

Reference: 07703/1

Nthabiseng Mokete (012 358 3625)

SECTION 79 STANDING COMMITTEE: MUNICIPAL PUBLIC ACCOUNTS COMMITTEE:
SEPTEMBER 2023

AUDIT AND PERFORMANCE COMMITTEE: SEPTEMBER 2023

MAYORAL COMMITTEE: SEPTEMBER 2023

From: The City Manager

To: The Executive Mayor

GROUP FINANCIAL SERVICES

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003
(ACT 56 OF 2003) IN-YEAR FINANCIAL REPORT (MONTHLY BUDGET
STATEMENT) FOR THE PERIOD ENDED 31 AUGUST 2023

1. PURPOSE

This report presents the progress on the financial performance of the City of Tshwane against the budget for the period ended 31 August 2023, in compliance with Section 71 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

2. STRATEGIC PRIORITIES

Provide stringent financial management and oversight

3. BACKGROUND

Section 71(1) of the MFMA states 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 provincial treasury a statement in the prescribed format on the state of the municipality's budget."

The ten working days for the reporting period ended 31 August 2023 end on 14 September 2023.

The City upgraded its core financial system, SAP ECC6, to SAP S/4HANA Light Digital Core, which went live on 21 July 2023. This was a soft go live, meaning the system was only available for the team of ICT consultants to run further tests and conduct fine-tuning. With the challenges experienced, the system only became available for departments to process transactions from 3 August 2023.

The City is currently experiencing transitional challenges that are typical with a new system's implementation. A change management process involving training and hands-on user support is ongoing. Challenges remain though, ranging from the capturing of transactions to producing financial reports.

There are gaps in the transactional data that was extracted from the system for the MFMA Section 71 Report for the end of August 2023. Some of the gaps relate to the unbundling of the City's chart of accounts in line with the Municipal Standard Chart of Accounts (mSCOA) segments, as well as errors emanating from the data migration

process and system configuration. These are being attended to, but unfortunately left considerable gaps, especially in the recording of transactions on main line items such as expenditure on bulk purchases, debt impairment, depreciation, contracted services and operational costs.

Grants and subsidies revenue could not be captured on the new system due to a problem with the configuration of the system to allow for a unique identifier for each grant.

A small amount of capital expenditure transactions have been recorded due to challenges in the capturing process.

4. DISCUSSION

On 23 May 2023, Council approved the Medium-term Revenue and Expenditure Framework for the 2023/24 financial year.

The attached in-year report (Annexure A) provides a high-level analysis as at 31 August 2023 in the prescribed format. This report will make a brief mention of material deviations. The monthly financial management report will include detailed explanations.

The following table summarises the financial performance as at 31 August 2023:

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL PERFORMANCE: 31 AUGUST 2022					
Description	Original Budget	YTD actual	YTD budget	YTD variance	YTD variance
	R'000	R'000	R'000	R'000	%
Total Revenue(Excluding Capital Transfers)	44,704,931	8,350,890	9,456,893	(1,106,003)	-12%
Total Expenditure	44,617,378	1,800,448	8,826,353	(7,025,905)	-80%
Surplus /Deficit	87,553	6,550,442	630,540		

The following table shows expenditure for the previous financial year, 2022/23:

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL PERFORMANCE: 31 AUGUST 2022					
Description	Original Budget	YTD actual	YTD budget	YTD variance	YTD variance
	R'000	R'000	R'000	R'000	%
Total Revenue(Excluding Capital Transfers)	42 151 840	7 760 702	8 354 763	(594 061)	-7%
Total Expenditure	42 148 532	5 300 860	7 888 298	(2 587 438)	-33%
Surplus /Deficit	3 308	2 459 842	466 465		

The actual operating revenue realised, excluding capital transfers and contributions, reflects an unfavourable variance of R1,1 billion against the year-to-date (YTD) budget for the period ended 31 August 2023.

The operating expenditure is underspent by R7 billion, which is 80% less than the YTD budget.

Consolidated summary – Capital expenditure, 31 August 2023:

CONSOLIDATED SUMMARY STATEMENT OF CAPITAL EXPENDITURE: 31 AUGUST 2023							
Description	Original Budget 2023/24	YTD Budget	YTD Actual	Commitments	YTD Actual + Committed	YTD Variance	% Spent
	R'000	R'000	R'000	R'000	R'000	R'000	%
Expenditure	2,347,687	77,619	198	–	198	(77,422)	0.0%
TOTAL Capital Financing	2,347,687	77,619	198	–	198	(77,422)	0.0%

There was a small amount of R198 000 on capital expenditure for the period ending 31 August 2023 due to SAP S/4HANA system not being fully implemented.

The cash and short-term investments as at 31 August 2023 amounted to R1,5 billion, including unspent conditional grants.

5. INTERDEPARTMENTAL AND CLUSTER IMPACT

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

6. COMMENTS FROM DEPARTMENTS

6.1 GROUP HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

(Unaltered)

6.2 CHIEF FINANCIAL OFFICER

(Unaltered)

Cognisance is taken of the contents of the report.

The report presents the progress on the financial performance of the City of Tshwane against the budget for the period ended 31 August 2023, in compliance with Section 71 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

The low cost coverage ratio signal that the City's cash resources is insufficient to cover short-term obligations and fixed monthly operating expenditure in terms of the norm. It is therefore critical that the City continue to intensify its initiatives to improve revenue.

7. IMPLICATIONS

7.1 HUMAN RESOURCES

There are no human resources implications for the purposes of this report.

7.2 FINANCIAL IMPLICATIONS

This report outlines the financial performance against the approved budget of the City of Tshwane for the 2023/24 financial year for the period ended 31 August 2023. The report is tabled in compliance with Section 71 of the MFMA and has no additional financial implications for the City.

7.3 CONSTITUTIONAL AND LEGAL FACTORS

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

7.4 COMMUNICATION

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

7.5 PREVIOUS MAYORAL COMMITTEE RESOLUTIONS

There are no previous Mayoral Committee resolutions relevant to this report.

8. COMPLIANCE WITH THE MUNICIPAL STANDARD CHART OF ACCOUNTS

The primary objective of the mSCOA regulation is to achieve uniformity across all local governments (municipalities and municipal entities).

The City is currently migrating from the old system to an mSCOA-compliant system for transacting. The migration from the old SAP ECC6 system to the new SAP

S/4HANA system is in process and there are gaps in the transactional data because the automated reporting process is not yet fully functional.

9. CONCLUSION

This report meets the MFMA requirement for the Executive Mayor to receive a Section 71 “monthly budget statement” within ten working days after the end of the month and in compliance with Section 71 of the MFMA.

The operating revenue realised, excluding capital transfers and contributions, reflects an unfavourable variance of R1,1 billion against the YTD budget for the period ended 31 August 2023.

- Cash flow
 - The cash and short-term investments as at 31 August 2023 amounted to R1,5 billion, including unspent conditional grants.

Section 135 of the MFMA states the following:

- (1) The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality itself.*
- (2) A municipality must meet its financial commitments.*
- (3) If a municipality encounters a serious financial problem or anticipates problems in meeting its financial commitments, it must immediately–*
 - (a) seek solutions for the problem;*
 - (b) notify the MEC for local government and the MEC for finance in the province; and*
 - (c) notify organised local government.*

Section 54(2) of the MFMA states the following:

- (2) If the municipality faces any serious financial problems, the mayor must–*
 - (a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include–*
 - (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality’s approved budget;*
 - (ii) the tabling of an adjustments budget; or*
 - (iii) steps in terms of Chapter 13; and*
 - (b) alert the council and MEC for local government in the province to those problems.*

In compliance with Section 54(2)(a), the following initiatives to improve the City’s financial challenges are being implemented:

- Tshwane ya Tima campaign
- Financial recovery plan

The City has a financial recovery plan that was approved by Council on 27 May 2021 and has been implemented since. Progress has been slow and so far has had no great impact in ensuring that the City’s financial position is driven to a positive liquidity status. This plan is currently being reviewed with an

emphasis on initiatives to enhance revenue collection and contain expenditure over the medium term and beyond.

