MUSINA
LOCAL MUNICIPALITY

Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

REPORT ON THE 2nd ADJUSTMENT BUDGET FOR THE MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK 2020/2021 UNTIL 2022/2023 FINANCIAL YEARS

Report by the Chief Financial Officer

1. Section 16(2) of the Local Government Municipal Finance Management Act 56 of 2003 (MFMA) stipulate that the Mayor should table the annual budget for the municipality at a council meeting at least thirty(30) day before the start of the budget year. Due to COVID-19 pandemic, the annual budget was approved on 12 June 2020 budget.

2. (1)A municipality may revise an approved annual budget through an adjustments budget.
(2) An adjustments budget (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year; (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for; (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
(d)may authorise the utilisation of projected savings in one vote towards spending under another vote;
(e)may 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;
(f)may correct any errors in the annual budget; and
(g)May provide for any other expenditure within a prescribed framework.

3. The adjustment budget must be divided into a Capital and Operational Budget in accordance with international best practice and must be scheduled in a prescribed format:

- Setting out realistically anticipated revenue for the budget year from each source
- Appropriating expenditure for the budget year under the different votes/data strings of the council
- Setting out indicative revenue per revenue source and projected expenditure by vote/type/data strings for the two financial years following the budget year.
- Setting out estimated revenue and expenditure by vote/data strings for the current year and actual revenue and expenditure by vote for the financial years preceding the current year.
- As a statement containing any other information required by section 215 (3) of the constitution or as prescribed.

MUSINA
LOCAL MUNICIPALITY

Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

4. The adjustment budget herewith presented is a credible operating and capital budget which is fortunately now going for Tabling is as such hereby as funded due matters to be highlighted, and illustrated on annexures number C, D & E.

- That funds only activities which are consistent with the revised IDP.
- That contains revenue and expenditure projections that are consistent with current and past performances.
- That ensures that the financial position is improved to favourable and maintained so that obligations over the short, medium and long term are met,(Working Capital Management)
- That ensures the service delivery and performance targets are met.

5. The adjustment budget consist of (1) main Schedule of documentation prescribed by legislation: B Schedule of municipal Adjustment Budgets.

