Annexure A:

Quarterly Financial Report –

30 September 2016

CONTENTS

PART 1 - IN-YEAR REPORT

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	36,882,293	9,095,924	9,473,235	104.1%	25.7%
Operating Expenditure	34,961,605	7,595,486	7,276,945	95.8%	20.8%

The summary statement of financial performance shows actual operating revenue of R9 473 million or 25.7% of the current budget and operating expenditure of R7 277 million or 20.8% 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 12.

Details of revenue by source and expenditure by type are shown in Table C4 on page 13. Details of material variances and remedial action, where applicable, are shown on page 14 to page 16.

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
6,631,744	658,299	765,363	116.3%	11.5%

The summary statement of capital budget performance shows actual capital expenditure of R765 million or 11.5% of the current budget. The year-to-date spend of R765 million represents 9.7% (R420 million) on internally-funded projects and 15.2% (R345 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 17. Details of material variances and remedial action, where applicable, are shown on page 18 and page 19.

Table C1: Monthly budget statement summary

The '2015/16 Audited Outcome' column in all ensuing tables are populated with pre-audited figures.

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						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance								
Property rates	6,745,047	6,959,000	6,959,000	1,981,923	1,738,627	243,296	14.0%	6,959,000
Service charges	17,363,596	18,353,075	18,353,075	4,678,390	4,508,787	169,603	3.8%	18,353,075
Investment revenue	642,628	595,694	595,694	174,341	174,784	(442)	-0.3%	595,694
Transfers recognised - operational	3,619,257	3,802,940	4,210,812	1,077,695	1,149,001	(71,306)	-6.2%	4,210,812
Other own revenue	4,417,262	4,489,436	4,489,436	1,199,748	1,277,565	(77,817)	-6.1%	4,489,436
Total Revenue (excluding capital transfers and contributions)	**32,787,790**	**34,200,144**	**34,608,016**	**9,112,097**	**8,848,763**	**263,334**	**3.0%**	**34,608,016**
Employee costs	9,357,740	10,597,571	10,628,871	2,464,777	2,526,531	(61,754)	-2.4%	10,628,871
Remuneration of Councillors	134,637	151,063	151,063	31,084	37,546	(6,462)	-17.2%	151,063
Depreciation & asset impairment	2,117,336	2,318,441	2,318,441	530,455	579,609	(49,154)	-8.5%	2,318,441
Finance charges	751,614	895,848	895,848	172,686	172,902	(216)	-0.1%	895,848
Materials and bulk purchases	8,378,060	8,853,353	8,954,585	2,191,108	2,198,469	(7,361)	-0.3%	8,954,585
Transfers and grants	148,246	174,833	177,812	35,622	66,087	(30,465)	-46.1%	177,812
Other expenditure	9,803,642	11,554,349	11,834,986	1,851,214	2,014,342	(163,129)	-8.1%	11,834,986
Total Expenditure	**30,691,275**	**34,545,457**	**34,961,605**	**7,276,945**	**7,595,486**	**(318,541)**	**-4.2%**	**34,961,605**
Surplus/(Deficit)	**2,096,516**	**(345,312)**	**(353,589)**	**1,835,152**	**1,253,277**	**581,875**	**46.4%**	**(353,589)**
Transfers recognised - capital	2,131,537	2,177,040	2,186,477	327,433	231,141	96,292	41.7%	2,186,477
Contributions & Contributed assets	61,589	87,800	87,800	33,705	16,020	17,685	110.4%	87,800
Surplus/(Deficit) after capital transfers & contributions	**4,289,641**	**1,919,528**	**1,920,688**	**2,196,290**	**1,500,438**	**695,852**	**46.4%**	**1,920,688**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	-	–
Surplus/ (Deficit) for the year	**4,289,641**	**1,919,528**	**1,920,688**	**2,196,290**	**1,500,438**	**695,852**	**46.4%**	**1,920,688**
Capital expenditure & funds sources								
Capital expenditure	**5,489,834**	**6,501,277**	**6,631,744**	**765,363**	**658,299**	**107,064**	**16.3%**	**6,358,543**
Capital transfers recognised	2,187,425	2,177,040	2,186,477	327,433	239,531	87,902	36.7%	2,142,179
Public contributions & donations	61,488	87,800	87,800	17,265	16,020	1,245	7.8%	86,300
Borrowing	2,441,423	2,928,696	3,005,341	344,137	285,151	58,985	20.7%	2,970,756
Internally generated funds	799,498	1,307,740	1,352,126	76,528	117,597	(41,068)	-34.9%	1,159,308
Total sources of capital funds	**5,489,834**	**6,501,277**	**6,631,744**	**765,363**	**658,299**	**107,064**	**16.3%**	**6,358,543**
Financial position								
Total current assets	11,726,952	9,170,692	11,376,291	10,742,192				11,376,291
Total non current assets	42,136,829	46,400,477	46,550,640	41,965,560				46,550,640
Total current liabilities	8,859,315	8,502,016	10,850,826	5,391,546				10,850,826
Total non current liabilities	12,153,259	14,329,528	14,335,319	12,299,611				14,335,319
Community wealth/Equity	**32,851,207**	**32,739,626**	**32,740,786**	**35,016,595**				**32,740,786**
Cash flows								
Net cash from (used) operating	5,058,725	4,161,843	3,755,132	497,431	628,767	131,336	20.9%	3,755,132
Net cash from (used) investing	(4,718,325)	(5,857,381)	(5,974,802)	(775,368)	(1,072,329)	(296,961)	27.7%	(5,974,802)
Net cash from (used) financing	(407,811)	2,038,733	2,038,733	(88,055)	(89,481)	(1,426)	1.6%	2,038,733
Cash/cash equivalents at the month/year end	**3,199,148**	**1,541,117**	**3,151,534**	**2,966,480**	**2,799,429**			**3,151,534**

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

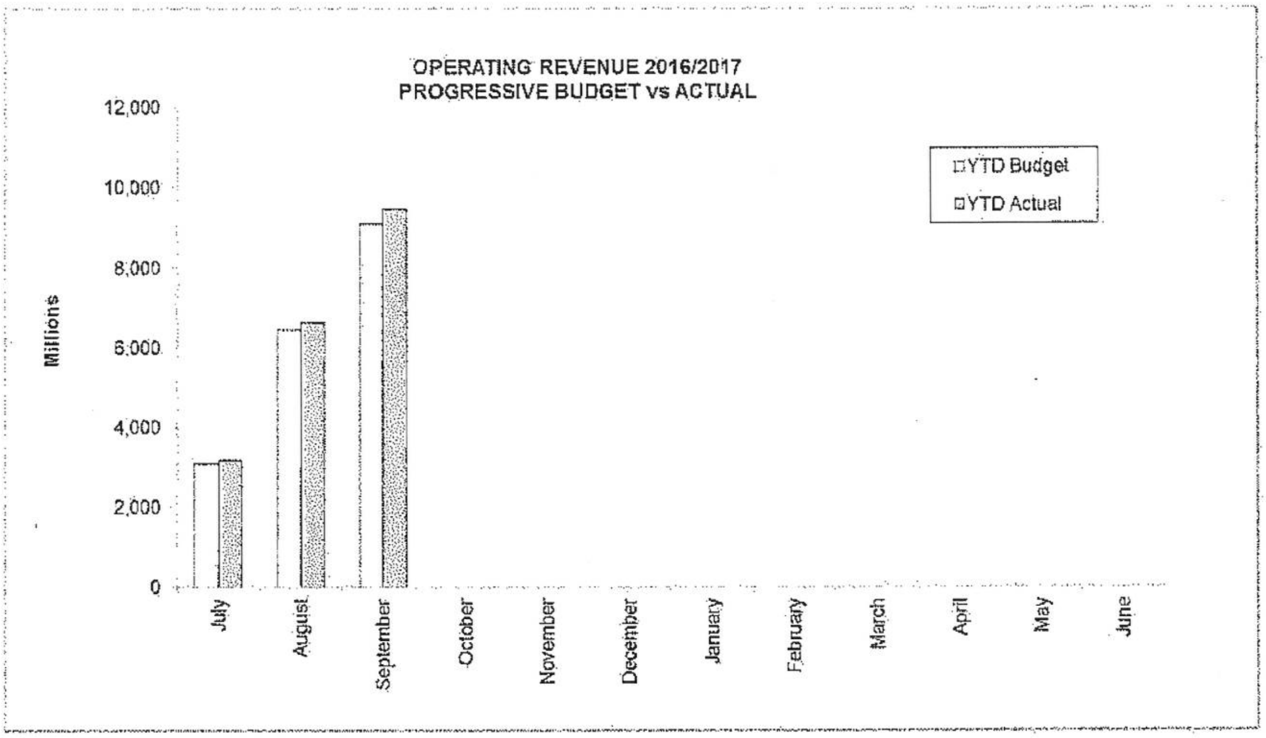
Table C2: Monthly Budget Statement - Financial Performance (standard classification)

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						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Standard								
Governance and administration	12,270,213	12,567,409	12,547,048	3,875,794	3,611,723	264,070	7.3%	12,547,048
Executive and council	301,714	314,012	293,652	71,994	68,250	3,744	5.5%	293,652
Budget and treasury office	11,685,985	11,971,769	11,971,769	3,760,223	3,507,103	253,121	7.2%	11,971,769
Corporate services	282,514	281,628	281,628	43,576	36,370	7,206	19.8%	281,628
Community and public safety	2,884,043	3,315,492	3,731,166	453,107	622,939	(169,832)	-27.3%	3,731,166
Community and social services	102,673	96,804	96,804	18,684	16,672	2,012	12.1%	96,804
Sport and recreation	86,704	123,770	123,770	11,503	9,709	1,794	18.5%	123,770
Public safety	1,225,034	1,194,620	1,194,620	188,267	284,789	(96,522)	-33.9%	1,194,620
Housing	1,203,138	1,605,746	2,021,420	143,661	218,749	(75,088)	-34.3%	2,021,420
Health	266,493	294,552	294,552	90,993	93,019	(2,027)	-2.2%	294,552
Economic and environmental services	2,054,199	1,904,756	1,926,474	414,863	350,401	64,462	18.4%	1,926,474
Planning and development	283,224	305,929	305,929	81,099	77,329	3,770	4.9%	305,929
Road transport	1,763,369	1,592,599	1,613,666	324,788	271,833	52,955	19.5%	1,613,666
Environmental protection	7,606	6,227	6,878	8,976	1,239	7,737	624.6%	6,878
Trading services	17,771,781	18,675,252	18,675,252	4,729,463	4,510,367	219,097	4.9%	18,675,252
Electricity	11,498,496	12,089,547	12,089,547	3,220,920	3,187,859	33,061	1.0%	12,089,547
Water	3,172,543	3,258,167	3,258,167	745,113	628,366	116,747	18.6%	3,258,167
Waste water management	1,985,565	2,079,484	2,079,484	457,229	389,746	67,483	17.3%	2,079,484
Waste management	1,115,177	1,248,054	1,248,054	306,201	304,395	1,806	0.6%	1,248,054
Other	680	2,076	2,353	8	494	(486)	-98.4%	2,353
Total Revenue - Standard	34,980,916	36,464,984	36,882,293	9,473,235	9,095,924	377,311	4.1%	36,882,293
Expenditure - Standard								
Governance and administration	5,393,765	6,359,899	6,321,067	1,377,407	1,407,830	(30,423)	-2.2%	6,321,067
Executive and council	870,962	1,119,343	1,048,209	201,438	225,336	(23,899)	-10.6%	1,048,209
Budget and treasury office	2,447,166	2,816,141	2,812,440	610,731	625,607	(14,876)	-2.4%	2,812,440
Corporate services	2,075,637	2,424,415	2,460,417	565,238	556,887	8,351	1.5%	2,460,417
Community and public safety	6,504,178	7,662,160	8,094,024	1,310,453	1,508,101	(197,648)	-13.1%	8,094,024
Community and social services	582,385	651,428	651,238	133,872	147,161	(13,289)	-9.0%	651,238
Sport and recreation	1,314,740	1,543,845	1,543,825	270,890	336,734	(65,843)	-19.6%	1,543,825
Public safety	2,486,830	2,729,102	2,738,520	425,277	442,350	(17,073)	-3.9%	2,738,520
Housing	1,249,275	1,786,141	2,201,085	246,757	327,441	(80,684)	-24.6%	2,201,085
Health	870,947	951,643	959,356	233,657	254,415	(20,758)	-8.2%	959,356
Economic and environmental services	3,425,691	3,829,922	3,852,738	742,695	785,941	(43,246)	-5.5%	3,852,738
Planning and development	756,784	879,635	879,590	181,848	205,229	(23,382)	-11.4%	879,590
Road transport	2,555,180	2,831,720	2,854,030	537,711	556,391	(18,680)	-3.4%	2,854,030
Environmental protection	113,727	118,568	119,118	23,136	24,321	(1,185)	-4.9%	119,118
Trading services	15,311,365	16,628,216	16,628,239	3,831,247	3,877,763	(46,517)	-1.2%	16,628,239
Electricity	9,340,359	10,022,681	10,022,681	2,469,111	2,511,573	(42,462)	-1.7%	10,022,681
Water	2,714,360	2,782,122	2,782,122	606,932	610,324	(3,392)	-0.6%	2,782,122
Waste water management	1,474,008	1,628,232	1,628,256	329,146	333,243	(4,098)	-1.2%	1,628,256
Waste management	1,782,647	2,195,181	2,195,181	426,059	422,624	3,435	0.8%	2,195,181
Other	56,276	65,260	65,537	15,143	15,851	(708)	-4.5%	65,537
Total Expenditure - Standard	30,691,275	34,545,457	34,961,605	7,276,945	7,595,486	(318,541)	-4.2%	34,961,605
Surplus/ (Deficit) for the year	4,289,641	1,919,528	1,920,688	2,196,290	1,500,438	695,852	46.4%	1,920,688

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.



