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PART 1 - IN-YEAR REPORT

EXECUTIVE SUMMARY

Summary Statement of Financial Performance

Description	2014/2015 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
Operating Revenue	32,247,547	23,558,232	23,794,259	101.0%	73.8%
Operating Expenditure	29,311,877	19,875,436	19,207,666	96.6%	65.5%

The summary statement of financial performance indicates actual operating revenue realised of R23 794 million or 73.8% of the current budget and operating expenditure of R19 875 million or 65.5% of the current budget.

Details of revenue and expenditure by municipal vote are shown in Table C3 on page 6. Details of material variances and remedial action, where applicable, are shown on page 7 to page 12.

Detail of revenue by source and expenditure by type is shown in Table C4 on page 13. Detail of material variances and remedial action, where applicable, is shown on page 14 to page 17.

Summary Statement of Capital Budget Performance

2014/15 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
6,294,615	2,807,469	2,521,884	89.8%	40.1%

The year to date spend of R2 521 million represents 39.96% (R1 238 million) on internally-funded projects and 40.16% (R1 284 million) on externally-funded projects.

Details of capital expenditure are shown in Table C5 on page 18 and is categorised by municipal vote, standard classification and by funding source. Details of material variances and remedial action, where applicable, are shown on page 19 to page 21.

Table C1: Monthly budget statement summary

The table below provides a high-level summation of the City's operating- and capital budgets, actuals to date, financial position and cash flow.

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	5,546,774	5,942,513	5,964,279	4,509,609	4,385,242	124,367	2.8%	5,964,279
Service charges	13,903,679	15,262,264	15,184,641	11,371,158	11,299,762	71,396	0.6%	15,184,641
Investment revenue	461,053	275,762	275,762	391,337	273,110	118,227	43.3%	275,762
Transfers recognised - operational	2,399,033	3,498,169	3,499,390	2,398,476	2,535,772	(137,296)	-5.4%	3,499,390
Other own revenue	3,751,219	3,392,277	4,125,803	3,834,522	3,525,922	308,600	8.8%	4,125,803
Total Revenue (excluding capital transfers and contributions)	26,061,758	28,370,984	29,049,875	22,505,102	22,019,807	485,295	2.2%	29,049,875
Employee costs	8,640,854	8,940,483	8,811,403	6,526,541	6,669,937	(143,396)	-2.1%	8,811,403
Remuneration of Councillors	119,709	133,619	133,619	91,049	93,482	(2,433)	-2.6%	133,619
Depreciation & asset impairment	1,784,970	2,154,335	2,014,841	1,417,769	1,493,731	(75,962)	-5.1%	2,014,841
Finance charges	807,283	919,232	912,241	561,309	561,459	(150)	-0.0%	912,241
Materials and bulk purchases	6,890,385	7,437,129	7,437,129	5,015,312	5,005,981	9,330	0.2%	7,437,129
Transfers and grants	115,021	125,354	140,751	117,436	117,091	345	0.3%	140,751
Other expenditure	8,173,227	8,945,218	9,861,893	5,478,252	5,933,755	(455,504)	-7.7%	9,861,893
Total Expenditure	26,531,448	28,655,369	29,311,877	19,207,666	19,875,436	(667,770)	-3.4%	29,311,877
Surplus/(Deficit)	(469,690)	(284,384)	(262,001)	3,297,436	2,144,372	1,153,065	53.8%	(262,001)
Transfers recognised - capital	2,052,758	2,817,627	3,145,661	1,248,394	1,506,652	(258,259)	-17.1%	3,145,661
Contributions & Contributed assets	76,408	65,226	52,010	40,763	31,772	8,991	28.3%	52,010
Surplus/(Deficit) after capital transfers & contributions	1,659,476	2,598,469	2,935,671	4,586,593	3,682,796	903,797	24.5%	2,935,671
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	1,659,476	2,598,469	2,935,671	4,586,593	3,682,796	903,797	24.5%	2,935,671
Capital expenditure & funds sources								
Capital expenditure	4,502,293	6,211,315	6,294,615	2,521,884	2,807,469	(285,585)	-10.2%	6,092,199
Capital transfers recognised	2,053,319	2,809,834	3,146,949	1,248,394	1,480,572	(232,178)	-15.7%	3,154,693
Public contributions & donations	44,022	73,019	50,723	35,820	31,329	4,491	14.3%	48,723
Borrowing	1,856,889	2,350,301	2,277,157	985,535	1,009,196	(23,661)	-2.3%	2,270,063
Internally generated funds	548,064	978,161	819,787	252,135	286,372	(34,237)	-12.0%	618,720
Total sources of capital funds	4,502,293	6,211,315	6,294,615	2,521,884	2,807,469	(285,585)	-10.2%	6,092,199
Financial position								
Total current assets	9,904,353	10,530,544	10,422,517	15,396,739				10,422,517
Total non current assets	34,817,677	37,639,154	37,427,251	32,658,924				37,427,251
Total current liabilities	8,155,257	7,321,815	6,844,609	6,850,589				6,844,609
Total non current liabilities	12,450,101	13,001,051	13,881,057	12,610,768				13,881,057
Community wealth/Equity	24,116,672	27,846,832	27,124,102	28,594,306				27,124,102
Cash flows								
Net cash from (used) operating	4,515,574	5,618,991	5,055,142	5,230,032	4,218,624	(1,011,408)	-24.0%	5,055,142
Net cash from (used) investing	(6,089,508)	(6,478,138)	(7,300,493)	(2,783,811)	(3,471,048)	(687,237)	19.8%	(7,300,493)
Net cash from (used) financing	(283,067)	1,224,051	1,224,443	(241,258)	(242,684)	(1,426)	0.6%	1,224,443
Cash/cash equivalents at the month/year end	6,242,365	6,968,574	5,188,715	8,414,586	6,714,516			5,188,715

The ensuing tables provide further explanations on the year-to-date material variances reflected in the summary table.

Table C2: Monthly Budget Statement - Financial Performance (standard classification)

The table below is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

Description	2013/14	Budget Year 2014/15						Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance	
R thousands							%	
Revenue - Standard								
<i>Governance and administration</i>	9,725,371	10,461,359	10,475,408	8,850,606	8,581,879	268,728	3.1%	10,475,408
Executive and council	222,571	272,595	293,299	180,361	182,929	(2,568)	-1.4%	293,299
Budget and treasury office	9,325,485	9,890,543	9,896,230	8,510,706	8,257,741	252,965	3.1%	9,896,230
Corporate services	177,315	298,221	285,880	159,539	141,209	18,330	13.0%	285,880
<i>Community and public safety</i>	2,371,841	2,845,189	3,458,861	2,151,547	2,079,654	71,893	3.5%	3,458,861
Community and social services	83,749	136,417	116,216	82,689	82,276	413	0.5%	116,216
Sport and recreation	139,688	119,466	123,554	65,866	75,018	(9,151)	-12.2%	123,554
Public safety	803,168	231,113	994,603	996,867	736,445	260,422	35.4%	994,603
Housing	1,132,956	2,102,760	1,967,996	820,325	997,246	(176,922)	-17.7%	1,967,996
Health	212,279	255,433	256,493	185,800	188,669	(2,869)	-1.5%	256,493
<i>Economic and environmental services</i>	1,702,432	2,182,482	2,654,382	1,179,697	1,369,120	(189,424)	-13.8%	2,654,382
Planning and development	244,648	314,250	255,149	187,001	177,320	9,681	5.5%	255,149
Road transport	1,451,044	1,848,563	2,375,322	972,058	1,168,945	(196,887)	-16.8%	2,375,322
Environmental protection	6,740	19,669	23,910	20,637	22,855	(2,218)	-9.7%	23,910
<i>Trading services</i>	14,390,251	15,761,551	15,653,639	11,611,755	11,526,308	85,447	0.7%	15,653,639
Electricity	9,688,895	10,374,795	10,429,887	7,672,449	7,646,504	25,945	0.3%	10,429,887
Water	2,332,377	2,688,261	2,621,883	2,004,526	1,964,007	40,519	2.1%	2,621,883
Waste water management	1,375,489	1,640,951	1,562,693	1,136,705	1,124,231	12,474	1.1%	1,562,693
Waste management	993,490	1,057,543	1,039,175	798,074	791,566	6,509	0.8%	1,039,175
<i>Other</i>	1,030	3,258	5,258	655	1,271	(616)	-48.5%	5,258
Total Revenue - Standard	28,190,924	31,253,838	32,247,547	23,794,259	23,558,232	236,027	1.0%	32,247,547
Expenditure - Standard								
<i>Governance and administration</i>	6,101,339	5,450,165	5,537,219	3,733,410	3,825,519	(92,109)	-2.4%	5,537,219
Executive and council	868,121	818,634	887,770	557,913	615,109	(57,196)	-9.3%	887,770
Budget and treasury office	3,362,374	2,506,777	2,508,577	1,742,882	1,759,156	(16,274)	-0.9%	2,508,577
Corporate services	1,870,844	2,124,754	2,140,872	1,432,615	1,451,254	(18,639)	-1.3%	2,140,872
<i>Community and public safety</i>	5,338,007	6,155,784	6,560,422	3,788,567	4,035,939	(247,372)	-6.1%	6,560,422
Community and social services	469,116	508,334	523,916	374,946	390,435	(15,489)	-4.0%	523,916
Sport and recreation	1,242,113	1,315,435	1,332,487	894,563	948,754	(54,191)	-5.7%	1,332,487
Public safety	1,852,966	1,587,110	2,359,149	1,163,368	1,200,296	(36,928)	-3.1%	2,359,149
Housing	1,034,934	1,892,239	1,491,252	728,888	845,878	(116,990)	-13.8%	1,491,252
Health	738,879	852,667	853,619	626,802	650,576	(23,774)	-3.7%	853,619
<i>Economic and environmental services</i>	2,779,445	3,107,880	3,467,873	2,217,639	2,371,570	(153,931)	-6.5%	3,467,873
Planning and development	620,738	720,507	710,677	509,922	517,978	(8,056)	-1.6%	710,677
Road transport	2,068,358	2,291,386	2,654,877	1,633,071	1,773,101	(140,030)	-7.9%	2,654,877
Environmental protection	90,348	95,987	102,319	74,646	80,491	(5,845)	-7.3%	102,319
<i>Trading services</i>	12,259,142	13,877,328	13,684,821	9,417,360	9,591,787	(174,428)	-1.8%	13,684,821
Electricity	7,677,729	8,621,654	8,454,860	5,742,040	5,778,547	(36,506)	-0.6%	8,454,860
Water	1,995,569	2,295,850	2,229,248	1,610,969	1,643,250	(32,282)	-2.0%	2,229,248
Waste water management	1,115,782	1,274,995	1,287,384	851,622	906,845	(55,224)	-6.1%	1,287,384
Waste management	1,470,061	1,684,829	1,713,329	1,212,729	1,263,145	(50,416)	-4.0%	1,713,329
<i>Other</i>	53,516	64,212	61,542	50,690	50,620	70	0.1%	61,542
Total Expenditure - Standard	26,531,448	28,655,369	29,311,877	19,207,666	19,875,436	(667,770)	-3.4%	29,311,877
Surplus/ (Deficit) for the year	1,659,476	2,598,469	2,935,671	4,586,593	3,682,796	903,797	24.5%	2,935,671

Note: As per GFS classification, Trading Services expenditure above excludes Street Lighting provisions (included with Community and public safety).

The graphs below illustrate the revenue and expenditure trend per month.

