

Metsimaholo Local Municipality



ADJUSTMENT BUDGET REPORT FOR THE 2014/2015 FINANCIAL YEAR

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2. Mayor's Report

An assessment was made of the 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.

- There was a decline in the average collection rate in the first six months, compared to the budgeted forecasts.
- The liquidity of the municipality as at the beginning of the financial year was precarious.
- 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 flow of the council.
- Unforeseen expenditure was incurred due to the strike by SAMWU members.

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

The adjustments 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 approves a revision to the service delivery targets and performance indicators in the service delivery and budget implementation

3. RECOMMENDED

**FOR
ATTENTION**

1. That Council approve the budget for the 2014/15 financial year .
2. That a revision to the service delivery targets and performance indicators in the Service Delivery and Budget Implementation Plans be revised accordingly.
3. That upon approval of the adjustments budget by Council, the Chief Financial Officer must ensure that, in terms of section 22(b) of the MFMA, the adjustments budget is submitted in both printed and electronic formats to the National Treasury and Provincial Treasury.

Council

Municipal
Manager

CFO

4. Executive Summary

The 2014/15 MTREF was approved by Council on 30 May 2014 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.

Section 29(3) of the MFMA provides that the executive mayor may in emergency or exceptional circumstance authorise unforeseen and unavoidable expenditure. This expenditure must be passed in an adjustments budget within 60 days after the expenditure was incurred.

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 23 January 2015.

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

Due to the unforeseen expenditure of R66 million, as a result of the strike action the operating budget was reflecting a deficit, which required further reallocations in order to balance the budget.

Operating revenue was adjusted downwards by R7 714 000 and operating expenditure was adjusted upwards R8 264 000.

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

	2014/2015 Original Budget R'000	July to December 2014 Total R'000	2014/2015 Adjusted Budget R'000
Operating revenue	889 717	404 696	882 003
Operating expenditure	868 506	289 913	876 771
Capital expenditure	136 861	12 555	88 865

Summary of Operating Budget reflecting surplus/ (deficit)

	2014/2015 Original Budget R'000	July to December 2014 Total R'000	2014/2015 Adjusted Budget R'000
Own Revenue	710 727	317 782	713 013
Transfers Recognised (Operational)	118 259	86 914	117 948
Total Revenue	828 986	404 696	830 961
Expenditure	(868 506)	(289 913)	(876 771)
(Deficit)/Surplus	(39 520)	114 783	(45 809)
Transfers recognised (Capital)	60 731	0	51 042
(Deficit)/Surplus	21 211	114 783	5 232

Adjustments made to the approved annual budget

1. Revenue sources indicates a possibility of an over recovery. For the six months to December 2014, these were already above 50 % collection/ billing. The following budgeted revenue as per vote was adjusted:

➤ Office of Municipal Manager	(R98 700)
➤ Organisation development and Corporate Services	(R66 000)
➤ Social Services	R17 666 280
➤ Technical and Infrastructure services	R63 610
➤ Financial services	(R12 051 240)
➤ Departmental consumption	(R2 200 050)
Total	R7 714 000

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

2. Expenditure on most items for the six months to December 2014 was below 50% (in a few instances above 50%).

Provision was made to accommodate the unforeseen expenditure of R66 million. The following budgeted expenditure as per vote was adjusted:

➤ Office of the Mayor	(R1 635 920)
➤ Office of the Speaker	(R9 600)
➤ Office of Council Whip	(R729 000)
➤ Mayoral Committee and Councillors	R142 360
➤ Office of Municipal Manager:	R46 754 140
➤ Organisation development and Corporate Services	(R3 123 710)
➤ Social Services	(R14 761 940)
➤ Technical and Infrastructure services	(R17 976 240)
➤ Financial services	R1 583 320
➤ Economic development and Planning	R220 900
➤ Departmental Consumption	R2 200 050
➤ Total	R8 264 260

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

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3. Unforeseen expenditure

Labour Unrest 2014 - strike by SAMWU members						
Unit	Incident	Date	Service Provider	Costs	Insurance	
Electrical and Mechanical	1	Replacement of 3 transformers	June	Actom	94 000.00	
	2	Repair of substation 2 and 9 in Zamdela	September	Omohle Construction Pty (Ltd)	256 666.00	
	3	Leitrim feeder Line from Zamdela	18 August 2014	Omohle Construction Pty (Ltd)	34 000.00	
	4	Hoëveld Medium Voltage Substation	30 July 2014	J D Electrical	500 000.00	R376 819.02
		Hoëveld Medium Voltage Substation	30 July 2014	Departmental	250 000.00	
	5	Vorster Medium Voltage Substation	27 August 2014	Departmental	350 000.00	R177 293
		OK	27 August 2014	Actom	370 000.00	
	6	Park Medium Voltage Substation	20 August 2014	Departmental	10 000.00	
	7	High School Miniature Substation Cables	01 July 2014	Departmental	60 000.00	
	8	Miniature Substation Stadium Cables	01 July 2014	Departmental	120 000.00	
	Welgelegen cables	Dec/Jan	Departmental	200 000.00		
Vehicle Damage	1	Sewerage Tanker FJF 254 FS	16 August 2014	Not sourced yet	1 042 000.00	Await authorisation letter from Insurance
	2	Bell TLB CTL 551 FS	16 August 2014	Not sourced yet	960 000.00	Await authorisation letter from Insurance
	3	Corsa LDV CZM 427 FS	16 August 2014	Not sourced yet	134 000.00	Insurance paid R25 329
	4	Toyota Tipper BTY 166 FS	16 August 2014	Not sourced yet	1 042 000.00	Insurance paid R49 985
	5	Toyota Stallion BYX 389 FS	16 August 2014	Not sourced yet	30 000.00	Insurance paid R7 000
Civil Eng Services	1	Water pipe bursts	As-and-when	A & J Mining and Industrial Supplies	124 944.00	
	2	Sewer (pumpstations/blockages) vacuum tanker	On-going	A & J Mining and Industrial Supplies	3 322 580.00	
	3	<i>Unblocking sewers</i>	As-and-when	Drain Surgeon	132 948.00	
	4	Municipal building windows	June	Mofokeng Trading Enterprise	99 282.60	R99 282.60
	5	Finance enquiry section	June	Mofokeng Trading Enterprise	-	
	6	Deneysvile workshop	16 August 2014	Not sourced yet	750 000.00	R308 293 paid to NGS
	7	Maintenance/repair of pump stations	As-and-when	Millemiun Pumps	R 283 748	

	8	Supply of water (water tankers)	As-and-when	Kolomaka	70 000.00	
	9	Fencing of pump stations	September	Makhadzo	159 000.00	
	10	including refuse removal landfill site and dumping site vaalpark			370 000.00	
Finance Department	1	Salaries	June to January 2015	FEM Prinsloo,R Labuschagne,M deJager	220 404.29	
Finance Department	2	Meter reading		Electro Cuts	344 143.20	
			Jan & Feb	Electro Cuts	160 000.00	
Municipal Manager	1	Security and Cleansing services	July, Aug, Sept	Red Ant Security and Eviction	20 178 730.00	
Municipal Manager	2	Security and Cleansing services	Oct, Nov	Red Ant Security and Eviction	10 000 000.00	
			Dec, Jan, Febr	Red Ant Security and Eviction	24 000 000.00	
Corporate Services	1	Legal Costs	Jun/Jul/Sept	Lebea Attorneys	204 359.60	
	2	Service Charges	Jul/Aug	Sheriff/Balju	44 079.39	
	3	Services Charges	Jul/Aug	Post Office	22 000.00	
	4	Disciplinary Hearings Expenditure	Aug/Sept	Presiding Officers and Prosecutors	9 679.21	
	5	Filling of vacancies / advertisement	Aug	advertisements	97 802.93	
	6	Filling of vacancies / Consultant fees	Aug	Ithuteng Consultants	199 500.00	
	7	Legal Costs	Nov	Ndobela Attorneys	80 000.00	
	8	Legal Costs	Pending	Ponoane Attorneys	34 254.20	
	9	Legal Costs		Future legal cost	100 000.00	
Cleansing Services	1	Cleansing		Stones Plant Hire	729 000.00	
		TOTAL			R66 905 373.42	

4. Adjustment of expenditure

4.1. The services of the Red Ants amounts to R54 million until the end of February 2015. The amount included security services and cleaning services.

4.2. In order to accommodate the unforeseen expenditure it was necessary to reduce the budget of the following expenditure line items **further** after the departments amended their budgets:

The deficit was R35.1 million on the operational budget and an additional R5.2 million on the capital budget (own funds).

➤ Salaries and vacancies by	R16 100 000;
➤ Conference and Delegations by	R280 000;
➤ Fuel and Oil by	R468 000;
➤ Legal expenditure by	R1 000 000;
➤ Sport tournaments by	R20 800;
➤ Public Programmes by	R1800 000;
➤ Telephone cost by	R100 000;
➤ Uniforms by	R987 000;
➤ Valuation cost by	R400 000;
➤ Stocks and Materials by	R286 100;
➤ Youth Programme by	R250 000;
➤ Internal Audit services to be contracted by	R450 000;
➤ Remuneration: Contingent Liability by	R200 000;
➤ Contracted Services: Traffic Fines by	R 1000 000;
➤ Contracted Services: Cleansing Services by	R500 000;
➤ Insurance Premium by	R480 840;
➤ Repair and Maintenance by	R10 200 000;
➤ Allocation of equitable share by	R5 600 000.

4.3. The surplus decreased from R21 210 700 to R5 232 440.

4.4. Capital from own funding decreased from R15 730 000 to R5 222 600.

5. The adjustment budget after the adjustments and transfers for the departments is as follows:

Department	Expenditure budget 2014/15	Amendments	Adjusted Expenditure Budget	Expenditure actual 6 months		Revenue budget	Amendments	Adjusted Revenue Budget	Revenue actual 6 months
Office Mayor	11 907 920	-1 635 920	10 272 000	3 999 397					
Office of Speaker	6 491 490	-9 600	6 481 890	3 171 393					
Councillors	13 009 200	142 360	13 151 560	6 105 926					
Council Whip	3 690 310	-729 000	2 961 310	1 560 205					
Office of MM	57 349 570	46 754 140	104 103 710	22 753 903		-2 108 250	-98 700	-2 206 950	-878 441
Corporate Services	35 603 530	-3 123 710	32 479 820	12 007 545		-585 000	-66 000	-651 000	-377 353
Social Services	125 352 470	-14 761 940	110 590 530	38 003 593		-81 932 780	17 666 280	-64 266 500	-23 503 415
Technical services	615 872 550	-17 976 240	597 896 310	183 286 771		-650 190 720	63 610	-650 127 110	-263 866 335
Financial Services	64 741 760	1 583 320	66 325 080	26 818 389		-170 072 710	-12 051 240	-182 123 950	-128 932 183
LED	21 355 510	220 900	21 576 410	7 455 241		-9 245 520	0	-9 245 520	-2 386 666

Sub total	955 374 310	10 464 310	965 838 620	305 162 363		-914 134 980	5 513 950	-908 621 030	-419 944 393
Charge out	-62 450 030	0	-62 450 030						
Total	892 924 280	10 464 310	903 388 590	305 162 363		-914 134 980	5 513 950	-908 621 030	-419 944 393

Capital Budget

6. The Capital Budget denotes significant under spending on capital projects during the first six months to December 2014. Actual expenditure for the 6 months up to December 2014 amounted to R12.5 million. This must be reviewed in line with planned projects that could still be implemented within this financial year.
7. Capital funding from own funds was revised downwards from R15.7 million to R5.2million
8. The DBSA facility was reduced by R38 million as the facility lapsed. The funding from DBSA was in the form of an interest bearing loan. The projects to be completed with the DBSA loans were factored into the funding from Sasol – which would be in the form of a grant or donation, as opposed to an interest bearing loan.