- Funding plan

In addition, the City also has a budget funding plan with the purpose to provide a response or remedy to the City's unfunded budget position. This plan considers the 2023/24 budget year and the two outer years of the Medium-term Revenue and Expenditure Framework. The budget funding plan complements the financial recovery plan and provides fiscal management tools to, among other things, rebase the budget and improve the City's cash position.

ANNEXURE

Annexure A: In-year report dated 31 August 2023 in terms of *Government Gazette 32141* of 17 April 2009

RECOMMENDED

That it be recommended to the Mayoral Committee:

1. That the report be noted, in compliance with Section 71 of the MFMA, as well as the municipal budget and reporting regulations.
2. That the financial performance for the period ended 31 August 2023, as contained in Annexure A, be noted.
3. That this report be submitted to the National Treasury and Gauteng Provincial Treasury.

REPORT – FLOW COMPLIANCE CHECK
 FILE: F1/5/2
 INITIATOR: Nthabiseng Mokete (012 358 3625)

GROUP FINANCIAL SERVICES
MFMA IN-YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 31 AUGUST 2023

REPORT CHECKED AND PASSED FOR SUBMISSION TO:

	Comments, if any, on the report
<p>Acting Divisional Head: Budget Office J Patrick</p> <p>I certify that Schedule SC6 and SC7(1), as consolidated in the monthly budget statement for August 2023, are correct.</p> <p>SIGNATURE:</p> <p>DATE:</p>	
<p>Divisional Head: Financial Reporting and Assets N Shibase</p> <p>I certify that Schedule C6, C7 and SC13(d), as consolidated in the monthly budget statement for August 2023, are correct.</p> <p>SIGNATURE:</p> <p>DATE:</p>	
<p>Divisional Head: Treasury Office KC Thipe</p> <p>I certify that Schedule C7, SC4, SC5 and SC8, as consolidated in the monthly budget statement for August 2023, are correct.</p> <p>SIGNATURE:</p> <p>DATE:</p>	
<p>Divisional Head: Revenue Management R Shilenge</p> <p>I certify that Schedule SC3, as consolidated in the monthly budget statement for August 2023, is correct.</p> <p>SIGNATURE:</p> <p>DATE:</p>	
<p>Acting Chief Financial Officer N Mokete</p> <p>SIGNATURE:</p> <p>DATE:</p>	



IN-YEAR REPORT

BUDGET YEAR: 2022/23

REPORTING PERIOD: M02 AUGUST 2023

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PART 1: IN-YEAR REPORT

1.1 City Manager's report

On 23 May 2023, Council approved the Medium-term Revenue and Expenditure Framework for the 2023/24 financial year. This gives effect to the financial plan of the City of Tshwane, including its two municipal entities.

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

1.2 Recommended

That it be recommended:

1. That the report be noted, in compliance with Section 71 of the MFMA, as well as the municipal budget and reporting regulations.
2. That the financial performance for the period ended 31 August 2023, as shown in Annexure A, be noted.
3. That this report be submitted to the National Treasury and Gauteng Provincial Treasury.

1.3 Executive summary

The financial results for the City of Tshwane for the period ended 31 August 2023 are summarised as follows:

Consolidated monthly budget statement – summary

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

- Underrecovery on revenue of R1,1 billion
- Underspending on expenditure of R7 billion

The total revenue excludes capital transfers and contributions.

Table C6 highlights the summary of capital expenditure.

Table C7 highlights the cash and cash equivalents.

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) - M02 August

Description	2022/23	Budget Year 2023/24						
	Pre-audit outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue								
Exchange Revenue								
Service charges - Electricity	13,575,446	16,642,839	2,667,595	3,812,165	3,446,658	365,506	11%	16,642,839
Service charges - Water	5,164,249	5,698,207	777,698	1,200,325	930,552	269,773	29%	5,698,207
Service charges - Waste Water Management	1,552,015	1,714,501	219,184	361,417	274,903	86,515	31%	1,714,501
Service charges - Waste management	1,795,972	1,810,370	265,955	498,333	305,757	192,575	63%	1,810,370
Sale of Goods and Rendering of Services	–	450,542	2,822	12,363	70,972	(58,609)	-83%	450,542
Agency services	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–
Interest earned from Receivables	1,253,389	558,059	(3,267)	(10,533)	87,097	(97,630)	-112%	558,059
Interest from Current and Non Current Assets	216,018	55,048	–	358	1,557	(1,198)	-77%	55,048
Dividends	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–
Rental from Fixed Assets	166,269	203,700	10	50	21,690	(21,640)	-100%	203,700
Licence and permits	45,135	43,619	–	–	3,889	(3,889)	-100%	43,619
Operational Revenue	3,001,600	510,097	36,239	45,794	52,847	(7,053)	-13%	510,097
Non-Exchange Revenue								
Property rates	9,069,426	9,627,156	1,291,049	2,054,861	1,580,795	474,066	30%	9,627,156
Surcharges and Taxes	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	151,567	291,997	–	–	33,348	(33,348)	-100%	291,997
Licence and permits	–	–	–	13	0	13	1325386%	–
Transfers and subsidies - Operational	4,760,313	5,112,620	–	–	2,043,584	(2,043,584)	-100%	5,112,620
Interest	–	357,835	264,701	375,743	60,463	315,280	521%	357,835
Fuel Levy	–	1,628,341	–	–	542,780	(542,780)	-100%	1,628,341
Operational Revenue	–	–	–	–	–	–	–	–
Gains on disposal of Assets	883	–	–	–	–	–	–	–
Other Gains	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	40,752,282	44,704,931	5,521,985	8,350,890	9,456,893	(1,106,003)	-12%	44,704,931
Expenditure By Type								
Employee related costs	11,397,955	12,640,899	767,479	1,529,138	1,995,393	(466,255)	-23%	12,640,899
Remuneration of councillors	131,913	153,863	11,205	22,256	25,644	(3,387)	-13%	153,863
Bulk purchases - electricity	11,501,339	14,377,613	–	–	3,674,328	(3,674,328)	-100%	14,377,613
Inventory consumed	3,969,212	4,428,174	1	1	737,374	(737,372)	-100%	4,428,174
Debt impairment	3,580,516	3,073,621	–	–	512,270	(512,270)	-100%	3,073,621
Depreciation and amortisation	2,744,068	2,911,921	–	–	485,320	(485,320)	-100%	2,911,921
Interest	1,784,591	1,498,589	0	4,666	37,043	(32,376)	-87%	1,498,589
Contracted services	4,325,048	3,776,939	192,506	199,159	785,173	(586,015)	-75%	3,776,939
Transfers and subsidies	3,272	9,683	30	810	1,450	(639)	-44%	9,683
Irrecoverable debts written off	–	1,563	–	–	261	(261)	-100%	1,563
Operational costs	1,852,529	1,744,464	21,503	44,417	572,090	(527,673)	-92%	1,744,464
Losses on Disposal of Assets	164,660	48	–	–	8	(8)	-100%	48
Other Losses	–	–	–	–	–	–	–	–
Total Expenditure	41,455,103	44,617,378	992,725	1,800,448	8,826,353	(7,025,905)	-80%	44,617,378
Surplus/(Deficit)	(702,821)	87,553	4,529,260	4,529,260	630,540	3,898,720	0	87,553
Transfers and subsidies - capital (monetary allocations)	1,651,546	2,010,940	–	–	81,055	(81,055)	(0)	2,010,940
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	948,725	2,098,493	4,529,260	4,529,260	711,595			2,098,493
Income Tax	–	529	–	–	88			529
Surplus/(Deficit) after income tax	948,725	2,097,964	4,529,260	4,529,260	711,507			2,097,964
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	948,725	2,097,964	4,529,260	4,529,260	711,507			2,097,964
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–			–
Intercompany /Parent subsidiary transactions	–	–	–	–	–			–
Surplus/ (Deficit) for the year	948,725	2,097,964	4,529,260	4,529,260	711,507			2,097,964

The actual revenue amounts to R8,4 billion and reflects an unfavourable variance of R1,1 billion against the YTD budget.

