

REPORT TO EXECUTIVE MAYOR

CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

1. **ITEM NUMBER : SPC 05/08/13**

2. **SUBJECT**
LSUA1980

QUARTERLY FINANCIAL REPORT: JUNE 2013

ONDERWERP
KWARTAALLIKSE FINANSIële VERSLAG: JUNIE 2013

ISIHLOKO
INGXELO YEMALI YARHOQO NGEKOTA: JUNI 2013

3. **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.

4. **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 30 June 2013 is submitted for noting by Council.

5. **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).

While the interim financial results submitted herewith is reported to represent results and progressive data as at 2012/13 financial year end date (30 June 2013), it is still subject to amendment during compilation of the City's 2012/13 annual financial statements.

This report presents the financial position of the abovementioned indicators as at 30 June 2013.

6. RECOMMENDATIONS

The Quarterly Financial Report for the quarter ended 30 June 2013 is submitted for information and noting only.

AANBEVELING

Die kwartaallikse finansiële verslag vir die kwartaal geëindig 30 Junie 2013 word slegs ter inligting en kennisname voorgelê.

ISINDULULO

INgxelo yeMali yaRhoqo ngeKota yekota ephela ngowama-30 Juni 2013 ingeniselwa iinjongo zolwazi nokuqatshelwa kuphela.

7. DISCUSSION/CONTENTS

7.1. 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.

7.2. Environmental implications

Does your report have any environmental implications: No ☒ Yes ☐

7.3. Legal Implications

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

7.4. Staff Implications

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

No ☒

Yes ☐

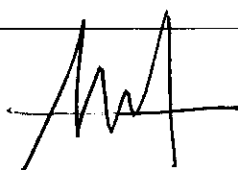
7.5. Risk Implications

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

No ☒Yes ☐**7.6. Other Services Consulted**

n/a

ANNEXURES**Annexure A: Financial report – 30 June 2013****FOR FURTHER DETAILS CONTACT:**

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E-MAIL ADDRESS	johan.steyl@capetown.gov.za
DIRECTORATE	Finance
SIGNATURE : DIRECTOR	



EXECUTIVE DIRECTOR
[Kevin Jacoby]

Comment:

DATE

15 July 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

A.S. Diamond

TEL

(621) 800 4576

DATE

16-07-13

Comment:

For NOTING. 8



MAYORAL COMMITTEE MEMBER

NAME ID NELSON

DATE 16/7/2013

Comment:

Note that the report does not represent the full year's data as further invoice processing takes place before the closure of the accounts for the financial year.



EXECUTIVE MAYOR

DATE 5/08/2013

☒ APPROVED

☐ NOTED

☐ REFUSED

☐ REFERRED BACK

COMMENT:

Annexure A: Financial Report – June 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	4 712 096	5 124 299	5 161 135	5 151 656	5 161 135	(9 479)	—	5 161 135
Service charges	11 986 765	13 339 039	13 464 792	13 027 571	13 464 792	(437 221)	-3%	13 464 792
Investment revenue	561 761	461 236	462 537	501 698	482 537	19 161	4%	482 537
Transfers recognised - operational	1 639 075	2 325 525	2 170 614	1 917 467	2 170 614	(253 147)	-12%	2 170 814
Other own revenue	2 604 983	2 631 557	2 672 466	3 048 618	2 672 466	376 152	14%	2 672 466
Total Revenue (excluding capital transfers and contributions)	21 504 682	23 901 656	23 951 544	23 647 010	23 951 544	(304 534)	-1%	23 951 544
Employee costs	6 916 012	7 777 521	7 638 200	7 168 970	7 636 200	(449 230)	-6%	7 638 200
Remuneration of Councillors	97 772	122 384	112 904	111 673	112 904	(1 231)	-1%	112 904
Depreciation & asset impairment	1 399 490	1 444 096	1 598 033	1 610 063	1 598 033	12 030	1%	1 598 033
Finance charges	681 533	768 508	749 279	689 719	749 279	(59 560)	-8%	749 279
Materials and bulk purchases	5 978 665	6 837 813	6 853 809	5 960 444	6 853 809	(893 365)	-13%	6 853 809
Transfers and grants	103 492	50 606	108 830	94 594	108 830	(14 236)	-13%	108 830
Other expenditure	6 002 546	7 361 496	7 375 263	6 921 055	7 375 263	(454 208)	-6%	7 375 263
Total Expenditure	21 179 512	24 362 424	24 436 318	22 576 518	24 436 318	(1 859 800)	-8%	24 436 318
Surplus/(Deficit)	325 170	(460 768)	(484 774)	1 070 492	(484 774)	1 555 266	-321%	(484 774)
Transfers recognised - capital	2 061 755	3 277 122	3 637 304	3 126 748	3 637 304	(510 556)	-14%	3 637 304
Contributions & Contributed assets	120 358	57 707	46 588	40 074	46 588	(6 514)	-14%	46 588
Surplus/(Deficit) after capital transfers & contributions	2 507 283	2 874 061	3 199 118	4 237 314	3 199 118	1 038 196	32%	3 199 118
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	2 507 283	2 874 061	3 199 118	4 237 314	3 199 118	1 038 196	32%	3 199 118
Capital expenditure & funds sources								
Capital expenditure	4 233 252	5 926 609	6 221 810	5 307 904	6 221 810	(913 906)	-15%	5 899 974
Capital transfers recognised	2 061 778	3 280 447	3 641 101	3 134 548	3 641 101	(506 553)	-14%	3 497 623
Public contributions & donations	44 208	54 382	42 791	34 600	42 791	(8 191)	-19%	35 163
Borrowing	1 374 791	1 765 377	1 784 935	1 548 020	1 784 935	(236 915)	-13%	1 698 856
Internally generated funds	752 469	826 405	752 982	590 729	752 982	(162 253)	-22%	668 325
Total sources of capital funds	4 233 246	5 926 611	6 221 809	5 307 897	6 221 809	(913 912)	-15%	5 899 967
Financial position								
Total current assets	10 769 190	9 113 527	12 059 201	12 059 201				12 059 201
Total non current assets	24 772 540	29 891 064	30 034 934	30 034 934				30 034 934
Total current liabilities	7 101 568	5 875 515	7 865 654	7 865 654				7 865 654
Total non current liabilities	9 252 622	11 344 930	11 761 696	11 761 696				11 761 696
Community wealth/Equity	19 187 540	21 784 146	22 466 785	22 466 785				22 466 785
Cash flows								
Net cash from (used) operating	5 241 829	4 726 735	4 942 048	3 579 272	4 942 046	(1 362 776)	-28%	4 942 048
Net cash from (used) investing	(4 173 468)	(5 803 343)	(5 795 131)	(3 621 686)	(5 795 131)	(2 173 243)	38%	(5 795 131)
Net cash from (used) financing	(156 902)	1 925 729	2 231 338	2 201 370	2 231 338	29 968	1%	2 231 338
Cash/cash equivalents at the month/year end	6 160 840	4 523 511	7 539 095	8 099 366	7 539 095	560 271	7%	7 539 095

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.

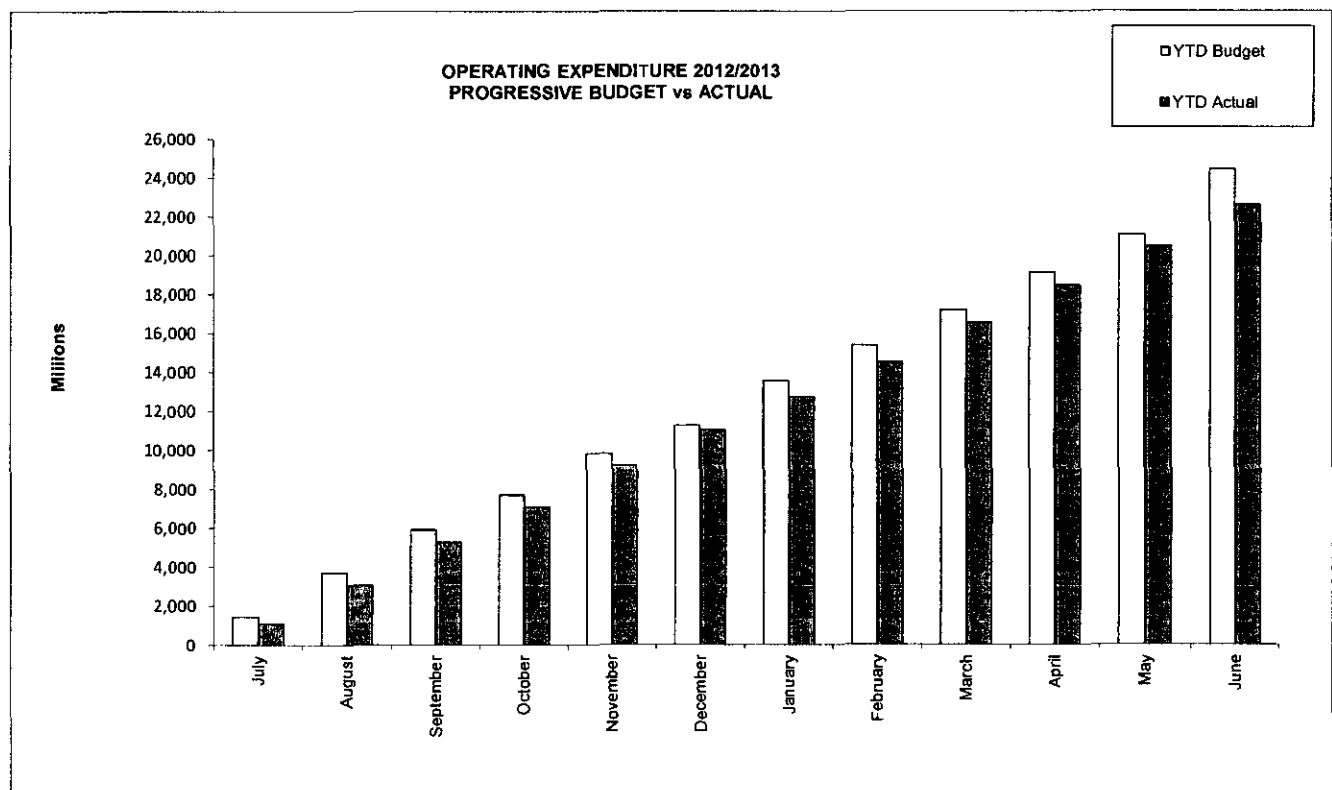
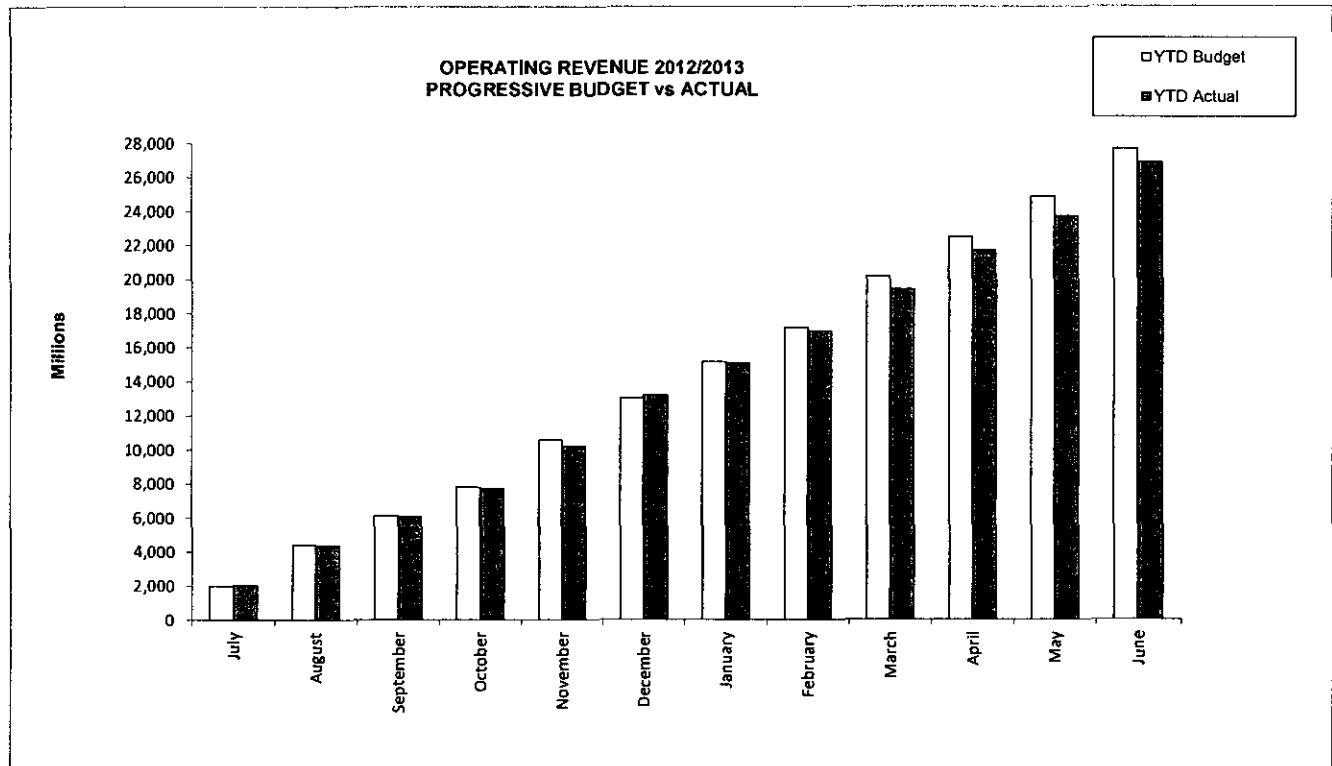


Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

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

R thousands	2811/12	Budget Year 2812/13						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote								
Vote 01 - Community Services	152,762	208,071	191,544	152,297	191,544	(39,247)	-20%	191,544
Vote 02 - Corporate Services	118,741	31,537	27,846	55,097	27,846	27,251	98%	27,846
Vote 03 - Economic, Environment & Spatial Planning	80,525	88,257	106,854	108,914	106,854	2,060	2%	106,854
Vote 04 - Finance Services	779,397	602,451	631,086	1,053,008	631,086	421,922	67%	631,086
Vote 05 - Health	366,750	414,622	409,542	359,226	409,542	(50,316)	-12%	409,542
Vote 06 - Human Settlements	886,012	1,032,003	1,203,576	1,042,772	1,203,576	(160,804)	-13%	1,202,863
Vote 07 - City Manager	9	-	-	1	-	1	-	-
Vote 08 - Deputy City Manager	10,373	34,550	28,350	18,990	28,350	(9,360)	-33%	28,350
Vote 09 - Rates & Other	7,258,182	7,861,963	7,898,800	7,905,251	7,898,800	6,451	0%	7,898,800
Vote 10 - Safety & Security	223,890	215,123	238,974	187,654	238,974	(51,320)	-21%	238,974
Vote 11 - Social and Early Childhood Development	2,178	380	1,022	739	1,022	(283)	-28%	1,022
Vote 12 - Transport, Roads and Stormwater	1,323,005	2,783,688	2,772,589	2,315,798	2,772,589	(456,791)	-16%	2,772,589
Vote 13 - Utility Services	12,460,951	13,936,894	14,094,222	13,591,433	14,094,222	(502,789)	-4%	14,094,222
Vote 14 - Tourism, Events and Marketing	22,818	27,653	31,722	22,623	31,722	(9,099)	-29%	31,722
Total Revenue by Vote	23,686,693	27,237,192	27,636,127	26,813,883	27,636,127	(822,324)	-3%	27,635,414
Expenditure by Vote								
Vote 01 - Community Services	1,212,638	1,300,675	1,345,446	1,316,908	1,345,446	(28,538)	-2%	1,345,446
Vote 02 - Corporate Services	1,795,509	1,686,920	1,718,321	1,689,558	1,718,321	(28,763)	-2%	1,718,321
Vote 03 - Economic, Environment & Spatial Planning	425,822	445,833	485,423	462,382	485,423	(23,041)	-5%	485,423
Vote 04 - Finance Services	1,465,749	1,723,728	1,676,599	1,608,138	1,676,599	(68,461)	-4%	1,676,599
Vote 05 - Health	679,284	770,819	766,664	728,265	766,664	(38,399)	-5%	766,664
Vote 06 - Human Settlements	719,928	858,161	966,362	875,171	966,362	(91,191)	-9%	966,362
Vote 07 - City Manager	22,108	27,473	17,939	15,491	17,939	(2,448)	-14%	17,939
Vote 08 - Deputy City Manager	431,631	647,979	610,948	534,739	610,948	(76,209)	-12%	610,948
Vote 09 - Rates & Other	499,886	805,470	814,501	644,268	814,501	(170,233)	-21%	814,501
Vote 10 - Safety & Security	1,241,298	1,384,093	1,399,497	1,332,843	1,399,497	(66,654)	-5%	1,399,497
Vote 11 - Social and Early Childhood Development	46,006	58,237	79,215	70,701	79,215	(8,514)	-11%	79,215
Vote 12 - Transport, Roads and Stormwater	1,258,753	1,843,833	1,650,117	1,433,430	1,650,117	(216,687)	-13%	1,650,117
Vote 13 - Utility Services	11,046,321	12,394,737	12,469,981	11,467,327	12,469,981	(1,002,654)	-8%	12,469,981
Vote 14 - Tourism, Events and Marketing	334,580	414,464	435,304	397,255	435,304	(38,049)	-9%	435,304
Total Expenditure by Vote	21,179,613	24,362,422	24,436,317	22,576,476	24,436,317	(1,859,841)	-8%	24,436,317
Surplus/ (Deficit) for the year	2,606,880	2,874,770	3,199,810	4,237,327	3,199,810	1,037,517	32%	3,199,097

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	(39,247)	-20%	The under-recovery is mainly the result of lower than planned spending to date on capital grant-funded projects, due to initial delays in the approval of the Valhalla Park-Functional Recreation Area project as well as Synthetic Pitches.	The situation is monitored by the finance manager. Current status is expected to change as additional costs will still be posted and final results will only be completed by 12 July 2013.
Vote 02 - Corporate Services	27,251	98%	The over-recovery is mainly 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 the CRR as a funding source for the project. In addition, higher than anticipated payment was received from LGSETA for skills development levies.	The allocation of the Broadband project funds to CRR was affected and is indicated against that specific expenditure element.
Vote 03 - Economic, Environment & Spatial Planning	2,060	2%	The over-recovery is the combined result of (1) incorrect booking of Filming Fees to EESP and not to TEAM thus reflecting actual revenue against no budget provision, (2) higher than planned revenue received for 2 hoarding permits issued to big developers against no budget provision and (3) lower than planned spending on SANBI grant-funded project.	Grant funding to be rolled over in the August 2013 Adjustments budget as project is expected to be completed in the 2013/14 financial year.
Vote 04 - Finance Services	421,922	67%	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/investment balance available, (2) higher than expected fees from credit card transactions at 3rd party vendors as well as agency income for renewal of vehicle licences received from the PGWC, and (3) fair value adjustments made on investments for the 2012/13 financial year.	The situation is monitored by the finance manager and the current situation will change as final year-end transactions are processed during year-end closure.
Vote 05 - Health	(50,316)	-12%	The under-recovery is mainly as a result of lower than planned revenue on (1) Recovery Costs, where provision was made for the recovery of costs related to the cleaning of properties due to health/hygiene risks, (2) Operating grant-funded projects, where revenue for May and June still needs to be accounted for, (3) Capital grant-funded projects, where the New Environmental Health Office project is four months behind schedule, due to various delays. Work has now commenced with the demolition of the existing building. The payment certificate for June 2013 will be processed before year-end closure.	Improvement will be reflected when all year-end transactions are completed.
Vote 06 - Human Settlements	(160,804)	-13%	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 and procurement delays that are all out of the hands of the project manager. The under-recovery is mainly on Major CRU upgrade projects and Scottsdale where gangster and community activities on the site impacts negatively on progress of work.	Current status is expected to improve when all the year-end transaction are processed and various grant-funded projects will be continued in the next financial year.
Vote 07 - City Manager	1	-	n/a	n/a
Vote 08 - Deputy City Manager	(9,360)	-33%	The under-recovery relates mainly to (1) capital grant-funded projects i.e. Lentegeur Civic Offices Upgrade, where payments will be made before the final closure of the financial year as well as the Harare Square Business Hub project, where a full SCM process needs to be followed as the quotes received from the existing contractor for phase 2 was unrealistic resulting in major delays and (2) Recoupment of Telephone Cost, where employees using telephone excessively is less than planned as staff is more responsible on telephone usage.	The Harare Square project will be continued in 2013/14. A full SCM process will be followed.
Vote 09 - Retas & Other	6,451	0%	n/a	n/a

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 10 - Safety & Security	(51,320)	-21%	The variance is mainly the combined result of (1) over-recovery on Fire Fees income, where the revenue has improved, due to increased efforts to collect outstanding accounts and an increased demand for fire certificates, business licences and flammable licences, (2) over-recovery on Permits and Licences, due to an increase in the number of informal traders permits, drivers and learner licences issued, PRDP and roadworthy appointments and (3) under-recovery on Fines, due to the non-payment of fines, withdrawal and reduction of fines by prosecutors, and the capacity of the courts to deal with the volumes of cases.	Fines income will be monitored closely and the budget will be amended during the 2013/14 mid-year review, if necessary.
Vote 11 - Social and Early Childhood Development	(283)	-28%	The under-recovery is due to the finalisation of the Leonsdala ECD Centre (capital grant-funded), which is behind schedule.	Final payment will be affected before year-end closure.
Vote 12 - Transport, Roads and Stormwater	(456,791)	-16%	The variance is mainly on (1) capital grant-funded projects (R326 million under), which are progressing slower than planned, due to delays in the acquisition of IRT buses, the late handover of some IRT station sub-structures as well as late approval of tenders, due to appeals and (2) operating grant-funded projects (R126 million under) where progress in awarding the Station Management contract was delayed, due to appeals resulting in project commencement at the end of April 2013.	Invoices for 2012/13 still need to be processed before year-end closure. Projects will continue in the 2013/14 financial year.
Vote 13 - Utility Services	(502,789)	-4%	The under-recovery is mainly on (1) Electricity Sales (R290 million), due to lower than expected consumer consumption and the impact of seasonal fluctuations, (2) Water Sales and Sanitation Charges (R133 million), 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 Cleaning Fees (R43 million), due to less than planned revenue received on Special Waste fees, Disposal Coupon fees and Builders Rubble fees as the Visserhok Site was not fully functional for a period of time due to civic unrest. In addition, the change from account billing to the purchase of disposal coupons for the dumping of waste resulted in users making use of private landfill sites and not City-owned landfill sites.	The situation is monitored by the respective finance managers. Adjustment were made to the 2013/14 revenue provisions.
Vote 14 - Tourism, Events and Marketing	(9,099)	-29%	The under-recovery is mainly on capital grant-funded projects, due to non-responsive tenderers to provide work for various projects at the CT Stadium. Work will therefore only be completed in 2013/14.	The situation is monitored by the finance manager on a monthly basis. Funding to be rolled over in the August 2013 adjustment budget.

