



Report To : **COUNCIL**
File ref : _____
Collaborator/Item no : _____
Date : **22 FEBRUARY 2017**

SUBJECT: REPORT DATED 22 FEBRUARY 2017 FROM THE EXECUTIVE MAYOR TO COUNCIL ON THE ADJUSTMENT OF THE BUDGET REQUIRED.

1. PURPOSE

The purpose of this item is to **SEEK APPROVAL** of the Council on the adjustment of the 2016/17 annual budget as required by the MFMA.

2. LEGISLATIVE BACKGROUND

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

An adjustments budget –

- a) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- b) May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- c) May, within a prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- d) May authorise the utilization of projected savings in one vote towards spending under another vote;
- e) May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs where the annual budget for the current year was approved by the council;
- f) May correct any errors in the annual budget, and
- g) May provide for any other expenditure within a prescribed framework

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

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

3. BACKGROUND

The adjustment budget has been mainly necessitated as a result of the following:

- Municipality not being able to collect projected revenue due to non- payment.
- Provision for long outstanding debts to minimise fruitless and wasteful expenditure. Interest paid to date amounts R 4 million due to late payment of debts.
- Poor spending on grant funded projects due to adjustments on Division of Revenue Bill and transfer of allocation.
- Service delivery backlog

The Municipal Budget and Reporting Regulations, which were promulgated by National Treasury, prescribe the budget reporting formats for municipalities. Accordingly this Municipality's 2016/17 Adjustments Budget will be submitted to all relevant stakeholders once approved by Council.

4. DISCUSSION

The Adjustment Budget reaffirms the Municipality's commitment to achieve the service delivery targets and performance indicators as reflected in the approved service delivery and budget implementation plan, considering the financial constraints currently being experienced.

The capital expenditure budget has been realigned, due to amendments in the DoRA, and low revenue collection.

The Service Delivery and Budget Implementation Plan (SDBIP) has to be adjusted due to the realignment that has taken place on both the operational and capital expenditure budgets as this would have an impact on service delivery targets and performance targets.

The reviewed SDBIP will be submitted for the approval of the Executive Mayor.

The review of the **Mid Term Expenditure Framework** has provided the Municipality with the necessary benchmarks and has exposed the need to provide proper estimates of planned activities of an Operating nature. The review also highlighted the efficacy with which the Municipality operates and hence the considered review.

S (28) (2) (e) of the Municipal Finance Management Act provides guidance in terms of "checking the Roadmap", and it is a time to revisit the effectiveness of the budget in delivering on its mandate.

RECOMMENDATIONS

It is recommended **THAT:**

- a) Council approves the adjustment budget for the 2016/17 financial year and the Supporting Documentation attached as Annexures.
- b) That savings identified from operating budget be utilised to maximise maintenance expenditure to address service delivery issues.
- c) That a provision for long outstanding be availed to minimise fruitless and wasteful expenditure.
- d) That the Service Delivery and Budget Implementation Plan (SDBIP) be adjusted accordingly inclusive of performance measurement.

COMMENTS FROM THE EXECUTIVE MANAGEMENT:

- 1.1.1. TECHNICAL AND INFRASTRUCTURE SERVICES: Yes
- 1.1.2. COMMUNITY AND SOCIAL SERVICES: Yes
- 1.1.3. CORPORATE SERVICES: Yes
- 1.1.4. BUDGET AND TREASURY SERVICES: Yes
- 1.1.5. LOCAL ECONOMIC DEVELOPMENT: Yes
- 1.1.6. MUNICIPAL MANAGER: Yes

FOR FURTHER DETAILS CONTACT:

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**ACT. MUNICIPAL MANAGER
MS. R. MEIRING**

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**EXECUTIVE MAYOR
HON. CLR N. GAGA**

2016/2017 ADJUSTMENT BUDGET

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MUNICIPAL MANAGER’S QUALITY CERTIFICATE

Glossary

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

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

Budget – The financial plan of the Municipality.

Budget Related Policy – Policy of a 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 Municipality's balance sheet.

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

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.

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

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

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 and current years' financial position.

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

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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.

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 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. Vote – One of the main segments of a budget.

PART 1 – ANNUAL BUDGET

Section 1.1– Mayor’s Report

Section 1.2 - Budget Related Resolutions Makana Municipality MTREF 2016/2017

These are the resolutions that must be approved by Council with the final adoption of the adjustments budget:

RESOLVED:

- a) That the adjustments budget, inclusive of changes in terms of section 28(2) of the MFMA, for 2016/17 financial year; and indicative for the two projected years be approved:
 - 1.1. Table B2: Budgeted Financial Performance (expenditure by standard classification)
 - 1.2. Table B3: Budgeted Financial Performance (expenditure by municipal vote)
 - 1.3. Table B4: Budgeted Financial Performance (revenue by source)
- b) Table B5: Budgeted Capital Expenditure for both multi-year and single year by vote, standard classification and funding. That it be noted that there are no changes to any budget related policies.
- c) That it be noted that there are no changes to any budget related policies.

1.3 Executive Summary

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

The adjustment budget is based on the consultation with various departments, expenditure trends for the past six months of the financial year and changes made by budget steering committee.

A critical review was undertaken on non-core and ‘nice to have’ expenditures and no upward budget amendments were provided for such items.

Section 62(1)(a) of the Municipal Finance Management Act No. 56 of 2003 (MFMA) stipulates that the accounting officer of a municipality is responsible for managing the financial administration of a municipality and must for this purpose take all reasonable steps to ensure that the resources of the municipality are used effectively, efficiently and economically.

The municipality was able to cut down expenditure on the following items as per Circular 82:

- Catering costs
- Events, advertising and sponsorships
- Office furnishing
- Planned overtime is submitted to management for consideration on a monthly basis.

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- Purchasing of newspapers and other publications for municipal employees to limited and stopped
- Travel and subsistence
- Legal costs

Based on the first six months of the financial year the municipality has collected 82% of its revenue budget of 245 553 million.

Challenges that are contributing to low Revenue Collection Rate

- Incorrect meter readings.
- Backlog in service delivery
- Water and Electricity losses - billing section not informed timeously of new meter installations.
- Municipal tariffs are not cost reflective
- Unemployment

