



MBIZANA LOCAL MUNICIPALITY
ADJUSTED BUDGET 2017/18
MTREF

26 FEBRUARY 2018

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PART 1 – ADJUSTMENTS BUDGET

1. Mayor's report

The Municipal Finance Management Act No 56 of 2003, section 28, provides for the municipality to revise its approved annual budget through an adjustments budget. In terms of this section, an adjustments budget provides for the following scenarios:-

- Revenue and expenditure estimates must be adjusted downwards if there is material under collection of revenue during the current year;
- Appropriate any additional revenues that have become available over and above those anticipated in the annual budget;
- Within a specified framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor
- Authorise utilisation of projected savings in one vote towards spending under another vote;
- Authorise the spending of funds that were unspent at the end of the past financial year, where the underspending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
- May correct any errors in the annual budget; and
- May provide for any other expenditure within the framework.

The year 2017 was declared the year of the Centenary of our struggle icon O.R Tambo and with that focus was on his birth place Mbizana. This meant that a lot of activities will take place in Mbizana including a number of service delivery projects. The municipality implemented a number of electrification projects that were scheduled for completion before the month of October to ensure that the former president of the Country, his Excellency J.G Zuma opened these projects during the days of the main event of the centenary. During the mid-year assessment, there were a number of funding gaps identified which necessitated that an adjustment budget be made. Some of the findings related to the following:

- Under performance in revenue generation against the original budget in Refuse removal service charges, licensing of motor vehicles and testing and other revenues
- Over commitments relating to MIG funded projects
- Errors made during the budget period omitting some of the infrastructure projects that were already being implemented and not completed by the end of last financial year

- Shortage of the funding promised by the Office of the Premier to fast track electrification of villages in Bizana by over R 9 million
- The implementation of the government gazette on upper limits of office bearers resulted in a change in municipal grading from a grade 3 to a 4, this meant additional funding needed to be availed to fund additional expenditure

The Executive Lekgotla was held during the month of January where these were presented and discussed at length and remedial measures were deliberated on.

It became increasingly clear that the municipality needed to implement serious measures to ensure that more is done with the little available resources to ensure that communities of Mbizana do not feel the impact. It became clear that a clear understanding of non-priority spending is necessary as more resources were required to fulfil the promises and plans the municipality had for the year. The following were areas that needed special attention:

- **Repairs and Maintenance:** Council took a decision to budget for the purchase of municipal plant to assist in the repair of municipal infrastructure and also to cut costs and maximise the utilisation of the limited resources. This meant that a lesser budget was allocated for repairs and maintenance, however there was a project already going on of the Rehabilitation of Nyanisweni access road that was not budget for. Funds were availed from the Maintenance of CBD to cover payments that were due to the contractor for Nyanisweni. This was done taking into account savings that were realised during the purchase of municipal plant. This funding has been utilised to cover both the funds for CBD maintenance and to budget for the remainder of the Nyanisweni commitment.
- **Remuneration of councillors:** The implementation of the government gazette on upper limits of office bearers resulted in a change in municipal grading from a grade 3 to a 4, this meant additional funding needed to be availed to fund additional expenditure. The required adjustment for this was an amount of R920 thousand.
- **Road infrastructure:** The assessment that was made indicated that a number of projects from the prior year were not budgeted for during the current financial year while there was work being done on the ground. An assessment of the value of those projects has been made comparing with the current year projects to be implemented. This shows that the municipality needed an extra R24 million to ensure that these projects are completed before the end of the financial year.
- **Community Halls:** The municipality did not have any community halls prioritised for the current financial year for implementation, however there were community halls

started late during the 2016/17 financial year that are still under construction in the current year. It was also discovered that not enough budgets were allocated for these. This meant that the municipality needed to find areas of potential savings to fund these shortfalls.

- **Electricity infrastructure:** During the implementation of the Mpetsheni Electrification projects, Jama Electrification and Tswawana Ludeke, it was discovered that the number of households approved for funding by EC CoGTA was less than the planned amounts which would have left some members of the same area without electricity. A decision was taken to avail more funds from the municipality to ensure that the projects are completed.

Council has also been advised, through the mid-term assessment report of the performances of the municipality where remedial actions have been proposed for under achievements. It is therefore also recommended that the Mbizana Local Municipality council approves the revision of service delivery targets and performance indicators in the 2017/18 SDBIP as tabled.

2. Resolutions

It is recommended that the council approves the following:

- a) The 2016/17 Adjustments budget
- b) The adjustments in line with the requirements of s28(2) of the MFMA, as indicated in the mayor's report
- c) That the operating revenue be adjusted from R386 692 477 to R391 823 187, this is an adjustment of R5 230 710.
- d) That the operational expenditure budget be adjusted from R301 479 057 to R344 804 004, including the non-cash items
- e) That the capital expenditure budget be adjusted from R115 402 445 to R139 636 960
- f) That the shortfall of R23,9 million be treated as unavoidable expenditure which should be sourced from our own surpluses from the prior years
- g) Ensure that all the projects affected by the shortfall are managed such that they are completed before the end of the financial year to avoid them causing us further shortfalls in the future years
- h) That the implementation of MIG Projects that have not taken off be delayed to allow the following:
 - a) Management be given a mandate to source additional funding.

- b) Political leadership to assist in sourcing additional allocations from the provincial and national fiscus
- i) Revisions to the monthly and quarterly service delivery targets and performance indicators in the service delivery and budget implementation plan to correspond with the approval of the adjustments.
- j) That management be permitted to correct all errors in the original budget as required due to the implementation of mSCOA

3. Executive summary

The Accounting Officer oversaw a process of the preparation and tabling of the midyear performance assessment report. This report took into considerations the performances, both financially and set targets, for all departments within the municipality. The report went through to the Internal Audit that looked at the alignment and usefulness of the information, and central to this exercise, was the review of evidence to support claimed performances.

The reviewed report was tabled at an Executive Committee Lekgotla where it was taken through its paces and interrogated for an establishment of the claimed performances, and where there is none achievement of targets, remedial actions were agreed to.

The report was then taken to the full council for interrogation and approval, and agreement that indeed a budget adjustment is necessary, together with the revision of the set targets and performance indicators in the SDBIP. The tabling of this report is the culmination of these processes that should see ourselves with a revised 2017/18 Annual Budget and SDBIP.

The Municipal Manager with the assistance and advice of the municipal management recommended that an adjustment budget is necessary to address the short-comings within the existing budget in terms of Section 27(3) of MFMA.

The Budget and Treasury Office conducted planning and consultation meetings with individual departments where the needs of each section were discussed in relation to their approved SDBIP, with the budget principles and approach to be applied. Departments have used the review in relation to their mid-year performance assessment report which served as a motivation towards the adjustment budget.

The criteria utilized for compiling the adjustment budget were determined by the following factors:

- The adjustment budget must be compiled in compliance with the MFMA requirements as set out in Section 28 as specify in the body of the report. This relates to expenditure and income estimates which have been anticipated in the IDP

but which have not materialized for motivated reasons. It can also relate to unforeseen circumstances which can also be explained and motivated.

- The adjustment budget must be substantiated through alignment with the departmental SDBIP and Council approved IDP
- The original approved budget process and guidelines must be used to compile the 2017/2018 adjustment budget and it is not a new budget
- Departments were required to prioritize within their approved operating and capital budget allocations in accordance with guidelines provided by Budget and Treasury office.

It will be seen in the budget tables that follow that the municipality, has been forced to avail more funds for the completion of the projects as these are projects that are already being implemented. The municipality has had to learn to live within the available resources as some revenue streams have not performed particularly even though some performed much better than anticipated.

