

F1/5/2  
Umar Banda (012 358 8110)  
MAYORAL COMMITTEE: 15 FEBRUARY 2017

To: City Manager  
Executive Mayor

## **SUBMISSION**

GROUP FINANCIAL SERVICES DEPARTMENT: MUNICIPAL FINANCE MANAGEMENT ACT (MFMA)  
IN-YEAR FINANCIAL REPORT (MONTHLY BUDGET STATEMENT) FOR THE PERIOD ENDING 31 JANUARY 2017

### **1. PURPOSE**

The purpose of the “in-year” report is to give progress on the performance of the City of Tshwane against the budget for the period ending 31 January 2017 in compliance with section 71 of the MFMA.

### **2. STRATEGIC OBJECTIVE**

(Unaltered)

To improve financial sustainability

### **3. BACKGROUND**

Section 71 of the MFMA and Government Notice 32141 dated 17 April 2009 regarding the “Local Government: Municipal Finance Management Act, 2003 Municipal Budget and Reporting Regulations” stipulates that specific financial particulars on the implementation of the budget should be reported on in the format prescribed, hence this report to meet legislative compliance.

(Unaltered)

“The monthly budget statement of a municipality must be in the format specified in the “C Schedule” and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.”

Furthermore, section 71 of the MFMA requires that, “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 national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month”.

For the reporting period ending 31 January 2017, the ten working-day reporting limit expires on **14 February 2017**.

#### 4. DISCUSSION

The overall aim of the “in-year” report is to give progress on the performance of the City of Tshwane against the budget for the period ending 31 January 2017.

On 30 May 2016 Council approved the 2016/17 medium-term revenue and expenditure framework (MTREF) for the City of Tshwane.

The attached “in-year” report (Annexure A) provides a high-level analysis as at 31 January 2017 in the format legislated. Material variances will be briefly referred to in this report. Comprehensive explanations will be included in the monthly “corporate financial” report.

The operating revenue, excluding capital transfers and contributions for the City of Tshwane, reflects an unfavourable variance of R1 004 million or 5,6% against the YTD budget for the period ended 31 January 2017.

The operating expenditure is underspent by R2 143 million or 12,6% less than projected as compared to the YTD budget for the period.

The capital expenditure for the period amounts to R1 324 million or 29,7%, a variance of R1 247 million or 48,5%.

Cash and equivalents YTD actual amount to R1 483 million.

The following are impending shortfalls on revenue and overspending expenditure:

- An under-recovery on electricity revenue due to the shortfall resulting from the lower tariffs approved by NERSA, a possible R500 million
- An under-recovery on water revenue amounting to R550 million as a result of water restrictions
- Overtime salaries – a possibility of them exceeding the budgeted amount

#### 5. INTERDEPARTMENTAL AND CLUSTER IMPACT

The Mayoral Committee will be afforded a corporate monthly financial report which will provide comprehensive detail.

#### 6. COMMENTS OF THE GROUP LEGAL COUNSEL

The abovementioned report as such does not call for legal clarification.

#### 7. IMPLICATIONS

- Human resource implications

Not applicable

- Financial implications (budget and value for money)

This report incorporates the financial status for the period ended 31 January 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 determined in section 54 of the MFMA. Furthermore, the accounting officer of the municipality must report in writing to the municipal council the impending shortfalls, overspending and overdrafts in terms of section 70 of the MFMA.

- Constitutional and legal factors

The implication of the approval of this report is compliance with legislative requirements (section 52(d) and 71 of the MFMA) and NT regulations GG 32141 of 17 April 2009.

- Communication implications

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

- Previous Mayoral Committee resolutions

Not applicable

## CONCLUSION

This report meets the MFMA requirement for the Executive Mayor to receive a section 71 “monthly budget statement” within 10 working days after the end of the month.

The operating revenue, excluding capital transfers and contributions for the City of Tshwane, reflects an unfavourable variance of R1 004 million or 5,6% against the YTD budget for the period ended 31 January 2017.

The operating expenditure is underspent by R2 143 million or 12,6% less than projected when compared to the YTD budget for the period.

The capital expenditure for the period amounts to R1 324 million, a variance of R1 247 million or 48,5%.

## ANNEXURES:

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

## RECOMMENDED

It is recommended to the Mayoral Committee that, in compliance with section 71 of the MFMA and in terms of the municipal budget and reporting regulations:

1. That the contents of the report and Annexure A be noted.
2. That the impending shortfall on electricity and water revenue as highlighted in the report be noted.
3. That this statement be submitted to the National Treasury and Provincial Treasury in both signed-document format and electronic format.

REPORT – FLOW COMPLIANCE CHECK

FILE: **F1/5/2**

INITIATOR: **Umar Banda (012 358 8110) / NM Mokete (012 358 3625)**

HEADING (INCLUSIVE OF NAME OF DIVISION/DEPARTMENT):

**GROUP FINANCIAL SERVICES DEPARTMENT**

**MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): IN-YEAR FINANCIAL REPORT (MONTHLY BUDGET STATEMENT) FOR THE PERIOD ENDING 31 JANUARY 2017**

REPORT CHECKED AND PASSED FOR SUBMISSION TO:

	Comprehensiveness (facts, comments, recommendations and annexures) (√)	Correctness (√)	Quality (√)
<p>Executive Director: <b>Budget Office</b>  <b>NM Mokete</b>            WARD-SPECIFIC: YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>WARD COUNCILLOR COMMENTS: YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>SIGNATURE: .....</p> <p>DATE: .....</p>			
<p>Acting Executive Director: <b>Financial Reporting and Assets</b>  <b>T Ngwenya</b>            WARD-SPECIFIC: YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>WARD COUNCILLOR COMMENTS: YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>SIGNATURE: .....</p> <p>DATE: .....</p>			
<p>Executive Director: <b>Treasury Office</b>  <b>KC Thipe</b>            WARD-SPECIFIC: YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>WARD COUNCILLOR COMMENTS: YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>SIGNATURE: .....</p> <p>DATE: .....</p>			
<p>Executive Director: <b>Revenue Management</b>  <b>D Pillay</b>            WARD-SPECIFIC: YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>WARD COUNCILLOR COMMENTS: YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>SIGNATURE: .....</p> <p>DATE: .....</p>			
<p>Head of Department: <b>Acting Group Chief Financial Officer</b>  <b>U Banda</b>            REPORT ALSO BEARS APPROVAL OF:</p> <p>AGCFO <input type="checkbox"/></p> <p>SIGNATURE: .....</p> <p>DATE: .....</p>			
<p>MMC: Finance  <b>Mare-Lise Fourie</b>            REPORT ALSO BEARS APPROVAL FOR LATE            SUBMISSION:</p> <p>YES <input type="checkbox"/> NO <input type="checkbox"/></p> <p>SIGNATURE: .....</p> <p>DATE: .....</p>			



# **IN-YEAR REPORT**

**BUDGET YEAR: 2016/17**

**REPORTING PERIOD: M07 JANUARY 2017**

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# **PART 1: IN-YEAR REPORT**

## **1.1 Mayor's report**

On 30 May 2016 Council approved the medium term revenue and expenditure framework (MTREF) for the 2016/17 financial year, giving effect to the financial plan of the City of Tshwane which is inclusive of three 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 Resolutions**

It is recommended to the Mayoral Committee that, in compliance with section 71 of the MFMA and in terms of the municipal budget and reporting regulations:

- That the contents of the report and Annexure A be noted.
- That the impending shortfall on electricity and water revenue as highlighted in the report be noted.
- That this statement be submitted to the National Treasury and Provincial Treasury, in both signed-document format and electronic format.

## **1.3 Executive summary**

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

### Consolidated monthly budget statement – summary

The consolidated monthly budget statement – summary as reflected in Table C1 below indicates the following information:

- Financial performance
- Capital expenditure and funds sources
- Financial position
- Cash flows
- Debtors' and creditors' analysis

It provides information relating to the unaudited outcome, original budget, the performance for the month and for the period under review, culminating in the YTD variance and YTD variance percentage.



**TSH City Of Tshwane - Table C1 Consolidated Monthly Budget Statement Summary - M07 January**

Description	2015/16	Budget Year 2016/17						
	Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b><u>Financial Performance</u></b>								
Property rates	5,384,019	5,764,124	467,498	3,348,981	3,292,627	56,354	2%	5,764,124
Service charges	14,688,150	17,719,923	631,877	9,551,450	10,337,825	(786,375)	-8%	17,719,923
Investment revenue	56,000	43,089	11,969	52,098	25,132	26,966	107%	43,089
Transfers recognised - operational	3,516,826	4,240,323	142,660	2,884,990	2,859,844	25,146	1%	4,240,323
Other own revenue	1,859,436	2,442,410	182,418	1,097,389	1,423,167	(325,777)	-23%	2,442,410
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>25,504,431</b>	<b>30,209,869</b>	<b>1,436,421</b>	<b>16,934,908</b>	<b>17,938,595</b>	<b>(1,003,687)</b>	<b>-6%</b>	<b>30,209,869</b>
Employee costs	7,373,112	7,622,096	657,677	4,537,304	4,621,525	(84,221)	-2%	7,622,096
Remuneration of Councillors	115,259	125,834	9,591	67,659	73,361	(5,702)	-8%	125,834
Depreciation & asset impairment	1,418,436	1,258,208	115,028	786,077	733,924	52,153	7%	1,258,208
Finance charges	1,137,297	1,057,982	56,245	609,919	608,266	1,653	0%	1,057,982
Materials and bulk purchases	9,037,782	10,240,550	685,605	5,460,574	5,979,371	(518,797)	-9%	10,240,550
Transfers and grants	326,791	288,055	39,962	(160,616)	168,032	(328,648)	-196%	288,055
Other expenditure	8,133,707	7,689,226	384,747	3,592,509	4,851,560	(1,259,052)	-26%	7,689,226
<b>Total Expenditure</b>	<b>27,542,384</b>	<b>28,281,950</b>	<b>1,948,855</b>	<b>14,893,425</b>	<b>17,036,038</b>	<b>(2,142,613)</b>	<b>-13%</b>	<b>28,281,950</b>
<b>Surplus/(Deficit)</b>	<b>(2,037,953)</b>	<b>1,927,919</b>	<b>(512,434)</b>	<b>2,041,483</b>	<b>902,556</b>	<b>1,138,926</b>	<b>126%</b>	<b>1,927,919</b>
Transfers recognised - capital	2,452,210	2,370,209	44,476	975,942	1,382,622	(406,680)	-29%	2,370,209
Contributions & Contributed assets	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>414,257</b>	<b>4,298,127</b>	<b>(467,958)</b>	<b>3,017,425</b>	<b>2,285,178</b>	<b>732,247</b>	<b>32%</b>	<b>4,298,127</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>414,257</b>	<b>4,298,127</b>	<b>(467,958)</b>	<b>3,017,425</b>	<b>2,285,178</b>	<b>732,247</b>	<b>32%</b>	<b>4,298,127</b>
<b><u>Capital expenditure &amp; funds sources</u></b>								
<b>Capital expenditure</b>	<b>3,968,594</b>	<b>4,465,209</b>	<b>155,969</b>	<b>1,324,323</b>	<b>2,570,887</b>	<b>(1,246,564)</b>	<b>-48%</b>	<b>4,465,209</b>
Capital transfers recognised	2,452,210	2,370,209	118,407	1,067,570	1,364,409	(296,838)	-22%	2,370,209
Public contributions & donations	155,127	110,000	2,549	32,501	47,450	(14,949)	-32%	110,000
Borrowing	1,194,839	1,000,000	33,673	217,556	582,528	(364,972)	-63%	1,000,000
Internally generated funds	<b>166,418</b>	<b>985,000</b>	<b>1,339</b>	<b>6,695</b>	<b>576,500</b>	<b>(569,805)</b>	<b>-99%</b>	<b>985,000</b>
<b>Total sources of capital funds</b>	<b>3,968,594</b>	<b>4,465,209</b>	<b>155,969</b>	<b>1,324,323</b>	<b>2,570,887</b>	<b>(1,246,564)</b>	<b>-48%</b>	<b>4,465,209</b>
<b><u>Financial position</u></b>								
Total current assets	5,510,890	7,720,990		5,655,347				7,720,990
Total non current assets	36,565,903	41,070,534		37,013,182				41,070,534
Total current liabilities	8,991,902	6,865,941		7,143,520				6,865,941
Total non current liabilities	14,217,384	15,518,491		13,847,055				15,518,491
<b>Community wealth/Equity</b>	<b>18,867,507</b>	<b>26,407,092</b>		<b>21,677,955</b>				<b>26,407,092</b>
<b><u>Cash flows</u></b>								
Net cash from (used) operating	3,175,968	5,692,612	490,173	306,334	3,157,707	2,851,373	90%	5,692,612
Net cash from (used) investing	(3,297,106)	(4,881,039)	(308,066)	(556,564)	(2,849,548)	(2,292,985)	80%	(4,881,039)
Net cash from (used) financing	706,669	305,283	(156,362)	546,776	169,658	(377,118)	-222%	305,283
<b>Cash/cash equivalents at the month/year end</b>	<b>1,186,049</b>	<b>3,129,652</b>	<b>-</b>	<b>1,482,595</b>	<b>2,490,612</b>	<b>1,008,017</b>	<b>40%</b>	<b>2,302,905</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b><u>Debtors Age Analysis</u></b>								
Total By Income Source	1,367,309	198,977	205,347	226,125	450,868	978,904	4,831,069	8,460,049
<b><u>Creditors Age Analysis</u></b>								
Total Creditors	3,909,571	-	-	-	-	-	-	3,909,571

Table C1 above reflects that the total consolidated operating revenue budget of the City of Tshwane amounts to R30 210 million, and the operating expenditure budget equates to R28 282 million, thereby projecting an annual surplus of R1 928 million for the 2016/17 financial year.

The summary table above and the summary statement below indicate the financial performance for the 1 July 2016 to 31 January 2017 period. The actual operating revenue realised (excluding capital transfers) amounts to R16 935 million, an unfavourable variance of R1 004 million or 5,6% against the YTD budget of R17 939 million. The operating expenditure amounts to R14 893 million, an underspending variance of R2 143 million or 12,6% against the YTD budget of R17 036 million. A favourable variance of R1 139 million is reflected when the YTD actual is compared to the YTD budget.

Summary Statement of Financial Performance:				
Description	January YTD Budget	January YTD Actual	Variance	Variance
	R'000	R'000	R'000	%
Total Revenue By Source (Excluding Capital Tansfers)	17,938,595	16,934,908	(1,003,687)	-5.6%
Total Operating Expenditure	17,036,038	14,893,425	(2,142,613)	-12.6%
SURPLUS/DEFICIT	902,556	2,041,483	1,138,926	

The reasons for variances for all votes are captured in Table SC1 of this report.

The financial performance of revenue by source and expenditure by type are presented in Table C4 below. The total revenue excludes the capital transfers and contributions.

TSH City Of Tshwane - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	Ref	2015/16	Budget Year 2016/17						Full Year Forecast
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Revenue By Source									
Property rates		5,384,019	5,764,124	467,498	3,348,981	3,292,627	56,354	2%	5,764,124
Service charges - electricity revenue		9,340,209	11,360,246	223,207	6,367,842	6,711,393	(343,551)	-5%	11,360,246
Service charges - water revenue		3,226,514	3,995,130	215,417	1,815,196	2,261,103	(445,907)	-20%	3,995,130
Service charges - sanitation revenue		760,693	949,597	63,645	480,838	550,336	(69,498)	-13%	949,597
Service charges - refuse revenue		1,128,046	1,205,390	98,088	710,069	696,138	13,931	2%	1,205,390
Service charges - other		232,687	209,560	31,520	177,506	118,856	58,650	49%	209,560
Rental of facilities and equipment		135,156	136,321	10,836	70,640	79,175	(8,535)	-11%	136,321
Interest earned - external investments		56,000	43,089	11,969	52,098	25,132	26,966	107%	43,089
Interest earned - outstanding debtors		406,006	238,451	52,749	330,593	139,748	190,845	137%	238,451
Fines		160,585	198,658	11,464	167,064	115,884	51,180	44%	198,658
Licences and permits		48,743	60,564	3,494	25,575	35,329	(9,754)	-28%	60,564
Agency services		-	9,299	-	-	4,649	(4,649)	-100%	9,299
Transfers recognised - operational		3,516,826	4,240,323	142,660	2,884,990	2,859,844	25,146	1%	4,240,323
Other revenue		943,682	1,799,117	103,875	503,517	1,048,382	(544,865)	-52%	1,799,117
Gains on disposal of PPE		165,263	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		25,504,431	30,209,869	1,436,421	16,934,908	17,938,595	(1,003,687)	-6%	30,209,869
Expenditure By Type									
Employee related costs		7,373,112	7,622,096	657,677	4,537,304	4,621,525	(84,221)	-2%	7,622,096
Remuneration of councillors		115,259	125,834	9,591	67,659	73,361	(5,702)	-8%	125,834
Debt impairment		1,139,949	908,053	80,614	577,757	530,654	47,103	9%	908,053
Depreciation & asset impairment		1,418,436	1,258,208	115,028	786,077	733,924	52,153	7%	1,258,208
Finance charges		1,137,297	1,057,982	56,245	609,919	608,266	1,653	0%	1,057,982
Bulk purchases		8,808,849	9,956,609	670,059	5,350,564	5,798,163	(447,599)	-8%	9,956,609
Other materials		228,933	283,940	15,546	110,010	181,207	(71,198)	-39%	283,940
Contracted services		3,133,472	2,738,440	196,413	1,510,630	1,727,294	(216,664)	-13%	2,738,440
Transfers and grants		326,791	288,055	39,962	(160,616)	168,032	(328,648)	-196%	288,055
Other expenditure		3,847,188	4,042,732	107,837	1,501,232	2,593,612	(1,092,380)	-42%	4,042,732
Loss on disposal of PPE		13,098	1	(116)	2,890	1	2,889	497319%	1
Total Expenditure		27,542,384	28,281,950	1,948,855	14,893,425	17,036,038	(2,142,613)	-13%	28,281,950
Surplus/(Deficit)		(2,037,953)	1,927,919	(512,434)	2,041,483	902,556	1,138,926	0	1,927,919
Transfers recognised - capital		2,452,210	2,370,209	44,476	975,942	1,382,622	(406,680)	(0)	2,370,209
Surplus/(Deficit) after capital transfers & contributions		414,257	4,298,127	(467,958)	3,017,425	2,285,178			4,298,127
Taxation		-	(500)	-	-	-	-		(500)
Surplus/(Deficit) after taxation		414,257	4,298,627	(467,958)	3,017,425	2,285,178			4,298,627
Attributable to minorities		-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		414,257	4,298,627	(467,958)	3,017,425	2,285,178			4,298,627
Share of surplus/ (deficit) of associate		-	-	-	-	-			-
Surplus/ (Deficit) for the year		414,257	4,298,627	(467,958)	3,017,425	2,285,178			4,298,627

The YTD actual revenue amounts to R16 935 million and reflects an unfavourable variance of R1 004 million or 5,6% against the YTD budget of R17 939 million.

