

CITY OF CAPE TOWN

2016/17 ADJUSTMENTS BUDGET

26 JANUARY 2017

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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.

MPRA - Municipal Property Rates Act

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 January 2017 Adjustments Budget resulted from approved committed 2015/16 grants received from National- and Provincial Treasury, re-phasing of internal funds where implementation will continue in the 2017/18 financial year and the re-alignment of sundry budgetary provisions resulting from updated implementation programmes.

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:

- Committed 2015/16 conditional grants approved by National Treasury in terms of Section 22 (2) of the Division of Revenue Act (DORA) (Act No. 1 of 2015), dated 07 October 2016.
- Committed 2015/16 conditional grants approved by Provincial Treasury in terms of Section 10 (2) of the Western Cape Appropriation Act 2014 (Act No. 2 of 2015), dated 20 December 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

The main reasons for adjustments to capital- and operating grants and donations are listed below.

Capital grants

- Urban Settlements Development Grant (USDG) (national funding) increases by R157.4 million in 2016/17, resulting mainly from:
 - Approved committed 2015/16 conditional grant allocation of R149.5 million.
 - R7.9 million increase on the capital budget with a concomitant decrease on the operating budget to inter alia facilitate land acquisition.

- Committed 2015/16 conditional grants approved by Provincial Treasury resulted in the following increases in 2016/17:
 - Library Services: Conditional Grant (PAWC: Libraries): R2.9 million;
 - Library Services: Metro Library Grant (PT Library: Metro): R1 million;
 - Maintenance and Construction of Transport Infrastructure Grant (PM&R - TS&I): R619 402; and
 - Transport Safety and compliance – rail safety grant (PGWC Rail Safety): R3.6 million
- Public Access Centres Grant (PT: PUBLIC ACCESS) (provincial funding) increases by R127 480 on the Public Access Centre: ICAN Project; approved committed 2014/15 conditional grants of R123 807 and interest accrued of R3 673.
- Human Settlements Development Grant (HSDG) (provincial funding) decreases by R63.3 million in 2016/17, resulting mainly from:
 - R61.3 million decrease on the capital budget with a concomitant increase on the operating budget.
 - R1.9 million, which includes refunds to Provincial Treasury as a result of savings realised on completed projects per the National Housing Code.
- Public Transport Network Grant (PTNG) (national funding) decreases by R20.2 million in 2016/17, with a concomitant increase on the operating budget, due to the nature of expenditure on the Automated Fare Collection System and the Advanced Public Transport Management System projects.
- PTI&SG interest (unconditional grant) reduces by R80 million, due to the re-phasing of the electric busses' procurement to 2017/18.
- Private Sector funding (unconditional grants) reduced by R6.8 million, mainly due to delays in concluding the agreement with the Dutch Government on the Metro South East Public Transport Facilities project, which is expected to be finalised in October 2017.
- Integrated Skills Development Grant (ISDG) (national funding) increases by R1 million in 2016/17 with a concomitant decrease on the operating budget to procure equipment for graduates.
- Urban Renewal Programme (URP) funding (unconditional grant) increases by R2.9 million on the Lenteguur Public Space & Civic Office Upgrade project to prevent further damage to City infrastructure and prevent possible injury to staff and the public.

Operating grants

- Additional allocations ex grant funding
 - Department of Water Affairs: R88 285 to cover operating costs for the Smart Living Programme within the Transport & Urban Development Authority directorate.
 - Department of Environmental Affairs & Tourism: R2 million, Public Transport Infrastructure & Systems Grant PTS&IG - Trust Fund interest: R65 million and Cape Town Metropolitan Transport Fund - Trust Fund interest: R10.1 million to cover operating costs relating to cleaning and security for Public Transport Interchanges (PTIs), payment of Industry Transition compensation and professional services required for a rail siding project, the transport reporting system maintenance contract and the integrated transport plan within the Transport & Urban Development Authority directorate.
- Additional allocations as per the Provincial Gazette Extraordinary 7705, dated 24 November 2016
 - R13.3 million funded ex Global Funding, HIV & Aids and Personal Primary Health Care services for Vaccines, ARV nutrition and TB within the Social Services directorate.
 - R220 000 funded ex Finance Management Support Grant for the implementation of mSCOA – CTICC within the Finance directorate.
 - R278 000 funded ex Community Safety – Law Enforcement Auxiliary Services for ongoing law enforcement auxiliary services within the Safety & Security directorate.
- Additional allocations from private donors
 - The Airports Company South Africa SOC Limited - R1.3 million, Traffic Free Flow (Pty) Ltd - R1 million, V & A Waterfront (Pty) Ltd - R508 893 for the appointment of Traffic Officers within the Safety & Security directorate.
 - Camps Bay Business Forum - R172 214, Big Bay Master Property Owners Association - R146 279, City Improvement Districts - R876 334, ACUCAP Investments (Pty) Ltd - R307456 for the appointment of Law Enforcement Officers within the Safety & Security directorate.
 - University of Connecticut - R450 700 to increase capacity to the Gugulethu Clinic to provide health services to community members and Stellenbosch University – R928 709 for routine HIV monitoring within the Social Services directorate.
- Approved Provincial- and National Government (committed 2015/16) conditional grants:
 - R1.7 million funded ex Community Safety – Law Enforcement Auxiliary Services for ongoing law enforcement auxiliary services requirements within the Safety & Security directorate.

- R3 686 funded ex Finance Management Support Grant for mSCOA project within the Finance directorate.
- R240 492 funded ex Human Settlement Assistance for rentals, rates and clearing of alien vegetation and firebreaks within the Informal Settlements, Water & Waste Services directorate.
- R1.3 million funded ex Library Services (conditional grant) to cover additional materials in various library facilities within the Social Services directorate.
- R1.2 million funded ex Human Settlement – Municipal Accreditation Assistance for the payment of salaries of accreditation staff within the Transport & Urban Development Authority directorate.
- R5.6 million funded ex Planning, Maintenance and Rehabilitation of Transport and Infrastructure for updating of the comprehensive integrated transport plan within the Transport & Urban Development Authority directorate.
- R88 870 funded ex Transport and Public works – Provision for persons with special needs and R115 598 funded ex Transport Safety and Compliance for security services at Public Transport Interchanges within the Transport & Urban Development Authority directorate.
- Shifting of R59.6 million (funded ex Urban Settlement Development Grant) from the operating budget to the capital budget as the projects funded from this grant will be capitalised as City assets within the Transport & Urban Development Authority directorate.
- Shifting of R145 400 (funded ex Community Development Workers) from the capital budget to the operating budget within the Area-Based Service Delivery directorate, as the projects to be implemented will be operating in nature.
- Shifting of R20.2 million (funded ex Public Transport Network Grant) from the capital budget to the operating budget within the Transport & Urban Development Authority directorate, for maintenance of the Automated Fare Collection & Advanced Public Transport Management System which is operating in nature.
- Reduction of grant funding
 - Human Settlement Development Grant (HSDG): R30.5 million net reduction/impact within the Transport & Urban Development Authority directorate, due to shifting of funds from the capital to the operating budget on specific Human Settlement projects (R61.3 million) and refunds (R91.8 million) to Provincial Human Settlements Department Western Cape as a result of savings realised on completed projects, refunds associated with dormant projects and the refinancing of HSDG projects from other funding sources per the National Housing Code.

The HSDG is a grant that is dedicated/allocated to specific qualifying individual beneficiaries and, as a result, the City is the custodian of these funds on behalf of the approved beneficiaries. The governance of the HSDG is driven by, inter alia,

the National Housing Code and the various contractual Agreements associated with the numerous National Housing Programmes operated under the HSDG. All beneficiaries are registered for their specific subsidy amount on the National Housing Subsidy System (HSS) operated by the National Department of Human Settlements.

In this regard, as a beneficiary-driven funding mechanism, any amendments to a project/beneficiary within a project requires amendment to the HSS and compliance with the Housing Code. The City is required, per the Housing Code, to refund HSDG-specific beneficiary funds to the Province when a beneficiary changes et al. Further, the Auditor-General requires that any dormant funds are not sterilised and, where appropriate, refunded to the Province for use on other HSDG projects.

The 2016/17 adjustments budget indicates such transactions (R91.8 million), which may be analysed as follows: refund of any residual HSDG funds for various fully completed projects as approved by the project managers (R15.9 million); projects being reconfigured (R16.2 million); projects refinanced from alternate sources (R45.2 million) and projected refunds/Grant Debtor (GD) balancing to 30 June 2017 (R14.5 million).

The project noted above (R16.2 million) refers to the Amakhaya Ngoku Project (Masiphumelele). The project will be refinanced once the community supports the development in its reconfigured format. Should the on-site challenges be resolved, the Amakhaya Ngoku project team will re-apply for the HSDG funds to re-initiate the project.

The project refinanced noted above refers to the Fisantekraal Project, which is a partnership with Garden Cities. The Fisantekraal Project is being developed on private land. The only National Housing Programme that can be utilised to develop on private land is the Developer Driven Individual Subsidy (DDIS), which includes funds for both the serviced site and top structure. The Province is the funding custodian for the DDIS and approved the full DDIS for this project. Through supporting innovative compliant funding and consistency with all other services developments for subsidy projects across the City, the serviced site component of this project was refinanced via the Urban Settlements Development Grant. The amount initially approved by the Province for services of the Fisantekraal Project was therefore refunded to Province to allow for the re-allocation of the funds for other housing/Peoples Housing Process (PHP) projects. The refinancing in no way impacted on the delivery of the Fisantekraal Project.

c. Adjust revenue and expenditure estimates upwards/downwards

- A reduction of R48 million on Internal Loan Interest, due to a decrease in EFF-funded capital projects and the earlier than anticipated capitalisation of assets under construction. Once the assets are capitalised, depreciation is charged and the book value decreases resulting in a decrease in the interest as it is linked to the book value of an asset.
- An increase of R114 million on Depreciation and asset impairment, due to the provision of R99 million made within the Human Settlements department for asset impairment of land, which will be used for low cost housing. In addition, a depreciation provision of R16 million was made for various City assets, due to a combination of factors: 2015/16 actual spend, 2016/17 capital adjustments budget changes and actual capitalisation in 2015/16 and 2016/17 and the focus of the Auditors on zero book value assets necessitating adjustments on old land assets with accumulated depreciation.
- A re-allocation of R263 million once-off saving on Salaries Wages & Allowance to various service priority areas within the following directorates: Assets & Facilities Management, Transport & Urban Development Authority, Safety & Security and Informal Settlements, Water & Waste Services. These savings resulted from the turnaround time in filling vacancies as well as the appointment of seasonal workers and temporary staff, which is dependent on peak seasons and line departments' capacity requirements.
- An increase of R598 million on Property Rates Revenue, which was mainly influenced by the General Valuation (GV) 2015 outcome. The City has made good progress with the GV objection process with 78% of the objections being resolved by 8 December 2016. The City is now gearing for the appeal process. As at 8 December just short of 1300 appeals had been received of which 50 have been heard. The City's focus is to drive the completion of all objections and appeals in an effort to stabilise the Property Rates income stream. In addition, the implementation of the real time/expedited rates billing, in terms of the amendment (MPRA), improved the Rates Revenue considerably.
- Additional revenue of R254 million on Water Sales, due to sales volumes being higher than anticipated and the impact of the implemented 20% water restrictions on consumption patterns. This additional revenue will be allocated to the Contribution to Capital Replacement Reserve to fund future capital programmes within the Water & Sanitation department.
- The afore-mentioned savings from Salaries, Wages & Allowance, Property Rates and Internal Loan Interest were allocated to meet sundry budget requirements within the following directorates:

- Assets & Facilities Management - R103.6 million for the replacement of corporate fleet to be funded ex Revenue (R100 million) and for staff and operating costs requirements (R3.6 million) for this new directorate.
- Informal Settlements, Water & Waste Services – R210 million allocated as follows:
 - R80 million for Water Meter Replacement.
 - R60 million for Repairs & Maintenance, Overtime and Security Costs.
 - R40 million on Indigent Relief to absorb the impact of the Level 3 Water Restrictions.
 - R30 million top-up on the Contribution to Water Service to absorb the cost of providing free basic services.
- Transport & Urban Development Authority - R54 million allocated as follows:
 - R11 million to fund the acquisition of land, which will be acquired on the capital budget for the development of low income housing.
 - R3 million for Clearing of Erf 1 & 3410 Simons Town per the outcome of a legal order.
 - R5 million for the appointment of consultants for the preliminary assessment, feasibility study and conceptual planning of catalytic projects.
 - R35 million for Maintenance Costs of the 9 metre busses.
- Safety & Security – R8 million - to cover overtime costs for Beach Lifeguards (R1 million), Disaster Risk Management volunteers (R1 million) and to support major international and community events that act as key economic drivers and reaffirms Cape Town's competitiveness (R6 million).
- Finance – R30.9 million - to cover costs relating to the appointment of due diligence consultants (R2.5 million) in the Supply Chain Management department, additional staff in the Motor Vehicle Registration department and the Valuation Data Clean-up project (R10 million).
- Corporate Services - R7.4 million for municipal court support.
- Area-Based Service Delivery – R4.8 million to improve response times in the Corporate Call Centre (R1.8 million) and to cover operating costs (R3 million) of this newly created directorate.
- Social Services – Sports & Recreation – R30 million for security costs resulting from escalating vandalism across all areas of the City.
- R382 million to fund future renewal and replacement of grant-funded assets.
- Additional amendments relate to administrative transfers of budgetary provisions in respect of:
 - mSCOA retrofit exercise
 - Amendments on sundry expenditure items including Ward Allocations, which are proposed in accordance with the Council approved system of delegation and the Virement Policy. These transfers do not affect the total budget quantum.

- Finally, the adjustments budget takes into consideration the finalisation of Phase 1 of the ODTP, the allocation and appointment of Councillor Liaison Officers (116 clerks) and the cost of the remuneration negotiated with the Executive Management Team to ensure the operational readiness of the new directorates.

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 adjustments budget for the 2016/17 financial year and indicative allocations for the two projected outer years 2017/18 and 2018/19, be approved and adopted, as set out in the following tables and annexures:
 - i. Operating revenue and expenditure by standard classification reflected in Table 3 on page 17.
 - ii. Operating revenue and expenditure by municipal vote reflected in Table 4 on page 19.
 - iii. Operating revenue by source and expenditure by type reflected in Table 5 on page 20.
 - iv. Multi-year capital appropriations by vote reflected in Table 6 on page 23 and Annexure 2.1 to Annexure 2.4.
 - v. Capital expenditure by standard classification reflected in Table 6 on page 23.
 - vi. Capital funding by source reflected in Table 6 on page 23.
- b. That the amended MTREF IDP chapter for 2016/17, as set out in annexure 3, be used to update the current chapter in the approved Integrated Development Plan (IDP).
- c. That the CTICC's adjustments budget for the 2016/17 financial year be approved and adopted, as set out in the following tables:
 - i. Operating revenue by source and expenditure by type reflected in Table 23 on page 49.
 - ii. Capital Expenditure by asset class and funding source reflected in Table 24 on page 51.

3. Executive Summary

3.1. General

Matters proposed for incorporation into an adjustments 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 2016/17 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 for the respective funding sources at the end of the mid-year period (December 2016), are:

Capital Grants & Donations (CGD)	113.33%
Capital Replacement Reserve (CRR)	73.32%
External Financing Fund (EFF)	125.92%
Revenue	116.11%
All funding sources (Total Budget)	111.89%

When measuring progress against the total current capital budget, the funding sources reflect the following:

Capital Grants & Donations (CGD)	38.26%
Capital Replacement Reserve (CRR)	19.41%
External Financing Fund (EFF)	35.55%
Revenue	6.89%
All funding sources (Total Budget)	33.05%

Based on the aforementioned implementation rates, fund shifts in relation to the capital programme for 2016/17 are:

Major Fund Source	Adjusted Budget 2016/17 August (2016) R Thousands	Revised Budget 2016/17 R Thousands	Increase/ Decrease R Thousands
CGD	2,274,277	2,273,447	(830)
CRR	1,276,238	946,463	(329,776)
EFF	3,005,341	2,917,300	(88,041)
REVENUE	75,888	209,382	133,494
TOTAL	6,631,744	6,346,592	(285,152)

Table 1 Fund shifts in relation to the capital programme for 2016/17

The major increases and decreases in the 2016/17 financial year, as reflected in the table above, are explained below.

CGD amendments

- Urban Settlements Development Grant (USDG) (national funding) increases by R157.4 million in 2016/17, resulting mainly from:
 - Approved committed 2015/16 conditional grant allocation of R149.5 million.
 - R7.9 million increase on the capital budget with a concomitant decrease on the operating budget to inter alia facilitate land acquisition.
- Committed 2015/16 conditional grants approved by Provincial Treasury resulted in the following increases in 2016/17:
 - Library Services: Conditional Grant (PAWC: Libraries): R2.9 million;
 - Library Services: Metro Library Grant (PT Library: Metro): R1 million;
 - Maintenance and Construction of Transport Infrastructure Grant (PM&R - TS&I): R619 402; and
 - Transport Safety and compliance – rail safety grant (PGWC Rail Safety): R3.6 million
- Public Access Centres Grant (PT: PUBLIC ACCESS) (provincial funding) increases by R127 480 on the Public Access Centre: ICAN Project; approved committed 2014/15 conditional grants of R123 807 and interest accrued of R3 673.
- Human Settlements Development Grant (HSDG) (provincial funding) decreases by R63.3 million in 2016/17, resulting mainly from:
 - R61.4 million decrease on the capital budget with a concomitant increase on the operating budget.
 - R1.9 million, which includes refunds to Provincial Treasury as the result of savings realised on completed projects per the National Housing Code.

- Public Transport Network Grant (PTNG) (national funding) decreases by R20.2 million in 2016/17, with a concomitant increase on the operating budget, due to the nature of expenditure on the Automated Fare Collection System and the Advanced Public Transport Management System projects.
- PTI&SG interest (unconditional grant) reduces by R80 million, due to the re-phasing of the electric busses to 2017/18.
- Private Sector funding (unconditional grants) reduced by R6.8 million, mainly due to the initial delays in finalising agreement with the Dutch Government with regards to the Metro South East Public Transport Facilities.
- Integrated Skills Development Grant (ISDG) (national funding) increases by R1 million in 2016/17 with a concomitant decrease on the operating budget to procure equipment for graduates.
- Urban Renewal Programme (URP) funding (unconditional grant) increases by R2.9 million on the Lentegeur Public Space & Civic Office Upgrade project to prevent further damage to City infrastructure and prevent possible injury to staff and the public.

CRR amendments

The directorates listed below proposes re-phasing of R329 million to 2017/18 and 2018/19.

