



# **2014-2015 ADJUSTMENT BUDGET REPORT**

**27 FEBRUARY 2015**

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# PROPOSED 2014/2015 ADJUSTMENTS BUDGET

## 1. PURPOSE OF THE REPORT

To seek approval from the Council on the adjustments proposed to the 2014/2015 Original Operational and Capital Budget.

To set out the options available to Mogale City to fund the adjusted capital budget and to improve the municipality's cash flow position.

## 2. RECOMMENDED TO THE MUNICIPAL COUNCIL

That the adjusted operating revenue & expenditure, and capital budget of Mogale City Local Municipality for the financial year 2014/2015 and the indicative estimates for the two projected outer years 2015/2016 and 2016/2017, as set out in the schedules listed be **adopted and approved**.

2.1 The Adjusted Operating revenue & expenditure, and Capital Budget of the Municipality for the financial year 2014/15 and the outer years as set out in the following tables:

2.1.1 Adjustment Budget Summary as contained in Table 8 (**MBRR Table B1**) on page 20;

2.1.2 Adjustments Budget Financial Performance (standard classification) in Table 9 (**MBRR Table B2**) on page 21;

2.1.2 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) in Table 10 (**MBRR Table B3**) on page 22;

2.1.3 Adjustments Budget Financial Performance (revenue and expenditure) in Table 11 (**MBRR Table B4**) on page 23;

2.1.4 Adjustments Capital Expenditure Budget by vote and funding in Table 12 (**MBRR Table B5**) on page 24;

2.2 The adjustments budget financial position, cash flows, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets be adopted and approved as set out in the following tables:

2.2.1 Adjustments Budget Financial Position as contained in Table 13 (**MBRR Table B6**) on page 25;

2.2.2 Adjustments Budget Cash Flows as contained in Table 14 (**MBRR Table B7**) on page 26;

2.2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table 15 (**MBRR Table B8**) on page 27;

2.2.4 Asset management as contained in Table 16 (**MBRR Table B9**) on page 28; and

2.2.5 Basic service delivery measurement as contained in Table 18 (**MBRR Table B10**) on page 29.

2.3 That Council notes with grave concern the decision of National Treasury not to transfer R18.8 million of the remaining MIG allocation of MCLM for 2014/15 in terms of section 19(i)(b) of the Division of the Revenue Act 10 of 2014.

2.3.1 that the Executive Mayor commissions an investigation by a team comprising members of the External Audit Committee to undertake such an investigation that will determine the root causes leading to the National Treasury decision according to agreed terms of reference.

2.3.2 that the Executive Mayor ensure that a full report on the outcomes and findings of the investigation be tabled in Council and MPAC.

2.3.3 that the recommendations of the investigation team based on their findings be tabled before Council for its consideration.

2.3.4 that National Treasury be approached, based on MCLM previous performance of 95% in 2013/2014, to reconsider invoking the provisions of S(18) read in conjunction with the provision of Section (22), (23) et al, rather than that of S (19)(1)(b).

### **3. LEGISLATIVE BACKGROUND**

3.1 Section 28 of the Municipal Finance Management Act, 2003 (MFMA) allows a municipality to revise its approved annual budget through an adjustments budget.

An adjustments budget –

- 1 Must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the current year;
- 2 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;
- 3 May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- 4 May authorise the utilisation of projected savings in one vote towards spending under another vote;
- 5 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 where the annual budget for the current year was approved by the council;
- 6 May correct any errors in the annual budget, and
- 7 May provide for any other expenditure within a prescribed framework.

3.2 Only the Mayor may table an adjustments budget in the municipal council. When an adjustments budget is so tabled it must be accompanied by-

- 1 An explanation of how the adjustments budget affects the annual budget;
- 2 A motivation of any material changes to the annual budget;
- 3 An explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years;
- 4 Any other supporting documentation that may be prescribed.

## 4. EXECUTIVE SUMMARY

Mogale City is in no way immune to the harsh economic realities associated with the ongoing economic crisis. Among the impacts are the serious cash flow challenges currently experienced by the municipality due to among other things increasing debt book, high expenditure patterns, ageing infrastructure to be upgraded and the need to increase capacity of electricity, water and sanitation to accommodate new developments.

The goal should be to enhance service delivery aimed at improving the quality of life for all people within Mogale City. Budgeting is primarily about the choices that the municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. The need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms is vital.

The application of sound financial management principles for the compilation of the municipal's financial plan is essential and critical to ensure that the City remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

Securing the health of the asset base (especially the revenue generating assets) by increasing spending on repairs and maintenance and the City should not neglect repairs & maintenance in future when all rehabilitation of capital assets is finished.

Asset management is a strategic imperative for any municipality and needs to be prioritised as a spending objective in the budget.

The adjustment budget is based on the consultation with various departments, expenditure trends for the past six months of the financial year and changes made by Executive Committees Meeting. Key areas where savings were realized were on the following decision taken by Executive Committee:

- Oil and fuel reduced by R 4 741 667
- Finance charges reduced by R 5000 000
- Rental of Water tankers reduced by R1 000 000,
- System support reduced by R7 469 515,
- All capital projects that have not yet reached the BEC stage of the supply chain process were moved to 2015/16 budget year, however Departments were advised to continue with the process of procurement.

**Credible Budget** amongst other things, a credible budget is a budget that:

- ✓ Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- ✓ Is achievable in terms of agreed service delivery and performance targets;
- ✓ Contains revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;

- ✓ Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- ✓ Provides Managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

The City will continue with its revenue enhancement project on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers

The following report summarises the consultation by the Budget and Treasury Office with Departments:

- The need to reprioritise projects and high expenditure rate within the existing 2014/2015 Budget Adjustment resource envelope given the cash flow realities and declining cash position of the municipality;
- The on-going growing of debt book of the municipality ;
- Re-visiting repairs & maintenance budget in order to comply with GRAP 17 requirements whereby some expenditure will be transferred to Capital budget due to the nature of the transactions.
- Affordability of capital own funded capital projects – original allocations have been decreased by R 28 424 453 or 23% on the internal generated source. During the first six months of the year own funded projects spending were R 13 071 039 or 11%. Some original allocations had to be reduced during the current year's adjustment budget and needed to be factored into the next financial year (2015/2016) process which will be still a challenge.

In view of the aforementioned, the following table is a consolidated overview of the proposed 2014/2015 Adjustment budget:

**Table 1 Consolidated Overview of the 2014/2015 Adjustment Budget**

Description	2013/2014 Audited Outcomes	Proposed 2014/2015 Original Budget	Adjustments	Proposed 2014/2015 Adjustment Budget	% Increase / ( Decrease )
<b>Total Operating Revenue excluding Capital transfers</b>	<b>2 006 543 665</b>	<b>2 001 307 951</b>	<b>34 939 618</b>	<b>2 036 247 569</b>	<b>2%</b>
Operating Expenditure - cash items	-1 654 953 288	-1 949 762 090	-5 591 420	-1 955 353 510	0%
Operating Expenditure - non cash items	-520 362 496	-420 645 579	-71 308 323	-491 953 902	17%
<b>Total Operating Expenditure</b>	<b>-2 175 315 784</b>	<b>-2 370 407 669</b>	<b>-76 899 743</b>	<b>-2 447 307 412</b>	<b>3%</b>
<b>Surplus / ( Deficit ) before Capital Transfers</b>	<b>-168 772 119</b>	<b>-369 099 718</b>	<b>-41 960 125</b>	<b>-411 059 843</b>	<b>11%</b>
Capital Transfers	105 109 147	122 012 129	-3 762 047	118 250 082	-3%
<b>Surplus / ( Deficit ) After Capital Transfers</b>	<b>-63 662 972</b>	<b>-247 087 589</b>	<b>-45 722 172</b>	<b>-292 809 761</b>	<b>19%</b>
Total Operating Expenditure	2 175 315 784	2 370 407 669	76 899 743	2 447 307 412	3%
Total Capital Budget Expenditure	241 823 244	483 995 869	-22 086 501	461 909 368	-5%
<b>Total Consolidated Budget</b>	<b>2 417 139 028</b>	<b>2 854 403 538</b>	<b>54 813 242</b>	<b>2 909 216 780</b>	<b>2%</b>

The proposed operating revenue budget has been adjusted by R 34 939 618 to R 2 036 247 569 based on the 6 months billing performance. Total proposed operating expenditure budget including non-cash items is adjusted by R 76 899 743 to R 2 447 307 412 and translates into an operating budgeted deficit of R 411 059 843. This operating deficit is mainly non-cash in nature, the proposed budget for non-cash items is R 491 953 902. Mogale City is in a process of restructuring trade service tariffs that are not cost reflective like water, sanitation and refuse removal. The restructuring of these tariffs will be phased in over the MTREF to avoid burdening our consumers.

Section 18 of the MFMA requires that the budget must be funded from realistically anticipated revenues to be collected; cash-backed accumulated funds from previous years' surplus not committed and borrowed funds but only to fund the capital budget. Tables B7 and Table B8 provide the information required to evaluate whether Mogale City's operating and capital budgets are funded or not.

Table B7 Adjusted Budgeted Cash Flow shows how the operations are expected to impact on its cash position. If a municipality's cash position at year end is negative it is a strong indication that the overall budget is not fully funded. The Mogale City's cash position at year end predicts a surplus of R 1 857 995.

Table B8 Cash Backed reserves / accumulated surplus reconciliation shows whether the municipality has "cash-backed accumulated funds from previous years' surpluses not committed for other purposes' that can be used to fund a deficit on the Financial Performance Budget or to fund 'internally generated funds' on the Capital Budget.

### **Operating Revenue Framework**

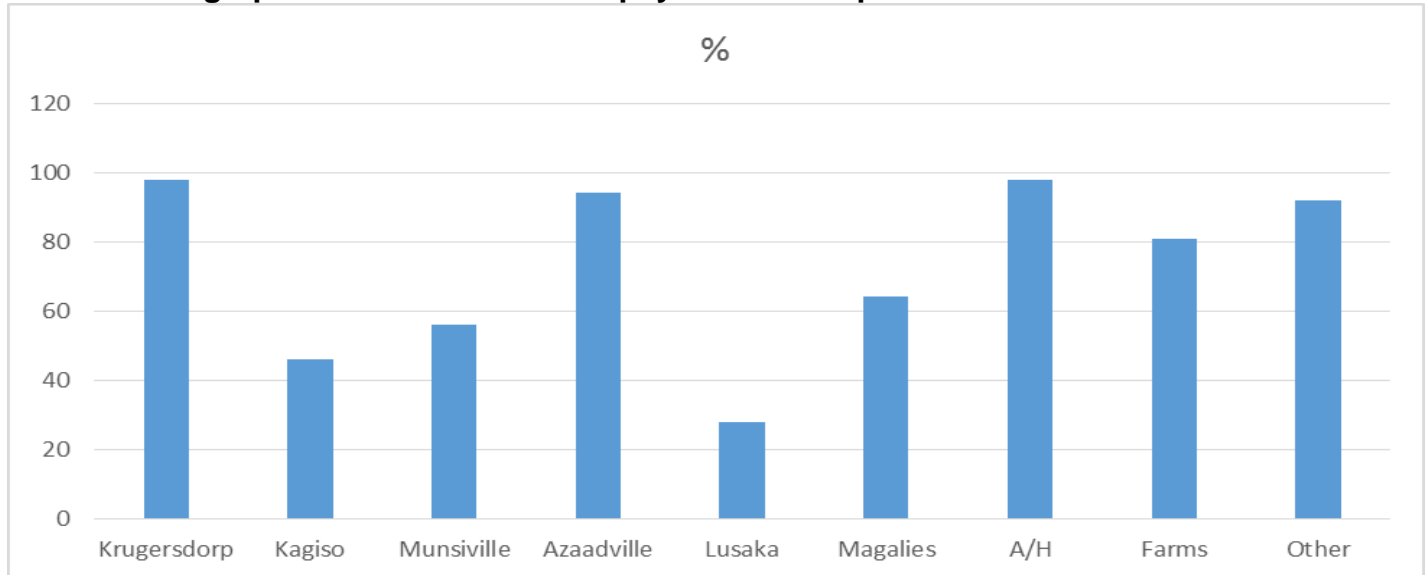
For Mogale City to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times, strong revenue management and stringent expenditure management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs, growing debt book, over commitments in terms of expenditure and poverty.



