



REPORT TO EXECUTIVE MAYOR

DATE

LC 11046

1. **ITEM NUMBER :** To be inserted by Executive Support

2. **SUBJECT**
LSUA1980

QUARTERLY FINANCIAL REPORT: JUNE 2014

ONDERWERP
KWARTAALLIKSE FINANSIële VERSLAG: JUNIE 2014

ISIHLOKO
INGXELO YEMALI YARHOQO NGEKOTA: JUNI 2014

3. **STRATEGIC INTENT**

This report covers the 5 strategic focus areas of the City's IDP.

4. **PURPOSE**

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

5. **FOR NOTING BY**

As prescribed by the Municipal Finance Management Act (MFMA), the quarterly financial report for the quarter ended 30 June 2014 is submitted for noting by Council.

☒ This report is for noting only.

4

6. EXECUTIVE SUMMARY

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

The financial results submitted herewith are provisional and subject to change resulting from year-end processes and amendments during compilation of the City's 2013/14 annual financial statements.

This report presents the financial position of the abovementioned indicators as at 30 June 2014.

7. RECOMMENDATIONS

The quarterly financial report for the quarter ended 30 June 2014 is submitted for information and noting only.

AANBEVELING

Die kwartaallikse finansiële verslag vir die kwartaal geëindig 30 Junie 2014 word slegs ter inligting en kennisname voorgelê.

ISINDULULO

Ingxelo yeMali yaRhoqo ngeKota yekota ephela ngowama-30 Juni 2014 ingeniselwa iinjongo zolwazi nokuqatshelwa kuphela..

8. DISCUSSION/CONTENTS

8.1. Constitutional and Policy Implications

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

8.2. Environmental implications

Does your report have any environmental implications:

No ☒

Yes ☐

8.3. Legal Implications

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

8.4. Staff Implications

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

No ☒

Yes ☐

8.5. Risk Implications

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

No ☒

Yes ☐

8.6. Other Services Consulted

n/a

ANNEXURES

Annexure A Quarterly financial report – 30 June 2014

FOR FURTHER DETAILS CONTACT:

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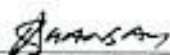


EXECUTIVE DIRECTOR
Kevin Jacoby

Comment:

DATE

16.07.2014



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

AS. Deanery

TEL

(021) 400 4536

DATE

16.7.14

Comment:

FOR NOTING



EXECUTIVE DIRECTOR: COMPLIANCE &
AUXILIARY SERVICES

NAME

D. Lip RAS

DATE

16/7/14

Comment:

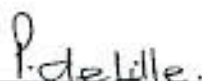


MAYORAL COMMITTEE MEMBER

NAME ID NELSON

DATE 17/7/2014

Comment:



EXECUTIVE MAYOR

DATE 17 July 2014

☐ APPROVED

☒ NOTED

☐ REFUSED

☐ REFERRED BACK

COMMENT:

Annexure A:
Quarterly Financial Report –
30 June 2014

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PART 1 - IN-YEAR REPORT

EXECUTIVE SUMMARY

Summary Statement of Financial Performance

Description	2013/2014 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
Operating Revenue	28 679 287	28 679 287	26 670 387	93.0%	93.0%
Operating Expenditure	25 972 923	25 972 923	25 375 526	97.7%	97.7%

The summary statement of financial performance indicates actual operating revenue realised of R26 670 million or 93.0% of the current budget and operating expenditure of R25 375 million or 97.7% of the current budget.

Detail of revenue and expenditure by municipal vote is shown in Table C3 on page 6. Detail of material variances and remedial action, where applicable, is shown on page 7 to page 16.

Detail of revenue by source and expenditure by type is shown in Table C4 on page 17. Detail of material variances and remedial action, where applicable, is shown on page 18 to page 22.

Summary Statement of Capital Budget Performance

2013/2014 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
5 611 642	5 611 642	4 207 666	74.98%	74.98%

The year to date spend of R4 208 million represents 83.10% (R2 239 million) on internally-funded projects and 67.48% (R1 969 million) on externally-funded projects.

Detail of capital expenditure is shown in Table C5 on page 23 and is categorised by municipal vote, standard classification and by funding source. Detail of material variances and remedial action, where applicable, is shown on page 24 to 26.

Table C1: Monthly budget statement summary

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

Description	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	5 076 445	5 427 388	5 427 388	5 513 547	5 427 388	85 159	1.6%	5 427 388
Service charges	13 099 805	14 442 391	14 254 547	13 916 025	14 254 547	(338 522)	-2.4%	14 254 547
Investment revenue	363 937	284 618	282 078	434 109	282 078	152 031	53.9%	282 078
Transfers recognised - operational	1 965 809	2 595 904	2 609 147	2 181 410	2 609 147	(427 737)	-16.4%	2 609 147
Other own revenue	3 366 210	3 144 788	3 157 153	3 112 962	3 157 153	(44 191)	-1.4%	3 157 153
Total Revenue (excluding capital transfers and contributions)	23 912 206	25 895 089	25 730 314	25 158 054	25 730 314	(572 260)	-2.2%	25 730 314
Employee costs	7 446 199	8 253 458	8 196 718	8 070 841	8 196 718	(125 877)	-1.5%	8 196 718
Remuneration of Councillors	111 673	123 721	123 721	119 726	123 721	(3 995)	-3.2%	123 721
Depreciation & asset impairment	1 627 385	1 934 741	1 957 724	1 864 991	1 957 724	(92 732)	-4.7%	1 957 724
Finance charges	728 669	863 894	863 894	770 835	863 894	(93 059)	-10.8%	863 894
Materials and bulk purchases	6 675 379	7 257 562	6 940 666	6 871 600	6 940 666	(69 067)	-1.0%	6 940 666
Transfers and grants	103 144	39 544	119 165	109 487	119 165	(9 678)	-8.1%	119 165
Other expenditure	7 227 278	7 671 163	7 771 035	7 568 048	7 771 035	(202 989)	-2.6%	7 771 035
Total Expenditure	23 919 727	26 144 082	25 972 923	25 375 526	25 972 923	(597 397)	-2.3%	25 972 923
Surplus/(Deficit)	(7 521)	(248 993)	(242 610)	(217 472)	(242 610)	25 138	-10.4%	(242 610)
Transfers recognised - capital	3 414 645	2 535 058	2 873 671	1 441 147	2 873 671	(1 432 525)	-49.8%	2 873 671
Contributions & Contributed assets	38 603	48 250	75 302	71 185	75 302	(4 115)	-5.5%	75 302
Surplus/(Deficit) after capital transfers & contributions	3 443 726	2 334 315	2 706 363	1 294 861	2 706 363	(1 411 503)	-52.2%	2 706 363
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	3 443 726	2 334 315	2 706 363	1 294 861	2 706 363	(1 411 503)	-52.2%	2 706 363
Capital expenditure & funds sources								
Capital expenditure	5 868 810	5 450 592	5 611 642	4 207 666	5 611 642	(1 403 976)	-25.0%	4 778 564
Capital transfers recognised	3 414 645	2 537 158	2 865 771	1 925 144	2 865 771	(940 627)	-32.8%	2 247 035
Public contributions & donations	35 076	46 150	52 025	43 914	52 025	(8 111)	-15.6%	45 092
Borrowing	1 753 425	2 149 497	2 036 433	1 724 955	2 036 433	(311 478)	-15.3%	1 930 444
Internally generated funds	665 664	717 788	657 413	513 653	657 413	(143 760)	-21.9%	555 994
Total sources of capital funds	5 868 810	5 450 592	5 611 642	4 207 666	5 611 642	(1 403 976)	-25.0%	4 778 564
Financial position								
Total current assets	12 900 815	11 085 279	11 425 726	9 877 671				11 425 726
Total non current assets	29 033 827	33 525 815	33 418 774	33 033 056				33 418 774
Total current liabilities	7 968 696	8 556 364	8 166 244	8 139 526				8 166 244
Total non current liabilities	11 488 750	11 249 547	11 436 827	11 164 050				11 436 827
Community wealth/Equity	22 457 196	24 805 183	25 241 429	23 607 150				25 241 429
Cash flows								
Net cash from (used) operating	5 506 919	4 194 026	4 639 163	5 415 986	4 639 163	(776 803)	-16.7%	4 639 163
Net cash from (used) investing	(5 820 775)	(5 109 063)	(5 536 736)	(6 968 888)	(5 536 736)	1 432 153	-25.9%	(5 536 736)
Net cash from (used) financing	2 252 382	(345 066)	(598 143)	(336 841)	(598 143)	(261 302)	43.7%	(598 143)
Cash/cash equivalents at the month/year end	8 099 366	6 279 360	6 603 670	6 209 623	6 043 767	(165 856)	-2.7%	6 603 670

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

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

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

Description	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue - Standard								
Governance and administration	8 899 313	9 117 905	9 123 306	9 290 450	9 123 306	167 144	1.8%	9 123 306
Executive and council	2 202	2 458	4 482	523	4 482	(3 559)	-79.4%	4 482
Budget and treasury office	8 899 491	8 899 708	8 897 917	9 117 156	8 897 917	219 239	2.5%	8 897 917
Corporate services	197 620	215 699	220 907	172 371	220 907	(48 536)	-22.0%	220 907
Community and public safety	1 684 082	2 296 263	2 439 981	1 767 927	2 439 981	(672 054)	-27.5%	2 439 981
Community and social services	74 967	100 274	78 770	59 261	78 770	(19 509)	-24.8%	78 770
Sport and recreation	131 674	197 733	203 580	120 809	203 580	(82 772)	-40.7%	203 580
Public safety	208 010	283 045	284 441	250 367	284 441	(34 084)	-12.0%	284 441
Housing	1 079 234	1 284 802	1 430 707	949 955	1 430 707	(480 751)	-33.6%	1 430 707
Health	390 196	432 509	442 482	387 545	442 482	(54 937)	-12.4%	442 482
Economic and environmental services	2 902 638	2 010 294	2 251 261	1 362 247	2 251 261	(889 014)	-39.5%	2 251 261
Planning and development	197 527	219 262	228 068	205 971	228 068	(22 097)	-9.7%	228 068
Road transport	2 574 412	1 757 700	1 983 159	1 139 891	1 983 159	(843 268)	-42.5%	1 983 159
Environmental protection	30 699	23 332	40 034	16 385	40 034	(23 648)	-59.1%	40 034
Trading services	13 673 771	15 046 323	14 861 675	14 249 603	14 861 675	(612 072)	-4.1%	14 861 675
Electricity	9 141 319	10 020 983	9 904 328	9 626 675	9 904 328	(277 653)	-2.8%	9 904 328
Water	2 245 107	2 506 465	2 483 050	2 317 641	2 483 050	(165 409)	-6.7%	2 483 050
Waste water management	1 325 054	1 485 615	1 460 110	1 326 504	1 460 110	(133 606)	-9.2%	1 460 110
Waste management	964 291	1 033 259	1 014 188	978 782	1 014 188	(35 406)	-3.5%	1 014 188
Other	1 650	4 613	3 064	159	3 064	(2 905)	-94.8%	3 064
Total Revenue - Standard	27 363 454	28 478 397	28 679 287	26 670 387	28 679 287	(2 008 900)	-7.0%	28 679 287
Expenditure - Standard								
Governance and administration	4 692 783	4 947 550	4 906 872	4 672 065	4 906 872	(234 777)	-4.8%	4 906 872
Executive and council	302 624	354 000	337 606	325 045	337 606	(12 560)	-3.7%	337 606
Budget and treasury office	1 980 217	2 320 548	2 276 783	2 149 907	2 276 783	(126 876)	-5.6%	2 276 783
Corporate services	2 409 942	2 273 002	2 292 484	2 197 143	2 292 484	(95 341)	-4.2%	2 292 484
Community and public safety	4 510 510	5 217 765	5 247 242	5 117 482	5 247 242	(129 760)	-2.5%	5 247 242
Community and social services	499 201	502 696	519 367	573 981	519 367	54 614	10.5%	519 367
Sport and recreation	1 180 475	1 261 439	1 273 439	1 285 873	1 273 439	12 434	1.0%	1 273 439
Public safety	1 430 306	1 593 632	1 589 929	1 579 064	1 589 929	(10 865)	-0.7%	1 589 929
Housing	748 757	1 104 778	1 100 260	926 601	1 100 260	(173 658)	-15.8%	1 100 260
Health	651 772	755 290	754 248	751 964	754 248	(2 284)	-0.3%	754 248
Economic and environmental services	2 329 216	2 723 045	2 818 011	2 697 039	2 818 011	(120 971)	-4.3%	2 818 011
Planning and development	513 609	589 928	572 725	550 163	572 725	(22 562)	-3.9%	572 725
Road transport	1 582 628	1 804 433	1 990 100	1 899 414	1 990 100	(90 689)	-4.6%	1 990 100
Environmental protection	232 973	238 683	255 182	247 462	255 182	(7 721)	-3.0%	255 182
Trading services	12 311 362	13 168 418	12 907 005	12 798 680	12 907 005	(108 325)	-0.8%	12 907 005
Electricity	7 649 552	8 315 138	8 024 763	7 981 076	8 024 763	(43 687)	-0.5%	8 024 763
Water	1 998 723	2 145 890	2 150 242	2 072 465	2 150 242	(77 777)	-3.6%	2 150 242
Waste water management	1 077 344	1 104 045	1 134 564	1 171 874	1 134 564	37 310	3.3%	1 134 564
Waste management	1 585 743	1 603 345	1 597 436	1 573 264	1 597 436	(24 171)	-1.5%	1 597 436
Other	73 856	87 325	93 794	90 230	93 794	(3 564)	-3.8%	93 794
Total Expenditure - Standard	23 919 727	26 144 082	25 972 923	25 375 526	25 972 923	(597 397)	-2.3%	25 972 923
Surplus (Deficit) for the year	3 443 725	2 334 315	2 706 363	1 294 861	2 706 363	(1 411 503)	-52.2%	2 706 363

