

6.1 ADDITIONAL ALLOCATIONS - ADJUSTMENTS BUDGET 2019/2020 29 OCTOBER 2019

The Executive Mayor tabled the Additional Allocations- Adjustments Budget 2019/2020 before Council for approval.

File No. /s: 3/2/2/15

Responsible Official: R Ontong

Directorate: Financial Services

Portfolio: Financial Services

1. Purpose:

To submit an Adjustments budget for the 2019/2020 financial year as a result of additional allocations from Provincial Government during the 2019/20 financial year.

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 adjustment budgets

- An adjustment 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 adjustment 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 adjustment budget 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 adjustment budget, table an adjustment 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:

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

ADJUSTMENTS BUDGET SCHEDULE B REPORT 2019/20



BREED VALLEY

MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

29 OCTOBER 2019

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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 recognised 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 allocations made to the Breede Valley Municipality were amended in the Provincial Gazette Extraordinary, 8152, Thursday 26 September 2019. This Provincial Notice had an impact on the Western Cape Financial Management Support Grant allocation with an combined upward adjustment of R800 000.00.

All conditional grants / funds allocated and transferred to the Breede Valley Municipality has specific conditions in terms of the timeframes and the type of spending to be incurred by the municipality during the 2019/20 financial year.

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.

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 with regard to resolutions are contained at the end of this report and have been prepared and presented according to the budget regulations.

4. Executive Summary

The 2019/20 budget of Breede Valley Municipality is adjusted to accommodate the amendments as per Provincial Gazette Extraordinary, 8152, Thursday 26 September 2019 from Provincial Government.

The additional allocations relate to the following grants:

NAME OF GRANT	R '000
Western Cape Financial Management Support Grant Implementation of Revenue Enhancement Strategy	800

The 2019/20 Adjustments Budget was compiled in accordance with section 28 of the Municipal Finance Management Act and regulation 23 of the Municipal Budget and Reporting Regulations.

In compiling the 2019/2020 Adjustments Budget, the importance of credibility, sustainability, responsiveness and affordability remains integral in striving to achieve the desired outcome of effective and efficient service delivery.

1. Adjustments Budget Tables – refer to Annexure A

B1 Consolidated Adjustments Budget Summary

WC025 Breede Valley - Table B1 Adjustments Budget Summary - 29 October 2019

Description	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	139 998	139 998	–	–	–	–	–	–	139 998	148 398	157 302
Service charges	603 781	603 781	–	–	–	–	–	–	603 781	639 516	673 461
Investment revenue	11 854	11 854	–	–	–	–	–	–	11 854	12 518	13 269
Transfers recognised - operational	259 006	259 006	–	–	–	800	–	800	259 806	256 290	237 607
Other own revenue	161 121	161 121	–	–	–	–	–	–	161 121	161 471	168 571
Total Revenue (excluding capital transfers and contributions)	1 175 760	1 175 760	–	–	–	800	–	800	1 176 560	1 218 193	1 250 210
Employee costs	336 104	336 104	–	–	–	–	–	–	336 104	365 646	397 413
Remuneration of councillors	18 780	18 780	–	–	–	–	–	–	18 780	20 095	21 502
Depreciation & asset impairment	91 139	91 139	–	–	–	–	–	–	91 139	96 242	102 017
Finance charges	23 654	23 654	–	–	–	–	–	–	23 654	22 833	24 203
Materials and bulk purchases	321 263	321 734	–	–	–	–	–	–	321 734	339 323	359 793
Transfers and grants	125 484	129 397	–	–	–	–	–	–	129 397	118 395	89 483
Other expenditure	255 482	251 097	–	–	–	800	–	800	251 897	259 589	269 650
Total Expenditure	1 171 905	1 171 905	–	–	–	800	–	800	1 172 705	1 222 122	1 264 060
Surplus/(Deficit)	3 855	3 855	–	–	–	–	–	–	3 855	(3 929)	(13 851)
Transfers recognised - capital	110 102	110 102	–	–	–	–	–	–	110 102	75 230	56 787
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	113 957	113 957	–	–	–	–	–	–	113 957	71 301	42 936
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	113 957	113 957	–	–	–	–	–	–	113 957	71 301	42 936
Capital expenditure & funds sources											
Capital expenditure											
Transfers recognised - capital	191 723	203 973	–	–	–	–	–	–	203 973	136 731	109 334
Borrowing	–	162	–	–	–	–	–	–	162	–	–
Internally generated funds	81 621	93 710	–	–	–	–	–	–	93 710	61 501	52 547
Total sources of capital funds	191 723	203 973	–	–	–	–	–	–	203 973	136 731	109 334
Financial position											
Total current assets	347 239	347 239	–	–	–	–	–	–	347 239	388 317	435 886
Total non current assets	2 382 017	2 394 268	–	–	–	–	–	–	2 394 268	2 422 117	2 429 085
Total current liabilities	120 863	120 863	–	–	–	–	–	–	120 863	128 085	135 798
Total non current liabilities	428 590	428 590	–	–	–	–	–	–	428 590	419 886	409 900
Community wealth/Equity	2 179 803	2 192 054	–	–	–	–	–	–	2 192 054	2 262 463	2 319 272
Cash flows											
Net cash from (used) operating	195 970	195 970	–	–	–	–	–	–	195 970	159 129	138 039
Net cash from (used) investing	(191 673)	(203 923)	–	–	–	–	–	–	(203 923)	(136 681)	(109 284)
Net cash from (used) financing	(10 360)	(10 360)	–	–	–	–	–	–	(10 360)	(11 602)	(12 941)
Cash/cash equivalents at the year end	114 388	91 553	–	–	–	–	–	–	91 553	125 234	141 048
Cash backing/surplus reconciliation											
Cash and investments available	114 388	114 388	–	–	–	–	–	–	114 388	125 234	141 048
Application of cash and investments	(69 605)	(69 605)	–	–	–	–	(53 865)	(53 865)	(123 470)	(75 477)	(105 260)
Balance - surplus (shortfall)	183 993	183 993	–	–	–	–	53 865	53 865	237 858	200 711	246 308
Asset Management											
Asset register summary (WDV)	2 378 135	2 390 386	–	–	–	–	–	–	2 390 386	2 418 624	2 425 941
Depreciation & asset impairment	91 139	91 139	–	–	–	–	–	–	91 139	96 242	102 017
Renewal and Upgrading of Existing Assets	34 997	43 926	–	–	–	–	–	–	43 926	37 637	34 252
Repairs and Maintenance	59 124	58 146	–	–	–	–	–	–	58 146	62 281	65 074
Free services											
Cost of Free Basic Services provided	48 036	48 036	–	–	–	–	–	–	48 036	50 344	52 790
Revenue cost of free services provided	44 328	44 328	–	–	–	–	–	–	44 328	46 593	48 994
Households below minimum service level											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–	–

