

F1/5/2
 Umar Banda (012 358 8110)
 MAYORAL COMMITTEE: JANUARY 2018

From: The City Manager
 To: The Executive Mayor

SUBMISSION

GROUP FINANCIAL SERVICES DEPARTMENT: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA)

- (1) IN-YEAR FINANCIAL REPORT (MONTHLY AND SECOND QUARTER BUDGET STATEMENT) FOR THE PERIOD ENDING 31 DECEMBER 2017 AND;
- (2) MID-YEAR BUDGET ASSESSMENT

1. PURPOSE

This report outlines progress on the financial performance of the City of Tshwane against the budget for the period ended 31 December 2017, in compliance with Sections 52(d), 71 and 72 of the Municipal Finance Management Act (MFMA).

2. STRATEGIC PILLAR

A City that is open, honest and responsive.

3. BACKGROUND

Section 52(d) of the MFMA stipulates that “the mayor of a municipality – must, within 30 days of the end of each quarter, submit a report to Council on the implementation of the budget and the financial state of the municipality.”

Section 71(1) further stipulates: “The accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the mayor of the municipality and the relevant treasury a statement in the prescribed format on the state of the municipality’s budget.”

For the reporting period ended 31 December 2017, the ten-working-day reporting limit expires on **15 January 2018**.

In addition, Section 72 of the MFMA, which relates to the mid-year budget and performance assessment, requires that the Accounting Officer of the Municipality must, by 25 January of each year, submit a report to the Executive Mayor, National Treasury and Provincial Treasury, assessing the performance of the municipality during the first half of the financial year, and as part of the review, make recommendations as to whether an adjustments budget is necessary, and recommend revised projections for revenue and expenditure to the extent that it may be necessary.

4. DISCUSSION

On 25 May 2017, Council approved the 2017/18 Medium-term Revenue and Expenditure Framework for the City of Tshwane.

The attached in-year report (Annexure A) provides a high-level analysis as at 31 December 2017 in the prescribed format. Material variances will be briefly referred to in this report. Comprehensive explanations will be included in the Monthly Financial Management Report.

The following table summarises the financial performance as at 31 December 2017.

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL PERFORMANCE: 31 DECEMBER 2017					
Description	Original Budget 2017/18	YTD Budget - 31 December 2017	YTD Actual - 31 December 2017	Variance	Variance
	R'000	R'000	R'000	R'000	%
Total Revenue By Source (Excluding Capital Transfers)	30,226,013	15,914,494	14,975,154	(939,340)	-6%
Total Operating Expenditure	29,994,829	16,787,501	14,713,384	(2,074,117)	-12%
SURPLUS/(DEFICIT)	231,184	(873,007)	261,769	1,134,777	

The actual operating revenue realised, excluding capital transfers and contributions to the City of Tshwane, reflects an unfavourable variance of R939 million against the year-to-date (YTD) budget for the period ended 31 December 2017.

The operating expenditure is underspent by R2 billion, which is 12% less than the YTD expenditure projection.

The total capital budget allocation amounts to R3,9 billion. The expenditure for the period including the entities amounts to R854 million, representing 22% against the total budget.

Cash and cash equivalents as at 31 December 2017 amount to R2 billion.

The mid-term results for revenue and expenditure reflects an unfavourable variance. The following impending shortfalls and overspending need to be addressed.

- Under-recovery of service charges revenue by R449 million as a result of the following:
 - Electricity revenue (R35 million unfavourable) mainly on smart prepaid electricity.
 - Water revenue (R369 million unfavourable) and sanitation (R15 million unfavourable) – due to a decline in usage. The budget for water and sewerage is based on statistical trends.
 - Refuse revenue (R30 million unfavourable) mainly on bulk containers and landfill sites.

- Transfers and subsidies: (R589 million unfavourable) mainly due to the outstanding transfer of the equitable share.
- The overall expenditure is underspent by R2 billion, however, there are certain line items that have overspent, such as overtime salaries, standby allowance, leased buildings, etc.
- The possible under-recovery on revenue and possible overspending on expenditure will be managed and addressed as part of the adjustment budget.

4.1 INTERDEPARTMENTAL AND CLUSTER IMPACT

The Mayoral Committee will be provided with a monthly financial management report that contains comprehensive detail on the variance against the budget.

5. COMMENTS OF STAKEHOLDERS

5.1 GROUP HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

Note is taken of the purpose and contents of the report for purposes of these comments. It transpires from the report that it complies with the requirements of Section 52(d), 71 and 72 of the MFMA, with reference to the prescribed reporting responsibilities of the Executive Mayor and Accounting Officer as expounded in the report.

In view of the above, the recommendations are supported for consideration and further action by the Accounting Officer in terms of Section 70(1)(a) and (b) of the MFMA.

6. IMPLICATIONS

6.1 HUMAN RESOURCES

None

6.2 FINANCES (BUDGET AND VALUE FOR MONEY)

This report incorporates information on the City of Tshwane's financial status for the period ended 31 December 2017. Upon receipt of the statement or report submitted by the Accounting Officer to the Executive Mayor, in terms of Section 71 of the MFMA, the Executive Mayor is obliged to take certain steps regarding "budgetary control and early identification of financial problems", as required in terms of Section 54 of the MFMA. Furthermore, the Accounting Officer must, in writing, report to the municipal Council the impending shortfalls, overspending and overdrafts in terms of Section 70 of the MFMA.

6.3 CONSTITUTIONAL AND LEGAL FACTORS

This report must be approved, in compliance with legislative requirements (Section 52(d) and 71 of the MFMA) and National Treasury Regulation GG 32141 of 17 April 2009.

6.4 COMMUNICATION

In compliance with legislative requirements (Section 71 of the MFMA), this document is provided to all stakeholders by placing it on the City of Tshwane public website.

6.5 PREVIOUS MAYORAL COMMITTEE AND COUNCIL RESOLUTIONS

None

7. COMPLIANCE WITH MUNICIPAL STANDARD CHART OF ACCOUNTS (mSCOA)

The primary objective of the mSCOA regulation is to achieve uniformity across all local governments (municipalities and municipal entities). All municipalities are expected to transact in line with the seven mSCOA segments from 1 July 2017.

The City was not mSCOA-ready by 1 July 2017, due to challenges and delays encountered during the project, which included the following:

- System landscape optimisation and a functional solution to enable the effective migration of the City's data.
- Completion of all test cycles, including mock migrations.
- Completion of end user training.
- Infrastructure readiness and disaster recovery. Significant progress has been made, as procurement of the required infrastructure is complete and commissioning is in progress.
- Completion of migration or de-establishment of all entities.
- Completion of non-SAP systems integration and rationalisation.

However, the City is still required to submit financial information to the National Treasury in terms of the seven mSCOA segments, and the project team is developing a reporting solution that is currently being tested. Monthly mSCOA data strings were submitted to the National Treasury.

8. CONCLUSION

This report meets the MFMA requirement for the Executive Mayor to receive a Section 71 "monthly budget statement" within ten working days after the end of the month and compliance with MFMA Section 52(d), 71 and 72.

Mid-term budget, performance and assessment report

In terms of Section 72 of the MFMA the accounting officer of a municipality must by 25 January of each year assess the performance of the municipality during the first half of the financial year and as part of the review;

(a) make recommendations as to whether an adjustments budget is necessary; and
(b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Taking into account the mid-term performance as discussed above the adjustment budget is necessary mainly to –

- address the impending shortfall on the services charges revenue;
- address possible overspending in certain line items;

- appropriate rollover grants that were approved during the financial year;
- appropriate additional grant funding that has been received; and
- adjust expenditure in line with anticipated revenue to be realised.

ANNEXURE

Annexure A: In-year report in terms of GG 32141 of 17 April 2009

RECOMMENDED:

That it be recommended to the Mayoral Committee:

1. That the content of the report and attached Annexure A be noted.
2. That the report be noted in compliance with Section 52(d) and 71 of the MFMA and Municipal Budget and Reporting Regulations.
3. That, in compliance with Section 72 of the MFMA, the mid-term budget, performance and assessment report be noted.
4. That the impending shortfall on revenue, as highlighted in the report, be addressed in terms of Section 70(1) (a) and (b) of the MFMA.
5. That this statement be submitted to the National Treasury and the Provincial Treasury, in both signed-document and electronic format.
6. That, based on the mid-term performance, an adjustments budget for the 2017/18 financial year is necessary and must be tabled at Council in February 2018.

REPORT – FLOW COMPLIANCE CHECK

FILE: F1/5/2

INITIATOR: Umar Banda (012 358 8110)

GROUP FINANCIAL SERVICES

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): IN-YEAR FINANCIAL REPORT FOR THE PERIOD ENDING 31 DECEMBER 2017.

REPORT CHECKED AND PASSED FOR SUBMISSION TO:

	Comments, if any, on the report
Divisional Head: Budget Office NM Mokete SIGNATURE: DATE:	
Acting Divisional Head: Financial Reporting and Assets E Richards SIGNATURE: DATE:	
Divisional Head: Treasury Office KC Thiye SIGNATURE: DATE:	
Divisional Head: Revenue Management D Pillay SIGNATURE: DATE:	
Head of the Department: Chief Financial Officer U Banda SIGNATURE: DATE:	
MMC: Finance Mare-Lise Fourie SIGNATURE: DATE:	



IN-YEAR REPORT

BUDGET YEAR: 2017/18

REPORTING PERIOD: M06 DECEMBER 2017

Table of contents

PART 1: IN-YEAR REPORT	9
1.1 Mayor's report	9
1.2 Recommendations	9
1.3 Executive summary	9
1.4 In-year budget statement tables	19
(a) Table C1: Consolidated monthly budget statement – summary	20
(b) Table C2: Consolidated monthly budget statement – financial performance (standard classification)	21
(c) Table C3: Consolidated monthly budget statement – financial performance (revenue and expenditure by municipal vote)	22
(d) Table C4: Consolidated monthly budget statement – financial performance (revenue and expenditure)	23
(e) Table C5: Consolidated monthly budget statement – capital expenditure by vote, standard classification and funding	24
(f) Table C6: Consolidated monthly budget statement – financial position	25
(g) Table C7: Consolidated monthly budget statement – cash flow	26
PART 2: SUPPORTING DOCUMENTATION	27
(a) Table SC1: Material variance explanations	27
(b) Table SC2: Monthly budget statement – performance indicators	29
(c) Table SC3: Monthly budget statement – aged debtors	30
(d) Table SC4: Monthly budget statement – aged creditors	30
(e) Table SC5: Monthly budget statement – investment portfolio	31
(f) Table SC6: Monthly budget statement – transfers and grant receipts	32
(g) Table SC7(1): Monthly budget statement – transfers and grant expenditures	33
(h) Table SC7(2): Monthly budget statement – expenditure against approved rollovers	34
(i) Table SC8: Monthly budget statement – councillor and staff benefits	35
(j) Table SC9: Monthly budget statement – actual and revised targets for cash receipts	36
(k) Table SC10: Monthly budget statement – parent municipality's financial performance (revenue and expenditure)	37
(l) Table SC11: Monthly budget statement – summary of municipal entities	38
(m) Table SC12: Consolidated monthly budget statement – capital expenditure trend	38
(n) Table SC13a: Consolidated monthly budget statement – capital expenditure on new assets by asset class	39
(o) Table SC13b: Consolidated monthly budget statement – capital expenditure on renewal of existing assets by asset class	40
(p) Table SC13c: Consolidated monthly budget statement – capital expenditure on repairs and maintenance by asset class	41
(q) Table SC13d: Consolidated monthly budget statement – depreciation by asset class	42
(r) Table SC13e: Monthly budget statement – capital expenditure on upgrading of existing assets by asset class	43
(s) Municipal Manager's quality certification	44

PART 1: IN-YEAR REPORT

1.1 Mayor's report

On 25 May 2017, Council approved the Medium-term Revenue and Expenditure Framework (MTREF) for the 2017/18 financial year. This gives effect to the City of Tshwane's Service Delivery Implementation Plan, including the two municipal entities.

The City of Tshwane aims to act in accordance with the principles of good governance, transparency and stewardship of public resources.

1.2 Recommendations

That it be recommended to the Mayoral Committee:

1. That the contents of the report and attached Annexure A be noted.
2. That the report be noted in compliance with Section 52(d) and 71 of the MFMA and Municipal Budget and Reporting Regulations.
3. That, in compliance with Section 72 of the MFMA, the mid-term budget and performance and assessment report be noted.
4. That the impending shortfall on revenue, as highlighted in the report, be addressed in terms of Section 70(1) (a) and (b) of the MFMA.
5. That this statement be submitted to the National Treasury and the Provincial Treasury, in both signed-document and electronic format.
6. That, based on the mid-term performance, an adjustments budget for the 2017/18 financial year is necessary and must be tabled at Council in February 2018.

1.3 Executive summary

The financial results of the City of Tshwane for the period ended 31 December 2017 are summarised as follows:

Consolidated monthly budget statement – summary

The summary of the consolidated monthly budget statement as reflected in Table C4 indicates the following information:

- Revenue by source
- Expenditure by type
- Transfers recognised

The table provides information related to the unaudited outcome, original budget and the performance for the period under review, YTD variance and YTD variance percentage. The total revenue excludes capital transfers and contributions. The reasons for variances for all votes are captured in Table SC1 of this report.

Table C4: Consolidated monthly budget statement – Financial performance (revenue and expenditure)

TSH City Of Tshwane - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	5 912 584	6 514 409	571 772	3 273 840	3 123 179	150 661	5%	6 514 409
Service charges - electricity revenue	10 800 091	11 176 494	810 829	5 753 343	5 788 049	(34 706)	-1%	11 176 494
Service charges - water revenue	3 189 550	3 996 886	128 956	1 673 314	2 042 341	(369 028)	-18%	3 996 886
Service charges - sanitation revenue	1 032 486	982 879	75 280	485 169	500 216	(15 047)	-3%	982 879
Service charges - refuse revenue	1 065 583	1 410 506	139 876	670 738	701 053	(30 315)	-4%	1 410 506
Rental of facilities and equipment	140 955	151 864	9 877	57 048	80 557	(23 509)	-29%	156 496
Interest earned - external investments	105 994	79 493	6 750	78 484	39 839	38 646	97%	79 493
Interest earned - outstanding debtors	623 114	466 691	52 107	311 339	236 400	74 939	32%	466 691
Fines, penalties and forfeits	204 354	332 854	24 081	89 375	166 624	(77 249)	-46%	332 854
Licences and permits	145 529	54 796	13 476	66 367	71 391	(5 025)	-7%	54 796
Agency services	–	6 650	–	–	–	–	–	6 650
Transfers and subsidies	3 761 456	4 159 532	544 935	2 161 104	2 750 548	(589 444)	-21%	4 159 532
Other revenue	970 173	887 079	41 982	355 033	411 356	(56 323)	-14%	882 432
Gains on disposal of PPE	3 571	5 880	–	0	2 940	(2 940)	-100%	5 880
Total Revenue (excluding capital transfers and contributions)	27 955 440	30 226 013	2 419 922	14 975 154	15 914 494	(939 340)	-6%	30 225 997
Expenditure By Type								
Employee related costs	8 016 904	8 778 736	686 472	4 142 077	4 531 767	(389 690)	-9%	8 778 772
Remuneration of councillors	120 365	125 281	10 511	60 604	66 643	(6 039)	-9%	125 281
Debt impairment	780 739	1 175 973	–	493 289	591 155	(97 866)	-17%	1 175 973
Depreciation & asset impairment	1 624 536	1 961 302	138 709	732 140	988 483	(256 343)	-26%	1 961 302
Finance charges	1 319 814	1 417 357	334 833	1 006 687	757 207	249 480	33%	1 417 357
Bulk purchases	7 466 982	7 462 684	540 059	4 316 363	4 577 537	(261 174)	-6%	7 742 137
Other materials	2 170 290	3 261 702	223 227	1 299 328	1 439 867	(140 538)	-10%	2 864 644
Contracted services	2 604 332	2 874 971	289 845	1 298 812	2 061 379	(762 567)	-37%	2 608 881
Transfers and subsidies	423 719	49 980	2 026	48 590	66 681	(18 091)	-27%	50 707
Other expenditure	2 862 350	2 886 842	207 052	1 315 494	1 706 782	(391 288)	-23%	3 269 776
Loss on disposal of PPE	1 224	1	–	–	1	(1)	-100%	1
Total Expenditure	27 391 255	29 994 829	2 432 734	14 713 384	16 787 501	(2 074 117)	-12%	29 994 829
Surplus/(Deficit)	564 184	231 184	(12 812)	261 769	(873 007)	1 134 777	(0)	231 168
Transfers and subsidies - capital (monetary allocations)								
(National / Provincial and District)	2 407 713	2 443 910	302 434	794 939	1 160 308	(365 369)	(0)	2 443 910
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	6 000	–	–	–	–	–	6 000
Transfers and subsidies - capital (in-kind - all)	54 397	32 816	–	13 855	16 408	(2 553)	(0)	32 816
Surplus/(Deficit) after capital transfers & contributions	3 026 294	2 713 910	289 623	1 070 563	303 708			2 713 894
Taxation	–	500	214	–	–	–	–	500
Surplus/(Deficit) after taxation	3 026 294	2 713 410	289 409	1 070 563	303 708			2 713 394
Attributable to minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	3 026 294	2 713 410	289 409	1 070 563	303 708			2 713 394
Surplus/ (Deficit) for the year	3 026 294	2 713 410	289 409	1 070 563	303 708			2 713 394

The YTD actual revenue amounts to R14,9 billion and reflects an unfavourable variance of R939 million against the YTD budget of R15,9 billion.

The YTD variance on revenue is mainly due to the following items:

- Property rates (R151 million favourable) – due to an increased number of properties billed.
- Service charges: Electricity revenue (R34,7 million unfavourable) – due to under-recovery mainly on smart prepaid electricity. Technical audits on all meters are currently being conducted and all notifications and placements of meters attended to.

