

**Annexure A:  
Quarterly Financial Report –  
31 December 2014**

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## PART 1 - IN-YEAR REPORT

### EXECUTIVE SUMMARY

#### Summary Statement of Financial Performance

Description	2014/2015 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
Operating Revenue	32,275,572	15,149,489	15,408,930	101.7%	47.7%
Operating Expenditure	29,448,192	13,537,045	12,994,258	96.0%	44.1%

The summary statement of financial performance indicates actual operating revenue realised of R15 409 million or 47.7% of the current budget and operating expenditure of R12 994 million or 44.1% of the current budget.

Details of revenue and expenditure by municipal vote are shown in Table C3 on page 6. Details of material variances and remedial action, where applicable, are shown on page 7 to page 15.

Detail of revenue by source and expenditure by type is shown in Table C4 on page 16. Detail of material variances and remedial action, where applicable, is shown on page 17 to page 21.

#### Summary Statement of Capital Budget Performance

2014/15 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
6,613,106	1,742,411	1,787,557	102.6%	27.0%

The year to date spend of R1 788 million represents 21.66% (R746 million) on internally-funded projects and 32.87% (R1 042 million) on externally-funded projects.

Details of capital expenditure are shown in Table C5 on page 22 and is categorised by municipal vote, standard classification and by funding source. Details of material variances and remedial action, where applicable, are shown on page 23 to 26.

**Table C1: Monthly budget statement summary**

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

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Financial Performance</b>								
Property rates	5,546,774	5,942,513	5,942,513	3,001,251	2,970,649	30,602	1.0%	5,964,279
Service charges	13,903,679	15,262,264	15,198,242	7,448,246	7,351,375	96,871	1.3%	15,184,641
Investment revenue	461,053	275,762	275,762	254,876	167,344	87,532	52.3%	275,762
Transfers recognised - operational	2,399,033	3,498,169	3,539,580	1,618,661	1,690,699	(72,038)	-4.3%	3,460,886
Other own revenue	3,751,219	3,392,277	4,150,741	2,042,906	1,969,557	73,350	3.7%	4,125,803
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>26,061,758</b>	<b>28,370,984</b>	<b>29,106,838</b>	<b>14,365,940</b>	<b>14,149,624</b>	<b>216,316</b>	<b>1.5%</b>	<b>29,011,371</b>
Employee costs	8,640,854	8,940,483	8,939,329	4,471,412	4,603,804	(132,393)	-2.9%	8,818,467
Remuneration of Councillors	119,709	133,619	133,619	60,819	59,997	822	1.4%	133,619
Depreciation & asset impairment	1,784,970	2,154,335	2,154,335	946,295	1,065,474	(119,179)	-11.2%	2,014,841
Finance charges	807,283	919,232	912,241	374,819	374,508	311	0.1%	912,233
Materials and bulk purchases	6,890,385	7,437,129	7,428,698	3,461,728	3,480,985	(19,257)	-0.6%	7,439,669
Transfers and grants	115,021	125,354	138,609	85,397	82,027	3,369	4.1%	136,839
Other expenditure	8,173,227	8,945,218	9,741,362	3,593,789	3,870,250	(276,460)	-7.1%	9,817,705
<b>Total Expenditure</b>	<b>26,531,448</b>	<b>28,655,369</b>	<b>29,448,192</b>	<b>12,994,258</b>	<b>13,537,045</b>	<b>(542,787)</b>	<b>-4.0%</b>	<b>29,273,373</b>
<b>Surplus/(Deficit)</b>	<b>(469,690)</b>	<b>(284,384)</b>	<b>(341,354)</b>	<b>1,371,682</b>	<b>612,579</b>	<b>759,103</b>	<b>123.9%</b>	<b>(262,001)</b>
Transfers recognised - capital	2,052,758	2,817,627	3,102,985	1,017,765	977,787	39,977	4.1%	3,184,165
Contributions & Contributed assets	76,408	65,226	65,749	25,225	22,077	3,148	14.3%	52,010
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>1,659,476</b>	<b>2,598,469</b>	<b>2,827,380</b>	<b>2,414,672</b>	<b>1,612,444</b>	<b>802,228</b>	<b>49.8%</b>	<b>2,974,175</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>1,659,476</b>	<b>2,598,469</b>	<b>2,827,380</b>	<b>2,414,672</b>	<b>1,612,444</b>	<b>802,228</b>	<b>49.8%</b>	<b>2,974,175</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	<b>4,502,293</b>	<b>6,211,315</b>	<b>6,613,106</b>	<b>1,787,557</b>	<b>1,742,411</b>	<b>45,146</b>	<b>2.6%</b>	<b>6,331,619</b>
Capital transfers recognised	2,053,319	2,809,834	3,095,365	1,017,796	934,657	83,139	8.9%	3,185,453
Public contributions & donations	44,022	73,019	73,369	23,694	20,779	2,915	14.0%	50,723
Borrowing	1,856,889	2,350,301	2,446,723	604,476	617,766	(13,289)	-2.2%	2,277,157
Internally generated funds	548,064	978,161	997,648	141,591	169,210	(27,618)	-16.3%	818,287
<b>Total sources of capital funds</b>	<b>4,502,293</b>	<b>6,211,315</b>	<b>6,613,106</b>	<b>1,787,557</b>	<b>1,742,411</b>	<b>45,146</b>	<b>2.6%</b>	<b>6,331,619</b>
<b>Financial position</b>								
Total current assets	9,904,353	10,530,544	10,739,484	12,124,452				10,422,517
Total non current assets	34,817,677	37,639,154	38,467,186	32,401,571				37,427,251
Total current liabilities	8,155,257	7,321,815	8,491,131	5,439,573				6,844,609
Total non current liabilities	12,450,101	13,001,051	13,001,051	12,613,082				13,881,057
<b>Community wealth/Equity</b>	<b>24,116,672</b>	<b>27,846,832</b>	<b>27,714,488</b>	<b>26,473,368</b>				<b>27,124,102</b>
<b>Cash flows</b>								
Net cash from (used) operating	4,462,953	5,618,991	5,555,550	2,196,765	2,434,154	237,390	9.8%	5,055,142
Net cash from (used) investing	(6,069,629)	(6,478,138)	(7,436,235)	(2,143,956)	(2,775,869)	(631,913)	22.8%	(7,300,493)
Net cash from (used) financing	(283,067)	1,224,051	1,254,872	(153,203)	(154,628)	(1,426)	0.9%	1,224,443
<b>Cash/cash equivalents at the month/year end</b>	<b>6,209,623</b>	<b>6,968,574</b>	<b>5,616,552</b>	<b>6,109,229</b>	<b>5,746,022</b>			<b>5,188,715</b>

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

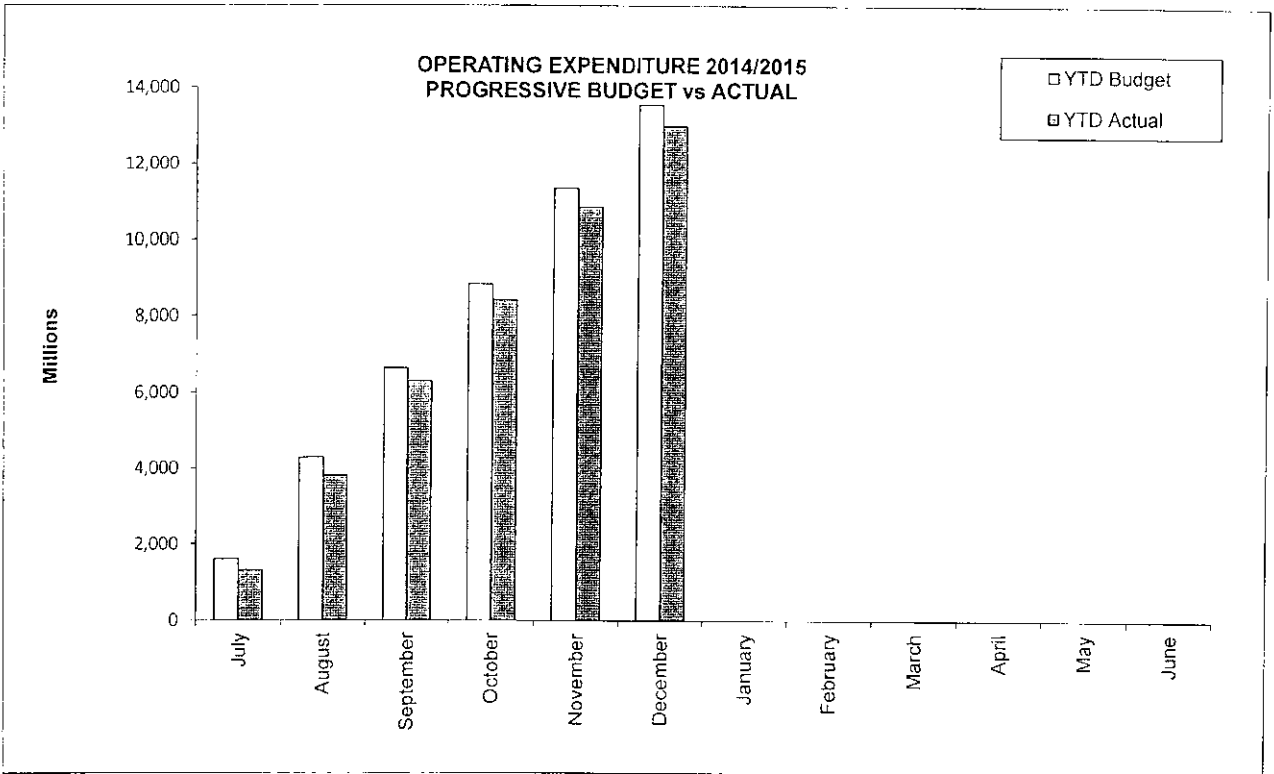
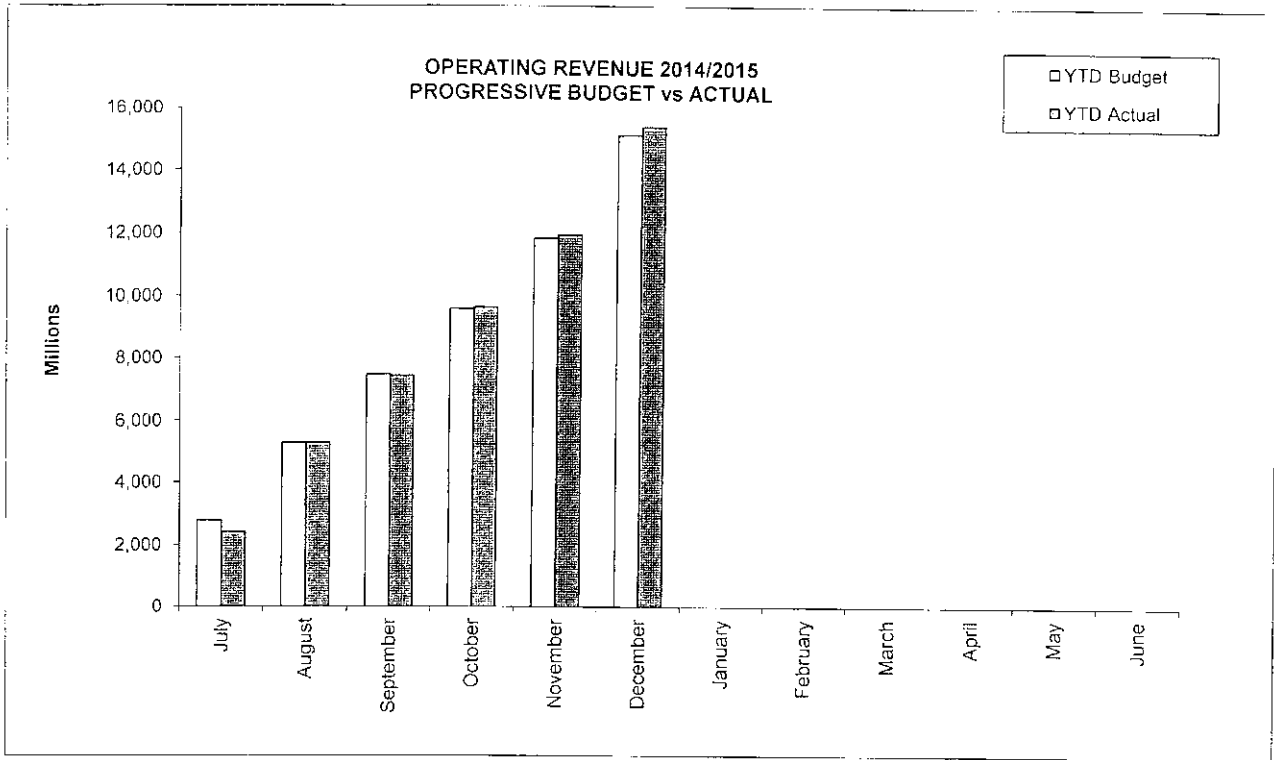
**Table C2: Monthly Budget Statement - Financial Performance (standard classification)**

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

Description	2013/14	Budget Year 2014/15						Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	
<b>R thousands</b>								
<b>Revenue - Standard</b>								
<i>Governance and administration</i>	9,725,371	10,461,359	10,474,840	5,997,653	5,859,153	138,501	2.4%	10,475,408
Executive and council	222,571	272,595	278,095	138,135	141,629	(3,494)	-2.5%	293,299
Budget and treasury office	9,325,485	9,890,543	9,897,989	5,754,814	5,620,350	134,464	2.4%	9,896,230
Corporate services	177,315	298,221	298,757	104,704	97,174	7,530	7.7%	285,880
<i>Community and public safety</i>	2,371,841	2,845,189	3,809,623	1,003,535	1,147,715	(144,180)	-12.6%	3,408,861
Community and social services	83,749	136,417	125,797	53,128	58,473	(5,346)	-9.1%	116,216
Sport and recreation	139,688	119,466	122,602	50,094	53,268	(3,175)	-6.0%	123,554
Public safety	803,168	231,113	991,067	158,691	118,947	39,744	33.4%	994,603
Housing	1,132,956	2,102,760	2,311,010	621,042	799,950	(178,908)	-22.4%	1,917,996
Health	212,279	255,433	259,147	120,581	117,076	3,504	3.0%	256,493
<i>Economic and environmental services</i>	1,702,432	2,182,482	2,179,651	785,424	653,530	131,894	20.2%	2,675,136
Planning and development	244,648	314,250	256,515	122,354	118,774	3,580	3.0%	255,149
Road transport	1,451,044	1,848,563	1,900,289	648,527	525,156	123,371	23.5%	2,396,077
Environmental protection	6,740	19,669	22,747	14,543	9,600	4,943	51.5%	23,910
<i>Trading services</i>	14,390,251	15,761,551	15,808,200	7,622,194	7,486,790	135,405	1.8%	15,682,884
Electricity	9,688,895	10,374,795	10,452,912	5,225,177	5,101,711	123,466	2.4%	10,441,383
Water	2,332,377	2,688,261	2,664,604	1,162,327	1,159,421	2,906	0.3%	2,637,633
Waste water management	1,375,489	1,640,951	1,633,140	693,209	671,886	21,323	3.2%	1,564,693
Waste management	993,490	1,057,543	1,057,543	541,482	553,772	(12,290)	-2.2%	1,039,175
<i>Other</i>	1,030	3,258	3,258	123	2,302	(2,178)	-94.6%	5,258
<b>Total Revenue - Standard</b>	<b>28,190,924</b>	<b>31,253,838</b>	<b>32,275,572</b>	<b>15,408,930</b>	<b>15,149,489</b>	<b>259,441</b>	<b>1.7%</b>	<b>32,247,547</b>
<b>Expenditure - Standard</b>								
<i>Governance and administration</i>	6,101,339	5,450,165	5,485,947	2,516,654	2,566,755	(50,101)	-2.0%	5,519,545
Executive and council	868,121	818,634	852,014	380,279	397,104	(16,825)	-4.2%	854,122
Budget and treasury office	3,362,374	2,506,777	2,511,429	1,166,557	1,181,334	(14,777)	-1.3%	2,508,567
Corporate services	1,870,844	2,124,754	2,122,503	969,817	988,317	(18,500)	-1.9%	2,156,856
<i>Community and public safety</i>	5,338,007	6,155,784	6,910,387	2,528,865	2,697,883	(169,018)	-6.3%	6,518,359
Community and social services	469,116	508,334	497,645	251,881	257,648	(5,767)	-2.2%	531,635
Sport and recreation	1,242,113	1,315,435	1,317,186	581,879	619,014	(37,134)	-6.0%	1,332,308
Public safety	1,852,966	1,587,110	2,330,084	771,642	811,535	(39,893)	-4.9%	2,359,105
Housing	1,034,934	1,892,239	1,908,065	502,004	574,834	(72,830)	-12.7%	1,441,252
Health	738,879	852,667	857,407	421,459	434,852	(13,394)	-3.1%	854,060
<i>Economic and environmental services</i>	2,779,445	3,107,880	3,086,196	1,491,771	1,564,127	(72,356)	-4.6%	3,476,706
Planning and development	620,738	720,507	712,246	361,363	354,961	6,402	1.8%	720,844
Road transport	2,068,358	2,291,386	2,275,580	1,081,041	1,163,055	(82,014)	-7.1%	2,654,843
Environmental protection	90,348	95,987	98,370	49,367	46,112	3,255	7.1%	101,019
<i>Trading services</i>	12,259,142	13,877,328	13,902,555	6,419,299	6,668,544	(249,245)	-3.7%	13,696,420
Electricity	7,677,729	8,621,654	8,646,304	3,991,465	4,120,901	(129,436)	-3.1%	8,466,356
Water	1,995,569	2,295,850	2,271,093	1,054,309	1,098,707	(44,398)	-4.0%	2,228,074
Waste water management	1,115,782	1,274,995	1,300,403	566,358	602,902	(36,544)	-6.1%	1,288,661
Waste management	1,470,061	1,684,829	1,684,755	807,167	845,033	(38,866)	-4.6%	1,713,329
<i>Other</i>	53,516	64,212	63,108	37,670	39,736	(2,066)	-5.2%	62,342
<b>Total Expenditure - Standard</b>	<b>26,531,448</b>	<b>28,655,369</b>	<b>29,448,192</b>	<b>12,994,258</b>	<b>13,537,045</b>	<b>(542,787)</b>	<b>-4.0%</b>	<b>29,273,373</b>
<b>Surplus/ (Deficit) for the year</b>	<b>1,659,476</b>	<b>2,598,469</b>	<b>2,827,380</b>	<b>2,414,672</b>	<b>1,612,444</b>	<b>802,228</b>	<b>49.8%</b>	<b>2,974,175</b>

