

MID-YEAR ADJUSTMENTS BUDGET – FEBRUARY 2025**File No. /s:** 3/2/2/24**Responsible Official:** A Crotz**Directorate:** Financial Services**Portfolio:** Financial Services**1. Purpose**

This serves to submit an adjustments budget for the 2024/25 financial year:

- Adjust revenue and expenditure projections after the half yearly performance (section 72 report);
- Adjust the capital program to provide for amendments to current projects, new projects to be implemented and to remove / postpone projects that will not be implemented in the 2024/25 financial year.
- Include approved unspent conditional grants of 2023/24 financial year from National and / or Provincial Government.

2. Background:

In terms of the MFMA (Section 28) the approved budget may be revised through an adjustments budget.

A. Section 28(2) further provides that; An Adjustments budget -

- Must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the year;
- May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmed already budgeted for;
- May, within the prescribed framework, authorize unforeseen and unavoidable expenditure recommended by the Mayor;
- May authorize the utilization of projected savings in one vote towards spending under another vote;
- May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have

been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;

- May correct any errors in the annual budget, and
- May provide for any other expenditure within a prescribed framework.

Municipal Budget and Reporting Regulations further provides that;

B. Timeframes for tabling of adjustments budgets

- An adjustments budget referred to in section 28(2)(b), (d) and (f) of the Act may be tabled in the Municipal Council at any time after the mid-year budget and performance assessment has been tabled in the council, but not later than 28 February of the current year;
- Only one adjustments budget referred to in sub regulations (1) may be tabled in the municipal council during a financial year, except when the additional revenues contemplated in section 28(2)(b) of the Act are allocations to a Municipality in a National or Provincial adjustments budget, in which case sub regulation (3) applies. If a National or provincial adjustments budgets allocates or transfer additional revenue to a Municipality, the Mayor of the Municipality must, at the next available council meeting, but within 60 days of the approval of the relevant National or Provincial adjustments budget, table an adjustments budget referred to in section 28(2) (b) of the Act in the Municipal council to appropriate these additional.

3. Financial Implications:

Financial implications are contained in the detail in this report.

4. Applicable Legislation / Council Policy:

- The MFMA Section 28, 30 and 16(3)
- Municipal Budget and Reporting Regulations
- Council Budget related Policies

ADJUSTMENTS BUDGET - SCHEDULE B REPORT 27 FEBRUARY 2025



BREED VALLEY
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

Adjustments Budget of the Municipality

Prepared in terms of Section 28 of the Local Government:
Municipal Finance Management Act (56/2003) and
Municipal Budget and Reporting Regulations

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SECTION A – Part 1

1. Glossary

Adjustments Budgets – Prescribed in section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short-term investments.

DORA – Division of Revenue Act. The annual piece of legislation that indicate the allocations from National Government to Local Government.

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

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognized classification system that facilitates comparisons between municipalities.

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

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

LM – Breede Valley Municipality.

MFMA - 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 as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property.

TMA – Total Municipal Account

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

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

Vote – One of the main segments into which a budget is divided, usually at department level.

Abbreviations and Acronyms

AMR	Automated Meter Reading
ASGISA	Accelerated and Shared Growth Initiative
BPC	Budget Planning Committee
CBD	Central Business District
CFO	Chief Financial Officer
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DBSA	Development Bank of South Africa
DoRA	Division of Revenue Act
DWA	Department of Water Affairs
EE	Employment Equity
EEDSM	Energy Efficiency Demand Side Management
EM	Executive Mayor
FBS	Free basic services
GAMAP	Generally Accepted Municipal Accounting Practice
GDP	Gross domestic product
GDS	Gauteng Growth and Development Strategy
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
HR	Human Resources
HSRC	Human Science Research Council
IDP	Integrated Development Strategy
IT	Information Technology
kℓ	kilolitre
km	kilometre
KPA	Key Performance Area
KPI	Key Performance Indicator
kWh	kilowatt-hour
ℓ	litre
LED	Local Economic Development
MEC	Member of the Executive Committee
MFMA	Municipal Financial Management Act

MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTEF	Medium-term Expenditure Framework
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator South Africa
NGO	Non-Governmental organisations
NKPIs	National Key Performance Indicators
OHS	Occupational Health and Safety
OP	Operational Plan
PBO	Public Benefit Organisations
PHC	Provincial Health Care
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
PTIS	Public Transport Infrastructure System
RG	Restructuring Grant
RSC	Regional Services Council
SALGA	South African Local Government Association
SAPS	South African Police Service
SDBIP	Service Delivery Budget Implementation Plan
SMME	Small Micro and Medium Enterprises

2. Mayors Report

The Breede Valley Municipality remains committed to the cause of bringing respectable services to all households. We as a municipality acknowledge the fact that households are faced with numerous difficulties, ranging from social to economic challenges.