The revenue variance is explained by –

- property rates (R56 million favourable) – intensified efforts in the clearing of exception reports due to more properties being evaluated;
- service charges – electricity revenue (R344 million unfavourable) – a decline in revenue against projection due to lower tariffs approved by NERSA. The revenue projection will be adjusted in the adjustment budget;

- service charges – water (R446 million unfavourable) – a decline in usage mainly as a result of current water restrictions. The revenue projection will be adjusted in the adjustment budget;
- interest earned – outstanding debtors (R191 million favourable) – an increase in debtor growth; and
- other revenue (R545 million unfavourable):
  - replacement of meters – under judicial review; and
  - A Re Yeng fare revenue – the approved budget was based on the operations at Line 1A which are still pending. Conclusion of industry negotiations and resultant corridor clearance is still underway.

The YTD actual expenditure amounts to R14 893 million and indicates an underspending variance of R2 143 million or 12,6% against the YTD budget of R17 036 million.

The expenditure variance is explained by –

- employee-related costs (R84 million under) – the following line items, amongst others, are the main contributors:
  - “Service bonuses” (R144 million under) – the implementation of GRAP 25 required that the provision for "service bonuses" be automated from 1 July 2016.
  - Overtime salaries (R75 million over) – the YTD actual expenditure exceeds the YTD budget provision due to staff shortages, extended services, year-end processes, compliance to norms and standards in repairing electrical faults, etc. However, the total allocated budget has not been exceeded;
- bulk purchases (R448 million under);
- contracted services (R217 million under);
- other expenditure (R1 092 million under); and
- transfers and grants (R329 million under) – reversal of an accrual for invoices that were not paid in the 2015/16 financial year.

The reasons for variances per all sources/type 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 on the basis of the format required to be lodged electronically with the National Treasury, and is categorised by municipal vote, capital expenditure by standard classification and the funding sources required to fund the capital budget, including capital transfers from the National and Provincial Treasuries. The summary table hereafter indicates the actual year-to-date spending of R1 324 million and a variance of R1 247 million or 48,5% against the YTD budget.

Summary statement of Capital Expenditure:						
Description	Original Budget	January YTD Budget	January YTD Actual	Variance	Variance	% Spent
	R'000	R'000	R'000	R'000	%	%
TOTAL Capital Expenditure	4,465,209	2,570,887	1,324,323	(1,246,564)	-48.5%	29.7%
TOTAL Capital Financing	4,465,209	2,570,887	1,324,323	(1,246,564)	-48.5%	29.7%

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. Expenditure for the period ending 31 January 2017 amounts to R1 324 million against the projection of R2 571 million, a variance of R1 247 million or 48,5% is reflected. The total percentage spent against the total budget amounts to 29,7%.

Charts C1 and C2 below illustrate the trend of the capital expenditure against the budget per month and the YTD actual against the YTD target.

Chart C1: 2016/17 capital expenditure

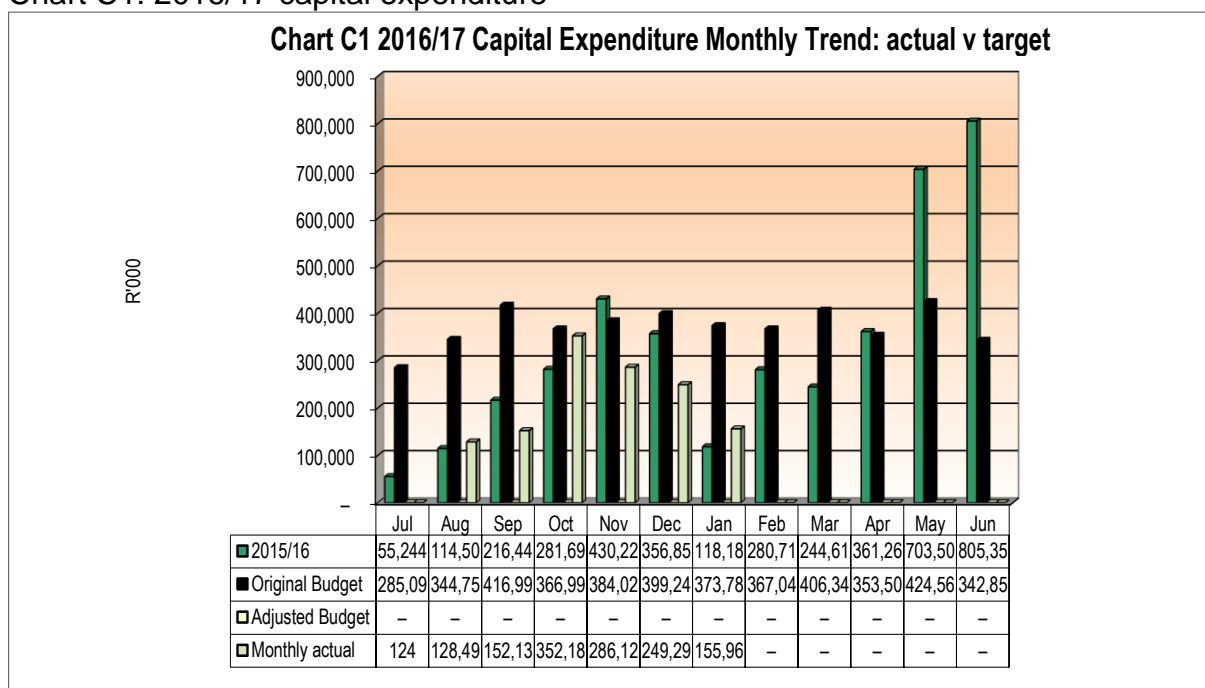
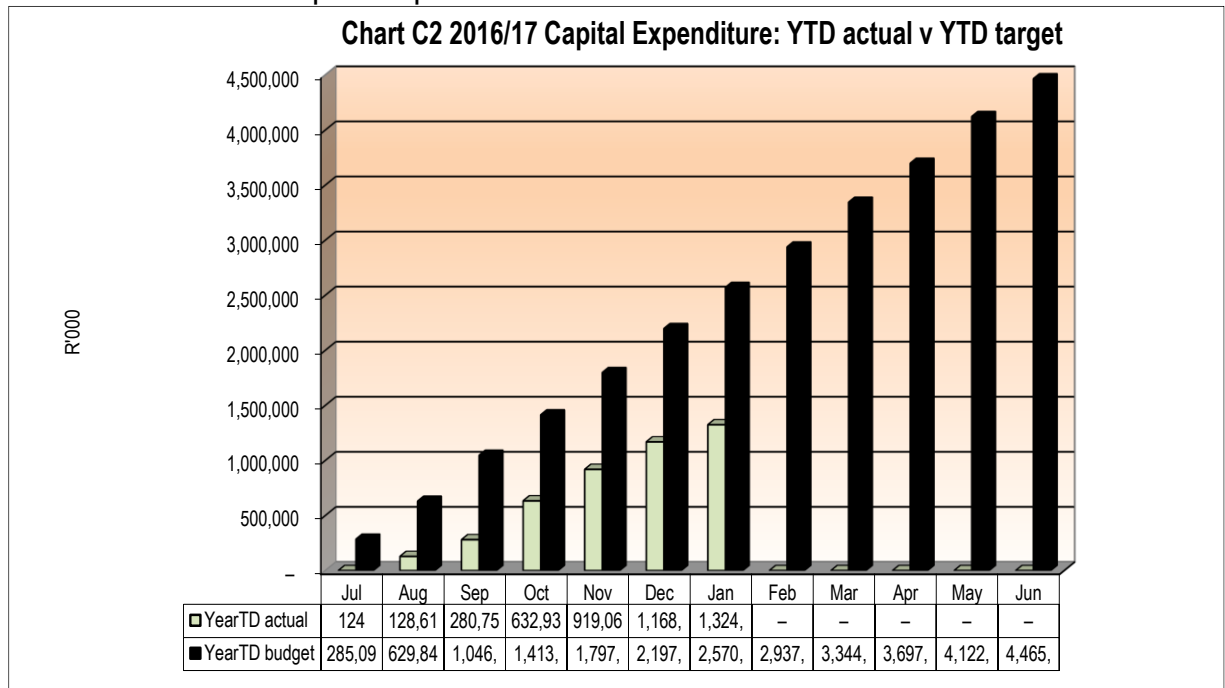


Chart C2: 2016/17 capital expenditure



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

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

### Financial position

The financial position, as indicated in the summary Table C1, shows that the community wealth/equity of the City of Tshwane as at 31 January 2017 amounts to R21 678 million against the original budget forecast of R26 407 million. Details relating 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 to GRAP 1.

### Cash flow

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

- the closing balance of the cash and cash equivalents as at the end of January 2017 is R1 483 million (this amount is inclusive of the Sinking Fund);
- the cash flow from operating activities is R306 million compared to the target of R3 158 million, mainly as a result of payments;
- the cash flow from investing activities amounts to (R557 million) compared to a target of (R2 850 million), due to underspending on capital expenditure; and
- the cash flow from financing activities equates to R547 million compared to a target of R170 million (includes the net borrowing).

## Debtors age analysis

The debtors report as reflected in Table C1 and SC3 has been prepared on the basis of the format required to be lodged electronically with the National Treasury. This format provides an extended aged analysis, as well as an aged analysis by debtor type. It also compares this month's results with the same period of the previous financial year. Table C1 and Table SC3 indicate that the total debtors amount to R8 460 million.

Chart C3 below illustrates the aged consumer debtors and reflects a collection problem pertaining to the debtors in the over "1-year category". An amount of R4 831 million is outstanding in this category compared to R4 074 million outstanding in the 2015/16 financial year.

Chart C3: Aged consumer debtors

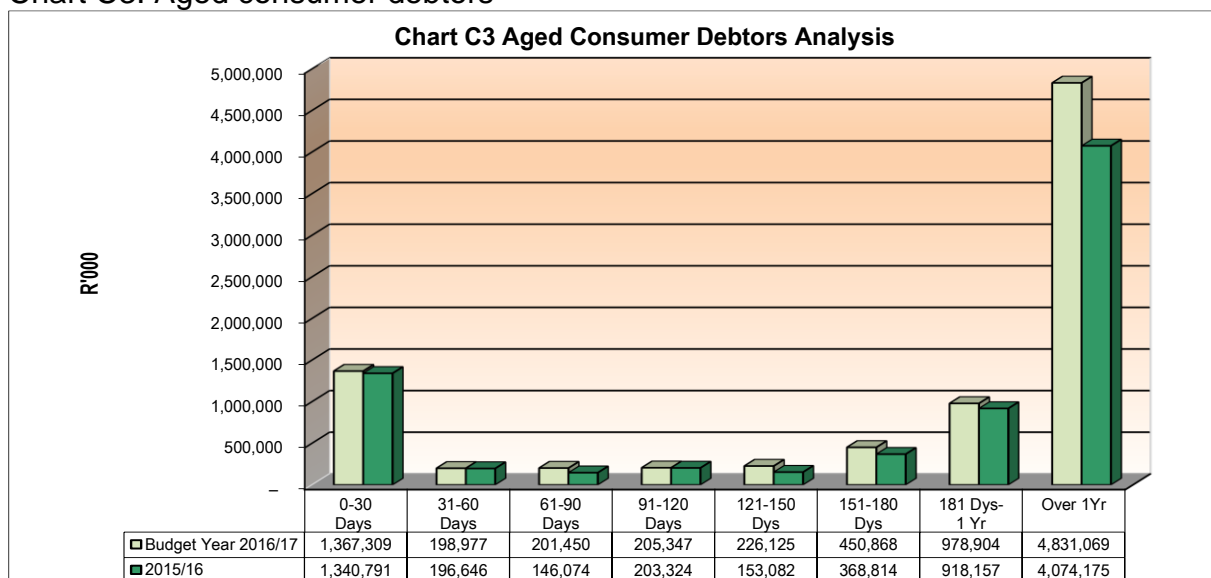
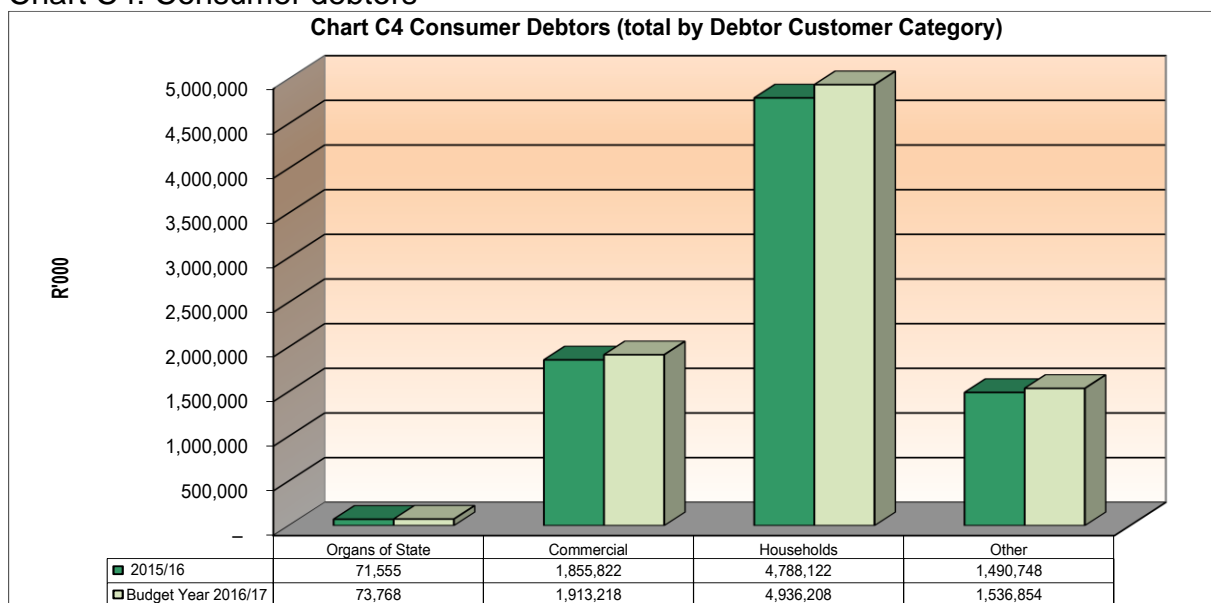


Chart C4 (consumer debtors by customer category) below shows that the increase in the customer category is attributable to households, which reflects an increase of R148 million compared to the previous financial year.

Chart C4: Consumer debtors

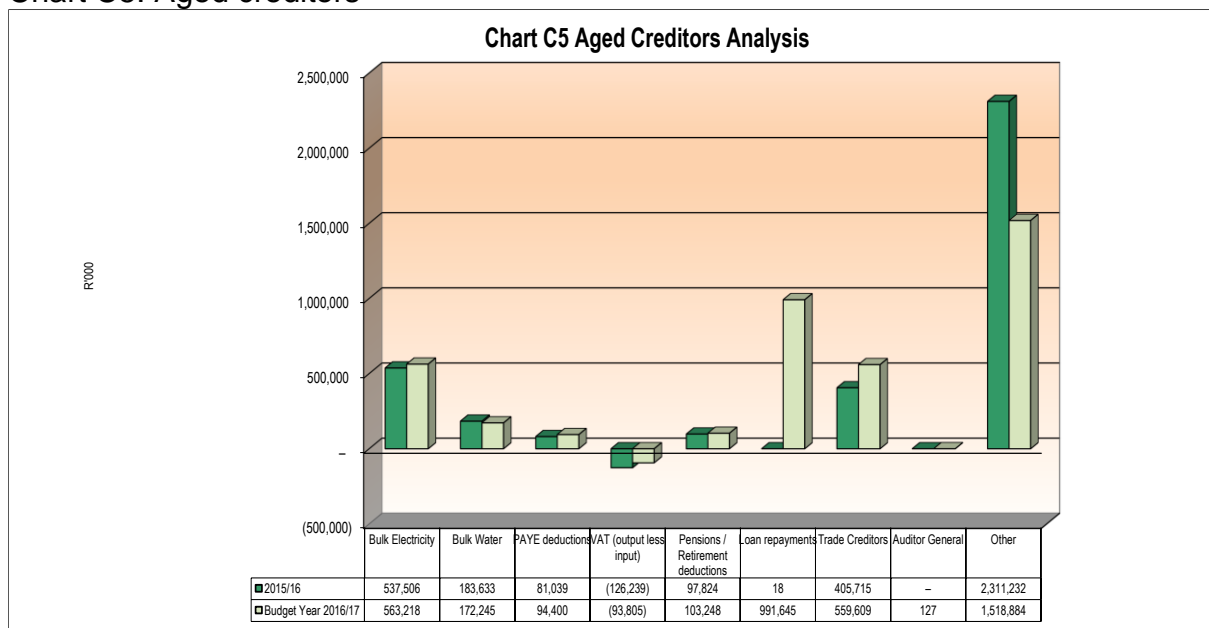


### Creditors age analysis

The creditors report, as well as Table C1 and SC4 provide an extended aged analysis, as well as an aged 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 indicate that the aged creditors per category have decreased at the end of January 2017.

