



"An improved quality of life for all residents"

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.*

Adjustment Budget

dated

23 February 2014

JOE GQABI

DISTRICT MUNICIPALITY

ADJUSTMENT BUDGET 2014/2014

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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; and
- Community Services.

PART 1 – ADJUSTMENTS BUDGET

Section 1 – Mayor's Report

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:

- MIG – R 19 million.
- WSOG – R 4.6 million.
- Department of Human Settlement – R 7.5 million.
- Eastern Cape Provincial Government – R 50 million.

1.1.5 *Correction of budget errors*

None.

1.2 Any other information considered relevant by the mayor

None

Section 2 - Resolutions

ADJUSTMENT BUDGET 2014/2015

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 2014/2015 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)

Section 3 – Executive Summary

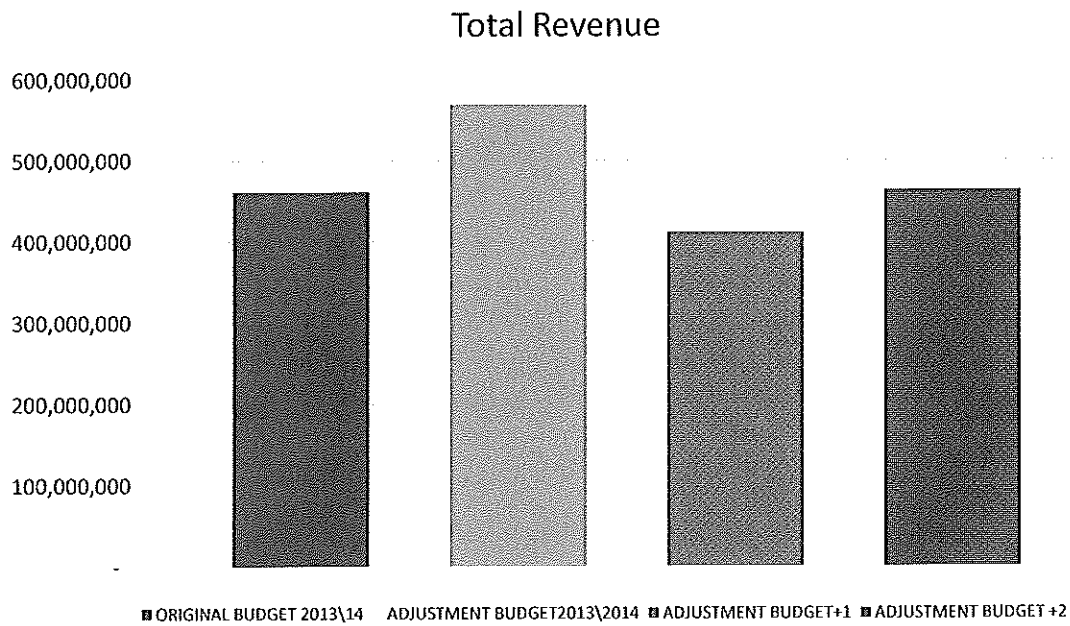
3.1 INTRODUCTION

The adjustments budget for 2014/15 is the first adjustment budget of Joe Gqabi District Municipality prepared via the SAMRAS financial system to comply with the Budget and Reporting Regulations and guidelines as issued by NT.

3.2 OPERATIONAL BUDGET

The overall changes made to the 2014/2015 budget can be best illustrated in Chart 1 and 2 below.

Chart 1 – Operational Revenue Budget

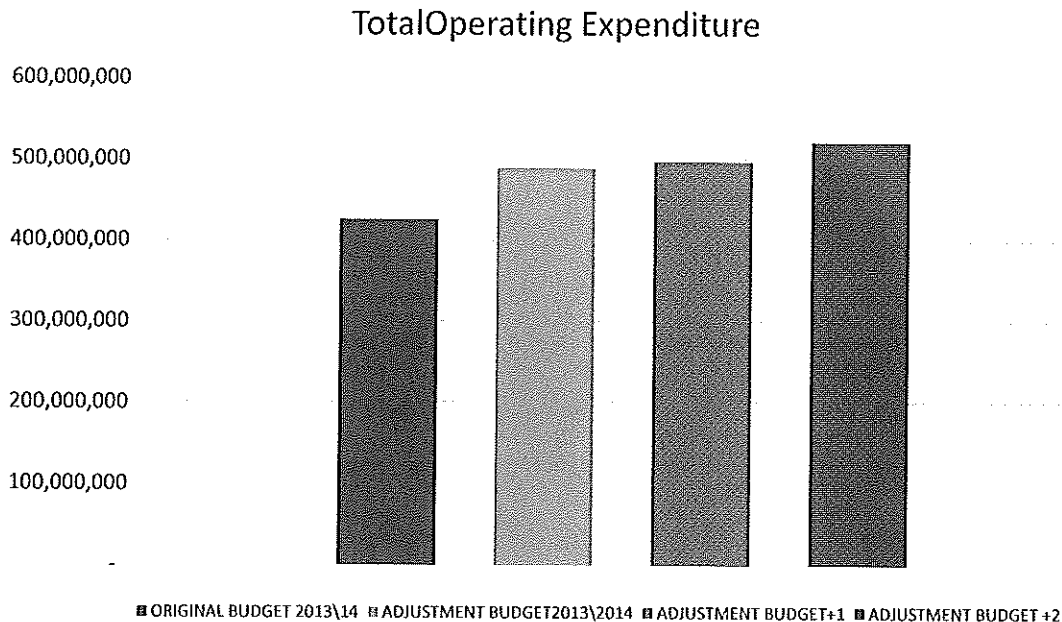


The operational revenue budget excluding capital transfers recognised has been adjusted upwards by R 132.9 million or 50% from R 265.8 million to R 398.7 million

ADJUSTMENT BUDGET 2014/2014

The capital transfers recognised has been adjusted upwards by R 63 million from R 209.5 million to R 273.1 million for the 2014/2015 budget year.

Chart 2 – Operational Expenditure Budget



The operational expenditure has been adjusted upwards by R69.7 million or 10% from R 529 million to R 598.8 million.

The detail amounts of both revenue and expenditure for the adjustment budget are included in Table B4 in Section 4 of this report.

Operating Revenue

Operating Revenue was adjusted as follows

- MIG - R 19 million.
- Government Services – R -.4.4 million.
- Environmental Health – R 1.1 million.
- DRAT – R -3.8 million

ADJUSTMENT BUDGET 2014/2014

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

- Additional allocation of R 1.2 million to JoGEDA.
- Repairs and maintenance with an additional amount of R5.9 million.
- Contracted services adjusted upwards with R 5.2 million.
- Subsistence and Travelling was increased with an amount of R 2,9 million.
- General expenses were increased with R 4.2 million.

Capital budget

- MIG capital projects will be increased by the R 19 million, which is the approved roll over amount(Vat inclusive).
- WSOG project has been increased by an amount of R 4.6 million, also an approved roll over amount.

