

Swartland Municipality

Second Adjustments Budget 2017/18 – 2019/20



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 2017/2018 MTREF was approved by Council on 25 May 2017 in accordance with Section 24(1) of the Local Government: Municipal Finance Management Act, 2003(Act 56 of 2003).

In line with the MFMA, the 2017/2018 approved Budget has been adjusted and approved on 31 January 2018. A **second adjustment budget** is required to approve additional funding received from Department of Local Government National Treasury.

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

Operating Budget

Revenue

Operating revenue must increase to R741 252 229 (the *difference in figures between the council item and this report is as a result of departmental charges excluded in the schedules*). The increase in operating revenue was influenced in the main by the following:

- 1) Grants and Subsidies: Capital must increase by R10 700 000 of which R7 700 000 is from Department of Local Government for Augmentation Initiatives and Drought Relief; and R3 000 000 from National Treasury as additional MIG funding.

Note: That the adjusted budget schedules as required by the Budget and Reporting Regulations be approved as well as the correction of the differences identified during the verification process of the original and adjustment budget schedules.

Capital Budget

Capital expenditure must increase by R 9 700 000. This increase is mainly due to the following adjustments:

- 1) An increase amounting to R7 700 000 for Water Augmentation Initiatives and Drought Relief. Water Network Expansion and New Boreholes will increase by R6 700 000 and Water Supply Mitigation by R1 000 000.
- 2) An increase amounting to R3 000 000 as additional MIG funding. Riebeeck Wes Housing: Streets and Storm water will increase by R2 177 940, Riebeeck Wes Housing: Water will increase by R622 060 and Sewerage: Moorreesburg by R200 000.
- 3) A decrease in own generated funds (CRR) amounting to R1 000 000 is due to the change in finance sources. Water Supply Mitigation (CRR) will decrease by R1 000 000. The municipality given the risk proactively allocated funding for this in anticipation of the additional grant allocated.

The following adjustments to the sources of financing are also proposed

- a. An increase in grant funding – R 10 700 000.
- b. A decrease in revenue from internally generated funds – R 1 000 000.

The revised forecasted expenditure can be summarised as follows:

| TYPE (R) | 2017/2018 (Original) | 2017/2018 (Adjusted) | 2017/2018 (2 nd Adjusted) | 2018/2019 | 2019/2020 |
|----------------|-------------------------|-------------------------|---|--------------------|--------------------|
| Operating Exp. | 652 565 978 | 656 944 809 | 656 944 809 | 664 991 400 | 697 769 144 |
| Capital | 81 242 586 | 100 373 122 | 110 073 122 | 79 995 064 | 84 275 813 |
| TOTAL | 733 808 564 | 757 317 931 | 767 017 931 | 744 986 464 | 782 044 957 |

Funding and Cash flows

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

| Source | 2017/2018 (Original) | 2017/2018 (Adjusted) | 2017/2018 (2 nd Adjusted) | 2018/2019 | 2019/2020 |
|---|-------------------------|-------------------------|---|--------------------|--------------------|
| Net cash from/(used) operating activities | 100 736 742 | 127 885 292 | 138 587 858 | 97 207 356 | 105 159 101 |
| Net cash from/(used) investing activities | (79 966 600) | (104 537 410) | (114 219 021) | (83 355 322) | (85 749 110) |
| Net cash from/(used) financing activities | (4 350 206) | (4 752 060) | (4 752 060) | (648 655) | (13 647 681) |
| Net increase/ (decrease) in cash held | 16 419 936 | 18 595 822 | 19 616 776 | 13 203 379 | 33 057 672 |
| Cash/cash equivalents at year begin: | 307 597 781 | 348 889 949 | 348 889 949 | 367 485 772 | 380 689 152 |
| Cash/cash equivalents at year end: | 324 017 717 | 367 485 771 | 368 506 725 | 380 689 152 | 413 746 824 |

As can be seen from the above illustrations, the municipality's cash resources are still envisaged to increase over the MTREF period.

Changes to allocations and grant adjustments

Full details regarding allocations and expenditure are disclosed in documentation forms SB7 to SB9.

Section 2 - Budget Related Resolutions

MTREF 2017/2018

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 2017/2018 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 2017/2018 Second Adjustments Budget is prepared on a multi-year basis, in line with the MFMA Municipal Budget and Reporting Regulations. The main reason for the adjustment budget is because of the additional funding that was received from Department of Local Government and National 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 2017/2018 will result in an increase of R9 700 000 which will increase the budget from R100 373 122 to R110 073 122.
- 3.2 The adjustments in respect of the operating budget for 2017/2018 will result that we move from a budgeted surplus of R 62 109 545 to a budgeted surplus of R 72 809 545. The aforementioned was realized by the additional grant funding in the capital budget.

The overall changes made to the 2017/2018 MTREF budget can be best illustrated in the table and schedules below.

OPERATING BUDGET

| Type | 2017/2018 (Original) | 2017/2018 (Adjusted) | 2017/2018 (2 nd Adjusted) | 2018/2019 | 2019/2020 |
|---|-------------------------|-------------------------|---|-------------------|-------------------|
| Revenue | 647 972 880 | 668 363 512 | 668 363 512 | 664 006 165 | 709 020 254 |
| Expenditure | 652 565 978 | 656 944 809 | 656 944 809 | 664 991 400 | 697 769 144 |
| Surplus/(Deficit) excl. Capital Grants | (4 593 105) | 11 418 703 | 11 418 703 | (985 235) | 11 251 111 |
| Capital Grants | 35 075 916 | 50 690 842 | 61 390 842 | 29 437 000 | 23 724 000 |
| Contributions | - | - | - | - | - |
| Surplus/(Deficit) incl. Capital Grants | 30 482 811 | 62 109 545 | 72 809 545 | 28 451 765 | 34 975 111 |

WC015 Swartland - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 29 March 2018

