



## MANGAUNG METROPOLITAN MUNICIPALITY ADJUSTMENT BUDGET 2017/18

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## **PART 1 - ADJUSTMENT BUDGET**

### **1. EXECUTIVE MAYOR'S REPORT**

#### **INTRODUCTION**

The Mangaung Metropolitan Municipal Council considered and approved the Mid-year Budget and Performance Assessment Report (Section 72 (1) (a)), at a special meeting held in January 2018.

Some of the key items identified during the mid-term assessment for review were:

- Water revenue - Unfavourable variance of -R 121,251 million (-26%) for the period due to lower actual billing for the period (levied at Level 1 rate ) and the impact on the revenue target based on the draught level 3 tariffs. The annual target is likely not to be realised. There is thus a need for a downward adjustment of the budgeted revenue.
- Rental of facilities and equipment – Unfavourable variance of – R 2,996 million (-17%) for the period mainly due to lower demand for the use of municipal facilities.
- Fines - Unfavourable variance of –R 19,806 million (-68%) is due to the non-accrual of traffic fines, as a results of a lack of the traffic management system. The annual target is likely not to be realised, there is thus a need for a downward adjustment of the budgeted revenue for traffic fines.
- Employee related costs – Unfavourable variance of R 46,976 million (6%) on the year to date target as a result of unfilled vacancies of R 44,161 million, year-to-date overspending on overtime -R 33,706 million and the year-to-date spend of -R 55,964 million paid as salary adjustments (R 2,500.00) and parity adjustment for Naledi and Soutpan employees -R 1,467 million that were not provided for in the approved budget.
- Contracted services - Unfavourable variance of R 33.314 million (11%) due to over spending on security and repairs and maintenance expenses due to encroachment of the 2016/17 outstanding commitments

#### **BACKGROUND**

Following the mid-year performance review the following adjustments are to be made onto the municipal budget through the adjustment budget :

- (a) To adjust the operating revenue upwards by R 45,774 million to the revised amount of R 7,288 billion.
- (b) To adjust the operating expenditure down by R 17,342 million to the revised amount of R 6,130 billion
- (c) To increase the capital expenditure by R 98,092 million to the revised amount of R 1,237 billion.

#### **RECOMMENDATIONS**

1. Based on the details as outlined above and in terms of the Section 28 of the MFMA, it is recommended that Council approves the Adjustment Budget as contained herein, together with the resolutions as contained here below;
2. The cost containment measures currently in place be implemented by all departments;
3. That overtime be managed and brought under control;
4. That debt collection levels for all services be improved and that all departments contribute to revenue collection.

## 2. RESOLUTIONS

- 2.1. That in terms of Section 28 of the MFMA, 56 of 2003, the annual budget (as approved on the 31 May 2017 of the municipality's Total Revenue be increased by R 45,774 million to R 7,288 billion, Operating Expenditure be reduced by R 17,342 million to R 6,130 billion and Capital Expenditure Budget be increased by R 98,092 million to R 1,237 billion, be adjusted for the 2017/18 financial year as set out in the following tables:

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- 2.2. That the financial position, cash flow, backed reserve/accumulated surplus, asset management be adopted as set-out in the following tables:

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- 2.3. The cost containment measures currently in place be implemented by all departments;

- 2.4. That overtime be managed and brought under control;

- 2.5. That debt collection levels for all services be improved and that all departments contribute to revenue collection:

**Table B1 - Consolidated Adjustment Budget Summary**

Table B1 is a budget summary and provides a concise overview of the City's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow and MFMA funding compliance). It provides a summary of the Adjustment Budget and tracks the changes made by source from the original Budget to the Adjustment Budget (H).

**MAN Mangaung - Table B1 Consolidated Adjustments Budget Summary - 28/02/2018**

Description	Budget Year 2017/18										Budget Year +1 2018/19	Budget Year +2 2019/20
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavail.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
	A	A1	B	C	D	E	F	G	H	I	J	
<b>R thousands</b>												
<b>Financial Performance</b>												
Property rates	1 103 200	-	-	-	-	-	-	-	1 103 200	1 252 501	1 409 388	
Service charges	3 575 638	-	-	-	-	-	(47 005)	(47 005)	3 528 633	3 881 190	4 196 131	
Investment revenue	26 984	-	-	-	-	-	(2 228)	(2 228)	24 755	28 857	31 148	
Transfers recognised - operational	1 040 688	-	-	-	-	6 080	4 629	10 709	1 051 397	1 040 613	1 148 307	
Other own revenue	529 062	-	-	-	-	-	(14 617)	(14 617)	514 444	580 830	647 780	
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>6 275 571</b>	-	-	-	-	<b>6 080</b>	<b>(59 222)</b>	<b>(53 142)</b>	<b>6 222 430</b>	<b>6 783 991</b>	<b>7 431 753</b>	
Employee costs	1 707 028	-	-	-	-	-	147 022	147 022	1 854 049	1 825 538	1 952 509	
Remuneration of councillors	60 200	-	-	-	-	-	66	66	60 266	64 353	68 729	
Depreciation & asset impairment	495 857	-	-	-	-	-	2 795	2 795	498 652	562 556	596 326	
Finance charges	251 429	-	-	-	-	-	-	-	251 429	238 153	223 971	
Materials and bulk purchases	1 985 924	-	-	-	-	-	(1 165)	(1 165)	1 984 759	2 122 811	2 263 215	
Transfers and grants	23 600	-	-	-	-	-	204	204	23 804	25 228	26 904	
Other expenditure	1 623 575	-	-	-	-	-	(168 263)	(168 263)	1 457 312	1 655 111	1 851 313	
<b>Total Expenditure</b>	<b>6 147 612</b>	-	-	-	-	-	<b>(17 342)</b>	<b>(17 342)</b>	<b>6 130 271</b>	<b>6 493 750</b>	<b>6 932 967</b>	
<b>Surplus/(Deficit)</b>	<b>127 959</b>	-	-	-	-	<b>6 080</b>	<b>(41 880)</b>	<b>(35 800)</b>	<b>92 159</b>	<b>290 241</b>	<b>498 786</b>	
Transfers recognised - capital	940 118	-	-	-	-	117 258	-	117 258	1 057 376	1 014 216	1 040 947	
Contributions recognised - capital & contributed assets	26 762	-	-	-	-	-	(18 762)	(18 762)	8 000	29 243	32 649	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>1 094 838</b>	-	-	-	-	<b>123 338</b>	<b>(60 642)</b>	<b>62 696</b>	<b>1 157 535</b>	<b>1 333 702</b>	<b>1 572 383</b>	
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-	
<b>Surplus/ (Deficit) for the year</b>	<b>1 094 838</b>	-	-	-	-	<b>123 338</b>	<b>(60 642)</b>	<b>62 696</b>	<b>1 157 535</b>	<b>1 333 702</b>	<b>1 572 383</b>	
<b>Capital expenditure &amp; funds sources</b>												
<b>Capital expenditure</b>	<b>1 048 122</b>	-	-	-	-	<b>114 147</b>	<b>(16 055)</b>	<b>98 092</b>	<b>1 146 214</b>	<b>1 251 942</b>	<b>1 302 452</b>	
Transfers recognised - capital	940 118	-	-	-	-	114 258	3 000	117 258	1 057 376	1 014 218	1 040 947	
Public contributions & donations	26 762	-	-	-	-	(18 762)	-	(18 762)	8 000	28 723	31 243	
Borrowing	29 599	-	-	-	-	-	-	-	29 599	33 188	37 213	
Internally generated funds	142 958	-	-	-	-	(587)	193	(404)	142 554	175 813	193 048	
<b>Total sources of capital funds</b>	<b>1 139 436</b>	-	-	-	-	<b>94 900</b>	<b>3 193</b>	<b>98 092</b>	<b>1 237 529</b>	<b>1 251 942</b>	<b>1 302 452</b>	
<b>Financial position</b>												
Total current assets	3 923 464	-	-	-	-	-	(338 294)	(338 294)	3 585 171	4 183 816	5 086 390	
Total non current assets	19 267 621	-	-	-	-	-	(334 429)	(334 429)	18 933 192	20 458 862	21 770 871	
Total current liabilities	3 290 505	-	-	-	-	-	336 031	336 031	3 626 536	3 362 385	4 005 341	
Total non current liabilities	3 157 271	-	-	-	-	-	(852 654)	(852 654)	2 304 618	3 195 055	3 252 383	
<b>Community wealth/Equity</b>	<b>16 743 310</b>	-	-	-	-	-	(156 100)	(156 100)	16 587 210	18 085 238	19 599 476	
<b>Cash flows</b>												
Netcash from (used) operating	1 724 684	-	-	-	-	-	(599 010)	(599 010)	1 125 674	1 682 884	1 848 112	
Netcash from (used) investing	(1 123 843)	-	-	-	-	-	56 462	56 462	(1 067 382)	(1 371 173)	(1 429 242)	
Netcash from (used) financing	(70 675)	-	-	-	-	-	21 619	21 619	(49 056)	(171 094)	(370 938)	
<b>Cash/cash equivalents at the year end</b>	<b>1 021 610</b>	-	-	-	-	-	(780 600)	(780 600)	241 011	1 162 227	1 210 160	
<b>Cash backlog/surplus reconciliation</b>												
Cash and investments available	921 610	-	-	-	-	-	(484 133)	(484 133)	437 477	742 421	808 693	
Application of cash and investments	761 304	-	-	-	-	-	(695 264)	(695 264)	66 041	515 972	518 856	
<b>Balance - surplus (shortfall)</b>	<b>160 306</b>	-	-	-	-	-	<b>211 130</b>	<b>211 130</b>	<b>371 436</b>	<b>226 449</b>	<b>289 837</b>	
<b>Asset Management</b>												
Asset register summary (W0V)	17 217 207	-	-	-	-	-	-	-	17 217 207	18 468 784	19 771 398	
Depreciation & asset impairment	628 666	-	-	-	-	-	(119)	(119)	628 547	666 116	705 702	
Renewal of Existing Assets	266 511	-	-	-	-	-	41 813	11 266	53 079	319 590	319 148	
Repairs and Maintenance	485 136	-	-	-	-	-	-	(121 309)	(121 309)	363 827	521 572	551 761
<b>Free services</b>												
Cost of Free Basic Services provided	283 057	-	-	-	-	-	-	-	283 067	313 562	348 845	
Revenue cost of free services provided	342 240	-	-	-	-	-	-	-	342 240	371 529	402 832	
<b>Households below minimum service level</b>												
Water	-	-	-	-	-	-	-	-	-	-	-	
Sanitation/sewage:	7	-	-	-	-	-	-	-	7	7	7	
Energy:	-	-	-	-	-	-	-	-	-	-	-	
Refuse:	-	-	-	-	-	-	-	-	-	-	-	

