

GROUP FINANCIAL SERVICES

LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003
(ACT 56 OF 2003):

- (1) IN-YEAR FINANCIAL REPORT (MONTHLY AND QUARTER 2 BUDGET STATEMENT) FOR THE PERIOD ENDING 31 DECEMBER 2023
- (2) MID-YEAR BUDGET ASSESSMENT

1. PURPOSE

This report presents the progress on the financial performance of the City of Tshwane against the budget for the period ended 31 December 2023, in compliance with Sections 71, 72 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) of the MFMA stipulates the following: "The mayor of a municipality – must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality."

Section 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 71(1) of the MFMA states the following: "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 December 2023 end on 15 January 2024.

In addition, Section 72 of the MFMA requires that the accounting officer of a municipality must submit a report by 25 January of each year to the Executive Mayor, the National Treasury and the Provincial Treasury which assesses the performance of the municipality during the first half of the financial year. As part of the review, the accounting officer must make recommendations as to whether an adjustment budget is necessary and recommend revised projections for revenue and expenditure to the extent that it may be necessary.

The City upgraded its core financial system, SAP ECC6, to SAP S/4HANA Light Digital Core. The planned go-live of the SAP S/4HANA system was 17 July 2023. The SAP S/4HANA system went live on 21 July 2023. However, this was a soft go-live, which means that the system was only available for the team of information and communication technology (ICT) consultants to run further tests and fine-tuning. Due to 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 of implementing a new system. These challenges range from capturing transactions to producing financial reports. A change management process that involves training and hands-on user support is ongoing.

Reporting requirements

Municipalities are required to submit budget, Integrated Development Plan (IDP) projects, actual monthly financial transactions, debtors' and creditors' age analysis, borrowing and investments, and conditional grant expenditure information in the form of data strings that must contain six of the regulated seven Municipal Standard Chart of Accounts (mSCOA) segments to the National Treasury.

A data string is a list of all budget items, projects and financial transactions classified in terms of mSCOA segments. The National Treasury require these to be generated by an mSCOA-compliant core financial system. The City does not have an mSCOA-compliant system and therefore developed an interim solution to generate data strings for submission to the National Treasury in compliance with the mSCOA regulation.

The interim solution was gradually developed, but it cannot produce data strings that are completely free of errors because it is a manual process that tries to perform the intricate operations that a financial system is supposed to perform. The challenge to generate a data string in this manner is further complicated whenever the National Treasury introduces changes to the chart of accounts and additional measures to improve data quality.

In the absence of an mSCOA system, the City compiles the budget, transacts in only two of the mSCOA segments and converts these into the six required mSCOA segments for the generation of the data strings. The conversion is a complex process of combining system-generated information and manual alignment.

Before migration to SAP S/4HANA, the process involved extracting standard SAP reports (detailed budget performance reports per department). These are circulated to departments to provide reasons for budget deviations. The reports are imported into Excel files and consolidated into the National Treasury Schedule C format which is used for preparing the Section 71 reports. There should always be alignment between data strings and the Section 71 reports.

For the first six periods of the 2023/24 financial year, the City was not able to extract the basic reports from SAP S/4HANA, since the reports are still under development. Progress has been made, and the reports are being tested in production in order to ensure data integrity.

Workaround for submission of data strings

The City is currently experiencing transitional challenges following the implementation of the SAP S/4HANA system, and extracting financial transactions for reporting is proving to be a major challenge. In the old system, various standard SAP reports existed to enable extraction of transactional data for analysis and reporting. However, this standard performance against budgets reports is still being developed by the SAP S/4HANA team of consultants.

The SAP S/4HANA system has a functionality called “Embedded Analytics” that could be used to extract financial data. However, this functionality was tested, and it was found that it is still not able to provide financial information at the level required for the in-depth analysis required for Section 71 reporting, as there is no structure or hierarchies.

Group Financial Services and the Shared Services Department, together with the SAP S/4HANA consultants, identified a workaround mechanism. This process involves manual extraction of data from the old system (the revenue and payroll functionality that is still there) and combining it with data from the new system to produce reporting data. This process also has challenges, and the ICT consultants, together with business units, are working to resolve the integration process on a daily basis in order to ensure that revenue and payroll information in both systems are properly synchronised.

Data strings were submitted on the 10th working day to comply with one of the criteria for the release of the Equitable Share.

4. DISCUSSION

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

The attached in-year report (Annexure A) provides a high-level analysis as of 31 December 2023 in the prescribed format. This report will make a brief mention of material deviations.

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

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL PERFORMANCE: 31 DECEMBER 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	22,223,270	24,213,086	(1,989,816)	-8%
Total Expenditure	44,617,378	18,869,376	23,488,047	(4,618,672)	-20%
Surplus /Deficit	87,553	3,353,894	725,039		

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

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL PERFORMANCE: 31 DECEMBER 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	20,949,233	21,848,074	(898,840)	-4%
Total Expenditure	42,148,532	19,352,479	22,445,854	(3,093,375)	-14%
Surplus /Deficit	3,308	1,596,755	(597,780)		

The actual operating revenue realised, excluding capital transfers and contributions, reflects an unfavourable variance of R2 billion against the year-to-date (YTD) budget for the period ended 31 December 2023.

The operating expenditure is underspent by R4,6 billion, which is 20% less than the YTD budget. An accounting surplus of R3,3 billion is reflected.

Consolidated summary – Capital expenditure, 31 December 2023:

CONSOLIDATED SUMMARY STATEMENT OF CAPITAL EXPENDITURE: 31 DECEMBER 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	876,251	397,205	221,388	618,593	(479,046)	16.9%
TOTAL Capital Financing	2,347,687	876,251	397,205	221,388	618,593	(479,046)	16.9%

The total capital expenditure for the period is R397 million.

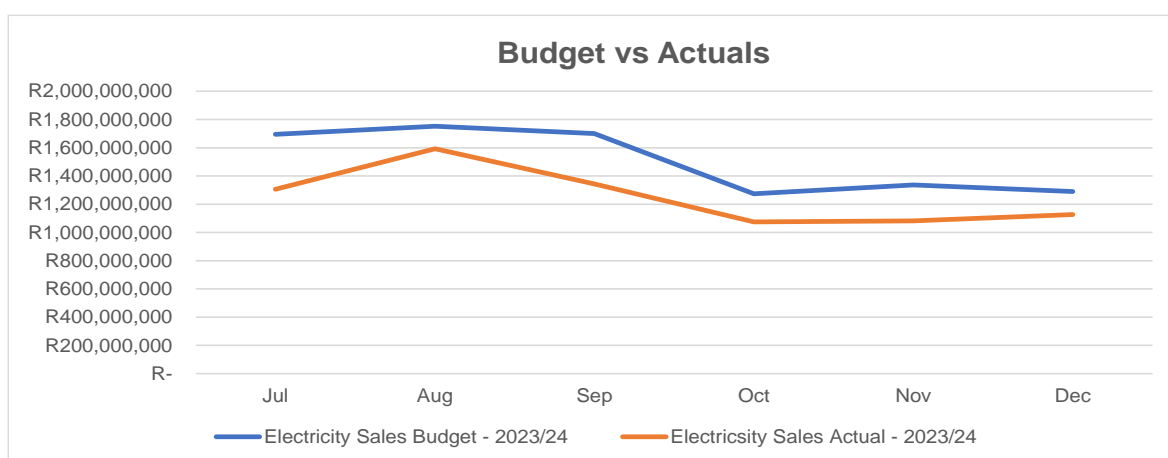
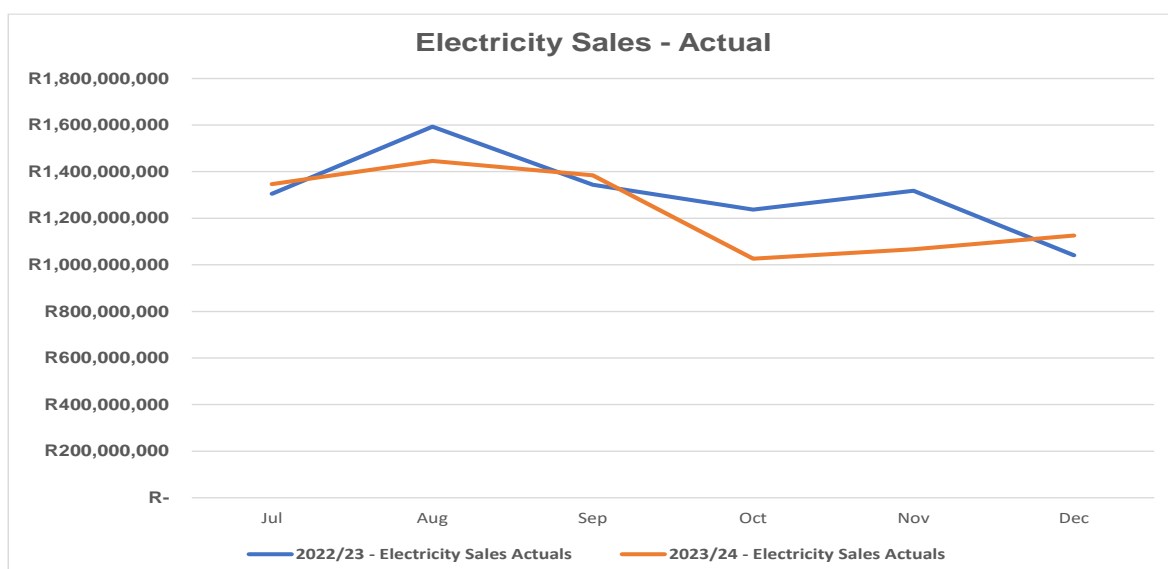
The cash and cash equivalent as at 31 December 2023 amounted to R2,2 billion, including the unspent grant.

Mid-term budget and performance assessment

Based on the mid-term performance, the variance on revenue is mainly attributed to underrecovery on electricity revenue.

Electricity analysis

The following graph shows the electricity revenue trend over the six months compared with the previous financial year. The trend will be monitored closely to establish the cause of a declining trend compared to the previous financial year.