6.1 ANNEXURE A

6.1.1 The following appears as the Summary of 2nd Adjustment 2020/2021Budget of Musina Local Municipality:

Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

LIM341 Musina - Table B1 Adjustments Budget Summary - 26/02/2021

Description	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	2	3	4	5	6	7	8		
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	21,413	21,413	–	–	–	–	–	–	21,413	22,441	23,518
Service charges	178,420	178,420	–	–	–	–	–	–	178,420	187,330	197,317
Investment revenue	1,174	1,174	–	–	–	–	–	–	1,174	1,230	1,289
Transfers recognised - operational	162,512	195,305	–	–	–	–	–	–	195,305	178,415	195,396
Other own revenue	21,062	29,062	–	–	–	–	1,686	1,686	30,748	22,520	23,613
Total Revenue (excluding capital transfers and contributions)	**384,581**	**425,374**	**–**	**–**	**–**	**–**	**1,686**	**1,686**	**427,060**	**411,936**	**441,133**
Employee costs	154,154	154,154	–	–	–	–	–	–	154,154	165,239	173,335
Remuneration of councillors	11,586	11,586	–	–	–	–	–	–	11,586	12,049	12,531
Depreciation & asset impairment	32,325	32,325	–	–	–	–	–	–	32,325	34,427	36,113
Finance charges	1,676	1,676	–	–	–	–	–	–	1,676	1,883	1,975
Materials and bulk purchases	118,741	130,342	–	–	–	–	–	–	130,342	125,021	131,497
Transfers and grants	5,378	5,729	–	–	–	–	–	–	5,729	5,964	6,256
Other expenditure	55,452	80,478	–	–	–	–	301	301	80,779	61,833	73,345
Total Expenditure	**379,312**	**416,290**	**–**	**–**	**–**	**–**	**301**	**301**	**416,591**	**406,416**	**435,052**
Surplus/(Deficit)	5,269	9,084	–	–	–	–	1,385	1,385	10,469	5,520	6,081
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	33,843	33,843	–	–	–	4,372	–	4,372	38,215	31,078	39,713
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**39,112**	**42,927**	**–**	**–**	**–**	**4,372**	**1,385**	**5,757**	**48,684**	**36,598**	**45,794**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**39,112**	**42,927**	**–**	**–**	**–**	**4,372**	**1,385**	**5,757**	**48,684**	**36,598**	**45,794**
Capital expenditure & funds sources											
Capital expenditure	39,112	39,112	–	–	–	4,372	5,200	9,572	48,684	36,600	45,500
Transfers recognised - capital	33,843	33,843	–	–	–	4,372	–	4,372	38,215	31,078	39,713
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	5,269	5,269	–	–	–	–	5,200	5,200	10,469	5,522	5,787
Total sources of capital funds	**39,112**	**39,112**	**–**	**–**	**–**	**4,372**	**5,200**	**9,572**	**48,684**	**36,600**	**45,500**
Financial position											
Total current assets	153,452	157,901	–	–	–	–	–	–	157,901	169,523	176,671
Total non current assets	546,970	546,970	–	–	–	–	–	–	546,970	585,416	613,575
Total current liabilities	94,339	94,339	–	–	–	–	–	–	94,339	97,512	102,388
Total non current liabilities	4,769	4,769	–	–	–	–	–	–	4,769	5,103	5,353
Community wealth/Equity	**601,315**	**605,764**	**–**	**–**	**–**	**–**	**–**	**–**	**605,764**	**652,324**	**682,505**
Cash flows											
Net cash from (used) operating	41,596	46,045	–	–	–	4,372	5,200	9,572	55,617	40,568	48,479
Net cash from (used) investing	(39,112)	(39,112)	–	–	–	(4,372)	(5,200)	(9,572)	(48,684)	(36,600)	(45,500)
Net cash from (used) financing	(2,527)	(2,527)	–	–	–	–	–	–	(2,527)	(2,704)	(2,837)
Cash/cash equivalents at the year end	**1,620**	**6,069**	**–**	**–**	**–**	**–**	**–**	**–**	**6,069**	**7,333**	**7,475**

6.1.2

The operating revenue and expenditure budgets have been adjusted upwards from the special adjustment budget figure of **R425 374 to R427 060 million,** it has increase by **R1.7million** And expenditure budget increased from **R416 290 to R416 591 million it** has increased by **R301 thousand** and we have a surplus of **R10 469 million** which will be summarised further below as follows:

Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

LIM341 Musina - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 26/02/2021

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	21,413	21,413	–	–	–	–	–	–	21,413	22,441	23,518
Service charges - electricity revenue	2	164,616	164,616	–	–	–	–	–	–	164,616	173,106	182,324
Service charges - water revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	2	13,804	13,804	–	–	–	–	–	–	13,804	14,225	14,994
Rental of facilities and equipment		630	630						–	630	660	692
Interest earned - external investments		1,174	1,174						–	1,174	1,230	1,289
Interest earned - outstanding debtors		1,314	1,314					1,686	1,686	3,000	1,377	1,443
Dividends received			–						–	–		
Fines, penalties and forfeits		3,091	3,091						–	3,091	3,239	3,395
Licences and permits		5,197	5,197						–	5,197	5,446	5,708
Agency services			–						–	–		
Transfers and subsidies		162,512	195,305						–	195,305	178,415	195,396
Other revenue	2	5,459	13,459	–	–	–	–	–	–	13,459	5,841	6,127
Gains		5,371	5,371						–	5,371	5,957	6,248
Total Revenue (excluding capital transfers and contributions)		**384,581**	**425,374**	**–**	**–**	**–**	**–**	**1,686**	**1,686**	**427,060**	**411,936**	**441,133**
Expenditure By Type												
Employee related costs		154,154	154,154	–	–	–	–	–	–	154,154	165,239	173,335
Remuneration of councillors		11,586	11,586						–	11,586	12,049	12,531
Debt impairment		7,854	7,854						–	7,854	8,231	8,626
Depreciation & asset impairment		32,325	32,325	–	–	–	–	–	–	32,325	34,427	36,113
Finance charges		1,676	1,676						–	1,676	1,883	1,975
Bulk purchases		110,803	122,404	–	–	–	–	–	–	122,404	116,565	122,627
Other materials		7,938	7,938						–	7,938	8,456	8,870
Contracted services		22,464	36,104	–	–	–	–	4,242	4,242	40,346	30,853	32,365
Transfers and subsidies		5,378	5,729						–	5,729	5,964	6,256
Other expenditure		25,134	36,520	–	–	–	–	(3,941)	(3,941)	32,579	22,749	32,354
Losses									–	–		
Total Expenditure		**379,312**	**416,290**	**–**	**–**	**–**	**–**	**301**	**301**	**416,591**	**406,416**	**435,052**