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

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

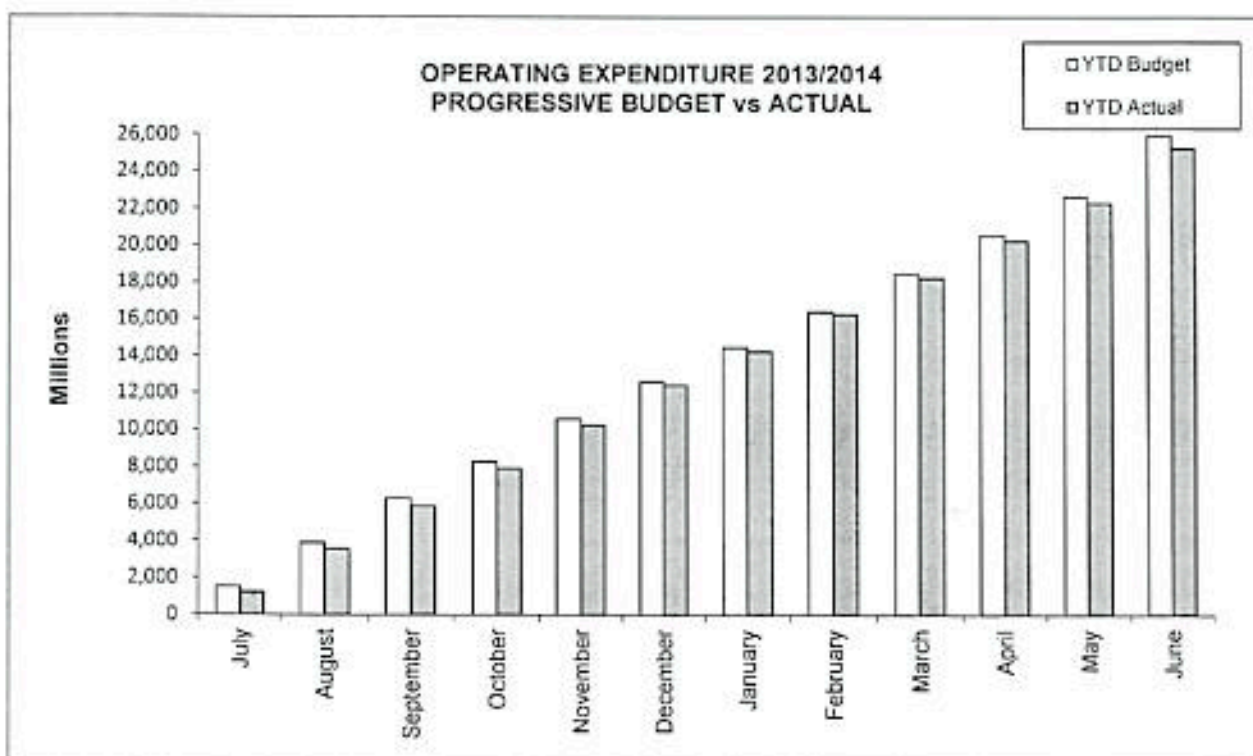
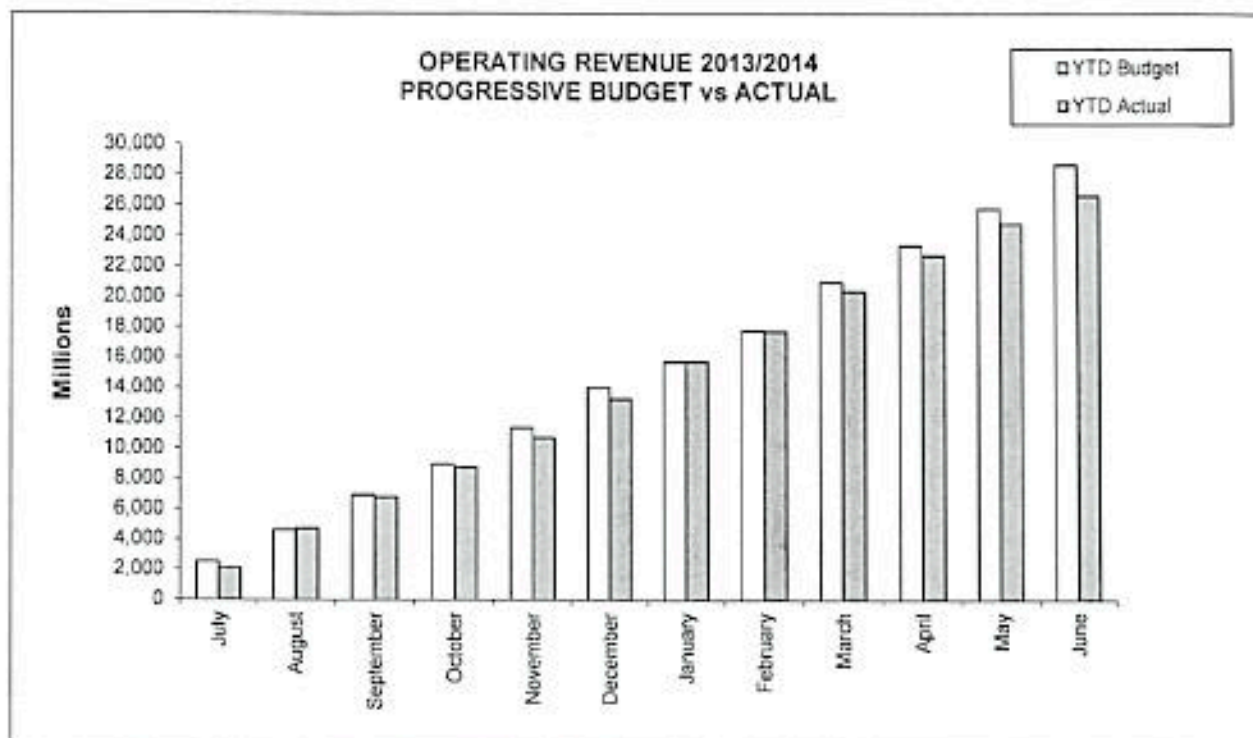


Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

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

Vote Description	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote								
Vote 1 - City Health	390 874	433 136	443 109	388 010	443 109	(55 099)	-12.4%	443 109
Vote 2 - City Manager	29	41	1 041	86	1 041	(966)	-91.8%	1 041
Vote 3 - Community Services	182 524	216 688	158 890	121 457	158 890	(77 433)	-38.5%	158 890
Vote 4 - Compliance and Auxiliary Services	40 291	36 622	36 614	14 311	36 614	(21 303)	-59.8%	36 614
Vote 5 - Corporate Services	70 253	45 455	51 320	74 818	51 320	23 498	45.8%	51 320
Vote 6 - Economic, Environment & Spatial Planning	104 240	100 661	129 961	96 727	129 961	(33 233)	-25.6%	129 961
Vote 7 - Finance	1 130 680	694 205	703 536	816 351	703 536	112 815	16.0%	703 536
Vote 8 - Human Settlements	1 081 268	1 287 635	1 433 541	951 565	1 433 541	(481 976)	-33.6%	1 433 541
Vote 9 - Rates & Other	7 923 871	8 605 150	8 605 150	8 663 408	8 605 150	58 259	0.7%	8 605 150
Vote 10 - Safety & Security	185 903	261 981	262 200	242 393	262 200	(19 807)	-7.6%	262 200
Vote 11 - Social and Early Childhood Development	1 042	401	401	165	401	(236)	-58.8%	401
Vote 12 - Tourism, Events and Marketing	26 770	87 930	90 521	62 366	90 521	(28 155)	-31.1%	90 521
Vote 13 - Transport for Cape Town	2 556 563	1 656 659	1 859 118	1 002 972	1 859 118	(856 146)	-46.1%	1 859 118
Vote 14 - Utility Services	9 145 212	10 031 991	9 915 336	9 628 646	9 915 336	(286 690)	-2.9%	9 915 336
Total Revenue by Vote	22 839 489	23 480 755	23 729 737	22 053 695	23 729 737	(1 666 042)	-7.0%	23 729 737
Expenditure by Vote								
Vote 1 - City Health	727 932	835 227	844 133	830 263	844 133	(13 870)	-1.6%	844 133
Vote 2 - City Manager	90 212	111 235	108 700	101 491	108 700	(7 209)	-6.6%	108 700
Vote 3 - Community Services	1 339 644	1 376 911	1 372 388	1 442 248	1 372 388	69 861	5.1%	1 372 388
Vote 4 - Compliance and Auxiliary Services	482 069	591 539	548 678	531 283	548 678	(17 395)	-3.2%	548 678
Vote 5 - Corporate Services	1 064 105	1 612 757	1 596 337	1 528 173	1 596 337	(68 164)	-4.3%	1 596 337
Vote 6 - Economic, Environment & Spatial Planning	465 087	515 983	537 690	512 477	537 690	(25 213)	-4.7%	537 690
Vote 7 - Finance	1 623 529	1 860 619	1 853 859	1 781 716	1 853 859	(72 143)	-3.9%	1 853 859
Vote 8 - Human Settlements	771 861	1 124 016	1 119 218	946 549	1 119 218	(172 659)	-15.4%	1 119 218
Vote 9 - Rates & Other	744 135	837 495	814 287	786 943	814 287	(27 343)	-3.4%	814 287
Vote 10 - Safety & Security	1 381 203	1 520 375	1 516 561	1 493 017	1 516 561	(23 544)	-1.6%	1 516 561
Vote 11 - Social and Early Childhood Development	73 302	77 095	100 814	98 540	100 814	(2 274)	-2.3%	100 814
Vote 12 - Tourism, Events and Marketing	419 741	630 824	571 001	536 740	571 001	(34 262)	-6.0%	571 001
Vote 13 - Transport for Cape Town	1 565 311	1 896 136	1 997 055	1 909 399	1 997 055	(87 656)	-4.4%	1 997 055
Vote 14 - Utility Services	12 371 505	13 253 830	12 992 203	12 876 689	12 992 203	(115 513)	-0.9%	12 992 203
Total Expenditure by Vote	23 919 727	26 144 082	25 972 923	25 375 526	25 972 923	(597 397)	-2.3%	25 972 923
Surplus/ (Deficit) for the year	(1 080 238)	(2 663 326)	(2 243 186)	(3 311 831)	(2 243 186)	(1 068 645)	47.6%	(2 243 186)

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

Whereas the Year-to-Date expenditure results of the Community Services directorate/vote may be interpreted as vote over-expenditure, it should be noted that these results are still subject to financial year-end transactions and general accounting treatment review in terms of actual cost recoveries. These results should consequently be treated as 'interim'.

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

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

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote Vote 1 - City Health	(55 099)	-12.4%	The under-recovery is mainly on operating grant-funded projects, where revenue is recognised when expenditure is incurred. Revenue for June has not yet been recognised. In addition, costs were incurred against incorrect cost objects/cost element resulting in costs not settling to the correct cost centres. Claim submitted to PGWC for June 2014 has not yet been paid.	Year-end closing entries are in the process of being processed. Outstanding claim for June will be raised as a debtor.
Vote 2 - City Manager	(956)	-91.8%	The under-recovery is related to the funding of graduate interns from an operating grant, where interns only commenced on July 2014, due to delays in the appointments.	The process to request roll-over of grant funding to 2014/15 was initiated.
Vote 3 - Community Services	(77 433)	-38.9%	The under-recovery is mainly on: 1. Rental of Sport & Recreation Facilities, where usage of facilities by the community is less than anticipated. 2. A number of capital grant-funded projects (predominantly USDG funded) progressed slower than anticipated resulting in the misalignment of the actual expenditure (and revenue) vs. the planned cash flows to date.	The utilisation of facilities is demand driven and difficult to predict for any financial year. The roll-over of capital grant-funding to 2014/15 is part of the USDG process.
Vote 4 - Compliance and Auxiliary Services	(21 303)	-59.8%	The under-recovery is mainly on: 1. The recoupment of private telephone calls, due to less than anticipated private calls being made by staff. 2. Capital grant-funded MURP project, which was cancelled, due to MURP type projects not fitting the criteria for USDG funding. 3. Operating grant-funded EPWP projects, where revenue recognition must still be done during year-end processes.	Recovery of telephone costs provision to be reviewed during 2014/15. The MURP project business process will be started anew in 2014/15. Revenue recognition to be performed by Treasury.
Vote 5 - Corporate Services	23 468	45.8%	The over-recovery is the result of: 1. An over-recovery on Profit on Sale of Assets as a result of higher than anticipated proceeds from auctions. 2. An over-recovery on Miscellaneous Income, due to a refund received from Telkom for over-charged accounts in prior periods. 3. An under-recovery on Skills Development Levy, where the City is awaiting the final payment from LGSETA.	Proceeds from Sale of Assets cannot be planned for accurately for any financial year. The City is expecting payment of the Skills Development Levy before year-end closure.
Vote 6 - Economic, Environment & Spatial Planning	(33 233)	-25.6%	The under-recovery is mainly due to: 1. Lower than planned revenue received for Departure Fees, Building Plan Application Fees as well as Signage Fees, due to a general decline in applications received/submitted to date. 2. Underspending on operating grant-funded projects, mainly due to the lengthy tender process relating to the ICDG project, which resulted in the project only commencing in May 2014. In addition, the R2 million Baboon Management grant from PGWC will no longer be paid to the City pending ongoing discussions between the City and PGWC. 3. Underspending on capital grant-funded projects, where the Energy Efficiency & Demand Side Management projects only commenced late in the financial year and the False Bay Ecology Park project only commenced in June 2014.	The revenue items indicated are demand driven and thus difficult to accurately plan for. Year end revenue recognition must still be processed and final processing of all documents must still be done. Request for the roll-over of grant funds will be prepared.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 7 - Finance	112 815	16.0%	The over-recovery is mainly on: 1. Interest Earned on External Investments, where the actual interest received is higher than planned as a result of available investment balances and the interest rate increase. 2. Agency Income, where higher than planned revenue was received as a result of higher than planned number of vehicle licence transactions processed on behalf of Provincial Government. 3. Miscellaneous Income, where more revenue than planned was received from credit card fees and undetected cash receipts. In addition, Sale of Property reflects an under-recovery of R51 million, due to lower than anticipated sales for the year. The under-recovery mainly relates to a number of operating- and capital grant-funded projects, which are in various stages of completion. Certain projects are progressing faster than initially envisaged whilst others are slightly delayed. There are numerous factors that impact on the progress of Housing Projects e.g. community dynamics, funding approvals, environmental issues and procurement delays associated with, inter alia, the tender processes. The over-recovery is a combined result of over-recovery on Property Rates and under-spend on Income Foregone. Rates Billing is done on a daily basis and the accurate alignment of monthly period budgets with actual monthly billings is difficult to achieve. The actual revenue is influenced by ongoing valuation adjustments/ corrections/ objections. The under-spending on Income Foregone is mainly as a result of lower actual rebates for the year resulting from lower than anticipated applications received. The under-recovery is a combination of: 1. An under-recovery on Fines, due to the withdrawal and/or reduction of fines by prosecutors, non-payment of fines and the incapacity of the courts to deal with the volumes of cases. 2. An over-recovery on Miscellaneous Charges, due to an increase in impound fees, informal trader enforcement and disabled disks issued. 3. An under-recovery on operating grant-funded projects, due to a delay in the filing of PT Lane Enforcement vacancies (IRT) and a lower number of law enforcement officers appointed under the Safer schools project funded from PGWC. The under-recovery is mainly on Rental of Facilities, due to lower than planned demand from communities for the use of facilities. The under-recovery is mainly on: 1. Rental of Facilities, due to a lower rate of utilisation of facilities and the use of facilities by the City to host events with no revenue inflow. 2. Operating grant-funded projects, due to an under-utilisation of the AFCON/CHAN grant as the actual expenditure was less than planned as well as the deferral of the Responsible Tourism Conference Project to 2014/15.	1. Interest on Investment is monitored by the Investment section on a monthly basis. 2. The unpredictable nature of Agency Income makes it difficult to accurately plan for on a monthly/annual basis. The incorrect allocations will be rectified during June 2014. 3. The sale of property and the process thereof is influenced by a number of economic and other factors and the exact planning on the outcome of transactions is challenging. The provision for 2014/15 will be reviewed. The situation is continuously monitored by the finance manager with the relevant project managers during the year. Cash flow budgets were amended where possible during the year. Projects will continue in 2014/15. Roll-over requests will be prepared for unspent grant funding. No remedial action is required.
Vote 8 - Human Settlements	(481 550)	-33.6%		A number of interventions i.e. appointment of additional officers, etc. were implemented during the year to improve the situation on Fines. The situation will be reviewed during 2014/15.
Vote 9 - Rates & Other	58 259	0.7%		
Vote 10 - Safety & Security	(19 807)	-7.6%		
Vote 11 - Social and Early Childhood Development Vote 12 - Tourism, Events and Marketing	(236) (28 155)	-58.8% -31.1%		The usage of facilities is demand driven and difficult to accurately plan. After finalisation of the actual expenditure against the AFCON (CHAN) grant allocation, a repayment of the unutilised funds will be made to the Department of Sport in terms of the conditions of the grant.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 13 - Transport for Cape Town	(856 145)	-46.1%	The under-recovery is a combination of over- /under- recovery within the following categories: 1. Under-recovery reflects against operating grant-funded projects for (i) IRT: Expenditure curtailed on the roll out of Milestone Zero IRT Tender for Management Support - limited to R13.6 million for the financial year in line with SCM resolution and (ii) Transport: The Comprehensive Integrated Transport Plan (R7.1 million budget) 2013 – 2018 was completed in November 2013, rather than the initially anticipated May 2013. This resulted in a 6 month delay in spending the 2012/13 budget, which was rolled over in 2013/14. - The tender amount for the successful tender was significantly lower than the estimated budget, which reduced the spending as well. Only after this was completed was the brief prepared for the 2013/14 spending and late deployment of Park & Ride security - wief 17 March 2014. On the Rail due diligence study the contract was put on hold due to lengthy negotiations. The Rail Safety gazetted amount was only transferred by Province in March resulting a late commencement of the project. R2.4 million was received for the Transport Infrastructure Maintenance in February only also resulting in the late start of the project. Permission will be sought to have the unspent funds rolled-over. 2. Under-recovery on capital grant-funded projects as a result of delays in compensation negotiations with existing public transport operators, the later than planned delivery of MyCiti 106 busses, due to industrial action in 2013, extremely slow SCM processes, apparently due to legal and audit concerns and the impact of numerous contractor liquidations. 3. Over-recovery on Busfares Revenue, due to an increase in the utilisation of the MyCiti services higher than anticipated, improved systems and the roll-out of additional routes. 4. Over-recovery on Development Leases, due to increased collections in the high development areas of Somerset West and Blaauwberg.	Busfares Revenue is difficult to predict accurately on a monthly basis as it is consumer demand driven. A request for the roll-over of unspent grant funding will be prepared.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 14 - Utility Services	(285 690)	-2.9%	The under-recovery is the combined result of over-/under-recovery within the following categories: 1. Electricity Service Charges (R135 million under) mainly on Electricity Sales (Credit Meters), due to seasonal fluctuations, consumer savings which seem to be more than anticipated and the load shedding impact during June 2014. In addition, a slight over-recovery is reflected on Electricity Sales (Prepaid Meters). 2. Water Service Charges (R150 million under), due to under-recovery mainly on Water Sales (Domestic, Industrial, Government, Commercial and Miscellaneous). Sewerage Service Charges (R60 million under), due to under-recovery mainly on Sewerage Sales (Domestic-Full and Industrial/Commercial). Consumer demand, consumer consumption and flows determine the sale of water/sewerage and the actual revenue reflected. The current year situation was impacted upon by consumer behaviours, due to weather conditions, economic conditions and water demand measures. Water saving campaigns while saving water, reduces revenue by way of reduced consumption. In addition, an over-recovery is reflected on Water Sales/Sewerage Charges (Domestic cluster) and is mainly due to a new tariff structure from 3 to 6 steps and a higher volumes in the higher categories than planned. 3. Solid Waste Disposal Coupon Fees (R35 million under), due to fewer consumers disposing of general and hazardous waste material at City dumping sites. The introduction of the Pre-paid Disposal Coupon System resulted in consumers moving to private dump sites that allow dumping on account and do not require of them to purchase dumping coupons in advance. In addition, internal city departments allow external contractors to dispose of waste on their cost centres by granting them disposal cards. 4. Under-recovery within Water Services on (i) Treatment Effluent Sales, due to lower than anticipated consumer demand, (ii) Industrial Effluent Charges, due to lower than anticipated flow volumes and a higher level of compliance by consumers. 5. Under recovery on Water capital grant-funded (USDG) project (R97 million under), which is behind schedule because of the Mitchells Plain project that was delayed by an appeal but has finally been resolved. 6. Under recovery on Electricity capital grant-funded projects (R155 million under), where spending and progress is behind schedule on backyards and electrification programmes, due to community issues/problems, payment delays and order issues.	No corrective action is possible on the sales revenue for 2013/14. A review and adjustments will be made to the 2014/15 budget provisions. Water and Sewerage under-recovery will be addressed in a report to the August Council meeting. Year-end closure and final transactions still needs to be processed before final position is known.

