



Thabazimbi Local Municipality LIM (361)

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LIM (361)
28/02/2019

Table of contents

1	Part 1 – Adjustments Budget	2
	1.1 Mayor’s report	2
	1.2 Budget related resolutions	3
	1.3 Executive summary	4
	1.4 Adjustments budget tables	5-11
2	Part 2 –Supporting documentation	12
	2.1 Adjustments budget assumptions	12
	2.2 Adjustment to budget funding measurement	13
	2.3 Adjustment to transfers and receipts	14
	2.4 Adjustment to expenditure on transfers and grant programme	18
	2.5 Adjustment to reconciliation of transfers, grant receipts & unspent funds	19
	2.6 Adjustment to capital expenditure	10
3	Part 3 –Adjustments to Service Delivery and Budget Implementation Plan.....	19
4	Part 4 – Municipal Manager’s certification	20

1 Part 1 – Adjustments Budget

1.1 Mayor's Report

Hon Speaker, I am humbled to present before you the adjustments budget in accordance with Section 28 of the Municipal Finance Management Act No.56 of 2003, which requires that before the 28th of February each year, Council considers for approval, adjustments to the original budget.

Hon Speaker, I am pleased to advise that as envisaged in the original 2018/19 budget, operational spending has been very conservative during the first half of the year, that was mainly due to cash flow constraints compared to the approved allocations.

Reductions have been proposed on the approved votes to try and harmonise our second half spending to actual collections. The overall performance of the Municipality has been of concern mainly due to vast and pervasive challenges faced by our Municipality.

The Municipality's service delivery infrastructure has aged due to many years of poor maintenance and the distribution losses have reached alarming heights, in certain instances electricity and water is being provided unmetered and cannot be recovered.

It is against this background that the Municipality is proposing the adjustments in this document.

The Service Delivery and Budget Implementation Plan (SDBIP) has to be reviewed due to the realignment which has taken place on both the operational and capital budgets. This will affect service delivery targets and performance targets. The reviewed SDBIP will be approved as soon as it is finalised and tabled before Council for consideration.

The total revised expenditure budget of the Municipality for the year is R586 million exclusive of capital receipts from MIG, contributed assets and stakeholder funded projects.

In light of the above, I recommend Council to approve the following adjustments:

- Total expenditure has increased due to finance charges and employee related costs.
- Increase on employee benefits. This was mainly because of temporary employees been absorbed in December 2018.
- Overtime was not budgeted for the current financial year, so we had to add it.
- Finance charges have been adjusted upwards to reflect the increasing costs being incurred on major creditors i.e Eskom and Magalies Water due to long outstanding debt.
- Shifting of funds between operational votes to channel funds towards areas of priority was also done.

- Service charges for electricity were the largest downward revenue adjustment as a result of the decrease in the collection of electricity revenue. A prudent approach has been taken thus resulting in the downward adjustment of electricity. Measures have been put in place to increase the revenue generated from electricity, such as:
 - the rolling out of the remaining uninstalled electricity prepaid meters
 - letters of demand issued by the debt collector
 - taking a control measure by being more effective in the disconnection of electricity for accounts in arrears

- Interest earned on outstanding debtors has increased, however, the appointment of the debt collector will assist in bringing down the debtors by issuing final demands to consumers
- Licenses and permits reflects no actual amounts as consumer payments are paid to provincial, thus a reconciliation will be done to determine the actual amounts collected for the 2018/19 financial year. The R3 million budgeted amount was calculated based on the actual amounts from the 2017/18 financial year.
- Coghsta will be transferring a grant amount of R27 million to Thabazimbi Local Municipality for the sole purpose of bulk sewer upgrade and connector line at Raphuthi as well as bulk connection and internal services at Regorogile.

1.2 Budget related resolutions

The Municipal Finance Management Act (MFMA) of 2003 requires that the Municipality table and adopt the budget and budget resolutions. The format of the budget and supporting documentation is prescribed by the Municipal Budget and Reporting Regulations.

The following resolutions are placed before Council for tabling and approval:

THAT

1. The adjustments budget for the financial year 2017/2018 be approved as contained in the Tables B1 –B10 listed below:
 - a. Table B1 Adjustments Budget Summary.
 - b. Table B2 Adjustments Budgeted Financial Performance (Revenue and Expenditure by Standard Classification).
 - c. Table B3 Adjustments Budgeted Financial Performance (Revenue and Expenditure by municipal vote).
 - d. Table B4 Adjustments Budgeted Financial Performance (Revenue and Expenditure).
 - e. Table B5 Adjustments Budgeted Capital Expenditure by Vote, Standard Classification and Funding.
 - f. Table B6 Adjustments Budgeted Statement of Financial Position.
 - g. Table B7 Adjustments Budgeted Statement of Cash flows.
 - h. Table B8 Adjustments Budgeted Cash backed reserves/ Accumulated surplus reconciliation.
 - i. Table B9 Adjustments Budgeted Asset Management.
 - j. Table B10 Adjustments Budgeted Basic Service Delivery measurement.
2. The SDBIP will be reviewed to reflect the adjustments made in the budget allocation and submitted for subsequent approval by the Mayor.

1.3 Executive summary

Introduction

The Medium Term Revenue and Expenditure Framework (MTREF) for the 2018/19 adjustments budget is prepared on a multi-year basis, which is in line with the MFMA Budget and Reporting Regulations (MBRR).

Budget Process

The Process Plan scheduling key deadlines was approved by Council in August 2018 in compliance with the Municipal Finance Management Act. This document outlined the process of compilation of the Adjustments Budget for 2018/19.

Operational Expenditure

- The budget for employee costs and has increased to accommodate the slight under budgeting of employee costs.
- Bulk purchases have been adjusted upwards because of historic debt owing to Eskom and magalies.
- Contracted services, had to be adjusted upwards to R10.7million. The increase is due to the following:
 1. The recognition of the post paid monthly amount paid over to PCMA
 2. The upgrade of the Munsoft financial systems
 3. The historic debt that is owed to ARMS
 4. The settlement of historic debt owing to Ngubani
- Budget allocation has been provided for the overtime of employees.
- Other expenses have been adjusted upwards due to the budget of legal fees and cleaning materials having to be increased as well the increase in the leasing of printers. An additional R80 million has been allocated to legal fees due to the number of court cases and litigations that faced with.
- There has been no expenditure on the MIG thus far; however, the supply chain are at the advanced stage to enable the municipality to expedite the MIG allocations.

