

Metsimaholo Local Municipality



ADJUSTMENT BUDGET REPORT FOR THE 2015/2016 FINANCIAL YEAR

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2. Mayor's Report

An assessment was made of the actual income and expenditure patterns over the first half of the financial year. Cash flow projections were also done for the remainder of the financial year.

- The average collection rate in the first six months is below the 85% that was projected in the budgeted forecasts.

The liquidity of the municipality still remains a challenge.

- Large amounts of accruals emanating from the previous financial year needed to be settled in the current financial year, which had a significant impact on the cash flows of the council. The most significant of these was the payments relating to service providers who were engaged during the strike. Payments in this regard will continue and the liabilities will only be settled in the first quarter of the 2016/7 year.

The circumstances outlined above require a review of the budget forecasts for the remainder of the financial year, which necessitated an Adjustments Budget being tabled to Council.

The Adjustment Budget does not require any amendments to budget-related policies, nor is there any need to transfer funds to a separate bank account for the purposes contemplated in Section 12 of the MFMA.

It is recommended that Council approves the adjustments budget

It is also a recommendation of the Executive Mayor that council accordingly approves a revision to the service delivery targets and performance indicators in the service delivery and budget implementation plans.

3. RECOMMENDED

	FOR ATTENTION
1. That Council approve the Adjustment Budget for the 2015/16 financial year	Council
2. That a revision to the service delivery targets and performance indicators in the Service Delivery and Budget Implementation Plans be revised accordingly.	Municipal Manager
3. That upon approval of the Adjustment Budget by Council, the Chief Financial Officer must ensure that, in terms of section 22(b) of the MFMA, the Adjustment Budget is submitted in both printed and electronic formats, to the National Treasury and Provincial Treasury.	CFO

4. Executive Summary

The 2015/16 MTREF was approved by Council on 29 May 2015 in accordance with section 24(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and applicable National Treasury guidelines.

In terms of section 72 of the MFMA *‘the accounting officer of a municipality must assess the performance of the municipality during the first half of the financial year’*, taking into account the monthly budgeted statements, the municipality’s service delivery performance in terms of the Service Delivery and Budget Implementation Plan (SDBIP), the past year’s annual report and progress on resolving problems identified in the annual report.

It is further stated in section 72 of the MFMA that *“the accounting officer must as part of the review make recommendations as to whether an adjustments budget is necessary and recommend revised projections for revenue and expenditure to the extent that this may be necessary”*.

Section 69(2) of the MFMA further stipulates that *“when necessary, the accounting officer must prepare an adjustment budget and submit it to the Executive Mayor for consideration and tabling in the municipal council”*.

Section 28(2) of the MFMA provides guidelines on when and how an adjustments budget can be prepared. The guidelines are the following:

- A municipality may revise an approved annual budget through an adjustments budget.
- 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 Executive 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 roll-overs when the annual budget for the current year was approved by the council;
- (f) may correct any errors in the annual budget; and
- (g) may provide for any other expenditure within a prescribed framework.

The assessment of the performance and budget of the municipality for the first six months of the year was undertaken in line with above legislative requirements and as part of the municipality's internal performance management processes. The Mid-year Budget and Performance Assessment report was submitted to the Executive Mayor on 25 January 2016 and to Council on 27 January 2016.

The effect of the Adjustment Budget in which revenue and expenditure estimates had to be adjusted, was done where possible, in a manner so as to minimize the impact on the service delivery. Service delivery will invariably be affected negatively.

Operating revenue was adjusted upwards by R3.7m and operating expenditure was adjusted upwards R14.8m and the budgeted surplus being reduced by R11.1m (amounts rounded to one decimal). CAPEX was adjusted downwards by R34.1m.

The service delivery and budget implement plans will be adjusted accordingly.

	2015/2016 Original Budget R'000	July to December 2015 Total R'000	2015/2016 Adjusted Budget R'000
Operating revenue	973 050	442 813	976 751
Operating expenditure	931 973	403 965	946 734
Capital expenditure	185 852	41 032	151 718

Summary of Operating Budget reflecting surplus/ (deficit)

	2015/2016 Original Budget R'000	July to December 2015 Total R'000	2015/2016 Adjusted Budget R'000
Own Revenue	768 364	347 378	774 065
Transfers Recognised (Operational)	125 831	95 435	125 831
Total Revenue	894 195	442 813	899 896
Expenditure	931 973	403 965	946 734
(Deficit)/Surplus	(37 778)	38 848	(46 838)
Transfers recognised (Capital)	78 855	0	76 855
Surplus	41 077	38 848	30 017

Adjustments made to the approved annual budget

A. Revenue for the six months to December 2015 is at 46% of the budget for the year.

The following budgeted revenue as per vote was adjusted:

➤ Office of Municipal Manager	R 20 000
➤ Organisation development and Corporate Services	R 220 000
➤ Social Services	(R 4 310 870)
➤ Technical and Infrastructure services	(R 3 690 520)
➤ Financial services	R 11 408 580
➤ Local Economic Development	R 55 000
Total	R 3 702 190

Details of the revenue adjustments are attached as Annexure A on page to

B. Expenditure for the six months to December 2015 is at 43% of the budget for the year

The following budgeted expenditure as per vote was adjusted:

➤ Office of the Mayor	R 754 850
➤ Office of the Speaker	(R 85 000)
➤ Office of Council Whip	(R 36 000)
➤ Mayoral Committee and Councillors	(R 9 400)
➤ Office of Municipal Manager: (mainly vacancies virement)	(R9 325 920)
➤ Organisation development and Corporate Services	R 8 830 660
➤ Social Services	R 2 807 390
➤ Technical and Infrastructure services	R 5 896 170
➤ Financial services	R 5 619 030
➤ Economic development and Planning	R 309 780
➤ Total	R14 761 560

Details of the expenditure adjustments are attached as Annexure A on page to

C. Adjustment of expenditure

1. Employee related cost increased from R222.9m to R226.2m mainly as result of increase in council contributions towards medical and pension funds. More staff joined the Medical aid funds after the 2015/2016 MTREF was approved. This resulted in the increase of the contribution by the employer.
- 2 Provision of R10.2m was made for vacancies. After the transfers were made to the departments for appointments, R433 410 is available for new appointments for the remainder of the year.
3. Departments had to increase on Conference and Delegations (R65 000) as well as transport claims (R145 510) to accommodate the cost for the MFMP training in Bloemfontein.
4. Legal expenses was adjusted by R5 989 800. The expenditure is for the investigations, all the disciplinary hearings, Magistrate Court litigation, Labour and High Court cases as well as Small Claims Court cases.
- 5 Public programs increased from R4 203 900 to R4 828 400.
- 6 The insurance premium increased by more than what was anticipated. A report was submitted to Council item 29, 29 July 2015 on the insurance claims and increase in premiums.
7. Provision for interest paid on loans decreased by R1 142 420 as the loan will only be taken up in the second half of the financial year.
- 8 Rental of equipment increased by R 2.848m. The biggest increase is for Social Services (R1.658m), R450k for Corporate Services and R700k for the Office of the Mayor.

- 9 The provision for bad debts increased by R13.0m due to the lower than anticipated collection rate of 77% compared to 85% collection rate that was anticipated. The month on month collection rate is improving.
- 10 The surplus is R30 million on the operational budget and an additional R56 million on the capital budget (own funds), resulted in a funded budget of R732 000, on condition that the payment rate is 83% and recovery of outstanding debt be done.
11. The surplus decreased from R41 077 040 to R30 017 670.
12. Capital from **own funding** decreased from R57 616 950 to R56 010 650.

D. Adjustment of Revenue

1. The forgone income on water was increased by R1.1million that decreased the net water income as free basic water needs to be offset against the water income.
2. Rates and taxes revenue increased by R4.140m
3. Basic charges for electricity and sewer increased by R860k and R144k respectively.
4. Non –payment fees increased by R2. 34m
5. Traffic fines was decreased by R1.0m
6. Water (41.4%) and electricity (43.6%) revenue are below budget but it is anticipated that it can increased.

E. THE ADJUSTMENT BUDGET AFTER THE ADJUSTMENTS AND TRANSFERS FOR THE DEPARTMENTS IS AS FOLLOWS:

Department	Expenditure budget 2015/16	Amendments	Adjusted Expenditure Budget	Expenditure actual 6 months		Revenue budget	Amendments	Adjusted Revenue Budget	Revenue actual 6 months
Office Mayor	12 629 900	754,850	13,384,750	4 361 703					
Office of Speaker	9 144 830	-85,000	9,059,830	4 557 621					
Councillors	13 859 590	-9,400	13,850,190	6 639 258					
Council Whip	4 165 810	-36,000	4,129,810	1 660 804					
Office of MM	67 718 880	-9,325,920	58,392,960	23 552 190		1 958 330	20,000	1,978,330	1 116 052
Corporate Services	32 128 210	8,830,660	40,958,870	15 834 984		397 690	220,000	617,690	324 586
Social Services	129 261 610	2,807,390	132,069,000	52 667 333		70 818 890	-4,310,870	66,508,020	25 749 811
Technical services	636 975 990	5,896,170	642,872,160	253 877 982		697 939 400	-3,690,520	694,248,880	273 022 463
Financial Services	73 433 920	5,619,030	79,052,950	31 530 789		192 454 480	11,408,580	203,863,060	140 195 608
LED	22 320 290	309,780	22,630,070	9 282 244		9 480 380	55,000	9,535,380	2 404 114
Sub total	1 001 639 030	14,761,560	1,016,400,590	403 964 908		973 049 170	3,702,190	961,506,970	442 812 634

Charge out	(69 666 900)		(69 666 900)						
Total	931 972 130	14,761,560	946,733,690	403 964 908		973 049 170	3,702,190	976,751,360	442 812 634
(Deficit)/Surplus	41 077 040	-11,059,370	30,017,670	38 847 726					

F. Capital Budget

The Capital Budget denotes significant under spending on capital projects during the first six months to December 2015. Actual expenditure for the 6 months up to December 2015 amounted to R41m or 22.1% of the capital budget. This must be reviewed in line with planned projects that could still be implemented within this financial year.

- a. Capital funding from own funds decreased from R57 616 950 to million R56 010 650. An amount of R1m of electricity network strengthening was re-allocated to replacement of transformers and R2.5m re-allocated form upgrade main substation Sasolburg to prepaid meters in hostels
.
- b. Fencing and upgrading of day visitors area at Oranjeville will be financed by Fezile Dabi District Municipality, which result in CAPEX from own funds deceased accordingly.(Refer (a) above)
- c. The DBSA facility for the front loading of DoE project was delayed form the side of DBSA and they have still not approved the funding.
- d. The grant from Provincial Department of Water and Sanitation for the water demand management project was decreased by R2 million. This was due to the county wide water crisis and funds were redirected to other municipalities in dire need.
- e. The grants from SASOL for the Emergency Management centre (R10 m) and grant from Rejuvenation for resealing of streets (R7.5m) will not materialise in the financial year. Sasol have indicated that due to the prevailing economic conditions their profitability will be negatively impacted upon and that they will no longer be in a position to make available the grants as initially intended.