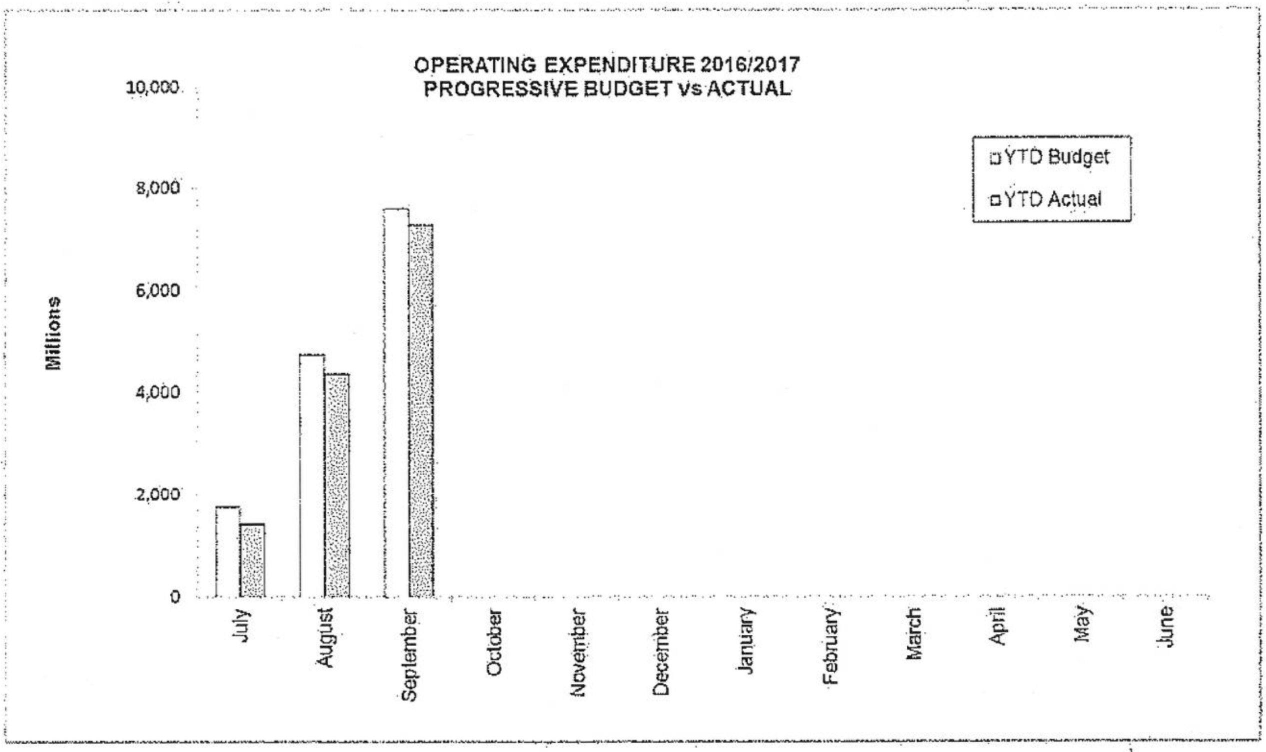


Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

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						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote								
Vote 1 - City Health	527,275	570,674	570,674	153,806	158,518	(4,712)	-3.0%	570,674
Vote 2 - City Manager	886	51	333	65	212	(148)	-69.5%	333
Vote 3 - Community Services	168,043	201,433	201,433	26,366	24,276	2,091	8.6%	201,433
Vote 4 - Corporate Services & Compliance	64,264	77,336	77,336	15,244	7,612	7,632	100.3%	77,336
Vote 5 - Energy, Environmental & Spatial Planning	134,086	139,984	140,635	42,797	33,478	9,319	27.8%	140,635
Vote 6 - Finance	1,455,311	1,136,601	1,136,601	294,048	293,488	560	0.2%	1,136,601
Vote 7 - Human Settlements	1,203,134	1,605,739	2,021,414	143,660	218,749	(75,089)	-34.3%	2,021,414
Vote 8 - Rates & Other	10,602,471	11,207,217	11,207,217	3,539,491	3,285,514	253,977	7.7%	11,207,217
Vote 9 - Safety & Security	1,235,498	1,196,990	1,196,990	196,521	291,353	(94,832)	-32.5%	1,196,990
Vote 10 - Social Dev & Early Childhood Development	680	533	533	6,621	12	6,609	56532.3%	533
Vote 11 - Tourism, Events & Economic Development	27,166	27,613	27,890	6,390	4,489	1,901	42.3%	27,890
Vote 12 - Transport for Cape Town	1,761,390	1,602,394	1,602,817	317,472	267,692	49,780	18.6%	1,602,817
Vote 13 - Utility Services	17,800,712	18,698,420	18,698,420	4,730,754	4,510,530	220,224	4.9%	18,698,420
Total Revenue by Vote	**34,980,916**	**36,464,984**	**36,882,293**	**9,473,235**	**9,095,924**	**377,311**	**4.1%**	**36,882,293**
Expenditure by Vote								
Vote 1 - City Health	920,192	1,050,049	1,050,049	244,732	269,137	(24,405)	-9.1%	1,050,049
Vote 2 - City Manager	189,381	229,281	229,564	59,723	57,924	1,799	3.1%	229,564
Vote 3 - Community Services	1,566,085	1,826,771	1,826,771	326,941	403,425	(76,485)	-19.0%	1,826,771
Vote 4 - Corporate Services & Compliance	2,183,354	2,563,425	2,563,425	560,777	561,037	(259)	-0.05%	2,563,425
Vote 5 - Energy, Environmental & Spatial Planning	538,045	609,264	609,915	125,340	135,895	(10,555)	-7.8%	609,915
Vote 6 - Finance	1,892,536	2,234,102	2,234,102	501,677	504,872	(3,195)	-0.6%	2,234,102
Vote 7 - Human Settlements	1,219,300	1,748,780	2,163,724	238,401	319,137	(80,736)	-25.3%	2,163,724
Vote 8 - Rates & Other	971,040	1,076,794	1,076,794	250,285	263,549	(13,264)	-5.0%	1,076,794
Vote 9 - Safety & Security	2,549,529	2,833,419	2,833,419	446,510	464,127	(17,618)	-3.8%	2,833,419
Vote 10 - Social Dev & Early Childhood Development	178,551	206,578	206,578	35,320	36,180	(860)	-2.4%	206,578
Vote 11 - Tourism, Events & Economic Development	537,038	570,071	570,348	108,226	125,704	(17,478)	-13.9%	570,348
Vote 12 - Transport for Cape Town	2,616,468	2,932,751	2,932,745	539,346	557,603	(18,257)	-3.3%	2,932,745
Vote 13 - Utility Services	15,329,755	16,664,171	16,664,171	3,839,667	3,896,897	(57,230)	-1.5%	16,664,171
Total Expenditure by Vote	**30,691,275**	**34,545,457**	**34,961,605**	**7,276,945**	**7,595,486**	**(318,541)**	**-4.2%**	**34,961,605**
Surplus/ (Deficit) for the year	**4,289,641**	**1,919,528**	**1,920,688**	**2,196,290**	**1,500,438**	**695,852**	**46.4%**	**1,920,688**

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
Revenue by Vote				
Vote 1 - City Health	(4,712)	-3.0%	The variance is mainly due to: 1. Under-recovery on Operating Grants & Donations (Provincial Grants - Conditional), due to lower than planned expenditure on grant-funded projects - primarily on vaccines. 2. Under-recovery on Operating Grants & Donations (Provincial Grants - Unconditional), due to the misalignment of period cash flows.	A virement will be processed to adjust the cash flows. The situation monitored by the finance manager.
Vote 2 - City Manager	(148)	-69.5%	The under-recovery is mainly on an Operating Grants & Donations project (Area-based Service Delivery Model), where expenditure was incorrectly booked resulting in revenue not being recognised.	Reposting of the actuals will be done to ensure correct revenue recognition.
Vote 3 - Community Services	2,091	8.6%	The variance is a combination of under-/over-recovery within the following revenue elements: 1. Camp/Resort Fees (under), due to the incorrect processing of revenue against Rental income. 2. Rental Fixed Assets (over), due to incorrect processing of camp/resort fees revenue against Rental income. 3. Capital Grants & Donations (over), due to: a) Welmoed cemetery development being ahead of schedule. b) Upgrade Smart Park - Nomzamo Park & Atlantis where projects are progressing ahead of schedule.	Journals to rectify the incorrect processing of revenue will be processed.
Vote 4 - Corporate Services & Compliance	7,632	100.3%	The over-recovery on Revenue is mainly due to: 1. Service Charges, which relates to Broadband and Radio Trunking projects, where higher than planned revenue has been received to date. 2. Operating Grants & Donations (National - Conditional), due to recognition of grant income for the graduate intern programme earlier than anticipated. 3. Other Revenue - Skills Development Levy, where revenue was received based on claims submitted to the SETA.	Realignment of period budgets to be done.
Vote 5 - Energy, Environmental & Spatial Planning	9,319	27.8%	The over-recovery is mainly on: 1. Building Levies, due to the increase in building-related activities resulting in additional revenue. 2. Contributed assets, due to the donation of the Wolfgat Environmental Education Centre to the City.	The situation is monitored by the finance manager.
Vote 6 - Finance	560	0.2%	The variance is a combination of over-/under-recovery: 1. Rental of Facilities & Equipment (under), mainly due to the allocation of Indigent Grants and debt write-offs. 2. CIDS-Commercial (over), due to adjustments to property valuations on which CID Levies are based.	Situation is monitored and no corrective action required at present.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 7 - Human Settlements	(75,089)	-34.3%	The under-recovery is mainly on: 1. Operating Grants & Donations due to: a) Peoples Housing Process (PHP) projects, where expenditure is dependent on the rate of progress achieved by the PHP projects (these projects are all managed and controlled by communities ito the national PHP programme). It is difficult to estimate cash flow as many factors influence the rate of house construction by communities. A process of expediting PHP projects (including support) has been launched by the directorate. b) Late commencement of various feasibility studies and pre-planning on USDG projects citywide. Awaiting USDG invoice payment from PGWC. 2. Capital Grants & Donations (under), mainly due to: a) Wallacedene TRA Access Tracks, due to the misalignment of periodic budget provisions with actuals as the contractor is on site and work is progressing steadily. b) Eagle Bar IDA, due to the misalignment of periodic budget provisions as the contract will only commence in January 2017. c) SHF Earthworks, where the contractor is awaiting wayleaves before construction can commence.	The alignment of the period budgets is ongoing. Finance manager to monitor the situation.
Vote 8 - Rates & Other	253,977	7.7%	The over-recovery is a combination of under-/over-recovery. 1. Property Rates (over), due to higher than planned revenue received to date. This over-recovery covers the impact of valuation objections and appeals that resulted in the reduction of the rates billed in current/previous financial years. 2. Income Forgone (under), due to applications received and properties that qualify for rebates to date. 3. Operating Grants & Donations (over), due to the periodic budget provision on the Equitable Share not being in line with actual payment schedule.	The periodic budget provisions will be reviewed and adjusted where necessary.
Vote 9 - Safety & Security	(94,832)	-32.5%	The variance is a combination of over-/under-recovery. 1. Traffic Fines Accruals (under), due to delays in processing of fine accruals. 2. Licences and Permits (over), due to higher than planned applications received for learner licences, learner driver certificates and PDP operator certificates. 3. Fire fees (over), due to the higher than usual number of fire incidences. 4.Capital grant-funded projects (over), due to the installation of shotspotters earlier than anticipated.	No corrective action is required.
Vote 10 - Social Dev & Early Childhood Development	6,609	56532.3%	The over-recovery is mainly on Contributed Assets, due to the donation of two ECD centres in Masiphumelele to the City.	No remedial action required.
Vote 11 - Tourism, Events & Economic Development	1,901	42.3%	The over-recovery is mainly on Rental Fixed Assets, due to the hiring and utilization of facilities being higher than anticipated.	No remedial action required.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 12 - Transport for Cape Town	49,780	18.6%	The variance is a combination of over-/under-recovery. 1. Capital grant-funded projects (over), due to better than anticipated progress on various projects as community and other issues were resolved. Good contractors performance further contributed to this variance. 2. Busfares (over), due to an increase in ridership and improved internal control to prevent fare evasion. 3. Development Levies (over), due to higher than planned revenue relating to property development. 4.Transfers recognised - operating (under), due to delays in processing of invoices resulting in delays in recovering revenue.	Progress is being monitored.
Vote 13 - Utility Services	220,224	4.9%	The over-recovery is a combination of over-/under-recovery. A. Cape Town Electricity: 1. Electricity Service Charges (R11.03 million over), due to consumer demand, which resulted in slightly higher than anticipated sale of electricity for the period under review. 2. Service Charges-Recoveries of Infrastructure Maintenance (under), due to customer demand being lower than planned. 3. Development Levies (over), due to higher than planned demand from property developments in the City. 4. Transfers recognised - Capital (over), Electrification of backyarders projects (Bonteheuwel, Kalksteenfontein, Hanover Park Parkwood) ahead of schedule due to good contractor performance. B. Water and Sanitation: 1. Water Service Charges Revenue (R117 million over) and Sanitation Service Charges Revenue (R32 million over), where actual revenue was higher than planned as a result of sales volumes being higher than anticipated as well as the impact of the billing cycle and billing corrections. 2. Capital grant-funded projects (USDG) (over), due to the Mitchells Plain Treatment Works project and the Cape Flats Bulk Sewer project being ahead of schedule. C. Solid Waste Management: 1. Refuse Service Charges (R3.3 million under), due to lower than planned income from sale of Disposal Coupons as a result of lower demand from external contractors. 2. Forfeited Retentions and Penalties (over), due to unforeseen retention amount not being paid to vendors / contractors. 3. Interest Earned-Outstanding Debtors (over), due to debtors in arrears being higher than planned.	The situation is monitored by the respective finance managers and cash flow will be amended, where necessary.