| Description | Budget Year 2017/18 | | | | | Budget Year | Budget Year |
|--|---------------------|----------------|----------------|----------------|-----------------|----------------------------|----------------------------|
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget | +1 2018/19 Adjusted Budget | +2 2019/20 Adjusted Budget |
| Revenue By Source | | | | | | | |
| Property rates | 96 960 | 96 960 | - | - | 96 960 | 104 222 | 112 026 |
| Service charges - electricity revenue | 250 396 | 250 396 | - | - | 250 396 | 267 249 | 285 018 |
| Service charges - water revenue | 53 538 | 53 538 | - | - | 53 538 | 59 828 | 66 865 |
| Service charges - sanitation revenue | 37 332 | 38 732 | - | - | 38 732 | 39 107 | 40 506 |
| Service charges - refuse revenue | 22 445 | 23 430 | - | - | 23 430 | 23 314 | 24 188 |
| Service charges - other | - | - | - | - | - | - | - |
| Rental of facilities and equipment | 1 302 | 1 302 | - | - | 1 302 | 1 346 | 1 400 |
| Interest earned - external investments | 21 876 | 30 280 | - | - | 30 280 | 23 127 | 24 384 |
| Interest earned - outstanding debtors | 1 564 | 1 564 | - | - | 1 564 | 1 689 | 1 824 |
| Dividends received | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 24 965 | 24 965 | - | - | 24 965 | 26 923 | 29 037 |
| Licences and permits | 3 579 | 3 579 | - | - | 3 579 | 3 753 | 3 936 |
| Agency services | 3 600 | 4 000 | - | - | 4 000 | 3 700 | 3 800 |
| Transfers and subsidies | 117 983 | 123 514 | - | - | 123 514 | 96 930 | 102 805 |
| Other revenue | 12 217 | 12 217 | - | (0) | 12 217 | 12 618 | 13 033 |
| Gains on disposal of PPE | 200 | 3 885 | - | - | 3 885 | 200 | 200 |
| Total Revenue (excluding capital transfers and contributions) | 647 957 | 668 364 | - | (0) | 668 364 | 664 006 | 709 020 |
| Expenditure By Type | | | | | | | |
| Employee related costs | 191 882 | 191 526 | - | - | 191 526 | 207 102 | 224 417 |
| Remuneration of councillors | 9 448 | 9 908 | - | - | 9 908 | 10 015 | 10 616 |
| Debt impairment | 15 718 | 16 373 | - | - | 16 373 | 17 058 | 18 419 |
| Depreciation & asset impairment | 83 983 | 83 983 | - | - | 83 983 | 85 948 | 88 837 |
| Finance charges | 13 507 | 13 507 | - | - | 13 507 | 13 065 | 12 524 |
| Bulk purchases | 208 391 | 205 391 | - | - | 205 391 | 225 669 | 244 416 |
| Other materials | 10 220 | 12 747 | - | - | 12 747 | 10 639 | 11 170 |
| Contracted services | 86 653 | 89 492 | - | - | 89 492 | 60 370 | 49 963 |
| Transfers and subsidies | 2 552 | 2 805 | - | - | 2 805 | 2 757 | 2 893 |
| Other expenditure | 27 833 | 28 850 | - | - | 28 850 | 29 886 | 31 909 |
| Loss on disposal of PPE | 2 364 | 2 364 | - | - | 2 364 | 2 482 | 2 606 |
| Total Expenditure | 652 550 | 656 945 | - | - | 656 945 | 664 991 | 697 769 |
| Surplus/(Deficit) | (4 593) | 11 419 | - | (0) | 11 419 | (985) | 11 251 |
| Transfers and subsidies - capital (monetary) | 35 076 | 50 691 | 10 700 | 10 700 | 61 391 | 29 437 | 23 724 |
| Transfers and subsidies - capital (in-kind - all) | - | - | - | - | - | - | - |
| Surplus/(Deficit) before taxation | 30 483 | 62 110 | 10 700 | 10 700 | 72 810 | 28 452 | 34 975 |
| Taxation | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | 30 483 | 62 110 | 10 700 | 10 700 | 72 810 | 28 452 | 34 975 |

CAPITAL BUDGET

| Objective | 2017/2018 (Original) | 2017/2018 (Adjusted) | 2017/2018 (2nd Adjusted) | 2018/2019 | 2019/2020 |
|-------------------------------|---------------------------------|---------------------------------|--|-------------------|-------------------|
| Governance and Admin | 12 893 150 | 10 900 500 | 10 900 500 | 2 476 550 | 2 777 115 |
| Community and Safety Services | 24 615 202 | 15 647 753 | 15 647 753 | 22 437 745 | 9 021 760 |
| Economic Services | 14 860 000 | 24 835 612 | 27 013 552 | 14 452 000 | 14 784 100 |
| Trading Services | 28 874 234 | 48 989 257 | 56 511 317 | 40 628 769 | 57 692 838 |
| Total | 81 242 586 | 100 373 122 | 110 073 122 | 79 995 064 | 84 275 813 |

The projected funding of the capital budget is as follows:

| Funding Source | 2017/2018 (Original) | 2017/2018 (Adjusted) | 2017/2018 (2nd Adjusted) | 2018/2019 | 2019/2020 |
|-----------------------|---------------------------------|---------------------------------|--|-------------------|-------------------|
| National Government | 24 608 000 | 24 608 000 | 27 608 000 | 22 637 000 | 23 724 000 |
| Provincial Government | 10 467 916 | 26 082 840 | 33 782 840 | 7 400 000 | - |
| Public Contributions | - | - | - | - | - |
| Loans | - | - | - | 4 895 645 | 19 335 700 |
| Own Funds | 46 166 670 | 49 682 282 | 48 682 282 | 45 062 419 | 41 216 113 |
| Total | 81 242 586 | 100 373 122 | 110 073 122 | 79 995 064 | 84 275 813 |

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 - 29 March 2018 | | | | | | |
|---|---------------------|----------------|----------------|-----------------|----------------------------|----------------------------|
| Description | Budget Year 2017/18 | | | | Budget Year | Budget Year |
| | Original Budget | Prior Adjusted | Total Adjusts. | Adjusted Budget | +1 2018/19 Adjusted Budget | +2 2019/20 Adjusted Budget |
| R thousands | A | A1 | G | H | | |
| Financial Performance | | | | | | |
| Property rates | 96 960 | 96 960 | – | 96 960 | 104 222 | 112 026 |
| Service charges | 363 711 | 366 096 | – | 366 096 | 389 498 | 416 576 |
| Investment revenue | 21 876 | 30 280 | – | 30 280 | 23 127 | 24 384 |
| Transfers recognised - operational | 117 983 | 123 514 | – | 123 514 | 96 930 | 102 805 |
| Other own revenue | 47 427 | 51 513 | – | 51 513 | 50 229 | 53 229 |
| Total Revenue (excluding capital transfers and contributions) | 647 957 | 668 364 | – | 668 364 | 664 006 | 709 020 |
| Employee costs | 191 882 | 191 526 | – | 191 526 | 207 102 | 224 417 |
| Remuneration of councillors | 9 448 | 9 908 | – | 9 908 | 10 015 | 10 616 |
| Depreciation & asset impairment | 83 983 | 83 983 | – | 83 983 | 85 948 | 88 837 |
| Finance charges | 13 507 | 13 507 | – | 13 507 | 13 065 | 12 524 |
| Materials and bulk purchases | 218 610 | 218 138 | – | 218 138 | 236 308 | 255 586 |
| Transfers and grants | 2 552 | 2 805 | – | 2 805 | 2 757 | 2 893 |
| Other expenditure | 132 568 | 137 079 | – | 137 079 | 109 796 | 102 897 |
| Total Expenditure | 652 550 | 656 945 | – | 656 945 | 664 991 | 697 769 |
| Surplus/(Deficit) | (4 593) | 11 419 | – | 11 419 | (985) | 11 251 |
| Transfers recognised - capital | 35 076 | 50 691 | 10 700 | 61 391 | 29 437 | 23 724 |
| Contributions recognised - capital & contributed a | – | – | – | – | – | – |
| Surplus/(Deficit) after capital transfers & contributions | 30 483 | 62 110 | 10 700 | 72 810 | 28 452 | 34 975 |
| Share of surplus/ (deficit) of associate | – | – | – | – | – | – |
| Surplus/ (Deficit) for the year | 30 483 | 62 110 | 10 700 | 72 810 | 28 452 | 34 975 |
| Capital expenditure & funds sources | | | | | | |
| Capital expenditure | 81 243 | 100 373 | 9 700 | 110 073 | 79 995 | 84 276 |
| Transfers recognised - capital | 35 076 | 50 691 | 10 700 | 61 391 | 30 037 | 23 724 |
| Public contributions & donations | – | – | – | – | – | – |
| Borrowing | – | – | – | – | 4 896 | 19 336 |
| Internally generated funds | 46 167 | 49 682 | (1 000) | 48 682 | 45 062 | 41 216 |
| Total sources of capital funds | 81 243 | 100 373 | 9 700 | 110 073 | 79 995 | 84 276 |