Revenue targets per funding plan analysis

As part of the mid-term assessment, the City has not been able to meet the stretched targets as set in the approved funding plan. The following table reflects the shortfall of R2,6 billion against the funding plan targets and a positive R250 million against the budgeted cashflow. The actual performance represents the collection rate of 84,4% for December 2023.

Months	Funding Plan targets	MTREF SA30	Actual income	Funding Plan variance	MTREF variance
July	3 636 756 611	3 355 892 000	3 238 648 987	-398 107 624	-117 243 013
August	3 570 644 076	3 246 265 004	2 977 117 487	-593 526 589	-269 147 517
September	3 527 791 491	2 915 637 001	2 891 917 566	-635 873 925	-23 719 435
October	3 598 154 465	2 987 453 889	3 339 262 299	-258 892 166	351 808 410
November	3 496 070 353	2 979 235 999	2 992 862 646	-503 207 707	13 626 647
December	3 096 636 567	2 551 929 202	2 846 750 510	-249 886 057	294 821 308
	20 926 053 564	18 036 413 095	18 286 559 495	-2 639 494 069	250 146 400

Considering the mid-term performance as discussed above, the adjustment budget is necessary, mainly for the following:

- To address the impending shortfall on revenue items. Proper assessments must be made on whether the revenue targets will be met and, if not, the revenue must be adjusted downwards.
- To address possible overspending on certain line items in order to avoid unauthorised expenditure at year end.

- To appropriate rollover grants that were approved during the financial year.
- To appropriate additional grant funding that has been received.
- To adjust expenditure in line with the anticipated revenue to be realised.
- To adjust the capex budget to revise grant-funded projects in line with the revised gazette received from the National Treasury and the Provincial Treasury.

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)

This report presents the progress on the financial performance of the City of Tshwane against the budget for the period ended 31 December 2023, in compliance with Section 71,72 and 52(d) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

In terms of Sections 52(d), 54, 71, 72 and 75(1)(k) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) read with Section 41 of the Municipal Systems Act, 2000 (Act 32 of 2000), municipalities are required to report quarterly, biannually and annually on their Integrated Development Plan (IDP), Service Delivery Budget Implementation Plan (SDBIP) and Medium-term Revenue Expenditure Framework (MTREF). This requires reporting on the city scorecard (as contained in IDP), the corporate scorecard (as contained in the SDBIP), and financial indicators (as contained in the MTREF).

All quarterly reports required to be submitted to council must be made public as stipulated in Sections 52(d), 54,71, 72 and 75(1)(k) of the Municipal Finance Management Act, 2003 (Act 56 of 2003).

Having regards to the aforesaid, and with specific reference to the contents of the report, Group Legal and Secretariat Services Department counsel that the report complies legislative prescripts supports approval of the recommendations thereof.

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 December 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 for the 2023/24 financial year for the period ended 31 December 2023. The report is tabled in compliance with Sections 71, 72 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 of the MFMA and National Treasury Regulation GG 32141 of 17 April 2009.

7.4 COMMUNICATION

In compliance with the legislative requirements of Sections 71, 72 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. Migration from the old SAP ECC6 system to the new SAP S4/HANA 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.

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

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

Considering the mid-term performance as discussed above, the adjustment budget is necessary, mainly for the following:

- To address the impending shortfall on revenue items. Proper assessments must be made on whether the revenue targets will be met and, if not, the revenue must be adjusted downwards.
- To address possible overspending on certain line items in order to avoid unauthorised expenditure at year end.
- To appropriate rollover grants that were approved during the financial year.
- To appropriate additional grant funding that has been received.
- To adjust expenditure in line with anticipated revenue to be realised.
- To adjust the capex budget to revise grant-funded projects in line with the revised gazette received from the National and Provincial Treasury.

The operating revenue realised, excluding capital transfers and contributions, reflects an unfavourable variance of R2 billion against the YTD budget for the period ended 31 December 2023.

- Cash flow
 - The cash and cash equivalent as at 31 December 2023 amounted to R2,2 billion, including capital 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 the plan had no great impact on ensuring that the City's financial position is driven to a positive liquidity status. This plan is currently being reviewed, with emphasis on initiatives to enhance revenue collection and to contain expenditure over the medium term and beyond.

- Budget Funding Plan

The City also has a Budget Funding Plan whose purpose is to provide a response and/or remedy to the City's unfunded budget position. This plan considers the 2023/24 budget year and the two outer years of the 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.

- Revenue Management Strategy

The revenue management strategy recognises that effective revenue management and collection of outstanding debt require a collective effort between the various departments in the City. The strategy focuses on improving coordination across the various departments in the revenue value chain. This includes institutionalising the revenue war room, which will monitor specific performance indicators that seek to ensure completeness and improved collection of revenue.

ANNEXURE

Annexure A: In-year report dated 31 December 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, 72 and 52(d) of the MFMA, as well as the municipal budget and reporting regulations.
2. That the financial performance for the period ended 31 December 2023, as contained in Annexure A, be noted, and that Council note the reporting challenges due to implementation of the new system.
3. That this report be submitted to the National Treasury and Gauteng Provincial Treasury.
4. That, in compliance with Section 72 of the MFMA, the mid-term budget and performance assessment report be noted.
5. That, based on the mid-term performance, an adjustment budget for the 2023/24 financial year is necessary and must be tabled at Council in February 2024.

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 DECEMBER 2023

REPORT CHECKED AND PASSED FOR SUBMISSION TO:

	Comments, if any, on the report
<p>Divisional Head: Budget Office N Mokete</p> <p>I certify that Schedule SC6 and SC7 as consolidated in the monthly budget statement for December 2023, are correct.</p> <p>SIGNATURE:</p> <p>DATE:</p>	
<p>Acting Divisional Head: Financial Reporting and Assets N Shibase</p> <p>I certify that Schedule C7 as consolidated in the monthly budget statement for December 2023, are correct.</p> <p>SIGNATURE:</p> <p>DATE:</p>	
<p>Divisional Head: Treasury Office KC Thiye</p> <p>I certify that Schedule C7, SC4 and SC5, as consolidated in the monthly budget statement for December 2023, are correct.</p> <p>SIGNATURE:</p> <p>DATE:</p>	
<p>Acting Divisional Head: Revenue Management M Thovhakale</p> <p>I certify that Schedule SC3, as consolidated in the monthly budget statement for December 2023, is correct.</p> <p>SIGNATURE:</p> <p>DATE:</p>	
<p>Chief Financial Officer G Mnisi</p> <p>SIGNATURE:</p> <p>DATE:</p>	



IN-YEAR REPORT

BUDGET YEAR: 2023/24

REPORTING PERIOD: M06 DECEMBER 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 December 2023, as contained in Annexure A, be noted, and that Council note the reporting challenges due to implementation of the new system.
3. That this report be submitted to the National Treasury and Gauteng Treasury.

1.3 Executive summary

The financial results for the City of Tshwane for the period ended 31 December 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 R2 billion
- Underspending on expenditure of R4,6 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) - M06 December							
Description	Budget Year 2023/24						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Revenue							
Exchange Revenue							
Service charges - Electricity	16,642,839	1,125,938	7,524,330	9,048,377	(1,524,047)	-17%	16,642,839
Service charges - Water	5,698,207	429,681	2,627,113	2,866,016	(238,904)	-8%	5,698,207
Service charges - Waste Water Management	1,714,501	130,919	864,054	865,838	(1,784)	0%	1,714,501
Service charges - Waste management	1,810,370	145,029	1,023,290	919,389	103,901	11%	1,810,370
Sale of Goods and Rendering of Services	450,542	12,384	86,061	217,350	(131,289)	-60%	450,542
Interest earned from Receivables	558,059	99,706	519,584	277,462	242,122	87%	558,059
Interest from Current and Non Current Assets	55,048	1,319	7,667	16,174	(8,507)	-53%	55,048
Rental from Fixed Assets	203,700	310	5,914	81,102	(75,188)	-93%	203,700
Licence and permits	43,619	4,087	18,662	19,147	(485)	-3%	43,619
Operational Revenue	510,097	31,010	113,690	238,519	(124,828)	-52%	510,097
Non-Exchange Revenue							
Property rates	9,627,156	722,770	4,648,042	4,573,683	74,359	2%	9,627,156
Fines, penalties and forfeits	291,997	23,001	69,411	95,424	(26,013)	-27%	291,997
Transfers and subsidies - Operational	5,112,620	1,560,910	3,250,504	3,588,078	(337,574)	-9%	5,112,620
Interest	357,835	70,988	379,388	320,966	58,421	18%	357,835
Fuel Levy	1,628,341	542,780	1,085,560	1,085,560	-		1,628,341
Total Revenue (excluding capital transfers and contributions)	44,704,931	4,900,831	22,223,270	24,213,086	(1,989,816)	-8%	44,704,931
Expenditure By Type							
Employee related costs	12,640,899	912,371	5,630,719	6,676,894	(1,046,175)	-16%	12,640,899
Remuneration of councillors	153,863	11,098	66,481	76,931	(10,450)	-14%	153,863
Bulk purchases - electricity	14,377,613	948,958	7,606,358	7,606,243	116	0%	14,377,613
Inventory consumed	4,428,174	76,785	1,746,076	2,257,775	(511,698)	-23%	4,428,174
Debt impairment	3,073,621	339,375	1,818,237	1,536,810	281,426	18%	3,073,621
Depreciation and amortisation	2,911,921	58	63	1,455,960	(1,455,898)	-100%	2,911,921
Interest	1,498,589	2	2	720,095	(720,093)	-100%	1,498,589
Contracted services	3,776,939	297,424	1,604,770	2,084,909	(480,139)	-23%	3,776,939
Transfers and subsidies	9,683	8,893	59,726	4,190	55,535	1325%	9,683
Irrecoverable debts written off	1,563	-	-	782	(782)	-100%	1,563
Operational costs	1,744,464	168,358	336,944	1,067,433	(730,489)	-68%	1,744,464
Losses on Disposal of Assets	48	-	-	24	(24)	-100%	48
Total Expenditure	44,617,378	2,763,322	18,869,376	23,488,047	(4,618,672)	-20%	44,617,378
Surplus/(Deficit)	87,553	2,137,510	3,353,894	725,039	2,628,855	363%	87,553
Transfers and subsidies - capital (monetary allocations)	2,010,940	121,546	341,302	965,849	(624,546)	-65%	2,010,940
Transfers and subsidies - capital (in-kind)	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	2,098,493	2,259,056	3,695,197	1,690,887	2,004,309	119%	2,098,493
Income Tax	529	-	-	265	(265)	-100%	529
Surplus/(Deficit) after income tax	2,097,964	2,259,056	3,695,197	1,690,623	2,004,574	119%	2,097,964
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-		-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality	2,097,964	2,259,056	3,695,197	1,690,623	2,004,574	119%	2,097,964
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-		-
Intercompany/Parent subsidiary transactions	-	-	-	-	-		-
Surplus/ (Deficit) for the year	2,097,964	2,259,056	3,695,197	1,690,623	2,004,574	119%	2,097,964

The actual revenue amounts to R22 billion and reflects an unfavourable variance of R2 billion against the YTD budget.

