

Reference: 46739/1

Nthabiseng Mokete (012 358 3625)

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

AUDIT AND PERFORMANCE COMMITTEE: OCTOBER 2023

MAYORAL COMMITTEE: OCTOBER 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 AND QUARTER 1
BUDGET STATEMENT) FOR THE PERIOD ENDED 30 SEPTEMBER 2023

1. PURPOSE

This report presents the progress on the financial performance of the City of Tshwane against the budget for the period ended 30 September 2023, in compliance with Section 71 and 52(d) 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 52(d) and 71 of the MFMA, as well as the Municipal Budget and Reporting Regulations, require that specific financial particulars on the implementation of the budget be reported in the format prescribed in order to meet legislative compliance.

Section 52(d) of the MFMA provides: "The Mayor of a municipality- must, **within 30 days of the end of each quarter**, submit a report to **Council** on the implementation of the budget and the financial state of the municipality".

Section 71(1) of the MFMA states: "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 30 September 2023 end on 13 October 2023.

The City upgraded its core financial system, SAP ECC6, to SAP S/4HANA Light Digital Core. The SAP S/4HANA Light Digital Core system went live on 21 July 2023. This was, however, a soft go-live, meaning the system was only available for the team of ICT consultants to run further tests and finetuning. 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 the implementation of a new system. 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 and 52(d) Report for the end of September 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 and 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.

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 of 30 September 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 30 September 2023:

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL PERFORMANCE: 30 SEPTEMBER 2023					
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	13,559,215	13,030,097	529,118	4%
Total Expenditure	44,617,378	4,182,661	12,399,299	(8,216,639)	-66%
Surplus /Deficit	87,553	9,376,554	630,797		

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

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL PERFORMANCE: 30 SEPTEMBER 2023					
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	10,936,697	11,397,576	(460,879)	-4%
Total Expenditure	42,148,532	9,479,035	12,292,974	(2,813,939)	-23%
Surplus /Deficit	3,308	1,457,662	(895,398)		

The actual operating revenue realised, excluding capital transfers and contributions, reflects a favourable variance of R529 million against the year-to-date (YTD) budget for the period ended 30 September 2023.

The operating expenditure is underspent by R8,2 billion, which is 66% less than the YTD budget, due to challenges in processing purchases, including capturing bulk invoices from Eskom and Rand Water.

Consolidated summary – Capital expenditure, 30 September 2023:

CONSOLIDATED SUMMARY STATEMENT OF CAPITAL EXPENDITURE: 30 SEPTEMBER 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	305,919	64,372	12,839	77,211	(241,548)	2.7%
TOTAL Capital Financing	2,347,687	305,919	64,372	12,839	77,211	(241,548)	2.7%

The total capital expenditure for the period is R64,4 million.

The cash and short-term investments as at 30 September 2023 amounted to R1,4 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 30 September 2023, in compliance with Section 71 and 52(d) 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 for the 2023/24 financial year for the period ended 30 September 2023. The report is tabled in compliance with Section 71 and 52(d) 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 and 52(d) 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 and 52(d) 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 a favourable variance of R529 million against the YTD budget for the period ended 30 September 2023.

- Cash flow
 - The cash and short-term investments as at 30 September 2023 amounted to R1,4 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 whose purpose is 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 (MTREF). 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 30 September 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 and 52(d) of the MFMA, as well as the municipal budget and reporting regulations.
2. That the financial performance for the period ended 30 September 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 30 SEPTEMBER 2023

REPORT CHECKED AND PASSED FOR SUBMISSION TO:

	Comments, if any, on the report
<p>Acting Divisional Head: Budget Office S Madonsela</p> <p>I certify that Schedule SC6 as consolidated in the monthly budget statement for September 2023, is correct.</p> <p>SIGNATURE:</p> <p>DATE:</p>	
<p>Divisional Head: Financial Reporting and Assets N Shibase</p> <p>I certify that Schedule C6 and C7 as consolidated in the monthly budget statement for September 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 and SC5, as consolidated in the monthly budget statement for September 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 September 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: 2023/24

REPORTING PERIOD: M03 SEPTEMBER 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 and 52(d) of the MFMA, as well as the municipal budget and reporting regulations.
2. That the financial performance for the period ended 30 September 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 30 September 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:

- Overrecovery on revenue of R529 million
- Underspending on expenditure of R8,2 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 C1 Consolidated Monthly Budget Statement Summary - M03 September

Description	2022/23	Budget Year 2023/24					
	Pre-audit outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Financial Performance							
Property rates	9 069 426	9 627 156	2 807 707	2 274 729	532 978	23%	9 627 156
Service charges	22 087 682	25 865 917	7 937 620	7 485 898	451 722	6%	25 865 917
Investment revenue	216 018	–	–	–	–		–
Transfers and subsidies - Operational	216 018	55 048	1 663 988	11 793	1 652 195	14010%	55 048
Other own revenue	9 163 138	9 156 810	1 149 900	3 257 676	(2 107 776)	-65%	–
Total Revenue (excluding capital transfers and contributions)	40 752 282	44 704 931	13 559 215	13 030 097	529 118	4%	44 704 931
Employee costs	11 397 955	12 640 899	2 828 458	3 003 596	(175 138)		12 640 899
Remuneration of Councillors	131 913	153 863	33 299	38 466	(5 167)		153 863
Depreciation and amortisation	2 744 068	2 911 921	–	727 980	(727 980)		2 911 921
Interest	1 784 591	1 498 589	9	208 653	(208 644)		1 498 589
Inventory consumed and bulk purchases	15 470 550	18 805 787	341 135	5 828 189	(5 487 054)		18 805 787
Transfers and subsidies	3 272	9 683	10 522	1 770	8 752	494%	9 683
Other expenditure	9 922 754	8 596 636	969 238	2 590 645	(1 621 407)	-63%	8 596 636
Total Expenditure	41 455 103	44 617 378	4 182 661	12 399 299	(8 216 639)	-66%	44 617 378
Surplus/(Deficit)	(702 821)	87 553	9 376 554	630 797	8 745 757	1386%	87 553
Transfers and subsidies - capital (monetary allocations)	1 651 546	2 010 940	–	166 044	(166 044)	-100%	2 010 940
Transfers and subsidies - capital (in-kind)	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	948 725	2 098 493	9 376 554	796 841	8 579 713	1077%	2 098 493
Share of surplus/ (deficit) of associate	–	–	–	–	–		–
Surplus/ (Deficit) for the year	948 725	2 098 493	9 376 554	796 841	8 579 713	1077%	2 098 493
Capital expenditure & funds sources							
Capital expenditure	2 226 401	2 347 687	64 372	171 578	(107 207)	-62%	2 347 687
Capital transfers recognised	1 512 228	2 010 940	63 349	146 662	(83 313)	-57%	2 010 940
Borrowing	1 313	–	–	–	–		–
Internally generated funds	712 861	336 746	1 023	24 917	(23 894)	-96%	336 746
Total sources of capital funds	2 226 401	2 347 687	64 372	171 578	(107 207)	-62%	2 347 687
Financial position							
Total current assets	–	10 628 318	12 747 604				10 628 318
Total non current assets	–	57 778 710	58 775 804				57 778 710
Total current liabilities	–	14 244 890	9 224 766				14 244 890
Total non current liabilities	–	14 341 413	14 738 036				14 341 413
Community wealth/Equity	–	39 820 724	47 560 606				39 820 724
Cash flows							
Net cash from (used) operating	–	3 179 623	(77 978)	1 393 956	1 471 934	106%	3 179 623
Net cash from (used) investing	–	(2 712 607)	–	(170 969)	(170 969)	100%	(2 712 607)
Net cash from (used) financing	–	(382 913)	–	–	–		(382 913)
Cash/cash equivalents at the month/year end	–	695 581	1 250 516	1 834 466	583 950	32%	621 157
Debtors & creditors analysis	0-30 Days	31-60 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis							
Total By Income Source	2 619 221	511 356	297 017	1 012 349	2 549 826	14 254 000	22 478 279
Creditors Age Analysis							
Total Creditors	1 936 742	4 786	215 278	–	–	–	2 404 494

