

## **7.2 2022/23 FINAL BUDGET MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK**

**File No. /s:** 3/2/2/22

**Responsible Official:** A Crotz

**Directorate:** Financial Services

**Portfolio:** Financial Services

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### **1. Purpose**

The purpose of this submission is to present the 2022/23 MTREF Final Budget.

### **2. Legal Framework**

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

16. (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
- (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
- (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

#### **Contents of annual budgets and supporting documents**

17. (1) An annual budget of a municipality must be a schedule in the prescribed format —
  - (a) setting out realistically anticipated revenue for the budget year from each revenue source;
  - (b) Appropriating expenditure for the budget year under the different votes of the municipality;
  - (c) Setting out indicative revenue per revenue source and projected expenditure by vote for the two financial years following the budget year;
  - (d) Setting out —
    - (i) Estimated revenue and expenditure by vote for the current year; and
    - (ii) Actual revenue and expenditure by vote for the financial year preceding the current year; and

(e) A statement containing any other information required by section 215(3) of the Constitution or as may be prescribed”

### **3. Financial Implications**

The financial implications of the 2022/23 MTREF Final Budget is captured in the Budget Report.

### **4. Annexures**

Municipal Budget and Reporting Regulations Schedule-A Budget tables **(Annexure A)**

Quality Certificate **(Annexure B)**

Revised Budget Related Policies **(Annexure C)**

- Credit Control and Debt Collection Policy
- Funding and Reserves Policy
- Insurance Management Policy
- Long Term Financial Plan Policy
- Property Rates Policy
- Tariff Policy
- Write-off Policy
- Asset Management Policy
- Borrowing Policy
- Budget Implementation and Management Policy
- Budget Virement Policy
- Costing Policy
- Supply Chain Management Policy
- Infrastructure Investment and Capital Projects Policy

Municipal Tariffs **(Annexure D)**

Municipal Finance Management Act Budget Circulars **(Annexure E)**

Demand Management Plan **(Annexure F)**

# **FINAL MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK 2022/2023 – 2024/2025**



**BREED VALLEY**  
MUNICIPALITY • MUNISIPALITEIT • UMASIPALA

**30 MAY 2022**

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## **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

## 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.

**mSCOA** – Municipal Standard Chart of Accounts

**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.

## **PART 1 – Annual Budget**

### **1. Mayor's 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 as integral in addressing these challenges to improve quality of life and will therefore continue to play our part by creating a conducive environment for job creation and social development in our community. It should be understood that not all plans will be completed within the timeframes due to various unforeseen challenges, but Breede Valley Municipality is committed in ensuring that all projects commenced are completed.

This budget serves the purpose of outlining future service delivery objectives by reflecting on the past financial years in planning for anticipated future developments / realizations. The current reality that we are facing has to date had devastating effects on our communities and those in surrounding municipalities through the loss income, work and lives. This COVID 19 Pandemic changed the way in which we conduct our daily lives and how we interact with each other, posing new and unprecedented challenges to us demanding solutions in order for us to survive and progress to our vision of a '*A unique and caring Valley of service excellence, opportunity and growth*'.

Breede Valley Municipality will continue to address service delivery backlogs and will prioritise where needed to ensure the most urgent matters are catered for. We will continue striving for improvement on all levels to ensure that this municipality better the quality of life for the people within Breede Valley municipal area.

## **2. Resolutions**

It is recommended to council that in respect of the 2022/23 MTREF, and outer financial years that council approves the 2022/23 MTREF budget in terms of section 24 of the Municipal Finance Management Act.

## **3. Executive Summary**

### **3.1 Legislative Background**

Section 16 of the Municipal Finance Management Act states:

“Annual budgets

16. (1) The council of a municipality must for each financial year approve an annual budget for the municipality before the start of that financial year.
- (2) In order for a municipality to comply with subsection (1), the mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.
- (3) Subsection (1) does not preclude the appropriation of money for capital expenditure for a period not exceeding three financial years, provided a separate appropriation is made for each of those financial years.

#### **Contents of annual budgets and supporting documents**

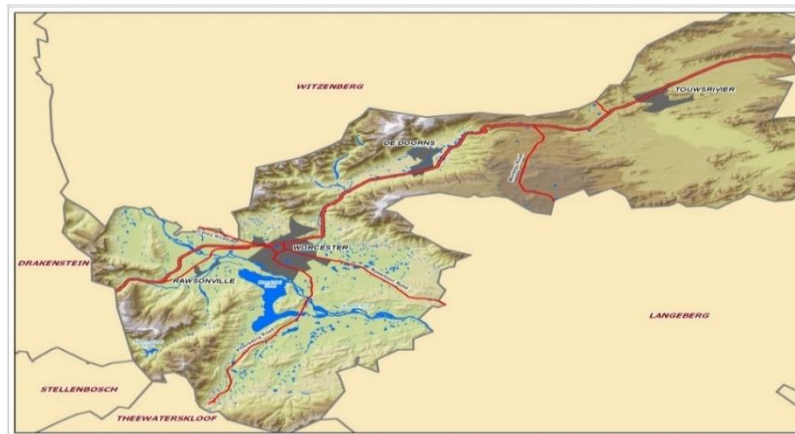
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  - (d) Setting out —
    - (i) Estimated revenue and expenditure by vote for the current year; and
    - (ii) Actual revenue and expenditure by vote for the financial year preceding the current year; and
  - (e) A statement containing any other information required by section 215(3) of the Constitution or as may be prescribed”

### **3.2 Municipal General Overview**

The map below outlines the geographical area of Breede Valley Municipality. As per the map Breede Valley Municipality serves the towns of De Doorns, Rawsonville, Touwsrivier and Worcester. Surrounding municipalities include Drakenstein Municipality, Langeberg



Municipality, Laingsburg Municipality, Stellenbosch Municipality, Theewaterskloof Municipality and Witzenberg Municipality.



### Strategic Framework, Pillars and Objectives of the Municipality



Breede Valley Municipality developed five strategic pillars that are underpinned by, which underpin six strategic objectives. The strategic objectives have been developed to address the challenges identified during the IDP development process and are linked to service areas and predetermined objectives.

STRATEGIC PILLARS	
<b>OPPORTUNITY</b>	Breede Valley Municipality strives to provide an opportunity for every resident to have access to all basic services and to live in a safe, caring and well-managed municipal environment.

<b>SAFETY</b>	Breede Valley Municipality aims to partner with the community, other government departments and community organisations to provide a safe environment in which communities, especially women and children, can thrive in pursuit of good community values.
<b>CARING</b>	Breede Valley Municipality will provide care to all vulnerable groups and encourage social investment with a focus on youth development and opportunities for the youth to play a meaningful role in developing a better and caring Breede Valley community.
<b>INCLUSIVE</b>	Breede Valley plans, in consultation with all residents and partners, to create and stimulate social cohesion, to restore hope and to break down social divisions.
<b>WELL-RUN MUNICIPALITY</b>	Breede Valley Municipality continues to build on being a well-run municipality, with strong and committed administration upholding the principles of good governance, maintaining a good credit rating, providing basic services to all and improving our solid productivity rating.

## STRATEGIC OBJECTIVES

Section 24 of the Municipal Systems Act states:

- (1) The planning undertaken by a municipality must be aligned with, and complement, the development plans and strategies of other affected municipalities and other organs of state so as to give effect to the principles of cooperative government contained in Section 41 of the Constitution.*
- (2) Municipalities must participate in national and provincial development programmes as required in Section 153(b) of the Constitution.”*

STRATEGIC OBJECTIVES	
<b>SO 1</b>	To provide and maintain basic services and ensure social upliftment of the Breede Valley community
<b>SO 2</b>	To create an enabling environment for employment and poverty and poverty eradication through proactive economic development and tourism
<b>SO 3</b>	To ensure a safe, healthy, clean and sustainable external environment for all Breede Valley's people
<b>SO 4</b>	To provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local
<b>SO 5</b>	To ensure a healthy and productive workforce and an effective and efficient work environment
<b>SO 6</b>	To assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices

### **3.3 Budget Principles and Criteria**

The 2022/23 MTREF was compiled based on the following principles and criteria taken into account, the impact of the COVID 19 pandemic and on the economy:

#### **Credibility**

- Planned Activities must be consistent with the IDP and vice versa.
- Financial viability of municipality should not be jeopardised.
- Ensure Capacity to spend the budget.

#### **Sustainability**

- Financial sustainability/ overall financial health of Municipality.
- Revenue/ Expenditure budgeted must be realistic.

#### **Responsiveness**

- To the needs of the community / public.
- Alignment of IDP, LED Strategies with Budget to give effect to provincial and national priorities.
- Budget must be responsive to economic growth objectives and the socio- economic needs of the community.

#### **Affordability**

- Tariffs must not be increased unreasonably, and consumers must be able to afford tariffs.

The 2022/2023 budget is compiled in line with chapter 4 of the Municipal Finance Management Act, MFMA Budget Circulars and other relevant circulars and / or guidelines from National Treasury and Provincial Treasury. The budget strives to be consistent with the financial norms and ratios as per the MFMA Circular 71 to ensure sound and sustainable management of financial affairs of the municipality. The budget is also consistent with the Long-Term Financial Plan to ensure synergy between long term planning and implementation of planning. Other important principles include addressing the need of access to basic services and the efficient capacitation of the municipality, which is in many instances a challenge given limited financial resources.

The main challenges experienced with the compilation of the 2022/23 MTREF are as follow:

- COVID 19 Pandemic
- Amendments to mSCOA;
- Effect of electricity supply (ESKOM) on the revenue generation
- Consumers exploring alternative energy sources and using less municipal electricity
- Direct effect of the current state of the economy on larger municipalities relying on progressive economic activity
- Vandalism to strategic infrastructure assets
- Ageing infrastructure and increasing service delivery backlogs

- Increasing cost of bulk purchases versus the electricity tariff increases, resulting in pressure to maintain a balance between sustainability, growth and affordability of services

Service charges and other revenue sources are prepared in accordance with planned activities / initiatives / developments and past performance trends to ensure that the budgeted amounts are realistic and do not negatively affect the credibility of the budget and the financial position of the municipality.

The operating expenditure budget compilation process was done in line with the MFMA budget circulars. In instances of inconsistencies, appropriate reasons for the corresponding deviations are provided.

MFMA circular 70 highlighted examples of non-priority spending that need to be addressed by municipalities. Breede Valley Municipality remains commitment to the elimination of these non-priority items from the 2015/16 MTREF and applying zero percent increases on related items where elimination or a decrease in the 2021/22 MTREF budget is not possible.

Further, MFMA circular 82 on cost containment measures was also taken into consideration with the aim of promoting section 62(1)(a) of the MFMA through the effective, efficient and economical use of municipal resources.

The capital budget for 2022/23 aims to address the service delivery needs within the municipal area, given the available resources internally and externally. The main source of funding are external loans, conditional grant allocations from National and Provincial government departments, followed by either internal funding.

### 3.4 Rebates

Rebates relating to Unemployed, Indigent and Pensioners (under and over 70 years of age) are displayed below:

#### 3.4.1 Rebates: Unemployed and Indigent

Household Income	Rates	Sewer	Refuse	Rental
R0 - R4 500	50%	50%	50%	100%
Max. Valuation	R 270 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

#### 3.4.2 Rebates: Pensioner

Household Income	Rates	Sewer	Refuse	Rental
Government Pension & Disability / Pensioners 60 years and older R0 - R4 500	100%	100%	100%	100%
Max Valuation	R 270 000			
<u>Free Basic Services</u>				
Electricity	50 Units			
Water	10 Kilolitre			

### 3.4.3 Rebates: Pensioner 70 years and older

Pensioners falling in this category are eligible for an additional R180 000.00 rebate on the calculation of their property rates bill. This overall rebate is capped at R270 000.00

### 3.4.4 Special Rating Area (SRA)

In terms of Section 22 of the Municipal Property Rates Act a municipality may by resolution of its Council determine an area within that Municipality as a Special Rating Area (SRA) and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area. The SRA must submit a budget to the Council annually in terms of the Special Rating Areas By-law. There are currently three approved SRAs, Worcester Improvement District, Langerug Special Rating Area and Fairway Heights Special Rating Area.

## 3.5 Budget Overview

The budget overview provides insight pertaining to the operating and capital budgets over the MTREF

### COVID 19 Pandemic – Impact on the Budget

The COVID 19 pandemic had a major influence on the planning and budgeting process for the Medium-Term Revenue and Expenditure Framework for the current financial year and will continue to do so in the 2022/23 MTREF. The current reality brought high levels of uncertainty relating to projection of the anticipated financial performance and position of the municipality in ensuring that the budget to be approved by Council adheres the requirements of credibility and sustainability.

The current situation forces us to remain prudent and continue with applying resources in a well-balanced manner.

The pandemic also brought about a reduction in the collection rate which is largely contributed by the suspension of economic activity. Given the various levels of restrictions and activities allowed within each respective level, many households, businesses, and other rate payers were negatively affected which influenced their ability to settle the municipal accounts. This results in business closing and workers losing employment, having an adverse effect on the municipality's cash position and contributes to increases in the debt portfolio and indigent portfolio.

Municipal spending of discretionary nature remains at the bare minimum to continue honouring non-discretionary commitments. The utilization of both financial and non-financial resources are being monitored to promote the effective and efficient utilization of these resources. This

requires the municipality to continuously adapt and re-design where needed in order to continue implementing its constitutional mandate.

### 3.5.1 Operating Revenue

The table below reflects the operating revenue in relation to the current year and 2022/23 MTREF.