## 5. OVERVIEW OF BUDGET ASSUMPTIONS

During the first six of the period under consideration MCLM was able to attain average payment level of 92% (until Dec 2014); the projected collection rate assumed during the original budget period was 97%.

**Chart 1: The graph below demonstrates payment levels per suburb.**



Consumer Price Index (CPI) is expected to remain below at 5.5% in 2015, which is well within targeted range of 3-6% during the remaining budget period assisted by the decline in the price of Crude Oil which is currently trading at \$60, this decline was also assisted by the decline of the price of 95 unleaded which has dropped by over R3 since August and now at around R 10.31. The current price of petrol looks to be short lived as the price of Crude Oil is set to rebound from its lowest level of \$46 to its current price, this may result in the Reserve Bank having to reconsider interest rate position again during March 2015 should inflation change its direction. Economists are predicting that we will not be expecting an increase in interest rates until the latter part of the year, having said all this it remains a concern that many consumers are still highly indebted, as a result it is still going to be difficult for many to pay for the services rendered to them by municipality.

The recent increases in price of electricity and somehow water, did not lead to reduction in the quantity demanded of electricity and water, meaning that the demand of electricity and water is relatively inelastic, the risk posed by this position is that considering that the price of these commodities grew at a rate higher than inflation (CPI) which is a benchmark for salary demands, eventually more and more consumers may start experiencing difficulty in making payment for these services leading to increase in both value and number of debtors. Municipal revenues and cash flows will remain under pressure during this financial year therefore a conservative approach is required when projecting or adjusting expected revenues and cash receipts.

# 5. PROPOSED ADJUSTMENT OPERATIONAL BUDGET

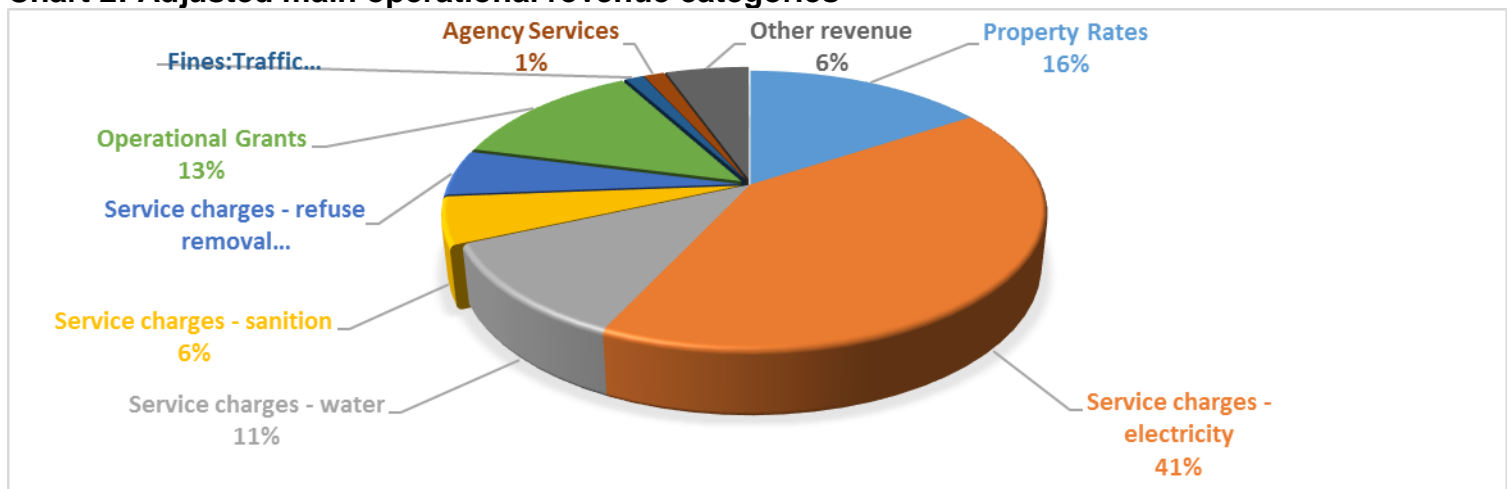
## 5.1 Table 2 Proposed Revenue Adjustments

DESCRIPTION	2013/2014 Audited Outcome	Actuals July - Dec 2014	2014-2015 Approved Budget	Total Adjustments	2014-2015 Proposed Adjustment Budget	% increase / (Decrease)
<b>Revenue By Source</b>						
Property rates - Net of Rebates & Exemptions	308 722 620	195 462 609	316 405 570	31 246 696	347 652 265	10%
Property rates - penalties imposed	32 034 553	12 654 828	32 485 834	-7 176 179	25 309 655	-22%
Service charges - electricity revenue	684 055 145	383 771 465	798 665 579	-4 255 815	794 409 764	-1%
Service charges - prepaid electricity	39 212 738	15 497 157	34 506 469	-3 512 155	30 994 314	-10%
Service charges - water revenue	178 345 559	96 997 722	211 648 897	-8 749 236	202 899 662	-4%
Service charges - prepaid water	15 395 505	9 833 544	18 219 476	1 447 613	19 667 089	8%
Service charges - sanitation	105 154 920	61 044 140	111 476 181	6 414 078	117 890 258	6%
Service charges - refuse removal	83 222 450	43 411 022	87 649 699	-327 655	87 322 044	0%
Landfill Site Fees	17 413 810	371 065	17 894 485	-1 086 215	16 808 270	-6%
Rental of facilities and equipment	2 969 096	1 626 069	3 507 571	-255 435	3 252 138	-7%
Interest earned - external investment	12 658 564	1 548 637	1 468 352	4 370 516	5 838 868	298%
Interest earned - outstanding debtors	14 517 937	16 149 730	13 732 197	18 567 262	32 299 459	135%
Fines:Traffic	170 003 359	11 874 274	23 522 182	-0	23 522 182	0%
Licences and permits	28 140	10 830	23 588	-1 928	21 660	-8%
Agency Services	21 407 917	15 683 183	24 950 345	-3 542 428	21 407 917	-14%
Transfer recognised - operational	236 922 749	102 601 769	250 984 100	2 645 700	253 629 800	1%
Other revenue	67 633 675	9 409 955	27 515 113	1 154 798	28 669 911	4%
Contributions Capital Development	1 743 772	1 056 579	9 956 994	-	9 956 994	0%
New Service Connections (Recoverables)	8 790 444	1 675 740	14 695 319	-	14 695 319	0%
Gains on disposal of PPE	6 310 711	-	2 000 000	-2 000 000	-	-100%
<b>Total Revenue (excluding capital transfers)</b>	<b>2 006 543 665</b>	<b>980 680 316</b>	<b>2 001 307 951</b>	<b>34 939 617</b>	<b>2 036 247 569</b>	<b>2%</b>
Transfer recognised - capital grants	105 109 147	34 182 508	122 012 129	-3 762 047	118 250 082	-3%
<b>Total Revenue (including capital transfers and contributions)</b>	<b>2 111 652 812</b>	<b>1 014 862 824</b>	<b>2 123 320 080</b>	<b>31 177 570</b>	<b>2 154 497 651</b>	<b>1%</b>

It is proposed that total revenue be adjusted from R 2 001 307 951 (excluding capital transfer) to R 2 036 247 569, an increase of 2%.

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

**Chart 2: Adjusted main operational revenue categories**



### **5.1.1 Property Rates**

Revenue from property rates is adjusted up to a net of R 347 652 265 from the original budgeted amount of R 316 405 570, an increase of 10%. This source of revenue is responding to a new valuation that has been implemented at the beginning of July 2014.

### **5.1.2 Sales of Electricity Charges & Prepaid**

Electricity revenue is adjusted from a total of R 833 172 048 inclusive of pre-paid electricity to R 825 404 078, a projected decrease of 1% during adjustment budget is mainly due to the projected billed revenue not realized. Prepaid Electricity indicates a decrease of 10% currently as at 19<sup>th</sup> February 2015 actual money received is about R19 880 527 projection for 12 months will be about R34 080 903. The money for prepaid electricity is being paid over by easy pay on a daily basis. Due to the overstatement of the pre-paid money for the year 2012 we are ensuring that all the money is correctly allocated. Due to the fact that the information is not clear on the bank statements we wait for the invoices supplied by easy pay with the information attached. Currently the amount on the vote is R19 million and another R3 million has to be allocated for the month of January as we have only now received the information. Finance must ensure that the money is correctly allocated as it can lead to overstatement of revenue which could jeopardize our clean audit status.

### **5.1.3 Sales of Water Charges & Prepaid**

Water revenue including prepaid water decreases from R 229 868 373 to R 222 566 751 based on the six months projections and the past half year performance; also taking into consideration that we are currently on the peak of the high demand season for water, which is expected to subside soon when winter approaches. Mogale City has put together a strategy to mitigate the water losses to acceptable levels and tariffs for water to be cost reflective.

### **5.1.4 Service Charges - Sanitation**

Sanitation revenue is being increased from R 111 476 181 to R 117 890 258, a notable increase of 6%, this increase is supported by collection during the past six months performance.

### **5.1.5 Service Charges - Refuse Removal**

Refuse removal revenue is decreased from R 87 649 699 to R 87 322 044, this decrease comes after considering the six months performance until December 2014.

### **5.1.6 Property Rates- Penalties Imposed**

The revenue from this line item shows a decrease of R 7 176 179 to R 25 309 655 or 22% this is fees received from reconnections by service provider.

### **5.1.7 Interest on external investment**

This line item increases from R1 468 352 or 298% to R 5 838 868, this is interest received from investment made during the year; this is primarily because of the DBSA loan funds.

### **5.1.8. Interest on outstanding debtors**

Interest from this source of funding is projected to increase to R 32 299 459 a 135% jump from the R 13 732 197 initially budgeted for, this is due to the fact that the total debt owed to the municipality showed a modest decline from R 955 million to R 948 million, a R 7 million difference, it is highly likely that debt owed will remain around this levels as the City have appointed new debt collectors.

#### **5.1.9. Transfer recognised – operational**

Operational grants increased by R 2 645 700 mainly due to grants received from the WRDM for HIV / AIDS and GDARD for the completion of the Tarlton Agri Park, both grants amounted to R 1 070 700 and R 1 480 000 respectively. In addition there is R 95 000 received from SRAC for operational overheads of the libraries.

#### **5.1.10 Other revenue**

Other revenue includes licenses and permits, agency fees, contributions to capital development paid by developers, new connections, and gains on disposal of assets. These categories of revenue collectively are anticipated to increase by R 1 154 798 or 4%.

