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PART 1 - IN-YEAR REPORT

EXECUTIVE SUMMARY

Summary Statement of Financial Performance

Description	2015/2016 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
Operating Revenue	34,978,760	34,978,760	33,254,368	95.1%	95.1%
Operating Expenditure	32,612,336	32,612,336	29,857,805	91.6%	91.6%

The summary statement of financial performance shows actual operating revenue of R33 254 million (95.1%) of the current budget and operating expenditure of R29 858 million (91.6%) of the current budget.

Details of revenue and expenditure by municipal vote are shown in Table C3 on page 6. Details of material variances and remedial action, where applicable, are shown on page 7 to page 14.

Details of revenue by source and expenditure by type are shown in Table C4 on page 15. Details of material variances and remedial action, where applicable, are shown on page 16 to page 19.

Summary Statement of Capital Budget Performance

2015/16 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
6,129,094	6,129,094	5,095,515	83.1%	83.1%

The summary statement of capital budget performance indicates actual capital expenditure of R5 096 million or 83.1% of the current budget. The year to date spend of R5 096 million represents 85.5% (R3 089 million) on internally-funded projects and 79.8% (R2 007 million) on externally-funded projects.

Details of capital expenditure categorised by municipal vote, standard classification and by funding source are shown in Table C5 on page 20. Details of material variances and remedial action, where applicable, are shown on page 21 to 23.

mSCOA implementation and impact on individual items

With the implementation of mSCOA, certain existing revenue and expenditure items were split into various items in order to comply with mSCOA requirements and classifications. Alignment of the 2015/16 budgetary provisions to the mSCOA items is difficult to achieve as there are no trends to base projections on. This might possibly result in irregular variances on certain items although these variances will be offset against other items within the same vote and virements will be effected where possible in accordance with the city's virement policy.

Table C1: Monthly budget statement summary

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

Description	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	6,018,735	6,546,155	6,578,912	6,712,374	6,578,912	133,463	2.0%	6,578,912
Service charges	15,197,370	17,002,759	16,997,225	17,306,343	16,997,225	309,118	1.8%	16,997,225
Investment revenue	543,356	271,687	580,766	596,647	580,766	15,881	2.7%	580,766
Transfers recognised - operational	3,264,270	3,579,752	4,106,009	3,178,916	4,106,009	(927,092)	-22.6%	4,106,009
Other own revenue	4,238,957	4,269,728	4,200,321	3,891,279	4,200,321	(309,042)	-7.4%	4,200,321
Total Revenue (excluding capital transfers and contributions)	29,262,688	31,670,081	32,463,232	31,685,561	32,463,232	(777,672)	-2.4%	32,463,232
Employee costs	8,124,733	9,847,508	9,925,534	9,632,289	9,922,676	(290,387)	-2.9%	9,922,676
Remuneration of Councillors	128,412	139,311	139,311	134,637	139,311	(4,674)	-3.4%	139,311
Depreciation & asset impairment	1,917,134	2,089,827	2,127,123	2,067,276	2,127,123	(59,848)	-2.8%	2,127,123
Finance charges	779,929	971,133	762,538	721,899	762,538	(40,639)	-5.3%	762,538
Materials and bulk purchases	7,432,744	8,326,560	8,308,327	8,356,357	8,309,520	46,837	0.6%	8,309,520
Transfers and grants	136,487	120,402	167,085	293,882	310,622	(16,740)	-5.4%	310,622
Other expenditure	8,875,827	10,595,504	11,182,418	8,651,466	11,040,546	(2,389,080)	-21.6%	11,040,546
Total Expenditure	27,395,265	32,090,246	32,612,336	29,857,805	32,612,336	(2,754,531)	-8.4%	32,612,336
Surplus/(Deficit)	1,867,422	(420,164)	(149,104)	1,827,755	(149,104)	1,976,859	-1325.8%	(149,104)
Transfers recognised - capital	2,423,179	2,223,813	2,446,794	1,514,884	2,446,794	(931,910)	-38.1%	2,446,794
Contributions & Contributed assets	49,172	53,761	68,734	53,923	68,734	(14,810)	-21.5%	68,734
Surplus/(Deficit) after capital transfers & contributions	4,339,773	1,857,410	2,366,424	3,396,563	2,366,424	1,030,139	43.5%	2,366,424
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	4,339,773	1,857,410	2,366,424	3,396,563	2,366,424	1,030,139	43.5%	2,366,424
Capital expenditure & funds sources								
Capital expenditure	5,251,742	6,043,985	6,129,094	5,095,515	6,129,094	(1,033,579)	-16.9%	5,559,005
Capital transfers recognised	2,473,313	2,223,813	2,447,135	1,945,233	2,447,135	(501,902)	-20.5%	2,215,454
Public contributions & donations	44,219	53,761	68,392	61,524	68,392	(6,868)	-10.0%	63,442
Borrowing	2,152,377	2,579,264	2,529,240	2,329,542	2,529,240	(199,698)	-7.9%	2,479,699
Internally generated funds	581,833	1,187,146	1,084,326	759,216	1,084,326	(325,111)	-30.0%	800,409
Total sources of capital funds	5,251,742	6,043,985	6,129,094	5,095,515	6,129,094	(1,033,579)	-16.9%	5,559,005
Financial position								
Total current assets	10,571,364	9,183,356	8,714,796	9,735,954				8,714,796
Total non current assets	38,578,872	42,929,513	42,456,974	42,359,318				42,456,974
Total current liabilities	8,656,354	8,829,527	8,341,577	7,762,064				8,341,577
Total non current liabilities	12,040,207	14,391,843	12,010,094	12,674,775				12,010,094
Community wealth/Equity	28,453,675	28,891,499	30,820,098	31,658,433				30,820,098
Cash flows								
Net cash from (used) operating	6,058,725	4,184,203	4,406,629	4,085,629	4,406,629	321,000	7.3%	4,406,629
Net cash from (used) investing	(4,718,325)	(6,046,623)	(6,149,483)	(3,128,482)	(6,149,483)	(3,021,001)	49.1%	(6,149,483)
Net cash from (used) financing	(407,811)	1,671,793	(258,372)	(282,747)	(258,372)	24,375	-9.4%	(258,372)
Cash/cash equivalents at the month/year end	3,199,148	2,074,783	1,197,922	3,873,548	1,197,922			1,197,922

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	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue - Standard								
<i>Governance and administration</i>	10,951,099	11,423,542	11,789,900	11,909,660	11,789,900	119,761	1.0%	11,789,900
Executive and council	305,097	294,405	314,359	269,062	314,359	(45,297)	-14.4%	314,359
Budget and treasury office	10,390,999	10,863,581	11,198,200	11,456,038	11,198,200	257,838	2.3%	11,198,200
Corporate services	255,003	265,556	277,341	184,560	277,341	(92,781)	-33.5%	277,341
<i>Community and public safety</i>	3,157,772	3,102,900	3,510,084	2,172,303	3,510,084	(1,337,781)	-38.1%	3,510,084
Community and social services	111,465	101,689	118,606	88,128	118,606	(30,477)	-25.7%	118,606
Sport and recreation	89,968	111,802	103,387	63,837	103,387	(39,551)	-38.3%	103,387
Public safety	1,093,085	1,071,703	1,122,393	772,616	1,122,393	(349,777)	-31.2%	1,122,393
Housing	1,620,155	1,536,028	1,887,509	1,017,032	1,887,509	(870,477)	-46.1%	1,887,509
Health	243,098	281,679	278,189	230,690	278,189	(47,499)	-17.1%	278,189
<i>Economic and environmental services</i>	1,982,540	2,068,429	2,296,339	1,607,776	2,296,339	(688,563)	-30.0%	2,296,339
Planning and development	255,857	295,963	281,080	289,323	281,080	8,243	2.9%	281,080
Road transport	1,695,014	1,766,123	2,007,102	1,311,194	2,007,102	(695,908)	-34.7%	2,007,102
Environmental protection	31,669	6,343	8,157	7,259	8,157	(898)	-11.0%	8,157
<i>Trading services</i>	15,640,726	17,350,212	17,381,366	17,563,997	17,381,366	182,631	1.1%	17,381,366
Electricity	10,371,563	11,421,475	11,436,829	11,428,670	11,436,829	(8,160)	-0.1%	11,436,829
Water	2,689,397	2,922,748	2,931,902	3,132,526	2,931,902	200,624	6.8%	2,931,902
Waste water management	1,526,954	1,894,642	1,902,652	1,888,602	1,902,652	(14,050)	-0.7%	1,902,652
Waste management	1,052,811	1,111,347	1,109,983	1,114,199	1,109,983	4,216	0.4%	1,109,983
<i>Other</i>	2,901	2,572	1,072	631	1,072	(440)	-41.1%	1,072
Total Revenue - Standard	31,735,038	33,947,655	34,978,760	33,254,368	34,978,760	(1,724,392)	-4.9%	34,978,760
Expenditure - Standard								
<i>Governance and administration</i>	4,716,365	6,043,012	5,859,967	5,423,407	5,857,212	(433,805)	-7.4%	5,857,212
Executive and council	779,217	1,047,793	1,002,291	901,043	994,777	(93,734)	-9.4%	994,777
Budget and treasury office	1,998,638	2,713,212	2,528,674	2,372,851	2,525,072	(152,221)	-6.0%	2,525,072
Corporate services	1,938,510	2,282,007	2,329,002	2,149,514	2,337,363	(187,850)	-8.0%	2,337,363
<i>Community and public safety</i>	5,950,683	7,094,791	7,654,125	5,970,673	7,656,857	(1,686,184)	-22.0%	7,656,857
Community and social services	511,528	566,317	589,926	589,434	594,702	(5,268)	-0.9%	594,702
Sport and recreation	1,253,877	1,467,195	1,433,803	1,339,996	1,428,965	(88,968)	-6.2%	1,428,965
Public safety	2,196,586	2,503,345	2,591,493	1,766,211	2,593,436	(827,225)	-31.9%	2,593,436
Housing	1,179,815	1,626,880	2,119,755	1,388,531	2,119,755	(731,223)	-34.5%	2,119,755
Health	808,876	931,054	919,148	886,500	919,999	(33,499)	-3.6%	919,999
<i>Economic and environmental services</i>	3,282,903	3,503,807	3,659,766	3,293,511	3,659,131	(365,620)	-10.0%	3,659,131
Planning and development	677,746	756,326	798,777	773,999	799,862	(25,863)	-3.2%	799,862
Road transport	2,496,835	2,641,172	2,741,462	2,402,815	2,739,053	(336,238)	-12.3%	2,739,053
Environmental protection	108,322	106,309	119,528	116,696	120,216	(3,519)	-2.9%	120,216
<i>Trading services</i>	13,388,635	15,385,492	15,376,913	15,111,544	15,377,571	(266,027)	-1.7%	15,377,571
Electricity	8,275,131	9,441,323	9,417,289	9,395,812	9,418,009	(22,197)	-0.2%	9,418,009
Water	2,317,963	2,464,347	2,494,663	2,502,117	2,495,660	6,457	0.3%	2,495,660
Waste water management	1,210,872	1,507,947	1,506,381	1,415,347	1,505,322	(89,975)	-6.0%	1,505,322
Waste management	1,584,669	1,971,875	1,958,579	1,798,268	1,958,579	(160,312)	-8.2%	1,958,579
<i>Other</i>	56,679	63,143	61,565	58,670	61,565	(2,895)	-4.7%	61,565
Total Expenditure - Standard	27,395,265	32,090,246	32,612,336	29,857,805	32,612,336	(2,754,531)	-8.4%	32,612,336
Surplus/ (Deficit) for the year	4,339,773	1,857,410	2,366,424	3,396,563	2,366,424	1,030,139	43.5%	2,366,424

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.

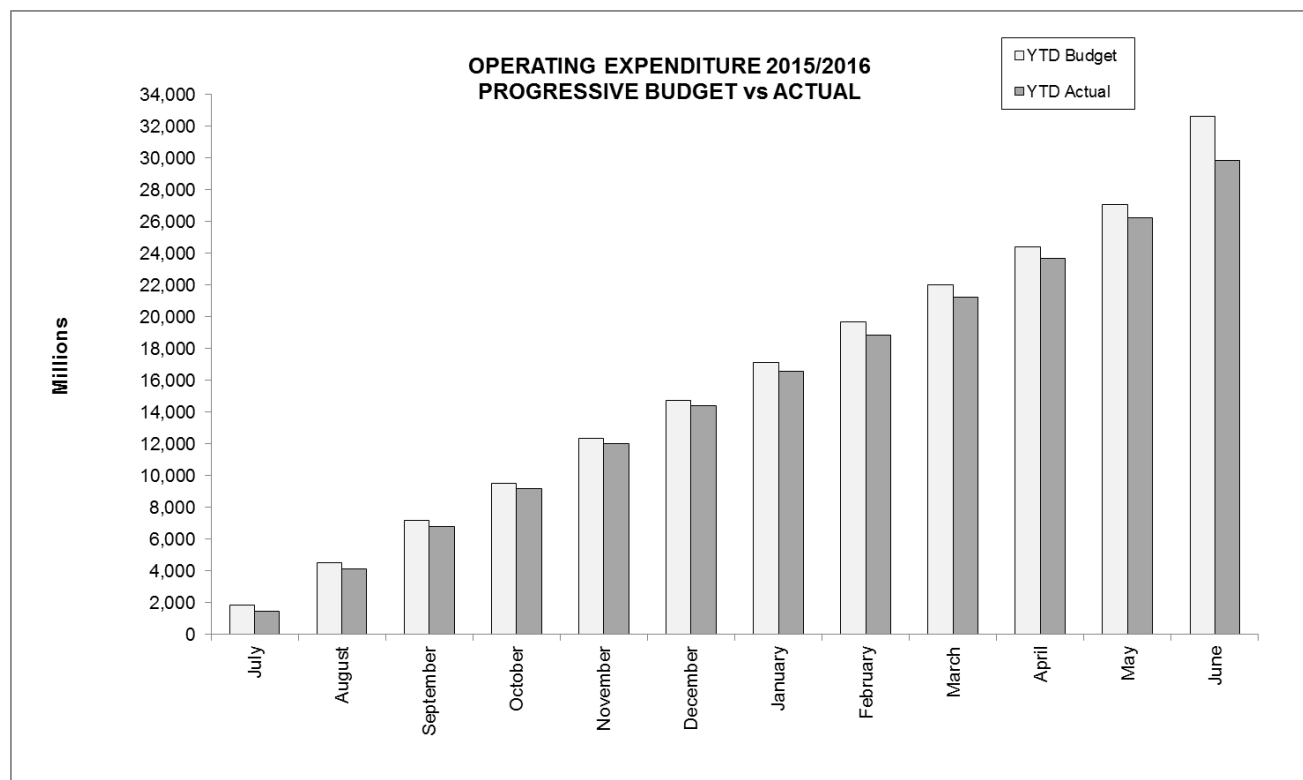
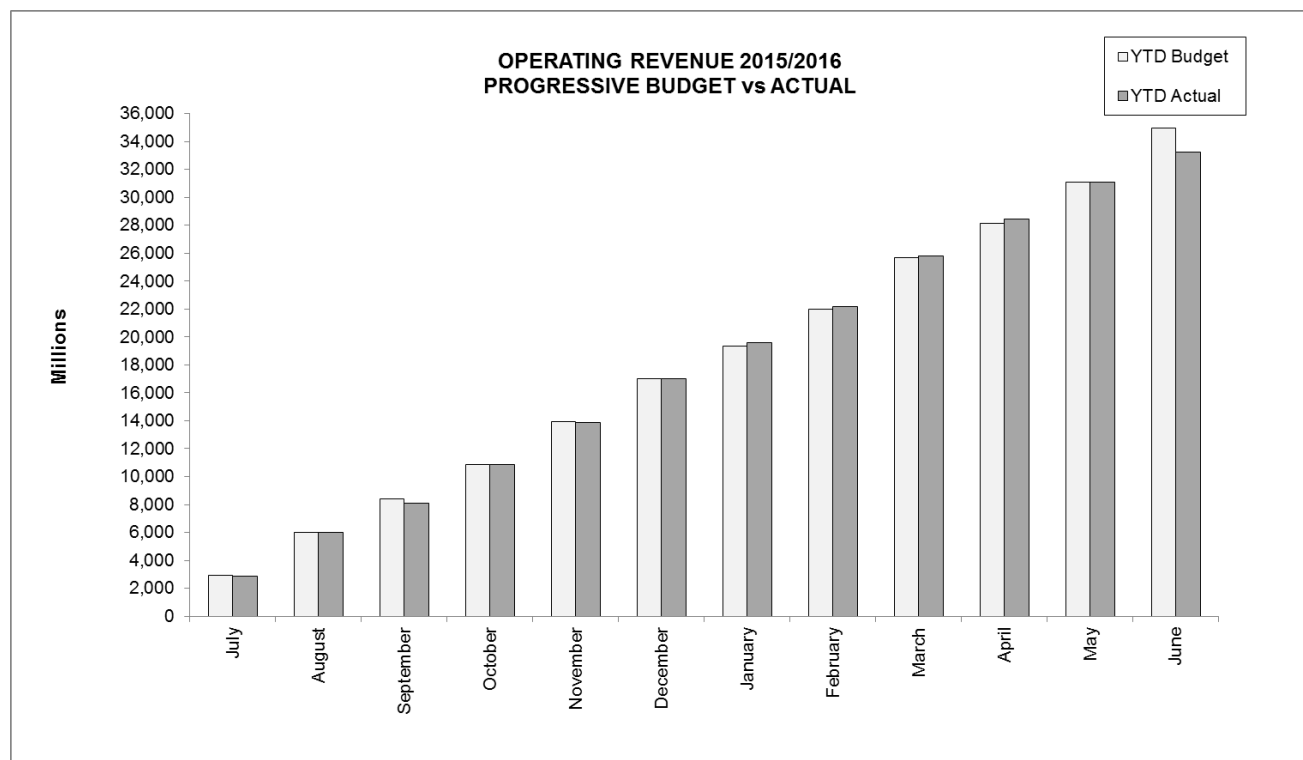


Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

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	2014/15	Budget Year 2015/16						
	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	496,314	539,593	538,466	462,871	538,466	(75,595)	-14.0%	538,466
Vote 2 - City Manager	1,530	1,348	1,548	465	1,548	(1,084)	-70.0%	1,548
Vote 3 - Community Services	183,331	167,052	203,918	130,692	203,918	(73,226)	-35.9%	203,918
Vote 4 - Corporate Services & Compliance	72,122	84,568	96,681	67,213	96,681	(29,468)	-30.5%	96,681
Vote 5 - Energy, Environmental & Spatial Planning	143,449	148,659	131,583	131,262	131,583	(321)	-0.2%	131,583
Vote 6 - Finance	1,170,367	768,694	1,080,302	1,154,645	1,080,302	74,343	6.9%	1,080,302
Vote 7 - Human Settlements	1,620,146	1,536,021	1,887,502	1,017,029	1,887,502	(870,473)	-46.1%	1,887,502
Vote 8 - Rates & Other	9,540,176	10,426,245	10,453,001	10,577,915	10,453,001	124,914	1.2%	10,453,001
Vote 9 - Safety & Security	1,120,408	1,080,472	1,125,029	797,256	1,125,029	(327,773)	-29.1%	1,125,029
Vote 10 - Social Dev & Early Childhood Development	14,334	526	641	450	641	(191)	-29.7%	641
Vote 11 - Tourism, Events & Economic Development	28,344	55,086	26,830	29,692	26,830	2,861	10.7%	26,830
Vote 12 - Transport for Cape Town	1,695,269	1,760,594	2,026,061	1,308,846	2,026,061	(717,215)	-35.4%	2,026,061
Vote 13 - Utility Services	15,649,248	17,378,799	17,407,198	17,576,032	17,407,198	168,834	1.0%	17,407,198
Total Revenue by Vote	31,735,038	33,947,655	34,978,760	33,254,368	34,978,760	(1,724,392)	-4.9%	34,978,760
Expenditure by Vote								
Vote 1 - City Health	854,059	996,804	989,354	941,725	989,354	(47,629)	-4.8%	989,354
Vote 2 - City Manager	172,731	210,825	231,078	193,404	231,078	(37,674)	-16.3%	231,078
Vote 3 - Community Services	1,444,981	1,687,957	1,682,059	1,594,034	1,682,059	(88,025)	-5.2%	1,682,059
Vote 4 - Corporate Services & Compliance	2,022,060	2,376,443	2,410,852	2,234,862	2,410,852	(175,990)	-7.3%	2,410,852
Vote 5 - Energy, Environmental & Spatial Planning	504,849	552,947	568,156	553,227	568,156	(14,929)	-2.6%	568,156
Vote 6 - Finance	1,814,684	2,213,600	2,020,703	1,960,302	2,020,703	(60,401)	-3.0%	2,020,703
Vote 7 - Human Settlements	1,147,498	1,586,986	2,080,029	1,352,359	2,080,029	(727,671)	-35.0%	2,080,029
Vote 8 - Rates & Other	570,802	962,510	971,832	865,766	971,832	(106,066)	-10.9%	971,832
Vote 9 - Safety & Security	2,251,812	2,607,501	2,665,517	1,840,837	2,665,517	(824,679)	-30.9%	2,623,697
Vote 10 - Social Dev & Early Childhood Development	140,775	183,805	183,459	177,170	183,459	(6,289)	-3.4%	183,459
Vote 11 - Tourism, Events & Economic Development	521,977	569,288	574,889	549,222	574,889	(25,667)	-4.5%	574,889
Vote 12 - Transport for Cape Town	2,459,684	2,718,462	2,819,310	2,460,248	2,819,310	(359,062)	-12.7%	2,819,310
Vote 13 - Utility Services	13,489,354	15,423,118	15,415,098	15,134,649	15,415,098	(280,448)	-1.8%	15,415,098
Total Expenditure by Vote	27,395,265	32,090,246	32,612,336	29,857,805	32,612,336	(2,754,531)	-8.4%	32,570,516
Surplus/(Deficit) for the year	4,339,773	1,857,410	2,366,424	3,396,563	2,366,424	1,030,139	43.5%	2,408,244

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

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

The ensuing 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	(75,595)	-14.0%	The under-recovery is mainly on: 1. Operating Grants & Donations, due to accounts for Vaccines & ARV Drugs for May and June, which have not been paid yet as there are delays from the Provincial Department of Health as a result of problems with their system.	Year-end transactions are still in progress and the outcome will impact on final variances.
Vote 2 - City Manager	(1,084)	-70.0%	2. Service Charges (for cleaning of vacant plots), due to fewer plots identified to be cleared during the year. The under-recovery is mainly due to slower than expected progress with the implementation of the area-based Service Delivery Model, which will not be completed by year-end.	Year-end transactions are still in progress. A roll-over of funds will be requested from National Treasury to continue with the project in the 2016/17 financial year.
Vote 3 - Community Services	(73,226)	-35.9%	The variance is a combination of over-/under- recovery. 1. Admission Fees and Rental Fixed Assets (over), due to the misalignment of the budget provision on the different revenue elements within this categories. 2. Camp/Resort Fees (under), due to lower than planned utilisation of facilities and the misalignment of the budget provision on the different revenue elements within these categories. 3. Capital Grants & Donations (under), due to: a) Delays with initial commencement of tenders on Welmoed, Khayelitsha and Vaalfontein Cemetery developments. Some tender guarantees and handovers are still awaited; tenders to continue in the 2016/17 financial year. b) Slow progress is being made at the Atlantis Cemetery upgrade and Atlantis Synthetic Pitch projects. d) Slow progress on Hanover Park Synthetic Pitch project as a result of poor performance by contractor as well as the impact of inclement weather conditions. e) Outstanding final invoice for Oatlands Resort upgrade still to be submitted and processed.	Year-end transactions are still in progress. A roll-over of funds will be requested from National Treasury to continue with the project in the 2016/17 financial year. The filling of vacancies is in various stages of the recruitment and selection process.
Vote 4 - Corporate Services & Compliance	(29,468)	-30.5%	4. Operating Grants & Donations (under) within Library Services, due to the turnaround time in filling vacant post resulting in less expenditure recovered from the grant. The variance is a combination of over-/under-recovery. The main contributors are: 1. Recoupment of Staff Telephone costs (under), due to lower than planned recoveries from councillors for private telephone calls. 2. Skills Development Levy (under), where payments received from LGSETA is less than planned, due to the reduction from 50% to 20% in the mandatory grant percentage claimable based on the latest SETA grant regulations. 3. Profit on Sale of Assets and Recoveries of Operating Expenditure (over), a result of higher than planned revenue from auctions and higher than anticipated legal costs recovered, respectively. 5. Service Charges (under), due to lower than planned revenue on Broadband and Radio Trunking services. 6. Capital grant-funded project (under) largely on WCG Broadband Connectivity and Community Development Workers projects where invoices are still outstanding.	Year-end transactions are still in progress. The vendors are busy submitting invoices, completion certificates and other evidence in order to finalise payments on capital grant funded projects. Remaining commitments will be finalised before final year-end closure. A roll-over of funds will be requested from National Treasury to continue with the project in the 2016/17 financial year.
Vote 5 - Energy, Environmental & Spatial Planning	(321)	-0.2%	The variance is a result of various over-/under-recoveries. 1. Advertising Fees and Building Levies (over) resulting from increased building activities. 2. Forfeited Retentions and Penalties (over) resulting from penalties recovered from consultants or contractors, due to non-compliance in terms of tender specifications 3. Operating Grants & Donations projects (USDG) (under), due to outstanding invoices still to be submitted by contractors. 4. Signage Fees (under), due to signage encroachment contracts that lapsed during the year.	Year-end transactions are still in progress. A roll-over of funds will be requested from National Treasury to continue with the project in the 2016/17 financial year.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 6 - Finance	74,343	6.9%	<p>The variance is a combination of over-/under-recovery.</p> <ol style="list-style-type: none"> 1. Operating Grants & Donations (over), due to funds ring-fenced from the VAT claw back portion of USDG funding, which will be used to fund future capital programmes. 2. Interest Earned - External Investments (over), due to higher than planned available cash and investment fund balances. 3. Agency fees (over), due to the licence renewal tariff increase and more renewals processed as a result of an initiative implemented by the City and Provincial Government enforcing renewal of motor vehicle licences. 4. Collection Charges Recovered (over), due to improved debt collection procedures. 5. Discounts Received (over), due to more discounts received from suppliers than anticipated. 6. CIDS (over), due to revenue fluctuations that are dependent on property values where the values are impacted by valuation changes, valuation objection outcomes, court rulings, supplementary valuations and new valuations. 7. Profit on sale of Assets (under), relating to the sale of land by the City where the finalisation of such transactions cannot be planned accurately. 	<p>Year-end transactions are still in progress.</p> <p>Profit on Sale of Assets: The final outcome of transactions (R 108 million) still needs to be processed and will change the final result for the year.</p>
Vote 7 - Human Settlements	(870,473)	-46.1%	<p>The variance is a combination of over-/under-recovery and mainly relates to:</p> <ol style="list-style-type: none"> 1. Operating Grants & Donations (under), largely as a result of: <ol style="list-style-type: none"> a) Delays in awarding the tender for the Morningstar development, slow progress on the Delft The Hague Phase 1 project and termination of the contract for the Belhar - Pentech project, due to poor performance by the contractor. This tender will be re-advertised. b) Lower than anticipated rate of expenditure on Atlantis Kanonkop, Valhalla Park and Greenville projects as a result of community protests as well as vandalism and robberies experienced by contractors resulting in delays on the projects. c) Delays in appointment of consultants for feasibility studies and pre-planning on USDG projects. 2. Rental of facilities and equipment (under), due to the transfer of rental units to home owners. 3. Other Revenue (over), due to the fair value adjustments of properties recently purchased by the City for new housing developments. 4. Capital Grants & Donations (under) on: <ol style="list-style-type: none"> a) District 6 project - Bulk Infrastructure Phase 3: The City's Trade and Investment department is in the process of engaging with National Government regarding the project. b) Langa Hostels CRU Project, where final 2015/16 invoices are still to be paid. c) Scottsdene New CRU Project - 350 Units as a result of major delays experienced, due to heavy rain and gang violence, which resulted in the site being closed. The contractor is back on site and invoices are paid as presented for work complete. d) Vissershok project, where the MFMA Section 116(3) process is currently being concluded in order to release payment to the contractor. e) Backyards/Informal Settlements Upgrade where challenges are being experienced with communities. f) Delft The Hague project, due to delays resulting from a revised SCM report submitted to BAC because of project changes. g) Installation of Retrofit Ceilings in Bishop Lavis, where the project is progressing slowly, due to the complexity of accessing existing homes and work required. 	<p>Year-end transactions are still in progress.</p> <p>A roll-over of funds will be requested from National Treasury to continue with the project in the 2016/17 financial year.</p> <p>The formal tender process for the Belhar Pentech project and bid evaluation process for the Morningstar project is underway.</p> <p>The process to terminate the contract for Delft The Hague Phase 1 project has started; the tender will be re-advertised in the 2016/17 financial year.</p> <p>The District 6 project will commence in the 16/17 financial year.</p>
Vote 8 - Rates & Other	124,914	1.2%	<p>The variance is a combination of over-/under-recovery.</p> <ol style="list-style-type: none"> 1. Property Rates (over), due to the actual billings for the year being more than planned. This over-recovery covers the impact of valuation objections and appeals that resulted in the reduction of the rates billed in current/previous financial years. 2. Income Forgone (under), which is linked to number of applications received and properties that qualify. 	<p>No corrective action is required.</p>

