



DATE:

**REPORT TO: COUNCIL
EXECUTIVE MAYOR
FINANCE PORTFOLIO COMMITTEE**

1. ITEM NUMBER

2. SUBJECT

QUARTERLY FINANCIAL REPORT: DECEMBER 2018

LSUA1980

ONDERWERP

KWARTAALLIKSE FINANSIËLE VERSLAG: DESEMBER 2018

ISIHLOKO

INGXELO YEMALI YARHOQO NGEKOTA: eyoMnga 2018

3. DELEGATED AUTHORITY

In terms of delegation

This report is FOR NOTING BY

- Committee name** : Finance
- The Executive Mayor together with the Mayoral Committee (MAYCO)
- Council
- The Executive Mayor**

4. DISCUSSION

The Municipal Finance Management Act (MFMA) requires municipalities to submit regular reports on matters related to the municipality's financial performance.

The quarterly financial report is submitted in accordance with Section 52 of the MFMA and provides an overview of the City's budget implementation status and its financial viability and sustainability.

This report presents the financial position of the abovementioned indicators as at 31 December 2018.

4.1. Financial Implications None Opex Capex

Capex: New Projects

Capex: Existing projects requiring additional funding

Capex: Existing projects with no additional funding requirements

4.2. Legal Compliance

Municipal Finance Management Act (MFMA 56/2003 – S52) and the Municipal Budgets and Reporting Regulations (MBRR - No 32141 gazetted 17 April 2009).

4.3. Staff Implications Yes No

4.4. Risk Implications Yes No

5. RECOMMENDATIONS

a) The quarterly financial report for the quarter ended 31 December 2018 is submitted for information and noting only.

AANBEVELING

a) Die kwartaallikse finansiële verslag vir die kwartaal geëindig 31 Desember 2018 word slegs ter inligting en kennisname voorgelê.

ISINDULULO

a) INgxelo yeMali yaRhoqo ngeKota yekota ephela ngowama-31 eyoMnga 2018 ingeniselwa iinjongo zolwazi nokuqatshelwa kuphela.

ANNEXURES

Annexure A: Quarterly Financial Report – 31 December 2018

FOR FURTHER DETAILS CONTACT

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DIRECTORATE	Finance	FILE REF No	
SIGNATURE : DIRECTOR _____			

EXECUTIVE DIRECTOR: FINANCE

NAME	KEVIN JACOBY	COMMENT:
DATE	_____	_____
SIGNATURE	_____	_____

LEGAL COMPLIANCE

- REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION. NON-COMPLIANT

NAME	_____	COMMENT:
DATE	_____	_____
SIGNATURE	_____	_____

EXECUTIVE MAYOR

- SUPPORTED NOT SUPPORTED

NAME	ALD. DAN PLATO	COMMENT:
DATE	_____	_____
SIGNATURE	_____	_____



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

S52 MAYOR'S QUARTERLY REPORT

DECEMBER 2018 (2019 Q2)

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EXECUTIVE SUMMARY

BACKGROUND

Section 52 of the MFMA states:

"The mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality;".

Regulation 31 of the MBRR states:

"The S52 Mayor's Report must be in the format specified as per Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Municipal Management Finance Act; and must be consistent with the monthly budget statements for September, December, March and June as applicable;...".

MAYOR'S QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2018

The Mayor's Quarterly Report is prepared in compliance to Section 52 of the MFMA and sets out financial particulars in the format prescribed by the MFMA and the MBRR.

It provides a high level overview of the organisation's financial viability and sustainability.

KEY DATA (PAGE 4 - 29)

This section of the report includes certain Key Financial Performance Indicators for the City.

IN YEAR BUDGET STATEMENT TABLES (PAGE 30 – 36)

- **Table C1 (Page 30)** provides a high level summation of the operating and capital budgets, actuals to date, financial position and cash flow.
- **Table C2 (Pages 31)** is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.
- **Table C3 (Pages 32)** shows budgeted financial performance in relation to the revenue and expenditure as well as the operating surplus or deficit.
- **Table C4 (Page 33)** is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.
- **Table C5 (Pages 34)** reflects the 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.
- **Table C6 (Page 35)** reflects the performance to date in relation to the financial position of the municipality.
- **Table C7 (Page 36)** indicates the cash flow position and cash/cash equivalents.

IN YEAR BUDGET STATEMENT SUPPORTING TABLES (PAGE 37 – 79)

This section provides the City' supporting tables in the format prescribed by the MBRR.

KEY DATA

Operating Budget

Operating Budget	Adjusted Budget 2018/19	YearTD budget 2018/19	YearTD actual 2018/19	YTD variance	Full Year Forecast
Total Revenue ¹ (R'Thousands)	39,603,240	20,638,213	22,279,156	1,640,943	40,182,322
Total Expenditure ¹ (R'Thousands)	39,517,360	18,419,286	17,211,480	(1,207,806)	38,389,249
Surplus/(Deficit)	85,879	2,218,928	5,067,677	2,848,749	1,793,073
¹ (excl. capital transfers and contributions)					

Savings on the operating budget will cover financial gaps identified during the programme review/Strategic Management Framework (SMF) process, budget realities not known during compilation of the current budget, and to top-up provision for post-retirement medical aid.

Capital Budget

Capital Budget	Adjusted Budget 2018/19	YearTD budget 2018/19	YearTD actual 2018/19	YTD variance	Full Year Forecast
Total Capital Expenditure (R'Thousands)	8,850,922	2,031,755	1,840,894	(190,861)	6,611,832

The year-to-date spend of R1 841 million represents 19.83% (R1 195 million) on internally-funded projects and 22.86% (R646 million) on externally-funded projects.

The full year forecast indicates that 74.7% of the capital budget is anticipated to be spent by the end of the financial year. The City has undertaken a review of implementation readiness as well as assessing current procurement statuses of capital projects, which is now partially reflected in the projected percentage spend. This anticipated percentage spend will improve as it will be addressed in the January 2019 adjustments budget. It is envisaged that projects currently projecting underspend will be rephased to outer years as well as acceleration of current year projects/programmes, where applicable.

Financial position

Working Capital	Audited Outcomes/ Actuals 2017/18	Original Budget 2018/19	Adjusted budget 2018/19	YearTD actual
Ratios				
Cost coverage ratio (Actual Cash and cash equivalents as at period end/Monthly operating Expenditure) ³	3,30:1	-	-	3,66:1
Liquidity				
Current Ratio (Current assets/current liabilities) ⁴	1.69	1.25	1.22	2.49
Borrowing				
Capital Charges to Operating Expenditure (Interest & principal paid/Operating Expenditure) ⁵	3.3%	4.0%	4.0%	3.0%
Borrowed funding of 'own' capital expenditure (Borrowings/Capital expenditure excl. transfers and grants) ⁶	45.2%	47.6%	38.9%	30.1%
Financial Position (R'Thousands)				
Total Assets	64,569,450	72,164,247	72,674,979	66,985,576
Total Liabilities	21,593,720	29,332,282	29,712,490	18,317,543
Cash Flow (R'Thousands)				
Cash/cash equivalents at month/year end:	5,486,618	5,810,803	5,900,336	7,870,598

Cost coverage ratio³

The ratio indicates a municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that period.

The ratio outcome for the month under review shows that the City is above the norm of 1-3 months (MFMA Circular 71). This may be an indication that there is surplus cash available. This position will be reviewed during the mid-year review and assessment and amendments will be made in the January 2019 adjustments budget, if so required.

Current Ratio⁴

The ratio indicates a municipality's ability to pay its current or short-term obligations.

The year-to-date ratio shows that the City has sufficient cash to meet its short-term financial obligations and is slightly above the norm of 1.5 to 2.1 (MFMA Circular 71). This ratio outcome also indicates that the amount of cash currently in the system is more than adequate and that scope to expand expenditure exists. This may indicate that the City is not efficiently using its current assets or its short-term financing facilities. This position will be reviewed during the mid-year review and assessment and amendments will be made in the January 2019 adjustments budget, if so required.

Capital Charges to Operating Expenditure⁵

This ratio indicates the cost required to service the borrowing of a municipality. The year-to-date ratio for December 2018 is slightly below the National Treasury norm of 6% to 8% (MFMA Circular 71).

The ratio outcome for the reporting period is 1% lower than the budgeted ratio of 4%. The ratio is expected to increase as further interest and redemption payments on external loans are made in accordance with the loan repayment schedules. Capital charges (Debt servicing costs) are paid at specific intervals.

Borrowed funding of 'own' Capital Expenditure⁶

This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure.

The year to date ratio outcome is lower than the budgeted ratio. Borrowing is expected to be reviewed during the mid-year review and assessment and amendments will be made in the January 2019 adjustments budget, if so required.

Cash Flow

The cash and cash equivalents of the City is R7 871 million as at 31 December 2018. The funding is invested with various financial institutions in compliance with the MFMA. This position will be reviewed during the mid-year review and assessment and amendments will be made in the January 2019 adjustments budget, if so required.

Debtors

Debtors	Current - 0 to 30 days	31-60 Days	61 days and over
	R Thousands		
Total	2,548,944	495,494	7,513,268
Rates	721,418	80,697	1,019,497
Electricity	820,984	68,972	356,949
Water	539,899	258,356	3,566,559

Debtors Collection Rate % ²	Previous year 2017/18	Current year 2018/19 (Interim ratios)	YTD collection Rate (Interim ratios)
Electricity	99.34%	97.93%	96.92%
Water	78.36%	72.77%	71.60%
Sewerage	93.56%	88.54%	88.54%
Refuse	94.99%	91.89%	89.72%
Rates	102.85%	96.45%	95.67%
Other	100.31%	92.38%	96.58%

²12 Months Collection Ratio. Calculated to National Treasury Circular 71

Human Resources

Human Resources	Audited Outcomes 2017/18	Original Budget 2018/19	Adjusted budget 2018/19	YearTD actual 2018/19
Employee and Councillor remuneration (R'Thousands)	11,020,246	13,089,755	13,079,015	5,932,914
Employee Costs (Employee costs/Total Revenue - capital revenue)	29.5%	32.8%	32.6%	26.3%
Total Cost of Overtime (R'Thousands)	602,665	517,090	520,539	250,536

Municipal Employees (numbers)	As at 30 June 2018	Budget 2018/19	Dec-18
Filled posts - Permanent	26,234	26,285	26,513
Filled posts - Temporary	618	1,005	1,053
Vacant posts - Permanent	2,620	2,486	3,502
	29,472	29,776	31,068

Municipal Council (numbers)	As at 30 June 2018	Budget 2018/19	Dec-18
Municipal Councillors	230	231	229
Municipal Councillors - Vacancies	1	-	2
	231	231	231

Employee Related Costs are influenced by ongoing terminations, the turnaround time of filling vacancies and the internal filling of vacancies.

Overtime has a structured and non-structured component. Line departments are phasing out reliance on non-structured overtime by ensuring that continuous shift rosters and stand-by allowances are put in place where 24 hour continuous services are required. Absenteeism and sick leave are also managed to curb this expenditure.

BUDGET PERFORMANCE ANALYSIS**Summary Statement of Financial Performance**

R'Thousands	Original Budget 2018/19	Adjusted Budget	YearTD actual 2018/19	YearTD budget 2018/19	YTD variance	% of adjusted budget
Total Revenue (excluding capital transfers and contributions)	39,349,818	39,603,240	22,279,156	20,638,213	1,640,943	56.26%
Total Expenditure	39,263,938	39,517,360	17,211,480	18,419,286	(1,207,806)	43.55%
Surplus/(Deficit)	85,879	85,879	5,067,677	2,218,928	2,848,749	

The City has financial controls in place to ensure that variances from planned budget are minimised. Detailed assessments at profit/cost centre level are performed in addition to the basic legislative requirements. Any instances of apparent non-compliance are addressed by the relevant finance officials.

REVENUE**Revenue per main source for 2018/19**

Description	Budget Year 2018/19						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Revenue By Source							
Property rates	9,361,952	9,361,952	4,710,917	4,680,976	29,941	0.6%	9,362,895
Service charges - electricity revenue	12,591,403	12,591,403	6,680,099	6,388,955	291,143	4.56%	13,027,472
Service charges - water revenue	3,574,755	3,574,755	2,699,447	1,787,377	912,070	51.0%	3,511,828
Service charges - sanitation revenue	1,811,048	1,811,048	1,114,173	905,524	208,649	23.0%	1,781,428
Service charges - refuse revenue	1,202,059	1,202,059	563,573	601,030	(37,457)	-6.2%	1,155,841
Service charges - other	573	573	-	-	-		-
Rental of facilities and equipment	381,262	381,262	166,944	183,039	(16,096)	-8.8%	381,872
Interest earned - external investments	936,513	936,513	483,506	468,257	15,249	3.3%	940,288
Interest earned - outstanding debtors	340,970	340,970	199,471	170,485	28,986	17.0%	322,691
Dividends received	-	-	-	-	-		-
Fines, penalties and forfeits	1,280,160	1,280,160	802,309	640,080	162,229	25.3%	1,230,730
Licences and permits	46,050	46,050	29,863	22,943	6,920	30.2%	53,841
Agency services	201,723	201,723	111,794	100,862	10,932	10.8%	201,723
Transfers and subsidies	6,803,608	7,057,030	4,299,170	4,284,561	14,610	0.3%	7,369,203
Other revenue	773,871	773,871	409,171	383,440	25,731	6.7%	798,641
Gains on disposal of PPE	43,870	43,870	8,720	20,685	(11,965)	-57.8%	43,870
Total Revenue (excluding capital transfers and contributions)	39,349,818	39,603,240	22,279,156	20,638,213	1,640,943	8.0%	40,182,322

Reasons for major over-/under-recovery per revenue source

- **Property Rates (R29.9 million over)**

The over-recovery is mainly due to account reversals/corrections and real time valuation of properties.

- **Service Charges – electricity revenue (R291.1 million over)**

The over-recovery is due to periodic changes in consumption as a consequence of changing weather conditions as well as implementation of alternative energy sources. Variances on the different individual sales revenue elements are due to continuous movement of consumers between tariffs as well as changes to the costs associated with the fixed charge as compared to the variable components of the tariff.

- **Service Charges – water revenue (R912.1 million over) and Service Charges – sanitation revenue (R208.6 million over)**

The over-recovery is due to some consumers still using water above restriction levels. This was specifically applicable during the level 6 tariff stage implemented to discourage high consumption in order to keep saving water. It must, however, be emphasised that the over-recovery on sales is not all cash backed. High consumption by non-paying consumers will mean that the over-recovery on "billed revenue" will be offset by the over expenditure as would be reflected by the provision for the non-cash backed portion of the amount billed.

The introduction of Level 5 restrictions has slowed down the over-recovery of "billed revenue" reflecting a closer alignment to the monthly budget. This also means that the cumulative effect of over-recovery has stabilised. This stabilising effect is expected to continue under the Level 3 restriction levels and depending on the usage levels (and impact of seasonal usage) the anticipated cash backed portion of the current over-recovery can be used as a buffer potential under-recovery later in the financial year.

- **Service Charges – refuse revenue (R37.5 million under)**

The under-recovery is mainly on Availability charges, due to the continuous development of vacant properties and fewer than anticipated consumers requesting refuse removal services; Disposal coupons fees, due to poor contractor performance in the Helderberg area; Special waste fees, due to lower than anticipated quantities of hazardous waste disposed of for the period; and Builders rubble fees, due to lower than anticipated quantities disposed of for the period.

- **Interest earned – outstanding debtors (R29.0 million over)**

The over-recovery is due to higher than planned interest on outstanding consumer debtor accounts for Water, Sanitation, and Solid Waste

- **Fines, penalties and forfeits (R162.2 million over)**

The over-recovery is a combination of over-/under-recovery on Traffic Fines (under), due to a number of reasons i.e. public's ability to pay fines, capacity of courts to deal with case volumes, outcome of court cases, and Traffic Fines Accruals (over), due to more fines being issued than planned.

- **Other revenue (R25.7 million over)**

The variance is a combination of over-/under-recovery on various revenue elements within this category.

- Collection charges recovered (over), due to higher than planned recovery to date resulting from improvements in debt management procedures and processes.

- Development contribution/levy (over), as a result of the extent of property development in the City being higher than planned to date.
- Hire of municipal staff (over), due to accruals raised for externally-funded law enforcement officer appointments.
- Camp/Resort fees and admission fees (under), due to lower than anticipated demand for facilities during winter.
- Service charges - infrastructure and facilities (over), due to incorrect posting to this element.
- Building levies (under), where revenue is dependent on property developments, which fluctuates constantly and therefore difficult to predict accurately.
- Recoveries of operational expenditure (over), due to recoveries to date being higher than planned.
- Service charges - infrastructure (under), due to two Broadband tenders that must still be awarded resulting in lower than planned revenue to date as well as delays in concluding a contract with the SA Police Service for radio trunking.
- Busfares - transit products (under), due to unprocessed journals iro the fare system and the negative impact of bus driver strikes on MyCiTi services.

Reasons for variances on revenue by source can be found in *Table SC1: Material variance explanations for revenue by source* on page 37.

Reasons for variances on revenue by vote can be found in *Table SC1: Material variance explanations for revenue by vote* on page 40.

EXPENDITURE

Main expenditure types for 2018/19

Description	Budget Year 2018/19						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Expenditure By Type							
Employee related costs	12,920,115	12,909,337	5,854,784	6,630,569	(775,785)	-11.7%	12,452,662
Remuneration of councillors	169,640	169,640	78,130	79,313	(1,183)	-1.5%	169,640
Debt impairment	2,988,951	2,988,951	1,495,852	1,494,476	1,376	0.1%	2,401,378
Depreciation & asset impairment	2,814,336	2,814,336	1,369,520	1,373,918	(4,398)	-0.3%	2,850,051
Finance charges	1,089,285	1,089,285	338,439	523,530	(185,091)	-35.4%	906,679
Bulk purchases	9,487,132	9,487,132	4,050,624	4,154,497	(103,873)	-2.5%	8,987,316
Other materials	1,255,285	1,263,402	577,993	594,363	(16,370)	-2.8%	1,321,091
Contracted services	6,004,687	6,160,537	2,271,789	2,441,109	(169,320)	-6.9%	6,565,771
Transfers and subsidies	333,807	401,689	168,095	127,836	40,259	31.5%	484,901
Other expenditure	2,200,213	2,232,564	830,583	999,477	(168,895)	-16.9%	2,074,648
Loss on disposal of PPE	488	488	175,672	200	175,473	87892.8%	175,112
Total Expenditure	39,263,938	39,517,360	17,211,480	18,419,286	(1,207,806)	-6.6%	38,389,249

Reasons for major over-/under expenditure per type

- **Employee related Costs (R775.8 million under)**

The variance is mainly due to the turnaround time in filling vacancies; internal filling of vacant positions; and appointment of seasonal workers and temporary staff, which is dependent on seasonal requirements as and when departments require additional staff.

- **Finance charges (R185.1 million under)**

The under expenditure is due to fewer than planned external loans taken up.

- **Bulk purchases (R103.9 million under)**

The variance is a combination of over-/under expenditure.

- Bulk purchases - Electricity (over), due to the monthly budget provisions not being in line with the actual trend of expenditure to date. Monthly budget provisions are based on historical trends and can differ from the current consumption trend.
- Bulk Purchases - Water (under), due to:
 - a) Raw water, due to a one-month lag between payments as a result of the different cut-off dates between the City and the National Department of Water & Sanitation resulting in invoices for December 2018 still being outstanding.
 - b) Bulk water levy, due to outstanding invoices for December 2018.
 - c) Bulk water - desalination, due to water being produced at a slower rate than originally anticipated.

- **Contracted services (R169.3 million under)**

The variance is a combination of over-/under expenditure.

- Administrative and support staff (R7.2 million under), due to the changed strategy when hiring non-permanent staff, which allows flexibility especially with annual peak periods, campaigns and projects resulting in savings.
- Advisory services – communication (R5.8 million over), due to professional services required for communication with communities.
- Transportation services - people (R80.3 million under), due to the Vehicle Operating Companies (VOC) failing to submit signed invoices for October 2018 and November 2018 as well as the recent bus drivers' strike.
- Recreation, sport and social development programmes (R11.6 million under), due to lower than planned expenditure incurred on sport and recreation programmes.
- Chipping (R12.6 million under), due to a decrease in the volume of green waste being disposed of at drop-off facilities.
- Haulage (R12.8 million under), due to lower than planned volumes of waste being generated in informal settlements resulting in less waste being transported to landfill sites.
- R&M - Contracted services building (R30.3 million over), due to higher than anticipated volumes of notifications at Housing Rental Units.
- Advisory services - Project management (R8.6 million under), due to less project management services needed for the period under review.
- Contracted services – Mayor's Job Creation Projects (R29.4 million under), due to delays in finalisation of contracts and appointment of workers.

- R&M gardening (R39.3 million over), due to the higher demand for services as a result of the good rainfall over the last few months.
- Refuse removal (R29.3 million over), where the cost of external refuse removal contractors is slightly more than planned to date.
- Litter picking and street cleaning (R13.7 million over), due to higher than planned cost for street cleaning and litter picking as well as the annual increases in tender value.
- R&M equipment (R45.8 million under), due to a lower than planned demand for repairs and maintenance of equipment.

- **Transfers and subsidies (R40.3 million over)**

The over expenditure is mainly within:

- Transport & Urban Development Authority directorate, due to the earlier than planned expenditure on PHP (Peoples Housing Process) projects. Expenditure relates to progress on site and the rate at which invoices are submitted by PHP material suppliers.
- Corporate Services directorate, due to the earlier than planned payment of sponsorships and grants (Cape Clothing & Textile Cluster and Events).

- **Other Expenditure (R168.9 million under)**

The under expenditure is a combination of over-/under expenditure.

- Subsidy on home-owners' redemption (under), due to the Enhanced Extended Discount Benefit Scheme (EEDBS) grant provided to qualifying occupants of housing units. This was previously funded from the Housing Fund (operating budget), but is now funded from the Human Settlement Development Grant (HSDG).
- Training and learner ships (under), mainly due to delays in the roll-out of training programmes and the prioritisation process currently underway.
- Computer services - software licences (under) and Specialised IT services (over), due to SAP licences being debited against the incorrect G/L account.
- Bank charges (under), due to the change of the City's official banker resulting in lower banking fees.
- Hire of LDV/cars (under), due to a lower demand for vehicles as well as tender issues experienced when hiring heavy equipment by the Centralised Fleet department.
- Electricity (under), due to lower than planned demand of water being pumped by pump stations as a result of the drought and the consequential water restrictions.
- Water research levy (under), due to outstanding invoices from the National Department of Water & Sanitation.
- Commission - revenue sharing (under), due to payments being made one month in arrears and not being in line with periodic budget provision.
- Telecommunication (under), due an outstanding Goods Received Note (GRN) as a result of the incorrect invoice issued by the main supplier.
- Insurance premium - Unicity (under), where premiums are linked to departmental structures and varying requirements and therefore difficult to plan per monthly cycles.
- Indigent relief - Eskom reimbursement (under), due to actual payments being less than planned to date.

- **Loss on disposal of PPE (R175.5 million over)**

The variance is mainly within the Energy directorate and is due to the write-off of assets in order to correctly account for assets that are embedded in the Eskom Network and not required by the City.

Reasons for variances on expenditure by type can be found in *Table SC1: Material variance explanations for expenditure by type* on page 52.

Expenditure per vote (directorate)

Vote Description	Budget Year 2018/19						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Expenditure by Vote							
Vote 1 - Area-Based Service Delivery	576,498	577,450	260,728	276,812	(16,083)	-5.8%	564,753
Vote 2 - Assets & Facilities Management	1,657,547	1,666,970	727,871	750,818	(22,947)	-3.1%	1,722,932
Vote 3 - City Manager	160,619	160,619	73,721	88,768	(15,047)	-17.0%	142,447
Vote 4 - Corporate Services	2,184,462	2,184,462	1,001,899	990,425	11,474	1.2%	2,148,492
Vote 5 - Energy	10,673,982	10,673,982	5,112,206	5,016,191	96,015	1.9%	10,793,015
Vote 6 - Finance	3,146,896	3,146,896	1,301,937	1,599,413	(297,476)	-18.6%	3,062,973
Vote 7 - Informal Settlements, Water & Waste Services	9,521,764	9,529,940	3,721,125	4,344,784	(623,659)	-14.4%	8,309,914
Vote 8 - Safety & Security	3,316,731	3,319,531	1,565,840	1,662,441	(96,602)	-5.8%	3,231,757
Vote 9 - Social Services	3,617,408	3,617,408	1,562,950	1,733,433	(170,484)	-9.8%	3,585,867
Vote 10 - Transport & Urban Development Authority	4,408,030	4,640,101	1,883,203	1,956,201	(72,998)	-3.7%	4,827,099
Total Expenditure by Vote	39,263,938	39,517,360	17,211,480	18,419,286	(1,207,806)	-6.6%	38,389,249

Reasons for over expenditure per vote (directorate)

The following directorates reflect bottom-line over expenditure, which is made up of a combination of over-/under expenditure within the various expenditure budget categories.

- **Corporate Services (R11.5 million)**

- Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies.
- Depreciation & asset impairment (over), due to the higher capitalisation rate of assets, which is based on the progress of capital projects as well as delivery of moveable assets. The IS&T department is ahead of planned spend on their capital budget.
- Other materials - printing (over), due to higher than anticipated demand for paper and cartridges.
- Contracted services (net over expenditure) on:
 - a) Advisory services - communication (over), due to professional services, which was required for communication with communities.
 - b) Advisory services - research (over), due to additional requests ahead of plan for consulting services to set up the corporate Project Performance Management (PPM) Office.
 - c) G&D advisory services research (over), due to the incorrect split of the G&D budget resulting in misalignment of the budget and actual expenditure.
 - d) Medical staff (over), due to an unplanned arbitration award to a former employee of the City.
 - e) R&M contracted services building (over), due to the higher than planned demand for R&M on the City's extensive portfolio of buildings.