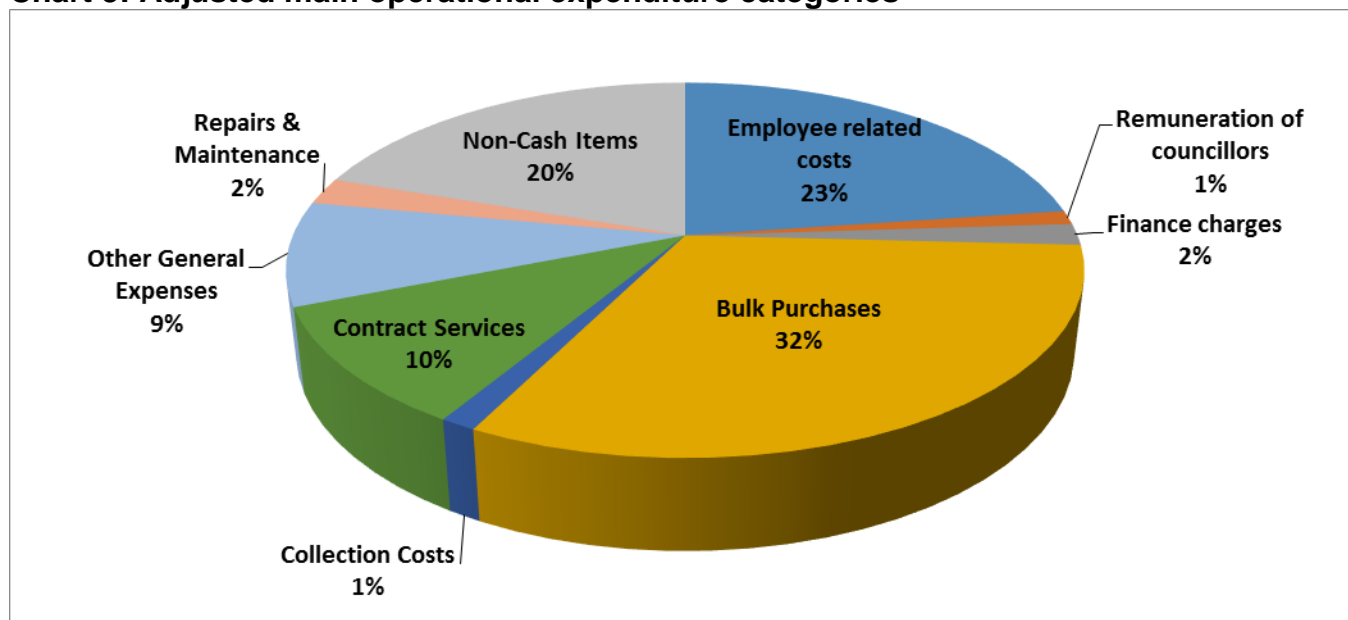
## 5.2 Proposed Operating Expenditure Adjustments

**Table 3: Proposed Operating Expenditure**

Description	2013/2014 Audited Outcome	Actuals July - Dec 2014	2014-2015 Approved Budget	Adjustments	2014-2015 Proposed Adjustment Budget	% Increase / (Decrease)
<b>Expenditure Categories</b>						
Employee related costs	482 479 005	271 534 376	570 351 573	4 423 812	574 775 385	1%
Remuneration of councillors	24 074 379	11 916 403	28 386 637	0	28 386 637	0%
Finance charges	55 300 492	20 945 536	58 067 498	-5 000 000	53 067 498	-9%
Bulk Purchases	657 955 331	376 374 846	753 694 713	0	753 694 713	0%
Collection Costs	34 042 830	11 300 052	28 337 053	-45 000	28 292 053	0%
Consultant Fees	12 827 080	6 299 516	16 262 827	1 282 024	17 544 851	8%
Security Services	56 225 100	34 967 235	46 929 524	0	46 929 524	0%
Vehicle leases	15 693 362	10 032 280	53 470 004	-4 258 653	49 211 351	-8%
Rental: Traffic Speed Cameras	10 343 732	3 189 618	10 580 189	0	10 580 189	0%
Implementation of New System		985 620	1 409 903	3 250 000	4 659 903	100%
Other Contract Services	80 721 967	34 834 092	98 682 329	-7 273 136	91 409 193	-7%
Special Projects	11 851 610	5 335 636	11 330 072	715 593	12 045 665	6%
Telephones & Faxes	9 844 726	4 823 125	16 135 664	577 030	16 712 694	4%
Transfer and grants	25 461 629	15 232 972	39 419 554	200 000	39 619 554	1%
Contributions Capital Development	-	-	9 956 994	0	9 956 994	0%
New Services Connections (Recoverables)	1 790 505	415 298	14 695 319	0	14 695 319	0%
Other General Expenses	106 969 190	49 540 726	116 771 374	6 527 436	123 298 810	6%
Repairs & Maintenance	69 372 350	34 435 094	75 280 863	5 192 316	80 473 179	7%
Non-Cash Items	520 362 496	179 598 531	420 645 579	71 308 323	491 953 902	17%
<b>Total Adjustment Budget</b>	<b>2 175 315 784</b>	<b>1 071 760 955</b>	<b>2 370 407 669</b>	<b>76 899 743</b>	<b>2 447 307 412</b>	<b>3%</b>

Total expenditure is adjusted from R 2 370 407 669 to R 2 447 307 412 to accommodate expenditure that were initially underprovided or excluded from the original budget, debt impairment, depreciation, year -end provisions, municipal charges which are non-cash items and unanticipated increase in expenditure on some of the line items.

**Chart 3: Adjusted main operational expenditure categories**



### **5.2.1 Employee Related Costs**

Employee related cost overall will increase by 1% from R 570 351 573 to R 574 773 385. The main increase is due to overtime increase based on six months expenditure trends.

### **5.2.2 Consultant Fees**

This line item will increase by R 1 282 024 or 8% to R 17 544 851.

### **5.2.3 Contracted Services**

Contracted Services decreased by R 7 349 765 or 3% primarily due to the following:

- ✓ Vehicle leases decreased by R 4 258 653, an amount to be transferred to the capital budget to make allocation for any buy back of leased vehicle that may occur, Infrastructure Services has identified a number of vehicle which are still in good condition and the estimate of the cost thereof is around this amount.
- ✓ Rental Water tanks has been decreased by R 1000 000.
- ✓ Lease of IT equipment has been decreased by R 500 000, the department estimate that the demand for this equipment has stabilised.
- ✓ Implementation of new system has increased by R 3 250 000 to make provision for the parallel running of the system and the system audit.
- ✓ System support has decreased by R 7 469 515, the municipality has contracted a programmer on a contract basis to offer this services, hence a saving has been realised on this line item.
- ✓ Land Audit Fees R 500 000.
- ✓ Cleaning Services is increasing by R 560 430 to make allocation for the contract of the current cleaning company that has been renewed and the escalation thereof.
- ✓ Cellphones increases by R 950 000, a new services provider has been contracted.

### **5.2.4 Special Projects**

Special projects increases by R 715 593 or 6%, the increase is mainly made up of R 160 793 from the Executive Mayor's Office mainly for project of Office on the Status of the Disabled Persons (OSDP) section, R 155 800 for Social Services to cater for the final payment for the service provided on the project to identify mass graves said to be in the Krugersdorp Game Reserve and the R 400 000 in the Economic Services department; however the latter department identified savings for their CRDP projects.

### **5.2.5 Other General Expenditures**

- ✓ This category increased by R 6 857 235 or 4%, a reconciliation of the item reveals the following salient features:
- ✓ Telephones increases by R 577 030
- ✓ Oil & Fuel decreases by R 4 741 667 or 24%.
- ✓ Co-operative initiative increases by R 1 893 827 or 79%
- ✓ Other expenditure increased by R 9 505 075, the main contributor being COIDA at R 2 141 923, and additional small line items which were under budgeted at the beginning of the year.

### **5.2.6 Finance Charges**

Borrowing costs to decrease by R 5 000 000 or 9% to R 53 067 498, the original estimates were based on the assumption that the DBSA loan will be received in July, the first disbursement was only received five months later, this resulted in a saving on this line item.

### **5.2.7 Repairs and Maintenance**

Repairs and maintenance increases by R 5 192 316 or 7%, this is mainly because of increase in allocation for Streetlights maintenance budget which was increased by R 7 500 000.

### **5.2.8 Debt impairment**

Debt impairment increases by R 71 308 323 or 17%, at the beginning of the year we have assumed collection rate of 97% for the main tariffs excluding prepaid revenue that means the City anticipated not receive 3% of the total bill to consumers, however the actuals reported at the end of December 2014 indicated that the more conservative assumption should be 95%, therefore we have to make an upward adjustment of the debt impairment by 2% to make it 5%, this amounts to an additional allocation of R 31 708 323. In addition to this we also have to make provision for the impairment of traffic fines as per iGRAP1, an amount of R 39 600 000 has been provided.

## 6. PROPOSED CAPITAL ADJUSTMENT BUDGET

**Table 4 Proposed Overall Capital Adjustment Budget**

Description	2013/2014 Audited Outcomes	Proposed 2014/2015 Original Budget	Adjustments	Proposed 2014/2015 Adjustment Budget	% Increase / (Decrease)
Total Capital Budget Expenditure	241 823 244	483 995 869	-22 086 501	461 909 368	-5%

**6.1.** The Proposed Adjustment Capital Budget decreases by R 22 086 501 or 5% to R 461 909 368 when compared to the Original Budget of R 483 995 869. The details and an in depth analysis of this adjustment follows below.

**Table 5 Proposed Capital Adjustment Budget per municipal votes**

Departments	2014/15 Approved Budget	Variance	2014/15 Proposed Adjustment Budget	Expenditure - December 2014	% increase / decrease
Political Office	530 000	0	530 000	-	-
Office of the Municipal Manager	959 000	0	959 000	-	0%
Office of the Chief Operating Officer	15 581 725	8 540 031	24 121 757	6 788 733	55%
Corporate Support Services	5 602 000	-3 520 000	2 082 000	6 590	-63%
Municipal Financial Management	3 105 000	13 434	3 118 434	322 901	0%
Economic Services	64 815 000	5 016 776	69 831 776	5 287 853	8%
Integrated Environmental Management	38 012 506	148 332	38 160 837	9 563 537	0%
Social Services	37 373 900	-12 827 163	24 546 738	3 964 481	-34%
Water & Sanitation	138 132 856	-22 641 603	115 491 252	22 008 976	-16%
Infrastructure Services	179 883 882	3 183 692	183 067 574	40 037 829	2%
<b>Total</b>	<b>483 995 869</b>	<b>-22 086 501</b>	<b>461 909 368</b>	<b>87 980 900</b>	<b>-5%</b>

