Annexure A:

Quarterly Financial Report –

30 June 2015

Contents

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	32,249,282	32,249,282	30,408,907	94.3%	94.3%
Operating Expenditure	29,330,615	29,330,615	26,101,349	89.0%	89.0%

The summary statement of financial performance indicates actual operating revenue realised of R30 409 million or 94.3% of the current budget and operating expenditure of R26 101 million or 89% 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 13.

Details of revenue by source and expenditure by type are shown in Table C4 on page 14. Details of material variances and remedial action, where applicable, are shown on page 15 to page 20.

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
6,128,220	6,128,220	4,969,521	81.1%	81.1%

The summary statement of capital budget performance indicates actual capital expenditure of R4 970 million or 81.1% of the current budget. The year to date spend of R4 970 million represents 86.73% (R2 557 million) on internally-funded projects and 75.86% (R2 413 million) on externally-funded projects.

Details of capital expenditure are shown in Table C5 on page 21 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 22 to 25.

Table C1: Monthly budget statement summary

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

CPT Cape Town - Table C1 Monthly Budget Statement Summary - M12 June

Description	2013/14	Budget Year 2014/15						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance								
Property rates	5,546,774	5,942,513	5,964,279	5,970,896	5,964,279	6,617	0.1%	5,964,279
Service charges	13,903,679	15,262,264	15,184,641	15,135,122	15,184,641	(49,519)	-0.3%	15,184,641
Investment revenue	461,053	275,762	275,762	519,781	275,762	244,019	88.5%	275,762
Transfers recognised - operational	2,399,033	3,498,169	3,518,129	2,715,086	3,518,129	(803,043)	-22.8%	3,518,129
Other own revenue	3,751,219	3,392,277	4,125,803	4,475,870	4,125,803	350,066	8.5%	4,125,803
Total Revenue (excluding capital transfers and contributions)	**26,061,758**	**28,370,984**	**29,068,614**	**28,816,754**	**29,068,614**	**(251,860)**	**-0.9%**	**29,068,614**
Employee costs	8,640,854	8,940,483	8,805,804	8,561,231	8,805,804	(244,573)	-2.8%	8,805,804
Remuneration of Councillors	119,709	133,619	133,619	128,412	133,619	(5,206)	-3.9%	133,619
Depreciation & asset impairment	1,784,970	2,154,335	2,014,841	1,903,052	2,014,841	(111,788)	-5.5%	2,014,841
Finance charges	807,283	919,232	912,241	747,861	912,241	(164,380)	-18.0%	912,241
Materials and bulk purchases	6,890,385	7,437,129	7,428,501	6,616,420	7,428,501	(812,081)	-10.9%	7,428,501
Transfers and grants	115,021	125,354	146,079	132,635	146,079	(13,444)	-9.2%	146,079
Other expenditure	8,173,227	8,945,218	9,889,531	8,011,738	9,889,531	(1,877,793)	-19.0%	9,889,531
Total Expenditure	**26,531,448**	**28,655,369**	**29,330,615**	**26,101,349**	**29,330,615**	**(3,229,267)**	**-11.0%**	**29,330,615**
Surplus/(Deficit)	**(469,690)**	**(284,384)**	**(262,001)**	**2,715,406**	**(262,001)**	**2,977,407**	**-1136.4%**	**(262,001)**
Transfers recognised - capital	2,052,758	2,817,627	3,128,658	1,549,076	3,128,658	(1,579,582)	-50.5%	3,128,658
Contributions & Contributed assets	76,408	65,226	52,010	43,076	52,010	(8,934)	-17.2%	52,010
Surplus/(Deficit) after capital transfers & contributions	**1,659,476**	**2,598,469**	**2,918,667**	**4,307,558**	**2,918,667**	**1,388,891**	**47.6%**	**2,918,667**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	-	–
Surplus/ (Deficit) for the year	**1,659,476**	**2,598,469**	**2,918,667**	**4,307,558**	**2,918,667**	**1,388,891**	**47.6%**	**2,918,667**
Capital expenditure & funds sources								
Capital expenditure	**4,502,293**	**6,211,315**	**6,128,220**	**4,969,521**	**6,128,220**	**(1,158,699)**	**-18.9%**	**5,441,500**
Capital transfers recognised	2,053,319	2,809,834	3,129,946	2,369,651	3,129,946	(760,294)	-24.3%	2,628,704
Public contributions & donations	44,022	73,019	50,723	43,323	50,723	(7,400)	-14.6%	44,237
Borrowing	1,856,889	2,350,301	2,277,157	1,994,783	2,277,157	(282,374)	-12.4%	2,166,768
Internally generated funds	548,064	978,161	670,395	561,764	670,395	(108,631)	-16.2%	601,792
Total sources of capital funds	**4,502,293**	**6,211,315**	**6,128,220**	**4,969,521**	**6,128,220**	**(1,158,699)**	**-18.9%**	**5,441,500**
Financial position								
Total current assets	9,904,353	10,530,544	10,897,328	13,538,704				10,897,328
Total non current assets	34,817,677	37,639,154	37,230,934	34,614,991				37,230,934
Total current liabilities	8,155,257	7,321,815	7,179,861	7,286,194				7,179,861
Total non current liabilities	12,450,101	13,001,051	13,881,057	12,647,493				13,881,057
Community wealth/Equity	**24,116,672**	**27,846,832**	**27,067,345**	**28,220,007**				**27,067,345**
Cash flows								
Net cash from (used) operating	4,515,574	5,618,991	5,297,911	4,558,964	5,297,911	738,947	13.9%	5,297,911
Net cash from (used) investing	(6,089,508)	(6,478,138)	(7,101,516)	(3,938,982)	(7,101,516)	(3,162,534)	44.5%	(7,101,516)
Net cash from (used) financing	(283,067)	1,224,051	1,224,443	(307,002)	1,224,443	1,531,445	125.1%	1,224,443
Cash/cash equivalents at the month/year end	**6,242,365**	**6,968,574**	**5,663,526**	**6,555,667**	**5,663,526**			**5,663,526**

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

Annexure A: S52 – 2015 Q4 (June 2015)

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

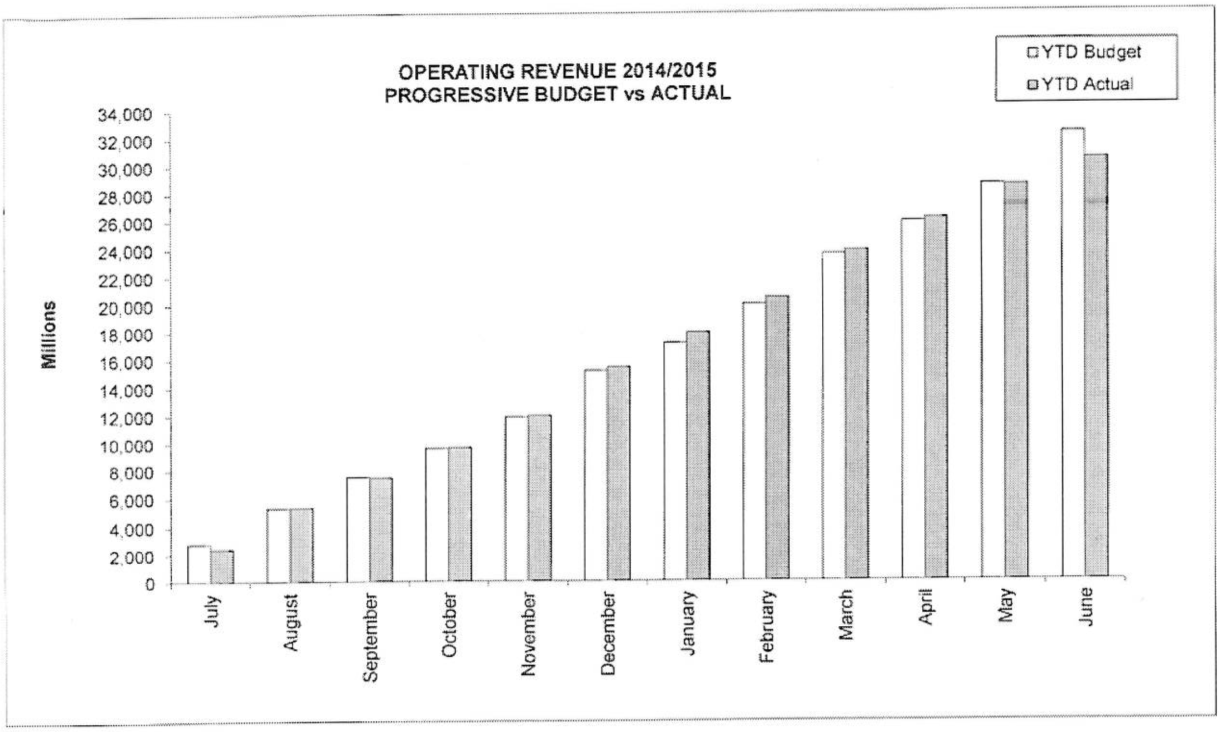
The table below is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

Description	2013/14	Budget Year 2014/15						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Standard								
Governance and administration	**9,725,371**	**10,461,359**	**10,476,969**	**10,645,759**	**10,476,969**	**168,790**	**1.6%**	**10,476,969**
Executive and council	222,571	272,595	294,393	255,881	294,393	(38,513)	-13.1%	294,393
Budget and treasury office	9,325,485	9,890,543	9,896,230	10,161,394	9,896,230	265,164	2.7%	9,896,230
Corporate services	177,315	298,221	286,346	228,485	286,346	(57,861)	-20.2%	286,346
Community and public safety	**2,371,841**	**2,845,189**	**3,474,835**	**2,825,369**	**3,474,835**	**(649,466)**	**-18.7%**	**3,474,835**
Community and social services	83,749	136,417	115,949	100,062	115,949	(15,887)	-13.7%	115,949
Sport and recreation	139,688	119,466	111,341	76,640	111,341	(34,702)	-31.2%	111,341
Public safety	803,168	231,113	997,603	1,366,926	997,603	369,323	37.0%	997,603
Housing	1,132,956	2,102,760	1,994,838	1,053,867	1,994,838	(940,972)	-47.2%	1,994,838
Health	212,279	255,433	255,104	227,875	255,104	(27,229)	-10.7%	255,104
Economic and environmental services	**1,702,432**	**2,182,482**	**2,600,884**	**1,490,647**	**2,600,884**	**(1,110,238)**	**-42.7%**	**2,600,884**
Planning and development	244,648	314,250	255,149	254,972	255,149	(177)	-0.1%	255,149
Road transport	1,451,044	1,848,563	2,317,644	1,205,447	2,317,644	(1,112,196)	-48.0%	2,317,644
Environmental protection	6,740	19,669	28,091	30,227	28,091	2,136	7.6%	28,091
Trading services	**14,390,251**	**15,761,551**	**15,691,336**	**15,444,652**	**15,691,336**	**(246,684)**	**-1.6%**	**15,691,336**
Electricity	9,688,895	10,374,795	10,494,997	10,231,271	10,494,997	(263,726)	-2.5%	10,494,997
Water	2,332,377	2,688,261	2,625,262	2,662,013	2,625,262	36,751	1.4%	2,625,262
Waste water management	1,375,489	1,640,951	1,532,534	1,503,793	1,532,534	(28,741)	-1.9%	1,532,534
Waste management	993,490	1,057,543	1,038,543	1,047,575	1,038,543	9,032	0.9%	1,038,543
Other	**1,030**	**3,258**	**5,258**	**2,480**	**5,258**	**(2,778)**	**-52.8%**	**5,258**
Total Revenue - Standard	**28,190,924**	**31,253,838**	**32,249,282**	**30,408,907**	**32,249,282**	**(1,840,376)**	**-5.7%**	**32,249,282**
Expenditure - Standard								
Governance and administration	**6,101,339**	**5,450,165**	**5,511,267**	**5,041,643**	**5,511,267**	**(469,624)**	**-8.5%**	**5,511,267**
Executive and council	868,121	818,634	861,299	800,136	861,299	(61,164)	-7.1%	861,299
Budget and treasury office	3,362,374	2,506,777	2,508,578	2,294,948	2,508,578	(213,630)	-8.5%	2,508,578
Corporate services	1,870,844	2,124,754	2,141,390	1,946,559	2,141,390	(194,831)	-9.1%	2,141,390
Community and public safety	**5,338,007**	**6,155,784**	**6,533,201**	**5,234,787**	**6,533,201**	**(1,298,414)**	**-19.9%**	**6,533,201**
Community and social services	469,116	508,334	525,435	520,489	525,435	(4,946)	-0.9%	525,435
Sport and recreation	1,242,113	1,315,435	1,331,990	1,236,627	1,331,990	(95,363)	-7.2%	1,331,990
Public safety	1,852,966	1,587,110	2,384,451	1,562,329	2,384,451	(822,122)	-34.5%	2,384,451
Housing	1,034,934	1,892,239	1,439,120	1,091,822	1,439,120	(347,298)	-24.1%	1,439,120
Health	738,879	852,667	852,205	823,520	852,205	(28,685)	-3.4%	852,205
Economic and environmental services	**1,994,331**	**2,308,417**	**2,464,250**	**2,257,859**	**2,464,250**	**(206,391)**	**-8.4%**	**2,464,250**
Planning and development	620,738	720,507	708,468	678,646	708,468	(29,822)	-4.2%	708,468
Road transport	1,283,245	1,491,923	1,648,828	1,471,356	1,648,828	(177,472)	-10.8%	1,648,828
Environmental protection	90,348	95,987	106,954	107,857	106,954	903	0.8%	106,954
Trading services	**12,259,142**	**13,877,328**	**13,761,629**	**12,667,302**	**13,761,629**	**(1,094,327)**	**-8.0%**	**13,761,629**
Electricity	7,677,729	8,621,654	8,533,083	7,641,128	8,533,083	(891,955)	-10.5%	8,533,083
Water	1,995,569	2,295,850	2,232,373	2,198,706	2,232,373	(33,667)	-1.5%	2,232,373
Waste water management	1,115,782	1,274,995	1,283,477	1,180,087	1,283,477	(103,390)	-8.1%	1,283,477
Waste management	1,470,061	1,684,829	1,712,697	1,647,381	1,712,697	(65,316)	-3.8%	1,712,697
Other	**53,516**	**64,212**	**61,523**	**57,528**	**61,523**	**(3,996)**	**-6.5%**	**61,523**
Total Expenditure - Standard	**25,746,335**	**27,855,907**	**28,331,871**	**25,259,119**	**28,331,871**	**(3,072,752)**	**-10.8%**	**28,331,871**
Surplus/ (Deficit) for the year	**2,444,589**	**3,397,931**	**3,917,411**	**5,149,788**	**3,917,411**	**1,232,377**	**31.5%**	**3,917,411**