The actual revenue amounts to R13,6 million and reflects a favourable variance of R529 million against the YTD budget.

The actual expenditure amounts to R4,2 billion and indicates an underspending variance of R8,2 billion or 66% against the YTD budget of R12,4 billion due to challenges in processing purchases, including capturing bulk invoices from Eskom and Rand Water.

The City is currently experiencing transitional challenges with the new system 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 and 52(d) Report for the end of September 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 and 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.

Cost-containment measures

Cost Containment Measures	2022/23 Current Budget	2023/2024 Current Budget	(Decrease) / Increase	(Decrease)
	R'000	R'000	R'000	R'000
Consultants	248,143	279,578	31,435	
Project Management Cost	659,571	572,054	(87,517)	(87,517)
Travel and Subsistence : National/ International	180	126	(54)	(54)
Domestic Accommodation	120	84	(36)	(36)
Sponsorships and Events	2,975	2,212	(763)	(763)
Catering	970	1,633	663	
Communications	20	14	(6)	(6)
Overtime	379,174	351,460	(27,714)	(27,714)
Internet	36,489	25,542	(10,947)	(10,947)
Ward Committee:Stipent	2,000	10,000	8,000	
Uniform	69,576	62,870	(6,707)	(6,707)
Advertising and Marketing	7,231	5,659	(1,572)	(1,572)
Stationery	17,180	11,810	(5,370)	(5,370)
Total	1,423,630	1,323,041	(100,589)	(140,686)

Summary of capital expenditure

CONSOLIDATED SUMMARY STATEMENT OF CAPITAL EXPENDITURE: 30 SEPTEMBER 2023							
Description	Original Budget 2023/24	YTD Budget	YTD Actual	Com m itm ents	YTD Actual + Com m itted	YTD Variance	% Spent
	R'000	R'000	R'000	R'000	R'000	R'000	%
Expenditure	2,347,687	305,919	64,372	12,839	77,211	(241,548)	2.7%
TOTAL Capital Financing	2,347,687	305,919	64,372	12,839	77,211	(241,548)	2.7%

The total capital expenditure for the period is R64,4 million.

Chart C1: 2023/24 Capital expenditure (monthly trend: actual versus target)