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
Expenditure by Vote				
Vote 1 - City Health	(24,405)	-9.1%	The main contributors to the variance are: 1. Employee-related costs, due to the turnaround time in filling vacancies and staff appointed at lower than budgeted total cost to company, largely iro grant-funded positions. 2 General Expenses, largely due to delays in finalising invoices for vaccines and security services.	The recruitment and selection process is on-going. Invoices and payments are being followed up on; cash flows will be amended where required.
Vote 2 - City Manager	1,799	3.1%	The over-expenditure is largely due to higher than anticipated expenditure for graphic design services and communication initiatives for various campaigns as well as expenditure incurred on the screening intervention for capital projects. This in turn resulted in the misalignment of period budgets with the actual expenditure.	Alignment of the period budget is underway and the finance manager is monitoring the situation.
Vote 3 - Community Services	(76,485)	-19.0%	The variance is largely due to under expenditure on: 1. Employee-related costs, due to the turnaround time in filling of vacancies largely iro grant-funded vacancies and difficulties experienced in attracting suitably skilled staff. The misalignment of the period budget with the anticipated appointment of seasonal workers further contributed to this under expenditure. 2. Contracted Services, due to: a) Delays in finalisation of the grass cutting tender. b) Slower than anticipated progress on major construction projects, due to delays in the planning phase. 3.General Expenses, largely due to: a) Lower than anticipated expenditure on cleaning cost, which is demand driven. b) Lower than planned expenditure on Fuel, due to the lower fuel price. c) Security Services, due to service providers being paid in the ensuing month.	Seasonal workers are appointed as and when departments require additional labour. Normal quotation processes have been initiated wrt the grass cutting tender. Alignment of the period budget is underway.
Vote 4 - Corporate Services & Compliance	(259)	-0.05%	Immaterial variance.	No remedial action required.
Vote 5 - Energy, Environmental & Spatial Planning	(10,555)	-7.8%	The variance reflects against Depreciation and is due to the reclassification of public open spaces to non-depreciable land, which resulted in an adjustment and reversal of prior depreciation charges.	A review of the depreciation provisions will be undertaken during the mid year review and adjustments budget process.
Vote 6 - Finance	(3,195)	-0.6%	The variance is largely due to under expenditure on Employee-related costs resulting from the turnaround time in filling of vacancies and the impact of the internal filling of vacant posts.	The recruitment and selection process is on-going. The directorate had 116 vacancies as at 30 September 2016. Thirty seven positions (21 internal and 16 external) were filled with twenty four terminations processed for September 2016.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 7 - Human Settlements	(80,736)	-25,3%	This variance is a combination of under/over expenditure. 1. Employee-related costs (under), due to the turnaround time in filling mostly grant-funded vacancies. 2. Other Materials (under), due to lower than anticipated expenditure for informal housing kits, which is linked to fire-related incidents. 3. Contracted Services (under), due to the misalignment of the period budget relating to the citywide Top Structures project, Manenberg CRU project and Thermal Efficiency Retrofit project. 4. Other Expenditure, largely due to: a) Lower than anticipated rate of expenditure on Peoples Housing Process (PHP) projects, which is difficult to estimate per month as many factors influence the rate of house construction by communities. These projects are all managed and controlled by communities ito the national PHP programme. b) Subsidy on Homeowners Redemption, which is lower than planned and depends on the number of successful applications received for housing rebates. c) Indigent Relief (over), due to higher than anticipated applications for indigent relief received to date.	The recruitment and selection is on-going. Currently 88% of all positions are filled while 12% posts are vacant, which represents 104 positions of the directorate's total staff compliment. The finance manager will monitor the situation and cash flows will be amended where necessary.
Vote 8 - Rates & Other	(13,264)	-5,0%	The variance is largely due to lower than planned expenditure on Indigent Relief: Refuse and Water, which is linked to the number of applications received.	The finance manager will monitor the situation.
Vote 9 - Safety & Security	(17,618)	-3,8%	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 vacant posts. 2. General Expenses (under), largely due to: a) Backlog in the delivery of uniforms, due to delays in the finalisation of the uniform tender. b) Lower than anticipated fuel consumption, due to the down time of vehicles while being repaired. c) Lower than anticipated expenditure on security- and helicopter services for fire fighting, which only runs from the beginning of December until the end of April each year.	The recruitment and selection process is ongoing. Alignment of period budgets is ongoing. Finance manager to monitor the situation.
Vote 10 - Social Dev & Early Childhood Development	(860)	-2,4%	Immaterial variance.	No remedial action required.
Vote 11 - Tourism, Events & Economic Development	(17,478)	-13,9%	The variance is mainly on: 1. Depreciation and Asset Impairment, due to the writing back of depreciation charges of land linked to the incorrect asset class. The land has since been correctly classified and the depreciation charges were reversed. 2. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts.	Cash flows to be amended with actual expenditure, where necessary.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 12 - Transport for Cape Town	(18,257)	-3.3%	The variance is a combination of under-/over expenditure. 1. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts. 2. Depreciation (under), where expenditure is largely linked to the capitalisation rate of assets and the underspending on the capital budget. 3. Contracted Services (over), largely due to the payment of maintenance and servicing of MyCiTi buses, which was not budgeted for. Due to the contractual clarities on 9 m buses under the VO contract, it was not explicitly clear as to who'll bear the cost of maintenance once the maintenance cover lapsed.	The recruitment and selection process is on-going. Expenditure trends are monitored on an ongoing basis by the finance manager and corrective action undertaken where required. Savings identified within the directorate will be utilised to fund the shortfall on maintenance costs.
Vote 13 - Utility Services	(57,230)	-1.5%	The variance is a combination of under/over expenditure. 1. Employee-related costs (under), due to misalignment of the period budget with the actual expenditure trend iro non-permanent staff. Delays in the initial appointment of apprentices further contributed to this variance. 2. Bulk purchases a) Bulk Water (over), largely due to the non-alignment of the period budget with the actual expenditure. b) Bulk Electricity (under), due to seasonal fluctuations and lower consumer demand. 3. Contracted Services (under) due to: a) Lower than planned expenditure on the re-active component of R&M, delays in the initial implementation of planned R&M projects and the Enterprise Asset Management programme within the Cape Town Electricity department. b) Lower than planned expenditure on haulage costs for transportation of refuse, due to delays in awarding the tender. The costs is currently reflected under Bulk Refuse. 4. Other Expenditure (under) mainly on: a) R&M-related expenditure items (reactive component), which are of an adhoc nature and difficult to plan accurately as well as the delays of invoices from service providers. b) Fuel (under), due to lower requirements for the gas turbine, the impact of price fluctuations and usage. c) Hire charges, due to lesser demand for hiring of streetsweeping machines as the City has purchased its own equipment. 5. Other Materials (over), largely due to the incorrect posting of refuse bags against Materials General instead of Cleaning-related Costs.	Alignment of period budgets is ongoing and corrective action taken where required. The departmental finance managers are monitoring the situation.

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 R thousands	2015/16 Audited Outcome	Budget Year 2016/17 Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source								
Property rates	6,745,047	6,959,000	6,959,000	1,981,923	1,738,627	243,296	14.0%	6,959,000
Property rates - penalties & collection charges	–	–	–	–	–	–	-	–
Service charges - electricity revenue	11,198,441	11,807,918	11,807,918	3,154,478	3,143,439	11,039	0.4%	11,807,918
Service charges - water revenue	2,984,859	3,066,664	3,066,664	707,669	589,712	117,956	20.0%	3,066,664
Service charges - sanitation revenue	1,534,981	1,628,277	1,628,277	365,218	332,537	32,681	9.8%	1,628,277
Service charges - refuse revenue	1,090,550	1,232,929	1,232,929	297,870	301,200	(3,330)	-1.1%	1,232,929
Service charges - other	554,766	617,287	617,287	153,154	141,898	11,256	7.9%	617,287
Rental of facilities and equipment	350,954	383,550	383,550	93,228	91,103	2,125	2.3%	383,550
Interest earned - external investments	642,628	595,694	595,694	174,341	174,784	(442)	-0.3%	595,694
Interest earned - outstanding debtors	221,609	284,710	284,710	61,574	62,447	(873)	-1.4%	284,710
Dividends received	–	–	–	–	–	–	-	–
Fines	1,086,073	1,055,743	1,055,743	155,716	263,974	(108,258)	-41.0%	1,055,743
Licences and permits	41,494	27,893	27,893	11,400	6,973	4,427	63.5%	27,893
Agency services	183,260	153,993	153,993	42,253	42,250	4	0.01%	153,993
Transfers recognised - operational	3,619,257	3,802,940	4,210,812	1,077,695	1,149,001	(71,306)	-6.2%	4,210,812
Other revenue	2,405,372	2,504,046	2,504,046	835,577	809,693	25,884	3.2%	2,504,046
Gains on disposal of PPE	126,501	79,500	79,500	–	1,125	(1,125)	-100.0%	79,500
Total Revenue (excluding capital transfers	**32,767,790**	**34,200,144**	**34,608,016**	**9,112,097**	**8,848,763**	**263,334**	**3.0%**	**34,608,016**
Expenditure By Type								
Employee related costs	9,357,740	10,597,571	10,628,871	2,464,777	2,526,531	(61,754)	-2.4%	10,628,871
Remuneration of councillors	134,637	151,063	151,063	31,084	37,546	(6,462)	-17.2%	151,063
Debt impairment	1,898,476	2,003,203	2,003,203	299,488	299,376	112	0.04%	2,003,203
Depreciation & asset impairment	2,117,336	2,318,441	2,318,441	530,455	579,609	(49,154)	-8.5%	2,318,441
Finance charges	751,614	895,848	895,848	172,686	172,902	(216)	-0.1%	895,848
Bulk purchases	8,073,336	8,515,180	8,515,180	2,104,259	2,112,227	(7,968)	-0.4%	8,515,180
Other materials	304,724	338,172	439,405	86,849	86,242	606	0.7%	439,405
Contracted services	3,421,785	4,396,163	4,677,543	545,611	621,720	(76,109)	-12.2%	4,677,543
Transfers and grants	148,246	174,833	177,812	35,622	66,087	(30,465)	-46.1%	177,812
Other expenditure	4,475,263	5,154,983	5,154,240	1,006,115	1,093,247	(87,132)	-8.0%	5,154,240
Loss on disposal of PPE	8,118	–	–	–	–	–	-	–
Total Expenditure	**30,691,275**	**34,545,457**	**34,961,605**	**7,276,945**	**7,595,486**	**(318,541)**	**-4.2%**	**34,961,605**
Surplus/(Deficit)	**2,096,516**	**(345,312)**	**(353,589)**	**1,835,152**	**1,253,277**	**581,875**	**46.4%**	**(353,589)**
Transfers recognised - capital	2,131,537	2,177,040	2,186,477	327,433	231,141	96,292	41.7%	2,186,477
Contributions recognised - capital	61,488	87,800	87,800	17,265	16,020	1,245	7.8%	87,800
Contributed assets	100	–	–	16,440	–	16,440	100.0%	–
Surplus/(Deficit) after capital transfers & contributions	**4,289,641**	**1,919,528**	**1,920,688**	**2,196,290**	**1,500,438**			**1,920,688**
Taxation	–	–	–	–	–			–
Surplus/(Deficit) after taxation	**4,289,641**	**1,919,528**	**1,920,688**	**2,196,290**	**1,500,438**			**1,920,688**
Attributable to minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	**4,289,641**	**1,919,528**	**1,920,688**	**2,196,290**	**1,500,438**			**1,920,688**
Share of surplus/ (deficit) of associate	–	–	–	–	–			–
Surplus/ (Deficit) for the year	**4,289,641**	**1,919,528**	**1,920,688**	**2,196,290**	**1,500,438**			**1,920,688**

