Annexure A:

Quarterly Financial Report –

30 September 2015

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PART 1 - IN-YEAR REPORT

EXECUTIVE SUMMARY

Summary Statement of Financial Performance

Description	2015/2016 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
Operating Revenue	34 399 338	8 396 590	8 100 470	96.5%	23.5%
Operating Expenditure	32 008 978	7 172 039	6 814 306	95.0%	21.3%

The summary statement of financial performance indicates actual operating revenue of R8 100 million or 23.5% of the current budget and operating expenditure of R6 814 million or 21.3% 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 13.

Details of revenue by source and expenditure by type are shown in Table C4 on page 14. Details of material variances and remedial action, where applicable, are shown on page 15 to page 19.

Summary Statement of Capital Budget Performance

2015/16 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
6 852 988	716 460	735 280	102.6%	10.7%

The summary statement of capital budget performance indicates actual capital expenditure of R735 million or 10.7% of the current budget. The year to date spend of R735 million represents 9.40% (R380 million) on internally-funded projects and 12.64% (R355 million) on externally-funded projects.

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

mSCOA implementation and impact on individual items

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

Continuous amendments to expenditure items will be effected in terms of the City's Virement Policy to ensure alignment of budgetary provisions with mSCOA requirements with further amendments taking place in the adjustments budget in January 2016.

The '2014/15 Audited Outcome' columns in the ensuing tables are populated with pre-audited figures.

Table C1: Monthly budget statement summary

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

Description	2014/15	Budget Year 2015/16						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance								
Property rates	6,018,735	6,546,155	6,546,155	1,315,566	1,641,624	(326,058)	-19.9%	6,546,155
Service charges	15,197,370	17,002,759	17,109,107	4,116,913	4,118,759	(1,846)	-0.0%	17,109,107
Investment revenue	543,356	271,687	271,687	149,115	67,922	81,193	119.5%	271,687
Transfers recognised - operational	3,264,270	3,579,752	3,467,634	1,034,130	1,042,277	(8,148)	-0.8%	3,467,634
Other own revenue	4,238,957	4,269,728	4,194,231	1,129,606	1,211,500	(81,895)	-6.8%	4,194,231
Total Revenue (excluding capital transfers and contributions)	29,262,688	31,670,081	31,588,814	7,745,329	8,082,082	(336,753)	-4.2%	31,588,814
Employee costs	8,124,733	9,847,508	9,949,222	2,242,827	2,368,508	(125,681)	-5.3%	9,949,222
Remuneration of Councillors	128,412	139,311	139,311	32,166	33,100	(934)	-2.8%	139,311
Depreciation & asset impairment	1,917,134	2,089,827	2,089,827	506,361	522,457	(16,096)	-3.1%	2,089,827
Finance charges	779,929	971,133	971,137	179,675	186,562	(6,886)	-3.7%	971,137
Materials and bulk purchases	7,432,744	8,326,560	8,323,541	2,057,527	2,130,594	(73,066)	-3.4%	8,323,541
Transfers and grants	136,487	120,402	155,148	52,961	63,476	(10,515)	-16.6%	155,148
Other expenditure	8,877,498	10,595,504	10,380,794	1,742,789	1,867,343	(124,555)	-6.7%	10,380,794
Total Expenditure	27,396,937	32,090,246	32,008,978	6,814,306	7,172,039	(357,733)	-5.0%	32,008,978
Surplus/(Deficit)	1,865,751	(420,164)	(420,164)	931,023	910,043	20,980	2.3%	(420,164)
Transfers recognised - capital	2,423,179	2,223,813	2,754,821	339,823	305,445	34,378	11.3%	2,754,821
Contributions & Contributed assets	49,172	53,761	55,703	15,318	9,062	6,255	69.0%	55,703
Surplus/(Deficit) after capital transfers & contributions	4,338,101	1,857,410	2,390,360	1,286,164	1,224,551	61,612	5.0%	2,390,360
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	4,338,101	1,857,410	2,390,360	1,286,164	1,224,551	61,612	5.0%	2,390,360
Capital expenditure & funds sources								
Capital expenditure	5,200,493	6,043,985	6,852,988	735,280	716,460	18,821	2.6%	6,580,514
Capital transfers recognised	2,429,493	2,223,813	2,755,162	339,823	320,963	18,860	5.9%	2,685,695
Public contributions & donations	44,219	53,761	55,361	15,318	8,062	7,255	90.0%	58,361
Borrowing	2,146,063	2,579,264	2,670,077	321,658	298,540	23,118	7.7%	2,636,486
Internally generated funds	580,719	1,187,146	1,372,387	58,482	88,895	(30,413)	-34.2%	1,199,971
Total sources of capital funds	5,200,493	6,043,985	6,852,988	735,280	716,460	18,821	2.6%	6,580,514
Financial position								
Total current assets	10,571,365	9,183,356	9,550,819	12,090,565				9,183,356
Total non current assets	38,578,871	42,929,513	43,928,498	35,046,118				42,929,513
Total current liabilities	8,654,233	8,829,527	9,690,997	5,405,251				8,829,527
Total non current liabilities	12,040,208	14,391,843	14,363,873	12,159,872				14,391,843
Community wealth/Equity	28,455,794	28,891,499	29,424,449	29,571,560				28,891,499
Cash flows								
Net cash from (used) operating	6,109,974	4,184,203	4,681,926	164,089	493,583	329,494	66.8%	4,681,926
Net cash from (used) investing	(4,769,574)	(6,046,623)	(6,839,365)	(817,358)	(855,294)	(37,936)	4.4%	(6,839,365)
Net cash from (used) financing	(407,811)	1,671,793	1,671,793	(88,055)	(89,481)	(1,426)	1.6%	1,671,793
Cash/cash equivalents at the month/year end	3,199,148	2,074,783	2,139,765	1,884,087	2,174,219			2,139,765

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

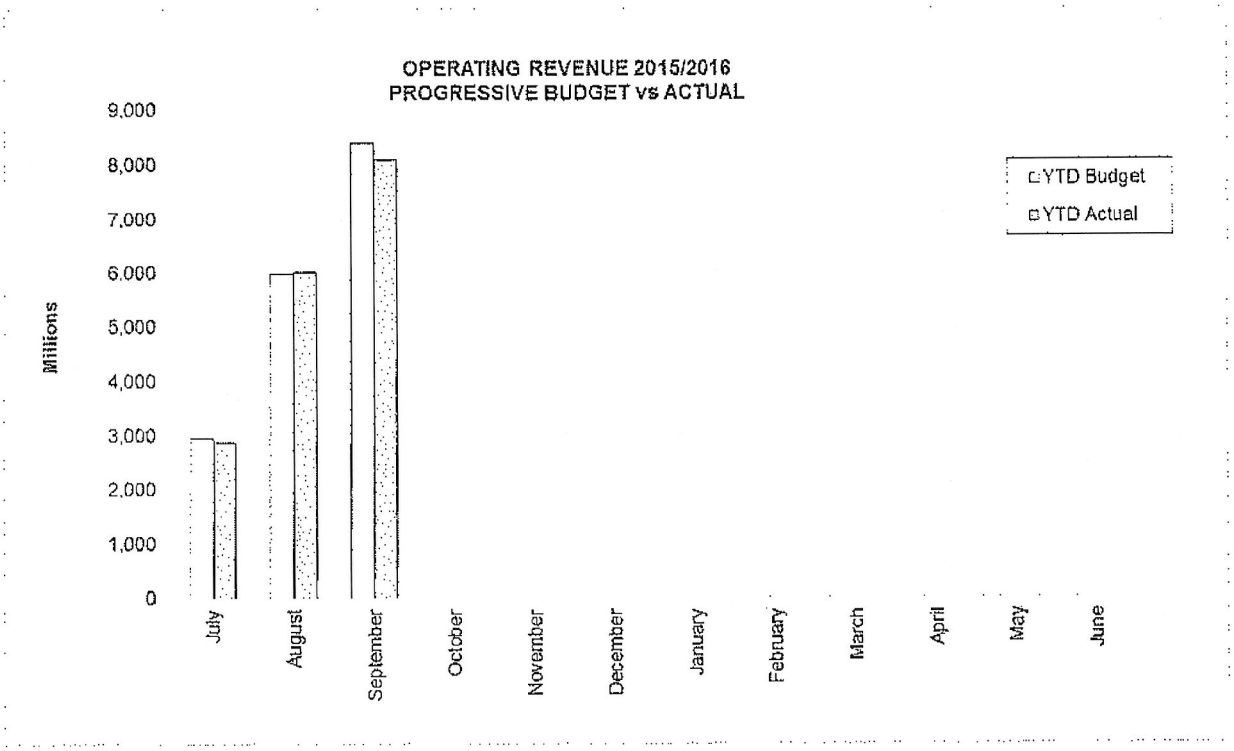
Table C2: Monthly Budget Statement - Financial Performance (standard classification)

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

Description	2014/15	Budget Year 2015/16						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Standard								
Governance and administration	10,951,099	11,423,542	11,467,380	3,041,467	3,329,424	(287,957)	-8.6%	11,467,380
Executive and council	305,097	294,405	333,253	51,813	97,476	(45,664)	-46.8%	333,253
Budget and treasury office	10,390,999	10,863,581	10,864,305	2,941,863	3,186,854	(244,991)	-7.7%	10,864,305
Corporate services	255,003	265,556	269,821	47,792	45,093	2,698	6.0%	269,821
Community and public safety	3,157,772	3,102,900	3,181,739	531,092	607,418	(76,326)	-12.6%	3,181,739
Community and social services	111,465	101,689	108,041	23,935	22,655	1,280	5.6%	108,041
Sport and recreation	89,968	111,802	98,319	11,534	16,778	(5,245)	-31.3%	98,319
Public safety	1,093,085	1,071,703	1,123,937	202,890	270,873	(67,983)	-25.1%	1,123,937
Housing	1,620,155	1,536,028	1,568,306	227,665	239,518	(11,854)	-4.9%	1,568,306
Health	243,098	281,679	283,136	65,068	57,593	7,476	13.0%	283,136
Economic and environmental services	1,982,540	2,068,429	2,371,693	312,844	336,536	(23,692)	-7.0%	2,371,693
Planning and development	255,857	295,963	307,079	66,911	73,717	(6,805)	-9.2%	307,079
Road transport	1,695,014	1,766,123	2,058,271	245,528	262,310	(16,781)	-6.4%	2,058,271
Environmental protection	31,669	6,343	6,343	404	510	(105)	-20.7%	6,343
Trading services	15,640,726	17,350,212	17,375,954	4,215,114	4,122,694	92,420	2.2%	17,375,954
Electricity	10,371,563	11,421,475	11,422,688	3,007,753	2,918,738	89,016	3.0%	11,422,688
Water	2,689,397	2,922,748	2,922,964	526,072	584,781	(58,708)	-10.0%	2,922,964
Waste water management	1,526,954	1,894,642	1,918,955	410,081	341,339	68,742	20.1%	1,918,955
Waste management	1,052,811	1,111,347	1,111,347	271,207	277,837	(6,630)	-2.4%	1,111,347
Other	2,901	2,572	2,572	(48)	518	(565)	-109.2%	2,572
Total Revenue - Standard	31,735,038	33,947,655	34,399,338	8,100,470	8,396,590	(296,120)	-3.5%	34,399,338
Expenditure - Standard								
Governance and administration	4,718,037	6,043,012	6,053,145	1,296,132	1,340,921	(44,789)	-3.3%	6,053,145
Executive and council	780,889	1,047,793	1,050,526	231,363	249,689	(18,325)	-7.3%	1,050,526
Budget and treasury office	1,998,638	2,713,212	2,717,541	582,993	592,460	(9,466)	-1.6%	2,717,541
Corporate services	1,938,510	2,282,007	2,285,077	481,775	498,773	(16,997)	-3.4%	2,285,077
Community and public safety	5,950,683	7,094,791	7,022,194	1,276,277	1,385,279	(109,001)	-7.9%	7,022,194
Community and social services	511,528	566,317	584,873	123,590	136,752	(13,163)	-9.6%	584,873
Sport and recreation	1,253,877	1,467,195	1,447,877	263,167	317,045	(53,878)	-17.0%	1,447,877
Public safety	2,196,586	2,503,345	2,549,521	388,097	415,489	(27,391)	-6.6%	2,549,521
Housing	1,179,815	1,626,880	1,512,502	292,536	302,577	(10,041)	-3.3%	1,512,502
Health	808,876	931,054	927,420	208,887	213,417	(4,529)	-2.1%	927,420
Economic and environmental services	3,282,903	3,503,807	3,501,003	667,937	713,863	(45,925)	-6.4%	3,501,003
Planning and development	677,746	756,326	758,980	167,775	193,060	(25,285)	-13.1%	758,980
Road transport	2,496,835	2,641,172	2,635,845	475,371	495,516	(20,145)	-4.1%	2,635,845
Environmental protection	108,322	106,309	106,178	24,791	25,286	(495)	-2.0%	106,178
Trading services	13,388,635	15,385,492	15,371,356	3,559,666	3,716,903	(157,237)	-4.2%	15,371,356
Electricity	8,275,131	9,441,323	9,427,967	2,336,178	2,390,317	(54,140)	-2.3%	9,427,967
Water	2,317,963	2,464,347	2,464,683	531,914	597,977	(66,063)	-11.0%	2,464,683
Waste water management	1,210,872	1,507,947	1,506,751	313,035	333,437	(20,401)	-6.1%	1,506,751
Waste management	1,584,669	1,971,875	1,971,955	378,539	395,172	(16,633)	-4.2%	1,971,955
Other	56,679	63,143	61,281	14,294	15,073	(779)	-5.2%	61,281
Total Expenditure - Standard	27,396,937	32,090,246	32,008,978	6,814,306	7,172,039	(357,733)	-5.0%	32,008,978
Surplus/ (Deficit) for the year	4,338,101	1,857,410	2,390,360	1,286,164	1,224,551	61,612	5.0%	2,390,360

