

## CONTENTS

<b>PART 1 - IN-YEAR REPORT .....</b>	<b>2</b>
EXECUTIVE SUMMARY .....	2
Summary Statement of Financial Performance .....	2
Summary Statement of Capital Budget Performance .....	2
Table C1: Monthly Budget Statement summary .....	3
Table C2: Monthly Budget Statement – Financial Performance (standard classification) .....	4
Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote) .....	6
Table C3 (a): Material variance explanations for revenue by vote .....	7
Table C3 (b): Material variance explanations for expenditure by vote .....	10
Table C4: Monthly Budget Statement – Financial Performance (revenue by source and expenditure by type) .....	15
Table C4 (a): Material variance explanations for revenue by source .....	16
Table C4 (b): Material variance explanations for expenditure by type .....	18
Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) .....	19
Table C5 (a): Material variance explanations for capital expenditure .....	20
Table C6: Monthly Budget Statement - Financial Position.....	23
Table C7: Monthly Budget Statement - Cash Flow.....	25
Table SC9: Monthly Budget Statement - Actual and revised targets for cash receipts and cash flows	27
 <b>PART 2 - SUPPORTING DOCUMENTATION.....</b>	 <b>29</b>
Debtors analysis .....	29
Allocation and grant receipts and expenditure .....	31
Material variance explanations for corporate performance for Quarter 3 2017 .....	33
Capital programme performance .....	34
 <b>MUNICIPAL MANAGER'S QUALITY CERTIFICATION.....</b>	 <b>36</b>

**PART 1 - IN-YEAR REPORT****006****EXECUTIVE SUMMARY****Summary Statement of Financial Performance**

Description	2016/2017 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
Operating Revenue	37,787,602	28,159,753	28,561,133	101.4%	75.6%
Operating Expenditure	35,494,590	23,324,879	22,652,849	97.1%	63.8%

The summary statement of financial performance shows actual operating revenue of R28 561 million or 75.6% of the current budget and operating expenditure of R22 653 million or 63.8% 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 18.

**Summary Statement of Capital Budget Performance**

2016/17 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
6,359,407	3,196,557	3,448,245	107.9%	54.22%

The summary statement of capital budget performance indicates actual capital expenditure of R3 448 million or 54.22% of the current budget. The year to date spend of R3 448 million represents 51.42% (R2 094 million) on internally-funded projects and 59.22% (R1 354 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 19. Details of material variances and remedial action, where applicable, are shown on page 20 to page 21.

**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	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Financial Performance</b>								
Property rates	6 745,047	6,959,009	7,577,601	6,018,741	6,021,638	(2,897)	-0.0%	7,577,601
Service charges	17,363,596	18,363,075	18,593,298	14,077,380	13,912,433	164,947	1.2%	18,593,298
Investment revenue	642,628	595,694	595,694	552,371	540,385	11,986	2.2%	595,694
Transfers recognised - operational	3,619,257	3,807,940	4,296,766	3,038,468	2,997,702	10,766	0.4%	4,296,766
Other own revenue	4,417,262	4,489,436	4,431,231	3,570,131	3,427,444	142,687	4.2%	4,431,231
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>32,787,790</b>	<b>34,200,144</b>	<b>35,494,590</b>	<b>27,227,091</b>	<b>26,899,602</b>	<b>327,489</b>	<b>1.2%</b>	<b>35,494,590</b>
Employee costs	9,357,743	10,597,571	10,338,892	7,635,452	7,719,926	(84,474)	-1.1%	10,338,892
Remuneration of Councillors	134,637	151,063	146,004	99,232	93,059	6,173	6.6%	146,004
Depreciation & asset impairment	2,117,335	2,318,441	2,433,315	1,647,647	1,750,361	(102,514)	-5.9%	2,433,315
Finance charges	751,614	895,848	895,848	519,281	518,180	1,101	0.2%	895,848
Materials and bulk purchases	8,378,060	8,853,353	9,039,207	5,994,481	6,035,817	(41,335)	-0.7%	9,039,207
Transfers and grants	148,246	174,833	120,113	88,288	96,715	(8,427)	-8.7%	120,113
Other expenditure	9,893,642	11,554,349	12,521,211	6,668,267	7,110,821	(442,554)	-6.2%	12,521,211
<b>Total Expenditure</b>	<b>30,691,275</b>	<b>34,545,457</b>	<b>35,494,590</b>	<b>22,652,849</b>	<b>23,324,879</b>	<b>(672,030)</b>	<b>-2.9%</b>	<b>35,494,590</b>
<b>Surplus/(Deficit)</b>	<b>2,096,516</b>	<b>(345,312)</b>	<b>(0)</b>	<b>4,574,243</b>	<b>3,574,724</b>	<b>999,519</b>	<b>28.0%</b>	<b>(0)</b>
Transfers recognised - capital	2,131,537	2,177,040	2,205,071	1,271,845	1,198,970	72,875	6.1%	2,205,071
Contributions & Contributed assets	61,589	87,800	87,941	62,197	61,181	1,016	1.7%	87,941
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>4,289,641</b>	<b>1,919,528</b>	<b>2,293,012</b>	<b>5,908,285</b>	<b>4,834,874</b>	<b>1,073,410</b>	<b>22.2%</b>	<b>2,293,012</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>4,289,641</b>	<b>1,919,528</b>	<b>2,293,012</b>	<b>5,908,285</b>	<b>4,834,874</b>	<b>1,073,410</b>	<b>22.2%</b>	<b>2,293,012</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	<b>5,489,834</b>	<b>6,501,277</b>	<b>6,359,407</b>	<b>3,448,245</b>	<b>3,196,557</b>	<b>251,688</b>	<b>7.9%</b>	<b>6,212,334</b>
Capital transfers recognised	2,187,425	2,177,040	2,205,071	1,308,276	1,194,068	114,208	9.6%	2,165,404
Public contributions & donations	61,488	87,800	81,341	45,684	56,164	(10,479)	-18.7%	79,817
Borrowing	2,441,423	2,928,696	2,917,150	1,640,490	1,493,258	147,233	9.9%	2,884,618
Internally generated funds	799,498	1,337,743	1,155,845	453,795	453,068	727	0.2%	1,082,496
<b>Total sources of capital funds</b>	<b>5,489,834</b>	<b>6,501,277</b>	<b>6,359,407</b>	<b>3,448,245</b>	<b>3,196,557</b>	<b>251,688</b>	<b>7.9%</b>	<b>6,212,334</b>
<b>Financial position</b>								
Total current assets	11,726,952	9,170,692	12,584,602	11,095,985				12,584,632
Total non current assets	42,136,829	45,400,477	45,819,491	46,190,465				45,819,491
Total current liabilities	8,859,315	9,502,016	8,814,366	6,424,563				8,814,366
Total non current liabilities	12,153,259	14,329,528	14,458,485	12,271,329				14,458,485
<b>Community wealth/Equity</b>	<b>32,851,207</b>	<b>32,739,626</b>	<b>35,131,253</b>	<b>38,590,557</b>				<b>35,131,253</b>
<b>Cash flows</b>								
Net cash from (used) operating	6,058,725	4,161,843	4,276,786	4,955,528	4,058,357	(897,171)	-22.1%	4,276,786
Net cash from (used) investing	(4,718,326)	(5,857,381)	(5,769,691)	(2,450,564)	(2,491,531)	(40,977)	1.6%	(5,769,691)
Net cash from (used) financing	(407,811)	2,038,733	2,041,248	(230,131)	(231,557)	(1,426)	0.6%	2,041,248
<b>Cash/cash equivalents at the month/year end</b>	<b>3,199,148</b>	<b>1,541,117</b>	<b>3,880,814</b>	<b>5,607,314</b>	<b>4,667,740</b>			<b>3,880,814</b>

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

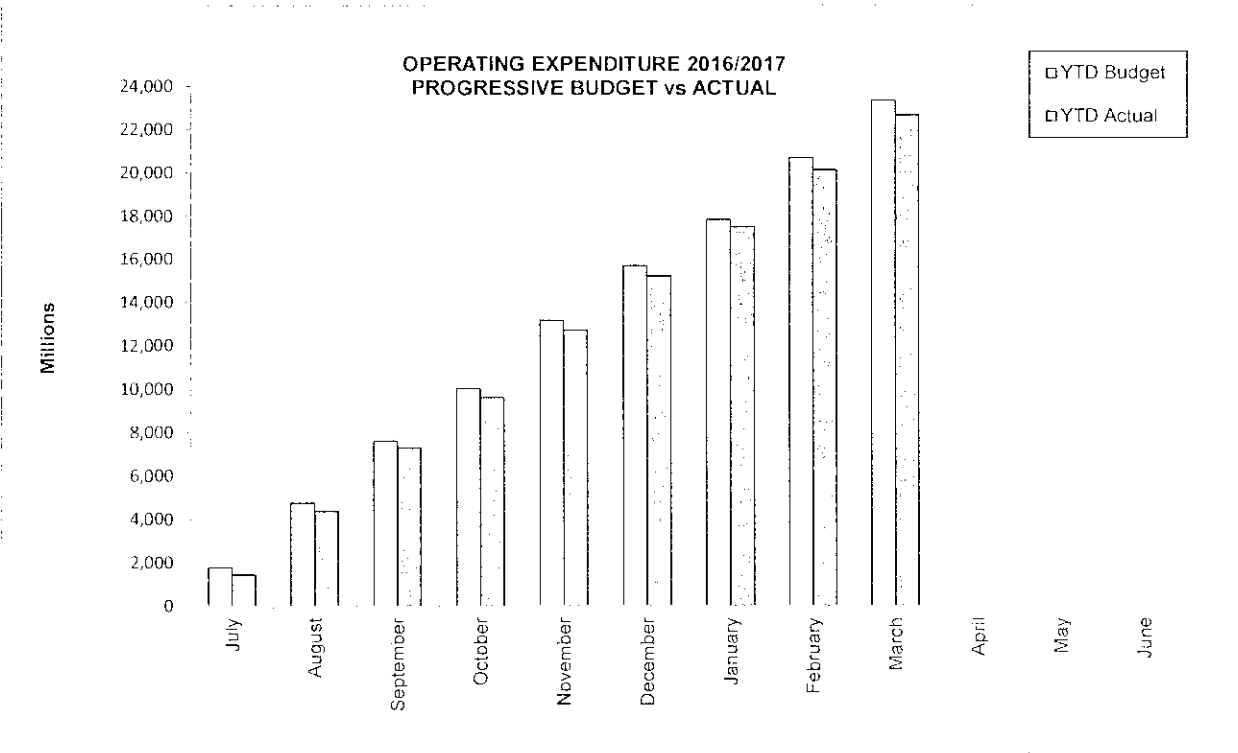
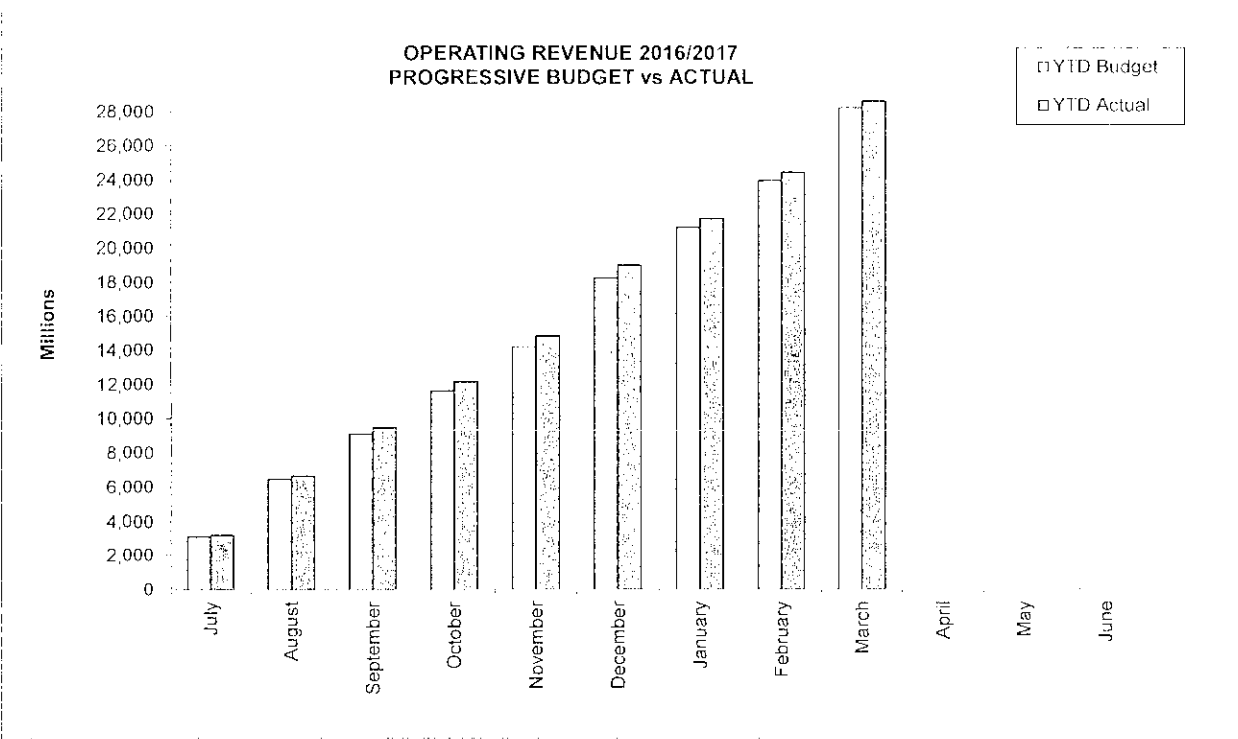
**Table C2: Monthly Budget Statement – Financial Performance (standard classification)**