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
Revenue By Source				
Property rates	243,296	14.0%	The over-recovery is a combination of over-/under recovery. 1. Property Rates (over), due to higher than planned revenue received to date. This over-recovery covers the impact of valuation objections and appeals that resulted in the reduction of the rates billed in current/previous financial years. 2. Income Forgone (under), due to the applications received and properties that qualify to date.	The situation is monitored.
Service charges - electricity revenue	11,039	0.4%	The over-recovery is mainly due to consumer demand and seasonal fluctuations, which resulted in slightly higher than planned sale of electricity for the period under review.	Current trends are monitored and corrective action will be undertaken, if necessary.
Service charges - water revenue	117,956	20.0%	The variance is mainly on Water Sales, due to the impact of billing cycles, billing corrections, and consumer demand/consumption being higher than planned during the period.	No corrective actions required. The situation is monitored and alignment of the period budget will be undertaken where necessary.
Service charges - sanitation revenue	32,681	9.8%	The variance is mainly on Sewerage Sales. The charges on sewerage are demand driven and linked to water consumption and the factors influencing water consumption.	No corrective actions required. The situation is monitored and alignment of the period budget will be undertaken where necessary.
Service charges - refuse revenue	(3,330)	-1.1%	The under-recovery is mainly on Disposal Coupons, due to lower than planned demand for coupons for the period.	No corrective actions required. The situation is monitored and will be reviewed during the mid-year review.
Service charges - other	11,256	7.9%	The variance is a combination of over-/under-recovery on various revenue elements in this category. 1. Service Charges-Infrastructure (over), mainly due to higher than planned income received on Broadband and Radio Trunking Services. 2. Busfares-Transit products (over), due to higher than planned demand/usage of services and improved internal controls to prevent fare evasion. 3. Camp/Resort Fees (under) within Community Services, due to revenue incorrectly booked against the Rental Income revenue element. 4. Fire fees (over), due to a higher number of fire incidences than planned. 5. Recoveries of Infrastructure Maintenance (under) within Cape Town Electricity, due to consumer demand being lower than planned.	Current trends are monitored and corrective action will be undertaken, if necessary. Journal entries will be processed to correct the incorrect booking of Camp/Resort Fees against Rental Income.
Rental of facilities and equipment	2,125	2.3%	The variance is a combination of over-/under-recovery within the following directorates: 1. TEED (over), due to the hiring of facilities being higher than planned. 2. Community Services (over), due to income for Camping Fees incorrectly booked against Rental Income. 3. Finance (under), due to the allocation of Indigent grants and debt write-offs.	Current trends are monitored and corrective action will be undertaken, if necessary. Incorrect booking of Camp/Resort Fees revenue under investigation. Corrective actions will be undertaken as soon as the problem is identified.
Interest earned - external investments	(442)	-0.3%	The under-recovery is largely due to interest received as a result of lower than anticipated current cash and investment fund balances.	No corrective actions required.
Interest earned - outstanding debtors	(873)	-1.4%	The variance is a combination of an under-recovery on Property Rates debtors and over-recovery on arrears for Electricity, Water & Sanitation and Solid Waste debtors. This is linked to the debtors payment ratio.	No corrective actions required.
Dividends received	–	-	-	-
Fines	(108,258)	-41.0%	The under-recovery is mainly on Traffic Fines Accruals, due to delays in processing monthly accruals, resulting in the misalignment of the period budget and actuals to date.	A review of periodic budget provisions will be done.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Licences and permits	4,427	63.5%	The over-recovery is mainly within Safety & Security, due to the higher than estimated applications received for learner licences, learner driver certificates and PDP operator certificates and higher than anticipated income received for Transport-related permits.	No corrective action required.
Agency services	4	0.01%	Immaterial variance.	-
Transfers recognised - operational	(71,306)	-6.2%	The variance is a combination of over-/under-recovery and is mainly within: 1. Human Settlements (R66.7 million under), due to: a) PHP (Peoples Housing Process) projects, where expenditure is dependent on the rate of progress achieved by PHP projects (these projects are all managed and controlled by communities ito the national PHP programme). It is difficult to estimate cash flow as many factors influence the rate of house construction by communities. A process of expediting PHP projects (including support) has been launched by the directorate. b) Late commencement of various feasibility studies and pre-planning on USDG projects citywide. Awaiting USDG invoice payment from PGWC. 2. Transport for Cape Town (R18.7 million under), due to delays in processing invoices resulting in delays in recovery of revenue. 3. Health (R4.5 million under), due to: a). Under-recovery on Provincial Grants (Conditional) as a result of lower than planned expenditure on vaccines. b). Under-recovery on Provincial Grants (Unconditional) as a result of period budget provisions not aligned with actual expenditure trend. 4. Rates (R15 million over), due to periodic budget provision in respect of the Equitable Share not being in line with actual payment received.	The situation is monitored by the respective financial managers. Corrective actions will be undertaken and the periodic budget will be reviewed where necessary.
Other revenue	25,884	3.2%	The main contributors to this over-recovery are: 1. Development Levies/BICL within the Transport for Cape Town directorate, Cape Town Electricity department and Water & Sanitation department, due to higher than estimated revenue from development levies received from property developers. 2. Salvaged items, due to the higher than estimated revenue received from the sale of scrapped and salvaged items. 3. Skills Development Levy, due to the payment of claims submitted being more than planned to date.	The situation is monitored.
Gains on disposal of PPE	(1,125)	-100.0%	The under-recovery is mainly within the Corporate Services & Compliance directorate and the Water & Sanitation department and relates to the sale of plant and equipment, which is difficult to plan accurately per monthly cycles.	The situation is monitored.

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
Expenditure By Type				
Employee related costs	(61,754)	-2.4%	The variance is mainly due to: 1. The turnaround time in the filling of vacancies mainly on grant-funded positions. 2. The appointment of seasonal workers and temporary staff, which depends on peak seasons and line departments' capacity requirements.	The City had 2 508 vacancies as at 30 September 2016. As from 1 July 2016 to date, 740 positions were filled (411 internal and 329 external), with 296 terminations processed. The filling of vacancies is on-going and seasonal staff are appointed as required. Savings realised to date have been set aside and ring-fenced within investment accounts to address corporate initiatives and commitments.
Remuneration of councillors	(6,462)	-17.2%	The variance is largely due to councillor increases not yet finalised and approved by the Minister of Co-corporative Governance & Traditional Affairs and Council.	Councillor increases to be implemented retrospectively from 1 July 2016 when approved.
Debt impairment	112	0.04%	Immaterial variance.	-
Depreciation & asset impairment	(49,154)	-8.5%	The variance is largely influenced by the capitalisation rate of assets, which depends on the progress and completion of capital projects. The write-back of depreciation on land further contributed to the variance.	The situation is monitored by the respective finance manager and adjustments will be made during the January 2017 adjustments budget.
Finance charges	(216)	-0.1%	Immaterial variance.	-
Bulk purchases	(7,968)	-0.4%	The variance reflects on the following elements: 1. Bulk Water (under), largely due to the non-alignment of the period budget with the actual expenditure. 2. Bulk Electricity (under), due to seasonal fluctuations and consumer demand.	The situation is monitored by the respective finance manager. A review of the period budget is underway.
Other materials	606	0.7%	Immaterial variance.	-
Contracted services	(76,109)	-12.2%	The variance is largely due to: 1. Delays in the finalisation of the grass cutting tender. 2. Lower than planned anticipated expenditure on R&M and other projects. 3. Delays in implementation of the haulage tender for the transportation of refuse as well as delays in submission of invoices from service providers/suppliers. 4. Misalignment of the period budget on various housing top structures projects, Manenberg CRU projects and Thermal Efficiency Retrofit projects.	The situation is monitored by the respective finance manager. A review of the period budget is on-going and further amendments will be undertaken during the January 2017 adjustments budget.
Transfers and grants	(30,465)	-46.1%	The variance is largely due to delays in submission of invoices to the Western Cape Government for the allocation of USDG funds in support of delivery of the Integrated Human Settlements related services on Provincial land.	The situation is monitored by the respective finance manager. A review of the period budget is underway.
Other expenditure	(87,132)	-8.0%	The variance is largely on: 1. Chemicals, due to the lower than anticipated spend on chemicals, which is demand driven and dependent on climatic changes. 2. Fuel, due to lower than anticipated YTD fuel cost resulting from price fluctuations, stricter control measure put in place to curb expenditure and lower fuel requirements for the gas turbines to generate electricity. 3. Cleaning costs, largely due to the incorrect booking of refuse bag expenditure against materials. 4. Peoples Housing Process (PHP) payments, due to the lower than anticipated rate of expenditure on PHP projects, which is difficult to estimate per month as many factors influence the rate of house construction by communities. 5. Various R&M-related expenditure items, due to lower than anticipated expenditure on re-active maintenance , which is difficult to plan accurately. 6. Indigent Relief, which is lower than planned and is linked to the number of applications received. 7. Subsidy on Homeowners Redemption, which is based on successful rebate applicants. 8. Hire charges, due to lesser demand for hiring of streetsweeping machines as the City has purchased its own equipment.	The situation is monitored by the respective finance manager. A review of the period budget is on-going.
Loss on disposal of PPE	–	-	-	-

