

TSANTSABANE MUNICIPALITY



Adjustment Budget 2015/16- 2017/18

Adjusted Medium Term Revenue and
Expenditure Framework

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Glossary

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

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

Budget – The financial plan of the Municipality.

Budget Related Policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

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

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

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

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

MFMA – The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

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

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Vote – One of the main segments of a budget. The structure is for reporting requirements and links the accounting performance both to the IDP and to the responsible officials. The vote structure at Tsantsabane Municipality is made up as follows:

MAIN VOTE	SUB-VOTE
Executive and Council	Council General Mayoral Office Municipal Manager
Budget and Treasury Office	Rates & Taxes Finance Department
Corporate Services	Corporate Services Human Resources & IT Services
Community and Social Services	Library Community Services Cementery Buildings and Commonage
Sport and Recreation	Parks & Open Spaces Sport Grounds
Public Safety	Traffic Vehicle Testing Station
Road Transport	Streets and Storm Water
Electricity	Electricity
Water	Water
Wast Water Management	Sewer Reticulation Sewer Network
Solid Waste Management	Solid Waste
Other	Workshop Housing

PART 1 – ANNUAL BUDGET

Section 1 – Mayor’s Report

It is with great pleasure that I present the 2015/16 Adjustment Budget to Council for consideration.

The reason for the tabling of an adjustment budget is fully disclosed in the executive summary of the draft budget documentation. The adjustments were mainly necessitated by revenue that will not be collected from services as well as adjustments required due to over expenditure on votes and under expenditure of capital projects.

Council is still committed to ensure high quality basic services are provided without putting strain on the consumer by means of excessive rates and tariff increases.

The main adjustments proposed in this adjustment budget are:

Operating Budget: Revenue

- 1) A decrease in total revenue amounting to R 40,767 million. This decrease is mainly as a result of the following –
 - i. Decrease in revenue from pre-paid water – R 4,258 million
 - ii. Decrease on sale of electricity - R 6,3 million
 - iii. Decrease in refuse removal charges – R 1,366 million
 - iv. Decrease in donations from Kolomela Mine (Swimming Pool) – R 250 000
 - v. Decrease in donations to Finance Department by Kolomela Mine – R 3, 964 million
 - vi. Decrease in the Sale of Assets – R 22,8 million
 - vii. Decrease in Sewer fees and donations – R 1,680 million
 - viii. Decrease in donations from Kolomela and increase in Building Plan fees – R 900 000
 - ix. Increase in Library grant – R 615 000
 - x. Housing Grant (Jenn Haven) – R 136 000
- 2) An increase in operating expenditure amounting to R 3,822 million. This increase is mainly as a result of the following –
 - a. An increase in employee related costs amounting to R 136 000. This increase could mainly be attributed to the spending on additional salaries in the office of the Mayor.
 - b. An increase in moving cost (General Expenditure) in the refuse removal department. – R612 000.

- c. An increase in General Expenditure (Finance Department):
 - Vehicle Cost R2 361 000.
 - Subscription fees R236 000.
 - MSIG Grant –R2 000.
 - An increase in repairs and maintenance – R68 000.
- d. An increase of R136 000 in housing cost. (Jenn Haven)
- e. An increase in HR cost – PWC R1,15 million.
- f. Decrease in town planning cost (SPLUMA) R1,25 million.
- g. Decrease in PMU unit – R600 000.
- h. Decrease in free basic charges (Sewer fees) – R1, 2 million.
 - Increase in repairs and maintenance (Sewer Department) R400 000.
- i. Increases in job creation cost of R1,16 million.
- j. Increase in Library grant expenditure – R615 000.

The net effect from these adjustments is that the projected operating surplus for 2015/16 decreases from R 5,253 million to a deficit of R39,336 million.

The main reason for this turnaround is that the Municipality will not be able to sell property to the value of R37,8 million. We doubt if the sale of property will even be R15 million. We will not be able to collect R13,604 million from the sale of services.

Capital Budget

The municipality decreased its planned capital expenditure from R33,150 million to R26,517 million. This decrease is attributed to the bad cash flow situation at the Municipality.

The MIG allocation for the 2015/16 financial year amounts to R15,2 million. At the end of December 2015 only R5,6 million or 36.84% was spent.

An amount of R4,5 million was spent on End Street as at 31 December 2015. There is still an amount of R5,1 million outstanding. There was no provision made in the 2015/16 budget for the tar of End Street. We have made provision in the adjustment budget for an amount of R10 million to tar End Street.

Other adjustments could be attributed to funds being moved between various projects to ensure that emphasis is placed on projects with high priority.

The revised forecasted expenditure can be summarised as follows: (R 000)

TYPE	2015/16 R'000	2016/17 R'000	2017/18 R'000
Operating expenditure	207 824	220 240	238 477
Capital	26 517	32 512	40 970
TOTAL	234 341	252 752	279 447

Funding and Cash flows

The budget for 2015/16 is not cash-funded.