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

Description	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue - Standard</b>								
<i><b>Governance and administration</b></i>	<b>12,270,213</b>	<b>12,567,409</b>	<b>13,282,993</b>	<b>11,331,974</b>	<b>11,225,350</b>	<b>106,624</b>	<b>0.9%</b>	<b>13,282,993</b>
Executive and council	301,714	314,011	317,354	214,263	214,806	(554)	-0.3%	317,354
Budget and treasury office	11,685,985	11,971,769	12,723,229	10,976,766	10,881,001	95,765	0.9%	12,723,229
Corporate services	282,514	281,629	242,411	140,955	129,543	11,412	8.8%	242,411
<i><b>Community and public safety</b></i>	<b>2,684,043</b>	<b>3,315,492</b>	<b>3,583,066</b>	<b>1,656,125</b>	<b>1,526,603</b>	<b>129,322</b>	<b>8.5%</b>	<b>3,583,066</b>
Community and social services	102,673	96,804	111,746	59,448	62,965	(3,517)	-5.6%	111,746
Sport and recreation	86,704	123,770	137,775	67,848	70,714	(2,866)	-4.1%	137,775
Public safety	1,225,034	1,194,620	1,197,453	528,359	458,971	69,387	15.1%	1,197,453
Housing	1,203,138	1,605,746	1,833,976	756,115	699,907	56,208	8.0%	1,833,976
Health	266,493	294,552	302,119	244,355	234,244	10,110	4.3%	302,119
<i><b>Economic and environmental services</b></i>	<b>2,054,199</b>	<b>1,904,756</b>	<b>2,024,451</b>	<b>1,344,941</b>	<b>1,399,220</b>	<b>(54,279)</b>	<b>-3.9%</b>	<b>2,024,451</b>
Planning and development	283,224	305,929	321,020	243,811	238,121	5,690	2.4%	321,020
Road transport	1,763,359	1,592,599	1,694,799	1,086,065	1,155,161	(69,096)	-6.0%	1,694,799
Environmental protection	7,606	6,227	8,632	15,065	5,938	9,127	153.7%	8,632
<i><b>Trading services</b></i>	<b>17,771,781</b>	<b>18,675,252</b>	<b>18,895,284</b>	<b>14,228,135</b>	<b>14,007,931</b>	<b>220,204</b>	<b>1.6%</b>	<b>18,895,284</b>
Electricity	11,498,496	12,089,547	12,094,347	9,056,803	9,031,550	25,254	0.3%	12,094,347
Water	3,172,543	3,258,167	3,432,435	2,730,174	2,562,420	167,754	6.5%	3,432,435
Waste water management	1,985,555	2,079,484	2,137,540	1,523,374	1,514,025	9,349	0.6%	2,137,540
Waste management	1,115,177	1,248,054	1,230,962	917,783	899,936	17,846	2.0%	1,230,962
<i><b>Other</b></i>	<b>680</b>	<b>2,076</b>	<b>1,806</b>	<b>(41)</b>	<b>450</b>	<b>(491)</b>	<b>-109.2%</b>	<b>1,806</b>
<b>Total Revenue - Standard</b>	<b>34,980,916</b>	<b>36,464,984</b>	<b>37,787,602</b>	<b>28,561,133</b>	<b>28,159,753</b>	<b>401,380</b>	<b>1.4%</b>	<b>37,787,602</b>
<b>Expenditure - Standard</b>								
<i><b>Governance and administration</b></i>	<b>5,393,765</b>	<b>6,359,899</b>	<b>6,698,773</b>	<b>4,159,347</b>	<b>4,343,924</b>	<b>(184,577)</b>	<b>-4.2%</b>	<b>6,698,773</b>
Executive and council	865,599	1,112,285	1,110,200	626,559	731,504	(104,945)	-14.3%	1,110,200
Budget and treasury office	2,447,166	2,816,141	2,996,339	1,890,235	1,917,616	(27,381)	-1.4%	2,996,339
Corporate services	2,081,000	2,431,473	2,592,235	1,642,553	1,694,804	(52,251)	-3.1%	2,592,235
<i><b>Community and public safety</b></i>	<b>6,504,178</b>	<b>7,662,160</b>	<b>7,895,500</b>	<b>4,445,218</b>	<b>4,577,850</b>	<b>(132,632)</b>	<b>-2.9%</b>	<b>7,895,500</b>
Community and social services	582,385	651,428	634,526	448,231	456,603	(8,372)	-1.8%	634,526
Sport and recreation	1,314,740	1,543,845	1,539,053	950,561	1,044,411	(93,847)	-9.0%	1,539,053
Public safety	2,466,830	2,729,102	2,678,307	1,393,164	1,393,740	(576)	0.0%	2,678,307
Housing	1,249,275	1,786,141	2,072,817	903,947	949,065	(45,118)	-4.8%	2,072,817
Health	870,947	951,643	970,797	749,312	734,031	15,281	2.1%	970,797
<i><b>Economic and environmental services</b></i>	<b>3,425,691</b>	<b>3,829,922</b>	<b>3,931,074</b>	<b>2,629,602</b>	<b>2,691,468</b>	<b>(61,866)</b>	<b>-2.3%</b>	<b>3,931,074</b>
Planning and development	756,784	879,635	870,740	602,603	643,194	(40,591)	-6.3%	870,740
Road transport	2,555,180	2,831,720	2,938,255	1,939,030	1,959,037	(20,007)	-1.0%	2,938,255
Environmental protection	113,727	118,568	122,078	87,970	89,237	(1,267)	-1.4%	122,078
<i><b>Trading services</b></i>	<b>15,311,365</b>	<b>16,628,216</b>	<b>16,905,390</b>	<b>11,375,765</b>	<b>11,665,562</b>	<b>(289,796)</b>	<b>-2.5%</b>	<b>16,905,390</b>
Electricity	9,340,359	10,022,681	10,017,098	6,786,256	6,853,893	(67,638)	-1.0%	10,017,098
Water	2,714,350	2,782,122	3,042,674	2,038,526	2,098,145	(59,619)	-2.8%	3,042,674
Waste water management	1,471,008	1,628,232	1,713,059	1,117,725	1,191,530	(73,805)	-6.2%	1,713,059
Waste management	1,792,647	2,195,181	2,132,559	1,433,259	1,521,893	(88,634)	-5.8%	2,132,559
<i><b>Other</b></i>	<b>56,276</b>	<b>65,260</b>	<b>63,853</b>	<b>42,915</b>	<b>46,075</b>	<b>(3,159)</b>	<b>-6.9%</b>	<b>63,853</b>
<b>Total Expenditure - Standard</b>	<b>30,691,275</b>	<b>34,545,457</b>	<b>35,494,590</b>	<b>22,652,849</b>	<b>23,324,879</b>	<b>(672,030)</b>	<b>-2.9%</b>	<b>35,494,590</b>
<b>Surplus/ (Deficit) for the year</b>	<b>4,289,641</b>	<b>1,919,528</b>	<b>2,293,012</b>	<b>5,908,285</b>	<b>4,834,874</b>	<b>1,073,410</b>	<b>22.2%</b>	<b>2,293,012</b>

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

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



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

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

Vote Description	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue by Vote</b>								
Vote 1 - Area-Based Service Delivery	7,205	3,193	5,386	3,280	2,182	1,097	50.3%	5,386
Vote 2 - Assets & Facilities Management	573,021	558,494	453,182	295,539	302,289	(6,750)	-2.2%	453,182
Vote 3 - Corporate Services	55,761	71,939	72,310	47,971	33,190	14,780	44.5%	72,310
Vote 4 - City Manager	(7)	-	-	0	-	0	-	-
Vote 5 - Directorate of the Mayor	1,778	2,145	2,066	698	641	56	8.6%	2,066
Vote 6 - Energy	11,527,694	12,113,451	12,118,261	9,056,512	9,037,052	29,460	0.3%	12,118,261
Vote 7 - Finance	11,840,538	12,139,426	12,898,859	11,111,859	11,011,963	99,896	0.9%	12,898,859
Vote 8 - Informal Settlements, Water & Waste Services	6,348,840	6,735,519	6,940,743	5,218,519	5,050,916	167,603	3.3%	6,940,743
Vote 9 - Safety & Security	1,235,743	1,201,463	1,204,296	549,683	476,752	72,931	15.3%	1,204,296
Vote 10 - Social Services	695,114	772,267	812,630	550,374	545,950	4,424	0.8%	812,630
Vote 11 - Transport & Urban Development Authority	2,694,229	2,867,077	3,279,869	1,716,699	1,698,817	17,882	1.1%	3,279,869
<b>Total Revenue by Vote</b>	<b>34,980,916</b>	<b>36,464,984</b>	<b>37,787,602</b>	<b>28,561,133</b>	<b>28,159,753</b>	<b>401,380</b>	<b>1.4%</b>	<b>37,787,602</b>
<b>Expenditure by Vote</b>								
Vote 1 - Area-Based Service Delivery	185,629	214,966	218,642	135,968	145,626	(10,657)	-7.3%	218,642
Vote 2 - Assets & Facilities Management	1,527,375	1,700,101	1,777,822	1,178,283	1,213,545	(35,262)	-2.9%	1,777,822
Vote 3 - Corporate Services	1,382,160	1,651,993	1,674,430	1,082,534	1,089,055	(6,522)	-0.6%	1,674,430
Vote 4 - City Manager	23,991	67,073	28,156	20,071	21,795	(1,724)	-7.91%	28,156
Vote 5 - Directorate of the Mayor	401,494	432,650	475,109	324,919	341,263	(16,344)	-4.8%	475,109
Vote 6 - Energy	9,458,164	10,172,503	10,155,543	6,874,976	6,952,665	(77,689)	-1.1%	10,155,543
Vote 7 - Finance	2,725,162	3,122,764	3,309,399	2,119,842	2,151,212	(31,370)	-1.5%	3,309,399
Vote 8 - Informal Settlements, Water & Waste Services	5,952,433	6,569,522	6,831,859	4,597,522	4,799,500	(201,978)	-4.2%	6,831,859
Vote 9 - Safety & Security	2,625,125	2,919,995	2,884,135	1,511,867	1,558,963	(47,096)	-3.0%	2,884,135
Vote 10 - Social Services	2,704,436	3,110,184	3,089,842	2,074,101	2,181,858	(107,767)	-4.9%	3,089,842
Vote 11 - Transport & Urban Development Authority	3,695,304	4,583,704	5,049,652	2,732,765	2,868,387	(135,622)	-4.7%	5,049,652
<b>Total Expenditure by Vote</b>	<b>30,691,275</b>	<b>34,545,457</b>	<b>35,494,590</b>	<b>22,652,849</b>	<b>23,324,879</b>	<b>(672,030)</b>	<b>-2.9%</b>	<b>35,494,590</b>
<b>Surplus/ (Deficit) for the year</b>	<b>4,289,641</b>	<b>1,919,528</b>	<b>2,293,012</b>	<b>5,908,285</b>	<b>4,834,874</b>	<b>1,073,410</b>	<b>22.2%</b>	<b>2,293,012</b>

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.

Table C3 (a): Material variance explanations for revenue by vote

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue by Vote</b>				
Vote 1 - Area-Based Service Delivery	1,097	50.3%	The variance is on : Informal Trading Levy (over), due to a higher number of informal trading permits issued than planned.	No action required.
Vote 2 - Assets & Facilities Management	(6,750)	-2.2%	The under-recovery reflects against: 1. Rental of Facilities & Equipment, due to fewer than anticipated events hosted at the Cape Town Stadium, the transfer of properties (ex-rental stock) to home owners and Residential Lease-Out Contracts that were terminated or cancelled. 2. Profit on Sale of Assets, due to the misalignment of the period budget provision with the actual trend on the sale of properties of which the final outcome of transactions cannot be predicted. 3. Contributions recognised - Capital (PCDR), relating to the Granary Project within the Property Management department, where there is a misalignment of the period budget with the actual project progress. The project will be completed by June 2017.	Situation is monitored. Period budgets will be reviewed and adjusted where required.
Vote 3 - Corporate Services	14,780	44.5%	The over-recoveries are mainly on: 1. Transfers recognised - Operational : (Infrastructure Skills Development grant) due to expenditure relating to apprentices incurred ahead of plan. 2. Other Revenue - Skills Development Levy, due to higher than planned income received, based on the value of claims submitted by the City. 3. Recoveries of Operational Expenditure (over), due to operational expenditure recovered from third parties which were not planned for.	Situation is monitored. Period budgets will be reviewed and adjusted where required.
Vote 4 - City Manager	0	-	No variance	
Vote 5 - Directorate of the Mayor	56	8.8%	The variance is a combination of over-/under-recoveries : 1. Transfers Recognised - Operational (Public Contributions & Donations) (under), due to delays in identifying projects funded from the Tourism Development Framework Grant. 2. Recoveries of Operational Expenditure (over), due to the recovery of legal costs from plaintiffs where the judge rules in favour of the City. 3. Staff Recoveries (over) due to the recoveries of expenditure from staff members not planned for.	Situation is monitored by Finance Manager.
Vote 6 - Energy	29,460	0.3%	The variance is a combination of over-/under-recovery. 1. Electricity Service Charges (R16.7 million over), due to the periodic changes in consumption as a consequence of changing weather conditions as well as implementation of alternative energy sources etc. The continuous movement of consumers between the various tariffs as well as changes to the costs associated with the fixed charge as compared to the variable components of the tariff further contributed to this variance. 2. Service Charges Other (combination of under/over) mainly on: a) Service Charges - Recoveries of Infrastructure Maintenance (under), due to customer demand being lower than planned. b) Connection Fees (over), due to customer demand being higher than anticipated for the period under review. 3. Development Levies (over), due to higher than planned property developments in the City. 4. Transfers recognised - Capital (over), due to the Backyarders Electrification Projects and the Bonteheuwel Electrical Projects (Phase 1 and 2) being ahead of schedule as a result of good contractor performance. 5. Transfers recognised - Operational (under), due to delays in payments to Eskom as a result of incorrect VAT amounts on invoices submitted. 6. Interest Earned - Outstanding Debtors (over), due to debtors in arrears being higher than planned.	The situation is monitored by the finance manager and cash flows will be adjusted, where required.

Table continues on next page.

