

REPORT TO EXECUTIVE MAYOR

CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

1. **ITEM NUMBER :** **SPC 04/08/13**

2. **SUBJECT**
LSUA1980

QUARTERLY FINANCIAL REPORT: MARCH 2013

ONDERWERP
KWARTAALLIKSE FINANSIËLE VERSLAG: MAART 2013

ISIHLOKO
INGXELO YEMALI YARHOQO NGEKOTA: MATSHI 2013

3. **STRATEGIC INTENT**

Provide and maintain economic and social infrastructure to ensure infrastructure-led growth and development.

- ☒ - Opportunity City
- ☐ - Safe City
- ☐ - Caring City
- ☐ - Inclusive City
- ☐ - Well-run City

4. **PURPOSE**

In terms of Section 52 (d) of the Municipal Finance Management Act, the Mayor is required to submit a quarterly report to Council on the implementation of the budget and the financial state of affairs of the municipality. The report is submitted in terms of relevant legislation.

5. **FOR NOTING BY**

- ☒ This report is for noting only/information only.

As prescribed by the Municipal Finance Management Act (MFMA), the quarterly financial report for the quarter ended 31 March 2013 is submitted for noting by Council.

6. EXECUTIVE SUMMARY

The Municipal Finance Management Act requires municipalities to submit regular reports on matters related to their financial performance. This quarterly financial report provides is submitted in accordance with MFMA stipulations (Section 52) and an overview of the City's budget implementation status and its financial viability and sustainability).

This report presents the financial position of the abovementioned indicators as at 31 March 2013.

7. RECOMMENDATIONS

The Quarterly Financial Report for the quarter ended 31 March 2013 is submitted for information and noting only.

AANBEVELING

Die kwartaallikse finansiële verslag vir die kwartaal geëindig 31 Maart 2013 word slegs ter inligting en kennisname voorgelê.

ISINDULULO

Ingxelo yeMali yaRhoqo ngeKota yekota ephela ngowama-31 Matshi 2013 ingeniselwa iinjongo zolwazi nokuqatshelwa kuphela.

8. DISCUSSION/CONTENTS

8.1. Constitutional and Policy Implications

In terms of the MFMA the Mayor must within 30 days after the end of a quarter submit a report to Council on the implementation and progress on the budget and financial state of affairs of the municipality.

8.2. Environmental implications

Does your report have any environmental implications:

No ☒

Yes ☐

8.3. Legal Implications

Compliance to the Municipal Finance Management Act, 2003 (Act 56 of 2003), Section 52.

8.4. Staff Implications

Does this report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No ☒

Yes ☐

8.5. Risk Implications

Does this report and/or its recommendations expose the City to any risk

No ☒

Yes ☐

8.6. Other Services Consulted

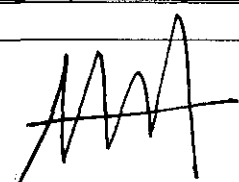
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ANNEXURES

Annexure A: Financial report – 31 March 2013



FOR FURTHER DETAILS CONTACT:

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DIRECTORATE	Finance
SIGNATURE : DIRECTOR	



EXECUTIVE DIRECTOR
[Kevin Jacoby]

Comment:

DATE 16.04.2013



LEGAL COMPLIANCE

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

☐ NON-COMPLIANT

NAME Sarah van Zyl

TEL 021 - 400 5446

DATE 16.04.2013

Comment:

For Noting 

pp. [Signature]
MAYORAL COMMITTEE MEMBER

Comment:

NAME JP Smith
DATE 18/04/2013

P. de Lille.
EXECUTIVE MAYOR

- ☐ APPROVED
- ☐ NOTED
- ☐ REFUSED
- ☐ REFERRED BACK

DATE 29.04.2013

COMMENT:

Annexure A: Financial Report – March 2013

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PART 1 - IN-YEAR REPORT**1.1 IN-YEAR BUDGET STATEMENT TABLES****Table C1: Monthly budget statement summary**

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

Description	2011/12	Budget Year 2012/13						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	4,712,098	5,124,299	5,161,135	3,881,698	3,817,848	63,850	2%	5,161,135
Service charges	11,986,765	13,339,039	13,464,792	9,777,309	10,027,326	(250,017)	-2%	13,464,792
Investment revenue	561,761	481,236	482,537	357,220	372,050	(14,830)	-4%	482,537
Transfers recognised - operational	1,639,075	2,325,525	2,170,614	1,357,043	1,722,555	(365,512)	-21%	2,170,614
Other own revenue	2,604,983	2,631,557	2,672,466	2,377,517	2,338,844	38,673	2%	2,672,466
Total Revenue (excluding capital transfers and contributions)	21,504,682	23,901,656	23,951,544	17,750,787	18,278,823	(527,836)	-3%	23,951,544
Employee costs	6,916,012	7,777,521	7,638,653	5,434,553	5,675,370	(240,817)	-4%	7,638,653
Remuneration of Councillors	97,772	122,384	112,904	83,396	84,678	(1,282)	-2%	112,904
Depreciation & asset impairment	1,399,490	1,444,096	1,598,033	1,175,826	1,186,418	(10,592)	-1%	1,598,033
Finance charges	681,533	768,508	749,279	488,911	492,712	(3,801)	-1%	749,279
Materials and bulk purchases	5,978,665	6,837,813	6,854,216	4,546,749	4,611,450	(64,701)	-1%	6,854,216
Transfers and grants	103,492	50,606	97,491	67,071	67,785	(714)	-1%	97,491
Other expenditure	6,002,548	7,361,496	7,385,742	4,728,015	5,066,049	(338,034)	-7%	7,385,742
Total Expenditure	21,179,512	24,362,424	24,436,318	16,524,521	17,184,462	(659,941)	-4%	24,436,318
Surplus/(Deficit)	325,170	(460,768)	(484,774)	1,226,266	1,094,161	132,105	12%	(484,774)
Transfers recognised - capital	2,061,755	3,277,122	3,637,304	1,619,549	1,835,635	(216,086)	-12%	3,637,304
Contributions & Contributed assets	120,358	57,707	46,588	31,392	25,798	5,594	22%	46,588
	2,507,283	2,874,061	3,199,118	2,877,207	2,955,594	(78,387)	-3%	3,199,118
Surplus/(Deficit) after capital transfers & contributions								
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	2,507,283	2,874,061	3,199,118	2,877,207	2,955,594	(78,387)	-3%	3,199,119
Capital expenditure & funds sources								
Capital expenditure	4,233,252	5,926,609	6,221,808	2,795,780	3,067,772	(271,992)	-9%	6,143,337
Capital transfers recognised	2,061,778	3,280,447	3,641,101	1,621,622	1,830,902	(209,280)	-11%	3,614,560
Public contributions & donations	44,208	54,382	42,791	27,101	24,320	2,781	11%	39,952
Borrowing	1,374,791	1,765,377	1,784,935	854,902	869,773	(14,871)	-2%	1,774,725
Internally generated funds	752,469	926,405	752,982	292,155	342,779	(50,624)	-15%	714,098
Total sources of capital funds	4,233,246	5,926,611	6,221,809	2,795,780	3,067,774	(271,994)	-9%	6,143,335
Financial position								
Total current assets	10,769,190	9,113,527	12,059,201	12,110,969				12,110,969
Total non current assets	24,772,540	29,891,064	30,034,934	30,171,190				30,171,190
Total current liabilities	7,101,568	5,875,515	7,865,654	9,525,694				9,525,694
Total non current liabilities	9,252,622	11,344,930	11,761,696	10,757,830				10,757,830
Community wealth/Equity	19,187,540	21,784,146	22,466,795	21,998,635				21,998,635
Cash flows								
Net cash from (used) operating	5,241,829	4,726,735	5,260,692	3,705,787	3,670,517	35,270	1%	5,260,693
Net cash from (used) investing	(4,173,468)	(5,803,343)	(6,139,458)	(2,240,895)	(2,766,611)	525,716	-19%	(6,139,458)
Net cash from (used) financing	(156,902)	1,925,729	2,257,022	2,244,379	2,258,536	(14,157)	-1%	2,257,022
Cash/cash equivalents at the month/year end	6,160,840	4,523,511	7,539,096	9,870,111	9,323,282	546,829	6%	7,539,097

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

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

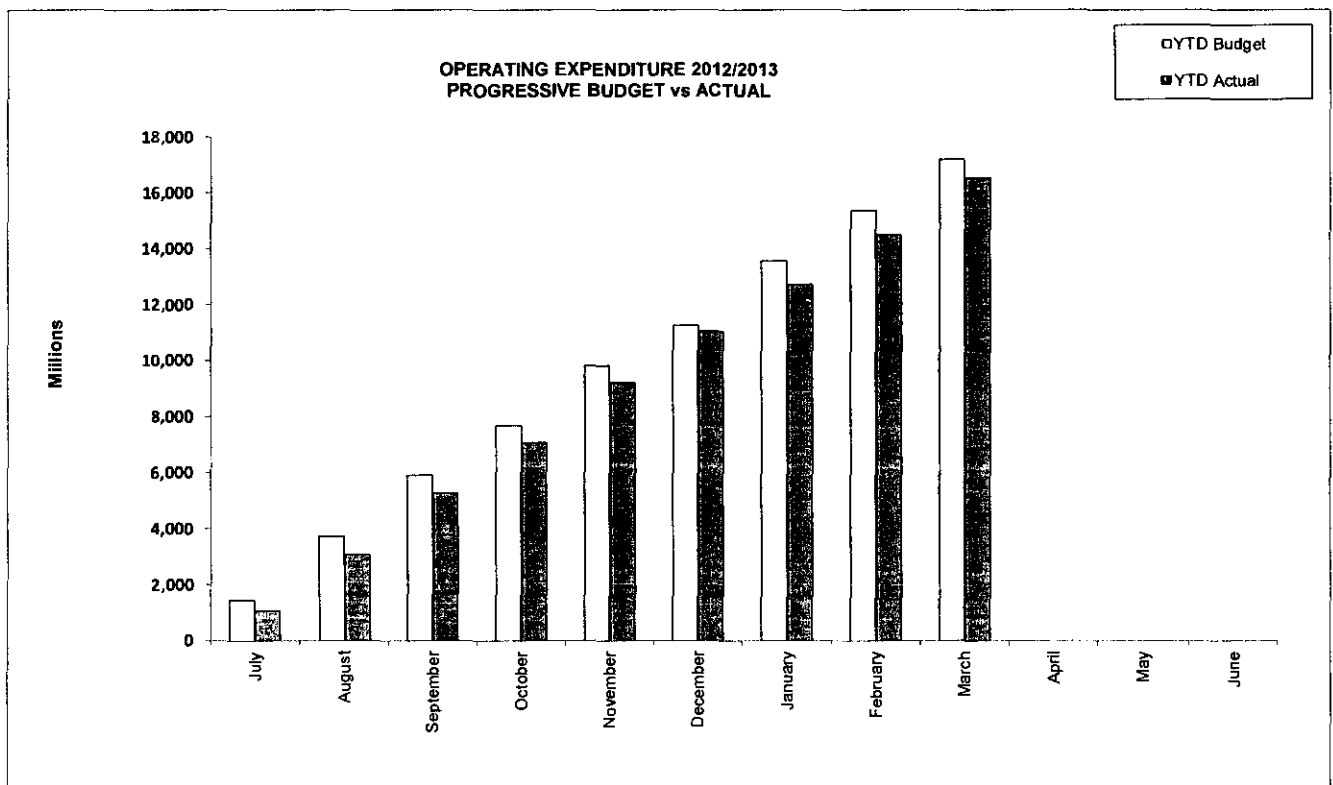
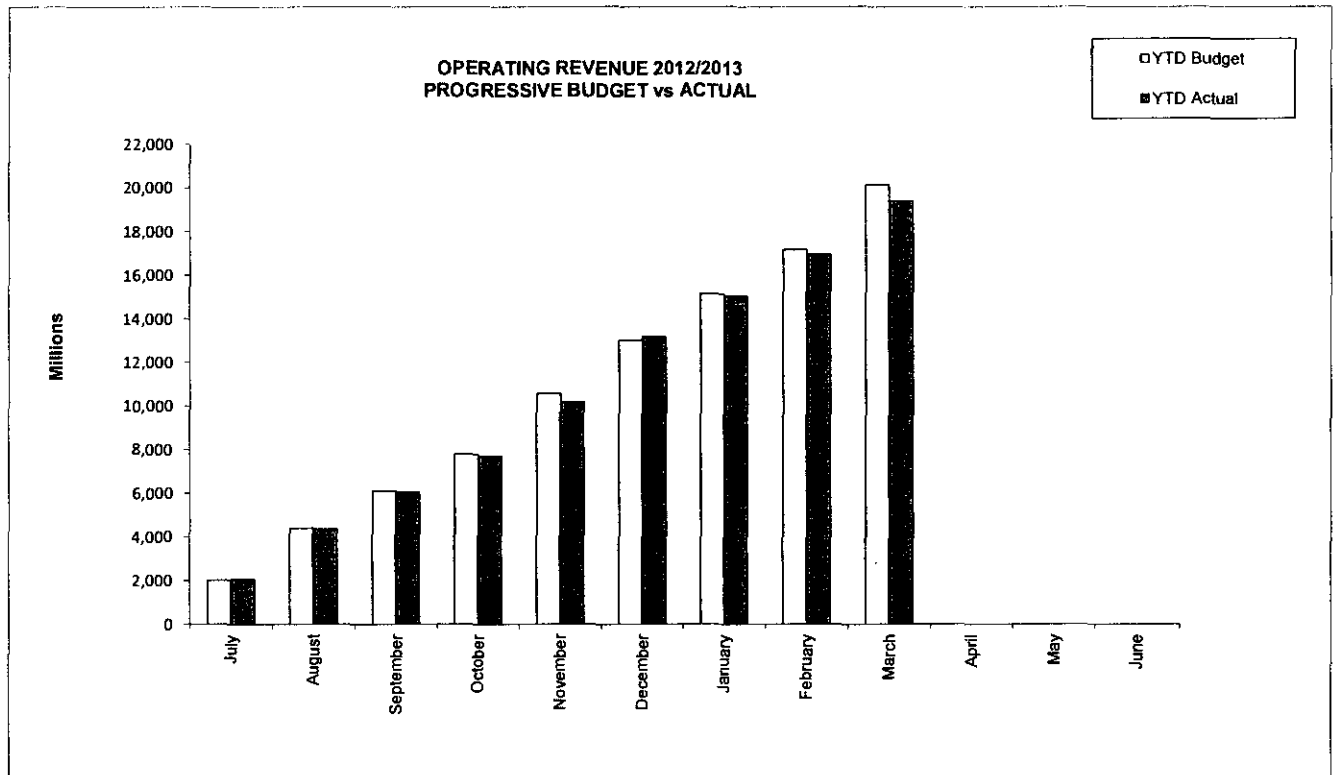


Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

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

	2011/12	Budget Year 2012/13						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote								
Vote 01 - Community Services	152,762	208,071	191,544	98,761	114,638	(15,877)	-14,0%	191,544
Vote 02 - Corporate Services	118,739	31,537	27,846	30,762	19,185	11,577	60,0%	27,846
Vote 03 - Economic, Environment & Spatial Planning	80,525	88,257	106,854	79,309	78,213	1,096	1,0%	106,854
Vote 04 - Finance Services	779,397	602,451	631,086	469,413	446,483	22,930	5,0%	631,086
Vote 05 - Health	366,750	414,622	409,542	252,188	270,564	(18,376)	-7,0%	409,542
Vote 06 - Human Settlements	887,218	1,031,290	1,202,883	650,359	720,010	(69,651)	-10,0%	1,202,883
Vote 07 - City Manager	9	-	-	-	-	-	-	-
Vote 08 - Deputy City Manager	10,373	34,550	28,350	14,670	19,614	(5,144)	-26,0%	28,350
Vote 09 - Rates & Other	7,258,182	7,861,963	7,898,800	6,342,979	6,555,510	(212,531)	-3,0%	7,898,800
Vote 10 - Safety & Security	223,890	215,131	238,982	136,246	129,162	7,084	5,0%	238,982
Vote 11 - Social and Early Childhood Development	2,178	380	1,022	394	385	9	2,0%	1,022
Vote 12 - Transport, Roads and Stormwater	1,323,005	2,763,686	2,772,589	1,228,517	1,362,542	(134,025)	-10,0%	2,772,589
Vote 13 - Utility Services	12,460,949	13,936,894	14,094,222	10,081,959	10,413,357	(331,398)	-3,0%	14,094,222
Vote 14 - Tourism, Events and Marketing	22,816	27,653	31,722	16,170	10,196	5,974	59,0%	31,722
Total Revenue by Vote	23,686,796	27,236,407	27,636,442	19,401,727	20,140,069	(738,332)	-4,0%	27,636,442
Expenditure by Vote								
Vote 01 - Community Services	1,212,638	1,300,675	1,345,446	920,881	1,007,820	(86,939)	-9%	1,345,446
Vote 02 - Corporate Services	1,795,509	1,686,920	1,716,321	1,234,956	1,220,015	14,941	1%	1,718,321
Vote 03 - Economic, Environment & Spatial Planning	425,622	445,833	485,423	336,416	354,186	(17,770)	-5%	485,423
Vote 04 - Finance Services	1,465,749	1,723,728	1,676,599	1,183,348	1,204,775	(21,427)	-2%	1,676,599
Vote 05 - Health	679,284	770,819	766,664	538,886	567,705	(28,819)	-5%	766,664
Vote 06 - Human Settlements	719,928	858,161	966,362	603,475	614,298	(10,823)	-2%	966,362
Vote 07 - City Manager	22,108	27,473	17,939	14,006	14,626	(620)	-4%	17,939
Vote 08 - Deputy City Manager	431,631	647,979	610,948	373,561	439,960	(66,399)	-15%	610,948
Vote 09 - Rates & Other	499,886	805,470	614,501	505,089	498,375	6,714	1%	614,501
Vote 10 - Safety & Security	1,241,296	1,384,093	1,399,497	978,286	995,991	(17,705)	-2%	1,399,497
Vote 11 - Social and Early Childhood Development	46,006	58,237	79,215	37,848	49,140	(11,292)	-23%	79,215
Vote 12 - Transport, Roads and Stormwater	1,258,753	1,843,833	1,650,117	978,634	1,128,568	(149,934)	-13%	1,650,117
Vote 13 - Utility Services	11,046,321	12,394,737	12,469,981	6,530,186	8,802,110	(271,924)	-3%	12,469,981
Vote 14 - Tourism, Events and Marketing	334,580	414,464	435,303	288,938	286,892	2,046	1%	435,303
Total Expenditure by Vote	21,179,513	24,362,422	24,436,316	16,524,510	17,184,461	(659,951)	-4%	24,436,316
Surplus/ (Deficit) for the year	2,587,282	2,874,065	3,199,126	2,877,217	2,955,608	(78,381)	-3%	3,199,126

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

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

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 01 - Community Services	(15,877)	-14%	The under-recovery is the result of lower than planned spending on Capital Grant Funded projects to date, due to initial delays in the approval of the Valhalla Park-Functional Recreation Area project as well as the Synthetic Pitches project.	The contractor is on site and the projects are progressing. The situation is monitored by the finance manager.
Vote 02 - Corporate Services	11,577	60%	The over-recovery is the result of a payment received from the PGWC for the Broadband Capital Project. In terms of GRAP (Accounting) requirements, the funds first had to be appropriated against a Profit Centre before being transferred to CRR as a funding source for the project.	The situation is monitored by the finance manager and the allocation of funds to CRR will be affected.
Vote 03 - Economic, Environment & Spatial Planning	1,096	1%	The over-recovery is a combination of (1) incorrect booking of Filming Fees to EESP instead of TEAM resulting in actual revenue without any budget provision and (2) revenue received for two hoarding permits issued to big developers for which no budget exists.	The situation is monitored by the finance manager. The incorrect booking of Filming Fees will be resolved by TEAM with assistance from ERP.
Vote 04 - Finance Services	22,930	5%	The over-recovery is mainly due to higher than expected revenue on (1) Interest on External Investments as a result of higher than planned cash balance, (2) Proceeds on Sale of Assets, (3) fees from credit card transactions and (4) Special Rating Levies for CIDs.	The situation is monitored on a monthly basis.
Vote 05 - Health	(18,376)	-7%	The under-recovery is mainly as the result of lower than planned recovery costs on Other Income, where provision was made for the recovery costs relating to the cleaning of properties that could have potential health / hygiene risks. Properties are only cleaned if overgrown and the necessary legislative procedures have been followed. In addition there is a under-recovery reflected on the Health allocation from the Equitable Share as the payment was not received by the end of March.	The situation is monitored on a monthly basis. The Health allocation from the Equitable Share was processed in April 2013.
Vote 06 - Human Settlements	(69,651)	-10%	The under-recovery mainly relates to a number of Operating and Capital Grant & Donations projects that are in various stages of completion. Certain projects are progressing faster than initially envisaged whilst other projects are slightly delayed. Various factors impact on the progress of Housing projects e.g. community dynamics, funding approvals, environmental issues, procurement delays that are all out of the hands of the project manager. A number of grant-funded employee positions are still to be filled.	The situation is monitored by the finance manager and projects are managed in such a way to resolve issues as quickly as possible and to ensure implementation. The SAPD together with the City are addressing gangster and community activities on site, but success is limited.
Vote 07 - City Manager	-	-	-	-
Vote 08 - Deputy City Manager	(5,144)	-26%	The under-recovery is mainly as a result of (1) EPWP Projects where the actual trend of expenditure / revenue is not aligned with the period budgets, (2) Capital Grant Funded projects for Lentegour Civic Offices Upgrade and Work Live Units delayed, due to poor workmanship where the work had to be redone as well as Harare Square Business Hub project, where SCM approval is awaited to increase contract costs and contract period to incorporate additional floor space and broadband infrastructure requirements and (3) Recoupment of Telephone Cost from employees using telephone excessively is less than planned.	The situation is monitored by the finance manager. The Lentegour Office project implementation will be accelerated over the next few months and spending is expected to improve (as well as the associated revenue recognition). The Harare Square project is in the completion phase of the contract.
Vote 09 - Rates & Other	(212,531)	-3%	The under-recovery is a combination of over-recovery on Rates billing and Income Forgone, which is mainly due to difficulties in aligning the planned period budgets with the actual daily billings. Rates Income is influenced by corrections to property valuations and the implementation of supplemental valuations. Income Forgone actual results are influenced by the continuous number of applications received, the assessment thereof and the subsequent implementation or not thereof. The late receipt of the Equitable Share allocation payment further contributed to this variance.	The situation is monitored on a monthly basis. An increase in the Income Forgone applications implemented is expected over the next few months. The Equitable Share payment was recorded in April 2013.
Vote 10 - Safety & Security	7,084	5%	The over-recovery is mainly on Fire Fees income, which has improved due to increased efforts to collect outstanding accounts and an increased demand for fire certificates, business licences and flammable licences. Further contributors to this variance is the increase in revenue on Permits and Licences, due to a higher number of Informal Traders Permits, drivers and learner licences issued, PRDP's and roadworthy appointments.	The situation is monitored by the finance manager on monthly basis.

Table continues on next page.