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

Annexure A: S52 – 2015 Q4 (June 2015)

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



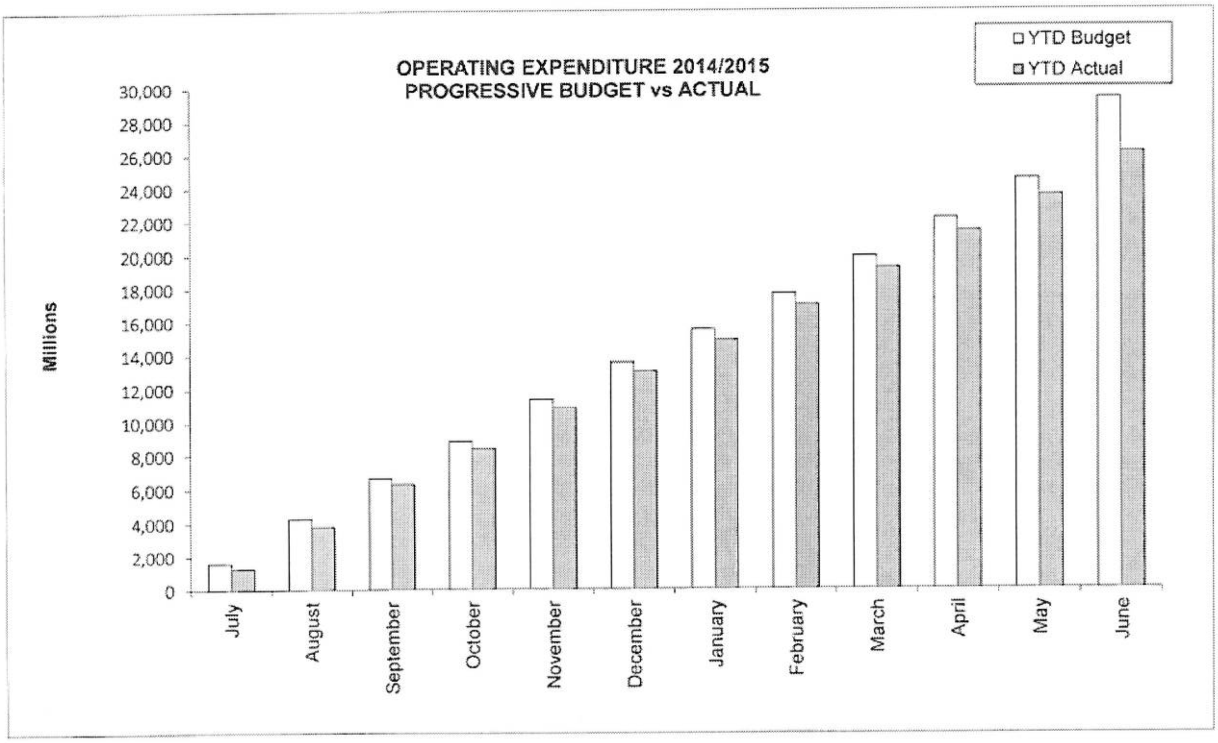


Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

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						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote								
Vote 1 - City Health	432,226	490,743	490,414	450,410	490,414	(40,004)	-8.2%	490,414
Vote 2 - City Manager	235	45	355	1,512	355	1,156	325.3%	355
Vote 3 - Community Services	161,377	238,588	209,758	158,670	209,758	(51,088)	-24.4%	209,758
Vote 4 - Compliance & Auxiliary Services	2,127	4,167	9,323	10,026	9,323	703	7.5%	9,323
Vote 5 - Corporate Services	64,914	72,689	60,347	48,508	60,347	(11,840)	-19.6%	60,347
Vote 6 - Energy, Environmental & Spatial Planning	125,492	195,712	141,761	136,622	141,761	(5,139)	-3.6%	141,761
Vote 7 - Finance	895,275	785,016	796,516	1,006,713	796,516	210,197	26.4%	796,516
Vote 8 - Human Settlements	1,132,902	2,102,760	1,994,838	1,053,867	1,994,838	(940,972)	-47.2%	1,994,838
Vote 9 - Rates & Other	8,660,739	9,457,542	9,456,145	9,465,354	9,456,145	9,210	0.1%	9,456,145
Vote 10 - Safety & Security	836,091	254,301	1,021,412	1,398,038	1,021,412	376,625	36.9%	1,021,412
Vote 11 - Social Dev & Early Childhood Development	2,164	7,912	11,019	8,344	11,019	(2,675)	-24.3%	11,019
Vote 12 - Tourism, Events & Economic Development	67,690	26,499	28,526	27,803	28,526	(723)	-2.5%	28,526
Vote 13 - Transport for Cape Town	1,414,827	1,845,324	2,327,055	1,193,742	2,327,055	(1,133,313)	-48.7%	2,327,055
Vote 14 - Utility Services	14,394,865	15,772,541	15,701,814	15,449,300	15,701,814	(252,513)	-1.6%	15,701,814
Total Revenue by Vote	**28,190,924**	**31,253,838**	**32,249,282**	**30,408,907**	**32,249,282**	**(1,840,376)**	**-5.7%**	**32,249,282**
Expenditure by Vote								
Vote 1 - City Health	784,947	907,929	904,656	869,720	904,656	(34,936)	-3.9%	904,656
Vote 2 - City Manager	131,152	174,999	204,870	186,323	204,870	(18,547)	-9.1%	204,870
Vote 3 - Community Services	1,371,054	1,507,629	1,533,066	1,438,984	1,533,066	(94,082)	-6.1%	1,533,066
Vote 4 - Compliance & Auxiliary Services	450,726	509,929	516,109	490,763	516,109	(25,345)	-4.9%	516,109
Vote 5 - Corporate Services	1,493,422	1,661,637	1,669,672	1,546,928	1,669,672	(122,744)	-7.4%	1,669,672
Vote 6 - Energy, Environmental & Spatial Planning	457,049	522,794	521,822	504,570	521,822	(17,252)	-3.3%	521,822
Vote 7 - Finance	1,821,734	2,022,344	2,029,153	1,788,470	2,029,153	(240,683)	-11.9%	2,029,153
Vote 8 - Human Settlements	1,023,863	1,879,586	1,430,408	1,084,581	1,430,408	(345,827)	-24.2%	1,430,408
Vote 9 - Rates & Other	1,861,654	902,820	900,620	865,193	900,620	(35,427)	-3.9%	900,620
Vote 10 - Safety & Security	1,901,498	1,641,626	2,433,789	1,618,380	2,433,789	(815,409)	-33.5%	2,433,789
Vote 11 - Social Dev & Early Childhood Development	115,219	159,068	143,060	141,816	143,060	(1,244)	-0.9%	143,060
Vote 12 - Tourism, Events & Economic Development	573,043	536,519	547,016	519,885	547,016	(27,131)	-5.0%	547,016
Vote 13 - Transport for Cape Town	2,198,334	2,232,622	2,624,013	2,278,478	2,624,013	(345,535)	-13.2%	2,624,013
Vote 14 - Utility Services	12,347,754	13,995,866	13,872,362	12,767,259	13,872,362	(1,105,104)	-8.0%	13,872,362
Total Expenditure by Vote	**26,531,448**	**28,655,369**	**29,330,615**	**26,101,349**	**29,330,615**	**(3,229,267)**	**-11.0%**	**29,330,615**
Surplus/ (Deficit) for the year	**1,659,476**	**2,598,469**	**2,918,667**	**4,307,558**	**2,918,667**	**1,388,891**	**47.6%**	**2,918,667**

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

The ensuing 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 thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 1 - City Health	(40,004)	-8.2%	The under-recovery is mainly on Operating Grants & Donations, due to revenue recognition of expenditure which must still be processed, delays in filling of externally funded vacant positions during the year and outstanding final invoices from service providers in order to submit the comprehensive health care claim. Lower than anticipated revenue to date on Application Fees, which is based on the number of applications received for extended liquor trading hours, further contributed to this variance.	Year-end transactions are still being finalised.
Vote 2 - City Manager	1,156	325.3%	The over-recovery is as result of interest received on unspent grant funding in prior years.	No corrective action required.
Vote 3 - Community Services	(51,088)	-24.4%	The under-recovery is mainly on : 1. Capital grant-funded projects: (i) City Parks - Maitland Cemetery Cremators: Balance of funds committed for the importing of Cremators. Executive director has signed the contract documents; awaiting signed contract from USA supplier. Reserve Bank approval is required before the order may be concluded. City to provide Letter of Credit. (ii) Sport, Recreation and Amenities - Roof Enclosure of Retreat Swimming Pool: Contractor is still busy with erecting the steel structure. The installation of floodlights at various synthetic pitches are partially completed. Specialist sub-contractor to complete the balance of the work by mid July 2015. (iii) Library and Information Systems: a. New Regional Library in Kuyasa: Delays experienced with the delivery of certain items, the 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 this project. Work on site was also stopped by the community on 26 May 2015. Issues has since been resolved and the contractor moved back on site on 19 June 2015. b. Alterations to Hangberg Library disability access project: The contractor is on site and proceeding with work. However, the contractor is currently underperforming and has been issued with a notice to improve. 2. Hire/Rentals, due to lower than planned usage of facilities by consumers. 3. Licences/permits, due to less than planned licences/permits issued. 4. Admission Fees, due to lower than anticipated utilisation of facilities.	The situation is closely monitored by the finance manager. 1. Year-end transactions still needs to be finalised and processed. Roll-over of funding will be proposed, where applicable. 2 - 4. These categories are demand driven and actual revenue cannot be accurately planned.
Vote 4 - Compliance & Auxiliary Services	703	7.5%	The over-recovery is a combination of over-/under-recovery with the following categories. 1. Legal Fees (over), mainly due to higher than anticipated recovery of legal fees in various court cases, where the outcome was in the City's favour and was not planned for. 2. Operating Grants & Donations (under), due to delays in the appointment of a manager and staff for the Ethics Unit department.	The grant funding was reviewed and a portion was re-allocated to fund VIP Unit related costs.
Vote 5 - Corporate Services	(11,840)	-19.6%	The under-recovery is a combination of over-/under-recovery. 1. Sale of Assets and Radio Trunking Services (over), due to higher than planned revenue received. 2. Broadband - capital grant-funded project (under), due to a delay in feedback from the Western Cape Government on buildings to be connected in 2014/15. 3. Skills Development Levy (under), due to an outstanding payment from LGSETA. 4. Broadband - Contracted Services (under), due to fewer than planned Western Cape Government Buildings connected.	A roll-over of capital grant-funding to 2015/16 will be proposed in order to continue with the Broadband project. The outstanding payment from LGSETA is in the process of being resolved. Year-end transactions are still being finalised.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 6 - Energy, Environmental & Spatial Planning	(5,139)	-3.6%	The under-recovery is a combination of over-/under-recovery. 1. Building Levies (over), due to higher than planned revenue received as a result of more than anticipated plans submitted. 2. By-product Sales (over), as a result of sale of timber at Helderberg Nature Reserve not planned for. 3. Application Fees (under), due to a fewer applications received than planned. 4. Operating grant-funded projects (under), where progress is slower than planned on Spatial Planning ICDG projects (Development of a plan for Metro South East Integrated Zone and Bellville Central Area). 5. Signage Fees (under), due to the reversal and correction of incorrect billings done over the last few years.	No corrective action required for over-recovery on revenue. Year-end transactions are still being finalised.
Vote 7 - Finance	210,197	26.4%	The over-recovery is a combination of over-/under-recovery. 1. Interest Earned on External Investments (over), due to higher than anticipated interest received resulting from higher than planned cash balances and investments. 2. Agency Income (over), due to a more licence renewals and new tariffs since July 2014. 3. CIDS-Levies (over), due to added new developments and supplementary valuation adjustments. 4. Miscellaneous Income (over), where an unplanned once-off payment was received from the Pension Fund. 5. Rental Income (over), as a result of improved debt management actions implemented. 6. Profit on Sale of Assets (under), due to the outstanding proceeds from the Velodrome sale.	The outcome of the Velodrome sale is still pending. No corrective action is required.
Vote 8 - Human Settlements	(940,972)	-47.2%	The under-recovery is mainly on: 1. Rental Agreement revenue, due to rental units being transferred to tenants. 2. Operating Grants & Donations: (i) National Grants (Conditional): (a) Project managers, whose positions are to be funded from USDG, have not yet been appointed. (b) Late filling of posts, which are funded from the Capacity grant. (c) Underspend on pre-planning and feasibility studies funded from USDG. (ii) Provincial Grants (Conditional): Underspend on PHP projects and various other projects, which are at different stages of completion; the main reasons for the delay are community unrest and gangsterism. 3. Capital Grants & Donations: (i) HSDG: CRU upgrade projects where the underspend is due to gang violence. (ii) USDG: Awaiting final processing of all year-end transactions on projects.	Year-end transactions are still being finalised. Requests for roll-over of unspent external grant funds will be proposed.
Vote 9 - Rates & Other	9,210	0.1%	The over-recovery is the combination of over-/under-recovery. 1. Property Rates (over), due to higher than anticipated revenue received. This over-recovery will cover the impact of valuation objections and appeals, which might result in a reduction of the rates billed in current/previous financial years. 2. Income Forgone (under), which is linked to the number of applications received and processed to date.	No corrective action required.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 10 - Safety & Security	376,625	36.9%	The over-recovery is a combination of over-/under-recovery. 1. Traffic Fines (over), as a result of stricter law enforcement resulting in an increase in the number of enforcement contraventions identified. This in turn led to more fines being issued and paid in 2014/15. 2. Fire Fees (over), due to an increase in fire related calls. 3. Impoundment Fees (over) iro cellphones, vehicles and hawker goods, due to stricter law enforcement resulting in more revenue received than planned. 4. Licenses and Permits (over), where actual revenue from driver's licenses, PRDP and roadworthy certificates was higher than planned. 5. Capital grant-funded projects (under), as a result of (a) delays in the installation of CCTV cameras, due to volatility in identified areas and (b) delay in the approval of Disaster Risk Management Volunteer Bases tender.	Year-end transactions are still being finalised.
Vote 11 - Social Dev & Early Childhood Development	(2,675)	-24.3%	The under-recovery is a combination of over-/under-recovery. 1. Capital-Contributed Assets (over), due to the donation of the Fisantekraal ECD Centre to the City. 2. Operating and capital grant-funded EPWP projects (under), due to final year-end transactions still to be processed.	Year-end transactions are still being finalised.
Vote 12 - Tourism, Events & Economic Development	(723)	-2.5%	The under-recovery is a combination of over-/under-recovery. 1. Hire/Rental Income (over), due to more events held at Cape Town Stadium than planned. 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 implementation of the e-permitting systems and approval of additional trading bays at informal markets. 4. Filming Fees (under), due to revenue now being recovered directly by the respective City departments involved with Film shoots. 5. Operating grant-funded projects (under), due to actual expenditure for the International Responsible Tourism Conference being less than planned.	Year-end transactions are still being finalised.
Vote 13 - Transport for Cape Town	(1,133,313)	-48.7%	The under-recovery is a combination of over-/under-recovery. 1. Operating grant-funded projects (under) mainly due to: (i) Decreased professional fees and contracted services for the MyCiTi station management, due to a reduction in the operating hours of some MyCiTi stations and the delay in the hand over of three new stations to the vehicle operators. (ii) Delays in the tender award of the Comprehensive Integrated Transport Plan (CITP). The tenders on the CITP are non-responsive. (iii) Delays in placing tenders on the Foreshore Freeway (ICDG funded) & Intermodal/Integration Assessment (CIPTN). (iv) Delays with the commencement of the National Land Transport Act (NLTA) Impact Assessment project. 2. Capital grant-funded projects (under) due to: (i) IRT Ph2A Project programme, which had to be revised drastically, due to a significant delay in completion of the Integrated Public Transport Network (IPTN) plan project, which was effectively only finalised during June 2014, about 18 months later than planned. (ii) Delays with EIA approvals and community and labour issues on other projects. 3. Acquisition of buses (under) as contract contingencies were not fully expended, due to the pending decision on provision of either air conditioning or forced ventilation on some feeder busses. 4. Busfares (under), due to year-end transactions still being processed. 5. Development Levy Income (over) where more than planned revenue was received.	Year-end transactions are still being finalised. A roll-over of unspent grant funds will be proposed after completion of year-end processes.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 14 - Utility Services	(252,513)	-1.6%	The under-recovery is a combination of over-/under-recovery. 1. Cape Town Electricity : (i) Electricity Service Charges (R132 million under), which is influenced by consumer demand and the impact of load shedding resulting in lower than planned sale of electricity. (ii) Salvaged Items (over), due to higher than planned revenue received to date. (iii) Recoveries of infrastructure Maintenance work (over), due to more jobs executed than planned. (iv) Operating grant-funded projects (under), due to year-end transactions that are still being finalised as projects have been completed i.e. Forrest Village Housing Dev, Delft Symphony Electrical Work and Our Pride Ph 2 Eerste River. (v) Capital grant-funded projects (under), due to delays in the implementation of various formal housing projects. 2. Water & Sanitation: (i) Water Service Charges (R49.9 million over) and Sanitation Service Charges (R2.8 million over), where consumption is influenced by a number of factors such as water saving initiatives, tariffs, weather conditions(warmer and drier), consumer demand, account corrections etc. (ii) Capital grant-funded project (Electrolyte Chlorination Infrastructure Project) (under), where progress is slower than anticipated. (iii) Treatment Effluent Sales (over), due to the demand being higher than planned. (iv) Industrial Effluent charges (under), due to fewer than planned contraventions. 3. Solid Waste Management: (i) Refuse Service Charges (R6.9 million over): (a) Refuse removal (over), due to the continuous data clean-up process resulting in billing corrections and higher than planned revenue. (b) Special Waste removal (under), due to lower than planned demand. (ii) Sale of Assets (over), where unanticipated revenue was received from the sale of old vehicles. (iii) Miscellaneous Income (under), due to material recovery being less than planned.	Year-end transactions are still being finalised.