The interest in the Operating Budget was adjusted accordingly in respect of the DBSA loans

9. The lease for the vehicle of the Speaker's car changed to own funding. A deposit of R200k was originally envisaged, with a finance lease over a three years (interest bearing). The vehicle was acquired from own funds, with no additional interest or borrowings.
10. An additional amount of R1 million was allocated by Department of Energy on electricity.
11. An amount of R1 300 was transferred from operating grants: MIG to capital projects.
12. An amount of R310 000 was transferred from operating grants: DWA to capital projects.
13. All MIG funds had to be reallocated allocated to the in Gortin Sanitation Project due to the cost of the project.
14. 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 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
	Original Budget	Prior Adjusted	Accum. Funds	Mult-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	1	2	3	4	5	6	7	8		
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	102 114	-	-	-	-	-	8 900	8 900	111 014	107 628	113 440
Service charges	568 088	-	-	-	-	-	(3 580)	(3 580)	564 508	612 601	653 990
Investment revenue	2 400	-	-	-	-	-	(1 100)	(1 100)	1 300	2 530	2 666
Transfers recognised - operational	118 259	-	-	-	-	-	(311)	(311)	117 948	124 053	129 021
Other own revenue	38 124	-	-	-	-	-	(1 933)	(1 933)	36 191	41 797	38 191
Total Revenue (excluding capital transfers and contributions)	828 986	-	-	-	-	-	1 975	1 975	830 961	888 609	937 309
Employee costs	207 771	-	-	-	-	-	(17 904)	(17 904)	189 867	229 672	246 192
Remuneration of councillors	14 685	-	-	-	-	-	-	-	14 685	15 772	16 939
Depreciation & asset impairment	62 640	-	-	-	-	-	(12 419)	(12 419)	50 221	66 278	74 738
Finance charges	3 034	-	-	-	-	-	(2 260)	(2 260)	774	4 979	4 489
Materials and bulk purchases	349 236	-	-	-	-	-	(3 455)	(3 455)	345 781	375 169	409 796
Transfers and grants	40 389	-	-	-	-	-	(8 632)	(8 632)	31 757	45 265	47 288
Other expenditure	190 751	-	-	-	58 796	-	(5 860)	52 935	243 687	192 198	194 931
Total Expenditure	868 506	-	-	-	58 796	-	(50 530)	8 265	876 771	929 334	994 374
Surplus/(Deficit)	(39 520)	-	-	-	(58 796)	-	52 506	(6 290)	(45 811)	(40 725)	(57 065)
Transfers recognised - capital	60 731	-	-	-	-	-	(9 689)	(9 689)	51 042	61 381	66 222
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	21 211	-	-	-	(58 796)	-	42 817	(15 979)	5 232	20 656	9 157
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	21 211	-	-	-	(58 796)	-	42 817	(15 979)	5 232	20 656	9 157
Capital expenditure & funds sources											
Capital expenditure	136 861	-	-	-	-	-	(58 596)	(58 596)	78 265	70 631	74 092
Transfers recognised - capital	75 731	-	-	-	-	-	(9 689)	(9 689)	66 042	61 381	66 222
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	45 400	-	-	-	-	-	(38 400)	(38 400)	7 000	-	-
Internally generated funds	15 730	-	-	-	-	-	(10 507)	(10 507)	5 223	9 250	7 870
Total sources of capital funds	136 861	-	-	-	-	-	(58 596)	(58 596)	78 265	70 631	74 092
Financial position											
Total current assets	217 942	-	-	-	-	-	48 503	48 503	266 445	218 424	180 794
Total non current assets	1 062 941	-	-	-	-	-	(21 657)	(21 657)	1 041 284	1 043 632	1 039 668
Total current liabilities	167 325	-	-	-	-	-	(29 238)	(29 238)	138 087	182 412	192 215
Total non current liabilities	122 736	-	-	-	-	-	(27 681)	(27 681)	95 055	96 323	98 701
Community wealth/Equity	990 822	-	-	-	-	-	83 766	83 766	1 074 588	983 321	929 547

Cash flows											
Net cash from (used) operating	124 538	-	-	-	-	-	(40 617)	(40 617)	83 921	59 828	65 951
Net cash from (used) investing	(131 861)	-	-	-	-	-	58 596	58 596	(73 265)	(65 631)	(73 092)
Net cash from (used) financing	39 381	-	-	-	-	-	(34 700)	(34 700)	4 681	(3 412)	(3 715)
Cash/cash equivalents at the year end	1 917	-	-	-	-	-	39 550	39 550	41 467	32 252	21 396
Cash backing/surplus reconciliation											
Cash and investments available	15 220	-	-	-	-	-	26 247	26 247	41 467	32 252	21 396
Application of cash and investments	79 575	-	-	-	-	-	(52 192)	(52 192)	27 383	107 263	143 964
Balance - surplus (shortfall)	(64 355)	-	-	-	-	-	78 439	78 439	14 084	(75 011)	(122 568)
Asset Management											
Asset register summary (WDV)	983 595	-	-	-	-	-	(30 019)	(30 019)	953 576	957 929	957 283
Depreciation & asset impairment	62 640	-	-	-	-	-	(12 419)	(12 419)	50 221	66 278	74 738
Renewal of Existing Assets	10 730	-	-	-	-	-	(10 730)	(10 730)	-	5 930	4 430
Repairs and Maintenance	79 733	-	-	-	-	-	(52 503)	(52 503)	27 230	84 952	90 531
Free services											
Cost of Free Basic Services provided	70 705	-	-	-	-	-	-	-	70 705	63 614	67 049
Revenue cost of free services provided	67 465	-	-	-	-	-	(5 631)	(5 631)	61 834	67 247	70 878
Households below minimum service level											
Water:	1	-	-	-	-	-	-	-	1	1	1
Sanitation/sewerage:	9	-	-	-	-	-	-	-	9	5	5
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	72	-	-	-	-	-	-	-	72	75	75

5.2 Adjustment Budget Financial Performance: Standard Classification

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

Standard Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		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
		5	6	7	8	9	10	11	12			
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Standard												
<i>Governance and administration</i>		177 876	-	-	-	-	-	12 216	12 216	190 092	193 048	202 905
Executive and council		350	-	-	-	-	-	100	100	450	369	389
Budget and treasury office		170 073	-	-	-	-	-	12 051	12 051	182 124	185 091	196 994
Corporate services		7 453	-	-	-	-	-	65	65	7 518	7 587	5 522
<i>Community and public safety</i>		26 547	-	-	-	-	-	(12 642)	(12 642)	13 906	27 706	13 523
Community and social services		2 886	-	-	-	-	-	-	-	2 886	1 477	1 376
Sport and recreation		14 662	-	-	-	-	-	(12 642)	(12 642)	2 020	16 011	2 043
Public safety		5 499	-	-	-	-	-	-	-	5 499	6 519	6 104
Housing		3 500	-	-	-	-	-	-	-	3 500	3 700	4 000
<i>Economic and environmental services</i>		646	-	-	-	-	-	-	-	646	27 997	43 939
Planning and development		646	-	-	-	-	-	-	-	646	680	717
Road transport		-	-	-	-	-	-	-	-	-	27 317	43 222
<i>Trading services</i>		684 647	-	-	-	-	-	(7 288)	(7 288)	677 360	701 239	743 163
Electricity		240 627	-	-	-	-	-	1 001	1 001	241 628	273 782	293 265
Water		325 640	-	-	-	-	-	(14 436)	(14 436)	311 204	332 660	350 101
Waste water management		59 985	-	-	-	-	-	11 287	11 287	71 272	34 464	36 266
Waste management		58 396	-	-	-	-	-	(5 140)	(5 140)	53 256	60 332	63 532
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	889 716	-	-	-	-	-	(7 713)	(7 713)	882 003	949 990	1 003 531
Expenditure - Standard	-											
<i>Governance and administration</i>		144 143	-	-	-	-	-	(14 354)	(14 354)	129 789	152 836	167 031
Executive and council		65 662	-	-	-	-	-	(14 691)	(14 691)	50 971	71 998	78 012
Budget and treasury office		35 245	-	-	-	-	-	1 583	1 583	36 828	35 011	39 300
Corporate services		43 237	-	-	-	-	-	(1 246)	(1 246)	41 990	45 827	49 719
<i>Community and public safety</i>		84 541	-	-	-	58 796	-	(6 061)	52 734	137 275	94 413	98 762
Community and social services		10 646	-	-	-	-	-	(1 594)	(1 594)	9 052	12 778	11 872
Sport and recreation		28 968	-	-	-	-	-	(2 055)	(2 055)	26 913	32 463	34 869
Public safety		40 849	-	-	-	58 796	-	(2 467)	56 329	97 178	44 812	47 677
Housing		4 078	-	-	-	-	-	55	55	4 133	4 362	4 344
<i>Economic and environmental services</i>		58 271	-	-	-	-	-	(21 242)	(21 242)	37 029	64 414	70 762
Planning and development		6 401	-	-	-	-	-	481	481	6 882	6 973	7 361
Road transport		51 870	-	-	-	-	-	(21 723)	(21 723)	30 147	57 440	63 401
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		581 551	-	-	-	-	-	(8 873)	(8 873)	572 678	617 671	657 820
Electricity		266 768	-	-	-	-	-	(941)	(941)	265 827	291 092	311 355
Water		203 232	-	-	-	-	-	3 661	3 661	206 893	208 267	222 751
Waste water management		53 282	-	-	-	-	-	(2 351)	(2 351)	50 931	56 111	58 385
Waste management		58 269	-	-	-	-	-	(9 243)	(9 243)	49 026	62 201	65 328

Total Expenditure - Standard	3	868 506	-	-	-	58 796	-	(50 531)	8 265	876 771	929 334	994 374
Surplus/ (Deficit) for the year		21 211	-	-	-	(58 796)	-	42 817	(15 978)	5 232	20 656	9 157

5.3 Adjustment Budget Financial Performance: Municipal vote

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

Vote Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		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
<i>[Insert departmental structure etc]</i>			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Council/Mayor, Speaker and Councillors		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		2 108	-	-	-	-	-	99	99	2 207	2 229	2 250
Vote 3 - Organisational Development & Corporate Services		585	-	-	-	-	-	66	66	651	617	650
Vote 4 - Social Services		81 933	-	-	-	-	-	(17 666)	(17 666)	64 267	84 866	73 625
Vote 5 - Infrastructure Services		625 772	-	-	-	-	-	24 355	24 355	650 127	667 706	722 294
Vote 6 - Financial Services		170 073	-	-	-	-	-	12 051	12 051	182 124	185 091	196 994
Vote 7 - Local Economic Development		9 246	-	-	-	-	-	-	-	9 246	9 480	7 717
Total Revenue by Vote	2	889 716	-	-	-	-	-	18 905	18 905	908 621	949 990	1 003 531
Expenditure by Vote	1											
Vote 1 - Council/Mayor, Speaker and Councillors		35 143	-	-	-	-	-	(2 277)	(2 277)	32 867	37 239	36 972
Vote 2 - Municipal Manager		41 480	-	-	-	58 796	-	(12 042)	46 754	88 234	46 468	52 392
Vote 3 - Organisational Development & Corporate Services		20 087	-	-	-	-	-	(3 124)	(3 124)	16 963	20 990	20 912
Vote 4 - Social Services		125 352	-	-	-	-	-	(14 762)	(14 762)	110 591	138 136	144 680
Vote 5 - Infrastructure Services		589 842	-	-	-	-	-	6 487	6 487	596 329	628 408	676 253
Vote 6 - Financial Services		35 245	-	-	-	-	-	1 583	1 583	36 828	35 011	39 300
Vote 7 - Local Economic Development		21 356	-	-	-	-	-	221	221	21 576	23 082	23 865
Total Expenditure by Vote	2	868 506	-	-	-	58 796	-	(23 913)	34 883	903 388	929 334	994 374
Surplus/ (Deficit) for the year	2	21 211	-	-	-	(58 796)	-	42 818	(15 978)	5 233	20 656	9 157

