ANNEXURE A

CITY OF CAPE TOWN

2015/16 ADJUSTMENTS BUDGET

31 MARCH 2016

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GLOSSARY OF TERMS AND ABBREVIATIONS

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

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

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

Cash Flow Statement – A statement showing when actual cash will be received and spent and the month end cash and short-term investment balances.

CGD – Capital Grants and Donations mainly comprising of National and Provincial Government allocations as well as public contributions and donations from external parties.

CCT – City of Cape Town

CRR – Capital Replacement Reserve. An internal funding source used for capital projects, which must at all times be cash-backed in line with Section 18 of the MFMA.

CTICC - Cape Town International Convention Centre

DORA – Division of Revenue Act. Annual legislation which shows the allocations from national to local government.

DORb – Division of Revenue Bill. Annual legislation tabled in parliament, but not enacted, which shows the allocations from national to local government.

EFF – External Financing Fund. Internal funding mechanism and funded from borrowing for capital expenditure.

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

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

IRT – Integrated Rapid Transport

MBRR – Municipal Budget Reporting Regulations

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

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

NT – National Treasury

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

PT – Provincial Treasury

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

SFA – Strategic Focus Areas. The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these Strategic Focus Areas.

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

PART 1 - ADJUSTMENTS BUDGET: PARENT MUNICIPALITY

1. Mayor's Report

1.1. Summary of reasons for the adjustments budget

Primary reasons for the recommendation to adopt a March 2016 Adjustments Budget resulted from:

- The revised Division of Revenue Act (DORA) received via email from National Treasury on 4 February 2016;
- Re-alignment of sundry budgetary provisions resulting from updated implementation programmes;
- Reallocation of grant funding; and
- Adjustment of revenue based on the continuous moderation exercise, related tariffs, latest trends and Rates modelling.

Further adjustment details are listed below.

a. Multi-year funds shifting in relation to the capital programme

The reasons for multi-year shifting are inter alia:

- Revised Division of Revenue Act (DORA) received via email from National Treasury on 4 February 2016.
- Administrative transfers/virements of budgetary provisions as approved in terms of Council's System of Delegations of Powers and the Virement Policy.
- Updated implementation programmes of projects funded from external sources such as Capital Grants & Donations (CGD) as well as internal sources such as the City's Capital Replacement Reserve (CRR) and External Financing Fund (EFF). Whilst backed by approved business plans, local conditions often require amendments to implementation procedures, as agreed with donors (CGD funded projects).

b. Allocations and grant adjustments

Capital grants

Main reasons for adjustments to capital grants and donations

- Neighbourhood Development Partnership Grant (NDPG) (national funding) decreases by R15.7 million in 2015/16 in terms of the revised DORA received via email from National Treasury on 4 February 2016.

Operating grants

Main reasons for adjustments to operating grants and donations

- Re-allocation of grant funding proposed for inclusion in the 2015/16 operating budget:
  - R1.5 million to be transferred from the Office of the City Manager directorate to the Utility Services directorate for the Electrification project identified in ESKOM areas funded ex Urban Settlements Development Grant (USDG).
  - R56.2 million to be transferred from the Office of the City Manager directorate to the Human Settlements directorate as the nature of expenditure that will be incurred is related to construction of bulk infrastructure and this does not fall within the mandate/functional area of the Office of the City Manager directorate.

c. Adjustments to revenue and expenditure estimates (upwards/downwards)

- A reduction of R26 million on Entrance/Admission fees within the Tourism, Events & Economic Development directorate. The under-recovery is due to lower than planned revenue received from the Cape Town Cup Event held at the Cape Town Stadium. The associated costs for this event had to be incurred to meet contractual obligations as per the signed agreement. The shortfall will be absorbed from the over-recovery on Property Rates revealed during the recent Rates modelling.

- A reduction of R102 million on Bus-fares Revenue within the Transport for Cape Town directorate. The continuous moderation exercise, related tariffs and latest trends have revealed that certain reductions in revenue are required. This necessitated realignment of both revenue and expenditure provisions without impacting on service delivery. Therefore, a concomitant reduction on Vehicle Operating Companies costs will be effected as the Phase 1B rollout was delayed until April 2016.

- R15.7 million relating to adjustments made on Capital Grants & Donations as outlined in Allocations and grant adjustments – Capital Grants on Page 1, which resulted in the downward adjustment on both revenue and expenditure.

Recommendations to the municipal council regarding the budget

Taking into consideration the reasons listed in paragraph 1.1, it is recommended that Council approves an adjustments budget.

2. Resolutions

The resolutions tabled at Council for consideration with approval of the adjustments budget are:

a. That the City's adjustment budget for the financial year 2015/16 and indicative allocations for 2016/17, be approved and adopted, as set out in the following tables and annexures:

i. Operating revenue and expenditure by standard classification reflected in Table 4 on page 7.

ii. Operating revenue and expenditure by municipal vote reflected in Table 5 on page 9.

iii. Operating revenue by source and expenditure by type reflected in Table 6 on page 10.

iv. Multi-year capital appropriations by vote reflected in Table 7 on page 13 and Annexure 2.1 to Annexure 2.2.

v. Capital expenditure by standard classification reflected in Table 7 on page 13.

vi. Capital funding by source reflected in Table 7 on page 13.

b. That the MTREF IDP chapter for 2015/16, as set out in annexure 3, be used to update the current chapter in the approved Integrated Development Plan.

3. Executive Summary

3.1. General

Matters proposed for incorporation into an adjustment operating and capital budget, are listed below.

3.2. Provision of basic services

The budget amendments will have no detrimental impact on the provision of basic services.

3.3. Adjustment highlights

3.3.1. Adjustments made to the operating budget

Full details of proposed amendments to the 2015/16 operating budget are reflected in Annexure 1.1 to this report.

3.3.2. Adjustments made to capital budget

Implementation progress achieved when measured against planned year-to-date expenditure and total current capital budget for the respective funding sources at the end of February 2016 (calendar month-end), are:

Funding Sources	Implementation progress achieved at the end of February 2016	
	vs planned YTD expenditure	vs total current capital budget
Capital Replacement Reserve (CRR)	94.7%	23.3%
Capital Grants & Donations (CGD)	107.2%	40.2%
External Financing Fund (EFF)	109.5%	43.9%
Revenue	158.6%	9.6%
All funding sources (Total Budget)	**107.0%**	**38.5%**

Table 1 Implementation progress as at the end of February 2016

Based on the aforementioned implementation rates, fund shifts in relation to the capital programme for 2015/16 are:

Major Fund Source	Adjusted Budget 2015/16 (January 2016)	Revised Budget 2015/16	Increase/ Decrease
CGD	2,531,218	2,515,528	(15,690)
CRR	978,681	978,681	–
EFF	2,529,240	2,529,240	–
REVENUE	105,646	105,646	–
Total	**6,144,784**	**6,129,094**	**(15,690)**

Table 2 Fund shifts in relation to the capital programme for 2015/16

The major increases in 2015/16, as reflected in the table above, are explained below.

CGD amendments

- Neighbourhood Development Partnership Grant (NDPG) (national funding) decreases by R15.6 million in 2015/16 in terms of the revised DORA received via email from National Treasury on 4 February 2016.

4. *Annual Budget Tables – Parent municipality*

The ten primary budget tables, as required in terms of Part 4 of the Municipal Budget and Reporting Regulations (MBRR), are presented on page 5 to page 22. These tables reflect the City's 2015/16 adjustments budget and MTREF to be approved by Council. Each table is accompanied by explanatory notes.

Table 3 MBRR Table B1 – Adjustments Budget Summary

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
Financial Performance											
Property rates	6,546,155	6,552,155	–	–	–	–	26,756	26,756	6,578,912	7,041,460	7,572,107
Service charges	17,002,759	17,126,145	–	–	–	–	(128,920)	(128,920)	16,997,225	18,926,732	21,079,474
Investment revenue	271,687	580,766	–	–	–	–	–	–	580,766	286,630	302,108
Transfers recognised - operational	3,579,752	4,106,009	–	–	–	–	0	–	4,106,009	3,658,622	3,972,647
Other own revenue	4,269,728	4,200,133	–	–	–	–	188	188	4,200,321	4,454,380	4,675,142
Total Revenue (excluding capital transfers and contributions)	**31,670,081**	**32,565,209**	**–**	**–**	**–**	**–**	**(101,977)**	**(101,977)**	**32,463,232**	**34,367,823**	**37,601,479**
Employee costs	9,847,508	9,925,384	–	–	–	–	150	150	9,925,534	10,715,810	11,610,644
Remuneration of councillors	139,311	139,311	–	–	–	–	–	–	139,311	148,366	157,862
Depreciation & asset impairment	2,089,827	2,127,123	–	–	–	–	–	–	2,127,123	2,227,876	2,383,827
Finance charges	971,133	762,538	–	–	–	–	–	–	762,538	1,090,167	1,222,662
Materials and bulk purchases	8,326,560	8,308,623	–	–	–	–	(296)	(296)	8,308,327	9,441,512	10,704,149
Transfers and grants	120,402	166,865	–	–	–	–	220	220	167,085	117,538	123,777
Other expenditure	10,595,504	11,284,468	–	–	–	–	(102,050)	(102,050)	11,182,418	11,030,397	11,791,613
Total Expenditure	**32,090,246**	**32,714,313**	**–**	**–**	**–**	**–**	**(101,977)**	**(101,977)**	**32,612,336**	**34,771,665**	**37,994,534**
Surplus/(Deficit)	(420,164)	(149,104)	–	–	–	–	(0)	(0)	(149,104)	(403,842)	(393,056)
Transfers recognised - capital	2,223,813	2,462,484	–	–	–	–	(15,690)	(15,690)	2,446,794	2,393,837	2,481,389
Contributions recognised - capital & contributed assets	53,761	68,734	–	–	–	–	–	–	68,734	99,000	103,100
Surplus/(Deficit) after capital transfers & contributions	**1,857,410**	**2,382,114**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,366,424**	**2,088,995**	**2,191,433**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**1,857,410**	**2,382,114**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,366,424**	**2,088,995**	**2,191,433**
Capital expenditure & funds sources											
Capital expenditure	6,043,985	6,144,784	–	–	–	(15,690)	–	(15,690)	6,129,094	6,031,309	5,237,361
Transfers recognised - capital	2,223,813	2,462,825	–	–	–	(15,690)	–	(15,690)	2,447,135	2,369,206	2,316,861
Public contributions & donations	53,761	68,392	–	–	–	–	–	–	68,392	98,000	103,100
Borrowing	2,579,264	2,529,240	–	–	–	–	–	–	2,529,240	2,543,819	2,295,650
Internally generated funds	1,187,146	1,084,326	–	–	–	–	–	–	1,084,326	1,020,284	521,750
Total sources of capital funds	**6,043,985**	**6,144,784**	**–**	**–**	**–**	**(15,690)**	**–**	**(15,690)**	**6,129,094**	**6,031,309**	**5,237,361**
Financial position											
Total current assets	9,183,356	8,449,554	–	–	–	–	265,242	265,242	8,714,796	9,332,236	9,973,304
Total non current assets	42,929,513	42,494,463	–	–	–	–	(37,489)	(37,489)	42,456,974	46,044,574	48,851,749
Total current liabilities	8,829,527	8,098,136	–	–	–	–	243,441	243,441	8,341,577	8,403,181	8,758,629
Total non current liabilities	14,391,843	12,010,093	–	–	–	–	1	1	12,010,094	14,064,535	14,965,897
Community wealth/Equity	**28,891,499**	**30,835,788**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**30,820,098**	**32,909,093**	**35,100,527**
Cash flows											
Net cash from (used) operating	4,184,203	4,414,077	–	–	–	–	(7,448)	(7,448)	4,406,629	4,539,567	5,212,491
Net cash from (used) investing	(6,046,623)	(6,163,985)	–	–	–	–	14,502	14,502	(6,149,483)	(5,939,400)	(5,324,399)
Net cash from (used) financing	1,671,793	(244,874)	–	–	–	–	(13,498)	(13,498)	(258,372)	1,748,733	587,024
Cash/cash equivalents at the year end	**2,074,783**	**1,204,367**	**–**	**–**	**–**	**–**	**(6,445)**	**(6,445)**	**1,197,922**	**1,546,822**	**2,021,937**
Cash backing/surplus reconciliation											
Cash and investments available	7,518,401	6,704,331	–	–	–	–	(6,445)	(6,445)	6,697,886	7,046,785	7,521,901
Application of cash and investments	5,671,375	4,582,837	–	–	–	–	150,364	150,364	4,733,201	4,363,350	4,919,811
Balance - surplus (shortfall)	**1,847,026**	**2,121,494**	**–**	**–**	**–**	**–**	**(156,809)**	**(156,809)**	**1,964,685**	**2,683,435**	**2,602,090**
Asset Management											
Asset register summary (WDV)	38,924,165	38,460,353	–	–	–	–	(14,906)	(14,906)	38,445,447	41,947,315	44,538,981
Depreciation & asset impairment	2,089,827	2,127,123	–	–	–	–	–	–	2,127,123	2,227,876	2,383,827
Renewal of Existing Assets	2,910,748	3,096,110	–	–	–	(15,690)	420	(15,271)	3,080,840	2,837,024	2,535,759
Repairs and Maintenance	3,582,394	3,555,101	–	–	–	–	(32,503)	(32,503)	3,522,598	3,915,637	4,271,504
Free services											
Cost of Free Basic Services provided	1,984,824	1,965,222	–	–	–	–	–	–	1,965,222	2,166,299	2,367,185
Revenue cost of free services provided	2,789,695	2,820,055	–	–	–	–	–	–	2,820,055	3,000,491	3,258,123
Households below minimum service level											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	32	32	–	–	–	–	–	–	32	31	29
Refuse:	–	–	–	–	–	–	–	–	–	–	–

Explanatory notes to MBRR Table B1 – Adjustments Budget Summary

1. Table B1 represents a high-level summation of the City's budget, providing a view that includes all major components, i.e. operating, capital, financial position, cash flow and MFMA funding compliance.

2. In essence it provides a synopsis of the amounts to be approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance and the City's commitment to eliminate basic service delivery backlogs.

3. The importance of ensuring that a municipal budget is fully funded is stressed in the financial management reforms. The MFMA through section 18 requires that a budget only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous years, not committed for other purposes.

4. To test whether the City's budget is funded it is required therefore to collectively assess the financial performance, capital budget, financial position and cash flow budgets.

5. The City's key outcomes in this regard are as follows:
    a. The City's Financial Performance (Table B4 – Adjustments Budget Financial Performance) shows deficit positions over the 2015/16 MTREF. National Treasury Circular 42 states that a deficit on the Financial Performance does not mean that the budget is not funded as long as it is funded from uncommitted previous years' surpluses.
    b. The deficit on the Financial Performance is as a result of appropriations, which are included in the Financial Position (Table B6 – Adjustments Budget Financial Position) and not in the financial performance budget. The appropriations include the depreciation reserves (for capital grants), Housing Development Fund, Insurance Fund and contributions to the Capital Replacement Reserve (CRR).
    c. The cash flow budget outcome shows that this deficit is funded from uncommitted, previous years' surpluses. It is consequently viewed as a sustainable position.
    d. The capital budget is funded from the following sources:
        i. Transfers recognised - capital and public contributions & donations which are shown on the financial performance budget;
        ii. Borrowing, which is shown in the cash flow budget as part of the net cash from financing activities; and
        iii. Internally generated funds are financed from previous years' accumulated surpluses, previous years' contributions to CRR and bulk infrastructure levies already collected. The affordability and sustainability of these funds are confirmed by the positive cash flow outcome over the 2015/16 MTREF.

6. The City's cash backing/surplus reconciliation over the 2015/16 MTREF shows a positive outcome, which is an indication that the City will be able to afford its commitments over the next three years.

7. The City's persistent strive to eradicate infrastructure backlogs is evident in the annual increase of investment in the Cost of Free Basic Services and the Revenue Cost of Free Basic Services provided. Backlogs still exist for Electricity Services but are projected to reduce annually.