**The following Departments decreased their capital budget by:**

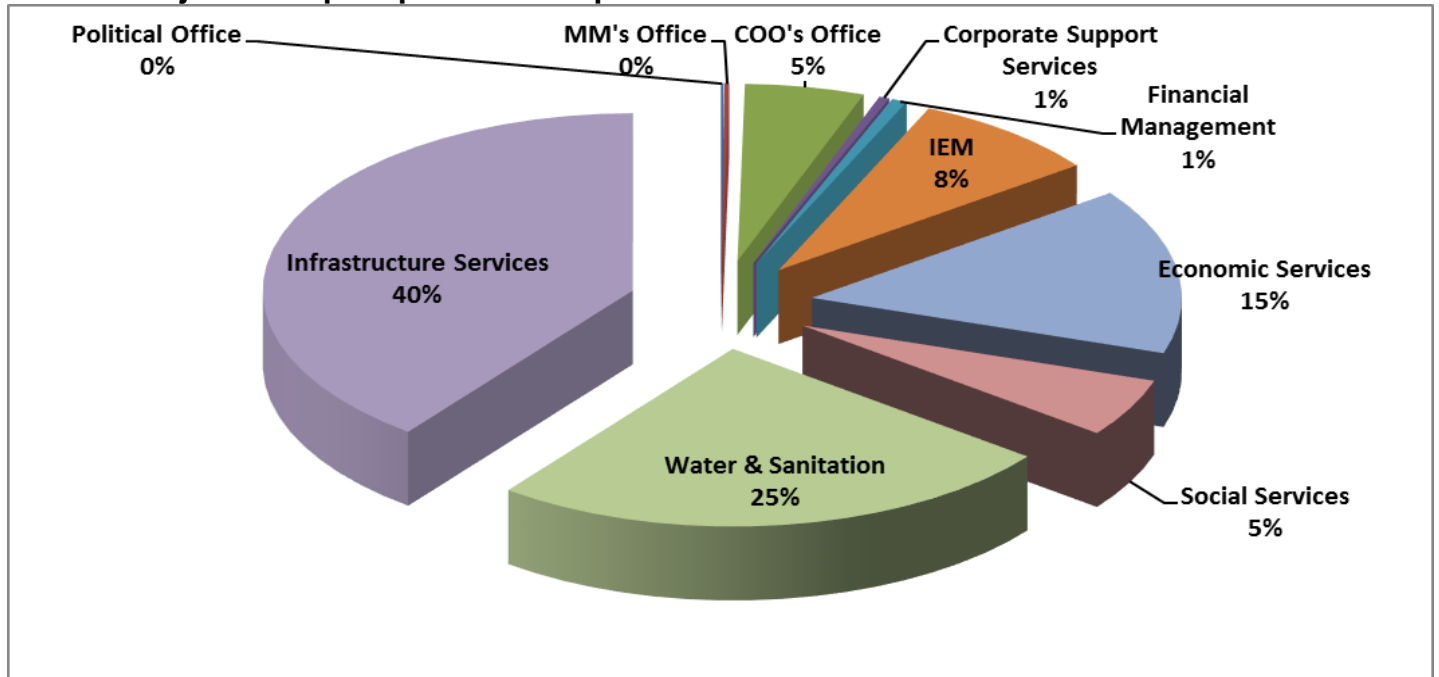
- ✓ Corporate Services: R 3 520 000
- ✓ Social Services : R 12 827 163
- ✓ Water & Sanitation: R 22 641 603

**The following Departments increased their capital budget by:**

- ✓ COO Office : R 8 540 031, mainly because of the Implementation of the New System
- ✓ Municipal Financial Management : R 13 434
- ✓ Economic Services: R 5 016 776
- ✓ Integrated Environmental Management: R 148 332
- ✓ Infrastructure Services: R 3 183 692
- ✓ Other capital projects were decreased or increased during the year through the application of approved Virement Policy.



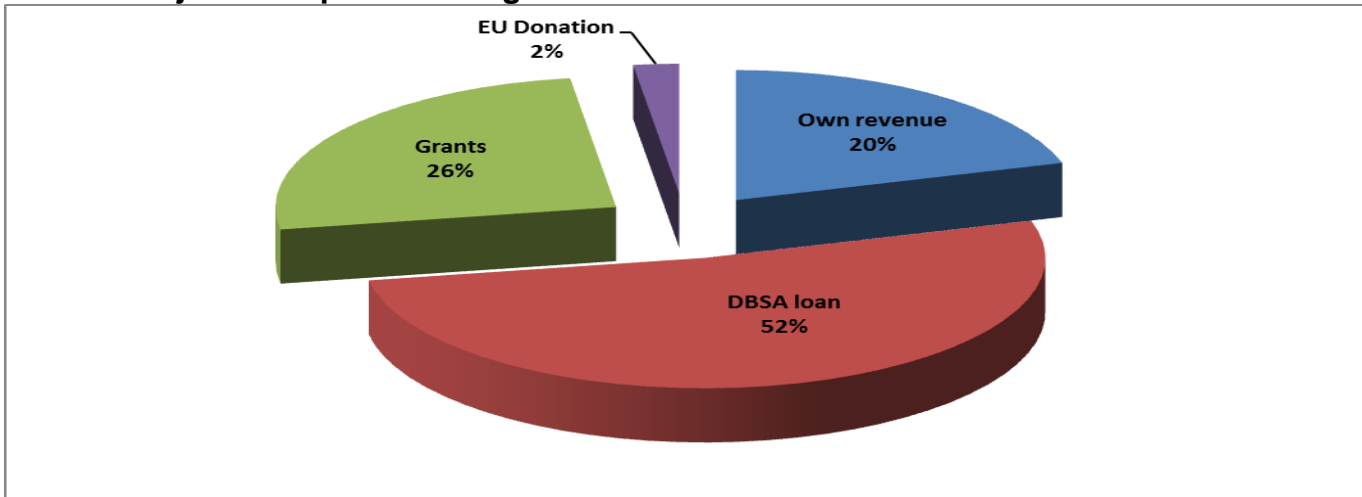
**Chart 4: Adjusted Capital per Votes/Departments**



**Table 6 Funding of the Capital Budget**

Financing Source	Total Approved Budget	Proposed Adjustment Budget	Variance	% Increase / (Decrease)
	R'000	R'000	R'000	%
<b>National Government Grants</b>	<b>118 118</b>	<b>113 875</b>	<b>(4 243)</b>	<b>-4%</b>
Municipal Infrastructure Grant	93 184	78 731	(14 453)	-16%
Neighbourhood Development Programme Grant	20 000	30 210	10 210	51%
Department of Energy	4 000	4 000		0%
Municipal Systems Improvement Grant	934	934		0%
<b>Total national government grants</b>	<b>118 118</b>	<b>113 875</b>	<b>(4 243)</b>	<b>-4%</b>
<b>Provincial &amp; Governments Grants</b>	<b>3 895</b>	<b>4 376</b>	<b>481</b>	<b>12%</b>
Sports, Rec. Arts	3 895	4 226	331	8%
BKB		150	150	100%
<b>Total provincial government grants</b>	<b>3 895</b>	<b>4 376</b>	<b>481</b>	<b>12%</b>
<b>Donations</b>		<b>10 000</b>	<b>10 000</b>	<b>100%</b>
SANEDI		10 000	10 000	100%
<b>Total donations</b>		<b>10 000</b>	<b>10 000</b>	<b>100%</b>
<b>Council's Own Funding</b>	<b>361 984</b>	<b>333 659</b>	<b>(28 324)</b>	<b>-8%</b>
Own Funds	122 484	94 159	(28 324)	-23%
DBSA Loan	239 500	239 500		0%
<b>Total own funding</b>	<b>361 984</b>	<b>333 659</b>	<b>(28 324)</b>	<b>-8%</b>
<b>Total Funding of the Capital Budget</b>	<b>483 996</b>	<b>461 909</b>	<b>(22 087)</b>	<b>-5%</b>

**Chart 5: Adjusted Capital Funding**



**6.2 Own Funded**

Projects funded by own revenue decreased by R 28 324 453 or 23%, Executive Committee took a decision that all projects in this category which have not yet reached the BEC stage of the supply chain management process should be reduced from to the current year budget and be budgeted in the next financial year, however departments were advised to continue with the procurement process.

**6.3 DBSA Loan**

Loan has not been decreased.

**6.4 Grants**

- ✓ National grants decreases by R 4 243 047, while there is a big increase on NDPG amounting to R 10 210 000.
- ✓ MIG was decreased by R 14 453 047, this amount include approved rollovers by National Treasury the decrease is due to expenditure pattern of MIG during the second quarter National Treasury invoked section 19 of DORA by stopping R18 800 000 for the remaining 2014/15 allocation, this amount will then be accessed in the 2015/16 financial year. Capital Projects that were affected are as follows:
  - Luipaardsvlei Landfill Site ( Phase 4) decreased by R155 449
  - Muldersdrift Parks Development decreased by R571 699
  - Flip Human Water Care Works (Phase 2) decreased by R4 436 973
  - Magaliesburg Water Care Works decreased by R4 419 382
  - Pr 5: Rietvallei Ext 5 – Roads and Stormwater decreased by R2 226 571
  - Pr15: Western Rural – Roads and Stormwater decreased by R539 596
  - Pr3: Kagiso Ext 13 Roads and Stormwater decreased by R441 367
  - Pr16: Sinqobile Phase 3 Roads and Stormwater decreased by R2 428 301
  - Kagiso Ext 13 Sports Complex decreased by R323 974
  - Azaadville Sports Complex (Rainbow Stadium) decreased by R3 256 688
- ✓ Provincial grants increases by R 481 000 made up of SRAC R 331 000 and BKB by R 150 000.

**6.5 Donations**

Mogale City is to receive a donation from the EU via SANEDI amounting to R 10 000 000 for Energy efficiency projects, this in terms of the Memorandum of Understanding entered into between the municipality and the DoE, so far R 1 500 000 of the amount has been received.

## 7. PROPOSED CASH FLOW PROJECTIONS

### Table 7: Proposed Adjustment Cash Flow

GT481 Mogale City - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2015/16	+2 2016/17
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Ratepayers and other		1 990 832						(45 464)	(45 464)	1 945 368	1 992 061	2 156 482
Government - operating	1	250 984					2 646	-	2 646	253 630	251 815	269 535
Government - capital	1	122 012					(3 762)	-	(3 762)	118 250	123 354	129 458
Interest		15 201						22 938	22 938	38 138	11 340	12 580
Dividends		-							-	-	-	-
<b>Payments</b>												
Suppliers and employees		(2 030 297)						(73 847)	(73 847)	(2 104 144)	(1 956 972)	(2 134 461)
Finance charges		(58 067)						5 000	5 000	(53 067)	(36 427)	(33 965)
Transfers and Grants	1	(40 650)						1 030	1 030	(39 620)	(38 767)	(42 644)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>250 015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 116)</b>	<b>(90 343)</b>	<b>(91 460)</b>	<b>158 555</b>	<b>346 403</b>	<b>356 986</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		2 000						(2 000)	(2 000)	-	-	-
Decrease (Increase) in non-current debtors		-						-	-	-	-	-
Decrease (increase) other non-current receivables		-						-	-	-	-	-
Decrease (increase) in non-current investments		-						-	-	-	-	-
<b>Payments</b>												
Capital assets		(483 996)						22 087	22 087	(461 909)	(633 302)	(493 628)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(481 996)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20 087</b>	<b>20 087</b>	<b>(461 909)</b>	<b>(633 302)</b>	<b>(493 628)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans		-						-	-	-	-	-
Borrowing long term/refinancing		239 500						-	-	239 500	340 479	256 000
Increase (decrease) in consumer deposits		727						(727)	(727)	-	(1 382)	(1 382)
<b>Payments</b>												
Repayment of borrowing		(28 621)						(2 372)	(2 372)	(30 993)	(23 154)	(25 207)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>211 606</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 099)</b>	<b>(3 099)</b>	<b>208 507</b>	<b>315 943</b>	<b>229 412</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>												
Cash/cash equivalents at the year begin:	2	(20 375)	-	-	-	-	(1 116)	(73 356)	(74 472)	(94 847)	29 044	92 769
Cash/cash equivalents at the year end:	2	27 267	-	-	-	-	-	69 438	69 438	96 705	1 858	30 902
Cash/cash equivalents at the year end:	2	6 892	-	-	-	-	(1 116)	(73 356)	(73 356)	1 858	30 902	123 672

The objective of cash flow statement is to identify the sources of cash inflows, the items on which cash was expended during the reporting period, and the cash balance as at the reporting date. Cash flow information allows users to ascertain how an entity raised the cash it required to fund its activities and the manner in which that cash was used. In making and evaluating decisions about the allocation of resources, such as the sustainability of the entity's activities, users require an understanding of the timing and certainty of cash flows. The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget. Some line items in statement of financial performance (operating adjustment budget) do not form part of cash flow statement for example input and output Vat, repayment of borrowings, other cash flows payments and DOT received and payments.