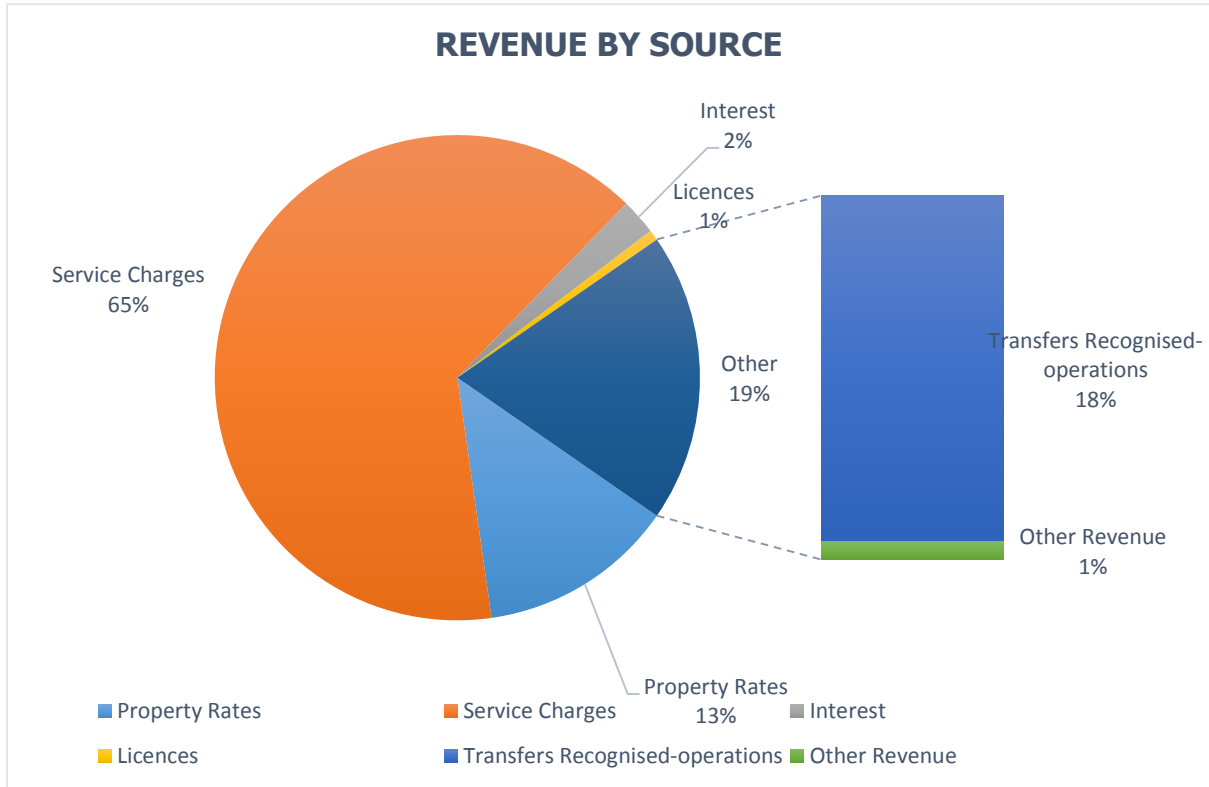
The municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore the municipality has undertaken various customer care initiatives to ensure the municipality truly involves all citizens in the process.

Table 1: Overview of the Adjustment Budget 2016/17

Financial Summary					
R'000					
Description	2015/16	2016/17		2016/17 Variance	
	YTD Actual	Original Budget	Adjusted Budget	YTD Actual	YTD Projected Budget
Operating Revenue	283 993	394 899	330 918	245 553	295 922
Transfers Recognised – Operational	116 274	91 292	91 292	65 179	68 500
Capital Transfers	30 179	170 043	43 168	18 683	151 360
Total Revenue	430 446	656 234	465 378	329 415	515 782
Operating Expenditure	471 416	486 191	422 210	233 029	293 337
Surplus (Deficit)	R512 981	656 234	43 210	245 410	393 837

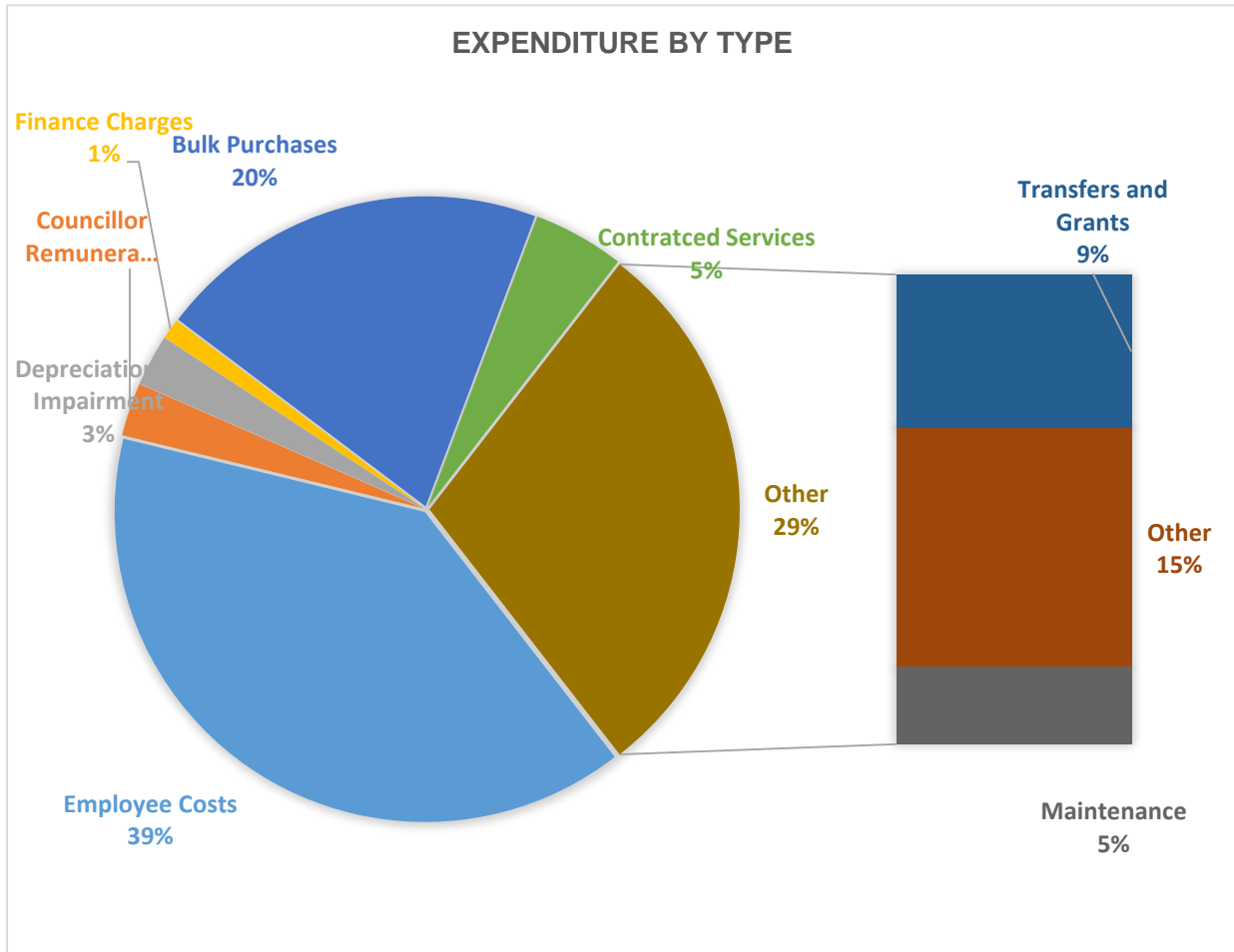
1.4. Operating Budget Framework

1.4.1 Operating Revenue



- 1) The total operating revenue is adjusted downwards by R63 981 million as compared to the original budget as a result of corrections on the electricity income vote which was over budgeted.
- 2) Reconciliation were performed for the purpose of correcting incorrect billing and debtors accounts.
- 3) Electricity income has been reduced by R33 million for the purpose of aligning our tariffs with Nersa and also due to the implementation of time of use tariff.
- 4) Most consumer have now changed to pre-paid meters