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

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote Vote 1 - City Health	(13 870)	-1.8%	The variance is a combination of over/under expenditure. The main contributors to the under expenditure are: 1. Employee related costs, largely due to the turnaround time in filling vacancies (mainly grant-funded posts); 2. Transfers and Grants (externally funded grants), due to payments still being processed to NPO (Payments to 22 organisations has been processed for payment). A portion of the under expenditure relates to an incorrect gazetted of Global funding to the City by the Provincial Health department 3. Test, Sampling & Monitoring Costs and Pharmaceutical Supplies as a result of the lag time in the submission of invoices (one month in arrears) from service providers. Over expenditure reflect largely on: 1. Grant-funded Pharmaceutical Supplies and Testing, Monitoring & Sampling costs, which are offset against the under expenditure on grant-funded posts. 2. Security Services & Charges, as a result of inadequate budgetary provisions, which was highlighted at budget hearings over the last few years with requests for additional funding but no funding was allocated to the directorate.	The finance manager is in the process of following up on outstanding invoices and payments. The filling of vacancies is ongoing. The directorate has over the last two years provided for the hardening of facilities (replacing of security guards with other security measures i.e. burglar bars, CCTV cameras etc.) on the capital budget in order to reduce the need for operating costs (especially night time security). R1 million (capital) for hardening of facilities has been made by the directorate for 2014/15. It must however be noted that burglaries still occur once night security is removed from premises. The inadequate security and safety of patients and staff has been raised on the directorate risk register. The directorate will try to cover some of the over expenditure by transferring funds from savings realised on other items before financial year-end closure. In addition, the directorate received a letter from the Western Cape Government Health department indicating that payments have been effected between Vaccines and the TB allocations, which must still be done on the City's side and will address some of the over- or under expenditure on grant-funded items.
Vote 2 - City Manager	(7 209)	-6.6%	The variance is a combination of both over/under expenditure. Under expenditure reflects on: 1. Employee-related costs, largely due to the turnaround time in filling vacancies as well as the impact of internal filling of vacancies. 2. Other Expenditure, largely due to delays with the roll-out of the SAP capital planning module (PPM) change management programme, which was expected to be implemented in December 2013 but only started in May 2014. Some shortcomings in the project planning phase and the delays in awarding of the tender resulted in non-alignment of the actual project readiness, the service provider was informed accordingly. Over expenditure reflects on Membership Fees: Professional largely as a result of the 2014/15 SALGA membership fees, which were paid during 2013/14 in terms of an early payment agreement where the City receives a 5% discount.	The filling of vacancies is on-going and follow-up on progress performed by finance manager. The baseline for the change management programme for 2013/14 was not properly aligned with the two outer years of the programme, this will be addressed in the adjustments budget in January 2015. The portion of the membership fees paid in respect of the early payment agreement will be transferred during the final year-end transactions to 2014/15 in accordance with the statements of GRAP to reflect expenditure in the year it relates to.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 3 - Community Services	69 861	5.1%	The over expenditure is largely on: 1. Security Services & Charges, mainly due to the impact of high security costs coupled with an inadequate budgetary provision to address security requirements at facilities. Under expenditure reflects on Contracted Services largely due to: 1. Vendors defaulting with respect to the moving tender and other contracted services within the Parks department 2. Delays in the implementation of the R&M plans within Sport, Recreation & Amenities as a result of restriction placed on using inter-departmental tenders. As a result the department was tasked to commence and implement full tender processes, which were not planned thus resulting in the delays of awarding and implementation of tenders.	City wide security strategy being reviewed by ED: Safety & Security. The Directorate is currently in the process of assessing the use of security at all facilities with a view to contain costs and minimise the levels of over expenditure. City Parks will implement the following additional "soft" measures: • The department is in the process of assessing all the "standby" houses under its control where security services are used and leaving it out to staff on an operational basis to offset the security costs. On average R9 000 income per house per month. • Extend the removal of Security Guards at our Depots during the day; • Using EPWP funding to appoint Park Wardens in some of our District Parks to lessen Security costs. • Drafted a SLA for the Khayelitsha Cemetery with Law Enforcement to reduce security cost during busy periods at the cemetery over week ends. Library Information Services: The Department introduced the following • reduced the frequency of cash collections and thus has a saving of +R750 000 pa. • Monitoring of alarms by external service providers discontinued • Security guarding was reduced at some facilities during 2014, saving of +R1.4m. To note that the Department only use guarding during open hours to manage crowd control, vandalism and save guarding of patrons. Sports Recreation and Amenities: The department will attempt to reduce expenditure and bring it to an appropriate level, this poses great risk to City facilities and staff. The department is serious about reducing real security costs and have already employed means to reduce expenditure. Measures were affected to harden facilities and guards were withdrawn following an assessment of risks. Similar methods are intended over a three year period eg. hardening through fencing, burglar/stone guarding, alarm system, cameras, categorise facilities into low to high risk and allocate security accordingly; no security guards during the day where possible, identify facilities where all guards can be withdrawn, partner with neighbourhood watch and community groups, etc. The department cannot summarily withdraw guards in areas where the occurrence of vandalism and robbery are high. The department cannot inconvert settlement of R&M expenditure being investigated. Meetings held with Budget office, ERP and Accounting to resolve matter. Defaulting vendors out of department's control. The Directorate in the process of initiating directorate specific period tenders to facilitate and fast track R&M as well as capital implementation in 2014/15. The under expenditure on Contracted Services: Repairs will be used to absorb the over expenditure on items within General Expenses. Virements will be processed before financial year-end

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 4 - Compliance and Auxiliary Services	(17 395)	-3.2%	The variance is largely due to over/under expenditure. Under expenditure reflects against: 1. Councilor remuneration, largely due to temporary councilor vacancies and lower than anticipated claims submitted by councilors for re-imbursement travel claims. 2. Other Expenditure, largely due to outstanding payments of various projects as well as invoices for legal fees that still needs to be processed before year-end closure. Over expenditure reflects largely on: 1. Contracted Services, due to the incorrect allocation of the Annual Report expenditure, relocation costs and major overhaul of new offices for the VIP Unit, additional cleaning services at Subcouncil 10 and costs related to the software development for the new Liquor Licence management system. 2. Legal fees, relating to high profile cases, i.e. SANRAL N1 and N2 toll road and the Competition Law matter regarding the Green Point Stadium that were paid. The unpredictable nature of the legal process makes it difficult to plan properly as the duration of the court case and outcome is uncertain. 3. Non structured overtime, due to the VIP unit being required to accompany the Executive/Deputy Mayor, Mayor Members, the Speaker and Subcouncil staff to afterhours and weekend events.	Prudent financial management has resulted in savings realised within the directorate, which will be utilised to fund over expenditure on various items across the directorate. A Journal will be processed to re-allocate incorrect posting of costs on Contracted Services.
Vote 5 - Corporate Services	(68 164)	-4.3%	The variance consists of both over/under expenditure. Under expenditure largely reflect: 1. Employee-related costs, due to the impact of the internal filing of vacant posts coupled with the turnaround time in filling vacancies. 2. Contracted Services and Materials. Other as a result of expenditure being curtailed resulting in savings realised so as to cover over expenditure on other critical areas within the directorate. 3. Other Expenditure, largely due to delays with the processing of telecommunication invoices as a result of previous disputes on invoices with service providers. There are still outstanding invoices, which are required to be processed by the end of the financial year. Over expenditure reflects on Fuel and Security Services & Charges, due to the escalating international fuel prices as well as the volatile R/\$ exchange rate and the high demand for security services as a result of risk assessments respectively. In addition, Licences & Permits reflects over expenditure large due to the impact of the volatile R/\$ exchange rate.	Departments are expediting the process, as and when positions become vacant and commences the recruitment and selection (RAS) process immediately. However a significant number of vacant positions are filled from internal candidates within the directorate, which results in consequential vacancies. RAS processes are underway and many vacancies are currently in the process of being filled or have been filled already. The disputes on the telecommunication invoices have been resolved and the directorate will ensure that relevant invoices will be processed and paid within the 2013/14 financial year. The fuel budget is being monitored by providing the departments with a-fuel and OBC reports but excessive fuel usage and abuse of vehicles needs to be addressed by line departments. However, the main reasons for the variance, which is outside the control of the City, is the R/\$ exchange rate and escalating international fuel prices. Corrective action has been implemented, where possible but curtailing of costs are also required by each and every user department. Savings have been identified within R&M to fund the projected over-expenditure. The over expenditure on Licences & Permits will be covered by savings realised on Computer Services and Software. Savings realised within the directorate will be utilised to fund over expenditure on various items.
Vote 6 - Economic, Environment & Spatial Planning	(25 213)	-4.7%	The variance consist of both over/under expenditure. Under expenditure reflects on: 1. Employee-related costs, due to the internal filing of vacant posts and the turnaround time in filling posts. 2. Contracted services, due to delays with the implementation of certain projects as a result of tender issues as well as delays with the implementation of the Integrated City Development grant-funded projects, where funding was received in January 2014 and subsequently only commenced in May 2014. 3. Transfers and Grants as a result of the deferment of payments to beneficiaries (Learn to Earn, Clotex, Sateis and UCT), which based on the directorate's business plan and to ensure correct alignment of processes within the Economic Development department will only take place in 2014/15. Over expenditure reflects on: 1. Advertising, due to the high cost associated with advertising for external vacancies, Training Bylaws, driver training, road allocations and planning-related activities. 2. Security Services & Charges in order to address crucial security services requirements at internal Markets. 3. Printing Stationery & Photographic costs attributable to the high cost of replacing printer cartridges.	Virements to be processed where necessary. The unspent portion of the Integrated City Development Grant will be rolled over to 2014/15.

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Description	YTD Variance R thousands (72 143)	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 7 - Finance	(72 143)	-3.9%	The variance consist of both over/under expenditure Under expenditure reflects largely 1. Employee related costs, due to the internal filing of vacant posts and the turnaround time in filling posts and allowances, which are dependent on how employees structure their packages and benefits to their individual needs and when claims are submitted for adhoc allowances 2. Bad debts, due to the positive reaction from customers coupled with an improved and efficient collection process implemented 3. Finance charges, due to savings realised on unutilised loan facilities Over expenditure reflects on: 1. Contracted Services, largely due to the approved automation of the Debt Collection and Rates Clearance Process Project in the Revenue department as well as a higher than anticipated planned maintenance on the City's Strategic Assets and fire preventative plot cleaning functions performed by the Property Management department. The variance consist of both over/under expenditure Under expenditure reflects on: 1. Contracted Services and Other Expenditure largely on Consultants and Peoples Housing Process payments, which is mainly due to the impact of the rate of progress on various grant-funded housing development projects and performance of consultants. Certain projects proceeding faster than initially envisaged whilst other projects are slightly delayed. Various factors impact on the progress of housing projects e.g. community dynamics, funding approvals, environmental issues, procurement delays associated with, inter alia, the tender processes (i.e. pricing, responses). The full Human Settlement Development Grant (HSDG) has been allocated to HSDG programmes, approved projects and committed for delivery to tenders allocated. In addition, delays in the awarding of tenders for R&M programmes have resulted in further under expenditure in Contracted services 2. Employee-related costs, due to the internal filing of vacant posts and the turnaround time in the filling of vacancies. Over expenditure reflects on: 1. Indigent Relief, due to applications for indigent relief grants currently being in excess of the estimates as a result of the emphasis on debt management of housing arrears. Indigent relief is aligned to City policy regarding write-off of arrears.	Filling of vacancies is ongoing The cash saving realised on finance charges was used to fund the purchase of bond sinking fund investments The over expenditure will be covered by savings on items within the directorate.
Vote 8 - Human Settlements	(117 609)	-15.4%	The variance is a combination of lower than anticipated grant applications received for the year and final year-end transactions that still needs to be processed The variance consists of both over/under expenditure Under expenditure largely reflect 1. Employee-related costs (mainly non-permanent staff), due to delays in the recruitment and selection process resulting in staff not being appointed in December 2013 but only in February 2014. 2. Other Expenditure, due to lower than anticipated commission costs, which are based on actual time income received and paid to the collecting agency. In addition, lower than anticipated demand has resulted in savings realised on uniform and protective clothing expenditure Over expenditure reflects largely on: 1. Non Structured Overline as a result of emergency overtime worked, due to strike protest actions, safer schools deployment in Marikberg, additional requests from Councilor Support for escorts after hours and longer operating hours during festive period 2. Fuel (Petrol, Diesel and Fuel Oil), due to the impact of the additional vehicles purchased, high fuel prices and R/S exchange rate fluctuations. 3. License & Permits, largely due to new vehicles and radio licenses purchases during the year.	Cash flow budgets were amended where possible during the year. However, projects will continue in 2014/15. Roll over requests will be prepared for unspent grant funding The People's Housing Process is not a process run by the City and the City has no control over the performance of contractors. The City only acts as accounts administrator
Vote 9 - Rates & Other	(27 345)	-3.4%		Final year end transactions are in progress.
Vote 10 - Safety & Security	(23 544)	-1.6%		Savings realised on items will be used to cover over expenditure on various items within the directorate. The processing of arrears is under way and will be finalised before financial year end closure