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

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

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		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	102 114	-	-	-	-	-	8 900	8 900	111 014	107 628	113 440
Service charges - electricity revenue	2	219 951	-	-	-	-	-	-	-	219 951	243 316	261 297
Service charges - water revenue	2	276 185	-	-	-	-	-	(3 000)	(3 000)	273 185	294 311	313 673
Service charges - sanitation revenue	2	22 837	-	-	-	-	-	-	-	22 837	24 071	25 370
Service charges - refuse revenue	2	39 978	-	-	-	-	-	-	-	39 978	42 137	44 412
Service charges - other		9 136						(580)	(580)	8 556	8 767	9 238
Rental of facilities and equipment		5 002						-	-	5 002	5 114	5 356
Interest earned - external investments		2 400						(1 100)	(1 100)	1 300	2 530	2 666
Interest earned - outstanding debtors		18 600						(3 300)	(3 300)	15 300	20 922	21 373
Dividends received		-						-	-	-	-	-
Fines		5 023						-	-	5 023	6 024	5 575
Licences and permits		172						-	-	172	181	191
Transfers recognised - operating		118 259						(311)	(311)	117 948	124 053	129 021
Other revenue	2	4 328	-	-	-	-	-	1 367	1 367	5 695	4 556	4 697
Gains on disposal of PPE		5 000						-	-	5 000	5 000	1 000
Total Revenue (excluding capital transfers and contributions)		828 986	-	-	-	-	-	1 975	1 975	830 961	888 609	937 309
Expenditure By Type	-											
Employee related costs		207 771	-	-	-	-	-	(17 904)	(17 904)	189 867	229 672	246 192
Remuneration of councillors		14 685						-	-	14 685	15 772	16 939
Debt impairment		64 300						-	-	64 300	60 100	57 900
Depreciation & asset impairment		62 640	-	-	-	-	-	(12 419)	(12 419)	50 221	66 278	74 738
Finance charges		3 034						(2 260)	(2 260)	774	4 979	4 489
Bulk purchases		318 550	-	-	-	-	-	-	-	318 550	342 948	375 835
Other materials		30 685						(3 455)	(3 455)	27 230	32 222	33 962
Contracted services		29 660	-	-	-	58 796	-	(810)	57 986	87 646	30 930	32 107
Transfers and grants		40 389						(8 632)	(8 632)	31 757	45 265	47 288
Other expenditure		96 791	-	-	-	-	-	(5 050)	(5 050)	91 741	101 168	104 924
Loss on disposal of PPE		-						-	-	-	-	-
Total Expenditure		868 506	-	-	-	58 796	-	(50 530)	8 265	876 771	929 334	994 374
Surplus/(Deficit)		(39 520)	-	-	-	(58 796)	-	52 506	(6 290)	(45 811)	(40 725)	(57 065)
Transfers recognised - capital Contributions		60 731						(9 689)	(9 689)	51 042	61 381	66 222
Contributed assets								-	-	-	-	-
Surplus/(Deficit) attributable to municipality		21 211	-	-	-	(58 796)	-	42 817	(15 979)	5 232	20 656	9 157
Surplus/ (Deficit) for the year		21 211	-	-	-	(58 796)	-	42 817	(15 979)	5 232	20 656	9 157

The adjustment budget reflects a surplus of R5 232 000

Revenue and Billing

Revenue by source	2014/15				2014/15
	Original Budget	Actual Revenue and Billing 31 Dec. 2014			Adjusted Budget
		Billing	Actual revenue		
	R'000	R'000	R'000	%	R'000
Property rates	102 114	61 738		60.5	111 014
Electricity	219 951	93 509		42.5	219 951
Sanitation	22 837	10 354		45.3	22 837
Water	276 185	118 491		42.9	273 185
Refuse removal	39 978	15 329		38.3	39 978
Other service charges	9 136	660	1 367	22.2	8 556
Govt grants - operating	118 259		86 914	73.5	117 948
Govt grants – capital transfer	60 731		0	0	51 042
Fines/Penalties	5 023		1 284	25.6	5 023
Interest Debtors	18 600	9 174		49.3	15 300
Interest	2 400		790	32.9	1 300
Licences and permits	171		61	35.7	172
Rental of facilities	5 002	2 003	455	49.1	5 002
Other	4 330	2 033	534	59.3	5 695
Profit on sale of Land	5 000		0	0	5 000
	889 717	313 291	91 405	45.5	882 003

Actual Operating Expenditure

The table below provides a summary of the actual operating expenditure by main type for the first six months of the 2014/15 financial year compared to the annual budget as well as adjustment budget.

Operating expenditure by main type	2014/15			2014/15
	Original Budget	Actual Expenditure 31 Dec. 2013		Adjustment Budget
	R'000	R'000	%	R'000
Employee related costs	207 771	77 045	37.1	189 867
Remuneration of councillors	14 685	6 697	45.6	14 685
Bad debts	64 300	32 150	50.0	64 300
Repairs and maintenance	30 685	5 379	17.5	27 230
Bulk purchases-electricity	199 877	71 915	36.0	199 876
Bulk purchases-water	118 674	46 293	39.0	118 674
Contracted services	29 660	16 830	56.7	87 646
Finance Charges	3 034	350	11.5	774
General expenses	96 791	23 630	24.4	91 741
Transfers and Grants	40 389	9 624	23.8	31 757
Depreciation	62 640	0	0	50 221

Housing <i>Economic and environmental services</i>		-						-	-	-	-	-
		38 700	-	-	-	-	-	(31 700)	(31 700)	7 000	28 817	43 222
Planning and development		-						-	-	-	-	-
Road transport		38 700						(31 700)	(31 700)	7 000	28 817	43 222
<i>Trading services</i>		61 069	-	-	-	-	-	(6 416)	(6 416)	54 653	26 400	27 420
Electricity		17 200						(6 870)	(6 870)	10 330	23 600	24 640
Water		15 200						(11 190)	(11 190)	4 010	1 520	1 500
Waste water management		27 619						12 644	12 644	40 263	230	230
Waste management		1 050						(1 000)	(1 000)	50	1 050	1 050
<i>Other</i>		-						-	-	-	-	-
Total Capital Expenditure - Standard	3	136 861	-	-	-	-	-	(58 596)	(58 596)	78 265	70 631	74 092
Funded by:												
National Government		75 731						(9 689)	(9 689)	66 042	61 381	66 222
Provincial Government		-						-	-	-	-	-
District Municipality		-						-	-	-	-	-
Other transfers and grants		-						-	-	-	-	-
Total Capital transfers recognised	4	75 731	-	-	-	-	-	(9 689)	(9 689)	66 042	61 381	66 222
Public contributions & donations		-						-	-	-	-	-
Borrowing		45 400						(38 400)	(38 400)	7 000	-	-
Internally generated funds		15 730						(10 507)	(10 507)	5 223	9 250	7 870
Total Capital Funding		136 861	-	-	-	-	-	(58 596)	(58 596)	78 265	70 631	74 092

5.6 Adjustment Budget – Financial Position

FS204 Metsimaholo - Table B6 Adjustments Budget

Financial Position -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjus ted	Acc um. Fun ds	Multi -year capit al	Unfor e. Unav oid.	Nat. or Prov. Govt	Other Adjus ts	Total Adjus ts	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		-						10 721	10 721	10 721	15 252	1 396
Call investment deposits	1	15 220	-	-	-	-	-	15 526	15 526	30 746	17 000	20 000
Consumer debtors	1	145 722	-	-	-	-	-	(341)	(341)	145 381	126 172	111 398
Other debtors		25 000						26 472	26 472	51 472	33 000	22 000
Current portion of long-term receivables		12 000						-	-	12 000	12 000	12 000
Inventory		20 000						(3 875)	(3 875)	16 125	15 000	14 000
Total current assets		217 942	-	-	-	-	-	48 503	48 503	266 445	218 424	180 794
Non current assets												
Long-term receivables									-	-		
Investments									-	-		
Investment property		79 260						8 053	8 053	87 313	85 313	82 000
Investment in Associate									-	-		
Property, plant and equipment	1	983 595	-	-	-	-	-	(30 019)	(30 019)	953 576	957 929	957 283
Agricultural									-	-		
Biological									-	-		
Intangible		86						309	309	395	390	385
Other non-current assets									-	-		
Total non current assets		1 062 941	-	-	-	-	-	(21 657)	(21 657)	1 041 284	1 043 632	1 039 668
TOTAL ASSETS		1 280 883	-	-	-	-	-	26 846	26 846	1 307 729	1 262 056	1 220 462
LIABILITIES												
Current liabilities												
Bank overdraft									-	-		
Borrowing		2 325	-	-	-	-	-	(6)	(6)	2 319	3 412	3 715
Consumer deposits		14 000						1 091	1 091	15 091	16 000	16 500
Trade and other payables		151 000	-	-	-	-	-	(30 323)	(30 323)	120 677	163 000	172 000
Provisions									-	-		
Total current liabilities		167 325	-	-	-	-	-	(29 238)	(29 238)	138 087	182 412	192 215
Non current liabilities												
Borrowing	1	39 141	-	-	-	-	-	(26 442)	(26 442)	12 699	9 288	5 573
Provisions	1	83 595	-	-	-	-	-	(1 239)	(1 239)	82 356	87 035	93 128
Total non current liabilities		122 736	-	-	-	-	-	(27 681)	(27 681)	95 055	96 323	98 701
TOTAL LIABILITIES		290 061	-	-	-	-	-	(56 919)	(56 919)	233 142	278 735	290 915
NET ASSETS	2	990 822	-	-	-	-	-	83 766	83 766	1 074 588	983 321	929 547
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		990 822	-	-	-	-	-	83 766	83 766	1 074 588	983 321	929 547

Reserves		-	-	-	-	-	-	-	-	-	-	-	
TOTAL COMMUNITY WEALTH/EQUITY		990 822	-	-	-	-	-	-	83 766	83 766	1 074 588	983 321	929 547

