252,033	252,033	1,583,909
<b>Total Expenditure</b>	<b>7,659,812</b>						<b>231,605</b>	<b>231,605</b>	<b>7,891,417</b>
<b>Surplus/(Deficit)</b>	<b>(262,683)</b>						<b>92,595</b>	<b>92,595</b>	<b>(170,088)</b>
Transfers recognised - capital	709,812	-	-	-	-	461,878	21,700	483,578	1,193,390
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>447,129</b>					<b>461,878</b>	<b>114,295</b>	<b>576,173</b>	<b>1,023,302</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>447,129</b>					<b>461,878</b>	<b>114,295</b>	<b>576,173</b>	<b>1,023,302</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	1,135,283	-	-	-	-	317,986	137,380	455,366	1,590,649
Transfers recognised - capital	717,512	-	-	-	-	317,986	14,000	331,986	1,049,498
Public contributions & donations	41,201	-	-	-	-	-	7,868	7,868	49,069
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	376,570	-	-	-	-	-	115,511	115,511	492,081
<b>Total sources of capital funds</b>	<b>1,135,283</b>					<b>317,986</b>	<b>137,380</b>	<b>455,366</b>	<b>1,590,649</b>
<b>Financial position</b>									
Total current assets	2,015,833	-	-	-	-	-	204,688	204,688	2,220,520
Total non current assets	13,122,883	-	-	-	-	-	447,878	447,878	13,570,761

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H
<b>R thousands</b>									
Total current liabilities	1,964,476	-	-	-	-	-	91,960	91,960	2,056,436
Total non current liabilities	3,052,419	-	-	-	-	-	74,564	74,564	3,126,983
<b>Community wealth/Equity</b>	<b>10,121,821</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>486,042</b>	<b>486,042</b>	<b>10,607,862</b>
<b>Cash flows</b>									
Net cash from (used) operating	1,267,855	-	-	-	-	-	65,525	65,525	1,333,380
Net cash from (used) investing	(1,175,468)	-	-	-	-	-	(455,040)	(455,040)	(1,630,508)
Net cash from (used) financing	(105,159)	-	-	-	-	-	2,935	2,935	(102,224)
<b>Cash/cash equivalents at the year end</b>	<b>957,364</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163,513</b>	<b>163,513</b>	<b>1,120,877</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	957,384	-	-	-	-	-	163,513	163,513	1,120,897
Application of cash and investments	820,340	-	-	-	-	-	(56,699)	(56,599)	763,640
<b>Balance - surplus (shortfall)</b>	<b>137,044</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,212</b>	<b>220,212</b>	<b>357,257</b>
<b>Asset Management</b>									
Asset register summary (WDV)	13,071,178	-	-	-	-	-	467,652	467,652	13,538,830
Depreciation & asset impairment	885,807	-	-	-	-	-	(69,114)	(69,114)	816,693
Renewal of Existing Assets	684,783	-	-	-	-	-	153,439	153,439	838,222
Repairs and Maintenance	537,635	-	-	-	-	-	77,939	77,939	615,574
<b>Free services</b>									
Cost of Free Basic Services provided	427,060	-	-	-	-	-	-	-	351,879
Revenue cost of free services provided	334,567	-	-	-	-	-	-	-	334,567
<b>Households below minimum service level</b>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	30	-	-	-	-	-	-	-	30
Energy:	-	-	-	-	-	-	-	-	-
Refuse:	98	-	-	-	-	-	5	5	102

### Explanatory notes to Table B1 – Adjustments Budget Summary

The aim of the Adjustments Budget Summary is to provide a concise overview of the proposed Adjustments Budget from all of the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance). The table provides an overview of the amounts to be approved by Council within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance, as well as the Municipality's commitment to eliminating basic service delivery backlogs.

Table B2 - Adjustments Budget Financial Performance (revenue and expenditure by standard classification)

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H
R thousands									
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	2,134,729	-	-	-	-	-	67,445	67,445	2,202,174
Executive and council	316	-	-	-	-	-	(47)	(47)	269
Budget and treasury office	2,123,759	-	-	-	-	-	58,356	58,356	2,182,116
Corporate services	10,654	-	-	-	-	-	9,136	9,136	19,790
<i>Community and public safety</i>	322,553	-	-	-	-	-	786	786	323,339
Community and social services	20,559	-	-	-	-	-	8,236	8,236	28,795
Sport and recreation	50,511	-	-	-	-	-	(21,320)	(21,320)	29,192
Public safety	34,567	-	-	-	-	-	1,100	1,100	35,667
Housing	216,702	-	-	-	-	-	12,867	12,867	229,569
Health	213	-	-	-	-	-	(97)	(97)	117
<i>Economic and environmental services</i>	287,903	-	-	-	-	-	337,041	337,041	624,944
Planning and development	260,271	-	-	-	-	-	265,745	265,745	526,016
Road transport	22,996	-	-	-	-	-	71,033	71,033	94,029
Environmental protection	4,636	-	-	-	-	-	263	263	4,899
<i>Trading services</i>	4,638,869	-	-	-	-	-	(82,509)	(82,509)	4,556,359
Electricity	3,228,278	-	-	-	-	-	(92,884)	(92,884)	3,135,394
Water	612,284	-	-	-	-	-	1,093	1,093	613,377
Waste water management	522,097	-	-	-	-	-	8,294	8,294	530,391
Waste management	276,210	-	-	-	-	-	988	988	277,198
<i>Other</i>	13,075	-	-	-	-	-	1,437	1,437	14,513
<b>Total Revenue - Standard</b>	<b>7,397,129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>324,200</b>	<b>324,200</b>	<b>7,721,329</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	1,171,776	-	-	-	-	-	(35,540)	(35,540)	1,136,236
Executive and council	187,544	-	-	-	-	-	637	637	188,181
Budget and treasury office	581,695	-	-	-	-	-	(8,483)	(8,483)	573,212
Corporate services	402,537	-	-	-	-	-	(27,693)	(27,693)	374,843
<i>Community and public safety</i>	1,123,750	-	-	-	-	-	218,813	218,813	1,342,563
Community and social services	155,515	-	-	-	-	-	9,498	9,498	165,013
Sport and recreation	157,848	-	-	-	-	-	(1,358)	(1,358)	156,490
Public safety	382,732	-	-	-	-	-	12,115	12,115	394,846
Housing	270,540	-	-	-	-	-	201,024	201,024	471,564
Health	157,115	-	-	-	-	-	(2,466)	(2,466)	154,649
<i>Economic and environmental services</i>	1,064,098	-	-	-	-	-	98,260	98,260	1,162,358
Planning and development	542,795	-	-	-	-	-	32,405	32,405	575,200
Road transport	218,145	-	-	-	-	-	53,699	53,699	271,843
Environmental protection	303,159	-	-	-	-	-	12,156	12,156	315,315
<i>Trading services</i>	4,245,854	-	-	-	-	-	(29,275)	(29,275)	4,216,579



Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H
R thousands									
Electricity	2,912,251	-	-	-	-	-	(49,707)	(49,707)	2,862,545
Water	596,018	-	-	-	-	-	5,369	5,369	601,387
Waste water management	500,393	-	-	-	-	-	10,709	10,709	511,103
Waste management	237,192	-	-	-	-	-	4,353	4,353	241,544
<i>Other</i>	54,334	-	-	-	-	-	(20,653)	(20,653)	33,681
<b>Total Expenditure - Standard</b>	<b>7,659,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>270,504</b>	<b>270,504</b>	<b>7,891,417</b>
Surplus/ (Deficit) for the year	(262,683)	-	-	-	-	-	50,945	50,945	(170,088)

### Explanatory notes to Table B2 – Adjustments Budget Financial Performance (revenue and expenditure by standard classification)

The 'standard classification' refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities approve a budget in one common format, to facilitate comparison across all municipalities. It should be noted that the revenue by vote as reflected in this table, excludes revenue attributable to capital grants.

Table B3 - Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
<b>Revenue by Vote</b>									
Vote 1 - Budget and Treasury	2,123,774	-	-	-	-	-	58,354	58,354	2,182,127
Vote 2 - Public Health	283,496	-	-	-	-	-	7,248	7,248	290,744
Vote 3 - Human Settlements	240,805	-	-	-	-	-	202,056	202,056	442,861
Vote 4 - Economic Development and Recreational Services	145,839	-	-	-	-	-	6,759	6,759	152,598
Vote 5 - Corporate Services	4,033	-	-	-	-	-	10,664	10,664	14,697
Vote 6 - Rate and General Engineers	103,485	-	-	-	-	-	77,775	77,775	181,260
Vote 7 - Water Services	612,284	-	-	-	-	-	1,093	1,093	613,377
Vote 8 - Sanitation Services	522,097	-	-	-	-	-	8,294	8,294	530,391
Vote 9 - Electricity and Energy	3,228,278	-	-	-	-	-	(92,884)	(92,884)	3,135,394
Vote 10 - Executive and Council	620	-	-	-	-	-	(1)	(1)	619
Vote 11 - Safety and Security	57,504	-	-	-	-	-	1,100	1,100	58,604
Vote 12 - Nelson Mandela Bay Stadium	27,248	-	-	-	-	-	33,165	33,165	60,413
Vote 13 - Strategic Programmes Directorate	47,668	-	-	-	-	-	10,578	10,578	58,246
<b>Total Revenue by Vote</b>	<b>7,397,129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>324,200</b>	<b>324,200</b>	<b>7,721,329</b>



Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
<b>R thousands</b>									
Service charges - refuse revenue	177,067	-	-	-	-	-	-	-	177,067
Service charges - other								-	-
Rental of facilities and equipment	21,461						(138)	(138)	21,322
Interest earned - external investments	43,240						17,120	17,120	60,360
Interest earned - outstanding debtors	171,724						75	75	171,799
Dividends received								-	-
Fines	34,809						(305)	(305)	34,504
Licences and permits	10,394						236	236	10,630
Agency services	1,484						(1)	(1)	1,483
Transfers recognised - operating	1,119,572						317,206	317,206	1,436,779
Other revenue	690,880	-	-	-	-	-	57,173	57,173	748,053
Gains on disposal of PPE								-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>7,397,129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>324,200</b>	<b>324,200</b>	<b>7,721,329</b>
<b>Expenditure By Type</b>									
Employee related costs	1,963,367	-	-	-	-	-	13,712	13,712	1,977,080
Remuneration of councillors	57,199						(478)	(478)	56,722
Debt impairment	318,214						(4,030)	(4,030)	314,184
Depreciation & asset impairment	885,807	-	-	-	-	-	(69,114)	(69,114)	816,693
Finance charges	190,534						(1,147)	(1,147)	189,387
Bulk purchases	2,292,123	-	-	-	-	-	(42,219)	(42,219)	2,249,904
Other materials	537,635						77,939	77,939	615,574
Contracted services	326,625	-	-	-	-	-	(22,858)	(22,858)	303,767
Transfers and grants	401,269						879	879	402,149
Other expenditure	687,038	-	-	-	-	-	278,921	278,921	965,958
Loss on disposal of PPE								-	-
<b>Total Expenditure</b>	<b>7,659,812</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>231,605</b>	<b>231,605</b>	<b>7,891,417</b>
<b>Surplus/(Deficit)</b>	<b>(262,683)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>92,595</b>	<b>92,595</b>	<b>(170,088)</b>
Transfers recognised - capital	709,812					461,878	21,700	483,578	1,193,390
Contributions								-	-
Contributed assets								-	-
<b>Surplus/(Deficit) before taxation</b>	<b>447,129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>461,878</b>	<b>114,295</b>	<b>576,173</b>	<b>1,023,302</b>
Taxation								-	-
<b>Surplus/(Deficit) after taxation</b>	<b>447,129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>461,878</b>	<b>114,295</b>	<b>576,173</b>	<b>1,023,302</b>
Attributable to minorities								-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>447,129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>461,878</b>	<b>114,295</b>	<b>576,173</b>	<b>1,023,302</b>
Share of surplus/ (deficit) of associate								-	-
<b>Surplus/ (Deficit) for the year</b>	<b>447,129</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>461,878</b>	<b>114,295</b>	<b>576,173</b>	<b>1,023,302</b>

## **Explanatory notes to Table B4 – Adjustments Budget Financial Performance (revenue and expenditure)**

### **Revenue**

1. The Financial Performance Adjustments Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the annual results and the Adjustments Budget, so as to assess performance.
2. Total revenue amounts to R7,7 billion in the 2013/14 Adjustments Budget, compared to the amount of R7,4 billion in the original 2013/14 Budget. This represents an increase of R324,2 million or 4,4%.
3. The significant variations in revenue, compared to the original budget are as follows:

#### **3.1 Property Rates**

Property rates increased by R40 million compared to the original budget. The increase is attributable to the following:

- A number of properties was not included in the general valuation roll, but was subsequently valued during a supplementary valuation, which resulted in an increase in the valuation roll. It should also be noted that a number of properties on the general valuation roll was undervalued.
- Another important factor is the impact of objections and appeals on the valuation roll. Upon calculating the original 2013/14 budgeted income, it was anticipated that the general valuation roll will be reduced by approximately 5,2%, in line with the number of objections received during the previous general valuation. The number of objections received, however, relating to the 2013 General Valuation, resulted in a reduction in the valuation roll of only 1.4%. This reduction is significantly less than anticipated.

#### **3.2 Service Charges**

Service charges decreased by R107,2 million, compared to the original budget. This reduction relates to electricity revenue and is mainly attributable to lower consumption patterns than initially anticipated in the 2013/14 original budget.

#### **3.3 Interest Earned – External Investments**

Interest earned on external investments increased by R17,1 million, compared to the original budget. The increased interest earnings is attributable to strict cash flow management of the available funds not immediately required to cover the Municipality's commitments.

#### **3.4 Transfers Recognised - Operating**

This includes the local government equitable share and other operating grants from national and provincial government. Transfers increased by R317,2 million, compared to the original budget. This increase is mainly made up as follows:

	<b>R'000</b>
Increased provision for housing top structures	190,246
Energy Efficiency and Demand Side Management (EEDSM)	4,000
Accreditation of the Municipality (Human Settlements)	10,645
EU Funding	7,389
Municipal Disaster Recovery	71,961
Maintenance of Provincial Roads	5,000
Expanded Public Works Programme (EPWP)	6,696
Infrastructure Skills Development Grant (ISDG)	2,300
Urban Settlements Development Grant (USDG)	5,412
Skills Development (LGSETA)	9,006
<b>Total</b>	<b>312,655</b>

The EEDSM grant will be spent on the implementation of energy efficiency initiatives, in order to reduce electricity consumption and improve energy efficiency.

The budget allocation for accreditation will be spent to enable the Municipality to achieve level three status, so as to perform all housing related functions.

The EU funding will be spent in support of the Motherwell Urban Renewal Programme.

The Municipal Disaster Recovery Grant, as allocated by the Provincial Government, will be spent on the repairs of sanitation, roads and water infrastructure that were damaged in the floods that occurred in late 2012.

The road maintenance grant, as allocated by the Provincial Government, will be spent on preventative, routine and emergency maintenance relating to the provincial road networks in the metropolitan area.

The EPWP grant will be spent on work creation efforts through the use of labour intensive delivery methods.

The ISDG will be spent to increase the pool of available technical and engineering skills in the Municipality.

The USDG will be spent to support the national human settlements development programme.

### **Expenditure**

4. Total expenditure amounts to R7,9 billion in the 2013/14 Adjustments Budget, compared to the amount of R7,7 billion in the original 2013/14 Budget. This represents an increase of R231,6 million or 3,0%.

5. The significant variations in expenditure, compared to the original budget, are as follows:

#### 5.1 Employee Related Costs

Employee related costs increased by R13,7 million, compared to the original budget. This increase is mainly attributable to certain employee related costs, being funded from the following grants:

<b>Grant</b>	<b>R'000</b>
Housing Accreditation Grant	7,547
Infrastructure Skills Development Grant	2,658
IPTS	2,034
<b>Total</b>	<b>12,239</b>

## 5.2 Debt Impairment

Debt impairment decreased by R4,0 million, compared to the original budget. This decrease is attributable to a reduction in service charges, requiring a reduced budget provision for debt impairment.

## 5.3 Depreciation

Depreciation decreased by R69,1 million, compared to the original budget. This decrease is attributable to a review of assets' useful lives, influencing the budget provision for depreciation.

## 5.4 Bulk Purchases

Bulk Purchases decreased by R42,2 million, compared to the original budget. This decrease is mainly attributable to a reduced budget provision being required for electricity bulk purchases, in line with current expenditure trends.

## 5.5 Repairs & Maintenance

Repairs and maintenance increased by R77,9 million, compared to the original budget. This increase is mainly attributable to the following grant allocations:

	<b>R'000</b>
Municipal Disaster Recovery	71,961
Maintenance of Provincial Roads	5,000
<b>Total</b>	<b>76,961</b>

## 5.6 General Expenses

General expenses increased by R278,9 million, compared to the original budget. This increase is mainly attributable to the following:

	<b>R'000</b>
Increased Provision for housing top structures	190,246
Provision for consultants fees and operational expenses (IPTS)	36,290
EU Funded projects	7,389
EEDSM funded projects	4,000
USDG funded projects	5,412
EPWP funded projects	6,696
Skills development (LGSETA)	9,006
<b>Grant funded expenditure</b>	<b>259,039</b>
Nelson Mandela Memorial Services	6,000
Legal Services	4,876
20 Years Freedom Celebrations	1,474
<b>Total</b>	<b>271,389</b>

On 6 December 2013, the Council resolved, inter alia, that an "in principle" budget amendment of approximately R6 million in respect of the proposed Memorial Services be approved and be

effected within ten days as from 6 December 2013, and that the details of this expenditure and relevant budgetary provisions be reported to the Council's meeting scheduled for 27 February 2014.

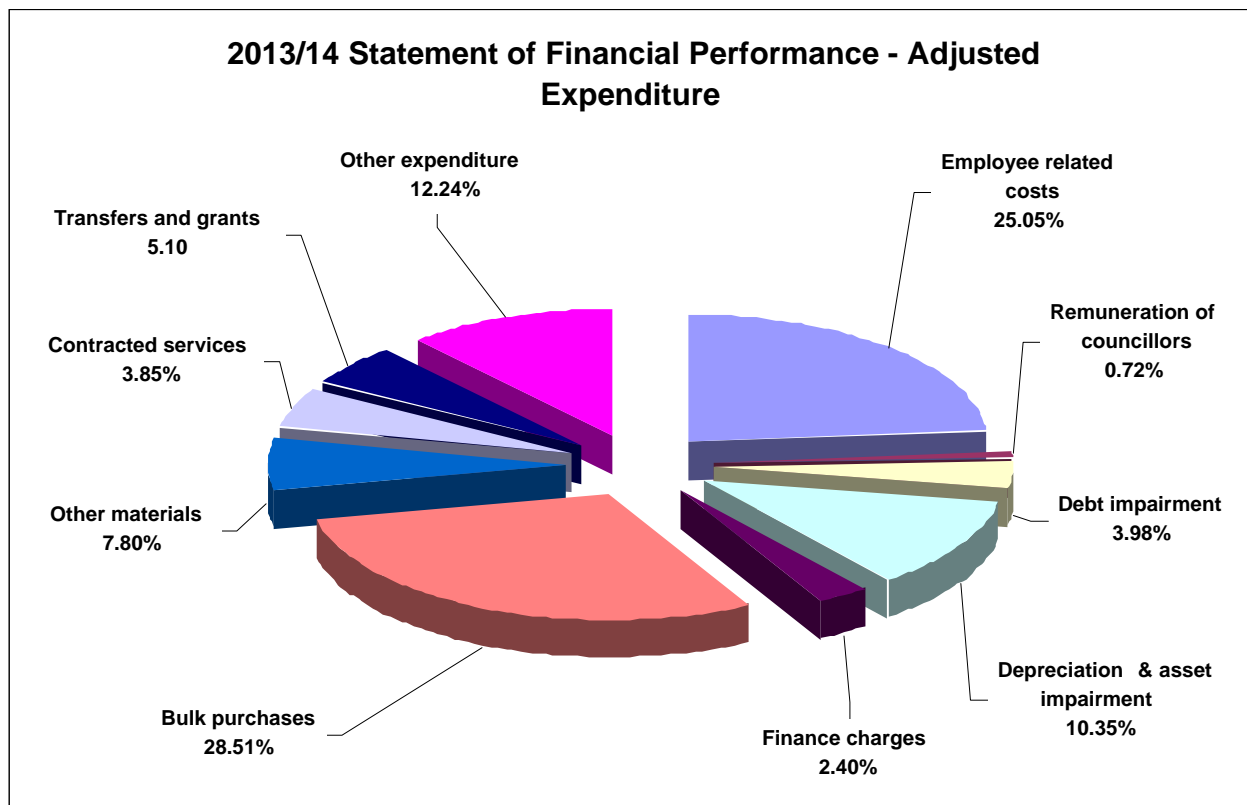
National Treasury received a number of requests in this regard, from municipalities seeking guidance pertaining to the costs associated with the Memorial Services. The Minister of Finance then determined that the following activities at reasonable costs are permissible:

