



SPECIAL ADJUSTED BUDGET OF  
**MAKHUDUTHAMAGA LOCAL  
MUNICIPALITY**

**2016/2017**

**NB. Copies of this document can be viewed/obtained:**

- **At the reception of our municipal buildings**
- **All public libraries of the municipality**
- **At [www.makhuduthamaga.gov.za](http://www.makhuduthamaga.gov.za)**

## Abbreviations and Acronyms

BPC	Budget Planning Committee	MIG	Municipal Infrastructure Grant
CFO	Chief Financial Officer	MPRA	Municipal Properties Rates Act
MM	Municipal Manager	MSA	Municipal Systems Act
CPI	Consumer Price Index	MTEF	Medium-term Expenditure Framework
CRRF	Capital Replacement Reserve Fund	MTREF	Medium-term Revenue and Expenditure Framework
DoRA	Division of Revenue Act	NGO	Non-Governmental organisations
EE	Employment Equity	NKPIs	National Key Performance Indicators
FBS	Free basic services	OHS	Occupational Health and Safety
GAMAP	Generally Accepted Municipal Accounting Practice	OP	Operational Plan
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
IDP	Integrated Development Plan	PPP	Public Private Partnership
IT	Information Technology	RG	Restructuring Grant
km	kilometre	SALGA	South African Local Government Association
GFS	Government Financial Statistics	SDBIP	Service Delivery Budget Implementation Plan
KPA	Key Performance Area	SMME	Small Micro and Medium Enterprises
KPI	Key Performance Indicator	DOE	Department of Energy
LED	Local Economic Development		
MEC	Member of the Executive Committee		
MFMA	Municipal Financial Management Act Programme		
MBRR	Municipal Budget and Reporting Regulations		

## **TABLE OF CONTENTS**

### **PART 1 – Adjustment BUDGET**

- 1.1 Mayor's report**
- 1.2 Resolutions**
- 1.3 Executive summary**
- 1.4 Annual Budget Tables (B–schedule)**
  - 1.4.1 Table B1 – Budget Summary**
  - 1.4.2 Table B2 – Budgeted Financial Performance (Standard Classification)**
  - 1.4.3 Table B3 – Budgeted Financial Performance (Municipal Vote)**
  - 1.4.4 Table B4 – Budgeted Financial Performance (Operational Revenue and Expenditure)**
  - 1.4.5 Table B5 – Budgeted Capital Expenditure (By Vote & Standard Classification)**
  - 1.4.6 Table B6 – Budgeted Financial Position**
  - 1.4.7 Table B7 – Budgeted Cash Flows.**
  - 1.4.8 Table B8 – Cash backed reserves/Accumulated surplus reconciliation.**
  - 1.4.9 Table B9 – Asset Management.**
  - 1.4.10 Table B10 – Basic Service delivery measurement.**

### **PART 2 – SUPPORTING DOCUMENTS**

- 2.1. Adjustments to budget assumptions.**
- 2.2. Adjustments to budget funding.**
- 2.3. Adjustments to expenditure on allocations and grant programmes.**
- 2.4. Adjustments to allocations and grants made by the municipality.**
- 2.5. Adjustments to councillor Allowances and employee benefits.**
- 2.6. Adjustments to service delivery and budget implementation plan.**
- 2.7. Adjustments to capital expenditure.**
- 2.8. Other Supporting documents.**
- 2.9. Municipal Manager's quality certification.**

## 1.1 Mayor's report.

Honourable speaker

The Executive committee

Our Traditional Leaders

Municipal Manager

Honourable councillors

Senior Managers

Ladies and gentlemen

Allow me honourable speaker, to greet and welcome everyone present in this council seating of today. The year 2017 marks the beginning of a new term of council with a vision of serving our communities with the basic services and other responsibilities charged to the municipalities by the constitution of the Republic of South Africa. The previous council did approve the annual municipal budget for 2016/17 together with the reviewed IDP in May 2016 for implementation from the 1<sup>st</sup> of July 2016 to the end of June 2017. The SDBIP for 2016/17 was further approved by the previous mayor in June 2016 for the smooth implementation of the IDP and the municipality's annual budget, the annual budget adjustment for 2015/16 was also approved by the previous council in February 2016.

As the Local Municipality, we are allowed by the municipal legislation in terms of section 28 subsection (1), (2)(a)(b)(c)(d)(e) of the Municipal Finance Management Act No 56 of 2003, to adjust the municipality's annual budget as it was approved in May 2016 and service delivery targets when necessary after considering the Municipality 's half yearly performance in terms of section 72 of the MFMA reports. The municipality has reviewed its performance for the first six months of the 2016/17 budget year in terms of section 72 of MFMA and found it necessary to adjust the municipality's annual budget and Service Delivery and Implementation Plan for 2016/17 and the MTREF.

Allow me Honourable speaker to indicate that, as a Local Municipality and with reference to section 28 subsection (1), (2)b of the Municipal Finance Management Act No 56 of 2003, we are allowed to further adjust the municipality's approved adjustment budget as it was approved in February 2017 and service delivery targets when necessary after considering the Municipality 's half yearly performance in terms of section 72 of the MFMA reports. The Act allows the municipality to appropriate additional revenues that may have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending on programmes already budgeted for.

## Honourable Speaker

The municipality's total budgeted revenue for 2016/17 has been adjusted further from **R 372 million** to **R 401 million** which is made of **R 79 million** from own sources of revenue and **R 322 million** from government grants. The municipality did allocate the cash backed reserves to the amount of **R 44.5 million** to fund the expenditure programmes in excess of the total budgeted revenue for 2016/17. The municipality's total funding for 2016/17 is **R 445.5 million** inclusive of the cash backed reserves.

## Budgeted Expenditure

The municipality's total budgeted expenditure for 2016/17 has been adjusted further from **R 417 million** to **R 441 million** which is made of operational expenditure to the amount of **R 273 million** and capital expenditure to the amount of **R 168 million**.

## Adjustments on Operational Expenditure

The following budget adjustments were effected in February 2017 during the first budget adjustment period and no further adjustments are being effected on operational budget for purposes of this special adjustment budget.

The municipality did have some savings of about **R 8.4 million** on the employee related costs for 2016/17 due to some vacant positions were not filled as planned and budgeted for during the first six months of the 2016/17 financial year. It was therefore deemed appropriate, as guided by section 28(1)(2) d of the MFMA, to reallocate these savings on some of the operational expenditure items which were likely to overspend and required additional funding to accelerate the service delivery levels.

Debt Impairment was increased by **R 14 million** to provide for an increase in the amount of irrecoverable debtors due to non-payment of outstanding municipal accounts.

Depreciation on capital assets was also increased by **R 5.3 million** as more capital assets were budgeted to be acquired during the year.

Contracted services increased by **R 19.7 million** due to the increase in the amount of maintenance work to be done for the roads & bridges & maintenance of the electrical infrastructure assets.

There were also other programmes of expenditure such as Publications, Public Participations, Ward Committee Capacity Building, Repairs & Maintenance of other Assets, Spatial Planning & Solid Waste Collection which needed an increase of about **R 11 million** for 2016/17 to accelerate service delivery.

## **Adjustments on Capital Expenditure**

The municipality's total capital budget was further adjusted from **R 143.9 million** to **R 168.1 million** for the 2016/17 financial year.

Below are the capital projects which were affected by the budget adjustments:

Construction of access road from Malegale to Madibaneng 2016/17 (MIG) – decreased by **R 1 million**.

Construction of Mohlala/Ngwanantshwane access bridge 2016/17 (MIG) – decreased by **R 3 million**.

Rehabilitation of R579 2016/17 (ES) - increased by **R 7 million**

Construction of Thusong Centre 2016/17 (ES) – decreased by **R 2 million**

Construction of Manganeng access bridge (ES) – decreased by **R 700 thousands**.

Construction of Cabrive/Khayelicha access bridge (ES) – decreased by **R 3 million**

Purchase of a building structure for office space (ES) 2016/17 – Increased by **R 8 million**

Purchase of Mayor's vehicle (ES) 2016/17 – Increased by **R 400 thousands**

Acquisition of the mSCOA system (ES) 2016/17 – Increased by **R 1.6 million**

Erection of the new Market Stalls was completely discontinued (ES) 2016/17 – **R 1.6 million**

**An additional R 28 million MIG funding was granted to the municipality to fund some of the existing MIG projects for 2016/17 with the condition that the grant must be fully utilised by June 2018.**

**The annual budgets for the following MIG projects were adjusted accordingly as a result:**

Construction of Kolokotela Access Road (MIG) – **R 11 million**

Construction of Glen Cowie Moloi Access Road (MIG) – **R 10 million**

Construction of Thabampshe to Tswaing Access Road (MIG) – **R 3.5 million**

Construction of Rietfontein to Eenzaam Access Road (MIG) – **R 3.5 million**

No multi-year shifting of funds was done in relation to the capital expenditure budget.

No budget adjustments were effected on the equitable share and all other grant allocations for the 2016/17 financial year.

Honourable speaker

The municipality's special adjustment budget was presented to the executive committee of the municipality and the committee was satisfied with the adjustments made to the original budget for 2016/17. I am therefore hereby, in terms of section 28 of the MFMA Act no 56 of 2003 table the adjustment to council for adoption and approval.

Thank You.

## 1.2 Council resolutions.



### LOCAL MUNICIPALITY

### COUNCIL RESOLUTIONS

Ref: \_\_\_\_\_

#### RESOLUTION No.

#### AGENDA ITEM:

#### RESOLUTION ON THE TABLING AND ADOPTION OF THE SPECIAL ADJUSTMENT BUDGET 2016/2017

#### NOTING THAT:

1. In terms of the Local Government Municipal Finance Management Act 56 of 2003 section 28, A Municipality may revise an approved annual budget through an adjustments budget.
2. In terms Local Government Municipal Budget and Reporting Regulations, Regulation 23, an adjustment budget referred to in section 28 (2) (b), (d) and (f) of the Act may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council , but not later than 28 February of the current year.
- 2.1 The total annual revenue budget for the financial year **2016/2017** and the multi-year and single year capital appropriations was adjusted from the total amount of **R 368 044 727.80** to **R 372 969 732.35** during the budget adjustment period, the total budgeted revenue was further adjusted to **R 401 million** for 2016/17. The total expenditure budget was adjusted from **R 386 023 767.24** to **R 416 515 144.47** during the budget adjustment and it is further adjusted to **R 441 million** for 2016/17. The Capital expenditure and operational expenditure in excess of the total available revenue is funded through the cash backed reserves to the amount of **R 44 500 000.00**

The total capital budget was adjusted from **R 154 910 000.00** to **R 143 509 403.97** during the budget adjustment period and it was further adjusted to **R 168.1 million** for 2016/17 financial year.



The total operational expenditure budget was adjusted from R **231 113 767.24** to R **273 005 740.51** during the 2016/17 budget adjustment and there will be no further adjustments on the operational budget for 2016/17. The following MBRR tables provide more details on the 2016/17 adjusted budget.

- 2.1.1 Budget summary as contained in table B1
  - 2.1.2 Budgeted financial performance (revenue and expenditure by standards classification) as contained in table B2.
  - 2.1.3 Budgeted financial performance (revenue and expenditure by municipal vote) as contained in table B3
  - 2.1.4 Budgeted financial performance (revenue by source and expenditure by type) as contained in table B4.
  - 2.1.5 Multi –year and single year capital appropriations by municipal votes and standards classification and associated funding by source as contained in table B5
  - 2.1.6 Budget financial position as contained in table B6
  - 2.1.7 Budget Cash flows as contained in table B7
  - 2.1.8 Cash backed reserves and accumulated surplus reconciliation as contained in table B8
  - 2.1.9 Asset management as contained in table B9
  - 2.1.10 Basic service delivery measurement as contained in table B10
3. The Council of Makhuduthamaga Local Municipality, acting in terms of section 75A of the Local Government: Municipal Systems Act (Act 32 of 2000) approved and adopted rates tariffs and taxes with effect from 1 July 2012 and no adjustment has been made on the rates tariffs:
4. In Compliance with the above mentioned Legislations, Makhuduthamaga Municipal Council at its Special Council Meeting on the February 2017,

**RESOLVED THAT:**

- The tariffs for property rates remain two cents in a rand rate.
- No amendments are necessary to budget related policies.
- The adjustment budget for **2016/2017** be adopted as tabled.
- The adjustments on service delivery targets and performance indicators in the Service Delivery and Budget Implementation Plan for **2016/17** be adopted as tabled.
- All relevant Budget related MFMA circulars are adopted as issued by National Treasury.

**Mover:**

**Seconder:**

**Speaker: Cllr. Tala M**

**Municipal Manager: Mr. ME Moropa**

**Signature:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Date:** \_\_\_\_\_

### 1.3 Executive Summary.

Makhuduthamaga Municipality has prepared its Special Adjustment budget for 2016/2017 in accordance with section 28 of the Municipal Finance Management Act and Chapter 2, part 4 of the Municipal Budget and Reporting Regulations as published under GN 393 in GG 32141 dated 17 April 2009. Where appropriate, forecasts for both revenue and expenditure for outer years 2017/2018 and 2018/2019 has been adjusted accordingly to incorporate changes brought forward by the mid-year budget and performance assessment to ensure a well-funded budget for the MTREF.

The municipality's financial management strategies and service delivery priorities were reviewed as part of the mid-year budget and performance assessment in terms of section 72 of the Municipal Finance Management Act. Where appropriate, funds were transferred from low- to high-priority programmes and funds not utilised as planned during the compilation of the annual budget were also re-allocated to other programmes to ensure services delivery and accurately satisfactory spending at the end of the financial year. Cash backed reserves are added to the municipality's revenue budget to fund expenditure programmes in excess of the revenue budgeted to be received in 2015/16 financial year.

With reference to section 28 subsection (1), (2)b of the Municipal Finance Management Act No 56 of 2003, the following budget adjustments were also further incorporated into the 2016/17 annual budget.

#### ADJUSTMENT ON REVENUE

##### Grants: Capital

An amount of **R 28 million** has been granted to the municipality by the National Treasury as an additional funding for MIG projects as the municipality did perform very well on the implementation of the MIG projects for 2016/17 thus far.

The said amount is therefore budgeted for as revenue to be recognised in the 2016/17 financial year.