5.7 Adjustment Budget Statement – Cash Flow

FS204 Metsimaholo - Table B7 Adjustments Budget Cash

Flows -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Mult-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												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other		634 518						(4 145)	(4 145)	630 373	680 756	726 893
Government - operating	1	118 259						(311)	(311)	117 948	124 053	129 021
Government - capital	1	60 731						(9 689)	(9 689)	51 042	61 381	66 222
Interest		19 140						(4 070)	(4 070)	15 070	21 359	21 902
Dividends		-								-		
Payments												
Suppliers and employees		(664 687)						(33 294)	(33 294)	(697 981)	(781 427)	(830 071)
Finance charges		(3 034)						2 260	2 260	(774)	(1 031)	(728)
Transfers and Grants	1	(40 389)						8 632	8 632	(31 757)	(45 265)	(47 288)
NET CASH FROM/(USED) OPERATING ACTIVITIES		124 538	-	-	-	-	-	(40 617)	(40 617)	83 921	59 828	65 951
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		5 000							-	5 000	5 000	1 000
Decrease (Increase) in non-current debtors												
Decrease (increase) other non-current receivables												
Decrease (increase) in non-current investments												
Payments												
Capital assets		(136 861)						58 596	58 596	(78 265)	(70 631)	(74 092)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(131 861)	-	-	-	-	-	58 596	58 596	(73 265)	(65 631)	(73 092)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		400						(400)	(400)	-		
Borrowing long term/refinancing		45 000						(38 000)	(38 000)	7 000		
Increase (decrease) in consumer deposits												
Payments												
Repayment of borrowing		(6 019)						3 700	3 700	(2 319)	(3 412)	(3 715)
NET CASH FROM/(USED) FINANCING ACTIVITIES		39 381	-	-	-	-	-	(34 700)	(34 700)	4 681	(3 412)	(3 715)
NET INCREASE/ (DECREASE) IN CASH HELD		32 058	-	-	-	-	-	(16 720)	(16 720)	15 338	(9 215)	(10 856)
Cash/cash equivalents at the year begin:	2	(30 141)						56 270	56 270	26 129	41 467	32 252
Cash/cash equivalents at the year end:	2	1 917						39 550	39 550	41 467	32 252	21 396

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

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

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unav. oid.	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	1 917	-	-	-	-	-	39 550	39 550	41 467	32 252	21 396
Other current investments > 90 days		13 303	-	-	-	-	-	(13 303)	(13 303)	0	(0)	(0)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		15 220	-	-	-	-	-	26 247	26 247	41 467	32 252	21 396
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(4 020)	-	-	-	-	-	(52 192)	(52 192)	(56 212)	18 864	50 489
Other provisions		83 595	-	-	-	-	-	-	-	83 595	88 399	93 475
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		79 575	-	-	-	-	-	(52 192)	(52 192)	27 383	107 263	143 964
Surplus(shortfall)		(64 355)	-	-	-	-	-	78 439	78 439	14 084	(75 011)	(122 568)

5.9 Adjustment Budget - Asset Management

FS204 Metsimaholo - Table B9 Asset Management -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accu. m. Funds	Multi-year capital	Unfor. e. Unav. oid.	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		
R thousands												
CAPITAL EXPENDITURE												
<u>Total New Assets to be adjusted</u>	1	126 131	-	-	-	-	-	(47 866)	(47 866)	78 265	64 701	69 662
Infrastructure - Road transport		33 000	-	-	-	-	-	(26 000)	(26 000)	7 000	27 317	43 222
Infrastructure - Electricity		13 500	-	-	-	-	-	(3 170)	(3 170)	10 330	20 500	21 500
Infrastructure - Water		29 700	-	-	-	-	-	(25 690)	(25 690)	4 010	-	-
Infrastructure - Sanitation		27 389	-	-	-	-	-	12 874	12 874	40 263	-	-
Infrastructure - Other		1 000	-	-	-	-	-	(950)	(950)	50	1 000	1 000
Infrastructure		104 589	-	-	-	-	-	(42 936)	(42 936)	61 653	48 817	65 722
Community		12 642	-	-	-	-	-	(12 642)	(12 642)	(0)	14 064	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	8 900	-	-	-	-	-	7 712	7 712	16 612	1 820	3 940
Intangibles		-	-	-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets to be adjusted</u>	2	10 730	-	-	-	-	-	(10 730)	(10 730)	-	5 930	4 430
Infrastructure - Road transport		5 700	-	-	-	-	-	(5 700)	(5 700)	-	1 500	-
Infrastructure - Electricity		3 300	-	-	-	-	-	(3 300)	(3 300)	-	3 000	3 000
Infrastructure - Water		1 200	-	-	-	-	-	(1 200)	(1 200)	-	1 200	1 200
Infrastructure - Sanitation		230	-	-	-	-	-	(230)	(230)	-	230	230
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		10 430	-	-	-	-	-	(10 430)	(10 430)	-	5 930	4 430
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	300	-	-	-	-	-	(300)	(300)	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
<u>Total Capital Expenditure to be adjusted</u>	4											
Infrastructure - Road transport		38 700	-	-	-	-	-	(31 700)	(31 700)	7 000	28 817	43 222
Infrastructure - Electricity		16 800	-	-	-	-	-	(6 470)	(6 470)	10 330	23 500	24 500
Infrastructure - Water		30 900	-	-	-	-	-	(26 890)	(26 890)	4 010	1 200	1 200
Infrastructure - Sanitation		27 619	-	-	-	-	-	12 644	12 644	40 263	230	230
Infrastructure - Other		1 000	-	-	-	-	-	(950)	(950)	50	1 000	1 000
Infrastructure		115 019	-	-	-	-	-	(53 366)	(53 366)	61 653	54 747	70 152
Community		12 642	-	-	-	-	-	(12 642)	(12 642)	(0)	14 064	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		9 200	-	-	-	-	-	7 412	7 412	16 612	1 820	3 940
Intangibles		-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	2	136 861	-	-	-	-	-	(58 596)	(58 596)	78 265	70 631	74 092
ASSET REGISTER SUMMARY - PPE (WDV)	5											
Infrastructure - Road transport		252 129						(23 294)	(23 294)	228 835	239 363	261 961
Infrastructure - Electricity		162 412						(18 775)	(18 775)	143 637	159 258	174 873

<i>Infrastructure - Water</i>		175 972						(7 154)	(7 154)	168 818	160 401	150 757
<i>Infrastructure - Sanitation</i>		178 264						23 692	23 692	201 956	198 266	194 076
<i>Infrastructure - Other</i>		21 160						(17 423)	(17 423)	3 737	4 731	5 725
Infrastructure		789 937	-	-	-	-	-	(42 954)	(42 954)	746 983	762 020	787 391
Community		20 542						(20 542)	(20 542)	-	14 064	14 064
Heritage assets		561						-	-	561	561	561
Investment properties								-	-	-	-	-
Other assets		172 555						33 476	33 476	206 031	181 284	155 267
Intangibles								-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	983 595	-	-	-	-	-	(30 019)	(30 019)	953 576	957 929	957 283
EXPENDITURE OTHER ITEMS												
<u>Depreciation & asset impairment</u>		62 640	-	-	-	-	-	(12 419)	(12 419)	50 221	66 278	74 738
<u>Repairs and Maintenance by asset class</u>	3	79 733	-	-	-	-	-	(52 503)	(52 503)	27 230	84 952	90 531
<i>Infrastructure - Road transport</i>		23 909	-	-	-	-	-	(18 689)	(18 689)	5 220	25 428	26 928
<i>Infrastructure - Electricity</i>		16 579	-	-	-	-	-	(12 324)	(12 324)	4 256	17 667	18 903
<i>Infrastructure - Water</i>		12 616	-	-	-	-	-	(8 766)	(8 766)	3 850	13 500	14 446
<i>Infrastructure - Sanitation</i>		12 394	-	-	-	-	-	(4 432)	(4 432)	7 962	13 269	14 182
<i>Infrastructure - Other</i>		4 307	-	-	-	-	-	(4 267)	(4 267)	40	4 625	4 967
Infrastructure		69 806	-	-	-	-	-	(48 478)	(48 478)	21 328	74 489	79 426
Community		533	-	-	-	-	-	(226)	(226)	307	653	689
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	9 395	-	-	-	-	-	(3 799)	(3 799)	5 595	9 810	10 417
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		142 373	-	-	-	-	-	(64 922)	(64 922)	77 451	151 230	165 270

5.10 Adjustment Budget - Basic service delivery measurement

FS204 Metsimaholo - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2014/15									Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unav. oid.	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											
<u>Water:</u>												
Piped water inside dwelling		27 000					0	-	27	29 537	29 537	
Piped water inside yard (but not in dwelling)		2 537					0	-	3	3 887	3 887	
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>		30	-	-	-	-	-	-	30	33	33	
Using public tap (< min.service level)	3	887					0	-	1	887	887	
Other water supply (< min.service level)	3,4							-	-			
No water supply								-	-			
<i>Below Minimum Service Level sub-total</i>		1	-	-	-	-	-	-	1	1	1	
Total number of households	5	30	-	-	-	-	-	-	30	34	34	
<u>Sanitation/sewerage:</u>												
Flush toilet (connected to sewerage)		19 000					0	-	19 000	19 000	19 000	
Flush toilet (with septic tank)		1 000					0	-	1 000	1 000	1 000	
Chemical toilet		6 000					0	-	6 000	6 000	6 000	
Pit toilet (ventilated)								-	-			
Other toilet provisions (> min.service level)								-	-			
<i>Minimum Service Level and Above sub-total</i>		26 000	-	-	-	-	-	-	26 000	26 000	26 000	
Bucket toilet		2 025					0	-	2 025	2 025	2 025	
Other toilet provisions (< min.service level)		6 512					0	-	6 512	3 000	3 000	
No toilet provisions								-	-			
<i>Below Minimum Service Level sub-total</i>		8 537	-	-	-	-	-	-	8 537	5 025	5 025	
Total number of households	5	34 537	-	-	-	-	-	-	34 537	31 025	31 025	
<u>Energy:</u>												
Electricity (at least min. service level)		5 000					0	-	5 000	5 000	5 000	
Electricity - prepaid (> min.service level)		34 850					0	-	34 850	34 850	34 850	
<i>Minimum Service Level and Above sub-total</i>		39 850	-	-	-	-	-	-	39 850	39 850	39 850	
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	39 850	-	-	-	-	-	-	39 850	39 850	39 850	
<u>Refuse:</u>												
Removed at least once a week (min.service)		52 000					0	-	52 000	55 000	60 000	
<i>Minimum Service Level and Above sub-total</i>		52 000	-	-	-	-	-	-	52 000	55 000	60 000	
Removed less frequently than once a week		10 000					0	-	10 000	10 000	10 000	
Using communal refuse dump		52 000					0	-	52 000	55 000	55 000	
Using own refuse dump								-	-			
Other rubbish disposal								-	-			
No rubbish disposal		10 000					0	-	10 000	10 000	10 000	
<i>Below Minimum Service Level sub-total</i>		72 000	-	-	-	-	-	-	72 000	75 000	75 000	
Total number of households	5	124 000	-	-	-	-	-	-	124 000	130 000	135 000	

Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		42					0	-	42	46	48	
Sanitation (free minimum level service)		88					0	-	88	93	99	
Electricity/other energy (50kwh per household per month)		49					0	-	49	52	55	
Refuse (removed at least once a week)		95					0	-	95	100	106	
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)		13 153					-	-	13 153	13 863	14 612	
Sanitation (free sanitation service)		19 624					-	-	19 624	20 684	21 801	
Electricity/other energy (50kwh per household per month)		27 120					-	-	27 120	17 676	18 630	
Refuse (removed once a week)		10 807					-	-	10 807	11 391	12 006	
Total cost of FBS provided (minimum social package)		70 705	-	-	-	-	-	-	70 705	63 614	67 049	
Highest level of free service provided												
Property rates (R'000 value threshold)		35 000					0	-	35 000	35 000	35 000	
Water (kilolitres per household per month)		10					0	-	10	10	10	
Sanitation (kilolitres per household per month)								-	-			
Sanitation (Rand per household per month)		73					0	-	73	73	73	
Electricity (kw per household per month)		50					0	-	50	50	50	
Refuse (average litres per week)		88					0	-	88	88	88	
Revenue cost of free services provided (R'000)	17											
Property rates (R15 000 threshold rebate)		10 449					-	-	10 449	11 013	11 608	
Property rates (other exemptions, reductions and rebates)												
Water		23 789					264	264	24 054	25 074	26 428	
Sanitation		8 809					(1 055)	(1 055)	7 754	9 285	9 786	
Electricity/other energy		9 578					-	-	9 578	6 233	6 570	
Refuse		14 840					(4 840)	(4 840)	10 000	15 641	16 486	
Municipal Housing - rental rebates									-	-	-	
Housing - top structure subsidies									-	-	-	
Other									-	-	-	
Total revenue cost of free services provided (total social package)	6	67 465	-	-	-	-	(5 631)	(5 631)	61 834	67 247	70 878	

5.11 Budget Related Charts

Chart 1: Revenue by Major source

Chart 1 Revenue By Major Source	11/12Aud	12/13Aud	13/14Aud	14/15Bud	14/15Adj	14/15Bud	15/16Bud
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	Property rates	86 652	92 485	105 296	102 114	111 014	107 628
Electricity	137 388	164 079	165 157	219 951	219 951	243 316	261 297
Water	141 717	159 701	155 554	276 185	273 185	294 311	313 673
Other	178 681	185 263	251 556	230 736	226 811	243 354	248 899

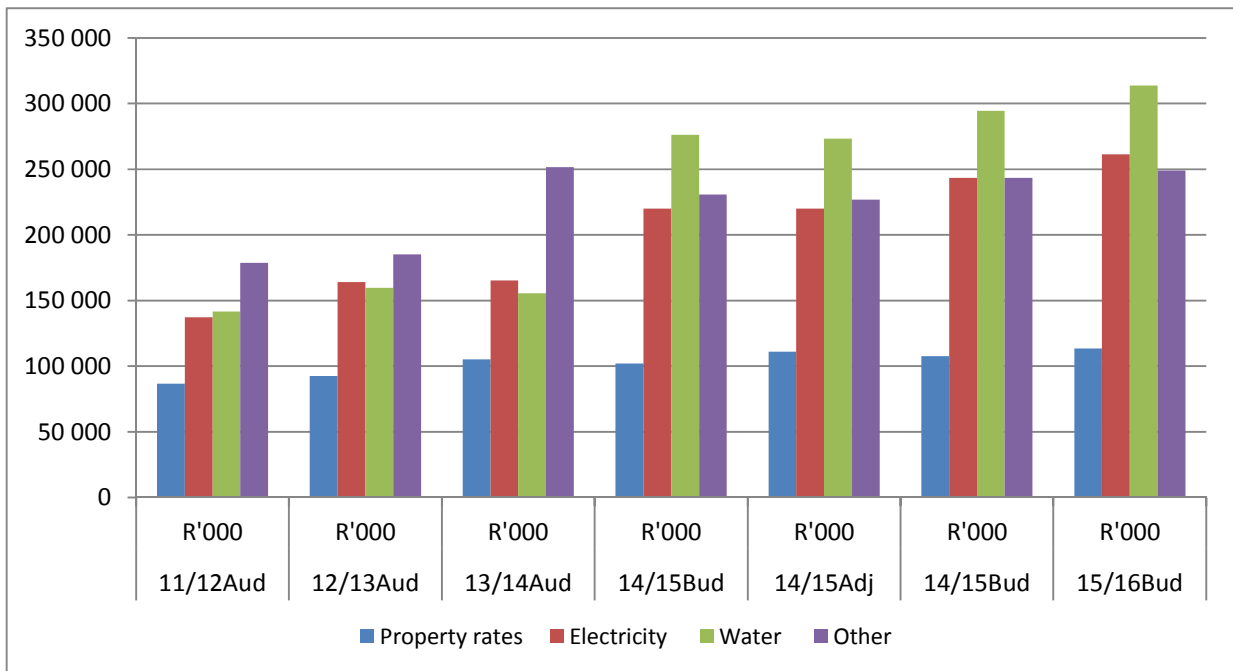
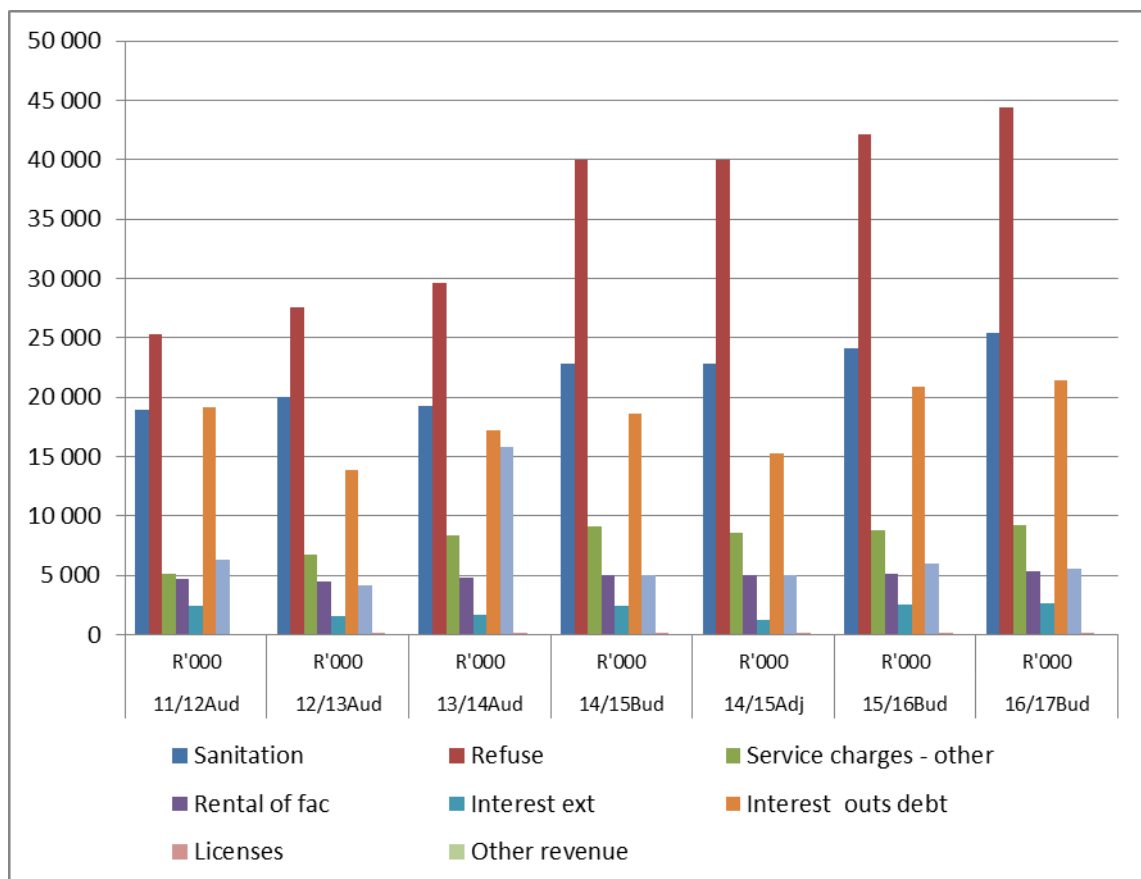


Chart 2: Revenue by Minor Source

Chart 2 Revenue By Minor Source	11/12Aud	12/13Aud	13/14Aud	14/15Bud	14/15Adj	15/16Bud	16/17Bud
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Sanitation	18 996	19 990	19 239	22 837	22 837	24 071	25 370
Refuse	25 259	27 526	29 606	39 978	39 978	42 137	44 412
Service charges - other	5 116	6 743	8 408	9 136	8 556	8 767	9 238
Rental of fac	4 727	4 514	4 858	5 002	5 002	5 114	5 356
Interest ext	2 416	1 543	1 694	2 400	1 300	2 530	2 666
Interest outs debt	19 203	13 900	17 193	18 600	15 300	20 922	21 373
Fines	6 308	4 194	15 855	5 023	5 023	6 024	5 575
Licenses	66	120	146	172	172	181	191
Other revenue	5 108	8 911	36 298	9 329	10 695	9 555	5 697