The expected cash flows for the MTREF period is as follows (R'000)

NC085 Tsantsabane - Table B7 Adjustments Budget Cash Flows - 2016/02/28

Description	Ref	Budget Year 2015/16									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	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	+1 2016/17	+2 2017/18	
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates, penalties & collection charges		26 000						-	26 000	30 354	34 194	
Service charges		104 381					(13 604)	(13 604)	90 777	120 376	137 343	
Other revenue		9 567					(7 208)	(7 208)	2 359	9 617	10 244	
Government - operating	1	30 997					2 845	2 845	33 842	31 825	33 604	
Government - capital	1	15 159						-	15 159	15 598	16 255	
Interest		510						-	510	546	587	
Dividends							-	-	-			
Payments												
Suppliers and employees		(171 596)					(3 822)	(3 822)	(175 418)	(185 025)	(200 621)	
Finance charges		(6 848)						-	(6 848)	(7 327)	(7 877)	
Transfers and Grants	1							-	-			
NET CASH FROM/(USED) OPERATING ACTIVITIES		8 170	-	-	-	-	(21 789)	(21 789)	(13 619)	15 964	23 729	
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		37 800					(22 800)	(22 800)	15 000	35 446	38 104	
Decrease (Increase) in non-current debtors		300						-	300	350	450	
Decrease (increase) other non-current receivables		175						-	175	200	225	
Decrease (increase) in non-current investments		450						-	450	500	525	
Payments												
Capital assets		(18 159)						-	(18 159)	(15 598)	(16 255)	
NET CASH FROM/(USED) INVESTING ACTIVITIES		20 566	-	-	-	-	(22 800)	(22 800)	(2 234)	20 898	23 049	

The municipality's net decrease in cash for 2015/16 will be R2,234 million. The cash increases in 2016/17 to R20,898 million and R20,049 million in 2017/18.

Tsantsabane continues to experience serious cash flow problems. The municipality has to embark on strategies to stabilise the cash-flow position (improve debt collection; install pre-paid water meters, etc.). Tsantsabane Municipality needs to become a financially sustainable municipality.

Unforeseen and unavoidable expenditure

There was no unforeseen expenditure approved by the Municipal Manager and Mayor and incorporated into this adjustment budget since the original approved budget.

Changes to allocations and grant adjustments

Changes to expected grant expenditure are reflected below. Full details regarding income and allocations are disclosed in documentation forms SB7 to SB9.

2016 Local Government Elections and the budget process

Local government elections are likely to be scheduled between May and August 2016; the proposed date is yet to be determined. Elections are important events – when we reaffirm our commitment to democratic and accountable government by choosing representatives of the people who will guide the work of local government for the next five years.

In the build-up to the 2016 local government elections, municipalities are encouraged to act towards ensuring financial sustainability. Now, more than ever before, it is paramount for sound municipal decision-making so that long-term sustainability of municipal finances and service delivery is achieved beyond the election period.

Furthermore, as the current composition and leadership of municipal councils will, for the most part, be responsible for the compilation of the 2016/17 medium-term revenue and expenditure (MTREF) budgets, councils are advised to prioritise expenditure appropriations aligned to the policy intent as described in the integrated development plans (IDPs). Infrastructure provisioning for water, sanitation, roads and electricity remain key priorities.

In addition the outgoing council is advised to critically consider the financial implications before entering into new long-term contracts that are not of priority to the municipality and avoid if possible, committing the incoming council. In addition, refrain from purchasing cars and from incurring expenditure at this stage that will financially burden the incoming council.

During this time of transition, all stakeholders should work together to ensure that municipalities continue to perform their functions efficiently and effectively. The Mayor and municipal manager should now be engaging in

the process of the annual review of the fifth and last year of the IDP in terms of section 34 of the Municipal Systems Act (MSA) and the 2016/17 budget preparation process in terms of section 21 of the MFMA.

It is particularly important to ensure that arrangements for the review of IDPs and preparation of budgets continue seamlessly as these processes cannot be delayed in anticipation of the announcement of an election date.

It is each municipal council's prerogative to decide when to approve its annual budget. However, to assist municipalities, National Treasury proposes that councils consider adopting the following approach for their 2016/17 budget process:

Outgoing council approves 2016/17 budget

1. Current Mayor prepares a budget schedule that brings the review of the IDP and the tabling of the budget forward to late February or the beginning of March 2016;
2. Community consultations on the annual budget conducted in the remainder of March and early April 2016;
3. Officials complete technical work on annual budget by mid-April 2016;
4. Current council approves annual budget and reviewed IDP before the end of April 2016; and
5. Council implements annual budget from 1 July 2016.

Summary

I believe we have done all in our power to address service delivery requirements within limited financial means. All Councillors and officials need to go the extra mile in 2016/17.

I would like to thank my fellow Councillors for their continued hard work and support. A new council will soon be in office for a five year term. I want to wish the new council all the best for the new term.