The Municipality will continue implementing cost cutting measures as reported in the Mid-year Assessment report to ensure that spending is within the current collection rates.

Capital expenditure

Capital projects are currently underway with the upgrading of the substation at 57% of the INEP Grant allocated to the municipality. Emphasis must however be placed on repairs and maintenance of the existing infrastructure to reduce distribution losses and enhance the lifespan of the distribution assets.

Funding of the adjustments budget

With the exception of the grants stated in the original budget, the only new grant that will be received by the municipality, comes from Coghsta to the sum of R27 million. This Human Settlements Grant will be the only additional external source of revenue anticipated during the second half of the year.

. 1.4 Adjustments budget tables

Table B1 - Adjustments Budget Summary - 28 February 2019

LIM361 Thabazimbi - Table B1 Adjustments Budget Summary - 28/02/2019

Description	Budget Year 2018/19									Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	1	2	3	4	5	6	7	8		
R thousands											
Financial Performance											
Property rates	47 227	-	-	-	-	-	-	-	47 227	-	-
Service charges	158 191	-	-	-	-	-	-	-	158 191	-	-
Investment revenue	52	-	-	-	-	-	-	-	52	-	-
Transfers recognised - operational	99 586	-	-	-	-	-	-	-	99 586	-	-
Other own revenue	27 309	-	-	-	-	-	-	-	27 309	-	-
Total Revenue (excluding capital transfers and contributions)	332 366	-	-	-	-	-	-	-	332 366	-	-
Employee costs	131 000	-	-	-	-	-	10 000	10 000	141 000	-	-
Remuneration of councillors	10 651	-	-	-	-	-	-	-	10 651	-	-
Depreciation & asset impairment	27 290	-	-	-	-	-	-	-	27 290	-	-
Finance charges	9 500	-	-	-	-	-	2 500	2 500	12 000	-	-
Materials and bulk purchases	107 355	-	-	-	-	-	165 506	165 506	272 861	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	78 151	-	-	-	-	-	44 954	44 954	123 105	-	-
Total Expenditure	363 947	-	-	-	-	-	222 960	222 960	586 907	-	-
Surplus/(Deficit)	(31 582)	-	-	-	-	-	(222 960)	(222 960)	(254 541)	-	-
Transfers recognised - capital	32 612	-	-	-	-	-	27 509	27 509	60 121	-	-
Contributions recognised - capital & contributed	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1 030	-	-	-	-	-	(195 450)	(195 450)	(194 420)	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1 030	-	-	-	-	-	(195 450)	(195 450)	(194 420)	-	-
Capital expenditure & funds sources											
Capital expenditure	33 612	-	-	-	-	27 509	-	27 509	61 121	-	-
Transfers recognised - capital	32 612	-	-	-	-	27 509	-	27 509	60 121	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1 000	-	-	-	-	-	-	-	1 000	-	-
Total sources of capital funds	33 612	-	-	-	-	27 509	-	27 509	61 121	-	-
Financial position											
Total current assets	(54 267)	-	-	-	-	-	68 000	68 000	13 733	-	-
Total non current assets	1 556 428	-	-	-	-	-	-	-	1 556 428	-	-
Total current liabilities	453 794	-	-	-	-	-	-	-	453 794	-	-
Total non current liabilities	92 668	-	-	-	-	-	-	-	92 668	-	-
Community wealth/Equity	955 699	-	-	-	-	-	68 000	68 000	1 023 699	-	-
Cash flows											
Net cash from (used) operating	34 967	-	-	-	-	-	(18 500)	(18 500)	16 467	-	-
Net cash from (used) investing	(32 612)	-	-	-	-	-	(27 509)	(27 509)	(60 121)	-	-
Net cash from (used) financing	(1 284)	-	-	-	-	-	-	-	(1 284)	-	-
Cash/cash equivalents at the year end	1 408	-	-	-	-	-	(46 009)	(46 009)	(44 601)	-	-
Cash backing/surplus reconciliation											
Cash and investments available	(171 055)	-	-	-	-	-	68 000	68 000	(103 055)	-	-
Application of cash and investments	294 985	-	-	-	-	-	-	-	294 985	-	-
Balance - surplus (shortfall)	(466 040)	-	-	-	-	-	68 000	68 000	(398 040)	-	-
Asset Management											
Asset register summary (WDV)	1 385 714	-	-	-	-	-	-	-	1 385 714	-	-
Depreciation & asset impairment	27 290	-	-	-	-	-	-	-	27 290	-	-
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	28 973	-	-	-	-	-	-	-	28 973	-	-
Free services											
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-
Households below minimum service level											
Water:	8	-	-	-	-	-	-	-	8	-	-
Sanitation/sew erage:	7	-	-	-	-	-	-	-	7	-	-
Energy:	10	-	-	-	-	-	-	-	10	-	-
Refuse:	24	-	-	-	-	-	-	-	24	-	-

Table B2 - Adjustments Budget Financial Performance (standard classification) - 28 February 2019

LIM361 Thabazimbi - Table B2 Adjustments Budget Financial Performance (functional classification) - 28/02/2019