WC025 Breede Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2023/25
R thousand	1										
<b>Revenue By Source</b>											
Property rates	2	135 728	145 107	155 977	154 348	168 061	168 061	168 061	175 223	185 765	196 942
Service charges - electricity revenue	2	389 167	416 707	431 937	522 613	487 765	487 765	487 765	536 542	568 735	602 860
Service charges - water revenue	2	70 217	91 484	93 942	79 712	94 000	94 000	94 000	98 700	103 636	108 818
Service charges - sanitation revenue	2	67 133	73 688	76 021	76 112	76 112	76 112	76 112	79 917	83 914	88 110
Service charges - refuse revenue	2	38 310	40 166	42 155	44 197	44 197	44 197	44 197	46 407	48 727	51 164
Rental of facilities and equipment		24 456	10 671	22 936	5 845	5 845	5 845	5 845	6 489	6 815	7 157
Interest earned - external investments		13 134	12 001	9 718	10 686	10 686	10 686	10 686	10 686	11 221	11 782
Interest earned - outstanding debtors		6 198	8 133	8 344	6 770	6 770	6 770	6 770	9 970	10 311	10 663
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		37 240	51 034	30 304	230 513	230 513	230 513	230 513	230 513	242 038	254 141
Licences and permits		2 952	2 211	2 017	3 949	3 949	3 949	3 949	4 056	4 259	4 472
Agency services		8 507	7 543	9 416	8 987	8 987	8 987	8 987	9 436	9 908	10 403
Transfers and subsidies		133 233	141 850	168 007	147 172	157 480	157 480	157 480	171 058	174 789	183 822
Other revenue	2	11 560	11 618	15 716	9 786	9 786	9 786	9 786	10 078	10 586	11 119
Gains		3 073	-	3 919	1 399	1 399	1 399	1 399	1 399	1 483	1 572
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>940 908</b>	<b>1 012 212</b>	<b>1 070 409</b>	<b>1 302 088</b>	<b>1 305 548</b>	<b>1 305 548</b>	<b>1 305 548</b>	<b>1 390 473</b>	<b>1 462 183</b>	<b>1 543 022</b>
<b>Expenditure By Type</b>											
Employee related costs	2	278 623	297 258	319 700	344 581	343 870	343 870	343 870	350 795	365 485	382 454
Remuneration of councillors		17 675	18 413	18 421	20 356	19 049	19 049	19 049	19 549	20 333	21 250
Debt impairment	3	62 896	90 509	77 130	198 257	198 257	198 257	198 257	198 257	209 752	222 026
Depreciation & asset impairment	2	88 009	87 496	88 561	100 988	100 988	100 988	100 988	100 988	106 265	112 035
Finance charges		24 682	23 643	22 351	23 653	23 653	23 653	23 653	38 001	44 980	51 267
Bulk purchases	2	287 305	318 842	337 524	388 335	388 335	388 335	388 335	422 897	460 535	506 588
Other materials	8	27 296	26 904	26 067	39 907	39 908	39 908	39 908	39 422	40 811	42 395
Contracted services		72 243	64 401	73 166	89 923	116 080	116 080	116 080	104 978	100 271	101 603
Transfers and subsidies		19 661	6 938	4 452	4 365	7 218	7 218	7 218	6 872	4 258	4 483
Other expenditure	4, 5	72 678	76 388	100 150	73 045	81 076	81 076	81 076	70 227	73 929	77 933
Losses		21	402	3 485	3 766	3 766	3 766	3 766	3 766	3 991	4 229
<b>Total Expenditure</b>		<b>951 089</b>	<b>1 011 192</b>	<b>1 071 008</b>	<b>1 287 175</b>	<b>1 322 198</b>	<b>1 322 198</b>	<b>1 322 198</b>	<b>1 355 751</b>	<b>1 430 608</b>	<b>1 526 262</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		164 210	146 877	52 583	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	-	-	500	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		1 528	185	300	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>155 556</b>	<b>148 082</b>	<b>52 784</b>	<b>72 273</b>	<b>41 139</b>	<b>41 139</b>	<b>41 139</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>155 556</b>	<b>148 082</b>	<b>52 784</b>	<b>72 273</b>	<b>41 139</b>	<b>41 139</b>	<b>41 139</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>155 556</b>	<b>148 082</b>	<b>52 784</b>	<b>72 273</b>	<b>41 139</b>	<b>41 139</b>	<b>41 139</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>155 556</b>	<b>148 082</b>	<b>52 784</b>	<b>72 273</b>	<b>41 139</b>	<b>41 139</b>	<b>41 139</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>

Please refer to Annexure A

Based on the current economic climate within the Breede Valley municipal area, tariffs were kept in line with the guidelines as per MFMA budget circular and NERSA. This inflation linked increase in tariffs aim to promote sustainability of the revenue, other than the counterproductive method of increasing tariffs to such an extent that the collection rate deteriorates.

The figures represented in this section are the accrued amounts and not actual cash receipts; in other words, the amounts billed for property rates; service charges and interest as it become due.

**Property Rates:** Budgeted revenue is based on the current performance realised during the 2021/22 financial year and anticipated revenue based on the current valuation roll.

**Service Charges:** The 2022/23 projected revenue for service charges is based on the current performance and anticipated trends over the MTREF.

**Interest on External Investments:** This budget is informed by the municipality's current investment portfolio, and the anticipated return on investments to be made over the MTREF.

**Fines:** Fines are projected in accordance with the anticipated issues for the 2022/23 MTREF. The municipality will have a new service provider on site that is expected to issue traffic fines of a significant value. This is reflective in the budgeted allocation for this revenue source. However, it should be noted that these issues will be impaired to a large extend which is the main reason for the high Debt Impairment budget under the Operational Expenditure section of this report.

**Transfers Recognised – Operational:** This revenue item is based on the operational transfers (conditional and unconditional) as per the 2022/23 budget year allocations. It should be noted that R120 000.00 is funded received in respect of the maintenance of fire equipment, that is not part of the gazetted allocations from National and Provincial Government.

### 3.5.2 Operating Expenditure

The table below reflects the operating expenditure in relation to the current year and 2022/23 MTREF.

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Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
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Service charges - refuse revenue	2	38 310	40 166	42 155	44 197	44 197	44 197	44 197	46 407	48 727	51 164
Rental of facilities and equipment		24 456	10 671	22 936	5 845	5 845	5 845	5 845	6 489	6 815	7 157
Interest earned - external investments		13 134	12 001	9 718	10 686	10 686	10 686	10 686	10 686	11 221	11 782
Interest earned - outstanding debtors		6 198	8 133	8 344	6 770	6 770	6 770	6 770	9 970	10 311	10 663
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		37 240	51 034	30 304	230 513	230 513	230 513	230 513	230 513	242 038	254 141
Licences and permits		2 952	2 211	2 017	3 949	3 949	3 949	3 949	4 056	4 259	4 472
Agency services		8 507	7 543	9 416	8 987	8 987	8 987	8 987	9 436	9 908	10 403
Transfers and subsidies		133 233	141 850	168 007	147 172	157 480	157 480	157 480	171 058	174 789	183 822
Other revenue	2	11 560	11 618	15 716	9 786	9 786	9 786	9 786	10 078	10 586	11 119
Gains		3 073	-	3 919	1 399	1 399	1 399	1 399	1 399	1 483	1 572
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>940 908</b>	<b>1 012 212</b>	<b>1 070 409</b>	<b>1 302 088</b>	<b>1 305 548</b>	<b>1 305 548</b>	<b>1 305 548</b>	<b>1 390 473</b>	<b>1 462 183</b>	<b>1 543 022</b>
<b>Expenditure By Type</b>											
Employee related costs	2	278 623	297 258	319 700	344 581	343 870	343 870	343 870	350 795	365 485	382 454
Remuneration of councillors		17 675	18 413	18 421	20 356	19 049	19 049	19 049	19 549	20 333	21 250
Debt impairment	3	62 896	90 509	77 130	198 257	198 257	198 257	198 257	198 257	209 752	222 026
Depreciation & asset impairment	2	88 009	87 496	88 561	100 988	100 988	100 988	100 988	100 988	106 265	112 035
Finance charges		24 682	23 643	22 351	23 653	23 653	23 653	23 653	38 001	44 980	51 267
Bulk purchases	2	287 305	318 842	337 524	388 335	388 335	388 335	388 335	422 897	460 535	506 588
Other materials	8	27 296	26 904	26 067	39 907	39 908	39 908	39 908	39 422	40 811	42 395
Contracted services		72 243	64 401	73 166	89 923	116 080	116 080	116 080	104 978	100 271	101 603
Transfers and subsidies		19 661	6 938	4 452	4 365	7 218	7 218	7 218	6 872	4 258	4 483
Other expenditure	4, 5	72 678	76 388	100 150	73 045	81 076	81 076	81 076	70 227	73 929	77 933
Losses		21	402	3 485	3 766	3 766	3 766	3 766	3 766	3 991	4 229
<b>Total Expenditure</b>		<b>951 089</b>	<b>1 011 192</b>	<b>1 071 008</b>	<b>1 287 175</b>	<b>1 322 198</b>	<b>1 322 198</b>	<b>1 322 198</b>	<b>1 355 751</b>	<b>1 430 608</b>	<b>1 526 262</b>
<b>Surplus/(Deficit)</b>											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(10 182)	1 020	(598)	14 913	(16 649)	(16 649)	(16 649)	34 722	31 575	16 760
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	164 210	146 877	52 583	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Transfers and subsidies - capital (in-kind - all)		-	-	500	-	-	-	-	-	-	-
		1 528	185	300	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>155 556</b>	<b>148 082</b>	<b>52 784</b>	<b>72 273</b>	<b>41 139</b>	<b>41 139</b>	<b>41 139</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>
Taxation		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>155 556</b>	<b>148 082</b>	<b>52 784</b>	<b>72 273</b>	<b>41 139</b>	<b>41 139</b>	<b>41 139</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>155 556</b>	<b>148 082</b>	<b>52 784</b>	<b>72 273</b>	<b>41 139</b>	<b>41 139</b>	<b>41 139</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>		<b>155 556</b>	<b>148 082</b>	<b>52 784</b>	<b>72 273</b>	<b>41 139</b>	<b>41 139</b>	<b>41 139</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>

Please refer to Annexure A.

The operational expenditure budget was adjusted in order to accommodate the projected operational expenditure to be incurred over the MTREF. These amendments/adjustments are based on the 2021/22 Adjustment Budget.

Further, additional amendments given the COVID 19 pandemic are still in place. These amendments are informed by the following principles:

- No additional positions to be funded. Current structure and funding mix to remain as is.
- No new positions
- No new temporary contracts
- EPWP workers to be used as alternative to counter staff shortages where needed
- Review of standby and overtime
- No and/or limited travel and subsistence
- Efficient and effective utilization of internal staff opposed to using external contractors
- Hiring of plant and equipment limited to extreme cases

The principles underpin the renewed approach to service delivery in these unprecedented times. The municipality established various committees to explore creative and innovative ways to add value to the respective functional areas across the municipality. The committees will address issues pertaining to:

- Costing and expenditure control, including cost containment
- Revenue recovery enhancement
- Financial aspects with focus on Ratio's
- Supporting SCM and compliance
- Prioritization of expenditures to assure essential services and impact on revenue enhancement
- Local economic development,
- Spatial planning integration

**Employee related cost:** Employee related cost is based on the current staff structure. Employee Related Cost budget is calculated based on the percentage increase and also takes into consideration the organogram and extend to which it is funded.

**Debt Impairment:** The fines and corresponding write-off will be managed within the available budgets. These amounts will be reviewed with the 2022/23 adjustments budget if needed.

**Depreciation and asset impairment:** Depreciation is calculated based on the useful lives of assets, which are currently being reviewed. The commission date of the majority of capital projects are more to the end of the financial year (based on past trends), resulting in new additions not having a full year's depreciation, but only a part thereof. Further, municipal assets are often used for much longer than the useful lives initially anticipated, contributing further to lower depreciation.

**Finance charges:** The finance charges are calculated based on the municipality's borrowing portfolio. It should also be noted that the interest portion of the repayment decreases over the term of the loan. This amount includes the finance charges in respect of the new external loan to be acquired.



**Bulk Purchases:** This item comprises of electricity bulk purchases and is based on the current consumption patterns in terms of usage. The increase in this expenditure item is based on the NERSA guideline consultation paper issued in terms of budgeting for the 2022/23 MTREF.

**Other materials and Contracted Services:** The budget for other materials is also based on the 2021/22 Mid-year Adjustments Budget. The municipality placed significant emphasis on the funding of temporary workers that will be targeting high priority areas such as area cleaning and basic service delivery aspects where a temporary need exists. Further, maintenance of rental units / flats, relocation of outside toilets for the vulnerable, ward-based projects and maintenance of chemical toilets are projects to received high priority in terms of funding. The implementation of these projects will be closely monitored given the importance and impact it will have on the beneficiaries. Significant focus is placed on reviewing the use of contractors in business operations. This is a continuous process that will be addressed over time.

**Other expenditure:** The amendment in other expenditure is due to the cost containment not being increased and also the conservative approach applied by the municipality, while also attending to operational expenditure that is needed to effectively and efficiently conduct municipal operations.

Please refer to SA1 for the detail.

### **3.5.3 Capital budget**

**MBRR Table A5 - Budgeted Capital Expenditure by standard classification and funding source**

WC025 Breede Valley - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital expenditure - Vote											
Multi-year expenditure - to be appropriated	2										
Vote 1 - Council General		–	4	–	5	5	5	5	5	5	5
Vote 2 - Municipal Manager		–	3 333	1 065	5	50	50	50	5	5	5
Vote 3 - Strategic Support Services		–	305	370	3 155	6 803	6 803	6 803	15 575	5	5
Vote 4 - Financial Services		–	167	3 237	–	–	–	–	–	–	–
Vote 5 - Community Services		–	2 153	10 442	15 635	15 563	15 563	15 563	5	5	505
Vote 6 - Technical Services		–	109 852	93 045	–	–	–	–	–	–	–
Vote 7 - Engineering Services		–	–	–	33 600	8 800	8 800	8 800	58 400	50 500	50 706
Vote 8 - Public Services		–	–	–	50 394	46 698	46 698	46 698	178 476	117 853	113 185
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		–	115 815	108 160	102 794	77 919	77 919	77 919	252 466	168 373	164 411
Single-year expenditure - to be appropriated	2										
Vote 1 - Council General		–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		4 143	2 103	1 379	–	–	–	–	30	–	–
Vote 3 - Strategic Support Services		25 349	334	928	3 200	3 250	3 250	3 250	16 940	12 884	6 807
Vote 4 - Financial Services		1 426	8	450	805	2 139	2 139	2 139	1 975	805	805
Vote 5 - Community Services		10 232	811	1 153	7 200	3 467	3 467	3 467	5 379	6 000	6 000
Vote 6 - Technical Services		224 853	76 410	12 517	–	–	–	–	–	–	–
Vote 7 - Engineering Services		–	–	–	12 220	32 907	32 907	32 907	3 330	1 590	–
Vote 8 - Public Services		–	–	–	25 011	35 096	35 096	35 096	38 430	32 309	18 000
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		266 003	79 666	16 427	48 436	76 859	76 859	76 859	66 083	53 888	31 612
Total Capital Expenditure - Vote	3,7	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961	196 023
Capital Expenditure - Functional											
Governance and administration		30 488	838	5 425	7 005	12 268	12 268	12 268	32 645	13 709	7 632
Executive and council		15	6	37	10	55	55	55	10	10	10
Finance and administration		30 473	832	5 388	6 995	12 213	12 213	12 213	32 635	13 699	7 622
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		13 958	3 874	12 192	23 828	18 288	18 288	18 288	9 291	6 000	6 500
Community and social services		8 059	818	11 252	728	828	828	828	4 832	–	–
Sport and recreation		2 190	2 497	10	22 600	16 880	16 880	16 880	3 820	6 000	6 500
Public safety		3 709	559	930	500	500	500	500	639	–	–
Housing		–	–	–	–	80	80	80	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		40 510	69 869	72 398	51 601	36 657	36 657	36 657	56 246	65 964	43 546
Planning and development		–	5 434	1 222	–	40	40	40	1 820	–	–
Road transport		40 510	64 435	71 176	51 601	36 617	36 617	36 617	54 426	65 964	43 546
Environmental protection		–	–	–	–	–	–	–	–	–	–
Trading services		181 047	120 901	34 572	68 797	87 565	87 565	87 565	220 368	136 288	138 345
Energy sources		27 408	20 710	23 781	45 490	46 229	46 229	46 229	66 230	56 090	50 706
Water management		55 824	29 044	4 195	7 308	19 398	19 398	19 398	94 688	25 570	26 719
Waste water management		83 000	49 695	5 420	14 483	21 566	21 566	21 566	58 250	53 628	59 920
Waste management		14 816	21 452	1 177	1 516	373	373	373	1 200	1 000	1 000
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3,7	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961	196 023
Funded by:											
National Government		37 488	34 373	50 125	57 260	57 260	57 260	57 260	69 094	99 614	82 052
Provincial Government		128 219	112 433	2 458	100	100	100	100	1 044	–	–
District Municipality		31	71	300	–	429	429	429	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial)		–	–	–	–	–	–	–	–	–	–
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	185	500	–	–	–	–	–	–	–
Transfers recognised - capital	4	165 738	147 062	53 383	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Public contributions & donations	5	–	–	–	–	–	–	–	–	–	–
Borrowing	6	6 281	159	–	–	–	–	–	146 238	34 669	32 000
Internally generated funds	8	93 984	48 260	71 205	93 870	96 989	96 989	96 989	102 174	87 678	81 971
Total Capital Funding	7	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961	196 023

Please refer to Annexure A

The municipality implemented quarterly budget engagements where performance of the capital budget & Grant funding is tracked.