We view our role in addressing all challenges faced by communities as integral to ultimately improve quality of life and will therefor continue to play part in creating a conducive environment for job creation and social upliftment. It should be noted heart that not all plans made will be completed within the timeframes, but we as a municipality remain committed in ensuring that all projects commenced are completed.

This adjustments budget serves the purpose of reflecting on the past six months of the 2024/25 financial year, and to address the areas within the budget that is not performing as planned and to cater for new projects. In addition, this adjustments budget will also approve unspent conditional grant funds of previous financial year that have since been approved by the National and Provincial government.

We as a municipality will continuously strive to successfully implement all projects, especially the projects funded from external sources such as grants. These projects add great value given the challenging economic environment faced by municipalities to ultimately deliver better services within the Breede Valley Municipality.

Breede Valley municipality has made significant progress in fighting service delivery backlogs, but also acknowledges that there is still a lot to be done. We will continue with the good work and improve wherever improvement is needed to ensure that this municipality improve on the quality of life for the people within Breede Valley municipal area.

3. Resolutions

That council approves the following:

- (a) To approve the adjustments budget as tabled in terms of section 28 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003).
- (b) The recommendations regarding resolutions are contained at the end of this report and have been prepared and presented according to the budget regulations.

4. Executive Summary

The Mid-year Adjustments Budget serves to address any budget amendments that require the approval of council. These amendments are imperative to service delivery to allow for unforeseen challenges to be attended to enable accelerated implementation plans.

The current economic climate of the Breede Valley Municipal area forced the municipality to relook at resource allocation to promote the optimal utilization of available resources in a prudent and financially viable manner. This is necessary to ensure continued service delivery in a financial sustainable manner.

The Mid-year Adjustments Budget includes provincial rollovers from the 2023/24 financial year amounting to the following per grant:

Approved Roll-overs (Operating)

- Municipal Accreditation and Capacity Building Grant: R75 680.00 (rollover)
- Community Development Workers (CDW) Operational Support Grant: R62 822.00 (rollover)
- Municipal Service Delivery and Capacity Building Grant: R226 578.00 (rollover)

Approved Roll-overs (Capital)

- Provincial Contribution Towards the Acceleration of Housing Delivery: R4 254 592.00 (rollover)
- Community Library Service Grant R887 890.00 (rollover)

- Fire Service Capacity Building Grant: R1 103 000.00 (rollover)
- Regional Socio-Economic Project (RSEP): R1 061 700.00 (rollover)

Additional / Amendment Funding (Operating and Capital)

- Human Settlement Development Grant (Beneficiaries): R826 000.00 amendment to operational budget funding in line with grant requirements.
- Financial Assistance to Municipalities for Maintenance and Construction of Transport Infrastructure: R10 000.00 additional funding.
- Human Settlement Development Grant (Beneficiaries): R20 174 000.00 additional funding.
- CWDM Capital Projects: R500 000.00 additional funding.
- Regional Socio-Economic Project (RSEP): R1 030 000.00 moved from operational budget to capital budget.

5. Adjustments Budget Tables – refer to Annexure A

B1 Consolidated Adjustments Budget Summary

The table is a budget summary and provides a concise overview of Breede Valley Municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.

B2 Consolidated Adjustments Budget Financial Performance by Standard Classification

Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The GFS standard classification divides the municipal services into 15 functional areas.

Total Revenue on this table includes capital revenues (Transfers recognized – capital) and so does not balance to the operating revenue shown on Table B4.

B3 Consolidated Adjustments Budget Financial Performance By Municipal Vote

Table B3 above is a view 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 vote structure of Breede Valley Municipality. This means it is possible to present the operating surplus or deficit of a vote.

B4 Consolidated Adjustments Budget Financial Performance (Revenue and Expenditure)

Table B4 above is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

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

B5 Consolidated Adjustments Budget Capital Expenditure Vote and Funding

Table B5 is 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.

B6 Consolidated Adjustments Budget Financial Position

Table B6 is consistent with international standards of good financial management practice and assist stakeholders in understanding 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 GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group

illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

B7 Consolidated Adjustments 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.

B8 Consolidated Cash Backed Reserves/Accumulated Surplus Reconciliation

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of 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 year end and secondly reconciling the available funding to the liabilities/commitments that exist.