- Service charges: Water (R369 million unfavourable) and sanitation (R15 million unfavourable) – due to a decline in usage. The budget for water and sewerage is based on statistical trends.
- Service charges: Refuse (R30 million unfavourable) – mainly on bulk containers and landfill sites. The income from billing landfill sites for December is not reflecting yet. The impact of weighbridges at four landfill sites and billing of waste contractors are still being evaluated, and information on billing documents are being corrected and processed.
- Rental of facilities and equipment (R23,5 million unfavourable) – mainly due to under-recovery on the rental of housing accommodation, facilities and commercial properties. Expired lease agreements are in the process of being advertised and renewed.
- Interest earned on external investments (R38,6 million favourable) – interest earned on the bank account and investments were better than projected.
- Interest earned on outstanding debtors (R75 million favourable) – as a result of an increase in outstanding debtors.
- Fines and penalties (R77 million unfavourable) – mainly due to outstanding income from AARTO traffic fines. There is a delay in capturing transactions, as data is only available after the closing of each month. A recovery plan prepared by NT consultants submitted in the Adjustment Budget will alleviate the under-recovery.
- Licences and permits (R5 million unfavourable) – mainly due to a decline in applications on driver's licences.
- Transfers and subsidies (R589 million unfavourable) – mainly due to the outstanding transfer of the equitable share.
- Other revenue (R56 million unfavourable) – due to under-recovery on the following line items:
 - Reminder fees are under-recovered by R10,8 million. The service is dependent on reminders issued on arrear accounts; the revenue for the period was less than projected.
 - Building plan fees are under-recovered by R6,5 million. The building plan applications revenue is market-driven and seasonal.
 - Sundry fees are under-recovered by R15,6 million. The revenue includes an amount of R28,6 million allocated to Sandspruit Water Works Association (SWA). This income was then allocated the charges for drain cleaning/opening of sewerage blockages in the MAWIGA (Mabopane, Winterveld and Ga-Rankuwa) area to sundry fees. This budget should move to Region 1 during the adjusted budget.
 - Approval fees: Advertisement signs are under-recovered by R10 million. The income is dependent on fees collected from agencies for advertising campaigns.
 - Market fees are under-recovered by R17 million due to the delays in processing. Monthly collections are journalised at the beginning of the following month.
 - Admission fees are under-recovered by R4,8 million. Admission fees are seasonal and the December revenue is still outstanding; to reflect in the next reporting month.
 - Transport fees are under-recovered by R11,8 million. Tshwane Bus Services' planned shifts have been reduced from 230 to 165 due to shortage of resources, including bus drivers.

- Township development contributions on electricity are under-recovered by R7,4 million. The service contributions are payable to the City of Tshwane by developers in terms of the Services Contribution Policy, and are based on applications received from developers for this service.
- Township development contributions for rezoning is under-recovered by R22 million. Development and land use rights application submissions are market-driven and seasonal.
- VAT corrections direct income is over recovered by R49 million. The inputs for VAT recovery was more than the provision.

The YTD actual expenditure amounts to R14,7 billion and indicates an underspending variance of R2 billion or 12% against the YTD budget of R16,8 billion.

Underspending regarding expenditure against the YTD budget is mainly on the following items:

- Employee-related costs (R390 million under budget) – underspending mainly relates to service bonuses, salaries, provision for leave, post-employment pension and long-service benefits. The actual spending on the provisions are posted at year-end. Overtime salaries are overspent by R46 million mainly due to the payment of employees attending to unplanned power outages and cable thefts.
- Debt impairment (R97,9 million under budget) – journal for December was processed late, to reflect in the following month.
- Depreciation (R256 million under budget). The calculation aligns with the asset verification and purification process.
- Finance charges (R249 million over budget) due to the second quarter interest paid on the external long-term loans.
- Bulk purchases Electricity is under budget by R151 million due to outstanding invoices from Eskom. Bulk Purchases Water is under budget by R110 million due to the outstanding invoices and sign off by the City of the service level agreement between the City of Tshwane and the Cullinan Diamond Mine for the provision of potable water and the treatment of sewage by the Cullinan Diamond Mine.
- Other materials (R140 million) – mainly due to underspending on the following line items:
 - Stationery is underspent by R9,9 million – expenditure is expected to improve by the end of third quarter.
 - Consumables are underspent by R4,8 million - consumables are procured on a quarterly basis.
 - Chemicals are underspent by R24 million. Chemicals are purchased only when required. The Waste Water Treatments Works (WWTW) is awaiting invoices from the suppliers. The CSD registration of the contractor that provided liquid chlorine for disinfection has been withdrawn by the National Treasury. A new tender advertising request is signed and uploaded with the specification on e-Procurement.
 - Substations is underspent by R19 million. Work is still in progress and funds are committed to the electricity maintenance tender.

- Contracted services (R763 million under) – mainly on the following line items:
 - Formalisation of informal settlements is underspent by R11 million. Contracts have expired and new contracts were approved in November 2017.
 - DBSA Feasibility Study is underspent by R31 million. The tender for the feasibility study is in process, and expenditure is expected in the third quarter of the financial year.
 - Re Aga Tshwane projects are underspent by R29,7 million. Contracts have expired and new contracts were approved in November 2017.
 - Project Linked Housing is overspent by R18,2 million due to payment made on housing top structures at Zithobeni and Mamelodi.
 - Consultants fees are underspent by R21 million; consultants are utilised as and when required.
 - Municipal services: Other providers is underspent by R31 million due to outstanding invoices from Eskom. All waste water treatment works and water reservoirs are utilising electricity to function in the areas supplied by Eskom, eg Ekangala, Klipgat, Themba and Babelegi Waste Water Treatment Works.
 - Connections are underspent by R44 million. Installations and maintenance on water meter connections are done only when required. Water meters must be ordered on time to cater for the number of meter replacements and new connections that will be done; reservations for those meters were made from the stores.
 - Electricity reticulation is underspent by R80 million. Work is still in progress and expenditure is expected to increase towards the end of the third quarter.
 - Buildings are underspent by R44 million. Underspensing emanating from Tshepo 10 000 contracts not being utilised anymore. There are no active tenders on building maintenance; currently relying on panel appointments by the Group Property Management Department.
 - Grounds are underspent by R63 million. Expenditure is expected to be incurred towards the rainy season as the grass cutting cycle increases.
 - Water reticulation network is underspent by R54 million. Work is still in progress and expenditure will increase in the third quarter of the financial year.
 - Roads is underspent by R46 million. The tender for roads rehabilitation closed and no contractor has been appointed yet.
 - Storm water systems is underspent by R13,8 million. Work is still in progress and expenditure will increase in the third quarter of the financial year.
 - Lights are underspent by R20 million. Work is still in progress and expenditure will increase in the third quarter of the financial year.
 - Waste Water Purification Works (WWPW) is underspent by R38 million. Current maintenance contracts have expired. Awaiting tenders to be adjudicated for the repair and maintenance of WWPW plants.
 - Traffic control is underspent by R26 million due to the unavailability of road signs at the stores. The current tender was cancelled by BAC in August 2017 and a new tender process had to be initiated.

- Transfers and grants (R18 million under) – due to underspending on the payment of municipal entities and for the early childhood development NGO support.
- Other expenditure (R391 million under) – due to underspending, mainly on the following line items:
 - Rental of Plant and Equipment (R15 million underspent). Work is still in progress and expenditure will increase in the third quarter of the financial year.
 - Telecommunication (R45 million underspent) due to the non-alignment of expenditure to projection. Expenditure for the period has been paid.
 - Internet fees (R14 million underspent) due to incorrect projections. The services are fixed contractual services.
 - EPWP job creation is underspent by R32 million due to delays in updating the EPWP database. The process has been finalised, a new group has been appointed and expenditure will increase in the third quarter.
 - LED initiatives are underspent by R21 million due to the delay in signing off the partnership renewal agreements with the Automotive Industry Development Centre (AIDC), the Small Enterprise Development Agency (SEDA) and the Tourism Grading Council of South Africa (TGCSA), and the delay in the signing of a lease renewal with the North West Development Corporation for the Ga-Rankuwa Eco-furniture Project.
 - Insurance premiums and insurance premiums and excesses is overspent by R29 million due to the payment of annual insurance premiums, which are paid in the first quarter of the financial year, including a number of outstanding claims which escalated to this financial year.
 - Management information system (R27 million underspent). The services are fixed contractual services which are paid monthly. Projections were not aligning to actual payments.
 - Implementation of OITPS (R46 million). The payment is mainly for SAP support services; awaiting invoices from the service provider.
 - Wi-Fi is underspent by R28 million. There is no vehicle for the implementation, currently maintaining the existing Wi-Fi. Awaiting approval and award of tender to be finalised.
 - Protective clothing is underspent by R17,5 million. Funds have been committed, awaiting availability of stock from the stores.

The reasons for variances for all sources or types of groups are captured in Table SC1 of this report.

Summary of capital expenditure

The capital expenditure report shown in Table C1 and C5 of this report has been prepared based on the format required to be lodged electronically with the National Treasury, and it is categorised by municipal vote, capital expenditure by standard classification and the funding sources required to fund the capital budget.

The following table summarises the total allocation (including the entities) of R3,9 billion. Spending for the period amounts to R854 million or 22%.

CONSOLIDATED SUMMARY STATEMENT OF CAPITAL EXPENDITURE: 31 DECEMBER 2017						
Description	Original Budget 2017/18	YTD Budget	YTD Actual	YTD Variance	YTD Variance	% Spent
	R'000	R'000	R'000	R'000	%	%
TOTAL Capital Expenditure	3,942,759	1,790,253	853,929	(936,324)	-52%	22%
TOTAL Capital Financing	3,942,759	1,790,253	853,929	(936,324)	-52%	22%

The reasons for variances per department (vote) are captured in Table SC1 of this report. Table SC12 provides an analysis of the actual capital expenditure compared to the budget targets on a monthly and year-to-date basis.

Chart C1 and C2 illustrate the trend in capital expenditure against the budget per month and the YTD actual against the YTD target.

Chart C1: 2017/18 Capital expenditure (Monthly trend: Actual vs target)

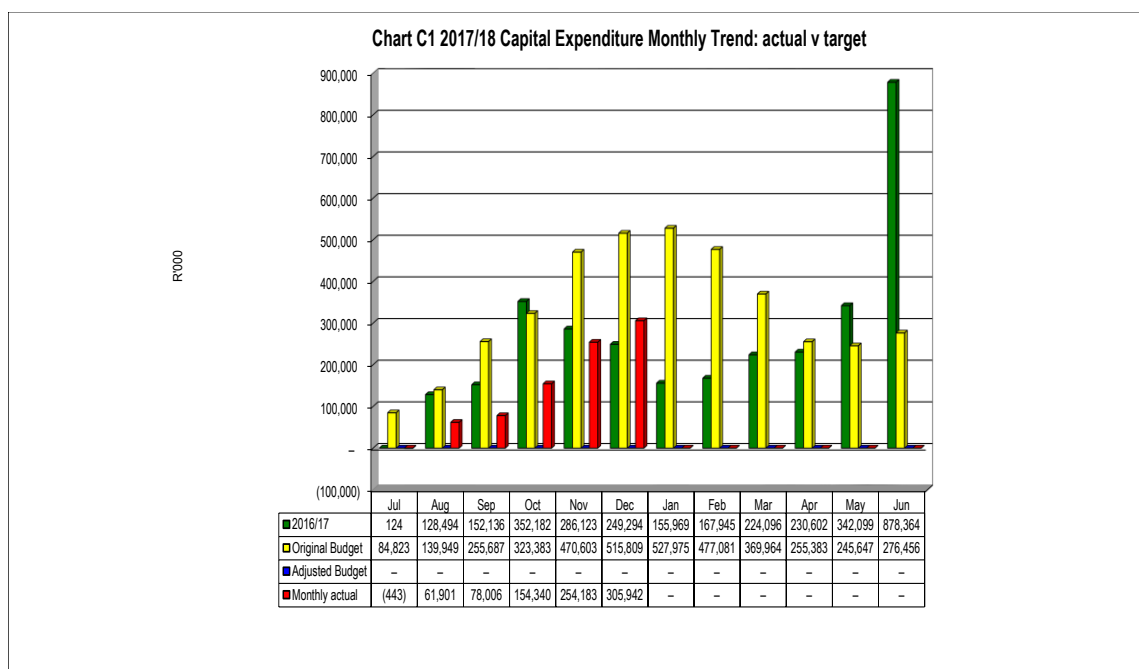
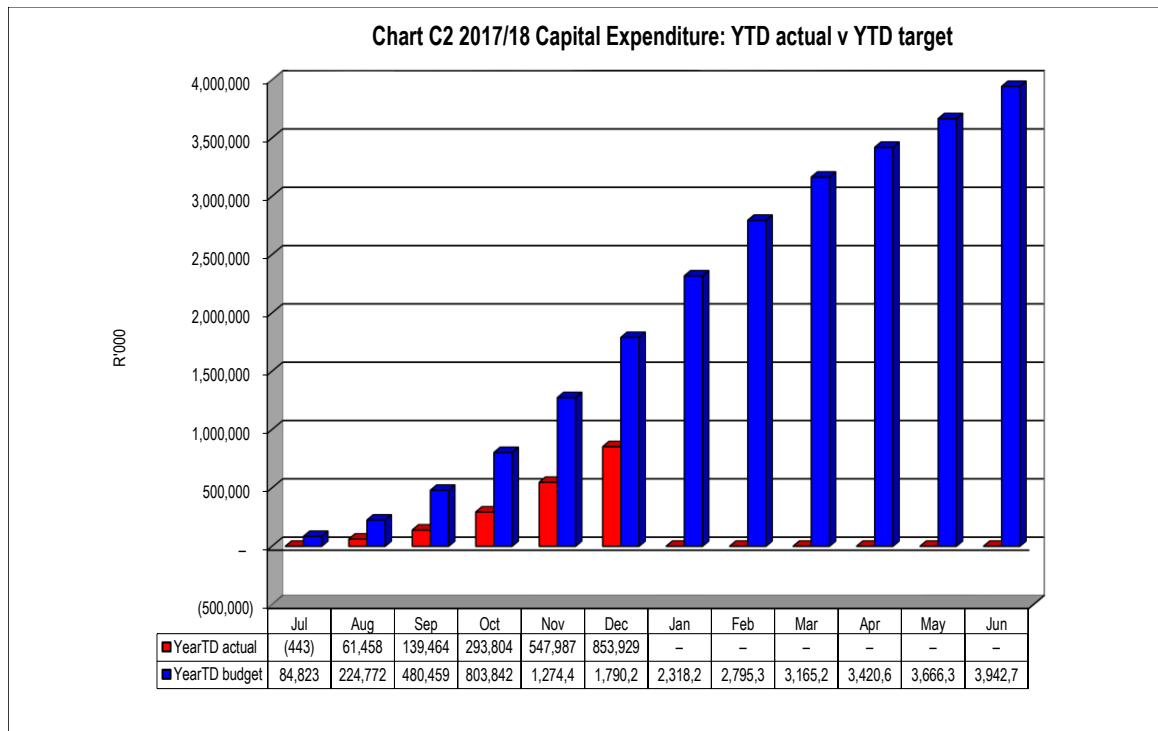


Chart C2: 2017/18 Capital expenditure (YTD actual vs YTD target)



Capital expenditure by asset class on new assets and on the renewal of existing assets is contained in Table SC13a and SC13b.

The expenditure on repairs and maintenance by asset class and the depreciation by asset class are detailed in Table SC13c and SC13d.

Financial position

The financial position, as indicated in Table C1, shows that community wealth/equity of the City of Tshwane, as at 31 December 2017, amounts to R23,3 billion against a budget of R25 million. Details related to the assets and liabilities of the City of Tshwane are provided in Table C6, in a format which is consistent with international standards and aligned with GRAP 1.

Cash flow

The cash flow of the City of Tshwane, as depicted in Table C1 and C7 and detailed in Table SC9, indicates the following:

- The closing balance of the cash and cash equivalents as at the end of December 2017 amounts to R2 billion (this amount includes the sinking fund).
- The cash flow from operating activities is R299 million, compared to the target of R647 million. Due to lower expenditure in the second quarter.
- The cash flow from investing activities amounts to R694 million, compared to a target of R2 billion. Due to lower spending on capital.
- The cash flow from financing activities amounts to R151 million, compared to the target of R124 million.

Debtors' age analysis

The debtors' report, as reflected in Table C1 and SC3, has been prepared based on the format required to be lodged electronically with the National Treasury. This format provides an extended age analysis, as well as an age analysis by debtor type. It also compares this month's results with the same period of the previous financial year.

Table C1 and SC3 indicate that the total debtors amount to R10,8 billion.

Chart C3 illustrates the aged consumer debtors and reflects a collection problem pertaining to debtors in the "over one-year" category.

An amount of R5 billion is outstanding in this category compared to R4,7 billion outstanding in the 2016/17 financial year.