- The Energy directorate proposes a decrease of R196 million in 2016/17, an increase of R153.5 million and R42.5 million in 2017/18 and 2018/19 respectively, resulting mainly from:
 - City Depot CBD: Construction delayed, due to unstable site conditions and unstable neighbouring property walls.
 - Noordhoek LV Depot and Retreat Depot - Replacement for Muizenberg: Project is delayed due to objections raised during the public participation process.
 - Blue Downs Streetlighting Depot and Hout Bay LV depot: Construction will only commence in 2017/18 as the land acquisition took longer than expected.
 - Bloemhof Network Control Centre: Legislative changes regarding local content resulted in a delay in the award of the tender, which effectively delayed the start of construction.
- Informal Settlements, Water & Waste Services directorate proposes a decrease of R102.1 million in 2016/17 with a concomitant increase in 2017/18, resulting mainly from:
 - Acquisition & Commissioning of Large Generators: Project to be re-phased, due to extended delivery lead times as a result of overseas shipment of equipment.

- West Beach S/Pump station and rising Main: Awaiting outcome of appeal process. Should the process be successful, then the successful tenderer for the civil, mechanical and electrical works will be on site in April 2017.
- Transport & Urban Development Authority directorate proposes a decrease of R21.8 million in 2016/17, an increase of R18.7 million and R3.1 million in 2017/18 and 2018/19 respectively, resulting mainly from delays on the following projects:
 - Sir Lowry's Pass Village Road Upgrade
 - Kommetjie Road Upgrade
 - Belhar Main Road

EFF amendments

- Cash flow adjustments on 2016/17 EFF-funded projects are proposed for re-phasing to 2017/18 and 2018/19. This resulted in a decrease in the budgetary provision of R199 million in 2016/17 and increase of R155 million in 2017/18 and R44 million in 2018/19.
- Additional funding of R110.4 million (2016/17), R46 million (2017/18) and R11.1 million (2018/19) has been made available in the following directorates:
- Area Based Management directorate: R4.5 million (2016/17)
 - R150 000 for a pool vehicle for Subcouncil 10. The vehicle is required for operational purposes and to transport staff to and from ward forum meetings, which occur outside normal working hours.
 - R4.35 million for Furniture and Equipment, which is required for the directorate establishment and new Ward Councillor Support officers.
- Assets & Facilities Management directorate: R10.2 million (2016/17) and R5 million (2017/18)
 - Completion of various projects at the Athlone Stadium
 - Installation of New Fencing to secure the West Stand
 - Installation of Phase 2 CCTV
 - Electrical Compliance for the North, East and South Stands
 - Upgrading of City Hall to ensure that the City Hall is electrically compliant
 - Furniture and Equipment: Office setup requirements
- Corporate Services directorate: R13.8 million (2016/17)
 - City Connect CCID FY2017: Implementation of a pilot project involving connection of private and public buildings located in the Cape Town Central Improvement District to the City's fibre network. The pilot is intended to assess the technical details involved to implement a proper operating model and to initiate a business model that would involve currently approved tariffs and service levels.
 - Web Analytics Toolset: To track and analyse usage of the City's official website.

- Clock-in Devices: The first batch of clock-in devices, which were implemented in the City, will be obsolete in March 2017. A few new clocking devices are required to pilot and test whether their configuration will be on par with the current system.
- Computer Equipment Additional: FY2017: Additional computers are required to integrate the EPWP payroll on SAP.
- Vehicle for Municipal Planning Tribunal: The vehicle is required by the unit for operational purposes and to transport staff attending Municipal Tribunal Planning meetings.
- Directorate of the Mayor: R3.7 million (2016/17) and R13.2 million (2017/18)
 - Project and Portfolio Management: Additional funds required to integrate the SAP Tech - BI reporting system with the Project Portfolio Management system.
 - Integration and Enhancement PPM: system integration and enhancements.
- Energy directorate: R500 000 (2016/17)
 - Data Management System - Smart Fleet: For the development of a Smart Driver Energy Data Tool to integrate and automate all data and sources associated with City Fleet Management under the municipal operations energy management programme.
- Finance directorate: R8.2 million (2016/17)
 - CCTV cameras, which will be used in the stores to limit the shrinkage of inventory.
 - CCTV cameras at some of the Walk in Centres also require replacement as the current cameras have become uneconomical to repair.
 - Warehouse equipment
 - Obsolete IT equipment
 - Furniture
- Social Services directorate: R3.6 million (2016/17) and R9.8 million (2017/18)
 - Du Noon Library construction
 - Clinic patient registry system
 - Replacement of old and redundant tools and small plan
- Transport & Urban Development Authority directorate: R65.9 million (2016/17), R18 million (2017/18) and R6 million (2018/19)
 - R60 million for Stock Road and Strandfontein Road projects, which were previously funded ex PTNG for which National Treasury did not approved application for committed roll-overs.
 - R2 million (2016/17), R18 million (2017/18) and R6 million (2018/19) for the R44 Strand widening project.
 - Computer requirements
 - Acquisition of land for biodiversity land banking

Revenue amendments

- A net increase of R133.5 million is proposed in 2016/17. The main contributors to this change are:
 - Assets & Facilities Management directorate proposes an increase of R100 million for the replacement of existing fleet, which will reduce the City's current maintenance cost.
 - Land Acquisition for Municipal Purposes project is decreased by R52.9 million in 2016/17 with a concomitant increase in 2017/18, due to the matching of the timing of the transfer of land when the budget is required.
 - Finance directorate proposes a decrease of R1.3 million on the Automation of Virements project in 2016/17 with a concomitant increase in 2017/18. Projected timelines have been amended based on resource availability, resulting in a more accurate cash flow projection, which requires the funding to be re-phased to 2017/18.
 - Informal Settlements, Water & Waste Services directorate proposes an increase of R80 million on the Meter Replacement Programme project in 2016/17 for the replacement of water meters, which will have a positive feedback on the revenue collection.
 - Transport & Urban Development Authority proposes an increase of R11 million for land acquisition.
 - The contingency provision for insurance claims for various directorates' decreased by R2.9 million in 2016/17.

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 15 to page 32. These tables reflect the City's 2016/17 adjustments budget (January 2017) and MTREF to be approved by Council. Each table is accompanied by explanatory notes.

Table 2 MBRR Table B1 – Adjustments Budget Summary

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Financial Performance											
Property rates	6,959,000	6,959,000	–	–	–	–	618,601	618,601	7,577,601	8,054,750	8,638,666
Service charges	18,353,075	18,353,075	–	–	–	–	240,223	240,223	18,593,298	20,989,523	23,813,941
Investment revenue	595,694	595,694	–	–	–	–	(0)	(0)	595,694	624,661	672,891
Transfers recognised - operational	3,802,940	4,210,812	–	–	–	–	85,954	85,954	4,296,766	4,067,364	4,375,160
Other own revenue	4,489,436	4,489,436	–	–	–	–	(58,205)	(58,205)	4,431,231	4,649,027	4,941,262
Total Revenue (excluding capital transfers and contributions)	34,200,144	34,608,016	–	–	–	–	886,574	886,574	35,494,590	38,385,325	42,441,921
Employee costs	10,597,571	10,604,214	–	–	–	–	(246,601)	(246,601)	10,357,614	11,383,970	12,426,741
Remuneration of councillors	151,063	151,063	–	–	–	–	(5,059)	(5,059)	146,004	155,495	165,602
Depreciation & asset impairment	2,318,441	2,318,441	–	–	–	–	114,873	114,873	2,433,315	2,652,166	2,919,195
Finance charges	895,848	895,848	–	–	–	–	–	–	895,848	985,914	1,189,195
Materials and bulk purchases	8,853,353	8,943,242	–	–	–	–	91,146	91,146	9,034,388	10,286,012	11,717,574
Transfers and grants	174,833	174,833	–	–	–	–	(50,479)	(50,479)	124,353	131,193	138,408
Other expenditure	11,554,349	11,873,964	–	–	–	–	629,104	629,104	12,503,068	12,790,576	13,885,206
Total Expenditure	34,545,457	34,961,605	–	–	–	–	532,985	532,985	35,494,590	38,385,325	42,441,921
Surplus/(Deficit)	(345,312)	(353,589)	–	–	–	–	353,589	353,589	(0)	–	(0)
Transfers recognised - capital	2,177,040	2,186,477	–	–	–	–	5,629	5,629	2,192,106	2,236,742	2,268,253
Contributions recognised - capital & contributed assets	87,800	87,800	–	–	–	–	141	141	87,941	83,900	86,700
Surplus/(Deficit) after capital transfers & contributions	1,919,528	1,920,688	–	–	–	–	359,359	359,359	2,280,047	2,320,642	2,354,953
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	1,919,528	1,920,688	–	–	–	–	359,359	359,359	2,280,047	2,320,642	2,354,953
Capital expenditure & funds sources											
Capital expenditure	6,501,277	6,631,744	157,887	–	–	–	(443,039)	(285,152)	6,346,592	6,130,807	5,906,531
Transfers recognised - capital	2,177,040	2,186,477	157,887	–	–	–	(152,258)	5,629	2,192,106	2,236,742	2,268,253
Public contributions & donations	87,800	87,800	–	–	–	–	(6,459)	(6,459)	81,341	83,900	86,700
Borrowing	2,928,696	3,005,341	–	–	–	–	(88,041)	(88,041)	2,917,300	2,577,459	2,716,971
Internally generated funds	1,307,740	1,352,126	–	–	–	–	(196,281)	(196,281)	1,155,845	1,232,707	834,607
Total sources of capital funds	6,501,277	6,631,744	157,887	–	–	–	(443,039)	(285,152)	6,346,592	6,130,807	5,906,531
Financial position											
Total current assets	9,170,692	11,376,291	–	–	–	–	1,208,311	1,208,311	12,584,602	13,096,180	14,686,113
Total non current assets	46,400,477	46,550,640	–	–	–	–	(731,148)	(731,148)	45,819,491	49,208,045	52,142,429
Total current liabilities	8,502,016	10,850,826	–	–	–	–	(2,036,471)	(2,036,471)	8,814,356	9,055,482	9,694,173
Total non current liabilities	14,329,528	14,335,319	–	–	–	–	123,166	123,166	14,458,485	15,796,848	17,327,522
Community wealth/Equity	32,739,626	32,740,786	–	–	–	–	2,390,467	2,390,467	35,131,253	37,451,895	39,806,848
Cash flows											
Net cash from (used) operating	4,161,843	3,755,132	–	–	–	–	508,689	508,689	4,263,821	4,968,955	5,456,567
Net cash from (used) investing	(5,857,381)	(5,974,802)	–	–	–	–	216,653	216,653	(5,758,149)	(5,725,824)	(5,552,161)
Net cash from (used) financing	2,038,733	2,038,733	–	–	–	–	2,515	2,515	2,041,248	1,069,790	1,490,028
Cash/cash equivalents at the year end	1,541,117	3,151,534	–	–	–	–	727,857	727,857	3,879,391	4,192,312	5,586,746
Cash backing/surplus reconciliation											
Cash and investments available	7,041,081	9,272,898	–	–	–	–	727,857	727,857	10,000,755	10,313,676	11,708,110
Application of cash and investments	4,765,898	7,199,605	–	–	–	–	(984,035)	(984,035)	6,215,570	6,360,709	6,659,487
Balance - surplus (shortfall)	2,275,183	2,073,293	–	–	–	–	1,711,892	1,711,892	3,785,185	3,952,967	5,048,623
Asset Management											
Asset register summary (WDV)	42,303,219	42,427,163	–	–	–	–	(712,279)	(712,279)	41,714,883	44,886,985	47,578,994
Depreciation & asset impairment	2,318,441	2,318,441	–	–	–	–	114,873	114,873	2,433,315	2,652,166	2,919,195
Renewal of Existing Assets	3,101,524	3,209,050	32,723	–	–	–	46,884	79,607	3,288,657	2,889,288	2,837,219
Repairs and Maintenance	3,802,902	3,802,902	–	–	–	–	(99,235)	(99,235)	3,703,667	3,933,470	4,267,723
Free services											
Cost of Free Basic Services provided	1,452,356	1,452,356	–	–	–	–	–	–	1,452,356	847,250	919,786
Revenue cost of free services provided	1,613,371	1,613,371	–	–	–	–	(20,000)	(20,000)	1,593,371	1,706,351	1,824,748
Households below minimum service level											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	0	0	–	–	–	–	–	–	0	–	–
Energy:	31	31	–	–	–	–	–	–	31	29	28
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 section of the prescribed pro forma Table B1 shows a balanced budget position over the 2016/17 MTREF.
 - b. The Financial Performance does not show a surplus, due to 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 budget is funded from uncommitted, previous years' surpluses.
 - 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 2016/17 MTREF.
6. The City's cash backing/surplus reconciliation over the 2016/17 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 3 MBRR Table B2 – Adjustments Budget Financial Performance (standard classification)

Standard Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Revenue - Standard											
Governance and administration	12,567,409	12,567,261	–	–	–	–	715,732	715,732	13,282,993	14,191,657	15,293,780
Executive and council	314,011	313,863	–	–	–	–	3,490	3,490	317,354	332,468	369,610
Budget and treasury office	11,971,769	11,971,769	–	–	–	–	751,459	751,459	12,723,229	13,650,412	14,705,480
Corporate services	281,629	281,629	–	–	–	–	(39,218)	(39,218)	242,411	208,778	218,689
Community and public safety	3,315,492	3,731,166	–	–	–	–	(148,098)	(148,098)	3,583,068	3,255,500	3,347,066
Community and social services	96,804	96,804	–	–	–	–	16,706	16,706	113,511	114,775	108,640
Sport and recreation	123,770	123,770	–	–	–	–	12,241	12,241	136,011	115,444	60,540
Public safety	1,194,620	1,194,620	–	–	–	–	2,833	2,833	1,197,453	1,210,762	1,249,609
Housing	1,605,746	2,021,420	–	–	–	–	(187,445)	(187,445)	1,833,976	1,476,545	1,551,244
Health	294,552	294,552	–	–	–	–	7,567	7,567	302,119	337,974	377,033
Economic and environmental services	1,904,756	1,906,261	–	–	–	–	105,225	105,225	2,011,486	1,951,129	1,882,678
Planning and development	305,929	305,929	–	–	–	–	15,091	15,091	321,020	319,954	356,094
Road transport	1,592,599	1,593,453	–	–	–	–	88,380	88,380	1,681,834	1,629,281	1,524,586
Environmental protection	6,227	6,878	–	–	–	–	1,754	1,754	8,632	1,894	1,998
Trading services	18,675,252	18,675,252	–	–	–	–	220,032	220,032	18,895,284	21,306,600	24,267,197
Electricity	12,089,547	12,089,547	–	–	–	–	4,800	4,800	12,094,347	13,843,971	15,971,943
Water	3,258,167	3,258,167	–	–	–	–	172,219	172,219	3,430,385	3,798,565	4,326,159
Waste water management	2,079,484	2,079,484	–	–	–	–	60,106	60,106	2,139,590	2,330,677	2,531,907
Waste management	1,248,054	1,248,054	–	–	–	–	(17,093)	(17,093)	1,230,962	1,333,387	1,437,188
Other	2,076	2,353	–	–	–	–	(547)	(547)	1,806	1,080	6,152
Total Revenue - Standard	36,464,984	36,882,293	–	–	–	–	892,344	892,344	37,774,637	40,705,967	44,796,874
Expenditure - Standard											
Governance and administration	6,359,899	6,360,182	–	–	–	–	328,445	328,445	6,688,627	7,455,173	8,161,929
Executive and council	1,112,285	1,075,476	–	–	–	–	29,938	29,938	1,105,414	1,167,531	1,303,292
Budget and treasury office	2,816,141	2,816,141	–	–	–	–	180,023	180,023	2,996,164	3,528,963	3,887,560
Corporate services	2,431,473	2,468,565	–	–	–	–	118,484	118,484	2,587,049	2,758,679	2,971,076
Community and public safety	7,662,160	8,077,104	–	–	–	–	(182,394)	(182,394)	7,894,710	7,989,313	8,592,609
Community and social services	651,428	651,428	–	–	–	–	(16,902)	(16,902)	634,526	681,068	739,472
Sport and recreation	1,543,845	1,543,845	–	–	–	–	(4,792)	(4,792)	1,539,053	1,659,362	1,777,179
Public safety	2,729,102	2,729,102	–	–	–	–	(51,391)	(51,391)	2,677,711	2,878,013	3,089,757
Housing	1,786,141	2,201,085	–	–	–	–	(128,093)	(128,093)	2,072,992	1,754,495	1,878,103
Health	951,643	951,643	–	–	–	–	18,784	18,784	970,428	1,016,374	1,108,097
Economic and environmental services	3,829,922	3,830,567	–	–	–	–	101,174	101,174	3,931,741	4,160,915	4,441,270
Planning and development	879,635	879,635	–	–	–	–	2,057	2,057	881,692	948,367	1,009,502
Road transport	2,831,720	2,831,714	–	–	–	–	96,244	96,244	2,927,958	3,088,140	3,297,925
Environmental protection	118,568	119,218	–	–	–	–	2,873	2,873	122,091	124,407	133,843
Trading services	16,628,216	16,628,216	–	–	–	–	286,771	286,771	16,914,987	18,712,205	21,169,212
Electricity	10,022,681	10,022,681	–	–	–	–	(5,591)	(5,591)	10,017,089	11,344,281	13,056,100
Water	2,782,122	2,782,122	–	–	–	–	260,272	260,272	3,042,394	3,260,296	3,671,120
Waste water management	1,628,232	1,628,232	–	–	–	–	94,712	94,712	1,722,944	1,809,292	1,929,247
Waste management	2,195,181	2,195,181	–	–	–	–	(62,622)	(62,622)	2,132,559	2,298,335	2,512,744
Other	65,260	65,537	–	–	–	–	(1,011)	(1,011)	64,526	67,720	76,900
Total Expenditure - Standard	34,545,457	34,961,605	–	–	–	–	532,985	532,985	35,494,590	38,385,325	42,441,921
Surplus/ (Deficit) for the year	1,919,528	1,920,688	–	–	–	–	359,359	359,359	2,280,047	2,320,642	2,354,953