B9 Consolidated Asset Management

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

B10 Consolidated Basic Service Delivery Measurement

Table B10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services

SECTION A – Part 2

- **Adjustments to Budget Inputs and assumptions**

The 2024/25 Adjustments Budget was compiled in line with Chapter 4 Municipal Finance Management Act and Chapter 2 Part 4 of the Municipal Budget and Reporting Regulations.

The 2024/25 Adjustments Budget remain consistent with the Long-Term Financial Plan to ensure continued synergy between long term planning and implementation planning.

Revenue and Expenditure (operational and capital) projections to be revised in line with current and anticipated performance for the current year.

Addition of approved rollover grant allocations from the 2023/24 financial year.

Adjustments to general expenditure to curb and eliminate non-priority spending.

1. Operational Revenue

Operational revenue and amendments made with the Adjustments Budget is informed by the performance trends over the past six months.

WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 27/02/2025												
Description	Ref	Budget Year 2024/25									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	+1 2025/26	+2 2026/27
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue												
Exchange Revenue												
Service charges - Electricity	2	612 204	612 204	-	-	-	-	11 618	11 618	623 822	691 791	781 723
Service charges - Water	2	115 599	115 599	-	-	-	-	1 666	1 666	117 264	121 379	127 448
Service charges - Waste Water Management	2	92 642	92 642	-	-	-	-	8 899	8 899	101 541	97 274	102 137
Service charges - Waste Management	2	50 190	50 190	-	-	-	-	6 310	6 310	56 500	52 700	55 334
Sale of Goods and Rendering of Services		6 164	6 164	-	-	-	-	(423)	(423)	5 741	6 450	6 607
Agency services		9 391	9 391	-	-	-	-	-	-	9 391	9 823	10 275
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		16 030	16 030	-	-	-	-	-	-	16 030	16 768	17 540
Interest earned from Current and Non Current Assets		19 522	19 522	-	-	-	-	-	-	19 522	20 420	21 360
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		9 109	9 109	-	-	-	-	-	-	9 109	9 529	9 970
Licence and permits		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		7 700	7 700	-	-	-	-	(786)	(786)	6 914	8 056	8 118
Non-Exchange Revenue												
Property rates		200 977	200 977	-	-	-	-	6 491	6 491	207 468	211 026	221 577
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		253 897	253 897	-	-	-	-	(11 000)	(11 000)	242 897	265 831	278 059
Licences or permits		4 468	4 468	-	-	-	-	(983)	(983)	3 485	4 674	4 889
Transfer and subsidies - Operational		198 836	200 424	-	-	-	(4 280)	-	(4 280)	196 144	214 057	218 563
Interest		3 643	3 643	-	-	-	-	-	-	3 643	3 811	3 986
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		7 763	7 763	-	-	-	-	170	170	7 932	8 120	8 494
Gains on disposal of Assets		1 555	1 555	-	-	-	-	-	-	1 555	1 627	1 702
Other Gains		(0)	(0)	-	-	-	-	-	-	(0)	(1)	(1)
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		1 609 689	1 611 277	-	-	-	(4 280)	21 961	17 681	1 628 958	1 743 332	1 877 780
Expenditure By Type												
Employee related costs		456 828	456 178	-	-	-	-	(14 193)	(14 193)	441 985	477 894	499 931
Remuneration of councillors		21 757	21 757	-	-	-	-	-	-	21 757	22 760	23 809
Bulk purchases - electricity		487 184	487 184	-	-	-	-	35 000	35 000	522 184	563 611	652 034
Inventory consumed		46 872	47 461	-	-	-	56	(122)	(67)	47 394	49 011	51 279
Debt impairment		220 011	220 011	-	-	-	-	(98 500)	(98 500)	121 511	230 351	240 948
Depreciation and amortisation		105 208	105 208	-	-	-	-	-	-	105 208	110 079	115 174
Interest		39 842	39 842	-	-	-	-	-	-	39 842	41 676	43 594
Contracted services		127 393	126 407	-	-	-	(3 610)	646	(2 964)	123 442	135 101	133 588
Transfers and subsidies		7 711	8 548	-	-	-	(896)	158	(738)	7 810	7 855	4 868
Irrecoverable debts written off		19	19	-	-	-	-	87 500	87 500	87 519	20	21
Operational costs		100 614	99 766	-	-	-	171	3 350	3 521	103 287	104 959	109 220
Losses on disposal of Assets		4 125	4 125	-	-	-	-	-	-	4 125	4 320	4 523
Other Losses		67	67	-	-	-	-	-	-	67	70	74
Total Expenditure		1 617 631	1 616 572	-	-	-	(4 280)	13 839	9 559	1 626 131	1 747 707	1 879 062
Surplus/(Deficit)		(7 942)	(5 295)	-	-	-	8 122	8 122	2 827	(4 375)	(1 281)	(1 281)
Transfers and subsidies - capital (monetary allocations)		54 410	54 323	-	-	-	29 837	-	29 837	84 160	61 040	62 514
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		46 468	49 028	-	-	-	29 837	8 122	37 960	86 988	56 665	61 233
Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		46 468	49 028	-	-	-	29 837	8 122	37 960	86 988	56 665	61 233
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		46 468	49 028	-	-	-	29 837	8 122	37 960	86 988	56 665	61 233
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		46 468	49 028	-	-	-	29 837	8 122	37 960	86 988	56 665	61 233