Chart C5: Aged creditors



### Investment portfolio analysis (Table SC5)

The investment portfolio analysis shown in Table C5 includes information consistent with the requirements of the Municipal Investment Regulations, 2005 issued by the National Treasury. The institution where funds are invested, the period of investment, the type of investment and the accrued interest for the month are cited. The market value at the end of the month amounts to R1 362 million.

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

The disclosure on the transfer and grant receipts for both operating and capital expenditure is reflected in Table SC6. The receipts from National, Provincial and other grant providers are cited.

As at 31 January 2017 the total receipts amount to R4 539 million against the YTD budget of R4 500 million.

Table SC7 indicates the expenditure incurred against each allocation for the reporting period. The disclosure on the transfer and grant expenditure table above reflects the recognition of expenditures, amounting to R4 000 million against the YTD budget of R4 228 million.



#### Expenditure on councillor and staff benefits (Table SC8)

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

#### Parent municipality 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 three municipal entities as indicated in Table SC11, namely –

- Housing Company Tshwane (HCT);
- Sandspruit Water Association (SWA); and
- Tshwane Economic Development Agency (TEDA).

The table provides a summary of revenue, operating expenditure and capital expenditure for these entities. The reasons for the variance have been captured in Table SC1.

#### Performance indicators (Table SC2)

The "performance indicators Table" reflects various ratios such as, amongst others, –

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

### **1.4 In-year budget statement tables**

The financial results for the period ended 31 January 2017 are reflected in Table C1 to C7 hereafter followed by the supporting documentation SC1 to SC13(d).

### (a) Table C1: Consolidated Monthly Budget Statement – Summary

TSH City Of Tshwane - Table C1 Consolidated Monthly Budget Statement Summary - M07 January

Description	2015/16	Budget Year 2016/17						
	Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Financial Performance</b>								
Property rates	5,384,019	5,764,124	467,498	3,348,981	3,292,627	56,354	2%	5,764,124
Service charges	14,688,150	17,719,923	631,877	9,551,450	10,337,825	(786,375)	-8%	17,719,923
Investment revenue	56,000	43,089	11,969	52,098	25,132	26,966	107%	43,089
Transfers recognised - operational	3,516,826	4,240,323	142,660	2,884,990	2,859,844	25,146	1%	4,240,323
Other own revenue	1,859,436	2,442,410	182,418	1,097,389	1,423,167	(325,777)	-23%	2,442,410
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>25,504,431</b>	<b>30,209,869</b>	<b>1,436,421</b>	<b>16,934,908</b>	<b>17,938,595</b>	<b>(1,003,687)</b>	<b>-6%</b>	<b>30,209,869</b>
Employee costs	7,373,112	7,622,096	657,677	4,537,304	4,621,525	(84,221)	-2%	7,622,096
Remuneration of Councillors	115,259	125,834	9,591	67,659	73,361	(5,702)	-8%	125,834
Depreciation & asset impairment	1,418,436	1,258,208	115,028	786,077	733,924	52,153	7%	1,258,208
Finance charges	1,137,297	1,057,982	56,245	609,919	608,266	1,653	0%	1,057,982
Materials and bulk purchases	9,037,782	10,240,550	685,605	5,460,574	5,979,371	(518,797)	-9%	10,240,550
Transfers and grants	326,791	288,055	39,962	(160,616)	168,032	(328,648)	-196%	288,055
Other expenditure	8,133,707	7,689,226	384,747	3,592,509	4,851,560	(1,259,052)	-26%	7,689,226
<b>Total Expenditure</b>	<b>27,542,384</b>	<b>28,281,950</b>	<b>1,948,855</b>	<b>14,893,425</b>	<b>17,036,038</b>	<b>(2,142,613)</b>	<b>-13%</b>	<b>28,281,950</b>
<b>Surplus/(Deficit)</b>	<b>(2,037,953)</b>	<b>1,927,919</b>	<b>(512,434)</b>	<b>2,041,483</b>	<b>902,556</b>	<b>1,138,926</b>	<b>126%</b>	<b>1,927,919</b>
Transfers recognised - capital	2,452,210	2,370,209	44,476	975,942	1,382,622	(406,680)	-29%	2,370,209
Contributions & Contributed assets	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>414,257</b>	<b>4,298,127</b>	<b>(467,958)</b>	<b>3,017,425</b>	<b>2,285,178</b>	<b>732,247</b>	<b>32%</b>	<b>4,298,127</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>414,257</b>	<b>4,298,127</b>	<b>(467,958)</b>	<b>3,017,425</b>	<b>2,285,178</b>	<b>732,247</b>	<b>32%</b>	<b>4,298,127</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	<b>3,968,594</b>	<b>4,465,209</b>	<b>155,969</b>	<b>1,324,323</b>	<b>2,570,887</b>	<b>(1,246,564)</b>	<b>-48%</b>	<b>4,465,209</b>
Capital transfers recognised	2,452,210	2,370,209	118,407	1,067,570	1,364,409	(296,838)	-22%	2,370,209
Public contributions & donations	155,127	110,000	2,549	32,501	47,450	(14,949)	-32%	110,000
Borrowing	1,194,839	1,000,000	33,673	217,556	582,528	(364,972)	-63%	1,000,000
Internally generated funds	<b>166,418</b>	<b>985,000</b>	<b>1,339</b>	<b>6,695</b>	<b>576,500</b>	<b>(569,805)</b>	<b>-99%</b>	<b>985,000</b>
<b>Total sources of capital funds</b>	<b>3,968,594</b>	<b>4,465,209</b>	<b>155,969</b>	<b>1,324,323</b>	<b>2,570,887</b>	<b>(1,246,564)</b>	<b>-48%</b>	<b>4,465,209</b>
<b>Financial position</b>								
Total current assets	5,510,890	7,720,990		5,655,347				7,720,990
Total non current assets	36,565,903	41,070,534		37,013,182				41,070,534
Total current liabilities	8,991,902	6,865,941		7,143,520				6,865,941
Total non current liabilities	14,217,384	15,518,491		13,847,055				15,518,491
<b>Community wealth/Equity</b>	<b>18,867,507</b>	<b>26,407,092</b>		<b>21,677,955</b>				<b>26,407,092</b>
<b>Cash flows</b>								
Net cash from (used) operating	3,175,968	5,692,612	490,173	306,334	3,157,707	2,851,373	90%	5,692,612
Net cash from (used) investing	(3,297,106)	(4,881,039)	(308,066)	(556,564)	(2,849,548)	(2,292,985)	80%	(4,881,039)
Net cash from (used) financing	706,669	305,283	(156,362)	546,776	169,658	(377,118)	-222%	305,283
<b>Cash/cash equivalents at the month/year end</b>	<b>1,186,049</b>	<b>3,129,652</b>	<b>–</b>	<b>1,482,595</b>	<b>2,490,612</b>	<b>1,008,017</b>	<b>40%</b>	<b>2,302,905</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>								
Total By Income Source	1,367,309	198,977	205,347	226,125	450,868	978,904	4,831,069	8,460,049
<b>Creditors Age Analysis</b>								
Total Creditors	3,909,571	–	–	–	–	–	–	3,909,571

**(b) Table C2: Consolidated Monthly Budget Statement – Financial Performance  
(Standard Classification)**

**TSH City Of Tshwane - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M07 January**

Description	Ref	2015/16	Budget Year 2016/17						
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>								
<b>Revenue - Standard</b>									
<i><b>Governance and administration</b></i>		<b>9,114,360</b>	<b>9,410,674</b>	<b>524,482</b>	<b>6,025,653</b>	<b>5,695,192</b>	<b>330,461</b>	<b>6%</b>	<b>9,410,674</b>
Executive and council		74,581	64,255	1,142	18,313	37,482	(19,170)	-51%	64,255
Budget and treasury office		8,658,446	9,164,886	495,329	5,886,438	5,551,816	334,622	6%	9,164,886
Corporate services		381,333	181,533	28,011	120,903	105,894	15,009	14%	181,533
<i><b>Community and public safety</b></i>		<b>1,285,394</b>	<b>1,260,256</b>	<b>128,387</b>	<b>730,181</b>	<b>791,086</b>	<b>(60,905)</b>	<b>-8%</b>	<b>1,260,256</b>
Community and social services		83,393	41,984	12,934	27,413	27,289	123	0%	41,984
Sport and recreation		38,451	19,744	3,591	13,148	11,517	1,631	14%	19,744
Public safety		182,186	210,096	12,152	176,138	122,556	53,583	44%	210,096
Housing		860,927	859,608	49,424	408,799	504,650	(95,850)	-19%	859,608
Health		120,436	128,824	50,286	104,683	125,074	(20,391)	-16%	128,824
<i><b>Economic and environmental services</b></i>		<b>1,733,797</b>	<b>1,811,803</b>	<b>117,705</b>	<b>840,775</b>	<b>1,106,814</b>	<b>(266,039)</b>	<b>-24%</b>	<b>1,811,803</b>
Planning and development		245,078	273,256	34,910	195,973	177,063	18,910	11%	273,256
Road transport		1,488,159	1,538,262	82,795	644,802	929,585	(284,784)	-31%	1,538,262
Environmental protection		560	285	-	-	166	(166)	-100%	285
<i><b>Trading services</b></i>		<b>15,605,274</b>	<b>19,889,927</b>	<b>693,192</b>	<b>10,190,434</b>	<b>11,607,297</b>	<b>(1,416,862)</b>	<b>-12%</b>	<b>19,889,927</b>
Electricity		10,009,623	13,025,754	249,332	6,656,110	7,682,939	(1,026,829)	-13%	13,025,754
Water		3,365,720	4,407,221	274,713	2,170,985	2,505,084	(334,099)	-13%	4,407,221
Waste water management		1,040,753	1,169,283	66,790	627,619	675,141	(47,522)	-7%	1,169,283
Waste management		1,189,178	1,287,669	102,357	735,720	744,133	(8,413)	-1%	1,287,669
<i><b>Other</b></i>	<b>4</b>	<b>217,966</b>	<b>207,917</b>	<b>17,817</b>	<b>126,977</b>	<b>121,285</b>	<b>5,692</b>	<b>5%</b>	<b>207,917</b>
<b>Total Revenue - Standard</b>	<b>2</b>	<b>27,956,791</b>	<b>32,580,578</b>	<b>1,481,583</b>	<b>17,914,021</b>	<b>19,321,675</b>	<b>(1,407,653)</b>	<b>-7%</b>	<b>32,580,578</b>
<b>Expenditure - Standard</b>									
<i><b>Governance and administration</b></i>		<b>5,917,415</b>	<b>5,443,422</b>	<b>(5,279)</b>	<b>2,894,870</b>	<b>3,301,204</b>	<b>(406,333)</b>	<b>-12%</b>	<b>5,443,422</b>
Executive and council		1,403,274	1,476,361	134,183	915,604	892,153	23,452	3%	1,476,361
Budget and treasury office		890,774	900,521	38,418	268,191	533,134	(264,944)	-50%	900,521
Corporate services		3,623,368	3,066,540	(177,879)	1,711,075	1,875,916	(164,841)	-9%	3,066,540
<i><b>Community and public safety</b></i>		<b>4,029,250</b>	<b>4,057,236</b>	<b>360,691</b>	<b>2,019,559</b>	<b>2,431,025</b>	<b>(411,467)</b>	<b>-17%</b>	<b>4,057,236</b>
Community and social services		632,239	648,858	43,042	284,094	394,651	(110,557)	-28%	648,858
Sport and recreation		491,685	474,224	52,600	268,489	302,153	(33,663)	-11%	474,224
Public safety		1,860,096	1,776,049	142,922	925,402	1,039,274	(113,872)	-11%	1,776,049
Housing		546,049	654,321	78,802	252,151	388,371	(136,220)	-35%	654,321
Health		499,181	503,782	43,325	289,422	306,577	(17,156)	-6%	503,782
<i><b>Economic and environmental services</b></i>		<b>2,493,140</b>	<b>2,546,866</b>	<b>267,830</b>	<b>1,384,072</b>	<b>1,624,265</b>	<b>(240,194)</b>	<b>-15%</b>	<b>2,546,866</b>
Planning and development		673,533	766,918	58,952	413,681	465,851	(52,170)	-11%	766,918
Road transport		1,788,017	1,746,832	206,445	955,246	1,136,153	(180,907)	-16%	1,746,832
Environmental protection		31,591	33,116	2,432	15,144	22,261	(7,116)	-32%	33,116
<i><b>Trading services</b></i>		<b>14,927,140</b>	<b>16,058,150</b>	<b>1,305,322</b>	<b>8,496,853</b>	<b>9,560,751</b>	<b>(1,063,897)</b>	<b>-11%</b>	<b>16,058,150</b>
Electricity		10,052,445	10,570,122	791,578	5,770,827	6,289,865	(519,038)	-8%	10,570,122
Water		3,030,915	3,710,421	324,863	1,777,652	2,166,982	(389,330)	-18%	3,710,421
Waste water management		577,485	555,495	67,973	291,328	324,159	(32,831)	-10%	555,495
Waste management		1,266,294	1,222,112	120,908	657,046	779,745	(122,698)	-16%	1,222,112
<i><b>Other</b></i>		<b>175,588</b>	<b>176,277</b>	<b>20,977</b>	<b>101,242</b>	<b>119,252</b>	<b>(18,009)</b>	<b>-15%</b>	<b>176,277</b>
<b>Total Expenditure - Standard</b>	<b>3</b>	<b>27,542,534</b>	<b>28,281,950</b>	<b>1,949,540</b>	<b>14,896,596</b>	<b>17,036,497</b>	<b>(2,139,900)</b>	<b>-13%</b>	<b>28,281,950</b>
<b>Surplus/ (Deficit) for the year</b>		<b>414,257</b>	<b>4,298,627</b>	<b>(467,958)</b>	<b>3,017,425</b>	<b>2,285,178</b>	<b>732,247</b>	<b>32%</b>	<b>4,298,627</b>

**Note:** The variance in Total Revenue in Table C1 differs from that in Table C2 because in Table C1 the item Capital Transfers has been 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 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January**