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

- **Service Charges: Electricity (R1,5 billion unfavourable).** The underrecovery on revenue for electricity is partly due to a drop in consumption, which accounts for R368,4 million of the variance. The balance will be monitored closely to establish the cause of a declining trend compared to the previous financial year.
- **Transfers and Subsidies Operational** is under the budget due to underperformance on some of the grants, that is, the National Development Partnership Grant (NDPG), the Public Transport Network Operations Grant (PTNOG) and the Informal Settlements Upgrading Partnership Grant (ISUPG).

- Other revenue streams are under the budget for the period. The trend will be closely monitored to establish the root cause. It is not possible to drill into each line item due to the non-availability of reports on SAP S/4HANA.

The actual expenditure amounts to R18,9 billion and indicates an underspending variance of R4,6 billion or 20% against the YTD budget of R23,5 billion.

- Employee-related cost: The main items contributing to the variance of R1 billion are salaries due to vacant positions and staff bonuses due to the delay in processing the 13th cheque and employee benefits.
- Depreciation has not been processed due to the delay in the migration of assets to SAP S/4HANA. The process is currently underway.
- Interest on loan expenditure reflects underperformance of R720 million. The actual expenditure will reflect in the next month. This matter is being addressed together with SAP consultants.
- The underspending is due to system delays in processing purchase orders and recording transactions on main line items such as grants, contracted services and operational costs.
- Due to the unavailability of reports, it is not possible to drill into each line item to determine which line items contribute to the underexpenditure.

Summary of capital expenditure

CONSOLIDATED SUMMARY STATEMENT OF CAPITAL EXPENDITURE: 31 DECEMBER 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	876,251	397,205	221,388	618,593	(479,046)	16.9%
TOTAL Capital Financing	2,347,687	876,251	397,205	221,388	618,593	(479,046)	16.9%

The total capital expenditure for the period is R397 million.

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

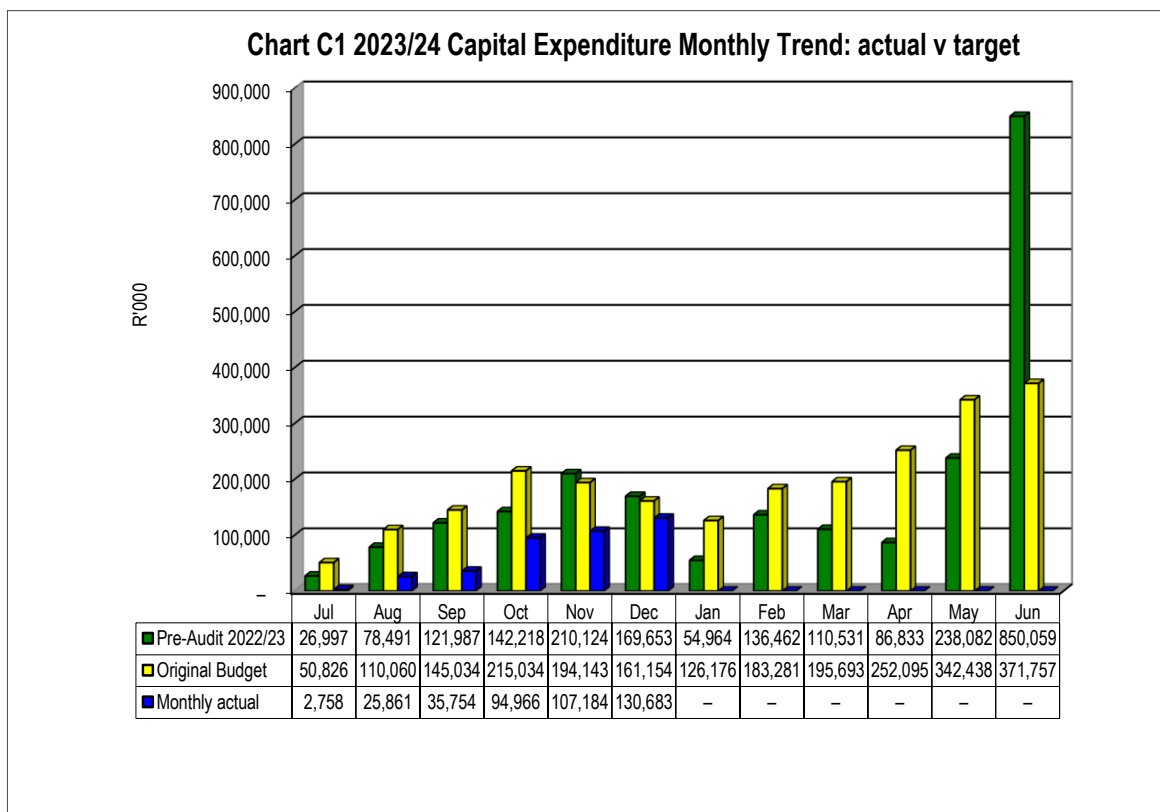
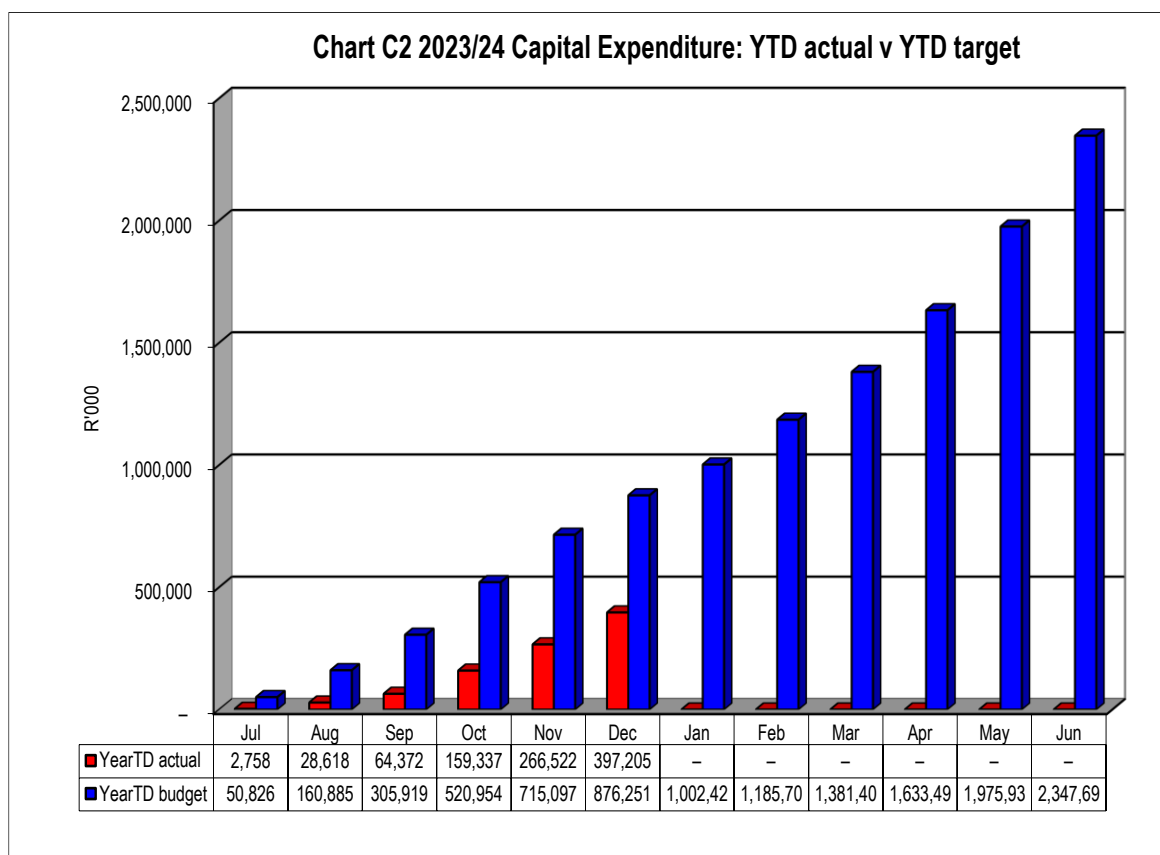


Chart C2: 2023/24 Capital expenditure (YTD actual versus YTD target)



Cash flow

Table C1 shows the cash flow of the City of Tshwane, which shows the following:

- Cash and cash equivalents total R2,2 billion as of 31 December 2023.
- The cash flow from operating activities is R1,4 billion positive.
- The cash flow from investing activities is R397 million.
- The cash flow from financing activities is R164 million.

Outstanding debtors

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 R15,4 billion is outstanding in this category, compared to R12 billion in the 2022/23 financial year. The total debtors are at R23,3 billion.