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

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



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

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

Vote Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue by Vote</b>								
Vote 1 - City Health	432,226	490,743	494,457	243,944	239,846	4,098	1.7%	491,803
Vote 2 - City Manager	128	44	44	60	-	60		154
Vote 3 - Community Services	161,377	238,588	230,854	92,172	103,784	(11,612)	-11.2%	222,237
Vote 4 - Compliance and Auxiliary Services	24,417	14,932	20,991	2,882	4,179	(1,298)	-31.0%	17,428
Vote 5 - Corporate Services	64,914	72,689	73,225	17,547	22,096	(4,549)	-20.6%	60,347
Vote 6 - Economic, Environment & Spatial Planning	108,295	191,146	127,115	62,862	55,797	7,065	12.7%	131,459
Vote 7 - Finance	895,275	785,016	795,877	502,354	375,003	127,351	34.0%	795,577
Vote 8 - Human Settlements	1,132,956	2,102,760	2,311,010	621,042	799,950	(178,908)	-22.4%	1,917,996
Vote 9 - Rates & Other	8,660,739	9,457,542	9,457,542	5,408,519	5,386,570	21,949	0.4%	9,456,145
Vote 10 - Safety & Security	836,091	254,301	1,007,518	174,170	134,559	39,611	29.4%	1,019,912
Vote 11 - Social and Early Childhood Development	126	3,587	3,587	411	2,697	(2,286)	-84.8%	9,193
Vote 12 - Tourism, Events and Marketing	64,688	24,625	24,875	13,891	12,378	1,514	12.2%	26,652
Vote 13 - Transport for Cape Town	1,414,827	1,845,324	1,902,549	645,121	524,245	120,876	23.1%	2,405,489
Vote 14 - Utility Services	14,394,865	15,772,541	15,825,928	7,623,939	7,488,385	135,554	1.8%	15,692,218
<b>Total Revenue by Vote</b>	<b>28,190,924</b>	<b>31,253,838</b>	<b>32,275,572</b>	<b>15,408,915</b>	<b>15,149,489</b>	<b>259,426</b>	<b>1.7%</b>	<b>32,246,608</b>
<b>Expenditure by Vote</b>								
Vote 1 - City Health	784,947	907,929	907,839	443,358	460,165	(16,807)	-3.7%	904,656
Vote 2 - City Manager	88,982	132,613	133,210	55,654	58,818	(3,164)	-5.4%	163,251
Vote 3 - Community Services	1,371,054	1,507,629	1,503,639	687,880	727,474	(39,594)	-5.4%	1,533,066
Vote 4 - Compliance and Auxiliary Services	511,552	592,374	593,424	270,085	272,496	(2,411)	-0.9%	586,656
Vote 5 - Corporate Services	1,493,422	1,661,637	1,666,815	767,607	781,549	(13,942)	-1.8%	1,669,972
Vote 6 - Economic, Environment & Spatial Planning	485,741	545,065	537,324	276,605	276,014	592	0.2%	550,463
Vote 7 - Finance	1,821,734	2,022,344	2,033,898	921,403	929,883	(8,480)	-0.9%	2,029,153
Vote 8 - Human Settlements	1,034,934	1,892,239	1,908,065	502,004	574,834	(72,830)	-12.7%	1,441,252
Vote 9 - Rates & Other	1,861,654	902,820	901,268	445,997	451,207	(5,210)	-1.2%	900,620
Vote 10 - Safety & Security	1,901,498	1,641,626	2,383,111	795,918	842,597	(46,679)	-5.5%	2,432,289
Vote 11 - Social and Early Childhood Development	99,026	137,782	137,676	58,354	57,392	961	1.7%	127,503
Vote 12 - Tourism, Events and Marketing	530,817	482,822	482,813	241,370	240,827	543	0.2%	491,444
Vote 13 - Transport for Cape Town	2,198,334	2,232,622	2,237,685	1,053,749	1,136,084	(82,336)	-7.2%	2,632,754
Vote 14 - Utility Services	12,347,754	13,995,866	14,021,426	6,474,275	6,727,703	(253,429)	-3.8%	13,810,296
<b>Total Expenditure by Vote</b>	<b>26,531,448</b>	<b>28,655,369</b>	<b>29,448,192</b>	<b>12,994,258</b>	<b>13,537,045</b>	<b>(542,787)</b>	<b>-4.0%</b>	<b>29,273,373</b>
<b>Surplus/ (Deficit) for the year</b>	<b>1,659,476</b>	<b>2,598,469</b>	<b>2,827,380</b>	<b>2,414,657</b>	<b>1,612,444</b>	<b>802,214</b>	<b>49.8%</b>	<b>2,973,236</b>

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

The vote structure reflected in the tables does not reflect organisational structure changes post the May approved 2014/15 budget. Organisational structure changes may only be effected during an adjustments budget.

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

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

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote Vote 1 - City Health	4,098	1.7%	The over-recovery is a combination of under-recovery on capital grant-funded projects and over-recovery on operating grant-funded projects. The under-recovery on capital grant-funded projects is due to delays in the submission of payment certificates/invoices for work done in December 2014 on the following projects: Environmental Health Office-Khayelitsha, St Vincent Clinic, Tafelberg Clinic and Mzamo Clinic. The over-recovery on operating grant-funded projects is due to higher than planned expenditure to date on pharmaceuticals and laboratory costs. Revenue is recognised once expenditure is incurred.	The periodic budget will be amended, where required, to reflect the actual trend of revenue, in the adjustments budget in January 2015. Follow up meetings will be held with project managers, principal agents and contractors after the Builders' Holidays to expedite submission of monthly payment certificates.
Vote 2 - City Manager Vote 3 - Community Services	60 (11,612)	-11.2%	<p>Immaterial variance.</p> <p>1. Admission Fees reflects an under-recovery, due to lower than anticipated usage of facilities.</p> <p>2. The following capital grant-funded projects reflects under-recovery:</p> <p>a. City Parks: Cemetery Upgrades &amp; Extensions as a result of delays in approval of building plans for alterations to the Maitland Crematorium and delays in finalising invoices.</p> <p>b. Sports, Recreation and Amenities:</p> <p>(i) Solomon Mahlangu Hall: Contractor handed in letter of termination of contract. (ii) Sport and Recreation Facilities Upgrade: Retreat Swimming Pool Roof Enclosure delayed, due to slow vendor performance which has since been resolved.</p> <p>(iii) Imizamo Yethu Sportsground project experienced delays with electrical and water connections.</p> <p>(iv) Upgrade: Ruyterwacht Swimming Pool delayed, due to higher than planned upgrade costs.</p> <p>3. Library and Information Systems: Construction of New Regional Library in Kuyasa Khayelitsha delayed due to steel industry strike.</p> <p>The under-recovery is mainly on capital grant-funded projects i.e. Lentegeur Pub Space &amp; Civic Office Upgrade and Work-live-units - Ntiazane Road where there were delays in the receipt of invoices.</p>	<p>1. The period budget will be amended during the adjustments budget in January 2015.</p> <p>2. Amendments on capital grant-funded projects will be made in the adjustments budget in January 2015 and various projects will be rephased into the 2015/16 financial year.</p> <p>3. The contractor has resumed work and is currently on track with the revised implementation programme and approved practical completion date of 02 September 2015.</p>
Vote 4 - Compliance and Auxiliary Services	(1,298)	-31.0%		Final payments will be processed when invoices are received.
Vote 5 - Corporate Services	(4,549)	-20.6%	<p>1. A capital grant-funded project (Broadband- Western Cape Provincial Government) reflects an under-recovery, due to delays experienced in the tender process and subsequent implementation of the project.</p> <p>2. Miscellaneous Income (Broadband Revenue related) reflects an under-recovery, due to:</p> <p>a. Delay by WCPG in identifying their new broadband requirements. This has since been confirmed.</p> <p>b. No revenue from SETA, Pretoria Head Office must still sign the agreement negotiated by its Western Cape Office with the City</p> <p>c. Revenue from commercial operators, where growth has been satisfactory but hampered by slow roll-out of the network core especially switching centres, failure to conclude contracts with the larger operators and contractual delays.</p>	Period budget will be amended to align with the latest trends on the Broadband revenue in the adjustment budget in January 2015.
Vote 6 - Economic, Environment & Spatial Planning	7,065	12.7%	<p>1. Higher than planned revenue received for Building Leases, partly attributable to the implementation of the new IPOS system that has contributed to the fast-tracking of plan approvals as well as an upswing in the building environment.</p> <p>2. By-product Sales reflects over-recovery as a result of the unanticipated sale of timber at Helderberg Nature Reserve.</p>	The budget provisions were reviewed during the mid-year review process and will be amended in the adjustment budget in January 2015.

Table continues on next page.



Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue by Vote</b> Vote 7 - Finance	127,351	34.0%	<ol style="list-style-type: none"> <li>1. Interest Eamed on External Investments reflects over-recovery, due to higher than expected interest received on available cash and investment balances.</li> <li>2. Higher than anticipated revenue on Agency Income, due to the number of licence renewals and new tariffs since July 2014.</li> <li>3. Higher than anticipated revenue on Rental Agreement Income, due to increased debt management initiatives to collect the revenue due to the City.</li> </ol>	Amendments will be made to various revenue elements and incorporated in the January 2015 adjustment budget.
Vote 8 - Human Settlements	(178,908)	-22.4%	<p>The under-recovery is mainly on number of operating- and capital grant-funded projects:</p> <ol style="list-style-type: none"> <li>a. Operating grant-funded projects:</li> <li>a. National Government - Conditional Grants (R11 million over): The income relates to the funding for pre-planning and the capacity grant to mainly fund staff linked to the housing function to be carried by the City. Revenue is slightly ahead of year-to-date budget, due to higher than anticipated expenditure incurred on pre planning and feasibility studies.</li> <li>b. Provincial Government - Conditional Grants (R57 million under): Revenue recognition is linked to the rate of progress achieved on housing development projects. Community unrest slows down the delivery of housing opportunities. In addition, Province informed the City that the amount gazetted for HSDG will be reduced from R1.3 billion to R974 million. This portion of the grant was erroneously allocated to the City and should initially have been allocated to Province for various housing-related projects.</li> <li>2. Capital grant-funded projects:</li> <li>a. USDG and HSDG: Revenue recognition is linked to the rate of progress achieved on housing development projects. The CRU projects progress is influenced negatively by community unrest.</li> </ol>	Adjustments to budgets and cash flows will be made in the adjustments budget in January 2015. A new s80 committee was established to approve and monitor progress on USDG-funded projects.
Vote 9 - Rates & Other	21,949	0.4%	<ol style="list-style-type: none"> <li>1. Over-recovery reflects on Property Rates, due to the misalignment of the period budget with the number of days billed for the month. This over-recovery will be used to cover the impact of valuation objections and appeals, which might result in a reduction in the rates billed.</li> <li>2. Income Forgone is slightly under-spent and is mainly dependant on the number of applications received and processed to date.</li> </ol>	Adjustments to budgets and cash flows will be made in the adjustments budget in January 2015.
Vote 10 - Safety & Security	39,611	29.4%	<ol style="list-style-type: none"> <li>1. Traffic Fines reflects an over-recovery, due to stricter law enforcement methods resulting in an increase in the number of enforcement contraventions identified and more fines issued and paid.</li> <li>2. Fire Fees reflects an over-recovery, due to an increase in fire related calls.</li> <li>3. Miscellaneous Income reflects an over-recovery, due to stricter by-law enforcement methods resulting in an increase in the number of animals and unregistered informal trader goods impounded, increased number of cell phone impoundments and increased number of disks issued to the disabled.</li> </ol>	Amendments will be made to various revenue elements and incorporated in the January 2015 adjustment budget.
Vote 11 - Social and Early Childhood Development	(2,286)	-84.8%	<p>The under-recovery is mainly on a capital grant-funded project (ICAN Project), where delays were experienced with quotations and appointment of service providers.</p>	Appointed contractors have commenced on site. The contractor for aluminium works was appointed and will commence work by 19 January 2015. All scope of works expected to be completed by 15 February 2015. Completion is expected by February 2015.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue by Vote</b> Vote 12 - Tourism, Events and Marketing	1,514	12.2%	<p>1. Hire/Rental Income reflects an over-recovery, due to additional events held at Cape Town Stadium.</p> <p>2. Capital grant-funded projects reflects over-recovery, due to a donation to the City of artworks on Riebeeck Square, which was not budgeted for.</p> <p>The over-recovery is a combination of under-/over-recovery:</p> <p>1. Operating grant funded projects (under), mainly due to:</p> <ul style="list-style-type: none"> <li>a. Lower than anticipated tender rates/prices for the MyCiti Station Management Contracted Services.</li> <li>b. Reduced operating hours at some MyCiti stations resulting in decreased costs.</li> <li>c. Delay in spending on Security (CCTV maintenance MyCiti, Surveillance and Hire of Vehicles for Law Enforcement Personnel Services), due to delay in receiving cash tranches from National Treasury.</li> </ul> <p>2. Bus fares-Transit Products (over), due to higher than planned usage of the Transit Stored Value Tappings system instead of the EMV Card System.</p> <p>3. Busfares - MyCiti (under), due to commuters switching from EMV card system to TSV system as well as roll-out of new routes.</p> <p>4. Capital grant-funded projects (over), due to various projects progressing much faster than anticipated i.e. Non Motorised Transport, the upgrading of concrete roads, the MyCiti N2 Expressway, Upgrading of the Main Road Muizenberg Phase 3 project and Boyes Drive emergency slope rehabilitation.</p>	<p>Period budget was reviewed during the mid-year review process and amendments will be made in the adjustments budget in January 2015.</p> <p>Budget provisions including cash flows were reviewed in the mid-year review process and will be adjusted in the adjustment budget in January 2015.</p>
Vote 13 - Transport for Cape Town	120,876	23.1%		
Vote 14 - Utility Services	135,554	1.8%	<p>The over-recovery is a combination of under-/over-recovery:</p> <p>1. Electricity Service:</p> <ul style="list-style-type: none"> <li>a. Electricity Revenue (R75.4 million over), which is influenced by consumer demand resulting in a higher than planned sale of electricity to date.</li> <li>b. Capital grant-funded projects (Backyarders) (R25.2 million over) where progress is faster than anticipated due to good performance by contractor.</li> </ul> <p>2. Water Service:</p> <ul style="list-style-type: none"> <li>a. Water Revenue (R9.3 million under) and Sanitation Revenue (R5.4 million over), where consumption is influenced by a number of factors i.e. water saving initiatives, tariffs, weather conditions, consumer demand etc.</li> <li>b. Capital grant-funded projects (Mitchells Plain) (R30.3 million over), where progress is faster than anticipated.</li> <li>c. Industrial Effluent Charges (R3.5 million under), due to lower than planned charges levied to date in accordance with compliance standards.</li> </ul> <p>3. Solid Waste:</p> <ul style="list-style-type: none"> <li>a. Disposal Coupon Fees (R6.8 million under), due to the misalignment of the periodic budget with actual consumer demand.</li> <li>b. Refuse Charges (R3 million under), due to data clean-up process, which resulted in billing corrections.</li> <li>c. Special Waste Fees (R1.6 million under), due to the misalignment of the periodic budget with actual consumer demand.</li> </ul>	<p>1. Electricity: (a) The sale of electricity is monitored on a monthly basis</p> <p>2. Water: (a) Water Service Charges and Sewerage Charges: The monthly volumes and sales are monitored by the finance manager. The situation was reviewed during the mid-year review process and amendments, where required, will be made in the adjustments budget in January 2015.</p> <p>3. Solid Waste: The situation was reviewed during the mid-year review process and amendments, where required, will be made in the adjustments budget in January 2015.</p>