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

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



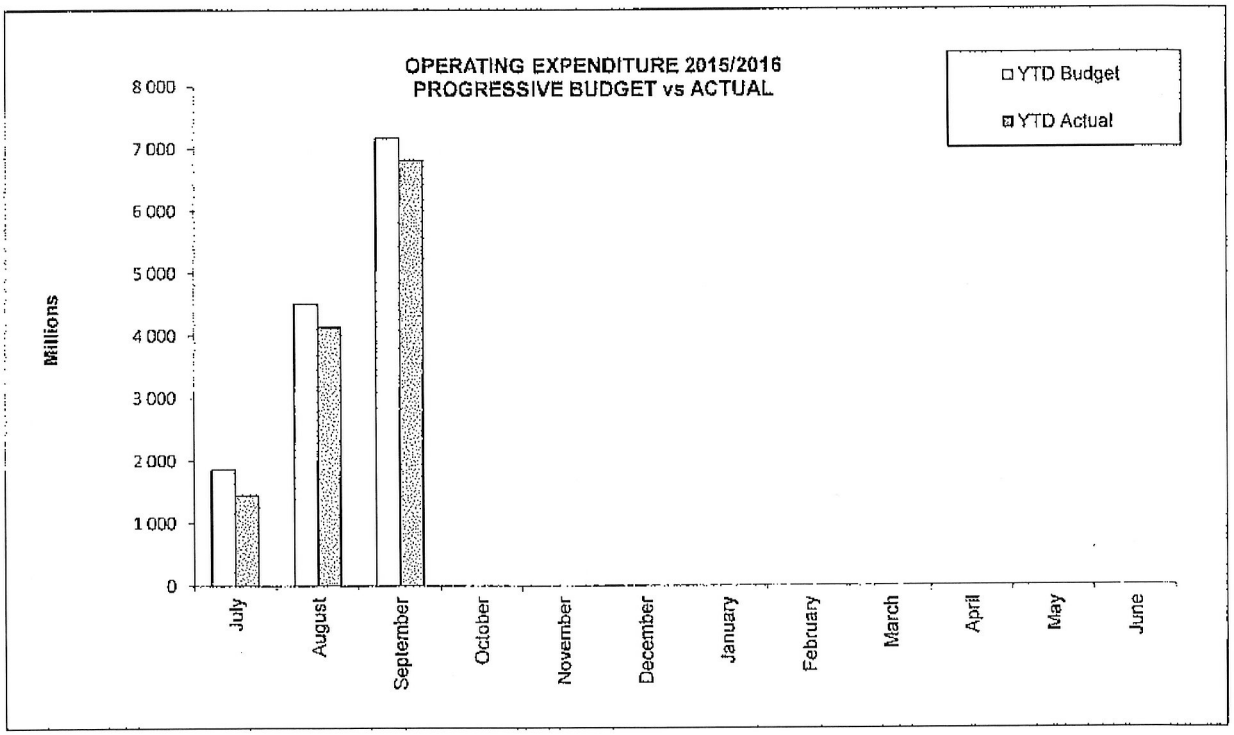


Table C3: Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

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

Vote Description	2014/15	Budget Year 2015/16						
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	496,314	539,593	541,050	109,496	115,821	(6,325)	-5.5%	541,050
Vote 2 - City Manager	1,530	1,348	1,548	69	1	69	12516.8%	1,548
Vote 3 - Community Services	183,331	167,052	188,285	31,483	34,915	(3,432)	-9.8%	188,285
Vote 4 - Compliance & Auxiliary Services	10,448	4,394	5,068	635	1,373	(739)	-53.8%	5,068
Vote 5 - Corporate Services	61,674	80,174	85,217	12,425	10,215	2,210	21.6%	85,217
Vote 6 - Energy, Environmental & Spatial Planning	143,449	148,659	155,689	32,032	34,893	(2,861)	-8.2%	155,689
Vote 7 - Finance	1,170,367	768,694	772,726	259,877	181,692	77,185	42.5%	772,726
Vote 8 - Human Settlements	1,620,146	1,536,021	1,568,300	227,664	239,518	(11,854)	-4.9%	1,568,300
Vote 9 - Rates & Other	9,540,176	10,426,245	10,426,245	2,750,915	3,077,565	(326,650)	-10.6%	10,426,245
Vote 10 - Safety & Security	1,120,408	1,080,472	1,121,576	208,347	275,293	(66,945)	-24.3%	1,121,576
Vote 11 - Social Dev & Early Childhood Development	14,334	526	679	27	31	(5)	-15.4%	679
Vote 12 - Tourism, Events & Economic Development	28,344	55,086	55,086	6,084	34,947	(28,863)	-82.6%	55,086
Vote 13 - Transport for Cape Town	1,695,269	1,760,594	2,073,330	243,957	265,494	(21,537)	-8.1%	2,073,330
Vote 14 - Utility Services	15,649,248	17,378,799	17,404,541	4,218,458	4,124,831	93,627	2.3%	17,404,541
Total Revenue by Vote	**31,735,038**	**33,947,655**	**34,399,338**	**8,100,470**	**8,396,590**	**(296,120)**	**-3.5%**	**34,399,338**
Expenditure by Vote								
Vote 1 - City Health	854,059	996,804	997,024	220,277	227,121	(6,845)	-3.0%	997,024
Vote 2 - City Manager	174,402	210,825	208,296	41,300	55,242	(13,942)	-25.2%	208,296
Vote 3 - Community Services	1,444,981	1,687,957	1,668,291	314,808	376,646	(61,838)	-16.4%	1,668,291
Vote 4 - Compliance & Auxiliary Services	495,833	568,028	568,671	127,635	132,075	(4,440)	-3.4%	568,671
Vote 5 - Corporate Services	1,526,228	1,808,415	1,808,951	362,935	372,485	(9,550)	-2.6%	1,808,951
Vote 6 - Energy, Environmental & Spatial Planning	504,849	552,947	556,726	121,469	131,584	(10,115)	-7.7%	556,726
Vote 7 - Finance	1,814,684	2,213,600	2,217,685	477,600	495,502	(17,901)	-3.6%	2,217,685
Vote 8 - Human Settlements	1,147,498	1,586,986	1,472,610	285,927	293,831	(7,904)	-2.7%	1,472,610
Vote 9 - Rates & Other	570,802	962,510	965,239	230,193	227,789	2,404	1.1%	965,239
Vote 10 - Safety & Security	2,251,812	2,607,501	2,643,604	404,476	430,912	(26,436)	-6.1%	2,643,604
Vote 11 - Social Dev & Early Childhood Development	140,775	183,805	184,055	27,510	29,004	(1,494)	-5.2%	184,055
Vote 12 - Tourism, Events & Economic Development	521,977	569,288	569,437	142,523	158,388	(15,865)	-10.0%	569,437
Vote 13 - Transport for Cape Town	2,459,684	2,718,462	2,719,216	486,157	503,077	(16,920)	-3.4%	2,719,216
Vote 14 - Utility Services	13,469,354	15,423,118	15,409,173	3,571,496	3,738,382	(166,886)	-4.5%	15,409,173
Total Expenditure by Vote	**27,396,937**	**32,090,246**	**32,008,978**	**6,814,306**	**7,172,039**	**(357,733)**	**-5.0%**	**32,008,978**
Surplus/ (Deficit) for the year	**4,338,101**	**1,857,410**	**2,390,360**	**1,286,164**	**1,224,551**	**61,612**	**5.0%**	**2,390,360**

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

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

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

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 1 - City Health	(6,325)	-5.5%	The under-recovery is mainly on (a) Operating Grants & Donations, due to the outstanding payment for the comprehensive health claim for August, (b) Application Fees for extended liquor trading hours, due to fewer than planned applications received to date and (c) Service Charges for clearing of vacant plots where the demand to date is less than planned.	The outstanding health claim payment was received from Provincial Government. The application for liquor trading hours and clearing of vacant plots is difficult to accurately determine as it is demand driven. The situation will be closely monitored.
Vote 2 - City Manager	69	12516.8%	The over-recovery relates to (a) revenue recognition against operating grants & donations for which no budget was provided and (b) staff-recoveries for which no budget was provided.	The situation is under investigation and corrective entries will be processed to correct the situation.
Vote 3 - Community Services	(3,432)	-9.8%	The under-recovery is a combination of under-/over-recovery. 1. Camp/Resort Fees (under), due to periodic budget provisions not aligned with seasonal trends for the utilisation of facilities as the summer season only starts from October. 2. Operating Grants & Donations project (under) (Library & Information Services), due to grant-funded vacancies not yet filled and which are in various stages of the recruitment and selection process. 3. Capital Grants & Donations project (New Regional Library Kuyasa Khayelitsha) (over), due to (a) BAC approval for additional work, resulting in actual work performed being more than projected progress and (b) the BAC approval for Books, Periodicals & Subscription was obtained sooner than anticipated resulting in expenditure being more than planned.	The situation is closely monitored by the finance manager. The period budgets for Camp/Resort Fees will be adjusted to reflect seasonal utilisation trends.
Vote 4 - Compliance & Auxiliary Services	(739)	-53.8%	The under-recovery is a combination of under-/over-recovery. 1. Recoupment of Staff Telephone costs (under), due to lower than planned recoveries from councillors for private telephone calls. 2. Handling Fees (under), due to incorrect transactions processed against this element. 3. Recoveries - Other (over), due to the recovery of legal fees as result of court case outcomes not planned.	The situation is monitored by the finance manager. Incorrect transactions will be rectified.
Vote 5 - Corporate Services	2,210	21.6%	The variance is mainly due to a over-recovery on Service Charges relating to Broadband Charges and Radio Trunking services where actual revenue is more than planned.	The situation is monitored by the finance manager.
Vote 6 - Energy, Environmental & Spatial Planning	(2,861)	-8.2%	The under-recovery is a combination of over-/under-recovery. 1. Building Levies, Certificate Fees, Rezoning Fees, Sub-divisions, Consents and Advertising fees (over), due to the property/building industry being more active than anticipated. 2. Operating Grants & Donations (under) (mainly on the Modernisation Study of Northern Corridor - Cape Town to Bellville - project) where negotiations with PRASA are still in progress before implementation can take place.	No corrective action is required for over-recovery on revenue. The periodic budget provision on the operating project will be amended to reflect the final process plan dates after finalisation of negotiations.

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 - Finance	77,185	42.5%	The over-recovery is mainly on: 1. Interest Earned on External Investments, due to higher than expected interest received on current cash balances and investments. 2. Lower than anticipated revenue on CID Levies, due to adjustments to the base on which CID levies are calculated.	Situation is monitored. No corrective action is required at this stage.
Vote 8 - Human Settlements	(11,854)	-4.9%	The under-recovery is a combination of over-/under-recovery. 1. Operating Grants & Donations (over), due to overspending on PHP projects, USDG and Capacity Grant projects resulting from faster than planned progress on projects. 2. Capital grant-funded projects (USDG) (under): a) Bosasa TRA project in Mfuleni was put on hold due to community interaction. b) Wolwerivier IDA project is months behind schedule due to the re-design of the bulk sewer. 3. Rental income (under), due to rental stock being transferred to owners.	The situation is closely monitored. Period budgets to be adjusted, where required.
Vote 9 - Rates & Other	(326,650)	-10.6%	The under-recovery is mainly the result of: 1. Valuation adjustments (supplemental valuation) to properties for which billing reversals were done during September, but the revised billings were only processed in October. 2. Rates adjustments/corrections from previous years. 3. More than planned Rates Rebates processed to date.	The situation is monitored.
Vote 10 - Safety & Security	(66,945)	-24.3%	The variance is a combination of over-/under-recovery. 1. Fines Income (under), due to lower than planned income to date as the result of a portion of September fines being captured in October. 2. Fire Fees (over), due an increase in fire-related calls. 3. Licences and Permits (over), due to higher than planned applications received for learner's licences, driver's licences and PDP operator certificates.	Situation is closely monitored.
Vote 11 - Social Dev & Early Childhood Development	(5)	-15.4%	Immaterial variance.	-
Vote 12 - Tourism, Events & Economic Development	(28,863)	-82.6%	The under-recovery is mainly due to lower than planned revenue received from the Cape Town Cup Event.	The situation is under further investigation.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 13 - Transport for Cape Town	(21,537)	-8.1%	The under-recovery is reflects mainly against: 1. Operating grant-funded projects, mainly due to (a) the payment of insurance for the MyCiTi buses being less than planned; a further payment is only required later in the year when new buses are procured, (b) delays in the roll-out of further routes and (c) the impact of reduced operating hours of some bus stations. 2. Capital grant-funded projects, due to slower than planned progress on contracts for Stock Road Upgrade, Strandfontein Road and Consultants tenders for civil works on Phase 2.	The situation is closely monitored and the period budgets will be adjusted, where required.
Vote 14 - Utility Services	93,627	2.3%	The over-recovery is a combination of under-/over-recovery. 1. Cape Town Electricity: a) Electricity Service charges (R83.4 million over), which is influenced by consumer demand and the impact of less load shedding resulting in higher than planned sale of electricity. b) Capital grant-funded projects (over), due to faster than planned progress in the implementation of various electrification projects in the City. 2. Water and Sanitation a) Water Service Charges Revenue (R51.3 million under) and Sanitation Service Charges Revenue (R20.6 million under), where actual revenue was influenced by the reversal of billings, due to the supplemental valuation run. b) Capital grant-funded projects (USDG) (over), where the progress on various Waste Water Treatment Works and Sewer projects are progressing faster than planned. 3. Solid Waste Management: Refuse Service Charges (R7.4 million under), due to (a) the misalignment of the period budget with the actual trend on Refuse Removal, (b) lower than planned demand for Disposal Coupons for the period up to September and (c) data clean-up on property records where fewer properties now reflect as vacant resulting in lower than planned billing on availability charges.	1. The situation is monitored. 2. The correct billings for Water- and Sanitation Service Charges will reflect in October. The period budget provisions will be reviewed and adjusted, where required. 3. Alignment of the period budget will be undertaken, where necessary.