The table below provides the list of projects affected by the Adjustment Budget

MIG-FUNDED CAPITAL PROJECTS	Original budget - current year	Adjustment Budget 2014/2015	Movement
Steynsburg Waterborne Sanitati	7 894 737	1 156 140	(6 738 597)
Jamestown Sanitation Phase 2	8 771 930	2 471 930	(6 300 000)
UGIE SANITATION INFRASTRUCTURE	6 140 351	1 000 000	(5 140 351)
Maclear Upgrade of Bulk San	11 403 509	1 638 457	(9 765 052)
MIG LADY GREY BULK WATER INFR	6 268 421	6 268 421	-
MIG-Mt Fletcher Villages - Bul	6 578 947	30 000 000	23 421 053
MIG-Sterkspruit Upgrading of W	7 894 737	27 034 035	19 139 298
Senqu Rural Water Programme	24 561 404	24 561 404	(0)
Elundini Rural Water Programme	11 403 509	-	(11 403 509)
Maclear Upgrade of Bulk Water	4 385 965	3 265 965	(1 120 000)
Lady Grey: Kwezi Naledi Sanitation		400000	400 000
Steynsburg Bulk Water Supply		300000	300 000
Ugie Bulk Water Infrastructure	1 754 386	300 000	(1 454 386)
TOTAL EXCLUSIVE OF VAT	97 057 896	98 396 352	1 338 456

ADJUSTMENT BUDGET 2014/2014

	Original budget - current year	Adjustment Budget 2014/2015	Movement
WSOG-FUNDED PROJECTS			
Sterkspruit WTW Refurbishment	8 771 930	12 817 662	4 045 732
DEPARTMENT OF HUMAN SETTLEMENT			
Barkly East Upgrade	-	43 859 649	43 859 649
EASTERN CAPE PROVINCIAL GOVERNMENT			
Drought Relief Projects	-	6 578 947	6 578 947

Capital Adjustments are 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 improved by R7.2 million. It decreased from R159.5 million to a deficit of R 128.5million.

The District Municipality has a cash shortage when the reconciliation of cash and cash equivalents versus commitments is performed. The shortage is R39.2 million.

The operational and capital budget is under extreme 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 2.6) that was issued by National Treasury.

- **Depreciation charges**

The recalculation of depreciation charges were performed based on the financial outcomes of 2013/2014. The GRAP compliant asset register was used as basis together with the capital program of 2014/2015 to focus. The actual depreciation charges according to the AFS for 2013/2014 were R42.3 million; whilst the calculation for 2014/2015 is R 46 million.

- **Debt Impairment**

Debt impairment is based on current collection rate and any measures that have put in place to collect revenue. This has resulted in the increase of R11 million, from R 26.1 million to R37.6 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 2015.

Section 4 – Adjustments budget tables

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:

4.1 Table B1 - Budget Summary

(Providing an executive summary of Tables B2 to B10)

ADJUSTMENT BUDGET 2014/2014

DC14 Joe Gqabi - Table B1 Adjustments Budget Summary -												
Description	Budget Year 2014/15										Budget Year	Budget Year
	Original Budget	Prior Adjusted	Accum Funds	Multi-year capital	Unfore. Unavoid.	Net. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands	A	A1	B	C	D	E	F	G	H	I	J	
Financial Performance												
Property rates	-	-	-	-	-	-	-	-	-	-	-	
Service charges	55,946	55,946	-	-	-	-	11,169	11,168	67,113	67,136	60,532	
Investment revenue	2,304	2,304	-	-	-	-	1,959	1,959	4,333	4,333	2,600	
Transfers recognised - operational	254,204	254,204	-	-	-	-	(8,219)	(8,219)	245,989	252,995	283,177	
Other own revenue	7,109	7,119	-	-	-	-	1,144	1,144	8,263	6,519	8,221	
Total Revenue (excluding capital transfers and contributions)	319,663	319,663					6,058	6,058	328,719	300,982	379,651	
Employee costs	149,790	147,254	-	-	-	-	12,002	12,002	159,256	158,377	163,910	
Remuneration of councillors	5,743	5,743	-	-	-	-	-	-	5,743	6,111	6,478	
Depreciation & asset impairment	46,357	46,357	-	-	-	-	500	500	46,657	43,107	51,530	
Finance charges	4,121	4,121	-	-	-	-	(1,309)	(1,309)	2,752	4,300	4,578	
Materials and bulk purchases	5,039	3,709	-	-	-	-	-	-	3,709	3,789	5,665	
Transfers and grants	69,730	69,319	-	-	-	-	924	924	81,244	84,749	52,830	
Other expenditure	178,097	191,354	-	-	-	-	18,627	18,627	209,991	217,217	204,079	
Total Expenditure	478,908	478,918					30,684	30,684	509,603	524,689	494,180	
Surplus/(Deficit)	(159,245)	(159,255)					(24,626)	(24,626)	(180,884)	(193,697)	(114,529)	
Transfers recognised - capital	203,478	203,478	-	-	-	-	63,639	63,639	273,116	-	-	
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	50,223	50,223					39,010	39,010	69,232	(193,697)	(114,529)	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	50,223	50,223					39,010	39,010	69,232	(193,697)	(114,529)	
Capital expenditure & funds sources												
Capital expenditure	120,336	120,063	-	-	-	-	70,203	70,203	190,255	54,646	47,643	
Transfers recognised - capital	(63,649)	(62,999)	-	-	-	-	(54,359)	(54,359)	(137,353)	(54,646)	(47,643)	
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	
Borrowing	-	-	-	-	-	-	(15,000)	(15,000)	(15,000)	-	-	
Internally generated funds	213,895	(37,340)	-	-	-	-	(562)	(562)	(37,902)	-	-	
Total sources of capital funds	120,336	(120,336)					(69,919)	(69,919)	(190,255)	(54,646)	(47,643)	
Financial position												
Total current assets	65,922	-	-	-	-	-	(37,077)	(37,077)	28,845	63,776	105,238	
Total non current assets	1,413,008	-	-	-	-	-	(121,483)	(121,483)	1,291,525	1,472,919	1,581,193	
Total current liabilities	76,001	-	-	-	-	-	80,201	80,201	156,232	60,593	82,268	
Total non current liabilities	20,106	-	-	-	-	-	27,849	27,849	47,955	21,313	22,591	
Community wealth/Equity	1,382,783	-	-	-	-	-	(268,587)	(268,587)	1,114,206	1,454,790	1,561,566	
Cash flows												
Net cash from (used) operating	105,242	-	-	-	-	-	(20,844)	(20,844)	84,398	112,332	144,839	
Net cash from (used) investing	(120,109)	-	-	-	-	-	(69,639)	(69,639)	(189,793)	(109,996)	(140,002)	
Net cash from (used) financing	(1,000)	-	-	-	-	-	15,661	15,661	14,660	(1,000)	(1,000)	
Cash/cash equivalents at the year end	(49,867)						(69,659)	(69,659)	(65,639)	2,337	3,836	
Cash backing/surplus reconciliation												
Cash and investments available	27,348	-	-	-	-	-	(69,603)	(69,603)	(41,259)	28,107	29,145	
Application of cash and investments	(5,790)	-	-	-	-	-	71,525	71,525	65,735	(18,445)	(27,422)	
Balance - surplus (shortfall)	33,138						(140,131)	(140,131)	(103,999)	46,552	55,558	
Asset Management												
Asset register summary (VDA)	1,403,453	-	-	-	-	-	-	-	1,403,453	1,463,765	1,552,330	
Depreciation & asset impairment	46,357	46,357	-	-	-	-	500	500	46,657	43,107	51,530	
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-	-	
Repairs and Maintenance	177,412	-	-	-	-	-	-	-	177,412	168,951	201,167	
Free services												
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-	
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-	
Households below minimum service level												
Water	39	-	-	-	-	-	-	-	39	34	29	
Sanitation/sewerage	39	-	-	-	-	-	-	-	39	33	28	
Energy	103	-	-	-	-	-	-	-	103	103	103	
Refuse	70	-	-	-	-	-	-	-	70	70	70	

National Treasury tables are locked. The sizes cannot be increased, hence the "###" in the table

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

ADJUSTMENT BUDGET 2014/2014

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.)