WC015 Swartland - Table B1 Adjustments Budget Summary - 29 March 2018

| Description | Budget Year 2017/18 | | | | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
|---|---------------------|------------------------------|-----------------------------|------------------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted 1 A1 | Total Adjusts. 7 G | Adjusted Budget 8 H | Adjusted Budget | Adjusted Budget |
| R thousands | A | A1 | G | H | | |
| Financial position | | | | | | |
| Total current assets | 443 248 | 478 958 | 1 000 | 479 958 | 520 473 | 583 833 |
| Total non current assets | 1 798 020 | 1 839 602 | 9 700 | 1 849 302 | 1 831 167 | 1 824 000 |
| Total current liabilities | 115 555 | 100 502 | - | 100 502 | 101 847 | 105 253 |
| Total non current liabilities | 189 406 | 187 925 | - | 187 925 | 191 199 | 209 012 |
| Community wealth/Equity | 1 936 306 | 2 030 132 | 10 700 | 2 040 832 | 2 058 594 | 2 093 569 |
| Cash flows | | | | | | |
| Net cash from (used) operating | 100 737 | 127 888 | 10 700 | 138 588 | 97 207 | 105 159 |
| Net cash from (used) investing | (79 967) | (104 540) | (9 700) | (114 240) | (83 355) | (85 749) |
| Net cash from (used) financing | (4 350) | (4 752) | - | (4 752) | (649) | 13 648 |
| Cash/cash equivalents at the year end | 324 018 | 367 486 | 1 000 | 368 486 | 380 689 | 413 747 |
| Cash backing/surplus reconciliation | | | | | | |
| Cash and investments available | 325 855 | 367 486 | 1 000 | 368 486 | 380 689 | 413 747 |
| Application of cash and investments | 135 929 | 134 034 | - | 134 034 | 110 068 | 93 372 |
| Balance - surplus (shortfall) | 189 925 | 233 452 | 1 000 | 234 452 | 270 621 | 320 374 |
| Asset Management | | | | | | |
| Asset register summary (WDV) | 1 798 138 | 1 798 138 | - | 1 798 138 | 1 789 703 | 1 782 537 |
| Depreciation & asset impairment | 83 983 | 83 983 | - | 83 983 | 85 948 | 88 837 |
| Renewal of Existing Assets | 13 302 | 13 357 | 822 | 14 179 | 19 266 | 42 964 |
| Repairs and Maintenance | 67 394 | 67 394 | - | 67 394 | 48 512 | 41 285 |
| Free services | | | | | | |
| Cost of Free Basic Services provided | 41 583 | 41 583 | - | 41 583 | 45 868 | 50 597 |
| Revenue cost of free services provided | 4 848 | 4 848 | - | 4 848 | 5 237 | 5 658 |
| Households below minimum service level | | | | | | |
| Water: | 3 | 3 | - | 3 | 3 | 3 |
| Sanitation/sew erage: | 1 | 1 | - | 1 | 1 | 1 |
| Energy: | 1 | 1 | - | 1 | 1 | 1 |
| Refuse: | 6 | 6 | - | 6 | 6 | 6 |

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

| WC015 Swartland - Table B2 Adjustments Budget Financial Performance (functional classification) - 29 March 2018 | | | | | | |
|---|---------------------|----------------|----------------|-----------------|----------------------------|----------------------------|
| Standard Description | Budget Year 2017/18 | | | | Budget Year | Budget Year |
| | Original Budget | Prior Adjusted | Total Adjusts. | Adjusted Budget | +1 2018/19 Adjusted Budget | +2 2019/20 Adjusted Budget |
| R thousands | A | 5 A1 | 11 G | 12 H | | |
| Revenue - Functional | | | | | | |
| <i>Governance and administration</i> | 155 692 | 168 132 | - | 168 132 | 171 731 | 186 278 |
| Executive and council | 237 | 237 | - | 237 | 239 | 242 |
| Finance and administration | 155 454 | 167 665 | - | 167 665 | 171 491 | 186 037 |
| Internal audit | - | 230 | - | 230 | - | - |
| <i>Community and public safety</i> | 43 674 | 60 442 | 2 800 | 63 242 | 23 883 | 18 828 |
| Community and social services | 9 567 | 12 728 | - | 12 728 | 9 931 | 9 425 |
| Sport and recreation | 10 848 | 10 604 | - | 10 604 | 10 252 | 9 203 |
| Public safety | 824 | 824 | - | 824 | 15 | 15 |
| Housing | 22 436 | 36 286 | 2 800 | 39 086 | 3 686 | 186 |
| Health | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | 58 255 | 62 079 | - | 62 079 | 42 628 | 40 763 |
| Planning and development | 3 205 | 3 205 | - | 3 205 | 3 318 | 3 430 |
| Road transport | 55 050 | 58 874 | - | 58 874 | 39 310 | 37 333 |
| Environmental protection | - | - | - | - | - | - |
| <i>Trading services</i> | 425 387 | 428 377 | 7 900 | 436 277 | 454 976 | 486 847 |
| Energy sources | 256 173 | 256 553 | - | 256 553 | 270 300 | 288 370 |
| Water management | 65 481 | 65 706 | 7 700 | 73 406 | 75 392 | 83 317 |
| Waste water management | 67 930 | 69 330 | 200 | 69 530 | 71 593 | 75 242 |
| Waste management | 35 803 | 36 788 | - | 36 788 | 37 691 | 39 917 |
| <i>Other</i> | 25 | 25 | - | 25 | 226 | 28 |
| Total Revenue - Functional | 683 033 | 719 054 | 10 700 | 729 754 | 693 443 | 732 744 |
| Expenditure - Functional | | | | | | |
| <i>Governance and administration</i> | 111 464 | 113 490 | - | 113 490 | 117 673 | 125 253 |
| Executive and council | 17 141 | 17 778 | - | 17 778 | 18 009 | 19 144 |
| Finance and administration | 92 773 | 94 033 | - | 94 033 | 98 026 | 104 396 |
| Internal audit | 1 550 | 1 680 | - | 1 680 | 1 638 | 1 713 |
| <i>Community and public safety</i> | 63 554 | 62 806 | - | 62 806 | 50 683 | 54 522 |
| Community and social services | 15 991 | 16 006 | - | 16 006 | 17 033 | 18 101 |
| Sport and recreation | 23 441 | 22 821 | - | 22 821 | 24 411 | 26 538 |
| Public safety | 3 731 | 3 731 | - | 3 731 | 4 704 | 5 228 |
| Housing | 20 392 | 20 248 | - | 20 248 | 4 535 | 4 655 |
| Health | - | - | - | - | - | - |
| <i>Economic and environmental services</i> | 121 882 | 126 437 | - | 126 437 | 116 843 | 109 974 |
| Planning and development | 11 183 | 11 165 | - | 11 165 | 14 033 | 12 377 |
| Road transport | 110 699 | 115 272 | - | 115 272 | 102 810 | 97 597 |
| Environmental protection | - | - | - | - | - | - |
| <i>Trading services</i> | 354 301 | 352 863 | - | 352 863 | 378 323 | 406 479 |
| Energy sources | 216 917 | 216 488 | - | 216 488 | 232 677 | 250 334 |
| Water management | 55 443 | 53 985 | - | 53 985 | 59 501 | 64 444 |
| Waste water management | 52 113 | 52 080 | - | 52 080 | 54 084 | 56 806 |
| Waste management | 29 828 | 30 310 | - | 30 310 | 32 061 | 34 894 |
| <i>Other</i> | 1 349 | 1 349 | - | 1 349 | 1 468 | 1 542 |
| Total Expenditure - Functional | 652 550 | 656 945 | - | 656 945 | 664 991 | 697 769 |
| Surplus/ (Deficit) for the year | 30 483 | 62 110 | 10 700 | 72 810 | 28 452 | 34 975 |