Standard Description	Ref	Budget Year 2018/19									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
R thousands	1, 4											
Revenue - Functional												
<i>Governance and administration</i>		147 236	-	-	-	-	-	-	-	147 236	-	-
Executive and council		76 674	-	-	-	-	-	-	-	76 674	-	-
Finance and administration		70 561	-	-	-	-	-	-	-	70 561	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		8 206	-	-	-	-	-	-	-	8 206	-	-
Community and social services		341	-	-	-	-	-	-	-	341	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		7 865	-	-	-	-	-	-	-	7 865	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		72 021	-	-	-	-	-	-	-	72 021	-	-
Planning and development		104	-	-	-	-	-	-	-	104	-	-
Road transport		71 917	-	-	-	-	-	-	-	71 917	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		137 515	-	-	-	-	-	-	-	137 515	-	-
Energy sources		81 000	-	-	-	-	-	-	-	81 000	-	-
Water management		19 863	-	-	-	-	-	-	-	19 863	-	-
Waste water management		20 265	-	-	-	-	-	-	-	20 265	-	-
Waste management		16 388	-	-	-	-	-	-	-	16 388	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	364 978	-	-	-	-	-	-	-	364 978	-	-
Expenditure - Functional												
<i>Governance and administration</i>		159 577	-	-	-	-	-	-	-	159 577	-	-
Executive and council		38 158	-	-	-	-	-	-	-	38 158	-	-
Finance and administration		119 115	-	-	-	-	-	-	-	119 115	-	-
Internal audit		2 304	-	-	-	-	-	-	-	2 304	-	-
<i>Community and public safety</i>		41 345	-	-	-	-	-	-	-	41 345	-	-
Community and social services		10 204	-	-	-	-	-	-	-	10 204	-	-
Sport and recreation		1 927	-	-	-	-	-	-	-	1 927	-	-
Public safety		29 214	-	-	-	-	-	-	-	29 214	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		71 354	-	-	-	-	-	-	-	71 354	-	-
Planning and development		9 276	-	-	-	-	-	-	-	9 276	-	-
Road transport		62 078	-	-	-	-	-	-	-	62 078	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		91 672	-	-	-	-	-	-	-	91 672	-	-
Energy sources		53 319	-	-	-	-	-	-	-	53 319	-	-
Water management		27 208	-	-	-	-	-	-	-	27 208	-	-
Waste water management		4 848	-	-	-	-	-	-	-	4 848	-	-
Waste management		6 297	-	-	-	-	-	-	-	6 297	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	363 948	-	-	-	-	-	-	-	363 948	-	-
Surplus/ (Deficit) for the year		1 030	-	-	-	-	-	-	-	1 030	-	-

The tables above clearly shows that the Municipality is unable to collect what is due, to improve the situation, we have appointed a debt collector from December 2018 to assist with revenue collection and we have established a credit control unit that deals with connection and disconnection of services on daily basis.

Table B3 -

Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28 February 2019

LIM361 Thabazimbi - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28/02/2019

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2018/19									Budget	Budget
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
		3	4	5	6	7	8	9	10	2019/20	2020/21	
		A	A1	B	C	D	E	F	G	H		
R thousands												
Revenue by Vote	1											
Vote 1 - 100 POLITICAL OFFICE BEARER		76 674	-	-	-	-	-	-	-	76 674	-	-
Vote 2 - 200 MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - 300 BUDGET & TREASURY		70 083	-	-	-	-	-	-	-	70 083	-	-
Vote 4 - 400 CORPORATE SERVICE		479	-	-	-	-	-	-	-	479	-	-
Vote 5 - 500 PLANNING AND DEVELOPMENT		104	-	-	-	-	-	-	-	104	-	-
Vote 6 - 600 COMMUNITY SERVICES		24 593	-	-	-	-	-	-	-	24 593	-	-
Vote 7 - 700 TECHNICAL SERVICES		193 044	-	-	-	-	-	-	-	193 044	-	-
Vote 8 - PUBLIC SAFETY AND PROTECTION SERVICES		-	-	-	-	-	-	-	-	-	-	-
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	364 978	-	-	-	-	-	-	-	364 978	-	-
Expenditure by Vote	1											
Vote 1 - 100 POLITICAL OFFICE BEARER		28 238	-	-	-	-	-	-	-	28 238	-	-
Vote 2 - 200 MUNICIPAL MANAGER		12 225	-	-	-	-	-	3 000	3 000	15 225	-	-
Vote 3 - 300 BUDGET & TREASURY		79 028	-	-	-	-	-	18 745	18 745	97 773	-	-
Vote 4 - 400 CORPORATE SERVICE		40 087	-	-	-	-	-	85 496	85 496	125 583	-	-
Vote 5 - 500 PLANNING AND DEVELOPMENT		9 276	-	-	-	-	-	175	175	9 451	-	-
Vote 6 - 600 COMMUNITY SERVICES		42 881	-	-	-	-	-	-	-	42 881	-	-
Vote 7 - 700 TECHNICAL SERVICES		147 452	-	-	-	-	27 509	88 034	115 543	262 996	-	-
Vote 8 - PUBLIC SAFETY AND PROTECTION SERVICES		4 761	-	-	-	-	-	-	-	4 761	-	-
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	363 948	-	-	-	-	27 509	195 450	222 959	586 907	-	-
Surplus/ (Deficit) for the year	2	1 030	-	-	-	-	(27 509)	(195 450)	(222 959)	(221 930)	-	-

From the collections, the Municipality is able to adequately fund the repairs and maintenance budget to try and reduce inefficiencies along bulk services distribution lines.

Table B4 -

Adjustments Budget Financial Performance (revenue and expenditure) - 28 February 2019

LIM361 Thabazimbi - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 28/02/2019