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 11 - Social and Early Childhood Development	(2 274)	-2.3%	Under expenditure reflects on: 1. Employee-related costs, largely due to the turnaround time in filing vacancies as well as the impact of internal filing of vacancies. 2. Materials, Other, Contracted Services and Other Expenditure, mainly due to outstanding plant maintenance orders for R&M, outstanding commitments to be finalised and final 2013/14 year-end payments and transactions still to be processed. The variance is due to a combination of over/under expenditure: 1. Contracted Services (grant-funded) reflects underspending, due to the mis-alignment of the budgetary allocation for the CHAN tournament hosted by the City during January/February 2014. The bulk of the budgetary provision reflects on Contracted Services while the expenditure was incurred on various items including General Expenses. 2. Contracted services: Repairs reflects under expenditure, which is largely due to framework orders incorrectly captured as requisitions instead of notifications. 3. Over expenditure reflects on various grant-funded and other items due to the non-alignment of the budgetary allocation of the CHAN2014. The variance is largely due to over/under expenditure.	The filing of vacancies is ongoing. Payments to be processed before financial year-end closure.
Vote 12 - Tourism, Events and Marketing	(34 262)	-6.0%	Under expenditure reflects on: 1. Employee-related costs, due to the internal filing of vacant posts and the turnaround time in filing posts. 2. Depreciation, due to the final year-end depreciation charges still to be processed before year-end closure. 3. Contracted Services, due to the lag time in capturing IRT invoices as a result of more time needed by project managers to verify complex invoices (June's invoices still be verified and certified for payment) and outstanding invoices still to be processed in respect of R&M. 4. Consultants, as a result of invoice amounts lower than anticipated, due to saving on less work completed by consultants on the 12 year VOC contract, which was completed in the first 6 months of the financial year. Furthermore, delays in the completion of the Comprehensive Integrated Transport Plan 2013 – 2018 (November 2013 instead of May 2013), the lower than anticipated successful tender awarded and late deployment of the Park & Ride security with effect from March 2014 further contributes to the under expenditure on consultants. Finally, the Rail due diligence study, which was put on hold due to lengthy negotiations also resulted in further under expenditure on consultants. Over expenditure reflects against: 1. The MyCiti (VOC) Contracted Services item, due to the implementation of the new 12 year My Citi bus operators contract (VOC) with increased rates, coupled with the increased expenditure regarding the MyCiti vehicle operators (VOC) resulting from the roll out of 11 new routes since September 2013.	The processing of corrective journals and posting of costs to the correct expenditure component(s) is underway as well as payments to align the budget to the actual costs. This will be finalised during year-end transactions.
Vote 13 - Transport for Cape Town	(87 656)	-4.4%	Under expenditure reflects on: 1. Employee-related costs, due to the internal filing of vacant posts and the turnaround time in filing posts. 2. Depreciation, due to the final year-end depreciation charges still to be processed before year-end closure. 3. Contracted Services, due to the lag time in capturing IRT invoices as a result of more time needed by project managers to verify complex invoices (June's invoices still be verified and certified for payment) and outstanding invoices still to be processed in respect of R&M. 4. Consultants, as a result of invoice amounts lower than anticipated, due to saving on less work completed by consultants on the 12 year VOC contract, which was completed in the first 6 months of the financial year. Furthermore, delays in the completion of the Comprehensive Integrated Transport Plan 2013 – 2018 (November 2013 instead of May 2013), the lower than anticipated successful tender awarded and late deployment of the Park & Ride security with effect from March 2014 further contributes to the under expenditure on consultants. Finally, the Rail due diligence study, which was put on hold due to lengthy negotiations also resulted in further under expenditure on consultants. Over expenditure reflects against: 1. The MyCiti (VOC) Contracted Services item, due to the implementation of the new 12 year My Citi bus operators contract (VOC) with increased rates, coupled with the increased expenditure regarding the MyCiti vehicle operators (VOC) resulting from the roll out of 11 new routes since September 2013.	The filing of vacancies is on-going. Savings on R&M, depreciation and staff vacancies are being used to offset overspend on VOC costs (contracted services) in 2013/14. A cost saving exercise is being finalised and certain corrective measures are already implemented.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 14 - Utility Services	(115 513)	-0.9%	The variance is a combination of over/under expenditure. Under expenditure reflects on: 1. Employee-related costs, due to the internal filing of vacant posts and the turnaround time in the filing of vacancies 2. Depreciation, due to the final year-end depreciation charges still to be processed before year end closure. 3. Bulk purchases, due to delays in the receipt of invoices from the Department of Water Affairs (DWA) 4. Contracted Services, due to outstanding invoices for refuse collection still to be submitted by service providers and Informal Settlement refuse collection now performed in-house after legal dispute with service providers (Solid Waste Management), delays experienced with the implementation of projects, slower than anticipated intake of EPWP workers and contract accounts still to be finalised before financial year-end within Water & Sanitation. 5. Materials, largely due to the implementation of a new asset management system within Cape Town Electricity resulting in savings realised on R&M expenditure. 6. Other Expenditure on (a) Consultants, due to initiatives placed on hold to buffer the impact of projected R&M over-expenditure (Water Services), delays with tenders and non-responsive tenderers for the establishment of the Public Private Partnership for the gas extraction project at the landfill sites (Solid Waste Management), (b) Commission, largely due to June invoices still to be processed and a lower than anticipated number of point of sale outlets after awarding of the new tender for municipal electricity sales vendors (Cape Town Electricity), (c) Service Connections, due to new ESKOM connections postponed by one year as a result of budget constraints in an attempt to reduce the deficit for 2013/14 within Electricity services and (d) The contribution to rehabilitation of landfill site, which will be transferred to the provision during the final year-end transactions. Over expenditure reflects on: 1. Electricity bulk purchases, largely due to theft as losses are estimated to have increased to an unaudited 10.6% compared to 9.3% in the previous year. Despite June 2014 being a cold month periodic consumption fluctuations have moved in an opposite direction than sales because of the theft. 2. Contracted Services: Repairs (Water Services), largely due to critical on-going mechanical, electrical and instrumentation repairs to various ageing assets. The harsh environment in which these assets operate necessitate more frequent maintenance than normal assets.	Employee-related cost: The recruitment and selection processes are ongoing. Bulk purchases: DWA have been contacted to inform them of the year-end and that the invoices are required as a matter of urgency. Once received, the amounts will be settled, which will increase the expenditure accordingly in relation to the budgeted amount. Contracted Services: outstanding invoices and commitments to be finalised by year-end. Savings realised will be utilised to fund over expenditure on various items particularly R&M within Water services. Other expenditure: Consultants for Waste to Energy and LIMS projects will only be appointed in 2014/15. Savings realised as a result of under expenditure on items will be used to fund over expenditure on R&M and other items within the different departments. Current challenge is vandalism and theft, which is by its nature unpredictable and managing the individual line items is impossible.

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	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	5 076 445	5 427 388	5 427 388	5 513 547	5 427 388	86 159	1.6%	5 427 388
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-
Service charges - electricity revenue	8 852 928	9 668 406	9 483 473	9 347 865	9 483 473	(135 608)	-1.4%	9 483 473
Service charges - water revenue	2 063 577	2 343 850	2 333 850	2 183 586	2 333 850	(149 864)	-6.4%	2 333 850
Service charges - sanitation revenue	1 091 897	1 243 019	1 243 019	1 183 008	1 243 019	(60 011)	-4.8%	1 243 019
Service charges - refuse revenue	859 210	947 125	950 808	920 174	950 808	(30 635)	-3.2%	950 808
Service charges - other	232 192	239 991	243 397	280 992	243 397	37 595	15.4%	243 397
Rental of facilities and equipment	306 605	336 471	336 823	311 837	336 823	(24 985)	-7.4%	336 823
Interest earned - external investments	363 937	284 618	282 078	434 109	282 078	152 031	53.9%	282 078
Interest earned - outstanding debtors	266 249	218 525	221 338	192 312	221 338	(29 025)	-13.1%	221 338
Dividends received	-	-	-	-	-	-	-	-
Fines	100 524	183 257	168 710	147 067	168 710	(21 643)	-12.8%	168 710
Licences and permits	41 843	35 601	39 281	44 395	39 281	5 114	13.0%	39 281
Agency services	132 469	121 993	134 993	149 229	134 993	14 236	10.5%	134 993
Transfers recognised - operational	1 985 809	2 595 904	2 609 147	2 181 410	2 609 147	(427 737)	-16.4%	2 609 147
Other revenue	2 449 771	2 179 942	2 187 009	2 237 035	2 187 009	50 025	2.3%	2 187 009
Gains on disposal of PPE	86 747	69 000	69 000	31 086	69 000	(37 914)	-54.9%	69 000
Total Revenue (excluding capital transfers and contributions)	23 912 296	25 896 089	25 730 314	25 158 054	25 730 314	(572 259)	-2.2%	25 730 314
Expenditure By Type								
Employee related costs	7 446 199	8 253 458	8 196 718	8 070 841	8 196 718	(125 877)	-1.5%	8 196 718
Remuneration of councillors	111 673	123 721	123 721	119 726	123 721	(3 995)	-3.2%	123 721
Debt impairment	926 812	866 102	881 192	883 127	881 192	1 935	0.2%	881 192
Depreciation & asset impairment	1 627 385	1 934 741	1 967 724	1 864 961	1 967 724	(82 732)	-4.7%	1 967 724
Finance charges	728 669	863 894	863 894	770 835	863 894	(80 059)	-10.0%	863 894
Bulk purchases	6 391 186	6 898 881	6 607 911	6 567 454	6 607 911	(40 457)	-0.6%	6 607 911
Other materials	284 193	358 681	332 756	304 146	332 756	(28 609)	-8.6%	332 756
Contracted services	2 825 946	3 192 182	3 381 424	3 043 387	3 381 424	(338 037)	-10.0%	3 381 424
Transfers and grants	103 144	39 544	119 165	109 487	119 165	(9 678)	-8.1%	119 165
Other expenditure	3 473 076	3 612 788	3 508 419	3 640 154	3 508 419	131 735	3.8%	3 508 419
Loss on disposal of PPE	1 443	-	-	1 348	-	1 348	-	-
Total Expenditure	23 919 727	26 144 082	25 972 923	25 375 526	25 972 923	(597 397)	-2.3%	25 972 923
Surplus/(Deficit)	(7 521)	(248 993)	(242 610)	(217 472)	(242 610)	25 138	-10.4%	(242 610)
Transfers recognised - capital	3 414 645	2 535 058	2 673 671	1 441 147	2 673 671	(1 432 525)	-49.8%	2 673 671
Contributions recognised - capital	34 076	48 250	44 125	38 014	44 125	(6 110)	-13.8%	44 125
Contributed assets	2 527	-	31 177	33 172	31 177	1 995	6.4%	31 177
Surplus/(Deficit) after capital transfers & contributions	3 443 726	2 334 315	2 706 363	1 294 861	2 706 363			2 706 363
Taxation	-	-	-	-	-			-
Surplus/(Deficit) after taxation	3 443 726	2 334 315	2 706 363	1 294 861	2 706 363			2 706 363
Attributable to minorities	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality	3 443 726	2 334 315	2 706 363	1 294 861	2 706 363			2 706 363
Share of surplus/ (deficit) of associate	-	-	-	-	-			-
Surplus/ (Deficit) for the year	3 443 726	2 334 315	2 706 363	1 294 861	2 706 363			2 706 363

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

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

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Property rates	86 159	1.6%	The over-recovery is a combined result of over-recovery on Property Rates and underspend on Income Forgone. Rates Billing is done on a daily basis and accurate alignment of monthly period budgets with actual monthly billings is difficult to achieve. The actual revenue is influenced by ongoing valuation adjustments / corrections / objections. The underspending on Income Forgone is mainly as a result of lower than planned actual rebates to date, due to lower than planned applications received.	The actual results for the financial year is expected to be in line with the budget and no remedial action is required.
Property rates - penalties & collection charges	-	n/a	n/a	n/a
Service charges - electricity revenue	(135 608)	-1.4%	The under-recovery reflects on Electricity Sales (Credit Meters), mainly due to seasonal fluctuations combined with consumer savings, which seems to be more than anticipated. In addition, a slight over-recovery is reflected on Electricity Sales (Prepaid Meters).	The revenue and expenditure budgets are monitored on a monthly basis.
Service charges - water revenue	(149 864)	-6.4%	The under-recovery is mainly on Water Sales (Domestic, Industrial, Government, Commercial and Miscellaneous). Consumer demand, consumption and flows determine sale of water and the actual revenue reflected. The current year situation was impacted upon by consumer behaviours, due to weather conditions, economic conditions and water demand measures. In addition, a number of major water consumption reversals also impacted on sales. An over-recovery reflects on Water Sales (Domestic cluster) and is mainly due to the new tariff structure from 3 to 6 steps as well as higher than planned volumes in the higher brackets of water sales.	An alignment was performed during the adjustment budget. Under-recovery is to be buffered by under expenditure. The anticipated year-end deficit is currently being discussed with Corporate Finance to identify a acceptable solution. The situation was reviewed for the 2014/15 budget.
Service charges - sanitation revenue	(60 011)	-4.8%	The under-recovery is mainly on Sewerage Sales (Domestic-Full and Industrial/Commercial). Consumer demand, consumption and flows determine sewerage sales and actual revenue. The current year situation was impacted on by consumer behaviours, due to weather conditions, economic conditions and water demand measures. A number of major consumption reversals also impacted on sales to date. A over-recovery is reflected on Sewerage Sales (Domestic cluster) and is mainly due to the new tariff structure from 3 to 6 steps and a higher than planned volumes in the higher brackets of sewerage sales.	An alignment was performed during the adjustment budget. Under-recovery is to be buffered by under expenditure. The anticipated year-end deficit is currently being discussed with Corporate Finance to identify a acceptable solution. The situation was reviewed for the 2014/15 budget.
Service charges - refuse revenue	(30 635)	-3.2%	The under-recovery is mainly on Disposal Coupon Fees and Special Waste Fees resulting from fewer consumers disposing of general and hazardous waste material at dumping sites. The introduction of the Disposal Coupon System resulted in consumers moving to private dump sites that allow dumping on account and do not require them to purchase dumping coupons in advance.	Dumping of refuse/waste is demand driven and difficult to plan accurately. The anticipated loss of revenue for the year will be accommodated by savings on the expenditure budget. The 2014/15 budget provisions were reviewed.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Service charges - other	37 536	15.4%	The over-recovery is a combination of under/over recovery on various revenue elements in this category. The main contributors to over-recovery are: 1. Bus fares-IRT (TCT), due to higher than planned usage of services to date. 2. Miscellaneous Charges (Safety & Security), due to a higher number of animal and cell phone impoundments, stricter enforcement on informal traders and a higher number of disks for the disabled issued. 3. Recoveries of Infrastructure Maintenance (Electricity), due to an incorrect allocation. The main contributors to the under-recovery are: 1. Treatment Effluent Sales (Water), due to lower than anticipated consumer demand 2. Industrial Effluent Charges (Water), due to lower than anticipated flow volumes and a higher level of compliance by consumers. 3. Signage Fees (EESP), due to a decrease in signage applications received and the reinstatement of billings. 4. Departure Fees (EESP), due to the implementation of the Cape Town Zoning Scheme, which resulted in fewer land use applications being received. 5. Application Fees (EESP), due to lower than planned building plans received The under-recovery is mainly within: 1. TEAM, due to a lower than planned rate of utilisation of facilities for events. 2. Community Development, where the utilisation of facilities by the community was lower than expected 3. Housing, where rental subsidies are less than planned, due to properties being transferred to homeowners. 4. Finance, due to unexpected terminations of lease agreements and the inability of customers to pay due to economic conditions. The over-recovery is mainly due to the higher than anticipated interest on investment as a result of the interest rate increase and higher than anticipated cash balances. The under-recovery is mainly on Rates Debtors, due to lower than planned interest raised on outstanding balances in May. Furthermore, continuous account corrections and adjustments resulted in previously raised charges being reversed.	Due to seasonal influences and consumer demand Treatment Effluent Sales (Water) and Industrial Effluent Charges (Water) is expected to continue fluctuating in the ensuing months. The trend will be reviewed in 2014/15. Application fees, signage fees and departure fees are influenced by economic factors, consumer demands and policy; accurate planning is not possible. It is being monitored and the trend will be reviewed in 2014/15.
Rental of facilities and equipment	(24 985)	-7.4%	1. TEAM, due to a lower than planned rate of utilisation of facilities for events. 2. Community Development, where the utilisation of facilities by the community was lower than expected 3. Housing, where rental subsidies are less than planned, due to properties being transferred to homeowners. 4. Finance, due to unexpected terminations of lease agreements and the inability of customers to pay due to economic conditions.	Rental of facilities is demand driven and therefore difficult to predict accurately. The situation is monitored and trends will be reviewed in 2014/15.
Interest earned - external investments	152 031	53.9%		Interest on investments is monitored by the Investment Section on a monthly basis.
Interest earned - outstanding debtors	(29 025)	-13.1%		The situation is monitored on a monthly basis.
Dividends received	-	-		n/a
Fines	(21 643)	-12.8%		The situation is closely monitored. A number of interventions (i.e. appointment of additional officers, road blocks, etc.) were implemented to assist in improving the situation. The revenue was reviewed for 2014/15.
Licences and permits	5 114	13.0%		Licences and permits are demand driven and therefore difficult to plan accurately per monthly cycle.
Agency services	14 236	10.5%		The unpredictable nature of monthly payments makes it difficult to accurately plan for monthly receipts.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Transfers recognised - operational	(427 737)	-16.4%	The under-recovery is the combined result of over/under recovery within the following directorates: 1. TEAM (R14.6 million under), due to under utilisation of the AFCON(CHAN) grant. 2. Human Settlements (R102.4 million under), where various projects are progressing faster and others slower than anticipated. Various factors impact on progress e.g. community dynamics, funding approvals, environmental issues, procurement processes, etc. 3. Safety & Security (R6.7 million under), due to a journal that still needs to be processed to allocate costs (and thus revenue) related to Safer Schools Project to the project as well as underspending on IRT-related security staff costs. 4. EESP (R6.9 million under), due to outstanding invoices of R6 838 253.68 relating to Early Detection & Rapid Response, Natural Resources Management, Energy Efficiency & Demand Side Management and KIDG grants that needs to be processed and settled. In addition the City will not receive the R2 million Baboon Management grant from PGWC as was budgeted for. 5. TCT (R16 million under): (a) IRT: expenditure on the Roll Out of Milestone Zero IRT (Contractor: Transport Joint Venture) - Tender for Management Support for the roll out of the IRT project - curtailed to R13.6 million for the financial year in line with SCM resolution. (b) Transport: The CTP (R7.1 million budget) 2013 – 2018 was completed in November 2013, rather than the initially anticipated May 2013. This resulted in a 6 month delay in spending the 2012/13 budget, which was rolled-over to 2013/14. The tender amount for the successful tender was significantly lower than the estimated budget, which reduced the spending as well. Only after this completion did we prepare the brief for the 2013/14 spending and the late deployment of Park & Ride security - wet 17 March 2014. On the Rail due diligence study the contract was put on hold due to lengthy negotiations. The Rail Safety gazetted amount was only transferred by Province in March resulting in late commencement of the project. R2.4 million for the Transport Infrastructure Maintenance was only received in February resulting in a late start to the project.	TEAM : Finalisation of costs will determine amount to be repaid to Sport SA. Safety & Security and EESP: Journals and invoices will be processed during June 2014.
Other revenue	50 026	2.3%	The main contributors to this over-recovery are: 1. CD-Levies (R3 million) mainly within Finance. 2. Miscellaneous Income (R19.8 million) mainly within Water & Sanitation, Solid Waste Management, Safety & Security, Finance Services and Corporate Services. 3. Sale of Salvaged Items (R11 million) within Cape Town Electricity and TCT. 4. Recoveries-Other (R9.6 million) within Human Settlements and Cape Town Electricity. 5. Development levies (R18.8 million) within TCT, Cape Town Electricity and Water & Sanitation. 6. Skills development Levy (R10.6 million) within Corporate Services.	These sources of revenue are of an ad-hoc nature and difficult to plan accurately.
Gains on disposal of PPE	(37 914)	-54.9%	The over-recovery is mainly within Corporate Services and Solid Waste Management, where the revenue for the Sale of PPE was more than anticipated.	The sale/disposal of PPE is demand driven and therefore difficult to plan accurately per monthly cycle.