#### ADJUSTMENT ON TOTAL BUDGETED EXPENDITURE

The municipality has originally budgeted a total expenditure of **R 386 million** and this budget was adjusted to **R 416.5 million** during the first 2016/17 budget adjustment period , this budget is being further adjusted to **R 441 million** for 2016/17:

##### Adjustment on Operational Expense.

The following adjustments were effected on the total operational budget for 2016/17 during the first budget adjustment period and no further adjustments are being made for the purposes of the special adjustment budget.

The municipality did have some savings of about **R 8.4 million** on the employee related costs for 2016/17 due to some vacant positions which were not filled as planned and budgeted for during the first six months of the 2016/17 financial year. It was therefore deemed appropriate, as guided by section

28(1) (2) d of the MFMA, to reallocate these savings on some of the operational expenditure items which were likely to overspend and required additional funding to accelerate the service delivery levels.

Debt Impairment was increased by **R 14 million** to provide for an increase in the amount of irrecoverable debtors due to non-payment of outstanding municipal accounts.

Depreciation on capital assets was also increased by **R 5.3 million** as more capital assets were budgeted to be acquired during the year.

Contracted services increased by **R 19.7 million** due to the increase in the amount of maintenance work to be done for the roads & bridges & maintenance of the electrical infrastructure assets.

There were also other programmes of expenditure such as Publications, Public Participations, Ward Committee Capacity Building, Repairs & Maintenance of other Assets, Spatial Planning & Solid Waste Collection which needed an increase of about **R 11 million** for 2016/17 to accelerate service delivery.

### **Adjustment on Capital Expenditure**

The municipality's capital budget was adjusted from **R 154.9 million** to **R 143.9 million** for 2016/17 financial year. This budget is further adjusted to **R 168.1 million** for 2016/17.

Below are the capital projects which were affected by the budget adjustments during the first budget adjustment period:

Construction of access road from Malegale to Madibaneng 2016/17 (MIG) – decreased by **R 2 million**.

Construction of Kolokotela Internal Road 2016/17 (MIG) – Increased by **R 1 million**

Construction of Mohlala/Ngwanantshwane access bridge 2016/17 (MIG) – decreased by **R 3 million**.

Rehabilitation of R579 2016/17 (ES) - increased by **R 7 million**

Construction of Thusong Centre 2016/17 (ES) – decreased by **R 2 million**

Construction of Manganeng access bridge (ES) – decreased by **R 700 thousands**.

Construction of Cabrive/Khayelicha access bridge (ES) – decreased by **R 3 million**

Purchase of a building structure for office space (ES) 2016/17 – Increased by **R 8 million**

Purchase of Mayor's vehicle (ES) 2016/17 – Increased by **R 400 thousands**

Acquisition of the mSCOA system (ES) 2016/17 – Increased by **R 1.6 million**

Erection of the new Market Stalls was completely discontinued (ES) 2016/17 – **R 1.6 million**

**An additional R 28 million MIG funding was granted to the municipality to fund some of the existing MIG projects for 2016/17 with the condition that the grant must be fully utilised by June 2018.**

**The annual budgets for the following MIG projects were adjusted accordingly as a result:**

Construction of Kolokotela Access Road (MIG) – **R 11 million**

Construction of Glen Cowie Moloi Access Road (MIG) – **R 10 million**

Construction of Thabampshe to Tswaing Access Road (MIG) – **R 3.5 million**

Construction of Rietfontein to Eenzaam Access Road (MIG) – **R 3.5 million**

No multi-year shifting of funds was done in relation to the capital expenditure budget.

No budget adjustments were effected on the equitable share and all other grant allocations for the 2016/17 financial year.

**Table 1 Consolidated Overview of the Adjusted 2016/17 MTREF:**

Description	Adjusted Budget 2015/16	Original Budget 2016/17	Adjustments Increase/Decrease	Adjusted Budget 2016/17	Adjusted Budget 2017/18	Adjusted Budget 2018/19
Total Revenue	378 237 055,41	368 044 727,80	32 652 003,55	400 696 731,35	379 586 961,31	404 114 942,83
Total Operating Expenditure	254 911 413,08	231 113 767,24	41 891 973,26	273 005 740,50	245 759 183,72	267 172 701,90
Operating Surplus/Deficit for the year	123 325 642,33	136 930 960,56	- 9 239 969,71	127 690 990,85	133 827 777,59	136 942 240,93
Cash Backed Reserves	47 756 554,85	18 000 000,00	26 500 000,00	44 500 000,00	-	-
<b>Total Funding for Capital Expenditure</b>	<b>171 082 197,18</b>	<b>154 930 960,56</b>	<b>17 260 030,29</b>	<b>172 190 990,85</b>	<b>133 827 777,59</b>	<b>136 942 240,93</b>
Capital Expenditure	171 040 001,00	154 910 000,00	13 160 807,97	168 070 807,97	133 799 000,00	136 930 000,00
<b>Total Surplus/Deficit</b>	<b>42 196,18</b>	<b>20 960,56</b>	<b>4 099 222,32</b>	<b>4 120 182,88</b>	<b>28 777,59</b>	<b>12 240,93</b>

Total budgeted revenue was further adjusted from **R 372 million** to **R 401 million**. This reflects an increase of **R 32.6 million** or 9% as compared to the original budget. For the two outer years, total revenue will remain unchanged at **R 379.5 million** and **R 404 million** respectively, equating to a total revenue growth of **R 26 million** over the MTREF when compared to the 2015/16 financial year. The total revenue includes the grants allocations from the national treasury and conditional grants.

The municipality included the cash backed reserves to the amount of **R 44.5 million** in the special adjustment budget for 2016/17 to fund the expenditure for commitments relating 2015/16 and the increase in the operational expenditure for 2016/17. This reserves are backed by cash in bank resulting from the under spending of the budget in the previous financial years and amount received from SARS for VAT input which is not committed to any other service delivery programmes.

Total operating expenditure budget for the 2016/17 financial year has been adjusted from **R 231 million** to **R 372.6 million** no further adjustments will be effected to budget which translates into an operating budgeted surplus of **R 33 million** as indicated in table B4. When compared to the 2015/16 Adjustments Budget, operational expenditure has increased by 7% in the 2016/17 adjusted budget, declined by 10% for 2017/18 and an increase of 9% per cent for 2018/19 financial year. The operating surplus for the two outer years steadily increases to **R 70 million** and then **R 69.7 million** respectively. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of **R 154 million** for 2016/17 has been adjusted to **R 143.5 million** and decreased by 16 per cent as compared to the 2015/16 Adjustment Budget. The budgeted capital expenditure is further adjusted to **R 168.1 million** for 2016/17.

The capital expenditure decreases to **R 133.7 million** in the 2017/18 financial year and increases to **R 136.9 million** in 2017/2018. Of the R 168.1 total capital budget for 2016/17, an amount of **R 87 million** is funded from MIG for roads and bridges. The rest of the capital projects and acquisitions of new assets is being funded from the equitable share budget and Cash backed reserves.

## Operating Revenue Framework

For Makhuduthamaga Local Municipality to continue improving the quality of services provided to its communities it needs to generate the required sustainable revenue to meet its funding requirements. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and high level of unemployment in our municipality. The expenditure required to address these challenges will always exceed available funding; hence difficult choices have to be made in relation to balancing expenditures against realistically anticipated revenues. The fact is, we cannot increase the property rates tariffs in the near future as we still have very low level of revenue collection for the property rates which makes 48% of the total own revenue. Property rates tariffs remain unchanged at 2 cents in a rand.

In an attempt to ensure a strong revenue base, the municipality has also reviewed its revenue enhancement strategy to improve revenue collection in the 2015/2016 financial year and the two outer years.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs; (e.g. Waste collection project)
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the adjusted 2016/17 MTREF (classified by main revenue source)

**Table 2 Summary of revenue classified by main revenue source**

LIM473 Makhuduthamaga - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	8	9	10		
R thousands	1	A	A1	F	G	H		
<b>Revenue By Source</b>								
Property rates	2	33 426	–	4 468	4 468	37 894	33 521	35 000
Service charges - other		–		–	–	–	–	–
Rental of facilities and equipment		121		–	–	121	121	125
Interest earned - external investments		12 225		(2 000)	(2 000)	10 225	12 259	13 370
Interest earned - outstanding debtors		20 998		2 500	2 500	23 498	21 058	23 757
Fines		630		100	100	730	632	635
Licences and permits		–		–	–	–	–	–
Agency services		5 154		–	–	5 154	5 169	6 526
Transfers recognised - operating		228 253		–	–	228 253	242 196	256 411
Other revenue	2	1 029	–	(416)	(416)	613	1 032	1 061
Gains on disposal of PPE					–	–		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>301 835</b>	<b>–</b>	<b>4 652</b>	<b>4 652</b>	<b>306 487</b>	<b>315 988</b>	<b>336 885</b>
Transfers recognised - capital		66 210		28 000	28 000	94 210	63 599	67 230
<b>Total Revenue (Including capital transfers and contributions)</b>		<b>368 045</b>	<b>–</b>	<b>32 652</b>	<b>32 652</b>	<b>400 697</b>	<b>379 587</b>	<b>404 115</b>

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

The total revenue for the municipality excluding capital transfers after adjustments amount to **R 306 million** for 2016/17, **R 315.9 million** for 2017/18 and **R 336.8 million** for 2018/19. As indicated in the table above, revenue from interest on investment was decreased by **R 2 million** as the municipality did withdraw a significant amount from the investment account to fund the 2016/17 adjusted budget. Other revenue is also adjusted down by **R 416 thousands** as a result of lower sales on tender documents. No adjustments were made on the government grants as per the Dora.

No budget adjustments on licenses and permits for 2016/17.

Revenue from government grants forms a significant percentage of the total operating revenue for the municipality for all of the 2016/17 MTREF. This clearly indicate that our municipality is dependent on government grants which contribute 74% of the total operating revenue in 2016/17 budget year and 76% across the whole 2016/17 MTREF outer years..



## ❖ Operating Expenditure Framework

As indicated in the original budget, the municipality's expenditure framework for the 2015/2016 budget and MTREF is informed by the following:

- The infrastructure projects plan in the IDP to address the backlog and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to backlog eradication plan;
- Operational gains/ surpluses will be directed to funding the capital budget.
- Funding was allocated to only projects which have projects implementation plans to guard against under spending.

The following table is a high level summary of the adjusted operational expenditure budget for 2015/16 and MTREF (classified per main type of operating expenditure):

**Table 3 Summary of operating expenditure by standard classification item**

LIM473 Makhuduthamaga - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	8	9	10			
R thousands	1	A	A1	F	G	H		
<b>Expenditure By Type</b>								
Employee related costs		71 518	–	(8 406)	(8 406)	63 112	75 842	81 076
Remuneration of councillors		20 792			–	20 792	22 289	23 827
Debt impairment		17 280		14 137	14 137	31 417	18 524	19 802
Depreciation & asset impairment		13 638	–	5 300	5 300	18 938	14 620	15 628
Finance charges					–	–		
Bulk purchases		–	–	–	–	–	–	–
Other materials					–	–		
Contracted services		36 649	–	19 717	19 717	56 365	46 000	52 531
Transfers and grants					–	–		
Other expenditure		71 237	–	11 144	11 144	82 381	68 484	74 308
Loss on disposal of PPE					–	–		
<b>Total Expenditure</b>		<b>231 114</b>	<b>–</b>	<b>41 892</b>	<b>41 892</b>	<b>273 006</b>	<b>245 759</b>	<b>267 173</b>

## Adjustment on employee related costs

The budget for Employee related costs has been reduced by **R 8.4 million** as a result of the following positions that were still vacant as at 31 December 2016:

Department	Post name
Mayor's Office	<ol style="list-style-type: none"> <li>1. Youth Officer</li> <li>2. Protocol Officer</li> </ol>
MM's Office	<ol style="list-style-type: none"> <li>1 Manager in the MM's Office</li> <li>2 Risk Officer</li> <li>3 Internal Audit Officer</li> </ol>
Corporate Services	<ol style="list-style-type: none"> <li>1. HR Officer</li> <li>2. IT Technician</li> </ol>
Budget & Treasury	<ol style="list-style-type: none"> <li>1. Deputy Chief Financial Officer</li> <li>2. Inventory Officer</li> <li>3. Driver</li> <li>4. Finance Interns X 2</li> </ol>
Community Services	<ol style="list-style-type: none"> <li>1. Senior manager</li> <li>2. Admin Clerk</li> <li>3. Sports &amp; Recreation Officer</li> <li>4. 6 x General workers</li> <li>5. Chief Licensing Officer</li> <li>6. Land Fill Operator X 2</li> <li>7. Waste collection Driver</li> <li>8. Traffic Officers X 6</li> </ol>
Speaker's Office	<ol style="list-style-type: none"> <li>1. Secretary: Chief Whip</li> <li>2. MPAC secretary</li> <li>3. Driver/Speaker</li> <li>4. Training &amp; Councillor Welfare Officer</li> <li>5. MPAC Co-ordinator</li> </ol>
Economic Development and Planning	<ol style="list-style-type: none"> <li>1. Senior Manager</li> <li>2. PMS Officer</li> <li>3. Business Licensing Officer</li> </ol>



## Remuneration of councillors

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's adjusted budget for 2016/17. The total amount of **R 20.7 million** was calculated on Grade 3 and includes budget for Councillors allowance, cell phone allowance, data cards, pension and car allowance as contained in the circular received from the Minister of Co-operative Governance and Traditional Affairs.

## Debt impairment

The provision of debt impairment for 2016/17 was determined based on the Debt Write-off Policy of the municipality. For the 2016/17 financial year this amount was originally budgeted at **R 17.2 million** and increases to **R 18.5 million** by 2017/18. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues. For 2016/17 budget year the provision for impairment has been adjusted to **R 31 million** and government debts was not considered in the calculation of the amount as per the policy of the municipality.

## Depreciation

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy and GRAP 17. The original budget appropriations in this regard total **R 13.6 million** for the 2016/17 financial year and it was subsequently increased to **R 18.9 million** which amounts to 7% of the total operating.

## Finance charges

The municipality is not planning to use borrowing funds to fund its projects in the near future due to revenue generation incapacity and collection challenges.