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) - 29 March 2018 | | | | | | |
|---|----------------------|----------------------|---------------------|----------------------|------------------------|------------------------|
| Vote Description | Budget Year 2017/18 | | | | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| | Original Budget A | Prior Adjusted A1 | Total Adjusts. G | Adjusted Budget H | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | |
| Revenue by Vote | | | | | | |
| Vote 1 - Corporate Services | 8 629 | 8 749 | - | 8 749 | 9 236 | 9 644 |
| Vote 2 - Civil Services | 201 963 | 208 653 | 7 900 | 216 553 | 199 471 | 208 145 |
| Vote 3 - Council | 237 | 237 | - | 237 | 239 | 242 |
| Vote 4 - Electricity Services | 256 173 | 256 553 | - | 256 553 | 270 300 | 288 370 |
| Vote 5 - Financial Services | 152 005 | 164 095 | - | 164 095 | 168 119 | 182 491 |
| Vote 6 - Development Services | 29 437 | 46 448 | 2 800 | 49 248 | 10 904 | 6 658 |
| Vote 7 - Municipal Manager | - | 230 | - | 230 | - | - |
| Vote 8 - Protection Services | 34 589 | 34 089 | - | 34 089 | 35 173 | 37 194 |
| Vote 9 - [NAME OF VOTE 9] | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | - | - | - | - | - | - |
| Total Revenue by Vote | 683 033 | 719 054 | 10 700 | 729 754 | 693 443 | 732 744 |
| Expenditure by Vote | | | | | | |
| Vote 1 - Corporate Services | 27 487 | 27 323 | - | 27 323 | 29 651 | 31 640 |
| Vote 2 - Civil Services | 243 284 | 246 693 | - | 246 693 | 240 833 | 245 172 |
| Vote 3 - Council | 14 100 | 14 719 | - | 14 719 | 14 922 | 15 790 |
| Vote 4 - Electricity Services | 226 982 | 226 558 | - | 226 558 | 243 732 | 261 837 |
| Vote 5 - Financial Services | 45 768 | 46 359 | - | 46 359 | 48 581 | 52 350 |
| Vote 6 - Development Services | 38 888 | 38 762 | - | 38 762 | 26 203 | 25 350 |
| Vote 7 - Municipal Manager | 6 585 | 6 815 | - | 6 815 | 6 858 | 7 350 |
| Vote 8 - Protection Services | 49 457 | 49 715 | - | 49 715 | 54 212 | 58 280 |
| Vote 9 - [NAME OF VOTE 9] | - | - | - | - | - | - |
| Vote 10 - [NAME OF VOTE 10] | - | - | - | - | - | - |
| Total Expenditure by Vote | 652 550 | 656 945 | - | 656 945 | 664 991 | 697 769 |
| Surplus/ (Deficit) for the year | 30 483 | 62 110 | 10 700 | 72 810 | 28 452 | 34 975 |

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

| WC015 Swartland - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 29 March 2018 | | | | | | | |
|---|---------------------|----------------|----------------|----------------|-----------------|------------------------|------------------------|
| Description | Budget Year 2017/18 | | | | | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| | Original Budget | Prior Adjusted | Other Adjusts. | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| Revenue By Source | | | | | | | |
| Property rates | 96 960 | 96 960 | - | - | 96 960 | 104 222 | 112 026 |
| Service charges - electricity revenue | 250 396 | 250 396 | - | - | 250 396 | 267 249 | 285 018 |
| Service charges - water revenue | 53 538 | 53 538 | - | - | 53 538 | 59 828 | 66 865 |
| Service charges - sanitation revenue | 37 332 | 38 732 | - | - | 38 732 | 39 107 | 40 506 |
| Service charges - refuse revenue | 22 445 | 23 430 | - | - | 23 430 | 23 314 | 24 188 |
| Service charges - other | - | - | - | - | - | - | - |
| Rental of facilities and equipment | 1 302 | 1 302 | - | - | 1 302 | 1 346 | 1 400 |
| Interest earned - external investments | 21 876 | 30 280 | - | - | 30 280 | 23 127 | 24 384 |
| Interest earned - outstanding debtors | 1 564 | 1 564 | - | - | 1 564 | 1 689 | 1 824 |
| Dividends received | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 24 965 | 24 965 | - | - | 24 965 | 26 923 | 29 037 |
| Licences and permits | 3 579 | 3 579 | - | - | 3 579 | 3 753 | 3 936 |
| Agency services | 3 600 | 4 000 | - | - | 4 000 | 3 700 | 3 800 |
| Transfers and subsidies | 117 983 | 123 514 | - | - | 123 514 | 96 930 | 102 805 |
| Other revenue | 12 217 | 12 217 | - | (0) | 12 217 | 12 618 | 13 033 |
| Gains on disposal of PPE | 200 | 3 885 | - | - | 3 885 | 200 | 200 |
| Total Revenue (excluding capital transfers and contributions) | 647 957 | 668 364 | - | (0) | 668 364 | 664 006 | 709 020 |
| Expenditure By Type | | | | | | | |
| Employee related costs | 191 882 | 191 526 | - | - | 191 526 | 207 102 | 224 417 |
| Remuneration of councillors | 9 448 | 9 908 | - | - | 9 908 | 10 015 | 10 616 |
| Debt impairment | 15 718 | 16 373 | - | - | 16 373 | 17 058 | 18 419 |
| Depreciation & asset impairment | 83 983 | 83 983 | - | - | 83 983 | 85 948 | 88 837 |
| Finance charges | 13 507 | 13 507 | - | - | 13 507 | 13 065 | 12 524 |
| Bulk purchases | 208 391 | 205 391 | - | - | 205 391 | 225 669 | 244 416 |
| Other materials | 10 220 | 12 747 | - | - | 12 747 | 10 639 | 11 170 |
| Contracted services | 86 653 | 89 492 | - | - | 89 492 | 60 370 | 49 963 |
| Transfers and subsidies | 2 552 | 2 805 | - | - | 2 805 | 2 757 | 2 893 |
| Other expenditure | 27 833 | 28 850 | - | - | 28 850 | 29 886 | 31 909 |
| Loss on disposal of PPE | 2 364 | 2 364 | - | - | 2 364 | 2 482 | 2 606 |
| Total Expenditure | 652 550 | 656 945 | - | - | 656 945 | 664 991 | 697 769 |
| Surplus/(Deficit) | (4 593) | 11 419 | - | (0) | 11 419 | (985) | 11 251 |
| Transfers and subsidies - capital (monetary) | 35 076 | 50 691 | 10 700 | 10 700 | 61 391 | 29 437 | 23 724 |
| Transfers and subsidies - capital (in-kind - all) | - | - | - | - | - | - | - |
| Surplus/(Deficit) before taxation | 30 483 | 62 110 | 10 700 | 10 700 | 72 810 | 28 452 | 34 975 |
| Taxation | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | 30 483 | 62 110 | 10 700 | 10 700 | 72 810 | 28 452 | 34 975 |

