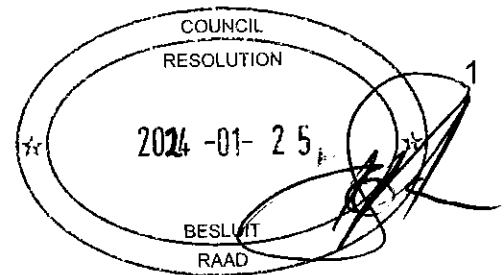


Reference no. 58838/1  
Gareth Mnisi (8100)  
COUNCIL: 25 January 2024



16. GROUP FINANCIAL SERVICES DEPARTMENT  
LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT 56 OF 2003)  
(1) IN-YEAR FINANCIAL REPORT (MONTHLY AND QUARTER BUDGET STATEMENT) FOR THE PERIOD ENDING 31 DECEMBER 2023  
(2) MID-YEAR BUDGET ASSESSMENT  
**(From the Mayoral Committee: 17 January 2024 and the Special Mayoral Committee: 18 January 2024)**

1. PURPOSE

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 71,72 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 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 that: "The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget".

The ten working days for the reporting period ended 31 December 2023 end on 15 January 2024.

In addition, Section 72 of the MFMA requires that the accounting officer of the municipality must submit a report by 25 January of each year to the Executive Mayor, National Treasury and Provincial Treasury assessing 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 with the SAP S/4Hana Light Digital Core system was 17 July 2023. 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 to a new system implementation ranging from the capturing of transactions to producing financial reports. A change management process involving training and hands-on user support is ongoing.

### Reporting requirements

Municipalities are required to submit budget, 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 mSCOA segments, to National Treasury.

A data string is a list of all budget items, projects and financial transactions classified in terms of mSCOA segments. 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 National Treasury in compliance with the mSCOA regulation.

The interim solution was gradually developed but cannot produce data strings that are completely free of errors because it is a manual process that is trying to perform intricate operations that a financial system is supposed to perform. The challenge to generate a data string in this manner is further complicated whenever 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 and transacts in only two of the mSCOA segments and convert these into the six required mSCOA segments for the generation of the data strings. The conversion is a complex process of combining systems generated information and manual alignment.

The process before the migration to SAP4hanna involved extracting standard SAP reports (detailed budget performance reports per department). These are circulated to the departments to provide reasons for budget deviations. The reports are imported into the excel files and consolidated into the National Treasury schedule C format which is used for preparation of the section 71 reports. There should always be an alignment between data strings and the section 71 report.

For the first six months the 2023/24 financial year, the City was not able to extract the standard reports from SAP4hanna, however progress has been made and reports are being tested in production to ensure data integrity.

### Work around for submission of data string

The City is currently experiencing transitional challenges following the implementation of the SAP S4 Hana 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, the development of these standard performance against budgets reports are still being developed by SAP S/4Hana team of consultants.

The S4 Hana 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 in-depth analysis required for the Section 71 reporting as there is no structure and hierarchies.

Group Financial Services and Shared Services together with the SAP S/4 Hana consultants identified a work-around mechanism. This process involves manual extraction of data from the old system (revenue and payroll functionality still there) and combining it with data from the new system to produce reporting data. This process also has its challenges and the ICT consultants together with business are working on resolving the integration process daily 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 May 23, 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 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.