Description	Ref	Budget Year 2018/19									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	47 227	-	-	-	-	-	-	-	47 227	-	-
Service charges - electricity revenue	2	78 615	-	-	-	-	-	-	-	78 615	-	-
Service charges - water revenue	2	34 433	-	-	-	-	-	-	-	34 433	-	-
Service charges - sanitation revenue	2	25 627	-	-	-	-	-	-	-	25 627	-	-
Service charges - refuse revenue	2	19 131	-	-	-	-	-	-	-	19 131	-	-
Service charges - other		386	-	-	-	-	-	-	-	386	-	-
Rental of facilities and equipment		442	-	-	-	-	-	-	-	442	-	-
Interest earned - external investments		52	-	-	-	-	-	-	-	52	-	-
Interest earned - outstanding debtors		23 131	-	-	-	-	-	-	-	23 131	-	-
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		124	-	-	-	-	-	-	-	124	-	-
Licences and permits		3 000	-	-	-	-	-	-	-	3 000	-	-
Agency services		0	-	-	-	-	-	-	-	0	-	-
Transfers and subsidies		99 586	-	-	-	-	-	-	-	99 586	-	-
Other revenue	2	612	-	-	-	-	-	-	-	612	-	-
Gains on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		332 366	-	-	-	-	-	-	-	332 366	-	-
Expenditure By Type												
Employee related costs		131 000	-	-	-	-	-	10 000	10 000	141 000	-	-
Remuneration of councillors		10 651	-	-	-	-	-	-	-	10 651	-	-
Debt impairment		6 646	-	-	-	-	-	-	-	6 646	-	-
Depreciation & asset impairment		27 290	-	-	-	-	-	-	-	27 290	-	-
Finance charges		9 500	-	-	-	-	-	2 500	2 500	12 000	-	-
Bulk purchases		107 355	-	-	-	-	-	165 506	165 506	272 861	-	-
Other materials		-	-	-	-	-	-	-	-	-	-	-
Contracted services		8 250	-	-	-	-	-	2 464	2 464	10 714	-	-
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-
Other expenditure		63 255	-	-	-	-	-	42 490	42 490	105 745	-	-
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		363 947	-	-	-	-	-	222 960	222 960	586 907	-	-
Surplus/(Deficit)		(31 582)	-	-	-	-	-	(222 960)	(222 960)	(254 541)	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		32 612	-	-	-	-	-	27 509	27 509	60 121	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education and Training)		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		1 030	-	-	-	-	-	(195 450)	(195 450)	(194 420)	-	-
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		1 030	-	-	-	-	-	(195 450)	(195 450)	(194 420)	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		1 030	-	-	-	-	-	(195 450)	(195 450)	(194 420)	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		1 030	-	-	-	-	-	(195 450)	(195 450)	(194 420)	-	-

|

Table B5 -

Adjustments Capital Expenditure Budget by vote and funding - 28 February 2019

LIM361 Thabazimbi - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 28/02/2019

Description	Ref	Budget Year 2018/19									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - 100 POLITICAL OFFICE BEARER		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - 200 MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - 300 BUDGET & TREASURY		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - 400 CORPORATE SERVICE		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - 500 PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - 600 COMMUNITY SERVICES		11 800	-	-	-	-	-	-	-	-	11 800	-
Vote 7 - 700 TECHNICAL SERVICES		21 812	-	-	-	-	27 509	-	27 509	49 321	-	-
Vote 8 - PUBLIC SAFETY AND PROTECTION SERVICES 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	33 612	-	-	-	-	27 509	-	27 509	61 121	-	-
Single-year expenditure to be adjusted	2											
Vote 1 - 100 POLITICAL OFFICE BEARER		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - 200 MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - 300 BUDGET & TREASURY		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - 400 CORPORATE SERVICE		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - 500 PLANNING AND DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - 600 COMMUNITY SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - 700 TECHNICAL SERVICES		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - PUBLIC SAFETY AND PROTECTION SERVICES 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		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Vote		33 612	-	-	-	-	27 509	-	27 509	61 121	-	-
Capital Expenditure - Functional												
Governance and administration												
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		-	-	-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		11 800	-	-	-	-	-	-	-	11 800	-	-
Community and social services		1 000	-	-	-	-	-	-	-	1 000	-	-
Sport and recreation		10 800	-	-	-	-	-	-	-	10 800	-	-
Public safety		-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		21 812	-	-	-	-	-	-	-	21 812	-	-
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		21 812	-	-	-	-	-	-	-	21 812	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	27 509	-	27 509	27 509	-	-
Energy sources		-	-	-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	27 509	-	27 509	27 509	-	-
Waste management		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	33 612	-	-	-	-	27 509	-	27 509	61 121	-	-
Funded by:												
National Government		32 612	-	-	-	-	-	-	-	32 612	-	-
Provincial Government		-	-	-	-	-	27 509	-	27 509	27 509	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	32 612	-	-	-	-	27 509	-	27 509	60 121	-	-
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		1 000	-	-	-	-	-	-	-	1 000	-	-
Total Capital Funding		33 612	-	-	-	-	27 509	-	27 509	61 121	-	-

Table B6 - Adjustments Budget Financial Position - 28 February 2019

LIM361 Thabazimbi - Table B6 Adjustments Budget Financial Position - 28/02/2019

Description	Ref	Budget Year 2018/19									Budget Year +1	Budget Year +2
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
ASSETS												
Current assets												
Cash		(171 350)						68 000	68 000	(103 350)		
Call investment deposits	1	295	-	-	-	-	-	-	-	295	-	-
Consumer debtors	1	114 536	-	-	-	-	-	-	-	114 536	-	-
Other debtors												
Current portion of long-term receivables												
Inventory		2 252								2 252		
Total current assets		(54 267)	-	-	-	-	-	68 000	68 000	13 733	-	-
Non current assets												
Long-term receivables												
Investments												
Investment property												
Investment in Associate												
Property, plant and equipment	1	1 555 431	-	-	-	-	-	-	-	1 555 431	-	-
Agricultural												
Biological		997								997		
Intangible												
Other non-current assets												
Total non current assets		1 556 428	-	-	-	-	-	-	-	1 556 428	-	-
TOTAL ASSETS		1 502 161	-	-	-	-	-	68 000	68 000	1 570 161	-	-
LIABILITIES												
Current liabilities												
Bank overdraft												
Borrowing		6 162	-	-	-	-	-	-	-	6 162	-	-
Consumer deposits		4 541								4 541		
Trade and other payables		398 137	-	-	-	-	-	-	-	398 137	-	-
Provisions		44 953								44 953		
Total current liabilities		453 794	-	-	-	-	-	-	-	453 794	-	-
Non current liabilities												
Borrowing	1	6 446	-	-	-	-	-	-	-	6 446	-	-
Provisions	1	86 222	-	-	-	-	-	-	-	86 222	-	-
Total non current liabilities		92 668	-	-	-	-	-	-	-	92 668	-	-
TOTAL LIABILITIES		546 462	-	-	-	-	-	-	-	546 462	-	-
NET ASSETS	2	955 699	-	-	-	-	-	68 000	68 000	1 023 699	-	-
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		955 699	-	-	-	-	-	68 000	68 000	1 023 699	-	-
Reserves		-	-	-	-	-	-	-	-	-	-	-
Minorities' interests												
TOTAL COMMUNITY WEALTH/EQUITY		955 699	-	-	-	-	-	68 000	68 000	1 023 699	-	-