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	(28,538)	-2%	The variance is mainly on: (1) Salaries, Wages and Allowances, due to savings realised as a result of the internal filling of vacant posts, the turnaround time in the filling of vacancies, the impact of TASK outcome. (2) Contracted Services, due to delays in the roll out of R&M plans and the late approval 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. (3) General Expenses reflects over-expenditure, due to higher than anticipated expenditure on Security Services as security services is underfunded.	Savings on Salaries will absorb over-expenditure on various expenditure categories. Current status on R&M is expected to improve when all final transactions are processed. A City-wide security strategy is currently being considered by EMT in order to reduce cost. The improvement is expected to be seen in the next financial year.
Vote 02 - Corporate Services	(28,763)	-2%	The variance is a combined result of: (1) Over-recovery on Depreciation and Asset impairment, General Expenses and Fuel, due to depreciation costs relating to receipt of a contributed asset (IT infrastructure) during the year, higher than anticipated expenditure security costs as well as volatile fuel price, R/\$ exchange rate and additional usage by line departments for service delivery purposes respectively. (2) Salaries, Wages & Allowances reflects under-expenditure, due to the 3 month turn-around time and internal filling of vacancies. This has a further exponential effect when positions are filled from internal candidates, resulting in consequential vacancies. There is currently a lead-time of 3 months to fill vacancies but the directorate is partnering with Corporate HR in an effort to try and reduce this period so as to expedite the filling of vacancies. As per a HR Vacancy report dated end of June 2013, Corporate Services had 100 vacant positions and 381 appointments were made to date of which 72 were internal and 309 external. 208 terminations were processed since the beginning of the financial year. (3) Other Materials reflects under-expenditure, largely due to R&M costs being booked against Contracted Services repairs.	Savings on Salaries, Wages and Allowances will be utilised to absorb over-expenditure in various expenditure categories. A strategy is being considered by EMT to reduce security costs. Fuel costs are being managed via OBC's and e-Fuel and reductions/savings are recorded in certain instances, however user-departments are required to manage their fuel usage to reflect any significant and/or real savings. Journals will be processed to ensure that cost are booked in the correct general ledger account.
Vote 03 - Economic, Environment & Spatial Planning	(23,041)	-5%	The under-expenditure is as a result of savings realised on Salaries Wages & Allowances, due to 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 YTD savings on staff costs. 108 terminations and 106 appointments were processed since the start of the financial year. 49 positions were still vacant at the end of June 2013. Transfers & Grants and Consultant Fees also reflects under-expenditure, mainly due to the late finalisation and approval of payments to three beneficiaries and delays with the roll-out of the Electricity Demand Side Management and Automatic Meter Readers (AMR) projects.	The directorate has appointed a consultant to assist with the fast-tracking of filling of vacancies. The AMR grantor has extended the completion date for the AMR project. Orders have been placed and project managers will be requested to complete their projects as soon as possible.
Vote 04 - Finance Services	(68,481)	-4%	Salaries Wages & Allowances reflects under-expenditure 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. The directorate has a staff complement of 1784 posts of which 132 were vacant as at June 2013. Other Expenditure reflects under-expenditure as a result of savings realised on printing and stationery costs, due to the consolidation of accounts and electronic payments coupled with more efficient management practices implemented. Finance Charges reflects under-expenditure, due to the non-alignment of the budget with the actual YTD interest paid on external loans. The total annual budget amounts to R702 million and the actual expenditure to date amounts to R676 million.	The recruitment and selection process is on-going. Improvement is expected on various expenditure items once all the final transactions are processed.
Vote 05 - Health	(38,399)	-5%	The variance is mainly due to: (1) Internal filling of vacancies and the turnaround time in the filling of vacancies. The directorate had 60 vacancies out of a total of 1 658 staff in June 2013. The filled positions in the directorate amounted to 96.4%. 283 appointments were made since the beginning of the financial year, of which 92 were internal appointments. 197 terminations were processed for the same period. (2) General Expenses and R&M reflect under-expenditure, mainly due to lower than planned expenditure on Milk formulae as a result of a change in policy and capacity constraints within Special Technical Services and delays in the submission of invoices respectively.	The recruitment and selection process is on-going. Savings realised will be utilised to address imbalances within the directorate. Outstanding invoices are expected to be processed before year-end closure.

Table continues on next page

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 06 - Human Settlements	(91,191)	-9%	The variance is due to: (1) The turnaround time in filling of vacancies 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 were filled late in the financial year with other positions still to be filled. USDG-funded positions have also been approved by the USDG Committee. (2) Contracted Services and General Expenses reflects under-expenditure. This is mainly on grant-funded projects, which are linked to the rate of progress on various housing development projects. It is difficult to estimate cash flow as many factors influence the rate of housing construction by communities. A number of factors impact on the progress of housing projects, which include community dynamics, funding approvals by Provincial Housing, environmental issues as well as procurement delays that are currently being managed by the project manager.	The recruitment and selection processes are on-going. A process of expediting PHP projects (including support) has been launched by the Human Settlements directorate. The situation is closely monitored by the finance manager. Financial year-end transactions are still being processed and will influence the final outcome and variances reflected in this report.
Vote 07 - City Manager	(2,448)	-14%	This is mainly on Salaries Wages and Allowances, due to savings realised on internal appointments of staff and the turnaround time in the filling of vacant posts. Lower than anticipated expenditure on a number of expenditure items such as payments on SALGA fees, catering, conferences & seminars and consultants further contributed to this variance.	Savings will be utilised to absorb over-expenditure on various expenditure items.
Vote 08 - Deputy City Manager	(76,209)	-12%	The variance is mainly due to under-expenditure on: (1) Salaries Wages and Allowances as a result of the internal filling of vacant posts and the turnaround time in the filling of vacancies. Only 6 vacancies and 4 terminations were processed as at end of June 2013. (2) Contracted services, due to lower than planned demand for translators and interpreters by line departments. (3) Other Expenditure mainly on Projects. This allocation relates to the centralised provision for revenue-funded ward allocations and the Mayoral Redress programme for capital projects. Delays were experienced as a result of the time taken to set up community action plans with line departments and community reps.	Internal staff appointments are made with the view of growing and retaining skills within the organisation and at the same time growing staff satisfaction and morale. Savings will be utilised to redress imbalances within the directorate. Implementation of the ward allocations projects and Mayoral redress programme will commence in 2013/14. Financial year-end transactions are still being processed and will impact on the final outcome and the variances reflected in this report.
Vote 09 - Rates & Other	(170,233)	-21%	The variance is mainly due to under-expenditure on: (1) Indigent Relief: Refuse, as a result of lower than planned growth in qualifying indigent citizens. (2) The impact of the interim valuations outcome on the indigent relief. (3) Purchase of shares in CTCG that will still be processed during the year-end processes.	Year-end transactions are in progress and the final outcome will still be determined and will change the results reflected in this report.
Vote 10 - Safety & Security	(66,654)	-5%	The variance is largely due to: (1) Collection costs, due to a payment to Syntel (Pty) Ltd being a month in arrears and based on actual fine income. Final transactions for the year still to be processed. (2) The filling of vacancies and the turnaround time to do so.	Year-end transactions are in progress and the final outcome will still be determined and will change the results reflected in this report.
Vote 11 - Social and Early Childhood Development	(8,514)	-11%	The under-expenditure is mainly 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) Contracted Services and General Expenses, mainly due to the late finalisation and implementation of EPWP, Ward Allocation projects and lower than anticipated R&M expenditure on facilities.	The recruitment and selection process is on-going. Year-end transactions are in progress and the final outcome is still to be determined and will change the results reflected in this report.

Table continues on next page

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 12 - Transport, Roads and Stormwater	(216,687)	-13%	<p>The under-expenditure relates to:</p> <p>(1) Savings on staff costs as the result of the continuous turnover of staff and the lead time to fill vacancies. Savings increase as the internal filling of posts create new vacancies.</p> <p>(2) Depreciation, which is linked to the progress rate on mostly IRT capital projects currently under construction.</p> <p>(3) Contracted Services, resulting mainly from the delays experienced with the awarding of the IRT station management tender, due to appeals lodged against the award.</p> <p>(4) Consultant fees: IRT. Savings resulting from internal services used. Internal planning complete. Projects by external consultants on the N2 Express and Phase 1b to commence shortly. Furthermore, higher than anticipated budget provision than tender awarded on the ITP project within Transport.</p>	The filling of vacancies is proceeding well and savings realised will absorb over-expenditure where necessary. Financial year-end transactions are still being processed and will impact on the final outcome and the variances reflected in this report.
Vote 13 - Utility Services	(1,002,654)	-8%	<p>The variance is mainly due to under-expenditure on:</p> <p>(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 lower than budget increases and the task projections. Utility Services had 1030 (Solid Waste Management - 275, Water Services - 417, Electricity Services - 334) vacancies out of a 10 062 staff establishment in June 2013. The filled positions in the directorate were 89.76% of the total staff establishment. Since the beginning of the year, the directorate has made 536 appointments of which 244 were internal appointments. 408 terminations occurred for the same period, resulting in vacancies. The vacancy cuts within Solid Waste - Rates for the 2013/14 MTREF shortfall further contributed to the under-expenditure on staff costs.</p> <p>(2) Bulk purchases, largely as a result of lower than anticipated bulk electricity purchases, due to lesser consumer demand.</p> <p>(3) Contracted Services and Other Materials, due to (a) delays in awarding various R&M projects and other operating projects, (b) the late start of R&M projects and (c) later than anticipated implementation of EPWP projects.</p> <p>(4) Other Expenditure, largely due to delays with the appointment of consultant(s) for (a) decommissioning of Athlone Power Station, due to on-going forensic investigation within Electricity services and (b) the ratrofit programme for Bloekombos informal settlement and the appointment of a forensic investigator in Water Services and Transaction Advisor for PPP's in Solid Waste Management.</p>	The recruitment and selection process is on-going. Progress is monitored by the respective finance managers. Financial year-end transactions are still being processed and will impact on the final outcome and the variances reflected in this report.
Vote 14 - Tourism, Events and Marketing	(38,049)	-9%	The variance is mainly on Contracted Services and Grant-in-Aid payments relating to events hosted by the City where final payments are still being processed.	Financial year-end transactions are still being processed and will impact on the final outcome and the variances reflected in this report.

