



## **Adjustment Budget Report**

*Prepared in terms of the Local  
Government: Municipal Finance  
Management Act (56/2003):  
Municipal Budget and Reporting  
Regulations, Government Gazette  
32141, 17 April 2009.*

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*“An improved quality of life for all residents”*

**Adjustment Budget**

**dated**

**28 February 2018**

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**JOE GQABI**

**DISTRICT MUNICIPALITY**

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## **Glossary**

**Adjustments Budget** – Prescribed in section 28 of the MFMA. The formal means by which a District Municipality may revise its annual budget during the year.

**Allocations** – Money received from Provincial or National Government or other municipalities.

**AFS** – Annual Financial Statements.

**Budget** – The financial plan of the Joe Gqabi District Municipality.

**Budget Related Policy** – Policy of a District Municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

**Capital Expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the District Municipality's Statement of Financial Performance.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the District Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the District Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

**CFO** – Chief Financial Officer of Joe Gqabi District Municipality

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

**Fruitless and wasteful expenditure** – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

**GRAP** – Generally Recognised Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

**IDP** – Integrated Development Plan. The main strategic planning document of the District Municipality

**KPI's** – Key Performance Indicators. Measures of service output and/or outcome.

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

**MFMA** – The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous three years and current years' financial position.

**NT** – National Treasury

**Net Assets** – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the District Municipality equates to the "net wealth" of the District Municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

**Operating Expenditure** – Spending on the day to day expenses of the District Municipality such as salaries and wages.

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

**R&M** – Repairs and maintenance on property, plant and equipment.

**SCM** – Supply Chain Management.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

**Strategic Objectives** – The main priorities of the District Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorised expenditure** – Generally, spending without, or in excess of, an approved budget.

**Virement** – A transfer of budget.

**Virement Policy** – The policy that sets out the rules for budget transfers.

**Vote** – One of the main segments into which a budget. In Joe Gqabi District Municipality this means at directorate level. The votes for Joe Gqabi therefore are:

- Management Services;
- Financial Services;
- Corporate Services;
- Technical Services;
- Community Services; and
- Institutional Support and Advancement

## **PART 1 – ADJUSTMENTS BUDGET**

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### **Section 1 –Mayor’s Report**

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#### **Introduction**

The adjustment budget seeks to rectify issues identified in the mid-year assessment of the financial results as well as the inclusion of additional allocations. It is drafted in terms of section 28 of the MFMA and seeks to adhere to the stipulations of specifically section 28(2) of the MFMA.

#### **1.1 Reasons for the adjustments budget**

The reason for the tabling of an adjustment budget is fully disclosed in the executive summary of this report. A brief summary of the reasons in terms of Sect 28 of the MFMA are discussed below:

##### ***1.1.1 New allocations of cash backed accumulated funds;***

No new allocations from cash backed accumulated funds was included.

##### ***1.1.2 Multi-year funds shifting in relation to the capital programme;***

No shifting of multi-year capital programs took place.

##### ***1.1.3 Unforeseen and unavoidable expenditure;***

No unforeseen and unavoidable expenditure as in terms of section 29 of the MFMA was included.

##### ***1.1.4 Allocations and grant adjustments; and***

This is a list of new allocations and approved roll overs:

- Human Settlement – R 2,4 million.

##### ***1.1.5 Correction of budget errors***

None.

**1.2 Any other information considered relevant by the mayor**

None

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**Section 2 - Resolutions**

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**ADJUSTMENT BUDGET 2017/2018**

The resolution tabled at Council for consideration with approval of the adjustments budget is:

**RECOMMENDATION:**

- (a) That the Adjustments budget of Joe Gqabi District Municipality for the financial year 2017/2018 as set out in the schedules contained in section 4 be approved:
- (i) Table B2 Adjustments Budget Financial Performance (by standard classification);
  - (ii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
  - (iii) Table B4 Adjustments Budget Financial Performance (revenue by source); and
  - (iv) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)



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**Section 3 – Executive Summary**

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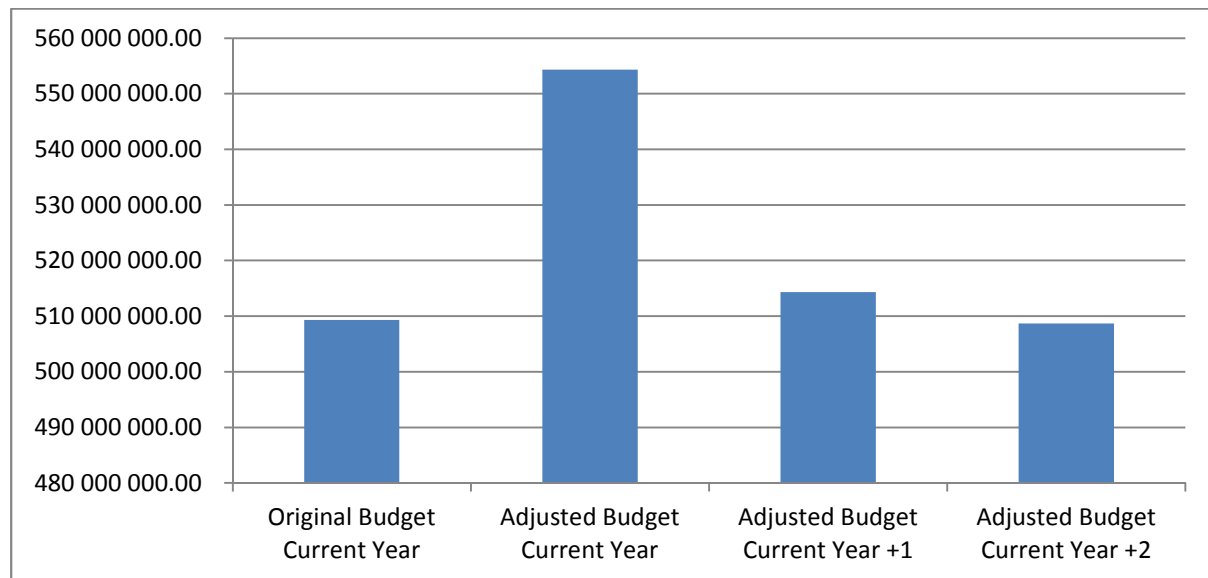
**3.1 INTRODUCTION**

The adjustments budget for 2017/18 is the first adjustment budget of Joe Gqabi District Municipality prepared via the Sebata enterprise management systems to comply with the Budget and Reporting Regulations and guidelines as issued by NT as well as via the SAMRAS financial system in order to enable the municipality to continue transacting.