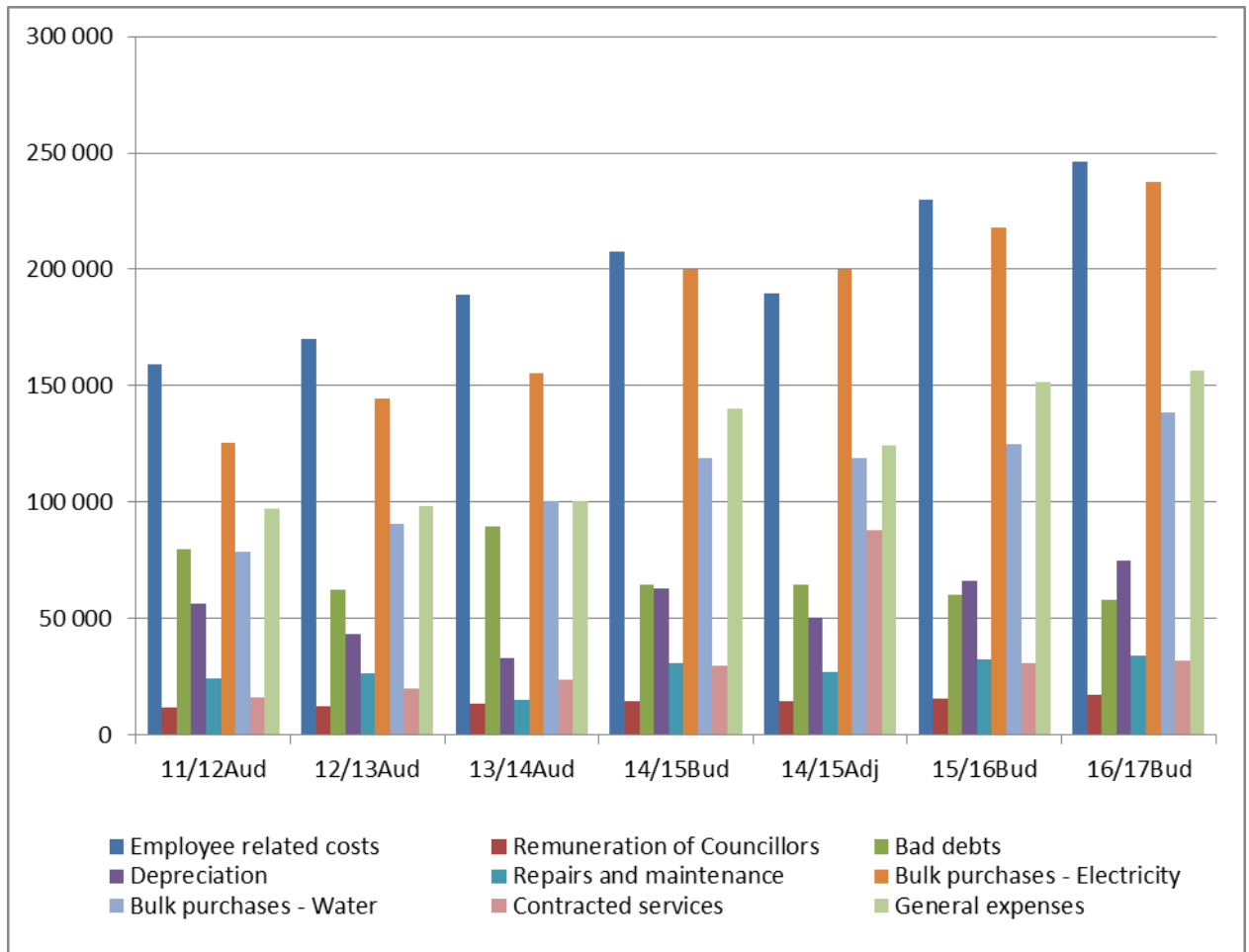
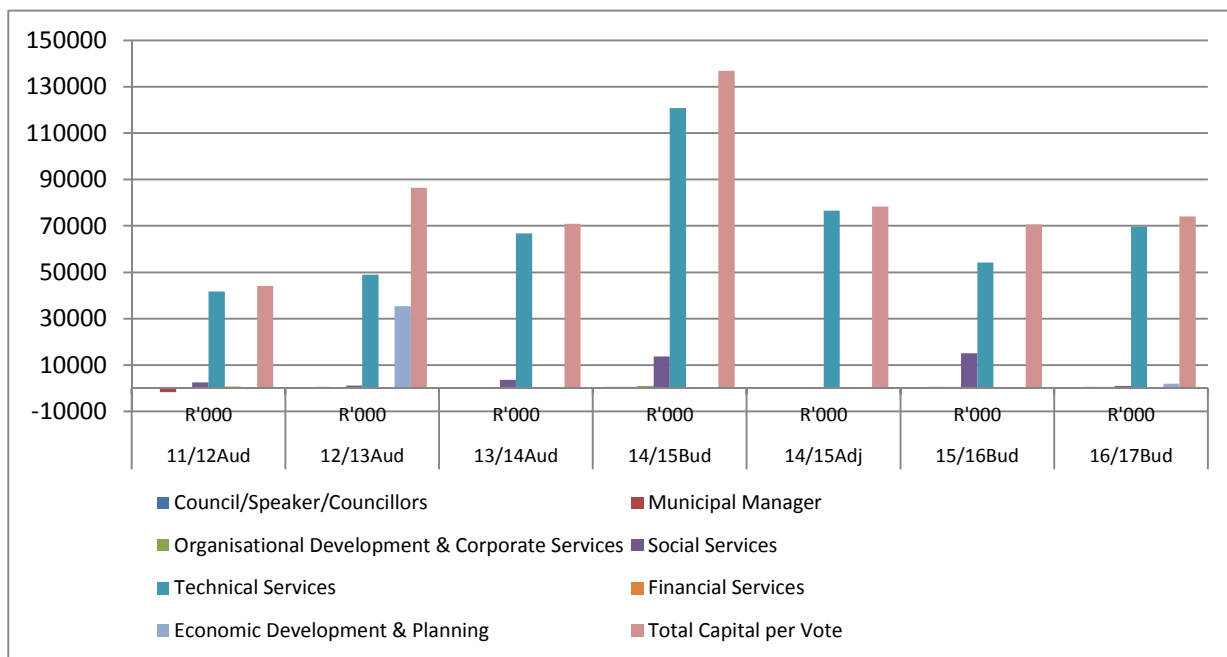


Chart 4: Capital Expenditure

Chart 6 Capital per Vote	11/12Aud	12/13Aud	13/14Aud	14/15Bud	14/15Adj	15/16Bud	16/17Bud
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Council/Speaker/Councillors				600	528		
Municipal Manager	-1 726	661	42	700	500	700	700
Organisational Development & Corporate Services	410	0	152	1 100	250	600	700
Social Services	2 632	1 200	3 644	13 742	150	15 164	1 100
Technical Services	41 709	48 931	66 697	120 719	76 602	54 167	69 592
Financial Services	754	335	375	0	235	0	0
Economic Development & Planning	435	35 300		0		0	2 000
Total Capital per Vote	44 214	86 427	70 910	136 861	78 265	70 631	74 092



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 (72 per cent) of annual billings. Cash flow is assumed to be 72 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 80 and 100 per cent will be achieved on operating expenditure and 60 per cent on the capital programme for the 2014/15 MTREF of which performance has been factored into the cash flow budget. However, due to various problems experienced on the strict implementation of the Credit Control Policy, cash is not available to accommodate operating expenditure at 80% and capital expenditure at 60%.

The cash flow of the Municipality is of great concern.

7. Adjustments to Budget funding

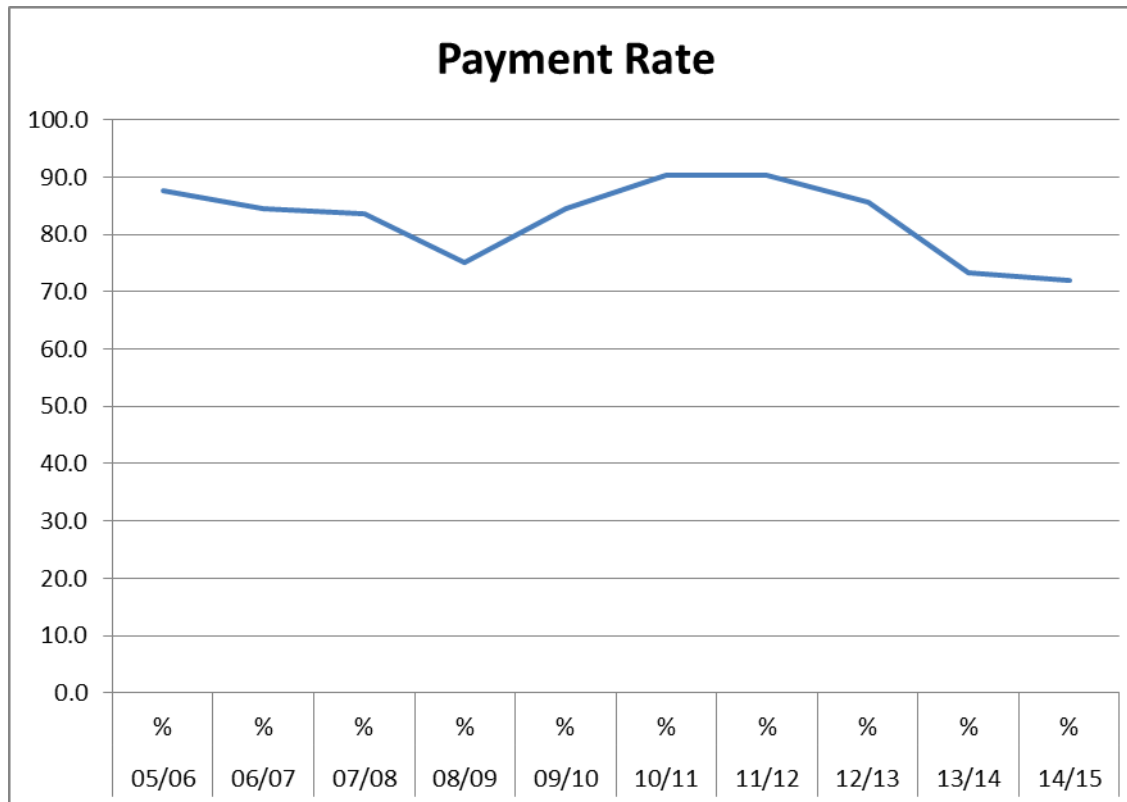
7.1 Collection levels estimated

- Collection Rate

2005/06	87.7%
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

72% (December 2014)



7.2 Debtors' analysis

Description December 2014 R thousands	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	Total
Debtors Age Analysis By Revenue Source						
Rates	1200	7 365	5 036	3 518	51 314	69 356
Electricity	1300	9 148	9 219	3 052	45 793	67 211
Water	1400	24 728	17 360	15 560	319 215	376 863
Sewerage / Sanitation	1500	1 347	949	676	21 905	24 877
Refuse Removal	1600	2 067	1 535	1 146	26 514	31 263
Housing (Rental Revenue)	1700	1 123	957	1 041	100 058	103 179
Other	1900	332	313	562	39 110	40 318
Total By Revenue Source	2000	46 110	35 369	25 557	603 909	713 067
2013/14 - totals only						-
Debtors Age Analysis By Customer Category						
Government	2200	1 583	2 460	1 570	14 514	22 250
Business	2300	19 429	10 888	4 816	50 556	85 689
Households	2400	25 098	22 020	19 171	538 839	605 129

Other	2500					-
Total By Customer Category	2600	46 110	35 369	25 557	603 909	713 067

Average payment rate: (since July 2014)

	LEVIES	PAYMENTS	PAYMENT-
	R000	R000	RATE (%)
Sasolburg	195 092	177 022	90.7
Zamdela	48 997	7 904	16.1
Deneysville	6 835	6 303	92.2
Refengkgotso	11 326	204	1.8
Oranjeville	2 270	1 887	83.1
Metsimaholo	3 337	55	1.6
Sundry Debtors	863	194	22.5
Metsimaholo Local Municipality	268 720	193 569	72.0

Month payment rate: December 2014

	LEVIES	PAYMENTS	PAYMENT-
	R000	R000	RATE (%)
Sasolburg	32 832	32 215	98.1
Zamdela	7 790	1 622	20.8
Deneysville	1 314	820	62.4
Refengkgotso	1 945	46	2.4
Oranjeville	265	315	118.9
Metsimaholo	524	15	2.9
Sundry Debtors	58	20	34.5
Metsimaholo Local Municipality	44 728	35 053	78.4

The outstanding debtors increased from R550 million at 30 June 2014 to R713 million at 31 December 2014.

Comparison: (as per General Ledger)

Budget vs Levy (billing) vs Payments

	Budget Six Months (14/15)	Actual Levy (Midyear 2014)	Actual Revenue (6 months)
Cleansing	R 12 569 052	R 11 867 773	R 5 530 205
Electricity	R 108 497 208	R 93 509 012	R 80 929 933
Sewer	R 8 390 904	R 8 640 157	R 4 163 750
Water	R 133 724 598	R 116 719 683	R 45 532 471
Assessment Rates	R 51 056 928	R 61 737 865	R 27 154 897
Housing/Hostel	R1 750 002	R2 002 637	R 0
Interest	R9 300 000	R9 174 046	R 1 224 172
Unallocated			R 81 101 153
<i>Total</i>	<i>R 325 288 692</i>	<i>R303 651 173</i>	<i>R 245 636 580</i>

Actual levies are 92.35% of budget levies for the six months.

Actual revenue is 80.89% of actual levies for the six months.

Actual revenue is 75.51% of budgeted levies for the six months.

7.3 Adjustments proposed loans to be raised in the budget year

The loan of R38 million at the Development Bank of South Africa was not taken up in the first 6 months of the financial year and cancelled by Development Bank of South Africa. A loan of R47 million was approved. Only R9 million was taken up in the 2012/2013 financial year.

7.4 Adjustments relating to allocations and grant to the municipality

Only one adjustment was made in the Division of Revenue Act (DORA) of December 2014. The Integrated National Electrification (Municipal) Grant increased from R7 million to R8 million.