DC14 Joe Gqabi - Table B2 Adjustments Budget Financial Performance (standard classification) -

Standard 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	+1 2015/16	+2 2016/17
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Standard												
<i>Governance and administration</i>		262,683	262,683	--	--	--	--	12,068	12,068	274,781	276,316	323,729
Executive and council		5,428	5,428	--	--	--	--	30	30	5,458	5,458	5,693
Budget and treasury office		253,046	253,046	--	--	--	--	12,000	12,000	268,076	268,608	318,652
Corporate services		1,209	1,209	--	--	--	--	8	8	1,216	1,220	1,211
<i>Community and public safety</i>		--	--	--	--	--	--	--	--	--	--	--
Community and social services		--	--	--	--	--	--	--	--	--	--	--
Spot and recreation		--	--	--	--	--	--	--	--	--	--	--
Public safety		--	--	--	--	--	--	--	--	--	--	--
Housing		--	--	--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--	--	--
<i>Economic and environmental services</i>		221,483	221,483	--	--	--	--	(5,623)	(5,623)	215,860	201,557	218,235
Planning and development		--	--	--	--	--	--	--	--	--	--	--
Road transport		203,662	203,662	--	--	--	--	(2,274)	(2,274)	204,688	193,265	202,807
Environmental protection		14,621	14,621	--	--	--	--	(3,349)	(3,349)	11,272	11,272	16,428
<i>Trading services</i>		44,965	44,965	--	--	--	--	63,249	63,249	108,214	61,577	37,023
Electricity		--	--	--	--	--	--	--	--	--	--	--
Water		30,455	30,455	--	--	--	--	62,112	62,112	92,577	42,577	13,023
Waste water management		14,500	14,500	--	--	--	--	1,137	1,137	15,637	19,000	24,000
Waste management		--	--	--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--	--	--
Total Revenue - Standard	2	529,131	529,141	--	--	--	--	69,694	69,694	598,636	539,450	579,968
Expenditure - Standard												
<i>Governance and administration</i>		139,197	139,007	--	--	--	--	27,603	27,603	166,610	158,081	161,267
Executive and council		32,162	31,942	--	--	--	--	3,255	3,255	35,198	33,659	33,049
Budget and treasury office		67,311	67,311	--	--	--	--	15,728	15,728	83,039	75,819	81,913
Corporate services		39,724	39,754	--	--	--	--	8,619	8,619	48,373	41,602	43,304
<i>Community and public safety</i>		19,021	19,021	--	--	--	--	7,266	7,266	25,287	27,091	21,391
Community and social services		7,188	7,188	--	--	--	--	7,216	7,216	14,415	14,639	8,102
Spot and recreation		--	--	--	--	--	--	--	--	--	--	--
Public safety		11,822	11,822	--	--	--	--	49	49	11,872	12,452	13,230
Housing		--	--	--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--	--	--
<i>Economic and environmental services</i>		157,896	158,026	--	--	--	--	(5,211)	(5,211)	152,817	166,166	145,966
Planning and development		--	--	--	--	--	--	--	--	--	--	--
Road transport		130,740	130,670	--	--	--	--	(3,923)	(3,923)	128,945	125,688	115,337
Environmental protection		27,156	27,156	--	--	--	--	(1,285)	(1,285)	25,872	39,478	30,629
<i>Trading services</i>		162,792	162,662	--	--	--	--	1,027	1,027	163,889	175,686	165,900
Electricity		--	--	--	--	--	--	--	--	--	--	--
Water		112,644	114,704	--	--	--	--	1,420	1,420	116,124	123,183	113,808
Waste water management		50,148	48,158	--	--	--	--	(39)	(39)	47,765	52,514	52,032
Waste management		--	--	--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--	--	--
Total Expenditure - Standard	3	478,908	478,918	--	--	--	--	30,684	30,684	509,603	525,035	494,544
Surplus/ (Deficit) for the year		50,223	50,223	--	--	--	--	39,010	39,010	89,232	14,415	85,424

Error on National Treasury tables Table B2 Fin Perf SC and B2B do not reconcile. The correct revenue is R599 972 898 & expenditure R575 717 523 as per item to Council.

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

ADJUSTMENT BUDGET 2014/2014

(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)

DC14 Joe Qqabi - Table E3 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.	Net. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - MANAGEMENT SERVICES		5,428	5,438	--	--	--	--	30	30	5,468	5,468	5,665
Vote 2 - FINANCIAL SERVICES		258,046	258,046	--	--	--	--	12,000	12,000	288,078	288,078	316,652
Vote 3 - CORPORATE SERVICES		1,209	1,209	--	--	--	--	8	8	1,216	1,220	1,211
Vote 4 - TECHNICAL SERVICES		251,827	251,827	--	--	--	--	60,975	60,975	312,802	251,882	239,830
Vote 5 - COMMUNITY SERVICES		14,621	14,621	--	--	--	--	(3,348)	(3,348)	11,272	11,272	16,428
Vote 6 - [NAME OF VOTE 6]		--	--	--	--	--	--	--	--	--	--	--
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]		--	--	--	--	--	--	--	--	--	--	--
Total Revenue by Vote	2	629,131	629,141	--	--	--	--	69,694	69,694	698,635	538,470	579,968
Expenditure by Vote	1											
Vote 1 - MANAGEMENT SERVICES		32,162	31,942	--	--	--	--	3,175	3,175	35,118	38,689	36,049
Vote 2 - FINANCIAL SERVICES		67,311	67,311	--	--	--	--	15,808	15,808	63,119	75,819	81,913
Vote 3 - CORPORATE SERVICES		39,724	39,784	--	--	--	--	8,619	8,619	48,373	41,602	43,304
Vote 4 - TECHNICAL SERVICES		293,532	293,732	--	--	--	--	(2,860)	(2,860)	290,883	302,386	281,287
Vote 5 - COMMUNITY SERVICES		48,179	48,179	--	--	--	--	5,932	5,932	52,110	66,559	51,930
Vote 6 - [NAME OF VOTE 6]		--	--	--	--	--	--	--	--	--	--	--
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]		--	--	--	--	--	--	--	--	--	--	--
Total Expenditure by Vote	2	478,908	478,918	--	--	--	--	30,684	30,684	509,603	525,035	494,544
Surplus/ (Deficit) for the year	2	50,223	50,223	--	--	--	--	39,010	39,010	89,232	14,415	85,424