Chart C3: Aged consumer debtors' analysis

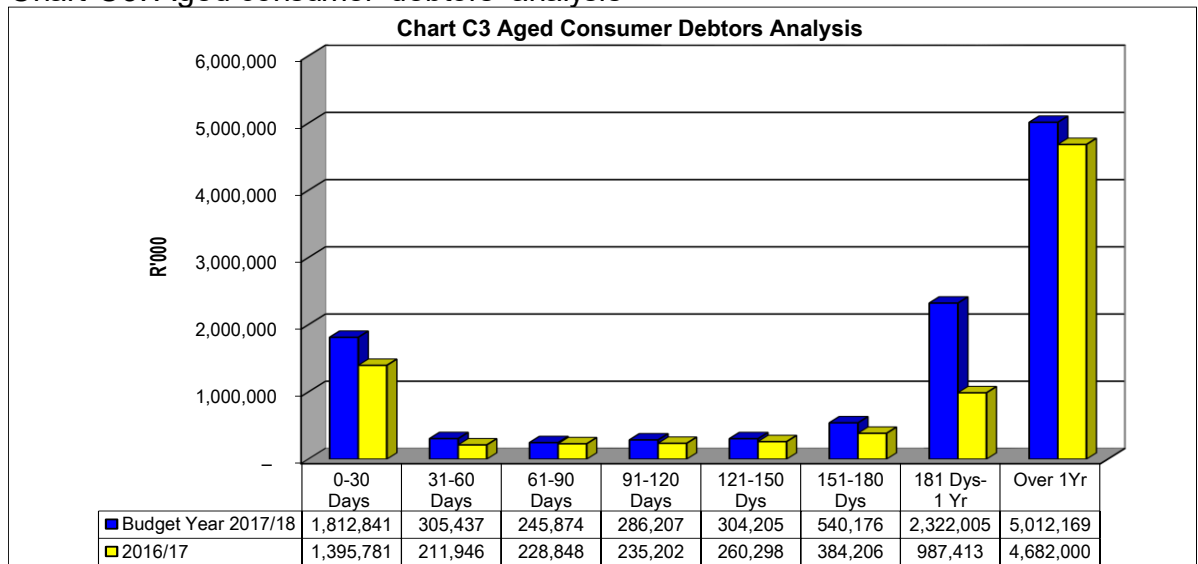
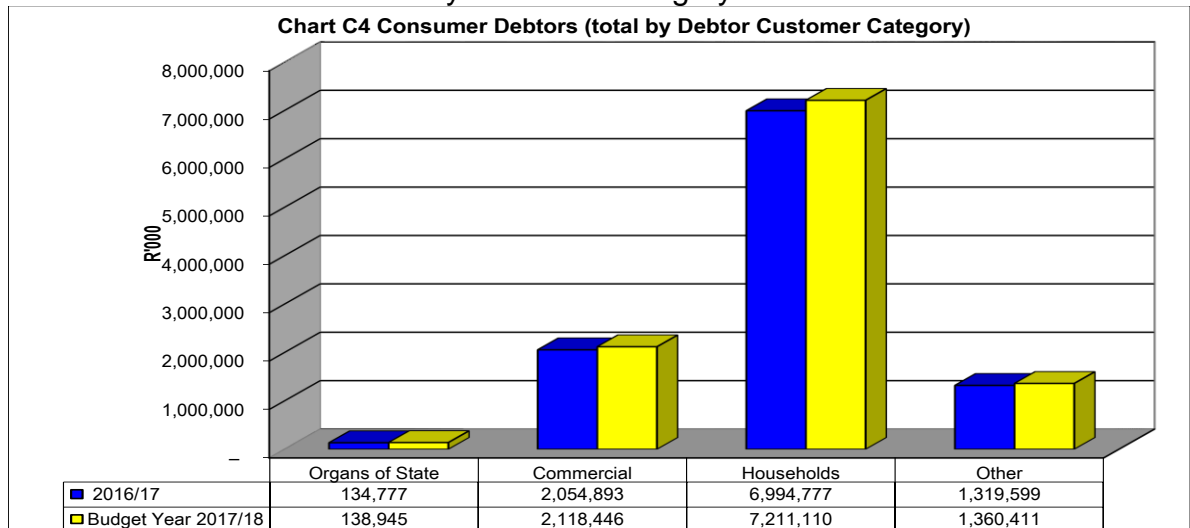


Chart C4 shows that the increase in the customer category is attributable to households, which reflect an increase of R216 million compared to the previous financial year.

Chart C4: Consumer debtors by customer category

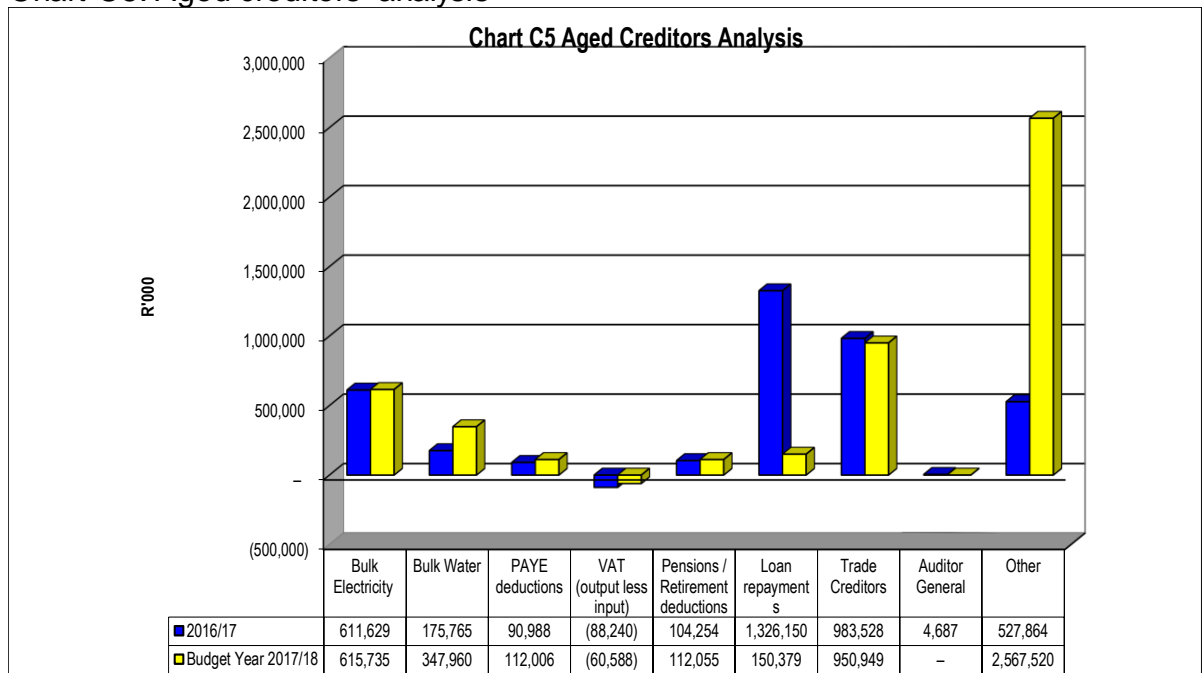


Creditors' age analysis

The creditors' report, as well as Table C1 and SC4, provides an extended age analysis by creditor type. The summary report indicates that there are no long-term outstanding creditors.

The chart compares this month's results with the previous financial year's, which shows the aged creditors per category.

Chart C5: Aged creditors' analysis



Investment portfolio analysis (Table SC5)

The investment portfolio analysis, shown in Table SC5, includes information consistent with the requirements of the Municipal Investment Regulations of 2005 issued by the National Treasury. It reflects the institution where funds are invested, the period of investment, the type of investment and the accrued interest for the month. The market value at the end of the month amounts to R1,8 billion.

Allocation of grant receipts and expenditure (Table SC6 and SC7)

The disclosure on transfers and grant receipts, for both operating and capital expenditure, is reflected in Table SC6. The receipts from national, provincial and other grant providers are also indicated.

The total grants allocated, including entities, amounts to R6,6 billion and an amount of R3,5 billion has been received for the period.

Table SC7 (1) indicates the expenditure incurred against each allocation for the reporting period. The disclosure on the transfer and grant expenditure table reflects the recognition of expenditures amounting to R3 billion against the YTD budget of R3,8 billion.

Expenditure on councillor and staff benefits (Table SC8)

The disclosure on councillors, board members and employee benefits is captured in Table SC8 and provides a comparison of actual expenditure and budgeted expenditure.

Parent municipality's financial performance (Table SC10)

This disclosure is required by the National Treasury. Municipalities that have municipal entities should provide the monthly statement of financial performance for the parent municipality only.

Summary of municipal entities (Table SC11)

The City of Tshwane has two municipal entities as indicated in Table SC11:

- Housing Company Tshwane (HCT)
- Tshwane Economic Development Agency (TEDA)

This table summarises the revenue, operating expenditure and capital expenditure for these entities. The reasons for the variance have been captured in Table SC1.

Performance indicators (Table SC2)

This table reflects various ratios, such as –

- borrowing management;
- liquidity;
- revenue management; and
- creditor management.

1.4 In-year budget statement tables

The financial results for the period ended 31 December 2017 are reflected in Table C1 to C7, and they are followed by the supporting documents contained in Table SC1 to SC13d.

(a) Table C1: Consolidated monthly budget statement – summary

TSH City Of Tshwane - Table C1 Monthly Budget Statement Summary - M06 December

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	5 912 584	6 514 409	571 772	3 273 840	3 123 179	150 661	5%	6 514 409
Service charges	16 087 710	17 566 765	1 154 941	8 582 564	9 031 660	(449 096)	-5%	17 566 765
Investment revenue	105 994	79 493	6 750	78 484	39 839	38 646	97%	79 493
Transfers and subsidies	3 761 456	4 159 532	544 935	2 161 104	2 750 548	(589 444)	-21%	4 159 532
Other own revenue	2 087 696	1 905 815	141 524	879 162	969 269	(90 107)	-9%	1 905 799
Total Revenue (excluding capital transfers and contributions)	27 955 440	30 226 013	2 419 922	14 975 154	15 914 494	(939 340)	-6%	30 225 997
Employee costs	8 016 904	8 778 736	686 472	4 142 077	4 531 767	(389 690)	-9%	8 778 772
Remuneration of Councillors	120 365	125 281	10 511	60 604	66 643	(6 039)	-9%	125 281
Depreciation & asset impairment	1 624 536	1 961 302	138 709	732 140	988 483	(256 343)	-26%	1 961 302
Finance charges	1 319 814	1 417 357	334 833	1 006 687	757 207	249 480	33%	1 417 357
Materials and bulk purchases	9 637 272	10 724 387	763 285	5 615 691	6 017 403	(401 712)	-7%	10 606 781
Transfers and subsidies	423 719	49 980	2 026	48 590	66 681	(18 091)	-27%	50 707
Other expenditure	6 248 644	6 937 787	496 897	3 107 595	4 359 317	(1 251 721)	-29%	7 054 630
Total Expenditure	27 391 255	29 994 829	2 432 734	14 713 384	16 787 501	(2 074 117)	-12%	29 994 829
Surplus/(Deficit)	564 184	231 184	(12 812)	261 769	(873 007)	1 134 777	-130%	231 168
Transfers and subsidies - capital (monetary alloc	2 407 713	2 443 910	302 434	794 939	1 160 308	(365 369)	-31%	2 443 910
Contributions & Contributed assets	54 397	38 816	-	13 855	16 408	(2 553)	-16%	38 816
Surplus/(Deficit) after capital transfers & contributions	3 026 294	2 713 910	289 623	1 070 563	303 708	766 855	252%	2 713 894
Surplus/ (Deficit) for the year	3 026 294	2 713 910	289 623	1 070 563	303 708	766 855	252%	2 713 894
Capital expenditure & funds sources								
Capital expenditure	3 238 081	3 942 759	305 942	853 929	1 790 253	(936 324)	-52%	3 942 759
Capital transfers recognised	2 345 223	2 449 910	277 734	748 177	1 148 252	(400 075)	-35%	2 449 910
Public contributions & donations	97 926	100 000	1 448	19 129	19 940	(812)	-4%	100 000
Borrowing	760 761	1 000 000	25 714	83 529	421 397	(337 869)	-80%	1 000 000
Internally generated funds	34 172	392 848	1 046	3 095	200 664	(197 569)	-98%	392 848
Total sources of capital funds	3 238 081	3 942 759	305 942	853 929	1 790 253	(936 324)	-52%	3 942 759
Financial position								
Total current assets	12 001 499	7 976 126		7 233 607				7 976 126
Total non current assets	39 146 763	40 140 136		40 693 753				40 140 136
Total current liabilities	10 253 692	8 381 526		9 395 370				8 381 526
Total non current liabilities	15 331 669	14 764 224		15 221 238				14 764 224
Community wealth/Equity	25 505 256	24 970 512		23 310 751				24 970 512
Cash flows								
Net cash from (used) operating	4 531 177	4 763 623	82 985	299 214	646 703	347 489	54%	4 763 623
Net cash from (used) investing	(4 024 583)	(4 459 981)	(335 169)	(694 023)	(2 048 534)	(1 354 510)	66%	(4 459 981)
Net cash from (used) financing	477 982	405 966	8 024	150 651	124 380	(26 270)	-21%	405 966
Cash/cash equivalents at the month/year end	2 169 316	2 617 289	-	2 041 022	630 230	(1 410 792)	-224%	2 994 789
Debtors & creditors analysis	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	1 812 841	305 437	286 207	304 205	540 176	2 322 005	5 012 169	10 828 913
Creditors Age Analysis								
Total Creditors	4 796 015	-	-	-	-	-	-	4 796 015

(b) Table C2: Consolidated monthly budget statement – financial performance (standard classification)

TSH City Of Tshwane - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2016/17	Budget Year 2017/18						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
Revenue - Functional									
Governance and administration		9,947,303	10,717,815	1,100,576	5,509,309	5,806,445	(297,136)	-5%	10,717,815
Executive and council		77,703	75,280	950	3,101	22,749	(19,648)	-86%	75,280
Finance and administration		9,817,881	10,600,371	1,099,524	5,489,417	5,762,614	(273,196)	-5%	10,600,371
Internal audit		51,719	42,165	102	16,791	21,082	(4,291)	-20%	42,165
Community and public safety		1,295,311	1,512,235	240,985	557,481	818,354	(260,873)	-32%	1,512,235
Community and social services		54,748	15,430	913	8,878	8,380	498	6%	15,430
Sport and recreation		44,250	23,910	1,078	8,227	13,309	(5,082)	-38%	23,910
Public safety		222,391	334,136	23,655	89,454	167,068	(77,615)	-46%	334,136
Housing		800,705	968,680	188,564	339,237	498,691	(159,454)	-32%	968,680
Health		173,217	170,078	26,774	111,685	130,906	(19,221)	-15%	170,078
Economic and environmental services		1,665,352	1,600,352	122,747	635,680	748,258	(112,577)	-15%	1,600,352
Planning and development		200,999	186,248	11,871	86,840	127,372	(40,531)	-32%	186,248
Road transport		1,451,583	1,319,389	110,853	548,534	558,094	(9,561)	-2%	1,319,373
Environmental protection		12,770	94,715	24	306	62,792	(62,486)	-100%	94,715
Trading services		17,287,457	18,650,592	1,234,972	8,969,221	9,589,317	(620,096)	-6%	18,650,592
Energy sources		11,438,329	11,730,582	859,258	5,777,624	6,021,041	(243,417)	-4%	11,730,582
Water management		3,492,422	4,100,522	154,992	2,006,155	2,130,843	(124,688)	-6%	4,100,522
Waste water management		1,055,838	1,362,903	80,747	514,000	709,714	(195,714)	-28%	1,362,903
Waste management		1,300,869	1,456,585	139,976	671,442	727,719	(56,278)	-8%	1,456,585
Other	4	222,126	227,746	23,076	112,256	128,836	(16,580)	-13%	227,746
Total Revenue - Functional	2	30,417,549	32,708,740	2,722,356	15,783,947	17,091,210	(1,307,262)	-8%	32,708,723
Expenditure - Functional									
Governance and administration		5,144,326	7,288,308	692,828	3,455,417	3,856,635	(401,218)	-10%	7,277,357
Executive and council		885,197	1,230,769	69,981	461,454	550,210	(88,756)	-16%	989,924
Finance and administration		3,911,209	5,755,519	618,859	2,848,761	3,153,462	(304,701)	-10%	5,985,414
Internal audit		347,920	302,020	3,988	145,202	152,964	(7,762)	-5%	302,020
Community and public safety		4,227,024	3,936,721	376,950	2,039,230	2,273,743	(234,514)	-10%	4,011,943
Community and social services		307,037	269,256	37,010	155,036	202,601	(47,565)	-23%	344,479
Sport and recreation		407,303	374,267	29,725	165,573	239,116	(73,543)	-31%	374,267
Public safety		2,352,619	2,219,047	207,069	1,185,108	1,230,375	(45,267)	-4%	2,219,047
Housing		566,472	466,664	57,766	251,524	271,253	(19,729)	-7%	466,664
Health		593,593	607,488	45,379	281,989	330,398	(48,409)	-15%	607,488
Economic and environmental services		2,745,385	3,210,120	244,218	1,413,605	1,780,785	(367,180)	-21%	3,150,293
Planning and development		801,431	1,034,346	73,615	435,449	553,536	(118,087)	-21%	974,519
Road transport		1,817,941	1,911,711	160,297	917,221	1,090,023	(172,801)	-16%	1,911,711
Environmental protection		126,013	264,063	10,306	60,934	137,226	(76,292)	-56%	264,063
Trading services		15,085,276	15,388,317	1,109,722	7,735,467	8,789,878	(1,054,412)	-12%	15,388,317
Energy sources		10,494,835	10,073,638	712,322	5,457,950	5,920,871	(462,921)	-8%	10,073,638
Water management		2,852,986	3,128,834	256,866	1,504,416	1,689,169	(184,753)	-11%	3,128,834
Waste water management		445,639	1,107,046	60,421	300,475	609,130	(308,654)	-51%	1,107,046
Waste management		1,291,816	1,078,799	80,113	472,625	570,709	(98,083)	-17%	1,078,799
Other		189,245	171,863	9,230	69,666	86,460	(16,794)	-19%	167,418
Total Expenditure - Functional	3	27,391,255	29,995,329	2,432,947	14,713,384	16,787,501	(2,074,117)	-12%	29,995,329
Surplus/ (Deficit) for the year		3,026,294	2,713,410	289,409	1,070,563	303,708	766,855	252%	2,713,394

Note: The variance in total revenue in Table C1 differs from that in Table C2 because in Table C1 the item “Capital transfers” is excluded, whereas in Table C2 it has been included.