- f. The vehicles to be financed from loans (finance leases) were prioritised after the tenders were received and changed as follows:

	Budget 2015/16	<u>Adjusted after tender</u>
<u>Social Services</u>	12,640,000	14,622,790
<u>CLEANSING SERVICES</u>		
1 x Wright front-end loader truck	3,500,000	
New 1 tipper for the removal of illegal dumping	500,000	
Compactor		2,047,110
4 x LDV (2L)		675,090
<u>FIRE PROTECTION SERVICES</u>		
1 x Fire Engine fully equipped	5,000,000	5,359,000
4x4 LDV double cab		500,000
1 x 10 Seater vehicle		421,430
2 x Sedan(1.6l)		350,700
4x4 Urban rescue pumper		800,000
<u>Disaster</u>		
1 x Disaster 4 x4 LDV		293,550
<u>TRAFFIC</u>		
3 x Scrambler M/C Patrol Vehicle	300,000	
4 x Sedans (2x1.6l and 2x 1.8l))	1,000,000	901,150
2 x LDV	400,000	
1 x 4x4 LDV (by law)		297,010
1 x Sedan (by law)		191,970
<u>PARKS AND PLAYGROUNDS</u>		
2 x LDV with Canopy	320,000	353,280
2 (8) x Tractors with rotary machine	480,000	844,740
2 (4) x Ride on machine (Metsimaholo)	140,000	406,870
1 x Truck mounted with grap (Refengkgotso)	400,000	
1 x 3.5 Dyna truck with loading box for tree pruning –Mini truck		276 300
1 x Back actor (TLB)	600,000	904,590
<u>Technical Services</u>	4,240,000	1,955,780
<u>ELECTRICITY SERVICES</u>		
1 x Crane Truck	1,700,000	848,720
2 x LDV	320,000	353,280

<u>STREETS & STORMWATER</u>		
1 x LDV	130,000	206,820
1 x Tipper trucks	1,700,000	
<u>BUILDINGS</u>		
1 x Sedan	130,000	193,680
<u>SEWERAGE</u>		
1x LDV	130,000	176,640
<u>WATER</u>		
1 x LDV (2-do/vil)	130,000	176,640
Financial Services	0	421,430
10/12 Seater bus		421,430
Total	16,880,000	17,000,000

- g. The detail the adjusted capital budget and changes to the capital budget is attached as Annexure B.

5.1 Adjustment Budget Tables

**FS204 Metsimaholo - Table
B1 Adjustments Budget
Summary -**

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
	Original Budget	Prior Adjusted	Accu m. Fund s	Multi- year capit al	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
Financial Performance											
Property rates	107,386	–	–	–	–	–	3,554	3,554	110,940	113,292	119,297
Service charges	618,470	–	–	–	–	–	2,531	2,531	621,001	663,516	710,901
Investment revenue	2,000	–	–	–	–	–	560	560	2,560	2,000	2,000
Transfers recognised - operational	125,831	–	–	–	–	–	–	–	125,831	141,244	156,463
Other own revenue	40,508	–	–	–	–	–	(944)	(944)	39,564	37,434	43,921
Total Revenue (excluding capital transfers and contributions)	894,195	–	–	–	–	–	5,701	5,701	899,896	957,485	1,032,582
Employee costs	222,960	–	–	–	–	–	3,233	3,233	226,193	233,740	254,911
Remuneration of councillors	15,520	–	–	–	–	–	–	–	15,520	16,590	17,734
Depreciation & asset impairment	70,084	–	–	–	–	–	–	–	70,084	76,600	81,710
Finance charges	2,331	–	–	–	–	–	(1,142)	(1,142)	1,189	1,900	1,423
Materials and bulk purchases	358,400	–	–	–	–	–	273	273	358,673	398,849	444,072
Transfers and grants	37,745	–	–	–	–	–	(6,083)	(6,083)	31,662	42,226	45,141
Other expenditure	224,933	–	–	–	–	–	18,479	18,479	243,413	228,343	222,288
Total Expenditure	931,973	–	–	–	–	–	14,761	14,761	946,733	998,248	1,067,279
Surplus/(Deficit)	(37,778)	–	–	–	–	–	(9,059)	(9,059)	(46,837)	(40,763)	(34,697)
Transfers recognised - capital	78,855	–	–	–	–	–	(2,000)	(2,000)	76,855	69,238	58,060
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	41,077	–	–	–	–	–	(11,060)	(11,060)	30,017	28,475	23,363
Surplus/ (Deficit) for the year	41,077	–	–	–	–	–	(11,060)	(11,060)	30,017	28,475	23,363
Capital expenditure & funds sources											
Capital expenditure	185,852	–	–	–	–	–	(34,134)	(34,134)	151,718	92,427	83,162
Transfers recognised - capital	96,355	–	–	–	–	–	(18,648)	(18,648)	77,707	55,238	58,060
Public contributions & donations	–	–	–	–	–	–	–	–	–	–	–
Borrowing	31,880	–	–	–	–	–	(13,880)	(13,880)	18,000	–	–
Internally generated funds	57,617	–	–	–	–	–	(1,606)	(1,606)	56,011	37,189	25,102
Total sources of capital funds	185,852	–	–	–	–	–	(34,134)	(34,134)	151,718	92,427	83,162
Financial position											
Total current assets	199,685	–	–	–	–	–	78,781	78,781	278,466	298,044	330,680
Total non-current assets	1,157,053	–	–	–	–	–	91,813	91,813	1,248,866	1,264,692	1,266,145
Total current liabilities	158,199	–	–	–	–	–	2,068	2,068	160,267	173,523	193,840
Total non-current liabilities	109,424	–	–	–	–	–	6,823	6,823	116,247	121,649	126,232
Community wealth/Equity	1,089,115	–	–	–	–	–	161,703	161,703	1,250,818	1,267,564	1,276,753
Cash flows											
Net cash from (used) operating	113,162	–	–	–	–	–	(8,857)	(8,857)	104,305	111,708	102,986
Net cash from (used) investing	(166,852)	–	–	–	–	–	20,987	20,987	(145,865)	(91,427)	(77,237)
Net cash from (used) financing	29,680	–	–	–	–	–	(13,583)	(13,583)	16,097	(2,631)	(3,608)
Cash/cash equivalents at the year end	159	–	–	–	–	–	573	573	732	18,382	40,523

<u>Cash backing/surplus reconciliation</u>											
Cash and investments available	159	-	-	-	-	-	732	732	891	16,581	39,172
Application of cash and investments	117,419	-	-	-	-	-	(6,503)	(6,503)	110,916	121,842	140,558
Balance - surplus (shortfall)	(117,260)	-	-	-	-	-	7,235	7,235	(110,025)	(105,261)	(101,386)
<u>Asset Management</u>											
Asset register summary (WDV)	1,157,053	-	-	-	-	-	91,813	91,813	1,248,866	1,264,692	1,266,145
Depreciation & asset impairment	70,084	-	-	-	-	-	-	-	70,084	76,600	81,710
Renewal of Existing Assets	2,020	-	-	-	-	-	(2,020)	(2,020)	0	2,500	-
Repairs and Maintenance	85,673	-	-	-	-	-	(51,882)	(51,882)	33,791	86,058	95,458
<u>Free services</u>											
Cost of Free Basic Services provided	79,016	-	-	-	-	-	-	-	79,016	95,141	111,444
Revenue cost of free services provided	66,199	-	-	-	-	-	-	-	66,199	72,139	76,640
<u>Households below minimum service level</u>											
Water:	8	-	-	-	-	-	-	-	8	8	8
Sanitation/sewerage:	14	-	-	-	-	-	-	-	14	14	14
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	72	-	-	-	-	-	(20)	(20)	52	54	56

5.2 Adjustment Budget Financial Performance: Standard Classification

FS204 Metsimaholo - Table B2 Adjustments Budget Financial Performance
(standard classification) -

Standard Description	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		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	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Standard												
<i>Governance and administration</i>		199,916	-	-	-	-	-	11,648	11,648	211,564	205,796	225,019
Executive and council		250	-	-	-	-	-	60	60	310	250	250
Budget and treasury office		192,455	-	-	-	-	-	11,408	11,408	203,863	202,156	216,304
Corporate services		7,211	-	-	-	-	-	180	180	7,391	3,390	8,465
<i>Community and public safety</i>		23,320	-	-	-	-	-	(923)	(923)	22,397	53,422	16,081
Community and social services		3,277	-	-	-	-	-	(466)	(466)	2,810	16,831	3,408
Sport and recreation		9,825	-	-	-	-	-	544	544	10,369	26,486	2,339
Public safety		6,519	-	-	-	-	-	(1,000)	(1,000)	5,518	6,104	6,134
Housing		3,700	-	-	-	-	-	-	-	3,700	4,000	4,200
<i>Economic and environmental services</i>		983	-	-	-	-	-	55	55	1,038	5,706	45,816
Planning and development		680	-	-	-	-	-	55	55	736	717	756
Road transport		302	-	-	-	-	-	-	-	302	4,989	45,060
<i>Trading services</i>		748,831	-	-	-	-	-	(7,078)	(7,078)	741,753	761,798	803,726
Electricity		284,562	-	-	-	-	-	(1,260)	(1,260)	283,302	308,637	324,138
Water		346,550	-	-	-	-	-	(2,000)	(2,000)	344,550	362,631	383,545
Waste water management		66,520	-	-	-	-	-	(430)	(430)	66,090	34,992	36,796
Waste management		51,198	-	-	-	-	-	(3,388)	(3,388)	47,811	55,537	59,248
Total Revenue - Standard	2	973,049	-	-	-	-	-	3,702	3,702	976,751	1,026,723	1,090,642
Expenditure - Standard	-											
<i>Governance and administration</i>		155,743	-	-	-	-	-	6,669	6,669	162,413	166,507	167,983
Executive and council		67,616	-	-	-	-	-	(6,383)	(6,383)	61,233	70,095	74,458
Budget and treasury office		40,192	-	-	-	-	-	5,619	5,619	45,811	44,630	38,152
Corporate services		47,935	-	-	-	-	-	7,433	7,433	55,368	51,782	55,373
<i>Community and public safety</i>		92,315	-	-	-	-	-	(483)	(483)	91,832	99,168	106,361
Community and social services		11,006	-	-	-	-	-	(1,807)	(1,807)	9,199	11,865	12,596
Sport and recreation		33,515	-	-	-	-	-	1,032	1,032	34,547	35,904	38,163
Public safety		43,790	-	-	-	-	-	245	245	44,035	47,134	51,114
Housing		4,003	-	-	-	-	-	48	48	4,051	4,266	4,488
<i>Economic and environmental services</i>		59,551	-	-	-	-	-	196	196	59,747	57,501	64,478
Planning and development		7,062	-	-	-	-	-	441	441	7,503	7,520	7,985
Road transport		52,488	-	-	-	-	-	(245)	(245)	52,243	49,981	56,493
<i>Trading services</i>		624,363	-	-	-	-	-	8,380	8,380	632,743	675,071	728,457
Electricity		260,328	-	-	-	-	-	340	340	260,667	291,247	323,224
Water		250,481	-	-	-	-	-	5,708	5,708	256,189	260,553	273,733
Waste water management		54,280	-	-	-	-	-	(301)	(301)	53,979	58,602	63,331
Waste management		59,275	-	-	-	-	-	2,633	2,633	61,908	64,669	68,169
Total Expenditure - Standard	3	931,972	-	-	-	-	-	14,762	14,762	946,734	998,247	1,067,279
Surplus/ (Deficit) for the year		41,077	-	-	-	-	-	(11,060)	(11,060)	30,017	28,476	23,363

5.3 Adjustment Budget Financial Performance: Municipal vote

FS204 Metsimaholo - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description <i>[Insert departmental structure etc]</i> R thousands	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		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
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue by Vote	1											
Vote 1 - Council/Mayor, Speaker and Councillors		–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		1,958	–	–	–	–	–	20	20	1,978	2,224	2,374
Vote 3 - Organisational Development & Corporate Services		398	–	–	–	–	–	220	220	618	411	411
Vote 4 - Social Services		71,553	–	–	–	–	–	(4,311)	(4,311)	67,242	105,738	71,955
Vote 5 - Infrastructure Services		729,945	–	–	–	–	–	(3,691)	(3,691)	726,254	745,176	825,252
Vote 6 - Financial Services		192,454	–	–	–	–	–	11,409	11,409	203,863	202,157	216,304
Vote 7 - Local Economic Development		9,480	–	–	–	–	–	55	55	9,535	5,717	10,881
Total Revenue by Vote	2	1,005,788	–	–	–	–	–	3,703	3,703	1,009,491	1,061,422	1,127,177
Expenditure by Vote	1											
Vote 1 - Council/Mayor, Speaker and Councillors		39,800	–	–	–	–	–	624	624	40,424	40,895	43,344
Vote 2 - Municipal Manager		49,043	–	–	–	–	–	(9,326)	(9,326)	39,717	53,758	58,311
Vote 3 - Organisational Development & Corporate Services		16,192	–	–	–	–	–	8,831	8,831	25,023	17,861	18,365
Vote 4 - Social Services		129,996	–	–	–	–	–	2,808	2,808	132,804	139,561	148,264
Vote 5 - Infrastructure Services		667,168	–	–	–	–	–	5,897	5,897	673,065	712,587	771,736
Vote 6 - Financial Services		40,192	–	–	–	–	–	5,619	5,619	45,811	44,630	38,152
Vote 7 - Local Economic Development		22,320	–	–	–	–	–	310	310	22,630	23,653	25,641
Total Expenditure by Vote	2	964,711	–	–	–	–	–	14,763	14,763	979,474	1,032,946	1,103,814
Surplus/ (Deficit) for the year	2	41,077	–	–	–	–	–	(11,060)	(11,060)	30,017	28,476	23,363