The table above 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

WC025 Breede Valley - Table B2 Adjustments Budget Financial Performance (functional classification) - 29 October 2019

Standard Description	Ref	Budget Year 2019/20										Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget	
R thousands	1, 4	A	A1	B	C	D	E	F	G	H			
Revenue - Functional													
<i>Governance and administration</i>		202 484	202 984	-	-	-	800	-	800	203 784	213 198	225 764	
Executive and council		147	647	-	-	-	-	-	-	647	1 055	164	
Finance and administration		202 337	202 337	-	-	-	800	-	800	203 137	212 144	225 600	
Internal audit		-	-	-	-	-	-	-	-	-	-	-	
<i>Community and public safety</i>		169 899	169 899	-	-	-	-	-	-	169 899	159 358	133 382	
Community and social services		11 585	11 585	-	-	-	-	-	-	11 585	11 744	12 508	
Sport and recreation		11 374	11 374	-	-	-	-	-	-	11 374	6 012	6 388	
Public safety		1 577	1 577	-	-	-	-	-	-	1 577	1 754	1 873	
Housing		145 363	145 363	-	-	-	-	-	-	145 363	139 847	112 612	
Health		-	-	-	-	-	-	-	-	-	-	-	
<i>Economic and environmental services</i>		153 865	153 865	-	-	-	-	-	-	153 865	137 189	136 462	
Planning and development		6 823	6 823	-	-	-	-	-	-	6 823	1 679	1 780	
Road transport		144 780	144 780	-	-	-	-	-	-	144 780	135 510	134 682	
Environmental protection		2 262	2 262	-	-	-	-	-	-	2 262	-	-	
<i>Trading services</i>		759 614	759 114	-	-	-	-	-	-	759 114	783 678	811 388	
Energy sources		437 077	437 077	-	-	-	-	-	-	437 077	465 633	491 393	
Water management		122 146	122 146	-	-	-	-	-	-	122 146	119 753	121 195	
Waste water management		134 983	134 483	-	-	-	-	-	-	134 483	138 059	134 557	
Waste management		65 408	65 408	-	-	-	-	-	-	65 408	60 233	64 244	
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-	
Total Revenue - Functional	2	1 285 862	1 285 862	-	-	-	800	-	800	1 286 662	1 293 423	1 306 997	
Expenditure - Functional													
<i>Governance and administration</i>		226 021	226 021	-	-	-	800	-	800	226 821	236 662	251 267	
Executive and council		35 162	35 162	-	-	-	-	-	-	35 162	38 476	40 160	
Finance and administration		186 804	186 804	-	-	-	800	-	800	187 604	193 850	206 470	
Internal audit		4 055	4 055	-	-	-	-	-	-	4 055	4 336	4 637	
<i>Community and public safety</i>		227 544	227 544	-	-	-	-	-	-	227 544	227 342	207 069	
Community and social services		24 705	24 705	-	-	-	-	-	-	24 705	26 148	28 042	
Sport and recreation		29 926	29 926	-	-	-	-	-	-	29 926	32 212	35 551	
Public safety		31 462	31 462	-	-	-	-	-	-	31 462	33 607	35 925	
Housing		141 345	141 345	-	-	-	-	-	-	141 345	135 262	107 433	
Health		106	106	-	-	-	-	-	-	106	112	119	
<i>Economic and environmental services</i>		173 603	173 603	-	-	-	-	-	-	173 603	177 821	184 524	
Planning and development		15 789	15 789	-	-	-	-	-	-	15 789	16 873	18 033	
Road transport		154 155	154 155	-	-	-	-	-	-	154 155	159 461	164 906	
Environmental protection		3 658	3 658	-	-	-	-	-	-	3 658	1 487	1 585	
<i>Trading services</i>		543 855	543 855	-	-	-	-	-	-	543 855	579 362	620 209	
Energy sources		373 300	373 300	-	-	-	-	-	-	373 300	396 262	422 447	
Water management		61 945	61 945	-	-	-	-	-	-	61 945	66 632	72 723	
Waste water management		61 754	61 754	-	-	-	-	-	-	61 754	65 587	70 282	
Waste management		46 856	46 856	-	-	-	-	-	-	46 856	50 882	54 757	
<i>Other</i>		882	882	-	-	-	-	-	-	882	935	991	
Total Expenditure - Functional	3	1 171 905	1 171 905	-	-	-	800	-	800	1 172 705	1 222 122	1 264 060	
Surplus/ (Deficit) for the year		113 957	113 957	-	-	-	-	-	-	113 957	71 301	42 936	