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

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 1 - City Health	(6,845)	-3.0%	The variance consists of under- and over expenditure on various items. 1. Employee-related costs (under), mainly due to the turnaround time in filling vacancies largely iro externally-funded posts resulting in savings, which will be re-allocated to other grant-funded expenditure in the January 2016 adjustments budget. 2. Contracted Services (under), largely due to lower than planned expenditure on the re-active component of Repairs & Maintenance and laboratory testing costs resulting from credits received for previous errors on invoices from the National Health Laboratory services. 3. Pharmaceutical supplies (over) and Vaccines (under), which are both largely demand driven and dependent on the number of supplies needed and immunisations required respectively. This makes it difficult to estimate accurately per month.	The recruitment and selection process is on-going. A review of the grant funding allocation will be undertaken during the mid-year review and assessment in January 2016. The review of period budget is ongoing in order to align with anticipated cash flows, if necessary.
Vote 2 - City Manager	(13,942)	-25.2%	1. Employee-related costs (under), due to the turnaround time in filling vacancies as well as the impact of the internal filling of vacancies. 2. Transfers & Grants (under), as a result of delays in the finalisation of disbursements to beneficiaries. 3. Contracted Services (under), due to lower than anticipated expenditure on the training component of the Project Portfolio Management project, which is in the planning phase with expenditure to be incurred in the ensuing months.	The recruitment and selection process is on-going. Internal staff appointments are made with the view of growing retaining skills within the organisation. The directorate had 19 vacancies as at 30 September, which are in various stages of recruitment. The review of the period budget is ongoing and corrective action will be undertaken, where required.
Vote 3 - Community Services	(61,838)	-16.4%	The variance consists of under- and over expenditure on various items. 1. Employee-related costs (under), due to the lead time in filling vacancies, the impact of internal filling of vacancies and the misalignment of the period budget iro seasonal workers, which is dependent on when workers are required by the various departments. 2. Contracted services (under), largely due to the misalignment of the period budget with maintenance plans as not all tenders are in place as well as lower than anticipated spend on the reactive component of Repairs & Maintenance. 3. Other Expenditure (under), largely due to the misalignment of the period budget with the year to date actual on Security Services & Charges, Cleaning costs and Fuel costs.	The recruitment and selection process is on-going. The review of the period budget is ongoing with the aim of aligning period budgets with anticipated cash flows.
Vote 4 - Compliance & Auxiliary Services	(4,440)	-3.4%	The variance consists of under- and over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Contracted Services (over), due to higher than anticipated expenditure on legal services, which is dependant on when services are required, investigations instituted and cases finalise. 3. General Expenses (under), due to lower than anticipated expenditure on various items within this category, which are of an adhoc nature and difficult to accurately plan per monthly cycles.	The recruitment and selection process and review of the period budget is ongoing.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 5 - Corporate Services	(9,550)	-2.6%	The variance consists of under- and over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Other Materials and Contracted Services,(under), due to lower than anticipated expenditure on the reactive component of Repairs & Maintenance. 3. Other Expenditure (over), largely due to the misalignment of the period budget iro Operating Leases, Telecommunication Costs and Repairs & Maintenance related expenditure items.	All departments within Corporate Services have prioritised and are expediting the filling of all vacancies. Where delays occur, corrective action is implemented and monitored by the relevant HoD. The directorate's last vacancy rate as recorded on 30 September 2015 is 7.98% and therefore the percentage of posts currently filled is standing at 92.02%. Sixty-five positions were filled with twenty-seven internal and thirty-eight external since 1 July 2015. Thirty-five terminations were also recorded to date. The filling of vacancies is a standing item on the Management Team meetings and is reported to the Corporate Services Portfolio Committee. The review of the period budget is ongoing and corrective action to align period budgets with cash flows will be undertaken, if necessary.
Vote 6 - Energy, Environmental & Spatial Planning	(10,115)	-7.7%	1. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Contracted Services (under), due to delays in the finalisation of the modernisation study of the Northern Corridor (Cape Town – Bellville) as negotiations are still ongoing with PRASA to implement the project.	The recruitment and selection process is on-going. The review of the period budget will be undertaken to align with the anticipated cash flow, if required.
Vote 7 - Finance	(17,901)	-3.6%	1. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Insurance - Medical Expenses (under), due to fewer insurance claims paid out than originally anticipated. Expenditure is incurred only once a claim is submitted and paid. 3. MIDS/CIDS (under), resulting from payments of special rating areas, which were withheld due to expired tax clearance certificates. 4. Collection Cost (under), as a result of changes in business processes where arrangements for debt collections are now being dealt with internally by the Revenue department resulting in lower collection costs paid to third parties.	The recruitment and selection process is on-going. The directorate had a total number of 158 vacancies as at 30 September 2015. Sixty-five positions were filled (47 internal and 18 external) with 23 terminations processed from 1 July 2015 to date. The review of the period budget is ongoing and corrective journals will be processed, where necessary.
Vote 8 - Human Settlements	(7,904)	-2.7%	The variance consists of under- and over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time in filling vacancies, the impact of the internal filling of vacancies and the misalignment of the planned expenditure with the actual filling of grant-funded posts. 2. Contracted Services (under), due to under expenditure on the City-wide ceiling project, which is still in the planning phase. 3. Other Expenditure (over), largely due to the higher than anticipated expenditure rate of progress on the Peoples Housing Process (PHP) project, which is difficult to estimate accurately as many factors influence the rate of progress on housing development projects. The subsidy on Homeowners Redemption further contributed to the over expenditure largely as a result of expenditure incurred against no budget.	The recruitment and selection process is on-going . A review of the grant-funded posts' budgetary allocations will be undertaken during the mid-year review and assessment in January 2016. The review of period budget is ongoing and corrective action taken, where necessary. The budgetary provisions for the Subsidy on Homeowners Redemption will be amended in the January 2016 adjustment budget.
Vote 9 - Rates & Other	2,404	1.1%	Immaterial variance.	-

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 10 - Safety & Security	(26,436)	-6.1%	The variance largely consists of under- and over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time in filling vacancies, the impact of the internal filling of vacancies, seasonal staff appointments, which are still in the process of being filled as well as lower than anticipated expenditure on shift allowances. 2. Contracted Services (under), largely due to lower than anticipated expenditure on the re-active component of Repairs & Maintenance, which is demand driven and difficult to plan accurately per month. 3. Uniforms & Protective clothing and Fuel (under), mainly due to delays with the finalisation of the uniform tender and lower than anticipated year to date expenditure on fuel as a result of stricter control measures put in place on vehicle usage. 4. Tools and Equipment (under), due to certain repairs and maintenance work being outsourced resulting in lower direct costs for tools and equipment. 5. Licences and Permits (over), due to the annual renewal of SAP licenses, which resulted in the misalignment of the period budget with the actual to date.	The recruitment and selection process is ongoing. The directorate has a total of 422 vacancies as at end September 2015, which are in various stages of the recruitment and selection process. A total of 61 appointments were made and 86 terminations processed since the start of the financial year. The review of the period budget to align with anticipated cash flows is ongoing and corrective action taken, where necessary. Some uniform tenders have been awarded and the expenditure trend is expected to increase over the ensuing months.
Vote 11 - Social Dev & Early Childhood Development	(1,494)	-5.2%	Immaterial variance.	-
Vote 12 - Tourism, Events & Economic Development	(15,865)	-10.0%	1. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Contracted Services (under), due to lower than anticipated year to date expenditure on repairs & maintenance and security costs at the Cape Town Stadium. 3. Transfers & Grants (under), largely due to the lower than anticipated payment to the Greater Tygerberg Partnership. 4. General Expenses (under), due to lower than anticipated expenditure on various items within this category, which are of an adhoc nature and difficult to accurately plan per month.	The recruitment and selection process and review of the period budget is ongoing.
Vote 13 - Transport for Cape Town	(16,920)	-3.4%	The variance consists of under- and over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time in filling vacancies as well as the impact of the internal filling of vacancies. 2. Contracted Services (under), largely as a result of delays in the roll-out of additional MyCiTi routes, a reduction in the operating hours of some MyCiTi stations, the slow start on outsourced maintenance programmes by the districts and depots as well as delays in awarding some tenders. 3. Other Expenditure (under), mainly on Insurance non-GIF for the procurement of additional buses later in the financial year.	The recruitment and selection process is on-going . The directorate had 198 vacancies as at end September while 34 were filled year to date. The review of the period budget is ongoing and corrective action will be undertaken where necessary.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote Vote 14 - Utility Services	(166,886)	-4.5%	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 vacancies. 2. Bulk purchases: (a) Water (under), largely due to delays in submission of accounts from the Department of Water Affairs as well as Berg Water levy invoices received one month in arrears. (b) Electricity (under), due to periodic budget seasonalisation, which are based on trends from prior years and is therefore not in line with actual cash flows. This expenditure trend is difficult to predict accurately per monthly cycles. 3. Depreciation (under), which is affected by the capitalisation rate of assets based on the completion and progress of capital projects. 4. Materials Other (under), due to slower than anticipated expenditure on Repairs & Maintenance expenditure and incorrect booking of refuse bags cost against the General Expenses category. 5. Contracted Services (under), due to the slower than anticipated start on Repairs & Maintenance programmes and various projects as well as delays in account submissions from suppliers and service providers. 6. Other Expenditure (under), due to delays in finalisation of the refuse bins tender, lower than anticipated fuel costs due to lower fuel prices, fewer purchases of refuse containers, misalignment of the period budget on Security Services & Charges as well as lower than anticipated expenditure on chemicals as a result of national stock shortages. 7. Electricity (over), largely due to higher volumes of electricity consumed at plants/pump stations and disposal facilities largely within the Eskom-supplied areas.	The recruitment and selection process is on-going. The review of period budgets is ongoing and corrective action undertaken, where necessary. The respective items reflecting over- and under expenditure are monitored by the relevant finance managers and corrective action will be undertaken, where necessary. A further review of period budgets and allocations will be undertaken during the mid-year review and assessment in January 2016.

Table C4: Monthly Budget Statement – Financial Performance (revenue by source and expenditure by type)

The table below is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

Description	2014/15	Budget Year 2015/16						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source								
Property rates	6,018,735	6,546,155	6,546,155	1,315,566	1,641,624	(326,058)	-19.9%	6,546,155
Property rates - penalties & collection charges	–	–	–	–	–	–	-	–
Service charges - electricity revenue	9,976,994	11,127,619	11,127,619	2,940,116	2,856,682	83,434	2.9%	11,127,619
Service charges - water revenue	2,524,635	2,745,181	2,745,181	490,412	541,723	(51,311)	-9.5%	2,745,181
Service charges - sanitation revenue	1,321,307	1,470,947	1,470,947	279,974	300,587	(20,613)	-6.9%	1,470,947
Service charges - refuse revenue	980,691	1,097,246	1,097,246	266,862	274,312	(7,449)	-2.7%	1,097,246
Service charges - other	393,743	561,765	668,113	139,548	145,455	(5,907)	-4.1%	668,113
Rental of facilities and equipment	369,121	345,646	345,791	87,382	87,780	(398)	-0.5%	345,791
Interest earned - external investments	543,356	271,687	271,687	149,115	67,922	81,193	119.5%	271,687
Interest earned - outstanding debtors	198,230	233,996	234,770	46,390	58,632	(12,241)	-20.9%	234,770
Dividends received	–	–	–	–	–	–	-	–
Fines	988,017	977,210	997,254	175,783	249,214	(73,431)	-29.5%	997,254
Licences and permits	43,111	43,028	29,579	9,948	7,395	2,553	34.5%	29,579
Agency services	168,519	153,993	153,993	40,712	41,519	(807)	-1.9%	153,993
Transfers recognised - operational	3,264,270	3,579,752	3,467,634	1,034,130	1,042,277	(8,148)	-0.8%	3,467,634
Other revenue	2,384,151	2,441,185	2,358,175	765,811	762,263	3,548	0.5%	2,358,175
Gains on disposal of PPE	87,809	74,669	74,669	3,579	4,698	(1,119)	-23.8%	74,669
Total Revenue (excluding capital transfers and contributions)	29,262,688	31,670,081	31,588,814	7,745,329	8,082,082	(336,753)	-4.2%	31,588,814
Expenditure By Type								
Employee related costs	8,124,733	9,847,508	9,949,222	2,242,827	2,368,508	(125,681)	-5.3%	9,949,222
Remuneration of councillors	128,412	139,311	139,311	32,166	33,100	(934)	-2.8%	139,311
Debt impairment	1,523,784	1,798,371	1,798,493	264,461	264,478	(17)	0.0%	1,798,493
Depreciation & asset impairment	1,917,134	2,089,827	2,089,827	506,361	522,457	(16,096)	-3.1%	2,089,827
Finance charges	779,929	971,133	971,137	179,675	186,562	(6,886)	-3.7%	971,137
Bulk purchases	7,108,843	7,967,555	7,959,015	1,988,451	2,043,696	(55,245)	-2.7%	7,959,015
Other materials	323,901	359,005	364,526	69,077	86,898	(17,821)	-20.5%	364,526
Contracted services	3,576,198	4,818,153	4,277,713	564,688	663,723	(99,036)	-14.9%	4,277,713
Transfers and grants	136,467	120,402	155,148	52,961	63,476	(10,515)	-16.6%	155,148
Other expenditure	3,774,421	3,978,981	4,304,588	913,640	939,142	(25,502)	-2.7%	4,304,588
Loss on disposal of PPE	3,096	–	–	–	–	–		–
Total Expenditure	27,396,937	32,090,246	32,008,978	6,814,366	7,172,039	(357,733)	-5.0%	32,008,978
Surplus/(Deficit)	1,865,751	(420,164)	(420,164)	931,023	910,043	20,980	2.3%	(420,164)
Transfers recognised - capital	2,423,179	2,223,813	2,754,821	339,823	305,445	34,378	11.3%	2,754,821
Contributions recognised - capital	44,219	53,761	55,703	15,318	9,062	6,255	69.0%	55,703
Contributed assets	4,953	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	4,338,101	1,857,410	2,390,360	1,286,164	1,224,551			2,390,360
Taxation	–	–	–	–	–			–
Surplus/(Deficit) after taxation	4,338,101	1,857,410	2,390,360	1,286,164	1,224,551			2,390,360
Attributable to minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	4,338,101	1,857,410	2,390,360	1,286,164	1,224,551			2,390,360
Share of surplus/ (deficit) of associate	–	–	–	–	–			–
Surplus/ (Deficit) for the year	4,338,101	1,857,410	2,390,360	1,286,164	1,224,551			2,390,360