REVENUE

The municipality generated over 66% of its budgeted revenue by the 31st of December 2020, this performance is acceptable even though there are revenue items that are still under 50 % and did not perform as expected.

Service charges- Electricity and refuse are the biggest source of income and represents R178 million or 42% of the total income budget. The municipality is currently on R60 million which is 37% of collection of the budgeted 164 million and R5.7 million for refuse revenue collection which 41% these two items are largely dependent on the collection level of billed income. The municipality will implement more robust credit control measures to improve on these items as there are measure source contributes of income.

Investment revenue is based on interest of investment in respect of Eskom guarantee and as such our revenue depicts a realistic expected revenue both in terms of previous year's outcome and audit actualisation.

Interest earned outstanding debtors has increased from 1.3 million to 3 million based on the actual revenue collected as at 31 December 2020 of 2.6 million, the upwards increment is realistic when we compare it with 2.7 million as per audit outcome.

Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Rental, Fines, Licence and other Revenue remain the same with no adjustments based on the actual outcomes of the 19 /20 audit figures.

EXPENDITURE

The drivers of expenditure which are statutory in nature are Employee cost and remuneration of councillors and Bulk Purchases and operational expenditure.

R 154 151 Million is for employee related cost, inclusive of pensions, medical cost and allowances, is currently on 74 million which is 48% is still n line with the budget.

R 32 Million which is non cash item/on straight line is budgeted according to our assets register even though we are not accounting for its monthly due to system challenges however prior year trends and register depicts that position at year end.

Finance charges is budgeted at **R1.6 Million** for servicing the loan debt with DBSA bi annually.

Bulk Purchases -A payment plan has been entered with ESKOM in respect of outstanding debt and an amount of R10 million will be paid in 3 instalments as and when we received Equitable Share i.e. July 2020, December 2020 and March 2021.The municipality has paid Eskom over R72 million in the first half of the financial year, towards the arrear debt.

R40.3 Million on other expenditure is broken down as per commitments which has future budgetary implications and cut to the bone general operational expenses as listed below:

Contracted Services

- Security Services **R 12 Million**
- Solid waste Services **R 6.1 Million**
- Health Check Ups **R 2.5 Million**
- Protective Clothing **R 2.2 Million**
- Grant Total **R 22.8 Million**

Debt Impairment

- R 7.8 million

Other General Expenditure amounting to **R 32 579 million** for the delivery of services which with limited resources we strive to provide are listed here below.

- Insurance **R7 Million**
- COVID – 19 Expense **R 2 Million**
- Audit Fees **R2.1Million**

MUSINA
LOCAL MUNICIPALITY

Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Below is a detailed breakdown of contracted services and other expenditure:

Other Expenditure On Schedule A4 & SA1	**Adjument Budget**
Advertising	470,151.00
Audit fees	2,100,780.00
Bank charges	636,899.24
Bursaries	658,191.41
Entertainment	743,839.74
Fuel and oil	2,280,397.58
Insurance	7,000,000.00
Licence fees - vehicles	531,193.00
Licence fees - computers	1,875,895.98
Registration and Membership fees(Salga)	2,066,126.00
Printing and stationery	1,306,407.00
Skills development levies	870,349.00
Signage	242,051.00
Telephone cost and bulk SMS	2,000,000.00
COVID - 19 Expense	**2,000,000.00**
Travel and subsistence	5,793,335.28
Municipal Activities	2,003,590.47
	32,579,207