<u>Revenue by Vote</u> Vote 7 - Finance	99,896	0.9%	<p>The variance is a combination of over-/under-recovery.</p> <p>1(a) Property Rates (Under), due to the impact of rates adjustments related to previous financial years which resulted from billing corrections, valuation adjustments/ amendments.</p> <p>b) Income Forgone (under), due to fewer than anticipated applications received and properties that qualify to date.</p> <p>2. Interest earned on external investments (over), due to favourable cash balances of the City.</p> <p>3. Other Revenue is a combination of over-/under-recovery on:</p> <p>a) Discounts (over), where higher than anticipated discounts were received from suppliers.</p> <p>b) CIDS: Commercial (over), due to adjustments to valuations on which CID Levies are based as well as new developments coming into stream resulting in more revenue received.</p>	Situation is monitored. Period budgets will be reviewed and adjusted where required.
Vote 8 - Informal Settlements, Water & Waste Services	167,603	3.3%	<p>The variance is due to:</p> <p>1. Water Service Charges Revenue (R158million over) and Sanitation Service Charges Revenue (R24million under), where the variances are as a result of 30% water restrictions implemented, the impact of the billing cycles and billing corrections.</p> <p>2. Service Charges-Other (over): Revenue higher than planned on Treated Effluent Sales due to stricter billing measures applied as well as the use of treated effluent as alternative to water during drought.</p> <p>3. Transfers Recognised - Operational (over):</p> <p>(i) Water Service - Allocation of the cost for the EPWP project has been prioritised to reflect on external funding first.</p> <p>(ii) Informal Settlements - due to higher than planned expenditure incurred for purchasing of fire kits.</p> <p>4. Service Charges-Refuse (over):</p> <p>(i) Cleansing Fees revenue - due to higher than planned revenue received on refuse removal service for various events.</p> <p>(ii) Refuse Charges higher than planned due to data clean-up of debtors records resulting in more billings.</p> <p>(iii) Special Waste due higher than planned revenue from the disposal of hazardous waste.</p> <p>5. Development Levies (over), due to higher than planned development applications received by the City.</p> <p>6. Forfeited retentions and penalties (over), due to an once off amount paid out that was unforeseen.</p> <p>7. Transfers Recognised - Capital (under) (A combination of over and under recoveries):</p> <p>(i) Water Service (USDG) due to the Borchards Quarry WWTW project and the Cape Flats Bulk Sewer project being ahead of schedule, and</p> <p>(ii) Informal Settlements Projects (False Bay, Kalkfontein, Urbanisation, Vahalla Park, Tambo Square) - delayed due to late appointments of contractors and tender appeal processes.</p>	Situation is monitored by the finance managers and corrective actions and amendments will be implemented where required.
Vote 9 - Safety & Security	72,931	15.3%	<p>The variance is a combination of over / under-recovery:</p> <p>1. Traffic Fines and Traffic Fines-Accruals (over), due to more than planned number of fines issued for the period resulting from the higher number of traffic violations.</p> <p>2. Licences and Permits (over), due to a higher than planned number of applications received for learner licences, learner certificates and PDP operator certificates.</p> <p>3. Fire fees (over) due to higher than planned revenue recovered from property owners for extinguishing of fires on their properties.</p> <p>4. Vehicle Impoundment Fees (under) due to public adhering to bylaws and thus resulting in less transgressions and less income.</p> <p>5. Hire of Municipal Staff (over), due to higher demand for rental-cops.</p>	Situation is monitored by the Finance Manager. Period budgets will be reviewed and adjusted where required.

Table continues on next page.



Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Revenue by Vote</u>				
Vote 10 - Social Services	4,424	0.8%	<p>The variance is a combination of over-/under recovery.</p> <ol style="list-style-type: none"> <li>1. Camp/Resort fees (under), due to lower than planned revenue received for the year to date.</li> <li>2. Rental of facilities and Equipment (over), due to higher than anticipated income received from rental of facilities.</li> <li>3. Capital grants and donations (over), due to the following projects being ahead of schedule as a result of good contractor performance: <ol style="list-style-type: none"> <li>a) Upgrade Nomzamo Smart Park</li> <li>b) Upgrade Khayelitsha Wetlands Park</li> <li>c) Upgrade smart park - Atlantis</li> <li>d) Upgrade smart park - Seawinds</li> <li>e) New cemetery development</li> <li>f) Library upgrades and extensions</li> </ol> </li> <li>4. Transfers recognised - Operational (over), due to expenditure on ARV drugs and testing being higher than planned.</li> </ol>	Situation is monitored. Period budgets will be reviewed and adjusted, if required.
Vote 11 - Transport & Urban Development Authority	17,882	1.1%	<p>The variance is a combination of over / under recovery mainly on:</p> <ol style="list-style-type: none"> <li>1. Bus fares (over), due to an increased number of users of services due to the influx of people over the festive season and the impact of poor rail services by Metrorail.</li> <li>2. Building Levies/Scrutiny fees (over), due to the increase in building activities in the City.</li> <li>3. Rezoning fees (under), due to lower number of applications received to date.</li> <li>4. Transfers recognised - operational (under), due to: <ol style="list-style-type: none"> <li>(a) underspending on housing top structures projects as the result of ongoing vandalism;</li> <li>(b) Slow progress on the promotion and communication on MyCiti Services;</li> <li>(c) Delayed payment to PRASA for the development framework for the Northern Corridor;</li> <li>(d) Delays in the implementation of the Integrated Public Transport Network Plan project due to late awarding of the tender.</li> </ol> </li> <li>5. Development Levies (over), due to higher rate of property development in the City as well as the collection of outstanding fees.</li> <li>6. Transfers Recognised - Capital (over), due to: <ol style="list-style-type: none"> <li>(a) Items delivered earlier than anticipated on the Public Transport System Management project;</li> <li>(b) IRT Phase 2A, ahead of schedule due to good performance of contractor;</li> <li>(c) Valhalla Park Integrated Housing Project ahead of schedule.</li> </ol> </li> <li>7. Contributed asset (over), due to Wolfgat Environmental Education Centre donated to City of Cape Town and the recognition thereof in the City's books.</li> </ol>	Situation is monitored by the Finance Manager. Period budgets will be reviewed and adjusted where required.

**Table C3 (b): Material variance explanations for expenditure by vote**

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Expenditure by Vote</b> Vote 1 - Arca-Based Service Delivery	(10,657)	-7.3%	This variance is the combination of over/under expenditure mainly on: 1. Employee Related Costs - Ward Committee Allowances (under), due to delays in establishment of ward committees. 2. Contracted Services on: a) Mayoral Urban Re-generation Project (under) - Projects progressing slower than anticipated due to difficulties experienced in reaching consensus with the community with regard to projects that are to be implemented. b) Sub-Council public functions (Under), due to less public functions hosted than anticipated. c) Safeguard and Security & General Expenses - Hire of Cars (Over) - expenditure higher than anticipated due to increased gang intervention programmes and transport service required to patrol in MURP Areas.	Virements will be processed to absorb the over-expenditure and alignment of the budget is ongoing.
Vote 2 - Assets & Facilities Management	(35,262)	-2.9%	The variance is mainly on: 1. Depreciation (under), due to the downward adjustment of depreciation charges as a result of reclassification of assets with a land component from depreciable to non-depreciable. 2. Other Materials (under), due to cost containment measures implemented to curtail expenditure on materials, consumables, tools & equipment and delays in finalisation and awarding of the building maintenance tender. 3. Contracted Services (under) due to cost containment measures implemented to curtail expenditure on consultants. In addition, maintenance activities on rental stock is slower than planned due to lack of capacity. 4. General Expenses with a combination of over-/under expenditure on: a) Cleaning Costs (under), where less than anticipated events were hosted at the Cape Town Stadium resulting in savings on cleaning costs. b) Fuel (under), due to the improved/stricter control measures implemented to curb costs and lower than expected fuel prices. c) Hire of LDV (under), due to very stringent budgetary control measures imposed on private vehicle hire in Fleet. d) Subsidy on Home Owners Redemption (under), where expenditure is linked to the number of applications received. e) Computer Services Software Licence upgrades (under), due to lower than expected demand to date. It is anticipated that expenditure will increase substantially during the remainder of the financial year. f) Repairs & Maintenance: Vehicle Tracking (under), due to lower than anticipated expenditure for the period. g) Indigent Relief (over), where more applications were received than anticipated to date.	Alignment of the period budgets with the actual expenditure will be undertaken where necessary  Additional EPWP workers appointed to speed up maintenance programmes
Vote 3 - Corporate Services	(6,522)	-0.6%	The variance is a combination of under-/over expenditure mainly on: 1. Employee related costs (under), due to the turnaround time of filling vacancies. 2. Remuneration of Councillors (over), due to the misalignment of the period budget with the actual expenditure trend. 3. Depreciation (under), due to the downward adjustment of depreciation charges as a result of the reclassification of assets with a land component from depreciable to non-depreciable. 4. Contributions to Provision - Software Licences (under), due to misalignment of the period budget with the actual expenditure to date. 5. General Expenses: a) Cell Phone Subscriptions (over), due to allocation of 3Gcards to additional staff and councillors who qualify. b) Telecommunication Services (under), as a result of an incorrect journal that was processed. c) Computer Services Software Licence upgrades (under), where the earlier payments have resulted in savings due to the favourable R/\$ exchange rate and the subsequent discontinuation of the Microsoft Enterprise Agreement to assess alternative options. d) Telecommunication Lines (over), due to more invoices received than anticipated for the period. e) Training (under) due to some vendors only recently getting approval to render their services	Situation is monitored and alignment of the period budgets with the actual expenditure will be undertaken where necessary.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Expenditure by Vote</b>				
Vote 4 - City Manager	(1,724)	-7.91%	The under expenditure is mainly on 1. Employee Related Costs, due to the turnaround time of filling vacancies and staff appointed at lower than budgeted total cost to the City. 2. General expenses - Travel & Subsistence due to stricter control measures put in place to curb expenditure.	Situation is monitored by the Finance Manager. Alignment of the budget will be undertaken where necessary.
Vote 5 - Directorate of the Mayor	(16,344)	-4.8%	The under-expenditure is mainly on: 1. Employee related costs (over), due to the once-off payments for the termination of contracts of former staff members. 2. Depreciation (under), due to reversals of depreciation charges as a result of reclassification of asset with a land component from depreciable to non-depreciable. 3. Contracted services (under) due to the delay in the awarding of the tender for the Transversal Management training as well as the delay in the submission of the WESGRO status report and therefore the payment was postponed to end of April 2017. 4. Computer Services (over) due to the cost of the City Manager's screening interventions for 2017 Capital Projects and PPM projects being higher than anticipated.	Situation is monitored by Finance Manager.
Vote 6 - Energy	(77,689)	-1.1%	The variance is largely due to under expenditure mainly on: 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts. 2. Bulk Electricity (under), due to periodic changes in consumption as a consequence of changing weather conditions as well as implementation of alternative energy sources etc. Continuous movement of consumers between the various tariffs as well as changes to the costs associated with the fixed charge as compared to the variable components of the tariff further contributed to this variance. 3. Contracted Services (under), due to: a) Delays in receipt of the revised invoices as a result of incorrect vat amount calculated for electrical work received from Eskom. b) Grass cutting and tree pruning services demand lower than planned. c) Public lighting and FLR tender awards delayed as a result of specifications clarification. d) Labour brokers provision not required for the current financial year. 4. Other Expenditure (under), mainly on: a) Security Services, due to scaling down of security operations as a result of changing cables from overhead to underground. b) Fuel, due to lesser requirement for the gas turbine, the impact of price fluctuations and lower consumption. c) Prepaid electricity commission, expenditure lower than anticipated for the period. d) Transportation, where the staff transportation contract is only paid when invoices are submitted. e) Advertising, due to lower than anticipated demand on communication requirements. f) Specialised Information Technology Services (under), due to delay of the metering mobile project as a result of tender specifications clarification. 5. Other Materials (under), due to the Public lighting and FLR tender awards, which were delayed as a result of specifications clarification.	Situation is monitored by the finance manager. Alignment of the budget with actual expenditure will be undertaken where necessary.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Expenditure by Vote</b>				
Vote 7 - Finance	(31,370)	-1.5%	The variance is largely due to under/over expenditure on: 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Contracted Services (over), mainly due to misalignment of period budget with YTD period actual expenditure. 3. Finance Charges mainly on Net Losses on Financial Instrument (Over) due to the misalignment of the budget with the actual expenditure.	Situation is monitored by the finance manager. Alignment of the budget with actual expenditure will be undertaken where necessary.
Vote 8 - Informal Settlements, Water & Waste Services	(201,978)	-4.2%	The variance is a combination of under/over expenditure mainly on: 1. Employee-related costs (under), due to turnaround time in the filling vacancies, the impact of the impact of the internal filling of vacant posts and challenges experienced in sourcing suitable candidates for Mayor's Job Creation Project posts. 2. Contracted Services (under) due to: a) Lower than planned expenditure on the reactive component of repairs and maintenance which is of an adhoc nature and difficult to plan accurately per monthly cycles. b) Lower than planned spending on the Alien Clearing programme. c) Lower than planned expenditure on Mayor's Job Creation Projects due to new PID's only approved in April 2017. Expenditure is expected to increase in last quarter of the current financial year. d) Litter Picking and Street Cleaning (under), due to delays in the award of the Sandy Area tenders which resulted in lower spending than planned. e) Haulage And AS Project Manage (under), due to delays in awarding of the tender. The tender had to be advertised for the second time to allow for a change in the scope of the tender. 3. Other expenditure (under): a) Repairs & Maintenance due to the misalignment of the budget with the actual expenditure and the reactive component of repairs maintenance which is of an adhoc nature and difficult to plan accurately per monthly cycles. b) Cleansing related cost (over), due to the purchasing of refuse bags for informal settlements and sandy areas clean-up being more than planned. c) Fuel (under), due to lower fuel requirements for water generators, the impact of price fluctuations of fuel and lower consumption. d) Hire of LDV (under), due to the hiring of vehicles being kept at a minimum as a result of the improved turn around time of the vehicle maintenance performed. e) Security Services & Charges (over) due to increased security required at the disposal facilities and informal settlement areas f) Chemicals (under) due to current weather patterns and water restrictions resulting in less treatment of water. 4. Other Materials (over) due to a large amount of Fire Kits purchased during December/January for informal settlement fires.	Situation is monitored by Finance Managers. Period Budget Provisions will be reviewed and amended and virements actioned where required

Table continues on next page.