Table 4 MBRR Table B2 – Adjustments Budget Financial Performance (standard classification)

Standard Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
Revenue - Standard											
Governance and administration	**11,423,542**	**11,789,900**	**–**	**–**	**–**	**–**	**–**	**–**	**11,789,900**	**12,293,837**	**13,201,449**
Executive and council	294,405	341,115	–	–	–	–	(26,756)	(26,756)	314,359	314,639	336,438
Budget and treasury office	10,863,581	11,171,444	–	–	–	–	26,756	26,756	11,198,200	11,690,382	12,553,948
Corporate services	265,556	277,341	–	–	–	–	–	–	277,341	288,816	311,062
Community and public safety	**3,102,900**	**3,430,850**	**–**	**–**	**–**	**–**	**79,233**	**79,233**	**3,510,084**	**2,918,318**	**3,014,722**
Community and social services	101,689	117,265	–	–	–	–	1,340	1,340	118,606	89,024	80,980
Sport and recreation	111,802	104,727	–	–	–	–	(1,340)	(1,340)	103,387	110,698	107,302
Public safety	1,071,703	1,122,533	–	–	–	–	(140)	(140)	1,122,393	1,086,762	1,147,168
Housing	1,536,028	1,808,136	–	–	–	–	79,373	79,373	1,887,509	1,365,829	1,379,194
Health	281,679	278,189	–	–	–	–	–	–	278,189	266,005	300,078
Economic and environmental services	**2,068,429**	**2,494,740**	**–**	**–**	**–**	**–**	**(198,400)**	**(198,400)**	**2,296,339**	**2,218,671**	**2,281,122**
Planning and development	295,963	377,316	–	–	–	–	(96,236)	(96,236)	281,080	375,836	380,350
Road transport	1,766,123	2,109,267	–	–	–	–	(102,164)	(102,164)	2,007,102	1,836,252	1,898,505
Environmental protection	6,343	8,157	–	–	–	–	–	–	8,157	6,583	2,267
Trading services	**17,350,212**	**17,379,866**	**–**	**–**	**–**	**–**	**1,500**	**1,500**	**17,381,366**	**19,429,759**	**21,688,595**
Electricity	11,421,475	11,435,329	–	–	–	–	1,500	1,500	11,436,829	12,843,819	14,366,314
Water	2,922,748	2,931,902	–	–	–	–	–	–	2,931,902	3,234,246	3,645,501
Waste water management	1,894,642	1,902,652	–	–	–	–	–	–	1,902,652	2,152,304	2,394,218
Waste management	1,111,347	1,109,983	–	–	–	–	–	–	1,109,983	1,199,390	1,282,562
Other	**2,572**	**1,072**	**–**	**–**	**–**	**–**	**–**	**–**	**1,072**	**75**	**79**
Total Revenue - Standard	**33,947,655**	**35,096,427**	**–**	**–**	**–**	**–**	**(117,667)**	**(117,667)**	**34,978,760**	**36,860,661**	**40,185,968**
Expenditure - Standard											
Governance and administration	**6,043,012**	**5,879,319**	**–**	**–**	**–**	**–**	**(19,353)**	**(19,353)**	**5,859,967**	**6,343,581**	**6,843,881**
Executive and council	1,047,793	1,021,643	–	–	–	–	(19,353)	(19,353)	1,002,291	1,039,529	1,118,617
Budget and treasury office	2,713,212	2,529,074	–	–	–	–	(400)	(400)	2,528,674	2,884,721	3,133,084
Corporate services	2,282,007	2,328,602	–	–	–	–	400	400	2,329,002	2,419,331	2,592,180
Community and public safety	**7,094,791**	**7,578,557**	**–**	**–**	**–**	**–**	**75,568**	**75,568**	**7,654,125**	**7,451,922**	**7,975,863**
Community and social services	566,317	589,926	–	–	–	–	–	–	589,926	612,168	660,799
Sport and recreation	1,467,195	1,433,803	–	–	–	–	–	–	1,433,803	1,536,565	1,637,081
Public safety	2,503,345	2,572,141	–	–	–	–	19,353	19,353	2,591,493	2,656,387	2,847,213
Housing	1,626,880	2,063,539	–	–	–	–	56,215	56,215	2,119,755	1,655,179	1,763,528
Health	931,054	919,148	–	–	–	–	–	–	919,148	991,624	1,067,241
Economic and environmental services	**3,503,807**	**3,819,459**	**–**	**–**	**–**	**–**	**(159,692)**	**(159,692)**	**3,659,766**	**3,840,988**	**4,098,913**
Planning and development	756,326	856,305	–	–	–	–	(57,528)	(57,528)	798,777	933,916	991,500
Road transport	2,641,172	2,843,626	–	–	–	–	(102,164)	(102,164)	2,741,462	2,807,232	3,002,405
Environmental protection	106,309	119,528	–	–	–	–	–	–	119,528	99,840	105,007
Trading services	**15,385,492**	**15,375,413**	**–**	**–**	**–**	**–**	**1,500**	**1,500**	**15,376,913**	**17,070,152**	**19,006,835**
Electricity	9,441,323	9,415,789	–	–	–	–	1,500	1,500	9,417,289	10,628,827	11,990,437
Water	2,464,347	2,494,663	–	–	–	–	–	–	2,494,663	2,705,727	2,950,467
Waste water management	1,507,947	1,506,381	–	–	–	–	–	–	1,506,381	1,622,621	1,835,114
Waste management	1,971,875	1,958,579	–	–	–	–	–	–	1,958,579	2,112,978	2,230,817
Other	**63,143**	**61,565**	**–**	**–**	**–**	**–**	**–**	**–**	**61,565**	**65,023**	**69,043**
Total Expenditure - Standard	**32,090,246**	**32,714,313**	**–**	**–**	**–**	**–**	**(101,977)**	**(101,977)**	**32,612,336**	**34,771,665**	**37,994,534**
Surplus/ (Deficit) for the year	**1,857,410**	**2,382,114**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,366,424**	**2,088,995**	**2,191,433**

Explanatory notes to MBRR Table B2 – Adjustments Budget Financial Performance (Standard classification)

1. Table B2 is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification, which divides the municipal services into 15 functional areas.

2. A surplus of R2 366 million is reflected in this table and includes Capital Grants and Transfers (Capital Grants & Donations) received. The expenditure category excludes these transfers.

3. This table highlights that the revenue for Electricity, Water and Waste Water Management (excluding Waste Management) exceeds its expenditure (it excludes Internal Charges). The deficit in Waste Management is absorbed within Rates Revenue.

4. Other functions within Rates show a deficit when comparing revenue and expenditure, which is financed from Rates Revenue.

Table 5 MBRR Table B3 – Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
Revenue by Vote											
Vote 1 - City Health	539,593	538,466	–	–	–	–	–	–	538,466	544,567	598,108
Vote 2 - City Manager	1,348	73,264	–	–	–	–	(71,715)	(71,715)	1,548	51	54
Vote 3 - Community Services	167,052	203,918	–	–	–	–	–	–	203,918	180,779	168,389
Vote 4 - Corporate Services & Compliance	84,568	96,681	–	–	–	–	–	–	96,681	81,549	109,547
Vote 5 - Energy, Environmental & Spatial Planning	148,659	156,291	–	–	–	–	(24,708)	(24,708)	131,583	220,743	212,210
Vote 6 - Finance	768,694	1,080,114	–	–	–	–	188	188	1,080,302	826,983	854,655
Vote 7 - Human Settlements	1,536,021	1,808,130	–	–	–	–	79,373	79,373	1,887,502	1,365,822	1,379,186
Vote 8 - Rates & Other	10,426,245	10,426,245	–	–	–	–	26,756	26,756	10,453,001	11,229,303	12,068,008
Vote 9 - Safety & Security	1,080,472	1,125,169	–	–	–	–	(140)	(140)	1,125,029	1,101,061	1,164,330
Vote 10 - Social Dev & Early Childhood Development	526	641	–	–	–	–	–	–	641	132	139
Vote 11 - Tourism, Events & Economic Development	55,086	53,586	–	–	–	–	(26,756)	(26,756)	26,830	25,429	26,728
Vote 12 - Transport for Cape Town	1,760,594	2,128,225	–	–	–	–	(102,164)	(102,164)	2,026,061	1,829,342	1,891,577
Vote 13 - Utility Services	17,378,799	17,405,698	–	–	–	–	1,500	1,500	17,407,198	19,454,899	21,713,036
Total Revenue by Vote	**33,947,655**	**35,096,427**	**–**	**–**	**–**	**–**	**(117,667)**	**(117,667)**	**34,978,760**	**36,860,661**	**40,185,968**
Expenditure by Vote											
Vote 1 - City Health	996,804	989,354	–	–	–	–	–	–	989,354	1,055,514	1,136,050
Vote 2 - City Manager	210,825	288,793	–	–	–	–	(57,715)	(57,715)	231,078	221,460	235,886
Vote 3 - Community Services	1,687,957	1,682,059	–	–	–	–	–	–	1,682,059	1,813,036	1,941,072
Vote 4 - Corporate Services & Compliance	2,376,443	2,410,852	–	–	–	–	–	–	2,410,852	2,528,982	2,712,622
Vote 5 - Energy, Environmental & Spatial Planning	552,947	568,156	–	–	–	–	–	–	568,156	584,916	620,684
Vote 6 - Finance	2,213,600	2,020,516	–	–	–	–	188	188	2,020,703	2,403,056	2,630,687
Vote 7 - Human Settlements	1,586,986	2,023,814	–	–	–	–	56,215	56,215	2,080,029	1,613,060	1,718,035
Vote 8 - Rates & Other	962,510	971,832	–	–	–	–	–	–	971,832	955,504	1,006,877
Vote 9 - Safety & Security	2,607,501	2,665,517	–	–	–	–	–	–	2,665,517	2,750,702	2,951,701
Vote 10 - Social Dev & Early Childhood Development	183,805	183,459	–	–	–	–	–	–	183,459	275,984	293,788
Vote 11 - Tourism, Events & Economic Development	569,288	574,889	–	–	–	–	–	–	574,889	573,618	609,616
Vote 12 - Transport for Cape Town	2,718,462	2,921,475	–	–	–	–	(102,164)	(102,164)	2,819,310	2,871,816	3,071,247
Vote 13 - Utility Services	15,423,118	15,413,598	–	–	–	–	1,500	1,500	15,415,098	17,124,017	19,066,270
Total Expenditure by Vote	**32,090,246**	**32,714,313**	**–**	**–**	**–**	**–**	**(101,977)**	**(101,977)**	**32,612,336**	**34,771,665**	**37,994,534**
Surplus/ (Deficit) for the year	**1,857,410**	**2,382,114**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,366,424**	**2,088,995**	**2,191,433**

Explanatory notes to MBRR Table B3 – Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

1. Table B3 shows budgeted financial performance in relation to the revenue and expenditure and the operating surplus or deficit per municipal vote.

Table 6 MBRR Table B4 – Adjustments Budget Financial Performance (revenue and expenditure)

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
Revenue By Source											
Property rates	6,546,155	6,552,155	–	–	–	–	26,756	26,756	6,578,912	7,041,460	7,572,107
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	11,127,619	11,127,619	–	–	–	–	–	–	11,127,619	12,472,296	13,968,971
Service charges - water revenue	2,745,181	2,745,181	–	–	–	–	–	–	2,745,181	3,044,560	3,376,714
Service charges - sanitation revenue	1,470,947	1,470,947	–	–	–	–	–	–	1,470,947	1,632,751	1,812,354
Service charges - refuse revenue	1,097,246	1,097,054	–	–	–	–	–	–	1,097,054	1,184,461	1,266,767
Service charges - other	561,765	685,344	–	–	–	–	(128,920)	(128,920)	556,423	592,664	654,668
Rental of facilities and equipment	345,646	365,189	–	–	–	–	–	–	365,189	365,183	382,216
Interest earned - external investments	271,687	580,766	–	–	–	–	–	–	580,766	286,630	302,108
Interest earned - outstanding debtors	233,996	231,266	–	–	–	–	–	–	231,266	248,181	264,275
Dividends received	–	–	–	–	–	–	–	–	–	–	–
Fines	977,210	996,923	–	–	–	–	0	–	996,923	1,022,151	1,087,348
Licences and permits	43,028	29,444	–	–	–	–	–	–	29,444	45,395	47,846
Agency services	153,993	153,993	–	–	–	–	0	–	153,993	162,463	171,236
Transfers recognised - operating	3,579,752	4,106,009	–	–	–	–	0	–	4,106,009	3,658,622	3,972,647
Other revenue	2,441,185	2,348,650	–	–	–	–	188	188	2,348,837	2,515,342	2,637,860
Gains on disposal of PPE	74,669	74,669	–	–	–	–	–	–	74,669	95,666	84,361
Total Revenue (excluding capital transfers and contributions)	**31,670,081**	**32,565,209**	**–**	**–**	**–**	**–**	**(101,977)**	**(101,977)**	**32,463,232**	**34,367,823**	**37,601,479**
Expenditure By Type											
Employee related costs	9,847,508	9,925,384	–	–	–	–	150	150	9,925,534	10,715,810	11,610,644
Remuneration of councillors	139,311	139,311	–	–	–	–	–	–	139,311	148,366	157,862
Debt impairment	1,798,371	1,798,493	–	–	–	–	6	6	1,798,499	1,934,804	2,068,185
Depreciation & asset impairment	2,089,827	2,127,123	–	–	–	–	–	–	2,127,123	2,227,876	2,383,827
Finance charges	971,133	762,538	–	–	–	–	–	–	762,538	1,090,167	1,222,662
Bulk purchases	7,967,555	7,959,015	–	–	–	–	–	–	7,959,015	9,051,585	10,285,261
Other materials	359,005	349,608	–	–	–	–	(296)	(296)	349,312	389,927	418,889
Contracted services	4,818,153	4,654,643	–	–	–	–	(31,703)	(31,703)	4,622,941	4,940,399	5,276,534
Transfers and grants	120,402	166,865	–	–	–	–	220	220	167,085	117,538	123,777
Other expenditure	3,978,981	4,831,332	–	–	–	–	(70,353)	(70,353)	4,760,978	4,155,193	4,446,895
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	**32,090,246**	**32,714,313**	**–**	**–**	**–**	**–**	**(101,977)**	**(101,977)**	**32,612,336**	**34,771,665**	**37,994,534**
Surplus/(Deficit)	**(420,164)**	**(149,104)**	**–**	**–**	**–**	**–**	**(0)**	**(0)**	**(149,104)**	**(403,842)**	**(393,056)**
Transfers recognised - capital	2,223,813	2,462,484	–	–	–	–	(15,690)	(15,690)	2,446,794	2,393,837	2,481,389
Contributions recognised - capital	53,761	68,734	–	–	–	–	0	–	68,734	99,000	103,100
Contributed assets	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation	**1,857,410**	**2,382,114**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,366,424**	**2,088,995**	**2,191,433**
Taxation	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**1,857,410**	**2,382,114**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,366,424**	**2,088,995**	**2,191,433**
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**1,857,410**	**2,382,114**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,366,424**	**2,088,995**	**2,191,433**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**1,857,410**	**2,382,114**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,366,424**	**2,088,995**	**2,191,433**

Explanatory notes to MBRR Table B4 – Adjustments Budget Financial Performance (revenue and expenditure)

1. Table B4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. Total revenue is R32 463 million (excluding accumulated surplus allocation) in 2015/16 and escalates to R37 601 million in 2017/18. Total expenditure is R32 612 million in 2015/16 and escalates to R37 995 million in 2017/18.

2. Property rates increases by R27 million as a result of the recent Rates modelling.

3. Services charges – other decreases by R129 million, due to the reduction on bus-fares revenue (R102 million) and entrance/admission fees (R26 million).

