

6.1 ADDITIONAL ALLOCATIONS - ADJUSTMENTS BUDGET 2018/2019

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

Responsible Official: R Ontong

Directorate: Financial Services

Portfolio: Financial Services

1. Purpose

This serves to submit an adjustments budget for the 2018/19 financial year:

- To amend the budget in line with the revised grant funding from Provincial Government.

2. Background:

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

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

- Must adjust the revenue and expenditure estimates downwards if there is a material under-collection of revenue during the year;
- May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- May, within the prescribed framework, authorize unforeseen and unavoidable expenditure recommended by the Mayor;
- May authorize the utilization of projected savings in one vote towards spending under another vote;
- May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by council;
- May correct any errors in the annual budget, and
- May provide for any other expenditure within a prescribed framework.

Municipal Budget and Reporting Regulations further provides that;

B. Timeframes for tabling of adjustment budgets

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

3. Financial Implications:

Financial implications are contained in the detail in this report.

4. Applicable Legislation / Council Policy:

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



**ADJUSTMENT BUDGET -
SCHEDULE B REPORT
30 OCTOBER 2018**

Adjustment Budget of the Municipality

Prepared in terms of Section 28 of the Local Government:
Municipal Finance Management Act (56/2003) and
Municipal Budget and Reporting Regulations, Government
Gazette 32141, 17 April 2009



BREEDE VALLEY

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SECTION A – Part 1

1. Glossary

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

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

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

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

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

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

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

GDFI - Gross Domestic Fixed Investment

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

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

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

LM – Breede Valley Municipality.

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

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level.

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

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

TMA – Total Municipal Account

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

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

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

2. Mayors Report

The allocations made to the Breede Valley Municipality were amended in the Provincial Gazette Extraordinary, 7973, Friday 24 August 2018. This Provincial Notice

affected the Western Cape Financial Management Support Grant with an additional allocation of R1.00 million to Breede Valley Municipality

All conditional grants / funds allocated and transferred to the Breede Valley Municipality has specific conditions in terms of the timeframes and the type of spending to be incurred by the municipality during the 2018/19 financial year.

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

3. Resolutions

That council approves the following:

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

4. Executive Summary

The 2018/19 budget of Breede Valley Municipality is adjusted to accommodate the amendments in the allocations from Provincial Government.

The additional allocations relates to the following grants:

NAME OF GRANT	R '000
Western Cape Financial Management Support Grant	R1 000

This Provincial Gazette is operational in nature with the aim on Revenue Enhancement inclusive of meter audit, consumer data cleansing and Asset verification against billing system and asset register.

This 2018/19 adjustment budget was compiled in accordance with section 28 of the Municipal Finance Management Act and regulation 23 of the Municipal Budget and Reporting Regulations.

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

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

B2 Consolidated Adjustments Budget Financial Performance By Standard Classification

WC025 Breede Valley - Table B2 Adjustments Budget Financial Performance (functional classification) - 30 October 2018