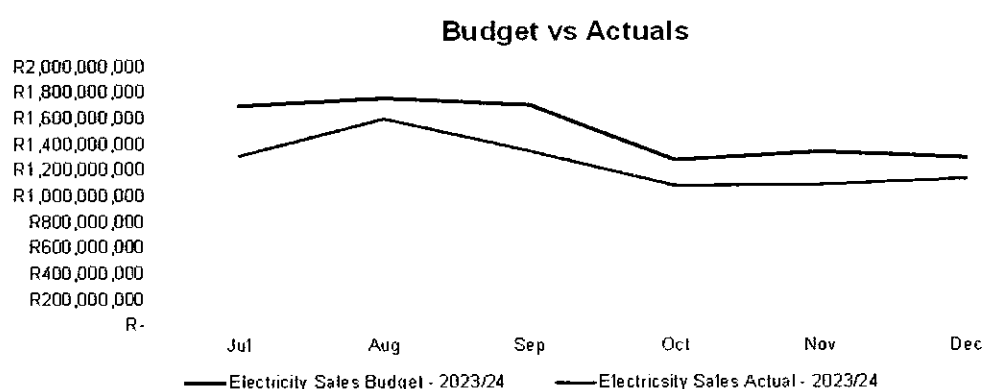
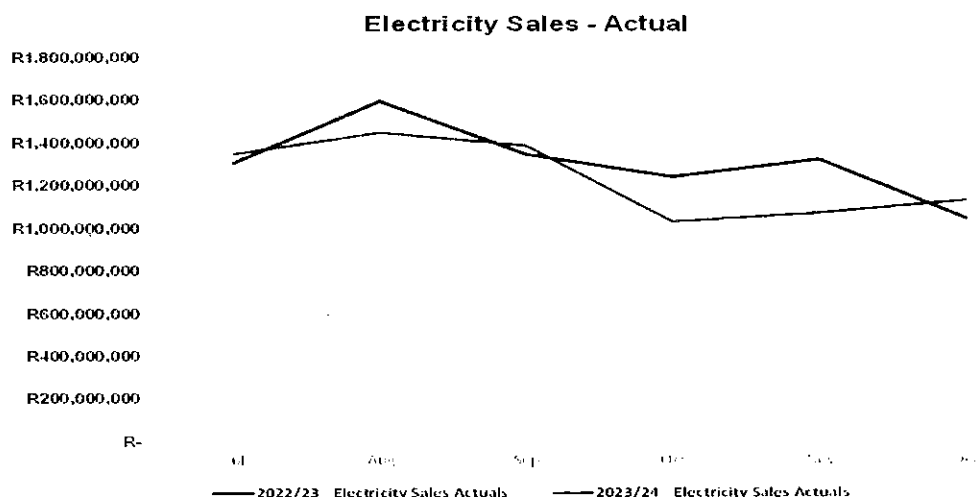
The cash and cash equivalent as at 31 December 2023 amounted to R2,2 billion including the unspent grant of R1,2 billion.

#### Mid-term budget and performance assessment

Based on the mid-term performance the variance on revenue is mainly attributed to under recovery on electricity revenue.

#### Electricity Analysis

The graph below shows the electricity revenue trend over the six months compared 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 the 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 table below 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 the month of 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
	<b>20 926 053 564</b>	<b>18 036 413 095</b>	<b>18 286 559 495</b>	<b>-2 639 494 069</b>	<b>250 146 400</b>

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 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.

## 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.

## COMPLIANCE WITH THE MUNICIPAL STANDARD CHART OF ACCOUNTS

The primary objective of the Municipal Standard Chart of Accounts (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 S4 Hana system is in process and there are gaps in the transactional data because the automated reporting process is not yet fully functional.

## 5. COMMENTS OF THE STAKEHOLDER DEPARTMENTS

### 5.1 COMMENTS OF THE CHIEF FINANCIAL OFFICER

Cognisance is taken of the contents of the report.

The purpose of the report is to present 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).

### 5.2 COMMENTS OF THE GROUP HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

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. IMPLICATIONS

### 6.1 HUMAN RESOURCES

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

### 6.2 FINANCES

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 Section 71, 72 and 52(d) of the MFMA and has no additional financial implications for the City.

### 6.3 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.

### 6.4 COMMUNICATION

In compliance with the legislative requirements of Section 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.

### 6.5 PREVIOUS COUNCIL OR MAYORAL COMMITTEE RESOLUTIONS

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

## 7. 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 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 unspent 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; and
- Financial Recovery Plan.

The City has a Financial Recovery Plan that was approved by the Council on 27 May 2021 and has been implemented since. Progress has been slow, and so far, 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 emphasis on initiatives to enhance revenue collection and contain expenditure over the medium term and beyond.

- Funding Plan

In addition, the City also have a budget Funding Plan whose purpose is to provide a response/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 complement the Financial Recovery Plan and provide fiscal management tools to among other things rebase the budget and improve the City's cash position.

- Revenue Management strategy

The revenue management strategy recognizes that effective revenue management and the collection of outstanding debt requires a collective effort between various directorates in the City. The strategy focuses on improving coordination across the various departments within the revenue value chain.

This includes the institutionalisation of the revenue war room which will monitor specific performance indicators that seeks to ensure completeness and improved collection of revenue.

#### **IT WAS RECOMMENDED (TO THE MAYORAL COMMITTEE: 17 JANUARY 2024):**

That it be recommended to Council:

1. That the report be noted, in compliance with Section 71, 72 and 52(d) of the Municipal Finance Management Act (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 Council note 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 Municipal Finance Management Act (MFMA), the mid-term budget and performance assessment report be noted; and
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.