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						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation								
Vote 1 - City Health	17,122	37,520	39,458	1,438	1,148	290	25.2%	39,350
Vote 2 - City Manager	18,925	17,946	17,962	3,072	3,528	(456)	-12.9%	17,892
Vote 3 - Community Services	193,009	186,340	189,644	20,425	17,358	3,067	17.7%	185,444
Vote 4 - Corporate Services & Compliance	448,054	386,908	399,515	19,789	24,728	(4,938)	-20.0%	398,460
Vote 5 - Energy, Environmental & Spatial Planning	62,977	61,359	61,630	1,570	4,805	(3,235)	-67.3%	57,363
Vote 6 - Finance	39,080	148,868	149,871	11,503	14,728	(3,225)	-21.9%	149,685
Vote 7 - Human Settlements	336,606	499,542	527,855	21,638	28,692	(7,054)	-24.6%	440,876
Vote 8 - Rates & Other	–	–	–	–	–	–	–	–
Vote 9 - Safety & Security	149,895	132,043	132,056	19,123	7,514	11,609	154.5%	131,016
Vote 10 - Social Dev & Early Childhood Development	15,660	17,460	17,460	5,969	4,100	1,869	45.6%	17,410
Vote 11 - Tourism, Events & Economic Development	40,824	42,150	42,242	8,656	6,003	2,653	44.2%	42,169
Vote 12 - Transport for Cape Town	1,424,447	1,442,311	1,505,466	256,788	206,107	50,681	24.6%	1,538,432
Vote 13 - Utility Services	2,743,234	3,528,831	3,548,566	395,392	339,589	55,804	16.4%	3,340,444
Total Capital Expenditure	5,489,834	6,501,277	6,631,744	765,363	658,299	107,064	16.3%	6,356,543
Capital Expenditure - Standard Classification								
Governance and administration	520,726	571,966	585,198	36,169	44,355	(8,186)	-13.9%	582,938
Executive and council	45,771	39,349	40,803	7,552	4,890	2,662	54.5%	38,822
Budget and treasury office	15,367	15,997	16,121	1,653	1,220	433	35.5%	15,935
Corporate services	459,588	516,620	528,274	26,963	38,245	(9,282)	-24.3%	528,180
Community and public safety	770,004	936,453	970,677	79,197	63,421	15,776	24.9%	879,380
Community and social services	85,337	69,742	73,331	10,191	3,547	6,644	187.3%	69,824
Sport and recreation	142,704	148,513	148,285	18,747	17,716	1,031	5.8%	147,838
Public safety	187,892	185,098	185,517	27,180	12,318	14,862	120.7%	185,255
Housing	336,949	499,611	527,924	21,641	28,692	(7,051)	-24.6%	440,945
Health	17,122	33,490	35,520	1,438	1,148	290	25.2%	35,520
Economic and environmental services	1,529,423	1,534,667	1,597,914	261,604	216,011	45,593	21.1%	1,626,282
Planning and development	59,135	70,524	70,660	4,573	9,728	(5,155)	-53.0%	66,062
Road transport	1,454,254	1,448,117	1,511,337	256,885	206,282	50,603	24.5%	1,544,304
Environmental protection	17,034	15,916	15,916	145	–	145	100.0%	15,916
Trading services	2,669,181	3,458,301	3,478,066	386,392	334,513	51,880	15.5%	3,269,944
Electricity	1,016,911	1,536,812	1,541,511	152,193	163,934	(11,740)	-7.2%	1,351,528
Water	719,005	883,225	903,112	108,838	50,544	58,294	115.3%	889,233
Waste water management	680,773	800,774	791,039	106,613	91,268	15,345	16.8%	790,789
Waste management	252,491	237,491	242,393	18,748	28,766	(10,019)	-34.8%	238,393
Other	500	–	–	–	–	–	-	–
Total Capital Expenditure - Standard Classification	5,489,834	6,501,277	6,631,744	765,363	658,299	107,064	16.3%	6,358,543
Funded by:								
National Government	2,030,382	2,079,122	2,079,122	320,721	234,394	86,327	36.8%	2,089,697
Provincial Government	156,729	97,918	107,356	6,712	5,137	1,574	30.6%	52,483
District Municipality	–	–	–	–	–	–	-	–
Other transfers and grants	333	–	–	–	–	–	-	–
Transfers recognised - capital	2,187,425	2,177,040	2,186,477	327,433	239,531	87,902	36.7%	2,142,179
Public contributions & donations	61,488	87,800	87,800	17,265	16,020	1,245	7.8%	86,300
Borrowing	2,441,423	2,928,696	3,005,341	344,137	285,151	58,985	20.7%	2,970,756
Internally generated funds	799,498	1,307,740	1,352,126	76,528	117,597	(41,068)	-34.9%	1,159,308
Total Capital Funding	5,489,834	6,501,277	6,631,744	765,363	658,299	107,064	16.3%	6,358,543

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.

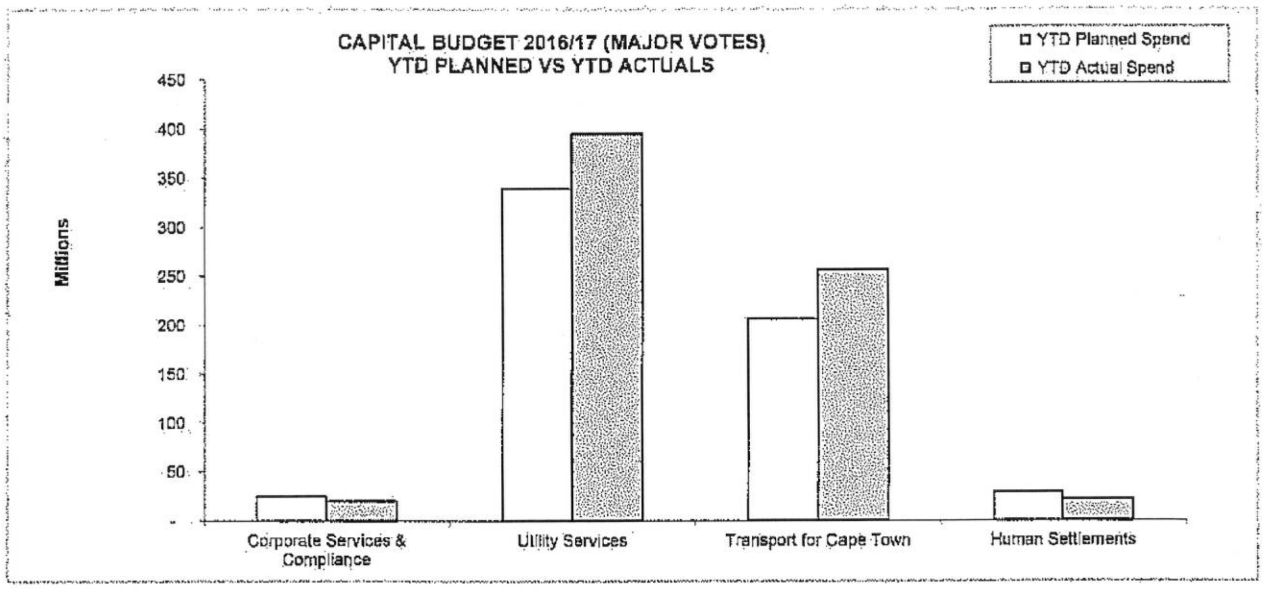
Table C5 (a): Material variance explanations for capital expenditure

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 1 - City Health	290	25.2%	The variance is mainly due to equipment that was delivered ahead of schedule iro the following projects: 1. Furniture, Tools and Equipment, and 2. National Core Standards Compliance.	The cash flows will be reviewed and adjusted where necessary during the January 2017 adjustments budget.
Vote 2 - City Manager	(456)	-12.9%	Integrated Communications Branding and Marketing 1. Replacement of Equipment: The delivery of laptops is delayed by three months. 2. Replacement of Furniture: Awaiting relevant furniture tenders to be in place before placing orders. Trade and Investment 1. Replacement Furniture and Equipment: The project has been reprioritised within the directorate as the additional office equipment requirements have been identified in the Integrated Communications Branding and Marketing department.	Integrated Communications Branding and Marketing 1. Expected delivery date is mid-October 2016. Following up with vendor. 2. Departments were advised to do RFQs for furniture requirements. Trade and Investment 1. Virement of R331 500 to CPX.0003389-F1: Furniture and office Equipment is being processed; orders will be placed thereafter.
Vote 3 - Community Services	3,067	17.7%	City Parks: The positive variance is due to good contractor performance iro the following projects: 1. Welmoed Cemetery Development 2. Upgrade Smart Park - Nomzamo Park 3. Upgrade Smart Park - Atlantis Library & Information Services: 1. Books, Periodicals & Subscriptions: Orders were delivered earlier than anticipated.	None required.
Vote 4 - Corporate Services & Compliance	(4,938)	-20.0%	Dark Fibre Broadband Infrastructure: Project delayed due to protracted tender process and wayleave approval process.	Cash flows will be amended in the January 2017 adjustments budget.
Vote 5 - Energy, Environmental & Spatial Planning	(3,235)	-67.3%	1. Imizamo Yethu Sporting Precinct & Upgrade and Pampoenkraal Heritage site projects progress delayed, due to poor contractor performance. 2. Filing Space and Systems: Filing System is behind schedule as a result of the delays experienced with the tender process of the Corporate Services directorate. 3. E-Systems Enhancements: Delays in sourcing contractors have resulted in the project being slightly behind schedule.	1. Letter of intent to terminate was issued to contractor for Imizamo Yethu. Contractor commenced works at end of 14 day remedy period. Line department is evaluating the contractor's ability to complete works or if the tender should be terminated. The contractor for the Pampoenkraal project has submitted written communication on how he intends to speed up the rate of progress, which will be carefully monitored. 2. Purchase order was created and contractor has started manufacturing. This will take about 10 weeks and installation will only be done by end November 2016. 3. Cash flows will be amended during the January 2017 adjustment budget.
Vote 6 - Finance	(3,225)	-21.9%	1. Basement Parking & Access: Building construction is 2-3 months behind schedule, due to poor contractor performance. 2. Electronic Workflow: Original cash flows are misaligned.	1. The City has requested that the contractor accelerates the implementation rate. Project manager will monitor progress. 2. Contractor now on track to complete by 30 June 2017. Cash flows to be amended in the January 2017 adjustments budget.
Vote 7 - Human Settlements	(7,054)	-24.6%	The variance relates to various projects including: 1. Incremental Development Area - False Bay: Cash flow is misaligned. Tender in appeal period. 2. Langa Hostels CRU Project- Special Quarters: The existing term tender could not be utilised resulting in delays in implementation. It is anticipated that consultants will be appointed by February 2017. 3. Backyard Water Dispensing & Management: Slight delay in the tender process. Consultant has now been appointed.	Cash flows to be amended in the January 2017 adjustments budget.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 8 - Rates & Other	—	-	-	-
Vote 9 - Safety & Security	11,609	154.5%	Delivery and installation of items earlier than anticipated due to availability of stock by suppliers in respect of the following projects: a) Shotspotter Installation; b) Harden Emergency Response vehicle; c) Vehicle Replacement; and d) Radios.	Ongoing monitoring of project progress and monitoring.
Vote 10 - Social Dev & Early Childhood Development	1,869	45.6%	Construct ECD Centres-Delft: Ahead of schedule, due to good contractor performance.	Monitor and complete project within set timeframe.
Vote 11 - Tourism, Events & Economic Development	2,653	44.2%	The major variances are as follows: 1. Upgrading of City Hall: Advanced Payment Guarantee from contractor was received earlier than anticipated. 2. Upgrade of Good Hope Centre: Project ahead of schedule, due to good contractor performance.	Cash flows will be adjusted in the January 2017 adjustments budget.
Vote 12 - Transport for Cape Town	50,681	24.6%	The positive variance is a reflection of the number of projects that were ready for implementation at the start of the financial year, and the good progress made by Transport for Cape Town's contractors to date.	Some budget adjustments will need to be made in the January 2017 adjustments budget in order to ensure that the budget for the higher spending projects is adequate.
Vote 13 - Utility Services	55,804	16.4%	The directorate is currently ahead of planned spend, due to good contractor performance and implementation being much faster than originally planned for iro certain projects. Refer below for further comments per department.	There is on-going ED engagements with Line Directors and Project Managers to ensure that tracking and monitoring of projects are within the prescribed timeframes and that corrective actions are processed timeously. Refer below for further comments per department.
Utility Services Support	(0)	-0.1%	Immaterial variance.	None.
Water & Sanitation	73,639	51.9%	The positive variance is due to good contractor performance and faster than planned implementation on the following projects: a) Completion of Cape Flats III Bulk Sewer project, b) Meter Replacement Programme, and c) Cape Flats WWWTW - Refurbishment	Project managers will continue to closely monitor and track all projects and tenders.
Solid Waste Management	(10,019)	-34.8%	Plant & Vehicles- Replacement: There has been protracted delays in negotiation of the streetsweepers, which has impacted the expected delivery date and planned cash flow.	Project managers will continue to closely monitor and track all projects and tenders. Expected delivery of streetsweepers is now end October 2016.
Cape Town Electricity	(7,816)	-4.6%	The negative variance is mainly due to delayed implementation on the following projects: 1. City Depot: Contractor is 28 days behind schedule, due to unforeseen underground conditions found during demolition, as well as experiencing access problems to some areas, which still require demolition. Demolition can only commence after unstable neighbouring property walls are supported. 2. Bloemhof Stores: Project implementation is delayed, due to the protracted tender process. Project is 18% complete.	1. Contractor will attempt to make up time. 2. Construction work is progressing at an acceptable rate. Project managers will continue to closely monitor and track progress.