Standard Description	Ref	Budget Year 2018/19									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H	+1 2019/20	+2 2020/21
Revenue - Functional												
Governance and administration		202 677	202 677	-	-	-	1 000	-	1 000	203 677	212 537	225 286
Executive and council		139	139	-	-	-	-	-	-	139	147	1 105
Finance and administration		202 538	202 538	-	-	-	1 000	-	1 000	203 538	212 391	224 181
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		63 268	70 203	-	-	-	-	-	-	70 203	92 571	63 619
Community and social services		11 157	11 157	-	-	-	-	-	-	11 157	11 131	11 850
Sport and recreation		11 250	11 250	-	-	-	-	-	-	11 250	11 374	6 012
Public safety		1 501	1 501	-	-	-	-	-	-	1 501	411	1 754
Housing		39 360	46 294	-	-	-	-	-	-	46 294	69 655	44 003
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		111 898	111 898	-	-	-	-	-	-	111 898	104 812	93 328
Planning and development		4 832	4 832	-	-	-	-	-	-	4 832	4 540	1 679
Road transport		104 804	104 804	-	-	-	-	-	-	104 804	100 272	91 649
Environmental protection		2 262	2 262	-	-	-	-	-	-	2 262	-	-
Trading services		757 376	765 169	-	-	-	-	-	-	765 169	761 895	797 568
Energy sources		421 140	421 140	-	-	-	-	-	-	421 140	431 457	469 685
Water management		137 501	145 294	-	-	-	-	-	-	145 294	130 919	129 143
Waste water management		145 059	145 059	-	-	-	-	-	-	145 059	134 483	138 059
Waste management		53 676	53 676	-	-	-	-	-	-	53 676	65 035	60 682
Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	1 135 219	1 149 947	-	-	-	1 000	-	1 000	1 150 947	1 171 815	1 179 802
Expenditure - Functional												
Governance and administration		218 261	218 261	-	-	-	1 000	-	1 000	219 261	230 807	248 363
Executive and council		37 560	37 560	-	-	-	-	-	-	37 560	40 238	44 009
Finance and administration		176 910	176 910	-	-	-	1 000	-	1 000	177 910	186 500	199 987
Internal audit		3 791	3 791	-	-	-	-	-	-	3 791	4 069	4 367
Community and public safety		124 900	131 834	-	-	-	-	-	-	131 834	159 481	138 920
Community and social services		22 882	22 882	-	-	-	-	-	-	22 882	24 399	26 237
Sport and recreation		32 697	32 697	-	-	-	-	-	-	32 697	34 841	36 708
Public safety		31 262	31 262	-	-	-	-	-	-	31 262	32 235	34 049
Housing		37 958	44 893	-	-	-	-	-	-	44 893	67 900	41 813
Health		101	101	-	-	-	-	-	-	101	106	112
Economic and environmental services		138 814	138 814	-	-	-	-	-	-	138 814	144 082	151 823
Planning and development		15 669	15 669	-	-	-	-	-	-	15 669	16 965	18 608
Road transport		120 379	120 379	-	-	-	-	-	-	120 379	126 585	132 653
Environmental protection		2 766	2 766	-	-	-	-	-	-	2 766	532	562
Trading services		528 463	528 463	-	-	-	-	-	-	528 463	555 796	584 508
Energy sources		360 738	360 738	-	-	-	-	-	-	360 738	379 235	399 233
Water management		59 828	59 828	-	-	-	-	-	-	59 828	63 261	66 716
Waste water management		61 180	61 180	-	-	-	-	-	-	61 180	64 022	66 484
Waste management		46 716	46 716	-	-	-	-	-	-	46 716	49 278	52 076
Other		910	910	-	-	-	-	-	-	910	1 077	1 291
Total Expenditure - Functional	3	1 011 348	1 018 282	-	-	-	1 000	-	1 000	1 019 282	1 091 244	1 124 905
Surplus/ (Deficit) for the year		123 872	131 665	-	-	-	-	-	-	131 665	80 571	54 897

Table A2 above is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The GFS standard classification divides the municipal services into 15 functional areas.

Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

B3 Consolidated Adjustments Budget Financial Performance By Municipal Vote

WC025 Breede Valley - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 30 October 2018

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjus. 8	Total Adjus. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Council General		139	139	-	-	-	-	-	-	139	147	155
Vote 2 - Municipal Manager		3 200	3 200	-	-	-	-	-	-	3 200	2 950	950
Vote 3 - Strategic Support Services		3 134	3 134	-	-	-	-	-	-	3 134	1 866	1 304
Vote 4 - Financial Services		195 679	195 679	-	-	-	1 000	-	1 000	196 679	206 962	219 121
Vote 5 - Community Services		148 562	155 497	-	-	-	-	-	-	155 497	177 143	148 525
Vote 6 - Technical Services		784 506	792 299	-	-	-	-	-	-	792 299	782 746	809 748
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 135 219	1 149 947	-	-	-	1 000	-	1 000	1 150 947	1 171 815	1 179 802
Expenditure by Vote	1											
Vote 1 - Council General		34 745	34 745	-	-	-	-	-	-	34 745	37 216	39 814
Vote 2 - Municipal Manager		9 826	9 826	-	-	-	-	-	-	9 826	10 545	12 267
Vote 3 - Strategic Support Services		56 734	56 734	-	-	-	-	-	-	56 734	59 651	67 396
Vote 4 - Financial Services		82 573	82 573	-	-	-	1 000	-	1 000	83 573	87 703	91 585
Vote 5 - Community Services		198 798	205 733	-	-	-	-	-	-	205 733	236 889	220 396
Vote 6 - Technical Services		628 672	628 672	-	-	-	-	-	-	628 672	659 240	693 446
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 011 348	1 018 282	-	-	-	1 000	-	1 000	1 019 282	1 091 244	1 124 905
Surplus/ (Deficit) for the year	2	123 872	131 665	-	-	-	-	-	-	131 665	80 571	54 897

Table A3 above is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure Breede Valley Municipality. This means it is possible to present the operating surplus or deficit of a vote.