Vote Description	Ref	2015/16	Budget Year 2016/17						
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue by Vote</b>	<b>1</b>								
Vote 1 - City Planning & Development		169,335	111,701	17,284	102,061	82,931	19,130	23.1%	111,701
Vote 2 - Corporate & Shared Services		31,659	23,346	4,447	12,861	13,619	(757)	-5.6%	23,346
Vote 3 - Economic Development		32,128	117,478	14,129	77,088	68,420	8,668	12.7%	117,478
Vote 4 - Emergency Services		85,606	77,358	19,701	69,279	71,313	(2,034)	-2.9%	77,358
Vote 5 - Energy & Electricity Department		9,860,081	12,833,887	246,888	6,621,079	7,571,017	(949,938)	-12.5%	12,833,887
Vote 6 - Environmental Management		1,373,919	1,436,486	117,616	842,431	830,943	11,488	1.4%	1,436,486
Vote 7 - Group Financial Services		8,721,955	9,215,491	507,654	5,944,253	5,581,336	362,917	6.5%	9,215,491
Vote 8 - Group Information & Communication Technology		9,561	218	0	0	127	(127)	-100.0%	218
Vote 9 - Housing & Human Settlement		837,080	833,749	47,358	394,396	489,566	(95,170)	-19.4%	833,749
Vote 10 - Metro Police Services		162,633	204,503	11,684	171,728	119,294	52,434	44.0%	204,503
Vote 11 - Office of the City Manager		201,157	239,950	-	40,049	139,971	(99,921)	-71.4%	239,950
Vote 12 - Service Delivery & Transformation Management		250,502	237,234	18,778	123,291	137,317	(14,026)	-10.2%	237,234
Vote 13 - Transport		1,385,928	1,427,003	75,627	585,875	865,754	(279,878)	-32.3%	1,427,003
Vote 14 - Water & Sanitation Department		4,406,462	5,576,502	341,503	2,798,603	3,180,223	(381,620)	-12.0%	5,576,502
Vote 15 - Other Votes		428,787	245,670	58,914	131,027	169,845	(38,818)	-22.9%	245,670
<b>Total Revenue by Vote</b>	<b>2</b>	<b>27,956,791</b>	<b>32,580,578</b>	<b>1,481,583</b>	<b>17,914,021</b>	<b>19,321,675</b>	<b>(1,407,653)</b>	<b>-7.3%</b>	<b>32,580,578</b>
<b>Expenditure by Vote</b>	<b>1</b>								
Vote 1 - City Planning & Development		296,162	316,181	32,463	181,417	185,806	(4,389)	-2.4%	316,181
Vote 2 - Corporate & Shared Services		1,148,351	1,096,548	79,356	513,818	646,156	(132,338)	-20.5%	1,096,548
Vote 3 - Economic Development		331,719	404,716	25,881	201,352	252,088	(50,736)	-20.1%	404,716
Vote 4 - Emergency Services		607,762	620,382	54,651	355,437	376,774	(21,336)	-5.7%	620,382
Vote 5 - Energy & Electricity Department		8,934,953	9,577,038	721,457	5,201,100	5,599,210	(398,110)	-7.1%	9,577,038
Vote 6 - Environmental Management		633,294	677,525	53,113	300,485	419,172	(118,687)	-28.3%	677,525
Vote 7 - Group Financial Services		1,894,262	1,502,514	(266,035)	634,403	891,256	(256,853)	-28.8%	1,502,514
Vote 8 - Group Information & Communication Technology		560,132	560,991	51,966	369,676	390,639	(20,963)	-5.4%	560,991
Vote 9 - Housing & Human Settlement		472,111	604,310	77,512	224,251	357,898	(133,646)	-37.3%	604,310
Vote 10 - Metro Police Services		1,889,108	1,841,715	179,331	1,171,062	1,076,325	94,738	8.8%	1,841,715
Vote 11 - Office of the City Manager		266,793	302,864	8,897	136,944	256,054	(119,110)	-46.5%	302,864
Vote 12 - Service Delivery & Transformation Management		3,730,870	3,491,590	296,883	1,886,961	2,271,069	(384,108)	-16.9%	3,491,590
Vote 13 - Transport		1,298,301	1,230,897	181,216	736,391	768,762	(32,372)	-4.2%	1,230,897
Vote 14 - Water & Sanitation Department		3,314,136	3,982,719	367,851	1,910,721	2,314,360	(403,640)	-17.4%	3,982,719
Vote 15 - Other Votes		2,164,579	2,071,959	84,998	1,072,578	1,230,928	(158,350)	-12.9%	2,071,959
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>27,542,534</b>	<b>28,281,950</b>	<b>1,949,540</b>	<b>14,896,596</b>	<b>17,036,497</b>	<b>(2,139,900)</b>	<b>-12.6%</b>	<b>28,281,950</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>414,257</b>	<b>4,298,627</b>	<b>(467,958)</b>	<b>3,017,425</b>	<b>2,285,178</b>	<b>732,247</b>	<b>32.0%</b>	<b>4,298,627</b>

**(d) Table C4: Consolidated Monthly Budget Statement – Financial Performance  
(Revenue and Expenditure)**

**TSH City Of Tshwane - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January**

City of Tshwane - Table C4 Consolidated Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - M07 January									
Description	Ref	2015/16	Budget Year 2016/17						
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates		5,384,019	5,764,124	467,498	3,348,981	3,292,627	56,354	2%	5,764,124
Service charges - electricity revenue		9,340,209	11,360,246	223,207	6,367,842	6,711,393	(343,551)	-5%	11,360,246
Service charges - water revenue		3,226,514	3,995,130	215,417	1,815,196	2,261,103	(445,907)	-20%	3,995,130
Service charges - sanitation revenue		760,693	949,597	63,645	480,838	550,336	(69,498)	-13%	949,597
Service charges - refuse revenue		1,128,046	1,205,390	98,088	710,069	696,138	13,931	2%	1,205,390
Service charges - other		232,687	209,560	31,520	177,506	118,856	58,650	49%	209,560
Rental of facilities and equipment		135,156	136,321	10,836	70,640	79,175	(8,535)	-11%	136,321
Interest earned - external investments		56,000	43,089	11,969	52,098	25,132	26,966	107%	43,089
Interest earned - outstanding debtors		406,006	238,451	52,749	330,593	139,748	190,845	137%	238,451
Fines		160,585	198,658	11,464	167,064	115,884	51,180	44%	198,658
Licences and permits		48,743	60,564	3,494	25,575	35,329	(9,754)	-28%	60,564
Agency services		-	9,299	-	-	4,649	(4,649)	-100%	9,299
Transfers recognised - operational		3,516,826	4,240,323	142,660	2,884,990	2,859,844	25,146	1%	4,240,323
Other revenue		943,682	1,799,117	103,875	503,517	1,048,382	(544,865)	-52%	1,799,117
Gains on disposal of PPE		165,263	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		25,504,431	30,209,869	1,436,421	16,934,908	17,938,595	(1,003,687)	-6%	30,209,869
Expenditure By Type									
Employee related costs		7,373,112	7,622,096	657,677	4,537,304	4,621,525	(84,221)	-2%	7,622,096
Remuneration of councillors		115,259	125,834	9,591	67,659	73,361	(5,702)	-8%	125,834
Debt impairment		1,139,949	908,053	80,614	577,757	530,654	47,103	9%	908,053
Depreciation & asset impairment		1,418,436	1,258,208	115,028	786,077	733,924	52,153	7%	1,258,208
Finance charges		1,137,297	1,057,982	56,245	609,919	608,266	1,653	0%	1,057,982
Bulk purchases		8,808,849	9,956,609	670,059	5,350,564	5,798,163	(447,599)	-8%	9,956,609
Other materials		228,933	283,940	15,546	110,010	181,207	(71,198)	-39%	283,940
Contracted services		3,133,472	2,738,440	196,413	1,510,630	1,727,294	(216,664)	-13%	2,738,440
Transfers and grants		326,791	288,055	39,962	(160,616)	168,032	(328,648)	-196%	288,055
Other expenditure		3,847,188	4,042,732	107,837	1,501,232	2,593,612	(1,092,380)	-42%	4,042,732
Loss on disposal of PPE		13,098	1	(116)	2,890	1	2,889	497319%	1
Total Expenditure		27,542,384	28,281,950	1,948,855	14,893,425	17,036,038	(2,142,613)	-13%	28,281,950
Surplus/(Deficit)		(2,037,953)	1,927,919	(512,434)	2,041,483	902,556	1,138,926	0	1,927,919
Transfers recognised - capital		2,452,210	2,370,209	44,476	975,942	1,382,622	(406,680)	(0)	2,370,209
Surplus/(Deficit) after capital transfers & contributions		414,257	4,298,127	(467,958)	3,017,425	2,285,178			4,298,127
Taxation		-	(500)	-	-	-	-		(500)
Surplus/(Deficit) after taxation		414,257	4,298,627	(467,958)	3,017,425	2,285,178			4,298,627
Attributable to minorities		-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		414,257	4,298,627	(467,958)	3,017,425	2,285,178			4,298,627
Share of surplus/ (deficit) of associate		-	-	-	-	-			-
Surplus/ (Deficit) for the year		414,257	4,298,627	(467,958)	3,017,425	2,285,178			4,298,627

**Note:**

Total Revenue excludes capital transfers and contributions. It is 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 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M07 January

Vote Description	Ref	2015/16	Budget Year 2016/17						
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>								
<b>Multi-Year expenditure appropriation</b>	<b>2</b>								
Vote 1 - City Planning & Development		–	50,000	–	–	29,167	(29,167)	-100%	50,000
Vote 2 - Corporate & Shared Services		26,257	15,000	150	260	8,750	(8,490)	-97%	15,000
Vote 3 - Economic Development		16,925	57,400	–	17,798	26,285	(8,486)	-32%	57,400
Vote 4 - Emergency Services		5,939	11,000	2,001	4,226	5,860	(1,634)	-28%	11,000
Vote 5 - Energy & Electricity Department		430,984	478,665	19,958	158,151	244,852	(86,701)	-35%	478,665
Vote 6 - Environmental Management		97,707	38,500	3,172	6,436	26,395	(19,959)	-76%	38,500
Vote 7 - Group Financial Services		42,010	65,000	1,339	21,520	38,500	(16,980)	-44%	65,000
Vote 8 - Group Information & Communication Technology		92,464	204,500	414	32,316	145,287	(112,971)	-78%	204,500
Vote 9 - Housing & Human Settlement		829,300	537,704	51,742	348,311	350,160	(1,849)	-1%	537,704
Vote 10 - Metro Police Services		8,852	30,000	13,594	13,594	30,000	(16,406)	-55%	30,000
Vote 11 - Office of the City Manager		231,319	259,950	–	42,720	146,317	(103,598)	-71%	259,950
Vote 13 - Transport		1,428,678	1,241,606	56,236	453,926	708,333	(254,406)	-36%	1,241,606
Vote 14 - Water & Sanitation Department		492,399	383,500	2,823	156,292	172,716	(16,423)	-10%	383,500
Vote 15 - Other Votes		153,092	129,184	4,540	60,985	78,983	(17,998)	-23%	129,184
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	<b>3,855,926</b>	<b>3,502,009</b>	<b>155,969</b>	<b>1,316,535</b>	<b>2,011,604</b>	<b>(695,068)</b>	<b>-35%</b>	<b>3,502,009</b>
<b>Single Year expenditure appropriation</b>	<b>2</b>								
Vote 3 - Economic Development		7,864	8,000	–	423	2,000	(1,577)	-79%	8,000
Vote 5 - Energy & Electricity Department		–	950,000	–	–	554,167	(554,167)	-100%	950,000
Vote 6 - Environmental Management		4,998	–	–	3,675	–	3,675	–	–
Vote 8 - Group Information & Communication Technology		75,773	200	–	–	200	(200)	-100%	200
Vote 13 - Transport		20,135	5,000	–	3,689	2,917	773	26%	5,000
Vote 15 - Other Votes		3,898	–	–	–	–	–	–	–
<b>Total Capital single-year expenditure</b>	<b>4</b>	<b>112,668</b>	<b>963,200</b>	<b>–</b>	<b>7,787</b>	<b>559,283</b>	<b>(551,496)</b>	<b>-99%</b>	<b>963,200</b>
<b>Total Capital Expenditure</b>		<b>3,968,594</b>	<b>4,465,209</b>	<b>155,969</b>	<b>1,324,323</b>	<b>2,570,887</b>	<b>(1,246,564)</b>	<b>-48%</b>	<b>4,465,209</b>
<b>Capital Expenditure - Standard Classification</b>									
<b>Governance and administration</b>		<b>341,707</b>	<b>368,484</b>	<b>2,656</b>	<b>72,240</b>	<b>240,853</b>	<b>(168,613)</b>	<b>-70%</b>	<b>368,484</b>
Executive and council		79,091	58,784	753	18,508	33,116	(14,608)	-44%	58,784
Budget and treasury office		2,684	–	–	–	–	–	–	–
Corporate services		259,933	309,700	1,903	53,732	207,737	(154,005)	-74%	309,700
<b>Community and public safety</b>		<b>1,051,758</b>	<b>696,104</b>	<b>71,124</b>	<b>426,621</b>	<b>488,712</b>	<b>(62,090)</b>	<b>-13%</b>	<b>696,104</b>
Community and social services		31,625	42,200	–	8,754	13,704	(4,950)	-36%	42,200
Sport and recreation		90,835	53,000	467	27,190	64,667	(37,477)	-58%	53,000
Public safety		14,791	41,000	15,595	17,820	35,860	(18,040)	-50%	41,000
Housing		829,300	537,704	51,742	348,311	350,160	(1,849)	-1%	537,704
Health		85,207	22,200	3,320	24,547	24,321	226	1%	22,200
<b>Economic and environmental services</b>		<b>1,455,794</b>	<b>1,343,506</b>	<b>54,890</b>	<b>469,114</b>	<b>728,792</b>	<b>(259,679)</b>	<b>-36%</b>	<b>1,343,506</b>
Planning and development		24,789	115,400	–	18,221	28,285	(10,064)	-36%	115,400
Road transport		1,428,678	1,225,106	54,890	450,893	698,708	(247,815)	-35%	1,225,106
Environmental protection		2,326	3,000	–	–	1,800	(1,800)	-100%	3,000
<b>Trading services</b>		<b>1,089,358</b>	<b>2,024,615</b>	<b>25,512</b>	<b>349,184</b>	<b>1,092,079</b>	<b>(742,895)</b>	<b>-68%</b>	<b>2,024,615</b>
Electricity		430,984	1,620,115	19,958	158,151	799,018	(640,868)	-80%	1,620,115
Water		97,526	100,500	1,970	20,220	54,733	(34,514)	-63%	100,500
Waste water management		543,853	283,000	853	162,322	224,342	(62,019)	-28%	283,000
Waste management		16,994	21,000	2,732	8,492	13,986	(5,494)	-39%	21,000
<b>Other</b>		<b>29,978</b>	<b>32,500</b>	<b>1,786</b>	<b>7,163</b>	<b>20,451</b>	<b>(13,287)</b>	<b>-65%</b>	<b>32,500</b>
<b>Total Capital Expenditure - Standard Classification</b>	<b>3</b>	<b>3,968,594</b>	<b>4,465,209</b>	<b>155,969</b>	<b>1,324,323</b>	<b>2,570,887</b>	<b>(1,246,564)</b>	<b>-48%</b>	<b>4,465,209</b>
<b>Funded by:</b>									
National Government		2,405,478	2,331,654	115,927	1,045,044	1,340,982	(295,938)	-22%	2,331,654
Provincial Government		44,959	38,355	2,480	22,526	23,226	(700)	-3%	38,355
Other transfers and grants		1,773	200	–	–	200	(200)	-100%	200
<b>Transfers recognised - capital</b>		<b>2,452,210</b>	<b>2,370,209</b>	<b>118,407</b>	<b>1,067,570</b>	<b>1,364,409</b>	<b>(296,838)</b>	<b>-22%</b>	<b>2,370,209</b>
<b>Public contributions &amp; donations</b>	<b>5</b>	<b>155,127</b>	<b>110,000</b>	<b>2,549</b>	<b>32,501</b>	<b>47,450</b>	<b>(14,949)</b>	<b>-32%</b>	<b>110,000</b>
<b>Borrowing</b>	<b>6</b>	<b>1,194,839</b>	<b>1,000,000</b>	<b>33,673</b>	<b>217,556</b>	<b>582,528</b>	<b>(364,972)</b>	<b>-63%</b>	<b>1,000,000</b>
<b>Internally generated funds</b>		<b>166,418</b>	<b>985,000</b>	<b>1,339</b>	<b>6,695</b>	<b>576,500</b>	<b>(569,805)</b>	<b>-99%</b>	<b>985,000</b>
<b>Total Capital Funding</b>		<b>3,968,594</b>	<b>4,465,209</b>	<b>155,969</b>	<b>1,324,323</b>	<b>2,570,887</b>	<b>(1,246,564)</b>	<b>-48%</b>	<b>4,465,209</b>

**(f) Table C6: Consolidated Monthly Budget Statement – Financial Position**

**TSH City Of Tshwane - Table C6 Consolidated Monthly Budget Statement - Financial Position - M07 January**

Description	Ref	2015/16	Budget Year 2016/17		
		Unaudited Outcome	Original Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>				
<b><u>ASSETS</u></b>					
<b>Current assets</b>					
Cash		95,219	142,717	73,637	142,717
Call investment deposits		1,090,830	2,986,935	1,408,957	2,986,935
Consumer debtors		2,603,597	2,698,589	2,128,219	2,698,589
Other debtors		1,048,255	1,068,301	1,272,770	1,068,301
Current portion of long-term receivables		96,072	236,599	95,249	236,599
Inventory		576,918	587,849	676,513	587,849
<b>Total current assets</b>		<b>5,510,890</b>	<b>7,720,990</b>	<b>5,655,347</b>	<b>7,720,990</b>
<b>Non current assets</b>					
Long-term receivables		20,526	90,799	(1,498)	90,799
Investments		711	399,096	711	399,096
Investment property		807,287	932,302	802,526	932,302
Property, plant and equipment		31,604,746	39,494,466	32,076,065	39,494,466
Intangible assets		343,691	153,871	392,730	153,871
Other non-current assets		3,788,943	–	3,742,650	–
<b>Total non current assets</b>		<b>36,565,903</b>	<b>41,070,534</b>	<b>37,013,182</b>	<b>41,070,534</b>
<b>TOTAL ASSETS</b>		<b>42,076,793</b>	<b>48,791,524</b>	<b>42,668,529</b>	<b>48,791,524</b>
<b><u>LIABILITIES</u></b>					
<b>Current liabilities</b>					
Borrowing		733,243	847,270	1,514,572	847,270
Consumer deposits		379,916	369,977	391,052	369,977
Trade and other payables		7,878,744	5,636,868	5,237,895	5,636,868
Provisions		–	11,825	–	11,825
<b>Total current liabilities</b>		<b>8,991,902</b>	<b>6,865,941</b>	<b>7,143,520</b>	<b>6,865,941</b>
<b>Non current liabilities</b>					
Borrowing		10,503,099	12,077,516	10,132,779	12,077,516
Provisions		3,714,285	3,440,975	3,714,275	3,440,975
<b>Total non current liabilities</b>		<b>14,217,384</b>	<b>15,518,491</b>	<b>13,847,055</b>	<b>15,518,491</b>
<b>TOTAL LIABILITIES</b>		<b>23,209,286</b>	<b>22,384,432</b>	<b>20,990,574</b>	<b>22,384,432</b>
<b>NET ASSETS</b>	<b>2</b>	<b>18,867,507</b>	<b>26,407,092</b>	<b>21,677,955</b>	<b>26,407,092</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>					
Accumulated Surplus/(Deficit)		18,610,498	26,128,803	21,420,946	26,128,803
Reserves		257,009	278,289	257,009	278,289
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>18,867,507</b>	<b>26,407,092</b>	<b>21,677,955</b>	<b>26,407,092</b>

