

Swartland Municipality

Second Adjustments Budget 2016/17 – 2018/19



Adjusted Medium Term Revenue and Expenditure Framework

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Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget Related Policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Vote – One of the main segments of a budget. In Swartland Municipality this means at function level.

PART 1 – ADJUSTMENTS BUDGET

SECTION 1 – MAYOR’S REPORT

The 2016/2017 MTREF was approved by Council on 26 May 2016 in accordance with Section 24(1) of the Local Government: Municipal Finance Management Act, 2003(Act 56 of 2003).

The 2016/2017 MTREF was amended with a roll-over adjustment budget approved by Council on 24 November 2016 in accordance with Section 28 of the Local Government: Municipal Finance Management Act, 2003(Act 56 of 2003).

The reason for the tabling of this second adjustment budget is fully disclosed in the executive summary of the budget documentation. The adjustments were necessary as a result of changes and additions in grant funding as well as adjustments deemed appropriate following the mid-year assessment and the prioritisation of certain operational line items.

The main adjustments proposed in this adjustment budget are as follow:

Operating Budget

Expenditure

The decrease in operating expenditure was influenced in the main by the following:

- 1) Employee related costs decrease by R1 220 601 due to the net effect of an increase of R60 000 for the graduate internship programme for which the funding was received and a R1 280 601 decrease which is due to Workman’s Compensation that must move from employee related costs to other expenditure. (These adjustments relate to the B-schedule only)
- 2) Asset impairment decreases by R1 500 000 based on the 2014/2015 and 2015/2016 actuals.
- 3) Bulk purchases: Water decreases by R6 221 212 due to a decrease in consumption as a result of water restrictions.
- 4) Transfers and Grants Paid decrease by R30 000 due to the fact that it will not be paid out to the R27 HUB this financial year.
- 5) Other expenditure decrease by R6 262 745 as a result of the actual performance to date and past audited performance of various line items.

Income

The increase in operating revenue was influenced in the main by the following:

- 1) Revenue from Services charges increase by R3 250 000 based on the mid-year performance and previous audit outcomes.
- 2) A shift of R20 000 in budgets are required between the Corporate and Development Services for Rental of Facilities and Equipment.
- 3) Interest earned: External investments increase by R6 500 000, due to the increased positive cashflow balance of the 2015/16 audited period.
- 4) Transfers recognised - operational decrease by R5 887 863. This is mainly due to the decrease in spending on the Phola Park Housing project and Planning/Refurbishment of the Municipal Flats that is both funded by Department of Human Settlements and will realize over 2 financial years in line with the project completing timeframes.
- 5) Other revenue increase by R3 092 762 based on the mid-year performance and previous audit outcomes.
- 6) Transfers recognised - capital increase by R1 370 241 of which R1 300 000 is for INEP funded projects, R1 020 241 for Riebeek Wes housing project and RSEP funded projects decrease by R950 000.
- 7) Contributions recognised - capital increase by R333 000 which is the contribution already received from Pioneerfoods.

Capital Budget

- 1) Capital expenditure increased by R 5 784 966 million. This increase is mainly due to the following adjustments:
 - a. An increase amounting to R1 112 737 as a direct result of the swimming pool project moving from the operating budget.
 - b. A decrease amounting to R 950 000 for the Box city - business centre. This decrease is mainly attributable to the project currently being at design stage and will be moved to the next financial year (2017/18).
 - c. An increase amounting to R1 020 241 for the planning of the Riebeek Wes housing project.
 - d. An increase amounting to R1 300 000 for the Phola Park/De Hoop: Electrical infrastructure which is INEP grant funding already received.
 - e. An increase amounting to R1 627 600 and R1 925 000 for the purchase of land; Yzerfontein (erf 2716) and Doxa Trust (Erf 2737).

- 2) The following adjustments to the sources of financing are also proposed
- An increase in funding from grant and other providers – R 1 703 241.
 - An increase in revenue from internally generated funds – R 4 081 725.

The revised forecasted expenditure can be summarised as follows:

TYPE (R)	2016/2017 Adjustment (Nov 2016)	2016/2017 Adjustment (Jan 2017)	2017/2018	2018/2019
Operating Expenditure	642 112 540	624 517 698	695 434 795	689 867 265
Capital	75 643 467	81 428 433	92 115 550	148 449 357
TOTAL	717 756 007	705 946 131	787 550 345	838 316 622

Funding and Cashflows

The expected Cash flows for the MTREF period are as follows:

Source	2016/2017 Adjustment (Nov 2016)	2016/2017 Adjustment (Jan 2017)	2017/2018	2018/2019
Net cash from/(used) operating activities	82 857 233	114 169 936	114 465 764	134 222 216
Net cash from/(used) investing activities	(75 422 357)	(81 207 323)	(91 893 440)	(148 229 197)
Net cash from/(used) financing activities	(4 462 252)	(4 462 252)	(7 421 791)	(9 486 099)
Net increase/ (decrease) in cash held	2 972 624	28 500 362	15 150 533	(23 493 080)
Cash/cash equivalents at year begin:	226 923 234	299 134 038	327 634 400	342 784 933
Cash/cash equivalents at year end:	229 895 858	327 634 400	342 784 933	319 291 852

As can be seen from the above illustrations, the municipality's cash resources are still envisaged to increase over the MTREF period except in the 2018/19 financial year where there is a R23 493 080 decrease in cash which is mainly due to the R56 335 757 increase in Investing activities resulting in a capital budget of R148 449 357.

The latter is as a result of the envisaged external loans relating to the district water projects transfer as approved in the 2016/17 – 2018/19 MTREF and will be revisited with the new budget approval process.

Unforeseen and unavoidable expenditure

There was no unforeseen expenditure approved by the Mayor and incorporated into this adjustment budget since the original approved budget.

Changes to allocations and grant adjustments

Changes to expected grant expenditure are reflected below. Full details regarding income and allocations are disclosed in documentation forms SB7 to SB9.