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	5,066,599	5,067,589	(990)	0%	5,067,589
Property rates - penalties & collection charges	89,657	93,546	93,546	85,057	93,546	(8,489)	-9%	93,546
Service charges - electricity revenue	8,061,684	8,971,405	9,094,445	8,804,463	9,094,445	(289,982)	-3%	9,094,445
Service charges - water revenue	1,817,183	2,106,357	2,106,357	2,036,998	2,106,357	(69,359)	-3%	2,106,357
Service charges - sanitation revenue	1,002,897	1,127,122	1,127,122	1,087,601	1,127,122	(39,521)	-4%	1,127,122
Service charges - refuse revenue	813,287	896,924	905,638	869,200	905,638	(36,438)	-4%	905,638
Service charges - other	291,714	237,231	231,230	229,309	231,230	(1,921)	-1%	231,230
Rental of facilities and equipment	289,736	278,754	303,006	305,822	303,006	2,816	1%	303,006
Interest earned - external investments	333,336	244,439	244,439	318,511	244,439	74,072	30%	244,439
Interest earned - outstanding debtors	228,425	236,797	238,098	183,187	238,098	(54,911)	-23%	238,098
Fines	144,394	160,917	172,827	104,127	172,827	(68,700)	-40%	172,827
Licences and permits	41,471	33,121	33,121	41,866	33,121	8,745	26%	33,121
Agency services	123,851	115,993	115,993	131,181	115,993	15,188	13%	115,993
Transfers recognised - operational	1,639,075	2,325,525	2,170,614	1,917,467	2,170,814	(253,147)	-12%	2,170,814
Other revenue	1,961,587	1,973,772	1,978,519	2,431,373	1,978,519	452,854	23%	1,978,519
Gains on disposal of PPE	44,144	69,000	89,000	34,249	69,000	(34,751)	-50%	69,000
Total Revenue (excluding capital transfers and contributions)	21,504,682	23,901,656	23,951,544	23,647,010	23,951,544	(304,534)	-1%	23,951,544
Expenditure By Type								
Employee related costs	6,918,012	7,777,521	7,838,200	7,188,970	7,638,200	(449,230)	-8%	7,638,200
Remuneration of councillors	97,772	122,384	112,904	111,673	112,904	(1,231)	-1%	112,904
Debt impairment	818,450	991,026	999,026	999,026	999,026	-	-	999,026
Depreciation & asset impairment	1,399,490	1,444,096	1,598,033	1,610,063	1,598,033	12,030	1%	1,598,033
Finance charges	681,533	768,508	749,279	689,719	749,279	(59,560)	-8%	749,279
Bulk purchases	5,705,263	6,441,273	8,509,473	5,676,846	6,509,473	(832,627)	-13%	6,509,473
Other materials	273,402	396,540	344,336	283,598	344,336	(60,738)	-18%	344,336
Contracted services	2,193,662	2,579,846	2,834,504	2,602,690	2,834,504	(231,814)	-8%	2,834,504
Transfers and grants	103,492	50,606	108,830	94,594	108,830	(14,236)	-13%	108,830
Other expenditure	2,988,712	3,790,624	3,541,733	3,318,135	3,541,733	(223,598)	-6%	3,541,733
Loss on disposal of PPE	1,724	-	-	1,204	-	1,204	-	-
Total Expenditure	21,179,512	24,362,424	24,435,318	22,576,518	24,436,318	(1,859,800)	-8%	24,436,318
Surplus/(Deficit)	325,170	(460,768)	(484,774)	1,070,492	(484,774)	(1,555,268)	321%	(484,774)
Transfers recognised - capital	2,061,755	3,277,122	3,637,304	3,126,748	3,637,304	(510,556)	0%	3,637,304
Contributions recognised - capital	44,230	57,707	46,588	37,850	46,588	(8,738)	0%	46,588
Contributed assets	76,128	-	-	2,224	-	2,224	-	-
Surplus/(Deficit) after capital transfers & contributions	2,607,283	2,874,061	3,199,118	4,237,314	3,199,118			3,199,118
Taxation	-	-	-	-	-			-
Surplus/(Deficit) after taxation	2,507,283	2,874,061	3,199,118	4,237,314	3,199,118			3,199,118
Attributable to minorities	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality	2,507,283	2,874,061	3,199,118	4,237,314	3,199,118			3,199,118
Share of surplus/ (deficit) of associate	-	-	-	-	-			-
Surplus/ (Deficit) for the year	2,507,283	2,874,061	3,199,118	4,237,314	3,199,118			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	(990)	0%	Immaterial variance.	
Property rates - penalties & collection charges	(8,489)	-9%	The under-recovery is the result of lower than expected penalties imposed on outstanding Rates debtors and the accumulated impact of corrections/adjustments on Rates debtor accounts for the year.	
Service charges - electricity revenue	(289,982)	-3%	The under-recovery is mainly on the Sale of Electricity, due to lower than estimated consumer consumption and the impact of seasonal fluctuation on consumption trends for the year.	It is difficult to project accurately per monthly cycles as consumption is demand driven. Revenue estimates were adjusted for the 2013/14 year.
Service charges - water revenue	(69,359)	-3%	The under-recovery for the year is a combination of the under estimation of consumption trends when compared to the actual trend, the influences of seasonal consumption trends, on-going account queries, account investigations and billing corrections.	Estimates are difficult to project accurately per monthly cycles as consumption is demand driven. Revenue estimates were adjusted for the 2013/14 year.
Service charges - sanitation revenue	(39,521)	-4%	The under-recovery for the year is a combination of the under estimation of consumption trends when compared to the actual trend, the influences of seasonal consumption trends, on-going account queries, account investigations and billing corrections.	Estimates are difficult to project accurately per monthly cycles as consumption is demand driven. Revenue estimates were adjusted for the 2013/14 year.
Service charges - refuse revenue	(36,438)	-4%	The under-recovery for the year is as a result of lower than planned revenue received on Special Waste fees, Disposal Coupon fees and Builders Rubble fees. This is mainly due to civil unrest at the Vissershoek Landfill Site resulting in the closure of the site for a period of time. In addition, the change from account billing to the purchase of disposal coupons resulted in users making use of private landfill sites and not City-owned landfill sites.	Revenue estimates were adjusted for the 2013/14 year.
Service charges - other	(1,921)	-1%	The under-recovery is the combined result for a number of different type of service charges for which less or higher than estimated revenue was received for the year. The main contributors are (1) Admission Fees, (2) Advertising Fees, (3) Industrial Effluent Sales, (4) Miscellaneous Charges, (5) Building Levies, (6) Fire Fees and (7) Bus fares-MyCiti.	The nature of this revenue category makes planning difficult.
Rental of facilities and equipment	2,816	1%	The over-recovery on rental income on facilities is mainly within Community Services and TEAM. It was the result of increased marketing of facilities and the subsequent higher rate of usage by external parties and consumers.	The budget was reviewed in the 2013/14 budget process.
Interest earned - external investments	74,072	30%	The over-recovery is due to higher than expected cash balances/investment balances available in June 2013, which resulted in the non-alignment of the budget with the actuals realised for the year.	The nature of this revenue category makes planning difficult.

Table continues on next page

Annexure A: S52 (June 2013)

Description	YTD Variance	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands	%		
Revenue By Source				
Interest earned - outstanding debtors	(54,911)	-23%	The under-recovery is mainly within Water and Rates, due to lower than anticipated revenue received as a result of corrections / adjustments / reversals of interest charged on debtor accounts arising from debtor account corrections.	The nature of this revenue category makes planning difficult.
Dividends received	-	-	n/a	n/a
Fines	(68,700)	-40%	The under-recovery is mainly on Traffic Fines and is due to the non-payment of fines, withdrawal and reduction of fines by prosecutors, and the capacity of the courts to deal with the volumes of cases.	Interventions were made to increase this revenue source. However, should the current trend persist the budget will be reviewed in future.
Licences and permits	8,745	26%	The over-recovery is mainly within Safety & Security as a result of an increase in the number of informal traders permits, driver's licence appointments, PRDP, roadworthy examinations and disabled disks issued. In addition to that, 2 hoarding permits were issued to big developers, which was not planned for in EESP.	This revenue category is difficult to predict as actual use is demand driven.
Agency services	15,188	13%	The over-recovery is due to a higher than expected number of licences issued and renewed on behalf of PGWC.	This revenue category is difficult to predict as actual use is demand driven.
Transfers recognised - operational	(253,147)	-12%	The main contributors to the under-recovery are: (1) Transport Roads & Stormwater (TRS) (R126 million under), due to a major MyCiti Station Management contract that only commenced at the end of April 2013 as a result of the appeals process. The processing of June invoices are in progress. (2) Health (R42 million under) where claims for May and June still need to be accounted for. An amount of R23 million still needs to be processed. (3) Housing (R77 million under), due to various 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 and procurement delays, which are all out of the control of the project manager.	Year-end processes are in progress and some invoices still to be processed. Funds for on-going projects to be rolled over during the August 2013 Adjustments budget.
Other revenue	452,854	23%	The over-recovery is the combined result of (1) an unplanned payment received from PGWC for the Broadband project, (2) higher than planned Skills Development Levies received from LGSETA, (3) higher than planned income received from the sale of salvaged items, and (4) the allocation from the Debtors Control account of debtors credit balances not claimed. In addition, an amount of R393 million is reflected for 2012/13 fair value adjustments on investments as part of year-end closure processes.	Year-end transactions are still being processed and the final outcomes will only be reflected after final closure of the year.
Gains on disposal of PPE	(34,751)	-50%	The under-recovery is mainly within Finance - Property Services where the sale of Basileus (Site B CT) is no longer proceeding due to an investigation. In addition, the DEVMET property transfer has been delayed, due to rezoning application processes.	Follow-up processes in the DEVMET project will only be conducted in the new financial year. The 2013/14 budget will be amended accordingly.