ADJUSTMENT BUDGET 2014/2014

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

DC14 Joe Gqabi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Mult-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Gov't	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	1	A	At	4	5	6	7	8	9	10		
Revenue By Source												
Property rates	2	--	--	--	--	--	--	--	--	--	--	--
Property rates - penalties & collection charges		--	--	--	--	--	--	--	--	--	--	--
Service charges - electricity revenue	2	--	--	--	--	--	--	--	--	--	--	--
Service charges - water revenue	2	40,466	40,466	--	--	--	--	13,738	13,738	54,233	48,594	58,313
Service charges - sanitation revenue	2	15,460	15,460	--	--	--	--	(2,570)	(2,570)	12,890	18,511	22,249
Service charges - refuse revenue	2	--	--	--	--	--	--	--	--	--	--	--
Service charges - other		--	--	--	--	--	--	--	--	--	--	--
Rent of facilities and equipment		--	--	--	--	--	--	--	--	--	--	--
Interest earned - external investments		2,304	2,304	--	--	--	--	1,669	1,669	4,363	4,363	2,660
Interest earned - outstanding debtors		4,214	4,214	--	--	--	--	--	--	4,214	4,679	4,918
Dividends received		--	--	--	--	--	--	--	--	--	--	--
Fines		--	--	--	--	--	--	--	--	--	--	--
Licences and permits		--	--	--	--	--	--	--	--	--	--	--
Agency services		--	--	--	--	--	--	1,072	1,072	1,072	(1,072)	--
Transfers recognised - operating	2	251,204	251,204	--	--	--	--	(8,219)	(8,219)	245,989	252,995	288,177
Other revenue		2,666	2,905	--	--	--	--	72	72	2,977	3,012	3,304
Gains on disposal of FFE		--	--	--	--	--	--	--	--	--	--	--
Total Revenue (excluding capital transfers and contributions)		319,663	319,663	--	--	--	--	6,066	6,066	326,719	330,982	379,651
Expenditure By Type												
Employment related costs		149,760	147,254	--	--	--	--	12,002	12,002	159,256	159,377	169,910
Remuneration of councillors		5,743	5,743	--	--	--	--	--	--	5,743	6,111	6,478
Debt impairment		28,091	28,091	--	--	--	--	11,512	11,512	37,603	31,037	36,257
Depreciation & asset impairment		48,357	48,357	--	--	--	--	500	500	48,857	49,107	51,590
Finance charges		4,121	4,121	--	--	--	--	(1,309)	(1,309)	2,752	4,300	4,578
Bulk purchases		5,099	3,769	--	--	--	--	--	--	3,769	3,769	5,665
Other materials		--	--	--	--	--	--	--	--	--	--	--
Contracted services		43,000	42,481	--	--	--	--	2,278	2,278	44,759	43,109	47,668
Transfers and grants		89,730	80,319	--	--	--	--	924	924	81,244	84,749	82,830
Other expenditure		109,668	122,454	--	--	--	--	4,837	4,837	127,291	143,072	119,824
Loss on disposal of FFE		328	328	--	--	--	--	--	--	--	328	--
Total Expenditure		478,908	478,918	--	--	--	--	30,684	30,684	509,603	524,699	494,180
Surplus/(Deficit)		(159,255)	(159,255)	--	--	--	--	(24,628)	(24,628)	(183,884)	(193,697)	(114,529)
Transfers recognised - capital		209,478	209,478	--	--	--	--	63,638	63,638	273,116	--	--
Contributions		--	--	--	--	--	--	--	--	--	--	--
Contributed assets		--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) before taxation		50,223	50,223	--	--	--	--	38,010	38,010	89,232	(193,697)	(114,529)
Taxation		--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after taxation		50,223	50,223	--	--	--	--	38,010	38,010	89,232	(193,697)	(114,529)
Attributable to municipalities		--	--	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) attributable to municipality		50,223	50,223	--	--	--	--	38,010	38,010	89,232	(193,697)	(114,529)
Share of surplus/ (deficit) of associates		--	--	--	--	--	--	--	--	--	--	--
Surplus/ (Deficit) for the year		50,223	50,223	--	--	--	--	38,010	38,010	89,232	(193,697)	(114,529)

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

ADJUSTMENT BUDGET 2014/2014

DC14 Joe Qqabi - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		A	5	6	7	8	9	10	11	12	Budget	Budget
R thousands												
Capital expenditure - Vote												
<i>Multi-year expenditure to be adjusted</i>	2											
Vote 1 - MANAGEMENT SERVICES		--	--	--	--	--	--	--	--	--	--	--
Vote 2 - FINANCIAL SERVICES		--	--	--	--	--	--	--	--	--	--	--
Vote 3 - CORPORATE SERVICES		--	--	--	--	--	--	--	--	--	--	--
Vote 4 - TECHNICAL SERVICES		--	--	--	--	--	--	--	--	--	--	--
Vote 5 - COMMUNITY SERVICES		--	--	--	--	--	--	--	--	--	--	--
Vote 6 - [NAME OF VOTE 6]		--	--	--	--	--	--	--	--	--	--	--
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]		--	--	--	--	--	--	--	--	--	--	--
Capital multi-year expenditure sub-total	3	--	--	--	--	--	--	--	--	--	--	--
<i>Single year expenditure to be adjusted</i>	2											
Vote 1 - MANAGEMENT SERVICES		--	--	--	--	--	--	--	--	--	--	--
Vote 2 - FINANCIAL SERVICES		250	250	--	--	--	--	--	--	250	--	275
Vote 3 - CORPORATE SERVICES		1,665	1,364	--	--	--	247	247	1,601	--	--	--
Vote 4 - TECHNICAL SERVICES		117,802	117,749	--	--	--	69,875	69,875	187,625	54,366	--	47,368
Vote 5 - COMMUNITY SERVICES		700	700	--	--	--	80	80	780	--	--	--
Vote 6 - [NAME OF VOTE 6]		--	--	--	--	--	--	--	--	--	--	--
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]		--	--	--	--	--	--	--	--	--	--	--
Capital single year expenditure sub-total		120,336	120,063	--	--	--	70,203	70,203	190,255	54,646	--	47,643
Total Capital Expenditure - Vote		120,336	120,063	--	--	--	70,203	70,203	190,255	54,646	--	47,643
Capital Expenditure - Standard												
<i>Governance and administration</i>		1,835	1,604	--	--	--	247	247	1,851	200	--	275
Executive and council		--	--	--	--	--	--	--	--	--	--	--
Budget and treasury office		250	250	--	--	--	--	--	250	250	--	275
Corporate services		1,665	1,354	--	--	--	247	247	1,601	--	--	--
<i>Community and public safety</i>		700	700	--	--	--	80	80	780	--	--	--
Community and social services		--	--	--	--	--	--	--	--	--	--	--
Sport and recreation		--	--	--	--	--	--	--	--	--	--	--
Public safety		700	700	--	--	--	--	--	700	--	--	--
Housing		--	--	--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	80	80	80	--	--	--
<i>Economic and environmental services</i>		--	--	--	--	--	--	--	--	--	--	--
Planning and development		--	--	--	--	--	--	--	--	--	--	--
Road transport		--	--	--	--	--	--	--	--	--	--	--
Environmental protection		--	--	--	--	--	--	--	--	--	--	--
<i>Trading services</i>		117,802	117,749	--	--	--	69,875	69,875	187,625	54,366	--	47,368
Electricity		--	--	--	--	--	--	--	--	--	--	--
Water		74,619	60,619	--	--	--	71,667	71,667	162,686	54,366	--	--
Waste water management		42,982	27,130	--	--	--	(2,091)	(2,091)	25,038	--	--	47,368
Waste management		--	--	--	--	--	--	--	--	--	--	--
Other		--	--	--	--	--	--	--	--	--	--	--
Total Capital Expenditure - Standard	3	120,336	120,063	--	--	--	70,203	70,203	190,255	54,646	--	47,643
Funded by:												
National Government		(63,549)	(62,996)	--	--	--	(3,918)	(3,918)	(66,914)	(54,646)	--	(47,643)
Provincial Government		--	--	--	--	--	(50,438)	(50,438)	(50,438)	--	--	--
District Municipality		--	--	--	--	--	--	--	--	--	--	--
Other transfers and grants		--	--	--	--	--	--	--	--	--	--	--
Total Capital transfers recognised	4	(63,549)	(62,996)	--	--	--	(54,356)	(54,356)	(137,358)	(54,646)	--	(47,643)
Public contributions & donations		--	--	--	--	--	--	--	--	--	--	--
Borrowing		--	--	--	--	--	(15,000)	(15,000)	(15,000)	--	--	--
Internally generated funds		213,685	(37,340)	--	--	--	(552)	(552)	(37,912)	--	--	--
Total Capital Funding		120,336	(120,336)	--	--	--	(68,919)	(68,919)	(190,256)	(54,646)	--	(47,643)