## Contracted Services

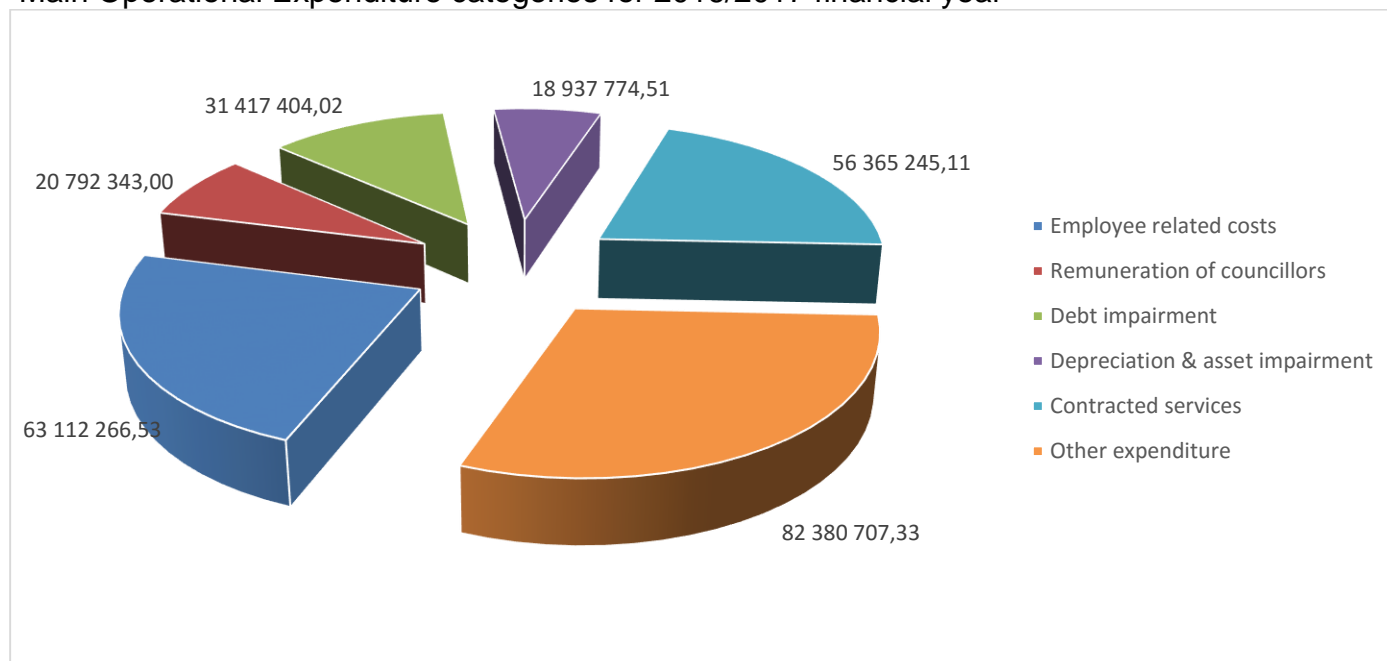
Contracted services comprises of security services, cleaning services, repairs and maintenance for infrastructure assets and operating leases for office equipment and machinery. For the current year budget, contracted services has been increased from **R 36.6 million** to **R 56 million** provide for the significant increase in the repairs and maintenance expenditure of the municipal infrastructure assets while the budgets for 2017/18 and 2018/19 remain unadjusted.

The budget for other expenditure has been increased from **R 71.2 million** to **R 82 million** cover the publication and the increase in provision for bad debts as a result of increase in outstanding debts to the municipality. There was also increase in some operational programmes such as public participation, mayoral outreach programmes and solid waste collection.

Further explanations and reasons for adjustments are provided under supporting documents of the adjustment budget under adjustments to Service Delivery and Implementation Plan.

The following bar chart gives a breakdown of the main expenditure categories for the 2016/17 financial year Adjustment Budget.

Main Operational Expenditure categories for 2016/2017 financial year



## Adjustments on repairs and maintenance

Considering national treasury circular number 54, 55, 58 and 59 our municipality has put repairs and maintenance as one of the priorities to preserving and maintaining the municipality's current infrastructure, to ensure that the existing assets are good working conditions and to lengthen the assets life span. The 2016/17 budget and MTREF provide for a growth in the area of asset maintenance, as informed by the repairs and maintenance plan of the municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. In our municipality's case, all repairs and maintenance services for our infrastructure assets will be done through contracted services as indicated in table SA1 of the B schedule. Repairs and maintenance is adjusted by **R 20 million** for the repairs and maintenance of the municipal infrastructure assets.

## Adjustments on Free Basic Services: Electricity tokens

The municipality gives free basic electricity tokens to poor households within the municipal jurisdictions to assist them as they cannot afford the electricity costs. Our municipality does not have a licence to

sell electricity and therefore buys the tokens from Eskom for the affected households who registered with the municipality. To receive these free services the households are required to register in terms of the municipality's Indigent Policy. Details relating to free services, cost of free basis services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table 16 MBRR Table B10 (Basic Service Delivery Measurement)

The cost of the free basic electricity of the registered indigent households is financed through the local government equitable share received in terms of the annual Division of Revenue Act. There were no adjustments done on the budget for Free Basic Electricity for 2016/17.

## Capital expenditure

The following table provides a breakdown of adjustments on budgeted capital expenditure by vote:

**Table 4 Adjusted Capital budget per vote.**

LIM473 Makhuduthamaga - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			5	10	11	12		
R thousands		A	A1	F	G	H		
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure to be adjusted</b>	2							
Vote 4 - Infrastructure Development		129 260	–	5 551	5 551	134 811	126 619	130 430
<b>Capital multi-year expenditure sub-total</b>	3	<b>129 260</b>	<b>–</b>	<b>5 551</b>	<b>5 551</b>	<b>134 811</b>	<b>126 619</b>	<b>130 430</b>
<b>Single-year expenditure to be adjusted</b>	2							
Vote 1 - Council		1 700	–	500	500	2 200	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		5 500	–	(2 440)	(2 440)	3 060	3 000	2 000
Vote 4 - Infrastructure Development		7 000	–	–	–	7 000	–	–
Vote 5 - Community Services		3 500	–	(1 307)	(1 307)	2 193	1 500	2 000
Vote 6 - Corporate Services		3 500	–	–	–	3 500	2 680	2 500
Vote 7 - Budget and Treasury		4 450	–	10 857	10 857	15 307	–	–
<b>Capital single-year expenditure sub-total</b>		<b>25 650</b>	<b>–</b>	<b>7 610</b>	<b>7 610</b>	<b>33 260</b>	<b>7 180</b>	<b>6 500</b>
<b>Total Capital Expenditure - Vote</b>		<b>154 910</b>	<b>–</b>	<b>13 161</b>	<b>13 161</b>	<b>168 071</b>	<b>133 799</b>	<b>136 930</b>

For 2016/17 an amount of **R 154.9 million** was originally appropriated for the capital expenditure to be funded by MIG grant, and equitable share. For 2017/18 and 2018/19 the budget has been appropriated at **R 133.7 million** and **R 136.9 million** respectively. The capital budget for 2016/17 is further adjusted to **R 168.1 million** as indicated in the table above:

Infrastructure and development vote is appropriated the highest allocation of **R 141.8 million** for 2016/17 which equates to 84% of the total capital budget, followed by budget and treasury at **R 15.3 million** which makes about 9% of the total capital budget. The remaining 7% is allocated to corporate services at **R 5.7 million** which makes about 3%, Community Services at R 2.2 million which

makes about 2% and planning & economic development at **R 3 million** which makes about 2% of the total capital budget of **R 168.1 million** for 2016/17.

The renewal of existing assets was allocated **R 14 million** for the original budget of 2016/17 which was about 9 percent of the total original capital budget and was subsequently adjusted to **R 21 million** for 2016/17. Further detail relating to asset classes and proposed capital expenditure is contained in Table 15 MBRR Table B9 (Asset Management). In addition to the MBRR Table B9, MBRR Tables SB18a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class.

#### **1.4 ADJUSTMENT BUDGET TABLES (B1 to B10)**

The following are the ten main B schedule tables for the annual budget of Makhuduthamaga municipality for the 2016/17 MTREF.

### 1.4.1 Table 5 MBRR B1 – Annual Budget Summary

LIM473 Makhuduthamaga - Table B1 Adjustments Budget Summary - 28 February 2017							
Description	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	1	6	7	8		
R thousands	A	A1	F	G	H		
<b>Financial Performance</b>							
Property rates	33 426	–	4 468	4 468	37 894	33 521	35 000
Service charges	–	–	–	–	–	–	–
Investment revenue	12 225	–	(2 000)	(2 000)	10 225	12 259	13 370
Transfers recognised - operational	228 253	–	–	–	228 253	242 196	256 411
Other own revenue	27 932	–	2 184	2 184	30 116	28 011	32 104
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>301 835</b>	<b>–</b>	<b>4 652</b>	<b>4 652</b>	<b>306 487</b>	<b>315 988</b>	<b>336 885</b>
Employee costs	71 518	–	(8 406)	(8 406)	63 112	75 842	81 076
Remuneration of councillors	20 792	–	–	–	20 792	22 289	23 827
Depreciation & asset impairment	13 638	–	5 300	5 300	18 938	14 620	15 628
Other expenditure	125 165	–	44 998	44 998	170 163	133 008	146 641
<b>Total Expenditure</b>	<b>231 114</b>	<b>–</b>	<b>41 892</b>	<b>41 892</b>	<b>273 006</b>	<b>245 759</b>	<b>267 173</b>
<b>Surplus/(Deficit)</b>	<b>70 721</b>	<b>–</b>	<b>(37 240)</b>	<b>(37 240)</b>	<b>33 481</b>	<b>70 229</b>	<b>69 712</b>
Transfers recognised - capital	66 210	–	28 000	28 000	94 210	63 599	67 230
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>136 931</b>	<b>–</b>	<b>(9 240)</b>	<b>(9 240)</b>	<b>127 691</b>	<b>133 828</b>	<b>136 942</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>136 931</b>	<b>–</b>	<b>(9 240)</b>	<b>(9 240)</b>	<b>127 691</b>	<b>133 828</b>	<b>136 942</b>
<b>Capital expenditure &amp; funds sources</b>							
<b>Capital expenditure</b>	<b>154 910</b>	<b>–</b>	<b>13 161</b>	<b>13 161</b>	<b>168 071</b>	<b>133 799</b>	<b>136 930</b>
Transfers recognised - capital	154 910	–	13 161	13 161	168 071	133 799	136 930
<b>Total sources of capital funds</b>	<b>154 910</b>	<b>–</b>	<b>13 161</b>	<b>13 161</b>	<b>168 071</b>	<b>133 799</b>	<b>136 930</b>
<b>Financial position</b>							
Total current assets	122 625	–	(2 263)	(2 263)	120 362	144 438	184 212
Total non current assets	301 859	–	123 482	123 482	425 341	344 669	414 270
Total current liabilities	15 468	–	–	–	15 468	16 582	17 726
Total non current liabilities	4 028	–	–	–	4 028	4 318	4 616
<b>Community wealth/Equity</b>	<b>404 987</b>	<b>–</b>	<b>121 218</b>	<b>121 218</b>	<b>526 206</b>	<b>468 206</b>	<b>576 139</b>
<b>Cash flows</b>							
Net cash from (used) operating	160 784	–	3 929	3 929	164 713	156 240	160 566
Net cash from (used) investing	(154 910)	–	(13 161)	(13 161)	(168 071)	(133 799)	(136 930)
Net cash from (used) financing	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>74 569</b>	<b>–</b>	<b>(9 231)</b>	<b>(9 231)</b>	<b>65 338</b>	<b>87 779</b>	<b>111 414</b>
<b>Cash backing/surplus reconciliation</b>							
Cash and investments available	74 569	–	(9 231)	(9 231)	65 338	87 779	111 414
Application of cash and investments	(26 774)	–	(1 177)	(1 177)	(27 951)	(29 948)	(42 007)
<b>Balance - surplus (shortfall)</b>	<b>101 344</b>	<b>–</b>	<b>(8 055)</b>	<b>(8 055)</b>	<b>93 289</b>	<b>117 727</b>	<b>153 422</b>
<b>Asset Management</b>							
Asset register summary (WDV)	301 859	–	123 482	123 482	425 341	344 669	414 270
Depreciation & asset impairment	13 638	–	5 300	5 300	18 938	14 620	15 628
Renewal of Existing Assets	14 000	–	4 421	4 421	18 421	7 000	–
Repairs and Maintenance	40 249	–	20 717	20 717	60 965	46 000	52 531
<b>Free services</b>							
Cost of Free Basic Services provided	–	–	–	–	–	–	–
Revenue cost of free services provided	605	–	–	–	605	605	605
<b>Households below minimum service level</b>							

### 1.4.2 Table 6 MBRR B2 – Budgeted Financial Performance (Standard Classification)

LIM473 Makhuduthamaga - Table B2 Adjustments Budget Financial Performance (standard classification) - 28 February 2017								
Standard Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			5	10	11	12		
<b>R thousands</b>	1, 4	A	A1	F	G	H		
<b><u>Revenue - Standard</u></b>								
<b><i>Governance and administration</i></b>		368 045	–	32 652	32 652	400 697	379 587	404 115
Executive and council		–	–	–	–	–	–	–
Budget and treasury office		368 045	–	32 652	32 652	400 697	379 587	404 115
Corporate services		–	–	–	–	–	–	–
<b>Total Revenue - Standard</b>	2	368 045	–	32 652	32 652	400 697	379 587	404 115
<b><u>Expenditure - Standard</u></b>								
<b><i>Governance and administration</i></b>		153 623	–	24 720	24 720	178 343	159 986	173 106
Executive and council		55 053	–	6 448	6 448	61 501	55 564	61 343
Budget and treasury office		75 708	–	17 442	17 442	93 150	78 866	83 831
Corporate services		22 862	–	829	829	23 692	25 556	27 933
<b><i>Community and public safety</i></b>		22 137	–	(3 720)	(3 720)	18 417	24 195	25 293
Community and social services		6 160	–	(924)	(924)	5 237	6 782	7 014
Sport and recreation		1 040	–	(77)	(77)	963	1 387	1 136
Public safety		14 937	–	(2 720)	(2 720)	12 217	16 026	17 144
Housing		–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–
<b><i>Economic and environmental services</i></b>		41 781	–	15 606	15 606	57 387	47 076	52 627
Planning and development		15 420	–	(1 768)	(1 768)	13 652	13 338	12 024
Road transport		26 361	–	17 374	17 374	43 735	33 738	40 603
Environmental protection		–	–	–	–	–	–	–
<b><i>Trading services</i></b>		13 572	–	5 286	5 286	18 859	14 503	16 146
Electricity		7 116	–	688	688	7 804	7 449	8 290
Water		–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–
Waste management		6 456	–	4 598	4 598	11 054	7 054	7 856
<b><i>Other</i></b>		–	–	–	–	–	–	–
<b>Total Expenditure - Standard</b>	3	231 114	–	41 892	41 892	273 006	245 759	267 173
<b>Surplus/ (Deficit) for the year</b>		136 931	–	(9 240)	(9 240)	127 691	133 828	136 942