Description	YTD Variance R	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u> Vote 9 - Safety & Security	(47,096)	-3.0%	The under-expenditure variance is mainly on: 1. Employee related costs (under) due to the turnaround time in filling of vacancies. 2. Contracted Services (under), largely due to lower than anticipated demand for safeguarding and security services for the period. 3. Transfers and Grants (under) due to the non-payment to non-compliant beneficiaries as a result of outstanding documentation, which is required prior approval and payment of the grant. 4. General Expenses (under) mainly on: a) Uniform and Protective clothing (under) due the delays in the awarding of the Law Enforcement uniform tender. b) Fuel (under) due to certain fleet vehicles being repaired in workshops and are therefore not utilised. c) Software Licenses (under) due to fewer licenses required for the period under review.	Situation is monitored by Finance Manager.
Vote 10 - Social Services	(107,767)	-4.9%	The variance is mainly on: 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Depreciation (under), due to the re-classification of public open spaces to non-depreciable land resulting in the adjustment and reversal of prior years' depreciation charges. 3. Materials (over) due to more repairs and maintenance materials required than initially anticipated. 4. Contracted services (under) due to: a) Delays in finalising the grass cutting tender, b) Outstanding invoices for laboratory services as well as fewer than anticipated HIV & TB patients being tested, c) Slower than anticipated progress on major construction projects, due to delays in the planning phase. d) Outstanding authority for partner programmes which inhibited delivery of Sports and Recreation programmes. 5. General expenses (combination of over/under), largely due to: a) G&D Pharmaceutical supplies & Vaccines (over), as a result of the cost of ARV drugs and vaccines being higher than anticipated. b) Electricity (under), due to invoices not received timeously. c) Fuel (under) due to the stricter control measures put in place and price fluctuations. d) Security services (under), due to service providers being paid one month in arrears. e) Uniforms and protective clothing (under), due to not all of the Mayor's Job Creation Projects being fully implemented.	The recruitment and selection process is on-going. Situation is monitored by the finance manager.

Table continues on next page.

Description	YTD Variance R	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 11 – Transport & Urban Development Authority	(135,622)	-4.7%	<p>The variance is a combination of under / over expenditure on various items</p> <p>1. Depreciation (under) , expenditure is largely linked to the capitalisation rate of assets. In addition, delay in the acquisition of assets leading to assets being brought into use later than planned further contributed to this variance.</p> <p>2. Other Materials (over), due to higher than anticipated sales of the EMV MyCiti cards for the period.</p> <p>3. Contracted Services (under),</p> <p>(a) Due to substantial increase in vandalism and armed robbery activities at Atlantis Kanonkop which affected the progress of contractors constructing Top Structure. Contractors had to stay away from the site for safety reasons</p> <p>(b) Delays in the awarding of the tender for Traffic Signals repairs - tender, awarded only recently.</p> <p>(c) The Belhar Pentech previous contractor did not perform to the required standards which led to the termination of the contract. The tender for internal services was advertised and a contractor was appointed. The appointment is still in the appeal time period.</p> <p>(d) Contractors delayed in starting work at Morkel's Cottage, however the problem has been resolved and progress are being made with the project.</p> <p>4. General Expenses (under), due to:</p> <p>(a) Fuel price fluctuations.</p> <p>(b) IRT taxi compensation payouts dependent on complex negotiations and conditions with the taxi operators are difficult to predict.</p>	Journals will be processed to ensure that expenditure is booked to the correct cost element. Alignment of the budget will be undertaken where necessary.

**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	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue By Source</b>								
Property rates	6,745,047	6,959,000	7,577,601	6,018,741	6,021,638	(2,897)	0.0%	7,577,601
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-
Service charges - electricity revenue	11,198,441	11,807,918	11,807,918	8,873,924	8,857,146	16,778	0.2%	11,807,918
Service charges - water revenue	2,984,859	3,066,664	3,251,696	2,602,445	2,444,355	158,091	6.5%	3,251,696
Service charges - sanitation revenue	1,534,981	1,528,277	1,691,777	1,247,092	1,271,405	(24,313)	-1.9%	1,691,777
Service charges - refuse revenue	1,090,550	1,232,929	1,216,925	895,066	890,681	4,385	0.5%	1,216,925
Service charges - other	554,766	617,287	624,981	458,852	448,845	10,007	2.2%	624,981
Rental of facilities and equipment	350,954	383,550	385,266	281,110	293,836	(12,726)	-4.3%	385,266
Interest earned - external investments	642,628	595,694	595,694	552,371	540,385	11,985	2.2%	595,694
Interest earned - outstanding debtors	221,609	284,710	244,710	200,881	176,360	24,520	13.9%	244,710
Dividends received	-	-	-	-	-	-	-	-
Fines	1,088,073	1,055,743	1,055,676	429,353	374,113	55,240	14.8%	1,055,676
Licences and permits	41,494	27,893	35,893	37,136	28,441	8,696	30.6%	35,893
Agency services	183,260	153,993	153,993	134,852	134,501	351	0.26%	153,993
Transfers recognised - operational	3,619,257	3,802,940	4,296,766	3,008,468	2,997,702	10,766	0.4%	4,296,766
Other revenue	2,405,372	2,504,046	2,515,192	2,478,635	2,429,121	49,514	2.0%	2,515,192
Gains on disposal of PPE	126,501	79,500	40,500	8,164	(8,928)	17,092	191.4%	40,500
<b>Total Revenue (excluding capital transfers)</b>	<b>32,787,790</b>	<b>34,200,144</b>	<b>35,494,590</b>	<b>27,227,091</b>	<b>26,899,602</b>	<b>327,489</b>	<b>1.2%</b>	<b>35,494,590</b>
<b>Expenditure By Type</b>								
Employee related costs	9,357,740	10,597,571	10,338,892	7,635,452	7,719,926	(84,474)	-1.1%	10,338,892
Remuneration of councillors	134,637	151,063	146,004	99,232	93,059	6,173	6.6%	146,004
Debt impairment	1,898,476	2,003,203	2,257,845	1,016,287	1,021,924	(5,637)	-0.55%	2,257,845
Depreciation & asset impairment	2,117,336	2,318,441	2,433,315	1,647,847	1,750,361	(102,514)	-5.9%	2,433,315
Finance charges	751,614	895,848	895,848	519,281	518,180	1,101	0.2%	895,848
Bulk purchases	8,073,336	8,515,180	8,515,180	5,657,875	5,681,885	(14,010)	-0.2%	8,515,180
Other materials	304,724	338,172	524,027	326,607	353,932	(27,325)	-7.7%	524,027
Contracted services	3,421,785	4,396,163	4,690,868	2,358,108	2,643,237	(285,129)	-10.6%	4,690,868
Transfers and grants	148,246	174,833	120,113	88,268	96,715	(8,427)	-8.7%	120,113
Other expenditure	4,475,263	5,154,983	5,572,498	3,293,580	3,445,660	(152,081)	-4.4%	5,572,498
Loss on disposal of PPE	8,118	-	-	293	-	293	100.0%	-
<b>Total Expenditure</b>	<b>30,691,275</b>	<b>34,545,457</b>	<b>35,494,590</b>	<b>22,652,649</b>	<b>23,324,879</b>	<b>(672,030)</b>	<b>-2.9%</b>	<b>35,494,590</b>
<b>Surplus/(Deficit)</b>	<b>2,096,516</b>	<b>(345,312)</b>	<b>(0)</b>	<b>4,574,243</b>	<b>3,574,724</b>	<b>999,519</b>	<b>28.0%</b>	<b>(0)</b>
Transfers recognised - capital	2,131,537	2,177,040	2,205,071	1,271,845	1,198,970	72,875	6.1%	2,205,071
Contributions recognised - capital	61,488	87,800	81,341	45,684	54,581	(8,897)	-16.3%	81,341
Contributed assets	100	-	6,600	16,512	6,600	9,913	150.2%	6,600
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>4,289,641</b>	<b>1,919,528</b>	<b>2,293,012</b>	<b>5,908,285</b>	<b>4,834,874</b>			<b>2,293,012</b>
Taxation	-	-	-	-	-			-
<b>Surplus/(Deficit) after taxation</b>	<b>4,289,641</b>	<b>1,919,528</b>	<b>2,293,012</b>	<b>5,908,285</b>	<b>4,834,874</b>			<b>2,293,012</b>
Attributable to minorities	-	-	-	-	-			-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>4,289,641</b>	<b>1,919,528</b>	<b>2,293,012</b>	<b>5,908,285</b>	<b>4,834,874</b>			<b>2,293,012</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-			-
<b>Surplus/ (Deficit) for the year</b>	<b>4,289,641</b>	<b>1,919,528</b>	<b>2,293,012</b>	<b>5,908,285</b>	<b>4,834,874</b>			<b>2,293,012</b>

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

**Table C4 (a): Material variance explanations for revenue by source**

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>				
Property rates	(2,897)	0.0%	The under-recovery is a combination of over-/under recovery. (a) Property Rates (under), due to the impact of rates adjustments related to previous financial years which resulted from billing corrections and valuation adjustments/ amendments. (b) Income Forgone (under), due to the fewer than anticipated applications received and properties that qualify to date.	Situation is monitored.
Service charges - electricity revenue	16,778	0.2%	The over-recovery is due to the periodic changes in consumption as a consequence of changing weather conditions as well as implementation of alternative energy sources etc. The continuous movement of consumers between the various tariffs as well as changes to the costs associated with the fixed charge as compared to the variable components of the tariff further contributed to this variance.	Current trends are monitored
Service charges - water revenue	158,091	6.5%	The over-recovery is mainly due to the newly implemented level 3 water restrictions (30%) where sales volumes were higher than anticipated. The impact of the billing cycles and billing corrections further contributed to the variance.	Current trends are monitored
Service charges - sanitation revenue	(24,313)	-1.9%	The variance is mainly on Sewerage Sales. The charges on sewerage are demand driven and linked to water consumption trends and the factors influencing water consumption.	Current trends are monitored
Service charges - refuse revenue	4,385	0.5%	The over-recovery is mainly due to higher than planned income for refuse removal as a result of data clean-up of debtors records, higher than planned income for Cleansing Fees received from events refuse removal and higher than planned Special Waste revenue from the disposal of hazardous waste.	Current trends are monitored
Service charges - other	10,007	2.2%	The variance is a combination of over-/under-recovery on various revenue elements in this category. 1.Collection Charges Recovered (over), due to higher than planned revenue for the period. 2.Busfares-Transit products (over), due to increased number of users of services as a result of influx of people over the festive season and the impact of poor rail services by Metrorail. 3.Camp/Resort Fees mainly within Social Services (under), due to a lower rate of usage of camp/resort facilities to date. 4.Fire fees (over), due to higher than planned revenue recovered from property owners for extinguishing of fires. 5.Recoveries of Infrastructure Maintenance (under) within Electricity Service due to consumer demand for services being lower than planned. 6.Building Levies/Scrutiny Fees (over), due to increased level of building activities in the City. 7.Connection Fees - Electricity (over), due to higher than planned demand from consumers.	Situation is monitored by the Finance Managers. Period budgets will be reviewed and adjusted where required
Rental of facilities and equipment	(12,726)	-4.3%	The variance is mainly within Assets and Facility Management (under) and is mainly due fewer than anticipated events hosted at Cape Town Stadium.	Current trends are monitored
Interest earned - external investments	11,986	2.2%	The over-recovery is largely due to interest earned on investments for period under review being higher than planned due to more favourable investment and cash balances.	Current trends are monitored

Table continues on next page.



Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>				
Interest earned - outstanding debtors	24,520	13.9%	The over recovery is on Electricity, Water & Sanitation and Solid Waste Debtors. This is related to the debtors payment ratio and outstanding debtor balances.	Current trends are monitored by the respective Finance Managers
Dividends received	—	—	N/a	
Fines	55,240	14.8%	The over recovery is mainly on Traffic Fines and Traffic Fines-Accruals where more than planned number of fines were issued for the period due to higher number of traffic violations	Current trends are monitored
Licences and permits	8,696	30.6%	The over-recovery is mainly within Safety & Security, due to a higher than planned number of applications received for learner licences, learner driver certificates and PDP operator certificates.	Current trends are monitored
Agency services	351	0.3%	Over recovery is mainly within Finance and is due to the higher than planned revenue received for the processing of vehicle licences.	Current trends are monitored
Transfers recognised - operational	10,766	0.4%	The variance is mainly within: 1. Transport and Urban Development (R95.5m under) : due to (a) Underspending on housing top structures projects as a result of ongoing vandalism; (b) Slow progress on the promotion and communication on MyCiti Services; (c) Delayed payment to PRASA for the development framework for the Northern Corridor; (d) Delay in the implementation of the Integrated Public Transport Network Plan project due to late awarding of the tender. 2. Informal Settlements, Water and Waste Services (R12.2 m over): due to higher than planned expenditure incurred for purchasing of Fire kits for Informal Settlements as a result of fires. In addition higher than planned EPWP related expenditure within Water Service further contributes to this variance. 3. Social Services (R9.9m over), due to the over-recovery on the Provincial Health grant as a result of expenditure on ARV drugs and testing being higher than planned. 4. Corporate Services (R5.4m over), due to expenditure relating to apprentices incurred ahead of plan on Infrastructure Skills Development Grant.	Current trends are monitored by the respective Finance Managers
Other revenue	49,514	2.0%	The main contributors to this over-recovery are: 1. Development Levies/BICL, due to higher than planned revenue on development levies received from property developers. 2. Skills Development Levy, due to payment of claims submitted, being more than planned to date. 3. Hire of Municipal Staff, due to accruals raised for staff members as per requests for events within Safety & Security.	Current trends are monitored by the respective Finance Managers
Gains on disposal of PPE	17,092	-191.4%	The variance is mainly within Assets and Facility Management and relates to the sale of property, plant and equipment, for which the actual outcomes are difficult to accurately plan for per monthly cycles.	Current trends are monitored

Table continues on next page.