Section 2 - Budget Related Resolutions

MTREF 2016/2017

The resolution to be tabled at Council for consideration of approval of the second adjustments budget is:

RECOMMENDATION:

- a) That the second adjustments budget, inclusive of the adjustments as envisaged by section 28(2) of the MFMA, for the 2016/2017 MTREF be approved;
 - 1.1 Table B1: Budget Summary
 - 1.2 Table B2: Budgeted Financial Performance (expenditure by standard classification)
 - 1.3 Table B3: Budgeted Financial Performance (expenditure by municipal vote)
 - 1.4 Table B4: Budgeted Financial Performance (revenue by source)
 - 1.5 Table B5: Budgeted Capital Expenditure for both multi-year and single year by vote, standard classification and funding.
 - 1.6 Table B6: Budgeted Financial Position
 - 1.7 Table B7: Budgeted Cash Flow
 - 1.8 Table B8: Cash backed reserves/Accumulated surplus reconciliation
 - 1.9 Table B9: Asset Management
 - 1.10 Table B10: Basic service delivery measurement

- b) The Service Delivery Budget Implementation Plan (SDBIP) will be amended accordingly where appropriate;

Section 3 – Executive Summary

Introduction

This MTREF 2016/2017 Second Adjustments Budget is prepared on a multi-year basis, in line with the MFMA Municipal Budget and Reporting Regulations. The main reasons for this Second Adjustments Budget are amongst other to support the revision to the capital budget service delivery performance capacity, to bring the budget in line with the mid-year performance assessment and to appropriate additional funding received from Provincial Treasury. The Service Delivery and Budget Implementation Plan (SDBIP) will also be amended accordingly where appropriate.

Management should always strive to maintain, and where possible increase accumulated reserves. This is however only possible if capital projects from own resources are brought in line with cash flow projections and/or additional revenue streams are accessed in order to ensure a sustainable long term capital expansion plan. This requires that we have a new look at our funding mix.

Effect of the Adjustment budget

- 3.1 The adjustments in respect of the capital budget for 2016/17 will result in an increase of R5 784 966 which will increase the budget from R75 643 467 to R81 428 433. This means that capital projects which are already completed and of which the final expenditure are known, will be adjusted amongst others.
- 3.2 The adjustments in respect of the operating budget for 2016/2017 will result that we move from a budgeted deficit of R 12 139 579 to a budgeted surplus of R 11 753 119. The aforementioned was realized by further reducing inefficiencies and adjusting the revenue and expenditure in line with the mid-year performance ended 31 December 2016.

The overall changes made to the 2016/17 MTREF budget can be best illustrated in the table and schedules below.

OPERATING BUDGET

Type	2016/2017 Adjustment (Nov 2016)	2016/2017 Adjustment (Jan 2017)	2017/2018	2018/2019
Revenue	629 972 962	636 270 817	691 957 107	695 420 770
Expenditure	642 112 540	624 517 698	694 434 795	689 867 265
Surplus/(Deficit)	(12 139 579)	11 753 119	(3 477 687)	5 553 505
Less: Capital Grants	(34 048 649)	(35 418 890)	(36 072 000)	(36 559 000)
Less: Contributions	(666 000)	(99 000)	-	-
Surplus/(Deficit) excluding Capital Grants	(46 854 228)	(24 664 771)	(39 549 687)	(31 005 495)

WC015 Swartland - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 26 January 2017

Description	Budget Year 2016/17					Budget Year	Budget Year
	Original	Prior	Other	Total	Adjusted	Adjusted	Adjusted
	Budget	Adjusted	Adjusts.	Adjusts.	Budget	Budget	Budget
R thousands	A	3 A1	8 F	9 G	10 H		
Revenue By Source							
Property rates	85 129	85 129	-	-	85 129	92 899	100 561
Property rates - penalties & collection charges	-	-	-	-	-	-	-
Service charges - electricity revenue	235 449	235 449	1 150	1 150	236 599	252 807	271 264
Service charges - water revenue	46 904	46 904	700	700	47 604	59 926	67 300
Service charges - sanitation revenue	28 509	28 509	900	900	29 409	29 972	30 885
Service charges - refuse revenue	20 405	20 405	500	500	20 905	21 193	21 984
Service charges - other	-	-	-	-	-	-	-
Rental of facilities and equipment	3 586	3 586	-	-	3 586	3 759	3 940
Interest earned - external investments	17 300	17 300	6 500	6 500	23 800	17 300	17 300
Interest earned - outstanding debtors	1 483	1 483	-	-	1 483	1 495	1 509
Dividends received	-	-	-	-	-	-	-
Fines	28 236	28 236	-	-	28 236	30 236	32 237
Licences and permits	3 475	3 475	-	-	3 475	3 491	3 509
Agency services	2 939	2 939	-	-	2 939	3 086	3 240
Transfers recognised - operational	103 246	104 778	(8 248)	(8 248)	96 530	122 216	87 189
Other revenue	16 866	16 866	3 093	3 093	19 959	17 303	17 743
Gains on disposal of PPE	200	200	-	-	200	200	200
Total Revenue (excluding capital transfers and contributions)	593 726	595 258	4 595	4 595	599 853	655 885	658 862
Expenditure By Type							
Employee related costs	175 657	175 657	(1 221)	(1 221)	174 437	183 962	198 062
Remuneration of councillors	9 243	9 243	-	-	9 243	9 797	10 385
Debt impairment	17 983	17 983	-	-	17 983	19 062	20 206
Depreciation & asset impairment	83 678	83 678	(1 500)	(1 500)	82 178	91 981	93 725
Finance charges	13 923	13 923	-	-	13 923	28 448	27 138
Bulk purchases	212 388	212 388	(6 221)	(6 221)	206 167	224 831	246 671
Other materials	-	-	-	-	-	-	-
Contracted services	4 239	4 239	-	-	4 239	4 467	4 762
Transfers and grants	2 137	2 137	(30)	(30)	2 107	2 137	2 206
Other expenditure	119 740	120 613	(8 623)	(8 623)	111 990	128 387	84 229
Loss on disposal of PPE	2 251	2 251	-	-	2 251	2 364	2 482
Total Expenditure	641 239	642 113	(17 595)	(17 595)	624 518	695 435	689 867
Surplus/(Deficit)	(47 513)	(46 854)	22 189	22 189	(24 665)	(39 550)	(31 005)
Transfers recognised - capital	34 049	34 049	1 370	1 370	35 419	36 072	36 559
Contributions recognised - capital	666	666	333	333	999	-	-
Contributed assets	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	(12 798)	(12 140)	23 893	23 893	11 753	(3 478)	5 554
Taxation	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(12 798)	(12 140)	23 893	23 893	11 753	(3 478)	5 554
Attributable to minorities	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(12 798)	(12 140)	23 893	23 893	11 753	(3 478)	5 554
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(12 798)	(12 140)	23 893	23 893	11 753	(3 478)	5 554