The actual expenditure amounts to R2,2 billion and indicates an underspending variance of R7 billion or 80% against the YTD budget of R8,8 billion.

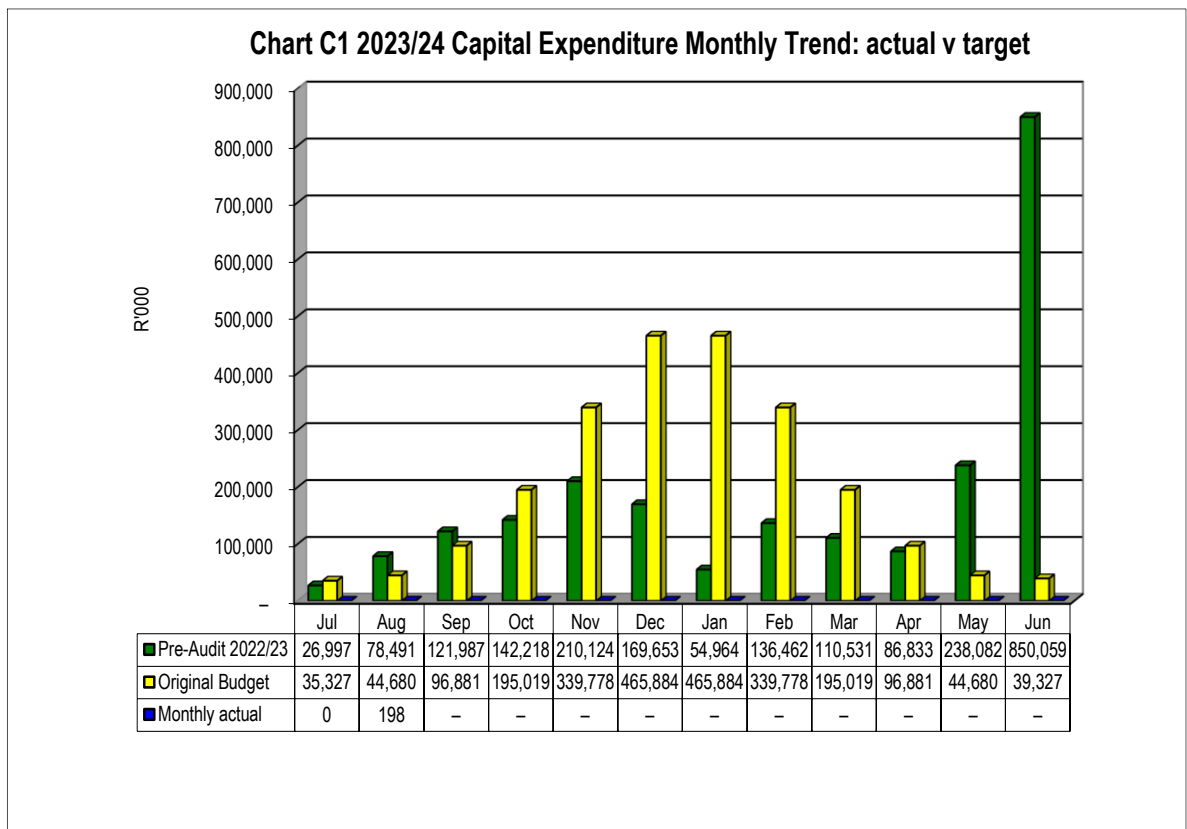
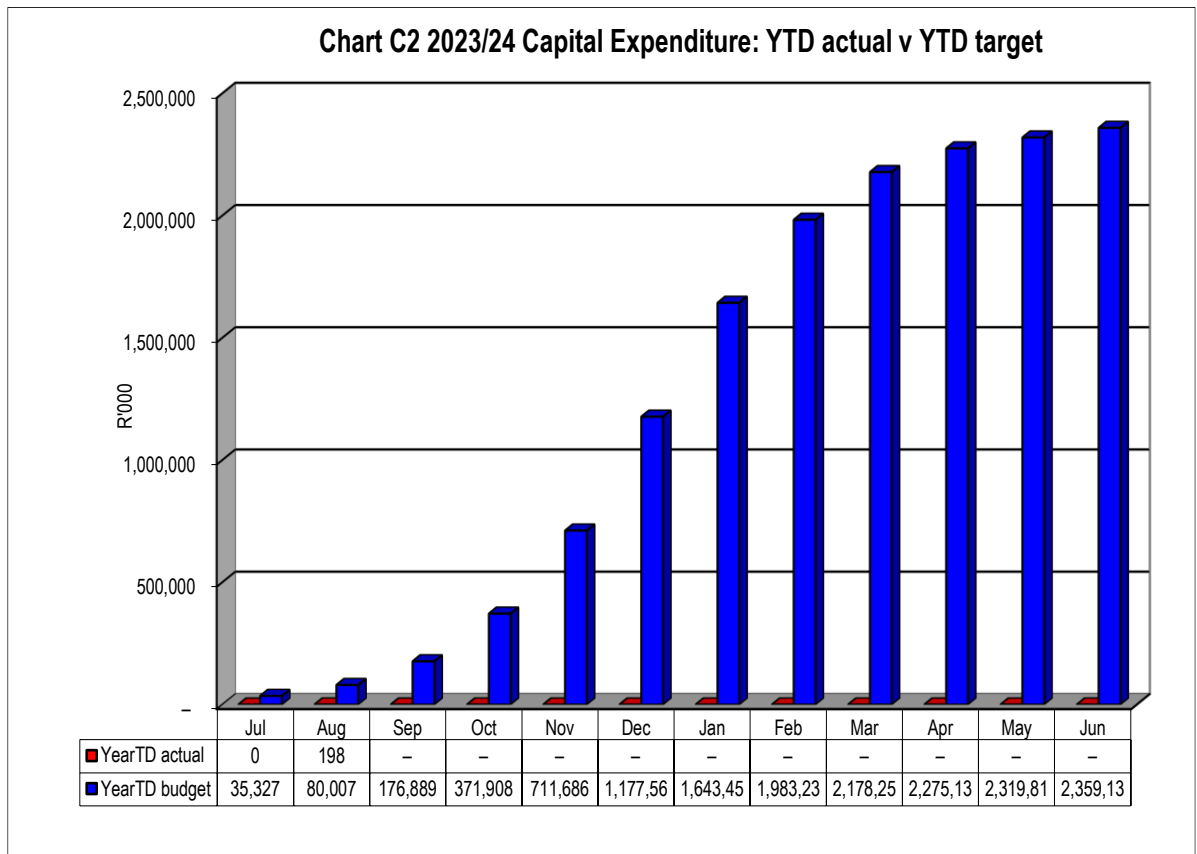


Chart C2: 2023/24 Capital expenditure (YTD actual versus YTD target)



Financial position

Table C1 shows that the City of Tshwane's community wealth or equity as of 31 August 2023 is R38,2 billion. Table C6 contains information on the City of Tshwane's assets and liabilities in a format that is consistent with international standards and aligned with GRAP 1.