**Table B2 - Consolidated Adjustment Budget Financial Performance (Standard Classification).**

Table B2 gives an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enable the National Treasury to compile 'whole of government' reports.

**MAN Mangaung - Table B2 Consolidated Adjustments Budget Financial Performance (functional classification) - 28/02/2018**

Standard Description	Ref	Budget Year 2017/18										Budget Year +1 2018/19	Budget Year +2 2019/20
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavail.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget		
R thousands	1 4	A	A1	B	C	D	E	F	G	H			
<b>Revenue - Functional</b>													
Governance and administration		2 769 856	-	-	-	-	123 338	11 803	134 941	2 804 896	2 864 296	3 248 049	
Executive and council		524	-	-	-	-	-	482	482	1 006	529	535	
Finance and administration		2 769 432	-	-	-	-	123 338	11 121	134 456	2 800 851	2 963 767	3 247 514	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	
Community and public safety		92 129	-	-	-	-	-	(16 420)	(16 420)	75 789	98 073	104 563	
Community and social services		5 740	-	-	-	-	-	-	-	5 740	6 060	6 393	
Sport and recreation		7 095	-	-	-	-	-	(1 500)	(1 500)	5 595	7 847	8 728	
Public safety		55 214	-	-	-	-	-	(24 920)	(24 920)	30 284	58 471	61 952	
Housing		24 080	-	-	-	-	-	10 000	10 000	34 080	25 694	27 578	
Health		-	-	-	-	-	-	-	-	-	-	-	
Economic and environmental services		16 595	-	-	-	-	-	8 510	8 510	25 105	17 379	18 687	
Planning and development		12 422	-	-	-	-	-	8 510	8 510	20 932	12 548	12 689	
Road transport		4 012	-	-	-	-	-	-	-	4 012	4 660	5 818	
Environmental protection		161	-	-	-	-	-	-	-	161	171	181	
Trading services		4 337 053	-	-	-	-	-	(81 257)	(81 257)	4 255 796	4 720 646	5 108 624	
Energy sources		2 337 065	-	-	-	-	-	(34 252)	(34 252)	2 302 813	2 482 892	2 655 030	
Water management		1 300 921	-	-	-	-	-	(47 005)	(47 005)	1 253 916	1 455 211	1 587 957	
Waste water management		403 306	-	-	-	-	-	-	-	403 308	460 356	515 741	
Waste management		295 760	-	-	-	-	-	-	-	295 760	322 169	347 696	
Other		26 298	-	-	-	-	-	-	-	26 298	26 612	26 956	
<b>Total Revenue - Functional</b>	<b>2</b>	<b>7 242 031</b>	-	-	-	-	<b>123 338</b>	<b>(77 564)</b>	<b>45 774</b>	<b>7 287 805</b>	<b>7 827 008</b>	<b>8 504 880</b>	
<b>Expenditure - Functional</b>													
Governance and administration		1 209 565	-	-	-	-	8 293	(7 377)	916	1 210 481	1 229 638	1 335 166	
Executive and council		484 035	-	-	-	-	-	(12 573)	(12 573)	(12 573)	471 461	457 498	513 160
Finance and administration		725 530	-	-	-	-	8 293	5 196	13 489	739 019	772 140	822 006	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	
Community and public safety		887 647	-	-	-	-	(1 404)	12 953	11 549	699 097	708 994	758 489	
Community and social services		158 135	-	-	-	-	-	(12 320)	(12 320)	145 816	169 191	178 612	
Sport and recreation		122 716	-	-	-	-	-	(1 259)	(1 259)	121 458	139 027	152 374	
Public safety		250 803	-	-	-	-	-	33 338	33 339	284 142	271 074	289 886	
Housing		142 341	-	-	-	-	(1 404)	(7 087)	(8 491)	133 850	115 230	122 175	
Health		13 552	-	-	-	-	-	260	280	13 832	14 473	15 443	
Economic and environmental services		462 848	-	-	-	-	(1 850)	(5 360)	(7 210)	455 636	546 987	581 531	
Planning and development		92 955	-	-	-	-	(1 850)	1 943	93	93 048	99 303	105 976	
Road transport		337 585	-	-	-	-	-	(5 031)	(5 031)	332 554	412 800	438 668	
Environmental protection		32 306	-	-	-	-	-	(2 273)	(2 273)	30 034	34 885	36 888	
Trading services		3 761 334	-	-	-	-	-	(18 511)	(18 511)	3 732 823	3 969 362	4 216 509	
Energy sources		2 220 107	-	-	-	-	-	(14 894)	(14 894)	2 205 213	2 357 061	2 504 388	
Water management		891 932	-	-	-	-	-	3 841	3 841	895 773	945 132	1 012 509	
Waste water management		437 423	-	-	-	-	-	(35 536)	(35 536)	401 887	457 137	474 518	
Waste management		201 872	-	-	-	-	-	26 078	26 078	229 950	210 033	225 092	
Other		35 901	-	-	-	-	-	(3 667)	(3 667)	32 235	38 324	40 802	
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>6 147 193</b>	-	-	-	-	<b>5 038</b>	<b>(21 961)</b>	<b>(16 922)</b>	<b>6 139 271</b>	<b>6 493 306</b>	<b>6 932 497</b>	
<b>Surplus/ (Deficit) for the year</b>		<b>1 094 838</b>	-	-	-	-	<b>118 298</b>	<b>(55 603)</b>	<b>52 896</b>	<b>1 157 535</b>	<b>1 333 702</b>	<b>1 572 383</b>	





**Table B3 - Consolidated Adjustments Budget Financial Performance (Revenue & Expenditure by Municipal Vote).**

Table B3 gives an overview of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the municipality. This means it is possible to present the operating surplus or deficit of a vote.

**MAN Mangaung - Table B3 Consolidated Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 28/02/2018**

Vote Description <i>{Insert departmental structure etc}</i> R thousands	Ref	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavold.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H	I	J
<b>Revenue by Vote</b>	1											
Vote 1 - City Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Executive Mayor		-	-	-	-	-	-	482	482	482	-	-
Vote 3 - Corporate Services		16 627	-	-	-	-	-	(1 506)	(1 506)	15 127	18 389	20 455
Vote 4 - Finance		1 263 695	-	-	-	-	-	-	-	1 263 695	1 437 149	1 639 562
Vote 5 - Social Services		65 491	-	-	-	-	-	(24 920)	(24 920)	40 571	69 237	73 137
Vote 6 - Planning		33 410	-	-	-	-	-	8 500	8 500	41 910	33 751	34 129
Vote 7 - Human Settlement and Housing		39 105	-	-	-	-	-	-	-	39 105	40 721	42 609
Vote 8 - Economic and Rural Development		-	-	-	-	-	-	10	10	10	-	-
Vote 9 - Engineering Services		404 018	-	-	-	-	-	-	-	404 018	461 137	516 600
Vote 10 - Water		1 295 858	-	-	-	-	-	(47 005)	(47 005)	1 248 853	1 450 097	1 582 788
Vote 11 - Waste and Fleet Management		295 760	-	-	-	-	-	-	-	295 760	322 189	347 896
Vote 12 - Miscellaneous Services		1 480 822	-	-	-	-	123 338	21 121	144 459	1 625 281	1 500 849	1 581 962
Vote 13 - Naledi/Soupan Regional Management		10 490	-	-	-	-	-	-	-	10 490	10 596	10 715
Vote 14 - Strategic Projects & Service Delivery Regulation		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Electricity - Centlec (Soc) Ltd		2 337 176	-	-	-	-	-	(34 671)	(34 671)	2 302 504	2 483 336	2 665 500
<b>Total Revenue by Vote</b>	2	7 242 451	-	-	-	-	123 338	(77 984)	45 355	7 287 805	7 827 452	8 505 350
<b>Expenditure by Vote</b>	1											
Vote 1 - City Manager		131 334	-	-	-	-	-	(4 476)	(4 476)	125 859	85 017	120 003
Vote 2 - Executive Mayor		212 020	-	-	-	-	-	4 028	4 028	216 047	226 646	242 055
Vote 3 - Corporate Services		251 019	-	-	-	-	-	7 362	7 362	258 381	267 974	285 851
Vote 4 - Finance		237 411	-	-	-	-	-	24 415	24 415	261 826	253 777	271 022
Vote 5 - Social Services		437 994	-	-	-	-	-	16 780	16 780	456 774	471 024	502 618
Vote 6 - Planning		136 053	-	-	-	-	-	(12 145)	(12 145)	123 908	141 018	146 125
Vote 7 - Human Settlement and Housing		110 021	-	-	-	-	-	(9 193)	(9 193)	100 828	117 883	126 218
Vote 8 - Economic and Rural Development		34 244	-	-	-	-	-	4 367	4 367	38 612	36 604	39 091
Vote 9 - Engineering Services		728 508	-	-	-	-	-	(40 792)	(40 792)	687 716	766 192	803 513
Vote 10 - Water		982 602	-	-	-	-	-	3 029	3 029	985 631	1 059 119	1 133 671
Vote 11 - Waste and Fleet Management		281 201	-	-	-	-	-	8 208	8 208	289 409	295 858	310 940
Vote 12 - Miscellaneous Services		244 747	-	-	-	-	-	2 668	2 668	247 414	265 583	287 241
Vote 13 - Naledi/Soupan Regional Management		78 835	-	-	-	-	-	5 005	5 005	83 840	84 258	89 971
Vote 14 - Strategic Projects & Service Delivery Regulation		65 800	-	-	-	-	-	(13 284)	(13 284)	52 516	70 339	75 122
Vote 15 - Electricity - Centlec (Soc) Ltd		2 215 824	-	-	-	-	-	(15 313)	(15 313)	2 200 511	2 352 458	2 495 526
<b>Total Expenditure by Vote</b>	2	6 147 612	-	-	-	-	-	(17 342)	(17 342)	6 130 271	6 493 750	6 932 967
<b>Surplus/ (Deficit) for the year</b>	2	1 094 838	-	-	-	-	123 338	(60 642)	62 696	1 157 535	1 333 702	1 572 383