I would like to thank the MM, Management and all the officials for their hard work and support the past five years. We hope you will continue to work hard and deliver services to all communities. The current Council expects from Management and all officials to turn around the Municipality, with the aim of a clean audit report in 2016/17.

Recommendations

It is recommended that:

- 1) Council approves the adjustment budget as set out below.

Section 2 - Budget Related Resolutions

ADJUSTMENT BUDGET 2015/16

The resolution tabled at Council for consideration with approval of the adjustment budget is:

RECOMMENDATION:

- a) That the adjustment budget of Tsantsabane Municipality for the financial year 2015/16 as set out in the schedules contained in section 2 be approved:
- (i) Table B1 Adjustments Budget Summary;
 - (ii) Table B2 Adjustments Budget Financial Performance (by standard classification);
 - (iii) Table B3 Adjustments Budget Financial Performance (by municipal vote);
 - (iv) Table B4 Adjustments Budget Financial Performance (revenue by source); and
 - (v) Table B5 Adjustments Budget Capital Expenditure (by municipal vote and funding source)
- b) That it be noted that there are no changes to the budget related policies. The following policies will be reviewed during the 2016/17 – 2018/19 budget in March 2016:
- SCM Policy
 - Commitment Policy
 - Contingent Liability Policy
 - Credit control and debt collection policy
 - Events after Reporting Date Policy
 - Related Party Policy
 - Sharing of Responsibilities Policy
 - All financial policies

Section 3 – Executive Summary

Introduction

Tsantsabane Municipality experience serious cash flow problems. It is advised that new funding sources be exploited to fund the capital program and to settle all outstanding creditors older than 30 days (i.e. more own revenue or additional grant funding or the sale of land or the installation of pre-paid meters).

The average debt collection for the past six months was as follows:

Month	Payment % per month	Payment % per annum
July 2015	12.69%	1.97%
August 2015	64.05%	3.16%
September 2015	58.42%	2.45%
October 2015	47.77%	2.20%
November 2015	65.31%	3.08%
December 2015	<u>105.92%</u>	4.56%
Average	59.03%	

The average debt collection for the year to date was a mere 59.03%. All grants are not cash backed and are used to fund operational expenditure. Cash reserves are being depleted and Tsantsabane Municipality will not be able to pay its creditors, employees and councillors as required by the MFMA.

Management should strive to maintain, and where possible increase accumulated reserves. This is however only possible if debt collection improves and regular credit control is enforced. We (Council and Management) need to work hand in hand to turn around Tsantsabane Municipality. This is expected from the community we serve.

Effect of the adjustment budget

The overall changes made to the 2015/16 budget can be best illustrated in the table below.

NC085 Tsantsabane - Table B1 Adjustments Budget Summary - 2016/02/28

Description	Budget Year 2015/16									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			
Financial Performance												
Property rates	26 000	-	-	-	-	-	-	-	26 000	30 379	34 194	
Service charges	104 381	-	-	-	-	-	(13 604)	(13 604)	90 777	120 376	127 343	
Investment revenue	510	-	-	-	-	-	-	-	510	-	-	
Transfers recognised - operational	30 997	-	-	-	-	-	2 700	2 700	33 697	-	-	
Other own revenue	47 367	-	-	-	-	-	(29 863)	(29 863)	17 504	7 773	8 261	
Total Revenue (excluding capital transfers and contributions)	209 255	-	-	-	-	-	(40 767)	(40 767)	168 488	158 528	169 798	
Employee costs	63 744	-	-	-	-	-	136	136	63 880	68 206	67 219	
Remuneration of councillors	3 071	-	-	-	-	-	-	-	3 071	-	-	
Depreciation & asset impairment	15 227	-	-	-	-	-	-	-	15 227	16 293	17 515	
Finance charges	6 848	-	-	-	-	-	-	-	6 848	-	-	
Materials and bulk purchases	51 144	-	-	-	-	-	-	-	51 144	46 910	52 173	
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure	63 967	-	-	-	-	-	3 686	3 686	67 653	57 650	62 135	
Total Expenditure	204 001	-	-	-	-	-	3 822	3 822	207 823	189 059	199 042	
Surplus/(Deficit)	5 254	-	-	-	-	-	(44 589)	(44 589)	(39 335)	(30 531)	(29 244)	
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-	
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	5 254	-	-	-	-	-	(44 589)	(44 589)	(39 335)	(30 531)	(29 244)	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	5 254	-	-	-	-	-	(44 589)	(44 589)	(39 335)	(30 531)	(29 244)	

The operational revenue has been adjusted from R209,255 million to R168,488 million, a decrease of R40,767 million for the 2015/16 budget year, whilst the operational expenditure has been adjusted upwards from R204,001 million to R207,823 million. (An increase of R3,822 million).

The decrease in revenue is mainly as a result of the following –

- Decrease in revenue from pre-paid water – R 4,258 million.
- Decrease on sale of electricity - R 6,3 million.
- Decrease in refuse removal charges – R 1,366 million.
- Decrease in donations from Kolomela Mine (Swimming Pool) – R 250 000.
- Decrease in the Sale of Assets – R 22,8 million.
- Decrease in Sewer fees and donations – R 1,680 million.