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 280 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 4 MBRR Table B3 – Adjustments Budget Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Revenue by Vote											
Vote 1 - Area Based Management	3,193	3,193	–	–	–	–	2,194	2,194	5,386	3,308	3,430
Vote 2 - Assets & Facilities Management	558,494	560,931	–	–	–	–	(107,525)	(107,525)	453,406	487,903	538,531
Vote 3 - Corporate Services	71,939	71,939	–	–	–	–	370	370	72,310	75,319	80,257
Vote 4 - City Manager	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Directorate of the Mayor	2,145	2,705	–	–	–	–	(639)	(639)	2,066	1,153	6,230
Vote 6 - Energy	12,113,461	12,113,461	–	–	–	–	4,800	4,800	12,118,261	13,867,086	15,995,059
Vote 7 - Finance	12,139,426	12,139,426	–	–	–	–	759,433	759,433	12,898,859	13,842,848	14,897,364
Vote 8 - Informal Settlements, Water & Waste Services	6,735,519	6,741,784	–	–	–	–	198,959	198,959	6,940,743	7,619,409	8,388,095
Vote 9 - Safety & Security	1,201,463	1,201,463	–	–	–	–	2,833	2,833	1,204,296	1,220,064	1,260,659
Vote 10 - Social Services	772,267	772,267	–	–	–	–	40,363	40,363	812,630	845,791	833,529
Vote 11 - Transport & Urban Development Authority	2,867,077	3,275,124	–	–	–	–	(8,444)	(8,444)	3,266,680	2,743,085	2,793,719
Total Revenue by Vote	36,464,984	36,882,293	–	–	–	–	892,344	892,344	37,774,637	40,705,967	44,796,874
Expenditure by Vote											
Vote 1 - Area Based Management	214,966	214,966	–	–	–	–	3,676	3,676	218,642	236,252	254,379
Vote 2 - Assets & Facilities Management	1,700,101	1,702,746	–	–	–	–	75,076	75,076	1,777,822	1,905,186	2,049,385
Vote 3 - Corporate Services	1,651,993	1,651,993	–	–	–	–	22,437	22,437	1,674,430	1,781,657	1,927,011
Vote 4 - City Manager	67,073	29,981	–	–	–	–	(1,826)	(1,826)	28,156	30,160	32,236
Vote 5 - Directorate of the Mayor	432,650	470,302	–	–	–	–	1,807	1,807	472,109	505,903	546,879
Vote 6 - Energy	10,172,503	10,172,503	–	–	–	–	(16,960)	(16,960)	10,155,543	11,494,712	13,219,385
Vote 7 - Finance	3,122,764	3,122,764	–	–	–	–	186,635	186,635	3,309,399	3,867,419	4,234,271
Vote 8 - Informal Settlements, Water & Waste Services	6,569,522	6,575,788	–	–	–	–	255,221	255,221	6,831,009	7,288,312	8,031,700
Vote 9 - Safety & Security	2,919,995	2,919,995	–	–	–	–	(32,860)	(32,860)	2,887,135	3,103,571	3,331,384
Vote 10 - Social Services	3,110,184	3,110,184	–	–	–	–	(20,342)	(20,342)	3,089,842	3,302,948	3,592,727
Vote 11 - Transport & Urban Development Authority	4,583,704	4,990,382	–	–	–	–	60,120	60,120	5,050,502	4,869,206	5,222,564
Total Expenditure by Vote	34,545,457	34,961,605	–	–	–	–	532,985	532,985	35,494,590	38,385,325	42,441,921
Surplus/ (Deficit) for the year	1,919,528	1,920,688	–	–	–	–	359,359	359,359	2,280,047	2,320,642	2,354,953

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

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

Table 5 MBRR Table B4 – Adjustments Budget Financial Performance (revenue and expenditure)

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Revenue By Source											
Property rates	6,959,000	6,959,000	-	-	-	-	618,601	618,601	7,577,601	8,054,750	8,638,666
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	11,807,918	11,807,918	-	-	-	-	-	-	11,807,918	13,541,320	15,626,682
Service charges - water revenue	3,066,664	3,066,664	-	-	-	-	185,032	185,032	3,251,696	3,603,149	3,996,545
Service charges - sanitation revenue	1,628,277	1,628,277	-	-	-	-	63,500	63,500	1,691,777	1,872,577	2,078,561
Service charges - refuse revenue	1,232,929	1,232,929	-	-	-	-	(16,004)	(16,004)	1,216,925	1,318,050	1,421,647
Service charges - other	617,287	617,287	-	-	-	-	7,695	7,695	624,981	654,427	690,507
Rental of facilities and equipment	383,550	383,550	-	-	-	-	1,716	1,716	385,266	402,298	423,085
Interest earned - external investments	595,694	595,694	-	-	-	-	(0)	(0)	595,694	624,661	672,891
Interest earned - outstanding debtors	284,710	284,710	-	-	-	-	(40,000)	(40,000)	244,710	240,310	237,868
Dividends received	-	-	-	-	-	-	-	-	-	-	-
Fines	1,055,743	1,055,743	-	-	-	-	(67)	(67)	1,055,676	1,116,025	1,177,406
Licences and permits	27,893	27,893	-	-	-	-	8,000	8,000	35,893	37,867	39,950
Agency services	153,993	153,993	-	-	-	-	-	-	153,993	153,993	153,993
Transfers recognised - operating	3,802,940	4,210,812	-	-	-	-	85,954	85,954	4,296,766	4,067,364	4,375,160
Other revenue	2,504,046	2,504,046	-	-	-	-	11,146	11,146	2,515,192	2,690,179	2,902,867
Gains on disposal of PPE	79,500	79,500	-	-	-	-	(39,000)	(39,000)	40,500	8,355	6,092
Total Revenue (excluding capital transfers and contributions)	34,200,144	34,608,016	-	-	-	-	886,574	886,574	35,494,590	38,385,325	42,441,921
Expenditure By Type											
Employee related costs	10,597,571	10,604,214	-	-	-	-	(246,601)	(246,601)	10,357,614	11,383,970	12,426,741
Remuneration of councillors	151,063	151,063	-	-	-	-	(5,059)	(5,059)	146,004	155,495	165,602
Debt impairment	2,003,203	2,003,203	-	-	-	-	254,642	254,642	2,257,845	2,410,079	2,553,157
Depreciation & asset impairment	2,318,441	2,318,441	-	-	-	-	114,873	114,873	2,433,315	2,652,166	2,919,195
Finance charges	895,848	895,848	-	-	-	-	-	-	895,848	985,914	1,189,195
Bulk purchases	8,515,180	8,515,180	-	-	-	-	-	-	8,515,180	9,696,198	11,107,935
Other materials	338,172	428,061	-	-	-	-	91,146	91,146	519,207	589,815	609,639
Contracted services	4,396,163	4,715,639	-	-	-	-	(6,850)	(6,850)	4,708,789	4,818,063	5,221,462
Transfers and grants	174,833	174,833	-	-	-	-	(50,479)	(50,479)	124,353	131,193	138,408
Other expenditure	5,154,983	5,155,123	-	-	-	-	381,312	381,312	5,536,434	5,562,433	6,110,587
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure	34,545,457	34,961,605	-	-	-	-	532,985	532,985	35,494,590	38,385,325	42,441,921
Surplus/(Deficit)	(345,312)	(353,589)	-	-	-	-	353,589	353,589	(0)	-	(0)
Transfers recognised - capital	2,177,040	2,186,477	-	-	-	-	5,629	5,629	2,192,106	2,236,742	2,268,253
Contributions recognised - capital	87,800	87,800	-	-	-	-	(6,459)	(6,459)	81,341	83,900	86,700
Contributed assets	-	-	-	-	-	-	6,600	6,600	6,600	-	-
Surplus/(Deficit) before taxation	1,919,528	1,920,688	-	-	-	-	359,359	359,359	2,280,047	2,320,642	2,354,953
Taxation	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	1,919,528	1,920,688	-	-	-	-	359,359	359,359	2,280,047	2,320,642	2,354,953
Attributable to minorities	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	1,919,528	1,920,688	-	-	-	-	359,359	359,359	2,280,047	2,320,642	2,354,953
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1,919,528	1,920,688	-	-	-	-	359,359	359,359	2,280,047	2,320,642	2,354,953

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.
2. Property Rates increases by R619 million, due to the impact of the GV2015 outcome.
3. Service charges – water revenue increases by R185 million as a result of sales volumes being higher than anticipated and the impact of the implemented 20% water restrictions on consumption patterns.
4. Service charges – sanitation revenue increases by R64 million as a result of sales volumes being higher than anticipated and the impact of the implemented 20% water restrictions on consumption patterns.
5. Interest earned – outstanding debtors decreases by R40 million, which is based on current trends.
6. Transfers recognised - operating increases by R86 million, as a result of 2015/16 private donations and committed Provincial- and National Government grant allocations.
7. Gains on disposal of PPE decreases by R39 million, which is based on current trends.

The following graph illustrates the breakdown of operating revenue for 2016/17:

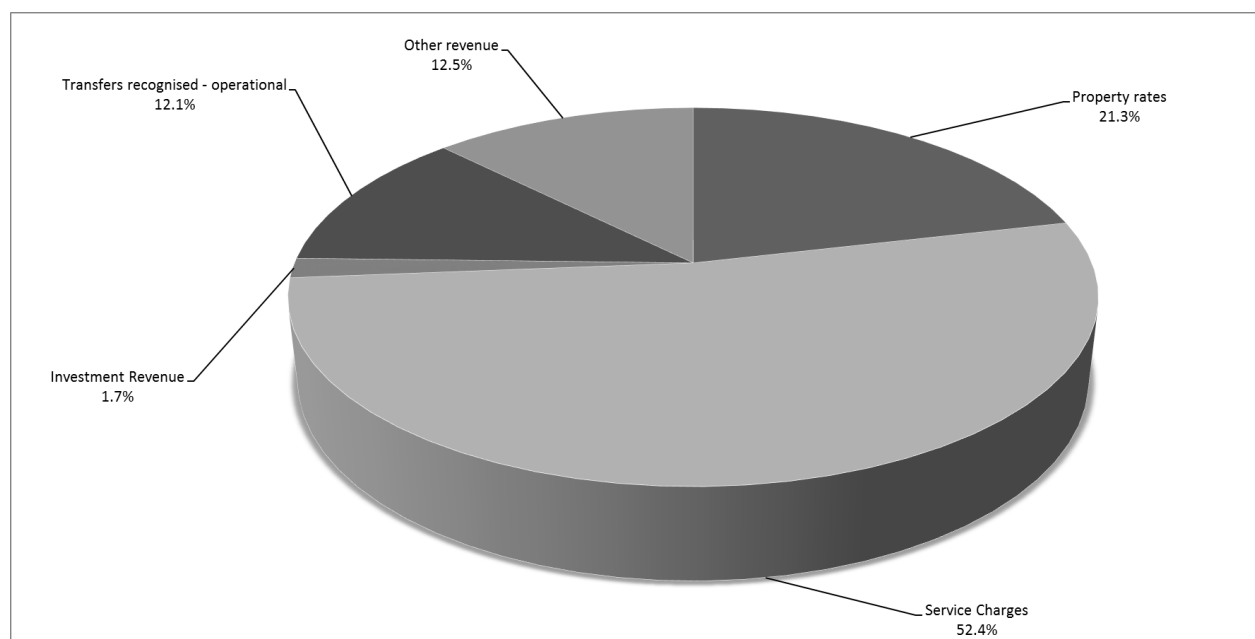


Figure 1 Breakdown of operating revenue for 2016/17

8. Employee related costs decreases by R247 million, due to reallocation of once-off savings to needy areas.
9. Debt impairment increases by R255 million resulting from adjustments made to the sales revenue in the Water & Sanitation department.
10. Depreciation and asset impairment increases by R115 million, due to the additional depreciation provision of R16 million on assets City-wide as well as the provision of R99 million made with the Human Settlements department for asset impairment.
11. Other materials increase by R91 million, due to budgetary realignments, mSCOA changes/retrofit exercise.
12. Transfers and grants decreases by R50 million, due to additional allocation, budgetary realignments and shifting of funding from the operating budget to the capital budget.
13. Other expenditure increases by R381 million, due to budgetary realignments, mSCOA changes/retrofit exercise.

The following graph illustrates the major expenditure by major type:

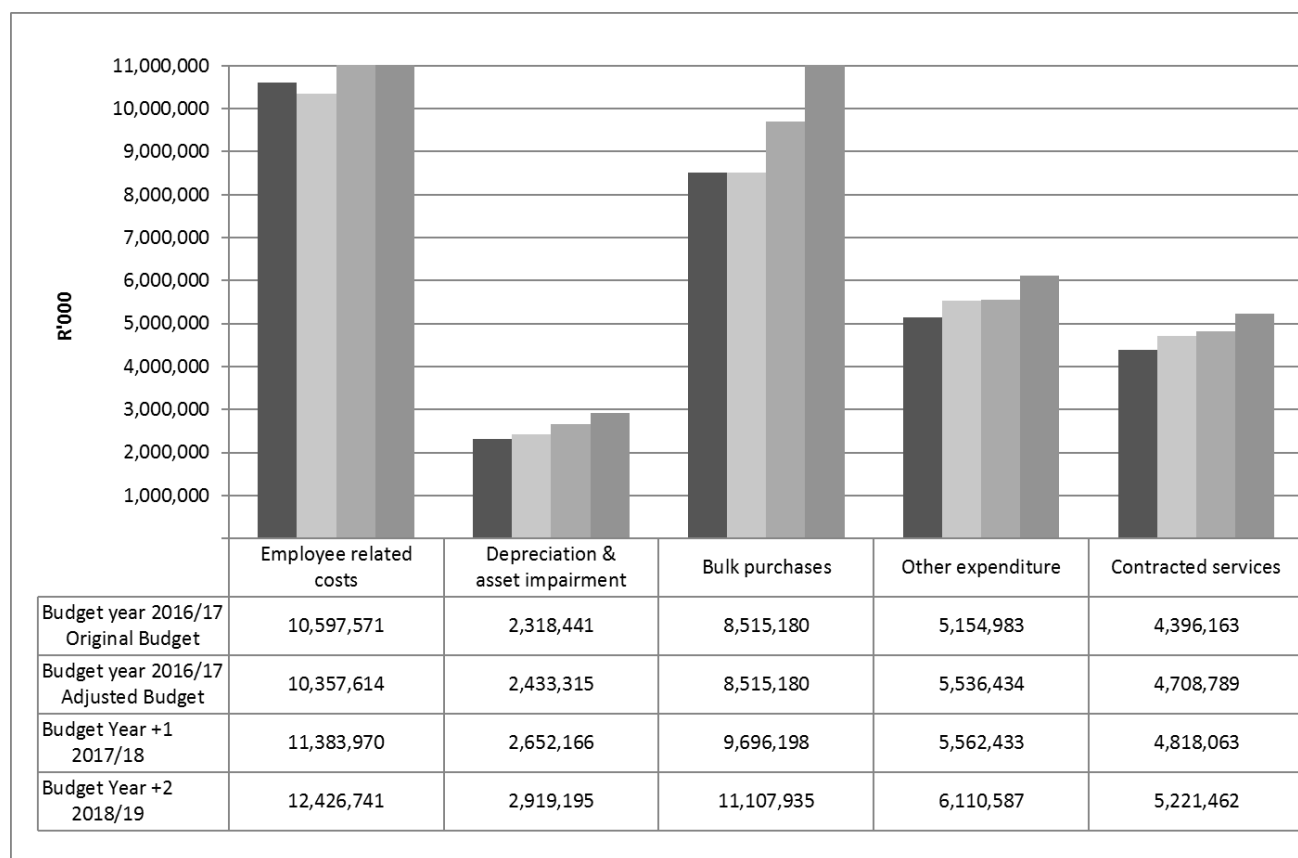


Figure 2 Breakdown of major expenditure by major type

Table 6 MBRR Table B5 – Adjustments Budget Capital Expenditure by vote, standard classification and funding source

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Capital expenditure - Vote											
Multi-year expenditure to be adjusted											
Vote 1 - Area Based Management	6,204	8,020	–	–	–	–	4,505	4,505	12,525	42,261	39,200
Vote 2 - Assets & Facilities Management	380,223	402,404	(9,586)	–	–	–	(4,586)	(14,172)	388,232	257,536	197,706
Vote 3 - Corporate Services	302,085	312,876	–	–	–	–	(55,468)	(55,468)	257,408	335,186	332,546
Vote 4 - City Manager	242	242	–	–	–	–	80	80	322	222	222
Vote 5 - Directorate of the Mayor	21,196	21,212	–	–	–	–	1,130	1,130	22,341	14,857	1,538
Vote 6 - Energy	1,607,202	1,611,901	–	–	–	–	(235,574)	(235,574)	1,376,327	1,331,177	1,306,933
Vote 7 - Finance	16,111	16,249	–	–	–	–	8,130	8,130	24,379	9,751	8,431
Vote 8 - Informal Settlements, Water & Waste Services	2,055,689	2,070,745	(28,189)	–	–	–	(92,579)	(120,768)	1,949,977	2,050,856	2,085,172
Vote 9 - Safety & Security	138,938	138,951	(1,800)	–	–	–	(17,401)	(19,202)	119,749	63,573	42,115
Vote 10 - Social Services	247,679	253,014	11,058	–	–	–	612	11,670	264,684	230,843	168,334
Vote 11 - Transport & Urban Development Authority	1,725,706	1,796,131	186,404	–	–	–	(51,888)	134,516	1,930,647	1,794,544	1,724,334
Total Capital Expenditure - Vote	6,501,277	6,631,744	157,887	–	–	–	(443,039)	(285,152)	6,346,592	6,130,807	5,906,531
Capital Expenditure - Standard											
Governance and administration	571,966	585,655	124	–	–	–	116,892	117,016	702,672	609,848	498,988
Executive and council	39,349	41,243	124	–	–	–	122,897	123,020	164,264	112,234	96,251
Budget and treasury office	15,997	16,135	–	–	–	–	8,130	8,130	24,265	9,752	8,417
Corporate services	516,620	528,277	–	–	–	–	(14,135)	(14,135)	514,143	487,861	394,320
Community and public safety	936,453	970,023	89,011	–	–	–	(47,114)	41,898	1,011,921	856,889	803,689
Community and social services	69,742	69,951	15,517	–	–	–	5,067	20,584	90,535	93,107	76,196
Sport and recreation	148,513	151,622	5,474	–	–	–	7,933	13,406	165,029	102,737	47,251
Public safety	185,098	185,098	(1,800)	–	–	–	(13,432)	(15,232)	169,866	121,181	105,475
Housing	499,611	527,924	79,877	–	–	–	(45,463)	34,414	562,338	494,980	515,096
Health	33,490	35,428	(10,056)	–	–	–	(1,219)	(11,275)	24,153	44,883	59,671
Economic and environmental services	1,534,557	1,598,010	80,428	–	–	–	(184,665)	(104,237)	1,493,772	1,497,216	1,362,081
Planning and development	70,524	70,810	–	–	–	–	(1,145)	(1,145)	69,664	36,108	53,578
Road transport	1,448,117	1,511,284	80,428	–	–	–	(179,651)	(99,224)	1,412,060	1,444,621	1,297,331
Environmental protection	15,916	15,916	–	–	–	–	(3,868)	(3,868)	12,048	16,488	11,172
Trading services	3,458,301	3,478,056	(11,676)	–	–	–	(328,153)	(339,828)	3,138,227	3,166,854	3,241,772
Electricity	1,536,812	1,541,511	–	–	–	–	(235,574)	(235,574)	1,305,937	1,260,277	1,233,833
Water	883,225	883,225	(1,781)	–	–	–	21,076	19,295	902,519	774,032	854,550
Waste water management	800,774	810,927	(9,894)	–	–	–	(53,342)	(63,237)	747,690	766,376	824,801
Waste management	237,491	242,393	–	–	–	–	(60,312)	(60,312)	182,081	366,168	328,589
Other	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	6,501,277	6,631,744	157,887	–	–	–	(443,039)	(285,152)	6,346,592	6,130,807	5,906,531
Funded by:											
National Government	2,079,122	2,079,122	149,538	–	–	–	(88,874)	60,664	2,139,786	2,157,999	2,142,928
Provincial Government	97,918	107,356	8,349	–	–	–	(63,385)	(55,035)	52,320	78,743	125,325
District Municipality	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–	–	–	–
Total Capital transfers recognised	2,177,040	2,186,477	157,887	–	–	–	(152,258)	5,629	2,192,106	2,236,742	2,268,253
Public contributions & donations	87,800	87,800	–	–	–	–	(6,459)	(6,459)	81,341	83,900	86,700
Borrowing	2,928,696	3,005,341	–	–	–	–	(88,041)	(88,041)	2,917,300	2,577,459	2,716,971
Internally generated funds	1,307,740	1,352,126	–	–	–	–	(196,281)	(196,281)	1,155,845	1,232,707	834,607
Total Capital Funding	6,501,277	6,631,744	157,887	–	–	–	(443,039)	(285,152)	6,346,592	6,130,807	5,906,531

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 347 million, R6 131 million and R5 907 million respectively over the MTREF.
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 273 million (36%) in 2016/17, R2 321 million and R2 355 million in 2017/18 and 2018/19 respectively. Internally generated funds amounting to R1 156 million, R1 233 million and R835 million for each of the respective financial years have been provided for in the MTREF. Borrowings amount to R2 917 million, R2 577 million and R2 717 million for each of the respective financial years.