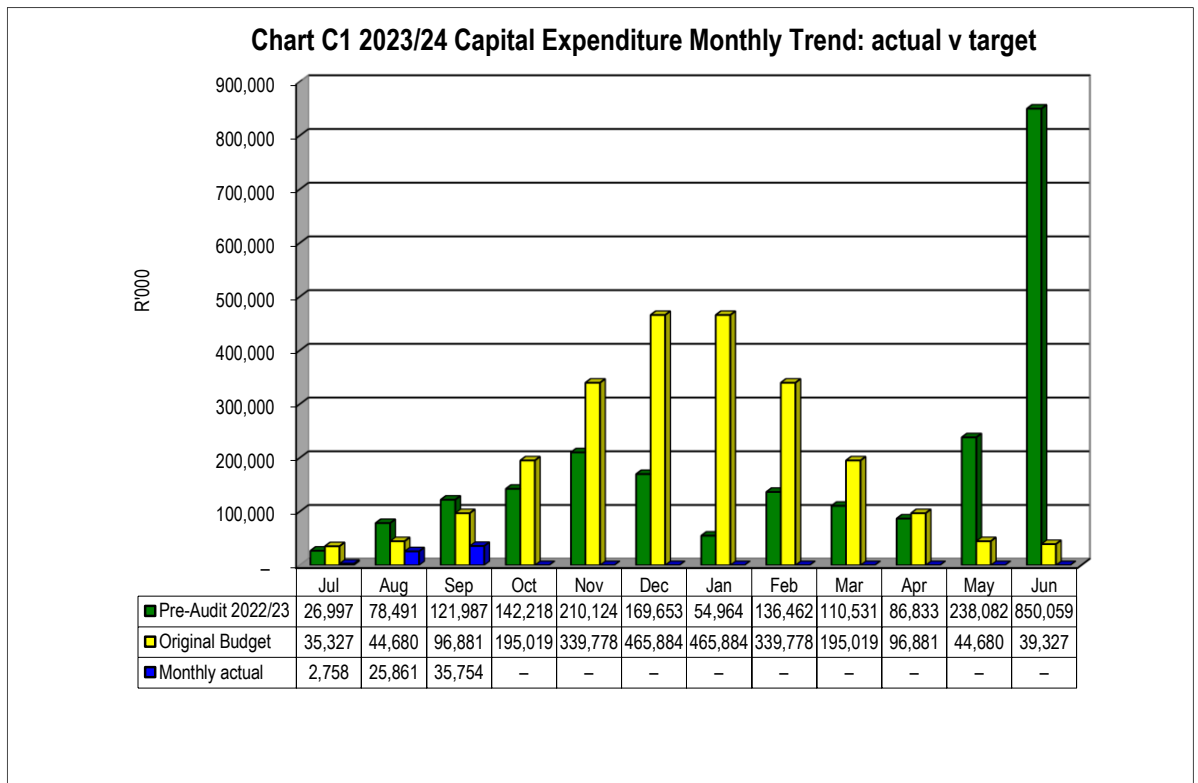
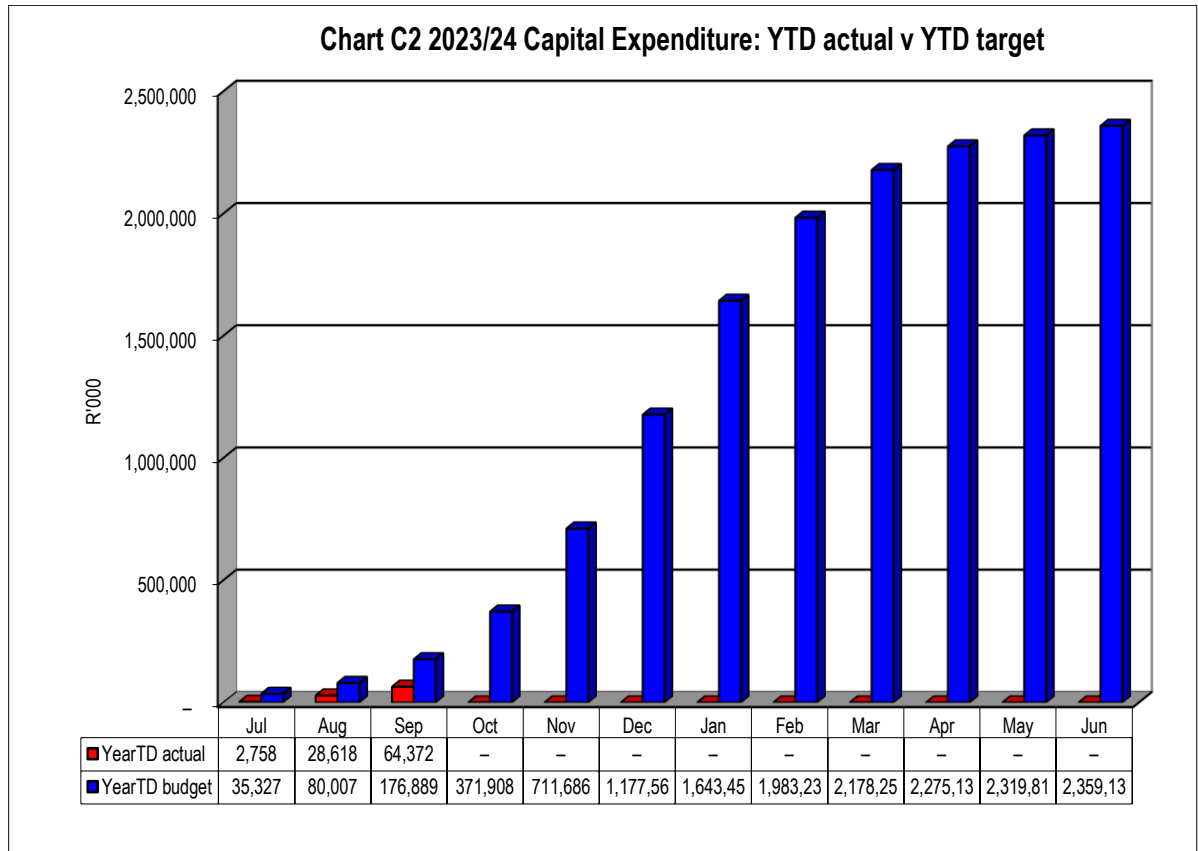


Chart C2: 2023/24 Capital expenditure (YTD actual versus YTD target)



Financial position

Table C1 shows that the City of Tshwane's community wealth or equity as of 30 September 2023 is R47,7 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 30 September 2023.
- The cash flow from operating activities is R78 million negative.

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 R14,3 billion is outstanding in this category, compared to R11,2 billion in the 2022/23 financial year. The total debtors are at R22,5 billion.