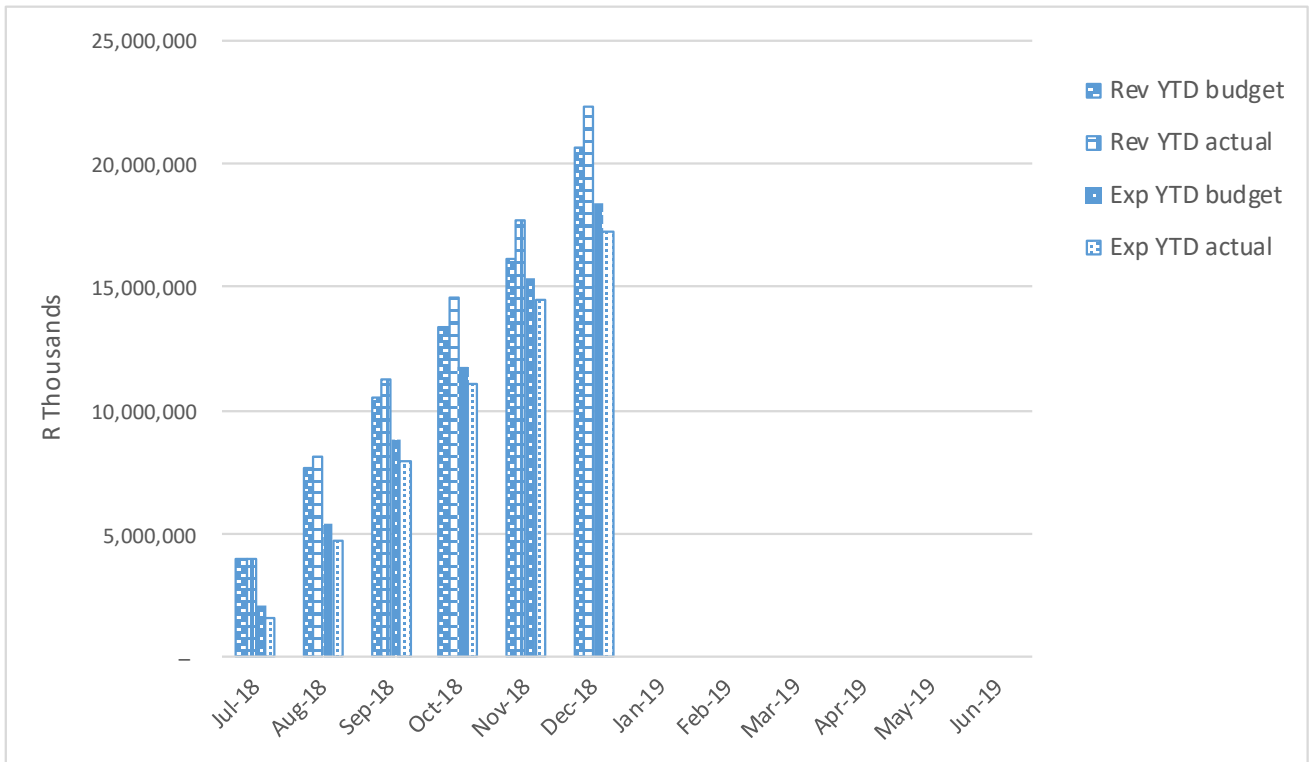
- f) Advisory services - project management (under), due to less project management services required for the period under review.
- g) R&M equipment (under), due to delayed expenditure on Broadband Infrastructure and data centres.
- Transfer and subsidies (over), due to earlier than planned payment of sponsorships and grants (Cape Clothing & Textile Cluster and Events payments).
- Other expenditure (under), a combination of over-/under expenditure, mainly on:
 - a) Bursaries & training (under), due to outstanding invoices from institutions.
 - b) Telecom services (over), due to period budget not being aligned to actual expenditure trend.
 - c) Computer services - software licences (under), due to discontinuation of the Microsoft Enterprise Agreement and pending implementation of an alternative solution.
 - d) Computer services - specialised IT services (over), due to payment of additional SAP licences.
 - e) Computer services - telecommunication (under), due to incorrect invoices issued by the main supplier resulting in an outstanding Good Received Notes (GRN's).
 - f) R&M specialised IT services (over), due to incorrect posting of expenditure.
 - g) G&D specialised IT services (over), due to incorrect booking of expenditure to this expense element, due to incorrect booking of expenditure to this expense element.
- **Energy (R96 million)**
 - Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies.
 - Bulk purchases (over), due to the monthly budget provisions not being in line with the actual trend of expenditure to date. Monthly budget provisions are based on historical trends and can differ from the current consumption trend.
 - Materials: other (under), due to a lower than planned demand for general materials.
 - Contracted services (under), mainly on:
 - a) Transport services, due to under-utilisation for staff transport, due to varying reasons.
 - b) Security services, due to undergrounding of overhead cables, which resulted in reduced security requirements at the Mitchells Plain depot.
 - c) R&M, due to maintenance of public lighting being insourced as a result of restructuring in the department.
 - Other expenditure (under) mainly on Training, due to delays in tender approvals for specialised technical training service providers.
 - Scrapping of assets (over), where assets were written off in order to correctly account for assets that are embedded in the Eskom Network and not required by the City.

The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.

Details on variances for expenditure by vote can be found in *Table SC1: Material variance explanations for expenditure by vote* on page 45.

Monthly Operating Revenue and Expenditure Performance

The graph below shows the monthly actual operating revenue and expenditure against budget.



VACANCY STATISTICS

The City had 3 502 vacancies as at 31 December 2018; 1 475 positions were filled (721 internal and 754 external) with 722 terminations processed from 1 July 2018.

The internal filling of vacancies results in consequential internal vacancies and therefore has minimal impact on the vacancy rate. Seasonal staff are appointed as and when required.

The table below provides a breakdown of vacancies and value of these vacancies per directorate.

DIRECTORATE	VACANT POSTS (Permanent positions)		% of Posts Filled	Vacancy Rate
	Number of Posts	Value		
Area-Based Service Delivery	50	R21,768,930	90.31%	9.69%
Assets And Facilities Management	271	R79,882,662	83.87%	16.13%
City Manager	34	R16,886,743	84.26%	15.74%
Corporate Services	260	R118,528,501	85.88%	14.12%
Energy	305	R83,546,908	88.55%	11.45%
Finance	157	R51,369,124	91.52%	8.48%
Informal Settlements, Water And Waste Services	1076	R271,164,382	87.23%	12.77%
Safety And Security	515	R129,434,693	89.13%	10.87%
Social Services	402	R108,509,606	93.40%	6.60%
Transport & Urban Development Authority	432	R133,128,647	85.83%	14.17%
TOTAL	3502	R1,014,220,196	88.73%	11.27%

The table below provides an age analysis of vacant positions per directorate.

DIRECTORATE	Less Than 6 Months	6 to 12 Months	1 to 2 Years	More Than 2 Years	Grand Total
Area-Based Service Delivery	19	12	17	2	50
Assets And Facilities Management	75	89	62	45	271
City Manager	23	6	4	1	34
Corporate Services	100	87	55	18	260
Energy	111	111	46	37	305
Finance	72	48	27	10	157
Informal Settlements, Water And Waste Services	346	402	227	101	1076
Safety And Security	281	97	99	38	515
Social Services	270	77	45	10	402
Transport & Urban Development Authority	156	106	74	96	432
Grand Total	1453	1035	656	358	3502

Details on senior managers remuneration and the remuneration of other municipal staff can be found in *Table SC8 Monthly Budget Statement - councillor and staff benefits* on page 68.

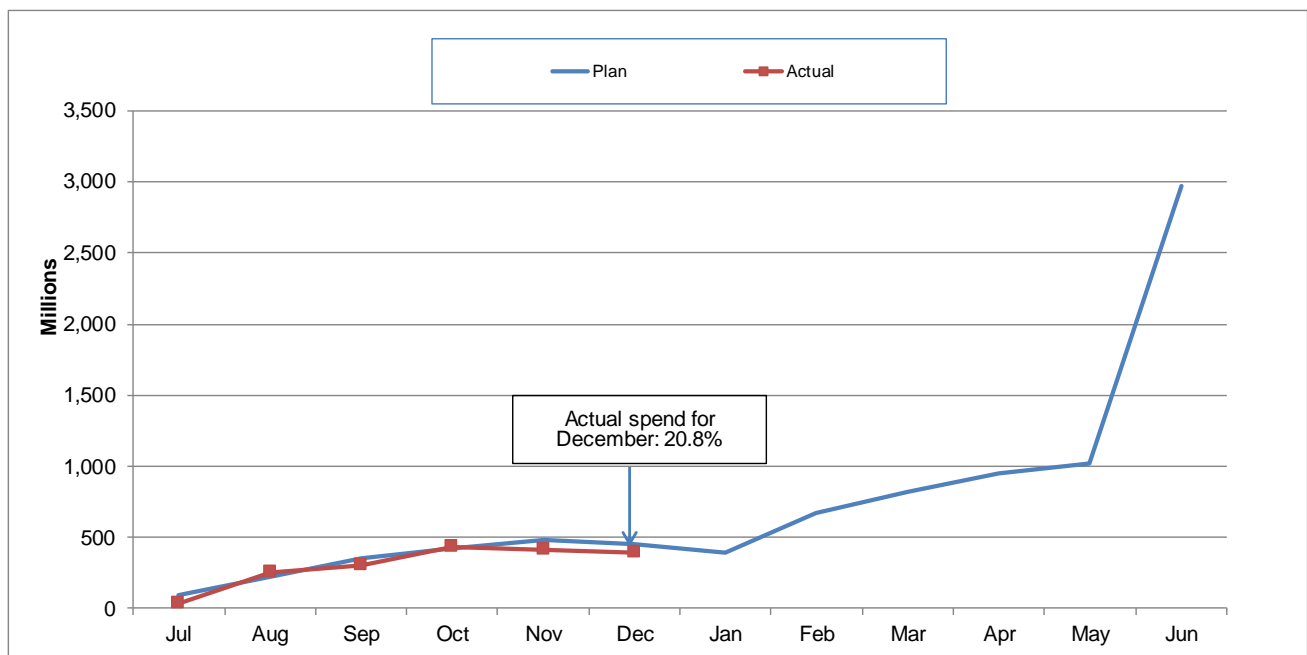
CAPITAL EXPENDITURE AND FUNDING

Summary Statement of Capital Budget Performance

Vote Description	Budget Year 2018/19						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Total Capital Expenditure	8,407,556	8,850,922	1,840,894	2,031,755	(190,861)	-9.4%	6,611,832
Funded by:							
National Government	2,015,146	2,697,071	615,747	733,025	(117,277)	-16.0%	2,502,769
Provincial Government	52,750	52,809	6,171	10,965	(4,794)	-43.7%	26,227
Transfers recognised - capital	2,067,896	2,749,880	621,919	743,990	(122,071)	-16.4%	2,528,996
Public contributions & donations	76,200	77,790	24,516	28,230	(3,713)	-13.2%	54,526
Borrowing	4,000,000	3,446,950	553,444	601,537	(48,093)	-8.0%	500,000
Internally generated funds	2,263,460	2,576,302	641,015	657,999	(16,984)	-2.6%	3,528,310
Total Capital Funding	8,407,556	8,850,922	1,840,894	2,031,755	(190,861)	-9.4%	6,611,832

Monthly capital expenditure

The graph below reflects the City’s monthly capital expenditure to date measured against the 2018/19 current budget.



Capital budget by municipal vote for 2018/19

Vote Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - Area-Based Service Delivery	19,019	13,110	14,991	1,887	2,738	(851)	-31.1%	9,666
Vote 2 - Assets & Facilities Management	410,913	413,287	429,349	114,081	96,052	18,029	18.8%	462,895
Vote 3 - City Manager	2,211	735	1,004	578	687	(109)	-15.9%	1,767
Vote 4 - Corporate Services	369,055	354,597	356,417	67,891	51,133	16,758	32.8%	270,473
Vote 5 - Energy	1,024,550	1,113,506	1,153,232	333,378	310,515	22,863	7.4%	863,239
Vote 6 - Finance	14,009	20,549	21,011	5,040	9,074	(4,034)	-44.5%	26,851
Vote 7 - Informal Settlements, Water & Waste Services	2,112,080	4,206,581	4,344,089	733,593	945,092	(211,500)	-22.4%	2,859,198
Vote 8 - Safety & Security	158,094	196,078	196,155	64,501	34,324	30,177	87.9%	208,149
Vote 9 - Social Services	260,647	315,508	321,135	92,241	112,230	(19,989)	-17.8%	308,447
Vote 10 - Transport & Urban Development Authority	1,233,040	1,773,606	2,013,539	427,704	469,910	(42,206)	-9.0%	1,601,148
Total Capital Multi-year expenditure	5,603,619	8,407,556	8,850,922	1,840,894	2,031,755	(190,861)	-9.4%	6,611,832

Reasons for major over-/under expenditure on the capital budget

- **Energy (R22.8 million over)**

The variance is as a result of various construction projects being ahead of schedule, due to good contractor performance, less community interference and more applications received than originally anticipated for new and upgraded supplies on the System Equipment Replacement: North, Central and South and Electrification programmes.

- **Informal Settlements, Water & Waste Services directorate**

- **Informal Settlements & Backyarders (R27.4 million under)**

The main reasons for the variance are encroachment in the working area of the Kalkfontein project; delays in the award of the plumbing tender for the Backyarders programme; outstanding accruals and the delay in the replacement of a term tender for the Urbanisation Informal Settlements programme as well as delays in implementation of the Imizamo Yethu project, due to a pending court case.

88.6 % spend is forecasted for the projects currently on the budget.

- **Solid Waste Management (R20 million over)**

The variance is due to vehicles and plant that were delivered earlier than anticipated, due to the availability of stock.

63.8 % spend is forecasted for the projects currently on the budget

- **Water & Sanitation (R204.3 million under)**

A combination of factors contributed to the directorate's negative variance i.e. cash flow misalignment and possible savings on the Bellville WWTW Extension project; tender for the Borchards Quarry WWTW project delayed by internal processes; delays in signing the dewatering and inlet works contracts on the Zandvliet WWTW project as well as delays in commencement of construction as a result of other underground services needed on the Replace & Upgrade Water Network programme.

63.3 % spend is forecasted for the projects currently on the budget.

- **Safety and Security (R30.2 million over)**

The variance is as a result of vehicles and equipment that were delivered earlier than anticipated, due to stock availability in respect of the following projects: Vehicles: Additional FY19, Shotspotter installations, Vehicles: Replacement FY19, Fire Station: Masiphumelele, Somerset West Fire Station, and Specialised Vehicles FY19.

- **Transport & Urban Development Authority (R42.2 million under)**

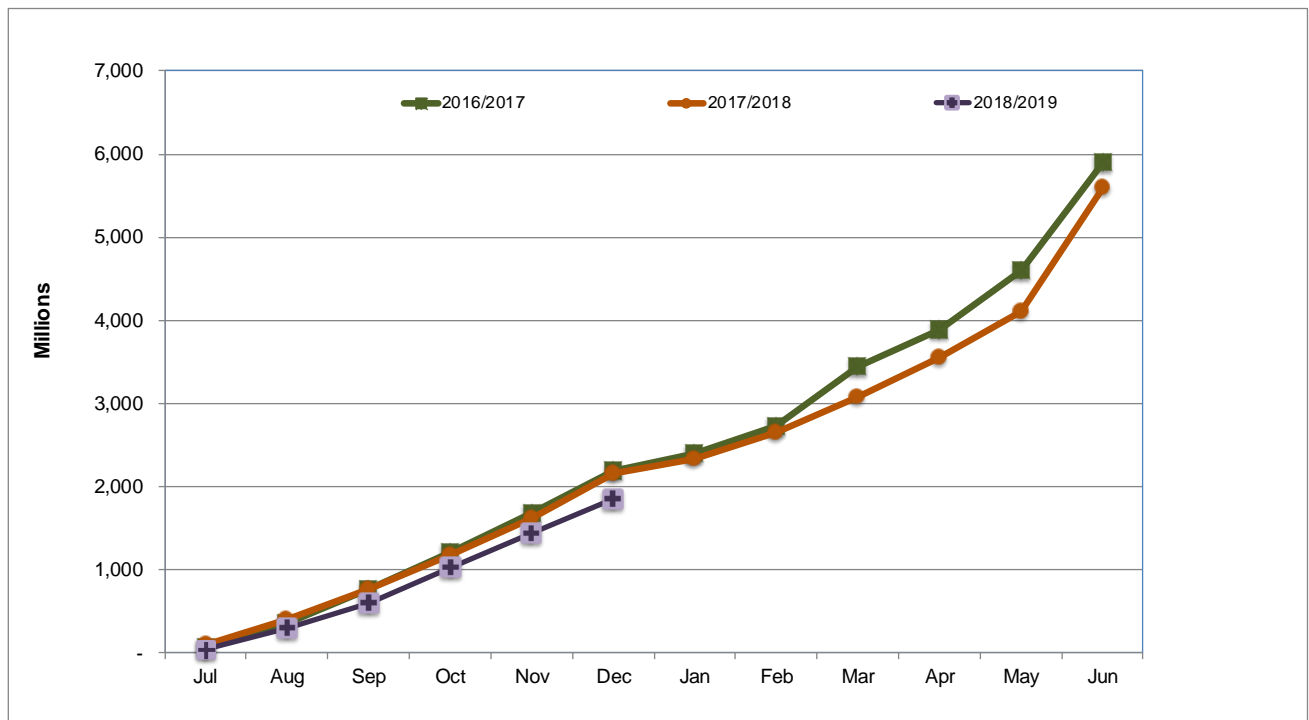
A combination of factors contributed to the directorate's negative variance i.e. expenditure on the Bosman Dam Road rehabilitation project (R16.5 million allocation) is dependent on approval of a deviation report relating to the Metro Roads Reconstruction Programme; delays experienced in finalising designs and bid evaluation process delays, due to clarification sought from tenderers on the R44 Extra N-bound lane project; initial delays with finalising a deviation report for the Sandown project and administrative matters on M12 project; liquidated contractor on the Road Rehabilitation - Bishop Lavis Project as well as the contractor on the IRT PH2A-Stock Road project being forced to vacate the site temporarily, due to security concerns.

72.1% spend is forecasted for the projects currently on the budget.

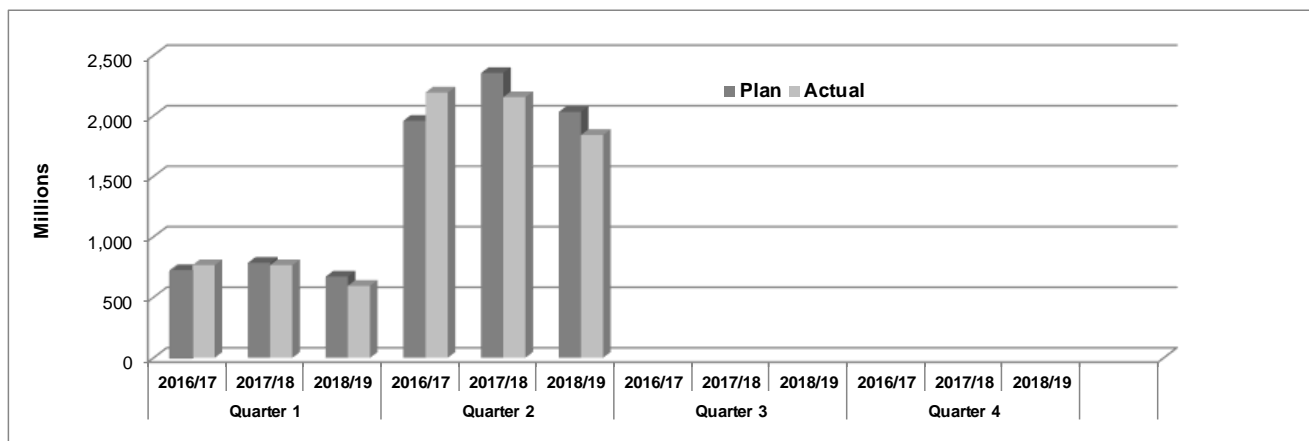
Detailed explanations and remedial action on variances on the capital budget can be found in *Table SC1: Material variance explanations for capital expenditure by vote* on page 56.

Capital expenditure trend over the current- and past two years

The graph below shows the City’s capital expenditure trend for 2016/17, 2017/18 and 2018/19.



The capital expenditure quarterly trend for the 2016/17, 2017/18 and 2018/19 financial years is graphically illustrated below.



Status of certain major capital programmes/projects in the City

Programme or Major Project	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Status of project - December 2018
IRT Phase 2 A	233,000,000	70,256,892	81,583,935.89	11,327,043.89	The actuals to date are in respect of higher than anticipated consultancy fees as well as the Solar Voltaic project where invoices are higher than anticipated. This budget funds the overall project management appointment for the IRT Phase 2A project. The balance of funding will be used for the implementation of the solar voltaic offset project and property acquisition required for the IRT Phase 2A project as well as reprioritised to other priority projects.
Dark Fibre Broadband Infrastructure	42,107,713	386,120	971,468.08	585,348.08	Programme currently ahead of planned spend, however, the ED: Corporate Services is conducting a comprehensive business and management review of the Dark Fibre Broadband Infrastructure Programme (BIP) and the Broadband Operations model. The existing roll-out of the BIP is re-prioritised by pausing the roll-out of switching centres and additional fibre routes. This pause must be in place until the comprehensive business and management review is complete and a defined business plan and operating model has been developed.
Non-Motorised Transport Programme	133,727,000	29,663,603	36,130,595.19	6,466,992.19	Various NMT projects are underway at present. Despite delays on some projects, good progress is being made on others with actual expenditure ahead of planned expenditure.
Congestion Relief Projects	3,457,676	1,957,676	108,908.34	-1,848,767.66	There are numerous projects underway in terms of the programme. The lower than anticipated actual spend is a result of slower than anticipated bid evaluation processes or delayed deviation reports for developer contributions. The deviation report approval relevant to the Sir Lowry's Pass Village Rd project is delayed pending legal review.
Upgrading Solid Waste facilities	102,690,000	17,453,380	5,478,849.32	-11,974,530.68	<p>1. Maitland Specialised Equipment Depot Upgrade: Contractor on site and construction underway. As a result of the age of the building, unforeseen correction to the structure had to be completed before the actual work could proceed. The anticipated completion date is 30 June 2019.</p> <p>2. Hillstar Workshop Upgrade: Initially delayed due to the contractor not submitting the required SCM documentation timeously; this has since been resolved. Contractor on site and construction underway. Anticipated completion is 31 March 2019.</p> <p>3. Kuilsriver and Schaapkraal Depot Upgrades: Final design completed. Award of construction tender to be completed by December 2018 and construction anticipated to commence in January 2019. Delays are as a result of several Bid Evaluation Committee meetings, which needed to be held for tender clarification. At this time it is anticipated that a portion of the construction component will be rephased to the 2019/20 financial year.</p>

Table continues on next page.

City of Cape Town: S52 Annexure A – 2019 Q2 (December 2018)

Programme or Major Project	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Status of project - December 2018
Bulk Water Augmentation Scheme	15,300,000	1,000,000	-	-1,000,000.00	Environmental Authorization (EIA) is in place. Land acquisition in progress and cadastral survey complete. Professional services contract (reservoir design) (325C/2005/06) in progress, but delayed due to the landowner denying the City access to the site until transfer of the land has been concluded. The geotechnical survey of the site is complete and detailed design has recommenced, but the Bulk Water section was unable to provide input and review work to date, due to workload on emergency water projects. Furthermore, an extension of the contract amount will be required, due to the amount of design input into EIA required, changes in legislation and level of design (viz finite element analysis etc.). Project to be rephased to future years. Funds will be re-allocated to other projects.
Replace & Upgr Sewer City wide	98,417,536	23,717,536	7,568,409.71	-16,149,126.29	Some projects are delayed due to congestion of underground services at certain locations. Various tenders are in place. Construction is ongoing at different locations City-wide. Project managers have been reminded and encouraged to issue works projects in order to align with planned SDBIP targets and budget.
System Equipment Replacement: East	105,800,000	40,615,000	57,374,949.44	16,759,949.44	Programme ahead of schedule due to good contractor performance.
Replace & Upgrade Water Network	100,000,000	39,473,400	8,212,959.03	-31,260,440.97	Some projects are delayed, due to congestion of underground services at certain locations. Various tenders are in place. Construction is ongoing at different locations City-wide. Project managers have been reminded and encouraged to issue works projects in order to align with planned SDBIP targets and budget.
Roads: Rehabilitation	48,886,789	-	-	0.00	With no responsive tenders in respect of the Bonteheuwel/Uitsig project, this project has been delayed; funding will be shifted to the 2019/20 financial year in the January 2019 adjustment budget in order to meet the requirements for the project. The Parkwood project will also only commence in the 2019/2020 financial year.
Metro Roads: Reconstruction	94,295,947	36,514,736	23,036,411.75	-13,478,324.25	Various projects are being implemented and some will be separately identified via programme shifts during December 2018. The R16.5 million budget provision for development contribution allocated to Bosman's Dam Road rehabilitation is dependent on a deviation report being compiled by the project manager. Other smaller projects are being implemented in terms of the plan.
Asset Management Programme	85,919,548	32,600,511	22,626,753.34	-9,973,757.66	Delays experienced due to design changes in staircase elements, threat of life, community unrest, local labour challenges and change of pre-cast supplier. Project to be rephased to the 2019/20 financial year. Budget will be amended during the January 2019 adjustments budget.

City of Cape Town: S52 Annexure A – 2019 Q2 (December 2018)

Programme or Major Project	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Status of project - December 2018
Electrification	7,500,000	1,909,714	3,648,364.39	1,738,650.39	Programme ahead of schedule due to good contractor performance. Projects continuing with less community interference. Budget allocation will be reduced in the January 2019 Adjustments budget., due to USDG handover of Human Settlement Implementation project as well as rephasing of the Imizamo Yethu project as a result of community interference.
Service Connections: Quote	50,500,000	24,524,894	31,255,582.97	6,730,688.97	Customer demand driven. Applications for new and upgraded supplies are more than planned for the period under review, however there is a risk that provision of R5 million will not be spent by 30 June 2019.
MV Switchgear Refurbishment	74,000,000	19,951,804	10,573,713.90	-9,378,090.10	The year-to-date expenditure on this project relates to some 2017/18 projects continuing into 2018/19. However, the lower than anticipated expenditure is as a result of the switchgear refurbishment tender not being in place. Budget will be reduced in the January 2019 adjustments budget.
Public Transport Interchange Programme	70,160,000	15,911,561	10,858,175.82	-5,053,385.18	Various projects at different stages of the project life-cycle. Delays in resolving/finalising a number of SCM processes have resulted in slower than anticipated expenditure.
Electricity Facilities	66,273,987	2,375,919	1,176,554.83	-1,199,364.17	Construction of Hout Bay LV Depot and Blue Downs Street lighting Depot has not commenced yet. Funding will be rephased to 2019/20 in the January 2019 adjustments budget.
MV System Infrastructure	76,150,000	17,745,964	18,893,021.83	1,147,057.83	Programme ahead of schedule due to good contractor performance.
System Equipment Replacement: North	57,000,000	3,300,000	18,048,729.86	14,748,729.86	Programme ahead of schedule due to good contractor performance.
Upgrading of drop-off facilities	44,176,001	1,800,000	828,032.60	-971,967.40	Designs for chipping facilities at Hout Bay, Kommetjie, Wynberg and Gordons Bay have been completed. Construction at Hout Bay and Kommetjie will be rephased to the 2019/20 financial year and Wynberg and Gordons Bay will be rephased to the 2020/21 financial year during the January 2019 adjustments budget.
Street Lighting	56,761,020	24,954,481	23,833,633.34	-1,120,847.66	Projects are in various stages of implementation. Construction has commenced on most projects although marginally behind schedule; expenditure will reflect in January 2019.
	1,566,123,217	406,113,191	362,209,050	-43,904,141.37	

CASH AND CASH EQUIVALENTS

The City's cash and cash equivalents was R7 871 million at 31 December 2018.

Outstanding commitments against Cash and Cash Equivalents are reflected in the table below.

Item	Previous Month	Current Month
R'Thousands		
Closing Cash Balance	11,333,391	12,809,519
Unspent Conditional Grants	1,532,423	1,647,347
Housing Development	332,549	341,509
MTAB	16,042	16,042
Trust Funds	801	806
Financial commitments	1,504,000	1,504,000
Sinking Funds	-	-
Insurance reserves	495,420	578,242
CRR	2,375,171	2,325,340
TOTAL	6,256,406	6,413,286
TOTAL cash resources - committed working capital	5,076,985	6,396,233

Details on the cash flow can be found in *Table C7: Monthly Budget Statement - Cash Flow* on page 36.

The City's investment portfolio breakdown can be found in *Table SC5 Monthly Budget Statement investment portfolio* on page 63.

The monthly actual and targets can be found in *Table SC9: Monthly Budget Statement - Actual and revised targets for cash receipts and cash flows* on page 71.

GRANT UTILISATION

Description	Budget Year 2018/19						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Total operating expenditure of Transfers and Grants	4,245,472	4,498,894	538,265	585,052	(46,787)	-8.0%	4,498,894
Total capital expenditure of Transfers and Grants	2,144,096	2,827,670	646,435	772,219	(156,797)	-20.3%	2,293,753
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	6,389,567	7,326,563	1,184,700	1,357,271	(203,583)	-15.0%	6,792,647

Detailed information on transfers and grants per funding source is reflected in *Table SC7 Monthly Budget Statement transfers and grants expenditure* on page 66.

CREDITORS

Creditors Analysis

R thousands	Budget Year 2018/19								
	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 Creditors	261,726	832	820	59	-	2,916	4	1	266,357

The City’s creditors are paid within 30 days as stipulated in the MFMA. The outstanding creditors are due to various reasons, including amongst others, bank rejections, blocked payments due to incorrect vendor banking details, and legal related matters.