**3.2 OPERATIONAL BUDGET**

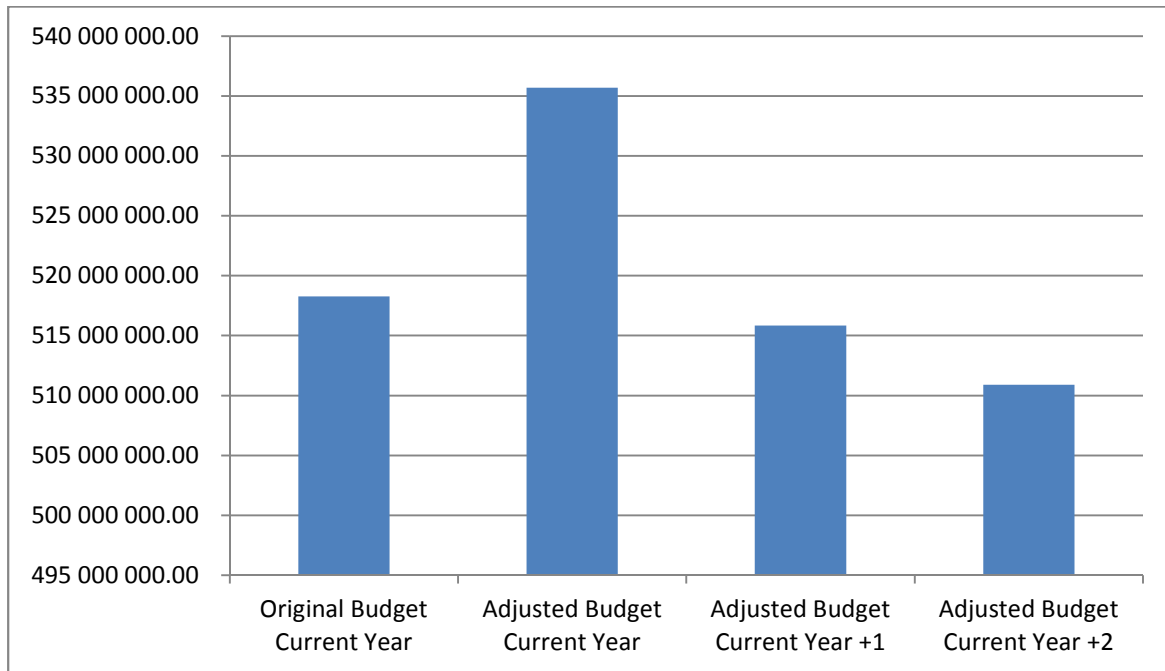
The overall changes made to the 2017/2018 budget can be best illustrated in Chart 1 and 2 below.

***Chart 1 – Operational Revenue Budget***



The operational revenue budget has been increase by R44.9 million or 9% from R509.3 million to R554.3 million.

**Chart 2 – Operational Expenditure Budget**



The operational expenditure has been increased by R17.4 million or 3% from R518.2 million to R535.6 million.

A breakdown of the detailed adjustments relating to revenue and expenditure are included in Table B4 in Section 4 of this report.

### **Operating Revenue**

The increase in operating revenue is largely due to a reallocation of R41 million MIG funding originally planned for Capital Projects reallocated to Operational Projects.

### **Operating Expenditure**

The adjustments to the operating expenditure budget consists of the following adjustments:

- Contracted Services increased by R 41 million due to reallocation of MIG funding from Capital Projects to Operational Projects.
- Grants and Subsidies Paid decreased by R4 million. This is due to a decrease in estimated grant planned to assist with the Working on Fire project of R16

## ADJUSTMENT BUDGET 2017/2018

million. This funding was reallocated to operating expenditure, including employee costs.

- Increase in Employee related costs due to an adjustment to the under provision of overtime and Fire Services Employee related costs being included separately in the adjustment budget.
- Other operating expenditure decreased by R19.5 million. This is due to the cash flow challenges facing the municipality.
- Remuneration of Councillors decreased due to the realisation that Councillors whom only receive a sitting allowance was included in remuneration earners.

### Capital budget

- Equity funded capital expenditure decreased by R 1.3 million. This is due to the cash flow challenges facing the municipality..
- R 2.4 million was allocated to a Human Settlements Project.
- No other additional funding was distributed to the municipality. The total capital expenditure funded from RBIG, WSIG and Provincial Treasury has remained unchanged. MIG Funds have only been reallocated between existing projects capital projects and R41 has been reallocated to operating projects as evident in the tables below.

Description of Equitable Share funded Project	Original Budget 2017/18	Adjusted Budget 2017/18	Movement
Furniture and Office Equipment	390 000,00	110 000,00	280 000,00
Computer Equipment	755 000,00	975 000,00	(220 000,00)
Computer Software	646 000,00	-	646 000,00
Machinery and Equipment	500 000,00	-	500 000,00
Motor Vehicles	1 100 000,00	-	1 100 000,00
Shearing Shed	1 000 000,00	1 000 000,00	-
Occupational Health and Safety Project	-	1 000 000,00	(1 000 000,00)
<b>Total</b>	<b>4 391 000,00</b>	<b>3 085 000,00</b>	<b>1 306 000,00</b>

## ADJUSTMENT BUDGET 2017/2018

Description of MIG funded Project	Original Budget 2017/18	Adjusted Budget 2017/18	Movement
Ugie Bulk Water Infrastructure Phase 2	10 000 000,00	5 000 000,00	5 000 000,00
Mt Fletcher Villages - Bulk Water Supply Scheme	2 000 000,00	9 000 000,00	(7 000 000,00)
Sterkspruit: Upgrading of WTW and Bulk Lines	17 500 000,00	7 500 000,00	10 000 000,00
Senqu Rural Water Programme	20 000 000,00	20 000 000,00	-
Elundini Rural Water Programme	10 000 000,00	5 000 000,00	5 000 000,00
Jamestown sanitation Phase 2	15 000 000,00	4 000 000,00	11 000 000,00
Maclear Upgrading of Bulk Water Services	12 655 000,00	4 000 000,00	8 655 000,00
Maclear Upgrading of Bulk Sanitation	13 100 000,00	8 000 000,00	5 100 000,00
Lady Grey Bulk Water Supply	3 000 000,00	-	3 000 000,00
Ukhahlamba Planning Studies	400 000,00	-	400 000,00
<b>Total</b>	<b>103 655 000,00</b>	<b>62 500 000,00</b>	<b>41 155 000,00</b>

Description of RBIG funded Project	Original Budget 2017/18	Adjusted Budget 2017/18	Movement
Sterkspruit Regional Bulk Sanitation	3 000 000,00	3 000 000,00	-
Lady Grey Bulk Water Supply	3 000 000,00	3 000 000,00	-
<b>Total</b>	<b>6 000 000,00</b>	<b>6 000 000,00</b>	<b>-</b>

**ADJUSTMENT BUDGET 2017/2018**

<b>Description of Provincial Treasury funded Projects</b>	<b>Original Budget 2017/18</b>	<b>Adjusted Budget 2017/18</b>	<b>Movement</b>
Lady Grey - Borehole Pumpstations and Storage Reservoirs	10 000 000,00	10 000 000,00	-
Lady Grey - Sub project 4 Additional Storage and Boreholes	40 000 000,00	40 000 000,00	-
Aliwal North - Outfall Sewer from Spa to Nursery PS	5 000 000,00	5 000 000,00	-
Aliwal North - Reconstruction of Nursery PS	800 000,00	800 000,00	-
Aliwal North - Rehab gravity main NPS to Phola Park PS	700 000,00	700 000,00	-
Aliwal North - Reconstruction pump main PPPS to WWTW	500 000,00	500 000,00	-
Aliwal North - Rehab of WWTW and Phola Park PS	500 000,00	500 000,00	-
Burgersdorp - replace water mains La Rochelle Street	500 000,00	500 000,00	-
Burgersdorp - replace water mains Queenstown Road	1 000 000,00	1 000 000,00	-
Burgersdorp - Chiapinnis Klip Dam rehabilitation	500 000,00	500 000,00	-
Steynburg - Koppie water supply	4 000 000,00	4 000 000,00	-
Burgersdorp - replace water mains Rose Road	5 000 000,00	5 000 000,00	-
Burgersdorp - Plantation sump	11 500 000,00	11 500 000,00	-
<b>Total</b>	<b>80 000 000,00</b>	<b>80 000 000,00</b>	<b>-</b>

<b>Description of WSIG funded Projects</b>	<b>Original Budget 2017/18</b>	<b>Adjusted Budget 2017/18</b>	<b>Movement</b>
Elundini VIP toilets	7 000 000,00	7 000 000,00	-
Senqu Rural Water Supply Scheme	5 000 000,00	5 000 000,00	-
Elundini Water Treatment Works Refurbishment	5 000 000,00	5 000 000,00	-
WSLM Implementatoin of telemetry system and development of an alternative water source for Maletswai	32 500 000,00	32 500 000,00	-
SLM Implementatoin of telemetry system.	6 500 000,00	6 500 000,00	-
ELM Implementatoin of telemetry system.	8 500 000,00	8 500 000,00	-
<b>Total</b>	<b>64 500 000,00</b>	<b>64 500 000,00</b>	<b>-</b>

<b>Description of Human Settlement funded Projects</b>	<b>Original Budget 2017/18</b>	<b>Adjusted Budget 2017/18</b>	<b>Movement</b>
Human Settlement	-	2 403 636,00	(2 403 636,00)

*\*Capital Adjustments in Exclusive of VAT\**

### **3.2 Provision of basic services**

The provision of basic services will be effected positively by the approval of the adjustment budget.