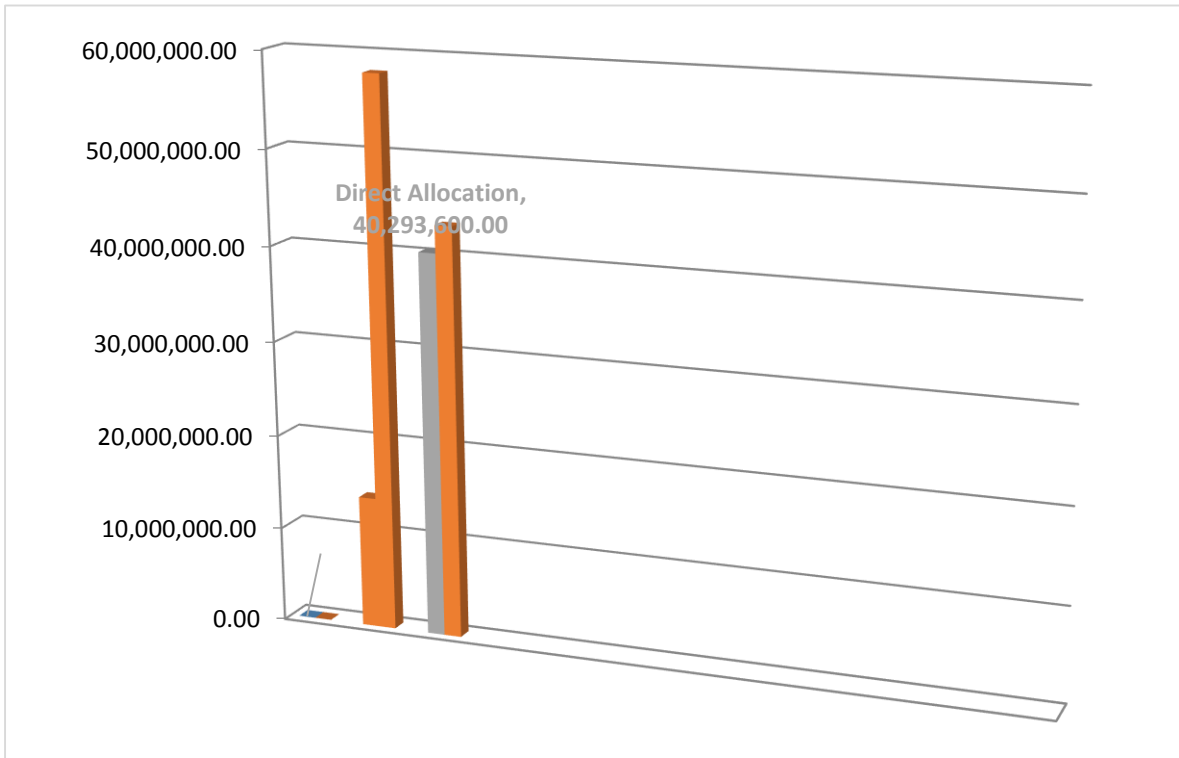
1.4.2 Operating Expenditure



The total operating expenditure was adjusted downwards by R63 981 million as compared to the approved budget and the implication is as follow:-

- Employee Related Costs - Wages & Salaries increased by R20 637 due to an increase in the overtime, medical aid contributions, over- expenditure in pension funds and housing allowance for employees earning less than R8 000
- General expenditure is reduced downwards especially electricity bulk purchases. The budget to the mentioned item was overstated.
- An allocation of R7, 5 million was availed for interest paid.

1.5 Capital Expenditure Framework



Makana’s total capital expenditure for the first six months was below 50% and that again compromised the service delivery to be provided to the community. This is as a result of in-kind grants not directly transferred to the municipal bank account and lack of funds.

The total capital budget has decreased by R126 875 million, only direct allocation disclosed in the Adjustment budget.

2016/17 ADJUSTMENT BUDGET

Main Adjustment Budget Table

EC104 Makana - Table B1 Adjustments Budget Summary - 22 February 2017

Description	Budget Year 2016/17									Budget Year	Budget Year
	Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
	A	A1	B	C	D	E	F	G	H		
R thousands											
Financial Performance											
Property rates	65,215	-	-	-	-	-	-	-	65,215	69,258	73,344
Service charges	306,690	-	-	-	-	-	(63,981)	(63,981)	242,709	283,378	344,922
Investment revenue	700	-	-	-	-	-	-	-	700	743	787
Transfers recognised - operational	91,292	-	-	-	-	-	-	-	91,292	90,409	97,314
Other own revenue	22,295	-	-	-	-	-	-	-	22,295	23,650	25,046
Total Revenue (excluding capital transfers and contributions)	486,191	-	-	-	-	-	(63,981)	(63,981)	422,210	467,438	541,413
Employee costs	144,631	-	-	-	-	-	20,637	20,637	165,268	153,307	162,361
Remuneration of councillors	10,497	-	-	-	-	-	-	-	10,497	11,148	11,806
Depreciation & asset impairment	31,639	-	-	-	-	-	-	-	31,639	59,170	61,863
Finance charges	-	-	-	-	-	-	9,700	9,700	9,700	-	-
Materials and bulk purchases	105,926	-	-	-	-	-	(33,301)	(33,301)	72,625	112,539	119,227
Transfers and grants	50,515	-	-	-	-	-	-	-	50,515	50,738	53,732
Other expenditure	142,983	-	-	-	-	-	(61,017)	(61,017)	81,966	132,166	144,594
Total Expenditure	486,191	-	-	-	-	-	(63,981)	(63,981)	422,210	519,069	553,582
Surplus/(Deficit)	(0)	-	-	-	-	-	-	-	(0)	(51,630)	(12,169)
Transfers recognised - capital	170,043	-	-	-	-	-	(126,875)	(126,875)	43,168	42,127	-
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	170,043	-	-	-	-	-	(126,875)	(126,875)	43,168	(9,503)	(12,169)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	170,043	-	-	-	-	-	(126,875)	(126,875)	43,168	(9,503)	(12,169)
Capital expenditure & funds sources											
Capital expenditure	168,960	-	-	-	-	-	(125,791)	(125,791)	43,168	12,330	14,508
Transfers recognised - capital	170,043	-	-	-	-	-	(126,875)	(126,875)	43,168	12,330	14,508
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funds	170,043	-	-	-	-	-	(126,875)	(126,875)	43,168	12,330	14,508
Financial position											
Total current assets	278,677	-	-	-	-	-	-	-	278,677	295,956	313,417
Total non current assets	920,961	-	-	-	-	-	-	-	920,961	965,316	1,022,270
Total current liabilities	281,005	-	-	-	-	-	-	-	281,005	298,427	316,034
Total non current liabilities	109,841	-	-	-	-	-	-	-	109,841	116,651	123,534
Community wealth/Equity	1,043,057	-	-	-	-	-	-	-	1,043,057	1,107,726	1,173,082
Cash flows											
Net cash from (used) operating	184,063	-	-	-	-	-	(126,875)	(126,875)	57,189	195,475	207,008
Net cash from (used) investing	(170,043)	-	-	-	-	-	126,875	126,875	(43,168)	(183,772)	(194,614)
Net cash from (used) financing	(5,500)	-	-	-	-	-	1,500	1,500	(4,000)	(5,841)	(6,186)
Cash/cash equivalents at the year end	11,129	-	-	-	-	-	1,500	1,500	12,629	18,491	24,700
Cash backing/surplus reconciliation											
Cash and investments available	20,473	-	-	-	-	-	-	-	20,473	21,742	23,025
Application of cash and investments	18,243	-	-	-	-	-	(36,139)	(36,139)	(17,896)	(6,766)	14,909
Balance - surplus (shortfall)	2,230	-	-	-	-	-	36,139	36,139	38,369	28,508	8,116
Asset Management											
Asset register summary (WDV)	340,086	-	-	-	-	-	-	-	340,086	24,660	29,016
Depreciation & asset impairment	31,639	-	-	-	-	-	-	-	31,639	59,170	61,863
Renewal of Existing Assets	170,043	-	-	-	-	-	(126,875)	(126,875)	43,168	12,330	14,508
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-
Free services											
Cost of Free Basic Services provided	7,434	-	-	-	-	-	-	-	7,434	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sew erage:	-	-	-	-	-	-	-	-	-	-	-
Energy :	-	-	-	-	-	-	-	-	-	-	-
Refuse:	0	-	-	-	-	-	-	-	0	-	-