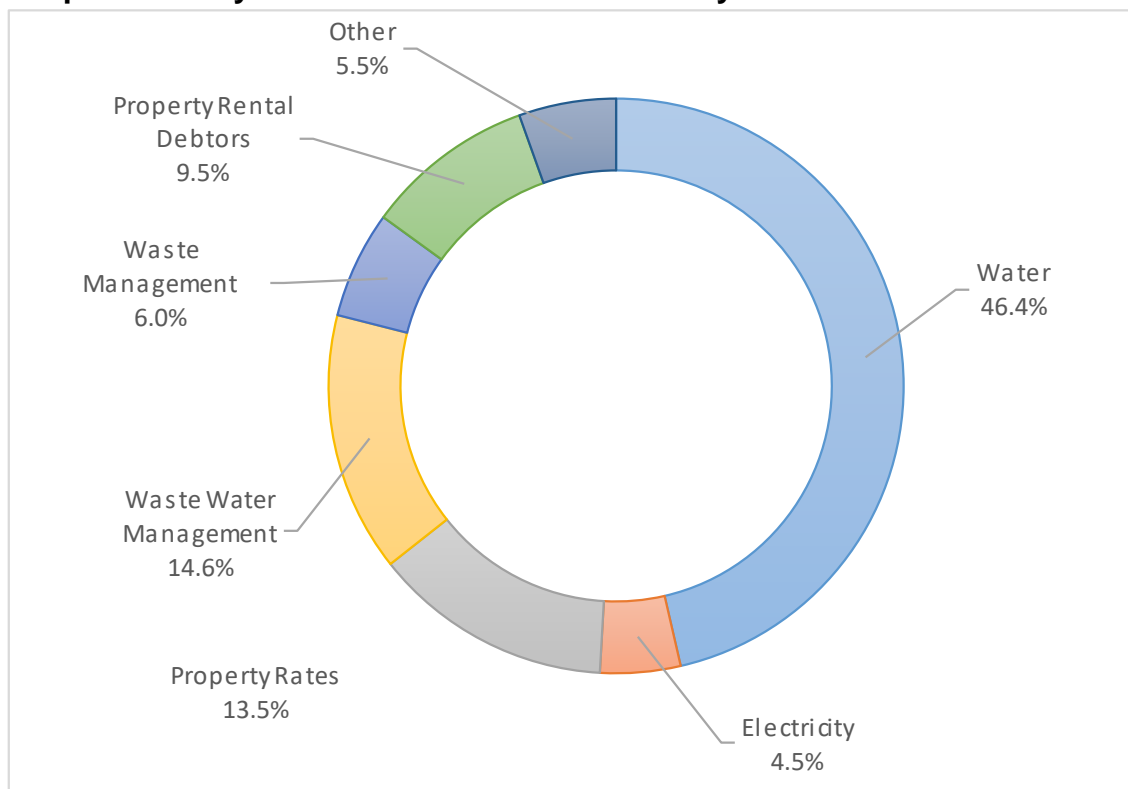
The City has an existing continuous management follow-up control system in place to facilitate the ultimate payment of these invoices.

DEBTORS

Debtors Age Analysis

Description	Budget Year 2018/19									
	0-30 Days		31-60 Days		61-90 Days		Total over 90 days		Total	
	R Thousands	%	R Thousands	%	R Thousands	%	R Thousands	%	R Thousands	
Total By Income Source	2,548,944	24.1%	495,494	4.7%	553,591	5.2%	6,959,678	65.9%	10,557,706	
2017/18 - totals only	1,927,363	23.0%	168,249	2.0%	52,243	0.6%	6,225,188	74.3%	8,373,042	
Movement	621,581		327,246		501,348		734,490		2,184,664	
% Increase/(Decrease) year on year		32.3%		194.5%		959.6%		11.8%	26.09%	

Graphical Analysis of debtors older than 90 days



Top 10 Commercial debtors - Age Analysis

Account Owner Name	Total	Current	30	60	90	120	150	150><365	365	Comments
Victoria Mxenge Housing Development Assoc	R 90,047,283.05	R 785,000.27	R 1,554,208.22	R 2,281,833.67	R 5,064,719.95	R 6,254,387.90	R 10,273,721.16	R 33,213,564.00	R 30,619,847.88	The Water & Sanitation department reduced the water pressure for the meter servicing 102 properties. The Planning department is to approve the subdivision, ensuring individual owners pay for the services consumed.
Chruch Methodist	R 26,381,213.87	R 561,679.85	R 934,094.73	R 1,359,633.08	R 2,665,139.67	R 2,476,188.44	R 1,417,996.50	R 10,914,264.07	R 6,052,217.53	The church is in the process of transferring the land to the identified beneficiaries. The City is to assist with the property transfers in adherence to approved policies. The Water & Sanitation department will take actual readings and the account will be adjusted accordingly. The Valuations department will correct the municipal property value (as per General Valuation 2015(GV15)) through the appropriate processes.
Moslem Cemetry Board Trustees	R 12,899,940.46	R 65,318.14	R 67,534.01	R 256,304.24	R 5,934.60	R 5,022.40	R 4,453.56	R 441,736.55	R 12,053,636.96	The cemetery is owned by a NPO, and with assistance from appointed/identified accountants, will apply for a Rates rebate once the necessary documentation has been compiled. Approval of the application will clear the outstanding debt.
Zonnebloem College	R 10,899,076.27	R 172,956.61	R 214,002.49	R 181,077.59	R 179,359.50	R 217,069.57	R 0.00	R 753,430.61	R 9,181,179.90	The Trust is paying the monthly services consumed and billed in full. The High Court issued amendment papers to the Trust on 4 November 2018. The client also confirmed that they've processed and submitted the required information to SARS to be registered as an NPO in order to apply for the Rates rebate.
Mitchells Plain Foundation	R 10,775,510.21	R 158,448.68	R 171,747.72	R 175,653.10	R 1,185,278.82	R 0.00	R 0.00	R 521,558.27	R 8,562,823.62	This is an Old Age Home with limited funding. It has been experiencing issues with its application for NPO status as well as applying for a Rates rebate, due to compliance challenges. The City is engaging the owners to settle their monthly accounts. Once the monthly charges have been paid regularly, the City will discuss the settlement of the arrears with the organisation.
Church Methodist	R 8,026,515.15	R 189,343.82	R 273,546.45	R 473,412.20	R 1,243,140.88	R 2,624,800.83	R 325,010.66	R 1,844,903.24	R 1,052,357.07	The church is in the process of transferring the land to the identified beneficiaries. The City is to assist with property transfers in adherence with approved policies. The Water & Sanitation department will take actual readings and the account will be adjusted accordingly. The Valuations department will correct the municipal property value (as per General Valuation 2015 (GV15)) through the appropriate processes.
Cornucopia Trust	R 8,018,604.87	R 1,313,155.78	R 1,430,888.90	R 1,334,165.51	R 1,406,996.93	R 1,380,990.86	R 1,152,406.89	R 0.00	R 0.00	Investigations are under way with the Financial Adminsitators as this Netcare Hospital Rates and electricity accounts have not been paid as promised on 5 December 2018.
Hencetrade 110 (Pty) Ltd	R 6,527,306.28	R 92,527.90	R 89,344.19	R 0.00	R 183,730.50	R 834,076.35	R 460,302.79	R 400,000.00	R 4,467,324.55	The organisation has a payment arrangement with the City, which is up for review in March 2019.
CP Saagmeule Pty Ltd CP Saagemeule Pty Ltd	R 6,056,490.92	R 88,715.76	R 44,353.32	R 50,278.73	R 50,278.73	R 50,278.73	R 50,278.73	R 2,060,169.00	R 3,662,137.92	The City's Legal department has collected the guaranteed amount and has filed for summons to collect the balance of the outstanding amount. The Water & Sanitation department requested termination of the client's contract, which has since been done.
Northern Value Share Block Pty Ltd	R 5,843,387.49	R 16,877.36	R 67,781.70	R 65,352.48	R 60,525.70	R 68,045.63	R 62,385.89	R 411,368.95	R 5,091,049.78	The City's Legal department, in adherence to a court order, is addressing certain issues that are affecting the entity's operations. The entity will be required to pay the outstanding rates charges and settle on resolution of the issues highlighted by the court order.

Top 10 Commercial debtors service charges breakdown

Account Owner Name	Other	Electricity	Water	Sewerage	Refuse	Rates	Security deposit	Sundries
Victoria Mxenge Housing Development Assoc	R 67.27	R 0.00	R 89,832,969.70	R 98,429.80	R 25,952.47	R 90,311.54	-R 447.73	R 0.00
Church Methodist	R 34.29	R 0.00	R 26,304,756.04	R 76,423.54	R 0.00	R 0.00	R 0.00	R 0.00
Moslem Cemetry Board Trustees	R 7,052.28	R 762.07	R 4,296.43	R 248,892.22	R 47,020.97	R 12,458,359.06	R 0.00	R 133,557.43
Zonnebloem College	R 31,425.96	R 0.00	R 694,354.20	R 613,223.71	R 62,417.97	R 9,473,923.81	R 0.00	R 23,730.62
Mitchells Plain Foundation	R 12,224.80	R 4,254,314.42	R 2,453,723.79	R 1,856,542.58	R 347,842.53	R 1,850,862.09	R 0.00	R 0.00
Church Methodist	R 820.48	R 0.00	R 7,950,197.96	R 75,496.71	R 0.00	R 0.00	R 0.00	R 0.00
Cornucopia Trust	R 0.00	R 8,018,604.87	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00
Hencetrade 110 (Pty) Ltd	R 0.00	R 4,965,434.89	R 758,637.55	R 573,323.86	R 0.00	R 267,296.18	-R 37,386.20	R 0.00
CP Saagmeule Pty Ltd CP Saagmeule Pty Ltd	R 9.12	R 0.00	R 6,056,481.80	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00
Northern Value Share Block Pty Ltd	R 9,763.66	R 0.00	R 0.00	R 0.00	R 0.00	R 5,833,703.83	-R 80.00	R 0.00

TOP 10 Residential debtors - Age Analysis

Account Owner Name	Total	Current	30Days	60Days	90Days	120Days	150Days	150><365Days	>365Days	Comments
Amakhaya Ngoku ("Homes Now")	R 15,610,164.66	R 280,830.02	R 428,224.53	R 349,333.55	R 691,734.70	R 574,171.77	R 877,620.90	R 2,252,909.24	R 10,155,339.95	This is an individual-unit ownership complex with no formal body corporate or a board to perform its role. In order to enforce payment and manage consumption, standpipes will be installed on the property and pressure will be controlled to manage consumption.
Ndabeni Communal Property	R 4,877,033.67	R 110,497.53	R 96,294.03	R 87,923.19	R 98,059.11	R 92,986.24	R 87,033.70	R 801,526.26	R 3,502,713.61	This is a land restitution case and the beneficiaries' representatives, who were appointed by the High Court, submitted an offer in full and final settlement. The City has since responded to the offer requesting specific information.
Stonehill Place Body Corporate Erf 148030	R 4,325,440.06	R 28,670.52	R 662,538.72	R 597,001.57	R 629,926.24	R 545,624.18	R 1,861,678.83	R 0.00	R 0.00	The body corporate is disputing the latest electricity account and requested that the matter be investigated before debt settlement is discussed. The City's Energy department is addressing the dispute with the intention to test the meter.
Sandpiper Mansions Body Corp	R 4,131,651.27	R 47,538.08	R 67,826.88	R 84,826.26	R 123,830.10	R 175,765.69	R 137,215.37	R 906,357.80	R 2,588,291.09	The body corporate has installed individual water meters for each unit. A follow up meeting between the City and the debtor to discuss the outstanding debt as well as payment arrangements to settle the arrear debt was held on 11 December 2018.
The Friends of Bathandwa Trust	R 3,795,036.98	R 54,712.74	R 64,812.00	R 441,193.77	R 45,941.19	R 44,837.49	R 13,926.67	R 1,027,186.45	R 2,102,426.67	This property houses a crèche, which is in operation. According to the Trustees, the crèche is illegally occupying the land. The Trustees have sent an email requesting the City to disconnect all applicable services as the Trust is in the process of evicting the crèche.
Park Road Place	R 3,369,120.98	R 25,721.40	R 80,741.17	R 38,500.35	R 103,265.80	R 3,120,892.26	R 0.00	R 0.00	R 0.00	This debtor is disputing the water charges and has applied for a meter test. There is an interim payment arrangement whilst the dispute is being addressed.
Z Vallie	R 3,310,987.96	R 25,943.24	R 27,202.76	R 26,244.76	R 21,821.87	R 902,408.19	R 0.00	R 2,307,367.14	R 0.00	This is an indigent property that is being dealt with through a water leaks project. A Water Management Device is to be installed and the debt will be written off as per the City's Credit Control and Debt Collection Policy. Investigations are currently underway to ascertain the cause of the high water consumption/billings and to ensure there is continuous payment on the account.
Xolelwa XM Mabindisa	R 3,049,763.35	R 82,417.17	R 267,113.86	R 18,670.57	R 286,254.96	R 257,520.64	R 155,558.06	R 1,181,805.37	R 800,422.72	This is an indigent property that is being dealt with through a water leaks project. A Water Management Device and Pre-paid Electricity meter have been installed and the debt will be written off as per the City's Credit Control and Debt Collection Policy.
Mr Z & Mrs I Soeker	R 2,993,574.09	R 325,990.35	R 20,615.69	R 20,624.81	R 19,139.71	R 208,889.22	R 151.40	R 2,158,178.54	R 239,984.37	This is an indigent property that is being dealt with through a water leaks project. A Water Management Device is to be installed and the debt will be written off as per the City's Credit Control and Debt Collection Policy. Investigations are currently underway to ascertain the cause of the high water consumption/billings, to curb high consumption and to ensure there is continuous payment on the account.
Mr B Lolo	R 2,724,980.23	R 49,408.90	R 83,198.09	R 113,752.80	R 201,443.24	R 155,387.92	R 1,021,817.14	R 101,026.20	R 998,945.94	This is an indigent property that is being dealt with through a water leaks project. A Water Management Device is to be installed and the debt will be written off as per the City's Credit Control and Debt Collection Policy. Investigations are currently underway to ascertain the cause of the high water consumption/billings, to curb high consumption and to ensure there is continuous payment on the account.

Top 10 Residential debtors service charges breakdown

Account Owner Name	Other	Electricity	Water	Sewerage	Refuse	Rates	SECD	Sundries
Amakhaya Ngoku ("Homes Now")	R 457.82	R 0.00	R 7,735,701.47	R 6,840,332.41	R 1,035,881.14	R 0.00	-R 2,208.18	R 0.00
Ndabeni Communal Property	R 10,311.18	R 0.00	R 4,589.21	R 4,589.21	R 4,358.04	R 4,399,808.72	R 0.00	R 453,377.31
Stonehill Place Body Corporate Erf 148030	R 0.00	R 4,325,440.06	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00
Sandpiper Manstions Body Corp	R 196.92	R 0.00	R 1,929,338.90	R 1,924,021.59	R 278,093.86	R 0.00	R 0.00	R 0.00
The Friends of Bathandwa Trust	R 95.64	R 0.00	R 3,610,100.83	R 160,857.82	R 7,452.07	R 16,530.62	R 0.00	R 0.00
Park Road Place	R 0.00	R 0.00	R 2,630,662.83	R 712,474.24	R 25,983.91	R 0.00	R 0.00	R 0.00
Z Vallie	R 18.42	R 2,671.58	R 3,277,079.45	R 21,727.93	R 1,450.83	R 8,039.75	R 0.00	R 0.00
Xolelwa XM Mabindisa	R 225.52	R 0.00	R 2,935,279.47	R 107,955.43	R 6,302.93	R 0.00	R 0.00	R 0.00
Mr Z & Mrs I Soeker	R 211.33	R 197,915.51	R 2,729,150.74	R 50,464.26	R 3,576.26	R 12,927.19	-R 671.20	R 0.00
Mr B Lolo	R 679.67	R 0.00	R 2,652,074.09	R 72,226.47	R 0.00	R 0.00	R 0.00	R 0.00

IN YEAR BUDGET STATEMENT TABLES**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.

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	8,669,308	9,361,952	9,361,952	4,710,917	4,680,976	29,941	0.6%	9,362,895
Service charges	17,019,653	19,179,838	19,179,838	11,057,292	9,682,886	1,374,406	14.2%	19,476,569
Investment revenue	877,984	936,513	936,513	483,506	468,257	15,249	3.3%	940,288
Transfers and subsidies	6,450,645	6,803,608	7,057,030	4,299,170	4,284,561	14,610	0.3%	7,369,203
Other own revenue	3,763,693	3,067,907	3,067,907	1,728,271	1,521,534	206,737	13.6%	3,033,368
Total Revenue (excluding capital transfers and contributions)	36,781,283	39,349,818	39,603,240	22,279,156	20,638,213	1,640,943	8.0%	40,182,322
Employee costs	10,865,323	12,920,115	12,909,337	5,854,784	6,630,569	(775,785)	-11.7%	12,452,662
Remuneration of Councillors	154,923	169,640	169,640	78,130	79,313	(1,183)	-1.5%	169,640
Depreciation & asset impairment	2,578,561	2,814,336	2,814,336	1,369,520	1,373,918	(4,398)	-0.3%	2,850,051
Finance charges	781,948	1,089,285	1,089,285	338,439	523,530	(185,091)	-35.4%	906,679
Materials and bulk purchases	9,345,475	10,742,417	10,750,534	4,628,617	4,748,860	(120,243)	-2.5%	10,308,408
Transfers and subsidies	408,037	333,807	401,689	168,095	127,836	40,259	31.5%	484,901
Other expenditure	8,767,007	11,194,339	11,382,541	4,773,895	4,935,261	(161,366)	-3.3%	11,216,909
Total Expenditure	32,901,274	39,263,938	39,517,360	17,211,480	18,419,286	(1,207,806)	-6.6%	38,389,249
Surplus/(Deficit)	3,880,009	85,879	85,879	5,067,677	2,218,928	2,848,749	128.4%	1,793,073
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,732,882	2,067,896	2,749,880	621,919	578,314	43,605	7.5%	2,528,996
Contributions & Contributed assets	78,248	76,200	77,790	26,003	22,920	3,083	13.5%	54,526
Surplus/(Deficit) after capital transfers & contributions	5,691,139	2,229,975	2,913,549	5,715,598	2,820,161	2,895,437	102.7%	4,376,595
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	5,691,139	2,229,975	2,913,549	5,715,598	2,820,161	2,895,437	102.7%	4,376,595
Capital expenditure & funds sources								
Capital expenditure	5,603,619	8,407,556	8,850,922	1,840,894	2,031,755	(190,861)	-9.4%	6,611,832
Capital transfers recognised	1,732,882	2,067,896	2,749,880	621,919	743,990	(122,071)	-16.4%	2,528,996
Public contributions & donations	72,532	76,200	77,790	24,516	28,230	(3,713)	-13.2%	54,526
Borrowing	2,533,155	4,000,000	3,446,950	553,444	601,537	(48,093)	-8.0%	500,000
Internally generated funds	1,265,050	2,263,460	2,576,302	641,015	657,999	(16,984)	-2.6%	3,528,310
Total sources of capital funds	5,603,619	8,407,556	8,850,922	1,840,894	2,031,755	(190,861)	-9.4%	6,611,832
Financial position								
Total current assets	14,968,444	15,622,361	15,711,895	14,521,590				15,711,895
Total non current assets	49,601,006	56,541,886	56,963,084	52,463,986				56,963,084
Total current liabilities	8,876,008	12,459,589	12,839,797	5,827,441				12,839,797
Total non current liabilities	12,717,712	16,872,693	16,872,693	12,490,102				16,872,693
Community wealth/Equity	42,975,729	42,831,965	42,962,488	48,668,033				42,962,488
Cash flows								
Net cash from (used) operating	7,349,603	4,809,613	5,491,597	4,778,012	2,556,988	(2,221,024)	-86.9%	5,491,597
Net cash from (used) investing	(6,037,208)	(7,683,492)	(8,080,932)	(2,217,594)	(4,258,458)	(2,040,865)	47.9%	(8,080,932)
Net cash from (used) financing	724,030	3,556,102	3,003,052	(176,439)	(333,105)	(156,667)	47.0%	3,003,052
Cash/cash equivalents at the month/year end	5,486,618	5,810,803	5,900,336	7,870,598	3,452,043	(4,418,555)	-128.0%	5,900,336
Debtors & creditors analysis								
	0-30 Days	31-60 Days	61-90 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	2,548,944	495,494	553,591	228,766	434,854	1,554,474	4,239,540	10,557,706
Creditors Age Analysis								
Total Creditors	261,726	832	820	-	2,916	4	1	266,357

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	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue - Functional								
Governance and administration	14,271,943	14,763,272	14,764,363	8,050,274	7,971,802	78,472	1.0%	14,805,339
Executive and council	849	3,240	4,252	496	1,324	(827)	-62.5%	3,219
Finance and administration	14,271,074	14,760,024	14,760,103	8,049,782	7,970,474	79,308	1.0%	14,802,117
Internal audit	20	8	8	(5)	4	(9)	-221.4%	3
Community and public safety	1,709,404	1,861,831	2,106,645	748,974	849,336	(100,362)	-11.8%	2,229,465
Community and social services	117,303	130,825	122,960	43,024	51,641	(8,617)	-16.7%	154,557
Sport and recreation	83,533	91,320	99,185	37,250	38,330	(1,080)	-2.8%	96,417
Public safety	36,980	11,726	11,726	5,327	5,863	(536)	-9.1%	46,731
Housing	1,091,120	1,211,961	1,456,775	504,020	566,588	(62,567)	-11.0%	1,531,667
Health	380,469	415,999	415,999	159,353	186,914	(27,561)	-14.7%	400,093
Economic and environmental services	3,247,954	3,188,342	3,324,872	1,542,919	1,314,897	228,022	17.3%	3,254,432
Planning and development	351,649	369,522	369,522	175,256	179,918	(4,662)	-2.6%	370,687
Road transport	2,887,880	2,805,489	2,942,019	1,356,119	1,128,450	227,669	20.2%	2,848,122
Environmental protection	8,425	13,331	13,331	11,544	6,529	5,015	76.8%	35,622
Trading services	19,366,263	21,673,945	22,228,505	12,558,382	11,260,598	1,297,784	11.5%	22,470,084
Energy sources	12,386,476	13,086,625	13,086,625	6,932,018	6,641,262	290,756	4.4%	13,507,735
Water management	3,640,245	4,650,411	5,209,871	3,513,185	2,551,729	961,456	37.7%	5,167,293
Waste water management	1,864,535	2,311,354	2,306,454	1,225,624	1,154,107	71,517	6.2%	2,215,719
Waste management	1,475,007	1,625,554	1,625,554	887,554	913,500	(25,945)	-2.8%	1,579,336
Other	2,477	6,524	6,524	3,511	2,262	1,249	55.2%	6,524
Total Revenue - Functional	38,598,041	41,493,914	42,430,910	22,904,060	21,398,895	1,505,165	7.0%	42,765,844
Expenditure - Functional								
Governance and administration	6,785,360	8,518,224	8,497,880	3,489,853	4,081,445	(591,592)	-14.5%	8,230,702
Executive and council	398,148	450,141	450,871	215,224	221,137	(5,913)	-2.7%	456,714
Finance and administration	6,344,903	8,016,966	7,995,893	3,253,062	3,834,212	(581,150)	-15.2%	7,728,870
Internal audit	42,309	51,116	51,116	21,567	26,096	(4,529)	-17.4%	45,118
Community and public safety	4,717,683	5,101,875	5,357,088	2,342,171	2,515,493	(173,323)	-6.9%	5,306,409
Community and social services	852,925	894,025	897,605	420,917	446,328	(25,411)	-5.7%	894,560
Sport and recreation	1,111,964	1,174,156	1,174,154	539,574	557,518	(17,943)	-3.2%	1,107,621
Public safety	547,035	615,325	615,175	279,596	302,774	(23,178)	-7.7%	591,310
Housing	1,129,742	1,239,650	1,484,471	552,920	623,113	(70,193)	-11.3%	1,543,707
Health	1,076,017	1,178,718	1,185,682	549,164	585,761	(36,598)	-6.2%	1,169,211
Economic and environmental services	6,083,375	6,551,208	6,566,660	3,024,068	3,029,889	(5,821)	-0.2%	6,806,985
Planning and development	919,377	1,060,433	1,063,778	509,174	487,346	21,828	4.5%	1,092,293
Road transport	5,035,093	5,353,664	5,365,771	2,451,461	2,476,045	(24,584)	-1.0%	5,560,962
Environmental protection	128,905	137,111	137,111	63,433	66,498	(3,065)	-4.6%	153,730
Trading services	15,226,251	18,995,590	18,997,045	8,322,615	8,748,810	(426,195)	-4.9%	17,940,242
Energy sources	9,531,637	10,321,587	10,323,042	4,957,489	4,843,876	113,614	2.3%	10,467,425
Water management	2,626,299	4,823,188	4,823,363	1,699,023	2,113,283	(414,259)	-19.6%	3,828,297
Waste water management	1,360,110	1,935,220	1,935,045	817,580	898,505	(80,924)	-9.0%	1,728,275
Waste management	1,708,205	1,915,595	1,915,595	848,522	893,148	(44,625)	-5.0%	1,916,245
Other	88,606	97,042	98,687	32,773	43,648	(10,875)	-24.9%	104,911
Total Expenditure - Functional	32,901,274	39,263,938	39,517,360	17,211,480	18,419,286	(1,207,806)	-6.6%	38,389,249
Surplus/ (Deficit) for the year	5,696,766	2,229,975	2,913,549	5,692,580	2,979,609	2,712,971	91.1%	4,376,595

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

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	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote								
Vote 1 - Area-Based Service Delivery	211,152	219,073	220,084	113,100	109,240	3,860	3.5%	223,764
Vote 2 - Assets & Facilities Management	536,241	420,518	429,941	177,855	202,168	(24,313)	-12.0%	430,052
Vote 3 - City Manager	26	11	11	(4)	5	(10)	-178.9%	6
Vote 4 - Corporate Services	90,485	84,187	84,267	33,402	39,120	(5,718)	-14.6%	76,920
Vote 5 - Energy	12,148,435	12,884,959	12,884,959	6,780,780	6,489,988	290,792	4.5%	13,306,070
Vote 6 - Finance	14,237,021	15,352,286	15,352,286	8,712,657	8,658,282	54,374	0.6%	15,426,277
Vote 7 - Informal Settlements, Water & Waste Services	6,832,038	7,905,464	8,468,201	4,973,604	3,986,753	986,851	24.8%	8,294,272
Vote 8 - Safety & Security	1,531,935	1,358,899	1,361,700	844,783	680,434	164,349	24.2%	1,375,175
Vote 9 - Social Services	846,157	918,952	918,952	414,407	413,981	426	0.1%	939,743
Vote 10 - Transport & Urban Development Authority	2,164,551	2,349,564	2,710,510	853,476	818,924	34,553	4.2%	2,693,567
Total Revenue by Vote	38,598,041	41,493,914	42,430,910	22,904,060	21,398,895	1,505,165	7.0%	42,765,845
Expenditure by Vote								
Vote 1 - Area-Based Service Delivery	487,963	576,498	577,450	260,728	276,812	(16,083)	-5.8%	564,753
Vote 2 - Assets & Facilities Management	1,397,816	1,657,547	1,666,970	727,871	750,818	(22,947)	-3.1%	1,722,932
Vote 3 - City Manager	113,144	160,619	160,619	73,721	88,768	(15,047)	-17.0%	142,447
Vote 4 - Corporate Services	1,937,623	2,184,462	2,184,462	1,001,899	990,425	11,474	1.16%	2,148,492
Vote 5 - Energy	9,805,546	10,673,982	10,673,982	5,112,206	5,016,191	96,015	1.9%	10,793,015
Vote 6 - Finance	2,534,174	3,146,896	3,146,896	1,301,937	1,599,413	(297,476)	-18.6%	3,062,973
Vote 7 - Informal Settlements, Water & Waste Services	6,349,933	9,521,764	9,529,940	3,721,125	4,344,784	(623,659)	-14.4%	8,309,914
Vote 8 - Safety & Security	2,925,178	3,316,731	3,319,531	1,565,840	1,662,441	(96,602)	-5.8%	3,231,757
Vote 9 - Social Services	3,161,690	3,617,408	3,617,408	1,562,950	1,733,433	(170,484)	-9.8%	3,585,867
Vote 10 - Transport & Urban Development Authority	4,188,209	4,408,030	4,640,101	1,883,203	1,956,201	(72,998)	-3.7%	4,827,099
Total Expenditure by Vote	32,901,274	39,263,938	39,517,360	17,211,480	18,419,286	(1,207,806)	-6.6%	38,389,249
Surplus/ (Deficit) for the year	5,696,766	2,229,975	2,913,549	5,692,581	2,979,609	2,712,972	91.1%	4,376,596

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

Annexure B reflects actual operating expenditure per vote including internal costs incurred across votes. (Refer to charge-in and -out columns.)