Annexure A: S52 (March 2013)

Description	YTD Variance	Variance		
	R thousands	%		
Vote 11 - Social and Early Childhood Development	9	2%	Immaterial variance.	-
Vote 12 - Transport, Roads and Stormwater	(134,025)	-10%	The under-recovery is the combined result of Capital Grant-Funded projects progressing slower than planned and Operating Grant-Funded projects where progress is influenced by delays in awarding of the Station Management Contract, which will only commence at the end of April 2013. Delays in the acquisition of IRT buses further contributed to this variance; to date 135 buses have been delivered. The expenditure rate is expected to improve in the ensuing months as a further tender has been awarded.	Situation is monitored by the finance manager on monthly basis.
Vote 13 - Utility Services	(331,398)	-3%	The under-recovery is mainly due to (1) Electricity Sales (R163 million under), due to less than expected consumer consumption and the impact of seasonal fluctuations, (2) Water and Sanitation revenue (R68 million under), due to the non-alignment of the period budget with the actual trend of consumption, the influences of seasonal consumption trends, on-going account queries, investigations and billing corrections and (3) Refuse Revenue (R19 million under), due to less than planned revenue received on Special Waste Fees, Disposal Coupon Fees and Builders Rubble Fees as the Visserhok Site was not functioning fully for a period of time, due to civic unrest.	The situation is monitored by the respective finance managers.
Vote 14 - Tourism, Events and Marketing	5,974	59%	The over-recovery is mainly due to higher than expected Hire/Rental revenue on Facilities as a result of increased utilisation of facilities.	Situation is monitored by the finance manager on monthly basis.

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

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 01 - Community Services	(86,939)	-9%	The variance is mainly due to savings realised on Salaries Wages & Allowances as a result of the internal filling of vacant posts, the turnaround time in the filling of vacancies, the impact of TASK outcome and update so far. On-going savings are expected on vacancies as staff resign. In addition, under-expenditure reflects against Contracted Services, mainly due to delays in the roll out of R&M plans and the finalisation of the Parks mowing tender. The lack of project management capacity to implement R&M programmes within Library Services and Specialised Technical Services further contributed to the variance. General Expenses reflects over-expenditure, due to higher than anticipated expenditure on Security Services, where security services is required to protect staff and assets. This trend will continue until financial year-end as the provision for security services is underfunded.	Recruitment and selection processes are on-going. R&M projects are underway and request for quotations are being used in absence of the mowing tenders. EMT has allocated funding for the appointment of project managers. The budget is committed and an increase in maintenance costs is expected over the ensuing months.
Vote 02 - Corporate Services	14,941	1%	The staff budget is continuously deriving savings as a result of the timing of filling vacancies and the filling of positions from internal candidates, which results in consequential vacancies. There is currently a lead-time of three months to fill vacancies but the service is partnering with HR to try and reduce this period, so as to expedite the filling of vacancies. The vacancy cuts to address the 2013/14 MTREF shortfall further contributed in the year-to-date staff savings. Other Materials reflects under-expenditure, mainly due to R&M costs booked against Contracted Services repairs, however overall R&M expenditure is on track. General Expenses reflects over-expenditure, mainly due to higher than anticipated expenditure against Security Services, which is required at all Corporate Services managed facilities to protect staff and assets. This trend will continue until financial year-end but the service will continue monitoring the situation and utilise savings realised on other items to cover the over expenditure.	All departments within Corporate Services are expediting the recruitment and selection processes, where possible. The directorate is continuously reviewing the utilisation of Security Services in all of its facilities, with a view of reducing or curtailing costs. However, the service cannot be suspended without significant risk to staff and financial loss to property.
Vote 03 - Economic, Environment & Spatial Planning	(17,770)	-5%	The variance is mainly due to savings realised on Salaries Wages & Allowances as a result of the internal filling of vacant posts, the turnaround time in the filling of vacancies, the impact of TASK outcome and update so far. The vacancy cuts to address the 2013/14 MTREF shortfall further resulted in year-to-date savings on staff costs. The directorate had 75 resignations from the start of the financial year of which 49 has been filled to date. The biggest turnover of staff is within the Planning department as a result of retirements, consequential vacancies and promotional posts. Contracted Services reflects under-expenditure as a result of the late approval of the Kader Aamal project, which is expected to start in April 2013.	The directorate has appointed an extra consultant to assist with the fast-tracking of filling of vacancies. The Kader Aamal Integrated Catchment Management project will run from 15 April 2013 to 30 June 2013.
Vote 04 - Finance Services	(21,427)	-2%	The variance is mainly due to under-expenditure on (1) Salaries Wages & Allowances as a result of the internal filling of vacant posts, the turnaround time in the filling of vacancies, the impact of the task process thus far and the vacancy cuts effected to address the 2013/14 MTREF shortfall, (2) Other Expenditure mainly as a result of savings realised on printing and stationery costs, due to the consolidation of accounts, electronic payments and more efficient management practices implemented and (3) under-expenditure on bank charges, due to invoices received one month in arrears and IRT charges now invoiced as commission.	The expenditure trend will be monitored by the finance manager on a monthly basis and corrective action will be undertaken, where necessary.
Vote 05 - Health	(28,819)	-5%	The variance is mainly due to under-expenditure on Salaries Wages & Allowances as a result of the internal filling of vacant posts, the three month turnaround time in the filling of vacancies and the impact of the lower than budgeted task outcome thus far. General Expenses reflects under-expenditure, due to outstanding invoices in respect of R&M services rendered and lower than anticipated demand on milk formula feeding as a result of a change in policy.	The recruitment process is on-going and the directorate will liaise with the service providers to submit invoices as soon as possible.
Vote 06 - Human Settlements	(10,823)	-2%	The variance is mainly due to the turnaround time in filling vacant positions and the impact of savings realised as a result of the vacancy cuts to address the 2013/14 budget shortfall. In addition, a number of grant-funded positions, including USDG-funded posts were approved during February 2013 and are in the process of being filled. Consultants reflects under-expenditure, which is linked to the rate of progress on various housing development projects. Contracted Services and General Expenses reflects over-expenditure, which is mainly linked to the rate of progress achieved on housing development projects and Peoples Housing Process projects, which are all managed and controlled by communities in terms of the national PHP programme. Community dynamics influence the rate of housing construction, which makes it difficult to estimate cash flow accurately. Collection fees also reflects over-expenditure, which relates to the City's Door to Door collection campaign and is matched with increased cash collections in terms of the awarded tender.	The recruitment and selection processes are on-going. A process of expediting PHP projects (including support) has been launched by the directorate. The situation will be monitored continuously by the finance manager.
Vote 07 - City Manager	(620)	-4%	The variance is due to lower than anticipated SALGA membership fees paid for this year as well as lesser expenditure incurred on catering requirements and conferences.	Available funds will be used to cover over-expenditure on GL's within the cost centre. Virements still to be processed.

Table continues on next page

Description	YTD Variance R thousands	Variance %		
Expenditure by Vote				
Vote 08 - Deputy City Manager	(66,399)	-15%	The variance is mainly due to under-expenditure on (1) Salaries Wages & Allowances as a result of the internal filling of vacant posts and the turnaround time in the filling of vacancies. An estimated 50% of the directorate's appointments are from internal applicants within the organisation, which results in a slower growth rate of filling the vacancies, (2) Contracted Services as result of incorrect invoices received from the contractor for the EPWP project, the provision for the WDC2014 project that still needs to be allocated to where the expenditure was incurred and lower than anticipated expenditure on contracted services and (3) Other Expenditure mainly against projects, due to delays in the implementation of the Mayoral projects, which are of an adhoc nature as well as funds related to the Project Portfolio Management project, Ward Allocations, Public Functions, and Mayoral Special Job Creation Programme that still needs to be transferred to specific elements when projects are approved and implemented.	The directorate will liaise with the contractor to submit invoices as soon as possible. The agreement to realign the WDC2014 cost centre has been completed and signed. The cost centre will be realigned by the end of April 2013. A meeting will be scheduled with the EPWP contract service provider to resolve the outstanding invoice matter and arrangements for Sub Council public functions are underway, including the process of sourcing quotations and creating orders.
Vote 09 - Rates & Other	6,714	1%	Immaterial variance.	
Vote 10 - Safety & Security	(17,705)	-2%	The variance is mainly due to under-expenditure on Salaries Wages & Allowances as a result of the internal filling of vacant posts, the three month turnaround time in the filling of vacancies and the impact of the lower than budget task outcome thus far.	The recruitment and selection process is on-going and the vacancies are at various stages of the process.
Vote 11 - Social and Early Childhood Development	(11,292)	-23%	The variance is mainly due to savings on Salaries Wages & Allowances as a result of delays in filling vacancies. The directorate has 18 budgeted vacancies currently. Four appointments were made during March 2013. Two positions (Manager & Director) were identified as part of the 2013/14 vacancy cut and will therefore not be filled. The filling of the various positions is currently underway. In addition, Other Expenditure and Contracted Services reflect under-expenditure, mainly due to the late finalisation and implementation of the Integrated Implementation plan and the EPWP projects.	The directorate's Integrated implementation plan was only adopted in February 2013 and the finance manager has to facilitate concluding the recruitment and selection of the outstanding vacancies within the new proposed staff structure for the directorate. The procurement process for outstanding programmes is almost finalised and an improvement on expenditure trends is expected in the ensuing months.
Vote 12 - Transport, Roads and Stormwater	(149,934)	-13%	Savings on staff costs result from the continuous turnover of staff and the lead-time to fill vacancies. Contracted Services reflects under-expenditure, mainly due to the late awarding of the landscape tender for IRT stations and bus routes as well as delays experienced with the awarding of the IRT station management tender as a result of appeals lodged against the award. Consultants reflects under-expenditure, mainly due to slower than anticipated rate of progress on various contracts and non-approval of invoices for unsatisfactory services by service providers.	The filling of vacancies is proceeding well. The tender for the station management contract has been resolved. The expenditure trend on Contracted Services is expected to improve over the ensuing months.
Vote 13 - Utility Services	(271,924)	-3%	The variance is mainly due to under-expenditure on (1) Salaries Wages & Allowances as a result of the internal filling of vacant posts, the three month turnaround time in the filling of vacancies and the impact of the lower than budget task outcome thus far. The vacancy cuts within Solid Waste (Rates) for the 2013/14 MTREF shortfall further contributed to the under-expenditure on staff costs, (2) Contracted Services and Other Materials reflects under expenditure largely due to (a) lower than anticipated spend on cleaning material and electrical accessories, delays experienced in awarding the Cape Flats tender for the operations and maintenance of the sludge facilities at depots, the late submission of contract accounts by service providers, delays in the appointment of service providers relating to the meter replacement and servicing of fire extinguishers projects as well as for the hazardous waste removal contract, within Water services, (b) the late start (January 2013) of the high voltage R&M projects, delays in awarding tenders for various R&M projects and the impact of the asset management system within Electricity Services and (c) delays in the implementation of R&M projects, due to capacity constraints in the Building Maintenance section and additional allocation for EPWP projects within Solid Waste, (3) Other Expenditure, largely due to lower than anticipated usage demand on Chemicals, delays on the appointment of consultants for the Laboratory Information Management System (LIMS) project, Forensic investigations and a Transaction Advisor for PPPs within Water Services and Solid Waste Management respectively.	The recruitment and selection process is on-going. Expenditure is expected to increase in the following months in line with maintenance plans. Further monitoring will be done by the finance manager on a monthly basis and corrective action will be undertaken where necessary.
Vote 14 - Tourism, Events and Marketing	2,046	1%	The variance is mainly due to under-expenditure on Salaries Wages & Allowances as a result of the internal filling of vacant posts, the three month turnaround time in the filling of vacancies and the impact of the lower than budget task outcome thus far. The vacancy cuts to address the 2013/14 MTREF shortfall further contributed to the year-to-date staff savings. Contracted Services reflects under-expenditure, which is dependent on the approval of corporate events by Council as events are implemented.	The filling of vacancies is being prioritised by all departments in the directorate. Events reports have been approved by Council and the expenditure rate is expected to improve over the upcoming months.

