

A BELABELA LOCAL MUNICIPALITY



SECOND ADJUSTMENT BUDGET 2015/16

**Compiled in terms of Section 28 of the Local Government:
Municipal Finance Management Act, 2003 (Act 56 of 2003)
(MFMA) and Schedule B (In-Year Reports of Municipalities) of
the Municipal Budget and Reporting Regulations**

Acronyms and abbreviations

BSC	Budget Steering Committee
CFO	Chief Financial Officer
MM	Municipal Manager
CPI	Consumer Price Index
CRRF	Capital Replacement Reserve Fund
DORA	Division of Revenue Act
FBS	Free basic services
GVA	Gross Value Added
GFS	Government Financial Statistics
GRAP	General Recognised Accounting Practice
IBT	Inclining Block Tariff
IDP	Integrated Development Plan
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 (56 of 2003)
MIG	Municipal Infrastructure Grant
EXCO	Executive Committee
MPRA	Municipal Properties Rates Act
MSA	Municipal Systems Act
MTREF	Medium-term Revenue and Expenditure Framework
NERSA	National Electricity Regulator of South Africa
PBO	Public Benefit Organisations
PMS	Performance Management System
PPE	Property Plant and Equipment
PPP	Public Private Partnership
SALGA	South African Local Government Association
SDBIP	Service Delivery Budget Implementation Plan

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Part 1 – ADJUSTMENT BUDGET

1.1 Mayor's report

The Mayor's report on the adjustment budget will be tabled separately by the Mayor during the Municipal Council meeting for adoption.

1.2 Resolutions

The Council of Bela-Bela Local Municipality will meet on 04 May 2016 to approve the adjustment budget for the 2015/16 financial year in terms of sections 160(2)(b) of the Constitution ((Act 108 of 1996, as amended) and 28(4) of the Municipal Finance Management Act (56 of 2003), read with paragraph 23 of the Municipal Budget and Reporting Regulations (issued in terms of notice 393 of 2009).

The following resolutions are recommended:

1. That Council approves the operational and capital adjustment budget for the 2015/16 financial year (As contained in the main tables 1 to table 10)
2. That Council approves budget amendments necessary to correct errors in the annual budget
3. Directs that the Accounting Officer adheres to section 22 of the Municipal Finance Management Act, read with paragraph 24(1) of the Municipal Budget and Reporting Regulations. The regulations require the municipal manager to submit the adjustment budget and supporting documentation to National Treasury and the Provincial Treasury within ten (10) working days after tabling to Council, in both printed and electronic copies.
4. Notes that municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan. As such no increases in taxes and tariffs have been factored in this adjustment budget.

1.3 Executive summary

This adjustment budget has been compiled in line with section 28 of the MFMA, read with Part 4 of the Municipal Budget and Reporting Regulations which deal with adjustment budgets of municipalities. Section 28(2) of the MFMA states that:-

(2) An adjustments budget-

- a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- b) 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 (**in other words, there should not be new projects or programmes in the adjustments budget**);
- c) may, within a prescribed framework, authorise unforeseen and unavoidable expenditure [**recommended**] by the mayor of the municipality;
- d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- e) may authorise 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;
- f) may correct any errors in the annual budget; and
- g) may provide for any other expenditure within a prescribed framework.

1.3.1 Adjustment budget key factors

The following key factors were taken into consideration when preparing and compiling the 2015/16 second adjustments budget, namely:

- Additional funding of MIG received for 2015/16 budget year.
- The Medium Term Budget Policy Statement (MTBPS).
- The mid-year budget and performance assessment report compiled in terms of section 72 of the MFMA;
- The monthly budget statements published in terms of section 71 of the MFMA;
- The restructuring of votes. Some votes were restructured in order to align financial statement accounting policies to the budget preparation principles.
- Funds were allocated to activities which are consistent with the revised IDP and vice versa ensuring the IDP is realistically achievable given the financial constraints of the Municipality;
- Objectives are achievable in terms of the agreed service delivery and performance targets;
- Estimates comprise of revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;
- The increased expenditure does not jeopardize the financial viability of the municipality i.e. ensures that the financial position is maintained within generally

accepted prudent limits and that obligations can be met in the short, medium and long term;

1.3.2 Key challenges

The main challenges experienced during the compilation of the 2015/16 adjustments budget can be summarized as follows:

- The ongoing difficulties in the national and local economy, particularly the rising cost of living as measured by CPIX;
- Setting aside surplus cash to accumulate cash backed reserves for own source funded capital projects
- The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities of the municipality.
- Aging and insufficiently funded water, roads and electricity infrastructure; and
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities of the municipality.

The rates and tariffs for various municipal services are not increased in this adjustments budget in line with section 28(6) of the MFMA.

1.3.4 Adjusted operating expenditure

The table 2 below shows the additional operating expenditure that is realistically anticipated and/ or confirmed.

Table 2: Operating expenditure summary

Figures in Rand	Adjustment budget	Adjustments	2nd Adjustment budget
Expenditure			
Employee related costs	R 105 962 046,92	R 117 950,00	R 106 079 996,92
Remuneration of councillors	R 6 269 088,04	R -	R 6 269 088,04
Depreciation and amortisation	R 29 884 589,00	R -	R 29 884 589,00
Finance costs	R 2 405 220,70	R -	R 2 405 220,70
Debt impairment	R 32 711 953,34	R -	R 32 711 953,34
Repairs and maintenance	R 20 047 252,49	R -	R 20 047 252,49
Bulk purchases	R 95 369 044,94	R -	R 95 369 044,94
Contracted services	R 31 528 848,85	R -	R 31 528 848,85
General expenditure	R 62 968 104,54	R 4 700 000,00	R 67 668 104,54
Total expenditure	R 387 146 148,82	R 4 817 950,00	R 391 964 098,82
Transfers recognised - capital	R (34 971 000,00)	R (39 018 000,00)	R (73 989 000,00)
(Deficit) / surplus for the year	R 21 205 038,88	R (43 600 050,00)	R (12 995 011,12)

An adjustment of R4,7 million relates to reclassification of errors in the operating budget. This adjustment is in line with Section 28(2) of the MFMA. The adjustment amount of R117 950 under employee costs relate to additional PMU cost which was as result of additional allocation of R39 millions of MIG.