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

| WC015 Swartland - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 29 March 2018 | | | | | | | |
|---|----------------------|----------------------|---------------------|---------------------|----------------------|------------------------|------------------------|
| Description | Budget Year 2017/18 | | | | | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| | 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 | - | - | - | - | - | - | - |
| Vote 2 - Civil Services | 19 931 | 17 979 | 200 | 200 | 18 179 | 24 611 | 34 627 |
| Vote 6 - Development Services | 7 663 | 15 174 | 2 800 | 2 800 | 17 974 | 6 500 | 1 000 |
| Vote 9 - [NAME OF VOTE 9] | - | - | - | - | - | - | - |
| Capital multi-year expenditure sub-total | 27 595 | 33 153 | 3 000 | 3 000 | 36 153 | 31 111 | 35 627 |
| Single-year expenditure to be adjusted | | | | | | | |
| Vote 1 - Corporate Services | 7 312 | 7 312 | - | - | 7 312 | 250 | 53 |
| Vote 2 - Civil Services | 23 465 | 29 185 | 6 700 | 6 700 | 35 885 | 30 652 | 35 691 |
| Vote 3 - Council | 6 | 6 | - | - | 6 | 6 | 662 |
| Vote 4 - Electricity Services | 12 425 | 12 685 | - | - | 12 685 | 9 516 | 9 900 |
| Vote 5 - Financial Services | 706 | 706 | - | - | 706 | 440 | 255 |
| Vote 6 - Development Services | 8 662 | 15 455 | - | - | 15 455 | 1 829 | 449 |
| Vote 7 - Municipal Manager | 6 | 6 | - | - | 6 | 6 | 10 |
| Vote 8 - Protection Services | 1 067 | 1 867 | - | - | 1 867 | 6 185 | 1 629 |
| Capital single-year expenditure sub-total | 53 648 | 67 220 | 6 700 | 6 700 | 73 920 | 48 884 | 48 649 |
| Total Capital Expenditure - Vote | 81 243 | 100 373 | 9 700 | 9 700 | 110 073 | 79 995 | 84 276 |
| Capital Expenditure - Functional | | | | | | | |
| <i>Governance and administration</i> | 12 893 | 10 901 | - | - | 10 901 | 2 477 | 2 777 |
| Executive and council | 11 | 11 | - | - | 11 | 12 | 672 |
| Finance and administration | 12 882 | 10 890 | - | - | 10 890 | 2 465 | 2 105 |
| <i>Community and public safety</i> | 24 615 | 15 648 | - | - | 15 648 | 22 438 | 9 022 |
| Community and social services | 2 086 | 5 485 | - | - | 5 485 | 3 648 | 1 268 |
| Sport and recreation | 8 744 | 9 343 | - | - | 9 343 | 9 446 | 6 969 |
| Public safety | 22 | 820 | - | - | 820 | 5 843 | 785 |
| Housing | 13 763 | - | - | - | - | 3 500 | - |
| <i>Economic and environmental services</i> | 14 860 | 24 836 | 2 178 | 2 178 | 27 014 | 14 452 | 14 784 |
| Planning and development | 150 | 212 | - | - | 212 | 150 | 150 |
| Road transport | 14 710 | 24 624 | 2 178 | 2 178 | 26 802 | 14 302 | 14 634 |
| <i>Trading services</i> | 28 874 | 48 989 | 7 522 | 7 522 | 56 511 | 40 629 | 57 693 |
| Energy sources | 10 800 | 11 230 | - | - | 11 230 | 8 630 | 8 500 |
| Water management | 4 455 | 12 388 | 7 322 | 7 322 | 19 710 | 8 715 | 7 732 |
| Waste water management | 13 103 | 14 462 | 200 | 200 | 14 662 | 20 785 | 34 092 |
| Waste management | 516 | 10 909 | - | - | 10 909 | 2 498 | 7 368 |
| Total Capital Expenditure - Functional | 81 243 | 100 373 | 9 700 | 9 700 | 110 073 | 79 995 | 84 276 |
| Funded by: | | | | | | | |
| National Government | 24 608 | 24 608 | 3 000 | 3 000 | 27 608 | 22 637 | 23 724 |
| Provincial Government | 10 468 | 26 083 | 7 700 | 7 700 | 33 783 | 7 400 | - |
| Transfers recognised - capital | 35 076 | 50 691 | 10 700 | 10 700 | 61 391 | 30 037 | 23 724 |
| Public contributions & donations | - | - | - | - | - | - | - |
| Borrowing | - | - | - | - | - | 4 896 | 19 336 |
| Internally generated funds | 46 167 | 49 682 | (1 000) | (1 000) | 48 682 | 45 062 | 41 216 |
| Total Capital Funding | 81 243 | 100 373 | 9 700 | 9 700 | 110 073 | 79 995 | 84 276 |

Table B6 – Adjustments Budgeted Financial Position

| WC015 Swartland - Table B6 Adjustments Budget Financial Position - 29 March 2018 | | | | | | |
|--|----------------------|----------------------|---------------------|----------------------|------------------------|------------------------|
| Description | Budget Year 2017/18 | | | | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| | Original Budget A | Prior Adjusted A1 | Total Adjusts. G | Adjusted Budget H | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash | 325 855 | 367 486 | 1 000 | 368 486 | 380 689 | 413 747 |
| Call investment deposits | - | - | - | - | - | - |
| Consumer debtors | 65 801 | 68 021 | - | 68 021 | 84 436 | 104 656 |
| Other debtors | 44 188 | 33 386 | - | 33 386 | 44 683 | 54 129 |
| Current portion of long-term receivables | - | 62 | - | 62 | 62 | 62 |
| Inventory | 7 404 | 10 003 | - | 10 003 | 10 604 | 11 240 |
| Total current assets | 443 248 | 478 958 | 1 000 | 479 958 | 520 473 | 583 833 |
| Non current assets | | | | | | |
| Long-term receivables | 169 | 6 | - | 6 | 6 | 6 |
| Investments | - | - | - | - | - | - |
| Investment property | 26 331 | 52 549 | - | 52 549 | 49 759 | 46 969 |
| Investment in Associate | - | - | - | - | - | - |
| Property, plant and equipment | 1 769 726 | 1 784 704 | 9 700 | 1 794 404 | 1 779 310 | 1 775 183 |
| Agricultural | - | - | - | - | - | - |
| Biological | - | - | - | - | - | - |
| Intangible | 1 794 | 1 573 | - | 1 573 | 1 322 | 1 072 |
| Other non-current assets | - | 770 | - | 770 | 770 | 770 |
| Total non current assets | 1 798 020 | 1 839 602 | 9 700 | 1 849 302 | 1 831 167 | 1 824 000 |
| TOTAL ASSETS | 2 241 268 | 2 318 559 | 10 700 | 2 329 259 | 2 351 640 | 2 407 833 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | - | - | - | - | - | - |
| Borrowing | 5 263 | 4 954 | - | 4 954 | 4 954 | 4 954 |
| Consumer deposits | 10 673 | 10 316 | - | 10 316 | 10 522 | 10 733 |
| Trade and other payables | 92 554 | 80 889 | - | 80 889 | 78 354 | 81 068 |
| Provisions | 7 066 | 4 342 | - | 4 342 | 8 017 | 8 498 |
| Total current liabilities | 115 555 | 100 502 | - | 100 502 | 101 847 | 105 253 |
| Non current liabilities | | | | | | |
| Borrowing | 119 138 | 123 019 | - | 123 019 | 118 269 | 131 706 |
| Provisions | 70 268 | 64 907 | - | 64 907 | 72 929 | 77 305 |
| Total non current liabilities | 189 406 | 187 925 | - | 187 925 | 191 199 | 209 012 |
| TOTAL LIABILITIES | 304 962 | 288 428 | - | 288 428 | 293 046 | 314 264 |
| NET ASSETS | 1 936 306 | 2 030 132 | 10 700 | 2 040 832 | 2 058 594 | 2 093 569 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | 1 792 022 | 1 884 178 | 10 700 | 1 894 878 | 1 908 785 | 1 936 099 |
| Reserves | 144 284 | 145 954 | - | 145 954 | 149 808 | 157 470 |
| TOTAL COMMUNITY WEALTH/EQUITY | 1 936 306 | 2 030 132 | 10 700 | 2 040 832 | 2 058 594 | 2 093 569 |