## Capital Projects

The list below represents the major / significant capital projects.

Description	Finance Source	Fund Desc	2022/23 MTREF (Budget Year)	2023/24 MTREF (Budget Year +1)	2024/25 MTREF (Budget Year +2)

<b><u>Engineering Services and Public Services</u></b>					
<b><u>Not Allocated to Wards</u></b>					
<b><u>Worcester WwTW</u></b>					
<b><u>Stettynskloof Water Supply (Worcester/Rawsonville)</u></b>					
Upgrading of Stettynskloof Supply Pipe Line - Phase 3 (MIG 164422)	8,0	MIG	3 421 924	0	0
Increase dam Level (Stetteynskloof Dam)	1,1	Loans	2 000 000	10 000 000	20 000 000
<b><u>Rawsonville WwTW</u></b>					
Extension of WwTW (0,24 MI/day)	1,1	Loans	27 000 000	0	0
-					
<b><u>Klipvlakte/ Transhex Residential Development (13 000 erven)</u></b>					
Electrical Reticulation	8,2	INEP	15 000 000	38 000 000	39 706 000
<b><u>Reservoirs</u></b>					
Pre-loads	8,0	MIG	18 481 271	0	0
Pre-loads	1,1	Loans	55 000 000	0	0
<b><u>Upgrading of Sewer Network</u></b>					
External Loan	1,1	Loans	15 000 000	3 000 000	0
CRR	3,0	CRR / Own Funding	0	10 000 000	10 000 000
<b><u>Touws River: Waste Water Treatment Works (WwTW) Augmentation</u></b>					
MIG	8,0	MIG	500 000	2 000 000	26 000 000
MIG Counter Funding (CRR)	3,2	CRR / Own Funding	0	0	18 000 000
WSIG	8,8	WSIG	0	17 000 000	0
<b><u>Touws River: Water Treatment Works (WTW) Augmentation</u></b>					
MIG	8,0	MIG	0	2 000 000	1 000 000
<b><u>Touws River : Water Network Upgrades to Affordable Housing Project</u></b>					
MIG	8,0	MIG	0	500 000	0
MIG Counter Funding (CRR)	3,2	CRR / Own Funding	0	175 000	0
<b><u>Touws River : Sewer Network Upgrades to Affordable Housing Project</u></b>					
MIG	8,0	MIG	0	500 000	0
MIG Counter Funding (CRR)	3,2	CRR / Own Funding	0	175 000	0
<b><u>Upgrading of Gravel Roads</u></b>					
Breede Valley: Roads	3,0	CRR / Own Funding	1 000 000	2 000 000	2 000 000
<b><u>Resealing of Roads</u></b>					
Resealing of Municipal Roads - Rawsonville	3,2	CRR / Own Funding	500 000	500 000	0
<b><u>Resealing of Municipal Roads - Worcester</u></b>					

MIG	8,0	MIG	13 353 593	26 614 000	15 346 000
CRR	3,0	CRR / Own Funding	1 000 000	3 000 000	3 000 000
<b>Resealing of Municipal Roads - De Doorns</b>					
MIG	8,0	MIG	0	1 500 000	0
<b>Resealing of Municipal Roads - Touws River</b>					
Resealing of Municipal Roads - Touws River	8,0	MIG	0	500 000	0
<b>Building of Roads</b>					
Municipal Roads (Ward 1, 2, 3, 4, 16, 17 and 18)	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
<b>Traffic Circles</b>					
Traffic Circles: (High and Louis Lange)	3,0	CRR / Own Funding	6 000 000	0	0
Traffic Circles: (De La Bat / Roux / Heyns Street)	3,0	CRR / Own Funding	0	5 500 000	0
<b>Networks</b>					
Pipe cracking (all wards)	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
<b>Electricity (8112)</b>					
Refurbishment of electrical system	3,0	CRR / Own Funding	3 500 000	1 500 000	0
Refurbishment of Touwsriver Substation and Safeguarding	1,1	Loans	0	4 000 000	4 000 000
Robertson Road Substation	1,1	Loans	5 000 000	0	0
Alternative Electricity Supply Zwelethemba	1,1	Loans	10 000 000	0	0
RMU/ Main Sub Switchgear Replacements De Doorns	1,1	Loans	0	0	3 000 000
RMU/Main Sub Switchgear replacements Touwsrivier	1,1	Loans	0	0	3 000 000
Roux Park capacity/equipment upgrade	1,1	Loans	5 000 000	0	0
Zwelethemba removal of mid-blocks	3,0	CRR / Own Funding	2 000 000	6 000 000	0
Office and Storage Space Upgrade	3,0	CRR / Own Funding	500 000	0	0
66KV Ripple Control	1,1	Loans	6 900 000	0	0
Upgrading of High Mast Lights	8,7	EEDMG	1 400 000	1 400 000	0
Upgrading of Street Lights	8,7	EEDMG	2 600 000	2 600 000	0
<b>Refurbishment of electrical system (NERSA)</b>					
Altona new Electrical Substation	1,1	Loans	10 000 000	0	0
Electricity - Machinery and Equipment	3,0	CRR / Own Funding	600 000	600 000	0
<b>Civil Engineering</b>					
Survey Equipment	3,0	CRR / Own Funding	50 000	0	0
Office Furniture	3,0	CRR / Own Funding	100 000	0	0
<b>SOLID WASTE MANAGEMENT</b>					
<b>WORCESTER</b>					
Wheeliebins	3,0	CRR / Own Funding	1 000 000	1 000 000	1 000 000
Solid Watse - Radios	3,0	CRR / Own Funding	150 000	0	0
Solid Waste - Furniture and Office Equipment	3,0	CRR / Own Funding	50 000	0	0
<b>Ward Priorities</b>					

Speed Humps	3,0	CRR / Own Funding	300 000	0	0
Fencing of Substations	3,0	CRR / Own Funding	200 000	0	0
<b>Ward 1</b>	-	-			
Rehabilitation of Bok River Pipe Line - Phase 6	8,0	MIG	0	7 000 000	0
Touws River: Bok River Solar System	8,0	MIG	500 000	0	0
Augmentation of Water treatment works (MIG Counter funding)	8,8	WSiG	2 557 000	0	0
Speed Humps x 2 - Ward 1	3,0	CRR / Own Funding	50 000	0	0
<b>Ward 2</b>					
New Retention Ponds - De Doorns: South of N1 (MIG Number 202347)	8,0	MIG	956 814	0	0
De Doorns Water Purification Works : Augmentation of DAF Unit (MIG funding)	8,0	MIG	7 773 398	0	0
De Doorns WWTW Reactor	8,8	WSiG	2 550 000	0	0
<b>Ward 4</b>					
Reseal of Municipal Roads - Ward 4	3,0	CRR / Own Funding	1 000 000	0	0
Upgrading of Open space - Kleigat	3,0	CRR / Own Funding	100 000	0	0
Speed Hump - Voortrekker Str	3,0	CRR / Own Funding	50 000	0	0
<b>Ward 5</b>					
Reseal of Municipal Roads (Nederburg, Meerhoff, Wyland and Boschheuvel)	3,0	CRR / Own Funding	1 500 000	0	0
<b>Ward 6</b>					
Reseal of Municipal Roads (Quellerie Rd, Haarlem and others)	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
Speed Hump - Kuhn Str, Heyns Str and Jordan Str	3,0	CRR / Own Funding	75 000	0	0
Fencing of Substation (corner of Van der Merwe- and Lyons Street)	3,0	CRR / Own Funding	50 000	0	0
<b>Ward 7</b>					
Drop off zone (Worcester-East School)	3,0	CRR / Own Funding	100 000	0	0
Reseal of Municipal Roads (De La Bat and others)	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
Fencing of Cemeteries - De Wet Str.	3,0	CRR / Own Funding	100 000	0	0
<b>Ward 8</b>	-	-			
Upgrading of Gravel Roads	<u>3,0</u>	CRR / Own Funding	3 000 000	3 000 000	0
Upgrading of gravel roads	<u>8,0</u>	MIG	0	0	0
<b>Erosion Protection of Hex River (Zweletemba)</b>	-	-			
Erosion Protection of Hex River : Phase 2 ( 300m @ R13,333.33/m)	<u>1,1</u>	Loans	0	0	0
Erosion Protection Hex River: Phase 2	<u>8,0</u>	MIG	0	0	0
<b>Ward 10</b>	-				
Reseal of Roads - Ward 10	<u>3,0</u>	CRR / Own Funding	1 000 000	1 000 000	1 000 000
Playparks - Ward 10	<u>3,0</u>	CRR / Own Funding	60 000	0	0
	-				
<b>Ward 11</b>	-				
Reseal of Roads - Ward 11	<u>3,0</u>	CRR / Own Funding	1 000 000	1 000 000	1 000 000

<b>Ward 12</b>					
Upgrading of Routes (Visually Impaired)	3,0	CRR / Own Funding	1 000 000	0	0
Reseal of Municipal Roads - Ward 12	3,0	CRR / Own Funding	5 000 000	5 000 000	5 000 000
<b>Ward 13</b>					
Drop-off zone - Ward 13	3,0	CRR / Own Funding	100 000	0	0
Reseal of Municipal Roads - Ward 13	3,0	CRR / Own Funding	1 000 000	1 000 000	1 000 000
Building / Upgrading of Road (Florian Park to Johnson Park)	3,0	CRR / Own Funding	250 000	0	0
<b>Ward 14</b>					
Building of Roads - Ward 14	3,0	CRR / Own Funding	200 000	0	0
<b>Ward 15</b>					
Drop off zone (Worcester Primary School)	3,0	CRR / Own Funding	100 000	0	0
Reseal of Municipal Roads - Ward 15	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
Playparks x 2 - Ward 15	3,0	CRR / Own Funding	100 000	0	0
<b>Ward 16</b>					
Speed Hump x 2 - Ward 16	3,0	CRR / Own Funding	0	50 000	0
Sidewalk - Mtwazi Road	3,0	CRR / Own Funding	0	100 000	0
<b>Ward 17</b>					
High Mast Light -Ward 17	3,0	CRR / Own Funding	500 000	0	0
<b>Ward 19</b>					
Playpark - Ward 19	3,0	CRR / Own Funding	60 000	0	0
-	-	-			
<b>Ward 20</b>					
Fencing of Rawsonville Graveyard	3,0	CRR / Own Funding	20 000	0	0
<b>Ward 21</b>					
Upgrading of gravel roads	3,0	CRR / Own Funding	3 000 000	3 000 000	3 000 000
Speed Humps - Ward 21	3,0	CRR / Own Funding	100 000	0	0
<b>SERVICE CONNECTIONS (Depending on Public Contr)</b>					
Sewer Connections	3,3	CRR / Own Funding	1 120 000	1 120 000	1 120 000
Electricity Connections	3,3	CRR / Own Funding	1 000 000	1 000 000	1 000 000
Water Connections	3,3	CRR / Own Funding	2 719 200	2 719 200	2 719 200
Water - Machinery and Equipment	3,0	CRR / Own Funding	500 000	500 000	0
<b>Waste Water Treatment Works</b>					
WWTW - Mobile Generator	3,0	CRR / Own Funding	0	800 000	800 000
Fencing and safeguarding of WWTW and pumpstations	3,0	CRR / Own Funding	0	2 000 000	2 000 000
Pump station upgrading and refurbishment	3,0	CRR / Own Funding	0	0	0
Pump station upgrading and refurbishment	1,1	Loans	2 000 000	2 000 000	2 000 000

<b><u>Parks and Cemeteries</u></b>					
Parks - Machinery and Equipment	3,0	CRR / Own Funding	500 000	0	0
Fencing of Cemeteries - Aan De Doorns	3,0	CRR / Own Funding	1 000 000	0	0
<b><u>Water and Sewerage</u></b>					
Upgrading of Offices (Fairbairn Street)	3,0	CRR / Own Funding	1 500 000	0	0
Water - Furniture and Office Equipment	3,0	CRR / Own Funding	0	30 000	0
<b><u>ROADS AND STORMWATER</u></b>					
Roads - Machinery and Equipment	3,0	CRR / Own Funding	500 000	200 000	200 000
<b><u>Land Infill Developments</u></b>					
Avian Park Industrial - Water	1,1	Loans	146 043	146 043	0
Avian Park Industrial - Sewer	1,1	Loans	438 005	438 005	0
Avian Park Industrial - Stormwater	1,1	Loans	94 928	94 928	0
Avian Park Industrial - Electricity	1,1	Loans	990 000	990 000	0
Avian Park Industrial - Sewer Pumpstation	1,1	Loans	5 000 000	14 000 000	0
Somerset Park - Water	1,1	Loans	146 043	0	0
Somerset Park - Sewer	1,1	Loans	438 005	0	0
Somerset Park - Stormwater	1,1	Loans	94 928	0	0
Somerset Park - Electricity	1,1	Loans	990 000	0	0
<b><u>Municipal Manager</u></b>					
<b><u>Admin -0603</u></b>					
Furniture and Equipment	3,0	CRR / Own Funding	5 000	5 000	5 000
<b><u>RISK MANAGEMENT</u></b>					
Risk Management - Furniture and Office Equipment	3,0	CRR / Own Funding	30 000	0	0
<b><u>Community Services</u></b>					
<b><u>ADMIN - 0903</u></b>					
Furniture & Equipment	4,0	CRR / Own Funding	5 000	5 000	5 000
<b><u>COMMUNITY DEVELOPMENT</u></b>					
Youth Café - Furniture and Office Equipment	3,0	CRR / Own Funding	200 000	0	0
<b><u>SWIMMING Pool: De Doorns</u></b>					
New Swimming Pool	3,0	CRR / Own Funding	0	0	500 000
<b><u>SPORT: Boland Park - 5130</u></b>					
Replacement of fence perimeter	3,0	CRR / Own Funding	0	3 000 000	3 000 000
<b><u>SPORT: Esselen Park</u></b>					
Replacement of fence perimeter	3,0	CRR / Own Funding	3 000 000	3 000 000	0