Chart C3: Aged consumer debtors' analysis

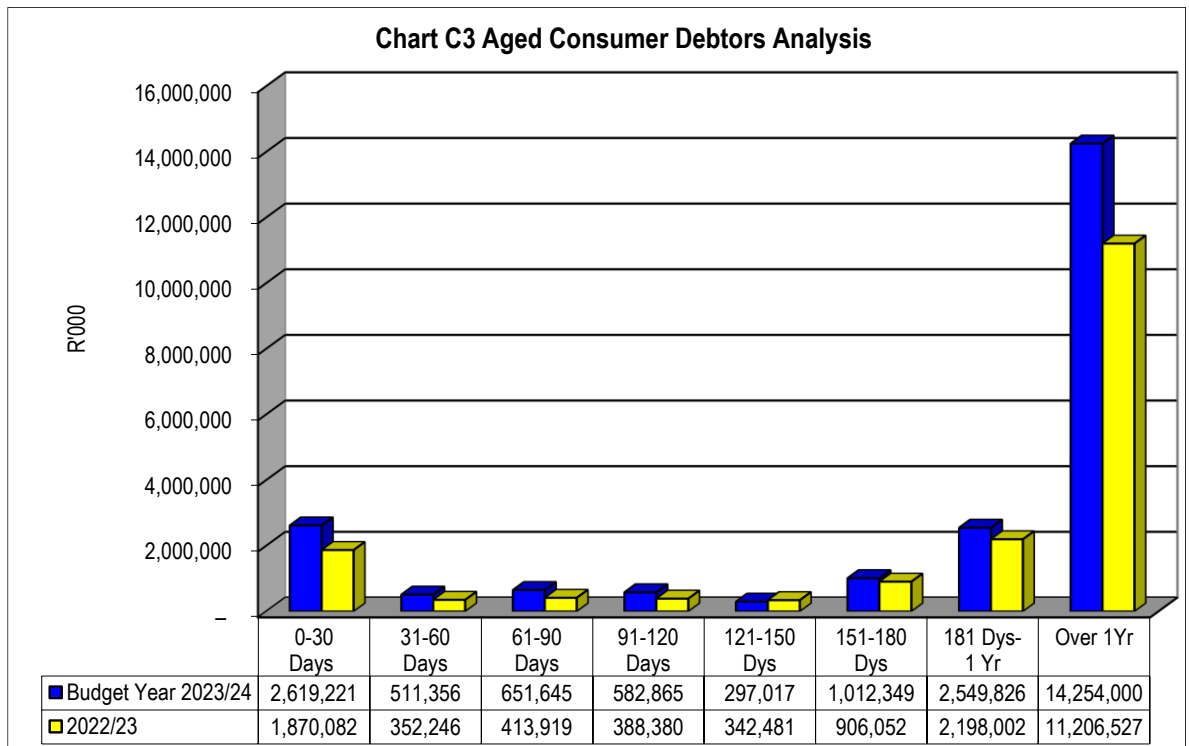
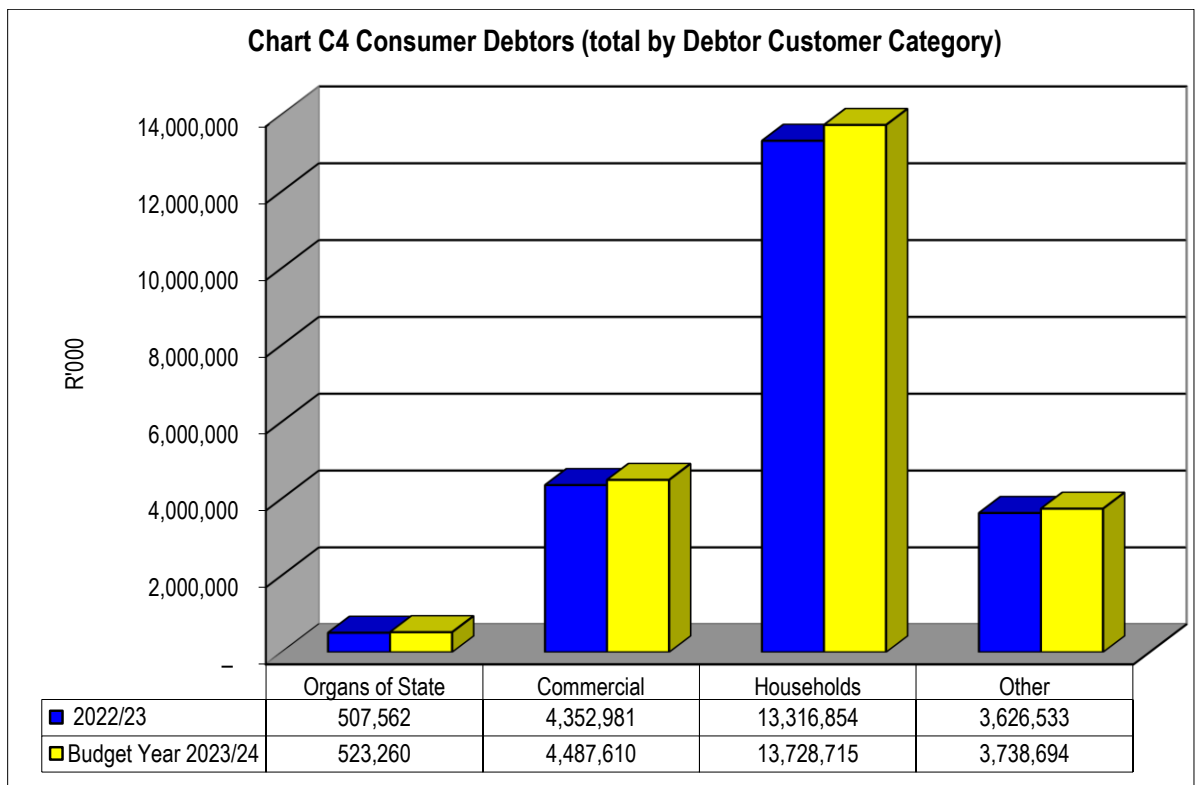


Chart C4 shows that the increase in the customer category is attributable to households, which reflects an increase of R411,9 million compared to the previous financial year.

Chart C4: Consumer debtors by customer category

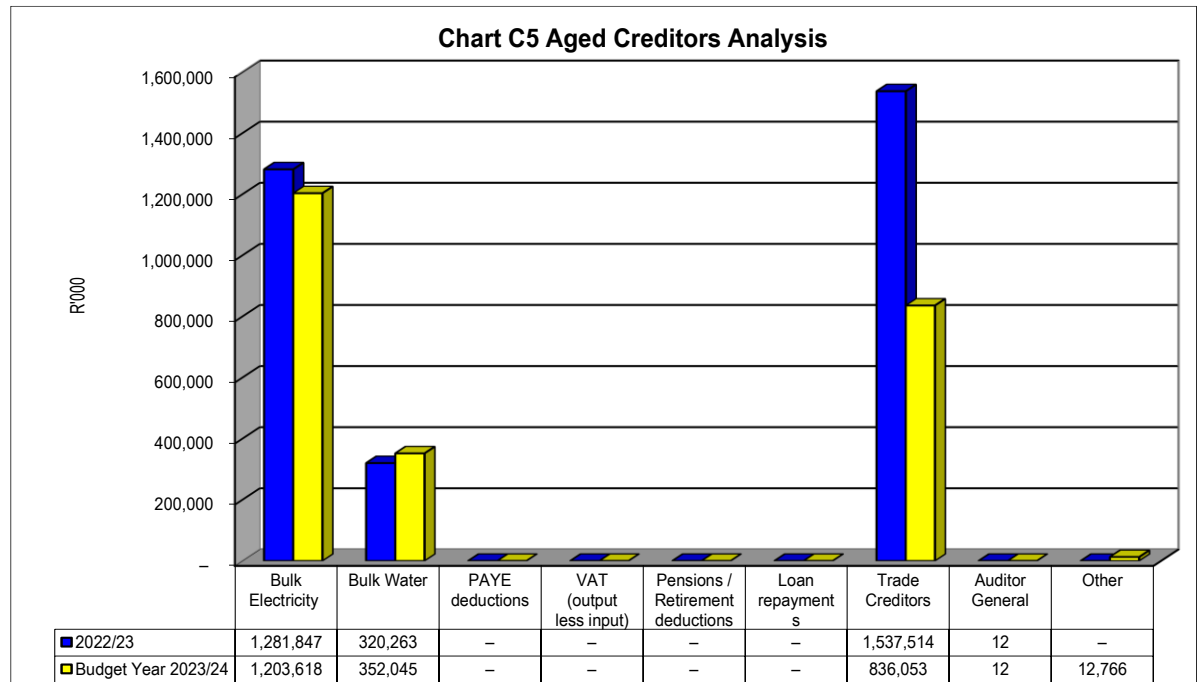


Creditors' age analysis

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 R1,3 billion.