- Transportation services; and
- Venue costs (community halls, multi-purpose centres and stadia).

The following costs are, however, not permissible:

- Catering;
- Tents / Marques; and
- Commemorative advertising in the commercial media.

The following graphs explain the revenue and expenditure components in more detail:







Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H
R thousands									
Capital multi-year expenditure sub-total	1,135,283	-	-	-	-	317,986	137,380	455,366	1,590,649
<i>Single-year expenditure to be adjusted</i>									
Vote 1 - Budget and Treasury	-	-	-	-	-	-	-	-	-
Vote 2 - Public Health	-	-	-	-	-	-	-	-	-
Vote 3 - Human Settlements	-	-	-	-	-	-	-	-	-
Vote 4 - Economic Development and Recreational Services	-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 6 - Rate and General Engineers	-	-	-	-	-	-	-	-	-
Vote 7 - Water Services	-	-	-	-	-	-	-	-	-
Vote 8 - Sanitation Services	-	-	-	-	-	-	-	-	-
Vote 9 - Electricity and Energy	-	-	-	-	-	-	-	-	-
Vote 10 - Executive and Council	-	-	-	-	-	-	-	-	-
Vote 11 - Safety and Security	-	-	-	-	-	-	-	-	-
Vote 12 - Nelson Mandela Bay Stadium	-	-	-	-	-	-	-	-	-
Vote 13 - Strategic Programmes Directorate	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Vote</b>	<b>1,135,283</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>317,986</b>	<b>137,380</b>	<b>455,366</b>	<b>1,590,649</b>
<b>Capital Expenditure - Standard</b>									
<b>Governance and administration</b>	<b>54,300</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99,962</b>	<b>99,962</b>	<b>154,262</b>
Executive and council	5,000						75,000	75,000	80,000
Budget and treasury office	10,300						21,140	21,140	31,440
Corporate services	39,000						3,822	3,822	42,822
<b>Community and public safety</b>	<b>194,034</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,000)</b>	<b>5,937</b>	<b>4,937</b>	<b>198,971</b>
Community and social services	8,000						(300)	(300)	7,700
Sport and recreation	6,000						5,335	5,335	11,335
Public safety	13,000						-	-	13,000
Housing	165,934					(1,000)	832	(168)	165,766
Health	1,100						70	70	1,170
<b>Economic and environmental services</b>	<b>227,042</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>321,303</b>	<b>1,656</b>	<b>322,960</b>	<b>550,001</b>
Planning and development	44,634					(229)	(19,198)	(19,427)	25,207
Road transport	157,098					321,532	18,354	339,886	496,984
Environmental protection	25,310						2,500	2,500	27,810
<b>Trading services</b>	<b>659,907</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,317)</b>	<b>29,824</b>	<b>27,508</b>	<b>687,415</b>
Electricity	210,557					2,095	19,397	21,492	232,049
Water	184,650						536	536	185,186
Waste water management	251,000					(4,412)	470	(3,942)	247,058
Waste management	13,700						9,422	9,422	23,122

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H
R thousands									
<i>Other</i>								-	-
Total Capital Expenditure - Standard	1,135,283	-	-	-	-	317,986	137,380	455,366	1,590,649
<b>Funded by:</b>									
National Government	709,812					317,986	-	317,986	1,027,798
Provincial Government								-	-
District Municipality								-	-
Other transfers and grants	7,700						14,000	14,000	21,700
Total Capital transfers recognised	717,512	-	-	-	-	317,986	14,000	331,986	1,049,498
Public contributions & donations	41,201						7,868	7,868	49,069
Borrowing								-	-
Internally generated funds	376,570						115,511	115,511	492,081
Total Capital Funding	1,135,283	-	-	-	-	317,986	137,380	455,366	1,590,649

**Explanatory notes to Table B5 – Adjustments Capital Expenditure Budget by vote, standard classification and funding source**

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The Adjustments budgeted capital expenditure was arrived at, taking into account budget adjustments and unspent funds as at the end of the 2012/13 financial year (refer Annexure "B" for the relevant project details).
3. The increase in the capital grant funding is mainly attributable to the roll over of unspent grant funding as at the end of the 2012/13 financial year and additional allocations gazetted during the 2013/14 financial year. The unspent grant funding relates to the Integrated Public Transport System (IPTS) of R272 million, whilst a further allocation of R85 million was gazetted for IPTS Infrastructure. Furthermore, the increase in internal funding is mainly attributable to the planned spending of funds, which remained unspent as at the end of the 2012/13 financial year.

Table B6 - Adjustments Budget Financial Position

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
<b>R thousands</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	200,000							-	200,000
Call investment deposits	757,364	-	-	-	-	-	163,513	163,513	920,877
Consumer debtors	539,098	-	-	-	-	-	96,231	96,231	635,329
Other debtors	402,365						(50,369)	(50,369)	351,996
Current portion of long-term receivables	5							-	5
Inventory	117,000						(4,687)	(4,687)	112,313
<b>Total current assets</b>	<b>2,015,833</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>204,688</b>	<b>204,688</b>	<b>2,220,520</b>
<b>Non current assets</b>									
Long-term receivables	51,685						(19,774)	(19,774)	31,911
Investments	20							-	20
Investment property	138,893						60,370	60,370	199,262
Investment in Associate								-	-
Property, plant and equipment	12,621,674	-	-	-	-	-	519,411	519,411	13,141,085
Agricultural								-	-
Biological								-	-
Intangible	310,612						(112,129)	(112,129)	198,483
Other non-current assets								-	-
<b>Total non current assets</b>	<b>13,122,883</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>447,878</b>	<b>447,878</b>	<b>13,570,761</b>
<b>TOTAL ASSETS</b>	<b>15,138,716</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>652,565</b>	<b>652,565</b>	<b>15,791,281</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft								-	-
Borrowing	112,968	-	-	-	-	-	-	-	112,968
Consumer deposits	90,224						2,935	2,935	93,159
Trade and other payables	1,643,284	-	-	-	-	-	(27,147)	(27,147)	1,616,137
Provisions	118,000						116,172	116,172	234,172
<b>Total current liabilities</b>	<b>1,964,476</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91,960</b>	<b>91,960</b>	<b>2,056,436</b>
<b>Non current liabilities</b>									
Borrowing	1,516,045	-	-	-	-	-	-	-	1,516,045
Provisions	1,536,374	-	-	-	-	-	74,564	74,564	1,610,938
<b>Total non current liabilities</b>	<b>3,052,419</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,564</b>	<b>74,564</b>	<b>3,126,983</b>
<b>TOTAL LIABILITIES</b>	<b>5,016,895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166,524</b>	<b>166,524</b>	<b>5,183,419</b>
<b>NET ASSETS</b>	<b>10,121,821</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>486,042</b>	<b>486,042</b>	<b>10,607,862</b>

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
R thousands									
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	4,052,988	-	-	-	-	-	6,505,274	6,505,274	10,558,262
Reserves	6,068,833	-	-	-	-	-	(6,019,233)	(6,019,233)	49,600
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>10,121,821</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>486,042</b>	<b>486,042</b>	<b>10,607,862</b>

### Explanatory notes to Table B6 – Adjustments Budget Financial Position

1. The table presents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity; i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.
2. Any movement on the Adjustments Budgeted Financial Performance or the Capital Adjustments Budget will invariably impact on the Adjustments Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is directly informed by forecasting the statement of financial position.
3. The cash flow position requires close and ongoing monitoring.

Table B7 - Adjustments Budgeted Cash Flow Statement

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
R thousands									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Ratepayers and other	5,487,916						20,937	20,937	5,508,853
Government - operating	1,106,417						266,501	266,501	1,372,918
Government - capital	809,186						90,482	90,482	899,668
Interest	43,240						17,120	17,120	60,360
Dividends								-	-
<b>Payments</b>									
Suppliers and employees	(5,902,034)						(322,154)	(322,154)	(6,224,188)
Finance charges	(190,534)						(664)	(664)	(191,198)
Transfers and Grants	(86,337)						(6,697)	(6,697)	(93,034)

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
R thousands									
NET CASH FROM/(USED) OPERATING ACTIVITIES	1,267,855	-	-	-	-	-	65,525	65,525	1,333,380
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	(1,175,468)						(455,040)	(455,040)	(1,630,508)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1,175,468)	-	-	-	-	-	(455,040)	(455,040)	(1,630,508)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans								-	-
Borrowing long term/refinancing								-	-
Increase (decrease) in consumer deposits							2,935	2,935	2,935
Payments									
Repayment of borrowing	(105,159)							-	(105,159)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(105,159)	-	-	-	-	-	2,935	2,935	(102,224)
NET INCREASE/ (DECREASE) IN CASH HELD	(12,773)	-	-	-	-	-	(386,580)	(386,580)	(399,353)
Cash/cash equivalents at the year begin:	970,137						550,093	550,093	1,520,229
Cash/cash equivalents at the year end:	957,364	-	-	-	-	-	163,513		1,120,877

### Explanatory notes to Table B7 – Adjustments Budget Cash Flow Statement

1. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
2. It reflects the expected cash in-flows versus the cash out-flows that is likely to result from the implementation of the Budget.
3. The cash position of the Municipality increased by R163,5 million from R957,4 million in the original 2013/14 Budget, to R1,1 billion in the 2013/14 Adjustments Budget.
4. The Municipality will have to maintain its efforts of enforcing strict cash flow management and monitoring on an ongoing basis.