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

Description	YTD Variance	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type Employee related costs	(125 877)	-1.5%	The variance is mainly due to: 1. The turnaround time in the filing of vacancies as well as the internal filling of vacancies within the City. 2. Other Allowances relating to various adhoc allowances within this category that are dependent on when functions are performed and submission of claims.	The filling of vacancies is on-going. Savings realised to date have been set aside and ring fenced within investment accounts to cover unfunded cash commitments as approved by Council.
Remuneration of councillors	(3 595)	-3.2%	Councillor remuneration reflects under expenditure, largely due to temporary councillor vacancies and lower than anticipated claims submitted for re-imbursement travel claims by councillors.	No action required – savings realised.
Debt impairment	1 935	0.2%	Immaterial variance.	
Depreciation & asset impairment	(92 732)	-4.7%	This variance is affected by the capitalisation rate of assets, based on the completion and progress of capital projects.	The final year-end depreciation charges are underway and the variance will improve as assets are capitalised.
Finance charges	(93 059)	-10.8%	The variance is largely due to savings realised on unutilised loan facilities.	The cash saving was used to fund the purchase of a bond sinking fund investment.
Bulk purchases	(40 457)	-0.6%	Delays in the receipt of invoices for bulk water purchases resulted in under expenditure on bulk water purchases. Electricity bulk purchases reflects over expenditure, largely due to theft as losses are estimated to have increased to an unaudited 10.6% compared to 9.3% in the previous year. Despite June 2014 being a cold month periodic consumption fluctuations have moved in an opposite direction to sales, due to the increased losses from theft.	The Department of Water Affairs has been contacted regarding the outstanding invoices, which are required as a matter of urgency. Once received, the amounts will be settled resulting in an increase in the expenditure in relation to the budgeted amount. Given the wet year, Water Services anticipates under-expenditure on bulk water purchases. Savings realised on items within Cape Town Electricity will be used to cover the over expenditure on electricity bulk purchase.
Other materials	(28 509)	-8.6%	The variance is largely as a result of the implementation of the new asset management system within Cape Town Electricity, which reduced R&M costs.	The situation is monitored by the respective finance manager. Savings realised will be used to cover over expenditure on items within the Cape Town Electricity department.

Table continues on next page.

Description	YTD Variance R	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Contracted services	(328 037)	-10.0%	The variance is a combination of over/under expenditure. Under expenditure reflects mainly in: 1. Utility Services, due to outstanding invoices for refuse collection still to be submitted by service providers and informal Settlement refuse collection now performed in-house after legal dispute with service providers (Solid Waste Management), delays experienced with the implementation of projects, slower than anticipated intake of EPWP workers and contract accounts that still to be finalised before financial year-end within Water & Sanitation. 2. Community Services, due to vendors defaulting with respect to the mowing tender and other contracted services within City Parks and delays experienced with implementing R&M plans within Sport, Recreation & Amenities, due to restrictions placed on using other departmental tenders. 3. Human Settlements, due to delays with awarding tenders for various R&M projects and the rate of progress on various grant-funded housing development projects, which are difficult to estimate accurately per monthly cycle as many factors influence the rate of house construction by communities. 4. TEAM, due to the mis-alignment of the budgetary allocation for the CHAN tournament hosted by the City during January/February 2014. The bulk of the budgetary provision reflects on Contracted Services while the expenditure was incurred on various items including General Expenses. The directorate will reflect under utilisation of the AFCON(CHAN) grant as the actual expenditure was less than the planned costs. 5. TCT, due to the lag of time in capturing BTT invoices as a result of more time needed by project managers to verify complex invoices (June's invoices still be verified and certified for payment) and outstanding invoices still to be processed in respect of R&M. Over-expenditure reflects in: 1. TCT, largely due to the new 12 year MyCiti bus operators contract (VOC) with increased rates and increased expenditure regarding the MyCiti vehicle operators, due to 11 new routes rolled out since September 2013. 2. Water & Sanitation: Contracted Services: Repairs largely due to critical on-going mechanical, electrical and instrumentation repairs to various ageing assets. The harsh environment in which these assets operate necessitate more frequent maintenance than normal assets.	Utility services: outstanding invoices and commitments to be finalised by year-end. Savings realised will be utilised to fund over expenditure on various items particularly R&M within Water services. Community services: The directorate in the process of initiating directorate specific tendered projects to facilitate and fast track R&M as well as capital implementation in 2014/15. Human Settlements: Cash flow budgets were amended where possible during the year. However, projects will continue in 2014/15. Roll-over requests will be prepared for unspent grant funding TEAM. After finalisation of the actual expenditure against the AFCON (CHAN) grant allocation, a repayment of the un-utilised funds will be made to Department of Sport in terms of the conditions of the grants received. TCT: Payment of invoices to be finalised before financial year end closure. Savings on R&M, depreciation and staff vacancies are being used to offset overspend on VOC costs (contracted services) in 2013/14. A cost saving exercise is being finalised and certain corrective measures are already implemented. Water and Sanitation: Savings realised as a result of under expenditure on items will be used to fund over expenditure on R&M and other items within the different departments.
Transfers and grants	(9 670)	-8.1%	The variance is largely on: 1. EESP, mainly as a result of the deferment of payments to beneficiaries (Learners-Earn, Ciotex, Sareb and UCT), which will only take place in 2014/15 based on the directorate's business plan and to ensure correct alignment of processes within the Economic Development department. 2. TEAM, supporting documentation from four beneficiaries are outstanding. 3. Health, payments from externally funded grant in the process of being finalised for 22 Non Profit organisations. In addition, a portion of the under expenditure relates to the incorrect gazetted of Global Funding to the City by the Provincial Health department.	The deferred payments will be finalised and processed during the 2014/15 per the Economic Development department's business plan. Outstanding payments to various beneficiaries are underway.
Other expenditure	131 765	3.8%	The variance is largely due to over expenditure on: 1. Security Services & Charges (Community Services), due to the impact of high security costs coupled with an inadequate budgetary provision to address security requirements at facilities. 2. R&M plants (Community Services), as a result of the incorrect posting of R&M costs to General Expenses instead of Contracted Services. 3. Fuel, resulting from the escalating international fuel prices and volatile R2/\$ exchange rate. 4. Other Expenditure: (a) Consultants, due to initiatives placed on hold to buffer impact of projected R&M over-expenditure (Water Services), delays with tenders, and non-responsive tenders for the establishment of the Public Private Partnership for the gas extraction project at the landfill sites (Solid Waste Management), (b) Commission, largely due to June invoices still to be processed and lower than anticipated number of point of sale outlets after awarding of the new tender for municipal electricity sales vendors (Cape Town Electricity), (c) Service Connections, due to new ESKOM connections, postponed by one year as a result of budget constraints in an attempt to reduce the deficit for 2013/14 Cape Town Electricity, (d) Contribution to Rehabilitation of landfill site, which will be transferred to the provision during the final year-end transactions and (e) various items within the expenditure component across the City, which are of an ad hoc nature and difficult to plan accurately per monthly cycle.	City wide security strategy being reviewed by ED: Safety & Security Community Services is currently in the process of assessing the use of security at all facilities with a view to contain costs and minimise the levels of over expenditure. The reporting of R&M costs to Contracted Services from General Expenses is underway. The fuel budget is being monitored by providing line departments with a fuel and OBC reports to monitor excessive fuel usage and abuse of vehicles within their departments, however, the exchange rate and escalating international fuel prices is out of the control of the City. The process of corrective journals to report R&M costs is underway and the alignment of period budgets will be undertaken. Savings realised as a result of under expenditure on items will be used to cover over expenditure on items within the directorates and departments as well as to buffer impact of projected R&M over-expenditure particularly within Water services.
Loss on disposal of PPE	1 348	-	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	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - City Health	22 778	23 716	30 096	24 378	30 096	(5 717)	-19.0%	25 977
Vote 2 - City Manager	1 165	13 892	14 095	13 083	14 095	(1 012)	-7.2%	13 083
Vote 3 - Community Services	178 223	222 027	209 126	199 339	209 126	(69 788)	-33.4%	160 176
Vote 4 - Compliance and Auxiliary Services	30 157	37 865	31 343	19 610	31 343	(11 733)	-37.4%	22 303
Vote 5 - Corporate Services	232 756	258 892	254 109	273 455	254 109	(20 654)	-7.0%	252 672
Vote 6 - Economic, Environment & Spatial Planning	41 429	58 459	64 469	48 978	64 469	(15 491)	-24.0%	56 006
Vote 7 - Finance	21 613	11 784	44 204	12 752	44 204	(31 451)	-71.2%	13 454
Vote 8 - Human Settlements	565 694	626 894	772 040	529 540	772 040	(242 500)	-31.4%	601 966
Vote 9 - Rates & Other	-	-	-	-	-	-	-	-
Vote 10 - Safety & Security	55 706	67 927	64 280	60 824	64 280	(3 456)	-5.4%	64 053
Vote 11 - Social and Early Childhood Development	6 791	6 460	7 838	6 420	7 838	(1 419)	-18.1%	7 392
Vote 12 - Tourism, Events and Marketing	179 084	28 661	26 530	22 317	26 530	(4 213)	-15.9%	23 182
Vote 13 - Transport for Cape Town	2 493 517	1 415 743	1 617 285	1 046 499	1 617 285	(570 786)	-35.3%	1 263 152
Vote 14 - Utility Services	2 039 890	2 679 272	2 436 227	2 010 471	2 436 227	(425 756)	-17.5%	2 235 131
Total Capital Expenditure	5 868 810	5 450 592	5 611 642	4 207 666	5 611 642	(1 403 976)	-25.0%	4 778 564
Capital Expenditure - Standard Classification								
Governance and administration	276 777	294 502	357 724	303 888	357 724	(53 836)	-15.0%	325 021
Executive and council	4 266	9 250	2 783	2 430	2 780	(349)	-12.6%	2 464
Budget and treasury office	10 471	5 349	7 295	6 145	7 295	(1 141)	-15.7%	6 944
Corporate services	262 041	279 903	347 658	295 313	347 658	(52 346)	-15.1%	315 612
Community and public safety	1 049 984	1 024 512	1 156 599	816 109	1 156 599	(340 490)	-29.4%	921 691
Community and social services	37 716	82 045	65 662	42 655	66 662	(24 007)	-36.0%	47 645
Sport and recreation	321 193	169 422	173 352	122 431	173 352	(50 921)	-29.4%	139 904
Public safety	103 000	122 934	114 948	97 600	114 948	(17 348)	-15.1%	106 700
Housing	565 694	626 894	772 040	529 540	772 040	(242 500)	-31.4%	601 966
Health	22 382	23 216	29 596	23 683	29 596	(5 913)	-19.3%	25 477
Economic and environmental services	2 528 595	1 499 604	1 699 036	1 107 518	1 699 036	(591 518)	-34.8%	1 329 439
Planning and development	31 631	65 452	56 752	45 274	56 752	(11 478)	-20.2%	47 545
Road transport	2 482 101	1 411 768	1 606 344	1 038 714	1 606 344	(567 630)	-35.3%	1 253 603
Environmental protection	14 864	22 384	35 940	29 530	35 940	(12 410)	-34.5%	28 292
Trading services	2 013 453	2 631 974	2 388 283	1 980 152	2 388 283	(418 132)	-17.4%	2 202 413
Electricity	1 154 512	1 404 107	1 313 311	1 093 610	1 313 311	(219 702)	-16.7%	1 199 938
Water	303 326	479 365	492 382	403 601	492 382	(89 781)	-18.0%	483 332
Waste water management	304 581	480 715	451 454	345 822	451 454	(105 632)	-23.4%	422 023
Waste management	208 174	264 598	139 505	135 734	139 505	(3 771)	-2.7%	135 734
Other	2 860	2 849	1 630	1 385	1 630	(245)	-15.0%	1 385
Total Capital Expenditure - Standard Classification	5 868 810	5 450 592	5 611 642	4 207 666	5 611 642	(1 403 976)	-25.0%	4 778 564
Funded by:								
National Government	3 066 018	2 191 297	2 506 510	1 657 814	2 506 510	(848 696)	-33.9%	1 970 456
Provincial Government	354 954	343 761	358 162	266 674	358 162	(91 488)	-25.5%	275 604
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	3 673	2 100	1 100	657	1 100	(443)	-40.3%	975
Transfers recognised - capital	3 414 645	2 537 158	2 865 771	1 925 144	2 865 771	(940 627)	-32.8%	2 247 035
Public contributions & donations	39 076	46 190	52 025	43 914	52 025	(8 111)	-15.6%	45 092
Borrowing	1 753 425	2 149 497	2 036 433	1 724 955	2 036 433	(311 478)	-15.3%	1 930 444
Internally generated funds	665 664	717 798	657 413	513 653	657 413	(143 760)	-21.5%	556 994
Total Capital Funding	5 868 810	5 450 592	5 611 642	4 207 666	5 611 642	(1 403 976)	-25.0%	4 778 564