   The following graph illustrates the breakdown of operating revenue for 2015/16:

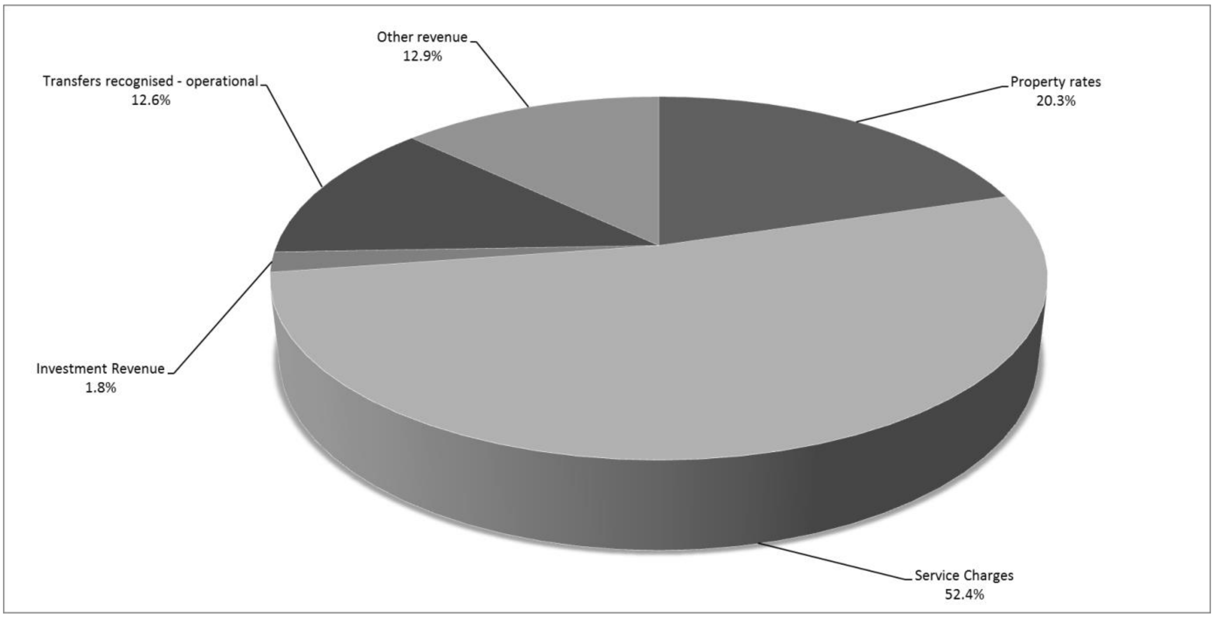
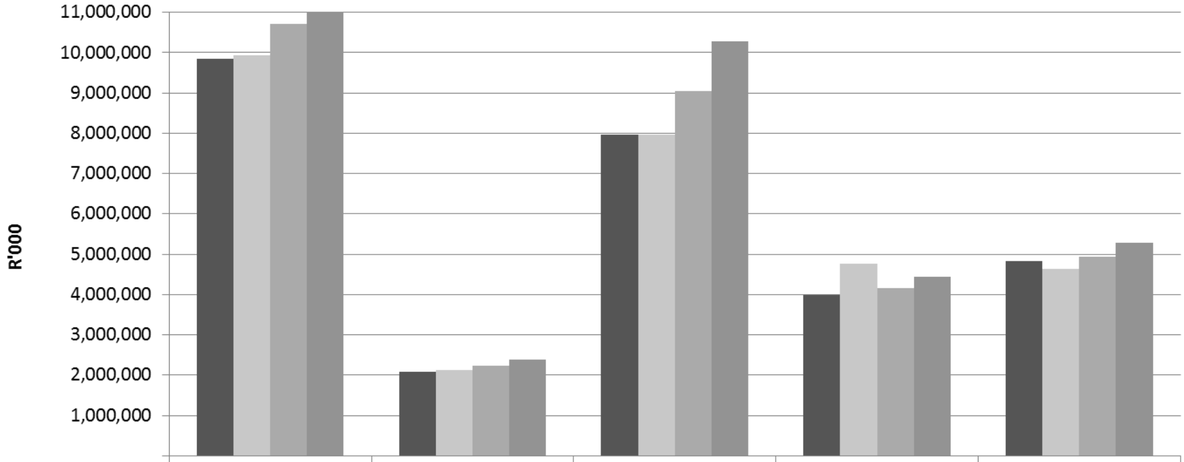


Figure 1 Breakdown of operating revenue for 2015/16

4. Contracted services decreases to R4 623 million, due to the concomitant reduction on revenue.

5. Other expenditure decreases to R4 761 million, due to the concomitant reduction on revenue.

The following graph illustrates the major expenditure by major type:



	Employee related costs	Depreciation & asset impairment	Bulk purchases	Other expenditure	Contracted services
Budget year 2015/16 Original Budget	9,847,508	2,089,827	7,967,555	3,978,981	4,818,153
Budget year 2015/16 Adjusted Budget	9,925,534	2,127,123	7,959,015	4,760,978	4,622,941
Budget Year +1 2016/17	10,715,810	2,227,876	9,051,585	4,155,193	4,940,399
Budget Year +2 2017/18	11,610,644	2,383,827	10,285,261	4,446,895	5,276,534

Figure 2 Breakdown of major expenditure by major type

Table 7 MBRR Table B5 – Adjustments Budget Capital Expenditure by vote, standard classification and funding source

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
Capital expenditure - Vote											
Multi-year expenditure to be adjusted	–	–	–	–	–	–	–	–	–	–	–
Vote 1 - City Health	15,673	21,288	–	–	–	–	–	–	21,288	24,980	39,566
Vote 2 - City Manager	14,954	33,274	–	–	–	–	(14,000)	(14,000)	19,274	954	934
Vote 3 - Community Services	160,331	221,715	–	–	–	–	–	–	221,715	147,009	142,148
Vote 4 - Corporate Services & Compliance	425,013	463,779	–	–	–	–	–	–	463,779	352,633	333,273
Vote 5 - Energy, Environmental & Spatial Planning	80,064	79,859	–	–	–	(15,690)	–	(15,690)	64,169	115,637	107,557
Vote 6 - Finance	141,379	40,186	–	–	–	–	–	–	40,186	128,165	8,681
Vote 7 - Human Settlements	420,835	416,993	–	–	–	–	14,000	14,000	430,993	366,691	310,137
Vote 8 - Rates & Other	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Safety & Security	105,163	149,957	–	–	–	–	–	–	149,957	70,789	60,127
Vote 10 - Social Dev & Early Childhood Development	11,971	15,760	–	–	–	–	–	–	15,760	12,860	10,860
Vote 11 - Tourism, Events & Economic Development	41,098	41,403	–	–	–	–	–	–	41,403	34,450	33,750
Vote 12 - Transport for Cape Town	1,399,805	1,651,077	–	–	–	–	–	–	1,651,077	1,520,370	1,346,942
Vote 13 - Utility Services	3,227,699	3,009,494	–	–	–	–	–	–	3,009,494	3,256,771	2,843,383
Total Capital Expenditure - Vote	**6,043,985**	**6,144,784**	**–**	**–**	**–**	**(15,690)**	**–**	**(15,690)**	**6,129,094**	**6,031,309**	**5,237,361**
Capital Expenditure - Standard	–	–	–	–	–	–	–	–	–	–	–
Governance and administration	**587,509**	**538,775**	**–**	**–**	**–**	**–**	**118**	**118**	**538,893**	**502,215**	**363,251**
Executive and council	21,193	48,674	–	–	–	–	345	345	49,020	54,272	51,845
Budget and treasury office	14,495	15,750	–	–	–	–	–	–	15,750	12,882	8,382
Corporate services	551,820	474,351	–	–	–	–	(227)	(227)	474,123	435,061	303,025
Community and public safety	**799,473**	**884,511**	**–**	**–**	**–**	**–**	**13,882**	**13,882**	**898,393**	**691,172**	**640,982**
Community and social services	69,196	99,172	–	–	–	–	1,340	1,340	100,512	54,831	49,842
Sport and recreation	124,613	156,586	–	–	–	–	(1,301)	(1,301)	155,285	115,428	121,456
Public safety	169,157	190,190	–	–	–	–	(158)	(158)	190,032	130,744	121,481
Housing	420,904	417,347	–	–	–	–	14,000	14,000	431,347	366,760	310,206
Health	15,603	21,218	–	–	–	–	–	–	21,218	23,410	37,996
Economic and environmental services	**1,502,183**	**1,782,926**	**–**	**–**	**–**	**(15,690)**	**(14,000)**	**(29,690)**	**1,753,235**	**1,650,991**	**1,460,783**
Planning and development	83,570	90,211	–	–	–	(15,690)	(14,000)	(29,690)	60,521	106,465	93,736
Road transport	1,408,046	1,675,510	–	–	–	–	–	–	1,675,510	1,529,011	1,355,583
Environmental protection	10,567	17,204	–	–	–	–	–	–	17,204	15,516	11,465
Trading services	**3,154,319**	**2,938,072**	**–**	**–**	**–**	**–**	**–**	**–**	**2,938,072**	**3,186,931**	**2,772,343**
Electricity	1,343,939	1,122,474	–	–	–	–	–	–	1,122,474	1,339,116	996,799
Water	786,494	853,749	–	–	–	–	–	–	853,749	693,512	720,550
Waste water management	726,171	691,744	–	–	–	–	–	–	691,744	834,555	857,988
Waste management	297,715	270,105	–	–	–	–	–	–	270,105	319,748	197,006
Other	500	500	–	–	–	–	–	–	500	–	–
Total Capital Expenditure - Standard	**6,043,985**	**6,144,784**	**–**	**–**	**–**	**(15,690)**	**–**	**(15,690)**	**6,129,094**	**6,031,309**	**5,237,361**
Funded by:	–	–	–	–	–	–	–	–	–	–	–
National Government	2,137,367	2,282,270	–	–	–	(15,690)	–	(15,690)	2,266,580	2,323,242	2,299,570
Provincial Government	86,446	180,214	–	–	–	–	–	–	180,214	45,964	17,290
District Municipality	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	341	–	–	–	–	–	–	341	–	–
Total Capital transfers recognised	**2,223,813**	**2,462,825**	**–**	**–**	**–**	**(15,690)**	**–**	**(15,690)**	**2,447,135**	**2,369,206**	**2,316,861**
Public contributions & donations	53,761	68,392	–	–	–	–	–	–	68,392	98,000	103,100
Borrowing	2,579,264	2,529,240	–	–	–	–	–	–	2,529,240	2,543,819	2,295,650
Internally generated funds	1,187,146	1,084,326	–	–	–	–	–	–	1,084,326	1,020,284	521,750
Total Capital Funding	**6,043,985**	**6,144,784**	**–**	**–**	**–**	**(15,690)**	**–**	**(15,690)**	**6,129,094**	**6,031,309**	**5,237,361**

Explanatory notes to Table B5 – Adjustments Budget Capital Expenditure by vote, standard classification and funding source

1. Table B5 reflects the City's capital programme in relation to capital expenditure by municipal vote (directorate); capital expenditure by standard classification; and funding sources required to fund the Capital budget, including information on capital transfers from National and Provincial Departments.

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The City has revised its multi-year appropriations to R6 129 million for 2015/16, R6 031 million in 2016/17 and R5 237 million in 2017/18.

3. The capital budget is funded from allocations in the form of grants, public contributions, donations, borrowings and internally-generated funds. Capital transfers from National Government, Provincial Government Western Cape (PGWC), other transfers and grants and public contributions amount to R2 516 million (41%) in 2015/16, R2 467 million and R2 420 million in 2016/17 and 2017/18 respectively. Internally generated funds amounting to R1 084 million, R1 020 million and R522 million for each of the respective financial years has been provided for in the MTREF. Borrowings amount to R2 529 million, R2 544 million and R2 296 million for each of the respective financial years.

Table 8 MBRR Table B6 – Adjustments Budget Financial Position

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
ASSETS											
Current assets	–	–	–	–	–	–	–	–	–	–	–
Cash	–	–	–	–	–	–	–	–	–	–	–
Call investment deposits	3,607,195	2,764,362	–	–	–	–	(6,445)	(6,445)	2,757,917	3,017,506	3,273,714
Consumer debtors	4,740,731	4,849,763	–	–	–	–	–	–	4,849,763	5,097,943	5,362,219
Other debtors	504,938	504,938	–	–	–	–	273,001	273,001	777,939	855,733	941,306
Current portion of long-term receivables	19,470	19,470	–	–	–	–	1,360	1,360	20,830	21,871	22,965
Inventory	311,022	311,022	–	–	–	–	(2,674)	(2,674)	308,348	339,182	373,101
Total current assets	**9,183,356**	**8,449,554**	**–**	**–**	**–**	**–**	**265,242**	**265,242**	**8,714,796**	**9,332,236**	**9,973,304**
Non current assets	–	–	–	–	–	–	–	–	–	–	–
Long-term receivables	94,142	94,142	–	–	–	–	(22,584)	(22,584)	71,558	67,980	64,581
Investments	3,911,206	3,939,969	–	–	–	–	–	–	3,939,969	4,029,279	4,248,187
Investment property	–	–	–	–	–	–	–	–	–	–	–
Investment in Associate	–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	38,924,165	38,460,353	–	–	–	–	(14,906)	(14,906)	38,445,447	41,947,315	44,538,981
Agricultural	–	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–	–	–
Total non current assets	**42,929,513**	**42,494,463**	**–**	**–**	**–**	**–**	**(37,489)**	**(37,489)**	**42,456,974**	**46,044,574**	**48,851,749**
TOTAL ASSETS	**52,112,868**	**50,944,018**	**–**	**–**	**–**	**–**	**227,752**	**227,752**	**51,171,770**	**55,376,810**	**58,825,053**
LIABILITIES	–	–	–	–	–	–	–	–	–	–	–
Current liabilities	–	–	–	–	–	–	–	–	–	–	–
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
Borrowing	498,690	474,099	–	–	–	–	1	1	474,100	481,360	476,948
Consumer deposits	447,963	447,963	–	–	–	–	(148,479)	(148,479)	299,484	329,432	362,375
Trade and other payables	6,907,829	6,065,456	–	–	–	–	377,597	377,597	6,443,053	6,354,955	6,558,128
Provisions	975,045	1,110,619	–	–	–	–	14,322	14,322	1,124,940	1,237,435	1,361,178
Total current liabilities	**8,829,527**	**8,098,136**	**–**	**–**	**–**	**–**	**243,441**	**243,441**	**8,341,577**	**8,403,181**	**8,758,629**
Non current liabilities	–	–	–	–	–	–	–	–	–	–	–
Borrowing	8,032,745	6,032,744	–	–	–	–	1	1	6,032,745	7,788,287	8,361,524
Provisions	6,359,098	5,977,349	–	–	–	–	–	–	5,977,349	6,276,248	6,604,373
Total non current liabilities	**14,391,843**	**12,010,093**	**–**	**–**	**–**	**–**	**1**	**1**	**12,010,094**	**14,064,535**	**14,965,897**
TOTAL LIABILITIES	**23,221,369**	**20,108,229**	**–**	**–**	**–**	**–**	**243,442**	**243,442**	**20,351,672**	**22,467,717**	**23,724,526**
NET ASSETS	**28,891,499**	**30,835,788**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**30,820,098**	**32,909,093**	**35,100,527**
COMMUNITY WEALTH/EQUITY	–	–	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	27,044,035	28,541,195	–	–	–	–	(15,690)	(15,690)	28,525,505	30,657,981	32,619,755
Reserves	1,847,464	2,294,593	–	–	–	–	–	–	2,294,593	2,251,112	2,480,772
Minorities' interests	–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**28,891,499**	**30,835,788**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**30,820,098**	**32,909,093**	**35,100,527**

Explanatory notes to Table B6 – Adjustment Budget Financial Position

1. The budgeted Statement of Financial Position of the City has been prepared on a basis consistent with GRAP 1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years, to enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.

2. The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash.

3. Movements on the Budgeted Statement of Financial Performance will impact on the Budgeted Statement of Financial Position. Assumptions made on the collection rate for instance, will affect the budgeted cash position of the City and the budgeted impairment of debtors. As such the assumptions form a critical link in determining the applicability and relevance of the budget, the determination of financial indicators, the assessment of funding compliance and the general viability of the municipality.