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



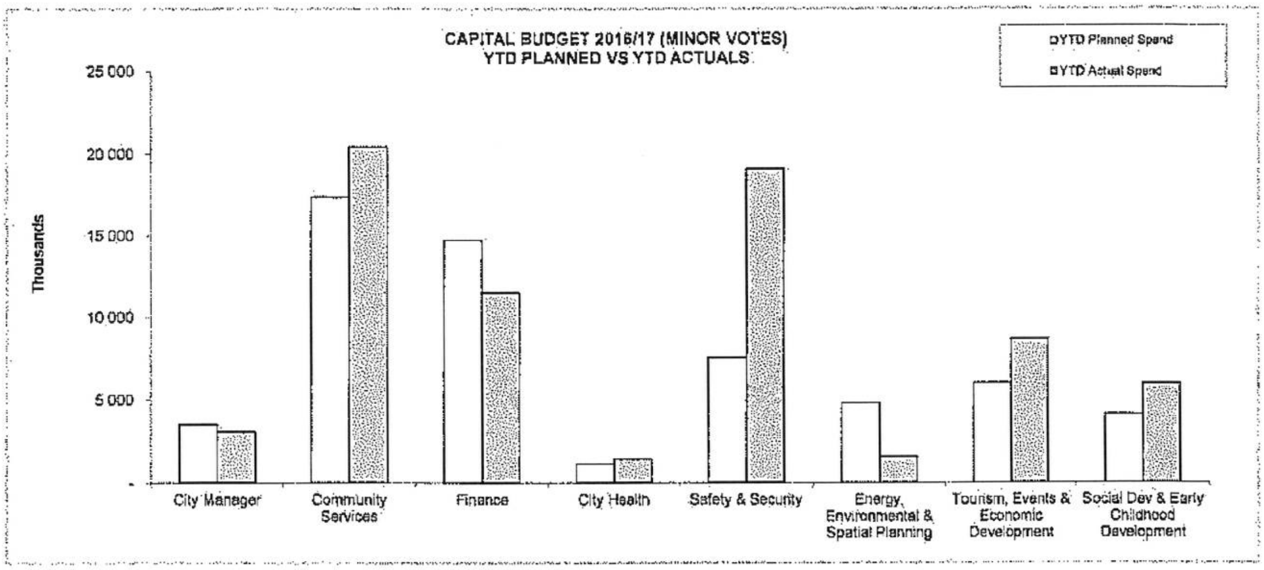


Table C6: Monthly Budget Statement - Financial Position

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

Description R thousands	2015/16 Audited Outcome	Budget Year 2016/17 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	93,003	103,411	103,411	326,089	103,411
Call investment deposits	5,394,645	2,908,391	5,113,990	5,394,645	5,113,990
Consumer debtors	5,106,634	4,903,207	4,903,207	3,670,241	4,903,207
Other debtors	858,306	894,630	894,630	1,042,675	894,630
Current portion of long-term receivables	17,093	21,871	21,871	17,093	21,871
Inventory	257,273	339,182	339,182	291,451	339,182
Total current assets	11,726,952	9,170,692	11,376,291	10,742,192	11,376,291
Non current assets					
Long-term receivables	51,695	67,980	67,980	45,936	67,980
Investments	3,966,188	4,029,279	4,055,497	3,484,345	4,055,497
Investment property	588,191	589,382	589,382	589,382	589,382
Investments in Associate	–	–	–	–	–
Property, plant and equipment	36,892,544	40,996,392	41,120,336	37,127,452	41,120,336
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	629,161	708,383	708,383	708,383	708,383
Other non-current assets	9,050	9,062	9,062	9,062	9,062
Total non current assets	42,136,829	46,400,477	46,550,640	41,965,560	46,550,640
TOTAL ASSETS	53,863,781	55,571,170	57,926,931	52,707,752	57,926,931
LIABILITIES					
Current liabilities	–	–	–	–	–
Bank overdraft	–	–	–	–	–
Borrowing	469,936	501,208	501,208	469,936	501,208
Consumer deposits	324,632	329,432	329,432	337,437	329,432
Trade and other payables	6,995,469	6,579,621	8,928,431	3,538,319	8,928,431
Provisions	1,069,277	1,091,755	1,091,755	1,045,855	1,091,755
Total current liabilities	8,859,315	8,502,016	10,850,826	5,391,546	10,850,826
Non current liabilities					
Borrowing	6,036,905	8,058,439	8,058,439	5,942,757	8,058,439
Provisions	6,116,354	6,271,089	6,276,880	6,356,854	6,276,880
Total non current liabilities	12,153,259	14,329,528	14,335,319	12,299,611	14,335,319
TOTAL LIABILITIES	21,012,574	22,831,544	25,186,145	17,691,157	25,186,145
NET ASSETS	32,851,207	32,739,626	32,740,786	35,016,595	32,740,786
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	29,846,771	31,269,262	31,322,984	32,048,342	31,322,984
Reserves	3,004,436	1,470,363	1,417,803	2,968,254	1,417,803
TOTAL COMMUNITY WEALTH/EQUITY	32,851,207	32,739,626	32,740,786	35,016,595	32,740,786

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						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, penalties & collection charges	6,018,735	6,864,644	6,864,644	2,144,136	1,852,727	291,409	15.7%	6,864,644
Service charges	13,768,730	16,910,000	16,910,000	4,411,446	4,338,549	72,897	1.7%	16,910,000
Other revenue	3,351,237	3,205,429	3,205,429	967,588	1,009,524	(41,936)	-4.2%	3,205,429
Government - operating	3,251,460	3,802,940	3,802,940	1,150,302	1,183,480	(33,178)	-2.8%	3,802,940
Government - capital	2,423,179	2,264,840	2,274,277	809,595	798,765	10,830	1.4%	2,274,277
Interest	735,298	595,694	595,694	138,355	144,426	(6,072)	-4.2%	595,694
Dividends	–	–	–	–	–	–	-	–
Payments								
Suppliers and employees	(22,780,459)	(28,554,433)	(28,970,581)	(8,943,969)	(8,507,731)	436,238	-5.1%	(28,970,581)
Finance charges	(709,455)	(812,118)	(812,118)	(178,816)	(177,390)	1,426	-0.8%	(812,118)
Transfers and Grants	–	(115,154)	(115,154)	(1,205)	(13,583)	(12,378)	91.1%	(115,154)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**6,058,725**	**4,161,843**	**3,755,132**	**497,431**	**628,767**	**131,336**	**20.9%**	**3,755,132**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	91,419	79,500	79,500	–	–	–	-	79,500
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	-	–
Decrease (increase) other non-current receivables	28,800	3,578	3,578	–	–	–	-	3,578
Decrease (increase) in non-current investments	361,949	(89,310)	(89,310)	–	–	–	-	(89,310)
Payments								
Capital assets	(5,200,493)	(5,851,149)	(5,968,570)	(775,368)	(1,072,329)	(296,961)	27.7%	(5,968,570)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(4,718,325)**	**(5,857,381)**	**(5,974,802)**	**(775,368)**	**(1,072,329)**	**(296,961)**	**27.7%**	**(5,974,802)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
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	29,948	–	–	–	-	29,948
Payments								
Repayment of borrowing	(309,852)	(491,216)	(491,216)	(88,055)	(89,481)	(1,426)	1.6%	(491,216)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(407,811)**	**2,038,733**	**2,038,733**	**(88,055)**	**(89,481)**	**(1,426)**	**1.6%**	**2,038,733**
NET INCREASE/ (DECREASE) IN CASH HELD	**932,589**	**343,195**	**(180,937)**	**(365,991)**	**(533,043)**			**(180,937)**
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	3,151,534	2,966,480	2,799,429			3,151,534

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 R thousands	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates, penalties & collection charges	291,409	15.7%	More income received than originally budgeted for.	No corrective action required at this time.
Service charges	72,897	1.7%	Immaterial variance.	No corrective action required at this time.
Other revenue	(41,936)	-4.2%	Immaterial variance.	No corrective action required at this time.
Government - operating	(33,178)	-2.6%	Immaterial variance.	No corrective action required at this time.
Government - capital	10,630	1.4%	Immaterial variance.	No corrective action required at this time.
Interest	(6,072)	-4.2%	Immaterial variance.	No corrective action required at this time.
Payments				
Suppliers and employees	436,238	-5.1%	Immaterial variance.	No corrective action required at this time.
Finance charges	1,426	-0.8%	Immaterial variance.	No corrective action required at this time.
Transfers and Grants	(12,378)	91.1%	The variance is mainly due to agreements and approval of beneficiaries that still needs to be finalised and approved by Council.	The expenditure budget will be aligned in the mid-year review and adjustments budget process.
NET CASH FROM/(USED) OPERATING ACTIVITIES	**131,336**	**20.9%**		
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	–	-		
Decrease (Increase) in non-current debtors	–	-		
Decrease (increase) other non-current receivables	–	-		
Decrease (increase) in non-current investments	–	-		
Payments				
Capital assets	(296,961)	27.7%	Slower cash outflow than originally expected.	No corrective action required at this time.
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(296,961)**	**27.7%**		
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	–	-		
Borrowing long term/refinancing	–	-		
Increase (decrease) in consumer deposits	–	-		
Payments	–			
Repayment of borrowing	(1,426)	1.6%	Immaterial variance.	No corrective action required at this time.
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(1,426)**	**1.6%**		

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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			
R thousands	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Receipts By Source															
Property rates	589,654	728,180	826,302	651,503	610,262	591,693	517,769	591,496	594,265	505,096	550,440	107,783	6,864,644	7,310,945	7,832,252
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	989,309	1,120,506	1,070,415	1,064,076	968,013	952,411	916,393	901,329	981,262	969,706	1,004,213	812,338	11,749,971	13,479,841	15,559,347
Service charges - water revenue	177,400	193,175	203,105	201,644	187,443	207,492	206,400	251,325	247,298	231,426	233,580	4,255	2,344,542	2,705,537	3,021,136
Service charges - sanitation revenue	108,984	117,068	120,940	119,732	101,068	123,604	123,097	139,528	140,730	128,926	136,167	94,592	1,454,435	1,622,951	1,804,195
Service charges - refuse	60,428	65,250	68,500	64,330	53,349	64,061	73,630	68,267	62,409	66,909	62,298	89,955	799,386	867,725	936,469
Service charges - other	36,824	39,510	40,034	42,113	34,648	40,292	49,193	46,245	45,214	42,166	49,104	96,320	561,665	583,838	615,645
Rental of facilities and equipment	19,969	22,613	24,504	9,483	8,459	9,678	9,419	9,276	9,895	9,082	9,838	(30,019)	112,196	115,713	110,840
Interest earned - external investments	45,868	45,846	46,641	51,002	48,190	50,538	51,111	44,519	49,844	49,479	52,569	60,086	595,694	624,661	672,891
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	21,255	21,959	21,103	18,181	17,572	16,347	16,474	18,280	19,337	19,455	18,622	2,480	211,065	223,116	235,388
Licences and permits	12,144	32,772	10,992	15,764	9,969	21,641	10,009	11,128	17,746	14,303	8,855	16,565	181,886	183,420	185,039
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operating	853,048	297,254	–	89,505	649,088	650,175	234,484	125,847	731,526	47,044	27,051	97,919	3,802,940	4,004,790	4,270,147
Other revenue	11,680	754,841	13,755	43,237	85,981	624,545	54,301	102,137	689,351	59,618	70,560	190,274	2,700,282	2,901,763	3,133,699
Cash Receipts by Source	2,926,563	3,438,973	2,446,292	2,370,571	2,774,042	3,352,677	2,262,281	2,309,376	3,588,878	2,143,210	2,223,297	1,542,547	31,378,707	34,624,300	38,377,049
Other Cash Flows by Source															
Transfer receipts - capital	605,690	83,129	120,776	126,813	114,377	140,996	76,746	168,355	192,451	45,734	–	599,210	2,274,277	2,246,932	2,433,776
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	79,500	79,500	49,500	49,500
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	2,500,000	2,500,000	1,500,000	2,000,000
Increase in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	29,948	29,948	32,943	36,238
Receipt of non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Receipt of non-current receivables	–	–	–	–	–	–	–	–	–	–	–	3,578	3,578	3,399	3,229
Change in non-current investments	–	–	–	–	–	–	–	–	–	–	–	(89,310)	(89,310)	(212,908)	(238,708)
Total Cash Receipts by Source	3,532,253	3,522,102	2,567,067	2,497,384	2,888,419	3,493,674	2,339,027	2,477,731	3,781,328	2,188,944	2,223,297	4,665,474	36,176,700	38,244,166	42,661,084

Table continues on next page.