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	(449,230)	-6%	The variance is mainly due to under-expenditure on Salaries Wages & Allowances as a result of the internal filling of vacant posts, the 3 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 YTD savings on staff costs. The City had a staff establishment of 24 641 permanent posts and 2538 vacancies as at end of June 2013.	Corporate HR industry best practice suggests a turnaround time of a maximum of 3 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, each one of which must be manually captured; a clerical position elicits >9000 applications. There has been an exponential increase in the number of applicants over the past two years, given the very high unemployment figures.
Remuneration of councillors	(1,231)	-1%	Immaterial Variance	-
Debt impairment	-	0%	-	-
Depreciation & asset impairment	12,030	1%	This variance is mainly within (1) Transport Roads & Stormwater, due to a higher than anticipated capitalisation rate achieved to date on various IRT-related capital projects and (2) Corporate Services, due to depreciation costs for a donated asset received during the year.	-
Finance charges	(59,560)	-8%	The variance is mainly due to the non-alignment of the budget with the actual YTD interest paid on external loans.	-
Bulk purchases	(632,627)	-13%	The variance is mainly due to lower than anticipated electricity bulk purchases stemming from lesser consumer demand.	The payment for June 2013 will still be processed before year-end closure.
Other materials	(60,738)	-18%	The under-spending is mainly within the Utility Service directorate due to (1) the accumulated impact of the late start on various R&M projects as a result of delays in awarding tenders and finalising facility maintenance / upgrade plans and (2) slower than anticipated implementation on various EPWP projects.	The expenditure rate is expected to improve by year-end as processing of final transactions for the year is not yet completed.
Contracted services	(231,814)	-8%	The variance is mainly due to (1) the late start on various R&M projects across directorates as a result of delays in awarding tenders and the lack of project management capacity to implement some projects, (2) delays in the appointment of service providers for various operating projects including the IRT station management contract, (3) late submission of contract accounts by service providers and (4) slower than anticipated implementation on various EPWP projects.	The expenditure rate is expected to improve by year-end as processing of final transactions for the year is completed.
Transfers and grants	(14,236)	-13%	The variance is mainly due to the delays in the approval of 3 grant-in-aid beneficiaries within the Economic, Environment and Spatial Planning directorate.	Final payments for 2012/13 still to be processed before year-end closure, which will impact on the final outcome of the results of the year.
Other expenditure	(223,598)	-6%	Under-expenditure reflects mainly on (1) Consultants within Human settlements, which is linked to the rate of progress on various housing development projects as well as Utility services, due to delays with the appointment of consultants for various projects and programmes including the Bloekombos informal settlement retrofit programme, (2) Projects, due to the centralised provision for the Revenue-funded ward allocation and Mayoral Redress programme for capital projects and (3) various items within this expenditure category across all directorates are of an adhoc nature and difficult to plan per monthly cycles.	-
Loss on disposal of PPE	1,204	-	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 Outcome	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	192,140	139,432	192,140	(52,708)	-27%	178,725
Vote 02 - Corporate Services	204,094	250,030	237,998	224,781	237,998	(13,217)	-6%	235,128
Vote 03 - Economic, Environment & Spatial Planning	36,727	52,457	43,667	34,016	43,667	(9,651)	-22%	40,534
Vote 04 - Finance Services	119,904	48,975	52,205	20,007	52,205	(32,198)	-62%	21,433
Vote 05 - Health	22,801	27,459	31,899	20,439	31,899	(11,460)	-36%	22,996
Vote 06 - Human Settlements	490,726	603,872	647,212	551,419	647,212	(95,793)	-15%	568,822
Vote 07 - City Manager	122	252	224	183	224	(41)	-18%	194
Vote 08 - Deputy City Manager	14,641	26,947	31,439	19,977	31,439	(11,462)	-36%	27,899
Vote 09 - Rates & Other	-	-	-	-	-	-	-	-
Vote 10 - Safety & Security	67,079	52,434	58,704	54,637	58,704	(4,067)	-7%	55,780
Vote 11 - Social and Early Childhood Development	9,446	11,658	9,590	4,913	9,590	(4,677)	-49%	7,010
Vote 12 - Transport, Roads and Stormwater	1,280,796	2,335,654	2,623,876	2,254,914	2,623,876	(368,962)	-14%	2,550,975
Vote 13 - Utility Services	1,761,270	2,241,299	2,190,401	1,896,743	2,190,401	(293,658)	-13%	2,074,054
Vote 14 - Tourism, Events and Marketing	62,875	77,049	102,455	86,443	102,455	(16,012)	-16%	96,424
Total Capital Expenditure	4,233,252	5,926,609	6,221,810	5,307,804	6,221,810	(913,906)	-15%	5,899,974
Capital Expenditure - Standard Classification								
Governance and administration	359,545	320,853	319,190	286,316	319,190	(52,874)	-17%	279,274
Executive and council	3,555	14,204	7,672	3,992	7,672	(3,680)	-48%	4,488
Budget and treasury office	17,593	5,773	10,916	9,762	10,916	(1,154)	-11%	10,490
Corporate services	338,397	300,876	300,602	252,562	300,602	(48,040)	-16%	264,296
Community and public safety	834,941	1,009,409	1,080,521	891,465	1,080,521	(189,056)	-17%	985,682
Community and social services	56,068	63,798	50,305	29,409	50,305	(20,896)	-42%	38,052
Sport and recreation	166,051	219,083	247,741	197,922	247,741	(49,819)	-20%	238,326
Public safety	101,232	109,996	109,124	94,188	109,124	(14,936)	-14%	102,539
Housing	489,925	589,472	641,852	549,904	641,852	(91,948)	-14%	584,165
Health	21,665	27,060	31,499	20,042	31,499	(11,457)	-36%	22,600
Economic and environmental services	1,311,540	2,393,983	2,661,490	2,281,139	2,661,490	(380,351)	-14%	2,685,941
Planning and development	25,960	39,529	34,123	22,652	34,123	(11,471)	-34%	31,503
Road transport	1,272,448	2,326,649	2,611,286	2,244,563	2,611,286	(366,723)	-14%	2,539,704
Environmental protection	13,132	27,805	16,081	13,924	16,081	(2,157)	-13%	14,734
Trading services	1,727,221	2,202,366	2,160,609	1,868,975	2,160,609	(291,634)	-13%	2,049,871
Electricity	880,178	1,251,120	1,240,963	1,118,172	1,240,963	(122,791)	-10%	1,199,403
Water	258,890	297,584	352,565	278,099	352,565	(74,466)	-21%	313,669
Waste water management	354,031	404,307	349,212	272,087	349,212	(77,125)	-22%	323,973
Waste management	229,904	245,506	214,173	199,201	214,173	(14,972)	-7%	208,593
Other	4,218	3,849	3,696	1,416	3,696	(2,280)	-62%	3,433
Total Capital Expenditure - Standard Classification	4,233,247	5,926,611	6,221,810	5,307,895	6,221,810	(913,915)	-15%	5,899,968
Funded by:								
National Government	1,717,564	2,921,635	3,246,952	2,777,490	3,246,952	(469,462)	-14%	3,130,902
Provincial Government	335,474	355,487	390,352	353,779	390,352	(36,573)	-9%	363,037
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	8,740	3,325	3,797	3,279	3,797	(518)	-14%	3,684
Transfers recognised - capital	2,061,778	3,280,447	3,641,101	3,134,548	3,641,101	(506,553)	-14%	3,497,623
Public contributions & donations	44,208	54,382	42,791	34,600	42,791	(8,191)	-19%	35,163
Borrowing	1,374,791	1,765,377	1,784,935	1,548,020	1,784,935	(236,915)	-13%	1,698,856
Internally generated funds	752,469	826,405	752,982	590,729	752,982	(162,253)	-22%	668,325
Total Capital Funding	4,233,246	5,926,611	6,221,809	5,307,897	6,221,809	(913,912)	-15%	5,899,967

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	(52,708)	-27%	<ol style="list-style-type: none"> 1. Library and Information Services: New Regional Library development in Kuyasa delayed, due to Environmental Impact Assessment for road realignment. 2. Sport and Recreation: Initial delays in approval of the Synthetic Pitches projects in Nyanga, Gugulatu, Westridge and Scottsdene as well as Spray Parks projects in Nyanga, Ocean View and Scottsville resulted in expenditure being behind projected cash flow. 3. City Parks: Khayelitsha Cemetery Roads refurbishment delayed, due to a lack of Telkom /Neotel way-leaves. Recent inclement weather experienced has hampered progress of projects. Awaiting invoices for Park Upgrades and Developments: Hanover Park project. 	<ol style="list-style-type: none"> 1. Library and Information Services: Project Administrator has now been appointed for Kuyasa and professional fees will be paid up to commencement of construction. Funds to be rolled over in the 2013/14 mid-year review. 2. Sport and Recreation: Contractors are on site for synthetic pitches and spray parks; projects are being implemented. Invoices relating to the 2012/13 financial year to be processed by 12 July 2013. 3. City Parks: Invoices for Hanover Park project relating to the 2012/13 financial year to be processed by 12 July 2013. Committed funds to be rolled over to the 2013/14 financial year in the Adjustments Budget in August 2013.
Vote 02 - Corporate Services	(13,217)	-6%	Currently, the directorate has already exceeded the expenditure rate of 90%, which is the corporate target for capital spend. The capital expenditure recorded at this stage is provisional and is still subject to change and finalisation of the financial statements. Further invoices will still be processed by or before the 12 July 2013, which will increase capital expenditure rate. Current spend as at 9 July 2013 is 96.99%, with further commitments of approximately R3.8 million still to be processed.	To follow up on all outstanding invoices for goods and/or services delivered by or before 30 June 2013 and to process payments for such services by or before the 12 July 2013. Final results, reasons and proposed actions can only be reported after 12 July 2013, which is still subject to the finalisation of the annual financial statements.
Vote 03 - Economic, Environment & Spatial Planning	(9,651)	-22%	<ol style="list-style-type: none"> 1. The directorate is awaiting the finalisation of invoices to be processed to the value of R6.4 mill in as confirmed by its project managers. 2. Public Space and Informal Settlement Upgrade Projects within the Spatial Department was delayed as a result of labour problems and community interference. 3. E-filing Signage project was delayed due to tenders being re-advertised as a result of non-compliant tenderers and the complex nature of the restoration work on the heritage building and assets. 	<ol style="list-style-type: none"> 1. Invoices to be processed 12 July 2013. 2. Requests for roll-overs will be made in circumstances where contractual commitments are in place.
Vote 04 - Finance Services	(32,198)	-62%	<ol style="list-style-type: none"> 1. CTICC expansion project is unlikely to take place in the current year, due to factors outside of the Property departments control (Forensic investigation underway). 2. E-Procurement system delayed as a result of the system interface in the implementation phase of the project. 3. Project completed, awaiting invoices to be processed. 4. Revenue insurance provision of R300 000, which could only be utilised when an insurance claim is settled and the replacement asset was procured. Invoices still to be processed. 	<ol style="list-style-type: none"> 1. Property Management department: Funds to be rolled over to 2013/2014 during the August 2013 Adjustments budget. 2. R 898 458 will be rolled over in the August 2013 Adjustments Budget. 3. Invoices amounting to R1 041 971 to be processed by 12 July 2013.
Vote 05 - Health	(11,460)	-36%	<ol style="list-style-type: none"> 1. New Environmental Health Office project is four months behind schedule, due to various delays. Work on site has been stopped by the local community. Steering committee to resolve the issues. Plans approval has also been delayed, due to the need for a title deed certificate. 2. St Vincent Clinic - Extensions: Progress has been slow due to local labour issues, which has still not been resolved. 3. New Male Clinic in Site B Khayelitsha experienced delays, due to scheduling problems and 21 day appeal process. 4. Projects completed, awaiting invoices. 	<ol style="list-style-type: none"> 1. Payment certificate for June 2013 to be processed by 12 July 2013. R5.6 million to be rolled over to 2013/14 in August 2013 Adjustments budget. 2. Payment certificate for June 2013 to be processed by 12 July 2013. R1.1 million to be rolled over to 2013/14 in August 2013 Adjustments budget. 3. R1.3 million to be rolled over to 2013/14 in August 2013 Adjustments budget. 4. Follow up with contractors to expedite submission of invoices to process payments by 12 July 2013.
Vote 06 - Human Settlements	(95,793)	-15%	Housing projects at various stages of planning and construction. Primary area of underspend relates to Major Community Residential Units Upgrade projects. The primary reason for this is the gangster and community activity on site. Similar challenges in terms of delays experienced at the Scottsdene site (sub-contractor unrest). Land acquisitions: one land owner has at the last minute elected not to proceed with a R3.3 million sale.	SAPD and the City is addressing gangster activity (success limited). All other project related delays (e.g. Temporary Residential Areas containers delivered late) 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	(41)	-18%	<ol style="list-style-type: none"> 1. Outstanding invoices valued at R9 623 to be processed. 2. Revenue insurance provision of R30 000, which could only be utilised when an insurance claim is settled and the replacement asset was procured. 3. Project completed, savings realised. 	Liaising with vendors to submit the invoices for processing before the 12 July 2013.