Table 9 MBRR Table B7 – Adjustments Budget Cash Flow Statement

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts	–	–	–	–	–	–	–	–	–	–	–
Property rates, penalties & collection charges	6,440,048	6,443,114	–	–	–	–	28,403	28,403	6,471,517	6,921,895	7,444,555
Service charges	15,773,011	15,909,835	–	–	–	–	(123,979)	(123,979)	15,785,856	17,602,542	19,671,102
Other revenue	3,107,198	3,022,178	–	–	–	–	1,835	1,835	3,024,013	3,207,815	3,362,815
Government - operating	3,579,752	4,106,009	–	–	–	–	–	–	4,106,009	3,658,622	3,972,647
Government - capital	2,277,574	2,531,218	–	–	–	–	(15,690)	(15,690)	2,515,528	2,467,206	2,419,961
Interest	442,109	580,779	–	–	–	–	–	–	580,779	248,721	785,653
Dividends	–	–	–	–	–	–	–	–	–	–	–
Payments	–	–	–	–	–	–	–	–	–	–	–
Suppliers and employees	(26,548,109)	(27,475,976)	–	–	–	–	101,982	101,982	(27,373,994)	(28,755,116)	(31,520,915)
Finance charges	(887,380)	(703,079)	–	–	–	–	–	–	(703,079)	(812,118)	(923,327)
Transfers and Grants	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**4,184,203**	**4,414,077**	**–**	**–**	**–**	**–**	**(7,448)**	**(7,448)**	**4,406,629**	**4,539,567**	**5,212,491**
CASH FLOWS FROM INVESTING ACTIVITIES	–	–	–	–	–	–	–	–	–	–	–
Receipts	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	74,669	74,669	–	–	–	–	–	–	74,669	95,666	84,361
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	4,955	4,955	–	–	–	–	(1,189)	(1,189)	3,766	3,578	3,399
Decrease (increase) in non-current investments	(170,422)	(186,352)	–	–	–	–	–	–	(186,352)	(89,310)	(218,908)
Payments	–	–	–	–	–	–	–	–	–	–	–
Capital assets	(5,955,826)	(6,057,257)	–	–	–	–	15,690	15,690	(6,041,566)	(5,949,334)	(5,193,251)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(6,046,623)**	**(6,163,985)**	**–**	**–**	**–**	**–**	**14,502**	**14,502**	**(6,149,483)**	**(5,939,400)**	**(5,324,399)**
CASH FLOWS FROM FINANCING ACTIVITIES	–	–	–	–	–	–	–	–	–	–	–
Receipts	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	2,000,000	0	–	–	–	–	–	–	0	2,200,000	1,000,000
Increase (decrease) in consumer deposits	40,724	40,724	–	–	–	–	(13,498)	(13,498)	27,226	29,948	32,943
Payments	–	–	–	–	–	–	–	–	–	–	–
Repayment of borrowing	(368,931)	(285,598)	–	–	–	–	–	–	(285,598)	(481,216)	(445,919)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**1,671,793**	**(244,874)**	**–**	**–**	**–**	**–**	**(13,498)**	**(13,498)**	**(258,372)**	**1,748,733**	**587,024**
NET INCREASE/ (DECREASE) IN CASH HELD	**(190,628)**	**(1,994,781)**	**–**	**–**	**–**	**–**	**(6,445)**	**(6,445)**	**(2,001,226)**	**348,899**	**475,115**
Cash/cash equivalents at the year begin:	2,265,410	3,199,148	–	–	–	–	–	–	3,199,148	1,197,922	1,546,822
Cash/cash equivalents at the year end:	2,074,783	1,204,367	–	–	–	–	(6,445)	(6,445)	1,197,922	1,546,822	2,021,937

Explanatory notes to Table B7 – Adjustments budget Cash Flow Statement

1. The table shows the cash and cash equivalents of the City with the approved 2015/16 to 2017/18 MTREF.

2. For the 2015/16 MTREF, the budget has been prepared to ensure sufficient levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R1 198 million by 2015/16, R1 547 million in 2016/17 and R2 022 million by 2017/18.

Table 10 MBRR Table B8 - Cash Backed Reserves / Accumulated Surplus Reconciliation

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
Cash and investments available											
Cash/cash equivalents at the year end	2,074,783	1,204,367	–	–	–	–	(6,445)	(6,445)	1,197,922	1,546,822	2,021,937
Other current investments > 90 days	1,532,412	1,559,995	–	–	–	–	(0)	(0)	1,559,995	1,470,684	1,251,777
Non current assets - Investments	3,911,206	3,939,969	–	–	–	–	–	–	3,939,969	4,029,279	4,248,187
Cash and investments available:	**7,518,401**	**6,704,331**	**–**	**–**	**–**	**–**	**(6,445)**	**(6,445)**	**6,697,886**	**7,046,785**	**7,521,901**
Applications of cash and investments	–	–	–	–	–	–	–	–	–	–	–
Unspent conditional transfers	1,640,961	1,640,960	–	–	–	–	–	–	1,640,960	1,763,203	1,672,544
Unspent borrowing	–	–	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	302,275	(639,663)	–	–	–	–	150,364	150,364	(489,299)	(1,009,317)	(1,052,386)
Other provisions	–	–	–	–	–	–	–	–	–	–	–
Long term investments committed	2,045,502	2,045,502	–	–	–	–	–	–	2,045,502	2,014,640	2,353,720
Reserves to be backed by cash/investments	1,682,637	1,536,038	–	–	–	–	–	–	1,536,038	1,594,824	1,945,933
Total Application of cash and investments:	**5,671,375**	**4,582,837**	**–**	**–**	**–**	**–**	**150,364**	**150,364**	**4,733,201**	**4,363,350**	**4,919,811**
Surplus(shortfall)	**1,847,026**	**2,121,494**	**–**	**–**	**–**	**–**	**(156,809)**	**(156,809)**	**1,964,685**	**2,683,435**	**2,602,090**

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 either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".
4. From the table it can be seen that for the City remains in a surplus net cash flow position for 2015/16 MTREF.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2015/16 MTREF is fully funded.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2015/16 MTREF, the end objective of the medium-term framework was to ensure the budget is funded / aligned to section 18 of the MFMA.
7. Table B8 reflects a surplus of R1 965 million in 2015/16 increasing to R2 602 million by 2017/18.

Table 11 MBRR Table B9 - Asset Management

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
CAPITAL EXPENDITURE											
Total New Assets to be adjusted	**3,133,237**	**3,048,674**	**–**	**–**	**–**	**–**	**(420)**	**(420)**	**3,048,254**	**3,194,285**	**2,701,602**
Infrastructure - Road transport	835,679	704,974	–	–	–	–	(4,200)	(4,200)	700,774	988,899	939,775
Infrastructure - Electricity	582,928	499,143	–	–	–	–	–	–	499,143	582,515	425,128
Infrastructure - Water	273,745	213,667	–	–	–	–	2,100	2,100	215,767	329,935	319,087
Infrastructure - Sanitation	239,084	224,328	–	–	–	–	2,100	2,100	226,428	267,441	264,596
Infrastructure - Other	410,918	324,101	–	–	–	–	–	–	324,101	320,989	299,464
Infrastructure	2,342,353	1,966,214	–	–	–	–	–	–	1,966,214	2,489,778	2,248,051
Community	80,812	119,654	–	–	–	–	–	–	119,654	101,118	79,164
Heritage assets	–	–	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Other assets	710,071	961,806	–	–	–	–	(420)	(420)	961,387	603,388	374,387
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	–	1,000	–	–	–	–	–	–	1,000	–	–
Total Renewal of Existing Assets to be adjusted	**2,910,748**	**3,096,110**	**–**	**–**	**–**	**(15,690)**	**420**	**(15,271)**	**3,080,840**	**2,837,024**	**2,535,759**
Infrastructure - Road transport	438,645	624,157	–	–	–	–	–	–	624,157	416,661	264,679
Infrastructure - Electricity	643,732	479,229	–	–	–	–	–	–	479,229	634,035	566,086
Infrastructure - Water	267,000	324,949	–	–	–	–	–	–	324,949	265,582	334,549
Infrastructure - Sanitation	511,703	485,240	–	–	–	–	–	–	485,240	587,729	626,799
Infrastructure - Other	167,432	216,290	–	–	–	–	–	–	216,290	110,950	179,400
Infrastructure	2,028,511	2,129,865	–	–	–	–	–	–	2,129,865	2,014,957	1,971,513
Community	212,296	332,716	–	–	–	–	690	690	333,406	153,089	175,517
Heritage assets	29,140	6,377	–	–	–	–	–	–	6,377	35,208	2,230
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Other assets	640,800	627,152	–	–	–	(15,690)	(270)	(15,960)	611,192	633,771	386,499
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure to be adjusted											
Infrastructure - Road transport	1,274,324	1,329,132	–	–	–	–	(4,200)	(4,200)	1,324,932	1,405,560	1,204,455
Infrastructure - Electricity	1,226,659	978,372	–	–	–	–	–	–	978,372	1,216,550	991,214
Infrastructure - Water	540,745	538,616	–	–	–	–	2,100	2,100	540,716	595,517	653,636
Infrastructure - Sanitation	750,787	709,568	–	–	–	–	2,100	2,100	711,668	855,169	891,395
Infrastructure - Other	578,350	540,391	–	–	–	–	–	–	540,391	431,939	478,864
Infrastructure	4,370,864	4,096,079	–	–	–	–	–	–	4,096,079	4,504,735	4,219,564
Community	293,109	452,370	–	–	–	–	690	690	453,060	254,207	254,681
Heritage assets	29,140	6,377	–	–	–	–	–	–	6,377	35,208	2,230
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Other assets	1,350,871	1,588,958	–	–	–	(15,690)	(690)	(16,380)	1,572,579	1,237,159	760,886
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	–	1,000	–	–	–	–	–	–	1,000	–	–
TOTAL CAPITAL EXPENDITURE to be adjusted	**6,043,985**	**6,144,784**	**–**	**–**	**–**	**(15,690)**	**–**	**(15,690)**	**6,129,094**	**6,031,309**	**5,237,361**

Table continues on next page.

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
ASSET REGISTER SUMMARY - PPE (WDV)											
Infrastructure - Road transport	9,096,250	9,395,512	–	–	–	–	(309,366)	(309,366)	9,086,146	9,763,760	10,204,287
Infrastructure - Electricity	6,531,648	5,882,869	–	–	–	–	(204,230)	(204,230)	5,678,639	6,553,902	7,195,464
Infrastructure - Water	2,575,704	2,577,545	–	–	–	–	(334,433)	(334,433)	2,243,112	2,581,507	2,959,200
Infrastructure - Sanitation	2,891,083	2,599,391	–	–	–	–	55,979	55,979	2,655,370	3,258,362	3,881,110
Infrastructure - Other	1,725,269	2,760,365	–	–	–	–	231,169	231,169	2,991,534	3,253,504	3,549,666
Infrastructure	22,819,953	23,215,681	–	–	–	–	(560,881)	(560,881)	22,654,800	25,411,035	27,789,728
Community	7,388,399	6,632,873	–	–	–	–	(501,669)	(501,669)	6,131,204	5,755,399	5,336,832
Heritage assets	9,111	9,062	–	–	–	–	–	–	9,062	9,062	9,062
Investment properties	–	398,533	–	–	–	–	190,849	190,849	589,382	589,382	589,382
Other assets	8,706,702	8,204,204	–	–	–	–	856,795	856,795	9,060,999	10,182,438	10,813,976
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**38,924,165**	**38,460,353**	**–**	**–**	**–**	**–**	**(14,906)**	**(14,906)**	**38,445,447**	**41,947,315**	**44,538,981**
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment	2,089,827	2,127,123	–	–	–	–	–	–	2,127,123	2,227,876	2,383,827
Repairs and Maintenance by asset class	**3,582,394**	**3,555,101**	**–**	**–**	**–**	**–**	**(32,503)**	**(32,503)**	**3,522,598**	**3,915,637**	**4,271,504**
Infrastructure - Road transport	520,456	465,834	–	–	–	–	(2)	(2)	465,832	564,782	612,105
Infrastructure - Electricity	432,859	460,206	–	–	–	–	–	–	460,206	469,684	509,103
Infrastructure - Water	44,828	51,866	–	–	–	–	–	–	51,866	48,640	52,724
Infrastructure - Sanitation	110,833	111,029	–	–	–	–	–	–	111,029	120,257	130,356
Infrastructure - Other	39,310	56,343	–	–	–	–	–	–	56,343	42,651	46,233
Infrastructure	1,148,286	1,145,278	–	–	–	–	(2)	(2)	1,145,276	1,246,013	1,350,522
Community	59,931	72,820	–	–	–	–	–	–	72,820	65,086	70,488
Heritage assets	15,027	13,745	–	–	–	–	–	–	13,745	16,305	17,674
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Other assets	2,359,150	2,323,258	–	–	–	–	(32,501)	(32,501)	2,290,757	2,588,234	2,832,820
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	**5,672,221**	**5,682,225**	**–**	**–**	**–**	**–**	**(32,503)**	**(32,503)**	**5,649,721**	**6,143,513**	**6,655,331**
Renewal of Existing Assets as % of total capex	*48.2%*	*50.4%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*50.3%*	*47.0%*	*48.4%*
Renewal of Existing Assets as % of deprecn"	*139.3%*	*145.6%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*144.8%*	*127.3%*	*106.4%*
R&M as a % of PPE	*9.2%*	*9.2%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*9.2%*	*9.3%*	*9.6%*
Renewal and R&M as a % of PPE	*16.7%*	*17.3%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*17.2%*	*16.1%*	*15.3%*

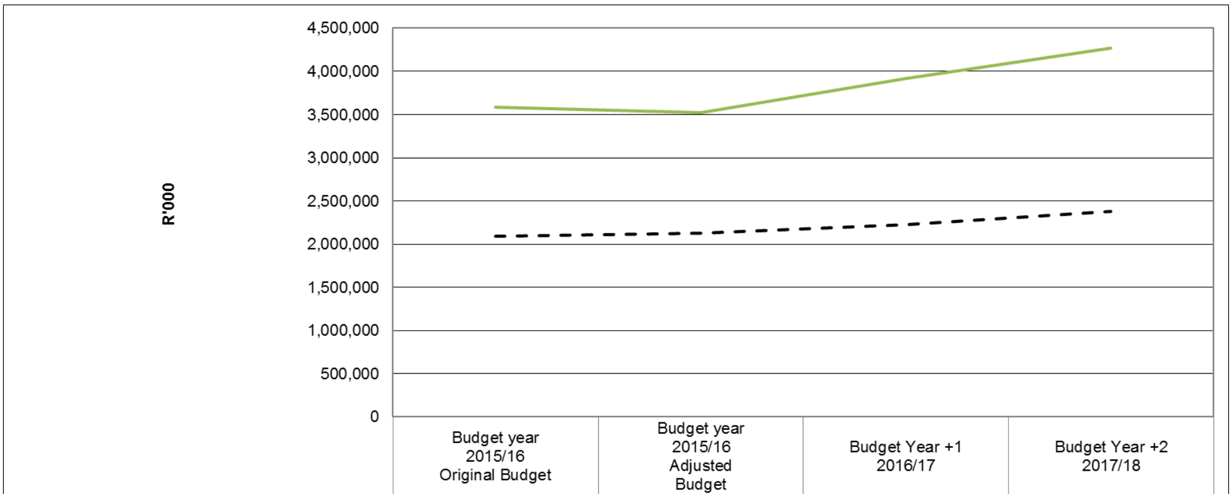
Explanatory notes to Table B9 – Asset Management

1. Table B9 provides an overview of municipal capital allocations for new assets and renewal of existing assets, as well as spending on repairs and maintenance by asset class.

2. At this stage spending on repairs and maintenance cannot be reflected by asset class due to the misalignment of the existing asset classes with the plant maintenance asset classes on the financial system. To ensure compliance the City will embark on an asset creation project which will be finalised over a couple of years.

3. The budgeted depreciation used is calculated on a cost centre level and not per asset type as the detail of asset types is not known at the time of calculation.

4. The following graph provides an analysis between depreciation and operational repairs and maintenance over the MTREF. It highlights the City's strategy to address the maintenance backlog.