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

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Expenditure by Vote</b> Vote 1 - City Health	(16,807)	-3,7%	<p>The variance is a combination of under- and over expenditure on various items.</p> <ol style="list-style-type: none"> <li>1. Employee related costs (under), largely due to the turnaround time in filling vacancies mainly on externally-funded posts.</li> <li>2. Contracted Services: EPWP and Labour Brokers (under), largely due to delays in the implementation of EPWP projects with some projects expected to only start in January 2015 and lower than anticipated expenditure on labour brokers, which is demand driven and difficult to plan accurately.</li> <li>3. Contracted Services: Repairs (over), largely due to accelerated spending on the reactive maintenance component as a result of the high rate of vandalism and theft at facilities.</li> <li>4. Transfers &amp; Grants (under), as payments to beneficiaries still needs to be processed.</li> <li>5. Pharmaceutical supplies and Nutrition: Milk formula (grant-funded) (over), mainly due to the non-alignment of the period budget with the actuals to date.</li> <li>6. Electricity (over), largely due higher than anticipated electricity cost for facilities in Eskom supplied areas.</li> </ol>	<p>The recruitment and selection process is on-going.</p> <p>The period budget for EPWP projects will be aligned to the expected implementation dates and the full allocation is expected to be spent by financial year-end.</p> <p>Re-alignment of grant-funded expenditure will be effected in the adjustments budget in January 2015.</p> <p>Continuous monitoring is performed by the finance manager and corrective action to align the period budgets with anticipated cash flows will be undertaken, where required.</p>
Vote 2 - City Manager	(3,164)	-5,4%	<p>The variance is a combination of under- and over-expenditure on various items.</p> <ol style="list-style-type: none"> <li>1. Employee-related costs (under), due to the turnaround time in filling of vacancies and the impact of the internal filling of vacant posts.</li> <li>2. Councillor Remuneration (over), due to the non-alignment of the budgetary allocation.</li> <li>3. Other Expenditure (under), largely due to lower than anticipated expenditure on various items within this category.</li> <li>4. Depreciation (over), mainly due to the earlier than expected capitalisation of assets.</li> </ol>	<p>The filling of vacancies within the Integrated Strat Comms, Branding &amp; Marketing, Trade and Investment and SPU departments are on hold until departmental restructuring due to reshuffling and merging of certain functions is finalised. Existing positions will be abolished to create new positions in accordance with new priorities identified. The re-alignment of the budgetary allocation on councillor remuneration were included in the January 2015 adjustments budget.</p> <p>The situation is monitored by the finance manager and corrective action implemented, where required.</p>
Vote 3 - Community Services	(39,594)	-5,4%	<p>The variance largely consists of under- and over expenditure on various items.</p> <ol style="list-style-type: none"> <li>1. Employee-related costs (under), due to the turnaround time in filling vacancies, the impact of internal filling of vacancies and the delayed appointment of seasonal staff in order to accommodate extensive recreational programmes.</li> <li>2. Contracted Services: Repairs (under) and R&amp;M Plants (over), due to the incorrect settlement of R&amp;M expenditure on General Expenses instead of Contracted Services.</li> <li>3. Contracted Services (under), due to delays in the implementation of EPWP projects and contractor payments still to be processed.</li> <li>4. Recreation, Sport, Social Development programme, Security Services &amp; Charges, Furniture &amp; Fittings (under) expenditure items, largely due to lower than anticipated expenditure to date.</li> </ol>	<p>The filling of vacancies is on-going. The process of aligning the period budgets is ongoing and virements will be processed where necessary.</p>

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Expenditure by Vote</b> Vote 4 - Compliance and Auxiliary Services	(2,411)	-0.9%	The variance consists of under- and over expenditure on various items. 1. Employee-related costs (under), due to lower than anticipated expenditure on long service awards and leave payments, which are dependent on when employees exercise the option to convert the leave days to cash and when employees resign or retire. 2. Consultants - ex payroll (under), due to the non-alignment of the period budget with the payment of quarterly meetings held. 3. Contracted Services - EPWP (under), due to the EPWP payroll conversion to SAP, which was put on hold resulting in savings that will be allocated to other job creation projects. 4. Consultants (under), due to lower than anticipated requests for investigators and delays in the finalisation of the External Quality Assurance review contract. 5. Other Expenditure (over), mainly due to higher than anticipated expenditure on Legal Fees & Expenses relating to the settlement of litigations, which are difficult to estimate as well as higher than anticipated expenditure for public functions. 6. Contracted Services (over), largely due to the earlier than anticipated payment to the Department of Justice for municipal magistrates and MURP payment for the Cease Fire project.	A review of the period budget with actual expenditure is on-going. The situation is monitored by the finance manager and items processed where necessary. Further adjustments will be made in January 2015 adjustments budget.
Vote 5 - Corporate Services	(13,942)	-1.8%	The variance consists of a combination of under- and over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time in filling vacancies, the impact of the internal filling of vacancies as well as consequential vacancies. 2. Contracted Services: Repairs, Other Materials and Other Expenditure (under), largely due to lower than anticipated expenditure to date. 3. Depreciation (over), mainly due to the earlier than expected capitalisation of assets and creation of new asset classes with varying useful lives. 4. Loss on Foreign Exchange relating to IT-related licenses (over), due to R/\$ exchange rate fluctuations, which is unpredictable thus making it difficult to plan accurately. 5. Security Services & Charges (over), due to higher than planned expenditure to date.	1. Departments are expediting the process of filling vacancies as and when positions become vacant. The directorate's latest vacancy rate (as at 31 December 2014) is 6.92% with 93.08% of posts currently filled. All the departments within Corporate Services have prioritised and expedited the filling of all vacancies. Where delays occur, corrective action is implemented immediately and monitored by the department heads. 2. Alignment of the period budget with actual to date is ongoing. 3. A review of the budgetary allocations for Depreciation and various expenditure items was undertaken in the mid-year review and amendments will be incorporated into the January 2015 adjustments budget. 4. Budgetary allocations on various expenditure items were reviewed in the mid-year review and amendments will be incorporated in the January 2015 adjustments budget. 5. Security Costs are being monitored and managed at a directorate level.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Expenditure by Vote</b> Vote 6 - Economic, Environment & Spatial Planning	592	0.2%	<p>The variance consists of mainly under- and over expenditure on various items.</p> <ol style="list-style-type: none"> <li>1. Contracted services (over), largely due the EPWP Alien Vegetation Clearing project progressing faster than anticipated.</li> <li>2. Other Expenditure (over), due to the non-alignment of the period budget on various items within this category.</li> <li>3. Employee related costs (under), due to the turnaround time in filling of vacancies, the impact of the internal filling of vacancies and the lower than planned expenditure on leave pay and long service awards. Cash pay-outs for leave and long service awards are unpredictable and difficult to plan accurately as this is processed on retirement or resignations of employees and when staff exercise their options to convert long service leave days to cash.</li> <li>4. Transfers &amp; Grants (under), due to delays in the finalisation of the Memorandum of Agreement with the University of Cape Town as the payment can only be processed as and when all requirements for the disbursement of funds are met.</li> </ol> <p>The variance consist of both under- and over expenditure.</p> <ol style="list-style-type: none"> <li>1. Employee-related costs (under), due to the turnaround time in filling of vacancies, the impact of the internal filling of vacant posts, delays with the appointment of temporary staff for the Valuation department's data clean-up project and lower than planned expenditure on leave pay and long service awards, which is linked to cash pay-outs on retirement or resignation.</li> <li>2. Contracted Services (under), largely due to settlement errors on R&amp;M orders, which resulted in less expenditure being reflected in the cost centres.</li> <li>3. City Improvement Districts (MIDS/CIDS) (over), due to the early processing of payments in December.</li> </ol>	<p>The filling of vacancies is on-going. The budgetary amendment for the EPWP Alien Vegetation project will be included in the January 2015 adjustments budget.</p> <p>The process of aligning the period budgets are ongoing andirements / journals will be processed where necessary.</p>
Vote 7 - Finance	(8,480)	-0.9%	<p>The recruitment and selection process is underway. The over expenditure on MIDS/CIDS will even out during January 2015. Further monitoring and corrective action will be undertaken by the respective finance manager where required.</p>	
Vote 8 - Human Settlements	(72,830)	-12.7%	<p>A review of the budgetary allocations for depreciation was undertaken in the mid-year review and amendments will be incorporated in the January 2015 adjustments budget. The reduction of the HSDG and other amendments will also be included in the January 2015 adjustments budget.</p> <p>Expenditure trends are monitored on a monthly basis and the period budget will be aligned to the cash flow projections.</p>	

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<p><b>Expenditure by Vote</b> Vote 9 - Rates &amp; Other Vote 10 - Safety &amp; Security</p>	<p>(5,210) (46,679)</p>	<p>-1.2% -5.5%</p>	<p>The variance is largely due to lower than anticipated expenditure on Post-Retirement medical aid and Consultants. The variance consists largely of a combination of under- and over expenditure on various items.</p> <ol style="list-style-type: none"> <li>Employee related costs (under), due to the turnaround time in the filling of vacancies, the impact of the internal filling of vacancies and seasonal staff who are only appointed during the peak season. Overtime and Long Service Awards also reflects under expenditure, largely due to overtime, which is captured one month in arrears as well as the impact of employees who exercise their option to convert long service leave days to cash.</li> <li>Depreciation (over), mainly due to the accelerated capitalisation of assets.</li> <li>Contracted services (under), due to delays in finalising the Memorandum of Agreement with the SPCA, the slower than anticipated rate of implementation of EPWP projects and delays with the appointment of contractors for R&amp;M projects.</li> <li>Other Expenditure (under), due to (a) Commission Cost, which is paid one month in arrears, (b) delays in the awarding of the uniform tender, which is still in the process of being finalised, (c) lower than anticipated year-to-date expenditure on Fuel Costs as a result of stricter control measures implemented and Licences &amp; Permits, which is payable later in the financial year.</li> </ol>	<p>The situation will be further monitored by the respective finance manager.</p> <ol style="list-style-type: none"> <li>All vacancies are at various stages within the recruitment and selection process. The directorate had 300 vacancies in December 2014. 12 positions were terminated for the period ending December 2014.</li> <li>A review of the budgetary allocations for depreciation was undertaken in the mid-year review and amendments to the provision for depreciation will be included in the January 2015 adjustments budget.</li> <li>The Memorandum of Agreement with the SPCA has been signed; awaiting final approval before payments can be processed.</li> <li>A review of the period budget will be undertaken to align the period budget with the anticipated cash flows.</li> </ol>
<p>Vote 11 - Social and Early Childhood Development</p>	<p>961</p>	<p>1.7%</p>	<p>The variance consists of a combination of under- and over expenditure on various items.</p> <ol style="list-style-type: none"> <li>Other Expenditure (over), as a result of implementation of the directorate's 2014/15 business plan, which resulted in the non-alignment of the period budget with the actual to date on various items. This includes expenditure relating to catering, transport and hire charges for various social development programmes.</li> <li>Employee related costs (under), due to the turnaround time in filling vacancies, the impact of the internal filling of vacancies as well as consequential vacancies.</li> </ol> <p>The variance consists of a combination of under- and over expenditure on various items</p> <ol style="list-style-type: none"> <li>Transfers &amp; Grants (over), largely due to the non-alignment of the period budget with the actuals to date.</li> <li>Other Expenditure (over), mainly on (a) Public Functions, which relates to expenditure incurred for the switching on of the festive lights, (b) Security Services &amp; Charges and Cleaning Costs, due to additional events held at the Cape Town Stadium and other facilities, which resulted in the non-alignment of the period budget with the actuals to date.</li> <li>Employee related costs (under), due to the turnaround time in filling vacancies, the impact of the internal filling of vacancies as well as consequential vacancies.</li> <li>Consultants (under), largely due to delays in finalising the Arts &amp; Culture request for quotations.</li> </ol>	<p>A review of the period budgets is on-going with alignment of the period budgets, where required. The situation will be monitored by the respective finance manager and virements processed where necessary.</p>
<p>Vote 12 - Tourism, Events and Marketing</p>	<p>543</p>	<p>0.2%</p>		<p>A review of the period budget is on-going with alignment of the period budgets, where required. Other amendments on various expenditure items will be incorporated in the January 2015 adjustments budget. The situation will be monitored by the respective finance manager.</p>

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote Vote 13 - Transport for Cape Town	(82,336)	-7.2%	<p>The variance consist of both over- and under expenditure.</p> <ol style="list-style-type: none"> <li>1. Employee related costs (under), due to the turnaround time in filling of vacancies, the impact of the internal filling of vacant posts and lower than planned expenditure on leave pay and long service awards linked to cash pay-outs on retirement or resignations.</li> <li>2. Depreciation (under), which is affected by the capitalisation rate of assets, based on the completion and progress of capital projects.</li> <li>3. Other Materials (over), as a result of increased tenders for materials, which has led to an increase in procurement of bitumen and road reseal products by depots for pot hole repairs and minor resurfacing projects.</li> <li>4. Contracted Services (under), largely due to outstanding processing of MyCiti VOC invoices to the value of R30 million for November 2014, lower than anticipated tender rates for the provision of the MyCiti Station Management Contracts and the impact of reduced operating hours at some MyCiti stations. In addition, R&amp;M Contracted Services reflects under expenditure, largely due to the late start of two major contractors for resurfacing projects, due to more rainy periods in the first two months of 2014/15.</li> <li>5. Other Expenditure (under), largely due to (a) the delay in spending on the National Land Transport Act (NLTA) project, due to incorrect grant funding, (b) lower than anticipated spending on Security Services &amp; Charges, due to the delay in receiving cash tranches from National Treasury and, (c) lower than planned expenditure on Cleaning Costs.</li> </ol>	<p>The recruitment and selection process is ongoing. Amendments on various expenditure items will be included in the January 2015 adjustments budget.</p>