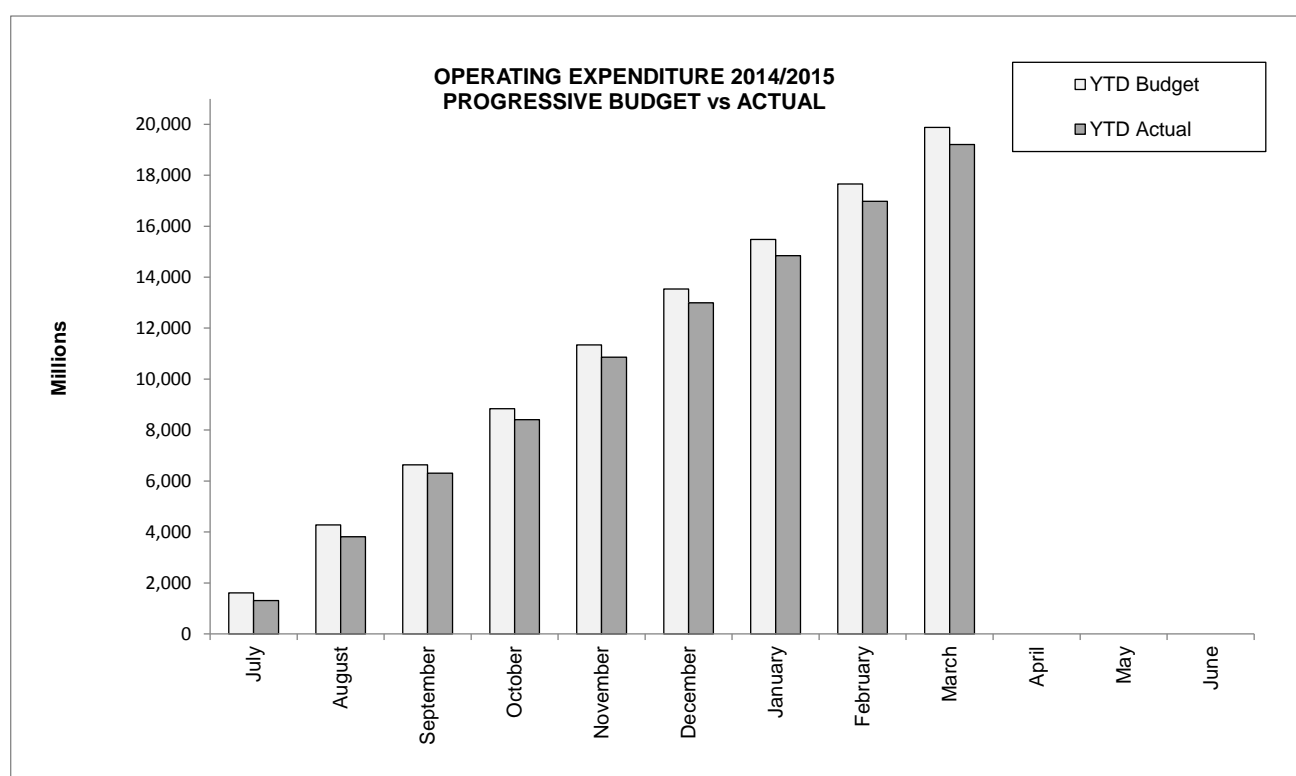
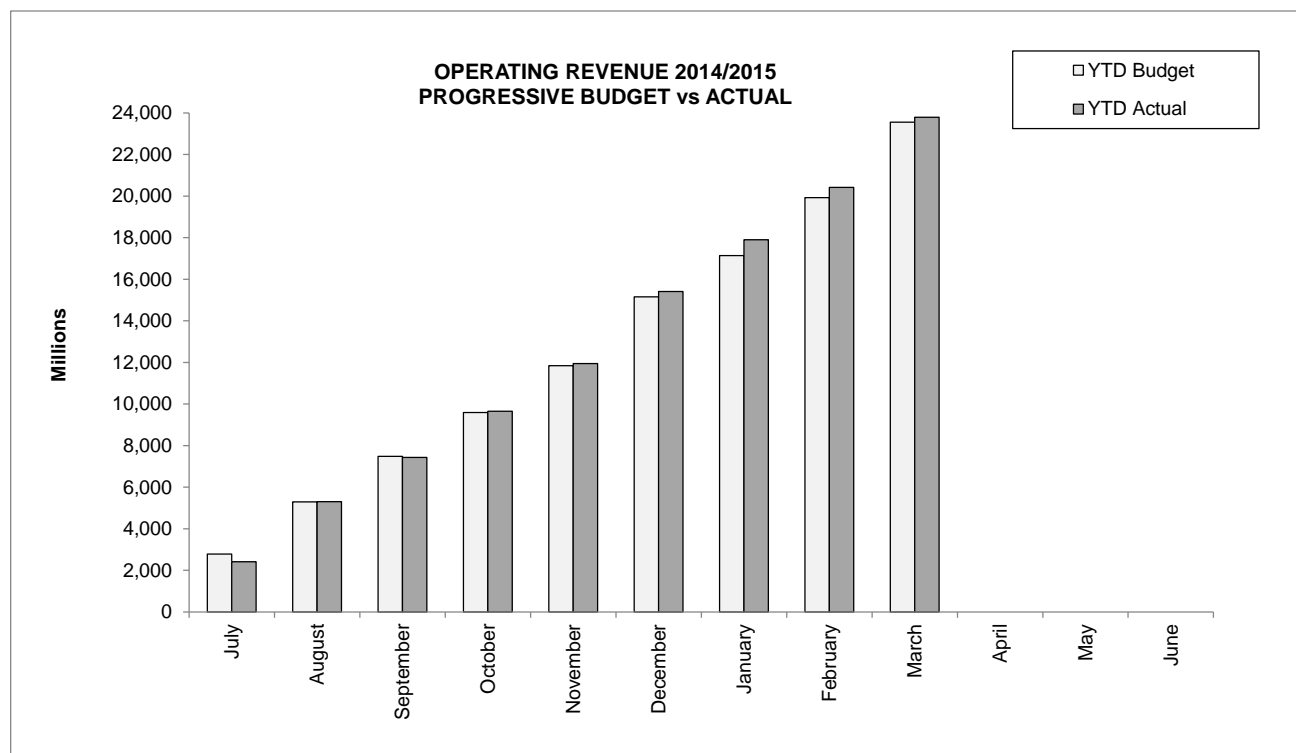


Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

The table below shows budgeted financial performance in relation to the revenue and expenditure by vote as well as the operating surplus or deficit.

Vote Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote								
Vote 1 - City Health	432,226	490,743	491,803	341,488	344,273	(2,785)	-0.8%	491,803
Vote 2 - City Manager	235	45	155	1,447	111	1,335	1201.1%	155
Vote 3 - Community Services	161,377	238,588	222,237	135,696	144,861	(9,165)	-6.3%	222,237
Vote 4 - Compliance & Auxiliary Services	2,127	4,167	8,856	5,415	2,422	2,993	123.6%	8,856
Vote 5 - Corporate Services	64,914	72,689	60,347	37,601	27,669	9,932	35.9%	60,347
Vote 6 - Energy, Environmental & Spatial Planning	125,492	195,712	137,579	95,964	94,041	1,923	2.0%	137,579
Vote 7 - Finance	895,275	785,016	796,516	742,957	609,609	133,348	21.9%	796,516
Vote 8 - Human Settlements	1,132,902	2,102,760	1,967,995	820,325	997,246	(176,922)	-17.7%	1,967,995
Vote 9 - Rates & Other	8,660,739	9,457,542	9,456,145	7,990,058	7,861,398	128,660	1.6%	9,456,145
Vote 10 - Safety & Security	836,091	254,301	1,019,912	1,021,610	761,013	260,597	34.2%	1,019,912
Vote 11 - Social Dev & Early Childhood Development	2,164	7,912	9,769	5,580	5,022	558	11.1%	9,769
Vote 12 - Tourism, Events & Economic Development	67,690	26,499	28,526	18,745	17,843	902	5.1%	28,526
Vote 13 - Transport for Cape Town	1,414,827	1,845,324	2,384,734	963,367	1,165,206	(201,839)	-17.3%	2,384,734
Vote 14 - Utility Services	14,394,865	15,772,541	15,662,972	11,614,007	11,527,519	86,489	0.8%	15,662,972
Total Revenue by Vote	28,190,924	31,253,838	32,247,547	23,794,259	23,558,232	236,027	1.0%	32,247,547
Expenditure by Vote								
Vote 1 - City Health	784,947	907,929	904,656	660,371	688,603	(28,232)	-4.1%	904,656
Vote 2 - City Manager	131,152	174,999	204,670	120,297	127,564	(7,267)	-5.7%	204,670
Vote 3 - Community Services	1,371,054	1,507,629	1,533,066	1,037,431	1,098,535	(61,104)	-5.6%	1,533,066
Vote 4 - Compliance & Auxiliary Services	450,726	509,929	515,642	366,294	375,803	(9,509)	-2.5%	515,642
Vote 5 - Corporate Services	1,493,422	1,661,637	1,669,972	1,134,177	1,155,047	(20,870)	-1.8%	1,669,972
Vote 6 - Energy, Environmental & Spatial Planning	457,049	522,794	517,491	365,249	378,066	(12,817)	-3.4%	517,491
Vote 7 - Finance	1,821,734	2,022,344	2,029,153	1,346,398	1,358,169	(11,771)	-0.9%	2,029,153
Vote 8 - Human Settlements	1,023,863	1,879,586	1,482,539	722,923	839,309	(116,386)	-13.9%	1,482,539
Vote 9 - Rates & Other	1,861,654	902,820	900,620	669,753	675,698	(5,946)	-0.9%	900,620
Vote 10 - Safety & Security	1,901,498	1,641,626	2,432,289	1,196,455	1,258,480	(62,025)	-4.9%	2,432,289
Vote 11 - Social Dev & Early Childhood Development	115,219	159,068	143,210	90,749	94,386	(3,636)	-3.9%	143,210
Vote 12 - Tourism, Events & Economic Development	573,043	536,519	547,016	403,126	405,744	(2,618)	-0.6%	547,016
Vote 13 - Transport for Cape Town	2,198,334	2,232,622	2,632,754	1,593,126	1,743,005	(149,879)	-8.6%	2,632,754
Vote 14 - Utility Services	12,347,754	13,995,866	13,798,800	9,501,317	9,677,027	(175,710)	-1.8%	13,798,800
Total Expenditure by Vote	26,531,448	28,655,369	29,311,877	19,207,666	19,875,436	(667,770)	-3.4%	29,311,877
Surplus/ (Deficit) for the year	1,659,476	2,598,469	2,935,671	4,586,593	3,682,796	903,797	24.5%	2,935,671

Note: the above table includes capital grant and donations (CGD).

The following tables reflect the percentage variance for revenue and expenditure by vote, reasons for material deviations and the remedial action thereof, where required.

Material variance explanations for revenue by vote (refer Table C3)

Description	YTD Variance R	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 1 - City Health	(2,785)	-0.8%	The under-recovery is mainly on: 1. Application Fees, as a result of lower than anticipated applications received for extended liquor trading hours. 2. Recoveries -other, which relates to the clearing of vacant plots as the result of legislative processes instituted against the relevant owners.	1. Applications are monitored and is expected to improve towards June 2015. 2. The clearing of plots is ad-hoc of nature, difficult to predict and only happens after the necessary legal processes are followed.
Vote 2 - City Manager	1,335	1201.1%	The over-recovery is the result of interest allocated towards unspent grant funding received in prior years.	No corrective action required.
Vote 3 - Community Services	(9,165)	-6.3%	The under-recovery reflects on the following capital grant-funded projects: 1. City Parks: a) Klip Road Cemetery Extension project: Delays experienced, due to a dispute; awaiting legal opinion. b) Maitland Cemetery Cremators: Experiencing further delays, due to USA cremator supplier not being able to supply the City with a Performance Guarantee for Advance Payments according to scheduled milestones. 2. Sport, Recreation & Amenities: a) Claims expected for the three synthetic pitches at Steenberg, Heideveld and Kewtown, which have reached practical completion, are confirmed to be lower than anticipated. The contractor and consultants have submitted final claims with only one invoice outstanding. b) Sport & Recreation Facilities Upgrade - Retreat Swimming Pool: Project delayed due to underperformance of the contractor. 3. Library & Information Systems - New Regional Library in Kuyasa: Delays experienced in delivery of certain items. Works originally estimated for completion or bulk installation after the 2014/15 financial year-end, has been accelerated and is scheduled for completion before end June 2015.	The period budget provisions will be reviewed and adjusted where possible. Departments are addressing implementation challenges in order to ensure that capital projects are completed and the budget implementation target is achieved.
Vote 4 - Compliance & Auxiliary Services	2,993	123.6%	The over-recovery is mainly due to higher than anticipated recovery of legal fees in various court cases where the outcome was in favour of the City and which was not planned for. In addition, an under-recovery reflects on the operating grant-funded project for the creation of an Ethics Unit, due to the delay in the appointment of a manager and related staff.	No corrective action is required. The outcome of the court cases was not anticipated and could not be foreseen. The grant funding was reviewed and a portion was re-allocated to fund VIP Unit related costs.
Vote 5 - Corporate Services	9,932	35.9%	The over-recovery is mainly due to higher than planned revenue received from the sale of assets, broadband services and radio trunking as well as the earlier than planned receipt of the Skills Development Levy payment from LGSETA.	No corrective action is required at this stage; the situation is monitored.
Vote 6 - Energy, Environmental & Spatial Planning	1,923	2.0%	The over-recovery is a combination of under-/over-recovery. 1. Building Levies (over), due partly to the implementation of the IPOS system that contributes to the fast-tracking of plan approvals and the higher number of plans submitted. 2. By-product Sales (over), as a result of the unplanned sale of timber at the Helderberg Nature Reserve. 3. Operating grant-funded projects (under), where progress is slower than planned on the projects for Early Detection Rapid Response, Natural Resources , Energy Efficiency and EPWP.	The periodic budget provisions will be adjusted where possible. The project managers on the operating grant-funded projects are in regular contact with vendors to speed up delivery and thus improve progress.

Table continues on next page.

Description	YTD Variance R	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 7 - Finance	133,348	21.9%	The over-recovery is mainly on: 1. Interest Earned on External Investments, due to higher than expected interest received on higher than planned balances of available cash and investments. 2. Agency Income, due to the higher than anticipated revenue on the number of licence renewals as well as the impact of the new tariffs effective July 2014. 3. CIDS-Levies, due to the higher than anticipated revenue on additional new developments and supplementary valuations adjustments. 4. Miscellaneous Income, where an unplanned payment was received from the Pension Fund. 5. Rental Income, which is higher than planned as a result of the improved debt management actions implemented.	No corrective action is required; the situation will be monitored.
Vote 8 - Human Settlements	(176,922)	-17.7%	The under-recovery is mainly on: 1. Rental Agreement revenue, due to the transfer of rental units to tenants. 2. Operating grant-funded projects: a) National (Conditional): Project managers to be funded from the USDG have not been appointed yet and the posts funded from the Capacity grant has not been filled, due to uncertainty around the payment of the grants. b) Provincial (Conditional): Slower than planned implementation of PHP projects, Bosasa Temporary Relocation Area and Wolwerivier Incremental Development Area. 3. Capital grant-funded projects: a) Bosasa TRA in Mfuleni project, which was put on hold due to community interventions. b) Wolwerivier IDA project, which is two months behind schedule, due to the re-design of bulk sewer works that had to be done.	The situation is monitored by the finance manager and adjustments will be made to period budget provisions where possible. USDG-funded projects were reviewed and certain adjustments were proposed in the April 2015 adjustments budget.
Vote 9 - Rates & Other	128,660	1.6%	The over-recovery is a combination of under-/over-recovery. 1. Property Rates (over), due to the misalignment of the periodic budget as the number of days billed per month differs from month to month. This over-recovery will cover the impact of valuation objections and appeals, which might result in a reduction in the rates billed in current/previous financial years. 2. Income Forgone (under), due to the number of applications received and processed to date.	No corrective action is required; the situation will be monitored.
Vote 10 - Safety & Security	260,597	34.2%	The over-recovery is a combination of under-/over-recovery. 1. Traffic Fines (over), as a result of stricter law enforcement, which in turn resulted in an increase in the number of enforcement contraventions identified. This led to more fines issued and paid for during the period. 2. Fire Fees (over), where revenue is dependent on the amount of fires extinguished within the City. The increase is due to an increase in fire related calls. 3. Impoundment Fees for cellphones, vehicles and hawker goods (over), due to stricter law enforcement resulting in more revenue received than planned. 4. Operating grant-funded projects (under), due to delays experienced in the provision of services (hired vehicles and delays in the receipt of invoices from service providers).	1 - 3. No corrective action required. 4. The situation is monitored; vendors are continuously requested to submit invoices on time and improved spending is expected for rest of financial year.
Vote 11 - Social Dev & Early Childhood Development	558	11.1%	The over-recovery is a combination of under-/over-recovery. 1. Operating grant-funded projects (under): a) EPWP funding was only appropriated in the January 2015 adjustments budget; the process of compiling and submitting PID for approval of projects is currently underway. b) ICAN Project, due to delays in commencement of contractors on site; the project is now progressing on schedule. 2. Capital - Contributed assets (over), due to the unforeseen donation of Fisantekraal ECD Centre to the City.	The period budget provisions adjustments have already been processed but will only reflect in the April results. Implementation and completion of projects are expected by June 2015.