(c) Table C3: Consolidated monthly budget statement – financial performance (revenue and expenditure by municipal vote)

TSH City Of Tshwane - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2016/17	Budget Year 2017/18						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote	1								
Vote 1 - Community & Social Development Services Department		60,353	67,047	12,503	26,750	39,166	(12,416)	-31.7%	46,596
Vote 2 - Economic Development & Spatial Planning Department		193,820	400,077	11,871	86,840	127,247	(40,406)	-31.8%	218,663
Vote 3 - Emergency Management Services Department		82,199	81,402	784	53,207	53,899	(692)	-1.3%	81,402
Vote 4 - Environment & Agriculture Management Department		1,512,376	175,514	16,736	74,700	209,104	(134,405)	-64.3%	377,379
Vote 5 - Group Audit & Risk Department		51,845	42,165	102	16,791	21,082	(4,291)	-20.4%	42,165
Vote 6 - Group Financial Services Department		9,670,882	10,383,343	1,090,534	5,440,174	5,655,671	(215,497)	-3.8%	10,383,343
Vote 7 - Group Property Department		61,893	93,279	1,915	28,932	46,378	(17,446)	-37.6%	92,757
Vote 8 - Health Department		62,535	59,442	13,976	39,989	45,389	(5,400)	-11.9%	59,442
Vote 9 - Housing & Human Settlement Department		762,238	983,245	187,160	330,010	511,164	(181,154)	-35.4%	984,119
Vote 10 - Regional Operations & Coordination Department		304,298	1,593,116	158,456	790,442	805,416	(14,973)	-1.9%	1,592,765
Vote 11 - Roads & Transport Department		1,326,259	1,195,088	101,168	487,267	495,211	(7,944)	-1.6%	1,195,071
Vote 12 - Shared Services Department		22,020	1,063	1	9	532	(523)	-98.4%	1,063
Vote 13 - Tshwane Metro Police Department		214,401	334,516	24,566	92,367	167,258	(74,891)	-44.8%	334,516
Vote 14 - Utility Services Department		15,969,720	17,192,562	1,094,586	8,293,273	8,861,376	(568,102)	-6.4%	17,192,562
Vote 15 - Other Departments		122,710	106,882	7,998	23,196	52,316	(29,120)	-55.7%	106,882
Total Revenue by Vote	2	30,417,549	32,708,740	2,722,356	15,783,947	17,091,210	(1,307,262)	-7.6%	32,708,723
Expenditure by Vote	1								
Vote 1 - Community & Social Development Services Department		294,997	366,933	30,630	125,842	156,390	(30,548)	-19.5%	306,155
Vote 2 - Economic Development & Spatial Planning Department		585,005	668,376	41,714	277,530	404,837	(127,307)	-31.4%	675,275
Vote 3 - Emergency Management Services Department		623,775	660,745	51,097	313,957	349,874	(35,918)	-10.3%	660,745
Vote 4 - Environment & Agriculture Management Department		657,811	682,139	41,676	255,745	434,733	(178,988)	-41.2%	774,484
Vote 5 - Group Audit & Risk Department		364,812	320,121	5,520	154,557	162,526	(7,969)	-4.9%	320,121
Vote 6 - Group Financial Services Department		1,468,345	3,291,437	390,061	1,579,363	1,661,544	(82,180)	-4.9%	3,291,437
Vote 7 - Group Property Department		349,605	471,404	26,171	271,402	251,308	20,094	8.0%	465,506
Vote 8 - Health Department		317,312	395,176	23,409	146,162	175,030	(28,868)	-16.5%	309,709
Vote 9 - Housing & Human Settlement Department		477,550	317,972	46,091	165,728	193,810	(28,082)	-14.5%	318,121
Vote 10 - Regional Operations & Coordination Department		3,517,044	3,629,647	308,261	1,761,498	2,294,717	(533,219)	-23.2%	3,783,689
Vote 11 - Roads & Transport Department		1,308,988	1,328,192	113,769	660,583	707,131	(46,548)	-6.6%	1,319,502
Vote 12 - Shared Services Department		1,337,661	1,369,586	112,804	614,066	836,863	(222,797)	-26.6%	1,403,572
Vote 13 - Tshwane Metro Police Department		2,175,132	2,087,460	195,337	1,134,685	1,144,588	(9,902)	-0.9%	2,084,675
Vote 14 - Utility Services Department		12,625,167	13,200,387	944,367	6,712,015	7,442,984	(730,969)	-9.8%	13,182,582
Vote 15 - Other Departments		1,288,051	1,205,754	102,042	540,251	571,165	(30,914)	-5.4%	1,099,756
Total Expenditure by Vote	2	27,391,255	29,995,329	2,432,947	14,713,384	16,787,501	(2,074,117)	-12.4%	29,995,329
Surplus/ (Deficit) for the year	2	3,026,294	2,713,410	289,409	1,070,563	303,708	766,855	252.5%	2,713,394

(d) Table C4: Consolidated monthly budget statement – financial performance (revenue and expenditure)

TSH City Of Tshwane - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	5 912 584	6 514 409	571 772	3 273 840	3 123 179	150 661	5%	6 514 409
Service charges - electricity revenue	10 800 091	11 176 494	810 829	5 753 343	5 788 049	(34 706)	-1%	11 176 494
Service charges - water revenue	3 189 550	3 996 886	128 956	1 673 314	2 042 341	(369 028)	-18%	3 996 886
Service charges - sanitation revenue	1 032 486	982 879	75 280	485 169	500 216	(15 047)	-3%	982 879
Service charges - refuse revenue	1 065 583	1 410 506	139 876	670 738	701 053	(30 315)	-4%	1 410 506
Rental of facilities and equipment	140 955	151 864	9 877	57 048	80 557	(23 509)	-29%	156 496
Interest earned - external investments	105 994	79 493	6 750	78 484	39 839	38 646	97%	79 493
Interest earned - outstanding debtors	623 114	466 691	52 107	311 339	236 400	74 939	32%	466 691
Fines, penalties and forfeits	204 354	332 854	24 081	89 375	166 624	(77 249)	-46%	332 854
Licences and permits	145 529	54 796	13 476	66 367	71 391	(5 025)	-7%	54 796
Agency services	–	6 650	–	–	–	–	–	6 650
Transfers and subsidies	3 761 456	4 159 532	544 935	2 161 104	2 750 548	(589 444)	-21%	4 159 532
Other revenue	970 173	887 079	41 982	355 033	411 356	(56 323)	-14%	882 432
Gains on disposal of PPE	3 571	5 880	–	0	2 940	(2 940)	-100%	5 880
Total Revenue (excluding capital transfers and contributions)	27 955 440	30 226 013	2 419 922	14 975 154	15 914 494	(939 340)	-6%	30 225 997
Expenditure By Type								
Employee related costs	8 016 904	8 778 736	686 472	4 142 077	4 531 767	(389 690)	-9%	8 778 772
Remuneration of councillors	120 365	125 281	10 511	60 604	66 643	(6 039)	-9%	125 281
Debt impairment	780 739	1 175 973	–	493 289	591 155	(97 866)	-17%	1 175 973
Depreciation & asset impairment	1 624 536	1 961 302	138 709	732 140	988 483	(256 343)	-26%	1 961 302
Finance charges	1 319 814	1 417 357	334 833	1 006 687	757 207	249 480	33%	1 417 357
Bulk purchases	7 466 982	7 462 684	540 059	4 316 363	4 577 537	(261 174)	-6%	7 742 137
Other materials	2 170 290	3 261 702	223 227	1 299 328	1 439 867	(140 538)	-10%	2 864 644
Contracted services	2 604 332	2 874 971	289 845	1 298 812	2 061 379	(762 567)	-37%	2 608 881
Transfers and subsidies	423 719	49 980	2 026	48 590	66 681	(18 091)	-27%	50 707
Other expenditure	2 862 350	2 886 842	207 052	1 315 494	1 706 782	(391 288)	-23%	3 269 776
Loss on disposal of PPE	1 224	1	–	–	1	(1)	-100%	1
Total Expenditure	27 391 255	29 994 829	2 432 734	14 713 384	16 787 501	(2 074 117)	-12%	29 994 829
Surplus/(Deficit)	564 184	231 184	(12 812)	261 769	(873 007)	1 134 777	(0)	231 168
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2 407 713	2 443 910	302 434	794 939	1 160 308	(365 369)	(0)	2 443 910
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	6 000	–	–	–	–	–	6 000
Transfers and subsidies - capital (in-kind - all)	54 397	32 816	–	13 855	16 408	(2 553)	(0)	32 816
Surplus/(Deficit) after capital transfers & contributions	3 026 294	2 713 910	289 623	1 070 563	303 708			2 713 894
Taxation	–	500	214	–	–	–	–	500
Surplus/(Deficit) after taxation	3 026 294	2 713 410	289 409	1 070 563	303 708			2 713 394
Attributable to minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	3 026 294	2 713 410	289 409	1 070 563	303 708			2 713 394
Surplus/ (Deficit) for the year	3 026 294	2 713 410	289 409	1 070 563	303 708			2 713 394

Note: Total revenue excludes capital transfers and contributions. These are indicated separately in this table as “Transfers recognised – capital”.

(e) Table C5: Consolidated monthly budget statement – capital expenditure by vote, standard classification and funding

TSH City Of Tshwane - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2016/17	Budget Year 2017/18						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
Multi-Year expenditure appropriation	2								
Vote 1 - Community & Social Development Services Department		102,068	91,507	10,951	19,477	56,015	(36,538)	-65%	91,507
Vote 2 - Economic Development & Spatial Planning Department		55,983	63,700	451	441	49,934	(49,494)	-99%	63,700
Vote 3 - Emergency Management Services Department		10,895	10,000	958	2,311	4,199	(1,889)	-45%	10,000
Vote 4 - Environment & Agriculture Management Department		22,123	32,500	1,583	3,999	18,875	(14,876)	-79%	32,500
Vote 5 - Group Audit & Risk Department		5,856	13,000	476	562	6,474	(5,912)	-91%	13,000
Vote 6 - Group Financial Services Department		43,513	101,000	—	—	49,750	(49,750)	-100%	101,000
Vote 7 - Group Property Department		—	5,000	—	—	2,250	(2,250)	-100%	5,000
Vote 8 - Health Department		14,031	15,200	922	5,975	12,600	(6,625)	-53%	15,200
Vote 9 - Housing & Human Settlement Department		602,143	956,597	132,824	204,424	496,336	(291,912)	-59%	956,597
Vote 10 - Regional Operations & Coordination Department		2,832	5,000	—	(55)	500	(555)	-111%	5,000
Vote 11 - Roads & Transport Department		1,148,520	1,111,638	90,866	370,993	379,271	(8,278)	-2%	1,111,638
Vote 12 - Shared Services Department		159,831	93,500	2,801	2,818	59,750	(56,932)	-95%	93,500
Vote 13 - Tshwane Metro Police Department		29,997	13,000	—	—	6,006	(6,006)	-100%	13,000
Vote 14 - Utility Services Department		978,955	1,015,616	58,535	236,040	445,153	(209,113)	-47%	1,015,616
Vote 15 - Other Departments		52,301	391,500	5,418	6,407	187,490	(181,083)	-97%	391,500
Total Capital Multi-year expenditure	4,7	3,229,050	3,918,759	305,788	853,392	1,774,603	(921,212)	-52%	3,918,759
Single Year expenditure appropriation	2								
Vote 1 - Community & Social Development Services Department		—	200	—	—	200	(200)	-100%	200
Vote 2 - Economic Development & Spatial Planning Department		4,000	450	5	24	450	(426)	-95%	450
Vote 3 - Emergency Management Services Department		—	250	38	210	250	(40)	-16%	250
Vote 4 - Environment & Agriculture Management Department		4,831	—	—	—	—	—	—	—
Vote 5 - Group Audit & Risk Department		—	—	—	—	—	—	—	—
Vote 6 - Group Financial Services Department		—	19,500	—	—	11,200	(11,200)	-100%	19,500
Vote 7 - Group Property Department		—	200	—	—	200	(200)	-100%	200
Vote 8 - Health Department		—	300	75	75	300	(225)	-75%	300
Vote 9 - Housing & Human Settlement Department		—	—	—	—	—	—	—	—
Vote 10 - Regional Operations & Coordination Department		—	1,800	37	63	1,800	(1,737)	-97%	1,800
Vote 11 - Roads & Transport Department		—	—	—	—	—	—	—	—
Vote 12 - Shared Services Department		200	—	—	—	—	—	—	—
Vote 13 - Tshwane Metro Police Department		—	—	—	—	—	—	—	—
Vote 14 - Utility Services Department		—	500	—	—	500	(500)	-100%	500
Vote 15 - Other Departments		—	800	—	167	750	(583)	-78%	800
Total Capital single-year expenditure	4	9,031	24,000	154	538	15,650	(15,112)	-97%	24,000
Total Capital Expenditure		3,238,081	3,942,759	305,942	853,929	1,790,253	(936,324)	-52%	3,942,759
Capital Expenditure - Functional Classification									
Governance and administration		267,412	636,957	8,738	10,041	323,809	(313,768)	-97%	636,957
Executive and council		62,117	387,257	5	522	187,445	(186,923)	-100%	387,257
Internal audit		205,295	249,700	8,733	9,519	136,364	(126,845)	-93%	249,700
Community and public safety		729,676	1,084,847	145,778	232,481	575,230	(342,750)	-60%	1,084,847
Community and social services		19,292	8,300	233	1,385	4,399	(3,014)	-69%	8,300
Sport and recreation		41,796	58,500	10	(3,063)	24,545	(27,608)	-112%	58,500
Public safety		5,903	7,250	837	1,210	2,850	(1,640)	-58%	7,250
Housing		604,975	961,597	132,824	204,424	496,836	(292,412)	-59%	961,597
Health		57,710	49,200	11,874	28,525	46,600	(18,075)	-39%	49,200
Economic and environmental services		1,208,780	1,129,338	92,440	359,938	404,686	(44,749)	-11%	1,129,338
Planning and development		49,140	57,200	—	—	47,009	(47,009)	-100%	57,200
Road transport		1,156,925	1,069,138	90,866	358,138	356,327	1,811	1%	1,069,138
Environmental protection		2,715	3,000	1,573	1,800	1,350	450	33%	3,000
Trading services		1,000,582	1,051,116	58,535	238,229	455,153	(216,924)	-48%	1,051,116
Energy sources		491,988	488,312	32,922	145,778	201,538	(55,760)	-28%	488,312
Water management		149,201	402,804	22,885	78,258	189,465	(111,207)	-59%	402,804
Waste water management		338,570	146,000	2,729	12,005	54,650	(42,645)	-78%	146,000
Waste management		20,822	14,000	—	2,189	9,500	(7,311)	-77%	14,000
Other		31,632	40,500	451	13,241	31,375	(18,134)	-58%	40,500
Total Capital Expenditure - Functional Classification	3	3,238,081	3,942,759	305,942	853,929	1,790,253	(936,324)	-52%	3,942,759
Funded by:									
National Government		2,298,313	2,329,777	264,737	720,106	1,075,849	(355,743)	-33%	2,329,777
Provincial Government		46,710	114,133	12,997	28,071	72,403	(44,332)	-61%	114,133
Other transfers and grants		200	6,000	—	—	—	—	—	6,000
Transfers recognised - capital		2,345,223	2,449,910	277,734	748,177	1,148,252	(400,075)	-35%	2,449,910
Public contributions & donations	5	97,926	100,000	1,448	19,129	19,940	(812)	-4%	100,000
Borrowing	6	760,761	1,000,000	25,714	83,529	421,397	(337,869)	-80%	1,000,000
Internally generated funds		34,172	392,848	1,046	3,095	200,664	(197,569)	-98%	392,848
Total Capital Funding		3,238,081	3,942,759	305,942	853,929	1,790,253	(936,324)	-52%	3,942,759

(f) Table C6: Consolidated monthly budget statement – financial position

TSH City Of Tshwane - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2016/17	Budget Year 2017/18		
		Audited Outcome	Original Budget	YearTD actual	Full Year Forecast
R thousands	1				
<u>ASSETS</u>					
Current assets					
Cash		398,775	121,000	47,916	121,000
Call investment deposits		1,712,109	2,502,289	2,237,266	2,502,289
Consumer debtors		7,948,261	3,423,486	3,293,162	3,423,486
Other debtors		1,162,454	1,067,508	887,760	1,067,508
Current portion of long-term receivables		91,005	163,349	91,005	163,349
Inventory		688,895	698,494	676,499	698,494
Total current assets		12,001,499	7,976,126	7,233,607	7,976,126
Non current assets					
Long-term receivables		25,661	6,366	1,221,626	6,366
Investments		711	858,036	711	858,036
Investment property		749,410	927,675	773,100	927,675
Property, plant and equipment		33,890,210	37,968,303	34,017,572	37,968,303
Intangible assets		385,034	379,756	388,542	379,756
Other non-current assets		4,095,737	–	4,292,202	–
Total non current assets		39,146,763	40,140,136	40,693,753	40,140,136
TOTAL ASSETS		51,148,262	48,116,261	47,927,360	48,116,261
<u>LIABILITIES</u>					
Current liabilities					
Borrowing		852,379	788,401	910,024	788,401
Consumer deposits		407,337	395,755	472,914	395,755
Trade and other payables		8,993,976	7,197,370	8,012,432	7,197,370
Total current liabilities		10,253,692	8,381,526	9,395,370	8,381,526
Non current liabilities					
Borrowing		11,123,593	11,195,205	11,013,162	11,195,205
Provisions		4,208,076	3,569,019	4,208,076	3,569,019
Total non current liabilities		15,331,669	14,764,224	15,221,238	14,764,224
TOTAL LIABILITIES		25,585,360	23,145,750	24,616,608	23,145,750
NET ASSETS	2	25,562,901	24,970,512	23,310,751	24,970,512
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)		25,274,453	24,713,269	23,079,948	24,713,269
Reserves		230,803	257,243	230,803	257,243
TOTAL COMMUNITY WEALTH/EQUITY	2	25,505,256	24,970,512	23,310,751	24,970,512

(g) Table C7: Consolidated monthly budget statement – cash flow**TSH City Of Tshwane - Table C7 Monthly Budget Statement - Cash Flow - M06 December**