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	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	8,669,308	9,361,952	9,361,952	4,710,917	4,680,976	29,941	0.6%	9,362,895
Service charges - electricity revenue	11,810,552	12,591,403	12,591,403	6,680,099	6,388,955	291,143	4.6%	13,027,472
Service charges - water revenue	2,636,177	3,574,755	3,574,755	2,699,447	1,787,377	912,070	51.0%	3,511,828
Service charges - sanitation revenue	1,515,535	1,811,048	1,811,048	1,114,173	905,524	208,649	23.0%	1,781,428
Service charges - refuse revenue	1,057,163	1,202,059	1,202,059	563,573	601,030	(37,457)	-6.2%	1,155,841
Service charges - other	226	573	573	-	-	-	-	-
Rental of facilities and equipment	455,331	381,262	381,262	166,944	183,039	(16,096)	-8.8%	381,872
Interest earned - external investments	877,984	936,513	936,513	483,506	468,257	15,249	3.3%	940,288
Interest earned - outstanding debtors	307,916	340,970	340,970	199,471	170,485	28,986	17.0%	322,691
Dividends received	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1,666,379	1,280,160	1,280,160	802,309	640,080	162,229	25.3%	1,230,730
Licences and permits	52,141	46,050	46,050	29,863	22,943	6,920	30.2%	53,841
Agency services	213,550	201,723	201,723	111,794	100,862	10,932	10.8%	201,723
Transfers and subsidies	6,450,645	6,803,608	7,057,030	4,299,170	4,284,561	14,610	0.3%	7,369,203
Other revenue	987,900	773,871	773,871	409,171	383,440	25,731	6.7%	798,641
Gains on disposal of PPE	80,477	43,870	43,870	8,720	20,685	(11,965)	-57.8%	43,870
Total Revenue (excluding capital transfers and contributions)	36,781,283	39,349,818	39,603,240	22,279,156	20,638,213	1,640,943	8.0%	40,182,322
Expenditure By Type								
Employee related costs	10,865,323	12,920,115	12,909,337	5,854,784	6,630,569	(775,785)	-11.7%	12,452,662
Remuneration of councillors	154,923	169,640	169,640	78,130	79,313	(1,183)	-1.5%	169,640
Debt impairment	1,360,558	2,988,951	2,988,951	1,495,852	1,494,476	1,376	0.1%	2,401,378
Depreciation & asset impairment	2,578,561	2,814,336	2,814,336	1,369,520	1,373,918	(4,398)	-0.32%	2,850,051
Finance charges	781,948	1,089,285	1,089,285	338,439	523,530	(185,091)	-35.4%	906,679
Bulk purchases	8,122,430	9,487,132	9,487,132	4,050,624	4,154,497	(103,873)	-2.5%	8,987,316
Other materials	1,223,045	1,255,285	1,263,402	577,993	594,363	(16,370)	-2.8%	1,321,091
Contracted services	5,443,431	6,004,687	6,160,537	2,271,789	2,441,109	(169,320)	-6.9%	6,565,771
Transfers and subsidies	408,037	333,807	401,689	168,095	127,836	40,259	31.5%	484,901
Other expenditure	1,950,158	2,200,213	2,232,564	830,583	999,477	(168,895)	-16.9%	2,074,648
Loss on disposal of PPE	12,861	488	488	175,672	200	175,473	87892.8%	175,112
Total Expenditure	32,901,274	39,263,938	39,517,360	17,211,480	18,419,286	(1,207,806)	-6.6%	38,389,249
Surplus/(Deficit)	3,880,009	85,879	85,879	5,067,677	2,218,928	2,848,749	128.4%	1,793,073
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,732,882	2,067,896	2,749,880	621,919	578,314	43,605	7.5%	2,528,996
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	72,532	76,200	77,790	24,516	22,920	1,597	7.0%	54,526
Transfers and subsidies - capital (in-kind - all)	5,716	-	-	1,486	-	1,486	100.0%	-
Surplus/(Deficit) after capital transfers & contributions	5,691,139	2,229,975	2,913,549	5,715,598	2,820,161			4,376,595
Taxation	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	5,691,139	2,229,975	2,913,549	5,715,598	2,820,161			4,376,595
Attributable to minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	5,691,139	2,229,975	2,913,549	5,715,598	2,820,161			4,376,595
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	5,691,139	2,229,975	2,913,549	5,715,598	2,820,161			4,376,595

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	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - Area-Based Service Delivery	19,019	13,110	14,991	1,887	2,738	(851)	-31.1%	9,666
Vote 2 - Assets & Facilities Management	410,913	413,287	429,349	114,081	96,052	18,029	18.8%	462,895
Vote 3 - City Manager	2,211	735	1,004	578	687	(109)	-15.9%	1,767
Vote 4 - Corporate Services	369,055	354,597	356,417	67,891	51,133	16,758	32.8%	270,473
Vote 5 - Energy	1,024,550	1,113,506	1,153,232	333,378	310,515	22,863	7.4%	863,239
Vote 6 - Finance	14,009	20,549	21,011	5,040	9,074	(4,034)	-44.5%	26,851
Vote 7 - Informal Settlements, Water & Waste Services	2,112,080	4,206,581	4,344,089	733,593	945,092	(211,500)	-22.4%	2,859,198
Vote 8 - Safety & Security	158,094	196,078	196,155	64,501	34,324	30,177	87.9%	208,149
Vote 9 - Social Services	260,647	315,508	321,135	92,241	112,230	(19,989)	-17.8%	308,447
Vote 10 - Transport & Urban Development Authority	1,233,040	1,773,606	2,013,539	427,704	469,910	(42,206)	-9.0%	1,601,148
Total Capital Expenditure	5,603,619	8,407,556	8,850,922	1,840,894	2,031,755	(190,861)	-9.4%	6,611,832
Capital Expenditure - Standard Classification								
Governance and administration	1,207,240	902,516	922,311	206,979	171,912	35,067	20.4%	814,782
Executive and council	4,328	4,380	6,003	1,243	978	265	27.1%	3,272
Finance and administration	1,202,160	898,005	916,032	205,465	170,664	34,802	20.4%	811,171
Internal audit	751	131	276	271	271	0	0.1%	339
Community and public safety	755,562	1,082,792	1,103,545	298,115	338,436	(40,321)	-11.9%	1,014,171
Community and social services	131,174	97,129	89,599	29,362	38,072	(8,711)	-22.9%	102,845
Sport and recreation	94,055	84,261	96,077	38,379	37,175	1,204	3.2%	100,929
Public safety	20,342	35,064	35,064	11,527	4,362	7,165	164.3%	40,914
Housing	464,900	794,497	809,854	203,574	239,133	(35,559)	-14.9%	705,755
Health	45,090	71,841	72,952	15,274	19,693	(4,420)	-22.4%	63,727
Economic and environmental services	1,117,077	1,389,642	1,624,427	360,898	380,025	(19,127)	-5.0%	1,300,233
Planning and development	33,694	39,904	42,026	6,966	9,097	(2,131)	-23.4%	54,790
Road transport	1,065,047	1,331,443	1,563,949	352,260	367,952	(15,691)	-4.3%	1,215,407
Environmental protection	18,337	18,294	18,452	1,672	2,977	(1,305)	-43.8%	30,037
Trading services	2,516,840	5,023,787	5,192,064	974,601	1,138,207	(163,607)	-14.4%	3,471,022
Energy sources	930,773	1,071,737	1,111,220	331,156	305,620	25,536	8.4%	845,932
Water management	893,393	2,366,730	2,399,145	404,399	418,013	(13,615)	-3.3%	1,664,442
Waste water management	583,306	1,135,113	1,174,267	148,203	342,382	(194,179)	-56.7%	638,817
Waste management	109,367	450,207	507,432	90,843	72,192	18,651	25.8%	321,831
Other	6,901	8,818	8,575	301	3,174	(2,874)	-90.5%	11,625
Total Capital Expenditure - Standard Classification	5,603,619	8,407,556	8,850,922	1,840,894	2,031,755	(190,861)	-9.4%	6,611,832
Funded by:								
National Government	1,699,597	2,015,146	2,697,071	615,747	733,025	(117,277)	-16.0%	2,502,769
Provincial Government	33,285	52,750	52,809	6,171	10,965	(4,794)	-43.7%	26,227
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-
Transfers recognised - capital	1,732,882	2,067,896	2,749,880	621,919	743,990	(122,071)	-16.4%	2,528,996
Public contributions & donations	72,532	76,200	77,790	24,516	28,230	(3,713)	-13.2%	54,526
Borrowing	2,533,155	4,000,000	3,446,950	553,444	601,537	(48,093)	-8.0%	500,000
Internally generated funds	1,265,050	2,263,460	2,576,302	641,015	657,999	(16,984)	-2.6%	3,528,310
Total Capital Funding	5,603,619	8,407,556	8,850,922	1,840,894	2,031,755	(190,861)	-9.4%	6,611,832

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	2017/18	Budget Year 2018/19			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	249,821	103,918	103,918	191,325	103,918
Call investment deposits	7,218,373	7,335,199	7,424,733	7,218,373	7,424,733
Consumer debtors	5,633,326	6,349,964	6,349,964	5,034,224	6,349,964
Other debtors	1,380,906	1,424,934	1,424,934	1,559,467	1,424,934
Current portion of long-term receivables	14,290	15,657	15,657	14,290	15,657
Inventory	471,727	392,689	392,689	503,912	392,689
Total current assets	14,968,444	15,622,361	15,711,895	14,521,590	15,711,895
Non current assets					
Long-term receivables	25,854	36,978	36,978	15,428	36,978
Investments	5,111,773	4,903,463	4,903,463	7,513,806	4,903,463
Investment property	584,713	582,999	582,999	584,713	582,999
Investments in Associate	–	–	–	–	–
Property, plant and equipment	43,153,765	50,601,468	51,022,666	43,625,138	51,022,666
Agricultural	–	–	–	–	–
Biological	–	–	–	–	–
Intangible	716,009	408,074	408,074	716,009	408,074
Other non-current assets	8,892	8,904	8,904	8,892	8,904
Total non current assets	49,601,006	56,541,886	56,963,084	52,463,986	56,963,084
TOTAL ASSETS	64,569,450	72,164,247	72,674,979	66,985,576	72,674,979
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	376,805	619,342	619,342	376,805	619,342
Consumer deposits	381,660	425,569	425,569	400,479	425,569
Trade and other payables	7,102,387	10,346,153	10,726,362	4,043,985	10,726,362
Provisions	1,015,156	1,068,525	1,068,525	1,006,171	1,068,525
Total current liabilities	8,876,008	12,459,589	12,839,797	5,827,441	12,839,797
Non current liabilities					
Borrowing	6,492,536	9,772,937	9,772,937	6,264,926	9,772,937
Provisions	6,225,176	7,099,756	7,099,756	6,225,176	7,099,756
Total non current liabilities	12,717,712	16,872,693	16,872,693	12,490,102	16,872,693
TOTAL LIABILITIES	21,593,720	29,332,282	29,712,490	18,317,543	29,712,490
NET ASSETS	42,975,729	42,831,965	42,962,488	48,668,033	42,962,488
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	39,510,648	39,405,832	39,631,293	45,391,935	39,631,293
Reserves	3,465,082	3,426,132	3,331,196	3,276,098	3,331,196
TOTAL COMMUNITY WEALTH/EQUITY	42,975,729	42,831,965	42,962,488	48,668,033	42,962,488

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	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	8,470,387	8,968,987	8,968,987	4,541,091	4,576,736	(35,646)	-0.8%	8,968,987
Service charges	18,160,336	17,623,043	17,623,043	10,020,282	8,811,345	1,208,937	13.7%	17,623,043
Other revenue	2,472,152	4,202,011	4,202,011	2,839,519	2,464,186	375,334	15.2%	4,202,011
Government - operating	4,011,324	4,245,472	4,498,894	2,603,583	2,599,538	4,045	0.2%	4,498,894
Government - capital	1,733,466	2,067,896	2,749,880	1,400,018	1,313,897	86,121	6.6%	2,749,880
Interest	1,150,625	936,513	936,513	409,205	427,869	(18,664)	-4.4%	936,513
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(27,959,017)	(31,919,625)	(32,106,319)	(16,688,351)	(16,872,762)	(184,412)	1.1%	(32,106,319)
Finance charges	(689,670)	(980,877)	(980,877)	(347,336)	(641,747)	(294,411)	45.9%	(980,877)
Transfers and Grants	-	(333,807)	(400,535)	-	(122,074)	(122,074)	100.0%	(400,535)
NET CASH FROM/(USED) OPERATING ACTIVITIES	7,349,603	4,809,613	5,491,597	4,778,012	2,556,988	(2,221,024)	-86.9%	5,491,597
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	98,239	120,070	121,660	-	-	-	-	121,660
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	15,030	1,946	1,946	-	-	-	-	1,946
Decrease (increase) in non-current investments	(561,572)	(238,708)	(238,708)	-	-	-	-	(238,708)
Payments								
Capital assets	(5,588,905)	(7,566,800)	(7,965,830)	(2,217,594)	(4,258,458)	(2,040,865)	47.9%	(7,965,830)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6,037,208)	(7,683,492)	(8,080,932)	(2,217,594)	(4,258,458)	(2,040,865)	47.9%	(8,080,932)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	1,000,000	4,000,000	3,446,950	-	-	-	-	3,446,950
Increase (decrease) in consumer deposits	29,950	38,688	38,688	-	-	-	-	38,688
Payments								
Repayment of borrowing	(305,920)	(482,586)	(482,586)	(176,439)	(333,105)	(156,667)	47.0%	(482,586)
NET CASH FROM/(USED) FINANCING ACTIVITIES	724,030	3,556,102	3,003,052	(176,439)	(333,105)	(156,667)	47.0%	3,003,052
NET INCREASE/ (DECREASE) IN CASH HELD	2,036,425	682,224	413,718	2,383,980	(2,034,576)			413,718
Cash/cash equivalents at beginning:	3,450,193	5,128,579	5,486,619	5,486,619	5,486,619			5,486,619
Cash/cash equivalents at month/year end:	5,486,618	5,810,803	5,900,336	7,870,598	3,452,043			5,900,336

SUPPORTING DOCUMENTATION

Table SC1: Material variance explanations for revenue by source

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Property rates	29,941	0.6%	The over-recovery is mainly due to account reversals/corrections and real time valuation of properties.	The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget.
Service charges - electricity revenue	291,143	4.6%	The over-recovery is due to periodic changes in consumption as a consequence of changing weather conditions as well as implementation of alternative energy sources. Variances on the different individual sales revenue elements are due to continuous movement of consumers between tariffs as well as changes to the costs associated with the fixed charge as compared to the variable components of the tariff.	The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget.
Service charges - water revenue	912,070	51.0%	The over-recovery is due to some consumers still using water above restriction levels. This was specifically applicable during the level 6 tariff stage implemented to discourage high consumption in order to keep saving water. It must, however, be emphasised that the over-recovery on sales is not all cash backed. High consumption by non-paying consumers will mean that the over-recovery on "billed revenue" will be offset by the over expenditure as would be reflected by the provision for the non-cash backed portion of the amount billed. The introduction of Level 5 restrictions has slowed down the over-recovery of "billed revenue" reflecting a closer alignment to the monthly budget. This also means that the cumulative effect of over-recovery has stabilised. This stabilising effect is expected to continue under the Level 3 restriction levels and depending on the usage levels (and impact of seasonal usage) the anticipated cash backed portion of the current over-recovery can be used as a buffer potential under-recovery later in the financial year.	The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget. Changes include alignment of the billed revenue budget (considering potential under-recovery later in the financial year), which has been amended to reflect the projected provision for billed revenue and provision for the non-cash backed portion based on the probability of an inflow of future economic benefits as a result of raising a receivable only if it is likely to be collected as well as utilisation of the cash backed revenue to reduce the current dependency on the contributions from the Rates Account.
Service charges - sanitation revenue	208,649	23.0%	The over-recovery is due to some consumers still using water above restriction levels. This was specifically applicable during the level 6 tariff stage implemented to discourage high consumption in order to keep saving water. It must, however, be emphasised that the over-recovery on sales is not all cash backed. High consumption by non-paying consumers will mean that the over-recovery on "billed revenue" will be offset by the over expenditure as would be reflected by the provision for the non-cash backed portion of the amount billed. The introduction of Level 5 restrictions has slowed down the over-recovery of "billed revenue" reflecting a closer alignment to the monthly budget. This also means that the cumulative effect of over-recovery has stabilised. This stabilising effect is expected to continue under the Level 3 restriction levels and depending on the usage levels (and impact of seasonal usage) the anticipated cash backed portion of the current over-recovery can be used as a buffer potential under-recovery later in the financial year.	The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget. Changes include alignment of the billed revenue budget (considering potential under-recovery later in the financial year), which has been amended to reflect the projected provision for billed revenue and provision for the non-cash backed portion based on the probability of an inflow of future economic benefits as a result of raising a receivable only if it is likely to be collected as well as utilisation of the cash backed revenue to reduce the current dependency on the contributions from the Rates Account.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Service charges - refuse revenue	(37,457)	-6.2%	The under-recovery is mainly on: 1. Availability charges, due to the continuous development of vacant properties and fewer than anticipated consumers requesting refuse removal services; 2. Disposal coupons fees, due to poor contractor performance in the Helderberg area; 3. Special waste fees, due to lower than anticipated quantities of hazardous waste disposed of for the period; and 4. Builders rubble fees, due to lower than anticipated quantities disposed of for the period.	The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.
Service charges - other	–		Immaterial variance.	-
Rental of facilities and equipment	(16,096)	-8.8%	The under-recovery is mainly within Assets & Facilities Management and Social Services and is due to: 1. Higher than planned indigent relief assistance on rentals for qualifying tenants of Council rental units; and 2. Lower than anticipated income received from rental of sport and recreation facilities resulting from lower demand for such facilities.	The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.
Interest earned - external investments	15,249	3.3%	The over-recovery is within Finance and is due to the favourable investment and cash balances for December 2018.	No corrective action required.
Interest earned - outstanding debtors	28,986	17.0%	The over-recovery is due to higher than planned interest on outstanding consumer debtor accounts for Water, Sanitation and Solid Waste.	No corrective action required.
Dividends received	–	-	-	-
Fines, penalties and forfeits	162,229	25.3%	The over-recovery is a combination of over-/under-recovery on Traffic Fines (under), due to a number of reasons i.e. public's ability to pay fines, capacity of courts to deal with case volumes, outcome of court cases, and Traffic Fines Accruals (over), due to more fines being issued than planned.	The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.
Licences and permits	6,920	30.2%	The variance mainly relates to: 1. Wayleave permits (Roads), due to an increase in applications where the trenchless methodology has not yet been applied by contractors; 2. Learner licences, due to more than planned applications received; and 3. Operators PDP permits, due to more than planned permits issued.	The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.
Agency services	10,932	10.8%	The over-recovery is due to licence renewal tariff increases and an increase in the number of renewals processed.	No corrective action required.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Transfers and subsidies	14,610	0.3%	<p>The variance is a combination of over-/under-recovery, mainly on:</p> <ol style="list-style-type: none"> 1. Social Services (over), where revenue recognition to date is more than anticipated as well as the receipt of revenue relating to the previous financial year. 2. Corporate Services (under), due to: <ol style="list-style-type: none"> a) Programme Support Grant, as invoices for the month are still outstanding; and b) Infrastructure Skills Development Grant, where the recruitment of graduates are behind schedule. 3. Safety & Security (under), due to recoveries on externally-funded operating projects, which have not been captured yet. 4. Transport & Urban Development Authority (over), due to receipt of payment for the Peoples Housing Process (PHP) earlier than anticipated. 5. Finance (over), due to earlier than anticipated income realised in respect of the VAT portion on a number of USDG projects currently in progress. 6. Informal Settlements, Water & Waste Services - Informal Settlements & Backyarders (under), due to delays in filling USDG-funded positions and the appointment of EPWP staff, resulting in lower than planned expenditure to date. 	<p>Issues with invoices are being resolved and payment will be made as soon as invoices are received.</p> <p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>
Other revenue	25,731	6.7%	<p>The variance is a combination of over-/under-recovery on various revenue elements within this category.</p> <ol style="list-style-type: none"> 1. Collection charges recovered (over), due to higher than planned recovery to date resulting from improvements in debt management procedures and processes. 2. Development contribution/levy (over), as a result of the extent of property development in the City being higher than planned to date. 3. Hire of municipal staff (over), due to accruals raised for externally-funded law enforcement officer appointments. 4. Camp/Resort fees and admission fees (under), due to lower than anticipated demand for facilities during winter. 5. Service charges - infrastructure and facilities (over), due to incorrect posting to this element. 6. Building levies (under), where revenue is dependant on property developments, which fluctuates constantly and therefore difficult to predict accurately. 7. Recoveries of operational expenditure (over), due to recoveries to date being higher than planned. 8. Service charges - infrastructure (under), due to two Broadband tenders that must still be awarded resulting in lower than planned revenue to date as well as delays in concluding a contract with the SA Police Service for radio trunking. 9. Busfares - transit products (under), due to unprocessed journals iro the fare system and the negative impact of bus driver strikes on MyCiTi services. 	<p>An entry to rectify the incorrect posting will be processed in January 2019.</p> <p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>
Gains on disposal of PPE	(11,965)	-57.8%	<p>The variance is due to lower than anticipated revenue from property disposals. Revenue is only accrued after the completion of the conveyancing process and registration in the Deeds Office.</p>	<p>Processing of transactions will be done when transactions are finalised.</p>

Table SC1: Material variance explanations for revenue by vote

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 1 - Area-Based Service Delivery	3,860	3.5%	The variance is a combination of over-recovery on: 1. CID: Commercial, where levies are dependent on property valuations and any valuation adjustments as a result of objections/corrections and court rulings. Actual revenue can therefore fluctuate from month to month. 2. Interest earned on arrears - other services, where incorrect postings were made against Interest on arrears. 3. Informal trading levies resulting from higher than anticipated income from permits as the amount of traders increased more than anticipated.	Entries will be processed to address incorrect postings. The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.
Vote 2 - Assets & Facilities Management	(24,313)	-12.0%	The under-recovery is mainly on: 1. Rental of facilities and equipment, due to higher than planned indigent relief assistance for qualifying tenants. 2. Interest earned - outstanding debtors, due to the earlier than anticipated redemption of loans (Housing) resulting in less interest being accrued. 3. Gains on disposal of PPE, due to lower than anticipated revenue from property disposals for the period. Revenue is only accrued after the completion of the conveyancing process and registration at the Deeds Office.	The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.
Vote 3 - City Manager	(10)	-178.9%	Immaterial variance.	-
Vote 4 - Corporate Services	(5,718)	-14.6%	The variance is a combination of over-/under-recovery. 1. Transfers and Subsidies : Government Grants-National (Conditional) (under), mainly on: a) Programme Support Grant, due to outstanding invoices. b) Infrastructure Skills Development Grant, where the recruitment of graduates are behind schedule. 2. Service charges - infrastructure (under), due to two tenders for Broadband that have not been awarded yet resulting in less revenue being generated than planned to date. 3. Skills development levies (over), due to more than planned payments received to date.	The project manager will follow up on outstanding invoices. The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<p>Revenue by Vote Vote 5 - Energy</p> <p>Vote 6 - Finance</p>	<p>290,792</p> <p>54,374</p>	<p>4.5%</p> <p>0.6%</p>	<p>The over-recovery is mainly on:</p> <ol style="list-style-type: none"> 1. Service charges Electricity revenue, due to periodic changes in consumption as a consequence of changing weather conditions as well as implementation of alternative energy sources. Variances on the different individual sales revenue elements are due to the continuous movement of consumers between the various tariffs as well as changes to the costs associated with the fixed charge as compared to the variable components of the tariff. 2. Development levies/BICL, where revenue from development levies is linked to property developments, which is difficult to estimate accurately. 3. Transfers and subsidies: capital (National and Provincial), due to various electrification projects being ahead of schedule. <p>The variance is a combination of over-/under-recovery and is mainly on:</p> <ol style="list-style-type: none"> 1. Income forgone (over), due to more exemptions processed than initially anticipated. 2. Property Rates (over), due to account reversals/corrections and real time valuation of properties. 3. Interest on arrear Rates (under), where interest billed on outstanding Property Rates are less than planned as a result of the timeous receipt of payments. 4. Agency income - Provincial (over), due to licence renewal tariff increases and the increase in the number of renewals processed. 5. Transfers and subsidies - operating (over), due to earlier than anticipated income realised in respect of the VAT portion on a number of USDG projects currently in progress. 6. Collection charges (over), due to improvements in debt management business procedures. 7. Interest earned - external Investments (over), due to higher than planned available cash balances during the period. 8. Recoveries of operational expenditure (over), due to recoveries to date being higher than anticipated. 	<p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p> <p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<p>Revenue by Vote Vote 7 - Informal Settlements, Water & Waste Services</p>	986,851	24.8%	<p>The variance is a combination of over-/under-recovery.</p> <p>1. Service charges - Water revenue (R908 million over) and Sanitation revenue (R209 million over), due to some consumers still using water above restriction levels. This was specifically applicable during the level 6 tariff stage, which was implemented to discourage high consumption in order to keep saving water. It must, however, be emphasised that the over-recovery on sales is not all cash backed. High consumption by non-paying customers will mean that the over-recovery on "billed revenue" will be offset by the over expenditure as would be reflected by the provision for the non-cash backed portion of the amount billed.</p> <p>The introduction of Level 5 restrictions has slowed down the over-recovery of "billed revenue" reflecting a closer alignment to the monthly budget. This also means that the cumulative effect of over-recovery has stabilised. This stabilising effect is expected to continue under Level 3 restrictions and depending on the usage levels (and impact of seasonal usage), the anticipated cash backed portion of the current over-recovery can be used as a buffer for potential under-recovery later in the financial year.</p> <p>2. Service charges - Refuse revenue (R37 million under), mainly on:</p> <p>a) Availability charges, due to the continuous development of vacant properties and fewer than anticipated consumers requesting refuse removal services;</p> <p>b) Disposal coupons fees, due to poor contractor performance in the Helderberg area;</p> <p>c) Special waste fees, due to lower than anticipated quantities of hazardous waste disposed of for the period; and</p> <p>d) Builders rubble fees, due to lower than anticipated quantities disposed for the period.</p> <p>3. Refunds received prior years (over), where higher than anticipated income was received in the current year.</p> <p>4. Transfers and subsidies - capital (under):</p> <p>a) Water & Sanitation Services, where the following projects are not proceeding as planned:</p> <p>(i) Bulk Water Augmentation scheme: The design process is progressing, but is delayed due to resource limitations and resources being re-assigned to higher priority New Water Plan (ex Water Resilience/drought emergency).</p> <p>(ii) Philippi collector sewer, where delays were experienced, due to investigations on sewer line collapses impacting on implementation.</p> <p>b) Informal Settlements & Backyarders, due to delays in awarding tenders, delays in appointment of contractors/consultants on a number of projects and objections to tenders awarded.</p> <p>5. Transfers and subsidies - operating (under) in Informal Settlements & Backyarders, due to delays in filling of USDG-funded positions and appointment of EPWP staff, resulting in lower than planned expenditure to date.</p>	<p>1. The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget. Changes include alignment of the billed revenue budget (considering potential under-recovery later in the financial year), which will be amended to reflect the projected provision for billed revenue and provision for the non-cash backed portion based on the probability of an inflow of future economic benefits as a result of raising a receivable only if it is likely to be collected as well as utilisation of cash-backed revenue to reduce the current dependency on the contribution from the Rates Account.</p> <p>2. Tender processes and delays will be monitored to ensure timeous implementation in consultation with SCM.</p> <p>3. The Refuse Removal contractor was given three months to rectify the situation and is currently being monitored.</p> <p>4. The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<p>Revenue by Vote Vote 8 - Safety & Security</p>	164,349	24.2%	<p>The variance is a combination of over-/under-recovery.</p> <ol style="list-style-type: none"> 1. Fines, penalties and forfeits (net over-recovery): <ol style="list-style-type: none"> a) Traffic fines (under), due to reduction and withdrawal of fines by courts and members of the public not making payments; and b) Traffic fines accruals (over), due to more than planned fines issued to date resulting from improved law enforcement measures put in place i.e. number of active cameras, road blocks, etc. 2. Transfers and subsidies - operating (under), due to recoveries on externally-funded operating projects that must still be captured. 3. Hire of municipal staff (over), due to accruals raised for externally-funded law enforcement officer requirements. 4. Licences and permits (over), due to more than planned learner licences applications received and Operators PDP permits issued. 	<p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>
Vote 9 - Social Services	426	0.1%	<p>The variance is a combination of over-/under-recovery mainly on:</p> <ol style="list-style-type: none"> 1. Rental of facilities and equipment (under), due to lower than anticipated demand for sport and recreation facilities. 2. Transfers and subsidies - operating (over), where revenue recognition to date is more than planned and revenue for revenue relating to the previous financial year. 3. Other revenue (under), mainly on: <ol style="list-style-type: none"> a) Camp/Resort/Admission fees, due to the lower than anticipated demand and utilisation of facilities during winter and delays in opening the City's swimming pools over the summer season. b) Service charges - infrastructure and facilities, due to fewer than planned vacant plots being cleared. 4. Transfers and subsidies - capital (over), due to good contractor performance on two projects i.e. Metro South-East Cemetery Development and New Pelican Park Clinic. 	<p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote Vote 10 - Transport & Urban Development Authority	34,553	4.2%	The variance is a combination of over-/under-recovery. 1. Licences and permits: road and transport (over), due to an increase in applications for wayleave permits where the trenchless methodology has not been applied by contractors. 2. Transfers and subsidies - operating (over), due to the earlier than anticipated receipt of payments for the Peoples Housing Process (PHP) project. 3. Other Revenue: a) Building levies (under), where revenue is dependant on property development, which fluctuates constantly and therefore difficult to predict accurately. b) Advertising fees (over), due to receipt of revenue from advertising being higher than planned. c) Busfares - transit products (under), due to unprocessed journals from the fare system and the negative impact of bus driver strikes on MyCiTi services. d) Development levies (over), where revenue is dependant on property development and difficult to accurately predict on monthly basis. e) Service charges - infrastructure and facilities (over), due to incorrect posting to this element. 4. Transfers and subsidies- capital (under), due to contractors vacating premises for security reasons on various projects.	The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.