Table B7 - Adjustments Budget Cash Flows - 28 February 2019

LIM361 Thabazimbi - Table B7 Adjustments Budget Cash Flows - 28/02/2019

Description	Ref	Budget Year 2018/19									Budget	Budget
		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	2019/20	2020/21	
		A1	B	C	D	E	F	G	H			
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		47 227							47 227			
Service charges		158 191							158 191			
Other revenue		4 178							4 178			
Government - operating	1	99 586							99 586			
Government - capital	1	32 612							32 612			
Interest		23 183							23 183			
Dividends												
Payments												
Suppliers and employees		(320 511)					(16 000)	(16 000)	(336 511)			
Finance charges		(9 500)					(2 500)	(2 500)	(12 000)			
Transfers and Grants	1											
NET CASH FROM/(USED) OPERATING ACTIVITIES		34 967	-	-	-	-	(18 500)	(18 500)	16 467	-	-	
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		(32 612)					(27 509)	(27 509)	(60 121)			
NET CASH FROM/(USED) INVESTING ACTIVITIES		(32 612)	-	-	-	-	(27 509)	(27 509)	(60 121)	-	-	
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans												
Borrowing long term/refinancing												
Increase (decrease) in consumer deposits												
Payments												
Repayment of borrowing		(1 284)							(1 284)			
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1 284)	-	-	-	-	-	-	(1 284)	-	-	
NET INCREASE/ (DECREASE) IN CASH HELD		1 071	-	-	-	-	(46 009)	(46 009)	(44 938)	-	-	
Cash/cash equivalents at the year begin:	2	337							337			
Cash/cash equivalents at the year end:	2	1 408							(44 601)			

Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation - 28 February 2019

LIM361 Thabazimbi - Table B8 Cash backed reserves/accumulated surplus reconciliation - 28/02/2019

Description	Ref	Budget Year 2018/19									Budget	Budget
		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	2019/20	2020/21	
		A1	B	C	D	E	F	G	H			
Cash and investments available												
Cash/cash equivalents at the year end	1	1 408					(46 009)	(46 009)	(44 601)			
Other current investments > 90 days		(172 463)					114 009	114 009	(58 453)			
Non current assets - investments	1											
Cash and investments available:		(171 055)	-	-	-	-	68 000	68 000	(103 055)	-	-	
Applications of cash and investments												
Unspent conditional transfers												
Unspent borrowing												
Statutory requirements												
Other working capital requirements	2	294 985							294 985			
Other provisions												
Long term investments committed												
Reserves to be backed by cash/investments												
Total Application of cash and investments:		294 985	-	-	-	-	-	-	294 985	-	-	
Surplus(shortfall)		(466 040)	-	-	-	-	68 000	68 000	(398 040)	-	-	

Table B9 – Adjustments Budgeted Asset Management- 28 February 2019

LIM361 Thabazimbi - Table B9 Asset Management - 28/02/2019

Description	Budget Year 2018/19									Budget Year	Budget Year
	Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
	7	8	9	10	11	12	13	14			
R thousands	A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE											
Total New Assets to be adjusted	7 956	-	-	-	-	-	-	-	7 956	-	-
Roads Infrastructure	6 956	-	-	-	-	-	-	-	6 956	-	-
Infrastructure	6 956	-	-	-	-	-	-	-	6 956	-	-
Community Facilities	1 000	-	-	-	-	-	-	-	1 000	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-	-
Community Assets	1 000	-	-	-	-	-	-	-	1 000	-	-
Housing	-	-	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets to be adjusted	-	-	-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets to be adjusted	25 656	-	-	-	-	-	-	-	25 656	-	-
Roads Infrastructure	14 856	-	-	-	-	-	-	-	14 856	-	-
Infrastructure	14 856	-	-	-	-	-	-	-	14 856	-	-
Community Facilities	-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	10 800	-	-	-	-	-	-	-	10 800	-	-
Community Assets	10 800	-	-	-	-	-	-	-	10 800	-	-
Total Capital Expenditure to be adjusted											
Roads Infrastructure	21 812	-	-	-	-	-	-	-	21 812	-	-
Infrastructure	21 812	-	-	-	-	-	-	-	21 812	-	-
Community Facilities	1 000	-	-	-	-	-	-	-	1 000	-	-
Sport and Recreation Facilities	10 800	-	-	-	-	-	-	-	10 800	-	-
Community Assets	11 800	-	-	-	-	-	-	-	11 800	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	33 612	-	-	-	-	-	-	-	33 612	-	-
ASSET REGISTER SUMMARY - PPE (WDV)											
Roads Infrastructure	385 910								385 910		
Storm water Infrastructure	113 933								113 933		
Electrical Infrastructure	331 455								331 455		
Water Supply Infrastructure	48 901								48 901		
Sanitation Infrastructure	505 515								505 515		
Infrastructure	1 385 714	-	-	-	-	-	-	-	1 385 714	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 385 714	-	-	-	-	-	-	-	1 385 714	-	-
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment	27 290	-	-	-	-	-	-	-	27 290	-	-
Repairs and Maintenance by asset class	28 973	-	-	-	-	-	-	-	28 973	-	-
Roads Infrastructure	6 994	-	-	-	-	-	-	-	6 994	-	-
Storm water Infrastructure	3 694	-	-	-	-	-	-	-	3 694	-	-
Electrical Infrastructure	3 694	-	-	-	-	-	-	-	3 694	-	-
Water Supply Infrastructure	2 794	-	-	-	-	-	-	-	2 794	-	-
Sanitation Infrastructure	333	-	-	-	-	-	-	-	333	-	-
Infrastructure	17 510	-	-	-	-	-	-	-	17 510	-	-
Community Facilities	843	-	-	-	-	-	-	-	843	-	-
Community Assets	843	-	-	-	-	-	-	-	843	-	-
Operational Buildings	6 093	-	-	-	-	-	-	-	6 093	-	-
Other Assets	6 093	-	-	-	-	-	-	-	6 093	-	-
Furniture and Office Equipment	817	-	-	-	-	-	-	-	817	-	-
Machinery and Equipment	645	-	-	-	-	-	-	-	645	-	-
Transport Assets	3 065	-	-	-	-	-	-	-	3 065	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	56 264	-	-	-	-	-	-	-	56 264	-	-