CAPITAL BUDGET

Objective	2016/2017 Adjustment (Nov 2016)	2016/2017 Adjustment (Jan 2017)	2017/2018	2018/2019
Governance and Admin	4 935 000	8 056 600	3 283 500	2 437 050
Community and Safety Services	22 416 120	25 387 098	25 297 500	11 237 412
Economic Services	19 858 798	20 292 411	14 128 450	11 023 100
Trading Services	28 433 549	27 692 324	49 406 100	123 751 795
Total	75 643 467	81 428 433	92 115 550	148 449 357

The projected funding of the capital budget is as follows:

Funding Source	2016/2017 Adjustment (Nov 2016)	2016/2017 Adjustment (Jan 2017)	2017/2018	2018/2019
National Government	24 639 649	25 939 649	21 722 000	32 759 000
Provincial Government	9 409 000	9 479 241	14 350 000	3 800 000
Public Contributions	666 000	999 000	-	-
Loans	-	-	15 000 000	68 227 195
Own Funds	40 928 818	45 010 543	41 043 550	43 663 162
Total	75 643 467	81 428 433	92 115 550	148 449 357

Section 4 - Adjustment budget tables

The adjustments budget tables B1 to B10 are listed below.

The adjustments budget supporting tables (SB1 to SB20) are attached and listed separately.

Table B1 – Adjustments Budget Summary

WC015 Swartland - Table B1 Adjustments Budget Summary - 26 January 2017							
Description	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	1 A1	6 F	7 G	8 H		
Financial Performance							
Property rates	85 129	85 129	–	–	85 129	92 899	100 561
Service charges	331 267	331 267	3 250	3 250	334 517	363 898	391 433
Investment revenue	17 300	17 300	6 500	6 500	23 800	17 300	17 300
Transfers recognised - operational	103 246	104 778	(8 248)	(8 248)	96 530	122 216	87 189
Other own revenue	56 785	56 785	3 093	3 093	59 877	59 572	62 378
Total Revenue (excluding capital transfers and contributions)	593 726	595 258	4 595	4 595	599 853	655 885	658 862
Employee costs	175 657	175 657	(1 221)	(1 221)	174 437	183 962	198 062
Remuneration of councillors	9 243	9 243	–	–	9 243	9 797	10 385
Depreciation & asset impairment	83 678	83 678	(1 500)	(1 500)	82 178	91 981	93 725
Finance charges	13 923	13 923	–	–	13 923	28 448	27 138
Materials and bulk purchases	212 388	212 388	(6 221)	(6 221)	206 167	224 831	246 671
Transfers and grants	2 137	2 137	(30)	(30)	2 107	2 137	2 206
Other expenditure	144 213	145 087	(8 623)	(8 623)	136 464	154 280	111 679
Total Expenditure	641 239	642 113	(17 595)	(17 595)	624 518	695 435	689 867
Surplus/(Deficit)	(47 513)	(46 854)	22 189	22 189	(24 665)	(39 550)	(31 005)
Transfers recognised - capital	34 049	34 049	1 370	1 370	35 419	36 072	36 559
Contributions recognised - capital & contributed assets	666	666	333	333	999	–	–
Surplus/(Deficit) after capital transfers & contributions	(12 798)	(12 140)	23 893	23 893	11 753	(3 478)	5 554
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	(12 798)	(12 140)	23 893	23 893	11 753	(3 478)	5 554
Capital expenditure & funds sources							
Capital expenditure	74 690	75 643	5 785	5 785	81 428	92 116	148 449
Transfers recognised - capital	34 049	34 049	1 370	1 370	35 419	36 072	36 559
Public contributions & donations	666	666	333	333	999	–	–
Borrowing	–	–	–	–	–	15 000	68 227
Internally generated funds	39 975	40 929	4 082	4 082	45 011	41 044	43 663
Total sources of capital funds	74 690	75 643	5 785	5 785	81 428	92 116	148 449

WC015 Swartland - Table B1 Adjustments Budget Summary - 26 January 2017

Description	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted 1	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
Financial position							
Total current assets	335 897	335 897	93 477	93 477	429 374	431 136	421 635
Total non current assets	1 792 536	1 792 536	(68 340)	(68 340)	1 724 196	1 790 286	1 842 507
Total current liabilities	114 647	114 647	(5 476)	(5 476)	109 171	145 172	192 909
Total non current liabilities	191 015	191 015	-	-	191 015	270 507	264 766
Community wealth/Equity	1 822 772	1 822 772	30 613	30 613	1 853 385	1 805 744	1 806 467
Cash flows							
Net cash from (used) operating	82 199	82 857	31 313	31 313	114 170	114 466	134 222
Net cash from (used) investing	(74 469)	(75 422)	(5 785)	(5 785)	(81 207)	(91 893)	(148 229)
Net cash from (used) financing	(4 462)	(4 462)	-	-	(4 462)	(7 422)	(9 486)
Cash/cash equivalents at the year end	230 191	229 896	97 739	97 739	327 634	342 785	319 292
Cash backing/surplus reconciliation							
Cash and investments available	230 191	230 191	97 739	97 739	327 930	342 785	319 292
Application of cash and investments	101 763	101 763	10 978	10 978	112 741	199 990	165 455
Balance - surplus (shortfall)	128 428	128 428	86 761	86 761	215 189	142 795	153 837
Asset Management							
Asset register summary (WDV)	1 792 367	1 792 367	(28 134)	(28 134)	1 764 233	1 790 137	1 842 380
Depreciation & asset impairment	83 678	83 678	(1 500)	(1 500)	82 178	91 981	93 725
Renewal of Existing Assets	38 310	38 310	(703)	(703)	37 607	50 130	107 575
Repairs and Maintenance	46 868	47 033	(840)	(840)	46 193	52 669	24 963
Free services							
Cost of Free Basic Services provided	-	-	-	-	-	-	-
Revenue cost of free services provided	60 862	60 862	-	-	60 862	66 642	72 690
Households below minimum service level							
Water:	-	-	-	-	-	-	-
Sanitation/sew erage:	3	-	-	-	3	3	3
Energy :	1	-	-	-	1	1	1
Refuse:	114	-	-	-	114	114	114