<b><u>SPORT: Zwelthemba</u></b>					
Replacement of fence perimeter	3,0	CRR / Own Funding	0	0	3 000 000
<b><u>WATERLOO LIBRARY - 4506</u></b>					
Waterloo Library - Airconditioners	3,0	CRR / Own Funding	48 000	0	0
Upgrade ramp	6,1	Libraries Grant	100 000	0	0
ICT Equipment	6,1	Libraries Grant	144 000	0	0
<b><u>TRAFFIC</u></b>					
<b><u>Buildings</u></b>					
Machinery and Equipment	3,0	CRR / Own Funding	358 000	0	0
Traffic - Furniture and Office Equipment	3,0	CRR / Own Funding	89 600	0	0
Traffic - Generator	3,0	CRR / Own Funding	400 000	0	0
Upgrading of Cash Office	3,0	CRR / Own Funding	250 000	0	0
Queuing System	3,0	CRR / Own Funding	150 000	0	0
<b><u>FIRE DEPARTMENT: ADMIN - 4203</u></b>					
Major Fire Engine (Pumper)	3,0	CRR / Own Funding	0	0	0
Equipment for Fire Engine	3,0	CRR / Own Funding	0	0	0
Fire Services - Radios	3,0	CRR / Own Funding	55 000	0	0
Fire Services - Furniture and Office Equipment	3,0	CRR / Own Funding	150 000	0	0
De Doorns Communication Equipment	3,0	CRR / Own Funding	350 000	0	0
Fire Services - Airconditioners	3,0	CRR / Own Funding	50 000	0	0
Fire Services - Machinery and Equipment	3,0	CRR / Own Funding	34 000	0	0
<b><u>FINANCIAL SERVICES</u></b>					
<b><u>Admin</u></b>					
Furniture and Equipment	4,0	CRR / Own Funding	25 000	5 000	5 000
<b><u>Financial Planning</u></b>					
Safeguarding of Assets	12,0	Insurce Reserve	400 000	400 000	400 000
Insurance claims	12,0	Insurce Reserve	400 000	400 000	400 000
Financial Planning - Upgrading of Buildings	3,0	CRR / Own Funding	200 000	0	0
<b><u>Revenue</u></b>					
Revenue - Upgrading of Municipal Building	3,0	CRR / Own Funding	200 000	0	0
Credit Control - Upgrading of Municipal Building -	3,0	CRR / Own Funding	100 000	0	0
Revenue - Airconditioners	3,0	CRR / Own Funding	200 000	0	0
Revenue - Machinery and Equipment	3,0	CRR / Own Funding	400 000	0	0
Revenue - Furniture and Office Equipment	3,0	CRR / Own Funding	50 000	0	0
<b><u>Fleet Management - 8860</u></b>					
Municipal Vehicles - LDV's	3,0	CRR / Own Funding	1 000 000	0	0
Municipal Vehicles - Sedans	3,0	CRR / Own Funding	1 000 000	0	0
Municipal Vehicles - Specialized	3,0	CRR / Own Funding	1 000 000	0	0



<b><u>COUNCIL &amp; MAYCO</u></b>					
<b><u>MAYORAL OFFICE - 0306</u></b>					
Furniture and Equipment	3,0	CRR / Own Funding	5 000	5 000	5 000
<b><u>STRATEGIC SUPPORT SERVICES</u></b>					
<b><u>STRATEGIC SUPPORT - ADMIN - 2103</u></b>					
Furniture and Equipment	4,0	CRR / Own Funding	5 000	5 000	5 000
<b><u>Local Economic Development</u></b>					
LED - Furniture and Office Equipment	4,0	CRR / Own Funding	20 000	0	0
Zwelethemba Economic Facility	3,0	CRR / Own Funding	1 000 000	0	0
Zwelethemba Economic Facility	6,4	RSEP	800 000	0	0
<b><u>Other Buildings</u></b>					
Supply and Installation of Load Shedding Solution and Solar PV	3,0	CRR / Own Funding	13 420 000	12 884 000	6 807 000
<b><u>WORCESTER TOWN HALL</u></b>					
Airconditioner	3,0	CRR / Own Funding	3 420 000	0	0
<b><u>INFORMATION TECHNOLOGY - 2114</u></b>					
ICT - Computer Equipment	3,0	CRR / Own Funding	12 000 000	0	0
Fibre Links	3,0	CRR / Own Funding	1 500 000	0	0
Call Center & Telephone (PBX) System	3,0	CRR / Own Funding	150 000	0	0
Biometric system	3,0	CRR / Own Funding	150 000	0	0
Airconditioner (DR Site)	3,0	CRR / Own Funding	50 000	0	0

Kindly refer to SA36 for the detail capital budget.

In addition to the projects as per the table above, the municipality is also in the process of looking into alternative finance options for vehicles and specialised equipment.

The budget tables prepared in accordance with the Municipal Finance Management Act, and Municipal Budget and Reporting Regulations are listed in below:

WC025 Breede Valley - Table A1 Budget Summary										
Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
<b>Financial Performance</b>										
Property rates	135 728	145 107	155 977	154 348	168 061	168 061	168 061	175 223	185 765	196 942
Service charges	564 827	622 044	644 056	722 633	702 073	702 073	702 073	761 566	805 011	850 951
Investment revenue	13 134	12 001	9 718	10 686	10 686	10 686	10 686	10 686	11 221	11 782
Transfers recognised - operational	133 233	141 850	168 007	147 172	157 480	157 480	157 480	171 058	174 789	183 822
Other own revenue	93 986	91 210	92 652	267 249	267 249	267 249	267 249	271 940	285 398	299 527
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>940 908</b>	<b>1 012 212</b>	<b>1 070 409</b>	<b>1 302 088</b>	<b>1 305 548</b>	<b>1 305 548</b>	<b>1 305 548</b>	<b>1 390 473</b>	<b>1 462 183</b>	<b>1 543 022</b>
Employee costs	278 623	297 258	319 700	344 581	343 870	343 870	343 870	350 795	365 485	382 454
Remuneration of councillors	17 675	18 413	18 421	20 356	19 049	19 049	19 049	19 549	20 333	21 250
Depreciation & asset impairment	88 009	87 496	88 561	100 988	100 988	100 988	100 988	100 988	106 265	112 035
Finance charges	24 682	23 643	22 351	23 653	23 653	23 653	23 653	38 001	44 980	51 267
Materials and bulk purchases	314 601	345 745	363 591	428 242	428 243	428 243	428 243	462 319	501 346	548 983
Transfers and grants	19 661	6 938	4 452	4 365	7 218	7 218	7 218	6 872	4 258	4 483
Other expenditure	207 838	231 699	253 931	364 990	399 178	399 178	399 178	377 227	387 942	405 791
<b>Total Expenditure</b>	<b>951 089</b>	<b>1 011 192</b>	<b>1 071 008</b>	<b>1 287 175</b>	<b>1 322 198</b>	<b>1 322 198</b>	<b>1 322 198</b>	<b>1 355 751</b>	<b>1 430 608</b>	<b>1 526 262</b>
<b>Surplus/(Deficit)</b>	<b>(10 182)</b>	<b>1 020</b>	<b>(598)</b>	<b>14 913</b>	<b>(16 649)</b>	<b>(16 649)</b>	<b>(16 649)</b>	<b>34 722</b>	<b>31 575</b>	<b>16 760</b>
Transfers and subsidies - capital (monetary allocations) (i)	164 210	146 877	52 583	57 360	57 789	57 789	57 789	70 138	99 614	82 052
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)	1 528	185	800	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>155 556</b>	<b>148 082</b>	<b>52 784</b>	<b>72 273</b>	<b>41 139</b>	<b>41 139</b>	<b>41 139</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) for the year</b>	<b>155 556</b>	<b>148 082</b>	<b>52 784</b>	<b>72 273</b>	<b>41 139</b>	<b>41 139</b>	<b>41 139</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>266 003</b>	<b>195 481</b>	<b>124 588</b>	<b>151 230</b>	<b>154 778</b>	<b>154 778</b>	<b>154 778</b>	<b>318 550</b>	<b>221 961</b>	<b>196 023</b>
Transfers recognised - capital	165 738	147 062	53 383	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Public contributions & donations	—	—	—	—	—	—	—	—	—	—
Borrowing	6 281	159	—	—	—	—	—	146 238	34 669	32 000
Internally generated funds	93 984	48 260	71 205	93 870	96 989	96 989	96 989	102 174	87 678	81 971
<b>Total sources of capital funds</b>	<b>266 003</b>	<b>195 481</b>	<b>124 588</b>	<b>151 230</b>	<b>154 778</b>	<b>154 778</b>	<b>154 778</b>	<b>318 550</b>	<b>221 961</b>	<b>196 023</b>
<b>Financial position</b>										
Total current assets	254 837	313 695	329 806	319 279	251 805	251 805	251 805</			

- **Table A2 Budgeted Financial Performance (Revenue and Expenditure by standard classification)**

WC025 Breede Valley - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		308 364	301 346	226 404	213 203	227 212	227 212	241 045	254 628	270 152
Executive and council		1 044	2 449	433	112	112	112	118	124	131
Finance and administration		307 275	298 897	225 972	213 091	227 100	227 100	240 927	254 504	270 022
Internal audit		44	—	—	—	—	—	—	—	—
<b>Community and public safety</b>		107 604	42 087	86 047	264 651	272 391	272 391	281 225	283 208	293 875
Community and social services		15 025	11 080	13 597	10 140	12 243	12 243	12 459	10 498	10 821
Sport and recreation		3 461	3 034	1 282	2 211	3 173	3 173	9 249	3 412	3 584
Public safety		47 478	3 140	31 913	230 807	230 844	230 844	230 822	241 967	253 026
Housing		41 640	24 833	39 256	21 493	26 131	26 131	28 695	27 331	26 445
Health		—	—	—	—	—	—	—	—	—
<b>Economic and environmental services</b>		7 496	86 944	50 136	14 911	15 395	15 395	16 395	15 197	15 950
Planning and development		5 464	6 666	2 828	1 353	1 542	1 542	2 226	1 352	1 421
Road transport		817	79 465	44 821	13 558	13 853	13 853	14 169	13 845	14 528
Environmental protection		1 215	813	2 487	—	—	—	—	—	—
<b>Trading services</b>		683 181	728 897	761 204	866 683	848 239	848 239	921 945	1 008 763	1 045 098
Energy sources		403 650	434 289	457 881	552 484	517 783	517 783	565 318	621 104	653 687
Water management		109 201	108 331	119 417	102 167	117 149	117 149	126 788	130 595	137 755
Waste water management		109 615	128 062	119 912	147 556	147 985	147 985	160 679	184 270	176 585
Waste management		60 716	58 215	63 993	64 476	65 322	65 322	69 161	72 794	77 072
<b>Other</b>	4	—	—	—	—	100	100	—	—	—
<b>Total Revenue - Functional</b>	2	1 106 645	1 159 274	1 123 792	1 359 448	1 363 337	1 363 337	1 460 611	1 561 797	1 625 074
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		191 117	206 865	226 174	262 202	256 925	256 925	258 889	262 802	275 535
Executive and council		37 073	42 640	40 376	40 098	37 696	37 696	35 936	33 489	35 036
Finance and administration		150 896	160 962	182 041	218 212	215 336	215 336	218 570	224 750	235 728
Internal audit		3 148	3 263	3 757	3 891	3 893	3 893	4 382	4 563	4 772
<b>Community and public safety</b>		165 812	132 945	171 118	309 857	319 468	319 468	314 193	328 355	343 212
Community and social services		23 007	23 513	27 864	26 949	30 619	30 619	31 659	32 983	34 384
Sport and recreation		27 592	27 661	25 600	27 026	28 369	28 369	27 733	28 487	29 832
Public safety		85 065	58 426	94 987	225 937	225 820	225 820	226 116	239 558	252 596
Housing		29 981	23 184	22 583	29 855	34 570	34 570	28 595	27 230	26 297
Health		166	161	83	91	91	91	91	96	102
<b>Economic and environmental services</b>		68 538	107 096	78 767	79 306	82 545	82 545	85 887	89 328	93 764
Planning and development		15 428	15 655	17 506	18 626	18 943	18 943	20 016	20 773	21 757
Road transport		51 474	90 316	58 262	60 221	62 432	62 432	65 482	68 147	71 578
Environmental protection		1 637	1 125	2 999	459	1 171	1 171	389	408	429
<b>Trading services</b>		524 126	563 089	594 443	635 190	662 686	662 686	695 887	749 147	812 692
Energy sources		350 328	378 174	404 364	462 271	467 083	467 083	506 388	553 149	608 238
Water management		64 010	68 673	75 107	65 812	69 127	69 127	70 157	72 502	75 962
Waste water management		64 772	66 146	68 096	63 890	74 215	74 215	73 986	77 248	80 165
Waste management		45 015	50 096	46 876	43 218	52 261	52 261	45 356	46 249	48 327
<b>Other</b>	4	1 497	1 197	505	619	574	574	895	976	1 059
<b>Total Expenditure - Functional</b>	3	951 089	1 011 192	1 071 008	1 287 175	1 322 198	1 322 198	1 355 751	1 430 608	1 526 262
<b>Surplus/(Deficit) for the year</b>		155 556	148 082	52 784	72 273	41 139	41 139	104 860	131 189	98 812

- **Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)**

WC025 Breede Valley - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand										
Revenue by Vote	1									
Vote 1 - Council General		358	449	433	112	112	112	118	124	131
Vote 2 - Municipal Manager		4 770	7 434	2 859	500	500	500	500	-	-
Vote 3 - Strategic Support Services		2 508	3 094	1 529	1 651	1 301	1 301	1 244	1 137	1 170
Vote 4 - Financial Services		300 915	292 360	220 708	208 487	222 465	222 465	236 559	251 010	266 382
Vote 5 - Community Services		109 909	101 230	97 399	277 467	282 755	282 755	294 602	296 630	307 963
Vote 6 - Technical Services		688 186	754 706	800 865	-	-	-	-	-	-
Vote 7 - Engineering Services		-	-	-	552 474	520 228	520 228	565 252	621 035	653 613
Vote 8 - Public Services		-	-	-	318 757	335 975	335 975	362 335	391 861	395 816
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	1 106 645	1 159 274	1 123 792	1 359 448	1 363 337	1 363 337	1 460 611	1 561 797	1 625 074
Expenditure by Vote to be appropriated	1									
Vote 1 - Council General		30 440	37 996	36 468	36 147	32 843	32 843	28 540	29 746	31 120
Vote 2 - Municipal Manager		9 807	11 268	11 297	9 628	10 523	10 523	14 278	10 953	11 490
Vote 3 - Strategic Support Services		56 938	59 432	68 710	71 745	67 428	67 428	70 780	74 099	78 100
Vote 4 - Financial Services		62 206	66 399	77 852	133 357	131 228	131 228	128 388	133 863	140 125
Vote 5 - Community Services		171 962	178 895	180 406	315 481	319 707	319 707	320 204	331 347	346 312
Vote 6 - Technical Services		619 737	657 201	696 274	-	-	-	-	-	-
Vote 7 - Engineering Services		-	-	-	471 099	483 648	483 648	518 086	565 322	620 962
Vote 8 - Public Services		-	-	-	249 717	276 820	276 820	275 475	285 279	298 152
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	951 089	1 011 192	1 071 008	1 287 175	1 322 198	1 322 198	1 355 751	1 430 608	1 526 262
Surplus/(Deficit) for the year	2	155 556	148 082	52 784	72 273	41 139	41 139	104 860	131 189	98 812