B4 Consolidated Adjustments Budget Financial Performance (Revenue and Expenditure)

WC025 Breede Valley - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 30 October 2018

Description	Ref	Budget Year 2018/19									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2019/20	+2 2020/21
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H	Adjusted Budget	Adjusted Budget
Revenue By Source												
Property rates	2	145 753	145 753	-	-	-	-	-	-	145 753	153 915	162 534
Service charges - electricity revenue	2	395 845	395 845	-	-	-	-	-	-	395 845	418 573	442 605
Service charges - water revenue	2	77 097	77 097	-	-	-	-	-	-	77 097	81 427	85 999
Service charges - sanitation revenue	2	67 984	67 984	-	-	-	-	-	-	67 984	72 847	77 969
Service charges - refuse revenue	2	37 962	37 962	-	-	-	-	-	-	37 962	40 088	42 332
Service charges - other		-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment		8 842	8 842	-	-	-	-	-	-	8 842	9 189	9 036
Interest earned - external investments		13 074	13 074	-	-	-	-	-	-	13 074	13 806	14 579
Interest earned - outstanding debtors		3 181	3 181	-	-	-	-	-	-	3 181	3 359	3 547
Dividends received		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		75 258	75 258	-	-	-	-	-	-	75 258	75 058	74 863
Licences and permits		3 424	3 424	-	-	-	-	-	-	3 424	3 616	3 818
Agency services		7 793	7 793	-	-	-	-	-	-	7 793	8 230	8 690
Transfers and subsidies		146 455	153 390	-	-	-	1 000	-	1 000	154 390	177 724	161 766
Other revenue	2	10 271	10 271	-	-	-	-	-	-	10 271	10 846	11 454
Gains on disposal of PPE		1 190	1 190	-	-	-	-	-	-	1 190	1 257	1 327
Total Revenue (excluding capital transfers and contributions)		994 129	1 001 063	-	-	-	1 000	-	1 000	1 002 063	1 069 933	1 100 520
Expenditure By Type												
Employee related costs		310 637	310 637	-	-	-	-	-	-	310 637	333 551	353 849
Remuneration of councillors		18 129	18 129	-	-	-	-	-	-	18 129	19 489	20 900
Debt impairment		59 662	59 662	-	-	-	-	-	-	59 662	63 003	66 531
Depreciation & asset impairment		86 305	86 305	-	-	-	-	-	-	86 305	91 139	96 242
Finance charges		24 505	24 505	-	-	-	-	-	-	24 505	23 654	22 833
Bulk purchases		281 892	281 892	-	-	-	-	-	-	281 892	298 238	315 532
Other materials		11 612	11 612	-	-	-	-	-	-	11 612	12 263	12 949
Contracted services		117 526	117 526	-	-	-	1 000	-	1 000	118 526	117 086	122 448
Transfers and subsidies		21 598	28 533	-	-	-	-	-	-	28 533	50 516	23 340
Other expenditure		76 178	76 178	-	-	-	-	-	-	76 178	78 818	86 597
Loss on disposal of PPE		3 304	3 304	-	-	-	-	-	-	3 304	3 489	3 684
Total Expenditure		1 011 348	1 018 282	-	-	-	1 000	-	1 000	1 019 282	1 091 244	1 124 905
Surplus/(Deficit)		(17 218)	(17 218)	-	-	-	-	-	-	(17 218)	(21 311)	(24 385)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		141 090	148 883	-	-	-	-	-	-	148 883	101 882	79 282
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		123 872	131 665	-	-	-	-	-	-	131 665	80 571	54 897
Taxation		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		123 872	131 665	-	-	-	-	-	-	131 665	80 571	54 897
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		123 872	131 665	-	-	-	-	-	-	131 665	80 571	54 897
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		123 872	131 665	-	-	-	-	-	-	131 665	80 571	54 897

Table A4 above is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

B5 Consolidated Adjustments Budget Capital Expenditure Vote and Funding

WC025 Brede Valley - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 30 October 2018