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	(11,462)	-36%	<ol style="list-style-type: none"> 1. Outstanding invoices still to be processed. 2. Lentegour Civic Upgrade: Awaiting tax clearance certificate. 3. Departments unable to replace equipment, due to new tender prices being higher than anticipated and vendors who could not honour their agreement to deliver equipment by the required deadlines. 4. Ward Allocation projects from the Social Development and Early Childhood Development directorate transferred during the Adjustments budget in January 2013 were not implemented. 5. Revenue insurance provision of R23 841, which could only be utilised when an insurance claim is settled and the replacement asset was procured. 6. Project completed, savings realised. 	<ol style="list-style-type: none"> 1. Liaising with vendors to submit the invoices for processing before the 12 July 2013. 2. Liaising with vendor to expedite the tax clearance certificate and to process payment certificate valued at R 3 347 million by the 12 July 2013. 3. Funds to be rolled over in the August 2013 Adjustments Budget. 4. As agreed with the stakeholder on 15 April 2013, funds will be rolled-over in August 2013 Adjustment Budget.
Vote 09 - Rates & Other	-	-	-	-
Vote 10 - Safety & Security	(4,067)	-7%	<ol style="list-style-type: none"> 1. Establishment of Maitland Impoundment facility and the Upgrade of the Sandvlei CC tenders awarded. Awaiting 21 days appeal period to end and 14 days vendor guarantee to be submitted, which will be followed by site handover. Work to commence mid July 2013. 2. Upgrade Centra Traffic Service: The tender was awarded on 8 June 2013, awaiting 21 day appeal period to end. Insufficient time is available to complete this project in 2012/2013 financial year. 3. Property Improvement City Wide project completed. Awaiting invoices to be processed. 	Committed funds to be rolled over to the 2013/14 financial year in the August 2013 Adjustments Budget. Invoices to be processed by 12 July 2013.
Vote 11 - Social and Early Childhood Development	(4,677)	-49%	<ol style="list-style-type: none"> 1. Delays experience in the appointment of a contractor for the construction of the Strandfontein Early Childhood Development Centre as the tender (252Q/2012/13) was only awarded by the BAC on 27 June 2013. This project will only commence in the new financial year. 2. The completion of other construction work took longer than anticipated. Awaiting finalisation of outstanding invoices. 	<ol style="list-style-type: none"> 1. Funds to be roll-over as part of the August 2013 Adjustments budget. 2. Invoices to be processed by 12 July 2013.
Vote 12 - Transport, Roads and Stormwater	(368,962)	-14%	One of the major reasons for the large negative variance is the fact that negotiations with operators have been more protracted than expected delaying significantly the pay-out of scrapping and compensation for the acquisition of rights. Another issue has been the resolution of major claims from contractors. Some expenditure trails the expected cash-flow as a result of delays from appeals and protracted due diligence procedures. Many projects are also moving slower than expected due to cash flow problems being experienced by contractors and also as a direct result of an increasing number of contracts having to be terminated due to non-performance and/or liquidation of contractors. Detailed comment on each budget line item is available on the progressive capital expenditure report for June 2013.	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. It appears that the negotiations with operators is nearing a conclusion and no further intervention to speed this up is possible. It is also hoped to resolve certain major contractual claims for monies owed in 2012/13 before the closure of period 13.
Vote 13 - Utility Services	(293,658)	-13%	Refer below.	Refer below.
Vote 14 - Tourism, Events and Marketing	(16,012)	-16%	<ol style="list-style-type: none"> 1. Delays were experienced with the Cape Town Stadium project, due to non responsive tenderers who were requested to provide interior design and fit out works for various projects at the Stadium. 2. Projects completed. Awaiting invoices to be submitted for final payment. 	<ol style="list-style-type: none"> 1. New procurement processes are being followed. The work will only be completed in the 2013/14 financial year with approximately R 3.7million to be rolled over in August 2013 Adjustments Budget. 2. Invoices to be processed before 12 July 2013.

Table continues on next page.

Vote 13 - Utility Services per sub vote

Utility Services Support	(75)	-58%	1. Installation of software completed. 2. Revenue insurance provision of R30 000, which could only be utilised when an insurance claim is settled and the replacement asset was procured.	Invoices to be processed by 12 July 2013.
Cape Town Electricity	(129,236)	-10%	Project completed, savings realised. Invoices to be processed.	None required.
Solid Waste Management	(14,972)	-7%	1. Vissarsbok Landfill project: Delays as a result of incremental weather and dispute with a vendor regarding tender conditions. 2. Revenue insurance provision of R 1.1 million, which could only be utilised when an insurance claim is settled and the replacement asset was procured.	1. The dispute regarding tender conditions is currently being addressed by the Legal Services department. Committed funds to be rolled over to the 2013/14 financial year in the August 2013 Adjustments Budget.
Water & Sanitation	(149,375)	-22%	1. EAM Depot Realignment - 5 Nodal System project: Project is progressing slower than anticipated in spite of measures put in place to accelerate implementation. 2. Pump Station Rehab (Citywide): Clovelly pump station Mech/Elect: delay in the civil contract. Khayelitsha pump station: delay in the relocation of the rising main for Khayelitsha pump station. Awaiting final invoices. 3. Informal Incremental Areas Upgrade project: contractor experiencing problems with local labour. 4. Project completed, savings realised and invoices to be processed.	1. Contractually committed amount of R10.4 million to be rolled-over to 2013/14 in August 2013 Adjustments budget. Invoices to be processed by 12 July 2013.

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

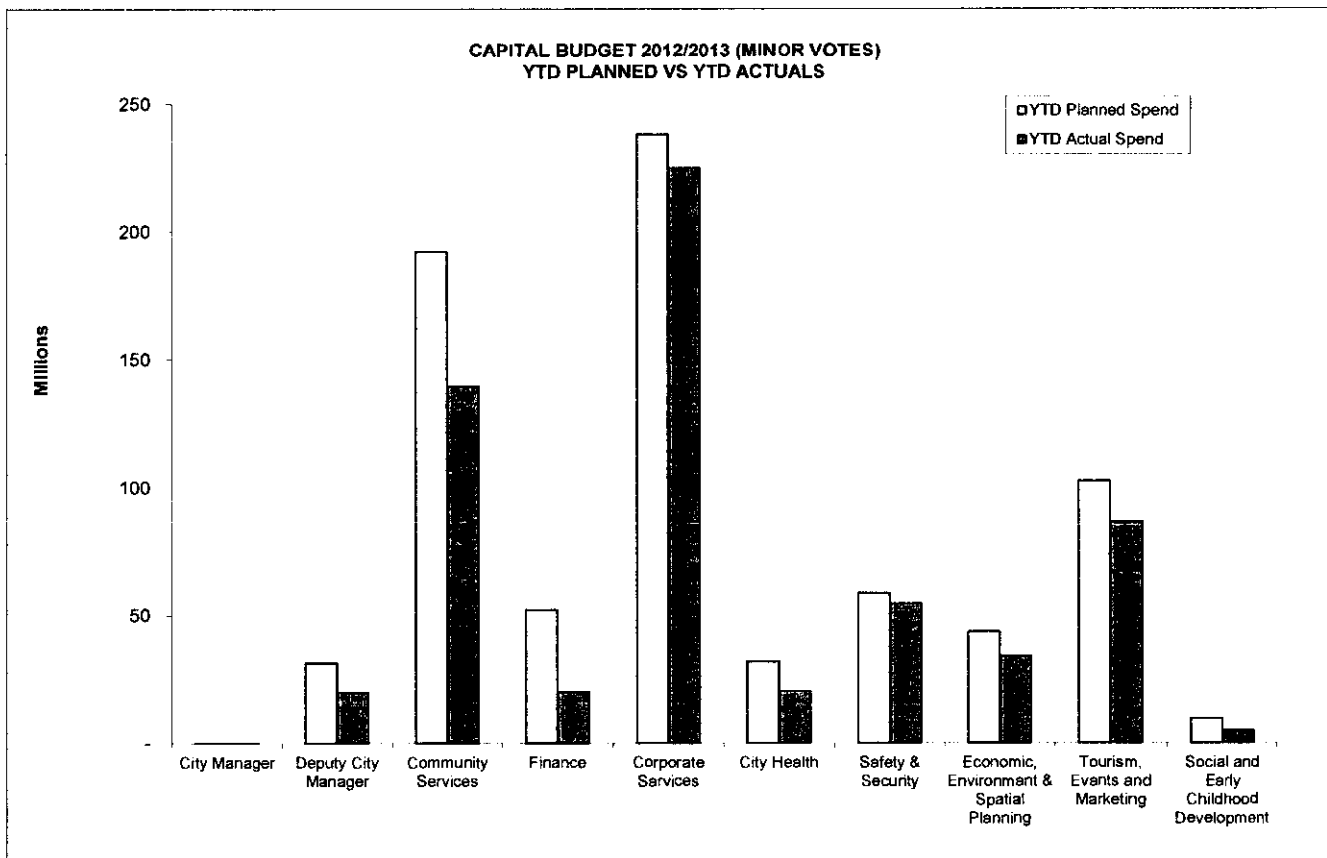
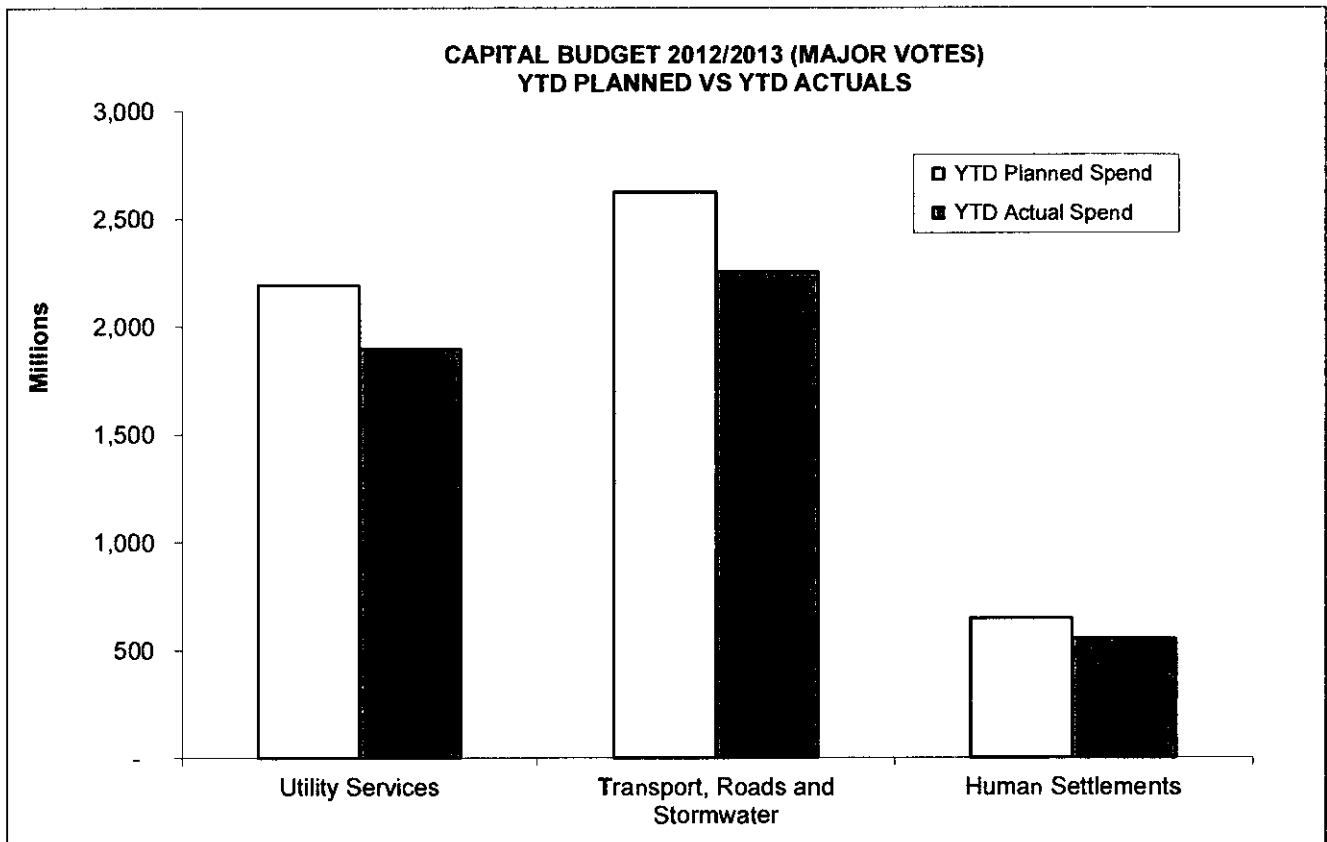