1.3.5 Adjusted capital expenditure

The municipality has been allocated an additional Municipal Infrastructure Grant (MIG) of R39 million for 2015/16 financial year.

Table below depicts adjustments to the capital budget.

PROJECT NAME	Original budget 2015/2016	Adjustments			Adjusted budget	Budget
		Add. allocation 2016/2017	Add. allocation 2016/2017	Total Adjustments	2015/16	2016/2017
Multi purpose centre: X6	R 8 439 130,00			R 0,00	R 8 439 130,00	
Sport facilities stand 752	R 3 424 843,00			R 0,00	R 3 424 843,00	R 2 850 000,00
Stormwater Limpopo Road	R 4 811 078,00			R 0,00	R 4 811 078,00	R 2 600 000,00
Road Paving X2,7, 8	R 1 215 180,00			R 0,00	R 1 215 180,00	R 5 809 825,00
Bulk sewer infrastructure X 25	R 4 145 545,00			R 0,00	R 4 145 545,00	R 812 130,00
Upgrade Sunfa stadium		R 1 300 000,00	R 5 428 750,00	R 6 728 750,00	R 6 728 750,00	R 1 992 250,00
Upgrade streets : Spa Park		R 1 336 869,00	R 336 868,00	R 1 673 737,00	R 1 673 737,00	R 4 797 000,00
Pave access road and fence, Grave yard				R 0,00	R 0,00	R 2 581 245,00
Road Paving : X 2, 4 & 6			R 9 255 520,00	R 9 255 520,00	R 9 255 520,00	
Paving of bus route: Rapatokwane			R 5 617 950,00	R 5 617 950,00	R 5 617 950,00	
Refurbish old section of WTP and contact reservoir			R 7 500 000,00	R 7 500 000,00	R 7 500 000,00	
Upgrade sport facilities stand 274			R 4 887 623,00	R 4 887 623,00	R 4 887 623,00	
Stormwater Marikana Street (X6)			R 3 354 420,00	R 3 354 420,00	R 3 354 420,00	
PMU costs	R 935 224,00			R 0,00	R 935 224,00	R 1 128 550,00
TOTAL	R 22 971 000,00	R 2 636 869,00	R 36 381 131,00	R 39 018 000,00	R 61 989 000,00	R 22 571 000,00

It was an understanding with the Department of Cooperative Government and Human Settlement that the additional allocation of R39.0 million could not be spent in the current financial year. An application for roll over to the 2016/17 financial year will be made.

The table above shows that R2.6 million of the additional allocation will be spent in 2015/16 and the remainder amounting to R36.3 million will be spent in the 2016/17 financial year. There are fewer projects which have been registered on the SDPI that seek immediate attention for infrastructure services. This additional allocation is going to be utilised to address municipal infrastructure which require attention.

1.4 Adjustment budget tables

The following pages present the ten (10) main adjustments budget tables as required in terms of section Schedule B of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2015/16 adjustments budget as approved by the Council. Each table is accompanied by explanatory notes on the facing page.