Table B10 – Adjustments Basic Service Delivery measurement- 28 February 2019

LIM361 Thabazimbi - Table B10 Basic service delivery measurement - 28/02/2019

Description	Ref	Budget Year 2018/19									Budget Year	Budget Year
		Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted
		Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget
	A	A1	B	C	D	E	F	G	H			
Household service targets	1											
Water:												
Piped water inside dwelling		19654								20		
Piped water inside yard (but not in dwelling)		4913,5								5		
Using public tap (at least min.service level)	2	1965,4								2		
Other water supply (at least min.service level)		982,7								1		
Minimum Service Level and Above sub-total		28								28		
Using public tap (< min.service level)	3	7836								8		
Other water supply (< min.service level)	3,4	111,1								0		
No water supply												
Below Minimum Service Level sub-total		8								8		
Total number of households	5	35								35		
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		23176								23 176		
Flush toilet (with septic tank)		2781,12								2 781		
Chemical toilet		0										
Pit toilet (ventilated)		2317,6								2 318		
Other toilet provisions (> min.service level)		207,9								208		
Minimum Service Level and Above sub-total		28 483								28 483		
Bucket toilet		94,34								94		
Other toilet provisions (< min.service level)		4036								4 036		
No toilet provisions		2849,916								2 850		
Below Minimum Service Level sub-total		6 980								6 980		
Total number of households	5	35 463								35 463		
Energy:												
Electricity (at least min. service level)		13725								13 725		
Electricity - prepaid (> min.service level)		12157								12 157		
Minimum Service Level and Above sub-total		25 882								25 882		
Electricity (< min.service level)												
Electricity - prepaid (< min. service level)												
Other energy sources		9581								9 581		
Below Minimum Service Level sub-total		9 581								9 581		
Total number of households	5	35 463								35 463		
Refuse:												
Removed at least once a week (min.service)		11743								11 743		
Minimum Service Level and Above sub-total		11 743								11 743		
Removed less frequently than once a week		12461								12 461		
Using communal refuse dump		468,99								469		
Using own refuse dump		7589								7 589		
Other rubbish disposal		1								1		
No rubbish disposal		3200								3 200		
Below Minimum Service Level sub-total		23 720								23 720		
Total number of households	5	35 463								35 463		

2 Supporting documentation

2.1 Adjustments Budget Assumptions

- Trade payables and accruals by far outweigh the expected National Government transfers in the third quarter both operational and capital. We need to improve our current collection rate from basic services to sustain the volumes of cash requirements needed and to service our immediate financial obligations.
- Where there is overwhelming evidence or justification that an allocation for income or expenditure must be provided for, this was accommodated in the adjustments budget.
- Though the budget position still remains with a shortfall after effecting all the proposed adjustments, the Municipality's financial status is not healthy as shown by the reserves reconciliation.

- d. The required 8% threshold of repairs and maintenance as per National Treasury guidelines could not be met due to our ill valued asset figures, in the FAR. This has distorted the recommended ratio and the Municipality has kept the original estimates on repairs and maintenance.

**2.2 Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' -
28 February 2019**

LIM361 Thabazimbi - Supporting Table SB1 Supporting detail to 'Budgeted Financial Performance' - 28/02/2019												
Description	Budget Year 2018/19										Budget Year	Budget Year
	Original	Prior	Accum.	Multi-year	Unfore.	Nat. or Prov.	Other	Total	Adjusted	Adjusted	Adjusted	
	Budget	Adjusted	Funds	capital	Unavoid.	Govt	Adjusts.	Adjusts.	Budget	Budget	Budget	
R thousands	A	6 A1	7 B	8 C	9 D	10 E	11 F	12 G	13 H			
REVENUE ITEMS												
Property rates												
Total Property Rates	47 227								47 227			
Net Property Rates	47 227	-	-	-	-	-	-	-	47 227	-	-	
Service charges - electricity revenue												
Total Service charges - electricity revenue	78 615								78 615			
Net Service charges - electricity revenue	78 615	-	-	-	-	-	-	-	78 615	-	-	
Service charges - water revenue												
Total Service charges - water revenue	34 433								34 433			
Net Service charges - water revenue	34 433	-	-	-	-	-	-	-	34 433	-	-	
Service charges - sanitation revenue												
Total Service charges - sanitation revenue	25 627								25 627			
Net Service charges - sanitation revenue	25 627	-	-	-	-	-	-	-	25 627	-	-	
Service charges - refuse revenue												
Total refuse removal revenue	19 131								19 131			
Net Service charges - refuse revenue	19 131	-	-	-	-	-	-	-	19 131	-	-	
Other Revenue By Source												
List other revenue by source	612								612			
Total 'Other' Revenue	612	-	-	-	-	-	-	-	612	-	-	
EXPENDITURE ITEMS												
Employee related costs												
Basic Salaries and Wages	96 015						2 932	2 932	98 947			
Pension and UIF Contributions	11 125						340	340	11 465			
Medical Aid Contributions	5 106						156	156	5 262			
Overtime	8						6 000	6 000	6 008			
Performance Bonus												
Motor Vehicle Allowance	9 899						302	302	10 202			
Cellphone Allowance	396						12	12	408			
Housing Allowances												
Other benefits and allowances	8 450						258	258	8 708			
sub-total	131 000	-	-	-	-	-	10 000	10 000	141 000	-	-	
Less: Employees costs capitalised to PPE												
Total Employee related costs	131 000	-	-	-	-	-	10 000	10 000	141 000	-	-	
Contributions recognised - capital												
Total Contributions recognised - capital												
Depreciation & asset impairment												
Depreciation of Property, Plant & Equipment	27 290								27 290			
Total Depreciation & asset impairment	27 290	-	-	-	-	-	-	-	27 290	-	-	
Bulk purchases												
Electricity Bulk Purchases	67 494						152 506	152 506	220 000			
Water Bulk Purchases	39 862						13 000	13 000	52 862			
Total bulk purchases	107 355	-	-	-	-	-	165 506	165 506	272 861	-	-	
Transfers and grants												
Contracted services												
Pay day							504	504	504			
Security							1 000	1 000	1 000			
Xerox							960	960	960			
sub-total	-	-	-	-	-	-	2 464	2 464	2 464	-	-	
Allocations to organs of state:												
Other	8 250								8 250			
Total contracted services??	8 250	-	-	-	-	-	2 464	2 464	10 714	-	-	
Other Expenditure By Type												
Collection costs							80 000	80 000	80 000			
Contributions to 'other' provisions												
Consultant fees							6 100	6 100	6 100			
Audit fees							2 900	2 900	2 900			
General expenses												
List Other Expenditure by Type	63 255						(46 510)	(46 510)	16 745			
Total Other Expenditure	63 255	-	-	-	-	-	42 490	42 490	105 745	-	-	