2016/17 ADJUSTMENT BUDGET

EC104 Makana - Table B2 Adjustments Budget Financial Performance (standard classification) - 22 February 2017

Standard Description	Ref	Budget Year 2016/17									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, 4	A	A1	B	C	D	E	F	G	H			
Revenue - Standard													
<i>Governance and administration</i>		129,188	-	-	-	-	-	(12,276)	(12,276)	116,912	138,980	148,953	
Executive and council		7,660	-	-	-	-	-	-	-	7,660	7,004	7,363	
Budget and treasury office		111,805	-	-	-	-	-	(5,675)	(5,675)	106,130	129,065	138,530	
Corporate services		9,724	-	-	-	-	-	(6,601)	(6,601)	3,123	2,912	3,060	
<i>Community and public safety</i>		25,371	-	-	-	-	-	2,457	2,457	27,828	7,886	8,350	
Community and social services		4,796	-	-	-	-	-	-	-	4,796	3,861	4,088	
Sport and recreation		16,803	-	-	-	-	-	2,457	2,457	19,260	19	20	
Public safety		1,851	-	-	-	-	-	-	-	1,851	1,966	2,081	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Health		1,921	-	-	-	-	-	-	-	1,921	2,040	2,161	
<i>Economic and environmental services</i>		2,576	-	-	-	-	-	11,602	11,602	14,178	2,832	2,999	
Planning and development		230	-	-	-	-	-	-	-	230	244	259	
Road transport		2,321	-	-	-	-	-	11,602	11,602	13,923	2,561	2,712	
Environmental protection		25	-	-	-	-	-	-	-	25	27	28	
<i>Trading services</i>		327,703	-	-	-	-	-	(21,253)	(21,253)	306,450	359,856	381,100	
Electricity		195,405	-	-	-	-	-	(28,421)	(28,421)	166,984	207,643	219,905	
Water		75,645	-	-	-	-	-	17,541	17,541	93,186	80,335	85,075	
Waste water management		40,889	-	-	-	-	-	(10,373)	(10,373)	30,516	55,138	58,391	
Waste management		15,764	-	-	-	-	-	-	-	15,764	16,741	17,729	
<i>Other</i>		10	-	-	-	-	-	-	-	10	11	11	
Total Revenue - Standard	2	484,848	-	-	-	-	-	(19,470)	(19,470)	465,378	509,565	541,412	
Expenditure - Standard													
<i>Governance and administration</i>		158,999	-	-	-	-	-	1,165	1,165	160,163	168,776	180,053	
Executive and council		31,862	-	-	-	-	-	(7,764)	(7,764)	24,098	32,878	35,224	
Budget and treasury office		79,443	-	-	-	-	-	9,266	9,266	88,708	84,649	89,977	
Corporate services		47,694	-	-	-	-	-	(337)	(337)	47,356	51,249	54,852	
<i>Community and public safety</i>		50,119	-	-	-	-	-	(1,541)	(1,541)	48,578	54,248	58,477	
Community and social services		25,505	-	-	-	-	-	(1,324)	(1,324)	24,182	27,632	29,775	
Sport and recreation		2,914	-	-	-	-	-	-	-	2,914	3,138	3,352	
Public safety		18,822	-	-	-	-	-	(100)	(100)	18,722	20,363	21,990	
Housing		56	-	-	-	-	-	-	-	56	60	64	
Health		2,821	-	-	-	-	-	(117)	(117)	2,704	3,055	3,296	
<i>Economic and environmental services</i>		35,790	-	-	-	-	-	565	565	36,355	38,495	41,508	
Planning and development		11,862	-	-	-	-	-	(2,058)	(2,058)	9,804	12,726	13,620	
Road transport		20,392	-	-	-	-	-	3,319	3,319	23,711	21,973	23,821	
Environmental protection		3,536	-	-	-	-	-	(696)	(696)	2,840	3,796	4,067	
<i>Trading services</i>		241,114	-	-	-	-	-	(64,169)	(64,169)	176,944	257,371	273,354	
Electricity		129,734	-	-	-	-	-	(53,334)	(53,334)	76,400	138,015	146,439	
Water		56,891	-	-	-	-	-	-	-	56,891	60,822	64,316	
Waste water management		32,966	-	-	-	-	-	(7,422)	(7,422)	25,545	35,323	37,727	
Waste management		21,522	-	-	-	-	-	(3,414)	(3,414)	18,108	23,211	24,872	
<i>Other</i>		169	-	-	-	-	-	-	-	169	179	190	
Total Expenditure - Standard	3	486,191	-	-	-	-	-	(63,981)	(63,981)	422,210	519,068	553,582	
Surplus/ (Deficit) for the year		(1,343)	-	-	-	-	-	44,511	44,511	43,168	(9,503)	(12,170)	

2016/17 ADJUSTMENT BUDGET

EC104 Makana - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 22 February 2017