The projected Cash and cash equivalents at the beginning of year totals R 96 705 286 this amount includes a sinking fund linked to DBSA loan of R23 604 157. The City's cash and cash equivalents at year end is R 1 857 995. Cognizance must be taken that this adjusted cash flow statements do not include any provision which is cash-backed for 2014/15 expenditures to be accrued.

## 8. ADJUSTED BUDGET TABLES

The following pages present ten main adjusted budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2014/15 adjusted budget and outer years as approved by the Council.

### Table 8 MBRR Table B1 – Adjustments Budget Summary

GT481 Mogale City - Table B1 Adjustments Budget Summary -											
Description	Budget Year 2014/15									Budget Year	Budget Year
	Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjus.	Adjus.	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Financial Performance</b>											
Property rates	348 891	-	-	-	-	-	24 071	24 071	372 962	395 340	419 060
Service charges	1 280 061	-	-	-	-	-	(10 069)	(10 069)	1 269 991	1 346 191	1 426 962
Investment revenue	1 468	-	-	-	-	-	4 371	4 371	5 839	6 189	6 561
Transfers recognised - operational	250 984	-	-	-	-	-	2 646	2 646	253 630	268 848	284 978
Other own revenue	119 903	-	-	-	-	-	13 922	13 922	133 826	141 855	150 366
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2 001 308</b>	-	-	-	-	-	<b>34 940</b>	<b>34 940</b>	<b>2 036 248</b>	<b>2 158 422</b>	<b>2 287 928</b>
Employee costs	570 352	-	-	-	-	-	4 424	4 424	574 775	609 262	645 818
Remuneration of councillors	28 387	-	-	-	-	-	-	-	28 387	30 090	31 895
Depreciation & asset impairment	281 809	-	-	-	-	-	-	-	281 809	298 718	316 641
Finance charges	58 067	-	-	-	-	-	(5 000)	(5 000)	53 067	56 252	59 627
Materials and bulk purchases	828 976	-	-	-	-	-	5 192	5 192	834 168	884 218	937 271
Transfers and grants	39 420	-	-	-	-	-	200	200	39 620	41 997	44 517
Other expenditure	563 398	-	-	-	-	-	72 084	72 084	635 481	673 610	714 027
<b>Total Expenditure</b>	<b>2 370 408</b>	-	-	-	-	-	<b>76 900</b>	<b>76 900</b>	<b>2 447 307</b>	<b>2 594 146</b>	<b>2 749 795</b>
<b>Surplus/(Deficit)</b>	<b>(369 100)</b>	-	-	-	-	-	<b>(41 960)</b>	<b>(41 960)</b>	<b>(411 060)</b>	<b>(435 723)</b>	<b>(461 867)</b>
Transfers recognised - capital	122 012	-	3 351	-	10 691	-	(17 804)	(3 762)	118 250	125 345	132 866
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(247 088)</b>	-	<b>3 351</b>	-	<b>10 691</b>	-	<b>(59 764)</b>	<b>(45 722)</b>	<b>(292 810)</b>	<b>(310 378)</b>	<b>(329 001)</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(247 088)</b>	-	<b>3 351</b>	-	<b>10 691</b>	-	<b>(59 764)</b>	<b>(45 722)</b>	<b>(292 810)</b>	<b>(310 378)</b>	<b>(329 001)</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>483 996</b>	-	<b>3 351</b>	-	-	<b>10 691</b>	<b>(36 128)</b>	<b>(22 087)</b>	<b>461 909</b>	<b>633 302</b>	<b>493 628</b>
Transfers recognised - capital	122 012	-	3 351	-	-	10 691	(17 804)	(3 762)	118 250	117 944	119 660
Public contributions & donations	-	-	-	-	-	-	10 000	10 000	10 000	-	-
Borrowing	239 500	-	-	-	-	-	-	-	239 500	340 479	256 000
Internally generated funds	122 484	-	-	-	-	-	(28 324)	(28 324)	94 159	174 879	117 968
<b>Total sources of capital funds</b>	<b>483 996</b>	-	<b>3 351</b>	-	-	<b>10 691</b>	<b>(36 128)</b>	<b>(22 087)</b>	<b>461 909</b>	<b>633 302</b>	<b>493 628</b>
<b>Financial position</b>											
Total current assets	415 721	-	-	-	-	-	52 946	52 946	468 667	471 157	587 824
Total non current assets	5 984 232	-	3 351	-	-	-	(210 429)	(207 078)	5 777 153	6 329 090	6 519 375
Total current liabilities	522 238	-	-	-	-	-	(12 258)	(12 258)	509 980	514 873	526 432
Total non current liabilities	589 559	-	-	-	-	-	38 225	38 225	627 783	855 035	1 031 515
<b>Community wealth/Equity</b>	<b>5 288 156</b>	-	<b>3 351</b>	-	-	-	<b>(183 449)</b>	<b>(180 099)</b>	<b>5 108 057</b>	<b>5 430 338</b>	<b>5 551 884</b>
<b>Cash flows</b>											
Net cash from (used) operating	250 015	-	-	-	-	(1 116)	(90 343)	(91 460)	158 555	346 403	356 986
Net cash from (used) investing	(481 996)	-	-	-	-	-	20 087	20 087	(461 909)	(633 302)	(493 628)
Net cash from (used) financing	211 606	-	-	-	-	-	(3 099)	(3 099)	208 507	315 943	229 412
<b>Cash/cash equivalents at the year end</b>	<b>6 892</b>	-	-	-	-	<b>(1 116)</b>	<b>(73 356)</b>	<b>(74 472)</b>	<b>(67 580)</b>	<b>30 902</b>	<b>123 672</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	68 975	-	-	-	-	-	(5 034)	(5 034)	63 942	101 569	204 062
Application of cash and investments	52 203	-	-	-	-	-	(42 439)	(42 439)	9 764	57 823	33 222
<b>Balance - surplus (shortfall)</b>	<b>16 772</b>	-	-	-	-	-	<b>37 405</b>	<b>37 405</b>	<b>54 178</b>	<b>43 746</b>	<b>170 840</b>
<b>Asset Management</b>											
Asset register summary (WDV)	5 921 528	-	3 351	-	-	-	(209 809)	(206 459)	5 715 070	6 257 804	6 438 365
Depreciation & asset impairment	281 809	-	-	-	-	-	-	-	281 809	298 718	316 641
Renewal of Existing Assets	164 964	-	487	-	-	-	(40 203)	(39 715)	125 248	185 869	136 892
Repairs and Maintenance	75 370	-	-	-	-	-	5 103	5 103	80 473	85 302	90 420
<b>Free services</b>											
Cost of Free Basic Services provided	111 111	-	-	-	-	-	-	-	111 111	117 777	124 844
Revenue cost of free services provided	126 906	-	-	-	-	-	-	-	126 906	134 521	142 592
<b>Households below minimum service level</b>											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	6	-	-	-	-	-	-	-	6	6	7
Refuse:	12	-	-	-	-	-	-	-	12	13	13

## Table 9 MBRR Table B2 – Adjustments Budget Financial Performance (standard classification)

GT481 Mogale City - Table B2 Adjustments Budget Financial Performance (standard classification) -

Standard Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjsts.	Adjsts.	Budget	Budget	Budget
R thousands	1.4	A	A1	B	C	D	E	F	G	H		
<b>Revenue - Standard</b>												
<b>Governance and administration</b>		417 396	-	-	-	-	-	50 522	50 522	467 917	495 992	525 752
Executive and council		7 736	-	-	-	-	-	(3 636)	(3 636)	4 100	4 346	4 607
Budget and treasury office		395 655	-	-	-	-	-	61 520	61 520	457 175	484 606	513 682
Corporate services		14 005	-	-	-	-	-	(7 363)	(7 363)	6 642	7 041	7 463
<b>Community and public safety</b>		129 843	-	-	-	-	-	3 697	3 697	133 539	141 552	150 045
Community and social services		85 712	-	-	-	-	-	1 698	1 698	87 410	92 655	98 214
Sport and recreation		20 076	-	-	-	-	-	2 006	2 006	22 081	23 406	24 810
Public safety		23 988	-	-	-	-	-	4	4	23 993	25 432	26 958
Housing		66	-	-	-	-	-	(11)	(11)	56	59	63
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		92 541	-	-	-	-	-	(4 434)	(4 434)	88 106	93 393	98 996
Planning and development		28 889	-	-	-	-	-	4 791	4 791	33 679	35 700	37 842
Road transport		62 657	-	-	-	-	-	(8 494)	(8 494)	54 162	57 412	60 857
Environmental protection		996	-	-	-	-	-	(731)	(731)	265	281	298
<b>Trading services</b>		1 483 541	-	-	-	-	-	(18 630)	(18 630)	1 464 911	1 552 805	1 645 974
Electricity		895 408	-	-	-	-	-	(7 756)	(7 756)	887 651	940 911	997 365
Water		253 302	-	-	-	-	-	(6 258)	(6 258)	247 044	261 867	277 579
Waste water management		167 874	-	-	-	-	-	(2 425)	(2 425)	165 448	175 375	185 898
Waste management		166 958	-	-	-	-	-	(2 191)	(2 191)	164 767	174 653	185 132
<b>Other</b>		-	-	-	-	-	-	24	24	24	25	27
<b>Total Revenue - Standard</b>	2	2 123 320	-	-	-	-	-	31 178	31 178	2 154 498	2 283 768	2 420 794
<b>Expenditure - Standard</b>												
<b>Governance and administration</b>		580 937	-	-	-	-	-	7 692	7 692	588 629	623 946	661 383
Executive and council		94 610	-	-	-	-	-	(469)	(469)	94 140	99 788	105 776
Budget and treasury office		258 982	-	-	-	-	-	12 279	12 279	271 260	287 536	304 788
Corporate services		227 346	-	-	-	-	-	(4 117)	(4 117)	223 228	236 622	250 819
<b>Community and public safety</b>		306 801	-	-	-	-	-	39 350	39 350	346 151	366 920	388 935
Community and social services		63 317	-	-	-	-	-	(22)	(22)	63 295	67 093	71 119
Sport and recreation		101 420	-	-	-	-	-	(3 160)	(3 160)	98 259	104 155	110 404
Public safety		133 768	-	-	-	-	-	41 880	41 880	175 649	186 188	197 359
Housing		8 038	-	-	-	-	-	651	651	8 689	9 210	9 763
Health		258	-	-	-	-	-	1	1	259	274	291
<b>Economic and environmental services</b>		221 017	-	-	-	-	-	(2 240)	(2 240)	218 777	231 903	245 817
Planning and development		35 791	-	-	-	-	-	30	30	35 821	37 971	40 249
Road transport		182 774	-	-	-	-	-	(2 149)	(2 149)	180 626	191 463	202 951
Environmental protection		2 451	-	-	-	-	-	(122)	(122)	2 329	2 469	2 617
<b>Trading services</b>		1 260 428	-	-	-	-	-	30 574	30 574	1 291 001	1 368 462	1 450 569
Electricity		702 833	-	-	-	-	-	25 511	25 511	728 344	772 045	818 367
Water		299 196	-	-	-	-	-	7 157	7 157	306 352	324 734	344 218
Waste water management		114 703	-	-	-	-	-	(1 374)	(1 374)	113 328	120 128	127 336
Waste management		143 697	-	-	-	-	-	(720)	(720)	142 977	151 555	160 649
<b>Other</b>		1 225	-	-	-	-	-	1 524	1 524	2 750	2 914	3 089
<b>Total Expenditure - Standard</b>	3	2 370 408	-	-	-	-	-	76 900	76 900	2 447 307	2 594 146	2 749 795
<b>Surplus/ (Deficit) for the year</b>		(247 088)	-	-	-	-	-	(45 722)	(45 722)	(292 810)	(310 378)	(329 001)