Table B2 – Adjustments Budgeted Financial Performance (revenue and expenditure by standard classification)

WC015 Swartland - Table B2 Adjustments Budget Financial Performance (standard classification) - 26 January 2017							
Standard Description	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted 5	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
Revenue - Standard							
<i>Governance and administration</i>	133 242	133 590	6 980	6 980	140 570	147 631	159 807
Executive and council	125	263	200	200	463	125	125
Budget and treasury office	129 014	129 226	6 720	6 720	135 946	143 315	155 323
Corporate services	4 102	4 102	60	60	4 162	4 190	4 359
<i>Community and public safety</i>	78 534	79 717	(8 613)	(8 613)	71 105	82 214	52 513
Community and social services	11 640	11 640	(904)	(904)	10 736	16 700	8 559
Sport and recreation	17 770	18 953	332	332	19 285	13 669	11 071
Public safety	28 896	28 896	-	-	28 896	31 155	32 655
Housing	20 228	20 228	(8 040)	(8 040)	12 188	20 690	228
Health	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	30 281	30 281	903	903	31 184	34 084	9 511
Planning and development	2 469	2 469	570	570	3 039	2 528	2 633
Road transport	27 813	27 813	333	333	28 146	31 556	6 879
Environmental protection	-	-	-	-	-	-	-
<i>Trading services</i>	386 361	386 361	7 028	7 028	393 388	428 004	473 365
Electricity	241 995	241 995	2 647	2 647	244 642	257 623	286 484
Water	59 467	59 467	1 600	1 600	61 067	70 469	87 306
Waste water management	51 681	51 681	2 200	2 200	53 881	64 971	62 555
Waste management	33 218	33 218	581	581	33 799	34 940	37 019
<i>Other</i>	23	23	-	-	23	25	225
Total Revenue - Standard	628 441	629 973	6 298	6 298	636 271	691 957	695 421
Expenditure - Standard							
<i>Governance and administration</i>	96 491	96 840	(1 132)	(1 132)	95 708	96 365	103 458
Executive and council	21 390	21 527	(875)	(875)	20 652	21 598	22 840
Budget and treasury office	39 689	39 901	(621)	(621)	39 280	41 877	46 166
Corporate services	35 412	35 412	364	364	35 776	32 890	34 452
<i>Community and public safety</i>	103 223	103 388	(11 768)	(11 768)	91 620	106 458	92 268
Community and social services	17 744	17 744	(1)	(1)	17 743	18 565	19 843
Sport and recreation	21 291	21 456	(1 158)	(1 158)	20 298	21 107	22 868
Public safety	40 023	40 023	(342)	(342)	39 680	42 144	45 273
Housing	24 165	24 165	(10 267)	(10 267)	13 898	24 643	4 283
Health	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	89 028	89 028	(136)	(136)	88 892	100 615	74 297
Planning and development	12 640	12 640	75	75	12 715	12 779	13 579
Road transport	76 388	76 388	(211)	(211)	76 177	87 836	60 718
Environmental protection	-	-	-	-	-	-	-
<i>Trading services</i>	351 194	351 554	(4 528)	(4 528)	347 025	390 668	418 393
Electricity	216 746	216 746	(29)	(29)	216 717	234 479	254 154
Water	59 525	59 735	(4 834)	(4 834)	54 901	78 457	83 373
Waste water management	45 409	45 559	476	476	46 035	46 349	47 312
Waste management	29 514	29 514	(142)	(142)	29 372	31 383	33 554
<i>Other</i>	1 303	1 303	(30)	(30)	1 273	1 328	1 452
Total Expenditure - Standard	641 239	642 113	(17 595)	(17 595)	624 518	695 435	689 867
Surplus/ (Deficit) for the year	(12 798)	(12 140)	23 893	23 893	11 753	(3 478)	5 554

Table B3 – Adjustments Budgeted Financial Performance (revenue and expenditure by municipal vote)

WC015 Swartland - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 26 January 2017							
Vote Description	Budget Year 2016/17					Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
Revenue by Vote							
Vote 1 - Corporate Services	10 510	10 510	40	40	10 550	8 042	8 814
Vote 2 - Civil Services	185 167	186 350	5 061	5 061	191 411	210 444	199 418
Vote 3 - Council	125	125	200	200	325	125	125
Vote 4 - Electricity Services	241 995	241 995	2 647	2 647	244 642	257 623	286 484
Vote 5 - Financial Services	129 014	129 226	6 720	6 720	135 946	143 315	155 323
Vote 6 - Development Services	26 302	26 302	(8 370)	(8 370)	17 932	34 657	5 835
Vote 7 - Municipal Manager	-	137	-	-	137	-	-
Vote 8 - Protection Services	35 328	35 328	-	-	35 328	37 749	39 422
Total Revenue by Vote	628 441	629 973	6 298	6 298	636 271	691 957	695 421
Expenditure by Vote							
Vote 1 - Corporate Services	23 869	23 869	844	844	24 712	25 046	27 087
Vote 2 - Civil Services	240 547	241 072	(6 359)	(6 359)	234 713	269 573	251 995
Vote 3 - Council	14 678	14 678	(205)	(205)	14 473	15 531	16 342
Vote 4 - Electricity Services	226 664	226 664	(42)	(42)	226 622	244 413	264 876
Vote 5 - Financial Services	39 689	39 901	(621)	(621)	39 280	41 877	46 166
Vote 6 - Development Services	41 452	41 452	(10 199)	(10 199)	31 253	42 560	23 236
Vote 7 - Municipal Manager	6 712	6 849	(670)	(670)	6 179	6 066	6 498
Vote 8 - Protection Services	47 628	47 628	(342)	(342)	47 286	50 366	53 668
Total Expenditure by Vote	641 239	642 113	(17 595)	(17 595)	624 518	695 435	689 867
Surplus/ (Deficit) for the year	(12 798)	(12 140)	23 893	23 893	11 753	(3 478)	5 554