4.6 Table B6 - Budgeted Financial Position

ADJUSTMENT BUDGET 2014/2014

DC14 Joe Gopal - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum Funds	Multi-year capital	Unfore. Unavold.	Net. or Prov. Govt.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	3 A1	B	C	D	E	F	G	H	10	11
ASSETS												
Current assets												
Cash		3,729						(3,713)	(3,713)	16	3,506	3,236
Call investment deposits	1	20,000	--	--	--	--	--	(11,406)	(11,406)	8,514	21,200	22,662
Consumer debtors	1	30,621	--	--	--	--	--	(20,511)	(20,511)	10,110	47,405	67,545
Other debtors		10,000						(3,009)	(3,009)	6,991	10,000	10,000
Current portion of long-term receivables		--						--	--	--	--	--
Inventory		1,572						1,643	1,643	(3,214)	1,633	1,738
Total current assets		65,922	--	--	--	--	--	(37,077)	(37,077)	28,845	83,776	105,258
Non current assets												
Long-term receivables		--						--	--	--	--	--
Investments		3,619						(424)	(424)	3,165	3,402	3,198
Investment property		3,078						(439)	(439)	2,639	2,694	2,720
Investment in Associate		--						--	--	--	--	--
Property, plant and equipment	1	1,403,453	--	--	--	--	--	(121,035)	(121,035)	1,282,357	1,453,765	1,552,391
Agricultural		--						--	--	--	--	--
Biological		--						--	--	--	--	--
Intangible		2,668						488	488	(3,346)	2,668	2,668
Other non-current assets		--						--	--	--	--	--
Total non current assets		1,413,008	--	--	--	--	--	(121,460)	(121,460)	1,291,548	1,472,919	1,561,168
TOTAL ASSETS		1,478,930	--	--	--	--	--	(158,537)	(158,537)	1,320,392	1,556,695	1,666,426
LIABILITIES												
Current liabilities												
Bank overdraft		--						52,983	52,983	52,983	--	--
Borrowing		398	--	--	--	--	--	119	119	517	422	450
Consumer deposits		--						1,001	1,001	1,001	--	--
Trade and other payables		47,315	--	--	--	--	--	25,115	25,115	72,430	50,154	50,000
Provisions		28,318	--	--	--	--	--	983	983	23,301	30,017	31,818
Total current liabilities		76,031	--	--	--	--	--	80,201	80,201	156,232	80,593	82,268
Non current liabilities												
Borrowing	1	6,054	--	--	--	--	--	14,169	14,169	20,223	6,418	6,803
Provisions	1	14,052	--	--	--	--	--	13,680	13,680	27,732	14,655	15,789
Total non current liabilities		20,106	--	--	--	--	--	27,849	27,849	47,955	21,313	22,591
TOTAL LIABILITIES		96,137	--	--	--	--	--	108,050	108,050	204,187	101,906	104,859
NET ASSETS	2	1,382,793	--	--	--	--	--	(266,587)	(266,587)	1,116,205	1,454,790	1,561,566
COMMUNITY WEALTH EQUITY												
Accumulated Surplus/(Deficit)		1,382,793	--	--	--	--	--	(266,587)	(266,587)	1,116,205	1,454,790	1,561,566
Reserves		--						--	--	--	--	--
TOTAL COMMUNITY WEALTH EQUITY		1,382,793	--	--	--	--	--	(266,587)	(266,587)	1,116,205	1,454,790	1,561,566

ADJUSTMENT BUDGET 2014/2014

4.7 Table B7 - Budgeted Cash Flows

DC14 Joe Gqabi - 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	+1 2015/16
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Relayees and other		82,434						(82,923)	(82,923)	23,511	88,017	88,843
Government - operating	1	254,204						(8,218)	(8,218)	245,989	272,648	287,661
Government - capital	1	203,478						63,638	63,638	273,116	193,402	208,853
Interest		2,304						1,909	1,909	4,363	2,538	2,680
Dividends												
Payments												
Suppliers and employees		(318,417)						(35,158)	(35,158)	(394,578)	(357,810)	(366,710)
Finance charges		(4,121)						1,389	1,389	(2,752)	(4,343)	(4,578)
Transfers and Grants	1	(88,733)						8,487	8,487	(81,246)	(87,818)	(82,830)
NET CASH FROM (USED) OPERATING ACTIVITIES		105,242						(20,844)	(20,844)	84,368	112,332	144,639
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE												
Decrease (increase) in non-current debtors												
Decrease (increase) other non-current receivables												
Decrease (increase) in non-current investments		231						231	231	462	217	204
Payments												
Capital assets		(120,339)						(88,919)	(88,919)	(190,258)	(103,212)	(141,207)
NET CASH FROM (USED) INVESTING ACTIVITIES		(120,109)						(88,688)	(88,688)	(189,796)	(103,000)	(141,002)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans												
Borrowing long term/refinancing								15,000	15,000	15,000		
Increase (decrease) in consumer deposits								167	167	167		
Payments												
Repayment of borrowing		(1,001)						484	484	(517)	(1,001)	(1,001)
NET CASH FROM (USED) FINANCING ACTIVITIES		(1,001)						15,651	15,651	14,650	(1,001)	(1,001)
NET INCREASE/ (DECREASE) IN CASH HELD												
Cash/cash equivalents at the year begin	2	(15,868)						(74,881)	(74,881)	(90,749)	2,337	3,836
Cash/cash equivalents at the year end	2	(33,118)						(33,223)	(33,223)	(5,107)	5,107	3,836
		(48,986)						(34,608)	(34,608)	(85,639)	2,337	3,836