Table B2 above 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

WC025 Breede Valley - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 29 October 2019

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Council General		147	147	—	—	—	—	—	—	147	155	164
Vote 2 - Municipal Manager		7 103	7 103	—	—	—	—	—	—	7 103	1 820	975
Vote 3 - Strategic Support Services		1 896	1 896	—	—	—	—	—	—	1 896	384	407
Vote 4 - Financial Services		195 104	195 104	—	—	—	800	—	800	195 904	207 176	220 335
Vote 5 - Community Services		298 864	298 864	—	—	—	—	—	—	298 864	287 864	267 010
Vote 6 - Technical Services		782 748	782 748	—	—	—	—	—	—	782 748	796 024	818 106
Vote 7 -		—	—	—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—	—
Total Revenue by Vote	2	1 285 862	1 285 862	—	—	—	800	—	800	1 286 662	1 293 423	1 306 997
Expenditure by Vote	1											
Vote 1 - Council General		31 992	31 992	—	—	—	—	—	—	31 992	34 185	36 534
Vote 2 - Municipal Manager		10 657	10 707	—	—	—	—	—	—	10 707	12 293	12 181
Vote 3 - Strategic Support Services		59 013	59 013	—	—	—	—	—	—	59 013	62 916	67 088
Vote 4 - Financial Services		89 078	89 027	—	—	—	800	—	800	89 827	93 041	99 037
Vote 5 - Community Services		334 757	334 757	—	—	—	—	—	—	334 757	332 951	313 518
Vote 6 - Technical Services		646 409	646 409	—	—	—	—	—	—	646 409	686 736	735 702
Vote 7 -		—	—	—	—	—	—	—	—	—	—	—
Vote 8 - [NAME OF VOTE 8]		—	—	—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—	—
Total Expenditure by Vote	2	1 171 905	1 171 905	—	—	—	800	—	800	1 172 705	1 222 122	1 264 060
Surplus/ (Deficit) for the year	2	113 957	113 957	—	—	—	—	—	—	113 957	71 301	42 936

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 organizational structure 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)

WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 29 October 2019

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Property rates	2	139 998	139 998	–	–	–	–	–	–	139 998	148 398	157 302
Service charges - electricity revenue	2	418 573	418 573	–	–	–	–	–	–	418 573	442 605	464 735
Service charges - water revenue	2	72 274	72 274	–	–	–	–	–	–	72 274	76 610	81 207
Service charges - sanitation revenue	2	72 847	72 847	–	–	–	–	–	–	72 847	77 969	82 647
Service charges - refuse revenue	2	40 088	40 088	–	–	–	–	–	–	40 088	42 332	44 872
Rental of facilities and equipment		10 589	10 589	–	–	–	–	–	–	10 589	9 036	9 578
Interest earned - external investments		11 854	11 854	–	–	–	–	–	–	11 854	12 518	13 269
Interest earned - outstanding debtrs		6 158	6 158	–	–	–	–	–	–	6 158	6 528	6 920
Dividends received		–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		118 474	118 474	–	–	–	–	–	–	118 474	118 556	123 081
Licences and permits		3 616	3 616	–	–	–	–	–	–	3 616	3 818	4 047
Agency services		8 230	8 230	–	–	–	–	–	–	8 230	8 690	9 212
Transfers and subsidies		259 006	259 006	–	–	–	800	–	800	259 806	256 290	237 607
Other revenue	2	12 798	12 798	–	–	–	–	–	–	12 798	13 515	14 326
Gains on disposal of PPE		1 257	1 257	–	–	–	–	–	–	1 257	1 327	1 407
Total Revenue (excluding capital transfers and contributions)		1 175 760	1 175 760	–	–	–	800	–	800	1 176 560	1 218 193	1 250 210
Expenditure By Type												
Employee related costs		336 104	336 104	–	–	–	–	–	–	336 104	365 646	397 413
Remuneration of councillors		18 780	18 780	–	–	–	–	–	–	18 780	20 095	21 502
Debt impairment		98 058	98 058	–	–	–	–	–	–	98 058	99 280	100 663
Depreciation & asset impairment		91 139	91 139	–	–	–	–	–	–	91 139	96 242	102 017
Finance charges		23 654	23 654	–	–	–	–	–	–	23 654	22 833	24 203
Bulk purchases		296 838	296 838	–	–	–	–	–	–	296 838	314 048	332 891
Other materials		24 425	24 896	–	–	–	–	–	–	24 896	25 276	26 902
Contracted services		82 705	81 736	–	–	–	800	–	800	82 536	81 135	85 019
Transfers and subsidies		125 484	129 397	–	–	–	–	–	–	129 397	118 395	89 483
Other expenditure		71 229	67 815	–	–	–	–	–	–	67 815	75 489	80 063
Loss on disposal of PPE		3 489	3 489	–	–	–	–	–	–	3 489	3 684	3 905
Total Expenditure		1 171 905	1 171 905	–	–	–	800	–	800	1 172 705	1 222 122	1 264 060
Surplus/(Deficit)		3 855	3 855	–	–	–	–	–	–	3 855	(3 929)	(13 851)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		110 102	110 102	–	–	–	–	–	–	110 102	75 230	56 787
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation		113 957	113 957	–	–	–	–	–	–	113 957	71 301	42 936
Taxation		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		113 957	113 957	–	–	–	–	–	–	113 957	71 301	42 936
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		113 957	113 957	–	–	–	–	–	–	113 957	71 301	42 936
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		113 957	113 957	–	–	–	–	–	–	113 957	71 301	42 936

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

B5 Consolidated Adjustments Budget Capital Expenditure Vote and Funding

WC025 Breede Valley - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 29 October 2019

Description		Ref	Budget Year 2019/20								Budget Year +1 2020/21	Budget Year +2 2021/22
			Original Budget A	Prior Adjusted 5 A1	Accum. Funds 6 B	Multi-year capital 7 C	Unfore. Unavoid. 8 D	Nat. or Prov. Govt 9 E	Other Adjusts. 10 F	Total Adjusts. 11 G	Adjusted Budget 12 H	Adjusted Budget
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted												
Vote 1 - Council General												
Vote 2 - Municipal Manager												
Vote 3 - Strategic Support Services												
Vote 4 - Financial Services												
Vote 5 - Community Services												
Vote 6 - Technical Services												
Vote 7 -												
Vote 8 - [NAME OF VOTE 8]												
Vote 9 - [NAME OF VOTE 9]												
Vote 10 - [NAME OF VOTE 10]												
Vote 11 - [NAME OF VOTE 11]												
Vote 12 - [NAME OF VOTE 12]												
Vote 13 - [NAME OF VOTE 13]												
Vote 14 - [NAME OF VOTE 14]												
Vote 15 - [NAME OF VOTE 15]												
Capital multi-year expenditure sub-total												
Single-year expenditure to be adjusted												
Vote 1 - Council General												
Vote 2 - Municipal Manager												
Vote 3 - Strategic Support Services												
Vote 4 - Financial Services												
Vote 5 - Community Services												
Vote 6 - Technical Services												
Vote 7 -												
Vote 8 - [NAME OF VOTE 8]												
Vote 9 - [NAME OF VOTE 9]												
Vote 10 - [NAME OF VOTE 10]												
Vote 11 - [NAME OF VOTE 11]												
Vote 12 - [NAME OF VOTE 12]												
Vote 13 - [NAME OF VOTE 13]												
Vote 14 - [NAME OF VOTE 14]												
Vote 15 - [NAME OF VOTE 15]												
Capital single-year expenditure sub-total												
Total Capital Expenditure - Vote												
Capital Expenditure - Functional												
Governance and administration												
Executive and council												
Finance and administration												
Internal audit												
Community and public safety												
Community and social services												
Sport and recreation												
Public safety												
Housing												
Health												
Economic and environmental services												
Planning and development												
Road transport												
Environmental protection												
Trading services												
Energy sources												
Water management												
Waste water management												
Waste management												
Other												
Total Capital Expenditure - Functional												
Funded by:												
National Government												
Provincial Government												
District Municipality												
Other transfers and grants												
Transfers recognised - capital												
Borrowing												
Internally generated funds												
Total Capital Funding												

