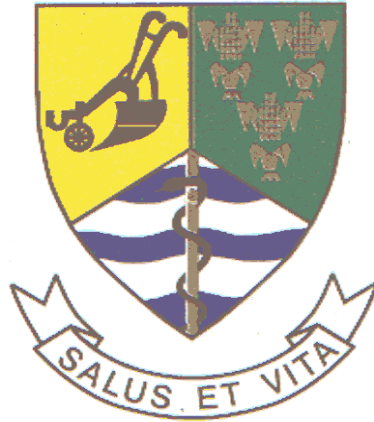


# **BELA-BELA LOCAL MUNICIPALITY**



## **ADJUSTMENT BUDGET FOR THE FINANCIAL YEAR 2023/2024**

**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 and Budget Implementation Plan

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## **Part 1 – Annual Adjustment Budget**

### **1.1 Mayor's Report**

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

### **1.2 Council Resolutions**

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), Council of Bela-Bela Local Municipality was required to meet during month of February 2024 where the Mayor would table the 2023/2024 adjustment budget for adoption by Council. At the meeting, the Council took the following resolutions:

1. The Council of Bela-Bela Local Municipality, acting in terms of section 28 of the Municipal Finance Management Act, (Act 56 of 2003):-
  - 1.1. Approves and adopts the adjustment budget of the municipality for the financial year 2023/2024 and the multi-year and single-year capital appropriations as set out in the following tables:
    - 1.1.1. Adjustments Budget Summary as contained in Table 4 on page 12;
    - 1.1.2. Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table 5 on page 14;
    - 1.1.3. Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table 6 on page 15;
    - 1.1.4. Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table 7 on page 16; and
    - 1.1.5. Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table 8 on page 17.
2. Directs that the Accounting Officer adhere 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.
3. 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

The electricity crisis emanating from intensive and consistent loadshedding has had an adverse effect on the South African economy at large. The cost of doing business has increased significantly as alternative energy sources such as generators and solar power systems are no longer optional for business survival. Businesses have had to retrench workers en masse to manage operational costs, thereby increasing the already high unemployment rate. Loadshedding has also had devastating ripple effect on inflation and interest rates. The municipality has suffered a lower collection rate and unsustainable cash flow as a result. Cable theft and infrastructure breakdowns have also been on the rise resulting in higher repairs and maintenance costs.

The 2023/2024 MIG allocation was reduced from R30 282 000 to R28 257 000 in accordance with Government Gazette 50134 published on 21 February 2024 after the Budget Speech by the Minister of Finance.

On a more positive note, the 2022/23 unspent grants amounting to R7.4 million were approved on 31 October 2023 for rollover to the 2023/24 financial year.

The LGSETA has approved a Discretionary grant funding in terms of which the municipality is undertaking to run two Learnership programmes valued at R1.038 million each. Thirty (30) candidates will be trained under each learnership programme in Water & Sanitation.

Bel-Bela Local Municipality has conducted mid-year assessment review in compliance with Section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA) and Schedule C (In-Year Reports of Municipalities) of the Municipal Budget and Reporting Regulations. This report was compiled and submitted as per the prescribed requirement. The assessment report amongst other serves as a key driving factor document which provide guidance on the proposed adjustments thereof.

Key assessment factors;

- The Medium-Term Budget Policy Statement (MTBPS) and National adjusted estimates.
- The Mid-year Budget and Performance Assessment Report.
- Changes in the Income and Expenditure patterns.
- Changes in the Capital Projects.

Following the budget assessment, the municipality has compiled an adjustment budget to reflect realistic projections for 2023/2024. The adjustments to the Operating revenue

and expenditure, together with the revised Capital project inclusive of the approved roll over.

Applying the zero-based budgeting approach which are programme driven at BBLM made funding requirements more visible and based on the outcomes of the assessment of the key factors, below influencers were identified as the reasons necessitating budget adjustment:

- Changes in revenue projections.
- Increases and savings in operating expenditure.
- Cost containment measures.
- Projects rolled over from the previous year.

Stemming from the outcome of the key factors during assessments, a proposed adjustment budget seeks to adjust the 2023/2024 annual budget to utilize current baseline revenue sources to provide for the rapidly changing economic conditions and enable spending on the key mandate of service delivery to the communities. A revenue enhancement framework as a strategy will be implemented to account for substantial revenue losses emanating from the economic shock of the electricity crisis and high inflation.

Legislatively, 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 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.

The following key factors were taken into consideration when preparing and compiling the 2023/2024 adjustments budget, namely:

- a) The Medium Term Budget Policy Statement (MTBPS) and national adjusted estimates.
- b) The mid-year budget and performance assessment report compiled in terms of section 72 of the MFMA;
- c) The monthly budget statements published in terms of section 71 of the MFMA;
- d) The comments received from the Limpopo Provincial Treasury on the 2023/2024 approved budget;
- e) The errors in the approved budgets;
- f) Unforeseen and unavoidable expenditure incurred; and
- g) The restructuring of votes as result of continuance maintenance of the mSCOA set up.

Other key issues which were taken into consideration to ensure a Credible Budget were:

- a) 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;
- b) Objectives are achievable in terms of the agreed service delivery and performance targets;
- c) Financial estimates comprise of revenue and expenditure projections that are consistent with current and past performance and supported by documented evidence of future assumptions;
- d) 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;

The main challenges experienced during the compilation of the 2023/2024 adjustments budget can be summarised as follows:

- The ongoing difficulties in the national and local economy, particularly the rising cost of living as measured by CPIX and the steady collection level;
- Aging and insufficiently funded water, roads, and electricity infrastructure; and
- The need to re-prioritise projects and expenditure within the existing resource given the cash flow realities of the municipality.
- Insufficient Capital Replacement Reserve, impacting on the Municipality's ability to fund infrastructure capital expenditure from internal sources.

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

The 2023/2024 adjustments budget will be published on the municipality's website and hard copies made available at municipal offices and municipal library.

Encompassed below are tables depicting proposed adjustments against the approved 2023/2024 original budget.

**Table 1: Summative Adjustment Budget Movements – 2023/2024 Financial Year**

Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Revenue By Source</b>												
Total Revenue (excluding capital transfers and contributions)		555 869	-	-	-	-	-	1 018	1 018	556 887	601 017	647 576
<b>Expenditure By Type</b>												
Total Expenditure		543 004	-	-	-	-	-	(3 245)	(3 245)	539 759	576 445	602 929
<b>Surplus/(Deficit)</b>		12 865	-	-	-	-	-	4 263	4 263	17 128	24 572	44 647
Transfers and subsidies - capital (monetary allocations)		84 518	-	-	-	-	-	5 517	5 517	90 035	91 841	95 829
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation		97 383	-	-	-	-	-	9 781	9 781	107 164	116 413	140 476
Income Tax		-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		97 383	-	-	-	-	-	9 781	9 781	107 164	116 413	140 476
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		97 383	-	-	-	-	-	9 781	9 781	107 164	116 413	140 476
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	1	97 383	-	-	-	-	-	9 781	9 781	107 164	116 413	140 476

**Below follows a synopsis of the proposed adjustment budget movements.**

Depicted in the table above is an approved 2023/2024 original budget surplus of R12.865 million. The surplus depicted arises from an operational revenue by source of R555 869 million minus operational expenditure of R543 004 million. Proposed 2023/2024 adjustment budget surplus has increased to R17 128 million due to an increase in the total revenue and reduction of expenditure budget; refer to Table 7 MBRR - LIM366 Bela Bela - Table B4 Adjustments Budget Financial Performance (revenue and expenditure).

Due to the current financial status, proposed adjustments are required to address material variance in the Mid-year assessment report, 2022/2023 audit findings related to misclassifications of transactions between capital and operational expenditure, change in allocations (Grants) due to changes in the DORA, and changes in spending priorities to address service delivery challenges. Furthermore, depicted in Transfers and subsidies – operating grant (monetary allocations) is LGSETA Discretionary funding for the municipality, which was finalized in November 2023. Also of note is the cash prize of R50 000 awarded to the municipality for winning the Greenest Municipality in the Waterberg District competition.



**Table 2: Revenue sources Adjustment Budget Movements – 2023/2024 Financial Year.**

Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	A1	B	C	D	E	F	G	H		
<b>Revenue By Source</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity	2	133 116	–	–	–	–	–	–	–	133 116	153 217	176 353
Service charges - Water	2	41 548	–	–	–	–	–	–	–	41 548	43 584	45 632
Service charges - Waste Water Management	2	21 066	–	–	–	–	–	843	843	21 908	22 096	23 135
Service charges - Waste Management	2	9 758	–	–	–	–	–	488	488	10 246	10 236	10 717
Sale of Goods and Rendering of Services		1 791	–	–	–	–	–	–	–	1 791	1 879	1 968
Agency services		4 677	–	–	–	–	–	–	–	4 677	4 906	5 137
Interest		–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		9 170	–	–	–	–	–	–	–	9 170	9 619	10 071
Interest earned from Current and Non Current Assets		1 600	–	–	–	–	–	300	300	1 900	1 678	1 757
Dividends		–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1 614	–	–	–	–	–	(137)	(137)	1 477	1 693	1 773
Licence and permits		–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		572	–	–	–	–	–	1 428	1 428	2 000	600	628
<b>Non-Exchange Revenue</b>												
Property rates	2	142 475	–	–	–	–	–	(2 993)	(2 993)	139 482	149 456	156 480
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		37 993	–	–	–	–	–	–	–	37 993	39 854	41 728
Licences or permits		1 974	–	–	–	–	–	–	–	1 974	2 070	2 168
Transfer and subsidies - Operational		134 330	–	–	–	–	–	1 089	1 089	135 419	145 247	154 450
Interest		14 186	–	–	–	–	–	–	–	14 186	14 881	15 581
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>555 869</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 018</b>	<b>1 018</b>	<b>556 887</b>	<b>601 017</b>	<b>647 576</b>

Reflected in the table Adjustments Budget Financial Performance Revenue is an overall total approved 2023/24 Original budget versus proposed 2023/24 adjustment budget on financial revenue projections depicting amount of R556.887 million from an original budget of R555.869 million with minimal increase of less than a 1 % percentage which depicted total increase of R1.018 million. The following factors contribute to the total adjustment:

- An increase of R843 631 and R487 891 due to material overcollection of Waste-Water Management and Waste Management revenue respectively at mid-term.
- An increase of R300 000 to Interest earned from Current and Non-Current Assets. A positive 58% variance at mid-term signals an over-collection of revenue and need for budget increase.

c) Rental from Fixed assets budget is reduced by R137 000 due to under-collection in the first six months, this is also to align the budget amount to the actual revenue in the 2022/2023 audited financial statements.

d) Operational Revenue is increased by R1.428 million due to over-collection. At mid-term Operational Revenue of R1.152 million was earned, the annual approved budget was R572 677.

e) Transfers and Subsidies are proposed for an adjustment of R1.089 million emanating from receipt of the LGSETA Discretionary grant, reduction in the Municipal Infrastructure Grant (MIG) and the Greenest Municipality competition prize money won.