Allocation of grant receipts and expenditure (Tables SC6)

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 R2,4 billion received during the period. A variance of R19,8 million is reflected, mainly due to outstanding transfers on the Community Libraries Grant.

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 30 September 2023.

(a) Table C1: Consolidated monthly budget statement – Summary**TSH City Of Tshwane - Table C1 Consolidated Monthly Budget Statement Summary - M03 September**

Description	2022/23	Budget Year 2023/24					
	Pre-audit outcome	Original Budget	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	2 807 707	2 274 729	532 978	23%	9 627 156
Service charges	22 087 682	25 865 917	7 937 620	7 485 898	451 722	6%	25 865 917
Investment revenue	216 018	–	–	–	–	–	–
Transfers and subsidies - Operational	216 018	55 048	3 575	11 793	(8 219)	-70%	55 048
Other own revenue	9 163 138	9 156 810	2 810 313	3 257 676	(447 363)	-14%	–
Total Revenue (excluding capital transfers and contributions)	40 752 282	44 704 931	13 559 215	13 030 097	529 118	4%	44 704 931
Employee costs	11 397 955	12 640 899	2 828 458	3 003 596	(175 138)	–	12 640 899
Remuneration of Councillors	131 913	153 863	33 299	38 466	(5 167)	–	153 863
Depreciation and amortisation	2 744 068	2 911 921	–	727 980	(727 980)	–	2 911 921
Interest	1 784 591	1 498 589	9	208 653	(208 644)	–	1 498 589
Inventory consumed and bulk purchases	15 470 550	18 805 787	341 135	5 828 189	(5 487 054)	–	18 805 787
Transfers and subsidies	3 272	9 683	10 522	1 770	8 752	494%	9 683
Other expenditure	9 922 754	8 596 636	969 238	2 590 645	(1 621 407)	-63%	8 596 636
Total Expenditure	41 455 103	44 617 378	4 182 661	12 399 299	(8 216 639)	-66%	44 617 378
Surplus/(Deficit)	(702 821)	87 553	9 376 554	630 797	8 745 757	1386%	87 553
Transfers and subsidies - capital (monetary allocations)	1 651 546	2 010 940	–	166 044	(166 044)	-100%	2 010 940
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	948 725	2 098 493	9 376 554	796 841	8 579 713	1077%	2 098 493
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	948 725	2 098 493	9 376 554	796 841	8 579 713	1077%	2 098 493
<u>Capital expenditure & funds sources</u>							
Capital expenditure	2 226 401	2 347 687	64 372	171 578	(107 207)	-62%	2 347 687
Capital transfers recognised	1 512 228	2 010 940	63 349	146 662	(83 313)	-57%	2 010 940
Borrowing	1 313	–	–	–	–	–	–
Internally generated funds	712 861	336 746	1 023	24 917	(23 894)	-96%	336 746
Total sources of capital funds	2 226 401	2 347 687	64 372	171 578	(107 207)	-62%	2 347 687
<u>Financial position</u>							
Total current assets	–	10 628 318	12 747 604				10 628 318
Total non current assets	–	57 778 710	58 775 804				57 778 710
Total current liabilities	–	14 244 890	9 224 766				14 244 890
Total non current liabilities	–	14 341 413	14 738 036				14 341 413
Community wealth/Equity	–	39 820 724	47 560 606				39 820 724
<u>Cash flows</u>							
Net cash from (used) operating	–	3 179 623	(77 978)	1 393 956	1 471 934	106%	3 179 623
Net cash from (used) investing	–	(2 712 607)	–	(170 969)	(170 969)	100%	(2 712 607)
Net cash from (used) financing	–	(382 913)	–	–	–	–	(382 913)
Cash/cash equivalents at the month/year end	–	695 581	1 250 516	1 834 466	583 950	32%	621 157
Debtors & creditors analysis	0-30 Days	31-60 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<u>Debtors Age Analysis</u>							
Total By Income Source	2 619 221	511 356	297 017	1 012 349	2 549 826	14 254 000	22 478 279
<u>Creditors Age Analysis</u>							
Total Creditors	1 936 742	4 786	215 278	–	–	–	2 404 494

(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) - M03 September							
Description	2022/23	Budget Year 2023/24					
	Pre-audit outcome	Original Budget	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	5 051 203	5 147 991	(96 789)	-2%	16 642 839
Service charges - Water	5 164 249	5 698 207	1 695 904	1 445 447	250 457	17%	5 698 207
Service charges - Waste Water Management	1 552 015	1 714 501	530 361	428 659	101 702	24%	1 714 501
Service charges - Waste management	1 795 972	1 810 370	660 152	463 801	196 351	42%	1 810 370
Sale of Goods and Rendering of Services	-	450 542	27 007	110 933	(83 926)	-76%	450 542
Agency services	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Interest earned from Receivables	1 253 389	558 059	513 575	136 301	377 274	277%	558 059
Interest from Current and Non Current Assets	216 018	55 048	3 575	11 793	(8 219)	-70%	55 048
Dividends	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-
Rental from Fixed Assets	166 269	203 700	182 454	38 131	(38 131)	-100%	203 700
Licence and permits	45 135	43 619	-	7 164	(7 164)	-100%	43 619
Operational Revenue	3 001 600	510 097	62 768	91 140	(28 372)	-31%	510 097
Non-Exchange Revenue	-	-	-	-	-	-	-
Property rates	9 069 426	9 627 156	2 807 707	2 274 729	532 978	23%	9 627 156
Surcharges and Taxes	-	-	-	-	-	-	-
Fines, penalties and forfeits	151 567	291 997	-	47 065	(47 065)	-100%	291 997
Licence and permits	-	-	13	-	13	#DIV/0!	-
Transfers and subsidies - Operational	4 760 313	5 112 620	1 663 988	2 060 407	(396 419)	-19%	5 112 620
Interest	-	357 835	-	223 756	(223 756)	-100%	357 835
Fuel Levy	-	1 628 341	542 780	542 780	-	-	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	13 559 215	13 030 097	529 118	4%	44 704 931
Expenditure By Type							
Employee related costs	11 397 955	12 640 899	2 828 458	3 003 596	(175 138)	-6%	12 640 899
Remuneration of councillors	131 913	153 863	33 299	38 466	(5 167)	-13%	153 863
Bulk purchases - electricity	11 501 339	14 377 613	-	4 682 325	(4 682 325)	-100%	14 377 613
Inventory consumed	3 969 212	4 428 174	341 135	1 145 864	(804 728)	-70%	4 428 174
Debt impairment	3 580 516	3 073 621	-	782 966	(782 966)	-100%	3 073 621
Depreciation and amortisation	2 744 068	2 911 921	-	727 980	(727 980)	-100%	2 911 921
Interest	1 784 591	1 498 589	9	208 653	(208 644)	-100%	1 498 589
Contracted services	4 325 048	3 776 939	504 079	1 104 740	(600 661)	-54%	3 776 939
Transfers and subsidies	3 272	9 683	10 522	1 770	8 752	494%	9 683
Irrecoverable debts written off	-	1 563	-	391	(391)	-100%	1 563
Operational costs	1 852 529	1 744 464	465 159	702 536	(237 377)	-34%	1 744 464
Losses on Disposal of Assets	164 660	48	-	12	(12)	-100%	48
Other Losses	-	-	-	-	-	-	-
Total Expenditure	41 455 103	44 617 378	4 182 661	12 399 299	(8 216 639)	-66%	44 617 378
Surplus/(Deficit)	(702 821)	87 553	9 376 554	630 797	8 745 757	0	87 553
Transfers and subsidies - capital (monetary allocations)	1 651 546	2 010 940	-	166 044	(166 044)	(0)	2 010 940
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	948 725	2 098 493	9 376 554	796 841			2 098 493
Income Tax	-	529	-	132	-	-	529
Surplus/(Deficit) after income tax	948 725	2 097 964	9 376 554	796 709			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	9 376 554	796 709			2 097 964
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	948 725	2 097 964	9 376 554	796 709			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 - M03 September