Cash flow

Tables C1 and C7 show the cash flow of the City of Tshwane, which shows the following:

- Cash and cash equivalents total R1,3 billion as of 31 August 2023
- Cash flow from operating activities is positive R544,2 million

Debtors' age analysis

The debtors' report, as shown in Tables C1 and SC3, was prepared in accordance with the format required for electronic filing with the National Treasury. This format includes both an extended age analysis and an age analysis by debtor type.

It also compares the results of this month to the same period in the previous financial year.

Chart C3 depicts the aged consumer debtors and reflects a collection problem pertaining to debtors older than one year.

An amount of R14 billion is outstanding in this category, compared to R10,9 billion in the 2022/23 financial year. The total debtors are at R21,8 billion.

Chart C3: Aged consumer debtors' analysis

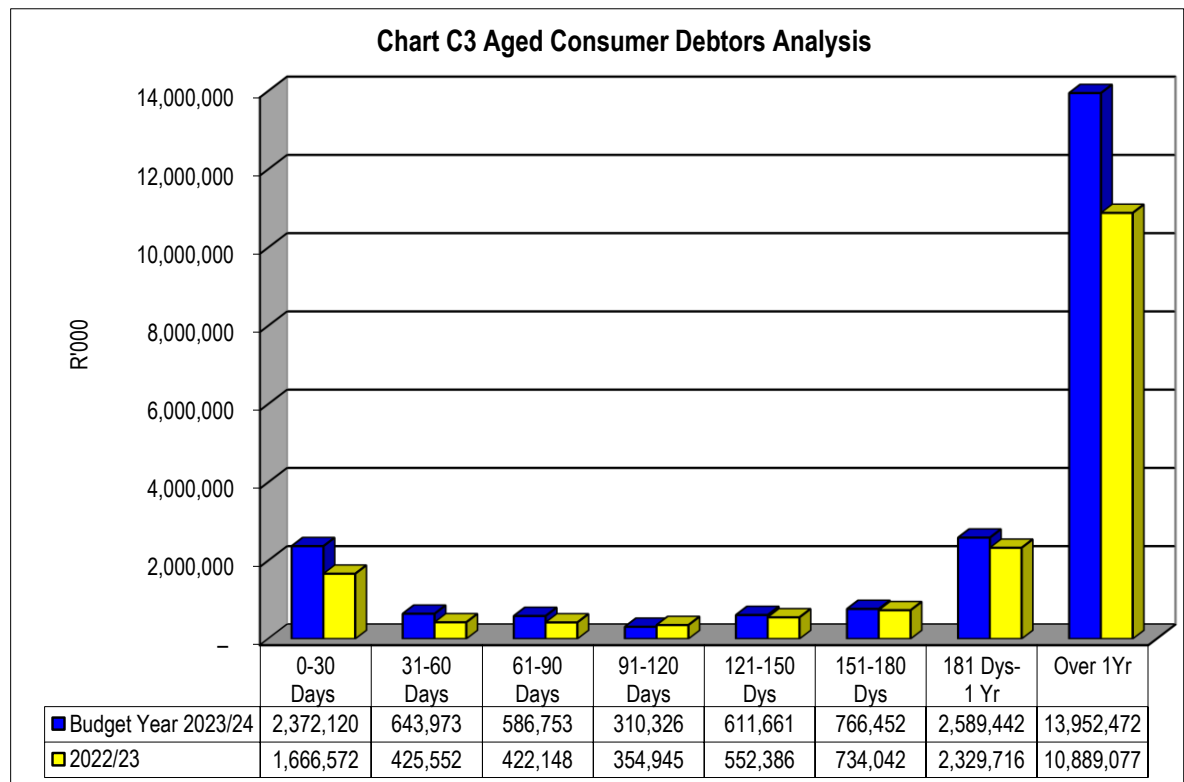
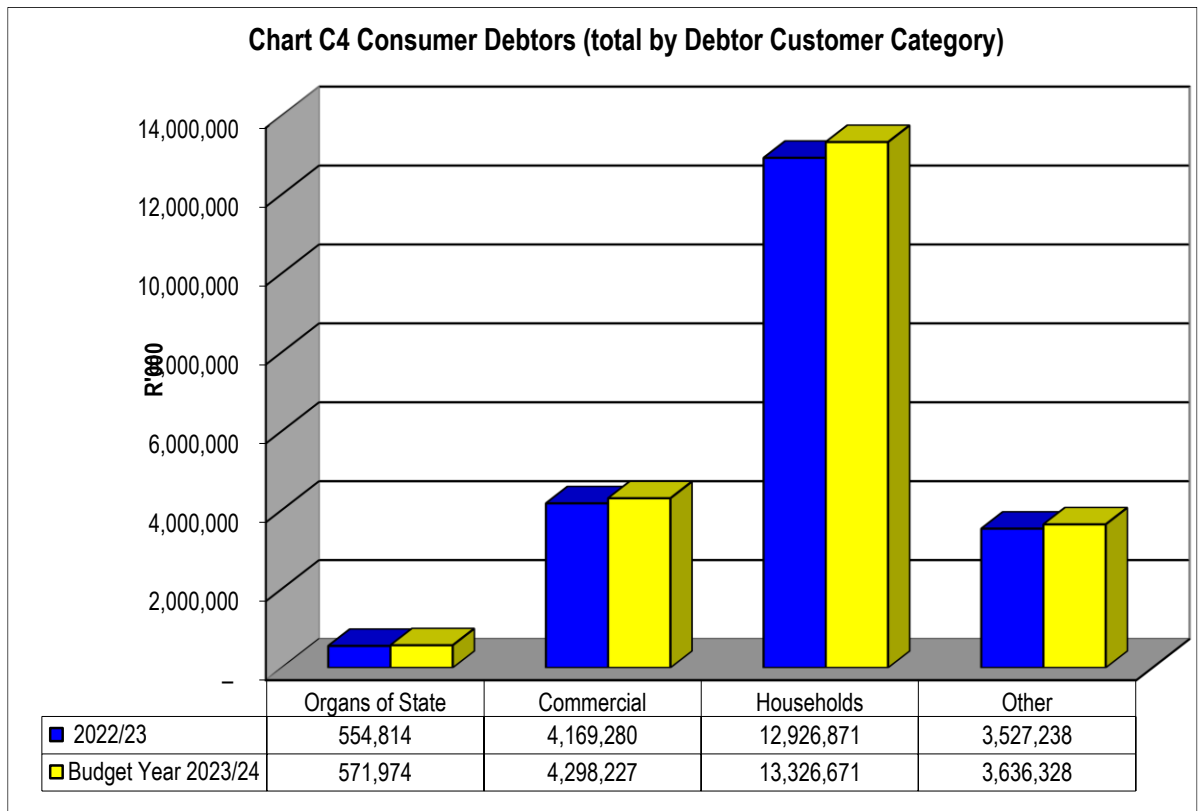


Chart C4 shows that the increase in the customer category is attributable to households, which reflects an increase of R399,8 million compared to the previous financial year.