Table continues on next page.

Description	YTD Variance R	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 12 - Tourism, Events & Economic Development	902	5.1%	The over-recovery is a combination of under-/over-recovery. 1. Hire/Rental Income (over), due to higher than planned number of events held at the Cape Town Stadium. 2. Capital grants (over), due to the donation of Artworks on Riebeeck Square to the City, which was not budgeted for. 3. Informal Trading Levy Income (over), due to the implementation of the e-permitting systems and approval of additional trading bays at informal markets. 4. Filming Fees (under), due to revenue, which is now recovered directly by the respective departments within the City who are involved in film shoots.	The situation is monitored; the period budget provisions will be adjusted where possible.
Vote 13 - Transport for Cape Town	(201,839)	-17.3%	The over-recovery is a combination of under-/over-recovery. 1. Operating grant-funded projects (under), mainly due decreased professional fees and contracted services for the MyCiTi Station Management as a result of reduction in operating hours of some MyCiti stations as well as delays with the award of tenders for the Comprehensive Integrated Transport Plan (CITP) where the tenders were non-responsive. 2. Bus fares (over), due to the roll-out of additional routes particularly the N2 Expressway. 3. Capital grant-funded projects (under), due to the IRT Ph2A Project programme that had to be revised drastically as a result of the significant delay in completion of the Integrated Public Transport Network (IPTN) plan project, which was only finalised during June 2014 as well as delays with EIA approvals, community and labour issues on other projects. 4. Development Levy Income (over), where more than planned revenue was received.	The period budget provisions will be reviewed and adjusted where possible. Further consultation by Webber Wentzel is expected on the MyCiTi and IRT business plan. The tender for CITP will be cancelled and subprojects will go out on RFQ.
Vote 14 - Utility Services	86,489	0.8%	The over-recovery is a combination of under-/over-recovery. 1. Cape Town Electricity: a. Electricity Service charges Revenue (R1.2 million over), which is influenced by consumer demand. b. Capital grant-funded projects (Hanover Park Phase 2, Bonteheuwel, and Parkwood Backyarder Connections) (over), where progress is faster than anticipated, due to good contractor performance. c. Recoveries of Infrastructure Maintenance work (over), due to a higher number of jobs executed than what was planned. 2. Water & Sanitation: a. Water Service Charges Revenue (R21.2 million over) and Sanitation Service Charges Revenue (R15.2 million over), where consumption is influenced by a number of factors, such as water saving initiatives, tariffs, weather conditions, consumer demand, etc. b. By-Product Sales (under), where the tender was only recently awarded resulting in the misalignment of the period budget provision with actual revenue. c. Capital grant-funded projects (USDG) (over), where progress to date is faster than anticipated. 3. Solid Waste Management: a. Refuse Charges (over), due to the data clean-up process, which has results in billing corrections and more revenue than planned to date. b. Special Waste Fees (under), as a result of a lower than planned demand from consumers during the December/January holiday season. c. Sale of Assets (over), where unanticipated revenue was received.	1. a. This is closely monitored on a monthly basis. 2. a. The monthly volumes and sales are closely monitored by the finance manager. 3. The situation is closely monitored by the finance manager.

Material variance explanations for expenditure by vote (refer Table C3)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u>				
Vote 1 - City Health	(28,232)	-4.1%	The variance is a combination of under-/over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time of filling of vacancies (largely externally funded posts) and savings realised when staff are appointed at a lower TCOE than their predecessors. 2. Contracted Services (under), due to the non-alignment of the period budget on various EPWP projects, lower than anticipated expenditure on the re-active component of R&M as well as labour broker expenditure, where labour brokers used as and when required. 3. Vaccines (under), as a result of lower than anticipated expenditure to date. 4. Pharmaceutical Supplies and Test, Sampling & Monitoring costs (over), largely due to higher than anticipated expenditure in these demand driven categories.	The recruitment process as well as the alignment of the period budget with actual expenditure is ongoing.
Vote 2 - City Manager	(7,267)	-5.7%	1. Employee-related costs (under), due to the filling of vacancies, which is delayed until the departmental structures for the Trade & Investments and SPU departments are finalised. 2. Contracted Services and General Expenses (under), largely due to lower than anticipated expenditure to date and delays in finalising training programmes.	The recruitment process and alignment of the period budget with the actual expenditure is on going. Training programmes have been finalised and training is underway.
Vote 3 - Community Services	(61,104)	-5.6%	1. Employee-related costs (under), due to delays in the appointment of seasonal staff. 2. Contracted Services (under), due to the incorrect settlement of R&M against General Expenses instead of Contracted Services and outstanding payments to contractors, which must still be processed. 3. Security Services & Charges (under), largely due to lower than anticipated expenditure to date resulting from stricter control measures implemented to curb costs on security requirements	The recruitment process is ongoing; corrective journal entries are being processed to allocate costs to the correct general ledger accounts and virements will be processed to align the period budget with the actual expenditure.
Vote 4 - Compliance & Auxiliary Services	(9,509)	-2.5%	The variance largely consist of under-/over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time of filling vacancies. 2. Contracted Services (under), largely due to lower than anticipated expenditure, which is inked to demand. 3. Transfers and Grants, Legal Fees & Expenses and Public Functions (over), mainly due to higher than anticipated expenditure resulting in the non-alignment of the period budget with the actuals to date.	The recruitment process is ongoing and virements will be processed to align the period budget with the actual expenditure.
Vote 5 - Corporate Services	(20,870)	-1.8%	The variance largely consist of under-/over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time of filling vacancies as well as the impact of the internal filling of vacancies. 2. Contracted Services: R&M, Computer Services & Software and Training (under), due to the slower than planned expenditure rate on various R&M programmes and lower than anticipated expenditure to date. 3. Licences & Permits, Internal/External Bursaries and Security Services & Charges (over), due to higher than planned expenditure to date.	The recruitment process is ongoing. Departments are expediting the process as and when positions become vacant and commences the process immediately. A further review of the period budget will be undertaken and virements will be processed, where necessary, to align the period budget with the actual expenditure. Savings realised will be reprioritised to fund any projected over-expenditure.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 6 - Energy, Environmental & Spatial Planning	(12,817)	-3.4%	1. Employee-related costs (under), largely due to delays in reposting of staff costs for the MURP project from the Safety & Security directorate. 2. Contracted Services (under), due to delays in the completion of the Early Detection Rapid Response project, the Natural Resources project and the Energy Efficiency project as well as slower than anticipated implementation of EPWP projects.	The recruitment process on going. Project managers will liaise with vendors to expedite delivery. EPWP alien clearing tender extension approved; orders to be placed in April 2015. Alignment of the period budget with actual expenditure will be undertaken.
Vote 7 - Finance	(11,771)	-0.9%	Immaterial variance.	-
Vote 8 - Human Settlements	(116,386)	-13.9%	1. Employee-related Costs (under), due to the turnaround time of filling vacancies (largely grant-funded) as well as the internal filling of vacancies. Currently 92% of all positions are filled with 8% vacant (61 posts). 2. Contracted Services (under), due to (a) the Mufuleni BOSASA TRA (temporary relocation area) project, which has been put on hold due to community unrest/interventions and (b) delays with the implementation of the Wolwerivier Incremental Development Area project, which is 2 months behind schedule due to the re-design of bulk sewer works. 3. Operating Grants & Donations (under), where costs are linked to the rate of progress achieved on housing development projects that are all managed and controlled by communities into the national PHP programme. It is difficult to estimate cash flow as many factors influence the rate of house construction by communities.	The recruitment process is ongoing and the alignment of the period budget with actual expenditure is ongoing. The situation on Operating Grants & Donations will be closely monitored and corrective action will be undertaken, where necessary. A process of expediting PHP projects (including support) has been launched by the directorate.
Vote 9 - Rates & Other	(5,946)	-0.9%	Immaterial variance.	-
Vote 10 - Safety & Security	(62,025)	-4.9%	The variance consists of under-/over expenditure on various items. 1 Employee related costs (under), largely due to lower than planned expenditure as a result of delays with the appointment non-permanent staff, which is still in the process of being filled as well as lower than anticipated year to date expenditure on Overtime and Other Allowances. 2. Contracted Services (under), due to delays in the implementation of EPWP and R&M projects. 3. Fuel and Licence & Permits (under), as a result of lower than anticipated year to date expenditure as a result of stricter control measures put in place to reduce expenditure. 4. Uniform & Protective Clothing (under), due to delays in the finalisation of the uniform tender. 5. Security Services & Charges (over), due to higher than planned expenditure to date resulting from increased security requirements to protect facilities and assets from crime and vandalism.	Appointment of temporary staff underway; alignment of the period budget will be undertaken.
Vote 11 - Social Dev & Early Childhood Development	(3,636)	-3.9%	Immaterial variance.	-
Vote 12 - Tourism, Events & Economic Development	(2,618)	-0.6%	Immaterial variance.	-

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u>				
Vote 13 - Transport for Cape Town	(149,879)	-8.6%	<p>The variance consists of under-/over expenditure on various items.</p> <ol style="list-style-type: none"> 1. Employee-related costs (under), due to the turnaround time in filling vacancies. 2. Depreciation and Asset Impairment (under), as this is linked to the completion and progress of capital projects. 3. R&M: Contracted Services (over), due to delays in awarding and commencing tenders on major road resurfacing projects as a result of an appeal on one tender and administrative issues. 4. Consultants (under), due to a decrease in professional fees for the MyCiTi station management contract as well as delays in the awarding of tenders. 5. Operating Grants & Donations (under), largely due to delays in reposting of operating expenditure (IRT compensation costs) from the capital project in accordance with the GRAP requirements. 6. Licences & Permits (over), due to the annual payment of SAP licence fees. 	The recruitment process is ongoing and journals will be processed to ensure that expenditure is booked to the correct cost elements. Alignment of the period budget with the actual expenditure is on going.
Vote 14 - Utility Services	(175,710)	-1.8%	Immaterial variance.	-

Table C4: Monthly Budget Statement - Financial Performance (revenue by source and expenditure by type)

The table below is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	5,546,774	5,942,513	5,964,279	4,509,609	4,385,242	124,367	2.8%	5,964,279
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–
Service charges - electricity revenue	9,323,160	10,072,265	10,071,811	7,457,315	7,456,139	1,176	0.0%	10,071,811
Service charges - water revenue	2,185,812	2,540,080	2,464,487	1,893,036	1,871,858	21,178	1.1%	2,464,487
Service charges - sanitation revenue	1,188,106	1,338,202	1,316,720	1,004,297	989,130	15,167	1.5%	1,316,720
Service charges - refuse revenue	920,173	989,912	970,912	732,422	728,184	4,238	0.6%	970,912
Service charges - other	286,429	321,805	360,711	284,089	254,452	29,637	11.6%	360,711
Rental of facilities and equipment	317,890	358,711	358,438	269,035	269,161	(126)	0.0%	358,438
Interest earned - external investments	461,053	275,762	275,762	391,337	273,110	118,227	43.3%	275,762
Interest earned - outstanding debtors	192,312	208,262	197,086	156,767	144,469	12,299	8.5%	197,086
Dividends received	–	–	–	–	–	–	–	–
Fines	729,139	175,648	916,393	933,123	687,294	245,829	35.8%	916,393
Licences and permits	44,386	40,388	40,988	32,977	30,276	2,701	8.9%	40,988
Agency services	150,256	150,439	153,993	122,206	114,996	7,209	6.3%	153,993
Transfers recognised - operational	2,399,033	3,498,169	3,499,390	2,398,476	2,535,772	(137,296)	-5.4%	3,499,390
Other revenue	2,252,330	2,338,330	2,338,406	2,280,079	2,245,243	34,836	1.6%	2,338,406
Gains on disposal of PPE	64,906	120,500	120,500	40,334	34,481	5,852	17.0%	120,500
Total Revenue (excluding capital transfers and contributions)	26,061,758	28,370,984	29,049,875	22,505,102	22,019,807	485,295	2.2%	29,049,875
Expenditure By Type								
Employee related costs	8,640,854	8,940,483	8,811,403	6,526,541	6,669,937	(143,396)	-2.1%	8,811,403
Remuneration of councillors	119,709	133,619	133,619	91,049	93,482	(2,433)	-2.6%	133,619
Debt impairment	1,295,526	950,533	1,691,334	715,793	713,065	2,728	0.4%	1,691,334
Depreciation & asset impairment	1,784,970	2,154,335	2,014,841	1,417,769	1,493,731	(75,962)	-5.1%	2,014,841
Finance charges	807,283	919,232	912,241	561,309	561,459	(150)	0.0%	912,241
Bulk purchases	6,591,232	7,050,011	7,086,261	4,770,697	4,747,838	22,859	0.5%	7,086,261
Other materials	299,153	387,117	350,868	244,614	258,143	(13,529)	-5.2%	350,868
Contracted services	3,312,529	4,205,198	4,001,552	2,188,569	2,415,670	(227,102)	-9.4%	4,001,552
Transfers and grants	115,021	125,354	140,751	117,436	117,091	345	0.3%	140,751
Other expenditure	3,563,228	3,789,486	4,169,007	2,573,016	2,805,020	(232,004)	-8.3%	4,169,007
Loss on disposal of PPE	1,944	–	–	874	–	874	–	–
Total Expenditure	26,531,448	28,655,369	29,311,877	19,207,666	19,875,436	(667,770)	-3.4%	29,311,877
Surplus/(Deficit)	(469,690)	(284,384)	(262,001)	3,297,436	2,144,372	1,153,065	53.8%	(262,001)
Transfers recognised - capital	2,052,758	2,817,627	3,145,661	1,248,394	1,506,652	(258,259)	-17.1%	3,145,661
Contributions recognised - capital	43,022	65,226	52,010	35,820	31,772	4,048	12.7%	52,010
Contributed assets	33,387	–	–	4,943	–	4,943	–	–
Surplus/(Deficit) after capital transfers & contributions	1,659,476	2,598,469	2,935,671	4,586,593	3,682,796			2,935,671
Taxation	–	–	–	–	–			–
Surplus/(Deficit) after taxation	1,659,476	2,598,469	2,935,671	4,586,593	3,682,796			2,935,671
Attributable to minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	1,659,476	2,598,469	2,935,671	4,586,593	3,682,796			2,935,671
Share of surplus/ (deficit) of associate	–	–	–	–	–			–
Surplus/ (Deficit) for the year	1,659,476	2,598,469	2,935,671	4,586,593	3,682,796			2,935,671

The tables below reflect the percentage variance for revenue by source and expenditure by type, reasons for material deviations and the remedial action thereof, if required.