4. Budget overview

MBIZANA LOCAL MUNICIPALITY						
ADJUSTED BUDGET BY REVENUE SOURCE AND EXPENDITURE TYPE						
	Original Budg	YTD	Full Forecast	Surplus/shortage	Adjustment	Adjusted Budg
Revenue By Source						
Property rates	-22 341 792,00	-16 847 530,81	-28 881 481,39	6 539 689,39	3,05	-22 341 795,05
Service charges - electricity revenue	-29 573 592,00	-16 821 951,79	-28 837 631,64	-735 960,36	449 915,00	-30 023 507,00
Service charges - water revenue				-		-
Service charges - sanitation revenue				-		-
Service charges - refuse revenue	-2 121 996,00	-753 995,16	-1 292 563,13	-829 432,87	-828 101,77	-1 293 894,23
Service charges - other	-1 332,00	-689,52	-1 182,03	-149,97	-1 332,00	-
Rental of facilities and equipment	-753 876,00	-499 514,37	-856 310,35	102 434,35	102 430,00	-856 306,00
Interest earned - external investments	-6 158 820,00	-4 391 261,78	-7 527 877,34	1 369 057,34	1 369 055,64	-7 527 875,64
Interest earned - outstanding debtors	-1 799 868,00	-2 199 789,46	-3 771 067,65	1 971 199,65	1 997 085,00	-3 796 953,00
Dividends received	-	-	-	-	-	-
Fines, penalties and forfeits	-785 700,00	-725 661,88	-1 243 991,79	458 291,79	1 139 245,00	-1 924 945,00
Licences and permits	-2 249 316,00	-1 268 324,22	-2 174 270,09	-75 045,91	-75 045,00	-2 174 271,00
Agency services	-783 048,00	-681 937,59	-1 169 035,87	385 987,87	385 990,00	-1 169 038,00
Transfers and subsidies	-318 738 996,00	-192 330 410,67	-329 709 275,43	10 970 279,43	-600 000,00	-319 338 996,00
Other revenue	-1 294 141,00	-631 599,37	-1 082 741,78	-211 399,22	-181 462,48	-1 475 613,00
Gains on disposal of PPE	-	-	-	-	-	-
Total Revenue (excluding capital transfers)	-386 602 477,00	-237 152 666,62	-406 547 428,49	19 944 951,49	3 757 782,44	-391 923 193,92
Expenditure By Type						
Employee related costs	107 441 676,04	2 806 164,00	79 421 631,16	28 020 044,88	4 922 920,00	102 518 756,04
Remuneration of councillors	21 502 248,00	-	22 422 436,00	-920 188,00	-920 203,38	22 422 451,38
Debt impairment	1 995 000,00	-	-	1 995 000,00	-	1 995 000,00
Depreciation & asset impairment	46 010 532,00	22 419 466,18	38 433 370,59	7 577 161,41	-3,90	46 010 535,90
Finance charges	1 574 700,00	62 324,11	106 841,33	1 467 858,67	-0,75	1 574 700,75
Bulk purchases	31 303 020,00	17 479 849,41	29 965 456,13	1 337 563,87	3,22	31 303 016,78
Other materials	6 455 180,00	3 157 936,14	5 413 604,81	1 041 575,19	-601 524,00	7 056 704,00
Contracted services	29 327 836,00	11 440 266,75	20 696 885,86	8 630 950,14	-9 084 502,00	38 412 338,00
Transfers and subsidies	5 281 016,00	2 117 789,27	3 630 495,89	1 650 520,11	2 901 012,00	2 380 004,00
Other expenditure	55 621 915,00	24 476 595,41	44 289 403,29	11 332 511,71	2 907 971,07	52 713 943,93
Loss on disposal of PPE	-	1 045 066,27	1 791 542,18	-1 791 542,18	-38 693 551,22	38 693 551,22
	306 513 123,04	85 005 457,54	246 171 667,25	60 341 455,79	-38 567 878,96	345 081 002,00

The total expenditure on the table above includes non-cash items with a total value of R86 699 083 which is made up of debt impairment, depreciation and asset impairment, and loss on disposal of PPE.

a. Revenue

i. Service Charges – Electricity Revenue

The adjustment relates to electricity connections and reconnections that have proven to perform well during the first half of the financial year. With the enforcement of credit control processes to intensify debt collection this is still expected to continue to perform this way.

ii. Service charges – refuse revenue

Service charges from refuse removal have continued to perform below the anticipated levels which has led to the downward adjustment in that revenue stream. This was also informed by the performance of the audited outcomes for 2016/17.

iii. Rental of facilities and equipment

The increase in rental of facilities and equipment is as a result of lease agreements that have come to an end and were renewed at higher rental instalments than the initial agreements for the municipality's investment properties.

iv. Interest income

The municipality's receives interests from the short term deposits that it has with commercial banks which is mainly surplus cash and conditional grants. There is also interest charged on outstanding debtors which is charged on all debtors with debts outstanding for more than 30 days. This is also informed by the municipality's past performances.

v. Fines and Agency services

The increased efforts of our law enforcement personnel have seen the municipality's revenue generation on fines enhanced. This also includes fines for tampering with our electricity meters.

Agency services relate to income received by the municipality for acting as an agent of the department of Transport to issue motor vehicle licences and driving permits. This also continues to perform more than expected which has given us comfort to increase the revenue anticipated from it.

b. Operating Expenditure

i. Loss on disposal of PPE

The R38,6 million of loss on disposal of PPE is the total cost of completed electrification projects that are scheduled to be transferred to ESKOM before the end of the financial year.

This relates to electrification in the rural areas where the municipality is not licenced to distribute electricity. These projects are as follows:

- MontiNtlozelo Linkline R9 556 515,18
- Qungebe Ludeke R4 750 000
- Mpisi Village R5 280 012,54
- Mpindweni R2 572 578,50
- Mpetsheni R10 748945,00
- Jama Village R5 785 500,00

ii. Employee Related Cost

The adjustment of R4 922 000 on the employee related cost is due to the positions that were budgeted for and have not been filled to date. The budget for these positions has been reprioritised and the funds utilised in other operational and capital items. The reprioritised positions are as follows:

Corporate Services

- Maintenance Office
- GA Maintenance

Community Services

- Manager : Social & Security
- Examiners 2
- Chief Traffic Officer
- Help Desk
- Security Supervisor
- Superintendent

Development Planning

- Building Control Officer

MM's Office

- Snr Manager; Corporate Strategy
- Committee Clerk
- IGR Office
- SAPU Cordinator
- Secretary to Snr Manager

Electricity

- Artisans

The slow moving operating item or items that were over budgeted were reduced to cover the shortfall in some items in consultation with the affected departs. The increase of R235 000 in Materials, Contracted Services R3 866 504, other expenditure R150 000 is from the

reduction in employee related cost and from other operational items that were over budgeted for.

iii. Remuneration of councilors

The increase in the remuneration of councillors emanates from the recent calculations informed by the latest gazette on the remuneration of office bearers. This has resulted in a change in the municipal grading informed by the total income and increase in total population to a grade 4 municipality. The original budget was based on the grade 3 and forecasts were made using that information and a 6% anticipated increase. The change in grading required and additional R921 thousand to be sources. This was funded from the increase in revenue from interests to be generated.

iv. Contracted Services

Some of the Department had a shortfall on contracted services (such as catering, hiring of transport, consultants, prepaid electricity vendors, professional services etc.) which the departments decided to move funds from other operating expenditure and some from capital expenditure to cover the gap on this item, No additional funds were required.

v. Other Expenditure

Some of the Department had a shortfall on other expenditure(such as advertising, travel and subsidies, seminar and workshops etc.) which the departments decided to move funds from other operating expenditure and some from capital expenditure to cover the gap on this item, No additional funds were required.

5. Summary of operational expenditure by vote

MBIZANA LOCAL MUNICIPALITY					
ADJUSTED OPERATING BUDGET BY MUNICIPAL VOTE					
	Original Budget	YTD	Full Forecast	Adjustment	Adjusted Budget
Revenue					
1.1 - Council General Expenses	-	-	-		
1.3 - Municipal ManANer	9 996,00	-	-	-9 996,00	-
2.1 - Budget & Treasury	-231 164 185,00	-173 356 136,14	-297 181 947,67	-3 958 744,60	-235 122 929,60
3.1 - Corporate Service	-219 636,00	-65 616,90	-112 486,11	107 149,89	-112 486,11
4.1 - Development Planning	-217 716,00	-43 059,46	-73 816,22	-71 696,21	-289 412,21
5.1 - Community & Social Services	-3 933 960,00	-3 090 467,31	-5 297 943,96	-1 565 106,37	-5 499 066,37
5.2 - Refuse Removal	-3 865 008,00	-1 635 305,36	-2 803 380,62	329 432,87	-3 535 575,13
6.1 - Roads & Engineering	-61 618 548,00	-34 304 641,63	-58 807 957,08	315 467,13	-61 303 080,87
6.2 - Electricity	-85 593 420,00	-24 673 439,82	-42 297 325,41	-467 217,00	-86 060 637,00
	-386 602 477,00	-237 168 666,62	-406 574 857,06	-5 320 710,29	-391 923 187,29
Expenditure					
1.1 - Council General Expenses	38 865 154,00	8 546 716,63	37 073 950,22	2 083 188,00	40 948 342,00
1.3 - Municipal ManANer	28 550 717,00	4 382 324,99	22 877 810,07	226 996,00	28 777 713,00
2.1 - Budget & Treasury	68 839 542,00	28 322 166,29	58 500 662,98	39 193 551,22	108 033 093,22
3.1 - Corporate Service	45 203 353,00	15 366 492,80	37 235 799,26	-380 000,00	44 823 353,00
4.1 - Development Planning	15 546 213,00	1 803 679,90	10 608 560,06	200 000,00	15 746 213,00
5.1 - Community & Social Services	38 790 324,00	5 936 057,49	25 992 868,22	581 020,00	39 371 344,00
5.2 - Refuse Removal	16 080 549,00	1 339 717,44	9 713 621,59	457 196,00	16 814 742,78
6.1 - Roads & Engineering	11 363 581,00	1 489 531,89	10 751 998,62	1 370 000,00	12 733 581,00
6.2 - Electricity	38 239 620,00	17 818 770,11	33 416 396,23	-407 000,00	37 832 620,00
	301 479 053,00	85 005 457,54	246 171 667,25	43 324 951,22	345 081 002,00