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote Vote 14 - Utility Services	(253,429)	-3,8%	<p>The variance is a combination of under- and over expenditure.</p> <ol style="list-style-type: none"> <li>Employee related costs, due to the turnaround time in filling vacancies, the impact of the internal filling of vacant posts and lower than planned expenditure on leave pay and long service awards linked to cash pay-outs on retirement or resignations and encashment of long service leave days.</li> <li>Depreciation, mainly due to the impact of the extended useful life of assets within the Cape Town Electricity department.</li> <li>Bulk purchases - Water (under), largely due to the late submission of invoices for Raw Water and Water Levy payments.</li> <li>Contracted Services (under), due to delays in the finalisation of tenders for meter reading and portable toilets project (Water &amp; Sanitation), delays with the roll-out of the Radio Frequency Identification Device project (Solid waste Management) and implementation of EPWP projects.</li> <li>Consultant Fees (under), due to savings realised as a result of a reduction in electricity vendors and delays in awarding of tender(s) to appointment a transaction adviser and consultants for waste disposal alternatives within Solid Waste Management and Water &amp; Sanitation.</li> <li>Minor Tools, Equipment and Other Materials (under), largely due to delays in awarding the tender for the purchase of refuse containers (Solid waste Management).</li> <li>Chemicals (under), as a result of lower than anticipated expenditure to date.</li> <li>Labour Brokers (over), due to the appointment of temporary staff in critical positions as a result of delays in the filling of vacancies (Solid Waste Management).</li> <li>Fuel (over), due to higher than anticipated fuel consumption resulting from price fluctuations, which makes it difficult to accurately plan per month.(Solid waste Management).</li> <li>Over time (over) due to requirements for emergency burst mains/sewer pipes, meter leaks and blocked sewers (Water Services).</li> <li>Various other items reflect under - and over expenditure which are demand driven and difficult to predict accurately per monthly cycles</li> </ol>	<ol style="list-style-type: none"> <li>The recruitment and selection processes are ongoing.</li> <li>Amendments on various expenditure items will be included in the January 2015 adjustments budget</li> <li>Outstanding invoices for Raw Water and Water Levy, were received during December 2014; the payment is being processed. The Water &amp; Sanitation department is following up on outstanding invoices and further payments will be processed when the invoices are received.</li> </ol> <p>The situation is continuously monitored by the respective finance manager.</p>



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

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

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue By Source</b>								
Property rates	5,546,774	5,942,513	5,942,513	3,001,251	2,970,649	30,602	1.0%	5,964,279
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-
Service charges - electricity revenue	9,323,160	10,072,265	10,072,265	5,086,448	5,010,996	75,452	1.5%	10,071,811
Service charges - water revenue	2,185,812	2,540,080	2,493,562	1,093,939	1,103,235	(9,296)	-0.8%	2,464,487
Service charges - sanitation revenue	1,188,051	1,338,202	1,327,720	598,904	593,510	5,394	0.9%	1,316,720
Service charges - refuse revenue	920,173	989,912	989,912	482,863	494,956	(12,093)	-2.4%	970,912
Service charges - other	286,484	321,805	314,784	186,093	148,678	37,415	25.2%	360,711
Rental of facilities and equipment	317,890	358,711	358,742	179,088	170,712	8,376	4.9%	358,438
Interest earned - external investments	461,053	275,762	275,762	254,876	167,344	87,532	52.3%	275,762
Interest earned - outstanding debtors	192,312	208,262	212,262	98,442	101,727	(3,285)	-3.2%	197,086
Dividends received	-	-	-	-	-	-	-	-
Fines	729,139	175,648	916,229	109,186	87,824	21,362	24.3%	916,393
Licences and permits	44,386	40,388	40,378	21,565	19,722	1,844	9.3%	40,988
Agency services	150,256	150,439	153,993	83,246	65,097	18,149	27.9%	153,993
Transfers recognised - operational	2,399,033	3,498,169	3,539,580	1,618,661	1,690,699	(72,038)	-4.3%	3,460,886
Other revenue	2,252,330	2,338,330	2,348,637	1,522,939	1,493,137	29,803	2.0%	2,338,406
Gains on disposal of PPE	64,906	120,500	120,500	28,440	31,338	(2,898)	-9.2%	120,500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>26,061,758</b>	<b>28,370,984</b>	<b>29,106,838</b>	<b>14,365,940</b>	<b>14,149,624</b>	<b>216,316</b>	<b>1.5%</b>	<b>29,011,371</b>
<b>Expenditure By Type</b>								
Employee related costs	8,640,854	8,940,483	8,939,329	4,471,412	4,603,804	(132,393)	-2.9%	8,818,467
Remuneration of councillors	119,709	133,619	133,619	60,819	59,997	822	1.4%	133,619
Debt impairment	1,295,526	950,533	1,691,334	475,376	475,376	0	0.0%	1,691,334
Depreciation & asset impairment	1,784,970	2,154,335	2,154,335	946,295	1,065,474	(119,179)	-11.2%	2,014,841
Finance charges	807,283	919,232	912,241	374,819	374,508	311	0.1%	912,233
Bulk purchases	6,591,232	7,050,011	7,046,661	3,296,986	3,316,375	(19,389)	-0.6%	7,086,261
Other materials	299,153	387,117	382,036	164,741	164,610	132	0.1%	353,408
Contracted services	3,312,529	4,205,198	4,201,676	1,411,146	1,597,710	(186,564)	-11.7%	3,999,835
Transfers and grants	115,021	125,354	138,609	85,397	82,027	3,369	4.1%	136,839
Other expenditure	3,563,228	3,789,486	3,848,352	1,707,267	1,797,163	(89,896)	-5.0%	4,126,536
Loss on disposal of PPE	1,944	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>26,531,448</b>	<b>28,655,369</b>	<b>29,448,192</b>	<b>12,994,258</b>	<b>13,537,045</b>	<b>(542,787)</b>	<b>-4.0%</b>	<b>29,273,373</b>
<b>Surplus/(Deficit)</b>	<b>(469,690)</b>	<b>(284,384)</b>	<b>(341,354)</b>	<b>1,371,682</b>	<b>612,579</b>	<b>759,103</b>	<b>123.9%</b>	<b>(262,001)</b>
Transfers recognised - capital	2,052,758	2,817,627	3,102,985	1,017,765	977,787	39,977	4.1%	3,184,165
Contributions recognised - capital	43,022	65,226	65,749	23,725	22,077	1,648	7.5%	52,010
Contributed assets	33,387	-	-	1,500	-	1,500	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>1,659,476</b>	<b>2,598,469</b>	<b>2,827,380</b>	<b>2,414,672</b>	<b>1,612,444</b>			<b>2,974,175</b>
Taxation	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>1,659,476</b>	<b>2,598,469</b>	<b>2,827,380</b>	<b>2,414,672</b>	<b>1,612,444</b>			<b>2,974,175</b>
Attributable to minorities	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>1,659,476</b>	<b>2,598,469</b>	<b>2,827,380</b>	<b>2,414,672</b>	<b>1,612,444</b>			<b>2,974,175</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>1,659,476</b>	<b>2,598,469</b>	<b>2,827,380</b>	<b>2,414,672</b>	<b>1,612,444</b>			<b>2,974,175</b>

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

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

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source Property rates	30,602	1.0%	The over-recovery is mainly on Property Rates due to misalignment of the period budget with the number of days billed for the month. This over-recovery will be used to cover the impact of valuation objections and appeals, which might result in a reduction in the rates billed. 2. Income Forgone is slightly under-spent and is dependant on the number of applications received and processed to date.	The budget including cash flows were reviewed during the mid-year review process. Situation will be closely monitored and further amendments will be effected in the 2015/16 draft budget, if necessary.
Property rates - penalties & collection charges	–	–	n/a	n/a
Service charges - electricity revenue	75,452	1.5%	The over-recovery is mainly on Electricity Sales (Credit Meters) and is predominantly influenced by consumer demand, which resulted in a higher than planned sale of electricity to date.	It is not possible to accurately determine a trend as consumption is demand driven. The sale of electricity is closely monitored on a monthly basis.
Service charges - water revenue	(9,296)	-0.8%	The under-recovery is mainly on Water Sales between the different categories of consumers, where the actual consumption to date is lower than anticipated. The sale of water is demand driven and consumption is influenced by a number of factors, such as water saving initiatives, tariffs, weather conditions, consumer demand etc.	Adjustments to align the period budget with latest trends will be made in the adjustments budget in January, 2015.
Service charges - sanitation revenue	5,394	0.9%	The over-recovery is mainly on Sewerage Sales between the different categories of consumers. The charges on sewerage are demand driven and linked to water consumption and the factors influencing water consumption.	Adjustments were made during the mid-year review to align the period budget with latest trends.
Service charges - refuse revenue	(12,093)	-2.4%	Under recovery reflects against: 1. Refuse Charges, due to the ongoing data-clean-up initiative resulting in billing corrections and account adjustments. 2. Disposal Coupon Fees and Waste Fees, due to lower than planned utilisation of the dump sites by consumers. The use of waste dump sites is demand-driven and difficult to accurately predict.	Adjustments were made during the mid-year review to align the period budget with latest trends.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b> Service charges - other	37,415	25,2%	The over-recovery is a combination under-/over-recovery on various revenue elements in this category. 1. Admission Fees (Community Services) (under), due to lower than planned revenue at facilities (i.e. swimming pools). 2. Advertising Fees (TCT) (under), due to reversal of IRT Media billings on advertising revenue. 3. Bus fares-Transit Products (TCT) (over), due to higher than planned usage of the Transit Stored Valve Tappings system. 4. Fire Fees (Safety & Security)(over), where revenue to date is higher than planned as it is not possible to determine beforehand the number of fires and when such fires will occur. 5. Miscellaneous Charges (Safety & Security) (over), as a result of stricter By-Law Enforcement methods resulting in an increase in the number of animals and unregistered informal trader goods impounded, increased cell phone impoundments and increased number of disks issued for the disabled. 6. Recoveries of Infrastructure Maintenance (Cape Town Electricity) (over), due to the payment from Eskom for unplanned infrastructural work done by City. 7. Building Leases (EESP) (over), due to the implementation of the new IPOS system, which has contributed to the fast-tracking of plan approvals as well as an upswing in the building environment. 8. Industrial Effluent ( Water & Sanitation) (under), where revenue is lower than planned due to less charges in accordance with compliance standards. The over-recovery is a combination of under-/over-recovery: 1. Human Settlements (under), due to the transfer of rental units to tenants resulting in lower than anticipated rental. 2. Community Services (under), where lower than anticipated revenue was received, due to outstanding payments from SASSA for hall rentals. 3. Finance Services (over), due to increased debt management initiatives to collect property rentals due to the city. 4. Tourism, Events and Marketing directorate (over), due to additional events held at the Cape Town Stadium. The over-recovery is within Finance, due to higher than expected interest received on the available cash and investment funds in the month of December 2014.	Admission Fees (Community Service): The periodic budget for admission fees will be adjusted in the adjustments budget in January 2015. Advertising Fees billings (TCT) is still under investigation. Bus fares-Transit Products have been reviewed during the mid-year review to align with latest trends. Miscellaneous Revenue (Safety & Security): Adjustments will be made in the adjustments budget in January 2015.
Rental of facilities and equipment	8,376	4,9%		Budget and cash flows were reviewed during the mid-year review process, amendments will be made, where required, in the adjustments budget in January 2015.
Interest earned - external investments	87,532	52,3%		Interest on Investments is monitored by the Investment Section on a monthly basis.
Interest earned - outstanding debtors	(3,285)	-3,2%	The under-recovery is mainly due to lower than anticipated interest billed on outstanding rates debtors at the end of December. In addition, there are continuous rates accounts corrections and adjustments resulting in reversal of charges raised in prior periods.	The situation is monitored on a monthly basis.
Dividends received Fines	21,362	24,3%	The over-recovery is mainly on Traffic Fines as a result of stricter law enforcement methods, resulting in an increase in the number of enforcement contraventions identified, more fines issued and paid for the period.	The situation is monitored on a monthly basis.
Licences and permits	1,844	9,3%	The over-recovery is mainly within TCT due to higher than anticipated revenue received to date. Within TCT major role players such as Telkom are not opting for trenchless methodology for the tariffs for way leave permits, resulting in refundable deposits being forfeited.	Licences and Permits are demand driven and difficult to plan accurately per annum.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b> Agency services  Transfers recognised - operational	18,149  (72,036)	27.9%  -4.3%	<p>The over-recovery is mainly within Finance, due to the July 2014 tariff increase and the increased number of vehicle licence renewals. The unpredictable nature of monthly payments received makes it difficult to accurately plan for monthly/annual receipts. The under-recovery is a combination of under/over-recovery:</p> <ol style="list-style-type: none"> <li>1. National Government - Conditional Grants (R11 million over): The income relates to the funding for pre-planning and the capacity grant to mainly fund staff linked to the housing function to be carried by the City. Revenue currently slightly ahead of budget, due to higher than anticipated expenditure incurred on pre planning and feasibility studies</li> <li>2. Provincial Government - Conditional Grants (R57 million under): Revenue recognition is linked to the rate of progress achieved on housing development projects. Community unrest slows down the delivery of housing opportunities. Province informed the City that the amount gazetted for HSDG will be reduced from R1.3 billion to R974 million. This portion of the grant was erroneously allocated to the City and should initially have been allocated to Province for various housing-related projects.</li> <li>3. TCI (R27 million under), due to:               <ol style="list-style-type: none"> <li>a. Lower than anticipated tender rates on the provision for the MyCiti Station Management Contracted Services.</li> <li>b. Reduced operating hours at some MyCiti stations resulting in decreased costs.</li> <li>c. Delay in spending on Security (CCTV maintenance MyCiti, Surveillance and Hire of Vehicles for Law Enforcement Personnel Services), due to delay in receiving cash tranches from National Treasury.</li> </ol> </li> <li>4. Health (R7.9 million over), due to higher than planned expenditure to date on pharmaceuticals and laboratory costs. Revenue is linked to expenditure incurred.</li> </ol>	<p>This is demand driven and difficult to plan accurately per annum. The situation is closely monitored.</p> <p>Adjustments to budgets and cash flows will be made in adjustment budget in January 2015.</p>
Other revenue	29,803	2.0%	<p>The main contributors to this over-recovery are:</p> <ol style="list-style-type: none"> <li>1. Salvaged items (R3.5 million over) mainly within Cape Town Electricity, due to higher than planned sale of salvaged items.</li> <li>2. Miscellaneous (R13.7 million over) within Safety &amp; Security, due to stricter by-law enforcement methods resulting in an increase in the number of animals and unregistered informal trader goods impounded, increased number of cell phone impoundments and increased number of disks for the disabled being issued</li> <li>3. Recoveries - Other (R5.8 million over) within the following directorates/ departments:               <ol style="list-style-type: none"> <li>a. Cape Town Electricity, due a higher than planned number of requests from customers for ad-hoc work to be performed and damages paid.</li> <li>b. Compliance &amp; Auxiliary Services and Human Settlements for recovery of legal fees.</li> <li>c. Finance for CID Leases (R2.2 million over), due to an increased number of contributing properties within the CID areas.</li> <li>4. Development Leases (R4.7 million over) mainly within Cape Town Electricity and TCI, where more than planned payments from developers for developments to be undertaken in the City were received</li> </ol> </li> </ol> <p>The under-recovery is within Water &amp; Sanitation, Cape Town Electricity and Human Settlements where the sale of PPE to date is less than anticipated. The actual sale of PPE is linked to demand and routine auctions and is therefore difficult to plan accurately.</p>	<p>The situation is monitored by the respective finance managers on a monthly basis. Corrective action is not required at this time.</p>
Gains on disposal of PPE	(2,898)	-9.2%		<p>The situation is monitored on a monthly basis and periodic budgets are reviewed and adjusted where possible.</p>

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

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Expenditure By Type</b>				
Employee related costs	(132,393)	-2.9%	The variance is mainly due to (1) the turnaround time in the filling of vacancies as well as the impact of the internal filling of vacant posts, (2) appointment of seasonal workers and temporary staff, which is dependent on peak seasons and when departments require additional labour and (3) lower than anticipated expenditure on leave pay and long service awards linked to cash pay-outs on retirements or resignations as well as employees who exercise their option to convert long service leave days to cash. Immaterial variance.	The filling of vacancies is on-going and seasonal staff are appointed as required. Savings realised to date have been set aside and ring-fenced within investment accounts to cover unfunded cash commitments as approved by Council. The balance of the long service award and leave budgetary allocations will be transferred to the respective provisions, in accordance with GRAP 19, at financial year.
Remuneration of councillors	822	1.4%		
Debt impairment	0			
Depreciation & asset impairment	(119,179)	-11.2%	The variance is largely due to the capitalisation rate of assets, which is based on the completion and progress of capital projects. The impact of the extended useful life of assets within the Cape Town Electricity department further contributed to the variance. Immaterial variance.	A review of the budgetary allocations for depreciation was undertaken in the mid-year review and amendments will be incorporated into the January 2015 adjustments budget.  The situation is monitored by the finance manager.
Finance charges	311	0.1%		
Bulk purchases	(19,389)	-0.6%	The variance is largely due to delays in submission of the invoice for Raw Water and Water Levy payments.	The outstanding invoices were received during December 2014 and the processing of payments are underway. The Water & Sanitation department is following up on outstanding invoices and payments will be processed as and when these invoices are received.
Other materials	132	0.1%	Immaterial variance.	