5.4 Adjustment Budget - Financial Performance: (revenue and expenditure)

FS204 Metsimaholo - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		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
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	107,386	–	–	–	–	–	3,554	3,554	110,940	113,292	119,297
Property rates - penalties & collection charges		–							–	–		
Service charges - electricity revenue	2	243,223	–	–	–	–	–	860	860	244,083	267,546	294,300
Service charges - water revenue	2	307,067	–	–	–	–	–	(1,120)	(1,120)	305,947	324,059	341,236
Service charges - sanitation revenue	2	24,249	–	–	–	–	–	144	144	24,393	25,583	26,939
Service charges - refuse revenue	2	35,618	–	–	–	–	–	–	–	35,618	37,577	39,569
Service charges - other		8,313						2,646	2,646	10,959	8,751	8,857
Rental of facilities and equipment		5,272						(159)	(159)	5,112	5,658	6,091
Interest earned - external investments		2,000						560	560	2,560	2,000	2,000
Interest earned - outstanding debtors		18,171						–	–	18,171	18,940	19,745
Dividends received		–						–	–	–	–	–
Fines		6,024						(1,000)	(1,000)	5,024	5,575	5,576
Licences and permits		181						–	–	181	191	201
Agency services		–						–	–	–	–	–
Transfers recognised - operating		125,831						–	–	125,831	141,244	156,463
Other revenue	2	5,860	–	–	–	–	–	216	216	6,076	6,070	6,383
Gains on disposal of PPE		5,001							–	5,001	1,000	5,925
Total Revenue (excluding capital transfers and contributions)		894,195	–	–	–	–	–	5,701	5,701	899,896	957,485	1,032,582
Expenditure By Type	-											
Employee related costs		222,960	–	–	–	–	–	3,233	3,233	226,193	233,740	254,911
Remuneration of councillors		15,520						–	–	15,520	16,590	17,734
Debt impairment		84,279						12,867	12,867	97,146	71,406	63,126
Depreciation & asset impairment		70,084	–	–	–	–	–	–	–	70,084	76,600	81,710
Finance charges		2,331						(1,142)	(1,142)	1,189	1,900	1,423
Bulk purchases		324,864	–	–	–	–	–	20	20	324,883	363,809	407,534
Other materials		33,537						254	254	33,790	35,040	36,538
Contracted services		33,601	–	–	–	–	–	(254)	(254)	33,347	35,881	38,244
Transfers and grants		37,745						(6,083)	(6,083)	31,662	42,226	45,141
Other expenditure		107,053	–	–	–	–	–	5,866	5,866	112,920	121,056	120,918
Loss on disposal of PPE		–							–	–		
Total Expenditure		931,973	–	–	–	–	–	14,761	14,761	946,733	998,248	1,067,279
Surplus/(Deficit)		(37,778)	–	–	–	–	–	(9,059)	(9,059)	(46,838)	(40,763)	(34,697)
Transfers recognised - capital		78,855						(2,000)	(2,000)	76,855	69,238	58,060
Contributions recognised - capital		–							–	–		
Contributed assets									–	–		
Surplus/ (Deficit) for the year		41,077	–	–	–	–	–	(11,060)	(11,060)	30,017	28,475	23,363

5.5 Adjustment Budget - Capital Expenditure: (municipal vote, standard classification and funding)

FS204 Metsimaholo - Table B5 Adjustments Capital Expenditure Budget
by vote and funding -

Description	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		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	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Council/Mayor, Speaker and Councillors		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		5,035	-	-	-	-	-	-	-	5,035	6,170	5,396
Vote 3 - Organisational Development & Corporate Services		1,150	-	-	-	-	-	(150)	(150)	1,000	600	300
Vote 4 - Social Services		40,358	-	-	-	-	-	(8,621)	(8,621)	31,737	50,096	3,986
Vote 5 - Infrastructure Services		139,069	-	-	-	-	-	(25,784)	(25,784)	113,285	35,561	73,480
Vote 6 - Financial Services		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Local Economic Development		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	185,612	-	-	-	-	-	(34,555)	(34,555)	151,057	92,427	83,162
Single-year expenditure to be adjusted	2											
Vote 1 - Council/Mayor, Speaker and Councillors		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Organisational Development & Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Infrastructure Services		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Financial Services		240	-	-	-	-	-	421	421	661	-	-
Vote 7 - Local Economic Development		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		240	-	-	-	-	-	421	421	661	-	-
Total Capital Expenditure - Vote		185,852	-	-	-	-	-	(34,134)	(34,134)	151,718	92,427	83,162
Capital Expenditure - Standard												
Governance and administration		13,263	-	-	-	-	-	(463)	(463)	12,800	6,150	5,976
Executive and council		1,802						-	-	1,802	600	300
Budget and treasury office		240						421	421	661		
Corporate services		11,221						(884)	(884)	10,337	5,550	5,676
Community and public safety		35,108	-	-	-	-	-	(7,343)	(7,343)	27,765	48,346	3,986
Community and social services		4,524						(4)	(4)	4,520	13,793	340
Sport and recreation		12,874						(154)	(154)	12,720	30,648	1,633
Public safety		17,710						(7,185)	(7,185)	10,525	3,906	2,012
Housing										-		-
Economic and environmental services		37,560	-	-	-	-	-	(9,124)	(9,124)	28,436	9,033	45,320
Planning and development										-		
Road transport		37,560						(9,124)	(9,124)	28,436	9,033	45,320
Trading services		99,921	-	-	-	-	-	(17,204)	(17,204)	82,717	28,898	27,880
Electricity		52,860						(16,020)	(16,020)	36,840	23,830	27,390
Water		5,825						47	47	5,872	2,226	145
Waste water management		35,236						47	47	35,283	342	345
Waste management		6,000						(1,278)	(1,278)	4,722	2,500	-

Total Capital Expenditure - Standard	3	185,852	–	–	–	–	–	(34,134)	(34,134)	151,718	92,427	83,162
Funded by:												
National Government		96,355						(18,648)	(18,648)	77,707	55,238	58,060
Provincial Government								–	–	–		
District Municipality								–	–	–		
Other transfers and grants								–	–	–		
Total Capital transfers recognised	4	96,355	–	–	–	–	–	(18,648)	(18,648)	77,707	55,238	58,060
Public contributions & donations								–	–	–		
Borrowing		31,880						(13,880)	(13,880)	18,000		
Internally generated funds		57,617						(1,606)	(1,606)	56,011	37,189	25,102
Total Capital Funding		185,852	–	–	–	–	–	(34,134)	(34,134)	151,718	92,427	83,162

5.6 Adjustment Budget – Financial Position

FS204 Metsimaholo - Table B6 Adjustments Budget
Financial Position -

Description	R e f	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		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
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
ASSETS												
Current assets												
Cash		159						732	732	891	16 581	39 172
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	148 326	–	–	–	–	–	87 590	87 590	235 916	238 719	241 264
Other debtors		15 000						17 544	17 544	32 544	31 744	37 244
Current portion of long-term receivables		16 200						(16 200)	(16 200)	–	–	–
Inventory		20 000						(10 885)	(10 885)	9 115	11 000	13 000
Total current assets		199 685	–	–	–	–	–	78 781	78 781	278 466	298 044	330 680
Non current assets												
Long-term receivables									–	–		
Investments									–	–		
Investment property		87 313						(898)	(898)	86 415	86 415	86 415
Investment in Associate									–	–		
Property, plant and equipment	1	1 069 345	–	–	–	–	–	92 661	92 661	1 162 006	1 177 832	1 179 285
Agricultural									–	–		
Biological									–	–		
Intangible		395						50	50	445	445	445
Other non-current assets									–	–		
Total non-current assets		1 157 053	–	–	–	–	–	91 813	91 813	1 248 866	1 264 692	1 266 145
TOTAL ASSETS		1 356 738	–	–	–	–	–	170 594	170 594	1 527 332	1 562 736	1 596 825
LIABILITIES												
Current liabilities												
Bank overdraft									–	–		
Borrowing		4 199	–	–	–	–	–	(2 932)	(2 932)	1 267	1 323	1 440
Consumer deposits		17 000							–	17 000	17 200	17 400
Trade and other payables		137 000	–	–	–	–	–	5 000	5 000	142 000	155 000	175 000
Provisions									–	–		
Total current liabilities		158 199	–	–	–	–	–	2 068	2 068	160 267	173 523	193 840
Non-current liabilities												
Borrowing	1	18 498	–	–	–	–	–	2 835	2 835	21 333	17 693	12 756
Provisions	1	90 926	–	–	–	–	–	3 988	3 988	94 914	103 956	113 476
Total non-current liabilities		109 424	–	–	–	–	–	6 823	6 823	116 247	121 649	126 232
TOTAL LIABILITIES		267 623	–	–	–	–	–	8 891	8 891	276 514	295 172	320 072
NET ASSETS	2	1 089 115	–	–	–	–	–	161 703	161 703	1 250 818	1 267 564	1 276 753
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		1 089 115	–	–	–	–	–	161 703	161 703	1 250 818	1 267 564	1 276 753
Reserves		–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY		1 089 115	–	–	–	–	–	161 703	161 703	1 250 818	1 267 564	1 276 753

5.7 Adjustment Budget Statement – Cash Flow

FS204 Metsimaholo - Table B7 Adjustments Budget Cash

Flows -

Description	R ef	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget	Prior Adjust ed	Accu m. Funds	Multi- year capital	Unfore · Unavo id.	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 FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges		91 279						(2 527)	(2 527)	88 752	99 700	107 367
Service charges		547 103						(14 312)	(14 312)	532 791	602 635	656 888
Other revenue		16 055						9 255	9 255	25 310	16 265	17 044
Government - operating	1	125 831						–	–	125 831	141 244	156 463
Government - capital	1	78 855						(2 000)	(2 000)	76 855	69 238	58 060
Interest		17 446						(349)	(349)	17 097	18 667	19 771
Dividends									–	–		
Payments												
Suppliers and employees		(723 331)						(6 149)	(6 149)	(729 480)	(791 917)	(866 043)
Finance charges		(2 331)						1 142	1 142	(1 189)	(1 900)	(1 423)
Transfers and Grants	1	(37 745)						6 083	6 083	(31 662)	(42 225)	(45 141)
NET CASH FROM/(USED) OPERATING ACTIVITIES		113 162	–	–	–	–	–	(8 857)	(8 857)	104 305	111 708	102 986
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		5 000							–	5 000	1 000	5 925
Decrease (Increase) in non-current debtors									–	–		
Decrease (increase) other non-current receivables									–	–		
Decrease (increase) in non-current investments									–	–		
Payments												
Capital assets		(171 852)						20 987	20 987	(150 865)	(92 427)	(83 162)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(166 852)	–	–	–	–	–	20 987	20 987	(145 865)	(91 427)	(77 237)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									–	–		
Borrowing long term/refinancing		31 880						(13 880)	(13 880)	18 000		
Increase (decrease) in consumer deposits		2 000						(1 800)	(1 800)	200	2 000	1 500
Payments												
Repayment of borrowing		(4 200)						2 097	2 097	(2 103)	(4 631)	(5 108)
NET CASH FROM/(USED) FINANCING ACTIVITIES		29 680	–	–	–	–	–	(13 583)	(13 583)	16 097	(2 631)	(3 608)
NET INCREASE/ (DECREASE) IN CASH HELD		(24 010)	–	–	–	–	–	(1 453)	(1 453)	(25 463)	17 650	22 141
Cash/cash equivalents at the year begin:	2	24 169						2 026	2 026	26 195	159	17 808
Cash/cash equivalents at the year-end:	2	159	–	–	–	–	–	573	573	732	17 809	39 949

5.8. Adjustment Budget - Cash backed reserves/accumulated surplus reconciliation

FS204 Metsimaholo - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoi d.	Nat. or Prov . Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands		A	A1	B	C	D	E	F	G	H		
<u>Cash and investments available</u>												
Cash/cash equivalents at the year end	1	159	–	–	–	–	–	573	573	732	17 809	39 949
Other current investments > 90 days		(0)	–	–	–	–	–	159	159	159	(1 228)	(777)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		159	–	–	–	–	–	732	732	891	16 581	39 172
<u>Applications of cash and investments</u>												
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–	–
Unspent borrowing									–	–		
Statutory requirements									–	–		
Other working capital requirements	2	117 419	–					(6 503)	(6 503)	110 916	121 842	140 558
Other provisions									–	–		
Long term investments committed		–	–					–	–	–	–	–
Reserves to be backed by cash/investments		–	–					–	–	–	–	–
Total Application of cash and investments:		117 419	–	–	–	–	–	(6 503)	(6 503)	110 916	121 842	140 558
Surplus(shortfall)		(117 260)	–	–	–	–	–	7 235	7 235	(110 025)	(105 261)	(101 386)

NB:

There are problems in the formulas of the return from National Treasury.
It does not take into account payments received for services.