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	2011/12	Budget Year 2012/13						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	4,622,441	5,030,753	5,067,589	3,815,997	3,747,688	68,309	2%	5,067,589
Property rates - penalties & collection charges	89,657	93,546	93,546	85,701	70,160	(4,459)	-6%	93,546
Service charges - electricity revenue	8,061,684	8,971,405	9,094,445	6,612,035	6,774,859	(162,824)	-2%	9,094,445
Service charges - water revenue	1,817,183	2,106,357	2,106,357	1,524,173	1,560,394	(36,221)	-2%	2,106,357
Service charges - sanitation revenue	1,002,897	1,127,122	1,127,122	813,807	845,341	(31,534)	-4%	1,127,122
Service charges - refuse revenue	613,287	896,924	905,638	657,911	676,574	(18,663)	-3%	905,638
Service charges - other	291,714	237,231	231,230	169,383	170,158	(775)	0%	231,230
Rental of facilities and equipment	289,736	278,754	303,006	234,128	222,965	11,163	5%	303,006
Interest earned - external investments	333,336	244,439	244,439	202,117	193,476	8,641	4%	244,439
Interest earned - outstanding debtors	228,425	236,797	238,098	155,103	178,574	(23,471)	-13%	238,098
Fines	144,394	160,917	172,827	76,720	76,993	(273)	0%	172,827
Licences and permits	41,471	33,121	33,121	31,435	28,421	3,014	11%	33,121
Agency services	123,651	115,993	115,993	95,308	94,928	380	0%	115,993
Transfers recognised - operational	1,639,075	2,325,525	2,170,614	1,357,043	1,722,555	(365,512)	-21%	2,170,614
Other revenue	1,961,587	1,973,772	1,978,519	1,918,551	1,901,682	16,869	1%	1,978,519
Gains on disposal of PPE	44,144	69,000	69,000	21,375	13,855	7,520	54%	69,000
Total Revenue (excluding capital transfers and contributions)	21,504,682	23,901,656	23,951,544	17,750,787	18,278,623	(527,836)	-3%	23,951,544
Expenditure By Type								
Employee related costs	6,916,012	7,777,521	7,638,653	5,434,553	5,675,370	(240,817)	-4%	7,638,653
Remuneration of councillors	97,772	122,384	112,904	83,396	84,678	(1,282)	-2%	112,904
Debt impairment	818,450	991,026	999,026	749,269	749,289	-	-	999,026
Depreciation & asset impairment	1,399,490	1,444,096	1,598,033	1,175,826	1,186,418	(10,592)	-1%	1,598,033
Finance charges	881,533	768,508	749,279	488,911	492,712	(3,801)	-1%	749,279
Bulk purchases	5,705,263	6,441,273	6,509,473	4,343,704	4,355,776	(12,072)	0%	6,509,473
Other materials	273,402	396,540	344,743	203,045	255,674	(52,629)	-21%	344,743
Contracted services	2,193,662	2,579,846	2,844,413	1,661,187	1,926,296	(265,109)	-14%	2,844,413
Transfers and grants	103,492	50,606	97,491	67,071	67,785	(714)	-1%	97,491
Other expenditure	2,968,712	3,790,624	3,542,303	2,317,282	2,390,484	(73,202)	-3%	3,542,303
Loss on disposal of PPE	1,724	-	-	277	-	277	-	-
Total Expenditure	21,179,512	24,362,424	24,436,318	16,524,521	17,184,462	(659,941)	-4%	24,436,318
Surplus/(Deficit)	325,170	(460,768)	(484,774)	1,226,266	1,094,151	(132,105)	-12%	(484,774)
Transfers recognised - capital	2,061,755	3,277,122	3,637,304	1,619,549	1,835,635	(216,086)		3,637,304
Contributions recognised - capital	44,230	57,707	46,588	29,174	25,798	3,376		46,588
Contributed assets	76,128	-	-	2,218	-	-		-
Surplus/(Deficit) after capital transfers & contributions	2,587,283	2,874,061	3,199,118	2,877,207	2,955,594	2,094		3,199,118
Taxation	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation	2,507,283	2,874,061	3,199,118	2,677,287	2,955,594	(8,498)		3,199,118
Attributable to minorities	-	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality	2,507,283	2,874,061	3,199,118	2,877,207	2,955,594	(20,570)		3,199,118
Share of surplus/ (deficit) of associate	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	2,507,283	2,874,061	3,199,118	2,877,207	2,955,594	(285,679)		3,199,118

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

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	68,309	2%	The over-recovery is on Rates billing and income Forgone, mainly due to difficulties in aligning the planned period budgets with the actual billings, which is done on daily basis. Rates income is influenced by corrections to property valuations and the implementation of supplemental valuations. Income Forgone actual results are influenced by the continuous number of applications received, the assessment thereof and the subsequent implementation or not thereof.	The situation is monitored on a monthly basis. An increase in the income Forgone applications is expected over the next few months that will influence the actual results towards year-end.
Property rates - penalties & collection charges	(4,459)	-6%	The under-recovery is the result of lower than expected penalties imposed on outstanding Rates Debtors and the impact of corrections/adjustments on Rates debtor accounts.	The situation is monitored on a monthly basis.
Service charges - electricity revenue	(162,824)	-2%	The under-recovery is mainly on Electricity Sales, due to less than expected consumer consumption and the impact of seasonal fluctuation on consumption trends.	The situation is monitored on a monthly basis.
Service charges - water revenue	(36,221)	-2%	The under-recovery is a combination of the non-alignment of the period budgets with the actual trends of consumption, the influences of seasonal consumption trends, on-going account queries, investigations and billing corrections.	The situation is monitored by the finance manager on a monthly basis. The planned annual targets are expected to still be achieved.
Service charges - sanitation revenue	(31,534)	-4%	The under-recovery is a combination of the non-alignment of the period budget with the actual trend of consumption, the influences of seasonal consumption trends, on-going account queries, investigations and billing corrections.	The situation is monitored by the finance manager on a monthly basis. The planned annual targets are expected to still be achieved.
Service charges - refuse revenue	(18,663)	-3%	The under-recovery is as a result of less than planned revenue received on Special Waste Fees, Disposal Coupon Fees and Builders Rubble Fees as the Vissershok Landfill Site was not fully functional for a period of time due to civil unrest.	The situation is under investigation and monitored on a continuous basis. A plan of action will be decided on depending on the outcome of investigations.
Service charges - other	(775)	0%	Immaterial variance.	
Rental of facilities and equipment	11,163	5%	The over-recovery on hire/rental income is mainly within Community Services and TEAM. It is the result of increased marketing of facilities and the subsequent higher rate of usage of facilities.	The situation is monitored by the finance managers on a monthly basis.
Interest earned - external investments	8,641	4%	The over-recovery is due to the higher than expected cash balances available.	The situation is monitored by the finance manager on a monthly basis.
Interest earned - outstanding debtors	(23,471)	-13%	The under-recovery is the result of corrections / adjustments / reversals on interest charged on debtor accounts, due to debtor account corrections.	The situation is monitored by the finance manager on a monthly basis.
Fines	(273)	0%	Immaterial variance.	

Table continues on next page

Description	YTD Variance	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands	%		
Licences and permits	3,014	11%	The over-recovery is mainly within Safety & Security as a result of an increase in the number of Informal Traders Permits, Drivers Licence appointments, PrDP's, roadworthy examinations, and disabled disks issued. Hoarding permits issued to big developers, which was unplanned within EESP and the increase in the number of applications/permits in Community Services for vendors to trade at beaches further contributed to this variance.	The situation is monitored by the respective finance managers although this category is demand driven and thus difficult to predict.
Agency services	380	0%	-	-
Transfers recognised - operational	(385,512)	-21%	The main contributors to the under-recovery are (1) Transport Roads & Stormwater (R65.4 million under), due to a major MyCiti Station Management Contract only commencing at the end of April 2013 as a result of appeals process, (2) Solid Waste (R11.2 million under), due to expenditure on EPWP projects, which were incorrectly booked directly on the cost centre and not against the project, (3) Housing (R9.8 million under), due to some projects progressing faster than initially envisaged whilst other projects are slightly delayed. Various factors impact on the progress of Housing projects e.g. community dynamics, funding approvals, environmental issues, procurement delays that are all out of the hands of the project manager and (4) Rates (R258 million under), due to Equitable Share allocation not received in time for month-end processing.	The situation is monitored by the respective finance managers on a monthly basis. TRS to implement Station Management Contract at end of April 2013. Solid Waste is in the process of processing journals to rectify incorrect postings. Improved spending and accelerated progress is expected with Housing projects. Equitable Share payment was received in April 2013.
Other revenue	16,669	1%	The over-recovery is the combined result of (1) a payment received from Provincial Government for Broadband Project, which must be allocated to CRR, (2) higher than planned levies received from CIDs and (3) higher than planned income received from the sale of salvaged items.	The situation is monitored on a monthly basis.
Gains on disposal of PPE	7,520	54%	The over-recovery is mainly in Property Management within Finance, where the actual income from the Sale of PPE is more than the planned provision. It is not possible to plan accurately for such income as planned provisions are based on historical trends.	The situation is monitored on a monthly basis.

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

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type				
Employee related costs	(240,817)	-4%	The variance is mainly due to under-expenditure on Salaries Wages & Allowances as a result of the internal filling of vacant posts, the three month turnaround time in the filling of vacancies and the impact of the lower than budgeted task outcome thus far. The vacancy cuts to address the 2013/14 MTREF shortfall further resulted in the year-to-date savings.	Corporate HR industry best practice suggests a turnaround time of a maximum of three months to fill vacant positions. This includes the fixed times for advertising a position and for a notice period. HR is constantly improving internal processes to reduce this time, including regular (six monthly) adverts for standard positions to remove the time taken to advertise. This will reduce the current response handling time, which is increasing as unemployment increases. A worker advert will elicit >10,000 applications, a clerical position elicits >9000 applications; each one of which must be manually captured. There has been an exponential increase in the number of applicants over the past two years given the very high unemployment figures. Cash salary savings incurred to date have been set aside in ring-fenced investment accounts intended by Council to cover other unfunded commitments, which Council approved.
Remuneration of councillors	(1,282)	-2%	Immaterial Variance	-
Debt impairment	-	0%	Immaterial variance.	-
Depreciation & asset impairment	(10,592)	-1%	This variance is linked to the capitalisation rate of assets depending on the completion and progress of various projects largely within Transport Roads & Stormwater.	-
Finance charges	(3,801)	-1%	Immaterial Variance.	-
Bulk purchases	(12,072)	0%	Immaterial Variance.	-
Other materials	(52,629)	-21%	The variance is mainly due to (1) lower than anticipated spending on cleaning material and electrical accessories, within Water services, (2) late start (January 2013) of the high voltage R&M projects, delays in awarding tenders for various R&M projects and the impact of the asset management system within Electricity Services and (3) delays with the implementation of R&M projects within Solid Waste as the result of capacity constraints in the Building Maintenance section and additional allocation for EPWP projects.	The expenditure rate is expected to improve during the upcoming months as various sections within Electricity are working on solutions. Savings will be allocated to the needy areas within Water Services where over-expenditure has been identified.
Contracted services	(265,109)	-14%	The variance is mainly due to (1) the late start (January 2013) of the high voltage R&M projects, delays in awarding tenders for various R&M projects and the impact within Electricity Services, (2) delays experienced in awarding the Cape Flats tender for the operations and maintenance of the sludge facilities at depots, late submission of contract accounts by service providers, delays in the appointment of service providers relating to the meter replacement and servicing of fire extinguishers projects as well as for the hazardous waste removal contract within Water Services, (3) delays in awarding the Parks mowing tender, projects that are not fully planned at the beginning of the financial year and lack of project management capacity in Library Services and Special Technical Services departments to implement some projects within Community Services and (4) the late awarding of the landscape tender for IRT stations and bus routes as well as delays experienced with the awarding of the IRT station management tender, due to appeals lodged against the award. In addition, EPWP is reflecting under-expenditure of R22.6 million, due to outstanding invoices from contractors as well as slower than anticipated implementation of EPWP-related projects.	The expenditure rate is expected to improve during the upcoming months as various sections within Electricity Services are working on solutions to resolve this problem. Various tenders for the appointment of service providers are in progress and the Cape Flats tender assessment is underway within Water Services. R&M projects are now proceeding well in Community Services. Quotations are being used in absence of mowing tenders. EMT allocated some funding for the appointment of project managers. Budget is committed and payment for increased maintenance costs over the season should reflect in upcoming months. The tender for the station management contract within TRS has been resolved and expenditure trend is expected to improve over the ensuing months.
Transfers and grants	(714)	-1%	Immaterial Variance	-
Other expenditure	(73,202)	-3%	Under-expenditure is mainly on (1) Consultants mainly within Human Settlements, which are externally funded and linked to the rate of progress on various housing development projects, (2) Public Functions and Projects largely within the Office of the Deputy City Manager, which is linked to various Mayoral projects, Ward Allocations and EPWP projects of which some are underway and others expected to implemented during the upcoming months and (3) various items in this category, which are of an adhoc nature and difficult to plan per monthly cycle.	The expenditure trend will be monitored by the respective Finance Managers.
Loss on disposal of PPE	277	-	Immaterial variance	-