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
Expenditure by Vote				
Vote 1 - City Health	(34,936)	-3.9%	The variance is a combination of under-/over expenditure on various items. 1. Employee Related costs (under), due to the turnaround time in filling vacancies (mostly externally-funded posts) and savings realised when staff are appointed at a lower TCOE than their predecessors. 2. R&M Contracted Services (under), due to lower than anticipated costs on the re-active component of R&M. 3. Pharmaceutical supplies (over) and Vaccines (under), due to outstanding final invoices from service providers. The nature of this expenditure is demand driven; goods and services are procured as and when required.	Awaiting final invoices to be processed; savings in other subjective categories will be reallocated to needy areas in accordance with the Virement Policy.
Vote 2 - City Manager	(18,547)	-9.1%	The variance consist of under-/over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time in filling vacancies. 2. Projects & Contracted Services (under), due to lower than anticipated expenditure. 3. Membership Fees (over), due to the early payment of the 2015/16 SALGA fees in order to qualify for a discount.	The new year expenditure will be transferred from the old year via a journal at year-end. Savings will be reallocated to needy areas.
Vote 3 - Community Services	(94,082)	-6.1%	The variance consist of under-/over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time in filling vacancies and the appointment of seasonal staff. 2. R&M Contracted Services (under), due to the incorrect settlement of this expenditure to R&M Plant within the General Expenses category. 3. Security Services & Charges and Cleaning Cost (under), largely due to lower than anticipated expenditure to date resulting from stricter control measures implemented to curb costs on security requirements. 4. Cleaning Cost (under), due to lower than anticipated cleaning material requirements.	Correcting journal entries and virements are being processed to allocate costs to the correct general ledger accounts and to align the period budget with the actual expenditure.
Vote 4 - Compliance & Auxiliary Services	(25,345)	-4.9%	The main contributors to the variance are: 1. Employee-related costs (under), due to the turnaround time in filling vacancies. 2. Contracted Services, Legal Expenses and Public Functions (under), largely due to lower than anticipated expenditure, which is linked to demand. Final invoices, which are still outstanding, also contributed to this variance.	Awaiting processing of final invoices. Savings realised in other subjective categories will be reallocated to needy areas.
Vote 5 - Corporate Services	(122,744)	-7.4%	The variance consist of under-/over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. R&M Contracted Services (under), due to outstanding final invoices from service providers and the non-requirement of maintenance work on Broadband infrastructure as it is still fairly new. 3. Computer Services & Software and Telecommunication Services (under), due to software and support contracts costing less than planned as well as delays in receipt of final invoices. 4. Security Services & Charges (over), due to higher than planned expenditure. Security Services actuals far exceed the budget; initiatives have been implemented to curb this expenditure and the 2015/16 budget has been reviewed to address this.	A further review of the budget is being undertaken and virements will be processed to align the budget with the actual expenditure, where necessary. 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	(17,252)	-3.3%	Immaterial variance.	-
Vote 7 - Finance	(240,683)	-11.9%	The main contributors to the variance are: 1. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Interest on External Loans (under), due to the loan which was not drawn/taken up in 2014/15 given the City favourable cash position. 3. Contracted Services (under), due to tender disputes on various projects.	Savings will be reallocated to needy areas in line with the Virement Policy.
Vote 8 - Human Settlements	(345,827)	-24.2%	The major contributors to the under expenditure are: 1. Employee-related costs (under), due to the turnaround time in filling vacancies (largely grant funded) and the internal filling of vacancies. 2. Depreciation (under), due to the capitalisation rate of assets, which is based on completion and progress of capital projects. 3. Contracted Services (under), due to lower than anticipated expenditure on various housing projects including the Bosasa project which was stopped. 4. 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 ito the national PHP programme. It is difficult to estimate the cash flow as many factors influence the rate of housing construction by communities. Community unrest and gangsterism are the main reasons for delays in various projects i.e. Bosasa TRA in Mfuleni, Wolwe Rivier, Sir Lowry's Pass and Morgans Village.	Unspent funds on Operating Grant & Donations will be proposed for roll-over to 2015/16; savings in other subjective categories will be reallocated to needy area.
Vote 9 - Rates & Other	(35,427)	-3.9%	Immaterial variance.	-
Vote 10 - Safety & Security	(815,409)	-33.5%	The variance consist of under-/over expenditure on various items. 1. Employee-related costs (under), largely due to lower than planned expenditure as a result of delays in the appointment of non-permanent staff. 2. Contracted Services (under), due to delays in the commencement of various EPWP projects. 3. Fuel (under), due to lower than anticipated year to date expenditure. 4. Licence & Permits (under), due to lower than anticipated expenditure as a result of staff who are now required to pay their own membership fees to various fire/disaster institutes. 5. Uniform & Protective Clothing (under), due to delays in finalising the uniform tender. 6. Security Services & Charges (over), due to higher than planned expenditure resulting from increased security requirements to protect facilities and assets from crime and vandalism.	Non-permanent staff are in the process of being appointed. Awaiting final invoices. Correcting journals and virements are being finalised to align the actual expenditure with the budget.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 11 - Social Dev & Early Childhood Development	(1,244)	-0.9%	Immaterial variance.	-
Vote 12 - Tourism, Events & Economic Development	(27,131)	-5.0%	The variance is largely on: 1. Employee-related costs (under), due to the turnaround time in filling vacancies. 2. Sponsorships - Events (under), due to documentation from beneficiaries, which is still outstanding. 3. Contracted Service (under), due to the lower than anticipated cost of the e-Permitting Phase 2 operational project and the cancellation of the Economic Development project as the contractor relocated overseas.	Savings will be reallocated to needy areas in line with the Virement Policy.
Vote 13 - Transport for Cape Town	(345,535)	-13.2%	The variance is largely on: 1. Employee-related costs (under), due to the turnaround time in filling vacancies. 2. Depreciation and asset impairment (under), where actual expenditure is linked to the completion and progress of capital projects. 3. R&M Contracted Services, due to delays in the processing of MyCiTi VOC's invoices and the complex invoice authorisation process by multiple project managers. 4. Consultants (under), due to a decrease in professional fees for the MyCiTi station management contracts and delays in awarding tenders. 5. Operating Grants & Donations (under), due to decreased costs for the MyCiTi station management resulting in a reduction in the operating hours of some MyCiTi stations as well as delays in the handover of the Mitchells Plain MyCiTi Station and the Khayelitsha MyCiTi Station to vehicle operators. 5. Security Costs (under), due to delays in reposting of externally- funded expenditure.	Virements, correcting journals and processing of final invoices are in progress.
Vote 14 - Utility Services	(1,105,104)	-8.0%	The variance consist of under-/over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time in filling vacancies, delays in the implementation of the Graduate Internship Programme and lower than anticipated overtime costs within Solid Waste Management. 2. Electricity Bulk Purchases (under), due to outstanding final invoices, the impact of load shedding and fluctuating consumer demand. 3. Bulk Purchases Water (over), due to higher than anticipated volumes of water sold and the impact of the dry season (consumer demand). 4. Contracted Services (under), due to delays in the submission of invoices and utilisation of internal staff for various maintenance work. 5. Consultants (under), where a number of projects were put on hold, due to the financial pressures that were experienced within Water & Sanitation. 6. Fuel (under), due to lower than anticipated consumption and utilisation of reserves on gas turbines, which further reduces expenditure on fuel.	Waiting on outstanding final invoices from services providers. Savings will be reallocated to needy areas by way of virement.

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						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source								
Property rates	5,546,774	5,942,513	5,964,279	5,970,896	5,964,279	6,617	0.1%	5,964,279
Property rates - penalties & collection charges	–	–	–	–	–	–	-	–
Service charges - electricity revenue	9,323,160	10,072,265	10,071,811	9,939,527	10,071,811	(132,284)	-1.3%	10,071,811
Service charges - water revenue	2,185,812	2,540,080	2,464,487	2,514,393	2,464,487	49,906	2.0%	2,464,487
Service charges - sanitation revenue	1,188,106	1,338,202	1,316,720	1,319,476	1,316,720	2,756	0.2%	1,316,720
Service charges - refuse revenue	920,173	989,912	970,912	977,691	970,912	6,780	0.7%	970,912
Service charges - other	286,429	321,805	360,711	384,034	360,711	23,323	6.5%	360,711
Rental of facilities and equipment	317,890	358,711	358,438	356,620	358,438	(1,818)	-0.5%	358,438
Interest earned - external investments	461,053	275,762	275,762	519,781	275,762	244,019	88.5%	275,762
Interest earned - outstanding debtors	192,312	208,262	197,086	198,229	197,086	1,143	0.6%	197,086
Dividends received	–	–	–	–	–	–	-	–
Fines	729,139	175,648	916,393	1,281,191	916,393	364,798	39.8%	916,393
Licences and permits	44,386	40,388	40,988	43,106	40,988	2,118	5.2%	40,988
Agency services	150,256	150,439	153,993	167,417	153,993	13,424	8.7%	153,993
Transfers recognised - operational	2,399,033	3,498,169	3,518,129	2,715,086	3,518,129	(803,043)	-22.8%	3,518,129
Other revenue	2,252,330	2,338,330	2,338,406	2,367,826	2,338,406	29,420	1.3%	2,338,406
Gains on disposal of PPE	64,906	120,500	120,500	61,480	120,500	(59,020)	-49.0%	120,500
Total Revenue (excluding capital transfers and contributions)	**26,061,758**	**28,370,984**	**29,068,614**	**28,816,754**	**29,068,614**	**(251,860)**	**-0.9%**	**29,068,614**
Expenditure By Type								
Employee related costs	8,640,854	8,940,483	8,805,804	8,561,231	8,805,804	(244,573)	-2.8%	8,805,804
Remuneration of councillors	119,709	133,619	133,619	128,412	133,619	(5,206)	-3.9%	133,619
Debt impairment	1,295,526	950,533	1,691,334	951,685	1,691,334	(739,649)	-43.7%	1,691,334
Depreciation & asset impairment	1,784,970	2,154,335	2,014,841	1,903,052	2,014,841	(111,788)	-5.5%	2,014,841
Finance charges	807,283	919,232	912,241	747,861	912,241	(164,380)	-18.0%	912,241
Bulk purchases	6,591,232	7,050,011	7,086,261	6,289,900	7,086,261	(796,361)	-11.2%	7,086,261
Other materials	299,153	387,117	342,240	326,519	342,240	(15,720)	-4.6%	342,240
Contracted services	3,312,529	4,205,198	3,979,918	3,361,657	3,979,918	(618,261)	-15.5%	3,979,918
Transfers and grants	115,021	125,354	146,079	132,635	146,079	(13,444)	-9.2%	146,079
Other expenditure	3,563,228	3,789,486	4,218,279	3,696,568	4,218,279	(521,711)	-12.4%	4,218,279
Loss on disposal of PPE	1,944	–	–	1,829	–	1,829		–
Total Expenditure	**26,531,448**	**28,655,369**	**29,330,615**	**26,101,349**	**29,330,615**	**(3,229,267)**	**-11.0%**	**29,330,615**
Surplus/(Deficit)	**(469,690)**	**(284,384)**	**(262,001)**	**2,715,406**	**(262,001)**	**2,977,407**	**-1136.4%**	**(262,001)**
Transfers recognised - capital	2,052,758	2,817,627	3,128,658	1,549,076	3,128,658	(1,579,582)	-50.5%	3,128,658
Contributions recognised - capital	43,022	65,226	52,010	38,133	52,010	(13,877)	-26.7%	52,010
Contributed assets	33,387	–	–	4,943	–	4,943		–
Surplus/(Deficit) after capital transfers & contributions	**1,659,476**	**2,598,469**	**2,918,667**	**4,307,558**	**2,918,667**			**2,918,667**
Taxation	–	–	–	–	–			–
Surplus/(Deficit) after taxation	**1,659,476**	**2,598,469**	**2,918,667**	**4,307,558**	**2,918,667**			**2,918,667**
Attributable to minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	**1,659,476**	**2,598,469**	**2,918,667**	**4,307,558**	**2,918,667**			**2,918,667**
Share of surplus/ (deficit) of associate	–	–	–	–	–			–
Surplus/ (Deficit) for the year	**1,659,476**	**2,598,469**	**2,918,667**	**4,307,558**	**2,918,667**			**2,918,667**