c. REVENUE

The adjustment of R9 996 in the Municipal Manager vote is the Internal Audit membership fees which has been taken to the expenditure. Based on the actuals for the past 6 months, the Meter replacement and Prepaid Electricity has been under budgeted for, the adjustment of R467 217 is required.

An amount of R3 958 744 adjusted up because the interest on investments, leasehold fees, advertising income were under budgeted for. The half yearly actual has indicated the performance of these items and how they were received, adjusting up is to make sure that municipality meet targets.

The traffic fines were under budgeted and it was indicated on the mid-year report that the municipality have collected more than expected on traffic fines. Traffic Fines have been adjusted with R1 041 000.

It has been indicated on the mid-year performance report that the Refuse income is not collected as budgeted for, and it needs attention. Therefore, it has been adjusted down to be a possible target.

d. EXPENDITURE

MM's Office and Council expense

There was a transfer of funds from the items that have savings to the item that had a shortfall. The R9 996 is the Internal Audit membership fees from the Revenue. The Issue of summons legal service has shortfall of R1 403 391, after a top up adjustment) of R2000 000. The savings utilised from the Personnel total to R2 585 000. The R920 000 which was a shortfall from the Remunerations of councillors been funded from R4m savings.

Budget and Treasury

The R38 693 551,22 of Loss on disposal of PPE is the total cost of completed projects that awaiting to be transferred to ESKOM.

Corporate Services

The SALGA Levies were over budgeted for by R400 000. The Accommodation for Team building was under budgeted for, the adjustment of R20 000 has been done. All other adjustments were funded from items that had savings.

Development Planning

The Contractor Development Program Facilitator had a shortfall of R87 136 which was funded from a project called Market place by R100 000. Also there is a grant of R100 000 received from the District Municipality in the last financial year which was unspent at the end of the financial year. A decision has been taken to utilise this to fund the Geographic Info System.

Community and Social Services

The savings of R590 00 from the positions that were not filled were mostly utilized to cover the short fall in the operational items. The Accommodation for traffic department was adjusted by R200 000 and Traffic awareness by R80 000. These adjustments are informed by the amount of travelling required for licensing regulations and requirements by the Department of transport which the municipality cannot avoid as long as the testing station is in operation. The rest of the savings are coming from the Capital Budget where the equipment budgeted for the operation of the landfill site has been removed due to the realisation that the landfill site will not be completed before the end of the financial year.

Refuse Removal

The shortfall totalled to R644 000 which was funded from the Grass cutting by R220 000 and also Blue flag program of R70 196. The reminder was funded from The Majazi Landfills site by R167 000 and the savings from Personnel.

Road Engineering

There was a shortfall in the basic salary of R229 000 which was funded by R300 000, RM Road Maintenance adjusted by R590 000 and also the CBD Road Maintenance R480 000, all these shortfall were funded from the savings in Acquisition of Municipal Plant Machinery. The savings only amounted to a Million.

From the engagements with the department it became evident that the funding that was earmarked for the management of plant, completion of Nyanisweni access road, and funding taken from CBD maintenance were not enough to cover all these commitments. Below is the breakdown of funds required for these projects:

• Nyanisweni Access Road	R 760 000
• CBD Maintenance	R 680 000
• Management of construction plant	R1 000 000
▪ TOTAL	<u>R 2 440 000</u>

Savings from the purchase of construction plant only amounted to R1 000 000 which was not enough to cover the two ongoing projects of Nyanisweni and CBD maintenance.

Electricity

These are savings of R407 000 are from Personnel which funded some of Electricity Projects that had a shortfall.

6. Adjustments budget tables

a. Table B1 Adjustments budget summary

EC443 Mbizana - Table B1 Adjustments Budget Summary - 26 February 2018

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	22 342	-	-	-	-	-	-	-	22 342	23 660	25 032
Service charges	31 696	-	-	-	-	-	(379)	(379)	31 317	33 566	35 513
Investment revenue	6 159	-	-	-	-	-	1 369	1 369	7 528	6 522	6 900
Transfers recognised - operational	204 939	-	-	-	-	-	(2 459)	(2 459)	202 480	233 353	243 813
Other own revenue	7 677	-	-	-	-	-	3 720	3 720	11 397	8 130	8 601
Total Revenue (excluding capital transfers and contributions)	272 812	-	-	-	-	-	2 252	2 252	275 064	305 231	319 660
Employee costs	107 442	-	-	-	-	-	(4 923)	(4 923)	102 519	111 025	116 576
Remuneration of councillors	21 502	-	-	-	-	-	920	920	22 422	22 577	23 706
Depreciation & asset impairment	46 011	-	-	-	-	-	-	-	46 011	48 311	50 727
Finance charges	1 575	-	-	-	-	-	-	-	1 575	1 653	1 736
Materials and bulk purchases	32 185	-	-	-	-	-	6 175	6 175	38 360	34 733	37 484
Transfers and grants	11 209	-	-	-	-	-	(8 829)	(8 829)	2 380	11 770	12 358
Other expenditure	81 585	-	-	-	-	-	50 229	50 229	131 815	93 605	98 288
Total Expenditure	301 509	-	-	-	-	-	43 572	43 572	345 081	323 675	340 875
Surplus/(Deficit)	(28 697)	-	-	-	-	-	(41 320)	(41 320)	(70 017)	(18 444)	(21 215)
Transfers recognised - capital	113 800	-	-	-	-	-	3 059	3 059	116 859	74 320	86 066
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	85 104	-	-	-	-	-	(38 261)	(38 261)	46 842	55 876	64 851
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	85 104	-	-	-	-	-	(38 261)	(38 261)	46 842	55 876	64 851
Capital expenditure & funds sources											
Capital expenditure	115 202	-	-	-	-	-	24 235	24 235	139 437	81 495	93 600
Transfers recognised - capital	98 400	-	-	-	-	-	20	20	98 420	74 320	86 066
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	16 802	-	-	-	-	-	24 215	24 215	41 017	7 175	7 534
Total sources of capital funds	115 202	-	-	-	-	-	24 235	24 235	139 437	81 495	93 600
Financial position											
Total current assets	91 444	-	-	-	-	-	(21 999)	(21 999)	69 445	106 310	123 101
Total non current assets	687 627	-	-	-	-	-	24 235	24 235	711 862	720 521	763 494
Total current liabilities	20 832	-	-	-	-	-	-	-	20 832	22 784	29 283
Total non current liabilities	6 766	-	-	-	-	-	-	-	6 766	7 442	8 187
Community wealth/Equity	751 474	-	-	-	-	-	2 235	2 235	753 709	796 605	849 124
Cash flows											
Net cash from (used) operating	128 794	-	-	-	-	-	342	342	129 136	101 939	114 673
Net cash from (used) investing	(115 202)	-	-	-	-	-	(24 035)	(24 035)	(139 237)	(81 495)	(93 600)
Net cash from (used) financing	(15 399)	-	-	-	-	-	-	-	(15 399)	-	-
Cash/cash equivalents at the year end	63 525	-	-	-	-	-	(21 999)	(21 999)	41 526	83 969	105 043
Cash backing/surplus reconciliation											
Cash and investments available	63 525	-	-	-	-	-	(21 999)	(21 999)	41 526	83 969	105 043
Application of cash and investments	(4 423)	-	-	-	-	-	671	671	(3 752)	2 324	12 141
Balance - surplus (shortfall)	67 949	-	-	-	-	-	(22 671)	(22 671)	45 278	81 645	92 902
Asset Management											
Asset register summary (WDV)	687 627	-	-	-	-	-	-	-	687 627	720 521	763 494
Depreciation & asset impairment	46 011	-	-	-	-	-	-	-	46 011	48 311	50 727
Renewal of Existing Assets	7 370	-	-	-	-	-	-	-	7 370	2 630	-
Repairs and Maintenance	5 607	-	-	-	-	-	680	680	6 487	14 498	15 223
Free services											
Cost of Free Basic Services provided	150	-	-	-	-	-	-	-	150	187	306
Revenue cost of free services provided	429	-	-	-	-	-	-	-	429	453	478
Households below minimum service level											
Water:	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewage:	-	-	-	-	-	-	-	-	-	-	-
Energy:	6	-	-	-	-	-	-	-	6	6	6
Refuse:	48	-	-	-	-	-	-	-	48	48	48