Table continues on next page.

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<p><b>Expenditure By Type</b></p> <p>Contracted services</p>	(186,564)	-11.7%	<p>Major contributors to the variance are:</p> <ol style="list-style-type: none"> <li>Utility Services, due to delays in the finalisation of tenders for meter reading and portable toilets project (Water &amp; Sanitation), the roll-out of the Radio Frequency Identification Device project (Solid Waste Management) and implementation of EPWP projects (Solid Waste Management and Water &amp; Sanitation).</li> <li>TCT, largely due to delays in processing of November 2014 MyCITI VOC invoices (to the value of R30 million), lower than anticipated tender rates for the provision of the MyCITI Station Management Contracts and reduced operating hours at some MyCITI stations. In addition, R&amp;M Contracted Services reflects under expenditure, largely due to the late start by two major contractors for resurfacing projects.</li> <li>Community Services, due to incorrect posting of expenditure to General Expenses.</li> <li>Delays in the implementation of EPWP projects.</li> <li>Safety &amp; Security, due to delays in finalising the Memorandum of Agreement with the SPCA.</li> <li>Corporate Services, due to lower than anticipated year-to-date expenditure.</li> <li>Human Settlements, where expenditure is linked to the rate of progress achieved on housing development projects, which are impacted by community unrest slowing down the delivery of housing opportunities. In addition, Province informed the City that the amount gazetted for the Human Settlement Development Grant (HSDG) will be reduced from R1.3 billion to R974 million. This portion of the grant was erroneously allocated to the City and should initially have been allocated to Province for various housing-related projects. This further contributes to the under expenditure as projected monthly cash flows are based on the full budget allocation.</li> </ol> <p>The variance consists of under- and over expenditure:</p> <ol style="list-style-type: none"> <li>City Health (under), as some second and third payments to beneficiaries still needs to be processed.</li> <li>Tourism, Events &amp; Marketing (over), largely as a result of the non-alignment of the period budget with the actual payments to date.</li> </ol> <p>The variance consists of under- and over expenditure. The main contributors to the under expenditure are (1) Commission Cost (Safety &amp; Security), Hire Charges and Consultant Fees (Solid Waste Management), Chemicals (Water &amp; Sanitation), Consultants (Utility Services) and License &amp; Permits, largely due to lower than anticipated expenditure incurred to date. Various items within this category are demand driven and difficult to predict accurately per monthly cycles.</p> <p>Over expenditure reflects on Security Services &amp; Charges, Fuel, Pharmaceutical Supplies, largely due to the non-alignment of the period budget</p>	<p>Expenditure is expected to increase in the upcoming months as projects are rolled out and implemented. The outstanding IRT invoices will be processed once finalised and R&amp;M expenditure trend is expected to increase as commitments are realised. The reduction of the HSDG and other amendments will be included in the January 2015 adjustments budget.</p>
Transfers and grants	3,369	4.1%		A review of the period budget will be undertaken and corrective action implemented where required.
Other expenditure	(89,896)	-5.0%		The situation is monitored by the respective finance managers within the directorates. Amendments to address the variances have been included in the proposed January 2015 adjustments budget.
Loss on disposal of PPE	-	-		

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

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

Vote Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Multi-Year expenditure appropriation</b>								
Vote 1 - City Health	25,165	21,966	26,263	5,514	8,134	(2,620)	-32.2%	22,170
Vote 2 - City Manager	13,070	6,771	7,751	4,104	2,267	1,836	81.0%	14,638
Vote 3 - Community Services	161,422	203,711	254,471	85,656	95,066	(9,409)	-9.9%	249,537
Vote 4 - Compliance and Auxiliary Services	24,044	13,126	18,093	2,119	5,697	(3,578)	-62.8%	7,401
Vote 5 - Corporate Services	286,544	359,474	364,316	68,497	124,388	(55,890)	-44.9%	392,144
Vote 5 - Economic, Environment & Spatial Planning	54,193	119,215	67,760	12,661	18,797	(6,137)	-32.6%	56,078
Vote 7 - Finance	13,315	105,509	109,596	24,055	41,823	(17,768)	-42.5%	92,389
Vote 8 - Human Settlements	564,398	860,855	897,888	330,000	339,129	(9,128)	-2.7%	1,140,780
Vote 9 - Rates & Other	-	-	-	-	-	-	-	-
Vote 10 - Safety & Security	63,809	70,559	82,264	19,650	34,045	(14,395)	-42.3%	82,247
Vote 11 - Social and Early Childhood Development	7,142	18,010	18,489	3,073	6,490	(3,418)	-52.7%	22,608
Vote 12 - Tourism, Events and Marketing	23,101	37,781	40,753	5,397	16,344	(10,947)	-67.0%	37,235
Vote 13 - Transport for Cape Town	1,113,033	1,603,985	1,739,661	523,119	498,843	24,276	4.9%	1,823,823
Vote 14 - Utility Services	2,153,036	2,790,354	2,985,890	703,712	551,388	152,324	27.6%	2,390,568
<b>Total Capital Expenditure</b>	<b>4,502,293</b>	<b>6,211,315</b>	<b>6,613,106</b>	<b>1,787,557</b>	<b>1,742,411</b>	<b>45,146</b>	<b>2.6%</b>	<b>6,331,619</b>
<b>Capital Expenditure - Standard Classification</b>								
<b>Governance and administration</b>	<b>331,690</b>	<b>510,823</b>	<b>519,812</b>	<b>103,113</b>	<b>183,446</b>	<b>(80,333)</b>	<b>-43.8%</b>	<b>534,563</b>
Executive and council	19,286	34,406	34,866	5,464	10,395	(4,931)	-47.4%	30,692
Budget and treasury office	11,085	14,032	15,024	8,143	6,881	1,262	18.3%	16,582
Corporate services	301,319	462,384	469,921	89,506	166,170	(76,664)	-46.1%	487,269
<b>Community and public safety</b>	<b>860,117</b>	<b>1,232,384</b>	<b>1,346,943</b>	<b>459,640</b>	<b>504,623</b>	<b>(44,983)</b>	<b>-8.9%</b>	<b>1,568,156</b>
Community and social services	48,114	109,187	110,804	30,557	38,105	(7,548)	-19.8%	101,439
Sport and recreation	134,842	130,805	183,029	60,374	72,648	(12,274)	-16.9%	183,019
Public safety	88,074	109,640	128,980	33,195	46,607	(13,412)	-28.8%	120,769
Housing	564,398	860,855	897,888	330,000	339,129	(9,129)	-2.7%	1,140,780
Health	24,690	21,896	26,242	5,514	8,134	(2,620)	-32.2%	22,149
<b>Economic and environmental services</b>	<b>1,190,510</b>	<b>1,726,276</b>	<b>1,816,721</b>	<b>541,643</b>	<b>521,847</b>	<b>19,795</b>	<b>3.8%</b>	<b>1,885,810</b>
Planning and development	59,776	99,620	52,032	9,613	13,785	(4,172)	-30.3%	41,844
Road transport	1,116,363	1,613,361	1,749,161	529,837	505,610	24,227	4.8%	1,832,831
Environmental protection	14,370	13,295	15,528	2,193	2,453	(260)	-10.6%	11,155
<b>Trading services</b>	<b>2,119,975</b>	<b>2,741,833</b>	<b>2,929,630</b>	<b>683,161</b>	<b>532,495</b>	<b>150,667</b>	<b>28.3%</b>	<b>2,343,091</b>
Electricity	1,151,286	1,255,722	1,331,726	293,417	187,474	105,943	56.5%	1,021,435
Water	458,746	513,312	520,696	165,765	119,018	46,748	39.3%	543,043
Waste water management	372,281	555,899	639,311	145,885	140,110	5,774	4.1%	549,089
Waste management	136,619	415,875	436,875	77,974	85,270	(7,296)	-8.6%	228,501
Other	1,043	1,025	1,023	121	623	(502)	-80.6%	1,023
<b>Total Capital Expenditure - Standard Classification</b>	<b>4,502,293</b>	<b>6,211,315</b>	<b>6,613,106</b>	<b>1,787,557</b>	<b>1,742,411</b>	<b>45,146</b>	<b>2.6%</b>	<b>6,331,619</b>
<b>Funded by:</b>								
National Government	1,768,880	2,515,669	2,768,260	848,486	778,653	69,833	8.3%	2,867,300
Provincial Government	283,513	292,065	324,831	169,156	154,505	14,651	9.5%	315,880
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	926	2,100	2,274	153	1,298	(1,145)	-88.2%	2,274
<b>Transfers recognised - capital</b>	<b>2,053,319</b>	<b>2,809,834</b>	<b>3,095,365</b>	<b>1,017,796</b>	<b>934,657</b>	<b>83,139</b>	<b>8.9%</b>	<b>3,185,453</b>
Public contributions & donations	44,022	73,019	73,369	23,694	20,779	2,915	14.0%	50,723
Borrowing	1,856,889	2,350,301	2,446,723	604,476	617,766	(13,289)	-2.2%	2,277,157
Internally generated funds	548,064	378,161	997,648	141,591	168,210	(27,618)	-16.3%	818,287
<b>Total Capital Funding</b>	<b>4,502,293</b>	<b>6,211,315</b>	<b>6,613,106</b>	<b>1,787,557</b>	<b>1,742,411</b>	<b>45,146</b>	<b>2.6%</b>	<b>6,331,619</b>

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

**Material variance explanations for capital expenditure (refer Table C5)**

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Capital Expenditure by Vote</u>				
Vote 1 - City Health	(2,620)	-32.2%	Delays in the submission of payment certificates from contractors and/or invoices for work done in December 2014 for the following projects: a. New Environmental Health Office - Khayelitsha, b. St Vincent clinic - extensions, c. Tafelsig clinic - extensions, and d. Mzamomhle clinic - extensions.	A follow-up will be made with the contractors once they are back from the Builders' holiday. Cash flows will be adjusted, based on information regarding historical submissions, during the adjustments budget in January 2015.
Vote 2 - City Manager	1,836	81.0%	1. Project and Portfolio Management (PPM) project progressing better than anticipated, due to the acceleration of the project deliverables. 2. Furniture and Equipment have been delivered earlier than anticipated.	Cash flows to be amended in the adjustments budget in January 2015.
Vote 3 - Community Services	(9,409)	-9.9%	1. City Parks - Cemetery Upgrades & Extensions: Delays in approval of building plans for alterations to Maitland Crematorium and signing off of invoice by Civil Engineer who is on leave. 2. Sport, Recreation and Amenities: a. Solomon Mahlangu Hall: Contractor has handed in letter of termination of contract. b. Sport and Recreation Facilities Upgrade: Retreat Swimming Pool Roof enclosure delayed, due to slow vendor performance, which has now been resolved. c. Imizamo Yethu Sports Complex Upgrade: Delays with electrical and water connections. d. Upgrade Ruyterwacht Swimming Pool delayed, due to elemental estimates exceeding budget. 3. Library and Information Systems: New Regional Library in Kuyasa, Khayelitsha delayed, due to steel industry strike. Contractor has resumed work and is currently on track with the revised implementation programme and approved practical completion date of 02 September 2015.	Budget and cash flows to be amended in the adjustments budget in January 2015.

Table continues on next page.



Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Capital Expenditure by Vote</u> Vote 4 - Compliance and Auxiliary Services	(3,578)	-62.8%	<ol style="list-style-type: none"> <li>1. The Lentegeur Subcouncil Offices: Project has been completed; building has been commissioned although payment of the final invoice is being held back until all outstanding work on the snag list is completed.</li> <li>2. The Khayelitsha Training Centre: Project completed and commissioned; awaiting completion certificate from the contractor before final payment is made.</li> <li>3. Work Live Units: The final invoice has been received from contractor; the treatment of penalties, due to the delay in implementing this project, however, remains a challenge.</li> <li>4. USDG-funded projects have been budgeted incorrectly within MURP.</li> <li>5. Other projects: Computers and furniture has been ordered.</li> </ol>	<ol style="list-style-type: none"> <li>1. Cash flow to be amended in the adjustments budget in January 2015. The final payment will be processed once all the outstanding work on the snag list has been completed.</li> <li>2. The project manager will follow-up with the contractor regarding the outstanding completion certificate. Cash flow to be amended in the adjustments budget in January 2015.</li> <li>3. Cash flow to be amended in the adjustments budget in January 2015, taking into account the final penalties imposed.</li> <li>4. The budget for all the USDG-funded projects will be transferred to the implementing departments during the adjustments budget in January 2015.</li> <li>5. Awaiting delivery.</li> </ol>
Vote 5 - Corporate Services	(55,890)	-44.9%	<p>Broadband project - Tender 111Q/2012/13 (Construction of Telecommunication Switching Centres): Adjusted prices relating to local services and goods (CPAP) was approved by SCM on 30 October 2014. The critical deviation report to the SCMBAC regarding the revised pricing schedule to address the exchange rate issue was only approved by SCM on 08 December 2014. Therefore, very few purchase orders could be issued / work relating to the construction of Telecoms switching facilities commenced for the first 6 months of the financial year. However, the majority of purchase orders have now been issued and work will commence in January 2015.</p>	<p>Remaining orders will be expedited and project accelerated, where possible. The directorate is confident that funds will be spent by or before 30 June 2015. Budget and cash flow will be amended in the adjustments budget in January 2015.</p>
Vote 6 - Economic, Environment & Spatial Planning	(6,137)	-32.6%	<ol style="list-style-type: none"> <li>1. Quality Public Spaces - Strand Pavilion precinct: A risk assessment was undertaken to inform the staging of the Pavilion and Seawall Upgrade contracts. The preliminary investigations reveal significant risk and cost reductions associated with first undertaking the construction of the Seawall, therefore it was decided to re-phase the project over the next two financial years to allow for the Seawall project to be completed.</li> <li>2. Quality Public Spaces - Langa station upgrade: Community unrest and instability contributed to the delay in implementation of this project.</li> <li>3. Integrated Planning &amp; Operating System - Phase 2 still running slightly behind schedule as a result of some contractors being on leave or in certain cases leaving the project. More contractors have been appointed to fast-track performance.</li> <li>4. Equipment: Orders will only be placed once IPOS project is completed.</li> </ol>	<p>Budget and cash flows to be amended in the adjustments budget in January 2015.</p>