### 1.4.3 Table 7 MBRR B3 – Budgeted Financial Performance (Municipal Vote)

LIM473 Makhuduthamaga - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28 February 2017								
Vote Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<i>[Insert departmental structure etc]</i>			3	8	9	10		
<b>R thousands</b>		A	A1	F	G	H		
<b>Revenue by Vote</b>	1							
Vote 7 - Budget and Treasury		368 045	–	32 652	32 652	400 697	379 587	404 115
<b>Total Revenue by Vote</b>	2	<b>368 045</b>	<b>–</b>	<b>32 652</b>	<b>32 652</b>	<b>400 697</b>	<b>379 587</b>	<b>404 115</b>
<b>Expenditure by Vote</b>	1							
Vote 1 - Council		46 566	–	7 055	7 055	53 621	46 960	52 099
Vote 2 - Office of the Municipal Manager		8 486	–	(606)	(606)	7 880	8 604	9 244
Vote 3 - Economic Development and Planning		15 420	–	(1 768)	(1 768)	13 652	13 338	12 024
Vote 4 - Infrastructure Development		33 477	–	18 062	18 062	51 539	41 187	48 893
Vote 5 - Community Services		28 593	–	878	878	29 471	31 249	33 150
Vote 6 - Corporate Services		22 862	–	829	829	23 692	25 556	27 933
Vote 7 - Budget and Treasury		75 708	–	17 442	17 442	93 150	78 866	83 831
<b>Total Expenditure by Vote</b>	2	<b>231 114</b>	<b>–</b>	<b>41 892</b>	<b>41 892</b>	<b>273 006</b>	<b>245 759</b>	<b>267 173</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>136 931</b>	<b>–</b>	<b>(9 240)</b>	<b>(9 240)</b>	<b>127 691</b>	<b>133 828</b>	<b>136 942</b>

### 1.4.4 Table 8 MBRR B4 – Budgeted Financial Performance (Operational Revenue and Expenditure)

LIM473 Makhuduthamaga - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	8	9	10		
R thousands	1	A	A1	F	G	H		
<b>Revenue By Source</b>								
Property rates	2	33 426	–	4 468	4 468	37 894	33 521	35 000
Service charges - other		–		–	–	–	–	–
Rental of facilities and equipment		121		–	–	121	121	125
Interest earned - external investments		12 225		(2 000)	(2 000)	10 225	12 259	13 370
Interest earned - outstanding debtors		20 998		2 500	2 500	23 498	21 058	23 757
Fines		630		100	100	730	632	635
Licences and permits		–		–	–	–	–	–
Agency services		5 154		–	–	5 154	5 169	6 526
Transfers recognised - operating		228 253		–	–	228 253	242 196	256 411
Other revenue	2	1 029	–	(416)	(416)	613	1 032	1 061
Gains on disposal of PPE					–	–		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>301 835</b>	<b>–</b>	<b>4 652</b>	<b>4 652</b>	<b>306 487</b>	<b>315 988</b>	<b>336 885</b>
<b>Expenditure By Type</b>								
Employee related costs		71 518	–	(8 406)	(8 406)	63 112	75 842	81 076
Remuneration of councillors		20 792		–	–	20 792	22 289	23 827
Debt impairment		17 280		14 137	14 137	31 417	18 524	19 802
Depreciation & asset impairment		13 638	–	5 300	5 300	18 938	14 620	15 628
Contracted services		36 649	–	19 717	19 717	56 365	46 000	52 531
Other expenditure		71 237	–	11 144	11 144	82 381	68 484	74 308
Loss on disposal of PPE					–	–		
<b>Total Expenditure</b>		<b>231 114</b>	<b>–</b>	<b>41 892</b>	<b>41 892</b>	<b>273 006</b>	<b>245 759</b>	<b>267 173</b>
<b>Surplus/(Deficit)</b>		<b>70 721</b>	<b>–</b>	<b>(37 240)</b>	<b>(37 240)</b>	<b>33 481</b>	<b>70 229</b>	<b>69 712</b>
Transfers recognised - capital		66 210		28 000	28 000	94 210	63 599	67 230
<b>Surplus/(Deficit) before taxation</b>		<b>136 931</b>	<b>–</b>	<b>(9 240)</b>	<b>(9 240)</b>	<b>127 691</b>	<b>133 828</b>	<b>136 942</b>
Taxation					–	–		
<b>Surplus/(Deficit) after taxation</b>		<b>136 931</b>	<b>–</b>	<b>(9 240)</b>	<b>(9 240)</b>	<b>127 691</b>	<b>133 828</b>	<b>136 942</b>
Attributable to minorities					–	–		
<b>Surplus/(Deficit) attributable to municipality</b>		<b>136 931</b>	<b>–</b>	<b>(9 240)</b>	<b>(9 240)</b>	<b>127 691</b>	<b>133 828</b>	<b>136 942</b>
Share of surplus/ (deficit) of associate					–	–		
<b>Surplus/ (Deficit) for the year</b>		<b>136 931</b>	<b>–</b>	<b>(9 240)</b>	<b>(9 240)</b>	<b>127 691</b>	<b>133 828</b>	<b>136 942</b>



### 1.4.5 Table 9 MBRR B5 – Budgeted Capital Expenditure (By Vote & Standard Classification)

LIM473 Makhuduthamaga - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			5	10	11	12		
<b>R thousands</b>		<b>A</b>	<b>A1</b>	<b>F</b>	<b>G</b>	<b>H</b>		
<b>Capital expenditure - Vote</b>								
<b>Multi-year expenditure to be adjusted</b>	2							
Vote 4 - Infrastructure Development		129 260	–	5 551	5 551	134 811	126 619	130 430
<b>Capital multi-year expenditure sub-total</b>	3	<b>129 260</b>	<b>–</b>	<b>5 551</b>	<b>5 551</b>	<b>134 811</b>	<b>126 619</b>	<b>130 430</b>
<b>Single-year expenditure to be adjusted</b>								
Vote 1 - Council		1 700	–	500	500	2 200	–	–
Vote 2 - Office of the Municipal Manager		–	–	–	–	–	–	–
Vote 3 - Economic Development and Planning		5 500	–	(2 440)	(2 440)	3 060	3 000	2 000
Vote 4 - Infrastructure Development		7 000	–	–	–	7 000	–	–
Vote 5 - Community Services		3 500	–	(1 307)	(1 307)	2 193	1 500	2 000
Vote 6 - Corporate Services		3 500	–	–	–	3 500	2 680	2 500
Vote 7 - Budget and Treasury		4 450	–	10 857	10 857	15 307	–	–
<b>Capital single-year expenditure sub-total</b>		<b>25 650</b>	<b>–</b>	<b>7 610</b>	<b>7 610</b>	<b>33 260</b>	<b>7 180</b>	<b>6 500</b>
<b>Total Capital Expenditure - Vote</b>		<b>154 910</b>	<b>–</b>	<b>13 161</b>	<b>13 161</b>	<b>168 071</b>	<b>133 799</b>	<b>136 930</b>
<b>Capital Expenditure - Standard</b>								
<b>Governance and administration</b>		<b>9 650</b>	<b>–</b>	<b>11 357</b>	<b>11 357</b>	<b>21 007</b>	<b>2 680</b>	<b>2 500</b>
Executive and council		1 700		500	500	2 200	–	–
Budget and treasury office		4 450		10 857	10 857	15 307	–	–
Corporate services		3 500		–	–	3 500	2 680	2 500
<b>Community and public safety</b>		<b>1 000</b>	<b>–</b>	<b>(1 000)</b>	<b>(1 000)</b>	<b>–</b>	<b>1 500</b>	<b>2 000</b>
Public safety		1 000		(1 000)	(1 000)	–	1 500	2 000
<b>Economic and environmental services</b>		<b>134 760</b>	<b>–</b>	<b>3 111</b>	<b>3 111</b>	<b>137 871</b>	<b>129 619</b>	<b>132 430</b>
Planning and development		5 500		(2 440)	(2 440)	3 060	3 000	2 000
Road transport		129 260		5 551	5 551	134 811	126 619	130 430
<b>Trading services</b>		<b>9 500</b>	<b>–</b>	<b>(307)</b>	<b>(307)</b>	<b>9 193</b>	<b>–</b>	<b>–</b>
Electricity		7 000		–	–	7 000	–	–
Waste management		2 500		(307)	(307)	2 193	–	–
<b>Other</b>					–	–		
<b>Total Capital Expenditure - Standard</b>	3	<b>154 910</b>	<b>–</b>	<b>13 161</b>	<b>13 161</b>	<b>168 071</b>	<b>133 799</b>	<b>136 930</b>
<b>Funded by:</b>								
National Government		154 910		13 161	13 161	168 071	63 599	67 230
Other transfers and grants		–			–	–	70 200	69 700
<b>Total Capital transfers recognised</b>	4	<b>154 910</b>	<b>–</b>	<b>13 161</b>	<b>13 161</b>	<b>168 071</b>	<b>133 799</b>	<b>136 930</b>
<b>Total Capital Funding</b>		<b>154 910</b>	<b>–</b>	<b>13 161</b>	<b>13 161</b>	<b>168 071</b>	<b>133 799</b>	<b>136 930</b>

### 1.4.6 Table 10 MBRR B6 – Budgeted Financial Position

LIM473 Makhuduthamaga - Table B6 Adjustments Budget Financial Position - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	8	9	10			
R thousands		A	A1	F	G	H		
<b>ASSETS</b>								
<b>Current assets</b>								
Cash		74 569		(9 231)	(9 231)	65 338	87 779	111 414
Call investment deposits	1	–	–	–	–	–	–	–
Consumer debtors	1	39 145	–	6 968	6 968	46 113	49 765	65 393
Other debtors		8 595			–	8 595	6 595	7 095
Current portion of long-term receivables		–			–	–	–	–
Inventory		316			–	316	300	309
<b>Total current assets</b>		<b>122 625</b>	<b>–</b>	<b>(2 263)</b>	<b>(2 263)</b>	<b>120 362</b>	<b>144 438</b>	<b>184 212</b>
<b>Non current assets</b>								
Long-term receivables					–	–		
Investments					–	–		
Investment property		1 172			–	1 172	1 172	1 172
Investment in Associate					–	–		
Property, plant and equipment	1	299 690	–	123 482	123 482	423 171	342 864	412 665
Agricultural					–	–		
Biological					–	–		
Intangible		998			–	998	633	433
Other non-current assets					–	–		
<b>Total non current assets</b>		<b>301 859</b>	<b>–</b>	<b>123 482</b>	<b>123 482</b>	<b>425 341</b>	<b>344 669</b>	<b>414 270</b>
<b>TOTAL ASSETS</b>		<b>424 484</b>	<b>–</b>	<b>121 218</b>	<b>121 218</b>	<b>545 703</b>	<b>489 107</b>	<b>598 482</b>
<b>LIABILITIES</b>								
<b>Current liabilities</b>								
Bank overdraft					–	–		
Borrowing		–	–	–	–	–	–	–
Consumer deposits					–	–		
Trade and other payables		15 468	–	–	–	15 468	16 582	17 726
Provisions					–	–		
<b>Total current liabilities</b>		<b>15 468</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>15 468</b>	<b>16 582</b>	<b>17 726</b>
<b>Non current liabilities</b>								
Borrowing	1	–	–	–	–	–	–	–
Provisions	1	4 028	–	–	–	4 028	4 318	4 616
<b>Total non current liabilities</b>		<b>4 028</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4 028</b>	<b>4 318</b>	<b>4 616</b>
<b>TOTAL LIABILITIES</b>		<b>19 497</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>19 497</b>	<b>20 901</b>	<b>22 343</b>
<b>NET ASSETS</b>	2	<b>404 987</b>	<b>–</b>	<b>121 218</b>	<b>121 218</b>	<b>526 206</b>	<b>468 206</b>	<b>576 139</b>
<b>COMMUNITY WEALTH/EQUITY</b>								
Accumulated Surplus/(Deficit)		404 987	–	121 218	121 218	526 206	468 206	576 139
Reserves		–	–	–	–	–	–	–
Minorities' interests					–	–		
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>404 987</b>	<b>–</b>	<b>121 218</b>	<b>121 218</b>	<b>526 206</b>	<b>468 206</b>	<b>576 139</b>

### 1.4.7 Table 11 MBRR B7 – Budgeted Cash Flows

LIM473 Makhuduthamaga - Table B7 Adjustments Budget Cash Flows - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3	8	9	10		
R thousands		A	A1	F	G	H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates, penalties & collection charges		23 505		–	–	23 505	21 435	23 326
Service charges		–			–	–	–	–
Other revenue		30 787		(316)	(316)	30 471	29 366	31 970
Government - operating	1	228 253			–	228 253	242 196	256 411
Government - capital	1	66 210		28 000	28 000	94 210	63 599	67 230
Interest		12 225		(2 000)	(2 000)	10 225	12 259	13 370
Dividends		–			–	–	–	–
<b>Payments</b>								
Suppliers and employees		(200 196)		(21 755)	(21 755)	(221 951)	(212 615)	(231 742)
Finance charges					–	–		
Transfers and Grants	1				–	–		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>160 784</b>	<b>–</b>	<b>3 929</b>	<b>3 929</b>	<b>164 713</b>	<b>156 240</b>	<b>160 566</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE					–	–		
Decrease (Increase) in non-current debtors					–	–		
Decrease (increase) other non-current receivables					–	–		
Decrease (increase) in non-current investments					–	–		
<b>Payments</b>								
Capital assets		(154 910)		(13 161)	(13 161)	(168 071)	(133 799)	(136 930)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(154 910)</b>	<b>–</b>	<b>(13 161)</b>	<b>(13 161)</b>	<b>(168 071)</b>	<b>(133 799)</b>	<b>(136 930)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans					–	–		
Borrowing long term/refinancing					–	–		
Increase (decrease) in consumer deposits					–	–		
<b>Payments</b>								
Repayment of borrowing					–	–		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>5 874</b>	<b>–</b>	<b>(9 231)</b>	<b>(9 231)</b>	<b>(3 358)</b>	<b>22 441</b>	<b>23 636</b>
Cash/cash equivalents at the year begin:	2	68 696			–	68 696	65 338	87 779
Cash/cash equivalents at the year end:	2	74 569	–	(9 231)	(9 231)	65 338	87 779	111 414