b. Table B2 Adjustments budget Financial Performance (Functional Classification)

EC443 Mbizana - Table B2 Adjustments Budget Financial Performance (functional classification) - 26 February 2018

Standard Description	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjus.	Adjus.	Budget	Budget	Budget
R thousands	1, 4	A	5 AI	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
Revenue - Functional												
<i>Governance and administration</i>		231 376	-	-	-	-	-	3 824	3 824	235 200	263 799	275 832
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		231 376	-	-	-	-	-	3 824	3 824	235 200	263 799	275 832
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		424	-	-	-	-	-	339	339	763	449	474
Community and social services		424	-	-	-	-	-	163	163	587	449	474
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	177	177	177	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		65 230	-	-	-	-	-	1 133	1 133	66 363	56 207	59 346
Planning and development		102	-	-	-	-	-	232	232	334	108	114
Road transport		65 128	-	-	-	-	-	901	901	66 029	56 099	59 232
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		89 458	-	-	-	-	-	138	138	89 596	58 966	69 936
Energy sources		85 593	-	-	-	-	-	467	467	86 061	56 677	67 515
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		3 865	-	-	-	-	-	(329)	(329)	3 536	2 289	2 421
Other		123	-	-	-	-	-	(123)	(123)	-	130	138
Total Revenue - Functional	2	386 612	-	-	-	-	-	5 311	5 311	391 923	379 551	405 726
Expenditure - Functional												
<i>Governance and administration</i>		188 427	-	-	-	-	-	40 692	40 692	229 120	197 849	207 741
Executive and council		54 571	-	-	-	-	-	731	731	55 301	57 299	60 164
Finance and administration		130 744	-	-	-	-	-	39 962	39 962	170 706	137 282	144 146
Internal audit		3 112	-	-	-	-	-	0	0	3 112	3 268	3 432
<i>Community and public safety</i>		13 604	-	-	-	-	-	1 254	1 254	14 858	14 286	15 003
Community and social services		10 991	-	-	-	-	-	1 179	1 179	12 170	11 543	12 123
Sport and recreation		584	-	-	-	-	-	0	0	584	613	644
Public safety		948	-	-	-	-	-	75	75	1 023	996	1 045
Housing		1 080	-	-	-	-	-	-	-	1 080	1 134	1 191
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		37 176	-	-	-	-	-	1 644	1 644	38 820	46 973	49 321
Planning and development		18 758	-	-	-	-	-	234	234	18 992	19 234	20 196
Road transport		15 973	-	-	-	-	-	2 021	2 021	17 994	25 634	26 916
Environmental protection		2 445	-	-	-	-	-	(611)	(611)	1 834	2 104	2 210
<i>Trading services</i>		60 114	-	-	-	-	-	(93)	(93)	60 021	62 278	66 398
Energy sources		43 829	-	-	-	-	-	(1 155)	(1 155)	42 673	46 959	50 322
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		16 286	-	-	-	-	-	1 062	1 062	17 348	15 311	16 076
Other		2 187	-	-	-	-	-	75	75	2 262	2 297	2 412
Total Expenditure - Functional	3	301 509	-	-	-	-	-	43 572	43 572	345 081	323 675	340 875
Surplus/ (Deficit) for the year		85 104	-	-	-	-	-	(38 261)	(38 261)	46 842	55 876	64 851

The table above depicts the municipality's adjusted financial performance per functional classification. This groups departments or votes according to their functional class.

c. Table B3 Adjustments budgets Financial Performance (revenue and expenditure by municipal vote)

EC443 Mbizana - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 26 February 2018

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H			
Revenue by Vote	1											
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		231 157	-	-	-	-	-	3 931	3 931	235 088	263 566	275 586
Vote 3 - Corporate Service		220	-	-	-	-	-	(107)	(107)	112	233	246
Vote 4 - Development Planning		218	-	-	-	-	-	(44)	(44)	174	231	244
Vote 5 - Community Services		7 799	-	-	-	-	-	1 351	1 351	9 150	6 454	6 828
Vote 6 - Engineering Services		147 219	-	-	-	-	-	179	179	147 399	109 068	122 822
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	386 612	-	-	-	-	-	5 311	5 311	391 923	379 551	405 726
Expenditure by Vote	1											
Vote 1 - Executive & Council		67 426	-	-	-	-	-	2 363	2 363	69 788	70 797	74 337
Vote 2 - Budget & Treasury		68 840	-	-	-	-	-	38 962	38 962	107 802	72 281	75 896
Vote 3 - Corporate Service		45 223	-	-	-	-	-	(462)	(462)	44 761	47 485	49 859
Vote 4 - Development Planning		15 546	-	-	-	-	-	100	100	15 646	16 324	17 140
Vote 5 - Community Services		54 871	-	-	-	-	-	(3 563)	(3 563)	51 308	55 828	58 622
Vote 6 - Engineering Services		49 603	-	-	-	-	-	6 173	6 173	55 776	60 960	65 023
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	301 509	-	-	-	-	-	43 572	43 572	345 081	323 675	340 875
Surplus/ (Deficit) for the year	2	85 104	-	-	-	-	-	(38 261)	(38 261)	46 842	55 876	64 851

Executive and Council includes Council general expenses, Mayor's office, Office of the Speaker, and the Office of the Municipal manager.

Budget and Treasury consists of Budgeting and reporting, Supply chain and Asset management, Revenue and expenditure, the office of the Chief Financial Officer.

Corporate services consists of Human resources, Labour relations, Information technology, and Fleet management.

Community Services consists of Community and social services, Environmental management, Refuse removal, Protection services and licensing.

Development planning consist of Planning and Land use management, and Local economic development.

Engineering services consists of Road works and engineering, and Electricity.

d. Table B4 Adjustments budget Financial Performance (revenue and expenditure)

EC443 Mbizana - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 26 February 2018