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	6,617	0.1%	The over-recovery is a combination of over-/under-recovery. 1. Property Rates (over), due to higher than anticipated revenue received. This over-recovery will cover the impact of valuation objections and appeals, which might result in a reduction of the rates billed in current/previous financial years. 2. Income Forgone (under), which is linked to the number of applications received and processed to date.	No corrective action required.
Property rates - penalties & collection charges	–	-	n/a	n/a
Service charges - electricity revenue	(132,284)	-1.3%	The under-recovery is mainly on Electricity Sales, which is influenced by the impact of load shedding and the fluctuating consumer demand.	No corrective action required.
Service charges - water revenue	49,906	2.0%	The over-recovery is mainly on Water Sales between the different categories of consumers. The actual consumption for the year was higher than planned. The sale of water is demand driven and consumption is influenced by a number of factors i.e. water saving initiatives, tariffs, weather conditions (warmer/drier season to date), consumer demand, account adjustments etc.	No corrective action required. It is not possible to accurately determine a trend as consumption is demand driven.
Service charges - sanitation revenue	2,756	0.2%	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. No corrective action required.
Service charges - refuse revenue	6,780	0.7%	The over-recovery is a combination of over-/under-recovery. 1. Refuse Charges (over), due to the continuous data clean-up process, which resulted in billing corrections and more revenue than planned to date. 2. Special Waste Fees (under), due to lower than planned consumer demand for special waste removals.	No corrective action is required.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Service charges - other	23,323	6.5%	The over-recovery is a combination of over-/under-recovery on various revenue elements in this category. 1. Building Levies (over) within EESP, due to higher than planned revenue received, which is influenced by number of plans submitted. 2. Fire Fees (over) within Safety & Security, where revenue 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 (over) within Safety & Security, where higher than planned revenue was received, due to stricter law enforcement implemented. 4. Recoveries of Infrastructure Maintenance (over) within Cape Town Electricity, due to more jobs executed than planned. 5. Treatment Effluent Sales (over) within Water & Sanitation, due to demand being greater than planned. 6. Application fees (under) within EESP, due to less than planned applications received. 7. Busfares (under) within TCT, due to the delay in processing transactions from the ticket sale system. 8. Industrial Effluent (under) within Water & Sanitation, due to fewer than planned contraventions. 9. Signage Fees (under) within EESP, due to the correction and reversal of incorrect billings over the last few financial years.	No corrective action is required. Year-end transactions are in the process of finalised.
Rental of facilities and equipment	(1,818)	-0.5%	The under-recovery is a combination of over-/under-recovery within the following directorates. 1. Human Settlements (under), due to the transfer of rental units to tenants. 2. Community Services (under), due to a lower rate of usage of facilities. 3. Property Management (over), due to the improved process of collection of rental income from tenants. 4. Solid Waste Management, due to higher than planned rental income.	No corrective action required.
Interest earned - external investments	244,019	88.5%	The over-recovery is mainly within Finance, due to higher than expected interest received on higher than planned cash and investments balances.	Interest on Investments is monitored by the Investment Section on a monthly basis. Final year-end transactions are still being processed.
Interest earned - outstanding debtors	1,143	0.6%	The over-recovery is mainly due to higher than anticipated interest billed on outstanding consumer debtors within Cape Town Electricity and Solid Waste Management.	No corrective action required.
Dividends received	–	-	n/a	n/a
Fines	364,798	39.8%	The over-recovery is mainly on Traffic Fines as a result of stricter Law enforcement, which resulted in an increase in the number of enforcement contraventions identified. This in turn led to more fines being issued and paid for during the period.	No corrective action required.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Licences and permits	2,118	5.2%	The variance is a combination of over-/under-recovery. 1. Safety & Security (over), due to higher than anticipated revenue received to date from driver's licences, roadworthy inspections and PRDP. 2. TCT (over), due to major role players such as Telkom who are not opting for trenchless methodology iro the tariffs for way leave permits, resulting in refundable deposits being forfeited. 3. Community Services (under), due to fewer licences/permits issued to date. 4. EESP (under), due to lower than planned number of hoarding permits issued.	Licences and Permits are demand driven and difficult to plan accurately per annum. No corrective action required.
Agency services	13,424	8.7%	The over-recovery is mainly within Finance, due to the increased number of vehicle licence renewals and the increase on licence fees for 2015.	The unpredictable nature of monthly payments received makes it difficult to accurately plan for monthly/annual receipts. No corrective action is required.
Transfers recognised - operational	(803,043)	-22.8%	The under-recovery is mainly within: 1. Human Settlements: (i) National Grants (Conditional): (a) Project Managers, whose positions are to funded from USDG, have not yet been appointed. (b) Late filling of posts funded from Capacity Grant. (c) Underspend on pre-planning and feasibility studies funded from USDG. (ii) Provincial Grants (Conditional): Underspend on PHP projects and various other projects, which are at different stages of completion; the main reasons for delays are community unrest and gangsterism. 2. TCT, mainly due to: (i) Decreased professional fees and contracted services for the MyCiTi station management resulting from a reduction in the operating hours of some MyCiTi stations and delays in the hand over of three new stations to the vehicle operators. (ii) Delays with the tender award of the Comprehensive Integrated Transport Plan (CITP). The tenders on the CITP are non-responsive. (iii) Delays with placing of tenders on the Foreshore Freeway project (ICDG funded) & Intermodal/Integration Assessment (CIPTN). (iv) Delay with the commencement of the National Land Transport Act (NLTA) Impact Assessment project. A roll-over will be proposed for any unspent funds, where possible. 3. Cape Town Electricity, due to revenue recognition of operating projects, which must still be done for projects that are 100% complete i.e. Forrest Village Housing Dev, Delft Symphony Electrical and Our Pride Ph 2 Eerste River. 4. City Health: (i) Revenue recognition of expenditure still needs to be processed. (ii) All vacant externally-funded positions were not filled during the year. (iii) The last comprehensive health claim for the year must still be accounted for.	Final year-end transactions are still being processed. A roll-over of unspent grant funds will be proposed, where possible.

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	29,420	1.3%	The variance is a combination of over-/under-recovery. 1. Water & Sanitation (over), where a refund from prior years was received on the levy paid for the Bergriver Dam. 2. Finance (over), where higher than planned revenue was received on CID Levies, due to added new developments and supplementary valuations adjustments within the CID areas. 3. Cape Town Electricity (over), where more salvaged items were sold than planned for. 4. Miscellaneous: (i) Finance (over), where an unplanned once-off payment was received from the Pension Fund. (ii) Water & Sanitation (over), where more revenue than planned was received for ad-hoc work/services from customers. 5. Recoveries-other: (i) Cape Town Electricity (over), due to a higher than planned number of requests from customers for ad-hoc work to be performed and damages paid. (ii) Compliance & Auxiliary Services (over), due to the recovery of legal fees as a result of the favourable outcome of court cases. (iii) Corporate Services (over), due to higher than planned revenue from Radio Trunking services. 6. Corporate Services (under), where a payment for the Skills Development Levy is still outstanding from the LGSETA 7. Compliance & Auxiliary Services (under), on Recoupment of Telephone Cost, due to lower than planned recovery of private telephone cost from staff and councillors.	Final year end transactions still to be processed. No corrective action required.
Gains on disposal of PPE	(59,020)	-49.0%	The under-recovery is mainly within Property Management and is the result of the non-receipt of planned revenue from the Velodrome Sale as the finalisation of the sale is still pending.	Awaiting outcome and finalisation of Velodrome sale.

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
Expenditure By Type				
Employee related costs	(244,573)	-2.8%	The variance is mainly due to: 1. The turnaround time in filling vacancies and the impact of consequential vacancies. 2. Delays in the appointment of non-permanent staff. 3. Lower than anticipated expenditure on Overtime and Allowances - other.	Savings realised will be transferred to the investment account to cover unfunded cash commitments as approved by Council.
Remuneration of councillors	(5,206)	-3.9%	Lower than anticipated travel and subsistence claims submitted to date.	-
Debt impairment	(739,649)	-43.7%	Year-end entries are still being processed.	Reconciliation of accounts is in progress.
Depreciation & asset impairment	(111,788)	-5.5%	This variance is largely due to the capitalisation rate of assets, which is based on the completion and progress of capital projects.	The last date for the capitalisation of assets is 31 July 2015; year-end entries are still being processed.
Finance charges	(164,380)	-18.0%	This variance is due to the loan, which was not drawn/taken up in 2014/15, given the City's favourable cash position.	The loan will be taken up in 2015/16.
Bulk purchases	(796,361)	-11.2%	The variance consist of under-/over expenditure. 1. Electricity Bulk Purchases (under), due to outstanding final invoices from services providers, the impact of load shedding and fluctuating consumer demand. 2. Bulk Purchases - Water (over), due to higher than anticipated volumes of water sold and the impact of the dry season (consumer demand).	-
Other materials	(15,720)	-4.6%	The variance is largely due to lower than anticipated expenditure on the reactive component of R&M and the delays in receipt of invoices from service providers.	Savings will be reallocated to needy areas.
Contracted services	(618,261)	-15.5%	The variance is due to delays in (a) the roll-out of various R&M programmes resulting from delays in awarding and commencement of tenders and (b) implementation of EPWP programmes/projects, incorrect posting and settlements of R&M-related expenditure and delays in submission of final invoices by service providers.	Journals will be processed to ensure R&M expenditure is posted to the correct general ledger accounts and payments will be processed as and when invoices are submitted.
Transfers and grants	(13,444)	-9.2%	Immaterial variance.	-

Table continues on next page

Description	YTD Variance R Thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Other expenditure	(521,711)	-12.4%	The variance is a combination of under-/over expenditure. 1. Operating Grants & Donations (under), largely due to: (i) Decreased costs for MyCiTi station management resulting in a reduction in the operating hours of some MyCiTi stations. (ii) Delays in the handover of the Mitchells Plain MyCiTi Station and the Khayelitsha MyCiTi Station to the Vehicle Operators. (iii) Delays in reposting and PHP payments where costs are linked to the rate of progress achieved on housing development projects. 2. Consultants (under), as number of projects were put on hold due to the financial pressures that were experienced within Water & Sanitation. 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 the street sweeping machines. 5. R&M plant (over), due to incorrect settlement of expenditure to this item.	Alignment of the budget with the actual expenditure will be undertaken by way of virement and correcting journals will be processed, where necessary.
Loss on disposal of PPE	1,829	0.0%	Immaterial variance.	-