## Table 10 MBRR Table B3 - Adjustments Budget Financial Performance (revenue and expenditure by municipal votes)

GT481 Mogale City - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description  <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		A	A1	B	C	D	E	F	G	H		
<b>Revenue by Vote</b>	1											
Vote 1 - POLITICAL OFFICE		3 709	-	-	-	-	-	(3 704)	(3 704)	5	5	5
Vote 2 - MUNICIPAL MANAGERS OFFICE		934	-	-	-	-	-	9	9	943	1 000	1 060
Vote 3 - CHIEF OPERATING OFFICER		3 093	-	-	-	-	-	74	74	3 167	3 357	3 558
Vote 4 - CORPORATE SUPPORT SERVICES		12 071	-	-	-	-	-	(5 443)	(5 443)	6 628	7 026	7 447
Vote 5 - MUNICIPAL FINANCIAL SERVICES		395 655	-	-	-	-	-	51 520	51 520	447 175	474 005	502 446
Vote 6 - INTEGRATED ENVIRONMENTAL MANAGEMENT		180 607	-	-	-	-	-	1 336	1 336	181 944	192 860	204 432
Vote 7 - SOCIAL SERVICES		142 814	-	-	-	-	-	(5 136)	(5 136)	137 678	145 939	154 695
Vote 8 - ECONOMIC SERVICES		31 004	-	-	-	-	-	4 268	4 268	35 272	37 388	39 632
Vote 9 - INFRASTRUCTURE SERVICES		932 257	-	-	-	-	-	(3 064)	(3 064)	929 193	984 945	1 044 042
Vote 10 - WATER & SANITATION		421 175	-	-	-	-	-	(8 683)	(8 683)	412 493	437 242	463 477
<b>Total Revenue by Vote</b>	2	<b>2 123 320</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31 178</b>	<b>31 178</b>	<b>2 154 498</b>	<b>2 283 768</b>	<b>2 420 794</b>
<b>Expenditure by Vote</b>	1											
Vote 1 - POLITICAL OFFICE		65 108	-	-	-	-	-	736	736	65 844	69 795	73 982
Vote 2 - MUNICIPAL MANAGERS OFFICE		16 384	-	-	-	-	-	49	49	16 432	17 418	18 463
Vote 3 - CHIEF OPERATING OFFICER		71 332	-	-	-	-	-	(3 054)	(3 054)	68 278	72 374	76 717
Vote 4 - CORPORATE SUPPORT SERVICES		122 997	-	-	-	-	-	(1 870)	(1 870)	121 127	128 394	136 098
Vote 5 - MUNICIPAL FINANCIAL SERVICES		258 982	-	-	-	-	-	12 279	12 279	271 260	287 536	304 788
Vote 6 - INTEGRATED ENVIRONMENTAL MANAGEMENT		213 862	-	-	-	-	-	(4 083)	(4 083)	209 780	222 366	235 708
Vote 7 - SOCIAL SERVICES		248 885	-	-	-	-	-	41 630	41 630	290 515	307 946	326 423
Vote 8 - ECONOMIC SERVICES		44 149	-	-	-	-	-	2 178	2 178	46 327	49 107	52 053
Vote 9 - INFRASTRUCTURE SERVICES		914 796	-	-	-	-	-	23 268	23 268	938 064	994 348	1 054 009
Vote 10 - WATER & SANITATION		413 914	-	-	-	-	-	5 767	5 767	419 681	444 861	471 553
<b>Total Expenditure by Vote</b>	2	<b>2 370 408</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76 900</b>	<b>76 900</b>	<b>2 447 307</b>	<b>2 594 146</b>	<b>2 749 795</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(247 088)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(45 722)</b>	<b>(45 722)</b>	<b>(292 810)</b>	<b>(310 378)</b>	<b>(329 001)</b>

**Table 11 MBRR Table B4 - Adjustments Budget Financial Performance (revenue and expenditure)**

GT481 Mogale City - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2015/16	+2 2016/17
<b>Revenue By Source</b>												
Property rates	2	316 406	-	-	-	-	-	31 247	31 247	347 652	368 511	390 622
Property rates - penalties & collection charges		32 486						(7 176)	(7 176)	25 310	26 828	28 438
Service charges - electricity revenue	2	833 172	-	-	-	-	-	(7 768)	(7 768)	825 404	874 928	927 424
Service charges - water revenue	2	229 868	-	-	-	-	-	(7 302)	(7 302)	222 567	235 921	250 076
Service charges - sanitation revenue	2	111 476	-	-	-	-	-	6 414	6 414	117 890	124 964	132 461
Service charges - refuse revenue	2	105 544	-	-	-	-	-	(1 414)	(1 414)	104 130	110 378	117 001
Service charges - other		-						-	-	-	-	-
Rental of facilities and equipment		3 508						(255)	(255)	3 252	3 447	3 654
Interest earned - external investments		1 468						4 371	4 371	5 839	6 189	6 561
Interest earned - outstanding debtors		13 732						18 567	18 567	32 299	34 237	36 292
Dividends received		-						-	-	-	-	-
Fines		23 522						(0)	(0)	23 522	24 934	26 430
Licences and permits		24						(2)	(2)	22	23	24
Agency services		24 950						(3 542)	(3 542)	21 408	22 692	24 054
Transfers recognised - operating		250 984						2 646	2 646	253 630	268 848	284 978
Other revenue	2	52 167	-	-	-	-	-	1 155	1 155	53 322	56 522	59 913
Gains on disposal of PPE		2 000						(2 000)	(2 000)	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>2 001 308</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34 940</b>	<b>34 940</b>	<b>2 036 248</b>	<b>2 158 422</b>	<b>2 287 928</b>
<b>Expenditure By Type</b>												
Employee related costs		570 352	-	-	-	-	-	4 424	4 424	574 775	609 262	645 818
Remuneration of councillors		28 387						-	-	28 387	30 090	31 895
Debt impairment		45 775						71 308	71 308	117 084	124 109	131 555
Depreciation & asset impairment		281 809	-	-	-	-	-	-	-	281 809	298 718	316 641
Finance charges		58 067						(5 000)	(5 000)	53 067	56 252	59 627
Bulk purchases		753 695	-	-	-	-	-	-	-	753 695	798 916	846 851
Other materials		75 281						5 192	5 192	80 473	85 302	90 420
Contracted services		224 867	-	-	-	-	-	(7 319)	(7 319)	217 548	230 601	244 437
Transfers and grants		39 420						200	200	39 620	41 997	44 517
Other expenditure		292 755	-	-	-	-	-	8 095	8 095	300 850	318 901	338 035
Loss on disposal of PPE		-						-	-	-	-	-
<b>Total Expenditure</b>		<b>2 370 408</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76 900</b>	<b>76 900</b>	<b>2 447 307</b>	<b>2 594 146</b>	<b>2 749 795</b>
<b>Surplus/(Deficit)</b>		<b>(369 100)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(41 960)</b>	<b>(41 960)</b>	<b>(411 060)</b>	<b>(435 723)</b>	<b>(461 867)</b>
Transfers recognised - capital		122 012		3 351		10 691		(17 804)	(3 762)	118 250	125 345	132 866
Contributions		-		-		-		-	-	-	-	-
Contributed assets		-		-		-		-	-	-	-	-
<b>Surplus/(Deficit) before taxation</b>		<b>(247 088)</b>	<b>-</b>	<b>3 351</b>	<b>-</b>	<b>10 691</b>	<b>-</b>	<b>(59 764)</b>	<b>(45 722)</b>	<b>(292 810)</b>	<b>(310 378)</b>	<b>(329 001)</b>
Taxation		-		-		-		-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(247 088)</b>	<b>-</b>	<b>3 351</b>	<b>-</b>	<b>10 691</b>	<b>-</b>	<b>(59 764)</b>	<b>(45 722)</b>	<b>(292 810)</b>	<b>(310 378)</b>	<b>(329 001)</b>
Attributable to minorities		-		-		-		-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(247 088)</b>	<b>-</b>	<b>3 351</b>	<b>-</b>	<b>10 691</b>	<b>-</b>	<b>(59 764)</b>	<b>(45 722)</b>	<b>(292 810)</b>	<b>(310 378)</b>	<b>(329 001)</b>
Share of surplus/ (deficit) of associate		-		-		-		-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(247 088)</b>	<b>-</b>	<b>3 351</b>	<b>-</b>	<b>10 691</b>	<b>-</b>	<b>(59 764)</b>	<b>(45 722)</b>	<b>(292 810)</b>	<b>(310 378)</b>	<b>(329 001)</b>