Description	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	22 342	-	-	-	-	-	-	-	22 342	23 660	25 032
Service charges - electricity revenue	2	29 562	-	-	-	-	-	462	462	30 024	31 306	33 122
Service charges - water revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse revenue	2	2 123	-	-	-	-	-	(829)	(829)	1 294	2 249	2 379
Service charges - other		11	-	-	-	-	-	(11)	(11)	-	12	12
Rental of facilities and equipment		765	-	-	-	-	-	91	91	856	811	858
Interest earned - external investments		6 159	-	-	-	-	-	1 369	1 369	7 528	6 522	6 900
Interest earned - outstanding debtors		1 775	-	-	-	-	-	2 022	2 022	3 797	1 880	1 989
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		823	-	-	-	-	-	1 102	1 102	1 925	871	922
Licences and permits		2 372	-	-	-	-	-	(198)	(198)	2 174	2 512	2 658
Agency services		863	-	-	-	-	-	306	306	1 169	914	967
Transfers and subsidies		204 939	-	-	-	-	-	(2 459)	(2 459)	202 480	233 353	243 613
Other revenue	2	1 078	-	-	-	-	-	397	397	1 476	1 142	1 208
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		272 812	-	-	-	-	-	2 252	2 252	275 064	305 231	319 660
Expenditure By Type												
Employee related costs		107 442	-	-	-	-	-	(4 923)	(4 923)	102 519	111 025	116 576
Remuneration of councillors		21 502	-	-	-	-	-	920	920	22 422	22 577	23 706
Debt impairment		1 995	-	-	-	-	-	-	-	1 995	2 095	2 199
Depreciation & asset impairment		46 011	-	-	-	-	-	-	-	46 011	48 311	50 727
Finance charges		1 575	-	-	-	-	-	-	-	1 575	1 653	1 736
Bulk purchases		31 303	-	-	-	-	-	-	-	31 303	33 807	36 512
Other materials		882	-	-	-	-	-	6 175	6 175	7 057	926	972
Contracted services		35 119	-	-	-	-	-	3 293	3 293	38 412	39 878	38 724
Transfers and subsidies		11 209	-	-	-	-	-	(8 829)	(8 829)	2 380	11 770	12 358
Other expenditure		44 471	-	-	-	-	-	8 243	8 243	52 714	51 633	57 364
Loss on disposal of PPE		-	-	-	-	-	-	38 694	38 694	38 694	-	-
Total Expenditure		301 509	-	-	-	-	-	43 572	43 572	345 081	323 675	340 875
Surplus/(Deficit)												
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(28 697)	-	-	-	-	-	(41 320)	(41 320)	(70 017)	(18 444)	(21 215)
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher		113 800	-	-	-	-	-	3 059	3 059	116 859	74 320	86 066
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		85 104	-	-	-	-	-	(38 261)	(38 261)	46 842	55 876	64 851
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		85 104	-	-	-	-	-	(38 261)	(38 261)	46 842	55 876	64 851
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		85 104	-	-	-	-	-	(38 261)	(38 261)	46 842	55 876	64 851
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		85 104	-	-	-	-	-	(38 261)	(38 261)	46 842	55 876	64 851

The table above shows adjustments that have been to the 2017/18 budget and can be summarised as follows:-

i. Service Charges – Electricity Revenue

The adjustment relates to electricity connections and reconnections that have proven to perform well during the first half of the financial year. With the enforcement of credit control processes to intensify debt collection this is still expected to continue to perform this way.

ii. Service charges – refuse revenue

Service charges from refuse removal have continued to perform below the anticipated levels which has lead to the downward adjustment in that revenue stream. This was also informed by the performance of the audited outcomes for 2016/17.

iii. Rental of facilities and equipment

The increase in rental of facilities and equipment is as a result of lease agreements that have come to an end and were renewed at higher rental instalments than the initial agreements for the municipality's investment properties.

iv. Interest income

The municipality's receives interests from the short term deposits that it has with commercial banks which is mainly surplus cash and conditional grants. There is also interest charged on outstanding debtors which is charged on all debtors with debts outstanding for more than 30 days. This is also informed by the municipality's past performances.

v. Fines and Agency services

The increased efforts of our law enforcement personnel have seen the municipality's revenue generation on fines enhanced. This also includes fines for tampering with our electricity meters.

Agency services relate to income received by the municipality for acting as an agent of the department of Transport to issue motor vehicle licences and driving permits. This also continues to perform more than expected which has given us comfort to increase the revenue anticipated from it

e. Table B5 Adjustments Capital Expenditure Budget by vote and funding

EC443 Mbizana - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 26 February 2018

Description	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Net. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjsts.	Adjsts.	Budget	Budget	Budget
R thousands	A	A1	B	C	D	E	F	G	H			
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Service		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Development Planning		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		23 551	-	-	-	-	-	-	-	23 551	21 959	13 506
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	23 551	-	-	-	-	-	-	-	23 551	21 959	13 506
Single-year expenditure to be adjusted	2											
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		80	-	-	-	-	-	20	20	100	84	88
Vote 3 - Corporate Service		4 460	-	-	-	-	-	400	400	4 860	4 683	4 917
Vote 4 - Development Planning		400	-	-	-	-	-	(100)	(100)	300	420	441
Vote 5 - Community Services		2 468	-	-	-	-	-	(588)	(588)	1 880	1 988	2 087
Vote 6 - Engineering Services		84 243	-	-	-	-	-	24 503	24 503	108 746	52 361	72 559
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		91 651	-	-	-	-	-	24 235	24 235	115 886	59 537	80 093
Total Capital Expenditure - Vote		115 202	-	-	-	-	-	24 235	24 235	139 437	81 495	93 600
Capital Expenditure - Functional												
Governance and administration		4 876	-	-	-	-	-	84	84	4 960	5 120	5 376
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		4 876	-	-	-	-	-	84	84	4 960	5 120	5 376
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		800	-	-	-	-	-	285	285	1 085	551	579
Community and social services		-	-	-	-	-	-	-	-	-	551	579
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		800	-	-	-	-	-	285	285	1 085	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		68 513	-	-	-	-	-	22 635	22 635	91 148	50 055	52 837
Planning and development		36 377	-	-	-	-	-	2 640	2 640	39 017	23 321	13 947
Road transport		32 036	-	-	-	-	-	20 065	20 065	52 101	26 630	38 780
Environmental protection		100	-	-	-	-	-	(70)	(70)	30	105	110
Trading services		41 013	-	-	-	-	-	1 231	1 231	42 244	25 789	34 807
Energy sources		40 281	-	-	-	-	-	1 498	1 498	41 779	25 000	34 000
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		732	-	-	-	-	-	(267)	(267)	465	769	807
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	115 202	-	-	-	-	-	24 235	24 235	139 437	81 495	93 600
Funded by:												
National Government		76 719	-	-	-	-	-	20	20	76 739	74 320	86 066
Provincial Government		21 681	-	-	-	-	-	-	-	21 681	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	98 400	-	-	-	-	-	20	20	98 420	74 320	86 066
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Externally generated funds		16 802	-	-	-	-	-	24 215	24 215	41 017	7 175	7 534
Total Capital Funding		115 202	-	-	-	-	-	24 235	24 235	139 437	81 495	93 600

- The above Table depicts the impact of the adjustments mentioned in earlier sections on the municipality's capital budget and funding of such a budget.

f. Table B6 Adjustments budget Financial Position

EC443 Mbizana - Table B6 Adjustments Budget Financial Position - 26 February 2018

Description	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavold.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H	+1 2018/19	+2 2019/20
ASSETS												
Current assets												
Cash		2 241	-	-	-	-	-	-	-	2 241	2 465	4 191
Call investment deposits	1	61 284	-	-	-	-	-	(21 999)	(21 999)	39 285	81 504	100 852
Consumer debtors	1	15 214	-	-	-	-	-	-	-	15 214	10 907	7 712
Other debtors		11 141	-	-	-	-	-	-	-	11 141	10 027	9 025
Current portion of long-term receivables		1 237	-	-	-	-	-	-	-	1 237	1 114	1 058
Inventory		326	-	-	-	-	-	-	-	326	293	264
Total current assets		91 444	-	-	-	-	-	(21 999)	(21 999)	69 445	106 310	123 101
Non current assets												
Long-term receivables		-	-	-	-	-	-	-	-	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		6 957	-	-	-	-	-	-	-	6 957	7 374	8 112
Investment in Associates		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	678 900	-	-	-	-	-	24 235	24 235	703 134	712 084	754 957
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		1 771	-	-	-	-	-	-	-	1 771	1 062	425
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		687 627	-	-	-	-	-	24 235	24 235	711 862	720 521	763 494
TOTAL ASSETS		779 072	-	-	-	-	-	2 235	2 235	781 307	826 831	886 594
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Consumer deposits		263	-	-	-	-	-	-	-	263	158	142
Trade and other payables		19 332	-	-	-	-	-	-	-	19 332	21 265	27 644
Provisions		1 237	-	-	-	-	-	-	-	1 237	1 361	1 497
Total current liabilities		20 832	-	-	-	-	-	-	-	20 832	22 784	29 283
Non current liabilities												
Borrowing	1	-	-	-	-	-	-	-	-	-	-	-
Provisions	1	6 766	-	-	-	-	-	-	-	6 766	7 442	8 187
Total non current liabilities		6 766	-	-	-	-	-	-	-	6 766	7 442	8 187
TOTAL LIABILITIES		27 598	-	-	-	-	-	-	-	27 598	30 226	37 470
NET ASSETS	2	751 474	-	-	-	-	-	2 235	2 235	753 709	796 605	849 124
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		690 189	-	-	-	-	-	24 235	24 235	714 424	715 101	748 272
Reserves		61 284	-	-	-	-	-	(21 999)	(21 999)	39 285	81 504	100 852
Minorities' interests		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		751 474	-	-	-	-	-	2 235	2 235	753 709	796 605	849 124