Table SC1: Material variance explanations for expenditure by vote

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 1 - Area-Based Service Delivery	(16,083)	-5.8%	<p>The variance is mainly on:</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacant positions and the impact of the internal filling of vacancies as well as delays in the finalisation of Project Initiation Documentation (PID) for the Mayor's Job Creation projects. 2. Depreciation (under), due to delays or postponement in acquisition of assets resulting in assets being capitalised later than planned. 3. Advisory services - Communication (under), due to the incorrect allocation of the communication budget in this directorate as it should have been in Corporate Services. 4. Administrative and support staff (under), due to a changed strategy regarding the hiring of non-permanent staff, which allows for flexibility especially with annual peaks, campaigns and projects resulting in initial savings. 	<ol style="list-style-type: none"> 1. The directorate had 50 vacancies as at 31 December 2018. The recruitment and selection process is ongoing; 23 positions were filled and 12 terminations processed from the beginning of the financial year. 2. Documents were approved for Area 2 and projects will be initiated during December 2018/January 2019. 3. Budget will be transferred to Corporate Services during the January 2019 adjustment budget. 4. The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.
Vote 2 - Assets & Facilities Management	(22,947)	-3.1%	<p>The variance is a combination of over-/under-expenditure.</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Debt impairment (over), due to a credit entry against the Bad Debt provision not being processed in time. 3. Depreciation & asset impairment (over), due to additional fleet acquired from various directorates as part of the devolved fleet strategy as well as procurement of a significant number of new vehicles resulting in actual charges being more than planned. 4. Other materials (over) against: <ol style="list-style-type: none"> a) Fuel, due to higher than planned fuel consumption and the impact of sharp increase in fuel prices. b) R&M - Material general and consumables, due to R&M programmes being implemented faster than planned. 3. Contracted services (combination of over-/under expenditure) <ol style="list-style-type: none"> a) Advisory services: Project Management and Architectural (under), due to less services required for the year to date than originally planned. b) Contractors: Electrical and Service of Vehicle (under), due to less work required than initially anticipated. c) R&M - Electrical (under), due to less electrical maintenance work done than initially anticipated. d) R&M - Maintenance of equipment (under), due to slower than anticipated implementation of servicing programmes (vehicles) resulting in lower than planned expenditure to date. e) R&M - Contracted services building (over), due to higher than anticipated volumes of notifications at housing rental units. 4. Other expenditure (over): <ol style="list-style-type: none"> a) Subsidy on Home-owners Redemption, due to the Enhanced Extended Discount Benefit Scheme (EEDBS) grant provided to qualifying occupants of housing units. This was previously funded from the Housing Fund (operating budget) and is now funded from the Human Settlement Development Grant (HSDG). 	<p>The directorate had 271 vacancies as at 31 December 2018. The recruitment and selection process is ongoing; 72 positions were filled and 34 terminations processed from the beginning of the financial year.</p> <p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>

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City of Cape Town: S52 Annexure A – 2019 Q2 (December 2018)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote Vote 3 - City Manager	(15,047)	-17.0%	The variance is a combination of over-/under expenditure. 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Audit Committee (over), due to additional Audit Committee workshops held to train newly appointed committee members. 3. R&M Contracted services (over), due to emergency R&M requirements that exceeded the planned provision. 4. Catering services (over), due to compulsory staff workshops, strategic sessions and committee meetings resulting in higher than planned expenditure to date.	1. The directorate had 34 vacancies as at 31 December 2018. The recruitment and selection process is ongoing; 27 positions were filled and 4 terminations processed from the beginning of the financial year. 2. The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.
Vote 4 - Corporate Services	11,474	1.2%	The over-expenditure is a combination of over-/under-expenditure. 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Depreciation & asset impairment (over), due to the higher capitalisation rate of assets, which is based on the progress of capital projects as well as delivery of moveable assets. The IS&T department is ahead of planned spend on their capital budget. 3. Other materials - printing (over), due to higher than anticipated demand for paper and cartridges. 4. Contracted services (net over expenditure) on: a) Advisory services - communication (over), due to professional services, which was required for communication with communities. b) Advisory services - research (over), due to additional requests ahead of plan for consulting services to set up the corporate Project Performance Management (PPM) Office. c) G&D advisory services research (over), due to the incorrect split of the G&D budget resulting in misalignment of the budget and actual expenditure. d) Medical staff (over), due to an unplanned arbitration award to a former employee of the City. e) R&M contracted services building (over), due to the higher than planned demand for R&M on the City's extensive portfolio of buildings. f) Advisory services - project management (under), due to less project management services required for the period under review. g) R&M equipment (under), due to delayed expenditure on Broadband Infrastructure and data centres. 5. Transfer and subsidies (over), due to earlier than planned payment of sponsorships and grants (Cape Clothing & Textile Cluster and Events payments). 6. Other expenditure (under), a combination of over-/under expenditure, mainly on: a) Bursaries & training (under), due to outstanding invoices from institutions. b) Telecom services (over), due to period budget not being aligned to actual expenditure trend. c) Computer services - software licences (under), due to discontinuation of the Microsoft Enterprise Agreement and pending implementation of an alternative solution. d) Computer services - specialised IT services (over), due to the payment of additional SAP licences. e) Computer services - telecommunication (under), due to incorrect invoices issued by the main supplier resulting in an outstanding Goods Received Notes (GRN's). f) R&M specialised IT services (over), due to incorrect posting of expenditure. g) G&D specialised IT services (over), due to incorrect booking of expenditure to this expense element.	The directorate had 260 vacancies as at 31 December 2018. The recruitment and selection process is ongoing; 201 positions were filled and 63 terminations processed from the beginning of the financial year. The department is following up to obtain invoices. Budget provisions were reviewed and adjusted during the mid-year review and adjustments budget process, issues identified and outstanding matters are to be investigated and resolved by the finance managers.

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City of Cape Town: S52 Annexure A – 2019 Q2 (December 2018)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<p>Expenditure by Vote Vote 5 - Energy</p>	96,015	1.9%	<p>The net over expenditure is a combination of over/under-expenditure.</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Bulk purchases (over), due to the monthly budget provisions not being in line with the actual trend of expenditure to date. Monthly budget provisions are based on historical trends and can differ from the current consumption trend. 3. Materials: other (under), due to a lower than planned demand for general materials. 4. Contracted services (under), mainly on: <ol style="list-style-type: none"> a) Transport services, due to under-utilisation for staff transport, due to varying reasons. b) Security services, due to undergrounding of overhead cables, which resulted in reduced security requirements at the Mitchells Plain depot. c) R&M, due to maintenance of public lighting being insourced as a result of restructuring in the department. 5. Other expenditure (combination of over/under) mainly on: <ol style="list-style-type: none"> a) Training (under), due to delays in tender approvals for specialised technical training service providers. 6. Scrapping of assets (over), where assets were written off in order to correctly account for assets that are embedded in the Eskom Network and not required by the City. 	<p>The directorate currently has 305 vacancies in various stages of the recruitment and selection process; 98 posts were filled while 37 were terminated since the beginning of the financial year.</p> <p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>
Vote 6 - Finance	(297,476)	-18.6%	<p>The variance is a combination of over-/under expenditure.</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Finance charges (under), due to fewer than planned external loans being taken up resulting in less interest being paid. 3. Contracted services (over), due to the accelerated collection drive conducted by the Revenue department. 4. Other expenditure (under) mainly on: <ol style="list-style-type: none"> a) Bank charges, due to a change of the City's official banker resulting in lower than planned banking fees. b) Insurance premium - Unicity (under), where premiums are aligned to departmental structures and requirements, which vary from time to time, making it difficult to plan per monthly cycles. c) Fire & allied peril claims (under), where the period budget is misaligned with the actual trend as insurance claims are ad-hoc in nature. d) Indigent relief (under), due to fewer than planned applications received to date. e) Investment management fees (under), due to unprocessed invoices for December 2018 as well as newly negotiated fund management fees being lower than planned. 	<p>The directorate currently has 157 vacancies in various stages of the recruitment and selection process; 115 posts were filled while 34 were terminated since the beginning of the financial year.</p> <p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<p>Expenditure by Vote</p> <p>Vote 7 - Informal Settlements, Water & Waste Services</p>	(623,659)	-14.4%	<p>The variance is a combination of over-/under expenditure.</p> <ol style="list-style-type: none"> 1. Employee related cost (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Bulk purchases - Water (under): <ol style="list-style-type: none"> a) Raw water, due to a one-month lag between payments as a result of the different cut-off dates between the City and the National Department of Water & Sanitation resulting in December 2018 invoices still being outstanding. b) Bulk water levy, due to outstanding invoices for December 2018. c) Bulk water - desalination, due to water being produced at a slower rate than originally anticipated. 3. Other materials (net under expenditure): <ol style="list-style-type: none"> a) Chemicals (under), due to the continuous lower demand and water usage resulting in less chemicals being needed. b) Material general and consumables (over), due to the higher than planned demand for fire kits to replace structures destroyed by fires in informal settlement areas. c) Cleansing related costs (under), where the current requirement for refuse bags is lower than planned. 4. Contracted services (under): <ol style="list-style-type: none"> a) Chipping, due to a decrease in the volume of green waste being disposed of at drop-off facilities. b) Haulage, due to the less waste being generated in informal settlements resulting in less waste being transported to landfill sites. c) R&M, where the majority of R&M requirements are re-active in nature and difficult to plan accurately per monthly cycles. d) Sewerage services, due to lower than planned expenditure for services rendered in informal settlements. e) Meter management, due to more favourable tender prices than budgeted for. f) Contracted services - Mayor's Job Creation Project (MJCP), due to delays in finalisation of MJCP contracts and appointment of workers. 5. Refuse removal (over), due to higher than planned cost for refuse removal in the Helderberg area. <p><i>Comments continue on next page.</i></p>	<p>The directorate has 1 076 vacancies in various stages of the recruitment and selection process. The recruitment and selection process is ongoing; 380 vacancies were filled and 164 posts were terminated since the beginning of the financial year.</p> <p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<p><u>Expenditure by Vote</u></p> <p>Vote 7 - Informal Settlements, Water & Waste Services</p>	<p>Refer previous page</p>	<p>Refer previous page</p>	<p>6. Litter picking and street cleaning (over), due to higher than planned cost for street cleaning and litter picking as well as the annual increase in tender values.</p> <p>7. Fuel (over), due to the unanticipated increase in fuel price and consumption.</p> <p>8. Consultants and professional services (under):</p> <p>a) Professional services, where delays were experienced during the SCM processes.</p> <p>b) Advisory services - expenditure, which is linked to demand with less than anticipated utilisation to date.</p> <p>9. Other expenditure (under):</p> <p>a) Hire of LDV and cars, due to lower than planned demand as well as delays resulting from tender issues experienced by the Centralised Fleet department for the hiring of heavy equipment.</p> <p>b) Electricity, due to lower than planned demand for water being pumped by pump stations as a result of the drought and consequential water restrictions.</p> <p>c) Water research levy, due to outstanding invoices from the National Department of Water & Sanitation.</p> <p>d) Rehabilitation of landfill sites, due to tenders that have not been awarded.</p> <p>10. Depreciation (under), due to a number of construction projects on the capital budget that have been rephased to the 2019/20 financial year to allow for completion of designs.</p> <p>12. Security services (over), due to higher than planned demand for security required for various sites.</p>	<p>Refer previous page</p>

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 8 - Safety & Security	(96,602)	-5.8%	<p>The variance is mainly on:</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Other materials (over), due to an increase in fuel usage during service delivery strikes and land invasions. 2. Contracted services (under): <ol style="list-style-type: none"> a) Event promoters, due to outstanding invoices for some events. b) Advisory services - quality control, due to no service requests for the period to date. 3. Other expenditure (under), mainly on: <ol style="list-style-type: none"> a) Commission - revenue, due to actual commission being lower than planned as the fines collected were less than planned. b) Training, due to a delay in the finalisation of the RFQ for training providers, which is now currently in the SCM process. 4. Depreciation (under), where the actual to date is less than planned, due to the actual capitalisation and acquisition of assets being lower than anticipated. 5. Transfers and subsidies (under), due to contracts not finalised and outstanding information required from beneficiaries before payment may be processed. 	<p>The directorate had 515 vacancies and a vacancy rate of 10.8% as at 31 December 2018. The recruitment and selection process is ongoing; 138 positions were filled and 80 terminations processed from the beginning of the financial year.</p> <p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>
Vote 9 - Social Services	(170,484)	-9.8%	<p>The under expenditure is mainly on:</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies, the impact of the internal filling of vacancies, slower than planned implementation of job creation projects and employment of seasonal staff who are mainly utilised during the summer season. 2. Finance charges - interest and penalties (over), due to penalties paid based on the outcome of legal proceedings. 3. Other materials (under), due to Health accounts for December 2018 not yet paid, due to delays experienced in receipt of accounts from the Western Cape Government. 3. Contracted services (net over expenditure), mainly on: <ol style="list-style-type: none"> a) Sport and recreation programmes (under), due to lower than planned expenditure incurred on sport and recreation programmes. b) R&M - Electrical (under), due to maintenance being lower than planned and orders not yet settled at month end. c) R&M - Gardening (over), due to more services required as a result of the good rainfall. 4. Other expenditure (under), mainly on: <ol style="list-style-type: none"> a) Electricity, due to outstanding Eskom invoices. b) Training, due to the roll-out of the 2019 Workplace Skills Plan being slightly behind schedule. c) Books and periodicals, due to delays in the delivery of library books and periodicals. 	<p>The directorate currently has 402 vacancies in various stages of the recruitment and selection process; 323 posts were filled while 195 were terminated since the beginning of the financial year.</p> <p>Outstanding invoices will be paid as soon as received and issues resolved.</p> <p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 10 - Transport & Urban Development Authority	(72,998)	-3.7%	<p>The variance is a combination of over-/under expenditure on various items.</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Depreciation (over), due to the earlier than anticipated acquisition of assets, which led to assets being brought to use earlier than planned resulting in higher than planned depreciation charges. 3. Other materials (over), mainly on: <ol style="list-style-type: none"> a) Materials general, due to more than planned materials and consumables required for repairs & maintenance on gully- and catch pit projects following the good rainfall. b) Fuel (over), due to higher than planned consumption as well as numerous increases in the fuel price. 4. Contracted services (under), due to: <ol style="list-style-type: none"> a) Housing top structures in Valhalla Park are delayed, due to a longer evaluation process via the Provincial Framework Agreement. b) Transportation services - people, due to the Vehicle Operating Companies (VOC) failing to submit their signed invoices for October 2018 and November 2018 as well as the recent strike by bus drivers. 5. Transfers and subsidies (over), due to earlier than planned expenditure on PHP (Peoples Housing Process) projects. Expenditure relates to progress on site and the rate at which invoices are submitted by PHP material suppliers. 6. Other expenditure (over), mainly on: <ol style="list-style-type: none"> a) Uniforms and protective clothing, as current expenditure includes late delivery of orders placed in the 2017/18 financial year. b) Computer services - software licences, due to the full payment of the SAP annual licence resulting in misalignment of the period budget with the actual expenditure. c) Hire of vehicles, due to the unexpected increase for hired vehicles to maintain stormwater infrastructure. 	<p>The directorate currently has 432 vacancies in various stages of the recruitment and selection process; 98 posts were filled while 99 were terminated since the beginning of the financial year.</p> <p>Outstanding invoices will be paid as soon as received and issues resolved.</p> <p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>

Table SC1: Material variance explanations for expenditure by type

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type				
Employee related costs	(775,785)	-11.7%	The variance is mainly due to: 1. The turnaround time in filling vacancies; 2. The internal filling of vacant positions; and 3. The appointment of seasonal workers and temporary staff, which is dependent on seasonal requirements as and when departments require additional staff.	The City had 3 502 vacancies as at 31 December 2018; 1 475 positions were filled (721 internal and 754 external) with 722 terminations processed from 1 July 2018. The filling of vacancies is on-going and seasonal staff are appointed as and when required. Savings will be utilised to cover financial gaps that were identified during the SMF process/programme review as well as once-off budget realities, which were not known at the time of finalising the budget. This was addressed in the January 2019 adjustments budget.
Remuneration of councillors	(1,183)	-1.5%	The annual increase in councillor allowances have not been implemented yet.	Increases will be implemented and backdated to 1 July 2018, when so approved.
Debt impairment	1,376	0.1%	The over expenditure is due to a credit entry, which was not processed against the Bad Debts Provision at the end of December 2018.	The journal will be processed in January 2019.
Depreciation & asset impairment	(4,398)	-0.3%	The under expenditure is due to delays or postponement in acquisition of assets resulting in assets being capitalised later than planned.	The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.
Finance charges	(185,091)	-35.4%	The under expenditure is due to fewer than planned external loans taken up.	The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.

Table continues on next page.

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure By Type</u> Bulk purchases	(103,873)	-2.5%	The variance is a combination of over-/under expenditure. 1. Bulk purchases - Electricity (over), due to the monthly budget provisions not being in line with the actual trend of expenditure to date. Monthly budget provisions are based on historical trends and can differ from the current consumption trend. 2. Bulk Purchases - Water (under), due to: a) Raw water, due to a one-month lag between payments as a result of the different cut-off dates between the City and the National Department of Water & Sanitation resulting in invoices for December 2018 still being outstanding. b) Bulk water levy, due to outstanding invoices for December 2018. c) Bulk water - desalination, due to water being produced at a slower rate than originally anticipated	The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.
Other materials	(16,370)	-2.8%	The variance is a combination of over-/under expenditure. 1. Fuel (over), due to higher than anticipated fuel prices as well as a higher demand. 2. Chemicals (under), due to the continuous lower demand and lower water usage. 3. Grant funded - Vaccines and pharmaceutical supplies (under), due to delays experienced with accounts from the Western Cape Government. 4. R&M - Materials (over), due to the higher than planned demand on gulley and catch pit projects. 5. Grant funded - Material general and consumables (over), due to higher than planned demand for fire kits to replace structures destroyed by fires in informal settlement areas.	Outstanding invoices will be processed as soon as it is received. The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type				
Contracted services	(169,320)	-6.9%	<p>The variance is a combination of over-/under expenditure.</p> <ol style="list-style-type: none"> 1. Administrative and support staff (R7.2 million under), due to the changed strategy when hiring non-permanent staff, which allows flexibility especially with annual peak periods, campaigns and projects resulting in savings. 2. Advisory services – communication (R5.8 million over), due to professional services required for communication with communities. 3. Transportation services - people (R80.3 million under), due to the Vehicle Operating Companies (VOC) failing to submit signed invoices for October 2018 and November 2018 as well as the recent bus drivers' strike. 4. Recreation, sport and social development programmes (R11.6 million under), due to lower than planned expenditure incurred on sport and recreation programmes. 5. Chipping (R12.6 million under), due to a decrease in the volume of green waste being disposed of at drop-off facilities. 6. Haulage (R12.8 million under), due to lower than planned volumes of waste being generated in informal settlements resulting in less waste being transported to landfill sites. 7. R&M - Contracted services building (R30.3 million over), due to higher than anticipated volumes of notifications at Housing Rental Units. 8. Advisory services - Project management (R8.6 million under), due to less project management services needed for the period under review. 9. Contracted services – Mayor's Job Creation Projects (R29.4 million under), due to delays in finalisation of contracts and appointment of workers. 10. R&M gardening (R39.3 million over), due to the higher demand for services as a result of the good rainfall over the last few months. 11. Refuse removal (R29.3 million over), where the cost of external refuse removal contractors is slightly more than planned to date. 12. Litter picking and street cleaning (R13.7 million over), due to higher than planned cost for street cleaning and litter picking as well as the annual increases in tender value. 13. R&M equipment (R45.8 million under), due to a lower than planned demand for repairs and maintenance of equipment. 	<p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p> <p>Outstanding invoices will be paid as soon as received and issues resolved</p>
Transfers and subsidies	40,259	31.5%	<p>The over expenditure is mainly within:</p> <ol style="list-style-type: none"> 1. Transport & Urban Development Authority directorate, due to the earlier than planned expenditure on PHP (Peoples Housing Process) projects. Expenditure relates to progress on site and the rate at which invoices are submitted by PHP material suppliers. 2. Corporate Services directorate, due to the earlier than planned payment of sponsorships and grants (Cape Clothing & Textile Cluster and Events). 	<p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>

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Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<p><u>Expenditure By Type</u> Other expenditure</p>	(168,895)	-16.9%	<p>The under expenditure is a combination of over-/under expenditure.</p> <ol style="list-style-type: none"> 1. Subsidy on home-owners redemption (under), due to the Enhanced Extended Discount Benefit Scheme (EEDBS) grant provided to qualifying occupants of housing units. This was previously funded from the Housing Fund (operating budget), but is now funded from the Human Settlement Development Grant (HSDG). 2. Training and learner ships (under), mainly due to delays in the roll-out of training programmes and the prioritisation process currently underway. 3. Computer services - software licences (under) and Specialised IT services (over), due to SAP licences being debited against the incorrect G/L account. 4. Bank charges (under), due to the change of the City's official banker resulting in lower banking fees. 5. Hire of LDV/cars (under), due to a lower demand for vehicles as well as tender issues experienced when hiring of heavy equipment by the Centralised Fleet department. 6. Electricity (under), due to lower than planned demand of water being pumped by pump stations as a result of the drought and the consequential water restrictions. 7. Water research levy (under), due to outstanding invoices from the National Department of Water & Sanitation. 8. Commission - revenue sharing (under), due to payments being made one month in arrears and not being in line with periodic budget provision. 9. Telecommunication (under), due to an outstanding Goods Received Note (GRN) as a result of the incorrect invoice issued by the main supplier. 10. Insurance premium - Unicity (under), where premiums are linked to departmental structures and varying requirements and therefore difficult to plan per monthly cycles. 11. Indigent relief - Eskom reimbursement (under), due to actual payments being less than planned to date. 	<p>The finance managers are following up on outstanding transactions to ensure that payments are made timeously.</p> <p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>
Loss on disposal of PPE	175,473	87892.8%	<p>The variance is mainly within the Energy directorate and is due to the write-off of assets in order to correctly account for assets that are embedded in the Eskom Network and not required by the City.</p>	<p>The budget provision was reviewed in the mid-year budget and performance assessment and adjustments will be made in the January 2019 adjustments budget, where necessary.</p>

Table SC1: Material variance explanations for capital expenditure by vote

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 1 - Area-Based Service Delivery	(851)	-31.1%	Delays experienced in obtaining approval to utilise the Assets & Facilities Management directorate term tenders.	Approval for the use of term-tenders has been obtained and some orders have already been placed. Project managers have confirmed that projects will be completed and funds spent by 30 June 2019.
Vote 2 - Assets & Facilities Management	18,029	18.8%	Installation of Rental Stock Sub-Meters: Project ahead of schedule, due to good contractor performance. Further orders have been placed for water sub-meters.	Directorate is fast-tracking all orders where tenders are in place.
Vote 3 - City Manager	(109)	-15.9%	Furniture: Items received after month-end as well as delays in delivery due to unavailability of stock. Further orders to be placed in January 2019.	Project manager is liaising with supplier regarding delays in delivery and the invoice is being verified and will be processed in January 2019.
Vote 4 - Corporate Services	16,758	32.8%	The variance reflects on the Dark Fibre Project, where the programme is currently ahead of planned spend. However, the ED: Corporate Services is conducting a comprehensive business and management review of the Dark Fibre Broadband Infrastructure Programme (BIP) and the Broadband Operations model. The existing roll-out of the BIP is re-prioritised by pausing the roll-out of switching centres and additional fibre routes.	This pause must be in place until the comprehensive business and management review is complete and a defined business plan and operating model has been developed.
Vote 5 - Energy	22,863	7.4%	The positive variance is as a result of good contractor performance and less community interference on the following projects: 1. System Equip Repl: North; 2. System Equip Repl: Central; 3. Electrification: Backyarders: Central; and 4. System Equip Repl: South.	There is on-going engagement with directors and project managers to ensure all orders are placed timeously, projects are implemented within the prescribed timeframes to ensure maximum spend.