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

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

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Property rates	(326,058)	-19.9%	The under-recovery is mainly the result of (a) valuation adjustments (supplemental valuation) to properties for which billing reversals were done during September, but the revised billings were only processed in October, (b) Rates adjustments/corrections from previous years and (c) higher than planned Rates Rebates processed to date.	Revised billings will reflect in October.
Property rates - penalties & collection charges	–	-	-	-
Service charges - electricity revenue	83,434	2.9%	The over-recovery is mainly on Electricity Sales and is influenced by the impact of less load shedding during the period and consumer demand.	Current trends are monitored and corrective actions will be undertaken when necessary.
Service charges - water revenue	(51,311)	-9.5%	The under-recovery is mainly on Water Sales where actual revenue was influenced by the reversal of billings, due to the supplemental valuation run. The sale of water is demand driven and actual revenue is influenced by a number of different factors.	Current trends are monitored and corrective action will be undertaken when necessary. The correct billings will reflect in October. Period budget provisions will be reviewed and adjusted, if necessary.
Service charges - sanitation revenue	(20,613)	-6.9%	The under-recovery is mainly on Sewerage Sales where actual revenue was influenced by the reversal of billings, due to the supplemental valuation run. The charges on sewerage are demand driven and linked to water consumption.	Current trends are monitored and corrective actions will be undertaken when necessary. The correct billings will reflect in October. Period budget provisions to be reviewed and adjusted, if necessary.
Service charges - refuse revenue	(7,449)	-2.7%	The under-recovery reflects against: 1. Refuse Removal, due to the misalignment of the period budget with the actual trend. 2. Disposal Coupons, due to lower than planned demand for the period up to September. 3. Availability Charges, due to data clean-up on property records resulting in a fewer properties reflecting as vacant and thus lower than planned billing.	The periodic budget provisions will be reviewed and adjusted, if required.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Service charges - other	(5,907)	-4.1%	The under-recovery is a combination of over-/under-recovery. 1. Administration Fees (over), mainly due to administration fees charged with rates clearance certificates, rd cheques, dunning charges, etc. These are demand driven and cannot be accurately estimated. 2. Fire Fees (over) (Safety & Security), due to higher than estimated fire-related callouts. 3. Recoveries of Infrastructure Maintenance (over) (Cape Town Electricity), due to a higher than planned number of jobs executed. 4. Service Charges-Infrastructure (over), due to the writing off of dormant debtor accounts with credit balances. 5. Camp /Resort Fees (under) (Community Services), due to a lower demand/usage of facilities than planned as the high season only starts in October. 6. Admission Fees (under) (TEED), due lower than planned revenue received from the Cape Town Cup Event.	Period budget provisions will be reviewed and amended, if necessary. Revenue within TEED is under further investigation.
Rental of facilities and equipment	(398)	-0.5%	Immaterial variance.	-
Interest earned - external investments	81,193	119.5%	The over-recovery is within Finance, due to higher than expected interest received on current cash and investments balances.	Interest on Investments is monitored by the Investment Section on a monthly basis.
Interest earned - outstanding debtors	(12,241)	-20.9%	The under-recovery is mainly due to lower than planned interest billed on outstanding consumer debtors for Rates and Water & Sanitation.	Situation is monitored. No corrective action is required.
Dividends received	–	-	-	-
Fines	(73,431)	-29.5%	The under-recovery is mainly on Traffic Fines as a result of lower than planned fines income received to date. This is as a result of a portion of September fines being captured in October. In addition, the period budget provisions are not accurately aligned with the actual trend as accurate planning of fines issued is not possible.	Further investigation on Fines Income will be done and periodic budget provisions will be reviewed .

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	2,553	34.5%	The over-recovery is mainly within Safety & Security and is due to higher than planned applications received for learner's licences, driver's licences and PDP operator certificates.	Licences and Permits are demand driven and difficult to plan accurately per monthly cycles.
Agency services	(807)	-1.9%	The under-recovery is mainly within Safety & Security and is due to the fact that revenue from agency service transactions is processed one month in arrears.	A review of the periodic budget provisions will be done and adjusted where required.
Transfers recognised - operational	(8,148)	-0.8%	The under-recovery is mainly within: 1. Human Settlements due to overspending on PHP projects, USDG and Capacity Grant projects where progress is faster than planned. 2. Transport for Cape Town, due to (a) the payment of insurance for MyCiTi buses being less than planned to date with further payment only required later in the year when new buses are procured, (b) delay in the roll-out of further routes and (c) the impact of reduced operating hours of some bus stations. 3. City Health, due to the outstanding payment for the comprehensive health claim for August. 4. EESP, mainly on the Modernisation Study of Northern Corridor -Cape Town to Bellville - project, where negotiations with PRASA are still in progress before implementation can take place.	Situation is monitored by the finance managers in the respective services. Periodic budget provisions will be reviewed and adjusted where possible.
Other revenue	3,548	0.5%	The over-recovery is a combination of under-/over-recovery. 1. CIDS-Commercial (under) within Finance, due to adjustments to the base on which CID levies are calculated. 2. Recoveries-other (over) mainly within Human Settlements, where a payment not budgeted for was received from The Cape Town Community Company. 3. Hire of municipal staff (over) mainly within Safety & Security, due to the higher than planned demand for Traffic Officers at events and Security officers in CID areas.	The situation is monitored by the finance managers in the respective services. Periodic budget provisions will be reviewed and adjusted where possible.
Gains on disposal of PPE	(1,119)	-23.8%	The under-recovery is mainly within the Water & Sanitation department and Corporate Services directorate, due to lower than anticipated revenue to date, which resulted in the misalignment of the period budget with the actual trend of transactions.	The situation is monitored and the period budget provisions will be reviewed and adjusted, if required.

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

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type				
Employee related costs	(125,681)	-5.3%	The variance is mainly due to the accumulative impact of (a) the turnaround time in filling vacancies as well as the internal filling of vacancies within the City, (b) appointment of seasonal workers and temporary staff, which are dependent on peak seasons when departments require additional labour and (c) lower than anticipated overtime and shift requirements to date.	The City had a total number of 2 747 vacancies as at 30 September 2015. From the beginning of the financial year 787 positions were filled (406 internal & 381 external) with 387 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 cover unfunded cash commitments as approved by Council.
Remuneration of councillors	(934)	-2.8%	Immaterial variance.	-
Debt impairment	(17)	0.0%	Immaterial variance.	-
Depreciation & asset impairment	(16,096)	-3.1%	This variance is due to the capitalisation rate of assets, which is based on the completion and progress of capital projects and is mainly within the Utility Services directorate.	No remedial action required.
Finance charges	(6,886)	-3.7%	Immaterial variance.	-
Bulk purchases	(55,245)	-2.7%	Bulk purchases - Water (under), largely due to delays in submission of accounts from the Department of Water Affairs and Berg Water levy invoices received one month in arrears. Bulk Purchases - Electricity (under), due to the periodic budget seasonalisation, which is based on prior year trends and is not in line with the actual cash flow. It is difficult to predict accurately per monthly cycles.	The City's Water & Sanitation department is following up with the Department of Water Affairs on the issue of outstanding accounts. The situation on water and electricity bulk purchases is monitored by the respective finance managers and further action will be undertaken, where necessary.
Other materials	(17,821)	-20.5%	The variance is largely due to slower than anticipated expenditure on Repairs & Maintenance expenditure as well as the incorrect booking of refuse bags cost against General Expenses within the Utility Services directorate.	The review of the period budget will be undertaken and corrective action taken, where required.

Table continues on next page.

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type				
Contracted services	(99,036)	-14.9%	1. Slower than anticipated start on Repairs & Maintenance related projects, misalignment of period budget with Repairs & Maintenance programmes as well as delays in account submission from suppliers and service providers. 2. Delays in the roll-out of additional MyCiTi routes, reduction in operating hours of some MyCiTi stations, slow start on outsourced maintenance programmes by districts and depots as well as delays with the awarding of some tenders. 3. Lower than anticipated spend on the reactive component of Repairs & Maintenance as well as misalignment of the period budget with the proactive maintenance plans as not all tenders are in place. 4. Lower than anticipated year to date expenditure on Repairs & Maintenance and security costs at the Cape Town Stadium. 5. Lower than anticipated year to date expenditure on the training component of the Project Portfolio Management project, which is in the planning phase; expenditure is expected to be incurred in the ensuing months.	The situation is monitored by the respective finance managers. A review of the period budget will be undertaken, if required.
Transfers and grants	(10,515)	-16.6%	The variance is largely as a result of delays in the finalisation of disbursements to beneficiaries (City Manager) and lower than anticipated payment to the Greater Tygerberg Partnership (TEED).	A review of the period budget will be undertaken to align with the anticipated cash flows.
Other expenditure	(25,502)	-2.7%	The variance consist of under-/over expenditure on various items. 1. Security Services & Charges (under), due to lower than planned year to date expenditure resulting from the implementation of cost savings methods within various directorates. 2. Uniform and Protective clothing (under), due to delays in the finalisation of the tender (Safety & Security). 3. Fuel (under), due to stricter controls put in place on fuel usage as well as lower fuel prices. 4. Chemicals (under) as a result of national stock shortages. 5. Pharmaceutical Supplies (grant-funded) (over), mainly due to the misalignment of the period budget with the cash flow. The expenditure will not exceed the total grant allocation for the year. 6. IRT compensation cost (over), due to the misalignment of the budgetary provision with actual expenditure. 7. Peoples Housing Process (PHP) payments (over), due to the higher than anticipated expenditure rate of progress on PHP payments, which is difficult to estimate accurately as many factors influence the rate of progress on housing development projects.	The review of the period budgets is on-going as to align with the anticipated cash flows, if necessary.
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	2014/15	Budget Year 2015/16						
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	20 173	15 673	20 105	822	2 045	(1 223)	-59.8%	19 945
Vote 2 - City Manager	13 920	14 954	15 148	2 822	3 523	(702)	-19.9%	15 076
Vote 3 - Community Services	199 711	160 331	206 801	32 175	19 968	12 207	61.1%	206 486
Vote 4 - Compliance & Auxiliary Services	3 723	4 134	9 931	528	537	(8)	-1.5%	9 899
Vote 5 - Corporate Services	379 050	420 880	430 302	19 815	26 396	(6 581)	-24.9%	429 254
Vote 6 - Energy, Environmental & Spatial Planning	56 216	80 064	78 295	8 198	7 894	304	3.8%	78 234
Vote 7 - Finance	90 740	141 379	142 717	6 343	6 733	(390)	-5.8%	119 310
Vote 8 - Human Settlements	962 031	420 835	582 162	35 449	86 010	(50 561)	-58.8%	512 231
Vote 9 - Rates & Other	-	-	-	-	-	-		-
Vote 10 - Safety & Security	82 095	105 163	133 593	12 139	5 075	7 064	139.2%	133 243
Vote 11 - Social Dev & Early Childhood Development	23 251	11 971	17 944	1 242	50	1 192	2383.9%	17 894
Vote 12 - Tourism, Events & Economic Development	36 678	41 098	42 583	673	2 671	(1 998)	-74.8%	42 483
Vote 13 - Transport for Cape Town	1 167 471	1 399 805	1 785 655	172 144	189 296	(17 152)	-9.1%	1 773 192
Vote 14 - Utility Services	2 165 433	3 227 699	3 387 752	442 931	366 262	76 669	20.9%	3 223 266
Total Capital Expenditure	5 200 493	6 043 985	6 852 988	735 280	716 460	18 821	2.6%	6 580 514
Capital Expenditure - Standard Classification								
Governance and administration	520 222	587 509	615 269	29 387	34 929	(5 543)	-15.9%	589 782
Executive and council	31 234	21 193	38 283	2 083	689	1 395	202.6%	36 255
Budget and treasury office	16 215	14 495	14 669	1 352	1 322	30	2.3%	14 470
Corporate services	472 772	551 820	562 317	25 951	32 919	(6 968)	-21.2%	539 057
Community and public safety	1 341 328	799 473	1 023 388	93 758	117 421	(23 663)	-20.2%	953 381
Community and social services	81 411	69 196	93 257	19 720	12 109	7 610	62.8%	93 257
Sport and recreation	151 529	124 613	148 555	13 121	10 169	2 952	29.0%	148 492
Public safety	126 115	169 157	179 387	24 612	7 072	17 540	248.0%	179 387
Housing	962 099	420 904	582 231	35 484	86 025	(50 542)	-58.8%	512 300
Health	20 173	15 603	19 957	822	2 045	(1 223)	-59.8%	19 945
Economic and environmental services	1 226 137	1 502 183	1 899 459	181 815	204 273	(22 458)	-11.0%	1 886 935
Planning and development	39 812	83 570	78 722	9 520	10 310	(790)	-7.7%	78 661
Road transport	1 176 395	1 408 046	1 807 096	172 144	193 649	(21 506)	-11.1%	1 794 633
Environmental protection	10 930	10 567	13 640	152	314	(162)	100.0%	13 640
Trading services	2 111 807	3 154 319	3 314 372	430 321	359 836	70 484	200.0%	3 149 917
Electricity	898 889	1 343 939	1 411 824	156 311	200 979	(44 668)	-22.2%	1 262 868
Water	524 051	786 494	803 723	101 336	57 857	43 479	75.1%	814 446
Waste water management	460 858	726 171	760 110	136 879	48 000	88 879	185.2%	748 888
Waste management	228 009	297 715	338 715	35 794	53 000	(17 206)	-32.5%	323 715
Other	999	500	500	-	-	-		500
Total Capital Expenditure - Standard Classification	5 200 493	6 043 985	6 852 988	735 280	716 460	18 821	2.6%	6 580 514
Funded by:								
National Government	2 145 309	2 137 367	2 632 659	317 868	293 157	24 709	8.4%	2 563 191
Provincial Government	282 292	86 446	122 163	21 957	27 806	(5 849)	-21.0%	122 163
District Municipality	-	-	-	-	-	-		-
Other transfers and grants	1 892	-	341	-	-	-		341
Transfers recognised - capital	2 429 493	2 223 813	2 755 162	339 823	320 963	18 860	5.9%	2 685 695
Public contributions & donations	44 219	53 761	55 361	15 318	8 062	7 255	90.0%	58 361
Borrowing	2 146 063	2 579 264	2 670 077	321 658	298 540	23 118	7.7%	2 636 486
Internally generated funds	580 719	1 187 146	1 372 387	58 482	88 895	(30 413)	-34.2%	1 199 971
Total Capital Funding	5 200 493	6 043 985	6 852 988	735 280	716 460	18 821	2.6%	6 580 514