- **Table A4 Budgeted Financial Performance (revenue and expenditure)**

WC025 Breede Valley - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Revenue By Source											
Property rates	2	135 728	145 107	155 977	154 348	168 061	168 061	168 061	175 223	185 765	196 942
Service charges - electricity revenue	2	389 167	416 707	431 937	522 613	487 765	487 765	487 765	536 542	568 735	602 860
Service charges - water revenue	2	70 217	91 484	93 942	79 712	94 000	94 000	94 000	98 700	103 636	108 818
Service charges - sanitation revenue	2	67 133	73 688	76 021	76 112	76 112	76 112	76 112	79 917	83 914	88 110
Service charges - refuse revenue	2	38 310	40 166	42 155	44 197	44 197	44 197	44 197	46 407	48 727	51 164
Rental of facilities and equipment		24 456	10 671	22 936	5 845	5 845	5 845	5 845	6 489	6 815	7 157
Interest earned - external investments		13 134	12 001	9 718	10 686	10 686	10 686	10 686	10 686	11 221	11 782
Interest earned - outstanding debtors		6 198	8 133	8 344	6 770	6 770	6 770	6 770	9 970	10 311	10 663
Dividends received		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		37 240	51 034	30 304	230 513	230 513	230 513	230 513	230 513	242 038	254 141
Licences and permits		2 952	2 211	2 017	3 949	3 949	3 949	3 949	4 056	4 259	4 472
Agency services		8 507	7 543	9 416	8 987	8 987	8 987	8 987	9 436	9 908	10 403
Transfers and subsidies		133 233	141 850	168 007	147 172	157 480	157 480	157 480	171 058	174 789	183 822
Other revenue	2	11 560	11 618	15 716	9 786	9 786	9 786	9 786	10 078	10 586	11 119
Gains		3 073	–	3 919	1 399	1 399	1 399	1 399	1 399	1 483	1 572
Total Revenue (excluding capital transfers and contributions)		940 908	1 012 212	1 070 409	1 302 088	1 305 548	1 305 548	1 305 548	1 390 473	1 462 183	1 543 022
Expenditure By Type											
Employee related costs	2	278 623	297 258	319 700	344 581	343 870	343 870	343 870	350 795	365 485	382 454
Remuneration of councillors		17 675	18 413	18 421	20 356	19 049	19 049	19 049	19 549	20 333	21 250
Debt impairment	3	62 896	90 509	77 130	198 257	198 257	198 257	198 257	198 257	209 752	222 026
Depreciation & asset impairment	2	88 009	87 496	88 561	100 988	100 988	100 988	100 988	100 988	106 265	112 035
Finance charges		24 682	23 643	22 351	23 653	23 653	23 653	23 653	38 001	44 980	51 267
Bulk purchases	2	287 305	318 842	337 524	388 335	388 335	388 335	388 335	422 897	460 535	506 588
Other materials	8	27 296	26 904	26 067	39 907	39 908	39 908	39 908	39 422	40 811	42 395
Contracted services		72 243	64 401	73 166	89 923	116 080	116 080	116 080	104 978	100 271	101 603
Transfers and subsidies		19 661	6 938	4 452	4 365	7 218	7 218	7 218	6 872	4 258	4 483
Other expenditure	4, 5	72 678	76 388	100 150	73 045	81 076	81 076	81 076	70 227	73 929	77 933
Losses		21	402	3 485	3 766	3 766	3 766	3 766	3 766	3 991	4 229
Total Expenditure		951 089	1 011 192	1 071 008	1 287 175	1 322 198	1 322 198	1 322 198	1 355 751	1 430 608	1 526 262
Surplus/(Deficit)		(10 182)	1 020	(598)	14 913	(16 649)	(16 649)	(16 649)	34 722	31 575	16 760
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		164 210	146 877	52 583	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	6	–	–	500	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		1 528	185	300	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Taxation		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Attributable to minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812
Share of surplus/ (deficit) of associate	7	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year		155 556	148 082	52 784	72 273	41 139	41 139	41 139	104 860	131 189	98 812

- **Table A5 Budgeted Capital Expenditure by vote, standard classification and funding**

WC025 Breede Valley - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure, to be appropriated</b>	2										
Vote 1 - Council General		–	4	–	5	5	5	5	5	5	5
Vote 2 - Municipal Manager		–	3 333	1 065	5	50	50	50	5	5	5
Vote 3 - Strategic Support Services		–	305	370	3 155	6 803	6 803	6 803	15 575	5	5
Vote 4 - Financial Services		–	167	3 237	–	–	–	–	–	–	–
Vote 5 - Community Services		–	2 153	10 442	15 635	15 563	15 563	15 563	5	5	505
Vote 6 - Technical Services		–	109 852	93 045	–	–	–	–	–	–	–
Vote 7 - Engineering Services		–	–	–	33 600	8 800	8 800	8 800	58 400	50 500	50 706
Vote 8 - Public Services		–	–	–	50 394	46 698	46 698	46 698	178 476	117 853	113 185
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]		–	–	–	–	–	–	–	–	–	–
<b>Capital multi-year expenditure sub-total</b>		–	115 815	108 160	102 794	77 919	77 919	77 919	252 466	168 373	164 411
<b>Single-year expenditure, to be appropriated</b>	2										
Vote 1 - Council General		–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		4 143	2 103	1 379	–	–	–	–	30	–	–
Vote 3 - Strategic Support Services		25 349	334	928	3 200	3 250	3 250	3 250	16 940	12 884	6 807
Vote 4 - Financial Services		1 426	8	450	805	2 139	2 139	2 139	1 975	805	805
Vote 5 - Community Services		10 232	811	1 153	7 200	3 467	3 467	3 467	5 379	6 000	6 000
Vote 6 - Technical Services		224 853	76 410	12 517	–	–	–	–	–	–	–
Vote 7 - Engineering Services		–	–	–	12 220	32 907	32 907	32 907	3 330	1 590	–
Vote 8 - Public Services		–	–	–	25 011	35 096	35 096	35 096	38 430	32 309	18 000
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]		–	–	–	–	–	–	–	–	–	–
<b>Capital single-year expenditure sub-total</b>		266 003	79 666	16 427	48 436	76 859	76 859	76 859	66 083	53 888	31 612
<b>Total Capital Expenditure - Vote</b>	3,7	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961	196 023
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		30 488	838	5 425	7 005	12 268	12 268	12 268	32 645	13 709	7 632
Executive and council		15	6	37	10	55	55	55	10	10	10
Finance and administration		30 473	832	5 388	6 995	12 213	12 213	12 213	32 635	13 699	7 622
Internal audit		–	–	–	–	–	–	–	–	–	–
<b>Community and public safety</b>		13 958	3 874	12 192	23 828	18 288	18 288	18 288	9 291	6 000	6 500
Community and social services		8 059	818	11 252	728	828	828	828	4 832	–	–
Sport and recreation		2 190	2 497	10	22 600	16 880	16 880	16 880	3 820	6 000	6 500
Public safety		3 709	559	930	500	500	500	500	639	–	–
Housing		–	–	–	–	80	80	80	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
<b>Economic and environmental services</b>		40 510	69 869	72 398	51 601	36 657	36 657	36 657	56 246	65 964	43 546
Planning and development		–	5 434	1 222	–	40	40	40	1 820	–	–
Road transport		40 510	64 435	71 176	51 601	36 617	36 617	36 617	54 426	65 964	43 546
Environmental protection		–	–	–	–	–	–	–	–	–	–
<b>Trading services</b>		161 047	120 901	34 572	68 797	87 565	87 565	87 565	220 368	136 288	138 345
Energy sources		27 408	20 710	23 781	45 490	46 229	46 229	46 229	66 230	56 090	50 706
Water management		55 824	29 044	4 195	7 308	19 398	19 398	19 398	94 688	25 570	26 719
Waste water management		63 000	49 695	5 420	14 483	21 566	21 566	21 566	58 250	53 628	59 920
Waste management		14 816	21 452	1 177	1 516	373	373	373	1 200	1 000	1 000
<b>Other</b>		–	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure - Functional</b>	3,7	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961	196 023
<b>Funded by:</b>											
National Government		37 488	34 373	50 125	57 260	57 260	57 260	57 260	69 094	99 614	82 052
Provincial Government		128 219	112 433	2 458	100	100	100	100	1 044	–	–
District Municipality		31	71	300	–	429	429	429	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial)		–	–	–	–	–	–	–	–	–	–
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	185	500	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>	4	165 738	147 062	53 383	57 360	57 789	57 789	57 789	70 138	99 614	82 052
<b>Public contributions &amp; donations</b>	5	–	–	–	–	–	–	–	–	–	–
<b>Borrowing</b>	6	6 281	159	–	–	–	–	–	146 238	34 669	32 000
<b>Internally generated funds</b>		93 984	48 260	71 205	93 870	96 989	96 989	96 989	102 174	87 678	81 971
<b>Total Capital Funding</b>	7	266 003	195 481	124 588	151 230	154 778	154 778	154 778	318 550	221 961	196 023

- Table A6 Budgeted Financial Position

**WC025 Breede Valley - Table A6 Budgeted Financial Position**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
ASSETS											
Current assets											
Cash		94 867	146 720	89 348	41 287	25 225	25 225	25 225	56 765	43 015	112 907
Call investment deposits	1	15 221	15 420	101 414	45 000	15 000	15 000	15 000	45 000	45 000	45 000
Consumer debtors	1	110 444	115 555	106 600	195 191	173 780	173 780	173 780	135 752	153 959	128 325
Other debtors		25 461	23 602	21 935	24 782	24 782	24 782	24 782	18 566	17 081	15 714
Current portion of long-term receivables		1 763	1 968	1 840	2 066	2 066	2 066	2 066	2 068	2 192	2 324
Inventory	2	7 081	10 432	8 668	10 953	10 953	10 953	10 953	9 274	9 361	9 448
Total current assets		254 837	313 695	329 806	319 279	251 805	251 805	251 805	267 426	270 608	313 718
Non current assets											
Long-term receivables		1 923	3 314	2 658	3 479	3 479	3 479	3 479	3 216	3 537	3 891
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		44 866	47 145	63 876	47 145	47 145	47 145	47 145	47 145	47 145	47 145
Investment in Associate		—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	3	2 201 899	2 319 592	2 353 160	2 408 787	2 409 968	2 409 968	2 409 968	2 592 148	2 708 483	2 793 148
Agricultural		—	—	—	—	—	—	—	—	—	—
Biological		—	—	—	—	—	—	—	—	—	—
Intangible		4 432	4 182	4 090	3 013	3 013	3 013	3 013	2 978	2 340	1 663
Other non-current assets		36 631	36 631	36 631	36 631	36 631	36 631	36 631	36 631	36 631	36 631
Total non current assets		2 289 752	2 410 862	2 460 414	2 499 055	2 500 236	2 500 236	2 500 236	2 682 117	2 798 135	2 882 477
TOTAL ASSETS		2 544 589	2 724 558	2 790 220	2 818 334	2 752 041	2 752 041	2 752 041	2 949 543	3 068 743	3 196 195
LIABILITIES											
Current liabilities											
Bank overdraft	1	—	—	—	—	—	—	—	—	—	—
Borrowing	4	16 495	17 433	18 448	14 536	14 536	14 536	14 536	20 809	24 417	28 590
Consumer deposits		4 083	4 231	4 367	4 738	4 738	4 738	4 738	4 633	4 772	4 915
Trade and other payables	4	111 594	121 889	106 664	92 096	92 096	92 096	92 096	80 518	93 608	113 740
Provisions		38 458	47 167	51 529	42 804	42 804	42 804	42 804	48 261	51 156	54 226
Total current liabilities		170 630	190 720	181 007	154 174	154 174	154 174	154 174	154 220	173 953	201 471
Non current liabilities											
Borrowing		203 881	192 180	179 139	164 603	164 603	164 603	164 603	285 883	295 009	297 222
Provisions		240 779	255 801	285 914	270 105	270 105	270 105	270 105	295 286	308 304	321 592
Total non current liabilities		444 660	447 981	465 053	434 708	434 708	434 708	434 708	581 169	603 313	618 814
TOTAL LIABILITIES		615 290	638 701	646 060	588 882	588 882	588 882	588 882	735 389	777 265	820 285
NET ASSETS	5	1 929 299	2 085 857	2 144 160	2 229 452	2 163 159	2 163 159	2 163 159	2 214 154	2 291 478	2 375 910
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1 929 299	2 085 857	2 144 160	2 175 587	2 109 294	2 109 294	2 109 294	2 160 289	2 237 613	2 322 045
Reserves	4	—	—	—	53 865	53 865	53 865	53 865	53 865	53 865	53 865
TOTAL COMMUNITY WEALTH/EQUITY	5	1 929 299	2 085 857	2 144 160	2 229 452	2 163 159	2 163 159	2 163 159	2 214 154	2 291 478	2 375 910

- Table A7 Budgeted Cash Flows**

**WC025 Breede Valley - Table A7 Budgeted Cash Flows**

Description		Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			–	–	111 142	131 196	142 851	142 851	142 851	157 700	167 188	177 247
Service charges			734 584	765 479	637 405	641 866	622 647	622 647	622 647	729 917	783 047	833 330
Other revenue			–	–	202 857	40 959	40 959	40 959	40 959	47 451	56 245	58 112
Transfers and Subsidies - Operational		1	130 191	141 396	161 901	147 172	157 480	157 480	157 480	171 058	174 789	183 822
Transfers and Subsidies - Capital		1	139 510	147 062	56 927	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Interest			14 983	18 674	16 052	17 456	17 456	17 456	17 456	20 656	21 531	22 445
Dividends			–	–	–	–	–	–	–	–	–	–
Payments												
Suppliers and employees			(753 939)	(783 656)	(1 012 988)	(959 913)	(992 083)	(992 083)	(992 083)	(1 011 634)	(1 065 354)	(1 136 452)
Finance charges			(24 682)	(23 643)	(22 675)	(21 336)	(21 336)	(21 336)	(21 336)	(35 817)	(39 131)	(41 970)
Transfers and Grants		1	(14 684)	(5 163)	(3 199)	(4 365)	(7 218)	(7 218)	(7 218)	(6 872)	(4 258)	(4 483)
NET CASH FROM/(USED) OPERATING ACTIVITIES			225 963	260 148	147 422	50 395	18 546	18 546	18 546	142 598	193 673	174 103
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			3 735	(362)	(1 744)	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables			4 816	(1 824)	23	–	–	–	–	–	–	–
Decrease (increase) in non-current investments			30 704	(199)	–	50	50	50	50	50	50	50
Payments												
Capital assets			(266 277)	(195 296)	(121 740)	(151 230)	(154 778)	(154 778)	(154 778)	(318 550)	(221 961)	(196 023)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(227 022)	(197 681)	(123 462)	(151 180)	(154 728)	(154 728)	(154 728)	(318 500)	(221 911)	(195 973)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing			–	–	–	–	–	–	–	146 238	34 669	119 093
Increase (decrease) in consumer deposits			171	148	153	100	100	100	100	100	100	100
Payments												
Repayment of borrowing			(9 696)	(10 763)	(11 702)	(13 041)	(13 041)	(13 041)	(13 041)	(18 685)	(20 280)	(27 431)
NET CASH FROM/(USED) FINANCING ACTIVITIES			(9 525)	(10 615)	(11 548)	(12 941)	(12 941)	(12 941)	(12 941)	127 653	14 489	91 762
NET INCREASE/ (DECREASE) IN CASH HELD			(10 584)	51 853	12 413	(113 726)	(149 123)	(149 123)	(149 123)	(48 248)	(13 750)	69 892
Cash/cash equivalents at the year begin:		2	105 451	94 867	161 720	200 013	189 348	189 348	189 348	150 013	101 765	88 015
Cash/cash equivalents at the year end:		2	94 867	146 720	174 132	86 287	40 225	40 225	40 225	101 765	88 015	157 907