Chart C4: Consumer debtors by customer category

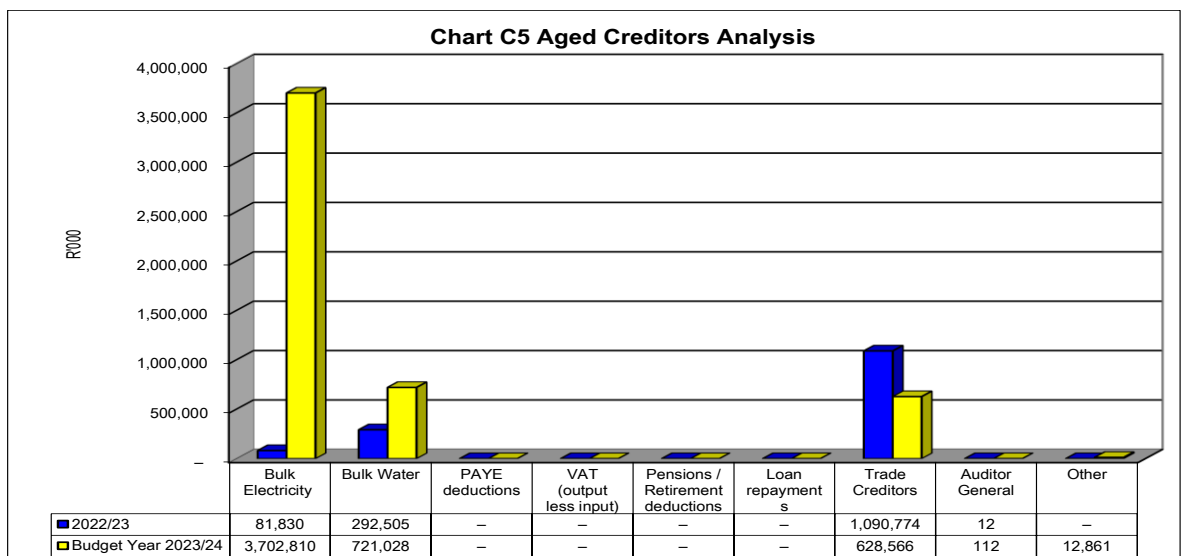


Creditors' age analysis

Tables C1 and SC4 provide a more detailed age breakdown by creditor type.

The chart compares this month's results to the same month in the previous financial year, and it shows the aged creditors by category.

Chart C5: Aged creditors' analysis



Investment portfolio analysis (Table SC5)

Table SC5 displays an investment portfolio analysis that includes the institution where funds are invested, the period of investment, the type of investment and the accrued interest for the month. At the end of the month, the market value was R1,2 billion.

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

Table SC6 contains information on transfers and grant receipts for operating and capital expenditure. Receipts from national, provincial and other grant providers are also shown.

The total original budget is R7,1 billion, with R2,3 billion received during the period. A variance of R43,7 million is reflected, mainly due to outstanding transfers on the Primary Healthcare, HIV and AIDS, and Energy Efficiency and Demand Side Management Grants.

Summary of municipal entities (Table SC11)

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

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

This table summarises the revenue, operating expenditure and capital expenditure of these entities.

1.4 In-year budget statement tables

The tables below show the financial results for the period ended 31 August 2023:

(a) Table C1: Consolidated monthly budget statement – Summary**TSH City Of Tshwane - Table C1 Consolidated Monthly Budget Statement Summary - M02 August**

Description	2022/23	Budget Year 2023/24						
	Pre-audit outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Financial Performance</u>								
Property rates	9,069,426	9,627,156	1,291,049	2,054,861	1,580,795	474,066	30%	9,627,156
Service charges	22,087,682	25,865,917	3,930,432	5,872,240	4,957,870	914,370	18%	25,865,917
Investment revenue	216,018	–	–	–	–	–		–
Transfers and subsidies - Operational	216,018	55,048	–	358	1,557	(1,198)	-77%	55,048
Other own revenue	9,163,138	9,156,810	300,505	423,430	2,916,671	(2,493,241)	-85%	–
Total Revenue (excluding capital transfers and contributions)	40,752,282	44,704,931	5,521,985	8,350,890	9,456,893	(1,106,003)	-12%	44,704,931
Employee costs	11,397,955	12,640,899	767,479	1,529,138	1,995,393	(466,255)		12,640,899
Remuneration of Councillors	131,913	153,863	11,205	22,256	25,644	(3,387)		153,863
Depreciation and amortisation	2,744,068	2,911,921	–	–	485,320	(485,320)		2,911,921
Interest	1,784,591	1,498,589	0	4,666	37,043	(32,376)		1,498,589
Inventory consumed and bulk purchases	15,470,550	18,805,787	1	1	4,411,702	(4,411,700)		18,805,787
Transfers and subsidies	3,272	9,683	30	810	1,450	(639)	-44%	9,683
Other expenditure	9,922,754	8,596,636	214,009	243,576	1,869,802	(1,626,227)	-87%	8,596,636
Total Expenditure	41,455,103	44,617,378	992,725	1,800,448	8,826,353	(7,025,905)	-80%	44,617,378
Surplus/(Deficit)	(702,821)	87,553	4,529,260	6,550,442	630,540	5,919,902	939%	87,553
Transfers and subsidies - capital (monetary allocations)	1,651,546	2,010,940	–	–	81,055	(81,055)	-100%	2,010,940
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	948,725	2,098,493	4,529,260	6,550,442	711,595	5,838,847	821%	2,098,493
Share of surplus/ (deficit) of associate	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	948,725	2,098,493	4,529,260	6,550,442	711,595	5,838,847	821%	2,098,493
<u>Capital expenditure & funds sources</u>								
Capital expenditure	2,226,401	91,333,778	–	–	77,619	(77,619)	-100%	91,333,778
Capital transfers recognised	1,512,228	2,010,940	–	–	66,350	(66,350)	-100%	2,010,940
Borrowing	1,313	–	–	–	–	–		–
Internally generated funds	712,861	336,746	198	198	11,270	(11,072)	-98%	336,746
Total sources of capital funds	2,226,401	2,347,687	198	198	77,619	(77,422)	-100%	2,347,687
<u>Financial position</u>								
Total current assets	–	10,628,318		8,914,782				10,628,318
Total non current assets	–	57,778,710		58,729,185				57,778,710
Total current liabilities	–	14,244,890		14,710,750				14,244,890
Total non current liabilities	–	14,341,413		14,738,036				14,341,413
Community wealth/Equity	–	39,820,724		38,195,180				39,820,724
<u>Cash flows</u>								
Net cash from (used) operating	–	3,179,623	–	544,239	827,824	283,585	34%	3,179,623
Net cash from (used) investing	–	(2,712,607)	–	–	77,330	77,330	100%	(2,712,607)
Net cash from (used) financing	–	(382,913)	–	–	–	–		(382,913)
Cash/cash equivalents at the month/year end	–	695,581	–	1,328,494	1,516,632	188,138	12%	868,357
Debtors & creditors analysis	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<u>Debtors Age Analysis</u>								
Total By Income Source	2,372,120	643,973	310,326	611,661	766,452	2,589,442	13,952,472	21,833,199
<u>Creditors Age Analysis</u>								
Total Creditors	2,088,093	2,400,182	9,516	30,005	–	–	100	5,065,378