### 1.4.8 Table 12 MBRR B8 – Cash backed reserves/Accumulated surplus reconciliation

LIM473 Makhuduthamaga - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	8	9	10		
R thousands		A	A1	F	G	H		
<b>Cash and investments available</b>								
Cash/cash equivalents at the year end	1	74 569	–	(9 231)	(9 231)	65 338	87 779	111 414
Other current investments > 90 days		–	–	–	–	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>74 569</b>	<b>–</b>	<b>(9 231)</b>	<b>(9 231)</b>	<b>65 338</b>	<b>87 779</b>	<b>111 414</b>
<b>Applications of cash and investments</b>								
Unspent conditional transfers		–	–	–	–	–	–	–
Unspent borrowing					–	–		
Statutory requirements					–	–		
Other working capital requirements	2	–	–	–	–	–	–	–
Other provisions					–	–		
Long term investments committed		–	–	–	–	–	–	–
Reserves to be backed by cash/investments		–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Surplus(shortfall)</b>		<b>74 569</b>	<b>–</b>	<b>(9 231)</b>	<b>(9 231)</b>	<b>65 338</b>	<b>87 779</b>	<b>111 414</b>

### 1.4.9 Table 13 MBRR table B9 – Asset Management

LIM473 Makhuduthamaga - Table B9 Asset Management - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			7	12	13	14		
R thousands		A	A1	F	G	H		
<b>CAPITAL EXPENDITURE</b>								
<b>Total New Assets to be adjusted</b>	1	140 910	–	8 740	8 740	149 650	126 799	136 930
Infrastructure - Road transport		115 260	–	1 129	1 129	116 389	119 619	130 430
Infrastructure - Electricity		7 000	–	–	–	7 000	–	–
Infrastructure - Other		8 000	–	(2 440)	(2 440)	5 560	3 000	2 000
Infrastructure		130 260	–	(1 311)	(1 311)	128 949	122 619	132 430
Other assets	6	10 650	–	10 050	10 050	20 700	4 180	4 500
<b>Total Renewal of Existing Assets to be adjusted</b>	2	14 000	–	4 421	4 421	18 421	7 000	–
Infrastructure - Road transport		14 000	–	4 421	4 421	18 421	7 000	–
Infrastructure		14 000	–	4 421	4 421	18 421	7 000	–
<b>Total Capital Expenditure to be adjusted</b>	4							
Infrastructure - Road transport		129 260	–	5 550	5 550	134 810	126 619	130 430
Infrastructure - Electricity		7 000	–	–	–	7 000	–	–
Infrastructure - Other		8 000	–	(2 440)	(2 440)	5 560	3 000	2 000
Infrastructure		144 260	–	3 110	3 110	147 370	129 619	132 430
Other assets		10 650	–	10 050	10 050	20 700	4 180	4 500
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	2	154 910	–	13 161	13 161	168 071	133 799	136 930
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5							
Infrastructure - Road transport		266 316		101 196	101 196	367 512	330 815	396 141
Infrastructure - Electricity		7 000		–	–	7 000	4 000	5 000
Infrastructure		273 316	–	101 196	101 196	374 512	334 815	401 141
Investment properties		1 172	–	–	–	1 172	1 172	1 172
Other assets		26 373		22 286	22 286	48 659	8 049	11 524
Intangibles		998	–	–	–	998	633	433
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	301 859	–	123 482	123 482	425 341	344 669	414 270
<b>EXPENDITURE OTHER ITEMS</b>								
<b>Depreciation &amp; asset impairment</b>		13 638	–	5 300	5 300	18 938	14 620	15 628
<b>Repairs and Maintenance by asset class</b>	3	40 249	–	20 717	20 717	60 965	46 000	52 531
Infrastructure - Road transport		16 100	–	20 000	20 000	36 100	25 000	29 900
Infrastructure - Electricity		6 100	–	1 200	1 200	7 300	2 500	3 000
Infrastructure		22 200	–	21 200	21 200	43 400	27 500	32 900
Other assets	6	18 049	–	(483)	(483)	17 565	18 500	19 631
<b>TOTAL EXPENDITURE OTHER ITEMS to be adjusted</b>		53 886	–	26 017	26 017	79 903	60 619	68 159

### 1.4.10 Table 14 MBRR table A10 – Basic Service Delivery Measurement

LIM473 Makhuduthamaga - Table B10 Basic service delivery measurement - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7	12	13	14			
		A	A1	F	G	H		
<b>Household service targets</b>	1							
<b>Water:</b>								
Piped water inside dwelling					–	–		
Piped water inside yard (but not in dwelling)					–	–		
Using public tap (at least min.service level)	2				–	–		
Other water supply (at least min.service level)					–	–		
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–
Using public tap (< min.service level)	3				–	–		
Other water supply (< min.service level)	3,4				–	–		
No water supply					–	–		
Below Minimum Service Level sub-total		–	–	–	–	–	–	–
<b>Total number of households</b>	5	–	–	–	–	–	–	–
<b>Sanitation/sewerage:</b>								
Flush toilet (connected to sewerage)					–	–		
Flush toilet (with septic tank)					–	–		
Chemical toilet					–	–		
Pit toilet (ventilated)					–	–		
Other toilet provisions (> min.service level)					–	–		
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–
Bucket toilet					–	–		
Other toilet provisions (< min.service level)					–	–		
No toilet provisions					–	–		
Below Minimum Service Level sub-total		–	–	–	–	–	–	–
<b>Total number of households</b>	5	–	–	–	–	–	–	–
<b>Energy:</b>								
Electricity (at least min. service level)					–	–		
Electricity - prepaid (> min.service level)					–	–		
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–
Electricity (< min.service level)					–	–		
Electricity - prepaid (< min. service level)					–	–		
Other energy sources					–	–		
Below Minimum Service Level sub-total		–	–	–	–	–	–	–
<b>Total number of households</b>	5	–	–	–	–	–	–	–
<b>Refuse:</b>								
Removed at least once a week (min.service)					–	–		
Minimum Service Level and Above sub-total		–	–	–	–	–	–	–
Removed less frequently than once a week					–	–		
Using communal refuse dump					–	–		
Using own refuse dump					–	–		
Other rubbish disposal					–	–		
No rubbish disposal					–	–		
Below Minimum Service Level sub-total		–	–	–	–	–	–	–
<b>Total number of households</b>	5	–	–	–	–	–	–	–
<b>Households receiving Free Basic Service</b>	15							
Water (6 kilolitres per household per month)					–	–		
Sanitation (free minimum level service)					–	–		
Electricity/other energy (50kwh per household per month)		9981			–	9 981	9981	9981
Refuse (removed at least once a week)					–	–		
<b>Cost of Free Basic Services provided (R'000)</b>	16							
Water (6 kilolitres per household per month)					–	–		
Sanitation (free sanitation service)					–	–		
Electricity/other energy (50kwh per household per month)					–	–		
Refuse (removed once a week)					–	–		
<b>Total cost of FBS provided (minimum social package)</b>		–	–	–	–	–	–	–
<b>Highest level of free service provided</b>								
Electricity (kw per household per month)		50			–	50	50	50
<b>Revenue cost of free services provided (R'000)</b>	17							
Other		605			–	605	605	605
<b>Total revenue cost of free services provided (total social package)</b>		605	–	–	–	605	605	605

## PART 2 – SUPPORTING DOCUMENTS

### 2.1. *Adjustments to budget assumptions.*

#### 2.1.1 External factors

- The municipality's operational revenue and cash inflows has been adjusted down to ensure credibility of the budget and to avoid cash flow problems and the total expenditure budget together with the total cash outflow has been adjusted accordingly to be within the municipality's available cash due to the following factors:

- ✚ Debtor's accounts are not paid on time, and affect the cash inflow of the municipality negatively.
  - Government departments owe the municipality for Property Rates to the amount of **R 273 million**. Though the municipality is in the process of collecting the outstanding debts through the use of debt collector and the Department of Public Works' intervention, the total provision for doubtful debts had to be increased as there is no certainty that the outstanding amounts will be received with the 2016/17 financial year.
- ✚ Competition by other organs of state offering the service for renewal of licenses and permits has also negatively affected the municipality's performance in collecting from the Licenses and permits source of own revenue within the first half of the 2016/17 financial year. Though the budget for this item has been left unchanged, to remain with a realistic amount for collection, the management of the municipality has committed to put more efforts and provide capacity needed at the municipality's two testing stations to improve collection on the licenses and permits.

#### 2.1.2 General inflation outlook and its impact on the municipal activities

- There are five key factors that have been taken into consideration in the compilation of the 2016/17 MTREF:
  - National Government macro-economic targets;
  - The general inflationary outlook and the impact on municipality's residents and businesses;
  - The impact of municipal cost drivers;
  - The increase in prices for electricity and water; and
  - The increase in the cost of remuneration.
- No adjustment has been done to the assumptions as per the original budget.

#### 2.1.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality is not planning to use borrowing to fund its capital projects due to collection problems and therefore no interests are to be paid.

## 2.2 Adjustments to budget funding

### 2.2.1 Medium-term outlook: operating revenue

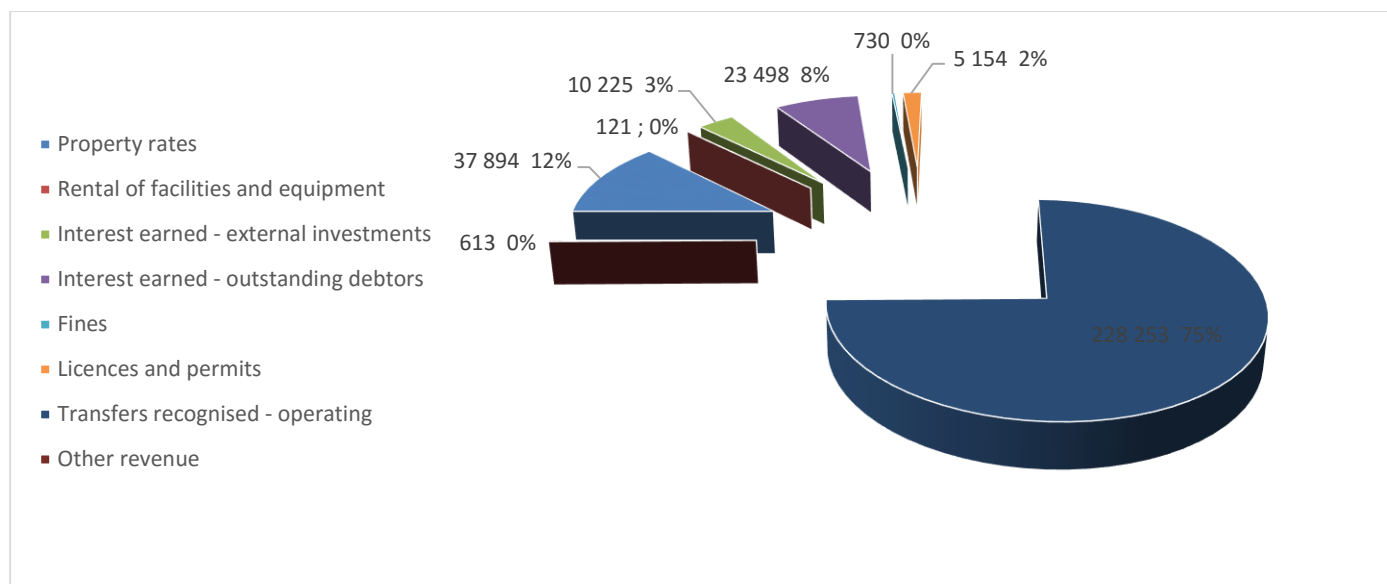
The following table is a breakdown of the adjusted operating revenue over the medium-term:

**Table 15 Breakdown of the adjusted operating revenue over the medium-term**

LIM473 Makhuduthamaga - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	8	9	10			
R thousands	1	A	A1	F	G	H		
<b>Revenue By Source</b>								
Property rates	2	33 426	–	4 468	4 468	37 894	33 521	35 000
Service charges - other		–		–	–	–	–	–
Rental of facilities and equipment		121		–	–	121	121	125
Interest earned - external investments		12 225		(2 000)	(2 000)	10 225	12 259	13 370
Interest earned - outstanding debtors		20 998		2 500	2 500	23 498	21 058	23 757
Fines		630		100	100	730	632	635
Licences and permits		–		–	–	–	–	–
Agency services		5 154		–	–	5 154	5 169	6 526
Transfers recognised - operating		228 253		–	–	228 253	242 196	256 411
Other revenue	2	1 029	–	(416)	(416)	613	1 032	1 061
Gains on disposal of PPE					–	–		
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>301 835</b>	<b>–</b>	<b>4 652</b>	<b>4 652</b>	<b>306 487</b>	<b>315 988</b>	<b>336 885</b>
Transfers recognised - capital		66 210		28 000	28 000	94 210	63 599	67 230
<b>Total Revenue (Including capital transfers and contributions)</b>		<b>368 045</b>	<b>–</b>	<b>32 652</b>	<b>32 652</b>	<b>400 697</b>	<b>379 587</b>	<b>404 115</b>

The following graph is a breakdown of the operational revenue per main category for the 2016/17 financial year as adjusted.





Tariff setting plays a major role in ensuring desired levels of revenue. Getting tariffs right assists in the compilation of a credible and funded budget. The municipality derives most of its operational revenue from the transfers recognised – operational (government grants), Property rates, capital grants from organs of state and other minor charges (such as licenses and permits etc).

The revenue strategy is a function of key components such as:

- Growth in the municipality and economic development;
- Revenue management and enhancement;
- National Treasury guidelines;
- The Property Rates Policy in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA), and
- And the ability to extend new services and obtain cost recovery levels.

The above principles guide the annual increase/decrease in the tariffs charged to the consumers and the ratepayers aligned to the economic forecasts.

The approved tariff rates for the 2016/17 MTREF for Property rates remain unadjusted and can be shown as follows:

**Table 16 Approved tariff reduction over the medium-term**

Revenue Category	Approved tariff 2015/16	Proposed tariff 2016/17	Proposed tariff 2017/18	Proposed tariff 2018/19
Property rates	2 cents	2 cents	2 cents	2 cents

Revenue to be generated from property rates was originally budgeted at **R 33 million** for the 2016/17 financial year and increases to **R 37.8 million** which represents 12% of the operating revenue base of the municipality. It indicates to be about **R 35 million** on average over the medium term.