Material variance explanations for revenue by source (refer Table C4)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Property rates	124,367	2.8%	The over-recovery is on Property Rates, due to the misalignment of the periodic budget provisions with the monthly actuals as the number of days billed per month differs from month to month. This over-recovery will cover the impact of valuation objections and appeals, which might result in a reduction in the rates billed in current/previous financial years. Income Forgone is slightly under-recovered as it is linked to number of applications received and processed to date.	The situation is monitored and no corrective action is required.
Property rates - penalties & collection charges	–	-	-	-
Service charges - electricity revenue	1,176	0.0%	Immaterial variance.	-
Service charges - water revenue	21,178	1.1%	The over-recovery is mainly on Water Sales between the different categories of consumers. The actual consumption to date is higher than anticipated. The sale of water is demand driven and consumption is influenced by a number of factors i.e. water saving initiatives, tariffs, weather conditions, consumer demand etc.	It is not possible to accurately determine a trend as consumption is demand driven. The sale of water is closely monitored on a monthly basis.
Service charges - sanitation revenue	15,167	1.5%	The over-recovery is mainly on Sewerage Sales between the different categories of consumers. The charges on sewerage are demand driven and linked to water consumption and the factors influencing water consumption.	It is not possible to accurately determine a trend as consumption is demand driven. Sanitation charges is closely monitored on a monthly basis.
Service charges - refuse revenue	4,238	0.6%	The over-recovery is mainly on Refuse Charges, due to the ongoing data-clean-up initiative, which has resulted in billing corrections and account adjustments.	The situation is closely monitored; no corrective action is required at the moment.
Service charges - other	29,637	11.6%	Over-recovery reflects against various revenue elements in this category. 1. Building Levies (EESP directorate), where more revenue than planned was received, due to the implementation of the IPOS System and the number of plans submitted to date. 2. Fire Fees (Safety & Security directorate), where revenue to date is higher than planned as it is not possible to determine beforehand the number of fires and when such fires will occur. 3. Cellphone and Vehicle Impoundment fees (Safety & Security directorate), where higher than planned revenue was received due to stricter law enforcement implemented. 4. Recoveries of Infrastructure Maintenance (Cape Town Electricity department), due to an unplanned payment received from Eskom for infrastructural work done by City. 5. Busfares (Transport for Cape Town directorate), due to the roll-out of additional routes particularly the N2 Expressway resulting in more than planned revenue to date.	The situation is closely monitored by the respective finance managers.
Rental of facilities and equipment	(126)	0.0%	Immaterial variance.	-
Interest earned - external investments	118,227	43.3%	The over -recovery is within the Finance directorate, due to higher than expected interest received on higher than planned balances of available cash and investments as at March 2015.	Interest on Investments is monitored by the Investment Section on a monthly basis.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Interest earned - outstanding debtors	12,299	8.5%	The over-recovery is mainly due to higher than anticipated interest billed on outstanding rates debtors at the end of February mainly within the Cape Town Electricity and Water & Sanitation departments.	The situation is monitored on a monthly basis.
Dividends received	–	-	-	-
Fines	245,829	35.8%	The over-recovery is mainly against Traffic Fines as a result of stricter law enforcement, which in turn resulted in an increase in the number of enforcement contraventions identified. This resulted in more fines being issued and paid for during the period.	The situation is continuously monitored by the finance manager.
Licences and permits	2,701	8.9%	The over-recovery is mainly within: 1. Safety & Security, due to higher than anticipated revenue received to date for driver's licences, roadworthy inspections and PRDP. 2. Transport for Cape Town, due to major role players such as Telkom not opting for trenchless methodology into the tariffs for way leave permits, resulting in refundable deposits being forfeited.	This category is demand driven and difficult to plan accurately per annum. The revenue is closely monitored.
Agency services	7,209	6.3%	The over-recovery is mainly within the Finance directorate, due to the increase in licence fees for 2015 as well as the increase in vehicle licence renewals. The unpredictable nature of monthly payments received makes it difficult to accurately plan for monthly/annual receipts.	This category is demand driven and difficult to plan accurately per annum. The situation is closely monitored.
Transfers recognised - operational	(137,296)	-5.4%	The under-recovery is within the following directorates: 1. Human Settlements: a) National (Conditional): Project managers funded from USDG were not appointed and posts funded from the Capacity Grant was not filled, due to uncertainty around the payment of these grants. b) Provincial (Conditional): The variance is mainly due to the slower than planned implementation of PHP projects, Bosasa Temporary Relocation Area and Wolwerivier Incremental Development Area. 2. Transport for Cape Town (TCT), mainly due to a decrease in professional fees and contracted services for the MyCiTi Station Management as a result of a reduction in operating hours of some MyCiTi stations as well as delays in the award of tenders for the Comprehensive Integrated Transport Plan (CITP) where the tenders were non-responsive. 3. EESP, where progress is slower than planned on the projects for Early Detection Rapid Response, Natural Resources, Energy Efficiency and EPWP.	The situation is closely monitored by the respective finance managers. TCT : Further consultation by Webber Wentzel is expected on the MyCiTi and IRT Business Plan. The tender for the CITP will be cancelled and subprojects will go out on RFQ. EESP: Project managers are continuously liaising with vendors to expedite delivery.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Other revenue	34,836	1.6%	<p>The main contributors to this over-recovery are:</p> <ol style="list-style-type: none"> 1. Salvaged items mainly within Cape Town Electricity, due to more salvaged items sold than planned to date. 2. Miscellaneous Income within Finance directorate, where an unplanned once-off payment was received from the Pension Fund. 3. Recoveries-other within (a) Cape Town Electricity, due to higher than planned number of requests from customers for ad-hoc work to be performed and damages paid and (b) Compliance & Auxiliary Services for the recovery of legal fees as a result of the outcome of court cases. 4. CID Levies within Finance, where more than planned revenue was received, due to the increased number of contributing properties within the CID areas. 5. Development Levies mainly within Transport for Cape Town, where more than planned payments were received to date from developers for developments to be undertaken in the City. 	The situation is monitored by the respective finance managers on a monthly basis. No corrective action is required.
Gains on disposal of PPE	5,852	17.0%	<p>The over-recovery is within Corporate Services and Solid Waste Management, where the sale of PPE was higher than anticipated to date. The actual sale of PPE is linked to demand and routine auctions and is therefore difficult to plan accurately.</p>	The situation is monitored on a monthly basis.

Material variance explanations for expenditure by type (refer Table C4)

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure By Type</u>				
Employee related costs	(143,396)	-2.1%	The variance is mainly due to: 1. The turnaround time in the filling of vacancies and the impact of consequential vacancies. 2. The roll-out of the apprenticeship programme, which is running slower than anticipated. 3. Delays in the appointment of non-permanent staff. 4. Lower than anticipated expenditure on Overtime and Allowances.	The filling of vacancies is on-going and seasonal staff are appointed as and when required. Savings realised to date have been set aside and ring-fenced within investment accounts to cover unfunded cash commitments as approved by Council.
Remuneration of councillors	(2,433)	-2.6%	Immaterial variance.	-
Debt impairment	2,728	-	Immaterial variance.	-
Depreciation & asset impairment	(75,962)	-5.1%	Under-expenditure is largely due to the capitalisation rate of assets, which is based on the completion and progress of capital projects.	The situation is monitored on a monthly basis.
Finance charges	(150)	0.0%	Immaterial variance.	-
Bulk purchases	22,859	0.5%	The variance is largely due to higher than anticipated water volumes purchased and increased electricity demand.	The situation is monitored on a monthly basis.
Other materials	(13,529)	-5.2%	The variance is largely due to outsourced maintenance work, due to lack of internal resources, delays in receipt of invoices by suppliers and the misalignment of the period budget with actual expenditure.	The situation is monitored on a monthly basis and corrective action will be undertaken where necessary.
Contracted services	(227,102)	-9.4%	The variance is due to delays with the (1) roll-out of various R&M programmes resulting from delays in awarding of tenders and (2) implementation of EPWP programmes/projects and various other projects. Incorrect posting and settlements of R&M expenditure as well as delays in submission of invoices by service providers further contributed to this variance.	Progress is expected in the ensuing months. Journals will be processed to ensure R&M expenditure is posted to the correct item and payments will be processed as and when invoices are submitted.
Transfers and grants	345	0.3%	Immaterial variance.	-
Other expenditure	(232,004)	-8.3%	The variance is a combination of under-/over expenditure: 1. Operating Grants & Donations (under), largely due to delays in reposting of operating expenditure (IRT compensation costs) from the capital project in accordance with the GRAP requirements as well as PHP payments where costs are linked to the rate of progress achieved on housing development projects. 2. Consultant (under), due to delays in the appointment of professional advisors for implementation of various projects. 3. Fuel (under), as a result of lower than anticipated expenditure to date. 4. Higher Charges (over), as a result of delays with the delivery of solid waste street sweeping machines. 5. R&M: Plants (over), due to the incorrect settlement of expenditure to this item.	The alignment of the period budget with the actual expenditure will be undertaken and corrective journals will be processed.
Loss on disposal of PPE	874	0.0%		

Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

The table below reflects the City's capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and funding sources required to fund the capital budget, including information on capital transfers from National and Provincial departments.

Vote Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - City Health	25,185	21,966	22,170	10,442	11,225	(782)	-7.0%	20,359
Vote 2 - City Manager	13,070	6,771	14,638	5,235	8,177	(2,942)	-36.0%	14,598
Vote 3 - Community Services	161,422	203,711	249,537	116,959	137,899	(20,939)	-15.2%	230,493
Vote 4 - Compliance & Auxiliary Services	3,775	12,376	3,774	2,861	3,089	(228)	-7.4%	3,669
Vote 5 - Corporate Services	286,544	359,474	392,144	131,982	149,784	(17,802)	-11.9%	391,078
Vote 6 - Energy, Environmental & Spatial Planning	70,776	118,119	57,859	23,659	24,344	(685)	-2.8%	57,834
Vote 7 - Finance	13,315	105,509	92,389	35,064	54,874	(19,810)	-36.1%	92,388
Vote 8 - Human Settlements	564,398	860,855	1,142,280	407,632	444,187	(36,554)	-8.2%	1,055,965
Vote 9 - Rates & Other	—	—	—	—	—	—	—	—
Vote 10 - Safety & Security	63,809	70,559	82,247	41,969	43,358	(1,389)	-3.2%	82,247
Vote 11 - Social Dev & Early Childhood Development	7,555	18,410	23,008	9,672	8,642	1,031	11.9%	22,958
Vote 12 - Tourism, Events & Economic Development	26,375	39,227	38,681	11,122	15,534	(4,413)	-28.4%	38,681
Vote 13 - Transport for Cape Town	1,113,033	1,603,985	1,803,069	625,030	847,745	(222,715)	-26.3%	1,795,028
Vote 14 - Utility Services	2,153,036	2,790,354	2,372,819	1,100,254	1,058,611	41,644	3.9%	2,286,902
Total Capital Expenditure	4,502,293	6,211,315	6,294,615	2,521,884	2,807,469	(285,585)	-10.2%	6,092,199
Capital Expenditure - Standard Classification								
Governance and administration	331,690	510,823	534,304	190,690	228,365	(37,676)	-16.5%	534,247
Executive and council	19,286	34,406	30,501	14,362	13,566	796	5.9%	31,352
Budget and treasury office	11,085	14,032	16,582	12,359	13,293	(934)	-7.0%	16,580
Corporate services	301,319	462,384	487,221	163,969	201,506	(37,537)	-18.6%	486,314
Community and public safety	860,117	1,232,384	1,571,401	609,057	667,753	(58,696)	-8.8%	1,464,230
Community and social services	48,114	109,187	101,495	46,661	57,168	(10,506)	-18.4%	99,749
Sport and recreation	134,842	130,805	183,145	80,043	94,544	(14,501)	-15.3%	165,846
Public safety	88,074	109,640	122,311	64,278	60,630	3,649	6.0%	122,311
Housing	564,398	860,855	1,142,280	407,632	444,187	(36,554)	-8.2%	1,055,965
Health	24,690	21,896	22,170	10,442	11,225	(782)	-7.0%	20,359
Economic and environmental services	1,190,510	1,726,276	1,865,069	651,799	877,845	(226,046)	-25.8%	1,855,797
Planning and development	59,776	99,620	41,812	17,227	19,256	(2,030)	-10.5%	40,577
Road transport	1,116,363	1,613,361	1,812,076	632,214	855,750	(223,536)	-26.1%	1,804,039
Environmental protection	14,370	13,295	11,181	2,358	2,839	(481)	-16.9%	11,181
Trading services	2,119,975	2,741,833	2,323,841	1,070,339	1,033,506	36,833	3.6%	2,237,925
Electricity	1,151,286	1,255,722	1,019,935	466,236	434,257	31,979	7.4%	959,906
Water	458,746	513,312	537,393	288,967	241,026	47,942	19.9%	555,104
Waste water management	372,281	555,899	536,989	210,101	242,167	(32,066)	-13.2%	493,878
Waste management	136,619	415,875	228,501	104,914	115,313	(10,398)	-9.0%	228,014
Other	1,043	1,025	1,023	121	743	(623)	-83.7%	1,023
Total Capital Expenditure - Standard Classification	4,502,293	6,211,315	6,294,615	2,521,884	2,807,469	(285,585)	-10.2%	6,092,199
Funded by:								
National Government	1,768,880	2,515,669	2,828,796	1,049,974	1,269,257	(219,283)	-17.3%	2,848,108
Provincial Government	283,513	292,065	315,880	198,266	210,361	(12,095)	-5.7%	304,312
District Municipality	—	—	—	—	—	—	—	—
Other transfers and grants	926	2,100	2,274	153	953	(800)	-83.9%	2,274
Transfers recognised - capital	2,053,319	2,809,834	3,146,949	1,248,394	1,480,572	(232,178)	-15.7%	3,154,693
Public contributions & donations	44,022	73,019	50,723	35,820	31,329	4,491	14.3%	48,723
Borrowing	1,856,889	2,350,301	2,277,157	985,535	1,009,196	(23,661)	-2.3%	2,270,063
Internally generated funds	548,064	978,161	819,787	252,135	286,372	(34,237)	-12.0%	618,720
Total Capital Funding	4,502,293	6,211,315	6,294,615	2,521,884	2,807,469	(285,585)	-10.2%	6,092,199

The table below reflects the percentage variance for capital expenditure by vote as well as reasons for material deviations and the remedial action thereof, if required.