	Budget year 2015/16 Original Budget	Budget year 2015/16 Adjusted Budget	Budget Year +1 2016/17	Budget Year +2 2017/18
Depreciation & asset impairment	2,089,827	2,127,123	2,227,876	2,383,827
Repairs and Maintenance by asset class	3,582,394	3,522,598	3,915,637	4,271,504

Figure 3 Depreciation in relation to Repairs & Maintenance over the MTREF

Table 12 MBRR Table B10 - Basic Service Delivery Measurement

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
	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
Household service targets											
Water:											
Piped water inside dwelling	978,170	978,170	0	0	0	0	0	–	978,170	988,643	998,693
Piped water inside yard (but not in dwelling)	–	–	0	0	0	0	0	–	–	–	–
Using public tap (at least min.service level)	156,755	156,755	0	0	0	0	0	–	156,755	158,433	160,044
Other water supply (at least min.service level)	0	0	0	0	0	0	0	–	–	–	–
Minimum Service Level and Above sub-total	1,134,925	1,134,925	–	–	–	–	–	–	1,134,925	1,147,076	1,158,737
Using public tap (< min.service level)	0	0	0	0	0	0	0	–	–	0	0
Other water supply (< min.service level)	0	0	0	0	0	0	0	–	–	0	0
No water supply	0	0	0	0	0	0	0	–	–	0	0
Below Minimum Servic Level sub-total	–	–	–	–	–	–	–	–	–	–	–
Total number of households	1,134,925	1,134,925	–	–	–	–	–	–	1,134,925	1,147,076	1,158,737
Sanitation/sewerage:											
Flush toilet (connected to sewerage)	1,044,323	1,044,323	0	0	0	0	0	–	1,044,323	1,050,398	1,056,229
Flush toilet (with septic tank)	–	–	0	0	0	0	0	–	–	–	–
Chemical toilet	29,955	29,955	0	0	0	0	0	–	29,955	29,955	29,955
Pit toilet (ventilated)	–	–	0	0	0	0	0	–	–	–	–
Other toilet provisions (> min.service level)	60,647	60,647	0	0	0	0	0	–	60,647	66,723	72,553
Minimum Service Level and Above sub-total	1,134,925	1,134,925	–	–	–	–	–	–	1,134,925	1,147,076	1,158,737
Bucket toilet	0	–	0	0	0	0	0	–	–	0	0
Other toilet provisions (< min.service level)	0	0	0	0	0	0	0	–	–	0	0
No toilet provisions	0	0	0	0	0	0	0	–	–	0	0
Below Minimum Servic Level sub-total	–	–	–	–	–	–	–	–	–	–	–
Total number of households	**1,134,925**	**1,134,925**	**–**	**–**	**–**	**–**	**–**	**–**	**1,134,925**	**1,147,076**	**1,158,737**
Energy:											
Electricity (at least min. service level)	821,119	821119	0	0	0	0	0	–	821,119	822,619	824,119
Electricity - prepaid (> min.service level)	0	0	0	0	0	0	0	–	–	0	0
Minimum Service Level and Above sub-total	821,119	821,119	–	–	–	–	–	–	821,119	822,619	824,119
Electricity (< min.service level)	32,341	32,341	0	0	0	0	0	–	32,341	30,841	29,341
Electricity - prepaid (< min. service level)	0	0	0	0	0	0	0	–	–	0	0
Other energy sources	0	0	0	0	0	0	0	–	–	0	0
Below Minimum Servic Level sub-total	32,341	32,341	–	–	–	–	–	–	32,341	30,841	29,341
Total number of households	853,460	853,460	–	–	–	–	–	–	853,460	853,460	853,460
Refuse:											
Removed at least once a week (min.service)	965,781	965,781	0	0	0	0	0	–	965,781	985097	1004799
Minimum Service Level and Above sub-total	965,781	965,781	–	–	–	–	–	–	965,781	985,097	1,004,799
Removed less frequently than once a week	0	0	0	0	0	0	0	–	–	0	0
Using communal refuse dump	0	0	0	0	0	0	0	–	–	0	0
Using own refuse dump	0	0	0	0	0	0	0	–	–	0	0
Other rubbish disposal	0	0	0	0	0	0	0	–	–	0	0
No rubbish disposal	0	0	0	0	0	0	0	–	–	0	0
Below Minimum Servic Level sub-total	–	–	–	–	–	–	–	–	–	–	–
Total number of households	**965,781**	**965,781**	**–**	**–**	**–**	**–**	**–**	**–**	**965,781**	**985,097**	**1,004,799**

Table continues on next page.

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
	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
Households receiving Free Basic Service											
Water (6 kilolitres per household per month)	1,134,925	1,134,925	0	0	0	0	0	–	1,134,925	1147076	1158737
Sanitation (free minimum level service)	1,134,925	1,134,925	0	0	0	0	0	–	1,134,925	1147076	1158737
Electricity/other energy (50kwh per household per month)	382,028	382,028	0	0	0	0	0	–	382,028	382,028	382028
Refuse (removed at least once a week)	445,882	445,882	0	0	0	0	0	–	445,882	454800	463896
Cost of Free Basic Services provided (R'000)											
Water (6 kilolitres per household per month)	730,125	730,125	–	–	–	–	–	–	730,125	818,543	917,669
Sanitation (free sanitation service)	605,330	585,728	–	–	–	–	–	–	585,728	667,129	735,722
Electricity/other energy (50kwh per household per month)	295,425	295,425	–	–	–	–	–	–	295,425	319,604	345,550
Refuse (removed once a week)	353,944	353,944	–	–	–	–	–	–	353,944	361,023	368,245
Total cost of FBS provided (minimum social package)	1,984,824	1,965,222	–	–	–	–	–	–	1,965,222	2,166,299	2,367,185
Highest level of free service provided											
Property rates (R'000 value threshold)	0	0	0	0	0	0	0	–	–	0	0
Water (kilolitres per household per month)	6	6	0	0	0	0	0	–	6	6	6
Sanitation (kilolitres per household per month)	4.2	4.2	0	0	0	0	0	–	4	4.2	4.2
Sanitation (Rand per household per month)	75.2	75.2	0	0	0	0	0	–	75	83.46	92.64
Electricity (kw per household per month)	60	60	0	0	0	0	0	–	60	60	60
Refuse (average litres per week)	240	240	0	0	0	0	0	–	240	240	240
Revenue cost of free services provided (R'000)											
Property rates (R15 000 threshold rebate)	69,874	71,874	–	–	–	–	–	–	71,874	74,646	80,581
Property rates (other exemptions, reductions and rebates)	1,178,248	1,219,248	–	–	–	–	–	–	1,219,248	1,258,722	1,358,791
Water	592,313	592,313	–	–	–	–	–	–	592,313	664,042	744,457
Sanitation	417,009	417,009	–	–	–	–	–	–	417,009	467,509	524,124
Electricity/other energy	151,688	151,688	–	–	–	–	–	–	151,688	160,790	170,437
Refuse	342,924	342,924	–	–	–	–	–	–	342,924	349,782	356,778
Municipal Housing - rental rebates	37,640	25,000	–	–	–	–	–	–	25,000	25,000	22,955
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–	–
Total revenue cost of free services provided (total social	**2,789,695**	**2,820,055**	**–**	**–**	**–**	**–**	**–**	**–**	**2,820,055**	**3,000,491**	**3,258,123**

- **The following should be noted in respect of the highest level of free services provided for electricity, water and sanitation:**

Electricity

- Average monthly consumptions up to 250 kWh per month receive the first 60 kWh free.
- Average monthly consumptions between 250 kWh and 450 kWh per month receive the first 25 kWh free.

Water

- Free basic 6 kiloliters per month for all.
- Additional “free” 4.5 kiloliters per month for indigent customers.

Sanitation

- Free basic 4.2 kiloliters per month for all.
- Additional ‘free’ 3.15 kiloliters per month for indigent customers.

Explanatory notes to Table B10 – Basic Service Delivery Measurement

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

2. The City is persistently striving to eradicate backlogs. The City's backlog status are as follows:
   a. Water services: Cape Town's population, both formal and informal settlements, receives potable water in accordance with the National minimum standards as required by the Water Services Act 108 (of 1997).
   b. Sanitation services: Cape Town's population, both formal and informal settlements, receives sanitation services in accordance with the National minimum standards.
   c. Electricity services: The electrification strategy is to reduce the backlog by 1 500 annually. The electricity backlog is expected to reduce from 32 341 in 2015/16 to 29 341 in 2017/18.
   d. Refuse services: This service does not have any backlogs.

3. Households receiving free basic services are expected to increase by an average of 1% over the 2015/16 MTREF.

4. The annual increase in households receiving free basic services consequently increases the cost for providing the services. The associated cost of providing the free basic services is projected to escalate from R1 965 million in 2015/16, R2 166 million in 2016/17 and R2 367 million in 2017/18. The City's cost of free basic services as a ratio of the City's Equitable Share allocation equals 109%, 106% and 105%, respectively, over the 2015/16 MTREF.

5. Adjustments to budget assumptions

The budget assumptions underpinning the 2015/16 budget do not require any adjustments at this stage. In this regard, primary variables such as CPI, collection ratios, interest levels and wage awards remain unchanged.

6. Adjustments to budget funding

a. Narrative summary of the impact of the adjustments budget on:

- **Funding of operating and capital expenditure**
  The Capital expenditure remains fully funded from both internal (i.e. EFF, CRR & Revenue) and external sources (National- and Provincial Government and other public contributions).
- **Financial plans**
  The financial plan will be revisited considering the longer term effects of the adjustments. The impacts flowing from the adjusted budget will be incorporated in the compilation of the 2016/17 MTREF to ensure affordability and sustainability.

b. Reconciliation showing that operating and capital expenditure remain funded in accordance with MFMA section 18

See Table **3** on page 5.

c. Adjustments related to allocations and grants to the municipality

Refer to paragraph 1.1.b Allocation and grant adjustments.

7. Adjustments to transfers and grants made by the City

No adjustments were made.

8. Adjustments to service delivery and budget implementation plan

No adjustments to be made.

9. Adjustments to capital expenditure

Full disclosure on adjustments to the Capital budget is provided in Annexure 2.2.

PART 2 - ADJUSTMENTS BUDGET: CONSOLIDATED TABLES

The consolidated tables of the City and its entity (Cape Town International Convention Centre) are presented on page 26 to page 32.

Table 13 MBRR Table B1 Consolidated Adjustments Budget – Statement Summary

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
Financial Performance											
Property rates	6,546,155	6,552,155	–	–	–	–	26,756	26,756	6,578,912	7,041,460	7,572,107
Service charges	17,002,759	17,126,145	–	–	–	–	(128,920)	(128,920)	16,997,225	18,926,732	21,079,474
Investment revenue	294,255	607,878	–	–	–	–	–	–	607,878	296,336	306,715
Transfers recognised - operational	3,579,752	4,106,009	–	–	–	–	0	–	4,106,009	3,658,622	3,972,647
Other own revenue	4,462,718	4,395,123	–	–	–	–	188	188	4,395,311	4,702,323	4,953,004
contributions)	**31,885,639**	**32,787,311**	**–**	**–**	**–**	**–**	**(101,977)**	**(101,977)**	**32,685,334**	**34,625,472**	**37,883,948**
Employee costs	9,900,936	9,980,872	–	–	–	–	150	150	9,981,022	10,795,468	11,691,846
Remuneration of councillors	140,184	140,184	–	–	–	–	–	–	140,184	149,292	158,843
Depreciation & asset impairment	2,119,616	2,156,913	–	–	–	–	–	–	2,156,913	2,259,402	2,416,077
Finance charges	971,133	762,538	–	–	–	–	–	–	762,538	1,090,167	1,222,662
Materials and bulk purchases	8,326,560	8,308,623	–	–	–	–	(296)	(296)	8,308,327	9,441,512	10,704,149
Transfers and grants	120,402	166,865	–	–	–	–	220	220	167,085	117,538	123,777
Other expenditure	10,708,617	11,396,343	–	–	–	–	(102,050)	(102,050)	11,294,293	11,202,392	11,976,678
Total Expenditure	**32,287,449**	**32,912,338**	**–**	**–**	**–**	**–**	**(101,977)**	**(101,977)**	**32,810,362**	**35,055,771**	**38,294,033**
Surplus/(Deficit)	(401,811)	(125,028)	–	–	–	–	(0)	(0)	(125,028)	(430,299)	(410,085)
Transfers recognised - capital	2,223,813	2,462,484	–	–	–	–	(15,690)	(15,690)	2,446,794	2,393,837	2,481,389
Contributions recognised - capital & contributed assets	53,761	68,734	–	–	–	–	–	–	68,734	99,000	103,100
Surplus/(Deficit) after capital transfers & contributions	**1,875,763**	**2,406,190**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,390,500**	**2,062,538**	**2,174,404**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**1,875,763**	**2,406,190**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,390,500**	**2,062,538**	**2,174,404**
Capital expenditure & funds sources											
Capital expenditure	6,539,304	6,645,328	–	–	–	(15,690)	–	(15,690)	6,629,638	6,201,747	5,273,084
Transfers recognised - capital	2,223,813	2,462,825	–	–	–	(15,690)	–	(15,690)	2,447,135	2,369,206	2,316,861
Public contributions & donations	53,761	68,392	–	–	–	–	–	–	68,392	98,000	103,100
Borrowing	2,579,264	2,529,240	–	–	–	–	–	–	2,529,240	2,543,819	2,295,650
Internally generated funds	1,682,466	1,584,871	–	–	–	–	–	–	1,584,871	1,190,721	557,474
Total sources of capital funds	**6,539,304**	**6,645,328**	**–**	**–**	**–**	**(15,690)**	**–**	**(15,690)**	**6,629,638**	**6,201,747**	**5,273,084**
Financial position											
Total current assets	9,458,502	8,604,896	–	–	–	–	265,242	265,242	8,870,137	9,619,167	10,253,055
Total non current assets	43,112,271	42,771,529	–	–	–	–	(37,489)	(37,489)	42,734,040	46,254,260	49,065,226
Total current liabilities	8,883,546	8,180,635	–	–	–	–	243,441	243,441	8,424,076	8,502,637	8,871,725
Total non current liabilities	14,394,044	12,010,093	–	–	–	–	1	1	12,010,094	14,064,535	14,965,897
Community wealth/Equity	**29,293,183**	**31,185,697**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**31,170,007**	**33,306,256**	**35,480,660**
Cash flows											
Net cash from (used) operating	4,229,326	4,471,221	–	–	–	–	(7,448)	(7,448)	4,463,773	4,560,569	5,239,644
Net cash from (used) investing	(6,541,942)	(6,664,529)	–	–	–	–	14,502	14,502	(6,650,027)	(6,109,838)	(5,360,123)
Net cash from (used) financing	1,710,001	(206,665)	–	–	–	–	(13,498)	(13,498)	(220,163)	2,028,734	587,024
Cash/cash equivalents at the year end	**2,332,986**	**1,353,807**	**–**	**–**	**–**	**–**	**(6,445)**	**(6,445)**	**1,347,362**	**1,826,828**	**2,293,373**
Cash backing/surplus reconciliation											
Cash and investments available	7,123,047	6,395,962	–	–	–	–	(6,445)	(6,445)	6,389,517	6,662,691	7,129,237
Application of cash and investments	5,693,485	4,615,364	–	–	–	–	149,982	149,982	4,765,346	4,404,902	4,966,580
Balance - surplus (shortfall)	**1,429,562**	**1,780,598**	**–**	**–**	**–**	**–**	**(156,427)**	**(156,427)**	**1,624,171**	**2,257,789**	**2,162,657**
Asset Management											
Asset register summary (WDV)	38,924,165	38,460,353	–	–	–	–	(14,906)	(14,906)	38,445,447	41,947,315	44,538,981
Depreciation & asset impairment	2,119,616	2,156,913	–	–	–	–	–	–	2,156,913	2,259,402	2,416,077
Renewal of Existing Assets	2,926,237	3,112,324	–	–	–	(15,690)	420	(15,271)	3,097,054	2,847,553	2,548,264
Repairs and Maintenance	3,590,436	3,563,143	–	–	–	–	(32,503)	(32,503)	3,530,639	3,915,637	4,271,504
Free services											
Cost of Free Basic Services provided	1,631,234	1,611,632	–	–	–	–	–	–	1,611,632	2,166,299	2,367,185
Revenue cost of free services provided	2,789,695	2,820,055	–	–	–	–	–	–	2,820,055	3,000,491	3,258,123
Households below minimum service level	–	–	–	–	–	–	–	–	–	–	–
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	32	32	–	–	–	–	–	–	32	31	29
Refuse:	–	–	–	–	–	–	–	–	–	–	–