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

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Expenditure By Type</b>				
Employee related costs	(84,474)	-1.1%	The variance is mainly due to turnaround time in filling vacancies and the internal filling of vacancies.	The filling of vacancies is on-going and seasonal staff are appointed as and when required. Savings realised to date have been set aside and ring-fenced within investment accounts to address corporate initiatives and commitments.
Remuneration of councillors	6,173	6.6%	Due to the misalignment of the period budget with the actual expenditure trend.	Alignment of the period budget with the actual expenditure will be undertaken.
Debt impairment	(5,637)	-0.55%	Immaterial	
Depreciation & asset impairment	(102,514)	-5.9%	Underspent due to the downward adjustment of depreciation charges as a result of reclassification of assets with a land component from depreciable to non-depreciable. In addition, this expenditure is largely linked to the capitalisation rate of assets.	
Finance charges	1,101	0.2%	Immaterial	
Bulk purchases	(14,010)	-0.2%	Immaterial	
Other materials	(27,325)	-7.7%	Due to cost containment measures implemented to curtail expenditure on materials and the delays in finalisation and awarding of the building maintenance tender.	
Contracted services	(285,129)	-10.8%	The variance is mainly due to: a) The cost containment measures implemented to curtail expenditure on consultants. b) Delays in the award of tenders and receipt of invoices from the service providers c) Misalignment of the budget with the actual expenditure and the reactive component of repairs maintenance which is of an adhoc nature and difficult to plan accurately per monthly cycles.	Alignment of the period budget with the actual expenditure is ongoing.
Transfers and grants	(8,427)	-8.7%	The variance is due to the non-payment to non-compliant beneficiaries as a result of outstanding documentation, which is required prior approval and payment of the grant.	
Other expenditure	(152,081)	-4.4%	The variance mainly on: Fuel (under), due to lower fuel requirements for water generators, the impact of price fluctuations of fuel and lower consumption. Repairs & Maintenance due to the misalignment of the budget with the actual expenditure and the reactive component of repairs maintenance which is of an adhoc nature and difficult to plan accurately per monthly cycles.	
Loss on disposal of PPE	293	100.0%		

**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	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Multi-Year expenditure appropriation</b>								
Vote 1 - Area-Based Service Delivery	9,176	6,204	12,375	4,790	4,284	506	11.8%	12,218
Vote 2 - Assets & Facilities Management	311,356	380,223	388,008	156,982	151,274	5,708	3.8%	381,068
Vote 3 - Corporate Services	318,490	302,085	257,408	89,858	82,795	7,062	8.5%	257,048
Vote 4 - City Manager	232	242	322	218	243	(26)	-10.6%	322
Vote 5 - Directorate of the Mayor	22,086	21,196	22,341	13,918	13,787	131	0.9%	22,298
Vote 6 - Energy	1,090,855	1,607,202	1,376,327	789,641	748,038	41,603	5.6%	1,320,315
Vote 7 - Finance	15,866	16,111	24,379	8,681	8,841	(160)	-1.8%	24,289
Vote 8 - Informal Settlements, Water & Waste Services	1,698,228	2,055,689	1,949,977	946,340	874,408	71,932	8.2%	1,932,235
Vote 9 - Safety & Security	150,281	138,938	119,749	65,585	64,181	1,405	2.2%	119,051
Vote 10 - Social Services	231,223	247,679	264,684	124,679	129,737	(5,057)	-3.9%	246,716
Vote 11 - Transport & Urban Development Authority	1,642,040	1,725,706	1,943,836	1,247,554	1,118,970	128,585	11.5%	1,896,774
<b>Total Capital Expenditure</b>	<b>5,489,834</b>	<b>6,501,277</b>	<b>6,359,407</b>	<b>3,448,245</b>	<b>3,196,557</b>	<b>251,688</b>	<b>7.9%</b>	<b>6,212,334</b>
<b>Capital Expenditure - Standard Classification</b>								
<b>Governance and administration</b>	<b>520,726</b>	<b>571,966</b>	<b>701,264</b>	<b>303,340</b>	<b>312,521</b>	<b>(9,182)</b>	<b>-2.9%</b>	<b>697,478</b>
Executive and council	45,771	35,849	162,926	117,091	126,545	(9,454)	-7.5%	161,839
Budget and treasury office	15,367	15,997	24,265	8,667	8,720	(53)	-0.6%	24,175
Corporate services	459,588	520,120	514,073	177,582	177,256	326	0.2%	511,464
<b>Community and public safety</b>	<b>770,004</b>	<b>936,453</b>	<b>1,012,078</b>	<b>529,143</b>	<b>383,579</b>	<b>145,564</b>	<b>37.9%</b>	<b>986,860</b>
Community and social services	85,337	69,742	87,770	37,722	39,955	(2,233)	-5.6%	79,240
Sport and recreation	142,704	148,513	167,857	80,942	89,858	(8,916)	-9.9%	158,883
Public safety	187,892	185,098	169,922	97,529	88,919	8,610	9.7%	169,917
Housing	336,949	499,611	562,338	299,330	155,030	144,300	93.1%	554,733
Health	17,122	33,490	24,191	13,621	9,818	3,803	38.7%	24,087
<b>Economic and environmental services</b>	<b>1,529,423</b>	<b>1,534,557</b>	<b>1,507,837</b>	<b>948,012</b>	<b>975,418</b>	<b>(27,406)</b>	<b>-2.8%</b>	<b>1,463,427</b>
Planning and development	58,135	70,524	69,666	42,984	44,166	(1,182)	-2.7%	69,649
Road transport	1,454,254	1,448,117	1,426,123	902,711	929,502	(26,791)	-2.9%	1,381,745
Environmental protection	17,034	15,916	12,048	2,316	1,749	568	32.5%	12,033
<b>Trading services</b>	<b>2,669,181</b>	<b>3,458,301</b>	<b>3,138,227</b>	<b>1,667,750</b>	<b>1,525,039</b>	<b>142,712</b>	<b>9.4%</b>	<b>3,064,570</b>
Electricity	1,016,911	1,536,812	1,305,937	747,878	714,691	33,188	4.6%	1,249,927
Water	719,005	883,225	942,094	462,059	398,865	63,194	15.8%	925,507
Waste water management	680,773	800,774	708,115	375,528	328,213	47,315	14.4%	709,048
Waste management	252,491	237,491	182,081	82,286	83,270	(985)	-1.2%	180,088
<b>Other</b>	<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard Classification</b>	<b>5,489,834</b>	<b>6,501,277</b>	<b>6,359,407</b>	<b>3,448,245</b>	<b>3,196,557</b>	<b>251,688</b>	<b>7.9%</b>	<b>6,212,334</b>
<b>Funded by:</b>								
National Government	2,030,362	2,079,122	2,152,751	1,275,215	1,165,810	109,405	9.4%	2,114,863
Provincial Government	156,729	97,918	52,320	33,061	28,258	4,803	17.0%	50,541
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	333	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>2,187,425</b>	<b>2,177,040</b>	<b>2,205,071</b>	<b>1,308,276</b>	<b>1,194,068</b>	<b>114,208</b>	<b>9.6%</b>	<b>2,165,404</b>
<b>Public contributions &amp; donations</b>	<b>61,488</b>	<b>87,800</b>	<b>81,341</b>	<b>45,684</b>	<b>56,164</b>	<b>(10,479)</b>	<b>-18.7%</b>	<b>79,817</b>
<b>Borrowing</b>	<b>2,441,423</b>	<b>2,928,696</b>	<b>2,917,150</b>	<b>1,640,490</b>	<b>1,493,258</b>	<b>147,233</b>	<b>9.9%</b>	<b>2,884,618</b>
<b>Internally generated funds</b>	<b>799,498</b>	<b>1,307,740</b>	<b>1,155,845</b>	<b>453,795</b>	<b>453,068</b>	<b>727</b>	<b>0.2%</b>	<b>1,082,496</b>
<b>Total Capital Funding</b>	<b>5,489,834</b>	<b>6,501,277</b>	<b>6,359,407</b>	<b>3,448,245</b>	<b>3,196,557</b>	<b>251,688</b>	<b>7.9%</b>	<b>6,212,334</b>

The ensuing tables reflect the percentage variance for capital expenditure by vote as well as reasons for material deviations and the remedial action thereof, where required.

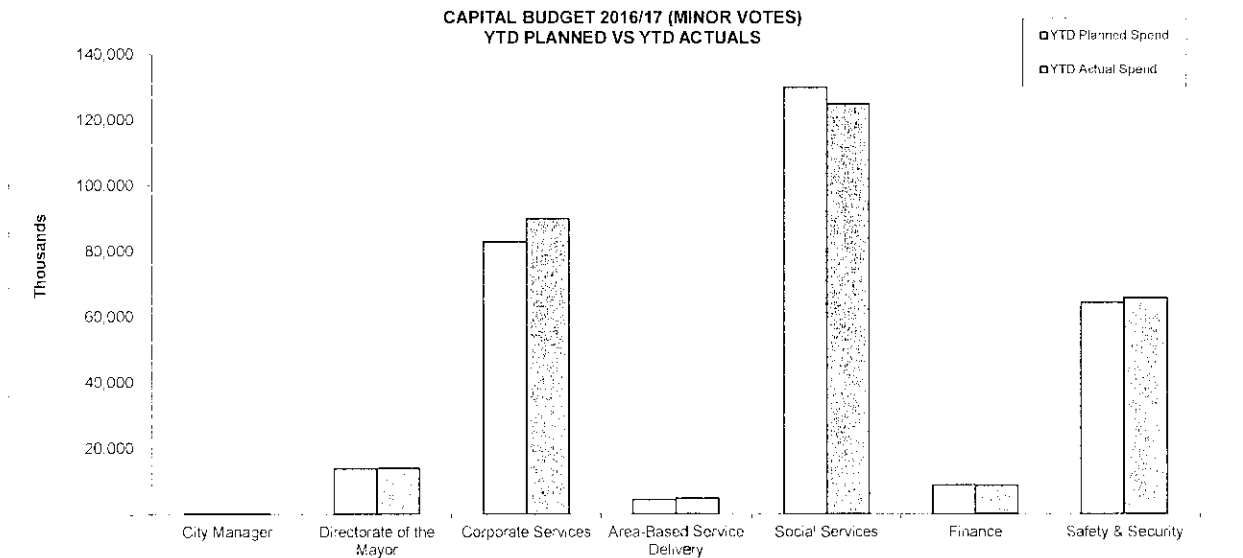
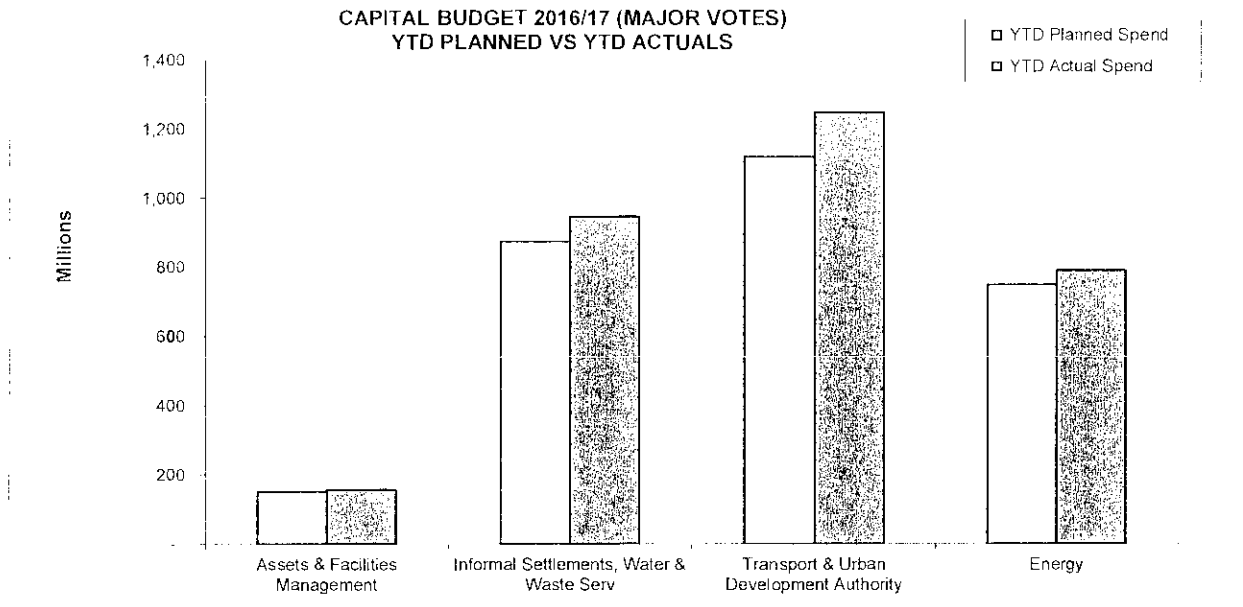
Table C5 (a): Material variance explanations for capital expenditure

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure by Vote</b>				
Vote 1 - Area-Based Service Delivery	506	11.8%	Furniture, Tools & Equipment: Some items of furniture and equipment were delivered ahead of schedule due to availability of stock.	No remedial action required.
Vote 2 - Assets & Facilities Management	5,708	4%	Immaterial variance.	None required.
Vote 3 - Corporate Services	7,062	9%	Dark Fibre Broadband Infrastructure: Project ahead of planned spend due to good contractor performance and earlier than anticipated delivery of equipment on the following components of the project: a. Core, aggregation and local aggregation, b. Switching facilities large, and c. Optical layer network infrastructure equipment	To encourage contractor to perform at the same level and to timeously place the balance of the orders.
Vote 4 - City Manager	(26)	-11%	1. Furniture: Re-assessment of specifications has delayed the finalisation of the panel Request for Quotation. 2. Computer equipment: Freeze on procurement of software remains in place until further notice.	1. Continuous engagement between stakeholders to finalise specifications. 2. Following up with SCM and IS&T to expedite tender process
Vote 5 - Directorate of the Mayor	131	1%	Immaterial variance.	None required.
Vote 6 - Energy	41,603	6%	The positive variance is due to good contractor performance and implementation being faster than originally planned on the following projects: a. System Equipment Replacement: North, b. Atlantis Industrial New Main Substation, and c. Electrification - Backyarders	Project managers will continue to closely monitor and track all projects and tenders.
Vote 7 - Finance	(160)	-1.8%	Immaterial variance.	None required.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure by Vote</b>				
Vote 8 - Informal Settlements, Water & Waste Services	71,932	8.2%	The directorate is currently ahead of planned spend. The main reasons is due to good contractor performance and implementation of projects being much faster than originally planned.  Refer below for further comments per departments.	There is an on-going Executive Director engagements with line directors and project managers to ensure that tracking and monitoring of projects are within their prescribed timeframes and that corrective action is processed timeously.  Refer below for further comments per departments.
Management: Inf Settlmnts, Water & Waste	(15)	-15.2%	Furniture, Fittings & Equipment: The review of priorities within the Department has delayed the re-prioritisation process.	The department anticipates concluding the re-prioritisation process in April 2017, with the placement of orders to follow.
Informal Settlements & Backyarders	(37,577)	-58.7%	The negative variance is due to delays being experienced against the following projects: a. UISP: Kalkfontein Informal Settlement: Not all the funds will be spent in the current financial year, due to the late appointment of the contractor. The project was awarded on 27 February 2017 and the appeal period concluded. An appeal was lodged against the award. Contractor to be on site by end April 2017. b. Incremental Development Area - False Bay: Cash flows are misaligned to the planned spend. Contractor on site. Invoices submitted monthly against project. c. Urbanisation: Backyards/Informal Settlements Upgrade: Cash flows are misaligned to the planned spend. Project on track as per revised project plan. d. UISP: 8ste Laan -Valhalla Park: Not all the funds will be spent in the current financial year, due to the late appointment of the contractor. Contractor has been appointed and is now on site. e. UISP: Tambo Square Gugelethu: The initial delay in appointment of the contractor resulted in the project being delayed. However, the contractor is now progressing well on site.	Project managers will continue to closely monitor and track all projects and tenders. Relevant corrective actions will be implemented timeously, if and where required. a. Anticipating maximum spend by end of financial year-end and will reprioritise any slippages to other projects. Provision will be made in the future years to complete this project. Available funds will be viremented to other priority projects. b. Anticipating maximum spend by financial year-end. Slippages will be re-prioritised to other projects. c. Project manager will be following up on commitments versus planned spend. Available funds will be re-prioritised for emergency work. d. Provision will be made in the future years to complete this project. Available funds to be re-prioritised to other critical projects. e. Project will be closely monitored and any slippages of funds will be re-prioritised.
Solid Waste Management	(985)	-1.2%	Immaterial variance.	None required.
Water & Sanitation	110,509	15.2%	The positive variance is due to good contractor performance and earlier than anticipated delivery on the following projects: a. Meter Replacement Programme, b. Bulk Water Infrastructure, c. Spes Bona Reservoir 35 MI, d. Completion of Cape Flats II Bulk Sewer, and e. Mitchells Plain WWTW-Improvements Phase 2	Project managers will continue to closely monitor and track all projects and tenders.
Vote 9 - Safety & Security	1,405	2.2%	Immaterial variance.	None required.
Vote 10 - Social Services	(5,057)	-3.9%	Immaterial variance.	None required.
Vote 11 - Transport & Urban Development Authority	128,585	11.5%	The positive variance can directly be attributable to the Annandale property acquisition, which was concluded ahead of schedule.	No remedial action required.