Table 7 MBRR Table B6 – Adjustments Budget Financial Position

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
ASSETS											
Current assets											
Cash	103,411	103,411	–	–	–	–	–	–	103,411	103,844	146,904
Call investment deposits	2,908,391	5,113,990	–	–	–	–	727,857	727,857	5,841,847	5,935,427	7,042,093
Consumer debtors	4,903,207	4,903,207	–	–	–	–	448,137	448,137	5,351,344	5,591,654	5,829,522
Other debtors	894,630	894,630	–	–	–	–	92,422	92,422	987,052	1,135,110	1,305,376
Current portion of long-term receivables	21,871	21,871	–	–	–	–	(3,924)	(3,924)	17,948	18,845	19,787
Inventory	339,182	339,182	–	–	–	–	(56,182)	(56,182)	283,000	311,300	342,430
Total current assets	9,170,692	11,376,291	–	–	–	–	1,208,311	1,208,311	12,584,602	13,096,180	14,686,113
Non current assets											
Long-term receivables	67,980	67,980	–	–	–	–	(18,870)	(18,870)	49,110	46,655	44,322
Investments	4,029,279	4,055,497	–	–	–	–	–	–	4,055,497	4,274,405	4,519,113
Investment property	589,382	589,382	–	–	–	–	(1,191)	(1,191)	588,191	588,191	588,191
Investment in Associate	–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	40,996,392	41,120,336	–	–	–	–	(631,854)	(631,854)	40,488,482	43,660,583	46,352,592
Agricultural	–	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–	–
Intangible	708,383	708,383	–	–	–	–	(79,221)	(79,221)	629,162	629,162	629,162
Other non-current assets	9,062	9,062	–	–	–	–	(13)	(13)	9,049	9,049	9,049
Total non current assets	46,400,477	46,550,640	–	–	–	–	(731,148)	(731,148)	45,819,491	49,208,045	52,142,429
TOTAL ASSETS	55,571,170	57,926,931	–	–	–	–	477,162	477,162	58,404,093	62,304,225	66,828,542
LIABILITIES											
Current liabilities											
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
Borrowing	501,208	501,208	–	–	–	–	–	–	501,208	530,326	649,886
Consumer deposits	329,432	329,432	–	–	–	–	27,664	27,664	357,096	392,806	432,087
Trade and other payables	6,579,621	8,928,431	–	–	–	–	(2,116,506)	(2,116,506)	6,811,925	6,908,135	7,302,290
Provisions	1,091,755	1,091,755	–	–	–	–	52,372	52,372	1,144,126	1,224,215	1,309,910
Total current liabilities	8,502,016	10,850,826	–	–	–	–	(2,036,471)	(2,036,471)	8,814,356	9,055,482	9,694,173
Non current liabilities											
Borrowing	8,058,439	8,058,439	–	–	–	–	–	–	8,058,439	9,079,089	10,456,698
Provisions	6,271,089	6,276,880	–	–	–	–	123,166	123,166	6,400,046	6,717,759	6,870,824
Total non current liabilities	14,329,528	14,335,319	–	–	–	–	123,166	123,166	14,458,485	15,796,848	17,327,522
TOTAL LIABILITIES	22,831,544	25,186,145	–	–	–	–	(1,913,305)	(1,913,305)	23,272,840	24,852,330	27,021,694
NET ASSETS	32,739,626	32,740,786	–	–	–	–	2,390,467	2,390,467	35,131,253	37,451,895	39,806,848
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	31,269,262	31,322,984	–	–	–	–	837,676	837,676	32,160,660	34,678,188	36,847,317
Reserves	1,470,363	1,417,803	–	–	–	–	1,552,791	1,552,791	2,970,593	2,773,707	2,959,530
Minorities' interests	–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32,739,626	32,740,786	–	–	–	–	2,390,467	2,390,467	35,131,253	37,451,895	39,806,848

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 8 MBRR Table B7 – Adjustments Budget Cash Flow Statement

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges	6,864,644	6,864,644	-	-	-	-	527,662	527,662	7,392,306	7,844,260	8,508,197
Service charges	16,910,000	16,910,000	-	-	-	-	65,855	65,855	16,975,854	19,255,364	21,970,479
Other revenue	3,205,429	3,205,429	-	-	-	-	(48,540)	(48,540)	3,156,890	3,361,777	3,607,100
Government - operating	3,802,940	3,802,940	-	-	-	-	85,954	85,954	3,888,895	4,067,364	4,375,160
Government - capital	2,264,840	2,274,277	-	-	-	-	(830)	(830)	2,273,447	2,320,642	2,354,953
Interest	595,694	595,694	-	-	-	-	-	-	595,694	624,661	672,891
Dividends	-	-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees	(28,554,433)	(28,970,581)	-	-	-	-	(112,213)	(112,213)	(29,082,794)	(31,445,593)	(34,795,235)
Finance charges	(812,118)	(812,118)	-	-	-	-	-	-	(812,118)	(928,327)	(1,098,571)
Transfers and Grants	(115,154)	(115,154)	-	-	-	-	(9,200)	(9,200)	(124,353)	(131,193)	(138,408)
NET CASH FROM/(USED) OPERATING ACTIVITIES	4,161,843	3,755,132	-	-	-	-	508,689	508,689	4,263,821	4,968,955	5,456,567
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE	79,500	79,500	-	-	-	-	(39,000)	(39,000)	40,500	8,355	6,092
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	3,578	3,578	-	-	-	-	(993)	(993)	2,585	2,456	2,333
Decrease (increase) in non-current investments	(89,310)	(89,310)	-	-	-	-	-	-	(89,310)	(218,908)	(244,708)
Payments											
Capital assets	(5,851,149)	(5,968,570)	-	-	-	-	256,646	256,646	(5,711,924)	(5,517,726)	(5,315,878)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5,857,381)	(5,974,802)	-	-	-	-	216,653	216,653	(5,758,149)	(5,725,824)	(5,552,161)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	2,500,000	2,500,000	-	-	-	-	-	-	2,500,000	1,500,000	2,000,000
Increase (decrease) in consumer deposits	29,948	29,948	-	-	-	-	2,515	2,515	32,463	35,710	39,281
Payments											
Repayment of borrowing	(491,216)	(491,216)	-	-	-	-	-	-	(491,216)	(465,919)	(549,253)
NET CASH FROM/(USED) FINANCING ACTIVITIES	2,038,733	2,038,733	-	-	-	-	2,515	2,515	2,041,248	1,069,790	1,490,028
NET INCREASE/(DECREASE) IN CASH HELD	343,195	(180,937)	-	-	-	-	727,857	727,857	546,920	312,921	1,394,434
Cash/cash equivalents at the year begin:	1,197,922	3,332,472	-	-	-	-	-	-	3,332,472	3,879,391	4,192,312
Cash/cash equivalents at the year end:	1,541,117	3,151,534	-	-	-	-	727,857	727,857	3,879,391	4,192,312	5,586,746

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 2016/17 to 2018/19 MTREF.
2. Cash and cash equivalents over the medium-term with cash levels are anticipated to exceed R3 879 million by 2016/17, R4 192 million in 2017/18 and R5 587 million by 2018/19.

Table 9 MBRR Table B8 - Cash Backed Reserves / Accumulated Surplus Reconciliation

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Cash and investments available											
Cash/cash equivalents at the year end	1,541,117	3,151,534	-	-	-	-	727,857	727,857	3,879,391	4,192,312	5,586,746
Other current investments > 90 days	1,470,685	2,065,867	-	-	-	-	(0)	(0)	2,065,867	1,846,959	1,602,251
Non current assets - Investments	4,029,279	4,055,497	-	-	-	-	-	-	4,055,497	4,274,405	4,519,113
Cash and investments available	7,041,081	9,272,898	-	-	-	-	727,857	727,857	10,000,755	10,313,676	11,708,110
Applications of cash and investments											
Unspent conditional transfers	1,600,902	1,350,902	-	-	-	-	(41,005)	(41,005)	1,309,897	1,436,298	1,577,096
Unspent borrowing	-	-	-	-	-	-	-	-	-	-	-
Statutory requirements	-	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	(440,561)	2,158,248	-	-	-	-	(2,487,579)	(2,487,579)	(329,330)	(735,821)	(906,531)
Other provisions	-	-	-	-	-	-	-	-	-	-	-
Long term investments committed	2,014,640	2,052,139	-	-	-	-	0	0	2,052,139	2,265,047	2,503,755
Reserves to be backed by cash/investments	1,590,917	1,638,316	-	-	-	-	1,544,548	1,544,548	3,182,864	3,395,185	3,485,167
Total Application of cash and investments	4,765,898	7,199,605	-	-	-	-	(984,035)	(984,035)	6,215,570	6,360,709	6,659,487
Surplus(shortfall)	2,275,183	2,073,293	-	-	-	-	1,711,892	1,711,892	3,785,185	3,952,967	5,048,623

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 2016/17 MTREF.
5. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2016/17 MTREF is fully funded.
6. As part of the budgeting and planning guidelines that informed the compilation of the 2016/17 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 R3 785 million in 2016/17 increasing to R5 049 million by 2018/19.

Table 10 MBRR Table B9 - Asset Management

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
CAPITAL EXPENDITURE											
Total New Assets to be adjusted	3,399,752	3,422,694	125,164	–	–	–	(489,923)	(364,759)	3,057,935	3,241,519	3,069,311
Infrastructure - Road transport	820,980	826,153	11,731	–	–	–	6,625	18,356	844,509	941,223	763,401
Infrastructure - Electricity	636,292	636,687	–	–	–	–	(83,296)	(83,296)	553,391	540,618	518,500
Infrastructure - Water	315,421	315,421	(7,903)	–	–	–	(29,857)	(37,760)	277,661	294,700	371,145
Infrastructure - Sanitation	261,175	263,007	(6,516)	–	–	–	(40,622)	(47,138)	215,869	182,498	240,035
Infrastructure - Other	378,399	379,857	(11,823)	–	–	–	(160,346)	(172,170)	207,687	423,926	603,817
Infrastructure	2,412,267	2,421,125	(14,512)	–	–	–	(307,496)	(322,008)	2,099,117	2,382,964	2,496,898
Community	96,710	97,567	(8,504)	–	–	–	(9,800)	(18,303)	79,263	134,537	90,385
Heritage assets	–	–	–	–	–	–	–	–	–	–	–
Investment properties	53,500	53,500	145,167	–	–	–	(33,700)	111,467	164,967	191,119	116,487
Other assets	837,276	850,503	3,012	–	–	–	(139,427)	(136,415)	714,088	532,899	365,541
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	500	500	500	–	–
Total Renewal of Existing Assets to be adjusted	3,101,524	3,209,050	32,723	–	–	–	46,884	79,607	3,288,657	2,889,288	2,837,219
Infrastructure - Road transport	589,080	644,927	29,004	–	–	–	(25,946)	3,057	647,985	566,881	481,733
Infrastructure - Electricity	664,046	668,165	–	–	–	–	(63,125)	(63,125)	605,040	585,724	589,448
Infrastructure - Water	282,167	282,267	(1,384)	–	–	–	94,445	93,061	375,327	346,293	390,836
Infrastructure - Sanitation	547,702	547,702	(12,884)	–	–	–	1,855	(11,029)	536,672	594,921	729,050
Infrastructure - Other	153,910	174,953	3,237	–	–	–	(18,273)	(15,036)	159,917	93,585	100,000
Infrastructure	2,236,904	2,318,014	17,973	–	–	–	(11,045)	6,928	2,324,942	2,167,404	2,291,067
Community	199,835	202,941	15,750	–	–	–	15,011	30,761	233,702	175,499	126,871
Heritage assets	47,208	47,229	–	–	–	–	(6,800)	(6,800)	40,429	9,250	1,800
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Other assets	612,327	635,616	(1,000)	–	–	–	50,518	49,518	685,134	497,379	411,232
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	5,250	5,250	–	–	–	–	(800)	(800)	4,450	19,756	6,250
Total Capital Expenditure to be adjusted	1,410,059	1,471,080	40,735	–	–	–	(19,321)	21,413	1,492,493	1,508,103	1,245,134
Infrastructure - Road transport	1,300,337	1,304,852	–	–	–	–	(146,421)	(146,421)	1,158,431	1,126,342	1,107,948
Infrastructure - Electricity	597,588	597,688	(9,287)	–	–	–	64,588	55,301	652,989	640,993	761,982
Infrastructure - Sanitation	808,877	810,708	(19,400)	–	–	–	(38,767)	(58,167)	752,541	777,419	969,085
Infrastructure - Other	532,309	554,810	(8,586)	–	–	–	(178,620)	(187,205)	367,605	517,511	703,817
Infrastructure	4,649,171	4,739,138	3,462	–	–	–	(318,542)	(315,080)	4,424,058	4,570,368	4,787,964
Community	296,545	300,508	7,246	–	–	–	5,211	12,457	312,965	310,036	217,256
Heritage assets	47,208	47,229	–	–	–	–	(6,800)	(6,800)	40,429	9,250	1,800
Investment properties	53,500	53,500	145,167	–	–	–	(33,700)	111,467	164,967	191,119	116,487
Other assets	1,449,603	1,486,119	2,012	–	–	–	(88,909)	(86,897)	1,399,222	1,030,278	776,773
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	5,250	5,250	–	–	–	–	(300)	(300)	4,950	19,756	6,250
TOTAL CAPITAL EXPENDITURE to be adjusted	6,501,277	6,631,744	157,887	–	–	–	(443,039)	(285,152)	6,346,592	6,130,807	5,906,531

Table continues on next page.

Description	Budget Year 2016/17										Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands												
ASSET REGISTER SUMMARY - PPE (WDV)												
Infrastructure - Road transport	9,755,319	9,813,289	-	-	-	-	(160,596)	(160,596)	9,652,692	10,349,673	10,746,732	
Infrastructure - Electricity	6,625,643	6,630,312	-	-	-	-	(46,493)	(46,493)	6,583,819	7,316,621	7,980,442	
Infrastructure - Water	2,571,096	2,571,191	-	-	-	-	94,980	94,980	2,666,171	3,017,735	3,409,783	
Infrastructure - Sanitation	3,203,547	3,205,287	-	-	-	-	(93,776)	(93,776)	3,111,511	3,600,339	4,253,769	
Infrastructure - Other	3,224,499	3,245,562	-	-	-	-	41,199	41,199	3,286,760	3,632,941	4,145,930	
Infrastructure	25,380,104	25,465,641	-	-	-	-	(164,687)	(164,687)	25,300,954	27,917,309	30,536,656	
Community	5,847,113	5,877,411	-	-	-	-	2,078,671	2,078,671	7,956,081	7,528,672	6,962,585	
Heritage assets	9,062	9,062	-	-	-	-	(13)	(13)	9,049	9,049	9,049	
Investment properties	589,382	589,382	-	-	-	-	(1,191)	(1,191)	588,191	588,191	588,191	
Other assets	9,769,175	9,777,284	-	-	-	-	(2,545,838)	(2,545,838)	7,231,446	8,214,602	8,853,350	
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-	
Biological assets	-	-	-	-	-	-	-	-	-	-	-	
Intangibles	708,383	708,383	-	-	-	-	(79,221)	(79,221)	629,162	629,162	629,162	
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	42,303,219	42,427,163	-	-	-	-	(712,279)	(712,279)	41,714,883	44,886,985	47,578,994	
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment	2,318,441	2,318,441	-	-	-	-	114,873	114,873	2,433,315	2,652,166	2,919,195	
Repairs and Maintenance by asset class	3,802,902	3,802,902	-	-	-	-	(99,235)	(99,235)	3,703,667	3,933,470	4,267,723	
Infrastructure - Road transport	824,573	824,573	-	-	-	-	60,031	60,031	884,603	940,553	1,035,053	
Infrastructure - Electricity	570,091	570,091	-	-	-	-	(25,100)	(25,100)	544,991	577,811	641,618	
Infrastructure - Water	87,236	87,236	-	-	-	-	(5,517)	(5,517)	81,719	86,786	92,166	
Infrastructure - Sanitation	532,007	532,007	-	-	-	-	(61,956)	(61,956)	470,051	498,722	529,147	
Infrastructure - Other	519,718	519,718	-	-	-	-	(156,340)	(156,340)	363,378	385,165	423,433	
Infrastructure	2,533,624	2,533,624	-	-	-	-	(188,882)	(188,882)	2,344,742	2,489,037	2,721,418	
Community	540,574	540,574	-	-	-	-	4,368	4,368	544,941	578,951	615,098	
Heritage assets	11	11	-	-	-	-	1,308	1,308	1,319	1,404	1,496	
Investment properties	-	-	-	-	-	-	-	-	-	-	-	
Other assets	728,694	728,694	-	-	-	-	83,971	83,971	812,665	864,077	929,711	
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	6,121,343	6,121,343	-	-	-	-	15,639	15,639	6,136,982	6,585,636	7,186,918	
Renewal of Existing Assets as % of total capex	47.7%	48.4%	-	-	-	-	-	-	51.8%	47.1%	48.0%	
Renewal of Existing Assets as % of deprecn"	133.8%	138.4%	-	-	-	-	-	-	135.2%	108.9%	97.2%	
R&M as a % of PPE	9.0%	9.0%	-	-	-	-	-	-	8.9%	8.8%	9.0%	
Renewal and R&M as a % of PPE	16.3%	16.5%	-	-	-	-	-	-	16.8%	15.2%	14.9%	

Explanatory notes to Table B9 – Asset Management

- 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.
- 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.
- 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.
- 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.