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2016/17									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
		3	4	5	6	7	8	9	10	+1 2017/18	+2 2018/19	
		A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue by Vote	1											
Vote 1 - Technical & Infrastructure		53,842	-	-	-	-	-	(10,640)	(10,640)	43,202	45,881	48,588
Vote 2 - Corporate Services		915	-	-	-	-	-	(250)	(250)	665	706	748
Vote 3 - Financial Services		126,200	-	-	-	-	-	(6,500)	(6,500)	119,700	131,494	139,253
Vote 4 - Community & Social Services		25,437	-	-	-	-	-	(7,659)	(7,659)	17,778	18,880	19,994
Vote 5 - Executive Mayor		2,912	-	-	-	-	-	-	-	2,912	3,093	3,275
Vote 6 - Speakers Office		4,745	-	-	-	-	-	-	-	4,745	5,040	5,337
Vote 7 - Municipal Manager		2	-	-	-	-	-	-	-	2	2	2
Vote 8 - Local Economic Development		1,032	-	-	-	-	-	-	-	1,032	1,096	1,160
Vote 9 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		195,461	-	-	-	-	-	(33,500)	(33,500)	161,961	197,499	210,932
Vote 11 - Water		75,645	-	-	-	-	-	(5,432)	(5,432)	70,213	74,566	78,966
Vote 12 - Dog Tax		1	-	-	-	-	-	-	-	1	1	1
Vote 13 - Parking Meters		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	486,191	-	-	-	-	-	(63,981)	(63,981)	422,210	478,258	508,256
Expenditure by Vote	1											
Vote 1 - Technical & Infrastructure		59,362	-	-	-	-	-	(11,465)	(11,465)	47,897	63,633	68,226
Vote 2 - Corporate Services		37,843	-	-	-	-	-	(250)	(250)	37,593	40,772	43,733
Vote 3 - Financial Services		79,443	-	-	-	-	-	(6,500)	(6,500)	72,943	84,649	89,974
Vote 4 - Community & Social Services		77,120	-	-	-	-	-	(7,659)	(7,659)	69,461	83,342	89,653
Vote 5 - Executive Mayor		10,281	-	-	-	-	-	-	-	10,281	11,084	11,905
Vote 6 - Speakers Office		13,163	-	-	-	-	-	-	-	13,163	14,147	15,166
Vote 7 - Municipal Manager		8,418	-	-	-	-	-	-	-	8,418	7,646	8,153
Vote 8 - Local Economic Development		13,877	-	-	-	-	-	-	-	13,877	14,899	15,951
Vote 9 - Housing		56	-	-	-	-	-	-	-	56	60	64
Vote 10 - Electricity		129,734	-	-	-	-	-	(33,500)	(33,500)	96,234	138,015	146,439
Vote 11 - Water		56,891	-	-	-	-	-	(4,607)	(4,607)	52,284	60,822	64,317
Vote 12 - Dog Tax		1	-	-	-	-	-	-	-	1	2	2
Vote 13 - Parking Meters		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	486,191	-	-	-	-	-	(63,981)	(63,981)	422,210	519,071	553,582
Surplus/ (Deficit) for the year	2	0	-	-	-	-	-	0	0	0	(40,813)	(45,326)

2016/17 ADJUSTMENT BUDGET

EC104 Makana - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 22 February 2017

Description	Ref	Budget Year 2016/17									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
		3	4	5	6	7	8	9	10	+1 2017/18	+2 2018/19	
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	65,215	-	-	-	-	-	-	-	65,215	69,258	73,344
Property rates - penalties & collection charges												
Service charges - electricity revenue	2	191,033	-	-	-	-	-	(61,350)	(61,350)	129,683	202,677	214,846
Service charges - water revenue	2	63,277	-	-	-	-	-	7,782	7,782	71,059	67,200	71,165
Service charges - sanitation revenue	2	44,075	-	-	-	-	-	(10,413)	(10,413)	33,662	4,681	49,570
Service charges - refuse revenue	2	8,305	-	-	-	-	-	-	-	8,305	8,820	9,341
Service charges - other												
Rental of facilities and equipment		811								811	862	912
Interest earned - external investments		700								700	743	787
Interest earned - outstanding debtors		16,059								16,059	17,055	18,061
Dividends received												
Fines		1,092								1,092	1,159	1,228
Licences and permits		1,647								1,647	1,750	1,853
Agency services		500								500	531	562
Transfers recognised - operating		91,292								91,292	90,409	97,314
Other revenue	2	2,185	-	-	-	-	-	-	-	2,185	2,294	2,429
Gains on disposal of PPE												
Total Revenue (excluding capital transfers and contributions)		486,191	-	-	-	-	-	(63,981)	(63,981)	422,210	467,438	541,413
Expenditure By Type												
Employee related costs		144,631	-	-	-	-	-	20,637	20,637	165,268	153,307	162,361
Remuneration of councillors		10,497								10,497	11,148	11,806
Debt impairment												
Depreciation & asset impairment		31,639	-	-	-	-	-	-	-	31,639	59,170	61,863
Finance charges								9,700	9,700	9,700		
Bulk purchases		104,404	-	-	-	-	-	(33,301)	(33,301)	71,103	110,922	117,514
Other materials		1,522	-	-	-	-	-	-	-	1,522	1,617	1,712
Contracted services		28,408	-	-	-	-	-	-	-	28,408	5,277	8,651
Transfers and grants		50,515	-	-	-	-	-	-	-	50,515	50,738	53,732
Other expenditure		114,575	-	-	-	-	-	(61,017)	(61,017)	53,558	126,890	135,943
Loss on disposal of PPE												
Total Expenditure		486,191	-	-	-	-	-	(63,981)	(63,981)	422,210	519,069	553,582
Surplus/(Deficit)		(0)	-	-	-	-	-	-	-	(0)	(51,630)	(12,169)
Transfers recognised - capital		170,043						(126,875)	(126,875)	43,168	42,127	
Contributions recognised - capital												
Contributed assets												
Surplus/(Deficit) before taxation		170,043	-	-	-	-	-	(126,875)	(126,875)	43,168	(9,503)	(12,169)
Taxation												
Surplus/(Deficit) after taxation		170,043	-	-	-	-	-	(126,875)	(126,875)	43,168	(9,503)	(12,169)
Attributable to minorities												
Surplus/(Deficit) attributable to municipality		170,043	-	-	-	-	-	(126,875)	(126,875)	43,168	(9,503)	(12,169)
Share of surplus/ (deficit) of associate												
Surplus/ (Deficit) for the year		170,043	-	-	-	-	-	(126,875)	(126,875)	43,168	(9,503)	(12,169)

2016/17 ADJUSTMENT BUDGET

EC104 Makana - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 22 February 2017

Description	Ref	Budget Year 2016/17									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
	5	6	7	8	9	10	11	12				
	A	A1	B	C	D	E	F	G	H			
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Technical & Infrastructure		89,671	-	-	-	-	-	(75,405)	(75,405)	14,267	-	-
Vote 2 - Corporate Services		6,350	-	-	-	-	-	(6,350)	(6,350)	-	220	160
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community & Social Services		16,794	-	-	-	-	-	2,457	2,457	19,250	-	-
Vote 5 - Executive Mayor		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Speakers Office		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Local Economic Development		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		9,079	-	-	-	-	-	(1,367)	(1,367)	7,712	12,110	14,348
Vote 11 - Water		47,065	-	-	-	-	-	(45,126)	(45,126)	1,939	-	-
Vote 12 - Dog Tax		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Parking Meters		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	168,960	-	-	-	-	-	(125,791)	(125,791)	43,168	12,330	14,508
Single-year expenditure to be adjusted	2											
Vote 1 - Technical & Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community & Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Executive Mayor		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Speakers Office		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Local Economic Development		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Water		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Dog Tax		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Parking Meters		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		168,960	-	-	-	-	-	(125,791)	(125,791)	43,168	12,330	14,508
Capital Expenditure - Standard												
Governance and administration		6,350	-	-	-	-	-	(4,707)	(4,707)	1,644	220	160
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-
Corporate services		6,350	-	-	-	-	-	(4,707)	(4,707)	1,644	220	160
Community and public safety		17,878	-	-	-	-	-	2,457	2,457	20,334	-	-
Community and social services		1,084	-	-	-	-	-	-	-	1,084	-	-
Sport and recreation		16,794	-	-	-	-	-	2,457	2,457	19,251	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		1,252	-	-	-	-	-	11,608	11,608	12,860	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		1,252	-	-	-	-	-	11,608	11,608	12,860	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		144,563	-	-	-	-	-	(136,233)	(136,233)	8,331	12,110	14,348
Electricity		9,079	-	-	-	-	-	(4,000)	(4,000)	5,079	12,110	14,348
Water		47,065	-	-	-	-	-	(44,905)	(44,905)	2,160	-	-
Waste water management		88,419	-	-	-	-	-	(87,327)	(87,327)	1,092	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	170,043	-	-	-	-	-	(126,875)	(126,875)	43,168	12,330	14,508
Funded by:												
National Government		159,140	-	-	-	-	-	(117,055)	(117,055)	42,085	12,330	14,508
Provincial Government		1,084	-	-	-	-	-	-	-	1,084	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		9,820	-	-	-	-	-	(9,820)	(9,820)	0	-	-
Total Capital transfers recognised	4	170,043	-	-	-	-	-	(126,875)	(126,875)	43,168	12,330	14,508
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-	-	-
Total Capital Funding		170,043	-	-	-	-	-	(126,875)	(126,875)	43,168	12,330	14,508