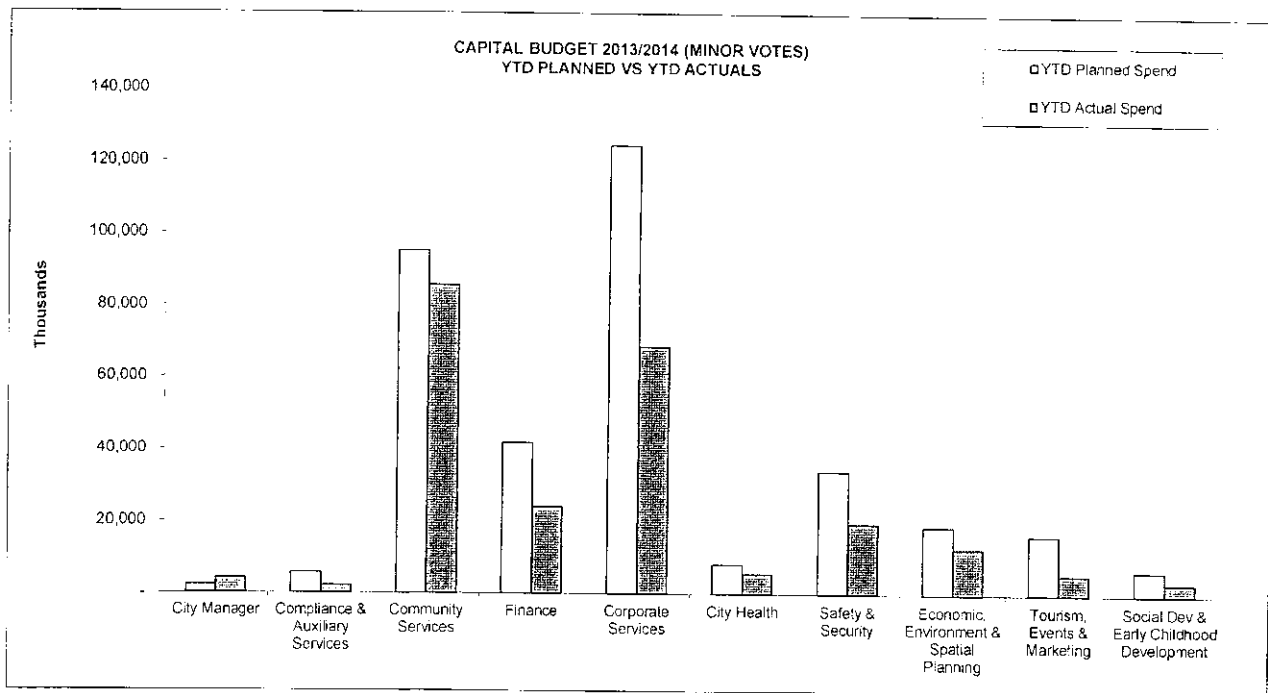
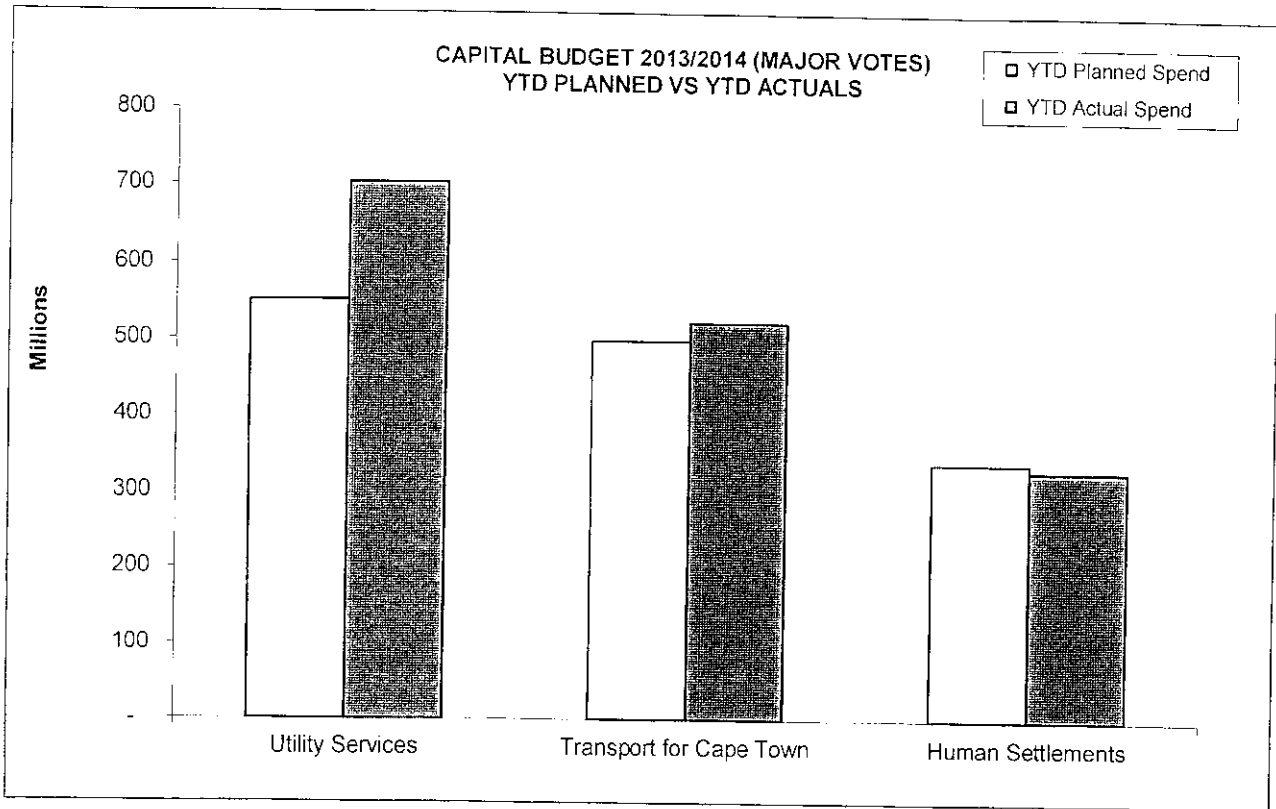
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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure by Vote</b>				
Vote 7 - Finance	(17,768)	-42.5%	1. Immovable Asset Register Management Project: Awaiting outstanding invoices. Project will be completed within overall project plan and full budget allocation committed to June 2015 in terms of the project plan. 2. Basement Parking and Access: Work commenced but is two months behind schedule, however, project still on track for completion as planned. Immaterial variance.	Budget and cash flows to be amended in the adjustments budget in January 2015.
Vote 8 - Human Settlements	(9,128)	-2.7%		
Vote 9 - Rates & Other	-	-		
Vote 10 - Safety & Security	(14,395)	-42.3%	1. Integrated Contact Centre: Project delayed during the design phase, due to a lack of functionality not available in SAP Solution; further investigation to be completed. 2. Equipment - Communication Additional: Project delayed, due to quotations exceeding budget; quotations were subsequently adjusted and orders have been placed. 3. Disaster Management Centre Additions/Alterations: Project delayed, due to postponement of site meetings by vendor. Orders will be placed when quotations are obtained from the vendor.	Ongoing monitoring of project progress and expenditure.
Vote 11 - Social and Early Childhood Development	(3,418)	-52.7%	1. Golden Gate ECD Centre: Delays experienced with the appointment of a contractor. 2. ICAN Centre, Elsie's River: Implementation delayed, due to issues experienced with the relocation of current tenants at this centre.	1. The contractor for the Golden Gate ECD was appointed; site hand-over is scheduled for 12 January 2015. Project partially re-phased to the 2015/16 financial year. 2. Implementation of ICAN project currently underway. Budget and cash flows to be amended in the adjustments budget in January 2015.
Vote 12 - Tourism, Events and Marketing	(10,947)	-67.0%	1. Provision of lifts for empty shafts CTS: Delay experienced, due to legal requirement with regard to local content not being completed by tenderers on the tender documents. Legal Services advised that all tenderers be allowed to complete the local content on the tender documents and re-submit by 27 January 2015. In addition, the awarded tender price is lower than the anticipated, which resulted in rephasing of this project. 2. Replacement of Servers: Appeal period ended 12 December 2014; awaiting contractor to sign off contract. 3. Various projects: Builders' holiday impacted on progress. Savings to be realised, as the awarded tender price is lower than the estimated tender price, due to the competitive nature of the tender processes. Certain projects have fallen behind as a result of poor contractor / consultant performance as well as protracted procurement and due diligence processes. However, other projects, such as the IRT bus acquisition as well as some NIMT and road rehabilitation contracts are progressing better than expected, with this expenditure more than balancing out the other delays at this stage.	1. R3 450 000 to be rephased to the 2015/16 financial year. 2. Contractor to sign off contract when building industry resumes mid January 2015. Savings on project to be re-allocated to various projects. 3. Construction work will continue when building industry resumes mid January 2015. Savings to be re-allocated to other projects. Budget and cash flow to be amended in the adjustments budget in January 2015.
Vote 13 - Transport for Cape Town	24,276	4.9%		Budget and cash flows to be amended in the adjustments budget in January 2015.
Vote 14 - Utility Services	152,324	27.6%		Refer below for comments per department.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Utility Services Support	(20)	-20.5%	Funds were wired from Furniture Fittings & Equipment to IT Equipment to cater for docking stations. However, the department is still engaging with the IT department and Supply Chain Management on docking stations specifications.	Awaiting confirmation from IT department on type of docking station to be procured. Cash flow to be amended in the adjustments budget in January 2015.
Water & Sanitation	52,522	20.3%	<p>1. Meter replacement program is ahead of schedule.</p> <p>2. Mitchells Plain and Borchards Quarry WWTWs projects are ahead of schedule, due to the excellent performance of the contractors.</p> <p>3. Fisantekraal Housing Garden City - Water project currently progressing faster than anticipated.</p> <p>4. Replace &amp; Upgrade Sewer Pump station(Citywide): New pumps were commissioned earlier than planned.</p>	Project managers to ensure that tracking and monitoring of projects are within the prescribed timeframes. Cash Flow and budget to be amended in the adjustments budget in January 2015.
Solid Waste Management	(7,296)	-8.6%	<p>1. Beilville Transfer Station: Variance due to delay caused by a fatal accident; the largest portion of the site was closed as a result of investigations into the cause of the accident. The Department of Labour has allowed access to the larger portion of the site not affected by the incident and re-opened the main site in November.</p> <p>2. Upgrading of Drop-off facilities: Delays in the finalisation of specifications for Beaconvale drop-off site upgrade.</p>	<p>1. It is anticipated that the USDG budget will be spent, but the EFF component will need to be monitored.</p> <p>2. Project will be rephased to the 2015/16 financial year; amendments will be affected in the adjustments budget in January 2015.</p>
Cape Town Electricity	107,118	51.8%	Excellent contractor performance against various projects i.e. System Equipment Replacement North & South, Koeberg Road Switching station; System Infrastructure North & East; Facilities alterations & upgrading; Electrification - Formal and Informal projects and the backyarders.	Cash flow and budget to be amended in the adjustments budget in January 2015.

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



**Table C6: Monthly Budget Statement - Financial Position**

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

Description	2013/14	Budget Year 2014/15			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	2,266,560	-	-	2,112,721	-
Call investment deposits	2,621,907	5,362,934	5,583,295	6,072,274	5,155,458
Consumer debtors	4,309,649	4,499,300	4,503,300	3,246,669	4,506,736
Other debtors	417,305	351,500	351,500	360,799	459,034
Current portion of long-term receivables	19,650	20,495	18,543	19,650	18,543
Inventory	269,283	296,315	282,846	312,339	282,747
<b>Total current assets</b>	<b>9,904,353</b>	<b>10,530,544</b>	<b>10,739,484</b>	<b>12,124,452</b>	<b>10,422,517</b>
<b>Non current assets</b>					
Long-term receivables	104,311	91,753	91,753	91,984	99,097
Investments	3,245,041	1,682,069	1,859,632	-	1,859,632
Investment property	-	-	-	-	-
Investments in Associate	-	-	-	-	-
Property, plant and equipment	31,468,325	35,865,333	36,515,801	32,309,587	35,468,522
Agricultural	-	-	-	-	-
Biological assets	-	-	-	-	-
Intangible assets	-	-	-	-	-
Other non-current assets	-	-	-	-	-
<b>Total non current assets</b>	<b>34,817,677</b>	<b>37,639,154</b>	<b>38,467,186</b>	<b>32,401,571</b>	<b>37,427,251</b>
<b>TOTAL ASSETS</b>	<b>44,722,030</b>	<b>48,169,698</b>	<b>49,206,670</b>	<b>44,526,024</b>	<b>47,849,768</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Borrowing	368,325	378,885	378,885	368,325	378,885
Consumer deposits	370,217	372,943	372,943	257,759	407,239
Trade and other payables	6,338,165	5,125,323	5,658,751	3,817,052	4,904,437
Provisions	1,078,550	1,444,665	2,080,552	996,437	1,154,048
<b>Total current liabilities</b>	<b>8,155,257</b>	<b>7,321,815</b>	<b>8,491,131</b>	<b>5,439,573</b>	<b>6,844,609</b>
<b>Non current liabilities</b>					
Borrowing	6,666,139	7,902,043	7,902,043	6,526,052	7,902,043
Provisions	5,783,962	5,099,008	5,099,008	6,087,030	5,979,014
<b>Total non current liabilities</b>	<b>12,450,101</b>	<b>13,001,051</b>	<b>13,001,051</b>	<b>12,613,082</b>	<b>13,881,057</b>
<b>TOTAL LIABILITIES</b>	<b>20,605,358</b>	<b>20,322,866</b>	<b>21,492,182</b>	<b>18,052,655</b>	<b>20,725,666</b>
<b>NET ASSETS</b>	<b>24,116,672</b>	<b>27,846,832</b>	<b>27,714,488</b>	<b>26,473,368</b>	<b>27,124,102</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	21,896,756	25,806,310	26,067,413	24,327,336	25,072,172
Reserves	2,219,916	2,040,522	1,647,075	2,146,032	2,051,930
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>24,116,672</b>	<b>27,846,832</b>	<b>27,714,488</b>	<b>26,473,368</b>	<b>27,124,102</b>