### **3.3 Effect of the adjustments budget**

#### ***3.3.1 Service delivery and budget implementation plan***

Except for the adjustment of the monthly revenue and expenditure targets the effect to the SDBIP's are zero. None of non-financial performance targets have been adjusted.

#### ***3.3.2 Service delivery agreements***

No service delivery agreements will be influenced by the approval of the adjustments budget.

#### ***3.3.3 Medium term revenue and expenditure framework***

The effect to the outer years has not been included. It remains the same as the original budget.

#### ***3.3.4 Long term financial sustainability***

The deficit before capital transfers recognised has decreased by R 27.5 million. It decreased from a deficit of R 8.9 million to a surplus of R 18.6 million. The decrease is largely due to the reduction of operating expenditure.

The District Municipality has a cash surplus when the reconciliation of cash and cash equivalents versus commitments is performed. The surplus is R 3 million.

A surplus is incurred, this is however taking into account total billing in the form of service charges. If the collection value was used the municipality would have had a deficit, which indicates that the operational and capital budget is under pressure. In order to mitigate this, the Municipality needs to:

- Take this into account this budget deficit in future budgets are compiled; and

- A revenue enhancement strategy needs to be developed which will enable us to fund this deficit over long-term period.

Refer to Section 4 'Table B9 Cash backed reserves/accumulated surplus reconciliation' under section 4.

### **3.4 Adjustment highlights**

The adjustments budget seeks to comply with section 28 of the MFMA. The adjustments can best be discussed according to the sub-sections below:

- **Budget Reforms**

The budget regulations promulgated in terms of the MFMA prescribes the format of the budget. Even the layout of this report is prescribed in terms of the MBRR. All of these reforms will be adhere to with the acceptance of this budget. All line items were coded, both for cash flow, financial performance and financial position in order to be able to extract and complete the prescribe schedule B. The adjustment budget has been prepared on the latest B Schedule (version 2.8) that was issued by National Treasury.

- **Depreciation charges**

The recalculation of depreciation charges were performed based on the financial outcomes of 2016/2017. The GRAP compliant asset register was used as basis together with the capital program of 2016/2017 to focus.

- **Debt Impairment**

Debt impairment is based on current collection rate and any measures that have put in place to collect revenue. There has been no adjustment and the budgeted amount remains R 20.9 million.

- **Shifting of Projects**

At face value it creates the impression that no system exists to prioritise projects based on project plans that can be executed at short notice. Major movements did take place and it is best illustrated by the Supporting table that lists all the affected projects (Table SB 19).

### **3.5 Conclusion**

This Adjustment Budget provided the final opportunity to adjust the financial targets and to increase or reduce the focus on certain focus areas for the current financial year ending at 30 June 2018.



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**Section 4 – Adjustments budget tables**

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Section 1 and 3 already dealt in detail with the accounting and budget changes made to the budget documents. The tables below set out the figures for firstly the original budget; then the next 7 columns provide detail of the adjustment budget; with the adjustment budget and the two outer years in the last two columns.

The tables that will follow in order listed below are:

ADJUSTMENT BUDGET 2017/2018

**4.1 Table B1 - Budget Summary**  
(Providing an executive summary of Tables B2 to B10)

Choose name from list - Table B1 Adjustments Budget Summary -

Description	Budget Year 2017/18									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	+1 2018/19	+2 2019/20
R thousands	A	1 A1	2 B	3 C	4 D	5 E	6 F	7 G	8 H		
<b>Financial Performance</b>											
Property rates	-	-	-	-	-	-	-	-	-	-	-
Service charges	135 396	-	-	-	-	-	-	-	135 396	143 520	152 131
Investment revenue	4 040	-	-	-	-	-	-	-	4 040	4 272	4 528
Transfers recognised - operational	355 444	-	-	-	-	-	42 155	42 155	397 599	351 466	336 867
Other own revenue	14 467	-	-	-	-	-	2 813	2 813	17 280	15 083	15 140
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>509 348</b>						<b>44 968</b>	<b>44 968</b>	<b>554 316</b>	<b>514 341</b>	<b>508 666</b>
Employee costs	186 951	-	-	-	-	-	3 700	3 700	190 651	195 802	186 508
Remuneration of councillors	7 242	-	-	-	-	-	(1 670)	(1 670)	5 572	7 670	8 115
Depreciation & asset impairment	46 921	-	-	-	-	-	(549)	(549)	46 372	49 706	52 658
Finance charges	2 294	-	-	-	-	-	(1 291)	(1 291)	1 003	2 432	2 577
Materials and bulk purchases	9 000	-	-	-	-	-	-	-	9 000	9 540	10 112
Transfers and grants	16 505	-	-	-	-	-	(4 680)	(4 680)	11 825	17 496	18 545
Other expenditure	249 358	-	-	-	-	-	21 906	21 906	271 264	233 192	232 372
<b>Total Expenditure</b>	<b>518 272</b>						<b>17 416</b>	<b>17 416</b>	<b>535 688</b>	<b>515 836</b>	<b>510 888</b>
<b>Surplus/(Deficit)</b>	<b>(8 924)</b>						<b>27 552</b>	<b>27 552</b>	<b>18 628</b>	<b>(1 495)</b>	<b>(2 222)</b>
Transfers recognised - capital	254 155	-	-	-	-	-	(38 443)	(38 443)	215 712	232 626	246 125
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>245 231</b>						<b>(10 891)</b>	<b>(10 891)</b>	<b>234 340</b>	<b>231 131</b>	<b>243 903</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>245 231</b>						<b>(10 891)</b>	<b>(10 891)</b>	<b>234 340</b>	<b>231 131</b>	<b>243 903</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>258 546</b>						<b>(40 057)</b>	<b>(40 057)</b>	<b>218 489</b>	<b>234 381</b>	<b>247 415</b>
Transfers recognised - capital	254 155	-	-	-	-	-	(38 771)	(38 771)	215 384	232 626	246 125
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	4 391	-	-	-	-	-	(1 286)	(1 286)	3 105	1 755	1 290
<b>Total sources of capital funds</b>	<b>258 546</b>						<b>(40 057)</b>	<b>(40 057)</b>	<b>218 489</b>	<b>234 381</b>	<b>247 415</b>
<b>Financial position</b>											
Total current assets	123 347	-	-	-	-	-	306	306	123 653	144 927	169 312
Total non current assets	1 710 971	-	-	-	-	-	(40 057)	(40 057)	1 670 913	1 895 646	2 090 402
Total current liabilities	97 876	-	-	-	-	-	(40 411)	(40 411)	57 465	68 985	39 279
Total non current liabilities	50 799	-	-	-	-	-	-	-	50 799	54 813	59 758
<b>Community wealth/Equity</b>	<b>1 685 643</b>								<b>1 685 643</b>	<b>1 916 774</b>	<b>2 160 677</b>
<b>Cash flows</b>											
Net cash from (used) operating	263 054	-	-	-	-	-	(33 842)	(33 842)	229 211	237 682	255 067
Net cash from (used) investing	(258 546)	-	-	-	-	-	40 057	40 057	(218 489)	(232 881)	(247 415)
Net cash from (used) financing	(4 026)	-	-	-	-	-	-	-	(4 026)	(3 221)	(2 577)
<b>Cash/cash equivalents at the year end</b>	<b>(3 006)</b>						<b>6 215</b>	<b>6 215</b>	<b>3 209</b>	<b>4 483</b>	<b>9 559</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	6 208	-	-	-	-	-	306	306	6 514	7 788	12 864
Application of cash and investments	(10 993)	-	-	-	-	-	(2 245)	(2 245)	(13 238)	(57 367)	(103 232)
<b>Balance - surplus (shortfall)</b>	<b>17 201</b>						<b>2 551</b>	<b>2 551</b>	<b>19 753</b>	<b>65 156</b>	<b>116 096</b>
<b>Asset Management</b>											
Asset register summary (WDV)	-	-	-	-	-	-	-	-	-	-	-
Depreciation & asset impairment	-	-	-	-	-	-	-	-	-	-	-
Renewal of Existing Assets	121 755	-	-	-	-	-	-	-	121 755	126 871	119 500
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-
<b>Free services</b>											
Cost of Free Basic Services provided	28 871	-	-	-	-	-	-	-	28 871	30 603	32 439
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service level</b>											
Water:	39	-	-	-	-	-	-	-	39	39	39
Sanitation/sewerage:	39	-	-	-	-	-	-	-	39	39	39
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