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 9 - Safety & Security	(327,773)	-29.1%	The variance is a combination of over-/under-recovery. 1. Traffic Fines (over), due to additional operations conducted to execute warrants for outstanding fines. 2. Impoundment Fees for Cell phones and Vehicles (under), due to fewer impoundments than anticipated as well as a greater awareness by the public to adhere to regulations. 3. Fire Fees (over), due to higher than planned fire-related incidents. 4. Licences and Permits (over), due to a higher than planned applications received for learner licences, learner driver certificates and PDP operator certificates. 5. Hire of municipal staff (over), due to higher than planned demand for Traffic officers at events, security officers in CID areas as well as sundry accounts being raised for which a journal is being processed. 6. Traffic Fines Accruals (under), due to fewer than anticipated fines issued. The budgetary provisions are not accurately aligned with the actual trend as the accurate estimation of fines issued is not possible.	No corrective action is required.
Vote 10 - Social Dev & Early Childhood Development	(191)	-29.7%	The variance is a combination of over-/under-recovery. 1. Rental Fixed Assets (under), due to lower than anticipated demand for facilities. 2. Profit on Sale of Assets (over), due to sale of goods on auction not budgeted for. 3. Forfeited retentions and penalties (over), resulting from penalties recovered from consultants or contractors, due to non-compliance in terms of tender specifications. 4. Operating Grants & Donations (under), due to invoices still to being processed before year-end closure.	No corrective action is required.
Vote 11 - Tourism, Events & Economic Development	2,861	10.7%	The over-recovery reflects mainly on: 1. Forfeited Retentions and Penalties, due to retentions forfeited by the contractor as a result of poor performance at the Green Point Athletic Track. 2. Informal Trading Levy (over), due to the implementation of the electronic Trading Plans and E-permitting projects resulting in better control and monitoring. 3. Admission Fees (over) where revenue from the Cape Town Stadium was more than anticipated.	Year-end transactions are still in progress and the outcome will impact on final variances.
Vote 12 - Transport for Cape Town	(717,215)	-35.4%	The variance is a combination of over-/under-recovery. 1. Operating grant-funded projects (under), mainly due to expenditure on grant-funded projects being slower than projected due to: a) Reduction in operating hours for some MyCiTi stations and delays in payment of IRT Taxi Compensations. b) Delays in the appointment of professional services for the CITP, filling of grant-funded posts and processing of final invoices. 2. Capital grant-funded projects (under), due to slow progress on the IRT Phase 2 consulting work as a result of delays in the approval of MFMA Section 33 reports and various projects, which are still in the design stage. 3. Busfares (over), due to roll-out of additional routes during the year. 4. Development Levies (over), due to higher than planned revenue relating to property development. 5. Licences Road/Transport (over), due to increased use of trenchless methodology and forfeiting of way leave permit deposits.	Year-end transactions are still in progress. A roll-over of funds will be requested from National Treasury to continue with the project in the 2016/17 financial year.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote Vote 13 - Utility Services	168,834	1.0%	<p>The over-recovery is a combination of over-/under-recovery.</p> <p>A. Cape Town Electricity</p> <ol style="list-style-type: none"> 1. Electricity Service Charges (R50.5 million over), due to consumer demand resulting in higher than planned sale of electricity. The continuous initiatives to replace credit meters with prepaid meters contributed positively to the variance. 2. Development Levies (under), due to lower than anticipated consumer demand. 3. Transfers recognised - Capital (under), due to: <ol style="list-style-type: none"> a. Final invoices on various projects, which must still be processed. b. Fewer than anticipated applications for new and upgraded supplies received. 4. Service Charges-Infrastructure and Facilities (over), due to the write-off of debtors with credit balances older than 3 years. 5. Interest Earned on Outstanding Debtors (over), which is higher than anticipated. <p>B. Water and Sanitation</p> <ol style="list-style-type: none"> 1. Water Service Charges Revenue (R216 million over) and Sanitation Service Charges Revenue (R50 million over), where actual revenue was impacted by billing cycle days, billing corrections, correction of meter readings, meter replacements, and consumer demand. 2. Capital grant-funded projects (USDG) (under), due to lower than planned expenditure on the Mitchells Plain Treatment Works and the Cape Flats Bulk Sewer projects. The finalisation of year-end processes should result in a 96.5% completion rate for the year on these projects. 3. Forfeited Retentions and Penalties (over), resulting from penalties recovered from consultants or contractors, due to non-compliance in terms of tender specifications. 4. Treatment Effluent Sales (over), due to stricter billing measures applied. 5. Industrial Effluent Charges (under), due to a greater awareness by consumers of the by-law resulting in increased compliance. <p>C. Solid Waste Management</p> <ol style="list-style-type: none"> 1. Refuse Service Charges (R6.9 million under), due to: <ol style="list-style-type: none"> i) Higher than planned revenue on Refuse Removal and the impact of data clean-up. (ii) Higher than planned revenue from Special Waste Fees (Hazardous Waste). (iii) Lower than planned income from Disposal Coupons, due to a lower demand from external contractors to dump refuse. 2. Profit on Sale of Assets (over), due to sale of assets not planned for. 3. Forfeited Retentions and Penalties (over), resulting from penalties recovered from consultants or contractors, due to non-compliance in terms of tender specifications. 	<p>Year-end transactions are still in progress.</p> <p>A roll-over of funds will be requested from National Treasury to continue with the project in the 2016/17 financial year.</p>

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

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u>				
Vote 1 - City Health	(47,629)	-4.8%	<p>The main contributors to the variance are:</p> <ol style="list-style-type: none"> 1. Employee-related cost, due to the turnaround time in filling vacancies and staff appointed at lower than budgeted total cost to company (mostly externally-funded posts). 2. Contracted Services and Other Expenditure, largely due to: <ol style="list-style-type: none"> a) Savings realised on plot clearing costs, which is demand driven and difficult to plan accurately. b) Lower than budgeted actual on laboratory services and EPWP costs as final invoices from the National Health Laboratory services iro June 2016 are still outstanding and EPWP contract payment occurred after month-end closure. c) Security Services & Charges and Pharmaceutical Supplies, due to final invoices for June 2016 that still needs to be submitted and processed. Furthermore, the supplier of vaccines to the City changed on 1 January 2016 from a private company to the Cape Medical Depot - Western Cape Government [CMD (WCG)]; resulting in lower overall costs and no charges for delivery. Accounts iro June 2016 has also not yet been delivered by CMD (WCG). 	<p>The directorate currently has 117 vacancies out of a total staff complement of 1 809; the recruitment and selection process is on-going.</p> <p>Outstanding invoices and payments are expected to be paid before final year-end closure.</p>
Vote 2 - City Manager	(37,674)	-16.3%	<p>The variance is largely on:</p> <ol style="list-style-type: none"> 1. Employee-related cost, due to the turnaround time in filling vacancies. 2. Contracted Services, largely due to delays in submission of invoices for communication on various City initiatives as well as savings realised as a result of certain communication functions being performed internally. 3. General Expenses, mainly as a result of savings realised, due to a lower demand for Subsistence & Travel as well as lower than planned expenditure on computer services costs resulting from less actual hours billed by PPM project contractors. 	<p>The directorate currently has a 12.4% vacancy rate; the recruitment and selection process is on-going. Eight appointments and eleven terminations were processed from the beginning of the year.</p> <p>Outstanding invoices and payments are being followed up to finalise payments.</p>
Vote 3 - Community Services	(88,025)	-5.2%	<p>The variance reflects on various items.</p> <ol style="list-style-type: none"> 1. Employee-related costs, due to the turnaround time in filling vacancies, the impact of internal filling of vacancies and savings realised on non-permanent staff expenditure resulting from the lower than planned seasonal staff required over the festive season. 2. Contracted Services and Other Expenditure, largely due to <ol style="list-style-type: none"> a) Lower than estimated expenditure on R&M items for the year, largely due to less building maintenance required on facilities and reduced mowing cycles resulting from the dry season experienced. b) Delays with submission of invoices by services providers; this is expected to be finalised before final year-end closure. c) The cumulative impact of delays in awarding tenders at the start of the financial year and control measures put in place to reduce costs resulted in savings for the year. 	<p>The directorate has a vacancy rate of 6.63%; the recruitment and selection process is on-going. Savings realised will be utilised to fund shortfalls on various items within the directorate.</p>
Vote 4 - Corporate Services & Compliance	(175,990)	-7.3%	<p>The variance is a largely on:</p> <ol style="list-style-type: none"> 1. Employee-related costs, due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Councillor Remuneration, largely due to lower than anticipated ad hoc kilometre claims from councillors. 3. Other Material, which is largely due to less materials required for R&M related expenditure. Outstanding invoices still to be processed before the financial year-end cut off further contributes to the variance. 4. Contracted Services, largely due to lower than planned expenditure on Advisory Services as a result of fewer requirements for the year. 5. General Expenses, mainly due to under expenditure on telecommunication and computer services costs, due to a low demand for services for the year. 	<p>The recruitment and selection process is on-going. At the end of June 2016, the directorate had 244 vacancies, which are at various stages of the recruitment and selection process. Forty-nine terminations were processed up to end of June 2016.</p> <p>The finance manager is following up on outstanding invoices and payments will be processed before final year-end closure.</p>

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 5 - Energy, Environmental & Spatial Planning	(14,929)	-2.6%	The under-expenditure is mainly on: 1. Employee-related cost, due to the turnaround time in filling vacancies and the impact of internal filling of vacant posts. 2. Contracted Services, largely due to the lower than planned expenditure on municipal planning tribunal costs, architectural services and the safeguard and security costs at facilities. 3. General Expenses, due to lower than anticipated expenditure on Fuel and Specialised Computer Services.	The directorate currently has a 6.8% vacancy rate; the recruitment and selection process is ongoing. Savings realised will be used to fund shortfalls on items within the directorate. The processing of virements is underway.
Vote 6 - Finance	(60,401)	-3.0%	The variance is largely due to under expenditure on: 1. Employee-related costs, due to the turnaround time in filling of vacancies and the impact of the internal filling of vacant posts. 2. Finance Charges, due to lower than planned interest paid on external loans as the City did not take up an external loan as a result of the City's strong financial position. 3. Contracted Services and Other Expenditure, largely due to invoices iro June 2016, which were not submitted by month-end closure and lower than planned expenditure on insurance, which is ad hoc in nature and difficult to plan accurately. Savings realised on audit fees resulting from efficiencies during the external audit further contributed to underspend on Other Expenditure.	The recruitment and selection process is on-going. The directorate had a total number of 113 vacancies as at 30 June 2016. Two hundred and fifty three positions (150 internal and 103 external) were filled with 115 terminations processed from 1 July 2015 to date. Outstanding invoices and payments are being followed up to finalise payments and virements will be processed where required.
Vote 7 - Human Settlements	(727,671)	-35.0%	The variance is a combination of over-/under expenditure. 1. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts (mostly grant funded positions). 2. Other materials (under), mainly due to lower than anticipated expenditure on informal settlement fire kits. 3. Contracted Services (under) - largely grant funded - due to: a) Delays with awarding tender for Morningstar development, slow progress on Delft The Hague Phase 1 project and termination of Belhar - Pentech project, due to poor performance. b) Lower than anticipated rate of expenditure on Atlantis Kanonkop, Valhalla Park and Greenville projects as a result of community protests, vandalism and robberies experienced by contractors resulting in delays on projects. c) Late start of additional EPWP projects taken on during the year. d) Final transactions still has to be processed against the VAT claw back provision on USDG-funded projects. 5. Other Expenditure (under/over), largely due to: a) Lower than anticipated rate of expenditure on Peoples Housing Process (PHP) projects, which is difficult to estimate per month as many factors influence the rate of house construction by communities. These projects are all managed and controlled by communities ito the national PHP programme. b) Lower than anticipated expenditure for Subsidy on Home owners (Rebates) redemption, which is linked to the number of successful applicants who qualifies for the rebate. Final bad debt provision is still to be calculated. b) Safeguard and Security (under), largely due to fewer security requirements at housing development projects than initially anticipated. c) Indigent relief (over), due to higher than anticipated indigent relief applications received and approved. 6. Debt impairment (over), due to the misalignment of the corresponding credit entry that offsets bad debts written off against the provision. The entry was only processed after month-end.	1. The recruitment and selection process is ongoing. The directorate currently has 87% of its positions filled. One hundred and nine positions are vacant since the beginning of the financial year. Grant-funded positions (mainly Capacity grant) still need to be filled; funds will only be spent in 2016/17. Savings realised to date will be utilised to fund shortfalls within the directorate. Grant funded projects will continue in 2016/17. The formal tender process for the Belhar Pentech project and bid evaluation process for the Morningstar projects are underway. The process to terminate the contract of the contractor at the Delft The Hague Phase 1 project has started; the tender will be re-advertised in 2016/17. Final year end transactions and closing entries are underway.
Vote 8 - Rates & Other	(106,066)	-10.9%	The variance is largely due to lower than anticipated expenditure on Indigent Relief for Refuse Removal and Free Basic Electricity in Eskom areas, which is linked to the number of applications received and consumers who qualified for the indigent assistance.	Final year-end closure entries and invoices still to be processed, which will reduce the under expenditure.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 9 - Safety & Security	(824,679)	-30.9%	<p>The variance consists of under-/over expenditure on various items.</p> <ol style="list-style-type: none"> 1. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts. 2. Debt impairment (under), relating to the impairment provision for traffic fine income, which is calculated and processed as part of final year-end transactions 3. Contracted Services (under), largely due to lower than anticipated expenditure on the re-active component of R&M, which is demand driven and difficult to plan accurately per month. 4. General expenses (under/over), largely due to savings realised as a result of: <ol style="list-style-type: none"> a) Delays with the finalisation of the uniform tender. b) Stricter control measures put in place to reduce fuel costs. c) Delays in the roll out of AARTO resulting in lower than planned printing and stationery requirements. d) Lower than planned expenditure on security costs. 5. Hire charges (over), mainly as a result of the increased need for hired vehicles in order for the directorate to perform at an optimum level. 	<p>The recruitment and selection process is on-going. At the end of June 2016, the directorate had 339 vacancies, which are at various stages of the recruitment and selection process. Savings realised on items will be used to fund shortfalls on items within the directorate.</p>
Vote 10 - Social Dev & Early Childhood Development	(6,289)	-3.4%	<p>The variance reflects against the following categories:</p> <ol style="list-style-type: none"> 1. Employee-related costs, due to the turnaround time in filling of vacancies. 2. Contracted Services, due to delays in processing the final pay run for EPWP projects and outstanding R&M orders, which still need be settled. 3. Other Expenditure, due to external lease cost being lower than anticipated. 	No remedial action required.
Vote 11 - Tourism, Events & Economic Development	(25,667)	-4.5%	<p>The variance is largely due to lower than anticipated expenditure on:</p> <ol style="list-style-type: none"> 1. Employee-related cost, due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts. 2. Contracted Services and Other Expenditure, as a result of less project management services required at the Green Point Athletics Stadium as well as lesser legal and event promotor costs incurred for the year. 3. Transfers and Grants, which is largely due to delays in processing transfers to beneficiaries as a result of outstanding documents to finalised Memoranda of Agreement. 	<p>The directorate has 268 posts; 215 permanent positions are filled, 9 temporary positions are filled and 44 vacancies. Outstanding payments to be processed before financial year end closure.</p>
Vote 12 - Transport for Cape Town	(359,062)	-12.7%	<p>The variance is a combination of under-/over expenditure on various items.</p> <ol style="list-style-type: none"> 1. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts. 2. Depreciation (under), where expenditure is largely linked to the capitalisation rate of assets, based on the completion and progress of capital projects. 3. Other materials (over), due to accelerated expenditure by depots and districts on maintenance programmes. 4. Contracted Services (under), due to: <ol style="list-style-type: none"> a) Late start of projects identified and assessed for implementation. b) Slow progress on metro roads resealing and structures projects, due to delays in measurement of work let out and late start of the tender process. c) Less reliance on the use of labour brokers. d) Slower than anticipated roll-out of new MyCiTi Station Management contracts as a result of delays in further roll outs, reduction in operating hours of some stations and review of certain routes. e) Security cost (grant funded) (under), due to moderation of costs and delays in submission of invoices by service providers. 5. Other Expenditure (under), mainly on: <ol style="list-style-type: none"> a) IRT compensation(grant funded) (under), due to the lengthy negotiation process with taxi owners resulting in delays with settlement payments. b) Fuel (under), due to fluctuations in the price of fuel and stricter control measures put in place. c) Transport Services People (under), due to delay in submission and processing of final invoices. 	<p>The recruitment and selection process is on-going. At the end of 30 June 2016, the directorate had 210 vacancies. 176 vacancies were filled and 106 terminations processed from 1 July 2015 to 30 June 2016.</p> <p>Outstanding invoices to be processed before financial year-end. Provision will be raised as part of the financial year-end process to provide for the outstanding IRT payments. A request will be submitted to National Treasury to roll over 2015/16 unspent funds on grant-funded projects.</p>