Vote Description	2022/23	Budget Year 2023/24					
	Pre-audit outcome	Original Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Multi-Year expenditure appropriation							
Vote 1 - Community & Social Development Services Department	64 582	14 294	825	1 074	(249)	-23%	14 294
Vote 2 - Economic Development & Spatial Planning Department	15 485	–	–	–	–	–	–
Vote 3 - Emergency Services Department	–	–	–	–	–	–	–
Vote 4 - Environment & Agriculture Management Department	4 884	17 500	–	939	(939)	-100%	17 500
Vote 5 - Group Financial Services Department	23 059	48 274	–	3 250	(3 250)	-100%	48 274
Vote 6 - Group Property Management Department	–	–	–	–	–	–	–
Vote 7 - Health Department	10 182	7 500	–	563	(563)	-100%	7 500
Vote 8 - Human Settlement Department	340 656	422 448	33 625	27 879	5 746	21%	422 448
Vote 9 - Tshwane Metro Police Department	9 648	–	–	–	–	–	–
Vote 10 - Regional Operations & Coordination Department	10 012	–	–	–	–	–	–
Vote 11 - Roads & Transport Department	296 808	433 875	20 932	32 437	(11 505)	-35%	433 875
Vote 12 - Shared Services Department	244 128	197 000	–	14 796	(14 796)	-100%	197 000
Vote 13 - Electricity Department	601 063	629 761	–	47 300	(47 300)	-100%	629 761
Vote 14 - Water and Sanitation Department	450 407	522 097	8 990	39 213	(30 224)	-77%	522 097
Vote 15 - Other Departments	135 836	11 465	–	861	(861)	-100%	11 465
Total Capital Multi-year expenditure	2 206 749	2 304 214	64 372	168 313	(103 941)	-62%	2 304 214
Single Year expenditure appropriation							
Vote 1 - Community & Social Development Services Department	–	–	–	–	–	–	–
Vote 2 - Economic Development & Spatial Planning Department	448	6 452	–	485	(485)	-100%	6 452
Vote 3 - Emergency Services Department	–	–	–	–	–	–	–
Vote 4 - Environment & Agriculture Management Department	–	–	–	–	–	–	–
Vote 5 - Group Financial Services Department	–	3 185	–	239	(239)	-100%	3 185
Vote 6 - Group Property Management Department	–	25 100	–	1 885	(1 885)	-100%	25 100
Vote 7 - Health Department	–	–	–	–	–	–	–
Vote 8 - Human Settlement Department	1 281	3 370	–	253	(253)	-100%	3 370
Vote 9 - Tshwane Metro Police Department	–	–	–	–	–	–	–
Vote 10 - Regional Operations & Coordination Department	7 871	5 366	–	403	(403)	-100%	5 366
Vote 11 - Roads & Transport Department	768	–	–	–	–	–	–
Vote 12 - Shared Services Department	8 425	–	–	–	–	–	–
Vote 13 - Electricity Department	–	–	–	–	–	–	–
Vote 14 - Water and Sanitation Department	857	–	–	–	–	–	–
Vote 15 - Other Departments	–	–	–	–	–	–	–
Total Capital single-year expenditure	19 651	43 473	–	3 265	(3 265)	-100%	43 473
Total Capital Expenditure	2 226 401	2 347 687	64 372	171 578	(107 207)	-62%	2 347 687
Capital Expenditure - Functional Classification							
Governance and administration	152 876	316 211	–	22 999	(22 999)	-100%	316 211
Executive and council	–	26 200	–	1 592	(1 592)	-100%	26 200
Finance and administration	152 876	290 011	–	21 406	(21 406)	-100%	290 011
Internal audit	–	–	–	–	–	–	–
Community and public safety	360 447	319 746	34 450	19 571	14 879	76%	319 746
Community and social services	12 937	12 294	825	923	(98)	-11%	12 294
Sport and recreation	31 784	2 000	–	–	–	–	2 000
Public safety	–	2 000	–	150	(150)	-100%	2 000
Housing	297 186	295 952	33 625	17 934	15 691	87%	295 952
Health	18 541	7 500	–	563	(563)	-100%	7 500
Economic and environmental services	726 092	448 920	20 932	34 237	(13 305)	-39%	448 920
Planning and development	7 000	–	–	–	–	–	–
Road transport	719 092	448 920	20 932	34 237	(13 305)	-39%	448 920
Environmental protection	–	–	–	–	–	–	–
Trading services	986 986	1 262 810	8 990	94 771	(85 782)	-91%	1 262 810
Energy sources	518 744	628 127	–	47 327	(47 327)	-100%	628 127
Water management	258 614	297 423	8 990	22 504	(13 515)	-60%	297 423
Waste water management	205 628	319 760	–	24 001	(24 001)	-100%	319 760
Waste management	4 000	17 500	–	939	(939)	-100%	17 500
Other	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	2 226 401	2 347 687	64 372	171 578	(107 207)	-62%	2 347 687
Funded by:							
National Government	1 499 291	1 919 824	45 794	(150)	(94 024)	-67%	1 919 824
Provincial Government	12 937	12 294	–	923	(923)	-100%	12 294
District Municipality	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm	–	78 823	17 555	5 920	11 635	197%	78 823
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	–	–	–	–	–	–	–
Transfers recognised - capital	1 512 228	2 010 940	63 349	146 662	(83 313)	-57%	2 010 940
Borrowing	1 313	–	–	–	–	–	–
Internally generated funds	712 861	336 746	1 023	24 917	(23 894)	-96%	336 746
Total Capital Funding	2 226 401	2 347 687	64 372	171 578	(107 207)	-62%	2 347 687