**Table B4 - Consolidated Adjustment Budget Financial Performance (Revenue & Expenditure).**

Table B4 give an overview of the budgeted financial performance in relation to the revenue by source and expenditure by type. This table facilitates the view of the budgeted operating performance in relation to indicates the sources of funding and on what activities are the scarce resources to be spend on:

MAN Mangaung - Table B4 Consolidated Adjustments Budget Financial Performance (revenue and expenditure) - 28/02/2018

Description	Ref	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavail.	Nat. or Prov. Govt	Other Adjust.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
R thousands	1	A	3	4	C	D	E	F	G	H	I		
<b>Revenue By Source</b>													
Property rates	2	1 103 200	-	-	-	-	-	-	-	1 103 200	1 252 501	1 409 388	
Service charges - electricity revenue	2	2 237 750	-	-	-	-	-	-	-	2 237 750	2 385 444	2 542 999	
Service charges - water revenue	2	945 264	-	-	-	-	(47 005)	(47 005)	988 259	1 061 097	1 153 202		
Service charges - sanitation revenue	2	282 575	-	-	-	-	-	-	-	282 575	325 843	370 749	
Service charges - refuse revenue	2	109 502	-	-	-	-	-	-	-	109 502	118 254	127 721	
Service charges - other		548								548	554	560	
Rental of facilities and equipment		35 111					(1 500)	(1 500)	33 611	37 449	40 166		
Interest earned - external investments		26 984					(2 228)	(2 228)	24 755	28 857	31 148		
Interest earned - outstanding debtors		229 648					-	-	229 648	280 368	329 946		
Dividends received		-							-	-	-	-	
Fines, penalties and forfeits		58 115					(13 207)	(13 207)	44 908	61 588	65 239		
Licences and permits		243					10	10	253	253	264		
Agency services		-							-	-	-		
Transfers and subsidies		1 040 688					6 080	4 629	10 709	1 051 397	1 040 613	1 148 307	
Other revenue	2	205 636	-	-	-	-	-	80	80	205 716	200 842	211 808	
Gains on disposal of PPE		309							-	309	330	357	
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>6 275 571</b>	-	-	-	-	<b>6 080</b>	<b>(59 222)</b>	<b>(53 142)</b>	<b>6 222 430</b>	<b>6 783 991</b>	<b>7 431 753</b>	
<b>Expenditure By Type</b>													
Employee related costs		1 707 028	-	-	-	-	-	147 022	147 022	1 854 049	1 825 538	1 952 509	
Remuneration of councillors		60 200						66	66	60 266	64 353	68 729	
Debt impairment		210 833								210 833	221 958	247 859	
Depreciation & asset impairment		495 857	-	-	-	-	-	2 795	2 795	498 652	562 556	596 326	
Finance charges		251 429								251 429	258 153	223 971	
Bulk purchases		1 891 034	-	-	-	-				1 891 034	2 017 781	2 152 485	
Other materials		94 890								93 725	105 029	110 730	
Contracted services		981 812	-	-	-	-		(129 579)	(129 579)	852 234	973 666	1 064 032	
Transfers and subsidies		23 800							204	204	23 804	25 228	
Other expenditure		430 930	-	-	-	-		(36 685)	(36 685)	394 245	459 487	489 421	
<b>Total Expenditure</b>		<b>6 147 612</b>	-	-	-	-	-	<b>(17 342)</b>	<b>(17 342)</b>	<b>6 130 271</b>	<b>6 493 750</b>	<b>6 932 967</b>	
<b>Surplus/(Deficit)</b>		<b>127 959</b>	-	-	-	-	<b>6 080</b>	<b>(41 880)</b>	<b>(35 800)</b>	<b>92 159</b>	<b>290 241</b>	<b>498 786</b>	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		940 118						117 258	-	117 258	1 057 376	1 014 218	1 040 947
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		26 762						-	(18 762)	(18 762)	8 000	29 243	32 649
Transfers and subsidies - capital (in-kind - all)										-	-	-	
<b>Surplus/(Deficit) before taxation</b>		<b>1 094 838</b>	-	-	-	-	<b>123 338</b>	<b>(60 642)</b>	<b>62 696</b>	<b>1 157 535</b>	<b>1 333 702</b>	<b>1 572 383</b>	
Taxation										-	-	-	
<b>Surplus/(Deficit) after taxation</b>		<b>1 094 838</b>	-	-	-	-	<b>123 338</b>	<b>(60 642)</b>	<b>62 696</b>	<b>1 157 535</b>	<b>1 333 702</b>	<b>1 572 383</b>	
Attributable to minorities										-	-	-	
<b>Surplus/(Deficit) attributable to municipality</b>		<b>1 094 838</b>	-	-	-	-	<b>123 338</b>	<b>(60 642)</b>	<b>62 696</b>	<b>1 157 535</b>	<b>1 333 702</b>	<b>1 572 383</b>	
Share of surplus/(deficit) associates										-	-	-	
<b>Surplus/(Deficit) for the year</b>		<b>1 094 838</b>	-	-	-	-	<b>123 338</b>	<b>(60 642)</b>	<b>62 696</b>	<b>1 157 535</b>	<b>1 333 702</b>	<b>1 572 383</b>	

Supporting Table SB1 - Consolidated Supporting Detail to "Budgeted Financial Performance"

MAN Mangaung - Supporting Table SB1 Consolidated Supporting detail to 'Budgeted Financial Performance' - 28/02/2018									
Description	Ref	Budget Year 2017/18							
		Original Budget	Prior Adjusted	Accum Funds	Multi-year capital	Unfore. Unavail.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.
R thousands		A	B	C	D	E	F	G	H
<b>REVENUE ITEMS</b>									
<b>Property rates</b>									
Total Property Rates		1 207 539							1 207 539
less Revenue Foregone		104 339							104 339
Net Property Rates		1 103 200	-	-	-	-	-	-	1 103 200
<b>Service charges - electricity revenue</b>									
Total Service charges - electricity revenue		2 248 487							2 248 487
less Revenue Foregone		10 747							10 747
Net Service charges - electricity revenue		2 237 750	-	-	-	-	-	-	2 237 750
<b>Service charges - water revenue</b>									
Total Service charges - water revenue		1 134 028					(47 005)	(47 005)	1 087 023
less Revenue Foregone		65 301							65 301
less Cost of Free Basic Services (6 litres per indigent household per month)		123 463							123 463
Net Service charges - water revenue		945 264	-	-	-	-	(47 005)	(47 005)	898 259
<b>Service charges - sanitation revenue</b>									
Total Service charges - sanitation revenue		382 929							382 929
less Revenue Foregone		26 736							26 736
less Cost of Free Basic Services (free sanitation service to indigent households)		73 518							73 518
Net Service charges - sanitation revenue		282 575	-	-	-	-	-	-	282 575
<b>Service charges - refuse revenue</b>									
Total refuse removal revenue		244 746							244 746
Total landfill revenue		60 005							60 005
less Revenue Foregone		75 239							75 239
Net Service charges - refuse revenue		109 502	-	-	-	-	-	-	109 502
<b>Other Revenue By Source</b>									
Commission - Insurance		4 462							4 462
Other Revenue		22 844					80	80	22 924
Operating Grants to Entity		-							-
Public contributions - capital		20 000							20 000
Interest on Shareholder Loan		120 049							120 049
Advertisements (Signs)		2 074							2 074
Commission Market		21 876							21 876
Building Plans Approval		4 626							4 626
Valuation Services (Rates)		1 820							1 820
Grave plots		3 327							3 327
Parking fees		2 478							2 478
Entrance fees		2 080							2 080
Total 'Other' Revenue	\$	205 636	=	=	=	=	80	80	205 718