ADJUSTMENT BUDGET 2014/2014

4.8 Table B8 - Cash backed reserves/accumulated surplus reconciliation

DC14 Joe Gqabi - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Net. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoi.	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		
Cash and investments available												
Cash/cash equivalents at the year end	1	(48,990)	--	--	--	--	--	(36,608)	(36,608)	(65,608)	2,337	3,836
Other current investments >90 days		72,709	--	--	--	--	--	(31,525)	(31,525)	41,185	22,388	22,111
Non current assets - Investments	1	3,619	--	--	--	--	--	(424)	(424)	3,195	3,402	3,188
Cash and Investments available		27,348	--	--	--	--	--	(68,606)	(68,606)	(41,238)	28,107	29,145
Applications of cash and Investments												
Unspent conditional transfers		47,315	--	--	--	--	--	(38,800)	(38,800)	8,514	--	--
Unspent borrowing												
Salary requirements												
Other working capital requirements	2	(53,108)	--	--	--	--	--	110,327	110,327	57,221	(18,449)	(27,422)
Other provisions												
Long term investments committed		--	--	--	--	--	--	--	--	--	--	--
Reserves to be backed by cash/investments		--	--	--	--	--	--	--	--	--	--	--
Total Application of cash and Investments:		(5,793)	--	--	--	--	--	71,527	71,527	65,735	(18,449)	(27,422)
Surplus(shortfall)		33,138	--	--	--	--	--	(140,131)	(140,131)	(106,993)	46,552	55,568

National Treasury tables are locked. The sizes cannot be increased, hence the "###" in the table

4.9 Table B9 - Asset Management

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DC14 Joe Gqabi - Table B9 Asset Management -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year
		Original	Prior	Accum	Multi-year	Unfore	Net. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unav. d.	Prov. Gov	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	7	8	9	10	11	12	13	14			
		A1	B	C	D	E	F	G	H			
CAPITAL EXPENDITURE												
<i>Total New Assets to be adjusted</i>	1	120,336	--	--	--	--	--	--	120,336	109,212	140,207	
Infrastructure - Road transport		--	--	--	--	--	--	--	--	--	--	
Infrastructure - Electricity		--	--	--	--	--	--	--	--	--	--	
Infrastructure - Water		74,819	--	--	--	--	--	74,819	66,519	80,702		
Infrastructure - Sanitation		42,982	--	--	--	--	--	42,982	42,982	58,780		
Infrastructure - Other		--	--	--	--	--	--	--	--	--		
Infrastructure		117,802	--	--	--	--	--	117,802	108,502	138,482		
Community		--	--	--	--	--	--	--	--	--		
Heritage assets		--	--	--	--	--	--	--	--	--		
Investment properties		--	--	--	--	--	--	--	--	--		
Other assets	6	2,536	--	--	--	--	--	2,536	710	725		
Agricultural Assets		--	--	--	--	--	--	--	--	--		
Biological assets		--	--	--	--	--	--	--	--	--		
Intangibles		--	--	--	--	--	--	--	--	--		
<i>Total Renewal of Existing Assets to be adjusted</i>	2	--	--	--	--	--	--	--	--	--		
Infrastructure - Road transport		--	--	--	--	--	--	--	--	--		
Infrastructure - Electricity		--	--	--	--	--	--	--	--	--		
Infrastructure - Water		--	--	--	--	--	--	--	--	--		
Infrastructure - Sanitation		--	--	--	--	--	--	--	--	--		
Infrastructure - Other		--	--	--	--	--	--	--	--	--		
Infrastructure		--	--	--	--	--	--	--	--	--		
Community		--	--	--	--	--	--	--	--	--		
Heritage assets		--	--	--	--	--	--	--	--	--		
Investment properties		--	--	--	--	--	--	--	--	--		
Other assets	9	--	--	--	--	--	--	--	--	--		
Agricultural Assets		--	--	--	--	--	--	--	--	--		
Biological assets		--	--	--	--	--	--	--	--	--		
Intangibles		--	--	--	--	--	--	--	--	--		
<i>Total Capital Expenditure to be adjusted</i>	4	--	--	--	--	--	--	--	--	--		
Infrastructure - Road transport		--	--	--	--	--	--	--	--	--		
Infrastructure - Electricity		--	--	--	--	--	--	--	--	--		
Infrastructure - Water		74,819	--	--	--	--	--	74,819	66,519	80,702		
Infrastructure - Sanitation		42,982	--	--	--	--	--	42,982	42,982	58,780		
Infrastructure - Other		--	--	--	--	--	--	--	--	--		
Infrastructure		117,802	--	--	--	--	--	117,802	108,502	138,482		
Community		--	--	--	--	--	--	--	--	--		
Heritage assets		--	--	--	--	--	--	--	--	--		
Investment properties		--	--	--	--	--	--	--	--	--		
Other assets	4	2,536	--	--	--	--	--	2,536	710	725		
Agricultural Assets		--	--	--	--	--	--	--	--	--		
Biological assets		--	--	--	--	--	--	--	--	--		
Intangibles		--	--	--	--	--	--	--	--	--		
TOTAL CAPITAL EXPENDITURE to be adjusted	2	120,336	--	--	--	--	--	120,336	109,212	140,207		
ASSET REGISTER SUMMARY - FFE (MDM)	5											
Infrastructure - Road transport		--	--	--	--	--	--	--	--	--		
Infrastructure - Electricity		--	--	--	--	--	--	--	--	--		
Infrastructure - Water		1,063,002	--	--	--	--	--	1,063,002	1,104,545	1,271,908		
Infrastructure - Sanitation		283,273	--	--	--	--	--	283,273	276,136	141,336		
Infrastructure - Other		--	--	--	--	--	--	--	--	--		
Infrastructure		1,346,275	--	--	--	--	--	1,346,275	1,380,681	1,413,244		
Community		--	--	--	--	--	--	--	--	--		
Heritage assets		--	--	--	--	--	--	--	--	--		
Investment properties		--	--	--	--	--	--	--	--	--		
Other assets	6	87,088	--	--	--	--	--	87,088	83,091	133,125		
Intangibles		--	--	--	--	--	--	--	--	--		
Agricultural Assets		--	--	--	--	--	--	--	--	--		
Biological assets		--	--	--	--	--	--	--	--	--		
TOTAL ASSET REGISTER SUMMARY - FFE (MDM)	5	1,403,453	--	--	--	--	--	1,403,453	1,463,766	1,562,369		
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		49,367	49,367	--	--	--	500	600	49,667	49,107	51,530	
Repairs and Maintenance by asset class	3	177,412	--	--	--	--	--	--	177,412	188,961	201,167	
Infrastructure - Road transport		--	--	--	--	--	--	--	--	--		
Infrastructure - Electricity		124,516	--	--	--	--	--	124,516	132,580	141,000		
Infrastructure - Water		--	--	--	--	--	--	--	--	--		
Infrastructure - Sanitation		52,886	--	--	--	--	--	52,886	56,401	80,187		
Infrastructure - Other		--	--	--	--	--	--	--	--	--		
Infrastructure		177,412	--	--	--	--	--	177,412	188,961	201,167		
Community		--	--	--	--	--	--	--	--	--		
Heritage assets		--	--	--	--	--	--	--	--	--		
Investment properties		--	--	--	--	--	--	--	--	--		
Other assets	6	--	--	--	--	--	--	--	--	--		
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		223,769	49,367	--	--	--	500	600	224,269	238,068	252,747	
<i>% of capital exp on renewal of assets</i>		0.0%	0.0%						0.0%	0.0%	0.0%	
<i>Renewal of existing assets as % of deprecn</i>		0.0%	0.0%						0.0%	0.0%	0.0%	
<i>R&M as a % of FFE</i>		12.0%	0.0%						12.0%	12.9%	13.0%	
<i>Renewal and R&M as a % of FFE</i>		12.0%	0.0%						12.0%	12.9%	13.0%	