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

Table 11 MBRR Table B10 - Basic Service Delivery Measurement

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi- year	Unfore. Unavoid.	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Household service targets											
<u>Water:</u>											
Piped water inside dwelling	988,643	988,643	-	-	-	-	-	-	988,643	998,693	1,008,298
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	158,433	158,433	-	-	-	-	-	-	158,433	160,044	161,583
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	1,147,076	1,147,076	-	-	-	-	-	-	1,147,076	1,158,737	1,169,881
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-	-
Total number of households	1,147,076	1,147,076	-	-	-	-	-	-	1,147,076	1,158,737	1,169,881
<u>Sanitation/sewerage:</u>											
Flush toilet (connected to sewerage)	1,070,076	1,070,076	-	-	-	-	-	-	1,070,076	1,085,737	1,099,881
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-	-	-
Chemical toilet	23,964	23,964	-	-	-	-	-	-	23,964	23,964	23,964
Pit toilet (ventilated)	65	65	-	-	-	-	-	-	65	65	65
Other toilet provisions (> min.service level)	52,754	52,754	-	-	-	-	-	-	52,754	48,971	45,971
<i>Minimum Service Level and Above sub-total</i>	1,146,859	1,146,859	-	-	-	-	-	-	1,146,859	1,158,737	1,169,881
Bucket toilet	217	217	-	-	-	-	-	-	217	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	217	217	-	-	-	-	-	-	217	-	-
Total number of households	1,147,076	1,147,076	-	-	-	-	-	-	1,147,076	1,158,737	1,169,881
<u>Energy:</u>											
Electricity (at least min. service level)	854,902	854,902	-	-	-	-	-	-	854,902	856,402	857,902
Electricity - prepaid (> min.service level)	-	-	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	854,902	854,902	-	-	-	-	-	-	854,902	856,402	857,902
Electricity (< min.service level)	30,841	30,841	-	-	-	-	-	-	30,841	29,341	27,841
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	30,841	30,841	-	-	-	-	-	-	30,841	29,341	27,841
Total number of households	885,743	885,743	-	-	-	-	-	-	885,743	885,743	885,743
<u>Refuse:</u>											
Removed at least once a week (min.service)	975,507	975,507	-	-	-	-	-	-	975,507	995,017	1,014,917
<i>Minimum Service Level and Above sub-total</i>	975,507	975,507	-	-	-	-	-	-	975,507	995,017	1,014,917
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-	-
Total number of households	975,507	975,507	-	-	-	-	-	-	975,507	995,017	1,014,917

Table continues on next page.

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi- year	Unfore. Unavoid.	Nat. or Prov.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Households receiving Free Basic Service											
Water (6 kilolitres per household per month)	222,098	222,098	–	–	–	–	–	–	222,098	222,098	222,098
Sanitation (free minimum level service)	222,098	222,098	–	–	–	–	–	–	222,098	222,098	222,098
Electricity/other energy (50kwh per household per month)	231,645	231,645	–	–	–	–	–	–	231,645	232,545	233,445
Refuse (removed at least once a week)	302,957	302,957	–	–	–	–	–	–	302,957	310,534	318,278
Cost of Free Basic Services provided - Formal Settlements (R'000)											
Water (6 kilolitres per indigent household per month)	212,041	212,041	–	–	–	–	–	–	212,041	235,366	261,256
Sanitation (free sanitation service to indigent households)	143,728	143,728	–	–	–	–	–	–	143,728	159,538	177,087
Electricity/other energy (50kwh per indigent household per month)	189,657	189,657	–	–	–	–	–	–	189,657	203,998	219,436
Refuse (removed once a week for indigent households)	235,401	235,401	–	–	–	–	–	–	235,401	248,348	262,007
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	671,529	671,529	–	–	–	–	–	–	671,529	737,533	802,443
Total cost of FBS provided	1,452,356	1,452,356	–	–	–	–	–	–	1,452,356	1,584,783	1,722,229
Highest level of free service provided											
Property rates (R'000 value threshold)	–	–	–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)	6	6	–	–	–	–	–	–	6	6	6
Sanitation (kilolitres per household per month)	4.2	4.2	–	–	–	–	–	–	4	4	4
Sanitation (Rand per household per month)	102	102	–	–	–	–	–	–	102	107	119
Electricity (kw per household per month)	60	60	–	–	–	–	–	–	60	60	60
Refuse (average litres per week)	240	240	–	–	–	–	–	–	240	240	240
Revenue cost of subsidised services provided (R'000)											
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	76,186	76,186	–	–	–	–	–	–	76,186	80,986	85,910
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	1,247,403	1,247,403	–	–	–	–	(20,000)	(20,000)	1,227,403	1,304,969	1,384,531
Water (in excess of 6 kilolitres per indigent household per month)	159,031	159,031	–	–	–	–	–	–	159,031	176,524	195,942
Sanitation (in excess of free sanitation service to indigent households)	107,796	107,796	–	–	–	–	–	–	107,796	119,653	132,815
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	–	–	–	–	–
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	22,955	22,955	–	–	–	–	–	–	22,955	24,218	25,550
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	1,613,371	1,613,371	–	–	–	–	(20,000)	(20,000)	1,593,371	1,706,351	1,824,748

- The following should be noted in respect of the highest level of free services provided for Water & Sanitation, Electricity and Solid Waste:

Water & Sanitation

- 6 kℓ of water per month per household, free of charge.
- 4,2 kℓ of sanitation per month per household, free of charge.
- Additional free allocation to indigent customers of 4,5 kℓ of water and 3,15 kℓ of sanitation charges for all properties valued at R400 000 or less.

Electricity (applicable to customers on the Lifeline tariff ONLY – other customers do not qualify)

Each household with a property value of less than R1 million and a prepaid meter receives a monthly 60 kWh free electricity if they normally buy less than 250 kWh per month; or 25 kWh free electricity if they normally buy between 250 and 450 kWh per month.

Solid Waste

Waste removal – Consumers whose properties are valued below R400 000 receive rebates between 0% and 100% on the first 240 ℓ container. Consumers who earn below R6 000 and who are registered on the Indigent Register will qualify for a rebate between 0% and 100% on the first 240 ℓ container.

▪ **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). Backlogs reflected in the 2012/13 and 2013/14 financial years were based on the City's standards and not National standards.
 - b. Sanitation services – Cape Town's population, both formal and informal settlements, receives sanitation services in accordance with the National minimum standards. Funding is still provided to further improve the service levels in Informal Settlements in line with the City's strategy. The bucket toilet value of 217 households reflected in the 'below minimum standards' category in the 2016/17 financial year is not seen as a backlog as these households using the bucket system do so despite being offered and encouraged to use alternative sanitation services which are available and accessible. It was planned to remove the remaining bucket systems in 2015/16, however it did not realise due to various challenges which included community resistance. Certain of the bucket toilets could be removed, bringing the amount down from 377 to 217 households. Initiatives to remove the remaining ones are ongoing.
 - 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 households in 2015/16 to 30 841 households in 2016/17.
 - d. Refuse services – This service does not have any backlogs.
3. The categories for the '*Cost of free basic services provided – Informal Formal Settlements (R'000)*' and the '*Revenue cost of free subsidised services provided (R'000)*' in the table above were amended to mirror the information in the approved Table A10, which formed part of the 2016/17 budget document submitted to Council in May 2016.

5. Adjustments to budget assumptions

The budget assumptions underpinning the 2016/17 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.

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

See Table 2 on page 15.

c. Adjustments related to allocations and grants to the municipality

Refer to **Allocations and grant adjustments** on page 1.

7. Adjustments to transfers and grants made by the City

- R6 million additional allocation to support major international and community events that act as key economic drivers and reaffirms Cape Town competitiveness.
- R59 million shift from the operating budget to the capital budget on USDG projects funded ex PGWC as these projects will be capitalised as City assets within the Transport & Urban Development Authority directorate.

Annexure 1.2 provides further details of the adjustments to transfers and grants.

8. Adjustments to service delivery and budget implementation plan

Revisions to service delivery targets and performance indicators in the plan may only be made with the approval of Council following approval of an adjustments budget. These targets will therefore be updated after the adjustment budget on 26 January 2017.

9. Adjustments to capital expenditure

Disclosure on adjustments to the capital budget is provided in Annexure 2.2 to 2.4.

PART 2 - ADJUSTMENTS BUDGET: CONSOLIDATED TABLES

The consolidated tables of the City and its entity, Cape Town International Convention Centre (CTICC), are presented on page 36 to page 46.

Table 12 MBRR Table B1 Consolidated Adjustments Budget – Statement Summary

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Financial Performance											
Property rates	6,959,000	6,959,000	–	–	–	–	618,601	618,601	7,577,601	8,054,750	8,638,666
Service charges	18,353,075	18,353,075	–	–	–	–	240,223	240,223	18,593,298	20,989,523	23,813,941
Investment revenue	610,778	610,778	–	–	–	–	8,537	8,537	619,314	636,332	682,991
Transfers recognised - operational	3,802,940	4,210,812	–	–	–	–	86,174	86,174	4,296,986	4,067,364	4,375,160
Other own revenue	4,707,287	4,707,287	–	–	–	–	(65,359)	(65,359)	4,641,928	4,921,807	5,209,545
Total Revenue (excluding capital transfers and contributions)	34,433,079	34,840,951	–	–	–	–	888,177	888,177	35,729,128	38,669,777	42,720,304
Employee costs	10,670,840	10,677,483	–	–	–	–	(248,596)	(248,596)	10,428,887	11,465,352	12,513,786
Remuneration of councillors	152,117	152,117	–	–	–	–	(5,176)	(5,176)	146,941	156,299	166,458
Depreciation & asset impairment	2,347,797	2,347,797	–	–	–	–	116,607	116,607	2,464,404	3,355,034	2,956,562
Finance charges	895,848	895,848	–	–	–	–	950	950	896,798	989,566	1,192,590
Materials and bulk purchases	8,853,353	8,943,242	–	–	–	–	91,146	91,146	9,034,388	10,286,012	11,717,574
Transfers and grants	174,833	174,833	–	–	–	–	(50,479)	(50,479)	124,353	131,193	138,408
Other expenditure	11,701,644	12,021,259	–	–	–	–	600,009	600,009	12,621,268	12,958,522	14,053,985
Total Expenditure	34,796,431	35,212,579	–	–	–	–	504,461	504,461	35,717,040	39,341,978	42,739,364
Surplus/(Deficit)	(363,351)	(371,628)	–	–	–	–	383,716	383,716	12,088	(672,202)	(19,060)
Transfers recognised - capital	2,177,040	2,186,477	–	–	–	–	5,629	5,629	2,192,106	2,236,742	2,268,253
Contributions recognised - capital & contributed assets	87,800	87,800	–	–	–	–	141	141	87,941	83,900	86,700
Surplus/(Deficit) after capital transfers & contributions	1,901,489	1,902,649	–	–	–	–	389,486	389,486	2,292,135	1,648,440	2,335,893
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	1,901,489	1,902,649	–	–	–	–	389,486	389,486	2,292,135	1,648,440	2,335,893
Capital expenditure & funds sources											
Capital expenditure	6,774,256	6,904,724	157,887	–	–	–	(304,071)	(146,184)	6,758,540	6,178,789	5,951,974
Transfers recognised - capital	2,177,040	2,186,477	157,887	–	–	–	(152,258)	5,629	2,192,106	2,236,742	2,268,253
Public contributions & donations	87,800	87,800	–	–	–	–	(6,459)	(6,459)	81,341	83,900	86,700
Borrowing	2,988,696	3,065,341	–	–	–	–	(108,041)	(108,041)	2,957,300	2,577,459	2,716,971
Internally generated funds	1,520,720	1,565,106	–	–	–	–	(37,313)	(37,313)	1,527,793	1,280,689	880,050
Total sources of capital funds	6,774,256	6,904,724	157,887	–	–	–	(304,071)	(146,184)	6,758,540	6,178,789	5,951,974
Financial position											
Total current assets	9,408,864	11,614,463	–	–	–	–	1,223,310	1,223,310	12,837,773	13,350,278	14,910,902
Total non current assets	46,715,476	46,865,639	–	–	–	–	(1,373,462)	(1,373,462)	45,492,176	48,889,342	51,831,802
Total current liabilities	8,592,590	10,941,400	–	–	–	–	(2,039,208)	(2,039,208)	8,902,192	9,163,285	9,802,632
Total non current liabilities	14,385,943	14,391,734	–	–	–	–	106,876	106,876	14,498,610	15,834,400	17,362,245
Community wealth/Equity	33,145,806	33,146,967	–	–	–	–	1,782,180	1,782,180	34,929,147	37,241,934	39,577,828
Cash flows											
Net cash from (used) operating	4,180,508	3,773,797	–	–	–	–	478,306	478,306	4,252,103	5,015,207	5,476,086
Net cash from (used) investing	(6,130,361)	(6,247,781)	–	–	–	–	77,685	77,685	(6,170,097)	(5,773,806)	(5,597,604)
Net cash from (used) financing	2,375,150	2,375,150	–	–	–	–	(93,296)	(93,296)	2,281,854	1,067,217	1,487,198
Cash/cash equivalents at the year end	1,772,659	3,383,076	–	–	–	–	462,695	462,695	3,845,771	4,188,009	5,557,993
Cash backing/surplus reconciliation											
Cash and investments available	6,608,524	8,840,341	–	–	–	–	67,750	67,750	8,908,091	9,880,807	11,246,488
Application of cash and investments	4,861,906	7,295,614	–	–	–	–	(997,755)	(997,755)	6,297,859	6,392,477	6,692,527
Balance - surplus (shortfall)	1,746,618	1,544,727	–	–	–	–	1,065,504	1,065,504	2,610,231	3,488,330	4,553,961
Asset Management											
Asset register summary (WDV)	42,559,846	42,427,163	–	–	–	–	(577,445)	(577,445)	41,849,718	44,908,915	47,593,476
Depreciation & asset impairment	2,347,797	2,347,797	–	–	–	–	116,607	116,607	2,464,404	3,355,034	2,956,562
Renewal of Existing Assets	3,117,877	3,225,402	32,723	–	–	–	51,017	83,740	3,309,143	2,915,340	2,868,180
Repairs and Maintenance	3,812,039	3,802,902	–	–	–	–	(90,066)	(90,066)	3,712,836	3,961,416	4,297,486
Free services											
Cost of Free Basic Services provided	1,452,356	–	–	–	–	–	–	–	1,452,356	847,250	919,786
Revenue cost of free services provided	1,613,371	1,613,371	–	–	–	–	(20,000)	(20,000)	1,593,371	1,706,351	1,824,748
Households below minimum service level											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sew erage:	0	0	–	–	–	–	–	–	0	–	–
Energy :	31	31	–	–	–	–	–	–	31	29	28
Refuse:	–	–	–	–	–	–	–	–	–	–	–

Table 13 MBRR Table B2 Consolidated Adjustments Budget - Financial Performance (standard classification)