2016/17 ADJUSTMENT BUDGET

EC104 Makana - Table B6 Adjustments Budget Financial Position - 22 February 2017

Description	Ref	Budget Year 2016/17									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
ASSETS												
Current assets												
Cash		7,533							-	7,533	8,000	8,472
Call investment deposits	1	12,940	-	-	-	-	-	-	-	12,940	13,742	14,553
Consumer debtors	1	189,260	-	-	-	-	-	-	-	189,260	200,994	212,853
Other debtors		52,347							-	52,347	55,593	58,873
Current portion of long-term receivables		30							-	30	32	34
Inventory		16,568							-	16,568	17,595	18,633
Total current assets		278,677	-	-	-	-	-	-	-	278,677	295,956	313,417
Non current assets												
Long-term receivables		-							-	-		
Investments		-							-	-		
Investment property		-							-	-		
Investment in Associate		151							-	151	160	170
Property, plant and equipment	1	908,810	-	-	-	-	-	-	-	908,810	965,156	1,022,100
Agricultural		-							-	-		
Biological		-							-	-		
Intangible		12,000							-	12,000		
Other non-current assets		-							-	-		
Total non current assets		920,961	-	-	-	-	-	-	-	920,961	965,316	1,022,270
TOTAL ASSETS		1,199,638	-	-	-	-	-	-	-	1,199,638	1,261,272	1,335,687
LIABILITIES												
Current liabilities												
Bank overdraft									-	-		
Borrowing		4,400	-	-	-	-	-	-	-	4,400	4,673	4,949
Consumer deposits		2,474							-	2,474	2,628	2,783
Trade and other payables		263,776	-	-	-	-	-	-	-	263,776	280,130	296,658
Provisions		10,354							-	10,354	10,996	11,644
Total current liabilities		281,005	-	-	-	-	-	-	-	281,005	298,427	316,034
Non current liabilities												
Borrowing	1	60,534	-	-	-	-	-	-	-	60,534	64,287	68,080
Provisions	1	49,307	-	-	-	-	-	-	-	49,307	52,364	55,453
Total non current liabilities		109,841	-	-	-	-	-	-	-	109,841	116,651	123,534
TOTAL LIABILITIES		390,846	-	-	-	-	-	-	-	390,846	415,078	439,568
NET ASSETS	2	808,793	-	-	-	-	-	-	-	808,793	846,194	896,119
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		1,037,308	-	-	-	-	-	-	-	1,037,308	1,101,621	1,166,616
Reserves		5,749	-	-	-	-	-	-	-	5,749	6,105	6,466
Minorities' interests									-	-		
TOTAL COMMUNITY WEALTH/EQUITY		1,043,057	-	-	-	-	-	-	-	1,043,057	1,107,726	1,173,082

2016/17 ADJUSTMENT BUDGET

EC104 Makana - Table B7 Adjustments Budget Cash Flows - 22 February 2017

Description	Ref	Budget Year 2016/17									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.	Adjus.	Budget	Budget	Budget
		3	4	5	6	7	8	9	10			
		A	A1	B	C	D	E	F	G	H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges		57,240						-	-	57,240	60,788	64,375
Service charges		226,079						-	-	226,079	240,096	254,261
Other revenue		21,000						-	-	21,000	22,302	23,618
Government - operating	1	89,475						-	-	89,475	95,022	100,629
Government - capital	1	170,043						(126,875)	(126,875)	43,168	183,772	194,614
Interest		15,100						-	-	15,100	12,850	13,608
Dividends		-						-	-	-	-	-
Payments												
Suppliers and employees		(351,972)						-	-	(351,972)	(373,794)	(395,848)
Finance charges		(5,000)						-	-	(5,000)	(5,310)	(5,623)
Transfers and Grants	1	(37,901)						-	-	(37,901)	(40,251)	(42,626)
NET CASH FROM/(USED) OPERATING ACTIVITIES		184,063	-	-	-	-	-	(126,875)	(126,875)	57,189	195,475	207,008
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		-						-	-	-	-	-
Payments												
Capital assets		(170,043)						126,875	126,875	(43,168)	(183,772)	(194,614)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(170,043)	-	-	-	-	-	126,875	126,875	(43,168)	(183,772)	(194,614)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-						-	-	-	-	-
Borrowing long term/refinancing		-						-	-	-	-	-
Increase (decrease) in consumer deposits		-						-	-	-	-	-
Payments												
Repayment of borrowing		(5,500)						1,500	1,500	(4,000)	(5,841)	(6,186)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(5,500)	-	-	-	-	-	1,500	1,500	(4,000)	(5,841)	(6,186)
NET INCREASE/ (DECREASE) IN CASH HELD		8,520	-	-	-	-	-	1,500	1,500	10,020	5,862	6,209
Cash/cash equivalents at the year begin:	2	2,609						-	-	2,609	12,629	18,491
Cash/cash equivalents at the year end:	2	11,129						1,500	1,500	12,629	18,491	24,700

Table B7 Adjusted Budgeted Cash Flow shows how the operations are expected to impact on cash position. The cash flow statement for Makana Municipality at year end predicts a surplus of R1 5 million

2016/17 ADJUSTMENT BUDGET

EC104 Makana - Table B8 Cash backed reserves/accumulated surplus reconciliation - 22 February 2017

Description	Ref	Budget Year 2016/17									Budget Year	Budget Year
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	+1 2017/18 Adjusted Budget	+2 2018/19 Adjusted Budget
R thousands												
Cash and investments available												
Cash/cash equivalents at the year end	1	11,129	-	-	-	-	-	1,500	1,500	12,629	18,491	24,700
Other current investments > 90 days		9,343	-	-	-	-	-	(1,500)	(1,500)	7,843	3,251	(1,675)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		20,473	-	-	-	-	-	-	-	20,473	21,742	23,025
Applications of cash and investments												
Unspent conditional transfers		6,920	-	-	-	-	-	-	-	6,920	7,349	7,783
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		(64,764)	-	-	-	-	-	40,000	40,000	(24,764)	(72,624)	(78,432)
Other working capital requirements	2	70,338	-	-	-	-	-	(36,139)	(36,139)	34,199	52,403	79,092
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		5,749	-	-	-	-	-	-	-	5,749	6,105	6,466
Total Application of cash and investments:		18,243	-	-	-	-	-	3,861	3,861	22,104	(6,766)	14,909
Surplus(shortfall)		2,230	-	-	-	-	-	(3,861)	(3,861)	(1,631)	28,508	8,116