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City of Cape Town: S52 Annexure A – 2019 Q2 (December 2018)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 6 - Finance	(4,034)	-44.5%	<p>1. Security at Cash Offices: Installation of CCTV cameras delayed, due to the corporate tender not being in place as yet.</p> <p>2. Walk in Centre: Table Bay Mall: Orders for equipment and cabling are delayed, due to the walk-in-centre only opening in late February 2019.</p> <p>3. Furniture & Equipment: Procurement delayed, due to the time taken to analyse departments' specific needs and environment.</p>	<p>1. Tender is in the process of being approved and orders will be placed immediately after approval.</p> <p>2. Cash flow to be amended in the January 2019 adjustments budget.</p> <p>3. Furniture ordered with expected delivery in January 2019.</p>
Vote 7 - Informal Settlements, Water & Waste Services	(211,500)	-22.4%	The main reasons for the year-to-date variance are listed below at departmental level, where applicable.	There is on-going engagement with directors and responsible project managers to ensure that tracking and monitoring of projects are within the prescribed timeframes and that corrective actions are processed timeously so as to ensure maximum spend. Remedial actions required as indicated below.
Management: Inf Settlements, Water & Waste	17	43.2%	The positive variance is due to a few laptops being delivered earlier than anticipated.	No corrective action required.
Informal Settlements & Backyarders	(27,436)	-29.8%	<p>The negative variance is mainly as a result of the following projects being behind schedule:</p> <p>1. Kalkfontein: Encroachment in working area.</p> <p>2. Backyarders: Late award of the new plumbing tender.</p> <p>3. Urbanisation Informal Settlements: Delay in the replacement of term tender 303Q.</p> <p>4. Imizamo Yethu: Legal process (court case) pending. Project was suspended on 1 October 2018 for the second time.</p>	<p>1. The matter was escalated to the legal section; eviction notices have been handed over to the encroachers.</p> <p>2. The new plumbing tender was awarded on 26 November 2018. Project planning is on-going and all requirements are in place. The construction is anticipated to commence from February 2019.</p> <p>3. The term tender is to be replaced by a new term tender (107Q), which is currently at evaluation stage of the SCM process.</p> <p>4. Awaiting court case outcome.</p>
Solid Waste Management	20,237	27.5%	The variance is due to vehicles and plant, which were delivered earlier than anticipated due to stock availability.	No corrective action required.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Water & Sanitation	(204,318)	-26.2%	The variance is mainly as a result of the following projects being behind schedule: 1. Borchards Quarry WWTW - Tender delayed by internal processes. 2. Bellville WWTW Extension - Cash flow misaligned. Possible saving on the contract. 3. Zandvliet WWTW: The challenge with the contractors to sign their contracts for the dewatering and inlet works has been resolved. Expenditure is expected to increase from January 2019 onward. 4. Replace & Upgrade Water Network: Cash flow misaligned. Construction has commenced but some projects are taking longer than planned due to densification of other underground services.	Project managers are actively monitoring progress on projects. Budget to be amended in the January 2019 adjustments budget. Funds will be moved to projects, which can be fast-tracked and in need of funding.
Vote 8 - Safety & Security	30,177	87.9%	Vehicles and equipment delivered earlier than anticipated, due to stock availability in respect of the following projects: 1. Vehicles: Additional FY19; 2. Shotspotter installations; 3. Vehicles: Replacement FY19; 4. Fire Station: Masiphumelele; 5. Somerset West Fire Station; and 6. Specialised Vehicles FY19.	Project managers are committed to ensuring that all projects are on track by placing orders timeously and fast-tracking projects, where possible, to ensure that all funds are spent by the end of the financial year.
Vote 9 - Social Services	(19,989)	-17.8%	The directorate has a net negative variance due to slower than expected implementation of the following projects: 1. Uitsig Clinic - extension of ARV/TB sections: Project delayed due to the pharmacy bulk store that had to be redesigned due to the proximity of a bulk sewer line. 2. Construction of ECD - Strand & Heideveld: Community concerns and outstanding payment certificates. 3. Library Book Purchases: Procurement challenges experienced. 4. IT Modernisation. Project delayed due to the absence of a corporate IT consultant tender. 5. Du Noon Library Construction : Awaiting commissioning of permanent power supply from ESKOM. The following projects are running ahead of schedule due to good contractor performance: 1. Irrigation: General Upgrade Project; 2. Metro South-East Cemetery Development; and 3. Social Services Facility Upgrade.	Project managers, together with the support of the finance manager/heads, will: a. Continually engage with SCM to mitigate and resolve procurement issues that might cause potential delays in project implementation. b. Continue to closely monitor and ensure that projects are implemented within the prescribed timelines by ensuring all payment certificates are received timeously. c. Engage with communities to mitigate any community concerns. d. Identify challenges and process virements, where applicable, to ensure maximum capital spend by financial year end. e. Adjust budget and cash flows in the January 2019 adjustments budget and implement projects affected by these adjustments.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<p>Capital Expenditure by Vote Vote 10 - Transport & Urban Development Authority</p>	(42,206)	-9.0%	<p>The directorate's negative variance is attributable to slower than expected implementation of the following programmes and projects:</p> <ol style="list-style-type: none"> 1. R44 Road Upgrade - North & South Bound Lanes project: Delays experienced in finalising the design and tender documentation. The Bid Evaluation Committee process was delayed as a result of clarification having to be sought from tenderers during the evaluation process. The budget figures will be adjusted in the January 2019 adjustments budget. 2. Metro Road Reconstruction Programme: Various projects are being implemented. The R16.5 million allocated to Bosman's Dam Road rehabilitation is dependent on a deviation report from the project manager. 3. Road Rehabilitation Project - Bishop Lavis: Contractor has been liquidated. Deviation report for new contractor to be submitted to the Bid Adjudication Committee. Estimated construction start, pending BAC and City Manager approval, is March 2019. 4. Sandown Road upgrade and M12 extension to Giel Basson Drive: Initial delays with finalising deviation report for Sandown project and administrative matters on M12 project, which have now all been resolved. 5. IRT PH2A-Stock Road: The contractor was forced to vacate the site due to security concerns but has since returned. 	<ol style="list-style-type: none"> 1, 2 & 3. Budget will be adjusted in the January 2019 adjustments budget. 4. Administrative matters have all been resolved and it is still anticipated that the full budget will be spend in this financial year. Contractors have been appointed and all contractual requirements are being finalised. 5. Contractor is progressing well and project is expected to be completed by mid-April 2019.

Table SC1: Material variance explanations for cash flow

Description	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	(35,646)	-0.8%	Immaterial variance.	-
Service charges	1,208,937	13.7%	More income received due to the improved payment rate together with increased billing.	The changes will be effected in the January 2019 adjustments budget.
Other revenue	375,334	15.2%	More income received due to the improved payment rate together with increased billing.	The changes will be effected in the January 2019 adjustments budget.
Government - operating	4,045	0.2%	Immaterial variance.	-
Government - capital	86,121	6.6%	Grant income received ahead of schedule.	The changes will be adjusted in the January 2019 adjustments budget.
Interest	(18,664)	-4.4%	Immaterial variance.	-
Dividends	-	-		
Payments				
Suppliers and employees	(184,412)	1.1%	Immaterial variance.	-
Finance charges	(294,411)	45.9%	Finance charge savings due to the non taking of external loans (refer to loan comments below)	The changes will be effected in the January 2019 adjustments budget.
Transfers and Grants	(122,074)	100.0%	Immaterial variance.	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(2,221,024)	-86.9%		
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-			
Decrease (Increase) in non-current debtors	-			
Decrease (increase) other non-current receivables	-			
Decrease (increase) in non-current investments	-			
Payments				
Capital assets	(2,040,865)	47.9%	Capital expenditure slower than originally budgeted resulting in finance charges savings.	The changes will be effected in the January 2019 adjustments budget.
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2,040,865)	47.9%		
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-			
Borrowing long term/refinancing	-			
Increase (decrease) in consumer deposits	-			
Payments				
Repayment of borrowing	(156,667)	47.0%	Loan funding not required as originally projected (refer above comments).	The changes will be effected in the January 2019 adjustments budget.
NET CASH FROM/(USED) FINANCING ACTIVITIES	(156,667)	47.0%		

Table SC2: Monthly Budget Statement - performance indicators

Description of financial indicator	Basis of calculation	2017/18	Budget Year 2018/19			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	3.3%	4.0%	4.0%	3.0%	3.6%
Borrowed funding of 'low n' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	45.2%	47.6%	38.9%	30.1%	7.6%
Safety of Capital						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	32.5%	48.4%	49.2%	22.0%	49.2%
Gearing	Long Term Borrowing/ Funds & Reserves	187.4%	285.2%	293.4%	191.2%	293.4%
Liquidity						
Current Ratio	Current assets/current liabilities	168.6%	125.4%	122.4%	249.2%	122.4%
Liquidity Ratio	Monetary Assets/Current Liabilities	84.1%	59.7%	58.6%	127.2%	58.6%
Revenue Management						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	19.2%	19.9%	19.8%	29.7%	19.5%
Other Indicators						
Employee costs	Employee costs/Total Revenue - capital revenue	29.5%	32.8%	32.6%	26.3%	31.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue	9.1%	9.9%	9.9%	2.5%	2.7%

Table SC3 Monthly budget statement Aged Debtors

Description	Budget Year 2018/19										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Year	Over 1 Year	Total	Total over 90 days		
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	539,899	258,356	337,920	334,666	240,287	266,443	896,223	1,491,019	4,364,815	3,228,639	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	820,984	68,972	42,935	32,177	18,874	20,040	43,656	199,266	1,246,905	314,014	-	-
Receivables from Non-exchange Transactions - Property Rates	721,418	80,697	82,699	56,236	42,177	41,845	175,773	620,767	1,821,611	936,797	-	-
Receivables from Exchange Transactions - Waste Water Management	184,784	69,371	82,740	77,432	54,574	53,709	220,101	610,719	1,353,430	1,016,536	-	-
Receivables from Exchange Transactions - Waste Management	101,533	23,816	22,557	24,184	16,785	15,498	68,997	293,620	566,991	419,085	-	-
Receivables from Exchange Transactions - Property Rental Debtors	93,826	12,159	(994)	12,141	11,955	11,351	60,602	568,511	769,551	664,560	-	-
Interest on Arrear Debtor Accounts	86,588	35,090	34,494	34,592	27,597	30,967	125,028	661,071	1,035,427	879,255	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	(88)	(52,966)	(48,762)	(69,383)	(183,483)	(5,000)	(35,908)	(205,435)	(601,024)	(499,208)	-	-
Total By Income Source	2,548,944	495,494	553,591	502,045	228,766	434,854	1,554,474	4,239,540	10,557,706	6,959,678	-	-
2017/18 - totals only	1,927,363	168,249	52,243	220,016	246,895	207,200	1,245,317	4,305,761	8,373,042	6,225,188	-	-
Debtors Age Analysis By Customer Group												
Organs of State	114,594	21,305	(17,030)	(57,416)	(163,921)	12,034	21,874	19,754	(48,804)	(167,674)	-	-
Commercial	1,343,339	88,424	87,241	54,235	35,150	31,215	118,540	358,044	2,116,190	597,185	-	-
Households	1,220,904	412,829	486,734	504,693	359,022	383,159	1,405,945	3,810,684	8,583,971	6,463,504	-	-
Other	(129,894)	(27,064)	(3,355)	532	(1,486)	8,446	8,114	51,057	(93,650)	66,663	-	-
Total By Customer Group	2,548,944	495,494	553,591	502,045	228,766	434,854	1,554,474	4,239,540	10,557,706	6,959,678	-	-

Table SC4 Monthly Budget Statement Aged Creditors

Description	Budget Year 2018/19									Prior year totals (same period)
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	261,726	832	820	59	-	2,916	4	1	266,357	266,385
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	261,726	832	820	59	-	2,916	4	1	266,357	266,385

Table SC5 Monthly Budget Statement investment portfolio

The investment portfolio analysis includes information on the institution where funds are invested, period of investment, type of investment and accrued interest for the month.

Investments by maturity Name of institution & investment ID R thousands	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
	Days							
ABSA Bank	78	Fixed	2019/01/15	211	7.10%	35,000	211	35,211
ABSA Bank	71	Fixed	2019/01/15	90	7.05%	15,000	90	15,090
ABSA Bank	101	Fixed	2019/02/15	459	7.20%	75,000	459	75,459
ABSA Bank	67	Fixed	2019/01/15	210	7.05%	35,000	210	35,210
ABSA Bank	64	Fixed	2019/01/15	210	7.05%	35,000	210	35,210
ABSA Bank	63	Fixed	2019/01/15	120	7.04%	20,000	120	20,120
ABSA Bank	51	Fixed	2019/01/04	119	7.00%	20,000	119	20,119
ABSA Bank	59	Fixed	2019/01/18	149	7.03%	25,000	149	25,149
ABSA Bank	51	Fixed	2019/01/11	119	7.00%	20,000	119	20,119
ABSA Bank	50	Fixed	2019/01/15	243	7.15%	40,000	243	40,243
ABSA Bank	48	Fixed	2019/01/15	121	7.15%	20,000	121	20,121
ABSA Bank	57	Fixed	2019/01/25	182	7.16%	30,000	182	30,182
ABSA Bank	57	Fixed	2019/01/25	639	7.16%	105,000	639	105,639
ABSA Bank	53	Fixed	2019/01/25	227	7.15%	40,000	227	40,227
ABSA Bank	58	Fixed	2019/01/31	165	7.15%	30,000	165	30,165
ABSA Bank	73	Fixed	2019/02/15	497	7.20%	90,000	497	90,497
ABSA Bank	85	Fixed	2019/02/27	501	7.25%	90,000	501	90,501
ABSA Bank	101	Fixed	2019/03/15	1,099	7.35%	195,000	1,099	196,099
ABSA Bank	112	Fixed	2019/03/27	465	7.40%	85,000	465	85,465
ABSA Bank	59	Fixed	2019/02/08	103	7.15%	25,000	103	25,103
ABSA Bank	78	Fixed	2019/02/28	40	7.22%	10,000	40	10,040
ABSA Bank	71	Fixed	2019/02/22	112	7.20%	30,000	112	30,112
ABSA Bank	94	Fixed	2019/03/22	140	7.28%	50,000	140	50,140
ABSA Bank	79	Fixed	2019/03/08	90	7.20%	35,000	90	35,090
ABSA Bank	67	Fixed	2019/03/01	55	7.16%	35,000	55	35,055
ABSA Bank	91	Fixed	2019/03/29	28	7.28%	35,000	28	35,028
ABSA Bank	91	Fixed	2019/03/29	16	7.28%	20,000	16	20,016
Firststrand	51	Fixed	2019/01/11	119	6.98%	20,000	119	20,119
Firststrand	50	Fixed	2019/01/15	247	7.28%	40,000	247	40,247
Firststrand	49	Fixed	2019/01/15	181	7.12%	30,000	181	30,181
Firststrand	48	Fixed	2019/01/15	151	7.12%	25,000	151	25,151
Firststrand	57	Fixed	2019/01/25	183	7.17%	30,000	183	30,183
Firststrand	57	Fixed	2019/01/25	670	7.17%	110,000	670	110,670
Firststrand	53	Fixed	2019/01/25	226	7.12%	40,000	226	40,226
Firststrand	58	Fixed	2019/01/31	193	7.18%	35,000	193	35,193
Firststrand	73	Fixed	2019/02/15	496	7.18%	90,000	496	90,496
Firststrand	85	Fixed	2019/02/27	498	7.22%	90,000	498	90,498
Firststrand	101	Fixed	2019/03/15	1,199	7.27%	215,000	1,199	216,199
Firststrand	112	Fixed	2019/03/27	464	7.38%	85,000	464	85,464
Firststrand	59	Fixed	2019/02/08	103	7.17%	25,000	103	25,103
Firststrand	78	Fixed	2019/02/28	40	7.22%	10,000	40	10,040
Firststrand	71	Fixed	2019/02/22	113	7.22%	30,000	113	30,113
Firststrand	94	Fixed	2019/03/22	139	7.27%	50,000	139	50,139

Table continues on next page.

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Investments by maturity Name of institution & investment ID R thousands	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
	Days							
Firststrand	79	Fixed	2019/03/08	90	7.2%	35,000	90	35,090
Firststrand	67	Fixed	2019/03/01	86	7.2%	55,000	86	55,086
Investec Bank	78	Fixed	2019/01/15	395	7.2%	65,000	395	65,395
Investec Bank	71	Fixed	2019/01/15	60	7.1%	10,000	60	10,060
Investec Bank	101	Fixed	2019/02/15	214	7.2%	35,000	214	35,214
Investec Bank	67	Fixed	2019/01/15	90	7.1%	15,000	90	15,090
Investec Bank	64	Fixed	2019/01/15	90	7.1%	15,000	90	15,090
Investec Bank	63	Fixed	2019/01/15	59	6.9%	10,000	59	10,059
Investec Bank	51	Fixed	2019/01/04	59	6.9%	10,000	59	10,059
Investec Bank	59	Fixed	2019/01/18	59	6.9%	10,000	59	10,059
Investec Bank	51	Fixed	2019/01/11	59	6.9%	10,000	59	10,059
Investec Bank	50	Fixed	2019/01/15	121	7.2%	20,000	121	20,121
Investec Bank	48	Fixed	2019/01/15	60	7.1%	10,000	60	10,060
Investec Bank	57	Fixed	2019/01/25	61	7.2%	10,000	61	10,061
Investec Bank	57	Fixed	2019/01/25	306	7.2%	50,000	306	50,306
Investec Bank	53	Fixed	2019/01/25	114	7.2%	20,000	114	20,114
Investec Bank	58	Fixed	2019/01/31	166	7.2%	30,000	166	30,166
Investec Bank	73	Fixed	2019/02/15	448	7.3%	80,000	448	80,448
Investec Bank	85	Fixed	2019/02/27	395	7.4%	70,000	395	70,395
Investec Bank	112	Fixed	2019/03/27	223	7.6%	40,000	223	40,223
Investec Bank	59	Fixed	2019/02/08	42	7.3%	10,000	42	10,042
Investec Bank	71	Fixed	2019/02/22	57	7.3%	15,000	57	15,057
Investec Bank	94	Fixed	2019/03/22	71	7.4%	25,000	71	25,071
Investec Bank	79	Fixed	2019/03/08	39	7.3%	15,000	39	15,039
Investec Bank	67	Fixed	2019/03/01	40	7.3%	25,000	40	25,040
Investec Bank	91	Fixed	2019/03/29	8	7.4%	10,000	8	10,008
Nedbank	197	Fixed	2019/04/30	1	7.8%	165	1	166
Nedbank	71	Fixed	2019/01/15	89	7.0%	15,000	89	15,089
Nedbank	101	Fixed	2019/02/15	431	7.3%	70,000	431	70,431
Nedbank	67	Fixed	2019/01/15	89	7.0%	15,000	89	15,089
Nedbank	64	Fixed	2019/01/15	208	7.0%	35,000	208	35,208
Nedbank	63	Fixed	2019/01/15	120	7.1%	20,000	120	20,120
Nedbank	51	Fixed	2019/01/04	119	7.0%	20,000	119	20,119
Nedbank	53	Fixed	2019/01/11	178	7.0%	30,000	178	30,178
Nedbank	59	Fixed	2019/01/18	149	7.0%	25,000	149	25,149
Nedbank	51	Fixed	2019/01/11	89	7.0%	15,000	89	15,089
Nedbank	57	Fixed	2019/01/18	178	7.0%	30,000	178	30,178
Nedbank	50	Fixed	2019/01/15	241	7.1%	40,000	241	40,241
Nedbank	48	Fixed	2019/01/15	121	7.1%	20,000	121	20,121
Nedbank	57	Fixed	2019/01/25	153	7.2%	25,000	153	25,153
Nedbank	57	Fixed	2019/01/25	612	7.2%	100,000	612	100,612
Nedbank	53	Fixed	2019/01/25	200	7.2%	35,000	200	35,200
Nedbank	58	Fixed	2019/01/31	168	7.3%	30,000	168	30,168
Nedbank	73	Fixed	2019/02/15	507	7.4%	90,000	507	90,507
Nedbank	85	Fixed	2019/02/27	507	7.4%	90,000	507	90,507
Nedbank	101	Fixed	2019/03/15	1,022	7.4%	180,000	1,022	181,022
Nedbank	112	Fixed	2019/03/27	444	7.5%	80,000	444	80,444
Nedbank	29	Fixed	2019/01/04	125	7.0%	25,000	125	25,125
Nedbank	59	Fixed	2019/02/08	105	7.3%	25,000	105	25,105

Table continues on next page.

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Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands	Days							
Nedbank	71	Fixed	2019/02/22	115	7.4%	30,000	115	30,115
Nedbank	70	Fixed	2019/02/22	217	7.4%	60,000	217	60,217
Nedbank	94	Fixed	2019/03/22	142	7.4%	50,000	142	50,142
Nedbank	79	Fixed	2019/03/08	92	7.4%	35,000	92	35,092
Nedbank	67	Fixed	2019/03/01	48	7.3%	30,000	48	30,048
Nedbank	67	Fixed	2019/03/01	80	7.3%	50,000	80	50,080
Nedbank	84	Fixed	2019/03/22	20	7.4%	25,000	20	25,020
Nedbank	84	Fixed	2019/03/22	20	7.4%	25,000	20	25,020
Nedbank	81	Fixed	2019/03/22	7	7.4%	35,000	7	35,007
Standard Bank	71	Fixed	2019/01/15	151	7.1%	25,000	151	25,151
Standard Bank	101	Fixed	2019/02/15	493	7.3%	80,000	493	80,493
Standard Bank	64	Fixed	2019/01/15	240	7.1%	40,000	240	40,240
Standard Bank	63	Fixed	2019/01/15	150	7.1%	25,000	150	25,150
Standard Bank	51	Fixed	2019/01/04	150	7.1%	25,000	150	25,150
Standard Bank	59	Fixed	2019/01/18	178	7.0%	30,000	178	30,178
Standard Bank	51	Fixed	2019/01/11	119	7.0%	20,000	119	20,119
Standard Bank	50	Fixed	2019/01/15	273	7.1%	45,000	273	45,273
Standard Bank	48	Fixed	2019/01/15	152	7.1%	25,000	152	25,152
Standard Bank	57	Fixed	2019/01/25	182	7.2%	30,000	182	30,182
Standard Bank	57	Fixed	2019/01/25	699	7.2%	115,000	699	115,699
Standard Bank	53	Fixed	2019/01/25	227	7.2%	40,000	227	40,227
Standard Bank	58	Fixed	2019/01/31	192	7.2%	35,000	192	35,192
Standard Bank	73	Fixed	2019/02/15	498	7.2%	90,000	498	90,498
Standard Bank	85	Fixed	2019/02/27	500	7.2%	90,000	500	90,500
Standard Bank	101	Fixed	2019/03/15	1,297	7.4%	230,000	1,297	231,297
Standard Bank	112	Fixed	2019/03/27	496	7.5%	90,000	496	90,496
Standard Bank	59	Fixed	2019/02/08	124	7.2%	30,000	124	30,124
Standard Bank	78	Fixed	2019/02/28	40	7.2%	10,000	40	10,040
Standard Bank	71	Fixed	2019/02/22	131	7.2%	35,000	131	35,131
Standard Bank	94	Fixed	2019/03/22	154	7.3%	55,000	154	55,154
Standard Bank	79	Fixed	2019/03/08	103	7.2%	40,000	103	40,103
Standard Bank	67	Fixed	2019/03/01	55	7.2%	35,000	55	35,055
Standard Bank	84	Fixed	2019/03/22	36	7.2%	45,000	36	45,036
Standard Bank	84	Fixed	2019/03/22	16	7.2%	20,000	16	20,016
Standard Bank	81	Fixed	2019/03/22	16	7.2%	80,000	16	80,016
ABSA Bank Call		Call		1,037	6.8%	153,089	56,037	209,126
Firststrand Bank Call		Call		1,646	6.5%	361,813	(100,167)	261,646
Investec Bank Call		Call		597	6.6%	95,401	30,195	125,597
Nedbank Call		Call		–	6.5%	10	(10)	–
Standard Bank Call		Call		976	6.5%	155,550	20,426	175,976
Nedbank current account		Current account		917	6.6%	258,556	(100,615)	157,941
Fund Managers						5,287,363	37,102	5,324,466
Liberty, RMB and Nedbank sinking fund						813,522	20,433	833,955
Cash in transit						13,155	5,984	19,139
External deposits						63,403	–	63,403
TOTAL INVESTMENTS AND INTEREST				33,279		12,812,028	(2,509)	12,809,520

Allocation and grant receipts and expenditure

Table SC7 Monthly Budget Statement transfers and grants expenditure

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	502,330	3,264,482	3,264,482	172,975	160,183	12,792	8.0%	3,264,482
Department of Environmental Affairs and Tourism	6,236	-	-	-	-	-	0.0%	-
Equitable share	-	2,574,650	2,574,650	-	-	-	-	2,574,650
Finance Management grant	1,050	1,000	1,000	652	500	152	30.4%	1,000
Urban Settlements Development Grant	49,009	204,792	204,792	11,349	19,113	(7,764)	-40.6%	204,792
Energy Efficiency and Demand Side Management Grant	186	600	600	49	300	(251)	-83.7%	600
Expanded Public Works Programme	13,783	23,266	23,266	2,895	8,633	(5,738)	-66.5%	23,266
Integrated City Development Grant	(4,933)	7,622	7,622	-	-	-	-	7,622
Public Transport Infrastructure & Systems Grant	30,666	48,812	48,812	4,820	7,806	(2,985)	-38.2%	48,812
Infrastructure Skills Development	9,614	12,605	12,605	3,751	4,750	(999)	-21.0%	12,605
Public Transport Network Grant	396,719	391,135	391,135	149,459	119,082	30,378	25.5%	391,135
Provincial Government:	850,267	967,719	1,218,341	360,191	419,287	(59,095)	-14.1%	1,218,341
Cultural Affairs and Sport - Provincial Library Services	37,344	47,347	47,347	-	-	-	-	47,347
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	4,498	4,770	4,770	19,698	25,982	(6,284)	-24.2%	4,770
Human Settlements - Human Settlement Development Grant	413,409	333,550	580,720	172,542	213,057	(40,516)	-19.0%	580,720
Human Settlements - Municipal Accreditation Assistance	6,089	5,000	5,000	3,833	2,382	1,450	60.9%	5,000
Human Settlement - Settlement Assistance	766	1,500	1,500	401	750	(349)	-46.5%	1,500
Health - TB	27,604	53,063	53,063	11,999	11,999	-	-	53,063
Health - ARV	217,701	224,414	224,414	88,684	112,207	(23,523)	-21.0%	224,414
Health - Nutrition	5,200	5,928	5,928	3,148	2,964	184	6.2%	5,928
Health - Vaccines	96,299	86,899	86,899	43,368	43,450	(82)	-0.2%	86,899
Comprehensive Health	-	173,489	173,489	-	-	-	-	173,489
Transport and Public Works - Provision for persons with special needs	10,312	10,000	10,000	13,163	3,993	9,170	229.7%	10,000
Transport and Public Works - Planning, Maintenance & Rehabilitation Transport Systems & Infrastructure	2,158	-	-	-	-	-	0.0%	-
Community Safety - Law Enforcement Auxiliary Services	28,255	4,283	4,283	3,088	2,059	1,029	50.0%	4,283
Community Development Workers	402	886	1,838	268	443	(175)	-39.6%	1,838
Finance Management Capacity Building Grant	-	360	360	-	-	-	-	360
Provincial Government: Financial Management Support Grant	230	230	230	-	-	-	-	230
Provincial Contribution towards addressing Natural Disasters	-	-	2,500	-	-	-	-	2,500
Transport Safety and Compliance - Rail Safety	(0)	16,000	16,000	-	-	-	-	16,000
Other grant providers:	21,687	13,271	16,071	5,099	5,582	(483)	-8.7%	16,071
Tourism	2,000	2,000	2,000	1,375	484	891	184.3%	2,000
CMTF	4,414	-	-	-	-	-	0.0%	-
CID	5,242	4,107	4,107	1,949	2,802	(853)	-30.4%	4,107
Century City Property Owners Association	837	539	539	225	270	(45)	-16.7%	539
Popart Stellenbosch University	733	-	-	-	-	-	0.0%	-
University of Connecticut	14	-	-	-	-	-	0.0%	-
DBSA - Green Fund	3,339	-	-	-	-	-	-	-
Rustenberg Girls	41	-	-	-	-	-	-	-
Westcott Primary	41	43	43	18	22	(4)	-16.7%	43
Airports Company South Africa SOC Ltd	1,333	1,333	1,333	556	667	(111)	-16.7%	1,333
Rockefeller Philanthropy Advisor's Inc	1,033	1,448	1,448	587	724	(137)	-18.9%	1,448
University of Connecticut	-	-	-	-	-	-	-	-
V&A Waterfront Holdings (Pty) Ltd	772	853	853	356	427	(71)	-16.7%	853
The South African Breweries	1,093	-	2,801	-	-	-	-	2,801
Bayside	486	-	-	(122)	-	(122)	-100.0%	-
Big Bay	308	396	396	156	187	(31)	-16.8%	396
Long Street law Enforcement	-	1,583	1,583	-	-	-	-	1,583
Sustainable Energy Africa	-	967	967	-	-	-	-	967
Total operating expenditure of Transfers and Grants:	1,374,284	4,245,472	4,498,894	538,265	585,052	(46,787)	-8.0%	4,498,894

Table continues on next page.