Table 14 MBRR Table B2 Consolidated Adjustments Budget - Financial Performance (standard classification)

Standard Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
Revenue - Standard											
Governance and administration	**11,423,542**	**11,789,900**	**–**	**–**	**–**	**–**	**–**	**–**	**11,789,900**	**12,293,837**	**13,201,449**
Executive and council	294,405	341,115	–	–	–	–	(26,756)	(26,756)	314,359	314,639	336,438
Budget and treasury office	10,863,581	11,171,444	–	–	–	–	26,756	26,756	11,198,200	11,690,382	12,553,948
Corporate services	265,556	277,341	–	–	–	–	–	–	277,341	288,816	311,062
Community and public safety	**3,102,900**	**3,430,850**	**–**	**–**	**–**	**–**	**79,233**	**79,233**	**3,510,084**	**2,918,318**	**3,014,722**
Community and social services	101,689	117,265	–	–	–	–	1,340	1,340	118,606	89,024	80,980
Sport and recreation	111,802	104,727	–	–	–	–	(1,340)	(1,340)	103,387	110,698	107,302
Public safety	1,071,703	1,122,533	–	–	–	–	(140)	(140)	1,122,393	1,086,762	1,147,168
Housing	1,536,028	1,808,136	–	–	–	–	79,373	79,373	1,887,509	1,365,829	1,379,194
Health	281,679	278,189	–	–	–	–	–	–	278,189	266,005	300,078
Economic and environmental services	**2,068,429**	**2,494,740**	**–**	**–**	**–**	**–**	**(198,400)**	**(198,400)**	**2,296,339**	**2,218,671**	**2,281,122**
Planning and development	295,963	377,316	–	–	–	–	(96,236)	(96,236)	281,080	375,836	380,350
Road transport	1,766,123	2,109,267	–	–	–	–	(102,164)	(102,164)	2,007,102	1,836,252	1,898,505
Environmental protection	6,343	8,157	–	–	–	–	–	–	8,157	6,583	2,267
Trading services	**17,350,212**	**17,379,866**	**–**	**–**	**–**	**–**	**1,500**	**1,500**	**17,381,366**	**19,429,759**	**21,688,595**
Electricity	11,421,475	11,435,329	–	–	–	–	1,500	1,500	11,436,829	12,843,819	14,366,314
Water	2,922,748	2,931,902	–	–	–	–	–	–	2,931,902	3,234,246	3,645,501
Waste water management	1,894,642	1,902,652	–	–	–	–	–	–	1,902,652	2,152,304	2,394,218
Waste management	1,111,347	1,109,983	–	–	–	–	–	–	1,109,983	1,199,390	1,282,562
Other	**218,129**	**223,173**	**–**	**–**	**–**	**–**	**–**	**–**	**223,173**	**257,724**	**282,549**
Total Revenue - Standard	**34,163,213**	**35,318,528**	**–**	**–**	**–**	**–**	**(117,667)**	**(117,667)**	**35,200,862**	**37,118,309**	**40,468,437**
Expenditure - Standard											
Governance and administration	**6,043,012**	**5,879,319**	**–**	**–**	**–**	**–**	**(19,353)**	**(19,353)**	**5,859,967**	**6,343,581**	**6,843,881**
Executive and council	1,047,793	1,021,643	–	–	–	–	(19,353)	(19,353)	1,002,291	1,039,529	1,118,617
Budget and treasury office	2,713,212	2,529,074	–	–	–	–	(400)	(400)	2,528,674	2,884,721	3,133,084
Corporate services	2,282,007	2,328,602	–	–	–	–	400	400	2,329,002	2,419,331	2,592,180
Community and public safety	**7,094,791**	**7,578,557**	**–**	**–**	**–**	**–**	**75,568**	**75,568**	**7,654,125**	**7,451,922**	**7,975,863**
Community and social services	566,317	589,926	–	–	–	–	–	–	589,926	612,168	660,799
Sport and recreation	1,467,195	1,433,803	–	–	–	–	–	–	1,433,803	1,536,565	1,637,081
Public safety	2,503,345	2,572,141	–	–	–	–	19,353	19,353	2,591,493	2,656,387	2,847,213
Housing	1,626,880	2,063,539	–	–	–	–	56,215	56,215	2,119,755	1,655,179	1,763,528
Health	931,054	919,148	–	–	–	–	–	–	919,148	991,624	1,067,241
Economic and environmental services	**3,503,807**	**3,819,459**	**–**	**–**	**–**	**–**	**(159,692)**	**(159,692)**	**3,659,766**	**3,840,988**	**4,098,913**
Planning and development	756,326	856,305	–	–	–	–	(57,528)	(57,528)	798,777	933,916	991,500
Road transport	2,641,172	2,843,626	–	–	–	–	(102,164)	(102,164)	2,741,462	2,807,232	3,002,405
Environmental protection	106,309	119,528	–	–	–	–	–	–	119,528	99,840	105,007
Trading services	**15,385,492**	**15,375,413**	**–**	**–**	**–**	**–**	**1,500**	**1,500**	**15,376,913**	**17,070,152**	**19,006,835**
Electricity	9,441,323	9,415,789	–	–	–	–	1,500	1,500	9,417,289	10,628,827	11,990,437
Water	2,464,347	2,494,663	–	–	–	–	–	–	2,494,663	2,705,727	2,950,467
Waste water management	1,507,947	1,506,381	–	–	–	–	–	–	1,506,381	1,622,621	1,835,114
Waste management	1,971,875	1,958,579	–	–	–	–	–	–	1,958,579	2,112,978	2,230,817
Other	**265,486**	**266,332**	**–**	**–**	**–**	**–**	**–**	**–**	**266,332**	**349,129**	**368,541**
Total Expenditure - Standard	**32,292,588**	**32,919,080**	**–**	**–**	**–**	**–**	**(101,977)**	**(101,977)**	**32,817,103**	**35,055,771**	**38,294,033**
Surplus/ (Deficit) for the year	**1,870,624**	**2,399,449**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,383,759**	**2,062,538**	**2,174,404**

Table 15 Table B3 Consolidated Adjustments Budget - Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
Revenue by Vote											
Vote 1 - City Health	539,593	538,466	–	–	–	–	–	–	538,466	544,567	598,108
Vote 2 - City Manager	1,348	73,264	–	–	–	–	(71,715)	(71,715)	1,548	51	54
Vote 3 - Community Services	167,052	203,918	–	–	–	–	–	–	203,918	180,779	168,389
Vote 4 - Corporate Services & Compliance	84,568	96,681	–	–	–	–	–	–	96,681	81,549	109,547
Vote 5 - Energy, Environmental & Spatial Planning	148,659	156,291	–	–	–	–	(24,708)	(24,708)	131,583	220,743	212,210
Vote 6 - Finance	768,694	1,080,114	–	–	–	–	188	188	1,080,302	826,983	854,655
Vote 7 - Human Settlements	1,536,021	1,808,130	–	–	–	–	79,373	79,373	1,887,502	1,365,822	1,379,186
Vote 8 - Rates & Other	10,426,245	10,426,245	–	–	–	–	26,756	26,756	10,453,001	11,229,303	12,068,008
Vote 9 - Safety & Security	1,080,472	1,125,169	–	–	–	–	(140)	(140)	1,125,029	1,101,061	1,164,330
Vote 10 - Social Dev & Early Childhood Development	526	641	–	–	–	–	–	–	641	132	139
Vote 11 - Tourism, Events & Economic Development	55,086	53,586	–	–	–	–	(26,756)	(26,756)	26,830	25,429	26,728
Vote 12 - Transport for Cape Town	1,760,594	2,128,225	–	–	–	–	(102,164)	(102,164)	2,026,061	1,829,342	1,891,577
Vote 13 - Utility Services	17,378,799	17,405,698	–	–	–	–	1,500	1,500	17,407,198	19,454,899	21,713,036
Vote 14 - Municipal Entity - CTICC	215,558	222,101	–	–	–	–	–	–	222,101	257,649	282,469
Total Revenue by Vote	**34,163,213**	**35,318,528**	**–**	**–**	**–**	**–**	**(117,667)**	**(117,667)**	**35,200,862**	**37,118,309**	**40,468,437**
Expenditure by Vote											
Vote 1 - City Health	996,804	989,354	–	–	–	–	–	–	989,354	1,055,514	1,136,050
Vote 2 - City Manager	210,825	288,793	–	–	–	–	(57,715)	(57,715)	231,078	221,460	235,886
Vote 3 - Community Services	1,687,957	1,682,059	–	–	–	–	–	–	1,682,059	1,813,036	1,941,072
Vote 4 - Corporate Services & Compliance	2,376,443	2,410,852	–	–	–	–	–	–	2,410,852	2,528,982	2,712,622
Vote 5 - Energy, Environmental & Spatial Planning	552,947	568,156	–	–	–	–	–	–	568,156	584,916	620,684
Vote 6 - Finance	2,213,600	2,020,516	–	–	–	–	188	188	2,020,703	2,403,056	2,630,687
Vote 7 - Human Settlements	1,586,986	2,023,814	–	–	–	–	56,215	56,215	2,080,029	1,613,060	1,718,035
Vote 8 - Rates & Other	962,510	971,832	–	–	–	–	–	–	971,832	955,504	1,006,877
Vote 9 - Safety & Security	2,607,501	2,665,517	–	–	–	–	–	–	2,665,517	2,750,702	2,951,701
Vote 10 - Social Dev & Early Childhood Development	183,805	183,459	–	–	–	–	–	–	183,459	275,984	293,788
Vote 11 - Tourism, Events & Economic Development	569,288	574,889	–	–	–	–	–	–	574,889	573,618	609,616
Vote 12 - Transport for Cape Town	2,718,462	2,921,475	–	–	–	–	(102,164)	(102,164)	2,819,310	2,871,816	3,071,247
Vote 13 - Utility Services	15,423,118	15,413,598	–	–	–	–	1,500	1,500	15,415,098	17,124,017	19,066,270
Vote 14 - Municipal Entity - CTICC	202,343	204,767	–	–	–	–	–	–	204,767	284,106	299,498
Total Expenditure by Vote	**32,292,588**	**32,919,080**	**–**	**–**	**–**	**–**	**(101,977)**	**(101,977)**	**32,817,103**	**35,055,771**	**38,294,033**
Surplus/ (Deficit) for the year	**1,870,624**	**2,399,449**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,383,759**	**2,062,538**	**2,174,404**

Table 16 Table B4 Consolidated Adjustments Budget - Financial Performance (revenue and expenditure)

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
Revenue By Source											
Property rates	6,546,155	6,552,155	–	–	–	–	26,756	26,756	6,578,912	7,041,460	7,572,107
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	11,127,619	11,127,619	–	–	–	–	–	–	11,127,619	12,472,296	13,968,971
Service charges - water revenue	2,745,181	2,745,181	–	–	–	–	–	–	2,745,181	3,044,560	3,376,714
Service charges - sanitation revenue	1,470,947	1,470,947	–	–	–	–	–	–	1,470,947	1,632,751	1,812,354
Service charges - refuse revenue	1,097,246	1,097,054	–	–	–	–	–	–	1,097,054	1,184,461	1,266,767
Service charges - other	561,765	685,344	–	–	–	–	(128,920)	(128,920)	556,423	592,664	654,668
Rental of facilities and equipment	437,014	457,557	–	–	–	–	–	–	457,557	490,663	522,283
Interest earned - external investments	294,255	607,878	–	–	–	–	–	–	607,878	296,336	306,715
Interest earned - outstanding debtors	233,996	231,266	–	–	–	–	–	–	231,266	248,181	264,275
Dividends received	–	–	–	–	–	–	–	–	–	–	–
Fines	977,210	996,923	–	–	–	–	0	–	996,923	1,022,151	1,087,348
Licences and permits	43,028	29,444	–	–	–	–	–	–	29,444	45,395	47,846
Agency services	153,993	153,993	–	–	–	–	0	–	153,993	162,463	171,236
Transfers recognised - operating	3,579,752	4,106,009	–	–	–	–	0	–	4,106,009	3,658,622	3,972,647
Other revenue	2,542,807	2,451,272	–	–	–	–	188	188	2,451,460	2,637,804	2,775,656
Gains on disposal of PPE	74,669	74,669	–	–	–	–	–	–	74,669	95,666	84,361
Total Revenue (excluding capital transfers and contributions)	**31,885,639**	**32,787,311**	**–**	**–**	**–**	**–**	**(101,977)**	**(101,977)**	**32,685,334**	**34,625,472**	**37,883,948**
Expenditure By Type											
Employee related costs	9,900,936	9,980,872	–	–	–	–	150	150	9,981,022	10,795,468	11,691,846
Remuneration of councillors	140,184	140,184	–	–	–	–	–	–	140,184	149,292	158,843
Debt impairment	1,798,371	1,798,493	–	–	–	–	6	6	1,798,499	1,934,804	2,068,185
Depreciation & asset impairment	2,119,616	2,156,913	–	–	–	–	–	–	2,156,913	2,259,402	2,416,077
Finance charges	971,133	762,538	–	–	–	–	–	–	762,538	1,090,167	1,222,662
Bulk purchases	7,967,555	7,959,015	–	–	–	–	–	–	7,959,015	9,051,585	10,285,261
Other materials	359,005	349,608	–	–	–	–	(296)	(296)	349,312	389,927	418,889
Contracted services	4,818,153	4,654,643	–	–	–	–	(31,703)	(31,703)	4,622,941	4,940,399	5,276,534
Transfers and grants	120,402	166,865	–	–	–	–	220	220	167,085	117,538	123,777
Other expenditure	4,092,093	4,943,207	–	–	–	–	(70,353)	(70,353)	4,872,853	4,327,189	4,631,960
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	**32,287,449**	**32,912,338**	**–**	**–**	**–**	**–**	**(101,977)**	**(101,977)**	**32,810,362**	**35,055,771**	**38,294,033**
Surplus/(Deficit)	**(401,811)**	**(125,028)**	**–**	**–**	**–**	**–**	**(0)**	**(0)**	**(125,028)**	**(430,299)**	**(410,085)**
Transfers recognised - capital	2,223,813	2,462,484	–	–	–	–	(15,690)	(15,690)	2,446,794	2,393,837	2,481,389
Contributions recognised - capital	53,761	68,734	–	–	–	–	0	–	68,734	99,000	103,100
Contributed assets	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation	**1,875,763**	**2,406,190**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,390,500**	**2,062,538**	**2,174,404**
Taxation	5,139	6,741	–	–	–	–	–	–	6,741	–	–
Surplus/(Deficit) after taxation	**1,870,624**	**2,399,449**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,383,759**	**2,062,538**	**2,174,404**
Attributable to minorities	(3,976)	(5,216)	–	–	–	–	–	–	(5,216)	(7,744)	(5,124)
Surplus/(Deficit) attributable to municipality	**1,866,648**	**2,394,233**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,378,543**	**2,054,794**	**2,169,280**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**1,866,648**	**2,394,233**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**2,378,543**	**2,054,794**	**2,169,280**

Table 17 Table B5 Consolidated Adjustments Capital Expenditure - Budget by vote and funding