LIM366 Bela Bela - Table B1 Adjustments Budget Summary -

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjus. 6	Total Adjus. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	59 959	-	-	-	-	-	(808)	(808)	59 151	63 557	66 735
Service charges	150 578	-	-	-	-	-	2 590	2 590	153 169	160 096	168 100
Investment revenue	4 000	-	-	-	-	-	(3 500)	(3 500)	500	4 224	4 435
Transfers recognised - operational	67 877	-	-	-	-	-	(625)	(625)	67 252	70 870	75 703
Other own revenue	58 534	-	-	-	-	-	(7 686)	(7 686)	50 848	61 812	64 902
Total Revenue (excluding capital transfers and contributions)	340 949	-	-	-	-	-	(10 028)	(10 028)	330 920	360 558	379 876
Employee costs	107 833	-	-	-	-	-	(1 001)	(1 001)	106 832	117 302	125 278
Remuneration of councillors	6 269	-	-	-	-	-	(0)	(0)	6 269	6 645	7 044
Depreciation & asset impairment	29 885	-	-	-	-	-	-	-	29 885	30 000	35 000
Finance charges	2 097	-	-	-	-	-	4 408	4 408	6 505	2 215	2 325
Materials and bulk purchases	104 482	-	-	-	-	-	13 234	13 234	117 716	110 333	115 850
Transfers and grants	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	117 660	-	-	-	-	-	7 010	7 010	124 670	111 438	105 138
Total Expenditure	368 226	-	-	-	-	-	23 651	23 651	391 877	377 933	390 635
Surplus/(Deficit)	(27 277)	-	-	-	-	-	(33 679)	(33 679)	(60 957)	(17 375)	(10 759)
Transfers recognised - capital	34 971	-	-	-	-	-	39 018	39 018	73 989	65 746	69 909
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	7 694	-	-	-	-	-	5 339	5 339	13 032	48 371	59 150
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	7 694	-	-	-	-	-	5 339	5 339	13 032	48 371	59 150
Capital expenditure & funds sources											
Capital expenditure	53 183	-	-	-	-	-	36 130	36 130	89 313	88 656	86 469
Transfers recognised - capital	33 822	-	-	-	-	-	39 018	39 018	72 840	67 254	55 000
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds	19 361	-	-	-	-	-	(2 888)	(2 888)	16 473	20 200	30 200
Total sources of capital funds	53 183	-	-	-	-	-	36 130	36 130	89 313	87 454	85 200
Financial position											
Total current assets	30 867	-	-	-	-	-	-	-	30 867	68 847	82 772
Total non current assets	767 406	-	-	-	-	-	-	-	767 406	766 421	745 870
Total current liabilities	39 443	-	-	-	-	-	-	-	39 443	36 835	39 185
Total non current liabilities	47 579	-	-	-	-	-	-	-	47 579	45 264	46 414
Community wealth/Equity	711 252	-	-	-	-	-	-	-	711 252	753 169	743 044
Cash flows											
Net cash from (used) operating	37 578	-	-	-	-	-	(72 204)	(72 204)	(34 626)	78 371	94 150
Net cash from (used) investing	(53 183)	-	-	-	-	-	(36 012)	(36 012)	(89 195)	(88 656)	(86 469)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	(15 605)	-	-	-	-	-	(108 216)	(108 216)	(123 821)	(10 284)	7 681
Cash backing/surplus reconciliation											
Cash and investments available	26 498	-	-	-	-	-	-	-	26 498	35 416	46 635
Application of cash and investments	20 419	-	-	-	-	-	(14 148)	(14 148)	6 271	(10 770)	(11 508)
Balance - surplus (shortfall)	6 079	-	-	-	-	-	14 148	14 148	20 227	46 185	58 143
Asset Management											
Asset register summary (WDV)	757 406	-	-	-	-	-	-	-	757 406	-	-
Depreciation & asset impairment	29 885	-	-	-	-	-	-	-	29 885	30 000	35 000
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-
Free services											
Cost of Free Basic Services provided	8 557	-	-	-	-	-	-	-	8 557	8 985	9 434
Revenue cost of free services provided	11 400	-	-	-	-	-	-	-	11 400	11 400	11 400
Households below minimum service level											
Water:	10	-	-	-	-	-	-	-	10	8	7
Sanitation/sewage:	12	-	-	-	-	-	-	-	12	11	10
Energy:	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table B1 - Budget Summary

- Table B1 is the adjustments budget summary and provides a concise overview of the 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.
- Financial management reforms emphasise the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:

LIM366 Bela Bela - Table B2 Adjustments Budget Financial Performance (standard classification) -

Standard Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Standard												
<i>Governance and administration</i>		170 123	-	-	-	-	-	(18 464)	(18 464)	151 659	211 730	224 506
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		167 849	-	-	-	-	-	(18 464)	(18 464)	149 384	209 551	222 218
Corporate services		2 275	-	-	-	-	-	(0)	(0)	2 275	2 179	2 288
<i>Community and public safety</i>		22 805	-	-	-	-	-	2 114	2 114	24 919	23 422	24 593
Community and social services		538	-	-	-	-	-	114	114	653	569	597
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		22 267	-	-	-	-	-	2 000	2 000	24 267	22 854	23 996
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		24 390	-	-	-	-	-	39 018	39 018	63 408	24 100	25 281
Planning and development		333	-	-	-	-	-	0	0	333	352	370
Road transport		24 056	-	-	-	-	-	39 018	39 018	63 074	23 748	24 911
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		158 602	-	-	-	-	-	6 372	6 372	164 973	167 052	175 404
Electricity		110 662	-	-	-	-	-	862	862	111 524	116 859	122 702
Water		39 330	-	-	-	-	-	3 500	3 500	42 830	41 101	43 156
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		8 609	-	-	-	-	-	2 010	2 010	10 619	9 091	9 546
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	2	375 920	-	-	-	-	-	29 040	29 040	404 959	426 304	449 785
Expenditure - Standard												
<i>Governance and administration</i>		179 223	-	-	-	-	-	18 380	18 380	197 603	177 881	179 092
Executive and council		22 887	-	-	-	-	-	(1 819)	(1 819)	21 068	24 233	25 615
Budget and treasury office		97 927	-	-	-	-	-	4 780	4 780	102 708	78 694	86 354
Corporate services		58 408	-	-	-	-	-	15 418	15 418	73 827	74 954	67 123
<i>Community and public safety</i>		34 925	-	-	-	-	-	(6 175)	(6 175)	28 750	36 819	39 957
Community and social services		14 482	-	-	-	-	-	(776)	(776)	13 706	15 331	16 199
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		20 443	-	-	-	-	-	(5 399)	(5 399)	15 044	21 488	23 759
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		26 259	-	-	-	-	-	(2 284)	(2 284)	23 975	27 267	28 804
Planning and development		11 111	-	-	-	-	-	228	228	11 339	11 238	11 889
Road transport		15 148	-	-	-	-	-	(2 512)	(2 512)	12 636	16 028	16 915
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>		127 819	-	-	-	-	-	13 818	13 818	141 637	135 966	142 782
Electricity		88 268	-	-	-	-	-	14 269	14 269	102 537	94 124	98 648
Water		27 680	-	-	-	-	-	(500)	(500)	27 180	29 277	30 863
Waste water management		-	-	-	-	-	-	-	-	-	-	-
Waste management		11 871	-	-	-	-	-	49	49	11 920	12 565	13 271
<i>Other</i>		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Standard	3	368 226	-	-	-	-	-	23 738	23 738	391 964	377 933	390 635
Surplus/ (Deficit) for the year		7 694	-	-	-	-	-	5 301	5 301	12 995	48 371	59 150

Explanatory notes to MBRR Table B2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

- Table B2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification

divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enable the National Treasury to compile 'whole of government' reports.