Description	Ref	2016/17	Budget Year 2017/18						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates		5 912 584	6 188 689	571 772	3 273 840	2 966 684	307 157	10%	6 188 689
Service charges		16 072 597	16 688 427	1 162 132	8 679 689	9 022 818	(343 129)	-4%	16 688 427
Other revenue		1 292 950	1 433 244	89 416	588 617	729 930	(141 313)	-19%	1 433 244
Government - operating		3 812 145	4 159 532	611 780	2 303 581	3 001 992	(698 412)	-23%	4 159 532
Government - capital		2 597 200	2 443 910	7 177	1 202 844	1 205 317	(2 474)	0%	2 443 910
Interest		724 019	233 345	58 857	382 942	118 200	264 742	224%	233 345
Payments									
Suppliers and employees		(24 545 502)	(24 916 187)	(2 081 290)	(15 108 375)	(15 659 241)	(550 866)	4%	(24 916 187)
Finance charges		(1 253 459)	(1 417 357)	(334 833)	(975 348)	(713 971)	261 377	-37%	(1 417 357)
Transfers and Grants		(81 356)	(49 980)	(2 026)	(48 576)	(25 027)	23 549	-94%	(49 980)
NET CASH FROM/(USED) OPERATING ACTIVITIES		4 531 177	4 763 623	82 985	299 214	646 703	347 489	54%	4 763 623
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		(5 275)	5 880	3 761	96 305	2 940	93 365	3176%	5 880
Decrease (Increase) in non-current debtors		(40 739)	(102 705)	-	-	(51 352)	51 352	-100%	(102 705)
Decrease (increase) other non-current receivables		(2 591)	993	(32 988)	61 230	496	60 733	12235%	993
Decrease (increase) in non-current investments		(1 155)	(500 246)	-	2 371	(250 123)	252 494	-101%	(500 246)
Payments									
Capital assets		(3 974 824)	(3 863 903)	(305 942)	(853 929)	(1 750 495)	(896 566)	51%	(3 863 903)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(4 024 583)	(4 459 981)	(335 169)	(694 023)	(2 048 534)	(1 354 510)	66%	(4 459 981)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans		-	-	-	205 000	-	205 000	#DIV/0!	-
Borrowing long term/refinancing		1 000 000	1 000 000	-	-	421 397	(421 397)	-100%	1 000 000
Increase (decrease) in consumer deposits		30 402	7 760	8 024	55 941	3 880	52 061	1342%	7 760
Payments									
Repayment of borrowing		(552 421)	(601 794)	-	(110 290)	(300 897)	(190 607)	63%	(601 794)
NET CASH FROM/(USED) FINANCING ACTIVITIES		477 982	405 966	8 024	150 651	124 380	(26 270)	-21%	405 966
NET INCREASE/ (DECREASE) IN CASH HELD		984 576	709 608	(244 159)	(244 159)	(1 277 451)			709 608
Cash/cash equivalents at beginning:		1 184 740	1 907 681		2 285 182	1 907 681			2 285 182
Cash/cash equivalents at month/year end:		2 169 316	2 617 289		2 041 022	630 230			2 994 789

PART 2: SUPPORTING DOCUMENTATION

(a) Table SC1: Material variance explanations

TSH City Of Tshwane - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Property rates	150 661	Due to an increase number of properties billed.	
	Service charges - electricity revenue	(34 706)	Due to under recovery mainly on smart prepaid electricity .	
	Service charges - water revenue	(369 028)	Due to a decline in usage.	The budget for water and sewerage is based on statistical trends.
	Service charges - sanitation revenue	(15 047)	Due to a decline in usage.	The budget for water and sewerage is based on statistical trends.
	Service charges - refuse revenue	(30 315)	Mainly on Bulk Containers and Landfill Sites. The income on billing of landfill sites for December is not reflecting yet. Impact of weighbridges at 4 landfill sites and billing of waste contractors are still being evaluated and information on billing documents are being corrected and processed.	
	Service charges - other	-		
	Rental of facilities and equipment	(23 509)	Mainly due to under recovery on the rental of housing accommodation, facilities and commercial properties.	Expired business leases to be advertised.
	Interest earned - external investments	38 646	Interest earned on the bank account and investments better than projected.	
	Interest earned - outstanding debtors	74 939	As a result of an increase in outstanding debtors.	
	Dividends received	-		
	Fines, penalties and forfeits	(77 249)	Mainly due to outstanding income from traffic fines.	
	Licences and permits	(5 025)	Mainly due to a decline in applications on drivers licences.	
	Agency services	-		
	Transfers and subsidies	(589 444)	Mainly due to outstanding second tranche of the equitable share.	
	Other revenue	(56 323)	Due to underspending on Market fees, Transport fees and township development contributions.	
	Gains on disposal of PPE	(2 940)	Gain on disposal of assets will be realised once assets are sold.	
2	Expenditure By Type			
	Employee related costs	(389 690)	Underspending mainly relates to service bonus, salaries, provision for leave, post-employment pension and long-service benefits.	The actual spending on the provisions are posted at year end.
	Remuneration of councillors	(6 039)		
	Debt impairment	(97 866)		
	Depreciation & asset impairment	(256 343)	The calculation aligns with the asset verification and purification	
	Finance charges	249 480	Due to the interest paid on the external loans.	
	Bulk purchases	(261 174)	Due to outstanding invoices still to be paid.	
	Other materials	(140 538)	Mainly due to under spending on stationery , consumables, chemicals and substations.	Expenditure is expected to increase in the third quarter of the financial year.
	Contracted services	(762 567)	Due to underspending mainly on repairs and maintenance on grounds, roads, Electricity and Water reticulation network.	Expenditure is expected to increase in the third quarter of the financial year.
	Transfers and subsidies	(18 091)	Due to underspending on the payment of Municipal Entities and for the Early Childhood Development NGO Support	NGO support payments are done once a year through pre-selected NGO, at the end of the financial year.
	Other expenditure	(391 288)	Due to underspending mainly on telecommunications, Internet fees, management of information systems and rental of plant and	Expenditure is expected to increase in the third quarter of the financial year.
	Loss on disposal of PPE	(1)		
3	Capital Expenditure			
	Vote 1 - Community & Social Development Services Department	(36 538)	Social Development centre in Hammanskraal project is the main contributor. Delay of payment due to extension of time approval by Business Process Outsourcing (BPO) Park Construction project is the main contributor. The project is still on hold, following the suspension of services by the Principal Agent on 9 May 2017, pending the approval of the site development plan.	Payment awaiting processing.
	Vote 2 - Economic Development & Spatial Planning Department	(49 494)		The Site Development Plan and building plans were not approved, issues raised by the Spatial Planning officials and architects are being addressed.
	Vote 3 - Emergency Management Services Department	(1 889)	Renovation & Upgrading of Facilities is the main contributor. Although the tender for the roller-shutter doors was done in October, due to the nature of the project which has been impacted by manufacturing lead time of the roller doors and that the building industry officially shut	Roller shutter doors to be installed during January / February 2018.
	Vote 4 - Environment & Agriculture Management Department	(14 876)	Upgrade of access control at waste disposal sites is the main contributor. Fencing of Soshanguve landfill site, awaiting SCM to finalise the process of a service provider.	Progress will be followed up with Project Manager.
	Vote 5 - Group Audit & Risk Department	(5 912)	Under spending on Insurance Replacements.	Departments are busy with the procurement process.
	Vote 6 - Group Financial Services Department	(49 750)	Turnaround of Municipality Water Services – Reduction of water losses is the main contributor. SCM process in place.	Expenditure is expected to improve in the third quarter.
	Vote 7 - Group Property Department	(2 250)	Replacement/Modernization of all the Lifts within various Council Buildings project. The first tender was non-responsive and had to be cancelled. To be re-advertised.	Awaiting Bid Specification Committee date for conclusion of re-advertisement.
	Vote 8 - Health Department	(6 625)	Upgrading of Clinic Dispensaries - No claim received for December	Inform Project Managers that claims must be submitted in time.
	Vote 9 - Housing & Human Settlement Department	(291 912)	Winterveldt bulk sewer project is the main contributor. Ex post - facto approval report to effect expenditure signed on 27 November 2017.	Approval of BAC resolution to be effected on system.
	Vote 10 - Regional Operations & Coordination Department	(555)	Under spending on Jo-Jo Tanks. Awaiting role mapping of project	None.
	Vote 11 - Roads & Transport Department	(8 278)	Belle Ombre CNG Depot - Building Works. Upon the departure of Tsholetso Projects in May 2017, delays were experienced on the creation of WBS numbers and purchase orders which affected the	The purchase order creation has been resolved, expenditure is expected to improve in January 2018.
	Vote 12 - Shared Services Department	(56 932)	Under spending on the Implementation of Storage Area Network project - WBS done and an order will be placed for equipment.	Placement of order.
	Vote 13 - Tshwane Metro Police Department	(6 006)	Purchasing of Policing Equipment - Report for the procurement of SAPS Tetra Radio communication only approved in December 2017.	Awaiting Letter of Acceptance and copy of approved report before continuation.
	Vote 14 - Utility Services Department	(209 113)	RE - AGA - Tshwane - Appointment of contractors has been put on hold due to Township Lay out that has not been approved.	The department is in constant communication with the Human Settlement Department to expedite the approval of the township
	Vote 15 - Other Departments	(181 083)	Revitalisation of City's industrial and economic nodes (Rosslyn, Babelegi, Enkandustrisa, Garankuwa) - This project is awaiting for the approval plan from National Treasury .	None.

Table SC1: Material variance explanations (continued)

TSH City Of Tshwane - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
4	Financial Position			
	Current assets	(742 519)	Decrease in cash, investments and consumer debtors.	
	Non current assets	553 617	Increase in long term receivables.	
	Current liabilities	1 013 844	Increase in borrowings, trade and other payables.	
	Non current liabilities	457 014	Increase in provisions.	
5	Cash Flow			
	Transfer receipts - capital	(357 330)	Underspending on capital grants.	
	Contributions & Contributed assets	3 761	Contributions on assets.	
	Proceeds on disposal of PPE	(490)		
	Short term loans	-		
	Borrowing long term/refinancing	(77 042)	Long Term borrowings is expected in the fourth quarter.	
	Increase in consumer deposits	7 378	An increase in consumer deposit.	
	Receipt of non-current debtors	15 750	Movement in consumer debtors	
	Receipt of non-current receivables	(33 071)	Decrease in non-current receivables.	
	Change in non-current investments	41 687	Includes the Entities - SWA consumers debtors.	
	Capital assets	(203 348)	Underspending on the capital budget.	
	Repayment of borrowing	(50 149)	Repayment less than budgeted.	
7	Municipal Entities			
	Revenue			
	Housing Company Tshwane	(5 274)	Main contributor is Transfers and Subsidies. The variance was attributed to certain marketing activities not carried out due to the entity not delivering Townlands project and vacant senior management positions not filled. The grant is recognized once the entity has fulfilled the mandate as per the Service Delivery Agreement between the City and the entity.	Management has advertised senior management position and those positions will be filled the beginning of the quarter 3. The non-performing contractor has been put in terms.
	Tshwane Economic Development Agency	(8 375)	Not all grant payments have been received.	
	Expenditure			
	Housing Company Tshwane	(16 724)	Contracted services - The variance was due to certain marketing activities not carried out due to the entity not delivering 100 social housing units at the end of the financial year due to the contractors non-performance.	The contractor has been put into terms to deliver 158 units by the end of quarter 3.
	Tshwane Economic Development Agency	(8 637)	Expenditure less than projected.	
	Capital Expenditure			
	Housing Company Tshwane	(8 508)	Chantel projects – Advert to appoint a contractor on upgrading of bulk infrastructure has been advertised, appointment expected by the end of December 2017 ; Townlands project – the entity is awaiting R10 million from SHRA. In terms of performance 148 units on the first floor are in progress which equates to 3 blocks; Timberlands projects – 90% of the design has been completed.	This will be corrected during the adjustment budget.
	Tshwane Economic Development Agency	(200)	No expenditure has been incurred for the period.	

(b) Table SC2: Monthly budget statement – performance indicators**TSH City Of Tshwane - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 December**

Description of financial indicator	Basis of calculation	Ref	2016/17	Budget Year 2017/18			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2.8%	11.3%	0.0%	6.8%	5.1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		23.5%	25.4%	0.0%	9.8%	25.4%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		82.2%	76.8%	0.0%	85.5%	76.8%
Gearing	Long Term Borrowing/ Funds & Reserves		4819.5%	4352.0%	0.0%	4771.7%	4352.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	117.0%	95.2%	0.0%	77.0%	95.2%
Liquidity Ratio	Monetary Assets/Current Liabilities		20.6%	31.3%	0.0%	24.3%	31.3%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		33.0%	15.4%	0.0%	36.7%	15.4%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		100.0%	100.0%	0.0%	100.0%	100.0%
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	21.3%	18.5%	0.0%	21.2%	18.5%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	27.8%	22.6%	0.0%	19.9%	22.6%
Employee costs	Employee costs/Total Revenue - capital revenue		28.7%	29.0%	0.0%	27.7%	29.0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.8%	4.0%	0.0%	3.0%	4.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.5%	11.2%	0.0%	6.7%	5.1%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		141.0	30.5	0.0	-11.8	30.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		28.4%	19.2%	0.0%	26.2%	19.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		0.08	1.20	0.00	0.16	1.20

(c) Table SC3: Monthly budget statement – aged debtors**TSH City Of Tshwane - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December**

Description	NT Code	Budget Year 2017/18										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	407,780	58,548	48,488	60,658	106,071	128,779	553,326	971,475	2,335,126	1,820,310	2,313	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	286,819	34,837	32,814	34,969	34,684	26,554	115,117	562,310	1,128,104	773,634	460	
Receivables from Non-exchange Transactions - Property Rates	1400	637,786	59,911	65,256	64,206	56,193	47,203	326,409	1,161,050	2,418,014	1,655,061	407	
Receivables from Exchange Transactions - Waste Water Management	1500	91,140	11,448	8,079	10,563	9,321	11,474	68,448	180,856	391,329	280,662	432	
Receivables from Exchange Transactions - Waste Management	1600	176,996	20,101	12,991	16,268	13,111	14,337	198,096	282,903	734,803	524,715	509	
Receivables from Exchange Transactions - Property Rental Debtors	1700	9,857	2,689	1,756	1,286	1,100	233,021	182	41,714	291,606	277,304	-	
Interest on Arrear Debtor Accounts	1810	144,868	54,470	45,447	54,624	49,309	57,314	541,054	1,152,020	2,099,106	1,854,322	1,090	
Other	1900	57,595	63,432	31,043	43,633	34,417	21,492	519,371	659,840	1,430,824	1,278,753	762	
Total By Income Source	2000	1,812,841	305,437	245,874	286,207	304,205	540,176	2,322,005	5,012,169	10,828,913	8,464,762	5,974	-
2016/17 - totals only		1,395,781	211,946	228,848	235,202	260,298	384,206	987,413	4,682,000	8,385,695	6,549,120	3,679	
Debtors Age Analysis By Customer Group													
Organs of State	2200	103,489	17,338	16,075	11,389	4,908	(13,551)	2,307	(3,010)	138,945	2,043	-	
Commercial	2300	128,892	80,631	74,459	84,679	97,592	180,059	294,265	1,177,869	2,118,446	1,834,465	-	
Households	2400	961,622	197,293	149,845	180,341	190,793	243,560	1,982,882	3,304,775	7,211,110	5,902,351	5,521	
Other	2500	618,838	10,175	5,495	9,797	10,913	130,107	42,551	532,535	1,360,411	725,903	453	
Total By Customer Group	2600	1,812,841	305,437	245,874	286,207	304,205	540,176	2,322,005	5,012,169	10,828,913	8,464,762	5,974	-

(d) Table SC4: Monthly budget statement – aged creditors**TSH City Of Tshwane - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December**

Description	NT Code	Budget Year 2017/18									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	615,735								615,735	611,629
Bulk Water	0200	347,960								347,960	175,765
PAYE deductions	0300	112,006								112,006	90,988
VAT (output less input)	0400	(60,588)								(60,588)	(88,240)
Pensions / Retirement deductions	0500	112,055								112,055	104,254
Loan repayments	0600	150,379								150,379	1,326,150
Trade Creditors	0700	950,949								950,949	983,528
Auditor General	0800	-								-	4,687
Other	0900	2,567,520								2,567,520	527,864
Total By Customer Type	1000	4,796,015	-	-	-	-	-	-	-	4,796,015	3,736,625

(e) Table SC5: Monthly budget statement – investment portfolio**TSH City Of Tshwane - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December**

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
<u>Municipality</u>									
Call Investment deposits < 90 days									
Knysna Stocks	24	15y	Stock	31.12.2018	0	0.0%	711	–	711
Sanlam	26	14y	Insurance polic	07.12.2015	–	3.0%	–	–	–
Sanlam	27	14y	Insurance polic	01.01.2016	–	3.0%	–	–	–
Capital Allianze	28	8y	Insurance polic	On selling date	1	2.0%	622	(623)	0
Capital Allianze	29	9y	Insurance polic	On selling date	5	3.0%	1,969	(1,974)	–
ABSA	32	On Call	Money Market	On call	193	7.3%	31,409	–	31,602
ABSA	33	On Call	Money Market	On call	68	7.3%	11,007	–	11,074
ABSA	34	On Call	Money Market	On call	51	7.3%	8,244	–	8,295
ABSA	35	On Call	Money Market	On call	1	7.3%	182	–	183
Investec Bank	37	On Call	Money Market	On call	170	7.3%	27,583	–	27,752
Investec Bank	38	On Call	Money Market	On call	54	7.3%	8,817	–	8,871
Investec Bank	39	On Call	Money Market	On call	7	7.3%	1,181	–	1,188
Standard Bank	40	On Call	Money Market	On call	662	7.8%	99,969	–	100,631
Standard Bank	41	On Call	Money Market	On call	21	7.8%	3,103	–	3,124
Investec Bank	108	On Call	Money Market	On call	184	6.8%	31,779	–	31,962
RMB	237	On Call	Money Market	31.10.2011	–	0.0%	–	–	–
STANLIB	106	On Call	Money Market	On call	–	0.4%	251	1	252
ABSA	338	On Call	Short Term	On call	–	6.7%	90,000	(89,620)	380
Nedbank	341	On Call	Short Term	On call	–	6.7%	50,000	(50,000)	–
Standard Bank	340	On Call	Short Term	On call	–	6.6%	280,172	1,406	281,578
Standard Bank	243	On Call	Short Term	On call	–	0.0%	50,000	(49,799)	201
Nedbank	244	On Call	Short Term	On call	–	0.0%	251,337	671	252,008
ABSA	245	On Call	Short Term	On call	–	0.0%	301,809	–	301,809
Standard Bank		On Call	Sinking Fund	On call	–	0.0%	251,392	(100,526)	150,866
Nedbank	247	On Call	Short Term	On call	–	0.0%	503,142	–	503,142
ABSA	248	On Call	Short Term	On call	–	0.0%	150,789	(150,789)	–
Standard Bank	260	On Call	Short Term	On call	486	7.8%	73,344	–	73,830
Municipality sub-total					1,903		2,228,810	(441,253)	1,789,460
<u>Entities</u>									
Entities sub-total					–		–	–	–
TOTAL INVESTMENTS AND INTEREST	2				1,903		2,228,810	(441,253)	1,789,460

(f) Table SC6: Monthly budget statement – transfers and grant receipts**TSH City Of Tshwane - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December**