Table B8 - Cash backed reserves/accumulated surplus reconciliation

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
R thousands	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	957,364	-	-	-	-	-	163,513	163,513	1,120,877
Other current investments > 90 days	0	-	-	-	-	-	0	0	0
Non current assets - Investments	20	-	-	-	-	-	-	-	20
<b>Cash and investments available:</b>	<b>957,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163,513</b>	<b>163,513</b>	<b>1,120,897</b>
<b>Applications of cash and investments</b>									
Unspent conditional transfers	23,284	-	-	-	-	-	(21,043)	(21,043)	2,241
Unspent borrowing								-	-
Statutory requirements								-	-
Other working capital requirements	745,756	-					(33,956)	(33,956)	711,799
Other provisions								-	-
Long term investments committed	-	-					-	-	-
Reserves to be backed by cash/investments	51,300	-					(1,700)	(1,700)	49,600
<b>Total Application of cash and investments:</b>	<b>820,340</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(56,699)</b>	<b>(56,699)</b>	<b>763,640</b>
<b>Surplus(shortfall)</b>	<b>137,044</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>220,212</b>	<b>220,212</b>	<b>357,257</b>

### Explanatory notes to Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. The table assesses the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
3. As part of the budgeting and planning guidelines that informed the compilation of the 2013/14 Budget, the end objective was to ensure that the budget is funded as required in accordance with section 18 of the MFMA.
4. It is to be noted that the 2013/14 Original Budget reflected a funding surplus of R137,0 million, which has increased to R357,3 million in the 2013/14 Adjustments Budget.
5. The Adjustments Budget funding position indicates that the Municipality must continue to exercise strict fiscal discipline to improve its funding position.

Table B9 - Asset Management

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H
R thousands									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets to be adjusted</b>	450,500	-	-	-	-	-	301,927	301,927	752,427
<i>Infrastructure - Road transport</i>	111,168	-	-	-	-	-	282,170	282,170	393,338
<i>Infrastructure - Electricity</i>	54,412	-	-	-	-	-	(26,102)	(26,102)	28,311
<i>Infrastructure - Water</i>	30,000	-	-	-	-	-	24,800	24,800	54,800
<i>Infrastructure - Sanitation</i>	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>	179,934	-	-	-	-	-	(9,400)	(9,400)	170,535
Infrastructure	375,514	-	-	-	-	-	271,469	271,469	646,983
Community	50,051	-	-	-	-	-	(13,597)	(13,597)	36,454
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	18,565	-	-	-	-	-	25,425	25,425	43,990
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	6,370	-	-	-	-	-	18,630	18,630	25,000
<b>Total Renewal of Existing Assets to be adjusted</b>	684,783	-	-	-	-	-	153,439	153,439	838,222
<i>Infrastructure - Road transport</i>	43,130	-	-	-	-	-	53,776	53,776	96,906
<i>Infrastructure - Electricity</i>	153,645	-	-	-	-	-	24,767	24,767	178,412
<i>Infrastructure - Water</i>	152,946	-	-	-	-	-	(30,096)	(30,096)	122,850
<i>Infrastructure - Sanitation</i>	245,000	-	-	-	-	-	(1,942)	(1,942)	243,058
<i>Infrastructure - Other</i>	6,350	-	-	-	-	-	12,374	12,374	18,724
Infrastructure	601,071	-	-	-	-	-	58,879	58,879	659,950
Community	26,660	-	-	-	-	-	64,961	64,961	91,621
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	45,052	-	-	-	-	-	22,119	22,119	67,171
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	12,000	-	-	-	-	-	7,480	7,480	19,480
<b>Total Capital Expenditure to be adjusted</b>									
<i>Infrastructure - Road transport</i>	154,298	-	-	-	-	-	335,946	335,946	490,244
<i>Infrastructure - Electricity</i>	208,057	-	-	-	-	-	(1,334)	(1,334)	206,723
<i>Infrastructure - Water</i>	182,946	-	-	-	-	-	(5,296)	(5,296)	177,650
<i>Infrastructure - Sanitation</i>	245,000	-	-	-	-	-	(1,942)	(1,942)	243,058
<i>Infrastructure - Other</i>	186,284	-	-	-	-	-	2,974	2,974	189,258
Infrastructure	976,585	-	-	-	-	-	330,348	330,348	1,306,933
Community	76,711	-	-	-	-	-	51,364	51,364	128,075
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	63,617	-	-	-	-	-	47,544	47,544	111,161









Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H
<b>Highest level of free service provided</b>									
Property rates (R'000 value threshold)	15,000							-	15,000
Water (kilolitres per household per month)	8							-	8
Sanitation (kilolitres per household per month)	11							-	11
Sanitation (Rand per household per month)	111							-	111
Electricity (kw per household per month)	75							-	75
Refuse (average litres per week)	240							-	240
<b>Revenue cost of free services provided (R'000)</b>									
Property rates (R15 000 threshold rebate)	26,116							-	26,116
Property rates (other exemptions, reductions and rebates)	33,093							-	33,093
Water	75,180							-	75,180
Sanitation	69,648							-	69,648
Electricity/other energy	64,583							-	64,583
Refuse	65,946							-	65,946
Municipal Housing - rental rebates								-	-
Housing - top structure subsidies								-	-
Other								-	-
<b>Total revenue cost of free services provided (total social package)</b>	<b>334,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>334,567</b>

### Explanatory notes to Table B10 - Basic Service Delivery Measurement

- Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

#### 1.5 Consolidated Budget Tables

The ten main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section. These tables set out the Municipality's and the Entity's 2013/14 Adjustments Budget to be noted by Council.

**Table B1 –Consolidated Budget Summary**

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	1,214,337	-	-	-	-	-	40,028	40,028	1,254,365
Service charges	4,089,228	-	-	-	-	-	(107,194)	(107,194)	3,982,035
Investment revenue	45,740	-	-	-	-	-	17,120	17,120	62,860
Transfers recognised - operational	1,119,572	-	-	-	-	-	319,264	319,264	1,438,836
Other own revenue	931,002	-	-	-	-	-	57,039	57,039	988,041
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>7,399,879</b>						<b>326,257</b>	<b>326,257</b>	<b>7,726,136</b>
Employee costs	1,972,548	-	-	-	-	-	16,085	16,085	1,988,633
Remuneration of councillors	57,199	-	-	-	-	-	(478)	(478)	56,722
Depreciation & asset impairment	885,807	-	-	-	-	-	(68,894)	(68,894)	816,913
Finance charges	190,534	-	-	-	-	-	(967)	(967)	189,567
Materials and bulk purchases	2,829,759	-	-	-	-	-	35,719	35,719	2,865,478
Transfers and grants	340,520	-	-	-	-	-	(5,008)	(5,008)	335,512
Other expenditure	1,344,545	-	-	-	-	-	260,048	260,048	1,604,593
<b>Total Expenditure</b>	<b>7,620,913</b>						<b>236,505</b>	<b>236,505</b>	<b>7,857,418</b>
<b>Surplus/(Deficit)</b>	<b>(221,034)</b>						<b>89,752</b>	<b>89,752</b>	<b>(131,281)</b>
Transfers recognised - capital	709,812	-	-	-	-	462,596	21,700	484,296	1,194,108
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>488,779</b>					<b>462,596</b>	<b>111,452</b>	<b>574,048</b>	<b>1,062,827</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>488,779</b>					<b>462,596</b>	<b>111,452</b>	<b>574,048</b>	<b>1,062,827</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	1,177,277	-	-	-	-	318,704	180,145	498,850	1,676,127
Transfers recognised - capital	717,512	-	-	-	-	318,704	14,000	332,704	1,050,217
Public contributions & donations	41,201	-	-	-	-	-	7,868	7,868	49,069
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	418,564	-	-	-	-	-	158,277	158,277	576,841
<b>Total sources of capital funds</b>	<b>1,177,277</b>					<b>318,704</b>	<b>180,145</b>	<b>498,850</b>	<b>1,676,127</b>
<b>Financial position</b>									
Total current assets	2,056,765	-	-	-	-	-	205,876	205,876	2,262,641
Total non current assets	13,164,958	-	-	-	-	-	447,798	447,798	13,612,755