2.3 Supporting Table SB2 Supporting detail to 'Financial Position Budget' - 28 February 2019

LIM361 Thabazimbi - Supporting Table SB2 Supporting detail to 'Financial Position Budget' - 28/02/2019

Description	Ref	Budget Year 2018/19									Budget	Budget
		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			
ASSETS												
Call investment deposits												
Call deposits		295								295		
Other current investments												
Total Call investment deposits	1	295	-	-	-	-	-	-	-	295	-	-
Consumer debtors												
Consumer debtors		114 536								114 536		
Less: provision for debt impairment												
Total Consumer debtors	1	114 536	-	-	-	-	-	-	-	114 536	-	-
Debt impairment provision												
Balance at the beginning of the year												
Contributions to the provision												
Bad debts written off												
Balance at end of year												
Property, plant & equipment												
PPE at cost/valuation (ex cl. finance leases)	2	1 555 431								1 555 431		
Leases recognised as PPE												
Less: Accumulated depreciation												
Total Property, plant & equipment	1	1 555 431	-	-	-	-	-	-	-	1 555 431	-	-
LIABILITIES												
Current liabilities - Borrowing												
Short term loans (other than bank overdraft)		6 162								6 162		
Current portion of long-term liabilities												
Total Current liabilities - Borrowing		6 162	-	-	-	-	-	-	-	6 162	-	-
Trade and other payables												
Creditors		398 137								398 137		
Unspent conditional grants and receipts												
VAT												
Total Trade and other payables	1	398 137	-	-	-	-	-	-	-	398 137	-	-
Non current liabilities - Borrowing												
Borrowing	3	6 446								6 446		
Finance leases (including PPP asset element)												
Total Non current liabilities - Borrowing		6 446	-	-	-	-	-	-	-	6 446	-	-
Provisions - non current												
Retirement benefits		86 222								86 222		
List other major items												
Refuse landfill site rehabilitation												
Other												
Total Provisions - non current		86 222	-	-	-	-	-	-	-	86 222	-	-
CHANGES IN NET ASSETS												
Accumulated surplus/(Deficit)												
Accumulated surplus/(Deficit) - opening balance		955 699						68 000	68 000	1 023 699		
Appropriations to Reserves												
Transfers from Reserves												
Depreciation offsets												
Other adjustments												
Accumulated Surplus/(Deficit)	1	955 699	-	-	-	-	-	68 000	68 000	1 023 699	-	-
Reserves												
Housing Development Fund												
Capital replacement												
Self-insurance												
Other reserves (list)												
Revaluation												
Total Reserves	2	-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	955 699	-	-	-	-	-	68 000	68 000	1 023 699	-	-

2.4 Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks - 28 February 2019

LIM361 Thabazimbi - Supporting Table SB4 Adjustments to budgeted performance indicators and benchmarks - 28/02/2019

Description of financial indicator	Basis of calculation	2015/16	2016/17	2017/18	Budget Year 2018/19			Budget Year +1	Budget Year +2
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Adjusted Budget	Adjusted Budget
Borrowing Management									
Credit Rating	Short term/long term rating								
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0,4%	6,1%	5,0%	3,0%	0,0%	2,3%	0,0%	0,0%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0,5%	8,1%	7,4%	0,0%	0,0%	0,0%	0,0%	0,0%
Borrowed funding of 'low n' capital expenditure	Borrowing/Capital expenditure ex cl. transfers and grants	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Safety of Capital									
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Liquidity									
Current Ratio	Current assets/current liabilities	125,9%	79,5%	38,5%	-12,0%	0,0%	3,0%	0,0%	0,0%
Current Ratio adjusted for aged debtors	Current assets/current liabilities less debtors > 90 days/current liabilities	125,9%	79,5%	38,5%	-12,0%	0,0%	0,0%	0,0%	0,0%
Liquidity Ratio	Monetary Assets/Current Liabilities	1,0%	0,4%	-63,5%	-0,4	0,0	-0,2	0,0	0,0
Revenue Management									
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing	110,9%	98,3%	67,1%					
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		91,2%	83,3%	67,1%					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	81,3%	105,7%	89,1%	34,5%	0,0%	34,5%	0,0%	0,0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0,0%	0,0%	0,0%	0,0%	0,0%
Creditors Management									
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	5096,4%	44743,6%	-172,7%					
Creditors to Cash and Investments					28277,1%	0,0%	-892,7%	0,0%	0,0%
Other Indicators									
Electricity Distribution Losses (2)	Total Volume Losses (kW)								
	Total Cost of Losses (Rand '000)								
	% Volume (units purchased and generated less units sold)/units purchased and generated								
Water Distribution Losses (2)	Total Volume Losses (kt)								
	Total Cost of Losses (Rand '000)								
	% Volume (units purchased and generated less units sold)/units purchased and generated								
Employee costs	Employee costs/(Total Revenue - capital revenue)	33,2%	42,7%	42,7%	39,4%	0,0%	42,4%	0,0%	0,0%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	35,5%	8,1%						
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	11,8%	5,0%		8,7%	0,0%	8,7%	0,0%	0,0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7,7%	13,5%	14,2%	11,1%	0,0%	11,8%	0,0%	0,0%
IDP regulation financial viability indicators									
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	6455,2%	2292,9%	893,0%	0,0%	0,0%	0,0%	0,0%	0,0%
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	114,2%	164,3%	169,1%	34,5%	0,0%	34,5%	0,0%	0,0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	13,4%	3,7%	-560,8%	0,0	0,0	0,0	0,0	0,0