EXCHANGE REVENUE

Service Charges – Electricity: Electricity revenue is anticipated to be greater than the Original Budget allocation. Therefore, amendments have been affected during the Adjustments Budget process to align the budget with the revenue trends. The YTD performance will be positively impacted when the revenue of June 2024 is incorporated once the billing run for the first month in the new financial year is performed, and revenue relating to June 2025 is recorded. The billing reflected in the monthly reporting does not include all services consumed in the reported month, as the billing relates mainly to the prior month.

Service Charges – Water, Sanitation and Refuse – Water revenue, Wastewater Management revenue and Waste Management revenue are performing above initial projections and is adjusted accordingly to accommodate for the newly anticipated revenue for the 2024/25 financial year. Similarly, to electricity revenue, water revenue

will also be positively affected by year-end journals recognizing revenue billed in the first billing cycle of the new financial year (2025/26). Further, water revenue is also expected to grow positively taking into consideration the seasonal trends that has been observed historically.

Sale of Goods and Rendering of Services: The budget is adjusted downwards in line with current performance and anticipated revenue generation for the remainder of the financial year.

Operational Revenue: Revenue from this source was adjusted downwards within line with YTD performance and anticipated revenue as at the end of the 2024/25 financial year.

NON-EXCHANGE REVENUE

Property Rates: Revenue from Property Rates is anticipated to perform better than the Original Budget allocation. Therefore, amendments have been affected during the Adjustments Budget process to accommodate for the increased revenue.

Transfers and Subsidies – Operational: The amendment noted under this revenue source relates to the incorporation of grant revenue in the form of rollovers from the previous financial year, and additional / amendments in the allocation to the municipality.

Fines, Penalties and Forfeits: Fines revenue is adjusted downwards during this budget process to gradually align revenue and write-off in line with realistic expectations given current and prior performance on this revenue source.

Transfers and Subsidies: The amendments on this revenue source based on the various amendments to conditional allocations in terms of rollovers and re-allocation of grant funding from the operational to capital budget, in line with the relevant grant conditions.

Operational Revenue: The amendment noted here relates to the availability charges correction performed.

2. Operational Expenditure

Operational revenue and amendments made with the Adjustments Budget is informed by the performance trends over the past six months.

WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 27/02/2025												
Description	Ref	Budget Year 2024/25									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 2025/26 Adjusted Budget	+2 2026/27 Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
Revenue												
Exchange Revenue												
Service charges - Electricity	2	612 204	612 204	—	—	—	—	11 618	11 618	623 822	691 791	781 723
Service charges - Water	2	115 599	115 599	—	—	—	—	1 666	1 666	117 264	121 379	127 448
Service charges - Waste Water Management	2	92 642	92 642	—	—	—	—	8 899	8 899	101 541	97 274	102 137
Service charges - Waste Management	2	50 190	50 190	—	—	—	—	6 310	6 310	56 500	52 700	55 334
Sale of Goods and Rendering of Services		6 164	6 164	—	—	—	—	(423)	(423)	5 741	6 450	6 607
Agency services		9 391	9 391	—	—	—	—	—	—	9 391	9 823	10 275
Interest		—	—	—	—	—	—	—	—	—	—	—
Interest earned from Receivables		16 030	16 030	—	—	—	—	—	—	16 030	16 768	17 540
Interest earned from Current and Non Current Assets		19 522	19 522	—	—	—	—	—	—	19 522	20 420	21 360
Dividends		—	—	—	—	—	—	—	—	—	—	—
Rent on Land		—	—	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets		9 109	9 109	—	—	—	—	—	—	9 109	9 529	9 970
Licence and permits		—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		7 700	7 700	—	—	—	—	(786)	(786)	6 914	8 056	8 118
Non-Exchange Revenue												
Property rates		200 977	200 977	—	—	—	—	6 491	6 491	207 468	211 026	221 577
Surcharges and Taxes		—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		253 897	253 897	—	—	—	—	(11 000)	(11 000)	242 897	265 831	278 059
Licences or permits		4 468	4 468	—	—	—	—	(983)	(983)	3 485	4 674	4 889
Transfer and subsidies - Operational		198 836	200 424	—	—	—	(4 280)	—	(4 280)	196 144	214 057	218 563
Interest		3 643	3 643	—	—	—	—	—	—	3 643	3 811	3 986
Fuel Levy		—	—	—	—	—	—	—	—	—	—	—
Operational Revenue		7 763	7 763	—	—	—	—	170	170	7 932	8 120	8 494
Gains on disposal of Assets		1 555	1 555	—	—	—	—	—	—	1 555	1 627	1 702
Other Gains		(0)	(0)	—	—	—	—	—	—	(0)	(1)	(1)
Discontinued Operations		—	—	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and)		1 609 689	1 611 277	—	—	—	(4 280)	21 961	17 681	1 628 958	1 743 332	1 877 780
Expenditure By Type												
Employee related costs		456 828	456 178	—	—	—	—	(14 193)	(14 193)	441 985	477 894	499 931
Remuneration of councillors		21 757	21 757	—	—	—	—	—	—	21 757	22 760	23 809
Bulk purchases - electricity		487 184	487 184	—	—	—	—	35 000	35 000	522 184	563 611	652 034
Inventory consumed		46 872	47 461	—	—	—	56	(122)	(67)	47 394	49 011	51 279
Debt impairment		220 011	220 011	—	—	—	—	(98 500)	(98 500)	121 511	230 351	240 948
Depreciation and amortisation		105 208	105 208	—	—	—	—	—	—	105 208	110 079	115 174
Interest		39 842	39 842	—	—	—	—	—	—	39 842	41 676	43 594
Contracted services		127 393	126 407	—	—	—	(3 610)	646	(2 964)	123 442	135 101	133 588
Transfers and subsidies		7 711	8 548	—	—	—	(896)	158	(738)	7 810	7 855	4 868
Irrecoverable debts written off		19	19	—	—	—	—	87 500	87 500	87 519	20	21
Operational costs		100 614	99 766	—	—	—	171	3 350	3 521	103 287	104 959	109 220
Losses on disposal of Assets		4 125	4 125	—	—	—	—	—	—	4 125	4 320	4 523
Other Losses		67	67	—	—	—	—	—	—	67	70	74
Total Expenditure		1 617 631	1 616 572	—	—	—	(4 280)	13 839	9 559	1 626 131	1 747 707	1 879 062
Surplus/(Deficit)		(7 942)	(5 295)	—	—	—	—	8 122	8 122	2 827	(4 375)	(1 281)
Transfers and subsidies - capital (monetary allocations)		54 410	54 323	—	—	—	29 837	—	29 837	84 160	61 040	62 514
Transfers and subsidies - capital (in-kind)		—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		46 468	49 028	—	—	—	29 837	8 122	37 960	86 988	56 665	61 233
Income Tax		—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		46 468	49 028	—	—	—	29 837	8 122	37 960	86 988	56 665	61 233
Share of Surplus/Deficit attributable to Joint Venture		—	—	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities		—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		46 468	49 028	—	—	—	29 837	8 122	37 960	86 988	56 665	61 233
Share of Surplus/Deficit attributable to Associate		—	—	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		—	—	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		46 468	49 028	—	—	—	29 837	8 122	37 960	86 988	56 665	61 233

Employee Related Cost – The decrease noted in employee related costs is mainly due to savings realized on the filling of vacancies. The municipality budget for the full 12 months period per position, whereas vacancies are filled throughout the financial year. Some of these savings have been used to finance other operational expenditures and bulk purchases (electricity).

Contracted Services, Inventory Consumed, Operational Costs and Transfers and Subsidies – Amendments relate to operational grant expenditure and minor other amendments.

Capital Expenditure

Amendments to the capital budget:

Detailed Capital Budget

The table below outlines all amendments from the Original Budget to the Total Funded Budget (Adjustments Budget).