## (g) Table C7: Consolidated Monthly Budget Statement – Cash Flow

**TSH City Of Tshwane - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M07 January**

Description	Ref	2015/16	Budget Year 2016/17						
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties & collection charges		5,360,554	5,533,559	467,498	3,348,981	3,160,922	188,059	6%	5,533,559
Service charges		14,601,285	17,011,229	631,877	9,551,450	9,951,078	(399,628)	-4%	17,011,229
Other revenue		1,094,670	2,187,493	93,411	723,938	1,272,783	(548,845)	-43%	2,187,493
Government - operating		3,516,826	4,240,323	18,855	2,953,326	2,860,585	92,741	3%	4,240,323
Government - capital		2,452,489	2,370,209	240,422	1,295,615	1,382,622	(87,007)	-6%	2,370,209
Interest		463,281	246,631	64,718	382,691	143,867	238,824	166%	246,631
<b>Payments</b>									
Suppliers and employees		(23,175,168)	(24,550,779)	(930,400)	(16,941,166)	(14,837,841)	2,103,324	-14%	(24,550,779)
Finance charges		(1,137,968)	(1,057,999)	(56,245)	(609,919)	(608,276)	1,643	0%	(1,057,999)
Transfers and Grants		-	(288,055)	(39,962)	(398,582)	(168,032)	230,550	-137%	(288,055)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>3,175,968</b>	<b>5,692,612</b>	<b>490,173</b>	<b>306,334</b>	<b>3,157,707</b>	<b>2,851,373</b>	<b>90%</b>	<b>5,692,612</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE		592,462	-	17,016	105,464	-	105,464		-
Decrease (Increase) in non-current debtors		(66,503)	(241,572)	(87,738)	355,158	(140,917)	496,076	-352%	(241,572)
Decrease (increase) other non-current receivables		140,433	2,759	(92,172)	285,786	1,609	284,177	17659%	2,759
Decrease (increase) in non-current investments		5,097	(302,991)	10,797	21,350	(176,745)	198,094	-112%	(302,991)
<b>Payments</b>									
Capital assets		(3,968,594)	(4,339,234)	(155,969)	(1,324,323)	(2,533,496)	(1,209,173)	48%	(4,339,234)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(3,297,106)</b>	<b>(4,881,039)</b>	<b>(308,066)</b>	<b>(556,564)</b>	<b>(2,849,548)</b>	<b>(2,292,985)</b>	<b>80%</b>	<b>(4,881,039)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans		-	-		900,000	-	900,000		-
Borrowing long term/refinancing		1,200,000	1,000,000	-	-	574,916	(574,916)	-100%	1,000,000
Increase (decrease) in consumer deposits		24,900	7,366	283	15,103	4,290	10,813	252%	7,366
<b>Payments</b>									
Repayment of borrowing		(518,231)	(702,083)	(156,645)	(368,327)	(409,548)	(41,221)	10%	(702,083)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>706,669</b>	<b>305,283</b>	<b>(156,362)</b>	<b>546,776</b>	<b>169,658</b>	<b>(377,118)</b>	<b>-222%</b>	<b>305,283</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>585,531</b>	<b>1,116,856</b>	<b>25,745</b>	<b>296,546</b>	<b>477,816</b>			<b>1,116,856</b>
Cash/cash equivalents at beginning:		600,518	2,012,796		1,186,049	2,012,796			1,186,049
Cash/cash equivalents at month/year end:		1,186,049	3,129,652		1,482,595	2,490,612			2,302,905



## PART 2 – SUPPORTING DOCUMENTATION

### (a) Table SC1: Material Variance Explanations

TSH City Of Tshwane - Supporting Table SC1 Material variance explanations - M07 January				
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	<b>R thousands</b>			
	<b>Revenue By Source</b>			
	Property rates	56,354	"Assessment Rates" is the main contributor due to follow-up of exception reports being intensified.	On-going monitoring and rectification has been implemented.
	Property rates - penalties & collection charges	–		
	Service charges - electricity revenue	(343,551)	A decline in usage in revenue against projections.	On-going monitoring and attending to challenges
	Service charges - water revenue	(445,907)	A decline in revenue due to current water restrictions.	Review budget during Adjustments Budget process.
	Service charges - sanitation revenue	(69,498)	A decline in revenue due to current water restrictions.	Review budget during Adjustments Budget process.
	Service charges - refuse revenue	13,931	Revenue better than projected for "Solid Waste Removal Fees".	On-going monitoring and rectification has been implemented.
	Service charges - other	58,650	Revenue on the line-item "Billing: Landfill Sites" better than projected.	Not a pro-rata revenue item and dependent of specific service required.
	Rental of facilities and equipment	(8,535)	"Rental: Businesses" is the main contributor. Variance mainly due to the lag in the processing of receipts from Property Management.	Property Management follow-up with Group Financial Services: Municipal Rentals Section.
	Interest earned - external investments	26,966	"Interest On Bank Account" is the main contributor. An increase in short term investments to-date that yielded better rates.	On-going monitoring and rectification.
	Interest earned - outstanding debtors	190,845	Interest On "Amounts In Arrear" is the main contributor. Interest on long overdue accounts.	Not a pro-rata revenue item and will be monitored.
	Dividends received	–		
	Fines	51,180	"AARTO" is the main contributor. Backlog relating to the capturing of information onto the accounting system due to current administrative processes between Metro Police Department and Road Traffic Infringement Agency has been addressed.	Internal communication channels as well as that with the Road Traffic Infringement Agency will be improved to ensure earlier capture of information.
	Licences and permits	(9,754)	"Drivers Licenses" is the main contributor due to a decline in applications and budget not adjusted downward during planning phase.	Request for revenue to be adjusted downwards during Adjustment Budget process.
	Agency services	(4,649)	Revenue generated by entity "TEDA" to-date for this service is less than projected.	Entity to improve collection rate.
	Transfers recognised - operational	25,146	"Equitable Shares" is the main contributor. Variance mainly due to the non-alignment of YTD Budget to the Payment Schedule issued by National Treasury.	None.
	Other revenue	(544,865)	Most line-items in this group are not pro-rata revenue items.	Departments to ensure revenue is collected as planned.
	Gains on disposal of PPE	–		
	<b>Expenditure By Type</b>			
2	Employee related costs	(84,221)	"Service Bonus" is the main contributor. Implementation of GRAP 25 for Bonus Provision which was not considered during the planning phase.	Departments to implement corrective measures in terms of Budget Policy where line-items exceed YTD budget.
	Remuneration of councillors	(5,702)	Payment in terms of the Public Office Bearers Act.	None.
	Debt impairment	47,103	Due to increase in expenditure by entity "SWA".	Entity to improve collection rate.
	Depreciation & asset impairment	52,153	Depreciation is calculated in-line with the asset verification and purification process.	Will be monitored and reviewed.
	Finance charges	1,653	Costs are allocated according to all asset classifications systematically.	Will be monitored and reviewed.
	Bulk purchases	(447,599)	"Bulk: Electricity" and "Water: Rand Water" are the main contributors due a decrease in purchases against YTD projection.	Will be monitored and reviewed.
	Other materials	(71,198)	"Petrol And Diesel Fuel" is the main contributor due to a lag in processing of documentation.	Relevant department to ensure documentation is captured.
	Contracted services	(216,664)	Delays in the release of purchase orders due to implementation of new control measures.	Ensure service providers register with NT central supplier database.
	Transfers and grants	(328,648)	"Municipal Entities" is the main contributor due to year-end accrual reversal.	Actual payment to be done which will cancel out the credit.
	Other expenditure	(1,092,380)	Delays in the recording of purchase orders due to implementation of new control measures on "Accounting System".	Ensure service providers register with NT central supplier database.
	Loss on disposal of PPE	2,889	"Scrapping of Assets" is the main contributor.	To be addressed during Adjustments Budget process.
3	<b>Capital Expenditure</b>			
	Vote 1 - City Planning & Development	(29,167)	"Redevelopment of Caledonian" project is the main contributor due to change in project owner (Department).	Will be transferred to Sports and Recreation Department during Adjustments Budget Process.
	Vote 2 - Corporate & Shared Services	(8,490)	"Tshwane Leadership and Management Academy" project is the main contributor. Delay at Supply Chain Management in the advertising of contractors.	Once contractors are appointed regular follow-up's will be made to ensure that all items are delivered before year-end.
	Vote 3 - Economic Development	(10,064)	"Informal Trade Market (Inner City)" project is the main contributor, the tender panel of Contractors will be finalised in February 2017.	Architectural drawings has been submitted for approval at the City Planning and Development Department.
	Vote 4 - Emergency Services	(1,634)	"Renovation & Upgrading of Facilities" project is the main contributor. Delay in the installation and commissioning of video walls at Pieter Delpont Centre and Central Emergency Services station.	Ensure commissioning of video walls be completed during February 2017.

(a) Table SC1: Material Variance Explanations (cont)

TSH City Of Tshwane - Supporting Table SC1 Material variance explanations - M07 January				
Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
3	Vote 5 - Energy & Electricity Department	(640,868)	"AMVI Infrastructure (Smart Meter Project)" is the main contributor.	The project is under review.
	Vote 6 - Environmental Management	(16,284)	"240 Litre Containers" project is the main contributor. Planned rollout of 240L bins was temporarily suspended due to fear of community unrest related to the community being discontent with the 240L waste bin tariffs.	A purchase order of R4,5 million is being prepared.
	Vote 7 - Group Financial Services	(16,980)	"Corporate Capital Movables" project, there has been a hold on the acquisition of furniture and equipment pending the move to the Tshwane	None at this stage.
	Vote 8 - Group Information & Communication Technology	(113,171)	"BPC and SCOA" and "Upgrade of IT Infrastructure" projects are the main contributors. mSCOA project is currently underway and payment will occur once deliverables have been achieved.	Payment will occur once deliverables have been achieved.
	Vote 9 - Housing & Human Settlement	(1,849)	"Townlands Marabastad" is the main contributor. Invoices for the project was only processed towards the end of January 2017.	All processes are in place to expedite spending.
	Vote 10 - Metro Police Services	(16,406)	"Purchasing of Policing Equipment" project is the main contributor due to delay in the approval of quotations and vendor registration.	Ensure project is delivered as planned.
	Vote 11 - Office of the City Manager	(103,598)	"RE-AGA-Tshwane" project is the main contributor. Contractors did not work over December and some of the appointments are being finalised.	Some of the appointments are being finalised and will be committed once the adjustments budget is approved.
	Vote 12 - Service Delivery & Transformation Management	-	No deviation.	
	Vote 13 - Transport	(253,634)	Delays in finalising contracts. "CBD and Surrounding Areas (BRT) - (Transport Infrastructure)" is the main contributor.	Department to ensure expenditure is aligned to SDBIP Plan.
	Vote 14 - Water & Sanitation Department	(16,423)	"Reservoir Extensions" project is the main contributor. Payments could not be processed due to the delays resulting from the implementation of the E-Procurement system.	Monitor contractors and apply the relevant penalties and remedial actions should the contractors fail to execute work diligently. Evaluate and appoint contractors speedily on tenders that are advertised.
	Vote 15 - Other Votes	(17,998)	"Insurance Replacements (CTMM Contribution)" project is the main contributor. Due to the E-Procurement process not being functional no procurement/ replacement has taken place.	WBS numbers provided to Corporate and Shared Services: Corporate Fleet Management. Procurement to take place as once the E-Procurement process is functional.
4	<b>Financial Position</b>			
	Current assets	(2,065,643)	A decrease in non current assets against projection with the exception of "Other Debtors" and "Inventory".	
	Non current assets	(4,057,352)	A decrease in non current assets against projection with the exception of "Intangible Assets" and "Other non-current assets".	
	Current liabilities	277,579	An increase in current liabilities against projections except "Trade and other payables".	
	Non current liabilities	(1,671,436)	A decrease in non current liabilities items against projections except "Provisions".	
5	<b>Cash Flow</b>			
	Transfer receipts - capital	42,905	More transfers received and recognised against projection.	
	Contributions & Contributed assets	16,900	No budget projection for the month.	
	Proceeds on disposal of PPE	116	No budget projection for the month.	
	Short term loans	(100,000)	No budget projection for the month.	
	Borrowing long term/refinancing	(101,359)	Long term borrowings planned for later part of the financial year.	
	Increase in consumer deposits	(335)	An decrease in consumer deposits against projection.	
	Receipt of non-current debtors	(67,607)	An decrease in non-current debtors against projection.	
	Receipt of non-current receivables	(92,402)	A decrease in non-current receivables against projection.	
	Change in non-current investments	36,046	An increase in non-current receivables against projection.	
	Capital assets	(205,169)	Actual lower than projected.	
	Repayment of borrowing	(1,862)	Linked to repayment of short term loans.	
6	<b>Measureable performance</b>			
7	<b>Municipal Entities</b>			
	<b>Revenue</b>			
	Housing Company Tshwane	(13,610)	Spent less on "Transfers recognised - operational" due to buildings not yet transferred to HCT.	Due to challenges faced with the transfers, the buildings will be removed during the adjustment budget process and will be budgeted for in the 2017/2018 financial year.
	Sandspruit Works Association	(12,029)	Less "Other revenue" collected than projected.	None.
	Tshwane Economic Development Agency	8,502	Agency Revenue will be revised downwards.	
	<b>Expenditure</b>			
	Housing Company Tshwane	(20,131)	"Contracted Services" is the main contributor. The supplier for the Timberland was appointed for only phase 1.	Going forward, the Supplier/ Contractor for feasibility studies will be appointed for both phase one and phase two to avoid delay.
	Sandspruit Works Association	(7,069)	Spending on "Other expenditure" less than projected.	None.
	Tshwane Economic Development Agency	(15,879)	"Other expenditure" is the main contributor. Expenditure less than projected.	
	<b>Capital Expenditure</b>			
	Housing Company Tshwane	(40,958)	Delays in the starting of construction on Townlands project.	Construction will commence during the end of February 2017.
	Sandspruit Works Association	(2,372)	Expenditure on "Other Assets" less than planned.	
	Tshwane Economic Development Agency	1,793	"Other Assets" purchased earlier than projected.	

## (b) Table SC2: Monthly Budget Statement – Performance Indicators

TSH City Of Tshwane - Supporting Table SC2 Monthly Budget Statement - performance indicators - M07 January

City of Tshwane - Supporting Table 002 Monthly Budget Statement - performance indicators - 1st January						
Description of financial indicator	Basis of calculation	Ref	2015/16	Budget Year 2016/17		
			Unaudited Outcome	Original Budget	YearTD actual	Full Year Forecast
<b><u>Borrowing Management</u></b>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2.2%	8.2%	9.4%	8.2%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		78.8%	47.7%	84.7%	47.7%
<b><u>Safety of Capital</u></b>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		101.3%	70.3%	77.9%	70.3%
Gearing	Long Term Borrowing/ Funds & Reserves		4086.7%	4339.9%	3942.6%	4339.9%
<b><u>Liquidity</u></b>						
Current Ratio	Current assets/current liabilities	1	0.6%	1.1%	0.8%	1.1%
Liquidity Ratio	Monetary Assets/Current Liabilities		0.1%	0.5%	0.2%	0.5%
<b><u>Revenue Management</u></b>						
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing		86.1%	95.3%	89.0%	95.3%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		14.8%	13.6%	20.6%	13.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))		100.0%	100.0%	100.0%	100.0%
<b><u>Funding of Provisions</u></b>						
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions					
<b><u>Other Indicators</u></b>						
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	20.7%	9.0%	20.6%	9.0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	29.4%	22.6%	26.6%	22.6%
Employee costs	Employee costs/Total Revenue - capital revenue		28.9%	25.2%	26.8%	25.2%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		5.5%	4.9%	0.5%	4.9%
Interest & Depreciation	I&D/Total Revenue - capital revenue		10.0%	7.7%	8.2%	7.7%
<b><u>IDP regulation financial viability indicators</u></b>						
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		13.3	14.8	14.4	14.8
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		10.2%	8.9%	12.6%	8.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		0.04	0.13	0.76	0.13

### (c) Table SC3: Monthly Budget Statement – Aged Debtors

TSH City Of Tshwane - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January