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

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

Vote Description	2011/12	Budget Year 2012/13						
	Audited Outcoma	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 01 - Community Services	162,771	198,523	192,139	69,745	98,356	(28,611)	-29%	192,049
Vote 02 - Corporate Services	204,094	250,030	237,998	95,749	92,436	3,313	4%	236,477
Vote 03 - Economic, Environment & Spatial Planning	36,727	52,457	43,667	19,535	21,804	(2,269)	-10%	42,965
Vote 04 - Finance Services	119,904	48,975	52,205	9,516	18,136	(8,620)	-48%	23,688
Vote 05 - Health	22,801	27,459	31,899	11,126	14,312	(3,186)	-22%	31,899
Vote 06 - Human Settlements	490,726	603,872	647,212	312,779	380,855	(68,076)	-18%	637,834
Vote 07 - City Manager	122	252	224	36	89	(53)	-60%	224
Vote 08 - Deputy City Manager	14,641	26,947	31,438	13,547	18,368	(4,821)	-26%	30,329
Vote 09 - Rates & Other	-	-	-	-	-	-	-	-
Vote 10 - Safety & Security	67,079	52,434	58,704	24,500	27,136	(2,636)	-10%	58,696
Vote 11 - Social and Early Childhood Development	9,446	11,658	9,590	1,517	1,164	353	30%	9,275
Vote 12 - Transport, Roads and Stormwater	1,280,796	2,335,654	2,623,876	1,165,674	1,226,049	(60,375)	-5%	2,620,684
Vote 13 - Utility Services	1,761,270	2,241,299	2,190,401	998,524	1,092,397	(93,873)	-9%	2,161,856
Vote 14 - Tourism, Events and Marketing	62,875	77,049	102,455	73,532	76,670	(3,138)	-4%	97,361
Total Capital Expenditure	4,233,252	5,926,509	6,221,808	2,795,780	3,067,772	(271,992)	-9%	6,143,337
Capital Expenditure - Standard Classification								
Governance and administration	359,545	320,903	318,816	112,256	120,239	(7,984)	-7%	288,201
Executive and council	3,555	14,204	7,695	1,906	3,412	(1,506)	-44%	6,588
Budget and treasury office	17,593	5,823	10,906	6,100	10,443	(4,343)	-42%	10,926
Corporate services	338,397	300,876	300,215	104,249	106,384	(2,135)	-2%	270,687
Community and public safety	834,941	1,009,409	1,087,764	526,330	531,961	(105,631)	-17%	1,070,080
Community and social services	56,068	63,798	50,104	18,298	23,952	(5,654)	-24%	50,746
Sport and recreation	166,051	219,083	247,703	126,199	151,150	(24,951)	-17%	242,530
Public safety	101,232	109,996	116,806	58,674	63,831	(5,157)	-8%	111,829
Housing	489,925	589,472	641,852	312,384	378,916	(66,532)	-18%	633,476
Health	21,665	27,060	31,499	10,775	14,112	(3,337)	-24%	31,499
Economic and environmental services	1,311,548	2,393,983	2,650,223	1,178,939	1,245,697	(66,758)	-5%	2,655,328
Planning and development	25,960	39,529	34,019	12,300	16,664	(4,364)	-26%	32,968
Road transport	1,272,448	2,326,649	2,610,519	1,158,502	1,221,578	(63,076)	-5%	2,607,327
Environmental protection	13,132	27,805	15,685	8,137	7,455	682	9%	15,033
Trading services	1,727,221	2,282,316	2,155,006	978,255	1,069,875	(91,620)	-9%	2,129,729
Electricity	880,178	1,251,120	1,233,971	578,813	624,573	(45,760)	-7%	1,215,709
Water	258,890	297,584	346,091	177,623	153,038	24,585	16%	345,801
Waste water management	354,031	404,257	356,428	148,408	171,676	(23,268)	-14%	352,373
Waste management	229,904	245,506	214,173	73,309	120,084	(46,775)	-39%	213,003
Other	4,218	3,849	4,343	102	504	(402)	-80%	2,843
Total Capital Expenditure - Standard Classification	4,233,247	5,926,611	6,221,809	2,795,779	3,067,772	(271,993)	-9%	6,143,338
Funded by:								
National Government	1,717,564	2,921,635	3,246,952	1,418,496	1,572,918	(154,422)	-10%	3,221,680
Provincial Government	335,474	355,487	390,352	201,053	256,269	(55,216)	-22%	389,083
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	8,740	3,325	3,797	2,073	1,715	358	21%	3,797
Transfers recognised - capital	2,051,778	3,288,447	3,641,101	1,621,622	1,830,902	(209,280)	-11%	3,614,560
Public contributions & donations	44,208	54,382	42,791	27,101	24,320	2,781	11%	39,952
Borrowing	1,374,791	1,765,377	1,784,935	854,902	869,773	(14,871)	-2%	1,774,725
Internally generated funds	752,469	826,405	752,982	292,155	342,779	(50,624)	-15%	714,098
Total Capital Funding	4,233,246	6,926,611	6,221,809	2,795,780	3,067,774	(271,994)	-9%	6,143,335

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

Material variance explanations for capital expenditure (refer Table C5)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 01 - Community Services	(28,611)	-29%	<p>Sport & Recreation:</p> <p>1. Delays in approval of Synthetic Pitches projects in Nyanga, Gugulathu, Westridge, Langa and Scottsdene, due to various reasons such as community interference, designs not submitted timeously and tender appeals received.</p> <p>2. Blue Waters Project: delays in the completion of the tender documentation by the consultants.</p> <p>City Parks:</p> <p>1. Specifications for various major park upgrades submitted to Procurement; awaiting outcome. Two new park developments (Azalea Park in Uitsig and Soetkop Park in Kalksteentfontein) have been identified. Orders placed; awaiting delivery. Delay with play equipment tender resulted in negative variance.</p> <p>2. Orders placed for fencing of Eikendal, Atlantis and Welmoed Cemeteries. Delays in obtaining final quantities and quotations for Roads tender created negative variance. Final pricing for Khayelitsha Cemetery roads project submitted on 2 April 2013; awaiting outcome.</p> <p>Library Services:</p> <p>New Regional Kuyasa Library in Khayelitsha: Development delayed, due to Environmental Impact Assessment for road realignment.</p>	<p>Sport & Recreation:</p> <p>1. Contractor is on site and projects are being implemented.</p> <p>2. Budget to be spent on consultants and a portion of contract, which will continue into 2013/14.</p>
Vote 02 - Corporate Services	3,313	4%	Immaterial Variance.	
Vote 03 - Economic, Environment & Spatial Planning	(2,269)	-10%	<p>1. Integrated Planning and Operating System (IPOS) project behind schedule, due to delays experienced with the appointment of contractors.</p> <p>2. Upgrades of Reserves: Awaiting finalisation of site meetings from SCM to proceed with the scoring process for orders to be placed.</p> <p>3. Public Spaces Informal Settlement Upgrade: Community Residential Units projects programme is slightly behind schedule as the Spatial Planning and Urban Design department is still awaiting site development approval.</p>	<p>1. Orders of R3.5 million have been placed, awaiting invoices to be submitted. Progress is being closely monitored.</p> <p>2. Orders to be placed once the necessary approvals have been completed.</p> <p>3. Site development plans pending approval.</p>
Vote 04 - Finance Services	(8,620)	-48%	<p>1. Cash Office (Promenade Mall): The furniture order, which is to be placed in April 2013, is aligned to the completion of the renovations to the cash office.</p> <p>2. Replacement Warehouse Equipment: Awaiting revised quotations for the bunding pump station. Designs, requests for quotations and tenders for replacement of equipment completed. Technical evaluation of forklift tender complete.</p> <p>3. It seems unlikely that the project in respect of the parking development required for CTICC expansion will be completed by financial year-end, due to factors outside the Property Management department's control (Forensic investigation).</p> <p>4. The Reconciliation System is undergoing legal challenges, which are nearly completed.</p> <p>5. Various computer hardware is on order and expected to be delivered in April/May 2013.</p>	<p>1. The Revenue department to follow up with Facilities Management and to ensure that the renovations are completed by April 2013.</p> <p>2. Site meetings for the timber store complete, awaiting final scoring. Delivery of the forklifts to be expedited. Project expected to be finalised by June 2013.</p> <p>3. Property Management: Funds to be rolled-over to 2013/14 during the adjustment budget in August 2013.</p> <p>4. Legal problems have been resolved and work commenced early April 2013; to be completed by May 2013.</p> <p>5. All departments need to follow up with the supplier to ensure timeous delivery of IT equipment.</p>
Vote 05 - Health	(3,186)	-22%	<p>1. Delays in the finalisation of accounts for the Earsta River clinic project has resulted in no payments being made.</p> <p>2. There has been a delay in site handover for the New Environmental Health office project, due to the necessary consultation for the appointment of the Community Liaison Officer as well as procuring alternative accommodation for the staff of the existing offices, which will be demolished.</p>	<p>1. Follow up with consultants regarding the completion of the final account.</p> <p>2. Follow up with the responsible official regarding the appointment of the Community Liaison Officer and facilitate the transfer of staff to temporary accommodation.</p>
Vote 06 - Human Settlements	(68,076)	-18%	Housing projects at various stages of planning and construction. Primary area of underspend-to-date relates to Major Community Residential Units Upgrade projects currently running behind planned cash flows. The primary reasons being gangster and community activity on site. Similar challenges in terms of delays are being experienced at the Scottsdene site (sub-contractor unrest).	SAPD and City addressing gangster activity (success limited). All other project-related delays eg. Temporary Residential Areas containers delivered etc, have been addressed. On instruction from the Executive Mayor, future Human Settlements Capital Budgets will only include confirmed and immediately deliverable projects w.e.f. 2013/2014.
Vote 07 - City Manager	(53)	-60%	<p>1. Partial delivery of furniture received, awaiting outstanding furniture invoices.</p> <p>2. Replacement furniture requirements were only finalised end of March 2013.</p>	<p>1. Following up with vendor to expedite delivery of furniture and submit invoices.</p> <p>2. Orders have been placed, awaiting delivery mid May 2013.</p>