Table B5 outlines a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations) capital expenditure by standard classification and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

MAN Mangaung - Table B5 Consolidated Adjustments Capital Expenditure Budget by vote and funding - 28/02/2018

Description	Ref	Budget Year 2017/18								Budget Year +1 2018/19	Budget Year +2 2019/20
		Original Budget	Prior Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unfore. Unavail 8 D	Nat & Prov Govt 9 E	Other Adjusts. 10 F	Total Adjusts. 11 G	Adjusted Budget 12 H	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H	
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be adjusted</b>	2										
Vote 1 - City Manager		-	-	-	-	-	16 130	-	16 130	16 130	98 745
Vote 2 - Executive Mayor		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		4 740	-	-	-	-	1 500	-	1 500	6 240	15 975
Vote 4 - Finance		2 039	-	-	-	-	(5 000)	2 511	(2 490)	9 672	22 274
Vote 5 - Social Services		12 162	-	-	-	-	(7 971)	-	(7 971)	5 993	19 790
Vote 6 - Planning		13 964	-	-	-	-	7 356	-	7 356	69 156	94 149
Vote 7 - Human Settlement and Housing		61 800	-	-	-	-	-	(2 400)	(2 400)	8 700	60 532
Vote 8 - Economic and Rural Development		11 100	-	-	-	-	(3 500)	-	(3 500)	374 600	521 880
Vote 9 - Engineering Services		378 100	-	-	-	-	7 627	-	7 627	134 381	182 762
Vote 10 - Water		126 454	-	-	-	-	(2 050)	-	(2 050)	39 229	47 964
Vote 11 - Waste and Fleet Management		41 278	-	-	-	-	(19 358)	-	(19 358)	97 110	125 440
Vote 12 - Miscellaneous Services		-	-	-	-	-	-	-	-	-	-
Vote 13 - Naledi/Soupan Regional Management		-	-	-	-	-	-	-	-	19 778	17 092
Vote 14 - Strategic Projects & Service Delivery Regulation		-	-	-	-	-	-	-	-	-	-
Vote 15 - Electricity - Centlec (Soc) Ltd		116 469	-	-	-	-	-	-	-	-	150 316
<b>Capital multi-year expenditure sub-total</b>	3	768 106	-	-	-	-	14 392	(19 248)	(4 856)	763 250	1 131 172
<b>Single-year expenditure to be adjusted</b>	2										1 177 664
Vote 1 - City Manager		63 773	-	-	-	-	6 099	-	6 099	69 871	30 442
Vote 2 - Executive Mayor		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		1 500	-	-	-	-	7 682	(2 000)	5 682	7 182	-
Vote 4 - Finance		-	-	-	-	-	-	3 193	3 193	3 193	-
Vote 5 - Social Services		2 320	-	-	-	-	35 000	(1 500)	33 500	35 820	8 998
Vote 6 - Planning		6 600	-	-	-	-	12 856	-	12 856	19 456	3 000
Vote 7 - Human Settlement and Housing		53 000	-	-	-	-	5 245	-	5 245	58 245	6 647
Vote 8 - Economic and Rural Development		9 724	-	-	-	-	4 858	3 500	8 358	18 062	-
Vote 9 - Engineering Services		109 100	-	-	-	-	31 581	(16 000)	15 581	124 681	-
Vote 10 - Water		1 500	-	-	-	-	16 000	16 000	17 569	-	-
Vote 11 - Waste and Fleet Management		-	-	-	-	-	-	-	-	-	2 863
Vote 12 - Miscellaneous Services		-	-	-	-	-	-	-	-	-	-
Vote 13 - Naledi/Soupan Regional Management		17 500	-	-	-	-	(3 566)	-	(3 566)	13 934	2 000
Vote 14 - Strategic Projects & Service Delivery Regulation		15 000	-	-	-	-	-	-	-	15 000	70 000
Vote 15 - Electricity - Centlec (Soc) Ltd		-	-	-	-	-	-	-	-	-	67 000
<b>Capital single-year expenditure sub-total</b>		260 017	-	-	-	-	99 755	3 193	102 948	382 965	120 770
<b>Total Capital Expenditure - Vote</b>		1 048 122	-	-	-	-	114 147	(16 055)	98 092	1 146 214	1 251 942
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>											
Executive and council		205 525	-	-	-	-	26 515	3 193	29 708	235 233	250 522
Finance and administration		170 067	-	-	-	-	20 703	-	20 703	190 790	169 167
Internal audit		2 039	-	-	-	-	-	3 193	3 193	5 232	2 274
<b>Community and public safety</b>		33 399	-	-	-	-	5 812	-	5 812	39 211	49 060
Community and social services		145 722	-	-	-	-	34 780	-	34 780	180 502	153 197
Sport and recreation		18 022	-	-	-	-	-	-	-	18 022	27 876
Public safety		2 440	-	-	-	-	-	-	-	2 440	17 555
Housing		10 460	-	-	-	-	30 000	-	30 000	40 460	7 287
Health		114 800	-	-	-	-	4 780	-	4 780	119 580	100 479
<b>Economic and environmental services</b>		233 124	-	-	-	-	53 656	(16 000)	37 656	270 780	264 477
Planning and development		33 424	-	-	-	-	22 075	-	22 075	55 499	38 959
Road transport		199 700	-	-	-	-	31 581	(16 000)	15 581	215 281	220 108
Environmental protection		-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		554 102	-	-	-	-	(20 052)	15 000	(4 052)	550 051	582 786
Energy sources		116 469	-	-	-	-	(19 358)	-	(19 358)	97 110	125 440
Water management		127 954	-	-	-	-	28 982	16 000	44 982	172 936	136 452
Waste water management		298 000	-	-	-	-	(24 400)	-	(24 400)	273 600	318 050
Waste management		11 679	-	-	-	-	(5 275)	-	(5 275)	6 404	2 844
Other		964	-	-	-	-	-	-	-	964	960
<b>Total Capital Expenditure - Functional</b>	3	1 139 436	-	-	-	-	94 900	3 193	98 092	1 237 529	1 251 942
<b>Funded by:</b>											
National Government		940 118	-	-	-	-	114 258	3 000	117 258	1 057 376	1 014 218
Provincial Government		-	-	-	-	-	-	-	-	-	1 040 947
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	940 118	-	-	-	-	114 258	3 000	117 258	1 057 376	1 014 218
Public contributions & donations		26 762	-	-	-	-	(18 762)	-	(18 762)	8 000	28 723
Borrowing		29 599	-	-	-	-	-	-	-	29 599	33 188
Internally generated funds		142 956	-	-	-	-	(597)	193	(404)	142 554	175 813
<b>Total Capital Funding</b>		1 139 436	-	-	-	-	94 900	3 193	98 092	1 237 529	1 251 942





**Table B6 - Consolidated Adjustment Budget Financial Position.**

Table B6 is consistent with international standards of good financial management practice and improves understanding of the councillors and management of the impact of the budget on the statement of financial position (balance sheet). This format of presenting the statement of financial position is aligned to GRAP 1, which is generally aligned to the international version which presents Assets fewer liabilities as 'accounting' Community Wealth. The order of items which each group illustrates items is order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