5.9 Adjustment Budget - Asset Management

FS204 Metsimaholo - Table B9 Asset Management -[illegible]

Other assets		33,665	-	-	-	-	-	2,166	2,166	35,832	11,806	7,988
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	2	185,852	-	-	-	-	-	(34,134)	(34,134)	151,718	92,427	83,162
ASSET REGISTER SUMMARY - PPE (WDV)	5											
<i>Infrastructure - Road transport</i>		241,802						(7,500)	(7,500)	234,302	227,634	249,752
<i>Infrastructure - Electricity</i>		169,905						(14,000)	(14,000)	155,905	183,735	200,476
<i>Infrastructure - Water</i>		181,142						-	-	181,142	175,159	166,945
<i>Infrastructure - Sanitation</i>		221,099						-	-	221,099	211,260	199,424
<i>Infrastructure - Other</i>		5,081						-	-	5,081	3,939	2,697
Infrastructure		819,029	-	-	-	-	-	(21,500)	(21,500)	797,529	801,727	819,294
Community		15,171						(10,000)	(10,000)	5,171	56,833	55,035
Heritage assets		561						-	-	561	561	561
Investment properties		87,313	-	-	-	-	-	(898)	(898)	86,415	86,415	86,415
Other assets		234,584						124,161	124,161	358,745	318,711	304,395
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		395	-	-	-	-	-	50	50	445	445	445
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,157,053	-	-	-	-	-	91,813	91,813	1,248,866	1,264,692	1,266,145
EXPENDITURE OTHER ITEMS	3											
<u>Depreciation & asset impairment</u>		70,084	-	-	-	-	-	-	-	70,084	76,600	81,710
<u>Repairs and Maintenance by asset class</u>		85,673	-	-	-	-	-	(51,882)	(51,882)	33,791	86,058	95,458
<i>Infrastructure - Road transport</i>		27,748	-	-	-	-	-	(11,546)	(11,546)	16,202	24,775	31,200
<i>Infrastructure - Electricity</i>		16,698	-	-	-	-	-	(13,136)	(13,136)	3,562	17,853	18,937
<i>Infrastructure - Water</i>		14,217	-	-	-	-	-	(11,749)	(11,749)	2,468	15,158	16,214
<i>Infrastructure - Sanitation</i>		11,369	-	-	-	-	-	(8,809)	(8,809)	2,560	12,115	12,957
<i>Infrastructure - Other</i>		5,695	-	-	-	-	-	(4,850)	(4,850)	846	5,953	6,153
Infrastructure		75,727	-	-	-	-	-	(50,089)	(50,089)	25,638	75,854	85,461
Community		669	-	-	-	-	-	(285)	(285)	384	704	740
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	9,277	-	-	-	-	-	(1,508)	(1,508)	7,769	9,500	9,257
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		155,757	-	-	-	-	-	(51,882)	(51,882)	103,875	162,658	177,168
Renewal of Existing Assets as % of total capex		1.1%	0.0%							0.0%	2.7%	0.0%
Renewal of Existing Assets as % of deprecn"		2.9%	0.0%							0.0%	3.3%	0.0%
R&M as a % of PPE		7.4%	0.0%							2.7%	6.8%	7.5%
Renewal and R&M as a % of PPE		7.6%	0.0%							2.7%	7.0%	7.5%

5.10 Adjustment Budget - Basic service delivery measurement

FS204 Metsimaholo - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		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
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		27000							-	27	27000	27000
Piped water inside yard (but not in dwelling)									-	-		
Using public tap (at least min.service level)	2								-	-		
Other water supply (at least min.service level)									-	-		
<i>Minimum Service Level and Above sub-total</i>		27	-	-	-	-	-	-	-	27	27	27
Using public tap (< min.service level)	3	7670							-	8	7670	7670
Other water supply (< min.service level)	3,4								-	-		
No water supply									-	-		
<i>Below Minimum Service Level sub-total</i>		8	-	-	-	-	-	-	-	8	8	8
Total number of households	5	35	-	-	-	-	-	-	-	35	35	35
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		19368							-	19 368	19368	19368
Flush toilet (with septic tank)		1000							-	1 000	1000	1000
Chemical toilet									-	-		
Pit toilet (ventilated)									-	-		
Other toilet provisions (> min.service level)									-	-		
<i>Minimum Service Level and Above sub-total</i>		20 368	-	-	-	-	-	-	-	20 368	20 368	20 368
Bucket toilet		1657							-	1 657	1657	1657
Other toilet provisions (< min.service level)		12645							-	12 645	12645	12645
No toilet provisions									-	-		
<i>Below Minimum Service Level sub-total</i>		14 302	-	-	-	-	-	-	-	14 302	14 302	14 302
Total number of households	5	34 670	-	-	-	-	-	-	-	34 670	34 670	34 670
Energy:												
Electricity (at least min. service level)		1500							-	1 500	2000	
Electricity - prepaid (> min.service level)		35000							-	35 000	35100	
<i>Minimum Service Level and Above sub-total</i>		36 500	-	-	-	-	-	-	-	36 500	37 100	-
Electricity (< min.service level)									-	-		
Electricity - prepaid (< min. service level)									-	-		
Other energy sources									-	-		
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	36 500	-	-	-	-	-	-	-	36 500	37 100	-
Refuse:												
Removed at least once a week (min.service)		52000							-	52 000	53000	54000
<i>Minimum Service Level and Above sub-total</i>		52 000	-	-	-	-	-	-	-	52 000	53 000	54 000
Removed less frequently than once a week		10000							(10 000)	-	1000	2000
Using communal refuse dump		52000							-	52 000	53000	54000
Using own refuse dump									-	-		
Other rubbish disposal									-	-		

No rubbish disposal		10000						-10000	(10 000)	–	0	0
<i>Below Minimum Service Level sub-total</i>		72 000	–	–	–	–	–	(20 000)	(20 000)	52 000	54 000	56 000
Total number of households	5	124 000	–	–	–	–	–	(20 000)	(20 000)	104 000	107 000	110 000
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		27000							–	27 000	28000	30000
Sanitation (free minimum level service)		23696							–	23 696	23696	23696
Electricity/other energy (50kwh per household per month)		5000							–	5 000	6500	8000
Refuse (removed at least once a week)		10000							–	10 000	12000	14000
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)		27 867							–	27 867	28 784	29 557
Sanitation (free sanitation service)		23 407							–	23 407	30 304	37 890
Electricity/other energy (50kwh per household per month)		7 963							–	7 963	10 119	12 319
Refuse (removed once a week)		19 778							–	19 778	25 934	31 678
Total cost of FBS provided (minimum social package)		79 016	–	–	–	–	–	–	–	79 016	95 141	111 444
Highest level of free service provided												
Property rates (R'000 value threshold)		35000							–	35 000	35000	35000
Water (kilolitres per household per month)		10							–	10	10	10
Sanitation (kilolitres per household per month)									–	–		
Sanitation (Rand per household per month)		85							–	85	90	95
Electricity (kw per household per month)		50							–	50	50	50
Refuse (average litres per week)		103							–	103	108	114
Revenue cost of free services provided (R'000)	17											
Property rates (R15 000 threshold rebate)		11 071							–	11 071	11 680	12 299
Property rates (other exemptions, reductions and rebates)									–	–		
Water		21 796							–	21 796	22 889	24 102
Sanitation		8 053							–	8 053	8 496	8 947
Electricity/other energy		5 150							–	5 150	5 665	6 231
Refuse		12 329							–	12 329	15 608	17 260
Municipal Housing - rental rebates									–	–		
Housing - top structure subsidies									–	–		
Other		7 800							–	7 800	7 800	7 800
Total revenue cost of free services provided (total social package)	6	66 199	–	–	–	–	–	–	–	66 199	72 139	76 640

5.11 Budget Related Charts

Chart 1: Revenue by Major source

Chart 1 Revenue By Major Source	12/13Aud	13/14Aud	14/15Aud	15/16Bud	15/16Adj	16/17Bud	17/18Bud
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Property rates	92,485	96,376	111,299	107,386	110 940	113,292	119,296
Electricity	164,079	178,217	195,341	243,223	244 083	267,546	294,300
Water	159,701	175,524	249,416	307,067	305 947	324,059	341,236
Other	185,263	199,973	215,927	236,519	238 926	252,588	277,750

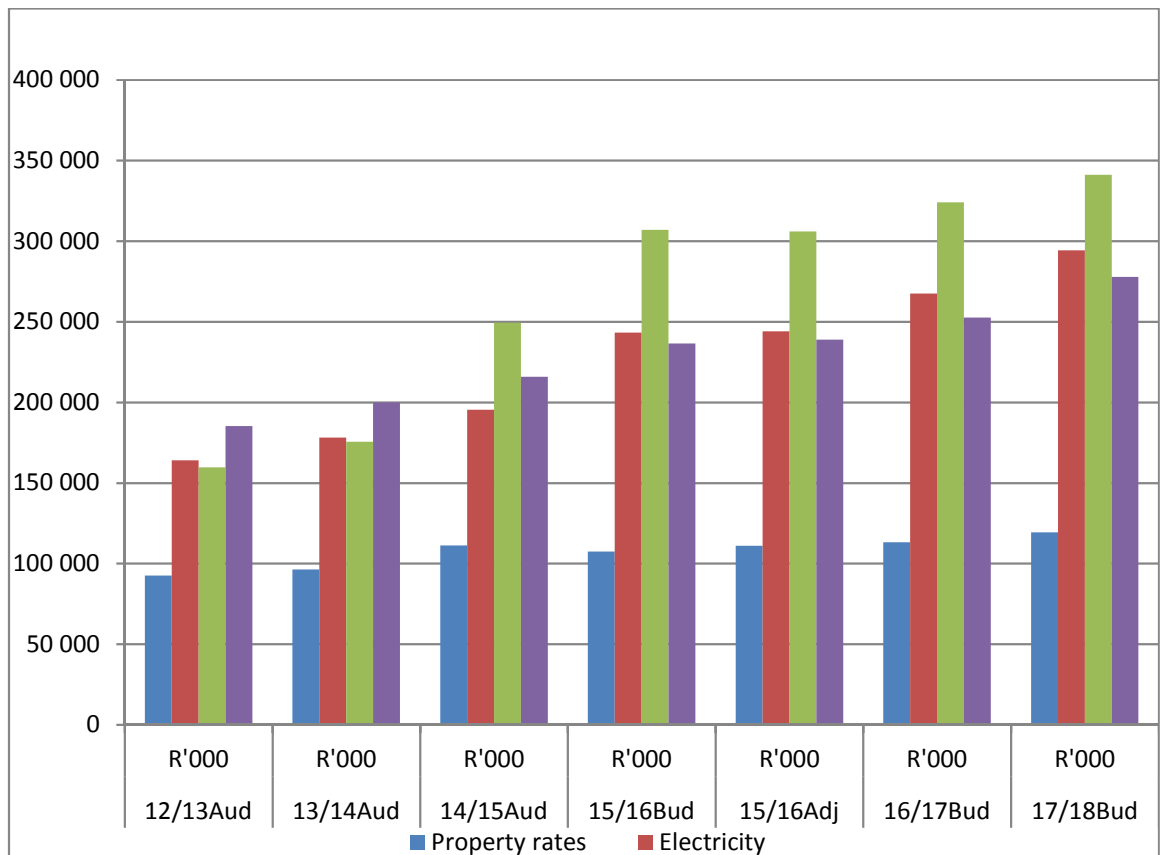


Chart 2: Revenue by Minor Source

Chart 2 Revenue By Minor Source	12/13Aud	13/14Aud	14/15Aud	15/16Bud	15/16Adj	16/17Bud	17/18Bud
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Sanitation	19,990	16,150	18,087	24,250	24 393	25,583	26,939
Refuse	27,526	17,390	23,796	35,618	35 618	35,577	39,569
Service charges - other	6,743	11,487	1,071	8,313	10 959	8,751	8,857
Rental of fac	4,514	4,858	4,600	5,272	5 112	5,658	6,091
Interest ext	1,543	1,772	2,255	2,000	2 560	2,000	2,000
Interest outs debt	13,900	17,193	14,576	18,171	18 171	18,940	19,745
Fines	4,194	15,855	22,876	6,024	5 024	5,575	5,576
Licenses	120	146	149	181	181	191	201
Other revenue	8,911	10,481	20,975	10,860	11 077	8,070	12,308