2.5 Supporting Table SB6 Adjustments Budget - funding measurement - 28 February 2019

LIM361 Thabazimbi - Supporting Table SB6 Adjustments Budget - funding measurement - 28/02/2019

Description	Ref	MFMA section	2015/16	2016/17	2017/18	Medium Term Revenue and Expenditure Framework				
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Prior Adjusted	Adjusted Budget	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands										
Funding measures										
Cash/cash equivalents at the year end - R'000	1	18(1)b	2 707	639	(116 496)	1 408	-	(44 601)	-	-
Cash + investments at the yr end less applications - R'000	2	18(1)b	75 955	(81 524)	(466 039)	(466 040)	-	(398 040)	-	-
Cash year end/monthly employee/supplier payments	3	18(1)b	0	0	(0)	-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	4	18(1)	17 054	86 453	1 031	1 030	-	(194 420)	-	-
Service charge rev % change - macro CPIX target exclusive	5	18(1)a,(2)	0,466649787	-31,9%	-6,0%	0,0%	0,0%	0,0%	-106,0%	0,0%
Cash receipts % of Ratepayer & Other revenue	6	18(1)a,(2)	0,0%	0,0%	0,0%	90,1%	0,0%	90,1%	0,0%	0,0%
Debt impairment expense as a % of total billable revenue	7	18(1)a,(2)	4,4%	3,7%	4,1%	3,2%	0,0%	3,2%	0,0%	0,0%
Capital payments % of capital expenditure	8	18(1)c;19	32,1%	0,0%	100,0%	97,0%	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	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Current consumer debtors % change - incr(decr)	11	18(1)a	28,7%	7,0%	0,0%	-55,7%			-100,0%	0,0%
Long term receivables % change - incr(decr)	12	18(1)a	0,0%	0,0%	0,0%	0,0%			0,0%	0,0%
R&M % of Property Plant & Equipment	13	20(1)(vi)	2,7%	0,9%	1,9%	2,1%	0,0%	2,1%	0,0%	0,0%
Asset renewal % of capital budget	14	20(1)(vi)	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%

2.6 Supporting Table SB7 Adjustments Budget - transfers and grants receipts - 28 February 2019

LIM361 Thabazimbi - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 28/02/2019

Description	Ref	Budget Year 2018/19						Budget Year +1	Budget Year +2	
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	
		A	7 A1	8 B	9 C	10 D	11 E	12 F	2019/20	2020/21
R thousands										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		99 586	-	-	-	-	-	99 586	-	-
Local Government Equitable Share		86 028						86 028		
Finance Management	3	2 215						2 215		
EPWP Incentive		1 343						1 343		
Integrated National Electrification Programme		10 000						10 000		
Other transfers and grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	4									
Other transfers and grants [insert description]	5									
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	6	99 586	-	-	-	-	-	99 586	-	-
Capital Transfers and Grants										
National Government:		32 612	-	-	27 509	-	27 509	60 121	-	-
Municipal Infrastructure Grant (MIG)		32 612						32 612		
Rural Households Infrastructure					27 509		27 509	27 509		
Other capital transfers [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	6	32 612	-	-	27 509	-	27 509	60 121	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS		132 198	-	-	27 509	-	27 509	159 707	-	-

2.7 Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 28 February 2019

LIM361 Thabazimbi - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 28/02/2019

Description	Ref	Budget Year 2018/19						Budget Year	Budget Year
		Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget
R thousands		A	2 A1	3 B	4 C	5 D	6 E	7 F	
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1								
Operating expenditure of Transfers and Grants									
National Government:		99 586	-	-	-	-	-	99 586	-
Local Government Equitable Share		86 028						86 028	
Finance Management		2 215						2 215	
EPWP Incentive		1 343						1 343	
Integrated National Electrification Programme		10 000						10 000	
Other transfers and grants [insert description]									
Provincial Government:		-	-	-	-	-	-	-	-
Other transfers and grants [insert description]									
District Municipality:		-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:		-	-	-	-	-	-	-	-
[insert description]									
Total operating expenditure of Transfers and Grants:		99 586	-	-	-	-	-	99 586	-
Capital expenditure of Transfers and Grants									
National Government:		32 612	-	-	27 509	-	27 509	60 121	-
Municipal Infrastructure Grant (MIG)		32 612						32 612	
Rural Households Infrastructure					27 509		27 509	27 509	
Other capital transfers [insert description]									
Provincial Government:		-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]									
District Municipality:		-	-	-	-	-	-	-	-
[insert description]									
Other grant providers:		-	-	-	-	-	-	-	-
[insert description]									
Total capital expenditure of Transfers and Grants		32 612	-	-	27 509	-	27 509	60 121	-
Total capital expenditure of Transfers and Grants		132 198	-	-	27 509	-	27 509	159 707	-

3 Adjustment to Service Delivery and Budget Implementation Plan (SDBIP)

The Municipal Manager will submit for approval by the Mayor revised SDBIP's based on the adjustments being approved.

The Mid-Year Budget and Performance Assessment Report which was tabled at the end of January 2019 highlighted the need to adjust Key Performance Indicators for certain departments. This shall be done together with the results of the effects of this adjustments budget before submission to the Mayor for approval.

Quality certificate

I, TG Ramagaga, the Municipal Manager of Thabazimbi Local Municipality, hereby certify that the Adjustments budget for the 2018/19 budget year has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

MR. T. G RAMAGAGA

Municipal Manager of Thabazimbi Local Municipality (LIM361)

Signature.....

Date.....