**MAN Mangaung - Table B6 Consolidated Adjustments Budget Financial Position - 28/02/2018**

Description	Ref	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
		Original Budget	Prior Adjusted	Accum Funds	Multi-year capital	Unfore. Unavail.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>ASSETS</b>												
Current assets												
Cash		416 296							(175 285)	(175 285)	241 011	278 965
Call investment deposits	1	505 314	-	-	-	-	-		(308 848)	(308 848)	196 467	463 456
Consumer debts	1	2 361 392	-	-	-	-	-		196 020	196 020	2 557 412	2 745 787
Other debts		181 820							(65 069)	(65 069)	116 751	194 547
Current portion of long-term receivables		24							258	258	282	31
Inventory		458 618							14 629	14 629	473 248	501 034
<b>Total current assets</b>		<b>3 923 464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(338 294)</b>	<b>(338 294)</b>	<b>3 585 171</b>	<b>4 183 816</b>
Non current assets												
Long-term receivables		3 013							(786)	(786)	2 227	3 164
Investments		-							-	-	-	3 322
Investment property		1 847 258							(62 820)	(62 820)	1 584 438	1 663 730
Investment in Associate									-	-	-	1 680 368
Property, plant and equipment	1	16 904 839	-	-	-	-	-	95 178	95 178	17 000 017	18 063 250	19 340 991
Agricultural									-	-	-	
Biological		-							-	-	-	600
Intangible		228 095						(115 831)	(115 831)	112 265	234 718	241 613
Other non-current assets		494 416						(250 171)	(250 171)	234 245	494 000	503 977
<b>Total non current assets</b>		<b>19 267 621</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(334 429)</b>	<b>(334 429)</b>	<b>18 933 192</b>	<b>20 458 862</b>
<b>TOTAL ASSETS</b>		<b>23 191 086</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(672 722)</b>	<b>(672 722)</b>	<b>22 518 363</b>	<b>24 642 678</b>
<b>LIABILITIES</b>												
Current liabilities												
Bank overdraft									-	-	-	
Borrowing		182 425	-	-	-	-	-	-	-	-	182 425	175 114
Consumer deposits		173 929						8 513	8 513	182 442	179 147	184 521
Trade and other payables		2 571 538	-	-	-	-	-	352 518	352 518	2 924 056	2 635 746	3 270 592
Provisions		362 613						(25 000)	(25 000)	337 613	372 378	382 632
<b>Total current liabilities</b>		<b>3 290 505</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>336 031</b>	<b>336 031</b>	<b>3 626 536</b>	<b>3 362 385</b>	<b>4 005 341</b>
Non current liabilities												
Borrowing	1	1 123 223	-	-	-	-	-	(12 500)	(12 500)	1 110 723	991 013	867 975
Provisions	1	2 034 048	-	-	-	-	-	(840 154)	(840 154)	1 193 894	2 204 042	2 384 408
<b>Total non current liabilities</b>		<b>3 157 271</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(852 654)</b>	<b>(852 654)</b>	<b>2 304 618</b>	<b>3 195 055</b>	<b>3 252 383</b>
<b>TOTAL LIABILITIES</b>		<b>6 447 776</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(516 622)</b>	<b>(516 622)</b>	<b>5 931 153</b>	<b>8 557 440</b>	<b>7 257 725</b>
<b>NET ASSETS</b>	2	<b>16 743 310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(156 100)</b>	<b>(156 100)</b>	<b>16 587 210</b>	<b>18 085 238</b>	<b>19 599 476</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit)		13 781 175	-	-	-	-	-	593 900	593 900	14 375 076	14 666 417	15 713 065
Reserves		2 962 134	-	-	-	-	-	(750 000)	(750 000)	2 212 134	3 418 821	3 886 411
Minorities' interest								-	-	-	-	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>16 743 310</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(156 100)</b>	<b>(156 100)</b>	<b>16 587 210</b>	<b>18 085 238</b>	<b>19 599 476</b>

**Supporting Table SB2 - Consolidated Supporting detail to "Financial Position Budget"**

The table below provides to the reader of Table B6 more information as to the composition of the major categories of the items disclosed on the Budgeted Financial Position of the municipality, for ease of comparison.

**MAN Mangaung - Supporting Table SB2 Consolidated Supporting detail to 'Financial Position Budget' - 28/02/2018**

Description	Ref	Budget Year 2017/18										Budget Year +1 2018/19	Budget Year +2 2019/20
		Original Budget	Prior Adjusted 4	Accum. Funds 5	Multi-year capital 6	Unfore. Unavoid. 7	Nat. or Prov. Govt 8	Other Adjusts. 9	Total Adjusts. 10	Adjusted Budget 11	Adjusted Budget		
R thousands		A	A1	B	C	D	E	G	H				
<b>ASSETS</b>													
<b>Call/investment deposits</b>													
Call deposits		505 314							(308 848)	(308 848)	196 467	463 456	497 635
Other current investments													
<b>Total Call/investment deposits</b>	1	505 314	-	-	-	-	-	(308 848)	(308 848)	196 467	463 456	497 635	
<b>Consumer debtors</b>													
Consumer debtors		6 162 750							(1 654 086)	(1 654 086)	4 526 664	2 745 787	3 522 691
Less provision for debt impairment		3 821 358	-	-	-	-	-	(1 850 106)	(1 850 106)	1 971 252	-	-	
<b>Total Consumer debtors</b>	1	2 361 392	-	-	-	-	-	196 020	196 020	2 557 412	2 745 787	3 522 691	
<b>Debt impairment provision</b>													
Balance at the beginning of the year		3 821 358						(1 850 106)	(1 850 106)	1 971 252	-	-	
Contributions to the provision													
Bad debts written off													
<b>Balance at end of year</b>		3 821 358	-	-	-	-	-	(1 850 106)	(1 850 106)	1 971 252	-	-	
<b>Property, plant &amp; equipment</b>													
PPE at cost valuation (excl. finance leases)		22 075 521						-	98 092	98 092	22 173 613	23 899 502	25 884 499
Leases recognised as PPE	2	5 170 681							2 914	2 914	5 173 595	5 836 251	6 543 508
<b>Total Property, plant &amp; equipment</b>	1	16 904 839	-	-	-	-	-	95 178	95 178	17 000 017	18 063 250	19 340 991	
<b>LIABILITIES</b>													
<b>Current liabilities - Borrowing</b>													
Short term loans (other than bank overdraft)											-	-	
Current portion of long-term liabilities		182 425									182 425	175 114	167 596
<b>Total Current liabilities - Borrowing</b>		182 425	-	-	-	-	-	-	-	-	182 425	175 114	167 596
<b>Trade and other payables</b>													
Creditors		2 401 245							350 000	350 000	2 751 245	2 458 328	3 148 087
Unspent conditional grants and receipts		170 293							2 518	2 518	172 811	177 418	122 505
VAT											-	-	
<b>Total Trade and other payables</b>	1	2 571 538	-	-	-	-	-	-	352 518	352 518	2 924 056	2 835 746	3 270 592
<b>Non current liabilities - Borrowing</b>													
Borrowing		1 071 719							(12 500)	(12 500)	1 059 219	974 989	867 975
Finance leases (including PPP asset element)		51 504									-	51 504	16 024
<b>Total Non current liabilities - Borrowing</b>	3	1 123 223	-	-	-	-	-	-	(12 500)	(12 500)	1 110 723	991 013	867 975
<b>Provisions - non current</b>													
Retirement benefits		879 571							15 000	15 000	894 571	961 436	1 046 070
List other major items											-	-	
Relief landfill site rehabilitation		186 800							5 000	5 000	191 800	191 831	197 113
Other		967 677							(860 154)	(860 154)	107 524	1 050 775	1 141 225
<b>Total Provisions - non current</b>		2 034 048	-	-	-	-	-	-	(840 154)	(840 154)	1 193 894	2 204 042	2 384 408
<b>CHANGES IN NET ASSETS</b>													
<b>Accumulated surplus/(Deficit)</b>													
Accumulated surplus/(Deficit) - opening balance		13 781 175							593 900	593 900	14 375 076	14 666 417	15 713 065
Appropriations to Reserves											-	-	
Transfers from Reserves											-	-	
Depreciation offsets											-	-	
Other adjustments											-	-	
<b>Accumulated Surplus/(Deficit)</b>	1	13 781 175	-	-	-	-	-	-	593 900	593 900	14 375 076	14 666 417	15 713 065
<b>Reserves</b>													
Housing Development Fund											-	-	
Capital replacement											-	-	
Self-insurance		5 000									5 000	5 000	5 000
Other reserves /etc)		75 960									75 960	77 720	79 280
Revaluation		2 881 174							(750 000)	(750 000)	2 131 174	3 336 101	3 802 131
<b>Total Reserves</b>	2	2 962 134	-	-	-	-	-	-	(750 000)	(750 000)	2 212 134	3 418 821	3 886 411
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	16 743 310	-	-	-	-	-	-	(156 100)	(156 100)	16 587 210	18 085 238	19 599 476

Table B7 - Consolidated Adjustment Budget Cash Flows.

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

MAN Mangaung - Table B7 Consolidated Adjustments Budget Cash Flows - 28/02/2018

Description	Ref	Budget Year 2017/18								Budget Year +1 2018/19	Budget Year +2 2019/20
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavaild. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget
<b>R thousands</b>											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		1 048 040						296 248	296 248	1 344 288	1 189 876
Service charges		3 299 291						64 444	64 444	3 363 735	3 574 129
Other revenue		115 531						1 250 820	1 250 820	1 266 350	1 166 055
Government - operating	1	1 040 688						(259 040)	(259 040)	781 648	1 190 946
Government - capital	1	940 118						(100 570)	(100 570)	839 547	988 776
Interest		161 873						(102 146)	(102 146)	59 726	159 394
Dividends		-						-	-	-	-
Payments											
Suppliers and employees		(4 842 787)						(1 563 824)	(1 563 824)	(6 406 612)	(5 380 910)
Finance charges		-						-	-	-	-
Transfers and Grants	1	(38 069)						(184 541)	(184 541)	(223 010)	(19 316)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>1 724 684</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(599 010)</b>	<b>(599 010)</b>	<b>1 125 674</b>	<b>1 682 884</b>
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-						-	-	-	-
Decrease (increase) in non-current debtors		-						-	-	-	-
Decrease (increase) other non-current receivables		300						(300)	(300)	-	150
Decrease (increase) in non-current investments		-						-	-	-	-
Payments											
Capitalisation		(1 124 143)						56 762	56 762	(1 067 382)	(1 371 323)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(1 123 843)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>56 462</b>	<b>56 462</b>	<b>(1 067 382)</b>	<b>(1 371 173)</b>
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-						-	-	-	-
Borrowing long term/refinancing		-						-	-	-	-
Increase (decrease) in consumer deposits		5 066						(3 327)	(3 327)	1 739	5 218
Payments											
Repayment of borrowing		(75 741)						24 946	24 946	(50 795)	(176 312)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>(70 675)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21 619</b>	<b>21 619</b>	<b>(49 056)</b>	<b>(171 094)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>530 165</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(520 929)</b>	<b>(520 929)</b>	<b>9 236</b>	<b>140 617</b>
Cash/cash equivalents at the year begin	2	491 445						(259 671)	(259 671)	231 774	1 021 610
Cash/cash equivalents at the year end	2	1 021 610		-	-	-	-	(780 600)	(780 600)	241 011	1 162 227
											1 210 160

Table B8 - Consolidated Cash Backed Reserves/Accumulated Surplus Reconciliation.