Table C6: Monthly Budget Statement - Financial Position

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	–	–	182,561	–
Call investment deposits	2,883,387	4,523,511	7,458,973	10,203,100	7,458,973
Consumer debtors	3,979,256	4,078,849	3,979,256	3,121,688	3,979,256
Other debtors	305,949	234,483	336,544	367,749	336,544
Current portion of long-term receivables	19,758	17,322	18,770	19,758	18,770
Inventory	253,006	259,362	265,658	253,912	265,658
Total current assets	10,769,190	9,113,527	12,059,201	14,148,768	12,059,201
Non current assets					
Long-term receivables	99,328	104,262	94,362	63,436	94,362
Investments	150,260	949,989	950,998	–	950,998
Investment property	–	–	–	807,808	–
Property, plant and equipment	24,522,952	28,836,813	28,989,574	27,291,933	28,989,574
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	24,772,540	29,891,064	30,034,934	28,163,177	30,034,934
TOTAL ASSETS	35,541,730	39,004,591	42,094,135	42,311,945	42,094,135
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	294,186	370,393	563,763	294,186	563,763
Consumer deposits	274,944	282,525	302,436	308,216	302,438
Trade and other payables	5,506,661	4,360,119	5,922,387	4,154,579	5,922,387
Provisions	1,025,777	862,478	1,077,066	1,765,945	1,077,066
Total current liabilities	7,101,568	5,875,515	7,865,654	6,522,926	7,865,654
Non current liabilities					
Borrowing	5,176,421	6,975,308	7,243,313	7,060,615	7,243,313
Provisions	4,076,201	4,369,622	4,518,363	4,295,160	4,518,383
Total non current liabilities	9,252,622	11,344,930	11,761,696	11,355,775	11,761,696
TOTAL LIABILITIES	16,354,190	17,220,445	19,627,350	17,878,701	19,627,350
NET ASSETS	19,187,541	21,784,146	22,466,785	24,433,244	22,466,785
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	16,895,622	19,672,204	20,263,916	22,565,251	20,263,916
Reserves	2,291,718	1,911,942	2,202,869	1,867,993	2,202,669
TOTAL COMMUNITY WEALTH/EQUITY	19,187,540	21,784,146	22,466,785	24,433,244	22,466,785

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	19 942 153	20 536 602	19 942 153	594 449	3%	19 942 153
Government - operating	1 626 991	2 325 525	2 170 614	1 341 186	2 170 614	(829 428)	-38%	2 170 614
Government - capital	2 130 844	3 334 829	3 680 095	3 106 911	3 680 095	(573 184)	-16%	3 680 095
Interest	563 873	481 236	482 538	362 121	482 538	(120 417)	-25%	482 538
Payments								
Suppliers and employees	(17 019 721)	(20 311 090)	(20 624 597)	(21 134 129)	(20 624 597)	509 532	-2%	(20 624 597)
Finance charges	(661 761)	(768 508)	(618 412)	(604 103)	(618 412)	(14 309)	2%	(618 412)
Transfers and Grants	-	-	(90 343)	(29 316)	(90 343)	(61 027)	68%	(90 343)
NET CASH FROM/(USED) OPERATING ACTIVITIES	5 241 829	4 726 735	4 942 048	3 579 272	4 942 048	(1 362 776)	-28%	4 942 048
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	45 983	69 000	69 000	-	69 000	(69 000)	-100%	69 000
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	15 633	6 399	-	-	-	-	-	-
Decrease (increase) in non-current investments	(1 922)	(248 462)	-	-	-	-	-	-
Payments								
Capital assets	(4 233 162)	(5 630 280)	(5 864 131)	(3 621 888)	(5 864 131)	(2 242 243)	38%	(5 864 131)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4 173 468)	(5 803 343)	(5 795 131)	(3 621 888)	(5 795 131)	(2 173 243)	38%	(5 795 131)
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	-	-	-	-	-	-
Payments								
Repayment of borrowing	(198 354)	(99 955)	(168 662)	(183 050)	(168 662)	14 388	-9%	(168 662)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(166 902)	1 925 729	2 231 338	2 201 370	2 231 338	29 968	1%	2 231 338
NET INCREASE/ (DECREASE) IN CASH HELD	911 469	849 121	1 378 255	2 158 754	1 378 255			1 378 255
Cash/cash equivalents at beginning:	5 249 381	3 674 390	6 160 840	6 160 840	6 160 840			6 160 840
Cash/cash equivalents at month/year end:	6 160 840	4 523 511	7 539 095	8 099 366	7 539 095			7 539 095

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			
Ratepayers and other	594 449	3%	The higher than expected cash receipts was due to a slight increase in the debtors payment ratio and payments in advance. An amount of R1.8 billion relating to VAT was erroneously included in the S71 report and retrospectively updated.
Government - operating	(829 428)	-38%	A significant portion of this figure represents grants received in prior years, which is included in the opening bank and cash balance. The balance relates to the timing lag of claims.
Government - capital	(573 184)	-16%	A significant portion of this figure represents grants received in prior years, which is included in the opening bank and cash balance. The balance relates to the timing lag of claims.
Interest	(120 417)	-25%	The variance should be read in conjunction with the over-recovery of 'Ratepayers and other'. A split between interest and billing was not possible through the cash management system and therefore the variance of under recovery.
Dividends	-	-	-
Payments			
Suppliers and employees	509 532	-2%	Creditor expenditure higher than expected. An amount of R1.8 billion relating to VAT was erroneously included in the S71 report and retrospectively updated.
Finance charges	(14 309)	2%	-
Transfers and Grants	(61 027)	88%	Under expenditure is due to delays in cash outflow s.
NET CASH FROM/(USED) OPERATING ACTIVITIES	(1 362 776)	-28%	
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipts			
Proceeds on disposal of PPE	(69 000)	-100%	The variance is due to the non-processing of entries, which will only take place as part of the year end processes.
Decrease (increase) in non-current debtors	-	-	-
Decrease (increase) other non-current receivables	-	-	-
Decrease (increase) in non-current investments	-	-	-
Payments			
Capital assets	(2 242 243)	38%	The delay in outflow of cash is a direct result of the timing of completion of assets and contributed positively to the City's cash flow position.
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2 173 243)	38%	

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 Outcome	May Outcome	June Outcome	Budget Year	Budget Year +1	Budget Year +2
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	365 392	352 934	326 141	4 961 330	5 120 337	5 484 326
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	715 924	778 129	776 141	879 506	776 891	729 576	714 519	783 796	815 018	773 188	867 660	785 346	9 044 494	11 026 604	13 496 830
Service charges - water revenue	142 450	184 138	185 467	148 850	140 193	157 261	135 318	154 633	154 279	147 935	149 273	123 075	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	83 328	84 430	80 534	80 655	83 352	91 725	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	50 741	47 552	50 076	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	15 792	15 552	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	20 700	21 573	24 369	66 526	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	38 036	38 485	40 254	244 439	284 889	339 392
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	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	7 594	9 828	8 914	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	14 974	13 124	70 802	33 121	34 976	36 934
Agency services	9 254	9 205	9 125	9 165	9 169	9 165	9 331	13 025	9 644	9 621	9 621	9 667	115 993	122 489	129 348
Transfer receipts - operating	392 369	19 397	17 999	5 835	282 987	56 250	40 405	475 822	9 214	29 399	2 733	8 776	2 170 614	2 228 425	2 287 976
Other revenue	33 911	603 915	39 158	43 407	338 347	533 862	77 297	6 458	444 251	18 700	5 913	5 333	1 978 519	2 102 194	2 222 418
Cash Receipts by Source	1 975 547	2 299 280	1 740 257	1 731 436	2 153 843	2 085 066	1 609 717	2 031 008	1 969 920	1 676 966	1 617 838	1 560 030	22 695 304	26 486 016	29 146 255
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	44 098	1 822	13 164	3 680 095	2 776 165	2 560 903
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	46 588	56 750	59 168
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	69 000	72 864	76 944
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	2 384 420	-	-	-	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	2 664 100	2 328 376	1 762 256	1 740 189	2 578 325	2 093 196	1 909 717	2 744 741	5 207 423	1 620 064	1 619 660	1 573 194	28 790 987	30 376 794	33 712 270

Table continues on next page

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	Outcome	Outcome	Outcome			
Cash Payments by Type															
Employee related costs	514 568	517 665	601 351	529 239	838 164	522 859	567 938	567 636	590 347	564 446	571 453	572 428	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	8 949	8 950	8 993	112 904	130 217	138 811
Interest paid	—	—	123 910	9	—	187 816	5	0	123 910	63	1	168 387	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	410 769	417 825	443 704	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	30 772	42 792	13 824	334 673	391 911	470 535
Other materials *	—	—	—	—	—	—	—	—	—	—	—	—	345 614	427 849	461 031
Contracted services *	—	—	—	—	—	—	—	—	—	—	—	—	2 832 886	2 865 325	3 077 300
Grants and subsidies paid - other municipalities *	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grants and subsidies paid - other *	—	—	—	—	—	—	—	—	—	—	—	—	90 343	101 085	106 746
General expenses	951 600	622 933	413 498	691 334	677 787	658 119	492 330	685 150	717 809	511 812	542 026	889 244	3 321 692	3 343 184	3 312 673
Cash Payments by Type	2 250 308	1 974 351	1 954 291	1 718 827	1 991 767	1 818 636	1 495 790	1 701 261	1 865 764	1 526 811	1 583 048	2 096 580	21 089 880	23 826 470	27 201 054
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	409 500	643 183	328 310	5 910 719	5 063 896	4 708 179
Repayment of borrowing	47 187	—	8 574	—	—	75 705	—	—	8 574	—	—	43 009	168 662	346 105	310 892
Other Cash Flow s/Payments	—	—	—	—	—	—	10 343	—	—	—	—	—	243 471	253 077	275 860
Total Cash Payments by Type	2 708 647	2 140 537	2 283 435	1 895 664	2 185 896	2 226 956	1 713 578	1 807 670	2 199 891	1 936 311	2 226 231	2 467 699	27 412 732	29 489 548	32 495 985
NET INCREASE/(DECREASE) IN CASH HELD	(144 547)	167 638	(531 179)	(155 475)	392 428	(133 760)	196 139	937 071	3 007 532	(316 247)	(606 570)	(694 705)	1 378 255	887 246	1 216 285
Cash/cash equivalents at the month/year beginning:	6 160 840	6 016 293	6 204 131	5 672 952	5 517 477	5 909 905	5 776 145	5 972 284	6 909 355	9 916 887	9 600 640	8 994 069	6 160 840	7 539 095	8 426 341
Cash/cash equivalents at the month/year end:	6 016 293	6 204 131	5 672 952	5 517 477	5 909 905	5 776 145	5 972 284	6 909 355	9 916 887	9 600 640	8 994 069	8 099 364	7 539 095	8 426 341	9 642 626

* These cash payments are included in the line item 'General Expenses'.