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

Material variance explanations for capital expenditure (refer Table C5)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 1 - City Health	(5 317)	-19.0%	1. New Environmental Health Office is still behind schedule due to various delays where work on site was stopped by the community. Payment certificates are not aligned with contractor's projected cash flow. 2. Luvuyo Clinic project: Tender was awarded but appeal was unsuccessful, process resulted in delay in site hand over. The contractor will only be on site during the new financial year. 3. Tafelberg Clinic: Tender not yet awarded due to problems with documentation and funding.	1. Follow-up with project manager and consultants and continual monitoring to ensure that the contractor supplies a revised program of work and adheres to all the revised timelines. Penalties were imposed as a result of not meeting completion targets. 2. Follow up with Procurement regarding the resolution of the appeal received.
Vote 2 - City Manager	(1 012)	-7.2%	1. Furniture: Additional: Delay in delivering of furniture by vendor due to production problems. 2. Project and Portfolio Management: Project phase completed, awaiting invoices. 3. The Revenue insurance provision was not utilised, it is only used when an insurance claim is settled and the replacement asset is procured.	Funds to be rolled-over in the 2014/15 adjustments budget in August 2014 for both the Furniture: Additional project and Project and Portfolio Management project.
Vote 3 - Community Services	(69 798)	-33.4%	1. Library and Information Services: Kuyasa Library construction delayed, due to community involvement. Contractor now proceeding on site. Payments in line with construction progress. 2. Sport and Recreation: Sport & Recreation Facilities Upgrade: Retreat swimming pool was handed over to contractor on 23 May 2014, due to delays in the tender award process, it will be completed in the new financial year. 3. City Parks: a) Park Upgrades and Developments: Three tenders were awarded later than planned, due to community unrest. Site handover has finally taken place and work is now in progress. b) Matland Cemetery Upgrade Roads & Infra: Fencing complete but road works could not be completed by 30 June 2014. c) Atlantis Cemetery Upgrade completed.	1. Library and Information Services: Contractor on-site and implementation in progress. Awaiting final invoices for work done up to 30 June 2014. 2. Sport and Recreation: Retreat swimming pool progress was monitored to achieve maximum spend in 2013/14. 3. (a) City Parks: Park Upgrades and Developments to be completed by the end of the financial year. The balance of the unspent committed funds at the end of June to be rolled-over to 2014/15 to ensure that projects are completed.
Vote 4 - Compliance and Auxiliary Services	(11 733)	-37.4%	1. Upgrade of Training Centres: The KTC phase 2 project is progressing as per the project timeframes. The contractor is currently busy completing the paving as well as attending to issues on the snag list, which will only be completed by end of July 2014. 2. Furniture & Equipment: Delays in delivery of furniture by vendor. 3. Lentegour Pub Space: Project completed, outstanding invoices need to be GRNd. 3. Horare Business Hub: Project phase completed. 4. Work Live Units: project completed, project manager to sign-off invoice for payment. 5. Conceptual Design project: could not be implemented due to funding approval denied by the USOG Project Review Committee. 6. Savings realised on various projects.	1 & 2. Upgrade of Training Centres and Furniture & Equipment: Funds to be rolled-over in the 2014/15 adjustments budget in August 2014. 3 & 4. Following up with contractors and professional teams to submit outstanding invoices for processing before 11 July 2014. 5. No action possible.
Vote 5 - Corporate Services	(20 054)	-7.0%	The directorate has already exceeded the corporate target for capital spend for 2013/14. Further GRNs will still be processed by or before 11 July 2014, which will increase the current expenditure rate.	To follow up on all outstanding invoices for goods and/or services delivered by or before 30 June 2014 and to GRN such services by or before the 11th July 2014. Final results, reasons and proposed actions can only be reported after 11 July 2014, once all GRNs have been processed.
Vote 6 - Economic, Environment & Spatial Planning	(15 491)	-24.0%	1. Savings realised on various projects. 2. Invoices for various projects to be processed by 11 July 2014. 3. Upgrade of Reserves Infrastructure: False Bay Ecology Park fencing project has experienced a problem with material supplies. 4. False Bay Ecology Park Development and Energy Efficiency Retrofits: Tenders were approved late in the financial year resulting in these projects not being able to be completed in 2013/14.	Project managers instructed to ensure that all 2013/14 invoices received are processed before year-end processing due date. Project planning to be addressed within departments.
Vote 7 - Finance	(31 451)	-71.2%	1. E-Procurement project: Project phase completed. Project completion delayed, due to technical issues within the ERP department. Awaiting outstanding invoices for work completed. 2. Immoveable Asset Register: Project delayed, due to the incapacity of the IS&T (ERP) department. 3. CTICC Land Expansion: Project delayed, due to legal changes in respect of the appointment of consultants to undertake the necessary design work.	1. Invoices to be processed by 11 July 2014. SCM to request roll-over funds in 2014/15. 2. Property Management department to ensure that the balance of the unspent committed funds at end of June is rolled-over to 2014/15 to complete the projects.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 8 - Human Settlements	(242 500)	-31.4%	1. Community Residential Units Upgrade Projects: the incidence of gang violence has become abnormally high resulting in several site shutdowns marred consistent progress. 2. The insolvency of a major contractor has created further challenges with expenditure rate. 3. Fisantekraal Garden Cities project: Garden Cities has submitted an invoice to be processed for payment. 4. Protest action on some of the bigger backyard projects caused serious delays, which impacted on the expenditure rate. 5. Various other City Human Settlements projects have been delayed and, where possible, funds have been transferred to those projects running ahead of projected budget allocation.	Fisantekraal Garden Cities project: Invoice will be processed in 2013/14 if the relevant contracts are concluded by the Province.
Vote 9 - Rates & Other	-	-	-	-
Vote 10 - Safety & Security	(3 456)	-5.4%	1 Integrated Contact Centre: Invoices to be processed. 2 Upgrade Sandvlei Community: Quantity surveyor finalising the account. 3. Other projects: Invoices to be processed	Relevant departments have been consulted to assist with processing outstanding invoices.
Vote 11 - Social and Early Childhood Development	(1 419)	-18.1%	Strandfontein ECD Centre: Awaiting invoices. Snag list to be completed in 2014/15.	Finalise outstanding invoices by 11 July 2014. Roll-over of funds required when snags are completed with payment to be processed in 2014/15.
Vote 12 - Tourism, Events and Marketing	(4 213)	-15.9%	1. Reconfiguration of Common: Termination of contract, due to contractor non-performance. 2. Payments to consultants could not be processed, due to tender not being awarded in 2013/14. 3. Ward Allocation: Art & Heritage projects could not be completed, due to late appointment of service providers as a result of non-responsive tenders. 4. Invoices still needs to be processed on a number of other projects.	1-3. Roll-over of 2013/14 unspent funds to be requested. 4. Invoices are currently being processed.
Vote 13 - Transport for Cape Town	(570 786)	-35.3%	The main reasons for the lower than expected expenditure are the later than planned delivery of MyCiti busses as a result of the industrial action in 2013, the delays in compensation negotiations with existing public transport operators, extremely slow and delayed SCM processes due to legal and audit concerns and the impacts of numerous contractor liquidations.	Cash flows were reviewed in the January 2014 adjustments budget. No further remedial or corrective steps are possible. Invoices for MyCiti vehicles delivered before 30 June 2014 will be processed by 11 July 2014, which will improve capital spend significantly.
Vote 14 - Utility Services	(425 755)	-17.5%	Refer comment below.	Refer comment below.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Utility Services Support	(47)	(0)	Projects completed. Minor savings realised.	-
Water & Sanitation	(191 313)	-21%	Provisional YTD variance mainly due to delays experienced in the following projects: 1. Replace & Upgrade Water Network (Citywide): Project phase completed, awaiting invoices. 2. Replace & Upgrade Sewer Network (Citywide): On some works projects, contractors are performing very poorly. 3. Mitchell's Plain Wastewater Treatment Works: Possible under spend due to delays caused by appeals. A higher expenditure rate is envisaged but will only be evident after final goods receipting. 4. Development of Additional Infrastructure: Combination of factors : (a) Tender 4150/2012/13: appeal against tender award, delays in Section 33 approval and delays in land acquisition, (b) North Area Infrastructure: Service provider over-committed and is unable to complete work timeously. 5. Awaiting invoices for final payments for work completed on various projects.	Possible roll-over of contractually committed amounts to 2014/15 (where contracts are not completed by 30 June 2014). Outstanding invoices still being processed.
Solid Waste Management	(3 771)	-3%	Immaterial variance.	-
Cape Town Electricity	(230 624)	-17%	1. Electrification (Formal & Informal): Underspend due to a delay in the implementation of various housing projects. 2. Koeberg Rd Switching Station Phase 2: Building work behind schedule, due to (a) poor performance of contractor that negatively impacted the switchgear installation contract and (b) departmental work associated with undergrounding overhead line on cable route as a result of resources constraints. 3. Electrification (INEP): Joe Slovo project progress delayed, due to problems experienced with community over the allocation of housing units. 4. Electrification-Backyarders Infrastructure: Project was implemented utilising USDG resulting in CRR funding not being required. 5. Athlone- Philippi - OH Line Undergrounding: Project was implemented utilising USDG resulting in CRR funding not being required. 6. Street Lighting - City Wide USDG: Project phase completed. Some projects behind schedule, due to delays in identification as well as planning phase of Human Settlements formal housing projects. 7. Steenbras - Refurbishment of Main Plant: Project delayed, due to a Section 33 process, which is underway and progressing slower than anticipated. 8. Main Substation MV Switchgear Replacement: Water ingress in drum of new cable has delayed changeover of feeders at City. Final commissioning of one panel on switchgear was also delayed as a result. Replacement cable is being manufactured but will only be delivered mid-August 2014.	The unspent Electrification and Street Lighting budget is dependent on implementation of Housing projects. Outstanding invoices still being processed. Where applicable, for various projects, contractually committed funding will be rolled-over into 2014/15.

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

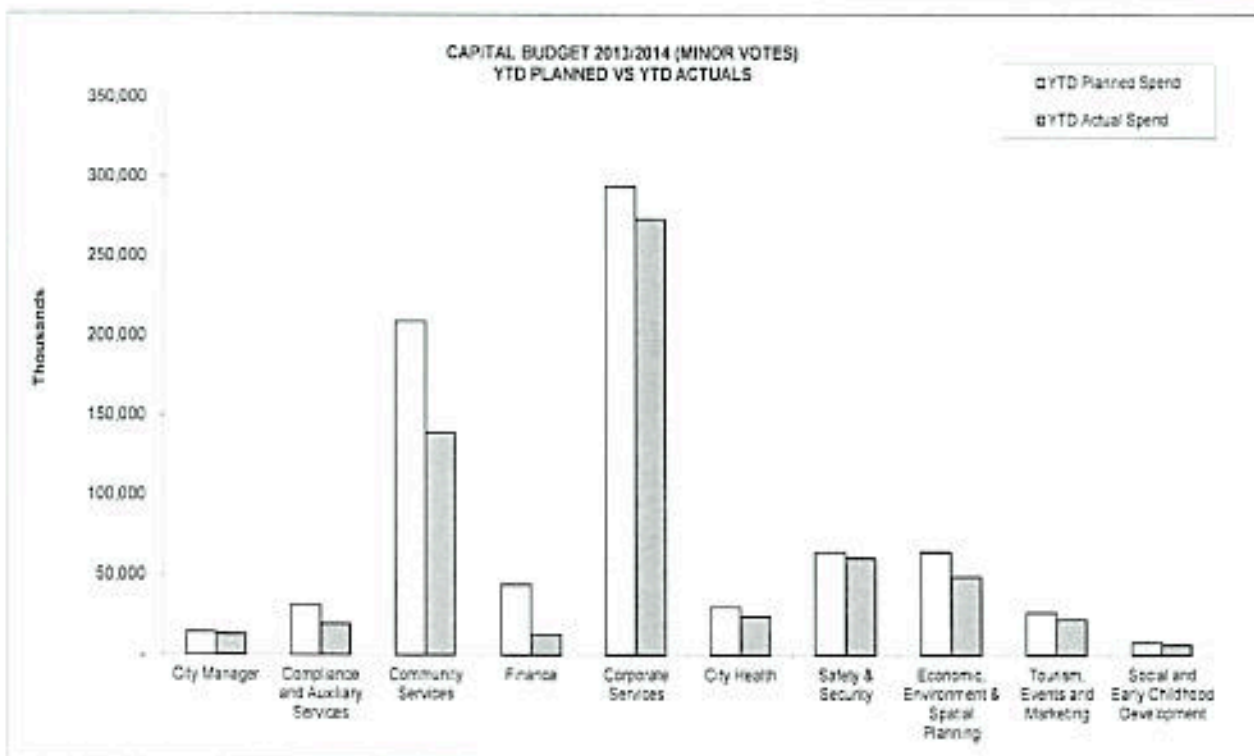
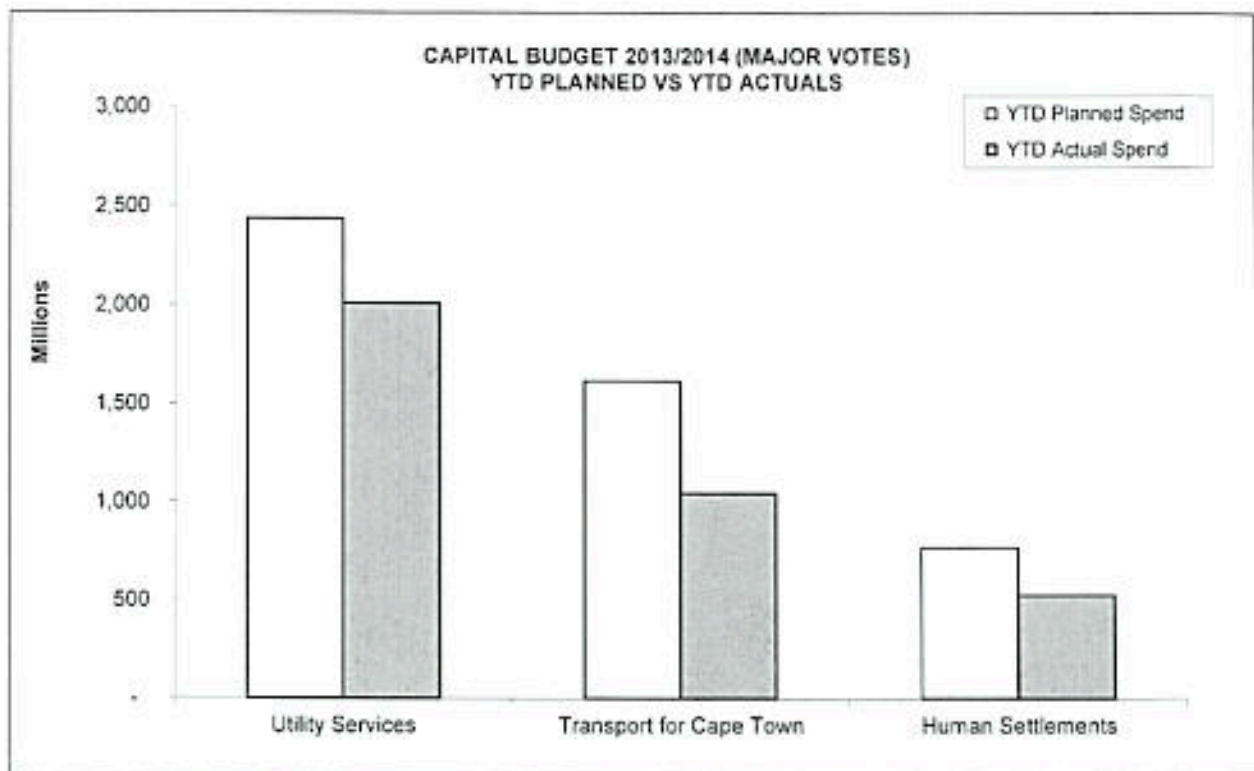


Table C6: Monthly Budget Statement - Financial Position

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

Description	2012/13	Budget Year 2013/14			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	4 730 197	–	–	191 308	–
Call investment deposits	3 430 794	6 200 964	6 526 246	6 018 254	6 526 246
Consumer debtors	4 172 233	4 217 354	4 291 038	3 162 337	4 291 038
Other debtors	230 496	370 168	319 546	219 229	319 546
Current portion of long-term receivables	20 546	17 832	19 519	20 546	19 519
Inventory	256 550	278 941	269 378	265 936	269 378
Total current assets	12 900 815	11 085 279	11 425 726	9 877 871	11 425 726
Non current assets					
Long-term receivables	101 665	89 644	96 682	75 794	96 682
Investments	173 426	1 203 274	1 203 274	1 865 551	1 203 274
Investment property	–	–	–	–	–
Investments in Associate	–	–	–	–	–
Property, plant and equipment	28 739 736	32 232 897	32 118 918	31 101 411	32 118 918
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	29 033 827	33 525 815	33 418 774	33 033 066	33 418 774
TOTAL ASSETS	41 934 642	44 611 094	44 844 500	42 910 937	44 844 500
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	418 166	478 860	387 991	418 166	387 991
Consumer deposits	308 217	332 682	339 039	370 217	339 039
Trade and other payables	5 445 079	6 582 362	5 404 773	5 511 688	5 404 773
Provisions	1 817 235	1 152 480	1 944 441	1 839 465	1 944 441
Total current liabilities	7 588 696	8 556 384	8 165 244	8 139 526	8 165 244
Non current liabilities					
Borrowing	6 936 237	6 493 327	6 646 477	6 611 537	6 546 477
Provisions	4 552 513	4 756 220	4 790 360	4 552 513	4 790 360
Total non current liabilities	11 488 750	11 249 547	11 436 837	11 164 050	11 436 837
TOTAL LIABILITIES	19 077 446	19 805 931	19 602 081	19 303 577	19 602 081
NET ASSETS	22 857 196	24 805 163	25 241 429	23 607 360	25 241 429
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	20 169 377	22 790 759	23 100 680	21 611 027	23 100 680
Reserves	2 687 819	2 014 424	2 140 749	1 996 333	2 140 749
TOTAL COMMUNITY WEALTH/EQUITY	22 857 196	24 805 183	25 241 429	23 607 360	25 241 429