Table B4 – Adjustments Budgeted Financial Performance (revenue and expenditure)

WC015 Swartland - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 26 January 2017							
Description	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
Revenue By Source							
Property rates	85 129	85 129	-	-	85 129	92 899	100 561
Property rates - penalties & collection charge	-	-	-	-	-	-	-
Service charges - electricity revenue	235 449	235 449	1 150	1 150	236 599	252 807	271 264
Service charges - water revenue	46 904	46 904	700	700	47 604	59 926	67 300
Service charges - sanitation revenue	28 509	28 509	900	900	29 409	29 972	30 885
Service charges - refuse revenue	20 405	20 405	500	500	20 905	21 193	21 984
Service charges - other	-	-	-	-	-	-	-
Rental of facilities and equipment	3 586	3 586	-	-	3 586	3 759	3 940
Interest earned - external investments	17 300	17 300	6 500	6 500	23 800	17 300	17 300
Interest earned - outstanding debtors	1 483	1 483	-	-	1 483	1 495	1 509
Dividends received	-	-	-	-	-	-	-
Fines	28 236	28 236	-	-	28 236	30 236	32 237
Licences and permits	3 475	3 475	-	-	3 475	3 491	3 509
Agency services	2 939	2 939	-	-	2 939	3 086	3 240
Transfers recognised - operational	103 246	104 778	(5 888)	(5 888)	98 890	122 216	87 189
Other revenue	16 866	16 866	3 093	3 093	19 959	17 303	17 743
Gains on disposal of PPE	200	200	-	-	200	200	200
Total Revenue (excluding capital transfers and contributions)	593 726	595 258	6 955	6 955	602 213	655 885	658 862
Expenditure By Type							
Employee related costs	175 657	175 657	(1 221)	(1 221)	174 437	183 962	198 062
Remuneration of councillors	9 243	9 243	-	-	9 243	9 797	10 385
Debt impairment	17 983	17 983	-	-	17 983	19 062	20 206
Depreciation & asset impairment	83 678	83 678	(1 500)	(1 500)	82 178	91 981	93 725
Finance charges	13 923	13 923	-	-	13 923	28 448	27 138
Bulk purchases	212 388	212 388	(6 221)	(6 221)	206 167	224 831	246 671
Other materials	-	-	-	-	-	-	-
Contracted services	4 239	4 239	-	-	4 239	4 467	4 762
Transfers and grants	2 137	2 137	(30)	(30)	2 107	2 137	2 206
Other expenditure	119 740	120 613	(6 263)	(6 263)	114 351	128 387	84 229
Loss on disposal of PPE	2 251	2 251	-	-	2 251	2 364	2 482
Total Expenditure	641 239	642 113	(15 235)	(15 235)	626 878	695 435	689 867
Surplus/(Deficit)	(47 513)	(46 854)	22 189	22 189	(24 665)	(39 550)	(31 005)
Transfers recognised - capital	34 049	34 049	1 370	1 370	35 419	36 072	36 559
Contributions recognised - capital	666	666	333	333	999	-	-
Contributed assets	-	-	-	-	-	-	-
Surplus/(Deficit) before taxation	(12 798)	(12 140)	23 893	23 893	11 753	(3 478)	5 554
Taxation							
Surplus/(Deficit) after taxation	(12 798)	(12 140)	23 893	23 893	11 753	(3 478)	5 554
Attributable to minorities							
Surplus/(Deficit) attributable to municipality	(12 798)	(12 140)	23 893	23 893	11 753	(3 478)	5 554
Share of surplus/ (deficit) of associate							
Surplus/ (Deficit) for the year	(12 798)	(12 140)	23 893	23 893	11 753	(3 478)	5 554

Table B5 – Adjustments Budgeted Capital Expenditure by vote, standard classification and funding

WC015 Swartland - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 26 January 2017							
Description	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget A	Prior Adjusted A1	Other Adjusts. F	Total Adjusts. G	Adjusted Budget H	Adjusted Budget	Adjusted Budget
R thousands							
Capital expenditure - Vote							
Multi-year expenditure to be adjusted							
Vote 1 - Corporate Services	3 000	3 000	–	–	3 000	–	–
Vote 2 - Civil Services	6 250	6 250	4 350	4 350	10 600	39 815	100 843
Vote 8 - Protection Services	225	225	(225)	(225)	–	900	400
Capital multi-year expenditure sub-total	9 475	9 475	5 145	5 145	14 620	40 715	101 243
Single-year expenditure to be adjusted							
Vote 1 - Corporate Services	1 075	1 075	3 103	3 103	4 178	247	450
Vote 2 - Civil Services	50 523	51 477	(3 057)	(3 057)	48 420	27 599	23 031
Vote 3 - Council	805	805	(100)	(100)	705	806	806
Vote 4 - Electricity Services	8 441	8 441	–	–	8 441	9 230	19 352
Vote 5 - Financial Services	15	15	6	6	21	536	1 187
Vote 6 - Development Services	4 020	4 020	400	400	4 420	10 762	1 064
Vote 7 - Municipal Manager	50	50	63	63	113	6	6
Vote 8 - Protection Services	285	285	225	225	510	2 216	1 313
Capital single-year expenditure sub-total	65 215	66 168	640	640	66 808	51 401	47 207
Total Capital Expenditure - Vote	74 690	75 643	5 785	5 785	81 428	92 116	148 449
Capital Expenditure - Standard							
Governance and administration	4 935	4 935	3 122	3 122	8 057	3 284	2 437
Executive and council	855	855	(37)	(37)	818	811	812
Budget and treasury office	15	15	6	6	21	536	1 187
Corporate services	4 065	4 065	3 153	3 153	7 218	1 937	439
Community and public safety	22 416	22 416	2 971	2 971	25 387	25 298	11 237
Community and social services	1 530	1 530	(950)	(950)	580	11 074	1 097
Sport and recreation	17 356	17 356	1 551	1 551	18 907	11 108	8 428
Public safety	510	510	–	–	510	3 116	1 713
Housing	3 020	3 020	2 370	2 370	5 390	–	–
Health	–	–	–	–	–	–	–
Economic and environmental services	18 905	19 859	434	434	20 292	14 128	11 023
Planning and development	40	40	–	–	40	42	44
Road transport	18 865	19 819	434	434	20 252	14 086	10 979
Environmental protection	–	–	–	–	–	–	–
Trading services	28 434	28 434	(741)	(741)	27 692	49 406	123 752
Electricity	8 441	8 441	–	–	8 441	9 230	19 352
Water	9 615	9 615	219	219	9 834	19 304	81 514
Waste water management	8 834	8 834	(1 369)	(1 369)	7 465	20 356	20 388
Waste management	1 543	1 543	410	410	1 953	516	2 498
Other	–	–	–	–	–	–	–
Total Capital Expenditure - Standard	74 690	75 643	5 785	5 785	81 428	92 116	148 449
Funded by:							
National Government	24 640	24 640	1 300	1 300	25 940	21 722	32 759
Provincial Government	9 409	9 409	70	70	9 479	14 350	3 800
Total Capital transfers recognised	34 049	34 049	1 370	1 370	35 419	36 072	36 559
Public contributions & donations	666	666	333	333	999	–	–
Borrowing	–	–	–	–	–	15 000	68 227
Internally generated funds	39 975	40 929	4 082	4 082	45 011	41 044	43 663
Total Capital Funding	74 690	75 643	5 785	5 785	81 428	92 116	148 449

