CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

CITY OF CAPE TOWN
2017/18 ADJUSTMENTS BUDGET INCLUDING ADDITIONAL RECOMMENDATIONS ADOPTED AT COUNCIL

24 August 2017

LIST OF TABLES

LIST OF ANNEXURES

GLOSSARY OF TERMS AND ABBREVIATIONS

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

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

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

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

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

CCT – City of Cape Town

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

CTICC - Cape Town International Convention Centre

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

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

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

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

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

IRT – Integrated Rapid Transport

MBRR – Municipal Budget Reporting Regulations

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

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

NT – National Treasury

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

PT – Provincial Treasury

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

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

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

PART 1 - ADJUSTMENTS BUDGET: PARENT MUNICIPALITY

1. Mayor's Report

1.1. Summary of reasons for the adjustments budget

Primary reasons for the recommendation to adopt an August 2017 adjustments budget result from roll-overs of carry-over commitments from the 2016/17 financial year as well as the approval of expenditure in terms of a section 29 report.

Allocations proposed for adoption at the Council meeting included funding received from National Government, Provincial Treasury, the South African Breweries and the Association for Responsible Alcohol Use.

Further adjustment details are listed in the paragraphs below.

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

The reasons for multi-year shifting are inter alia:

- Carry-over commitments from the 2016/17 financial year
  Section 28(2)(e) of the Municipal Finance Management Act (MFMA) states that an adjustments budget "*may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council*".

  The following matters were addressed in formulating proposals for roll-over funding allocations:
  - Those contractual components or works awarded or commenced with during the 2016/17 financial year, but not yet implemented and settled by 30 June 2017 – in other words the monetary value of commitments – and for which no budgetary provision was made on the 2017/18 capital budget.
  - As per the 'unforeseen' definition and interpretation of the relevant MFMA stipulations, departments must have had a reasonable expectation that work would have been completed by 30 June 2017.
  - Proposals for roll-over provisions catered for internally-funded budgetary provisions.
  - Reasons explaining why the 2016/17 budgetary provisions were committed, but not spent by 30 June 2017.
  - Consideration of roll-over proposals on Council's 2017/18 capital budget was taken in the context of affordability constraints and funding certainty for the period, as furthermore informed by the adopted MTREF as well as implementation capacities for the financial period.

- Administrative transfers/virements of budgetary provisions, as approved in terms of Council's System of Delegations of Powers and the Virement Policy and processed in the City's accounting system up until 24 July 2017.
- Additional expenditure incurred in terms of section 29 of the MFMA.
- Updating of existing provisions in accordance with latest implementation projections, revised business plans and confirmed funding sources.
- The City's 2017/18 capital budget was presented in terms of the Programme Budgeting methodology and approved as such at the Council meeting in May 2017. Project linkages were subsequently reviewed and changes were made to ensure correct alignment to programmes/routine programmes as per the approved definitions. No existing projects were removed and no new projects were added.

b. Allocations and grant adjustments

Capital grants

Reason for adjustments to capital grants and donations:

EDR (Emergency Disaster Relief Grant) (national funding): The Water and Sanitation department proposed an increase of R20.8 million in the 2017/18 financial year for the Table Mountain Group Aquifer project, resulting from an allocation from the Department of Co-operative Governance in a letter dated 22 August 2017.

Operating grants and donations

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

- Additional allocations from Private Donors.
    - Safety & Security - R3.9 million from South African Breweries for the appointment of the Rent-A-Cop initiative, which forms a crucial part of the holistic Alcohol Game Changer Intervention.

- Additional allocations as per Provincial Gazette No. 7742 dated 7 March 2017.
    - Informal Settlements, Water & Waste Services - R2.5 million towards funding housing for people affected by natural disasters within the municipality.

- The directorates below proposed roll-overs of approved 2016/17 private donations and unspent grant allocations from Provincial Government.
    - Area Based Service Delivery directorate

      R468 021 in respect of the Community Development Workers (CDW) project funded from the Western Cape Government – CDW Programme. This funding was only received in the latter part of the 2016/17 financial year. The full allocation will be spent in the current financial year.

- Social Services directorate

  R450 700 in respect of funding received from the University of Connecticut for repairs and maintenance and other structural improvements at the Gugulethu Health Clinic. The original Memorandum of Agreement was signed after the 2016/17 budget process and could only be included in the January 2017 adjustments budget, resulting in limited time to complete the tender processes. The full allocation will be spent in the current financial year.
- Informal Settlements, Water & Waste Service directorate

  R6.2 million in respect of Human Settlement Development Grant funded ex Department of Human Settlements Western Cape for the provision of disaster relief. The original allocation was R44.6 million; R6.2 million is the unspent balance as fire and flood kits are expensed as and when the need arises. The unspent funding will be spent in the current financial year.
- Transport & Urban Development Authority directorate

  R6.8 million in respect of funding received from the Development Bank of South Africa for the Thermal Efficiency and Interventions programme. This funding was not spent due to the agreement with the City's implementing agent, Nurcha, which was cancelled and re-advertised as the subcontractor was intimidated by community unrest in Silver City where they were appointed to install 363 units. A new contractor has since been appointed and the funds will be spent in the current financial year.
- Transport & Urban Development Authority directorate

  As at 30 June 2016, the unspent balance of the Human Settlements Development Grant (HSDG) was R406.9 million. The unspent balance increased by R40.4 million during the 2016/17 financial year to R447.3 million as at 30 June 2017 (excluding interest of R7 million earned on unspent balances on the People's Housing Programme).

  The major contributors to the total roll-over of R454.3 million in respect of the HSDG, funded ex Department of Human Settlements Western Cape, include the following projects:
  - Atlantis Kanonkop Project: Ongoing vandalism and armed robberies on site meant that the contractor will not be returning to site. The contractor submitted a termination notice. The City has now approached the Provincial Government to assist with a contractor from their data base and it is anticipated that the contractor will start in September 2017.
  - Belhar/Pentech Project: The previous contract was terminated in February 2017, due to non-performance. The tender for internal services (civil infrastructure) was advertised and the contractor is on site for the completion of the internal services. A contractor from Provincial Government will now be appointed for the Top Structures and will commence in November 2017.

- Delft The Hague Phase 1: The contractor is behind programme, due to poor performance and was requested to complete the existing 364 units before commencing with any other new foundations. Various non-compliance notices were issued to the contractor by the City. The contract will be terminated and a contractor from Provincial Government will be appointed to complete the project. It is anticipated that the project will commence during January 2018.
- Delft The Hague Phase 2: The tender for the construction of Top Structures has been advertised but the price of the preferred bidder is higher than what is allowed in the subsidy quantum. BAC approved the preferred bidder status on 2 May 2017 and management is currently negotiating a lower price with the preferred bidder. It is anticipated that the project will commence in September 2017.
- Morkel's Cottage Project: The project was delayed as the City had to obtain access to the site via Provincial Department of Public Works. Internal services for the first 71 sites were completed during June 2017, while the remaining civil services for Phase 1 (230 sites) will be completed in November 2017. The same contractor will start with the construction of the Top Structures towards the end of 2017.
- R11.5 million for the eradication of the housing registration backlogs was gazetted in March 2017 and regularised for inclusion in the 2016/17 operating budget via the April 2017 adjustment budget. R2.2 million was spent in the 2016/17 financial year for occupancy surveys and the balance will be spent in the current financial year for conveyancer fees.

Recommendations to the municipal council regarding the budget

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

2. Resolutions

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

a. That the City's adjustment budget for the 2017/18 financial year be approved and adopted, as set out in the following tables and annexures:

i. Operating revenue and expenditure by standard classification reflected in Table 4 on page 11.
ii. Operating revenue and expenditure by municipal vote reflected in Table 5 on page 13.
iii. Operating revenue by source and expenditure by type reflected in Table 6 on page 14.
iv. Multi-year capital appropriations by vote reflected in Table 7 on page 15 and Annexure 2.1 and Annexure 2.2.
v. Capital expenditure by standard classification reflected in Table 7 on page 15.

vi. Capital funding by source reflected in Table 7 on page 15.
vii. Budgeted Cash Flow statement as reflected in Table 9 on page 18.

b. That Council notes the impact of the 2017/18 adjustments budget on the 2018/19 and 2019/20 financial years.

c. 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).

3. Executive Summary

3.1. General

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

3.2. Provision of basic services

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

3.3. Adjustment highlights

3.3.1. Adjustments made to the operating budget

Full details of proposed amendments to the 2017/18 operating budget are reflected in Annexure 1 to this report.

3.3.2. Adjustments to the capital budget

Directorate and departmental submissions received for budgetary inclusion totalled R204.6 million, with funding sources split as shown in Table 1 below.

Table 1 Fund shifts in relation to the capital programme for 2017/18

Major Fund Source	Original Budget	Roll-overs R'000	Section 29 R'000	Other R'000	Proposed Budget
CGD	2,353,735	–	–	20,812	2,374,547
CRR	1,637,169	85,375	–	–	1,722,544
EFF	2,894,482	91,688	6,536	–	2,992,706
REVENUE	89,834	–	–	146	89,980
TOTAL	**6,975,220**	**177,063**	**6,536**	**20,958**	**7,179,778**

The major increases in the 2017/18 financial year, as reflected in the table above, are explained below.

- **CGD amendments**

EDR (Emergency Disaster Relief Grant) (national funding): The Water & Sanitation department proposed an increase of R20.8 million in the 2017/18 financial year for the Table Mountain Group Aquifer project, resulting from an allocation received from the Department of Co-operative Governance in a letter dated 22 August 2017.

- **CRR amendments**

The directorates and departments below proposed roll-overs of R85.4 million in the 2017/18 financial year.

- Area-Based Service Delivery directorate - R413 251
  - Ward Allocations
- Assets & Facilities Management directorate – R10.2 million
  - FM Structural Rehabilitation – R9.4 million
  - Major Upgrading - Rental Units – R846 050
- Energy directorate – R66.1 million
  - MV Circuit Breaker Replacement - R15 243
  - City Depot CBD – New - R11 million
  - Bloemhof: Stores Upgrade - R20.8 million
  - Bloemhof Network Control Centre – R20.1 million
  - Electricity Facilities – R14.1 million
- Social Services directorate – R731 413
  - Various small Ward Allocation projects in the Recreation & Parks department - R531 418
  - Oatlands Resort - R199 995
- Transport & Urban Development Authority – R7.8 million
  - Atlantis: Development of Corridor - M12 – R3.9 million
  - Dualling: Broadway Blvd: Beach Rd: MR27 – R11 123
  - Main Roads: Northern Corridor - R428 930
  - Sir Lowry's Pass River Upgrade – R100 000
  - Sir Lowry's Pass River Upgrade - R81 566
  - Road Dualling: Kommetjie Rd & Ou Kaapse Weg – R1.6 million
  - CSRM General Stormwater projects – R62 400
  - Congestion Relief Projects – R1.6 million

- **EFF amendments**

The directorates and departments below proposed roll-overs of R91.7 million in the 2017/18 financial year.

Table 2 Proposed roll-overs iro EFF in the 2017/18 financial year

Directorate	Roll-over R'000
Assets & Facilities Management	8,047
Corporate Services	6,324
Directorate of the Mayor	24
Energy	7,059
ISWWS: Water & Sanitation	12,488
ISWWS: Solid Waste Management	4,712
Safety & Security	223
Social Services	1,929
Transport & Urban Development Authority	50,881
Total	91,688

The main reasons for EFF roll-overs on various projects in the City are:

- Complex telecommunications construction process, which has many dependencies (way-leaves, weather, contractor capacity etc.);
- Vendors not being able to deliver goods prior to 30 June 2017 despite the fact that orders were placed timeously;
- Implementation work and professional services were not completed by 30 June 2017;
- Delays in finalisation of detailed designs where the conceptual design work took longer than anticipated;
- Supply constraints on imported equipment;
- Lack of capacity from service provider, however the department has met with the contractor and addressed the issues that inhibited the progress. Projects are now on track for completion early in this financial year;
- Delays in the award of a term tender;
- Excessive vandalism at certain clinics resulting in the service providers being unable to complete the upgrade of security at clinics by year-end;
- Poor contractor performance where the contractor fell behind schedule. The issues have since been addressed. The delay did not warrant a termination of contract as the engineer acted in terms of the contract and received a new programme.
- Property acquisition not finalised by financial year-end, due to the lengthy negotiation process with land owners, which has subsequently been completed;
- Fire protection performance guarantees not supplied on time resulting in a delay in the installation of fire protection;
- Incorrect goods delivered; and
- Delays due to project specific quality and contract requirements.

In additional to the aforementioned roll-overs, the Executive Mayor authorised capital expenditure in terms of section 29 of the MFMA for the emergency measures required at the Big Bay Beach after the storm damage on 7 June 2017. R6 535 705 will be utilised for coastal structures rehabilitation funded from EFF in the 2017/18 financial year.

- **Revenue amendments**

  Safety and Security directorate proposed an increase of R146 000 for the acquisition of Radios: Additional (R48 000), Computers: additional (R50 000) and Firearms (R48 000), resulting from a contribution received from SAB and ARA in the 2017/18 financial year.

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 9 to page 23. These tables reflect the City's 2017/18 adjustments budget and MTREF to be approved by Council. Each table is accompanied by explanatory notes.

Table 3 MBRR Table B1 – Adjustments Budget Summary

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Financial Performance											
Property rates	8,662,350	–	–	–	–	–	–	–	8,662,350	9,324,490	9,928,483
Service charges	19,310,141	–	–	–	–	–	–	–	19,310,141	21,220,770	23,146,827
Investment revenue	773,657	–	–	–	–	–	–	–	773,657	826,409	857,479
Transfers recognised - operational	6,455,942	–	–	–	–	–	474,774	474,774	6,930,716	6,996,655	7,635,571
Other own revenue	2,806,001	–	–	–	–	–	–	–	2,806,001	3,002,598	3,167,565
Total Revenue (excluding capital transfers and contributions)	**38,008,091**	**–**	**–**	**–**	**–**	**–**	**474,774**	**474,774**	**38,482,865**	**41,370,923**	**44,735,926**
Employee costs	12,050,690	–	–	–	–	–	6,488	6,488	12,057,178	12,972,883	14,130,273
Remuneration of councillors	155,787	–	–	–	–	–	0	–	155,787	165,913	176,697
Depreciation & asset impairment	2,574,607	–	–	–	–	–	–	–	2,574,607	2,734,705	2,814,573
Finance charges	1,131,010	–	–	–	–	–	1,727	1,727	1,132,737	1,576,120	1,949,703
Materials and bulk purchases	9,730,312	–	–	–	–	–	(1,276)	(1,276)	9,729,036	10,498,509	11,321,657
Transfers and grants	140,985	–	–	–	–	–	271,032	271,032	412,017	147,473	155,584
Other expenditure	11,574,725	–	–	–	–	–	196,803	196,803	11,771,528	12,485,718	13,382,581
Total Expenditure	**37,358,116**	**–**	**–**	**–**	**–**	**–**	**474,774**	**474,774**	**37,832,890**	**40,581,322**	**43,931,069**
Surplus/(Deficit)	649,975	–	–	–	–	–	–	–	649,975	789,601	804,856
Transfers recognised - capital	2,268,835	–	–	–	–	–	20,812	20,812	2,289,647	2,101,736	2,203,502
Contributions recognised - capital & contributed assets	84,900	–	–	–	–	–	–	–	84,900	87,200	90,600
Surplus/(Deficit) after capital transfers & contributions	**3,003,710**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**3,024,523**	**2,978,537**	**3,098,959**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**3,003,710**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**3,024,523**	**2,978,537**	**3,098,959**
Capital expenditure & funds sources											
Capital expenditure	6,975,220	–	177,063	–	6,536	20,812	146	204,557	7,179,778	6,678,655	6,955,344
Transfers recognised - capital	2,268,835	–	–	–	–	20,812	–	20,812	2,289,647	2,101,736	2,203,502
Public contributions & donations	84,900	–	–	–	–	–	–	–	84,900	87,200	90,600
Borrowing	2,894,482	–	91,688	–	6,536	–	–	98,224	2,992,706	3,503,855	3,707,679
Internally generated funds	1,727,003	–	85,375	–	–	–	146	85,521	1,812,524	985,864	953,563
Total sources of capital funds	**6,975,220**	**–**	**177,063**	**–**	**6,536**	**20,812**	**146**	**204,557**	**7,179,778**	**6,678,655**	**6,955,344**
Financial position											
Total current assets	13,804,580	–	–	–	–	–	(1,026,555)	(1,026,555)	12,778,025	14,419,623	15,783,624
Total non current assets	49,655,980	–	–	–	–	–	194,329	194,329	49,850,309	53,696,702	57,755,348
Total current liabilities	10,811,468	–	–	–	–	–	(853,038)	(853,038)	9,958,429	10,401,141	10,594,354
Total non current liabilities	14,514,129	–	–	–	–	–	–	–	14,514,129	16,580,871	18,711,347
Community wealth/Equity	**38,134,963**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**38,155,775**	**41,134,312**	**44,233,271**
Cash flows											
Net cash from (used) operating	5,500,155	–	–	–	–	–	(448,734)	(448,734)	5,051,421	5,602,592	5,795,745
Net cash from (used) investing	(7,059,015)	–	–	–	–	–	(173,874)	(173,874)	(7,232,888)	(6,214,212)	(6,741,952)
Net cash from (used) financing	2,103,124	–	–	–	–	–	–	–	2,103,124	1,990,028	2,030,864
Cash/cash equivalents at the year end	**4,425,075**	**–**	**–**	**–**	**–**	**–**	**(1,026,555)**	**(1,026,555)**	**3,398,520**	**4,776,928**	**5,861,585**
Cash backing/surplus reconciliation											
Cash and investments available	10,546,439	–	–	–	–	–	(1,026,555)	(1,026,555)	9,519,884	10,898,291	11,982,949
Application of cash and investments	8,024,834	–	–	–	–	–	(853,038)	(853,038)	7,171,796	7,521,897	8,437,720
Balance - surplus (shortfall)	**2,521,605**	**–**	**–**	**–**	**–**	**–**	**(173,517)**	**(173,517)**	**2,348,088**	**3,376,394**	**3,545,229**
Asset Management											
Asset register summary (WDV)	45,766,736	–	–	–	–	–	194,329	194,329	45,961,066	49,571,083	53,364,086
Depreciation & asset impairment	2,574,607	–	–	–	–	–	–	–	2,574,607	2,734,705	2,814,573
Renewal of Existing Assets	1,428,986	–	29,577	–	6,536	–	(270)	35,843	1,464,829	1,646,610	1,830,374
Repairs and Maintenance	4,034,293	–	–	–	–	–	–	–	4,034,293	4,393,491	4,732,564
Free services											
Cost of Free Basic Services provided	1,604,874	–	–	–	–	–	–	–	1,604,874	1,748,187	1,898,155
Revenue cost of free services provided	1,778,456	–	–	–	–	–	–	–	1,778,456	1,903,653	2,045,597
Households below minimum service level	–	–	–	–	–	–	–	–	–	–	–
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	0	–	–	–	–	–	–	–	0	–	–
Energy:	23	–	–	–	–	–	–	–	23	22	20
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 2017/18 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 2017/18 MTREF.