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
Capital expenditure - Vote											
Multi-year expenditure to be adjusted											
Vote 1 - City Health	15,673	21,288	–	–	–	–	–	–	21,288	24,980	39,566
Vote 2 - City Manager	14,954	33,274	–	–	–	–	(14,000)	(14,000)	19,274	954	934
Vote 3 - Community Services	160,331	221,715	–	–	–	–	–	–	221,715	147,009	142,148
Vote 4 - Corporate Services & Compliance	425,013	463,779	–	–	–	–	–	–	463,779	352,633	333,273
Vote 5 - Energy, Environmental & Spatial Planning	80,064	79,859	–	–	–	(15,690)	–	(15,690)	64,169	115,637	107,557
Vote 6 - Finance	141,379	40,186	–	–	–	–	–	–	40,186	128,165	8,681
Vote 7 - Human Settlements	420,835	416,993	–	–	–	–	14,000	14,000	430,993	366,691	310,137
Vote 8 - Rates & Other	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Safety & Security	105,163	149,957	–	–	–	–	–	–	149,957	70,789	60,127
Vote 10 - Social Dev & Early Childhood Development	11,971	15,760	–	–	–	–	–	–	15,760	12,860	10,860
Vote 11 - Tourism, Events & Economic Development	41,098	41,403	–	–	–	–	–	–	41,403	34,450	33,750
Vote 12 - Transport for Cape Town	1,399,805	1,651,077	–	–	–	–	–	–	1,651,077	1,520,370	1,346,942
Vote 13 - Utility Services	3,227,699	3,009,494	–	–	–	–	–	–	3,009,494	3,256,771	2,843,383
Vote 14 - Municipal Entity - CTICC	495,319	500,544	–	–	–	–	–	–	500,544	170,438	35,724
Total Capital Expenditure - Vote	**6,539,304**	**6,645,328**	**–**	**–**	**–**	**(15,690)**	**–**	**(15,690)**	**6,629,638**	**6,201,747**	**5,273,084**
Capital Expenditure - Standard											
Governance and administration	**587,509**	**538,775**	**–**	**–**	**–**	**–**	**118**	**118**	**538,893**	**502,215**	**363,251**
Executive and council	21,193	48,674	–	–	–	–	345	345	49,020	54,272	51,845
Budget and treasury office	14,495	15,750	–	–	–	–	–	–	15,750	12,882	8,382
Corporate services	551,820	474,351	–	–	–	–	(227)	(227)	474,123	435,061	303,025
Community and public safety	**799,473**	**884,511**	**–**	**–**	**–**	**–**	**13,882**	**13,882**	**898,393**	**691,172**	**640,982**
Community and social services	69,196	99,172	–	–	–	–	1,340	1,340	100,512	54,831	49,842
Sport and recreation	124,613	156,586	–	–	–	–	(1,301)	(1,301)	155,285	115,428	121,456
Public safety	169,157	190,190	–	–	–	–	(158)	(158)	190,032	130,744	121,481
Housing	420,904	417,347	–	–	–	–	14,000	14,000	431,347	366,760	310,206
Health	15,603	21,218	–	–	–	–	–	–	21,218	23,410	37,996
Economic and environmental services	**1,502,183**	**1,782,926**	**–**	**–**	**–**	**(15,690)**	**(14,000)**	**(29,690)**	**1,753,235**	**1,650,991**	**1,460,783**
Planning and development	83,570	90,211	–	–	–	(15,690)	(14,000)	(29,690)	60,521	106,465	93,736
Road transport	1,408,046	1,675,510	–	–	–	–	–	–	1,675,510	1,529,011	1,355,583
Environmental protection	10,567	17,204	–	–	–	–	–	–	17,204	15,516	11,465
Trading services	**3,154,319**	**2,938,072**	**–**	**–**	**–**	**–**	**–**	**–**	**2,938,072**	**3,186,931**	**2,772,343**
Electricity	1,343,939	1,122,474	–	–	–	–	–	–	1,122,474	1,339,116	996,799
Water	786,494	853,749	–	–	–	–	–	–	853,749	693,512	720,550
Waste water management	726,171	691,744	–	–	–	–	–	–	691,744	834,555	857,988
Waste management	297,715	270,105	–	–	–	–	–	–	270,105	319,748	197,006
Other	495,819	501,044	–	–	–	–	–	–	501,044	170,438	35,724
Total Capital Expenditure - Standard	**6,539,304**	**6,645,328**	**–**	**–**	**–**	**(15,690)**	**–**	**(15,690)**	**6,629,638**	**6,201,747**	**5,273,084**
Funded by:											
National Government	2,137,367	2,282,270	–	–	–	(15,690)	–	(15,690)	2,266,580	2,323,242	2,299,570
Provincial Government	86,446	180,214	–	–	–	–	–	–	180,214	45,964	17,290
District Municipality	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	341	–	–	–	–	–	–	341	–	–
Total Capital transfers recognised	**2,223,813**	**2,462,825**	**–**	**–**	**–**	**(15,690)**	**–**	**(15,690)**	**2,447,135**	**2,369,206**	**2,316,861**
Public contributions & donations	53,761	68,392	–	–	–	–	–	–	68,392	98,000	103,100
Borrowing	2,579,264	2,529,240	–	–	–	–	–	–	2,529,240	2,543,819	2,295,650
Internally generated funds	1,682,466	1,584,871	–	–	–	–	–	–	1,584,871	1,190,721	557,474
Total Capital Funding	**6,539,304**	**6,645,328**	**–**	**–**	**–**	**(15,690)**	**–**	**(15,690)**	**6,629,638**	**6,201,747**	**5,273,084**

Table 18 Table B6 Consolidated Adjustments Budget Statement – Financial Position

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
ASSETS											
Current assets											
Cash	–	–	–	–	–	–	–	–	–	–	–
Call investment deposits	3,865,399	2,913,801	–	–	–	–	(6,445)	(6,445)	2,907,356	3,297,511	3,545,149
Consumer debtors	4,740,731	4,849,763	–	–	–	–	–	–	4,849,763	5,097,943	5,362,219
Other debtors	519,686	508,838	–	–	–	–	273,001	273,001	781,838	860,281	946,863
Current portion of long-term receivables	19,470	19,470	–	–	–	–	1,360	1,360	20,830	21,871	22,965
Inventory	313,217	313,024	–	–	–	–	(2,674)	(2,674)	310,350	341,561	375,860
Total current assets	**9,458,502**	**8,604,896**	**–**	**–**	**–**	**–**	**265,242**	**265,242**	**8,870,137**	**9,619,167**	**10,253,055**
Non current assets											
Long-term receivables	94,142	94,146	–	–	–	–	(22,584)	(22,584)	71,562	67,985	64,586
Investments	3,257,649	3,482,161	–	–	–	–	–	–	3,482,161	3,365,180	3,584,088
Investment property	–	–	–	–	–	–	–	–	–	–	–
Investment in Associate	–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	39,760,480	39,195,222	–	–	–	–	(14,906)	(14,906)	39,180,317	42,821,096	45,416,553
Agricultural	–	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–	–	–
Total non current assets	**43,112,271**	**42,771,529**	**–**	**–**	**–**	**–**	**(37,489)**	**(37,489)**	**42,734,040**	**46,254,260**	**49,065,226**
TOTAL ASSETS	**52,570,773**	**51,376,425**	**–**	**–**	**–**	**–**	**227,752**	**227,752**	**51,604,177**	**55,873,427**	**59,318,282**
LIABILITIES											
Current liabilities											
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
Borrowing	498,690	474,099	–	–	–	–	1	1	474,100	481,360	476,948
Consumer deposits	459,542	483,061	–	–	–	–	(148,479)	(148,479)	334,582	370,367	412,391
Trade and other payables	6,946,451	6,109,209	–	–	–	–	377,597	377,597	6,486,806	6,409,521	6,616,923
Provisions	978,863	1,114,266	–	–	–	–	14,322	14,322	1,128,588	1,241,388	1,365,464
Total current liabilities	**8,883,546**	**8,180,635**	**–**	**–**	**–**	**–**	**243,441**	**243,441**	**8,424,076**	**8,502,637**	**8,871,725**
Non current liabilities											
Borrowing	8,032,745	6,032,744	–	–	–	–	1	1	6,032,745	7,788,287	8,361,524
Provisions	6,361,299	5,977,349	–	–	–	–	–	–	5,977,349	6,276,248	6,604,373
Total non current liabilities	**14,394,044**	**12,010,093**	**–**	**–**	**–**	**–**	**1**	**1**	**12,010,094**	**14,064,535**	**14,965,897**
TOTAL LIABILITIES	**23,277,590**	**20,190,728**	**–**	**–**	**–**	**–**	**243,442**	**243,442**	**20,434,170**	**22,567,172**	**23,837,622**
NET ASSETS	**29,293,183**	**31,185,697**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**31,170,007**	**33,306,256**	**35,480,660**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	27,128,197	28,648,062	–	–	–	–	(15,690)	(15,690)	28,632,372	30,744,513	32,694,242
Reserves	1,847,464	2,294,593	–	–	–	–	–	–	2,294,593	2,251,112	2,480,772
Minorities' interests	317,522	243,042	–	–	–	–	–	–	243,042	310,631	305,647
TOTAL COMMUNITY WEALTH/EQUITY	**29,293,183**	**31,185,697**	**–**	**–**	**–**	**–**	**(15,690)**	**(15,690)**	**31,170,007**	**33,306,256**	**35,480,660**

Table 19 Table B7 Consolidated Adjustments Budget Statement – Cash Flow

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges	6,632,101	6,660,417	–	–	–	–	28,403	28,403	6,688,820	7,193,536	7,735,739
Service charges	15,773,011	15,909,835	–	–	–	–	(123,979)	(123,979)	15,785,856	17,602,542	19,671,102
Other revenue	3,107,198	3,022,178	–	–	–	–	1,835	1,835	3,024,013	3,207,815	3,362,815
Government - operating	3,579,752	4,106,009	–	–	–	–	–	–	4,106,009	3,658,622	3,972,647
Government - capital	2,277,574	2,531,218	–	–	–	–	(15,690)	(15,690)	2,515,528	2,467,206	2,419,961
Interest	464,676	607,890	–	–	–	–	–	–	607,890	258,427	790,260
Dividends	–	–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees	(26,717,606)	(27,663,247)	–	–	–	–	101,982	101,982	(27,561,265)	(29,015,461)	(31,789,553)
Finance charges	(887,380)	(703,079)	–	–	–	–	–	–	(703,079)	(812,118)	(923,327)
Transfers and Grants	–	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**4,229,326**	**4,471,221**	**–**	**–**	**–**	**–**	**(7,448)**	**(7,448)**	**4,463,773**	**4,560,569**	**5,239,644**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE	74,669	74,669	–	–	–	–	–	–	74,669	95,666	84,361
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	4,955	4,955	–	–	–	–	(1,189)	(1,189)	3,766	3,578	3,399
Decrease (increase) in non-current investments	(170,422)	(186,352)	–	–	–	–	–	–	(186,352)	(89,310)	(218,908)
Payments											
Capital assets	(6,451,145)	(6,557,801)	–	–	–	–	15,690	15,690	(6,542,111)	(6,119,772)	(5,228,975)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(6,541,942)**	**(6,664,529)**	**–**	**–**	**–**	**–**	**14,502**	**14,502**	**(6,650,027)**	**(6,109,838)**	**(5,360,123)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	2,038,209	38,209	–	–	–	–	–	–	38,209	2,480,001	1,000,000
Increase (decrease) in consumer deposits	40,724	40,724	–	–	–	–	(13,498)	(13,498)	27,226	29,948	32,943
Payments											
Repayment of borrowing	(368,931)	(285,598)	–	–	–	–	–	–	(285,598)	(481,216)	(445,919)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**1,710,001**	**(206,665)**	**–**	**–**	**–**	**–**	**(13,498)**	**(13,498)**	**(220,163)**	**2,028,734**	**587,024**
NET INCREASE/ (DECREASE) IN CASH HELD	**(602,614)**	**(2,399,973)**	**–**	**–**	**–**	**–**	**(6,445)**	**(6,445)**	**(2,406,418)**	**479,465**	**466,545**
Cash/cash equivalents at the year begin:	2,935,601	3,753,780	–	–	–	–	–	–	3,753,780	1,347,362	1,826,828
Cash/cash equivalents at the year end:	2,332,986	1,353,807	–	–	–	–	(6,445)	(6,445)	1,347,362	1,826,828	2,293,373

Table 20 Table B8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
Cash and investments available											
Cash/cash equivalents at the year end	2,332,986	1,353,807	–	–	–	–	(6,445)	(6,445)	1,347,362	1,826,828	2,293,373
Other current investments > 90 days	1,532,412	1,559,995	–	–	–	–	(0)	(0)	1,559,994	1,470,684	1,251,777
Non current assets - Investments	3,257,649	3,482,161	–	–	–	–	–	–	3,482,161	3,365,180	3,584,088
Cash and investments available:	**7,123,047**	**6,395,962**	**–**	**–**	**–**	**–**	**(6,445)**	**(6,445)**	**6,389,517**	**6,662,691**	**7,129,237**
Applications of cash and investments											
Unspent conditional transfers	1,640,961	1,640,960	–	–	–	–	–	–	1,640,960	1,763,203	1,672,544
Unspent borrowing	–	–	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	324,385	(607,136)	–	–	–	–	149,982	149,982	(457,154)	(967,765)	(1,005,617)
Other provisions	–	–	–	–	–	–	–	–	–	–	–
Long term investments committed	2,045,502	2,045,502	–	–	–	–	–	–	2,045,502	2,014,640	2,353,720
Reserves to be backed by cash/investments	1,682,637	1,536,038	–	–	–	–	–	–	1,536,038	1,594,824	1,945,933
Total Application of cash and investments:	**5,693,485**	**4,615,364**	**–**	**–**	**–**	**–**	**149,982**	**149,982**	**4,765,346**	**4,404,902**	**4,966,580**
Surplus(shortfall)	**1,429,562**	**1,780,598**	**–**	**–**	**–**	**–**	**(156,427)**	**(156,427)**	**1,624,171**	**2,257,789**	**2,162,657**