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

## Definitions of financial position categories

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

**Table C7: Monthly Budget Statement - Cash Flow**

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

Description	2013/14	Budget Year 2014/15						Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	
R thousands								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Ratepayers and other	22,020,442	23,306,935	23,356,401	13,147,027	12,080,681	1,066,346	8.8%	23,265,803
Government - operating	2,385,432	3,438,169	3,502,470	1,540,085	2,313,582	(773,497)	-33.4%	2,987,875
Government - capital	2,052,758	2,882,953	3,104,572	1,762,587	1,709,172	53,415	3.1%	3,236,176
Interest	729,374	275,762	924,430	269,560	238,747	30,812	12.9%	924,430
<b>Payments</b>								
Suppliers and employees	(21,822,483)	(23,514,982)	(24,502,576)	(14,162,674)	(13,549,637)	613,037	-4.5%	(24,529,196)
Finance charges	(791,549)	(829,746)	(829,746)	(359,819)	(358,391)	1,428	-0.4%	(829,746)
Transfers and Grants	(115,021)	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>4,462,953</b>	<b>5,618,991</b>	<b>5,555,550</b>	<b>2,196,765</b>	<b>2,434,154</b>	<b>237,390</b>	<b>9.8%</b>	<b>5,055,142</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	71,458	40,167	120,500	-	-	-	-	120,500
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	(1,751)	(4,829)	(51,092)	-	-	-	-	(110,970)
Decrease (increase) in non-current investments	(1,689,664)	(379,999)	(1,629,558)	(229,998)	(230,000)	3	0.0%	(1,029,558)
<b>Payments</b>								
Capital assets	(4,449,672)	(6,133,477)	(6,476,086)	(1,913,958)	(2,545,869)	(631,910)	24.8%	(6,280,466)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(6,069,629)</b>	<b>(6,478,138)</b>	<b>(7,436,235)</b>	<b>(2,143,956)</b>	<b>(2,775,869)</b>	<b>(631,913)</b>	<b>22.8%</b>	<b>(7,300,493)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/ refinancing	-	1,500,000	1,500,000	-	-	-	-	1,500,000
Increase (decrease) in consumer deposits	62,000	33,904	64,726	-	-	-	-	34,296
<b>Payments</b>								
Repayment of borrowing	(345,067)	(309,853)	(309,853)	(153,203)	(154,628)	(1,426)	0.9%	(309,853)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(283,067)</b>	<b>1,224,051</b>	<b>1,254,872</b>	<b>(153,203)</b>	<b>(154,628)</b>	<b>(1,426)</b>	<b>0.9%</b>	<b>1,224,443</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>								
Cash/cash equivalents at beginning:	8,099,366	6,603,670	6,242,365	6,209,623	6,242,365			6,209,623
Cash/cash equivalents at month/year end:	6,209,623	6,968,574	5,616,552	6,109,229	5,746,022			5,188,715

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

Description	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>R thousands</b>				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Ratepayers and other	1,066,346	8.8%	Collections for the period year to date was higher than anticipated.	No corrective action required at this time.
Government - operating	(773,497)	-33.4%	The under recovery is mainly due to a delay in spending on items funded by grant allocations.	No corrective action required at this time.
Government - capital	53,415	3.1%	Immaterial variance.	No corrective action required at this time.
Interest	30,812	12.9%	Investment income greater than expected due to better returns earned on higher cash balances by fund managers.	No corrective action required at this time.
Dividends	-	-		
<b>Payments</b>				
Suppliers and employees	613,037	-4.5%	Immaterial variance.	No corrective action required at this time.
Finance charges	1,428	-0.4%	Immaterial variance.	No corrective action required at this time.
Transfers and Grants	-	-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>237,390</b>	<b>9.8%</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	-			
Decrease (Increase) in non-current debtors	-			
Decrease (increase) other non-current receivables	-			
Decrease (increase) in non-current investments	3	0%		
<b>Payments</b>				
Capital assets	(631,910)	24.8%	Slower cash outflow than originally anticipated.	No corrective action required at this time.
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(631,913)</b>	<b>22.8%</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	-			
Borrowing long term/refinancing	-			
Increase (decrease) in consumer deposits	-			
<b>Payments</b>				
Repayment of borrowing	(1,426)	0.9%		
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(1,426)</b>	<b>0.9%</b>		



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

Description	Budget Year 2014/15												2014/15 Medium Term Revenue & Expenditure Framework			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget				
<b>Cash Receipts By Source</b>																
Property rates	476,044	409,531	531,075	562,297	506,325	541,260	409,189	497,805	578,005	424,219	420,007	468,648	5,841,406	6,188,871	6,623,437	
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue	856,628	952,848	858,230	891,451	795,009	829,334	801,094	736,070	806,158	837,595	842,698	817,625	10,024,738	10,774,483	11,603,398	
Service charges - water revenue	144,776	170,176	138,202	157,778	162,467	188,296	228,315	243,523	196,308	187,452	183,253	160,328	2,160,875	2,452,410	2,752,640	
Service charges - sanitation revenue	89,623	103,938	73,800	94,863	83,864	104,594	99,173	108,314	113,837	97,374	119,180	96,581	1,185,140	1,329,592	1,492,294	
Service charges - refuse	53,800	62,129	44,842	54,132	40,124	50,123	104,514	92,936	99,564	86,163	70,958	223,100	942,385	1,014,216	1,088,970	
Service charges - other	42,720	24,683	20,439	25,902	23,666	27,268	32,595	24,524	29,192	18,866	33,790	11,139	314,784	353,181	414,253	
Rental of facilities and equipment	38,280	17,862	18,093	17,704	17,055	18,722	11,179	15,196	12,628	15,130	12,075	(25,288)	168,636	164,081	168,517	
Interest earned - external investments	32,452	52,181	44,997	46,717	42,661	50,551	41,461	40,423	40,299	42,870	40,406	449,770	924,430	501,633	440,593	
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines	17,165	16,252	16,664	18,877	19,876	20,216	14,712	14,840	14,634	14,829	18,934	(11,572)	175,428	185,484	195,500	
Licences and permits	3,658	23,096	23,201	18,311	14,405	26,661	11,943	13,777	14,199	14,061	6,943	24,116	194,371	219,933	257,395	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer receipts - operating	771,030	70,068	-	120,000	39,468	691,519	58,560	638,323	419,115	-	-	694,387	3,502,470	4,005,459	4,446,242	
Other revenue	182,369	873,224	341,265	209,741	184,232	817,860	32,036	23,942	679,886	26,084	28,740	(1,050,742)	2,348,637	2,436,694	2,573,032	
<b>Cash Receipts by Source</b>	<b>2,708,545</b>	<b>2,775,990</b>	<b>2,110,809</b>	<b>2,217,772</b>	<b>1,929,153</b>	<b>3,366,403</b>	<b>1,844,772</b>	<b>2,449,673</b>	<b>2,363,827</b>	<b>1,764,343</b>	<b>1,776,983</b>	<b>1,875,031</b>	<b>27,783,300</b>	<b>29,626,038</b>	<b>32,056,271</b>	
<b>Other Cash Flows by Source</b>																
Transfer receipts - capital	800,762	3,671	120,294	22,971	225,556	437,332	349,558	207,814	472,066	357,947	427,473	(320,873)	3,104,572	2,456,222	2,456,911	
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Change in non-current investments	-	-	-	(49,999)	-	(180,000)	-	(50,000)	(50,000)	(50,000)	-	(51,092)	(51,092)	(30,562)	(34,307)	
<b>Total Cash Receipts by Source</b>	<b>3,509,306</b>	<b>2,779,661</b>	<b>2,231,103</b>	<b>2,190,745</b>	<b>2,154,709</b>	<b>3,623,735</b>	<b>2,194,330</b>	<b>2,607,486</b>	<b>3,385,893</b>	<b>2,072,291</b>	<b>2,204,466</b>	<b>2,538,732</b>	<b>31,492,449</b>	<b>33,467,087</b>	<b>35,509,058</b>	

Table continues on next page.

Description	Budget Year 2014/15												2014/15 Medium Term Revenue & Expenditure Framework			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget				
<b>Cash Payments by Type</b>																
Employee related costs	664,705	662,689	668,427	665,554	1,024,213	666,865	707,495	706,833	706,380	706,481	705,661	831,662	8,717,056	9,423,461	10,181,605	
Remuneration of councillors	9,426	9,465	9,456	9,391	9,533	9,577	11,278	11,278	11,559	11,491	11,077	20,089	133,619	142,438	151,554	
Interest paid	-	-	188,050	-	-	171,769	-	-	183,299	-	-	286,628	829,746	1,062,289	1,301,246	
Bulk purchases - Electricity	791,798	876,854	826,715	484,899	493,242	469,022	418,013	447,106	479,122	497,722	463,038	430,770	6,678,300	7,205,955	7,781,805	
Bulk purchases - Water & Sewer	26,750	28,289	17,233	38,608	26,647	25,175	24,520	29,017	39,420	28,350	23,844	60,910	368,761	404,273	444,073	
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
General expenses	1,614,923	796,348	849,212	817,803	857,059	712,799	637,837	632,068	641,924	690,663	628,624	(274,450)	8,604,830	9,147,975	9,938,169	
<b>Cash Payments by Type</b>	<b>3,107,602</b>	<b>2,373,646</b>	<b>2,559,092</b>	<b>2,016,255</b>	<b>2,410,693</b>	<b>2,055,205</b>	<b>1,799,143</b>	<b>1,826,403</b>	<b>2,061,703</b>	<b>1,934,727</b>	<b>1,832,244</b>	<b>1,355,609</b>	<b>25,332,322</b>	<b>27,386,391</b>	<b>29,798,452</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	402,057	202,622	119,203	310,054	429,821	390,003	210,332	466,810	604,612	759,127	908,190	1,513,057	6,476,086	5,601,948	5,413,057	
Repayment of borrowing	-	-	86,055	-	-	65,148	-	-	89,481	-	-	67,169	309,853	285,598	407,882	
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Cash Payments by Type</b>	<b>3,569,659</b>	<b>2,576,467</b>	<b>2,766,350</b>	<b>2,326,308</b>	<b>2,840,514</b>	<b>2,510,356</b>	<b>2,009,475</b>	<b>2,293,212</b>	<b>2,755,796</b>	<b>2,693,864</b>	<b>2,740,434</b>	<b>3,035,836</b>	<b>32,118,261</b>	<b>33,273,936</b>	<b>35,619,391</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(60,352)</b>	<b>203,194</b>	<b>(535,247)</b>	<b>(135,563)</b>	<b>(695,805)</b>	<b>1,113,379</b>	<b>184,855</b>	<b>314,274</b>	<b>630,097</b>	<b>(621,563)</b>	<b>(535,978)</b>	<b>(497,103)</b>	<b>(625,813)</b>	<b>183,161</b>	<b>(110,333)</b>	
Cash/cash equivalents at the month/year beginning:	6,209,623	6,149,271	6,352,465	5,817,218	5,681,655	4,995,850	6,109,229	6,294,084	6,608,367	7,238,454	6,616,691	6,080,913	6,242,365	5,616,552	5,799,703	
Cash/cash equivalents at the month/year end:	6,149,271	6,352,465	5,817,218	5,681,655	4,995,850	6,109,229	6,294,084	6,608,367	7,238,454	6,616,691	6,080,913	5,583,810	5,616,552	5,799,703	5,689,370	

## PART 2 - SUPPORTING DOCUMENTATION: PARENT MUNICIPALITY

### Debtors analysis

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

**Table SC3 Monthly budget statement Aged Debtors**

Description	Budget Year 2014/15										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Year	Over 1 Year	Total	Total over 90 days		
R thousands												
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Water	291,577	68,737	52,646	51,395	54,131	44,945	295,874	1,421,246	2,280,549	1,867,590	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	583,356	45,323	28,047	11,942	14,123	8,913	40,591	89,038	821,333	164,607	-	-
Receivables from Non-exchange Transactions - Property Rates	438,608	36,430	27,464	70,163	35,356	26,124	147,719	596,732	1,378,596	876,094	-	-
Receivables from Exchange Transactions - Waste Water Management	154,793	35,975	25,064	27,077	25,844	20,397	139,632	633,976	1,062,759	846,926	-	-
Receivables from Exchange Transactions - Waste Management	68,245	15,618	12,178	11,542	11,474	9,121	52,367	215,793	396,338	300,297	-	-
Receivables from Exchange Transactions - Property Rental Debtors	52,814	10,565	10,226	(716)	10,200	489,390	-	-	572,479	498,874	-	-
Interest on Arrear Debtor Accounts	40,290	17,570	18,911	17,200	16,758	19,115	91,035	514,841	735,720	658,949	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	(87,319)	(59,095)	(93,018)	(24,219)	(14,711)	(8,546)	(40,204)	(165,229)	(502,251)	(252,908)	-	-
<b>Total By Income Source</b>	<b>1,532,364</b>	<b>171,213</b>	<b>81,518</b>	<b>164,384</b>	<b>153,175</b>	<b>609,459</b>	<b>727,014</b>	<b>3,306,397</b>	<b>6,745,525</b>	<b>4,960,429</b>	<b>-</b>	<b>-</b>
2013/14 - totals only												
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	44,083	(78,772)	(77,039)	(1,540)	8,404	8,617	31,101	42,506	(22,640)	89,089	-	-
Commercial	839,866	87,512	38,896	59,765	26,275	19,041	89,532	344,953	1,565,840	539,565	-	-
Households	787,726	183,886	140,662	124,878	130,741	588,452	629,826	2,959,721	5,545,891	4,433,616	-	-
Other	(139,312)	(21,413)	(21,001)	(18,718)	(12,245)	(6,651)	(23,445)	(40,783)	(283,567)	(101,841)	-	-
<b>Total By Customer Group</b>	<b>1,532,364</b>	<b>171,213</b>	<b>81,518</b>	<b>164,384</b>	<b>153,175</b>	<b>609,459</b>	<b>727,014</b>	<b>3,306,397</b>	<b>6,745,525</b>	<b>4,960,429</b>	<b>-</b>	<b>-</b>

### Additional debtors information

Monthly collection rate			YTD collection rate
Period	Current year	Previous year	
12 Month	96.91%	96.62%	97.16%
6 month	96.80%	97.42%	97.82%
3 month	96.17%	100.76%	97.97%
Monthly	95.48%	87.75%	96.91%

2014/15 Billing vs Receipts		
Month	Billing R	Receipts R
July	1,957,772,594.77	1,930,402,632.45
August	2,253,395,142.71	2,064,186,076.16
September	2,171,870,466.03	2,224,853,509.17
October	2,099,995,541.53	2,216,521,082.71
November	2,171,329,415.03	1,906,365,369.49
December	2,190,493,155.94	2,091,456,281.56

12 month collection ratio per source			
Source	Current year	Previous year	YTD collection rate
Electricity	99.69%	99.25%	99.80%
Water	89.15%	87.13%	89.95%
Sewerage	92.39%	87.38%	92.60%
Refuse	95.17%	91.55%	94.46%
Rates	98.57%	100.35%	98.91%
Other	99.85%	99.38%	99.93%

## Creditors analysis

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

**Table SC4 Monthly budget Statement Aged Creditors**

Description R thousands	Budget Year 2014/15									Prior year totals (same period)
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	175,150	1,076	(2,668)	(75)	17	(5)	170	673	174,337	176,538
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>175,150</b>	<b>1,076</b>	<b>(2,668)</b>	<b>(75)</b>	<b>17</b>	<b>(5)</b>	<b>170</b>	<b>673</b>	<b>174,337</b>	<b>176,538</b>

## Outstanding commitments against Cash and Cash Equivalents

Item	Previous Month	Current Month
	R'000	R'000
Closing Cash Balance	4,995,850	6,109,229
Unspent Conditional Grants	1,903,569	2,096,820
Housing Development	341,002	338,150
MTAB	23,788	22,388
Trust Funds	1,436	1,255
Financial commitments	463,003	283,003
Sinking Funds	-	-
Insurance reserves	501,007	541,786
CRR	1,136,728	1,123,301
<b>TOTAL</b>	<b>4,370,533</b>	<b>4,406,703</b>
<b>TOTAL cash resources not committed</b>	<b>625,317</b>	<b>1,702,526</b>