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H
<b>R thousands</b>									
Total current liabilities	2,005,471	-	-	-	-	-	97,780	97,780	2,103,251
Total non current liabilities	3,052,419	-	-	-	-	-	74,564	74,564	3,126,983
<b>Community wealth/Equity</b>	<b>10,163,833</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>481,331</b>	<b>481,331</b>	<b>10,645,163</b>
<b>Cash flows</b>									
Net cash from (used) operating	1,307,169	-	-	-	-	-	70,053	70,053	1,377,222
Net cash from (used) investing	(1,218,292)	-	-	-	-	-	(474,664)	(474,664)	(1,692,956)
Net cash from (used) financing	(105,159)	-	-	-	-	-	2,935	2,935	(102,224)
<b>Cash/cash equivalents at the year end</b>	<b>998,222</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164,702</b>	<b>164,702</b>	<b>1,162,924</b>
<b>Cash backing/surplus reconciliation</b>									
Cash and investments available	998,242	-	-	-	-	-	164,701	164,701	1,162,943
Application of cash and investments	859,459	-	-	-	-	-	(48,460)	(48,460)	810,999
<b>Balance - surplus (shortfall)</b>	<b>138,783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>213,161</b>	<b>213,161</b>	<b>351,944</b>
<b>Asset Management</b>									
Asset register summary (WDV)	13,071,178	-	-	-	-	-	509,646	509,646	13,580,824
Depreciation & asset impairment	885,807	-	-	-	-	-	(68,894)	(68,894)	816,913
Renewal of Existing Assets	726,273	-	-	-	-	-	123,609	123,609	849,882
Repairs and Maintenance	537,635	-	-	-	-	-	77,939	77,939	615,574
<b>Free services</b>									
Cost of Free Basic Services provided	427,060	-	-	-	-	-	-	-	351,879
Revenue cost of free services provided	334,567	-	-	-	-	-	-	-	334,567
<b>Households below minimum service level</b>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	30	-	-	-	-	-	-	-	30
Energy:	-	-	-	-	-	-	-	-	-
Refuse:	98	-	-	-	-	-	5	5	102

Table B2 – Consolidated Budget Financial Performance

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H
R thousands									
<b>Revenue - Standard</b>									
<i>Governance and administration</i>	2,134,729	-	-	-	-	-	67,445	67,445	2,202,174
Executive and council	316	-	-	-	-	-	(47)	(47)	269
Budget and treasury office	2,123,759	-	-	-	-	-	58,356	58,356	2,182,116
Corporate services	10,654	-	-	-	-	-	9,136	9,136	19,790
<i>Community and public safety</i>	322,553	-	-	-	-	-	786	786	323,339
Community and social services	20,559	-	-	-	-	-	8,236	8,236	28,795
Sport and recreation	50,511	-	-	-	-	-	(21,320)	(21,320)	29,192
Public safety	34,567	-	-	-	-	-	1,100	1,100	35,667
Housing	216,702	-	-	-	-	-	12,867	12,867	229,569
Health	213	-	-	-	-	-	(97)	(97)	117
<i>Economic and environmental services</i>	290,653	-	-	-	-	-	339,099	339,099	629,752
Planning and development	263,021	-	-	-	-	-	267,803	267,803	530,824
Road transport	22,996	-	-	-	-	-	71,033	71,033	94,029
Environmental protection	4,636	-	-	-	-	-	263	263	4,899
<i>Trading services</i>	4,638,869	-	-	-	-	-	(82,509)	(82,509)	4,556,359
Electricity	3,228,278	-	-	-	-	-	(92,884)	(92,884)	3,135,394
Water	612,284	-	-	-	-	-	1,093	1,093	613,377
Waste water management	522,097	-	-	-	-	-	8,294	8,294	530,391
Waste management	276,210	-	-	-	-	-	988	988	277,198
<i>Other</i>	13,075	-	-	-	-	-	1,437	1,437	14,513
<b>Total Revenue - Standard</b>	<b>7,399,879</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326,257</b>	<b>326,257</b>	<b>7,726,137</b>
<b>Expenditure - Standard</b>									
<i>Governance and administration</i>	1,171,776	-	-	-	-	-	(35,540)	(35,540)	1,136,236
Executive and council	187,544	-	-	-	-	-	637	637	188,181
Budget and treasury office	581,695	-	-	-	-	-	(8,483)	(8,483)	573,212
Corporate services	402,537	-	-	-	-	-	(27,693)	(27,693)	374,843
<i>Community and public safety</i>	1,123,750	-	-	-	-	-	218,813	218,813	1,342,563
Community and social services	155,515	-	-	-	-	-	9,498	9,498	165,013
Sport and recreation	157,848	-	-	-	-	-	(1,358)	(1,358)	156,490
Public safety	382,732	-	-	-	-	-	12,115	12,115	394,846
Housing	270,540	-	-	-	-	-	201,024	201,024	471,564
Health	157,115	-	-	-	-	-	(2,466)	(2,466)	154,649
<i>Economic and environmental services</i>	1,025,199	-	-	-	-	-	103,160	103,160	1,128,359
Planning and development	503,896	-	-	-	-	-	37,305	37,305	541,201
Road transport	218,145	-	-	-	-	-	53,699	53,699	271,843
Environmental protection	303,159	-	-	-	-	-	12,156	12,156	315,315

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H
R thousands									
<i>Trading services</i>	4,245,854	-	-	-	-	-	(29,275)	(29,275)	4,216,579
Electricity	2,912,251	-	-	-	-	-	(49,707)	(49,707)	2,862,545
Water	596,018	-	-	-	-	-	5,369	5,369	601,387
Waste water management	500,393	-	-	-	-	-	10,709	10,709	511,103
Waste management	237,192	-	-	-	-	-	4,353	4,353	241,544
<i>Other</i>	54,334	-	-	-	-	-	(20,653)	(20,653)	33,681
Total Expenditure - Standard	7,620,913	-	-	-	-	-	236,505	236,505	7,857,418
Surplus/ (Deficit) for the year	(221,034)	-	-	-	-	-	89,752	89,752	(131,281)

**Table B3 –Consolidated Budget Financial Performance by Vote**

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
R thousands									
<b>Revenue by Vote</b>									
Vote 1 - Budget and Treasury	2,123,774	-	-	-	-	-	58,354	58,354	2,182,127
Vote 2 - Public Health	283,496	-	-	-	-	-	7,248	7,248	290,744
Vote 3 - Human Settlements	240,805	-	-	-	-	-	202,056	202,056	442,861
Vote 4 - Economic Development and Recreational Services	148,589	-	-	-	-	-	8,816	8,816	157,405
Vote 5 - Corporate Services	4,033	-	-	-	-	-	10,664	10,664	14,697
Vote 6 - Rate and General Engineers	103,485	-	-	-	-	-	77,775	77,775	181,260
Vote 7 - Water Services	612,284	-	-	-	-	-	1,093	1,093	613,377
Vote 8 - Sanitation Services	522,097	-	-	-	-	-	8,294	8,294	530,391
Vote 9 - Electricity and Energy	3,228,278	-	-	-	-	-	(92,884)	(92,884)	3,135,394
Vote 10 - Executive and Council	620	-	-	-	-	-	(1)	(1)	619
Vote 11 - Safety and Security	57,504	-	-	-	-	-	1,100	1,100	58,604
Vote 12 - Nelson Mandela Bay Stadium	27,248	-	-	-	-	-	33,165	33,165	60,413
Vote 13 - Strategic Programmes Directorate	47,668	-	-	-	-	-	10,578	10,578	58,246
<b>Total Revenue by Vote</b>	<b>7,399,879</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326,257</b>	<b>326,257</b>	<b>7,726,137</b>
<b>Expenditure by Vote</b>									
Vote 1 - Budget and Treasury	560,699	-	-	-	-	-	(8,753)	(8,753)	551,946
Vote 2 - Public Health	717,283	-	-	-	-	-	17,846	17,846	735,129
Vote 3 - Human Settlements	381,431	-	-	-	-	-	205,613	205,613	587,044
Vote 4 - Economic Development and Recreational Services	360,231	-	-	-	-	-	(4,672)	(4,672)	355,559
Vote 5 - Corporate Services	413,520	-	-	-	-	-	(27,539)	(27,539)	385,981
Vote 6 - Rate and General Engineers	451,659	-	-	-	-	-	44,314	44,314	495,972

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
<b>R thousands</b>									
Vote 7 - Water Services	596,018	-	-	-	-	-	5,369	5,369	601,387
Vote 8 - Sanitation Services	442,496	-	-	-	-	-	16,247	16,247	458,743
Vote 9 - Electricity and Energy	2,912,251	-	-	-	-	-	(49,707)	(49,707)	2,862,545
Vote 10 - Executive and Council	216,869	-	-	-	-	-	4,057	4,057	220,926
Vote 11 - Safety and Security	392,935	-	-	-	-	-	12,088	12,088	405,023
Vote 12 - Nelson Mandela Bay Stadium	129,487	-	-	-	-	-	13,384	13,384	142,871
Vote 13 - Strategic Programmes Directorate	46,033	-	-	-	-	-	8,259	8,259	54,292
<b>Total Expenditure by Vote</b>	<b>7,620,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236,505</b>	<b>236,505</b>	<b>7,857,418</b>
<b>Surplus/ (Deficit) for the year</b>	<b>(221,033)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,752</b>	<b>89,752</b>	<b>(131,281)</b>

**Table B4 – Consolidated Budget Financial Performance Revenue and Expenditure**

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	1,214,337	-	-	-	-	-	40,028	40,028	1,254,365
Property rates - penalties & collection charges								-	-
Service charges - electricity revenue	3,070,366	-	-	-	-	-	(107,194)	(107,194)	2,963,173
Service charges - water revenue	498,414	-	-	-	-	-	-	-	498,414
Service charges - sanitation revenue	343,381	-	-	-	-	-	-	-	343,381
Service charges - refuse revenue	177,067	-	-	-	-	-	-	-	177,067
Service charges - other								-	-
Rental of facilities and equipment	21,461						(138)	(138)	21,322
Interest earned - external investments	45,740						17,120	17,120	62,860
Interest earned - outstanding debtors	171,724						75	75	171,799
Dividends received								-	-
Fines	34,809						(305)	(305)	34,504
Licences and permits	10,394						236	236	10,630
Agency services	1,484						(1)	(1)	1,483
Transfers recognised - operating	1,119,572						319,264	319,264	1,438,836
Other revenue	691,130	-	-	-	-	-	57,173	57,173	748,303
Gains on disposal of PPE								-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>7,399,879</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>326,257</b>	<b>326,257</b>	<b>7,726,136</b>
<b>Expenditure By Type</b>									
Employee related costs	1,972,548	-	-	-	-	-	16,085	16,085	1,988,633



Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
R thousands									
Remuneration of councillors	57,199						(478)	(478)	56,722
Debt impairment	318,214						(4,020)	(4,020)	314,194
Depreciation & asset impairment	885,807	-	-	-	-	-	(68,894)	(68,894)	816,913
Finance charges	190,534						(967)	(967)	189,567
Bulk purchases	2,292,123	-	-	-	-	-	(42,219)	(42,219)	2,249,904
Other materials	537,635						77,939	77,939	615,574
Contracted services	326,625	-	-	-	-	-	(22,858)	(22,858)	303,767
Transfers and grants	340,520						(5,008)	(5,008)	335,512
Other expenditure	699,707	-	-	-	-	-	286,925	286,925	986,632
Loss on disposal of PPE								-	-
<b>Total Expenditure</b>	<b>7,620,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>236,505</b>	<b>236,505</b>	<b>7,857,418</b>
<b>Surplus/(Deficit)</b>	<b>(221,034)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89,752</b>	<b>89,752</b>	<b>(131,281)</b>
Transfers recognised - capital	709,812					462,596	21,700	484,296	1,194,108
Contributions								-	-
Contributed assets								-	-
<b>Surplus/(Deficit) before taxation</b>	<b>488,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>462,596</b>	<b>111,452</b>	<b>574,048</b>	<b>1,062,827</b>
Taxation								-	-
<b>Surplus/(Deficit) after taxation</b>	<b>488,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>462,596</b>	<b>111,452</b>	<b>574,048</b>	<b>1,062,827</b>
Attributable to minorities								-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>488,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>462,596</b>	<b>111,452</b>	<b>574,048</b>	<b>1,062,827</b>
Share of surplus/ (deficit) of associate								-	-
<b>Surplus/ (Deficit) for the year</b>	<b>488,779</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>462,596</b>	<b>111,452</b>	<b>574,048</b>	<b>1,062,827</b>

**Table B5 –Consolidated Budget Capital Expenditure – Standard Classification**

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H
R thousands									
<u>Capital expenditure - Vote</u>									
<u>Multi-year expenditure to be adjusted</u>									
Vote 1 - Budget and Treasury	10,300	-	-	-	-	-	17,640	17,640	27,940
Vote 2 - Public Health	40,110	-	-	-	-	-	13,992	13,992	54,102
Vote 3 - Human Settlements	165,934	-	-	-	-	(1,001)	832	(169)	165,765
Vote 4 - Economic Development and Recreational Services	65,577	-	-	-	-	(6,440)	47,804	41,364	106,941
Vote 5 - Corporate Services	39,000	-	-	-	-	-	5,323	5,323	44,323

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H
<b>R thousands</b>									
Vote 6 - Rate and General Engineers	157,098	-	-	-	-	321,532	18,354	339,886	496,984
Vote 7 - Water Services	184,650	-	-	-	-	-	536	536	185,186
Vote 8 - Sanitation Services	251,000	-	-	-	-	(4,412)	470	(3,942)	247,058
Vote 9 - Electricity and Energy	210,557	-	-	-	-	2,095	19,397	21,492	232,049
Vote 10 - Executive and Council	5,000	-	-	-	-	-	-	-	5,000
Vote 11 - Safety and Security	13,000	-	-	-	-	-	-	-	13,000
Vote 12 - Nelson Mandela Bay Stadium	-	-	-	-	-	-	75,000	75,000	75,000
Vote 13 - Strategic Programmes Directorate	35,051	-	-	-	-	6,929	(19,201)	(12,272)	22,779
<b>Capital multi-year expenditure sub-total</b>	<b>1,177,277</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>318,704</b>	<b>180,147</b>	<b>498,850</b>	<b>1,676,127</b>
<b>Capital Expenditure - Standard</b>									
<i>Governance and administration</i>	54,300	-	-	-	-	-	99,962	99,962	154,262
Executive and council	5,000						75,000	75,000	80,000
Budget and treasury office	10,300						21,140	21,140	31,440
Corporate services	39,000						3,822	3,822	42,822
<i>Community and public safety</i>	194,034	-	-	-	-	(1,000)	5,937	4,937	198,971
Community and social services	8,000						(300)	(300)	7,700
Sport and recreation	6,000						5,335	5,335	11,335
Public safety	13,000						-	-	13,000
Housing	165,934					(1,000)	832	(168)	165,766
Health	1,100						70	70	1,170
<i>Economic and environmental services</i>	269,036	-	-	-	-	322,021	44,422	366,443	635,479
Planning and development	86,628					489	23,568	24,057	110,685
Road transport	157,098					321,532	18,354	339,886	496,984
Environmental protection	25,310						2,500	2,500	27,810
<i>Trading services</i>	659,907	-	-	-	-	(2,317)	29,824	27,508	687,415
Electricity	210,557					2,095	19,397	21,492	232,049
Water	184,650						536	536	185,186
Waste water management	251,000					(4,412)	470	(3,942)	247,058
Waste management	13,700						9,422	9,422	23,122
<i>Other</i>								-	-
<b>Total Capital Expenditure - Standard</b>	<b>1,177,277</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>318,704</b>	<b>180,145</b>	<b>498,850</b>	<b>1,676,127</b>
<b>Funded by:</b>									
National Government	709,812					318,704		318,704	1,028,517
Provincial Government								-	-
District Municipality								-	-
Other transfers and grants	7,700						14,000	14,000	21,700
<b>Total Capital transfers recognised</b>	<b>717,512</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>318,704</b>	<b>14,000</b>	<b>332,704</b>	<b>1,050,217</b>
Public contributions & donations	41,201						7,868	7,868	49,069
<b>Borrowing</b>								-	-
Internally generated funds	418,564						158,277	158,277	576,841
<b>Total Capital Funding</b>	<b>1,177,277</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>318,704</b>	<b>180,145</b>	<b>498,850</b>	<b>1,676,127</b>

Table B6 –Consolidated Budget Financial Position

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
R thousands	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	200,120						0	0	200,120
Call investment deposits	798,102	-	-	-	-	-	164,701	164,701	962,803
Consumer debtors	539,098	-	-	-	-	-	96,231	96,231	635,329
Other debtors	402,440						(50,369)	(50,369)	352,071
Current portion of long-term receivables	5							-	5
Inventory	117,000						(4,687)	(4,687)	112,313
<b>Total current assets</b>	<b>2,056,765</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,876</b>	<b>205,876</b>	<b>2,262,641</b>
<b>Non current assets</b>									
Long-term receivables	51,685						(19,774)	(19,774)	31,911
Investments	20							-	20
Investment property	138,893						60,370	60,370	199,263
Investment in Associate								-	-
Property, plant and equipment	12,663,668	-	-	-	-	-	519,411	519,411	13,183,079
Agricultural								-	-
Biological								-	-
Intangible	310,692						(112,209)	(112,209)	198,483
Other non-current assets								-	-
<b>Total non current assets</b>	<b>13,164,958</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>447,798</b>	<b>447,798</b>	<b>13,612,755</b>
<b>TOTAL ASSETS</b>	<b>15,221,723</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>653,674</b>	<b>653,674</b>	<b>15,875,397</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft								-	-
Borrowing	112,968	-	-	-	-	-	-	-	112,968
Consumer deposits	90,224						2,935	2,935	93,159
Trade and other payables	1,683,799	-	-	-	-	-	(20,897)	(20,897)	1,662,902
Provisions	118,480						115,742	115,742	234,222
<b>Total current liabilities</b>	<b>2,005,471</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>97,780</b>	<b>97,780</b>	<b>2,103,251</b>
<b>Non current liabilities</b>									
Borrowing	1,516,045	-	-	-	-	-	-	-	1,516,045
Provisions	1,536,374	-	-	-	-	-	74,564	74,564	1,610,938
<b>Total non current liabilities</b>	<b>3,052,419</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>74,564</b>	<b>74,564</b>	<b>3,126,983</b>
<b>TOTAL LIABILITIES</b>	<b>5,057,891</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>172,824</b>	<b>172,824</b>	<b>5,230,234</b>
<b>NET ASSETS</b>	<b>10,163,833</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>481,330</b>	<b>481,330</b>	<b>10,645,163</b>



Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
R thousands									
Borrowing long term/refinancing								-	-
Increase (decrease) in consumer deposits							2,935	2,935	2,935
Payments									
Repayment of borrowing	(105,159)							-	(105,159)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(105,159)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,935</b>	<b>2,935</b>	<b>(102,224)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(16,282)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(401,676)</b>	<b>(401,676)</b>	<b>(417,958)</b>
Cash/cash equivalents at the year begin:	1,014,504						566,378	566,378	1,580,882
Cash/cash equivalents at the year end:	998,222	-	-	-	-	-	162,702		1,162,924

**Table B8 –Consolidated Cash backed Reserves**

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H
R thousands									
<b>Cash and investments available</b>									
Cash/cash equivalents at the year end	998,222	-	-	-	-	-	164,702	164,702	1,162,923
Other current investments > 90 days	0	-	-	-	-	-	(1)	(1)	(0)
Non current assets - Investments	20	-	-	-	-	-	-	-	20
<b>Cash and investments available:</b>	<b>998,242</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>164,701</b>	<b>164,701</b>	<b>1,162,943</b>
<b>Applications of cash and investments</b>									
Unspent conditional transfers	23,284	-	-	-	-	-	(21,043)	(21,043)	2,241
Unspent borrowing								-	-
Statutory requirements								-	-
Other working capital requirements	784,875	-	-	-	-	-	(27,417)	(27,417)	757,458
Other provisions								-	-
Long term investments committed	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	51,300	-	-	-	-	-	-	-	51,300
<b>Total Application of cash and investments:</b>	<b>859,459</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48,460)</b>	<b>(48,460)</b>	<b>810,999</b>
<b>Surplus(shortfall)</b>	<b>138,783</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>213,161</b>	<b>213,161</b>	<b>351,944</b>