Table B6 – Adjustments Budgeted Financial Position

WC015 Swartland - Table B6 Adjustments Budget Financial Position - 26 January 2017							
Description	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget A	Prior Adjusted A1	Other Adjusts. F	Total Adjusts. G	Adjusted Budget H	Adjusted Budget	Adjusted Budget
R thousands							
ASSETS							
Current assets							
Cash	230 191	230 191	110 000	110 000	340 192	328 568	305 076
Call investment deposits	–	–	–	–	–	–	–
Consumer debtors	60 417	60 417	(1 624)	(1 624)	58 792	68 564	77 419
Other debtors	37 864	37 864	(16 312)	(16 312)	21 553	26 579	31 716
Current portion of long-term receivables	21	21	–	–	21	21	21
Inventory	7 404	7 404	1 413	1 413	8 817	7 404	7 404
Total current assets	335 897	335 897	93 477	93 477	429 374	431 136	421 635
Non current assets							
Long-term receivables	169	169	–	–	169	148	127
Investments	–	–	–	–	–	–	–
Investment property	26 381	26 381	2 765	2 765	29 146	26 356	26 331
Investment in Associate	–	–	–	–	–	–	–
Property, plant and equipment	1 763 075	1 763 075	(70 699)	(70 699)	1 692 376	1 761 528	1 814 400
Agricultural	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–
Intangible	2 142	2 142	(407)	(407)	1 735	1 485	879
Other non-current assets	770	770	–	–	770	770	770
Total non current assets	1 792 536	1 792 536	(68 340)	(68 340)	1 724 196	1 790 286	1 842 507
TOTAL ASSETS	2 128 434	2 128 434	25 137	25 137	2 153 570	2 221 423	2 264 143
LIABILITIES							
Current liabilities							
Bank overdraft	–	–	–	–	–	–	–
Borrowing	5 263	5 263	–	–	5 263	7 664	7 695
Consumer deposits	10 069	10 069	–	–	10 069	10 673	11 313
Trade and other payables	92 650	92 650	(5 476)	(5 476)	87 173	119 819	166 500
Provisions	6 666	6 666	–	–	6 666	7 016	7 401
Total current liabilities	114 647	114 647	(5 476)	(5 476)	109 171	145 172	192 909
Non current liabilities							
Borrowing	124 093	124 093	–	–	124 093	196 892	186 735
Provisions	66 922	66 922	–	–	66 922	73 614	78 031
Total non current liabilities	191 015	191 015	–	–	191 015	270 507	264 766
TOTAL LIABILITIES	305 662	305 662	(5 476)	(5 476)	300 185	415 678	457 675
NET ASSETS	1 822 772	1 822 772	30 613	30 613	1 853 385	1 805 744	1 806 467
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)	1 722 539	1 722 539	30 613	30 613	1 753 152	1 705 512	1 706 235
Reserves	100 232	100 232	–	–	100 232	100 232	100 232
Minorities' interests	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	1 822 772	1 822 772	30 613	30 613	1 853 385	1 805 744	1 806 467

Table B7 – Adjustments Budgeted Cash Flows

WC015 Swartland - Table B7 Adjustments Budget Cash Flows - 26 January 2017							
Description	Budget Year 2016/17					Budget Year	Budget Year
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2017/18 Adjusted Budget	+2 2018/19 Adjusted Budget
R thousands	A	A1	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates, penalties & collection charges	82 703	82 703	(128)	(128)	82 575	90 252	97 696
Service charges	321 826	321 826	2 655	2 655	324 481	353 527	380 278
Other revenue	33 233	33 233	4 213	4 213	37 446	34 461	35 706
Government - operating	110 396	111 928	782	782	112 710	155 241	136 439
Government - capital	39 124	39 124	(332)	(332)	38 792	34 072	36 259
Interest	18 741	18 741	6 498	6 498	25 238	18 753	18 766
Dividends	-	-	-	-	-	-	-
Payments							
Suppliers and employees	(507 763)	(508 637)	17 595	17 595	(491 042)	(541 255)	(541 576)
Finance charges	(13 923)	(13 923)	-	-	(13 923)	(28 448)	(27 138)
Transfers and Grants	(2 137)	(2 137)	30	30	(2 107)	(2 137)	(2 206)
NET CASH FROM/(USED) OPERATING ACTIVITIES	82 199	82 857	31 313	31 313	114 170	114 466	134 222
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	200	200	-	-	200	200	200
Decrease (Increase) in non-current debtors	21	21	-	-	21	21	21
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-
Payments							
Capital assets	(74 690)	(75 643)	(5 785)	(5 785)	(81 428)	(92 115)	(148 450)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(74 469)	(75 422)	(5 785)	(5 785)	(81 207)	(91 893)	(148 229)
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	570	570	-	-	570	604	640
Payments							
Repayment of borrowing	(5 032)	(5 032)	-	-	(5 032)	(8 026)	(10 126)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4 462)	(4 462)	-	-	(4 462)	(7 422)	(9 486)
NET INCREASE/ (DECREASE) IN CASH HELD	3 268	2 973	25 528	25 528	28 500	15 151	(23 493)
Cash/cash equivalents at the year begin:	226 923	226 923	72 211	72 211	299 134	327 634	342 785
Cash/cash equivalents at the year end:	230 191	229 896	97 739	97 739	327 634	342 785	319 292