6. The City's cash backing/surplus reconciliation over the 2017/18 MTREF shows a positive outcome, which is an indication that the City will be able to afford its commitments over the next three years.

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

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

Standard Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue - Functional											
Governance and administration	**14,882,934**	**–**	**–**	**–**	**–**	**–**	**1,345**	**1,345**	**14,884,279**	**16,140,771**	**17,240,909**
Executive and council	3,126	–	–	–	–	–	468	468	3,594	3,240	3,362
Finance and administration	14,879,801	–	–	–	–	–	877	877	14,880,678	16,137,523	17,237,539
Internal audit	8	–	–	–	–	–	–	–	8	8	9
Community and public safety	**1,956,529**	**–**	**–**	**–**	**–**	**–**	**360,710**	**360,710**	**2,317,240**	**2,067,634**	**2,213,043**
Community and social services	120,972	–	–	–	–	–	(4,206)	(4,206)	116,766	120,361	118,907
Sport and recreation	114,329	–	–	–	–	–	3,329	3,329	117,659	76,740	60,312
Public safety	22,293	–	–	–	–	–	–	–	22,293	11,168	11,783
Housing	1,328,591	–	–	–	–	–	361,137	361,137	1,689,728	1,435,979	1,593,372
Health	370,343	–	–	–	–	–	451	451	370,794	423,385	428,669
Economic and environmental services	**3,224,458**	**–**	**–**	**–**	**–**	**–**	**112,719**	**112,719**	**3,337,177**	**2,972,859**	**3,213,414**
Planning and development	342,034	–	–	–	–	–	–	–	342,034	392,979	485,490
Road transport	2,880,418	–	–	–	–	–	112,719	112,719	2,993,137	2,577,764	2,725,691
Environmental protection	2,006	–	–	–	–	–	–	–	2,006	2,116	2,232
Trading services	**20,291,096**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**20,311,908**	**22,372,454**	**24,357,243**
Energy sources	12,256,796	–	–	–	–	–	–	–	12,256,796	13,401,524	14,535,806
Water management	4,123,369	–	–	–	–	–	10,812	10,812	4,134,182	4,704,907	5,261,945
Waste water management	2,547,543	–	–	–	–	–	10,000	10,000	2,557,543	2,772,140	2,936,233
Waste management	1,363,387	–	–	–	–	–	–	–	1,363,387	1,493,882	1,623,259
Other	**6,809**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6,809**	**6,140**	**5,419**
Total Revenue - Functional	**40,361,826**	**–**	**–**	**–**	**–**	**–**	**495,586**	**495,586**	**40,857,413**	**43,559,859**	**47,030,028**
Expenditure - Functional											
Governance and administration	**8,555,468**	**–**	**–**	**–**	**–**	**–**	**(1,164)**	**(1,164)**	**8,554,304**	**9,515,724**	**10,431,939**
Executive and council	443,599	–	–	–	–	–	1,108	1,108	444,707	481,337	512,954
Finance and administration	8,061,222	–	–	–	–	–	(2,272)	(2,272)	8,058,950	8,979,379	9,859,416
Internal audit	50,646	–	–	–	–	–	–	–	50,646	55,008	59,569
Community and public safety	**5,318,902**	**–**	**–**	**–**	**–**	**–**	**361,587**	**361,587**	**5,680,490**	**5,686,027**	**6,175,420**
Community and social services	931,712	–	–	–	–	–	–	–	931,712	973,551	1,039,958
Sport and recreation	1,212,821	–	–	–	–	–	–	–	1,212,821	1,282,162	1,346,335
Public safety	600,875	–	–	–	–	–	–	–	600,875	652,483	705,757
Housing	1,498,847	–	–	–	–	–	361,137	361,137	1,859,984	1,605,391	1,812,330
Health	1,074,647	–	–	–	–	–	451	451	1,075,098	1,172,441	1,271,040
Economic and environmental services	**6,351,817**	**–**	**–**	**–**	**–**	**–**	**114,350**	**114,350**	**6,466,167**	**6,763,465**	**7,187,829**
Planning and development	1,042,789	–	–	–	–	–	2,029	2,029	1,044,818	1,234,121	1,319,286
Road transport	5,186,569	–	–	–	–	–	112,321	112,321	5,298,891	5,411,988	5,742,032
Environmental protection	122,458	–	–	–	–	–	–	–	122,458	117,356	126,511
Trading services	**17,026,865**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**17,026,865**	**18,505,037**	**20,018,575**
Energy sources	9,929,327	–	–	–	–	–	–	–	9,929,327	10,727,822	11,573,196
Water management	3,225,897	–	–	–	–	–	(1,464)	(1,464)	3,224,433	3,577,694	3,906,221
Waste water management	1,990,882	–	–	–	–	–	1,464	1,464	1,992,346	2,191,214	2,417,010
Waste management	1,880,759	–	–	–	–	–	–	–	1,880,759	2,008,307	2,122,148
Other	**105,064**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**105,064**	**111,068**	**117,305**
Total Expenditure - Functional	**37,358,116**	**–**	**–**	**–**	**–**	**–**	**474,774**	**474,774**	**37,832,890**	**40,581,322**	**43,931,069**
Surplus/ (Deficit) for the year	**3,003,710**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**3,024,523**	**2,978,537**	**3,098,959**

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 R3 024 million is reflected in this table and includes Capital Grants and Transfers (Capital Grants & Donations) received. The expenditure category excludes these transfers.

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

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

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

Vote Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue by Vote											
Vote 1 - Area-Based Service Delivery	204,290	–	–	–	–	–	468	468	204,758	243,262	283,027
Vote 2 - Assets & Facilities Management	453,587	–	–	–	–	–	–	–	453,587	507,676	535,388
Vote 3 - Corporate Services	68,073	–	–	–	–	–	–	–	68,073	72,592	76,677
Vote 4 - City Manager	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Directorate of the Mayor	3,324	–	–	–	–	–	–	–	3,324	1,235	244
Vote 6 - Energy	12,256,918	–	–	–	–	–	–	–	12,256,918	13,401,653	14,535,941
Vote 7 - Finance	14,307,250	–	–	–	–	–	–	–	14,307,250	15,497,022	16,586,946
Vote 8 - Informal Settlements, Water & Waste Services	8,212,622	–	–	–	–	–	31,089	31,089	8,243,711	9,124,638	9,891,330
Vote 9 - Safety & Security	1,267,627	–	–	–	–	–	4,040	4,040	1,271,667	1,280,617	1,349,809
Vote 10 - Social Services	904,664	–	–	–	–	–	451	451	905,115	934,834	940,536
Vote 11 - Transport & Urban Development Authority	2,683,471	–	–	–	–	–	459,539	459,539	3,143,010	2,496,331	2,830,130
Total Revenue by Vote	**40,361,826**	**–**	**–**	**–**	**–**	**–**	**495,586**	**495,586**	**40,857,413**	**43,559,859**	**47,030,028**
Expenditure by Vote											
Vote 1 - Area-Based Service Delivery	547,009	–	–	–	–	–	468	468	547,477	600,999	642,132
Vote 2 - Assets & Facilities Management	1,851,509	–	–	–	–	–	–	–	1,851,509	1,973,889	2,089,607
Vote 3 - Corporate Services	1,741,551	–	–	–	–	–	–	–	1,741,551	1,872,190	1,994,576
Vote 4 - City Manager	22,198	–	–	–	–	–	–	–	22,198	23,629	25,186
Vote 5 - Directorate of the Mayor	557,664	–	–	–	–	–	–	–	557,664	594,705	634,773
Vote 6 - Energy	10,355,750	–	–	–	–	–	–	–	10,355,750	11,188,113	12,065,949
Vote 7 - Finance	3,370,596	–	–	–	–	–	–	–	3,370,596	3,912,117	4,439,566
Vote 8 - Informal Settlements, Water & Waste Services	7,739,299	–	–	–	–	–	8,776	8,776	7,748,075	8,513,136	9,205,318
Vote 9 - Safety & Security	3,148,512	–	–	–	–	–	4,040	4,040	3,152,551	3,354,695	3,595,786
Vote 10 - Social Services	3,463,150	–	–	–	–	–	451	451	3,463,601	3,799,844	4,079,694
Vote 11 - Transport & Urban Development Authority	4,560,879	–	–	–	–	–	461,039	461,039	5,021,918	4,748,004	5,158,484
Total Expenditure by Vote	**37,358,116**	**–**	**–**	**–**	**–**	**–**	**474,774**	**474,774**	**37,832,890**	**40,581,322**	**43,931,069**
Surplus/ (Deficit) for the year	**3,003,710**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**3,024,523**	**2,978,537**	**3,098,959**

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

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

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

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source											
Property rates	8,662,350	–	–	–	–	–	–	–	8,662,350	9,324,490	9,928,483
Service charges - electricity revenue	11,942,587	–	–	–	–	–	–	–	11,942,587	13,034,828	14,090,638
Service charges - water revenue	3,933,401	–	–	–	–	–	–	–	3,933,401	4,382,678	4,867,839
Service charges - sanitation revenue	2,092,272	–	–	–	–	–	–	–	2,092,272	2,332,091	2,589,072
Service charges - refuse revenue	1,341,882	–	–	–	–	–	–	–	1,341,882	1,471,173	1,599,278
Service charges - other	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	418,011	–	–	–	–	–	–	–	418,011	469,470	495,290
Interest earned - external investments	773,657	–	–	–	–	–	–	–	773,657	826,409	857,479
Interest earned - outstanding debtors	284,131	–	–	–	–	–	–	–	284,131	299,860	316,164
Dividends received	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1,146,414	–	–	–	–	–	–	–	1,146,414	1,209,461	1,275,982
Licences and permits	43,749	–	–	–	–	–	–	–	43,749	46,154	48,692
Agency services	162,771	–	–	–	–	–	–	–	162,771	171,818	181,267
Transfers and subsidies	6,455,942	–	–	–	–	–	474,774	474,774	6,930,716	6,996,655	7,635,571
Other revenue	709,425	–	–	–	–	–	–	–	709,425	762,573	804,527
Gains on disposal of PPE	41,500	–	–	–	–	–	–	–	41,500	43,263	45,643
Total Revenue (excluding capital transfers and contributions)	**38,008,091**	**–**	**–**	**–**	**–**	**–**	**474,774**	**474,774**	**38,482,865**	**41,370,923**	**44,735,926**
Expenditure By Type											
Employee related costs	12,050,690	–	–	–	–	–	6,488	6,488	12,057,178	12,972,883	14,130,273
Remuneration of councillors	155,787	–	–	–	–	–	0	–	155,787	165,913	176,697
Debt impairment	2,508,738	–	–	–	–	–	0	–	2,508,738	2,704,796	2,900,682
Depreciation & asset impairment	2,574,607	–	–	–	–	–	–	–	2,574,607	2,734,705	2,814,573
Finance charges	1,131,010	–	–	–	–	–	1,727	1,727	1,132,737	1,576,120	1,949,703
Bulk purchases	8,540,135	–	–	–	–	–	–	–	8,540,135	9,227,384	9,967,635
Other materials	1,190,177	–	–	–	–	–	(1,276)	(1,276)	1,188,901	1,271,125	1,354,022
Contracted services	6,086,610	–	–	–	–	–	183,153	183,153	6,269,763	6,649,779	7,170,612
Transfers and subsidies	140,985	–	–	–	–	–	271,032	271,032	412,017	147,473	155,584
Other expenditure	2,978,990	–	–	–	–	–	13,649	13,649	2,992,639	3,130,734	3,310,855
Loss on disposal of PPE	387	–	–	–	–	–	0	–	387	409	431
Total Expenditure	**37,358,116**	**–**	**–**	**–**	**–**	**–**	**474,774**	**474,774**	**37,832,890**	**40,581,322**	**43,931,069**
Surplus/(Deficit)	**649,975**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**649,975**	**789,601**	**804,856**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,268,835	–	–	–	–	–	20,812	20,812	2,289,647	2,101,736	2,203,502
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	84,900	–	–	–	–	–	–	–	84,900	87,200	90,600
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation	**3,003,710**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**3,024,523**	**2,978,537**	**3,098,959**
Taxation	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	**3,003,710**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**3,024,523**	**2,978,537**	**3,098,959**
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	**3,003,710**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**3,024,523**	**2,978,537**	**3,098,959**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**3,003,710**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**3,024,523**	**2,978,537**	**3,098,959**

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

1. Table B4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. Total revenue is R38 483 million (this includes the budgeted surplus, which is set aside for the replacement of externally-funded capital assets) in 2017/18 and escalates to R44 736 million in 2019/20. Total expenditure is R37 833 million in 2017/18 and escalates to R43 931 million in 2019/20.

2. The increases and decreases reflected in Table B4 are as a result of the roll-over of approved 2016/17 private donations and unspent Provincial Government grant allocations, excluding the decrease in Other materials, which is due to budgetary realignments.