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						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation								
Vote 1 - City Health	25,185	21,966	20,802	18,349	20,802	(2,453)	-11.8%	20,382
Vote 2 - City Manager	13,070	6,771	14,638	13,746	14,638	(892)	-6.1%	13,997
Vote 3 - Community Services	161,422	203,711	237,145	186,099	237,145	(51,046)	-21.5%	211,662
Vote 4 - Compliance & Auxiliary Services	3,775	12,376	3,774	3,702	3,774	(72)	-1.9%	3,724
Vote 5 - Corporate Services	266,544	359,474	392,444	337,371	392,444	(55,073)	-14.0%	367,877
Vote 6 - Energy, Environmental & Spatial Planning	70,776	118,119	57,859	54,924	57,859	(2,935)	-5.1%	56,226
Vote 7 - Finance	13,315	105,509	92,389	90,658	92,389	(1,731)	-1.9%	91,850
Vote 8 - Human Settlements	564,398	860,855	1,071,754	950,775	1,071,754	(120,980)	-11.3%	991,634
Vote 9 - Rates & Other	–	–	–	–	–	–		–
Vote 10 - Safety & Security	63,809	70,559	82,247	81,038	82,247	(1,209)	-1.5%	82,208
Vote 11 - Social Dev & Early Childhood Development	7,555	18,410	24,258	22,918	24,258	(1,340)	-5.5%	23,277
Vote 12 - Tourism, Events & Economic Development	26,375	39,227	38,681	35,567	38,681	(3,113)	-8.0%	37,154
Vote 13 - Transport for Cape Town	1,113,033	1,603,985	1,754,130	1,142,144	1,754,130	(611,987)	-34.9%	1,352,162
Vote 14 - Utility Services	2,153,036	2,790,354	2,338,098	2,032,229	2,338,098	(305,869)	-13.1%	2,169,347
Total Capital Expenditure	**4,502,293**	**6,211,315**	**6,128,220**	**4,969,521**	**6,128,220**	**(1,158,699)**	**-18.9%**	**5,441,500**
Capital Expenditure - Standard Classification								
Governance and administration	**331,690**	**510,823**	**536,999**	**477,979**	**536,999**	**(59,020)**	**-11.0%**	**530,482**
Executive and council	19,286	34,406	32,845	30,714	32,845	(2,131)	-6.5%	31,334
Budget and treasury office	11,085	14,032	16,582	16,211	16,582	(371)	-2.2%	16,221
Corporate services	301,319	462,384	487,572	431,053	487,572	(56,519)	-11.6%	482,927
Community and public safety	**860,117**	**1,232,384**	**1,496,743**	**1,307,004**	**1,496,743**	**(189,739)**	**-12.7%**	**1,384,194**
Community and social services	48,114	109,187	101,350	79,240	101,350	(22,111)	-21.8%	88,151
Sport and recreation	134,842	130,805	170,847	139,292	170,847	(31,555)	-18.5%	157,204
Public safety	88,074	109,640	131,989	119,348	131,989	(12,641)	-9.6%	126,822
Housing	564,398	860,855	1,071,754	950,775	1,071,754	(120,980)	-11.3%	991,634
Health	24,690	21,896	20,802	18,349	20,802	(2,453)	-11.8%	20,382
Economic and environmental services	**1,190,510**	**1,726,276**	**1,814,858**	**1,199,079**	**1,814,858**	**(615,779)**	**-33.9%**	**1,410,792**
Planning and development	59,776	99,620	40,041	37,939	40,041	(2,102)	-5.3%	38,700
Road transport	1,116,363	1,613,361	1,763,146	1,150,817	1,763,146	(612,329)	-34.7%	1,361,179
Environmental protection	14,370	13,295	11,671	10,323	11,671	(1,348)	-11.6%	10,913
Trading services	**2,119,975**	**2,741,833**	**2,279,620**	**1,985,460**	**2,279,620**	**(294,161)**	**-12.9%**	**2,116,032**
Electricity	1,151,286	1,255,722	1,001,862	850,473	1,001,862	(151,389)	-15.1%	904,474
Water	458,746	513,312	564,288	478,405	564,288	(85,883)	-15.2%	531,364
Waste water management	372,281	555,899	483,946	427,716	483,946	(56,230)	-11.6%	451,172
Waste management	136,619	415,875	228,501	227,978	228,501	(524)	-0.2%	228,021
Other	**1,043**	**1,025**	**1,023**	**887**	**1,023**	(136)	-13.3%	**1,002**
Total Capital Expenditure - Standard Classification	4,502,293	6,211,315	6,128,220	**4,969,521**	6,128,220	(1,158,699)	**-18.9%**	**5,441,500**
Funded by:								
National Government	1,768,880	2,515,669	2,811,792	2,089,364	2,811,792	(722,428)	-25.7%	2,335,239
Provincial Government	283,513	292,065	315,880	278,599	315,880	(37,281)	-11.8%	291,191
District Municipality	–	–	–	–	–	–		–
Other transfers and grants	926	2,100	2,274	1,688	2,274	(586)	-25.8%	2,274
Transfers recognised - capital	**2,053,319**	**2,809,834**	**3,129,946**	**2,369,651**	**3,129,946**	**(760,294)**	**-24.3%**	**2,628,704**
Public contributions & donations	44,022	73,019	50,723	43,323	50,723	(7,400)	-14.6%	44,237
Borrowing	1,856,889	2,350,301	2,277,157	1,994,783	2,277,157	(282,374)	-12.4%	2,166,768
Internally generated funds	548,064	978,161	670,395	561,764	670,395	(108,631)	-16.2%	601,792
Total Capital Funding	4,502,293	6,211,315	6,128,220	**4,969,521**	6,128,220	(1,158,699)	**-18.9%**	**5,441,500**

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	(2,453)	-11.8%	1. New Environmental Health Office - Khayelitsha: Delay in the submission of the final account, payment certificate and invoice. 2. Delays in submission of the June payment certificates and invoices in respect of the following projects - a. St Vincent Clinic - Extensions b. Ravensmead Clinic - Extensions c. Seawinds Clinic - Extensions.	All payments for work done in June 2015 will be processed.
Vote 2 - City Manager	(892)	-6.1%	1. PPM project: Awaiting outstanding invoices, which are based on approved timesheets. The balance of R320k could not be spent in this financial year, due to the delay in PPM resource appointments. 2. Furniture and equipment: Delays due to partial delivery of equipment and outstanding invoices.	1. Funds for the PPM project will be proposed for roll-over in the August 2015 adjustments budget. 2. Budget provision for furniture and equipment that could not be delivered timeously will be proposed for roll-over in the August 2015 adjustments budget. To follow-up with contractor and vendors wrt outstanding invoices and GRN by the 10 July 2015.
Vote 3 - Community Services	(51,046)	-21.5%	1. City Parks: Maitland Cemetery Cremators: Balance of funds committed for the importing of cremators. The Executive Director signed the contract documents; awaiting signed contract from USA supplier. Approval from the Reserve Bank is required before the order may be concluded. City to provide Letter of Credit. 2. Sport, Recreation and Amenities: a. Roof Enclosure of Retreat Swimming Pool: The contractor is still busy erecting the steel structure. b. Synthetic pitches: The installations of floodlights at various synthetic pitches are partially completed. 3. Library and Information Systems: 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. Work on site was also stopped by the community on 26 May 2015.	1. Funds to be proposed for roll-over in the August 2015 adjustments budget. 2. Specialist sub-contractor to complete the balance of the work mid July 2015. 3. Issues have been resolved; the contractor moved back on site on 19 June 2015. Committed unspent funds will be proposed for roll-over in the August 2015 adjustments budget.
Vote 4 - Compliance & Auxiliary Services	(72)	-1.9%	Immaterial variance.	-
Vote 5 - Corporate Services	(55,073)	-14.0%	a. Final invoices for goods and/or services delivered by 30 June 2015 are still outstanding. b. The bulk of the outstanding commitments relate to civil/construction works, which were ordered very late, due to R/$ price escalation challenges. c. WCG Broadband Project: Not all the funds will be spent in 2014/15 as not all the WCG buildings have been connected, due to WCG delaying the finalisation of the Building list (requirements) and grant payment.	Outstanding invoices received will be GRN'd by or before 10th July 2015. Minor savings will be derived in some instances. Unspent WCG Broadband funding as well as other unspent committed funds will be proposed for roll -over in the August 2015 adjustments budget.

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 6 - Energy, Environmental & Spatial Planning	(2,935)	-5.1%	Acquisition of Land: As a result of changes in VAT legislation a saving of R709 000 was realised on the acquisition of two properties. The directorate is in the process of finalising final invoices.	Total expenditure is at 95% as at 08 July 2015. Unspent funds will be proposed for roll-over in the August 2015 adjustments budget.
Vote 7 - Finance	(1,731)	-1.9%	Immaterial variance.	-
Vote 8 - Human Settlements	(120,980)	-11.3%	The variance primarily relates to various projects including: 1. Langa Hostels Redevelopment: Behind schedule due to supplier delivery delays (incl. steel strike). The matter has been resolved and the project is now proceeding with an emphasis on speeding up the project. 2. The Urbanisation project is a bulk budget made up of a number of projects at various levels of completion; some projects have been delayed due to community unrest and gang violence. 3. Sir Lowry's Pass Village: Behind schedule due to delays in appointment of contractor. The project is underway. 4. The Rental Upgrade projects (CRU/SEFP projects): Heideveld, Manenberg, Marble Flats as well as the Brick Skin Walls are behind schedule, primarily due to gang violence and community challenges in the area. The Brick Skin project is nearing completion and the CRU Upgrade projects are scheduled for completion by October 2015. 5. Major Upgrading Rental: Awaiting final invoices. 6. Fisantekraal Garden Cities Phase 2: Delayed due to community unrest. 7. Belhar Pentech: Delayed due to changes required in the sewer design. 8. Other smaller variances relate to June 2015 invoices that are still being processed, projects that are completed and savings (e.g. Khayelitsha CBD) that have been identified during the development of the projects.	1. Langa Hostels CRU: Project underway; June 2015 invoices are being processed. 2. Urbanisation: June 2015 invoices are being processed. Refer below for further details. 3. Sir Lowry's Pass Village: Project underway; June 2015 invoice to be processed. 4. The Rental Upgrade projects: Additional funds have been allocated for security services; June 2015 invoices are being processed. All work is expected to be completed by October 2015. 5. Major Upgrading Rental Units: Final invoices to be processed, project completed and savings identified. 6. Fisantekraal Garden Cities: Situation has stabilised and further meetings are planned with stakeholders. 7. Atlantis Kanonkop: New project manager appointed. 8. Belhar Pentech: Full budget will not be spent in 2014/15. Funds will be proposed for roll-over in the August 2015 adjustments budget.
Vote 9 - Rates & Other	–	-	-	-
Vote 10 - Safety & Security	(1,209)	-1.5%	Immaterial variance.	-
Vote 11 - Social Dev & Early Childhood Development	(1,340)	-5.5%	1. Delft and Nantes ECD Centres: Due to the delay in awarding the tender, R820 400 will be unspent in 2014/15. 2. Various projects: Awaiting outstanding invoices; will be processed before 10 July 2015.	1. Unspent funds to be proposed for roll-over in the August 2015 adjustments budget. 2. All GRNs to be completed before 10 July 2015.
Vote 12 - Tourism, Events & Economic Development	(3,113)	-8.0%	1. 2010 Reconfiguration of Common: Expenditure incorrectly processed. 2. Upgrade Heritage Facility Site C: The exhibition design and installation could not be completed, due to delays in finalising the transfer of the property to the directorate. The report to Sub-council 9 to resolve the matter was rejected due to non-compliance. 3. Various Cape Town Stadium projects: Final invoices to be processed on completion of snags list; awaiting final invoices from consultants. 4. Various Arts & Culture ward allocation projects could not be completed, due to inclement weather conditions.	1. Correcting journal entries to be processed. Balance of funds to be proposed for roll-over in the August 2015 adjustments budget. 2. Report to Sub-council 9 to be revised and re-submitted. Funds to be proposed for roll-over to 2015/16. 3. Final invoices to be submitted and processed by 10 July 2015. 4. Projects can only be completed in 2015/16; unspent funds will be proposed for roll-over in the August 2015 adjustments budget.

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 13 - Transport for Cape Town	(611,987)	-34.9%	1. The delay impacts of the very late completion of the Integrated Public Transport Network (IPTN) plan in mid 2014 are now being felt with especially the IRT Phase 2A (Lansdowne-Wetton Corridor) falling badly behind the original planned programmes. 2. IRT bus deliveries are behind programme at this stage as a result of revised licensing requirements. 3. Protracted procurement processes and due diligence process requirements are delaying some tender awards and having a negative impact on project progress and expenditure. 4. Delays are also occurring because some consultants and contractors are not performing as required and because contract termination processes have to be instituted.	1. It is not possible to mitigate the effects of the delayed completion of the IPTN plan. 2. Bus manufacturers have delivered all busses, however, there remains a substantial saving on the bus contracts as very little of the contingency provisions (10%) are included in the contracts. 3. Interactions are underway to try to improve procurement turnaround times. 4. Consultants and contractors are being continually pressured to improve on their performance and penalties are imposed where necessary. Contracts are also being terminated where performance has not improved.
Vote 14 - Utility Services	(305,869)	-13.1%	Refer below for detail per department.	There are on-going ED engagements with line directors and project managers to ensure that tracking and monitoring of projects are within the prescribed timeframes.
Utility Services Support	(41)	-29.0%	1. Furniture Fittings Equipment - Additional (R10 459): Funds were allocated to procure furniture for additional staff who were not appointed, due to USDG funding not being approved. The funds on this project will therefore not be utilised in this financial year. 2. Insurance provision (R30 000): This is only used when an insurance claim is settled and when the replacement asset is procured.	Funding from the HSDG has subsequently been approved for appointment of contract staff in 2015/16.
Water & Sanitation	(142,113)	-13.6%	Provisional YTD variance mainly due to delays experienced against the following projects: 1. Meter Replacement Program (R20 million): Awaiting outstanding invoices for processing. 2. Replace & Upgrade Water Network FY2015 (R14 million) and Replace & Upgrade Sewer Network (Citywide) (R11 million): Projects completed; awaiting outstanding invoices. 3. Northern Area Sewer Thornton (R9 million): 2014/15 phase of project is complete. Awaiting outstanding invoices for processing. 4. Bulk Water Augmentation Scheme (R11.4 million): a) Component 8 of Bulk Water Augmentation Scheme: The tender for the Pipe supply closed on 18 August 2014, but was cancelled on 20 October 2014 as no responsive tenders received. Tender re-advertised and contract to commence 1 June 2015. b) Muldersvlei Reservoir & WTP: Land owners' responses received (declining offers); in the process of being reviewed. c) Professional Services contract in progress, but delayed by land owner denying CCT access to the site until transfer of the land has been concluded. This means that the geotechnical survey of the site could not commence, resulting in the detailed design being delayed. 5. Invoices for final payments of projects completed by 30 June 2015 are still being processed.	Committed unspent funds to be rolled-over as part of the August 2015 adjustments budget process.
Solid Waste Management	(524)	-0.2%	Immaterial variance.	-