ADJUSTMENT BUDGET 2017/2018

**4.2 Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)**

(This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions. The main functions are Governance and administration; Community and public safety; Economic and environmental services; and Trading services.)

Choose name from list - Table B2 Adjustments Budget Financial Performance (functional classification) -

Standard Description	Ref	Budget Year 2017/18									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	1, 4	A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	+1 2018/19	+2 2019/20
<b>Revenue - Functional</b>												
<b>Governance and administration</b>		260 873	-	-	-	-	-	(25 927)	(25 927)	234 945	280 817	296 893
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		260 873	-	-	-	-	-	(25 927)	(25 927)	234 945	280 817	296 893
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	-	-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		63 079	-	-	-	-	-	1 000	1 000	64 079	50 004	9 642
Planning and development		10 307	-	-	-	-	-	1 000	1 000	11 307	7 000	7 313
Road transport		40 940	-	-	-	-	-	-	-	40 940	43 004	2 329
Environmental protection		11 832	-	-	-	-	-	-	-	11 832	-	-
<b>Trading services</b>		439 551	-	-	-	-	-	31 582	31 582	471 134	416 146	448 256
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		315 113	-	-	-	-	-	44 628	44 628	359 741	295 102	293 112
Waste water management		124 438	-	-	-	-	-	(13 046)	(13 046)	111 393	121 044	155 144
Waste management		-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	763 503	-	-	-	-	-	6 655	6 655	770 158	746 967	754 791
<b>Expenditure - Functional</b>												
<b>Governance and administration</b>		160 115	-	-	-	-	-	(3 367)	(3 367)	156 748	167 979	177 885
Executive and council		26 061	-	-	-	-	-	(1 989)	(1 989)	24 072	27 608	29 230
Finance and administration		130 667	-	-	-	-	-	(1 430)	(1 430)	129 237	136 820	144 895
Internal audit		3 387	-	-	-	-	-	52	52	3 439	3 551	3 760
<b>Community and public safety</b>		32 750	-	-	-	-	-	(4 060)	(4 060)	28 690	35 010	36 671
Community and social services		-	-	-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		20 703	-	-	-	-	-	(5 722)	(5 722)	14 981	21 956	23 280
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		12 048	-	-	-	-	-	1 662	1 662	13 709	13 054	13 390
<b>Economic and environmental services</b>		118 683	-	-	-	-	-	(785)	(785)	117 898	106 882	70 671
Planning and development		66 903	-	-	-	-	-	(2 238)	(2 238)	64 664	64 696	68 342
Road transport		40 180	-	-	-	-	-	1 454	1 454	41 634	42 186	2 329
Environmental protection		11 600	-	-	-	-	-	-	-	11 600	-	-
<b>Trading services</b>		206 724	-	-	-	-	-	25 758	25 758	232 482	205 966	225 661
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		104 580	-	-	-	-	-	(5 642)	(5 642)	98 938	110 583	116 985
Waste water management		102 143	-	-	-	-	-	31 400	31 400	133 544	95 383	108 676
Waste management		-	-	-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	518 272	-	-	-	-	-	17 546	17 546	535 818	515 836	510 888
<b>Surplus/ (Deficit) for the year</b>		245 231	-	-	-	-	-	(10 891)	(10 891)	234 340	231 131	243 903

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**4.3 Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)**

(The operating expenditure budget is approved by Council on the municipal vote level. The Municipal votes reflect the organisational structure of the District Municipality which is made up of the following directorates: Management Services; Financial Services; Corporate Services; Technical Services and Community Services)

Choose name from list - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description  <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2017/18									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>Revenue by Vote</b>	1											
Vote 1 - MANAGEMENT SERVICES		2 010	-	-	-	-	-	1 000	1 000	3 010	-	-
Vote 2 - FINANCIAL SERVICES		244 440	-	-	-	-	-	(28 439)	(28 439)	216 001	264 534	279 753
Vote 3 - CORPORATE SERVICES		2 397	-	-	-	-	-	203	203	2 600	2 421	2 445
Vote 4 - TECHNICAL SERVICES		501 866	-	-	-	-	-	33 891	33 891	535 757	480 013	472 593
Vote 5 - COMMUNITY SERVICES		11 832	-	-	-	-	-	-	-	11 832	-	-
Vote 6 - INSTITUTIONAL SUPPORT AND ADVANCEMENT		957	-	-	-	-	-	-	-	957	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
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>Total Revenue by Vote</b>	2	<b>763 503</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 655</b>	<b>6 655</b>	<b>770 158</b>	<b>746 967</b>	<b>754 791</b>
<b>Expenditure by Vote</b>	1											
Vote 1 - MANAGEMENT SERVICES		46 224	-	-	-	-	-	(2 392)	(2 392)	43 832	44 558	47 153
Vote 2 - FINANCIAL SERVICES		60 097	-	-	-	-	-	1 822	1 822	61 919	63 239	67 165
Vote 3 - CORPORATE SERVICES		51 849	-	-	-	-	-	2 619	2 619	54 468	54 938	58 164
Vote 4 - TECHNICAL SERVICES		277 350	-	-	-	-	-	29 414	29 414	306 764	278 696	260 337
Vote 5 - COMMUNITY SERVICES		64 059	-	-	-	-	-	(8 040)	(8 040)	56 019	55 793	58 534
Vote 6 - INSTITUTIONAL SUPPORT AND ADVANCEMENT		18 693	-	-	-	-	-	(5 877)	(5 877)	12 816	18 613	19 535
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
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>Total Expenditure by Vote</b>	2	<b>518 272</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 546</b>	<b>17 546</b>	<b>535 818</b>	<b>515 836</b>	<b>510 888</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>245 231</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10 891)</b>	<b>(10 891)</b>	<b>234 340</b>	<b>231 131</b>	<b>243 903</b>