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 08 - Deputy City Manager	(4,821)	-26%	1. Lentegeur Civic Office Upgrade: Marginally behind schedule as some work is being redone, due to poor quality of finishes. 2. Work Live Units Ntiazane Road: A meeting was scheduled to finalise the payments of outstanding invoices and penalties that must be imposed. 3. Harare Square Business Hub: Awaiting SCM approval for the increase in contract sum and contract period to incorporate the broadband infrastructure. 4. Delays with the installation of the IT connectivity at new Sub Council offices.	1. Project implementation will accelerate over the next few months. Quality of work done is being inspected and monitored closely. 2. The quantity surveyor was requested to liaise with contractor to submit revised invoices based on the final assessment. It is anticipated that payments will be processed by end May 2013. 3. It is expected that the report to SCMBAC will be finalised by mid April 2013. Current phase of the contract at completion stage. 4. IT connectivity to be completed by end April 2013.
Vote 09 - Rates & Other Vote 10 - Safety & Security	(2,636)	-10%	1. Tenders for the Establishment of the Maitland Impoundment facility and the Upgrade of the Sandvlei Community Centre are in the process of being finalised; tender awards expected May 2013. 2. Consultants are in the process of developing conceptual plans for the Maitland Training College project; plans to be finalised by April 2013. 3. Malkbos Fire Station project is completed; awaiting completion of snag list. 4. Final costing has been received for the ISERMS project; preparing presentation to Mayco and EMT for approval of options. All forms have been completed for the re-allocation of the generator, awaiting approval.	On-going monitoring of the project progress and expenditure.
Vote 11 - Social and Early Childhood Development	353	30%	Payment for contractor on Scorpio Early Childhood Development project processed earlier than anticipated.	-
Vote 12 - Transport, Roads and Stormwater	(60,375)	-5%	Some contracts are progressing better than expected at present. The existing IRT bus contract especially is spending faster than planned. The better than expected progress on certain projects has to some extent offset slower progress on other projects as a result of delays from appeals and protracted due diligence procedures. Some projects are also moving slower than expected, due to cash flow problems being experienced by contractors and also as a direct result of contracts being terminated as a result of non-performance and/or liquidation of contractors. The major reason for the negative variance is the fact that negotiations with operators have been more protracted than expected, significantly delaying the payment of scrapping and compensation. Detailed comment on each budget line item is available on the March 2013 PCER.	No remedial action is possible with regard to delays occasioned by the additional due diligence processes imposed internally on the administration, appeals against tender awards allowed in terms of Section 62 of the MSA and liquidations of contractors given the constraints imposed by legislation. Also, the negotiations with operators are at a sensitive stage and no intervention to speed this up is possible.
Vote 13 - Utility Services	(93,873)	-9%	Refer below.	Refer below.
Vote 14 - Tourism, Events and Marketing	(3,138)	-4%	Immaterial Variance	-
Vote 13 - Utility Services per sub vote				
Utility Services Support	(19)	-31%	Immaterial Variance	-
Cape Town Electricity	(45,710)	-7%	Payments to ESKOM for electrification projects pending as well as a delay in the submission of payment certificate by contractor for the Bloemhof Complex Project.	ESKOM has been contacted to expedite quotes against which payments will be effected. Bloemhof Complex project's payment to be processed by mid April 2013.
Solid Waste Management	(46,775)	-39%	1. Contractor was appointed end of November 2012 but only went on site after the builders holiday in January 2013, which caused delays with the construction at Vissershok landfill Site. 2. Tender awarded for the supply and installation of the Gantry cranes. Delivery of structure will be later than anticipated.	1. Implementation will be accelerated to make up for lost time. Anticipated completion end May 2013. 2. Contractor confirmed that delivery will commence in May 2013 and funds will be spent by year end.
Water & Sanitation	(1,369)	0%	Orders were placed for computer equipment and software. Computers were delivered. Awaiting installation of software in order to process payments.	-

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

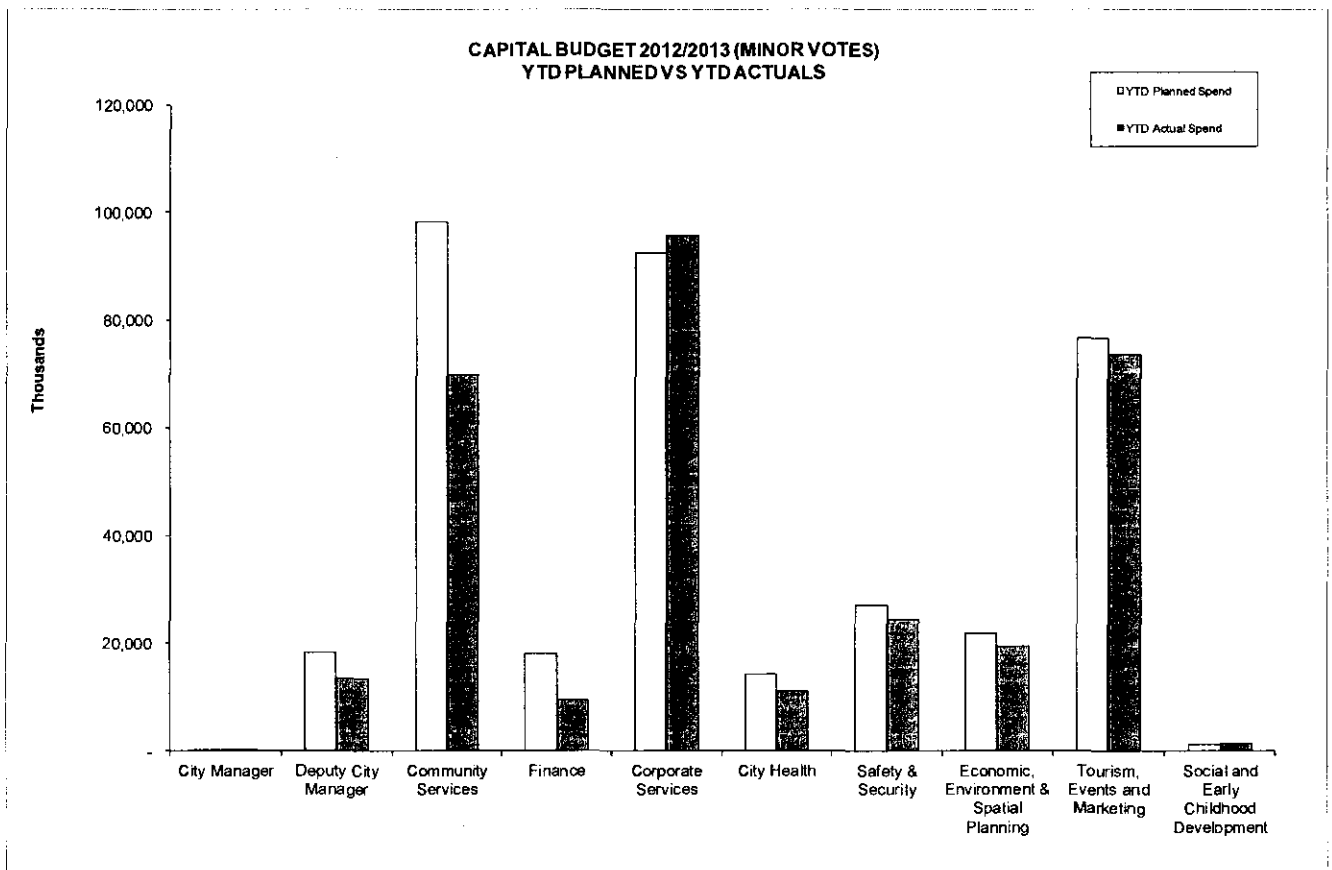
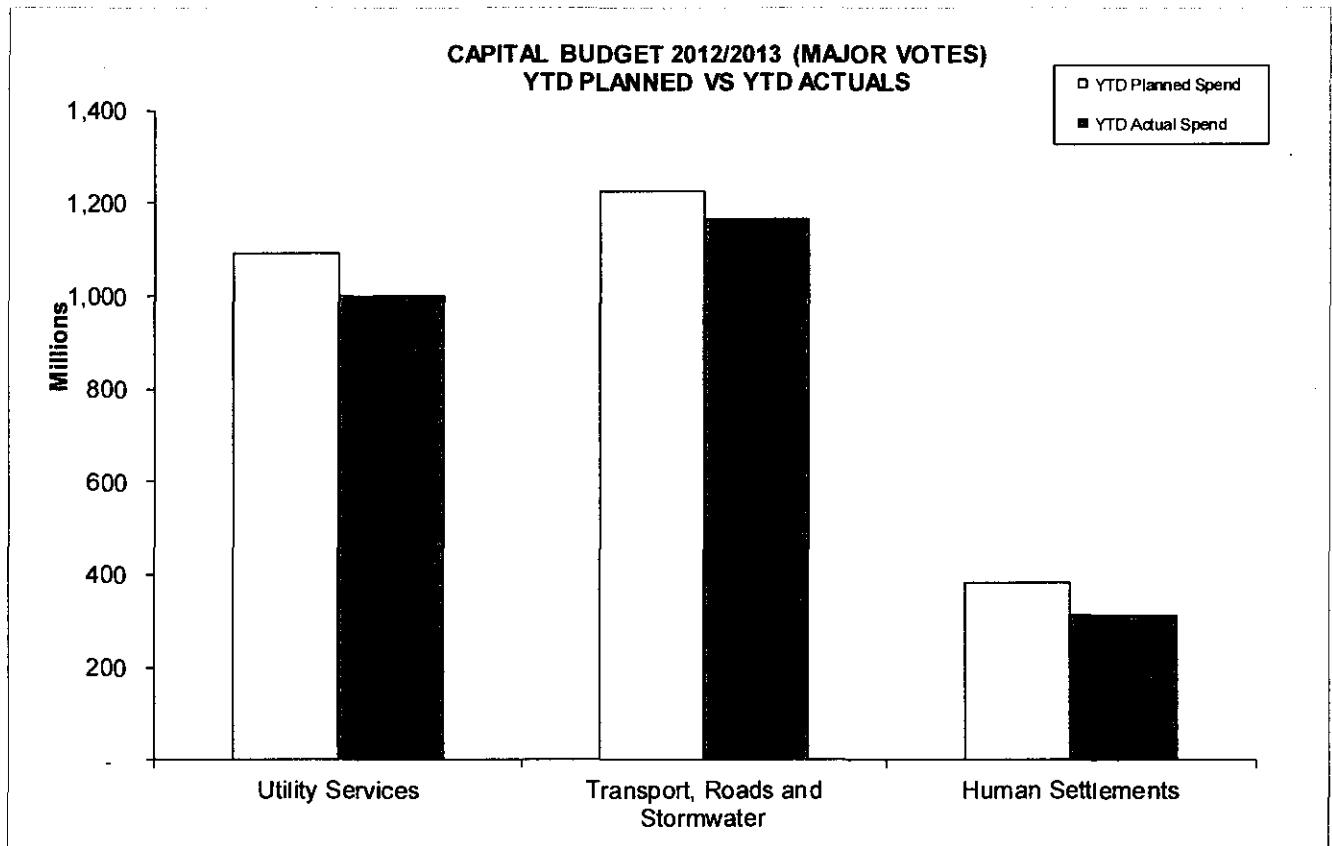


Table C6: Monthly Budget Statement - Financial Position

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

Description	2011/12	Budget Year 2012/13			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	3,327,833	–	–	171,105	–
Call investment deposits	2,883,387	4,523,511	7,458,973	9,859,924	6,713,732
Consumer debtors	3,979,256	4,078,849	3,979,256	2,391,524	4,886,070
Other debtors	305,949	234,483	336,544	700,396	234,483
Current portion of long-term receivables	19,758	17,322	18,770	19,758	17,322
Inventory	253,008	259,362	265,658	283,418	259,362
Total current assets	10,769,190	9,113,527	12,059,201	13,426,125	12,110,969
Non current assets					
Long-term receivables	99,328	104,262	94,362	82,675	104,262
Investments	150,260	949,989	950,998	–	950,998
Investment property	–	–	–	801,644	–
Property, plant and equipment	24,522,952	28,836,813	28,989,574	25,337,940	29,115,930
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	24,772,540	29,891,064	30,034,934	26,222,259	30,171,190
TOTAL ASSETS	35,541,730	39,004,591	42,094,135	39,648,384	42,282,159
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	294,186	370,393	563,763	294,186	485,783
Consumer deposits	274,944	282,525	302,438	305,569	282,525
Trade and other payables	5,506,661	4,360,119	5,922,387	4,129,117	7,911,029
Provisions	1,025,777	862,478	1,077,066	1,176,540	846,357
Total current liabilities	7,101,568	5,875,515	7,865,654	5,905,412	9,525,694
Non current liabilities					
Borrowing	5,176,421	6,975,308	7,243,313	7,464,067	6,803,311
Provisions	4,076,201	4,369,622	4,518,383	4,240,420	3,954,519
Total non current liabilities	9,252,622	11,344,930	11,761,696	11,704,487	10,757,830
TOTAL LIABILITIES	16,354,190	17,220,445	19,627,350	17,609,899	20,283,524
NET ASSETS	19,187,541	21,784,146	22,466,785	22,038,485	21,998,635
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	16,895,822	19,872,204	20,263,916	19,936,701	20,082,107
Reserves	2,291,718	1,911,942	2,202,869	2,101,784	1,916,528
TOTAL COMMUNITY WEALTH/EQUITY	19,187,540	21,784,146	22,466,785	22,038,485	21,998,635