Description	Ref	Budget Year 2018/19									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2019/20	+2 2020/21
		A	A1	B	C	D	E	F	G	H		
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted												
Vote 1 - Council General	2	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager		3 200	3 200	-	-	-	-	-	-	-	3 200	-
Vote 3 - Strategic Support Services		7 063	7 413	-	-	-	-	-	-	-	7 413	-
Vote 4 - Financial Services		800	800	-	-	-	-	-	-	-	800	800
Vote 5 - Community Services		7 806	8 456	-	-	-	-	-	-	-	8 456	10 740
Vote 6 - Technical Services		153 151	175 917	-	-	-	-	-	-	-	175 917	111 803
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	172 020	195 786	-	-	-	-	-	-	-	195 786	123 343
Single-year expenditure to be adjusted												
Vote 1 - Council General	2	5	5	-	-	-	-	-	-	-	5	-
Vote 2 - Municipal Manager		5	5	-	-	-	-	-	-	-	5	2 950
Vote 3 - Strategic Support Services		7 507	27 682	-	-	-	-	-	-	-	27 682	813
Vote 4 - Financial Services		975	975	-	-	-	-	-	-	-	975	800
Vote 5 - Community Services		8 248	8 248	-	-	-	-	-	-	-	8 248	5 785
Vote 6 - Technical Services		37 757	37 757	-	-	-	-	-	-	-	37 757	14 098
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		54 497	74 673	-	-	-	-	-	-	-	74 673	17 861
Total Capital Expenditure - Vote		226 517	270 458	-	-	-	-	-	-	-	270 458	141 203
Capital Expenditure - Functional												
Governance and administration		14 933	35 458	-	-	-	-	-	-	-	35 458	1 913
Executive and council		10	10	-	-	-	-	-	-	-	10	-
Finance and administration		14 923	35 448	-	-	-	-	-	-	-	35 448	1 913
Internal audit		-	-	-	-	-	-	-	-	-	-	-
Community and public safety		19 799	20 449	-	-	-	-	-	-	-	20 449	10 740
Community and social services		11 856	12 506	-	-	-	-	-	-	-	12 506	10 585
Sport and recreation		4 740	4 740	-	-	-	-	-	-	-	4 740	155
Public safety		3 203	3 203	-	-	-	-	-	-	-	3 203	4 593
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		30 352	30 352	-	-	-	-	-	-	-	30 352	25 161
Planning and development		3 632	3 632	-	-	-	-	-	-	-	3 632	2 950
Road transport		26 720	26 720	-	-	-	-	-	-	-	26 720	22 211
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
Trading services		161 433	184 199	-	-	-	-	-	-	-	184 199	103 389
Energy sources		39 781	52 440	-	-	-	-	-	-	-	52 440	16 787
Water management		55 771	63 564	-	-	-	-	-	-	-	63 564	38 433
Waste water management		59 932	62 245	-	-	-	-	-	-	-	62 245	35 438
Waste management		5 950	5 950	-	-	-	-	-	-	-	5 950	12 731
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	226 517	270 458	-	-	-	-	-	-	-	270 458	141 203
Funded by:												
National Government		38 810	38 810	-	-	-	-	-	-	-	38 810	38 932
Provincial Government		102 280	110 073	-	-	-	-	-	-	-	110 073	62 950
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	141 090	148 883	-	-	-	-	-	-	-	148 883	101 882
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		85 427	121 575	-	-	-	-	-	-	-	121 575	39 321
Total Capital Funding		226 517	270 458	-	-	-	-	-	-	-	270 458	141 203