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

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure - Vote											
Multi-year expenditure to be adjusted											
Vote 1 - Area-Based Service Delivery	39,430	–	413	–	–	–	–	413	39,843	73,970	105,763
Vote 2 - Assets & Facilities Management	395,019	–	18,286	–	–	–	–	18,286	413,304	281,917	265,214
Vote 3 - Corporate Services	351,686	–	6,324	–	–	–	–	6,324	358,010	339,446	338,046
Vote 4 - City Manager	222	–	–	–	–	–	–	–	222	222	222
Vote 5 - Directorate of the Mayor	17,108	–	24	–	–	–	–	24	17,132	2,238	2,158
Vote 6 - Energy	1,292,814	–	73,220	–	–	–	–	73,220	1,366,034	1,413,174	1,705,351
Vote 7 - Finance	17,136	–	–	–	–	–	–	–	17,136	15,249	16,419
Vote 8 - Informal Settlements, Water & Waste Services	2,445,238	–	17,201	–	–	20,812	–	38,013	2,483,251	2,535,665	2,518,546
Vote 9 - Safety & Security	191,120	–	223	–	–	–	146	369	191,488	105,722	50,515
Vote 10 - Social Services	283,413	–	2,660	–	–	–	–	2,660	286,073	198,834	128,598
Vote 11 - Transport & Urban Development Authority	1,942,035	–	58,713	–	6,536	–	–	65,249	2,007,284	1,712,219	1,824,511
Vote 12 - Municipal Entities COCT	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Vote	**6,975,220**	**–**	**177,063**	**–**	**6,536**	**20,812**	**146**	**204,557**	**7,179,778**	**6,678,655**	**6,955,344**
Capital Expenditure - Functional											
Governance and administration	**1,244,434**	**–**	**56,824**	**–**	**–**	**–**	**(18,445)**	**38,380**	**1,282,813**	**900,122**	**822,493**
Executive and council	3,594	–	406	–	–	–	20,900	21,306	24,900	2,380	3,380
Finance and administration	1,239,881	–	56,418	–	–	–	(39,345)	17,074	1,256,954	897,610	818,981
Internal audit	959	–	–	–	–	–	–	–	959	131	131
Community and public safety	**955,697**	**–**	**3,772**	**–**	**–**	**–**	**1,192**	**4,964**	**960,661**	**800,576**	**799,439**
Community and social services	151,270	–	614	–	–	–	(4,206)	(3,592)	147,678	101,890	83,546
Sport and recreation	105,711	–	1,563	–	–	–	5,399	6,961	112,672	37,026	14,503
Public safety	46,799	–	–	–	–	–	–	–	46,799	7,659	7,659
Housing	606,733	–	971	–	–	–	–	971	607,704	594,330	661,934
Health	45,183	–	624	–	–	–	–	624	45,807	59,671	31,796
Economic and environmental services	**1,662,703**	**–**	**58,446**	**–**	**6,536**	**–**	**148**	**65,130**	**1,727,833**	**1,361,972**	**1,451,403**
Planning and development	44,786	–	736	–	–	–	2	738	45,524	77,349	155,469
Road transport	1,599,888	–	57,710	–	6,536	–	146	64,392	1,664,280	1,262,241	1,285,562
Environmental protection	18,028	–	–	–	–	–	–	–	18,028	22,381	10,373
Trading services	**3,104,956**	**–**	**58,021**	**–**	**–**	**20,812**	**17,250**	**96,083**	**3,201,039**	**3,605,996**	**3,876,819**
Energy sources	1,183,872	–	41,301	–	–	–	–	41,301	1,225,172	1,336,334	1,631,151
Water management	853,967	–	2,026	–	–	20,812	10,000	32,838	886,806	968,222	1,145,900
Waste water management	684,576	–	10,463	–	–	–	10,000	20,463	705,039	854,201	781,149
Waste management	382,541	–	4,232	–	–	–	(2,750)	1,482	384,022	447,239	318,619
Other	7,432	–	–	–	–	–	–	–	7,432	9,990	5,190
Total Capital Expenditure - Functional	**6,975,220**	**–**	**177,063**	**–**	**6,536**	**20,812**	**146**	**204,557**	**7,179,778**	**6,678,655**	**6,955,344**
Funded by:											
National Government	2,189,832	–	–	–	–	20,812	–	20,812	2,210,645	1,976,411	2,152,358
Provincial Government	79,002	–	–	–	–	–	–	–	79,002	125,325	51,144
District Municipality	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	**2,268,835**	**–**	**–**	**–**	**–**	**20,812**	**–**	**20,812**	**2,289,647**	**2,101,736**	**2,203,502**
Public contributions & donations	84,900	–	–	–	–	–	–	–	84,900	87,200	90,600
Borrowing	2,894,482	–	91,688	–	6,536	–	–	98,224	2,992,706	3,503,855	3,707,679
Internally generated funds	1,727,003	–	85,375	–	–	–	146	85,521	1,812,524	985,864	953,563
Total Capital Funding	**6,975,220**	**–**	**177,063**	**–**	**6,536**	**20,812**	**146**	**204,557**	**7,179,778**	**6,678,655**	**6,955,344**

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 R7 180 million for 2017/18, while the 2018/19 and 2019/20 appropriations remain unchanged.

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), and other transfers and grants and public contributions amount to R2 375 million in 2017/18, R2 189 million and R2 294 million in 2018/19 and 2019/20 respectively. Borrowings amount to R2 993 million, R3 054 million and R3 708 million for each of the respective financial years. Internally generated funds amounting to R1 813 million, R986 million and R954 million for each of the respective financial years has been provided for in the MTREF.

Table 8 MBRR Table B6 – Adjustments Budget Financial Position

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
ASSETS											
Current assets											
Cash	103,918	–	–	–	–	–	–	–	103,918	146,904	146,396
Call investment deposits	6,599,932	–	–	–	–	–	(1,026,555)	(1,026,555)	5,573,377	6,670,090	7,487,397
Consumer debtors	5,635,475	–	–	–	–	–	–	–	5,635,475	5,935,035	6,251,199
Other debtors	1,135,110	–	–	–	–	–	–	–	1,135,110	1,305,376	1,501,183
Current portion of long-term receivables	18,845	–	–	–	–	–	–	–	18,845	19,787	20,777
Inventory	311,300	–	–	–	–	–	–	–	311,300	342,430	376,673
Total current assets	**13,804,580**	**–**	**–**	**–**	**–**	**–**	**(1,026,555)**	**(1,026,555)**	**12,778,025**	**14,419,623**	**15,783,624**
Non current assets											
Long-term receivables	46,655	–	–	–	–	–	–	–	46,655	44,322	42,106
Investments	3,842,589	–	–	–	–	–	–	–	3,842,589	4,081,297	4,349,156
Investment property	586,473	–	–	–	–	–	–	–	586,473	584,635	582,669
Investment in Associate	–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	44,648,942	–	–	–	–	–	194,329	194,329	44,843,272	48,569,500	52,486,849
Agricultural	–	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–	–
Intangible	522,272	–	–	–	–	–	–	–	522,272	407,899	285,520
Other non-current assets	9,049	–	–	–	–	–	–	–	9,049	9,049	9,049
Total non current assets	**49,655,980**	**–**	**–**	**–**	**–**	**–**	**194,329**	**194,329**	**49,850,309**	**53,696,702**	**57,755,348**
TOTAL ASSETS	**63,460,560**	**–**	**–**	**–**	**–**	**–**	**(832,226)**	**(832,226)**	**62,628,334**	**68,116,325**	**73,538,972**
LIABILITIES											
Current liabilities											
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
Borrowing	428,372	–	–	–	–	–	–	–	428,372	580,249	749,617
Consumer deposits	392,806	–	–	–	–	–	–	–	392,806	432,087	475,295
Trade and other payables	8,766,074	–	–	–	–	–	(853,038)	(853,038)	7,913,036	8,078,896	7,967,838
Provisions	1,224,215	–	–	–	–	–	–	–	1,224,215	1,309,910	1,401,604
Total current liabilities	**10,811,468**	**–**	**–**	**–**	**–**	**–**	**(853,038)**	**(853,038)**	**9,958,429**	**10,401,141**	**10,594,354**
Non current liabilities											
Borrowing	7,770,349	–	–	–	–	–	–	–	7,770,349	9,598,577	11,444,448
Provisions	6,743,780	–	–	–	–	–	–	–	6,743,780	6,982,294	7,266,899
Total non current liabilities	**14,514,129**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**14,514,129**	**16,580,871**	**18,711,347**
TOTAL LIABILITIES	**25,325,597**	**–**	**–**	**–**	**–**	**–**	**(853,038)**	**(853,038)**	**24,472,559**	**26,982,012**	**29,305,701**
NET ASSETS	**38,134,963**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**38,155,775**	**41,134,312**	**44,233,271**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	35,341,724	–	–	–	–	–	106,187	106,187	35,447,911	37,927,797	40,494,681
Reserves	2,793,239	–	–	–	–	–	(85,375)	(85,375)	2,707,864	3,206,515	3,738,590
Minorities' interests	–	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**38,134,963**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**38,155,775**	**41,134,312**	**44,233,271**

Explanatory notes to Table B6 – Adjustment Budget Financial Position

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

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

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

Table 9 MBRR Table B7 – Adjustments Budget Cash Flow Statement

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates	8,344,028	–	–	–	–	–	–	–	8,344,028	8,977,045	9,552,504
Service charges	17,459,005	–	–	–	–	–	–	–	17,459,005	19,260,410	21,050,374
Other revenue	1,357,994	–	–	–	–	–	–	–	1,357,994	1,463,757	1,534,852
Government - operating	6,455,942	–	–	–	–	–	–	–	6,455,942	6,996,655	7,635,571
Government - capital	2,353,735	–	–	–	–	–	20,812	20,812	2,374,547	2,188,936	2,294,102
Interest	773,657	–	–	–	–	–	–	–	773,657	826,409	857,479
Dividends	–	–	–	–	–	–	–	–	–	–	–
Payments	–	–	–	–	–	–	–	–	–	–	–
Suppliers and employees	(30,121,395)	–	–	–	–	–	(194,612)	(194,612)	(30,316,007)	(32,568,542)	(35,211,847)
Finance charges	(981,827)	–	–	–	–	–	–	–	(981,827)	(1,394,604)	(1,761,705)
Transfers and Grants	(140,985)	–	–	–	–	–	(274,935)	(274,935)	(415,920)	(147,473)	(155,584)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**5,500,155**	**–**	**–**	**–**	**–**	**–**	**(448,734)**	**(448,734)**	**5,051,421**	**5,602,592**	**5,795,745**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE	41,500	–	–	–	–	–	–	–	41,500	43,263	45,643
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	2,456	–	–	–	–	–	–	–	2,456	2,333	2,216
Decrease (increase) in non-current investments	(212,908)	–	–	–	–	–	–	–	(212,908)	(238,708)	(267,859)
Payments											
Capital assets	(6,890,062)	–	–	–	–	–	(173,874)	(173,874)	(7,063,936)	(6,021,100)	(6,521,951)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(7,059,015)**	**–**	**–**	**–**	**–**	**–**	**(173,874)**	**(173,874)**	**(7,232,888)**	**(6,214,212)**	**(6,741,952)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	2,500,000	–	–	–	–	–	–	–	2,500,000	2,500,000	2,700,000
Increase (decrease) in consumer deposits	35,710	–	–	–	–	–	–	–	35,710	39,281	43,209
Payments											
Repayment of borrowing	(432,586)	–	–	–	–	–	–	–	(432,586)	(549,253)	(712,345)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**2,103,124**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,103,124**	**1,990,028**	**2,030,864**
NET INCREASE/ (DECREASE) IN CASH HELD	**544,264**	**–**	**–**	**–**	**–**	**–**	**(622,608)**	**(622,608)**	**(78,344)**	**1,378,408**	**1,084,657**
Cash/cash equivalents at the year begin:	3,880,811	–	–	–	–	–	(403,947)	(403,947)	3,476,864	3,398,520	4,776,928
Cash/cash equivalents at the year end:	4,425,075	–	–	–	–	–	(1,026,555)	(1,026,555)	3,398,520	4,776,928	5,861,585

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 2017/18 to 2019/20 MTREF.

2. For the 2017/18 MTREF, the budget has been prepared to ensure sufficient levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R3 399 million by 2017/18, R4 777 million in 2018/19 and R5 862 million by 2019/20.

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

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Cash and investments available											
Cash/cash equivalents at the year end	4,425,075	–	–	–	–	–	(1,026,555)	(1,026,555)	3,398,520	4,776,928	5,861,585
Other current investments > 90 days	2,278,775	–	–	–	–	–	(0)	(0)	2,278,775	2,040,066	1,772,208
Non current assets - Investments	3,842,589	–	–	–	–	–	–	–	3,842,589	4,081,297	4,349,156
Cash and investments available:	**10,546,439**	**–**	**–**	**–**	**–**	**–**	**(1,026,555)**	**(1,026,555)**	**9,519,884**	**10,898,291**	**11,982,949**
Applications of cash and investments											
Unspent conditional transfers	680,263	–	–	–	–	–	–	–	680,263	660,382	390,280
Unspent borrowing	–	–	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	1,979,260	–	–	–	–	–	(853,038)	(853,038)	1,126,222	874,174	566,334
Other provisions	–	–	–	–	–	–	–	–	–	–	–
Long term investments committed	2,265,047	–	–	–	–	–	–	–	2,265,047	2,503,755	2,771,615
Reserves to be backed by cash/investments	3,100,264	–	–	–	–	–	–	–	3,100,264	3,483,586	4,709,491
Total Application of cash and investments:	**8,024,834**	**–**	**–**	**–**	**–**	**–**	**(853,038)**	**(853,038)**	**7,171,796**	**7,521,897**	**8,437,720**
Surplus(shortfall)	**2,521,605**	**–**	**–**	**–**	**–**	**–**	**(173,517)**	**(173,517)**	**2,348,088**	**3,376,394**	**3,545,229**

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 2017/18 MTREF.

5. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2017/18 MTREF is fully funded.

6. As part of the budgeting and planning guidelines that informed the compilation of the 2017/18 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 R2 348 million in 2017/18 increasing to R3 545 million by 2019/20.

Table 11 MBRR Table B9 - Asset Management

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CAPITAL EXPENDITURE											
Total New Assets to be adjusted	**3,766,562**	**–**	**77,558**	**–**	**–**	**20,812**	**1,507**	**99,877**	**3,866,440**	**3,229,719**	**3,292,033**
Roads Infrastructure	965,975	–	38,659	–	–	–	684	39,342	1,005,317	600,787	691,850
Storm water Infrastructure	124,492	–	1,764	–	–	–	2,000	3,764	128,255	99,488	98,838
Electrical Infrastructure	558,956	–	20,202	–	–	–	–	20,202	579,157	582,891	560,716
Water Supply Infrastructure	518,930	–	2,026	–	–	20,812	9,000	31,838	550,768	466,655	559,762
Sanitation Infrastructure	124,311	–	–	–	–	–	10,000	10,000	134,311	217,490	237,063
Solid Waste Infrastructure	198,077	–	3,736	–	–	–	(2,750)	986	199,063	256,180	249,020
Information and Communication Infrastructure	189,528	–	5,958	–	–	–	(27,560)	(21,602)	167,926	200,338	191,427
Infrastructure	2,680,268	–	72,344	–	–	20,812	(8,626)	84,531	2,764,799	2,423,829	2,588,676
Community Facilities	327,993	–	919	–	–	–	(5,634)	(4,714)	323,279	352,411	371,537
Sport and Recreation Facilities	350	–	–	–	–	–	359	359	709	–	–
Community Assets	328,343	–	919	–	–	–	(5,275)	(4,356)	323,988	352,411	371,537
Operational Buildings	225,494	–	2,813	–	–	–	(20,000)	(17,187)	208,307	90,577	63,426
Housing	66,041	–	–	–	–	–	–	–	66,041	99,839	26,212
Other Assets	291,535	–	2,813	–	–	–	(20,000)	(17,187)	274,348	190,416	89,638
Licences and Rights	2,000	–	–	–	–	–	–	–	2,000	3,000	3,000
Intangible Assets	2,000	–	–	–	–	–	–	–	2,000	3,000	3,000
Computer Equipment	207,103	–	519	–	–	–	27,410	27,929	235,033	126,435	110,502
Furniture and Office Equipment	78,554	–	201	–	–	–	8,048	8,249	86,803	52,113	51,517
Machinery and Equipment	126,788	–	598	–	–	–	(50)	548	127,337	32,440	28,300
Transport Assets	51,970	–	163	–	–	–	–	163	52,133	49,076	48,863
Total Renewal of Existing Assets to be adjusted	**1,428,986**	**–**	**29,577**	**–**	**6,536**	**–**	**(270)**	**35,843**	**1,464,829**	**1,646,610**	**1,830,374**
Roads Infrastructure	185,678	–	8,212	–	–	–	–	8,212	193,890	120,050	126,500
Storm water Infrastructure	48,495	–	–	–	–	–	–	–	48,495	40,950	36,100
Electrical Infrastructure	468,543	–	6,154	–	–	–	–	6,154	474,697	563,430	727,965
Water Supply Infrastructure	260,500	–	–	–	–	–	–	–	260,500	317,000	336,000
Sanitation Infrastructure	20,200	–	10,463	–	–	–	(2,868)	7,594	27,794	66,300	86,000
Information and Communication Infrastructure	1,500	–	–	–	–	–	–	–	1,500	60	–
Infrastructure	984,916	–	24,828	–	–	–	(2,868)	21,959	1,006,876	1,107,790	1,312,565
Community Facilities	39,500	–	33	–	6,536	–	–	6,569	46,069	48,050	9,400
Community Assets	39,500	–	33	–	6,536	–	–	6,569	46,069	48,050	9,400
Heritage Assets	650	–	–	–	–	–	–	–	650	1,800	1,800
Operational Buildings	9,150	–	4,201	–	–	–	(17)	4,184	13,334	66,780	81,860
Housing	85,000	–	–	–	–	–	–	–	85,000	85,000	85,000
Other Assets	94,150	–	4,201	–	–	–	(17)	4,184	98,334	151,780	166,860
Licences and Rights	2,500	–	–	–	–	–	–	–	2,500	2,500	2,500
Intangible Assets	2,500	–	–	–	–	–	–	–	2,500	2,500	2,500
Computer Equipment	75,080	–	30	–	–	–	2,769	2,800	77,880	67,310	70,870
Furniture and Office Equipment	18,362	–	5	–	–	–	(202)	(198)	18,165	15,639	16,104
Machinery and Equipment	31,113	–	–	–	–	–	48	48	31,161	29,100	11,604
Transport Assets	182,714	–	481	–	–	–	–	481	183,195	222,641	238,671
Total Upgrading of Existing Assets to be adjusted	**1,779,672**	**–**	**69,927**	**–**	**–**	**–**	**(1,090)**	**68,837**	**1,848,509**	**1,802,326**	**1,832,937**
Roads Infrastructure	281,382	–	6,293	–	–	–	–	6,293	287,675	366,145	329,203
Storm water Infrastructure	12,925	–	748	–	–	–	–	748	13,673	10,000	10,000
Electrical Infrastructure	88,376	–	21,629	–	–	–	–	21,629	110,005	56,043	248,695
Water Supply Infrastructure	122,037	–	100	–	–	–	–	100	122,137	188,500	211,000
Sanitation Infrastructure	550,435	–	–	–	–	–	1,868	1,868	552,303	738,513	614,950
Solid Waste Infrastructure	25,000	–	183	–	–	–	–	183	25,183	23,506	6,788
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–	–	4,000
Infrastructure	1,080,155	–	28,952	–	–	–	1,868	30,821	1,110,976	1,382,707	1,424,636
Community Facilities	179,887	–	1,302	–	–	–	(5,286)	(3,985)	175,902	150,645	100,965
Sport and Recreation Facilities	53,849	–	377	–	–	–	2,528	2,904	56,754	18,806	17,731
Community Assets	233,736	–	1,678	–	–	–	(2,759)	(1,080)	232,656	169,451	118,695
Heritage Assets	6,800	–	–	–	–	–	–	–	6,800	–	–
Operational Buildings	377,456	–	37,804	–	–	–	(200)	37,604	415,060	218,587	268,955
Housing	15,897	–	921	–	–	–	–	921	16,819	9,000	–
Other Assets	393,354	–	38,725	–	–	–	(200)	38,525	431,878	227,587	268,955
Licences and Rights	29,756	–	519	–	–	–	–	519	30,275	6,450	6,450
Intangible Assets	29,756	–	519	–	–	–	–	519	30,275	6,450	6,450
Computer Equipment	6,100	–	–	–	–	–	–	–	6,100	900	1,100
Furniture and Office Equipment	19,771	–	53	–	–	–	–	53	19,823	12,231	12,100
Machinery and Equipment	10,000	–	–	–	–	–	–	–	10,000	3,000	1,000

Table continues on next page.