Description	NT Code	Budget Year 2016/17									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	330,911	53,502	53,958	34,928	51,417	75,678	273,919	1,009,625	1,883,940	1,445,568	318	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	220,829	20,999	18,767	25,268	23,727	27,351	90,244	576,325	1,003,511	742,916	119	-
Receivables from Non-exchange Transactions - Property Rates	1400	495,073	63,516	56,826	61,399	71,909	60,663	233,185	1,180,758	2,223,329	1,607,914	136	-
Receivables from Exchange Transactions - Waste Water Management	1500	65,188	8,687	7,900	7,752	6,355	7,251	36,021	152,025	291,179	209,404	113	-
Receivables from Exchange Transactions - Waste Management	1600	105,692	15,516	15,240	14,110	13,142	12,840	69,363	291,207	537,109	400,662	136	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	10,715	1,482	1,404	950	1,236	197,808	152	40,053	253,799	240,198	-	-
Interest on Arrear Debtor Accounts	1810	124,529	40,908	42,297	42,518	38,603	33,186	195,313	972,911	1,490,264	1,282,530	163	-
Other	1900	14,372	(5,633)	5,057	18,421	19,736	36,091	80,708	608,165	776,917	763,121	804	-
Total By Income Source	2000	1,367,309	198,977	201,450	205,347	226,125	450,868	978,904	4,831,069	8,460,049	6,692,313	1,790	-
2015/16 - totals only		1,340,791	196,646	146,074	203,324	153,082	368,814	918,157	4,074,175	7,401,061	5,717,551	2,922	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	59,679	7,910	7,111	7,965	8,345	6,789	(6,923)	(17,109)	73,768	(932)	-	-
Commercial	2300	365,200	56,042	38,864	55,614	63,908	66,679	202,939	1,063,973	1,913,218	1,453,113	-	-
Households	2400	741,008	124,572	130,066	135,790	128,906	126,286	659,423	2,890,159	4,936,208	3,940,563	1,088	-
Other	2500	201,422	10,453	25,410	5,978	24,966	251,114	123,465	894,045	1,536,854	1,299,569	702	-
Total By Customer Group	2600	1,367,309	198,977	201,450	205,347	226,125	450,868	978,904	4,831,069	8,460,049	6,692,313	1,790	-

### (d) Table SC4: Monthly Budget Statement – Aged Creditors

TSH City Of Tshwane - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description R thousands	NT Code	Budget Year 2016/17									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	
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	563,218								563,218	537,506
Bulk Water	0200	172,245								172,245	183,633
PAYE deductions	0300	94,400								94,400	81,039
VAT (output less input)	0400	(93,805)								(93,805)	(126,239)
Pensions / Retirement deductions	0500	103,248								103,248	97,824
Loan repayments	0600	991,645								991,645	18
Trade Creditors	0700	559,609								559,609	405,715
Auditor General	0800	127								127	–
Other	0900	1,518,884								1,518,884	2,311,232
<b>Total By Customer Type</b>	<b>1000</b>	<b>3,909,571</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>3,909,571</b>	<b>3,490,729</b>

## (e) Table SC5: Monthly Budget Statement – Investment Portfolio

TSH City Of Tshwane - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January

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							
<b>Municipality</b>									
Call Investment deposits < 90 days									
Knysna Stocks	24	15y	Stock	31.12.2018	0	0.0%	715	–	715
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	131	5.2%	29,721	–	29,853
ABSA	33	On Call	Money Market	On call	46	5.2%	10,415	–	10,461
ABSA	34	On Call	Money Market	On call	34	5.2%	7,801	–	7,836
ABSA	35	On Call	Money Market	On call	1	5.2%	172	–	173
Investec Bank	37	On Call	Money Market	On call	115	5.2%	26,101	–	26,216
Investec Bank	38	On Call	Money Market	On call	37	5.2%	8,343	–	8,380
Investec Bank	39	On Call	Money Market	On call	5	5.2%	1,118	–	1,122
Standard Bank	40	On Call	Money Market	On call	417	5.2%	94,399	–	94,816
Standard Bank	41	On Call	Money Market	On call	13	5.2%	2,930	–	2,943
Investec Bank	108	On Call	Money Market	On call	154	6.0%	30,186	–	30,340
RMB	237	On Call	Money Market	31.10.2011	–	0.0%	–	–	–
STANLIB	106	On Call	Money Market	On call	–	0.4%	8,152	–	8,152
ABSA	338	On Call	Short Term	On call	–	0.0%	15,152	(15,152)	–
Nedbank	341	On Call	Short Term	On call	–	0.0%	–	–	–
Standard Bank	340	On Call	Short Term	On call	–	5.8%	105,327	55,258	160,585
ABSA	243	On Call	Short Term	On call	–	0.0%	–	–	–
Nedbank	244	On Call	Short Term	On call	–	0.0%	–	–	–
ABSA	245	On Call	Short Term	On call	–	0.0%	–	–	–
Standard Bank	246	On Call	Sinking Fund	On call	–	0.0%	950,000	–	950,000
Nedbank	247	On Call	Short Term	On call	–	0.0%	–	–	–
ABSA	248	On Call	Short Term	On call	–	0.0%	–	–	–
Standard Bank	260	On Call	Short Term	On call	294	5.0%	69,208	–	69,502
<b>Municipality sub-total</b>					1,253		1,362,331	37,509	1,401,093
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>1,253</b>		<b>1,362,331</b>	<b>37,509</b>	<b>1,401,093</b>

## (f) Table SC6: Monthly Budget Statement – Transfers and Grant Receipts

**TSH City Of Tshwane - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January**

City of Tshwane - Supporting Table 300 Monthly Budget Statement - transfers and grant receipts - 1st January									
Description	Ref	2015/16	Budget Year 2016/17						
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		3,298,840	3,646,903	-	2,685,585	2,685,585	-		3,646,903
EPWP Incentive		31,143	50,247	-	35,173	35,173	-		50,247
Finance Management		3,925	2,875	-	2,875	2,875	-		2,875
Fuel Levy		1,395,849	1,440,100	-	960,066	960,066	-		1,440,100
Integrated City Development Grant		39,702	42,652	-	42,652	42,652	-		42,652
Local Government Equitable Share		1,654,390	1,864,838	-	1,398,628	1,398,628	-		1,864,838
Municipal Disaster Recovery Grant	3	-	-	-	-	-	-		-
Municipal Human Settlement Capacity Grant		12,831	-	-	-	-	-		-
Public Transport Network Operations Grant		161,000	200,011	-	200,011	200,011	-		200,011
Urban Settlement Development Grant		-	46,180	-	46,180	46,180	-		46,180
Provincial Government:		206,894	329,573	18,855	298,546	316,276	(17,730)	-5.6%	329,573
Emergency Medical Services		59,687	62,850	18,855	62,850	62,850	-		62,850
HIV and Aids Grant		11,948	12,649	-	12,649	12,649	-		12,649
HSDG (Top Structure)		86,656	203,033	-	203,033	203,033	-		203,033
Primary Health Care	4	42,085	44,325	-	13,298	31,028	(17,730)	-57.1%	44,325
Research & Tecnology Development Services		893	-	-	-	-	-		-
Sport & Recreation: Community Libraries		5,625	6,716	-	6,716	6,716	-		6,716
Other grant providers:		359,222	263,847	38,172	209,233	155,127	54,106	34.9%	263,847
Broadband/Wifi DTSP		8,850	-	-	-	-	-		-
Housing Company Tshwane		19,761	36,757	3,829	12,954	24,981	(12,027)	-48.1%	36,757
LG SETA Discretionary Grant		-	-	-	-	-	-		-
Sandspruit		270,575	172,940	20,806	155,667	103,073	52,595	51.0%	172,940
TEDA		60,036	54,150	13,537	40,611	27,074	13,537	50.0%	54,150
Total Operating Transfers and Grants	5	3,864,956	4,240,323	57,027	3,193,364	3,156,988	36,376	1.2%	4,240,323
Capital Transfers and Grants									
National Government:		2,378,161	2,331,654	240,422	1,324,596	1,324,596	-		2,331,654
Energy Efficiency & Demand Side Management		7,000	-	-	-	-	-		-
Finance Management		250	-	-	-	-	-		-
Integrated National Electricity Programme		37,000	40,000	2,920	24,805	24,805	-		40,000
Neighbourhood Development Partnership		62,619	48,500	-	13,800	13,800	-		48,500
Public Transport Network Operations Grant		770,609	750,000	237,502	562,504	562,504	-		750,000
Urban Settlement Development Grant		1,500,683	1,493,154	-	723,487	723,487	-		1,493,154
Provincial Government:		30,551	26,284	-	21,025	17,953	3,072	17.1%	26,284
Gautrans		-	-	-	-	-	-		-
Social Infrastructure Grant		23,000	21,000	-	15,741	12,670	3,072	24.2%	21,000
Sport and Recreation: Community Libraries		7,551	5,284	-	5,284	5,284	-		5,284
Other grant providers:		1,388	200	-	-	-	-		200
Housing Delft Grant		-	-	-	-	-	-		-
LG SETA Discretionary Grant		-	-	-	-	-	-		-
Smart Connect Grant		1,388	200	-	-	-	-		200
Total Capital Transfers and Grants	5	2,410,100	2,358,138	240,422	1,345,621	1,342,549	3,072	0.2%	2,358,138
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	6 275 056	6 598 461	297 449	4 538 985	4 499 538	39 447	0.9%	6 598 461

## (h) 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 - M07 January**

Description		Ref	2015/16	Budget Year 2016/17						
			Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:			3,260,168	3,646,903	84,514	2,583,617	2,459,741	123,876	5.0%	3,646,903
EPWP Incentive			31,143	50,247	–	35,173	35,173	0	0.0%	50,247
Finance Management			3,902	2,875	359	2,809	1,677	1,132	67.5%	2,875
Fuel Levy			1,395,849	1,440,100	–	960,066	960,066	–		1,440,100
Integrated City Development Grant			10,225	42,652	4,690	10,489	42,652	(32,163)	-75.4%	42,652
Local Government Equitable Share			1,654,389	1,864,838	–	1,398,628	1,243,226	155,402	12.5%	1,864,838
Municipal Disaster Recovery Grant			–	–	–	–	–	–		–
Municipal Human Settlement Capacity Grant			4,401	–	–	–	–	–		–
Public Transport Network Operations Grant			160,259	200,011	42,521	130,271	150,008	(19,737)	-13.2%	200,011
Urban Settlement Development Grant			–	46,180	36,944	46,180	26,938	19,242	71.4%	46,180
Provincial Government:			192,289	329,573	56,917	138,320	244,976	(106,656)	-43.5%	329,573
Emergency Medical Services			59,687	62,850	18,855	62,850	62,850	–		62,850
HIV and Aids Grant			11,948	12,649	–	8,591	12,649	(4,058)	-32.1%	12,649
HSDG (Top Structure)			73,772	203,033	5,883	33,742	118,436	(84,694)	-71.5%	203,033
Primary Health Care			42,085	44,325	31,028	31,028	44,325	(13,298)	-30.0%	44,325
Research & Tecnology Development Services			369	–	–	–	–	–		–
Sport & Recreation: Community Libraries			4,429	6,716	1,152	2,110	6,716	(4,606)	-68.6%	6,716
Other grant providers:			358,135	263,847	38,172	210,320	155,127	55,192	35.6%	263,847
Broadband/Wifi DTPS			7,763	–	–	1,087	–	1,087		–
Housing Company Tshwane			19,761	36,757	3,829	12,954	24,981	(12,027)	-48.1%	36,757
LG SETA Discretionary Grant			–	–	–	–	–	–		–
Sandspruit			270,575	172,940	20,806	155,667	103,073	52,595	51.0%	172,940
TEDA			60,036	54,150	13,537	40,611	27,074	13,537	50.0%	54,150
Total operating expenditure of Transfers and Grants:			3,810,593	4,240,323	179,604	2,932,257	2,859,844	72,412	2.5%	4,240,323
<u>Capital expenditure of Transfers and Grants</u>										
National Government:			2,194,753	2,331,654	115,927	1,045,044	1,345,086	(300,042)	-22.3%	2,331,654
Energy Efficiency & Demand Side Management			–	–	–	–	–	–		–
Finance Management			157	–	–	–	–	–		–
Integrated National Electricity Programme			36,801	40,000	2,483	21,374	23,333	(1,960)	-8.4%	40,000
Neighbourhood Development Partnership			62,619	48,500	–	16,470	28,292	(11,821)	-41.8%	48,500
Public Transport Network Operations Grant			471,556	750,000	29,312	200,867	426,199	(225,332)	-52.9%	750,000
Urban Settlement Development Grant			1,623,621	1,493,154	84,132	806,333	867,262	(60,929)	-7.0%	1,493,154
Provincial Government:			39,273	38,355	2,480	22,526	23,226	(700)	-3.0%	38,355
Gautrans			–	12,071	–	–	7,041	(7,041)	-100.0%	12,071
Social Infrastructure Grant			33,000	21,000	1,727	20,853	13,860	6,993	50.5%	21,000
Sport and Recreation: Community Libraries			6,273	5,284	753	1,673	2,325	(651)	-28.0%	5,284
Other grant providers:			1,773	200	–	–	200	(200)	-100.0%	200
Housing Delft Grant			–	–	–	–	–	–		–
LG SETA Discretionary Grant			–	–	–	–	–	–		–
Smart Connect Grant			1,773	200	–	–	200	(200)	-100.0%	200
Total capital expenditure of Transfers and Grants			2,235,800	2,370,209	118,407	1,067,570	1,368,512	(300,942)	-22.0%	2,370,209
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			6,046,393	6,610,532	298,011	3,999,827	4,228,356	(228,529)	-5.4%	6,610,532



**(i) 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 - M07 January**

Description	Ref	Budget Year 2016/17				
		Approved Rollover 2015/16	Monthly actual	YearTD actual	YTD variance	YTD variance
R thousands						%
<b><u>EXPENDITURE</u></b>						
<b><u>Operating expenditure of Approved Roll-overs</u></b>						
<b>National Government:</b>		-	-	-	-	
EPWP Incentive					-	
Finance Management					-	
Fuel Levy					-	
Integrated City Development Grant					-	
Local Government Equitable Share					-	
Municipal Disaster Recovery Grant					-	
Municipal Human Settlement Capacity Grant					-	
Public Transport Network Operations Grant					-	
Urban Settlement Development Grant					-	
<b>Provincial Government:</b>		-	-	-	-	
Emergency Medical Services					-	
HIV and Aids Grant					-	
HSDG (Top Structure)					-	
Primary Health Care					-	
Research & Technology Development Services					-	
Sport & Recreation: Community Libraries					-	
<b>Other grant providers:</b>		-	-	-	-	
Broadband/Wifi DTPS					-	
Housing Company Tshwane					-	
LG SETA Discretionary Grant					-	
Sandspruit					-	
TEDA					-	
<b>Total operating expenditure of Approved Roll-overs</b>		-	-	-	-	
<b><u>Capital expenditure of Approved Roll-overs</u></b>						
<b>National Government:</b>		-	-	-	-	
Energy Efficiency & Demand Side Management					-	
Finance Management					-	
Integrated National Electricity Programme					-	
Neighbourhood Development Partnership					-	
Public Transport Network Operations Grant					-	
Urban Settlement Development Grant					-	
<b>Provincial Government:</b>		-	-	-	-	
Gautrans					-	
Social Infrastructure Grant					-	
Sport and Recreation: Community Libraries					-	
<b>Other grant providers:</b>		-	-	-	-	
Housing Delft Grant					-	
LG SETA Discretionary Grant					-	
Smart Connect Grant					-	
<b>Total capital expenditure of Approved Roll-overs</b>		-	-	-	-	
<b>TOTAL EXPENDITURE OF APPROVED ROLL-OVERS</b>		-	-	-	-	