**During the consideration of the report, it was agreed:**

**That the report be withdrawn for further consultation.**

**In view of the above,**

**IT WAS RESOLVED (BY THE MAYORAL COMMITTEE: 17 JANUARY 2024):**

That the report be withdrawn for further consultation.

**The Special Mayoral Committee on 18 January 2024 resolved to recommend to Council as set out below:**

**IT WAS RECOMMENDED (TO THE COUNCIL: 25 JANUARY 2024):**

1. That the report be noted, in compliance with Section 71, 72 and 52(d) of the Municipal Finance Management Act (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 Council note 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 Municipal Finance Management Act (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;
6. That Revenue Enhancement initiatives to be accelerated and a point of priority for all;
7. That an overhaul and restructuring of Credit control and debt collection be a point of priority;
8. That establishment of a Capex committee co-chaired by CFO and COO, be noted; and
9. That establishment of secondary BSC which will focus on capital projects, be noted.

**During consideration of this item by Council on 25 January 2024, the following Councillors participated in a debate:**

**MH Lewele  
AWF Middelberg**

**Subsequently Ald LA Erasmus seconded by MMC UG Theunissen proposed the following additional recommendation:**

(Unaltered)

**“That the report be referred to the Section 79 Oversight Committee: Group Financial Services for further scrutiny and oversight.”**

**The Council acceded to the proposal by Ald Erasmus.**

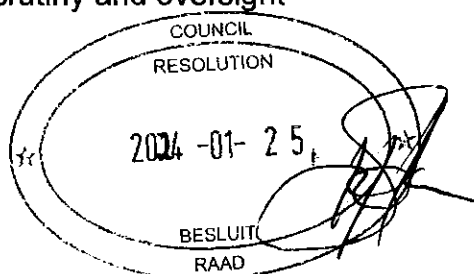
**Following responses by the Executive Mayor on the inputs made during the debate, it was resolved as set out below:**

**ANNEXURE:**

- A. In-year report dated 31 December 2023 in terms of *Government Gazette 32141* of 17 April 2009

**RESOLVED:**

1. That the report be noted, in compliance with Section 71, 72 and 52(d) of the Municipal Finance Management Act (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 Council note 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 Municipal Finance Management Act (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.
6. That Revenue Enhancement initiatives to be accelerated and a point of priority for all.
7. That an overhaul and restructuring of Credit control and debt collection be a point of priority.
8. That establishment of a Capex committee co-chaired by CFO and COO, be noted.
9. That establishment of secondary BSC which will focus on capital projects, be noted.
10. That the report be referred to the Section 79 Oversight Committee: Group Financial Services for further scrutiny and oversight



## ANNEXURE A



# **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 May 23, 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

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 Council note 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.
6. Revenue Enhancement initiatives to be accelerated and a point of priority for all.
7. That an overhaul and restructuring of Credit control and debt collection be a point of priority.
8. Establishment of a Capex committee co-chaired by CFO and COO be noted.
9. Establishment of secondary BSC which will focus on capital projects be noted.

### 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:

- Under recovery 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
<b>R thousands</b>							
<b>Revenue</b>							
<b>Exchange Revenue</b>							
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
<b>Non-Exchange Revenue</b>							
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
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>44,704,931</b>	<b>4,900,831</b>	<b>22,223,270</b>	<b>24,213,086</b>	<b>(1,989,816)</b>	<b>-8%</b>	<b>44,704,931</b>
<b>Expenditure By Type</b>							
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
<b>Total Expenditure</b>	<b>44,617,378</b>	<b>2,763,322</b>	<b>18,869,376</b>	<b>23,488,047</b>	<b>(4,618,672)</b>	<b>-20%</b>	<b>44,617,378</b>
<b>Surplus/(Deficit)</b>	<b>87,553</b>	<b>2,137,510</b>	<b>3,353,894</b>	<b>725,039</b>	<b>2,628,855</b>	<b>363%</b>	<b>87,553</b>
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)	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>2,098,493</b>	<b>2,259,056</b>	<b>3,695,197</b>	<b>1,690,887</b>	<b>2,004,309</b>	<b>119%</b>	<b>2,098,493</b>
Income Tax	529	-	-	265	(265)	-100%	529
<b>Surplus/(Deficit) after income tax</b>	<b>2,097,964</b>	<b>2,259,056</b>	<b>3,695,197</b>	<b>1,690,623</b>	<b>2,004,574</b>	<b>119%</b>	<b>2,097,964</b>
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-		-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-		-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>2,097,964</b>	<b>2,259,056</b>	<b>3,695,197</b>	<b>1,690,623</b>	<b>2,004,574</b>	<b>119%</b>	<b>2,097,964</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-		-
Intercompany/Parent subsidiary transactions	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>2,097,964</b>	<b>2,259,056</b>	<b>3,695,197</b>	<b>1,690,623</b>	<b>2,004,574</b>	<b>119%</b>	<b>2,097,964</b>