Revenue and Expenditure by Municipal vote:

NC085 Tsantsabane - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 2016/02/28

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
		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
		A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
R thousands												
Revenue by Vote	1											
Vote 1 - Executive & Council		37 800	-	-	-	-	-	(22 800)	(22 800)	15 000	35 446	38 104
Vote 2 - Budget & Treasury		61 485	-	-	-	-	-	(3 964)	(3 964)	57 521	66 907	72 885
Vote 3 - Corporate Services		228	-	-	-	-	-	-	-	228	244	262
Vote 4 - Community & Social Services		1 128	-	-	-	-	-	615	615	1 743	731	764
Vote 5 - Sport & Recreation		476	-	-	-	-	-	(250)	(250)	226	510	547
Vote 6 - Public Safety		1 565	-	-	-	-	-	-	-	1 565	1 675	1 800
Vote 7 - Road Transport		2 180	-	-	-	-	-	(900)	(900)	1 280	2 263	2 357
Vote 8 - Electricity		50 607	-	-	-	-	-	(6 300)	(6 300)	44 307	62 548	71 719
Vote 9 - Water		28 518	-	-	-	-	-	(4 258)	(4 258)	24 260	31 559	34 890
Vote 10 - Waste Water Management		14 750	-	-	-	-	-	(1 680)	(1 680)	13 070	13 608	15 378
Vote 11 - Waste Management		10 506	-	-	-	-	-	(1 366)	(1 366)	9 140	12 661	15 356
Vote 12 - Housing		-	-	-	-	-	-	136	136	136	-	-
Vote 13 - Planning & Development		12	-	-	-	-	-	-	-	12	12	14
Vote 14 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	209 255	-	-	-	-	-	(40 767)	(40 767)	168 488	228 164	254 076
Expenditure by Vote	1											
Vote 1 - Executive & Council		17 104	-	-	-	-	-	136	136	17 240	18 301	19 674
Vote 2 - Budget & Treasury		33 256	-	-	-	-	-	2 663	2 663	35 919	35 575	38 432
Vote 3 - Corporate Services		14 269	-	-	-	-	-	1 150	1 150	15 419	15 986	17 085
Vote 4 - Community & Social Services		6 733	-	-	-	-	-	616	616	7 349	6 729	7 120
Vote 5 - Sport & Recreation		7 918	-	-	-	-	-	-	-	7 918	8 473	9 109
Vote 6 - Public Safety		6 279	-	-	-	-	-	-	-	6 279	6 718	7 222
Vote 7 - Road Transport		12 488	-	-	-	-	-	1 160	1 160	13 648	13 292	14 289
Vote 8 - Electricity		40 659	-	-	-	-	-	-	-	40 659	43 799	47 242
Vote 9 - Water		27 690	-	-	-	-	-	-	-	27 690	31 036	34 950
Vote 10 - Waste Water Management		17 618	-	-	-	-	-	(800)	(800)	16 818	18 853	20 266
Vote 11 - Waste Management		10 267	-	-	-	-	-	612	612	10 879	10 985	11 809
Vote 12 - Housing		1 035	-	-	-	-	-	136	136	1 171	1 107	1 190
Vote 13 - Planning & Development		4 361	-	-	-	-	-	(1 851)	(1 851)	2 510	4 666	5 016
Vote 14 - Health		560	-	-	-	-	-	-	-	560	692	744
Vote 15 - Other		3 765	-	-	-	-	-	-	-	3 765	4 028	4 330
Total Expenditure by Vote	2	204 002	-	-	-	-	-	3 822	3 822	207 824	220 240	238 477
Surplus/ (Deficit) for the year	2	5 253	-	-	-	-	-	(44 589)	(44 589)	(39 336)	7 924	15 599

The capital budget has been adjusted from R33,150 million to R26,517 million.
(A Decrease of R6,633 million)

NC085 Tsantsabane - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 2016/02/28

Description	Ref	Budget Year 2015/16									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		5	6	7	8	9	10	11	12			
		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 Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community & Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		18 159	-	-	-	-	-	7 000	7 000	25 159	15 598	16 255
Vote 8 - Electricity		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Water		8 000	-	-	-	-	-	(8 000)	(8 000)	-	9 500	12 000
Vote 10 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Housing		2 500	-	-	-	-	-	(2 500)	(2 500)	-	4 500	6 000
Vote 13 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	28 659	-	-	-	-	-	(3 500)	(3 500)	25 159	29 598	34 255
Single-year expenditure to be adjusted	2											
Vote 1 - Executive & Council		573	-	-	-	-	-	(549)	(549)	24	321	4 573
Vote 2 - Budget & Treasury		1 456	-	-	-	-	-	(666)	(666)	790	900	300
Vote 3 - Corporate Services		1 544	-	-	-	-	-	(1 044)	(1 044)	500	710	735
Vote 4 - Community & Social Services		131	-	-	-	-	-	(107)	(107)	24	125	142
Vote 5 - Sport & Recreation		115	-	-	-	-	-	(95)	(95)	20	132	155
Vote 6 - Public Safety		592	-	-	-	-	-	(592)	(592)	-	626	690
Vote 7 - Road Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Electricity		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Water		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management		80	-	-	-	-	-	(80)	(80)	-	100	120
Vote 12 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		4 491	-	-	-	-	-	(3 133)	(3 133)	1 358	2 914	6 715
Total Capital Expenditure - Vote		33 150	-	-	-	-	-	(6 633)	(6 633)	26 517	32 512	40 970