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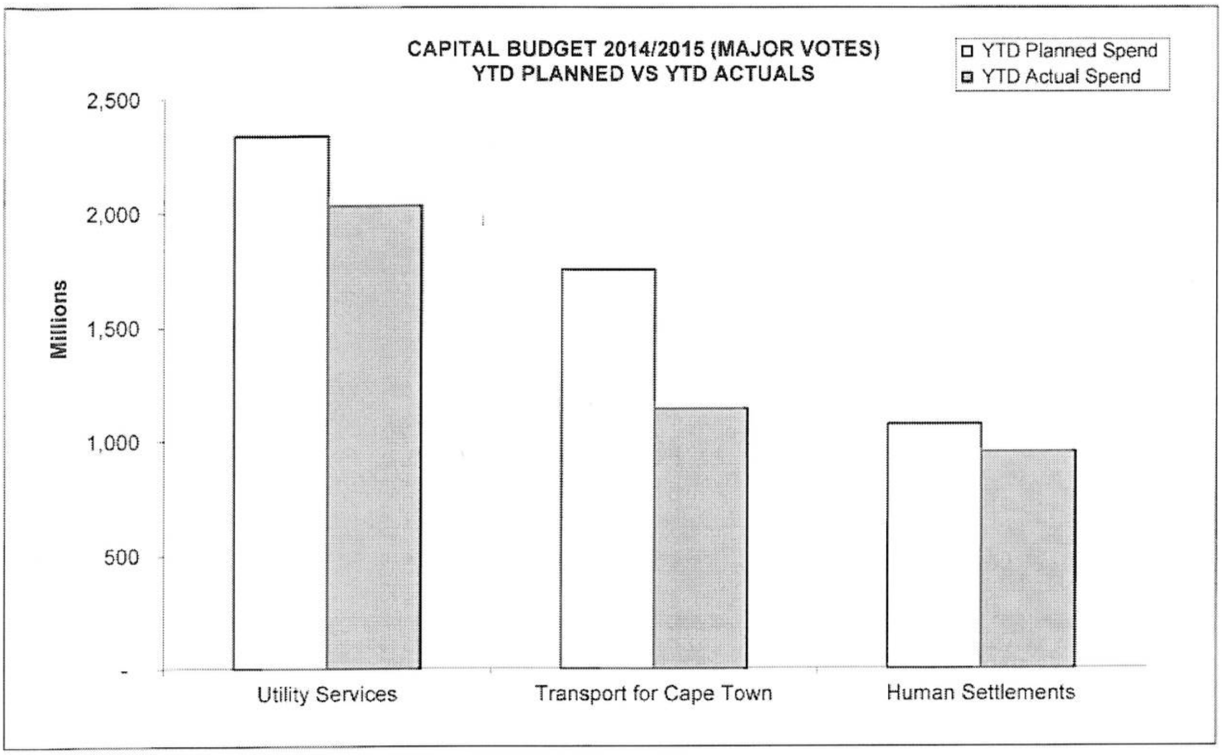
Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Cape Town Electricity	(163,192)	-15.4%	Provisional YTD variance mainly due to delays experienced against the following projects: 1. Electrification (Formal & Informal) (R26.4 million): Underspend due to delays in the implementation of various Housing projects. 2. Electrification (BackYarders) (R14.1 million): Parkwood and Bonteheuwel behind schedule, due to delays in the establishment of beneficiaries. 3. Milnerton: Sub-Depot (Street Lighting) (R11million): Professional fees paid. Delay in the implementation of the construction phase of the project caused by the late finalisation of the design and planning phase. 4. Plattekloof - N1 Reinforcement (R15.1 million): Building tender has been awarded but builder has defaulted. Contract has now been cancelled. Report to be drafted to appoint second ranked tenderer. Building project will be delayed. 5. Bloemhof - Stores Upgrade (R6.4 million): Tenders non-responsive; to be re-advertised. No construction was possible in 2014/15 resulting in underspend on the project. 6. Oakdale Main Substation Upgrade Phase 2 (R5.9 million): Building tender has closed and evaluation is in progress. The 145kV GIS tender has been awarded, but an appeal has been lodged against the successful tenderer. 7. Street Lighting (City Wide) (R11.6 million): Projects marginally behind schedule on the USDG funded portion, due to poor contractor performance. There is likely to be underspending as the Happy Valley project funding for 2014/15 will now only be spent in 2015/16. 8. Hout Bay LV Depot (R4.9 million): Professional fees paid. Project delayed until land has been identified and acquired. 9. Invoices for final payments of projects completed by 30 June 2015 are still being processed.	Committed unspent funds to be proposed for roll-over in the August 2015 adjustments budget.

Urbanisation details:

Human Settlements	a. Wolwerivier IDA: Project currently underway; one portion is complete with a four month delay on the bulk sewer line, due to a re-design. Invoices are submitted monthly against the project. b. Bonny Town Informal Settlement - Backyarder Projects: There is a general delay relating to the appointment of the term tender contractor; this was resolved in December 2014. c. Heideveld Backyarders: Contractor appointed; community facilitation in process. Term tender contractor appointed to carry out work; invoices submitted monthly. d. Atlantis Backyarders: Contractor appointed; community facilitation. Awaiting councillor input; term tender contractor to carry out work. e. Grassy Park & Lotus Park and Gugulethu Backyarders: Term tender contractor appointed; on site. f. Bonteheuwel backyarders: Term tender contractor on site. Invoices for materials on site paid. Invoices for completion of works submitted monthly. g. Eastridge Backyarders: Term tender contractor on site. Invoices for materials on site paid. Invoices for completion of works submitted monthly. 95% complete. h. Woodlands Backyarders: Term tender contractor on site. Invoice for materials on site submitted and paid in April 2015. i. Parkwood Backyarders: Term tender contractor on site. Invoice for material on site submitted and paid in April 2015. Invoices for works done submitted monthly. j. Valhalla Park (Kalksteenfontein) Backyarders: Term tender contractor started on site. Invoice for materials on site submitted and paid in April 2015. Invoices for completed works submitted monthly; 90% complete. k. LA Informal settlement: Contractor on site; Invoices submitted monthly. 95% complete. l. Green park: Contractor on site; invoices submitted monthly. 80% Complete m. Thabo Mbeki West: Contractor appointed; experiencing delays due to beneficiaries not wanting to relocate for works to be carried out. Funds committed to this project will be unspent. n. Vrygrond: Project on hold to make way for Upgrade of Informal Settlements Programme project, which will be implemented in 2015/16. o. Overcome Heights: Stormwater design in process; information has been handed to TCT ISN for further input. p. Flamingo reblocking: completed.

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



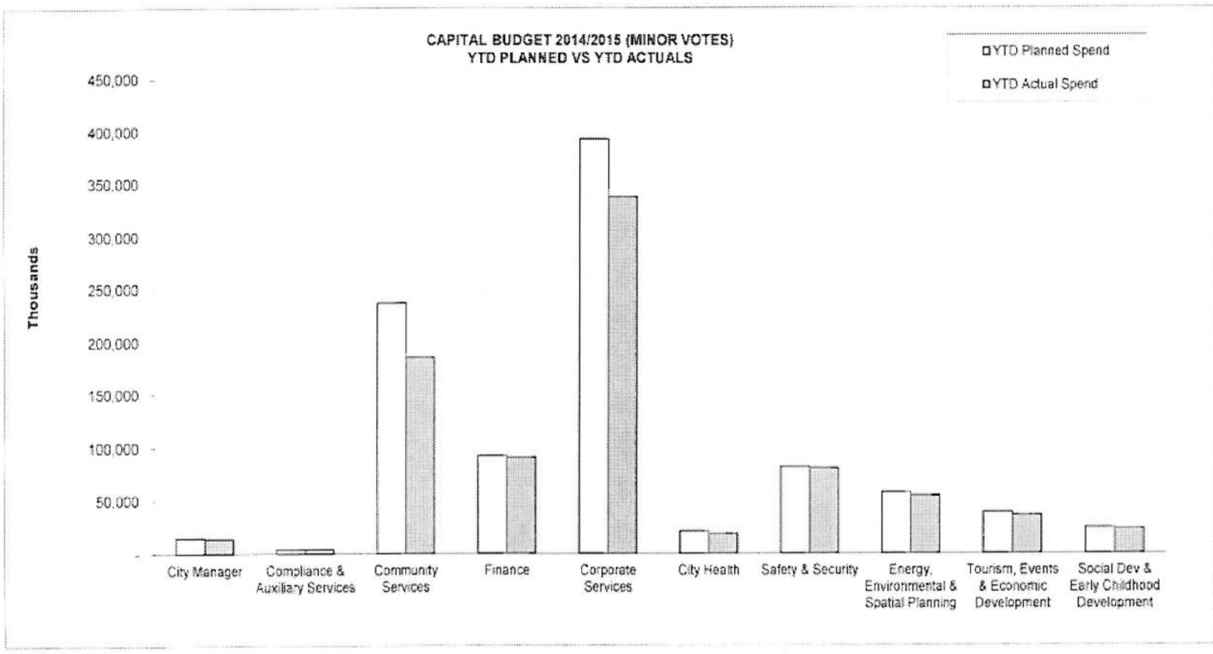


Table C6: Monthly Budget Statement - Financial Position

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

Description R thousands	2013/14	Budget Year 2014/15			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	2,266,560	–	–	2,191,016	–
Call investment deposits	2,621,907	5,362,934	5,630,269	6,414,331	5,630,269
Consumer debtors	4,309,649	4,499,300	4,506,736	3,177,742	4,506,736
Other debtors	417,305	351,500	459,034	1,457,939	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	278,027	282,747
Total current assets	**9,904,353**	**10,530,544**	**10,897,328**	**13,538,704**	**10,897,328**
Non current assets					
Long-term receivables	104,311	91,753	99,097	80,197	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	35,272,205	34,534,794	35,272,205
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	**34,817,677**	**37,639,154**	**37,230,934**	**34,614,991**	**37,230,934**
TOTAL ASSETS	**44,722,030**	**48,169,698**	**48,128,263**	**48,153,695**	**48,128,263**
LIABILITIES					
Current liabilities	–	–	–	–	–
Bank overdraft	–	–	–	–	–
Borrowing	368,325	378,885	378,885	368,325	378,885
Consumer deposits	370,217	372,943	407,239	272,259	407,239
Trade and other payables	6,338,165	5,125,323	5,239,689	5,662,398	5,239,689
Provisions	1,078,550	1,444,665	1,154,048	983,212	1,154,048
Total current liabilities	**8,155,257**	7,321,815	**7,179,861**	**7,286,194**	**7,179,861**
Non current liabilities					
Borrowing	6,666,139	7,902,043	7,902,043	6,392,856	7,902,043
Provisions	5,783,962	5,099,008	5,979,014	6,254,638	5,979,014
Total non current liabilities	**12,450,101**	13,001,051	13,881,057	12,647,493	**13,881,057**
TOTAL LIABILITIES	**20,605,358**	**20,322,866**	**21,060,918**	**19,933,688**	**21,060,918**
NET ASSETS	**24,116,672**	**27,846,832**	**27,067,344**	**28,220,007**	**27,067,344**
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	21,896,756	25,806,310	24,732,002	26,220,354	24,732,002
Reserves	2,219,916	2,040,522	2,335,342	1,999,654	2,335,342
TOTAL COMMUNITY WEALTH/EQUITY	**24,116,672**	**27,846,832**	**27,067,345**	**28,220,007**	**27,067,345**

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						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	22,073,063	23,306,935	22,770,936	25,610,974	22,770,936	2,840,038	12.5%	22,770,936
Government - operating	2,389,432	3,498,169	3,518,129	3,072,975	3,518,129	(445,154)	-12.7%	3,518,129
Government - capital	2,052,758	2,882,653	3,179,418	2,760,827	3,179,418	(418,591)	-13.2%	3,179,418
Interest	729,374	275,762	924,430	584,139	924,430	(340,291)	-36.8%	924,430
Payments								
Suppliers and employees	(21,822,483)	(23,514,982)	(24,265,256)	(26,757,798)	(24,265,256)	2,492,543	-10.3%	(24,265,256)
Finance charges	(791,549)	(829,746)	(829,746)	(712,152)	(829,746)	(117,594)	14.2%	(829,746)
Transfers and Grants	(115,021)	–	–	–	–	–	-	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**4,515,574**	**5,618,991**	**5,297,911**	**4,558,964**	**5,297,911**	**738,947**	**13.9%**	**5,297,911**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	71,458	40,167	120,500	–	120,500	(120,500)	-100.0%	120,500
Decrease (Increase) in non-current debtors	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables	(1,751)	(4,829)	(110,970)	–	(110,970)	110,970	-100.0%	(110,970)
Decrease (increase) in non-current investments	(1,656,922)	(379,999)	(1,029,558)	(169,998)	(1,029,558)	859,560	-83.5%	(1,029,558)
Payments								
Capital assets	(4,502,293)	(6,133,477)	(6,081,488)	(3,768,984)	(6,081,488)	(2,312,504)	38.0%	(6,081,488)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(6,089,508)**	**(6,478,138)**	**(7,101,516)**	**(3,938,982)**	**(7,101,516)**	**(3,162,534)**	**44.5%**	**(7,101,516)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	–		–
Borrowing long term/refinancing	–	1,500,000	1,500,000	–	1,500,000	(1,500,000)	-100.0%	1,500,000
Increase (decrease) in consumer deposits	62,000	33,904	34,296	–	34,296	(34,296)	-100.0%	34,296
Payments								
Repayment of borrowing	(345,067)	(309,853)	(309,853)	(307,002)	(309,853)	(2,851)	0.9%	(309,853)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(283,067)**	**1,224,051**	**1,224,443**	**(307,002)**	**1,224,443**	**1,531,445**	**125.1%**	**1,224,443**
NET INCREASE/ (DECREASE) IN CASH HELD	**(1,857,001)**	**364,904**	**(579,161)**	**312,980**	**(579,161)**			**(579,161)**
Cash/cash equivalents at beginning:	8,099,366	6,603,670	6,242,687	6,242,687	6,242,687			6,242,687
Cash/cash equivalents at month/year end:	6,242,365	6,968,574	5,663,526	6,555,667	5,663,526			5,663,526

Annexure A: S52 – 2015 Q4 (June 2015)

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 R thousands	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	2 840 038	12.5%	The increased recovery is mainly due to improved debt collection efforts.	No corrective action required at this time
Government - operating	(445,154)	-12.7%	The variance resulted from grant allocations received but currently included in the ratepayers and other line item above	No corrective action required at this time.
Government - capital	(418,591)	-13.2%	The variance resulted from grant allocations received but currently included in the ratepayers and other line item above.	No corrective action required at this time
Interest	(340,291)	-36.8%	More investment interest received than budgeted for, however, the net variance relates to the reduced non-current investments. Refer to 'Decrease (increase) in non-current investments' below.	No corrective action required at this time
Dividends	–	-		
Payments				
Suppliers and employees	2,492,543	-10.3%	The variance is a compensating difference as the system is unable to differentiate between capital and operating expenditure accurately. Refer to 'Capital assets' below.	Ongoing system enhancements are being made to facilitate the correct disclosure
Finance charges	(117,594)	14.2%	The underspend on finance charges is considered a positive variance as it is considered as a saving to the City. The City budgeted for interest on a R1.5 billion loan to be taken up during the current year. Due to the City's positive cashflow position the taking up of the loan has been postponed to the 2015/16 financial year.	No corrective action required at this time.
Transfers and Grants	–	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES	**738,947**	**13.9%**		
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	(120,500)	-100.0%	The financial year-end process is still in progress. Once period 13 is completed then the proceeds can be determined.	No corrective action required at this time.
Decrease (increase) in non-current debtors	–			
Decrease (increase) other non-current receivables	110,970	-100.0%	The financial year-end process is still in progress. Once period 13 is completed then the proceeds can be determined.	No corrective action required at this time
Decrease (increase) in non-current investments	859,560	-83%	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	(2,312,504)	38.0%	Although there was a slower cash outflow than originally expected, in certain instances the system was unable to differentiate accurately between capital and operating expenditure resulting in greater variances. Refer to 'Suppliers and employees' above.	Ongoing system enhancements are being made to facilitate the correct disclosure.
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(3,162,534)**	**44.5%**		
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–			
Borrowing long term/refinancing	(1,500,000)	-100%	The City used its own funds to finance its 2014/15 capital expenditure programme and it was considered unnecessary to take up long term financing at this time.	No corrective action required at this time
Increase (decrease) in consumer deposits	(34,296)	-100%	The financial year-end process is still in progress. Once period 13 is completed then the proceeds can be determined.	No corrective action required at this time.
Payments				
Repayment of borrowing	(2,851)	0.9%	Immaterial variance.	No corrective action required at this time
NET CASH FROM/(USED) FINANCING ACTIVITIES	**1,531,445**	**125.1%**		