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

2016/17 ADJUSTMENT BUDGET

EC104 Makana - Table B10 Basic service delivery measurement - 22 February 2017

Description	Ref	Budget Year 2016/17								Budget Year	Budget Year	
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
	A	7	8	9	10	11	12	13	14			
		A1	B	C	D	E	F	G	H			
Household service targets	1											
Water:												
Piped water inside dwelling		37,500							38			
Piped water inside yard (but not in dwelling)	2	650							1			
Using public tap (at least min.service level)		-							-			
Other water supply (at least min.service level)		-							-			
<i>Minimum Service Level and Above sub-total</i>		38							38			
Using public tap (< min.service level)	3											
Other water supply (< min.service level)	3,4											
No water supply												
<i>Below Minimum Service Level sub-total</i>		-							-			
Total number of households	5	38							38			
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		700							700			
Flush toilet (with septic tank)		-							-			
Chemical toilet		-							-			
Pit toilet (ventilated)		-							-			
Other toilet provisions (> min.service level)		-							-			
<i>Minimum Service Level and Above sub-total</i>		700							700			
Bucket toilet												
Other toilet provisions (< min.service level)												
No toilet provisions												
<i>Below Minimum Service Level sub-total</i>		-							-			
Total number of households	5	700							700			
Energy:												
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>		-							-			
Total number of households	5											
Refuse:												
Removed at least once a week (min.service)		24,423							24,423			
<i>Minimum Service Level and Above sub-total</i>		24,423							24,423			
Removed less frequently than once a week												
Using communal refuse dump		2							2			
Using own refuse dump												
Other rubbish disposal												
No rubbish disposal												
<i>Below Minimum Service Level sub-total</i>		2							2			
Total number of households	5	24,425							24,425			
Households receiving Free Basic Service	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)												
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)												
Sanitation (free sanitation service)												
Electricity/other energy (50kwh per household per month)												
Refuse (removed once a week)		7,434,144							7,434			
Total cost of FBS provided (minimum social pack)		7,434							7,434			
Highest level of free service provided												
Property rates (R'000 v 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)												
Revenue cost of free services provided (R'000)	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												
Total revenue cost of free services provided (total s		-							-			

2016/17 ADJUSTMENT BUDGET

PART 2 – SUPPORTING DOCUMENTATION

EC104 Makana - Supporting Table SB2 Supporting detail to 'Financial Position Budget' - 22 February 2017

Description	Ref	Budget Year 2016/17									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	+1 2017/18	+2 2018/19	
ASSETS												
Call investment deposits												
Call deposits < 90 days												
Other current investments > 90 days		12,940								12,940	13,742	14,553
Total Call investment deposits	1	12,940								12,940	13,742	14,553
Consumer debtors												
Consumer debtors		189,260								189,260	200,994	212,853
Less: provision for debt impairment												
Total Consumer debtors	1	189,260								189,260	200,994	212,853
Debt impairment provision												
Balance at the beginning of the year												
Contributions to the provision												
Bad debts written off												
Balance at end of year												
Property, plant & equipment												
PPE at cost/valuation (ex cl. finance leases)	2	1,141,441								1,141,441	1,212,210	1,283,731
Leases recognised as PPE												
Less: Accumulated depreciation		232,631								232,631	247,054	261,631
Total Property, plant & equipment	1	908,810								908,810	965,156	1,022,100
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)												
Current portion of long-term liabilities		4,400								4,400	4,673	4,949
Total Current liabilities - Borrowing		4,400								4,400	4,673	4,949
Trade and other payables												
Creditors		256,856								256,856	272,781	288,875
Unspent conditional grants and receipts		6,920								6,920	7,349	7,783
VAT												
Total Trade and other payables	1	263,776								263,776	280,130	296,658
Non current liabilities - Borrowing												
Borrowing	3	60,534								60,534	64,287	68,080
Finance leases (including PPP asset element)												
Total Non current liabilities - Borrowing		60,534								60,534	64,287	68,080
Provisions - non current												
Retirement benefits		49,307								49,307	52,364	55,453
List other major items												
Refuse landfill site rehabilitation												
Other												
Total Provisions - non current		49,307								49,307	52,364	55,453
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance		1,037,308								1,037,308	1,101,621	1,166,616
Appropriations to Reserves												
Transfers from Reserves												
Depreciation offsets												
Other adjustments												
Accumulated Surplus/(Deficit)	1	1,037,308								1,037,308	1,101,621	1,166,616
Reserves												
Housing Development Fund												
Capital replacement												
Self-insurance												
Other reserves (list)		5,749								5,749	6,105	6,466
Revaluation												
Total Reserves	2	5,749								5,749	6,105	6,466
TOTAL COMMUNITY WEALTH/EQUITY	2	1,043,057								1,043,057	1,107,726	1,173,082

2016/17 ADJUSTMENT BUDGET

EC104 Makana - Supporting Table SB6 Adjustments Budget - funding measurement - 22 February 2017

Description	Ref	MFMA section	2013/14	2014/15	2015/16	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands										
Funding measures										
Cash/cash equivalents at the year end - R'000	1	18(1)b	(22,006)	4,698	5,105	11,129	-	12,629	18,491	24,700
Cash + investments at the yr end less applications - R'000	2	18(1)b	49,980	18,647	121,908	2,230	-	(1,631)	28,508	8,116
Cash year end/monthly employee/supplier payments	3	18(1)b	(0)	0	0	-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)	15,499	(8,463)	16,319	170,043	-	43,168	(9,503)	(12,169)
Service charge rev % change - macro CPIX target exclusive	5	18(1)a,(2)	-0.04345868	14.6%	-6.0%	0.0%	0.0%	0.0%	8.5%	12.6%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0.0%	0.0%	0.0%	77.2%	0.0%	92.2%	85.9%	77.2%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	8	18(1)c;19	0.0%	0.0%	8.1%	100.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (ex cl. transfers)	9	18(1)c	-103.8%	0.0%	0.0%	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	0.8%	33.1%	0.0%				6.2%	5.9%
Long term receivables % change - incr(decr)	12	18(1)a	0.0%	0.0%	0.0%				0.0%	0.0%
R&M % of Property Plant & Equipment	13	20(1)(vi)	1.6%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Asset renewal % of capital budget	14	20(1)(vi)	0.0%	0.0%	0.0%	50.0%	0.0%	50.0%	50.0%	50.0%

EC104 Makana - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 22 February 2017

Description	Ref	Budget Year 2016/17							Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F		
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:										
		77,632	-	-	-	-	-	77,632	83,855	124,072
Local Government Equitable Share		73,008						73,008	80,465	86,244
Finance Management	3	1,810						1,810	2,145	24,000
Municipal Systems Improvement		-						-	-	761
EPWP Incentive		1,000						1,000	-	-
Integrated National Electrification Programme		-						-	-	-
MIG (Operational)		1,814						1,814	1,245	13,067
Provincial Government:										
Sport and Recreation		2,901						2,901		
Health subsidy	4									
COGTA	5									
District Municipality:										
Health		1,917						1,917	2,036	2,156
Fire		1,917						1,917	2,036	2,156
Other grant providers:										
[insert description]										
Total Operating Transfers and Grants										
	6	82,450	-	-	-	-	-	82,450	85,891	126,228
Capital Transfers and Grants										
National Government:										
		152,790	-	-	-	(113,758)	(113,758)	39,032	106,599	116,172
Municipal Infrastructure Grant (MIG)		34,474				777	777	35,251	23,656	24,824
Regional Bulk Infrastructure		86,000				(86,000)	(86,000)	-	70,833	77,000
Neighbourhood Development Partnership		-						-	-	-
INEP & Bucket Eradication		32,316				(28,535)	(28,535)	3,781	12,110	14,348
Provincial Government:										
Sports and Recreation		1,084						1,084		
District Municipality:										
Fire										
Other grant providers:										
External Funding		16,169				(13,116)	(13,116)	3,053		
INNOWIND/ Internally Funded		16,169				(13,116)	(13,116)	3,053		
Total Capital Transfers and Grants										
	6	170,043	-	-	-	(126,874)	(126,874)	43,168	106,599	116,172
TOTAL RECEIPTS OF TRANSFERS & GRANTS										
		252,493	-	-	-	(126,874)	(126,874)	125,619	192,490	242,400