Contractors,Consultants and professional and outsourced Services	
Valuation costs and Township Establishment	3,552,844.00
Business and Advisory: Quality Control	2,791,000.00
Accounting and Auditing	4,130,995.03
Dumping Site	6,457,962.00
Safeguard and Security	12,000,000.00
Legal Advice and Litigation	1,869,067.00
Business and Financial Management	3,308,000.00
Drivers Licence Cards	1,073,000.00
Burial services	165,000.00
Catering	298,015.00
Medical examination	2,500,000.00
Uniform	2,200,000.00
	40,345,883

Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

6.2 ANNEXURE B CAPITAL BUDGET

LIM341 Musina - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 26/02/2021

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Capital Expenditure - Functional												
Governance and administration		**5,269**	**5,269**	**–**	**–**	**–**	**–**	**5,200**	**5,200**	**10,469**	**5,522**	**5,787**
Executive and council									–	–		
Finance and administration		5,269	5,269					5,200	5,200	10,469	5,522	5,787
Internal audit									–	–		
Community and public safety		**11,000**	**13,778**	**–**	**–**	**–**	**–**	**–**	**–**	**13,778**	**12,000**	**12,588**
Community and social services		6,000	3,880						–	3,880	7,000	7,343
Sport and recreation		5,000	9,898						–	9,898	5,000	5,245
Public safety									–	–		
Housing									–	–		
Health									–	–		
Economic and environmental services		**22,843**	**20,065**	**–**	**–**	**–**	**4,372**	**–**	**4,372**	**24,437**	**19,078**	**27,125**
Planning and development		22,843	7,946				4,372		4,372	12,318	19,078	20,125
Road transport			12,119						–	12,119		7,000
Environmental protection									–	–		
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources									–	–		
Water management									–	–		
Waste water management									–	–		
Waste management									–	–		
Other									–	–		
Total Capital Expenditure - Functional	3	**39,112**	**39,112**	**–**	**–**	**–**	**4,372**	**5,200**	**9,572**	**48,684**	**36,600**	**45,500**
Funded by:												
National Government		33,843	33,843				4,372		4,372	38,215	31,078	39,713
Provincial Government									–	–		
District Municipality									–	–		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private									–	–		
Transfers recognised - capital	4	**33,843**	**33,843**	**–**	**–**	**–**	**4,372**	**–**	**4,372**	**38,215**	**31,078**	**39,713**
Borrowing									–	–		
Internally generated funds		5,269	5,269					5,200	5,200	10,469	5,522	5,787
Total Capital Funding		**39,112**	**39,112**	**–**	**–**	**–**	**4,372**	**5,200**	**9,572**	**48,684**	**36,600**	**45,500**

The capital budget flows from the IDP process and contains information obtained from relevant stakeholders through extensive public participation processes as well as ward committee processes where applicable.

Capital expenditure is budgeted at **R 33.8 million** 2020/21. The municipality has currently spent **R12 279 million** of the budgeted MIG which is 36.3% .The capital budget due to the COVID Pandemic continues to reflect consistent efforts to address backlogs in basic services and the renewal of the infrastructure of existing network services.

The following own capital projects are budgeted for:

Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

Own Projects	
PARAMETER FENCE	1,764,000.00
CHERRY PICKER	1,500,000.00
ELECTRICITY PROJECTS	4,500,000.00
LDV	600,000.00
LDV	400,000.00
SEDEN	300,000.00
AIRCORNS	150,000.00
FEEDER UPGRADE	305,000.00
JACK HAMMER	250,000.00
HELPDESK	400,000.00
COMPUTERS	300,000.00
Total	**10,469,000.00**

Electricity Projects - The department of did not approve the roll over for INEP grant and the municipality has already made commitments hence the R4.5 million to fund projects.