**Note:** Rollovers granted will be incorporated during the adjustments budget process.

## (i) Table SC8: Monthly Budget Statement – Councillor and Staff Benefits

**TSH City Of Tshwane - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January**

Summary of Employee and Councillor remuneration	Ref	2015/16	Budget Year 2016/17						
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
	1	A	B						D
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages		109,968	117,967	9,396	64,668	68,814	(4,146)	-6%	117,967
Other benefits and allowances		2,475	2,500	–	710	1,458	(749)	-51%	2,500
<b>Sub Total - Councillors</b>		<b>112,443</b>	<b>120,467</b>	<b>9,396</b>	<b>65,377</b>	<b>70,272</b>	<b>(4,895)</b>	<b>-7%</b>	<b>120,467</b>
<b>% increase</b>	4		<b>7.1%</b>						<b>7.1%</b>
<b>Senior Managers of the Municipality</b>	3								
Basic Salaries and Wages		53,595	59,748	2,867	24,861	34,853	(9,992)	-29%	59,748
Cellphone Allowance		601	732	32	270	427	(157)	-37%	732
<b>Sub Total - Senior Managers of Municipality</b>		<b>54,196</b>	<b>60,480</b>	<b>2,899</b>	<b>25,131</b>	<b>35,280</b>	<b>(10,149)</b>	<b>-29%</b>	<b>60,480</b>
<b>% increase</b>	4		<b>11.6%</b>						<b>11.6%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages		4,501,526	4,894,527	415,670	2,887,288	3,018,597	(131,309)	-4%	4,894,527
Pension and UIF Contributions		1,239,963	1,171,204	91,973	649,566	681,106	(31,540)	-5%	1,171,204
Medical Aid Contributions		415,154	417,710	39,535	261,507	243,521	17,986	7%	417,710
Overtime		371,580	212,189	38,163	225,083	136,316	88,767	65%	212,189
Performance Bonus		313	419	7	166	244	(79)	-32%	419
Motor Vehicle Allowance		303,286	334,721	25,147	178,448	195,352	(16,904)	-9%	334,721
Cellphone Allowance		17,782	22,946	1,324	9,534	13,185	(3,651)	-28%	22,946
Housing Allowances		35,179	26,129	3,188	23,093	16,188	6,905	43%	26,129
Other benefits and allowances		317,097	342,493	30,465	207,661	202,225	5,436	3%	342,493
Post-retirement benefit obligations		–	203,073	–	–	113,792	(113,792)	-100%	203,073
<b>Sub Total - Other Municipal Staff</b>		<b>7,201,879</b>	<b>7,625,411</b>	<b>645,473</b>	<b>4,442,345</b>	<b>4,620,527</b>	<b>(178,182)</b>	<b>-4%</b>	<b>7,625,411</b>
<b>% increase</b>	4		<b>5.9%</b>						<b>5.9%</b>
<b>Total Parent Municipality</b>		<b>7,368,518</b>	<b>7,806,358</b>	<b>657,768</b>	<b>4,532,853</b>	<b>4,726,079</b>	<b>(193,226)</b>	<b>-4%</b>	<b>7,806,358</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>									
<b>Board Members of Entities</b>									
Board Fees		4,199	5,368	195	2,150	3,089	(939)	-30%	5,368
<b>Sub Total - Board Members of Entities</b>	2	<b>4,199</b>	<b>5,368</b>	<b>195</b>	<b>2,150</b>	<b>3,089</b>	<b>(939)</b>	<b>-30%</b>	<b>5,368</b>
<b>% increase</b>	4		<b>27.8%</b>						<b>27.8%</b>
<b>Senior Managers of Entities</b>									
Basic Salaries and Wages		23,282	27,353	2,430	16,337	11,560	4,777	41%	27,353
Pension and UIF Contributions		2,094	1,934	92	733	1,131	(398)	-35%	1,934
Medical Aid Contributions		942	1,233	73	510	723	(214)	-30%	1,233
Performance Bonus		129	643	–	–	374	(374)	-100%	643
Motor Vehicle Allowance		2,471	3,713	163	1,335	2,174	(839)	-39%	3,713
Cellphone Allowance		338	214	6	190	125	65	52%	214
Housing Allowances		317	360	18	143	210	(67)	-32%	360
Other benefits and allowances		446	601	50	162	355	(193)	-54%	601
<b>Sub Total - Senior Managers of Entities</b>		<b>30,019</b>	<b>36,052</b>	<b>2,831</b>	<b>19,410</b>	<b>16,653</b>	<b>2,757</b>	<b>17%</b>	<b>36,052</b>
<b>% increase</b>	4		<b>20.1%</b>						<b>20.1%</b>
<b>Other Staff of Entities</b>									
Basic Salaries and Wages		66,535	82,127	5,533	41,692	45,711	(4,019)	-9%	82,127
Pension and UIF Contributions		9,953	13,760	1,009	6,970	8,032	(1,063)	-13%	13,760
Medical Aid Contributions		8,993	10,714	814	5,542	6,255	(714)	-11%	10,714
Overtime		2,380	2,484	146	1,581	1,446	134	9%	2,484
Performance Bonus		–	4,875	–	188	2,839	(2,650)	-93%	4,875
Motor Vehicle Allowance		6,057	6,606	486	3,672	3,847	(175)	-5%	6,606
Cellphone Allowance		480	426	30	281	248	33	13%	426
Housing Allowances		2,967	3,527	282	2,024	2,054	(30)	-1%	3,527
Other benefits and allowances		2,237	2,385	185	1,294	1,394	(100)	-7%	2,385
<b>Sub Total - Other Staff of Entities</b>		<b>99,603</b>	<b>126,903</b>	<b>8,485</b>	<b>63,244</b>	<b>71,827</b>	<b>(8,583)</b>	<b>-12%</b>	<b>126,903</b>
<b>% increase</b>	4		<b>27.4%</b>						<b>27.4%</b>
<b>Total Municipal Entities</b>		<b>133,821</b>	<b>168,323</b>	<b>11,512</b>	<b>84,803</b>	<b>91,568</b>	<b>(6,765)</b>	<b>-7%</b>	<b>168,323</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>7,502,339</b>	<b>7,974,681</b>	<b>669,279</b>	<b>4,617,657</b>	<b>4,817,647</b>	<b>(199,991)</b>	<b>-4%</b>	<b>7,974,681</b>
<b>% increase</b>	4		<b>6.3%</b>						<b>6.3%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>7,385,697</b>	<b>7,848,847</b>	<b>659,688</b>	<b>4,550,130</b>	<b>4,744,286</b>	<b>(194,157)</b>	<b>-4%</b>	<b>7,848,847</b>

**(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 - M07 January**

Description	Ref	Budget Year 2016/17			2016/17 Medium Term Revenue & Expenditure Framework		
		January Budget	January Actual	Jan Variance	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<b>R thousands</b>	<b>1</b>						
<b><u>Cash Receipts By Source</u></b>							
Property rates		450,312	467,498	17,186	5,533,559	6,032,645	6,516,106
Service charges - electricity revenue		845,187	229,928	(615,259)	10,905,836	11,832,832	12,720,295
Service charges - water revenue		304,443	235,739	(68,703)	3,835,403	4,262,897	4,695,908
Service charges - sanitation revenue		80,029	64,008	(16,021)	911,637	1,012,764	1,115,309
Service charges - refuse		102,801	102,202	(599)	1,157,175	1,262,165	1,363,811
Service charges - other		16,361	–	(16,361)	201,177	213,650	226,256
Rental of facilities and equipment		10,847	10,836	(12)	129,430	143,487	160,846
Interest earned - external investments		3,535	11,969	8,434	42,417	45,020	40,194
Interest earned - outstanding debtors		17,018	52,749	35,731	204,214	217,550	231,141
Fines		16,555	11,464	(5,090)	198,658	210,975	223,423
Licences and permits		5,047	3,494	(1,553)	60,564	64,319	68,114
Agency services		–	–	–	2,878	12,502	24,500
Transfer receipts - operating		117,574	18,855	(98,719)	4,240,323	4,338,748	4,687,079
Other revenue		149,486	67,616	(81,870)	1,795,964	953,970	1,043,691
<b>Cash Receipts by Source</b>		<b>2,119,195</b>	<b>1,276,358</b>	<b>(842,837)</b>	<b>29,219,235</b>	<b>30,603,525</b>	<b>33,116,670</b>
<b><u>Other Cash Flows by Source</u></b>							
Transfer receipts - capital		197,517	240,422	42,905	2,370,209	2,449,064	2,532,510
Contributions & Contributed assets		–	16,900	16,900	–	–	–
Proceeds on disposal of PPE		–	116	116	–	–	–
Short term loans		–	(100,000)	(100,000)	–	–	–
Borrowing long term/refinancing		101,359	–	(101,359)	1,000,000	1,000,000	1,000,000
Increase in consumer deposits		617	283	(335)	7,366	7,509	7,655
Receipt of non-current debtors		(20,131)	(87,738)	(67,607)	(241,572)	(251,558)	(262,137)
Receipt of non-current receivables		230	(92,172)	(92,402)	2,759	(4,922)	(5,303)
Change in non-current investments		(25,249)	10,797	36,046	(302,991)	(31,376)	28,328
<b>Total Cash Receipts by Source</b>		<b>2,373,538</b>	<b>1,264,965</b>	<b>(1,108,573)</b>	<b>32,055,005</b>	<b>33,772,242</b>	<b>36,417,722</b>
<b><u>Cash Payments by Type</u></b>							
Employee related costs		605,622	658,333	52,711	7,614,468	8,073,533	8,565,420
Remuneration of councilors		10,436	9,591	(844)	125,328	133,060	141,390
Interest paid		89,946	56,245	(33,701)	1,057,999	1,114,849	1,088,808
Bulk purchases - Electricity		624,618	42,961	(581,657)	7,495,422	8,132,114	8,741,714
Bulk purchases - Water & Sewer		185,313	77,097	(108,215)	2,461,604	2,731,800	3,001,741
Other materials		22,083	15,546	(6,537)	283,962	301,535	320,296
Contracted services		208,879	96,413	(112,466)	2,657,237	2,926,415	3,168,402
Grants and subsidies paid - other		24,005	39,962	15,958	288,055	284,074	290,591
General expenses		309,508	30,458	(279,049)	3,912,758	3,898,474	4,097,336
<b>Cash Payments by Type</b>		<b>2,080,409</b>	<b>1,026,607</b>	<b>(1,053,802)</b>	<b>25,896,832</b>	<b>27,595,853</b>	<b>29,415,698</b>
<b><u>Other Cash Flows/Payments by Type</u></b>							
Capital assets		361,138	155,969	(205,169)	4,339,234	3,598,863	3,872,759
Repayment of borrowing		58,507	56,645	(1,862)	702,083	815,838	815,838
<b>Total Cash Payments by Type</b>		<b>2,500,053</b>	<b>1,239,220</b>	<b>(1,260,833)</b>	<b>30,938,150</b>	<b>32,010,555</b>	<b>34,104,295</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(126,515)</b>	<b>25,745</b>	<b>152,260</b>	<b>1,116,856</b>	<b>1,761,688</b>	<b>2,313,426</b>
Cash/cash equivalents at the month/year beginning:		2,617,128	1,456,850		2,012,796	3,129,652	4,891,340
Cash/cash equivalents at the month/year end:		2,490,612	1,482,595	152,260	3,129,652	4,891,340	7,204,766

**(j) Table SC10: Monthly Budget Statement – Parent Municipality Financial Performance (Revenue and Expenditure)**

**TSH City Of Tshwane - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M07 January**

Description	Ref	2015/16	Budget Year 2016/17						
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>								
<b>Revenue By Source</b>									
Property rates		5,384,019	5,764,124	467,498	3,348,981	3,292,627	56,354	2%	5,764,124
Service charges - electricity revenue		9,340,209	11,360,246	223,207	6,367,842	6,711,393	(343,551)	-5%	11,360,246
Service charges - water revenue		3,226,514	3,815,498	203,625	1,739,560	2,156,319	(416,758)	-19%	3,815,498
Service charges - sanitation revenue		760,693	894,777	59,645	452,611	518,358	(65,747)	-13%	894,777
Service charges - refuse revenue		1,128,046	1,205,390	98,088	710,069	696,138	13,931	2%	1,205,390
Service charges - other		232,687	209,560	31,520	177,506	118,856	58,650	49%	209,560
Rental of facilities and equipment		131,388	127,397	10,375	67,456	74,315	(6,859)	-9%	127,397
Interest earned - external investments		56,000	41,895	11,840	51,765	24,439	27,326	112%	41,895
Interest earned - outstanding debtors		361,055	187,512	47,314	294,723	109,382	185,342	169%	187,512
Fines		160,585	198,658	11,464	167,064	115,884	51,180	44%	198,658
Licences and permits		48,743	60,564	3,494	25,575	35,329	(9,754)	-28%	60,564
Transfers recognised - operational		3,516,826	3,976,476	104,487	2,675,757	2,704,717	(28,960)	-1%	3,976,476
Other revenue		755,809	1,736,142	103,802	503,380	1,011,226	(507,845)	-50%	1,736,142
Gains on disposal of PPE		165,263	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>25,267,839</b>	<b>29,578,240</b>	<b>1,376,359</b>	<b>16,582,289</b>	<b>17,568,980</b>	<b>(986,691)</b>	<b>-6%</b>	<b>29,578,240</b>
<b>Expenditure By Type</b>									
Employee related costs		7,240,936	7,459,140	646,360	4,454,785	4,528,017	(73,232)	-2%	7,459,140
Remuneration of councillors		112,443	120,467	9,396	65,377	70,272	(4,895)	-7%	120,467
Debt impairment		987,510	849,492	70,791	495,537	495,537	(0)	0%	849,492
Depreciation & asset impairment		1,416,448	1,254,567	114,871	784,840	731,831	53,009	7%	1,254,567
Finance charges		1,136,967	1,057,638	56,220	609,716	608,058	1,658	0%	1,057,638
Bulk purchases		8,808,849	9,748,736	649,926	5,224,474	5,676,904	(452,430)	-8%	9,748,736
Other materials		228,674	272,961	15,268	108,161	174,802	(66,641)	-38%	272,961
Contracted services		3,119,283	2,673,690	192,265	1,494,352	1,685,909	(191,557)	-11%	2,673,690
Transfers and grants		394,349	288,055	39,962	(160,616)	168,032	(328,648)	-196%	288,055
Other expenditure		3,844,269	3,922,825	105,903	1,479,535	2,519,222	(1,039,688)	-41%	3,922,825
Loss on disposal of PPE		13,098	1	(116)	2,890	1	2,889	497319%	1
<b>Total Expenditure</b>		<b>27,302,826</b>	<b>27,647,570</b>	<b>1,900,847</b>	<b>14,559,050</b>	<b>16,658,585</b>	<b>(2,099,535)</b>	<b>-13%</b>	<b>27,647,570</b>
<b>Surplus/(Deficit)</b>		<b>(2,034,987)</b>	<b>1,930,670</b>	<b>(524,488)</b>	<b>2,023,238</b>	<b>910,395</b>	<b>1,112,843</b>	<b>122%</b>	<b>1,930,670</b>
Transfers recognised - capital		2,452,210	2,370,209	44,476	975,942	1,382,622	(406,680)	-29%	2,370,209
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>417,223</b>	<b>4,300,879</b>	<b>(480,012)</b>	<b>2,999,181</b>	<b>2,293,017</b>	<b>706,164</b>	<b>31%</b>	<b>4,300,879</b>
<b>Surplus/(Deficit) after taxation</b>		<b>417,223</b>	<b>4,300,879</b>	<b>(480,012)</b>	<b>2,999,181</b>	<b>2,293,017</b>	<b>706,164</b>	<b>31%</b>	<b>4,300,879</b>

## (k) Table SC11: Monthly Budget Statement – Summary of Municipal Entities

**TSH City Of Tshwane - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M07 January**

Description	Ref	2015/16	Budget Year 2016/17						
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b><u>Revenue By Municipal Entity</u></b>									
Housing Company Tshwane		23,906	45,863	4,320	16,355	29,965	(13,610)	-45%	45,863
Sandspruit Works Association		593,037	521,135	42,136	295,598	307,627	(12,029)	-4%	521,135
Tshwane Economic Development Agency		65,937	64,631	13,607	40,816	32,314	8,502	26%	64,631
<b>Total Operating Revenue</b>	<b>1</b>	<b>682,880</b>	<b>631,629</b>	<b>60,062</b>	<b>352,769</b>	<b>369,906</b>	<b>(17,137)</b>	<b>-5%</b>	<b>631,629</b>
<b><u>Expenditure By Municipal Entity</u></b>									
Housing Company Tshwane		37,416	49,114	3,653	13,611	33,741	(20,131)	-60%	49,114
Sandspruit Works Association		588,270	521,135	41,489	295,114	302,183	(7,069)	-2%	521,135
Tshwane Economic Development Agency		61,210	64,131	2,866	25,650	41,529	(15,879)	-38%	64,131
<b>Total Operating Expenditure</b>	<b>2</b>	<b>686,896</b>	<b>634,380</b>	<b>48,008</b>	<b>334,375</b>	<b>377,454</b>	<b>(43,078)</b>	<b>-11%</b>	<b>634,380</b>
<b>Surplus/ (Deficit) for the yr/period</b>		<b>(4,016)</b>	<b>(2,751)</b>	<b>12,054</b>	<b>18,394</b>	<b>(7,547)</b>	<b>(60,216)</b>	<b>798%</b>	<b>(2,751)</b>
<b><u>Capital Expenditure By Municipal Entity</u></b>									
Housing Company Tshwane		260	41,304	–	346	41,304	(40,958)	-99%	41,304
Sandspruit Works Association		1,253	7,300	–	53	2,425	(2,372)	-98%	7,300
Tshwane Economic Development Agency		470	5,923	–	1,793	–	1,793		5,923
<b>Total Capital Expenditure</b>	<b>3</b>	<b>1,984</b>	<b>54,528</b>	<b>–</b>	<b>2,192</b>	<b>43,729</b>	<b>(41,538)</b>	<b>-95%</b>	<b>54,528</b>

**(I) Table SC12: Consolidated Monthly Budget Statement – Capital Expenditure Trend**

**TSH City Of Tshwane - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M07 January**

Month	2015/16	Budget Year 2016/17						
	Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>								
<b>Monthly expenditure performance trend</b>								
July	55,244	285,097	124	124	285,097	284,973	100.0%	0.003%
August	114,501	344,750	128,494	128,619	629,847	501,228	79.6%	3%
September	216,442	416,994	152,136	280,755	1,046,842	766,087	73.2%	6%
October	281,690	366,991	352,182	632,937	1,413,832	780,895	55.2%	14%
November	430,224	384,023	286,123	919,060	1,797,855	878,795	48.9%	21%
December	356,854	399,243	249,294	1,168,354	2,197,098	1,028,744	46.8%	26%
January	118,180	373,789	155,969	1,324,323	2,570,887	1,246,564	48.5%	30%
February	280,719	367,045			2,937,932	–		
March	244,613	406,345			3,344,277	–		
April	361,269	353,507			3,697,785	–		
May	703,503	424,567			4,122,352	–		
June	805,355	342,857			4,465,209	–		
<b>Total Capital expenditure</b>	<b>3,968,594</b>	<b>4,465,209</b>	<b>1,324,323</b>					

**(n) Table SC13a: Consolidated Monthly Budget Statement – Capital Expenditure on New Assets by Asset Class**

TSH City Of Tshwane - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M07 January