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4.10 Table B10 - Basic service delivery measurement

DC14 Joe Gqabi - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2014/15									Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted	
		A	7	8	9	10	11	12	13	14	+1 2015/16	+2 2016/17	
Household service targets	1												
Water:													
Piped water inside dwelling		15430							15	15430	15430	15430	
Piped water inside yard (but not in dwelling)		24654							22	24654	24654	24654	
Using public tap (at least min service level)	2	17103							17	17103	17103	17103	
Other water supply (at least min service level)		5000							5	5000	5000	5000	
<i>Minimum Service Level and Above subtotal</i>		59							59	59	59	59	
Using public tap (< min service level)	3	6995							7	6995	6995	6995	
Other water supply (< min service level)	3,4	11249							11	11249	11249	11249	
No water supply		20287							20	20287	20287	20287	
<i>Below Minimum Service Level subtotal</i>		39							39	39	39	39	
Total number of households	5	98							98	98	98	98	
Sanitation/sewage:													
Flush toilet (connected to sewerage)		23008							23,308	23008	23008	23008	
Flush toilet (with septic tank)		2879							2,879	2879	2879	2879	
Chemical toilet		3511							3,511	3511	3511	3511	
Pit toilet (ventilated)		20570							20,570	20570	20570	20570	
Other toilet provisions (> min service level)		8004							8,304	8004	8004	8004	
<i>Minimum Service Level and Above subtotal</i>		58,572							58,572	58,572	58,572	58,572	
Bucket toilet		1730							1,730	1730	1730	1730	
Other toilet provisions (< min service level)		25725							25,725	25725	25725	25725	
No toilet provisions		11737							11,737	11737	11737	11737	
<i>Below Minimum Service Level subtotal</i>		38,192							38,192	38,192	38,192	38,192	
Total number of households	5	97,764							97,764	97,764	97,764	97,764	
Energy:													
Electricity (at least min service level)		67433							67,433	67433	67433	67433	
Electricity - prepaid (> min service level)													
<i>Minimum Service Level and Above subtotal</i>		67,433							67,433	67,433	67,433	67,433	
Electricity (< min service level)		29099							29,099	29099	29099	29099	
Electricity - prepaid (< min service level)		0							0	0	0	0	
Other energy sources		72998							72,998	72998	72998	72998	
<i>Below Minimum Service Level subtotal</i>		102,627							102,627	102,627	102,627	102,627	
Total number of households	5	170,000							170,000	170,000	170,000	170,000	
Refuse:													
Removed at least once a week (min service)		27355							27,355	27355	27355	27355	
<i>Minimum Service Level and Above subtotal</i>		27,355							27,355	27,355	27,355	27,355	
Removed less frequently than once a week		870							870	870	870	870	
Using communal refuse dump		1282							1,282	1282	1282	1282	
Using own refuse dump		53709							53,709	53709	53709	53709	
Other rubbish disposal		1177							1,177	1177	1177	1177	
No rubbish disposal		13381							13,381	13381	13381	13381	
<i>Below Minimum Service Level subtotal</i>		70,418							70,418	70,418	70,418	70,418	
Total number of households	5	97,773							97,773	97,773	97,773	97,773	
Households receiving Free Basic Service	15												
Water (6 kilolitres per household per month)		52557							52,557	52557	52557	52557	
Sanitation (free minimum level service)		25189							25,189	25189	25189	25189	
Electricity/other energy (50kwh per household per month)		0							0	0	0	0	
Refuse (removed at least once a week)													
Cost of Free Basic Services provided (R'000)	16												
Water (6 kilolitres per household per month)													
Sanitation (free sanitation services)													
Electricity/other energy (50kwh per household per month)													
Refuse (removed once a week)													
Total cost of FBS provided (minimum social package)													
Highest level of free service provided													
Property rates (R'000 value threshold)													
Water (kilolitres per household per month)													
Sanitation (kilolitres per household per month)													
Electricity (kwh per household per month)													
Refuse (average litres per week)													
Revenue cost of free services provided (R'000)	17												
Property rates (R'15 000 threshold rebates)													
Property rates (other exemptions, reductions and rebates)													
Water													
Sanitation													
Electricity/other energy													
Refuse													
Municipal Housing - rental rebates													
Housing - top structure subsidies													
Other													
Total revenue cost of free services provided (total)	6												

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Adjustments to budget assumptions

No changes were made to the budget assumptions as included in the A Schedule for 2014/2015.

Section 6 – Adjustments to budget funding

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 deteriorate to an overdraft of R 85.6 million by the end of June 2015. The cash flow on capital assets from own sources (Equitable share) to the value of R16.8 place an additional burden on the cash and cash equivalents. The budget is definitely not 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

None of the reserves or provisions will be cash backed at 30 June 2014. The provisions to be cash funded will amount to R38 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 disaster management grant not being received. These provisions include the following:

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- 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.