• **Table A8 Cash Backed Reserves / Accumulated Surplus Reconciliation**

**WC025 Breede Valley - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	94 867	146 720	174 132	86 287	40 225	40 225	40 225	101 765	88 015	157 907
Other current investments > 90 days		15 221	15 420	16 630	–	0	0	0	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		110 088	162 139	190 762	86 287	40 225	40 225	40 225	101 765	88 015	157 907
Application of cash and investments											
Unspent conditional transfers		21 301	21 779	4 196	5 000	5 000	5 000	5 000	5 000	5 000	5 000
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	3	(37 629)	(26 944)	(37 971)	(72 066)	(56 337)	(56 337)	(56 337)	(46 491)	(49 236)	(8 726)
Other provisions		–	–	37 436	5 781	5 781	5 781	5 781	5 787	6 105	6 450
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	53 865	53 865	53 865	53 865	53 865	53 865	53 865
Total Application of cash and investments:		(16 328)	(5 165)	3 661	(7 420)	8 309	8 309	8 309	18 161	15 734	56 589
Surplus(shortfall)		126 416	167 305	187 101	93 707	31 916	31 916	31 916	83 605	72 281	101 318

• **Table A9 Asset Management**

Please refer to Annexure A

• **Table A10 Basic Service Delivery Measurement**



WC025 Breede Valley - Table A10 Basic service delivery measurement										
Description	Ref	-2018	-2019	-2020	-2021-O	-2021-A	-2021-F	-2022	-2023	-2024
		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Household service targets</b>										
<b>Water:</b>										
Piped water inside dwelling	1	16 701	19 372	19 372	19 372	19 372	19 372	19 372	19 372	19 372
Piped water inside yard (but not in dwelling)	2	3 803	3 879	3 879	3 879	3 879	3 879	3 879	3 879	3 879
Using public tap (at least min.service level)	4	4 989	6 949	6 949	6 949	6 949	6 949	6 949	6 949	6 949
Other water supply (at least min.service level)	4	—	—	—	—	—	—	—	—	—
Minimum Service Level and Above sub-total	3	25 493	30 200	30 200	30 200	30 200	30 200	30 200	30 200	30 200
Using public tap (< min.service level)	4	924	924	—	—	—	—	—	—	—
Other water supply (< min.service level)	4	—	—	—	—	—	—	—	—	—
No water supply	4	—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total	5	924	924	—	—	—	—	—	—	—
Total number of households	5	26 417	31 124	30 200	30 200	30 200	30 200	30 200	30 200	30 200
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		23 834	18 555	18 555	18 555	18 555	18 555	18 555	18 555	18 555
Flush toilet (with septic tank)		100	2 687	2 687	2 687	2 687	2 687	2 687	2 687	2 687
Chemical toilet		4 415	4 263	4 263	4 263	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		28 349	25 504	25 504	25 504	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	28 349	25 504	25 504	25 504	25 504	25 504	25 504	25 504	25 504
<b>Energy:</b>										
Electricity (at least min.service level)		4 674	2 977	2 977	2 977	2 977	2 977	2 977	2 977	2 977
Electricity - prepaid (min.service level)		20 929	21 137	21 160	21 160	21 160	21 160	21 170	21 180	21 180
Minimum Service Level and Above sub-total		25 603	24 114	24 137	24 137	24 137	24 137	24 147	24 157	24 157
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min.service level)		—	—	—	—	—	—	—	—	—
Other energy sources		—	—	—	—	—	—	—	—	—
Below Minimum Service Level sub-total		—	—	—	—	—	—	—	—	—
Total number of households	5	25 603	24 114	24 137	24 137	24 137	24 137	24 147	24 157	24 157
<b>Refuse:</b>										
Removed at least once a week		34 804	48 995	48 995	48 995	48 995	48 995	48 995	48 995	48 995
Minimum Service Level and Above sub-total		34 804	48 995	48 995	48 995	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	34 804	48 995	48 995	48 995	48 995	48 995	48 995	48 995	48 995
<b>Households receiving Free Basic Service</b>										
Water (6 kilolitres per household per month)	7	8 530	8 997	9 556	10 500	10 500	10 500	10 500	10 500	10 500
Sanitation (free minimum level service)		8 530	8 997	9 556	10 500	10 500	9 850	10 500	10 500	10 500
Electricity/other energy (50kwh per household per month)		8 530	8 997	9 556	10 500	10 500	10 500	10 500	10 500	10 500
Refuse (removed at least once a week)		8 530	8 997	9 556	10 500	10 500	10 500	10 500	10 500	10 500
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)	8	9 641	11 957	14 446	9 852	9 852	21 000	22 050	23 153	24 310
Sanitation (free sanitation service to indigent households)		15 346	17 629	20 447	18 196	18 196	23 000	24 150	25 358	26 625
Electricity/other energy (50kwh per indigent household per month)		3 796	5 673	5 471	7 770	7 770	4 967	5 463	6 010	6 611
Refuse (removed once a week for indigent households)		9 867	11 078	12 830	9 990	9 990	15 000	15 750	16 538	17 364
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		—	—	—	—	—	—	—	—	—
Total cost of FBS provided		38 649	46 337	53 194	45 808	45 808	63 967	67 413	71 057	74 910
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		150 000	150 000	150 000	270 000	270 000	270 000	270 000	270 000	270 000
Water (kilolitres per household per month)		10	10	10	10	10	10	10	10	10
Sanitation (kilolitres per household per month)		—	—	—	—	—	—	—	—	—
Sanitation (Rand per household per month)		261	296	297	310	310	310	328	344	361
Electricity (kwh per household per month)		50	50	50	50	50	50	50	50	50
Refuse (average litres per week)		240	240	240	240	240	240	240	240	240
<b>Revenue cost of subsidised services provided (R'000)</b>										
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)	9	—	—	—	—	—	—	—	—	—
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		18 831	16 623	21 192	21 665	21 665	20 440	24 614	26 062	27 595
Water (in excess of 6 kilolitres per indigent household per month)		—	—	—	9 852	9 852	—	—	—	—
Sanitation (in excess of free sanitation service to indigent households)		—	—	—	—	—	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household per month)		—	—	—	—	—	—	—	—	—
Refuse (in excess of one removal a week for indigent households)		—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates		8 344	9 349	—	9 516	9 516	10 381	10 900	11 445	12 018
Housing - top structure subsidies	6	—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
Total revenue cost of subsidised services provided		27 175	25 972	21 192	41 033	41 033	30 821	35 514	37 507	39 612

Kindly refer to Appendix A for the detailed Schedule A tables.

Breede Valley Municipality do not have any entities, therefore, no consolidation of budget information and tables are presented in the document and other supporting documentation.

## PART 2 – Supporting Documentation

Step No

ISSUE

TIMEFRAME

1	IDP/Budget Process Plan/Timetable approved by council	Aug 2021
2	IDP Meetings – inputs from Ward Councilors & Ward Committees	Oct 2021
3	First IDP/ Budget Steering Committee Meeting	Nov 2021
4	Departmental inputs on Draft allocations	Nov & Dec 2021
5	2 <sup>nd</sup> Budget Steering Committee – Consider Adjustment budget	Jan 2022
6	Draft Budget input captured and Budget balanced	March 2022
7	Draft IDP & Budget tabled in Council	March 2022
8	IDP & Budget workshop - Council	April 2022
9	Public Consultation	April 2022
10	Finalise Sector / Dept Strategy Plan / Budget - IDP	April 2022
11	Consideration of Comments received	April 2022
12	Tabling of Final MTREF	End May 2022

## 5. Overview of Annual Budget Process



### Process Plan

	STEP	PROCESS
1.	Planning	Schedule key dates, establish consultation forums, review previous processes
2.	Strategising	Review IDP, Determine priorities, set service delivery targets and objectives for the next three years, consult on tariffs, indigent, credit control, free basic services, etc and consult local, provincial, and national issues, previous years performance and current economic and demographic trends.
3.	Preparing	Prepare budget, revenue, expenditure projections, draft budget policies, consult and consider local, provincial and national priorities.
4.	Tabling	Table draft budget, IDP and budget related policies before the council, consult and consider formal local, provincial, and national inputs and responses.
5.	Approving	Council approves budget and related policies.
6.	Finalising/ Implementation	Publish and approve SDBIP and annual Performance agreements and indicators. Publish Budget in terms of sect.22 MFMA

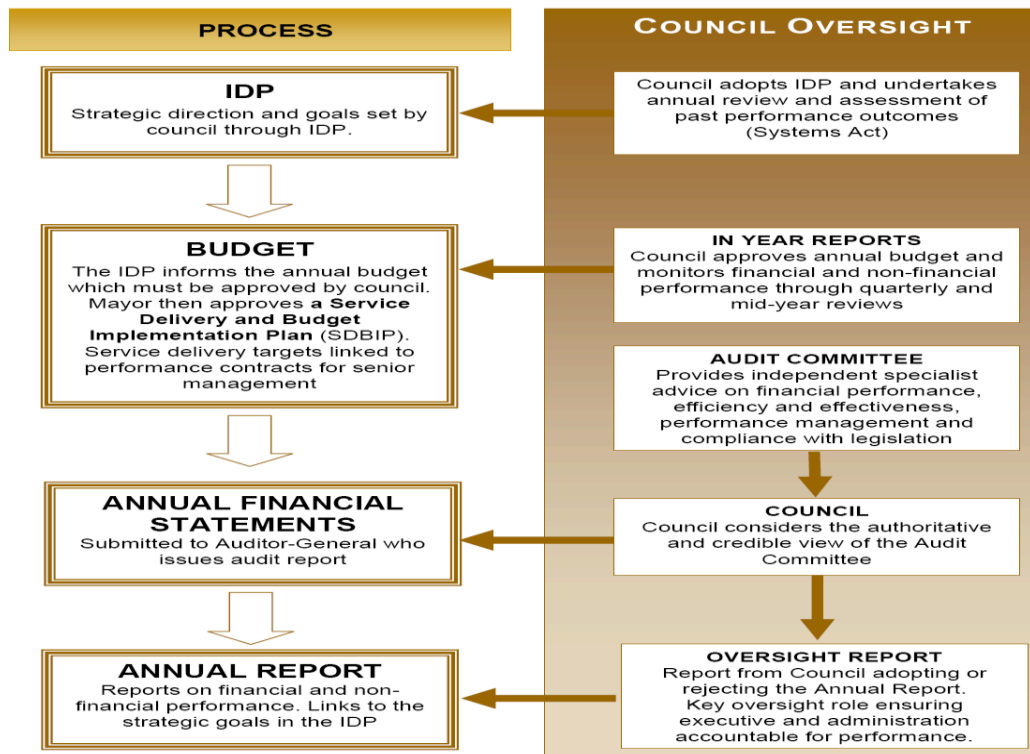
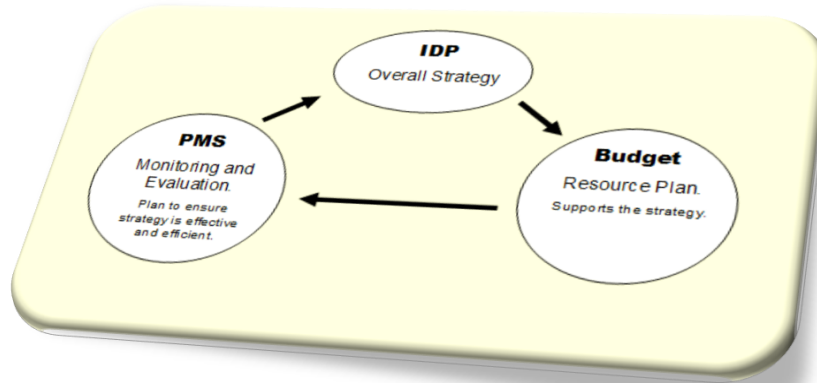
The IDP / Budget process plan was consulted with all relevant stakeholders, whom are:

- Council
- Executive Mayor and Mayoral Committee
- Accounting Officer
- Management
- Institutional Committees
- District Municipality (Cape Winelands District Municipality)
- Intergovernmental (National Treasury, Provincial Treasury and Department of Local Government)

- Ward councillors, ward committees and community in wards

## 6. Overview of alignment of annual budget with Integrated Development Plan

The below diagrams illustrates the link between the municipality's IDP and Budget



**MBRR Table SA4 - Reconciliation between the IDP strategic objectives and budgeted revenue**

WC025 Breede Valley - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)													
Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand													
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1		840 029	868 799	842 016	896 237	883 664	883 664	965 512	1 045 005	1 080 748	
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2		1 342	946	2 614	123	223	223	137	–	–	
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3		50 962	63 207	46 931	244 963	245 000	245 000	245 594	256 857	268 661	
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4		19 510	18 638	14 156	10 417	12 764	12 764	13 581	9 776	10 215	
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5		838	660	544	620	620	620	626	633	639	
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6		193 965	207 023	217 531	207 088	221 067	221 067	235 161	249 527	264 810	
Allocations to other priorities				2									
Total Revenue (excluding capital transfers and contributions)				1	1 106 645	1 159 274	1 123 792	1 359 448	1 363 337	1 363 337	1 460 611	1 561 797	1 625 074
References													
1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)													
2. Balance of allocations not directly linked to an IDP strategic objective													

Please refer to Annexure A

## MBRR Table SA5 - Reconciliation between the IDP strategic objectives and budgeted operating expenditure

WC025 Breede Valley - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)													
Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand													
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1		666 437	696 124	731 460	786 503	827 484	827 484	855 710	912 880	982 126	
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2		5 364	4 841	6 259	4 182	4 775	4 775	5 162	5 334	5 637	
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3		113 825	126 486	135 240	266 672	266 320	266 320	268 984	284 315	299 464	
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4		91 734	103 893	107 391	109 133	110 993	110 993	106 629	103 858	109 077	
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5		13 192	12 038	13 725	13 133	10 309	10 309	14 887	15 566	16 317	
Assure a sustainable future through sound financial management, continuous revenue growth corporate governance and risk management practices	Sound financial management, viability and risk management	6		60 537	67 811	76 932	107 552	102 316	102 316	104 380	108 654	113 641	
Allocations to other priorities													
Total Expenditure				1	951 089	1 011 192	1 071 008	1 287 175	1 322 198	1 322 198	1 355 751	1 430 608	1 526 262
References													
1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)													

Please refer to Annexure A

## MBRR Table SA6 - Reconciliation between the IDP strategic objectives and budgeted capital expenditure

WC025 Breede Valley - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)									
Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast
R thousand									
To provide, maintain and assure basic services and social upliftment for the Breede Valley community	Sustainable basic services to communities	1		230 426	188 463	115 211	143 325	139 931	139 931
To create an enabling environment for employment and poverty eradication through proactive economic development and tourism	Poverty eradication through LED and Tourism	2		–	–	–	–	–	–
To ensure a safe, healthy, clean and sustainable external environment for all the residents in the Breede Valley	Safe, healthy and clean environment	3		798	562	1 848	1 105	2 928	2 928
Provide democratic, accountable government for local communities and encourage involvement of communities and community organisations in the matters of local government	Good governance and public participation	4		31 908	6 280	3 842	5 995	9 595	9 595
Ensure a healthy and productive workforce and an effective and efficient work environment	Healthy and productive workforce	5		1 950	–	–	–	–	–
Assure a sustainable future through sound financial management, continuous revenue growth, corporate governance and risk management practices	Sound financial management, viability and risk management	6		921	175	3 687	805	2 324	2 324
Allocations to other priorities			3						
Total Capital Expenditure			1	266 003	195 481	124 588	151 230	154 778	154 778
References									
1. Total capital expenditure must reconcile to Budgeted Capital Expenditure									
2. Goal code must be used on Table SA36									
3. Balance of allocations not directly linked to an IDP strategic objective									

Please refer to Annexure A

## 7. Measurable performance objectives and indicators

SA7 provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Please refer to Annexure A

## 8. MBRR Table SA8 - Performance indicators and benchmarks

The following table sets out the municipality's main performance objectives and benchmarks for the 2022/23 MTREF.