Table 21 Table B9 Consolidated Asset Management

Description	Budget Year 2015/16									Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	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
CAPITAL EXPENDITURE											
Total New Assets to be adjusted	**3,613,067**	**3,533,004**	**–**	**–**	**–**	**–**	**(420)**	**(420)**	**3,532,584**	**3,354,194**	**2,724,820**
Infrastructure - Road transport	835,679	704,974	–	–	–	–	(4,200)	(4,200)	700,774	988,899	939,775
Infrastructure - Electricity	582,928	499,143	–	–	–	–	–	–	499,143	582,515	425,128
Infrastructure - Water	273,745	213,667	–	–	–	–	2,100	2,100	215,767	329,935	319,087
Infrastructure - Sanitation	239,084	224,328	–	–	–	–	2,100	2,100	226,428	267,441	264,596
Infrastructure - Other	410,918	324,101	–	–	–	–	–	–	324,101	320,989	299,464
Infrastructure	2,342,353	1,966,214	–	–	–	–	–	–	1,966,214	2,489,778	2,248,051
Community	80,812	119,654	–	–	–	–	–	–	119,654	101,118	79,164
Heritage assets	–	–	–	–	–	–	–	–	–	–	–
Inv estment properties	–	–	–	–	–	–	–	–	–	–	–
Other assets	1,189,902	1,446,136	–	–	–	–	(420)	(420)	1,445,717	763,297	397,606
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	–	1,000	–	–	–	–	–	–	1,000	–	–
Total Renewal of Existing Assets to be adjusted	**2,926,237**	**3,112,324**	**–**	**–**	**–**	**(15,690)**	**420**	**(15,271)**	**3,097,054**	**2,847,553**	**2,548,264**
Infrastructure - Road transport	438,645	624,157	–	–	–	–	–	–	624,157	416,661	264,679
Infrastructure - Electricity	643,732	479,229	–	–	–	–	–	–	479,229	634,035	566,086
Infrastructure - Water	267,000	324,949	–	–	–	–	–	–	324,949	265,582	334,549
Infrastructure - Sanitation	511,703	485,240	–	–	–	–	–	–	485,240	587,729	626,799
Infrastructure - Other	167,432	216,290	–	–	–	–	–	–	216,290	110,950	179,400
Infrastructure	2,028,511	2,129,865	–	–	–	–	–	–	2,129,865	2,014,957	1,971,513
Community	212,296	332,716	–	–	–	–	690	690	333,406	153,089	175,517
Heritage assets	29,140	6,377	–	–	–	–	–	–	6,377	35,208	2,230
Inv estment properties	–	–	–	–	–	–	–	–	–	–	–
Other assets	656,289	643,366	–	–	–	(15,690)	(270)	(15,960)	627,406	644,300	399,004
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure to be adjusted											
Infrastructure - Road transport	1,274,324	1,329,132	–	–	–	–	(4,200)	(4,200)	1,324,932	1,405,560	1,204,455
Infrastructure - Electricity	1,226,659	978,372	–	–	–	–	–	–	978,372	1,216,550	991,214
Infrastructure - Water	540,745	538,616	–	–	–	–	2,100	2,100	540,716	595,517	653,636
Infrastructure - Sanitation	750,787	709,568	–	–	–	–	2,100	2,100	711,668	855,169	891,395
Infrastructure - Other	578,350	540,391	–	–	–	–	–	–	540,391	431,939	478,864
Infrastructure	4,370,864	4,096,079	–	–	–	–	–	–	4,096,079	4,504,735	4,219,564
Community	293,109	452,370	–	–	–	–	690	690	453,060	254,207	254,681
Heritage assets	29,140	6,377	–	–	–	–	–	–	6,377	35,208	2,230
Inv estment properties	–	–	–	–	–	–	–	–	–	–	–
Other assets	1,846,191	2,089,502	–	–	–	(15,690)	(690)	(16,380)	2,073,123	1,407,597	796,610
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	–	1,000	–	–	–	–	–	–	1,000	–	–
TOTAL CAPITAL EXPENDITURE to be adjusted	**6,539,304**	**6,645,328**	**–**	**–**	**–**	**(15,690)**	**–**	**(15,690)**	**6,629,638**	**6,201,747**	**5,273,084**
ASSET REGISTER SUMMARY - PPE (WDV)											
Infrastructure - Road transport	9,096,250	9,395,512	–	–	–	–	(309,366)	(309,366)	9,086,146	9,763,760	10,204,287
Infrastructure - Electricity	6,531,648	5,882,869	–	–	–	–	(204,230)	(204,230)	5,678,639	6,553,902	7,195,464
Infrastructure - Water	2,575,704	2,577,545	–	–	–	–	(334,433)	(334,433)	2,243,112	2,581,507	2,959,200
Infrastructure - Sanitation	2,891,083	2,599,391	–	–	–	–	55,979	55,979	2,655,370	3,258,362	3,881,110
Infrastructure - Other	1,725,269	2,760,365	–	–	–	–	231,169	231,169	2,991,534	3,253,504	3,549,666
Infrastructure	22,819,953	23,215,681	–	–	–	–	(560,881)	(560,881)	22,654,800	25,411,035	27,789,728
Community	7,388,399	6,632,873	–	–	–	–	(501,669)	(501,669)	6,131,204	5,755,399	5,336,832
Heritage assets	9,111	9,062	–	–	–	–	–	–	9,062	9,062	9,062
Inv estment properties	–	398,533	–	–	–	–	190,849	190,849	589,382	589,382	589,382
Other assets	8,706,702	8,204,204	–	–	–	–	856,795	856,795	9,060,999	10,182,438	10,813,976
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**38,924,165**	**38,460,353**	**–**	**–**	**–**	**–**	**(14,906)**	**(14,906)**	**38,445,447**	**41,947,315**	**44,538,981**
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment	2,119,616	2,156,913	–	–	–	–	–	–	2,156,913	2,259,402	2,416,077
Repairs and Maintenance by asset class	**3,590,436**	**3,563,143**	**–**	**–**	**–**	**–**	**(32,503)**	**(32,503)**	**3,530,639**	**3,915,637**	**4,271,504**
Infrastructure - Road transport	520,456	465,834	–	–	–	–	(2)	(2)	465,832	564,782	612,105
Infrastructure - Electricity	432,859	460,206	–	–	–	–	–	–	460,206	469,684	509,103
Infrastructure - Water	44,828	51,866	–	–	–	–	–	–	51,866	48,640	52,724
Infrastructure - Sanitation	110,833	111,029	–	–	–	–	–	–	111,029	120,257	130,356
Infrastructure - Other	39,310	56,343	–	–	–	–	–	–	56,343	42,651	46,233
Infrastructure	1,148,286	1,145,278	–	–	–	–	(2)	(2)	1,145,276	1,246,013	1,350,522
Community	59,931	72,820	–	–	–	–	–	–	72,820	65,086	70,488
Heritage assets	15,027	13,745	–	–	–	–	–	–	13,745	16,305	17,674
Inv estment properties	–	–	–	–	–	–	–	–	–	–	–
Other assets	2,367,191	2,331,299	–	–	–	–	(32,501)	(32,501)	2,298,799	2,588,234	2,832,820
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	**5,710,052**	**5,720,056**	**–**	**–**	**–**	**–**	**(32,503)**	**(32,503)**	**5,687,552**	**6,175,040**	**6,687,581**
Renewal of Existing Assets as % of total capex	*44.7%*	*46.8%*							*46.7%*	*45.9%*	*48.3%*
Renewal of Existing Assets as % of deprecn"	*138.1%*	*144.3%*							*143.6%*	*126.0%*	*105.5%*
R&M as a % of PPE	*9.2%*	*9.3%*							*9.2%*	*9.3%*	*9.6%*
Renewal and R&M as a % of PPE	*16.7%*	*17.4%*							*17.2%*	*16.1%*	*15.3%*

PART 3 - ADJUSTMENTS BUDGET: MUNICIPAL ENTITY - CAPE TOWN INTERNATIONAL CONVENTION CENTRE (CTICC)

The entity's five primary budget tables, as required in terms of Part 4 of the MBRR, are presented on page 35 to page 39. These tables reflect the entity's 2015/16 adjustments budget and MTREF approved by Council in January 2016.

Table 22 MBRR Table E1 - Adjustments Budget Summary

Description	Budget Year 2015/16								Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	22,568	27,112	–	–	–	–	–	27,112	9,706	4,607
Transfers recognised - operational	–	–	–	–	–	–	–	–	–	–
Other own revenue	192,990	194,990	–	–	–	–	–	194,990	247,943	277,862
Total Revenue (excluding capital transfers and contributions)	**215,558**	**222,101**	**–**	**–**	**–**	**–**	**–**	**222,101**	**257,649**	**282,469**
Employee costs	53,428	55,488	–	–	–	–	–	55,488	79,658	81,202
Remuneration of Board Members	873	873	–	–	–	–	–	873	926	981
Depreciation and debt impairment	29,790	29,790	–	–	–	–	–	29,790	31,527	32,250
Finance charges	–	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	–	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	113,113	111,875	–	–	–	–	–	111,875	171,996	185,065
Total Expenditure	**197,204**	**198,026**	**–**	**–**	**–**	**–**	**–**	**198,026**	**284,106**	**299,498**
Surplus/(Deficit)	**18,354**	**24,076**	**–**	**–**	**–**	**–**	**–**	**24,076**	**(26,457)**	**(17,029)**
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**18,354**	**24,076**	**–**	**–**	**–**	**–**	**–**	**24,076**	**(26,457)**	**(17,029)**
Taxation	**5,139**	**6,741**	–	–	–	–	–	6,741	–	–
Surplus/ (Deficit) for the year	**13,215**	**17,335**	**–**	**–**	**–**	**–**	**–**	**17,335**	**(26,457)**	**(17,029)**
Capital expenditure & funds sources										
Capital expenditure	495,319	500,544	–	–	–	–	–	500,544	170,438	35,724
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	495,319	500,544	–	–	–	–	–	500,544	170,438	35,724
Total sources of capital funds	**495,319**	**500,544**	**–**	**–**	**–**	**–**	**–**	**500,544**	**170,438**	**35,724**
Financial position										
Total current assets	275,146	155,341	–	–	–	–	–	155,341	286,932	279,751
Total non current assets	836,315	734,874	–	–	–	–	–	734,874	873,785	877,577
Total current liabilities	54,020	82,499	–	–	–	–	–	82,499	99,455	113,095
Total non current liabilities	2,201	0	–	–	–	–	–	0	–	–
Community wealth/Equity	1,055,241	807,717	–	–	–	–	–	807,717	1,061,262	1,044,233
Cash flows										
Net cash from (used) operating	45,124	57,143	–	–	–	–	–	57,143	21,002	27,154
Net cash from (used) investing	(495,319)	(500,544)	–	–	–	–	–	(500,544)	(170,438)	(35,724)
Net cash from (used) financing	38,209	38,209	–	–	–	–	–	38,209	280,001	–
Cash/cash equivalents at the year end	**258,204**	(146,989)	**–**	**–**	**–**	**–**	**–**	**149,440**	**280,006**	**271,436**

Table 23 MBRR Table E2 Adjustments Budget - Financial Performance (revenue and expenditure)

Description	Budget Year 2015/16								Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source										
Property rates	–	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	91,367	92,367	–	–	–	–	–	92,367	125,481	140,067
Interest earned - external investments	22,568	27,112	–	–	–	–	–	27,112	9,706	4,607
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–
Fines	–	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	–	–	–	–	–	–	–	–	–
Other revenue	101,622	102,622	–	–	–	–	–	102,622	122,462	137,796
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**215,558**	**222,101**	**–**	**–**	**–**	**–**	**–**	**222,101**	**257,649**	**282,469**
Expenditure By Type	–	–	–	–	–	–	–	–	–	–
Employee related costs	53,428	55,488	–	–	–	–	–	55,488	79,658	81,202
Remuneration of board members	873	873	–	–	–	–	–	873	926	981
Debt impairment	–	–	–	–	–	–	–	–	–	–
Collection costs	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	29,790	29,790	–	–	–	–	–	29,790	31,527	32,250
Finance charges	–	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	113,113	111,875	–	–	–	–	–	111,875	171,996	185,065
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Expenditure	**197,204**	**198,026**	**–**	**–**	**–**	**–**	**–**	**198,026**	**284,106**	**299,498**
Surplus/(Deficit)	18,354	24,076	–	–	–	–	–	24,076	(26,457)	(17,029)
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributions of PPE	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation	**18,354**	**24,076**	**–**	**–**	**–**	**–**	**–**	**24,076**	**(26,457)**	**(17,029)**
Taxation	5,139	6,741	–	–	–	–	–	6,741	–	–

Table 24 MBRR Table E3 - Adjustments Capital Expenditure Budget by vote and funding

Vote Description	Budget Year 2015/16								Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Single Year expenditure										
Building enhancements	11,995	16,495	–	–	–	–	–	16,495	12,715	13,478
IT & electronic infrastructure	10,849	10,849	–	–	–	–	–	10,849	11,500	12,190
Kitchen enhancements	1,050	1,050	–	–	–	–	–	1,050	1,113	1,180
Catering furniture & equipment	3,450	4,175	–	–	–	–	–	4,175	3,657	3,876
CTICC EAST	467,975	467,975	–	–	–	–	–	467,975	141,453	5,000
Capital single-year expenditure sub-total	495,319	500,544	–	–	–	–	–	500,544	170,438	35,724
Total Capital expenditure	**495,319**	**500,544**	**–**	**–**	**–**	**–**	**–**	**500,544**	**170,438**	**35,724**
Funded by:										
National Government	–	–	–	–	–	–	–	–	–	–
Provincial Government	–	–	–	–	–	–	–	–	–	–
Parent Municipality	–	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	495,319	500,544	–	–	–	–	–	500,544	170,438	35,724
Total Capital Funding	**495,319**	**500,544**	**–**	**–**	**–**	**–**	**–**	**500,544**	**170,438**	**35,724**

Table 25 MBRR Table E4 Adjustments Budget - Financial Position

Description R thousands	Budget Year 2015/16								Budget Year +1 2016/17	Budget Year +2 2017/18
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
ASSETS										
Current assets										
Cash	–	–	–	–	–	–	–	–	–	–
Call investment deposits	258,204	149,439	–	–	–	–	–	149,439	280,005	271,435
Consumer debtors	–	–	–	–	–	–	–	–	–	–
Other debtors	14,748	3,900	–	–	–	–	–	3,900	4,548	5,557
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–	–
Inventory	2,195	2,002	–	–	–	–	–	2,002	2,378	2,759
Total current assets	**275,146**	**155,341**	**–**	**–**	**–**	**–**	**–**	**155,341**	**286,932**	**279,751**
Non current assets										
Long-term receivables	–	5	–	–	–	–	–	5	5	5
Investments	–	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	836,315	734,870	–	–	–	–	–	734,870	873,781	877,572
Agricultural assets	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–
Intangible assets	–	–	–	–	–	–	–	–	–	–
Total non current assets	**836,315**	**734,874**	**–**	**–**	**–**	**–**	**–**	**734,874**	**873,785**	**877,577**
TOTAL ASSETS	**1,111,462**	**890,216**	**–**	**–**	**–**	**–**	**–**	**890,216**	**1,160,717**	**1,157,328**
Current liabilities										
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Consumer deposits	11,579	35,098	–	–	–	–	–	35,098	40,935	50,015
Trade and other payables	38,622	43,753	–	–	–	–	–	43,753	54,567	58,795
Provisions	3,818	3,647	–	–	–	–	–	3,647	3,954	4,286
Total current liabilities	**54,020**	**82,499**	**–**	**–**	**–**	**–**	**–**	**82,499**	**99,455**	**113,095**
Borrowing	–	–	–	–	–	–	–	–	–	–
Provisions	2,201	0	–	–	–	–	–	0	–	–
Total non current liabilities	**2,201**	**0**	**–**	**–**	**–**	**–**	**–**	**0**	**–**	**–**
TOTAL LIABILITIES	**56,221**	**82,499**	**–**	**–**	**–**	**–**	**–**	**82,499**	**99,455**	**113,095**
NET ASSETS	**1,055,241**	**807,717**	**–**	**–**	**–**	**–**	**–**	**807,717**	**1,061,262**	**1,044,233**
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	(230,396)	(197,919)	–	–	–	–	–	(197,919)	(224,376)	(241,405)
Reserves	–	–	–	–	–	–	–	–	–	–
Share capital	1,285,638	1,005,636	–	–	–	–	–	1,005,636	1,285,638	1,285,638
TOTAL COMMUNITY WEALTH/EQUITY	**1,055,241**	**807,717**	**–**	**–**	**–**	**–**	**–**	**807,717**	**1,061,262**	**1,044,233**

Table 26 MBRR Table E5 Adjustments Budget - Cash Flows

Description	Budget Year 2015/16								Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Ratepayers and other	192,053	217,303	–	–	–	–	–	217,303	271,641	291,184
Government - operating	–	–	–	–	–	–	–	–	–	–
Government - capital	–	–	–	–	–	–	–	–	–	–
Interest	22,568	27,112	–	–	–	–	–	27,112	9,706	4,607
Dividends	–	–	–	–	–	–	–	–	–	–
Payments	–	–	–	–	–	–	–	–	–	–
Suppliers and employees	(169,497)	(187,272)	–	–	–	–	–	(187,272)	(260,345)	(268,638)
Finance charges	–	–	–	–	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–	–
Transfers and Grants	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**45,124**	**57,143**	**–**	**–**	**–**	**–**	**–**	**57,143**	**21,002**	**27,154**
CASH FLOWS FROM INVESTING ACTIVITIES	–	–	–	–	–	–	–	–	–	–
Receipts	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	0	–	–	–	–	–	–	0	–	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–	–
Payments	–	–	–	–	–	–	–	–	–	–
Capital assets	(495,319)	(500,544)	–	–	–	–	–	(500,544)	(170,438)	(35,724)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(495,319)**	**(500,544)**	**–**	**–**	**–**	**–**	**–**	**(500,544)**	**(170,438)**	**(35,724)**
CASH FLOWS FROM FINANCING ACTIVITIES	–	–	–	–	–	–	–	–	–	–
Receipts	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	38,209	38,209	–	–	–	–	–	38,209	280,001	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–
Payments	–	–	–	–	–	–	–	–	–	–
Repayment of borrowing	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**38,209**	**38,209**	**–**	**–**	**–**	**–**	**–**	**38,209**	**280,001**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**(411,987)**	**(405,192)**	**–**	**–**	**–**	**–**	**–**	**(405,192)**	**130,566**	**(8,570)**
Cash/cash equivalents at the year begin:	670,190	554,632						554,632	149,440	280,006
Cash/cash equivalents at the year end:	258,204	149,440						149,440	280,006	271,436

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I ………………………………………………….., municipal manager of the City of Cape Town hereby certify, that the **2015/16 adjustments budget (March 2016)** and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name ________________________________

Municipal Manager of City of Cape Town (CPT)

Signature ________________________________

Date ________________________________