Table B5 is a breakdown of the capital programmed 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

WC025 Breede Valley - Table B6 Adjustments Budget Financial Position - 29 October 2019

WC025 Breede valley - Table B6 Adjustments Budget Financial Position - 29 October 2019												
Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
ASSETS												
Current assets												
Cash		74 388	74 388	–	–	–	–	–	–	74 388	85 234	101 048
Call investment deposits	1	40 000	40 000	–	–	–	–	–	–	40 000	40 000	40 000
Consumer debtors	1	150 394	150 394	–	–	–	–	–	–	150 394	176 396	203 698
Other debtors		66 081	66 081	–	–	–	–	–	–	66 081	69 385	72 854
Current portion of long-term receivables		524	524	–	–	–	–	–	–	524	498	473
Inventory		15 853	15 853	–	–	–	–	–	–	15 853	16 804	17 812
Total current assets		347 239	347 239	–	–	–	–	–	–	347 239	388 317	435 886
Non current assets												
Long-term receivables		3 882	3 882	–	–	–	–	–	–	3 882	3 493	3 144
Investments		–	–	–	–	–	–	–	–	–	–	–
Investment property		21 786	21 786	–	–	–	–	–	–	21 786	21 786	21 786
Investment in Associate		–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	1	2 349 185	2 361 435	–	–	–	–	–	–	2 361 435	2 390 250	2 398 179
Biological		–	–	–	–	–	–	–	–	–	–	–
Intangible		7 165	7 165	–	–	–	–	–	–	7 165	6 588	5 976
Other non-current assets		–	–	–	–	–	–	–	–	–	–	–
Total non current assets		2 382 017	2 394 268	–	–	–	–	–	–	2 394 268	2 422 117	2 429 085
TOTAL ASSETS		2 729 256	2 741 507	–	–	–	–	–	–	2 741 507	2 810 434	2 864 971
LIABILITIES												
Current liabilities												
Bank overdraft		–	–	–	–	–	–	–	–	–	–	–
Borrowing		11 702	11 702	–	–	–	–	–	–	11 702	13 041	14 536
Consumer deposits		4 147	4 147	–	–	–	–	–	–	4 147	4 396	4 659
Trade and other payables		68 373	68 373	–	–	–	–	–	–	68 373	72 175	76 206
Provisions		36 642	36 642	–	–	–	–	–	–	36 642	38 474	40 398
Total current liabilities		120 863	120 863	–	–	–	–	–	–	120 863	128 085	135 798
Non current liabilities												
Borrowing	1	192 179	192 179	–	–	–	–	–	–	192 179	179 139	164 603
Provisions	1	236 411	236 411	–	–	–	–	–	–	236 411	240 747	245 297
Total non current liabilities		428 590	428 590	–	–	–	–	–	–	428 590	419 886	409 900
TOTAL LIABILITIES		549 453	549 453	–	–	–	–	–	–	549 453	547 971	545 698
NET ASSETS	2	2 179 803	2 192 054	–	–	–	–	–	–	2 192 054	2 262 463	2 319 272
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		2 179 803	2 192 054	–	–	–	–	–	–	2 192 054	2 262 463	2 319 272
Reserves		–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY		2 179 803	2 192 054	–	–	–	–	–	–	2 192 054	2 262 463	2 319 272