Annexure A: S52 – 2017 Q1 (September 2016)

Description	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework		
R thousands	July Outcome	August Outcome	Sept Outcome	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Cash Payments by Type															
Employee related costs	777,320	785,663	778,459	793,933	1,231,319	800,458	836,626	836,690	842,397	823,926	834,339	1,004,370	10,345,500	11,301,392	12,386,597
Remuneration of councillors	10,410	9,534	9,763	11,628	11,683	11,698	11,894	13,501	12,133	12,098	14,220	22,503	151,063	160,882	171,339
Interest paid	–	–	178,816	–	–	158,810	–	–	174,216	–	–	300,276	812,118	928,327	1,098,571
Bulk purchases - Electricity	935,553	1,028,092	989,481	585,356	562,090	546,327	572,162	525,648	564,696	542,829	691,018	552,548	8,095,800	9,223,280	10,646,220
Bulk purchases - Water & Sewer	32,125	28,076	30,952	36,137	23,214	42,710	32,515	31,478	49,175	43,404	40,403	29,192	419,380	472,446	516,781
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other	1,160	45	–	539	464	373	936	2,116	2,205	50	269	106,997	115,154	133,190	140,515
General expenses	1,613,536	888,205	1,026,801	852,383	739,583	781,717	757,748	767,331	745,554	824,304	869,142	92,533	9,958,837	10,144,647	10,880,990
Cash Payments by Type	3,370,103	2,739,614	3,014,273	2,279,975	2,568,352	2,342,093	2,211,881	2,176,764	2,390,376	2,246,611	2,449,390	2,108,419	29,897,852	32,364,163	35,841,013
Other Cash Flows/Payments by Type															
Capital assets	594,360	80,693	100,315	285,610	313,100	524,207	185,487	219,091	414,797	467,205	611,726	2,171,979	5,968,570	4,964,152	5,295,155
Repayment of borrowing	–	–	88,055	–	–	54,021	–	–	89,481	–	–	259,659	491,216	465,919	549,253
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	3,964,463	2,820,307	3,202,643	2,565,585	2,881,451	2,920,321	2,397,369	2,395,855	2,894,653	2,713,817	3,061,116	4,540,057	36,357,638	37,794,234	41,685,420
NET INCREASE/(DECREASE) IN CASH HELD	(432,210)	701,795	(635,576)	(68,201)	6,968	573,353	(58,342)	81,876	886,675	(524,873)	(837,819)	125,417	(180,937)	449,932	975,663
Cash/cash equivalents at the month/year beginning:	3,332,472	2,900,261	3,602,056	2,966,480	2,898,279	2,905,247	3,478,600	3,420,258	3,502,134	4,388,809	3,863,936	3,026,117	3,332,472	3,151,534	3,601,466
Cash/cash equivalents at the month/year end:	2,900,261	3,602,056	2,966,480	2,898,279	2,905,247	3,478,600	3,420,258	3,502,134	4,388,809	3,863,936	3,026,117	3,151,534	3,151,534	3,601,466	4,577,129

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											
R thousands	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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	328,671	93,446	95,103	89,645	69,763	91,583	349,456	1,351,762	2,489,628	1,972,408	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	761,557	35,702	11,065	14,227	5,130	795	59,481	111,790	999,767	191,423	–	–
Receivables from Non-exchange Transactions - Property Rates	586,673	75,826	66,664	46,397	38,529	38,294	162,685	616,792	1,632,060	902,697	–	–
Receivables from Exchange Transactions - Waste Water Management	162,509	35,959	35,508	33,900	32,586	33,820	148,572	618,877	1,101,731	867,755	–	–
Receivables from Exchange Transactions - Waste Management	82,808	18,973	16,904	14,647	12,740	13,381	64,489	247,668	471,609	352,924	–	–
Receivables from Exchange Transactions - Property Rental Debtors	51,190	12,135	(2,338)	9,921	8,631	11,593	60,381	502,388	653,901	592,914	–	–
Interest on Arrear Debtor Accounts	51,861	22,352	25,889	19,644	21,644	19,534	93,996	583,797	818,717	718,615	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–	–	–	–
Other	(415,577)	(33,203)	(11,167)	(6,325)	(27,283)	(16,378)	(57,564)	(277,450)	(846,946)	(387,000)	–	–
Total By Income Source	**1,609,692**	**261,191**	**237,848**	**222,257**	**181,741**	**190,622**	**881,495**	**3,735,623**	**7,320,468**	**5,211,737**	–	–
2015/16 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	(232,392)	16,599	14,156	10,834	10,202	11,039	38,927	50,694	(81,942)	119,695	–	–
Commercial	1,088,060	57,011	52,695	36,397	27,435	21,140	90,234	386,234	1,759,206	561,441	–	–
Households	948,943	215,332	188,749	178,921	174,578	178,293	766,345	3,432,136	6,084,297	4,731,273	–	–
Other	(194,919)	(27,751)	(17,752)	(4,695)	(30,475)	(19,850)	(12,010)	(133,441)	(441,094)	(200,672)	–	–
Total By Customer Group	**1,609,692**	**261,191**	**237,848**	**222,257**	**181,741**	**190,622**	**881,495**	**3,735,623**	**7,320,468**	**5,211,737**	–	–

Additional debtors information

Monthly Collection Rate			YTD Collection Rate
Period	Current year	Previous year	
12 Months	96.03%	96.30%	95.59%
6 Months	97.56%	97.27%	96.98%
3 Months	97.34%	95.92%	97.56%
Monthly	99.03%	106.93%	97.13%

12 Months Collection Ratio per Services			
Services	Current year	Previous year	YTD collection Rate
Electricity	99.36%	98.24	96.36%
Water	80.88%	91.96	83.41%
Sewerage	87.67%	90.51	90.46%
Refuse	90.79%	90.61	91.91%
Rates	97.03%	102.28	93.14%
Other	99.98%	99.34	98.27%

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

Creditors analysis

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

Table SC4 Monthly budget Statement Aged Creditors

Description R thousands	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	
Creditors Age Analysis By Customer Type										
Bulk Electricity	–	–	–	–	–	–	–	–	–	–
Bulk Water	–	–	–	–	–	–	–	–	–	–
PAYE deductions	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	–	–
Loan repayments	–	–	–	–	–	–	–	–	–	–
Trade Creditors	216,161	5,638	1	(25)	(1)	–	–	(7,201)	214,572	147,193
Auditor General	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	**216,161**	**5,638**	**1**	**(25)**	**(1)**	**–**	**–**	**(7,201)**	**214,572**	**147,193**

Outstanding commitments against Cash and Cash Equivalents

Item R'Thousands	Previous Month	Current Month
Closing Cash Balance	7,499,652	6,864,076
Unspent Conditional Grants	1,810,027	1,610,317
Housing Development	276,693	272,245
MTAB	20,977	20,977
Trust Funds	686	690
Financial commitments	172,000	172,000
Sinking Funds	-	-
Insurance reserves	474,526	472,473
CRR	2,112,835	2,089,911
TOTAL	**4,867,744**	**4,638,613**
TOTAL cash resources not committed	**2,631,908**	**2,225,463**

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Allocation and grant receipts and expenditure

Table SC7 Monthly Budget Statement transfers and grants expenditure

Description R thousands	2015/16 Audited Outcome	Budget Year 2016/17 Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Operating expenditure of Transfers and Grants								
National Government:	594,660	2,566,742	2,567,676	44,889	75,234	(30,345)	-40.3%	2,567,676
Equitable share	1,281	2,012,945	2,012,945	–	–	–	-	2,012,945
Finance Management grant	1,050	1,050	1,050	242	240	3	1.1%	1,050
Urban Settlements Development Grant	171,610	229,991	229,991	1,884	39,312	(37,428)	-95.2%	229,991
Energy Efficiency and Demand Side Management Grant	424	600	600	–	–	–	-	600
Dept. of Environ Affairs and Tourism	4,613	4,432	5,083	29	735	(706)	-96.1%	5,083
Expanded Public Works Programme	23,216	31,340	31,340	7,036	–	7,036	100.0%	31,340
Integrated City Development Grant	2,915	6,721	6,721	–	–	–	-	6,721
Public Transport Infrastructure & Systems Grant	20,998	20,694	20,694	2,305	3,974	(1,669)	-42.0%	20,694
Infrastructure Skills Development	6,932	9,416	9,416	1,555	–	1,555	100.0%	9,416
Public Transport Network Grant	283,209	249,554	249,554	31,843	30,763	1,081	3.5%	249,554
Department of Public Service and Administration	1,183	–	283	–	212	(212)	-100.0%	283
Public Transport Infrastructure Grant	(83)	–	–	–	–	–	-	–
Public Transport Network Operations Grant	58,569	–	–	–	–	–	-	–
Human Settlements Capacity Grant	18,743	–	–	–	–	–	-	–
LGSETA	–	–	–	(5)	–	(5)	-	–
Provincial Government:	772,723	1,204,425	1,610,662	164,285	204,151	(39,866)	-19.5%	1,610,662
Cultural Affairs and Sport - Provincial Library Services	32,142	38,515	38,515	7,460	8,661	(1,201)	-13.9%	38,515
Human Settlements - Human Settlement Development Grant	428,773	688,585	1,094,822	65,638	98,173	(32,535)	-33.1%	1,094,822
Human Settlements - Municipal Accreditation Assistance	6,584	10,000	10,000	1,428	1,565	(137)	-8.8%	10,000
Human Settlement - Settlement Assistance	–	1,500	1,500	221	166	55	33.3%	1,500
Health - TB	24,535	25,626	25,626	4,297	4,200	97	2.3%	25,626
Health - ARV	162,829	169,844	169,844	67,937	66,679	1,258	1.9%	169,844
Health - Nutrition	4,169	5,208	5,208	1,072	1,050	22	2.1%	5,208
Health - Vaccines	71,152	77,631	77,631	16,172	19,408	(3,236)	-16.7%	77,631
CMTF	1,196	–	–	–	–	–	0.0%	–
Comprehensive Health	–	170,203	170,203	–	–	–	-	170,203
Transport and Public Works - Provision for persons with special needs	10,112	10,000	10,000	60	2,500	(2,440)	-97.6%	10,000
Community Development Workers	1,446	794	794	–	–	–	-	794
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	7,527	3,400	3,400	(1)	850	(851)	-100.1%	3,400
Community Safety - Law Enforcement Auxiliary Services	21,715	3,000	3,000	–	900	(900)	-100.0%	3,000
Finance Management Capacity Building Grant	–	120	120	–	–	–	-	120
Finance Management Support Grant	303	–	–	–	–	–	-	–
Cultural Affairs and Sport - Library Metro Grant	147	–	–	–	–	–	-	–
Interactive Community Access Network	43	–	–	–	–	–	-	–
Transport Safety and Compliance - Rail Safety	48	–	–	–	–	–	-	–
Other grant providers:	29,326	31,773	32,473	855	1,569	(714)	-45.5%	32,473
Tourism	222	2,000	2,277	–	477	(477)	-100.0%	2,277
CMTF	–	200	200	–	–	–	-	200
Mamre Fencing	17	–	–	–	–	–	-	–
Carnegie	846	–	–	–	–	–	-	–
CID	2,908	3,709	3,709	775	775	–	-	3,709
Traffic Free Flow	1,123	–	–	–	–	–	-	–
V & A Waterfront - Traffic Officer	268	–	–	–	–	–	-	–
Century City Property Owners Association	553	788	788	74	192	(119)	-61.6%	788
DBSA - Green Fund	22,550	25,000	25,000	–	–	–	-	25,000
Rustenberg Girls	–	38	38	6	9	(3)	-33.3%	38
Westcott Primary	–	38	38	–	9	(9)	-100.0%	38
Sustainable Energy Africa	–	–	424	–	106	(106)	-100.0%	424
POPART Stellenbosch University	839	–	–	–	–	–	-	–
Total operating expenditure of Transfers and Grants:	1,396,709	3,802,940	4,210,812	210,030	280,955	(70,925)	-25.2%	4,210,812

Table continues on next page.