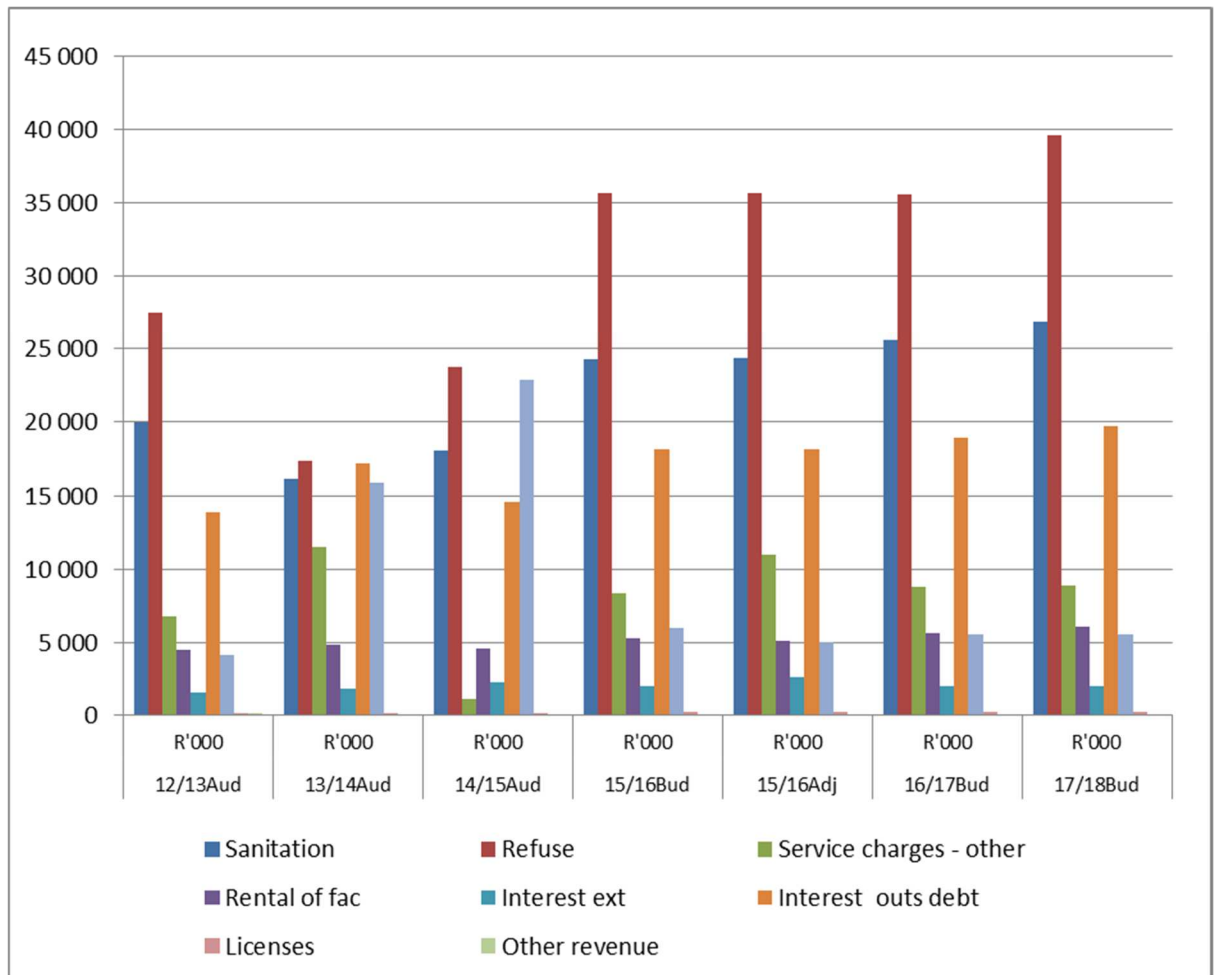


Chart 3: Operating Expenditure by Major Type

Chart 4 Operating Expenditure per Major Type	12/13Aud	13/14Aud	14/15Aud	15/16Bud	15/16Adj	16/17Bud	17/18Bud
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Employee related costs	170,173	188,397	175,080	222,960	226 193	233,740	254,911
Remuneration of Councillors	12,102	13,173	14,410	15,519	15 520	16,590	17,734
Bad debts	62,594	84,993	114,846	84,279	97 146	71,406	63,126
Depreciation	43,309	32,238	38,692	70,084	70 084	76,600	81,710
Repairs and maintenance	26,308	15,227	25,693	33,537	33 790	35,040	36,536
Bulk purchases - Electricity	144,367	155,375	166,459	190,891	191 491	216,662	245,911
Bulk purchases - Water	90,751	100,198	112,761	133,972	133 391	147,147	161,623
Contracted services	20,022	23,972	83,216	33,601	33 347	35,881	38,244
General expenses	98,316	72,549	83,779	147,130	145 771	165,181	167,484
Total Expenditure	667,942	686,122	814,936	931,973	946 733	998,247	1,067,279

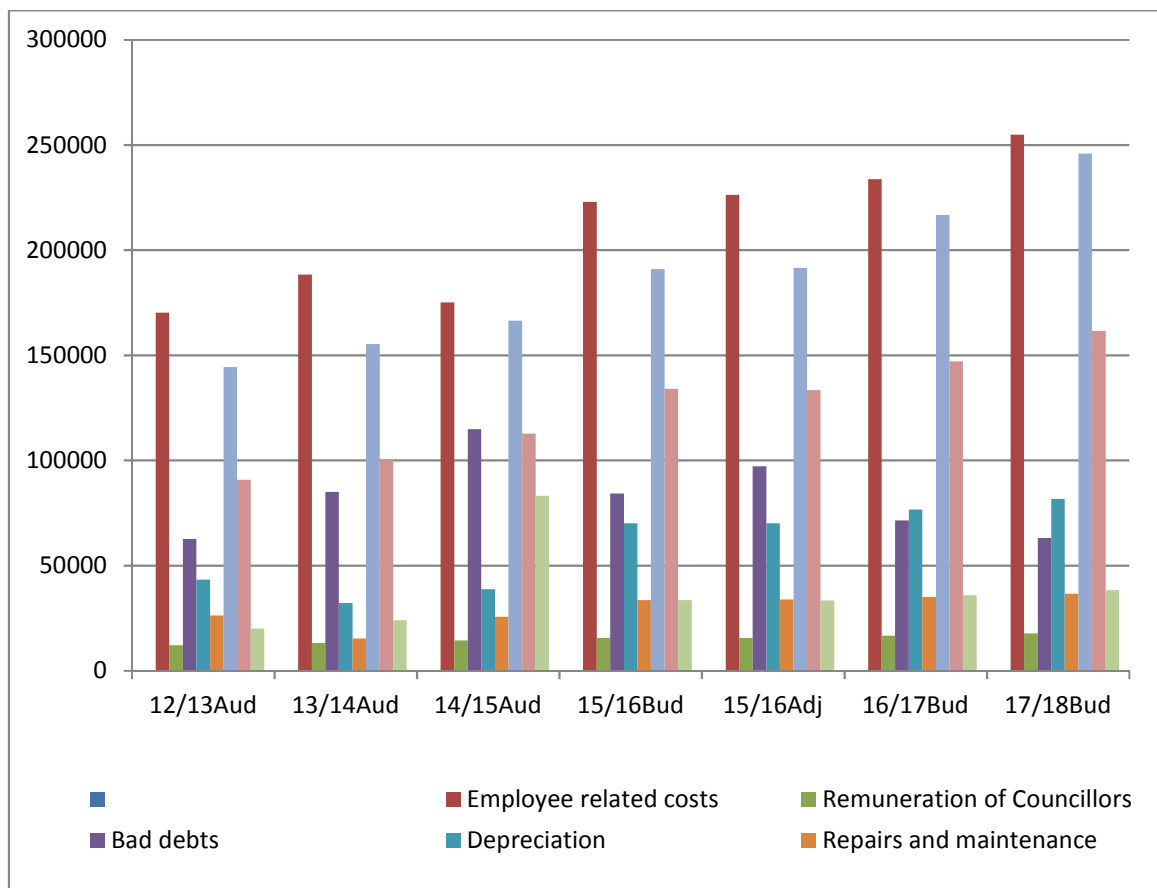
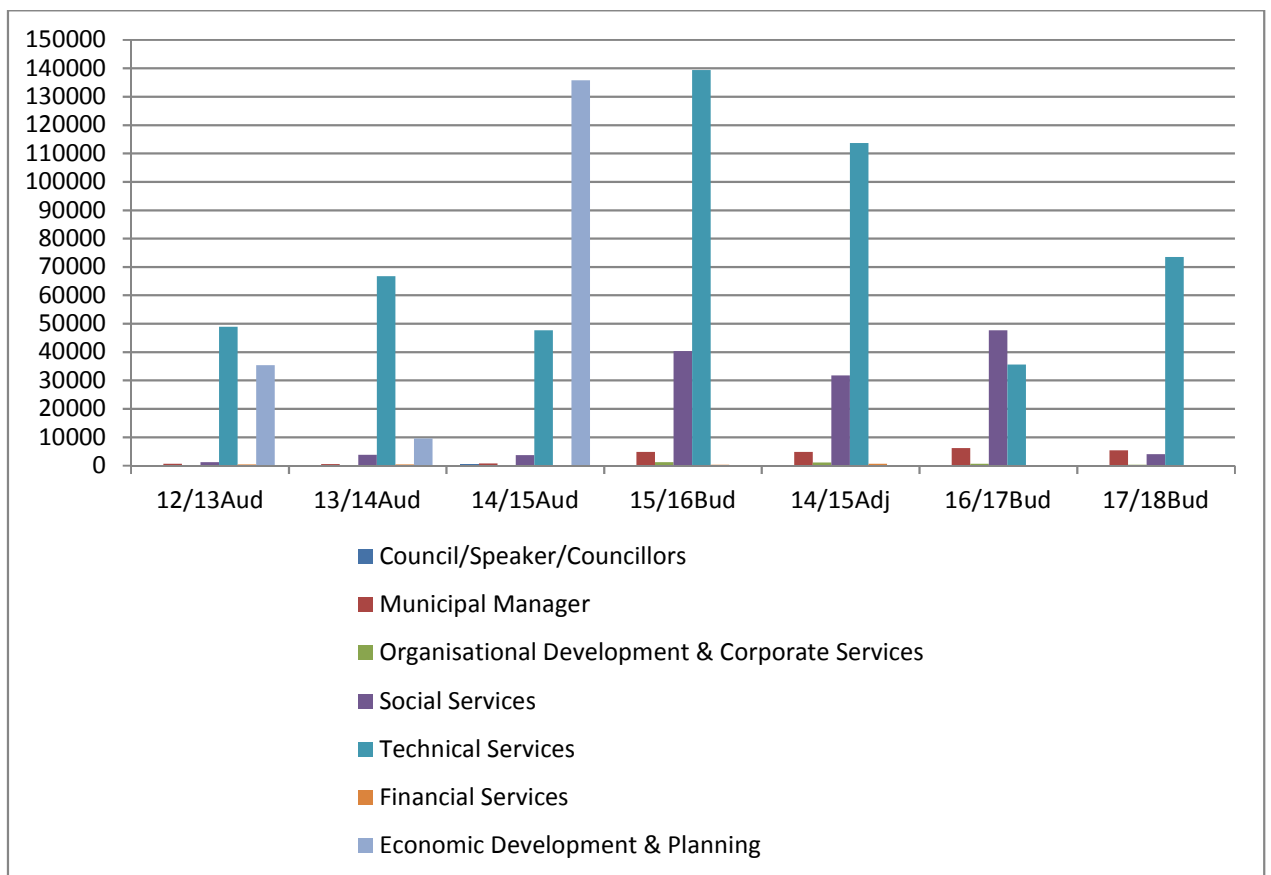