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	2015/16	Budget Year 2016/17			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash	93,003	103,411	103,411	173,440	103,411
Call investment deposits	5,394,645	2,908,391	5,841,847	5,394,645	5,841,847
Consumer debtors	5,106,634	4,903,207	5,351,344	4,229,424	5,351,344
Other debtors	858,306	894,630	987,052	947,645	987,052
Current portion of long-term receivables	17,093	21,871	17,948	17,093	17,948
Inventory	257,273	339,182	283,000	333,738	283,000
<b>Total current assets</b>	<b>11,726,952</b>	<b>9,170,692</b>	<b>12,584,602</b>	<b>11,095,985</b>	<b>12,584,602</b>
<b>Non current assets</b>					
Long-term receivables	51,695	67,980	49,110	36,630	49,110
Investments	3,966,188	4,029,279	4,055,497	6,234,485	4,055,497
Investment property	588,191	589,382	588,191	588,191	588,191
Investments in Associate	–	–	–	–	–
Property, plant and equipment	36,892,544	40,996,392	40,488,482	38,692,948	40,488,482
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	629,161	708,383	629,162	629,162	629,162
Other non-current assets	9,050	9,062	9,049	9,049	9,049
<b>Total non current assets</b>	<b>42,136,829</b>	<b>46,400,477</b>	<b>45,819,491</b>	<b>46,190,465</b>	<b>45,819,491</b>
<b>TOTAL ASSETS</b>	<b>53,863,781</b>	<b>55,571,170</b>	<b>58,404,093</b>	<b>57,286,449</b>	<b>58,404,093</b>
<b><u>LIABILITIES</u></b>					
<b>Current liabilities</b>	–	–	–	–	–
Bank overdraft	–	–	–	–	–
Borrowing	469,936	501,208	501,208	469,936	501,208
Consumer deposits	324,632	329,432	357,096	372,544	357,096
Trade and other payables	6,995,469	6,579,621	6,811,925	4,565,637	6,811,925
Provisions	1,069,277	1,091,755	1,144,126	1,016,446	1,144,126
<b>Total current liabilities</b>	<b>8,859,315</b>	<b>8,502,016</b>	<b>8,814,356</b>	<b>6,424,563</b>	<b>8,814,356</b>
<b>Non current liabilities</b>					
Borrowing	6,036,905	8,058,439	8,058,439	5,811,640	8,058,439
Provisions	6,116,354	6,271,089	6,400,046	6,459,689	6,400,046
<b>Total non current liabilities</b>	<b>12,153,259</b>	<b>14,329,528</b>	<b>14,458,485</b>	<b>12,271,329</b>	<b>14,458,485</b>
<b>TOTAL LIABILITIES</b>	<b>21,012,574</b>	<b>22,831,544</b>	<b>23,272,840</b>	<b>18,695,892</b>	<b>23,272,840</b>
<b>NET ASSETS</b>	<b>32,851,207</b>	<b>32,739,626</b>	<b>35,131,253</b>	<b>38,590,557</b>	<b>35,131,253</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>					
Accumulated Surplus/(Deficit)	29,846,771	31,269,262	32,160,660	35,897,163	32,160,660
Reserves	3,004,436	1,470,363	2,970,593	2,693,394	2,970,593
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>32,851,207</b>	<b>32,739,626</b>	<b>35,131,253</b>	<b>38,590,557</b>	<b>35,131,253</b>

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

## 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	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates, penalties & collection charges	6,018,735	6,864,644	7,392,306	6,274,080	5,722,936	551,114	9.6%	7,392,306
Service charges	13,768,730	16,910,000	16,975,854	13,323,606	12,956,774	366,832	2.8%	16,975,854
Other revenue	3,351,237	3,205,429	3,156,890	3,215,798	3,105,645	110,153	3.5%	3,156,890
Government - operating	3,251,460	3,802,940	3,888,895	3,464,375	3,319,896	144,480	4.4%	3,888,895
Government - capital	2,423,179	2,264,840	2,286,412	2,152,294	2,223,012	(70,718)	-3.2%	2,286,412
Interest	735,298	595,694	595,694	426,923	432,399	(5,476)	-1.3%	595,694
Dividends	-	-	-	-	-	-	-	-
<b>Payments</b>								
Suppliers and employees	(22,780,459)	(28,554,433)	(29,082,794)	(23,386,864)	(23,183,936)	202,928	-0.9%	(29,082,794)
Finance charges	(709,455)	(812,118)	(812,118)	(513,328)	(511,899)	1,428	-0.3%	(812,118)
Transfers and Grants	-	(115,154)	(124,353)	(1,357)	(6,500)	(5,143)	79.1%	(124,353)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>6,058,725</b>	<b>4,161,843</b>	<b>4,276,786</b>	<b>4,955,528</b>	<b>4,058,357</b>	<b>(897,171)</b>	<b>-22.1%</b>	<b>4,276,786</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	91,419	79,500	40,500	-	-	-	-	40,500
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	28,800	3,578	2,585	-	-	-	-	2,585
Decrease (increase) in non-current investments	361,949	(89,310)	(89,310)	-	-	-	-	(89,310)
<b>Payments</b>								
Capital assets	(5,200,493)	(5,851,149)	(5,723,466)	(2,450,554)	(2,491,531)	(40,977)	1.6%	(5,723,466)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(4,718,325)</b>	<b>(5,857,381)</b>	<b>(5,769,691)</b>	<b>(2,450,554)</b>	<b>(2,491,531)</b>	<b>(40,977)</b>	<b>1.6%</b>	<b>(5,769,691)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	2,500,000	2,500,000	-	-	-	-	2,500,000
Increase (decrease) in consumer deposits	(97,959)	29,948	32,463	-	-	-	-	32,463
<b>Payments</b>								
Repayment of borrowing	(309,852)	(491,216)	(491,216)	(230,131)	(231,557)	(1,426)	0.6%	(491,216)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(407,811)</b>	<b>2,038,733</b>	<b>2,041,248</b>	<b>(230,131)</b>	<b>(231,557)</b>	<b>(1,426)</b>	<b>0.6%</b>	<b>2,041,248</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>932,589</b>	<b>343,195</b>	<b>548,342</b>	<b>2,274,842</b>	<b>1,335,269</b>			<b>548,342</b>
Cash/cash equivalents at beginning:	2,266,559	1,197,922	3,332,472	3,332,472	3,332,472			3,332,472
Cash/cash equivalents at month/year end:	3,199,148	1,541,117	3,880,814	5,607,314	4,667,740			3,880,814

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, where required.

Description	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>R thousands</b>				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Property rates, penalties & collection charges	551,114	9.6%	More income received than originally budgeted for	No corrective action required at this time
Service charges	366,832	2.8%	Immaterial variance	No corrective action required at this time
Other revenue	110,153	3.5%	Immaterial variance	No corrective action required at this time
Government - operating	144,480	4.4%	Immaterial variance	No corrective action required at this time
Government - capital	(70,718)	3.2%	Immaterial variance	No corrective action required at this time
Interest	(5,475)	-1.3%	Immaterial variance	No corrective action required at this time
<b>Payments</b>				
Suppliers and employees	202,928	-0.9%	Immaterial variance	No corrective action required at this time
Finance charges	1,428	-0.3%	Immaterial variance	No corrective action required at this time
Transfers and Grants	(5,143)	79.1%	The variance is mainly due to agreements and approval of beneficiaries that still needs to be finalised and approved by Council.	No corrective action required at this time.
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(897,171)</b>	<b>-22.1%</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	-	-		
Decrease (increase) in non-current debtors	-	-		
Decrease (increase) other non-current receivables	-	-		
Decrease (increase) in non-current investments	-	-		
<b>Payments</b>				
Capital assets	(40,977)	1.6%	Slower cash outflow than originally expected.	No corrective action required at this time.
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(40,977)</b>	<b>1.6%</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	-	-		
Borrowing long term/refinancing	-	-		
Increase (decrease) in consumer deposits	-	-		
<b>Payments</b>				
Repayment of borrowing	(1,425)	0.6%	Immaterial variance	No corrective action required at this time.
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(1,425)</b>	<b>0.6%</b>		

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

Description	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget			
<b>Cash Receipts By Source</b>															
Property rates	589,654	728,180	826,302	823,728	748,903	592,669	731,810	704,483	728,352	515,096	530,440	72,690	7,392,305	7,844,260	8,508,187
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	389,309	1,120,506	1,070,415	1,086,102	1,007,378	955,997	983,334	915,610	1,027,205	969,706	1,004,213	627,463	11,737,235	13,465,439	15,546,102
Service charges - water revenue	177,400	193,175	203,105	209,471	239,945	209,478	313,917	258,485	263,844	201,426	193,580	(61,395)	2,400,431	2,695,685	3,035,599
Service charges - sanitation revenue	108,984	117,068	120,940	115,063	137,140	123,454	140,165	148,825	154,952	128,926	116,167	68,049	1,479,731	1,644,935	1,836,820
Service charges - refuse	60,428	65,250	68,500	62,938	74,243	65,992	67,490	61,541	74,817	66,909	62,298	56,242	786,548	853,324	923,224
Service charges - other	36,824	39,510	40,034	39,083	35,582	53,144	34,093	36,361	38,513	42,186	49,104	127,394	571,809	595,781	626,635
Rental of facilities and equipment	19,959	22,613	24,504	22,641	25,753	25,520	19,243	22,649	23,738	9,082	9,838	(162,578)	62,973	57,034	56,727
Interest earned - external investments	45,868	45,846	46,641	42,965	43,122	59,483	47,602	46,205	49,190	49,479	52,569	66,723	595,694	624,631	572,891
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	21,255	21,959	21,103	22,196	22,567	21,839	21,462	24,898	27,297	19,455	18,622	(31,601)	211,061	223,118	235,398
Licences and permits	12,141	32,772	10,992	25,075	45,093	13,365	15,649	23,408	13,419	14,303	8,855	(25,189)	189,889	191,860	193,943
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	853,048	297,254	-	86,298	449,035	542,403	297,220	133,511	805,605	47,044	27,051	350,424	3,668,835	4,067,354	4,375,160
Other revenue	11,680	754,841	13,755	60,275	61,689	824,690	78,577	61,146	746,020	59,618	50,560	(29,873)	2,692,979	2,889,766	3,121,042
<b>Cash Receipts by Source</b>	<b>2,926,563</b>	<b>3,438,973</b>	<b>2,446,292</b>	<b>2,395,835</b>	<b>2,890,450</b>	<b>3,488,035</b>	<b>2,730,563</b>	<b>2,435,121</b>	<b>3,952,952</b>	<b>2,123,210</b>	<b>2,123,297</b>	<b>1,058,348</b>	<b>32,009,638</b>	<b>35,153,426</b>	<b>39,133,828</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	605,690	83,129	120,776	227,043	114,377	-	81,448	802,800	117,031	45,734	-	88,385	2,286,412	2,320,642	2,354,853
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	40,500	40,500	8,355	6,092
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	2,500,000	2,500,000	1,500,000	2,000,000
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	32,463	32,463	35,710	39,281
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	2,585	2,585	2,456	2,333
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	(89,310)	(89,310)	(218,908)	(244,708)
<b>Total Cash Receipts by Source</b>	<b>3,532,253</b>	<b>3,522,102</b>	<b>2,567,067</b>	<b>2,622,878</b>	<b>3,004,827</b>	<b>3,488,035</b>	<b>2,812,011</b>	<b>3,237,921</b>	<b>4,069,983</b>	<b>2,168,944</b>	<b>2,123,297</b>	<b>3,632,971</b>	<b>36,782,289</b>	<b>38,801,680</b>	<b>43,291,778</b>

Table continues on next page.