Operational grants and subsidies amount to **R 228 million**, **R 242 million** and **R 256 million** for 2016/17, 2017/18 and 2018/19 respectively. No adjustment has been done to operational grants and subsidies received from national government.

Investment revenue contributes marginally to the revenue base of the municipality with a budget allocation of **R 10 million**, **R 12 million** and **R 13 million** for the respective three financial years of the 2015/16 MTREF. It needs to be noted that these allocations have been conservatively estimated and as part of the cash backing of reserves and provisions. The actual performance against budget was carefully monitored and adjustment was found necessary on the investment revenue for 2015/2016 adjustment budget and investment revenue for the two outer years remain unadjusted. Investment revenue is reduced by **R 2 million** to **R 10 million** for 2016/17 budget year as the municipality had received lower interests than the budgeted interest amounts.

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity. The MTREF after adjustments therefore provides for a budgeted operating surplus of **R 66 million**, **R 63.5 million** and **R 67 million** in each of the MTREF financial years. This surplus is intended to partly fund capital expenditure as well as ensure adequate cash backing of reserves and funds for the two outer years.

## 2.2.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2016/17 medium-term capital programme:

**Table 17 Sources of capital revenue over the MTREF**

LIM473 Makhuduthamaga - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>Total Capital Expenditure - Standard</b>	3	154 910	–	13 161	13 161	168 071	133 799	136 930
<b>Funded by:</b>								
National Government		154 910		13 161	13 161	168 071	133 799	136 930
Provincial Government					–	–		
District Municipality					–	–		
Other transfers and grants		–			–	–		
<b>Total Capital transfers recognised</b>	4	154 910	–	13 161	13 161	168 071	133 799	136 930
<b>Public contributions &amp; donations</b>					–	–		
<b>Borrowing</b>					–	–		
<b>Internally generated funds</b>					–	–		
<b>Total Capital Funding</b>		154 910	–	13 161	13 161	168 071	133 799	136 930

The total adjusted capital budget of **R 168.1 million** is funded by government grants in a form of MIG **R 87.2 million** and Equitable share **R 80.9 million** for 2016/17 financial year.

No adjustments were made to the equitable share for 2016/17.

An additional **R 28 million** funding for MIG projects was granted to the municipality for 2016/17.

**NB: Details of the capital projects and adjustments are in table SB 19 (List of capital programmes and projects affected by adjustments)**

### **2.2.3 Cash Flow Management**

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding ability for councillors and management of the municipality. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the *actual collection rate* of billed revenue and other own sources of revenue

**Table 18 MBRR Table B7 – Adjusted Budget cash flow statement**

LIM473 Makhuduthamaga - Table B7 Adjustments Budget Cash Flows - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		3	8	9	10			
R thousands		A	A1	F	G	H		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates, penalties & collection charges		23 505	–	–	–	23 505	21 435	23 326
Service charges		–			–	–	–	–
Other revenue		30 787	(316)	(316)	30 471	29 366	31 970	
Government - operating	1	228 253		–	228 253	242 196	256 411	
Government - capital	1	66 210	28 000	28 000	94 210	63 599	67 230	
Interest		12 225	(2 000)	(2 000)	10 225	12 259	13 370	
Dividends		–		–	–	–	–	–
<b>Payments</b>								
Suppliers and employees		(200 196)	(21 755)	(21 755)	(221 951)	(212 615)	(231 742)	
Finance charges				–	–			
Transfers and Grants	1			–	–			
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>160 784</b>	<b>–</b>	<b>3 929</b>	<b>3 929</b>	<b>164 713</b>	<b>156 240</b>	<b>160 566</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE				–	–			
Decrease (Increase) in non-current debtors				–	–			
Decrease (increase) other non-current receivables				–	–			
Decrease (increase) in non-current investments				–	–			
<b>Payments</b>								
Capital assets		(154 910)	(13 161)	(13 161)	(168 071)	(133 799)	(136 930)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(154 910)</b>	<b>–</b>	<b>(13 161)</b>	<b>(13 161)</b>	<b>(168 071)</b>	<b>(133 799)</b>	<b>(136 930)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans				–	–			
Borrowing long term/refinancing				–	–			
Increase (decrease) in consumer deposits				–	–			
<b>Payments</b>								
Repayment of borrowing				–	–			
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>5 874</b>	<b>–</b>	<b>(9 231)</b>	<b>(9 231)</b>	<b>(3 358)</b>	<b>22 441</b>	<b>23 636</b>
Cash/cash equivalents at the year begin:	2	68 696		–	68 696	65 338	87 779	
Cash/cash equivalents at the year end:	2	74 569	–	(9 231)	(9 231)	65 338	87 779	111 414

The above table shows a net decrease in cash held for 2016/17 MTREF and is boosted by the positive opening balance of the municipality's bank account, the municipality's cash flow position improves over the next two outer years with increasing net increases in the cash flow.

Cash inflow from interests on investment is adjusted downwards by **R 2 million** due to the reduction in the amount of money to be invested in the last six months of the financial year.

Cash outflow from Suppliers and employees is increased by **R 21.7 million** as a result of an increase in the repairs and maintenance expenses for infrastructure assets, publications, and other operational expenses for 2016/17.

Cash outflow from the acquisition of capital assets is increased by **R 13 million** for 2016/17 financial year.

#### **2.2.4 Cash Backed Reserves/Accumulated Surplus Reconciliation.**

This following table meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected). It is also important to analyse trends to understand the consequences, e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

**Table 19 MBRR Table A8 - Cash backed reserves/accumulated surplus reconciliation**

LIM473 Makhuduthamaga - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	8	9	10		
R thousands		A	A1	F	G	H		
<b>Cash and investments available</b>								
Cash/cash equivalents at the year end	1	74 569	–	(9 231)	(9 231)	65 338	87 779	111 414
Other current investments > 90 days		–	–	–	–	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>74 569</b>	<b>–</b>	<b>(9 231)</b>	<b>(9 231)</b>	<b>65 338</b>	<b>87 779</b>	<b>111 414</b>
<b>Applications of cash and investments</b>								
Unspent conditional transfers		–	–	–	–	–	–	–
Unspent borrowing					–	–		
Statutory requirements					–	–		
Other working capital requirements	2	–	–	–	–	–	–	–
Other provisions					–	–		
Long term investments committed		–	–	–	–	–	–	–
Reserves to be backed by cash/investments		–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Surplus(shortfall)</b>		<b>74 569</b>	<b>–</b>	<b>(9 231)</b>	<b>(9 231)</b>	<b>65 338</b>	<b>87 779</b>	<b>111 414</b>

From the above table it can be seen that the cash and investments available was adjusted downwards from **R 74.5 million** to **R 65.3 million** for 2016/17 financial year.

The main purpose of other working capital is to ensure that sufficient funds are available to meet obligations as they fall due. A key challenge is often the mismatch between the timing of receipts of funds from debtors and payments due to employees and creditors. High levels of debtor non-payment and receipt delays will have a greater requirement for working capital. Any underperformance in relation to collections could place upward pressure on the ability of the municipality to meet its creditor obligations.

It can be concluded that the municipality has a surplus against the cash backed and accumulated surpluses reconciliation.

### Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the adjusted budget statement of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA.

**Table 20 MBRR SB6 – Funding compliance measurement**

LIM473 Makhuduthamaga - Supporting Table SB6 Adjustments Budget - funding measurement - 28 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										
<b>Funding measures</b>										
Cash/cash equivalents at the year end - R'000	1	18(1)b	129 702	112 117	96 412	74 569	–	65 338	87 779	111 414
Cash + investments at the yr end less applications - R'000	2	18(1)b	101 548	88 556	96 412	101 344	–	93 289	117 727	153 422
Cash year end/monthly employee/supplier payments	3	18(1)b	0	0	0	–	–	–	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)	78 668	7 830		136 931	–	127 691	133 828	136 942
Service charge rev % change - macro CPIX target exclusive	5	18(1)a,(2)	53,0%	-38,2%	75,1%	0,0%	0,0%	0,0%	-17,5%	-1,6%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	47,8%	26,3%	22,8%	88,5%	0,0%	79,4%	82,6%	82,4%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)	82,2%	93,8%	57,7%	51,5%	0,0%	82,6%	55,1%	56,4%
Capital payments % of capital expenditure	8	18(1)c;19	100,0%	101,0%	120,7%	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%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a				100,0%	0,0%	100,0%	100,0%	100,0%
Current consumer debtors % change - incr(decr)	11	18(1)a	51,5%	56,4%	12,7%	48,5%	0,0%	41,4%	3,0%	28,6%
Long term receivables % change - incr(decr)	12	18(1)a	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	13	20(1)(vi)	7,7%	10,4%	6,9%	13,3%	0,0%	14,3%	13,3%	12,7%
Asset renewal % of capital budget	14	20(1)(vi)	0,0%	5,3%	0,0%	9,0%	0,0%	11,0%	5,2%	0,0%
Macro CPIX target						6%	6%	6%	6%	6%
Total service charge revenue						33 426	–	37 894	33 521	35 000
Total service charge revenue - previous year								–	37 894	33 521
Provincial government gazetted allocations										
National government DoRA allocations			203 683	242 788	292 621	294 463	28 000	322 463	305 795	323 641
Cash receipts from ratepayers			12 799	8 419	8 669	54 292	–	53 976	50 801	55 297
Ratepayer & Other revenue			26 780	32 018	37 941	61 357	–	68 009	61 533	67 104
Change in debtors									1 652	16 129

### ***2.3. Adjustments to expenditure on allocations and grant programmes.***

- No adjustments were made on expenditure for FMG, MSIG.
- Budget for PWPG expenditure has been increase by **R 500 thousands** to be funded by the municipality's own revenue to sustain the public works programmes implemented in 2016/17 which were initially funded by **R 1.5 million** from EPWP grant.
- The 2016/17 MIG budget was increased by **R 28 million** additional funding.

### ***2.4. Adjustments to allocations and grants made by the municipality.***

Our municipality does not have any allocations or any grants transferred to other municipalities or entities.

### ***2.5. Adjustments to councillor Allowances and employee benefits.***

**Table 21:** The following tables indicate the adjustments done on employee related costs and councillor allowances.



**LIM473 Makhuduthamaga - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 28 February 2017**

Summary of remuneration	Ref	Budget Year 2016/17					% change
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	
		5	10	11	12		
R thousands		A	A1	F	G	H	
<b><u>Councillors (Political Office Bearers plus Other)</u></b>							
Basic Salaries and Wages		11 490			–	11 490	0,0%
Pension and UIF Contributions		2 873			–	2 873	0,0%
Medical Aid Contributions					–	–	
Motor Vehicle Allowance		4 788			–	4 788	0,0%
Cellphone Allowance		1 400			–	1 400	
Housing Allowances					–	–	
Other benefits and allowances		242			–	242	
<b>Sub Total - Councillors</b>		<b>20 792</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>20 792</b>	<b>0,0%</b>
<b>% increase</b>			<b>(0)</b>			<b>–</b>	
<b><u>Senior Managers of the Municipality</u></b>							
Basic Salaries and Wages		4 166		(996)	(996)	3 170	-23,9%
Pension and UIF Contributions		146		–	–	146	0,0%
Medical Aid Contributions		233		–	–	233	0,0%
Overtime		–		–	–	–	
Performance Bonus		–		–	–	–	
Motor Vehicle Allowance		1 246		(415)	(415)	831	-33,3%
Cellphone Allowance		177		(64)	(64)	114	-35,9%
Housing Allowances		525		(166)	(166)	359	
Other benefits and allowances		107		(27)	(27)	80	
Payments in lieu of leave		–		–	–	–	
Long service awards		–		–	–	–	
Post-retirement benefit obligations	5	–		–	–	–	
<b>Sub Total - Senior Managers of Municipality</b>		<b>6 601</b>	<b>–</b>	<b>(1 668)</b>	<b>(1 668)</b>	<b>4 932</b>	<b>-25,3%</b>
<b>% increase</b>			<b>(0)</b>			<b>(0)</b>	
<b><u>Other Municipal Staff</u></b>							
Basic Salaries and Wages		32 756		(3 419)	(3 419)	29 337	-10,4%
Pension and UIF Contributions		7 206		(719)	(719)	6 487	-10,0%
Medical Aid Contributions		6 052		(711)	(711)	5 341	-11,7%
Overtime		2 717		(449)	(449)	2 268	-16,5%
Performance Bonus		–		–	–	–	
Motor Vehicle Allowance		8 398		(712)	(712)	7 686	-8,5%
Cellphone Allowance		1 371		(131)	(131)	1 240	-9,5%
Housing Allowances		2 940		(243)	(243)	2 697	
Other benefits and allowances		3 477		(353)	(353)	3 124	
Payments in lieu of leave		–		–	–	–	
Long service awards		–		–	–	–	
Post-retirement benefit obligations	5	–		–	–	–	
<b>Sub Total - Other Municipal Staff</b>		<b>64 917</b>	<b>–</b>	<b>(6 738)</b>	<b>(6 738)</b>	<b>58 179</b>	<b>-10,4%</b>
<b>% increase</b>							
<b>Total Parent Municipality</b>		<b>92 310</b>	<b>–</b>	<b>(8 406)</b>	<b>(8 406)</b>	<b>83 904</b>	<b>-9,1%</b>
<b>% increase</b>							
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>92 310</b>	<b>–</b>	<b>(8 406)</b>	<b>(8 406)</b>	<b>83 904</b>	<b>-9,1%</b>
<b>% increase</b>							
<b>TOTAL MANAGERS AND STAFF</b>		<b>71 518</b>	<b>–</b>	<b>(8 406)</b>	<b>(8 406)</b>	<b>63 112</b>	<b>-11,8%</b>

## 2.6. Adjustments to service delivery and budget implementation plan.

- SDBIP for the municipality was reviewed taking in to account the actual performance in the budget and the mid-year budget and assessment for 2016/17.