Standard Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Revenue - Standard											
<i>Governance and administration</i>	12,567,409	12,567,261	-	-	-	-	715,732	715,732	13,282,993	14,191,657	15,293,780
Executive and council	314,011	313,863	-	-	-	-	3,490	3,490	317,354	332,468	369,610
Budget and treasury office	11,971,769	11,971,769	-	-	-	-	751,459	751,459	12,723,229	13,650,412	14,705,480
Corporate services	281,629	281,629	-	-	-	-	(39,218)	(39,218)	242,411	208,778	218,689
<i>Community and public safety</i>	3,315,492	3,731,166	-	-	-	-	(148,098)	(148,098)	3,583,068	3,255,500	3,347,066
Community and social services	96,804	96,804	-	-	-	-	16,706	16,706	113,511	114,775	108,640
Sport and recreation	123,770	123,770	-	-	-	-	12,241	12,241	136,011	115,444	60,540
Public safety	1,194,620	1,194,620	-	-	-	-	2,833	2,833	1,197,453	1,210,762	1,249,609
Housing	1,605,746	2,021,420	-	-	-	-	(187,445)	(187,445)	1,833,976	1,476,545	1,551,244
Health	294,552	294,552	-	-	-	-	7,567	7,567	302,119	337,974	377,033
<i>Economic and environmental services</i>	1,904,756	1,906,261	-	-	-	-	105,225	105,225	2,011,486	1,951,129	1,882,678
Planning and development	305,929	305,929	-	-	-	-	15,091	15,091	321,020	319,954	356,094
Road transport	1,592,599	1,593,453	-	-	-	-	88,380	88,380	1,681,834	1,629,281	1,524,586
Environmental protection	6,227	6,878	-	-	-	-	1,754	1,754	8,632	1,894	1,998
<i>Trading services</i>	18,675,252	18,675,252	-	-	-	-	220,032	220,032	18,895,284	21,306,600	24,267,197
Electricity	12,089,547	12,089,547	-	-	-	-	4,800	4,800	12,094,347	13,843,971	15,971,943
Water	3,258,167	3,258,167	-	-	-	-	172,219	172,219	3,430,385	3,798,565	4,326,159
Waste water management	2,079,484	2,079,484	-	-	-	-	60,106	60,106	2,139,590	2,330,677	2,531,907
Waste management	1,248,054	1,248,054	-	-	-	-	(17,093)	(17,093)	1,230,962	1,333,387	1,437,188
<i>Other</i>	235,011	235,288	-	-	-	-	1,056	1,056	236,344	285,531	284,536
Total Revenue - Standard	36,697,919	37,115,228	-	-	-	-	893,947	893,947	38,009,175	40,990,418	45,075,257
Expenditure - Standard											
<i>Governance and administration</i>	6,359,899	6,360,182	-	-	-	-	328,445	328,445	6,688,627	7,455,173	8,161,929
Executive and council	1,112,285	1,075,476	-	-	-	-	29,938	29,938	1,105,414	1,167,531	1,303,292
Budget and treasury office	2,816,141	2,816,141	-	-	-	-	180,023	180,023	2,996,164	3,528,963	3,887,560
Corporate services	2,431,473	2,468,565	-	-	-	-	118,484	118,484	2,587,049	2,758,679	2,971,076
<i>Community and public safety</i>	7,662,160	8,077,104	-	-	-	-	(182,394)	(182,394)	7,894,710	7,989,313	8,592,609
Community and social services	651,428	651,428	-	-	-	-	(16,902)	(16,902)	634,526	681,068	739,472
Sport and recreation	1,543,845	1,543,845	-	-	-	-	(4,792)	(4,792)	1,539,053	1,659,362	1,777,179
Public safety	2,729,102	2,729,102	-	-	-	-	(51,391)	(51,391)	2,677,711	2,878,013	3,089,757
Housing	1,786,141	2,201,085	-	-	-	-	(128,093)	(128,093)	2,072,992	1,754,495	1,878,103
Health	951,643	951,643	-	-	-	-	18,784	18,784	970,428	1,016,374	1,108,097
<i>Economic and environmental services</i>	3,829,922	3,830,567	-	-	-	-	101,174	101,174	3,931,741	4,160,915	4,441,270
Planning and development	879,635	879,635	-	-	-	-	2,057	2,057	881,692	948,367	1,009,502
Road transport	2,831,720	2,831,714	-	-	-	-	96,244	96,244	2,927,958	3,088,140	3,297,925
Environmental protection	118,568	119,218	-	-	-	-	2,873	2,873	122,091	124,407	133,843
<i>Trading services</i>	16,628,216	16,628,216	-	-	-	-	286,771	286,771	16,914,987	18,712,205	21,169,212
Electricity	10,022,681	10,022,681	-	-	-	-	(5,591)	(5,591)	10,017,089	11,344,281	13,056,100
Water	2,782,122	2,782,122	-	-	-	-	260,272	260,272	3,042,394	3,260,296	3,671,120
Waste water management	1,628,232	1,628,232	-	-	-	-	94,712	94,712	1,722,944	1,809,292	1,929,247
Waste management	2,195,181	2,195,181	-	-	-	-	(62,622)	(62,622)	2,132,559	2,298,335	2,512,744
<i>Other</i>	316,234	316,511	-	-	-	-	(29,535)	(29,535)	286,976	1,024,373	374,343
Total Expenditure - Standard	34,796,431	35,212,579	-	-	-	-	504,461	504,461	35,717,040	39,341,978	42,739,364
Surplus/ (Deficit) for the year	1,901,489	1,902,649	-	-	-	-	389,486	389,486	2,292,135	1,648,440	2,335,893

**Table 14 Table B3 Consolidated Adjustments Budget - Financial Performance
(revenue and expenditure by municipal vote)**

Vote Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Revenue by Vote											
Vote 1 - Area Based Management	3,193	3,193	–	–	–	–	2,194	2,194	5,386	3,308	3,430
Vote 2 - Assets & Facilities Management	558,494	560,931	–	–	–	–	(107,525)	(107,525)	453,406	487,903	538,531
Vote 3 - Corporate Services	71,939	71,939	–	–	–	–	370	370	72,310	75,319	80,257
Vote 4 - City Manager	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Directorate of the Mayor	2,145	2,705	–	–	–	–	(639)	(639)	2,066	1,153	6,230
Vote 6 - Energy	12,113,461	12,113,461	–	–	–	–	4,800	4,800	12,118,261	13,867,086	15,995,059
Vote 7 - Finance	12,139,426	12,139,426	–	–	–	–	759,433	759,433	12,898,859	13,842,848	14,897,364
Vote 8 - Informal Settlements, Water & Waste Services	6,735,519	6,741,784	–	–	–	–	198,959	198,959	6,940,743	7,619,409	8,388,095
Vote 9 - Safety & Security	1,201,463	1,201,463	–	–	–	–	2,833	2,833	1,204,296	1,220,064	1,260,659
Vote 10 - Social Services	772,267	772,267	–	–	–	–	40,363	40,363	812,630	845,791	833,529
Vote 11 - Transport & Urban Development Authority	2,867,077	3,275,124	–	–	–	–	(8,444)	(8,444)	3,266,680	2,743,085	2,793,719
Vote 12 - Municipal Entity - CTICC	232,935	232,935	–	–	–	–	1,603	1,603	234,538	284,451	278,383
Total Revenue by Vote	36,697,919	37,115,228	–	–	–	–	893,947	893,947	38,009,175	40,990,418	45,075,257
Expenditure by Vote											
Vote 1 - Area Based Management	214,966	214,966	–	–	–	–	3,676	3,676	218,642	236,252	254,379
Vote 2 - Assets & Facilities Management	1,700,101	1,702,746	–	–	–	–	75,076	75,076	1,777,822	1,905,186	2,049,385
Vote 3 - Corporate Services	1,651,993	1,651,993	–	–	–	–	22,437	22,437	1,674,430	1,781,657	1,927,011
Vote 4 - City Manager	67,073	29,981	–	–	–	–	(1,826)	(1,826)	28,156	30,160	32,236
Vote 5 - Directorate of the Mayor	432,650	470,302	–	–	–	–	1,807	1,807	472,109	505,903	546,879
Vote 6 - Energy	10,172,503	10,172,503	–	–	–	–	(16,960)	(16,960)	10,155,543	11,494,712	13,219,385
Vote 7 - Finance	3,122,764	3,122,764	–	–	–	–	186,635	186,635	3,309,399	3,867,419	4,234,271
Vote 8 - Informal Settlements, Water & Waste Services	6,569,522	6,575,788	–	–	–	–	255,221	255,221	6,831,009	7,288,312	8,031,700
Vote 9 - Safety & Security	2,919,995	2,919,995	–	–	–	–	(32,860)	(32,860)	2,887,135	3,103,571	3,331,384
Vote 10 - Social Services	3,110,184	3,110,184	–	–	–	–	(20,342)	(20,342)	3,089,842	3,302,948	3,592,727
Vote 11 - Transport & Urban Development Authority	4,583,704	4,990,382	–	–	–	–	60,120	60,120	5,050,502	4,869,206	5,222,564
Vote 12 - Municipal Entity - CTICC	250,974	250,974	–	–	–	–	(28,524)	(28,524)	222,450	956,653	297,443
Total Expenditure by Vote	34,796,431	35,212,579	–	–	–	–	504,461	504,461	35,717,040	39,341,978	42,739,364
Surplus/ (Deficit) for the year	1,901,489	1,902,649	–	–	–	–	389,486	389,486	2,292,135	1,648,440	2,335,893

Table 15 Table B4 Consolidated Adjustments Budget - Financial Performance (revenue and expenditure)

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjus.	Total Adjus.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Revenue By Source											
Property rates	6,959,000	6,959,000	–	–	–	–	618,601	618,601	7,577,601	8,054,750	8,638,666
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	11,807,918	11,807,918	–	–	–	–	–	–	11,807,918	13,541,320	15,626,682
Service charges - water revenue	3,066,664	3,066,664	–	–	–	–	185,032	185,032	3,251,696	3,603,149	3,996,545
Service charges - sanitation revenue	1,628,277	1,628,277	–	–	–	–	63,500	63,500	1,691,777	1,872,577	2,078,561
Service charges - refuse revenue	1,232,929	1,232,929	–	–	–	–	(16,004)	(16,004)	1,216,925	1,318,050	1,421,647
Service charges - other	617,287	617,287	–	–	–	–	7,695	7,695	624,981	654,427	690,507
Rental of facilities and equipment	487,985	487,985	–	–	–	–	(1,964)	(1,964)	486,022	533,869	563,208
Interest earned - external investments	610,778	610,778	–	–	–	–	8,537	8,537	619,314	636,332	682,991
Interest earned - outstanding debtors	284,710	284,710	–	–	–	–	(40,000)	(40,000)	244,710	240,310	237,868
Dividends received	–	–	–	–	–	–	–	–	–	–	–
Fines	1,055,743	1,055,743	–	–	–	–	(67)	(67)	1,055,676	1,116,025	1,177,406
Licences and permits	27,893	27,893	–	–	–	–	8,000	8,000	35,893	37,867	39,950
Agency services	153,993	153,993	–	–	–	–	–	–	153,993	153,993	153,993
Transfers recognised - operating	3,802,940	4,210,812	–	–	–	–	86,174	86,174	4,296,986	4,067,364	4,375,160
Other revenue	2,617,462	2,617,462	–	–	–	–	7,672	7,672	2,625,134	2,831,389	3,031,028
Gains on disposal of PPE	79,500	79,500	–	–	–	–	(39,000)	(39,000)	40,500	8,355	6,092
Total Revenue (excluding capital transfers and contributions)	34,433,079	34,840,951	–	–	–	–	888,177	888,177	35,729,128	38,669,777	42,720,304
Expenditure By Type											
Employee related costs	10,670,840	10,677,483	–	–	–	–	(248,596)	(248,596)	10,428,887	11,465,352	12,513,786
Remuneration of councillors	152,117	152,117	–	–	–	–	(5,176)	(5,176)	146,941	156,299	166,458
Debt impairment	2,003,203	2,003,203	–	–	–	–	254,642	254,642	2,257,845	2,410,079	2,553,157
Depreciation & asset impairment	2,347,797	2,347,797	–	–	–	–	116,607	116,607	2,464,404	3,355,034	2,956,562
Finance charges	895,848	895,848	–	–	–	–	950	950	896,798	989,566	1,192,590
Bulk purchases	8,515,180	8,515,180	–	–	–	–	–	–	8,515,180	9,696,198	11,107,935
Other materials	338,172	428,061	–	–	–	–	91,146	91,146	519,207	589,815	609,639
Contracted services	4,396,163	4,715,639	–	–	–	–	2,303	2,303	4,717,942	4,832,036	5,236,343
Transfers and grants	174,833	174,833	–	–	–	–	(50,479)	(50,479)	124,353	131,193	138,408
Other expenditure	5,302,278	5,302,418	–	–	–	–	343,063	343,063	5,645,481	5,716,407	6,264,486
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	34,796,431	35,212,579	–	–	–	–	504,461	504,461	35,717,040	39,341,978	42,739,364
Surplus/(Deficit)	(363,351)	(371,628)	–	–	–	–	383,716	383,716	12,088	(672,202)	(19,060)
Transfers recognised - capital	2,177,040	2,186,477	–	–	–	–	5,629	5,629	2,192,106	2,236,742	2,268,253
Contributions recognised - capital	87,800	87,800	–	–	–	–	(6,459)	(6,459)	81,341	83,900	86,700
Contributed assets	–	–	–	–	–	–	6,600	6,600	6,600	–	–
Surplus/(Deficit) before taxation	1,901,489	1,902,649	–	–	–	–	389,486	389,486	2,292,135	1,648,440	2,335,893
Taxation	–	–	–	–	–	–	3,385	3,385	3,385	–	–
Surplus/(Deficit) after taxation	1,901,489	1,902,649	–	–	–	–	386,101	386,101	2,288,750	1,648,440	2,335,893
Attributable to minorities	5,314	5,314	–	–	–	–	(2,767)	(2,767)	2,547	(196,753)	(5,579)
Surplus/(Deficit) attributable to municipality	1,906,803	1,907,963	–	–	–	–	383,334	383,334	2,291,298	1,451,687	2,330,315
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	1,906,803	1,907,963	–	–	–	–	383,334	383,334	2,291,298	1,451,687	2,330,315

Table 16 Table B5 Consolidated Adjustments Capital Expenditure - Budget by vote and funding

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Capital expenditure - Vote											
Multi-year expenditure to be adjusted											
Vote 1 - Area Based Management	6,204	8,020	–	–	–	–	4,505	4,505	12,525	42,261	39,200
Vote 2 - Assets & Facilities Management	380,223	402,404	(9,586)	–	–	–	(4,586)	(14,172)	388,232	257,536	197,706
Vote 3 - Corporate Services	302,085	312,876	–	–	–	–	(55,468)	(55,468)	257,408	335,186	332,546
Vote 4 - City Manager	242	242	–	–	–	–	80	80	322	222	222
Vote 5 - Directorate of the Mayor	21,196	21,212	–	–	–	–	1,130	1,130	22,341	14,857	1,538
Vote 6 - Energy	1,607,202	1,611,901	–	–	–	–	(235,574)	(235,574)	1,376,327	1,331,177	1,306,933
Vote 7 - Finance	16,111	16,249	–	–	–	–	8,130	8,130	24,379	9,751	8,431
Vote 8 - Informal Settlements, Water & Waste Services	2,055,689	2,070,745	(28,189)	–	–	–	(92,579)	(120,768)	1,949,977	2,050,856	2,085,172
Vote 9 - Safety & Security	138,938	138,951	(1,800)	–	–	–	(17,401)	(19,202)	119,749	63,573	42,115
Vote 10 - Social Services	247,679	253,014	11,058	–	–	–	612	11,670	264,684	230,843	168,334
Vote 11 - Transport & Urban Development Authority	1,725,706	1,796,131	186,404	–	–	–	(51,888)	134,516	1,930,647	1,794,544	1,724,334
Vote 12 - Municipal Entity - CTICC	272,980	272,980	–	–	–	–	138,968	138,968	411,948	47,982	45,443
Capital multi-year expenditure sub-total	6,774,256	6,904,724	157,887	–	–	–	(304,071)	(146,184)	6,758,540	6,178,789	5,951,974
Total Capital Expenditure - Vote	6,774,256	6,904,724	157,887	–	–	–	(304,071)	(146,184)	6,758,540	6,178,789	5,951,974
Capital Expenditure - Standard											
Governance and administration	571,966	585,655	124	–	–	–	116,892	117,016	702,672	609,848	498,988
Executive and council	39,349	41,243	124	–	–	–	122,897	123,020	164,264	112,234	96,251
Budget and treasury office	15,997	16,135	–	–	–	–	8,130	8,130	24,265	9,752	8,417
Corporate services	516,620	528,277	–	–	–	–	(14,135)	(14,135)	514,143	487,861	394,320
Community and public safety	936,453	970,023	89,011	–	–	–	(47,114)	41,898	1,011,921	856,889	803,689
Community and social services	69,742	69,951	15,517	–	–	–	5,067	20,584	90,535	93,107	76,196
Sport and recreation	148,513	151,622	5,474	–	–	–	7,933	13,406	165,029	102,737	47,251
Public safety	185,098	185,098	(1,800)	–	–	–	(13,432)	(15,232)	169,866	121,181	105,475
Housing	499,611	527,924	79,877	–	–	–	(45,463)	34,414	562,338	494,980	515,096
Health	33,490	35,428	(10,056)	–	–	–	(1,219)	(11,275)	24,153	44,883	59,671
Economic and environmental services	1,534,557	1,598,010	80,428	–	–	–	(184,665)	(104,237)	1,493,772	1,497,216	1,362,081
Planning and development	70,524	70,810	–	–	–	–	(1,145)	(1,145)	69,664	36,108	53,578
Road transport	1,448,117	1,511,284	80,428	–	–	–	(179,651)	(99,224)	1,412,060	1,444,621	1,297,331
Environmental protection	15,916	15,916	–	–	–	–	(3,868)	(3,868)	12,048	16,488	11,172
Trading services	3,458,301	3,478,056	(11,676)	–	–	–	(328,153)	(339,828)	3,138,227	3,166,854	3,241,772
Electricity	1,536,812	1,541,511	–	–	–	–	(235,574)	(235,574)	1,305,937	1,260,277	1,233,833
Water	883,225	883,225	(1,781)	–	–	–	21,076	19,295	902,519	774,032	854,550
Waste water management	800,774	810,927	(9,894)	–	–	–	(53,342)	(63,237)	747,690	766,376	824,801
Waste management	237,491	242,393	–	–	–	–	(60,312)	(60,312)	182,081	366,168	328,589
Other	272,980	272,980	–	–	–	–	138,968	138,968	411,948	47,982	45,443
Total Capital Expenditure - Standard	6,774,256	6,904,724	157,887	–	–	–	(304,071)	(146,184)	6,758,540	6,178,789	5,951,974
Funded by:											
National Government	2,079,122	2,079,122	149,538	–	–	–	(88,874)	60,664	2,139,786	2,157,999	2,142,928
Provincial Government	97,918	107,356	8,349	–	–	–	(63,385)	(55,035)	52,320	78,743	125,325
District Municipality	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–	–	–	–
Total Capital transfers recognised	2,177,040	2,186,477	157,887	–	–	–	(152,258)	5,629	2,192,106	2,236,742	2,268,253
Public contributions & donations	87,800	87,800	–	–	–	–	(6,459)	(6,459)	81,341	83,900	86,700
Borrowing	2,988,696	3,065,341	–	–	–	–	(108,041)	(108,041)	2,957,300	2,577,459	2,716,971
Internally generated funds	1,520,720	1,565,106	–	–	–	–	(37,313)	(37,313)	1,527,793	1,280,689	880,050
Total Capital Funding	6,774,256	6,904,724	157,887	–	–	–	(304,071)	(146,184)	6,758,540	6,178,789	5,951,974