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	2011/12	Budget Year 2012/13						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	18,601,603	19,664,743	20,260,796	17,349,276	17,063,894	285,382	2%	20,260,797
Government - operating	1,626,991	2,325,525	2,170,614	1,300,278	1,376,178	(75,900)	-6%	2,170,614
Government - capital	2,130,844	3,334,829	3,680,095	3,047,827	1,917,201	1,130,626	59%	3,680,095
Interest	563,873	481,236	482,538	245,347	291,656	(46,309)	-16%	482,538
Payments								
Suppliers and employees	(17,019,721)	(20,311,090)	(20,714,939)	(17,772,439)	(16,515,342)	1,257,097	-8%	(20,714,939)
Finance charges	(661,761)	(768,508)	(618,412)	(435,651)	(434,219)	1,432	0%	(618,412)
Transfers and Grants	-	-	-	(28,851)	(28,851)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	5,241,829	4,726,735	5,260,692	3,705,787	3,670,617	35,270	1%	5,260,693
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	45,983	69,000	69,000	-	-	-	-	69,000
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	15,633	6,399	6,399	-	-	-	-	6,399
Decrease (increase) in non-current investments	(1,922)	(248,462)	(304,138)	-	-	-	-	(304,138)
Payments								
Capital assets	(4,233,162)	(5,630,280)	(5,910,719)	(2,240,895)	(2,766,611)	(525,716)	19%	(5,910,719)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4,173,468)	(5,803,343)	(6,139,458)	(2,240,895)	(2,766,611)	(625,716)	19%	(6,139,458)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	2,000,000	2,400,000	2,384,420	2,400,000	(15,580)	-1%	2,400,000
Increase (decrease) in consumer deposits	41,452	25,684	25,684	-	-	-	-	25,684
Payments								
Repayment of borrowing	(198,354)	(99,955)	(168,662)	(140,041)	(141,464)	(1,423)	1%	(168,662)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(156,902)	1,926,729	2,257,022	2,244,379	2,258,536	14,157	1%	2,257,022
NET INCREASE/ (DECREASE) IN CASH HELD								
Cash/cash equivalents at beginning:	911,459	849,121	1,378,266	3,709,271	3,162,442			1,378,257
Cash/cash equivalents at month/year and:	5,249,381	3,674,390	6,160,840	6,160,840	6,160,840			6,160,840
	6,160,840	4,523,511	7,539,096	9,870,111	9,323,282			7,539,097

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

Description	YTD Variance R thousands	YTD Variance %	Reasons for material deviations
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Government - operating	(75,900)	-6%	More grant monies received than budgeted.
Government - capital	1,130,626	59%	More grant monies received than budgeted.
Interest	(46,309)	-16%	Outstanding debtors interest not reflecting in Interest amount.
Dividends	-	-	
Payments			
Suppliers and employees	1,257,097	-8%	Creditors expenditure higher than expected.
Finance charges	1,432	-	
Transfers and Grants	-	-	
NET CASH FROM/(USED) OPERATING ACTIVITIES	35,270	1%	
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	-	-	
Decrease (Increase) in non-current debtors	-	-	
Decrease (increase) other non-current receivables	-	-	
Decrease (increase) in non-current investments	-	-	
Payments			
Capital assets	(525,716)	19%	Underspend on capital expenditure.
NET CASH FROM/(USED) INVESTING ACTIVITIES	(525,716)	19%	

The monthly cash flow details can be found in the table below.

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

Description	Budget Year 2012/13												2012/13 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Budget	May Budget	June Budget	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands															
Cash Receipts By Source															
Property rates	452,841	480,012	484,129	449,458	446,319	375,673	329,374	402,009	303,044	398,701	407,869	431,900	4,961,330	5,120,337	5,484,326
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	715,924	776,129	776,141	879,506	776,891	729,576	714,519	783,796	815,016	746,805	800,625	525,764	9,044,494	11,026,604	13,496,830
Service charges - water revenue	142,450	184,136	185,467	148,850	140,193	157,261	135,318	154,633	154,279	147,935	149,273	56,900	1,756,698	2,001,961	2,273,572
Service charges - sanitation revenue	83,782	83,824	84,897	66,297	60,133	82,311	83,326	84,430	80,534	80,655	83,352	103,725	977,268	1,130,988	1,281,190
Service charges - refuse	56,574	57,168	59,065	44,696	41,198	56,924	56,257	50,857	50,685	56,741	53,552	20,428	604,146	721,798	787,776
Service charges - other	13,751	19,504	19,217	16,623	6,899	15,245	18,875	18,302	15,559	19,031	20,567	47,657	231,230	236,461	309,675
Rental of facilities and equipment	13,404	15,973	20,532	18,789	13,209	4,293	4,404	10,270	17,823	4,168	4,440	(60,778)	66,528	54,906	52,312
Interest earned - external investments	31,542	27,258	26,861	24,863	24,736	26,429	28,384	19,292	35,983	19,292	19,292	(39,492)	244,439	284,889	339,392
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	19,046	20,663	198,389	238,098	250,058	264,061
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	10,399	10,241	7,639	7,876	8,861	6,952	9,090	6,565	7,113	13,520	13,224	71,346	172,827	169,929	179,445
Licences and permits	19,346	10,516	10,027	16,073	4,901	31,125	3,133	5,549	16,773	3,119	3,595	(91,035)	33,121	34,976	36,934
Agency services	146,285	177,601	199,015	185,692	146,567	110,492	3,133	161,027	2,687	9,329	10,122	(1,035,978)	115,993	122,489	129,346
Transfer receipts - operating	392,369	19,397	17,999	5,835	282,987	56,250	40,405	475,822	9,214	193,875	194,792	481,669	2,170,614	2,228,425	2,287,976
Other revenue	44,786	593,792	1,942	34,997	396,013	568,968	236,141	2,547	604,820	12,068	12,068	(529,654)	1,976,519	2,102,194	2,222,418
Cash Receipts by Source	2,123,452	2,457,553	1,892,930	1,899,554	2,348,928	2,221,489	1,662,363	2,175,099	2,113,532	1,726,105	1,793,454	180,841	22,595,304	25,486,015	29,145,255
Other Cash Flows by Source															
Transfer receipts - capital	588,553	29,095	11,999	8,752	424,481	8,130	400,000	713,733	863,083	325,051	321,811	(14,594)	3,680,095	2,776,165	2,560,903
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	46,588	46,588	56,750	59,168
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	69,000	69,000	72,864	76,944
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	2,384,420	-	-	15,580	2,400,000	1,985,000	1,870,000
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	2,712,005	2,486,648	1,904,929	1,908,306	2,773,409	2,229,619	2,062,363	2,888,832	5,361,035	2,051,156	2,115,265	297,415	28,790,987	30,376,794	33,712,270

Table continues on next page

Annexure A: S52 (March 2013)

Description	Budget Year 2012/13												2012/13 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2012/13	Budget Year +1 2013/14	Budget Year +2 2014/15
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget			
Cash Payments by Type															
Employee related costs	514,566	517,665	601,351	529,239	838,164	522,859	567,938	567,636	590,347	598,249	649,043	761,499	7,258,556	8,084,577	8,900,351
Remuneration of councillors	8,609	8,563	8,489	8,525	8,529	8,525	8,680	12,117	8,971	9,200	9,200	13,497	112,904	130,217	138,811
Interest paid	-	-	123,910	9	-	187,816	5	0	123,910	-	-	182,781	618,412	753,976	1,036,544
Bulk purchases - Electricity	735,528	802,221	782,196	454,567	439,020	416,041	400,277	415,863	394,475	399,428	399,911	535,273	6,174,800	7,728,346	9,697,063
Bulk purchases - Water & Sewer	40,006	22,968	24,848	35,152	28,268	25,276	26,560	20,494	30,252	27,889	27,889	25,071	334,673	391,911	470,535
Other materials	-	6,307	-	-	6,930	-	-	-	-	33,045	33,045	266,287	345,614	427,849	461,031
Contracted services	249,115	178,854	178,791	143,719	149,988	146,341	-	133,685	-	207,499	225,116	1,219,779	2,832,886	2,865,325	3,077,300
Grants and subsidies paid - other municipalities	-	9	2,006	-	26,837	-	-	-	-	-	-	(28,851)	-	-	-
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	90,343	90,343	101,085	106,746
General expenses	951,600	616,617	411,492	691,334	644,020	658,119	617,157	685,150	868,093	222,534	225,480	(3,269,904)	3,321,692	3,343,184	3,312,673
Cash Payments by Type	2,499,423	2,153,204	2,133,082	1,862,545	2,141,756	1,964,977	1,628,617	1,834,946	2,816,048	1,497,844	1,569,684	(204,245)	21,089,888	23,828,470	27,281,054
Other Cash Flows/Payments by Type															
Capital assets	411,151	166,186	320,570	176,837	194,129	332,614	207,445	106,410	325,553	569,858	564,178	2,535,788	5,910,719	5,063,896	4,708,179
Repayment of borrowing	47,187	-	8,574	-	-	75,705	-	-	8,574	-	-	28,621	168,662	346,105	310,892
Other Cash Flows/Payments	-	-	-	-	-	-	10,343	-	-	-	-	233,128	243,471	253,077	275,860
Total Cash Payments by Type	2,957,761	2,319,390	2,462,226	2,839,382	2,335,885	2,373,296	1,838,485	1,941,355	2,350,175	2,067,702	2,133,862	2,593,282	27,412,732	29,489,548	32,495,985
NET INCREASE/(DECREASE) IN CASH HELD	(245,756)	167,258	(557,287)	(131,078)	437,524	(143,677)	223,958	947,477	3,018,860	(16,546)	(18,597)	(2,295,877)	1,378,255	887,246	1,216,285
Cash/cash equivalents at the month/year beginning:	6,160,840	5,915,084	6,082,342	5,525,045	5,393,969	5,831,493	5,687,816	5,911,774	6,859,251	9,870,111	9,853,565	9,834,968	6,160,840	7,539,095	8,426,341
Cash/cash equivalents at the month/year end:	5,915,084	6,082,342	5,525,045	5,393,969	5,831,493	5,687,816	5,911,774	6,859,251	9,870,111	9,853,565	9,834,968	7,539,091	7,539,095	8,426,341	9,642,626