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										>98 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	357,407	80,655	52,924	43,256	37,141	50,747	204,986	762,863	1,589,979	-	1,098,993
Electricity	527,235	22,392	17,984	13,563	9,862	12,431	48,911	87,101	739,479	-	171,868
Water	243,418	85,890	66,975	69,237	54,053	54,527	267,116	1,267,362	2,108,578	-	1,712,295
Sewerage / Sanitation	122,847	40,981	35,947	32,322	23,592	26,462	126,341	585,305	993,797	-	794,022
Refuse Removal	57,216	15,751	11,390	10,070	8,975	10,055	49,339	223,001	385,797	-	301,440
Housing (Rental Revenue)	49,662	7,443	9,240	(229)	18,066	403,178	-	-	487,360	-	421,015
Other	(71,851)	(16,213)	(9,787)	(8,701)	(4,238)	(1,188)	(41,330)	(64,529)	(217,837)	-	(119,986)
Total By Revenue Source	1,285,934	236,899	184,673	159,518	147,451	556,212	655,363	2,861,103	6,887,153	-	4,379,647
2011/12 - totals only	1,221,637	225,054	175,439	151,542	140,078	528,401	622,595	2,718,048	5,782,795	-	4,160,664
Debtors Age Analysis By Customer Category											
Government	34,191	11,601	7,033	3,437	4,135	9,309	(23,557)	42,502	88,651	-	-
Business	621,483	55,858	37,000	30,413	27,053	32,328	114,702	336,623	1,255,460	-	-
Households	658,792	185,388	141,822	129,348	119,187	520,103	560,776	2,469,446	4,784,862	-	-
Other	(28,530)	(15,947)	(1,181)	(3,674)	(2,925)	(5,527)	3,441	12,531	(41,812)	-	-
Total By Customer Category	1,285,936	236,908	184,674	159,524	147,450	556,213	655,362	2,861,102	6,087,161	-	-

1.2 Additional debtor's information

Monthly collection rate			YTD collection rate
Period	Current year	Previous year	
12 Month	95,91%	96,22%	96,10%
6 month	95,81%	95,03%	96,06%
3 month	97,84%	100,64%	96,00%
Monthly	93,12%	96,23%	95,97%

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
April	1,894,653,862	1,842,362,441
May	1,811,132,316	1,874,900,330
June	1,938,271,366	1,804,897,242

12 month collection ratio per source			
Source	Current year	Previous year	YTD collection rate
Electricity	98,37%	99,84%	99,27%
Water	90,56%	92,93%	93,73%
Sewerage	89,85%	90,58%	92,20%
Refuse	96,35%	94,20%	96,23%
Rates	99,50%	99,04%	99,48%
Other	99,41%	100,12%	99,51%

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 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	592,599	6,536	2,064	1,879	483	333	901	2,431	607,226	1,740,034
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	592,599	6,536	2,064	1,879	483	333	901	2,431	607,226	1,740,034

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								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	133,238	1,679,172	1,421,696	215,215	337,280	(122,066)	-36,2%	1,421,697
Restructuring	2,244	3,884	5,303	1,702	5,303	(3,601)	-67,9%	5,303
Finance Management grant	1,187	1,250	1,443	1,074	1,443	(369)	-25,6%	1,443
Public Transport Infrastructure & Systems Grant	87,809	506,832	227,626	110,857	227,626	(116,769)	-51,3%	227,626
Dept. of Environ Affairs and Tourism	193	7,283	7,304	5,506	7,504	(1,998)	-26,6%	7,304
Equitable share	7,952	1,093,004	1,093,004	8,261	8,588	(327)	-3,8%	1,093,004
Housing Accreditation	771	400	400	123	400	(277)	-69,3%	400
Urban Settlements Development Grant	23,244	46,314	55,574	57,676	55,574	2,102	3,8%	55,574
Expanded Public Works Programme	-	20,205	29,484	28,673	29,484	(811)	-2,8%	29,484
National Treasury: Neighbourhood Development Partnership Grant	-	-	1,359	1,343	1,359	(16)	-1,2%	1,359
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	-	-	200	-	-	-	-	200
Minerals and Energy: Electricity Demand Side Management (Eskom) Grant	1,199	-	-	-	-	-	-	-
LGSETA	7,407	-	-	-	-	-	-	-
Electricity Demand Side Management	995	-	-	-	-	-	-	-
IDC NT - Solar water heater study	237	-	-	-	-	-	-	-
Provincial Government:	374,802	628,672	723,794	478,083	583,374	(105,291)	-18,0%	723,785
Cultural Affairs and Sport - Provincial library Services	16,334	23,470	22,470	22,470	22,470	-	-	22,470
Human Settlements - Human Settlement Development Grant	179,565	244,125	334,557	261,427	339,557	(78,130)	-23,0%	334,557
Human Settlements - Municipal Accreditation Assistance	-	7,100	7,100	3,255	7,100	(3,845)	-54,2%	7,100
Human Settlement - Settlement Assistance	-	1,000	1,000	-	-	-	-	1,000
Health - TB	9,492	9,934	9,934	9,934	9,934	-	-	9,934
Health - Global Fund	17,920	43,015	36,913	27,717	36,913	(9,196)	-24,9%	36,913
Health - ARV	65,450	71,492	71,492	69,693	71,492	(1,799)	-2,5%	71,492
Health - Nutrition	4,019	4,140	4,140	4,140	4,140	-	-	4,140
Health - Vaccines	71,476	71,617	71,617	62,111	71,617	(9,506)	-13,3%	71,617
Comprehensive Health	-	138,779	138,779	-	-	-	-	138,779
Transport and Public Works - Provision for persons with special needs	-	10,000	20,078	17,337	20,078	(2,741)	-13,7%	20,078
Comprehensive Integrated Transport Plan	9,657	4,000	5,641	-	-	-	-	5,641
Heritage Audit	-	-	4	-	4	(4)	-100,5%	4
Mamre Fencing	278	-	63	-	63	(63)	-100,5%	63
Table Mountain Biosphere	129	-	7	-	7	(7)	-100,5%	7
Community Development Workers	160	-	-	-	-	-	-	-
Local Government: Multi-Purpose Centres	322	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-

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								
Other grant providers:	23,041	17,681	25,123	16,944	26,765	(10,821)	-40,4%	26,123
Tourism	1,980	4,000	4,000	-	-	-	-	4,000
Carnegie	2,486	1,442	916	524	916	(392)	-42,8%	916
CMTF	11,989	11,754	12,131	10,452	17,773	(7,321)	-41,2%	12,131
Other	11	30	30	28	30	(2)	-6,7%	30
Mamre Trust	-	150	-	-	-	-	-	-
Solar Energy	-	-	146	20	146	(126)	-86,2%	146
Cities for Climate Protection	9	-	321	176	321	(144)	-44,9%	321
ICLEI: Carbon Taxes	35	-	117	6	117	(111)	-95,0%	117
CID	2,300	-	2,299	2,525	2,525	-	-	2,299
Century City Property Owners Association	285	-	409	137	183	(46)	-25,1%	409
Outsurance	630	-	1,024	649	1,024	(375)	-36,6%	1,024
Rietvlei Conservation Fund	-	305	305	-	305	(305)	-100,0%	305
NGK Ceramic Company	1,068	-	686	686	686	-	-	686
South African National Biodiversity Institute	2,248	-	2,132	334	2,132	(1,799)	-84,4%	2,132
Finland Government	-	-	607	406	607	(201)	-33,1%	607
Total operating expenditure of Transfers and Grants	531,081	2,325,525	2,170,513	709,242	947,419	(238,178)	-25,1%	2,178,615
Capital expenditure of Transfers and Grants								
National Government:	1,717,563	2,921,635	3,246,951	2,777,490	3,246,951	(186,355)	-5,7%	3,130,903
Department of Environmental Affairs & Tourism: Marine & Coastal Management	-	-	-	-	-	-	-	-
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	5,267	5,294	(7)	-0,1%	5,287
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	3,551	-	-	-	-	-	-	-
National Government - Other: Previous years' Dora allocations	1,400	1,200	962	609	962	(353)	-36,7%	634
National Treasury: Local Government Finance Management Grant	90	-	-	-	-	-	-	-
National Treasury: Local Government Restructuring Grant	962	-	200	200	200	-	-	200
National Treasury: Neighbourhood Development Partnership Grant	88,990	52,547	65,097	39,509	65,097	(25,588)	-39,3%	50,739
National Treasury: Other	20,026	26,860	11,290	5,928	11,290	(5,362)	-47,5%	10,551
National Treasury: Urban Settlements Development Grant	729,919	888,905	987,273	836,768	987,273	(150,505)	-15,2%	941,412
Sport & Recreation SA: 2010 Fifa World Cup Stadiums Development Grant	1,158	-	6,617	2,121	6,617	(4,496)	-67,9%	2,882
Transport: Public Transport Infrastructure & Systems Grant	842,211	1,952,123	2,170,218	1,867,112	2,170,218	-	0,0%	2,119,198
Provincial Government:	336,474	355,487	390,352	353,790	390,352	(36,572)	-9,4%	363,037
Cultural Affairs and Sport: Library Services (Conditional Grant)	5,500	1,671	2,691	2,609	2,691	(82)	-3,0%	2,654
Economic Development and Tourism: False Bay Ecology	-	1,000	176	11	176	(165)	0,0%	11
Health: Global Fund	1,297	1,375	1,375	1,324	1,375	-	0,0%	1,375
Housing: Integrated Housing and Human Settlement Development Grant	316,391	323,085	353,833	321,444	353,833	-	0,0%	330,418
Housing: Previous years' Gazetted allocations	66	-	-	-	-	-	0,0%	-
Local Government: Multi-Purpose Centres	8	-	9	9	9	-	-	9
Other: Other1	-	-	500	486	500	(12)	-2,4%	468
Provincial Government: Previous years' Gazetted allocations	-	-	-	-	-	-	0,0%	-
Transport and Public Works: Cape Metropolitan Transport Fund	9,343	28,355	30,085	27,574	30,085	(2,511)	-8,3%	27,761
Transport and Public Works: Other	2,869	-	1,683	321	1,683	(1,362)	0,0%	321
District Municipality:	-	-	-	-	-	-	-	-
Other grant providers:	52,947	57,707	46,588	37,878	46,588	(8,709)	-18,7%	38,848
Other: Other	52,947	57,707	46,588	37,679	46,568	(8,709)	-18,7%	38,848
Total capital expenditure of Transfers and Grants	2,105,984	3,334,829	3,683,991	3,169,149	3,683,891	(231,636)	-6,3%	3,532,788
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	2,637,065	5,660,354	5,854,504	3,878,391	4,631,310	(469,814)	-10,1%	5,703,403

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	59,928	59,899	59,928	29	0,0%	1,0%
August	176,381	240,785	300,408	300,713	305	0,1%	5,1%
September	172,066	321,598	620,978	622,311	1,333	0,2%	10,5%
October	262,372	356,634	978,726	978,945	219	0,0%	16,5%
November	285,793	358,252	1,337,663	1,337,197	(466)	0,0%	22,6%
December	315,797	386,882	1,853,588	1,724,079	(129,509)	-7,5%	31,3%
January	94,432	262,900	2,055,300	1,986,979	(68,321)	-3,4%	34,7%
February	363,182	412,023	2,369,961	2,399,002	29,041	1,2%	40,0%
March	392,520	549,962	2,795,780	2,948,964	153,184	5,2%	47,0%
April	354,397	609,749	3,205,070	3,558,713	353,643	9,9%	54,0%
May	641,042	752,735	3,850,207	4,311,448	461,241	10,7%	65,0%
June	1,168,826	1,910,362	5,307,898	6,221,810	913,912	14,7%	90,0%
Total Capital expenditure	4,233,247	6,221,810					

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