- The above table depicts the municipality's financial position after taking into account the proposed adjustments and it is important to mention that this is based on the audited results of the municipality since this was not part of the original budget. The major thing on this one is the split of the accumulated surplus to show also the cash backed part of our reserves as a requirement by National Treasury to test the sustainability of the municipality as a going concern.

g. Table B7 Adjustments budget Cash Flows

EC443 Mbizana - Table B7 Adjustments Budget Cash Flows - 26 February 2018

Description	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	3	4	5	6	7	8	9	10	+1 2018/19	+2 2019/20	
		A1	B	C	D	E	F	G	H			
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		18 991	-	-	-	-	-	-	18 991	20 111	22 529	
Service charges		31 272	-	-	-	-	(380)	(380)	30 892	33 229	35 275	
Other revenue		5 363	-	-	-	-	1 734	1 734	7 097	5 793	6 250	
Government - operating	1	204 939	-	-	-	-	(2 559)	(2 559)	202 380	233 353	243 613	
Government - capital	1	113 800	-	-	-	-	3 059	3 059	116 859	74 320	86 066	
Interest		7 934	-	-	-	-	3 366	3 366	11 300	8 402	8 889	
Dividends									-	-		
Payments												
Suppliers and employees		(240 719)	-	-	-	-	(13 708)	(13 708)	(254 427)	(259 846)	(273 855)	
Finance charges		(1 575)	-	-	-	-	-	-	(1 575)	(1 653)	(1 736)	
Transfers and Grants	1	(11 209)	-	-	-	-	8 829	8 829	(2 380)	(11 770)	(12 358)	
NET CASH FROM/(USED) OPERATING ACTIVITIES		128 794	-	-	-	-	342	342	129 136	101 939	114 673	
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-	
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	
Payments												
Capital assets		(115 202)	-	-	-	-	24 035	(24 035)	(139 237)	(81 495)	(93 600)	
NET CASH FROM/(USED) INVESTING ACTIVITIES		(115 202)	-	-	-	-	(24 035)	(24 035)	(139 237)	(81 495)	(93 600)	
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-	
Payments												
Repayment of borrowing		(15 399)	-	-	-	-	-	-	(15 399)	-	-	
NET CASH FROM/(USED) FINANCING ACTIVITIES		(15 399)	-	-	-	-	-	-	(15 399)	-	-	
NET INCREASE/ (DECREASE) IN CASH HELD		(1 808)	-	-	-	-	(23 692)	(23 692)	(25 500)	20 444	21 074	
Cash/cash equivalents at the year begin:	2	65 333	-	-	-	-	1 693	1 693	67 026	63 525	83 969	
Cash/cash equivalents at the year end:	2	63 525	-	-	-	-	(21 999)	(21 999)	41 526	83 969	105 043	

- The above table shows projected cash flows as a result of the adjustments and also taking into account the audited results as the bases for the estimates.

h. Table B8 Cash backed reserves/accumulated surplus reconciliation

EC443 Mbizana - Table B8 Cash backed reserves/accumulated surplus reconciliation - 26 February 2018

Description	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	63 525	-	-	-	-	-	(21 999)	(21 999)	41 526	83 969	105 043
Other current investments > 90 days		(0)	-	-	-	-	-	0	0	(0)	-	-
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		63 525	-	-	-	-	-	(21 999)	(21 999)	41 526	83 969	105 043
Applications of cash and investments												
Unspent conditional transfers		-	-	-	-	-	-	-	-	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(4 423)	-	-	-	-	-	671	671	(3 752)	2 324	12 141
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		(4 423)	-	-	-	-	-	671	671	(3 752)	2 324	12 141
Surplus(shortfall)		67 949	-	-	-	-	-	(22 671)	(22 671)	45 278	81 645	92 902

i. Table B9 Asset Management

EC443 Mbizana - Table B9 Asset Management - 26 February 2018

Description	Ref	Budget Year 2017/18										Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unvold	Net. or Prov Govt	Other Adjusts	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands		A	A1	B	C	D	E	F	G	H	I	J	
CAPITAL EXPENDITURE													
Total New Assets to be adjusted	1	81 681						24 038	24 038	118 888	89 337	89 093	
Roads Infrastructure		18 160						21 353	21 353	37 518	23 790	38 559	
Storm water Infrastructure													
Electrical Infrastructure		40 281						1 498	1 498	41 779	25 000	34 000	
Information and Communication Infrastructure		800						(800)	(800)	(8)	840	882	
Infrastructure		57 246						22 045	22 045	79 291	49 630	73 441	
Community Facilities		18 803						2 093	2 093	20 895	3 981	441	
Sport and Recreation Facilities													
Community Assets		18 803						2 093	2 093	20 895	3 981	441	
Operational Buildings		400								400	761	799	
Housing													
Other Assets	6	400								400	761	799	
Biological or Cultivated Assets													
Servitudes													
Licences and Rights													
Intangible Assets													
Computer Equipment		2 374						320	320	2 694	1 029	1 080	
Furniture and Office Equipment		800								800	525	551	
Machinery and Equipment		9 478						(1 123)	(1 123)	8 355	1 237	1 299	
Transport Assets		2 850						700	700	3 550	2 363	2 481	
Libraries													
Zoo's Marine and Non-biological Animals													
Total Renewal of Existing Assets to be adjusted	2	7 370								7 370	2 630		
Roads Infrastructure		7 370								7 370	2 630		
Infrastructure		7 370								7 370	2 630		
Total Upgrading of Existing Assets to be adjusted	2a	18 181								18 181	18 328	13 506	
Community Facilities		4 181								4 181	4 950	869	
Sport and Recreation Facilities		12 000								12 000	14 379	12 637	
Community Assets		16 181								16 181	19 328	13 506	
Total Capital Expenditure to be adjusted	4												
Roads Infrastructure		23 038						21 353	21 353	44 889	26 420	38 559	
Storm water Infrastructure													
Electrical Infrastructure		40 281						1 498	1 498	41 779	25 000	34 000	
Information and Communication Infrastructure		800						(800)	(800)	(8)	840	882	
Infrastructure		64 617						22 045	22 045	68 661	52 260	73 441	
Community Facilities		22 983						2 093	2 093	25 076	8 941	1 310	
Sport and Recreation Facilities		12 000								12 000	14 379	12 637	
Community Assets		34 983						2 093	2 093	37 076	23 321	13 847	
Operational Buildings		400								400	761	799	
Housing													
Other Assets		400								400	781	799	
Computer Equipment		2 374						320	320	2 694	1 029	1 080	
Furniture and Office Equipment		800								800	525	551	
Machinery and Equipment		9 478						(1 123)	(1 123)	8 355	1 237	1 299	
Transport Assets		2 850						700	700	3 550	2 363	2 481	
Libraries													
Zoo's Marine and Non-biological Animals													
TOTAL CAPITAL EXPENDITURE to be adjusted	4	118 282						24 038	24 038	139 237	81 486	82 600	
ASSET REGISTER SUMMARY - PPE (WOV)	5												
Roads Infrastructure		537 121								537 121	479 148	487 885	
Storm water Infrastructure		10 089								10 089	10 085	10 085	
Electrical Infrastructure		10 822								10 822	81 103	76 103	
Infrastructure		558 028								558 028	540 338	564 073	
Community Facilities		28 723								28 723	61 706	60 647	
Sport and Recreation Facilities		21 324								21 324	43 324	87 703	
Community Assets		80 047								80 047	95 030	118 351	
Heritage Assets													
Revenue Generating		8 297								8 297	8 297	8 297	
Non-revenue Generating													
Investment properties		8 297								8 297	8 297	8 297	
Operational Buildings		39 239								39 239	39 639	40 400	
Housing													
Other Assets		39 239								39 239	39 639	40 400	
Biological or Cultivated Assets													
Servitudes													
Licences and Rights		1 525								1 525	1 525	1 525	
Intangible Assets		1 525								1 525	1 525	1 525	
Computer Equipment		1 180								1 180	2 533	4 862	
Furniture and Office Equipment		5 710								5 710	6 210	6 735	
Machinery and Equipment		7 506								7 506	16 984	18 222	
Transport Assets		6 117								6 117	8 967	11 330	
Libraries													
Zoo's Marine and Non-biological Animals													
TOTAL ASSET REGISTER SUMMARY - PPE (WOV)	5	887 827								887 827	720 821	783 484	
EXPENDITURE OTHER ITEMS													
Depreciation & asset impairment		46 011								46 011	46 311	50 727	
Repairs and Maintenance by asset class	3	3 807						880	880	6 487	14 498	15 223	
Roads Infrastructure		1 080						590	590	1 640	9 003	9 078	
Storm water Infrastructure													
Electrical Infrastructure		158								158	166	174	
Infrastructure		1 208						590	590	1 798	9 668	10 192	
Community Facilities								90	90	90			
Sport and Recreation Facilities		143								143	150	158	
Community Assets		143						90	90	233	150	158	
Operational Buildings		2 358								2 358	2 473	2 596	
Housing													
Other Assets		2 358								2 358	2 473	2 596	
Computer Equipment		50								50	53	55	
Machinery and Equipment		51								51	54	57	
Transport Assets		2 000								2 000	2 100	2 205	
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		51 818						880	880	82 498	62 808	68 949	
Renewal and upgrading of Existing Assets as a % of total cap.		20.4%	0.0%							18.9%	28.0%	14.4%	
Renewal and upgrading of Existing Assets as a % of deprecia-		51.2%	0.0%							51.2%	43.5%	28.0%	
Renewal as a % of PPE		0.8%	0.0%							0.8%	2.0%	2.0%	
Renewal and upgrading and REM as a % of PPE		4.3%	0.0%							4.4%	5.1%	2.8%	