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:

- Service Charges: Electricity (R1,5 billion unfavourable). The under recovery 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.
- Transfers and subsidies operational - is under due to underperformance on some of the grants i.e NDPG, PTNOG and ISUPG.



- Other revenue streams are under the budget for the period. The trend will be closely monitored to establish the route cause. It is not possible to drill into each line item due to non-availability of reports on SAP4hana.

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, staff bonus and employee benefits.
- Depreciation has not been processed due to delay in the migration of assets to SAP4hana which impacted on the depreciation run on the system, the process is currently underway to finalise the migration.
- Interest on loan expenditure reflects under performance of R720 million, the actual expenditure will reflect in the next month, the posting errors are being addressed together with SAP consultants.
- The underspending is due to system delays in processing of purchase orders and recording of transactions on the main line items such as grants, contracted services, and operational costs.
- Due to unavailability of reports it is not possible to drill into each line item to determine which line items contribute to the under expenditure.

#### 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)

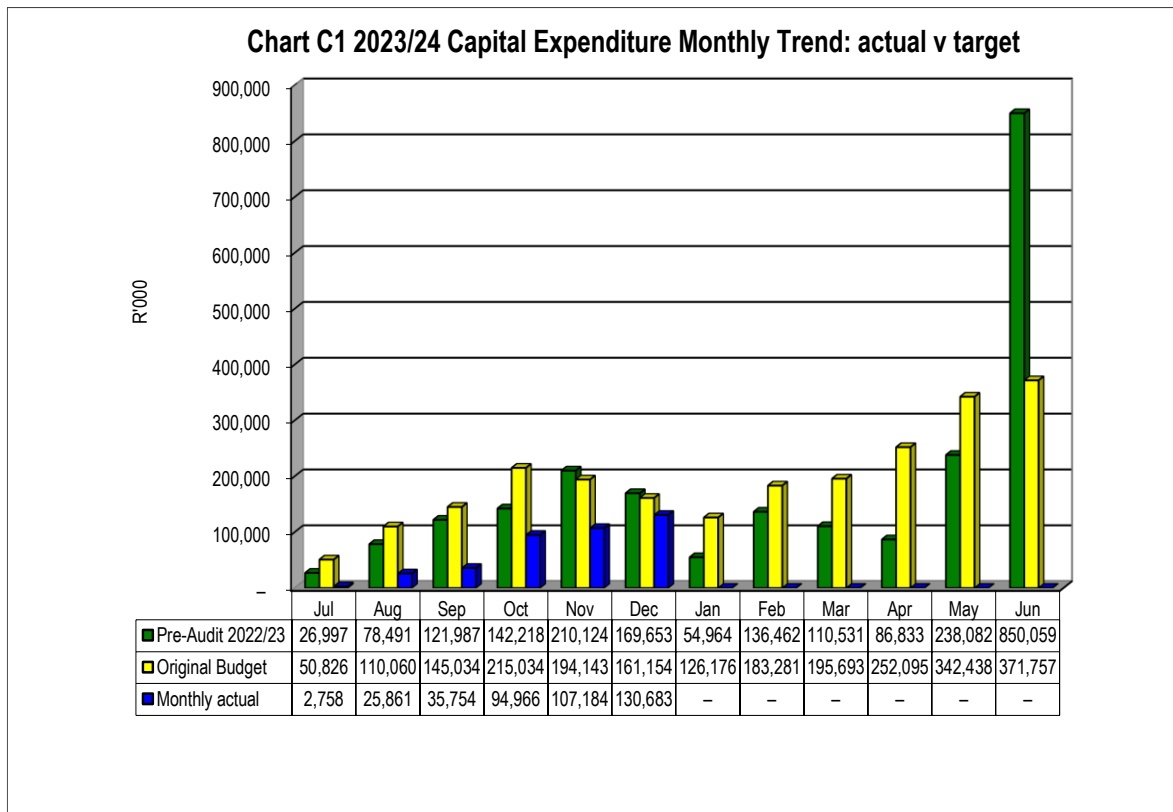
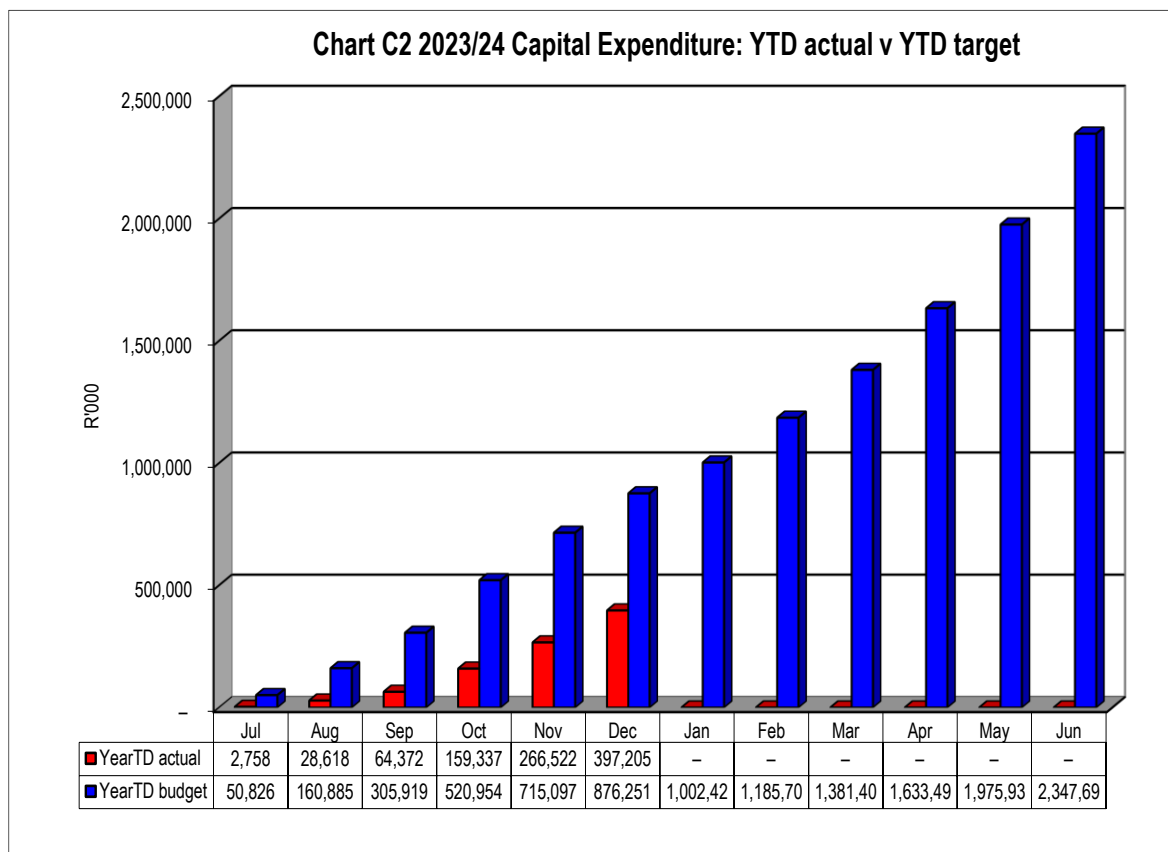


Chart C2: 2023/24 Capital expenditure (YTD actual versus YTD target)



### Financial position

Table C6 contains information on the City of Tshwane's assets and liabilities. Current liabilities exceed current assets by more than R8 billion, trade payables figures includes the unspent grant totalling R1,2 billion and included in the total of financial liabilities is the long term borrowing of R9,3 billion.