Table B7 – Adjustments Budgeted Cash Flows

| WC015 Swartland - Table B7 Adjustments Budget Cash Flows - 29 March 2018 | | | | | | |
|--|-------------------------|-------------------------|------------------------|-------------------------|------------------------------|------------------------------|
| Description | Budget Year 2017/18 | | | | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| | Original Budget A | Prior Adjusted A1 | Total Adjusts. G | Adjusted Budget H | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | |
| Receipts | | | | | | |
| Property rates | 92 112 | 92 112 | – | 92 112 | 99 011 | 106 424 |
| Service charges | 345 541 | 347 792 | – | 347 792 | 370 023 | 395 748 |
| Other revenue | 27 597 | 27 455 | – | 27 455 | 28 267 | 29 550 |
| Government - operating | 117 983 | 123 514 | – | 123 514 | 96 930 | 102 805 |
| Government - capital | 35 076 | 50 691 | 10 700 | 61 391 | 29 437 | 23 724 |
| Interest | 23 469 | 31 844 | – | 31 844 | 24 816 | 26 208 |
| Dividends | – | – | – | – | – | – |
| Payments | | | | | | |
| Suppliers and employees | (524 982) | (529 208) | – | (529 208) | (535 455) | (563 883) |
| Finance charges | (13 507) | (13 507) | – | (13 507) | (13 065) | (12 524) |
| Transfers and Grants | (2 552) | (2 805) | – | (2 805) | (2 757) | (2 893) |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | 100 737 | 127 887 858 | 10 700 | 138 588 | 97 207 | 105 159 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | |
| Receipts | | | | | | |
| Proceeds on disposal of PPE | 200 | 3 885 | – | 3 885 | 200 | 200 |
| Decrease (Increase) in non-current debtors | 21 | – | – | 21 | – | – |
| Decrease (increase) other non-current receivables | – | – | – | – | – | – |
| Decrease (increase) in non-current investments | – | – | – | – | – | – |
| Payments | | | | | | |
| Capital assets | (80 188) | (108 426) | (9 700) | (118 126) | (83 555) | (85 949) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | (79 967) | (104 540) | (9 700) | (114 219) | (83 355) | (85 749) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | |
| Receipts | | | | | | |
| Short term loans | – | – | – | – | – | – |
| Borrowing long term/refinancing | – | – | – | – | 4 896 | 19 336 |
| Increase (decrease) in consumer deposits | 604 | 202 | – | 202 | 206 | 210 |
| Payments | | | | | | |
| Repayment of borrowing | (4 954) | (4 954) | – | (4 954) | (5 751) | (5 898) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | (4 350) | (4 752) | – | (4 752) | (649) | 13 648 |
| NET INCREASE/ (DECREASE) IN CASH HELD | 16 420 | 18 596 | 1 000 | 19 617 | 13 203 | 33 058 |
| Cash/cash equivalents at the year begin: | 307 598 | 348 890 | – | 348 890 | 367 486 | 380 689 |
| Cash/cash equivalents at the year end: | 324 018 | 367 486 | 1 000 | 368 507 | 380 689 | 413 747 |

Table B8 – Adjustments Cash backed reserves/accumulated surplus reconciliation

| WC015 Swartland - Table B8 Cash backed reserves/accumulated surplus reconciliation - 29 March 2018 | | | | | | |
|--|-------------------------|-------------------------|---------------------|-------------------------|---------------------------|---------------------------|
| Description | Budget Year 2017/18 | | | | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| | Original Budget A | Prior Adjusted A1 | Total Adjusts. G | Adjusted Budget H | Adjusted Budget | Adjusted Budget |
| R thousands | | | | | | |
| Cash and investments available | | | | | | |
| Cash/cash equivalents at the year end | 324 018 | 367 486 | 1 000 | 368 486 | 380 689 | 413 747 |
| Other current investments > 90 days | - | (0) | - | (0) | - | - |
| Non current assets - Investments | - | - | - | - | - | - |
| Cash and investments available: | 324 018 | 367 486 | 1 000 | 368 486 | 380 689 | 413 747 |
| Applications of cash and investments | | | | | | |
| Unspent conditional transfers | 5 863 | 7 098 | - | 7 098 | 3 549 | 1 775 |
| Unspent borrowing | - | - | - | - | - | - |
| Statutory requirements | - | - | - | - | - | - |
| Other working capital requirements | (15 881) | (19 018) | - | (19 018) | (43 289) | (65 872) |
| Other provisions | - | - | - | - | - | - |
| Long term investments committed | - | - | - | - | - | - |
| Reserves to be backed by cash/investments | 144 284 | 145 954 | - | 145 954 | 149 808 | 157 470 |
| Total Application of cash and investments: | 134 266 | 134 034 | - | 134 034 | 110 068 | 93 372 |
| Surplus(shortfall) | 189 752 | 233 452 | 1 000 | 234 452 | 270 621 | 320 374 |

Table B9 – Adjustments Budget Asset Management

| WC015 Swartland - Table B9 Asset Management - 29 March 2018 | | | | | | |
|---|---------------------|----------------|----------------|-----------------|----------------------------|----------------------------|
| Description | Budget Year 2017/18 | | | | Budget Year | Budget Year |
| | Original Budget | Prior Adjusted | Total Adjusts. | Adjusted Budget | +1 2018/19 Adjusted Budget | +2 2019/20 Adjusted Budget |
| CAPITAL EXPENDITURE | | | | | | |
| <u>Total New Assets to be adjusted</u> | 43 008 | 49 884 | 8 878 | 58 762 | 45 362 | 16 495 |
| <i>Roads Infrastructure</i> | 10 770 | 9 942 | 2 178 | 12 120 | 3 278 | 400 |
| <i>Electrical Infrastructure</i> | 3 000 | 3 130 | - | 3 130 | - | - |
| <i>Water Supply Infrastructure</i> | 651 | 3 001 | 6 700 | 9 701 | 8 674 | 2 663 |
| <i>Sanitation Infrastructure</i> | 12 890 | 13 762 | - | 13 762 | 8 050 | 30 |
| <i>Solid Waste Infrastructure</i> | - | 200 | - | 200 | - | - |
| Infrastructure | 27 311 | 30 035 | 8 878 | 38 913 | 20 002 | 3 093 |
| Community Facilities | 2 900 | 2 582 | - | 2 582 | 2 150 | 550 |
| Sport and Recreation Facilities | 3 200 | 5 605 | - | 5 605 | 7 950 | 1 000 |
| Community Assets | 6 100 | 8 187 | - | 8 187 | 10 100 | 1 550 |
| Operational Buildings | 860 | 1 086 | - | 1 086 | - | - |
| Other Assets | 860 | 1 086 | - | 1 086 | - | - |
| Computer Equipment | 1 295 | 1 345 | - | 1 345 | 481 | 980 |
| Furniture and Office Equipment | 124 | 120 | - | 120 | 278 | 95 |
| Machinery and Equipment | 6 337 | 8 089 | - | 8 089 | 10 872 | 6 256 |
| Transport Assets | 981 | 1 022 | - | 1 022 | 3 629 | 4 521 |
| <u>Total Renewal of Existing Assets to be adjusted</u> | 13 302 | 13 357 | 822 | 14 179 | 19 266 | 42 964 |
| <i>Electrical Infrastructure</i> | 6 200 | 6 232 | - | 6 232 | 7 800 | 8 000 |
| <i>Water Supply Infrastructure</i> | 5 127 | 6 650 | 622 | 7 272 | 622 | 5 000 |
| <i>Sanitation Infrastructure</i> | 1 975 | 475 | 200 | 675 | 10 844 | 29 964 |
| Infrastructure | 13 302 | 13 357 | 822 | 14 179 | 19 266 | 42 964 |
| <u>Total Upgrading of Existing Assets to be adjusted</u> | 24 932 | 37 132 | - | 37 132 | 15 367 | 24 817 |
| <i>Roads Infrastructure</i> | 10 000 | 10 700 | - | 10 700 | 12 664 | 12 000 |
| <i>Storm water Infrastructure</i> | - | - | - | - | - | 3 220 |
| <i>Water Supply Infrastructure</i> | - | 1 274 | - | 1 274 | - | - |
| <i>Solid Waste Infrastructure</i> | - | 10 200 | - | 10 200 | - | 3 700 |
| Infrastructure | 10 000 | 22 174 | - | 22 174 | 12 664 | 18 920 |
| Community Facilities | 900 | 1 850 | - | 1 850 | 400 | - |
| Sport and Recreation Facilities | 6 972 | 6 048 | - | 6 048 | 2 303 | 5 897 |
| Community Assets | 7 872 | 7 898 | - | 7 898 | 2 703 | 5 897 |
| Housing | 7 060 | 7 060 | - | 7 060 | - | - |
| Other Assets | 7 060 | 7 060 | - | 7 060 | - | - |
| <u>Total Capital Expenditure to be adjusted</u> | 20 770 | 20 642 | 2 178 | 22 820 | 15 942 | 12 400 |
| <i>Roads Infrastructure</i> | 9 200 | 9 362 | - | 9 362 | 7 800 | 8 000 |
| <i>Electrical Infrastructure</i> | 5 778 | 10 926 | 7 322 | 18 248 | 9 296 | 7 663 |
| <i>Water Supply Infrastructure</i> | 14 865 | 14 237 | 200 | 14 437 | 18 894 | 29 994 |
| <i>Solid Waste Infrastructure</i> | - | 10 400 | - | 10 400 | - | 3 700 |
| Infrastructure | 50 613 | 65 567 | 9 700 | 75 267 | 51 932 | 64 977 |
| Community Facilities | 3 800 | 4 432 | - | 4 432 | 2 550 | 550 |
| Sport and Recreation Facilities | 10 172 | 11 653 | - | 11 653 | 10 253 | 6 897 |
| Community Assets | 13 972 | 16 085 | - | 16 085 | 12 803 | 7 447 |
| Operational Buildings | 860 | 1 086 | - | 1 086 | - | - |
| Housing | 7 060 | 7 060 | - | 7 060 | - | - |
| Other Assets | 7 920 | 8 146 | - | 8 146 | - | - |
| Computer Equipment | 1 295 | 1 345 | - | 1 345 | 481 | 980 |
| Furniture and Office Equipment | 124 | 120 | - | 120 | 278 | 95 |
| Machinery and Equipment | 6 337 | 8 089 | - | 8 089 | 10 872 | 6 256 |
| Transport Assets | 981 | 1 022 | - | 1 022 | 3 629 | 4 521 |
| TOTAL CAPITAL EXPENDITURE to be adjusted | 81 243 | 100 373 | 9 700 | 110 073 | 79 995 | 84 276 |