## 2.7. Adjustments to capital expenditure.

- The following table indicates the adjustments on capital projects for 2016/17 MTREF

**Table 25:**

LIM473 Makhuduthamaga - Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget - 28 February 2017								
Municipal Vote/Capital project	Program/Project description	Individually Approved Yes/No	Medium Term Revenue and Expenditure Framework					
			Budget Year 2016/17		Budget Year +1 2017/18		Budget Year +2 2018/19	
R thousand		6	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
Parent municipality:								
Vote 4 - Infrastructure Development	Construction of access road from Malegale to Madibaneng (6km)	Yes	5 000	3 509	–	–	–	–
Vote 4 - Infrastructure Development	Construction of Mohlala/Ngwanantshwane Access Bridge	Yes	5 000	1 754	–	–	4 500	4 500
Vote 4 - Infrastructure Development	Rehabilitation of R579 Road	Yes	14 000	18 421	7 000	7 000	–	–
Vote 4 - Infrastructure Development	Construction of Thusong Centre	Yes	4 800	2 456	10 400	10 400	13 200	13 200
Vote 4 - Infrastructure Development	Construction of Manganeng Access Bridge	Yes	1 000	263	5 000	5 000	–	–
Vote 4 - Infrastructure Development	Construction of Cabrieve/Khayelicha access bridge	Yes	5 000	1 754	–	–	–	–
Vote 4 - Infrastructure Development	Construction of Kolokotela Access Road	Yes	9 372	17 870	5 628	–	–	–
Vote 4 - Infrastructure Development	Construction of Glen Cowie/Moloi Access Road	Yes	6 950	14 868	–	–	–	–
Vote 4 - Infrastructure Development	Construction of Thabampshe to Tswaing Access Road	Yes	23 000	23 246	10 150	–	–	–
Vote 4 - Infrastructure Development	Construction of Rietfontein to Eensaam Access Road	Yes	12 000	13 596	22 000	–	–	–

## a. Other Supporting documents.

### 2.8.1 Table 26: SB1

LIM473 Makhuduthamaga - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year	Budget Year
		Original	Prior	Other	Total	Adjusted	+1 2017/18	+2 2018/19
		Budget	Adjusted	Adjusts.	Adjusts.	Budget	Adjusted	Adjusted
R thousands		A	6 A1	11 F	12 G	13 H		
<b>REVENUE ITEMS</b>								
<b>Property rates</b>								
Total Property Rates		33 426		4 468	4 468	37 894	33 521	35 000
less Revenue Foregone					–	–		
<b>Net Property Rates</b>		<b>33 426</b>	<b>–</b>	<b>4 468</b>	<b>4 468</b>	<b>37 894</b>	<b>33 521</b>	<b>35 000</b>
<b>Net Service charges - refuse revenue</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other Revenue By Source</b>								
Tender Documents		819000		-280000	(280)	539	821340	850000
Other Revenue		210000		-136000	(136)	74	210600	211000
<b>Total 'Other' Revenue</b>	<b>1</b>	<b>1 029</b>	<b>–</b>	<b>(416)</b>	<b>(416)</b>	<b>613</b>	<b>1 032</b>	<b>1 061</b>
<b>EXPENDITURE ITEMS</b>								
<b>Employee related costs</b>								
Basic Salaries and Wages		36 922		(4 415)	(4 415)	32 507	38 755	41 429
Pension and UIF Contributions		7 352		(719)	(719)	6 632	7 881	8 425
Medical Aid Contributions		6 285		(711)	(711)	5 575	6 738	7 203
Overtime		2 717		(449)	(449)	2 268	2 913	3 114
Performance Bonus		–		–	–	–	–	–
Motor Vehicle Allowance		9 644		(1 127)	(1 127)	8 517	10 338	11 052
Cellphone Allowance		1 548		(195)	(195)	1 354	1 660	1 774
Housing Allowances		3 465		(410)	(410)	3 056	3 715	3 971
Other benefits and allowances		3 584		(380)	(380)	3 204	3 842	4 108
Payments in lieu of leave				–	–	–	–	–
Long service awards				–	–	–	–	–
Post-retirement benefit obligations				–	–	–	–	–
<b>sub-total</b>	<b>4</b>	<b>71 518</b>	<b>–</b>	<b>(8 406)</b>	<b>(8 406)</b>	<b>63 112</b>	<b>75 842</b>	<b>81 076</b>
Less: Employees costs capitalised to PPE					–	–		
<b>Total Employee related costs</b>	<b>1</b>	<b>71 518</b>	<b>–</b>	<b>(8 406)</b>	<b>(8 406)</b>	<b>63 112</b>	<b>75 842</b>	<b>81 076</b>
<b>Contributions recognised - capital</b>								
List contributions by contract					–	–		
<b>Total Contributions recognised - capital</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Depreciation &amp; asset impairment</b>								
Depreciation of Property, Plant & Equipment		13 638		6 000	6 000	19 638	14 620	15 628
Lease amortisation					–	–		
Capital asset impairment					–	–		
Depreciation resulting from revaluation of PPE					–	–		
<b>Total Depreciation &amp; asset impairment</b>	<b>1</b>	<b>13 638</b>	<b>–</b>	<b>6 000</b>	<b>6 000</b>	<b>19 638</b>	<b>14 620</b>	<b>15 628</b>
<b>Contracted services</b>								
Repairs and Maintenance		22 900		15 717	15 717	38 617	30 900	35 950
Security Services and Cleaning Services		12 893		–	–	12 893	14 182	15 601
Other Contracted Services		856		–	–	856	917	980
<b>sub-total</b>	<b>1</b>	<b>36 649</b>	<b>–</b>	<b>15 717</b>	<b>15 717</b>	<b>52 365</b>	<b>46 000</b>	<b>52 531</b>
<b>Other Expenditure By Type</b>								
General expenses	3,5	2 670		14 444	14 444	17 114	2 700	2 900
Grants and Subsidies		68 567		–	–	68 567	65 784	71 408
<b>Total Other Expenditure</b>	<b>1</b>	<b>71 237</b>	<b>–</b>	<b>14 444</b>	<b>14 444</b>	<b>85 681</b>	<b>68 484</b>	<b>74 308</b>
<b>Repairs and Maintenance by Expenditure Item</b>								
Employee related costs	14				–	–		
Other materials					–	–		
Contracted Services		36 649		15 717	15 717	52 365	46 000	52 531
Other Expenditure					–	–		
<b>Total Repairs and Maintenance Expenditure</b>	<b>15</b>	<b>36 649</b>	<b>–</b>	<b>15 717</b>	<b>15 717</b>	<b>52 365</b>	<b>46 000</b>	<b>52 531</b>

## 2.8.2 Table 27: SB2

LIM473 Makhuduthamaga - Supporting Table SB2 Supporting detail to 'Financial Position Budget' - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	4	9	10	11		
R thousands		A	A1	F	G	H		
<b>ASSETS</b>								
<b>Call investment deposits</b>								
Call deposits < 90 days					-	-		
Other current investments > 90 days					-	-		
<b>Total Call investment deposits</b>	1	-	-	-	-	-	-	-
<b>Consumer debtors</b>								
Consumer debtors		39 145		6 968	6 968	46 113	49 765	65 393
Less: provision for debt impairment		-	-	-	-	-	-	-
<b>Total Consumer debtors</b>	1	39 145	-	6 968	6 968	46 113	49 765	65 393
<b>Property, plant &amp; equipment</b>								
PPE at cost/valuation (excl. finance leases)		299 690		123 482	123 482	423 171	342 864	412 665
Leases recognised as PPE	2				-	-		
Less: Accumulated depreciation					-	-		
<b>Total Property, plant &amp; equipment</b>	1	299 690	-	123 482	123 482	423 171	342 864	412 665
<b>LIABILITIES</b>								
<b>Current liabilities - Borrowing</b>								
Short term loans (other than bank overdraft)					-	-		
Current portion of long-term liabilities					-	-		
<b>Total Current liabilities - Borrowing</b>		-	-	-	-	-	-	-
<b>Trade and other payables</b>								
Creditors		15 468			-	15 468	16 582	17 726
<b>Total Trade and other payables</b>	1	15 468	-	-	-	15 468	16 582	17 726
<b>Non current liabilities - Borrowing</b>								
Borrowing	3				-	-		
Finance leases (including PPP asset element)					-	-		
<b>Total Non current liabilities - Borrowing</b>		-	-	-	-	-	-	-
<b>Provisions - non current</b>								
Retirement benefits		4 028			-	4 028	4 318	4 616
<b>Total Provisions - non current</b>		4 028	-	-	-	4 028	4 318	4 616
<b>CHANGES IN NET ASSETS</b>								
<b>Accumulated surplus/(Deficit)</b>								
Accumulated surplus/(Deficit) - opening balance		268 056			-	268 056	347 048	451 867
Other adjustments		136 931		121 218	121 218	258 149	121 158	124 272
<b>Accumulated Surplus/(Deficit)</b>	1	404 987	-	121 218	121 218	526 206	468 206	576 139
<b>Reserves</b>								
Other reserves (list)					-	-		
<b>Total Reserves</b>	2	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	404 987	-	121 218	121 218	526 206	468 206	576 139

### 2.8.3 Table 28: SB6

LIM473 Makhuduthamaga - Supporting Table SB6 Adjustments Budget - funding measurement - 28 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	129 702	112 117	96 412	74 569	–	65 338	87 779	111 414
Cash + investments at the yr end less applications - R'000	2	18(1)b	101 548	88 556	96 412	101 344	–	93 289	117 727	153 422
Cash year end/monthly employee/supplier payments	3	18(1)b	0	0	0	–	–	–	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)	78 668	7 830		136 931	–	127 691	133 828	136 942
Service charge rev % change - macro CPIX target exclusive	5	18(1)a,(2)	53,0%	-38,2%	75,1%	0,0%	0,0%	0,0%	-17,5%	-1,6%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	47,8%	26,3%	22,8%	88,5%	0,0%	79,4%	82,6%	82,4%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)	82,2%	93,8%	57,7%	51,5%	0,0%	82,6%	55,1%	56,4%
Capital payments % of capital expenditure	8	18(1)c;19	100,0%	101,0%	120,7%	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%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Grants % of Govt. legislated/gazetted allocations	10	18(1)a				100,0%	0,0%	100,0%	100,0%	100,0%
Current consumer debtors % change - incr(decr)	11	18(1)a	51,5%	56,4%	12,7%	48,5%	0,0%	41,4%	3,0%	28,6%
Long term receivables % change - incr(decr)	12	18(1)a	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
R&M % of Property Plant & Equipment	13	20(1)(vi)	7,7%	10,4%	6,9%	13,3%	0,0%	14,3%	13,3%	12,7%
Asset renewal % of capital budget	14	20(1)(vi)	0,0%	5,3%	0,0%	9,0%	0,0%	11,0%	5,2%	0,0%
Macro CPIX target						6%	6%	6%	6%	6%
Total service charge revenue						33 426	–	37 894	33 521	35 000
Total service charge revenue - previous year								–	37 894	33 521
Provincial government gazetted allocations										
National government DoRA allocations			203 683	242 788	292 621	294 463	28 000	322 463	305 795	323 641
Cash receipts from ratepayers			12 799	8 419	8 669	54 292	–	53 976	50 801	55 297
Ratepayer & Other revenue			26 780	32 018	37 941	61 357	–	68 009	61 533	67 104
Change in debtors									1 652	16 129

## 2.8.4 Table 29: SB7

LIM473 Makhuduthamaga - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			7	10	11	12		
R thousands		A	A1	D	E	F		
<b>RECEIPTS:</b>	1, 2							
<u>Operating Transfers and Grants</u>								
<b>National Government:</b>		228 253	–	–	–	228 253	242 196	256 411
Local Government Equitable Share		225 123			–	225 123	240 496	254 456
Finance Management	3	1 625			–	1 625	1 700	1 955
Municipal Systems Improvement		–			–	–	–	–
EPWP Incentive		1 505			–	1 505	–	–
Integrated National Electrification Programme		–			–	–	–	–
<b>Total Operating Transfers and Grants</b>	6	228 253	–	–	–	228 253	242 196	256 411
<u>Capital Transfers and Grants</u>								
<b>National Government:</b>		66 210	–	28 000	28 000	94 210	63 599	67 230
Municipal Infrastructure Grant (MIG)		59 210		28 000	28 000	87 210	63 599	67 230
INEG (DOE)		7 000			–	7 000	–	–
<b>Total Capital Transfers and Grants</b>	6	66 210	–	28 000	28 000	94 210	63 599	67 230
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		294 463	–	28 000	28 000	322 463	305 795	323 641

### 2.8.5 Table 29: SB8

LIM473 Makhuduthamaga - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year	Budget Year
		Original	Prior	Other	Total	Adjusted	+1 2017/18	+2 2018/19
		Budget	Adjusted	Adjusts.	Adjusts.	Budget	Adjusted	Adjusted
			2	5	6	7	Budget	Budget
R thousands		A	A1	D	E	F		
<b>EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:</b>	1							
<u>Operating expenditure of Transfers and Grants</u>								
<b>National Government:</b>		228 253	–	–	–	228 253	242 196	256 411
Local Government Equitable Share		225 123			–	225 123	240 496	254 456
Finance Management		1 625			–	1 625	1 700	1 955
Municipal Systems Improvement		–			–	–	–	–
EPWP Incentive		1 505			–	1 505	–	–
Integrated National Electrification Programme		–			–	–	–	–
<b>Total operating expenditure of Transfers and Grants:</b>		228 253	–	–	–	228 253	242 196	256 411
<u>Capital expenditure of Transfers and Grants</u>								
<b>National Government:</b>		66 210	–	28 000	28 000	94 210	63 599	67 230
Municipal Infrastructure Grant (MIG)		59 210		28 000	28 000	87 210	63 599	67 230
INEG (DOE)		7 000			–	7 000	–	–
<b>Total capital expenditure of Transfers and Grants</b>		66 210	–	28 000	28 000	94 210	63 599	67 230
<b>Total capital expenditure of Transfers and Grants</b>		294 463	–	28 000	28 000	322 463	305 795	323 641