City of Cape Town 2017/18 Adjustments Budget – August 2017

Description R thousands	Budget Year 2017/18 Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Budget Year +1 2018/19 Adjusted Budget	Budget Year +2 2019/20 Adjusted Budget
Total Capital Expenditure to be adjusted											
Roads Infrastructure	1,433,035	–	53,163	–	–	–	684	53,846	1,486,882	1,086,982	1,147,553
Storm water Infrastructure	185,912	–	2,512	–	–	–	2,000	4,512	190,424	150,438	144,938
Electrical Infrastructure	1,115,875	–	47,984	–	–	–	–	47,984	1,163,859	1,202,364	1,537,376
Water Supply Infrastructure	901,467	–	2,126	–	–	20,812	9,000	31,938	933,406	972,155	1,106,762
Sanitation Infrastructure	694,946	–	10,463	–	–	–	9,000	19,463	714,409	1,022,304	938,013
Solid Waste Infrastructure	223,077	–	3,919	–	–	–	(2,750)	1,169	224,246	279,686	255,808
Information and Communication Infrastructure	191,028	–	5,958	–	–	–	(27,560)	(21,602)	169,426	200,398	195,427
Infrastructure	4,745,340	–	126,125	–	–	20,812	(9,626)	137,311	4,882,650	4,914,326	5,325,878
Community Facilities	547,380	–	2,255	–	6,536	–	(10,920)	(2,130)	545,251	551,105	481,902
Sport and Recreation Facilities	54,199	–	377	–	–	–	2,886	3,263	57,462	18,806	17,731
Community Assets	601,580	–	2,631	–	6,536	–	(8,034)	1,133	602,713	569,912	499,633
Heritage Assets	7,450	–	–	–	–	–	–	–	7,450	1,800	1,800
Operational Buildings	612,100	–	44,817	–	–	–	(20,217)	24,600	636,700	375,945	414,241
Housing	166,938	–	921	–	–	–	–	921	167,859	193,839	111,212
Other Assets	779,039	–	45,738	–	–	–	(20,217)	25,521	804,559	569,783	525,453
Licences and Rights	34,256	–	519	–	–	–	–	519	34,775	11,950	11,950
Intangible Assets	34,256	–	519	–	–	–	–	519	34,775	11,950	11,950
Computer Equipment	288,284	–	549	–	–	–	30,179	30,729	319,013	194,646	182,472
Furniture and Office Equipment	116,687	–	259	–	–	–	7,846	8,104	124,792	79,982	79,720
Machinery and Equipment	167,902	–	598	–	–	–	(2)	596	168,498	64,540	40,904
Transport Assets	234,684	–	644	–	–	–	–	644	235,328	271,716	287,534
TOTAL CAPITAL EXPENDITURE to be adjusted	**6,975,220**	**–**	**177,063**	**–**	**6,536**	**20,812**	**146**	**204,557**	**7,179,778**	**6,678,655**	**6,955,344**
ASSET REGISTER SUMMARY - PPE (WDV)											
Roads Infrastructure	7,350,826	–	–	–	–	–	51,154	51,154	7,401,980	8,039,399	8,714,109
Storm water Infrastructure	994,374	–	–	–	–	–	4,286	4,286	998,660	1,088,830	1,171,378
Electrical Infrastructure	7,786,614	–	–	–	–	–	45,585	45,585	7,832,199	8,726,879	9,917,778
Water Supply Infrastructure	3,312,937	–	–	–	–	–	30,341	30,341	3,343,279	4,021,648	4,800,126
Sanitation Infrastructure	3,542,502	–	–	–	–	–	18,489	18,489	3,560,991	4,275,626	4,893,137
Solid Waste Infrastructure	937,173	–	–	–	–	–	1,111	1,111	938,283	1,152,721	1,344,853
Information and Communication Infrastructure	3,200,737	–	–	–	–	–	(20,522)	(20,522)	3,180,215	3,340,258	3,495,539
Infrastructure	27,125,163	–	–	–	–	–	130,445	130,445	27,255,608	30,645,361	34,336,920
Community Facilities	3,556,632	–	–	–	–	–	(2,023)	(2,023)	3,554,609	3,976,411	4,327,300
Sport and Recreation Facilities	3,807,667	–	–	–	–	–	3,100	3,100	3,810,766	3,608,482	3,411,634
Community Assets	7,364,299	–	–	–	–	–	1,077	1,077	7,365,376	7,584,893	7,738,934
Heritage Assets	9,049	–	–	–	–	–	–	–	9,049	9,049	9,049
Revenue Generating	68,242	–	–	–	–	–	–	–	68,242	66,524	64,806
Non-revenue Generating	518,232	–	–	–	–	–	–	–	518,232	518,232	518,232
Investment properties	586,474	–	–	–	–	–	–	–	586,474	584,756	583,038
Operational Buildings	3,861,856	–	–	–	–	–	23,370	23,370	3,885,225	4,093,914	4,342,883
Housing	2,135,419	–	–	–	–	–	875	875	2,136,294	2,218,523	2,219,179
Other Assets	5,997,275	–	–	–	–	–	24,245	24,245	6,021,520	6,312,436	6,562,062
Licences and Rights	522,272	–	–	–	–	–	493	493	522,765	428,167	337,189
Intangible Assets	522,272	–	–	–	–	–	493	493	522,765	428,167	337,189
Computer Equipment	888,975	–	–	–	–	–	29,192	29,192	918,167	897,638	876,653
Furniture and Office Equipment	523,635	–	–	–	–	–	7,699	7,699	531,334	457,176	387,898
Machinery and Equipment	477,153	–	–	–	–	–	566	566	477,720	449,686	407,891
Transport Assets	2,272,442	–	–	–	–	–	612	612	2,273,054	2,201,923	2,124,454
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**45,766,736**	**–**	**–**	**–**	**–**	**–**	**194,329**	**194,329**	**45,961,066**	**49,571,083**	**53,364,086**
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment	2,574,607	–	–	–	–	–	–	–	2,574,607	2,734,705	2,814,573
Repairs and Maintenance by asset class	**4,034,293**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,034,293**	**4,393,491**	**4,732,564**
Roads Infrastructure	698,302	–	–	–	–	–	–	–	698,302	743,414	791,736
Storm water Infrastructure	21,667	–	–	–	–	–	–	–	21,667	23,077	24,578
Electrical Infrastructure	523,507	–	–	–	–	–	–	–	523,507	557,538	593,778
Water Supply Infrastructure	233,175	–	–	–	–	–	–	–	233,175	298,339	344,483
Sanitation Infrastructure	318,258	–	–	–	–	–	–	–	318,258	388,951	440,984
Solid Waste Infrastructure	4,898	–	–	–	–	–	–	–	4,898	5,217	5,556
Infrastructure	1,799,807	–	–	–	–	–	–	–	1,799,807	2,016,536	2,201,115
Community Facilities	406,234	–	–	–	–	–	–	–	406,234	430,271	458,234
Sport and Recreation Facilities	56,574	–	–	–	–	–	–	–	56,574	59,985	63,883
Community Assets	462,808	–	–	–	–	–	–	–	462,808	490,255	522,117
Heritage Assets	11,357	–	–	–	–	–	–	–	11,357	12,096	12,882
Non-revenue Generating	10,088	–	–	–	–	–	–	–	10,088	10,744	11,442
Investment properties	10,088	–	–	–	–	–	–	–	10,088	10,744	11,442
Operational Buildings	213,732	–	–	–	–	–	–	–	213,732	227,488	242,273
Housing	74,577	–	–	–	–	–	–	–	74,577	79,427	84,589
Other Assets	288,309	–	–	–	–	–	–	–	288,309	306,914	326,863
Computer Equipment	687,364	–	–	–	–	–	–	–	687,364	732,045	779,626
Furniture and Office Equipment	349,715	–	–	–	–	–	–	–	349,715	372,436	396,644
Machinery and Equipment	7	–	–	–	–	–	–	–	7	7	8
Transport Assets	424,837	–	–	–	–	–	–	–	424,837	452,458	481,868
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	**6,608,900**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6,608,900**	**7,128,196**	**7,547,137**
Renewal and upgrading of Existing Assets as % of total capex	*46.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*46.1%*	*51.6%*	*52.7%*
Renewal and upgrading of Existing Assets as % of deprecn"	*124.6%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*128.7%*	*126.1%*	*130.2%*
R&M as a % of PPE	*8.8%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*8.8%*	*8.9%*	*8.9%*
Renewal and upgrading and R&M as a % of PPE	*15.8%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*16.0%*	*15.8%*	*15.7%*

Explanatory notes to Table B9 – Asset Management

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

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

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

Table 12 MBRR Table B10 - Basic Service Delivery Measurement

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
	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	1132666	0	0	0	0	0	0	–	1,133	1147502	1161853
Piped water inside yard (but not in dwelling)	0	0	0	0	0	0	0	–	–	0	0
Using public tap (at least min.service level)	157038	0	0	0	0	0	0	–	157	159094	161084
Other water supply (at least min.service level)	0	0	0	0	0	0	0	–	–	–	–
Minimum Service Level and Above sub-total	1,290	–	–	–	–	–	–	–	1,290	1,307	1,323
Using public tap (< min.service level)	0	0	0	0	0	0	0	–	–	0	0
Other water supply (< min.service level)	0	0	0	0	0	0	0	–	–	0	0
No water supply	0	0	0	0	0	0	0	–	–	0	0
Below Minimum Servic Level sub-total	–	–	–	–	–	–	–	–	–	–	–
Total number of households	**1,290**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,290**	**1,307**	**1,323**
Sanitation/sewerage:	–	–	–	–	–	–	0	0	0	0	0
Flush toilet (connected to sewerage)	1211917	0	0	0	0	0	0	–	1,211,917	1230809	1250150
Flush toilet (with septic tank)	0	0	0	0	0	0	0	–	–	0	0
Chemical toilet	24460	0	0	0	0	0	0	–	24,460	24460	24460
Pit toilet (ventilated)	197	0	0	0	0	0	0	–	197	197	0
Other toilet provisions (> min.service level)	52913	0	0	0	0	0	0	–	52,913	51130	48327
Minimum Service Level and Above sub-total	1,289,487	–	–	–	–	–	–	–	1,289,487	1,306,596	1,322,937
Bucket toilet	217	0	0	0	0	0	0	–	217	0	0
Other toilet provisions (< min.service level)	0	0	0	0	0	0	0	–	–	0	0
No toilet provisions	0	0	0	0	0	0	0	–	–	0	0
Below Minimum Servic Level sub-total	217	–	–	–	–	–	–	–	217	–	–
Total number of households	**1,289,704**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,289,704**	**1,306,596**	**1,322,937**
Energy:	–	–	–	–	–	–	–	–	–	–	–
Electricity (at least min. service level)	856312	0	0	0	0	0	0	–	856,312	857,812	859,312
Electricity - prepaid (> min.service level)	0	0	0	0	0	0	0	–	–	0	0
Minimum Service Level and Above sub-total	856,312	–	–	–	–	–	–	–	856,312	857,812	859,312
Electricity (< min.service level)	23464	0	0	0	0	0	0	–	23,464	21,964	20,464
Electricity - prepaid (< min. service level)	0	0	0	0	0	0	0	–	–	0	0
Other energy sources	0	0	0	0	0	0	0	–	–	0	0
Below Minimum Servic Level sub-total	23,464	–	–	–	–	–	–	–	23,464	21,964	20,464
Total number of households	879,776	–	–	–	–	–	–	–	879,776	879,776	879,776
Refuse:	–	–	–	–	–	–	–	–	–	–	–
Removed at least once a week (min.service)	995017	0	0	0	0	0	0	–	995,017	1014917	1035216
Minimum Service Level and Above sub-total	995,017	–	–	–	–	–	–	–	995,017	1,014,917	1,035,216
Removed less frequently than once a week	0	0	0	0	0	0	0	–	–	0	0
Using communal refuse dump	0	0	0	0	0	0	0	–	–	0	0
Using own refuse dump	0	0	0	0	0	0	0	–	–	0	0
Other rubbish disposal	0	0	0	0	0	0	0	–	–	0	0
No rubbish disposal	0	0	0	0	0	0	0	–	–	0	0
Below Minimum Servic Level sub-total	–	–	–	–	–	–	–	–	–	–	–
Total number of households	**995,017**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**995,017**	**1,014,917**	**1,035,216**

Table continues on next page.

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
	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)	255733	0	0	0	0	0	0	–	255,733	255,733	255,733
Sanitation (free minimum level service)	255733	0	0	0	0	0	0	–	255,733	255,733	255,733
Electricity/other energy (50kwh per household per month)	121317	0	0	0	0	0	0	–	121,317	121,317	121,317
Refuse (removed at least once a week)	382534	0	0	0	0	0	0	–	382,534	390,185	397,988
Cost of Free Basic Services provided (R'000)											
Water (6 kilolitres per indigent household per month)	314,306	–	–	–	–	–	–	–	314,306	352,023	390,745
Sanitation (free sanitation service to indigent households)	178,254	–	–	–	–	–	–	–	178,254	199,645	221,605
Electricity/other energy (50kwh per indigent household per month)	81,713	–	–	–	–	–	–	–	81,713	86,616	91,813
Refuse (removed once a week for indigent households)	276,709	–	–	–	–	–	–	–	276,709	292,205	308,569
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	753,891	–	–	–	–	–	–	–	753,891	817,698	885,422
Total cost of FBS provided	**1,604,874**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,604,874**	**1,748,187**	**1,898,155**
Highest level of free service provided											
Property rates (R'000 value threshold)	0	0	0	0	0	0	0	–	–	0	0
Water (kilolitres per household per month)	6	0	0	0	0	0	0	–	6	6	6
Sanitation (kilolitres per household per month)	4.2	0	0	0	0	0	0	–	4	4	4
Sanitation (Rand per household per month)	132.11	0	0	0	0	0	0	–	132	145	160
Electricity (kw per household per month)	60	0	0	0	0	0	0	–	60	60	60
Refuse (average litres per week)	240	0	0	0	0	0	0	–	240	240	240
Revenue cost of free services provided (R'000)											
Property rates (R15 000 threshold rebate)	85,195	–	–	–	–	–	–	–	85,195	90,733	96,631
Property rates (other exemptions, reductions and rebates)	1,297,571	–	–	–	–	–	–	–	1,297,571	1,371,587	1,460,741
Water	235,730	–	–	–	–	–	–	–	235,730	264,017	293,059
Sanitation	133,691	–	–	–	–	–	–	–	133,691	149,733	166,204
Electricity/other energy	–	–	–	–	–	–	–	–	–	–	–
Refuse	–	–	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	26,269	–	–	–	–	–	–	–	26,269	27,582	28,962
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–	–
Total revenue cost of free services provided (total social package)	**1,778,456**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,778,456**	**1,903,653**	**2,045,597**

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

Electricity

Each household with a municipal property value of less than and equal to R400k and a prepaid meter receives a monthly 60 kWh free electricity if they normally buy less than 250 kWh per month on average over a 12-month period; or 25 kWh free electricity if they normally buy between 250 and 450 kWh per month on average over a 12-month period.