CRR:	Capital Replacement Reserve
IF:	Insurance Fund
EFF:	External Finance Fund / External Loans
CPLIB:	Provincial Conditional Grant: Libraries
CPRSE:	Provincial Conditional Grant: Regional Socio-economic Project
CPHSD:	Provincial Conditional Grant: Housing
CPFSCB:	Provincial Conditional Grant: Fire Services
CNMIG:	National Conditional Grant: Municipal Infrastructure Grant
CNINE:	National Conditional Grant: Integrated National Electrification Program

Description	Finance Source	Finance Code	Final Budget 2024/25	Roll overs from 2023/24	Virements	Other Adjustments/ Additional funding	Adjustments Feb 2025	Total Funded budget 2024/25
<u>Engineering Services and Planning, Development and Integrated Services</u>								
<u>Not Allocated to Wards</u>								
<u>Stettynskloof Water Supply (Worcester/Rawsonville)</u>								
Increase dam Level (Stettynskloof Dam)	1,1	EFF	10 000 000					10 000 000
<u>Rawsonville WwTW</u>								
Rawsonville WwTW: Extension of WwTW (0,24 MI/day)	1,1	EFF		2 384 711				2 384 711

<u>Klipvlakte/ Transhex Residential Development (13 000 erven)</u>								
Transhex : Electrical Reticulation	8,2	CNINE	14 620 000					14 620 000
<u>Upgrading of Sewer Network</u>								
Upgrading of Sewer Network: CRR	3,0	CRR	3 000 000		-2 000 000			1 000 000
Upgrading of Sewer Network: External Loan	1,1			137 794				137 794
<u>Touws River: Waste Water Treatment Works (WwTW) Augmentation</u>								
Augmentation Touwsriver WWTW (MIG)	8,0	CNMIG	25 565 791		-15 751 701	-87 000	-3 466 617	6 260 473
Augmentation Touwsriver WWTW (External Loans)	1,1	EFF	10 629 200				-10 629 200	
Augmentation Touwsriver WWTW (CRR)	3,2	CRR		4 340 894			-4 340 894	
Augmentation Touwsriver WWTW	6,5	CPHSD					4 254 592	4 254 592
Augmentation Touwsriver WWTW	6,5	CPHSD					20 000 000	20 000 000
<u>Touws River : Housing Projects</u>								
Touwsriver Housing Projects	6,5	CPHSD					1 000 000	1 000 000
<u>Resealing of Municipal Roads - Worcester</u>								
Resealing of Municipal Roads - Worcester: CRR	3,2	CRR	1 000 000					1 000 000
<u>Upgrading of Roads</u>								
Upgrading of Roads: (Ward 1, 2, 3, 4, 16, 17 and 18)	3,0	CRR	2 750 000					2 750 000
<u>Networks</u>								
Pipe cracking (all wards)	3,0	CRR	3 000 000					3 000 000
<u>Electricity (8112)</u>								
Refurbishment of Touwsriver & De Doorns Substation and Safeguarding	1,1	EFF	8 000 000					8 000 000
Refurbishment of electrical system	3,0	CRR		2 487 162				2 487 162
Refurbishment of electrical system	1,1	EFF			730 000			730 000
Robertson Road Substation	1,1	EFF	14 377 173	1 186 201	-730 000		-4 500 000	10 333 374
Roux Park capacity/equipment upgrade	1,1	EFF	3 200 000				-3 190 000	10 000
Office and Storage Space Upgrade	3,0	CRR					150 000	150 000
66KV Ripple Control	1,1	EFF	500 000				-500 000	
Supply and Installation of Load Shedding Solution and Solar PV	3,0	CRR	4 200 000		-4 200 000			

Refurbishment of electrical system (NERSA)								
Electricity - Machinery and Equipment	3,0	CRR	100 000		300 000			400 000
Ward Priorities								
Speed Humps	3,0	CRR	500 000		-47 552			452 448
Fencing of Substations	3,0	CRR	600 000		-300 000			300 000
Playparks	3,0	CRR	500 000	516 751				1 016 751
Playparks	6,4	RSEP					2 091 700	2 091 700
Ward 1								
Upgrading Gravel Roads	3,2	CRR	5 272 516				-3 976 828	1 295 688
Upgrading Gravel Roads	8,0	CNMIG	5 210 542		12 120 797		1	17 331 340
Ward 7								
Upgrading of Gravel Roads (Smith str.)	3,0	CRR	1 401 750	1 382 016				2 783 766
Ward 8								
Upgrading of Gravel Roads - Industrial Area	3,0	CRR	5 935 250	7 260 038				13 195 288
Upgrading of Gravel Roads	3,2	CRR		4 550 902				4 550 902
High Mast Light Makoala Park - Ward 8	3,0	CRR	798 000					798 000
Ward 10								
Reseal of Roads - Ward 10	3,0	CRR	500 000					500 000
Playparks - Ward 10	3,0			120 000				120 000
Ward 11								
Reseal of Roads - Ward 11	3,0	CRR	500 000					500 000
Upgrading of Gravel Road (Arries Street, Yssel to Sampson)	3,0	CRR		800 000				800 000
Ward 12								
Reseal of Municipal Roads - Ward 12	3,0	CRR	2 000 000					2 000 000
Ward 13								
Reseal of Municipal Roads - Ward 13	3,0	CRR	500 000					500 000
Ward 14								
Building of Roads - Ward 14 (Kroon Street)	3,0	CRR	250 000	200 000				450 000