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard

classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

B6 Consolidated Adjustments Budget Financial Position

WC025 Breede Valley - Table B6 Adjustments Budget Financial Position - 30 October 2018												
Description	Ref	Budget Year 2018/19									Budget Year +1 2019/20	Budget Year +2 2020/21
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash		78 337	42 339	-	-	-	-	-	-	42 339	95 221	98 515
Call investment deposits	1	50 000	50 000	-	-	-	-	-	-	50 000	50 000	50 000
Consumer debtors	1	71 381	71 381	-	-	-	-	-	-	71 381	96 975	124 035
Other debtors		29 926	29 926	-	-	-	-	-	-	29 926	24 926	20 762
Current portion of long-term receivables		1 105	1 105	-	-	-	-	-	-	1 105	1 050	998
Inventry		20 127	20 127	-	-	-	-	-	-	20 127	21 346	22 639
Total current assets		250 877	214 879	-	-	-	-	-	-	214 879	289 519	316 947
Non current assets												
Long-term receivables		6 264	6 264	-	-	-	-	-	-	6 264	5 951	5 653
Investments		-	-	-	-	-	-	-	-	-	-	-
Investment property		22 395	22 395	-	-	-	-	-	-	22 395	22 395	22 395
Investment in Associates		-	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	1	2 297 101	2 297 101	-	-	-	-	-	-	2 297 101	2 347 683	2 387 352
Agricultural		-	-	-	-	-	-	-	-	-	-	-
Biological		-	-	-	-	-	-	-	-	-	-	-
Intangible		5 785	5 785	-	-	-	-	-	-	5 785	5 273	4 700
Other non-current assets		-	-	-	-	-	-	-	-	-	-	-
Total non current assets		2 331 546	2 331 546	-	-	-	-	-	-	2 331 546	2 381 302	2 420 100
TOTAL ASSETS		2 582 423	2 546 425	-	-	-	-	-	-	2 546 425	2 670 820	2 737 048
LIABILITIES												
Current liabilities												
Bank overdraft		-	-	-	-	-	-	-	-	-	-	-
Borrowing		10 410	10 410	-	-	-	-	-	-	10 410	11 702	13 041
Consumer deposits		4 889	4 889	-	-	-	-	-	-	4 889	5 374	5 908
Trade and other payables		64 786	64 786	-	-	-	-	-	-	64 786	61 653	58 667
Provisions		30 996	30 996	-	-	-	-	-	-	30 996	32 855	34 827
Total current liabilities		111 080	111 080	-	-	-	-	-	-	111 080	111 585	112 443
Non current liabilities												
Borrowing	1	203 881	203 881	-	-	-	-	-	-	203 881	192 179	179 139
Provisions	1	236 096	236 096	-	-	-	-	-	-	236 096	243 171	250 990
Total non current liabilities		439 977	439 977	-	-	-	-	-	-	439 977	435 350	430 129
TOTAL LIABILITIES		551 057	551 057	-	-	-	-	-	-	551 057	546 935	542 571
NET ASSETS	2	2 031 365	1 995 367	-	-	-	-	-	-	1 995 367	2 123 886	2 194 477
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		2 027 697	1 991 699	-	-	-	-	-	-	1 991 699	2 095 686	2 147 800
Reserves		3 668	3 668	-	-	-	-	-	-	3 668	28 200	46 676
Minorities' interests		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		2 031 365	1 995 367	-	-	-	-	-	-	1 995 367	2 123 886	2 194 477

Table A6 is consistent with international standards of good financial management practice, and assist stakeholders in understanding the impact of the budget on the statement of financial position (balance sheet).

This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.

B7 Consolidated Adjustments Budget Cash Flows

WC025 Breede Valley - Table B7 Adjustments Budget Cash Flows - 30 October 2018

Description	Ref	Budget Year 2018/19									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H	+1 2019/20	+2 2020/21
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		138 769	138 769	-	-	-	-	-	-	138 769	146 540	154 746
Service charges		570 800	570 800	-	-	-	-	-	-	570 800	604 339	639 775
Other revenue		55 382	55 382	-	-	-	-	-	-	55 382	56 938	56 161
Government - operating	1	146 455	153 390	-	-	-	1 000	-	1 000	154 390	177 724	161 766
Government - capital	1	141 090	148 883	-	-	-	-	-	-	148 883	101 882	79 282
Interest		15 951	15 951	-	-	-	-	-	-	15 951	16 844	17 788
Dividends		-	-	-	-	-	-	-	-	-	-	-
Payments												
Suppliers and employees		(819 090)	(819 090)	-	-	-	(1 000)	-	(1 000)	(820 090)	(862 933)	(915 959)
Finance charges		(25 050)	(25 050)	-	-	-	-	-	-	(25 050)	(24 176)	(23 048)
Transfers and Grants	1	(21 598)	(28 533)	-	-	-	-	-	-	(28 533)	(50 516)	(23 340)
NET CASH FROM/(USED) OPERATING ACTIVITIES		202 709	210 502	-	-	-	-	-	-	210 502	166 644	147 171
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		50	50	-	-	-	-	-	-	50	50	50
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-	-
Payments												
Capital assets		(226 667)	(270 458)	-	-	-	-	-	-	(270 458)	(141 203)	(134 240)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(226 617)	(270 408)	-	-	-	-	-	-	(270 408)	(141 153)	(134 190)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		50	50	-	-	-	-	-	-	50	50	50
Payments												
Repayment of borrowing		(7 835)	(7 835)	-	-	-	-	-	-	(7 835)	(8 657)	(9 738)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(7 785)	(7 785)	-	-	-	-	-	-	(7 785)	(8 607)	(9 688)
NET INCREASE/ (DECREASE) IN CASH HELD		(31 694)	(67 691)	-	-	-	-	-	-	(67 691)	16 884	3 293
Cash/cash equivalents at the year begin:	2	160 031	160 031	-	-	-	-	-	-	160 031	92 339	109 223
Cash/cash equivalents at the year end:	2	128 337	92 339	-	-	-	-	-	-	92 339	109 223	112 517