**Table 3: Expenditure Adjustment Budget Movements – 2023/2024 Financial Year**

Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Expenditure By Type</b>												
Employee related costs		173 234	–	–	–	–	–	2 879	2 879	176 114	181 550	190 083
Remuneration of councillors		8 481	–	–	–	–	–	324	324	8 805	8 888	9 306
Bulk purchases - electricity		147 782	–	–	–	–	–	–	–	147 782	155 023	162 309
Inventory consumed		39 692	–	–	–	–	–	(9 648)	(9 648)	30 044	41 637	43 594
Debt impairment		–	–	–	–	–	–	14 000	14 000	14 000	–	–
Depreciation and amortisation		38 000	–	–	–	–	–	–	–	38 000	39 862	41 736
Interest		15 000	–	–	–	–	–	–	–	15 000	15 000	15 000
Contracted services		49 708	–	–	–	–	–	7 551	7 551	57 259	58 055	60 773
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		14 000	–	–	–	–	–	(14 000)	(14 000)	–	14 686	15 376
Operational costs		57 106	–	–	–	–	–	(4 351)	(4 351)	52 755	61 744	64 753
Losses on disposal of Assets		–	–	–	–	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>		<b>543 004</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(3 245)</b>	<b>(3 245)</b>	<b>539 759</b>	<b>576 445</b>	<b>602 929</b>

The total expenditure of R539.759 million is shown in the above table, which also depicts a total downward adjustment of R3.245 million. These reasons are as follows.

- A R2.879 million increase in employee-related costs is intended to adjust budget estimates from the original budget.
- Upper limit on councillor salaries and pack-pay were implemented in accordance with Government Gazette 49142 in October 2023, budget for the remuneration of councillors was adjusted accordingly to reflect the increase.
- The budget for the water inventory was overstated in the original budget, as shown by the negative variance of 41% at the mid-term. Thus, inventory consumed is adjusted from R39.692 million down to R30.044 million.

- d) Debt impairment is increased from zero Original budget to an Adjusted budget of R14 million, Irrecoverable debts written-off is inversely reduced from R14 million to zero. These adjustments aim to correct the misclassification of debtors' impairment loss in the Original budget.
- e) To prioritize service delivery and support debt recovery efforts targeted at enhancing the collection rate and liquidity, Contracted services is increased by R7.551 million and Operational costs is reduced by R4.351 million.

## **1.4 Adjustment Budget Tables**

The discussion below presents 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 2023/2024 adjustments budget as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

**Table 4: MBRR - LIM366 Bela Bela - Table B1 Adjustments Budget Summary -**

Description	2023/24									Budget Year 2024/25	Budget Year 2025/26
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
<b>Financial Performance</b>											
Property rates	142 475	–	–	–	–	–	(2 993)	(2 993)	139 482	149 456	156 480
Service charges	205 488	–	–	–	–	–	1 331	1 331	206 818	229 133	255 836
Investment revenue	1 600	–	–	–	–	–	300	300	1 900	1 678	1 757
Transfers recognised - operational	134 330	–	–	–	–	–	1 089	1 089	135 419	145 247	154 450
Other own revenue	71 976	–	–	–	–	–	1 292	1 292	73 268	75 503	79 052
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>555 869</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 018</b>	<b>1 018</b>	<b>556 887</b>	<b>601 017</b>	<b>647 576</b>
Employee costs	173 234	–	–	–	–	–	2 879	2 879	176 114	181 550	190 083
Remuneration of councillors	8 481	–	–	–	–	–	324	324	8 805	8 888	9 306
Depreciation & asset impairment	38 000	–	–	–	–	–	14 000	14 000	52 000	39 862	41 736
Finance charges	15 000	–	–	–	–	–	–	–	15 000	15 000	15 000
Inventory consumed and bulk purchases	187 474	–	–	–	–	–	(9 648)	(9 648)	177 826	196 660	205 903
Transfers and subsidies	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	120 815	–	–	–	–	–	(10 800)	(10 800)	110 015	134 485	140 902
<b>Total Expenditure</b>	<b>543 004</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(3 245)</b>	<b>(3 245)</b>	<b>539 759</b>	<b>576 445</b>	<b>602 929</b>
<b>Surplus/(Deficit)</b>	<b>12 865</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>4 263</b>	<b>4 263</b>	<b>17 128</b>	<b>24 572</b>	<b>44 647</b>
Transfers and subsidies - capital (monetary allocations)	84 518	–	–	–	–	–	5 517	5 517	90 035	91 841	95 829
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>97 383</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9 781</b>	<b>9 781</b>	<b>107 164</b>	<b>116 413</b>	<b>140 476</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>97 383</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9 781</b>	<b>9 781</b>	<b>107 164</b>	<b>116 413</b>	<b>140 476</b>
<b>Capital expenditure &amp; funds sources</b>											
<b>Capital expenditure</b>	<b>92 693</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(3 725)</b>	<b>(3 725)</b>	<b>88 968</b>	<b>91 841</b>	<b>95 829</b>
Transfers recognised - capital	84 518	–	–	–	–	–	(6 226)	(6 226)	78 292	91 841	95 829
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	8 175	–	–	–	–	–	2 502	2 502	10 677	–	–
<b>Total sources of capital funds</b>	<b>92 693</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(3 725)</b>	<b>(3 725)</b>	<b>88 968</b>	<b>91 841</b>	<b>95 829</b>
<b>Financial position</b>											
Total current assets	256 376	–	–	–	–	–	11 128	11 128	267 504	310 691	374 783
Total non current assets	1 017 259	–	–	–	–	–	(3 725)	(3 725)	1 013 534	1 062 673	1 115 322
Total current liabilities	298 641	–	–	–	–	–	(2 377)	(2 377)	296 264	393 087	412 241
Total non current liabilities	83 515	–	–	–	–	–	0	0	83 515	87 690	92 075
Community wealth/Equity	<b>891 479</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9 781</b>	<b>9 781</b>	<b>901 260</b>	<b>892 586</b>	<b>985 790</b>
<b>Cash flows</b>											
Net cash from (used) operating	36 782	–	–	–	–	–	1 480	1 480	38 262	122 165	143 558
Net cash from (used) investing	(90 738)	–	–	–	–	–	–	–	(90 738)	(91 841)	(95 829)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–	–	–
<b>Cash/cash equivalents at the year end</b>	<b>17 067</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 480</b>	<b>1 480</b>	<b>18 546</b>	<b>47 392</b>	<b>95 121</b>
<b>Cash backing/surplus reconciliation</b>											
Cash and investments available	17 067	–	–	–	–	–	1 480	1 480	18 546	47 392	95 121
Application of cash and investments	59 304	–	–	–	–	–	(2 331)	(2 331)	56 973	133 174	137 554
<b>Balance - surplus (shortfall)</b>	<b>(42 237)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3 811</b>	<b>3 811</b>	<b>(38 427)</b>	<b>(85 782)</b>	<b>(42 433)</b>
<b>Asset Management</b>											
Asset register summary (WDV)	916 434	–	–	–	–	–	9 284	9 284	925 717	956 806	1 004 162
Depreciation	38 000	–	–	–	–	–	–	–	38 000	39 862	41 736
Renewal and Upgrading of Existing Assets	71 197	–	–	–	–	–	(3 855)	(3 855)	67 341	55 337	30 958
Repairs and Maintenance	15 045	–	–	–	–	–	(189)	(189)	14 856	17 513	18 336

<b>Free services</b>												
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-	-	-
<b>Households below minimum service</b>												
Level Water:	-	-	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	-	-	-	-	-	-

### Explanatory notes to MBRR Table B1 - Budget Summary

1. Table B1 is the adjustments budget summary and provides a concise overview of the municipality's budget from all the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. Adjusted budget depicts a surplus of R17.128 million from original budget surplus of R12.865 million. Surplus increase attributed by increase in total revenue and decrease in total expenditure.
3. The reported surplus of R17.128 million include a non-cash item of R53 million should the non-cash items not be considered; and
4. Financial management reforms emphasis 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.