The new projected forecasts for the MTREF are as follows:

OPERATING BUDGET AFTER ADJUSTMENTS (R' 000)

Type	2015/16	2016/17	2017/18
Revenue	1 68 488	228 189	254 076
Expenditure	207 824	220 240	238 477
Surplus/(Deficit)	(39 336)	7 949	15 599

Summary of total revenue and expenditure excluding capital transfers:

NC085 Tsantsabane - Table B1 Adjustments Budget Summary - 2016/02/28

Description	Budget Year 2015/16									Budget Year	Budget Year
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2016/17	+2 2017/18
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	26 000	-	-	-	-	-	-	-	26 000	30 379	34 194
Service charges	104 381	-	-	-	-	-	(13 604)	(13 604)	90 777	120 376	137 343
Investment revenue	510	-	-	-	-	-	-	-	510	546	587
Transfers recognised - operational	30 997	-	-	-	-	-	2 700	2 700	33 697	31 825	33 604
Other own revenue	47 367	-	-	-	-	-	(29 863)	(29 863)	17 504	45 063	48 348
Total Revenue (excluding capital transfers and contributions)	209 255	-	-	-	-	-	(40 767)	(40 767)	168 488	228 189	254 076
Employee costs	63 744	-	-	-	-	-	136	136	63 880	68 206	73 321
Remuneration of councillors	3 071	-	-	-	-	-	-	-	3 071	3 287	3 353
Depreciation & asset impairment	15 227	-	-	-	-	-	-	-	15 227	16 293	17 515
Finance charges	6 848	-	-	-	-	-	-	-	6 848	7 327	7 877
Materials and bulk purchases	51 145	-	-	-	-	-	-	-	51 145	56 424	62 394
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	63 967	-	-	-	-	-	3 686	3 686	67 653	68 703	74 017
Total Expenditure	204 002	-	-	-	-	-	3 822	3 822	207 824	220 240	238 477
Surplus/(Deficit)	5 253	-	-	-	-	-	(44 589)	(44 589)	(39 336)	7 949	15 599
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	5 253	-	-	-	-	-	(44 589)	(44 589)	(39 336)	7 949	15 599
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	5 253	-	-	-	-	-	(44 589)	(44 589)	(39 336)	7 949	15 599

CAPITAL BUDGET (R' 000)

NC085 Tsantsabane - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 2016/02/28

Description	Ref	Budget Year 2015/16									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	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H			
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Community & Social Services		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Road Transport		18 159	-	-	-	-	-	7 000	7 000	25 159	15 598	16 255
Vote 8 - Electricity		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Water		8 000	-	-	-	-	-	(8 000)	(8 000)	-	9 500	12 000
Vote 10 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - Housing		2 500	-	-	-	-	-	(2 500)	(2 500)	-	4 500	6 000
Vote 13 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	28 659	-	-	-	-	-	(3 500)	(3 500)	25 159	29 598	34 255
Single-year expenditure to be adjusted	2											
Vote 1 - Executive & Council		573	-	-	-	-	-	(549)	(549)	24	321	4 573
Vote 2 - Budget & Treasury		1 456	-	-	-	-	-	(666)	(666)	790	900	300
Vote 3 - Corporate Services		1 544	-	-	-	-	-	(1 044)	(1 044)	500	710	735
Vote 4 - Community & Social Services		131	-	-	-	-	-	(107)	(107)	24	125	142
Vote 5 - Sport & Recreation		115	-	-	-	-	-	(95)	(95)	20	132	155
Vote 6 - Public Safety		592	-	-	-	-	-	(592)	(592)	-	626	690
Vote 7 - Road Transport		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Electricity		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Water		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Waste Water Management		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Waste Management		80	-	-	-	-	-	(80)	(80)	-	100	120
Vote 12 - Housing		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - Planning & Development		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - Health		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		4 491	-	-	-	-	-	(3 133)	(3 133)	1 358	2 914	6 715
Total Capital Expenditure - Vote		33 150	-	-	-	-	-	(6 633)	(6 633)	26 517	32 512	40 970

Section 4 – Adjustment budget tables

The adjustment budget tables are attached to this document as Tables B1 to B10. Tables supporting the above (SB1 to SB20) are also attached and listed separately.