Table B8 – Adjustments Cash backed reserves/accumulated surplus reconciliation

WC015 Swartland - Table B8 Cash backed reserves/accumulated surplus reconciliation - 26 January 2017							
Description	Budget Year 2016/17					Budget Year +1 2017/18	Budget Year +2 2018/19
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
R thousands	A	A1	F	G	H		
Cash and investments available							
Cash/cash equivalents at the year end	230 191	229 896	97 739	97 739	327 634	342 785	319 292
Other current investments > 90 days	-	296	-	-	296	-	-
Non current assets - Investments	-	-	-	-	-	-	-
Cash and investments available:	230 191	230 191	97 739	97 739	327 930	342 785	319 292
Applications of cash and investments							
Unspent conditional transfers	2 407	2 407	1 707	1 707	4 113	26 429	75 379
Unspent borrowing	-	-	-	-	-	68 227	-
Statutory requirements	-	-	-	-	-	-	-
Other working capital requirements	(876)	(876)	9 271	9 271	8 395	5 101	(10 156)
Other provisions	-	-	-	-	-	-	-
Long term investments committed	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	100 232	100 232	-	-	100 232	100 232	100 232
Total Application of cash and investments:	101 763	101 763	10 978	10 978	112 741	199 990	165 455
Surplus(shortfall)	128 428	128 428	86 761	86 761	215 189	142 795	153 837

Table B9 – Adjustments Budget Asset Management

WC015 Swartland - Table B9 Asset Management - 26 January 2017							
Description	Budget Year 2016/17					Budget Year	Budget Year
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	+1 2017/18	+2 2018/19
R thousands	A	A1	F	G	H	Adjusted Budget	Adjusted Budget
CAPITAL EXPENDITURE							
Total New Assets to be adjusted	36 380	37 334	6 488	6 488	43 821	41 986	40 874
Infrastructure - Road transport	–	954	–	–	954	–	–
Infrastructure - Electricity	2 100	2 100	1 300	1 300	3 400	–	10 000
Infrastructure - Water	6 153	6 153	–	–	6 153	4 265	13 180
Infrastructure - Sanitation	250	250	–	–	250	10 250	4 870
Infrastructure	8 503	9 457	1 300	1 300	10 757	14 515	28 050
Community	21 387	21 387	663	663	22 050	23 337	8 909
Other assets	6 490	6 490	4 525	4 525	11 015	4 134	3 915
Total Renewal of Existing Assets to be adjusted	38 310	38 310	(703)	(703)	37 607	50 130	107 575
Infrastructure - Road transport	17 100	17 100	(33)	(33)	17 067	11 840	10 925
Infrastructure - Electricity	7 000	7 000	–	–	7 000	7 800	7 000
Infrastructure - Water	2 210	2 210	–	–	2 210	15 000	68 293
Infrastructure - Sanitation	5 500	5 500	–	–	5 500	10 065	15 300
Infrastructure	31 810	31 810	(33)	(33)	31 777	44 705	101 518
Other assets	6 500	6 500	(670)	(670)	5 830	5 425	6 058
Total Capital Expenditure to be adjusted							
Infrastructure - Road transport	17 100	18 054	(33)	(33)	18 021	11 840	10 925
Infrastructure - Electricity	9 100	9 100	1 300	1 300	10 400	7 800	17 000
Infrastructure - Water	8 363	8 363	–	–	8 363	19 265	81 473
Infrastructure - Sanitation	5 750	5 750	–	–	5 750	20 315	20 170
Infrastructure	40 313	41 267	1 267	1 267	42 534	59 220	129 568
Community	21 387	21 387	663	663	22 050	23 337	8 909
Other assets	12 990	12 990	3 855	3 855	16 845	9 559	9 973
TOTAL CAPITAL EXPENDITURE to be adjusted	74 690	75 643	5 785	5 785	81 428	92 116	148 449
ASSET REGISTER SUMMARY - PPE (WDV)							
Infrastructure - Road transport	543 415	543 415	(26 422)	(26 422)	516 994	525 402	506 549
Infrastructure - Electricity	312 129	312 129	3 591	3 591	315 720	307 040	311 374
Infrastructure - Water	277 817	277 817	388	388	278 205	279 684	342 702
Infrastructure - Sanitation	400 327	400 327	(8 106)	(8 106)	392 221	406 935	413 467
Infrastructure - Other	4 227	4 227	131	131	4 358	3 849	3 376
Infrastructure	1 537 915	1 537 915	(30 417)	(30 417)	1 507 498	1 522 909	1 577 468
Community	33 678	33 678	1 839	1 839	35 517	54 311	59 993
Heritage assets	770	770	–	–	770	770	770
Investment properties	26 381	26 381	2 765	2 765	29 146	26 356	26 331
Other assets	191 481	191 481	(1 913)	(1 913)	189 568	184 307	176 939
Intangibles	2 142	2 142	(407)	(407)	1 735	1 485	879
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	1 792 367	1 792 367	(28 134)	(28 134)	1 764 233	1 790 137	1 842 380
EXPENDITURE OTHER ITEMS							
Depreciation & asset impairment	83 678	83 678	(1 500)	(1 500)	82 178	91 981	93 725
Repairs and Maintenance by asset class	46 868	47 033	(840)	(840)	46 193	52 669	24 963
Infrastructure - Road transport	23 551	23 551	–	–	23 551	32 861	3 950
Infrastructure - Electricity	1 224	1 224	–	–	1 224	1 284	1 346
Infrastructure - Water	1 179	1 179	–	–	1 179	1 132	1 186
Infrastructure - Sanitation	1 983	1 983	490	490	2 473	1 972	2 066
Infrastructure - Other	4 705	4 705	–	–	4 705	4 940	5 187
Infrastructure	32 642	32 642	490	490	33 132	42 188	13 736
Community	1 960	2 125	(880)	(880)	1 245	791	826
Other assets	12 267	12 267	(450)	(450)	11 817	9 690	10 402
TOTAL EXPENDITURE OTHER ITEMS to be adjusted	130 546	130 711	(2 340)	(2 340)	128 371	144 649	118 688
Renewal of Existing Assets as % of total capex	51.3%	50.6%			46.2%	54.4%	72.5%
Renewal of Existing Assets as % of deprecn"	45.8%	45.8%			45.8%	54.5%	114.8%
R&M as a % of PPE	2.6%	2.6%			2.6%	2.9%	1.4%
Renewal and R&M as a % of PPE	4.8%	4.8%			4.7%	5.7%	7.2%