Chart 4: Capital Expenditure

Chart 6 Capital per Vote	12/13Aud	13/14Aud	14/15Aud	15/16Bud	15/16Adj	16/17Bud	17/18Bud
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Council/Speaker/Councillors			463	0			
Municipal Manager	661	507	737	4,733	4,733	6,170	5,396
Organisational Development & Corporate Services	0	152	28	1,150	1,000	600	300
Social Services	1,200	3,732	3,657	40,358	31,737	47,596	3,986
Technical Services	48,931	66,697	47,604	139,371	113,587	35,561	73,480
Financial Services	335	375	0	240	661		
Economic Development & Planning	35,300	9,484	135,779	0	0		
Total Capital per Vote	86,427	80,947	188,268	185,852	151,718	89,927	83,162



Supporting Documentation

6. Adjustment to budget assumptions

6.1 Collection rate for revenue services

The rate of revenue collection is currently expressed as a percentage (76.3 per cent) of annual billings. Cash flow is projected to be 83 per cent of billings, plus an increased collection of arrear debt from the revised collection and credit control policy. The performance of arrear collections will however only be considered a source of additional cash in-flow once the performance has been carefully monitored.

6.2 Ability of the municipality to spend and deliver on the programmes

It was estimated that a spending rate of between 85 and 100 per cent will be achieved on operating expenditure and 100 per cent on the capital programme for the 2015/16 MTREF of which performance has been factored into the cash flow budget.

It is anticipated that the CAPEX spending will be achieved in the financial year. The actual spending on OPEX is expected to reach at least 85% for the year.

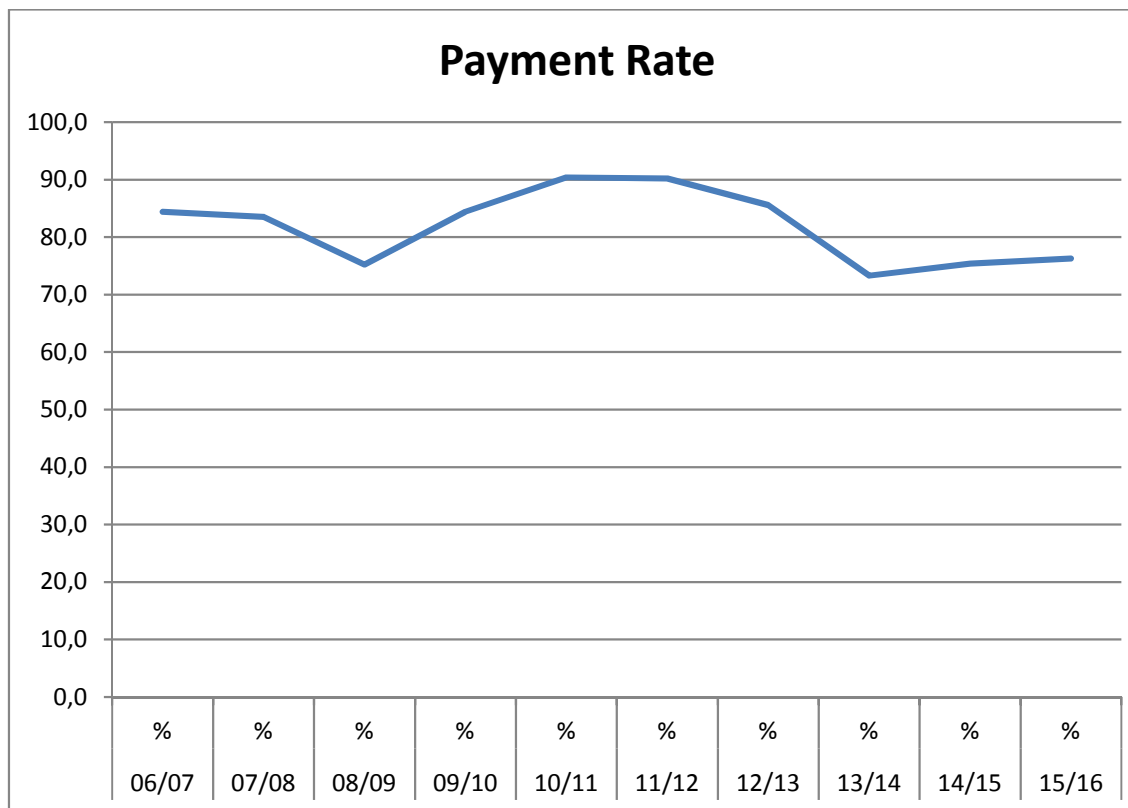
The cash flow of the Municipality still remains a challenge.

7. Adjustments to Budget funding

7.1 Collection levels estimated

- Collection Rate

2006/07	84.4%
2007/08	83.5%
2008/09	75.2%
2009/10	84.4%
2010/2011	90.4%
2011/2012	90.2%
2012/2013	85.6%
2013/2014	73.3%
2014/2015	75.4%
2015/2016	76.3% (December 2015)



7.2 Debtors' analysis

Description	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Total
R thousands									
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	1200	31,562	23,435	14,555	19,039	7,168	6,194	359,668	461,622
Trade and Other Receivables from Exchange Transactions - Electricity	1300	9,259	13,655	6,124	1,268	2,003	780	34,605	67,695
Receivables from Non-exchange Transactions - Property Rates	1400	7,621	5,446	2,770	2,263	1,925	2,917	55,141	78,083
Receivables from Exchange Transactions - Waste Water Management	1500	1,616	1,129	717	599	543	503	23,461	28,568
Receivables from Exchange Transactions - Waste Management	1600	2,198	1,540	1,137	976	911	863	30,560	38,185
Receivables from Exchange Transactions - Property Rental Debtors	1700								-
Interest on Arrear Debtor Accounts	1810	1,403		741	1,186	1,117	1,014	97,298	104,580
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-
Other	1900	1,570	942	1,028	1,147	1,434	513	60,113	66,748
Total By Income Source	2000	55,229	47,969	27,072	26,479	15,101	12,784	660,847	845,481
2014/15 - totals only		61,570	34,631	17,964	15,879	15,300	15,047	613,902	774,293
Debtors Age Analysis By Customer Group									
Organs of State	2200	1,687	7,425	668	543	436	279	10,398	21,436
Commercial	2300	22,062	13,082	6,011	2,037	2,583	1,859	57,115	104,747
Households	2400	31,480	27,462	20,393	23,899	12,082	10,646	593,334	719,298
Other	2500	-	-	-	-	-	-	-	-
Total By Customer Group	2600	55,229	47,969	27,072	26,479	15,101	12,784	660,847	845,481

Average payment rate: (excluding prepaid electricity)

Year to date

	Levies	Payments	Payment
	R000	R000	Rate (%)
Sasolburg	221,882	212,192	95.6
Zamdela	49,595	10,047	20.3
Deneysville	8,414	6,368	75.7
Refengkgotso	14,293	224	1.6
Oranjeville	2,785	2,021	72.6
Metsimaholo	5,099	62	1.2
Sundry Debtors	1,327	469	35.3
Municipality Total	303,395	231,383	76.3

The outstanding debtors increased from R774.2 million at 30 June 2015 to R845.5 million at 31 December 2015

- The **levies** represent all the amounts billed, including indigent accounts, but excluding prepaid electricity sales
- The **levied** amount is net of the free basic amount.
- The **payment** amount does not include the indigent subsidy, as the free basic services are deducted from the levies.
- If the free basic services amounts are included in the levies and in the payments, the payment level will be slightly higher
- If prepaid electricity sales are included in the levies and in the payments, the payment level will be slightly higher.

Comparison: (as per General Ledger)

Budget vs Levy (billing) vs Payments

	Budget Six Months (15/16)	Actual Levy (Midyear 2015)	Actual Revenue (6 months)
Cleansing	R 11 644 596	R12 915 286	R6 161 483
Electricity	R 119 036 712	R 104 937 297	R89 704 763
Sewer	R 9 587 508	R 10 026 415	R5 217 699
Water	R 149 837 352	R 125 169 197	R51 571 864
Assessment Rates	R 53 692 800	R 65 351 682	R32 533 840
Housing/Hostel	R1 859 998	R1 926 864	R336 509
Interest	R9 085 625	R7 711 071	R1 231 906
Unallocated			R79 768 220
Total	R354 734 591	R328 037 812	R266 526 284

The levies for December 2015 are payable at end of January 2016.

Actual levies are **92.47%** of budget levies for the first 6 months.

Actual revenue is **81.25%** of actual levies for the first 6 months and **75.13%** of budget levies for the first 6 months.

7.3 Adjustments proposed loans to be raised in the budget year

The loan of R14 million from the Development Bank of South Africa for the front loading of DoE will no longer be taken up in this financial year.

The loan for vehicles increased from R16 880 000 to R17 000 000.
The loan to finance the printing equipment stays unchanged at R1 million.

8. Allocation and grant receipts and expenditure

FS204 Metsimaholo - Supporting Table SB7 Adjustments Budget -
transfers and grant receipts -

Description	Ref	Budget Year 2015/16							Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget	Prior Adjusted	Multi- year capital	Nat. or Prov. Govt	Other Adjusts	Total Adjusts	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F		
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		121 973	–	–	–	–	–	121 973	137 120	152 189
Local Government Equitable Share		115 423					–	115 423	124 038	135 456
Finance Management	3	1 600					–	1 600	1 625	1 700
Municipal Systems Improvement		930					–	930	957	1 033
Water Services Operating Subsidy		–					–	–	4 500	8 000
EPWP Incentive		1 020					–	1 020	–	–
							–	–		
Energy efficient and demand side management grant		3 000					–	3 000	6 000	6 000
Provincial Government:		1 600	–	–	–	–	–	1 600	1 600	1 600
Department of Sport	5	1 600					–	1 600	1 600	1 600
		–					–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
IDP							–	–		
							–	–		
Other grant providers:		2 161	–	–	–	–	–	2 161	2 124	2 274
MIG(National Government)		2 161					–	2 161	2 124	2 274
							–	–		
Total Operating Transfers and Grants	6	125 734	–	–	–	–	–	125 734	140 844	156 063
Capital Transfers and Grants										
National Government:		44 552	–	–	–	–	–	44 552	44 238	45 060
Municipal Infrastructure Grant (MIG)		41 052					–	41 052	42 738	45 060
							–	–		
DWAF(Water Affairs)		3 500					–	3 500	1 500	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]							–	–		
							–	–		
District Municipality:		–	–	–	–	–	–	–	–	–
							–	–		
							–	–		
Other grant providers:		29 000	–	–	–	–	–	29 000	28 000	13 000
DOE(National Grants)		29 000					–	29 000	28 000	13 000
							–	–		
Total Capital Transfers and Grants	6	73 552	–	–	–	–	–	73 552	72 238	58 060
TOTAL RECEIPTS OF TRANSFERS & GRANTS		199 286	–	–	–	–	–	199 286	213 082	214 123