## ADJUSTMENT BUDGET 2017/2018

### 4.4 Table B4 - Budgeted Financial Performance (revenue and expenditure)

Choose name from list - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2017/18									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	4	5	6	7	8	9	10	+1 2018/19	+2 2019/20
		A1	B	C	D	E	F	G	H			
<b>Revenue By Source</b>												
Property rates	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - water revenue	2	106 558	-	-	-	-	-	-	-	106 558	112 951	119 728
Service charges - sanitation revenue	2	28 838	-	-	-	-	-	-	-	28 838	30 569	32 403
Service charges - refuse revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - other												
Rental of facilities and equipment		9						-	-	9	10	10
Interest earned - external investments		4 040						-	-	4 040	4 272	4 528
Interest earned - outstanding debtors		13 078						2 308	2 308	15 386	13 863	14 694
Dividends received												
Fines, penalties and forfeits												
Licences and permits												
Agency services		992						-	-	992	800	-
Transfers and subsidies		355 444						42 155	42 155	397 599	351 466	336 867
Other revenue	2	388	-	-	-	-	-	505	505	893	411	435
Gains on disposal of PPE												
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>509 348</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44 968</b>	<b>44 968</b>	<b>554 316</b>	<b>514 341</b>	<b>508 666</b>
<b>Expenditure By Type</b>												
Employee related costs		186 951	-	-	-	-	-	3 700	3 700	190 651	195 802	186 508
Remuneration of councillors		7 242						(1 670)	(1 670)	5 572	7 670	8 115
Debt impairment		20 875						-	-	20 875	22 128	23 455
Depreciation & asset impairment		46 921	-	-	-	-	-	(549)	(549)	46 372	49 706	52 658
Finance charges		2 294						(1 291)	(1 291)	1 003	2 432	2 577
Bulk purchases		9 000	-	-	-	-	-	-	-	9 000	9 540	10 112
Other materials												
Contracted services		111 507	-	-	-	-	-	41 420	41 420	152 927	100 339	101 493
Transfers and subsidies		16 505						(4 680)	(4 680)	11 825	17 496	18 545
Other expenditure		116 976	-	-	-	-	-	(19 514)	(19 514)	97 462	110 726	107 424
Loss on disposal of PPE												
<b>Total Expenditure</b>		<b>518 272</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17 416</b>	<b>17 416</b>	<b>535 688</b>	<b>515 836</b>	<b>510 888</b>
<b>Surplus/(Deficit)</b>												
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(8 924)	-	-	-	-	-	27 552	27 552	18 628	(1 495)	(2 222)
Transfers and subsidies - capital (in-kind - all allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher)		254 155						(38 443)	(38 443)	215 712	232 626	246 125
<b>Surplus/(Deficit) before taxation</b>		<b>245 231</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10 891)</b>	<b>(10 891)</b>	<b>234 340</b>	<b>231 131</b>	<b>243 903</b>
Taxation												
<b>Surplus/(Deficit) after taxation</b>		<b>245 231</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10 891)</b>	<b>(10 891)</b>	<b>234 340</b>	<b>231 131</b>	<b>243 903</b>
Attributable to minorities												
<b>Surplus/(Deficit) attributable to municipality</b>		<b>245 231</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10 891)</b>	<b>(10 891)</b>	<b>234 340</b>	<b>231 131</b>	<b>243 903</b>
Share of surplus/ (deficit) of associate												
<b>Surplus/ (Deficit) for the year</b>		<b>245 231</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(10 891)</b>	<b>(10 891)</b>	<b>234 340</b>	<b>231 131</b>	<b>243 903</b>

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**4.5 Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding**

Choose name from list - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2017/18									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	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H			
<b>Capital expenditure - Vote</b>												
<b>Multi-year expenditure to be adjusted</b>												
Vote 1 - MANAGEMENT SERVICES	2	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - TECHNICAL SERVICES		254 155	-	-	-	-	(38 751)	(38 751)	215 404	232 626	246 125	
Vote 5 - COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	
Vote 6 - INSTITUTIONAL SUPPORT AND ADVANCEMENT		-	-	-	-	-	-	-	-	-	-	
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	
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>254 155</b>	-	-	-	-	<b>(38 751)</b>	<b>(38 751)</b>	<b>215 404</b>	<b>232 626</b>	<b>246 125</b>	
<b>Single-year expenditure to be adjusted</b>												
Vote 1 - MANAGEMENT SERVICES	2	191	-	-	-	-	(191)	(191)	-	35	40	
Vote 2 - FINANCIAL SERVICES		25	-	-	-	-	(25)	(25)	-	-	-	
Vote 3 - CORPORATE SERVICES		690	-	-	-	-	500	500	1 190	70	-	
Vote 4 - TECHNICAL SERVICES		1 000	-	-	-	-	-	-	1 000	-	-	
Vote 5 - COMMUNITY SERVICES		1 145	-	-	-	-	(1 145)	(1 145)	-	400	-	
Vote 6 - INSTITUTIONAL SUPPORT AND ADVANCEMENT		1 340	-	-	-	-	(445)	(445)	895	1 250	1 250	
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	
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>4 391</b>	-	-	-	-	<b>(1 306)</b>	<b>(1 306)</b>	<b>3 085</b>	<b>1 755</b>	<b>1 290</b>	
<b>Total Capital Expenditure - Vote</b>		<b>258 546</b>	-	-	-	-	<b>(40 057)</b>	<b>(40 057)</b>	<b>218 489</b>	<b>234 381</b>	<b>247 415</b>	
<b>Capital Expenditure - Functional</b>												
<b>Governance and administration</b>												
Executive and council		50	-	-	-	-	(50)	(50)	-	-	-	
Finance and administration		2 055	-	-	-	-	30	30	2 085	1 320	1 250	
Internal audit		131	-	-	-	-	(131)	(131)	-	35	40	
<b>Community and public safety</b>		<b>1 145</b>	-	-	-	-	<b>(1 145)</b>	<b>(1 145)</b>	-	<b>400</b>	-	
Community and social services		-	-	-	-	-	-	-	-	-	-	
Sport and recreation		-	-	-	-	-	-	-	-	-	-	
Public safety		-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	
Health		1 145	-	-	-	-	(1 145)	(1 145)	-	400	-	
<b>Economic and environmental services</b>		<b>1 010</b>	-	-	-	-	<b>(10)</b>	<b>(10)</b>	<b>1 000</b>	-	-	
Planning and development		1 010	-	-	-	-	(10)	(10)	1 000	-	-	
Road transport		-	-	-	-	-	-	-	-	-	-	
Environmental protection		-	-	-	-	-	-	-	-	-	-	
<b>Trading services</b>		<b>254 155</b>	-	-	-	-	<b>(41 155)</b>	<b>(41 155)</b>	<b>213 000</b>	<b>232 626</b>	<b>246 125</b>	
Energy sources		-	-	-	-	-	-	-	-	-	-	
Water management		208 555	-	-	-	-	(24 055)	(24 055)	184 500	181 150	175 384	
Waste water management		45 600	-	-	-	-	(17 100)	(17 100)	28 500	51 476	70 741	
Waste management		-	-	-	-	-	-	-	-	-	-	
<b>Other</b>		<b>2 404</b>	-	-	-	-	<b>2 404</b>	<b>2 404</b>	<b>2 404</b>	-	-	
<b>Total Capital Expenditure - Functional</b>	3	<b>258 546</b>	-	-	-	-	<b>(40 057)</b>	<b>(40 057)</b>	<b>218 489</b>	<b>234 381</b>	<b>247 415</b>	
<b>Funded by:</b>												
National Government		174 155	-	-	-	-	(38 771)	(38 771)	135 384	232 626	246 125	
Provincial Government		80 000	-	-	-	-	-	-	80 000	-	-	
District Municipality		-	-	-	-	-	-	-	-	-	-	
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	
<b>Transfers recognised - capital</b>	4	<b>254 155</b>	-	-	-	-	<b>(38 771)</b>	<b>(38 771)</b>	<b>215 384</b>	<b>232 626</b>	<b>246 125</b>	
<b>Public contributions &amp; donations</b>		-	-	-	-	-	-	-	-	-	-	
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	
<b>Internally generated funds</b>		<b>4 391</b>	-	-	-	-	<b>(1 286)</b>	<b>(1 286)</b>	<b>3 105</b>	<b>1 755</b>	<b>1 290</b>	
<b>Total Capital Funding</b>		<b>258 546</b>	-	-	-	-	<b>(40 057)</b>	<b>(40 057)</b>	<b>218 489</b>	<b>234 381</b>	<b>247 415</b>	