The Budget tables are:

Table B1 – Adjustments Budget Summary

Table B2 – Adjustments Budgeted Financial Performance (revenue and expenditure by standard classification)

Table B3 – Adjustments Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table B4 – Adjustments Budgeted Financial Performance (revenue and expenditure)

Table B5 – Adjustments Budgeted Capital Expenditure by vote, standard classification and funding

Table B6 – Adjustments Budgeted Financial Position

Table B7 – Adjustments Budgeted Cash Flows

Table B8 – Adjustments Cash backed reserves/accumulated surplus reconciliation

Table B9 – Adjustments Budget Asset Management

Table B10 – Adjustments Budget Basic service delivery measurement

The municipality does not have any entities.

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Measurable performance objectives and indicators

A performance assessment was done in the 1st and 2nd quarter of the financial year. The results of such performance assessments will be tabled in Council. Changes to measurable performance objectives and indicators will be handled separately during March 2016. The District Municipality will help Tsantsabane with the measurement of the 3rd and 4th quarter.

If the KPI's need to change, a report will be tabled in council. The KPI's in the Service Delivery and Budget Implementation Plan (SDBIP) will form the basis of the performance contracts of the Municipal Manager and Senior Management.

Section 6 – Budget related policies

There are no changes to the budget related policies. All financial policies will be reviewed before the approval of the annual budget.

Section 7 – Overview of budget assumptions

Budget Assumptions

There are no changes to the budget assumptions proposed in the adjustments budget.

Section 8 – Funding compliance

The adjustments budget is not cash funded. Council, Management and all officials need to implement strategic plans to comply with MFMA and to improve the cash flow situation in Tsantsabane Municipality. According to the MFMA, a budget should be cash funded.

Outstanding Debtors

The total debt older than 150 days amounts to R131 344 051 or 80.96%. The outstanding debt increased as follows:

Total outstanding debt as at 31 December 2013	R118 077 078
Total outstanding debt as at 31 December 2014	R135 133 361
Total outstanding debt as at 31 December 2015	R162 241 449

The debt increased in 2014 with 14.45%. In 2015 the debt increase with an amount of R27 108 088 or 20.06%. The Municipality will find it difficult to collect the debt that is outstanding for more than 151 days. Debt collection at the municipality is poor.

Tsantsabane Municipality owes Eskom more than R32 million and the non-payment of Eskom account is due to poor payment of consumers. The Municipality will not be able to settle Eskom's account and the electricity will be cut soon.

Section 9 – Overview of budget funding

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows.

A Credible Budget

Amongst other things, a credible budget is a budget that:

- Funds only activities consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the municipality;
- Is achievable in terms of agreed service delivery and performance targets;
- Contains revenue and expenditure projections that are consistent with current and on past performance and supported by documented evidence of future assumptions;
- Does not jeopardise the financial viability of the municipality (ensures that the financial position is maintained within generally accepted prudential limits and that obligations can be met in the short, medium and long term); and
- Provides managers with appropriate levels of delegation sufficient to meet their financial management responsibilities.

A budget sets out certain service delivery levels and associated financial implications. Therefore the community should realistically expect to receive these promised service delivery levels and understand the associated financial implications. Major under spending due to under collection of revenue or poor planning is a clear example of a budget that is not credible and unrealistic.

Furthermore, budgets tabled for consultation at least 90 days prior to the start of the budget year should already be credible and fairly close to the final approved budget.

9.1 Funding of operating and capital expenditure

As indicated, the municipality's budget is not cash funded. The municipality is placing immense pressure on its cash reserves by financing a large portion of the capital program from own sources.

Please refer to section 8 (Finding Compliance) to outstanding debtors.

9.2 Financial plans

At this stage Tsantsabane Municipality has not yet adopted a long-term financial plan that is fully funded. It is therefore difficult to provide inputs on how the adjustment budget will influence the financial plan.

9.3 Reserves

Almost all the cash reserves at the Municipality have been exhausted. A proper turnaround strategy should be compiled by Council, Management and all officials and should be enforced to improve the cash flow situation and to build reserves for the future.

9.4 Financial sustainability of the municipality

The municipality's financial position is not sound.

FINANCIAL VIABILITY INDICATORS			
(Limitation = unable to obtain sufficient appropriate information to assess the indicator)		AS AT 30 JUNE 2015	AS AT 30 JUNE 2014
EXPENDITURE MANAGEMENT			
1.1	Creditor-payment period	332 Days	229 Days
REVENUE MANAGEMENT			
2.1	Debtor-collection period (after impairment)	408 Days	445 Days
2.2	Debtors impairment provision as a percentage of accounts receivable	49%	84%
	<ul style="list-style-type: none"> • Amount of debtors impairment provision • Amount of accounts receivable 	R115 471 000 R111 610 000	R103 951 543 R100 951 822
ASSET AND LIABILITY MANAGEMENT			
3.1	A deficit for the year was realised (total expenditure exceeded total revenue)	No	No
	<ul style="list-style-type: none"> • Amount of the surplus / (deficit) for the year 	R2 655 327	R28 053 689
3.2	A net current liability position was realised (total current liabilities exceeded total current assets)	Yes	Yes
	<ul style="list-style-type: none"> • Amount of the net current assets / (liability) position 	R-35 852 072	R-39 199 929
3.3	A net liability position was realised (total liabilities exceeded total assets)	No	No
	<ul style="list-style-type: none"> • Amount of the net asset / (liability) position 	R706 735 951	R792 298 858
3.4	Percentage of PPE and/or intangible assets impaired	0%	0%
	<ul style="list-style-type: none"> • Amount of PPE and intangible assets impairment provisions 	R0	R0
3.5	Percentage of loan receivables (loans awarded) and/or investments impaired	0%	0%
	<ul style="list-style-type: none"> • Amount of loan receivables (loans awarded) and investments impairment 	R0	R0