WC025 Breede Valley - Supporting Table SA8 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Borrowing Management</b>											
Credit Rating		Baa1.za	Baa1.za	Baa1.za	Baa1.za	Baa1.za	Baa1.za	Baa1.za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	3,6%	3,4%	3,2%	2,9%	2,8%	2,8%	2,8%	4,2%	4,6%	5,2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	4,3%	4,0%	3,8%	3,2%	3,2%	3,2%	3,2%	4,6%	5,1%	5,8%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	58,9%	28,3%	104,5%
<b>Safety of Capital</b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0,0%	0,0%	0,0%	305,6%	305,6%	305,6%	305,6%	530,7%	547,7%	551,8%
<b>Liquidity</b>											
Current Ratio	Current assets/current liabilities	1,5	1,6	1,8	2,1	1,6	1,6	1,6	1,7	1,6	1,6
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1,5	1,6	1,8	2,1	1,6	1,6	1,6	1,7	1,6	1,6
Liquidity Ratio	Monetary Assets/Current Liabilities	0,6	0,9	1,1	0,6	0,3	0,3	0,3	0,7	0,5	0,8
<b>Revenue Management</b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		104,9%	99,8%	93,6%	88,2%	88,0%	88,0%	88,0%	94,8%	95,9%	96,4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	14,8%	14,3%	12,4%	17,3%	15,6%	15,6%	15,6%	11,5%	12,1%	9,7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
<b>Creditors Management</b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	98,0%	98,0%	98,0%	99,0%	99,0%	99,0%	99,0%	99,0%	99,0%	99,0%
Creditors to Cash and Investments		95,1%	68,2%	58,8%	100,9%	216,5%	216,5%	216,5%	74,2%	100,7%	68,9%
<b>Other Indicators</b>											
	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)	21 745 032	15 732 624		24 674 626	24 674 626	24 674 626	24 674 626	24 674 626	24 674 626	24 674 626
Electricity Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	25 502	20 655 363		19 740	19 740	19 740	19 740	19 740	19 740	19 740
	Total Volume Losses (M€)	7,2%	5,41%		7,50%	7,50%	7,50%	7,50%	7,50%	7,50%	7,50%
	Total Cost of Losses (Rand '000)	2 182 315	4 764 823		2 377 000	2 377 000	2 377 000	2 377 000	2 377 000	2 377 000	2 377 000
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	10 434	25 941		8 079	8 079	8 079	8 079	8 079	8 079	8 079
		16,4%	31,0%		16,0%	16,0%	16,0%	16,0%	16,0%	16,0%	16,0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	29,6%	29,4%	29,9%	26,5%	26,3%	26,3%	26,3%	25,2%	25,0%	24,8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	31,5%	31,2%	31,6%	28,0%	27,8%	27,8%		26,6%	26,4%	26,2%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	6,6%	5,2%	4,3%	4,3%	6,3%	6,3%		4,9%	4,9%	4,8%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	12,0%	11,0%	10,4%	9,6%	9,5%	9,5%	9,5%	10,0%	10,3%	10,6%
<b>IDP regulation financial viability indicators</b>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	27,4	31,4	29,6	37,9	37,9	37,9	29,2	29,2	25,8	27,3
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	19,0%	18,1%	15,8%	25,2%	22,9%	22,9%	22,9%	16,6%	17,4%	13,9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1,4	2,1	2,3	0,9	0,4	0,4	0,4	1,0	0,9	1,4
<b>References</b>											
1. Consumer debtors > 12 months old are excluded from current assets											
2. Only include if services provided by the municipality											
<b>Calculation data</b>											
Debtors > 90 days											
Monthly fixed operational expenditure		66 115	70 877	74 290	91 792	94 309	94 309	94 309	97 202	102 594	109 188
Fixed operational expenditure % assumption		40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%	40,0%
Own capex		100 265	48 419	71 205	93 870	96 989	96 989	96 989	248 412	122 347	113 971
Borrowing		-	-	-	-	-	-	-	146 238	34 669	119 093

Please refer to Annexure A

## 9. Overview of Budget Related Policies

The following budget related policies are in use:

- Asset Management Policy
- Borrowing Policy
- Budget Policy
- Budget Virement Policy
- Costing Policy
- Credit Control and Debt Collection Policy
- Funding and Reserves Policy
- Insurance Management Policy
- Long Term Financial Plan Policy

- Property Rates Policy
- Tariff Policy
- Write-off Policy
- Supply Chain Management Policy
- Cost Containment Policy

Please refer to annexure D for the budget related policies.

## 10. Overview of Budget Assumptions

The following budget assumptions were used as basis for compilation of the 2022/23 MTREF:

- Tariff increases:

Service	Percentage Increase (%)
Electricity	NERSA
Water	5.45% - 5.76%
Sewerage	5.60%
Refuse	5.44%
Rates	5.43%

**\*Kindly refer to Annexure E for the complete list of tariffs**

- CPIX = Approximately 5% (MFMA budget circular)
- Employee related cost is based collective agreement
- Government Grant will be received as gazetted by National and Provincial Government.
- Electricity bulk purchases in line with NERSA.
- Minimal growth in revenue base. Mostly related to low cost housing.
- No / limited increases applied on cost containment items.
- Indigent households is anticipated be in the region of 10 000 households (formal)
- Budgeted collection rate equals to 90 percent
- Conditional grant will be fully spent
- Credit rating: Baa1.za

## 11. Overview of Budget Funding

### Funding sources of operating expenditure budget.

This overview provides the funding for operating expenditure to be incurred in future financial years.

WC025 Breede Valley - Table A1 Budget Summary										
Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>										
<b>Financial Performance</b>										
Property rates	135 728	145 107	155 977	154 348	168 061	168 061	168 061	175 223	185 765	196 942
Service charges	564 827	622 044	644 056	722 633	702 073	702 073	702 073	761 566	805 011	850 951
Investment revenue	13 134	12 001	9 718	10 686	10 686	10 686	10 686	10 686	11 221	11 782
Transfers recognised - operational	133 233	141 850	168 007	147 172	157 480	157 480	157 480	171 058	174 789	183 822
Other own revenue	93 986	91 210	92 652	267 249	267 249	267 249	267 249	271 940	285 398	299 527
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>940 908</b>	<b>1 012 212</b>	<b>1 070 409</b>	<b>1 302 088</b>	<b>1 305 548</b>	<b>1 305 548</b>	<b>1 305 548</b>	<b>1 390 473</b>	<b>1 462 183</b>	<b>1 543 022</b>
Employee costs	278 623	297 258	319 700	344 581	343 870	343 870	343 870	350 795	365 485	382 454
Remuneration of councillors	17 675	18 413	18 421	20 356	19 049	19 049	19 049	19 549	20 333	21 250
Depreciation & asset impairment	88 009	87 496	88 561	100 988	100 988	100 988	100 988	100 988	106 265	112 035
Finance charges	24 682	23 643	22 351	23 653	23 653	23 653	23 653	38 001	44 980	51 267
Materials and bulk purchases	314 601	345 745	363 591	428 242	428 243	428 243	428 243	462 319	501 346	548 983
Transfers and grants	19 661	6 938	4 452	4 365	7 218	7 218	7 218	6 872	4 258	4 483
Other expenditure	207 838	231 699	253 931	364 990	399 178	399 178	399 178	377 227	387 942	405 791
<b>Total Expenditure</b>	<b>951 089</b>	<b>1 011 192</b>	<b>1 071 008</b>	<b>1 287 175</b>	<b>1 322 198</b>	<b>1 322 198</b>	<b>1 322 198</b>	<b>1 355 751</b>	<b>1 430 608</b>	<b>1 526 262</b>
<b>Surplus/(Deficit)</b>	<b>(10 182)</b>	<b>1 020</b>	<b>(598)</b>	<b>14 913</b>	<b>(16 649)</b>	<b>(16 649)</b>	<b>(16 649)</b>	<b>34 722</b>	<b>31 575</b>	<b>16 760</b>
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)	164 210	146 877	52 583	57 360	57 789	57 789	57 789	70 138	99 614	82 052
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>155 556</b>	<b>148 082</b>	<b>52 784</b>	<b>72 273</b>	<b>41 139</b>	<b>41 139</b>	<b>41 139</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>155 556</b>	<b>148 082</b>	<b>52 784</b>	<b>72 273</b>	<b>41 139</b>	<b>41 139</b>	<b>41 139</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>
<b>Capital expenditure &amp; funds sources</b>										
<b>Capital expenditure</b>	<b>266 003</b>	<b>195 481</b>	<b>124 588</b>	<b>151 230</b>	<b>154 778</b>	<b>154 778</b>	<b>154 778</b>	<b>318 550</b>	<b>221 961</b>	<b>196 023</b>
Transfers recognised - capital	165 738	147 062	53 383	57 360	57 789	57 789	57 789	70 138	99 614	82 052
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	6 281	159	-	-	-	-	-	146 238	34 669	32 000
Internally generated funds	93 984	48 260	71 205	93 870	96 989	96 989	96 989	102 174	87 678	81 971
<b>Total sources of capital funds</b>	<b>266 003</b>	<b>195 481</b>	<b>124 588</b>	<b>151 230</b>	<b>154 778</b>	<b>154 778</b>	<b>154 778</b>	<b>318 550</b>	<b>221 961</b>	<b>196 023</b>
<b>Financial position</b>										
Total current assets	254 837	313 695	329 806	319 279	251 805	251 805	251 805	267 426	270 608	313 718
Total non current assets	2 289 752	2 410 862	2 460 414	2 499 055	2 500 236	2 500 236	2 500 236	2 682 117	2 798 135	2 882 477
Total current liabilities	170 630	190 720	181 007	154 174	154 174	154 174	154 174	154 220	173 953	201 471
Total non current liabilities	444 660	447 981	465 053	434 708	434 708	434 708	434 708	581 169	603 313	618 814
<b>Community wealth/Equity</b>	<b>1 929 299</b>	<b>2 085 857</b>	<b>2 144 160</b>	<b>2 229 452</b>	<b>2 163 159</b>	<b>2 163 159</b>	<b>2 163 159</b>	<b>2 214 154</b>	<b>2 291 478</b>	<b>2 375 910</b>
<b>Cash flows</b>										
Net cash from (used) operating	225 963	260 148	147 422	50 395	18 546	18 546	18 546	142 598	193 673	174 103
Net cash from (used) investing	(227 022)	(197 681)	(123 462)	(151 180)	(154 728)	(154 728)	(154 728)	(318 500)	(221 911)	(195 973)
Net cash from (used) financing	(9 525)	(10 615)	(11 548)	(12 941)	(12 941)	(12 941)	(12 941)	127 653	14 489	91 762
<b>Cash/cash equivalents at the year end</b>	<b>94 867</b>	<b>146 720</b>	<b>174 132</b>	<b>86 287</b>	<b>40 225</b>	<b>40 225</b>	<b>40 225</b>	<b>101 765</b>	<b>88 015</b>	<b>157 907</b>
<b>Cash backing/surplus reconciliation</b>										
Cash and investments available	110 088	162 139	190 762	86 287	40 225	40 225	40 225	101 765	88 015	157 907
Application of cash and investments	(16 328)	(5 165)	3 661	(7 420)	8 309	8 309	8 309	18 161	15 734	56 589
<b>Balance - surplus (shortfall)</b>	<b>126 416</b>	<b>167 305</b>	<b>187 101</b>	<b>93 707</b>	<b>31 916</b>	<b>31 916</b>	<b>31 916</b>	<b>83 605</b>	<b>72 281</b>	<b>101 318</b>
<b>Asset management</b>										
Asset register summary (WDV)	2 251 198	2 407 549	2 465 638	2 495 576	2 496 757	2 496 757		2 678 902	2 794 598	2 878 586
Depreciation	88 009	87 496	88 561	100 988	100 988	100 988		100 988	106 265	112 035
Renewal of Existing Assets	25 695	53 016	63 366	43 631	30 701	30 701		51 504	63 014	46 746
Repairs and Maintenance	61 942	52 933	46 518	55 398	81 985	81 985		67 715	71 899	74 463
<b>Free services</b>										
Cost of Free Basic Services provided	38 649	46 337	53 194	45 808	45 808	63 967	67 413	67 413	71 057	74 910
Revenue cost of free services provided	27 175	25 972	21 192	41 033	41 033	30 821	35 514	35 514	37 507	39 612
<b>Households below minimum service level</b>	<b>924</b>	<b>924</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-

Please refer to table A1 of Annexure A

## Funding sources of capital expenditure budget

Similar to the operating revenue, the capital funding indicates how the capital programme of the municipality will be financed in future years. Based on the above table, it is clear that the municipality is largely grant dependant when external funding (loans) are not being taken up. However, it should be noted that significant progress was made with regards to the contribution of own resources to the capital programme in recent years.

Internal funding in the form of the Capital Replacement Reserve (CRR) is cash backed and sufficient to cover the related capital expenditure projects for the budget year. The municipality



remains committed in growing the CRR by making contributions to this reserve to enable better service delivery in the form of capital expenditure. Projects funded from the CRR will be closely monitored to aid implementation and where adjustments are required due to implementation challenges, funds will be directed or reprioritised as per the prerogative of management, through the guidance of the IDP and / or the municipality's financial status.

## **12. Expenditure on allocations and grant programmes**

### **MBRR SA19 - Expenditure on transfers and grant programmes**

Kindly refer to table SA19 of Annexure A.