P.30

j. Table B10 Basic Service Delivery Measurement

EC443 Mbizana - Table B10 Basic service delivery measurement - 26 February 2018

Description	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	+1 2018/19	+2 2019/20
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Adjusted	Adjusted
	A	7	8	9	10	11	12	13	14			
		A1	B	C	D	E	F	G	H			
Household service targets	1											
Water:												
Piped water inside dwelling		-	-	-	-	-	-	-	-	-	-	-
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)		-	-	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Using public tap (< min. service level)	3	-	-	-	-	-	-	-	-	-	-	-
Other water supply (< min. service level)	3.4	-	-	-	-	-	-	-	-	-	-	-
No water supply		-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		-	-	-	-	-	-	-	-	-	-	-
Flush toilet (with septic tank)		-	-	-	-	-	-	-	-	-	-	-
Chemical toilet		-	-	-	-	-	-	-	-	-	-	-
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-	-	-
Other toilet provisions (> min. service level)		-	-	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Bucket toilet		-	-	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min. service level)		-	-	-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-	-
Energy:												
Electricity (at least min. service level)		287	-	-	-	-	-	-	287	350	500	
Electricity - prepaid (> min. service level)		22346	-	-	-	-	-	-	22346	22346	22346	
<i>Minimum Service Level and Above sub-total</i>		22633	-	-	-	-	-	-	22633	22696	22846	
Electricity (< min. service level)		-	-	-	-	-	-	-	-	-	-	
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-	-	
Other energy sources		6000	-	-	-	-	-	-	6000	6000	6000	
<i>Below Minimum Service Level sub-total</i>		6000	-	-	-	-	-	-	6000	6000	6000	
Total number of households	5	28633	-	-	-	-	-	-	28633	28696	28846	
Refuse:												
Removed at least once a week (min service)		800	-	-	-	-	-	-	800	800	800	
<i>Minimum Service Level and Above sub-total</i>		800	-	-	-	-	-	-	800	800	800	
Removed less frequently than once a week		157	-	-	-	-	-	-	157	157	157	
Using communal refuse dump		250	-	-	-	-	-	-	250	250	250	
Using own refuse dump		0	-	-	-	-	-	-	0	0	0	
Other rubbish disposal		3	-	-	-	-	-	-	3	3	3	
No rubbish disposal		47480	-	-	-	-	-	-	47480	47480	47480	
<i>Below Minimum Service Level sub-total</i>		47890	-	-	-	-	-	-	47890	47890	47890	
Total number of households	5	48890	-	-	-	-	-	-	48890	48890	48890	
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	
Sanitation (free minimum level service)		-	-	-	-	-	-	-	-	-	-	
Electricity/other energy (50kwh per household per month)		287	-	-	-	-	-	-	287	350	500	
Refuse (removed at least once a week)		-	-	-	-	-	-	-	-	-	-	
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	
Sanitation (free sanitation service)		-	-	-	-	-	-	-	-	-	-	
Electricity/other energy (50kwh per household per month)		150	-	-	-	-	-	-	150	187	306	
Refuse (removed once a week)		-	-	-	-	-	-	-	-	-	-	
Total cost of FBS provided (minimum social pack)		150	-	-	-	-	-	-	150	187	306	
Highest level of free service provided												
Property rates (R'000 value threshold)		-	-	-	-	-	-	-	-	-	-	
Water (kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	
Sanitation (Rand per household per month)		-	-	-	-	-	-	-	-	-	-	
Electricity (kw per household per month)		-	-	-	-	-	-	-	-	-	-	
Refuse (average litres per week)		-	-	-	-	-	-	-	-	-	-	
Revenue cost of free services provided (R'000)	17											
Property rates (R15 000 threshold rebate)		429	-	-	-	-	-	-	429	453	478	
Property rates (other exemptions, reductions and rebates)		-	-	-	-	-	-	-	-	-	-	
Water		-	-	-	-	-	-	-	-	-	-	
Sanitation		-	-	-	-	-	-	-	-	-	-	
Electricity/other energy		-	-	-	-	-	-	-	-	-	-	
Refuse		-	-	-	-	-	-	-	-	-	-	
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-	-	
Housing - top structure subsidies	6	-	-	-	-	-	-	-	-	-	-	
Other		-	-	-	-	-	-	-	-	-	-	
Total revenue cost of free services provided (total)		429	-	-	-	-	-	-	429	453	478	

PART 2 – SUPPORTING DOCUMENTATION

7. Adjustments to budget assumptions

This adjustment budget is based on the same assumptions that were used during the original budget as there has been no changes in the inflation targets that were used and the tariffs still remain unchanged. The municipality subscribes and has ensured full compliance with the requirements of a fully funded and credible budget. Historical information was taken into account when adjusting the revenues to ensure a realistic approach. There were also intensive consultations with the relevant departments to verify the reasons for over performance and to determine if such information warrants an overall increase in the revenue generation potential of the municipality.

8. Adjustments to budget funding

The municipality has ensured compliance with the following requirements of a budget:

- The budget is funded from realistically anticipated revenues
- The budget is fully funded
- Additional funding utilised to fund only the capital budget

The municipality has been forced to avail additional funding from each surplus cash as reported in its audited annual financial statements to fund the shortfall in the funding of the capital budget. The only other additional funding in the budget relates to an upward adjustment of well performing revenue streams due to the performance over the past 6 months that has exceeded expectations, CBD Waste management grant from DEDEAT as well as GIS grant from the district that was unspent in the past financial year.

9. Mbizana Economic Landscape

Mbizana Local Municipality is a rural municipality with the following characteristics:

- sparsely populated areas in which people farm or depend on natural resources, including villages and small towns that are dispersed through these area
- area that includes large settlements in the former homelands, which depend on migratory labour and remittances as well as government social grants for their survival, and typically have traditional land tenure systems.

These mean that the municipality has a very limited revenue base from which to collect revenue. This places more pressure on the limited revenue base to generate more and

intensify collection. Only the town area generates revenue for the municipality, meaning like its people the municipality is solely dependent on Government grants to deliver services.

10. Relationship with ratepayers

The municipality has had a history of disagreements with the residential ratepayers over the valuation roll which has lead to some not even paying their bills. These bills have accumulated to levels where it is not easy for the consumers to settle them. The implementation of the municipality's debt collection measures has a potential bringing a number of legal disputes as it seems some consumers feel they are being treated unfairly even though all processes have been followed and the bills have been correctly delivered at all times as required.

11. Access to basic services

The provision of basic services can be an important agent in the reduction of poverty and unemployment and strengthening of social capital. It can also be a factor in reviving agriculture, tourism and other rural non-farm enterprises. For instance:

Road infrastructure connects rural areas to the town and facilitates the mobility of goods and people within the area. Roads provide the connections necessary for local markets to develop and facilitate the provision of public services, such as ambulances and policing. Access roads allow the supply of perishable foods to high-value town markets. Opportunities for job creation through labour based maintenance approaches can also support household income and retain resources in local areas. The lack of road infrastructure hinders development, hence the municipality has seen it necessary to avail funding to ensure that these projects are completed.