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			
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source															
Property rates	476,044	409,531	531,075	562,297	506,325	541,260	492,829	501,835	549,356	402,618	535,394	564,637	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	819,372	801,795	845,588	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	232,839	204,508	215,678	1,937,684	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	117,606	110,258	116,280	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	48,109	50,549	53,310	616,454	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	25,471	27,942	29,468	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	21,717	17,281	26,248	95,531	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	53,683	58,090	59,404	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	20,424	20,323	26,222	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	18,397	9,683	35,382	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	20,147	65,153	–	3,518,129	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	157,572	202,477	205,454	2,417,385	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**	**1,937,955**	**2,103,452**	**2,177,671**	**27,213,495**	**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	–	–	56,279	3,179,418	2,443,769	2,643,189
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	120,500	74,448	78,468
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	–	1,500,000	1,500,000	1,000,000
Increase in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	–	34,296	40,724	44,796
Receipt of non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Receipt of non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	(110,970)	(40,949)	(45,787)
Change in non-current investments	–	–	–	(49,998)	–	(180,000)	–	–	–	–	59,999	–	(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**	**1,937,955**	**2,163,451**	**2,233,950**	**30,907,181**	**33,437,678**	**35,687,628**

Table continues on next page.

Annexure A: S52 – 2015 Q4 (June 2015)

Description	Budget Year 2014/15												2014/15 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June			
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Payments by Type															
Employee related costs	664,705	662,689	668,427	665,554	1,024,213	666,865	675,725	683,710	683,312	676,847	687,179	673,347	8,591,314	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	9,529	15,573	10,112	133,619	142,438	151,554
Interest paid	–	–	188,050	–	–	171,769	–	–	184,727	–	–	167,606	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	488,940	454,533	488,944	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	42,842	16,470	53,733	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	1,089,063	817,554	1,254,154	8,454,062	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**	**2,307,220**	**1,991,309**	**2,647,897**	**25,095,002**	**27,386,391**	**29,798,452**
Other Cash Flows/Payments by Type															
Capital assets	462,057	202,822	119,203	310,054	429,821	390,003	118,496	257,311	264,048	271,905	222,037	721,229	6,081,488	5,986,992	5,609,962
Repayment of borrowing	–	–	88,055	–	–	65,148	–	–	88,055	–	–	65,744	309,853	285,598	407,882
Other Cash Flows/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**	**2,579,124**	**2,213,346**	**3,434,870**	**31,486,343**	**33,658,980**	**35,816,296**
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**	**(641,169)**	**(49,894)**	**(1,200,919)**	**(579,161)**	**(221,302)**	**(128,667)**
Cash/cash equivalents at the month/year beginning:	6,242,687	6,182,335	6,385,529	5,850,282	5,714,719	5,028,914	6,142,293	6,051,511	5,971,423	8,447,650	7,806,480	7,756,586	6,242,687	5,663,526	5,442,224
Cash/cash equivalents at the month/year end:	6,182,335	6,385,529	5,850,282	5,714,719	5,028,914	6,142,293	6,051,511	5,971,423	8,447,650	7,806,480	7,756,586	6,555,667	5,663,526	5,442,224	5,313,556

PART 2 - SUPPORTING DOCUMENTATION

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											
R thousands	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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	266,685	72,569	58,318	61,879	71,585	40,861	239,643	1,345,054	2,156,894	1,759,322	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	574,383	40,067	25,579	5,176	20,510	13,890	48,674	92,440	820,720	180,690	–	–
Receivables from Non-exchange Transactions - Property Rates	425,492	70,879	32,045	37,113	41,146	19,894	158,495	595,418	1,380,481	852,065	–	–
Receivables from Exchange Transactions - Waste Water Management	138,972	38,106	28,191	29,721	38,920	19,205	118,053	606,612	1,017,777	812,510	–	–
Receivables from Exchange Transactions - Waste Management	69,251	14,829	10,957	12,010	11,940	8,401	52,807	220,287	400,483	305,445	–	–
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	40,873	18,055	20,632	14,550	19,415	13,553	90,827	523,729	741,635	562,074	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–	–	–	–
Other	(115,992)	(37,017)	(6,578)	(16,811)	(12,111)	(5,853)	(65,473)	(202,607)	(462,442)	(302,856)	–	–
Total By Income Source	1,399,666	217,487	169,145	143,637	191,404	110,051	643,226	3,180,932	6,055,547	4,269,250	–	–
2013/14 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	56,723	(3,387)	11,821	7,839	11,033	6,751	1,018	37,158	128,956	63,799	–	–
Commercial	694,952	63,427	33,125	25,338	48,578	22,989	109,136	352,396	1,349,942	558,438	–	–
Households	726,428	169,165	123,307	129,133	145,275	86,044	560,102	2,853,871	4,793,324	3,774,424	–	–
Other	(78,437)	(11,718)	892	(18,573)	(13,482)	(5,734)	(27,030)	(62,493)	(216,675)	(127,412)	–	–
Total By Customer Group	1,399,666	217,487	169,145	143,637	191,404	110,051	643,226	3,180,932	6,055,547	4,269,250	–	–

Additional debtors information

Monthly Collection Rate			YTD Collection Rate
Period	Current year	Previous year	
12 Months	96.68%	97.22%	96.70%
6 Months	96.56%	97.02%	96.28%
3 Months	98.69%	97.79%	96.31%
Monthly	108.57%	101.43%	96.83%

12 Months Collection Ratio per Services			
Services	Current year	Previous year	YTD Collection Rate
Electricity	98.85%	100.69%	99.17%
Water	85.39%	90.84%	88.17%
Sewerage	90.01%	90.67%	91.17%
Refuse	93.42%	92.41%	93.99%
Rates	98.69%	99.79%	98.59%
Other	99.69%	99.67%	100.19%

Annexure A: S52 – 2015 Q4 (June 2015)

2014/15 Billings vs Receipts		
Month	Billings R	Receipts R
Jul-14	1,957,772,594.77	1,930,402,632.45
Aug-14	2,253,395,142.71	2,064,186,076.16
Sep-14	2,171,870,466.03	2,224,853,509.17
Oct-14	2,099,995,541.53	2,216,521,082.71
Nov-14	2,171,329,415.03	1,906,365,369.49
Dec-14	2,190,493,155.94	2,091,456,281.56
Jan-15	2,290,257,330.52	1,975,756,606.65
Feb-15	2,250,212,182.30	2,036,385,305.12
Mar-15	2,130,835,408.89	2,289,672,572.06
Apr-15	2,209,970,570.54	2,003,085,916.70
May-15	2,208,729,205.11	2,144,094,232.34
Jun-15	2,160,972,283.67	2,346,080,613.93

Creditors analysis

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

Table SC4 Monthly budget Statement Aged Creditors

Description R thousands	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	
Creditors Age Analysis By Customer Type										
Bulk Electricity	–	–	–	–	–	–	–	–	–	–
Bulk Water	–	–	–	–	–	–	–	–	–	–
PAYE deductions	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	–	–
Loan repayments	–	–	–	–	–	–	–	–	–	–
Trade Creditors	412,958	30	(36)	1	20	4	3	(48)	412,931	2,230,686
Auditor General	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	412,958	30	(36)	1	20	4	3	(48)	412,931	2,230,686

Outstanding commitments against Cash and Cash Equivalents

Item	Previous Month R'000	Current Month R'000
Closing Cash Balance	**7,756,586**	**6,555,667**
Unspent Conditional Grants	2,913,367	2,913,367
Housing Development	322,129	322,129
MTAB	18,635	18,635
Trust Funds	938	938
Financial commitments	283,000	283,000
Sinking Funds	-	-
Insurance reserves	533,562	533,562
CRR	973,834	973,834
TOTAL	5,045,465	5,045,465
TOTAL cash resources not committed	2,711,121	1,510,202

Allocation and grant receipts and expenditure

Table SC7 Monthly Budget Statement transfers and grants expenditure

Description	2013/14	Budget Year 2014/15						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Operating expenditure of Transfers and Grants								
National Government:	**420,240**	**1,919,255**	**2,358,756**	**600,136**	**861,674**	**(261,538)**	**-30.4%**	**2,336,322**
Equitable share	376	1,503,173	1,505,392	3,495	8,310	(4,816)	-57.9%	1,505,392
Restructuring	–	1,191	1,191	–	1,191	(1,191)	-100.0%	1,191
Finance Management grant	219	1,250	990	934	990	(56)	-5.6%	990
Urban Settlements Development Grant	57,826	114,142	209,526	149,113	209,526	(60,413)	-28.8%	190,973
Public Transport Network Operations Grant	217,101	217,498	442,968	330,232	442,968	(112,736)	-25.5%	442,968
Energy Efficiency and Demand Side Management Grant	1,728	900	599	599	599	(0)	0.0%	599
Dept of Environ Affairs and Tourism	224	200	4,510	4,510	4,510	(0)	0.0%	329
Housing Accreditation	57	200	200	23	200	(177)	-88.6%	200
Expanded Public Works Programme	38,192	20,804	23,610	22,051	23,610	(1,559)	-6.6%	23,610
Integrated City Development Grant	864	–	9,500	2,678	9,500	(6,822)	-71.8%	9,500
2014 African Nations Championship Host City Operating Grant	45,060	–	87	(26)	87	(114)	-130.1%	87
LGSETA	–	–	536	–	536	(536)	-100.0%	536
Public Transport Infrastructure & Systems Grant	56,119	7,726	7,726	7,324	7,726	(401)	-5.2%	7,726
Public Transport Infrastructure Grant	–	–	112,016	57,381	112,016	(54,635)	-48.8%	112,016
Infrastructure Skills Development Grant	–	2,300	2,901	2,763	2,901	(138)	-4.7%	3,201
Municipal Disaster Grant	–	–	707	–	707	(707)	-100.0%	707
Municipal Human Settlements Capacity Grant	–	49,871	35,401	18,363	35,401	(17,038)	-48.1%	35,401
Department: Water Affairs	–	–	697	697	697	(0)	0.0%	697
Public Service and Administration	–	–	200	–	200	(200)	-100.0%	200
Natural Resource Management	2,474	–	–	–	–	–		–
Provincial Government:	**573,197**	**1,542,400**	**1,116,395**	**702,907**	**960,435**	**(257,528)**	**-26.8%**	**1,116,395**
Cultural Affairs and Sport - Provincial library Services	22,008	30,735	33,580	29,899	33,580	(3,682)	-11.0%	33,580
Human Settlements - Human Settlement Development Grant	299,584	1,097,130	648,161	416,797	648,161	(231,364)	-35.7%	648,161
Human Settlements - Municipal Accreditation Assistance	3,690	–	8,000	3,989	8,000	(4,011)	-50.1%	8,000
Human Settlement - Settlement Assistance	712	1,000	1,000	576	1,000	(424)	-42.4%	1,000
Health - TB	11,807	17,206	17,206	15,664	17,206	(1,542)	-9.0%	17,206
Health - Global Fund	35,296	37,555	38,994	37,877	38,994	(1,117)	-2.9%	38,994
Health - ARV	88,613	109,589	109,589	109,584	109,589	(5)	0.0%	109,589
Health - Nutrition	4,385	4,636	4,636	4,065	4,636	(571)	-12.3%	4,636
Health - Vaccines	66,724	70,956	70,956	64,696	70,956	(6,260)	-8.8%	70,956
Comprehensive Health	–	155,960	155,960	–	–	–		155,960
Transport and Public Works - Provision for persons with special	1,895	10,000	10,075	10,075	10,075	0	0.0%	10,075
Municipal Land Transport Fund	10,888	–	5,181	2,429	5,181	(2,752)	-53.1%	5,181
Transport Safety and Compliance - Rail Safety	–	500	2,200	2,084	2,200	(117)	-5.3%	2,200
Community Development Workers	367	732	1,390	731	1,390	(659)	-47.4%	1,390
City of Cape Town - Public access centres	–	500	500	313	500	(187)	-37.3%	500
Planning, Maintenance and Rehabilitation of Transport Systems and	–	5,900	5,700	1,413	5,700	(4,287)	-75.2%	5,700
Community Safety - LEAS	27,228	–	2,500	2,241	2,500	(259)	-10.4%	2,500
Provincial Trasury - Western Cape Finance Management Support	–	–	300	300	300	–		300
Local Government - Compliance	–	–	293	–	293	(293)	-100.0%	293
Local Government - Training	–	–	174	174	174	–		174
Other grant providers:	**12,864**	**35,826**	**42,289**	**24,468**	**42,289**	**(17,821)**	**-42.1%**	**46,652**
Tourism	–	2,190	4,190	1,918	4,190	(2,272)	-54.2%	4,190
Carnegie	1,583	3,057	3,057	1,678	3,057	(1,379)	-45.1%	3,057
CMTF	3,264	9,777	14,220	11,933	14,220	(2,287)	-16.1%	14,220
CID	2,764	2,969	2,840	2,840	2,840	(0)	0.0%	2,840
Century City Property Owners Association	438	468	468	468	468	(0)	0.0%	468
Traffic Free Flow (Pty) Ltd	1,417	–	1,135	1,017	1,135	(118)	-10.4%	1,135
Mamre Fencing	46	–	17	–	17	(17)	-100.0%	17
South African Biodiversity Institute (SANBI)	2,244	482	3,544	3,544	3,544	(0)	0.0%	3,544
Sustainable Energy Africa	–	424	424	–	424	(424)	-100.0%	424
University Stellenbosch	51	1,781	1,781	505	1,781	(1,277)	-71.7%	1,781
DBSA - Green Fund	–	10,000	10,000	–	10,000	(10,000)	-100.0%	10,000
Agency Francaise de Development (AFD)	–	4,679	316	308	316	(8)	-2.6%	4,679
UN Women	–	–	150	125	150	(25)	-16.6%	150
V & A Waterfront Holdings (Pty) Ltd	–	–	148	134	148	(14)	-9.6%	148
ATKV	5	–	–	–	–	–		–
NGK Ceramic Company	686	–	–	–	–	–		–
Finland Government	112	–	–	–	–	–		–
Cities for Climate Protection	144	–	–	–	–	–		–
ICLEI Carbon Taxes	111	–	–	–	–	–		–
Total operating expenditure of Transfers and Grants	**1,006,301**	**3,497,481**	**3,517,441**	**1,327,512**	**1,864,399**	**(536,887)**	**-28.8%**	**3,499,369**

Table continues on next page.