Description R thousands	2015/16 Audited Outcome	Budget Year 2016/17 Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure of Transfers and Grants								
National Government:	**1,974,475**	**2,079,122**	**2,079,122**	**320,721**	**234,394**	**40,821**	**17.4%**	**2,089,697**
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	11,217	14,400	14,400	605	1,500	(895)	-59.6%	14,400
Minerals and Energy: INEP	4,997	–	–	–	–	–	-	–
National Treasury: Expanded Public Works Programme	454	400	400	7	–	7	100.0%	400
National Treasury: Urban Renewal	643	–	–	–	–	–	-	–
National Treasury: Integrated City Development Grant	51,365	38,084	38,084	8,618	400	8,218	2054.5%	38,084
National Treasury: Restructuring Grant	100	–	–	–	–	–	-	–
National Treasury: Infrastructure Skills Development	497	–	–	–	–	–	-	–
National Treasury: Neighbourhood Development Partnership Grant	38,179	12,215	12,215	1,782	6,000	(4,218)	-70.3%	11,000
National Treasury: Urban Settlements Development Grant	1,080,570	1,193,513	1,193,513	146,903	109,194	37,710	34.5%	1,155,803
Housing: Human Settlements Capacity Grant	465	–	–	–	–	–	-	–
Transport: Public Transport Infrastructure & Systems Grant	(55,622)	120,000	120,000	–	–	–		120,000
Transport: Public Transport Infrastructure Grant	407,069	–	–	(1)	–	(1)	-	–
Transport: Public Transport Network Grant	434,540	700,509	700,509	162,806	117,300	45,506	38.8%	750,009
Provincial Government:	**157,062**	**92,418**	**101,856**	**6,712**	**5,137**	**1,574**	**30.6%**	**52,483**
Cultural Affairs and Sport: Library Services (Conditional Grant)	9,140	11,150	11,150	138	350	(212)	-60.5%	11,150
Cultural Affairs and Sport: Library Services: Metro Library Grant	3,938	7,500	7,500	522	450	72	15.9%	7,500
Housing: Integrated Housing and Human Settlement Development Grant	115,556	58,873	68,310	2,371	2,337	34	1.5%	18,937
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	295	–	–	–	-	295
Provincial Government: Department of the Premier (Broadband)	10,181	–	–	–	–	–	-	–
Transport Safety and Compliance - Rail Safety	406	–	–	–	–	–	-	–
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infrastructure	17,041	14,600	14,600	3,680	2,000	1,680	84.0%	14,600
Other grant providers:	**61,488**	**93,300**	**93,300**	**17,265**	**16,020**	**1,245**	**7.8%**	**86,300**
Other: Other	61,488	93,300	93,300	17,265	16,020	1,245	7.8%	86,300
Total capital expenditure of Transfers and Grants	**2,193,025**	**2,264,840**	**2,274,277**	**344,698**	**255,551**	**43,640**	**17.1%**	**2,228,479**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**3,589,734**	**6,067,780**	**6,485,089**	**554,727**	**536,506**	**(27,285)**	**-5.1%**	**6,439,291**

Material variance explanations for corporate performance for Quarter 1 2017

Description of indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
5.D Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the City's approved employment equity plan (EE)	-17.57%	The positions in levels 1-3 are characterised by scarce skills categories in terms of senior management and leadership category. The City is not the only competitor for these skills and despite the City attraction strategy we are not always able to attract, appoint and retain designated groups at this level.	Continuous monitoring of this indicator, Guiding EE presentations to all line Directorates. The City's Corporate Services directorate is in the process of revisiting (on a broad City-wide basis) the City's attraction and retention strategies. Succession planning and identification of talent in the designated groups at lower levels and the positioning of these talents for identified senior positions is seriously considered and an on-going priority. The signing of the notice of appointment (NOA) by the EE: Manager has been introduced to curb further deviations from targets. EMT has recently adopted a standard operating procedure (SOP) document, which deals with the application of Employment Equity within Recruitment & Selection. Responsible person: Michael Siyolo Due date: On-going (end of the EE plan)

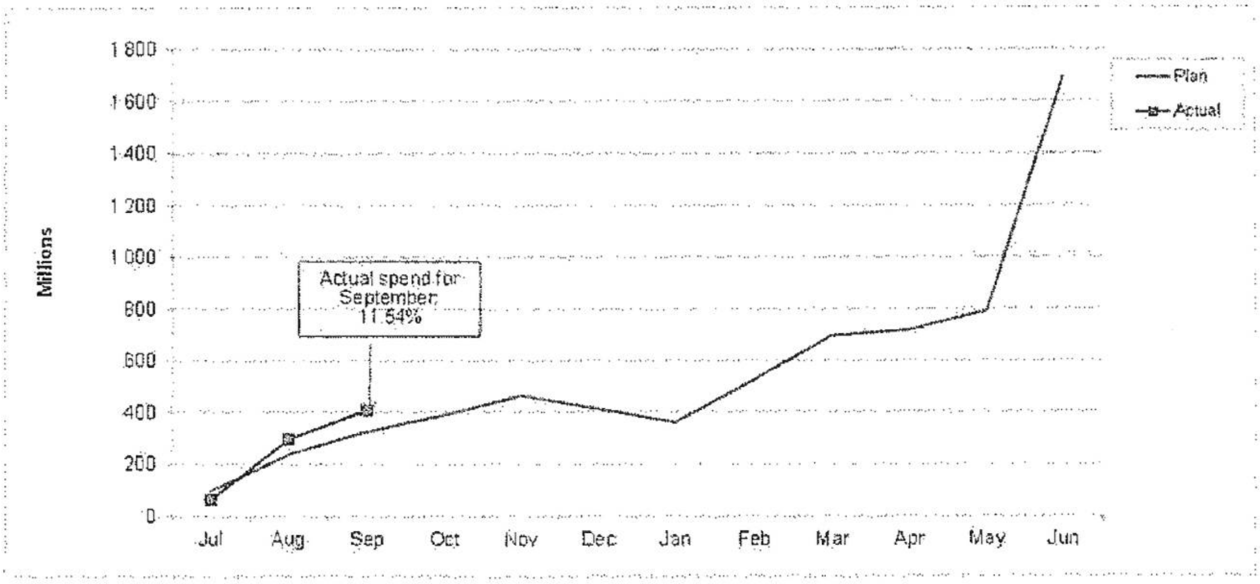
Capital programme performance

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

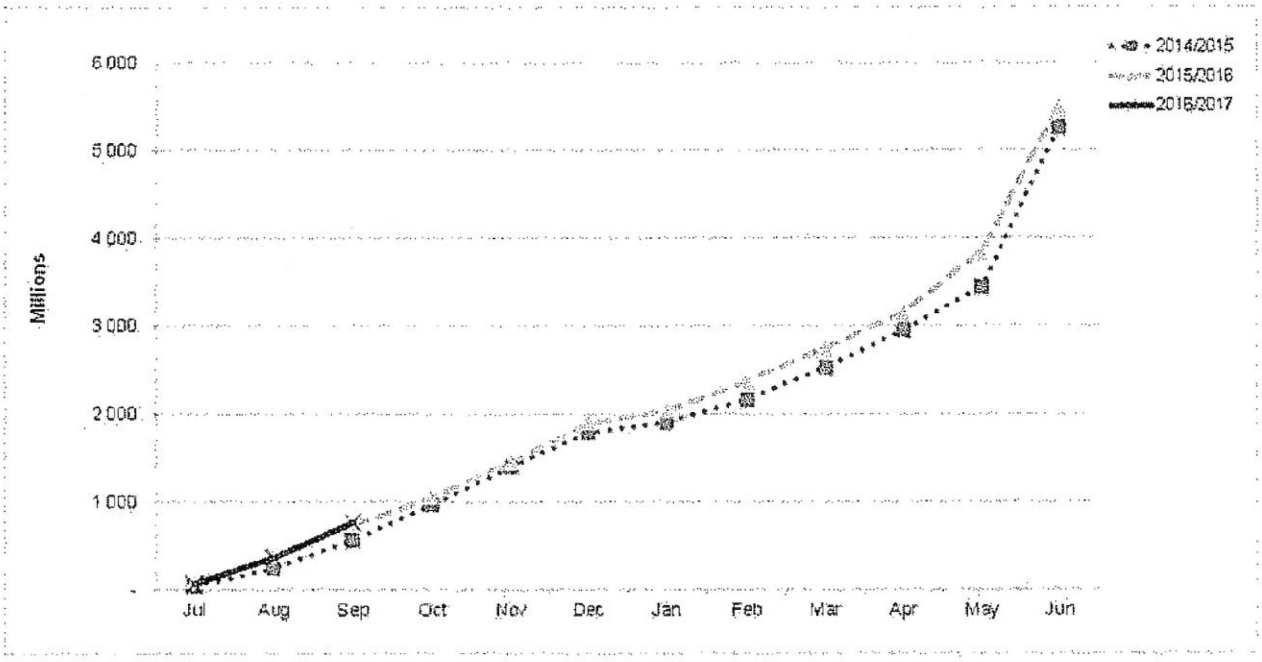
Table SC12 Monthly Budget Statement - capital expenditure trend

Month R thousands	2015/16 Audited Outcome	Budget Year 2016/17 Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend								
July	99,708	101,391	96,634	63,237	96,634	33,397	34.6%	1.0%
August	287,144	227,871	236,828	358,494	333,462	(25,032)	-7.5%	5.5%
September	348,428	321,938	324,837	765,363	658,299	(107,064)	-16.3%	11.8%
October	315,151	364,642	389,518		1,047,817	–		
November	395,133	407,644	465,427		1,513,244	–		
December	446,641	326,494	413,554		1,926,797	–		
January	140,970	287,297	360,775		2,287,572	–		
February	332,370	492,712	527,063		2,814,635	–		
March	381,748	597,307	697,319		3,511,954	–		
April	394,450	684,973	718,357		4,230,311	–		
May	700,145	824,670	779,522		5,009,833	–		
June	1,647,945	1,864,339	1,621,911		6,631,744	–		
Total Capital expenditure	5,489,834	6,501,277	6,631,744					

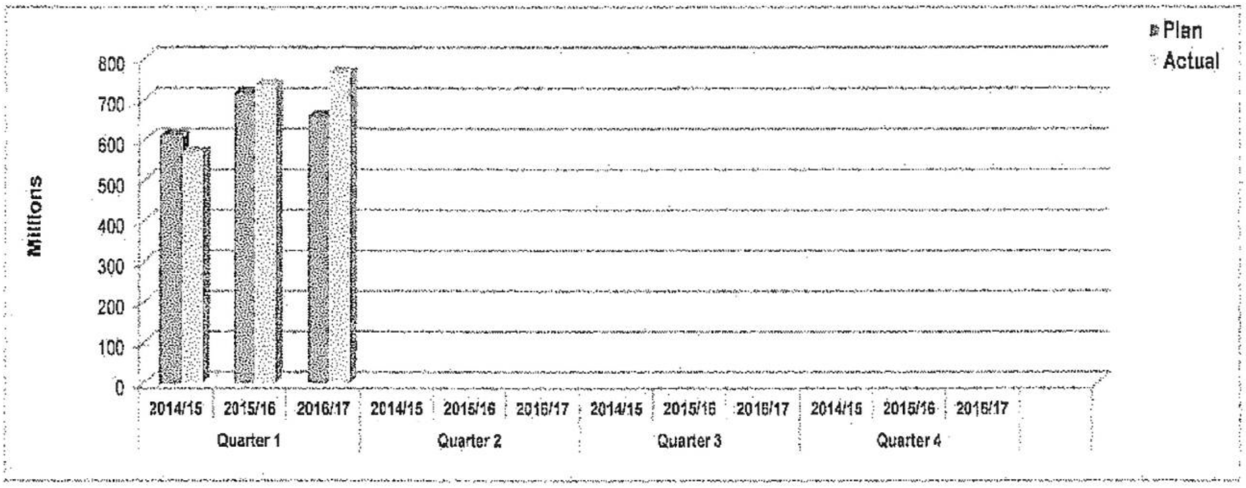
The graph below reflects the City's monthly expenditure-to-date measured against the total 2016/17 current budget.



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, and 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 **September 2016** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name ACHMAT EBRAHIM

Municipal Manager of City of Cape Town (CPT)

Signature ----------------------------- Date 17.10.2016