Table B9 –Consolidated Asset Management

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H
R thousands									
<b>CAPITAL EXPENDITURE</b>									
<b>Total New Assets to be adjusted</b>	451,004	-	-	-	-	-	301,423	301,423	752,427
<i>Infrastructure - Road transport</i>	111,168	-	-	-	-	-	282,170	282,170	393,338
<i>Infrastructure - Electricity</i>	54,412	-	-	-	-	-	(26,102)	(26,102)	28,311
<i>Infrastructure - Water</i>	30,000	-	-	-	-	-	24,800	24,800	54,800
<i>Infrastructure - Sanitation</i>	-	-	-	-	-	-	-	-	-
<i>Infrastructure - Other</i>	179,934	-	-	-	-	-	(9,400)	(9,400)	170,535
Infrastructure	375,514	-	-	-	-	-	271,469	271,469	646,983
Community	50,051	-	-	-	-	-	(13,597)	(13,597)	36,454
Heritage assets	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	18,969	-	-	-	-	-	25,021	25,021	43,990
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	6,470	-	-	-	-	-	18,530	18,530	25,000
<b>Total Renewal of Existing Assets to be adjusted</b>	726,273	-	-	-	-	-	123,609	123,609	849,882
<i>Infrastructure - Road transport</i>	61,130	-	-	-	-	-	35,776	35,776	96,906
<i>Infrastructure - Electricity</i>	153,645	-	-	-	-	-	24,767	24,767	178,412
<i>Infrastructure - Water</i>	152,946	-	-	-	-	-	(30,096)	(30,096)	122,850
<i>Infrastructure - Sanitation</i>	245,000	-	-	-	-	-	(1,942)	(1,942)	243,058
<i>Infrastructure - Other</i>	22,840	-	-	-	-	-	(4,116)	(4,116)	18,724
Infrastructure	635,561	-	-	-	-	-	24,389	24,389	659,950
Community	26,660	-	-	-	-	-	76,621	76,621	103,281
Heritage assets	2,000	-	-	-	-	-	(2,000)	(2,000)	-
Investment properties	-	-	-	-	-	-	-	-	-
Other assets	50,052	-	-	-	-	-	17,119	17,119	67,171
Agricultural Assets	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-
Intangibles	12,000	-	-	-	-	-	7,480	7,480	19,480
<b>Total Capital Expenditure to be adjusted</b>									
<i>Infrastructure - Road transport</i>	172,298	-	-	-	-	-	317,946	317,946	490,244
<i>Infrastructure - Electricity</i>	208,057	-	-	-	-	-	(1,334)	(1,334)	206,723
<i>Infrastructure - Water</i>	182,946	-	-	-	-	-	(5,296)	(5,296)	177,650
<i>Infrastructure - Sanitation</i>	245,000	-	-	-	-	-	(1,942)	(1,942)	243,058
<i>Infrastructure - Other</i>	202,774	-	-	-	-	-	(13,516)	(13,516)	189,258
Infrastructure	1,011,075	-	-	-	-	-	295,858	295,858	1,306,933
Community	76,711	-	-	-	-	-	63,024	63,024	139,734







Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
		7	8	9	10	11	12	13	14
	A	A1	B	C	D	E	F	G	H
<b><u>Energy:</u></b>									
Electricity (at least min. service level)	26,500							-	26,500
Electricity - prepaid (> min.service level)	279,500							-	279,500
<i>Minimum Service Level and Above sub-total</i>	306,000	-	-	-	-	-	-	-	306,000
Electricity (< min.service level)								-	-
Electricity - prepaid (< min. service level)								-	-
Other energy sources								-	-
<i>Below Minimum Servic Level sub-total</i>	-	-	-	-	-	-	-	-	-
<b>Total number of households</b>	306,000	-	-	-	-	-	-	-	306,000
<b><u>Refuse:</u></b>									
Removed at least once a week (min.service)	226,772						4,616	(4,616)	222,156
Minimum Service Level and Above sub-total	226,772	-	-	-	-	-	(4,616)	(4,616)	222,156
Removed less frequently than once a week	79,582						-	-	79,582
Using communal refuse dump	17,546						1,884	(1,884)	15,662
Using own refuse dump							-	-	-
Other rubbish disposal							6,852	6,852	6,852
No rubbish disposal	392						-	(352)	40
<i>Below Minimum Servic Level sub-total</i>	97,520	-	-	-	-	-	4,616	4,616	102,136
<b>Total number of households</b>	<b>324,292</b>	-	-	-	-	-	-	-	<b>324,292</b>
<b><u>Households receiving Free Basic Service</u></b>									
Water (6 kilolitres per household per month)	73,124							-	73,124
Sanitation (free minimum level service)	73,124							-	73,124
Electricity/other energy (50kwh per household per month)	65,481							-	65,481
Refuse (removed at least once a week)	67,487							-	67,487
<b>Cost of Free Basic Services provided (R'000)</b>	<b>75,180</b>								
Water (6 kilolitres per household per month)	69,648							-	69,648
Sanitation (free sanitation service)	64,583							-	64,583
Electricity/other energy (50kwh per household per month)	65,946							-	65,946
Refuse (removed once a week)	151,702							-	151,702
<b>Total cost of FBS provided (minimum social package)</b>	<b>427,060</b>	-	-	-	-	-	-	-	<b>351,879</b>
<b><u>Highest level of free service provided</u></b>									
Property rates (R'000 value threshold)	15,000							-	15,000

Description	Budget Year 2013/14								
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	7	8	9	10	11	12	13	14	
	A	A1	B	C	D	E	F	G	H
Water (kilolitres per household per month)	8							-	8
Sanitation (kilolitres per household per month)	11							-	11
Sanitation (Rand per household per month)	111							-	111
Electricity (kw per household per month)	75							-	75
Refuse (average litres per week)	240							-	240
<b>Revenue cost of free services provided (R'000)</b>									
Property rates (R15 000 threshold rebate)	26,116							-	26,116
Property rates (other exemptions, reductions and rebates)	33,093							-	33,093
Water	75,180							-	75,180
Sanitation	69,648							-	69,648
Electricity/other energy	64,583							-	64,583
Refuse	65,946							-	65,946
Municipal Housing - rental rebates								-	-
Housing - top structure subsidies								-	-
Other								-	-
<b>Total revenue cost of free services provided (total social package)</b>	<b>334,567</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>334,567</b>

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1 Adjustments to Budget Assumptions

The budget assumptions, which informed the approved 2013/14 Budget, have been maintained.

### 2.2 Adjustments to Budget Funding

#### 2.2.1 Funding the Adjustments Budget

##### 2.2.1.1 Funding of Operating Expenditure

The Municipality's operating expenditure is mainly funded from sources such as property rates, service charges and government grants. The table below reflects the funding sources:

Description	2013/14 Original Budget	2013/14 Adjustments Budget	Variance
	R	R	R
<b>Revenue By Source</b>			
Property rates	1,214,337	1,254,365	40,028 -
Service charges – electricity revenue	3,070,366	2,963,173	(107,194)-
Service charges – water revenue	498,414	498,414	-
Service charges – sanitation revenue	343,381	343,381	-
Service charges – refuse revenue	177,067	177,067	-
Rental of facilities and equipment	21,461	21,322	(138)-
Interest earned – external investments	43,240	60,360	17,120
Interest earned – outstanding debtors	171,724	171,799	75
Dividends received	-	-	-
Fines	34,809	34,504	(305)
Licences and permits	10,394	10,630	236-
Agency services	1,484	1,483	(1) -
Transfers recognized – operating	1,119,572	1,436,779	317,206
Other revenue	690,880	748,053	57,173
Gains on disposal of PPE	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>7,397,129</b>	<b>7,721,329</b>	<b>324,200</b>

**2.2.1.2 Reconciliation showing that operating and capital expenditure remain funded in accordance with section 18 of the MFMA**

Description R thousands	MFMA Section	2012/13	
		Original Budget	Adjustments Budget
<b>Funding measures</b>			
Cash/cash equivalents at the year end - R'000	18(1)b	957,364	1,120,877
Cash + investments at the yr end less applications - R'000	18(1)b	137,044	357,257
Cash year end/monthly employee/supplier payments	18(1)b	1.8	1.9
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	1,225,967	1,801,730
Cash receipts % of Ratepayer and Other revenue	18(1)a,(2)	88.0%	88.5%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	6.0%	6.0%
Capital payments % of capital expenditure	18(1)c;19	103.5%	102.5%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0%	0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	100.0%	100.0%
Current consumer debtors % change - incr(decr)	18(1)a	3.6%	17.9
R&M % of Property Plant & Equipment	20(1)(vi)	4.3%	4.5%
Asset renewal % of capital budget	20(1)(vi)	60.3%	52.7%

The aforementioned table reflects the funding status of the Adjustments Budget.

**2.2.2 Adjustments to estimated collection levels**

The 2013/14 Original Operating Budget was based on a debtors' collection rate of 94%. This debtors' collection rate has been maintained in the 2013/14 Adjustments Budget.

### 2.2.3 Adjustments to NMBM's monetary investments

Below is an analysis of the investments by type and maturity.

#### INVESTMENT PARTICULARS BY TYPE

INVESTMENT PARTICULARS BY TYPE		
	Original Budget 2013/14	Adjustments Budget 2013/14
	R	R
<u>Investment Type</u>		
DEPOSITS WITH BANKS	957 364 000	1 120 877 000
<b>TOTAL INVESTMENTS</b>	<b>957 364 000</b>	<b>1 120 877 000</b>

#### INVESTMENT PARTICULARS BY MATURITY

<u>Name of Institution / Investment</u>	Period of Investment	Type of Investment	Expiry date of Investment	Monetary Value
2013/14 Original Budget DEPOSITS WITH BANKS	1 - 3 Months	Fixed Term	Various	R
				957 364 000
				<b>957 364 000</b>
2013/14 Adjustments Budget DEPOSITS WITH BANKS	1 - 3 Months	Fixed Term	Various	1 120 877 000
				1 120 877 000
				<b>1 120 877 000</b>

### 2.2.4 Adjustments related to the planned use of previous years' cash backed accumulated surplus

No adjustments have been made pertaining to the planned use of the previous year's cash backed accumulated surplus, in the preparation of the 2013/14 Adjustments Budget.