Chart C3: Aged consumer debtors' analysis

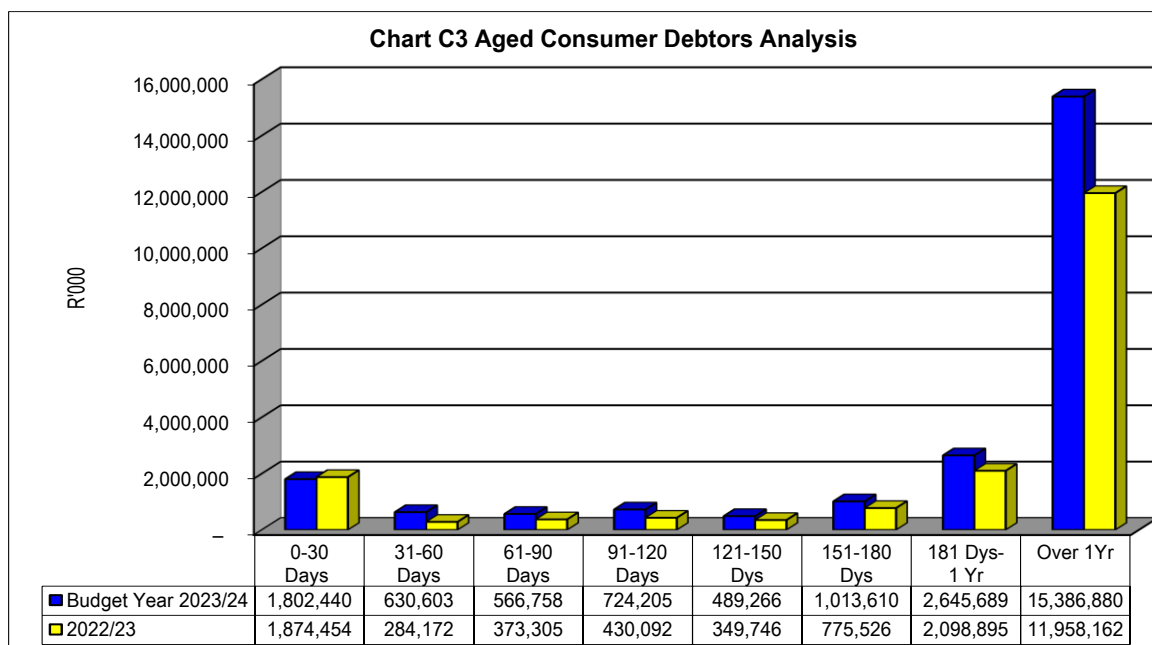
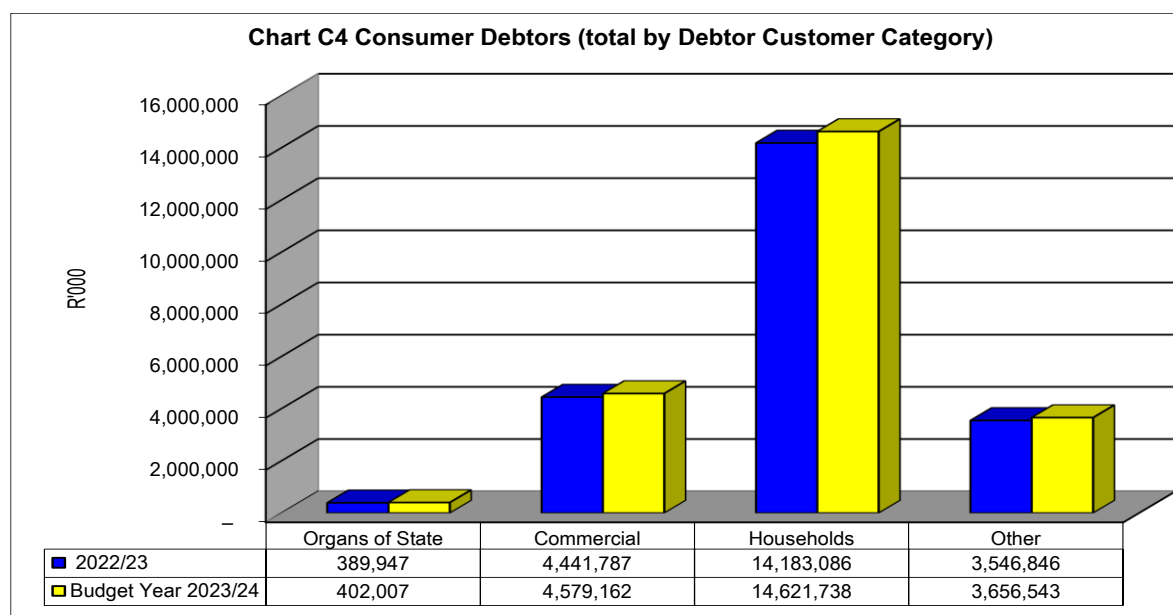


Chart C4 shows that the increase in the customer category is attributable to households, which reflects an increase of R438,7 million compared to the previous financial year.

Chart C4: Consumer debtors by customer category



Collection level

The following table shows the monthly collection levels over the five-month period, with 84,4% collection achieved for December 2023.

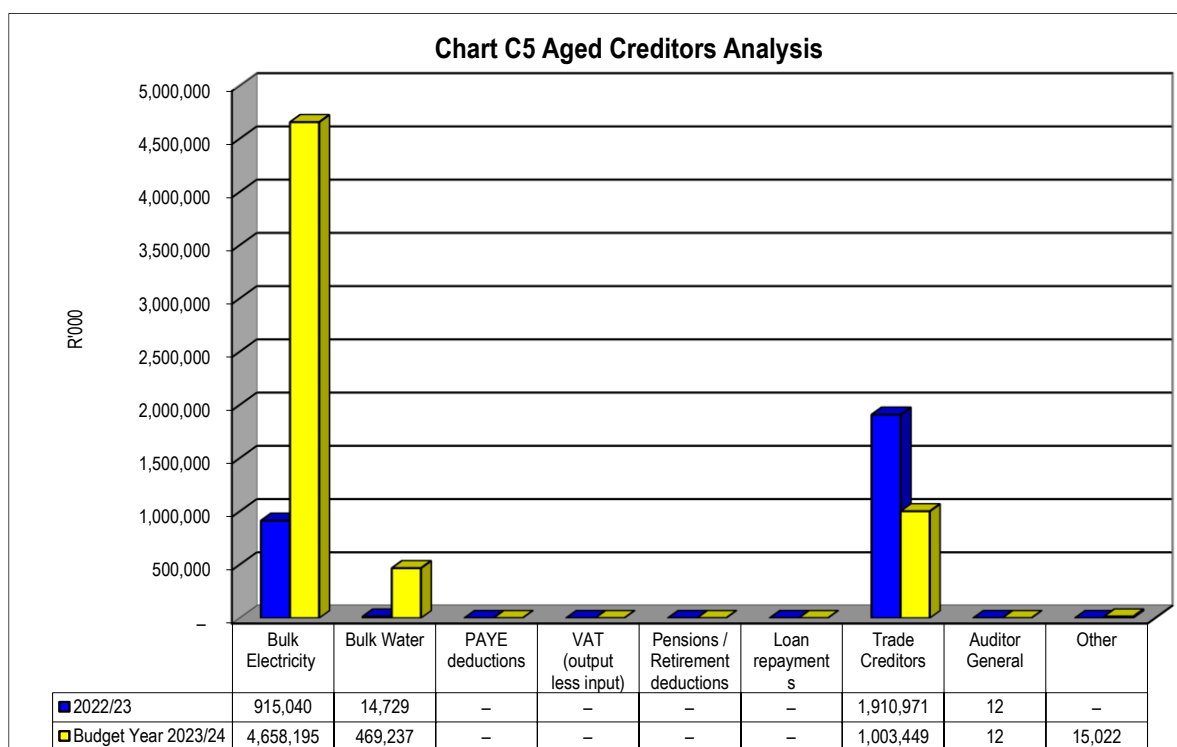
	July	August	September	October	November
Collection rate	84,53%	77,74%	79,18%	84,04%	84,43%

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 R1,4 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 R4,6 billion received during the period. A variance of R45 million is reflected, mainly due to outstanding transfers on the Provincial Grants.

Grant spending for the period amounts to R3,7 billion against a budget of R4,2 billion.

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 following tables show the financial results for the period ended 31 December 2023.

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

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

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								
Financial Performance								
Property rates	9,069,426	9,627,156	722,770	4,648,042	4,573,683	74,359	2%	9,627,156
Service charges	22,087,682	25,865,917	1,831,567	12,038,786	13,699,620	(1,660,834)	-12%	25,865,917
Investment revenue	216,018	55,048	1,319	7,667	16,174	(8,507)	-53%	55,048
Transfers and subsidies - Operational	4,760,313	5,112,620	1,560,910	3,250,504	3,588,078	(337,574)	-9%	5,112,620
Other own revenue	4,618,843	4,044,190	784,265	2,278,270	2,335,531	(57,261)	-2%	4,044,190
Total Revenue (excluding capital transfers and contributions)	40,752,282	44,704,931	4,900,831	22,223,270	24,213,086	(1,989,816)	-8%	44,704,931
Employee costs	11,397,955	12,640,899	912,371	5,630,719	6,676,894	(1,046,175)	-16%	12,640,899
Remuneration of Councillors	131,913	153,863	11,098	66,481	76,931	(10,450)	-14%	153,863
Depreciation and amortisation	2,744,068	2,911,921	58	63	1,455,960	(1,455,898)	-100%	2,911,921
Interest	1,784,591	1,498,589	2	2	720,095	(720,093)	-100%	1,498,589
Inventory consumed and bulk purchases	15,470,550	18,805,787	1,025,743	9,352,434	9,864,017	(511,583)	-5%	18,805,787
Transfers and subsidies	3,272	9,683	8,893	59,726	4,190	55,535	1325%	9,683
Other expenditure	9,922,754	8,596,636	805,157	3,759,951	4,689,959	(930,008)	-20%	8,596,636
Total Expenditure	41,455,103	44,617,378	2,763,322	18,869,376	23,488,047	(4,618,672)	-20%	44,617,378
Surplus/(Deficit)	(702,821)	87,553	2,137,510	3,353,894	725,039	2,628,855	363%	87,553
Transfers and subsidies - capital (monetary allocations)	1,651,546	2,010,940	121,546	341,302	965,849	(624,546)	-65%	2,010,940
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	948,725	2,098,493	2,259,056	3,695,197	1,690,887	2,004,309	119%	2,098,493
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	948,725	2,098,493	2,259,056	3,695,197	1,690,887	2,004,309	119%	2,098,493
Capital expenditure & funds sources								
Capital expenditure	2,226,401	2,347,687	130,683	397,205	876,251	(479,046)	-55%	2,347,687
Capital transfers recognised	1,512,228	2,010,940	130,683	387,097	769,061	(381,963)	-50%	2,010,940
Borrowing	1,313	-	-	-	-	-	-	-
Internally generated funds	712,861	336,746	-	10,108	107,190	(97,083)	-91%	336,746
Total sources of capital funds	2,226,401	2,347,687	130,683	397,205	876,251	(479,046)	-55%	2,347,687
Financial position								
Total current assets	-	10,624,622	-	-	-	-	-	10,624,622
Total non current assets	-	57,778,710	-	-	-	-	-	57,778,710
Total current liabilities	-	14,244,890	-	-	-	-	-	14,244,890
Total non current liabilities	-	14,341,413	-	-	-	-	-	14,341,413
Community wealth/Equity	-	39,817,029	-	-	-	-	-	39,817,029
Cash flows								
Net cash from (used) operating	-	3,093,746	-	1,381,455	1,163,992	(217,463)	-19%	3,093,746
Net cash from (used) investing	-	(2,701,155)	-	(397,205)	(1,138,158)	(740,953)	65%	(2,701,155)
Net cash from (used) financing	-	(382,913)	-	(164,460)	-	164,460	-	(382,913)
Cash/cash equivalents at the month/year end	-	621,157	-	1,934,377	637,313	(1,297,064)	-204%	621,157
Debtors & creditors analysis	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	1,802,440	630,603	724,205	489,266	1,013,610	2,645,689	15,386,880	23,259,449
Creditors Age Analysis								
Total Creditors	1,731,721	1,387,278	1,294,667	487,683	-	-	-	6,145,914