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

WC025 Breede Valley - Table B7 Adjustments Budget Cash Flows - 29 October 2019

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		132 998	132 998	–	–	–	–	–	–	132 998	140 978	149 437
Service charges		596 038	596 038	–	–	–	–	–	–	596 038	631 273	664 723
Other revenue		62 863	62 863	–	–	–	–	–	–	62 863	62 754	67 810
Government - operating	1	259 006	259 006	–	–	–	800	–	800	259 806	256 290	237 607
Government - capital	1	110 102	110 102	–	–	–	–	–	–	110 102	75 230	56 787
Interest		18 012	18 012	–	–	–	–	–	–	18 012	19 046	20 188
Dividends		–	–	–	–	–	–	–	–	–	–	–
Payments												
Suppliers and employees		(833 571)	(829 657)	–	–	–	(800)	–	(800)	(830 457)	(885 372)	(947 695)
Finance charges		(23 996)	(23 996)	–	–	–	–	–	–	(23 996)	(22 676)	(21 336)
Transfers and Grants	1	(125 484)	(129 397)	–	–	–	–	–	–	(129 397)	(118 395)	(89 483)
NET CASH FROM/(USED) OPERATING ACTIVITIES		195 970	195 970	–	–	–	–	–	–	195 970	159 129	138 039
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–
Decrease (Increase) in non-current debtors		–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables		50	50	–	–	–	–	–	–	50	50	50
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–	–
Payments												
Capital assets		(191 723)	(203 973)	–	–	–	–	–	–	(203 973)	(136 731)	(109 334)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(191 673)	(203 923)	–	–	–	–	–	–	(203 923)	(136 681)	(109 284)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		50	50	–	–	–	–	–	–	50	100	100
Payments												
Repayment of borrowing		(10 410)	(10 410)	–	–	–	–	–	–	(10 410)	(11 702)	(13 041)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(10 360)	(10 360)	–	–	–	–	–	–	(10 360)	(11 602)	(12 941)
NET INCREASE/ (DECREASE) IN CASH HELD		(6 062)	(18 313)	–	–	–	–	–	–	(18 313)	10 846	15 814
Cash/cash equivalents at the year begin:	2	120 450	109 867	–	–	–	–	–	–	109 867	114 388	125 234
Cash/cash equivalents at the year end:	2	114 388	91 553	–	–	–	–	–	–	91 553	125 234	141 048

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

WC025 Breede Valley - Table B8 Cash backed reserves/accumulated surplus reconciliation - 29 October 2019

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	114 388	91 553	–	–	–	–	–	–	91 553	125 234	141 048
Other current investments > 90 days		–	22 834	–	–	–	–	–	–	22 834	0	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		114 388	114 388	–	–	–	–	–	–	114 388	125 234	141 048
Applications of cash and investments												
Unspent conditional transfers		5 000	5 000	–	–	–	–	–	–	5 000	5 000	5 000
Unspent borrowing		–	–	–	–	–	–	–	–	–	–	–
Statutory requirements		–	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	2	(128 470)	(128 470)	–	–	–	–	–	–	(128 470)	(151 034)	(174 570)
Other provisions		–	–	–	–	–	–	–	–	–	–	–
Long term investments committed		–	53 865	–	–	–	–	(53 865)	(53 865)	–	–	–
Reserves to be backed by cash/investments		53 865	–	–	–	–	–	–	–	53 865	70 557	64 311
Total Application of cash and investments:		(69 605)	(69 605)	–	–	–	–	(53 865)	(53 865)	(69 605)	(75 477)	(105 260)
Surplus(shortfall)		183 993	183 993	–	–	–	–	53 865	53 865	183 993	200 711	246 308

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 A9 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

WC025 Breede Valley - Table B10 Basic service delivery measurement - 29 October 2019