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote Vote 13 - Utility Services	(280,448)	-1.8%	<p>The variance is a combination of under-/over expenditure.</p> <ol style="list-style-type: none"> 1. Employee-related costs (under), due to the turnaround time in filling vacancies and the internal filling of vacant posts. Delays with the initial appointment of apprentices and lower than anticipated expenditure on overtime further contributed to the variance. 2. Bulk purchases (over): <ol style="list-style-type: none"> a) Bulk Water, largely due to the higher than budgeted annual tariff increase by the Department of Water Services. In addition more water is being drawn from the Theewaterskloof Dam, (which carries a higher tariff), due to the low levels at the Voelvlei Dam resulting in a higher than planned rate of expenditure. b) Bulk Electricity, largely due to the excessively hot weather during summer resulting in a higher demand for cooling systems. 3. Finance Charges (under), largely due to the final year-end transaction for interest cost relating to the Rehabilitation of Landfill sites, which is only calculated and processed at financial year-end. 4. Depreciation (under), which is affected by the capitalisation rate of assets based on the completion and progress of capital projects. 5. Materials Other (under), largely due to lower than anticipated expenditure on R&M contracts and programmes as a result of delays with the initial implementation of projects and savings realised on issuing of refuse bags for street cleaning as a result of new initiative implemented to reduce costs. 6. Contracted Services (under) due to: <ol style="list-style-type: none"> a) Lower than planned expenditure on Litter Picking and Street Cleansing cost, due to an expired tender and the work now being done internally. b) Lower haulage expenditure for waste transportation between drop-offs and disposal sites as a result of the impact of waste minimisation initiatives and the impact of delays experienced in awarding the tender for drop-offs. c) Lower than planned expenditure on Labour Broker staff. d) Slower than anticipated intake of EPWP workers for janitorial services. e) Slower than anticipated expenditure on R&M and other projects during the year. f) Delays with submission of invoices from service providers and suppliers. 7. Other Expenditure (under) mainly on: <ol style="list-style-type: none"> a) Expenditure relating to the reactive component of R&M, which is of an ad hoc nature and difficult to plan accurately. b) Chemicals (under), due to lower than anticipated spend on chemicals, which are demand driven and dependent on climatic changes. c) Fuel (under), due to lower than anticipated fuel cost resulting from price fluctuations and less fuel needed for sanitation heat digesters and gas turbines for electricity generation. d) Hire Charges (under), due to lower than anticipated expenditure on specialised vehicle hire for street sweeping and excavations for water services. The City purchased its own street sweepers resulting in a reduction in hiring cost. e) Lower than anticipated expenditure on sludge removal of plants and depots. 	The respective finance managers are monitoring the situation and corrective action will be taken where required. Final year-end transactions are underway and outstanding invoices will be processed

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	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	6,018,735	6,546,155	6,578,912	6,712,374	6,578,912	133,463	2.0%	6,578,912
Service charges - electricity revenue	9,976,994	11,127,619	11,127,619	11,178,170	11,127,619	50,551	0.5%	11,127,619
Service charges - water revenue	2,524,635	2,745,181	2,745,181	2,961,859	2,745,181	216,678	7.9%	2,745,181
Service charges - sanitation revenue	1,321,307	1,470,947	1,470,947	1,521,239	1,470,947	50,292	3.4%	1,470,947
Service charges - refuse revenue	980,691	1,097,246	1,097,054	1,090,087	1,097,054	(6,967)	-0.6%	1,097,054
Service charges - other	393,743	561,765	556,423	554,989	556,423	(1,435)	-0.3%	556,423
Rental of facilities and equipment	369,121	345,646	365,189	358,008	365,189	(7,181)	-2.0%	365,189
Interest earned - external investments	543,356	271,687	580,766	596,647	580,766	15,881	2.7%	580,766
Interest earned - outstanding debtors	198,230	233,996	231,266	221,609	231,266	(9,657)	-4.2%	231,266
Dividends received	-	-	-	-	-	-	-	-
Fines	988,017	977,210	996,923	670,270	996,923	(326,653)	-32.8%	996,923
Licences and permits	43,111	43,028	29,444	41,476	29,444	12,032	40.9%	29,444
Agency services	168,519	153,993	153,993	182,152	153,993	28,159	18.3%	153,993
Transfers recognised - operational	3,264,270	3,579,752	4,106,009	3,178,916	4,106,009	(927,092)	-22.6%	4,106,009
Other revenue	2,384,151	2,441,185	2,348,837	2,409,229	2,348,837	60,391	2.6%	2,348,837
Gains on disposal of PPE	87,809	74,669	74,669	8,536	74,669	(66,133)	-88.6%	74,669
Total Revenue (excluding capital transfers)	29,262,688	31,670,081	32,463,232	31,685,561	32,463,232	(777,672)	-2.4%	32,463,232
Expenditure By Type								
Employee related costs	8,124,733	9,847,508	9,925,534	9,632,289	9,922,676	(290,387)	-2.9%	9,922,676
Remuneration of councillors	128,412	139,311	139,311	134,637	139,311	(4,674)	-3.4%	139,311
Debt impairment	1,523,784	1,798,371	1,798,499	1,093,248	1,798,499	(705,251)	-39.2%	1,798,499
Depreciation & asset impairment	1,917,134	2,089,827	2,127,123	2,067,276	2,127,123	(59,848)	-2.8%	2,127,123
Finance charges	779,929	971,133	762,538	721,899	762,538	(40,639)	-5.3%	762,538
Bulk purchases	7,108,843	7,967,555	7,959,015	8,049,495	7,959,017	90,478	1.1%	7,959,017
Other materials	323,901	359,005	349,312	306,862	350,503	(43,642)	-12.5%	350,503
Contracted services	3,576,198	4,818,153	4,622,941	3,379,844	4,456,423	(1,076,579)	-24.2%	4,456,423
Transfers and grants	136,487	120,402	167,085	293,882	310,622	(16,740)	-5.4%	310,622
Other expenditure	3,772,749	3,978,981	4,760,978	4,174,486	4,785,624	(611,138)	-12.8%	4,785,624
Loss on disposal of PPE	3,096	-	-	3,888	-	3,888	100.0%	-
Total Expenditure	27,395,265	32,090,246	32,612,336	29,857,805	32,612,336	(2,754,531)	-8.4%	32,612,336
Surplus/(Deficit)	1,867,422	(420,164)	(149,104)	1,827,755	(149,104)	1,976,859	-1325.8%	(149,104)
Transfers recognised - capital	2,423,179	2,223,813	2,446,794	1,514,884	2,446,794	(931,910)	-38.1%	2,446,794
Contributions recognised - capital	44,219	53,761	68,734	53,823	68,734	(14,911)	-21.7%	68,734
Contributed assets	4,953	-	-	100	-	100	100.0%	-
Surplus/(Deficit) after capital transfers & Taxation	4,339,773	1,857,410	2,366,424	3,396,563	2,366,424			2,366,424
Surplus/(Deficit) after taxation	4,339,773	1,857,410	2,366,424	3,396,563	2,366,424			2,366,424
Attributable to minorities	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality	4,339,773	1,857,410	2,366,424	3,396,563	2,366,424			2,366,424
Share of surplus/ (deficit) of associate	-	-	-	-	-			-
Surplus/ (Deficit) for the year	4,339,773	1,857,410	2,366,424	3,396,563	2,366,424			2,366,424

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	133,463	2.0%	The variance is a combination of over-/under-recovery. 1. Property Rates (over), where the actual billing for the year was more than planned. This over-recovery covers the impact of valuation objections and appeals that resulted in the reduction of the rates billed in current/previous financial years. 2. Income Forgone (under), due to fewer applications received and properties that qualify.	Year-end transactions are still in progress and the outcome will impact on final variances.
Service charges - electricity revenue	50,551	0.5%	The variance is mainly on Electricity Service Charges, due to consumer demand, which resulted in higher than planned sale of electricity. The continuous initiative to replace credit meters with prepaid meters further contributed to the variance.	Year-end transactions are still in progress and the outcome will impact on final variances.
Service charges - water revenue	216,678	7.9%	The variance is mainly on Water Sales and is due to the impact of the implemented water restrictions, the impact of billing cycle days, meter reading and billing corrections, meter replacements and consumer demand/consumption during the year.	Year-end transactions are still in progress and the outcome will impact on final variances.
Service charges - sanitation revenue	50,292	3.4%	The variance is mainly on Sewerage Sales. The charges on sewerage are demand driven and linked to water consumption and the factors influencing water consumption.	Year-end transactions are still in progress and the outcome will impact on final variances.
Service charges - refuse revenue	(6,967)	-0.6%	The under-recovery is a combination of over-/under-recovery. 1. Refuse Removal charges (over), which is due to the outcome of the consumer data clean-up. 2. Disposal Coupons (under), due to lower demand for coupons from contractors. 3. Special Waste Fees (over), due to higher than planned revenue from the disposal of Hazardous Waste.	Year-end transactions are still in progress and the outcome will impact on final variances.
Service charges - other	(1,435)	-0.3%	The variance is a combination of over-/under-recovery on various revenue elements in this category. 1. Administration Fees revenue (over), mainly due to administration fees charged for rates clearance certificates, RD cheques, dunning charges etc., which are demand driven and cannot be accurately estimated. 2. Fire Fees within Safety & Security (over), due to the higher than estimated fire incidents. 3. Service Charges-Infrastructure (under), mainly due to less income received than planned for the provision of Broadband and Radio Trunking Services. 4. Busfares-Transit products (over), due to higher than planned demand/usage of services. 5. Camp/Resort Fees within Community Services (under), due to lower than planned demand/usage of facilities. 6. Admission Fees within Community Services (over), due to a zero budget provision as the budget provision is against Camp/Resort Fees. 7. Impoundment Fees for Vehicles/Cellphones (under), due to the lower than planned impoundments and a greater awareness of regulations by the public. 8. Building Levies (over), due to a higher number of building plans submitted than estimated. 9. Industrial Effluent (under), due to greater consumer awareness of and compliance to the Industrial Effluent by-Law. 10. Treatment Effluent Sales (over), due to higher demand and sales than planned. 11. Signage Fees (under), due to signage encroachment contracts that lapsed during the year.	Year-end transactions are still in progress and the outcome will impact on final variances. The audit process to identify encroachments and its owners will be conducted. New contracts will be signed by identified owners for implementation in the 2016/17 financial year.
Rental of facilities and equipment	(7,181)	-2.0%	The under-recovery is mainly within the Human Settlements directorate and is due to the sale and transfer of rental units to home owners.	Year-end transactions are still in progress and the outcome will impact on final variances.
Interest earned - external investments	15,881	2.7%	The over-recovery is within the Finance directorate where the actuals are higher than planned due to cash and investment fund balances being more favourable than planned.	Year-end transactions are still in progress and the outcome will impact on final variances.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Interest earned - outstanding debtors	(9,657)	-4.2%	The under-recovery is mainly due to lower than planned interest billed on Property Rates debtors for the year.	Year-end transactions are still in progress and the outcome will impact on final variances.
Dividends received	-	-	-	-
Fines	(326,653)	-32.8%	The under-recovery is mainly on Traffic Fines Accruals, due to fewer than planned fines issued during the year. The accurate planning of the number of fines to be issued during a year is not possible and impacts on the budget provision for the year.	Year-end transactions are still in progress and the outcome will impact on final variances.
Licences and permits	12,032	40.9%	The over-recovery is mainly within Safety & Security and is due to the higher than planned applications received for learner licences, learner driver certificates and PDP operator certificates.	Year-end transactions are still in progress and the outcome will impact on final variances.
Agency services	28,159	18.3%	The over-recovery is mainly within the Finance directorate, due to the licence renewal tariff increase and more renewals processed as a result of an initiative implemented by the City and Provincial Government enforcing renewal of motor vehicle licences.	Year-end transactions are still in progress and the outcome will impact on final variances.
Transfers recognised - operational	(927,092)	-22.6%	The variance is a combination of over-/under-recovery. 1. Human Settlements (R708.7 million under), due to: a) Delays with awarding tender for Morningstar development, slow progress on Delft The Hague Phase 1 project and termination of contract for the Belhar - Pentech project, due to poor performance by the contractor. b) Lower than anticipated rate of expenditure on Atlantis Kanonkop, Valhalla Park and Greenville projects as a result of community protests, vandalism and robberies experienced by contractors resulting in delays on projects. c) Delays in appointment of consultants for feasibility studies and pre-planning on USDG projects. 2. Transport for Cape Town (R199 million under), where the expenditure (and corresponding revenue recognition) on the grant is slower than projected, due to: a) A reduction in operating hours at MyCiTi stations. b) Delays in payments of IRT Taxi Compensations resulting from lengthy negotiations. c) Delays with the appointment of professional services for the CITP, filling of grant-funded posts and processing final invoices. 3. Finance (R81 million over) relating to the USDG VAT claw back which will be used for future capital programmes. 4. Health (R70 million under), due to accounts for Vaccines and ARV Drugs for May and June, which have still not been paid as there are delays stemming from system problems at the Provincial Department of Health.	Year-end transactions are still in progress and outstanding invoices still to be processed which will impact on final variances. A request for roll-over funding to the 2016/17 financial year will be made during the August 2016 adjustments budget. The formal tender process for the Belhar - Pentech project and bid evaluation process for the Morningstar projects are underway. The process to terminate the contract for Delft The Hague Phase 1 project with the contractor has started and will the tender will be re-advertised in the 2016/17 financial year.
Other revenue	60,391	2.6%	The main contributors to this over-recovery are: 1. CIDS-Commercial, due to higher than planned revenue from CID Levies, which are based on property valuations and is impacted by valuation changes, valuation objection outcomes, court rulings, supplementary valuations and new valuations. 2. Fair Value Adjustments (within Human Settlements), where adjustments were made in order to reflect the fair value adjustment on land purchased by the City for housing development. 3. Forfeited Retentions and Penalties, due to the recovery of retentions and penalties recovered, due to non-compliance in terms of tender specifications on completed/cancelled contracts and projects.	No corrective actions required. Year-end transactions are still in progress and the outcome will impact on final variances.
Gains on disposal of PPE	(66,133)	-88.6%	The under-recovery is mainly within the Finance directorate. This relates to the sale of land within the City where the finalisation of such transactions cannot be planned accurately.	The final outcome of transactions (R108 million) still needs to be processed and will change the final result for the year.

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

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type				
Employee related costs	(290,387)	-2.9%	The variance is mainly due to: a) The turnaround time in filling vacancies and the internal filling of vacant posts. b) Appointment of seasonal workers and temporary staff, which depends on peak seasons as and when departments required additional labour. c) Overtime payments for June 2016, which will only be paid in July 2016 and written back to June 2016.	The City had 2 482 vacancies as at 30 June 2016. As from 1 July 2015, 3 795 positions were filled (1 794 internal and 2 001) external) with 2 557 terminations processed. The filling of vacancies is on-going and seasonal staff is appointed as required. Savings realised to date have been set aside and ring-fenced within investment accounts to address corporate initiatives and commitments.
Remuneration of councillors	(4,674)	-3.4%	The variance is largely due to councillor vacancies, which arose during the year as well as lower than anticipated ad hoc kilometre claims from councillors.	No remedial action required.
Debt impairment	(705,251)	-39.2%	The variance is largely due to the provision for impairment on traffic fine income, which is processed of at year-end.	No remedial action required.
Depreciation & asset impairment	(59,848)	-2.8%	The variance is largely affected by the capitalisation rate of assets based on the completion and progress of capital projects and delivery of moveable assets.	No remedial action required.
Finance charges	(40,639)	-5.3%	The variance is due to: a) Lower than planned interest paid on external loans as the City did not take up an external loan, due to its strong financial position. b) The final year-end transaction for the interest cost relating to the Rehabilitation of Landfill sites still needs to be processed.	No remedial action required.
Bulk purchases	90,478	1.1%	The over expenditure is on: 1. Bulk purchases - Water, largely due to the revised tariff implementation by the National Department of Water & Sanitation and the impact of the increased demand for water from the Theewaterskloof Dam, due to the low levels of the Voelvlei Dam. The tariff for the Theewaterskloof Dam is higher than for the Voelvlei Dam resulting in a higher than anticipated rate of expenditure on bulk purchases. 2. Bulk Purchases - Electricity, largely due to excessively hot weather in summer resulting in higher demand for cooling systems.	The processing of virements to cover the shortfall is underway.
Other materials	(43,642)	-12.5%	The variance is largely due to: 1) Lower than anticipated YTD expenditure on R&M contracts and programmes as a result of delays in the initial implementation of projects. 2) Savings were realised on the issue of refuse bags as a result of a new initiative implemented to try and reduce costs.	The respective finance managers are monitoring the situation and corrective action is taken where required. Savings realised will be utilised to fund shortfalls identified within the relevant directorate/department.