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

Material variance explanations for capital expenditure (refer Table C5)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 1 - City Health	(1,223)	-59.8%	1. Mzamomhle Clinic - Extensions project: Re-measurement of the bill of quantities resulted in delays in submission of the August and September payment certificates. 2. Delays in the award of the term tender for the appointment of consultants to commence the planning on several health projects.	1. Follow-up with project managers and principal agents regarding the submission of payment certificates. 2. The report for the appointment of consultants will be submitted for inclusion to the agenda of the Bid Adjudication Committee meeting to be held in October 2015.
Vote 2 - City Manager	(702)	-19.9%	Project and Portfolio Management: The cash flow, which was submitted by the consultants, was misaligned with the actual work performed. Project implementation is on track.	Cash flow to be amended in the January 2016 adjustments budget.
Vote 3 - Community Services	12,207	61.1%	1. City Parks a. Upgrade of Sea Point Promenade: Project progressing faster than anticipated. b. Play park & IT equipment: The utilisation of period tenders reduced the procurement period resulting in a number of projects progressing faster than anticipated. 2. Library and Information Services Kuyasa Regional Library project: The project is on track with the revised implementation programme; project to reach practical completion on 28 October 2015. A revised cash flow was received from the quantity surveyor only after the August 2015 adjustment budget was finalised, resulting in misalignment of the implementation programme and cash flow. 3. Sport and Recreation Synthetic pitches project: Claims submitted ahead of schedule.	Cash flows to be amended in the January 2016 adjustments budget.
Vote 4 - Compliance & Auxiliary Services	(8)	-1.5%	Immaterial variance.	-
Vote 5 - Corporate Services	(6,581)	-24.9%	Dark Fibre Broadband Infrastructure project: The short tender validity periods of certain tenders caused a temporary delay in the implementation of this project. All other projects for this directorate are currently on track.	The extension of existing tenders is currently underway. Outstanding commitments will be raised for all other projects in order for implementation to take place.
Vote 6 - Energy, Environmental & Spatial Planning	304	3.8%	Immaterial variance.	-
Vote 7 - Finance	(390)	-5.8%	IT Equipment and Fumiture: Projects delayed due to office revamp, which is in progress.	Property department to complete office revamp by 15 December 2015.

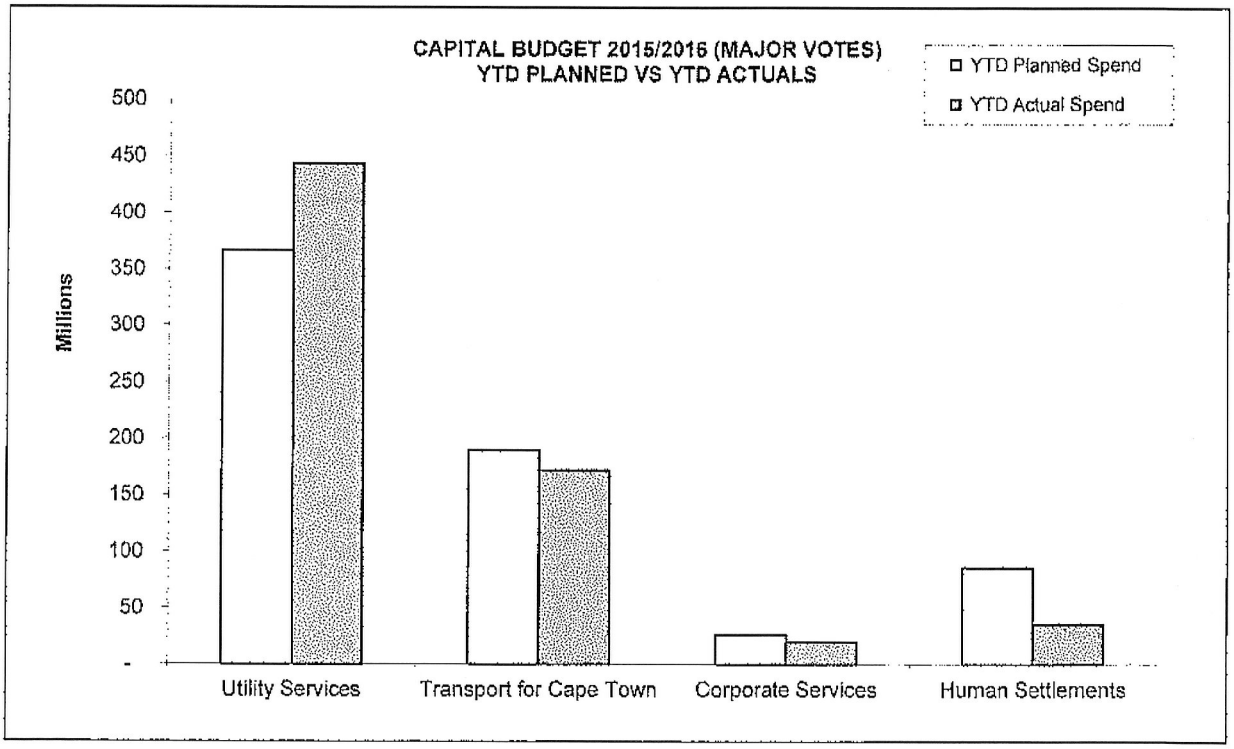
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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 8 - Human Settlements	(50 561)	-58.8%	The variance relates to various projects including: 1. Langa Hostels CRU project: Delays in construction, which is being addressed by contractors. 2. Belhar/Pentech Housing project: Project proceeding slower than expected. The challenges with the contractor delivery are being addressed. 3. Morningstar Durbanville Housing project: There is a delay in advertising the tender as a result of insufficient funds for the life of the projects. 4.10 Ha Somerset West Housing Project: Project can only recommence once the rephasing of the project is approved by the Provincial Government. 5. Gugulethu Infill project: Project delayed as a result of strike action. 6. Pelican Park Phase1 Housing project: Delay in the construction of houses, courtyards and infrastructure services surrounding these houses, due to community action. 7. Fisantekraal project: Community challenges have led to delays in the rollout of phase 2 of the project.	1. Construction of services is expected to be completed by 30 June 2016. 2. Project will be rephased to the 2016/17 financial year to align with construction timelines. 3. Project will be rephased to the 2016/17 financial year to align with construction timelines in the January 2016 adjustments budget. 4. It is anticipated that the budget will be spent by 30 June 2016. This is subject to approval by Provincial Government before end of October 2015. 5. Contractor to commence with surfacing of roads. Project will be rephased to the 2016/17 financial year to align with construction timelines in the January 2016 adjustments budget. 6. Budget and cash flow to be amended in the January 2016 adjustments budget to take into account project challenges. 7. Interventions are underway to address community challenges in phase 1, which will allow for the development of phase 2.
Vote 9 - Rates & Other	–	-	-	-
Vote 10 - Safety & Security	7 064	139.2%	Equipment and vehicles delivered earlier than anticipated, due to stock availability in respect of the following projects: a) Integrated Contact Centre b) Replacement of Fire vehicles c) Installation & Upgrade of CCTV d) Furniture and Equipment e) IT-related projects	Ongoing monitoring of project progress and expenditure.
Vote 11 - Social Dev & Early Childhood Development	1 192	2383.9%	Construction of ECD - Golden Gate: The second phase of the project is ahead of schedule, due to good contractor performance.	Cash flows to be amended in the January 2016 adjustments budget.
Vote 12 - Tourism, Events & Economic Development	(1 998)	-74.8%	The variance is due to: 1. Film & Events Permitting system project: The project steering committee was established on 18 September 2015. The working forum meeting was held on 7 October 2015 in order to finalise the presentation for the steering committee scheduled for 13 October 2015. 2. Strategic Facilities: The tender for upgrading of lifts has been awarded and is currently in the 21 day appeal period. 3. Cape Town Stadium: a. Multi-media Upgrade: Tender closed 28 September 2015. b. Install Electronic Advertising Boards CTS: The order for LED boards has been placed. Manufacturing is anticipated to be completed by mid-December 2015 and installation thereof by end January 2016. c. Install Aircon circulating water pump: Tender currently being advertised with a closing date of 9 October 2015.	1. Cash flow to be amended during the January 2016 adjustments budget. 2. Awaiting outcome of appeal period, which ended 6 October 2015. 3. a. Awaiting feedback from Supply Chain Management. b. Cash flow to be amended in the January 2016 adjustments budget. c. Cash flow to be amended in the January 2016 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 13 - Transport for Cape Town	(17,152)	-9.1%	The main reasons for the lower than predicted expenditure at this stage are: 1. Late submission of invoices by contractors and consultants. 2. Longer than planned delays in procurement processes and tender awards. 3. Poor performance of some consultants and contractors.	1. Consultants and contractors are being continually urged to ensure that invoices are timeously submitted. 2. Interactions are underway to try to improve procurement turnaround times. 3. Consultants and contractors are being continually pressured to improve on their performance and penalties are imposed where necessary. Contracts are also being terminated where performance has not improved.
Vote 14 - Utility Services	76,669	20.9%	See below.	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	(11)	-14.7%	Contingency Insurance Replacement: Cash flow misaligned.	Cash flow will be aligned during the January 2016 adjustments budget.
Water & Sanitation	132,356	125.0%	Projects ahead of schedule, due to good performance of contractors in respect of the following projects: (a) Meter Replacement Program (b) Mitchells Plain Wastewater Treatment Works (c) Completion of Cape Flats III Bulk Sewer	Project managers are closely tracking and monitoring projects. Cash flows to be amended in the January 2016 adjustments budget, if required.
Solid Waste Management	(17,206)	-32.5%	Bellville Transfer Station project: Currently finalising the snag list to complete the project. Process is taking much longer than originally planned.	It is anticipated that the process will be completed by the end of October 2015.
Cape Town Electricity	(38,472)	-18.6%	Variance mainly due to delays experienced against the following projects: 1. Broad Road Main Substation Upgrade Phase 3: A new cable route was finalised and site work commenced as per revised route, however later than originally planned. 2. Bloemhof- Stores Upgrade: Project delayed due to protracted tender processes caused by changes in legislation around local content requirements. Tenderers that were declared non-responsive are now being considered and an award is imminent. 3. Oakdale Main Substation Upgrade Phase 2: The 145 kV GIS tender was awarded, but was re-evaluated for a second submission to BAC due to an appeal; the extent of the delay caused by the appeal will only be known once the GIS tender is awarded.	Budget and cash flows to be amended in the January 2016 adjustments budget, for those projects impacted by revised programmes and delays due to tender processes. Tender processes to be closely monitored by project managers and corrective action implemented timeously.