## Allocation and grant receipts and expenditure

Table SC7 Monthly Budget Statement transfers and grants expenditure

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Operating expenditure of Transfers and Grants</b>								
<b>National Government:</b>	<b>417,462</b>	<b>1,919,255</b>	<b>1,957,266</b>	<b>136,055</b>	<b>157,563</b>	<b>(21,508)</b>	<b>-13.7%</b>	<b>2,297,618</b>
Restructuring	-	1,191	1,191	-	-	-	-	1,191
Finance Management grant	219	1,250	1,250	96	192	(96)	-49.8%	990
Equitable share	376	1,503,173	1,503,173	1,274	3,173	(1,899)	-59.9%	1,505,392
Urban Settlements Development Grant	57,826	114,142	150,556	41,684	27,367	14,317	52.3%	152,469
Public Transport Network Operations Grant	217,101	217,498	217,498	73,360	105,186	(31,826)	-30.3%	442,968
Energy Efficiency and Demand Side Management Grant	1,728	900	900	-	434	(434)	-100.0%	599
Dept of Environ Affairs and Tourism	2,698	200	565	243	61	182	297.3%	329
Housing Accreditation	57	200	200	14	70	(56)	-80.1%	200
Expanded Public Works Programme	38,192	20,804	20,804	8,936	7,652	1,284	16.8%	23,610
Integrated City Development Grant	864	-	-	-	-	-	-	9,500
2014 African Nations Championship Host City Operating Grant	46,060	-	-	(112)	-	(112)	-	87
LGSETA	-	-	536	-	-	-	-	536
Public Transport Infrastructure & Systems Grant	53,341	7,726	7,726	-	-	-	-	119,742
Infrastructure Skills Development Grant	-	2,300	2,300	-	-	-	-	3,201
Municipal Disaster Grant	-	-	-	-	-	-	-	707
Municipal Human Settlements Capacity Grant	-	49,871	49,871	10,282	12,768	(2,487)	-19.5%	35,401
Department, Water and Sanitation	-	-	697	277	660	(83)	-58.0%	697
<b>Provincial Government:</b>	<b>545,969</b>	<b>1,542,400</b>	<b>1,540,538</b>	<b>315,894</b>	<b>360,660</b>	<b>(44,766)</b>	<b>-12.4%</b>	<b>1,113,129</b>
Cultural Affairs and Sport - Provincial library Services	22,008	30,735	30,735	15,700	15,273	427	2.8%	33,560
Human Settlements - Human Settlement Development Grant	300,663	1,097,130	1,095,268	174,520	233,153	(58,632)	-25.1%	648,161
Human Settlements - Municipal Accreditation Assistance	3,690	-	-	-	-	-	-	8,000
Human Settlement - Settlement Assistance	-	1,000	1,000	-	-	-	-	1,000
Health - TB	11,807	17,206	17,206	8,502	7,990	512	6.4%	17,206
Health - Global Fund	91,676	37,555	37,555	19,341	19,517	(175)	-0.9%	38,994
Health - ARV	32,233	109,589	109,589	53,213	45,511	7,702	16.9%	109,589
Health - Nutrition	4,385	4,636	4,636	2,613	1,932	681	35.2%	4,636
Health - Vaccines	66,724	70,956	70,956	35,315	35,478	(163)	-0.5%	70,956
Comprehensive Health	-	155,960	155,960	-	-	-	-	155,960
Transport and Public Works - Provision for persons with special needs	1,895	10,000	10,000	6,054	-	6,054	-	10,075
Municipal Land Transport Fund	10,888	-	-	-	-	-	-	5,181
Transport Safety and Compliance - Rail Safety	-	500	500	498	-	498	-	2,200
Community Development Workers	-	732	732	138	333	(195)	-58.5%	1,390
City of Cape Town - Public access centres	-	500	500	-	-	-	-	500
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	-	5,900	5,900	-	1,475	(1,475)	-100.0%	5,700
<b>Other grant providers:</b>	<b>36,828</b>	<b>35,826</b>	<b>41,089</b>	<b>9,914</b>	<b>18,045</b>	<b>(8,131)</b>	<b>-45.1%</b>	<b>46,354</b>
Tourism	-	2,190	2,190	-	1,690	(1,690)	-100.0%	4,190
Carnegie	1,583	3,057	3,057	866	968	(92)	-9.6%	3,057
CMTF	27,228	9,777	11,979	5,469	5,564	(95)	-1.7%	14,220
Other	686	-	-	-	-	-	-	-
CID	2,764	2,969	2,969	1,613	1,613	0	0.0%	2,840
Century City Property Owners Association	438	468	468	87	105	(17)	-16.7%	468
Traffic Free Flow (Pty) Ltd	1,417	-	1,135	654	859	(206)	-23.9%	1,135
Finland Government	112	-	-	-	-	-	-	-
Cities for Climate Protection	144	-	-	-	-	-	-	-
IC_EI Carbon Taxes	111	-	-	-	-	-	-	-
Mamre Fencing	45	-	17	-	-	-	-	17
ATKV	5	-	-	-	-	-	-	-
South African Biodiversity Institute (SANBI)	2,244	482	2,391	1,013	787	226	28.8%	3,544
Sustainable Energy Africa	-	424	424	-	-	-	-	424
University Stellenbosch	51	1,781	1,781	95	742	(647)	-87.1%	1,781
DBSA - Green Fund	-	10,000	10,000	-	4,500	(4,500)	-100.0%	10,000
Agency Francaise de Development (AFD)	-	4,679	4,679	116	1,227	(1,111)	-90.5%	4,679
<b>Total operating expenditure of Transfers and Grants</b>	<b>1,000,259</b>	<b>3,497,461</b>	<b>3,538,892</b>	<b>461,863</b>	<b>536,268</b>	<b>(74,405)</b>	<b>-13.9%</b>	<b>3,457,100</b>

Table continues on next page.

Annexure A: S52 – 2015 Q2 (December 2014)

Description	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Capital expenditure of Transfers and Grants</b>								
<b>National Government:</b>	<b>1,764,988</b>	<b>2,515,669</b>	<b>2,768,260</b>	<b>848,486</b>	<b>778,853</b>	<b>69,633</b>	<b>8.9%</b>	<b>2,863,620</b>
Mineral Energy: Energy Efficiency and Demand Side Management Grant	7,983	9,100	9,100	954	702	252	35.9%	5,990
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	7,276	5,000	5,000	1,137	1,639	(502)	-30.7%	22,224
National Government - Other: Previous years' Dora allocations	-	200	200	7	50	(43)	-86.0%	200
National Treasury: Expanded Public Works Programme	412	400	400	196	50	146	262.2%	400
National Treasury: Integrated City Development Grant	-	57,171	54,482	16,087	11,226	4,860	43.3%	57,171
National Treasury: Municipal Human Settlements Capacity Grant	14	500	500	-	200	(200)	-100.0%	500
National Treasury: Neighbourhood Development Partnership Grant	24,551	35,470	40,030	2,127	15,429	(13,302)	-86.2%	30,785
National Treasury: Other	15,373	1,902	2,239	182	1,489	(1,307)	-87.8%	2,089
National Treasury: Urban Settlements Development Grant	915,400	1,244,737	1,494,870	465,683	411,600	54,083	13.1%	1,493,157
Sport & Recreation SA: 2010 Fifa World Cup Stadiums Development Grant	-	-	250	164	250	(86)	-34.3%	250
Transport: Public Transport Infrastructure & Systems Grant	131,296	2,000	2,000	1,496	1,000	496	49.6%	2,000
Transport: Public Transport Infrastructure Grant	654,511	1,159,140	1,159,140	360,454	335,218	25,236	7.5%	1,248,854
Transport: Public Transport Network Operations Grant	1	50	50	-	-	-	-	-
National Treasury: Municipal Disaster Grant	3,599	-	-	-	-	-	-	-
National Treasury: Infrastructure Skills Development Grant	99	-	-	-	-	-	-	-
Sport & Recreation SA: 2014 African Nations Championship Host City Operating Grant	3,942	-	-	-	-	-	-	-
National Treasury: Local Government Financial Management Grant	841	-	-	-	-	-	-	-
<b>Provincial Government:</b>	<b>262,722</b>	<b>292,065</b>	<b>324,831</b>	<b>169,156</b>	<b>154,505</b>	<b>14,651</b>	<b>9.5%</b>	<b>310,805</b>
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	874	250	250	-	-	-	-	250
Cultural Affairs and Sport: Library Services (Conditional Grant)	2,263	10,200	10,808	3,093	1,439	1,654	114.9%	9,365
Economic Development and Tourism: False Bay Ecology	243	-	850	838	850	(12)	-1.4%	850
Economic Development and Tourism: Public Access Centres	-	2,350	2,350	253	2,350	(2,097)	-89.2%	2,350
Housing: Integrated Housing and Human Settlement Development Grant	252,825	263,029	294,335	162,923	145,431	17,494	12.0%	281,224
Provincial Government: Community Development Workers (CDW) Operational Grant Support	-	300	300	-	300	(300)	-100.0%	300
Provincial Government: Fibre Optic Broadband Roll Out	4,860	10,702	10,702	0	2,900	(2,900)	-100.0%	10,923
Transport and Public Works: Other	1,457	234	235	232	235	(3)	-1.3%	343
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infrastructure	-	5,000	5,000	1,815	1,000	815	81.5%	5,200
Provincial Government: Western Cape Education Department	200	-	-	-	-	-	-	-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other grant providers:</b>	<b>76,408</b>	<b>75,119</b>	<b>75,643</b>	<b>23,847</b>	<b>22,077</b>	<b>1,770</b>	<b>8.0%</b>	<b>52,996</b>
Other grant providers:	76,408	75,119	75,643	23,847	22,077	1,770	8.0%	52,996
<b>Total capital expenditure of Transfers and Grants</b>	<b>2,104,118</b>	<b>2,882,853</b>	<b>3,168,734</b>	<b>1,041,489</b>	<b>955,436</b>	<b>86,054</b>	<b>9.0%</b>	<b>3,227,421</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>3,104,377</b>	<b>6,380,334</b>	<b>6,707,626</b>	<b>1,503,353</b>	<b>1,491,704</b>	<b>11,649</b>	<b>0.8%</b>	<b>6,684,521</b>

## Material variance explanations for corporate performance for Quarter 2 2015

No material variance to be reported for the 2nd Quarter Corporate Performance 2014/15 (1 July 2014 - 31 December 2014).

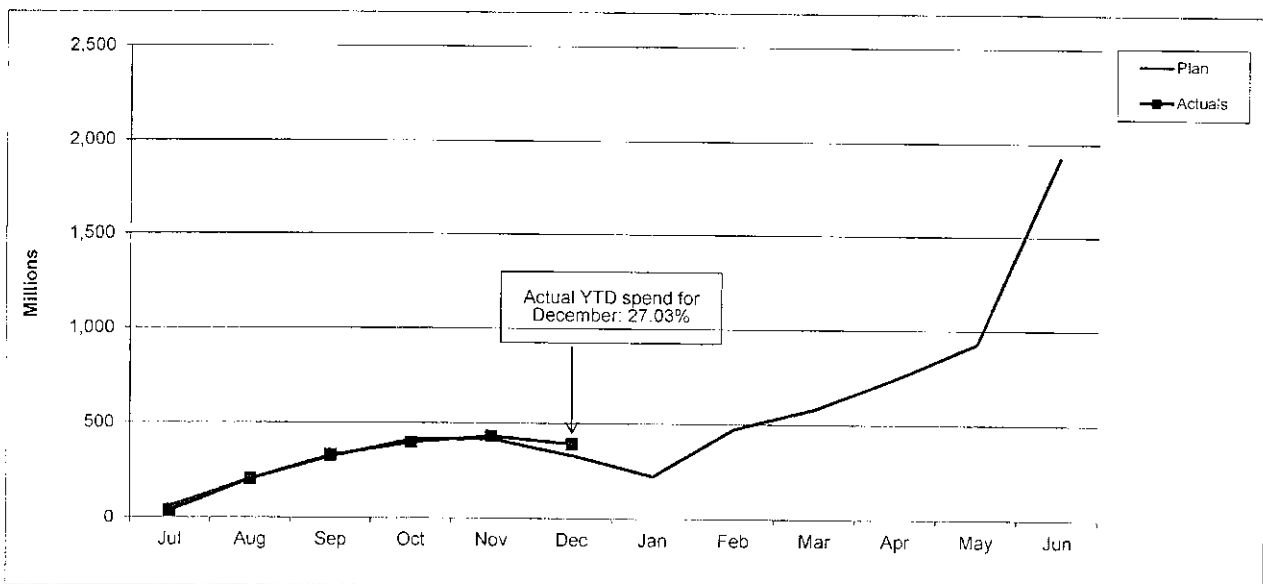
### Capital programme performance

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

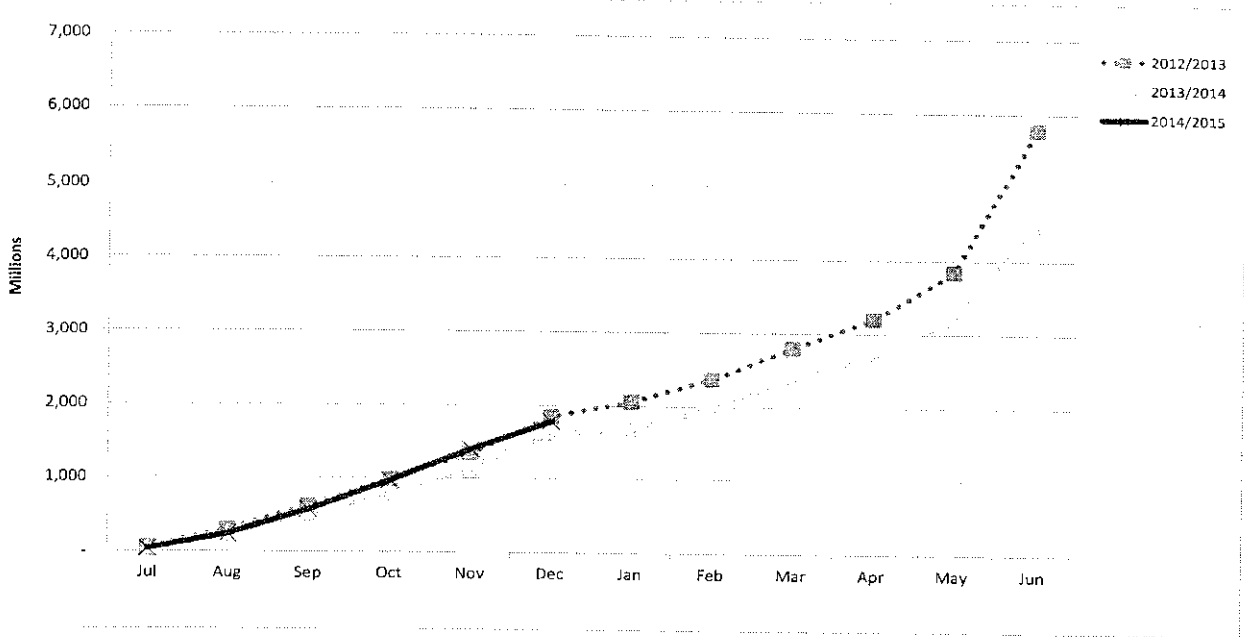
**Table SC12 Monthly Budget Statement - capital expenditure trend**

Month	2013/14	Budget Year 2014/15						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>								
<b>Monthly expenditure performance trend</b>								
July	52,401	135,515	62,421	38,964	62,421	23,457	37.6%	0.6%
August	198,025	279,404	201,488	241,786	263,909	22,123	8.4%	3.9%
September	255,735	461,448	321,047	568,959	584,956	15,997	2.7%	9.2%
October	284,835	402,354	411,336	965,432	996,293	30,861	3.1%	15.5%
November	341,978	465,382	416,105	1,396,877	1,412,397	15,520	1.1%	22.5%
December	490,309	390,410	330,014	1,787,557	1,742,411	(45,146)	-2.6%	28.8%
January	63,338	256,268	221,814		1,964,225	-		
February	282,952	505,716	472,809		2,437,034	-		
March	380,479	558,353	582,511		3,019,545	-		
April	378,773	631,070	747,242		3,766,787	-		
May	456,073	696,878	929,204		4,695,990	-		
June	1,317,394	1,428,519	1,917,115		6,613,106	-		
<b>Total Capital expenditure</b>	<b>4,502,293</b>	<b>6,211,315</b>	<b>6,613,106</b>					

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



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






## MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, **Achmat Ebrahim**, the municipal manager of City of Cape Town, hereby certify that the quarterly report on the implementation of the budget and financial state affairs of the municipality, for the period ended **December 2014** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name Achmat Ebrahim

Municipal Manager of City of Cape Town (CPT)

Signature 

Date 23.01.2015