Table continues on next page.

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Contracted services	(1,076,579)	-24.2%	<p>The variance is largely due to:</p> <ol style="list-style-type: none"> 1. The cumulative impact of lower than anticipated expenditure on R&M and other projects. 2. Savings realised as a result of delays in awarding the new Litter Picking tenders for the servicing of Informal Settlements as well as lower haulage expenditure for waste transportation between drop-offs and disposal sites resulting from waste minimisation initiatives implemented. 3. Delays in submission of invoices from service providers and suppliers. 4. Lower than planned rate of expenditure on grant-funded housing development projects, due to community protests, vandalism, robberies experienced by contractors and termination of contracts as a result of poor performance by contractors. 5. Final transactions against the VAT claw back provision, which must still be processed. 6. Lower than planned expenditure as a result of slow progress on metro roads resealing and structures (bridges) projects, due to delays in measurement of work and the late start of the tender process. 7. Slower than anticipated roll-out of new MyCiTi Station Management contracts as a result of delays in further roll outs, reduction in operating hours of some stations and the review of certain routes. 	Outstanding invoices to be processed and grant-funded projects to be continued in the 2016/17 financial year. Savings realised will be used to fund shortfalls on expenditure items.
Transfers and grants	(16,740)	-5.4%	<p>The variance is largely due to:</p> <ol style="list-style-type: none"> 1. Delays in processing transfers to beneficiaries as a result of outstanding documents needed to finalise memoranda of agreement. 2. Lower than planned expenditure on sponsorships and event-related expenditure. 	Outstanding transactions to be processed before year-end closure.
Other expenditure	(611,138)	-12.8%	<p>The variance is largely on:</p> <ol style="list-style-type: none"> 1. Chemicals, due to lower than anticipated spend as this expenditure is demand driven and dependent on climatic changes. 2. Fuel, due to lower than anticipated YTD fuel cost resulting from price fluctuations and stricter control measure to curb expenditure. 3. Vaccines (grant-funded), which is demand driven and dependent on the number of immunisations required during the year as well as delays in receipt of invoices from service providers. 4. Subsidy on Home owners (Rebates), largely due to the misalignment of the period budget with the actual expenditure to date, which is linked to the number of successful applicants who qualifies for the rebate. 5. Peoples Housing Process (PHP) payments, due to the lower than anticipated rate of expenditure on PHP projects, which is difficult to estimate per month as many factors influence the rate of house construction by communities. 6. Various R&M-related expenditure items, due to lower than anticipated expenditure on re-active maintenance, which is difficult to plan accurately. 7. Hire Charges, due to lower than anticipated expenditure on specialised vehicle hire for street sweeping and excavations for water services infrastructure. The City purchased additional street sweepers, which reduced hiring costs. 8. Transport Services People, due to delays in submission and processing of final invoices from service providers. 9. Lower than planned expenditure on telecommunication and computer services costs, due to a lower demand for services during the year. 	Outstanding invoices to be processed and grant-funded projects to be continued in the 2016/17 financial year. Savings realised will be used to fund shortfalls on expenditure items identified within the various votes/departments.
Loss on disposal of PPE	3,888	100.0%	The variance relates to relates stock losses/theft, which has been recorded against no budget in the 2015/16 financial year.	This will be recovered pending the outcome of an investigation, which is currently underway.

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	2014/15	Budget Year 2015/16						
	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	20,173	15,673	21,288	16,192	21,288	(5,096)	-23.9%	17,744
Vote 2 - City Manager	13,920	14,954	19,274	17,953	19,274	(1,321)	-6.9%	19,110
Vote 3 - Community Services	199,711	160,331	221,715	180,960	221,715	(40,755)	-18.4%	202,009
Vote 4 - Corporate Services & Compliance	382,773	425,013	463,779	408,985	463,779	(54,794)	-11.8%	460,709
Vote 5 - Energy, Environmental & Spatial Planning	56,216	80,064	64,169	62,646	64,169	(1,523)	-2.4%	63,120
Vote 6 - Finance	90,740	141,379	40,186	38,940	40,186	(1,246)	-3.1%	39,250
Vote 7 - Human Settlements	962,031	420,835	430,993	264,992	430,993	(166,001)	-38.5%	330,865
Vote 8 - Rates & Other	–	–	–	–	–	–	–	–
Vote 9 - Safety & Security	82,095	105,163	149,957	149,474	149,957	(483)	-0.3%	149,881
Vote 10 - Social Dev & Early Childhood Development	23,251	11,971	15,760	15,145	15,760	(615)	-3.9%	15,631
Vote 11 - Tourism, Events & Economic Development	36,678	41,098	41,403	40,008	41,403	(1,396)	-3.4%	40,843
Vote 12 - Transport for Cape Town	1,218,720	1,399,805	1,651,077	1,287,063	1,651,077	(364,014)	-22.0%	1,482,796
Vote 13 - Utility Services	2,165,433	3,227,699	3,009,494	2,613,158	3,009,494	(396,336)	-13.2%	2,737,047
Total Capital Expenditure	5,251,742	6,043,985	6,129,094	5,095,515	6,129,094	(1,033,579)	-16.9%	5,559,005
Capital Expenditure - Standard Classification								
Governance and administration	520,222	587,509	538,084	480,884	538,084	(57,199)	-10.6%	533,570
Executive and council	31,234	21,193	48,140	45,049	48,140	(3,091)	-6.4%	45,717
Budget and treasury office	16,215	14,495	15,590	15,325	15,590	(266)	-1.7%	15,415
Corporate services	472,772	551,820	474,353	420,511	474,353	(53,842)	-11.4%	472,438
Community and public safety	1,341,328	799,473	894,472	676,533	894,472	(217,939)	-24.4%	770,822
Community and social services	81,411	69,196	98,479	82,117	98,479	(16,362)	-16.6%	91,062
Sport and recreation	151,529	124,613	158,466	133,147	158,466	(25,319)	-16.0%	145,972
Public safety	126,115	169,157	184,909	179,742	184,909	(5,167)	-2.8%	184,836
Housing	962,099	420,904	431,340	265,335	431,340	(166,005)	-38.5%	331,208
Health	20,173	15,603	21,279	16,192	21,279	(5,087)	-23.9%	17,744
Economic and environmental services	1,277,386	1,502,183	1,757,586	1,390,745	1,757,586	(366,841)	-20.9%	1,588,078
Planning and development	38,812	83,570	59,427	57,070	59,427	(2,358)	-4.0%	58,440
Road transport	1,227,644	1,408,046	1,680,885	1,316,870	1,680,885	(364,015)	-21.7%	1,512,602
Environmental protection	10,930	10,567	17,273	16,805	17,273	(468)	-2.7%	17,035
Trading services	2,111,807	3,154,319	2,938,452	2,546,853	2,938,452	(391,599)	-13.3%	2,666,035
Electricity	898,889	1,343,939	1,122,854	959,927	1,122,854	(162,927)	-14.5%	1,006,764
Water	524,051	786,494	854,730	672,361	854,730	(182,369)	-21.3%	714,618
Waste water management	460,858	726,171	690,763	663,636	690,763	(27,127)	-3.9%	685,017
Waste management	228,009	297,715	270,105	250,929	270,105	(19,176)	-7.1%	259,637
Other	999	500	500	500	500	–		500
Total Capital Expenditure - Standard Classification	5,251,742	6,043,985	6,129,094	5,095,515	6,129,094	(1,033,579)	-16.9%	5,559,005
Funded by:								
National Government	2,189,129	2,137,367	2,266,580	1,793,423	2,266,580	(473,157)	-20.9%	2,055,749
Provincial Government	282,292	86,446	180,214	151,555	180,214	(28,659)	-15.9%	159,372
District Municipality	–	–	–	–	–	–	–	–
Other transfers and grants	1,892	–	341	255	341	(86)	-25.2%	333
Transfers recognised - capital	2,473,313	2,223,813	2,447,135	1,945,233	2,447,135	(501,902)	-20.5%	2,215,454
Public contributions & donations	44,219	53,761	68,392	61,524	68,392	(6,868)	-10.0%	63,442
Borrowing	2,152,377	2,579,264	2,529,240	2,329,542	2,529,240	(199,698)	-7.9%	2,479,699
Internally generated funds	581,833	1,187,146	1,084,326	759,216	1,084,326	(325,111)	-30.0%	800,409
Total Capital Funding	5,251,742	6,043,985	6,129,094	5,095,515	6,129,094	(1,033,579)	-16.9%	5,559,005

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	(5,096)	-23.9%	The variance reflects on the following projects: 1. Acquisition of small generators: Delays as a result of appeals received against award of tender. 2. New Fisantekraal Clinic: Acquisition of land was delayed, due to unresolved issues relating to the terms of the Deed of Sale.	1. The tender is being re-evaluated. Funds to be rolled over into the 2016/17 financial year. 2. The Property Management department is negotiating the terms of the Deed of Sale with the Seller's attorney.
Vote 2 - City Manager	(1,321)	-6.9%	Project Portfolio Management project: Invoices for work done up to 30 June 2016 were only reconciled in the first week of July 2016. Project is on track according to planned progress.	Invoices are being checked and reconciled against timesheets before it can be GRN'd.
Vote 3 - Community Services	(40,755)	-18.4%	City Parks: a) Welmoed Cemetery Development: Construction tender commenced later than anticipated. Fencing period tender still awaiting guarantees and handover. b) Atlantis Cemetery Upgrade: Poor contractor performance. c) Vaalfontein Cemetery Development: Contractor only appointed in June 2016 after lengthy evaluation process. Guarantees, sureties and way leaves are yet to be approved in order for contractor to take site handover. d) Upgrade of Jungle Town Park: Challenges with gang violence on site. Contractor is still on site. Work completed 5 July 2016. e) Upgrade Khayelitsha Cemetery: Fencing period tender still awaiting guarantees and tender handover. Sport & Recreation: a) Atlantis Synthetic Pitch: Contractor is currently busy with layer works and completion of sub-soil drainage. Projected expenditure was based on optimum progress projections from the contractor. Actual progress was slightly slower than the optimum projection, although the progress is still in line with the contract time frames. b) Hanover Park Synthetic Pitch: Project delayed, due to poor performance of contractor. c) Oatlands Resort Upgrade: Planned work in terms of the project could be not be completed, due to a fire at the facility resulting in a major unspent balance of the funding. The project manager is in the process of verifying work done.	Roll-over to be applied for in the August 2016 adjustment budget in order to ensure that projects are completed in the 2016/17 financial year.
Vote 4 - Corporate Services & Compliance	(54,794)	-11.8%	1. Broadband and Digital Inclusion projects: Invoices for construction costs are only due in the second week of July. 2. Specialised Vehicles: Assembling of the fire trucks have been completed and invoices were received.	1. Liaising with contractor to submit the outstanding invoices as a matter of urgency. 2. Invoices will be GRN'd shortly.
Vote 5 - Energy, Environmental & Spatial Planning	(1,523)	-2.4%	Immaterial variance.	-

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 6 - Finance	(1,246)	-3.1%	Immaterial variance.	-
Vote 7 - Human Settlements	(166,001)	-38.5%	<p>The variance relates to various projects:</p> <ol style="list-style-type: none"> 1. Original invoice for the payment of the land purchase from the Blaauwberg Housing Association was incorrect. City awaiting revised invoice. 2. District 6 Project - Bulk Infrastructure Phase 3: The City's Trade and Investment department is in the process of engaging with National Government regarding this project. 3. Langa Hostels CRU Project (463 units): After the most recent reconciliations were done by the consultants, a saving of approximately R3 million is expected to be realised by 30 June 2016. 4. Scottsdene New CRU Project - 350 Units: Major delays experienced, due to heavy rain and gang violence, which resulted in the site being closed. The contractor is back on site and invoices are being paid as presented for work completed. 5. Major Upgrading – Rental Units: Budget intended for various major upgrading projects as approved by PGWC. Most of the projects are currently in the planning phase. 6. Urbanisation: Budget intended for various informal settlements projects including Re-blocking and Backyarder projects. Challenges relating to community resistance are currently being experienced on certain Re-blocking projects. Funding on the Re-blocking projects will not be spent in the 2015/16 financial year. 7. Vissershok: Awaiting conclusion of MFMA Section 116(3) process to release payment to contractor. 8. Installation of Retrofit Ceilings (Bishop Lavis): The project is not progressing at the pace initially planned, due to the complexity of access to existing homes and the work required. 	<ol style="list-style-type: none"> 1. R47 009 970 will be charged to Land Acquisition (USDG) in the 2015/16 financial year. 2. Final expenditure is dependent on conclusion of the relevant agreements with National Government. 3. Project to be completed in the 2015/16 financial year. 4. The project is anticipated to finish in August 2016. 5. An application has been submitted to the MEC for Housing for an extension to 30 June 2018 to complete the project. 6. Invoices for all projects completed in 2015/16 have been submitted for payment. Engagements with communities where challenges to delivery are experienced are ongoing. 7. Full expenditure anticipated following completion of the MFMA S116 process. 8. An application has been submitted to the MEC for Housing requesting increase scope of work and extension to completion date. Following up with PGWC.
Vote 8 - Rates & Other	-	-	-	-
Vote 9 - Safety & Security	(483)	-0.3%	Immaterial variance.	-
Vote 10 - Social Dev & Early Childhood Development	(615)	-3.9%	Immaterial variance.	-
Vote 11 - Tourism, Events & Economic Development	(1,396)	-3.4%	Immaterial variance.	-
Vote 12 - Transport for Cape Town	(364,014)	-22.0%	<p>The variance is due to the following factors:</p> <ol style="list-style-type: none"> 1. Tender appeals, which have delayed the commencement of work certain projects. 2. EIA process delays and approvals for the acquisition of property, which have impacted on expenditure. 3. Industry negotiations have taken longer than planned resulting in delays in the commencement of work. 4. Community and labour disruptions have caused delays to a number of projects and certain construction work is behind schedule due to poor contractor performance. In some cases contracts were terminated, resulting in further delays. 5. There were delays in the delivery of equipment for the Advanced Public Transport Management System and the bus readiness for the installation of equipment. 6. Ongoing monitoring and evaluation of the roll out of the IRT system has resulted in some contract deliverables having been reconsidered and design changes having been made, which has delayed the roll out to some extent. 	<ol style="list-style-type: none"> 1 to 4. Project planning will be improved to provide for foreseeable delays. 5. The agreement with bus suppliers to ensure busses are ready for the installation of equipment has been signed. 6. Systems and business planning to provide for flexibility to accommodate design changes. Procurement to review the ability of contractors to deliver.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 13 - Utility Services	(396,336)	-13.2%	Refer below.	There is on-going ED engagements with line directors and project managers to ensure that tracking and monitoring of projects are within the prescribed timeframes and that corrective actions are processed timeously. Refer below for further comments per department.
Utility Services Support	(30)	-21.5%	Insurance provision (R30 000): This is only used when an insurance claim is settled and the replacement asset is procured.	None required.
Water & Sanitation	(209,496)	-13.6%	Variance mainly due to delays experienced against the following projects: 1. Acquisition & Commissioning of large Generators: Delays due to appeals against tender, which was recently revoked and needs to be re-evaluated. 2. Bulk Water Augmentation Scheme: a) Muldersvlei Reservoir & WTP: Landowners' responses received (declining offers) delaying the process, expropriation of one property has commenced. Acquisition report for one property approved by MAYCO in June 2016. The City is trying to reach an agreed settlement for portions of the remaining two properties, failing which, expropriation will commence. b) Professional Services contract in progress, but delayed by landowner denying the City access to the site until transfer of the land has been concluded. This means that the geotechnical survey of the site could not commence, resulting in the detailed design being delayed. Invoices for final payments of projects completed by 30 June 2016 are still being processed.	Committed unspent funds to be rolled-over as part of the August 2016 adjustments budget process. The department will ensure that all remaining invoices for goods and/or services delivered by or before 30 June 2016 are GRN'd by 11 July 2016.
Solid Waste Management	(19,176)	-7.1%	Variance mainly due to delays experienced against the following projects: 1. Replacement - Plant & Vehicles FY2016: Delay in the delivery of vehicles. 2. New Transfer Station Infrastructure: Delay in the delivery of two transformers. Invoices for final payments of projects completed by 30 June 2016 are still being processed.	Committed unspent funds to be rolled-over as part of the August 2016 adjustments budget process. The department will ensure that all remaining invoices for goods and/or services delivered by or before 30 June 2016 are GRN'd by 11 July 2016.
Cape Town Electricity	(167,634)	-14.0%	Variance mainly due to delays experienced against the following projects: 1. Hout Bay LV Depot: Project delayed due to land acquisition issues. Professional fees paid. 2. City Depot CBD - New: There were some delays with some areas of demolition and neighbouring constructional concerns, but alternative arrangements have been made to continue with work in other areas on the site. 3. Milnerton: Sub-Depot - Street Lighting: Project has been extensively delayed, due to protracted tender processes caused by change in legislation around local content requirements. Tender was awarded at BAC on 27 June 2016. Tender is now in 21 day appeal period. Only professional fees will be paid in the 2015/16 financial year. 4. Atlantis Industrial New Main Substation: Building work is in progress. Plinths for the HV Switching Yard completed. Awaiting Eskom approval for the earthmat design. Delay in delivery of equipment from Germany resulted in installation being delayed. 5. Bloemhof Network Control Centre: Project delayed, due to protracted tender processes. Only professional fees will be spent in the 2015/16 financial year. 6. Vanguard Depot - Rebuild: Project has been extensively delayed, due to protracted tender processes caused by change in legislation around local content requirements. Project is 70% complete in phase 1. 7. Mitchells Plain Depot - Alterations: Tender awarded at BAC on 27 June 2016 and is now in the 21 day appeal period. Only professional fees will be paid in the 2015/16 financial year. Invoices for final payments of projects completed by 30 June 2016 are still being processed.	Committed unspent funds to be rolled-over as part of the August 2016 adjustments budget process. The department will ensure that all remaining invoices for goods and/or services delivered by or before 30 June 2016 are GRN'd by 11th July 2016.