## **13. Allocations or grants made by the municipality**

### **MBRR SA21- Transfers and grants made by the municipality**

WC025 Breede Valley - Supporting Table SA21 Transfers and grants made by the municipality											
Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
<b>Cash Transfers to other municipalities</b>											
Operational	1	–	–	–	–	100	100	100	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Municipalities:		–	–	–	–	100	100	100	–	–	–
<b>Cash Transfers to Entities/Other External Mechanisms</b>											
Operational	2	–	13	92	94	94	94	94	94	99	104
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Entities/Ems'		–	13	92	94	94	94	94	94	99	104
<b>Cash Transfers to other Organs of State</b>											
Operational	3	–	1 774	1 025	503	2 925	2 925	2 925	2 830	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Other Organs Of State:		–	1 774	1 025	503	2 925	2 925	2 925	2 830	–	–
<b>Cash Transfers to Organisations</b>											
Operational		19 661	2 673	1 689	1 933	1 867	1 867	1 867	2 113	2 232	2 355
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations		19 661	2 673	1 689	1 933	1 867	1 867	1 867	2 113	2 232	2 355
<b>Cash Transfers to Groups of Individuals</b>											
Operational		–	2 440	1 593	1 735	2 131	2 131	2 131	1 735	1 822	1 913
Capital		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Groups Of Individuals:		–	2 440	1 593	1 735	2 131	2 131	2 131	1 735	1 822	1 913
TOTAL CASH TRANSFERS AND GRANTS	6	19 661	6 900	4 399	4 265	7 118	7 118	7 118	6 772	4 153	4 372
<b>Non-Cash Transfers to other municipalities</b>											
Operational	1	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>											
Operational	2	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
<b>Non-Cash Transfers to other Organs of State</b>											
Operational	3	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
<b>Non-Cash Grants to Organisations</b>											
Operational	4	–	–	–	–	–	–	–	–	–	–
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Organisations		–	–	–	–	–	–	–	–	–	–
<b>Non-Cash Transfers to Groups of Individuals</b>											
Operational	5	–	37	53	100	100	100	100	100	105	110
Capital		–	–	–	–	–	–	–	–	–	–
Total Non-Cash Grants To Groups Of Individuals:		–	37	53	100	100	100	100	100	105	110
TOTAL NON-CASH TRANSFERS AND GRANTS		–	37	53	100	100	100	100	100	105	110
TOTAL TRANSFERS AND GRANTS	6	19 661	6 938	4 452	4 365	7 218	7 218	7 218	6 872	4 258	4 483

Kindly refer to table SA21 of Annexure A.

#### 14. Councillors and board members allowances and employee benefits

**MBRR SA23 - Salaries, allowances and benefits (political office bearers/councillors/ senior managers)**

WC025 Breede Valley - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
<b>Councillors</b>	3							
Speaker	4	1	634 811	126 963	62 592	–	–	824 366
Chief Whip		1	731 221	–	44 400	–	–	775 621
Section 79 Chairperson		1	368 333	27 626	44 400	–	–	440 359
Executive Mayor		1	752 611	147 250	119 498	–	–	1 019 359
Deputy Executive Mayor		1	593 793	119 704	110 869	–	–	824 366
Executive Committee		8	4 352 470	663 477	413 400	–	–	5 429 347
Total for all other councillors		28	8 385 829	341 982	1 507 420	–	–	10 235 231
<b>Total Councillors</b>	8	41	15 819 068	1 427 002	2 302 579			19 548 649
<b>Senior Managers of the Municipality</b>	5							
Municipal Manager (MM)		1	2 041 143	83 402	178 611	–	–	2 303 156
Chief Finance Officer		1	1 380 663	301 116	211 718	–	–	1 893 497
Director: Strategic Support Services		1	1 310 941	324 326	275 285	–	–	1 910 552
Director: Community Services		1	1 315 960	277 378	300 161	–	–	1 893 499
Director: Engineering Services		1	1 521 074	1 785	370 635	–	–	1 893 494
Director: Public Services		1	1 142 319	204 995	307 068	–	–	1 654 382
List of each official with packages >= senior manager								
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
		–	–	–	–	–	–	–
<b>Total Senior Managers of the Municipality</b>	8,10	6	8 712 100	1 193 002	1 643 478	–		11 548 580
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	10	47	24 531 168	2 620 004	3 946 057	–		31 097 229

Kindly refer to table SA23 of Annexure A.

## 15. Monthly targets for revenue, expenditure and cash flow

### MBRR SA25 - Budgeted monthly revenue and expenditure

WC025 Breede Valley - Supporting Table SA25 Budgeted monthly revenue and expenditure																	
Description		Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue By Source</b>																	
Property rates			12 265	14 018	14 018	14 018	17 522	19 274	19 274	14 018	14 018	10 513	12 265	14 019	175 223	185 765	196 942
Service charges - electricity revenue			39 714	43 463	43 463	43 463	50 961	54 710	54 710	43 463	43 463	35 964	39 714	43 456	536 542	568 735	602 860
Service charges - water revenue			6 797	7 868	7 868	7 868	10 010	11 082	11 082	7 868	7 868	5 726	6 797	7 865	98 700	103 636	108 818
Service charges - sanitation revenue			5 595	6 394	6 394	6 394	7 992	8 791	8 791	6 394	6 394	4 795	5 595	6 389	79 917	83 914	88 110
Service charges - refuse revenue			4 064	3 916	3 916	3 916	3 622	3 474	3 474	3 916	3 916	4 211	4 064	3 916	46 407	48 727	51 164
Rental of facilities and equipment			478	526	526	526	622	670	670	526	526	430	478	508	6 489	6 815	7 157
Interest earned - external investments			810	462	745	907	1 065	914	782	772	810	1 030	1 110	1 259	10 686	11 221	11 782
Interest earned - outstanding debtors			790	821	821	821	882	913	913	821	821	759	790	817	9 970	10 311	10 663
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			16 136	18 442	18 442	18 442	23 052	25 357	25 357	18 442	18 442	13 831	16 136	18 435	230 513	242 038	254 141
Licences and permits			284	325	325	325	406	447	447	325	325	244	284	322	4 056	4 259	4 472
Agency services			259	700	1 656	973	912	613	700	941	629	658	672	723	9 436	9 908	10 403
Transfers and subsidies			12 008	13 694	13 694	13 694	17 065	18 751	18 751	13 694	13 694	10 323	12 008	13 682	171 058	174 789	183 822
Other revenue			709	810	810	810	1 012	1 112	1 112	810	810	609	709	763	10 078	10 586	11 119
Gains			98	112	112	112	140	154	154	112	112	84	98	112	1 399	1 483	1 572
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>100 009</b>	<b>111 550</b>	<b>112 789</b>	<b>112 268</b>	<b>135 283</b>	<b>146 262</b>	<b>146 218</b>	<b>112 101</b>	<b>111 828</b>	<b>89 178</b>	<b>100 722</b>	<b>112 265</b>	<b>1 390 473</b>	<b>1 462 183</b>	<b>1 543 022</b>
<b>Expenditure By Type</b>																	
Employee related costs			25 047	28 217	28 217	28 217	34 558	37 729	37 729	28 217	28 217	21 879	25 047	27 725	350 795	365 485	382 454
Remuneration of councillors			1 370	1 565	1 565	1 565	1 956	2 152	2 152	1 565	1 565	1 175	1 370	1 548	19 549	20 333	21 250
Debt impairment			13 878	15 861	15 861	15 861	19 826	21 809	21 809	15 861	15 861	11 896	13 878	15 856	198 257	209 752	222 026
Depreciation & asset impairment			7 100	8 109	8 109	8 109	10 128	11 138	11 138	8 109	8 109	6 091	7 100	7 749	100 988	106 265	112 035
Finance charges			2 661	3 041	3 041	3 041	3 801	4 181	4 181	3 041	3 041	2 281	2 661	3 027	38 001	44 980	51 267
Bulk purchases			29 603	33 832	33 832	33 832	42 290	46 519	46 519	33 832	33 832	25 374	29 603	33 831	422 897	460 535	506 588
Other materials			2 925	3 199	3 199	3 199	3 750	4 029	4 029	3 199	3 199	2 647	2 925	3 124	39 422	40 811	42 395
Contracted services			7 651	8 481	8 481	8 481	10 143	10 978	10 978	8 481	8 481	6 818	7 651	8 355	104 978	100 271	101 603
Transfers and subsidies			482	550	550	550	688	757	757	550	550	413	482	544	6 872	4 258	4 483
Other expenditure			5 094	5 685	5 685	5 685	6 871	7 473	7 473	5 685	5 685	4 496	5 094	5 302	70 227	73 929	77 933
Losses			262	298	298	298	372	409	409	298	298	225	262	335	3 766	3 991	4 229
<b>Total Expenditure</b>			<b>96 072</b>	<b>108 838</b>	<b>108 838</b>	<b>108 838</b>	<b>134 382</b>	<b>147 173</b>	<b>147 173</b>	<b>108 838</b>	<b>108 838</b>	<b>83 294</b>	<b>96 072</b>	<b>107 396</b>	<b>1 355 751</b>	<b>1 430 608</b>	<b>1 526 262</b>
<b>Surplus/(Deficit)</b>			<b>3 937</b>	<b>2 712</b>	<b>3 951</b>	<b>3 430</b>	<b>900</b>	<b>(910)</b>	<b>(955)</b>	<b>3 263</b>	<b>2 990</b>	<b>5 884</b>	<b>4 650</b>	<b>4 869</b>	<b>34 722</b>	<b>31 575</b>	<b>16 760</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			4 910	5 611	5 611	5 611	7 014	7 715	7 715	5 611	5 611	4 209	4 910	5 609	70 138	99 614	82 052
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)			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			<b>8 847</b>	<b>8 323</b>	<b>9 563</b>	<b>9 041</b>	<b>7 914</b>	<b>6 805</b>	<b>6 760</b>	<b>8 875</b>	<b>8 601</b>	<b>10 093</b>	<b>9 560</b>	<b>10 478</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>1</b>		<b>8 847</b>	<b>8 323</b>	<b>9 563</b>	<b>9 041</b>	<b>7 914</b>	<b>6 805</b>	<b>6 760</b>	<b>8 875</b>	<b>8 601</b>	<b>10 093</b>	<b>9 560</b>	<b>10 478</b>	<b>104 860</b>	<b>131 189</b>	<b>98 812</b>
References																	
1. Surplus (Deficit) must reconcile with Budgeted Financial Performance																	

Please refer to table SA25 of annexure A.

## 16. Contracts having future budgetary implications

### MBRR SA33 – Contracts having future budgetary implications

Please refer to table SA33 of annexure A.

## 17. MBRR SA35 - Future financial implications of the capital budget

WC025 Breede Valley - Supporting Table SA35 Future financial implications of the capital budget								
Vote Description	Ref	2022/23 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Present value
R thousand								
<b>Capital expenditure</b>	1							
Vote 1 - Council General		5	5	5				
Vote 2 - Municipal Manager		35	5	5				
Vote 3 - Strategic Support Services		32 515	12 889	6 812				
Vote 4 - Financial Services		1 975	805	805				
Vote 5 - Community Services		5 384	6 005	6 505				
Vote 6 - Technical Services		–	–	–				
Vote 7 - Engineering Services		61 730	52 090	50 706				
Vote 8 - Public Services		216 906	150 162	131 185				
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]		–	–	–				
List entity summary if applicable								
<b>Total Capital Expenditure</b>		<b>318 550</b>	<b>221 961</b>	<b>196 023</b>	–	–	–	–
<b>Future operational costs by vote</b>	2							
Vote 1 - Council General		28 535	29 741	31 115				
Vote 2 - Municipal Manager		14 243	10 948	11 485				
Vote 3 - Strategic Support Services		38 265	61 210	71 288				
Vote 4 - Financial Services		126 413	133 058	139 320				
Vote 5 - Community Services		314 821	325 342	339 807				
Vote 6 - Technical Services		–	–	–				
Vote 7 - Engineering Services		456 356	513 232	570 256				
Vote 8 - Public Services		58 569	135 117	166 967				
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]		–	–	–				
List entity summary if applicable								
<b>Total future operational costs</b>		<b>1 037 202</b>	<b>1 208 647</b>	<b>1 330 239</b>	–	–	–	–
<b>Future revenue by source</b>	3							
Property rates		175 223	185 765	196 942				
Service charges - electricity revenue		536 542	568 735	602 860				
Service charges - water revenue		98 700	103 636	108 818				
Service charges - sanitation revenue		79 917	83 914	88 110				
Service charges - refuse revenue		46 407	48 727	51 164				
Service charges - other		–	–	–				
Rental of facilities and equipment		6 489	6 815	7 157				
Interest earned - external investments		10 686	11 221	11 782				
Interest earned - outstanding debtors		9 970	10 311	10 663				
Dividends received		–	–	–				
Fines, penalties and forfeits		230 513	242 038	254 141				
Licences and permits		4 056	4 259	4 472				
Agency services		9 436	9 908	10 403				
Transfers and subsidies		171 058	174 789	183 822				
Other revenue		10 078	10 586	11 119				
Gains		1 399	1 483	1 572				
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		70 138	99 614	82 052				
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)		–	–	–				
Transfers and subsidies - capital (in-kind - all)		–	–	–				
List entity summary if applicable								
<b>Total future revenue</b>		<b>1 460 611</b>	<b>1 561 797</b>	<b>1 625 074</b>	–	–	–	–
<b>Net Financial Implications</b>		<b>(104 860)</b>	<b>(131 189)</b>	<b>(98 812)</b>	–	–	–	–
<b>References</b>								
1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))								
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))								
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)								

Please refer to table SA35 of annexure A.

## 18. Capital expenditure details

### MBRR SA36 - Detailed capital budget per municipal vote

Please refer to table SA36 of annexure A.

## 19. Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

- **In-year reporting:** Reporting to National Treasury and Provincial Treasuries are done in line with the legislated prescripts.
- **Internship programme:** This programme is fully functional within the municipality with 4 interns being employed under this programme.
- **Budget and Treasury Office:** The Budget and Treasury Office has been established in accordance with the MFMA.
- **Audit Committee:** An Audit Committee has been established and is fully functional.
- Service Delivery and Implementation Plan
- **Annual Report:** Annual report is compiled in terms of the MFMA and National Treasury requirements.
- MFMA Training
- Policies

## **20. Other supporting documents**

Please refer to annexures E for MFMA budget circular

## **21. Annual budgets of municipal entities attached to the annual budget**

No municipal entities.

## **COMMENTS BY OTHER DIRECTORATES**

**Municipal Manager** – Recommendation supported

**Director Strategic Services** – Recommendation supported

**Director Community Services** – Recommendation supported

**Director Engineering Services** – Recommendation supported

**Director Public Services** – Recommendation supported

## **RECOMMENDATION**

That in respect of the

### **2022/23 Final Budget**

discussed by Council at the Council Meeting held on 30 May 2022:

1. Council approves the annual budget tables and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.
2. Council approves Quality Certificate to the final budget signed by the Accounting Officer, as per Annexure B.
3. Council approves revised budget related policies as per Annexure C.
4. Council approves the tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D;
5. Council resolves that the Detailed Project Implimentation (DPIP) relating to the Municipal Infrastructure Grant (MIG) be revised as per approved budget.

**PROPOSED: ALD. A STEYN**

**SECONDED: ALD. W.R. MEIRING**

**VOTES IN FAVOUR OF ALD A. STEYN'S PROPOSAL: 25**

**RESOLVED**

**C58/2022**

That in respect of the

### **2022/23 Final Budget**

discussed by Council at the Council Meeting held on 30 May 2022:

1. Council approves the annual budget tables and annual budget supporting tables as prescribed by the Municipal Budget and Reporting Regulations, as set out in Annexure A.
2. Council approves Quality Certificate to the final budget signed by the Accounting Officer, as per Annexure B.

3. Council approves revised budget related policies as per Annexure C.
4. Council approves the tariffs, tariff structures and service delivery charges for water, electricity, refuse, sewerage, and other municipal services as per Annexure D;
5. Council resolves that the Detailed Project Implimentation (DPIP) relating to the Municipal Infrastructure Grant (MIG) be revised as per approved budget.

**To Action:**

R. Ontong