Solid Waste - Waste removal

- Consumers whose properties are valued below R500 000 receive rebates between 0% and 100% on the first 240ℓ 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 240ℓ 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 is 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 2013/14 financial year was 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 2017/18 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 intended 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 25ℓ bucket toilets could be removed, bringing the total down from 377 during 2015 to the current 217. Initiatives to remove the remaining ones are ongoing, including a settlement upgrade as part of a new housing development project.
   c) Electricity services – The electrification strategy is to reduce the backlog by 1 500 annually over the 2017/18 MTREF.
   d) Refuse services 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 Table B10 were amended to mirror the information in the approved Table A10, which formed part of the 2017/18 budget document submitted to Council in May 2017.

5. *Adjustments to budget assumptions*

The budget assumptions underpinning the 2017/18 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 3** on page 9.

c. Adjustments related to allocations and grants to the municipality

Refer to **Allocations and grant adjustments** on page 2.

7. *Adjustments to transfers and grants made by the City*

No adjustments were made.

8. *Adjustments to service delivery and budget implementation plan*

No adjustments to be made.

9. *Adjustments to capital expenditure*

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

PART 2 - ADJUSTMENTS BUDGET: CONSOLIDATED TABLES

The consolidated tables of the City and its entity, Cape Town International Convention Centre (CTICC), are presented on page 27 to page 37.

Table 13 MBRR Table B1 Consolidated Adjustments Budget – Statement Summary

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Financial Performance											
Property rates	8,662,350	–	–	–	–	–	–	–	8,662,350	9,324,490	9,928,483
Service charges	19,310,141	–	–	–	–	–	–	–	19,310,141	21,220,770	23,146,827
Investment revenue	785,328	–	–	–	–	–	0	–	785,328	836,509	867,012
Transfers recognised - operational	6,455,942	–	–	–	–	–	474,774	474,774	6,930,716	6,996,655	7,635,571
Other own revenue	3,078,781	–	–	–	–	–	–	–	3,078,781	3,270,882	3,454,629
Total Revenue (excluding capital transfers and contributions)	**38,292,542**	**–**	**–**	**–**	**–**	**–**	**474,774**	**474,774**	**38,767,316**	**41,649,306**	**45,032,523**
Employee costs	12,146,477	–	–	–	–	–	6,488	6,488	12,152,965	13,068,645	14,221,693
Remuneration of councillors	155,787	–	–	–	–	–	0	–	155,787	165,913	176,697
Depreciation & asset impairment	3,277,476	–	–	–	–	–	–	–	3,277,476	2,772,072	2,854,369
Finance charges	1,138,893	–	–	–	–	–	1,727	1,727	1,140,620	1,583,743	1,956,848
Materials and bulk purchases	9,774,559	–	–	–	–	–	(1,276)	(1,276)	9,773,283	10,542,720	11,363,818
Transfers and grants	140,985	–	–	–	–	–	271,032	271,032	412,017	147,473	155,584
Other expenditure	11,688,097	–	–	–	–	–	196,803	196,803	11,884,900	12,598,199	13,489,845
Total Expenditure	**38,322,274**	**–**	**–**	**–**	**–**	**–**	**474,774**	**474,774**	**38,797,048**	**40,878,765**	**44,218,854**
Surplus/(Deficit)	(29,732)	–	–	–	–	–	–	–	(29,732)	770,541	813,669
Transfers recognised - capital	2,268,835	–	–	–	–	–	20,812	20,812	2,289,647	2,101,736	2,203,502
Contributions recognised - capital & contributed assets	84,900	–	–	–	–	–	–	–	84,900	87,200	90,600
Surplus/(Deficit) after capital transfers & contributions	**2,324,003**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**2,344,816**	**2,959,477**	**3,107,771**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**2,324,003**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**2,344,816**	**2,959,477**	**3,107,771**
Capital expenditure & funds sources											
Capital expenditure	7,023,203	–	177,063	–	6,536	20,812	146	204,557	7,227,760	6,724,098	7,007,223
Transfers recognised - capital	2,268,835	–	–	–	–	20,812	–	20,812	2,289,647	2,101,736	2,203,502
Public contributions & donations	84,900	–	–	–	–	–	–	–	84,900	87,200	90,600
Borrowing	2,894,482	–	91,688	–	6,536	–	–	98,224	2,992,706	3,503,855	3,707,679
Internally generated funds	1,774,986	–	85,375	–	–	–	146	85,521	1,860,506	1,031,307	1,005,442
Total sources of capital funds	**7,023,203**	**–**	**177,063**	**–**	**6,536**	**20,812**	**146**	**204,557**	**7,227,760**	**6,724,098**	**7,007,223**
Financial position											
Total current assets	14,052,823	–	–	–	–	–	(1,026,555)	(1,026,555)	13,026,268	14,644,412	16,002,840
Total non current assets	49,328,664	–	–	–	–	–	194,329	194,329	49,522,993	53,377,461	57,448,190
Total current liabilities	10,920,921	–	–	–	–	–	(853,038)	(853,038)	10,067,883	10,509,601	10,705,707
Total non current liabilities	14,551,682	–	–	–	–	–	–	–	14,551,682	16,615,594	18,742,958
Community wealth/Equity	**37,908,884**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**37,929,697**	**40,896,679**	**44,002,366**
Cash flows	–	–	–	–	–	–	–	–	–	–	–
Net cash from (used) operating	5,540,553	–	–	–	–	–	(448,734)	(448,734)	5,091,819	5,627,966	5,843,548
Net cash from (used) investing	(7,106,997)	–	–	–	–	–	(173,874)	(173,874)	(7,280,871)	(6,259,655)	(6,793,831)
Net cash from (used) financing	2,100,551	–	–	–	–	–	–	–	2,100,551	1,987,198	2,027,752
Cash/cash equivalents at the year end	**4,650,453**	**–**	**–**	**–**	**–**	**–**	**(1,026,555)**	**(1,026,555)**	**3,623,898**	**4,979,407**	**6,056,876**
Cash backing/surplus reconciliation											
Cash and investments available	10,099,102	–	–	–	–	–	(1,026,555)	(1,026,555)	9,072,547	10,428,055	11,505,525
Application of cash and investments	8,057,010	–	–	–	–	–	(853,038)	(853,038)	7,203,972	7,553,392	8,465,112
Balance - surplus (shortfall)	**2,042,092**	**–**	**–**	**–**	**–**	**–**	**(173,517)**	**(173,517)**	**1,868,575**	**2,874,663**	**3,040,413**
Asset Management											
Asset register summary (WDV)	45,766,736	–	–	–	–	–	194,329	194,329	45,961,066	49,551,172	53,344,176
Depreciation & asset impairment	3,277,476	–	–	–	–	–	–	–	3,277,476	2,772,072	2,854,369
Renewal of Existing Assets	1,455,038	–	29,577	–	6,536	–	(270)	35,843	1,490,881	1,677,571	1,866,656
Repairs and Maintenance	4,048,265	–	–	–	–	–	–	–	4,048,265	4,408,373	4,748,093
Free services											
Cost of Free Basic Services provided	1,604,874	–	–	–	–	–	–	–	1,604,874	1,748,187	1,898,155
Revenue cost of free services provided	1,778,456	–	–	–	–	–	–	–	1,778,456	1,903,653	2,045,597
Households below minimum service level											
Water:	–	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	0	–	–	–	–	–	–	–	0	–	–
Energy:	23	–	–	–	–	–	–	–	23	22	20
Refuse:	–	–	–	–	–	–	–	–	–	–	–

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

Standard Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue - Functional											
Governance and administration	**14,882,934**	**–**	**–**	**–**	**–**	**–**	**1,345**	**1,345**	**14,884,279**	**16,140,771**	**17,240,909**
Executive and council	3,126	–	–	–	–	–	468	468	3,594	3,240	3,362
Finance and administration	14,879,801	–	–	–	–	–	877	877	14,880,678	16,137,523	17,237,539
Internal audit	8	–	–	–	–	–	–	–	8	8	9
Community and public safety	**1,956,529**	**–**	**–**	**–**	**–**	**–**	**360,710**	**360,710**	**2,317,240**	**2,067,634**	**2,213,043**
Community and social services	120,972	–	–	–	–	–	(4,206)	(4,206)	116,766	120,361	118,907
Sport and recreation	114,329	–	–	–	–	–	3,329	3,329	117,659	76,740	60,312
Public safety	22,293	–	–	–	–	–	–	–	22,293	11,168	11,783
Housing	1,328,591	–	–	–	–	–	361,137	361,137	1,689,728	1,435,979	1,593,372
Health	370,343	–	–	–	–	–	451	451	370,794	423,385	428,669
Economic and environmental services	**3,224,458**	**–**	**–**	**–**	**–**	**–**	**112,719**	**112,719**	**3,337,177**	**2,972,859**	**3,213,414**
Planning and development	342,034	–	–	–	–	–	–	–	342,034	392,979	485,490
Road transport	2,880,418	–	–	–	–	–	112,719	112,719	2,993,137	2,577,764	2,725,691
Environmental protection	2,006	–	–	–	–	–	–	–	2,006	2,116	2,232
Trading services	**20,291,096**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**20,311,908**	**22,372,454**	**24,357,243**
Energy sources	12,256,796	–	–	–	–	–	–	–	12,256,796	13,401,524	14,535,806
Water management	4,123,369	–	–	–	–	–	10,812	10,812	4,134,182	4,704,907	5,261,945
Waste water management	2,547,543	–	–	–	–	–	10,000	10,000	2,557,543	2,772,140	2,936,233
Waste management	1,363,387	–	–	–	–	–	–	–	1,363,387	1,493,882	1,623,259
Other	**291,260**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**291,260**	**284,524**	**302,017**
Total Revenue - Functional	**40,646,277**	**–**	**–**	**–**	**–**	**–**	**495,586**	**495,586**	**41,141,864**	**43,838,242**	**47,326,625**
Expenditure - Functional											
Governance and administration	**8,555,468**	**–**	**–**	**–**	**–**	**–**	**(1,164)**	**(1,164)**	**8,554,304**	**9,515,724**	**10,431,939**
Executive and council	443,599	–	–	–	–	–	1,108	1,108	444,707	481,337	512,954
Finance and administration	8,061,222	–	–	–	–	–	(2,272)	(2,272)	8,058,950	8,979,379	9,859,416
Internal audit	50,646	–	–	–	–	–	–	–	50,646	55,008	59,569
Community and public safety	**5,318,902**	**–**	**–**	**–**	**–**	**–**	**361,587**	**361,587**	**5,680,490**	**5,686,027**	**6,175,420**
Community and social services	931,712	–	–	–	–	–	–	–	931,712	973,551	1,039,958
Sport and recreation	1,212,821	–	–	–	–	–	–	–	1,212,821	1,282,162	1,346,335
Public safety	600,875	–	–	–	–	–	–	–	600,875	652,483	705,757
Housing	1,498,847	–	–	–	–	–	361,137	361,137	1,859,984	1,605,391	1,812,330
Health	1,074,647	–	–	–	–	–	451	451	1,075,098	1,172,441	1,271,040
Economic and environmental services	**6,351,817**	**–**	**–**	**–**	**–**	**–**	**114,350**	**114,350**	**6,466,167**	**6,763,465**	**7,187,829**
Planning and development	1,042,789	–	–	–	–	–	2,029	2,029	1,044,818	1,234,121	1,319,286
Road transport	5,186,569	–	–	–	–	–	112,321	112,321	5,298,891	5,411,988	5,742,032
Environmental protection	122,458	–	–	–	–	–	–	–	122,458	117,356	126,511
Trading services	**17,026,865**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**17,026,865**	**18,505,037**	**20,018,575**
Energy sources	9,929,327	–	–	–	–	–	–	–	9,929,327	10,727,822	11,573,196
Water management	3,225,897	–	–	–	–	–	(1,464)	(1,464)	3,224,433	3,577,694	3,906,221
Waste water management	1,990,882	–	–	–	–	–	1,464	1,464	1,992,346	2,191,214	2,417,010
Waste management	1,880,759	–	–	–	–	–	–	–	1,880,759	2,008,307	2,122,148
Other	**1,069,222**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,069,222**	**408,511**	**405,090**
Total Expenditure - Functional	**38,322,274**	**–**	**–**	**–**	**–**	**–**	**474,774**	**474,774**	**38,797,048**	**40,878,765**	**44,218,854**
Surplus/ (Deficit) for the year	**2,324,003**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**2,344,816**	**2,959,477**	**3,107,771**

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

Vote Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue by Vote											
Vote 1 - Area-Based Service Delivery	204,290	–	–	–	–	–	468	468	204,758	243,262	283,027
Vote 2 - Assets & Facilities Management	453,587	–	–	–	–	–	–	–	453,587	507,676	535,388
Vote 3 - Corporate Services	68,073	–	–	–	–	–	–	–	68,073	72,592	76,677
Vote 4 - City Manager	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Directorate of the Mayor	3,324	–	–	–	–	–	–	–	3,324	1,235	244
Vote 6 - Energy	12,256,918	–	–	–	–	–	–	–	12,256,918	13,401,653	14,535,941
Vote 7 - Finance	14,307,250	–	–	–	–	–	–	–	14,307,250	15,497,022	16,586,946
Vote 8 - Informal Settlements, Water & Waste Services	8,212,622	–	–	–	–	–	29,589	29,589	8,242,211	9,124,638	9,891,330
Vote 9 - Safety & Security	1,267,627	–	–	–	–	–	4,040	4,040	1,271,667	1,280,617	1,349,809
Vote 10 - Social Services	904,664	–	–	–	–	–	451	451	905,115	934,834	940,536
Vote 11 - Transport & Urban Development Authority	2,683,471	–	–	–	–	–	461,039	461,039	3,144,510	2,496,331	2,830,130
Vote 12 - Municipal Entities COCT	284,451	–	–	–	–	–	–	–	284,451	278,383	296,597
Total Revenue by Vote	**40,646,277**	**–**	**–**	**–**	**–**	**–**	**495,586**	**495,586**	**41,141,864**	**43,838,242**	**47,326,625**
Expenditure by Vote											
Vote 1 - Area-Based Service Delivery	547,009	–	–	–	–	–	468	468	547,477	600,999	642,132
Vote 2 - Assets & Facilities Management	1,851,509	–	–	–	–	–	–	–	1,851,509	1,973,889	2,089,607
Vote 3 - Corporate Services	1,741,551	–	–	–	–	–	–	–	1,741,551	1,872,190	1,994,576
Vote 4 - City Manager	22,198	–	–	–	–	–	–	–	22,198	23,629	25,186
Vote 5 - Directorate of the Mayor	557,664	–	–	–	–	–	–	–	557,664	594,705	634,773
Vote 6 - Energy	10,355,750	–	–	–	–	–	–	–	10,355,750	11,188,113	12,065,949
Vote 7 - Finance	3,370,596	–	–	–	–	–	–	–	3,370,596	3,912,117	4,439,566
Vote 8 - Informal Settlements, Water & Waste Services	7,739,299	–	–	–	–	–	8,776	8,776	7,748,075	8,513,136	9,205,318
Vote 9 - Safety & Security	3,148,512	–	–	–	–	–	4,040	4,040	3,152,551	3,354,695	3,595,786
Vote 10 - Social Services	3,463,150	–	–	–	–	–	451	451	3,463,601	3,799,844	4,079,694
Vote 11 - Transport & Urban Development Authority	4,560,879	–	–	–	–	–	461,039	461,039	5,021,918	4,748,004	5,158,484
Vote 12 - Municipal Entities COCT	964,158	–	–	–	–	–	–	–	964,158	297,443	287,785
Total Expenditure by Vote	**38,322,274**	**–**	**–**	**–**	**–**	**–**	**474,774**	**474,774**	**38,797,048**	**40,878,765**	**44,218,854**
Surplus/ (Deficit) for the year	**2,324,003**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**2,344,816**	**2,959,477**	**3,107,771**