LIM366 Bela Bela - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) -

Vote Description <i>[Insert departmental structure etc]</i>	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted 3	Accum. Funds 4	Multi-year capital 5	Unfore. Unavoid. 6	Nat. or Prov. Govt 7	Other Adjusts. 8	Total Adjusts. 9	Adjusted Budget 10	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 1 - Chief Financial Officer		157 849	-	-	-	-	-	(18 464)	(18 464)	139 384	197 551	207 218
Vote 2 - Corporate Services		2 275	-	-	-	-	-	(0)	(0)	2 275	2 179	2 288
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Economic Development		333	-	-	-	-	-	0	0	333	352	370
Vote 6 - Social and Community Services		31 414	-	-	-	-	-	4 124	4 124	35 538	32 513	34 139
Vote 7 - Speaker		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Technical Services		184 049	-	-	-	-	-	43 380	43 380	227 428	193 709	205 770
Vote 9 - Balance Sheet		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Balance Sheet		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	375 920	-	-	-	-	-	29 040	29 040	404 959	426 304	449 785
Expenditure by Vote	1											
Vote 1 - Chief Financial Officer		97 927	-	-	-	-	-	4 780	4 780	102 708	78 694	86 354
Vote 2 - Corporate Services		58 408	-	-	-	-	-	15 418	15 418	73 827	74 954	67 123
Vote 3 - Mayor		2 358	-	-	-	-	-	(1 124)	(1 124)	1 234	2 494	2 631
Vote 4 - Municipal Manager		10 420	-	-	-	-	-	0	0	10 420	11 035	11 671
Vote 5 - Planning and Economic Development		11 111	-	-	-	-	-	228	228	11 339	11 238	11 889
Vote 6 - Social and Community Services		46 796	-	-	-	-	-	(6 133)	(6 133)	40 663	49 384	53 228
Vote 7 - Speaker		10 110	-	-	-	-	-	(695)	(695)	9 415	10 704	11 312
Vote 8 - Technical Services		131 096	-	-	-	-	-	11 264	11 264	142 360	139 429	146 426
Vote 9 - Balance Sheet		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Balance Sheet		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	368 226	-	-	-	-	-	23 738	23 738	391 964	377 933	390 635
Surplus/ (Deficit) for the year	2	7 694	-	-	-	-	-	5 301	5 301	12 995	48 371	59 150

Explanatory notes to MBRR Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table B3 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 of the municipality. This means it is possible to present the operating surplus or deficit of a vote; and
- The table shows that the BTO is the largest generator of revenue, particularly from Rates and service charges whereas technical Services department is the largest department incurring operating expenditure, The larger is due to the size of the department as well as its responsibility over service delivery projects such as water, electricity and sanitation.