Material variance explanations for capital expenditure (refer Table C5)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 1 - City Health	(782)	-7.0%	1. Delays in the submission of final accounts, payment certificates and invoices for the following projects: a. New Environmental Health Offices in Khayelitsha, and b. Delft South Clinic - extensions to Pharmacy. 2. Delays in the submission of payment certificates and invoices for work done on the Tafelsig Clinic -Extensions project during March 2015.	Follow-up with consultants and contractors regarding the completion and submission of final accounts as well as timeous submission of payment certificates.
Vote 2 - City Manager	(2,942)	-36.0%	1. Replacement furniture: This project is delayed pending finalisation of the Integrated Strategic Communications, Branding and Marketing department's office move to the 3rd Floor in March/April 2015 in addition to waiting on the finalisation of the printer tender. 2. Asset Management and Maintenance project: This project will only be implemented in the 2015/16 financial year as a result of other requirements within the Project and Portfolio Management Unit. The funds will be used for additional furniture and equipment requirements within the City Manager directorate. 3. PPM project: Delayed appointments of PPM staffing resources have had a slight impact on the expenditure forecast. 4. Furniture: This project is delayed, due to partial delivery of furniture, incorrect invoicing and other outstanding items.	1. The office move is in progress. Orders will be placed once the printer tender has been awarded. 2. R1.2 million will be transferred from this project to the additional furniture and equipment project. The implementation of this project will not be prejudiced as funds have been allocated to this project in the 2015/16 financial year. 3. Projections indicate that the project is on track. 4. Regular follow up with vendor with regards to amended invoice and delivery of items.
Vote 3 - Community Services	(20,939)	-15.2%	1. City Parks: a. Klip Road Cemetery Extension: Delays experienced, due to a dispute over the contractor needing to put up a higher guarantee for a way leave for 66KV electricity supply cables. b. Maitland Cemetery Cremators: further delays, due to USA cremator supplier not being able to supply the City with a Performance Guarantee for Advance Payments according to scheduled milestones. The City requested insurance from a local underwriter. 2. Sport, Recreation and Amenities: a. Claims, expected for the three synthetic pitches at Steenberg, Heideveld and Kewtown, which have reached practical completion are lower than anticipated. Contractor and consultants have submitted final claims with only one invoice outstanding. b. Sport and Recreation Facilities Upgrade: Retreat Swimming Pool delayed due to underperformance of the contractor. 3. Library and Information Systems: a. New Regional Library in Kuyasa: Delays experienced with delivery of certain items, roof covering around the tower as well as the electrical and plumbing second fix, which comprise of high value fittings resulted in under expenditure on the project.	1. City Parks: a. Two meetings were convened with the contractor. City Parks and the contractor are awaiting a legal opinion on this matter b. US Cremation Equipment (cremator supplier) has supplied further financial statements and a draft timetable for supply, delivery and installation. The department is busy obtaining quotes for a Performance Guarantee for Advance Payments. Awaiting final costing for insurance. 2. Sport, Recreation and Amenities: a. Awaiting invoice. b. Contractor has been issued with a default instruction. 3. Library and Information Systems: a. Work originally estimated for completion or bulk installation after the 2014/15 financial year-end has been accelerated and is scheduled for completion by June 2015. Practical completion will be reached by 2 September 2015. Departments are addressing implementation challenges in order to ensure that capital projects are completed and the budget implementation target is achieved.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 4 - Compliance & Auxiliary Services	(228)	-7.4%	Delays in the delivery of furniture and equipment.	Project manager will follow -up with the contractor regarding the delivery of all the outstanding items. It is anticipated that delivery will occur in April 2015.
Vote 5 - Corporate Services	(17,802)	-11.9%	The major variances resonates in the following projects: a. Dark Fibre Broadband Infrastructure project: delays being experienced with way leaves and vendors not being able to supply goods at tendered rates, due to the weakening of the Rand. These issues have since been resolved and funds are committed. Further delays were experienced in obtaining approvals from PWCG relating to the connection of their buildings, which might impact on milestones. b. FM Structural Rehabilitation - Civic Centre Project: Delays as a result of the contractor for the Electrical Retro-fit commencing later than planned, due to the appeal of the contract award. Contractor is now on site and project has commenced; milestones planned for 30 June 2015 are still on track as project implementation will be over two financial years. The directorate and departments are confident that projects will be completed and funds spent by 30 June 2015.	All outstanding commitments to be raised against the projects; service providers and equipment/vehicle suppliers will be urged to deliver contracted goods and/or services by 30 June 2015. Where possible, projects will be accelerated and delivery expedited.
Vote 6 - Energy, Environmental & Spatial Planning	(685)	-2.8%	Immaterial variance.	-
Vote 7 - Finance	(19,810)	-36.1%	Basement parking project still on track for completion as planned. Cash flows have been revised by CTICC management, which indicate an increased spend from March to June 2015. The project is in the early stages of construction and the contractor is steadily increasing spend activity on site. Awaiting CTICC claim for March 2015.	Cash flows to be amended in accordance with construction programme.
Vote 8 - Human Settlements	(36,554)	-8.2%	1. Fisantekraal Garden Cities Phase 2: Project delayed by families living in informal dwellings who are not agreeing to move resulting in community unrest. 2. Marble Flats: Delay in the submission of payment certificate for work done in March 2015. 3. Heideveld CRU project: Project behind programme due to delay in BAC approval for the increase in contract sum. 4. Urbanisation and backyarders programme - Wolwerivier IDA: Three month delay on bulk sewer line due to re-design.	1. The matter is being addressed by the Tenant Management Committee for resolution. 2. Payment certificates March 2015 to be processed. 3. Project will be accelerated once approval has been granted. 4. The design has now been completed; awaiting invoice.
Vote 9 - Rates & Other	-	-	-	-
Vote 10 - Safety & Security	(1,389)	-3.2%	Immaterial variance.	-
Vote 11 - Social Dev & Early Childhood Development	1,031	11.9%	The positive year to date variance is due to good supplier performances in respect of the procurement of additional vehicles.	No remedial action required.
Vote 12 - Tourism, Events & Economic Development	(4,413)	-28.4%	1. Cape Town Stadium projects: Delays in construction work as the contractor was unable to work on events and build-up days for events held during January and February 2015. 2. Upgrade Look Out Hill: Delay in completion of the Bill of Quantity for the reconfiguration of the parking.	1. A revised work schedule has been implemented whereby the contractor has agreed to work weekends in order to address the delays. 2. The Bill of Quantity is now complete; order to be placed by mid-April 2015.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 13 - Transport for Cape Town	(222,715)	-26.3%	The very late completion of the Integrated Public Transport Network plan in mid 2014 is now being felt, especially the IRT Phase 2, which is falling significantly behind the original planned programmes. IRT bus deliveries are also behind programme at this stage. SCM procurement processes are also having a significant negative impact on all projects' progress. SCM's protracted procurement procedures are seemingly due to the extremely cautious approach being adopted by all SCM practitioners, SCM staff capacity constraints and lengthy due diligence processes. Other delays are occurring because some of our appointed consultants and contractors are not performing as required.	Interactions with SCM have been underway for some time to try to improve procurement turnaround times, but these have not yet been successful. Bus manufacturers have indicated that although they are behind programme on bus deliveries they will be able to deliver all busses by the end of June 2015. Consultants and contractors are continually pressured to improve on their performance.
Vote 14 - Utility Services	41,644	3.9%	Refer below for comments per department.	Refer below for comments per department.
Utility Services Support	(27)	-26.0%	Requisitions processed; awaiting approval of orders in April.	Ongoing monitoring is taking place.
Water & Sanitation	15,876	3.3%	Positive variance mainly due to: a. Meter Replacement Programme: The roll out is ahead of schedule. b. Main Rd Upgrade M/Berg to Clovelly Rehabilitation: Ahead of schedule, due to good contractor performance, where the Transport for Cape Town directorate is replacing the water and sanitation infrastructure as the road is constructed. c. Cape Flats WWTW project: The civil works, which forms part of the restoration of the Primary sedimentation tank (PST) and Secondary sedimentation tanks (SST), is ahead of schedule due to good contractor performance.	Project managers to ensure that tracking and monitoring of projects are ongoing to ensure that projects are completed within the prescribed timeframes.
Solid Waste Management	(10,398)	-9.0%	Bellville Transfer Station project: The contractor is slightly behind schedule.	The project manager is closely monitoring the project and engaging with contractor to accelerate implementation.
Cape Town Electricity	36,194	7.9%	The positive variance is as a result of various projects being ahead of schedule, due to good contractor performance and the delivery of equipment earlier than anticipated.	Project managers to ensure that tracking and monitoring of projects are ongoing to ensure that projects are completed within the prescribed timeframes.

The graphs below illustrate the capital budget versus actual expenditure per vote.

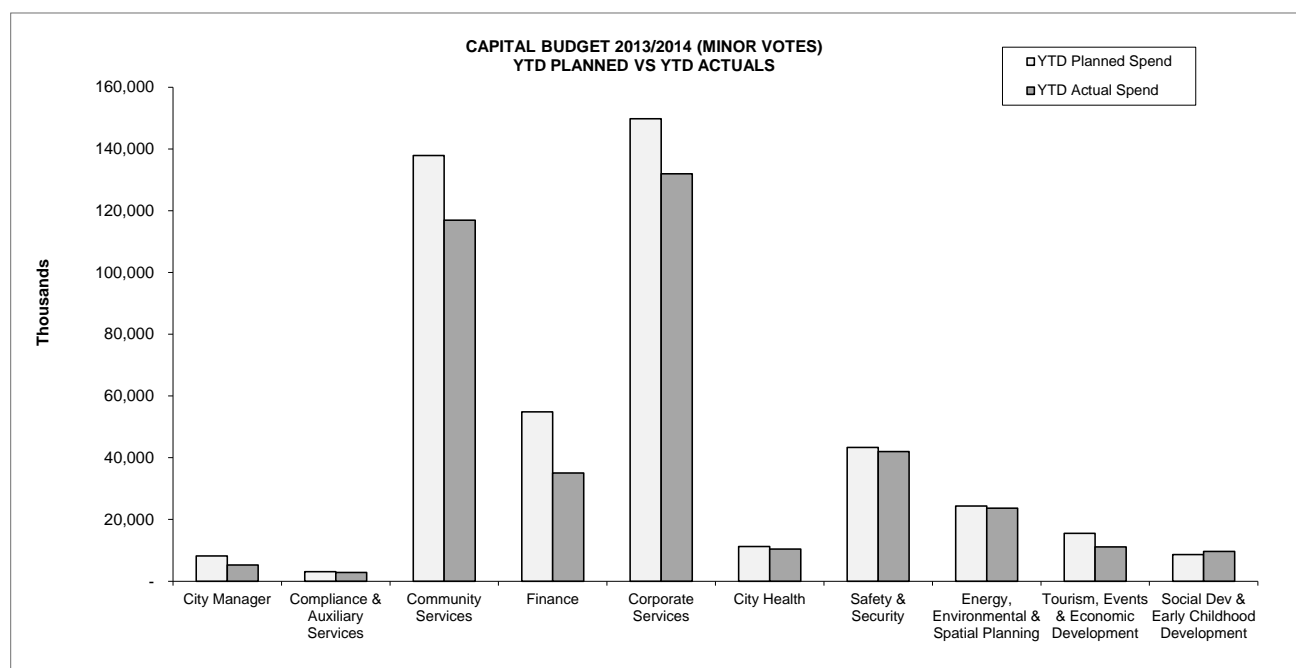
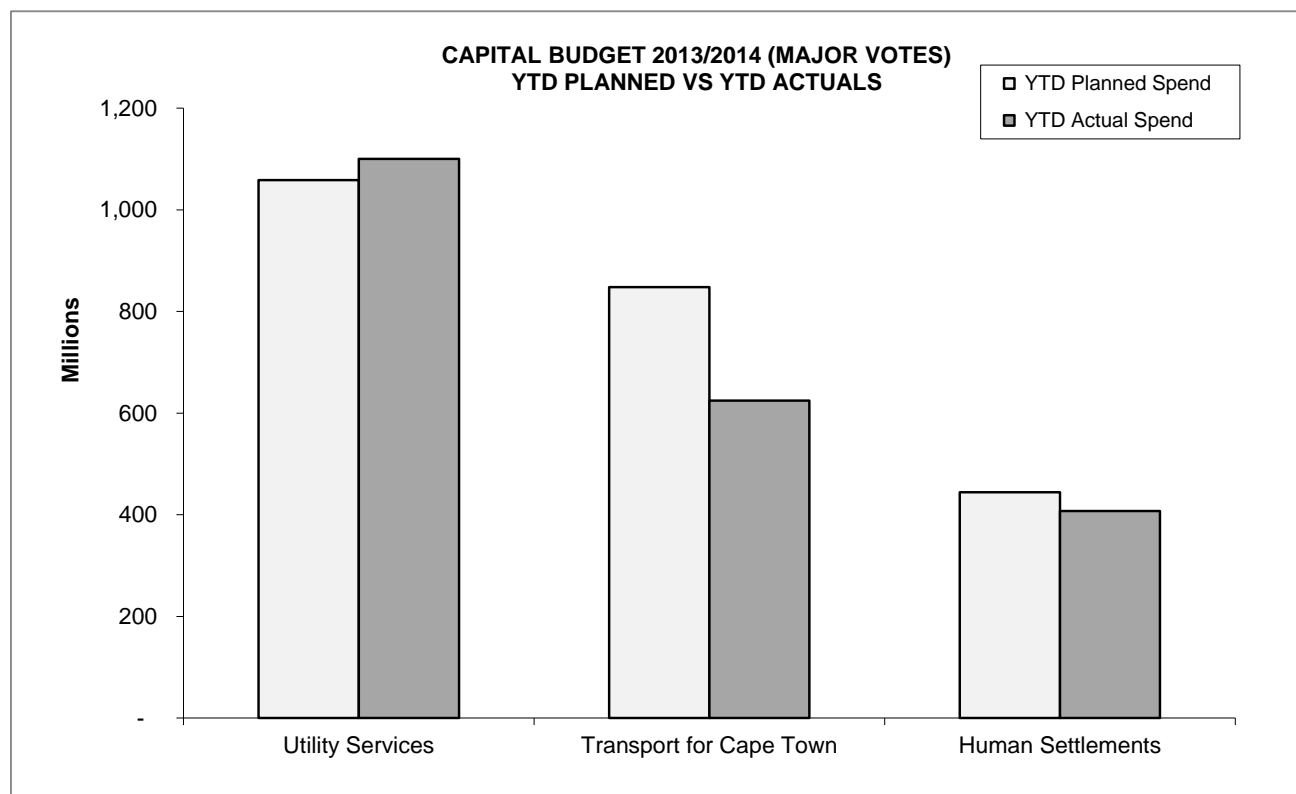


Table C6: Monthly Budget Statement - Financial Position

The table below reflects the performance to date in relation to the financial position of the City.