Table 17 Table B6 Consolidated Adjustments Budget Statement – Financial Position

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
ASSETS											
Current assets											
Cash	103,411	103,411	–	–	–	–	–	–	103,411	103,844	146,904
Call investment deposits	3,139,932	5,345,531	–	–	–	–	731,851	731,851	6,077,382	6,166,659	7,244,572
Consumer debtors	4,903,207	4,903,207	–	–	–	–	448,137	448,137	5,351,344	5,591,654	5,829,522
Other debtors	898,987	898,987	–	–	–	–	104,289	104,289	1,003,276	1,156,114	1,326,034
Current portion of long-term receivables	21,871	21,871	–	–	–	–	(3,924)	(3,924)	17,948	18,845	19,787
Inventory	341,456	341,456	–	–	–	–	(57,043)	(57,043)	284,412	313,162	344,083
Total current assets	9,408,864	11,614,463	–	–	–	–	1,223,310	1,223,310	12,837,773	13,350,278	14,910,902
Non current assets											
Long-term receivables	67,985	67,985	–	–	–	–	(18,874)	(18,874)	49,110	46,655	44,322
Investments	3,365,180	3,391,398	–	–	–	–	(664,101)	(664,101)	2,727,297	3,610,304	3,855,012
Investment property	589,382	589,382	–	–	–	–	(1,191)	(1,191)	588,191	588,191	588,191
Investment in Associate	–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	41,975,484	42,099,429	–	–	–	–	(610,062)	(610,062)	41,489,367	44,005,981	46,706,066
Agricultural	–	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–	–
Intangible	708,383	708,383	–	–	–	–	(79,221)	(79,221)	629,162	629,162	629,162
Other non-current assets	9,062	9,062	–	–	–	–	(13)	(13)	9,049	9,049	9,049
Total non current assets	46,715,476	46,865,639	–	–	–	–	(1,373,462)	(1,373,462)	45,492,176	48,889,342	51,831,802
TOTAL ASSETS	56,124,339	58,480,101	–	–	–	–	(150,153)	(150,153)	58,329,949	62,239,619	66,742,704
LIABILITIES											
Current liabilities											
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
Borrowing	501,208	501,208	–	–	–	–	–	–	501,208	530,326	649,886
Consumer deposits	368,645	368,645	–	–	–	–	26,376	26,376	395,022	441,906	480,378
Trade and other payables	6,627,029	8,975,838	–	–	–	–	(2,118,687)	(2,118,687)	6,857,151	6,963,164	7,358,760
Provisions	1,095,708	1,095,708	–	–	–	–	53,103	53,103	1,148,811	1,227,888	1,313,609
Total current liabilities	8,592,590	10,941,400	–	–	–	–	(2,039,208)	(2,039,208)	8,902,192	9,163,285	9,802,632
Non current liabilities											
Borrowing	8,114,854	8,114,854	–	–	–	–	(17,021)	(17,021)	8,097,833	9,115,910	10,490,690
Provisions	6,271,089	6,276,880	–	–	–	–	123,897	123,897	6,400,777	6,718,490	6,871,555
Total non current liabilities	14,385,943	14,391,734	–	–	–	–	106,876	106,876	14,498,610	15,834,400	17,362,245
TOTAL LIABILITIES	22,978,533	25,333,134	–	–	–	–	(1,932,332)	(1,932,332)	23,400,802	24,997,685	27,164,876
NET ASSETS	33,145,806	33,146,967	–	–	–	–	1,782,180	1,782,180	34,929,147	37,241,934	39,577,828
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	31,362,348	31,416,070	–	–	–	–	212,803	212,803	31,628,873	34,335,301	36,490,950
Reserves	1,470,363	1,417,803	–	–	–	–	1,552,791	1,552,791	2,970,593	2,773,707	2,959,530
Minorities' interests	313,095	313,095	–	–	–	–	16,586	16,586	329,680	132,927	127,348
TOTAL COMMUNITY WEALTH/EQUITY	33,145,806	33,146,967	–	–	–	–	1,782,180	1,782,180	34,929,147	37,241,934	39,577,828

Table 18 Table B7 Consolidated Adjustments Budget Statement – Cash Flow

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges	6,864,644	6,864,644	–	–	–	–	522,792	522,792	7,387,436	8,112,260	8,776,827
Service charges	16,910,000	16,910,000	–	–	–	–	65,855	65,855	16,975,854	19,255,364	21,970,479
Other revenue	3,422,844	3,422,844	–	–	–	–	(48,540)	(48,540)	3,374,305	3,361,777	3,607,100
Government - operating	3,802,940	3,802,940	–	–	–	–	86,174	86,174	3,889,115	4,067,364	4,375,160
Government - capital	2,264,840	2,274,277	–	–	–	–	(830)	(830)	2,273,447	2,320,642	2,354,953
Interest	610,778	610,778	–	–	–	–	8,537	8,537	619,314	636,332	682,991
Dividends	–	–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees	(28,762,136)	(29,178,284)	–	–	–	–	(151,443)	(151,443)	(29,329,727)	(31,675,361)	(35,051,050)
Finance charges	(818,248)	(818,248)	–	–	–	–	5,181	5,181	(813,068)	(931,978)	(1,101,966)
Transfers and Grants	(115,154)	(115,154)	–	–	–	–	(9,420)	(9,420)	(124,573)	(131,193)	(138,408)
NET CASH FROM/(USED) OPERATING ACTIVITIES	4,180,508	3,773,797	–	–	–	–	478,306	478,306	4,252,103	5,015,207	5,476,086
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE	79,500	79,500	–	–	–	–	(39,000)	(39,000)	40,500	8,355	6,092
Decrease (increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	3,578	3,578	–	–	–	–	(993)	(993)	2,585	2,456	2,333
Decrease (increase) in non-current investments	(89,310)	(89,310)	–	–	–	–	–	–	(89,310)	(218,908)	(244,708)
Payments											
Capital assets	(6,124,129)	(6,241,549)	–	–	–	–	117,678	117,678	(6,123,872)	(5,565,709)	(5,361,321)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6,130,361)	(6,247,781)	–	–	–	–	77,685	77,685	(6,170,097)	(5,773,806)	(5,597,604)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	2,840,001	2,840,001	–	–	–	–	(98,789)	(98,789)	2,741,212	1,500,000	2,000,000
Increase (decrease) in consumer deposits	29,948	29,948	–	–	–	–	2,515	2,515	32,463	35,710	39,281
Payments											
Repayment of borrowing	(494,800)	(494,800)	–	–	–	–	2,979	2,979	(491,821)	(468,492)	(552,082)
NET CASH FROM/(USED) FINANCING ACTIVITIES	2,375,150	2,375,150	–	–	–	–	(93,296)	(93,296)	2,281,854	1,067,217	1,487,198
NET INCREASE/ (DECREASE) IN CASH HELD	425,297	(98,835)	–	–	–	–	462,695	462,695	363,861	308,618	1,365,681
Cash/cash equivalents at the year begin:	1,347,362	3,481,911	–	–	–	–	–	–	3,481,911	3,879,391	4,192,312
Cash/cash equivalents at the year end:	1,772,659	3,383,076	–	–	–	–	462,695	462,695	3,845,771	4,188,009	5,557,993

Table 19 Table B8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
<u>Cash and investments available</u>											
Cash/cash equivalents at the year end	1,772,659	3,383,076	–	–	–	–	462,695	462,695	3,845,771	4,188,009	5,557,993
Other current investments > 90 days	1,470,684	2,065,866	–	–	–	–	269,156	269,156	2,335,022	2,082,494	1,833,483
Non current assets - Investments	3,365,180	3,391,398	–	–	–	–	(664,101)	(664,101)	2,727,297	3,610,304	3,855,012
Cash and investments available:	6,608,524	8,840,341	–	–	–	–	67,750	67,750	8,908,091	9,880,807	11,246,488
<u>Applications of cash and investments</u>											
Unspent conditional transfers	1,600,902	1,350,902	–	–	–	–	(41,005)	(41,005)	1,309,897	1,436,298	1,577,096
Unspent borrowing	56,415	56,415	–	–	–	–	–	–	56,415	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	(400,968)	2,197,841	–	–	–	–	(2,501,298)	(2,501,298)	(303,456)	(704,053)	(873,491)
Other provisions	–	–	–	–	–	–	–	–	–	–	–
Long term investments committed	2,014,640	2,052,139	–	–	–	–	0	0	2,052,139	2,265,047	2,503,755
Reserves to be backed by cash/investments	1,590,917	1,638,316	–	–	–	–	1,544,548	1,544,548	3,182,864	3,395,185	3,485,167
Total Application of cash and investments:	4,861,906	7,295,614	–	–	–	–	(997,755)	(997,755)	6,297,859	6,392,477	6,692,527
Surplus(shortfall)	1,746,618	1,544,727	–	–	–	–	1,065,504	1,065,504	2,610,231	3,488,330	4,553,961

Table 20 Table B9 Consolidated Asset Management

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
CAPITAL EXPENDITURE											
Total New Assets to be adjusted	3,656,379	3,679,321	125,164	–	–	–	(355,088)	(229,924)	3,449,397	3,263,450	3,083,793
Infrastructure - Road transport	820,980	826,153	11,731	–	–	–	6,625	18,356	844,509	941,223	763,401
Infrastructure - Electricity	636,292	636,687	–	–	–	–	(83,296)	(83,296)	553,391	540,618	518,500
Infrastructure - Water	315,421	315,421	(7,903)	–	–	–	(29,857)	(37,760)	277,661	294,700	371,145
Infrastructure - Sanitation	261,175	263,007	(6,516)	–	–	–	(40,622)	(47,138)	215,869	182,498	240,035
Infrastructure - Other	378,399	379,857	(11,823)	–	–	–	(160,346)	(172,170)	207,687	423,926	603,817
Infrastructure	2,412,267	2,421,125	(14,512)	–	–	–	(307,496)	(322,008)	2,099,117	2,382,964	2,496,898
Community	96,710	97,567	(8,504)	–	–	–	(9,800)	(18,303)	79,263	134,537	90,385
Heritage assets	–	–	–	–	–	–	–	–	–	–	–
Investment properties	53,500	53,500	145,167	–	–	–	(33,700)	111,467	164,967	191,119	116,487
Other assets	1,093,902	1,107,130	3,012	–	–	–	(4,592)	(1,580)	1,105,550	554,830	380,024
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	500	500	500	–	–
Total Renewal of Existing Assets to be adjusted	3,117,877	3,225,402	32,723	–	–	–	51,017	83,740	3,309,143	2,915,340	2,868,180
Infrastructure - Road transport	589,080	644,927	29,004	–	–	–	(25,946)	3,057	647,985	566,881	481,733
Infrastructure - Electricity	664,046	668,165	–	–	–	–	(63,125)	(63,125)	605,040	585,724	589,448
Infrastructure - Water	282,167	282,267	(1,384)	–	–	–	94,445	93,061	375,327	346,293	390,836
Infrastructure - Sanitation	547,702	547,702	(12,884)	–	–	–	1,855	(11,029)	536,672	594,921	729,050
Infrastructure - Other	153,910	174,953	3,237	–	–	–	(18,273)	(15,036)	159,917	93,585	100,000
Infrastructure	2,236,904	2,318,014	17,973	–	–	–	(11,045)	6,928	2,324,942	2,187,404	2,291,067
Community	199,835	202,941	15,750	–	–	–	15,011	30,761	233,702	175,499	126,871
Heritage assets	47,208	47,229	–	–	–	–	(6,800)	(6,800)	40,429	9,250	1,800
Investment properties	–	–	–	–	–	–	–	–	–	–	–
Other assets	628,680	651,969	(1,000)	–	–	–	54,652	53,651	705,620	523,430	442,193
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	5,250	5,250	–	–	–	–	(800)	(800)	4,450	19,756	6,250
Total Capital Expenditure to be adjusted	1,410,059	1,471,080	40,735	–	–	–	(19,321)	21,413	1,492,493	1,508,103	1,245,134
Infrastructure - Road transport	1,410,059	1,471,080	40,735	–	–	–	(19,321)	21,413	1,492,493	1,508,103	1,245,134
Infrastructure - Electricity	1,300,337	1,304,852	–	–	–	–	(146,421)	(146,421)	1,158,431	1,126,342	1,107,948
Infrastructure - Water	597,588	597,688	(9,287)	–	–	–	64,588	55,301	652,989	640,993	761,982
Infrastructure - Sanitation	808,877	810,708	(19,400)	–	–	–	(38,767)	(58,167)	752,541	777,419	969,085
Infrastructure - Other	532,309	554,810	(8,586)	–	–	–	(178,620)	(187,205)	367,605	517,511	703,817
Infrastructure	4,649,171	4,739,138	3,462	–	–	–	(318,542)	(315,080)	4,424,058	4,570,368	4,787,964
Community	296,545	300,508	7,246	–	–	–	5,211	12,457	312,965	310,036	217,256
Heritage assets	47,208	47,229	–	–	–	–	(6,800)	(6,800)	40,429	9,250	1,800
Investment properties	53,500	53,500	145,167	–	–	–	(33,700)	111,467	164,967	191,119	116,487
Other assets	1,722,583	1,759,099	2,012	–	–	–	50,059	52,071	1,811,170	1,078,260	822,216
Agricultural Assets	–	–	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–	–	–
Intangibles	5,250	5,250	–	–	–	–	(300)	(300)	4,950	19,756	6,250
TOTAL CAPITAL EXPENDITURE to be adjusted	6,774,256	6,904,724	157,887	–	–	–	(304,071)	(146,184)	6,758,540	6,178,789	5,951,974

Table continues on next page

City of Cape Town 2016/17 Adjustments Budget – January 2017

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
ASSET REGISTER SUMMARY - PPE (WDV)											
Infrastructure - Road transport	9,755,319	9,813,289	-	-	-	-	(160,596)	(160,596)	9,652,692	10,349,673	10,746,732
Infrastructure - Electricity	6,625,643	6,630,312	-	-	-	-	(46,493)	(46,493)	6,583,819	7,316,621	7,980,442
Infrastructure - Water	2,571,096	2,571,191	-	-	-	-	94,980	94,980	2,666,171	3,017,735	3,409,783
Infrastructure - Sanitation	3,203,547	3,205,287	-	-	-	-	(93,776)	(93,776)	3,111,511	3,600,339	4,253,769
Infrastructure - Other	3,224,499	3,245,562	-	-	-	-	41,199	41,199	3,286,760	3,632,941	4,145,930
Infrastructure	25,380,104	25,465,641	-	-	-	-	(164,687)	(164,687)	25,300,954	27,917,309	30,536,656
Community	5,847,113	5,877,411	-	-	-	-	2,078,671	2,078,671	7,956,081	7,528,672	6,962,585
Heritage assets	9,062	9,062	-	-	-	-	(13)	(13)	9,049	9,049	9,049
Investment properties	589,382	589,382	-	-	-	-	(1,191)	(1,191)	588,191	588,191	588,191
Other assets	10,025,802	9,777,284	-	-	-	-	(2,411,003)	(2,411,003)	7,366,281	8,236,533	8,867,832
Agricultural Assets	-	-	-	-	-	-	-	-	-	-	-
Biological assets	-	-	-	-	-	-	-	-	-	-	-
Intangibles	708,383	708,383	-	-	-	-	(79,221)	(79,221)	629,162	629,162	629,162
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	42,559,846	42,427,163	-	-	-	-	(577,445)	(577,445)	41,849,718	44,908,915	47,593,476
EXPENDITURE OTHER ITEMS											
<u>Depreciation & asset impairment</u>	2,347,797	2,347,797	-	-	-	-	116,607	116,607	2,464,404	3,355,034	2,956,562
<u>Repairs and Maintenance by asset class</u>	3,812,039	3,802,902	-	-	-	-	(90,066)	(90,066)	3,712,836	3,961,416	4,297,486
Infrastructure - Road transport	824,573	824,573	-	-	-	-	60,031	60,031	884,603	940,553	1,035,053
Infrastructure - Electricity	570,091	570,091	-	-	-	-	(25,100)	(25,100)	544,991	577,811	641,618
Infrastructure - Water	87,236	87,236	-	-	-	-	(5,517)	(5,517)	81,719	86,786	92,166
Infrastructure - Sanitation	532,007	532,007	-	-	-	-	(61,956)	(61,956)	470,051	498,722	529,147
Infrastructure - Other	519,718	519,718	-	-	-	-	(156,340)	(156,340)	363,378	385,165	423,433
Infrastructure	2,533,624	2,533,624	-	-	-	-	(188,882)	(188,882)	2,344,742	2,489,037	2,721,418
Community	540,574	540,574	-	-	-	-	4,368	4,368	544,941	578,951	615,098
Heritage assets	11	11	-	-	-	-	1,308	1,308	1,319	1,404	1,496
Investment properties	-	-	-	-	-	-	-	-	-	-	-
Other assets	737,831	728,694	-	-	-	-	93,140	93,140	821,834	892,023	959,473
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	6,159,837	6,150,699	-	-	-	-	26,541	26,541	6,177,241	7,316,450	7,254,048
<i>Renewal of Existing Assets as % of total capex</i>	46.0%	46.7%	-	-	-	-	-	-	49.0%	47.2%	48.2%
<i>Renewal of Existing Assets as % of deprecn"</i>	132.8%	137.4%	-	-	-	-	-	-	134.3%	86.9%	97.0%
<i>R&M as a % of PPE</i>	9.0%	9.0%	-	-	-	-	-	-	8.9%	8.8%	9.0%
<i>Renewal and R&M as a % of PPE</i>	16.3%	16.6%	-	-	-	-	-	-	16.8%	15.3%	15.1%

Table 21 Table B10 Consolidated Basic service delivery measurement

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Household service targets											
Water:											
Piped water inside dwelling	988,643	988,643	-	-	-	-	-	-	988,643	998,693	1,008,298
Piped water inside yard (but not in dwelling)	-	-	-	-	-	-	-	-	-	-	-
Using public tap (at least min.service level)	158,433	158,433	-	-	-	-	-	-	158,433	160,044	161,583
Other water supply (at least min.service level)	-	-	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	1,147,076	1,147,076	-	-	-	-	-	-	1,147,076	1,158,737	1,169,881
Using public tap (< min.service level)	-	-	-	-	-	-	-	-	-	-	-
Other water supply (< min.service level)	-	-	-	-	-	-	-	-	-	-	-
No water supply	-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-	-
Total number of households	1,147,076	1,147,076	-	-	-	-	-	-	1,147,076	1,158,737	1,169,881
Sanitation/sewerage:											
Flush toilet (connected to sewerage)	1,070,076	1,070,076	-	-	-	-	-	-	1,070,076	1,085,737	1,099,881
Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-	-	-
Chemical toilet	23,964	23,964	-	-	-	-	-	-	23,964	23,964	23,964
Pit toilet (ventilated)	65	65	-	-	-	-	-	-	65	65	65
Other toilet provisions (> min.service level)	52,754	52,754	-	-	-	-	-	-	52,754	48,971	45,971
<i>Minimum Service Level and Above sub-total</i>	1,146,859	1,146,859	-	-	-	-	-	-	1,146,859	1,158,737	1,169,881
Bucket toilet	217	217	-	-	-	-	-	-	217	-	-
Other toilet provisions (< min.service level)	-	-	-	-	-	-	-	-	-	-	-
No toilet provisions	-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	217	217	-	-	-	-	-	-	217	-	-
Total number of households	1,147,076	1,147,076	-	-	-	-	-	-	1,147,076	1,158,737	1,169,881
Energy:											
Electricity (at least min. service level)	854,902	854,902	-	-	-	-	-	-	854,902	856,402	857,902
Electricity - prepaid (> min.service level)	-	-	-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>	854,902	854,902	-	-	-	-	-	-	854,902	856,402	857,902
Electricity (< min.service level)	30,841	30,841	-	-	-	-	-	-	30,841	29,341	27,841
Electricity - prepaid (< min. service level)	-	-	-	-	-	-	-	-	-	-	-
Other energy sources	-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	30,841	30,841	-	-	-	-	-	-	30,841	29,341	27,841
Total number of households	885,743	885,743	-	-	-	-	-	-	885,743	885,743	885,743
Refuse:											
Removed at least once a week (min.service)	975,507	975,507	-	-	-	-	-	-	975,507	995,017	1,014,917
<i>Minimum Service Level and Above sub-total</i>	975,507	975,507	-	-	-	-	-	-	975,507	995,017	1,014,917
Removed less frequently than once a week	-	-	-	-	-	-	-	-	-	-	-
Using communal refuse dump	-	-	-	-	-	-	-	-	-	-	-
Using own refuse dump	-	-	-	-	-	-	-	-	-	-	-
Other rubbish disposal	-	-	-	-	-	-	-	-	-	-	-
No rubbish disposal	-	-	-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-	-
Total number of households	975,507	975,507	-	-	-	-	-	-	975,507	995,017	1,014,917

Table continues on next page.