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

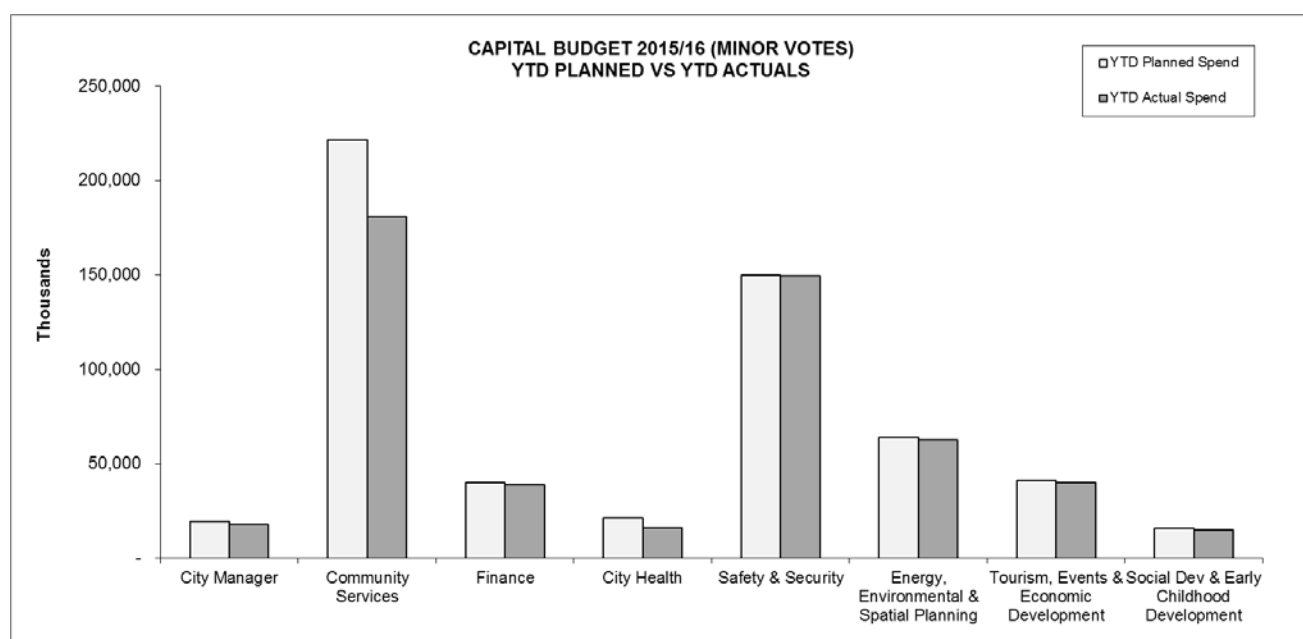
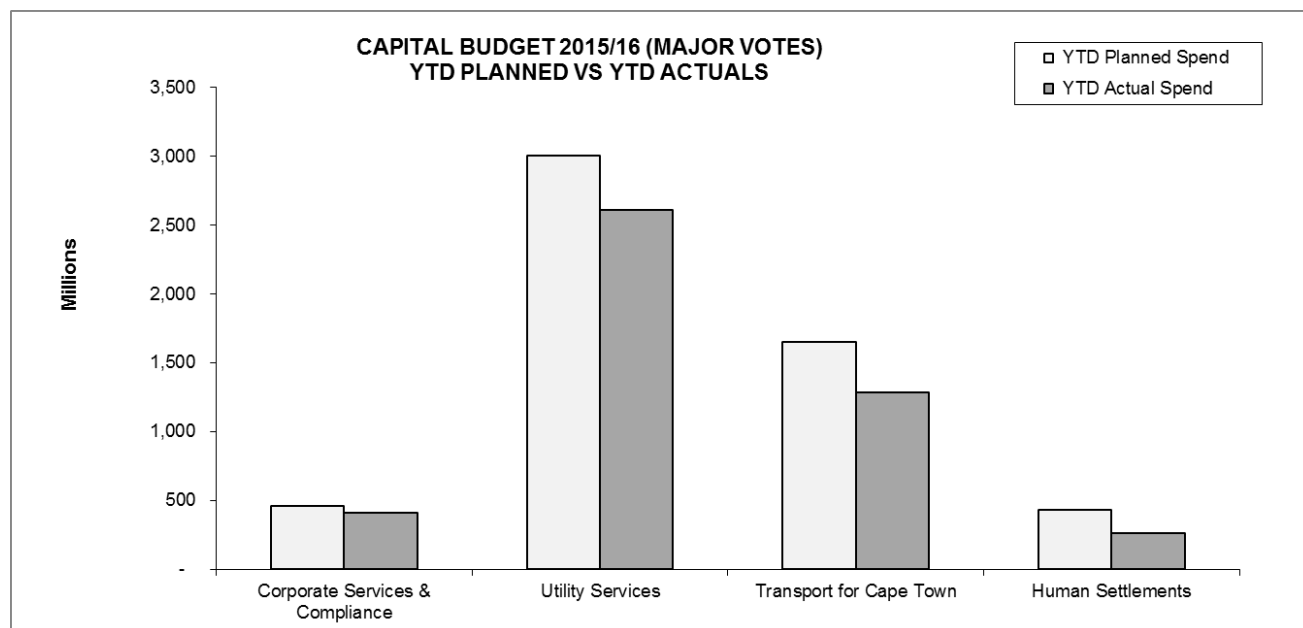


Table C6: Monthly Budget Statement - Financial Position

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

Description	2014/15	Budget Year 2015/16			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	3,199,149	–	–	3,137,329	–
Call investment deposits	1,746,347	3,607,195	2,757,917	1,746,347	2,757,917
Consumer debtors	4,618,497	4,740,731	4,849,763	3,801,652	4,849,763
Other debtors	707,217	504,938	777,939	775,451	777,939
Current portion of long-term receivables	19,838	19,470	20,830	19,838	20,830
Inventory	280,316	311,022	308,348	255,337	308,348
Total current assets	10,571,364	9,183,356	8,714,796	9,735,954	8,714,796
Non current assets					
Long-term receivables	75,324	94,142	71,558	72,786	71,558
Investments	3,753,617	3,911,206	3,939,969	4,508,361	3,939,969
Investment property	–	–	–	–	–
Investments in Associate	–	–	–	–	–
Property, plant and equipment	34,749,931	38,924,165	38,445,447	37,778,171	38,445,447
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	38,578,872	42,929,513	42,456,974	42,359,318	42,456,974
TOTAL ASSETS	49,150,236	52,112,868	51,171,770	52,095,272	51,171,770
<u>LIABILITIES</u>					
Current liabilities	–	–	–	–	–
Bank overdraft	–	–	–	–	–
Borrowing	345,682	498,690	474,100	345,681	474,100
Consumer deposits	272,258	447,963	299,484	324,633	299,484
Trade and other payables	6,911,132	6,907,829	6,443,053	6,065,981	6,443,053
Provisions	1,127,282	975,045	1,124,940	1,025,769	1,124,940
Total current liabilities	8,656,354	8,829,527	8,341,577	7,762,064	8,341,577
Non current liabilities					
Borrowing	6,415,499	8,032,745	6,032,745	6,161,160	6,032,745
Provisions	5,624,708	6,359,098	5,977,349	6,513,614	5,977,349
Total non current liabilities	12,040,207	14,391,843	12,010,094	12,674,775	12,010,094
TOTAL LIABILITIES	20,696,561	23,221,369	20,351,672	20,436,839	20,351,672
NET ASSETS	28,453,675	28,891,499	30,820,098	31,658,433	30,820,098
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	25,663,410	27,044,035	28,525,505	29,278,581	28,525,505
Reserves	2,790,265	1,847,464	2,294,593	2,379,852	2,294,593
TOTAL COMMUNITY WEALTH/EQUITY	28,453,675	28,891,499	30,820,098	31,658,433	30,820,098

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	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, penalties & collection charges	6,018,735	6,440,048	6,471,517	6,862,988	6,471,517	391,471	6.0%	6,471,517
Service charges	13,768,730	15,773,011	15,785,856	16,262,257	15,785,856	476,401	3.0%	15,785,856
Other revenue	3,351,237	3,107,198	3,024,013	5,371,807	3,024,013	2,347,794	77.6%	3,024,013
Government - operating	3,251,460	3,579,752	4,106,009	2,917,478	4,106,009	(1,188,530)	-28.9%	4,106,009
Government - capital	2,423,179	2,277,574	2,515,528	2,515,528	2,515,528	-		2,515,528
Interest	735,298	442,109	580,779	520,830	580,779	(59,949)	-10.3%	580,779
Dividends	-	-	-	-	-	-		-
Payments								
Suppliers and employees	(22,780,459)	(26,548,109)	(27,373,994)	(29,675,324)	(27,373,994)	2,301,331	-8.4%	(27,373,994)
Finance charges	(709,455)	(887,380)	(703,079)	(689,935)	(703,079)	(13,144)	1.9%	(703,079)
Transfers and Grants	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES	6,058,725	4,184,203	4,406,629	4,085,629	4,406,629	321,000	7.3%	4,406,629
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	91,419	74,669	74,669	-	74,669	(74,669)	-100.0%	74,669
Decrease (Increase) in non-current debtors	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables	28,800	4,955	3,766	-	3,766	(3,766)	-100.0%	3,766
Decrease (increase) in non-current investments	361,949	(170,422)	(186,352)	-	(186,352)	186,352	-100.0%	(186,352)
Payments								
Capital assets	(5,200,493)	(5,955,826)	(6,041,566)	(3,128,482)	(6,041,566)	(2,913,084)	48.2%	(6,041,566)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4,718,325)	(6,046,623)	(6,149,483)	(3,128,482)	(6,149,483)	(3,021,001)	49.1%	(6,149,483)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-		-
Borrowing long term/refinancing	-	2,000,000	-	-	-	-		-
Increase (decrease) in consumer deposits	(97,959)	40,724	27,226	-	27,226	(27,226)	-100.0%	27,226
Payments								
Repayment of borrowing	(309,852)	(368,931)	(285,598)	(282,747)	(285,598)	(2,851)	1.0%	(285,598)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(407,811)	1,671,793	(258,372)	(282,747)	(258,372)	24,375	-9.4%	(258,372)
NET INCREASE/ (DECREASE) IN CASH HELD	932,589	(190,628)	(2,001,226)	674,400	(2,001,226)			(2,001,226)
Cash/cash equivalents at beginning:	2,266,559	2,265,410	3,199,148	3,199,148	3,199,148			3,199,148
Cash/cash equivalents at month/year end:	3,199,148	2,074,783	1,197,922	3,873,548	1,197,922			1,197,922

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

Description	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates, penalties & collection charges	391,471	6.0%	The increased recovery is due to improved collection efforts.	No corrective action required at this time.
Service charges	476,401	3.0%	Immaterial variance.	No corrective action required at this time.
Other revenue	2,347,794	77.6%	The variance relates to grant allocations received and output VAT. The corresponding input Vat is reflected in General Expenses and the Vat figures were not netted off.	No corrective action required at this time.
Government - operating	(1,188,530)	-28.9%	The variance relates to grant allocations received but currently included in 'Other revenue' line item above.	No corrective action required at this time.
Government - capital	–	–	–	–
Interest	(59,949)	-10.3%	Cash relating to non-current investments still to be allocated to interest as part of year-end procedure.	No corrective action required at this time.
Payments				
Suppliers and employees	2,301,331	-8.4%	The variance is a compensating difference as the system is unable to differentiate between capital and operating expenditure accurately. Refer 'Capital assets' below.	No corrective action required at this time.
Finance charges	(13,144)	1.9%	Immaterial variance.	No corrective action required at this time.
Transfers and Grants	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	321,000	7.3%		
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	(74,669)	-100.0%	The financial year-end process is still in progress. Once period 13 is completed then the proceeds can be determined.	No corrective action required at this time.
Decrease (Increase) in non-current debtors	–	–	The financial year-end process is still in progress. Once period 13 is completed then the proceeds can be determined.	No corrective action required at this time.
Decrease (increase) other non-current receivables	(3,766)	-100.0%	The financial year-end process is still in progress. Once period 13 is completed then the proceeds can be determined.	No corrective action required at this time.
Decrease (increase) in non-current investments	186,352	-100.0%	The financial year-end process is still in progress. Once period 13 is completed then the proceeds can be determined.	No corrective action required at this time.
Payments				
Capital assets	(2,913,084)	48.2%	Although there was a slower cash outflow than originally expected, in certain instances the system was unable to accurately differentiate between capital and operating expenditure resulting in greater variances. Refer 'Suppliers and employees' above.	No corrective action required at this time.
NET CASH FROM/(USED) INVESTING ACTIVITIES	(3,021,001)	49.1%		
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	–	–	–
Borrowing long term/refinancing	–	–	–	–
Increase (decrease) in consumer deposits	(27,226)	-100.0%	The financial year-end process is still in progress. Once period 13 is completed then the proceeds can be determined.	No corrective action required at this time.
Payments				
Repayment of borrowing	(2,851)	1.0%	Immaterial variance.	No corrective action required at this time.
NET CASH FROM/(USED) FINANCING ACTIVITIES	24,375	-9.4%		