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**4.6 Table B6 - Budgeted Financial Position**

Choose name from list - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2017/18									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			
		A	A1	B	C	D	E	F	G	H		
<b>ASSETS</b>												
<b>Current assets</b>												
Cash		2 273					306		306	2 579	4 109	8 474
Call investment deposits	1	630	-	-	-	-	-	-	-	630	375	1 085
Consumer debtors	1	85 991	-	-	-	-	-	-	-	85 991	105 991	125 300
Other debtors		31 275								31 275	31 275	31 275
Current portion of long-term receivables										-	-	-
Inventory		3 178								3 178	3 178	3 178
<b>Total current assets</b>		<b>123 347</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306</b>	<b>306</b>	<b>306</b>	<b>123 653</b>	<b>144 927</b>	<b>169 312</b>
<b>Non current assets</b>												
Long-term receivables		-								-	-	-
Investments		3 305								3 305	3 305	3 305
Investment property		2 534								2 534	2 534	2 534
Investment in Associate		-								-	-	-
Property, plant and equipment	1	1 704 252	-	-	-	-	(39 411)	(39 411)	(39 411)	1 664 840	1 889 424	2 084 181
Agricultural		-								-	-	-
Biological		-								-	-	-
Intangible		880					(646)	(646)	(646)	234	383	383
Other non-current assets		-								-	-	-
<b>Total non current assets</b>		<b>1 710 971</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40 057)</b>	<b>(40 057)</b>	<b>(40 057)</b>	<b>1 670 913</b>	<b>1 895 646</b>	<b>2 090 402</b>
<b>TOTAL ASSETS</b>		<b>1 834 318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(39 751)</b>	<b>(39 751)</b>	<b>(39 751)</b>	<b>1 794 566</b>	<b>2 040 572</b>	<b>2 259 714</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft										-	-	-
Borrowing		2 684	-	-	-	-	-	-	-	2 684	2 147	1 718
Consumer deposits		890								890	890	890
Trade and other payables		71 392	-	-	-	-	(40 411)	(40 411)	(40 411)	30 981	43 038	13 761
Provisions		22 909								22 909	22 909	22 909
<b>Total current liabilities</b>		<b>97 876</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40 411)</b>	<b>(40 411)</b>	<b>(40 411)</b>	<b>57 465</b>	<b>68 985</b>	<b>39 279</b>
<b>Non current liabilities</b>												
Borrowing	1	11 552	-	-	-	-	-	-	-	11 552	11 300	11 730
Provisions	1	39 246	-	-	-	-	-	-	-	39 246	43 514	48 028
<b>Total non current liabilities</b>		<b>50 799</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50 799</b>	<b>54 813</b>	<b>59 758</b>
<b>TOTAL LIABILITIES</b>		<b>148 674</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(40 411)</b>	<b>(40 411)</b>	<b>(40 411)</b>	<b>108 263</b>	<b>123 798</b>	<b>99 037</b>
<b>NET ASSETS</b>	2	<b>1 685 643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>660</b>	<b>660</b>	<b>660</b>	<b>1 686 303</b>	<b>1 916 774</b>	<b>2 160 677</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		1 685 643	-	-	-	-	-	-	-	1 685 643	1 916 774	2 160 677
Reserves		-	-	-	-	-	-	-	-	-	-	-
Minorities' interests												
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>1 685 643</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 685 643</b>	<b>1 916 774</b>	<b>2 160 677</b>

ADJUSTMENT BUDGET 2017/2018

**4.7 Table B7 - Budgeted Cash Flows**

Choose name from list - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2017/18								Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget
R thousands	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates								-	-		
Service charges		101 604					(48 262)	(48 262)	53 342	113 756	124 061
Other revenue		1 389					504	504	1 894	1 221	445
Government - operating	1	355 444					41 155	41 155	396 599	351 466	336 867
Government - capital	1	254 155					(41 155)	(41 155)	213 000	232 626	246 125
Interest		4 040							4 040	4 272	4 528
Dividends		-							-	-	-
<b>Payments</b>											
Suppliers and employees		(437 074)					9 235	9 235	(427 839)	(448 162)	(438 413)
Finance charges		-							-	-	-
Transfers and Grants	1	(16 505)					4 680	4 680	(11 825)	(17 496)	(18 545)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>263 054</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(33 842)</b>	<b>(33 842)</b>	<b>229 211</b>	<b>237 682</b>	<b>255 067</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE								-	-		
Decrease (increase) in non-current debtors								-	-		
Decrease (increase) other non-current receivables								-	-		
Decrease (increase) in non-current investments								-	-		
<b>Payments</b>											
Capital assets		(258 546)					40 057	40 057	(218 489)	(232 881)	(247 415)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(258 546)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40 057</b>	<b>40 057</b>	<b>(218 489)</b>	<b>(232 881)</b>	<b>(247 415)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans								-	-		
Borrowing long term/refinancing								-	-		
Increase (decrease) in consumer deposits								-	-		
<b>Payments</b>											
Repayment of borrowing		(4 026)							(4 026)	(3 221)	(2 577)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(4 026)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4 026)</b>	<b>(3 221)</b>	<b>(2 577)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>482</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 215</b>	<b>6 215</b>	<b>6 696</b>	<b>1 580</b>	<b>5 076</b>
Cash/cash equivalents at the year begin:	2	(3 488)							(3 488)	2 903	4 483
Cash/cash equivalents at the year end:	2	(3 006)						6 215	3 209	4 483	9 559



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**4.8 Table B8 - Cash backed reserves/accumulated surplus reconciliation**

Choose name from list - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2017/18								Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	
R thousands		3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	(3 006)	-	-	-	-	-	6 215	6 215	3 209	4 483	9 559
Other current investments > 90 days		5 909	-	-	-	-	-	(5 909)	(5 909)	0	0	0
Non current assets - Investments	1	3 305	-	-	-	-	-	-	-	3 305	3 305	3 305
<b>Cash and investments available:</b>		<b>6 208</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>306</b>	<b>306</b>	<b>6 514</b>	<b>7 788</b>	<b>12 864</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		1 006	-	-	-	-	-	-	-	1 006	986	966
Unspent borrowing												
Statutory requirements												
Other working capital requirements	2	(11 999)	-	-	-	-	-	(2 245)	(2 245)	(14 244)	(58 353)	(104 198)
Other provisions												
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>		<b>(10 993)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2 245)</b>	<b>(2 245)</b>	<b>(13 238)</b>	<b>(57 367)</b>	<b>(103 232)</b>
<b>Surplus(shortfall)</b>		<b>17 201</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 551</b>	<b>2 551</b>	<b>19 753</b>	<b>65 156</b>	<b>116 096</b>