**Table 5: MBRR - LIM366 Bela Bela - Table B2 Adjustments Budget Financial Performance  
(functional classification)**

Standard Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		Original Budget	Prior Adjusted5 A1	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		B	C	D	E	F	G	H		
<b>Revenue - Functional</b>												
<b>Governance and administration</b>		331 298	-	-	-	-	-	(1 393)	(1 393)	329 905	351 879	370 804
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		331 298	-	-	-	-	-	(1 393)	(1 393)	329 905	351 879	370 804
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		7 165	-	-	-	-	-	42	42	7 206	7 516	7 869
Community and social services		523	-	-	-	-	-	42	42	565	549	575
Sport and recreation		-	-	-	-	-	-	-	-	-	-	-
Public safety		6 642	-	-	-	-	-	-	-	6 642	6 967	7 295
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		31 284	-	-	-	-	-	(2 025)	(2 025)	29 259	32 559	33 887
Planning and development		2 516	-	-	-	-	-	(101)	(101)	2 415	2 627	2 740
Road transport		28 768	-	-	-	-	-	(1 924)	(1 924)	26 844	29 933	31 147
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		270 640	-	-	-	-	-	9 912	9 912	280 551	300 903	330 845
Energy sources		134 128	-	-	-	-	-	153	153	134 282	159 278	182 688
Water management		102 182	-	-	-	-	-	7 288	7 288	109 469	105 615	110 454
Waste water management		23 580	-	-	-	-	-	1 983	1 983	25 563	24 734	25 896
Waste management		10 750	-	-	-	-	-	488	488	11 238	11 277	11 807
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	640 387	-	-	-	-	-	6 536	6 536	646 923	692 858	743 405
<b>Expenditure - Functional</b>												
<b>Governance and administration</b>		166 040	-	-	-	-	-	5 117	5 117	171 157	177 995	185 762
Executive and council		30 498	-	-	-	-	-	1 462	1 462	31 960	32 788	34 329
Finance and administration		132 154	-	-	-	-	-	3 221	3 221	135 376	141 657	147 716
Internal audit		3 387	-	-	-	-	-	434	434	3 821	3 550	3 717
<b>Community and public safety</b>		55 701	-	-	-	-	-	111	111	55 813	58 398	61 142
Community and social services		32 085	-	-	-	-	-	833	833	32 918	33 645	35 226
Sport and recreation		2 883	-	-	-	-	-	(50)	(50)	2 833	3 021	3 163
Public safety		20 734	-	-	-	-	-	(672)	(672)	20 062	21 731	22 753
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		48 159	-	-	-	-	-	(4 610)	(4 610)	43 550	50 674	53 045
Planning and development		17 307	-	-	-	-	-	(3 427)	(3 427)	13 880	18 131	18 973
Road transport		30 852	-	-	-	-	-	(1 182)	(1 182)	29 670	32 543	34 073
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		273 103	-	-	-	-	-	(3 864)	(3 864)	269 239	289 379	302 980
Energy sources		183 266	-	-	-	-	-	950	950	184 216	194 850	204 008
Water management		40 898	-	-	-	-	-	(9 827)	(9 827)	31 071	42 901	44 917
Waste water management		30 206	-	-	-	-	-	2 640	2 640	32 846	31 990	33 493
Waste management		18 733	-	-	-	-	-	2 373	2 373	21 107	19 638	20 561
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	543 004	-	-	-	-	-	(3 245)	(3 245)	539 759	576 445	602 929
<b>Surplus/ (Deficit) for the year</b>		97 383	-	-	-	-	-	9 781	9 781	107 164	116 413	140 476

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

1. 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; and
2. Table B2 is a reproduction of Table B1 in GFA format so the aggregate figures of these tables are the same.

**Table 6: MBRR Table B3 - LIM366 Bela Bela - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)**

Vote Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		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
		A	A1	B	C	D	E	F	G	H		
<b>R thousands</b>												
<b>Revenue by Vote</b>	1											
Vote 1 - Chief Financial Officer		329 580	-	-	-	-	-	(1 265)	(1 265)	328 315	350 078	368 917
Vote 2 - Corporate Services		1 718	-	-	-	-	-	(127)	(127)	1 590	1 802	1 886
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		1 002	-	-	-	-	-	-	-	1 002	1 051	1 101
Vote 7 - Social and Community Services		17 915	-	-	-	-	-	530	530	18 444	18 792	19 676
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		288 658	-	-	-	-	-	7 500	7 500	296 158	319 559	350 185
Vote 10 - Technical Services		1 514	-	-	-	-	-	(101)	(101)	1 413	1 575	1 639
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>640 387</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 536</b>	<b>6 536</b>	<b>646 923</b>	<b>692 858</b>	<b>743 405</b>
<b>Expenditure by Vote</b>	1											
Vote 1 - Chief Financial Officer		88 255	-	-	-	-	-	4 397	4 397	92 651	97 299	101 167
Vote 2 - Corporate Services		38 753	-	-	-	-	-	(1 151)	(1 151)	37 602	38 963	40 900
Vote 3 - Mayor		3 750	-	-	-	-	-	(92)	(92)	3 658	3 931	4 115
Vote 4 - Municipal Manager		22 957	-	-	-	-	-	1 233	1 233	24 190	24 883	26 053
Vote 5 - Internal Audit		3 387	-	-	-	-	-	434	434	3 821	3 550	3 717
Vote 6 - Planning and Economic Development		12 447	-	-	-	-	-	(1 913)	(1 913)	10 534	13 048	13 662
Vote 7 - Social and Community Services		74 435	-	-	-	-	-	2 484	2 484	76 919	78 036	81 704
Vote 8 - Speaker		8 938	-	-	-	-	-	296	296	9 234	9 369	9 809
Vote 9 - Technical Services		285 221	-	-	-	-	-	(7 419)	(7 419)	277 802	302 284	316 491
Vote 10 - Technical Services		4 860	-	-	-	-	-	(1 514)	(1 514)	3 346	5 082	5 311
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>543 004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 245)</b>	<b>(3 245)</b>	<b>539 759</b>	<b>576 445</b>	<b>602 929</b>

Surplus/ (Deficit) for the year	2	97 383	-	-	-	-	-	9 781	9 781	107 164	116 413	140 476
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## Explanatory notes to MBRR Table B3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

Table B3 is an overview 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.

## Table 7: MBRR - LIM366 Bela Bela - Table B4 Adjustments Budget Financial Performance (revenue and expenditure)

Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	1	A	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>Revenue By Source</b>												
<b>Exchange Revenue</b>												
Service charges - Electricity	2	133 116	-	-	-	-	-	-	-	133 116	153 217	176 353
Service charges - Water	2	41 548	-	-	-	-	-	-	-	41 548	43 584	45 632
Service charges - Waste Water Management	2	21 066	-	-	-	-	-	843	843	21 908	22 096	23 135
Service charges - Waste Management	2	9 758	-	-	-	-	-	488	488	10 246	10 236	10 717
Sale of Goods and Rendering of Services		1 791	-	-	-	-	-	-	-	1 791	1 879	1 968
Agency services		4 677	-	-	-	-	-	-	-	4 677	4 906	5 137
Interest		-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		9 170	-	-	-	-	-	-	-	9 170	9 619	10 071
Interest earned from Current and Non Current Assets		1 600	-	-	-	-	-	300	300	1 900	1 678	1 757
Dividends		-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 614	-	-	-	-	-	(137)	(137)	1 477	1 693	1 773
Licence and permits		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		572	-	-	-	-	-	1 428	1 428	2 000	600	628
<b>Non-Exchange Revenue</b>												
Property rates	2	142 475	-	-	-	-	-	(2 993)	(2 993)	139 482	149 456	156 480
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		37 993	-	-	-	-	-	-	-	37 993	39 854	41 728
Licences or permits		1 974	-	-	-	-	-	-	-	1 974	2 070	2 168
Transfer and subsidies - Operational		134 330	-	-	-	-	-	1 089	1 089	135 419	145 247	154 450
Interest		14 186	-	-	-	-	-	-	-	14 186	14 881	15 581
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>555 869</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 018</b>	<b>1 018</b>	<b>556 887</b>	<b>601 017</b>	<b>647 576</b>
<b>Expenditure By Type</b>												
Employee related costs		173 234	-	-	-	-	-	2 879	2 879	176 114	181 550	190 083
Remuneration of councillors		8 481	-	-	-	-	-	324	324	8 805	8 888	9 306
Bulk purchases - electricity		147 782	-	-	-	-	-	-	-	147 782	155 023	162 309
Inventory consumed		39 692	-	-	-	-	-	(9 648)	(9 648)	30 044	41 637	43 594
Debt impairment		-	-	-	-	-	-	14 000	14 000	14 000	-	-
Depreciation and amortisation		38 000	-	-	-	-	-	-	-	38 000	39 862	41 736
Interest		15 000	-	-	-	-	-	-	-	15 000	15 000	15 000
Contracted services		49 708	-	-	-	-	-	7 551	7 551	57 259	58 055	60 773
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		14 000	-	-	-	-	-	(14 000)	(14 000)	-	14 686	15 376
Operational costs		57 106	-	-	-	-	-	(4 351)	(4 351)	52 755	61 744	64 753
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>543 004</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3 245)</b>	<b>(3 245)</b>	<b>539 759</b>	<b>576 445</b>	<b>602 929</b>
<b>Surplus/(Deficit)</b>		<b>12 865</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 263</b>	<b>4 263</b>	<b>17 128</b>	<b>24 572</b>	<b>44 647</b>
Transfers and subsidies - capital (monetary allocations) Transfers and subsidies - capital (in-kind - all)		84 518	-	-	-	-	-	5 517	5 517	90 035	91 841	95 829
<b>Surplus/(Deficit) before taxation</b>		<b>97 383</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9 781</b>	<b>9 781</b>	<b>107 164</b>	<b>116 413</b>	<b>140 476</b>



Income Tax		-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		97 383	-	-	-	-	-	9 781	9 781	107 164	116 413	140 476
Share of Surplus/Deficit attributable to Joint		-	-	-	-	-	-	-	-	-	-	-
Venture Share of Surplus/Deficit attributable to		-	-	-	-	-	-	-	-	-	-	-
Minorities		97 383	-	-	-	-	-	9 781	9 781	107 164	116 413	140 476
Surplus/(Deficit) attributable to municipality		-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1	97 383	-	-	-	-	-	9 781	9 781	107 164	116 413	140 476

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

1. Total revenue was adjusted up from Original budget of R555.869 to R556.887. The factors affecting the adjustment were discussed in the explanatory notes under Table 2 above.
2. Total expenditure was reduced by R3.245 million from R543.004 million in the 2023/2024 original budget to R539.759 million. The factors contributing to this situation were outlined in the explanatory notes under Table 3.