(b) 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) - M02 August

Description	2022/23	Budget Year 2023/24						
	Pre-audit outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue								
Exchange Revenue								
Service charges - Electricity	13,575,446	16,642,839	2,667,595	3,812,165	3,446,658	365,506	11%	16,642,839
Service charges - Water	5,164,249	5,698,207	777,698	1,200,325	930,552	269,773	29%	5,698,207
Service charges - Waste Water Management	1,552,015	1,714,501	219,184	361,417	274,903	86,515	31%	1,714,501
Service charges - Waste management	1,795,972	1,810,370	265,955	498,333	305,757	192,575	63%	1,810,370
Sale of Goods and Rendering of Services	–	450,542	2,822	12,363	70,972	(58,609)	-83%	450,542
Agency services	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–
Interest earned from Receivables	1,253,389	558,059	(3,267)	(10,533)	87,097	(97,630)	-112%	558,059
Interest from Current and Non Current Assets	216,018	55,048	–	358	1,557	(1,198)	-77%	55,048
Dividends	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–
Rental from Fixed Assets	166,269	203,700	10	50	21,690	(21,640)	-100%	203,700
Licence and permits	45,135	43,619	–	–	3,889	(3,889)	-100%	43,619
Operational Revenue	3,001,600	510,097	36,239	45,794	52,847	(7,053)	-13%	510,097
Non-Exchange Revenue	–	–	–	–	–	–	–	–
Property rates	9,069,426	9,627,156	1,291,049	2,054,861	1,580,795	474,066	30%	9,627,156
Surcharges and Taxes	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	151,567	291,997	–	–	33,348	(33,348)	-100%	291,997
Licence and permits	–	–	–	13	0	13	1325386%	–
Transfers and subsidies - Operational	4,760,313	5,112,620	–	–	2,043,584	(2,043,584)	-100%	5,112,620
Interest	–	357,835	264,701	375,743	60,463	315,280	521%	357,835
Fuel Levy	–	1,628,341	–	–	542,780	(542,780)	-100%	1,628,341
Operational Revenue	–	–	–	–	–	–	–	–
Gains on disposal of Assets	883	–	–	–	–	–	–	–
Other Gains	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	40,752,282	44,704,931	5,521,985	8,350,890	9,456,893	(1,106,003)	-12%	44,704,931
Expenditure By Type								
Employee related costs	11,397,955	12,640,899	767,479	1,529,138	1,995,393	(466,255)	-23%	12,640,899
Remuneration of councillors	131,913	153,863	11,205	22,256	25,644	(3,387)	-13%	153,863
Bulk purchases - electricity	11,501,339	14,377,613	–	–	3,674,328	(3,674,328)	-100%	14,377,613
Inventory consumed	3,969,212	4,428,174	1	1	737,374	(737,372)	-100%	4,428,174
Debt impairment	3,580,516	3,073,621	–	–	512,270	(512,270)	-100%	3,073,621
Depreciation and amortisation	2,744,068	2,911,921	–	–	485,320	(485,320)	-100%	2,911,921
Interest	1,784,591	1,498,589	0	4,666	37,043	(32,376)	-87%	1,498,589
Contracted services	4,325,048	3,776,939	192,506	199,159	785,173	(586,015)	-75%	3,776,939
Transfers and subsidies	3,272	9,683	30	810	1,450	(639)	-44%	9,683
Irrecoverable debts written off	–	1,563	–	–	261	(261)	-100%	1,563
Operational costs	1,852,529	1,744,464	21,503	44,417	572,090	(527,673)	-92%	1,744,464
Losses on Disposal of Assets	164,660	48	–	–	8	(8)	-100%	48
Other Losses	–	–	–	–	–	–	–	–
Total Expenditure	41,455,103	44,617,378	992,725	1,800,448	8,826,353	(7,025,905)	-80%	44,617,378
Surplus/(Deficit)	(702,821)	87,553	4,529,260	4,529,260	630,540	3,898,720	0	87,553
Transfers and subsidies - capital (monetary allocations)	1,651,546	2,010,940	–	–	81,055	(81,055)	(0)	2,010,940
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	948,725	2,098,493	4,529,260	4,529,260	711,595			2,098,493
Income Tax	–	529	–	–	88			529
Surplus/(Deficit) after income tax	948,725	2,097,964	4,529,260	4,529,260	711,507			2,097,964
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	948,725	2,097,964	4,529,260	4,529,260	711,507			2,097,964
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions	–	–	–	–	–			–
Surplus/ (Deficit) for the year	948,725	2,097,964	4,529,260	4,529,260	711,507			2,097,964

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

(c) **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, functional classification and funding - M02 August

Vote Description	2022/23	Budget Year 2023/24						
	Pre-audit outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Capital Expenditure - Functional Classification</u>								
<i>Governance and administration</i>	152,876	316,211	–	–	10,402	(10,402)	-100%	316,211
Executive and council	–	26,200			720	(720)	-100%	26,200
Finance and administration	152,876	290,011			9,682	(9,682)	-100%	290,011
Internal audit	–	–			–	–		–
<i>Community and public safety</i>	360,447	319,746	198	198	8,859	(8,661)	-98%	319,746
Community and social services	12,937	12,294			418	(418)	-100%	12,294
Sport and recreation	31,784	2,000			–	–		2,000
Public safety	–	2,000			68	(68)	-100%	2,000
Housing	297,186	295,952	198	198	8,119	(7,921)	-98%	295,952
Health	18,541	7,500			255	(255)	-100%	7,500
<i>Economic and environmental services</i>	726,092	448,920	–	–	15,486	(15,486)	-100%	448,920
Planning and development	7,000	–			–	–		–
Road transport	719,092	448,920			15,486	(15,486)	-100%	448,920
Environmental protection	–	–			–	–		–
<i>Trading services</i>	986,986	1,262,810	–	–	42,804	(42,804)	-100%	1,262,810
Energy sources	518,744	628,127			21,338	(21,338)	-100%	628,127
Water management	258,614	297,423			10,179	(10,179)	-100%	297,423
Waste water management	205,628	319,760			10,863	(10,863)	-100%	319,760
Waste management	4,000	17,500			425	(425)	-100%	17,500
<i>Other</i>	–	–			–	–		–
Total Capital Expenditure - Functional Classification	2,226,401	2,347,687	198	198	77,552	(77,354)	-100%	2,347,687
<u>Funded by:</u>								
National Government	1,499,291	1,919,824			63,254	(63,254)	-100%	1,919,824
Provincial Government	12,937	12,294			418	(418)	-100%	12,294
District Municipality	–	–			–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)	–	78,823			2,678	(2,678)	-100%	78,823
Transfers recognised - capital	1,512,228	2,010,940	–	–	66,350	(66,350)	-100%	2,010,940
Borrowing	1,313	–			–	–		–
Internally generated funds	712,861	336,746	198	198	11,270	(11,072)	-98%	336,746
Total Capital Funding	2,226,401	2,347,687	198	198	77,619	(77,422)	-100%	2,347,687

(d) **Table C6: Consolidated monthly budget statement – Financial position****TSH City Of Tshwane - Table C6 Consolidated Monthly Budget Statement -**

Description	Budget Year 2023/24		
	Original Budget	YearTD actual	Full Year Forecast
R thousands			
<u>ASSETS</u>			
Current assets			
Cash and cash equivalents	654,687	1,504,595	654,687
Trade and other receivables from exchange transactions	4,751,556	919,691	4,751,556
Receivables from non-exchange transactions	3,793,753	248,969	3,793,753
Current portion of non-current receivables	117,208	177,873	117,208
Inventory	1,311,114	933,736	1,311,114
VAT			–
Other current assets		5,129,918	–
Total current assets	10,628,318	8,914,782	10,628,318
Non current assets			
Investments	877,838	207,895	877,838
Investment property	1,196,449	1,037,138	1,196,449
Property, plant and equipment	51,219,091	51,723,254	51,219,091
Biological assets			–
Living and non-living resources	–	302	–
Heritage assets	3,079,965	3,371,582	3,079,965
Intangible assets	1,066,172	1,131,017	1,066,172
Trade and other receivables from exchange transactions	47,678		47,678
Non-current receivables from non-exchange transactions		184,981	–
Other non-current assets	291,516	1,073,017	291,516
Total non current assets	57,778,710	58,729,185	57,778,710
TOTAL ASSETS	68,407,027	67,643,967	68,407,027
<u>LIABILITIES</u>			
Current liabilities			
Bank overdraft			–
Financial liabilities	782,153	39,611	782,153
Consumer deposits	813,829	764,678	813,829
Trade and other payables from exchange transactions	12,648,908	8,169,110	12,648,908
Trade and other payables from non-exchange transactions			–
Provision			–
VAT		3,669,671	–
Other current liabilities		2,067,681	–
Total current liabilities	14,244,890	14,710,750	14,244,890
Non current liabilities			
Financial liabilities	10,747,106	57,971	10,747,106
Provision	3,594,306	1,330,176	3,594,306
Long term portion of trade payables			–
Other non-current liabilities		13,349,890	–
Total non current liabilities	14,341,413	14,738,036	14,341,413
TOTAL LIABILITIES	28,586,303	29,448,787	28,586,303
NET ASSETS	39,820,724	38,195,180	39,820,724
<u>COMMUNITY WEALTH/EQUITY</u>			
Accumulated surplus/(deficit)	39,518,162	38,195,180	39,518,162
Reserves and funds	302,562		302,562
Other			–
TOTAL COMMUNITY WEALTH/EQUITY	39,820,724	38,195,180	39,820,724