FS204 Metsimaholo - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme -

Description	Ref	Budget Year 2015/16							Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget	Prior Adjust ed	Multi-year capital	Nat. or Prov. Govt	Other Adjusts .	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	2 A1	3 B	4 C	5 D	6 E	7 F		
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		121 973	–	–	–	–	–	121 973	137 120	152 189
Local Government Equitable Share		115 423					–	115 423	124 038	135 456
Finance Management		1 600					–	1 600	1 625	1 700
Municipal Systems Improvement		930					–	930	957	1 033
Water Services Operating Subsidy		–					–	–	4 500	8 000
EPWP Incentive		1 020					–	1 020	–	–
							–	–		
Energy efficient and demand side management grant		3 000					–	3 000	6 000	6 000
Provincial Government:		1 600	–	–	–	–	–	1 600	1 600	1 600
Department of Sport		1 600					–	1 600	1 600	1 600
		–					–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
IDP							–	–		
							–	–		
Other grant providers:		2 161	–	–	–	–	–	2 161	2 124	2 274
MIG(National Government)		2 161					–	2 161	2 124	2 274
							–	–		
Total operating expenditure of Transfers and Grants:		125 734	–	–	–	–	–	125 734	140 844	156 063
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		44 552	–	–	–	–	–	44 552	44 238	45 060
Municipal Infrastructure Grant (MIG)		41 052					–	41 052	42 738	45 060
							–	–		
							–	–		
							–	–		
DWAF(Water Affairs)		3 500					–	3 500	1 500	–
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]							–	–		
							–	–		
District Municipality:		–	–	–	–	–	–	–	–	–
							–	–		
							–	–		
Other grant providers:		29 000	–	–	–	–	–	29 000	28 000	13 000
DOE(National Grants)		29 000					–	29 000	28 000	13 000
Anglo Coal & private contributions							–	–		
Total capital expenditure of Transfers and Grants		73 552	–	–	–	–	–	73 552	72 238	58 060
Total capital expenditure of Transfers and		199 286	–	–	–	–	–	199 286	213 082	214 123

Grants										
--------	--	--	--	--	--	--	--	--	--	--

9. Adjustments to allocations or grants made by the municipality

➤ No adjustments were made

The threshold to qualify as indigent was approved by Council as household income of 2 times state old age pension plus R1 000. (This only applies to residential households)

The benefit received on a monthly basis is as follows:-

- 50kWh free electricity per household
- 10 kilolitres of free basic water
- Subsidy of R50.00 per month for assessment rates and other services
- Free sanitation
- Free refuse removal

10. Councillor allowance and employee benefit

FS204 Metsimaholo - Supporting Table SB11 Adjustments Budget - councillor and staff benefits -

Summary of remuneration	Ref	Budget Year 2015/16									% change
		Original Budget	Prior Adjust ed	Accu m. Fund s	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		A	A1	B	C	D	E	F	G	H	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		10 980						–	–	10 980	0,0%
Pension and UIF Contributions		10						–	–	10	0,0%
Medical Aid Contributions		–						–	–	–	
Motor Vehicle Allowance		3 514						–	–	3 514	0,0%
Cell phone Allowance		916						–	–	916	
Housing Allowances		99						–	–	99	
Sub Total - Councillors		15 519	–			–		–	–	15 519	0,0%
% increase			(0)							–	
Senior Managers of the Municipality											
Basic Salaries and Wages		7 606						–	–	7 606	0,0%
Pension and UIF Contributions								–	–	–	
Medical Aid Contributions		2						–	–	2	0,0%
Overtime		–						–	–	–	
Performance Bonus		–						341	341	341	
Motor Vehicle Allowance		1 773						–	–	1 773	0,0%
Cell phone Allowance		–						–	–	–	
Housing Allowances		–						–	–	–	
Post-retirement benefit obligations									–	–	
Sub Total - Senior Managers of Municipality	5	9 381	–	–		–		341	341	9 722	3,6%
% increase			(0)							0	
Other Municipal Staff											
Basic Salaries and Wages		126 186						7 965	7 965	134 152	6,3%
Pension and UIF Contributions		22 576						1 353	1 353	23 929	6,0%
Medical Aid Contributions		11 499						1 798	1 798	13 297	15,6%
Overtime		13 109						354	354	13 462	2,7%
Performance Bonus		–						–	–	–	
Motor Vehicle Allowance		13 635						961	961	14 596	7,0%
Cell phone Allowance		983						–	–	983	0,0%
Housing Allowances		925						292	292	1 217	
Other benefits and allowances		21 125						(9 830)	(9 830)	11 294	
Payments in lieu of leave		3 541						–	–	3 541	0,0%
Long service awards									–	–	
Post-retirement benefit obligations									–	–	
Sub Total - Other Municipal Staff	5	213 579	–	–	–	–	–	2 892	2 892	216 471	1,4%
% increase											
Total Parent Municipality		238 479	–	–	–	–	–	3 233	3 233	241 712	1,4%
TOTAL SALARY, ALLOWANCES & BENEFITS		238 479	–	–	–	–	–	3 233	3 233	241 712	1,4%
% increase											
TOTAL MANAGERS AND STAFF		222 960	–	–	–	–	–	3 233	3 233	226 193	1,5%

11. Adjustments to the Service Delivery and Budget Implementation Plan

Adjusted SDBIP will be submitted to Executive Mayor and be in line with the adjusted budget for 2015/2016

12. Adjustments made to key financial indicators presented in annual budget

The annual collection rate for property rates and service charges was adjusted downwards from the original budget of **85% to 83%**

13. Adjustments

Adjustments Budget - monthly revenue and expenditure

FS204 Metsimaholo - Supporting Table SB14 Adjustments Budget - monthly revenue and expenditure -

Description	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Revenue By Source																
Property rates		18,767	9,405	7,452	4,813	6,425	6,611	9,578	9,578	9,578	9,578	9,578	9,578	110,940	113,292	119,297
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		19,604	18,839	14,355	19,255	15,300	18,747	18,450	17,498	21,059	24,555	27,965	28,457	244,083	267,546	294,300
Service charges - water revenue		20,827	21,834	22,513	27,800	17,791	27,359	31,000	30,950	30,920	29,294	26,450	19,209	305,947	324,059	341,236
Service charges - sanitation revenue		1,884	1,995	2,221	2,270	2,278	2,214	1,922	1,922	1,922	1,922	1,922	1,922	24,393	25,583	26,939
Service charges - refuse		2,147	2,893	2,894	2,895	2,908	2,899	3,164	3,164	3,164	3,164	3,164	3,164	35,618	37,577	39,569
Service charges - other		437	1,042	547	645	589	1,574	1,021	1,021	1,021	1,021	1,021	1,020	10,959	8,751	8,857
Rental of facilities and equipment		341	384	407	373	423	427	460	460	460	460	460	460	5,112	5,658	6,091
Interest earned - external investments		217	513	162	172	191	106	200	200	200	200	200	200	2,560	2,000	2,000
Interest earned - outstanding debtors		1,136	1,264	1,340	1,249	1,333	1,389	1,743	1,743	1,743	1,743	1,743	1,744	18,171	18,940	19,745
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines		113	140	138	129	4,311	(3,895)	681	681	681	681	681	681	5,024	5,575	5,576
Licences and permits		0	18	11	15	21	5	19	19	19	19	19	19	181	191	201
Agency services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational		49,898	2,872	408	2,116	39,437	702	5,066	5,066	5,066	5,066	5,066	5,066	125,831	141,244	156,463
Other revenue		61	870	617	360	533	474	527	527	527	527	527	527	6,076	6,070	6,383

Gains on disposal of PPE		–	–	1	1	1	–	833	833	833	833	833	833	5,001	1,000	5,925
Total Revenue		115,431	62,070	53,066	62,093	91,540	58,613	74,663	73,661	77,192	79,062	79,628	72,879	899,896	957,485	1,032,582
Expenditure By Type																
Employee related costs		17,608	16,878	20,410	17,876	18,859	18,925	19,273	19,273	19,273	19,273	19,273	19,273	226,193	233,740	254,911
Remuneration of councillors		1,190	1,182	1,337	1,227	1,172	1,182	1,372	1,372	1,372	1,372	1,372	1,371	15,520	16,590	17,734
Debt impairment		7,023	7,023	7,023	7,023	7,023	7,023	9,168	9,168	9,168	9,168	9,168	9,168	97,146	71,406	63,126
Depreciation & asset impairment		–	–	–	–	22,446	4,489	7,191	7,191	7,191	7,191	7,191	7,192	70,084	76,600	81,710
Finance charges		–	–	–	–	–	304	148	148	148	148	148	148	1,189	1,900	1,423
Bulk purchases		110	33,971	31,892	51,344	24,445	23,711	26,568	26,568	26,568	26,568	26,568	26,569	324,883	363,809	407,534
Other materials		25	620	1,423	1,025	1,030	747	4,820	4,820	4,820	4,820	4,820	4,820	33,790	35,040	36,538
Contracted services		62	2,824	323	3,596	559	3,099	3,814	3,814	3,814	3,814	3,814	3,814	33,347	35,881	38,244
Grants and subsidies		476	2,142	2,222	2,203	2,267	2,385	3,328	3,328	3,328	3,328	3,328	3,328	31,662	42,226	45,141
Other expenditure		9,250	(5,704)	5,528	9,639	3,246	2,279	14,580	14,580	14,580	14,580	14,580	15,782	112,920	121,056	120,918
Loss on disposal of PPE				–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		35,743	58,935	70,159	93,934	81,048	64,144	90,261	90,261	90,261	90,261	90,261	91,465	946,733	998,248	1,067,279
Surplus/(Deficit)		79,688	3,134	(17,093)	(31,841)	10,492	(5,531)	(15,598)	(16,600)	(13,069)	(11,199)	(10,633)	(18,586)	(46,837)	(40,763)	(34,697)
Transfers recognised - capital													76,855	76,855	69,238	58,060
Contributions													–	–	–	–
Contributed assets													–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		79,688	3,134	(17,093)	(31,841)	10,492	(5,531)	(15,598)	(16,600)	(13,069)	(11,199)	(10,633)	58,268	30,017	28,475	23,363

Adjustments Budget - monthly cash flow

FS204 Metsimaholo - Supporting Table SB15 Adjustments Budget - monthly cash flow -

Monthly cash flows	Ref	Budget Year 2015/16												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands																
Cash Receipts By Source	1															
Property rates		8,298	6,755	12,892	7,246	6,745	7,424	6,565	6,565	6,565	6,565	6,565	6,569	88,752	99,700	107,367
Property rates - penalties & collection charges			–	–		–	–						–			
Service charges - electricity revenue		20,885	17,456	17,344	18,371	16,200	19,313	18,000	18,920	18,920	19,000	19,500	21,809	225,717	253,398	281,332
Service charges - water revenue		21,326	12,626	14,249	17,038	12,014	23,663	27,000	27,000	26,000	26,000	25,000	25,423	257,339	285,171	307,112
Service charges - sanitation revenue		1,432	1,183	1,431	1,251	1,187	1,389	2,062	2,062	2,062	2,062	2,062	2,063	20,246	25,278	27,224
Service charges - refuse		1,924	1,589	1,909	1,628	1,598	1,838	3,167	3,167	3,167	3,167	3,167	3,167	29,489	30,301	32,634
Service charges - other		437	1,042	547	645	589	1,063	671	671	680	671	671	2,547	10,234	8,487	8,586
Rental of facilities and equipment		47	138	123	87	423	54	393	393	393	393	393	775	3,612	5,178	5,671
Interest earned - external investments		217	513	162	172	191	106	106	200	250	250	191	201	2,560	2,000	2,000
Interest earned - outstanding debtors		364	278	217	176	186	164	2,192	2,192	2,192	2,192	2,192	2,193	14,537	16,667	17,771
Dividends received													–			
Fines		113	500	138	129	270	142	500	500	500	500	500	1,231	5,024	5,575	5,576
Licences and permits		0	18	11	15	21	15	15	15	15	15	15	26	180	191	200
Transfer receipts - operational		51,498	2,872	408	1,750	39,437	500			29,365			0	125,831	141,244	156,463
Other revenue		6,036	1,462	3,640	4,787	16,654	420						(26,739)	6,261	5,321	5,597
Cash Receipts by Source		112,576	46,432	53,072	53,295	95,515	56,091	60,671	61,685	90,109	60,815	60,256	39,265	789,782	878,511	957,533
Other Cash Flows by Source																
Transfers receipts - capital		42,359		11,000	6,000	7,820	2,904			6,772			(0)	76,855	69,238	58,060
Contributions & Contributed assets													–			
Proceeds on disposal of PPE													5,000	5,000	1,000	5,925