FINANCIAL VIABILITY INDICATORS			
(Limitation = unable to obtain sufficient appropriate information to assess the indicator)		AS AT 30 JUNE 2015	AS AT 30 JUNE 2014
	provisions		
CASH MANAGEMENT			
4.1	The year-end bank balance was in overdraft	No	No
	<ul style="list-style-type: none"> Amount of year-end bank balance (cash and cash equivalents) / (bank overdraft) 	R639 993	R18 593 296
4.2	Net cash flows for the year from operating activities were negative	No	Yes
	<ul style="list-style-type: none"> Amount of net cash in / (out)flows for the year from operating activities 	R30 124 974	R-21 162 103
4.3	Creditors as a percentage of cash and cash equivalents	82%	92 %
	<ul style="list-style-type: none"> Amount of creditors (accounts payable) 	R53 063 819	R17 080 292
	<ul style="list-style-type: none"> Amount of cash and cash equivalents / (bank overdraft) at year-end 	R639 993	R18 593 296
4.4	Current liabilities as a percentage of net cash inflows for the year from operating activities	3.5 %	Negative cash flows
	<ul style="list-style-type: none"> Amount of current liabilities Amount of net cash inflows for the year from operating activities 	R105 506 647 R30 124 974	R90 712 601 R-21 162 103
OVERALL ASSESSMENT			
Overall the results of the above financial viability indicator evaluation is assessed as:		Red (Material unfavourable indicators)	Red (Material unfavourable indicators)
* <i>The above assessment is based on financial statement amounts, adjusted for uncorrected misstatements that resulted in the modification of the audit opinion.</i>			

Section 10 – Expenditure on allocations and grant programmes

Grant allocations

Details of each grant to be received and spent are shown in the schedules SB7 to SB9 attached to the report. Please refer to table SB7 under.

NC085 Tsantsabane - Supporting Table SB7 Adjustments Budget - transfers and grant receipts - 2016/02/28

Description	Ref	Budget Year 2015/16						Budget Year	Budget Year	
		Original	Prior	Multi-year	Nat. or	Other	Total	Adjusted	Adjusted	
		Budget	Adjusted	capital	Prov. Govt	Adjusts.	Adjusts.	Budget	Budget	
R thousands		7	8	9	10	11	12			
		A	A1	B	C	D	E	F		
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		31 997	-	-	-	-	-	31 997	32 751	34 528
Local Government Equitable Share		28 192						28 192	28 784	30 150
Finance Management	3	1 875						1 875	2 010	2 345
Municipal Systems Improvement		930						930	957	1 033
EPWP Incentive		1 000						1 000	1 000	1 000
Other transfers and grants [insert description]										
Provincial Government:		1 845	-	-	-	(145)	(145)	1 700	2 143	2 272
Health subsidy										
Housing										
Library Development Grant	4	1 845				(145)	(145)	1 700	2 143	2 272
Other transfers and grants [insert description]	5									
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	6	33 842	-	-	-	(145)	(145)	33 697	34 894	36 800
Capital Transfers and Grants										
National Government:		15 159	-	-	-	-	-	15 159	15 598	16 255
Municipal Infrastructure Grant (MIG)		15 159						15 159	15 598	16 255
Regional Bulk Infrastructure										
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	15 159	-	-	-	-	-	15 159	15 598	16 255
TOTAL RECEIPTS OF TRANSFERS & GRANTS		49 001	-	-	-	(145)	(145)	48 856	50 492	53 055

Section 11 – Allocations and grants made by the Municipality

Allocations Made by the Municipality

No allocations are made by the municipality.

Section 12 – Councillor Allowances and employee benefits

Salaries, Allowances and Benefits

Details of Councillor Allowances and employee benefits are included in supporting table SB11 attached.