WC015 Swartland - Table B9 Asset Management - 29 March 2018

| Description | Budget Year 2017/18 | | | | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
|---|---------------------|-------------------|-------------------|--------------------|---------------------------|---------------------------|
| | Original Budget | Prior Adjusted | Total Adjusts. | Adjusted Budget | Adjusted Budget | Adjusted Budget |
| ASSET REGISTER SUMMARY - PPE (WDV) | | | | | | |
| <i>Roads Infrastructure</i> | 497 005 | 497 005 | - | 497 005 | 484 833 | 468 500 |
| <i>Storm water Infrastructure</i> | 121 474 | 121 474 | - | 121 474 | 117 257 | 116 272 |
| <i>Electrical Infrastructure</i> | 314 150 | 314 150 | - | 314 150 | 309 240 | 303 861 |
| <i>Water Supply Infrastructure</i> | 279 140 | 279 140 | - | 279 140 | 288 594 | 315 295 |
| <i>Sanitation Infrastructure</i> | 396 496 | 396 496 | - | 396 496 | 387 142 | 368 607 |
| <i>Solid Waste Infrastructure</i> | 4 056 | 4 056 | - | 4 056 | 3 115 | 5 368 |
| Infrastructure | 1 612 320 | 1 612 320 | - | 1 612 320 | 1 590 181 | 1 577 903 |
| Community Facilities | 6 818 | 6 818 | - | 6 818 | 7 738 | 6 628 |
| Sport and Recreation Facilities | 19 206 | 19 206 | - | 19 206 | 27 180 | 31 701 |
| Community Assets | 26 024 | 26 024 | - | 26 024 | 34 918 | 38 329 |
| Non-revenue Generating | 770 | 770 | - | 770 | 770 | 770 |
| Investment properties | 770 | 770 | - | 770 | 770 | 770 |
| Operational Buildings | 112 537 | 112 537 | - | 112 537 | 109 456 | 106 545 |
| Other Assets | 112 537 | 112 537 | - | 112 537 | 109 456 | 106 545 |
| Licences and Rights | 1 794 | 1 794 | - | 1 794 | 1 204 | 976 |
| Intangible Assets | 1 794 | 1 794 | - | 1 794 | 1 204 | 976 |
| Computer Equipment | 3 513 | 3 513 | - | 3 513 | 3 065 | 3 382 |
| Furniture and Office Equipment | 1 541 | 1 541 | - | 1 541 | 1 439 | 1 046 |
| Machinery and Equipment | 12 272 | 12 272 | - | 12 272 | 20 897 | 24 925 |
| Transport Assets | 27 368 | 27 368 | - | 27 368 | 27 774 | 28 660 |
| TOTAL ASSET REGISTER SUMMARY - PPE | 1 798 138 | 1 798 138 | - | 1 798 138 | 1 789 703 | 1 782 537 |
| EXPENDITURE OTHER ITEMS | | | | | | |
| Depreciation & asset impairment | 83 983 | 83 983 | - | 83 983 | 85 948 | 88 837 |
| Repairs and Maintenance by asset class | 67 394 | 67 394 | - | 67 394 | 48 512 | 41 285 |
| <i>Roads Infrastructure</i> | 28 200 | 28 200 | - | 28 200 | 15 904 | 6 212 |
| <i>Storm water Infrastructure</i> | 8 007 | 8 007 | - | 8 007 | 8 434 | 9 152 |
| <i>Electrical Infrastructure</i> | 1 875 | 1 875 | - | 1 875 | 1 995 | 2 123 |
| <i>Sanitation Infrastructure</i> | 2 544 | 2 544 | - | 2 544 | 2 668 | 2 798 |
| <i>Solid Waste Infrastructure</i> | 6 569 | 6 569 | - | 6 569 | 6 907 | 7 286 |
| Infrastructure | 47 196 | 47 196 | - | 47 196 | 35 908 | 27 571 |
| Community Facilities | 2 394 | 2 394 | - | 2 394 | 2 509 | 2 630 |
| Sport and Recreation Facilities | 692 | 692 | - | 692 | 618 | 645 |
| Community Assets | 3 086 | 3 086 | - | 3 086 | 3 127 | 3 275 |
| Operational Buildings | 11 | 11 | - | 11 | 12 | 12 |
| Housing | 8 492 | 8 492 | - | 8 492 | 30 | 30 |
| Other Assets | 8 503 | 8 503 | - | 8 503 | 42 | 42 |
| Licences and Rights | 2 836 | 2 836 | - | 2 836 | 3 119 | 3 431 |
| Intangible Assets | 2 836 | 2 836 | - | 2 836 | 3 119 | 3 431 |
| Computer Equipment | 508 | 508 | - | 508 | 537 | 568 |
| Furniture and Office Equipment | 195 | 195 | - | 195 | 205 | 217 |
| Machinery and Equipment | 837 | 837 | - | 837 | 890 | 947 |
| Transport Assets | 4 234 | 4 234 | - | 4 234 | 4 684 | 5 234 |
| TOTAL EXPENDITURE OTHER ITEMS to be | 151 377 | 151 377 | - | 151 377 | 134 460 | 130 121 |
| <i>Renewal and upgrading of Existing Assets</i> | 47.1% | 50.3% | | 46.6% | 43.3% | 80.4% |
| <i>Renewal and upgrading of Existing Assets</i> | 45.5% | 60.1% | | 61.1% | 40.3% | 76.3% |
| <i>R&M as a % of PPE</i> | 3.7% | 3.7% | | 3.7% | 2.7% | 2.3% |
| <i>Renewal and upgrading and R&M as a % o</i> | 5.9% | 6.6% | | 6.6% | 4.6% | 6.1% |