## 2.8.6 Table 30: SB9

LIM473 Makhuduthamaga - Supporting Table SB9 Adjustments Budget - reconciliation of transfers, grant receipts, and unspent funds - 28 February 2017							
Description	Ref	Budget Year 2016/17				Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		2	6	7			
R thousands		A	A1	E	F		
<b>Operating transfers and grants:</b>							
<b>National Government:</b>							
Balance unspent at beginning of the year				–	–		
Current year receipts		228 253		–	228 253	242 196	256 411
<b>Conditions met - transferred to revenue</b>		228 253	–	–	228 253	242 196	256 411
Conditions still to be met - transferred to liabilities				–	–		
<b>Other grant providers:</b>							
Balance unspent at beginning of the year				–	–		
Current year receipts				–	–		
<b>Conditions met - transferred to revenue</b>		–	–	–	–	–	–
Conditions still to be met - transferred to liabilities				–	–		
<b>Total operating transfers and grants revenue</b>		228 253	–	–	228 253	242 196	256 411
<b>Total operating transfers and grants - CTBM</b>	2	–	–	–	–	–	–
<b>Capital transfers and grants:</b>							
<b>National Government:</b>							
Balance unspent at beginning of the year				–	–		
Current year receipts		73 210		–	73 210	63 599	67 230
<b>Conditions met - transferred to revenue</b>		73 210	–	–	73 210	63 599	67 230
Conditions still to be met - transferred to liabilities				–	–		
<b>Other grant providers:</b>							
Balance unspent at beginning of the year				–	–		
Current year receipts				–	–		
<b>Conditions met - transferred to revenue</b>		–	–	–	–	–	–
Conditions still to be met - transferred to liabilities				–	–		
<b>Total capital transfers and grants revenue</b>		73 210	–	–	73 210	63 599	67 230
<b>Total capital transfers and grants - CTBM</b>		–	–	–	–	–	–
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>		301 463	–	–	301 463	305 795	323 641
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>		–	–	–	–	–	–



### 2.8.7 Table 31: SB12

LIM473 Makhuduthamaga - Supporting Table SB12 Adjustments Budget - monthly revenue and expenditure (municipal vote) - 28 February 2017																	
Description	Ref	Budget Year 2016/17												Full year budget	Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June		Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget		Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>Revenue by Vote</b>																	
Vote 1 - Council													-	-	-	-	-
Vote 2 - Office of the Municipal Manager													-	-	-	-	-
Vote 3 - Economic Development and Planning													-	-	-	-	-
Vote 4 - Infrastructure Development													-	-	-	-	-
Vote 5 - Community Services													-	-	-	-	-
Vote 6 - Corporate Services													-	-	-	-	-
Vote 7 - Budget and Treasury		123 030	7 064	8 867	7 472	102 349	6 694	7 779	7 274	85 103	34 175	5 797	5 093	400 697	400 697	379 587	404 115
<b>Total Revenue by Vote</b>		<b>123 030</b>	<b>7 064</b>	<b>8 867</b>	<b>7 472</b>	<b>102 349</b>	<b>6 694</b>	<b>7 779</b>	<b>7 274</b>	<b>85 103</b>	<b>34 175</b>	<b>5 797</b>	<b>5 093</b>	<b>400 697</b>	<b>400 697</b>	<b>379 587</b>	<b>404 115</b>
<b>Expenditure by Vote</b>																	
Vote 1 - Council		6 644	2 910	5 131	3 037	5 952	2 800	4 378	4 910	3 510	7 593	3 297	3 459	53 621	53 621	46 960	52 099
Vote 2 - Office of the Municipal Manager		563	656	403	618	453	518	453	910	900	1 143	653	614	7 880	7 880	8 604	9 244
Vote 3 - Economic Development and Planning		360	791	360	436	427	1 717	843	1 003	2 107	2 073	1 551	1 984	13 652	13 652	13 338	12 024
Vote 4 - Infrastructure Development		4 945	13 356	12 305	3 886	4 116	4 512	7 783	4 856	5 745	4 980	4 237	(19 180)	51 539	51 539	41 187	48 893
Vote 5 - Community Services		1 900	(9 341)	(8 379)	2 010	2 016	699	(3 047)	1 467	6 823	1 343	5 560	28 421	29 471	29 471	31 249	33 150
Vote 6 - Corporate Services		1 317	2 917	2 097	1 485	1 332	1 753	1 471	2 318	1 105	3 142	2 684	2 071	23 692	23 692	25 556	27 933
Vote 7 - Budget and Treasury		4 625	5 572	4 996	5 176	4 981	4 460	4 097	5 007	5 051	6 285	6 062	36 839	93 150	93 150	78 866	83 831
<b>Total Expenditure by Vote</b>		<b>20 353</b>	<b>16 860</b>	<b>16 912</b>	<b>16 648</b>	<b>19 275</b>	<b>16 459</b>	<b>15 977</b>	<b>20 470</b>	<b>25 243</b>	<b>26 558</b>	<b>24 043</b>	<b>54 208</b>	<b>273 006</b>	<b>273 006</b>	<b>245 759</b>	<b>267 173</b>
<b>Surplus/ (Deficit)</b>		<b>102 676</b>	<b>(9 796)</b>	<b>(8 045)</b>	<b>(9 176)</b>	<b>83 074</b>	<b>(9 766)</b>	<b>(8 198)</b>	<b>(13 196)</b>	<b>59 860</b>	<b>7 617</b>	<b>(18 246)</b>	<b>(49 115)</b>	<b>127 691</b>	<b>127 691</b>	<b>133 828</b>	<b>136 942</b>

### 2.8.7 Table 32: SB13

LIM473 Makhuduthamaga - Supporting Table SB13 Adjustments Budget - monthly revenue and expenditure (standard classification) - 28 February 2017																		
Description - Standard classification	Ref	Budget Year 2016/17														Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Full year budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
		Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget		Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands																		
Revenue - Standard																		
Governance and administration		123 030	7 064	8 867	7 472	102 349	6 694	7 779	7 274	85 103	34 175	5 797	5 093	400 697	400 697	379 587	404 115	
Executive and council													-	-	-	-	-	
Budget and treasury office		123 030	7 064	8 867	7 472	102 349	6 694	7 779	7 274	85 103	34 175	5 797	5 093	400 697	400 697	379 587	404 115	
Corporate services													-	-	-	-	-	
Total Revenue - Standard		123 030	7 064	8 867	7 472	102 349	6 694	7 779	7 274	85 103	34 175	5 797	5 093	400 697	400 697	379 587	404 115	
Expenditure - Standard																		
Governance and administration		13 148	12 054	11 645	10 317	12 717	9 531	10 399	13 144	10 567	18 162	13 677	42 983	178 343	178 343	159 986	173 106	
Executive and council		7 207	3 565	5 534	3 655	6 405	3 317	4 830	5 819	4 411	8 735	3 949	4 074	61 501	61 501	55 564	61 343	
Budget and treasury office		4 625	5 572	4 996	5 176	4 981	4 460	4 097	5 007	5 051	6 285	6 062	36 839	93 150	93 150	78 866	83 831	
Corporate services		1 317	2 917	1 115	1 485	1 332	1 753	1 471	2 318	1 105	3 142	3 666	2 071	23 692	23 692	25 556	27 933	
Community and public safety		1 209	1 169	1 992	1 355	1 261	1 261	1 318	1 257	2 398	1 667	1 840	1 690	18 417	18 417	24 195	25 293	
Community and social services		356	316	575	362	268	268	325	264	705	534	707	557	5 237	5 237	6 782	7 014	
Sport and recreation		-	-	563	-	-	-	-	-	400	-	-	(0)	963	963	1 387	1 136	
Public safety		853	853	853	993	993	993	993	993	1 293	1 133	1 133	1 133	12 217	12 217	16 026	17 144	
Economic and environmental services		4 515	12 608	11 601	3 982	4 203	4 232	9 286	5 120	9 330	6 339	5 133	(18 960)		57 387	47 076	52 627	
Planning and development		360	691	360	436	427	1 717	843	1 003	2 224	2 549	1 858	1 184		13 652	13 338	12 024	
Road transport		4 155	11 917	11 241	3 546	3 776	2 515	8 443	4 117	7 105	3 790	3 275	(20 144)		43 735	33 738	40 603	
Environmental protection													-		-	-	-	
Trading services		1 539	988	1 733	999	1 099	1 439	441	1 291	3 457	658	4 043	1 171	18 859	18 859	14 503	16 146	
Electricity		790	340	1 064	340	340	737	340	740	656	490	1 164	803	7 804	7 804	7 449	8 290	
Waste management		749	648	669	659	759	702	101	551	2 801	168	2 878	368		11 054	7 054	7 856	
Other													-		-	-	-	
Total Expenditure - Standard		20 411	26 819	26 970	16 653	19 280	16 464	21 443	20 812	25 752	26 826	24 692	26 884	215 619	273 006	245 759	267 173	
Surplus/ (Deficit) 1.		102 618	(19 755)	(18 103)	(9 181)	83 069	(9 770)	(13 664)	(13 537)	59 351	7 349	(18 895)	(21 791)	185 078	127 691	133 828	136 942	

## 2.8.8 Table 33: SB18a

LIM473 Makhuduthamaga - Supporting Table SB18a Adjustments Budget - capital expenditure on new assets by asset class - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			7	12	13	14		
R thousands		A	A1	F	G	H		
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>								
<b>Infrastructure</b>		130 260	–	(1 311)	(1 311)	128 949	122 619	132 430
Infrastructure - Road transport		115 260	–	1 129	1 129	116 389	119 619	130 430
Roads, Pavements & Bridges		115 260		1 129	1 129	116 389	119 619	130 430
Infrastructure - Electricity		7 000	–	–	–	7 000	–	–
Transmission & Reticulation		7 000			–	7 000	–	–
Infrastructure - Other		8 000	–	(2 440)	(2 440)	5 560	3 000	2 000
Refuse		2 500			–	2 500		
Other	3	5 500		(2 440)	(2 440)	3 060	3 000	2 000
					–	–		
<b>Other assets</b>		10 650	–	10 050	10 050	20 700	4 180	4 500
General vehicles		6 150		11 050	11 050	17 200		
Specialised vehicles	18	–	–	–	–	–	–	–
Computers - hardware/equipment		3 500			–	3 500	2 680	2 500
Other		1 000		(1 000)	(1 000)	–	1 500	2 000
<b>Total Capital Expenditure on new assets to be adjusted</b>	1	140 910	–	8 740	8 740	149 650	126 799	136 930

### 2.8.9 Table 34: SB18b

LIM473 Makhuduthamaga - Supporting Table SB18b Adjustments Budget - capital expenditure on renewal of existing assets by asset class - 28 February 2017								
Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			7	12	13	14		
R thousands		A	A1	F	G	H		
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>								
<b>Infrastructure</b>		14 000	–	4 421	4 421	18 421	7 000	–
Infrastructure - Road transport		14 000	–	4 421	4 421	18 421	7 000	–
Roads, Pavements & Bridges		14 000		4 421	4 421	18 421	7 000	–
Storm water					–	–		
<b>Total Capital Expenditure on renewal of existing assets to be adjusted</b>	1	14 000	–	4 421	4 421	18 421	7 000	–

### 2.8.10 Table 35: SB18c

**LIM473 Makhuduthamaga - Supporting Table SB18c Adjustments Budget - expenditure on repairs and maintenance by asset class - 28 February 2017**

Description	Ref	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		7	12	13	14			
R thousands		A	A1	F	G	H		
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>								
<b>Infrastructure</b>		18 600	–	16 200	16 200	34 800	27 500	32 900
Infrastructure - Road transport		16 100	–	15 000	15 000	31 100	25 000	29 900
Roads, Pavements & Bridges		16 100		15 000	15 000	31 100	25 000	29 900
Storm water					–	–		
Infrastructure - Electricity		2 500	–	1 200	1 200	3 700	2 500	3 000
Generation					–	–		
Transmission & Reticulation		2 500		1 200	1 200	3 700	2 500	3 000
Street Lighting					–	–		
Infrastructure - Other		–	–	–	–	–	–	–
Refuse					–	–		
Transportation	2				–	–		
Gas					–	–		
Other	3				–	–		
					–	–		
<b>Other assets</b>		18 049	–	(483)	(483)	17 565	18 500	19 631
General vehicles					–	–		
Specialised vehicles	18	–	–	–	–	–	–	–
Plant & equipment					–	–		
Computers - hardware/equipment					–	–		
Furniture and other office equipment					–	–		
Abattoirs					–	–		
Markets					–	–		
Civic Land and Buildings					–	–		
Other Buildings					–	–		
Other Land					–	–		
Surplus Assets - (Investment or Inventory)					–	–		
Other		18 049		(483)	(483)	17 565	18 500	19 631
Computers - software & programming					–	–		
Other (list sub-class)					–	–		
<b>Total Repairs and Maintenance Expenditure to be adjusted</b>	1	36 649	–	15 717	15 717	52 365	46 000	52 531

### 2.8.9 Table 36: SB19

LIM473 Makhuduthamaga - Supporting Table SB19 List of capital programmes and projects affected by Adjustments Budget - 28 February 2017								
Municipal Vote/Capital project	Program/Project description	Individually Approved Yes/No	Medium Term Revenue and Expenditure Framework					
			Budget Year 2016/17		Budget Year +1 2017/18		Budget Year +2 2018/19	
R thousand		6	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget	Original Budget	Adjusted Budget
Parent municipality:								
Vote 4 - Infrastructure Development	Construction of access road from Malegale to Madibaneng (6km)	Yes	5 000	3 509	-	-	-	-
Vote 4 - Infrastructure Development	Construction of Mohlala/Ngwanantshwane Access Bridge	Yes	5 000	1 754	-	-	4 500	4 500
Vote 4 - Infrastructure Development	Rehabilitation of R579 Road	Yes	14 000	18 421	7 000	7 000	-	-
Vote 4 - Infrastructure Development	Construction of Thusong Centre	Yes	4 800	2 456	10 400	10 400	13 200	13 200
Vote 4 - Infrastructure Development	Construction of Manganeng Access Bridge	Yes	1 000	263	5 000	5 000	-	-
Vote 4 - Infrastructure Development	Construction of Cabriev/Khayelicha access bridge	Yes	5 000	1 754	-	-	-	-
Vote 4 - Infrastructure Development	Construction of Kolokotela Access Road	Yes	9 372	17 870	5 628	-	-	-
Vote 4 - Infrastructure Development	Construction of Glen Cowie/Moloi Access Road	Yes	6 950	14 868	-	-	-	-
Vote 4 - Infrastructure Development	Construction of Thabampshe to Tswaing Access Road	Yes	23 000	23 246	10 150	-	-	-
Vote 4 - Infrastructure Development	Construction of Rietfontein to Eensaam Access Road	Yes	12 000	13 596	22 000	-	-	-

## 2.9. Municipal Manager's quality certificate.



### LOCAL MUNICIPALITY

## Quality Certificate

I **Moropa Mogobadi Erick**, the municipal manager of **Makhuduthamaga Municipality** hereby certify that the:

- ✓ Special Adjustment Budget

For 2016/17 and supporting documents has been prepared in accordance with Municipal Finance Management Act and regulations made under the Act, and that the Adjusted Budget for 2016/17 and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name: Moropa Mogobadi Erick

Municipal Manager of **Makhuduthamaga Local Municipality (LIM473)**

Signature .....

Date .....