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of the MFMA Circular 42 - Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at the year end and secondly reconciling the available funding to the liabilities/commitments that exist. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be funded.

MAN Mangaung - Table B8 Consolidated Cash backed reserves/accumulated surplus reconciliation - 28/02/2018

Description	Ref	Budget Year 2017/18								Budget Year +1 2018/19	Budget Year +2 2019/20
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavaild. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget
<b>R thousands</b>											
<b>Cash and Investments available</b>											
Cash/cash equivalents at the year end	1	1 021 610	-	-	-	-	-	(780 600)	(780 600)	241 011	1 162 227
Other current investments > 90 days		(100 000)	-	-	-	-	-	296 467	296 467	(419 806)	(401 467)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
<b>Cash and Investments available:</b>		<b>921 610</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(484 133)</b>	<b>(484 133)</b>	<b>437 477</b>	<b>742 421</b>
<b>Applications of cash and investments</b>											
Unspent conditional transfers		170 293	-	-	-	-	-	2 518	2 518	172 811	177 418
Unspent borrowing								-	-	-	-
Settlor requirements		(70 892)	-					(45 626)	(45 626)	(116 518)	(65 742)
Other working capital requirements	2	219 151	-					(52 156)	(62 156)	(408 005)	(49 735)
Other provisions		362 613	-					(25 000)	(25 000)	337 613	372 378
Long term investments committed		-	-					-	-	-	-
Reserves to be backed by cash/investments		80 139	-					-	-	80 139	83 319
<b>Total Application of cash and investments:</b>		<b>761 304</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(695 264)</b>	<b>(695 264)</b>	<b>56 041</b>	<b>515 972</b>
<b>Surplus/(shortfall)</b>		<b>160 306</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>211 130</b>	<b>211 130</b>	<b>371 436</b>	<b>518 856</b>
											289 837

**Table B9 - Consolidated Asset Management.** Table B9 provides an overview of municipal allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

MAN Mangaung - Table B9 Consolidated Asset Management - 28/02/2018											
Description	Ref	Budget Year 2017/18								Budget Year +1 2018/19	Budget Year +2 2019/20
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfor. Unevoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H	
<b>CAPITAL EXPENDITURE</b>											
<u>Total New Assets to be adjusted</u>	1	872 925	-	-	-	-	76 282	(34 269)	42 013	814 938	932 794
Roads Infrastructure		195 700	-	-	-	-	10 107	(16 000)	(5 893)	169 807	227 858
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-
Electrical Infrastructure		117 242	-	-	-	-	-	(18 462)	(18 462)	98 780	122 032
Water Supply Infrastructure		10 000	-	-	-	-	10 873	-	10 873	20 873	10 500
Sanitation Infrastructure		277 800	-	-	-	-	-	-	-	277 800	235 594
Solid Waste Infrastructure		156 942	-	-	-	-	(5 275)	-	(5 275)	151 667	132 031
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-
Infrastructure		757 684	-	-	-	-	15 705	(34 462)	(18 756)	738 927	728 016
Community Facilities		-	-	-	-	-	35 358	-	35 358	35 358	4 000
Sport and Recreation Facilities		28 324	-	-	-	-	-	-	-	28 324	40 317
Community Assets		28 324	-	-	-	-	35 358	-	35 358	63 682	44 094
Heritage Assets		-	-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-
Investment Properties		-	-	-	-	-	-	-	-	-	-
Operational Buildings		48 185	-	-	-	-	17 217	-	17 217	65 402	116 626
Housing		6 600	-	-	-	-	4 780	-	4 780	11 380	6 330
Other Assets	6	54 785	-	-	-	-	21 997	-	21 997	76 782	122 956
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	119 047
Servitudes		-	-	-	-	-	-	-	-	-	600
Licences and Rights		-	-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-	-
Computer Equipment		200	-	-	-	-	3 222	-	3 222	3 422	211
Furniture and Office Equipment		1 240	-	-	-	-	-	193	193	1 433	2 285
Machinery and Equipment		1 093	-	-	-	-	-	-	-	1 093	2 044
Transport Assets		29 599	-	-	-	-	-	-	-	29 599	33 188
Libraries		-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-

MAN Mangaung - Table B9 Consolidated Asset Management - 28/02/2018

Description	Ref	Budget Year 2017/18										Budget Year	
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavold.	Nat. or Prov. Govt	Other Adjusts	Total Adjusts.	Adjusted Budget	Budget Year +1 2018/19	Budget Year +2 2019/20	
		A	A1	B	C	D	E	F	G	H			
R thousands													
<u>Total Upgrading of Existing Assets to be adjusted</u>	2a	-	-	-	-	-	-	-	-	-	-	-	
Roads Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Storm water Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Electrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Community Facilities		-	-	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-	-	-	
Community Assets		-	-	-	-	-	-	-	-	-	-	-	
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Operational Buildings		-	-	-	-	-	-	-	-	-	-	-	
Housing		-	-	-	-	-	-	-	-	-	-	-	
Other Assets	6	-	-	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-	
Services		-	-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-	-	-	
Machinery and Equipment		-	-	-	-	-	-	-	-	-	-	-	
Transport Assets		-	-	-	-	-	-	-	-	-	-	-	
Libraries		-	-	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	
<u>Total Capital Expenditure to be adjusted</u>	4	199 700	-	-	-	29 280	(16 000)	13 280	212 980	235 108	229 875		
Roads Infrastructure		134 469	-	-	-	-	-	-	-	-	-	-	
Storm water Infrastructure		157 954	-	-	-	31 424	16 000	47 424	205 378	167 952	215 837		
Electrical Infrastructure		364 800	-	-	-	-	(3 837)	(3 837)	360 963	359 194	358 381		
Water Supply Infrastructure		156 942	-	-	-	(5 275)	-	(5 275)	151 667	132 031	110 143		
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Rail Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-	
Infrastructure	1 013 865	-	-	-	-	55 428	(23 196)	32 233	1 046 097	1 034 561	1 080 130		
Community Facilities		500	-	-	-	34 858	-	34 858	35 358	4 000	15 334		
Sport and Recreation Facilities		31 324	-	-	-	2 580	-	2 590	33 914	43 594	40 317		
Community Assets		31 624	-	-	-	37 448	-	37 448	69 272	47 594	55 651		
Heritage Assets		-	-	-	-	-	-	-	-	-	-	-	
Revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Non-revenue Generating		-	-	-	-	-	-	-	-	-	-	-	
Investment properties		-	-	-	-	-	-	-	-	-	-	-	
Operational Buildings		51 185	-	-	-	17 217	-	17 217	68 402	116 626	113 501		
Housing		6 600	-	-	-	4 780	-	4 780	11 380	7 830	7 047		
Other Assets	57 785	-	-	-	-	21 997	-	21 997	79 782	126 456	120 547		
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	600	
Services		-	-	-	-	-	-	-	-	-	-	-	
Licences and Rights		-	-	-	-	-	-	-	-	-	-	-	
Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	
Computer Equipment		1 700	-	-	-	3 222	-	3 222	4 922	1 211	223		
Furniture and Office Equipment		1 240	-	-	-	-	193	193	1 433	2 285	3 919		
Machinery and Equipment		3 424	-	-	-	-	-	-	3 424	6 647	4 170		
Transport Assets		29 599	-	-	-	-	-	-	29 599	33 168	37 213		
Libraries		-	-	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-	
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	4	1 139 436	-	-	-	-	118 095	(23 083)	95 092	1 234 529	1 251 942	1 302 452	



**Table B10 - Consolidated Basic Service Delivery Measurement.**

Table B10 provides an overview of service delivery levels, for each of the main services, namely water, sanitation/sewerage, electricity and refuse removal.