City of Cape Town: S52 Annexure A – 2019 Q2 (December 2018)

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
Capital expenditure of Transfers and Grants									
National Government:	1,699,597	2,015,146	2,697,071	151,595	615,747	733,025	(148,290)	-20.2%	2,215,611
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	7,435	9,400	9,400	190	2,800	1,000	1,800	180.0%	9,300
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	2,739	10,000	10,000	213	2,277	493	1,784	362.1%	10,000
Neighbourhood Development Partnership	2,071	-	-	-	-	-	-	0.0%	-
Co-operative Governance: Emergency Disaster Relief Grant	20,813	-	-	-	-	-	-	0.0%	-
National Treasury: Expanded Public Works Programme	400	1,000	1,000	61	257	250	7	3.0%	813
National Treasury: Infrastructure Skills Development Grant	986	1,000	1,000	-	-	-	-	-	600
National Treasury: Integrated City Development Grant	50,045	56,740	56,740	2,266	17,309	19,742	(2,433)	-12.3%	44,388
National Treasury: Local Government Restructuring Grant	128	600	600	4	226	300	(74)	-24.5%	600
National Treasury: Municipal Disaster Grant	74,383	-	553,050	33,291	123,156	80,000	43,156	53.9%	553,050
National Treasury: Urban Settlements Development Grant	1,029,238	1,279,998	1,279,998	54,240	297,634	490,166	(192,532)	-39.3%	1,060,618
Transport: Public Transport Infrastructure & Systems Grant	-	2,021	130,896	-	-	-	-	-	-
Transport: Public Transport Infrastructure Grant	(831)	-	-	-	(0)	-	(0)	-	-
Transport: Public Transport Network Grant	512,190	654,387	654,387	61,330	172,087	141,074	31,012	22.0%	536,241
Provincial Government:	33,285	52,750	52,809	1,776	6,171	10,965	(4,794)	-43.7%	24,417
Cultural Affairs and Sport: Library Services (Conditional Grant)	15,208	1,600	1,600	-	1,382	1,600	(218)	-13.6%	2,600
Cultural Affairs and Sport: Library Services: Metro Library Grant	9,958	10,000	10,000	678	2,749	6,254	(3,505)	-56.0%	11,704
Housing: Integrated Housing and Human Settlement Development Grant	8,030	41,000	41,000	1,098	1,978	3,112	(1,134)	-36.4%	10,050
Provincial Government: Community Development Workers (CDW) Operational Grant Support	91	150	209	-	63	-	63	100.0%	63
Other grant providers:	72,541	76,200	77,790	2,133	24,516	28,230	(3,713)	-13.2%	53,726
Other: Other	72,541	76,200	77,790	2,133	24,516	28,230	(3,713)	-13.2%	53,726
Total capital expenditure of Transfers and Grants	1,805,424	2,144,096	2,827,670	155,504	646,435	772,219	(156,797)	-20.3%	2,293,753
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	3,179,707	6,389,567	7,326,563	255,306	1,184,700	1,357,271	(203,583)	-15.0%	6,792,647

Expenditure on councillor and board members' allowances and employee benefits**Table SC8 Monthly Budget Statement - councillor and staff benefits**

Summary of Employee and Councillor remuneration	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Councillors (Political Office Bearers plus Other)</u>								
Basic Salaries and Wages	139,878	147,923	147,923	66,069	69,815	(3,746)	-5.4%	137,980
Pension and UIF Contributions	-	-	-	2,467	-	2,467	100.0%	5,413
Cellphone Allowance	6,977	10,038	10,038	4,689	4,788	(99)	-2.1%	8,486
Other benefits and allowances	8,068	11,679	11,679	4,905	4,710	195	4.1%	10,508
Sub Total - Councillors	154,923	169,640	169,640	78,130	79,313	(1,183)	-1.5%	169,639
% increase		9.5%	9.5%					9.5%
<u>Senior Managers of the Municipality</u>								
Basic Salaries and Wages	23,508	28,128	28,128	12,216	14,064	(1,848)	-13.14%	28,704
Pension and UIF Contributions	1,780	2,172	2,172	932	1,086	(154)	-14.18%	1,848
Medical Aid Contributions	118	164	164	54	82	(28)	-34.15%	164
Motor Vehicle Allowance	412	442	442	206	221	(15)	-6.79%	442
Cellphone Allowance	120	194	194	82	97	(15)	-15.46%	177
Other benefits and allowances	172	82	82	34	41	(7)	-17.07%	82
Payments in lieu of leave	438	-	-	93	-	93	100.00%	-
Sub Total - Senior Managers of Municipality	26,548	31,182	31,182	13,617	15,591	(1,974)	-12.7%	31,417
% increase		17.5%	17.5%					18.3%
<u>Other Municipal Staff</u>								
Basic Salaries and Wages	7,442,697	8,946,536	8,937,028	4,173,471	4,722,003	(548,532)	-11.6%	8,447,394
Pension and UIF Contributions	1,157,975	1,666,537	1,660,659	620,756	829,607	(208,851)	-25.2%	1,336,537
Medical Aid Contributions	702,198	752,518	752,518	360,216	376,308	(16,092)	-4.3%	752,538
Overtime	602,665	517,090	520,539	250,536	204,796	45,740	22.3%	591,291
Motor Vehicle Allowance	194,044	220,701	220,957	99,421	110,153	(10,732)	-9.7%	221,495
Cellphone Allowance	17,853	23,853	23,914	10,906	11,941	(1,036)	-8.7%	23,944
Housing Allowances	59,361	64,402	64,402	30,833	32,201	(1,368)	-4.2%	64,403
Other benefits and allowances	242,503	236,358	236,932	129,316	117,765	11,551	9.8%	238,640
Payments in lieu of leave	144,677	134,139	134,445	47,970	66,840	(18,869)	-28.2%	138,727
Long service awards	179	79,206	79,206	352	38,641	(38,289)	-99.1%	76,067
Post-retirement benefit obligations	274,623	247,593	247,593	117,390	123,796	(6,406)	-5.17%	547,593
Sub Total - Other Municipal Staff	10,838,775	12,888,933	12,878,193	5,841,167	6,634,052	(792,885)	-11.95%	12,438,629
% increase		18.9%	18.8%					14.8%
Total Parent Municipality	11,020,246	13,089,755	13,079,015	5,932,914	6,728,956	(796,042)	-11.8%	12,639,685

The table below reflects the percentage variance for councilor and staff benefits, reasons for material deviations and the remedial action thereof.

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Councillors (Political Office Bearers plus Other)				
Basic Salaries and Wages	(3,746)	-5.4%	The variance is mainly due to councillor increases not yet implemented. The increase was approved by the Minister of Co-operative Governance & Traditional Affairs and gazetted during December 2018. The report will be submitted to Council for approval in January 2019.	Councillor increases to be implemented retrospectively when approved.
Pension and UIF Contributions	2,467	100.0%	The variance is due to the misalignment of the periodic budget with the actual expenditure to date.	Budget provisions were reviewed during the mid year review and performance assessment process and amendments. Budgetary realignment will be addressed in the January 2019 adjustments budget.
Medical Aid Contributions	-	-	-	-
Motor Vehicle Allowance	-	-	-	-
Cellphone Allowance	(99)	-2.1%	-	-
Housing Allowances	-	-	-	-
Other benefits and allowances	195	4.1%	Immaterial variance.	-
Senior Managers of the Municipality				
Basic Salaries and Wages	(1,848)	-13.1%	The variance is due to the reduced number of Executive Directors' positions (11 to 10) as two directorates were merged into one i.e. Directorate of the Mayor and Corporate Services).	Budget provisions were reviewed during the mid year review and performance assessment process and amendments. Budgetary realignment will be addressed in the January 2019 adjustments budget.
Pension and UIF Contributions	(154)	-14.2%	Immaterial variance.	-
Medical Aid Contributions	(28)	-34.1%	Immaterial variance.	-
Motor Vehicle Allowance	(15)	-6.8%	Immaterial variance.	-
Cellphone Allowance	(15)	-15.5%	Immaterial variance.	-
Other benefits and allowances	(7)	-17.1%	Immaterial variance.	-
Payments in lieu of leave	93	-	Immaterial variance.	-
Other Municipal Staff				
Basic Salaries and Wages	(548,532)	-11.6%	The variance is mainly due to: 1. The turnaround time in filling vacancies; 2. The internal filling of vacant positions; 3. The appointment of seasonal workers and temporary staff, which is dependent on seasonal requirements as and when departments require additional staff; and 4. Delays with commencement of the EPWP programme as PID are still being finalised.	The City had 3 502 vacancies as at 31 December 2018; 1475 vacancies were filled (721 internal and 754 external) with 722 terminations processed from 1 July 2018. The filling of vacancies is on-going and seasonal staff are appointed as and when required. Savings will be utilised to cover financial gaps that were identified during the SMF process/Programme reviews and once off budget realities, which were not known at the time of finalising the budget process. This will be addressed in the January 2019 adjustments budget following the mid year budget and performance assessment.
Pension and UIF Contributions	(208,851)	-25.2%	The variance is mainly due the turnaround time in filling vacancies and the internal filling of vacancies.	The filling of vacancies is on-going.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2019 Q2 (December 2018)

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Other Municipal Staff continued				
Medical Aid Contributions	(16,092)	-4.3%	The variance mainly due to the turnaround time in filling vacancies and the annual 2018/19 medical aid increases, which is only payable in January 2019.	Filling of vacancies is ongoing and medical aid increases are expected to be implemented in January 2019.
Overtime	45,740	22.3%	This variance is largely on 1. Safety & Security (R37 million over) , as a result of an increase in the number of protest action Citywide, where staff were required to work overtime, and additional staff deployed during the festive/holiday season. 2. Informal Settlements, Water & Waste Services (R4.4 million over) , as a result of staff working after hours and claiming overtime in the absence of a shift system, and staff required to work overtime due to the increase in land invasions as well as difficulties experienced with contractors in the Helderberg region.	Budget provisions were reviewed during the mid year review and performance assessment process and amendments. Budgetary realignment will be addressed in the January 2019 adjustments budget.
Motor Vehicle Allowance	(10,732)	-9.7%	The variance is mainly due the turnaround time in filling vacancies resulting from termination of permanent staff who were in receipt of car allowances.	Budget provisions were reviewed during the mid year review and performance assessment process and amendments. Budgetary realignment will be addressed in the January 2019 adjustments budget.
Cellphone Allowance	(1,036)	-8.7%	Immaterial variance.	No remedial action required.
Housing Allowances	(1,368)	-4.2%	The variance is mainly due the turnaround time in filling vacancies resulting from termination of permanent staff who were in receipt of housing allowances.	No remedial action required.
Other benefits and allowances	11,551	9.8%	The variance mainly due to misalignment of the period budget with actual expenditure, mainly on Standby, Shift & Uniform Allowances.	Corrective action to align period budget with the actual expenditure are underway.
Payments in lieu of leave	(18,869)	-28.2%	Payments are dependent on resignation and retirement of employees, which is difficult to plan accurately.	The balance of the budgetary provisions will be transferred to the leave provision in accordance with GRAP 19 as these relate to the vested leave benefits owed to employees.
Long service awards	(38,289)	-99.1%	Payments are dependent on when qualifying employees exercise their option to convert leave days to cash, which is difficult to plan accurately per monthly cycle.	The balance of the budgetary provisions will be transferred to the leave provision in accordance with GRAP 19 as these relate to the vested leave benefits owed to employees.
Post-retirement benefit obligations	(6,406)	-5.2%	The variance is largely due to the annual 2018/19 medical aid increases, which will be implemented in January 2019.	No remedial action required.

Material variance explanations for corporate performance for Quarter 2 2019

There are no material variances to report on for the quarter under review.

Monthly actual and targets for cash flow

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

Description	Budget Year 2018/19												2018/19 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
Cash Receipts By Source															
Property rates	664,607	761,309	799,725	887,575	744,764	683,111	758,694	764,613	792,717	664,121	767,367	680,384	8,968,987	9,795,009	10,630,877
Service charges - electricity revenue	1,110,330	1,138,000	1,042,662	1,233,167	1,051,095	1,005,664	958,336	987,368	1,040,998	990,732	1,046,695	888,157	12,493,203	13,405,819	14,740,079
Service charges - water revenue	281,158	295,552	295,316	334,654	301,867	269,700	271,994	305,660	264,209	269,170	223,519	(225,199)	2,887,599	4,245,074	5,029,244
Service charges - sanitation revenue	156,502	166,858	166,492	179,795	160,340	148,714	108,615	123,425	116,466	129,032	130,321	(266,717)	1,319,842	1,958,382	2,321,376
Service charges - refuse	68,003	69,332	66,370	78,397	72,786	68,906	73,826	75,187	84,636	74,155	83,228	107,573	922,399	1,013,415	1,121,776
Service charges - other	44,087	50,180	41,776	53,915	40,527	28,138	-	-	-	-	-	(258,623)	-	-	-
Rental of facilities and equipment	18,396	24,924	19,137	21,522	25,385	17,106	15,565	16,318	16,703	14,897	14,496	(19,668)	184,780	175,593	174,152
Interest earned - external investments	62,703	79,163	59,110	72,830	69,774	65,625	74,350	66,015	80,694	81,301	89,616	135,331	936,513	989,834	1,020,077
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	19,992	17,671	19,052	25,290	25,899	22,438	19,638	21,465	23,053	21,159	22,381	17,996	256,032	270,114	285,105
Licences and permits	17,421	22,582	20,889	44,411	18,489	21,949	19,554	21,183	20,592	20,047	21,465	(202,531)	46,050	48,432	51,120
Agency services	-	-	-	-	-	-	-	-	-	-	-	201,723	201,723	212,818	224,629
Transfer receipts - operating	1,058,518	345,200	135,414	-	425,625	638,825	115,098	86,351	1,444,485	-	-	249,377	4,498,894	4,461,535	4,718,167
Other revenue	77,421	1,085,406	25,401	238,381	75,626	934,734	130,348	136,432	796,984	88,053	178,631	(253,991)	3,513,426	3,661,559	3,847,473
Cash Receipts by Source	3,579,137	4,056,176	2,691,345	3,169,936	3,012,176	3,904,910	2,546,018	2,604,017	4,681,537	2,352,666	2,577,718	1,053,812	36,229,448	40,237,586	44,164,076
Other Cash Flows by Source															
Transfer receipts - capital	581,229	62,892	83,996	93,009	-	578,891	44,925	275,482	449,171	-	-	580,284	2,749,880	2,118,842	2,296,333
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	121,660	121,660	124,883	160,952
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	3,446,950	3,446,950	5,700,000	6,000,000
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	38,688	38,688	42,557	46,813
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	1,946	1,946	1,849	1,756
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	(238,708)	(238,708)	(267,859)	(298,475)
Total Cash Receipts by Source	4,160,366	4,119,068	2,775,341	3,262,946	3,012,176	4,483,801	2,590,943	2,879,498	5,130,708	2,352,666	2,577,718	5,004,632	42,349,864	47,957,856	52,371,454

Table continues on next page.

City of Cape Town: S52 Annexure A – 2019 Q2 (December 2018)

Description	Budget Year 2018/19												2018/19 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2018/19	Budget Year +1 2019/20	Budget Year +2 2020/21
R thousands															
Cash Payments by Type															
Employee related costs	770,605	864,153	1,026,367	938,731	1,405,866	964,995	1,016,642	1,042,839	1,098,462	1,054,231	1,032,227	1,632,801	12,847,919	13,718,008	14,790,029
Remuneration of councillors	12,378	12,373	12,360	12,360	11,888	12,090	13,578	15,729	13,892	13,899	18,340	20,753	169,640	180,666	192,500
Interest paid	49,752	-	157,805	-	-	139,779	45,765	-	154,747	-	-	433,029	980,877	1,418,058	1,666,828
Bulk purchases - Electricity	943,889	1,025,746	1,041,752	605,352	589,477	629,702	561,943	586,240	559,200	598,782	571,532	627,786	8,341,400	8,991,000	9,691,800
Bulk purchases - Water & Sewer	25,505	22,440	20,753	20,887	16,528	19,365	27,938	27,836	25,800	28,787	27,781	882,112	1,145,732	1,905,898	2,047,235
Other materials	-	-	-	-	-	-	-	-	-	-	-	1,261,413	1,261,413	1,399,291	1,465,941
Contracted services	-	-	-	-	-	-	-	-	-	-	-	6,157,552	6,157,552	6,363,514	6,790,937
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	400,535	400,535	356,864	365,224
General expenses	1,511,803	811,829	707,956	844,716	946,127	860,357	756,305	757,656	785,299	872,646	788,877	(7,460,908)	2,182,664	2,381,931	2,519,338
Cash Payments by Type	3,313,932	2,736,541	2,966,992	2,422,047	2,969,886	2,626,288	2,422,171	2,430,299	2,637,400	2,568,344	2,438,757	3,955,073	33,487,731	36,715,229	39,529,833
Other Cash Flows/Payments by Type															
Capital assets	839,281	234,727	196,102	318,059	268,040	361,384	283,756	494,778	719,036	603,297	793,998	2,853,370	7,965,830	8,833,789	9,096,106
Repayment of borrowing	76,958	-	79,481	-	-	20,000	50,000	-	79,481	-	-	176,667	482,586	745,678	932,295
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	4,230,171	2,971,268	3,242,575	2,740,106	3,237,927	3,007,672	2,755,927	2,925,077	3,435,917	3,171,642	3,232,755	6,985,110	41,936,147	46,294,696	49,558,234
NET INCREASE/(DECREASE) IN CASH HELD	(69,805)	1,147,801	(467,234)	522,840	(225,751)	1,476,129	(164,984)	(45,579)	1,694,791	(818,975)	(655,037)	(1,980,478)	413,718	1,663,160	2,813,220
Cash/cash equivalents at the month/year beginning:	5,486,619	5,416,814	6,564,614	6,097,381	6,620,221	6,394,470	7,870,598	7,705,615	7,660,036	9,354,827	8,535,852	7,880,815	5,486,619	5,900,337	7,563,497
Cash/cash equivalents at the month/year end:	5,416,814	6,564,614	6,097,381	6,620,221	6,394,470	7,870,598	7,705,615	7,660,036	9,354,827	8,535,852	7,880,815	5,900,337	5,900,337	7,563,497	10,376,717

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	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands								
Monthly expenditure performance trend								
July	91,966	81,629	92,199	37,034	92,199	55,165	59.8%	0.4%
August	307,806	197,698	226,699	289,329	318,898	29,568	9.3%	3.4%
September	365,481	356,211	351,793	594,578	670,691	76,112	11.3%	7.1%
October	407,002	413,726	422,489	1,026,662	1,093,180	66,518	6.1%	12.2%
November	453,820	455,857	485,456	1,443,922	1,578,637	134,715	8.5%	17.2%
December	527,653	356,660	453,118	1,840,894	2,031,755	190,861	9.4%	21.9%
January	170,822	235,626	393,887		2,425,642	-	-	-
February	327,886	643,624	671,288		3,096,930	-	-	-
March	429,928	775,707	816,108		3,913,039	-	-	-
April	461,913	1,098,538	953,735		4,866,773	-	-	-
May	568,703	1,272,572	1,016,063		5,882,836	-	-	-
June	1,490,638	2,519,706	2,968,086		8,850,922	-	-	-
Total Capital expenditure	5,603,619	8,407,556	8,850,922					

Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure on new assets by Asset Class/Sub-class								
Infrastructure	1,876,128	3,398,926	3,510,154	643,458	746,727	(103,269)	-13.8%	2,462,727
Roads Infrastructure	798,684	643,094	897,199	232,038	305,040	(73,003)	-23.9%	658,935
<i>Roads</i>	<i>798,684</i>	<i>643,094</i>	<i>897,199</i>	<i>232,038</i>	<i>305,040</i>	<i>(73,003)</i>	<i>-23.9%</i>	<i>658,935</i>
Storm water Infrastructure	1,746	94,818	2,250	466	400	66	16.4%	86,899
<i>Drainage Collection</i>	<i>1,746</i>	<i>94,818</i>	<i>2,250</i>	<i>466</i>	<i>400</i>	<i>66</i>	<i>16.4%</i>	<i>86,899</i>
Electrical Infrastructure	427,495	415,032	434,140	145,987	140,993	4,994	3.5%	368,116
<i>HV Substations</i>	<i>340,451</i>	<i>362,532</i>	<i>367,379</i>	<i>120,914</i>	<i>114,388</i>	<i>6,526</i>	<i>5.7%</i>	<i>304,137</i>
<i>MV Networks</i>	<i>43,044</i>	<i>-</i>	<i>-</i>	<i>(134)</i>	<i>-</i>	<i>(134)</i>	<i>-</i>	<i>-</i>
<i>LV Networks</i>	<i>44,000</i>	<i>52,500</i>	<i>66,761</i>	<i>25,207</i>	<i>26,604</i>	<i>(1,398)</i>	<i>-5.3%</i>	<i>63,979</i>
Water Supply Infrastructure	386,154	1,291,185	1,244,870	179,855	232,315	(52,460)	-22.6%	1,057,076
<i>Reservoirs</i>	<i>280,855</i>	<i>1,140,450</i>	<i>1,128,203</i>	<i>151,694</i>	<i>196,152</i>	<i>(44,459)</i>	<i>-22.7%</i>	<i>882,377</i>
<i>Water Treatment Works</i>	<i>-</i>	<i>-</i>	<i>3,184</i>	<i>-</i>	<i>3,184</i>	<i>(3,184)</i>	<i>-100.0%</i>	<i>-</i>
<i>Bulk Mains</i>	<i>74,417</i>	<i>52,630</i>	<i>66,983</i>	<i>18,386</i>	<i>20,178</i>	<i>(1,792)</i>	<i>-8.9%</i>	<i>57,610</i>
<i>Distribution</i>	<i>30,882</i>	<i>98,105</i>	<i>46,500</i>	<i>9,774</i>	<i>12,800</i>	<i>(3,026)</i>	<i>-23.6%</i>	<i>117,089</i>
Sanitation Infrastructure	63,369	711,890	701,386	59,249	30,000	29,249	97.5%	213,836
<i>Reticulation</i>	<i>62,170</i>	<i>156,605</i>	<i>108,101</i>	<i>13,720</i>	<i>22,500</i>	<i>(8,780)</i>	<i>-39.0%</i>	<i>109,836</i>
<i>Waste Water Treatment Works</i>	<i>1,199</i>	<i>555,285</i>	<i>593,285</i>	<i>45,530</i>	<i>7,500</i>	<i>38,030</i>	<i>507.1%</i>	<i>104,000</i>
Solid Waste Infrastructure	35,783	2,500	5,892	416	1,220	(804)	-65.9%	1,760
<i>Landfill Sites</i>	<i>35,783</i>	<i>2,500</i>	<i>5,892</i>	<i>416</i>	<i>1,220</i>	<i>(804)</i>	<i>-65.9%</i>	<i>1,760</i>
Information and Communication Infrastructure	162,897	240,406	224,418	25,448	36,759	(11,311)	-30.8%	76,106
<i>Data Centres</i>	<i>162,897</i>	<i>240,406</i>	<i>224,418</i>	<i>25,448</i>	<i>36,759</i>	<i>(11,311)</i>	<i>-30.8%</i>	<i>76,106</i>
Community Assets	218,957	303,007	305,083	105,608	59,130	46,478	78.6%	285,588
Community Facilities	217,809	302,827	304,903	105,556	59,070	46,486	78.7%	284,930
<i>Centres</i>	<i>-</i>	<i>2,030</i>	<i>2,030</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Clinics/Care Centres</i>	<i>34,182</i>	<i>49,435</i>	<i>49,952</i>	<i>10,506</i>	<i>16,245</i>	<i>(5,739)</i>	<i>-35.3%</i>	<i>44,257</i>
<i>Fire/Ambulance Stations</i>	<i>12,657</i>	<i>19,436</i>	<i>14,242</i>	<i>4,215</i>	<i>-</i>	<i>4,215</i>	<i>100.0%</i>	<i>16,842</i>
<i>Testing Stations</i>	<i>1,345</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Museums</i>	<i>99</i>	<i>2,500</i>	<i>2,901</i>	<i>71</i>	<i>1,401</i>	<i>(1,330)</i>	<i>-94.9%</i>	<i>3,151</i>
<i>Libraries</i>	<i>19,746</i>	<i>9,505</i>	<i>9,505</i>	<i>6,899</i>	<i>9,005</i>	<i>(2,106)</i>	<i>-23.4%</i>	<i>9,380</i>
<i>Cemeteries/Crematoria</i>	<i>9,362</i>	<i>20,500</i>	<i>10,425</i>	<i>4,392</i>	<i>-</i>	<i>4,392</i>	<i>100.0%</i>	<i>10,562</i>
<i>Public Open Space</i>	<i>832</i>	<i>220</i>	<i>1,283</i>	<i>75</i>	<i>-</i>	<i>75</i>	<i>100.0%</i>	<i>420</i>
<i>Nature Reserves</i>	<i>15,044</i>	<i>3,701</i>	<i>3,829</i>	<i>49</i>	<i>319</i>	<i>(270)</i>	<i>-84.7%</i>	<i>1,283</i>
<i>Taxi Ranks/Bus Terminals</i>	<i>124,542</i>	<i>195,500</i>	<i>210,735</i>	<i>79,350</i>	<i>32,100</i>	<i>47,250</i>	<i>147.2%</i>	<i>199,035</i>
Sport and Recreation Facilities	1,149	180	180	52	60	(8)	-12.6%	658
<i>Outdoor Facilities</i>	<i>1,149</i>	<i>180</i>	<i>180</i>	<i>52</i>	<i>60</i>	<i>(8)</i>	<i>-12.6%</i>	<i>658</i>
Other assets	213,644	220,191	202,520	38,360	45,895	(7,535)	-16.4%	123,826
Operational Buildings	205,531	165,951	148,335	31,002	32,068	(1,067)	-3.3%	84,591
<i>Municipal Offices</i>	<i>155,586</i>	<i>26,001</i>	<i>29,602</i>	<i>10,763</i>	<i>8,935</i>	<i>1,828</i>	<i>20.5%</i>	<i>30,875</i>
<i>Laboratories</i>	<i>-</i>	<i>-</i>	<i>8,583</i>	<i>7,538</i>	<i>8,583</i>	<i>(1,046)</i>	<i>-12.2%</i>	<i>-</i>
<i>Training Centres</i>	<i>730</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Depots</i>	<i>49,216</i>	<i>139,950</i>	<i>110,150</i>	<i>12,701</i>	<i>14,551</i>	<i>(1,849)</i>	<i>-12.7%</i>	<i>53,716</i>
Housing	8,113	54,240	54,185	7,359	13,826	(6,468)	-46.8%	39,235
<i>Social Housing</i>	<i>8,113</i>	<i>54,240</i>	<i>54,185</i>	<i>7,359</i>	<i>13,826</i>	<i>(6,468)</i>	<i>-46.8%</i>	<i>39,235</i>
Intangible Assets	3,690	13,325	14,399	3,119	3,592	(473)	-13.2%	8,841
Licences and Rights	3,690	13,325	14,399	3,119	3,592	(473)	-13.2%	8,841
<i>Computer Software and Applications</i>	<i>3,690</i>	<i>13,325</i>	<i>14,399</i>	<i>3,119</i>	<i>3,592</i>	<i>(473)</i>	<i>-13%</i>	<i>8,841</i>
Computer Equipment	209,167	102,927	123,489	35,792	22,709	13,083	58%	127,631
Computer Equipment	209,167	102,927	123,489	35,792	22,709	13,083	58%	127,631
Furniture and Office Equipment	104,605	124,755	124,138	32,422	38,198	(5,776)	-15%	122,553
Furniture and Office Equipment	104,605	124,755	124,138	32,422	38,198	(5,776)	-15%	122,553
Machinery and Equipment	139,739	72,547	36,805	7,526	12,896	(5,370)	-42%	86,309
Machinery and Equipment	139,739	72,547	36,805	7,526	12,896	(5,370)	-42%	86,309
Transport Assets	68,313	108,906	237,816	47,999	15,508	32,491	210%	136,013
Transport Assets	68,313	108,906	237,816	47,999	15,508	32,491	209.5%	136,013
Land	1,511	208,000	208,000	-	-	-	-	65,450
Land	1,511	208,000	208,000	-	-	-	-	65,450
Total Capital Expenditure on new assets	2,835,755	4,552,583	4,762,405	914,284	944,655	(30,370)	-3.2%	3,418,937

Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure on renewal of existing assets by Asset Class/Sub-class								
Infrastructure	1,005,268	1,456,142	1,502,143	385,331	416,561	(31,230)	-7.5%	1,143,227
Roads Infrastructure	156,348	220,181	245,969	55,617	70,405	(14,787)	-21.0%	161,163
Roads	156,348	220,181	245,969	55,617	70,405	(14,787)	-21.0%	161,163
Storm water Infrastructure	7,681	40,275	42,483	8,708	5,399	3,310	61.3%	44,886
Drainage Collection	7,681	40,275	42,483	8,708	5,399	3,310	61.3%	44,886
Electrical Infrastructure	322,032	426,096	453,632	143,558	106,655	36,903	34.6%	340,214
HV Substations	71,655	139,296	166,832	28,813	22,308	6,505	29.2%	101,414
MV Substations	81,192	74,000	74,000	10,574	19,952	(9,378)	-47.0%	26,000
MV Networks	137,565	174,800	174,800	81,939	45,915	36,024	78.5%	174,800
LV Networks	31,619	38,000	38,000	22,232	18,480	3,752	20.3%	38,000
Water Supply Infrastructure	415,558	423,000	437,900	136,991	144,873	(7,882)	-5.4%	391,561
Reservoirs	26,847	-	10,000	4,719	2,000	2,719	136.0%	-
Bulk Mains	25,337	50,000	50,000	16,186	8,000	8,186	102.3%	50,000
Distribution	363,374	373,000	377,900	116,086	134,873	(18,788)	-13.9%	341,561
Sanitation Infrastructure	96,530	339,750	313,412	40,402	88,313	(47,911)	-54.3%	199,245
Pump Station	89	24,000	16,506	4,273	8,756	(4,483)	-51.2%	16,506
Reticulation	4,848	163,000	151,317	7,990	23,718	(15,727)	-66.3%	65,000
Waste Water Treatment Works	81,593	105,000	105,739	24,765	41,739	(16,974)	-40.7%	101,739
Outfall Sewers	10,000	47,750	39,850	3,374	14,100	(10,726)	-76.1%	16,000
Solid Waste Infrastructure	606	5,280	5,437	38	126	(88)	-69.7%	4,593
Landfill Sites	606	5,280	5,437	38	126	(88)	-69.7%	4,593
Information and Communication Infrastructure	6,514	1,560	3,310	15	791	(775)	-98.1%	1,565
Data Centres	6,514	1,560	3,310	15	791	(775)	-98.1%	1,565
Community Assets	12,142	5,522	5,046	1,231	962	269	-7.5%	4,046
Community Facilities	11,704	5,522	5,046	1,231	962	269	27.9%	4,046
Centres	3,452	-	-	-	-	-	-	-
Clinics/Care Centres	499	1,172	1,172	33	-	33	-	1,172
Libraries	2,352	3,050	3,050	1,195	768	427	55.6%	2,050
Public Open Space	5,401	1,300	824	3	194	(191)	-98.5%	824
Sport and Recreation Facilities	439	-	-	-	-	-	-	-
Outdoor Facilities	439	-	-	-	-	-	-	-
Heritage assets	430	1,800	1,977	1,320	1,200	120	10.0%	5,822
Monuments	430	1,800	1,977	1,320	1,200	120	10.0%	5,822
Other assets	44,688	92,601	89,910	6,621	15,254	(8,632)	-56.6%	75,429
Operational Buildings	24,525	16,017	21,790	2,103	3,334	(1,231)	-36.9%	23,174
Municipal Offices	19,850	13,667	16,240	1,505	1,564	(59)	-3.8%	18,424
Laboratories	-	300	300	-	120	(120)	-100.0%	300
Depots	4,676	2,050	5,250	598	1,650	(1,052)	-63.8%	4,450
Housing	20,163	76,583	68,121	4,518	11,920	(7,402)	-62.1%	52,255
Social Housing	20,163	76,583	68,121	4,518	11,920	(7,402)	-62.1%	52,255
Intangible Assets	2,282	2,500	7,118	3,432	918	2,514	273.8%	2,547
Licences and Rights	2,282	2,500	7,118	3,432	918	2,514	273.8%	2,547
Computer Software and Applications	2,282	2,500	7,118	3,432	918	2,514	273.8%	2,547
Computer Equipment	79,127	67,940	66,304	22,629	11,850	10,779	91.0%	131,555
Computer Equipment	79,127	67,940	66,304	22,629	11,850	10,779	91.0%	131,555
Furniture and Office Equipment	14,557	17,239	15,576	5,641	4,450	1,191	26.8%	19,455
Furniture and Office Equipment	14,557	17,239	15,576	5,641	4,450	1,191	26.8%	19,455
Machinery and Equipment	56,922	28,700	29,008	19,942	13,006	6,936	53.3%	66,534
Machinery and Equipment	56,922	28,700	29,008	19,942	13,006	6,936	53.3%	66,534
Transport Assets	302,131	211,700	289,203	110,611	35,594	75,016	210.8%	369,920
Transport Assets	302,131	211,700	289,203	110,611	35,594	75,016	210.8%	369,920
Total Capital Expenditure on renewal of existing assets	1,517,547	1,884,144	2,006,286	556,757	499,796	56,962	11.4%	1,818,535

Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class								
Infrastructure	745,132	1,413,444	1,435,370	206,281	378,290	(172,009)	-45.5%	799,672
Roads Infrastructure	176,127	303,053	324,372	71,120	93,945	(22,826)	-24.3%	229,148
Roads	176,127	303,053	324,372	71,120	93,945	(22,826)	-24.3%	229,148
Storm water Infrastructure	3,015	9,200	15,710	-	6,510	(6,510)	-100.0%	8,200
Drainage Collection	3,015	9,200	15,710	-	6,510	(6,510)	-100.0%	8,200
Electrical Infrastructure	108,642	62,338	62,840	12,526	16,974	(4,448)	-26.2%	40,003
HV Substations	108,642	62,338	62,840	12,526	16,974	(4,448)	-26.2%	40,003
Water Supply Infrastructure	69,311	116,975	143,233	37,133	29,620	7,513	25.4%	149,838
Reservoirs	5,028	16,575	16,650	869	12,050	(11,181)	-92.8%	13,581
Distribution	64,283	100,400	126,583	36,264	17,570	18,693	106.4%	136,257
Sanitation Infrastructure	346,023	674,202	706,122	79,912	213,268	(133,356)	-62.5%	321,893
Pump Station	16,013	-	7,494	-	205	(205)	-100.0%	7,494
Reticulation	65,341	7,800	14,782	51	4,000	(3,949)	-98.7%	10,500
Waste Water Treatment Works	264,669	666,402	683,845	79,861	209,062	(129,202)	-61.8%	303,899
Solid Waste Infrastructure	42,013	247,676	183,093	5,591	17,973	(12,382)	-68.9%	50,591
Landfill Sites	42,013	247,676	183,093	5,591	17,973	(12,382)	-68.9%	50,591
Community Assets	171,298	238,230	243,059	69,664	66,421	3,243	4.9%	250,298
Community Facilities	124,632	198,803	194,546	46,188	49,875	(3,687)	-7.4%	178,229
Halls	2,958	1,680	1,929	1,107	901	205	22.8%	1,928
Centres	4,351	8,550	8,112	163	2,674	(2,511)	-93.9%	10,412
Clinics/Care Centres	9,261	34,654	36,515	5,717	9,709	(3,992)	-41.1%	40,100
Fire/Ambulance Stations	-	7,970	13,163	3,738	-	3,738	100.0%	13,163
Testing Stations	2,141	-	-	-	-	-	-	-
Museums	2,221	2,500	2,500	-	400	(400)	-100.0%	3,017
Theatres	67	-	-	-	-	-	-	-
Libraries	4,032	8,675	8,815	2,264	5,146	(2,881)	-56.0%	9,581
Cemeteries/Crematoria	7,498	12,800	13,021	530	1,087	(557)	-51.3%	11,335
Public Open Space	66,242	52,625	56,931	21,286	20,556	730	3.6%	45,242
Nature Reserves	215	11,490	11,510	1,026	-	1,026	100.0%	13,120
Public Ablution Facilities	23,010	2,500	1,923	1,923	610	1,313	215.3%	4,773
Markets	86	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	2,549	55,360	40,125	8,434	8,792	(358)	-4.1%	25,558
Sport and Recreation Facilities	46,666	39,427	48,513	23,476	16,546	6,930	41.9%	72,069
Indoor Facilities	-	960	960	-	-	-	-	991
Outdoor Facilities	46,666	38,467	47,553	23,476	16,546	6,930	41.9%	71,078
Heritage assets	7,580	-	865	865	865	(0)	0.0%	1,765
Monuments	7,580	-	865	865	865	(0)	0.0%	1,765
Other assets	287,846	269,581	350,436	81,016	125,739	(44,723)	-35.6%	275,059
Operational Buildings	207,620	244,758	316,674	58,346	99,967	(41,620)	-41.6%	240,303
Municipal Offices	160,524	109,948	139,141	28,312	44,887	(16,575)	-36.9%	111,505
Yards	-	-	100	49	-	49	100.0%	-
Training Centres	43	-	-	-	-	-	-	-
Depots	47,053	134,810	177,433	29,985	55,079	(25,095)	-45.6%	128,798
Housing	80,226	24,822	33,762	22,670	25,773	(3,103)	-12.0%	34,755
Social Housing	80,226	24,822	33,762	22,670	25,773	(3,103)	-12.0%	34,755
Intangible Assets	7,205	12,450	23,137	9,076	6,877	2,200	32.0%	12,788
Licences and Rights	7,205	12,450	23,137	9,076	6,877	2,200	32.0%	12,788
Computer Software and Applications	7,205	12,450	23,137	9,076	6,877	2,200	32.0%	12,788
Computer Equipment	13,064	8,952	243	225	243	(18)	-7.5%	10,849
Computer Equipment	13,064	8,952	243	225	243	(18)	-7.5%	10,849
Furniture and Office Equipment	16,576	17,176	16,801	1,218	2,720	(1,502)	-55.2%	12,524
Furniture and Office Equipment	16,576	17,176	16,801	1,218	2,720	(1,502)	-55.2%	12,524
Machinery and Equipment	1,616	10,995	12,320	1,507	6,150	(4,643)	-75.5%	11,406
Machinery and Equipment	1,616	10,995	12,320	1,507	6,150	(4,643)	-75.5%	11,406
Total Capital Expenditure on upgrading of existing assets	1,250,317	1,970,828	2,082,231	369,852	587,304	(217,453)	-37.0%	1,374,360

Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class

Description	2017/18	Budget Year 2018/19						Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
Repairs and maintenance expenditure by Asset Class/Sub-class								
Infrastructure	2,000,228	2,161,718	2,161,718	826,150	996,637	170,487	17.1%	1,857,307
Roads Infrastructure	588,798	671,164	671,164	273,407	279,119	(5,713)	-2.0%	692,737
Roads	588,798	671,164	671,164	273,407	279,119	(5,713)	-2.0%	692,737
Storm water Infrastructure	-	-	-	-	-	-	-	64,007
Drainage Collection	-	-	-	-	-	-	-	64,007
Electrical Infrastructure	484,044	536,787	536,787	227,384	256,716	(29,333)	-11.4%	534,516
Power Plants	17,371	22,646	22,646	7,929	10,760	(2,831)	-26.3%	22,646
HV Substations	31,363	31,262	31,262	13,055	14,915	(1,860)	-12.5%	31,259
MV Substations	362,823	393,574	393,574	147,685	188,437	(40,752)	-21.6%	391,309
LV Networks	72,488	89,305	89,305	58,715	42,604	16,110	37.8%	89,302
Water Supply Infrastructure	487,625	548,620	548,620	168,953	279,827	(110,875)	-39.6%	273,752
Reservoirs	42,334	50,545	50,545	11,793	20,475	(8,682)	-42.4%	25,957
Pump Stations	35,191	71,014	71,014	11,336	36,172	(24,835)	-68.7%	38,388
Water Treatment Works	55,782	55,046	55,046	18,020	25,542	(7,522)	-29.4%	33,108
Bulk Mains	12,673	19,943	19,943	4,881	8,190	(3,308)	-40.4%	2,961
Distribution	341,644	352,072	352,072	122,922	189,449	(66,527)	-35.1%	173,338
Sanitation Infrastructure	437,208	401,043	401,043	155,290	178,922	(23,632)	-13.2%	287,823
Reticulation	309,711	270,041	270,041	126,462	119,990	6,472	5.4%	159,605
Waste Water Treatment Works	121,183	119,560	119,560	27,350	53,675	(26,325)	-49.0%	116,809
Outfall Sewers	6,314	11,443	11,443	1,479	5,258	(3,779)	-71.9%	11,409
Solid Waste Infrastructure	2,553	4,104	4,104	1,117	2,052	(935)	-45.6%	4,472
Landfill Sites	2,553	4,104	4,104	1,117	2,052	(935)	-45.6%	4,472
Community Assets	496,660	344,806	344,806	215,360	130,331	85,029	65.2%	284,096
Community Facilities	117,431	100,533	100,533	40,313	41,416	(1,103)	-2.7%	210,652
Halls	46,195	37,591	37,591	12,092	16,673	(4,581)	-27.5%	12,801
Centres	8,356	6,647	6,647	4,374	2,656	1,718	64.7%	10,837
Clinics/Care Centres	16,468	6,494	6,494	5,335	3,152	2,183	69.3%	9,475
Fire/Ambulance Stations	2,031	2,712	2,712	347	1,058	(711)	-67.2%	2,212
Testing Stations	-	-	-	-	-	-	-	9,869
Libraries	15,861	24,857	24,857	8,912	10,031	(1,119)	-11.2%	8,464
Cemeteries/Crematoria	12,813	10,589	10,589	3,915	2,851	1,064	37.3%	10,021
Public Open Space	-	-	-	-	-	-	-	129,345
Nature Reserves	5,346	4,722	4,722	1,953	2,012	(59)	-2.9%	3,184
Public Ablution Facilities	10,129	6,657	6,657	3,385	2,917	469	16.1%	11,686
Markets	234	264	264	-	66	(66)	-100.0%	2,758
Sport and Recreation Facilities	379,229	244,273	244,273	175,047	88,915	86,132	96.9%	73,444
Indoor Facilities	781	5	5	19	5	13	242.6%	32,208
Outdoor Facilities	378,448	244,268	244,268	175,028	88,910	86,118	96.9%	41,236
Heritage assets	730	1,928	1,928	152	213	(61)	-28.5%	5,438
Works of Art	730	1,928	1,928	152	213	(61)	-28.5%	5,438
Investment properties	20,726	20,710	3,866	1,217	1,894	(677)	-35.8%	3,743
Revenue Generating	229	16	3,866	1,217	1,894	(677)	-35.8%	193
Improved Property	229	16	41	97	28	69	242.0%	193
Unimproved Property	-	-	3,825	1,120	1,866	(746)	-40.0%	-
Non-revenue Generating	20,497	20,694	-	-	-	-	-	3,550
Unimproved Property	20,497	20,694	-	-	-	-	-	3,550
Other assets	143,000	177,353	177,883	45,732	58,639	(12,907)	-22.0%	274,738
Operational Buildings	143,000	177,353	177,883	45,732	58,639	(12,907)	-22.0%	237,553
Municipal Offices	141,029	172,345	172,875	45,409	56,100	(10,691)	-19.1%	225,302
Laboratories	1,628	1,930	1,930	163	1,025	(862)	-84.1%	1,745
Training Centres	331	273	273	130	136	(6)	-4.2%	248
Depots	12	2,805	2,805	29	1,377	(1,348)	-97.9%	10,258
Housing	-	-	-	-	-	-	-	37,185
Social Housing	-	-	-	-	-	-	-	37,185
Computer Equipment	246,521	269,549	269,541	96,101	117,140	(21,039)	-18.0%	652,714
Computer Equipment	246,521	269,549	269,541	96,101	117,140	(21,039)	-18.0%	652,714
Furniture and Office Equipment	430,696	551,321	568,885	222,323	244,387	(22,064)	-9.0%	421,615
Furniture and Office Equipment	430,696	551,321	568,885	222,323	244,387	(22,064)	-9.0%	421,615
Machinery and Equipment	-	-	-	-	-	-	-	1,110
Machinery and Equipment	-	-	-	-	-	-	-	1,110
Transport Assets	470,969	447,079	447,079	220,589	202,121	18,468	9.1%	437,700
Transport Assets	470,969	447,079	447,079	220,589	202,121	18,468	9.1%	437,700
Total Repairs and Maintenance Expenditure	3,809,530	3,974,465	3,975,707	1,627,625	1,751,363	(123,738)	-7.1%	3,938,461

Depreciation - Table SC13d Monthly Budget Statement - depreciation by asset class

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Depreciation by Asset Class/Sub-class								
Infrastructure	1,141,038	1,264,113	1,264,113	602,634	602,985	(351)	-0.1%	1,215,201
Roads Infrastructure	328,532	355,019	355,019	188,218	177,510	10,708	6.0%	378,252
Roads	328,532	355,019	355,019	188,218	177,510	10,708	6.0%	274,875
Road Structures	-	-	-	-	-	-	-	66,702
Road Furniture	-	-	-	-	-	-	-	36,676
Storm water Infrastructure	43,542	53,592	53,592	22,213	26,796	(4,583)	-17.1%	44,564
Drainage Collection	43,542	53,592	53,592	22,213	26,796	(4,583)	-17.1%	44,564
Electrical Infrastructure	222,834	251,637	251,637	110,632	125,818	(15,187)	-12.1%	220,682
Power Plants	6,959	6,955	6,955	3,478	3,478	0	0.0%	6,955
HV Substations	19,357	38,916	38,916	-	19,458	(19,458)	-100.0%	(0)
HV Transmission Conductors	-	-	-	7,297	-	7,297	100.0%	14,594
MV Substations	43,557	44,658	44,658	2,340	22,329	(19,989)	-89.5%	5,011
MV Switching Stations	-	-	-	26,021	-	26,021	100.0%	52,041
MV Networks	96,594	100,809	100,809	51,988	50,404	1,583	3.1%	103,065
LV Networks	56,368	60,299	60,299	19,508	30,150	(10,641)	-35.3%	39,017
Water Supply Infrastructure	212,271	263,049	263,049	112,879	131,524	(18,645)	-14.2%	230,278
Reservoirs	21,219	39,651	39,651	10,756	19,825	(9,069)	-45.7%	21,951
Pump Stations	4,850	4,776	4,776	2,728	2,388	340	14.2%	5,456
Water Treatment Works	26,573	26,143	26,143	13,089	13,071	18	0.1%	26,178
Bulk Mains	10,256	20,747	20,747	5,172	10,374	(5,202)	-50.1%	11,461
Distribution	149,373	171,732	171,732	81,134	85,866	(4,732)	-5.5%	165,231
Sanitation Infrastructure	243,107	257,283	257,283	127,842	106,531	21,312	20.0%	258,948
Pump Station	5,766	7,239	7,239	3,520	2,933	587	20.0%	7,327
Reticulation	145,333	153,806	153,806	76,123	63,436	12,687	20.0%	154,235
Waste Water Treatment Works	83,326	87,779	87,779	42,473	35,389	7,084	20.0%	85,245
Outfall Sewers	8,682	8,460	8,460	5,727	4,772	954	20.0%	12,142
Solid Waste Infrastructure	57,111	48,690	48,690	19,581	17,385	2,196	12.6%	39,475
Landfill Sites	57,111	48,690	48,690	19,581	17,385	2,196	12.6%	39,475
Coastal Infrastructure	-	-	-	2,198	-	2,198	100.0%	4,474
Promenades	-	-	-	2,198	-	2,198	100.0%	4,474
Information and Communication Infrastructure	33,640	34,843	34,843	19,071	17,421	1,649	9.5%	38,528
Data Centres	33,640	34,843	34,843	-	17,421	(17,421)	-100.0%	-
Core Layers	-	-	-	3,281	-	3,281	100.0%	6,586
Distribution Layers	-	-	-	15,790	-	15,790	100.0%	31,942
Community Assets	323,434	323,437	323,437	177,807	161,718	16,089	9.9%	356,415
Community Facilities	105,145	104,930	104,930	71,471	52,465	19,006	36.2%	143,633
Halls	2,701	2,678	2,678	1,359	1,339	20	1.5%	2,718
Centres	3,760	4,512	4,512	22,751	2,256	20,495	908.5%	45,755
Clinics/Care Centres	5,718	5,953	5,953	2,921	2,976	(55)	-1.9%	5,933
Fire/Ambulance Stations	1,695	2,086	2,086	849	1,043	(194)	-18.6%	1,755
Testing Stations	1,071	1,141	1,141	536	570	(35)	-6.1%	1,089
Museums	192	226	226	96	113	(17)	-14.9%	193
Theatres	47	48	48	56	24	32	133.4%	112
Libraries	5,244	5,616	5,616	2,634	2,808	(173)	-6.2%	5,271
Cemeteries/Crematoria	3,186	3,585	3,585	1,622	1,792	(171)	-9.5%	3,310
Public Open Space	16,257	15,663	15,663	7,197	7,832	(634)	-8.1%	14,597
Nature Reserves	378	1,090	1,090	189	545	(356)	-65.3%	378
Public Ablution Facilities	1,894	2,359	2,359	971	1,179	(209)	-17.7%	1,941
Markets	1,499	1,501	1,501	754	750	3	0.4%	1,508
Airports	4	4	4	2	2	(0)	0.0%	4
Taxi Ranks/Bus Terminals	61,498	58,467	58,467	29,534	29,234	300	1.0%	59,068
Sport and Recreation Facilities	218,289	218,506	218,506	106,336	109,253	(2,917)	-2.7%	212,782
Indoor Facilities	9,096	8,959	8,959	3,133	4,480	(1,347)	-30.1%	6,266
Outdoor Facilities	209,194	209,547	209,547	103,203	104,774	(1,570)	-1.5%	206,517

Table continues on next page.

City of Cape Town: S52 Annexure A – 2019 Q2 (December 2018)

Description	2017/18	Budget Year 2018/19						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Depreciation by Asset Class/Sub-class</u>								
<u>Investment properties</u>	1,714	1,714	1,714	857	857	0	0.0%	1,714
Revenue Generating	1,714	1,714	1,714	857	857	0	0.0%	1,714
<i>Improved Property</i>	1,714	1,714	1,714	857	857	0	0.0%	1,714
<u>Other assets</u>	255,376	260,924	260,924	125,780	130,462	(4,682)	-3.6%	252,373
Operational Buildings	158,157	161,260	161,260	76,414	80,630	(4,216)	-5.2%	153,440
<i>Municipal Offices</i>	136,180	138,295	138,295	1,639	69,148	(67,509)	-97.6%	3,577
<i>Workshops</i>	-	-	-	13,700	-	13,700	100.0%	27,841
<i>Yards</i>	212	212	212	-	106	(106)	-100.0%	0
<i>Laboratories</i>	124	121	121	-	60	(60)	-100.0%	0
<i>Training Centres</i>	289	298	298	144	149	(4)	-3.0%	296
<i>Manufacturing Plant</i>	-	-	-	3,485	-	3,485	100.0%	6,970
<i>Depots</i>	21,351	22,334	22,334	57,447	11,167	46,280	414.4%	114,757
Housing	97,219	99,665	99,665	49,366	49,832	(466)	-0.9%	98,933
<i>Social Housing</i>	97,219	99,665	99,665	49,366	49,832	(466)	-0.9%	98,933
<u>Intangible Assets</u>	154,677	121,872	121,872	72,836	60,936	11,900	19.5%	147,222
Licences and Rights	154,677	121,872	121,872	72,836	60,936	11,900	19.5%	147,222
<i>Computer Software and Applications</i>	84,496	51,692	51,692	37,745	25,846	11,900	46.0%	77,042
<i>Unspecified</i>	70,180	70,180	70,180	35,090	35,090	(0)	0.0%	70,180
<u>Computer Equipment</u>	238,838	223,487	223,487	107,394	111,744	(4,349)	-3.9%	239,824
Computer Equipment	238,838	223,487	223,487	107,394	111,744	(4,349)	-3.9%	239,824
<u>Furniture and Office Equipment</u>	117,884	120,641	120,641	50,834	60,320	(9,486)	-15.7%	110,679
Furniture and Office Equipment	117,884	120,641	120,641	50,834	60,320	(9,486)	-15.7%	110,679
<u>Machinery and Equipment</u>	57,585	98,414	98,414	47,396	49,207	(1,811)	-3.7%	118,526
Machinery and Equipment	57,585	98,414	98,414	47,396	49,207	(1,811)	-3.7%	118,526
<u>Transport Assets</u>	294,810	333,234	333,234	160,854	166,617	(5,764)	-3.5%	341,385
Transport Assets	294,810	333,234	333,234	160,854	166,617	(5,764)	-3.5%	341,385
<i>Land</i>	-	66,457	66,457	-	33,229	(33,229)	-100.0%	66,457
<i>Land</i>	-	66,457	66,457	-	33,229	(33,229)	-100.0%	66,457
<i>Zoo's, Marine and Non-biological Animals</i>	-	-	-	109	-	109	100.0%	211
<i>Zoo's, Marine and Non-biological Animals</i>	-	-	-	109	-	109	100.0%	211
Total Depreciation	2,585,356	2,814,293	2,814,293	1,346,501	1,378,076	(31,575)	-2.3%	2,850,008

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, **Lungelo Mbandazayo**, the Municipal Manager of **City of Cape Town**, hereby certifies that the quarterly report on the implementation of the budget and financial state of affairs of the municipality, for the period ended **31 December 2018** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name -----

Municipal Manager of City of Cape Town

Signature -----

Date -----