(e) Table C7: Consolidated monthly budget statement – Cash flow

TSH City Of Tshwane - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M02 August

Description	Budget Year 2023/24					
	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands						
CASH FLOW FROM OPERATING ACTIVITIES						
Receipts						
Property rates	9,145,798	385,633	1,501,755	(1,116,122)	-74%	9,145,798
Service charges	24,572,269	1,036,091	4,829,769	(3,793,678)	-79%	24,572,269
Other revenue	3,128,665	2,098,174		2,098,174		3,128,665
Transfers and Subsidies - Operational	5,081,769	1,654,556	1,921,306	(266,750)	-14%	5,081,769
Transfers and Subsidies - Capital	2,022,392	658,464	435,379	223,085	51%	2,022,392
Interest	970,943	27,100	1,728	25,373	1469%	970,943
Dividends	–			–		–
Payments						
Suppliers and employees	(40,234,931)	(5,315,779)	(7,862,084)	(2,546,305)	32%	(40,234,931)
Interest	(1,476,589)		(29)	(29)	100%	(1,476,589)
Transfers and Subsidies	(30,695)			–		(30,695)
NET CASH FROM/(USED) OPERATING ACTIVITIES	3,179,623	544,239	827,824	283,585	34%	3,179,623
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipts						
Proceeds on disposal of PPE	–			–		–
Decrease (increase) in non-current receivables	(3,468)			–		(3,468)
Decrease (increase) in non-current investments	(350,000)			–		(350,000)
Payments						
Capital assets	(2,359,139)		77,330	77,330	100%	(2,359,139)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2,712,607)	–	77,330	77,330	100%	(2,712,607)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Short term loans	–			–		–
Borrowing long term/refinancing	–			–		–
Increase (decrease) in consumer deposits	–			–		–
Payments						
Repayment of borrowing	(382,913)			–		(382,913)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(382,913)	–	–	–		(382,913)
NET INCREASE/ (DECREASE) IN CASH HELD	84,103	544,239	905,153			84,103
Cash/cash equivalents at beginning:	611,479	784,255	611,479			784,255
Cash/cash equivalents at month/year end:	695,581	1,328,494	1,516,632			868,357

Note: The cash and equivalents as at 31 August 2023 are at R1,3 billion, which only include highly liquid investments.

PART 2: SUPPORTING DOCUMENTATION

(f) Table SC3: Monthly budget statement – Aged debtors

TSH City Of Tshwane - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2023/24									Total over 90 days	Actual Bad Debts Written Off against Debtors
		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	658,923	181,727	198,473	88,119	162,266	117,610	730,459	3,033,641	5,171,217	4,132,094	10,493
Trade and Other Receivables from Exchange Transactions - Electricity	1300	607,539	75,830	70,459	49,056	55,004	31,859	221,561	1,755,081	2,866,389	2,112,561	506
Receivables from Non-exchange Transactions - Property Rates	1400	848,110	147,741	81,090	72,670	71,328	68,317	389,491	2,608,823	4,287,570	3,210,628	517
Receivables from Exchange Transactions - Waste Water Management	1500	189,962	32,926	38,936	15,449	30,917	23,019	145,022	580,420	1,056,651	794,827	564
Receivables from Exchange Transactions - Waste Management	1600	174,725	34,840	36,482	17,751	33,788	24,066	137,635	939,268	1,398,555	1,152,508	595
Receivables from Exchange Transactions - Property Rental Debtors	1700	12,793	2,190	5,174	3,102	3,345	407,043	98,824	4,668	537,138	516,981	1,391
Interest on Arrear Debtor Accounts	1810	361,766	130,557	152,627	70,929	131,201	91,148	475,545	3,366,983	4,780,756	4,135,806	2,182
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(481,698)	38,163	3,512	(6,749)	123,811	3,391	390,905	1,663,587	1,734,924	2,174,946	67
Total By Income Source	2000	2,372,120	643,973	586,753	310,326	611,661	766,452	2,589,442	13,952,472	21,833,199	18,230,353	16,316
2022/23 - totals only		1,666,572	425,552	422,148	354,945	552,386	734,042	2,329,716	10,889,077	17,374,438	14,860,166	11,613
Debtors Age Analysis By Customer Group												
Organs of State	2200	217,571	42,623	5,372	17,960	4,946	7,208	13,712	262,582	571,974	306,407	-
Commercial	2300	285,739	91,392	111,600	69,442	124,911	68,613	503,692	3,042,838	4,298,227	3,809,496	-
Households	2400	1,455,670	427,452	458,966	202,544	392,292	273,974	1,666,961	8,448,812	13,326,671	10,984,583	14,388
Other	2500	413,140	82,506	10,815	20,381	89,512	416,656	405,077	2,198,240	3,636,328	3,129,866	1,928
Total By Customer Group	2600	2,372,120	643,973	586,753	310,326	611,661	766,452	2,589,442	13,952,472	21,833,199	18,230,353	16,316

Table SC3 indicates that the total debtors amount to R18,3 billion.

(g) Table SC4: Monthly budget statement – Aged creditors

TSH City Of Tshwane - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description	NT Code	Budget Year 2023/24									Prior year
		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	totals for chart (same period)
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	1,455,903	1,763,932	-	-	-	-	-	-	3,219,835	81,830
Bulk Water	0200	337,262	290,214	-	-	-	-	-	-	627,477	292,505
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	13,398	38,178	537,481	9,516	29,994	-	-	-	628,566	1,090,774
Auditor General	0800	-	-	-	-	12	-	-	100	112	12
Other	0900	12,861	-	-	-	-	-	-	-	12,861	-
Total By Customer Type	1000	1,819,425	2,092,324	537,481	9,516	30,005	-	-	100	4,488,851	1,465,121

(h) Table SC5: Monthly budget statement – Investment portfolio**TSH City Of Tshwane - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August**

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 August 2023
R thousands		Yrs/Months							
Call Investment deposits < 90 days									
Knysna Stocks	24	15y	Stock	31.12.2018	0		-	-	0
Sanlam	26	14y	Insurance policy	07.12.2015	-	3.0%	-	-	-
Sanlam	27	14y	Insurance policy	01.01.2016	-	3.0%	-	-	-
Capital Alliance	28	8y	Insurance policy	On selling date	1	2.0%	788	-	789
Capital Alliance	29	9y	Insurance policy	On selling date	6	3.0%	2,470	-	2,476
ABSA	32	On Call	Money Market	On call	249	7.3%	40,472	-	40,721
ABSA	33	On Call	Money Market	On call	87	7.3%	14,183	-	14,270
ABSA	34	On Call	Money Market	On call	65	7.3%	10,623	-	10,688
ABSA	35	On Call	Money Market	On call	1	7.3%	234	-	235
Investec Bank	37	On Call	Money Market	On call	220	7.3%	35,795	-	36,015
Investec Bank	38	On Call	Money Market	On call	70	7.3%	11,441	-	11,511
Investec Bank	39	On Call	Money Market	On call	10	7.3%	1,563	-	1,572
Standard Bank	40	On Call	Money Market	On call	856	7.8%	129,156	-	130,011
Standard Bank	41	On Call	Money Market	On call	27	7.8%	4,023	-	4,050
Investec Bank	108	On Call	Money Market	On call	232	6.8%	40,099	-	40,331
RMB	237	On Call	Money Market	31.10.2011	-	0.0%	-	-	-
STANLIB	106	On Call	Money Market	On call	-	0.4%	-	-	-
ABSA	338	On Call	Short Term	On call	-	6.7%	-	(199,045)	(199,045)
Nedbank	341	On Call	Short Term	On call	-	6.7%	-	-	-
Standard Bank	340	On Call	Short Term	On call	-	6.6%	348,837	(41,000)	307,837
First National Bank	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%	257,638	(49,000)	208,638
Standard Bank		On Call	Sinking Fund	On call	-	0.0%	100,000	(81,325)	18,675
Nedbank	247	On Call	Short Term	On call	-	0.0%	303,237	(85,965)	217,272
ABSA	248	On Call	Short Term	On call	-	0.0%	93,655	120,000	213,655
Standard Bank	260	On Call	Short Term	On call	1,024	7.8%	94,262		95,286
Municipality sub-total					2,849		1,488,475	(336,335)	1,154,989
Entities									
3487298.68		Call account		Call account	13	8.1%	3,475	-	3,487
Entities sub-total					13		3,475	-	3,487
TOTAL INVESTMENTS AND INTEREST	2	-			2,862		1,491,949	(336,335)	1,158,476