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	3 614 648	3 875 608	481 471	2 033 349	2 744 278	(710 929)	-25,9%	3 875 608
Local Government Equitable Share	1 864 838	2 132 788	–	888 662	1 599 591	(710 929)	-44,4%	2 132 788
Fuel Levy	1 440 100	1 444 413	481 471	962 942	962 942	–		1 444 413
Finance Management Grant	2 875	2 650	–	2 650	2 650	–		2 650
Urban Settlement Development Grant	46 180	48 492	–	48 492	48 492	–		48 492
Expanded Public Works Programme Incentive (EPWP)	50 247	20 451	–	14 315	14 315	–		20 451
Public Transport Network Operations Grant	204 010	221 049	–	110 524	110 524	–		221 049
Integrated City Development Grant	6 398	5 764	–	5 764	5 764	–		5 764
Provincial Government:	342 400	217 173	123 033	236 611	183 412	53 199	29,0%	217 173
Primary Health Care	44 325	46 541	13 962	32 578	32 578	0	0,0%	46 541
Emergency Medical Services	62 850	65 993	–	46 195	46 195	–		65 993
HIV and Aids Grant	12 649	12 720	–	7 632	12 720	(5 088)	-40,0%	12 720
Housing Top Structure (HSDG)	203 285	90 664	109 071	149 211	90 664	58 547	64,6%	90 664
Sports and Recreation : Community Libraries	7 145	1 255	–	995	1 255	(260)	-20,7%	1 255
Gautrans	12 071	–	–	–	–	–		–
Research and Technology	75	–	–	–	–	–		–
Other grant providers:	365 329	152 176	7 276	33 620	74 302	(40 682)	-54,8%	152 176
DBSA		61 000	–	–	26 000	(26 000)	-100,0%	61 000
Tirelo Bosha Grant - Research and Development	3 900	5 751	–	628	5 751	(5 123)	-89,1%	5 751
Broadband/Wifi	1 087	–	–	–	–	–		–
Housing Company Tshwane	30 629	31 275	2 866	11 004	15 476	(4 472)	-28,9%	31 275
TEDA	58 166	54 150	4 410	21 988	27 075	(5 087)	-18,8%	54 150
Sandspruit	271 547	–	–	–	–	–		–
Total Operating Transfers and Grants	4 322 377	4 244 957	611 780	2 303 581	3 001 992	(698 412)	-23,3%	4 244 957
Capital Transfers and Grants								
National Government:	2 367 908	2 329 777	7 177	1 163 476	1 163 476	–		2 329 777
Urban Settlement Development Grant	1 493 154	1 567 923	–	759 715	759 715	–		1 567 923
Public Transport Infrastructure & Systems Grant	750 000	679 190	–	339 596	339 596	–		679 190
Integrated National Electrification Programme	40 000	30 000	7 177	11 500	11 500	–		30 000
Neighbourhood Development Partnership Grant	48 500	20 000	–	20 000	20 000	–		20 000
Integrated City Development Grant	36 254	32 665	–	32 665	32 665	–		32 665
Provincial Government:	43 585	43 507	–	36 509	36 509	–		43 507
Sport and Recreation: Community Libraries	6 978	9 507	–	9 507	9 507	–		9 507
Social Infrastructure Grant	36 607	34 000	–	27 002	27 002	–		34 000
Other grant providers:	200	6 000	–	2 859	5 332	(2 474)	-46,4%	6 000
LG SETA Discretionary grant (93 applies over 3 years)	–	6 000	–	2 859	5 332	(2 474)	-46,4%	6 000
Smart Connect Grant	200	–	–	–	–	–		–
Total Capital Transfers and Grants	2 411 693	2 379 284	7 177	1 202 844	1 205 317	(2 474)	-0,2%	2 379 284
TOTAL RECEIPTS OF TRANSFERS & GRANTS	6 734 070	6 624 241	618 957	3 506 424	4 207 310	(700 885)	-16,7%	6 624 241

(g) Table SC7(1): Monthly budget statement – transfers and grant expenditures

TSH City Of Tshwane - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	2016/17	Budget Year 2017/18						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
EXPENDITURE									
<u>Operating expenditure of Transfers and Grants</u>									
National Government:		3,609,606	3,875,608	512,097	2,077,641	2,544,990	(467,349)	-18.4%	3,869,844
Local Government Equitable Share		1,864,838	2,132,788	–	888,662	1,421,859	(533,197)	-37.5%	2,132,788
Fuel Levy		1,440,100	1,444,413	481,471	962,942	962,942	–		1,444,413
Finance Management Grant		2,875	2,650	322	1,975	2,584	(608)	-23.5%	2,650
Urban Settlement Development Grant		46,180	48,492	–	48,492	27,000	21,492	79.6%	48,492
Expanded Public Works Programme Incentive (EPWP)		50,247	20,451	–	14,315	14,315	–		20,451
Public Transport Network Operations Grant		199,221	221,049	29,920	158,851	110,526	48,325	43.7%	
Integrated City Development Grant		6,145	5,764	383	2,403	5,764	(3,362)	-58.3%	221,049
Provincial Government:		198,421	217,173	47,148	147,709	132,749	14,960	11.3%	217,173
Primary Health Care		44,325	46,541	13,963	32,579	32,579	0	0.0%	46,541
Emergency Medical Services		62,850	65,993		46,195	46,195	0	0.0%	65,993
HIV and Aids Grant		12,649	12,720	1,422	8,694	12,720	(4,026)	-31.7%	12,720
Housing Top Structure (HSDG)		72,555	90,664	31,690	58,223	40,000	18,223	45.6%	90,664
Sports and Recreation : Community Libraries		5,932	1,255	74	2,019	1,255	764	60.9%	1,255
Gautrans		110	–	–	–	–	–		–
[insert description]							–		
Other grant providers:		364,242	152,176	7,904	33,620	79,302	(45,682)	-57.6%	152,176
DBSA		–	61,000	–	–	31,000	(31,000)	-100.0%	61,000
Tirelo Boshia Grant - Research and Development		3,900	5,751	628	628	5,751	(5,123)	-89.1%	5,751
Housing Company Tshwane		30,629	31,275	2,866	11,004	15,476	(4,472)	-28.9%	31,275
TEDA		58,166	54,150	4,410	21,988	27,075	(5,087)	-18.8%	54,150
Sandspruit		271,547	–				–		–
Total operating expenditure of Transfers and Grants:		4,172,269	4,244,957	567,150	2,258,970	2,757,041	(498,071)	-18.1%	4,239,193
<u>Capital expenditure of Transfers and Grants</u>									
National Government:		2,232,139	2,329,777	264,737	720,106	1,075,849	(355,742)	-33.1%	2,329,777
Urban Settlement Development Grant		1,415,652	1,567,923	184,158	407,585	747,713	(340,128)	-45.5%	1,567,923
Public Transport Infrastructure & Systems Grant		729,153	679,190	77,577	295,657	305,635	(9,978)	-3.3%	679,190
Intergrated National Electrification Programme		39,332	30,000	3,003	16,366	13,500	2,866	21.2%	30,000
Neighbourhood Development Partnership Grant		48,002	20,000		498	9,000	(8,502)	-94.5%	20,000
Integrated City Development Grant		–	32,665				–		32,665
Provincial Government:		46,710	114,133	10,951	22,550	36,995	(14,445)	-39.0%	114,133
Sport and Recreation: Community Libraries		5,710	9,507	–	–	2,995	(2,995)	-100.0%	9,507
Social Infrastructure Grant		41,000	34,000	10,951	22,550	34,000	(11,450)	-33.7%	34,000
HCT - SHRA		–	70,626				–		70,626
Other grant providers:		200	6,000	–	–	–	–		6,000
LG SETA Discretionaty grant (93 applies over 3 years)		–	6,000	–	–	–	–		6,000
Smart Connect Grant		200	–	–	–	–	–		–
Total capital expenditure of Transfers and Grants		2,279,049	2,449,910	275,688	742,656	1,112,843	(370,187)	-33.3%	2,449,910
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		6,451,318	6,694,867	842,838	3,001,626	3,869,884	(868,258)	-22.4%	6,689,103

(h) **Table SC7 (2): Monthly budget statement – expenditure against approved rollovers**

TSH City Of Tshwane - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M06 December

Description	Ref	Budget Year 2017/18				
		Approved Rollover 2016/17	Monthly actual	YearTD actual	YTD variance	YTD variance %
R thousands						
<u>EXPENDITURE</u>						
<u>Operating expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
Local Government Equitable Share					-	
Fuel Levy					-	
Finance Management Grant					-	
Water Services Operating Subsidy Grant					-	
Urban Settlement Development Grant					-	
Municipal Human Settlement Capacity Grant					-	
Provincial Government:		-	-	-	-	
Primary Health Care					-	
Emergency Medical Services					-	
HIV and Aids Grant					-	
Housing Top Structure (HSDG)					-	
Sports and Recreation : Community Libraries					-	
Gautrans					-	
Research and Technology					-	
District Municipality:		-	-	-	-	
[insert description]					-	
Other grant providers:		-	-	-	-	
DBSA					-	
Tirelo Boshia Grant - Research and Development					-	
Broadband/Wifi					-	
Housing Company Tshwane					-	
TEDA					-	
Total operating expenditure of Approved Roll-overs		-	-	-	-	
<u>Capital expenditure of Approved Roll-overs</u>						
National Government:		-	-	-	-	
Urban Settlement Development Grant					-	
Public Transport Infrastructure & Systems Grant					-	
Integrated National Electrification Programme					-	
Water Affairs					-	
Neighbourhood Development Partnership Grant					-	
Finance Management Grant					-	
Energy Efficiency and Demand Side Management					-	
Integrated City Development Grant					-	
Provincial Government:		-	-	-	-	
Sport and Recreation: Community Libraries					-	
Gautrans					-	
Social Infrastructure Grant					-	
District Municipality:		-	-	-	-	
					-	
					-	
Other grant providers:		-	-	-	-	
LG SETA Discretionary grant (93 applies over 3 years)					-	
Smart Connect Grant					-	
Total capital expenditure of Approved Roll-overs		-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		-	-	-	-	

(i) Table SC8: Monthly budget statement – councillor and staff benefits

TSH City Of Tshwane - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B						D
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	115,514	125,168	9,759	58,772	63,525	(4,753)	-7%	125,168
Medical Aid Contributions	–	66	–	–	–	–	–	66
Cellphone Allowance	–	46	–	–	–	–	–	46
Other benefits and allowances	2,490	–	–	–	–	–	–	–
Sub Total - Councillors	118,003	125,281	9,759	58,772	63,525	(4,753)	-7%	125,281
% increase		6.2%						6.2%
Senior Managers of the Municipality								
Basic Salaries and Wages	42,964	17,470	2,557	16,301	8,735	7,566	87%	17,470
Pension and UIF Contributions	–	11,057	58	353	5,529	(5,176)	-94%	11,057
Medical Aid Contributions	–	1,045	38	225	523	(297)	-57%	1,045
Overtime	–	123	–	–	62	(62)	-100%	123
Performance Bonus	–	2,039	9	19	1,019	(1,001)	-98%	2,039
Motor Vehicle Allowance	–	843	86	497	421	75	18%	843
Cellphone Allowance	406	130	30	126	65	61	94%	130
Housing Allowances	–	422	–	–	211	(211)	-100%	422
Other benefits and allowances	–	1,049	53	300	524	(225)	-43%	1,049
Payments in lieu of leave	–	853	–	–	426	(426)	-100%	853
Sub Total - Senior Managers of Municipality	43,371	35,031	2,830	17,821	17,515	305	2%	35,031
% increase		-19.2%						-19.2%
Other Municipal Staff								
Basic Salaries and Wages	4,920,621	5,227,883	450,821	2,688,298	2,943,660	(255,363)	-9%	5,227,883
Pension and UIF Contributions	1,108,268	1,025,664	95,220	575,264	666,872	(91,608)	-14%	1,025,664
Medical Aid Contributions	458,535	493,954	39,671	239,199	248,408	(9,209)	-4%	493,954
Overtime	385,729	484,572	24,355	173,172	114,136	59,037	52%	484,572
Performance Bonus	266	405,969	31	86	(793)	879	-111%	405,969
Motor Vehicle Allowance	305,328	309,814	25,982	156,841	157,910	(1,069)	-1%	309,814
Cellphone Allowance	16,108	15,946	1,303	7,923	8,498	(575)	-7%	15,946
Housing Allowances	39,231	46,066	3,888	22,896	23,361	(465)	-2%	46,066
Other benefits and allowances	363,294	145,653	39,595	242,973	220,988	21,985	10%	145,653
Payments in lieu of leave	–	243,136	–	–	–	–	–	243,136
Long service awards	–	5,265	–	–	–	–	–	5,265
Post-retirement benefit obligations	106,943	287,440	–	–	107,732	(107,732)	-100%	287,440
Sub Total - Other Municipal Staff	7,704,323	8,691,362	680,867	4,106,653	4,490,773	(384,119)	-9%	8,691,362
% increase		12.8%						12.8%
Total Parent Municipality	7,865,697	8,851,674	693,456	4,183,246	4,571,813	(388,567)	-8%	8,851,674
		12.5%						12.5%
Unpaid salary, allowances & benefits in arrears:								
Board Members of Entities								
Board Fees	3,327	3,285	146	805	1,540	(735)	-48%	3,285
Sub Total - Board Members of Entities	3,327	3,285	146	805	1,540	(735)	-48%	3,285
% increase		-1.3%						-1.3%
Senior Managers of Entities								
Basic Salaries and Wages	26,456	14,944	1,283	7,754	7,122	632	9%	14,944
Pension and UIF Contributions	1,193	271	36	221	136	85	63%	271
Medical Aid Contributions	875	349	37	242	174	68	39%	349
Motor Vehicle Allowance	2,112	746	39	252	373	(121)	-32%	746
Cellphone Allowance	328	–	20	125	–	125	#DIV/0!	–
Housing Allowances	232	–	–	–	–	–	–	–
Other benefits and allowances	236	311	14	83	–	83	#DIV/0!	311
Sub Total - Senior Managers of Entities	31,431	16,621	1,430	8,678	7,805	873	11%	16,621
% increase		-47.1%						-47.1%
Other Staff of Entities								
Basic Salaries and Wages	68,253	28,867	1,213	8,166	14,007	(5,841)	-42%	28,867
Pension and UIF Contributions	11,622	1,176	36	207	588	(381)	-65%	1,176
Medical Aid Contributions	9,494	996	40	238	498	(260)	-52%	996
Overtime	2,522	–	–	–	–	–	–	–
Performance Bonus	188	–	–	–	–	–	–	–
Motor Vehicle Allowance	6,105	–	31	184	–	184	#DIV/0!	–
Cellphone Allowance	469	–	11	65	–	65	#DIV/0!	–
Housing Allowances	3,428	–	–	–	–	–	–	–
Other benefits and allowances	2,433	1,446	13	65	723	(658)	-91%	1,446
Sub Total - Other Staff of Entities	104,514	32,485	1,345	8,925	15,816	(6,891)	-44%	32,485
% increase		-68.9%						-68.9%
Total Municipal Entities	139,272	52,390	2,920	18,408	25,162	(6,754)	-27%	52,390
TOTAL SALARY, ALLOWANCES & BENEFITS	8,004,969	8,904,064	696,376	4,201,654	4,596,974	(395,321)	-9%	8,904,064
% increase		11.2%						11.2%
TOTAL MANAGERS AND STAFF	7,883,639	8,775,499	686,472	4,142,077	4,531,909	(389,833)	-9%	8,775,499

(j) Table SC9: Monthly budget statement – actual and revised targets for cash receipts

TSH City Of Tshwane - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

Description	Ref	Budget Year 2017/18	2017/18 Medium Term Revenue & Expenditure Framework				
		Dec Outcome	December Actual	December Variances	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	1						
<u>Cash Receipts By Source</u>							
Property rates		488,310	571,772	83,462	6,188,689	6,621,771	7,085,671
Service charges - electricity revenue		866,937	810,066	(56,871)	10,617,669	11,222,469	11,850,363
Service charges - water revenue		310,083	129,058	(181,025)	3,797,042	4,013,332	4,237,910
Service charges - sanitation revenue		77,690	75,280	(2,410)	933,735	987,044	1,042,410
Service charges - refuse		113,644	139,862	26,218	1,339,981	1,436,887	1,540,960
Service charges - other		–	675	675			
Rental of facilities and equipment		12,559	9,877	(2,682)	151,864	166,870	182,866
Interest earned - external investments		6,621	6,750	130	79,493	74,609	79,434
Interest earned - outstanding debtors		12,761	52,107	39,346	153,853	115,476	120,064
Fines, penalties and forfeits		27,738	24,081	(3,656)	332,854	349,555	368,570
Licences and permits		4,566	13,476	8,910	54,796	58,484	61,759
Agency services		–	–	–	6,650	22,994	37,440
Transfer receipts - operating		1,197,400	611,780	(585,620)	4,159,532	4,425,895	4,747,475
Other revenue		73,372	41,982	(31,390)	887,079	924,704	977,067
Cash Receipts by Source		3,191,681	2,486,767	(704,914)	28,703,237	30,420,091	32,331,990
<u>Other Cash Flows by Source</u>							
Transfer receipts - capital		364,507	7,177	(357,330)	2,443,910	2,160,936	2,301,281
Contributions & Contributed assets			3,761	3,761			
Proceeds on disposal of PPE		490	–	(490)	5,880	1,242	1,312
Borrowing long term/refinancing		77,042	–	(77,042)	1,000,000	1,000,000	1,300,000
Increase in consumer deposits		647	8,024	7,378	7,760	7,915	8,073
Receipt of non-current debtors		(8,559)	7,191	15,750	(102,705)	(116,398)	(130,765)
Receipt of non-current receivables		83	(32,988)	(33,071)	993	1,124	1,178
Change in non-current investments		(41,687)	–	41,687	(500,246)	115,989	(14,758)
Total Cash Receipts by Source		3,584,204	2,479,932	(1,104,272)	31,558,829	33,590,899	35,798,312
<u>Cash Payments by Type</u>							
Employee related costs		661,725	686,472	24,747	8,778,772	9,439,307	10,072,202
Remuneration of councillors		10,403	10,511	108	125,281	132,672	140,102
Interest paid		117,893	334,833	216,939	1,417,357	1,199,598	1,145,762
Bulk purchases - Electricity		504,602	534,877	30,275	7,462,684	7,902,983	8,361,356
Other materials		254,226	228,408	(25,818)	3,264,102	3,518,605	3,771,551
Contracted services		196,467	289,845	93,378	2,865,416	2,965,098	3,275,913
Grants and subsidies paid - other		4,159	2,026	(2,132)	49,980	53,438	56,523
General expenses		239,309	331,177	91,869	2,419,932	2,615,805	2,765,096
Cash Payments by Type		1,988,785	2,418,150	429,365	26,383,524	27,827,507	29,588,506
<u>Other Cash Flows/Payments by Type</u>							
Capital assets		509,290	305,942	(203,348)	3,863,903	3,748,258	4,363,327
Repayment of borrowing		50,149	–	(50,149)	601,794	664,410	701,243
Total Cash Payments by Type		2,548,224	2,724,092	175,868	30,849,221	32,240,176	34,653,076
NET INCREASE/(DECREASE) IN CASH HELD		1,035,980	(244,159)	(1,280,139)	709,608	1,350,723	1,145,236
Cash/cash equivalents at the month/year beginning:		483,608	2,285,182	2,041,022	1,907,681	2,617,289	3,968,011
Cash/cash equivalents at the month/year end:		1,519,588	2,041,022	760,883	2,617,289	3,968,011	5,113,247

NB. Bulk purchases for water and electricity is budgeted under Other Material as per mSCOA format.