Description	2013/14	Budget Year 2014/15			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	2,266,560	–	–	2,185,314	–
Call investment deposits	2,621,907	5,362,934	5,155,458	8,345,494	5,155,458
Consumer debtors	4,309,649	4,499,300	4,506,736	3,247,966	4,506,736
Other debtors	417,305	351,500	459,034	1,275,994	459,034
Current portion of long-term receivables	19,650	20,495	18,543	19,650	18,543
Inventory	269,283	296,315	282,747	322,320	282,747
Total current assets	9,904,353	10,530,544	10,422,517	15,396,739	10,422,517
Non current assets					
Long-term receivables	104,311	91,753	99,097	86,483	99,097
Investments	3,245,041	1,682,069	1,859,632	–	1,859,632
Investment property	–	–	–	–	–
Investments in Associate	–	–	–	–	–
Property, plant and equipment	31,468,325	35,865,333	35,468,522	32,572,441	35,468,522
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	34,817,677	37,639,154	37,427,251	32,658,924	37,427,251
TOTAL ASSETS	44,722,030	48,169,698	47,849,768	48,055,662	47,849,768
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	368,325	378,885	378,885	368,325	378,885
Consumer deposits	370,217	372,943	407,239	272,603	407,239
Trade and other payables	6,338,165	5,125,323	4,904,437	5,214,365	4,904,437
Provisions	1,078,550	1,444,665	1,154,048	995,296	1,154,048
Total current liabilities	8,155,257	7,321,815	6,844,609	6,850,589	6,844,609
Non current liabilities					
Borrowing	6,666,139	7,902,043	7,902,043	6,439,739	7,902,043
Provisions	5,783,962	5,099,008	5,979,014	6,171,029	5,979,014
Total non current liabilities	12,450,101	13,001,051	13,881,057	12,610,768	13,881,057
TOTAL LIABILITIES	20,605,358	20,322,866	20,725,666	19,461,356	20,725,666
NET ASSETS	24,116,672	27,846,832	27,124,102	28,594,306	27,124,102
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	21,896,756	25,806,310	25,072,172	26,497,529	25,072,172
Reserves	2,219,916	2,040,522	2,051,930	2,096,777	2,051,930
TOTAL COMMUNITY WEALTH/EQUITY	24,116,672	27,846,832	27,124,102	28,594,306	27,124,102

The definitions for the categories in the financial position table are shown below.

Definitions of financial position categories

Description	Definition
Cash	Cash includes cash on hand, cash with banks, notice deposits and deposits with a maturity of three months or less, readily convertible to cash without significant change in value.
Call investment deposits	Call investment deposits include short-term bank and other deposits with a maturity of more than three months but less than twelve months.
Consumer debtors	A customer of an entity who has not yet paid for municipal goods and services rendered.
Other debtors	A customer or an entity who has not yet paid for sundry services rendered and/or fines imposed.
Current portion of long-term receivables	That portion of Long-term receivables that will become due in the next operating year.
Inventory	Inventory consists of goods purchased and held for resale and goods produced by the City. Inventory also includes raw materials and supplies to be used in works and processes.
Long-term receivables	Receivables that become due only in the financial years after the next one.
Investments	Investments include bank and other deposits with a maturity of more than twelve months.
Investment property	Is land and buildings held to earn rentals or for capital appreciation or both, as opposed to being used for production or for the supply of goods or services or for administrative purposes, or intended for sale in the normal course of operations.
Investments in Associate	It is an investment in an entity in which the investor has significant influence but is neither a controlled entity nor a joint venture of the City.
Property, plant and equipment	Are tangible assets that are held for use in the production or supply of goods or services, for rentals to others or for administrative purposes, and are expected to have a useful life of more than one reporting period.
Agricultural	The management of an agricultural activity for the biological transformation and harvest of biological assets for sale or conversion into agricultural produce or into additional biological assets.
Biological assets	Consists of assets undergoing the biological transformation in terms of the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes in a biological asset.
Intangible assets	Identifiable non-monetary asset without physical substance or form, held for use in the production or supply of goods or services, for rental to others or for administrative purposes.
Bank overdraft	Bank overdraft includes that amount overdrawn on the bank account and represents a short-term debt facility repayable to the Bank. The city has not negotiated any overdraft facilities.
Borrowing	Borrowing is that portion of loans taken up by the Council which are due and payable within the next twelve months.
Consumer deposits	Amounts held by the City as security over the provision of services on credit and repayable on termination of accounts.
Trade and other payables	Liabilities owed to suppliers for purchases of goods or services already rendered to the municipality.
Provisions	A present obligation arising from past events, the settlement of which is expected to result in an outflow of resources and will be taking place in the next 12 months.
Borrowing	Borrowing is that portion of loans taken up by the Council which are due and payable longer than the twelve months (i.e. exclude that amount of total loans included under current liabilities).
Provisions	A present obligation arising from past events, the settlement of which is expected to result in an outflow of resources and will be taking place not in the next 12 months.
Accumulated Surplus/(Deficit)	The surplus of an entity that has accumulated since the beginning of the entity's existence.
Reserves	Funds set aside from accumulated surpluses for statutory as well as specific requirements.

Table C7: Monthly Budget Statement - Cash Flow

The City's cash flow position and cash/cash equivalent outcome is shown in the table below.

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	22,073,063	23,306,935	23,265,803	19,648,371	18,936,779	711,592	3.8%	23,265,803
Government - operating	2,389,432	3,498,169	2,987,675	2,987,676	2,727,526	260,150	9.5%	2,987,675
Government - capital	2,052,758	2,882,853	3,236,176	2,704,548	2,379,196	325,352	13.7%	3,236,176
Interest	729,374	275,762	924,430	412,962	381,901	31,061	8.1%	924,430
Payments								
Suppliers and employees	(21,822,483)	(23,514,982)	(24,529,196)	(19,978,978)	(19,663,661)	315,317	-1.6%	(24,529,196)
Finance charges	(791,549)	(829,746)	(829,746)	(544,546)	(543,116)	1,430	-0.3%	(829,746)
Transfers and Grants	(115,021)	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	4,515,574	5,618,991	5,055,142	5,230,032	4,218,624	(1,011,408)	-24.0%	5,055,142
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	71,458	40,167	120,500	-	-	-		120,500
Decrease (Increase) in non-current debtors	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables	(1,751)	(4,829)	(110,970)	-	-	-		(110,970)
Decrease (increase) in non-current investments	(1,656,922)	(379,999)	(1,029,558)	(229,998)	(330,000)	100,003	-30.3%	(1,029,558)
Payments								
Capital assets	(4,502,293)	(6,133,477)	(6,280,466)	(2,553,814)	(3,141,048)	(587,234)	18.7%	(6,280,466)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6,089,508)	(6,478,138)	(7,300,493)	(2,783,811)	(3,471,048)	(687,237)	19.8%	(7,300,493)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-		-
Borrowing long term/refinancing	-	1,500,000	1,500,000	-	-	-		1,500,000
Increase (decrease) in consumer deposits	62,000	33,904	34,296	-	-	-		34,296
Payments								
Repayment of borrowing	(345,067)	(309,853)	(309,853)	(241,258)	(242,684)	(1,426)	0.6%	(309,853)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(283,067)	1,224,051	1,224,443	(241,258)	(242,684)	(1,426)	0.6%	1,224,443
NET INCREASE/ (DECREASE) IN CASH HELD	(1,857,001)	364,904	(1,020,908)	2,204,963	504,893			(1,020,908)
Cash/cash equivalents at beginning:	8,099,366	6,603,670	6,209,623	6,209,623	6,209,623			6,209,623
Cash/cash equivalents at month/year end:	6,242,365	6,968,574	5,188,715	8,414,586	6,714,516			5,188,715

The table below reflects the variances for cash flow position and cash/cash equivalent outcome as well as reasons for material deviations and remedial action.

Description	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	711,592	3.8%	Immaterial variance.	No corrective action required at this time.
Government - operating	260,150	9.5%	More grant income received than originally budgeted for.	No corrective action required at this time.
Government - capital	325,352	13.7%	More grant income received than originally budgeted for.	No corrective action required at this time.
Interest	31,061	8.1%	Investment income greater than expected, due to better returns earned on higher cash balance.	No corrective action required at this time.
Dividends	-	-		
Payments				
Suppliers and employees	315,317	-1.6%	Immaterial variance.	No corrective action required at this time.
Finance charges	1,430	-0.3%	Immaterial variance.	No corrective action required at this time.
Transfers and Grants	-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES	(1,011,408)	-24.0%		
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-			
Decrease (Increase) in non-current debtors	-			
Decrease (increase) other non-current receivables	-			
Decrease (increase) in non-current investments	100,003	-30%	The variance is due to lower than planned non current investments, which is compensated by an increase in short term investments.	No corrective action required at this time.
Payments				
Capital assets	(587,234)	18.7%	Slower cash outflow than originally anticipated.	No corrective action required at this time.
NET CASH FROM/(USED) INVESTING ACTIVITIES	(687,237)	19.8%		
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-			
Borrowing long term/refinancing	-			
Increase (decrease) in consumer deposits	-			
Payments				
Repayment of borrowing	(1,426)	0.6%	Immaterial variance.	No corrective action required at this time.
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1,426)	0.6%		

Table SC9: Monthly Budget Statement - Actual and revised targets for cash receipts and cash flows

Description	Budget Year 2014/15												2014/15 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget			
Cash Receipts By Source															
Property rates	476,044	409,531	531,075	562,297	506,325	541,260	492,829	501,835	549,356	424,219	420,007	359,393	5,774,172	6,188,871	6,623,437
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	856,628	952,848	858,230	891,451	795,009	829,334	782,019	734,573	835,756	837,595	842,698	808,144	10,024,284	10,774,483	11,603,398
Service charges - water revenue	144,776	170,176	138,202	157,778	162,467	188,296	176,147	223,433	256,437	187,452	183,253	143,383	2,131,800	2,452,410	2,752,640
Service charges - sanitation revenue	89,623	103,938	73,800	94,863	83,864	104,594	98,460	127,848	130,026	97,374	119,180	50,572	1,174,140	1,329,592	1,492,294
Service charges - refuse	53,800	62,129	44,842	54,132	40,124	50,123	46,183	46,704	55,154	86,163	70,958	313,072	923,385	1,014,216	1,088,970
Service charges - other	42,720	24,683	20,439	25,902	23,666	27,268	23,760	28,313	26,039	18,866	33,790	65,266	360,711	353,181	414,253
Rental of facilities and equipment	38,280	17,862	18,093	17,704	17,055	18,722	15,385	17,362	24,139	15,130	12,075	(43,476)	168,331	164,081	168,517
Interest earned - external investments	32,452	52,181	44,997	46,717	42,661	50,551	47,473	41,033	54,896	42,570	40,406	428,491	924,430	501,633	440,593
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	17,165	16,252	16,664	18,877	19,876	20,216	17,988	19,274	21,162	14,829	18,934	(25,645)	175,592	185,484	195,500
Licences and permits	3,658	23,096	23,201	18,311	14,405	26,661	17,384	16,964	27,711	14,061	6,943	2,585	194,981	219,933	257,395
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	771,030	70,068	-	120,000	39,468	539,519	-	24,250	1,423,340	-	-	(0)	2,987,675	4,005,459	4,446,242
Other revenue	182,369	873,224	341,265	209,741	184,232	817,860	180,675	165,161	843,268	26,084	28,740	(1,514,212)	2,338,406	2,436,694	2,573,032
Cash Receipts by Source	2,708,545	2,775,990	2,110,809	2,217,772	1,929,153	3,214,403	1,898,305	1,946,749	4,247,284	1,764,343	1,776,983	587,573	27,177,908	29,626,038	32,056,271
Other Cash Flows by Source															
Transfer receipts - capital	800,762	3,671	120,294	22,971	225,556	589,332	36,288	50,028	855,645	357,947	427,473	(253,792)	3,236,176	2,456,222	2,456,911
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	120,500	120,500	74,448	78,468
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	1,500,000	1,500,000	1,500,000	1,000,000
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	34,296	34,296	37,294	41,024
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	(110,970)	(110,970)	(30,562)	(34,307)
Change in non-current investments	-	-	-	(49,998)	-	(180,000)	-	-	-	(50,000)	-	(749,560)	(1,029,558)	(206,352)	(89,310)
Total Cash Receipts by Source	3,509,306	2,779,661	2,231,103	2,190,745	2,154,709	3,623,735	1,934,594	1,996,777	5,102,928	2,072,291	2,204,456	1,128,047	30,928,353	33,457,087	35,509,058

Table continues on next page.