(i) Table SC6: Monthly budget statement – Transfers and grant receipts

TSH City Of Tshwane - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

Description	2022/23	Budget Year 2023/24						
	Pre-audit outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	4,382,230	4,858,212	35,625	1,879,366	1,879,641	(275)	0.0%	4,858,212
Local Government Equitable Share	3,551,250	3,993,570		1,663,988	1,663,988	–		3,993,570
Local Government Finance Management Grant	2,200	2,200	2,200	2,200	2,200	–		2,200
Urban Settlement Development Grant	31,323	32,704	15,044	15,044	15,044	(0)	0.0%	32,704
Expanded Public Works Programme Incentive Grant	15,496	16,502	4,125	4,125	4,125	–		16,502
Public Transport Network Grant	563,235	579,744		133,271	133,271	–		579,744
Programme and Project Preparation Support Grant	51,532	62,000		8,450	8,450	–		62,000
Energy Efficiency and Demand Side Management	720	500	–	–	275	(275)	-100.0%	500
Neighbourhood Development Partnership Grant (PEP)	136,789	140,000		38,032	38,032	–		140,000
Informal Settlements Upgrading Partnership Grant	29,684	30,993	14,257	14,257	14,257	–		30,993
Provincial Government:	163,844	254,407	–	–	41,665	(41,665)	-100.0%	254,407
Primary Health Care	61,258	64,015	–	–	25,606	(25,606)	-100.0%	64,015
HIV and Aids Grant	25,612	26,765	–	–	16,059	(16,059)	-100.0%	26,765
Human Settlement Development Grant	22,574	12,045	–	–	–	–		12,045
Libraries Plan	10,666	10,152	–	–	–	–		10,152
Mamelodi Bus Operations Subsidy	43,734	57,450	–	–	–	–		57,450
Informal Settlements Upgrading Partnership Grant (Province)	–	83,980	–	–	–	–		83,980
District Municipality:	–	–	–	–	–	–		–
<i>[insert description]</i>						–		–
						–		–
Other grant providers:	–	–	–	–	–	–		–
						–		–
Total Operating Transfers and Grants	4,546,073	5,112,620	35,625	1,879,366	1,921,306	(41,940)	-2.2%	5,112,620
Capital Transfers and Grants								
National Government:	1,788,940	1,919,824	368,189	433,654	435,379	(1,725)	-0.4%	1,919,824
Urban Settlement Development Grant	1,012,788	1,057,425	215,085	215,085	215,085	–		1,057,425
Public Transport Network Grant	190,446	250,575		50,000	50,000	–		250,575
Neighbourhood Development Partnership Grant	13,426	15,465		15,465	15,465	–		15,465
Energy Efficiency and Demand Side Management	8,280	7,500	–	–	1,725	(1,725)	-100.0%	7,500
Informal Settlements Upgrading Partnership Grant	564,001	588,858	153,103	153,103	153,103	–		588,858
Provincial Government:	11,084	12,294	–	–	–	–		12,294
Recapitalisation of Community Libraries Grant	11,084	12,294				–		12,294
District Municipality:	–	–	–	–	–	–		–
<i>[insert description]</i>						–		–
						–		–
Other grant providers:	72,618	78,823	–	–	–	–		78,823
RCG - SHRA	72,618	78,823				–		78,823
Total Capital Transfers and Grants	1,872,642	2,010,940	368,189	433,654	435,379	(1,725)	-0.4%	2,010,940
TOTAL RECEIPTS OF TRANSFERS & GRANTS	6,418,715	7,123,560	403,814	2,313,020	2,356,685	(43,665)	-1.9%	7,123,560

The total original budget is R7,1 billion, with R2,3 billion received during the period. A variance of R43,7 million is reflected, mainly due to outstanding transfers on the Primary Healthcare, HIV and AIDS, and Energy Efficiency and Demand Side Management Grants.

(j) Table SC11: Monthly budget statement – Summary of municipal entities

TSH City Of Tshwane - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M02 August

Description	2022/23	Budget Year 2023/24						
	Pre-audit outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Revenue By Municipal Entity</u>								
Housing Company Tshwane	118,437	121,926	11,508	14,108	20,321	(6,213)	-31%	121,926
Tshwane Economic Development Agency	63,120	63,731	104	140	0	140	13985673%	63,731
Total Operating Revenue	181,557	185,658	11,612	14,248	20,321	(6,073)	-30%	185,658
<u>Expenditure By Municipal Entity</u>								
Housing Company Tshwane	70,012	121,926	8,141	12,598	20,321	(7,723)	-38%	121,926
Tshwane Economic Development Agency	63,189	63,202	5,662	9,669	10,526	(857)	-8%	63,202
Total Operating Expenditure	133,201	185,128	13,803	22,267	30,847	(8,580)	-28%	185,128
Surplus/ (Deficit) for the yr/period	48,355	529	(2,191)	(8,019)	(10,526)	(14,653)	139%	529
<u>Capital Expenditure By Municipal Entity</u>								
Housing Company Tshwane	142,911	82,193	198	198	562	(364)	-65%	82,193
Tshwane Economic Development Agency	448	452				–		452
Total Capital Expenditure	143,359	82,645	198	198	562	(364)	-65%	82,645

(k) Table SC12: Consolidated monthly budget statement – Capital expenditure trend

TSH City Of Tshwane - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M02 August

Month	2022/23	Budget Year 2023/24						
	Pre-audit outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands								
<u>Monthly expenditure performance trend</u>								
July	26,997	35,327	0	0	35,327	35,327	100.0%	0%
August	78,491	44,680	198	198	80,007	79,810	99.8%	0%
September	121,987	96,881			176,889	–		
October	142,218	195,019			371,908	–		
November	210,124	339,778			711,686	–		
December	169,653	465,884			1,177,569	–		
January	54,964	465,884			1,643,453	–		
February	136,462	339,778			1,983,231	–		
March	110,531	195,019			2,178,250	–		
April	86,833	96,881			2,275,131	–		
May	238,082	44,680			2,319,812	–		
June	850,059	39,327			2,359,139	–		
Total Capital expenditure	2,226,401	2,359,139	198					

(I) Municipal Manager's quality certification

QUALITY CERTIFICATE

I, Johann Mettler, the City Manager of the City of Tshwane, hereby certify that the monthly budget statement for **August 2023** has been prepared in accordance with the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and regulations made under this act.

Please note that the City migrated from SAP ECC6 system to the new SAP S/4HANA system and the process resulted in gaps in the data because the automated reporting process is not fully functional yet.

J Mettler
CITY MANAGER
CITY OF TSHWANE

Signature: _____

Date: _____