## Table 8: MBRR - LIM366 Bela Bela - Table B5 Adjustments Capital Expenditure Budget by vote and funding

Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		Original Budget	Prior Adjusted5	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		A	A1	B	C	D	E	F	G	H		
<b>Capital expenditure - Vote</b>												
<b>Multi-year expenditure to be adjusted</b>	2											
Vote 1 - Chief Financial Officer		-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Social and Community Services		-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	3	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be adjusted</b>	2											
Vote 1 - Chief Financial Officer		-	-	-	-	-	-	174	174	174	-	-
Vote 2 - Corporate Services		850	-	-	-	-	-	322	322	1 172	-	-
Vote 3 - Mayor		-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Internal Audit		-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Social and Community Services		18 347	-	-	-	-	-	(3 495)	(3 495)	14 852	4 209	-
Vote 8 - Speaker		-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Technical Services		73 496	-	-	-	-	-	(726)	(726)	72 770	87 632	95 829
Vote 10 - Technical Services		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		92 693	-	-	-	-	-	(3 725)	(3 725)	88 968	91 841	95 829

<b>Total Capital Expenditure - Vote</b>		92 693	-	-	-	-	-	(3 725)	(3 725)	88 968	91 841	95 829
<b>Capital Expenditure - Functional</b>												
<b>Governance and administration</b>		850	-	-	-	-	-	496	496	1 346	-	-
Executive and council		-	-	-	-	-	-	-	-	-	-	-
Finance and administration		850	-	-	-	-	-	496	496	1 346	-	-
Internal audit		-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		4 900	-	-	-	-	-	(877)	(877)	4 023	-	-
Community and social services		-	-	-	-	-	-	43	43	43	-	-
Sport and recreation		4 800	-	-	-	-	-	(908)	(908)	3 892	-	-
Public safety		100	-	-	-	-	-	(13)	(13)	87	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		10 521	-	-	-	-	-	(1 569)	(1 569)	8 952	25 724	31 147
Planning and development		-	-	-	-	-	-	-	-	-	-	-
Road transport		10 521	-	-	-	-	-	(1 569)	(1 569)	8 952	25 724	31 147
Environmental protection		-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		76 422	-	-	-	-	-	(1 775)	(1 775)	74 647	66 117	64 682
Energy sources		7 000	-	-	-	-	-	1 133	1 133	8 133	5 000	5 224
Water management		25	-	-	-	-	-	5 292	5 292	5 317	10 280	59 458
Waste water management		55 950	-	-	-	-	-	(5 582)	(5 582)	50 368	46 628	-
Waste management		13 447	-	-	-	-	-	(2 618)	(2 618)	10 829	4 209	-
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	92 693	-	-	-	-	-	(3 725)	(3 725)	88 968	91 841	95 829
<b>Funded by:</b>												
National		84 518	-	-	-	-	-	(6 226)	(6 226)	78 292	91 841	95 829
Government		-	-	-	-	-	-	-	-	-	-	-
Provincial		-	-	-	-	-	-	-	-	-	-	-
Government District		-	-	-	-	-	-	-	-	-	-	-
Municipality		-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	84 518	-	-	-	-	-	(6 226)	(6 226)	78 292	91 841	95 829
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		8 175	-	-	-	-	-	2 502	2 502	10 677	-	-
<b>Total Capital Funding</b>		92 693	-	-	-	-	-	(3 725)	(3 725)	88 968	91 841	95 829

## 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.
- The municipality budgeted R8.175 million for internally funded projects in 2023/2024 approved annual budget. This is in additions to total grant funded capital projects of R84.518 million.
- For the WSIG and INEP projects, rollover amounts of R7.3 million and R153 thousand, respectively, were approved.
- Additionally, in accordance with Government Gazette 50134, the MIG allocation was decreased by R2.025 million.
- The current internally funded projects are increased by R3.141 million. In addition, new internally funded capital expenditure totaling R945 thousand have been included with the aim of facilitating service delivery. The new capital expenditure mostly represents a reclassification of expenditure from the Operational budget to the Capital budget to address 2022/23 findings concerning classification.
- Capital expenditure is correctly reflected exclusive of VAT in the adjustments budget as recommended by Provincial Treasury in their assessment of the municipality's monthly data strings and Mid-year assessment report. Retention is also budgeted for per capital project.

**Table 9: MBRR - LIM366 Bela Bela - Table B6 Adjustments Budget Financial Position**

Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		Original Budget	Prior Adjusted3	Accum. Funds 4	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		
<b>R thousands</b>												
<b>ASSETS</b>												
<b>Current assets</b>												
Cash and cash equivalents		17 067	–	–	–	–	–	1 480	1 480	18 546	47 392	95 121
Trade and other receivables from exchange transactions	1	50 343	–	–	–	–	–	6 000	6 000	56 343	54 821	59 650
Receivables from non-exchange transactions	1	72 058	–	–	–	–	–	(6 000)	(6 000)	66 058	75 621	79 278
Current portion of non-current receivables	2	–	–	–	–	–	–	–	–	–	–	–
Inventory		200	–	–	–	–	–	9 648	9 648	9 848	100	1 000
VAT		116 708	–	–	–	–	–	0	0	116 708	132 757	139 734
Other current assets		–	–	–	–	–	–	0	0	0	–	–
<b>Total current assets</b>		<b>256 376</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>11 128</b>	<b>11 128</b>	<b>267 504</b>	<b>310 691</b>	<b>374 783</b>
<b>Non current assets</b>												
Investments	3	134 917	–	–	–	–	–	330	330	135 248	141 663	148 746
Investment property		881 041	–	–	–	–	–	(4 229)	(4 229)	876 812	919 643	965 137
Property, plant and equipment		–	–	–	–	–	–	–	–	–	–	–
Biological assets		539	–	–	–	–	–	(0)	(0)	539	566	594
Living and non-living resources		538	–	–	–	–	–	174	174	711	565	597
Heritage assets		224	–	–	–	–	–	(0)	(0)	224	236	247
Intangible assets		–	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–	–
<b>Total non current assets</b>		<b>1 017 259</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(3 725)</b>	<b>(3 725)</b>	<b>1 013 534</b>	<b>1 062 673</b>	<b>1 115 322</b>
<b>TOTAL ASSETS</b>		<b>1 273 635</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>7 403</b>	<b>7 403</b>	<b>1 281 038</b>	<b>1 373 364</b>	<b>1 490 105</b>
<b>LIABILITIES</b>												
<b>Current liabilities</b>												
Bank overdraft		–	–	–	–	–	–	–	–	–	–	–
Financial liabilities		–	–	–	–	–	–	–	–	–	–	–
Consumer deposits		7 153	–	–	–	–	–	0	0	7 153	7 511	7 886
Trade and other payables from exchange transactions		140 334	–	–	–	–	–	(2 479)	(2 479)	137 856	227 008	237 739
Trade and other payables from non-exchange transactions		414	–	–	–	–	–	101	101	516	435	456
Provisions		–	–	–	–	–	–	0	0	0	–	–
VAT		115 701	–	–	–	–	–	0	0	115 701	121 344	127 530
Other current liabilities		35 038	–	–	–	–	–	–	–	35 038	36 790	38 629
<b>Total current liabilities</b>		<b>298 641</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2 377)</b>	<b>(2 377)</b>	<b>296 264</b>	<b>393 087</b>	<b>412 241</b>
<b>Non current liabilities</b>												
Borrowings	1	–	–	–	–	–	–	–	–	–	–	–
Provisions	1	75 761	–	–	–	–	–	0	0	75 761	79 549	83 527
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		7 753	–	–	–	–	–	–	–	7 753	8 141	8 548
<b>Total non current liabilities</b>		<b>83 515</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>0</b>	<b>0</b>	<b>83 515</b>	<b>87 690</b>	<b>92 075</b>
<b>TOTAL LIABILITIES</b>		<b>382 156</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2 377)</b>	<b>(2 377)</b>	<b>379 778</b>	<b>480 777</b>	<b>504 316</b>
<b>NET ASSETS</b>	2	<b>891 479</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9 781</b>	<b>9 781</b>	<b>901 260</b>	<b>892 586</b>	<b>985 790</b>
<b>COMMUNITY WEALTH/EQUITY</b>												
Accumulated Surplus/(Deficit) Funds		891 479	–	–	–	–	–	9 781	9 781	901 260	892 586	985 790
Reserves		–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>		<b>891 479</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>9 781</b>	<b>9 781</b>	<b>901 260</b>	<b>892 586</b>	<b>985 790</b>

**Explanatory notes to Table B6 - Budgeted Financial Position**

1. 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).
2. 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.
3. Table A6 is supported by an extensive table of notes providing a detailed analysis of the major components of several 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
4. 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.
5. 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.

**Table 10: MBRR - LIM366 Bela Bela - Table B7 Adjustments Budget Cash Flows**

Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		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	3 A1	4 B	5 C	6 D	7 E	8 F	9 G	10 H		
<b>R thousands</b>												
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>												
<b>Receipts</b>												
Property rates		123 953	–	–	–	–	–	(2 993)	(2 993)	120 960	130 027	136 138
Service charges		179 118	–	–	–	–	–	1 331	1 331	180 449	199 345	222 606
Other revenue		69 549	–	–	–	–	–	1 292	1 292	70 840	63 108	65 586
Transfers and Subsidies - Operational	1	134 530	–	–	–	–	–	1 190	1 190	135 720	145 457	154 670
Transfers and Subsidies - Capital	1	84 518	–	–	–	–	–	14 736	14 736	99 253	91 841	95 829
Interest		1 600	–	–	–	–	–	300	300	1 900	1 678	1 757
Dividends		–	–	–	–	–	–	–	–	–	–	–
<b>Payments</b>												
Suppliers and employees		(541 486)	–	–	–	–	–	(14 376)	(14 376)	(555 861)	(494 290)	(518 028)
Finance charges		(15 000)	–	–	–	–	–	–	–	(15 000)	(15 000)	(15 000)
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>36 782</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 480</b>	<b>1 480</b>	<b>38 262</b>	<b>122 165</b>	<b>143 558</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Receipts</b>												
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–	–
<b>Payments</b>												
Capital assets		(90 738)	–	–	–	–	–	–	–	(90 738)	(91 841)	(95 829)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(90 738)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(90 738)</b>	<b>(91 841)</b>	<b>(95 829)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
<b>Receipts</b>												
Short term loans		–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–	–
<b>Payments</b>												
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(53 956)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 480</b>	<b>1 480</b>	<b>(52 476)</b>	<b>30 325</b>	<b>47 729</b>
Cash/cash equivalents at the year begin:	2	71 023	–	–	–	–	–	(0)	(0)	71 023	17 067	47 392
Cash/cash equivalents at the year end:	2	17 067	–	–	–	–	–	1 480	1 480	18 546	47 392	95 121

**Explanatory notes to Table B7 - Budgeted Cash Flow Statement**

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded;
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. Cash/cash equivalents at the year-end are adjusted from R17.067 million up to R18.546 million.