LIM366 Bela Bela - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - B -

Vote Description <i>(Insert departmental structure etc)</i> R thousands	Ref	Budget Year 2016/17										Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget	
		A	A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H			
Revenue by Vote	1												
Vote 1 - Chief Financial Officer		157 849	—	—	—	—	—	(18 464)	(18 464)	139 384	197 551	207 218	
1.1 - CFO'S OFFICE		10 830						—	—	10 830	39 235	39 718	
1.2 - ACCOUNTING SERVICES UNIT		—						—	—	—	—	—	
1.3 - EXPENDITURE MANAGEMENT		—						—	—	—	—	—	
1.4 - REVENUE MANAGEMENT		147 019						(18 464)	(18 464)	128 554	158 316	167 500	
1.5 - SUPPLY CHAIN MANAGEMENT		—						—	—	—	—	—	
Vote 2 - Corporate Services		2 275	—	—	—	—	—	(0)	(0)	2 275	2 179	2 288	
2.1 - HOD - CORPORATE SERVICES		2 064						(0)	(0)	2 064	2 179	2 288	
2.2 - INFO & RECORDS MANAGEMENT		—						—	—	—	—	—	
2.3 - HUMAN RESOURCES		211						—	—	211	—	—	
2.4 - COUNCIL ADMIN & LEGAL SERVICES		—						—	—	—	—	—	
Vote 5 - Planning and Economic Development		333	—	—	—	—	—	0	0	333	352	370	
5.1 - HOD - PLANNING & ECONO. DEV.		—						—	—	—	—	—	
5.2 - LED		21						—	—	21	22	23	
5.3 - IDP		—						—	—	—	—	—	
5.4 - TOWN PLANNING		312						0	0	312	330	346	
Vote 6 - Social and Community Services		31 414	—	—	—	—	—	4 124	4 124	35 538	32 513	34 139	
6.1 - HOD - SOC. DEV. & COMM. SERV.		259						(0)	(0)	259	273	287	
6.2 - WASTE MANAGEMENT & CLEANSING		8 609						2 010	2 010	10 619	9 091	9 546	
6.3 - PROTECTION & EMERGENCY SERV		22 267						2 000	2 000	24 267	22 854	23 996	
6.4 - PARKS AND COMMUNITY FACILITIES		280						114	114	394	295	310	
Vote 8 - Technical Services		184 049	—	—	—	—	—	43 380	43 380	227 428	193 709	205 770	
8.1 - HOD - TECH SERV		24 054						39 018	39 018	63 072	23 746	24 909	
8.2 - ROADS AND STORMWATER		2						—	—	2	2	2	
8.3 - WATER AND SANITATION		49 330						3 500	3 500	52 830	53 101	58 156	
8.4 - ELECTRICITY SERVICES		110 662						862	862	111 524	116 859	122 702	
8.5 - PROJECT MANAGEMENT UNIT (PMU)		—						—	—	—	—	—	
Total Revenue by Vote	2	375 920	—	—	—	—	—	29 040	29 040	404 959	426 304	449 785	
Expenditure by Vote	1												
Vote 1 - Chief Financial Officer		97 927	—	—	—	—	—	4 780	4 780	102 708	78 694	86 354	
1.1 - CFO'S OFFICE		48 291						(808)	(808)	47 483	49 452	55 463	
1.2 - ACCOUNTING SERVICES UNIT		1 667						0	0	1 667	1 767	1 873	
1.3 - EXPENDITURE MANAGEMENT		3 887						(0)	(0)	3 887	4 120	4 367	
1.4 - REVENUE MANAGEMENT		41 857						5 589	5 589	47 446	20 996	22 151	
1.5 - SUPPLY CHAIN MANAGEMENT		2 226						0	0	2 226	2 359	2 501	
Vote 2 - Corporate Services		58 408	—	—	—	—	—	15 418	15 418	73 827	74 954	67 123	
2.1 - HOD - CORPORATE SERVICES		11 071						5 450	5 450	16 521	11 736	12 393	
2.2 - INFO & RECORDS MANAGMENT		17 397						(3 174)	(3 174)	14 223	18 360	19 289	
2.3 - HUMAN RESOURCES		8 166						(824)	(824)	7 342	8 165	8 618	
2.4 - COUNCIL ADMIN & LEGAL SERVICES		21 774						13 966	13 966	35 741	36 693	26 824	
Vote 3 - Mayor		2 358	—	—	—	—	—	(1 124)	(1 124)	1 234	2 494	2 631	
3.1 - OFFICE OF THE MAYOR		2 358						(1 124)	(1 124)	1 234	2 494	2 631	
Vote 4 - Municipal Manager		10 420	—	—	—	—	—	0	0	10 420	11 035	11 671	
4.1 - MUNICIPAL MANAGER		1 948						0	0	1 948	2 063	2 185	
4.2 - COMMUNICATIONS		4 700						0	0	4 700	4 982	5 281	
4.3 - INTERNAL AUDIT		3 772						0	0	3 772	3 990	4 206	
Vote 5 - Planning and Economic Development		11 111	—	—	—	—	—	228	228	11 339	11 238	11 889	
5.1 - HOD - PLANNING & ECONO. DEV.		1 826						38	38	1 864	1 934	2 045	
5.2 - LED		2 538						0	0	2 538	2 160	2 286	
5.3 - IDP		2 094						190	190	2 284	2 217	2 342	
5.4 - TOWN PLANNING		4 652						0	0	4 652	4 928	5 215	
Vote 6 - Social and Community Services		46 796	—	—	—	—	—	(6 133)	(6 133)	40 663	49 384	53 228	
6.1 - HOD - SOC. DEV. & COMM. SERV.		1 852						0	0	1 852	1 961	2 073	
6.2 - WASTE MANAGEMENT & CLEANSING		11 871						49	49	11 920	12 565	13 271	
6.3 - PROTECTION & EMERGENCY SERV		20 443						(5 399)	(5 399)	15 044	21 488	23 759	
6.4 - PARKS AND COMMUNITY FACILITIES		12 630						(783)	(783)	11 848	13 370	14 125	
Vote 7 - Speaker		10 110	—	—	—	—	—	(695)	(695)	9 415	10 704	11 312	
7.1 - OFFICE OF THE SPEAKER		10 110						(695)	(695)	9 415	10 704	11 312	
Vote 8 - Technical Services		131 096	—	—	—	—	—	11 264	11 264	142 360	139 429	146 426	
8.1 - HOD - TECH SERV		1 572						(32)	(32)	1 540	1 665	1 764	
8.2 - ROADS AND STORMWATER		13 557						(2 598)	(2 598)	10 959	14 342	15 129	
8.3 - WATER AND SANITATION		27 680						(500)	(500)	27 180	29 277	30 863	
8.4 - ELECTRICITY SERVICES		88 268						14 269	14 269	102 537	94 124	98 648	
8.5 - PROJECT MANAGEMENT UNIT (PMU)		20						125	125	145	21	22	
Total Expenditure by Vote	2	368 226	—	—	—	—	—	23 738	23 738	391 964	377 933	390 635	
Surplus/ (Deficit) for the year	2	7 694	—	—	—	—	—	5 301	5 301	12 995	48 371	59 150	

Explanatory notes to Table B4 - Budgeted Financial Performance (revenue and expenditure)

- The original budget on expenditure was R387 million in the current financial year and is adjusted upwards by R4,8 million.

LIM366 Bela Bela - Table B5 Adjustments Capital Expenditure Budget by vote and funding -