8. Allocation and grant receipts and expenditure

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

Description	Ref	Budget Year 2014/15							Budget Year +1 2015/16	Budget Year +2 2016/17
		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									
- <u>Operating Transfers and Grants</u>										
National Government:		114 485	-	-	-	(310)	(310)	114 175	121 157	126 104
Local Government Equitable Share		107 542				-	-	107 542	115 040	123 386
Finance Management	3	1 600				-	-	1 600	1 650	1 700
Municipal Systems Improvement		934				-	-	934	967	1 018

Water Services Operating Subsidy		3 300				(310)	(310)	2 990	3 500	-
EPWP Incentive		1 109				-	-	1 109	-	-
Provincial Government:		1 666	-	-	-	-	-	1 666	667	667
Department of Sports	5	1 666				-	-	1 666	667	667
District Municipality:		-	-	-	-	-	-	-	-	-
<i>IDP</i>										
Other grant providers:		2 108	-	-	-	(1)	(1)	2 107	-	-
<i>MIG(National Government)</i>		2 108				(1)	(1)	2 107	2 229	2 250
Total Operating Transfers and Grants	6	118 259	-	-	-	(311)	(311)	117 948	121 824	126 771
Capital Transfers and Grants										
National Government:		42 731	-	-	-	311	311	43 042	41 381	43 222
Municipal Infrastructure Grant (MIG)		40 031				1	1	40 032	41 381	43 222
DWAF(Water Affairs)		2 700				310	310	3 010		
Provincial Government:		11 000	-	-	-	(11 000)	(11 000)	-	-	2 000
COGTA		11 000				(11 000)	(11 000)	-	-	2 000
District Municipality:		-	-	-	-	-	-	-	-	-
<i>Fire Services</i>										
Other grant providers:		7 000	-	-	-	1 000	1 000	8 000	20 000	21 000
<i>DOE(Natioanl Grant)</i>		7 000				1 000	1 000	8 000	20 000	21 000
Total Capital Transfers and Grants	6	60 731	-	-	-	(9 689)	(9 689)	51 042	61 381	66 222
TOTAL RECEIPTS OF TRANSFERS & GRANTS		178 990	-	-	-	(10 000)	(10 000)	168 990	183 205	192 993

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

Description	Ref	Budget Year 2014/15							Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	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:		114 485	-	-	-	(310)	(310)	114 175	121 157	126 104
Local Government Equitable Share		107 542				-	-	107 542	115 040	123 386
Finance Management		1 600				-	-	1 600	1 650	1 700
Municipal Systems Improvement		934				-	-	934	967	1 018
Water Services Operating Subsidy		3 300				(310)	(310)	2 990	3 500	-
EPWP Incentive		1 109				-	-	1 109	-	-

Provincial Government:	1 666	-	-	-	-	-	1 666	667	667
Department of Sports	1 666	-	-	-	-	-	1 666	667	667
District Municipality:	-	-	-	-	-	-	-	-	-
IDP						-	-		
Other grant providers:	2 108	-	-	-	(1)	(1)	2 107	-	-
MIG(National Government)	2 108				(1)	(1)	2 107	2 229	2 250
						-	-		
Total operating expenditure of Transfers and Grants:	118 259	-	-	-	(311)	(311)	117 948	121 824	126 771
Capital expenditure of Transfers and Grants									
National Government:	42 731	-	-	-	311	311	43 042	41 381	43 222
Municipal Infrastructure Grant (MIG)	40 031				1	1	40 032	41 381	43 222
DWA(Water Affairs)	2 700				310	310	3 010		
Provincial Government:	11 000	-	-	-	(11 000)	(11 000)	-	-	2 000
COGTA	11 000				(11 000)	(11 000)	-	-	2 000
District Municipality:	-	-	-	-	-	-	-	-	-
Fire Services									
Other grant providers:	7 000	-	-	-	1 000	1 000	8 000	20 000	21 000
DOE(Natioanl Grant)	7 000				1 000	1 000	8 000	20 000	21 000
Anglo Coal & private contributions									
Total capital expenditure of Transfers and Grants	60 731	-	-	-	(9 689)	(9 689)	51 042	61 381	66 222
Total capital expenditure of Transfers and Grants	178 990	-	-	-	(10 000)	(10 000)	168 990	183 205	192 993

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 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 2014/15									% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts	Total Adjusts	Adjusted Budget	
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		10 448						-	-	10 448	0,0%
Pension and UIF Contributions		11						-	-	11	0,0%
Medical Aid Contributions		-						-	-	-	
Motor Vehicle Allowance		3 311						-	-	3 311	0,0%
Cellphone Allowance		698						-	-	698	
Housing Allowances		217						-	-	217	

Sub Total - Councillors	14 685	-			-		-	-	14 685	0,0%
% increase		(0)							-	
Senior Managers of the Municipality										
Basic Salaries and Wages	7 226						-	-	7 226	0,0%
Pension and UIF Contributions	-						-	-	-	
Medical Aid Contributions	36						-	-	36	0,0%
Overtime	-						-	-	-	
Performance Bonus	-						-	-	-	
Motor Vehicle Allowance	1 773						-	-	1 773	0,0%
Cellphone Allowance	-						-	-	-	
Housing Allowances	-						-	-	-	
Other benefits and allowances	-						-	-	-	
Sub Total - Senior Managers of Municipality	9 035	-	-		-		-	-	9 035	0,0%
% increase		(0)							-	
Other Municipal Staff										
Basic Salaries and Wages	120 013						(11 931)	(11 931)	108 082	-9,9%
Pension and UIF Contributions	20 184						18	18	20 202	0,1%
Medical Aid Contributions	11 283						35	35	11 318	0,3%
Overtime	18 411						(2 248)	(2 248)	16 163	-12,2%
Performance Bonus	-						-	-	-	
Motor Vehicle Allowance	13 040						(1 669)	(1 669)	11 371	-12,8%
Cellphone Allowance	455						-	-	455	0,0%
Housing Allowances	1 081						-	-	1 081	
Other benefits and allowances	20 657						(11 145)	(11 145)	9 512	
Payments in lieu of leave	2 647						-	-	2 647	0,0%
Sub Total - Other Municipal Staff	207 771	-	-	-	-	-	(26 940)	(26 940)	180 832	-13,0%
% increase										
Total Parent Municipality	231 491	-	-	-	-	-	(26 940)	(26 940)	204 552	-11,6%
COUNCILLOR ALLOWANCES, EMPLOYEE REMUNERATION & ENTITY REMUNERATION										
	231 491	-	-	-	-	-	(26 940)	(26 940)	204 552	-11,6%
% increase										
TOTAL MANAGERS AND STAFF	216 806	-	-	-	-	-	(26 940)	(26 940)	189 866	-12,4%

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 2014/2015

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 92%

Expenditure By Type																
Employee related costs	13 565	12 563	12 976	13 416	11 851	12 673	14 061	19 752	19 752	19 752	19 752	19 752	189 867	229 672	246 192	
Remuneration of councillors	1 087	1 109	1 109	1 131	1 131	1 131	1 131	1 372	1 372	1 372	1 372	1 372	14 685	15 772	16 939	
Debt impairment	-	10 717	5 358	5 358	5 358	5 358	5 358	5 358	5 358	5 358	5 358	5 358	64 300	60 100	57 900	
Depreciation & asset impairment	-	-	-	-	-	-	-	10 044	10 044	10 044	10 044	10 044	50 221	66 278	74 738	
Finance charges	-	-	-	-	-	350	-	85	85	85	85	85	774	4 979	4 489	
Bulk purchases	-	31 425	13 240	24 302	23 075	26 166	23 940	35 280	35 280	35 280	35 280	35 280	318 550	342 948	375 835	
Other materials	(15)	47	793	1 050	1 084	2 420	1 564	4 057	4 057	4 057	4 057	4 057	27 230	32 222	33 962	
Contracted services	841	1 480	2 870	3 788	305	7 546	92	14 145	14 145	14 145	14 145	14 145	87 646	30 930	32 107	
Grants and subsidies	282	1 846	1 881	1 813	1 748	2 054	1 827	4 061	4 061	4 061	4 061	4 061	31 757	45 265	47 288	
Other expenditure	331	10 526	(550)	2 508	7 388	8 741	2 407	12 078	12 078	12 078	12 078	12 078	91 741	101 168	104 924	
Loss on disposal of PPE	5	(5)	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure	16 096	69 706	37 678	53 367	51 941	66 439	50 381	106 233	106 233	106 233	106 233	106 233	876 771	929 334	994 374	
Surplus/(Deficit)	44 686	25 643	26 086	28	(185)	18 525	416	(32 202)	(32 202)	(32 202)	(32 202)	(32 202)	(45 811)	(40 725)	(57 065)	
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	51 042	51 042	61 381	66 222
Contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	44 686	25 643	26 086	28	(185)	18 525	416	(32 202)	(32 202)	(32 202)	(32 202)	(32 202)	18 840	5 232	20 656	9 157

Adjustments Budget - monthly cash flow

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

Monthly cash flows	Ref	Budget Year 2014/15											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
		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		8 950	6 728	7 000	8 189	7 320	8 056	8 574	8 574	8 574	8 574	8 574	8 579	97 692	97 903	103 730
Property rates - penalties & collection charges		-	-										-			
Service charges - electricity revenue		17 048	13 042	18 371	16 882	16 077	16 321	15 000	13 000	15 000	19 000	22 000	26 189	207 928	231 889	249 517
Service charges - water revenue		10 242	10 003	8 779	9 564	12 380	11 037	35 000	40 000	25 000	25 000	20 000	33 396	240 402	266 854	285 944
Service charges - sanitation revenue		2 909	1 532	2 074	2 319	2 499	2 428	1 055	1 055	1 055	1 055	1 055	1 060	20 096	22 284	23 586
Service charges - refuse		3 030	1 656	2 200	2 590	2 615	2 790	3 383	3 383	3 383	3 383	3 383	3 383	35 180	38 633	40 914
Service charges - other		438	234	308	439	204	198	735	735	735	735	735	2 811	8 305	8 429	8 882
Rental of facilities and equipment		45	360	154	62	80	45	639	639	639	639	639	641	4 582	4 707	4 956
Interest earned - external investments		8	69	383	128	134	69	90	90	90	90	90	60	1 300	2 530	2 666
Interest earned - outstanding debtors		248	252	125	194	171	304	1 395	1 395	1 395	1 395	1 395	5 502	13 770	18 830	19 235
Dividends received		-											-			
Fines		294	219	312	158	161	142	419	419	419	419	419	1 646	5 023	6 024	5 575
Licences and permits		13	1	23	12	11	2	13	13	13	13	13	29	154	164	173
Agency services		-											-			
Transfer receipts - operational		44 169	1 378	3 865	-	-	35 630			32 906			0	117 948	124 053	129 021
Other revenue		908	7 143	1 084	308	246	5 403	-	-	-	-	-	(9 081)	6 011	3 873	3 616
Cash Receipts by Source		88 301	42 616	44 674	40 846	41 898	82 424	66 302	69 302	89 208	60 302	58 302	74 215	758 391	826 171	877 816