PART 2 - SUPPORTING DOCUMENTATION

SECTION 1 - DEBTORS' ANALYSIS

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

1.1 SC3 Monthly budget statement Aged Debtors

Description	Budget Year 2012/13										>90 days	
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total	Bad Debts		
R thousands												
Debtors Age Analysis By Revenue Source												
Rates	381,111	72,649	54,077	67,423	40,498	32,512	236,336	745,996	1,630,601	-	1,122,765	
Electricity	554,877	37,621	15,517	15,981	(1,276)	10,691	51,263	85,618	770,293	-	162,277	
Water	274,216	80,989	62,065	61,176	50,267	48,295	267,543	1,238,590	2,103,140	-	1,665,671	
Sewerage / Sanitation	155,163	37,056	27,847	29,715	22,642	22,184	137,598	569,885	1,002,090	-	782,024	
Refuse Removal	61,190	13,925	10,966	11,555	10,111	9,003	51,897	218,189	386,835	-	300,755	
Housing (Rental Revenue)	42,830	9,309	9,407	9,188	9,032	407,694	-	-	487,641	-	426,095	
Other	(36,418)	(19,090)	(7,346)	(4,224)	(9,941)	(44,640)	(42,609)	(72,025)	(236,293)	-	(173,439)	
Total By Revenue Source	1,432,969	232,459	172,533	190,793	121,333	485,939	722,028	2,786,253	6,144,307	-	4,306,346	
2811/12 - totals only	1,361,321	228,836	163,906	181,253	115,266	461,642	665,927	2,646,940	5,837,892	-	4,091,028	
Debtors Age Analysis By Customer Category												
Government	38,543	2,102	5,867	5,165	(6,634)	(48,006)	(16,904)	45,308	23,440	-	-	
Business	739,128	66,287	40,794	45,740	27,545	24,670	126,078	331,720	1,402,162	-	-	
Households	743,556	179,162	132,039	142,636	112,922	511,486	604,753	2,423,477	4,850,031	-	-	
Other	(86,258)	(15,092)	(6,166)	(2,746)	(12,501)	(2,411)	8,102	(14,251)	(131,326)	-	-	
Total By Customer Category	1,432,969	232,459	172,532	190,794	121,333	485,939	722,828	2,786,253	6,144,307	-	-	

1.2 Additional debtor's information

Monthly collection rate			
Period	Current year	Previous year	YTD collection rate
12 Month	96,50%	95,38%	96,15%
6 month	94,38%	93,81%	96,53%
3 month	93,81%	89,76%	95,39%
Monthly	97,14%	90,17%	95,31%

2012/13 Billing vs Receipts		
Month	Billing R	Receipts R
July	1,716,808,902	1,627,703,862
August	1,913,073,157	1,844,306,183
September	1,927,940,192	1,920,922,384
October	1,827,276,132	1,916,379,147
November	1,860,411,580	1,715,491,187
December	1,881,768,489	1,657,685,975
January	1,975,294,745	1,770,592,627
February	1,916,254,514	1,819,302,100
March	1,822,764,117	1,770,653,720

12 month collection ratio per source			
Source	Current year	Previous year	YTD collection rate
Electricity	99,41%	99,64%	99,28%
Water	94,68%	91,68%	94,42%
Sewerage	92,29%	87,83%	92,69%
Refuse	96,62%	94,86%	96,20%
Rates	99,30%	98,07%	99,66%
Other	101,33%	97,74%	99,58%

SECTION 2 - CREDITORS' ANALYSIS

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

2.1 SC4 Monthly budget Statement Aged Creditors

Description	Budget Year 2012/13									Prior year totals (same period)
	0 - 38 Days	31 - 60 Days	61 - 90 Days	91 - 128 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	126,823	2,079	(985)	49	(379)	232	(79)	932	128,672	158,465
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	126,823	2,079	(985)	49	(379)	232	(79)	932	128,672	158,465

SECTION 3 - ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Transfers and grant expenditure per allocation or grant is provided in the table below.

3.1 SC7 - Monthly Budget Statement - transfers and grants expenditure

Description	2011/12	Budget Year 2012/13						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Operating expenditure of Transfers and Grants								
National Government:	133,238	1,679,172	1,421,696	118,069	175,420	(57,351)	-32.7%	1,421,697
Restructuring	2,244	3,884	5,303	1,278	1,249	30	2.4%	5,303
Finance Management grant	1,187	1,250	1,443	901	911	(10)	-1.1%	1,443
Public Transport Infrastructure & Systems Grant	87,809	506,832	227,626	70,280	113,285	(43,005)	-38.0%	227,626
Dept. of Environ Affairs and Tourism	193	7,283	7,304	1,546	2,499	(953)	-38.1%	7,304
Equitable share	7,952	1,093,004	1,093,004	4,362	4,825	(463)	-9.6%	1,093,004
Housing Accreditation	771	400	400	101	225	(124)	-55.1%	400
Urban Settlements Development Grant	23,244	46,314	55,574	22,028	22,643	(615)	-2.7%	55,574
Expanded Public Works Programme	-	28,205	29,484	17,573	29,484	(11,911)	-40.4%	29,484
National Treasury: Neighbourhood Development Partnership Grant	1,199	-	-	-	-	-	-	-
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	7,407	-	-	-	-	-	-	-
Minerals and Energy: Electricity Demand Side Management (Eskom) Grant	995	-	-	-	-	-	-	-
LGSETA	237	-	-	-	-	-	-	-
Electricity Demand Side Management	-	-	1,359	-	300	(300)	-100.0%	1,359
IDC NT - Solar water heater study	-	-	200	-	-	-	-	200
Provincial Government:	374,892	628,672	723,784	284,653	289,391	(4,737)	-1.6%	723,785
Cultural Affairs and Sport - Provincial library Services	16,334	23,470	22,470	14,900	14,971	(71)	-0.5%	22,470
Human Settlements - Human Settlement Development Grant	179,565	244,125	334,557	138,019	139,544	(1,525)	-1.1%	334,557
Human Settlements - Municipal Accreditation Assistance	-	7,100	7,100	2,132	4,682	(2,550)	-54.5%	7,100
Human Settlement - Settlement Assistance	-	1,000	1,000	-	-	-	-	1,000
Health - TB	9,492	9,934	9,934	8,428	8,428	-	-	9,934
Health - Global Fund	17,920	43,015	36,913	15,595	21,412	(5,817)	-27.2%	36,913
Health - ARV	65,450	71,492	71,492	49,369	39,580	9,709	24.7%	71,492
Health - Nutrition	4,819	4,140	4,140	2,796	2,760	36	1.3%	4,140
Health - Vaccines	71,476	71,617	71,617	41,933	47,744	(5,811)	-12.2%	71,617
Comprehensive Health	-	138,779	138,779	-	-	-	-	138,779
Transport and Public Works - Provision for persons with special needs	-	10,000	20,070	11,401	10,269	1,212	11.8%	20,070
Comprehensive Integrated Transport Plan	9,657	4,000	5,641	-	-	-	-	5,641
Heritage Audit	-	-	4	-	-	-	-	4
Mamre Fencing	278	-	63	-	-	-	-	63
Table Mountain Biosphere	129	-	7	-	-	-	-	7
Community Development Workers	160	-	-	-	-	-	-	-
Local Government: Multi-Purpose Centres	322	-	-	-	-	-	-	-
Other grant providers:	23,041	17,681	25,123	12,226	11,917	309	2.6%	25,123
Tourism	1,980	4,000	4,000	-	-	-	-	4,000
Carnegie	2,486	1,442	916	431	550	(119)	-21.7%	916
CMTF	11,909	11,754	12,131	0,181	7,303	878	12.0%	12,131
Other	11	30	30	8	8	-	-	30
Mamre Trust	-	150	-	-	-	-	-	-
Solar Energy	-	-	146	-	-	-	-	146
Cities for Climate Protection	9	-	321	-	-	-	-	321
ICLEI: Carbon Taxes	35	-	117	-	-	-	-	117
CIO	2,300	-	2,299	1,658	1,658	-	-	2,299
Century City Property Owners Association	285	-	409	107	122	(15)	-12.3%	409
Outsurance	630	-	1,024	602	603	(81)	-11.9%	1,024
Rietvlei Conservation Fund	-	305	305	-	-	-	-	305
NGK Ceramic Company	1,068	-	686	686	686	-	-	686
South African National Biodiversity Institute	2,248	-	2,132	300	600	(300)	-50.0%	2,132
Finland Government	-	-	607	253	307	(55)	-17.9%	607
Total operating expenditure of Transfers and Grants	531,081	2,325,525	2,170,613	414,948	476,728	(61,779)	-13.0%	2,170,615

Table continues on next page

Description	2011/12	Budget Year 2012/13						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure of Transfers and Grants								
National Government:	1,717,563	2,921,635	3,246,951	1,418,496	1,572,917	(154,421)	-9,8%	3,221,680
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	295	-	-	(44)	-	(44)	-	-
Minerals and Energy: Electricity Demand Side Management (Eskom) Grant	28,962	-	5,294	4,337	3,700	637	17,2%	5,294
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	3,551	-	-	-	-	-	-	-
National Government - Other: Previous years' Dora allocations	1,400	1,200	962	150	430	(280)	-65,1%	712
National Treasury: Local Government Finance Management Grant	90	-	-	-	-	-	-	-
National Treasury: Local Government Restructuring Grant	962	-	200	76	200	(124)	-62,0%	200
National Treasury: Neighbourhood Development Partnership Grant	88,990	52,547	65,097	30,557	35,008	(4,451)	-12,7%	64,997
National Treasury: Other	20,026	26,860	11,290	3,433	6,598	(3,265)	-48,7%	11,248
National Treasury: Urban Settlements Development Grant	729,919	888,905	987,273	459,522	533,324	(73,802)	-13,8%	968,488
Sport & Recreation SA: 2010 Fife World Cup Stadiums Development Grant	1,158	-	6,617	1,523	6,617	(5,094)	-77,0%	1,523
Transport: Public Transport Infrastructure & Systems Grant	842,211	1,952,123	2,170,218	918,942	986,940	(67,998)	-6,9%	2,169,218
Provincial Government:	335,474	355,486	390,352	201,053	256,279	(55,217)	-21,5%	389,082
Cultural Affairs and Sport: Library Services (Conditional Grant)	5,500	1,671	2,691	2,392	2,571	-	-	2,691
Economic Development and Tourism: False Bay Ecology	-	1,000	176	-	-	-	-	176
Health: Global Fund	1,297	1,375	1,375	1,295	959	19,295	2012,0%	1,375
Housing: Integrated Housing and Human Settlement Development Grant	316,391	323,085	353,833	172,817	226,527	-	-	352,563
Housing: Previous years' Gazetted allocations	66	-	-	-	-	-	-	-
Local Government: Multi-Purpose Centres	8	-	9	6	2	-	-	9
Other: Other1	-	-	500	-	-	838	-	500
Transport and Public Works: Cape Metropolitan Transport Fund	9,343	28,355	30,085	24,486	25,542	-	0,0%	30,085
Transport and Public Works: Other	2,869	-	1,883	57	669	-	-	1,683
Other grant providers:	52,947	57,707	46,588	29,174	26,035	3,139	12,06%	43,749
Other: Other	52,947	57,707	46,588	29,174	26,035	3,139	12,1%	43,749
Total capital expenditure of Transfers and Grants	2,105,984	3,334,828	3,683,891	1,648,723	1,855,222	(206,499)	-11,1%	3,654,511
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	2,637,065	5,660,353	5,854,504	2,063,671	2,331,950	(268,278)	-11,5%	5,825,126

SECTION 4 - 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.

4.1 SC12 Monthly Budget Statement - capital expenditure trend

Month	2011/12	Budget Year 2012/13					
	Audited Outcome	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands							
Monthly expenditure performance trend							
July	6,439	59,317	59,899	59,317	(582)	-1,0%	1,0%
August	176,381	239,957	300,408	299,274	(1,134)	-0,4%	5,1%
September	172,066	318,198	620,978	617,472	(3,506)	-0,6%	10,5%
October	262,372	356,028	978,726	973,500	(5,226)	-0,5%	16,5%
November	285,793	352,619	1,337,663	1,326,119	(11,544)	-0,9%	22,6%
December	315,797	307,320	1,853,588	1,633,439	(220,149)	-13,5%	31,3%
January	94,432	259,152	2,055,300	1,892,591	(162,709)	-8,6%	34,7%
February	363,182	503,228	2,369,961	2,395,819	25,858	1,1%	40,0%
March	392,520	671,954	2,795,780	3,067,773	271,993	8,9%	47,0%
April	354,397	832,617	-	3,900,390			
May	641,042	972,355	-	4,872,745			
June	1,168,826	1,349,064	-	6,221,809			
Total Capital expenditure	4,233,247	6,221,809					

The progressive expenditure to date measured against the 2012/13 budget is graphically illustrated below.