Description	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget			
<b>Cash Payments by Type</b>															
Employee related costs	777,320	785,663	778,459	780,314	1,212,898	778,707	792,238	828,570	977,234	823,926	834,339	730,165	10,099,833	11,110,156	12,136,170
Remuneration of councillors	10,410	9,534	9,763	10,389	10,526	11,022	10,916	11,174	11,027	12,098	14,220	24,927	146,004	155,495	165,602
Interest paid	–	–	178,816	–	–	143,505	15,363	–	175,644	–	–	298,790	812,118	928,327	1,098,571
Bulk purchases - Electricity	935,553	1,028,092	989,481	593,705	587,733	574,749	545,125	562,411	537,140	542,829	691,018	507,964	8,095,800	9,253,751	10,601,154
Bulk purchases - Water & Sewer	32,125	28,076	30,952	28,726	28,034	30,843	29,251	43,000	37,901	43,404	40,403	46,667	419,380	442,446	506,781
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other	1,160	45	–	–	–	38	–	114	–	50	269	122,677	124,353	131,193	138,408
General expenses	1,613,536	888,205	1,026,801	984,519	1,057,803	950,451	793,672	783,439	839,379	824,304	869,142	(309,475)	10,321,776	10,483,745	11,385,528
<b>Cash Payments by Type</b>	<b>3,370,103</b>	<b>2,739,614</b>	<b>3,014,273</b>	<b>2,397,653</b>	<b>2,896,993</b>	<b>2,489,314</b>	<b>2,186,566</b>	<b>2,228,708</b>	<b>2,578,324</b>	<b>2,246,611</b>	<b>2,449,390</b>	<b>1,421,715</b>	<b>30,019,265</b>	<b>32,505,113</b>	<b>36,032,214</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	594,360	80,693	100,315	115,364	245,685	535,739	206,559	167,866	403,974	467,205	611,726	2,193,980	5,723,466	5,517,726	5,315,878
Repayment of borrowing	–	–	88,055	–	–	20,000	34,021	–	88,055	–	–	261,084	491,216	465,919	549,253
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
<b>Total Cash Payments by Type</b>	<b>3,964,463</b>	<b>2,820,307</b>	<b>3,202,643</b>	<b>2,513,018</b>	<b>3,142,678</b>	<b>3,045,053</b>	<b>2,427,146</b>	<b>2,396,574</b>	<b>3,070,352</b>	<b>2,713,817</b>	<b>3,061,116</b>	<b>3,876,779</b>	<b>36,233,947</b>	<b>38,488,759</b>	<b>41,897,344</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(432,210)</b>	<b>701,795</b>	<b>(635,576)</b>	<b>109,860</b>	<b>(137,851)</b>	<b>442,982</b>	<b>384,865</b>	<b>841,347</b>	<b>999,631</b>	<b>(544,873)</b>	<b>(937,819)</b>	<b>(243,808)</b>	<b>548,342</b>	<b>312,921</b>	<b>1,394,434</b>
Cash/cash equivalents at the month/year beginning:	3,332,472	2,900,261	3,602,056	2,966,480	3,076,340	2,938,489	3,381,471	3,766,336	4,607,683	5,607,314	5,062,441	4,124,622	3,332,472	3,880,814	4,193,735
Cash/cash equivalents at the month/year end:	2,900,261	3,602,056	2,966,480	3,076,340	2,938,489	3,381,471	3,766,336	4,607,683	5,607,314	5,062,441	4,124,622	3,880,814	3,880,814	4,193,735	5,588,168

## 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 2016/17										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	497,570	210,140	117,682	89,112	84,420	89,214	436,207	1,463,485	2,987,829	2,162,438	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	713,996	42,003	17,184	18,380	3,836	9,299	14,598	129,414	948,711	175,527	-	-
Receivables from Non-exchange Transactions - Property Rates	547,919	89,946	64,770	48,381	40,426	46,785	162,144	639,810	1,640,181	937,546	-	-
Receivables from Exchange Transactions - Waste Water Management	184,428	67,569	40,370	34,034	33,374	32,095	150,251	649,403	1,191,524	899,157	-	-
Receivables from Exchange Transactions - Waste Management	83,047	21,570	17,477	14,824	14,787	15,108	66,822	265,594	499,228	377,134	-	-
Receivables from Exchange Transactions - Property Rental Debtors	56,157	10,934	12,654	11,442	11,373	(2,108)	63,405	519,085	682,943	603,198	-	-
Interest on Arrear Debtor Accounts	57,695	25,862	24,214	22,828	21,408	21,061	110,785	591,696	875,460	767,778	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	(140,578)	(35,978)	(30,056)	(15,288)	(9,681)	(84,077)	(49,673)	(302,070)	(666,406)	(489,785)	-	-
Total By Income Source	2,008,146	432,046	264,286	223,713	170,943	127,382	954,538	3,956,416	8,129,470	5,432,992	-	-
2015/16 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	79,780	4,211	(4,857)	3,931	(27,671)	(67,603)	10,501	51,385	49,778	(29,357)	-	-
Commercial	1,042,736	94,163	50,707	33,485	27,936	29,280	93,733	384,166	1,756,105	568,500	-	-
Households	1,063,347	362,869	234,155	187,133	180,121	174,584	889,707	3,654,017	6,745,933	5,085,563	-	-
Other	(185,717)	(29,197)	(15,719)	(837)	(9,343)	(8,979)	(39,432)	(133,151)	(422,346)	(191,713)	-	-
Total By Customer Group	2,008,146	432,046	264,286	223,713	170,943	127,382	954,538	3,956,416	8,129,470	5,432,992	-	-

### Additional debtors information

Monthly Collection Rate			YTD Collection Rate
Period	Current year	Previous year	
12 Months	95.65%	95.79%	95.69%
6 Months	93.86%	92.40%	96.42%
3 Months	92.69%	91.03%	95.60%
Monthly	96.55%	96.64%	94.99%

12 Months Collection Ratio per Services			
Services	Current year	Previous year	YTD collection Rate
Electricity	99.95%	98.65%	99.36%
Water	82.06%	85.67%	80.46%
Sewerage	90.83%	89.53%	90.41%
Refuse	93.15%	89.10%	93.16%
Rates	97.60%	98.22%	97.16%
Other	100.55%	99.54%	102.23%

2016/17 Billings vs Receipts		
Month	Billing R	Receipts R
July	2,532,477,639.24	2,271,384,976.61
Augustus	2,728,066,886.37	2,800,626,610.60
September	2,868,283,390.84	2,840,450,482.67
October	2,723,413,273.81	2,672,019,173.12
November	2,691,280,977.58	2,620,216,583.67
December	2,732,355,663.51	2,452,982,940.04
January	2,924,114,976.18	2,557,725,049.04
February	2,734,617,102.49	2,578,851,521.44
March	2,821,349,895.82	2,723,967,023.48

## Creditors analysis

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

**Table SC4 Monthly budget Statement Aged Creditors**

Description	Budget Year 2016/17									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	324,046	351	99	2	103	(40)	(34)	(7,136)	317,390	923
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	324,046	351	99	2	103	(40)	(34)	(7,136)	317,390	923

## Outstanding commitments against Cash and Cash Equivalents

Item	Previous Month	Current Month
	R'000	R'000
Closing Cash Balance	8,505,279	9,504,910
Unspent Conditional Grants	2,460,363	2,304,209
Housing Development	268,344	268,585
MTAB	12,882	12,779
Trust Funds	711	715
Financial commitments	134,500	134,500
Sinking Funds	-	-
Insurance reserves	481,951	486,000
CRR	1,894,758	1,816,041
<b>TOTAL</b>	<b>5,253,509</b>	<b>5,022,829</b>
<b>TOTAL cash resources - committed working capital</b>	<b>3,251,770</b>	<b>4,482,081</b>

## Allocation and grant receipts and expenditure

Table SC7 Monthly Budget Statement transfers and grants expenditure

Description	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Operating expenditure of Transfers and Grants</b>								
<b>National Government:</b>	<b>594,660</b>	<b>2,566,742</b>	<b>2,646,092</b>	<b>207,209</b>	<b>233,715</b>	<b>(26,506)</b>	<b>-11.3%</b>	<b>2,646,092</b>
Equitable share	1,281	2,012,945	2,012,945	-	-	-	-	2,012,945
Finance Management grant	1,050	1,050	1,050	803	802	0	0.0%	1,050
Urban Settlements Development Grant	171,610	229,991	222,103	12,895	21,710	(8,814)	-40.6%	222,103
Energy Efficiency and Demand Side Management Grant	424	600	600	209	210	(2)	-0.8%	600
Dept of Environ Affairs and Tourism	4,613	4,432	7,127	4,537	3,581	956	26.7%	7,127
Expanded Public Works Programme	23,216	31,340	31,340	24,458	19,588	4,871	24.9%	31,340
Integrated City Development Grant	2,915	6,721	6,721	298	6,721	(6,423)	-95.6%	6,721
Public Transport Infrastructure & Systems Grant	20,998	20,694	85,728	20,292	33,480	(13,188)	-39.4%	85,728
Infrastructure Skills Development	6,932	9,416	8,416	5,418	-	5,418	100.0%	8,416
Public Transport Network Grant	283,209	249,554	269,784	143,296	147,434	(4,138)	-2.8%	269,784
Department of Public Service and Administration	1,183	-	190	190	190	(0)	0.0%	190
Public Transport Network Operations Grant	58,569	-	-	(5,183)	-	(5,183)	100.0%	-
Human Settlements Capacity Grant	18,743	-	-	-	-	-	-	-
LGSETA	-	-	-	(3)	-	(3)	100.0%	-
Department of Water Affairs	-	-	88	-	-	-	-	88
Public Transport Infrastructure Grant	(83)	-	-	-	-	-	-	-
<b>Provincial Government:</b>	<b>771,527</b>	<b>1,204,425</b>	<b>1,602,845</b>	<b>593,704</b>	<b>628,556</b>	<b>(34,852)</b>	<b>-5.5%</b>	<b>1,602,845</b>
Cultural Affairs and Sport - Provincial Library Services	32,142	38,515	39,815	28,245	27,808	437	1.6%	39,815
Human Settlements - Human Settlement Development Grant	428,773	688,585	1,064,306	305,681	345,464	(39,783)	-11.5%	1,064,306
Human Settlements - Municipal Accreditation Assistance	6,584	10,000	11,264	4,651	4,796	(145)	-3.0%	11,264
Human Settlement - Settlement Assistance	-	1,500	1,740	514	514	(0)	0.0%	1,740
Health - TB	24,535	25,626	25,626	12,227	13,400	(1,173)	-8.8%	25,626
Health - ARV	162,829	169,844	179,967	154,472	157,259	(2,787)	-1.8%	179,967
Health - Nutrition	4,169	5,208	5,208	3,592	3,667	(75)	-2.0%	5,208
Health - Vaccines	71,152	77,631	80,874	69,827	61,039	8,787	14.4%	80,874
Comprehensive Health	-	170,203	170,203	-	-	-	0.0%	170,203
Transport and Public Works - Provision for persons with special needs	10,112	10,000	10,089	10,089	10,089	-	-	10,089
Community Development Workers	1,446	794	939	-	-	-	-	939
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	7,527	3,400	9,074	2,115	2,161	(46)	-2.1%	9,074
Community Safety - Law Enforcement Auxiliary Services	21,715	3,000	3,280	2,288	1,980	308	15.5%	3,280
Finance Management Capacity Building Grant	-	120	120	-	40	(40)	-100.0%	120
Finance Management Support Grant	303	-	224	4	224	(220)	-98.4%	224
Transport Safety and Compliance - Rail Safety	48	-	116	-	116	(116)	-100.0%	116
Cultural Affairs and Sport - Library Metro Grant	147	-	-	-	-	-	-	-
Interactive Community Access Network	43	-	-	-	-	-	-	-
<b>Other grant providers:</b>	<b>30,522</b>	<b>31,773</b>	<b>47,829</b>	<b>24,345</b>	<b>26,222</b>	<b>(1,877)</b>	<b>-7.2%</b>	<b>47,829</b>
Tourism	222	2,000	1,730	-	189	(189)	-100.0%	1,730
CMTF	1,196	200	10,370	1,076	3,917	(2,841)	-72.5%	10,370
CID	2,908	3,709	4,585	2,866	3,139	(273)	-8.7%	4,585
Traffic Free Flow	1,123	-	1,009	546	1,009	(463)	-45.9%	1,009
V & A Waterfront - Traffic Officer	268	-	509	194	327	(133)	-40.7%	509
Century City Property Owners Association	553	788	788	458	577	(119)	-20.5%	788
DBSA - Green Fund	22,550	25,000	25,000	18,110	15,000	3,110	20.7%	25,000
Rustenberg Girls	-	38	38	25	28	(3)	-11.1%	38
Westcott Primary	-	38	38	25	28	(3)	-11.1%	38
Sustainable Energy Africa	-	-	424	-	318	(318)	-100.0%	424
Stellenbosch University	839	-	929	-	371	(371)	-100.0%	929
University of Connecticut	-	-	451	-	-	-	-	451
Acucap Investment (Pty) Ltd	-	-	307	111	161	(50)	-31.3%	307
Airports Company South Africa SOC Ltd	-	-	1,333	889	1,000	(111)	-11.1%	1,333
Big Bay Master Property Owners Association	-	-	146	44	59	(14)	-24.6%	146
Camps Bay Business Forum	-	-	172	-	98	(98)	-100.0%	172
Mamre Fencing	17	-	-	-	-	-	-	-
Carnegie	846	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>1,396,709</b>	<b>3,802,940</b>	<b>4,296,766</b>	<b>825,258</b>	<b>888,493</b>	<b>(63,235)</b>	<b>-7.1%</b>	<b>4,296,766</b>

Table continues on next page.