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

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source											
Property rates	8,662,350	–	–	–	–	–	–	–	8,662,350	9,324,490	9,928,483
Service charges - electricity revenue	11,942,587	–	–	–	–	–	–	–	11,942,587	13,034,828	14,090,638
Service charges - water revenue	3,933,401	–	–	–	–	–	–	–	3,933,401	4,382,678	4,867,839
Service charges - sanitation revenue	2,092,272	–	–	–	–	–	–	–	2,092,272	2,332,091	2,589,072
Service charges - refuse revenue	1,341,882	–	–	–	–	–	–	–	1,341,882	1,471,173	1,599,278
Service charges - other	–	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	661,847	–	–	–	–	–	0	–	661,847	709,992	752,649
Interest earned - external investments	785,328	–	–	–	–	–	0	–	785,328	836,509	867,012
Interest earned - outstanding debtors	284,131	–	–	–	–	–	0	–	284,131	299,860	316,164
Dividends received	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1,146,414	–	–	–	–	–	0	–	1,146,414	1,209,461	1,275,982
Licences and permits	43,749	–	–	–	–	–	0	–	43,749	46,154	48,692
Agency services	162,771	–	–	–	–	–	0	–	162,771	171,818	181,267
Transfers and subsidies	6,455,942	–	–	–	–	–	474,774	474,774	6,930,716	6,996,655	7,635,571
Other revenue	738,369	–	–	–	–	–	–	–	738,369	790,334	834,232
Gains on disposal of PPE	41,500	–	–	–	–	–	–	–	41,500	43,263	45,643
Total Revenue (excluding capital transfers and contributions)	**38,292,542**	**–**	**–**	**–**	**–**	**–**	**474,774**	**474,774**	**38,767,316**	**41,649,306**	**45,032,523**
Expenditure By Type											
Employee related costs	12,146,477	–	–	–	–	–	6,488	6,488	12,152,965	13,068,645	14,221,693
Remuneration of councillors	155,787	–	–	–	–	–	0	–	155,787	165,913	176,697
Debt impairment	2,509,038	–	–	–	–	–	0	–	2,509,038	2,705,096	2,900,968
Depreciation & asset impairment	3,277,476	–	–	–	–	–	–	–	3,277,476	2,772,072	2,854,369
Finance charges	1,138,893	–	–	–	–	–	1,727	1,727	1,140,620	1,583,743	1,956,848
Bulk purchases	8,540,135	–	–	–	–	–	–	–	8,540,135	9,227,384	9,967,635
Other materials	1,234,424	–	–	–	–	–	(1,276)	(1,276)	1,233,148	1,315,336	1,396,183
Contracted services	6,132,601	–	–	–	–	–	183,153	183,153	6,315,755	6,695,420	7,214,435
Transfers and subsidies	140,985	–	–	–	–	–	271,032	271,032	412,017	147,473	155,584
Other expenditure	3,046,070	–	–	–	–	–	13,649	13,649	3,059,720	3,197,274	3,374,011
Loss on disposal of PPE	387	–	–	–	–	–	0	–	387	409	431
Total Expenditure	**38,322,274**	**–**	**–**	**–**	**–**	**–**	**474,774**	**474,774**	**38,797,048**	**40,878,765**	**44,218,854**
Surplus/(Deficit)	**(29,732)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(29,732)**	**770,541**	**813,669**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,268,835	–	–	–	–	–	20,812	20,812	2,289,647	2,101,736	2,203,502
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	84,900	–	–	–	–	–	–	–	84,900	87,200	90,600
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation	**2,324,003**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**2,344,816**	**2,959,477**	**3,107,771**
Taxation	–	–	–	–	–	–	–	–	–	–	2,084
Surplus/(Deficit) after taxation	**2,324,003**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**2,344,816**	**2,959,477**	**3,105,686**
Attributable to minorities	194,396	–	–	–	–	–	–	–	194,396	5,451	(1,924)
Surplus/(Deficit) attributable to municipality	**2,518,399**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**2,539,212**	**2,964,928**	**3,103,762**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**2,518,399**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**2,539,212**	**2,964,928**	**3,103,762**

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

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure - Vote											
Multi-year expenditure to be adjusted											
Vote 1 - Area-Based Service Delivery	39,430	–	413	–	–	–	–	413	39,843	73,970	105,763
Vote 2 - Assets & Facilities Management	395,019	–	18,286	–	–	–	–	18,286	413,304	281,917	265,214
Vote 3 - Corporate Services	351,686	–	6,324	–	–	–	–	6,324	358,010	339,446	338,046
Vote 4 - City Manager	222	–	–	–	–	–	–	–	222	222	222
Vote 5 - Directorate of the Mayor	17,108	–	24	–	–	–	–	24	17,132	2,238	2,158
Vote 6 - Energy	1,292,814	–	73,220	–	–	–	–	73,220	1,366,034	1,413,174	1,705,351
Vote 7 - Finance	17,136	–	–	–	–	–	–	–	17,136	15,249	16,419
Vote 8 - Informal Settlements, Water & Waste Services	2,445,238	–	17,201	–	–	20,812	–	38,013	2,483,251	2,535,665	2,518,546
Vote 9 - Safety & Security	191,120	–	223	–	–	–	146	369	191,488	105,722	50,515
Vote 10 - Social Services	283,413	–	2,660	–	–	–	–	2,660	286,073	198,834	128,598
Vote 11 - Transport & Urban Development Authority	1,942,035	–	58,713	–	6,536	–	–	65,249	2,007,284	1,712,219	1,824,511
Vote 12 - Municipal Entities COCT	47,982	–	–	–	–	–	–	–	47,982	45,443	51,879
Capital multi-year expenditure sub-total	**7,023,203**	**–**	**177,063**	**–**	**6,536**	**20,812**	**146**	**204,557**	**7,227,760**	**6,724,098**	**7,007,223**
Total Capital Expenditure - Vote	**7,023,203**	**–**	**177,063**	**–**	**6,536**	**20,812**	**146**	**204,557**	**7,227,760**	**6,724,098**	**7,007,223**
Capital Expenditure - Functional											
Governance and administration	**1,244,434**	**–**	**56,824**	**–**	**–**	**–**	**(18,445)**	**38,380**	**1,282,813**	**900,122**	**822,493**
Executive and council	3,594	–	406	–	–	–	20,900	21,306	24,900	2,380	3,380
Finance and administration	1,239,881	–	56,418	–	–	–	(39,345)	17,074	1,256,954	897,610	818,981
Internal audit	959	–	–	–	–	–	–	–	959	131	131
Community and public safety	**955,697**	**–**	**3,772**	**–**	**–**	**–**	**1,192**	**4,964**	**960,661**	**800,576**	**799,439**
Community and social services	151,270	–	614	–	–	–	(4,206)	(3,592)	147,678	101,890	83,546
Sport and recreation	105,711	–	1,563	–	–	–	5,399	6,961	112,672	37,026	14,503
Public safety	46,799	–	–	–	–	–	–	–	46,799	7,659	7,659
Housing	606,733	–	971	–	–	–	–	971	607,704	594,330	661,934
Health	45,183	–	624	–	–	–	–	624	45,807	59,671	31,796
Economic and environmental services	**1,662,703**	**–**	**58,446**	**–**	**6,536**	**–**	**148**	**65,130**	**1,727,833**	**1,361,972**	**1,451,403**
Planning and development	44,786	–	736	–	–	–	2	738	45,524	77,349	155,469
Road transport	1,599,888	–	57,710	–	6,536	–	146	64,392	1,664,280	1,262,241	1,285,562
Environmental protection	18,028	–	–	–	–	–	–	–	18,028	22,381	10,373
Trading services	**3,104,956**	**–**	**58,021**	**–**	**–**	**20,812**	**17,250**	**96,083**	**3,201,039**	**3,605,996**	**3,876,819**
Energy sources	1,183,872	–	41,301	–	–	–	–	41,301	1,225,172	1,336,334	1,631,151
Water management	853,967	–	2,026	–	–	20,812	10,000	32,838	886,806	968,222	1,145,900
Waste water management	684,576	–	10,463	–	–	–	10,000	20,463	705,039	854,201	781,149
Waste management	382,541	–	4,232	–	–	–	(2,750)	1,482	384,022	447,239	318,619
Other	55,414	–	–	–	–	–	–	–	55,414	55,433	57,069
Total Capital Expenditure - Functional	**7,023,203**	**–**	**177,063**	**–**	**6,536**	**20,812**	**146**	**204,557**	**7,227,760**	**6,724,098**	**7,007,223**
Funded by:											
National Government	2,189,832	–	–	–	–	20,812	–	20,812	2,210,645	1,976,411	2,152,358
Provincial Government	79,002	–	–	–	–	–	–	–	79,002	125,325	51,144
District Municipality	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	**2,268,835**	**–**	**–**	**–**	**–**	**20,812**	**–**	**20,812**	**2,289,647**	**2,101,736**	**2,203,502**
Public contributions & donations	84,900	–	–	–	–	–	–	–	84,900	87,200	90,600
Borrowing	2,894,482	–	91,688	–	6,536	–	–	98,224	2,992,706	3,503,855	3,707,679
Internally generated funds	1,774,986	–	85,375	–	–	–	146	85,521	1,860,506	1,031,307	1,005,442
Total Capital Funding	**7,023,203**	**–**	**177,063**	**–**	**6,536**	**20,812**	**146**	**204,557**	**7,227,760**	**6,724,098**	**7,007,223**

Table 18 Table B6 Consolidated Adjustments Budget Statement – Financial Position

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
ASSETS											
Current assets											
Cash	103,918	–	–	–	–	–	–	–	103,918	146,904	146,396
Call investment deposits	6,825,310	–	–	–	–	–	(1,026,555)	(1,026,555)	5,798,755	6,872,569	7,682,688
Consumer debtors	5,635,475	–	–	–	–	–	–	–	5,635,475	5,935,035	6,251,199
Other debtors	1,156,114	–	–	–	–	–	–	–	1,156,114	1,326,034	1,523,286
Current portion of long-term receivables	18,845	–	–	–	–	–	–	–	18,845	19,787	20,777
Inventory	313,162	–	–	–	–	–	–	–	313,162	344,083	378,495
Total current assets	**14,052,823**	**–**	**–**	**–**	**–**	**–**	**(1,026,555)**	**(1,026,555)**	**13,026,268**	**14,644,412**	**16,002,840**
Non current assets											
Long-term receivables	46,655	–	–	–	–	–	–	–	46,655	44,322	42,106
Investments	3,169,874	–	–	–	–	–	–	–	3,169,874	3,408,582	3,676,441
Investment property	586,473	–	–	–	–	–	–	–	586,473	584,635	582,669
Investment in Associate	–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	44,994,341	–	–	–	–	–	194,329	194,329	45,188,670	48,922,974	52,852,406
Agricultural	–	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–	–
Intangible	522,272	–	–	–	–	–	–	–	522,272	407,899	285,520
Other non-current assets	9,049	–	–	–	–	–	–	–	9,049	9,049	9,049
Total non current assets	**49,328,664**	**–**	**–**	**–**	**–**	**–**	**194,329**	**194,329**	**49,522,993**	**53,377,461**	**57,448,190**
TOTAL ASSETS	**63,381,487**	**–**	**–**	**–**	**–**	**–**	**(832,226)**	**(832,226)**	**62,549,261**	**68,021,873**	**73,451,031**
LIABILITIES											
Current liabilities											
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
Borrowing	428,372	–	–	–	–	–	–	–	428,372	580,249	749,617
Consumer deposits	441,906	–	–	–	–	–	–	–	441,906	480,378	526,967
Trade and other payables	8,822,755	–	–	–	–	–	(853,038)	(853,038)	7,969,717	8,135,365	8,023,795
Provisions	1,227,888	–	–	–	–	–	–	–	1,227,888	1,313,609	1,405,328
Total current liabilities	**10,920,921**	**–**	**–**	**–**	**–**	**–**	**(853,038)**	**(853,038)**	**10,067,883**	**10,509,601**	**10,705,707**
Non current liabilities											
Borrowing	7,807,170	–	–	–	–	–	–	–	7,807,170	9,632,569	11,475,328
Provisions	6,744,511	–	–	–	–	–	–	–	6,744,511	6,983,025	7,267,630
Total non current liabilities	**14,551,682**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**14,551,682**	**16,615,594**	**18,742,958**
TOTAL LIABILITIES	**25,472,603**	**–**	**–**	**–**	**–**	**–**	**(853,038)**	**(853,038)**	**24,619,565**	**27,125,194**	**29,448,665**
NET ASSETS	**37,908,884**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**37,929,697**	**40,896,679**	**44,002,366**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	34,987,907	–	–	–	–	–	106,187	106,187	35,094,095	37,565,730	40,137,418
Reserves	2,793,239	–	–	–	–	–	(85,375)	(85,375)	2,707,864	3,206,515	3,738,590
Minorities' interests	127,738	–	–	–	–	–	–	–	127,738	124,433	126,358
TOTAL COMMUNITY WEALTH/EQUITY	**37,908,884**	**–**	**–**	**–**	**–**	**–**	**20,812**	**20,812**	**37,929,697**	**40,896,679**	**44,002,366**

Table 19 Table B7 Consolidated Adjustments Budget Statement – Cash Flow

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates	8,344,028	–	–	–	–	–	–	–	8,344,028	8,977,045	9,552,504
Service charges	17,459,005	–	–	–	–	–	–	–	17,459,005	19,260,410	21,050,374
Other revenue	1,625,994	–	–	–	–	–	–	–	1,625,994	1,732,387	1,831,449
Government - operating	6,455,942	–	–	–	–	–	–	–	6,455,942	6,996,655	7,635,571
Government - capital	2,353,735	–	–	–	–	–	20,812	20,812	2,374,547	2,188,936	2,294,102
Interest	785,328	–	–	–	–	–	–	–	785,328	836,509	867,012
Dividends	–	–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees	(30,357,016)	–	–	–	–	–	(194,612)	(194,612)	(30,551,628)	(32,818,504)	(35,467,063)
Finance charges	(985,478)	–	–	–	–	–	–	–	(985,478)	(1,397,999)	(1,764,818)
Transfers and Grants	(140,985)	–	–	–	–	–	(274,935)	(274,935)	(415,920)	(147,473)	(155,584)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**5,540,553**	**–**	**–**	**–**	**–**	**–**	**(448,734)**	**(448,734)**	**5,091,819**	**5,627,966**	**5,843,548**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE	41,500	–	–	–	–	–	–	–	41,500	43,263	45,643
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	2,456	–	–	–	–	–	–	–	2,456	2,333	2,216
Decrease (increase) in non-current investments	(212,908)	–	–	–	–	–	–	–	(212,908)	(238,708)	(267,859)
Payments											
Capital assets	(6,938,045)	–	–	–	–	–	(173,874)	(173,874)	(7,111,918)	(6,066,543)	(6,573,830)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(7,106,997)**	**–**	**–**	**–**	**–**	**–**	**(173,874)**	**(173,874)**	**(7,280,871)**	**(6,259,655)**	**(6,793,831)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	2,500,000	–	–	–	–	–	–	–	2,500,000	2,500,000	2,700,000
Increase (decrease) in consumer deposits	35,710	–	–	–	–	–	–	–	35,710	39,281	43,209
Payments											
Repayment of borrowing	(435,159)	–	–	–	–	–	–	–	(435,159)	(552,082)	(715,457)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**2,100,551**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,100,551**	**1,987,198**	**2,027,752**
NET INCREASE/ (DECREASE) IN CASH HELD	**534,106**	**–**	**–**	**–**	**–**	**–**	**(622,608)**	**(622,608)**	**(88,502)**	**1,355,509**	**1,077,469**
Cash/cash equivalents at the year begin:	4,116,346	–	–	–	–	–	(403,947)	(403,947)	3,712,399	3,623,898	4,979,407
Cash/cash equivalents at the year end:	4,650,453	–	–	–	–	–	(1,026,555)	(1,026,555)	3,623,898	4,979,407	6,056,876

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

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Cash and investments available											
Cash/cash equivalents at the year end	4,650,453	–	–	–	–	–	(1,026,555)	(1,026,555)	3,623,898	4,979,407	6,056,876
Other current investments > 90 days	2,278,775	–	–	–	–	–	(0)	(0)	2,278,775	2,040,066	1,772,208
Non current assets - Investments	3,169,874	–	–	–	–	–	–	–	3,169,874	3,408,582	3,676,441
Cash and investments available:	**10,099,102**	**–**	**–**	**–**	**–**	**–**	**(1,026,555)**	**(1,026,555)**	**9,072,547**	**10,428,055**	**11,505,525**
Applications of cash and investments											
Unspent conditional transfers	680,263	–	–	–	–	–	–	–	680,263	660,382	390,280
Unspent borrowing	–	–	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	2,011,436	–	–	–	–	–	(853,038)	(853,038)	1,158,397	905,668	593,727
Other provisions	–	–	–	–	–	–	–	–	–	–	–
Long term investments committed	2,265,047	–	–	–	–	–	–	–	2,265,047	2,503,755	2,771,615
Reserves to be backed by cash/investments	3,100,264	–	–	–	–	–	–	–	3,100,264	3,483,586	4,709,491
Total Application of cash and investments:	**8,057,010**	**–**	**–**	**–**	**–**	**–**	**(853,038)**	**(853,038)**	**7,203,972**	**7,553,392**	**8,465,112**
Surplus(shortfall)	**2,042,092**	**–**	**–**	**–**	**–**	**–**	**(173,517)**	**(173,517)**	**1,868,575**	**2,874,663**	**3,040,413**