Ward 15								
Reseal of Municipal Roads - Ward 15	3,0	CRR	2 000 000					2 000 000
Ward 20	-							
High Mast Light - Ward 20	3,0	CRR	700 000					700 000
Ward 21	-							
Upgrading of gravel roads	3,2	CRR	6 326 701				-3 466 616	2 860 085
Upgrading of gravel roads	8,0	CNMIG	7 060 893				3 466 616	10 527 509
SERVICE CONNECTIONS (Depending on Public Contr)								
Sewer Connections	3,3	CRR	1 120 000					1 120 000
Electricity Connections	3,3	CRR	1 000 000					1 000 000
Water Connections	3,3	CRR	1 219 200					1 219 200
Water and Waste Water Treatment Works								
WWTW and WTW Generators	3,0	CRR	800 000		-800 000			
Fencing and safeguarding of WTW and WWTW pumpstations	3,0	CRR	1 000 000		-1 000 000			
WWTW Pump station upgrading and refurbishment	1,1	EFF	2 000 000	484 867				2 484 867
WWTW Pump station upgrading and refurbishment	3,0	CRR			3 800 000			3 800 000
Parks and Cemeteries								
Parks - Machinery and Equipment	3,0	CRR	100 000				130 000	230 000
Fencing of Cemeteries - De Wet Str.	3,0	CRR	237 500					237 500
Water and Sewerage								
Water: Upgrading of Offices (Fairbairn Street)	3,0	CRR	250 000	187 037				437 037
Water - Machinery and Equipment	3,0	CRR	300 000					300 000
SOLID WASTE MANAGEMENT								
Wheeliebins	3,0	CRR	1 000 000				400 000	1 400 000
ROADS AND STORMWATER								
Roads - Machinery and Equipment	3,0	CRR	300 000					300 000
Roads - Machinery and Equipment	5,1	District Municipality					500 000	500 000
Land Infill Developments								
Avian Park Industrial - Water	3,0	CRR	50 000					50 000
Avian Park Industrial - Sewer	3,1	CRR	50 000					50 000

Avian Park Industrial - Stormwater	3,0	CRR	50 000					50 000
Avian Park Industrial - Electricity	3,1	CRR	50 000					50 000
Avian Park Industrial - Electricity	1,1	EFF		990 000				990 000
Avian Park Industrial - Sewer Pumpstation	1,1	EFF		9 976 733				9 976 733
Uitvlug Industrial Zone - Water	3,0	CRR	100 000					100 000
Uitvlug Industrial Zone - Sewer	3,0	CRR	100 000					100 000
Uitvlug Industrial Zone - Electricity	3,0	CRR	100 000					100 000
Uitvlug Industrial Zone - Roads	3,0	CRR	100 000					100 000
Uitvlug Industrial Zone - Stormwater	3,0	CRR	100 000		47 552			147 552
<u>Municipal Manager</u>								
<u>Admin -0603</u>								
MM: Furniture and Equipment	3,0	CRR	5 000					5 000
<u>Community Services</u>								
<u>ADMIN - 0903</u>								
CS Admin: Furniture & Equipment	4,0	CRR	5 000		-661	130 000		134 339
<u>HUMAN SETTLEMENTS</u>								
Rental Unit Upgrade	3,0	CRR	6 000 000				-4 600 000	1 400 000
<u>COMMUNITY DEVELOPMENT</u>								
Youth Café - Furniture and Office Equipment	3,0	CRR	100 000					100 000
Airconditioners	3,0	CRR	50 000					50 000
<u>NEKKIES</u>								
UPGRADE OF RECEPTION OFFICE	3,0	CRR	200 000					200 000
<u>DE LA BAT SWIMMING POOL</u>								
FENCING AROUND PUMPING ROOM	3,0	CRR	90 000		40 000			130 000
<u>Bowling Green</u>								
Bowling Green - Renewal of Roof	3,0	CRR	250 000					250 000
<u>TOUWSRIVER STADION</u>								
1X Walk Behind vibrating Roller	3,0	CRR	300 000		-40 000			260 000