Description	Ref	Budget Year 2019/20									Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		19 372	19 372	-	-	-	-	-	-	19 372	19 372	19 372
Piped water inside yard (but not in dwelling)		3 879	3 879	-	-	-	-	-	-	3 879	3 879	3 879
Using public tap (at least min.service level)	2	6 949	6 949	-	-	-	-	-	-	6 949	6 949	6 949
Other water supply (at least min.service level)		-	-	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		30 200	30 200	-	-	-	-	-	-	30 200	30 200	30 200
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	30 200	30 200	-	-	-	-	-	-	30 200	30 200	30 200
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		18 555	18 555	-	-	-	-	-	-	18 555	18 555	18 555
Flush toilet (with septic tank)		2 687	2 687	-	-	-	-	-	-	2 687	2 687	2 687
Chemical toilet		4 263	4 263	-	-	-	-	-	-	4 263	4 263	4 263
Pit toilet (ventilated)		-	-	-	-	-	-	-	-	-	-	-
Other toilet provisions (> min.service level)		-	-	-	-	-	-	-	-	-	-	-
Minimum Service Level and Above sub-total		25 504	25 504	-	-	-	-	-	-	25 504	25 504	25 504
Bucket toilet		-	-	-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		-	-	-	-	-	-	-	-	-	-	-
No toilet provisions		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	25 504	25 504	-	-	-	-	-	-	25 504	25 504	25 504
Energy:												
Electricity (at least min. service level)		2 977	2 977	-	-	-	-	-	-	2 977	2 977	2 977
Electricity - prepaid (> min.service level)		21 150	21 150	-	-	-	-	-	-	21 150	21 150	21 170
Minimum Service Level and Above sub-total		24 127	24 127	-	-	-	-	-	-	24 127	24 137	24 147
Electricity (< min.service level)		-	-	-	-	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		-	-	-	-	-	-	-	-	-	-	-
Other energy sources		-	-	-	-	-	-	-	-	-	-	-
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	24 127	24 127	-	-	-	-	-	-	24 127	24 137	24 147
Refuse:												
Removed at least once a week (min.service)		48 995	48 995	-	-	-	-	-	-	48 995	48 995	48 995
Minimum Service Level and Above sub-total		48 995	48 995	-	-	-	-	-	-	48 995	48 995	48 995
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	48 995	48 995	-	-	-	-	-	-	48 995	48 995	48 995
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		8 025	8 025	-	-	-	-	-	-	8 025	8 025	8 025
Sanitation (free minimum level service)		8 025	8 025	-	-	-	-	-	-	8 025	8 025	8 025
Electricity/other energy (50kwh per household per month)		8 025	8 025	-	-	-	-	-	-	8 025	8 025	8 025
Refuse (removed at least once a week)		8 025	8 025	-	-	-	-	-	-	8 025	8 025	8 025
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per indigent household per month)		8 936	8 936	-	-	-	-	-	-	8 936	9 472	10 040
Sanitation (free sanitation service to indigent households)		16 120	16 120	-	-	-	-	-	-	16 120	17 088	18 113
Electricity/other energy (50kwh per indigent household per month)		4 522	4 522	-	-	-	-	-	-	4 522	4 793	5 081
Refuse (removed once a week for indigent households)		8 891	8 891	-	-	-	-	-	-	8 891	9 425	9 990
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		9 567	9 567	-	-	-	-	-	-	9 567	9 567	9 567
Total cost of FBS provided		48 036	48 036	-	-	-	-	-	-	48 036	50 344	52 790
Highest level of free service provided												
Property rates (R'000 value threshold)		150 000	150 000	-	-	-	-	-	-	150 000	150 000	150 000
Water (kilolitres per household per month)		10	10	-	-	-	-	-	-	10	10	10
Sanitation (kilolitres per household per month)		-	-	-	-	-	-	-	-	-	-	-
Sanitation (Rand per household per month)		260,87	260,87	-	-	-	-	-	-	261	260,87	260,87
Electricity (kw per household per month)		50	50	-	-	-	-	-	-	50	50	50
Refuse (average litres per week)		240	240	-	-	-	-	-	-	240	240	240
Revenue cost of free services provided (R'000)	17											
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		31 981	31 981	-	-	-	-	-	-	31 981	33 900	35 934
Water (in excess of 6 kilolitres per indigent household per month)		1 340	1 340	-	-	-	-	-	-	1 340	1 421	1 506
Sanitation (in excess of free sanitation service to indigent households)		2 418	2 418	-	-	-	-	-	-	2 418	2 563	2 717
Electricity/other energy (in excess of 50 kwh per indigent household per month)		678	678	-	-	-	-	-	-	678	719	762
Refuse (in excess of one removal a week for indigent households)		1 334	1 334	-	-	-	-	-	-	1 334	1 414	1 499
Municipal Housing - rental rebates		6 577	6 577	-	-	-	-	-	-	6 577	6 577	6 577
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	44 328	44 328	-	-	-	-	-	-	44 328	46 593	48 994

Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services

SECTION A – Part 2

1. Adjustments to Budget Inputs and assumptions

The 2019/2020 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 2019/20 Adjustments Budget remain consistent with the Long-Term Financial Plan to ensure continued synergy between long term planning and implementation planning.