**Table 11: MBRR - LIM366 Bela Bela - Table B8 Cash backed reserves/accumulated surplus reconciliation**

Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		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		
<b>Cash and investments available</b>												
Cash/cash equivalents at the year end	1	17 067	–	–	–	–	–	1 480	1 480	18 546	47 392	95 121
Other current investments > 90 days		–	–	–	–	–	–	0	0	0	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–
<b>Cash and investments available:</b>		<b>17 067</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 480</b>	<b>1 480</b>	<b>18 546</b>	<b>47 392</b>	<b>95 121</b>
<b>Applications of cash and investments</b>												
Unspent conditional transfers		414	–	–	–	–	–	101	101	516	435	456
Unspent borrowing		–	–	–	–	–	–	–	–	–	–	–
Statutory requirements		(1 007)	–	–	–	–	–	0	0	(1 007)	(11 413)	(12 204)
Other working capital requirements	2	24 859	–	–	–	–	–	(2 432)	(2 432)	22 427	107 363	110 673
Other provisions		35 038	–	–	–	–	–	0	0	35 038	36 790	38 629
Long term investments committed		–	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments		–	–	–	–	–	–	–	–	–	–	–
<b>Total Application of cash and investments:</b>		<b>59 304</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(2 331)</b>	<b>(2 331)</b>	<b>56 973</b>	<b>133 174</b>	<b>137 554</b>
<b>Surplus(shortfall)</b>		<b>(42 237)</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3 811</b>	<b>3 811</b>	<b>(38 427)</b>	<b>(85 782)</b>	<b>(42 433)</b>

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. 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.
3. The outcome of this exercise would be either 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".
4. Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

**Table 12: MBRR – LIM366 Bela Bela - Table B9 Asset Management**

Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>R thousands</b>												
<b>CAPITAL EXPENDITURE</b>												
<b><u>Total New Assets to be adjusted</u></b>	1	21 496	-	-	-	-	-	131	131	21 627	36 504	64 871
<i>Roads Infrastructure</i>		10 371	-	-	-	-	-	(1 749)	(1 749)	8 622	17 400	27 470
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		5 000	-	-	-	-	-	(519)	(519)	4 481	5 000	5 224
<i>Water Supply Infrastructure</i>		25	-	-	-	-	-	1 756	1 756	1 781	5 780	28 500
<i>Sanitation Infrastructure</i>		200	-	-	-	-	-	670	670	870	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure</i>		15 596	-	-	-	-	-	157	157	15 753	28 180	61 194
<i>Community Facilities</i>		150	-	-	-	-	-	(150)	(150)	-	8 324	3 676
<i>Sport and Recreation Facilities</i>		4 800	-	-	-	-	-	(908)	(908)	3 892	-	-
<i>Community Assets</i>		4 950	-	-	-	-	-	(1 058)	(1 058)	3 892	8 324	3 676
<i>Heritage Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Investment properties</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	330	330	330	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Other Assets</i>	6	-	-	-	-	-	-	330	330	330	-	-
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	174	174	174	-	-
<i>Intangible Assets</i>		-	-	-	-	-	-	174	174	174	-	-
<i>Computer Equipment</i>		850	-	-	-	-	-	207	207	1 057	-	-
<i>Furniture and Office Equipment</i>		-	-	-	-	-	-	115	115	115	-	-
<i>Machinery and Equipment</i>		100	-	-	-	-	-	204	204	304	-	-
<i>Transport Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Mature</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Immature</i>		-	-	-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-	-	-
<b><u>Total Renewal of Existing Assets to be adjusted</u></b>	2	-	-	-	-	-	-	-	-	-	-	-
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Infrastructure</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Community Facilities</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Sport and Recreation Facilities</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Community Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Heritage Assets</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Investment properties</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-	-	-
<i>Other Assets</i>	6	-	-	-	-	-	-	-	-	-	-	-

Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-	-

Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		Original Budget	Prior Adjusted7	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
		A	A1	B	C	D	E	F	G	H		
Mature Immature		-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
<b>Total Upgrading of Existing Assets to be adjusted</b>		-	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure Storm water	2a	71 197	-	-	-	-	-	(3 855)	(3 855)	67 341	55 337	30 958
InfrastructureElectrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply InfrastructureSanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure Solid Waste Infrastructure Rail		2 000	-	-	-	-	-	1 478	1 478	3 478	-	-
Infrastructure		-	-	-	-	-	-	3 536	3 536	3 536	2 000	18 000
Coastal Infrastructure		55 750	-	-	-	-	-	(6 252)	(6 252)	49 498	49 128	12 958
Information and Communication Infrastructure		13 447	-	-	-	-	-	(2 618)	(2 618)	10 829	4 209	-
Infrastructure Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation FacilitiesCommunity Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets Revenue Generating Non-revenue GeneratingInvestment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings Housing		71 197	-	-	-	-	-	(3 855)	(3 855)	67 341	55 337	30 958
Other Assets		-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated AssetsServitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office EquipmentMachinery and Equipment		-	-	-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals Mature		-	-	-	-	-	-	-	-	-	-	-
Immature	6	-	-	-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure to be adjusted</b>		-	-	-	-	-	-	-	-	-	-	-
Roads Infrastructure Storm water		-	-	-	-	-	-	-	-	-	-	-
InfrastructureElectrical Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Water Supply InfrastructureSanitation		-	-	-	-	-	-	-	-	-	-	-
Infrastructure Solid Waste Infrastructure Rail		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure Community Facilities		-	-	-	-	-	-	-	-	-	-	-
Sport and Recreation FacilitiesCommunity Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets Revenue Generating Non-		-	-	-	-	-	-	-	-	-	-	-



revenue GeneratingInvestment properties		-	-	-	-	-	-	-	-	-	-	-
Operational Buildings Housing												
Other Assets	4	92 693	-	-	-	-	-	(3 725)	(3 725)	88 968	91 841	95 829
Biological or Cultivated AssetsServitudes		10 371	-	-	-	-	-	(1 749)	(1 749)	8 622	17 400	27 470
Licences and Rights Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		7 000	-	-	-	-	-	960	960	7 960	5 000	5 224
Furniture and Office EquipmentMachinery and		25	-	-	-	-	-	5 292	5 292	5 317	7 780	46 500
Equipment Transport Assets		55 950	-	-	-	-	-	(5 582)	(5 582)	50 368	49 128	12 958
Land		13 447	-	-	-	-	-	(2 618)	(2 618)	10 829	4 209	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		86 793	-	-	-	-	-	(3 698)	(3 698)	83 095	83 517	92 152
		150	-	-	-	-	-	(150)	(150)	-	8 324	3 676
		4 800	-	-	-	-	-	(908)	(908)	3 892	-	-
		4 950	-	-	-	-	-	(1 058)	(1 058)	3 892	8 324	3 676
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	330	330	330	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	330	330	330	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	174	174	174	-	-
		-	-	-	-	-	-	174	174	174	-	-
		850	-	-	-	-	-	207	207	1 057	-	-
		-	-	-	-	-	-	115	115	115	-	-
		100	-	-	-	-	-	204	204	304	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-

Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		Original Budget	Prior Adjusted7	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
		A	A1	B	C	D	E	F	G	H		
<b>R thousands</b>												
Zoo's, Marine and Non-biological Animals Mature		-	-	-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-	-	-
<b>Living Resources</b>		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE to be adjusted</b>	4	92 693	-	-	-	-	-	(3 725)	(3 725)	88 968	91 841	95 829
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	916 434	-	-	-	-	-	9 284	9 284	925 717	956 806	1 004 162
Roads Infrastructure Storm water		(7 569)	-	-	-	-	-	165 196	165 196	157 627	(1 419)	7 767
InfrastructureElectrical Infrastructure		-	-	-	-	-	-	73 895	73 895	73 895	-	-
Water Supply InfrastructureSanitation		728 644	-	-	-	-	-	(726 544)	(726 544)	2 100	762 729	800 849
Infrastructure Solid Waste Infrastructure Rail		(3 961)	-	-	-	-	-	149 084	149 084	145 123	3 599	42 122
Infrastructure		51 500	-	-	-	-	-	127 590	127 590	179 090	44 459	8 070
Coastal Infrastructure		13 447	-	-	-	-	-	22 930	22 930	36 377	4 209	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure Community Assets		-	-	-	-	-	-	-	-	-	-	-
Heritage Assets Investment properties		-	-	-	-	-	-	-	-	-	-	-
Other Assets		782 060	-	-	-	-	-	(187 848)	(187 848)	594 212	813 577	858 808
Biological or Cultivated AssetsIntangible Assets		3 304	-	-	-	-	-	70 149	70 149	73 453	6 597	1 869
Computer Equipment		539	-	-	-	-	-	(0)	(0)	539	566	594
Furniture and Office EquipmentMachinery and		134 917	-	-	-	-	-	330	330	135 248	141 663	148 746
Equipment Transport Assets		(1 539)	-	-	-	-	-	19 394	19 394	17 856	(1 614)	(1 690)
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals Living Resources		538	-	-	-	-	-	174	174	711	565	597
		(2 606)	-	-	-	-	-	907	907	(1 699)	(3 625)	(3 795)
		(573)	-	-	-	-	-	1 433	1 433	860	(601)	(629)
		(207)	-	-	-	-	-	979	979	772	(322)	(338)
		-	-	-	-	-	-	17 076	17 076	-	-	-
		-	-	-	-	-	-	86 689	86 689	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	916 434	-	-	-	-	-	9 284	9 284	925 717	956 806	1 004 162

EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment Repairs and	3	38 000	-	-	-	-	-	-	-	38 000	39 862	41 736
Maintenance by asset class Roads Infrastructure		15 045	-	-	-	-	-	(189)	(189)	14 856	17 513	18 336
Storm water Infrastructure Electrical		1 300	-	-	-	-	-	(100)	(100)	1 200	1 364	1 428
Infrastructure Water Supply Infrastructure		670	-	-	-	-	-	-	-	670	892	934
Sanitation Infrastructure Solid Waste		7 150	-	-	-	-	-	(550)	(550)	6 600	8 025	8 402
Infrastructure Rail Infrastructure		2 530	-	-	-	-	-	(317)	(317)	2 213	2 885	3 020
Coastal Infrastructure		1 230	-	-	-	-	-	640	640	1 870	1 332	1 395
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-	-	-
Community Facilities		100	-	-	-	-	-	(100)	(100)	-	105	110
Sport and Recreation Facilities		50	-	-	-	-	-	20	20	70	52	55
Community Assets Heritage Assets		13 030	-	-	-	-	-	(407)	(407)	12 623	14 655	15 343
Revenue Generating Non-revenue		150	-	-	-	-	-	-	-	150	157	165
Generating Investment properties		1 100	-	-	-	-	-	-	-	1 100	1 154	1 208
Operational Buildings Housing		1 250	-	-	-	-	-	-	-	1 250	1 311	1 373
Other Assets		-	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-	-	-
Licences and Rights Intangible Assets		-	-	-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment Machinery and		-	-	-	-	-	-	-	-	-	-	-
Equipment Transport Assets		-	-	-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-	-	-
Mature Immature		-	-	-	-	-	-	-	-	-	-	-
	6	-	-	-	-	-	-	-	-	-	-	-
		115	-	-	-	-	-	(115)	(115)	-	121	126
		360	-	-	-	-	-	(17)	(17)	343	378	395
		290	-	-	-	-	-	350	350	640	1 049	1 098
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-

Description	Ref	2023/24									Budget Year 2024/25	Budget Year 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Living Resources		-	-	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		53 045	-	-	-	-	-	(189)	(189)	52 856	57 375	60 072
Renewal and upgrading of Existing Assets as % of total capex		76.8%	0.0%							75.7%	60.3%	32.3%
Renewal and upgrading of Existing Assets as % of deprechn"		187.4%	0.0%							177.2%	138.8%	74.2%
R&M as a % of PPE		1.6%	0.0%							1.6%	1.8%	1.8%
Renewal and upgrading and R&M as a % of PPE		9.4%	0.0%							8.9%	7.6%	4.9%

## 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 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.

**Table 13: MBRR Table B10 - Basic Service Delivery Measurement**

Description	Re f	2023/24									Budget Year 2024/25	Budget Year 2025/26
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore · Unavoi d.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		A	7 A1	8 B	9 C	10 D	11 E	12 F	13 G	14 H		
<b>Household service targets</b>	1											
<b>Water:</b>												
Piped water inside dwelling		14073							–	14	14073	14073
Piped water inside yard (but not in dwelling)		855							–	1	855	855
Using public tap (at least min.service level)	2	3136							–	3	3136	3136
Other water supply (at least min.service level)									–	–		
<i>Minimum Service Level and Above sub-total</i>		18	–	–	–	–	–	–	–	18	18	18
Using public tap (< min.service level)	3								–	–		
Other water supply (< min.service level)	3.4								–	–		
No water supply									–	–		
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	18	–	–	–	–	–	–	–	18	18	18
<b>Sanitation/sewerage:</b>												
Flush toilet (connected to sewerage)		14928							–	14 928	14928	14928
Flush toilet (with septic tank)		875							–	875	875	875
Chemical toilet									–	–		
Pit toilet (ventilated)		987							–	987	987	987
Other toilet provisions (> min.service level)		1274							–	1 274	1274	1274
<i>Minimum Service Level and Above sub-total</i>		18 064	–	–	–	–	–	–	–	18 064	18 064	18 064
Bucket toilet									–	–		
Other toilet provisions (< min.service level)									–	–		
No toilet provisions									–	–		
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	18 064	–	–	–	–	–	–	–	18 064	18 064	18 064
<b>Energy:</b>												
Electricity (at least min. service level)		577							–	577	577	577
Electricity - prepaid (> min.service level)		15426							–	15 426	15426	15426
<i>Minimum Service Level and Above sub-total</i>		16 003	–	–	–	–	–	–	–	16 003	16 003	16 003
Electricity (< min.service level)									–	–		
Electricity - prepaid (< min. service level)									–	–		
Other energy sources									–	–		
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	16 003	–	–	–	–	–	–	–	16 003	16 003	16 003
<b>Refuse:</b>												
Removed at least once a week (min.service)		11310							–	11 310	11460	11710
<i>Minimum Service Level and Above sub-total</i>		11 310	–	–	–	–	–	–	–	11 310	11 460	11 710
Removed less frequently than once a week									–	–		
Using communal refuse dump									–	–		
Using own refuse dump									–	–		
Other rubbish disposal									–	–		
No rubbish disposal									–	–		
<i>Below Minimum Service Level sub-total</i>		–	–	–	–	–	–	–	–	–	–	–
<b>Total number of households</b>	5	11 310	–	–	–	–	–	–	–	11 310	11 460	11 710
<b>Households receiving Free Basic Service</b>	15											
Water (6 kilolitres per household per month)		5	–	–	–	–	–	–	–	5	5	5
Sanitation (free minimum level service)		5	–	–	–	–	–	–	–	5	5	5
Electricity/other energy (50kwh per household per month)		4	–	–	–	–	–	–	–	4	4	4
Refuse (removed at least once a week)		5	–	–	–	–	–	–	–	5	5	5
Informal Settlements												
<b>Cost of Free Basic Services provided (R'000)</b>	16											
Water (6 kilolitres per indigent household per month)		7 265	–	–	–	–	–	–	–	7 265	7 621	7 979
Sanitation (free sanitation service to indigent households)		14 940	–	–	–	–	–	–	–	14 940	15 672	16 409
Electricity/other energy (50kwh per indigent household per month)		6 869	–	–	–	–	–	–	–	6 869	7 906	9 100
Refuse (removed once a week for indigent households)		5 640	–	–	–	–	–	–	–	5 640	5 916	6 194
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>		–	–	–	–	–	–	–	–	–	–	–
<b>Total cost of FBS provided</b>		34 714	–	–	–	–	–	–	–	34 714	37 115	39 682
<b>Highest level of free service provided</b>												
Property rates (R'000 value threshold)		6	–	–	–	–	–	–	–	6	6	6
Water (kilolitres per household per month)		0	–	–	–	–	–	–	–	–	–	–
Sanitation (kilolitres per household per month)		249	–	–	–	–	–	–	–	249	261	261
Sanitation (Rand per household per month)		50	–	–	–	–	–	–	–	50	50	50
Electricity (kw per household per month)		218	–	–	–	–	–	–	–	218	229	229
Refuse (average litres per week)												

<b>Revenue cost of free services provided (R'000)</b>	17											
Property rates (tariff adjustment) ( impermissible values per section 17 of MPRA)		2 259							-	2 259	2 259	2 259
excess of section 17 of MPRA)		-	-	-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	-	-	-	-	-	-	-	-
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									-	-		
Housing - top structure subsidies	6								-	-		
Other									-	-		
<b>Total revenue cost of subsidised services provided</b>		2 259	-	-	-	-	-	-	-	2 259	2 259	2 259

## 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. The municipality continues to make good progress with the eradication of backlogs.

## Part 2 – Supporting Documentation

### 2.1. Adjustments to budget assumptions

Except for the factors outlined below, the assumptions that underlined the approved 2023/2024 MTREF still hold. The following factors were taken into consideration when compiling this adjustments budget.

- The Mid-Year Performance Assessment depicted revenue achievement 90% (variance of -10%) of the year-to-date revenue budget.
- Depicted in the expenditure as per year-to-date actuals versus the original budget was a low spending which resulted in -19% negative variance.

**Table 14: Monthly Budget Statement Summary**

### 2.2. Adjustments to budget funding

Table 15 below depicts the adjustments that were made to the operating revenue and actuals. A marginal 10% positive variance of year-to-date actual serves as a baseline which spectacle a satisfactory outcome on the financial revenue performance.