### Table 12 MBRR Table B5 – Adjustments Capital Expenditure by vote and funding

GT481 Mogale City - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2014/15								Budget Year	Budget Year	
		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	A1	B	C	D	E	F	G	H	+1 2015/16	+2 2016/17
<b>R thousands</b>												
<b>Capital expenditure - Vote</b>												
<b>Multi-year expenditure to be adjusted</b>												
Vote 1 - POLITICAL OFFICE	2	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGERS OFFICE		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CHIEF OPERATING OFFICER		5	-	-	-	-	-	(0)	(0)	5	400	400
Vote 4 - CORPORATE SUPPORT SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - MUNICIPAL FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - INTEGRATED ENVIRONMENTAL MANAGEMENT		23 785	-	3 041	-	-	-	(6 461)	(3 420)	20 365	21 749	12 698
Vote 7 - SOCIAL SERVICES		26 352	-	-	-	-	-	(15 899)	(15 899)	10 453	38 620	14 580
Vote 8 - ECONOMIC SERVICES		51 200	-	-	-	-	10 210	(30)	10 180	61 380	48 037	53 887
Vote 9 - INFRASTRUCTURE SERVICES		162 054	-	242	-	-	-	2 541	2 783	164 837	273 913	224 759
Vote 10 - WATER & SANITATION		137 313	-	68	-	-	-	(23 412)	(23 344)	113 969	217 196	174 832
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	3	<b>400 709</b>	-	<b>3 351</b>	-	-	<b>10 210</b>	<b>(43 261)</b>	<b>(29 700)</b>	<b>371 008</b>	<b>599 914</b>	<b>481 156</b>
<b>Single-year expenditure to be adjusted</b>												
Vote 1 - POLITICAL OFFICE	2	530	-	-	-	-	-	-	-	530	-	-
Vote 2 - MUNICIPAL MANAGERS OFFICE		959	-	-	-	-	-	-	-	959	-	-
Vote 3 - CHIEF OPERATING OFFICER		15 577	-	-	-	-	-	8 540	8 540	24 117	16 670	3 590
Vote 4 - CORPORATE SUPPORT SERVICES		5 602	-	-	-	-	-	(3 520)	(3 520)	2 082	570	500
Vote 5 - MUNICIPAL FINANCIAL SERVICES		3 105	-	-	-	-	-	13	13	3 118	500	170
Vote 6 - INTEGRATED ENVIRONMENTAL MANAGEMENT		14 227	-	-	-	-	150	3 418	3 568	17 796	2 555	2 612
Vote 7 - SOCIAL SERVICES		11 022	-	-	-	-	331	2 741	3 072	14 094	2 382	2 200
Vote 8 - ECONOMIC SERVICES		13 615	-	-	-	-	-	(5 163)	(5 163)	8 452	3 820	3 050
Vote 9 - INFRASTRUCTURE SERVICES		17 830	-	-	-	-	-	401	401	18 231	6 540	-
Vote 10 - WATER & SANITATION		820	-	-	-	-	-	702	702	1 522	350	350
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		<b>83 287</b>	-	-	-	-	<b>481</b>	<b>7 133</b>	<b>7 614</b>	<b>90 901</b>	<b>33 387</b>	<b>12 472</b>
<b>Total Capital Expenditure - Vote</b>		<b>483 996</b>	-	<b>3 351</b>	-	-	<b>10 691</b>	<b>(36 128)</b>	<b>(22 087)</b>	<b>461 909</b>	<b>633 302</b>	<b>493 628</b>
<b>Capital Expenditure - Standard</b>												
<b>Governance and administration</b>												
Executive and council		17 071	-	-	-	-	-	8 540	8 540	25 611	17 070	3 990
Budget and treasury office		3 105	-	-	-	-	-	13	13	3 118	500	170
Corporate services		5 602	-	-	-	-	-	(3 520)	(3 520)	2 082	570	500
<b>Community and public safety</b>												
Community and social services		9 597	-	-	-	-	331	(3 003)	(2 672)	6 926	2 100	2 100
Sport and recreation		27 534	-	-	-	-	-	(10 181)	(10 181)	17 353	38 802	14 580
Public safety		243	-	-	-	-	-	25	25	268	100	100
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>												
Planning and development		64 815	-	-	-	-	10 360	(5 193)	5 017	69 832	51 857	56 937
Road transport		76 154	-	242	-	-	-	(2 566)	(2 324)	73 830	113 853	121 759
Environmental protection		26 191	-	2 621	-	-	150	(1 179)	1 592	27 783	14 822	6 850
<b>Trading services</b>												
Electricity		94 730	-	487	-	-	-	(16 567)	(16 080)	228 604	382 629	285 642
Water		85 412	-	-	-	-	-	(3 484)	(3 484)	81 929	116 783	87 511
Waste water management		52 721	-	68	-	-	-	(19 226)	(19 158)	33 563	100 763	87 671
Waste management		11 821	-	420	-	-	-	(1 863)	(1 443)	10 378	9 483	8 460
<b>Other</b>		9 000	-	-	-	-	-	(2 498)	(2 498)	6 502	11 000	1 000
<b>Total Capital Expenditure - Standard</b>	3	<b>483 996</b>	-	<b>3 351</b>	-	-	<b>10 691</b>	<b>(36 128)</b>	<b>(22 087)</b>	<b>461 909</b>	<b>633 302</b>	<b>493 628</b>
<b>Funded by:</b>												
National Government		118 118	-	3 351	-	-	10 210	(17 804)	(4 243)	113 875	115 844	117 560
Provincial Government		3 895	-	-	-	-	481	-	481	4 376	2 100	2 100
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital transfers recognised</b>	4	<b>122 012</b>	-	<b>3 351</b>	-	-	<b>10 691</b>	<b>(17 804)</b>	<b>(3 762)</b>	<b>118 250</b>	<b>117 944</b>	<b>119 660</b>
<b>Public contributions &amp; donations</b>		-	-	-	-	-	-	10 000	10 000	10 000	-	-
<b>Borrowing</b>		239 500	-	-	-	-	-	-	-	239 500	340 479	256 000
<b>Internally generated funds</b>		122 484	-	-	-	-	-	(28 324)	(28 324)	94 159	174 879	117 968
<b>Total Capital Funding</b>		<b>483 996</b>	-	<b>3 351</b>	-	-	<b>10 691</b>	<b>(36 128)</b>	<b>(22 087)</b>	<b>461 909</b>	<b>633 302</b>	<b>493 628</b>



## Table 13 MBRR Table B6 – Adjustments Budget Financial Position

GT481 Mogale City - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands		3	4	5	6	7	8	9	10	+1 2015/16	+2 2016/17	
		A	A1	B	C	D	E	F	G	H		
<b>ASSETS</b>												
<b>Current assets</b>												
Cash		6 892						(5 034)	(5 034)	1 858	30 902	123 672
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	348 927	-	-	-	-	-	48 695	48 695	397 622	377 134	396 342
Other debtors		47 185						7 945	7 945	55 130	51 903	57 093
Current portion of long-term receivables												
Inventory		12 717						1 340	1 340	14 058	11 217	10 717
<b>Total current assets</b>		<b>415 721</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52 946</b>	<b>52 946</b>	<b>468 667</b>	<b>471 157</b>	<b>587 824</b>
<b>Non current assets</b>												
Long-term receivables												
Investments		62 084								62 084	70 667	80 390
Investment property		512 781						(10 269)	(10 269)	502 512	512 781	512 781
Investment in Associate												
Property, plant and equipment	1	5 385 874	-	3 351	-	-	-	(186 703)	(183 352)	5 202 522	5 719 880	5 900 151
Agricultural												
Biological		3 617						(3 617)	(3 617)		3 617	3 617
Intangible		19 257						(9 221)	(9 221)	10 036	21 527	21 817
Other non-current assets		620						(620)	(620)		620	620
<b>Total non current assets</b>		<b>5 984 232</b>	<b>-</b>	<b>3 351</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(210 429)</b>	<b>(207 078)</b>	<b>5 777 153</b>	<b>6 329 090</b>	<b>6 519 375</b>
<b>TOTAL ASSETS</b>		<b>6 399 953</b>	<b>-</b>	<b>3 351</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(157 483)</b>	<b>(154 132)</b>	<b>6 245 821</b>	<b>6 800 247</b>	<b>7 107 199</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft												
Borrowing		36 594	-	-	-	-	-	(5 600)	(5 600)	30 993	41 594	41 594
Consumer deposits		40 090								40 090	41 090	42 090
Trade and other payables		426 884	-	-	-	-	-	-	-	426 884	420 891	421 061
Provisions		18 671						(6 658)	(6 658)	12 013	11 299	21 687
<b>Total current liabilities</b>		<b>522 238</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12 258)</b>	<b>(12 258)</b>	<b>509 980</b>	<b>514 873</b>	<b>526 432</b>
<b>Non current liabilities</b>												
Borrowing	1	432 681	-	-	-	-	-	-	-	432 681	693 812	870 292
Provisions	1	156 877	-	-	-	-	-	38 225	38 225	195 102	161 223	161 223
<b>Total non current liabilities</b>		<b>589 559</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38 225</b>	<b>38 225</b>	<b>627 783</b>	<b>855 035</b>	<b>1 031 515</b>
<b>TOTAL LIABILITIES</b>		<b>1 111 797</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25 967</b>	<b>25 967</b>	<b>1 137 763</b>	<b>1 369 909</b>	<b>1 557 947</b>
<b>NET ASSETS</b>	2	<b>5 288 156</b>	<b>-</b>	<b>3 351</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(183 449)</b>	<b>(180 099)</b>	<b>5 108 057</b>	<b>5 430 338</b>	<b>5 549 252</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		5 288 156	-	3 351	-	-	-	(192 329)	(188 979)	5 099 177	5 421 458	5 543 004
Reserves		-	-	-	-	-	-	8 880	8 880	8 880	8 880	8 880
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>5 288 156</b>	<b>-</b>	<b>3 351</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(183 449)</b>	<b>(180 099)</b>	<b>5 108 057</b>	<b>5 430 338</b>	<b>5 551 884</b>

## Table 14 MBRR Table B7 – Adjustments Budget Cash Flow

GT481 Mogale City - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands		A	A1	B	C	D	E	F	G	H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Ratepayers and other		1 990 832						(45 464)	(45 464)	1 945 368	1 992 061	2 156 482
Government - operating	1	250 984					2 646	-	2 646	253 630	251 815	269 535
Government - capital	1	122 012					(3 762)	-	(3 762)	118 250	123 354	129 458
Interest		15 201						22 938	22 938	38 138	11 340	12 580
Dividends		-							-	-	-	-
<b>Payments</b>												
Suppliers and employees		(2 030 297)						(73 847)	(73 847)	(2 104 144)	(1 956 972)	(2 134 461)
Finance charges		(58 067)						5 000	5 000	(53 067)	(36 427)	(33 965)
Transfers and Grants	1	(40 650)						1 030	1 030	(39 620)	(38 767)	(42 644)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>250 015</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1 116)</b>	<b>(90 343)</b>	<b>(91 460)</b>	<b>158 555</b>	<b>346 403</b>	<b>356 986</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		2 000						(2 000)	(2 000)	-		
Decrease (Increase) in non-current debtors								-	-	-		
Decrease (increase) other non-current receivables								-	-	-		
Decrease (increase) in non-current investments								-	-	-		
<b>Payments</b>												
Capital assets		(483 996)						22 087	22 087	(461 909)	(633 302)	(493 628)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(481 996)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20 087</b>	<b>20 087</b>	<b>(461 909)</b>	<b>(633 302)</b>	<b>(493 628)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans								-	-	-		
Borrowing long term/refinancing		239 500						-	-	239 500	340 479	256 000
Increase (decrease) in consumer deposits		727						(727)	(727)	-	(1 382)	(1 382)
<b>Payments</b>												
Repayment of borrowing		(28 621)						(2 372)	(2 372)	(30 993)	(23 154)	(25 207)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>211 606</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 099)</b>	<b>(3 099)</b>	<b>208 507</b>	<b>315 943</b>	<b>229 412</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>												
Cash/cash equivalents at the year begin:	2	(20 375)	-	-	-	-	(1 116)	(73 356)	(74 472)	(94 847)	29 044	92 769
Cash/cash equivalents at the year end:	2	27 267	-	-	-	-	(1 116)	(73 356)	69 438	96 705	1 858	30 902
		6 892	-	-	-	-	(1 116)	(73 356)		1 858	30 902	123 672

**Table 15 MBRR Table B8 – Cash backed reserves/accumulated surplus reconciliation**

GT481 Mogale City - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	3	4	5	6	7	8	9	10			
		A1	B	C	D	E	F	G	H			
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	6 892	-	-	-	-	-	(5 034)	(5 034)	1 858	30 902	123 672
Other current investments > 90 days		(0)	-	-	-	-	-	-	-	(0)	(0)	0
Non current assets - Investments	1	62 084	-	-	-	-	-	-	-	62 084	70 667	80 390
<b>Cash and investments available:</b>		<b>68 975</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5 034)</b>	<b>(5 034)</b>	<b>63 942</b>	<b>101 569</b>	<b>204 062</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		70 832	-	-	-	-	-	(386)	(386)	70 446	70 832	70 832
Other working capital requirements	2	(99 384)	-	-	-	-	-	(44 275)	(44 275)	(143 659)	(112 735)	(148 567)
Other provisions		18 671	-	-	-	-	-	(6 658)	(6 658)	12 013	20 179	21 687
Long term investments committed		62 084	-	-	-	-	-	-	-	62 084	70 667	80 390
Reserves to be backed by cash/investments		-	-	-	-	-	-	8 880	8 880	8 880	8 880	8 880
<b>Total Application of cash and investments:</b>		<b>52 203</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(42 439)</b>	<b>(42 439)</b>	<b>9 764</b>	<b>57 823</b>	<b>33 222</b>
<b>Surplus(shortfall)</b>		<b>16 772</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>37 405</b>	<b>37 405</b>	<b>54 178</b>	<b>43 746</b>	<b>170 840</b>