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

B8 Consolidated Cash Backed Reserves/Accumulated Surplus Reconciliation

WC025 Breede Valley - Table B8 Cash backed reserves/accumulated surplus reconciliation - 30 October 2018

Description	Ref	Budget Year 2018/19									Budget Year	Budget Year
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2019/20	+2 2020/21
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	128 337	92 339	-	-	-	-	-	-	92 339	109 223	112 517
Other current investments > 90 days		-	-	-	-	-	-	-	-	-	35 998	35 998
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		128 337	92 339	-	-	-	-	-	-	92 339	145 221	148 515
Applications of cash and investments												
Unspent conditional transfers		5 000	5 000	-	-	-	-	-	-	5 000	5 000	5 000
Unspent borrowing		-	-	-	-	-	-	-	-	-	-	-
Statutory requirements		-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	2	(37 756)	(37 756)	-	-	-	-	-	-	(37 756)	(59 817)	(83 652)
Other provisions		-	-	-	-	-	-	-	-	-	-	-
Long term investments committed		-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments		34 155	34 155	-	-	-	-	-	-	34 155	60 300	80 475
Total Application of cash and investments:		1 399	1 399	-	-	-	-	-	-	1 399	5 483	1 824
Surplus(shortfall)		126 938	90 940	-	-	-	-	-	-	90 940	139 739	146 691

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

B9 Consolidated Asset Management

Refer to Annexure A

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

B10 Consolidated Basic Service Delivery Measurement

Refer to Annexure A

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

SECTION A – Part 2

1. Adjustments to Budget Inputs and assumptions

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

The 2018/2019 Adjustments Budget was compiled in line with Chapter 4 Municipal Finance Management Act and Chapter 2 Part 4 of the Municipal Budget and Reporting Regulations.

The 2018/19 Adjustments Budget remain consistent with the Long Term Financial Plan to ensure continued synergy between long term planning and implementation planning.

2. Adjustments to Budget Funding

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

3. Adjustments to Expenditure on Allocations and Grant

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

4. Adjustment to Allocations or Grants made by the Municipality

None.

5. Adjustment to Councillor Allowances and Employees

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

6. Adjustment to Service Delivery and Budget

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

7. Adjustment to Capital Spending Detail

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

8. Other Supporting Documents

- National treasury electronic revised budget report, SB1-SB19 as **Annexure A**
- Signed quality certificate as **Annexure B**
- **Provincial Gazette Extraordinary, 7973, Friday 24 August 2018 as Annexure C**

Comment of Directorates / Departments concerned:

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

RECOMMENDATION:

That in respect of Adjustments budget for 2018/19 – October 2018

Discussed by Council at the Council meeting held on 30 October 2018

- 1. Council resolves that the Adjustment Budget of Breede Valley Municipality for the financial year 2018/19 be adjusted and approved with amendments as set out in the following;**
 - a. Municipal Budget tables B1- B10**
 - b. Municipal Budget supporting documentation SB1 - SB19**

PROPOSED: CLLR W.R. MEIRING

SECONDED: ALDERMAN A. STEYN

VOTES IN FAVOUR OF RECOMMENDATION: 28

RESOLVED

C74/2018

That in respect of Adjustments budget for 2018/19 – October 2018

Discussed by Council at the Council meeting held on 30 October 2018

- 1. Council resolves that the Adjustment Budget of Breede Valley Municipality for the financial year 2018/19 be adjusted and approved with amendments as set out in the following;**
 - a. Municipal Budget tables B1- B10**
 - b. Municipal Budget supporting documentation SB1 - SB19**