(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) - M06 December							
Description	Budget Year 2023/24						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Revenue							
Exchange Revenue							
Service charges - Electricity	16,642,839	1,125,938	7,524,330	9,048,377	(1,524,047)	-17%	16,642,839
Service charges - Water	5,698,207	429,681	2,627,113	2,866,016	(238,904)	-8%	5,698,207
Service charges - Waste Water Management	1,714,501	130,919	864,054	865,838	(1,784)	0%	1,714,501
Service charges - Waste management	1,810,370	145,029	1,023,290	919,389	103,901	11%	1,810,370
Sale of Goods and Rendering of Services	450,542	12,384	86,061	217,350	(131,289)	-60%	450,542
Interest earned from Receivables	558,059	99,706	519,584	277,462	242,122	87%	558,059
Interest from Current and Non Current Assets	55,048	1,319	7,667	16,174	(8,507)	-53%	55,048
Rental from Fixed Assets	203,700	310	5,914	81,102	(75,188)	-93%	203,700
Licence and permits	43,619	4,087	18,662	19,147	(485)	-3%	43,619
Operational Revenue	510,097	31,010	113,690	238,519	(124,828)	-52%	510,097
Non-Exchange Revenue							
Property rates	9,627,156	722,770	4,648,042	4,573,683	74,359	2%	9,627,156
Fines, penalties and forfeits	291,997	23,001	69,411	95,424	(26,013)	-27%	291,997
Transfers and subsidies - Operational	5,112,620	1,560,910	3,250,504	3,588,078	(337,574)	-9%	5,112,620
Interest	357,835	70,988	379,388	320,966	58,421	18%	357,835
Fuel Levy	1,628,341	542,780	1,085,560	1,085,560	-		1,628,341
Total Revenue (excluding capital transfers and contributions)	44,704,931	4,900,831	22,223,270	24,213,086	(1,989,816)	-8%	44,704,931
Expenditure By Type							
Employee related costs	12,640,899	912,371	5,630,719	6,676,894	(1,046,175)	-16%	12,640,899
Remuneration of councillors	153,863	11,098	66,481	76,931	(10,450)	-14%	153,863
Bulk purchases - electricity	14,377,613	948,958	7,606,358	7,606,243	116	0%	14,377,613
Inventory consumed	4,428,174	76,785	1,746,076	2,257,775	(511,698)	-23%	4,428,174
Debt impairment	3,073,621	339,375	1,818,237	1,536,810	281,426	18%	3,073,621
Depreciation and amortisation	2,911,921	58	63	1,455,960	(1,455,898)	-100%	2,911,921
Interest	1,498,589	2	2	720,095	(720,093)	-100%	1,498,589
Contracted services	3,776,939	297,424	1,604,770	2,084,909	(480,139)	-23%	3,776,939
Transfers and subsidies	9,683	8,893	59,726	4,190	55,535	1325%	9,683
Irrecoverable debts written off	1,563	-	-	782	(782)	-100%	1,563
Operational costs	1,744,464	168,358	336,944	1,067,433	(730,489)	-68%	1,744,464
Losses on Disposal of Assets	48	-	-	24	(24)	-100%	48
Total Expenditure	44,617,378	2,763,322	18,869,376	23,488,047	(4,618,672)	-20%	44,617,378
Surplus/(Deficit)	87,553	2,137,510	3,353,894	725,039	2,628,855	363%	87,553
Transfers and subsidies - capital (monetary allocations)	2,010,940	121,546	341,302	965,849	(624,546)	-65%	2,010,940
Transfers and subsidies - capital (in-kind)	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	2,098,493	2,259,056	3,695,197	1,690,887	2,004,309	119%	2,098,493
Income Tax	529	-	-	265	(265)	-100%	529
Surplus/(Deficit) after income tax	2,097,964	2,259,056	3,695,197	1,690,623	2,004,574	119%	2,097,964
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-		-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality	2,097,964	2,259,056	3,695,197	1,690,623	2,004,574	119%	2,097,964
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-		-
Intercompany/Parent subsidiary transactions	-	-	-	-	-		-
Surplus/ (Deficit) for the year	2,097,964	2,259,056	3,695,197	1,690,623	2,004,574	119%	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 - M06 December							
Vote Description	Budget Year 2023/24						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Multi-Year expenditure appropriation							
Vote 1 - Community & Social Development Services Department	14,294	2,962	5,116	5,688	(572)	-10%	14,294
Vote 2 - Economic Development & Spatial Planning Department	—	—	—	—	—	—	—
Vote 3 - Emergency Services Department	—	—	—	—	—	—	—
Vote 4 - Environment & Agriculture Management Department	17,500	—	—	6,825	(6,825)	-100%	17,500
Vote 5 - Group Financial Services Department	48,274	—	70	12,382	(12,312)	-99%	48,274
Vote 6 - Group Property Management Department	—	—	—	—	—	—	—
Vote 7 - Health Department	7,500	4,511	4,511	5,250	(739)	-14%	7,500
Vote 8 - Human Settlement Department	422,448	22,702	121,861	156,864	(35,003)	-22%	422,448
Vote 9 - Tshwane Metro Police Department	—	—	—	—	—	—	—
Vote 10 - Regional Operations & Coordination Department	—	—	—	—	—	—	—
Vote 11 - Roads & Transport Department	433,875	25,916	76,815	131,878	(55,064)	-42%	433,875
Vote 12 - Shared Services Department	197,000	—	6,930	76,150	(69,220)	-91%	197,000
Vote 13 - Electricity Department	629,761	26,411	73,105	213,286	(140,180)	-66%	629,761
Vote 14 - Water and Sanitation Department	522,097	47,948	106,625	247,165	(140,539)	-57%	522,097
Vote 15 - Other Departments	11,465	232	1,975	1,230	744	60%	11,465
Total Capital Multi-year expenditure	2,304,214	130,683	397,007	856,718	(459,711)	-54%	2,304,214
Single Year expenditure appropriation							
Vote 1 - Community & Social Development Services Department	—	—	—	—	—	—	—
Vote 2 - Economic Development & Spatial Planning Department	6,452	—	—	6,000	(6,000)	-100%	6,452
Vote 3 - Emergency Services Department	—	—	—	—	—	—	—
Vote 4 - Environment & Agriculture Management Department	—	—	—	—	—	—	—
Vote 5 - Group Financial Services Department	3,185	—	—	637	(637)	-100%	3,185
Vote 6 - Group Property Management Department	25,100	—	—	7,530	(7,530)	-100%	25,100
Vote 7 - Health Department	—	—	—	—	—	—	—
Vote 8 - Human Settlement Department	3,370	—	198	—	198	—	3,370
Vote 9 - Tshwane Metro Police Department	—	—	—	—	—	—	—
Vote 10 - Regional Operations & Coordination Department	5,366	—	—	5,366	(5,366)	-100%	5,366
Vote 11 - Roads & Transport Department	—	—	—	—	—	—	—
Vote 12 - Shared Services Department	—	—	—	—	—	—	—
Vote 13 - Electricity Department	—	—	—	—	—	—	—
Vote 14 - Water and Sanitation Department	—	—	—	—	—	—	—
Vote 15 - Other Departments	—	—	—	—	—	—	—
Total Capital single-year expenditure	43,473	—	198	19,533	(19,335)	-99%	43,473
Total Capital Expenditure	2,347,687	130,683	397,205	876,251	(479,046)	-55%	2,347,687
Capital Expenditure - Functional Classification							
Governance and administration	316,211	—	8,304	106,699	(98,395)	-92%	316,211
Executive and council	26,200	—	—	—	—	—	26,200
Finance and administration	290,011	—	8,304	106,699	(98,395)	-92%	290,011
Internal audit	—	—	—	—	—	—	—
Community and public safety	319,746	27,429	110,240	129,928	(19,688)	-15%	319,746
Community and social services	12,294	2,962	3,510	3,688	(178)	-5%	12,294
Sport and recreation	2,000	—	1,606	2,000	(394)	-20%	2,000
Public safety	2,000	—	—	—	—	—	2,000
Housing	295,952	19,955	100,613	118,990	(18,377)	-15%	295,952
Health	7,500	4,511	4,511	5,250	(739)	-14%	7,500
Economic and environmental services	448,920	26,148	77,485	133,933	(56,448)	-42%	448,920
Planning and development	—	—	—	—	—	—	—
Road transport	448,920	26,148	77,485	133,933	(56,448)	-42%	448,920
Environmental protection	—	—	—	—	—	—	—
Trading services	1,262,810	77,106	201,176	505,691	(304,515)	-60%	1,262,810
Energy sources	628,127	26,411	73,105	216,541	(143,436)	-66%	628,127
Water management	297,423	43,285	92,666	159,378	(66,712)	-42%	297,423
Waste water management	319,760	7,410	35,404	122,946	(87,542)	-71%	319,760
Waste management	17,500	—	—	6,825	(6,825)	-100%	17,500
Other	—	—	—	—	—	—	—
Total Capital Expenditure - Functional Classification	2,347,687	130,683	397,205	876,251	(479,046)	-55%	2,347,687
Funded by:							
National Government	1,919,824	123,312	343,297	744,305	(401,008)	-54%	1,919,824
Provincial Government	12,294	2,962	3,510	3,688	(178)	-5%	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	4,409	40,290	21,068	19,222	91%	78,823
Transfers recognised - capital	2,010,940	130,683	387,097	769,061	(68,320)	-9%	2,010,940
Borrowing	—	—	—	—	—	—	—
Internally generated funds	336,746	—	10,108	107,190	(61,978)	-58%	336,746
Total Capital Funding	2,347,687	130,683	397,205	876,251	(479,046)	-55%	2,347,687