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

Description	Budget Year 2015/16												2015/16 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome			
Cash Receipts By Source															
Property rates	492,123	500,769	620,023	823,289	521,068	549,720	549,263	575,238	565,212	575,085	585,064	506,135	6,862,988	6,921,895	7,444,555
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	927,657	934,240	1,113,025	972,414	901,177	885,972	804,975	980,584	907,651	908,854	942,745	934,346	11,213,640	12,416,001	13,908,581
Service charges - water revenue	157,171	135,770	149,377	222,409	177,505	221,346	181,196	267,766	270,156	258,628	254,542	244,847	2,540,714	2,434,033	2,725,825
Service charges - sanitation revenue	98,606	82,163	91,501	126,519	107,013	120,925	108,904	144,960	143,440	132,168	139,990	133,639	1,429,828	1,463,868	1,631,182
Service charges - refuse	54,267	50,819	51,609	60,668	54,958	60,071	51,156	58,635	58,339	59,404	62,102	61,956	683,986	765,310	823,926
Service charges - other	29,429	25,007	27,414	40,716	36,855	32,507	36,815	33,942	35,412	28,643	37,339	30,009	394,090	523,329	581,589
Rental of facilities and equipment	14,657	20,916	18,181	24,656	25,020	28,341	16,982	22,396	28,539	21,432	24,469	52,192	297,781	100,589	99,109
Interest earned - external investments	52,096	37,363	34,935	37,627	33,460	47,881	43,227	35,968	46,051	44,099	51,564	56,560	520,830	248,720	785,653
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	21,730	19,292	14,441	28,272	21,191	19,111	19,136	20,052	20,551	20,413	21,697	22,780	248,666	204,430	217,470
Licences and permits	2,880	18,811	24,723	16,055	23,510	25,675	10,726	29,386	18,219	18,893	28,446	21,483	238,806	207,858	219,082
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	1,080,851	-	-	167,726	350,000	175,173	12,268	49,720	1,026,346	24,951	15,646	14,798	2,917,478	3,658,622	3,972,647
Other revenue	291,565	888,889	29,538	214,034	222,467	855,206	177,115	245,936	912,394	171,318	339,870	238,222	4,586,554	2,694,938	2,827,154
Cash Receipts by Source	3,223,033	2,714,040	2,174,768	2,734,386	2,474,224	3,021,926	2,011,762	2,464,583	4,032,310	2,263,888	2,503,475	2,316,967	31,935,361	31,639,594	35,236,772
Other Cash Flows by Source															
Transfer receipts - capital	668,419	73,580	36,666	158,645	549,867	212,300	31,354	10,010	774,686	-	-	-	2,515,528	2,467,206	2,419,961
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	95,666	84,361
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	2,200,000	1,000,000
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	29,948	32,943
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	3,578	3,399
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	(89,310)	(218,908)
Total Cash Receipts by Source	3,891,452	2,787,620	2,211,435	2,893,031	3,024,091	3,234,226	2,043,116	2,474,593	4,806,996	2,263,888	2,503,475	2,316,967	34,450,888	36,346,683	38,558,528

Table continues on next page.

Annexure A: S52 – 2016 Q4 (June 2016)

Description	Budget Year 2015/16												2015/16 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome			
Cash Payments by Type															
Employee related costs	680,861	680,444	798,497	723,206	1,103,111	753,521	743,840	758,690	743,382	787,111	742,285	738,452	9,253,398	10,479,612	11,359,773
Remuneration of councillors	10,109	10,112	10,112	10,081	10,076	10,076	9,990	14,576	10,598	10,560	10,554	10,484	127,328	148,366	157,862
Interest paid	-	-	183,433	-	-	164,577	-	-	180,497	4	-	161,424	689,935	812,118	923,327
Bulk purchases - Electricity	821,363	983,592	931,672	549,298	555,335	533,955	518,575	543,255	528,388	540,322	529,003	571,820	7,606,575	8,661,513	9,874,125
Bulk purchases - Water & Sewer	30,082	18,793	30,306	15,370	63,218	33,231	33,717	21,957	20,860	66,129	61,082	28,759	423,504	390,072	411,136
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses	1,898,056	820,241	818,745	782,647	835,711	1,104,394	759,620	724,529	1,020,076	1,068,519	981,827	1,450,154	12,264,519	9,075,553	9,718,020
Cash Payments by Type	3,440,471	2,513,182	2,772,765	2,080,602	2,567,451	2,599,755	2,065,741	2,063,007	2,503,799	2,472,645	2,324,751	2,961,092	30,365,259	29,567,234	32,444,242
Other Cash Flows/Payments by Type															
Capital assets	489,868	190,286	137,203	315,151	276,094	446,641	54,720	207,774	264,651	133,117	346,964	266,012	3,128,482	5,949,334	5,193,251
Repayment of borrowing	-	-	88,055	-	-	53,023	-	-	88,055	-	-	53,613	282,747	481,216	445,919
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	3,930,339	2,703,468	2,998,023	2,395,753	2,843,545	3,099,418	2,120,462	2,270,781	2,856,505	2,605,763	2,671,715	3,280,717	33,776,488	35,997,784	38,083,413
NET INCREASE/(DECREASE) IN CASH HELD	(38,887)	84,152	(786,589)	497,278	180,546	134,808	(77,346)	203,812	1,950,491	(341,875)	(168,240)	(963,750)	674,400	348,899	475,115
Cash/cash equivalents at the month/year beginning:	3,199,148	3,160,261	3,244,413	2,457,824	2,955,102	3,135,648	3,270,456	3,193,110	3,396,922	5,347,413	5,005,538	4,837,298	3,199,148	3,873,548	4,222,447
Cash/cash equivalents at the month/year end:	3,160,261	3,244,413	2,457,824	2,955,102	3,135,648	3,270,456	3,193,110	3,396,922	5,347,413	5,005,538	4,837,298	3,873,548	3,873,548	4,222,447	4,697,563

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 2015/16										Actual Bad Debts Written Off against Debtors	Impairment Bad Debts i.t.o Council Policy
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Year	Over 1 Year	Total	Total over 90 days		
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	319,522	140,740	88,766	99,966	93,836	46,046	285,939	1,355,563	2,430,378	1,881,350	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	667,257	22,764	18,964	16,464	14,301	5,237	51,221	111,385	907,592	198,608	–	–
Receivables from Non-exchange Transactions - Property Rates	452,041	110,706	37,055	42,836	40,065	34,743	160,627	615,039	1,493,111	893,309	–	–
Receivables from Exchange Transactions - Waste Water Management	155,832	51,964	34,251	42,414	40,572	20,685	126,808	626,652	1,099,177	857,130	–	–
Receivables from Exchange Transactions - Waste Management	75,854	22,762	13,207	15,093	13,678	12,351	60,464	242,220	455,629	343,806	–	–
Receivables from Exchange Transactions - Property Rental Debtors	51,805	10,398	10,043	(2,665)	23,974	(2,005)	63,028	486,750	641,330	569,084	–	–
Interest on Arrear Debtor Accounts	53,830	24,009	21,433	18,329	18,227	15,756	90,683	557,172	799,438	700,166	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–	–	–	–
Other	(93,943)	(55,556)	(21,761)	(17,558)	(13,320)	(7,481)	(73,951)	(253,541)	(537,112)	(365,852)	–	–
Total By Income Source	1,682,198	327,786	201,958	214,879	231,332	125,332	764,819	3,741,240	7,289,543	5,077,601	–	–
2014/15 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	84,109	21,116	12,796	13,279	11,790	8,815	13,400	60,538	225,843	107,822	–	–
Commercial	800,832	79,745	34,504	30,037	27,320	16,989	93,881	389,159	1,472,466	557,385	–	–
Households	864,281	291,744	174,190	179,313	201,694	104,770	684,684	3,409,417	5,910,092	4,579,877	–	–
Other	(67,024)	(64,818)	(19,533)	(7,751)	(9,471)	(5,242)	(27,146)	(117,874)	(318,859)	(167,484)	–	–
Total By Customer Group	1,682,198	327,786	201,958	214,879	231,332	125,332	764,819	3,741,240	7,289,543	5,077,601	–	–

Additional debtors information

Monthly Collection Rate			YTD Collection Rate
Period	Current year	Previous year	
12 Months	95.64%	96.68%	96.25%
6 Months	94.33%	96.56%	96.11%
3 Months	97.79%	98.69%	96.01%
Monthly	100.66%	108.57%	95.84%

12 Months Collection Ratio per Services			
Services	Current year	Previous year	YTD collection Rate
Electricity	98.72%	98.85%	98.32%
Water	84.78%	85.39%	86.81%
Sewerage	88.06%	90.01%	89.57%
Refuse	89.22%	93.42%	90.24%
Rates	97.83%	98.69%	98.68%
Other	99.99%	99.69%	99.55%

2015/16 Billings vs Receipts		
Month	Billing R	Receipts R
July	2,209,073,483.25	2,088,193,398.76
August	2,488,922,992.22	2,169,405,482.27
September	2,262,304,780.14	2,419,049,564.44
October	2,505,481,428.54	2,705,870,983.61
November	2,395,688,029.38	2,226,384,947.06
December	2,422,380,493.07	2,252,286,523.97
January	2,650,067,780.59	2,091,725,634.16
February	2,603,264,981.30	2,548,290,371.90
March	2,525,359,219.88	2,440,616,637.41
April	2,617,284,411.96	2,373,037,563.65
May	2,285,596,079.87	2,349,501,903.80
June	2,523,320,527.40	2,539,904,681.27

Creditors analysis

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

Table SC4 Monthly budget Statement Aged Creditors

Description	Budget Year 2015/16									Prior year totals (same period)
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	551,645	2,180	75	8	-	-	-	(6,937)	546,972	2,263,828
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	551,645	2,180	75	8	-	-	-	(6,937)	546,972	2,263,828

Outstanding commitments against Cash and Cash Equivalents

Item	Previous Month	Current Month
	R'000	R'000
Closing Cash Balance	8,193,817	7,230,067
Unspent Conditional Grants	2,235,424	2,235,424
Housing Development	246,932	246,932
MTAB	19,027	19,027
Trust Funds	670	670
Financial commitments	297,000	297,000
Sinking Funds	-	-
Insurance reserves	472,942	472,942
CRR	1,522,123	1,522,123
TOTAL	4,794,118	4,794,118
TOTAL cash resources not committed	3,399,699	2,435,949

Allocation and grant receipts and expenditure

Table SC7 Monthly Budget Statement transfers and grants expenditure

Description	2014/15	Budget Year 2015/16						
	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:	671,249	2,345,168	2,690,043	533,130	2,690,043	(2,156,913)	-80.2%	2,690,043
Equitable share	—	1,811,289	1,811,087	1,281	1,811,087	(1,809,806)	-99.9%	1,811,087
Finance Management grant	973	1,050	1,050	1,027	1,050	(23)	-2.2%	1,050
Restructuring	—	1,191	—	—	—	—	—	—
Urban Settlements Development Grant	162,977	229,443	364,187	171,805	364,187	(192,383)	-52.8%	364,187
Public Transport Network Operations Grant	367,748	—	64,765	19,732	64,765	(45,034)	-69.5%	64,765
Energy Efficiency and Demand Side Management Grant	599	480	480	424	480	(56)	-11.8%	480
Dept. of Environ Affairs and Tourism	4,326	4,304	6,338	4,599	6,338	(1,739)	-27.4%	6,338
Housing Accreditation	23	200	200	—	200	(200)	-100.0%	200
Expanded Public Works Programme	23,552	23,216	23,216	23,215	23,216	(1)	0.0%	23,216
Integrated City Development Grant	3,116	5,000	2,915	2,915	2,915	(0)	0.0%	2,915
Public Transport Infrastructure & Systems Grant	—	8,466	31,959	19,755	31,959	(12,204)	-38.2%	31,959
Infrastructure Skills Development	2,763	7,526	7,026	6,766	7,026	(260)	-3.7%	7,026
Municipal Human Settlements Capacity Grant	18,363	13,703	44,783	18,743	44,783	(26,040)	-58.1%	44,783
Public Transport Network Grant	—	238,000	330,000	261,822	330,000	(68,178)	-20.7%	330,000
Department of Public Service and Administration	—	1,300	1,500	671	1,500	(829)	-55.3%	1,500
LGSETA	—	—	536	459	536	(77)	-14.4%	536
Public Transport Infrastructure Grant	79,844	—	—	(83)	—	(83)	—	—
Urban Renewal	6,294	—	—	—	—	—	—	—
2014 African Nations Championship	(26)	—	—	—	—	—	—	—
Water Demand Side Management	697	—	—	—	—	—	—	—
Provincial Government:	730,002	1,199,402	1,367,387	742,333	1,367,387	(625,054)	-45.7%	1,367,387
Cultural Affairs and Sport - Provincial Library Services	28,874	32,100	34,600	31,174	34,600	(3,426)	-9.9%	34,600
Human Settlements - Human Settlement Development Grant	411,253	696,014	863,185	435,958	863,185	(427,227)	-49.5%	863,185
Human Settlements - Municipal Accreditation Assistance	3,989	10,000	7,737	5,369	7,737	(2,368)	-30.6%	7,737
Human Settlement - Settlement Assistance	—	—	1,011	633	1,011	(377)	-37.3%	1,011
Health - TB	17,206	24,535	24,535	17,346	24,535	(7,189)	-29.3%	24,535
Health - Global Fund	37,936	34,408	33,108	29,750	33,108	(3,358)	-10.1%	33,108
Health - ARV	109,584	136,515	133,515	133,515	133,515	(0)	0.0%	133,515
Health - Nutrition	4,065	4,904	4,904	4,169	4,904	(735)	-15.0%	4,904
Health - Vaccines	65,565	76,822	74,325	64,755	74,325	(9,570)	-12.9%	74,325
Comprehensive Health	—	163,465	165,828	—	165,828	(165,828)	-100.0%	165,828
Transport and Public Works - Provision for persons with special needs	10,075	10,000	10,134	10,112	10,134	(22)	-0.2%	10,134
Transport Safety and Compliance - Rail Safety	2,197	4,000	83	48	83	(35)	-41.8%	83
Community Development Workers	741	789	1,462	1,446	1,462	(16)	-1.1%	1,462
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	5,353	5,850	12,293	7,518	12,293	(4,775)	-38.8%	12,293
Western Cape Financial Management Support Grant	300	—	303	303	303	—	—	303
Library Service: Metro Library Grant	—	—	170	147	170	(23)	-13.6%	170
City of Cape Town - Public access centres	—	—	146	43	146	(103)	-70.6%	146
Community Safety - Law Enforcement Auxiliary Services	—	—	47	47	47	—	—	47
Economic Development and Tourism	500	—	—	—	—	—	—	—
Community Safety Law Enforcement Officers	19,384	—	—	—	—	—	—	—
Local Government - Compliance	467	—	—	—	—	—	—	—
Metropolitan Transport Fund	12,514	—	—	—	—	—	—	—
Other grant providers:	12,811	34,838	43,490	29,349	43,490	(14,141)	-32.5%	43,490
Tourism	1,918	2,000	500	177	500	(323)	-64.6%	500
Carnegie	1,953	879	931	836	931	(94)	-10.1%	931
CMTF	—	411	8,394	569	8,394	(7,825)	-93.2%	8,394
CID	2,839	2,791	2,908	2,908	2,908	—	—	2,908
Century City Property Owners Association	468	732	749	553	749	(196)	-26.2%	749
Traffic Free Flow (Pty) Ltd	1,017	1,585	1,768	1,123	1,768	(644)	-36.5%	1,768
DBSA - Green Fund	—	25,000	25,000	22,550	25,000	(2,450)	-9.8%	25,000
Stellenbosch University	505	1,026	1,026	348	1,026	(677)	-66.0%	1,026
V&A Waterfront Holdings (Pty) Ltd	134	275	275	268	275	(7)	-2.6%	275
Domain (Pty) Ltd	—	140	—	—	—	—	—	—
Sustainable Energy Africa	—	—	424	—	424	(424)	-100.0%	424
Chemical Industries Education and Training Authority	—	—	1,500	—	1,500	(1,500)	-100.0%	1,500
Mamre Fencing	—	—	17	17	17	—	—	17
South African Biodiversity Institute	3,544	—	—	—	—	—	—	—
Agence Francaise De Development	308	—	—	—	—	—	—	—
UN Women Safer Cities Initiative	125	—	—	—	—	—	—	—
Total operating expenditure of Transfers and Grants:	1,414,063	3,579,408	4,100,920	1,304,812	4,100,920	(2,796,109)	-68.2%	4,100,920

Table continues on next page.