DE DOORNS WEST SPORTGROUND								
De Doorns West SG - Fencing	3,0	CRR						
FANIE OTTO SPORTGROUND								
Upgrading of Fanie Otto Sportground	8,0	CNMIG	1 952 774					1 952 774
Upgrading of Fanie Otto Sportground	3,2	CRR	425 600					425 600
RAWSONVILLE SPORTGROUND								
Upgrading of Rawsonville Sportground	3,2	CRR	1 574 400					1 574 400
Upgrading of Rawsonville Sportground	8,0	CNMIG			3 630 904			3 630 904
SPORT: Esselen Park								
Replacement of fence perimeter	3,0	CRR	9 150 000	912 524				10 062 524
WATERLOO LIBRARY - 4506								
Modular Library (Overhex)	6,1	PAWC: Libraries					887 890	887 890
Air conditioners - variety of libraries	3,0	CRR	500 000					500 000
Furniture and Office equipment	3,0	CRR	150 000					150 000
TRAFFIC								
Buildings								
Machinery and Equipment	3,0	CRR / Own Funding					40 000	40 000
FIRE DEPARTMENT: ADMIN - 4203								
Major Fire Engine (Pumper)	3,0	CRR	7 000 000		-4 700 000		-2 300 000	
Equipment for Fire Engine	3,0	CRR	1 500 000				-1 500 000	
Fire Services - Machinery and Equipment	3,0	CRR	40 000		218 661		32 000	290 661
4x4 veld and bush Fire Engine with tank and pump	3,0	CRR	850 000					850 000
4x4 veld and bush Fire Engine with tank and pump	6,6	CPFSCB					1 103 000	1 103 000
Zwelethemba Fire Station - Fence	3,0	CRR	240 000					240 000
Worcester Fire Station Carport	3,0	CRR	250 000		-250 000		250 000	250 000
Touwsrivier Fire Station - Fence	3,0	CRR	150 000					150 000
FINANCIAL SERVICES								
Admin								
Furniture and Equipment	4,0	CRR	5 000		50 000			55 000

<u>Financial Planning</u>								
Safeguarding of Assets	5,0	IF	400 000	170 000				570 000
FS FP - Insurance claims : Other Assets	5,0	IF	400 000					400 000
FS FP - Insurance claims : Mach & Equipment	5,0	IF	500 000					500 000
FS FP - Insurance claims : Comp Equipment	5,0	IF	100 000					100 000
Municipal Vehicles - LDV's	3,0	CRR	500 000					500 000
Municipal Vehicles - Sedans	3,0	CRR	500 000		-500 000			
Municipal Vehicles - Specialized	3,0	CRR	1 000 000		9 400 000			10 400 000
<u>COUNCIL & MAYCO</u>								
<u>MAYORAL OFFICE - 0306</u>								
Furniture and Equipment	3,0	CRR	5 000					5 000
<u>STRATEGIC SUPPORT SERVICES</u>								
<u>STRATEGIC SUPPORT - ADMIN - 2103</u>								
SSS: Furniture and Equipment	4,0	CRR	5 000		25 000			30 000
<u>Local Economic Development</u>								
LED - Furniture and Office Equipment	4,0	CRR	5 000					5 000
<u>INFORMATION TECHNOLOGY</u>								
ICT - Computer Equipment	3,0	CRR	2 000 000		38 000			2 038 000
Fibre Links	3,0	CRR	10 000					10 000
Call Center & Telephone (PBX) System	3,0	CRR	50 000					50 000
Biometric system	3,0	CRR	150 000		-25 000			125 000

2. Adjustments to Budget Funding

Budget funding in terms of operating and capital expenditure is set out on tables B4 and B5.

3. Adjustments to Expenditure on Allocations and Grant

Detailed particulars of budgeted allocations and grants can be found on SB8.

4. Adjustment to Allocations or Grants made by the Municipality

None.

5. Adjustment to Councilor Allowances and Employees

The changes to councilor allowances and employee related cost is provided on table B4.

6. Adjustment to Service Delivery and Budget

The monthly targets for revenue, expenditure and cash flows are provided in B10 - Section B Supporting Tables.

7. Adjustment to Capital Spending Detail

Information/detail regarding capital projects by vote is provided in Section B – Capital Budget, read with B5, B5B, SB16, SB17, SB18a, SB18b, SB18e and SB19.

8. Other Supporting Documents

- National treasury electronic revised budget report, SB1-SB19 as **Annexure A**
- Signed quality certificate as **Annexure B**

Comment of Directorates / Departments concerned:

Municipal Manager:	Recommendation Supported
Director: Financial Services:	Recommendation Supported

RECOMMENDATION:

**That in respect of Adjustments budget for the Financial Year 2024/25
discussed by council at the Council meeting held on 27 February 2025**

1. Council resolves that the budget of Breede Valley Municipality for the financial year 2024/25 be adjusted and approved with amendments as set out in the following Municipal Budget tables B1- B10 and Municipal Budget supporting documentation SB1 - SB19.