The operational budget is adjusted upwards in order to accommodate the amendments to allocations mentioned in this report. Please refer to table B4 and SB8 for all related amendments

2. Adjustments to Budget Funding

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

3. Adjustments to Expenditure on Allocations and Grant

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

WC025 Breede Valley - Supporting Table SB8 Adjustments Budget - expenditure on transfers and grant programme - 29 October 2019

Description	Ref	Budget Year 2019/20							Budget Year +1 2020/21	Budget Year +2 2021/22
		Original Budget A	Prior Adjusted 2 A1	Multi-year capital 3 B	Nat. or Prov. Govt 4 C	Other Adjusts. 5 D	Total Adjusts. 6 E	Adjusted Budget 7 F	Adjusted Budget	Adjusted Budget
R thousands										
EXPENDITURE ON TRANSFERS AND GRANT PROGRAM:	1									
Operating expenditure of Transfers and Grants										
National Government:		122 712	122 712	–	–	–	–	122 712	129 141	139 749
Local Government Equitable Share		117 997	117 997	–	–	–	–	117 997	127 591	138 199
Local Government Financial Management Grant		1 500	1 500	–	–	–	–	1 500	1 550	1 550
Expanded Public Works Programme Integrated grant		3 215	3 215	–	–	–	–	3 215	–	–
Provincial Government:		134 032	134 032	–	800	–	800	134 832	127 149	97 858
Human Settlement development Grant		122 820	122 820	–	–	–	–	122 820	115 580	86 500
Fin. Assistance to Mun for Maintenance and contruction of transport infrastructure		146	146	–	–	–	–	146	167	167
Library Services: Conditional grant		9 738	9 738	–	–	–	–	9 738	10 027	10 578
Financial Management Support grant (FMSG)		280	280	–	800	–	800	1 080	–	–
Regional Socio-Economic Project		–	–	–	–	–	–	–	900	–
Thusong service centres grant		220	220	–	–	–	–	220	–	110
Financial Management Capacity Building Grant		380	380	–	–	–	–	380	–	–
Municipal Accreditation and Capacity Building Grant		448	448	–	–	–	–	448	475	503
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		2 262	2 262	–	–	–	–	2 262	–	–
Work for water		2 262	2 262	–	–	–	–	2 262	–	–
Total operating expenditure of Transfers and Grants:		259 006	259 006	–	800	–	800	259 806	256 290	237 607
Capital expenditure of Transfers and Grants										
National Government:		44 502	44 502	–	–	–	–	44 502	51 230	56 787
Municipal Infrastructure grant		34 452	34 452	–	–	–	–	34 452	36 230	38 787
Integrated National Electicfication Program		10 000	10 000	–	–	–	–	10 000	15 000	18 000
Finance Management Grant (FMG)		50	50	–	–	–	–	50	–	–
Provincial Government:		65 100	65 100	–	–	–	–	65 100	24 000	–
Human Settlement development Grant		60 000	60 000	–	–	–	–	60 000	24 000	–
Regional Socio-Economic Project		5 100	5 100	–	–	–	–	5 100	–	–
District Municipality:		500	500	–	–	–	–	500	–	–
CWDM Monetary Allocation		500	500	–	–	–	–	500	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		110 102	110 102	–	–	–	–	110 102	75 230	56 787
Total capital expenditure of Transfers and Grants		369 108	369 108	–	800	–	800	369 908	331 520	294 394

4. Adjustment to Allocations or Grants made by the Municipality

None.

5. Adjustment to Councillor Allowances and Employees

The changes to councillor 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**
- Provincial Gazette Extraordinary, 8152, Thursday 26 September 2019 as **Annexure C**

Comment of Directorates / Departments concerned:

Municipal Manager:	Recommendation Supported
Director: Strategic Support Services:	Recommendation Supported
Director: Financial Services:	Recommendation Supported
Director: Technical Services:	Recommendation Supported
Director: Community Services:	Recommendation Supported

RECOMMENDATION:

That in respect of

ADJUSTMENTS BUDGET FOR 2019/20 – OCTOBER 2019

Discussed by Council at the Council meeting held on 29 October 2019:

1. Council resolves that the Adjustment Budget of Breede Valley Municipality for the financial year 2019/20 be adjusted and approved with amendments as set out in the following;
 - a. Municipal Budget tables B1- B10
 - b. Municipal Budget supporting documentation SB1 - SB19

PROPOSED: ALDERMAN A. STEYN

SECONDED: CLLR J.F. VAN ZYL

Votes in favour of recommendation: 30

RESOLVED

C74/2019

That in respect of

ADJUSTMENTS BUDGET FOR 2019/20 – OCTOBER 2019

Discussed by Council at the Council meeting held on 29 October 2019:

- 1. Council resolves that the Adjustment Budget of Breede Valley Municipality for the financial year 2019/20 be adjusted and approved with amendments as set out in the following;**
 - a. Municipal Budget tables B1- B10**
 - b. Municipal Budget supporting documentation SB1 - SB19**

The Item stand over until the next Council Meeting.

To Action

R. Ontong