(k) Table SC10: Monthly budget statement – parent municipality’s financial performance (revenue and expenditure)

TSH City Of Tshwane - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M06 December

Description	Ref	2016/17	Budget Year 2017/18						
		Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
<u>Revenue By Source</u>									
Property rates		5,912,861	6,515,154	571,772	3,273,840	3,123,179	150,661	5%	6,515,154
Service charges - electricity revenue		10,800,176	11,178,192	810,829	5,753,343	5,788,049	(34,706)	-1%	11,178,192
Service charges - water revenue		3,189,550	3,997,989	128,956	1,673,314	2,042,341	(369,028)	-18%	3,997,989
Service charges - sanitation revenue		1,032,486	982,879	75,280	485,169	500,216	(15,047)	-3%	982,879
Service charges - refuse revenue		1,275,689	1,410,506	139,876	670,738	701,053	(30,315)	-4%	1,410,506
Rental of facilities and equipment		166,327	141,688	9,165	52,793	75,471	(22,678)	-30%	141,688
Interest earned - external investments		105,227	79,254	6,805	78,371	39,720	38,651	97%	79,254
Interest earned - outstanding debtors		558,545	466,585	52,095	311,268	236,348	74,920	32%	466,585
Fines, penalties and forfeits		204,354	332,854	24,081	89,375	166,624	(77,249)	-46%	332,854
Licences and permits		145,529	54,796	13,476	66,367	71,391	(5,025)	-7%	54,796
Transfers and subsidies		3,768,216	4,159,532	537,659	2,128,112	2,707,996	(579,885)	-21%	4,159,532
Other revenue		949,152	885,086	44,258	354,938	407,988	(53,051)	-13%	885,086
Gains on disposal of PPE		3,571	5,880	–	0	2,940	(2,940)	-100%	5,880
Total Revenue (excluding capital transfers and contributions)		28,111,685	30,210,396	2,414,253	14,937,627	15,863,317	(925,691)	-6%	30,210,396
<u>Expenditure By Type</u>									
Employee related costs		7,898,754	8,726,381	683,697	4,124,474	4,507,991	(383,517)	-9%	8,726,381
Remuneration of councillors		118,019	125,281	10,366	59,799	65,102	(5,304)	-8%	125,281
Debt impairment		637,816	1,175,973	–	493,289	591,155	(97,866)	-17%	1,175,973
Depreciation & asset impairment		1,620,078	1,958,477	138,623	730,943	987,078	(256,136)	-26%	1,958,477
Finance charges		1,319,529	1,417,117	334,812	1,006,561	757,081	249,480	33%	1,417,117
Bulk purchases		7,597,154	7,462,684	540,059	4,316,363	4,577,537	(261,174)	-6%	7,462,684
Other materials		2,251,765	3,262,121	223,227	1,299,328	1,439,867	(140,538)	-10%	3,262,121
Contracted services		2,942,766	2,846,473	297,778	1,302,554	2,051,932	(749,378)	-37%	2,846,473
Transfers and subsidies		423,719	135,405	2,026	48,590	66,681	(18,091)	-27%	135,405
Other expenditure		2,772,491	2,875,449	203,841	1,308,221	1,694,459	(386,238)	-23%	2,875,449
Loss on disposal of PPE		1,138	1	–	–	1	(1)	-100%	1
Total Expenditure		27,583,230	29,985,363	2,434,429	14,690,120	16,738,883	(2,048,764)	-12%	29,985,363
<u>Surplus/(Deficit)</u>		528,455	225,033	(20,176)	247,507	(875,566)	1,123,073	(0)	225,033
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		2,407,713	2,373,284	281,529	737,790	1,098,856	(361,066)	(0)	2,373,284
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	6,000	–	–	–	–	–	6,000
Transfers and subsidies - capital (in-kind - all)		54,397	34,722	–	13,855	16,408	(2,553)	(0)	34,722
Surplus/(Deficit) after capital transfers & contributions		2,990,565	2,639,039	261,353	999,152	239,698			2,639,039
Taxation		–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		2,990,565	2,639,039	261,353	999,152	239,698			2,639,039

(l) Table SC11: Monthly budget statement – summary of municipal entities

TSH City Of Tshwane - NOT REQUIRED - municipality does not have entities or this is the parent municipality's budget - M06 December

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Revenue By Municipal Entity</u>								
Housing Company Tshwane	47,254	41,669	3,601	15,396	20,670	(5,274)	-26%	41,669
Tshwane Economic Development Agency	61,022	61,013	2,068	22,131	30,507	(8,375)	-27%	61,013
Total Operating Revenue	108,276	102,682	5,669	37,527	51,176	(13,649)	-27%	102,682
<u>Expenditure By Municipal Entity</u>								
Housing Company Tshwane	33,698	38,224	(5,615)	1,795	18,519	(16,724)	-90%	38,224
Tshwane Economic Development Agency	110,423	60,213	3,920	21,469	30,107	(8,637)	-29%	60,213
Total Operating Expenditure	144,121	98,437	(1,696)	23,265	48,626	(25,361)	-52%	98,437
Surplus/ (Deficit) for the yr/period	(35,844)	4,245	7,364	14,262	2,550	(39,011)	-1530%	4,245
<u>Capital Expenditure By Municipal Entity</u>								
Housing Company Tshwane	47,600	122,175	29,958	52,745	61,252	(8,508)	-14%	122,175
Tshwane Economic Development Agency	1,435	300	–	–	200	(200)	-100%	300
Total Capital Expenditure	49,035	122,475	29,958	52,745	61,452	(8,708)	-14%	122,475

(m) Table SC12: Consolidated monthly budget statement – capital expenditure trend

TSH City Of Tshwane - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M06 December

Month	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<u>Monthly expenditure performance trend</u>									
July	124	84,823		(443)	(443)	84,823	85,266	100.5%	0%
August	128,494	139,949		61,901	61,458	224,772	163,315	72.7%	2%
September	152,136	255,687		78,006	139,464	480,459	340,995	71.0%	4%
October	352,182	323,383		154,340	293,804	803,842	510,038	63.5%	7%
November	286,123	470,603		254,183	547,987	1,274,444	726,457	57.0%	14%
December	249,294	515,809		305,942	853,929	1,790,253	936,324	52.3%	22%
January	155,969	527,975				2,318,228	–		
February	167,945	477,081				2,795,309	–		
March	224,096	369,964				3,165,274	–		
April	230,602	255,383				3,420,656	–		
May	342,099	245,647				3,666,303	–		
June	878,364	276,456				3,942,759	–		
Total Capital expenditure	3,167,429	3,942,759	–	853,929					

(n) Table SC13a: Consolidated monthly budget statement – capital expenditure on new assets by asset class

TSH City Of Tshwane - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure on new assets by Asset Class/Sub-class								
Infrastructure	2,355,516	1,989,569	188,407	488,115	883,750	395,635	44.8%	1,989,569
Roads Infrastructure	1,174,026	518,185	40,213	129,636	184,555	54,919	29.8%	518,185
Roads	1,124,464	415,867	35,467	122,508	143,462	20,954	14.6%	415,867
Road Structures	1,559	81,319	4,746	7,128	32,093	24,965	77.8%	81,319
Road Furniture	48,002	21,000	–	–	9,000	9,000	100.0%	21,000
Storm water Infrastructure	859	85,892	–	–	–	–	–	85,892
Drainage Collection	804	30,692	–	–	–	–	–	30,692
Storm water Conveyance	55	55,200	–	–	–	–	–	55,200
Electrical Infrastructure	434,237	432,312	32,693	141,237	176,338	35,101	19.9%	432,312
MV Substations	162,529	135,000	15,373	34,076	60,750	26,674	43.9%	135,000
MV Networks	9,813	15,000	2	3,914	6,750	2,836	42.0%	15,000
LV Networks	249,996	212,312	16,253	87,322	93,088	5,766	6.2%	212,312
Capital Spares	11,899	70,000	1,065	15,926	15,750	(176)	-1.1%	70,000
Water Supply Infrastructure	224,384	553,496	52,283	116,085	285,946	169,862	59.4%	553,496
Reservoirs	–	109,000	17,751	31,135	52,900	21,765	41.1%	109,000
Water Treatment Works	13,649	138,000	7,717	47,811	69,000	21,189	30.7%	138,000
Bulk Mains	141,496	62,000	–	(984)	27,204	28,187	103.6%	62,000
Distribution	69,238	244,496	26,815	38,123	136,843	98,720	72.1%	244,496
Sanitation Infrastructure	428,812	374,684	63,218	99,033	216,411	117,378	54.2%	374,684
Pump Station	–	22,000	11,325	21,046	9,900	(11,146)	-112.6%	22,000
Reticulation	274,625	182,675	20,574	36,711	106,811	70,100	65.6%	182,675
Waste Water Treatment Works	645	88,008	2,729	11,660	54,650	42,990	78.7%	88,008
Outfall Sewers	153,542	82,000	28,590	29,616	45,050	15,434	34.3%	82,000
Solid Waste Infrastructure	4,831	10,000	–	2,125	5,500	3,376	61.4%	10,000
Waste Transfer Stations	–	1,000	–	–	1,000	1,000	100.0%	1,000
Waste Separation Facilities	4,831	–	–	–	–	–	–	–
Capital Spares	–	9,000	–	2,125	4,500	2,376	52.8%	9,000
Information and Communication Infrastructure	88,367	15,000	–	–	15,000	15,000	100.0%	15,000
Distribution Layers	88,367	15,000	–	–	15,000	15,000	100.0%	15,000
Community Assets	98,581	202,600	20,970	38,118	116,630	78,512	67.3%	202,600
Community Facilities	63,282	202,600	20,970	38,118	116,630	78,512	67.3%	202,600
Centres	–	–	–	498	–	(498)	#DIV/0!	–
Clinics/Care Centres	57,710	47,200	11,874	28,525	45,700	17,175	37.6%	47,200
Fire/Ambulance Stations	–	2,000	295	295	–	(295)	#DIV/0!	2,000
Cemeteries/Crematoria	1,574	5,000	–	–	2,500	2,500	100.0%	5,000
Markets	–	6,900	–	–	3,105	3,105	100.0%	6,900
Airports	3,998	3,000	–	–	3,000	3,000	100.0%	3,000
Taxi Ranks/Bus Terminals	–	138,500	8,801	8,801	62,325	53,524	85.9%	138,500
Sport and Recreation Facilities	35,299	–	–	–	–	–	–	–
Outdoor Facilities	35,299	–	–	–	–	–	–	–
Investment properties	–	51,500	–	1,496	45,204	43,709	96.7%	51,500
Revenue Generating	–	50,000	–	–	43,704	43,704	100.0%	50,000
Improved Property	–	50,000	–	–	43,704	43,704	100.0%	50,000
Non-revenue Generating	–	1,500	–	1,496	1,500	4	0.3%	1,500
Improved Property	–	1,500	–	1,496	1,500	4	0.3%	1,500
Other assets	58,605	111,925	2,046	11,062	60,477	49,415	81.7%	111,925
Operational Buildings	45,956	24,750	–	4,677	17,029	12,352	72.5%	24,750
Municipal Offices	–	3,500	–	2,980	3,450	470	13.6%	3,500
Stores	12,909	800	–	–	800	800	100.0%	800
Capital Spares	33,047	20,450	–	1,697	12,779	11,082	86.7%	20,450
Housing	12,650	87,175	2,046	6,385	43,448	37,063	85.3%	87,175
Social Housing	8,999	–	–	–	–	–	–	–
Capital Spares	3,651	87,175	2,046	6,385	43,448	37,063	85.3%	87,175
Intangible Assets	59,509	97,566	14,178	16,562	44,055	27,493	62.4%	97,566
Servitudes	–	–	–	–	–	–	–	–
Licences and Rights	59,509	97,566	14,178	16,562	44,055	27,493	62.4%	97,566
Computer Software and Applications	59,509	97,566	14,178	16,562	44,055	27,493	62.4%	97,566
Computer Equipment	71,205	60,925	8,529	10,663	33,864	23,201	68.5%	60,925
Computer Equipment	71,205	60,925	8,529	10,663	33,864	23,201	68.5%	60,925
Furniture and Office Equipment	10,007	11,650	502	1,007	8,290	7,283	87.9%	11,650
Furniture and Office Equipment	10,007	11,650	502	1,007	8,290	7,283	87.9%	11,650
Machinery and Equipment	43,561	72,500	2,208	5,075	36,129	31,054	86.0%	72,500
Machinery and Equipment	43,561	72,500	2,208	5,075	36,129	31,054	86.0%	72,500
Transport Assets	–	132,925	–	111,782	57,166	(54,616)	-95.5%	132,925
Transport Assets	–	132,925	–	111,782	57,166	(54,616)	-95.5%	132,925
Libraries	15,646	9,707	–	–	3,195	3,195	100.0%	9,707
Libraries	15,646	9,707	–	–	3,195	3,195	100.0%	9,707
Total Capital Expenditure on new assets	2,712,630	2,740,865	236,839	683,881	1,288,760	604,879	46.9%	2,740,865

(o) Table SC13b: Consolidated monthly budget statement – capital expenditure on renewal of existing assets by asset class

TSH City Of Tshwane - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06 December

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure on renewal of existing assets by Asset Class/Sub-class								
Infrastructure	441,867	437,422	33,274	68,517	176,148	107,631	61.1%	437,422
Roads Infrastructure	258,178	293,422	32,642	65,026	132,180	67,155	50.8%	293,422
Roads	229,081	293,422	32,642	65,026	132,180	67,155	50.8%	293,422
Road Structures	29,096	–	–	–	–	–	–	–
Electrical Infrastructure	43,588	22,000	121	1,326	9,900	8,574	86.6%	22,000
HV Substations	3,519	–	–	–	–	–	–	–
MV Substations	–	5,000	–	–	2,250	2,250	100.0%	5,000
MV Networks	–	5,000	–	490	2,250	1,760	78.2%	5,000
LV Networks	38,984	10,000	121	836	4,500	3,664	81.4%	10,000
Capital Spares	1,085	2,000	–	–	900	900	100.0%	2,000
Water Supply Infrastructure	61,614	102,000	510	1,986	34,068	32,082	94.2%	102,000
Bulk Mains	46,898	–	–	–	–	–	–	–
Distribution	14,716	102,000	510	1,986	34,068	32,082	94.2%	102,000
Sanitation Infrastructure	62,496	20,000	–	180	–	(180)	#DIV/0!	20,000
Reticulation	–	20,000	–	180	–	(180)	#DIV/0!	20,000
Waste Water Treatment Works	62,496	–	–	–	–	–	–	–
Solid Waste Infrastructure	15,991	–	–	–	–	–	–	–
Waste Transfer Stations	15,991	–	–	–	–	–	–	–
Community Assets	12,901	39,000	504	6,083	18,020	11,937	66.2%	39,000
Community Facilities	7,493	7,000	504	705	3,500	2,795	79.8%	7,000
Halls	1,590	–	–	–	–	–	–	–
Clinics/Care Centres	–	2,000	–	–	900	900	100.0%	2,000
Fire/Ambulance Stations	5,903	5,000	504	705	2,600	1,895	72.9%	5,000
Sport and Recreation Facilities	5,408	32,000	–	5,377	14,520	9,143	63.0%	32,000
Outdoor Facilities	5,408	32,000	–	5,377	14,520	9,143	63.0%	32,000
Investment properties	–	346,000	–	–	169,200	169,200	100.0%	346,000
Revenue Generating	–	346,000	–	–	169,200	169,200	100.0%	346,000
Improved Property	–	346,000	–	–	169,200	169,200	100.0%	346,000
Other assets	24,586	20,000	–	–	14,000	14,000	100.0%	20,000
Operational Buildings	14,658	–	–	–	–	–	–	–
Stores	14,658	–	–	–	–	–	–	–
Housing	9,929	20,000	–	–	14,000	14,000	100.0%	20,000
Social Housing	9,929	20,000	–	–	14,000	14,000	100.0%	20,000
Machinery and Equipment	4,298	8,000	–	–	2,000	2,000	100.0%	8,000
Machinery and Equipment	4,298	8,000	–	–	2,000	2,000	100.0%	8,000
Total Capital Expenditure on renewal of existing assets	483,653	850,422	33,778	74,600	379,368	304,768	80.3%	850,422

(p) Table SC13c: Consolidated monthly budget statement – capital expenditure on repairs and maintenance by asset class