Description	Budget Year 2014/15												2014/15 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget			
<u>Cash Payments by Type</u>															
Employee related costs	664,705	662,689	668,427	665,554	1,024,213	666,865	675,725	683,710	683,312	706,481	705,661	1,059,637	8,866,978	9,423,461	10,181,605
Remuneration of councillors	9,426	9,465	9,456	9,391	9,533	9,577	9,535	9,543	9,529	11,491	11,077	25,597	133,619	142,438	151,554
Interest paid	–	–	188,050	–	–	171,769	–	–	184,727	–	–	285,200	829,746	1,062,289	1,301,246
Bulk purchases - Electricity	791,798	876,854	826,715	484,899	493,242	469,022	447,801	470,394	439,121	497,722	463,038	457,295	6,717,900	7,205,955	7,781,805
Bulk purchases - Water & Sewer	26,750	28,289	17,233	38,608	26,647	25,175	32,512	21,848	57,541	28,350	23,844	41,566	368,361	404,273	444,073
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
General expenses	1,614,923	796,348	849,212	817,803	857,059	712,799	741,307	634,060	900,368	690,683	628,624	(800,848)	8,442,337	9,147,975	9,938,169
Cash Payments by Type	3,107,602	2,373,646	2,559,092	2,016,255	2,410,693	2,055,205	1,906,880	1,819,554	2,274,598	1,934,727	1,832,244	1,068,446	25,358,942	27,386,391	29,798,452
<u>Other Cash Flows/Payments by Type</u>															
Capital assets	462,057	202,822	119,203	310,054	429,821	390,003	118,496	257,311	264,048	759,127	908,190	2,059,335	6,280,466	5,601,948	5,413,057
Repayment of borrowing	–	–	88,055	–	–	65,148	–	–	88,055	–	–	68,595	309,853	285,598	407,882
Other Cash Flow s/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	3,569,659	2,576,467	2,766,350	2,326,308	2,840,514	2,510,356	2,025,376	2,076,865	2,626,701	2,693,854	2,740,434	3,196,376	31,949,261	33,273,936	35,619,391
NET INCREASE/(DECREASE) IN CASH HELD	(60,352)	203,194	(535,247)	(135,563)	(685,805)	1,113,379	(90,782)	(80,088)	2,476,227	(621,563)	(535,978)	(2,068,330)	(1,020,908)	183,151	(110,333)
Cash/cash equivalents at the month/year beginning:	6,209,623	6,149,271	6,352,465	5,817,218	5,681,655	4,995,850	6,109,229	6,018,447	5,938,359	8,414,586	7,793,023	7,257,045	6,209,623	5,188,715	5,371,866
Cash/cash equivalents at the month/year end:	6,149,271	6,352,465	5,817,218	5,681,655	4,995,850	6,109,229	6,018,447	5,938,359	8,414,586	7,793,023	7,257,045	5,188,715	5,188,715	5,371,866	5,261,533

PART 2 - SUPPORTING DOCUMENTATION: PARENT MUNICIPALITY

Debtors analysis

The debtor analysis provides an age analysis by revenue source and customer category.

Table SC3 Monthly budget statement Aged Debtors

Description	Budget Year 2014/15										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Year	Over 1 Year	Total	Total over 90 days		
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	327,809	90,741	56,953	69,504	51,939	46,559	269,888	1,424,912	2,338,305	1,862,801	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	556,776	29,144	23,027	20,995	15,923	15,930	31,319	97,055	790,168	181,221	-	-
Receivables from Non-exchange Transactions - Property Rates	451,475	64,236	34,344	56,748	21,454	21,922	162,453	607,381	1,420,013	869,957	-	-
Receivables from Exchange Transactions - Waste Water Management	169,449	46,600	25,999	32,448	25,154	23,991	130,412	640,920	1,094,973	852,925	-	-
Receivables from Exchange Transactions - Waste Management	68,716	15,573	11,348	13,925	10,785	9,729	53,472	221,900	405,449	309,812	-	-
Receivables from Exchange Transactions - Property Rental Debtors	42,219	10,944	10,762	10,302	9,743	509,108	-	-	593,078	529,153	-	-
Interest on Arrear Debtor Accounts	44,082	21,353	15,615	19,804	15,530	17,529	95,910	528,108	757,933	676,882	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	(88,339)	(20,174)	(17,069)	(29,002)	(27,405)	(54,138)	(49,160)	(181,988)	(467,275)	(341,693)	-	-
Total By Income Source	1,572,187	258,417	160,981	194,724	123,123	590,628	694,294	3,338,288	6,932,643	4,941,057	-	-
2013/14 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	39,690	16,683	6,125	(4,287)	(35,008)	(38,659)	27,967	48,366	60,876	(1,622)	-	-
Commercial	727,880	66,058	38,103	46,218	30,460	28,351	102,476	358,554	1,398,099	566,058	-	-
Households	824,297	199,707	130,401	157,722	129,699	614,978	606,092	2,980,227	5,643,122	4,488,718	-	-
Other	(19,680)	(24,030)	(13,648)	(4,928)	(2,027)	(14,041)	(42,241)	(48,859)	(169,454)	(112,096)	-	-
Total By Customer Group	1,572,187	258,417	160,981	194,724	123,123	590,628	694,294	3,338,288	6,932,643	4,941,057	-	-

Additional debtors information

Monthly Collection Rate			YTD Collection Rate
Period	Current year	Previous year	
12 Months	96.43%	97.22%	96.85%
6 Months	95.30%	98.42%	96.83%
3 Months	94.46%	96.25%	95.86%
Monthly	107.45%	103.31%	96.19%

12 Months Collection Ratio per Services			
Services	Current year	Previous year	YTD Collection Rate
Electricity	99.26%	99.80%	99.40%
Water	88.24%	86.10%	89.31%
Sewerage	90.16%	88.69%	92.00%
Refuse	94.09%	92.69%	94.30%
Rates	98.39%	100.13%	98.64%
Other	100.53%	98.81%	100.20%

2014/15 Billings vs Receipts		
Month	Billings R	Receipts R
July	1,957,772,594.77	1,930,402,632.45
August	2,253,395,142.71	2,064,186,076.16
September	2,171,870,466.03	2,224,853,509.17
October	2,099,995,541.53	2,216,521,082.71
November	2,171,329,415.03	1,906,365,369.49
December	2,190,493,155.94	2,091,456,281.56
January	2,290,257,330.52	1,975,756,606.65
February	2,250,212,182.30	2,036,385,305.12
March	2,130,835,408.89	2,289,672,572.06

Creditors analysis

The creditors' analysis below contains an aged analysis by customer type.

Table SC4 Monthly budget Statement Aged Creditors

Description	Budget Year 2014/15									Prior year totals (same period)
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	258,422	384	2	16	40	128	(40)	41	258,992	171,105
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	258,422	384	2	16	40	128	(40)	41	258,992	171,105

Outstanding commitments against Cash and Cash Equivalents

Item	Previous Month R'000	Current Month R'000
Closing Cash Balance	5,938,359	8,414,586
Unspent Conditional Grants	1,890,990	3,357,678
Housing Development	335,871	325,382
MTAB	20,161	20,083
Trust Funds	1,151	1,087
Financial commitments	283,000	283,000
Sinking Funds	-	-
Insurance reserves	556,667	521,178
CRR	1,105,879	1,074,213
TOTAL	4,193,719	5,582,621
TOTAL cash resources not committed	1,744,640	2,831,965

Allocation and grant receipts and expenditure

Table SC7 Monthly Budget Statement transfers and grants expenditure

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Operating expenditure of Transfers and Grants								
National Government:	420,240	1,919,255	2,336,122	334,832	403,657	(68,825)	-17.1%	2,336,122
Equitable share	376	1,503,173	1,505,392	2,500	3,808	(1,307)	-34.3%	1,505,392
Restructuring	–	1,191	1,191	–	–	–	–	1,191
Finance Management grant	219	1,250	990	337	337	0	0.0%	990
Urban Settlements Development Grant	57,826	114,142	190,973	50,387	85,559	(35,172)	-41.1%	190,973
Public Transport Network Operations Grant	217,101	217,498	442,968	244,051	214,139	29,912	14.0%	442,968
Energy Efficiency and Demand Side Management Grant	1,728	900	599	43	24	20	82.8%	599
Dept of Environ Affairs and Tourism	224	200	329	243	329	(86)	-26.0%	329
Housing Accreditation	57	200	200	14	130	(116)	-89.3%	200
Expanded Public Works Programme	38,192	20,804	23,610	12,675	19,719	(7,044)	-35.7%	23,610
Integrated City Development Grant	864	–	9,500	1,492	5,658	(4,166)	-73.6%	9,500
2014 African Nations Championship Host City Operating Grant	45,060	–	87	(28)	87	(115)	-131.8%	87
LGSETA	–	–	536	–	136	(136)	-100.0%	536
Public Transport Infrastructure & Systems Grant	56,119	7,726	7,726	6,234	5,907	328	5.5%	7,726
Public Transport Infrastructure Grant	–	–	112,016	–	44,806	(44,806)	-100.0%	112,016
Infrastructure Skills Development Grant	–	2,300	3,201	1,832	2,085	(253)	-12.2%	3,201
Municipal Disaster Grant	–	–	707	–	229	(229)	-100.0%	707
Municipal Human Settlements Capacity Grant	–	49,871	35,401	14,598	20,007	(5,408)	-27.0%	35,401
Department: Water Affairs	–	–	697	452	697	–	-35.1%	697
Provincial Government:	573,197	1,542,400	1,115,929	472,442	523,718	(51,276)	-9.8%	1,115,929
Cultural Affairs and Sport - Provincial library Services	22,008	30,735	33,580	24,600	23,143	1,457	6.3%	33,580
Human Settlements - Human Settlement Development Grant	299,584	1,097,130	648,161	254,303	305,798	(51,495)	-16.8%	648,161
Human Settlements - Municipal Accreditation Assistance	3,690	–	8,000	–	–	–	–	8,000
Human Settlement - Settlement Assistance	712	1,000	1,000	–	–	–	–	1,000
Health - TB	11,807	17,206	17,206	12,272	11,414	859	7.5%	17,206
Health - Global Fund	35,296	37,555	38,994	30,638	31,095	(457)	-1.5%	38,994
Health - ARV	88,613	109,589	109,589	87,702	80,817	6,885	8.5%	109,589
Health - Nutrition	4,385	4,636	4,636	3,368	3,091	277	9.0%	4,636
Health - Vaccines	66,724	70,956	70,956	47,385	53,225	(5,840)	-11.0%	70,956
Comprehensive Health	–	155,960	155,960	–	–	–	–	155,960
Transport and Public Works - Provision for persons with special needs	1,895	10,000	10,075	10,075	5,036	5,039	100.1%	10,075
Municipal Land Transport Fund	10,888	–	5,181	–	3,886	(3,886)	-100.0%	5,181
Transport Safety and Compliance - Rail Safety	–	500	2,200	1,668	1,350	318	23.5%	2,200
Community Development Workers	367	732	1,390	169	664	(495)	-74.5%	1,390
City of Cape Town - Public access centres	–	500	500	104	500	(396)	-79.1%	500
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	–	5,900	5,700	–	2,850	(2,850)	-100.0%	5,700
Community Safety - LEAS	27,228	–	2,500	158	850	(692)	-81.4%	2,500
Provincial Treasury - Western Cape Finance Management Support Grant	–	–	300	–	–	–	–	300
Other grant providers:	12,864	35,826	46,652	15,877	28,852	(12,975)	-45.0%	46,652
Tourism	–	2,190	4,190	526	526	–	–	4,190
Carnegie	1,583	3,057	3,057	1,171	1,861	(689)	-37.1%	3,057
CMTF	3,264	9,777	14,220	8,437	9,354	(917)	-9.8%	14,220
CID	2,764	2,969	2,840	2,323	2,323	(0)	0.0%	2,840
Century City Property Owners Association	438	468	468	140	157	(17)	-11.1%	468
Traffic Free Flow (Pty) Ltd	1,417	–	1,135	1,017	1,135	(118)	-10.4%	1,135
Manre Fencing	46	–	17	–	17	(17)	-100.0%	17
South African Biodiversity Institute (SANBI)	2,244	482	3,544	2,033	3,059	(1,026)	-33.5%	3,544
Sustainable Energy Africa	–	424	424	–	106	(106)	-100.0%	424
University Stellenbosch	51	1,781	1,781	95	1,188	(1,092)	-92.0%	1,781
DBSA - Green Fund	–	10,000	10,000	–	6,000	(6,000)	-100.0%	10,000
Agency Francaise de Development (AFD)	–	4,679	4,679	135	3,043	(2,907)	-95.5%	4,679
UN Women	–	–	150	–	–	–	–	150
V & A Waterfront Holdings (Pty) Ltd	–	–	148	–	85	(85)	-100.0%	148
ATKV	5	–	–	–	–	–	–	–
NGK Ceramic Company	686	–	–	–	–	–	–	–
Finland Government	112	–	–	–	–	–	–	–
Cities for Climate Protection	144	–	–	–	–	–	–	–
ICLEI Carbon Taxes	111	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants	1,006,301	3,497,481	3,498,703	823,151	956,227	(133,076)	-13.9%	3,498,703

Table continues on next page.

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure of Transfers and Grants								
National Government:	1,768,879	2,515,669	2,828,796	1,049,974	1,269,257	(219,283)	-17.3%	2,848,108
Department of Environmental Affairs & Tourism: Marine & Coastal Management	–	–	265	–	–	–		265
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	–	–	–	–	–	–		–
Mineral Energy: Energy Efficiency and Demand Side Management Grant	–	9,100	5,990	4,303	2,443	1,860	76.2%	5,990
Minerals and Energy: Electricity Demand Side Management (Eskom) Grant	7,683	–	–	–	–	–		–
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	7,276	5,000	22,224	9,848	8,215	1,633	19.9%	22,224
National Government - Other: Previous years' Dora allocations	–	200	200	35	52	(17)	-31.9%	200
National Treasury: Expanded Public Works Programme	412	400	400	364	338	27	7.9%	400
National Treasury: Financial Management Grant	841	–	599	221	75	146	194.5%	598
National Treasury: Infrastructure Skills Development Grant	99	–	–	–	–	–		–
National Treasury: Integrated City Development Grant	–	57,171	57,171	20,099	22,810	(2,711)	-11.9%	57,171
National Treasury: Local Government Financial Management Grant	–	–	–	–	–	–		–
National Treasury: Local Government Restructuring Grant	–	–	1,350	231	410	(179)	-43.6%	1,350
National Treasury: Municipal Disaster Grant	3,589	–	1,466	–	–	–		1,466
National Treasury: Municipal Human Settlements Capacity Grant	–	500	500	–	100	(100)	-100.0%	500
National Treasury: Neighbourhood Development Partnership Grant	24,551	35,470	30,785	4,590	9,276	(4,686)	-50.5%	30,785
National Treasury: Other	15,387	1,902	2,089	619	1,322	(703)	-53.2%	2,089
National Treasury: Urban Settlements Development Grant	915,400	1,244,737	1,454,653	599,005	664,074	(65,069)	-9.8%	1,477,966
Provincial and Local Government: Municipal Infrastructure Grant (MIG Cities)	3,891	–	250	166	250	(85)	-33.8%	250
Sport & Recreation SA: 2010 Fifa World Cup Stadiums Development Grant	3,942	–	–	–	–	–		–
Sport Recreation: 2014 African Nation Championship Host City Operating Grant	131,296	2,000	2,000	1,646	1,523	124	8.1%	2,000
Transport: Public Transport Infrastructure & Systems Grant	654,511	1,159,140	1,248,854	408,845	558,370	(149,525)	-26.8%	1,244,854
Transport: Public Transport Infrastructure Grant	1	50	–	–	–	–		–
Provincial Government:	283,680	292,065	315,880	198,266	210,361	(12,095)	-5.7%	304,312
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	–	250	250	–	–	–		250
Cultural Affairs and Sport: Library Services (Conditional Grant)	2,263	10,200	9,365	3,625	5,520	(1,896)	-34.3%	9,365
Economic Development and Tourism: False Bay Ecology	243	–	850	842	771	72	9.3%	850
Economic Development and Tourism: Public Access Centres	–	2,350	2,350	927	1,247	(319)	-25.6%	2,350
Health: Global Fund	–	–	–	–	–	–		–
Housing: Integrated Housing and Human Settlement Development Grant	252,825	263,029	281,224	190,139	196,170	(6,031)	-3.1%	269,655
Housing: Previous years' Gazetted allocations	979	–	–	–	–	–		–
Local Government: Multi-Purpose Centres	–	–	–	–	–	–		–
Other: Other	–	–	–	–	–	–		–
Provincial Government: Community Development Workers (CDW) Operational Grant Support	–	300	300	243	300	(57)	-19.0%	300
Provincial Government: Fibre Optic Broadband Roll Out	4,860	10,702	10,923	439	2,008	(1,569)	-78.1%	10,923
Provincial Government: Previous years' Gazetted allocations	–	–	75	–	–	–		75
Transport: Municipal Land Transport Fund	139	–	5,000	–	–	–		5,000
Transport and Public Works: Cape Metropolitan Transport Fund	21,053	–	–	–	–	–		–
Transport and Public Works: Other	–	234	343	232	232	(0)	0.0%	343
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infrastructure	–	5,000	5,200	1,819	4,113	(2,294)	-55.8%	5,200
Transport and Public Works: Implementation of Impoundment Facilities	1,318	–	–	–	–	–		–
Other grant providers:	43,022	75,119	52,996	35,974	32,282	3,691	11.4%	50,996
Other grant providers:	43,022	75,119	52,996	35,974	32,282	3,691	11.4%	50,996
Total capital expenditure of Transfers and Grants	2,095,581	2,882,853	3,197,672	1,284,214	1,511,901	(227,687)	-15.1%	3,203,416
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	3,101,882	6,380,334	6,696,374	2,107,365	2,468,128	(360,763)	-14.6%	6,702,119