DC14 Joe Gqabi - Supporting Table SB6 Adjustments Budget - funding measurement -

Description	Ref	MFMA section	2011/12	2012/13	2013/14	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands										
Funding measures										
Cash/cash equivalents at the year end - R000	1	18(1)b			38,237	(48,980)	-	(85,638)	2,337	3,835
Cash + investments at the yr end less applications - R000	2	18(1)b				33,138	-	(103,993)	46,552	56,568
Cash year end monthly employees/supplier payments	3	18(1)b				(0)	-	(0)	0	0
Surplus/(Deficit) excluding depreciation offsets: R000	4	18(1)				50,223	50,223	89,232	(193,697)	(114,529)
Service charge rev %change - macro CPX target exclusive	5	18(1)a(2)				0.0%	0.0%	0.0%	-6.0%	14.0%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a(2)	0.0%	0.0%	0.0%	130.7%	0.0%	39.2%	119.5%	99.8%
Debt impairment expense as a % of total billable revenue	7	18(1)a(2)				46.6%	46.6%	56.0%	46.2%	45.0%
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 (excl. transfers)	9	18(1)c				0.0%	0.0%	-6.1%	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 - inc/(dec)	11	18(1)a							236.7%	36.1%
Long term receivables %change - inc/(dec)	12	18(1)a							0.0%	0.0%
R&M % of Property Plant & Equipment	13	20(1)(v)				12.6%	0.0%	12.6%	12.9%	13.0%
Asset renewal % of capital budget	14	20(1)(v)				0.0%	0.0%	0.0%	0.0%	0.0%

National Treasury tables are locked. The sizes cannot be increased, hence the "###" in the table

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

The Municipality applied for a loan of R15 million which was approved by council. Council complied with all relevant legislation requirements in obtaining this loan. This loan will be used to buy motor vehicles and install water meters which in turn will assist in increasing revenue.

Section 7 – Adjustments to expenditure on allocations and grant programmes

The changes to grants relates to the downwards adjustment of:

- Roads and Transport by R3.8 million
- Working for Water and Wetlands by R 4.4 million.

This whilst the following grants were adjusted upwards:

- MIG: Municipal Infrastructure Grant by R1.9 million;
- WSOG: Water Services Operating Subsidy Grant by R4.6 million

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

The Municipality is now performing the water provisioning internally. The Operations and Maintenance Teams of the previous Water Services Providers (WSP) were taken over by the District. This has led to increase in our maintenance and employee related costs and a decrease in grant funding to the

locals. This increase in operational costs is funded by this reduction in grant which we used to give to the WSP. Grant Funding to Locals has been reduced to zero, therefore no funding will be made to WSPs.

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

The remuneration for Councillors were adjusted downwards from R 5.4 million to R 5.2 million, whilst the employee related costs were adjusted upwards by R14.9 million from R120.9 million to R135.8 million. This is due to increase in the number of position in the organogram and provision for bargaining council payouts

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Section 10 – Adjustments to service delivery and budget implementation plan

10.1 Quarterly service delivery targets and performance indicators in the SDBIP

No adjustments were made to any non-financial indicators.

10.2 Key financial indicators

The annual collection rate was set at 25% for the year in the adjustments budget.

DC14 Joe Qqabi - Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks -

Description of financial indicator	Basis of calculation	2011/12	2012/13	2013/14	Budget Year 2014/15			Budget Year +1 2015/16	Budget Year +2 2016/17
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
Borrowing Management									
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid / Operating Expenditure				1.1%	0.9%	0.6%	1.0%	1.1%
Borrowed funding of own capital expenditure	Borrowing/Capital expenditure excl. transfers and grants				0.0%	0.0%	-11.0%	0.0%	0.0%
Safety of Capital									
Grading	Long Term Borrowing/ Funds & Reserves				0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity									
Current Ratio	Current assets/current liabilities				83.7%	0.0%	18.5%	103.9%	127.9%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities				1863.5%	0.0%	0.0%	0.0%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities				0.3	0.0	0.1	0.3	0.3
Revenue Management									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing								
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue				12.7%	0.0%	5.3%	17.3%	20.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management									
Creditors System Efficiency	% of Creditors Paid Within Terms (with in MFMA's 65(a))								
Creditors to Cash					-93.6%	0.0%	-94.6%	-107.5%	-125.7%
Other Indicators									
Electricity Distribution Losses (%)	Total Volume Losses (MW)								
	Total Cost of Losses (Rand '000)								
Water Distribution Losses (%)	Total Volume Losses (t/d)								
	Total Cost of Losses (Rand '000)								
Employee costs	Employee costs/(Total Revenue - capital revenue)				43.9%	43.1%	48.9%	48.2%	44.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)				55.5%	0.0%	54.5%	57.1%	53.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)				15.6%	15.8%	15.2%	16.2%	14.8%
IDP regulation financial viability indicators									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year				1220.9%	1221.1%	1487.3%	1398.3%	1639.7%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services				9.6%	0.0%	3.1%	14.3%	17.8%
iii. Cost coverage	(Available cash + investments)/monthly fixed operational expenditure				-0.1	0.0	-0.2	-0.1	-0.1

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Section 11 – Adjustments to capital expenditure

As already mentioned in the executive summary; the capital budget was adjusted upwards by R44.2 million which is from R106.5 million to R 150.8 million.

DESCRIPTION OF THE PROJECT	BUDGET	ADJUSTMENT BUDGET 2013-2014	ADJUSTED BY
Computer Equipment	145 000	450 000	305 000
Emergency Equipment	100 000	170 000	70 000
Steynsburg Waterborne San Phase3	7 894 737	9 926 953	2 032 216
UGIE SANITATION INFRASTRUCTURE	1 754 386	-	(1 754 386)
Maclear Upgrade of Bulk Water Services	1 631 579	4 000 000	2 368 421
Maclear Upgrade of Bulk Sanitation	-	365 000	365 000
Mt Fletcher Villages-Bulk Water Supply Scheme	9 243 860	18 682 837	9 438 977
Sterk: Upgrading of WTW & Bulk Lines	17 543 860	13 543 296	(4 000 564)
ALIWAL NORTH WTP UPGRADE	1 000 000	212 556	(787 444)
Senqu Rural Water Programme	8 771 930	2 717 343	(6 054 587)
Elundini Rural Water Programme	10 526 316	4 880 163	(5 646 153)
Steynsburg Bulk Water Supply	-	260 000	260 000
MIG Rural Sanitation Programme	8 006 140	-	(8 006 140)
Venterstad Galaxy Reservoir	3 289 912	4 385 965	1 096 053
MALETSWAI WCDM PROJECT	3 289 912		(3 289 912)
SENQU SPRING PROTECTION	3 289 912		(3 289 912)
Rain Water Harvesting & Spring Protection	-	4 387 719	4 387 719
ELUNDINI SPRING PROTECTION	3 289 912	-	(3 289 912)
Sterk Regional Bulk Sanitation	-	2 192 982	2 192 982
Upgrade of Sterkspruit WWTW	-	5 000 000	5 000 000
Sterkspruit WTW Refurbishment	-	8 771 930	8 771 930
Water and Sanitation Bakkies	3 000 000	14 969 810	11 969 810
Orio Grant Expenditure	4 500 000	3 947 368	(552 632)
EHP Equipment	-	355 768	355 768
Furniture & Equipment	-	110 000	110 000
Area 13 Waste Management: Sterkspruit	-	1 900 000	1 900 000
Water Filter System	-	460 000	460 000
Drought Relief	-	29 824 561	29 824 561
Total	106 518 614	150 885 410	44 236 796

Section 12 – Municipal Manager's quality certification

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 Zolile - A. Williams

Municipal Manager of Joe Gqabi District Municipality (DC14)

Signature  _____

Date 26/02/2015.