Table B10 – Adjustments Budget Basic service delivery measurement

| WC015 Swartland - Table B10 Basic service delivery measurement - 29 March 2018 | | | | | | |
|--|-------------------------|-------------------------|------------------------|-------------------------|---------------------------|---------------------------|
| Description | Budget Year 2017/18 | | | | Budget Year +1 2018/19 | Budget Year +2 2019/20 |
| | Original Budget A | Prior Adjusted A1 | Total Adjusts. G | Adjusted Budget H | Adjusted Budget | Adjusted Budget |
| Household service targets | | | | | | |
| <i>Water:</i> | | | | | | |
| Piped water inside dwelling | 32 872 | 32872 | - | 33 | 32 872 | 32 872 |
| Piped water inside yard (but not in dwelling) | 3 232 | 3232 | - | 3 | 3 232 | 3 232 |
| Using public tap (at least min.service level) | 55 | 55 | - | 0 | 55 | 55 |
| Other water supply (at least min.service level) | 158 | 158 | - | 0 | 158 | 158 |
| <i>Minimum Service Level and Above sub-total</i> | 36 317 | 36 | - | 36 | 36 317 | 36 317 |
| Using public tap (< min.service level) | - | 0 | - | - | - | - |
| Other water supply (< min.service level) | 2 822 | 2822 | - | 3 | 2 822 | 2 822 |
| <i>Below Minimum Service Level sub-total</i> | 2 822 | 3 | - | 3 | 2 822 | 2 822 |
| Total number of households | 39 139 | 39 | - | 39 | 39 139 | 39 139 |
| <i>Sanitation/sewerage:</i> | | | | | | |
| Flush toilet (connected to sewerage) | 33 744 | 33744 | - | 33 744 | 33 744 | 33 744 |
| Flush toilet (with septic tank) | 3 887 | 3887 | - | 3 887 | 3 887 | 3 887 |
| Chemical toilet | 29 | 29 | - | 29 | 29 | 29 |
| Pit toilet (ventilated) | 37 | 37 | - | 37 | 37 | 37 |
| Other toilet provisions (> min.service level) | 99 | 99 | - | 99 | 99 | 99 |
| <i>Minimum Service Level and Above sub-total</i> | 37 796 | 37 796 | - | 37 796 | 37 796 | 37 796 |
| Bucket toilet | 991 | 991 | - | 991 | 991 | 991 |
| Other toilet provisions (< min.service level) | 42 | 42 | - | 42 | 42 | 42 |
| No toilet provisions | 310 | 310 | - | 310 | 310 | 310 |
| <i>Below Minimum Service Level sub-total</i> | 1 343 | 1 343 | - | 1 343 | 1 343 | 1 343 |
| Total number of households | 39 139 | 39 139 | - | 39 139 | 39 139 | 39 139 |
| <i>Energy:</i> | | | | | | |
| Electricity (at least min. service level) | 38 631 | 38631 | - | 38 631 | 38 631 | 38 631 |
| Electricity - prepaid (> min.service level) | - | 0 | - | - | - | - |
| <i>Minimum Service Level and Above sub-total</i> | 38 631 | 38 631 | - | 38 631 | 38 631 | 38 631 |
| Other energy sources | 508 | 508 | - | 508 | 508 | 508 |
| <i>Below Minimum Service Level sub-total</i> | 508 | 508 | - | 508 | 508 | 508 |
| Total number of households | 39 139 | 39 139 | - | 39 139 | 39 139 | 39 139 |
| <i>Refuse:</i> | | | | | | |
| Removed at least once a week (min.service) | 32 675 | 32675 | - | 32 675 | 32 675 | 32 675 |
| <i>Minimum Service Level and Above sub-total</i> | 32 675 | 32 675 | - | 32 675 | 32 675 | 32 675 |
| Removed less frequently than once a week | 480 | 480 | - | 480 | 480 | 480 |
| Using communal refuse dump | 897 | 897 | - | 897 | 897 | 897 |
| Using own refuse dump | 4 863 | 4863 | - | 4 863 | 4 863 | 4 863 |
| Other rubbish disposal | 205 | 205 | - | 205 | 205 | 205 |
| No rubbish disposal | 19 | 19 | - | 19 | 19 | 19 |
| <i>Below Minimum Service Level sub-total</i> | 6 464 | 6 464 | - | 6 464 | 6 464 | 6 464 |
| Total number of households | 39 139 | 39 139 | - | 39 139 | 39 139 | 39 139 |
| Households receiving Free Basic Service | | | | | | |
| Water (6 kilolitres per household per month) | 8 801 | 8801 | - | 8 801 | 10 480 | 11 004 |
| Sanitation (free minimum level service) | 8 801 | 8801 | - | 8 801 | 10 480 | 11 004 |
| Electricity/other energy (50kwh per household per month) | 8 801 | 8801 | - | 8 801 | 10 480 | 11 004 |
| Refuse (removed at least once a week) | 8 801 | 8801 | - | 8 801 | 10 480 | 11 004 |
| Cost of Free Basic Services provided (R'000) | | | | | | |
| Water (6 kilolitres per household per month) | 6 338 634 | 6 339 | - | 6 339 | 7 099 270 | 7 951 182 |
| Sanitation (free sanitation service) | 20 699 719 | 20 700 | - | 20 700 | 22 769 691 | 25 046 660 |
| Electricity/other energy (50kwh per household per month) | 2 740 655 | 2 741 | - | 2 741 | 3 014 721 | 3 316 193 |
| Refuse (removed once a week) | 11 804 327 | 11 804 | - | 11 804 | 12 984 760 | 14 283 236 |
| Total cost of FBS provided (minimum social package) | 41 583 335 | 41 583 | - | 41 583 | 45 868 441 | 50 597 271 |
| 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) | 7 | 6 | - | 6 | 6 | 6 |
| Sanitation (Rand per household per month) | 206 | 206 | - | 206 | 218 | 231 |
| Electricity (kw per household per month) | 50 | 50 | - | 50 | 50 | 50 |
| Refuse (average litres per week) | 114 | 114 | - | 114 | 120 | 128 |
| Revenue cost of free services provided (R'000) | | | | | | |
| Property rates (R15 000 threshold rebate) | - | - | - | - | - | - |
| Property rates (other exemptions, reductions and rebates) | 4 848 327 | 4 848 | - | 4 848 | 5 236 609 | 5 657 927 |
| Total revenue cost of free services provided (total social) | 4 848 327 | 4 848 | - | 4 848 | 5 236 609 | 5 657 927 |

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 (other than adjustments which were already incorporated in the January 2018 adjustment budget) to the budget assumptions proposed in the second 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 envisaged inflows as well as prior years' accumulated cash surpluses.

Section 10 – Expenditure on allocations and grant programmes

Grant allocations

Details of the additional grants 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:

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 2017/2018 second adjustments budget does not have an impact on the 2018/2019 and 2019/2020 financial years;

Section 17 – Capital expenditure details

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

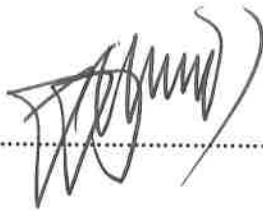
Section 18 – Municipal Manager’s quality certification

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

26 . 03 . 2018