### 2.2.5 Adjustments made to proposed new loans to be raised in the budget year

In view of financial affordability considerations, no new loans will be raised in the 2013/14 financial year.

### 2.2.6 Adjustments related to allocations and grants to the Municipality

#### 2.2.6.1 Adjustments related to capital allocations and grants to the Municipality

Below is a summarised version of the adjustments relating to grant funding, supporting the Municipality's Capital Budget:

Adjustments Capital Expenditure Budget by grant funding			
Description	Budget Year 2013/14		
	Original Budget	Total Adjusts.	Adjustments Budget
R thousands	R	R	R
<b>Funded by:</b>			
National Government	709 812	317 986	1 027 798
Other transfers and grants	7 700	14 000	21 700
<b>Total Capital transfers recognised</b>	<b>717 512</b>	<b>331 986</b>	<b>1 049 498</b>

The relevant details, reflecting the capital projects in question, are contained in Annexure "A".

### **2.2.6.2 Adjustments related to allocations and grants to the Municipality**

Below the adjustments pertaining to operating and capital allocations and grants:

Supporting Table SB7 Adjustments Budget - transfers and grant receipts –

Description	Budget Year 2013/14						
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
R thousands	A	7 A1	8 B	9 C	10 D	11 E	12 F
<b>RECEIPTS:</b>							
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>884,853</b>	<b>-</b>	<b>-</b>	<b>83,643</b>	<b>-</b>	<b>83,643</b>	<b>968,496</b>
Local Government Equitable Share	743,325					-	743,325
EPWP Incentive	20,885					-	20,885
Public Transport Network Operations	100,000					-	100,000
Energy Efficiency and Demand Management	8,000			4,000		4,000	12,000
Integrated City Development Grant	3,193					-	3,193
Infrastructure Skills Development Grant	8,200					-	8,200
Finance Management	1,250					-	1,250
Other Grants including Training, Disaster and Management etc				1,512		1,512	1,512
Municipal Disaster Recovery Grant				71,961		71,961	71,961
USDG				6,170		6,170	6,170
<b>Provincial Government:</b>	<b>221,564</b>	<b>-</b>	<b>-</b>	<b>181,386</b>	<b>-</b>	<b>181,386</b>	<b>402,950</b>
Library Grant	3,752					-	3,752
Housing	206,900			165,476		165,476	372,376
Housing accreditation	9,352			10,645		10,645	19,997
DRPW (Maintenance of Roads)				5,000		5,000	5,000
Institutional Support Grant	1,500					-	1,500
DWA (Swartkops Monitoring)				265		265	265

Description	Budget Year 2013/14						
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	7 A1	8 B	9 C	10 D	11 E	12 F
<b>R thousands</b>							
Vuna Awards	60					-	60
<b>District Municipality:</b>	-	-	-	-	-	-	-
						-	-
<b>Other grant providers:</b>	0	-	-	-	1,472	1,472	1,472
<i>Marine and Coastal Development</i>	0				630	630	630
<i>Groen Sebenza</i>					842	842	842
<i>EU 3rd tranche</i>						-	-
<i>National Lotteries</i>						-	-
<i>Donations</i>					-	-	-
<i>SALA/IDA</i>					-	-	-
						-	-
<b>Total Operating Transfers and Grants</b>	<b>1,106,417</b>	<b>-</b>	<b>-</b>	<b>265,029</b>	<b>1,472</b>	<b>266,501</b>	<b>1,372,918</b>
<b>Capital Transfers and Grants</b>							
<b>National Government:</b>	<b>809,186</b>	<b>-</b>	<b>-</b>	<b>90,482</b>	<b>-</b>	<b>90,482</b>	<b>899,668</b>
Urban Settlements development Grants	727,986			(6,170)		(6,170)	721,816
Intergrated national Electrification Programme	51,200			2,385		2,385	53,585
Neighbourhood Development Partnership	30,000			9,267		9,267	39,267
UNDP						-	-
Public Transport Infrastructure Grant				85,000		85,000	85,000
Other capital transfers [insert description]						-	-
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
						-	-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
						-	-
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
						-	-
<b>Total Capital Transfers and Grants</b>	<b>809,186</b>	<b>-</b>	<b>-</b>	<b>90,482</b>	<b>-</b>	<b>90,482</b>	<b>899,668</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>1,915,603</b>	<b>-</b>	<b>-</b>	<b>355,511</b>	<b>1,472</b>	<b>356,983</b>	<b>2,272,586</b>

Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programmes

Description	Budget Year 2013/14						
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	2 A1	3 B	4 C	5 D	6 E	7 F
<b>R thousands</b>							
<b>EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:</b>							
<b>Operating expenditure of Transfers and Grants</b>							
<b>National Government:</b>	<b>885,071</b>	<b>-</b>	<b>-</b>	<b>100,133</b>	<b>(218)</b>	<b>99,915</b>	<b>984,986</b>
Local Government Equitable Share	743,325					-	743,325
EPWP Incentive	20,885			6,696		6,696	27,581
Public Transport Network Operations	100,000					-	100,000
Energy Efficiency and Demand Management	8,000			4,000		4,000	12,000

Description	Budget Year 2013/14						
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget
	A	2 A1	3 B	4 C	5 D	6 E	7 F
<b>R thousands</b>							
Integrated City Development Grant	3,193					-	3,193
Infrastructure Skills Development Grant	8,200			2,300		2,300	10,500
Finance Management	1,250					-	1,250
Skills Development				9,006		9,006	9,006
Municipal Disaster Recovery Grant				71,961		71,961	71,961
Other Grants including Training, Disaster and Management etc	218				(218)	(218)	0
USDG				6,170		6,170	6,170
<b>Provincial Government:</b>	<b>221,564</b>	<b>-</b>	<b>-</b>	<b>207,831</b>	<b>218</b>	<b>208,049</b>	<b>429,613</b>
Library Grant	3,752					-	3,752
Housing	206,900			190,246		190,246	397,146
Housing accreditation	9,352			10,645		10,645	19,997
Institutional Support Grant	1,500					-	1,500
Vuna Awards	60					-	60
Elections Infrastructure				0	218	218	218
DRPW(Maintenance of Roads)				5,000		5,000	5,000
SMME Textile Hub	0			1,675		1,675	1,675
DWA Swartkops Monitoring				265		265	265
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other grant providers:</b>	<b>10,345</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>9,941</b>	<b>9,941</b>	<b>20,286</b>
<i>Marine and Coastal Development</i>	0				766	766	766
<i>EU 3rd Tranche</i>	5,214				7,389	7,389	12,603
<i>Groen Sebenza (SANBI)</i>					842	842	842
<i>Donations</i>	1,990				(1,990)	(1,990)	-
<i>National Lotteries</i>	3,141				2,464	2,464	5,605
SALA/IDA					470	470	470
<b>Total operating expenditure of Transfers and Grants:</b>	<b>1,116,980</b>	<b>-</b>	<b>-</b>	<b>307,964</b>	<b>9,941</b>	<b>317,905</b>	<b>1,434,885</b>
<b>Capital expenditure of Transfers and Grants</b>							
<b>National Government:</b>	<b>809,186</b>	<b>-</b>	<b>-</b>	<b>362,504</b>	<b>-</b>	<b>362,504</b>	<b>1,171,690</b>
Urban Settlements development Grants	727,986			(6,170)		(6,170)	721,816
Intergrated national Electrification Programme	51,200			2,385		2,385	53,585
Neighbourhood Development Partnership	30,000			9,267		9,267	39,267
UNDP						-	-
IPTS Grant				357,022		357,022	357,022
Other capital transfers [insert description]						-	-
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other grant providers:</b>	<b>7,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,000</b>	<b>14,000</b>	<b>21,700</b>
<i>EU 3rd Tranche</i>	7,700				11,000	11,000	18,700
<i>Mendi</i>					3,000	3,000	3,000
<b>Total capital expenditure of Transfers and Grants</b>	<b>816,886</b>	<b>-</b>	<b>-</b>	<b>362,504</b>	<b>14,000</b>	<b>376,504</b>	<b>1,193,390</b>
<b>Total capital expenditure of Transfers and Grants</b>	<b>1,933,866</b>	<b>-</b>	<b>-</b>	<b>670,469</b>	<b>23,941</b>	<b>694,410</b>	<b>2,628,275</b>

## 2.3 Adjustments to expenditure on allocations and grant programmes

### 2.3.1 The adjustments made to planned capital expenditure of allocations and grants received

The adjustments made to planned capital expenditure, including the capital projects in question, are reflected in Annexure "A".

## 2.4 Adjustments to Councillors and Employee benefits

Below a summary of the adjustments made to Councillors' Remuneration and Employee Related Costs:

Description	Original Budget 2013/14	Adjustments Budget 2013/14	Variance
R thousands	R	R	R
Councillors' Remuneration	57,199	56,722	(478)
Employee Related Costs	1, 963,367	1,977,080	13,712

It is to be noted that Councillors' Remuneration, is below the originally approved budget. The decrease of R0,5 million is mainly attributable to the final gazetted increase, being lower than the budgeted increase.

## 2.5 Adjustments to Service Delivery and Budget Implementation Plan (SDBIP)

In accordance with the MFMA, it should be noted that the service delivery targets and performance indicators in the 2013/14 SDBIP will be approved, following the approval by Council of the 2013/14 Adjustments Budget.

## 2.6 Adjustments to Capital Expenditure

Annexure "B" contains a listing of all the adjusted capital programmes and projects of the Municipality, which are aligned to the Integrated Development Plan of the Municipality.

## 2.7 Acting Municipal Manager's Quality Certification

I, Dr. Mamisa Chabula-Nxiweni, Acting Municipal Manager of the Nelson Mandela Bay Metropolitan Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under that Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality.

Print Name: Dr. Mamisa Chabula-Nxiweni

Acting Municipal Manager of Nelson Mandela Bay Municipality (EC000)

Signature \_\_\_\_\_

Date \_\_\_\_\_