2016/17 ADJUSTMENT BUDGET

EC104 Makana - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 22 February 2017

Description	Ref	Budget Year 2016/17							Budget Year	Budget Year
		Original	Prior	Multi-year	Nat. or Prov.	Other	Total	Adjusted	+1 2017/18	+2 2018/19
		Budget	Adjusted	capital	Govt	Adjusts.	Adjusts.	Budget	Adjusted	Adjusted
	A	A1	B	C	D	E	F			
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
Operating expenditure of Transfers and Grants										
National Government:		77,632	-	-	-	(94)	(94)	77,539	83,855	124,072
Local Government Equitable Share		73,008						73,008	80,465	86,244
Finance Management		1,810						1,810	2,145	24,000
Municipal Systems Improvement		-						-	-	761
EPWP Incentive		1,000						1,000	-	-
Integrated National Electrification Programme		-						-	-	-
		-						-	-	-
MIG (Operational)		1,814				(94)	(94)	1,721	1,245	13,067
Provincial Government:		2,901	-	-	-	-	-	2,901	-	-
Sport and Recreation		2,901						2,901		
Health subsidy										
COGTA										
District Municipality:		1,917	-	-	-	-	-	1,917	2,036	2,156
Health		1,917						1,917	2,036	2,156
Fire										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total operating expenditure of Transfers and Grants:		82,450	-	-	-	(94)	(94)	82,357	85,891	126,228
Capital expenditure of Transfers and Grants										
National Government:		152,790	-	-	-	(113,758)	(113,758)	39,032	106,599	116,172
Municipal Infrastructure Grant (MIG)		34,474				777	777	35,251	23,656	24,824
Regional Bulk Infrastructure		86,000				(86,000)	(86,000)	-	70,833	77,000
Neighbourhood Development Partnership		-						-	-	-
INEP & Bucket Eradication		32,316				(28,535)	(28,535)	3,781	12,110	14,348
Provincial Government:		-	-	-	-	-	-	-	-	-
Sports and Recreation										
District Municipality:		-	-	-	-	-	-	-	-	-
Fire										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>External Funding</i>										
<i>INNOWIND/ Internally Funded</i>										
Total capital expenditure of Transfers and Grants		152,790	-	-	-	(113,758)	(113,758)	39,032	106,599	116,172
Total capital expenditure of Transfers and Grants		235,240	-	-	-	(113,851)	(113,851)	121,389	192,490	242,400

2016/17 ADJUSTMENT BUDGET

EC104 Makana - Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds - 22 February 2017

Description	Ref	Budget Year 2016/17						Budget Year	Budget Year
		Original	Prior	Multi-year	Nat. or Prov.	Other	Total	Adjusted	Adjusted
		Budget	Adjusted	capital	Govt	Adjusts.	Adjusts.	Budget	Budget
R thousands		A	2	3	4	5	6	7	
		A1	B	C	D	E	F		
Operating transfers and grants:									
National Government:									
Balance unspent at beginning of the year							-	-	
Current year receipts		77,632					-	77,632	85,891
Conditions met - transferred to revenue		77,632	-	-	-	-	-	77,632	85,891
Conditions still to be met - transferred to liabilities							-	-	
Provincial Government:									
Balance unspent at beginning of the year							-	-	
Current year receipts		2,901					-	2,901	
Conditions met - transferred to revenue		2,901	-	-	-	-	-	2,901	-
Conditions still to be met - transferred to liabilities							-	-	
District Municipality:									
Balance unspent at beginning of the year							-	-	
Current year receipts		1,917					-	1,917	2,036
Conditions met - transferred to revenue		1,917	-	-	-	-	-	1,917	2,036
Conditions still to be met - transferred to liabilities							-	-	
Other grant providers:									
Balance unspent at beginning of the year							-	-	
Current year receipts							-	-	
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-	
Total operating transfers and grants revenue		82,450	-	-	-	-	-	82,450	87,927
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-
Capital transfers and grants:									
National Government:									
Balance unspent at beginning of the year							-	-	
Current year receipts		156,790				(117,055)	(117,055)	39,735	106,599
Conditions met - transferred to revenue		156,790	-	-	-	(117,055)	(117,055)	39,735	106,599
Conditions still to be met - transferred to liabilities							-	-	
Provincial Government:									
Balance unspent at beginning of the year							-	-	
Current year receipts		1,084					-	1,084	
Conditions met - transferred to revenue		1,084	-	-	-	-	-	1,084	-
Conditions still to be met - transferred to liabilities							-	-	
District Municipality:									
Balance unspent at beginning of the year							-	-	
Current year receipts							-	-	
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities							-	-	
Other grant providers:									
Balance unspent at beginning of the year							-	-	
Current year receipts		12,169				(9,820)	(9,820)	2,349	
Conditions met - transferred to revenue		12,169	-	-	-	(9,820)	(9,820)	2,349	-
Conditions still to be met - transferred to liabilities							-	-	
Total capital transfers and grants revenue		170,043	-	-	-	(126,875)	(126,875)	43,168	106,599
Total capital transfers and grants - CTBM		-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		252,493	-	-	-	(126,875)	(126,875)	125,618	194,526
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-

2016/17 ADJUSTMENT BUDGET

EC104 Makana - Supporting Table SB10 Adjustments Budget - transfers and grants made by the municipality - 22 February 2017

Description	Ref	Budget Year 2016/17									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
Cash transfers to other municipalities												
[insert description]	1								-	-		
[insert description]									-	-		
[insert description]									-	-		
TOTAL ALLOCATIONS TO MUNICIPALITIES:												
		-	-	-	-	-	-	-	-	-	-	-
Cash transfers to Entities/Other External Mechanisms												
[insert description]	2								-	-		
[insert description]									-	-		
[insert description]									-	-		
TOTAL ALLOCATIONS TO ENTITIES/EMs'												
		-	-	-	-	-	-	-	-	-	-	-
Cash transfers to other Organs of State												
Makana Tourism	3	850							-	850	903	956
Other Grants and subsidies psid		-							-	-	-	-
Free Basic Services		46,851						(19,413)	(19,413)	27,438	49,835	52,776
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:												
		47,701	-	-	-	-	-	(19,413)	(19,413)	28,288	50,738	53,732
Cash transfers to other Organisations												
[insert description]	4	-							-	-	-	-
[insert description]		-							-	-	-	-
[insert description]		-							-	-	-	-
TOTAL CASH TRANSFERS TO OTHER ORGANISATIONS:												
		-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS												
	5	47,701	-	-	-	-	-	(19,413)	(19,413)	28,288	50,738	53,732