The importance of electricity infrastructure in rural areas cannot be over emphasised. Besides improving the lives of our people, it can facilitate small business development and public safety as criminals find it hard to operate in high lit areas.

Government has emphasised the critical role that rural municipalities must play in reducing backlogs in access to basic services. Careful choices need to be made to match service levels to what households can afford. The use of appropriate technologies is important in ensuring available resources are used optimally to meet households' needs.

12. Adjustments to expenditure on allocations and grant programmes

EC443 Mbizana - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 26 February 2018

Description	Ref	Budget Year 2017/18							Budget Year	Budget Year
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2018/19	+2 2019/20
R thousands		A	2 A1	3 B	4 C	5 D	6 E	7 F	Adjusted Budget	Adjusted Budget
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
Operating expenditure of Transfers and Grants										
National Government:		235 530	-	-	-	-	-	235 530	255 387	274 482
Local Government Equitable Share		197 681	-	-	-	-	-	197 681	227 226	238 082
Finance Management		2 145	-	-	-	-	-	2 145	2 400	2 400
Municipal Systems Improvement		-	-	-	-	-	-	-	761	-
EPWP Incentive		1 704	-	-	-	-	-	1 704	-	-
Integrated National Electrification Programme		34 000	-	-	-	-	-	34 000	25 000	34 000
Other transfers/grants (insert description)		-	-	-	-	-	-	-	-	-
Provincial Government:		350	-	-	-	500	500	850	370	391
Sport and Recreation		350	-	-	-	-	-	350	370	391
Economic development, Environmental affairs and Tourism		-	-	-	-	500	500	500	-	-
Other transfers and grants (insert description)		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	100	100	100	-	-
(insert description)		-	-	-	-	100	100	100	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
(insert description)		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		235 880	-	-	-	600	600	236 480	255 757	274 873
Capital expenditure of Transfers and Grants										
National Government:		61 178	-	-	-	-	-	61 178	51 916	54 806
Municipal Infrastructure Grant (MIG)		61 178	-	-	-	-	-	61 178	51 916	54 806
Other capital transfers (insert description)		-	-	-	-	-	-	-	-	-
Provincial Government:		21 681	-	-	-	-	-	21 681	-	-
Electrification Assistance		21 681	-	-	-	-	-	21 681	-	-
Other capital transfers (insert description)		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Integrated Development Planning		-	-	-	-	-	-	-	-	-
Other capital transfers (insert description)		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
GIS Shared Services		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		82 859	-	-	-	-	-	82 859	51 916	54 806
Total capital expenditure of Transfers and Grants		318 739	-	-	-	600	600	319 339	307 673	329 679

Activity plans of the allocation that had adjustments will be revised to include the expenditure plans allocated for during this adjustment budget.

13. Adjustments to allocations or grants made by the municipality

EC443 Mbizana - Supporting Table SB10 Adjustments Budget - transfers and grants made by the municipality - 26 February 2018

Description	Ref	Budget Year 2017/18									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusta.	Adjusts.	Budget	Budget	Budget
R thousands		6	7	8	9	10	11	12	13			
		A	A1	B	C	D	E	F	G	H		
Cash transfers to other municipalities												
<i>[insert description]</i>	1								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO MUNICIPALITIES:		-	-	-	-	-	-	-	-	-	-	-
Cash transfers to Entities/Other External Mechanisms												
<i>[insert description]</i>	2								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO ENTITIES/EMs'		-	-	-	-	-	-	-	-	-	-	-
Cash transfers to other Organs of State												
<i>[insert description]</i>	3								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:		-	-	-	-	-	-	-	-	-	-	-
Cash transfers to other Organisations												
<i>[insert description]</i>	4								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL CASH TRANSFERS TO OTHER ORGANISATIONS:		-	-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS	5	-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to other municipalities												
<i>[insert description]</i>	1								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO MUNICIPALITIES:		-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to Entities/Other External Mechanisms												
<i>[insert description]</i>	2								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO ENTITIES/EMs'		-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to other Organs of State												
<i>[insert description]</i>	3								-	-		
<i>[insert description]</i>									-	-		
<i>[insert description]</i>									-	-		
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE:		-	-	-	-	-	-	-	-	-	-	-
Non-cash transfers to other Organisations												
<i>[insert description]</i>	4								-	-		
<i>Indigent Support</i>		-							-	-	9 271	9 734
<i>SMME Support</i>		2 380						0	0	2 380	2 499	2 624
TOTAL NON-CASH TRANSFERS TO OTHER ORGANISATIONS:		2 380	-	-	-	-	-	0	0	2 380	11 770	12 358
TOTAL NON-CASH TRANSFERS	5	2 380	-	-	-	-	-	0	0	2 380	2 499	2 624
TOTAL TRANSFERS		2 380	-	-	-	-	-	0	0	2 380	2 499	2 624

There is no movement on the grants and subsidies made by the municipality owing to the indigent register that has not been reviewed over the years and therefore there is no base for such an allocation.

14. Adjustments to councillor allowances and employee benefits

EC443 Mbizana - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 26 February 2018

Summary of remuneration	Ref	Budget Year 2017/18									% change
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	
R thousands		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages		12 237	-					920	920	13 157	7,5%
Pension and UIF Contributions		-	-					-	-	-	
Medical Aid Contributions		-	-					-	-	-	
Motor Vehicle Allowance		4 888	-					-	-	4 888	0,0%
Cellphone Allowance		1 445	-					-	-	1 445	
Housing Allowances		-	-					-	-	-	
Other benefits and allowances		2 933	-					-	-	2 933	
Sub Total - Councillors		21 502	-					920	920	22 422	4,3%
% Increase			(0)							0	
Senior Managers of the Municipality											
Basic Salaries and Wages		4 577	-					-	-	4 577	0,0%
Pension and UIF Contributions		-	-					-	-	-	
Medical Aid Contributions		-	-					-	-	-	
Overtime		-	-					-	-	-	
Performance Bonus		-	-					-	-	-	
Motor Vehicle Allowance		-	-					-	-	-	
Cellphone Allowance		204	-					-	-	204	0,0%
Housing Allowances		-	-					-	-	-	
Other benefits and allowances		2 345	-					-	-	2 345	
Payments in lieu of leave		-	-					-	-	-	
Long service awards		-	-					-	-	-	
Post-retirement benefit obligations		-	-					-	-	-	
Sub Total - Senior Managers of Municipality	5	7 126	-					-	-	7 126	0,0%
% Increase			(0)							-	
Other Municipal Staff											
Basic Salaries and Wages		67 417	-					(4 923)	(4 923)	62 494	-7,3%
Pension and UIF Contributions		6 295	-					-	-	6 295	0,0%
Medical Aid Contributions		4 751	-					-	-	4 751	0,0%
Overtime		1 171	-					-	-	1 171	0,0%
Performance Bonus		-	-					-	-	-	
Motor Vehicle Allowance		8 301	-					-	-	8 301	0,0%
Cellphone Allowance		432	-					-	-	432	0,0%
Housing Allowances		3 645	-					-	-	3 645	
Other benefits and allowances		8 305	-					-	-	8 305	
Payments in lieu of leave		-	-					-	-	-	
Long service awards		-	-					-	-	-	
Post-retirement benefit obligations		-	-					-	-	-	
Sub Total - Other Municipal Staff	5	100 315	-					(4 923)	(4 923)	95 393	-4,9%
% Increase											
Total Parent Municipality		128 944	-					(4 003)	(4 003)	124 941	-3,1%

15. Adjustments to service delivery and budget implementation plan

The adjusted service delivery and budget implementation will be tabled separately from the budget document but taking into account the adjustments in this document.

Quality Certificate

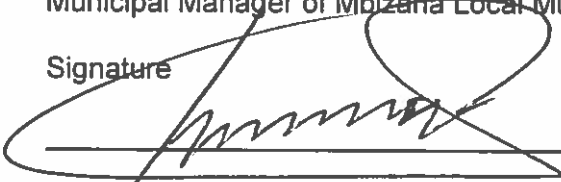
I, LUXUJO MAHLAKA, municipal manager of Mbizana Local Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under that Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print name

LUXUJO MAHLAKA

Municipal Manager of Mbizana Local Municipality (EC443)

Signature



Date

28/02/2018