Short term loans		–											–			
Borrowing long term/refinancing													18,000	18,000		
Increase (decrease) in consumer deposits		65	184	239	296	32	52	(30)	(30)	(30)	(30)	(30)	(518)	200	2,000	1,500
Decrease (Increase) in non-current debtors													–			
Decrease (increase) other non-current receivables													–			
Decrease (increase) in non-current investments													–			
Total Cash Receipts by Source		155,000	46,616	64,311	59,591	103,368	59,047	60,641	61,655	96,851	60,785	60,226	61,747	889,837	950,749	1,023,018
Cash Payments by Type																
Employee related costs		17,608	16,878	20,410	17,876	18,859	18,925	18,925	22,925	18,446	18,446	18,446	18,448	226,193	233,740	254,911
Remuneration of councillors		1,190	1,182	1,337	1,227	1,172	1,182	1,182	1,718	1,332	1,332	1,332	1,332	15,519	16,590	17,734
Finance charges		3					304						882	1,189	1,900	1,423
Bulk purchases - Electricity		27,762	27,556	24,851	15,756	15,075	14,656	9,000	9,000	11,000	11,000	11,000	14,835	191,491	216,662	249,911
Bulk purchases - Water & Sewer		9,746	10,850	11,234	12,084	12,613	12,110	15,000	12,000	10,500	9,500	9,500	8,256	133,392	147,147	161,623
Other materials		25	620	1,423	1,025	1,030	747	2,594	2,594	2,594	2,594	2,594	13,585	31,425	35,881	38,224
Contracted services		62	2,824	323	3,596	559	3,099	3,647	3,647	3,647	3,647	3,647	3,648	32,347	34,805	37,097
Transfers and grants - other municipalities			–				–						–			
Transfers and grants - other		476	2,142	2,222	2,203	2,267	2,385	3,145	3,145	3,200	3,300	3,500	3,679	31,662	42,225	45,141
Other expenditure		(1,266)	11,401	14,224	25,723	13,483	4,659	5,148	5,148	5,148	5,148	5,148	5,149	99,114	107,091	106,542
Cash Payments by Type		55,606	73,452	76,024	79,491	65,059	58,067	58,641	60,177	55,867	54,967	55,167	69,814	762,332	836,041	912,606
Other Cash Flows/Payments by Type																
Capital assets		12,832	55	1,597	17,067	7,521	4,326	2,000	5,000	28,000	15,000	20,000	37,467	150,865	92,427	83,162
Repayment of borrowing		–					568						1,535	2,103	4,631	5,108
Other Cash Flows/Payments		73,980	19,576	(7,743)	(28,750)	(1,040)	(6,246)						(49,778)			
Total Cash Payments by Type		142,418	93,084	69,878	67,808	71,541	56,714	60,641	65,177	83,867	69,967	75,167	59,039	915,300	933,099	1,000,876
NET INCREASE/(DECREASE) IN CASH HELD		12,582	(46,468)	(5,567)	(8,217)	31,827	2,333	–	(3,522)	12,984	(9,182)	(14,941)	2,709	(25,463)	17,650	22,142
Cash/cash equivalents at the month/year beginning:		26,195	38,777	(7,691)	(13,258)	(21,475)	10,352	12,684	12,684	9,162	22,146	12,964	(1,977)	26,195	732	18,382
Cash/cash equivalents at the month/year end:		38,777	(7,691)	(13,258)	(21,475)	10,352	12,684	12,684	9,162	22,146	12,964	(1,977)	732	732	18,382	40,523

14. Adjustments to Capital expenditure

FS204 Metsimaholo - Supporting Table SB18a Adjustments Budget - capital expenditure on new assets by asset class -

Description	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfor e. Unav oid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Capital expenditure on new assets by Asset Class/Sub-class												
-												
Infrastructure		134 039	-	-	-	-	-	(27 609)	(27 609)	106 430	35 431	73 200
Infrastructure - Road transport		37 560	-	-	-	-	-	(9 423)	(9 423)	28 137	9 033	45 320
Roads, Pavements & Bridges		37 560						(9 423)	(9 423)	28 137	9 033	45 320
Storm water									-	-		
Infrastructure - Electricity		53 419	-	-	-	-	-	(17 539)	(17 539)	35 880	23 830	27 390
Generation									-	-		
Transmission & Reticulation		53 419						(17 539)	(17 539)	35 880	23 830	27 390
Street Lighting									-	-		
Infrastructure - Water		5 825	-	-	-	-	-	(260)	(260)	5 565	2 226	145
Dams & Reservoirs									-	-		
Water purification		5 825						(260)	(260)	5 565	2 226	145
Reticulation									-	-		
Infrastructure - Sanitation		35 236	-	-	-	-	-	(387)	(387)	34 849	342	345
Reticulation		35 236						(387)	(387)	34 849	342	345
Sewerage purification									-	-		
Infrastructure - Other		2 000	-	-	-	-	-	-	-	2 000	-	-
Refuse		2 000						-	-	2 000		
Transportation	2								-	-		
Gas									-	-		
Other	3								-	-		
Community		18 148	-	-	-	-	-	(8 691)	(8 691)	9 456	45 190	1 974
Parks & gardens		2 081						(2 081)	(2 081)	-	1 273	875
Sports Fields & stadia		7 704						-	-	7 704	24 270	7
Swimming pools		74						(74)	(74)	-	5 000	-
Community halls		61						(61)	(61)	-	-	-
Libraries		61						(61)	(61)	-	38	16
Recreational facilities		3 015						(1 663)	(1 663)	1 353	105	751
Fire, safety & emergency									-	-		
Security and policing		750						(750)	(750)	-	750	-
Buses									-	-		
Clinics									-	-		
Museums & Art Galleries									-	-		
Cemeteries		4 402						(4 402)	(4 402)	-	13 754	324
Social rental housing									-	-		
Other								400	400	400		
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Buildings									-	-		
Other									-	-		

<u>Investment properties</u>		-	-	-	-	-	-	-	-	-	-	-
Housing development									-	-		
Other									-	-		
<u>Other assets</u>		31 645	-	-	-	-	-	4 186	4 186	35 831	9 306	7 988
General vehicles		4 255						2 966	2 966	7 221	640	820
Specialised vehicles	18	9 000	-	-	-	-	-	794	794	9 794	5 500	1 500
Plant & equipment		150						7 304	7 304	7 454	-	-
Computers - hardware/equipment								-	-	-		
Furniture and other office equipment		1 000						1 152	1 152	2 152	600	300
Abattoirs								-	-	-		
Markets								-	-	-		
Civic Land and Buildings		830						630	630	1 460	130	130
Other Buildings								-	-	-		
Other Land								-	-	-		
Surplus Assets - (Investment or Inventory)								-	-	-		
Other		16 410						(8 660)	(8 660)	7 750	2 436	5 238
<u>Agricultural assets</u>		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									-	-		
<u>Biological assets</u>		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									-	-		
<u>Intangibles</u>		-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming									-	-		
Other (list sub-class)									-	-		
Total Capital Expenditure on new assets to be adjusted	1	183 832	-	-	-	-	-	(32 114)	(32 114)	151 717	89 927	83 162

<u>Specialised vehicles</u>	18	9 000	-	-	-	-	-	794	794	9 794	5 500	1 500
Refuse		4 000						(1 278)	(1 278)	2 722	2 500	-
Fire		5 000						2 072	2 072	7 072	3 000	1 500
Conservancy								-	-	-		
Ambulances								-	-	-		

FS204 Metsimaholo - Supporting Table SB18b Adjustments Budget - capital expenditure on renewal of existing assets by asset class -

Description	R ef	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		Original Budget	Prior Adjusted	Accu m. Funds	Multi-year capital	Unfor e. Unav oid.	Nat. or Prov. Govt	Other Adjust s.	Total Adjust s.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>												
-												
<u>Infrastructure</u>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
<i>Roads, Pavements & Bridges</i>									-	-		
<i>Storm water</i>									-	-		
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
<i>Generation</i>									-	-		
<i>Transmission & Reticulation</i>									-	-		
<i>Street Lighting</i>									-	-		
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>									-	-		
<i>Water purification</i>									-	-		
<i>Reticulation</i>									-	-		
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>									-	-		
<i>Sewerage purification</i>									-	-		
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
<i>Refuse</i>									-	-		
<i>Transportation</i>	2								-	-		
<i>Gas</i>									-	-		
<i>Other</i>	3								-	-		
<u>Community</u>		-	-	-	-	-	-	-	-	-	-	-
Parks & gardens									-	-		
Sports Fields & stadia									-	-		
Swimming pools									-	-		
Community halls									-	-		
Libraries									-	-		
Recreational facilities									-	-		
Fire, safety & emergency									-	-		
Security and policing									-	-		

Buses									-	-		
Clinics									-	-		
Museums & Art Galleries									-	-		
Cemeteries									-	-		
Social rental housing									-	-		
Other									-	-		
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Buildings									-	-		
Other									-	-		
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Housing development									-	-		
Other									-	-		
Other assets		2 020	-	-	-	-	-	(2 020)	(2 020)	0	2 500	-
General vehicles		2 020						(2 020)	(2 020)	0	2 500	-
Specialised vehicles	1 8	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment									-	-		
Computers - hardware/equipment									-	-		
Furniture and other office equipment									-	-		
Abattoirs									-	-		
Markets									-	-		
Civic Land and Buildings									-	-		
Other Buildings									-	-		
Other Land									-	-		
Surplus Assets - (Investment or Inventory)									-	-		
Other									-	-		
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming									-	-		
Other (list sub-class)									-	-		
Total Capital Expenditure on renewal of existing assets to be adjusted	1	2 020	-	-	-	-	-	(2 020)	(2 020)	0	2 500	-

Specialised vehicles	1 8	-	-	-	-	-	-	-	-	-	-	-
Refuse									-	-		
Fire									-	-		
Conservancy									-	-		
Ambulances									-	-		

FS204 Metsimaholo - Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class -

[illegible]

Housing development									-	-		
Other									-	-		
Other assets		9 277	-	-	-	-	-	(1 508)	(1 508)	7 769	9 500	9 257
General vehicles		1 579						-	-	1 579	1 663	1 731
Specialised vehicles	18	2 792	-	-	-	-	-	(26)	(26)	2 766	2 802	2 820
Plant & equipment		271						168	168	439	282	294
Computers - hardware/equipment									-	-		
Furniture and other office equipment		2 301						(512)	(512)	1 789	2 391	2 426
Abattoirs									-	-		
Markets									-	-		
Civic Land and Buildings		1 180						16	16	1 196	1 243	1 104
Other Buildings									-	-		
Other Land									-	-		
Surplus Assets - (Investment or Inventory)									-	-		
Other		1 154						(1 154)	(1 154)	-	1 118	882
Agricultural assets		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									-	-		
Biological assets		-	-	-	-	-	-	-	-	-	-	-
<i>List sub-class</i>									-	-		
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming									-	-		
Other (list sub-class)									-	-		
Total Repairs and Maintenance Expenditure to be adjusted	1	85 673	-	-	-	-	-	(51 882)	(51 882)	33 791	86 058	95 458

Specialised vehicles	18	2 792	-	-	-	-	-	(26)	(26)	2 766	2 802	2 820
Refuse		2 486						(26)	(26)	2 460	2 480	2 480
Fire		306						-	-	306	322	340
Conservancy									-	-		
Ambulances									-	-		

15. Quality Report**Quality Certificate**

I, S M Molala, Municipal Manager of Metsimaholo Municipality, hereby certify that the adjustment budget for the financial year 2015/2016 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

S M Molala
Municipal Manager of Metsimaholo Municipality, FS 204

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2016/02/16