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

TSH City Of Tshwane - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M06 December						
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	3,919,874	4,344,999	(425,125)	-10%	9,145,798
Service charges	25,442,369	14,366,685	13,029,025	1,337,660	10%	25,442,369
Other revenue	3,128,665	1,085,560	645,124	440,436		3,128,665
Transfers and Subsidies - Operational	5,112,620	3,600,094	3,153,850	446,244	14%	5,112,620
Transfers and Subsidies - Capital	2,010,940	1,042,316	1,011,196	31,119	3%	2,010,940
Interest	55,048	7,667	17,268	(9,600)	-56%	55,048
Dividends	–	–	–	–		–
Payments						
Suppliers and employees	(40,293,423)	(22,034,049)	(20,792,379)	(1,241,670)	6%	(40,293,423)
Interest	(1,498,589)	(546,968)	(240,902)	(306,066)	127%	(1,498,589)
Transfers and Subsidies	(9,683)	(59,726)	(4,190)	(55,535)	1325%	(9,683)
NET CASH FROM/(USED) OPERATING ACTIVITIES	3,093,746	1,381,455	1,163,992	217,463	19%	3,093,746
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	(2,347,687)	(397,205)	(1,138,158)	740,953	-65%	(2,347,687)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2,701,155)	(397,205)	(1,138,158)	740,953	-65%	(2,701,155)
CASH FLOWS FROM FINANCING ACTIVITIES						
Receipts						
Short term loans	–			–		–
Borrowing long term/refinancing	–			–		–
Increase (decrease) in consumer deposits	–			–		–
Payments						
Repayment of borrowing	(382,913)	(164,460)	–	(164,460)		(382,913)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(382,913)	(164,460)	–	(164,460)		(382,913)
NET INCREASE/ (DECREASE) IN CASH HELD	9,678	819,790	25,834	–	–	9,678
Cash/cash equivalents at beginning:	611,479	1,378,431	611,479	–	–	611,479
Cash/cash equivalents at month/year end:	621,157	2,198,220	637,313	–	–	621,157

Note: The cash and equivalents as at 31 December 2023 are at R2,2 billion, which only include highly liquid investments.

PART 2: SUPPORTING DOCUMENTATION

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

TSH City Of Tshwane - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December													
Description	NT Code	Budget Year 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	595,248	176,363	142,177	144,638	122,256	164,055	754,426	3,158,498	5,257,660	4,343,873	5,389	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	352,260	61,628	46,843	58,197	42,946	50,875	207,871	1,404,368	2,224,989	1,764,258	883	
Receivables from Non-exchange Transactions - Property Rates	1400	671,629	101,094	97,441	86,062	77,446	95,735	366,565	2,257,393	3,753,363	2,883,200	1,134	
Receivables from Exchange Transactions - Waste Water Management	1500	163,331	37,587	31,303	29,480	24,120	27,712	144,131	614,383	1,072,047	839,827	1,355	
Receivables from Exchange Transactions - Waste Management	1600	162,191	35,843	29,258	30,808	25,751	30,805	143,321	935,849	1,393,826	1,166,535	1,728	
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,101	875	943	829	3,052	-	-	-	6,800	3,882	5,582	
Interest on Arrear Debtor Accounts	1810	428,334	172,595	156,940	129,301	115,823	125,745	580,275	3,227,255	4,936,269	4,178,399	1,815	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	(571,655)	44,619	61,853	244,889	77,872	518,682	449,100	3,789,135	4,614,494	5,079,677	963	
Total By Income Source	2000	1,802,440	630,603	566,758	724,205	489,266	1,013,610	2,645,689	15,386,880	23,259,449	20,259,649	18,848	
2022/23 - totals only		1,874,454	284,172	373,305	430,092	349,746	775,526	2,098,895	11,958,162	18,144,351	15,612,420	12,887	
Debtors Age Analysis By Customer Group													
Organs of State	2200	32,697	38,631	(2,954)	20,304	208	37,942	27,064	248,115	402,007	333,632	-	
Commercial	2300	149,694	91,152	126,389	227,142	82,954	88,738	526,320	3,286,771	4,579,162	4,211,926	-	
Households	2400	1,510,582	460,801	374,222	363,497	322,228	406,637	1,807,261	9,376,509	14,621,738	12,276,132	12,480	
Other	2500	109,465	40,019	69,100	113,261	83,875	480,293	285,044	2,475,485	3,656,543	3,437,959	6,369	
Total By Customer Group	2600	1,802,440	630,603	566,758	724,205	489,266	1,013,610	2,645,689	15,386,880	23,259,449	20,259,649	18,848	

Table SC3 indicates that the total debtors amount to R23,3 billion.

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

TSH City Of Tshwane - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December											
Description	NT Code	Budget Year 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	1,123,466	1,063,608	1,081,354	1,146,722	243,045	–			4,658,195	915,040
Bulk Water	0200	314,192	147,091	–	7,953	–	–			469,237	14,729
PAYE deductions	0300	–	–	–	–	–	–			–	–
VAT (output less input)	0400	–	–	–	–	–	–			–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–			–	–
Loan repayments	0600	–	–	–	–	–	–			–	–
Trade Creditors	0700	279,041	176,578	163,212	139,992	244,626	–			1,003,449	1,910,971
Auditor General	0800	–	–	–	–	12				12	12
Other	0900	15,022	–	–	–	–	–			15,022	–
Total By Customer Type	1000	1,731,721	1,387,278	1,244,566	1,294,667	487,683	–	–	–	6,145,914	2,840,752

(g) Table SC5: Monthly budget statement – Investment portfolio

TSH City Of Tshwane - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month December 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	274	7.3%	44,472	-	40,721
ABSA	33	On Call	Money Market	On call	106	7.3%	17,193	-	14,270
ABSA	34	On Call	Money Market	On call	73	7.3%	11,926	-	10,688
ABSA	35	On Call	Money Market	On call	1	7.3%	234	-	235
Investec Bank	37	On Call	Money Market	On call	237	7.3%	38,545	-	36,015
Investec Bank	38	On Call	Money Market	On call	73	7.3%	11,846	-	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	962	7.8%	145,156	-	130,011
Standard Bank	41	On Call	Money Market	On call	27	7.8%	4,026	-	4,050
Investec Bank	108	On Call	Money Market	On call	249	6.8%	43,179	-	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%	319,325	-	-
Nedbank	244	On Call	Short Term	On call	-	0.0%	308,685	-	-
ABSA	245	On Call	Short Term	On call	-	0.0%	-	-	208,638
Standard Bank		On Call	Sinking Fund	On call	-	0.0%	-	-	18,675
Nedbank	247	On Call	Short Term	On call	-	0.0%	-	-	217,272
ABSA	248	On Call	Short Term	On call	-	0.0%	-	-	189,127
Standard Bank	260	On Call	Short Term	On call	1,024	7.8%	112,262	-	95,286
Municipality sub-total					3,044		1,369,505	-	1,372,549
Entities									
14923736		Call account		Call account	3,534	8.1%	3,547	13	7,094
Entities sub-total					3,534		3,547	13	7,094
TOTAL INVESTMENTS AND INTEREST	2	-			6,578		1,373,052	13	1,379,643

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

TSH City Of Tshwane - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Budget Year 2023/24						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
RECEIPTS:							
Operating Transfers and Grants							
National Government:	4 858 212	1 331 190	3 455 223	3 455 223	–		4 746 872
Local Government Equitable Share	3 993 570	1 331 190	2 995 178	2 995 178	–		3 993 570
Local Government Finance Management Grant	2 200		2 200	2 200	–		2 200
Urban Settlement Development Grant	32 704	–	32 704	32 704	–		29 354
Expanded Public Works Programme Incentive Grant	16 502	–	11 551	11 551	–		16 502
Public Transport Network Grant	579 744	–	283 271	283 271	–		489 744
Programme and Project Preparation Support Grant	62 000	–	30 950	30 950	–		47 000
Energy Efficiency and Demand Side Management	500		500	500	–		500
Neighbourhood Development Partnership Grant (PEP)	140 000	–	67 877	67 877	–		140 000
Informal Settlements Upgrading Partnership Grant	30 993	–	30 993	30 993	–		28 002
Provincial Government:	254 407	20 206	144 871	177 101	(32 230)	-18,2%	242 362
Primary Health Care	64 015		25 606	44 811	(19 205)	-42,9%	64 015
HIV and Aids Grant	26 765	10 706	26 765	26 765	–		26 765
Human Settlement Development Grant	12 045	–	–	12 045	(12 045)	-100,0%	–
Libraries Plan	10 152	9 500	9 500	9 500	–		10 152
Mamelodi Bus Operations Subsidy	57 450		–		–		57 450
Informal Settlements Upgrading Partnership Grant (Province)	83 980	–	83 000	83 980	(980)	-1,2%	83 980
Total Operating Transfers and Grants	5 112 620	1 351 396	3 600 094	3 632 324	(32 230)	-0,9%	4 989 234
Capital Transfers and Grants							
National Government:	1 919 824	–	1 042 316	1 045 316	(3 000)	-0,3%	1 801 816
Urban Settlement Development Grant	1 057 425	–	519 425	519 425	–		942 408
Public Transport Network Grant	250 575	–	96 824	96 824	–		250 575
Neighbourhood Development Partnership Grant	15 465		15 465	15 465	–		15 465
Energy Efficiency and Demand Side Management	7 500		1 500	4 500	(3 000)	-66,7%	7 500
Informal Settlements Upgrading Partnership Grant	588 858	–	409 101	409 101	–		585 868
Provincial Government:	12 294	–	–	10 258	(10 258)	-100,0%	12 294
Recapitalisation of Community Libraries Grant	12 294			10 258	(10 258)	-100,0%	12 294
Other grant providers:	78 823	–	–	–	–		78 823
RCG - SHRA	78 823				–		78 823
Total Capital Transfers and Grants	2 010 940	–	1 042 316	1 055 574	(13 258)	-1,3%	1 892 933
TOTAL RECEIPTS OF TRANSFERS & GRANTS	7 123 560	1 351 396	4 642 410	4 687 898	(45 488)	-1,0%	6 882 167