Table 21 Table B9 Consolidated Asset Management

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CAPITAL EXPENDITURE											
Total New Assets to be adjusted	**3,788,493**	**–**	**77,558**	**–**	**–**	**20,812**	**1,507**	**99,877**	**3,888,370**	**3,244,201**	**3,307,630**
Roads Infrastructure	965,975	–	38,659	–	–	–	684	39,342	1,005,317	600,787	691,850
Storm water Infrastructure	124,492	–	1,764	–	–	–	2,000	3,764	128,255	99,488	98,838
Electrical Infrastructure	558,956	–	20,202	–	–	–	–	20,202	579,157	582,891	560,716
Water Supply Infrastructure	518,930	–	2,026	–	–	20,812	9,000	31,838	550,768	466,655	559,762
Sanitation Infrastructure	124,311	–	–	–	–	–	10,000	10,000	134,311	217,490	237,063
Solid Waste Infrastructure	198,077	–	3,736	–	–	–	(2,750)	986	199,063	256,180	249,020
Information and Communication Infrastructure	189,528	–	5,958	–	–	–	(27,560)	(21,602)	167,926	200,338	191,427
Infrastructure	*2,680,268*	–	*72,344*	–	–	*20,812*	*(8,626)*	*84,531*	*2,764,799*	*2,423,829*	*2,588,676*
Community Facilities	327,993	–	919	–	–	–	(5,634)	(4,714)	323,279	352,411	371,537
Sport and Recreation Facilities	350	–	–	–	–	–	359	359	709	–	–
Community Assets	*328,343*	–	*919*	–	–	–	*(5,275)*	*(4,356)*	*323,988*	*352,411*	*371,537*
Revenue Generating	11,450	–	–	–	–	–	–	–	11,450	8,800	12,200
Investment properties	*11,450*	–	–	–	–	–	–	–	*11,450*	*8,800*	*12,200*
Operational Buildings	225,494	–	2,813	–	–	–	(20,000)	(17,187)	208,307	90,577	63,426
Housing	66,041	–	–	–	–	–	–	–	66,041	99,839	26,212
Other Assets	*291,535*	–	*2,813*	–	–	–	*(20,000)*	*(17,187)*	*274,348*	*190,416*	*89,638*
Licences and Rights	2,000	–	–	–	–	–	–	–	2,000	3,000	3,000
Intangible Assets	*2,000*	–	–	–	–	–	–	–	*2,000*	*3,000*	*3,000*
Computer Equipment	*212,637*	–	*519*	–	–	–	*27,410*	*27,929*	*240,566*	*128,620*	*112,402*
Furniture and Office Equipment	*82,459*	–	*201*	–	–	–	*8,048*	*8,249*	*90,708*	*54,568*	*51,972*
Machinery and Equipment	*127,831*	–	*598*	–	–	–	*(50)*	*548*	*128,379*	*33,482*	*29,342*
Transport Assets	*51,970*	–	*163*	–	–	–	–	*163*	*52,133*	*49,076*	*48,863*
Total Renewal of Existing Assets to be adjusted	**1,455,038**	**–**	**29,577**	**–**	**6,536**	**–**	**(270)**	**35,843**	**1,490,881**	**1,677,571**	**1,866,656**
Roads Infrastructure	185,678	–	8,212	–	–	–	–	8,212	193,890	120,050	126,500
Storm water Infrastructure	48,495	–	–	–	–	–	–	–	48,495	40,950	36,100
Electrical Infrastructure	468,543	–	6,154	–	–	–	–	6,154	474,697	563,430	727,965
Water Supply Infrastructure	260,500	–	–	–	–	–	–	–	260,500	317,000	336,000
Sanitation Infrastructure	20,200	–	10,463	–	–	–	(2,868)	7,594	27,794	66,300	86,000
Information and Communication Infrastructure	1,500	–	–	–	–	–	–	–	1,500	60	–
Infrastructure	*984,916*	–	*24,828*	–	–	–	*(2,868)*	*21,959*	*1,006,876*	*1,107,790*	*1,312,565*
Community Facilities	39,500	–	33	–	6,536	–	–	6,569	46,069	48,050	9,400
Community Assets	*39,500*	–	*33*	–	*6,536*	–	–	*6,569*	*46,069*	*48,050*	*9,400*
Heritage Assets	*650*	–	–	–	–	–	–	–	*650*	*1,800*	*1,800*
Revenue Generating	13,850	–	–	–	–	–	–	–	13,850	14,880	20,250
Investment properties	*13,850*	–	–	–	–	–	–	–	*13,850*	*14,880*	*20,250*
Operational Buildings	9,150	–	4,201	–	–	–	(17)	4,184	13,334	66,780	81,860
Housing	85,000	–	–	–	–	–	–	–	85,000	85,000	85,000
Other Assets	*94,150*	–	*4,201*	–	–	–	*(17)*	*4,184*	*98,334*	*151,780*	*166,860*
Licences and Rights	2,500	–	–	–	–	–	–	–	2,500	2,500	2,500
Intangible Assets	*2,500*	–	–	–	–	–	–	–	*2,500*	*2,500*	*2,500*
Computer Equipment	*84,771*	–	*30*	–	–	–	*2,769*	*2,800*	*87,571*	*80,161*	*86,022*
Furniture and Office Equipment	*20,567*	–	*5*	–	–	–	*(202)*	*(198)*	*20,370*	*18,564*	*16,679*
Machinery and Equipment	*31,419*	–	–	–	–	–	*48*	*48*	*31,467*	*29,406*	*11,910*
Transport Assets	*182,714*	–	*481*	–	–	–	–	*481*	*183,195*	*222,641*	*238,671*
Total Upgrading of Existing Assets to be adjusted	**1,779,672**	**–**	**69,927**	**–**	**–**	**–**	**(1,090)**	**68,837**	**1,848,509**	**1,802,326**	**1,832,937**
Roads Infrastructure	281,382	–	6,293	–	–	–	–	6,293	287,675	366,145	329,203
Storm water Infrastructure	12,925	–	748	–	–	–	–	748	13,673	10,000	10,000
Electrical Infrastructure	88,376	–	21,629	–	–	–	–	21,629	110,005	56,043	248,695
Water Supply Infrastructure	122,037	–	100	–	–	–	–	100	122,137	188,500	211,000
Sanitation Infrastructure	550,435	–	–	–	–	–	1,868	1,868	552,303	738,513	614,950
Solid Waste Infrastructure	25,000	–	183	–	–	–	–	183	25,183	23,506	6,788
Information and Communication Infrastructure	–	–	–	–	–	–	–	–	–	–	4,000
Infrastructure	*1,080,155*	–	*28,952*	–	–	–	*1,868*	*30,821*	*1,110,976*	*1,382,707*	*1,424,636*
Community Facilities	179,887	–	1,302	–	–	–	(5,286)	(3,985)	175,902	150,645	100,965
Sport and Recreation Facilities	53,849	–	377	–	–	–	2,528	2,904	56,754	18,806	17,731
Community Assets	*233,736*	–	*1,678*	–	–	–	*(2,759)*	*(1,080)*	*232,656*	*169,451*	*118,695*
Heritage Assets	*6,800*	–	–	–	–	–	–	–	*6,800*	–	–
Operational Buildings	377,456	–	37,804	–	–	–	(200)	37,604	415,060	218,587	268,955
Housing	15,897	–	921	–	–	–	–	921	16,819	9,000	–
Other Assets	*393,354*	–	*38,725*	–	–	–	*(200)*	*38,525*	*431,878*	*227,587*	*268,955*
Licences and Rights	29,756	–	519	–	–	–	–	519	30,275	6,450	6,450
Intangible Assets	*29,756*	–	*519*	–	–	–	–	*519*	*30,275*	*6,450*	*6,450*
Computer Equipment	*6,100*	–	–	–	–	–	–	–	*6,100*	*900*	*1,100*
Furniture and Office Equipment	*19,771*	–	*53*	–	–	–	–	*53*	*19,823*	*12,231*	*12,100*
Machinery and Equipment	*10,000*	–	–	–	–	–	–	–	*10,000*	*3,000*	*1,000*

Table continues on next page

City of Cape Town 2017/18 Adjustments Budget – August 2017

Description R thousands	Budget Year 2017/18 Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Budget Year +1 2018/19 Adjusted Budget	Budget Year +2 2019/20 Adjusted Budget
CAPITAL EXPENDITURE											
Total Capital Expenditure to be adjusted											
Roads Infrastructure	1,433,035	–	53,163	–	–	–	684	53,846	1,486,882	1,086,982	1,147,553
Storm water Infrastructure	185,912	–	2,512	–	–	–	2,000	4,512	190,424	150,438	144,938
Electrical Infrastructure	1,115,875	–	47,984	–	–	–	–	47,984	1,163,859	1,202,364	1,537,376
Water Supply Infrastructure	901,467	–	2,126	–	–	20,812	9,000	31,938	933,406	972,155	1,106,762
Sanitation Infrastructure	694,946	–	10,463	–	–	–	9,000	19,463	714,409	1,022,304	938,013
Solid Waste Infrastructure	223,077	–	3,919	–	–	–	(2,750)	1,169	224,246	279,686	255,808
Information and Communication Infrastructure	191,028	–	5,958	–	–	–	(27,560)	(21,602)	169,426	200,398	195,427
Infrastructure	*4,745,340*	–	*126,125*	–	–	*20,812*	*(9,626)*	*137,311*	*4,882,650*	*4,914,326*	*5,325,878*
Community Facilities	547,380	–	2,255	–	6,536	–	(10,920)	(2,130)	545,251	551,105	481,902
Sport and Recreation Facilities	54,199	–	377	–	–	–	2,886	3,263	57,462	18,806	17,731
Community Assets	*601,580*	–	*2,631*	–	*6,536*	–	*(8,034)*	*1,133*	*602,713*	*569,912*	*499,633*
Heritage Assets	*7,450*	–	–	–	–	–	–	–	*7,450*	*1,800*	*1,800*
Revenue Generating	25,300	–	–	–	–	–	–	–	25,300	23,680	32,450
Investment properties	*25,300*	–	–	–	–	–	–	–	*25,300*	*23,680*	*32,450*
Operational Buildings	612,100	–	44,817	–	–	–	(20,217)	24,600	636,700	375,945	414,241
Housing	166,938	–	921	–	–	–	–	921	167,859	193,839	111,212
Other Assets	*779,039*	–	*45,738*	–	–	–	*(20,217)*	*25,521*	*804,559*	*569,783*	*525,453*
Licences and Rights	34,256	–	519	–	–	–	–	519	34,775	11,950	11,950
Intangible Assets	*34,256*	–	*519*	–	–	–	–	*519*	*34,775*	*11,950*	*11,950*
Computer Equipment	*303,508*	–	*549*	–	–	–	*30,179*	*30,729*	*334,237*	*209,681*	*199,523*
Furniture and Office Equipment	*122,797*	–	*259*	–	–	–	*7,846*	*8,104*	*130,902*	*85,362*	*80,750*
Machinery and Equipment	*169,250*	–	*598*	–	–	–	*(2)*	*596*	*169,846*	*65,888*	*42,252*
Transport Assets	*234,684*	–	*644*	–	–	–	–	*644*	*235,328*	*271,716*	*287,534*
TOTAL CAPITAL EXPENDITURE to be adjusted	**7,023,203**	**–**	**177,063**	**–**	**6,536**	**20,812**	**146**	**204,557**	**7,227,760**	**6,724,098**	**7,007,223**
ASSET REGISTER SUMMARY - PPE (WDV)											
Roads Infrastructure	7,350,826	–	–	–	–	–	51,154	51,154	7,401,980	8,039,399	8,714,109
Storm water Infrastructure	994,374	–	–	–	–	–	4,286	4,286	998,660	1,088,830	1,171,378
Electrical Infrastructure	7,786,614	–	–	–	–	–	45,585	45,585	7,832,199	8,726,879	9,917,778
Water Supply Infrastructure	3,312,937	–	–	–	–	–	30,341	30,341	3,343,279	4,001,876	4,780,354
Sanitation Infrastructure	3,542,502	–	–	–	–	–	18,489	18,489	3,560,991	4,275,626	4,893,137
Solid Waste Infrastructure	937,173	–	–	–	–	–	1,111	1,111	938,283	1,152,721	1,344,853
Information and Communication Infrastructure	3,200,737	–	–	–	–	–	(20,522)	(20,522)	3,180,215	3,340,258	3,495,539
Infrastructure	*27,125,163*	–	–	–	–	–	*130,445*	*130,445*	*27,255,608*	*30,625,589*	*34,317,148*
Community Facilities	3,556,632	–	–	–	–	–	(2,023)	(2,023)	3,554,609	3,976,411	4,327,300
Sport and Recreation Facilities	3,807,667	–	–	–	–	–	3,100	3,100	3,810,766	3,608,482	3,411,634
Community Assets	*7,364,299*	–	–	–	–	–	*1,077*	*1,077*	*7,365,376*	*7,584,893*	*7,738,934*
Heritage Assets	*9,049*	–	–	–	–	–	–	–	*9,049*	*9,049*	*9,049*
Revenue Generating	68,242	–	–	–	–	–	–	–	68,242	66,524	64,806
Non-revenue Generating	518,232	–	–	–	–	–	–	–	518,232	518,232	518,232
Investment properties	*586,474*	–	–	–	–	–	–	–	*586,474*	*584,756*	*583,038*
Operational Buildings	3,861,856	–	–	–	–	–	23,370	23,370	3,885,225	4,093,914	4,342,883
Housing	2,135,419	–	–	–	–	–	875	875	2,136,294	2,218,523	2,219,179
Other Assets	*5,997,275*	–	–	–	–	–	*24,245*	*24,245*	*6,021,520*	*6,312,436*	*6,562,062*
Licences and Rights	522,272	–	–	–	–	–	493	493	522,765	428,167	337,189
Intangible Assets	522,272	–	–	–	–	–	493	493	522,765	428,167	337,189
Computer Equipment	888,975	–	–	–	–	–	29,192	29,192	918,167	897,590	876,606
Furniture and Office Equipment	523,635	–	–	–	–	–	7,699	7,699	531,334	457,130	387,852
Machinery and Equipment	477,153	–	–	–	–	–	566	566	477,720	449,640	407,845
Transport Assets	2,272,442	–	–	–	–	–	612	612	2,273,054	2,201,923	2,124,454
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**45,766,736**	**–**	**–**	**–**	**–**	**–**	**194,329**	**194,329**	**45,961,066**	**49,551,172**	**53,344,176**
EXPENDITURE OTHER ITEMS											
Depreciation & asset impairment	3,277,476	–	–	–	–	–	–	–	3,277,476	2,772,072	2,854,369
Repairs and Maintenance by asset class	**4,048,265**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,048,265**	**4,408,373**	**4,748,093**
Roads Infrastructure	698,302	–	–	–	–	–	–	–	698,302	743,414	791,736
Storm water Infrastructure	21,667	–	–	–	–	–	–	–	21,667	23,077	24,578
Electrical Infrastructure	523,507	–	–	–	–	–	–	–	523,507	557,538	593,778
Water Supply Infrastructure	233,175	–	–	–	–	–	–	–	233,175	298,339	344,483
Sanitation Infrastructure	318,258	–	–	–	–	–	–	–	318,258	388,951	440,984
Solid Waste Infrastructure	4,898	–	–	–	–	–	–	–	4,898	5,217	5,556
Infrastructure	*1,799,807*	–	–	–	–	–	–	–	*1,799,807*	*2,016,536*	*2,201,115*
Community Facilities	406,234	–	–	–	–	–	–	–	406,234	430,271	458,234
Sport and Recreation Facilities	56,574	–	–	–	–	–	–	–	56,574	59,985	63,883
Community Assets	*462,808*	–	–	–	–	–	–	–	*462,808*	*490,255*	*522,117*
Heritage Assets	*11,357*	–	–	–	–	–	–	–	*11,357*	*12,096*	*12,882*
Non-revenue Generating	9,817	–	–	–	–	–	–	–	9,817	10,456	11,135
Investment properties	*21,266*	–	–	–	–	–	–	–	*21,266*	*22,649*	*23,865*
Operational Buildings	213,732	–	–	–	–	–	–	–	213,732	227,488	242,273
Housing	74,577	–	–	–	–	–	–	–	74,577	79,427	84,589
Other Assets	*288,309*	–	–	–	–	–	–	–	*288,309*	*306,914*	*326,863*
Computer Equipment	687,364	–	–	–	–	–	–	–	687,364	732,045	779,626
Furniture and Office Equipment	352,509	–	–	–	–	–	–	–	352,509	375,413	399,750
Machinery and Equipment	7	–	–	–	–	–	–	–	7	7	8
Transport Assets	424,837	–	–	–	–	–	–	–	424,837	452,458	481,868
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	**7,325,741**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**7,325,741**	**7,180,445**	**7,602,462**
Renewal and upgrading of Existing Assets as % of total capex	*46.1%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*46.2%*	*51.8%*	*52.8%*
Renewal and upgrading of Existing Assets as % of deprecn"	*98.7%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*101.9%*	*125.5%*	*129.6%*
R&M as a % of PPE	*8.8%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*8.8%*	*8.9%*	*8.9%*
Renewal and upgrading and R&M as a % of PPE	*15.9%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*16.1%*	*15.9%*	*15.8%*