(d) **Table C6: Consolidated monthly budget statement – Financial position**

TSH City Of Tshwane - Table C6 Consolidated Monthly Budget Statement - Financial Position - M03			
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	1 443 611	654 687
Trade and other receivables from exchange transactions	4 751 556	–	4 751 556
Receivables from non-exchange transactions	3 793 753	7 790 171	3 793 753
Current portion of non-current receivables	117 208	177 873	117 208
Inventory	1 311 114	995 119	1 311 114
VAT	–	–	–
Other current assets	–	2 340 829	–
Total current assets	10 628 318	12 747 604	10 628 318
Non current assets			
Investments	877 838	455 836	877 838
Investment property	1 196 449	1 037 138	1 196 449
Property, plant and equipment	51 219 091	55 141 757	51 219 091
Biological assets	–	–	–
Living and non-living resources	–	–	–
Heritage assets	3 079 965	–	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	825 076	291 516
Total non current assets	57 778 710	58 775 804	57 778 710
TOTAL ASSETS	68 407 027	71 523 408	68 407 027
<u>LIABILITIES</u>			
Current liabilities			
Bank overdraft	–	408 870	–
Financial liabilities	782 153	39 611	782 153
Consumer deposits	813 829	768 850	813 829
Trade and other payables from exchange transactions	12 648 908	8 007 435	12 648 908
Trade and other payables from non-exchange transactions	–	–	–
Provision	–	–	–
VAT	–	–	–
Other current liabilities	–	–	–
Total current liabilities	14 244 890	9 224 766	14 244 890
Non current liabilities			
Financial liabilities	10 747 106	11 416 923	10 747 106
Provision	3 594 306	3 321 114	3 594 306
Long term portion of trade payables	–	–	–
Other non-current liabilities	–	–	–
Total non current liabilities	14 341 413	14 738 036	14 341 413
TOTAL LIABILITIES	28 586 303	23 962 802	28 586 303
NET ASSETS	39 820 724	47 560 606	39 820 724
<u>COMMUNITY WEALTH/EQUITY</u>			
Accumulated surplus/(deficit)	39 518 162	47 560 606	39 518 162
Reserves and funds	302 562	–	302 562
Other	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	39 820 724	47 560 606	39 820 724

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

TSH City Of Tshwane - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M03 September

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	2,385,499	2,160,993	224,506	10%	9,145,798
Service charges	24,572,269	3,423,032	6,926,871	(3,503,839)	-51%	24,572,269
Other revenue	3,128,665	439,930	281,513	158,417	56%	3,128,665
Transfers and Subsidies - Operational	5,081,769	1,921,531	1,601,851	319,680	20%	5,081,769
Transfers and Subsidies - Capital	2,022,392	435,154	151,897	283,256	186%	2,022,392
Interest	970,943	31,304	148,417	(117,113)	-79%	970,943
Dividends	-			-		-
Payments						
Suppliers and employees	(40,234,931)	(8,698,501)	(9,810,575)	(1,112,073)	11%	(40,234,931)
Interest	(1,476,589)	(11,251)	(65,241)	(53,990)	83%	(1,476,589)
Transfers and Subsidies	(30,695)	(4,675)	(1,770)	2,905	-164%	(30,695)
NET CASH FROM/(USED) OPERATING ACTIVITIES	3,179,623	(77,978)	1,393,956	1,471,934	106%	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)		(170,969)	(170,969)	100%	(2,359,139)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2,712,607)	-	(170,969)	(170,969)	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	(77,978)	1,222,987			84,103
Cash/cash equivalents at beginning:	611,479	1,328,494	611,479			611,479
Cash/cash equivalents at month/year end:	621,157	1,250,516	1,834,466			621,157

Note: The cash and equivalents as at 30 September 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 - M03 September												
Description	NT Code	Budget Year 2023/24										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	Total over 90 days	
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	706,366	135,269	177,230	194,555	78,273	160,307	728,032	3,123,187	5,303,219	4,284,354	3,571
Trade and Other Receivables from Exchange Transactions - Electricity	1300	579,257	54,456	68,248	68,710	48,013	53,898	199,551	1,787,210	2,859,343	2,157,382	791
Receivables from Non-exchange Transactions - Property Rates	1400	871,092	115,260	141,991	78,124	69,901	68,462	393,941	2,644,056	4,382,827	3,254,484	802
Receivables from Exchange Transactions - Waste Water Management	1500	191,567	28,183	31,564	37,839	14,805	30,442	143,013	598,827	1,076,240	824,926	939
Receivables from Exchange Transactions - Waste Management	1600	179,772	30,672	33,749	35,964	17,425	33,298	136,739	957,539	1,425,158	1,180,965	1,296
Receivables from Exchange Transactions - Property Rental Debtors	1700	13,537	2,229	2,537	7,621	3,189	412,215	98,838	4,698	544,863	526,561	3,595
Interest on Arrear Debtor Accounts	1810	405,757	119,528	130,144	152,135	70,659	130,711	486,773	3,436,683	4,932,391	4,276,962	2,182
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(328,126)	25,759	66,183	7,917	(5,249)	123,015	362,939	1,701,799	1,954,238	2,190,422	238
Total By Income Source	2000	2,619,221	511,356	651,645	582,865	297,017	1,012,349	2,549,826	14,254,000	22,478,279	18,696,057	13,414
2022/23 - totals only		1,870,082	352,246	413,919	388,380	342,481	906,052	2,198,002	11,206,527	17,677,689	15,041,442	72,340
Debtors Age Analysis By Customer Group												
Organs of State	2200	164,773	7,555	42,466	5,516	18,749	5,620	22,803	255,779	523,260	308,466	-
Commercial	2300	442,807	77,506	104,423	109,892	57,518	120,881	479,411	3,095,172	4,487,610	3,862,874	-
Households	2400	1,588,861	345,339	422,610	455,126	200,822	387,491	1,657,135	8,671,331	13,728,715	11,371,906	8,381
Other	2500	422,781	80,957	82,146	12,331	19,927	498,358	390,477	2,231,717	3,738,694	3,152,810	5,034
Total By Customer Group	2600	2,619,221	511,356	651,645	582,865	297,017	1,012,349	2,549,826	14,254,000	22,478,279	18,696,057	13,414