Description	2014/15	Budget Year 2015/16						
	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:	2,186,882	2,137,367	2,266,580	1,793,423	2,266,580	(1,917)	-0.1%	2,055,749
Minerals and Energy: Energy Efficiency and Demand Side	5,989	11,520	11,520	11,027	11,520	(493)	-4.3%	11,495
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	22,224	5,000	5,000	4,997	5,000	(3)	-0.1%	5,000
National Treasury: Expanded Public Works Programme	400	400	458	454	458	(4)	-0.9%	454
National Treasury: Infrastructure Skills Development Grant	—	—	500	500	500	(0)	0.0%	500
National Treasury: Integrated City Development Grant	53,517	45,826	52,256	50,874	52,256	(1,382)	-2.6%	51,641
National Treasury: Local Government Restructuring Grant	1,341	153	100	100	100	(0)	-0.1%	100
National Treasury: Municipal Human Settlements Capacity Grant	428	—	500	465	500	(35)	-6.9%	465
National Treasury: Neighbourhood Development Partnership Grant	9,448	60,000	44,310	35,050	44,310	(9,260)	-20.9%	40,441
National Treasury: Other	265	650	650	643	650	(7)	-1.0%	649
National Treasury: Urban Settlements Development Grant	1,246,923	1,158,317	1,191,287	958,440	1,191,287	(232,847)	-19.5%	1,091,841
Transport: Public Transport Infrastructure & Systems Grant	—	—	266	266	266	(0)	0.0%	266
Transport: Public Transport Infrastructure Grant	842,210	—	408,232	364,709	408,232	(43,523)	-10.7%	407,727
Transport: Public Transport Network Grant	—	855,501	551,501	365,897	551,501	(185,604)	-33.7%	445,171
National Treasury: Local Government Finance Management Grant	598	—	—	—	—	—	—	—
National Treasury: Infrastructure Skills Development Grant	299	—	—	500	500	(0)	0.0%	500
National Treasury: Municipal Disaster Grant	1,366	—	—	—	—	—	—	—
National Treasury: Accreditation: Development Support	179	—	—	—	—	—	—	—
National Treasury: Urban renewal	1,695	—	—	—	—	—	—	—
Provincial Government:	284,184	86,446	180,214	151,555	180,214	(28,659)	-15.9%	159,372
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	—	—	134	126	134	(8)	-6.1%	126
Cultural Affairs and Sport: Library Services (Conditional Grant)	8,027	5,733	9,765	8,591	9,765	(1,175)	-12.0%	9,243
Cultural Affairs and Sport: Library Services: Metro Library Grant	—	—	4,830	3,511	4,830	(1,319)	-27.3%	4,789
Economic Development and Tourism: Public Access Centres	—	—	58	50	58	(8)	-14.4%	50
Housing: Integrated Housing and Human Settlement Development Grant	254,030	55,773	131,672	111,924	131,672	(19,748)	-15.0%	115,339
Provincial Government: Community Development Workers (CDW) Operational Grant Support	300	292	292	264	292	(28)	-9.5%	290
Provincial Government: Fibre Optic Broadband Roll Out	6,417	7,298	11,803	9,541	11,803	(2,262)	-19.2%	11,803
Provincial Government: Transport Safety and Compliance - Rail Safety	—	—	4,000	406	4,000	(3,594)	-89.8%	590
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infrastructure	9,890	17,350	17,660	17,142	17,660	(518)	-2.9%	17,142
Cultural Affairs and Sport - Three Anchor Bay Tennis Court	139	—	—	—	—	—	—	—
Economic Development and Tourism - False Bay Ecology	850	—	—	—	—	—	—	—
Economic Development and Tourism - Interactive Community Access	2,296	—	—	—	—	—	—	—
Transport and Public Works: Vehicle Impound Facility	343	—	—	—	—	—	—	—
Metropolitan Transport Fund	1,892	—	—	—	—	—	—	—
Other grant providers:	44,219	53,761	68,734	61,780	68,734	(6,954)	-10.1%	63,775
Other: Other	44,219	53,761	68,734	61,780	68,734	(6,954)	-10.1%	63,775
Total capital expenditure of Transfers and Grants	2,515,285	2,277,574	2,515,528	2,006,757	2,515,528	(37,530)	-1.5%	2,278,896
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	3,929,347	5,856,982	6,616,448	3,311,569	6,616,448	(2,833,639)	-42.8%	6,379,817

Material variance explanations for corporate performance for Quarter 4 2016

Description of Indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1.J Percentage of treated potable water not billed	-24.00%	The percentage treated potable water not billed greatly improved over the past six months (from a high of 27.13% in January to 23.81% in June) and is on a decreasing trend. Although current achievements are above the set targets, these should be seen against a national average of around 34%. The City's targets are extremely stringent and will be revised in future.	<p>Future non-revenue water figures (water not billed) will be closely monitored.</p> <p>Responsible person: Peter Flower Due date: Ongoing</p>
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)	-17.08%	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.	<p>Continuous monitoring of this indicator. Guiding EE presentations to all line directorates. The City's Corporate Services directorate is in the process of revisiting (on a broad City-wide basis) the City's attraction and retention strategies. Succession planning and identification of talent in the designated groups at lower levels and the positioning of these talents for identified senior positions is seriously considered and an on-going priority.</p> <p>The signing of the notice of appointment (NOA) by the EE: Manager has been introduced to curb further deviations from targets.</p> <p>EMT has recently adopted a standard operating procedure (SOP) document that deals with the application of EE within the recruitment and selection process.</p> <p>Responsible person: Michael Siyolo Due date: On-going (end of the EE plan)</p>

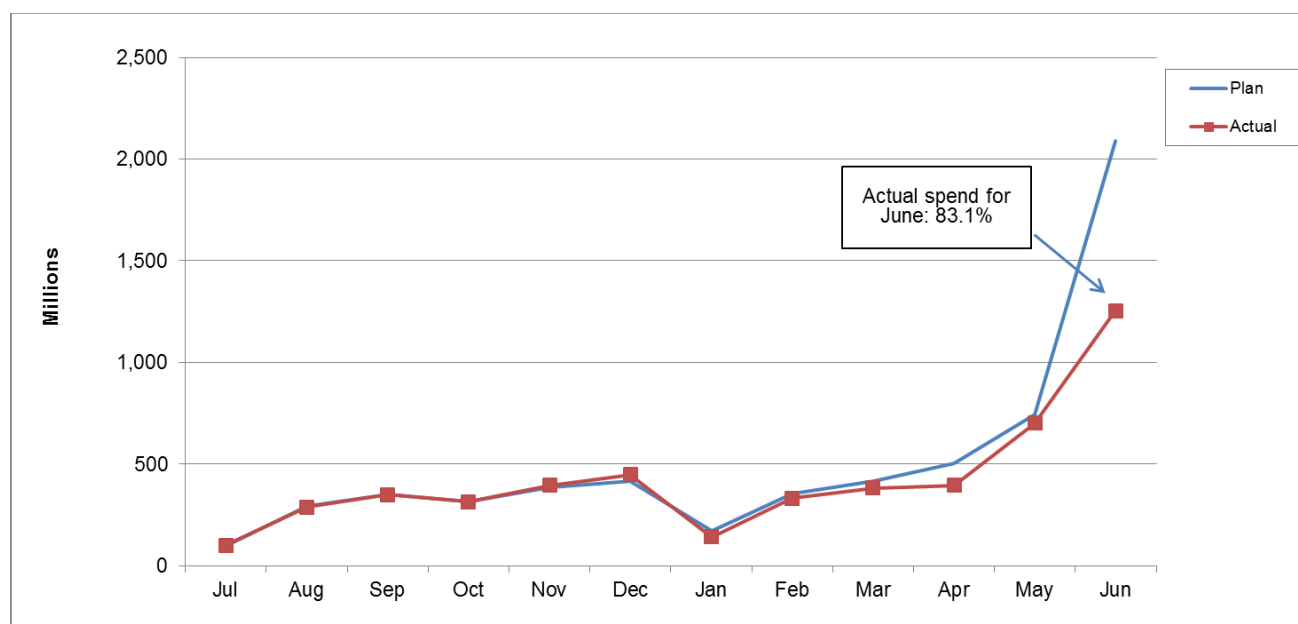
Capital programme performance

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

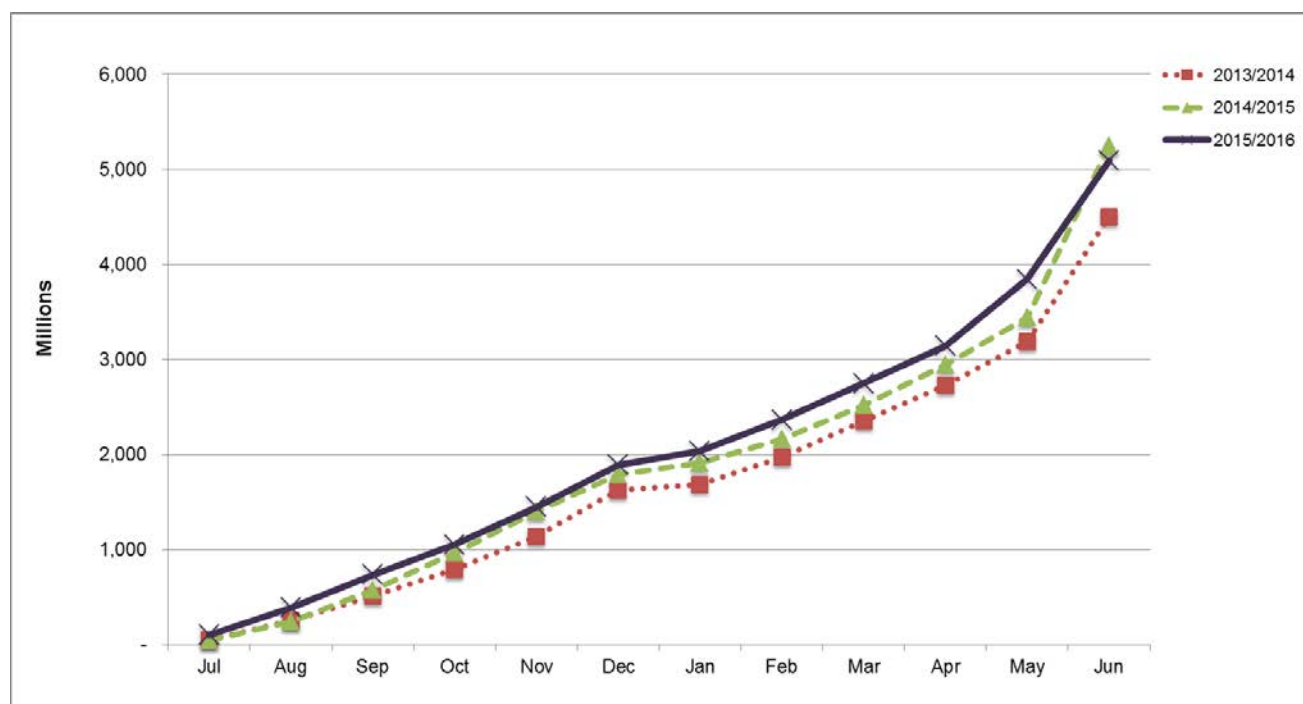
Table SC12 Monthly Budget Statement - capital expenditure trend

Month	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	38,964	119,935	98,223	99,708	99,708	98,223	(1,486)	-1.5%	1.6%
August	202,822	271,184	292,354	287,144	386,853	390,577	3,724	1.0%	6.4%
September	327,173	374,433	348,594	348,428	735,280	739,171	3,890	0.5%	12.2%
October	396,473	380,345	313,638	315,151	1,050,432	1,052,809	2,377	0.2%	17.4%
November	431,445	419,526	384,477	395,133	1,445,564	1,437,286	(8,279)	-0.6%	23.9%
December	390,680	561,332	417,430	446,641	1,892,205	1,854,716	(37,490)	-2.0%	31.3%
January	118,919	224,634	169,959	140,970	2,033,175	2,024,674	(8,501)	-0.4%	33.6%
February	257,311	436,274	354,325	332,370	2,365,545	2,379,000	13,455	0.6%	39.1%
March	358,096	584,242	415,479	381,748	2,747,293	2,794,478	47,185	1.7%	45.5%
April	424,399	688,228	501,458	394,450	3,141,743	3,295,936	154,193	4.7%	52.0%
May	491,155	657,936	744,018	700,145	3,841,888	4,039,954	198,066	4.9%	63.6%
June	1,814,304	1,325,916	2,089,140	1,253,627	5,095,515	6,129,094	1,033,579	16.9%	84.3%
Total Capital expenditure	5,251,742	6,043,985	6,129,094	5,095,515					

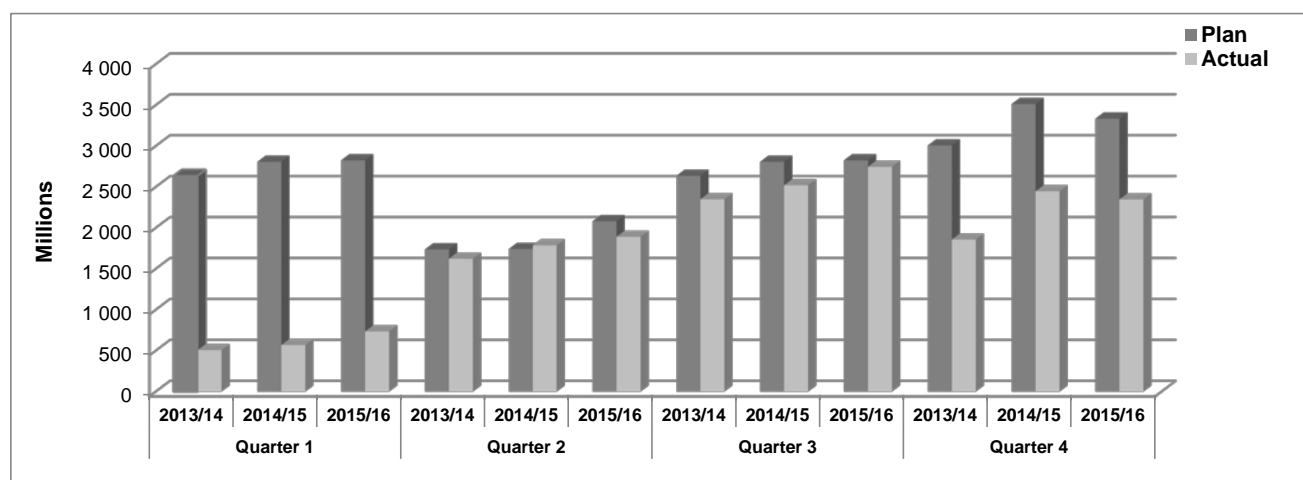
The monthly expenditure-to-date measured against the 2015/16 current budget is graphically illustrated below.



The capital expenditure trend for the City for the 2013/14, 2014/15 and 2015/16 financial years is graphically illustrated below.



The capital expenditure quarterly trend for the 2013/14, 2014/15 and 2015/16 financial years is graphically illustrated below.



MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, **Achmat Ebrahim**, the municipal manager of City of Cape Town, hereby certifies that the quarterly report on the implementation of the budget and financial state affairs of the municipality, for the period ended **June 2016** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name -----

Municipal Manager of City of Cape Town (CPT)

Signature -----

Date -----