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		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	5 A1	6 B	7 C	8 D	9 E	10 F	11 G	12 H		
R thousands												
Capital expenditure - Vote												
Multi-year expenditure to be adjusted	2											
Vote 1 - Chief Financial Officer		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Social and Community Services		8 849	-	-	-	-	-	14 631	14 631	23 480	-	-
Vote 7 - Speaker		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Technical Services		37 664	-	-	-	-	-	24 410	24 410	62 073	-	-
Vote 9 - Balance Sheet		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Balance Sheet		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	3	46 513	-	-	-	-	-	39 041	39 041	85 554	-	-
Single-year expenditure to be adjusted	2											
Vote 1 - Chief Financial Officer		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		2 070	-	-	-	-	-	(1 137)	(1 137)	933	-	-
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning and Economic Development		1 500	-	-	-	-	-	-	-	1 500	-	-
Vote 6 - Social and Community Services		900	-	-	-	-	-	(600)	(600)	300	-	-
Vote 7 - Speaker		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Technical Services		2 200	-	-	-	-	-	(1 174)	(1 174)	1 026	20 000	30 000
Vote 9 - Balance Sheet		-	-	-	-	-	-	-	-	-	5 456	6 269
Vote 10 - Balance Sheet		-	-	-	-	-	-	-	-	-	63 200	50 200
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		6 670	-	-	-	-	-	(2 911)	(2 911)	3 759	88 656	86 469
Total Capital Expenditure - Vote		53 183	-	-	-	-	-	36 130	36 130	89 313	88 656	86 469
Capital Expenditure - Standard												
Governance and administration		2 070	-	-	-	-	-	(1 137)	(1 137)	933	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Budget and treasury office		648	-	-	-	-	-	-	-	648	-	-
Corporate services		1 422	-	-	-	-	-	(1 137)	(1 137)	285	-	-
Community and public safety		8 849	-	-	-	-	-	14 631	14 631	23 480	7 954	5 200
Community and social services		5 246	-	-	-	-	-	3 193	3 193	8 439	-	-
Sport and recreation		3 403	-	-	-	-	-	11 638	11 638	15 041	7 754	5 000
Public safety		200	-	-	-	-	-	(200)	(200)	-	200	200
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		19 018	-	-	-	-	-	16 424	16 424	35 443	28 000	35 000
Planning and development		1 500	-	-	-	-	-	-	-	1 500	-	-
Road transport		17 218	-	-	-	-	-	16 424	16 424	33 643	28 000	35 000
Environmental protection		300	-	-	-	-	-	-	-	300	-	-
Trading services		23 246	-	-	-	-	-	6 211	6 211	29 457	51 500	45 000
Electricity		2 500	-	-	-	-	-	-	-	2 500	30 000	30 000
Water		10 500	-	-	-	-	-	7 500	7 500	18 000	18 000	15 000
Waste water management		9 646	-	-	-	-	-	(689)	(689)	8 957	3 500	-
Waste management		600	-	-	-	-	-	(600)	(600)	-	-	-
Other		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	53 183	-	-	-	-	-	36 130	36 130	89 313	87 454	85 200
Funded by:												
National Government		33 822	-	-	-	-	-	39 018	39 018	72 840	67 254	55 000
Provincial Government		-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-
Total Capital transfers recognised	4	33 822	-	-	-	-	-	39 018	39 018	72 840	67 254	55 000
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		19 361	-	-	-	-	-	(2 888)	(2 888)	16 473	20 200	30 200
Total Capital Funding		53 183	-	-	-	-	-	36 130	36 130	89 313	87 454	85 200

Explanatory notes to Table B5 - Budgeted Capital Expenditure by vote, standard classification and funding source

- Table B5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (single - 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.

LIM366 Bela Bela - Table B6 Adjustments Budget Financial Position -

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands												
ASSETS												
Current assets												
Cash		16 498						-	-	16 498	25 416	36 635
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	13 033	-	-	-	-	-	-	-	13 033	40 594	42 300
Other debtors		1 179						-	-	1 179	2 664	3 649
Current portion of long-term receivables		-						-	-	-	-	-
Inventory		158						-	-	158	173	188
Total current assets		30 867	-	-	-	-	-	-	-	30 867	68 847	82 772
Non current assets												
Long-term receivables		-						-	-	-	-	-
Investments		10 000						-	-	10 000	10 000	10 000
Investment property		-						-	-	-	-	-
Investment in Associate		-						-	-	-	-	-
Property, plant and equipment	1	755 472	-	-	-	-	-	-	-	755 472	756 421	735 870
Agricultural		-						-	-	-	-	-
Biological		-						-	-	-	-	-
Intangible		1 934						-	-	1 934	-	-
Other non-current assets		-						-	-	-	-	-
Total non current assets		767 406	-	-	-	-	-	-	-	767 406	766 421	745 870
TOTAL ASSETS		798 273	-	-	-	-	-	-	-	798 273	835 268	828 642
LIABILITIES												
Current liabilities												
Bank overdraft		-						-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-	-	-
Consumer deposits		5 000						-	-	5 000	6 000	6 500
Trade and other payables		27 443	-	-	-	-	-	-	-	27 443	30 835	32 685
Provisions		7 000						-	-	7 000	-	-
Total current liabilities		39 443	-	-	-	-	-	-	-	39 443	36 835	39 185
Non current liabilities												
Borrowing	1	3 300	-	-	-	-	-	-	-	3 300	-	-
Provisions	1	44 279	-	-	-	-	-	-	-	44 279	45 264	46 414
Total non current liabilities		47 579	-	-	-	-	-	-	-	47 579	45 264	46 414
TOTAL LIABILITIES		87 022	-	-	-	-	-	-	-	87 022	82 099	85 599
NET ASSETS	2	711 252	-	-	-	-	-	-	-	711 252	753 169	743 044
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		711 252	-	-	-	-	-	-	-	711 252	753 169	743 044
Reserves		-	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY		711 252	-	-	-	-	-	-	-	711 252	753 169	743 044

Explanatory notes to Table B6 - Budgeted Financial Position

- Table B6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to 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.
- Table B6 is supported by an extensive table of notes providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current liabilities;
 - Changes in net assets; and
 - Reserves

- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

LIM366 Bela Bela - Table B7 Adjustments Budget Cash Flows -

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
		A	A1	B	C	D	E	F	G	H		
R thousands												
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other		258 738						256 314	256 314	515 052	274 553	288 280
Government - operating	1	67 877						—	—	67 877	70 870	75 703
Government - capital	1	34 971						39 018	39 018	73 989	65 746	69 909
Interest		14 333						(7 554)	(7 554)	6 779	15 136	15 892
Dividends		—						—	—	—	—	—
Payments												
Suppliers and employees		(336 244)						(359 674)	(359 674)	(695 919)	(345 718)	(353 310)
Finance charges		(2 097)						(308)	(308)	(2 405)	(2 215)	(2 325)
Transfers and Grants	1	—						—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		37 578	—	—	—	—	—	(72 204)	(72 204)	(34 626)	78 371	94 150
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		—						—	—	—	—	—
Decrease (increase) in non-current debtors		—						—	—	—	—	—
Decrease (increase) other non-current receivables		—						—	—	—	—	—
Decrease (increase) in non-current investments		—						—	—	—	—	—
Payments												
Capital assets		(53 183)						(36 012)	(36 012)	(89 195)	(88 656)	(86 469)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(53 183)	—	—	—	—	—	(36 012)	(36 012)	(89 195)	(88 656)	(86 469)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans		—						—	—	—	—	—
Borrowing long term/refinancing		—						—	—	—	—	—
Increase (decrease) in consumer deposits		—						—	—	—	—	—
Payments												
Repayment of borrowing		—						—	—	—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES		—	—	—	—	—	—	—	—	—	—	—
NET INCREASE/ (DECREASE) IN CASH HELD		(15 605)	—	—	—	—	—	(108 216)	(108 216)	(123 821)	(10 284)	7 681
Cash/cash equivalents at the year begin:	2	—						—	—	—	—	—
Cash/cash equivalents at the year end:	2	(15 605)						(108 216)		(123 821)	(10 284)	7 681

Explanatory notes to Table B7 - Budgeted Cash Flow Statement

- The budgeted cash flow statement is the first measurement in determining if the budget is funded;

LIM366 Bela Bela - Table B8 Cash backed reserves/accumulated surplus reconciliation -

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Cash and investments available												
Cash/cash equivalents at the year end	1	(15 605)	–	–	–	–	–	(108 216)	(108 216)	(123 821)	(10 284)	7 681
Other current investments > 90 days		32 102	–	–	–	–	–	108 216	108 216	140 319	35 700	28 955
Non current assets - Investments	1	10 000	–	–	–	–	–	–	–	10 000	10 000	10 000
Cash and investments available:		26 498	–	–	–	–	–	–	–	26 498	35 416	46 635
Applications of cash and investments												
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–	–
Unspent borrowing												
Statutory requirements												
Other working capital requirements	2	13 777	–					(14 148)	(14 148)	(371)	(10 770)	(11 508)
Other provisions		6 642								6 642		
Long term investments committed		–	–					–	–	–	–	–
Reserves to be backed by cash/investments		–	–					–	–	–	–	–
Total Application of cash and investments:		20 419	–	–	–	–	–	(14 148)	(14 148)	6 271	(10 770)	(11 508)
Surplus(shortfall)		6 079	–	–	–	–	–	14 148	14 148	20 227	46 185	58 143

Explanatory notes to Table B8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

- The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
- In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.
- The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
- Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

LIM366 Bela Bela - Table B9 Asset Management -

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
Total New Assets to be adjusted	1	53 183	-	-	-	-	-	36 130	36 130	89 313	87 454	85 200
Infrastructure - Road transport		25 664	-	-	-	-	-	14 236	14 236	39 900	37 500	35 000
Infrastructure - Electricity		2 000	-	-	-	-	-	-	-	2 000	30 000	30 000
Infrastructure - Water		10 000	-	-	-	-	-	7 500	7 500	17 500	12 000	15 000
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		1 800	-	-	-	-	-	(600)	(600)	1 200	-	-
Infrastructure		39 464	-	-	-	-	-	21 136	21 136	60 600	79 500	80 000
Community		8 649	-	-	-	-	-	16 331	16 331	24 980	7 754	5 000
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	2 922	-	-	-	-	-	(1 337)	(1 337)	1 585	200	200
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		2 148	-	-	-	-	-	-	-	2 148	-	-
Total Renewal of Existing Assets to be adjusted	2	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-	-	-
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure to be adjusted	4	-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		25 664	-	-	-	-	-	14 236	14 236	39 900	37 500	35 000
Infrastructure - Electricity		2 000	-	-	-	-	-	-	-	2 000	30 000	30 000
Infrastructure - Water		10 000	-	-	-	-	-	7 500	7 500	17 500	12 000	15 000
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		1 800	-	-	-	-	-	(600)	(600)	1 200	-	-
Infrastructure		39 464	-	-	-	-	-	21 136	21 136	60 600	79 500	80 000
Community		8 649	-	-	-	-	-	16 331	16 331	24 980	7 754	5 000
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets		2 922	-	-	-	-	-	(1 337)	(1 337)	1 585	200	200
Agricultural Assets		-	-	-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-	-	-
Intangibles		2 148	-	-	-	-	-	-	-	2 148	-	-
TOTAL CAPITAL EXPENDITURE to be adjusted	2	53 183	-	-	-	-	-	36 130	36 130	89 313	87 454	85 200
ASSET REGISTER SUMMARY - PPE (WDV)	5											
Infrastructure - Road transport		67 000							-	67 000		
Infrastructure - Electricity		30 000							-	30 000		
Infrastructure - Water		25 000							-	25 000		
Infrastructure - Sanitation		44 000							-	44 000		
Infrastructure - Other		150 000							-	150 000		
Infrastructure		316 000	-	-	-	-	-	-	-	316 000	-	-
Community		27 000							-	27 000		
Heritage assets		538							-	538		
Investment properties		-							-	-		
Other assets		411 934							-	411 934		
Intangibles		1 934							-	1 934		
Agricultural Assets		-							-	-		
Biological assets		-							-	-		
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	757 406	-	-	-	-	-	-	-	757 406	-	-
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment	3	29 885	-	-	-	-	-	-	-	29 885	30 000	35 000
Repairs and Maintenance by asset class												
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community		-	-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other assets	6	-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		29 885	-	-	-	-	-	-	-	29 885	30 000	35 000
% of capital exp on renewal of assets		0.0%	0.0%							0.0%	0.0%	0.0%
Renewal of existing assets as % of deprecn		0.0%	0.0%							0.0%	0.0%	0.0%
R&M as a % of PPE		0.0%	0.0%							0.0%	0.0%	0.0%
Renewal and R&M as a % of PPE		0.0%	0.0%							0.0%	0.0%	0.0%