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	2012/13	Budget Year 2013/14						
	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	18 563 843	21 550 571	21 767 278	23 745 455	21 757 278	1 975 187	9.1%	21 757 278
Government - operating	1 979 795	2 555 504	2 603 047	2 355 428	2 603 047	(235 519)	-9.1%	2 603 047
Government - capital	3 414 545	2 583 308	2 889 752	2 553 240	2 889 752	(326 512)	-11.3%	2 889 752
Interest	552 319	403 422	282 078	447 650	252 078	155 572	58.7%	282 078
Payments								
Suppliers and employees	(18 654 328)	(22 559 729)	(22 153 411)	(22 950 878)	(22 153 411)	797 468	-3.6%	(22 153 411)
Finance charges	(546 211)	(749 449)	(749 553)	(751 057)	(749 553)	1 494	0.2%	(749 553)
Transfers and Grants	(103 144)	-	-	(5 852)	-	5 852	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	5 566 519	4 194 025	4 639 183	5 415 595	4 639 183	(775 833)	-16.7%	4 639 183
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	53 472	69 003	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	(3 125)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(42 313)	-	-	(1 664 482)	-	(1 664 482)	-	-
Payments								
Capital assets	(5 658 803)	(5 178 053)	(5 536 736)	(5 304 405)	(5 536 736)	(232 329)	4.2%	(5 536 736)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 620 775)	(5 109 053)	(5 536 736)	(6 968 888)	(5 536 736)	1 432 153	-25.9%	(5 536 736)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	2 354 423	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	33 273	-	-	-	-	-	-	-
Payments								
Repayment of borrowing	(165 311)	(345 055)	(598 143)	(336 841)	(598 143)	(261 302)	43.7%	(598 143)
NET CASH FROM/(USED) FINANCING ACTIVITIES	2 252 382	(345 055)	(598 143)	(336 841)	(598 143)	(261 302)	43.7%	(598 143)
NET INCREASE/ (DECREASE) IN CASH HELD	1 938 526	(1 260 103)	(1 495 696)	(1 889 743)	(1 495 695)			(1 495 695)
Cash/cash equivalents at beginning	6 150 640	7 539 483	8 099 365	8 099 365	8 099 365			8 099 365
Cash/cash equivalents at month/year end	8 089 366	6 279 380	6 603 670	6 209 623	6 603 670			6 603 670

Cash and Cash Equivalents

The reduced amount of Cash/cash equivalents is due to increased amounts invested long-term to maximise returns. Refer to the above line item 'increase in non-current investments'.

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

Description R thousands	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	1 979 187	9.1%	The increased recovery is mainly due to the improved debt collection efforts.	No corrective action required at this time.
Government - operating	(236 619)	-9.1%	The variance resulted from grant allocation received but not yet receipted to the revenue accounts and is currently included in the rate payers and other line item above.	Appropriate receipting of the amounts received will correct the allocation.
Government - capital	(326 512)	-11.3%	The variance resulted from grant allocation received but not yet receipted to the revenue accounts and is currently included in the rate payers and other line item above.	Appropriate receipting of the amounts received will correct the allocation.
Interest	165 572	58.7%	Investment interest income is greater than expected, due to a higher than expected cash and investment balance as well as an increase in the interest rates toward the end of January 2014.	Corrective actions is not required at this time.
Dividends	-	-	-	-
Payments				
Suppliers and employees	797 468	-3.6%	Immaterial Variance	Corrective actions is not required at this time.
Finance charges	1 494	-0.2%	-	-
Transfers and Grants	5 862	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	(776 803)	-16.7%		
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-
Decrease (increase) in non-current investments	(1 564 482)	-	The increase in non-current investments is due to the short term investments being reinvested as long term	Corrective actions is not required at this time.
Payments				
Capital assets	(232 329)	4.2%	A pro rata share of total cash outflow was applied due to the system not being able to differentiate between capital and operating expenditure. Ongoing system enhancements are being made to facilitate the correct disclosure. Refer to suppliers and employee payments.	Corrective actions is not required at this time.
NET CASH FROM/(USED) INVESTING ACTIVITIES	1 432 153	-25.9%		
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-
Payments				
Repayment of borrowing	(261 302)	43.7%		
NET CASH FROM/(USED) FINANCING ACTIVITIES	(261 302)	43.7%		

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

Description	Budget Year 2013/14												2013/14 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	481 392	430 070	531 497	520 115	476 894	481 600	401 190	480 081	506 714	415 933	411 802	521 206	5 350 870	5 701 034	6 100 711
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	762 160	814 302	800 140	837 609	800 257	777 807	750 864	690 009	765 712	785 181	789 965	833 061	9 439 413	10 574 268	11 554 709
Service charges - water revenue	113 846	137 050	136 505	170 975	141 126	145 537	178 487	210 175	176 681	168 710	200 631	155 712	2 025 433	2 218 337	2 476 742
Service charges - sanitation revenue	78 384	78 024	88 168	111 899	85 768	92 501	96 089	104 946	110 258	94 346	115 474	91 475	1 110 840	1 215 050	1 355 548
Service charges - refuse	72 220	50 210	50 409	59 433	50 061	49 125	80 674	71 737	45 977	68 509	54 772	76 271	905 749	962 784	1 055 565
Service charges - other	22 828	18 108	11 681	15 946	19 469	14 409	23 300	17 536	20 874	13 490	24 162	23 189	243 397	253 736	288 453
Rental of facilities and equipment	16 765	18 509	18 853	21 300	17 644	14 043	14 204	19 308	16 045	19 224	15 343	23 034	160 584	139 251	141 740
Interest earned - external investments	40 286	38 838	39 485	34 795	34 950	34 241	34 605	34 102	41 306	38 532	42 810	33 791	262 078	262 445	303 854
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	9 704	9 757	7 973	10 448	13 112	13 051	12 090	12 196	12 026	12 167	15 560	16 062	163 710	193 432	204 558
Licences and permits	60 948	16 487	9 359	24 225	17 914	20 141	16 214	18 703	19 277	19 069	9 426	32 053	174 274	169 419	176 072
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	533 841	48 144	129 322	76 091	704 631	12 183	221 015	141 156	413 344	23 774	59 523	-	2 003 047	2 549 102	3 037 349
Other revenue	187 825	815 485	340 893	237 483	184 600	614 615	53 931	174 981	807 862	178 566	183 058	174 370	2 187 009	2 297 942	2 431 222
Cash Receipts by Source	2 380 301	2 476 526	2 164 356	2 123 009	2 546 714	2 269 466	1 893 377	1 991 930	2 106 115	1 835 560	1 522 826	1 910 383	24 652 404	26 583 802	29 106 424
Other Cash Flows by Source															
Transfer receipts - Capital	800 762	-	-	-	877 494	-	250 000	348 037	250 000	-	-	36 948	2 889 752	2 779 096	2 489 798
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	3 181 062	2 476 526	2 164 356	2 123 009	3 424 208	2 269 466	2 133 377	2 339 967	3 236 115	1 835 560	1 522 826	2 017 331	27 542 157	31 392 898	33 406 221

Table continues on next page.

Description	Budget Year 2013/14												2013/14 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
At thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome			
Cash Payments by Type															
Employee related costs	581 759	625 069	614 676	607 061	929 320	627 889	651 518	644 745	632 608	625 533	631 963	634 499	8 016 669	8 728 060	9 481 455
Remuneration of councillors	8 981	8 982	8 982	8 982	8 982	8 982	9 288	9 288	9 519	9 463	9 122	9 469	123 721	131 887	140 855
Interest paid	13 743	-	193 813	-	-	179 044	-	2	159 765	-	-	174 009	749 563	828 921	1 061 629
Bulk purchases - Electricity	748 733	818 521	812 338	472 752	83 632	436 363	370 977	441 170	425 209	441 716	410 935	464 068	6 254 330	7 151 868	7 762 007
Bulk purchases - Water & Sewer	25 957	15 078	31 651	15 006	3 220	48 303	19 681	31 334	31 656	30 788	35 211	8 241	343 681	383 631	449 983
Other materials	-	-	-	7 466	1 615	-	-	-	-	12 719	8 205	8 281	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses	1 463 077	774 464	818 309	751 271	178 405	702 070	850 295	715 781	733 263	704 173	844 808	405 566	7 650 187	7 607 868	8 351 390
Cash Payments by Type	2 872 249	2 248 396	2 479 770	1 862 557	1 305 174	2 092 650	1 701 763	1 842 320	2 022 041	1 824 403	1 940 245	1 706 223	23 166 050	24 842 235	27 247 323
Other Cash Flows/Payments by Type															
Capital assets	479 793	197 860	113 617	213 735	1 458 469	538 685	75 470	189 800	372 203	378 773	455 073	833 921	5 536 736	5 619 064	5 559 504
Repayment of borrowing	29 547	-	89 481	-	-	64 403	-	-	88 055	-	-	64 555	345 066	309 453	285 598
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	1 094 482	-	-	-	275 860	291 556
Total Cash Payments by Type	3 381 909	2 446 262	2 642 868	2 076 292	2 661 643	2 633 739	1 777 239	2 032 120	2 482 299	3 857 659	2 396 318	2 605 099	29 037 852	31 047 012	33 303 981
NET INCREASE/(DECREASE) IN CASH HELD	(200 927)	50 265	(518 512)	45 717	762 566	(334 273)	356 138	307 847	763 816	(2 032 090)	(473 492)	(587 789)	(1 495 696)	345 886	22 240
Cash/cash equivalents at the month/year beginning	8 099 366	7 898 439	7 528 704	7 410 191	7 456 909	8 219 473	7 885 200	8 241 339	8 549 185	9 303 001	7 270 903	6 797 411	8 099 366	6 003 670	6 949 597
Cash/cash equivalents at the month/year end	7 898 439	7 928 704	7 410 191	7 456 909	8 219 473	7 885 200	8 241 339	8 549 185	9 303 001	7 270 903	6 797 411	6 209 623	6 603 670	6 949 597	6 971 797

PART 2 - SUPPORTING DOCUMENTATION

Debtors' analysis

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

Table SC3 Monthly budget statement Aged Debtors

Description	Budget Year 2013/14										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment Bad Debts (i.e. Council Policy)
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-180 Days	181-360 Days	181 Days - 1 Year	Over 1 Year	Total				
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	235 533	62 960	60 762	67 594	56 772	41 385	262 037	1 250 000	2 038 457	1 677 188	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	575 710	22 889	13 967	21 397	8 550	13 232	31 774	56 618	745 896	133 130	-	-	
Receivables from Non-exchange Transactions - Property Rates	424 578	69 090	43 846	45 616	28 531	22 432	135 229	825 849	1 381 574	856 560	-	-	
Receivables from Exchange Transactions - Waste Water Management	132 578	33 829	29 580	33 253	28 558	19 527	125 320	631 851	1 002 498	806 510	-	-	
Receivables from Exchange Transactions - Waste Management	66 400	14 481	12 799	12 959	9 448	8 953	51 667	295 429	362 132	388 453	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	45 005	9 154	9 423	9 372	(707)	453 096	-	-	535 374	471 702	-	-	
Interest on Amount Due to Debtors	45 473	15 153	19 505	13 901	19 265	15 403	87 061	491 955	708 685	627 583	-	-	
Receivable unauthorised irregular refuse and waste disposal	-	-	-	-	-	-	-	-	-	-	-	-	
Other	(70 183)	(52 743)	(14 903)	(14 576)	(10 083)	(5 800)	(47 961)	(142 255)	(336 510)	(218 675)	-	-	
Total By Income Source	1 487 288	184 646	172 155	190 620	110 634	678 082	643 128	3 051 446	6 429 186	4 643 011	-	-	
2012/13 - totals only													
Debtors Age Analysis By Customer Group													
Organ of State	82 543	15 093	9 647	7 525	4 508	3 428	(8 019)	45 724	117 912	53 158	-	-	
Commercial	724 711	56 045	42 511	45 577	20 900	481 024	85 083	365 745	1 624 600	1 001 332	-	-	
Households	710 774	146 565	137 304	150 285	122 129	82 957	502 507	2 708 480	4 859 013	3 664 371	-	-	
Other	(43 744)	(32 018)	(17 322)	(13 881)	(7 706)	682	(27 443)	(27 532)	(155 915)	(75 851)	-	-	
Total By Customer Group	1 487 288	184 646	172 155	190 620	110 634	678 082	643 128	3 051 446	6 429 186	4 643 011	-	-	

Additional debtor's information

Monthly collection rate			YTD collection rate
Period	Current year	Previous year	
12 Month	97.22%	95.91%	96.51%
6 month	97.02%	95.81%	96.96%
3 month	97.79%	97.84%	96.95%
Monthly	101.43%	93.12%	97.34%

2013/14 Billing vs Receipts		
Month	Billing R	Receipts R
July	1 739 291 454.99	1 714 732 901.35
Aug	2 044 598 211.80	1 812 832 339.21
Sept	2 043 265 177.86	1 959 477 714.04
Oct	1 850 842 512.48	2 193 301 229.87
Nov	1 865 171 790.63	1 806 443 167.91
Dec	1 961 193 914.74	1 720 874 082.01
Jan	2 070 699 531.39	1 955 457 294.77
Feb	2 073 947 510.97	1 893 577 992.66
March	1 988 733 307.64	2 054 622 352.29
April	2 059 294 268.09	1 959 662 341.54
May	2 029 530 448.94	1 963 239 363.97
June	2 069 902 806.22	2 099 533 467.15

12 month collection ratio per source			
Source	Current year	Previous year	YTD collection rate
Electricity	100.69%	98.37%	99.55%
Water	90.84%	90.56%	88.21%
Sewerage	90.67%	89.85%	88.17%
Refuse	92.41%	96.35%	93.08%
Rates	99.79%	99.50%	99.81%
Other	99.67%	99.41%	99.34%

Creditors' analysis

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

Table SC4 Monthly budget Statement Aged Creditors

Description	Budget Year 2013/14									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	-	-	-	-	-	-	-	-	-	-
RAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	431 972	325	186	39	10	39	(37)	266	432 801	549 797
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	431 972	325	186	39	10	39	(37)	266	432 801	549 797

Outstanding commitments against Cash and Cash Equivalents

Item	Previous Month R'000	Current Month R'000
Closing Cash Balance	6,797,411	6,209,623
Unspent Conditional Grants	2,225,833	2,225,833
Housing Development	344,829	344,829
MTAB	33,443	33,443
Trust Funds	1,418	1,418
Committed rollovers	513,000	513,000
Sinking Funds	-	-
Insurance reserves	505,202	505,202
CRR	983,542	983,542
TOTAL	4,607,267	4,607,267
TOTAL cash resources not committed	2,190,144	1,602,356