Table 22 Table B10 Consolidated Basic service delivery measurement

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
	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	1,132,666	–	0	0	0	0	0	–	1,132,666	1,147,502	1,161,853
Piped water inside yard (but not in dwelling)	0	0	0	0	0	0	0	–	–	0	0
Using public tap (at least min.service level)	157,038	–	0	0	0	0	0	–	157,038	159,094	161,084
Other water supply (at least min.service level)	0	0	0	0	0	0	0	–	–	–	–
Minimum Service Level and Above sub-total	1,289,704	–	–	–	–	–	–	–	1,289,704	1,306,596	1,322,937
Using public tap (< min.service level)	0	0	0	0	0	0	0	–	–	0	0
Other water supply (< min.service level)	0	0	0	0	0	0	0	–	–	0	0
No water supply	0	0	0	0	0	0	0	–	–	0	0
Below Minimum Servic Level sub-total	–	–	–	–	–	–	–	–	–	–	–
Total number of households	**1,289,704**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,289,704**	**1,306,596**	**1,322,937**
Sanitation/sewerage:											
Flush toilet (connected to sewerage)	1,211,917	–	0	0	0	0	0	–	1,211,917	1,230,809	1,250,150
Flush toilet (with septic tank)	0	0	0	0	0	0	0	–	–	0	0
Chemical toilet	24,460	–	0	0	0	0	0	–	24,460	24,460	24,460
Pit toilet (ventilated)	197	0	0	0	0	0	0	–	197	197	0
Other toilet provisions (> min.service level)	52,913	–	0	0	0	0	0	–	52,913	51,130	48,327
Minimum Service Level and Above sub-total	1,289,487	–	–	–	–	–	–	–	1,289,487	1,306,596	1,322,937
Bucket toilet	217	0	0	0	0	0	0	–	217	0	0
Other toilet provisions (< min.service level)	0	0	0	0	0	0	0	–	–	0	0
No toilet provisions	0	0	0	0	0	0	0	–	–	0	0
Below Minimum Servic Level sub-total	217	–	–	–	–	–	–	–	217	–	–
Total number of households	**1,289,704**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,289,704**	**1,306,596**	**1,322,937**
Energy:											
Electricity (at least min. service level)	856,312	–	0	0	0	0	0	–	856,312	857,812	859,312
Electricity - prepaid (> min.service level)	0	0	0	0	0	0	0	–	–	0	0
Minimum Service Level and Above sub-total	856,312	–	–	–	–	–	–	–	856,312	857,812	859,312
Electricity (< min.service level)	23,464	–	0	0	0	0	0	–	23,464	21,964	20,464
Electricity - prepaid (< min. service level)	0	0	0	0	0	0	0	–	–	0	0
Other energy sources	0	0	0	0	0	0	0	–	–	0	0
Below Minimum Servic Level sub-total	23,464	–	–	–	–	–	–	–	23,464	21,964	20,464
Total number of households	879,776	–	–	–	–	–	–	–	879,776	879,776	879,776
Refuse:											
Removed at least once a week (min.service)	995,017	–	0	0	0	0	0	–	995,017	1,014,917	1,035,216
Minimum Service Level and Above sub-total	995,017	–	–	–	–	–	–	–	995,017	1,014,917	1,035,216
Removed less frequently than once a week	0	0	0	0	0	0	0	–	–	0	0
Using communal refuse dump	0	0	0	0	0	0	0	–	–	0	0
Using own refuse dump	0	0	0	0	0	0	0	–	–	0	0
Other rubbish disposal	0	0	0	0	0	0	0	–	–	0	0
No rubbish disposal	0	0	0	0	0	0	0	–	–	0	0
Below Minimum Servic Level sub-total	–	–	–	–	–	–	–	–	–	–	–
Total number of households	**995,017**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**995,017**	**1,014,917**	**1,035,216**

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
Households receiving Free Basic Service											
Water (6 kilolitres per household per month)	255,733	–	0	0	0	0	0	–	255,733	255,733	255,733
Sanitation (free minimum level service)	255,733	–	0	0	0	0	0	–	255,733	255,733	255,733
Electricity/other energy (50kwh per household per month)	121,317	–	0	0	0	0	0	–	121,317	121,317	121,317
Refuse (removed at least once a week)	382,534	0	0	0	0	0	0	–	382,534	390,185	397,988
Cost of Free Basic Services provided (R'000)											
Water (6 kilolitres per household per month)	314,306	–	–	–	–	–	–	–	314,306	352,023	390,745
Sanitation (free sanitation service)	178,254	–	–	–	–	–	–	–	178,254	199,645	221,605
Electricity/other energy (50kwh per household per month)	81,713	–	–	–	–	–	–	–	81,713	86,616	91,813
Refuse (removed once a week)	276,709	–	–	–	–	–	–	–	276,709	292,205	308,569
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	753,891	–	–	–	–	–	–	–	753,891	817,698	885,422
Total cost of FBS provided (minimum social package)	1,604,874	–	–	–	–	–	–	–	1,604,874	1,748,187	1,898,155
Highest level of free service provided											
Property rates (R'000 value threshold)	0	0	0	0	0	0	0	–	–	0	0
Water (kilolitres per household per month)	6	0	0	0	0	0	0	–	6	6	6
Sanitation (kilolitres per household per month)	4	0	0	0	0	0	0	0	4	4	4
Sanitation (Rand per household per month)	132	0	0	0	0	0	0	–	132	145	160
Electricity (kw per household per month)	60	–	0	0	0	0	0	–	60	60	60
Refuse (average litres per week)	240	0	0	0	0	0	0	–	240	240	240
Revenue cost of free services provided (R'000)											
Property rates (R15 000 threshold rebate)	85,195	–	–	–	–	–	–	–	85,195	90,733	96,631
Property rates (other exemptions, reductions and rebates)	1,297,571	–	–	–	–	–	–	–	1,297,571	1,371,587	1,460,741
Water	235,730	–	–	–	–	–	–	–	235,730	264,017	293,059
Sanitation	133,691	–	–	–	–	–	–	–	133,691	149,733	166,204
Electricity/other energy	–	–	–	–	–	–	–	–	–	–	–
Refuse	–	–	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	26,269	–	–	–	–	–	–	–	26,269	27,582	28,962
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–	–
Total revenue cost of free services provided (total social package)	**1,778,456**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,778,456**	**1,903,653**	**2,045,597**

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 39 to page 43. As the entity is not proposing any adjustments to its approved 2017/18 budget, the tables below reflect the 2017/18 budget adopted at Council in May 2017.

Table 23 MBRR Table E1 - Adjustments Budget Summary

Description	Budget Year 2017/18								Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Investment revenue	11,671	–	–	–	–	–	–	11,671	10,100	9,534
Transfers recognised - operational	–	–	–	–	–	–	–	–	–	–
Other own revenue	272,780	–	–	–	–	–	–	272,780	268,284	287,064
Total Revenue (excluding capital transfers and contributions)	**284,451**	**–**	**–**	**–**	**–**	**–**	**–**	**284,451**	**278,383**	**296,597**
Employee costs	88,887	–	–	–	–	–	–	88,887	87,045	92,793
Remuneration of Board Members	804	–	–	–	–	–	–	804	856	916
Depreciation and debt impairment	702,868	–	–	–	–	–	–	702,868	37,367	39,796
Finance charges	3,651	–	–	–	–	–	–	3,651	3,395	3,112
Materials and bulk purchases	–	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–	–
Other expenditure	167,947	–	–	–	–	–	–	167,947	168,780	151,167
Total Expenditure	**964,158**	**–**	**–**	**–**	**–**	**–**	**–**	**964,158**	**297,443**	**287,785**
Surplus/(Deficit)	**(679,707)**	**–**	**–**	**–**	**–**	**–**	**–**	**(679,707)**	**(19,060)**	**8,813**
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(679,707)**	**–**	**–**	**–**	**–**	**–**	**–**	**(679,707)**	**(19,060)**	**8,813**
Taxation	–	–	–	–	–	–	–	–	–	**2,084**
Surplus/ (Deficit) for the year	**(679,707)**	**–**	**–**	**–**	**–**	**–**	**–**	**(679,707)**	**(19,060)**	**6,728**
Capital expenditure & funds sources										
Capital expenditure	47,982	–	–	–	–	–	–	47,982	45,443	51,879
Transfers recognised - capital	–	–	–	–	–	–	–	–	–	–
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	47,982	–	–	–	–	–	–	47,982	45,443	51,879
Total sources of capital funds	**47,982**	**–**	**–**	**–**	**–**	**–**	**–**	**47,982**	**45,443**	**51,879**
Financial position										
Total current assets	248,244	–	–	–	–	–	–	248,244	224,789	219,216
Total non current assets	345,398	–	–	–	–	–	–	345,398	353,474	365,557
Total current liabilities	109,454	–	–	–	–	–	–	109,454	108,459	111,353
Total non current liabilities	37,552	–	–	–	–	–	–	37,552	34,723	31,611
Community wealth/Equity	446,636	–	–	–	–	–	–	446,636	435,081	441,810
Cash flows										
Net cash from (used) operating	40,398	–	–	–	–	–	–	40,398	25,374	47,803
Net cash from (used) investing	(47,982)	–	–	–	–	–	–	(47,982)	(45,443)	(51,879)
Net cash from (used) financing	(2,573)	–	–	–	–	–	–	(2,573)	(2,830)	(3,112)
Cash/cash equivalents at the year end	**225,378**	**–**	**–**	**–**	**–**	**–**	**–**	**225,378**	**202,479**	**195,291**

Table 24 MBRR Table E2 Adjustments Budget - Financial Performance (revenue and expenditure)

Description	Budget Year 2017/18								Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Revenue By Source										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	131,571	–	–	–	–	–	–	131,571	140,123	149,931
Interest earned - external investments	11,671	–	–	–	–	–	–	11,671	10,100	9,534
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	–	–	–	–	–	–	–	–
Other revenue	141,209	–	–	–	–	–	–	141,209	128,161	137,132
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**284,451**	**–**	**–**	**–**	**–**	**–**	**–**	**284,451**	**278,383**	**296,597**
Expenditure By Type										
Employee related costs	88,887	–	–	–	–	–	–	88,887	87,045	92,793
Remuneration of Directors	804	–	–	–	–	–	–	804	856	916
Debt impairment	–	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	702,868	–	–	–	–	–	–	702,868	37,367	39,796
Finance charges	3,651	–	–	–	–	–	–	3,651	3,395	3,112
Bulk purchases	–	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	–	–	–	–	–	–	–	–
Other expenditure	167,947	–	–	–	–	–	–	167,947	168,780	151,167
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–
Total Expenditure	**964,158**	**–**	**–**	**–**	**–**	**–**	**–**	**964,158**	**297,443**	**287,785**
Surplus/(Deficit)	**(679,707)**	**–**	**–**	**–**	**–**	**–**	**–**	**(679,707)**	**(19,060)**	**8,813**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation	**(679,707)**	**–**	**–**	**–**	**–**	**–**	**–**	**(679,707)**	**(19,060)**	**8,813**
Taxation	–	–	–	–	–	–	–	–	–	2,084
Surplus/ (Deficit) for the year	**(679,707)**	**–**	**–**	**–**	**–**	**–**	**–**	**(679,707)**	**(19,060)**	**6,728**

Table 25 MBRR Table E3 Adjustments Capital Expenditure Budget by asset class and funding

Description	Budget Year 2017/18									Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
Capital expenditure by Asset Class/Sub-class											
Investment properties	**25,300**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**25,300**	**23,680**	**32,450**
Revenue Generating	25,300	–	–	–	–	–	–	–	25,300	23,680	32,450
Improved Property	*25,300*	–	–	–	–	–	–	–	*25,300*	*23,680*	*32,450*
Computer Equipment	**15,224**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**15,224**	**15,035**	**17,051**
Computer Equipment	15,224	–	–	–	–	–	–	–	15,224	15,035	17,051
Furniture and Office Equipment	**6,110**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6,110**	**5,380**	**1,030**
Furniture and Office Equipment	6,110	–	–	–	–	–	–	–	6,110	5,380	1,030
Machinery and Equipment	**1,348**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1,348**	**1,348**	**1,348**
Machinery and Equipment	1,348	–	–	–	–	–	–	–	1,348	1,348	1,348
Total Capital Expenditure to be adjusted	**47,982**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**47,982**	**45,443**	**51,879**
Funded by:											
National Government	–	–	–	–	–	–	–	–	–	–	–
Provincial Government	–	–	–	–	–	–	–	–	–	–	–
Parent Municipality	–	–	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Public contributions & donations	–	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	47,982	–	–	–	–	–	–	–	**47,982**	45,443	51,879
Total Capital Funding	**47,982**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**47,982**	**45,443**	**51,879**

Table 26 MBRR Table E4 Adjustments Budget - Financial Position

Description	Budget Year 2017/18								Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
ASSETS										
Current assets										
Cash	–	–	–	–	–	–	–	–	–	–
Call investment deposits	225,378	–	–	–	–	–	–	225,378	202,479	195,291
Consumer debtors	–	–	–	–	–	–	–	–	–	–
Other debtors	21,004	–	–	–	–	–	–	21,004	20,658	22,104
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–	–
Inventory	1,862	–	–	–	–	–	–	1,862	1,652	1,821
Total current assets	**248,244**	**–**	**–**	**–**	**–**	**–**	**–**	**248,244**	**224,789**	**219,216**
Non current assets										
Long-term receivables	–	–	–	–	–	–	–	–	–	–
Investments	–	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	345,398	–	–	–	–	–	–	345,398	353,474	365,557
Agricultural	–	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–	–
Total non current assets	**345,398**	**–**	**–**	**–**	**–**	**–**	**–**	**345,398**	**353,474**	**365,557**
TOTAL ASSETS	**593,642**	**–**	**–**	**–**	**–**	**–**	**–**	**593,642**	**578,263**	**584,773**
LIABILITIES										
Current liabilities										
Bank overdraft	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Consumer deposits	49,100	–	–	–	–	–	–	49,100	48,291	51,671
Trade and other payables	56,680	–	–	–	–	–	–	56,680	56,470	55,957
Provisions	3,673	–	–	–	–	–	–	3,673	3,698	3,724
Total current liabilities	**109,454**	**–**	**–**	**–**	**–**	**–**	**–**	**109,454**	**108,459**	**111,353**
Non current liabilities										
Borrowing	36,821	–	–	–	–	–	–	36,821	33,992	30,880
Provisions	731	–	–	–	–	–	–	731	731	731
Total non current liabilities	**37,552**	**–**	**–**	**–**	**–**	**–**	**–**	**37,552**	**34,723**	**31,611**
TOTAL LIABILITIES	**147,006**	**–**	**–**	**–**	**–**	**–**	**–**	**147,006**	**143,182**	**142,963**
NET ASSETS	**446,636**	**–**	**–**	**–**	**–**	**–**	**–**	**446,636**	**435,081**	**441,810**
COMMUNITY WEALTH/EQUITY										
Accumulated Surplus/(Deficit)	(839,004)	–	–	–	–	–	–	(839,004)	(850,558)	(843,830)
Reserves	–	–	–	–	–	–	–	–	–	–
Share capital	1,285,640	–	–	–	–	–	–	1,285,640	1,285,640	1,285,640
TOTAL COMMUNITY WEALTH/EQUITY	**446,636**	**–**	**–**	**–**	**–**	**–**	**–**	**(839,004)**	**435,081**	**441,810**

Table 27 MBRR Table E5 Adjustments Budget - Cash Flows

Description	Budget Year 2017/18								Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Original Budget	Prior Adjusted	Downward adjusts	Parent muni.	Unfore. Unavoid.	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–	–
Other revenue	268,000	–	–	–	–	–	–	268,000	268,630	296,597
Government - operating	–	–	–	–	–	–	–	–	–	–
Government - capital	–	–	–	–	–	–	–	–	–	–
Interest	11,671	–	–	–	–	–	–	11,671	10,100	9,534
Dividends	–	–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees	(235,621)	–	–	–	–	–	–	(235,621)	(249,961)	(255,216)
Finance charges	(3,651)	–	–	–	–	–	–	(3,651)	(3,395)	(3,112)
Dividends paid	–	–	–	–	–	–	–	–	–	–
Transfers and Grants	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**40,398**	**–**	**–**	**–**	**–**	**–**	**–**	**40,398**	**25,374**	**47,803**
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	(47,982)	–	–	–	–	–	–	(47,982)	(45,443)	(51,879)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(47,982)**	**–**	**–**	**–**	**–**	**–**	**–**	**(47,982)**	**(45,443)**	**(51,879)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–
Payments										
Repayment of borrowing	(2,573)	–	–	–	–	–	–	(2,573)	(2,830)	(3,112)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(2,573)**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,573)**	**(2,830)**	**(3,112)**
NET INCREASE/ (DECREASE) IN CASH HELD	**(10,157)**	**–**	**–**	**–**	**–**	**–**	**–**	**(10,157)**	**(22,899)**	**(7,188)**
Cash/cash equivalents at the year begin:	235,535	–	–	–	–	–	–	235,535	225,378	202,479
Cash/cash equivalents at the year end:	225,378	–	–	–	–	–	–	225,378	202,479	195,291

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I ………………………………………………….., municipal manager of the City of Cape Town hereby certify, that the **2017/18 adjustments budget (August 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 ________________________________