MAN Mangaung - Table B10 Consolidated Basic service delivery measurement - 28/02/2018

Description	Ref	Budget Year 2017/18								Budget Year +1 2018/19	Budget Year +2 2019/20
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavail.	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	13 G	14 H		
<b>Household service levels</b>											
<b>Water:</b>											
Piped water inside dwelling	1	165410							-	165	165410
Piped water inside yard (but not in dwelling)		0						-	-	-	
Using public tap (at least min. service level)	2	0						-	-	-	
Other water supply (at least min. service level)		0						-	-	-	
Minimum Service Level and Above sub-total		165	-	-	-	-	-	-	165	165	165
Using public tap (< min. service level)	3							-	-	-	
Other water supply (< min. service level)	3,4							-	-	-	
No water supply								-	-	-	
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-
Total number of households	5	165	-	-	-	-	-	-	165	165	165
<b>Sanitation/sewerage:</b>											
Flush toilet (connected to sewerage)		129005							-	129 005	129005
Flush toilet (with septic tank)		0							-	-	
Chemical toilet		0						-	-	-	
Pit toilet (ventilated)		0						-	-	-	
Other toilet provisions (> min. service level)		0						-	-	-	
Minimum Service Level and Above sub-total		129 005	-	-	-	-	-	-	129 005	129 005	129 005
Bucket toilet		3974						-	-	3 974	3 974
Other toilet provisions (< min. service level)		3186						-	-	3 186	3 186
No toilet provisions		0						-	-	-	
Below Minimum Service Level sub-total		7 160	-	-	-	-	-	-	7 160	7 160	7 160
Total number of households	5	136 165	-	-	-	-	-	-	136 165	136 165	136 165
<b>Energy:</b>											
Electricity (at least min. service level)								-	-	-	
Electricity - prepaid (> min. service level)								-	-	-	
Minimum Service Level and Above sub-total		-	-	-	-	-	-	-	-	-	-
Electricity (< min. service level)								-	-	-	
Electricity - prepaid (< min. service level)								-	-	-	
Other energy sources								-	-	-	
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-	-
<b>Refuse:</b>											
Removed at least once a week (min. service)		218678							-	218 678	218678
Minimum Service Level and Above sub-total		218 678	-	-	-	-	-	-	218 678	218 678	218 678
Removed less frequently than once a week								-	-	-	
Using communal refuse dump								-	-	-	
Using own refuse dump								-	-	-	
Other rubbish disposal								-	-	-	
No rubbish disposal								-	-	-	
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-
Total number of households	5	218 678	-	-	-	-	-	-	218 678	218 678	218 678
<b>Households receiving Free Basic Services</b>	15										
Water (6 kilolites per household per month)		52812							-	62 812	65952 6
Sanitation (fee minimum level service)		62812							-	62 812	66250 23
Electricity/other energy (50kwh per household per month)		62812							-	62 812	65952 6
Refuse (removed at least once a week)		62812							-	62 812	65952 6
Cost of Free Basic Services provided (R'000)	16										
Water (6 kilolites per household per month)		123 463							-	123 463	142 801
Sanitation (fee sanitation service)		73 616							-	73 616	78 598
Electricity/other energy (50kwh per household per month)		10 747							-	10 747	11 456
Refuse (removed once a week)		75 239							-	75 239	80 807
Total cost of FBS provided (minimum social package)		283 067	-	-	-	-	-	-	-	283 067	313 562
Highest level of free service provided											
Property rates (R'000 value threshold)		2000000							-	2 000 000	2000000
Water (kilolites per household per month)		10							-	10	10
Sanitation (kilolites per household per month)		0							-	0	0
Sanitation (Rand per household per month)		460							-	460	460
Electricity (kw per household per month)		50							-	50	50
Refuse (average kgs per week)		80							-	80	80
Revenue cost of free services provided (R'000)	17										
Property rates (R'15 000 threshold rebate)		85 858							-	85 858	90 824
Property rates (other exemptions, reductions and rebates)		104 339							-	104 339	114 390
Water		65 301							-	65 301	72 644
Sanitation		26 736							-	26 736	28 921
Electricity/other energy		-							-	-	
Refuse		60 005							-	60 005	64 650
Municipal Housing - rental rebates									-	-	
Housing - bp structure subsidies		6							-	-	
Other									-	-	
Total revenue cost of free services provided (total social)		342 240	-	-	-	-	-	-	-	342 240	371 529
											402 832

## **PART 2 - SUPPORTING DOCUMENTATION**

### **1. Adjustments To Budget Assumptions**

The changes as outlined below were made to the budget assumptions, as a departure from the original budget.

- (a) Employee costs are to be adjusted upward by R 147,022 million to accommodate Council resolution of granting each employee an additional R 2,500.00 per month salary adjustment. The approved adjustment was in addition to the normal annual salary increase of 6.05% and was effective from 1 July 2017, however was not provided for in the approved budget for 2017/18. In view of the fact that no new revenue services were identified, management had no option but to look internally within the operating budget to fund the eminent shortfall. As a result Council approved that repairs and maintenance be utilized to cover the salaries budget shortfall.
- (b) Low revenue collection rates for domestic debt must be improved
- (c) Non-payment of rates and services by Provincial Public Works, Free State Development Corporation (FDC) and Schools that are affecting the cash flow be noted.
- (d) Depreciation and asset impairment has been increased with R 2,795 million, due to the alignment of depreciation with the asset values determined during the recently completed valuation exercise by the Entity.

### **2. Adjustment to Budget Funding**

#### **2.1. The need for an Adjustment Budget**

The current year's adjustment budget proposal is informed by:

- (a) Outcome of the mid-year budget and performance assessment as outlined in the Section 72(1) of the MFMA
- (b) The budget needs to be adjusted in order to allow for additional grants, subsidies and donations received or to be received to be included in the budget.

#### **2.2. Operating Revenue**

Total revenue budget is being increased by R 45,774 million to an adjusted budget amount of R 7,288 billion for the 2017/18 budget year.

1. Water Revenue: A downward adjustment of R 47,005 million due to planned revenue not being realised as budgeted.

2. Other Revenue (Reduction):

- Traffic Fines	R 25,000
- Private Enterprise & Development Contribution	R 18,761
- Interest External Investments – Parent	R (16,554)
- Interest External Investments - Entity	R 18,783
<b>Total</b>	<b><u>R 45,990</u></b>

Projected revenue not being realisable due to the Traffic Management System not being in place, low investment balances and envisaged donations not materialising

3. Other Revenue (Increase):

- Fines – Illegal Connections electricity	R 3,300
- Law Enforcement (Planning Directorate)	R 8,500
<b>Total</b>	<b><u>R 11,800</u></b>

4. Transfers & Subsidies (Roll overs): Appropriation of approved roll-overs from the 2016/17 Budget cycle:

- Integrated Public Transport	R 22,228
- USDG	R 82,229
- Municipal Demarcation Grant	R 5,000
- ICDC	R 4,858
<b>Total</b>	<b>R 114,315</b>

5. Transfers & Subsidies (Others):

- EPWP	R 3,293
- Provincial Human Settlement Grant	R 1,595
- Telkom – Wi-Fi Connectivity	R 4,133
- City of Ghent	R 0,482
<b>Total</b>	<b>R 9,503</b>

#### **2.2.1. Revenue by Vote**

The revenue budget of the following departments and municipal entity has been increased / (reduced) (Table B3):

<b>Revenue Vote</b>	<b>R'000</b>
Corporate Services	1,500
Social Services	(24,920)
Executive Mayor	0,482
Water	(47,005)
Waste and Fleet Management	-
Miscellaneous Services	127,904
Centlec	(34,671)
<b>TOTAL</b>	<b>23,290</b>

The details of the total Adjustment Budget Revenue by Vote are as follows:

#### **2.2.2. Revenue by Source**

The adjustment on the revenue is mainly as a result of:

<b>National and Provincial Government</b>	<b>R'000</b>
DPLG Sustainable Settlement Grant	1,596
Municipal Demarcation Grant	5,000
Urban Settlement and Development Grant	82,229
Public Transport Infrastructure & Systems Grant	
- Capital Grant	22,229
EPWP Incentive Grant	3,293
Housing Accreditation Subsidy	
Integrated City Development Grant	4,858
Dept Telecommunication & Postal Services	4,133
<b>Total- National and Provincial Government</b>	<b>123,338</b>

#### **2.3. Operating Expenditure**

The Operating Expenditure budget is being decreased R 17,342 million to an adjustment budget amount of R 6,130 billion for the 2017/18 budget year.

### **2.3.1. Expenditure by Vote (Table B3)**

The table below provide a summary of the proposed adjustment budget per vote:

Directorate/Municipal Entity	<b>Adjustment R'000</b>
City Manager	(4,476)
Executive Mayor	4,028
Corporate services	7,362
Social Services	18,780
Human Settlement	(9,193)
Engineering Services	(40,792)
Water	3,029
Waste and Fleet Management	8,208
Centlec	(15,313)
Strategic Projects & Service Delivery	(13,284)
Naledi/Soutpan Regional Management	5,005
Finance	24,415
Planning	(12,145)
Economic & Rural Development	4,367
<b>TOTAL</b>	<b>(17,341)</b>

### **2.3.2. Expenditure by Type**

The adjustment on the Expenditure:

1. Salaries & Wages: An upward adjustment of R 147,022 million, mainly due to the R 2,500.00 salary adjustment granted to employees, which were not provided for in the budget, including parity adjustment for the former Naledi and Soutpan employees. The funding source was mainly transfers from the budget of contracted services and operational costs.
2. Contracted Services: The reduction in contracted services of R 133,212 million was used mainly to fund the salary and wages adjustment.
3. Operational Costs: The reduction in operational costs of R 25,833 million was used mainly to fund the salary and wages adjustment.
4. Transfers & Subsidies: An upward adjustment of R 6,901 million is mainly due to appropriation of the Municipal demarcation Grant of R 5 million approved roll-over amount of the 2016/17 budget year. Including additional appropriation of R 1,901 million grant to bailout FRESCHO made during the year.
5. Transfers & Subsidies: A downward adjustment of R 4,796 million was taken away from allocations planned for sporting bodies to cover operating expenditure.

### **3. Adjustment to Measurable Performance Objectives**

Supporting Table SB3 - Consolidated Adjustments to SDBIP - performance objectives.