Material variance explanations for corporate performance for Quarter 3 2015

Description of Indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1.J Percentage of treated potable water not billed	-0.56%	The indicator has greatly improved over the past four quarters and non-revenue water figures are on a declining trend. A noteworthy improvement of $\pm 2\%$ has been recorded since April 2014 and non-revenue water figures are getting closer to the set targets.	Future non-revenue water figures (water not billed) will be closely monitored. Responsible person: Peter Flower Due date: On-going
2.C % Response times for fire incidents within 14 mins	-7.50%	The underachievement is as a result of the increased fires experienced over the past three months. The decreased staff levels, due to attrition and resignations, have also contributed to the decreased ability to maintain response time levels.	The scenario will be monitored on a continuous basis. Responsible person: Richard Bosman Due date: on-going
3.C No of housing opportunities provided per year - (a) Service Sites	-1432	<p>Development & Delivery:</p> <ol style="list-style-type: none"> Financial issues delayed the Morningstar, Belhar Pentech & Valhalla projects. Beneficiary ID issues have delayed the advertising of the tender on Edward Road & Morningstar Road. <p>Urbanisation:</p> <p>Bosasa IDA project, which would have yielded 1006 sites, was stopped by community dynamics.</p> <p>Sir Lowry's Pass Village, which would have yielded 177 sites, was delayed as contractor could not complete project. The contract had to be cancelled and new contractor had to be procured and appointed.</p>	<p>Development & Delivery:</p> <ol style="list-style-type: none"> 1 & 2. The department has set up regular meetings with the HS Finance department to develop a common approach/understanding of issues delaying projects. It is proposed that the Standard Operating Procedure (SOP) project starts with financial procedures. It is also proposed that HS Finance conduct workshops with project managers in order to see how best to support project managers on financial matters. Develop an agreed upon work plan on preparation of capital and HSDG budget. Expanding catchment area. <p>Urbanisation:</p> <p>Bosasa IDA project cancelled based on decision taken by the Executive Mayor.</p> <p>Sir Lowry's Pass: Application for BAC to award the contract will be submitted in April 2015. Delays relating to USDG approval was experienced.</p> <p>Responsible person: Johan Gerber (Urbanisation) Due date: end June 2015</p>
(b) Top Structures	-1977	<p>Development & Delivery:</p> <ol style="list-style-type: none"> Financial issues hampered the Hazendal, Heideveld, Delft Rosendal & Delft Hague projects. Tender appeals further delayed the first 3 projects. Funding deficit needs to be resolved for the Somerset West (Lourensia Park) and Scottsdene CRU projects. Delayed approval of innovative housing prototype – Greenville. The length of time taken to approve the new subsidy increment & subsidy claims, impacts on PHP projects. <p>Urbanisation:</p> <p>Bosasa IDA Extension, which would have yielded +/- 600 opportunities, is still blocked as a result of community dynamics.</p> <p>Sir Lowry's Pass Village, which would have yielded 177 opportunities, has been delayed as the contractor responsible for the civil engineering infrastructure could not complete the project and the contract had to be cancelled.</p>	<p>Development & Delivery:</p> <ol style="list-style-type: none"> The issues have been resolved and contractors moved on site Jan-March (points 1 & 2 above also apply). The department is engaging with PGWC and contractors. The department is helping Garden Cities engage with key role players e.g. NHBRC. The department is monitoring approvals closely and frequently requests the MEC and HOD to expedite approvals. <p>Additional remedial actions:</p> <ol style="list-style-type: none"> Two (2) meetings were held with PHP Forum/contractors. Funds were allocated to new projects (3 times during July – Nov 2014) and the department is re-allocating funds from non-performing to performing projects (Feb 2015). <p>Urbanisation:</p> <p>Bosasa IDA: Bosasa project cancelled on based on decision taken by the Executive Mayor.</p> <p>Sir Lowry's Pass: Application for BAC to award the contract will be submitted in April 2015. Delays relating to USDG approval was experienced.</p> <p>Responsible person: Johan Gerber (Urbanisation) and Norah Walker (Development & Delivery) Due date: end June 2015</p>

Table continues on next page.

Description of Indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
(c) Other (Community Residential Unit (CRU) upgrades and shared services provision to Reblocked Informal settlements and backyarders)	-1902	Re-blocking not taking off as anticipated. Backyarder project delayed as Water & Sanitation term contracts for toilet structures and plumbing installations expired without new ones being in place.	A number of re-blocking projects being assessed for roll-out Toilets and Plumbing installations procured through a Quotation system and backyarder project being fast tracked. Responsible person: Johan Gerber (Urbanisation) and Norah Walker (Development & Delivery) Due date: end June 2015
5.D Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the City's approved employment equity plan (EE)	-13.44%	The positions in levels 1-3 are characterised by scarce skills categories in terms of senior management and leadership category. The City is not the only competitor for these skills and despite the City attraction strategy we are not always able to attract, appoint and retain designated groups at this level	Continuous monitoring of this indicator. Coupled with the guiding EE presentations to directorates, the City's Corporate Services directorate is looking broadly at the City's attraction and retention strategies. Succession planning and identification of talent in the designated groups at lower levels and positioning them for identified senior positions is seriously considered and an on-going priority. Responsible person: Michael Siyolo Due date: On-going (end of the EE plan)

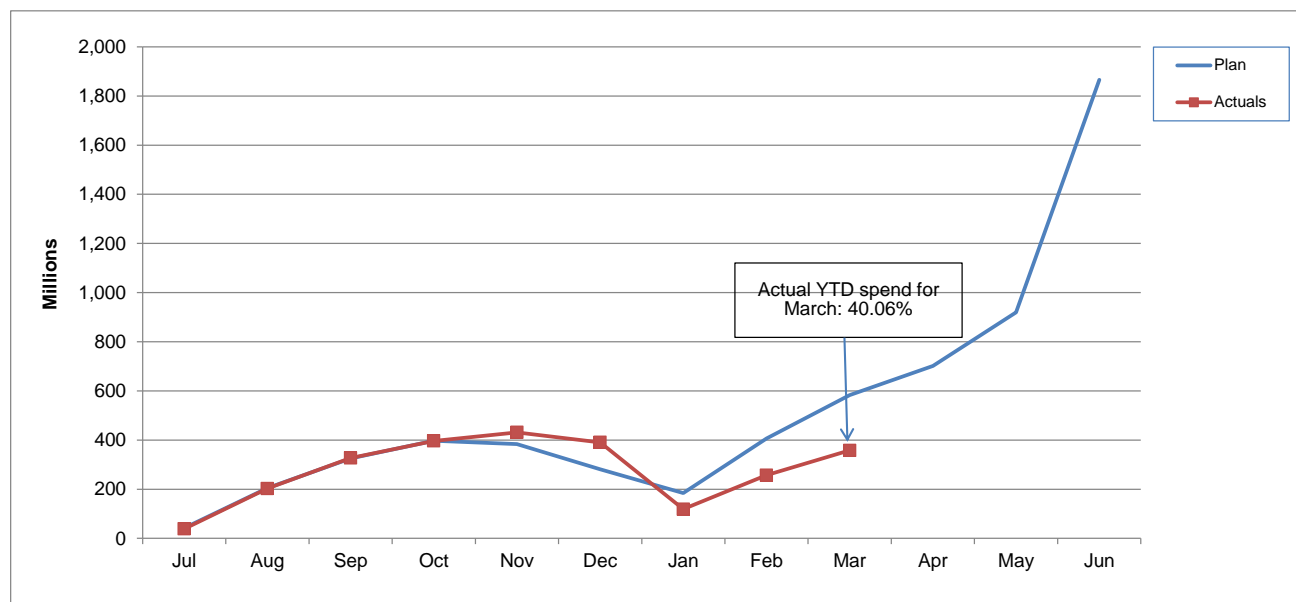
Capital programme performance

The capital programme performance tables provide details of capital expenditure by month; and summaries of capital expenditure by asset class and sub-class.

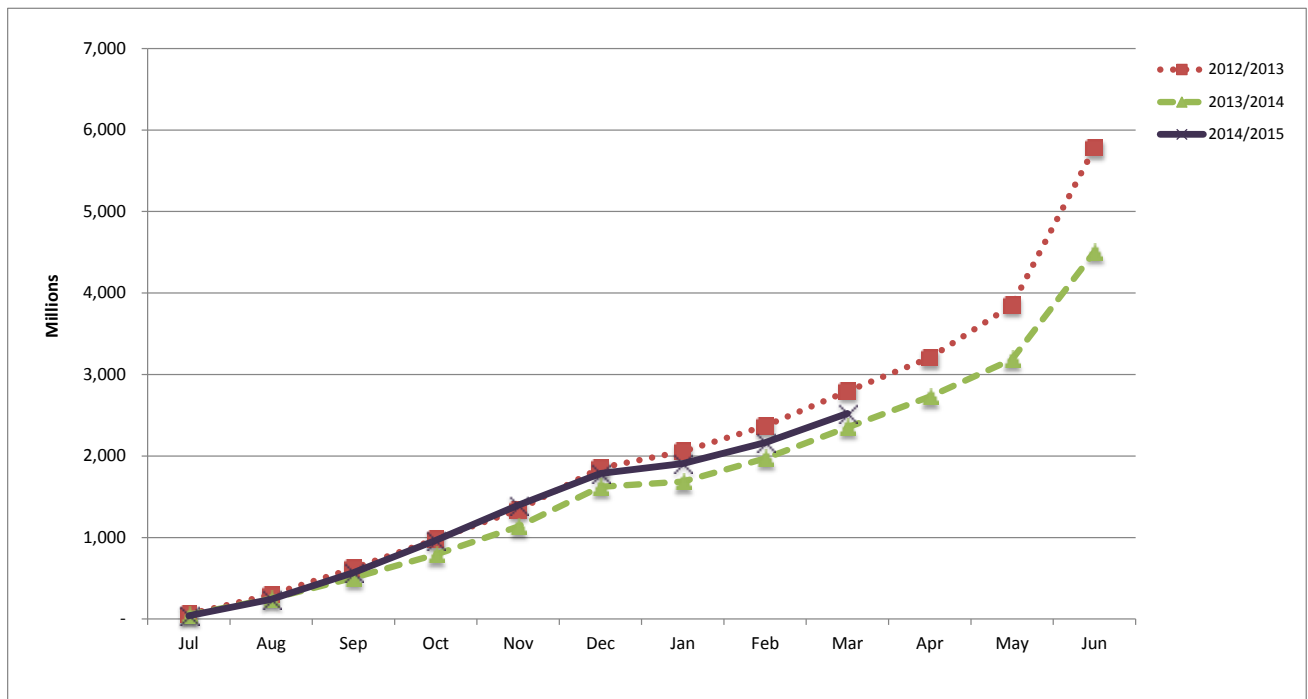
Table SC12 Monthly Budget Statement - capital expenditure trend

Month	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands								
Monthly expenditure performance trend								
July	52,401	135,515	42,170	38,964	42,170	3,207	7.6%	0.6%
August	198,025	279,404	205,088	241,786	247,259	5,473	2.2%	3.9%
September	255,735	461,448	325,333	568,959	572,592	3,633	0.6%	9.2%
October	284,835	402,354	397,342	965,432	969,934	4,503	0.5%	15.5%
November	341,978	465,382	383,447	1,396,877	1,353,382	(43,495)	-3.2%	22.5%
December	490,309	390,410	280,794	1,787,557	1,634,176	(153,382)	-9.4%	28.8%
January	63,338	256,268	184,008	1,906,477	1,818,184	(88,293)	-4.9%	30.7%
February	282,952	505,716	406,403	2,163,788	2,224,587	60,799	2.7%	34.8%
March	380,479	558,353	582,882	2,521,884	2,807,469	285,585	10.2%	40.6%
April	378,773	631,070	701,686		3,509,155	–		
May	456,073	696,878	919,859		4,429,014	–		
June	1,317,394	1,428,519	1,865,602		6,294,615	–		
Total Capital expenditure	4,502,293	6,211,315	6,294,615					

The monthly expenditure-to-date measured against the 2014/15 current budget is graphically illustrated below.



The capital expenditure trend for the City for the 2012/13, 2013/14 and 2014/15 financial years is graphically illustrated below.



MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Achmat Ebrahim, the municipal manager of City of Cape Town, hereby certify that the quarterly report on the implementation of the budget and financial state affairs of the municipality, for the period ended **March 2015** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name -----

Municipal Manager of City of Cape Town (CPT)

Signature -----

Date -----