The total original budget is R7,1 billion, with R4,6 billion received during the period. A variance of R45 million is reflected, mainly due to outstanding transfers on the provincial grants.

(i) Table SC7: Monthly budget statement – Transfers and grant expenditure

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

Description	Budget Year 2023/24						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
<u>EXPENDITURE</u>							
<u>Operating expenditure of Transfers and Grants</u>							
National Government:	4 858 212	1 371 016	3 240 122	3 292 215	(52 093)	-1,6%	4 746 872
Local Government Equitable Share	3 993 570	1 331 190	2 995 178	2 995 178	–		3 993 570
Local Government Finance Management Grant	2 200	42	683	925	(242)	-26,2%	2 200
Urban Settlement Development Grant	32 704	38	16 352	13 627	2 725	20,0%	29 354
Expanded Public Works Programme Incentive Grant	16 502	4 125	4 125	8 251	(4 126)	-50,0%	16 502
Public Transport Network Grant	579 744	30 514	205 239	188 278	16 961	9,0%	489 744
Programme and Project Preparation Support Grant	62 000	2 051	2 521	9 400	(6 879)	-73,2%	47 000
Energy Efficiency and Demand Side Management	500	–		250	(250)	-100,0%	500
Neighbourhood Development Partnership Grant (PEP)	140 000	1 845	7 609	70 000	(62 391)	-89,1%	140 000
Informal Settlements Upgrading Partnership Grant	30 993	1 210	8 415	6 306	2 109	33,4%	28 002
Provincial Government:	254 407	31 965	64 250	129 999	(65 749)	-51%	254 407
Primary Health Care	64 015	–	25 606	44 811	(19 205)	-42,9%	64 015
HIV and Aids Grant	26 765	3 016	3 016	18 119	(15 103)	-83,4%	26 765
Human Settlement Development Grant	12 045	–	–	512	(512)	-100,0%	12 045
Libraries Plan	10 152	833	3 556	5 873	(2 317)	-39,5%	10 152
Mamelodi Bus Operations Subsidy	57 450	2 001	5 957	22 603	(16 646)	-73,6%	57 450
Informal Settlements Upgrading Partnership Grant (Province)	83 980	26 115	26 115	38 081	(11 966)	-31,4%	83 980
Total operating expenditure of Transfers and Grants:	5 112 620	1 402 981	3 304 371	3 422 214	(117 842)	-3,4%	5 001 279
<u>Capital expenditure of Transfers and Grants</u>							
National Government:	1 919 824	123 312	343 297	744 305	(401 008)	-53,9%	1 801 816
Urban Settlement Development Grant	1 057 425	87 881	205 099	440 686	(235 587)	-53,5%	942 408
Public Transport Network Grant	250 575	21 216	53 621	94 558	(40 938)	-43,3%	250 575
Neighbourhood Development Partnership Grant	15 465	232	670	7 230	(6 560)	-90,7%	15 465
Energy Efficiency and Demand Side Management	7 500	1 766	3 495	2 751	744	27,0%	7 500
Informal Settlements Upgrading Partnership Grant	588 858	12 218	80 412	199 079	(118 667)	-59,6%	585 868
Provincial Government:	12 294	2 962	3 510	3 688	(178)	-4,8%	12 294
Recapitalisation of Community Libraries Grant	12 294	2 962	3 510	3 688	(178)	-4,8%	12 294
RCG - SHRA	–						–
	–				–		–
Other grant providers:	78 823	4 409	40 290	21 068	19 222	91,2%	78 823
RCG - SHRA	78 823	4 409	40 290	21 068	19 222	91,2%	78 823
Total capital expenditure of Transfers and Grants	2 010 940	130 683	387 097	769 061	(381 963)	-49,7%	1 892 933
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	7 123 560	1 533 664	3 691 469	4 191 274	(499 806)	-11,9%	6 894 212

Grant spending for the period amounts to R3,7 billion against a budget of R4,2 billion.

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

TSH City Of Tshwane - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M06 December								
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	11,725	42,809	60,963	(18,154)	-30%	121,926
Tshwane Economic Development Agency	63,120	63,731	44	31,566	31,866	(300)	-1%	63,731
Total Operating Revenue	181,557	185,658	11,769	74,375	92,829	(18,453)	-20%	185,658
<u>Expenditure By Municipal Entity</u>								
Housing Company Tshwane	70,012	121,926	10,948	46,275	60,963	(14,688)	-24%	121,926
Tshwane Economic Development Agency	63,189	63,202	5,316	32,604	31,583	1,021	3%	63,202
Total Operating Expenditure	133,201	185,128	16,264	78,879	92,546	(13,667)	-15%	185,128
Surplus/ (Deficit) for the yr/period	48,355	529	(4,495)	(4,504)	282	(32,121)	-11371%	529
<u>Capital Expenditure By Municipal Entity</u>								
Housing Company Tshwane	142,911	82,193	4,409	40,488	41,096	609	1%	82,193
Tshwane Economic Development Agency	448	452	–	–	–	–		452
Total Capital Expenditure	143,359	82,645	4,409	40,488	41,096	609	1%	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 - M06 December							
Month	Budget Year 2023/24						
	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	50,826	2,758	2,758	50,826	48,068	94.6%	0%
August	110,060	25,861	28,618	160,885	132,267	82.2%	1%
September	145,034	35,754	64,372	305,919	241,548	79.0%	3%
October	215,034	94,966	159,337	520,954	361,616	69.4%	7%
November	194,143	107,184	266,522	715,097	448,575	62.7%	11%
December	161,154	130,683	397,205	876,251	479,046	54.7%	17%
January	126,176			1,002,426	–		
February	183,281			1,185,707	–		
March	195,693			1,381,400	–		
April	252,095			1,633,495	–		
May	342,438			1,975,933	–		
June	371,757			2,347,690	–		
Total Capital expenditure	2,347,690	397,205					

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

TSH City Of Tshwane - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December							
Description	Budget Year 2023/24						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
<u>Capital expenditure on new assets by Asset Class/Sub-class</u>							
<u>Infrastructure</u>	1,095,266	75,146	214,533	401,396	186,863	46.6%	1,095,266
Roads Infrastructure	370,570	23,467	75,444	130,393	54,950	42.1%	370,570
Roads	344,330	22,647	74,037	121,424	47,387	39.0%	344,330
Road Structures	17,740	232	819	2,469	1,650	66.8%	17,740
Road Furniture	8,500	588	588	6,500	5,912	91.0%	8,500
Storm water Infrastructure	14,000	—	1,389	1,120	(269)	-24.1%	14,000
Drainage Collection	—	—	—	—	—	—	—
Storm water Conveyance	14,000	—	1,389	1,120	(269)	-24.1%	14,000
Electrical Infrastructure	330,366	10,813	52,313	110,892	58,579	52.8%	330,366
Power Plants	3,000	—	—	1,890	1,890	100.0%	3,000
HV Substations	70,000	—	3,210	4,500	1,290	28.7%	70,000
HV Transmission Conductors	20,000	—	—	7,000	7,000	100.0%	20,000
MV Substations	44,000	—	—	16,550	16,550	100.0%	43,000
MV Networks	101,866	10,137	38,961	35,687	(3,274)	-9.2%	101,866
LV Networks	91,500	676	10,142	45,265	35,123	77.6%	92,500
Water Supply Infrastructure	266,384	40,866	80,895	111,864	30,969	27.7%	266,384
Reservoirs	76,128	7,480	20,312	35,800	15,488	43.3%	76,128
Pump Stations	300	—	—	300	300	100.0%	300
Bulk Mains	39,274	—	—	15,582	15,582	100.0%	39,274
Distribution	70,682	3,963	22,453	24,182	1,728	7.1%	70,682
Distribution Points	80,000	29,423	38,130	36,000	(2,130)	-5.9%	80,000
Sanitation Infrastructure	93,545	—	4,492	38,472	33,980	88.3%	93,545
Pump Station	3,000	—	—	450	450	100.0%	3,000
Reticulation	87,314	—	4,492	36,591	32,099	87.7%	87,314
Waste Water Treatment Works	1,031	—	—	1,031	1,031	100.0%	1,031
Outfall Sewers	2,200	—	—	400	400	100.0%	2,200
Solid Waste Infrastructure	17,500	—	—	6,825	6,825	100.0%	17,500
Landfill Sites	—	—	—	—	—	—	—
Capital Spares	17,500	—	—	6,825	6,825	100.0%	17,500
Information and Communication Infrastructure	2,900	—	—	1,830	1,830	100.0%	2,900
Data Centres	—	—	—	—	—	—	—
Core Layers	—	—	—	—	—	—	—
Distribution Layers	2,900	—	—	1,830	1,830	100.0%	2,900
<u>Community Assets</u>	43,794	12,268	12,815	24,238	11,423	47.1%	43,794
Community Facilities	43,794	12,268	12,815	24,238	11,423	47.1%	43,794
Clinics/Care Centres	7,500	4,511	4,511	5,250	739	14.1%	7,500
Libraries	12,294	2,962	3,510	3,688	178	4.8%	12,294
Taxi Ranks/Bus Terminals	24,000	4,794	4,794	15,300	10,506	68.7%	24,000
<u>Heritage assets</u>	—	—	—	—	—	—	—
Monuments	—	—	—	—	—	—	—
<u>Investment properties</u>	25,100	—	—	7,530	7,530	100.0%	25,100
Non-revenue Generating	25,100	—	—	7,530	7,530	100.0%	25,100
Improved Property	25,100	—	—	7,530	7,530	100.0%	25,100
<u>Other assets</u>	79,983	4,409	40,290	21,868	(18,422)	-84.2%	79,983
Capital Spares	—	—	—	—	—	—	—
Housing	79,983	4,409	40,290	21,868	(18,422)	-84.2%	79,983
Social Housing	79,983	4,409	40,290	21,868	(18,422)	-84.2%	79,983
Capital Spares	—	—	—	—	—	—	—
<u>Biological or Cultivated Assets</u>	—	—	—	—	—	—	—
Biological or Cultivated Assets	—	—	—	—	—	—	—
<u>Intangible Assets</u>	—	—	—	—	—	—	—
Servitudes	—	—	—	—	—	—	—
<u>Computer Equipment</u>	10,000	—	—	3,690	3,690	100.0%	10,000
Computer Equipment	10,000	—	—	3,690	3,690	100.0%	10,000
<u>Furniture and Office Equipment</u>	13,007	—	198	6,637	6,439	97.0%	13,007
Furniture and Office Equipment	13,007	—	198	6,637	6,439	97.0%	13,007
<u>Machinery and Equipment</u>	14,866	1,766	3,495	8,117	4,622	56.9%	14,866
Machinery and Equipment	14,866	1,766	3,495	8,117	4,622	56.9%	14,866
<u>Transport Assets</u>	50,000	—	—	—	—	—	50,000
Transport Assets	50,000	—	—	—	—	—	50,000
<u>Land</u>	26,200	—	15,171	—	(15,171)	—	26,200
Land	26,200	—	15,171	—	(15,171)	—	26,200
<u>Zoo's, Marine and Non-biological Animals</u>	—	—	—	—	—	—	—
<u>Living resources</u>	—	—	—	—	—	—	—
Total Capital Expenditure on new assets	1,358,215	93,588	286,502	473,476	186,973	39.5%	1,358,215