Allocation and grant receipts and expenditure

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

Table SC7 Monthly Budget Statement transfers and grants expenditure

Description	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD Budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Operating expenditure of Transfers and Grants								
National Government:	241 703	1 743 572	1 722 732	379 486	476 539	(139 054)	-29.1%	1 722 732
Restructuring	1 702	3 379	3 379	-	3 379	(3 379)	-100.0%	3 379
Finance Management Grant	1 075	1 250	530	219	530	(311)	-68.7%	530
Equitable share	8 439	1 245 993	1 245 765	376	2 452	(2 116)	-84.9%	1 245 765
Urban Settlements Development Grant	65 205	113 705	76 174	46 627	76 174	(29 547)	-38.8%	76 174
Public Transport Network Operations Grant	126 874	272 521	272 521	206 549	276 673	(70 423)	-25.4%	272 521
Energy Efficiency and Demand Side Management Grant	1 343	1 980	1 980	1 728	1 980	(252)	-12.7%	1 980
Dept. of Environ. Affairs and Tourism	230	200	5 258	2 598	5 258	(2 560)	-48.7%	5 258
Housing Accreditation	123	200	200	54	200	(146)	-72.9%	200
Expanded Public Works Programme	29 433	31 980	40 947	35 982	40 947	(4 965)	-12.1%	40 947
Integrated City Development Grant	-	10 364	10 364	864	10 364	(9 500)	-91.7%	10 364
2014 African Nations Championship Host City Operating Grant	-	59 000	59 000	44 526	59 000	(14 454)	-24.6%	59 000
Public Transport Infrastructure & Systems Grant	-	-	4 452	(116)	-	-	-	4 452
LOSETA Post Graduate Internship Programme	-	-	536	-	536	(536)	-100.0%	536
Natural Resource Management	5 276	-	-	-	-	-	-	-
Infrastructure Skills Development Grant	-	-	500	-	-	-	-	500
Municipal Disaster Grant	-	-	707	-	707	(707)	-100.0%	707
Provincial Government:	501 370	644 953	662 700	552 334	715 466	(164 134)	-22.9%	662 700
Cultural Affairs and Sport - Provincial Library Services	22 470	24 409	22 009	22 009	22 009	-	-	22 009
Human Settlements - Human Settlement Development Grant	267 244	436 631	440 663	304 457	442 563	(138 306)	-31.2%	440 663
Human Settlements - Municipal Accreditation Assistance	3 255	10 000	10 000	3 950	10 000	(6 310)	-63.1%	10 000
Human Settlement - Settlement Assistance	529	1 000	1 000	-	-	-	-	1 000
Health - TB	9 534	11 207	11 207	11 207	11 207	-	-	11 207
Health - Global Fund	3 751	34 753	35 323	34 734	36 323	(1 589)	-4.4%	36 323
Health - ARV	24 623	77 627	88 729	88 613	88 729	(116)	-0.1%	88 729
Health - Nutrition	4 140	4 400	4 400	4 355	4 400	(45)	-1.0%	4 400
Health - Vaccines	65 163	79 955	74 264	66 339	74 264	(7 924)	-10.7%	74 264
Comprehensive Health	70 583	147 132	147 132	-	-	-	-	147 132
Transport and Public Works - Provision for persons with special needs	18 702	10 000	11 895	11 376	11 895	(520)	-4.4%	11 895
Municipal Land Transport Fund	10 735	5 600	5 600	472	5 600	(5 128)	-91.6%	5 600
Transport Safety and Compliance - Rail Safety	-	2 000	2 000	228	2 000	(1 772)	-88.6%	2 000
Community Development Workers	-	-	984	329	984	(655)	-66.5%	984
Environmental Affairs and Development Planning - Baboon Management Programme	-	-	2 000	-	2 000	(2 000)	-100.0%	2 000
Western Cape Government - Safer Schools	-	-	4 493	4 493	4 493	0	0.0%	4 493
Other grant providers:	6 614	7 379	23 715	11 414	23 715	(12 301)	-51.9%	23 715
Tourism	552	2 000	2 000	-	2 000	(2 000)	-100.0%	2 000
Carnegie	524	1 258	1 564	1 514	1 564	(149)	-9.0%	1 564
CMTF	-	170	9 140	1 933	9 140	(7 207)	-78.9%	9 140
Other	-	15	-	-	-	-	-	-
Marine Trust	-	190	-	-	-	-	-	-
CO	2 271	2 905	3 005	3 005	3 005	0	0.0%	3 005
Century City Property Owners Association	409	156	156	155	156	0	0.0%	156
NGK Ceramic Company	656	586	586	585	585	-	-	586
Traffic Free Flow (Pty) Ltd	640	-	1 746	1 417	1 746	(329)	-18.8%	1 746
Funsh Government	406	-	201	112	201	(88)	-44.0%	201
City for Climate Protection	176	-	144	144	144	-	-	144
ICLEI Carbon Taxes	6	-	111	111	111	-	-	111
Marine Fencing	-	-	63	45	63	(17)	-26.5%	63
South African National Biodiversity Institute	334	-	3 047	2 344	3 047	(803)	-26.4%	3 047
Afrikaanse Taal en Kultuur Vereniging	-	-	5	5	5	(0)	-1.2%	5
Stellenbosch University	-	-	1 293	-	1 293	(1 293)	-100.0%	1 293
Sustainable Energy Africa	-	-	424	-	424	(424)	-100.0%	424
Total operating expenditure of Transfers and Grants	749 287	2 595 504	2 609 147	903 232	1 218 722	(315 490)	-25.9%	2 609 147

Table continues on next page.

Description	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure of Transfers and Grants								
National Government:	3 056 010	2 131 257	2 505 518	1 657 814	2 506 510	(844 405)	-33.7%	1 970 455
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	(84)	-	-	-	-	-	-	-
Mineral Energy: Energy Efficiency and Demand Side Management Grant	5 287	5 020	14 520	7 683	14 020	(6 337)	-45.2%	8 334
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	-	24 500	24 500	7 115	24 500	(17 384)	-71.0%	7 275
National Government: Other: Previous years' Dora allocations	600	200	100	14	100	(86)	-85.6%	14
National Treasury: Expanded Public Works Programme	-	100	412	411	412	(1)	-0.3%	411
National Treasury: Infrastructure Skills Development Grant	-	-	100	99	100	(1)	-	99
National Treasury: Local Government Financial Management Grant	-	-	869	758	869	(111)	-12.7%	758
National Treasury: Municipal Disaster Grant	-	-	5 064	764	5 064	-	-	4 000
National Treasury: Local Government Restructuring Grant	200	-	-	-	-	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	48 351	30 000	42 435	20 594	42 435	(21 442)	-50.5%	25 335
National Treasury: Other	9 392	17 443	16 052	13 450	16 052	(2 582)	-16.0%	13 450
National Treasury: Urban Settlements Development Grant	911 383	1 075 752	1 183 558	824 861	1 183 558	(258 737)	-30.3%	595 319
Sport & Recreation SA: 2010 Fiba World Cup Stadiums Development Grant	2 517	-	4 141	3 721	4 141	(420)	-10.2%	3 721
Sport Recreation: 2014 African Nation Championship Host City Operating Grant	-	4 000	4 000	3 942	4 000	(58)	-1.4%	3 542
Transport: Public Transport Infrastructure & Systems Grant	2 078 333	-	184 597	171 359	184 597	(13 588)	-7.3%	184 654
Transport: Public Transport Infrastructure Grant	-	946 241	946 241	600 876	946 241	(345 365)	-36.5%	727 145
Transport: Public Transport Network Operations Grant	-	80 000	80 000	1 685	80 000	(78 315)	-97.9%	1 685
Provincial Government:	358 628	343 761	358 162	288 874	358 162	(61 488)	-25.5%	275 604
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	-	874	874	713	874	(161)	-18.4%	874
Cultural Affairs and Sport: Library Services (Conditional Grant)	2 654	1 350	2 787	2 257	2 787	(520)	-18.7%	2 276
Economic Development and Tourism: False Bay Ecology	11	-	1 093	40	1 093	(1 053)	-96.3%	290
Health: Global Fund	-	-	-	-	-	-	-	-
Housing: Integrated Housing and Human Settlement Development Grant	321 652	319 368	315 556	237 002	315 556	(78 555)	-24.9%	242 804
Housing: Previous years allocations	-	5 000	5 000	2 500	5 000	(2 500)	-50.0%	2 500
Local Government: Multi-Purpose Centres	-	-	-	-	-	-	-	-
Other: Other	-	740	740	563	740	(183)	-24.4%	560
Provincial Government: Fibre Optic Broadband Roll Out	489	10 000	5 000	4 890	5 000	(110)	-2.2%	4 595
Provincial Government: Western Cape Education Department	-	-	200	200	200	-	-	200
Transport: Municipal Land Transport Fund	-	5 000	5 000	33	5 000	(4 967)	-99.3%	1 000
Transport and Public Works: Cape Metropolitan Transport Fund	31 841	1 409	20 589	17 203	20 589	(3 386)	-16.4%	18 718
Transport and Public Works: Implementation of Impoundment Facilities	-	-	1 322	1 357	1 322	(35)	-4.2%	1 267
Health: Luvuyo Clinic Extension	1 375	-	-	-	-	-	-	-
ABET adult Education	9	-	-	-	-	-	-	-
Transport Vehicle Impound Facility	60	-	-	-	-	-	-	-
Transport and Public Works: Provision for persons with special needs	251	-	-	-	-	-	-	-
Transport and Public Works: Other	277	-	-	-	-	-	-	-
Other grant providers:	35 074	48 258	53 125	44 571	53 125	(8 554)	-16.1%	46 567
Total capital expenditure of Transfers and Grants	3 449 726	2 583 338	2 917 796	1 969 658	2 917 796	(948 448)	-32.4%	2 292 127

Material variance explanations for corporate performance for Quarter 4 2014

The information below reflects the indicator(s) with material variances for quarter 4 of 2013/14.

Description of Indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
3.E(d) Percentage of known informal settlements that achieve each of the four different standards of cleanliness. >>>> Level 1	-0.72%	The Level 1 target definition requires a perfectly clean area. The level was set as a stretch target which has proved to be difficult to achieve. The City's contractors have only been able to maintain this level of cleanliness in a couple of instances with the resources at hand.	The department is implementing an improvement project to provide additional services in informal settlements which will improve the general state of cleanliness. The implementation of this improved project is progressing well and the finalisation date is set as June 2014. Responsible person: Claire McKinnon Due date: June 2014
5.D Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the City's approved employment equity plan (EE).	-12.45%	The positions in levels 1-3 are characterised by scarce skills categories in terms of senior management and leadership category. The City is not the only competitor for these skills and despite the City attraction strategy we are not always able to attract, appoint and retain designated groups at this level.	Continuous monitoring of this indicator. Coupled with the guiding EE presentations to all line Directorates, the City's Corporate Services Directorate is looking broadly at the City's attraction and retention strategies. Succession planning and identification of talent in the designated groups at lower levels and positioning them for identified senior positions is seriously considered and an on-going priority. Responsible person: Michael Siyolo Due date: On-going (end of the EE plan)

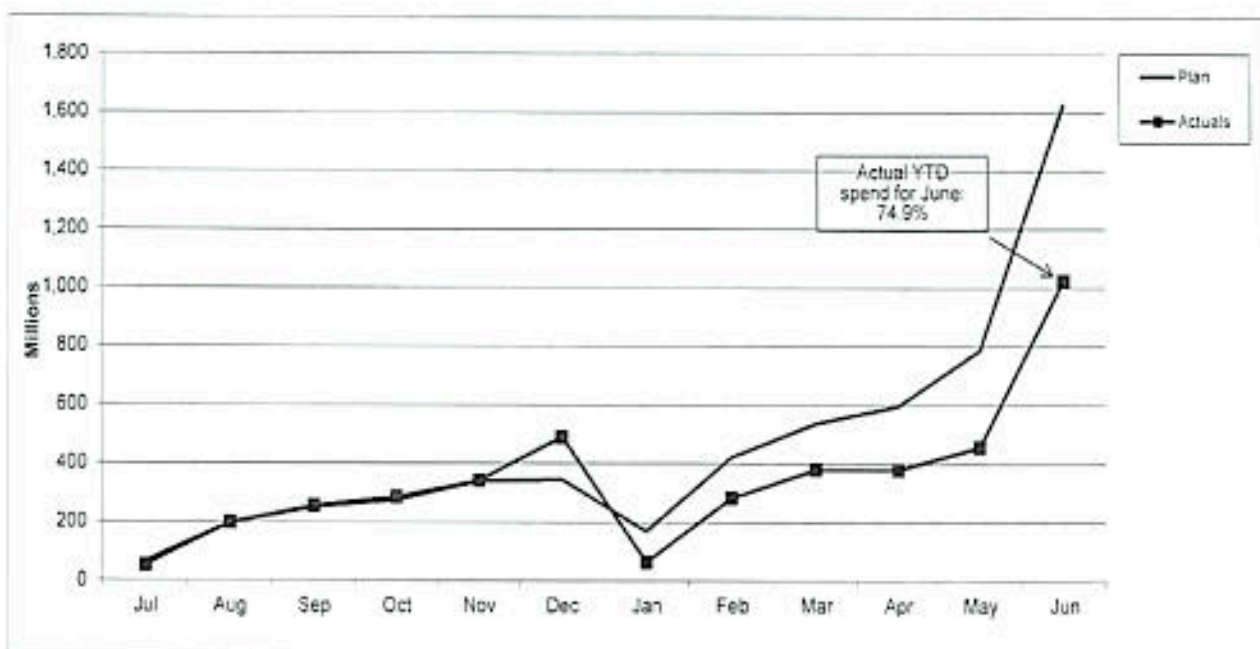
Capital programme performance

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

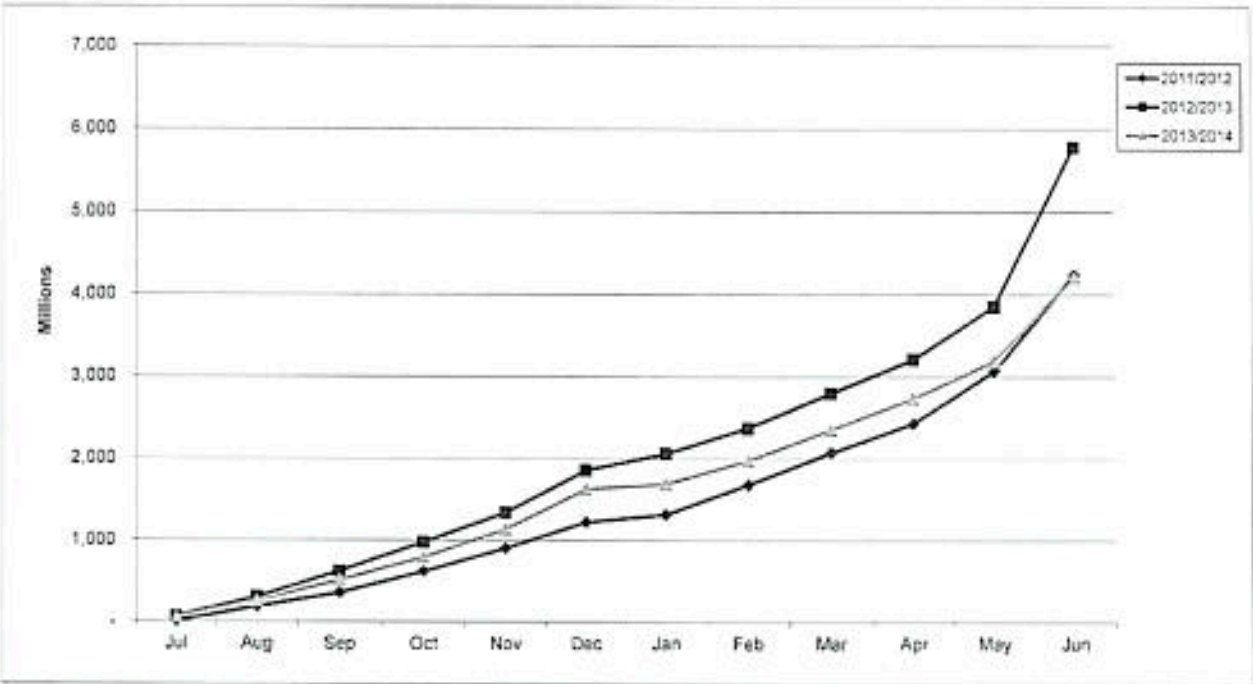
Table SC12 Monthly Budget Statement - capital expenditure trend

Month	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands								
Monthly expenditure performance trend								
July	59 899	208 022	65 516	52 401	65 516	13 115	20.0%	1.0%
August	240 509	241 543	197 228	250 426	262 745	12 319	4.7%	4.6%
September	320 570	297 142	252 211	506 160	314 956	8 795	1.7%	9.3%
October	357 748	359 376	275 669	790 995	790 625	(371)	0.0%	14.5%
November	358 937	390 649	340 428	1 132 974	1 131 053	(1 921)	-0.2%	20.8%
December	515 925	342 956	345 298	1 623 283	1 476 351	(146 932)	-10.0%	29.6%
January	201 712	240 772	168 653	1 686 621	1 645 004	(41 617)	-2.5%	30.0%
February	314 651	408 388	422 838	1 959 573	2 067 842	98 269	4.8%	36.1%
March	425 819	595 841	537 026	2 350 052	2 604 868	254 816	9.8%	43.1%
April	409 290	576 404	505 455	2 728 825	3 200 323	471 498	14.7%	50.1%
May	645 137	712 504	785 619	3 184 899	3 985 942	802 044	20.1%	58.4%
June	2 018 603	1 074 994	1 624 700	4 207 655	5 611 642	1 403 976	25.0%	77.2%
Total Capital expenditure	5 868 810	5 450 592	5 611 642					

The monthly expenditure-to-date measured against the 2013/14 current budget is graphically illustrated below.



The capital expenditure trend for the City in respect of the 2011/12, 2012/13 and 2013/14 financial years is graphically illustrated below.



MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, **ACHMAT EBRAHIM**, the municipal manager of **CITY OF CAPE TOWN**, hereby certify that the quarterly report on the implementation of the budget and financial state affairs of the municipality for the period ended **30 June 2014** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name Achmat Ebrahim

Municipal Manager of City of Cape Town (CPT)

Signature 

Date 16.07.2014