City of Cape Town 2016/17 Adjustments Budget – January 2017

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Households receiving Free Basic Service											
Water (6 kilolitres per household per month)	222,098	222,098	-	-	-	-	-	-	222,098	222,098	222,098
Sanitation (free minimum level service)	222,098	222,098	-	-	-	-	-	-	222,098	222,098	222,098
Electricity/other energy (50kw/h per household per month)	231,645	231,645	-	-	-	-	-	-	231,645	232,545	233,445
Refuse (removed at least once a week)	302,957	302,957	-	-	-	-	-	-	302,957	310,534	318,278
Cost of Free Basic Services provided (R'000)											
Water (6 kilolitres per household per month)	212,041	212,041	-	-	-	-	-	-	212,041	235,366	261,256
Sanitation (free sanitation service)	143,728	143,728	-	-	-	-	-	-	143,728	159,538	177,087
Electricity/other energy (50kw/h per household per month)	189,657	189,657	-	-	-	-	-	-	189,657	203,998	219,436
Refuse (removed once a week)	235,401	235,401	-	-	-	-	-	-	235,401	248,348	262,007
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	671,529	671,529	-	-	-	-	-	-	671,529	737,533	802,443
Total cost of FBS provided (minimum social package)	1,452,356	1,452,356	-	-	-	-	-	-	1,452,356	1,584,783	1,722,229
Highest level of free service provided											
Property rates (R'000 value threshold)	0	0	-	-	-	-	-	-	-	0	0
Water (kilolitres per household per month)	6	6	-	-	-	-	-	-	6	6	6
Sanitation (kilolitres per household per month)	4.2	4.2	-	-	-	-	-	-	4.2	4.2	4.2
Sanitation (Rand per household per month)	102	102	-	-	-	-	-	-	102	107	119
Electricity (kw per household per month)	60	60	-	-	-	-	-	-	60	60	60
Refuse (average litres per week)	240	240	-	-	-	-	-	-	240	240	240
Revenue cost of subsidised services provided (R'000)											
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	76,186	76,186	-	-	-	-	-	-	76,186	80,986	85,910
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA	1,247,403	1,247,403	-	-	-	-	(20,000)	(20,000)	1,227,403	1,304,969	1,384,531
Water (in excess of 6 kilolitres per indigent household per month)	159,031	159,031	-	-	-	-	-	-	159,031	176,524	195,942
Sanitation (in excess of free sanitation service to indigent households)	107,796	107,796	-	-	-	-	-	-	107,796	119,653	132,815
Electricity/other energy (in excess of 50 kw/h per indigent household per month)	-	-	-	-	-	-	-	-	-	-	-
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-	-	-	-	-	-	-
Municipal Housing - rental rebates	22,955	22,955	-	-	-	-	-	-	22,955	24,218	25,550
Housing - top structure subsidies	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	1,613,371	1,613,371	-	-	-	-	(20,000)	(20,000)	1,593,371	1,706,351	1,824,748

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

The CTICC's five primary budget tables, as required in terms of Part 4 of the MBRR, are presented on page 48 to page 54.

Table 22 MBRR Table E1 - Adjustments Budget Summary

Description	Budget Year 2016/17								Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands										
<u>Financial Performance</u>										
Property rates	-	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-	-
Investment revenue	15,084	-	-	-	-	8,537	8,537	23,621	11,671	10,100
Transfers recognised - operational	-	-	-	-	-	220	220	220	-	-
Other own revenue	217,851	-	-	-	-	(7,154)	(7,154)	210,697	272,780	268,284
Total Revenue (excluding capital transfers and contributions)	232,935	-	-	-	-	1,602	1,602	234,538	284,451	278,383
Employee costs	73,269	-	-	-	-	(1,995)	(1,995)	71,274	81,382	87,045
Remuneration of Board Members	1,054	-	-	-	-	(117)	(117)	937	804	856
Depreciation and debt impairment	29,356	-	-	-	-	1,733	1,733	31,090	702,868	37,367
Finance charges	6,131	-	-	-	-	(5,181)	(5,181)	950	3,651	3,395
Materials and bulk purchases	-	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	220	220	220	-	-
Other expenditure	141,165	-	-	-	-	(23,185)	(23,185)	117,980	167,947	168,780
Total Expenditure	250,974	-	-	-	-	(28,524)	(28,524)	222,450	956,653	297,443
Surplus/(Deficit)	(18,039)	-	-	-	-	30,127	30,127	12,088	(672,202)	(19,060)
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Contributions recognised - capital & contributed assets	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(18,039)	-	-	-	-	30,127	30,127	12,088	(672,202)	(19,060)
Taxation	-	-	-	-	-	3,385	3,385	3,385	-	-
Surplus/ (Deficit) for the year	(18,039)	-	-	-	-	26,742	26,742	8,703	(672,202)	(19,060)
<u>Capital expenditure & funds sources</u>										
Capital expenditure	272,980	-	-	-	-	-	138,968	411,948	47,982	45,443
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	60,000	-	-	-	-	-	(20,000)	40,000	-	-
Internally generated funds	212,980	-	-	-	-	-	158,968	371,948	47,982	45,443
Total sources of capital funds	272,980	-	-	-	-	-	138,968	411,948	47,982	45,443
<u>Financial position</u>										
Total current assets	238,172	-	-	-	-	14,999	14,999	253,171	254,098	224,789
Total non current assets	978,498	-	-	-	-	21,786	21,786	1,000,284	345,398	353,474
Total current liabilities	90,574	-	-	-	-	(3,587)	(3,587)	86,987	107,802	108,459
Total non current liabilities	56,415	-	-	-	-	(16,290)	(16,290)	40,125	37,552	34,723
Community wealth/Equity	1,069,680	-	-	-	-	56,663	56,663	1,126,343	454,141	435,081
<u>Cash flows</u>										
Net cash from (used) operating	18,665	-	-	-	-	(30,383)	(30,383)	(11,718)	46,252	19,520
Net cash from (used) investing	(272,980)	-	-	-	-	(138,968)	(138,968)	(411,948)	(47,982)	(45,443)
Net cash from (used) financing	336,417	-	-	-	-	(95,811)	(95,811)	240,606	(2,573)	(2,830)
Cash/cash equivalents at the year end	231,541	231,541	231,541	231,541	231,541	(33,620)	661,004	892,545	44,178	15,425

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

Description	Budget Year 2016/17								Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Downwar d adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands										
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	104,435	–	–	–	–	(3,680)	(3,680)	100,756	131,571	140,123
Interest earned - external investments	15,084	–	–	–	–	8,537	8,537	23,621	11,671	10,100
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–
Fines	–	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	–	–	–	–	220	220	220	–	–
Other revenue	113,416	–	–	–	–	(3,474)	(3,474)	109,942	141,209	128,161
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	232,935	–	–	–	–	1,602	1,602	234,538	284,451	278,383
Expenditure By Type										
Employee related costs	73,269	–	–	–	–	(1,995)	(1,995)	71,274	81,382	87,045
Remuneration of Directors	1,054	–	–	–	–	(117)	(117)	937	804	856
Debt impairment	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	29,356	–	–	–	–	1,733	1,733	31,090	702,868	37,367
Finance charges	6,131	–	–	–	–	(5,181)	(5,181)	950	3,651	3,395
Bulk purchases	–	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	220	220	220	–	–
Other expenditure	141,165	–	–	–	–	(23,185)	(23,185)	117,980	167,947	168,780
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Expenditure	250,974	–	–	–	–	(28,524)	(28,524)	222,450	956,653	297,443
Surplus/(Deficit)	(18,039)	–	–	–	–	30,127	30,127	12,088	(672,202)	(19,060)
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributions of PPE	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation	(18,039)	–	–	–	–	30,127	30,127	12,088	(672,202)	(19,060)
Taxation	–	–	–	–	–	3,385	3,385	3,385	–	–
Surplus/ (Deficit) for the year	(18,039)	–	–	–	–	26,742	26,742	8,703	(672,202)	(19,060)

Explanatory notes to MBRR Table E2 – Adjustments Budget - Financial Performance (revenue and expenditure)

The CTICC's original budget has been adjusted with various amendments to better reflect the reality of the CTICC at present and offer a better measure of performance measurement. The adjustments budget takes into account the revised anticipated completion date of the CTICC East expansion project, being June 2017 (previously March 2017).

1. Venue rental – R3.7 million proposed decrease based on current actual events on the booking system, the budgeted venue rental for CTICC East and is as a result of the revised anticipated completion date of the CTICC East expansion project.
2. Other income – R3.5 million proposed decrease, due to the budgeted food and beverage rental for CTICC East, which is as a result of the revised anticipated completion date of the CTICC East expansion project.
3. Interest received – R8.5 million proposed increase based on actual receipts to date and the updated expected cash flow of the CTICC East expansion. The actual expansion capital expenditure in the beginning of the year was slower than expected, resulting in higher than expected cash on hand earning interest.
4. Transfers and grants – R220 000 proposed increase as a result of a grant allocation made by the Western Cape Provincial Government to defray any MSCOA-related expenditure.
5. Total personnel cost - R2 million proposed decrease as a result of the revised anticipated completion date of the CTICC East expansion project. The budget includes the permanent appointment of 33 positions for CTICC East operations, to be employed at different stages from February 2017.
6. Finance charges – R5.2 million proposed decrease, due to the delay in the anticipated date of commencement of loan.
7. Other Expenditure – R23.2 million proposed decrease, due to the revised anticipated completion date of the CTICC East expansion project. Categories which contribute to these adjustments are mainly building costs such as utilities and operations general.

Table 24 MBRR Table E3 Adjustments Budget - Capital Expenditure by asset class and funding source

Description R thousands	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure on new assets by Asset Class/Sub-class											
Other assets	272,980	-	-	-	-	-	138,968	138,968	411,948	47,982	45,443
General vehicles	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	10,849	-	-	-	-	-	-	-	10,849	15,224	15,035
Furniture and other office equipment	3,450	-	-	-	-	-	1,000	1,000	4,450	6,110	5,380
Abattoirs	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-	-	-
Other Buildings	11,995	-	-	-	-	-	137,968	137,968	149,963	25,300	23,680
Other Land	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-
Other	1,050	-	-	-	-	-	-	-	1,050	1,348	1,348
Total Capital Expenditure on new assets	272,980	-	-	-	-	-	138,968	138,968	411,948	47,982	45,443
Funded by:											
National Government	-	-	-	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	60,000	-	-	-	-	-	(20,000)	(20,000)	40,000	-	-
Internally generated funds	212,980	-	-	-	-	-	158,968	158,968	371,948	47,982	45,443
Total Capital Funding	272,980	-	-	-	-	-	138,968	138,968	411,948	47,982	45,443

Explanatory notes to MBRR Table E3 Adjustments Budget - Capital Expenditure by asset class and funding source

1. Other Assets – R138.9 million proposed increase relating mainly to the CTICC East Expansion project. The adjustment budget takes into account the revised anticipated completion date of the CTICC East expansion project, being June 2017 (previously March 2017).

Table 25 MBRR Table E4 Adjustments Budget - Financial Position

Description	Budget Year 2016/17								Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands										
ASSETS										
Current assets										
Cash	-	-	-	-	-	-	-	-	-	-
Call investment deposits	231,541	-	-	-	-	3,994	3,994	235,535	231,232	202,479
Consumer debtors	-	-	-	-	-	-	-	-	-	-
Other debtors	4,357	-	-	-	-	11,867	11,867	16,224	21,004	20,658
Current portion of long-term receivables	-	-	-	-	-	-	-	-	-	-
Inventory	2,273	-	-	-	-	(861)	(861)	1,412	1,862	1,652
Total current assets	238,172	-	-	-	-	14,999	14,999	253,171	254,098	224,789
Non current assets										
Long-term receivables	5	-	-	-	-	(5)	(5)	-	-	-
Investments	0	-	-	-	-	-	-	0	0	0
Investment property	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	978,493	-	-	-	-	21,791	21,791	1,000,284	345,398	353,474
Agricultural	-	-	-	-	-	-	-	-	-	-
Biological	-	-	-	-	-	-	-	-	-	-
Intangible	-	-	-	-	-	-	-	-	-	-
Other non-current assets	-	-	-	-	-	-	-	-	-	-
Total non current assets	978,498	-	-	-	-	21,786	21,786	1,000,284	345,398	353,474
TOTAL ASSETS	1,216,669	-	-	-	-	36,785	36,785	1,253,455	599,496	578,263
LIABILITIES										
Current liabilities										
Bank overdraft	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Consumer deposits	39,213	-	-	-	-	(1,288)	(1,288)	37,926	49,100	48,291
Trade and other payables	47,407	-	-	-	-	(2,181)	(2,181)	45,226	55,029	56,470
Provisions	3,954	-	-	-	-	(119)	(119)	3,835	3,673	3,698
Total current liabilities	90,574	-	-	-	-	(3,587)	(3,587)	86,987	107,802	108,459
Non current liabilities										
Borrowing	56,415	-	-	-	-	(17,021)	(17,021)	39,394	36,821	33,992
Provisions	-	-	-	-	-	731	731	731	731	731
Total non current liabilities	56,415	-	-	-	-	(16,290)	(16,290)	40,125	37,552	34,723
TOTAL LIABILITIES	146,989	-	-	-	-	(19,877)	(19,877)	127,112	145,355	143,182
NET ASSETS	1,069,680	-	-	-	-	56,663	56,663	1,126,343	454,141	435,081
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	(215,958)	-	-	-	-	56,661	56,661	(159,297)	(831,499)	(850,558)
Reserves	-	-	-	-	-	-	-	-	-	-
Share capital	1,285,638	-	-	-	-	2	2	1,285,640	1,285,640	1,285,640
TOTAL COMMUNITY WEALTH/EQUITY	1,069,680	-	-	-	-	56,663	56,661	1,126,343	454,141	435,081

Table 26 MBRR Table E5 Adjustments Budget - Cash Flows

Description	Budget Year 2016/17								Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Downwar d adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges	217,414	-	-	-	-	(4,870)	(4,870)	212,544	268,000	268,630
Service charges	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-
Government - operating	-	-	-	-	-	220	220	220	-	-
Government - capital	-	-	-	-	-	-	-	-	-	-
Interest	15,084	-	-	-	-	8,537	8,537	23,621	11,671	10,100
Dividends	-	-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees	(207,703)	-	-	-	-	(39,230)	(39,230)	(246,933)	(229,767)	(255,815)
Finance charges	(6,131)	-	-	-	-	5,181	5,181	(950)	(3,651)	(3,395)
Dividends paid	-	-	-	-	-	-	-	-	-	-
Transfers and Grants	-	-	-	-	-	(220)	(220)	(220)	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	18,665	-	-	-	-	(30,383)	(30,383)	(11,718)	46,252	19,520
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-
Payments										
Capital assets	(272,980)	-	-	-	-	(138,968)	(138,968)	(411,948)	(47,982)	(45,443)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(272,980)	-	-	-	-	(138,968)	(138,968)	(411,948)	(47,982)	(45,443)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	340,001	-	-	-	-	(98,789)	(98,789)	241,212	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing	(3,585)	-	-	-	-	2,979	2,979	(606)	(2,573)	(2,830)
NET CASH FROM/(USED) FINANCING ACTIVITIES	336,417	-	-	-	-	(95,811)	(95,811)	240,606	(2,573)	(2,830)
NET INCREASE/ (DECREASE) IN CASH HELD	82,102	-	-	-	-	(265,162)	(265,162)	(183,060)	(4,303)	(28,753)
Cash/cash equivalents at the year begin:	149,439	231,541	231,541	231,541	231,541	231,541	231,541	231,541	48,482	44,178
Cash/cash equivalents at the year end:	231,541	231,541	231,541	231,541	231,541	(33,620)	(33,620)	48,482	44,178	15,425

Table 27 MBRR Table SE6a - Adjustments budget capital expenditure on new assets by asset category

Description	Budget Year 2016/17									Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands											
Capital expenditure on new assets by Asset Class/Sub-class											
Other assets	272,980	-	-	-	-	-	138,968	138,968	411,948	47,982	45,443
General vehicles	-	-	-	-	-	-	-	-	-	-	-
Specialised vehicles	-	-	-	-	-	-	-	-	-	-	-
Plant & equipment	-	-	-	-	-	-	-	-	-	-	-
Computers - hardware/equipment	10,849	-	-	-	-	-	-	-	10,849	15,224	15,035
Furniture and other office equipment	3,450	-	-	-	-	-	1,000	1,000	4,450	6,110	5,380
Abattoirs	-	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-	-
Civic Land and Buildings	-	-	-	-	-	-	-	-	-	-	-
Other Buildings	11,995	-	-	-	-	-	137,968	137,968	149,963	25,300	23,680
Other Land	-	-	-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)	-	-	-	-	-	-	-	-	-	-	-
Other	1,050	-	-	-	-	-	-	-	1,050	1,348	1,348
Total Capital Expenditure on new assets	272,980	-	-	-	-	-	138,968	138,968	411,948	47,982	45,443
Funded by:											
National Government	-	-	-	-	-	-	-	-	-	-	-
Provincial Government	-	-	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	-	-	-	-	-	-	-	-
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-
Borrowing	60,000	-	-	-	-	-	(20,000)	(20,000)	40,000	-	-
Internally generated funds	212,980	-	-	-	-	-	158,968	158,968	371,948	47,982	45,443
Total Capital Funding	272,980	-	-	-	-	-	138,968	138,968	411,948	47,982	45,443

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, municipal manager of the City of Cape Town hereby certify, that the **2016/17 adjustments budget (January 2017)** 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 _____