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**4.9 Table B9 - Asset Management**

Choose name from list - Table B9 Asset Management -

Description	Ref	Budget Year 2017/18									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	7	8	9	10	11	12	13	14		
		A	A1	B	C	D	E	F	G	H		
<b>CAPITAL EXPENDITURE</b>												
<b>Total New Assets to be adjusted</b>	1	106 191	-	-	-	-	-	(41 301)	(41 301)	64 890	83 510	101 290
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		78 000	-	-	-	-	-	(41 155)	(41 155)	36 845	53 755	65 000
<i>Sanitation Infrastructure</i>		23 800	-	-	-	-	-	-	-	23 800	28 000	35 000
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		101 800	-	-	-	-	-	(41 155)	(41 155)	60 645	81 755	100 000
<i>Community Facilities</i>		1 000	-	-	-	-	-	-	-	1 000	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		1 000	-	-	-	-	-	-	-	1 000	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	6	-	-	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		646	-	-	-	-	-	(646)	(646)	-	535	540
<b>Intangible Assets</b>		646	-	-	-	-	-	(646)	(646)	-	535	540
<i>Computer Equipment</i>		755	-	-	-	-	-	220	220	975	750	750
<i>Furniture and Office Equipment</i>		390	-	-	-	-	-	(110)	(110)	280	70	-
<i>Machinery and Equipment</i>		500	-	-	-	-	-	500	500	1 000	400	-
<i>Transport Assets</i>		1 100	-	-	-	-	-	(110)	(110)	990	-	-
<i>Libraries</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Renewal of Existing Assets to be adjusted</b>	2	121 755	-	-	-	-	-	-	-	121 755	126 871	119 500
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		113 055	-	-	-	-	-	-	-	113 055	117 395	110 384
<i>Sanitation Infrastructure</i>		8 700	-	-	-	-	-	-	-	8 700	9 476	9 116
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Infrastructure</b>		121 755	-	-	-	-	-	-	-	121 755	126 871	119 500
<i>Community Facilities</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Heritage Assets</b>		-	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Other Assets</b>	6	-	-	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-	-	-	-
<i>Computer Equipment</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Furniture and Office Equipment</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Machinery and Equipment</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Transport Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Libraries</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-

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<b>Total Upgrading of Existing Assets to be adjusted</b>	2a	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to be adjusted</b>	4	-	-	-	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		191 055	-	-	-	-	(41 155)	(41 155)	149 900	171 150	175 384	-	-	-
Sanitation Infrastructure		32 500	-	-	-	-	-	-	32 500	37 476	44 116	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	-	-
Infrastructure		223 555	-	-	-	-	(41 155)	(41 155)	182 400	208 626	219 500	-	-	-
Community Facilities		1 000	-	-	-	-	-	-	1 000	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	-	-
Community Assets		1 000	-	-	-	-	-	-	1 000	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights		646	-	-	-	-	(646)	(646)	-	535	540	-	-	-
Intangible Assets		646	-	-	-	-	(646)	(646)	-	535	540	-	-	-
Computer Equipment		755	-	-	-	-	220	220	975	750	750	-	-	-
Furniture and Office Equipment		390	-	-	-	-	(110)	(110)	280	70	-	-	-	-
Machinery and Equipment		500	-	-	-	-	500	500	1 000	400	-	-	-	-
Transport Assets		1 100	-	-	-	-	(110)	(110)	990	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	4	227 946	-	-	-	-	(41 301)	(41 301)	186 645	210 381	220 790	-	-	-

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## 4.10 Table B10 - Basic service delivery measurement

Choose name from list - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjus.	Adjus.	Budget	Budget	Budget
		7	8	9	10	11	12	13	14			
		A	A1	B	C	D	E	F	G	H		
<b>Household service targets</b>	1											
<b>Water:</b>												
Piped water inside dwelling		15430							-	15	15430	15430
Piped water inside yard (but not in dwelling)		21654							-	22	21654	21654
Using public tap (at least min.service level)	2	17106							-	17	17106	17106
Other water supply (at least min.service level)		5000							-	5	5	5
<i>Minimum Service Level and Above sub-total</i>		59							-	59	59	59
Using public tap (< min.service level)	3	6995							-	7	6995	6995
Other water supply (< min.service level)	3,4	11249							-	11	11249	11249
No water supply		20287							-	20	20287	20287
<i>Below Minimum Service Level sub-total</i>		39							-	39	39	39
<b>Total number of households</b>	5	98							-	98	98	98
<b>Sanitation/sewerage:</b>												
Flush toilet (connected to sewerage)		23308							-	23 308	23308	23308
Flush toilet (with septic tank)		2879							-	2 879	2879	2879
Chemical toilet		3511							-	3 511	3511	3511
Pit toilet (ventilated)		20570							-	20 570	20570	20570
Other toilet provisions (> min.service level)		8304							-	8 304	8304	8304
<i>Minimum Service Level and Above sub-total</i>		58 572							-	58 572	58 572	58 572
Bucket toilet		1730							-	1 730	1730	1730
Other toilet provisions (< min.service level)		25725							-	25 725	25725	25725
No toilet provisions		11737							-	11 737	11737	11737
<i>Below Minimum Service Level sub-total</i>		39 192							-	39 192	39 192	39 192
<b>Total number of households</b>	5	97 764							-	97 764	97 764	97 764
<b>Energy:</b>												
Electricity (at least min. service level)									-	-		
Electricity - prepaid (> min.service level)									-	-		
<i>Minimum Service Level and Above sub-total</i>									-	-		
Electricity (< min.service level)									-	-		
Electricity - prepaid (< min. service level)									-	-		
Other energy sources									-	-		
<i>Below Minimum Service Level sub-total</i>									-	-		
<b>Total number of households</b>	5								-	-		
<b>Refuse:</b>												
Removed at least once a week (min.service)									-	-		
<i>Minimum Service Level and Above sub-total</i>									-	-		
Removed less frequently than once a week									-	-		
Using communal refuse dump									-	-		
Using own refuse dump									-	-		
Other rubbish disposal									-	-		
No rubbish disposal									-	-		
<i>Below Minimum Service Level sub-total</i>									-	-		
<b>Total number of households</b>	5								-	-		
<b>Households receiving Free Basic Service</b>	15											
Water (6 kilolitres per household per month)									-	-		
Sanitation (free minimum level service)									-	-		
Electricity/other energy (50kwh per household per month)									-	-		
Refuse (removed at least once a week)									-	-		
<b>Cost of Free Basic Services provided (R'000)</b>	16											
Water (6 kilolitres per household per month)		27 416							-	27 416	29 061	30 805
Sanitation (free sanitation service)		1 454							-	1 454	1 542	1 634
Electricity/other energy (50kwh per household per month)									-	-		
Refuse (removed once a week)									-	-		
<b>Total cost of FBS provided (minimum social pack)</b>		28 871							-	28 871	30 603	32 439
<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)									-	-		
Property rates (other exemptions, reductions and rebates)									-	-		
Water									-	-		
Sanitation									-	-		
Electricity/other energy									-	-		
Refuse									-	-		
Municipal Housing - rental rebates									-	-		
Housing - top structure subsidies	6								-	-		
Other									-	-		
<b>Total revenue cost of free services provided (total s</b>									-	-		

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## **PART 2 – SUPPORTING DOCUMENTATION**

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### **Section 5–Adjustments to budget assumptions**

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No changes were made to the budget assumptions as included in the A Schedule for 2017/2018 financial year.