Description	2015/16	Budget Year 2016/17						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Capital expenditure of Transfers and Grants</b>								
<b>National Government:</b>	<b>1,974,475</b>	<b>2,079,122</b>	<b>2,152,751</b>	<b>1,238,784</b>	<b>1,165,810</b>	<b>114,605</b>	<b>9.8%</b>	<b>2,114,863</b>
Minerals and Energy: Energy Efficiency and Demand Side	11,217	14,400	14,400	11,571	10,767	804	7.5%	14,400
Minerals and Energy: INEP	4,997	-	-	-	-	-	-	-
National Treasury: Expanded Public Works Programme	454	400	400	316	300	16	5.4%	400
National Treasury: Urban Renewal	643	-	-	-	-	-	-	-
National Treasury: Integrated City Development Grant	51,365	38,084	38,084	15,993	15,020	1,973	13.1%	36,571
National Treasury: Restructuring Grant	100	-	-	-	-	-	-	-
National Treasury: Infrastructure Skills Development	497	-	-	-	-	-	-	-
National Treasury: Neighbourhood Development Partnership	38,179	12,215	25,180	9,604	8,650	954	11.0%	25,180
National Treasury: Urban Settlements Development Grant	1,080,570	1,193,513	1,350,939	690,216	555,619	134,596	24.2%	1,314,565
Housing: Human Settlements Capacity Grant	465	-	-	-	-	-	-	-
Transport: Public Transport Infrastructure & Systems Grant	(55,622)	120,000	40,000	9,592	-	9,592	100.0%	40,000
Transport: Public Transport Infrastructure Grant	407,069	-	-	(33,331)	-	(33,331)	100.0%	-
Transport: Public Transport Network Grant	434,540	700,509	680,279	533,323	574,205	(40,882)	-7.1%	680,279
National Treasury: Infrastructure Skills Development Grant	-	-	1,000	1	700	-	0.0%	1,000
National Treasury: Local Government Restructuring Grant	-	-	275	-	-	-	0.0%	275
National Treasury: Other	-	-	2,194	499	548	-	0.0%	2,194
<b>Provincial Government:</b>	<b>157,062</b>	<b>92,418</b>	<b>52,320</b>	<b>33,061</b>	<b>28,258</b>	<b>4,803</b>	<b>17.0%</b>	<b>50,541</b>
Cultural Affairs and Sport Library Services (Conditional Grant)	9,140	11,150	14,126	5,593	5,496	6	0.1%	14,126
Cultural Affairs and Sport Library Services: Metro Library Grant	3,938	7,500	8,537	5,188	2,959	2,229	75.3%	8,537
Housing: Integrated Housing and Human Settlement Development Grant	115,556	58,873	10,547	7,669	6,203	1,466	23.6%	8,768
Economic Development and Tourism: Public Access Centres	-	-	127	-	-	-	-	127
Housing: Previous years' Gazetted allocations	-	-	20	-	-	-	-	20
Provincial Government Transport Safety and Compliance - Rail Safety	-	-	3,594	-	-	-	-	3,594
Dept of Environ Affairs and Tourism: Interactive Community Access Network	50	-	-	-	-	-	-	-
CMTF	333	-	-	-	-	-	-	-
Cultural Affairs and Sport - Three Anchor Bay Tennis Court	126	-	-	-	-	-	-	-
Provincial Government Community Development Workers (CDW) Operational Grant Support	291	295	150	-	-	-	-	150
Provincial Government Department of the Premier (Broadband)	10,181	-	-	-	-	-	0.0%	-
Transport Safety and Compliance - Rail Safety	406	-	-	-	-	-	0.0%	-
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infrastructure	17,041	14,600	15,219	14,702	13,600	-	0.0%	15,219
<b>Other grant providers:</b>	<b>61,488</b>	<b>93,300</b>	<b>81,341</b>	<b>45,684</b>	<b>56,164</b>	<b>(10,479)</b>	<b>-18.7%</b>	<b>79,817</b>
Other: Other	61,488	93,300	81,341	45,684	56,164	(10,479)	-18.7%	79,817
<b>Total capital expenditure of Transfers and Grants</b>	<b>2,193,025</b>	<b>2,264,840</b>	<b>2,286,412</b>	<b>1,317,530</b>	<b>1,258,232</b>	<b>108,929</b>	<b>8.7%</b>	<b>2,245,221</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>3,589,734</b>	<b>6,067,780</b>	<b>6,583,178</b>	<b>2,142,788</b>	<b>2,138,725</b>	<b>45,693</b>	<b>2.1%</b>	<b>6,541,987</b>



### Material variance explanations for corporate performance for Quarter 3 2017

Description of Indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Number of Deeds of Sale Agreements signed with identified beneficiaries on transferrable rental units	-0.58%	<p>The number of sale agreements concluded is declining for various reasons:</p> <ol style="list-style-type: none"> <li>1. In terms of Agreement of Lease, tenant is under no obligation to take ownership</li> <li>2. Tenants not being able to afford top up payments required for transfer costs, rental and service arrears charges.</li> <li>3. Tenants demanding major upgrades to the rental units they occupy before purchasing/taking ownership.</li> <li>4. Tenants refusing installation of water management devices.</li> <li>5. Tenants not wanting the responsibility that goes with homeownership e.g. insurance and maintenance i.e. not prepared/willing to pay for anything.</li> <li>6. Family disputes delaying or preventing sale.</li> <li>7. Non-qualifying tenants e.g. previous property owners remaining in occupation of saleable-rental units.</li> <li>8. Extensive administrative sales process and audit compliance.</li> </ol> <p>The general view is that tenants who were interested in becoming homeowners have already taken up the opportunity presented by the rental sales project.</p>	<ol style="list-style-type: none"> <li>1. Media release was issued on 30 October 2016 to remind tenants of the City's offer regarding the opportunity of obtaining ownership of the rental dwellings they currently occupy.</li> <li>2. Sales Strategy revisited and rental sales process under review.</li> <li>3. Awareness campaign re-launched and ongoing. Includes letters, posters and public meetings in areas with high concentrations of saleable rental stock.</li> <li>4. Promotion of rental sales campaign at Area Based Roadshows.</li> </ol> <p><b>Responsible person:</b> Grace Blouws  <b>Due date:</b> On-going</p>

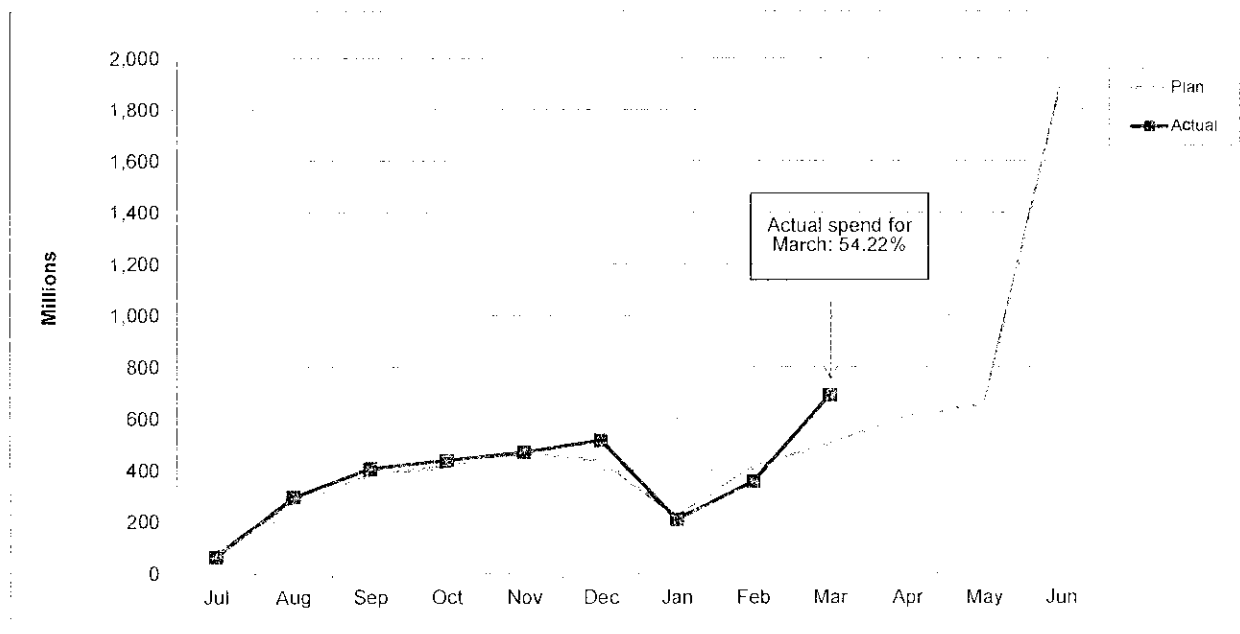
## Capital programme performance

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

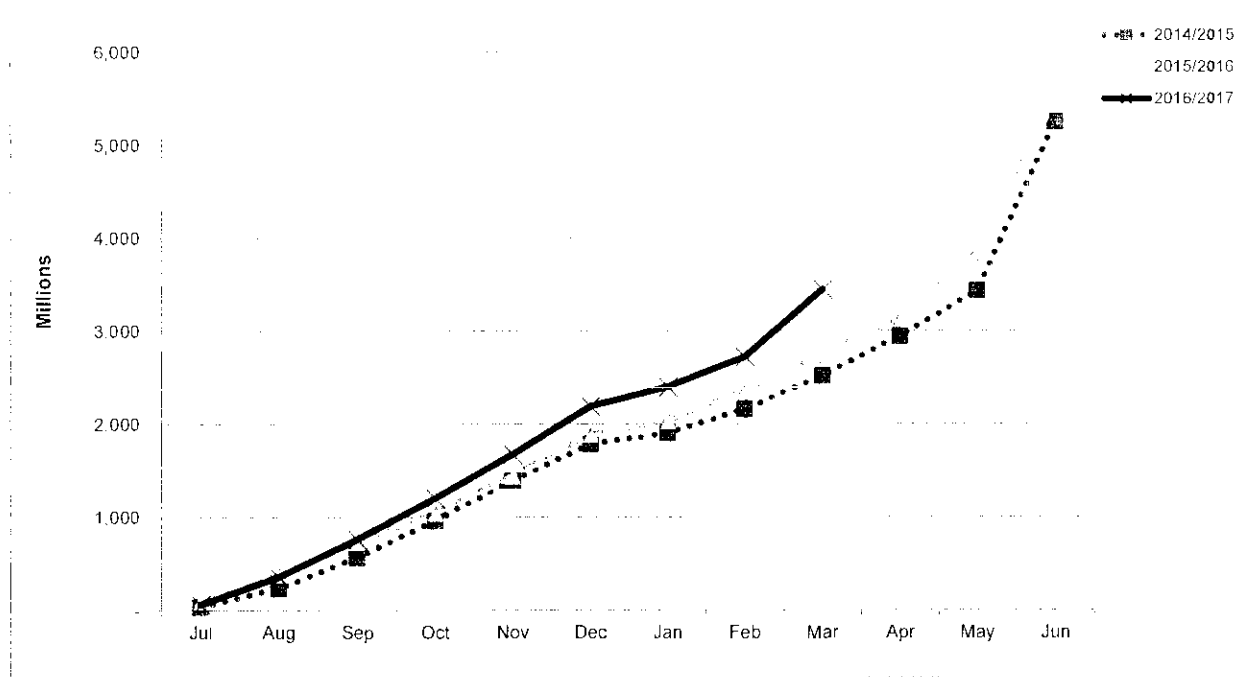
**Table SC12 Monthly Budget Statement - capital expenditure trend**

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	99,708	101,391	80,516	63,237	63,237	80,516	17,279	21.5%	1.0%
August	287,144	227,871	278,182	295,257	358,494	358,698	205	0.1%	5.5%
September	348,428	321,938	381,517	406,869	765,363	740,215	(25,148)	-3.4%	11.8%
October	315,151	364,642	417,413	439,522	1,204,885	1,157,628	(47,257)	-4.1%	18.5%
November	395,133	407,644	465,140	470,880	1,675,764	1,622,769	(52,996)	-3.3%	25.8%
December	446,641	326,494	437,936	515,739	2,191,503	2,060,704	(130,799)	-6.3%	33.7%
January	140,970	287,297	221,023	208,892	2,400,395	2,281,727	(118,668)	-5.2%	36.9%
February	332,370	492,712	413,421	357,064	2,757,460	2,695,148	(62,312)	-2.3%	42.4%
March	381,748	597,307	501,409	690,785	3,448,245	3,196,557	(251,688)	-7.9%	53.0%
April	394,450	684,973	607,614	–	–	3,804,171	–	–	–
May	700,145	824,670	655,385	–	–	4,459,556	–	–	–
June	1,647,945	1,864,339	1,899,851	–	–	6,359,407	–	–	–
<b>Total Capital expenditure</b>	<b>5,489,834</b>	<b>6,501,277</b>	<b>6,359,407</b>	<b>690,785</b>					

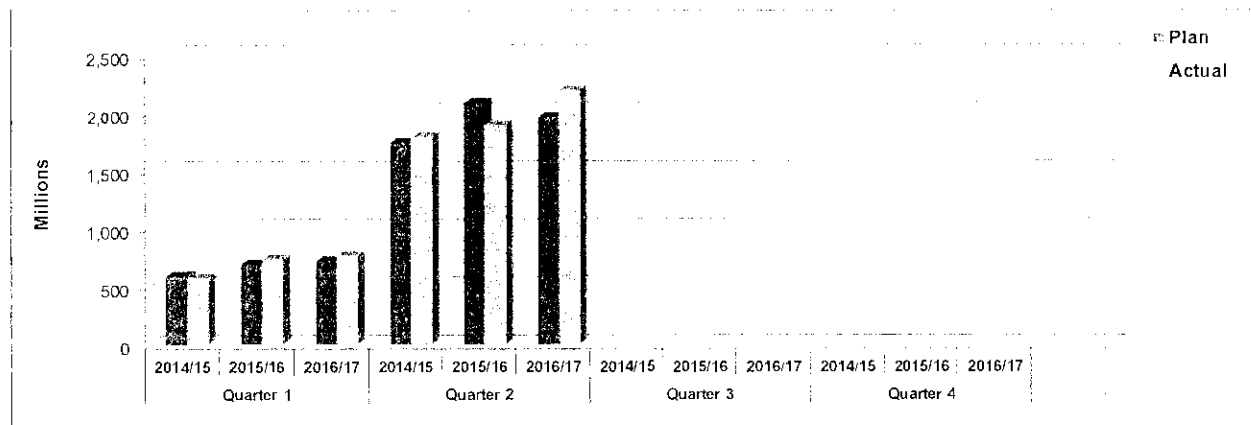
The graph below reflects the City's monthly expenditure-to-date measured against the total 2016/17 current budget.



The City's capital expenditure trend for 2014/15, 2015/16 and 2016/17 is graphically illustrated below.



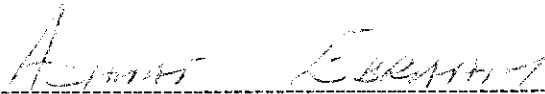
The capital expenditure quarterly trend for the 2014/15, 2015/16 and 2016/17 financial years is graphically illustrated below.



**MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

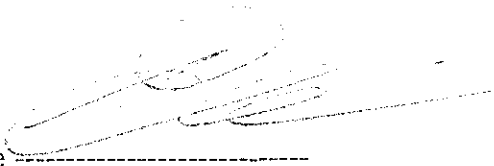
I, **Achmat Ebrahim**, the municipal manager of City of Cape Town, hereby certifies that the quarterly report on the implementation of the budget and financial state affairs of the municipality, for the period ended **March 2017** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name



Municipal Manager of City of Cape Town (CPT)

Signature



Date