Table B10 – Adjustments Budget Basic service delivery measurement

WC015 Swartland - Table B10 Basic service delivery measurement - 26 January 2017							
Description	Budget Year 2016/17					Budget Year +1	Budget Year +2
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
	A	A1	F	G	H		
Households receiving Free Basic Service							
Water (6 kilolitres per household per month)	-	-	-	-	-	-	-
Sanitation (free minimum level service)	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	-	-	-	-	-	-	-
Refuse (removed at least once a week)	-	-	-	-	-	-	-
Cost of Free Basic Services provided (R'000)							
Water (6 kilolitres per household per month)	-	-	-	-	-	-	-
Sanitation (free sanitation service)	-	-	-	-	-	-	-
Electricity/other energy (50kwh per household per month)	-	-	-	-	-	-	-
Refuse (removed once a week)	-	-	-	-	-	-	-
Total cost of FBS provided (minimum social package)	-	-	-	-	-	-	-
Highest level of free service provided							
Property rates (R'000 value threshold)	80 000	80 000	-	-	80 000	80 000	80 000
Water (kilolitres per household per month)	8	8	-	-	8	7	6
Sanitation (kilolitres per household per month)	-	-	-	-	-	-	-
Sanitation (Rand per household per month)	194	194	-	-	194	206	218
Electricity (kw per household per month)	50	50	-	-	50	50	50
Refuse (average litres per week)	-	-	-	-	-	-	-
Revenue cost of free services provided (R'000)							
Property rates (R15 000 threshold rebate)	5 208	5 208	-	-	5 208	5 832	6 124
Property rates (other exemptions, reductions and rebates)	5 578	5 578	-	-	5 578	5 881	6 214
Water	6 785	6 785	-	-	6 785	7 431	8 140
Sanitation	19 244	19 244	-	-	19 244	21 125	23 285
Electricity/other energy	13 038	13 038	-	-	13 038	14 268	15 616
Refuse	11 009	11 009	-	-	11 009	12 105	13 312
Municipal Housing - rental rebates	-	-	-	-	-	-	-
Housing - top structure subsidies	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total revenue cost of free services provided (total social package)	60 862	60 862	-	-	60 862	66 642	72 690

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Measurable performance objectives and indicators

Changes to measurable performance objectives and indicators are included in the supporting tables (SB3) attached. These indicators are part of the indicators contained in the Service Delivery and Budget Implementation Plan, which again forms the basis of the performance contracts of the Municipal Manager and Senior Management.

Section 6 – Budget related policies

There are no changes to the budget related policies proposed in the adjustments budget.

Section 7 – Overview of budget assumptions

Budget Assumptions

There are no changes to the budget assumptions proposed in the adjustments budget.

Section 8 – Funding compliance

The adjustments budget is still cash – funded which is the first indicator of a “credible” budget. Funding levels remain positive as clearly depicted in Table B8. However, the municipality must continuously evaluate its cash position regardless of the increase trend for the past 2 audited financial years.

Section 9 – Overview of budget funding

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows as well as prior years' accumulated cash surpluses.

Section 10 – Expenditure on allocations and grant programmes

Grant allocations

Details of each grant to be received and spent are shown in the schedules SB7 to SB9 attached to the report.

Section 11 – Allocations and grants made by the Municipality

Allocations Made by the Municipality

Refer to supporting schedule SB10 for allocations made. Total allocations are as follows:

	2016/2017 (Nov 2016)	2016/2017 (Jan 2017)	2017/2018	2018/2019
External Entities	2 136 780	2 106 780	2 136 780	2 206 476

Any allocation made to an outside body must comply with the requirements of section 67 of the MFMA. This stipulates that before transferring funds to an outside organisation the Municipal Manager, as Accounting Officer, must be satisfied that the organisation or body has the capacity to comply with the agreement and has adequate financial management and other systems in place.

Section 12 – Councillor Allowances and employee benefits

Salaries, Allowances and Benefits

Details of Councillor Allowances and employee benefits are included in supporting table SB11 attached.

Section 13 – Monthly targets for revenue, expenditure and cash flow

Monthly Cash Flows by source

Supporting tables SB 12 to SB 17 show the adjusted monthly cash flows.

Section 14 – Adjustments to the quarterly service delivery and budget implementation plans – internal departments

Supporting table SB3 indicates the major adjustments.

Section 15 – Annual budgets and service delivery agreements – municipal entities and other external mechanisms

ENTITIES

The municipality does not have any entities.

Other Service Delivery Mechanisms

The municipality has service delivery agreements with external parties for the delivery of the Municipality's services.

Section 16 – Contracts having future budgetary implications

The 2016/2017 second adjustments budget does have an impact on the 2017/2018 operating budget as a result of the adjustment brought about by the Planning/Refurbishment of the Municipal Flats that amounts to R8 461 787 and will be completed in the 2017/2018 financial year and will not impact or affect the originally approved Tariffs over the MTREF;

Section 17 – Capital expenditure details

Capital expenditure details are listed in Supporting Table SB 18 to SB 19.

Section 18 – Municipal Manager’s quality certification

I, J Scholtz, Municipal Manager of Swartland Municipality, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the adjustments budget and supporting documents are consistent with the Integrated Development Plan of the Municipality.

J. J. Scholtz

Municipal Manager of Swartland Municipality (WC 015)

Signature



Date

19/01/2017