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### **Section 6–Adjustments to budget funding**

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#### **6.1 Summary of the impact of the adjustments budget**

##### ***6.1.1 Funding of operating and capital expenditure***

The cash and cash equivalent situation will not deteriorate to an overdraft by the end of June 2018. The cash flow on capital assets from own sources (Equitable share) to the value of R 9 million place a burden on the cash and cash equivalents. The budget is cash backed.

##### ***6.1.2 Financial plans***

At this stage Joe Gqabi District Municipality has not yet adopted a long-term financial plan that is fully funded. It is therefore difficult to provide inputs on how the adjustment budget will influence the financial plan.

##### ***6.1.3 Reserves & Provisions***

Only a portion of the reserves and provisions will be cash backed at 30 June 2018. The provisions to be cash funded will amount to R 3 million, whilst no reserves exist currently. The provisions are mainly employee benefits.

##### ***6.1.4 Financial sustainability of the District Municipality***

The financial sustainability of the District Municipality is under pressure due to the unfunded employee benefit provisions, low collection rate, unspent grants and a decrease in the Department of Roads and Public Works grant. These provisions include the following:

## ADJUSTMENT BUDGET 2017/2018

- Post-retirement health care benefits;
- Staff long service awards;
- Ex gratia Pension; and
- Staff leave

Refer to 'Supporting Table SB6 Adjustments Budget - funding measurement' for more detail.

Choose name from list - Supporting Table SB6 Adjustments Budget - funding measurement -

Description	Ref	MFMA section	2014/15	2015/16	2016/17	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2018/19	Budget Year +2 2019/20
<b>R thousands</b>										
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	1	18(1)b				(3 006)	-	3 209	4 483	9 559
Cash + investments at the yr end less applications - R'000	2	18(1)b				17 201	-	19 753	65 156	116 096
Cash year end/monthly employee/supplier payments	3	18(1)b				-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)				245 231	-	234 340	231 131	243 903
Service charge rev % change - macro CPI target exclusive	5	18(1)a,(2)				0,0%	0,0%	0,0%	0,0%	0,0%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0,0%	0,0%	0,0%	68,7%	0,0%	36,2%	72,5%	74,4%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)				15,4%	0,0%	15,4%	15,4%	15,4%
Capital payments % of capital expenditure	8	18(1)c;19				100,0%	0,0%	0,0%	0,0%	0,0%
Borrowing receipts % of capital expenditure (ex cl. transfers)	9	18(1)c				0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a				0,0%	0,0%	0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	11	18(1)a							17,1%	14,1%
Long term receivables % change - incr(decr)	12	18(1)a							0,0%	0,0%
R&M % of Property Plant & Equipment	13	20(1)(vi)				0,0%	0,0%	0,0%	0,0%	0,0%
Asset renewal % of capital budget	14	20(1)(vi)				53,4%	0,0%	65,2%	60,3%	54,1%

### 6.2 Expenditure funded in accordance with MFMA section 18

All revenue streams have been adjusted to be realistic. See paragraph 6.1.1 for more details regarding the non-funding of the budget.

### 6.3 Adjustments to the monetary investments

No investment was adjusted.

### 6.4 Adjustments to contributions and donations in cash or in-kind

None

### 6.6 Adjustments related to proceeds from the sale of assets

None

**6.7 Adjustments related to proceeds from the lease of assets, where the period of the lease is three years or more**

None

**6.8 Adjustments related to the planned use of previous years' cash backed accumulated surplus**

None

**6.9 Adjustments related to new proposed loans to be raised in the budget year**

None

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**Section 7 – Adjustments to expenditure on allocations and grant programmes**

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The changes to grants relates to the upward adjustment of:

- Human Settlement Grant by R 2.4 million.

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**Section 8 – Adjustments to allocations or grants made by the District Municipality**

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The Municipality referred back to performing Fire Services internally until an agreement can be reached and the Working on Fire project commenced.

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**Section 9 – Adjustments to councillors and board members allowances and employee benefits**

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The remuneration for Councillors budgeted amount was decreased, whilst the employee related costs were increased.



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**Section 10 – Adjustments to service delivery and budget implementation plan**

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**10.1 Quarterly service delivery targets and performance indicators in the SDBIP**

Adjustments were made to non-financial indicators. These adjustments will be included in a separate document.

**10.2 Key financial indicators**

The annual collection rate was set at 30% for the year in the adjustments budget.

# ADJUSTMENT BUDGET 2017/2018

Choose name from list - Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks -

Description of financial indicator	Basis of calculation	2014/15	2015/16	2016/17	Budget Year 2017/18			Budget Year +1 2018/19	Budget Year +2 2019/20
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>Borrowing Management</b>									
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure				1,2%	0,0%	0,9%	1,1%	1,0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue				0,0%	0,0%	0,0%	0,0%	0,0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants				0,0%	0,0%	0,0%	0,0%	0,0%
<b>Safety of Capital</b>									
Gearing	Long Term Borrowing/ Funds & Reserves				0,0%	0,0%	0,0%	0,0%	0,0%
<b>Liquidity</b>									
Current Ratio	Current assets/current liabilities				126,0%	0,0%	215,2%	210,1%	431,1%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities				126,0%	0,0%	0,0%	0,0%	0,0%
Liquidity Ratio	Monetary Assets/Current Liabilities				0,0	0,0	0,1	0,1	0,2
<b>Revenue Management</b>									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing								
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)									
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue				23,0%	0,0%	21,2%	26,7%	30,8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0,0%	0,0%	0,0%	0,0%	0,0%
<b>Creditors Management</b>									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))								
Creditors to Cash and Investments					-2374,8%	0,0%	965,6%	960,0%	144,0%
<b>Other Indicators</b>									
Electricity Distribution Losses (2)	Total Volume Losses (kW)								
	Total Cost of Losses (Rand '000)								
	% Volume (units purchased and generated less units sold)/units purchased and generated								
Water Distribution Losses (2)	Total Volume Losses (kℓ)								
	Total Cost of Losses (Rand '000)								
	% Volume (units purchased and generated less units sold)/units purchased and generated								
Employee costs	Employee costs/(Total Revenue - capital revenue)				36,7%	0,0%	34,4%	38,1%	36,7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)								
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)				0,0%	0,0%	0,0%	0,0%	0,0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)				9,7%	0,0%	8,5%	10,1%	10,9%
<b>IDP regulation financial viability indicators</b>									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)				2722,8%	0,0%	2772,6%	3160,1%	3333,3%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services				16,9%	0,0%	15,5%	20,6%	24,6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure				0,0	0,0	0,0	0,0	0,0

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**Section 11 – Adjustments to capital expenditure**

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As already mentioned in the executive summary; the capital budget was increased by R40 million, from R 258.5 million to R 218.4 million.

The MIG, RBIG, WSIG and Provincial Treasury projects are indicated inclusive of VAT in order to align the expenditure to Funding allocated as per the DoRA and Table B5 of the B Schedule.

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**Section 12 – Municipal Manager’s quality certification**

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An adjustments budget and supporting documentation must be covered by a quality certificate in the format as per page 75 of the Government Gazette 32141 - 17 April 2009.

**QUALITY CERTIFICATE**

I, ZA Williams, Municipal Manager of Joe Gqabi District Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documents are consistent with the Integrated Development Plan of the District Municipality.

Print Name \_\_\_\_\_

Municipal Manager of Joe Gqabi District Municipality (DC14)

Signature \_\_\_\_\_

Date \_\_\_\_\_