Description	Ref	2015/16	Budget Year 2016/17						
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>		<b>1,680,103</b>	<b>2,655,486</b>	<b>57,860</b>	<b>542,415</b>	<b>1,514,754</b>	<b>972,339</b>	<b>64.2%</b>	<b>2,655,486</b>
Infrastructure - Road transport		1,347,676	1,155,536	53,802	448,549	658,125	209,576	31.8%	1,155,536
Roads, Pavements & Bridges		901,901	769,450	46,704	255,564	437,545	181,980	41.6%	769,450
Storm water		445,776	386,086	7,099	192,984	220,581	27,596	12.5%	386,086
Infrastructure - Electricity		100,016	1,126,000	592	49,655	629,614	579,959	92.1%	1,126,000
Generation		99,069	176,000	592	49,655	75,447	25,792	34.2%	176,000
Transmission & Reticulation		948	950,000	–	–	554,167	554,167	100.0%	950,000
Infrastructure - Water		39,032	68,000	1,970	10,993	36,364	25,371	69.8%	68,000
Dams & Reservoirs		39,032	66,000	1,970	10,993	35,198	24,204	68.8%	66,000
Reticulation		–	2,000	–	–	1,167	1,167	100.0%	2,000
Infrastructure - Other		193,378	305,950	1,496	33,218	190,651	157,433	82.6%	305,950
Waste Management		4,998	–	–	3,675	–	(3,675)	–	–
Transportation		2,598	16,500	1,346	3,034	9,625	6,591	68.5%	16,500
Other		185,782	289,450	150	26,509	181,026	154,516	85.4%	289,450
<b>Community</b>		<b>172,432</b>	<b>195,400</b>	<b>17,380</b>	<b>73,252</b>	<b>131,492</b>	<b>58,239</b>	<b>44.3%</b>	<b>195,400</b>
Sportsfields & stadia		38,946	103,000	467	27,190	64,667	37,477	58.0%	103,000
Libraries		8,954	10,000	–	4,896	7,000	2,104	30.1%	10,000
Recreational facilities		9,844	–	–	–	–	–	–	–
Security and policing		8,852	30,000	13,594	13,594	30,000	16,406	54.7%	30,000
Clinics		83,526	50,900	3,320	27,225	28,325	1,100	3.9%	50,900
Cemeteries		22,310	1,500	–	347	1,500	1,153	76.9%	1,500
<b>Investment properties</b>		<b>8,937</b>	<b>64,259</b>	<b>–</b>	<b>18,221</b>	<b>26,708</b>	<b>8,487</b>	<b>31.8%</b>	<b>64,259</b>
Housing development		–	10,259	–	–	4,104	4,104	100.0%	10,259
Other		8,937	54,000	–	18,221	22,605	4,384	19.4%	54,000
<b>Other assets</b>		<b>24,500</b>	<b>15,784</b>	<b>753</b>	<b>2,038</b>	<b>8,334</b>	<b>6,296</b>	<b>75.5%</b>	<b>15,784</b>
General vehicles		–	–	–	–	–	–	–	–
Specialised vehicles		–	–	–	–	–	–	–	–
Furniture and other office equipment		16,472	10,284	753	2,038	4,825	2,787	57.8%	10,284
Markets		5,344	5,500	–	–	3,509	3,509	100.0%	5,500
Other		2,684	–	–	–	–	–	–	–
<b>Intangibles</b>		<b>129,907</b>	<b>50,200</b>	<b>–</b>	<b>15,570</b>	<b>24,200</b>	<b>8,630</b>	<b>35.7%</b>	<b>50,200</b>
Computers - software & programming		129,907	50,200	–	15,570	24,200	8,630	35.7%	50,200
<b>Total Capital Expenditure on new assets</b>	<b>1</b>	<b>2,015,879</b>	<b>2,981,128</b>	<b>75,994</b>	<b>651,496</b>	<b>1,705,488</b>	<b>1,053,991</b>	<b>61.8%</b>	<b>2,981,128</b>

**(o) Table SC13b: Consolidated Monthly Budget Statement – Capital Expenditure on Renewal of Existing Assets by Asset Class**

TSH City Of Tshwane - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M07 January

Description	Ref	2015/16	Budget Year 2016/17						
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>		<b>894,869</b>	<b>743,735</b>	<b>24,038</b>	<b>264,645</b>	<b>388,141</b>	<b>123,496</b>	<b>31.8%</b>	<b>743,735</b>
Infrastructure - Road transport		63,502	15,473	1,088	1,088	9,026	7,938	87.9%	15,473
Roads, Pavements & Bridges		62,519	12,071	–	–	7,041	7,041	100.0%	12,071
Storm water		984	3,402	1,088	1,088	1,984	896	45.2%	3,402
Infrastructure - Electricity		330,968	302,665	19,366	108,496	169,404	60,909	36.0%	302,665
Generation		220,540	241,665	13,213	83,382	137,704	54,322	39.4%	241,665
Transmission & Reticulation		42,835	61,000	1,710	20,671	31,700	11,029	34.8%	61,000
Street Lighting		67,593	–	4,443	4,443	–	(4,443)	–	–
Infrastructure - Water		402,166	255,500	853	138,990	122,630	(16,360)	-13.3%	255,500
Reticulation		402,166	255,500	853	138,990	122,630	(16,360)	-13.3%	255,500
Infrastructure - Sanitation		51,202	60,000	–	6,309	13,722	7,413	54.0%	60,000
Reticulation		46,785	55,000	–	6,309	10,805	4,496	41.6%	55,000
Sewerage purification		4,417	5,000	–	–	2,917	2,917	100.0%	5,000
Infrastructure - Other		47,032	110,097	2,732	9,762	73,359	63,597	86.7%	110,097
Waste Management		11,996	21,000	2,732	4,817	13,986	9,170	65.6%	21,000
Transportation		35,036	59,097	–	4,946	34,473	29,528	85.7%	59,097
Other		–	30,000	–	–	24,900	24,900	100.0%	30,000
<b>Community</b>		<b>108,646</b>	<b>55,500</b>	<b>788</b>	<b>20,072</b>	<b>32,492</b>	<b>12,419</b>	<b>38.2%</b>	<b>55,500</b>
Parks & gardens		34,499	–	–	–	–	–	–	–
Fire, safety & emergency		1,940	5,000	788	2,770	3,000	230	7.7%	5,000
Clinics		2,699	–	–	–	–	–	–	–
Cemeteries		6,890	2,000	–	832	1,200	368	30.7%	2,000
Other		62,619	48,500	–	16,470	28,292	11,821	41.8%	48,500
<b>Investment properties</b>		<b>834,290</b>	<b>534,845</b>	<b>51,742</b>	<b>348,311</b>	<b>349,736</b>	<b>1,425</b>	<b>0.4%</b>	<b>534,845</b>
Housing development		829,300	527,445	51,742	348,311	346,056	(2,255)	-0.7%	527,445
Other		4,990	7,400	–	–	3,680	3,680	100.0%	7,400
<b>Other assets</b>		<b>114,910</b>	<b>150,000</b>	<b>3,406</b>	<b>39,798</b>	<b>95,030</b>	<b>55,232</b>	<b>58.1%</b>	<b>150,000</b>
General vehicles		18,195	–	–	–	–	–	–	–
Specialised vehicles		–	–	–	–	–	–	–	–
Plant & equipment		2,326	3,000	–	–	1,800	1,800	100.0%	3,000
Computers - hardware/equipment		14,806	20,000	–	2,232	10,000	7,768	77.7%	20,000
Furniture and other office equipment		16,588	10,000	–	–	5,833	5,833	100.0%	10,000
Other Buildings		28,217	61,500	2,992	15,769	39,927	24,158	60.5%	61,500
Other		34,778	55,500	414	21,797	37,470	15,673	41.8%	55,500
<b>Intangibles</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Computers - software & programming		–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>1</b>	<b>1,952,715</b>	<b>1,484,080</b>	<b>79,975</b>	<b>672,826</b>	<b>865,399</b>	<b>192,573</b>	<b>22.3%</b>	<b>1,484,080</b>



**(p) Table SC13c: Consolidated Monthly Budget Statement – Capital Expenditure on Repairs and Maintenance by Asset Class**

TSH City Of Tshwane - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M07 January

Description	Ref	2015/16	Budget Year 2016/17						
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1								
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure		747,581	777,813	48,978	333,176	519,643	186,467	35.9%	777,813
Infrastructure - Road transport		125,594	131,316	3,950	23,376	121,318	97,941	80.7%	131,316
Roads, Pavements & Bridges		107,606	113,036	2,717	17,772	105,222	87,450	83.1%	113,036
Storm water		17,987	18,280	1,233	5,605	16,096	10,491	65.2%	18,280
Infrastructure - Electricity		406,974	365,514	21,803	160,418	234,377	73,959	31.6%	365,514
Generation		71,300	70,799	2,459	14,265	41,299	27,034	65.5%	70,799
Transmission & Reticulation		271,891	237,433	14,809	118,557	157,265	38,708	24.6%	237,433
Street Lighting		63,784	57,282	4,536	27,596	35,813	8,217	22.9%	57,282
Infrastructure - Water		135,957	207,798	16,981	116,839	121,227	4,388	3.6%	207,798
Dams & Reservoirs		8,053	8,380	805	5,122	4,390	(732)	-16.7%	8,380
Water purification		12,464	10,669	990	3,087	6,117	3,031	49.5%	10,669
Reticulation		115,441	188,749	15,186	108,630	110,720	2,090	1.9%	188,749
Infrastructure - Sanitation		60,651	55,141	5,280	26,170	30,276	4,106	13.6%	55,141
Reticulation		22,033	18,490	1,032	7,726	11,950	4,224	35.4%	18,490
Sewerage purification		38,619	36,652	4,248	18,445	18,326	(119)	-0.6%	36,652
Infrastructure - Other		18,404	18,044	964	6,373	12,446	6,073	48.8%	18,044
Waste Management		18,404	18,044	964	6,373	12,446	6,073	48.8%	18,044
Community		236,631	188,375	4,134	37,936	123,011	85,076	69.2%	188,375
Parks & gardens		29,396	33,412	1,194	8,903	22,767	13,864	60.9%	33,412
Sportsfields & stadia		26	198	-	-	22	22	100.0%	198
Recreational facilities		12,624	16,342	335	4,669	12,336	7,667	62.2%	16,342
Fire, safety & emergency		25,723	23,538	1,195	9,208	13,930	4,722	33.9%	23,538
Security and policing		33,695	33,466	433	6,800	29,388	22,588	76.9%	33,466
Buses		5,562	5,077	147	1,176	2,993	1,816	60.7%	5,077
Cemeteries		5,882	4,975	409	1,060	2,901	1,841	63.5%	4,975
Other		123,723	71,367	421	6,119	38,674	32,555	84.2%	71,367
Other assets		354,711	438,919	20,243	111,576	309,101	197,525	63.9%	438,919
General vehicles		106,794	157,644	9,707	51,665	92,373	40,707	44.1%	157,644
Specialised vehicles		-	-	-	-	-	-		-
Plant & equipment		35,987	44,647	1,306	8,982	29,488	20,507	69.5%	44,647
Computers - hardware/equipment		2,799	3,529	2	511	2,020	1,509	74.7%	3,529
Furniture and other office equipment		15,335	17,509	137	2,610	11,286	8,676	76.9%	17,509
Civic Land and Buildings		1,032	1,488	6	76	1,390	1,314	94.5%	1,488
Other Buildings		118,968	125,968	4,335	27,684	102,252	74,569	72.9%	125,968
Other Land		68,213	82,235	4,448	18,071	66,800	48,729	72.9%	82,235
Other		5,583	5,899	302	1,976	3,491	1,515	43.4%	5,899
Intangibles		74,308	72,141	7,302	43,046	42,101	(945)	-2.2%	72,141
Computers - software & programming		74,308	72,141	7,302	43,046	42,101	(945)	-2.2%	72,141
Total Repairs and Maintenance Expenditure		1,413,231	1,477,248	80,658	525,734	993,856	468,122	47.1%	1,477,248

**(q) Table SC13d: Consolidated Monthly Budget Statement - Depreciation by Asset Class**

TSH City Of Tshwane - Supporting Table SC13d Consolidated Monthly Budget Statement - depreciation by asset class - M07 January

Description	Ref	2015/16	Budget Year 2016/17						
		Unaudited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>								
<b><u>Depreciation by Asset Class/Sub-class</u></b>									
<b><u>Infrastructure</u></b>		<b>920,334</b>	<b>957,834</b>	<b>60,401</b>	<b>479,046</b>	<b>543,229</b>	<b>64,183</b>	<b>11.8%</b>	<b>957,834</b>
Infrastructure - Road transport		504,377	329,967	40,482	266,891	190,455	(76,436)	-40.1%	329,967
Roads, Pavements & Bridges		344,698	220,217	34,444	151,695	126,918	(24,777)	-19.5%	220,217
Storm water		159,679	109,750	6,038	115,195	63,537	(51,659)	-81.3%	109,750
Infrastructure - Electricity		154,040	402,570	14,719	93,873	228,100	134,226	58.8%	402,570
Generation		114,233	117,690	10,182	78,967	60,849	(18,117)	-29.8%	117,690
Transmission & Reticulation		15,649	284,880	1,261	12,269	167,250	154,981	92.7%	284,880
Street Lighting		24,159	-	3,277	2,637	-	(2,637)	-	-
Infrastructure - Water		157,691	91,156	2,082	89,026	45,389	(43,637)	-96.1%	91,156
Dams & Reservoirs		13,950	18,598	1,453	6,525	10,048	3,523	35.1%	18,598
Reticulation		143,740	72,558	629	82,500	35,341	(47,159)	-133.4%	72,558
Infrastructure - Sanitation		18,300	16,907	-	3,745	3,917	172	4.4%	16,907
Reticulation		16,722	15,498	-	3,745	3,085	(660)	-21.4%	15,498
Sewerage purification		1,579	1,409	-	-	833	833	100.0%	1,409
Infrastructure - Other		85,926	117,234	3,118	25,512	75,368	49,857	66.2%	117,234
Waste Management		6,074	5,917	2,015	5,040	3,993	(1,048)	-26.2%	5,917
Transportation		13,451	21,302	993	4,736	12,589	7,853	62.4%	21,302
Other		66,401	90,015	111	15,735	58,787	43,052	73.2%	90,015
<b><u>Community</u></b>		<b>100,462</b>	<b>70,699</b>	<b>13,399</b>	<b>55,395</b>	<b>46,813</b>	<b>(8,582)</b>	<b>-18.3%</b>	<b>70,699</b>
Parks & gardens		12,330	-	-	-	-	-	-	-
Sportsfields & stadia		13,920	29,023	345	16,139	18,461	2,322	12.6%	29,023
Libraries		3,200	2,818	-	2,906	1,998	(908)	-45.4%	2,818
Recreational facilities		3,518	-	-	-	-	-	-	-
Fire, safety & emergency		693	1,409	581	1,644	856	(788)	-92.0%	1,409
Security and policing		3,164	8,453	10,025	8,069	8,564	495	5.8%	8,453
Clinics		30,818	14,343	2,448	16,160	8,086	(8,074)	-99.9%	14,343
Cemeteries		10,436	986	-	700	771	71	9.2%	986
Other		22,381	13,666	-	9,776	8,077	(1,700)	-21.0%	13,666
<b><u>Investment properties</u></b>		<b>301,382</b>	<b>168,816</b>	<b>38,160</b>	<b>217,562</b>	<b>107,466</b>	<b>(110,097)</b>	<b>-102.4%</b>	<b>168,816</b>
Housing development		296,404	151,514	38,160	206,747	99,962	(106,785)	-106.8%	151,514
Other		4,978	17,301	-	10,815	7,504	(3,312)	-44.1%	17,301
<b><u>Other assets</u></b>		<b>49,827</b>	<b>46,715</b>	<b>3,067</b>	<b>24,832</b>	<b>29,508</b>	<b>4,675</b>	<b>15.8%</b>	<b>46,715</b>
General vehicles		6,503	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-
Plant & equipment		831	845	-	-	514	514	100.0%	845
Computers - hardware/equipment		5,292	5,636	-	1,325	2,855	1,530	53.6%	5,636
Furniture and other office equipment		11,816	5,716	556	1,210	3,043	1,833	60.2%	5,716
Markets		1,910	1,550	-	-	1,002	1,002	100.0%	1,550
Other Buildings		10,085	17,329	2,207	9,360	11,398	2,038	17.9%	17,329
Other		13,389	15,639	305	12,938	10,697	(2,241)	-21.0%	15,639
<b><u>Intangibles</u></b>		<b>46,431</b>	<b>14,145</b>	<b>-</b>	<b>9,242</b>	<b>6,908</b>	<b>(2,334)</b>	<b>-33.8%</b>	<b>14,145</b>
Computers - software & programming		46,431	14,145	-	9,242	6,908	(2,334)	-33.8%	14,145
Other		-	-	-	-	-	-	-	-
<b>Total Depreciation</b>		<b>1,418,436</b>	<b>1,258,208</b>	<b>115,028</b>	<b>786,077</b>	<b>733,924</b>	<b>(52,153)</b>	<b>-7.1%</b>	<b>1,258,208</b>

**(r) Municipal Manager's quality certification**

**QUALITY CERTIFICATE**

I, **MAYUR MAGANLAL**, the acting City Manager of the City of Tshwane, hereby certify that –

☐ the monthly budget statement

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

Print name: **MAYUR MAGANLAL**

Acting City Manager of the City of Tshwane (TSH)

Signature: \_\_\_\_\_

Date: \_\_\_\_\_