Description	2022/23	Budget Year 2023/24							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>									
<b><u>Financial Performance</u></b>									
Property rates	108 940	142 475	–	6 755	45 241	71 237	(25 997)	-36%	142 475
Service charges	190 056	205 488	–	19 416	109 402	102 744	6 658	6%	205 488
Investment revenue	1 432	1 600	–	233	1 260	800	460	58%	1 600
Transfers and subsidies - Operational	122 766	134 330	–	43 820	99 860	96 097	3 762	4%	134 330
Other own revenue	84 511	71 976	–	3 743	19 798	35 988	(16 190)	-45%	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>507 706</b>	<b>555 869</b>	<b>–</b>	<b>73 966</b>	<b>275 560</b>	<b>306 867</b>	<b>(31 307)</b>	<b>-10%</b>	<b>555 869</b>
Employee costs	144 059	173 234	–	12 514	72 587	86 617	(14 030)	-16%	173 234
Remuneration of Councillors	7 835	8 481	–	708	4 656	4 241	415	10%	8 481
Depreciation and amortisation	48 137	38 000	–	18 143	18 143	19 000	(857)	-5%	38 000
Interest	21 336	15 000	–	350	844	7 500	(6 656)	-89%	15 000
Inventory consumed and bulk purchases	138 363	187 474	–	12 691	82 229	93 737	(11 508)	-12%	187 474
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	114 909	120 815	–	7 788	40 401	60 407	(20 006)	-33%	120 815
<b>Total Expenditure</b>	<b>474 638</b>	<b>543 004</b>	<b>–</b>	<b>52 194</b>	<b>218 860</b>	<b>271 502</b>	<b>(52 642)</b>	<b>-19%</b>	<b>543 004</b>
<b>Surplus/(Deficit)</b>	<b>33 068</b>	<b>12 865</b>	<b>–</b>	<b>21 772</b>	<b>56 700</b>	<b>35 365</b>	<b>21 335</b>	<b>60%</b>	<b>12 865</b>

**Table 15: Adjustments to operating revenue**

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue										
Exchange Revenue										
Service charges - Electricity		117 608	133 116	–	13 751	71 913	66 558	5 355	8%	133 116
Service charges - Water		43 431	41 548	–	2 742	19 871	20 774	(903)	-4%	41 548
Service charges - Waste Water Management		19 348	21 066	–	1 997	12 005	10 533	1 472	14%	21 066
Service charges - Waste management		9 668	9 758	–	927	5 613	4 879	734	15%	9 758
Sale of Goods and Rendering of Services		1 760	1 791	–	160	801	896	(95)	-11%	1 791
Agency services		4 883	4 677	–	267	2 543	2 338	205	9%	4 677
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		9 046	9 170	–	1 117	6 219	4 585	1 635	36%	9 170
Interest from Current and Non-Current Assets		1 432	1 600	–	233	1 260	800	460	58%	1 600
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		1 477	1 614	–	93	558	807	(249)	-31%	1 614
Licence and permits		–	–	–	–	–	–	–		–
Operational Revenue		4 406	572	–	242	1 438	286	1 152	403%	572
Non-Exchange Revenue								–		
Property rates		108 940	142 475	–	6 755	45 241	71 237	(25 997)	-36%	142 475
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		35 782	37 993	–	959	920	18 996	(18 076)	-95%	37 993
Licence and permits		2 160	1 974	–	128	1 042	987	56	6%	1 974
Transfers and subsidies - Operational		122 766	134 330	–	43 820	99 860	96 097	3 762	4%	134 330
Interest		14 038	14 186	–	777	6 275	7 093	(818)	-12%	14 186
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		10 959	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		507 706	555 869	–	73 966	275 560	306 867	(31 307)	-10%	555 869

Table 16 below depicts the adjustments that were made to the operating expenditure and actuals from the mid-year performance.

**Table 16: Adjustments to operating expenditure**

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		144 059	173 234	–	12 514	72 587	86 617	(14 030)	-16%	173 234
Remuneration of councillors		7 835	8 481	–	708	4 656	4 241	415	10%	8 481
Bulk purchases - electricity		111 942	147 782	–	10 360	70 435	73 891	(3 456)	-5%	147 782
Inventory consumed		26 421	39 692	–	2 331	11 794	19 846	(8 052)	-41%	39 692
Debt impairment		19 055	–	–	–	–	–	–	–	–
Depreciation and amortisation		48 137	38 000	–	18 143	18 143	19 000	(857)	-5%	38 000
Interest		21 336	15 000	–	350	844	7 500	(6 656)	-89%	15 000
Contracted services		40 062	49 708	–	3 944	19 469	24 854	(5 386)	-22%	49 708
Transfers and subsidies		–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		14 365	14 000	–	–	–	7 000	(7 000)	-100%	14 000
Operational costs		37 891	57 106	–	3 843	20 932	28 553	(7 621)	-27%	57 106
Losses on Disposal of Assets		1 662	–	–	–	–	–	–	–	–
Other Losses		1 874	–	–	–	–	–	–	–	–
Total Expenditure		474 638	543 004	–	52 194	218 860	271 502	(52 642)	-19%	543 004

## 2.3. Adjustments to expenditure on allocations and grant programs

Table 17 below shows the total allocations gazette for the 2023/2024 financial year.

**Table 17: Grant allocations to the municipality**

Description	2023/24							Budget Year 2024/25	Budget Year 2025/26
	Original Budget	Prior Adjusted	Multi-year capital	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>	<b>A</b>	<b>2 A1</b>	<b>3 B</b>	<b>4 C</b>	<b>5 D</b>	<b>6 E</b>	<b>7 F</b>		
<b>EXPENDITURE:</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>4 516</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(101)</b>	<b>(101)</b>	<b>4 415</b>	<b>3 275</b>	<b>3 477</b>
Expanded Public Works Programme Integrated Grant	1 302	–	–	–	–	–	1 302	–	–
Local Government Financial Management Grant	1 700	–	–	–	–	–	1 700	1 700	1 838
Municipal Infrastructure Grant	1 514	–	–	–	(101)	(101)	1 413	1 575	1 639
<b>Provincial Government:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other grant providers:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total operating expenditure of Transfers and Grants:</b>	<b>4 516</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(101)</b>	<b>(101)</b>	<b>4 415</b>	<b>3 275</b>	<b>3 477</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>84 518</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5 517</b>	<b>5 517</b>	<b>90 035</b>	<b>91 841</b>	<b>95 829</b>
Municipal Infrastructure Grant	28 768	–	–	–	(1 924)	(1 924)	26 844	29 933	31 147
Integrated National Electrification Programme	–	–	–	–	153	153	153	5 000	5 224
Grant Water Services Infrastructure Grant	55 750	–	–	–	7 288	7 288	63 038	56 908	59 458
<b>Provincial Government:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>District Municipality:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other grant providers:</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total capital expenditure of Transfers and Grants</b>	<b>84 518</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5 517</b>	<b>5 517</b>	<b>90 035</b>	<b>91 841</b>	<b>95 829</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>89 034</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>5 416</b>	<b>5 416</b>	<b>94 450</b>	<b>95 116</b>	<b>99 306</b>

**Table 18: Municipal Infrastructure Grant - Projects**

MG FUNDING									
PROJECT DESCRIPTION	PROJECT TYPE	BUDGET TYPE	Registered amount	Expenditure in previous years (30 June 2023)	Balance on project	22/23 Expenditure	ORIGINAL 23/24 BUDGET	23/24 BUDGET ADJUSTMENT	PROPOSED ADJUSTMENT
Upgrading of the Bela Bela Municipal landfill site Phase 1 (Ward 2)	New	Multi Year	R 29 245 309.43	R 1 236 581.20	R 28 008 728.23	R 506 000.00	R 13 446 851.00	R 12 453 006.99	-R993 844.01
Bela Bela: Road paving & Storm water X8-Phase 2 (Ward 4)		Multi Year	R 5 625 958.00	R 6 765 001.47	R 804 578.57	R 4 560 404.04	R 0.00	R 0.00	R 0.00
Bela Bela: Road paving & Storm water, Kgosana, Mashapa and street 49 (Ward 5)	New	Multi Year	R 6 796 551.61	R 3 976 291.84	R 0.00	R 3 976 291.84	R 0.00	R 0.00	R 0.00
Construction of Road Paving and Stormwater in Bela Bela X6 - Phase 2 (Ward 7)			R 7 812 531.12	R 7 205 125.26	R 610 155.94	R 6 762 251.39	R 561 139.95	R 604 000.00	R 42 860.05
Construction of Road Paving and Stormwater in Bela Bela X8 - Phase 3 (Ward 4)	New		R 11 690 631.00	R 6 544 704.94	R 5 145 926.06	R 6 544 704.94	R 5 145 926.06	R 5 145 926.06	R 0.00
Construction of Road Paving and Stormwater in Bela Bela X6 - Phase 3 (Ward 7)	New		R 9 488 814.74	R 5 323 847.79	R 4 164 966.95	R 5 323 847.79	R 4 213 983.00	R 4 164 966.95	-R49 016.05
Development of sports facilities in Masakhane (Ward 9)	New	Multi Year	R 7 027 839.21	R 0.00	R 7 027 839.21	R 0.00	R 4 800 000.00	R 4 476 250.00	-R323 750.00
Construction of Road Paving and Bulk stormwater in Bela Bela X8 - Phase 4	New	Multi Year	R 15 770 266.96	R 0.00	R 15 770 266.96	R 0.00	R 150 000.00	R 0.00	-R150 000.00
Construction of Road Paving and Stormwater in Bela Bela X5 - Phase 1	New	Multi Year	R 17 129 582.17	R 0.00	R 17 129 582.17	0	R 150 000.00	R 0.00	-R150 000.00
Construction of Road Paving and Stormwater in Rapotokwane -Phase 1	New	Multi Year	R 23 541 577.53	R 0.00	R 23 541 577.53	0	R 150 000.00	R 0.00	-R150 000.00
Develop New Cemetery - Pienaarsrivier	New	Multi Year	R 12 000 000.00	R 0.00	R 12 000 000.00	0	R 150 000.00	R 0.00	-R150 000.00
PMU Operational Costs	N/A	N/A	N/A	N/A	N/A	R 1 456 500.00	R 1 514 100.00	R 1 412 850.00	
DORA ALLOCATION						R 29 130 000.00	R 30 282 000.00	R 28 257 000.00	
TOTAL BUDGET							R 30 282 000.01	R 28 257 000.00	

Depicted in the above table is the original budget amount per registered project allocation and the proposed shifting of funds within the approved projects funds. The table also shows that the total allocation was reduced from R30.282 million to R28.257 million.

The table further outline the financial performance (expenditure) on the projects.