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



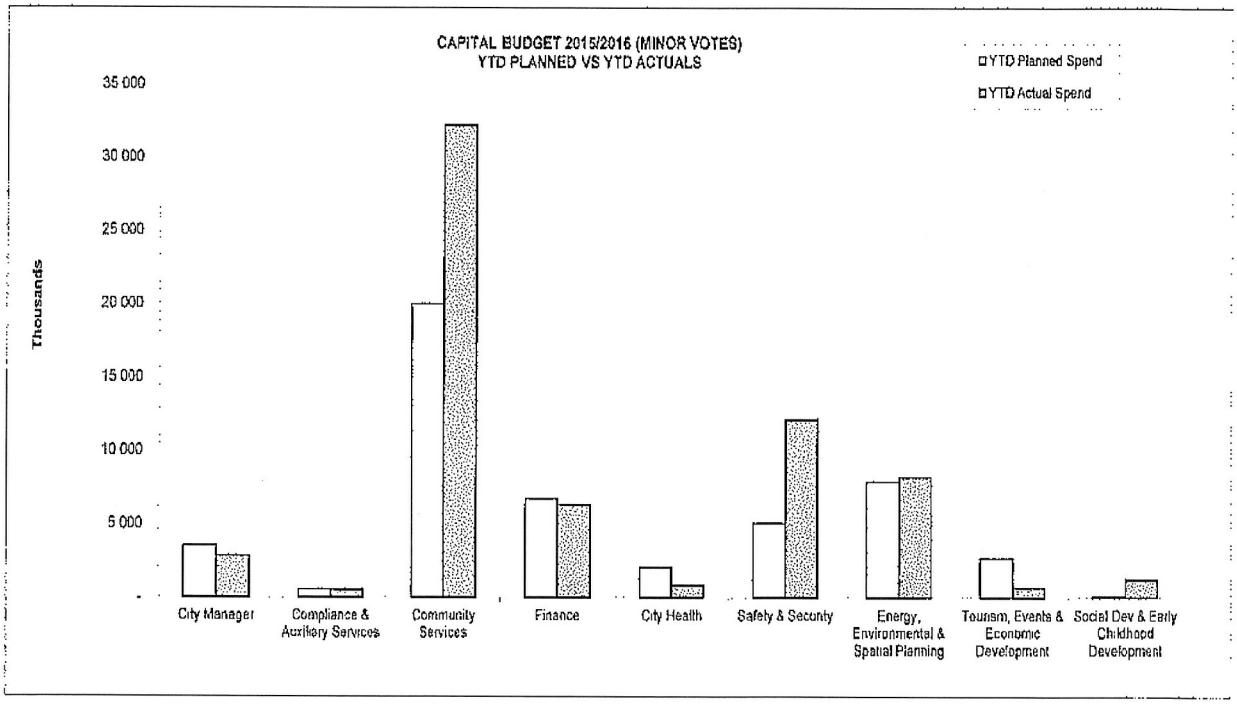


Table C6: Monthly Budget Statement - Financial Position

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

Description	2014/15	Budget Year 2015/16			
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	3,199,149	–	–	3,228,041	–
Call investment deposits	1,746,347	3,607,195	3,973,885	4,719,888	3,607,195
Consumer debtors	4,618,497	4,740,731	4,741,505	2,983,851	4,740,731
Other debtors	707,217	504,938	504,938	894,355	504,938
Current portion of long-term receivables	19,838	19,470	19,470	19,838	19,470
Inventory	280,316	311,022	311,022	244,593	311,022
Total current assets	10,571,365	9,183,356	9,550,819	12,090,565	9,183,356
Non current assets					
Long-term receivables	75,324	94,142	94,142	67,268	94,142
Investments	3,753,616	3,911,206	4,141,639	–	3,911,206
Investment property	–	–	–	–	–
Investments in Associate	–	–	–	–	–
Property, plant and equipment	34,749,931	38,924,165	39,692,718	34,978,850	38,924,165
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	38,578,871	42,929,513	43,928,498	35,046,118	42,929,513
TOTAL ASSETS	49,150,236	52,112,868	53,479,318	47,136,683	52,112,868
LIABILITIES					
Current liabilities	–	–	–	–	–
Bank overdraft	–	–	–	–	–
Borrowing	345,681	498,690	498,690	345,681	498,690
Consumer deposits	272,258	447,963	447,963	290,265	447,963
Trade and other payables	6,909,013	6,907,829	7,769,299	3,646,819	6,907,829
Provisions	1,127,281	975,045	975,045	1,122,485	975,045
Total current liabilities	8,654,233	8,829,527	9,690,997	5,405,251	8,829,527
Non current liabilities					
Borrowing	6,415,499	8,032,745	8,032,745	6,323,596	8,032,745
Provisions	5,624,709	6,359,098	6,331,128	5,836,276	6,359,098
Total non current liabilities	12,040,208	14,391,843	14,363,873	12,159,872	14,391,843
TOTAL LIABILITIES	20,694,442	23,221,369	24,054,869	17,565,122	23,221,369
NET ASSETS	28,455,794	28,891,499	29,424,449	29,571,560	28,891,499
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	25,665,530	27,044,035	27,748,592	26,822,506	27,044,035
Reserves	2,790,265	1,847,464	1,675,856	2,749,055	1,847,464
TOTAL COMMUNITY WEALTH/EQUITY	28,455,794	28,891,499	29,424,449	29,571,560	28,891,499

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

Definitions of financial position categories

Description	Definition
Cash	Cash includes cash on hand, cash with banks, notice deposits and deposits with a maturity of three months or less, readily convertible to cash without significant change in value.
Call investment deposits	Call investment deposits include short-term bank and other deposits with a maturity of more than three months but less than twelve months.
Consumer debtors	A customer of an entity who has not yet paid for municipal goods and services rendered.
Other debtors	A customer or an entity who has not yet paid for sundry services rendered and/or fines imposed.
Current portion of long-term receivables	That portion of Long-term receivables that will become due in the next operating year.
Inventory	Inventory consists of goods purchased and held for resale and goods produced by the City. Inventory also includes raw materials and supplies to be used in works and processes.
Long-term receivables	Receivables that become due only in the financial years after the next one.
Investments	Investments include bank and other deposits with a maturity of more than twelve months.
Investment property	Is land and buildings held to earn rentals or for capital appreciation or both, as opposed to being used for production or for the supply of goods or services or for administrative purposes, or intended for sale in the normal course of operations.
Investments in Associate	It is an investment in an entity in which the investor has significant influence but is neither a controlled entity nor a joint venture of the City.
Property, plant and equipment	Are tangible assets that are held for use in the production or supply of goods or services, for rentals to others or for administrative purposes, and are expected to have a useful life of more than one reporting period.
Agricultural	The management of an agricultural activity for the biological transformation and harvest of biological assets for sale or conversion into agricultural produce or into additional biological assets.
Biological assets	Consists of assets undergoing the biological transformation in terms of the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes in a biological asset.
Intangible assets	Identifiable non-monetary asset without physical substance or form, held for use in the production or supply of goods or services , for rental to others or for administrative purposes.
Bank overdraft	Bank overdraft includes that amount overdrawn on the bank account and represents a short-term debt facility repayable to the Bank. The city has not negotiated any overdraft facilities.
Borrowing	Borrowing is that portion of loans taken up by the Council which are due and payable within the next twelve months.
Consumer deposits	Amounts held by the City as security over the provision of services on credit and repayable on termination of accounts.
Trade and other payables	Liabilities owed to suppliers for purchases of goods or services already rendered to the municipality.
Provisions	A present obligation arising from past events, the settlement of which is expected to result in an outflow of resources and will be taking place in the next 12 months.
Borrowing	Borrowing is that portion of loans taken up by the Council which are due and payable longer than the twelve months (i.e. exclude that amount of total loans included under current liabilities.
Provisions	A present obligation arising from past events, the settlement of which is expected to result in an outflow of resources and will be taking place not in the next 12 months.
Accumulated Surplus/(Deficit)	The surplus of an entity that has accumulated since the beginning of the entity's existence.
Reserves	Funds set aside from accumulated surpluses for statutory as well as specific requirements.

Table C7: Monthly Budget Statement - Cash Flow

The City's cash flow position and cash/cash equivalent outcome is shown in the table below.

Description	2014/15	Budget Year 2015/16						
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	6,440,048	6,444,815	1,612,915	1,629,950	(17,035)	-1.0%	6,444,815
Service charges	13,768,730	15,773,011	15,893,761	3,928,058	3,898,399	29,659	0.8%	15,893,761
Other revenue	3,404,157	3,107,198	3,019,877	1,365,623	1,042,902	322,721	30.9%	3,019,877
Government - operating	3,251,460	3,579,752	3,229,634	1,080,851	1,181,323	(100,472)	-8.5%	3,229,634
Government - capital	2,423,179	2,277,574	2,810,524	778,666	916,767	(138,101)	-15.1%	2,810,524
Interest	735,298	442,109	442,109	124,394	118,581	5,814	4.9%	442,109
Dividends	–	–	–	–	–	–		–
Payments								
Suppliers and employees	(22,782,130)	(26,548,109)	(26,271,414)	(8,542,984)	(8,112,331)	430,653	-5.3%	(26,271,414)
Finance charges	(709,455)	(887,380)	(887,380)	(183,433)	(182,007)	1,426	-0.8%	(887,380)
Transfers and Grants	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES	6,109,974	4,184,203	4,681,926	164,089	493,583	329,494	66.8%	4,681,926
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	91,419	74,669	74,669	–	–	–		74,669
Decrease (Increase) in non-current debtors	–	–	–	–	–	–		–
Decrease (increase) other non-current receivables	28,800	4,955	4,955	–	–	–		4,955
Decrease (increase) in non-current investments	361,949	(170,422)	(170,422)	–	–	–		(170,422)
Payments								
Capital assets	(5,251,742)	(5,955,826)	(6,748,567)	(817,358)	(855,294)	(37,936)	4.4%	(6,748,567)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4,769,574)	(6,046,623)	(6,839,365)	(817,358)	(855,294)	(37,936)	4.4%	(6,839,365)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	–		–
Borrowing long term/refinancing	–	2,000,000	2,000,000	–	–	–		2,000,000
Increase (decrease) in consumer deposits	(97,959)	40,724	40,724	–	–	–		40,724
Payments								
Repayment of borrowing	(309,852)	(368,931)	(368,931)	(88,055)	(89,481)	(1,426)	1.6%	(368,931)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(407,811)	1,671,793	1,671,793	(88,055)	(89,481)	(1,426)	1.6%	1,671,793
NET INCREASE/ (DECREASE) IN CASH HELD	932,589	(190,628)	(485,646)	(741,324)	(451,192)			(485,646)
Cash/cash equivalents at beginning:	2,266,559	2,265,410	2,625,410	2,625,410	2,625,410			2,625,410
Cash/cash equivalents at month/year end:	3,199,148	2,074,783	2,139,765	1,884,087	2,174,219			2,139,765

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

Description R thousands	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates, penalties & collection charges	(17,035)	-1.0%	Immaterial variance.	No corrective action required at this time
Service charges	29,659	0.8%	Immaterial variance	No corrective action required at this time.
Other revenue	322,721	30.9%	More 'Other Revenue' received than originally budgeted for.	No corrective action required at this time.
Government - operating	(100,472)	-8.6%	The under-recovery is due to grant allocation refunds not yet received.	Cash flow to be amended in the January 2016 adjustments budget.
Government - capital	(138,101)	-15.1%	The under-recovery is due to grant allocations not yet received.	Cash flow to be amended in the January 2016 adjustments budget.
Interest	5 814	4.9%	Investment income is greater than expected as a result of higher cash and investment balances	No corrective action required at this time
Dividends	-	-		
Payments				
Suppliers and employees	430,653	-5.3%	The additional outflow is mainly due to creditors from prior reporting period which are included in cash and cash equivalent.	No corrective action required at this time
Finance charges	1,426	-0.6%	Immaterial variance.	No corrective action required at this time.
Transfers and Grants	-			
NET CASH FROM/(USED) OPERATING ACTIVITIES	329,494	66.8%		
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	(37,936)	4.4%	Immaterial variance.	No corrective action required at this time
NET CASH FROM/(USED) INVESTING ACTIVITIES	(37,936)	4.4%		
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%		