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

TSH City Of Tshwane - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06 December							
Description	Budget Year 2023/24						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Capital expenditure on renewal of existing assets by Asset Class/Sub-class							
Infrastructure	305,195	9,595	32,316	137,933	105,617	76.6%	305,195
Roads Infrastructure	67,300	–	–	–	–		67,300
Roads	67,300	–	–	–	–		67,300
Electrical Infrastructure	118,395	4,499	7,954	48,643	40,689	83.6%	118,395
HV Substations	58,000	–	–	27,600	27,600	100.0%	58,000
MV Networks	5,000	–	–	1,000	1,000	100.0%	5,000
LV Networks	49,695	4,499	7,954	16,224	8,270	51.0%	49,695
Capital Spares	5,700	–	–	3,819	3,819	100.0%	5,700
Water Supply Infrastructure	98,500	4,429	23,695	73,840	50,145	67.9%	98,500
Reservoirs	19,000	–	–	8,220	8,220	100.0%	19,000
Water Treatment Works	500	–	–	500	500	100.0%	500
Distribution	79,000	4,429	23,695	65,120	41,425	63.6%	79,000
Sanitation Infrastructure	21,000	667	667	15,450	14,783	95.7%	21,000
Reticulation	15,000	667	667	14,250	13,583	95.3%	15,000
Waste Water Treatment Works	6,000	–	–	1,200	1,200	100.0%	6,000
Community Assets	–	–	–	–	–		–
Other assets	33,500	6,723	8,466	–	(8,466)		33,500
Operational Buildings	33,500	6,723	8,466	–	(8,466)		33,500
Municipal Offices	–	–	–	–	–		–
Depots	33,500	6,723	7,162	–	(7,162)		33,500
Capital Spares	–	–	–	–	–		–
Biological or Cultivated Assets	–	–	–	–	–		–
Biological or Cultivated Assets	–	–	–	–	–		–
Intangible Assets	7,000	–	–	3,150	3,150	100.0%	7,000
Servitudes	–	–	–	–	–		–
Licences and Rights	7,000	–	–	3,150	3,150	100.0%	7,000
Computer Software and Applications	7,000	–	–	3,150	3,150	100.0%	7,000
Computer Equipment	–	–	–	–	–		–
Furniture and Office Equipment	–	–	–	–	–		–
Furniture and Office Equipment	–	–	–	–	–		–
Machinery and Equipment	25,000	–	70	5,400	5,330	98.7%	25,000
Machinery and Equipment	25,000	–	70	5,400	5,330	98.7%	25,000
Transport Assets	–	–	–	–	–		–
Land	–	–	–	–	–		–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–		–
Living resources	–	–	–	–	–		–
Mature	–	–	–	–	–		–
Immature	–	–	–	–	–		–
Total Capital Expenditure on renewal of existing assets	370,695	16,318	40,852	146,483	105,631	72.1%	370,695

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

TSH City Of Tshwane - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M06 December							
Description	Budget Year 2023/24						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class							
Infrastructure	516,777	20,777	61,315	204,292	142,977	70.0%	516,777
Roads Infrastructure	42,000	4,701	21,537	35,200	13,663	38.8%	42,000
Roads	40,000	2,781	19,617	35,200	15,583	44.3%	40,000
Road Structures	2,000	1,920	1,920	—	(1,920)	#DIV/0!	2,000
Road Furniture	—	—	—	—	—	—	—
Capital Spares	—	—	—	—	—	—	—
Storm water Infrastructure	7,000	—	—	—	—	—	7,000
Drainage Collection	5,000	—	—	—	—	—	5,000
Storm water Conveyance	2,000	—	—	—	—	—	2,000
Attenuation	—	—	—	—	—	—	—
Electrical Infrastructure	166,500	9,334	9,343	48,890	39,547	80.9%	166,500
Power Plants	—	—	—	—	—	—	—
HV Substations	83,000	—	—	19,950	19,950	100.0%	83,000
HV Switching Station	—	—	—	—	—	—	—
HV Transmission Conductors	—	—	—	—	—	—	—
MV Substations	—	—	—	—	—	—	—
MV Switching Stations	—	—	—	—	—	—	—
MV Networks	—	—	—	—	—	—	—
LV Networks	83,500	9,334	9,343	28,940	19,597	67.7%	83,500
Sanitation Infrastructure	251,277	6,743	30,434	93,202	62,768	67.3%	251,277
Pump Station	—	—	—	—	—	—	—
Reticulation	—	—	—	—	—	—	—
Waste Water Treatment Works	251,277	6,743	30,434	93,202	62,768	67.3%	251,277
Information and Communication Infrastructure	50,000	—	—	27,000	27,000	100.0%	50,000
Data Centres	30,000	—	—	18,000	18,000	100.0%	30,000
Core Layers	20,000	—	—	9,000	9,000	100.0%	20,000
Distribution Layers	—	—	—	—	—	—	—
Capital Spares	—	—	—	—	—	—	—
Community Assets	2,000	—	1,606	2,000	394	19.7%	2,000
Community Facilities	—	—	—	—	—	—	—
Markets	—	—	—	—	—	—	—
Stalls	—	—	—	—	—	—	—
Abattoirs	—	—	—	—	—	—	—
Airports	—	—	—	—	—	—	—
Taxi Ranks/Bus Terminals	—	—	—	—	—	—	—
Capital Spares	—	—	—	—	—	—	—
Sport and Recreation Facilities	2,000	—	1,606	2,000	394	19.7%	2,000
Indoor Facilities	—	—	—	—	—	—	—
Outdoor Facilities	2,000	—	1,606	2,000	394	19.7%	2,000
Capital Spares	—	—	—	—	—	—	—
Other assets	—	—	—	—	—	—	—
Operational Buildings	—	—	—	—	—	—	—
Municipal Offices	—	—	—	—	—	—	—
Manufacturing Plant	—	—	—	—	—	—	—
Depots	—	—	—	—	—	—	—
Biological or Cultivated Assets	—	—	—	—	—	—	—
Biological or Cultivated Assets	—	—	—	—	—	—	—
Intangible Assets	100,000	—	6,930	50,000	43,070	86.1%	100,000
Servitudes	—	—	—	—	—	—	—
Licences and Rights	100,000	—	6,930	50,000	43,070	86.1%	100,000
Water Rights	—	—	—	—	—	—	—
Effluent Licenses	—	—	—	—	—	—	—
Solid Waste Licenses	—	—	—	—	—	—	—
Computer Software and Applications	100,000	—	6,930	50,000	43,070	86.1%	100,000
Load Settlement Software Applications	—	—	—	—	—	—	—
Unspecified	—	—	—	—	—	—	—
Computer Equipment	—	—	—	—	—	—	—
Computer Equipment	—	—	—	—	—	—	—
Furniture and Office Equipment	—	—	—	—	—	—	—
Furniture and Office Equipment	—	—	—	—	—	—	—
Machinery and Equipment	—	—	—	—	—	—	—
Machinery and Equipment	—	—	—	—	—	—	—
Total Capital Expenditure on upgrading of existing assets	618,777	20,777	69,850	256,292	186,442	72.7%	618,777

(o) 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 **December 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 the SAP ECC6 system to the new SAP S/4HANA system, and the process resulted in gaps in the data. However, the City is working towards developing automated reporting on SAP, which will see improvement in the following months.

J Mettler
CITY MANAGER
CITY OF TSHWANE

Signature: _____

Date: _____