Explanatory notes to Table B9 - Asset Management

- Table B9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
- The table shows that all of the capital allocations are for new assets.
- National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

LIM366 Bela Bela - Table B10 Basic service delivery measurement -

Description	Ref	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
		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	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
Household service targets	1											
Water:												
Piped water inside dwelling		1 650							-	2	2 000	2 500
Piped water inside yard (but not in dwelling)		1 650							-	2	2 000	2 500
Using public tap (at least min.service level)	2	1 650							-	2	2 000	2 500
Other water supply (at least min.service level)		1 650							-	2	2 000	2 500
Minimum Service Level and Above sub-total		7	-	-	-	-	-	-	-	7	8	10
Using public tap (< min.service level)	3								-	-		
Other water supply (< min.service level)	3,4	9 868							-	10	8 268	6 668
No water supply									-	-		
Below Minimum Service Level sub-total		10	-	-	-	-	-	-	-	10	8	7
Total number of households	5	16	-	-	-	-	-	-	-	16	16	17
Sanitation/sewerage:												
Flush toilet (connected to sewerage)		1 200							-	1 200	1 600	1 800
Flush toilet (with septic tank)		1 200							-	1 200	1 600	1 800
Chemical toilet		1 200							-	1 200	1 600	1 800
Pit toilet (ventilated)		1 200							-	1 200	1 600	1 800
Other toilet provisions (> min.service level)		1 200							-	1 200	1 600	1 800
Minimum Service Level and Above sub-total		6 000	-	-	-	-	-	-	-	6 000	8 000	9 000
Bucket toilet									-	-		
Other toilet provisions (< min.service level)		12 068							-	12 068	11 000	10 200
No toilet provisions									-	-		
Below Minimum Service Level sub-total		12 068	-	-	-	-	-	-	-	12 068	11 000	10 200
Total number of households	5	18 068	-	-	-	-	-	-	-	18 068	19 000	19 200
Energy:												
Electricity (at least min. service level)		600							-	600	750	900
Electricity - prepaid (> min.service level)		600							-	600	750	900
Minimum Service Level and Above sub-total		1 200	-	-	-	-	-	-	-	1 200	1 500	1 800
Electricity (< min.service level)									-	-		
Electricity - prepaid (< min. service level)									-	-		
Other energy sources									-	-		
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-	-	-
Total number of households	5	1 200	-	-	-	-	-	-	-	1 200	1 500	1 800
Refuse:												
Removed at least once a week (min.service)		9 600							-	9 600	9 800	10 000
Minimum Service Level and Above sub-total		9 600	-	-	-	-	-	-	-	9 600	9 800	10 000
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	9 600	-	-	-	-	-	-	-	9 600	9 800	10 000
Households receiving Free Basic Service	15											
Water (6 kilolitres per household per month)		5 960							-	5 960	6 880	7 220
Sanitation (free minimum level service)		5 960							-	5 960	6 880	7 220
Electricity/other energy (50kwh per household per month)		5 960							-	5 960	6 880	7 220
Refuse (removed at least once a week)		5 960							-	5 960	6 880	7 220
Cost of Free Basic Services provided (R'000)	16											
Water (6 kilolitres per household per month)		3 518							-	3 518	3 694	3 879
Sanitation (free sanitation service)		2 091							-	2 091	2 195	2 305
Electricity/other energy (50kwh per household per month)		722							-	722	758	796
Refuse (removed once a week)		2 227							-	2 227	2 338	2 455
Total cost of FBS provided (minimum social package)		8 557	-	-	-	-	-	-	-	8 557	8 985	9 434
Highest level of free service provided												
Property rates (R'000 value threshold)		50 000							-	50 000 000	50 000	50 000
Water (kilolitres per household per month)		6 000							-	6 000	6 000	6 000
Sanitation (kilolitres per household per month)		6 000							-	6 000	6 000	6 000
Sanitation (Rand per household per month)		6 000							-	6 000	6 000	6 000
Electricity (kw per household per month)		50							-	50	50	50
Refuse (average litres per week)		5							-	5	5	5
Revenue cost of free services provided (R'000)	17											
Property rates (R15 000 threshold rebate)		600							-	600	600	600
Property rates (other exemptions, reductions and rebates)		2 000							-	2 000	2 000	2 000
Water		2 200							-	2 200	2 200	2 200
Sanitation		1 500							-	1 500	1 500	1 500
Electricity/other energy		3 500							-	3 500	3 500	3 500
Refuse		1 500							-	1 500	1 500	1 500
Municipal Housing - rental rebates		100							-	100	100	100
Housing - top structure subsidies	6	-							-	-	-	-
Other		-							-	-	-	-
Total revenue cost of free services provided (total)		11 400	-	-	-	-	-	-	-	11 400	11 400	11 400

Explanatory notes to Table B10 - Basic Service Delivery Measurement

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

Part 2 – SUPPORTING DOCUMENTATION

2.2 Adjustment budget assumption

Except for the factors outlined below, the assumptions that underlined the approved 2015/16 MTREF still hold. The following factors were taken into consideration when compiling this adjustments budget.

- Additional allocation of MIG during 2015/16 financial year
- Reclassification of capital expenditure to operating

2.7 Adjustment to capital expenditure

Adjustments to capital expenditure has been covered in detail in section 1.3.5 above.

2.8 Municipal manager's quality certification

I _____, municipal manager of **Bela-Bela Local Municipality** hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under that Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print Name _____

Municipal manager of _____

Signature _____

Date _____