TSH City Of Tshwane - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Repairs and maintenance expenditure by Asset Class/Sub-class								
Infrastructure	563,863	706,687	44,619	242,943	641,883	398,940	62.2%	706,687
Roads Infrastructure	74,710	121,332	9,851	30,113	123,191	93,078	75.6%	121,332
Roads	70,223	83,306	8,550	23,676	89,599	65,923	73.6%	83,306
Road Structures	—	480	—	—	480	480	100.0%	480
Road Furniture	4,487	37,546	1,301	6,438	33,112	26,675	80.6%	37,546
Storm water Infrastructure	16,174	19,407	1,506	5,727	19,563	13,836	70.7%	19,407
Drainage Collection	16,174	10,953	1,506	5,727	19,563	13,836	70.7%	10,953
Storm water Conveyance	—	8,454	—	—	—	—	—	8,454
Electrical Infrastructure	327,442	310,446	18,496	118,248	277,396	159,147	57.4%	310,446
Power Plants	48,084	10,000	246	9,098	5,000	(4,098)	-82.0%	10,000
HV Substations	168,722	10,272	1,474	9,662	60,823	51,161	84.1%	10,272
HV Switching Station	—	9,870	—	—	—	—	—	9,870
HV Transmission Conductors	—	804	—	—	—	—	—	804
MV Substations	—	45,532	2,382	22,531	39,466	16,935	42.9%	45,532
MV Switching Stations	—	18,147	—	—	586	586	100.0%	18,147
MV Networks	56,337	115,773	5,283	30,282	69,932	39,651	56.7%	115,773
LV Networks	54,300	100,049	9,112	46,676	101,588	54,912	54.1%	100,049
Water Supply Infrastructure	63,233	127,406	10,220	60,505	121,029	60,524	50.0%	127,406
Reservoirs	14,844	8,786	4,381	15,278	17,770	2,492	14.0%	8,786
Water Treatment Works	3,242	7,350	589	4,527	4,774	247	5.2%	7,350
Bulk Mains	—	5,720	7	78	439	361	82.3%	5,720
Distribution	45,147	105,551	5,244	40,622	98,047	57,425	58.6%	105,551
Sanitation Infrastructure	62,721	108,414	4,277	25,265	84,833	59,568	70.2%	108,414
Pump Station	4,239	4,732	489	1,688	7,786	6,099	78.3%	4,732
Reticulation	8,455	11,704	1,199	10,510	24,615	14,104	57.3%	11,704
Waste Water Treatment Works	50,027	86,523	2,589	13,067	52,432	39,365	75.1%	86,523
Outfall Sewers	—	5,456	—	—	—	—	—	5,456
Solid Waste Infrastructure	15,422	14,466	268	2,742	13,691	10,950	80.0%	14,466
Landfill Sites	4,361	8,372	19	2,364	4,856	2,491	51.3%	8,372
Waste Drop-off Points	11,061	5,946	235	351	8,750	8,398	96.0%	5,946
Waste Separation Facilities	—	148	14	26	86	60	69.7%	148
Rail Infrastructure	273	242	—	—	101	101	100.0%	242
Rail Lines	273	242	—	—	101	101	100.0%	242
Information and Communication Infrastructure	3,887	4,973	—	342	2,078	1,736	83.5%	4,973
Core Layers	—	2,021	—	74	1,011	937	92.7%	2,021
Distribution Layers	3,887	2,952	—	269	1,068	799	74.8%	2,952
Community Assets	23,196	152,242	11,446	43,290	128,505	85,215	66.3%	152,242
Community Facilities	17,756	124,491	10,304	31,239	103,211	71,971	69.7%	124,491
Halls	—	663	—	398	719	321	44.6%	663
Centres	—	884	32	46	827	781	94.4%	884
Clinics/Care Centres	—	3,936	21	297	3,859	3,562	92.3%	3,936
Fire/Ambulance Stations	11,743	2,984	527	2,223	8,999	6,777	75.3%	2,984
Museums	—	432	—	236	432	196	45.3%	432
Galleries	—	155	—	21	155	133	86.3%	155
Cemeteries/Crematoria	—	11,968	1,146	4,246	12,650	8,404	66.4%	11,968
Police	—	4,331	671	1,416	2,554	1,138	44.6%	4,331
Public Open Space	—	85,388	7,476	19,853	65,776	45,923	69.8%	85,388
Nature Reserves	6,013	6,726	386	2,617	4,570	1,953	42.7%	6,726
Markets	—	5,018	46	(114)	2,432	2,546	104.7%	5,018
Airports	—	2,007	—	—	238	238	100.0%	2,007
Sport and Recreation Facilities	5,439	27,750	1,142	12,051	25,294	13,243	52.4%	27,750
Indoor Facilities	—	133	—	40	133	93	70.1%	133
Outdoor Facilities	5,439	27,617	1,142	12,011	25,161	13,150	52.3%	27,617
Investment properties	—	6,427	373	1,774	3,214	1,440	44.8%	6,427
Revenue Generating	—	6,427	373	1,774	3,214	1,440	44.8%	6,427
Improved Property	—	512	—	4	256	252	98.5%	512
Unimproved Property	—	5,915	373	1,770	2,958	1,188	40.2%	5,915
Other assets	179,296	68,658	2,552	20,943	54,074	33,131	61.3%	68,658
Operational Buildings	179,248	59,149	2,513	20,731	52,783	32,053	60.7%	59,149
Municipal Offices	177,520	16,050	875	3,040	11,623	8,583	73.8%	16,050
Pay/Enquiry Points	—	1,708	—	—	15	15	100.0%	1,708
Workshops	—	165	—	—	82	82	100.0%	165
Manufacturing Plant	1,653	2,694	6	1,114	2,694	1,580	58.6%	2,694
Depots	75	38,532	1,631	16,577	38,369	21,793	56.8%	38,532
Housing	48	9,509	39	212	1,290	1,078	83.6%	9,509
Social Housing	48	9,509	39	212	1,290	1,078	83.6%	9,509
Biological or Cultivated Assets	—	332	193	255	962	707	73.5%	332
Biological or Cultivated Assets	—	332	193	255	962	707	73.5%	332
Intangible Assets	73,544	62,143	27,210	47,062	42,166	(4,896)	-11.6%	62,143
Licences and Rights	73,544	62,143	27,210	47,062	42,166	(4,896)	-11.6%	62,143
Computer Software and Applications	73,544	62,143	27,210	47,062	42,166	(4,896)	-11.6%	62,143
Computer Equipment	126	16,716	3,227	6,588	9,798	3,209	32.8%	16,716
Computer Equipment	126	16,716	3,227	6,588	9,798	3,209	32.8%	16,716
Furniture and Office Equipment	1,779	2,812	21	615	1,626	1,011	62.2%	2,812
Furniture and Office Equipment	1,779	2,812	21	615	1,626	1,011	62.2%	2,812
Machinery and Equipment	83,379	51,329	4,812	30,156	68,364	38,208	55.9%	51,329
Machinery and Equipment	83,379	51,329	4,812	30,156	68,364	38,208	55.9%	51,329
Transport Assets	136,253	124,100	9,152	53,624	67,879	14,255	21.0%	124,100
Transport Assets	136,253	124,100	9,152	53,624	67,879	14,255	21.0%	124,100
Libraries	32	6,483	320	2,564	5,950	3,386	56.9%	6,483
Libraries	32	6,483	320	2,564	5,950	3,386	56.9%	6,483
Total Repairs and Maintenance Expenditure	1,061,466	1,197,929	103,924	449,815	1,024,420	574,605	56.1%	1,197,929

(q) **Table SC13d: Consolidated monthly budget statement – depreciation by asset class**

TSH City Of Tshwane - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

Description	2016/17	Budget Year 2017/18					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands							
Depreciation by Asset Class/Sub-class							
Infrastructure	1,407,624	1,378,220	97,472	514,480	694,613	180,134	1,378,220
Roads Infrastructure	236,463	474,552	33,562	177,147	239,171	62,024	474,552
Roads	236,463	403,363	28,527	150,573	203,292	52,720	403,363
Road Structures	—	6,701	474	2,501	3,377	876	6,701
Road Furniture	—	64,488	4,561	24,073	32,502	8,429	64,488
Storm water Infrastructure	117,846	92,315	6,529	34,461	46,526	12,066	92,315
Drainage Collection	117,846	—	—	—	—	—	—
Storm water Conveyance	—	92,315	6,529	34,461	46,526	12,066	92,315
Electrical Infrastructure	533,567	330,273	23,358	123,289	166,455	43,167	330,273
Power Plants	(13,422)	5,931	419	2,214	2,989	775	5,931
HV Substations	546,989	57,870	4,093	21,603	29,166	7,564	57,870
HV Switching Station	—	10	1	4	5	1	10
HV Transmission Conductors	—	15,737	1,113	5,874	7,931	2,057	15,737
MV Substations	—	23,936	1,693	8,935	12,064	3,128	23,936
MV Switching Stations	—	4,347	307	1,623	2,191	568	4,347
MV Networks	—	71,748	5,074	26,783	36,161	9,377	71,748
LV Networks	—	150,694	10,658	56,253	75,949	19,696	150,694
Water Supply Infrastructure	439,082	239,666	16,950	89,466	120,790	31,324	239,666
Dams and Weirs	(123,876)	975	69	364	491	127	975
Boreholes	—	169	12	63	85	22	169
Reservoirs	—	29,036	2,054	10,839	14,634	3,795	29,036
Pump Stations	—	5,109	361	1,907	2,575	668	5,109
Water Treatment Works	—	20,976	1,483	7,830	10,572	2,742	20,976
Bulk Mains	—	54,103	3,826	20,196	27,267	7,071	54,103
Distribution	562,958	128,251	9,070	47,875	64,638	16,762	128,251
Distribution Points	—	425	30	159	214	56	425
PRV Stations	—	622	44	232	313	81	622
Sanitation Infrastructure	(323,047)	212,960	15,061	79,496	107,330	27,834	212,960
Pump Station	1,513	2,626	186	980	1,323	343	2,626
Reticulation	(324,560)	135,530	9,585	50,592	68,306	17,714	135,530
Waste Water Treatment Works	—	42,542	3,009	15,881	21,441	5,560	42,542
Outfall Sewers	—	32,263	2,282	12,043	16,260	4,217	32,263
Solid Waste Infrastructure	6,354	13,510	955	5,043	6,809	1,766	13,510
Landfill Sites	6,354	—	—	—	—	—	—
Waste Processing Facilities	—	9,003	637	3,361	4,537	1,177	9,003
Waste Separation Facilities	—	4,507	319	1,682	2,272	589	4,507
Rail Infrastructure	22,873	—	—	—	—	—	—
Rail Lines	22,873	—	—	—	—	—	—
Information and Communication Infrastructure	374,486	14,943	1,057	5,578	7,531	1,953	14,943
Data Centres	374,486	—	—	—	—	—	—
Core Layers	—	14,943	1,057	5,578	7,531	1,953	14,943
Community Assets	(612,925)	207,791	14,696	77,567	104,725	27,158	207,791
Community Facilities	44,750	130,769	9,248	48,815	65,907	17,092	130,769
Halls	—	3,089	218	1,153	1,557	404	3,089
Centres	—	7,735	547	2,887	3,898	1,011	7,735
Crèches	—	961	68	359	485	126	961
Clinics/Care Centres	15,401	9,514	673	3,552	4,795	1,244	9,514
Fire/Ambulance Stations	1,513	7,213	510	2,693	3,636	943	7,213
Testing Stations	—	3	0	1	2	0	3
Museums	—	687	49	256	346	90	687
Libraries	3,026	—	—	—	—	—	—
Cemeteries/Crematoria	(12,110)	10,083	713	3,764	5,082	1,318	10,083
Police	9,077	537	38	200	271	70	537
Public Open Space	—	39,041	2,761	14,574	19,676	5,103	39,041
Public Ablution Facilities	13,169	216	15	80	109	28	216
Markets	—	15,550	1,100	5,805	7,837	2,032	15,550
Stalls	—	16	1	6	8	2	16
Airports	—	20,148	1,425	7,521	10,155	2,633	20,148
Taxi Ranks/Bus Terminals	—	15,974	1,130	5,963	8,051	2,088	15,974
Capital Spares	14,675	—	—	—	—	—	—
Sport and Recreation Facilities	(657,674)	77,022	5,447	28,752	38,819	10,067	77,022
Outdoor Facilities	(657,674)	77,022	5,447	28,752	38,819	10,067	77,022
Heritage assets	—	207,840	14,699	77,585	104,750	27,165	207,840
Monuments	—	138	10	52	70	18	138
Historic Buildings	—	181,792	12,857	67,862	91,622	23,760	181,792
Works of Art	—	25,830	1,827	9,642	13,018	3,376	25,830
Other Heritage	—	81	6	30	41	11	81
Investment properties	829,588	13,002	920	4,854	6,553	1,699	13,002
Revenue Generating	829,588	13,002	920	4,854	6,553	1,699	13,002
Improved Property	811,011	13,002	920	4,854	6,553	1,699	13,002
Unimproved Property	18,578	—	—	—	—	—	—
Other assets	(64,235)	14,093	997	5,261	7,103	1,842	14,093
Operational Buildings	(82,843)	279	20	104	140	36	279
Municipal Offices	—	124	9	46	62	16	124
Training Centres	1,664	—	—	—	—	—	—
Depots	—	155	11	58	78	20	155
Capital Spares	(84,507)	—	—	—	—	—	—
Housing	18,608	13,814	977	5,157	6,962	1,806	13,814
Staff Housing	18,608	849	60	317	428	111	849
Social Housing	—	12,965	917	4,840	6,534	1,694	12,965
Biological or Cultivated Assets	—	28	2	11	14	4	28
Biological or Cultivated Assets	—	28	2	11	14	4	28
Intangible Assets	(222,122)	32,192	2,277	12,017	16,225	4,208	32,192
Servitudes	—	11,466	811	4,280	5,779	1,499	11,466
Licences and Rights	(222,122)	20,727	1,466	7,737	10,446	2,709	20,727
Computer Software and Applications	(222,122)	20,727	1,466	7,737	10,446	2,709	20,727
Computer Equipment	6,051	36,722	2,597	13,708	18,508	4,800	36,722
Computer Equipment	6,051	36,722	2,597	13,708	18,508	4,800	36,722
Furniture and Office Equipment	279,647	4,795	339	1,790	2,417	627	4,795
Furniture and Office Equipment	279,647	4,795	339	1,790	2,417	627	4,795
Machinery and Equipment	908	21,828	1,544	8,148	11,001	2,853	21,828
Machinery and Equipment	908	21,828	1,544	8,148	11,001	2,853	21,828
Transport Assets	—	39,242	2,775	14,649	19,778	5,129	39,242
Transport Assets	—	39,242	2,775	14,649	19,778	5,129	39,242
Libraries	—	5,547	392	2,071	2,796	725	5,547
Libraries	—	5,547	392	2,071	2,796	725	5,547
Total Depreciation	1,624,536	1,961,302	138,709	732,140	988,483	256,343	1,961,302

(r) Table SC13e: Monthly budget statement – capital expenditure on upgrading of existing assets by asset class

TSH City Of Tshwane - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M06 December

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class								
Infrastructure	14,147	213,541	27,182	55,745	59,044	3,299	5.6%	213,541
Roads Infrastructure	–	151,049	27,074	52,465	38,992	(13,473)	-34.6%	151,049
Roads	–	91,049	26,538	36,603	22,972	(13,631)	-59.3%	91,049
Road Structures	–	60,000	536	15,862	16,020	158	1.0%	60,000
Storm water Infrastructure	–	1,500	–	–	–	–	–	1,500
Storm water Conveyance	–	1,500	–	–	–	–	–	1,500
Electrical Infrastructure	9,359	9,000	108	3,215	4,050	835	20.6%	9,000
MV Networks	–	2,000	85	510	900	390	43.3%	2,000
LV Networks	6,862	7,000	22	2,705	3,150	445	14.1%	7,000
Capital Spares	2,497	–	–	–	–	–	–	–
Water Supply Infrastructure	–	17,000	–	–	1,002	1,002	100.0%	17,000
Water Treatment Works	–	15,000	–	–	1,002	1,002	100.0%	15,000
Bulk Mains	–	2,000	–	–	–	–	–	2,000
Sanitation Infrastructure	–	14,992	–	–	–	–	–	14,992
Waste Water Treatment Works	–	14,992	–	–	–	–	–	14,992
Solid Waste Infrastructure	–	5,000	–	65	5,000	4,935	98.7%	5,000
Waste Drop-off Points	–	5,000	–	65	5,000	4,935	98.7%	5,000
Information and Communication Infrastructure	4,788	15,000	–	–	10,000	10,000	100.0%	15,000
Distribution Layers	4,788	15,000	–	–	10,000	10,000	100.0%	15,000
Community Assets	14,764	71,180	462	(6,272)	32,631	38,903	119.2%	71,180
Community Facilities	14,317	55,180	462	2,178	28,131	25,953	92.3%	55,180
Cemeteries/Crematoria	1,200	–	–	–	–	–	–	–
Markets	5,498	2,500	451	441	1,125	684	60.8%	2,500
Airports	6,976	6,000	–	1,728	6,000	4,272	71.2%	6,000
Taxi Ranks/Bus Terminals	–	42,180	–	–	18,981	18,981	100.0%	42,180
Capital Spares	642	4,500	10	10	2,025	2,015	99.5%	4,500
Sport and Recreation Facilities	447	16,000	–	(8,450)	4,500	12,950	287.8%	16,000
Outdoor Facilities	447	16,000	–	(8,450)	4,500	12,950	287.8%	16,000
Other assets	7,542	20,750	–	750	9,750	9,000	92.3%	20,750
Operational Buildings	7,542	20,750	–	750	9,750	9,000	92.3%	20,750
Municipal Offices	–	10,750	–	750	5,250	4,500	85.7%	10,750
Stores	7,542	10,000	–	–	4,500	4,500	100.0%	10,000
Intangible Assets	5,345	4,000	–	–	1,800	1,800	100.0%	4,000
Licences and Rights	5,345	4,000	–	–	1,800	1,800	100.0%	4,000
Computer Software and Applications	5,345	4,000	–	–	1,800	1,800	100.0%	4,000
Machinery and Equipment	–	5,000	–	–	2,250	2,250	100.0%	5,000
Machinery and Equipment	–	5,000	–	–	2,250	2,250	100.0%	5,000
Transport Assets	–	37,000	7,681	45,225	16,650	(28,575)	-171.6%	37,000
Transport Assets	–	37,000	7,681	45,225	16,650	(28,575)	-171.6%	37,000
Total Capital Expenditure on upgrading of existing assets	41,798	351,471	35,325	95,448	122,125	26,677	21.8%	351,471

(s) Municipal Manager's quality certification

QUALITY CERTIFICATE

I, **MOEKETSI MOSOLA**, the City Manager of the City of Tshwane, hereby certify that

the monthly budget statement

for **December 2017** has been prepared in accordance with the Municipal Finance Management Act and regulations made under this act.

Dr Moeketsi Mosola
CITY MANAGER OF THE CITY OF TSHWANE

Signature: _____

Date: _____