Table SC3 indicates that the total debtors amount to R22,5 billion.

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

TSH City Of Tshwane - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September											
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	1,203,227	134	246	-	11	-	-	-	1,203,618	1,281,847
Bulk Water	0200	352,045	-	-	-	-	-	-	-	352,045	320,263
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	368,703	4,652	3,707	243,737	215,255	-	-	-	836,053	1,537,514
Auditor General	0800	-	-	-	-	12	-	-	-	12	12
Other	0900	12,766	-	-	-	-	-	-	-	12,766	-
Total By Customer Type	1000	1,936,742	4,786	3,952	243,737	215,278	-	-	-	2,404,494	3,139,636

(h) Table SC5: Monthly budget statement – Investment portfolio**TSH City Of Tshwane - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September**

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%	-	-	-
Nedbank	341	On Call	Short Term	On call	-	6.7%	-	-	-
Standard Bank	340	On Call	Short Term	On call	-	6.6%	307,837	-	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%	208,638	-	208,638
Standard Bank		On Call	Sinking Fund	On call	-	0.0%	18,675	-	18,675
Nedbank	247	On Call	Short Term	On call	-	0.0%	217,272	-	217,272
ABSA	248	On Call	Short Term	On call	-	0.0%	213,655	(24,528)	189,127
Standard Bank	260	On Call	Short Term	On call	1,024	7.8%	94,262		95,286
Municipality sub-total					2,849		1,351,185	(24,528)	1,329,506
Entities									
3503597.46		Call account		Call account	13	8.1%	3,491	-	3,504
Entities sub-total					13		3,491	-	3,504
TOTAL INVESTMENTS AND INTEREST	2	-			2,862		1,354,676	(24,528)	1,333,010

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

TSH City Of Tshwane - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

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	500	1,879,866	1,879,866	(0)	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
Urban Settlement Development Grant	31,323	32,704		15,044	15,044	(0)	0.0%	32,704
Expanded Public Works Programme Incentive Grant	15,496	16,502		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	500	500	500	–		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	–		30,993
Provincial Government:	163,844	254,407	41,665	41,665	51,165	(9,500)	-18.6%	254,407
Primary Health Care	61,258	64,015	25,606	25,606	25,606	–		64,015
HIV and Aids Grant	25,612	26,765	16,059	16,059	16,059	–		26,765
Human Settlement Development Grant	22,574	12,045	–	–	–	–		12,045
Libraries Plan	10,666	10,152	–	–	9,500	(9,500)	-100.0%	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	42,165	1,921,531	1,931,031	(9,500)	-0.5%	5,112,620
Capital Transfers and Grants								
National Government:	1,788,940	1,919,824	1,500	435,154	435,154	–		1,919,824
Urban Settlement Development Grant	1,012,788	1,057,425		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	1,500	1,500	1,500	–		7,500
Informal Settlements Upgrading Partnership Grant	564,001	588,858		153,103	153,103	–		588,858
Provincial Government:	11,084	12,294	–	–	10,258	(10,258)	-100.0%	12,294
<i>Recapitalisation of Community Libraries Grant</i>	11,084	12,294			10,258	(10,258)	-100.0%	12,294
District Municipality:	–	–	–	–	–	–		–
<i>[insert description]</i>						–		–
						–		–
Other grant providers:	72,618	78,823	–	–	–	–		78,823
<i>RCG - SHRA</i>	72,618	78,823				–		78,823
Total Capital Transfers and Grants	1,872,642	2,010,940	1,500	435,154	445,412	(10,258)	-2.3%	2,010,940
TOTAL RECEIPTS OF TRANSFERS & GRANTS	6,418,715	7,123,560	43,665	2,356,685	2,376,443	(19,758)	-0.8%	7,123,560

The total original budget is R7,1 billion, with R2,4 billion received during the period. A variance of R19,8 million is reflected, mainly due to outstanding transfers on the Community Libraries Grant.

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

TSH City Of Tshwane - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M03 September								
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	2,687	16,794	30,482	(13,687)	-45%	121,926
Tshwane Economic Development Agency	63,120	63,731	10,511	10,650	15,933	(5,282)	-33%	63,731
Total Operating Revenue	181,557	185,658	13,197	27,445	46,414	(18,970)	-41%	185,658
<u>Expenditure By Municipal Entity</u>								
Housing Company Tshwane	70,012	121,926	10,453	23,051	30,482	(7,431)	-24%	121,926
Tshwane Economic Development Agency	63,189	63,202	4,695	14,364	15,788	(1,425)	-9%	63,202
Total Operating Expenditure	133,201	185,128	15,147	37,414	46,270	(8,856)	-19%	185,128
Surplus/ (Deficit) for the yr/period	48,355	529	(1,950)	(9,969)	144	(27,825)	-19261%	529
<u>Capital Expenditure By Municipal Entity</u>								
Housing Company Tshwane	142,911	82,193	(1,876)	17,753	20,548	(2,796)	-14%	82,193
Tshwane Economic Development Agency	448	452				-		452
Total Capital Expenditure	143,359	82,645	(1,876)	17,753	20,548	(2,796)	-14%	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 - M03 September								
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	2,758	2,758	35,327	32,570	92.2%	0%
August	78,491	44,680	25,861	28,618	80,007	51,389	64.2%	1%
September	121,987	96,881	35,754	64,372	176,889	112,517	63.6%	3%
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	64,372					

(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 **September 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 yet fully functional.

J Mettler
CITY MANAGER
CITY OF TSHWANE

Signature: _____

Date: _____