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

Description	Budget Year 2015/16												2015/16 Medium Term Revenue & Expenditure Framework		
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 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Receipts By Source															
Property rates	492,123	500,769	620,023	533,729	535,458	534,416	541,420	531,208	526,272	532,631	529,495	567,272	6,444,815	6,923,656	7,446,456
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	927,657	934,240	1,113,025	974,894	868,642	862,231	874,934	823,539	883,902	882,661	957,023	974,821	11,077,569	12,416,442	13,909,056
Service charges - w ater revenue	157,171	135,770	149,377	157,514	157,179	177,684	208,806	225,674	213,643	233,015	201,964	171,850	2,189,648	2,437,115	2,729,151
Service charges - sanitation revenue	98,606	82,163	91,501	104,924	100,704	105,149	118,360	121,112	124,009	130,016	120,171	124,078	1,320,796	1,465,189	1,632,608
Service charges - refuse	54,267	50,819	51,609	58,748	53,595	52,781	54,274	58,384	62,196	62,266	63,599	80,717	703,257	765,751	824,401
Service charges - other	29,429	25,007	27,414	39,188	36,707	42,164	38,692	42,164	45,140	40,676	47,124	188,787	602,492	523,329	581,589
Rental of facilities and equipment	14,657	20,916	18,181	9,698	7,949	5,724	4,814	9,724	9,912	9,386	9,074	(11,806)	108,229	102,350	101,010
Interest earned - external investments	52,096	37,363	34,935	34,646	33,718	35,928	36,607	30,856	42,158	42,637	44,600	16,565	442,109	248,721	785,653
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	21,730	19,292	14,441	15,779	17,851	16,048	16,227	15,234	15,957	14,971	18,840	13,002	199,372	204,430	217,470
Licences and permits	2,880	18,811	24,723	22,126	17,249	15,554	9,488	18,541	10,691	9,659	9,432	24,418	183,572	207,858	219,082
Agency services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer receipts - operating	1,080,851	–	–	56,546	592,615	284,576	137,025	548,481	425,088	35,586	30,289	38,573	3,229,634	3,658,622	3,972,647
Other revenue	291,565	888,889	29,538	24,464	21,752	762,417	30,124	35,400	749,916	18,631	16,896	(340,888)	2,528,705	2,694,938	2,827,154
Cash Receipts by Source	**3,223,033**	**2,714,040**	**2,174,768**	**2,032,257**	**2,443,419**	**2,894,673**	**2,070,770**	**2,460,317**	**3,108,885**	**2,012,138**	**2,048,508**	**1,847,389**	**29,030,197**	**31,648,400**	**35,246,277**
Other Cash Flows by Source															
Transfer receipts - capital	668,419	73,580	36,666	19,645	416,377	19,190	179,994	379,668	310,132	13,335	1,956	691,560	2,810,524	2,492,837	2,584,489
Contributions & Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	74,669	74,669	95,666	84,361
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrow ing long term/refinancing	–	–	–	–	–	2,000,000	–	–	–	–	–	–	2,000,000	1,000,000	1,800,000
Increase in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	40,724	40,724	44,796	49,276
Receipt of non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Receipt of non-current receivables	–	–	–	–	–	–	–	–	–	–	–	4,955	4,955	4,707	4,472
Change in non-current investments	–	–	–	–	–	–	–	–	–	–	–	(170,422)	(170,422)	37,909	(483,545)
Total Cash Receipts by Source	**3,891,452**	**2,787,620**	**2,211,435**	**2,051,902**	**2,859,796**	**4,913,863**	**2,250,765**	**2,839,985**	**3,419,018**	**2,025,473**	**2,050,464**	**2,488,875**	**33,790,647**	**35,324,316**	**39,285,330**

Table continues on next page.

Annexure A: S52 – 2016 Q1 (September 2015)

Description	Budget Year 2015/16												2015/16 Medium Term Revenue & Expenditure Framework		
Rthousands	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 2015/16	Budget Year +1 2016/17	Budget Year +2 2017/18
Cash Payments by Type															
Employee related costs	680,861	680,444	798,497	770,096	1,196,101	769,520	772,917	767,585	761,830	761,871	761,031	992,244	9,712,997	10,479,612	11,359,773
Remuneration of councillors	10,109	10,112	10,112	11,175	11,153	11,164	11,366	14,322	11,885	11,739	11,598	14,576	139,311	148,366	157,862
Interest paid	–	–	183,433	–	–	214,878	–	–	179,071	–	150,000	159,998	887,380	1,026,051	1,166,427
Bulk purchases - Electricity	821,363	983,592	931,672	543,035	552,479	527,603	500,005	514,466	494,582	531,299	510,738	678,448	7,589,279	8,661,513	9,874,125
Bulk purchases - Water & Sewer	30,082	18,793	30,306	25,758	18,367	36,048	24,605	34,070	37,735	46,609	39,240	28,124	369,736	390,072	411,136
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
General expenses	1,898,056	820,241	818,745	674,359	479,490	709,918	576,066	664,829	739,234	663,013	676,227	(260,087)	8,460,091	9,078,054	9,721,303
Cash Payments by Type	**3,440,471**	**2,513,182**	**2,772,765**	**2,024,424**	**2,257,589**	**2,269,131**	**1,884,958**	**1,995,271**	**2,224,336**	**2,014,530**	**2,148,833**	**1,613,304**	**27,158,794**	**29,783,668**	**32,690,625**
Other Cash Flows/Payments by Type															
Capital assets	489,868	190,286	137,203	313,094	781,611	540,437	184,302	317,579	519,601	429,817	789,184	2,055,584	6,748,567	5,453,707	5,336,609
Repayment of borrowing	–	–	88,055	–	–	53,023	–	–	89,481	–	66,667	71,706	368,931	574,549	525,919
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**3,930,339**	**2,703,468**	**2,998,023**	**2,337,517**	**3,039,200**	**2,862,591**	**2,069,261**	**2,312,851**	**2,833,418**	**2,444,347**	**3,004,684**	**3,740,594**	**34,276,292**	**35,811,924**	**38,553,153**
NET INCREASE/(DECREASE) IN CASH HELD	**(38,887)**	**84,152**	**(786,589)**	**(285,615)**	**(179,404)**	**2,051,272**	**181,504**	**527,134**	**585,600**	**(418,875)**	**(954,220)**	**(1,251,718)**	**(485,646)**	**(487,609)**	**732,177**
Cash/cash equivalents at the month/year	2,625,410	2,586,523	2,670,675	1,884,087	1,598,472	1,419,068	3,470,339	3,651,844	4,178,977	4,764,578	4,345,703	3,391,483	2,625,410	2,139,765	1,652,156
Cash/cash equivalents at the month/year end:	2,586,523	2,670,675	1,884,087	1,598,472	1,419,068	3,470,339	3,651,844	4,178,977	4,764,578	4,345,703	3,391,483	2,139,765	2,139,765	1,652,156	2,384,333

PART 2 - SUPPORTING DOCUMENTATION

Debtors analysis

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

Table SC3 Monthly budget statement Aged Debtors

Description	Budget Year 2015/16											
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	58,007	58,037	57,426	72,038	64,757	48,547	268,710	1,353,075	1,980,627	1,607,157	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	718,629	44,521	14,926	9,268	18,140	15,742	46,293	96,821	966,540	188,266	-	-
Receivables from Non-exchange Transactions - Property Rates	249,175	68,591	44,838	44,012	47,790	20,875	129,331	570,617	1,176,420	812,825	-	-
Receivables from Exchange Transactions - Waste Water Management	116,039	33,088	25,583	33,520	31,894	22,936	129,736	609,517	1,002,312	827,603	-	-
Receivables from Exchange Transactions - Waste Management	76,641	18,718	12,861	12,213	12,315	8,431	53,262	225,884	420,335	312,115	-	-
Receivables from Exchange Transactions - Property Rental Debtors	57,580	10,346	(2,041)	7,131	9,092	9,840	63,314	466,206	621,469	555,584	-	-
Interest on Arrear Debtor Accounts	43,710	16,573	17,076	16,497	15,972	18,628	66,697	532,228	749,381	670,023	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	(24,296)	(58,157)	(16,671)	(20,216)	(26,876)	(1,781)	(46,656)	(212,255)	(406,907)	(307,783)	-	-
Total By Income Source	1,295,684	193,708	153,997	174,464	173,115	143,218	732,688	3,642,304	6,509,178	4,865,789	-	-
2014/15 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	(27,837)	33,006	13,170	10,925	(4,679)	19,572	35,195	50,282	120,634	102,294	-	-
Commercial	564,176	39,785	33,076	32,103	25,297	16,182	80,523	320,680	1,111,823	474,785	-	-
Households	851,414	190,066	127,301	146,630	153,494	107,921	648,452	3,356,638	5,581,917	4,413,136	-	-
Other	(92,069)	(69,150)	(19,551)	(15,194)	(997)	8,543	(31,462)	(65,296)	(305,196)	(124,427)	-	-
Total By Customer Group	1,295,684	193,708	153,997	174,464	173,115	143,218	732,688	3,642,304	6,509,178	4,865,789	-	-

Additional debtors information

Monthly Collection Rate			YTD Collection Rate
Period	Current year	Previous year	
12 Months	96.30%	98.00%	96.18%
6 Months	97.27%	97.61%	97.51%
3 Months	95.92%	97.44%	97.40%
Monthly	106.93%	102.44%	96.21%

2015/16 Billings vs Receipts		
Month	Billing R	Receipts R
July	2,209,073,483.25	2,088,193,398.76
August	2,488,922,992.22	2,169,405,482.27
September	2,262,304,780.14	2,419,049,564.44

12 Months collection ratio per services			
Services	Current year	Previous year	YTD collection rate
Electricity	98.24%	100.29%	98.29%
Water	91.96%	90.69%	88.19%
Sewerage	90.51%	93.81%	89.48%
Refuse	90.61%	94.69%	91.69%
Rates	102.28%	99.31%	99.65%
Other	99.34%	100.13%	99.28%

Creditors analysis

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

Table SC4 Monthly budget Statement Aged Creditors

Description	Budget Year 2015/16									Prior year totals (same period)
Rthousands	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	154,088	(7,194)	3	31	23	22	21	53	147,049	104,224
Auditor General	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	154,088	(7,194)	3	31	23	22	21	53	147,049	104,224

Outstanding commitments against Cash and Cash Equivalents

Item	Previous Month R'000	Current Month R'000
Closing Cash Balance	6,600,932	5,814,343
Unspent Conditional Grants	2,246,740	1,942,488
Housing Development	304,219	302,680
MTAB	18,719	18,818
Trust Funds	639	642
Financial commitments	401,000	401,000
Sinking Funds	-	-
Insurance reserves	451,973	453,659
CRR	1,854,412	1,833,070
TOTAL	5,277,702	4,952,557
TOTAL cash resources not committed	1,323,230	861,786

Allocation and grant receipts and expenditure

Table SC7 Monthly Budget Statement transfers and grants expenditure

Description	2014/15	Budget Year 2015/16						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	**671,249**	**2,346,168**	**2,257,813**	**98,910**	**101,748**	**(2,839)**	**-2.8%**	**2,257,813**
Equitable share	–	1,811,289	1,811,464	1,103	1,410	(307)	-21.8%	1,811,464
Finance Management grant	973	1,050	1,050	222	237	(15)	-6.3%	1,050
Restructuring	–	1,191	1,191	–	–	–		1,191
Urban Settlements Development Grant	162,977	229,443	99,593	38,433	21,184	17,248	81.4%	99,593
Public Transport Network Operations Grant	367,748	–	–	(1,259)	–	(1,259)		–
Energy Efficiency and Demand Side Management Grant	599	480	480	–	14	(14)	-100.0%	480
Dept. of Environ Affairs and Tourism	4,326	4,304	4,524	–	–	–		4,524
Housing Accreditation	23	200	200	–	37	(37)	-100.0%	200
Expanded Public Works Programme	23,552	23,216	23,216	–	–	–		23,216
Integrated City Development Grant	3,116	5,000	5,000	–	5,000	(5,000)	-100.0%	5,000
Public Transport Infrastructure & Systems Grant	–	8,466	18,750	2,785	4,518	(1,733)	-38.4%	18,750
Infrastructure Skills Development	2,763	7,526	7,526	1,555	1,881	(327)	-17.4%	7,526
Municipal Human Settlements Capacity Grant	18,363	13,703	44,783	3,375	9,909	(6,534)	-65.9%	44,783
Public Transport Network Grant	–	238,000	238,000	52,780	57,557	(4,777)	-8.3%	238,000
Department of Public Service and Administration	–	1,300	1,500	–	–	–		1,500
LGSETA	–	–	536	–	–	–		536
Public Transport Infrastructure Grant	79,644	–	–	(83)	–	(83)		–
Urban Renewal	6,294	–	–	–	–	–		–
2014 African Nations Championship	(26)	–	–	–	–	–		–
Water Demand Side Management	697	–	–	–	–	–		–
Provincial Government:	**730,002**	**1,199,402**	**1,170,498**	**166,193**	**156,085**	**10,108**	**6.5%**	**1,170,498**
Cultural Affairs and Sport - Provincial Library Services	28,874	32,100	32,100	6,433	6,300	133	100.0%	32,100
Human Settlements - Human Settlement Development	411,253	696,014	670,436	93,845	89,710	4,135	4.6%	670,436
Human Settlements - Municipal Accreditation Assistance	3,989	10,000	10,000	1,102	2,500	(1,398)	-55.9%	10,000
Human Settlement - Settlement Assistance	–	–	–	201	–	201	100.0%	–
Health - TB	17,206	24,535	24,535	3,772	3,810	(38)	-1.0%	24,535
Health - Global Fund	37,936	34,408	34,408	8,318	7,208	1,111	15.4%	34,408
Health - ARV	109,584	136,515	136,515	34,303	25,899	8,404	32.5%	136,515
Health - Nutrition	4,065	4,904	4,904	1,149	1,200	(51)	-4.3%	4,904
Health - Vaccines	65,565	76,822	76,822	17,040	19,205	(2,166)	-11.3%	76,822
Comprehensive Health	–	163,465	163,465	–	–	–		163,465
Transport and Public Works - Provision for persons with	10,075	10,000	10,000	–	–	–		10,000
Transport Safety and Compliance - Rail Safety	2,197	4,000	–	–	–	–		–
Community Development Workers	741	789	1,462	30	253	(223)	-88.1%	1,462
Planning, Maintenance and Rehabilitation of Transport	5,353	5,850	5,850	–	–	–		5,850
Economic Development and Tourism	500	–	–	–	–	–		–
Community Safety Law Enforcement Officers	19,384	–	–	–	–	–		–
Local Government - Compliance	467	–	–	–	–	–		–
Treasury - Finance Management Support Grant	300	–	–	–	–	–		–
Metropolitan Transport Fund	12,514	–	–	–	–	–		–
Other grant providers:	**12,811**	**34,838**	**38,979**	**1,220**	**9,064**	**(7,844)**	**-86.5%**	**38,979**
Tourism	1,918	2,000	2,000	–	500	(500)	-100.0%	2,000
Carnegie	1,953	879	1,213	449	629	(181)	-28.7%	1,213
CMTF	–	411	3,611	(31)	247	(278)	-112.7%	3,611
CID	2,839	2,791	2,791	698	698	–	100.0%	2,791
Century City Property Owners Association	468	732	732	70	183	–	0.0%	732
Traffic Free Flow (Pty) Ltd	1,017	1,585	1,768	–	447	(447)	-100.0%	1,768
DBSA - Green Fund	–	25,000	25,000	–	6,000	(6,000)	-100.0%	25,000
Stellenbosch University	505	1,026	1,026	–	256	(256)	-100.0%	1,026
V&A Waterfront Holdings (Pty) Ltd	134	275	275	–	69	(69)	-100.0%	275
Domain (Pty) Ltd	–	140	140	35	35	–		140
Sustainable Energy Africa	–	–	424	–	–	–		424
South African Biodiversity Institute	3,544	–	–	–	–	–		–
Agence Francaise De Development	308	–	–	–	–	–		–
UN Women Safer Cities Initiative	125	–	–	–	–	–		–
Total operating expenditure of Transfers and Grants:	**1,414,063**	**3,579,408**	**3,467,290**	**266,323**	**266,897**	**(574)**	**-0.2%**	**3,467,290**

Table continues on next page.