Annexure A: S52 – 2015 Q4 (June 2015)

Description R thousands	2013/14 Audited Outcome	Budget Year 2014/15 Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Operating expenditure of Transfers and Grants								
National Government:	**420,240**	**1,919,255**	**2,358,756**	**600,136**	**861,674**	**(261,538)**	**-30.4%**	**2,336,322**
Equitable share	376	1,503,173	1,505,392	3,495	8,310	(4,816)	-57.9%	1,505,392
Restructuring	–	1,191	1,191	–	1,191	(1,191)	-100.0%	1,191
Finance Management grant	219	1,250	990	934	990	(56)	-5.6%	990
Urban Settlements Development Grant	57,826	114,142	209,526	149,113	209,526	(60,413)	-28.8%	190,973
Public Transport Network Operations Grant	217,101	217,498	442,968	330,232	442,968	(112,736)	-25.5%	442,968
Energy Efficiency and Demand Side Management Grant	1,728	900	599	599	599	(0)	0.0%	599
Dept of Environ Affairs and Tourism	224	200	4,510	4,510	4,510	(0)	0.0%	329
Housing Accreditation	57	200	200	23	200	(177)	-88.6%	200
Expanded Public Works Programme	38,192	20,804	23,610	22,051	23,610	(1,559)	-6.6%	23,610
Integrated City Development Grant	864	–	9,500	2,678	9,500	(6,822)	-71.8%	9,500
2014 African Nations Championship Host City Operating Grant	45,060	–	87	(26)	87	(114)	-130.1%	87
LGSETA	–	–	536	–	536	(536)	-100.0%	536
Public Transport Infrastructure & Systems Grant	56,119	7,726	7,726	7,324	7,726	(401)	-5.2%	7,726
Public Transport Infrastructure Grant	–	–	112,016	57,381	112,016	(54,635)	-48.8%	112,016
Infrastructure Skills Development Grant	–	2,300	2,901	2,763	2,901	(138)	-4.7%	3,201
Municipal Disaster Grant	–	–	707	–	707	(707)	-100.0%	707
Municipal Human Settlements Capacity Grant	–	49,871	35,401	18,363	35,401	(17,038)	-48.1%	35,401
Department: Water Affairs	–	–	697	697	697	(0)	0.0%	697
Public Service and Administration	–	–	200	–	200	(200)	-100.0%	200
Natural Resource Management	2,474	–	–	–	–	–		–
Provincial Government:	**573,197**	**1,542,400**	**1,116,395**	**702,907**	**960,435**	**(257,528)**	**-26.8%**	**1,116,395**
Cultural Affairs and Sport - Provincial library Services	22,008	30,735	33,580	29,899	33,580	(3,682)	-11.0%	33,580
Human Settlements - Human Settlement Development Grant	299,584	1,097,130	648,161	416,797	648,161	(231,364)	-35.7%	648,161
Human Settlements - Municipal Accreditation Assistance	3,690	–	8,000	3,989	8,000	(4,011)	-50.1%	8,000
Human Settlement - Settlement Assistance	712	1,000	1,000	576	1,000	(424)	-42.4%	1,000
Health - TB	11,807	17,206	17,206	15,664	17,206	(1,542)	-9.0%	17,206
Health - Global Fund	35,296	37,555	38,994	37,877	38,994	(1,117)	-2.9%	38,994
Health - ARV	88,613	109,589	109,589	109,584	109,589	(5)	0.0%	109,589
Health - Nutrition	4,385	4,636	4,636	4,065	4,636	(571)	-12.3%	4,636
Health - Vaccines	66,724	70,956	70,956	64,696	70,956	(6,260)	-8.8%	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	10,075	0	0.0%	10,075
Municipal Land Transport Fund	10,888	–	5,181	2,429	5,181	(2,752)	-53.1%	5,181
Transport Safety and Compliance - Rail Safety	–	500	2,200	2,084	2,200	(117)	-5.3%	2,200
Community Development Workers	367	732	1,390	731	1,390	(659)	-47.4%	1,390
City of Cape Town - Public access centres	–	500	500	313	500	(187)	-37.3%	500
Planning, Maintenance and Rehabilitation of Transport Systems	–	5,900	5,700	1,413	5,700	(4,287)	-75.2%	5,700
Community Safety - LEAS	27,228	–	2,500	2,241	2,500	(259)	-10.4%	2,500
Provincial Trasury - Western Cape Finance Management	–	–	300	300	300	–		300
Local Government - Compliance	–	–	293	–	293	(293)	-100.0%	293
Local Government - Training	–	–	174	174	174	–		174
Other grant providers:	**12,864**	**35,826**	**42,289**	**24,468**	**42,289**	**(17,821)**	**-42.1%**	**46,652**
Tourism	–	2,190	4,190	1,918	4,190	(2,272)	-54.2%	4,190
Carnegie	1,583	3,057	3,057	1,678	3,057	(1,379)	-45.1%	3,057
CMTF	3,264	9,777	14,220	11,933	14,220	(2,287)	-16.1%	14,220
CID	2,764	2,969	2,840	2,840	2,840	(0)	0.0%	2,840
Century City Property Owners Association	438	468	468	468	468	(0)	0.0%	468
Traffic Free Flow (Pty) Ltd	1,417	–	1,135	1,017	1,135	(118)	-10.4%	1,135
Mamre Fencing	46	–	17	–	17	(17)	-100.0%	17
South African Biodiversity Institute (SANBI)	2,244	482	3,544	3,544	3,544	(0)	0.0%	3,544
Sustainable Energy Africa	–	424	424	–	424	(424)	-100.0%	424
University Stellenbosch	51	1,781	1,781	505	1,781	(1,277)	-71.7%	1,781
DBSA - Green Fund	–	10,000	10,000	–	10,000	(10,000)	-100.0%	10,000
Agency Francaise de Development (AFD)	–	4,679	316	308	316	(8)	-2.6%	4,679
UN Women	–	–	150	125	150	(25)	-16.6%	150
V & A Waterfront Holdings (Pty) Ltd	–	–	148	134	148	(14)	-9.6%	148
ATKV	5	–	–	–	–	–		–
NGK Ceramic Company	686	–	–	–	–	–		–
Finland Government	112	–	–	–	–	–		–
Cities for Climate Protection	144	–	–	–	–	–		–
ICLEI Carbon Taxes	111	–	–	–	–	–		–
Total operating expenditure of Transfers and Grants	**1,006,301**	**3,497,481**	**3,517,441**	**1,327,512**	**1,864,399**	**(536,887)**	**-28.8%**	**3,499,369**

Material variance explanations for corporate performance for Quarter 4 2015

Description of Indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1.J Percentage of treated potable water not billed	-2.61%	The indicator has greatly improved over the past four quarters and non-revenue water figures are on a declining trend. A noteworthy ±2% improvement has been recorded since April 2014 and non-revenue water figures are getting closer to the City's set targets.	Future non-revenue water figures (water not billed) will be closely monitored. Responsible person: Peter Flower Due date: On-going
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)	-14.00%	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. Guiding EE presentations to all line directorates. The City's Corporate Services directorate is in the process of revisiting (on a broad City-wide basis) the City's attraction and retention strategies. Succession planning and identification of talent in the designated groups at lower levels and the positioning of these talent 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)

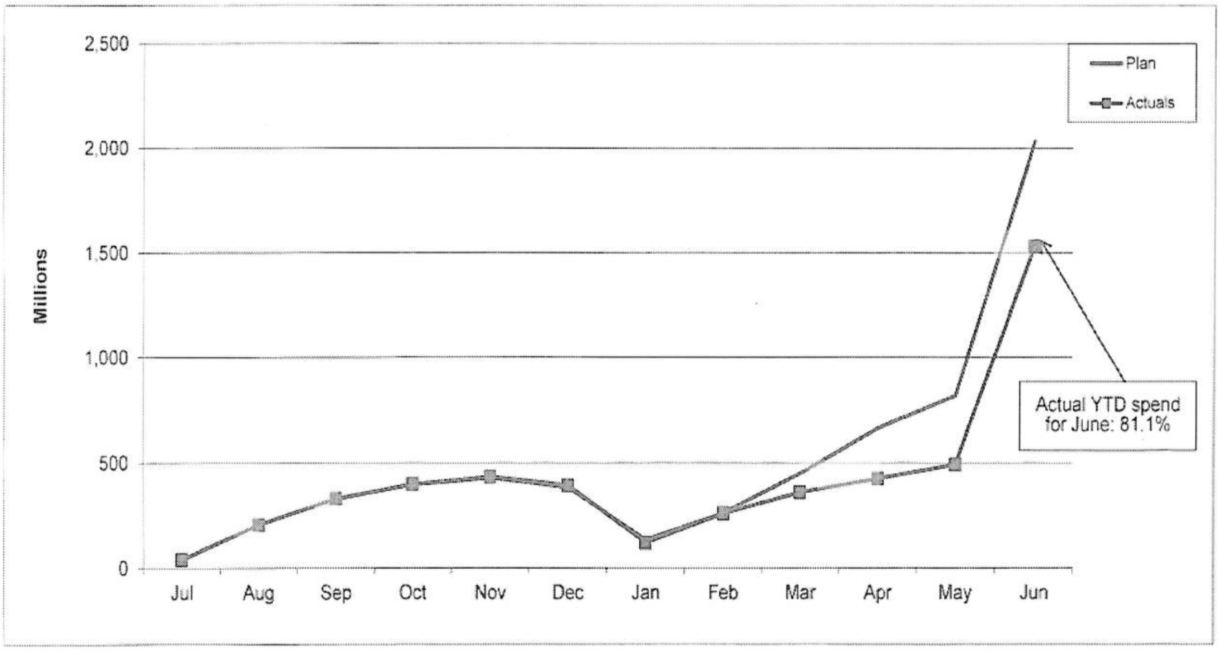
Capital programme performance

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

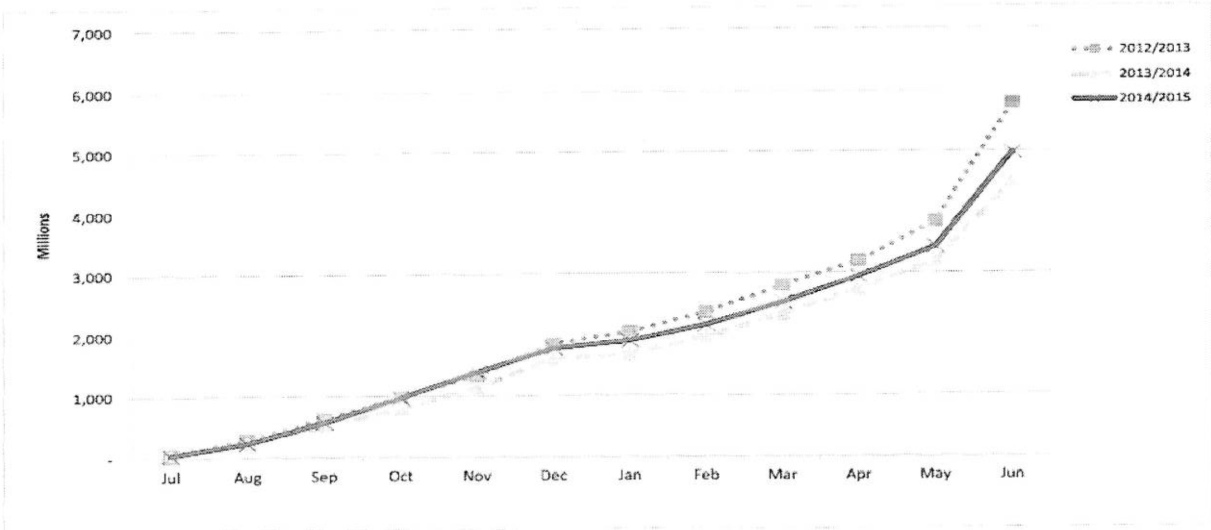
Table SC12 Monthly Budget Statement - capital expenditure trend

Month R thousands	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend								
July	52,401	135,515	39,822	38,964	39,822	859	2.2%	0.6%
August	198,025	279,404	202,954	241,786	242,777	991	0.4%	3.9%
September	255,735	461,448	327,099	568,959	569,876	917	0.2%	9.2%
October	284,835	402,354	395,288	965,432	965,163	(268)	0.0%	15.5%
November	341,978	465,382	427,981	1,396,877	1,393,145	(3,732)	-0.3%	22.5%
December	490,309	390,410	381,308	1,787,557	1,774,453	(13,104)	-0.7%	28.8%
January	63,338	256,268	132,322	1,906,477	1,906,775	298	0.0%	30.7%
February	282,952	505,716	258,020	2,163,788	2,164,795	1,007	0.0%	34.8%
March	380,479	558,353	450,447	2,521,884	2,615,241	93,357	3.6%	40.6%
April	378,773	631,070	662,329	2,946,283	3,277,570	331,288	10.1%	47.4%
May	456,073	696,878	817,085	3,437,438	4,094,655	657,217	16.1%	55.3%
June	1,317,394	1,428,519	2,033,566	4,969,521	6,128,220	1,158,699	18.9%	80.0%
Total Capital expenditure	**4,502,293**	**6,211,315**	**6,128,220**					

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 **June 2015** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name ACHMAT EBRAHIM

Municipal Manager of City of Cape Town (CPT)

Signature ---------------------------- Date 15 · 07 · 2015 .