Other Cash Flows by Source															
Transfers receipts - capital Contributions & Contributed assets	17 344	1 500	-	-	-	-	-	-	20 244	-	-	11 954	51 042	61 381	66 222
Proceeds on disposal of PPE	-	-	-	-	-	-	417	417	417	417	417	2 917	5 000	5 000	1 000
Short term loans	-	-	-	-	-	-	500	500	500	500	500	(2 500)	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	1 792	1 792	1 792	1 792	1 792	(1 958)	7 000	-	-
Increase in consumer deposits	196	277	256	153	245	173	-	-	-	-	-	(1 300)	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	105 841	44 393	44 930	40 999	42 143	82 597	69 010	72 010	112 160	63 010	61 010	83 328	821 433	892 552	945 038
Cash Payments by Type															
Employee related costs	13 565	12 563	12 976	13 416	11 851	12 673	16 839	16 839	16 839	16 839	16 839	22 491	183 731	225 806	244 681
Remuneration of councillors	1 087	1 109	1 109	1 131	1 131	1 131	1 224	1 224	1 224	1 224	1 224	1 869	14 685	15 772	16 939
Collection costs	-	-	-	-	-	347	-	-	-	-	-	427	774	4 979	4 489
Interest paid	13 845	30 561	4 626	14 454	13 814	19 137	12 000	11 000	11 100	12 000	20 000	37 340	199 877	217 865	237 473
Bulk purchases - Electricity	8 432	27 086	8 614	9 848	11 018	10 854	8 000	7 000	8 000	8 000	8 000	3 821	118 674	125 082	138 361
Bulk purchases - Water & Sewer	-	47	793	1 050	1 084	2 420	3 475	1 475	3 475	1 475	3 475	7 100	25 869	30 611	33 762
Other materials	841	1 480	2 870	3 788	305	7 546	2 101	2 101	2 101	2 101	2 101	55 929	83 263	26 290	27 291
Contracted services	282	1 846	1 881	1 813	1 748	2 054	3 366	3 366	3 366	3 366	3 366	5 304	31 757	45 265	47 288
Grants and subsidies paid - other	11 407	21 788	12 975	4 974	6 302	(2 040)	2 000	2 000	2 000	2 000	2 000	1 473	66 880	90 002	91 564
General expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Payments by Type	49 459	96 480	45 845	50 475	47 253	54 122	49 004	45 004	48 104	47 004	57 004	135 755	725 511	781 672	841 848
Other Cash Flows/Payments by Type															
Capital assets	-	2 233	4 348	400	-	29	11 405	11 405	11 405	11 405	11 405	14 231	78 265	70 631	74 092
Repayment of borrowing	-	-	-	-	-	-	1 159	-	-	-	-	1 160	2 319	10 070	10 398
Other Cash Flows/Payments	45 680	(63 099)	10 822	(6 464)	(8 500)	6 980	-	-	-	-	-	14 580	-	-	-
Total Cash Payments by Type	95 140	35 614	61 015	44 411	38 753	61 131	61 568	56 409	59 509	58 409	68 409	165 725	806 095	862 373	926 338

NET INCREASE/(DECREASE) IN CASH HELD	10 701	8 779	(16 084)	(3 411)	3 391	21 466	7 442	15 601	52 651	4 601	(7 399)	(82 398)	15 338	30 179	18 700
Cash/cash equivalents at the month/year beginning:	26 129	36 830	45 609	29 524	26 113	29 504	50 970	58 412	74 013	126 663	131 264	123 865	26 129	41 467	71 647
Cash/cash equivalents at the month/year end:	36 830	45 609	29 524	26 113	29 504	50 970	58 412	74 013	126 663	131 264	123 865	41 467	41 467	71 647	90 346

14. Adjustments to Capital expenditure

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

Description	Ref	Budget Year 2014/15									Budget Year +1	Budget Year +2
		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		
R thousands												
Capital expenditure on new assets by Asset Class/Sub-class												
-												
Infrastructure		104 589	-	-	-	-	-	(42 936)	(42 936)	61 653	48 817	65 722
Infrastructure - Road transport		33 000	-	-	-	-	-	(26 000)	(26 000)	7 000	27 317	43 222
<i>Roads, Pavements & Bridges</i>		33 000	-	-	-	-	-	(26 000)	(26 000)	7 000	27 317	43 222
<i>Storm water</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		13 500	-	-	-	-	-	(3 170)	(3 170)	10 330	20 500	21 500
<i>Generation</i>		500	-	-	-	-	-	(500)	(500)	-	500	500
<i>Transmission & Reticulation</i>		13 000	-	-	-	-	-	(2 670)	(2 670)	10 330	20 000	21 000
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		29 700	-	-	-	-	-	(25 690)	(25 690)	4 010	-	-
<i>Dams & Reservoirs</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water purification</i>		16 000	-	-	-	-	-	(11 990)	(11 990)	4 010	-	-
<i>Reticulation</i>		13 700	-	-	-	-	-	(13 700)	(13 700)	-	-	-
Infrastructure - Sanitation		27 389	-	-	-	-	-	12 874	12 874	40 263	-	-
<i>Reticulation</i>		27 389	-	-	-	-	-	12 874	12 874	40 263	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		1 000	-	-	-	-	-	(950)	(950)	50	1 000	1 000
<i>Refuse</i>		1 000	-	-	-	-	-	(950)	(950)	50	1 000	1 000
		-	-	-	-	-	-	-	-	-	-	-
Community		12 642	-	-	-	-	-	(12 642)	(12 642)	(0)	14 064	-
Parks & gardens		-	-	-	-	-	-	-	-	-	-	-
Sports Fields & stadia		12 642	-	-	-	-	-	(12 642)	(12 642)	(0)	14 064	-
Swimming pools		-	-	-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Other assets		8 900	-	-	-	-	-	7 712	7 712	16 612	1 820	3 940
General vehicles		6 600	-	-	-	-	-	(6 073)	(6 073)	527	-	-

Specialised vehicles	18	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment		500						350	350	850	520	540
Computers - hardware/equipment									-	-		
Furniture and other office equipment		1 800						(1 565)	(1 565)	235	1 300	1 400
Abattoirs									-	-		
Markets									-	-		
Civic Land and Buildings									-	-		
Other Buildings									-	-		
Other Land									-	-		2 000
Other								15 000	15 000	15 000		
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming									-	-		
Other (list sub-class)									-	-		
Total Capital Expenditure on new assets to be adjusted	1	126 131	-	-	-	-	-	(47 866)	(47 866)	78 265	64 701	69 662

Specialised vehicles	18	-	-	-	-	-	-	-	-	-	-	-
Refuse									-	-		
Fire									-	-		
Conservancy									-	-		
Ambulances									-	-		

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

Description	Ref	Budget Year 2014/15										Budget Year +1 2015/16	Budget Year +2 2016/17
		Original Budget	Prior Adjusted	Accum. Funds	Mult-year capital	Unfor. Unav. oid.	Nat. or Pro. v. 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 renewal of existing assets by Asset Class/Sub-class													
-													
Infrastructure		10 430	-	-	-	-	-	(10 430)	(10 430)	-	5 930	4 430	
Infrastructure - Road transport		5 700	-	-	-	-	-	(5 700)	(5 700)	-	1 500	-	
<i>Roads, Pavements & Bridges</i>		5 700						(5 700)	(5 700)	-	1 500	-	
<i>Storm water</i>													
Infrastructure - Electricity		3 300	-	-	-	-	-	(3 300)	(3 300)	-	3 000	3 000	
<i>Generation</i>													
<i>Transmission & Reticulation</i>		3 300						(3 300)	(3 300)	-	3 000	3 000	
<i>Street Lighting</i>													
Infrastructure - Water		1 200	-	-	-	-	-	(1 200)	(1 200)	-	1 200	1 200	
<i>Dams & Reservoirs</i>													
<i>Water purification</i>													
<i>Reticulation</i>		1 200						(1 200)	(1 200)	-	1 200	1 200	
Infrastructure - Sanitation		230	-	-	-	-	-	(230)	(230)	-	230	230	
<i>Reticulation</i>													
<i>Sewerage purification</i>		230						(230)	(230)	-	230	230	

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

Description	Ref	Budget Year 2014/15									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfor e. 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		
R thousands												
Repairs and maintenance expenditure by Asset Class/Sub-class												
-												
Infrastructure		69 806	-	-	-	-	-	(48 478)	(48 478)	21 328	74 489	79 426
Infrastructure - Road transport		23 909	-	-	-	-	-	(18 689)	(18 689)	5 220	25 428	26 928
<i>Roads, Pavements & Bridges</i>		21 409						(17 189)	(17 189)	4 220	22 793	24 151
<i>Storm water</i>		2 500						(1 500)	(1 500)	1 000	2 635	2 777
Infrastructure - Electricity		16 579	-	-	-	-	-	(12 324)	(12 324)	4 256	17 667	18 903
<i>Generation</i>		307						(307)	(307)	-	323	341
<i>Transmission & Reticulation</i>		16 113						(12 117)	(12 117)	3 996	17 175	18 385
<i>Street Lighting</i>		160						100	100	260	169	178
Infrastructure - Water		12 616	-	-	-	-	-	(8 766)	(8 766)	3 850	13 500	14 446
<i>Dams & Reservoirs</i>												
<i>Water purification</i>												
<i>Reticulation</i>		12 616						(8 766)	(8 766)	3 850	13 500	14 446
Infrastructure - Sanitation		12 394	-	-	-	-	-	(4 432)	(4 432)	7 962	13 269	14 182
<i>Reticulation</i>		12 394						(4 432)	(4 432)	7 962	13 269	14 182
<i>Sewerage purification</i>												
Infrastructure - Other		4 307	-	-	-	-	-	(4 267)	(4 267)	40	4 625	4 967
<i>Refuse</i>		4 307						(4 267)	(4 267)	40	4 625	4 967
Community		533	-	-	-	-	-	(226)	(226)	307	653	689
Parks & gardens		178						(176)	(176)	1	234	247
Sports Fields & stadia		112						(83)	(83)	29	119	125
Swimming pools		41						(41)	(41)	-	43	46
Community halls		48						(29)	(29)	19	51	53
Libraries		19						(19)	(19)	-	20	21
Recreational facilities		115						(22)	(22)	93	167	176
Fire, safety & emergency												
Security and policing												
Cemeteries		20						(20)	(20)	-	21	22
Social rental housing								150	150	150		
Other								14	14	14		
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Buildings												
Other												
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Housing development												
Other												
Other assets		9 395	-	-	-	-	-	(3 799)	(3 799)	5 595	9 810	10 417
General vehicles		3 900						(2 747)	(2 747)	1 153	4 040	4 333
Specialised vehicles	18	-	-	-	-	-	-	1 731	1 731	1 731	-	-

Plant & equipment		220						2	2	222	232	245
Computers - hardware/equipment									-	-		
Furniture and other office equipment		1 550						(109)	(109)	1 441	1 598	1 647
Civic Land and Buildings		970						77	77	1 047	987	1 028
Other Buildings		304						(304)	(304)	-	320	338
Other Land									-	-		
Surplus Assets - (Investment or Inventory)									-	-		
Other		2 451						(2 451)	(2 451)	-	2 632	2 827
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Computers - software & programming									-	-		
Other (list sub-class)									-	-		
Total Repairs and Maintenance Expenditure to be adjusted	1	79 733	-	-	-	-	-	(52 503)	(52 503)	27 230	84 952	90 531
Specialised vehicles	18	-	-	-	-	-	-	1 731	1 731	1 731	-	-
Refuse								1 446	1 446	1 446		
Fire								285	285	285		
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 2014/2015 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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2015/02/17