Description R thousands	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure of Transfers and Grants								
National Government:	**2,186,882**	**2,137,367**	**2,632,659**	**317,886**	**293,157**	**(466)**	**-0.2%**	**2,563,191**
Mineral Energy: Energy Efficiency and Demand Side Management Grant	5,989	11,520	11,520	405	1,350	(945)	-70.0%	11,520
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	22,224	5,000	5,000	796	–	796	100.0%	5,000
National Treasury: Expanded Public Works Programme	400	400	400	–	–	–		400
National Treasury: Integrated City Development Grant	53,617	45,826	45,826	9,733	10,000	(267)	-2.7%	45,826
National Treasury: Local Government Restructuring Grant	1,341	153	100	61	100	(39)	-39.4%	100
National Treasury: Municipal Human Settlements Capacity Grant	428	–	500	–	–	–		500
National Treasury: Neighbourhood Development Partnership Grant	9,448	60,000	60,000	3,156	10,000	(6,844)	-68.4%	60,000
National Treasury: Other	265	650	650	–	–	–		650
National Treasury: Urban Settlements Development Grant	1,246,923	1,158,317	1,453,162	202,260	155,307	46,953	30.2%	1,383,694
Transport: Public Transport Infrastructure Grant	842,210	–	200,000	5,970	74,865	(68,896)	-92.0%	200,000
Transport: Public Transport Network Grant	–	855,501	855,501	95,485	41,535	53,951	129.9%	855,501
National Treasury: Local Government Finance	598	–	–	–	–	–		–
National Treasury: Infrastructure Skills Development Grant	299	–	–	–	–	–		–
National Treasury: Municipal Disaster Grant	1,366	–	–	–	–	–		–
National Treasury: Accreditation: Development Support	179	–	–	–	–	–		–
National Treasury: Urban renewal	1,695	–	–	–	–	–		–
Provincial Government:	**284,184**	**86,446**	**122,163**	**21,957**	**27,806**	**(5,849)**	**-21.0%**	**122,163**
Cultural Affairs and Sport: Library Services (Conditional Grant)	8,027	5,733	7,365	5	–	5	100.0%	7,365
Housing: Integrated Housing and Human Settlement Development Grant	254,030	55,773	81,351	22,055	26,014	(3,959)	-15.2%	81,351
Provincial Government: Community Development Workers (CDW) Operational Grant Support	300	292	292	–	292	(292)	-100.0%	292
Provincial Government: Fibre Optic Broadband Roll Out	6,417	7,298	11,804	(103)	500	(603)	-120.7%	11,804
Provincial Government: Transport Safety and Compliance - Rail Safety	–	–	4,000	–	–	–		4,000
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infratructure	9,890	17,350	17,350	–	1,000	(1,000)	-100.0%	17,350
Cultural Affairs and Sport - Three Anchor Bay Tennis Court	139	–	–	–	–	–		–
Economic Development and Tourism - False Bay Ecology	850	–	–	–	–	–		–
Economic Development and Tourism - Interactive Community Access	2,296	–	–	–	–	–		–
Transport and Public Works: Vehicle Impound Facility	343	–	–	–	–	–		–
MetropolitanTransport Fund	1,892	–	–	–	–	–		–
Other grant providers:	**44,219**	**53,761**	**55,703**	**15,318**	**8,062**	**7,255**	**90.0%**	**58,703**
Other: Other	44,219	53,761	55,703	15,318	8,062	7,255	90.0%	58,703
Total capital expenditure of Transfers and Grants	**2,515,285**	**2,277,574**	**2,810,524**	**356,141**	**329,026**	**951**	**0.3%**	**2,744,056**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**3,929,347**	**5,856,982**	**6,277,814**	**621,463**	**595,922**	**377**	**0.1%**	**6,211,346**

Material variance explanations for corporate performance for Quarter 1 2016

Description of Indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1.B Percentage spend of capital budget	-0.32%	Immaterial variance.	Ongoing monitoring by directorate finance managers to address the 0.32% variance between target and actual.

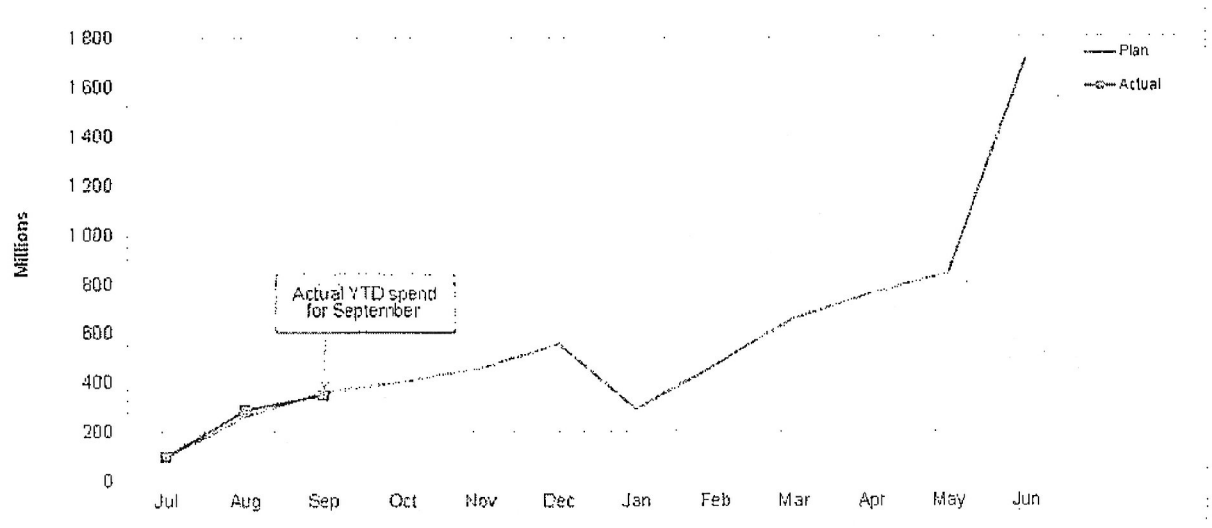
Capital programme performance

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

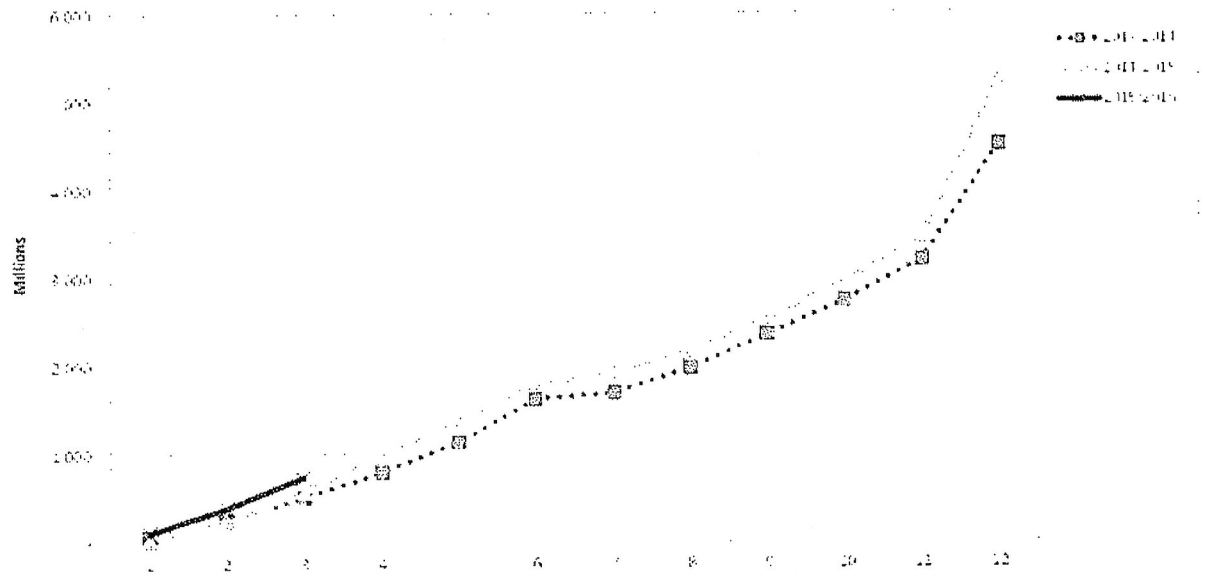
Table SC12 Monthly Budget Statement - capital expenditure trend

Month R thousands	2014/15	Budget Year 2015/16						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend								
July	38,964	119,935	95,716	99,708	95,716	(3,992)	-4.2%	1.6%
August	202,822	271,184	261,934	386,853	357,650	(29,202)	-8.2%	6.4%
September	327,173	374,433	358,809	736,280	716,460	(18,821)	-2.6%	12.2%
October	396,473	380,345	403,844		1,120,304	–		
November	431,445	419,626	458,405		1,578,709	–		
December	390,680	561,332	554,601		2,133,310	–		
January	118,919	224,634	289,930		2,423,240	–		
February	257,311	436,274	467,078		2,890,318	–		
March	358,096	584,242	658,263		3,548,581	–		
April	424,399	688,228	757,902		4,306,483	–		
May	491,155	657,936	839,912		5,146,395	–		
June	1,763,055	1,325,916	1,706,593		6,852,988	–		
Total Capital expenditure	5,200,493	6,043,985	6,852,988					

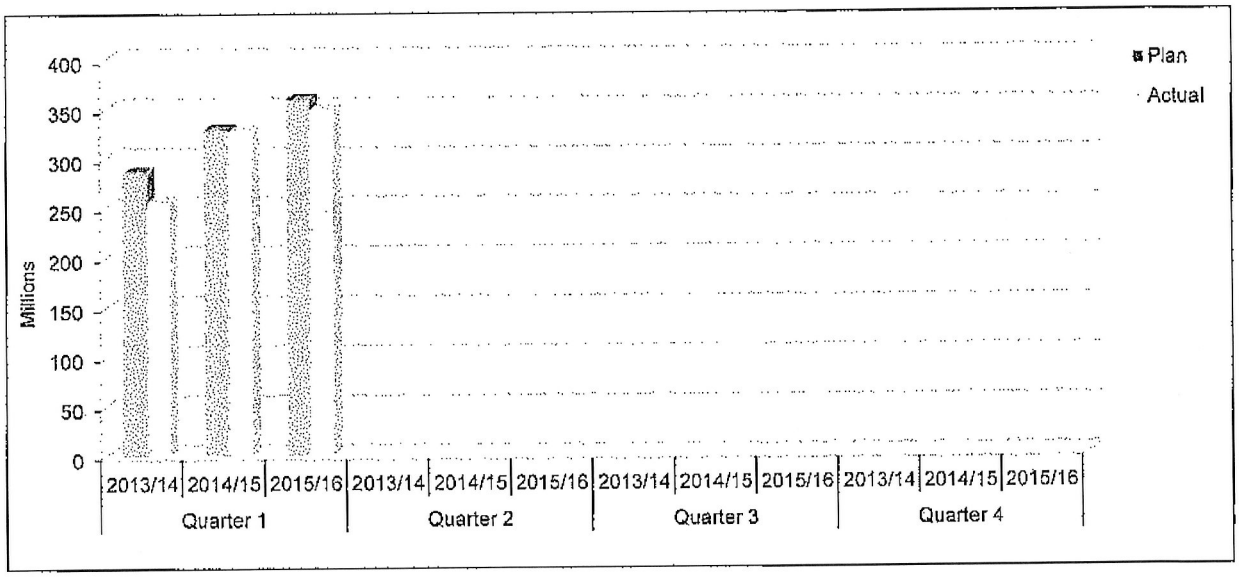
The monthly expenditure-to-date measured against the 2015/16 current budget is graphically illustrated below.



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



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



MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, **Achmat Ebrahim**, the municipal manager of City of Cape Town, hereby certify that the quarterly report on the implementation of the budget and financial state affairs of the municipality, for the period ended **September 2015** 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 ---------- 19.10.2015