**Table 16 MBRR Table B9 – Asset Management**

GT481 Mogale City - Table B9 Asset Management -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
	A	7	8	9	10	11	12	13	14			
		A1	B	C	D	E	F	G	H			
<b>R thousands</b>												
<b>CAPITAL EXPENDITURE</b>												
<b>Total New Assets to be adjusted</b>	1	319 032	-	2 863	-	-	10 691	4 075	17 629	336 661	447 433	356 736
Infrastructure - Road transport		59 054	-	242	-	-	-	(6 636)	(6 394)	52 660	85 253	87 839
Infrastructure - Electricity		83 400	-	-	-	-	-	9 500	9 500	92 900	131 560	80 000
Infrastructure - Water		43 500	-	-	-	-	-	-	-	43 500	72 257	47 000
Infrastructure - Sanitation		16 700	-	-	-	-	-	890	890	17 590	65 113	65 400
Infrastructure - Other		3 500	-	-	-	-	-	(2 400)	(2 400)	1 100	2 000	-
Infrastructure		206 154	-	242	-	-	-	1 354	1 596	207 750	356 182	280 239
Community		19 639	-	2 621	-	-	331	(1 833)	1 119	20 758	16 722	8 950
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	79 022	-	-	-	-	10 360	(676)	9 684	88 706	64 259	65 557
Agricultural Assets		90	-	-	-	-	-	(66)	(66)	24	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		14 128	-	-	-	-	-	5 295	5 295	19 423	10 270	1 990
<b>Total Renewal of Existing Assets to be adjusted</b>	2	164 964	-	487	-	-	-	(40 203)	(39 715)	125 248	185 869	136 892
Infrastructure - Road transport		17 000	-	-	-	-	-	-	-	17 000	28 600	33 920
Infrastructure - Electricity		8 000	-	-	-	-	-	(1 594)	(1 594)	6 407	21 000	19 000
Infrastructure - Water		41 912	-	68	-	-	-	(3 484)	(3 416)	38 496	44 527	40 511
Infrastructure - Sanitation		33 901	-	-	-	-	-	(18 886)	(18 886)	15 015	29 300	13 921
Infrastructure - Other		3 000	-	-	-	-	-	-	-	3 000	3 000	3 000
Infrastructure		103 813	-	68	-	-	-	(23 963)	(23 895)	79 918	126 427	110 352
Community		30 035	-	-	-	-	-	(12 314)	(12 314)	17 721	38 810	14 580
Heritage assets		4 000	-	-	-	-	-	(2 100)	(2 100)	1 900	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	27 116	-	420	-	-	-	(1 826)	(1 406)	25 710	20 633	11 960
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to be adjusted</b>	4	76 054	-	242	-	-	-	(6 636)	(6 394)	69 660	113 853	121 759
Infrastructure - Road transport		91 400	-	-	-	-	-	7 907	7 907	99 307	152 560	99 000
Infrastructure - Electricity		85 412	-	68	-	-	-	(3 484)	(3 416)	81 996	116 783	87 511
Infrastructure - Water		50 601	-	-	-	-	-	(17 996)	(17 996)	32 605	94 413	79 321
Infrastructure - Sanitation		6 500	-	-	-	-	-	(2 400)	(2 400)	4 100	5 000	3 000
Infrastructure - Other		309 967	-	310	-	-	-	(22 609)	(22 299)	287 668	482 609	390 591
Infrastructure		49 673	-	2 621	-	-	331	(14 146)	(11 194)	38 479	55 531	23 530
Community		4 000	-	-	-	-	-	(2 100)	(2 100)	1 900	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	106 138	-	420	-	-	10 360	(2 502)	8 277	114 416	84 892	77 517
Agricultural Assets		90	-	-	-	-	-	(66)	(66)	24	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		14 128	-	-	-	-	-	5 295	5 295	19 423	10 270	1 990
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	2	483 996	-	3 351	-	-	10 691	(36 128)	(22 087)	461 909	633 302	493 628
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>												
Infrastructure - Road transport	5	2 097 718	-	242	-	-	-	92 623	92 865	2 190 584	2 078 546	2 060 096
Infrastructure - Electricity		1 178 333	-	-	-	-	-	(98 133)	(98 133)	1 080 200	1 299 565	1 329 241
Infrastructure - Water		512 655	-	68	-	-	-	(35 481)	(35 413)	477 242	597 415	651 174
Infrastructure - Sanitation		622 486	-	-	-	-	-	(72 215)	(72 215)	550 271	702 622	769 632
Infrastructure - Other		319 461	-	-	-	-	-	(151 402)	(151 402)	168 059	366 142	391 019
Infrastructure		4 730 654	-	310	-	-	-	(264 608)	(264 298)	4 466 355	5 044 290	5 201 162
Community		603 334	-	3 041	-	-	-	94 327	97 368	700 702	613 770	632 900
Heritage assets		620	-	-	-	-	-	-	-	620	620	620
Investment properties		512 781	-	-	-	-	-	(10 269)	(10 269)	502 512	512 781	512 781
Other assets		51 268	-	-	-	-	-	(17 997)	(17 997)	33 270	61 200	65 470
Intangibles		19 257	-	-	-	-	-	(9 221)	(9 221)	10 036	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	3 617	3 617
Biological assets		3 617	-	-	-	-	-	(2 041)	(2 041)	1 575	21 527	21 817
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	5 921 528	-	3 351	-	-	-	(209 809)	(206 459)	5 715 070	6 257 804	6 438 365
<b>EXPENDITURE OTHER ITEMS</b>												
<b>Depreciation &amp; asset impairment</b>	3	281 809	-	-	-	-	-	-	-	281 809	298 718	316 641
<b>Repairs and Maintenance by asset class</b>		75 370	-	-	-	-	-	5 103	5 103	80 473	85 302	90 420
Infrastructure - Road transport		8 034	-	-	-	-	-	(400)	(400)	7 634	8 092	8 578
Infrastructure - Electricity		28 878	-	-	-	-	-	5 733	5 733	34 611	36 687	38 889
Infrastructure - Water		5 392	-	-	-	-	-	10	10	5 402	5 727	6 070
Infrastructure - Sanitation		9 574	-	-	-	-	-	(476)	(476)	9 098	9 644	10 223
Infrastructure - Other		3 882	-	-	-	-	-	-	-	3 882	4 115	4 361
Infrastructure		55 760	-	-	-	-	-	4 867	4 867	60 627	64 264	68 120
Community		7 509	-	-	-	-	-	(8)	(8)	7 501	7 951	8 428
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	12 102	-	-	-	-	-	244	244	12 345	13 086	13 871
<b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>		357 179	-	-	-	-	-	5 103	5 103	362 282	384 019	407 060
<b>% of capital exp on renewal of assets</b>		34.1%	0.0%							27.1%	29.3%	27.7%
<b>Renewal of existing assets as % of deprecn</b>		58.5%	0.0%							44.4%	62.2%	43.2%
<b>R&amp;M as a % of PPE</b>		1.3%	0.0%							1.4%	1.4%	1.4%
<b>Renewal and R&amp;M as a % of PPE</b>		4.1%	0.0%							3.6%	4.3%	3.5%

**Table 17 MBRR Table B10 – Basic Service Delivery Measurement**

GT481 Mogale City - 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. 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	H		
<b>Household service targets</b>	1											
<b>Water:</b>												
Piped water inside dwelling		126							126	133	141	
Piped water inside yard (but not in dwelling)		16							16	17	18	
Using public tap (at least min.service level)	2	5							5	6	6	
Other water supply (at least min.service level)		5							5	5	5	
<i>Minimum Service Level and Above sub-total</i>		152							152	161	170	
Using public tap (< min.service level)	3											
Other water supply (< min.service level)	3,4											
No water supply												
<i>Below Minimum Service Level sub-total</i>												
<b>Total number of households</b>	5	152							152	161	170	
<b>Sanitation/sewerage:</b>												
Flush toilet (connected to sewerage)		126							126	133	141	
Flush toilet (with septic tank)												
Chemical toilet		15							15	16	17	
Pit toilet (ventilated)		1							1	1	1	
Other toilet provisions (> min.service level)												
<i>Minimum Service Level and Above sub-total</i>		141							141	150	159	
Bucket toilet												
Other toilet provisions (< min.service level)												
No toilet provisions												
<i>Below Minimum Service Level sub-total</i>												
<b>Total number of households</b>	5	141							141	150	159	
<b>Energy:</b>												
Electricity (at least min. service level)		33							33	35	37	
Electricity - prepaid (> min.service level)		7							7	7	7	
<i>Minimum Service Level and Above sub-total</i>		39							39	42	44	
Electricity (< min.service level)												
Electricity - prepaid (< min. service level)		6							6	6	7	
Other energy sources												
<i>Below Minimum Service Level sub-total</i>		6							6	6	7	
<b>Total number of households</b>	5	45							45	48	51	
<b>Refuse:</b>												
Removed at least once a week (min.service)		101							101	107	113	
<i>Minimum Service Level and Above sub-total</i>		101							101	107	113	
Removed less frequently than once a week		12							12	13	13	
Using communal refuse dump												
Using own refuse dump												
Other rubbish disposal												
No rubbish disposal												
<i>Below Minimum Service Level sub-total</i>		12							12	13	13	
<b>Total number of households</b>	5	113							113	120	127	
<b>Households receiving Free Basic Service</b>	15											
Water (6 kilolitres per household per month)		41							41	43	46	
Sanitation (free minimum level service)		9							9	10	10	
Electricity/other energy (50kwh per household per month)		9							9	10	10	
Refuse (removed at least once a week)		9							9	10	10	
<b>Cost of Free Basic Services provided (R'000)</b>	16											
Water (6 kilolitres per household per month)		80 041							80 041	84 844	89 935	
Sanitation (free sanitation service)		15 018							15 018	15 920	16 875	
Electricity/other energy (50kwh per household per month)		5 617							5 617	5 954	6 311	
Refuse (removed once a week)		10 434							10 434	11 060	11 724	
<b>Total cost of FBS provided (minimum social package)</b>		111 111							111 111	117 777	124 844	
<b>Highest level of free service provided</b>												
Property rates (R'000 value threshold)												
Water (kilolitres per household per month)												
Sanitation (kilolitres per household per month)												
Sanitation (Rand per household per month)												
Electricity (kw per household per month)												
Refuse (average litres per week)												
<b>Revenue cost of free services provided (R'000)</b>	17											
Property rates (R15 000 threshold rebate)		485							485	514	545	
Property rates (other exemptions, reductions and rebates)		19 993							19 993	21 192	22 464	
Water		80 864							80 864	85 715	90 858	
Sanitation		15 018							15 018	15 920	16 875	
Electricity/other energy		112							112	119	126	
Refuse		10 434							10 434	11 060	11 724	
Municipal Housing - rental rebates												
Housing - top structure subsidies	6											
Other												
<b>Total revenue cost of free services provided (total services)</b>		126 906							126 906	134 521	142 592	