NC085 Tsantsabane - Supporting Table SB11 Adjustments Budget - councillor and staff benefits - 2016/02/28

Summary of remuneration	Ref	Budget Year 2015/16									% 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		2 199							-	2 199	0.0%
Motor Vehicle Allowance		603							-	603	0.0%
Cellphone Allowance		269							-	269	
Sub Total - Councillors		3 071	-			-		-	-	3 071	0.0%
% increase			(0)							-	
Senior Managers of the Municipality											
Basic Salaries and Wages		5 150							-	5 150	0.0%
Performance Bonus		721							-	721	
Post-retirement benefit obligations	5								-	-	
Sub Total - Senior Managers of Municipality		5 871	-	-		-		-	-	5 871	0.0%
% increase			(0)							-	
Other Municipal Staff											
Basic Salaries and Wages		34 907						136	136	35 043	0.4%
Pension and UIF Contributions		5 998							-	5 998	0.0%
Medical Aid Contributions		2 607							-	2 607	0.0%
Overtime		5 895							-	5 895	0.0%
Motor Vehicle Allowance		4 250							-	4 250	0.0%
Cellphone Allowance		158							-	158	0.0%
Housing Allowances		130							-	130	
Other benefits and allowances		3 876							-	3 876	
Long service awards		52							-	52	0.0%
Post-retirement benefit obligations	5								-	-	
Sub Total - Other Municipal Staff		57 873	-	-	-	-	-	136	136	58 009	0.2%
% increase											
Total Parent Municipality		66 815	-	-	-	-	-	136	136	66 951	0.2%
TOTAL SALARY, ALLOWANCES & BENEFITS											
		66 815	-	-	-	-	-	136	136	66 951	0.2%
% increase											
TOTAL MANAGERS AND STAFF		63 744	-	-	-	-	-	136	136	63 880	0.2%

Section 13 – Monthly targets for revenue, expenditure and cash flow

Monthly Cash Flows by source

Supporting tables SB12 to SB17 show the adjusted monthly cash flows.

Section 14 – Adjustments to the quarterly service delivery and budget implementation plans – internal departments

Detail will be submitted to Council when we receive the report from the District Municipality who assisted the municipality with the measurement of the SDBIP during February/March 2016.

Section 15 – Annual budgets and service delivery agreements – municipal entities and other external mechanisms

ENTITIES

The municipality does not have any entities.

Other Service Delivery Mechanisms.

The municipality has no service delivery agreements with external parties for the delivery of the Municipality's services.

The municipality does not have a roll – over contract with budget implications. It is important that the full MIG allocation (2015/16) must be spent during the financial year.

Section 16 – Contracts having future budgetary implications

- Debt collection contract with Bigen Africa. (R40 000.00 pm plus % of collection)
- Sebata – mSCOA. R3,2 million.
- Printers, folding machine, photo copy machine and equipment. (R14 752.21 p.m.)

Section 17 – Capital expenditure details

Capital expenditure details are listed in Supporting Table SB 18 to SB 19.

NC085 Tsantsabane - Supporting Table SB18b Adjustments Budget - capital expenditure on renewal of existing assets by asset class - 2016/02/28

Description	Ref	Budget Year 2015/16									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	7	8	9	10	11	12	13	14			
		A1	B	C	D	E	F	G	H			
Capital expenditure on renewal of existing assets by Asset Class/Sub-class												
Infrastructure		26 239	-	-	-	-	-	(1 080)	(1 080)	25 159	25 198	28 375
Infrastructure - Road transport		18 159	-	-	-	-	-	7 000	7 000	25 159	15 598	16 255
Roads, Pavements & Bridges		18 159	-	-	-	-	-	7 000	7 000	25 159	15 598	16 255
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Generation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		8 000	-	-	-	-	-	(8 000)	(8 000)	-	9 500	12 000
Water purification		8 000	-	-	-	-	-	(8 000)	(8 000)	-	9 500	12 000
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		80	-	-	-	-	-	(80)	(80)	-	100	120
Refuse		80	-	-	-	-	-	(80)	(80)	-	100	120
Community		2 761	-	-	-	-	-	(2 737)	(2 737)	24	4 777	6 312
Parks & gardens		115	-	-	-	-	-	(115)	(115)	-	132	155
Libraries		81	-	-	-	-	-	(57)	(57)	24	70	81
Fire, safety & emergency		15	-	-	-	-	-	(15)	(15)	-	20	15
Cemeteries		50	-	-	-	-	-	(50)	(50)	-	55	61
Other		2 500	-	-	-	-	-	(2 500)	(2 500)	-	4 500	6 000
Other assets		4 150	-	-	-	-	-	(2 816)	(2 816)	1 334	2 537	6 283
General v ehicles		-	-	-	-	-	-	-	-	-	-	-
Specialised v ehicles	18	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-	-	-
Other Buildings		27	-	-	-	-	-	(27)	(27)	-	36	26
Other		4 123	-	-	-	-	-	(2 789)	(2 789)	1 334	2 501	6 257
Total Capital Expenditure on renewal of existing assets to be adjusted	1	33 150	-	-	-	-	-	(6 633)	(6 633)	26 517	32 512	40 970

Section 18 – Municipal Manager’s quality certification

I, GH Mathobela, Municipal Manager of Tsantsabane Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Municipal Manager
Tsantsabane Municipality (NC 085)

Date