The table on Measurable Performance Objectives says to outline how the municipality intends to manage and monitor service delivery progress against identified strategic objectives and priorities by the respective directorates



Description	Unit of measurement	Original Budget A	Prior Adjusted A1	Accum. Funds B	Multi-year capital C	Unfore. Unavail. D	Nat. or Prov. Govt E	Other Adjusts. F	Total Adjusts. G	Adjusted Budget H	Budget Year 2017/18	Budget Year 2018/19 +1	Adjusted Budget
<b>Vote 5 - Social Services</b>		2									-	-	-
Social Development											10	10	10
Environmental Health											-	-	-
Ensure food safety											-	-	-
Libraries	Number of food premises inspections conducted.	10 250											
Promote literacy in communities (libraries)	Number of outreach programme conducted	400											
HIV and AIDS	Conduct training courses	12											
Prevent New Infections													
<b>Emergency Services</b>													
Fire Services											-	-	-
<i>Delivery of Operational Fire and Rescue Services in the Ensuring compliance with statutory</i>	Number of fire and rescue	7.5 out of 10 75%									0	0	0
	Number of inspections at	90									2	2	2
	Number of inspections at	250									-	-	-
	Number of inspections at	1800											
Parks & Cemeteries													
Parks	progress report and	1.5km roads											
Naisview	completion certificates	500m of stormwater											
Zoo	Nr of Parks Developed	1											
Relocation of the Zoo	Relocation	Establishment of a											
Public Safety													
Traffic													
Improve Revenue collection													
Law Enforcement Measures	Payment of traffic fines	20 000											
Law Enforcement Measures	Nr of Notices issued for	120 000											
Disaster Management	Street Cleaning operations conducted	15											
Effective and efficient dispatching of emergency resources to fire and rescue calls													
Attendance of Joint Operations Centre at public events at	Logged fire and rescue calls	8 out of 10											

Description	Unit of measurement	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavail.	Net. or Prov.	Other Adjusts.	Total Adjusts.	Budget Year 2017/18		Budget Year +1 2018/19 Adjusted Budget					
										A	A1	C	D	E	F	G	H
Vote 6 - Planning	JOC attendance at public	80%															
Town Planning																	
TOWNSHIP ESTABLISHMENT BOTSHABELO	Progress on Township Establishment																
TOWNSHIP ESTABLISHMENT THABA NCHU	Progress on Township Establishment																
TOWNSHIP ESTABLISHMENT BFN SOUTH MATLHARANTHEG	Progress on Township Establishment																
TOWNSHIP ESTABLISHMENT BFN SOUTH LOURIERPARK	Progress on Township Establishment																
LAND SURVEYING PROCESS OF MATHLARANTHEG COMPLETED	Progress on Township Establishment																
REPEGGING OF QIBING (WEPENER)	Progress on Township Establishment																
LAND SURVEYING OF RATAU (PEGGING ONLY)	Progress on Township Establishment																
LAND SURVEYING OF BRANDKOP COMPLETED	Progress on Township Establishment																
LAND SURVEYING OF CECILIA PARK COMPLETED	Progress on Township Establishment																
LAND SURVEYING OF BOTSHABELO WEST	Progress on Township Establishment																
LAND SURVEYING OF AIRPORT NODE COMPLETED	Progress on Township Establishment																
LAND SURVEYING OF AIRPORT NODE COMPLETED	Progress on Township Establishment																
APPROVAL OF EA	Progress on Township Establishment																
LAND SURVEYING OF GRASSLANDS PHASE 4 COMPLETED (KAYELETHA)	Progress on Township Establishment																
LAND SURVEYING OF BLOEMSIDE PHASE 7 COMPLETED	Progress on Township Establishment																
LAND SURVEYING OF HEIDEDAL EXT 30, 31, 32 COMPLETED	Progress on Township Establishment																
GIS	Progress on Township Establishment																
ESTABLISHMENT OF GIS SYSTEM - IMPLEMENTING USER REQUIREMENT ANALYSIS PLAN	100% Development of Property Database																
Environmental Management	Incorporation of Spanish Engineering Services Pte Ltd GIS																
STATE OF ENVIRONMENTAL REPORT (SOER)	40.0%																
ENVIRONMENTAL MANAGEMENT FRAMEWORK (EMF)	Milestones completed																
ENVIRONMENTAL IMPLEMENTATION AND MANAGEMENT PLAN (EIMP)	Milestones completed																

Description	Unit of measurement	Original Budget A	Prior Adjusted A1	Accum. Fund# B	Multi-year capital C	Unifrom. Unavail. D	Net. or Prov. Govt E	Other Adjustm. F	Total Adjustm. G	Adjusted Budget H	Budget Year +1 2018/19
											Adj. Budget
<b>Vote 7 - Human Settlements</b>	Milestones completed	100.0%									
Accreditation to Implement National Housing											
Housing											
Accreditation to Implement National Housing	Milestones completed										
Upgrading of Informal Settlements	Milestones completed										
Upgrading of Informal Settlements	100%										
Accelerate Development of 7 land parcels	Milestones completed										
Accelerate Development of 7 land parcels	4 informal										
<b>Vote 8 - Economic &amp; Rural Development</b>	Milestones completed										
Tourism											
Funicular Naval Hill											
Rural Development	Progress of construction Work										
Agri park											
Agri village	Operation of the agri-park in Thaba Nchu										
SMME Development											
Hawking stalls - Botshabelo CBD Construction of Phase 1 and 2	Develop the agri-village for agro entrepreneurs										
Hawking stalls - Thaba Nchu CBD Design											
Implementation	Completion of project										
Design	100% completion of design										
Implementation	Implementation of Project										
Marketing and Investment Promotion											
Special Economic Zones											

Description	Unit of measurement	Original Budget	Prior Adjusted	Accum. Funds	Multiyear capital	Unfore. Unavail.	Nat. or Prov. Govt.	Other Adjusts.	Total Adjust.	Budget Year 2017/18		Budget Year FY 2018/19 Adjusted Budget
										A	A <sub>1</sub>	
<b>Vote 9 - Engineering Services</b>												
<b>Roads and Stormwater</b>												
<b>Roads</b>												
Kilometres of Gravel Roads <del>Unsurfaced &amp; Paved</del>	Length of Road (km)											
Kilometres of Gravel Roads <del>Heavy Rehabilitation</del>	Length of Private Road	13.0										
Kilometres of roads resurfaced	Length of Public Road	4.7										
Stormwater	Length of Private Road	1.0										
Kilometres of Stormwater drainage installed	Length of Stormwater (km)	3.0										
Vote 10 - Water Services												
Water	Number	1100										
Provision of water contractions	Number											
Sanitation	Number	6 000										
Provider of waterborne sewer connections	Number											
Waste & Fleet Management												
Solid Waste Management												
Accelerate Waste Removal												
Landfill sites Management	No of households that have no or informal settlements that 100% informel	217 711										
Ensure & waste management literate community in Permitted Landfill sites comply with regulation	No of permitted landfills											
Promote a clean environment	No of education and extension of two % completion of two % completion of the extension at Wrightbridge office 100%, completed											
Promote reuse, recycling and recovery of wastes	No of clean up campaigns (illegal dumps) conducted											
Compliance and Law enforcement	% completion of the Theba Nchu transfer station waste drop off areas at the transfer station											
Vote 14 - Strategic Project & Service Delivery	No of compliance notices regarding waste management by law issued											
Regulations												
<b>City Service and Monitoring</b>												
Regional Centres												
Service regulatory, monitoring and evaluation	Number of M&E Reports submitted to Council	4										
Customer Relations Management	% improved on service	80.0%										
Strategic Projects												
Overall coordination of the Projects Development Services												
Project Implementation												
Overseeing the implementation of multi-disciplined projects	% of capital projects	05.0%										

Description	Unit of measurement	Original Budget A	Prior Adjusted A1	Accum. Funds B	Multi-year capita C	Unfore- seen D	Net. or Prov. Govt E	Other Adjusts. F	Total Adjusts. G	Adjusted Budget H	Budget Year 2017/18	Budget Year 2016/17
											+/- 2016/17	Adjusted Budget
<b>MAN Mangaung - Entities measurable performance objectives</b>												
CENTLEC	Unit of measurement	Original Budget										
100% Progress on establishment of 132/11KV 30MVA Cecilia Distribution Centre by 30 June 2016	Quarterly progress report and proof of payments	Project commissioned										
Establish 132/11KV Groenvlei Distribution centre	Quarterly progress report and proof of payments	Project commissioned										
100% progress on establishment of 132/11KV Elite Sub-Station (Airport Node) by 30 June 2016	Quarterly progress report and proof of payments.	50% work to be completed										
100% progress on establishment of 132/11KV Richardpark Distribution Centre by 30 June 2016	Quarterly progress report and proof of payments.	Project commissioned										
Establishment of New 132/11KV Distribution Centre Maphikela	Quarterly progress report and proof of payments	30% work to be completed										
Installation of 300 smart streetlights in the area of MMM annually	Certificate of completion	300 installations										
100% on establishment of 132KV Northern Ring from Noordstad to Havard DC (Ward 44) by 30 June 2016	Quarterly progress report and proof of payments	Phase 2 - 20% work to be completed										
100% progress on establishment of Bolishabelo 132/11KV Distribution Centre in ward 27 by 30 June 2016	Quarterly progress report and proof of payments	40% work to be completed										
100% progress on establishment of Bolishabelo 132 connection point at Vaalkraal DC in ward 30 by 30 June 2016.	Quarterly progress report and proof of payments	40% work to be completed										
28 erected and commissioned high mast lights within Mangaung by 30 June 2016	Certificate of completion	Erection of 30 high mast lights by 30 June 2016										