**Table 19: Water & Sanitation Grant – Projects**

WSIG FUNDING									
PROJECT DESCRIPTION	PROJECT TYPE	BUDGET TYPE	Registered amount	Expenditure in previous years (30 June 2023)	Balance on project	22/23 Budget	23/24 Budget	Adjusted Budget	Proposed Adjustment
Refurbishment and Automation of the Bela Bela Waste Water Treatment Works - Phase 1C (Ward 2)	Refurbishment	Multi Year	R19 906 114.00	R12 840 701.58	R 7 065 412.42	R12 848 540.60	R7 906 114.00	R5 758 575.88	-R2 147 538.12
Refurbishment of the sewer network and yard connections in Bela-Bela Ext 9 (Ward 4)	Refurbishment	Multi Year	R13 065 567.22	R1 284 003.74	R 11 781 563.48	R1 284 003.74	R11 018 071.37	R9 036 454.96	-R1 981 616.41
Upgrading of the Ext 6 Sewer Pump Station (Ward 6)	Combination: Refurbishment/ Upgrading	Multi Year	R15 288 756.81	R1 862 833.91	R 13 425 922.90	R1 862 833.91	R13 212 456.71	R10 832 184.51	-R2 380 272.20
Upgrading of the Sewer Rising Main from the Ext 6 Pump Station to the WWTW (Ward 2&6)	Upgrading	Multi Year	R15 453 304.57	R1 840 033.54	R 13 613 271.03	R1 840 033.54	R13 853 304.57	R15 471 585.63	R1 618 281.06
Upgrading of the Leseding Sewer Pump Station (Ward 6)	Combination: Refurbishment/ Upgrading	Multi Year	R19 281 062.41	R723 937.75	R 18 557 124.66	R1 964 913.35	R4 760 053.35	R11 673 962.54	R6 913 909.19
Upgrading of the Sewer Rising Main from the Leseding Pump Station to the WWTW (Ward 2&6)	Upgrading	Multi Year	R8 806 835.08	R892 518.88	R 7 914 316.20	R892 518.88	R3 000 000.00	R350 000.00	-R2 650 000.00
Upgrading of the Settlers Sewer Pump Station (Ward 2)	Upgrading	Multi Year	R26 991 646.14	R0.00	R 26 991 646.14	R0.00	R1 000 000.00	R2 500 000.00	R1 500 000.00
Upgrading of the Industrial outfall sewer line (Ward 2)	Upgrading	Multi Year	R29 223 396.52	R0.00	R 29 223 396.52	R0.00	R1 000 000.00	R1 300 000.00	R300 000.00
							<b>R55 750 000.00</b>	<b>R56 922 763.52</b>	<b>R1 172 763.52</b>
ROLL OVER PROJECTS									
Water Conservation and Demand Management (WCDM): Replacement of damaged valves and the Installation of Bulk Zonal Meters in Bela Bela Town & Township (Wards 1 to 7) and the Installation of Counter Bulk Meters on all Magalies Draw Points	Combination: New/ Refurbishment	Multi Year	R4 287 662.95		R4 113 309.68	R 174 353.27	R4 287 662.95	R174 353.27	R41 000.00
Replacement of the 2ML steel elevated water tank in Pienaarsrivier (Ward 8)	Combination: Refurbishment/ Upgrading	Single Year	R7 468 954.71		R5 617 514.22	R 1 851 440.49	R7 468 954.71	R1 851 440.49	R1 851 440.49
Replacement of the 1ML steel elevated water tank in Rapotokwane (Ward 8)	Combination: Refurbishment/ Upgrading	Single Year	R8 427 639.52		R6 143 160.97	R 2 284 478.55	R8 427 639.52	R2 284 478.55	R2 215 478.55
Supply and installation of 8 X Diesel operated 3-phase back-up generators for Lapa Raw Water Pump Station, Bela Bela Water Treatment Works, Renaissance Reservoir Water Pump Station, Aventura Pump Station, Leseding Pump Station, Settlers Pump Station, Ext 6 Pump Station and Bospoort Pump Station (Ward 1, 2, 6, 9).	New	Single Year	R8 559 335.97		R6 830 725.86	R 1 728 610.11	R8 559 335.97	R1 728 610.11	R2 007 014.48
Upgrading of the Leseding Sewer Pump Station (Ward 6)	Combination: Refurbishment/ Upgrading	Multi Year	R19 281 062.41	R21 390 482.27	R723 937.75	R 18 557 124.66	R1 964 913.35	R1 240 975.60	R0.00
Refurbishment and Automation of the Bela Bela Waste Water Treatment Works - Phase 1C (Ward 2)	Refurbishment	Multi Year	R19 906 114.00	R19 442 821.77	R12 840 701.58	R 7 065 412.42	R12 848 540.60	R7 839.02	R0.00
								<b>R7 287 697.04</b>	<b>R6 114 933.52</b>
<b>DORA ALLOCATION</b>								<b>R 55 750 000.00</b>	<b>R 55 750 000.00</b>
<b>APPROVED ROLL OVER</b>								<b>R 7 287 697.04</b>	<b>R 7 287 697.04</b>
<b>TOTAL BUDGET</b>								<b>R 63 037 697.04</b>	<b>R 63 037 697.04</b>

The overall WSIG capital allocation in the original budget depicted in the above table is R55.750 million, the increase of R7.288 million is attributable to the approved rollover. The other adjustments relate to shifting of funds between projects.

**Table 20: Integrated National Electrification Programme Projects**

ELECTRICAL PROJECTS - INEP FUNDING									
PROJECT DESCRIPTION	PROJECT TYPE	BUDGET TYPE	Registered amount	Expenditure in previous years (30 June 2023)	Balance on project	22/23 Expenditure	ORIGINAL 23/24 BUDGET	23/24 Roll-over	PROPOSED ADJUSTMENT
Electrification Bela Bela X9 (900HH) - Phase 2B (Shortfall)	New	Roll-over	R 15 548 000.00	R 14 548 000.00	R 1 000 000.00	R 846 536.85	R 0.00	R153 463.15	R153 463.15

Current year INEP allocation in terms of DORA is nil. A rollover of R153 thousand was approved for spending in 2023/24, the budget for the relevant capital project has been adjusted accordingly.

**Table 21: Projects funded from internally generated funds**

Capital expenditure funded from internally generated funds				
Segment Description	Total Budget	Virement	Proposed Adjustments	Proposed Adjustments Budget
Installation of new telephone system	R 100 000.00	R 70 000.00	-	R 170 000.00
Procurement of server (Munsoft and others)	R 600 000.00	-R 373 803.00	-	R 226 197.00
Procurement of Computer equipment	R 100 000.00	R 309 803.00	R 384 450.00	R 794 253.00
Printers	R 50 000.00	-R 6 000.00	-R 18 450.00	R 25 550.00
Procurement of Transformers and Maniatures	R 2 000 000.00	R -	R 2 000 000.00	R 4 000 000.00
Construction of the Bela-Bela 132/11kVA 2 X 20MVA Sub-Station	R 5 000 000.00	R -	R -	R 5 000 000.00
Ammunition, firearms and bulletproof vests-assets	R 100 000.00	R -	R -	R 100 000.00
Procurement of pumps and motors	R 200 000.00	R 25 000.00	R 775 000.00	R 1 000 000.00
Installation of a 5000L JoJo Tank at Multipurpose Centre	R 25 000.00	-R 25 000.00	-	-
Procurement of Caseware License	R -	R -	R 200 000.00	R 200 000.00
Procurement of Brush-cutters and chain saw	R -	R -	R 50 000.00	R 50 000.00
Procurement of tools for Electricity Services Division	R -	R -	R 200 000.00	R 200 000.00
Acquisition of Office Furniture			R 115 000.00	R 115 000.00
Maintenance of municipal buildings-Capital	R -	R -	R 380 000.00	R 380 000.00
<b>Total</b>	<b>R 8 175 000.00</b>	<b>R -</b>	<b>R 4 086 000.00</b>	<b>R 12 261 000.00</b>

Budget for capital projects funded from internally generated funds were adjusted by R4.086 million from Original budget of R8.175 million to R12.261 million. The increase is mainly attributable to reclassification of expenditure from Operational budget to Capital budget.

## 2.4. Adjustments to allocations and grants made by the municipality

The municipality does not allocate any grants to external parties.

## 2.5. Adjustments to councilors and board member's allowances and employees benefit

Upper limit on councillor salaries and pack-pay were implemented in accordance with Government Gazette 49142 in October 2023, remuneration of councillors was increased accordingly.

## 2.6. Adjustments to service delivery and budget implementation plan

The 2023/2024 SDBIP Adjustment will be prepared in the context of the 2023/2024 Adjustment Budget. In a sense, the report must also highlight areas where targets have been adjusted due to the influence of the decisions on the budget adjustment side. Most importantly, the budget adjustment as well as any adjustment to the SDBIP is done in total alignment to the goals of the

municipality as set out in the IDP. Any unavoidable deviation from the adjusted SDBIP will be dealt with during the revision of the IDP, taking into consideration all necessary legislative requirements. In addition, the report will also capture changes that have occurred during the past 2 Quarters of the year, such as structural changes that have brought about relocation of certain KPIs/targets among and/or within department/divisions.

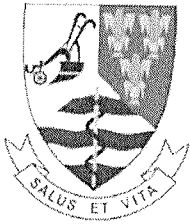
The following generic principles will be followed with the drafting of the SDBIP adjustment.

Department will be requested to review their targets:

- to ensure where obvious errors in judgement in target setting occurred could be corrected
- to deal decisively with indicators that departments are required to report on, on a monthly basis that are not reflective of their core business, or which cannot be accurately measured
- to reflect the amendments to resource allocation as captured in the Adjusted MTREF submission prepared by the Budget & Treasury Department
- to appropriately accommodate and plan for the amendments that are necessitated by external funding increases and/or decreases
- with a view to evaluate the amount of target capability that will not be realised due to the reduced funds
- to evaluate if funds can be diverted from another source internally within agreed financial transfer mechanisms.

BELA-BELA MUNICIPALITY Adjusted Budget 2024

16) MUNICIPAL MANAGERS' QUALITY CERTIFICATION



**BELA-BELA MUNICIPALITY**

ENQUIRIES:

KHOMOTSO PETRUS MOJELA

APPROVED ADJUSTMENT

BUDGET

QUALITY CERTIFICATE

I, Isatsi George Ramagaga, Municipal Manager of BELA-BELA MUNICIPALITY, hereby certify that the 2024 adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and Regulations made under that Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the Municipality

Municipal Manager of BELA-BELA MUNICIPALITY • LIM366

Signature

Date 29 FEB 2024

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