6.3 ANNEXURE C BUDGETED CASH FLOW

LIM341 Musina - Table B7 Adjustments Budget Cash Flows - 26/02/2021

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	4	5	6	7	8	9	10			
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		18,201	18,201						–	18,201	18,572	19,482
Service charges		151,657	151,657						–	151,657	144,142	151,205
Other revenue		25,145	31,945						–	31,945	25,760	24,385
Transfers and Subsidies - Operational	1	162,512	195,305						–	195,305	178,462	187,207
Transfers and Subsidies - Capital	1	33,843	33,843						–	33,843	31,078	39,713
Interest		2,115	2,115						–	2,115	2,032	2,132
Dividends									–	–		
Payments												
Suppliers and employees		(344,823)	(379,616)				4,372	5,200	9,572	(370,044)	(351,632)	(367,415)
Finance charges		(1,676)	(1,676)						–	(1,676)	(1,882)	(1,974)
Transfers and Grants	1	(5,378)	(5,729)						–	(5,729)	(5,964)	(6,256)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**41,596**	**46,045**	**–**	**–**	**–**	**4,372**	**5,200**	**9,572**	**55,617**	**40,568**	**48,479**
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE									–	–		
Decrease (increase) in non-current receivables									–	–		
Decrease (increase) in non-current investments									–	–		
Payments												
Capital assets		(39,112)	(39,112)				(4,372)	(5,200)	(9,572)	(48,684)	(36,600)	(45,500)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(39,112)**	**(39,112)**	**–**	**–**	**–**	**(4,372)**	**(5,200)**	**(9,572)**	**(48,684)**	**(36,600)**	**(45,500)**
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									–	–		
Borrowing long term/refinancing									–	–		
Increase (decrease) in consumer deposits		199	199						–	199	213	223
Payments												
Repayment of borrowing		(2,726)	(2,726)						–	(2,726)	(2,917)	(3,060)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(2,527)**	**(2,527)**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,527)**	**(2,704)**	**(2,837)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(43)**	**4,406**	**–**	**–**	**–**	**–**	**–**	**–**	**4,406**	**1,264**	**142**
Cash/cash equivalents at the year begin:	2	1,663	1,663						–	1,663	6,069	7,333
Cash/cash equivalents at the year end:	2	1,620	6,069	–	–	–	–	–	–	6,069	7,333	7,475

Postal Address:
Musina Local Municipality
Private Bag X611
Musina
0900

Physical Address:
21 Irwin Street
Musina
0900

Information Center
(015) 534 6100
info@musina.gov.za
www.musina.gov.za

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash inflow versus cash outflow that is likely to result from the implementation of the budget, and the cash that will be available at the year-end is amounting **R6 Million.**

The municipality continues to anticipation a collection rate of 85% on property rates and service charges.

6.4 ANNEXURE D CASH BACKED RESERVES

LIM341 Musina - Table B8 Cash backed reserves/accumulated surplus reconciliation - 26/02/2021

Description	Ref	Budget Year 2020/21									Budget Year +1 2021/22	Budget Year +2 2022/23
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Cash and investments available												
Cash/cash equivalents at the year end	1	1,620	6,069	–	–	–	–	–	–	6,069	7,333	7,475
Other current investments > 90 days		0	0	–	–	–	–	–	–	0	–	–
Non current assets - Investments	1	10,731	10,731	–	–	–	–	–	–	10,731	10,731	10,731
Cash and investments available:		**12,351**	**16,800**	**–**	**–**	**–**	**–**	**–**	**–**	**16,800**	**18,064**	**18,206**
Applications of cash and investments												
Unspent conditional transfers		4,672	4,672	–	–	–	–	–	–	4,672	4,069	4,367
Unspent borrowing									–	–		
Statutory requirements		1,724	1,724						–	1,724	764	366
Other working capital requirements	2	(9,937)	(9,770)					578	578	(9,191)	(6,534)	(5,531)
Other provisions		2,043	2,043						–	2,043	2,186	2,293
Long term investments committed		–	10,731					–	–	10,731	10,731	10,731
Reserves to be backed by cash/investments		10,731	–					(10,731)	(10,731)	–	–	–
Total Application of cash and investments:		**9,233**	**9,401**	**–**	**–**	**–**	**–**	**(10,153)**	**(10,153)**	**9,979**	**11,216**	**12,226**
Surplus(shortfall)		**3,118**	**7,399**	**–**	**–**	**–**	**–**	**10,153**	**10,153**	**6,821**	**6,848**	**5,980**

The table above illustrates that the municipal budget is funded with a surplus of **R6.8 million**. The drivers that pushed our budget to be funded are Balance sheet budgeting items which are found on B6, B7 and B8 supporting details as adjusted

In conclusion the above report by the CFO is attached as the narrative of the 2nd adjustment budget of 2020/2021 as funded, is submitted for your consideration and approval.