### Cash flow

Table C1 show 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

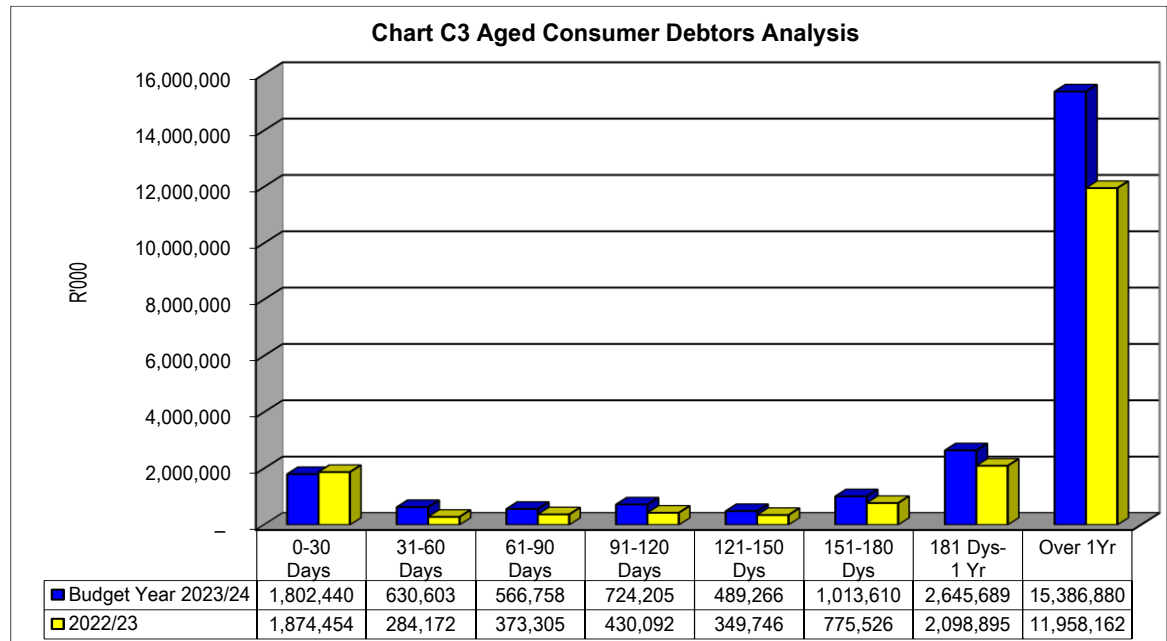
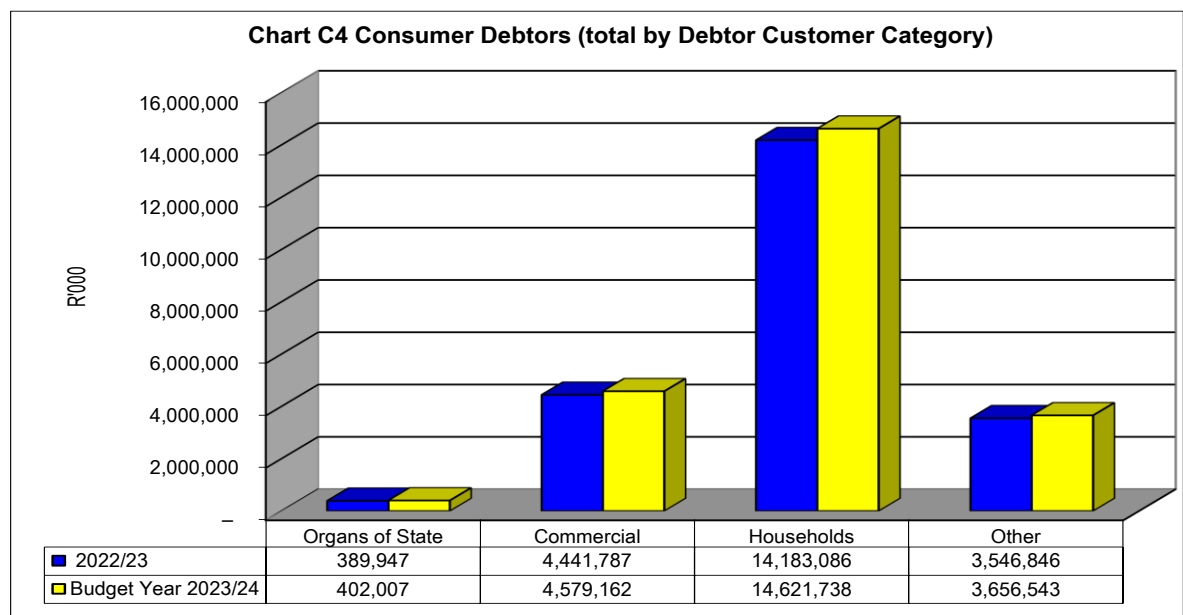


Chart C4 shows that the increase in the customer category is attributable to households, which reflects an increase of R438,7 million compared to the previous financial year.

Chart C4: Consumer debtors by customer category



### Collection level

The tables below depict the monthly collection levels over the five months period, with 84,4% collection achieved for the month of December 2023.

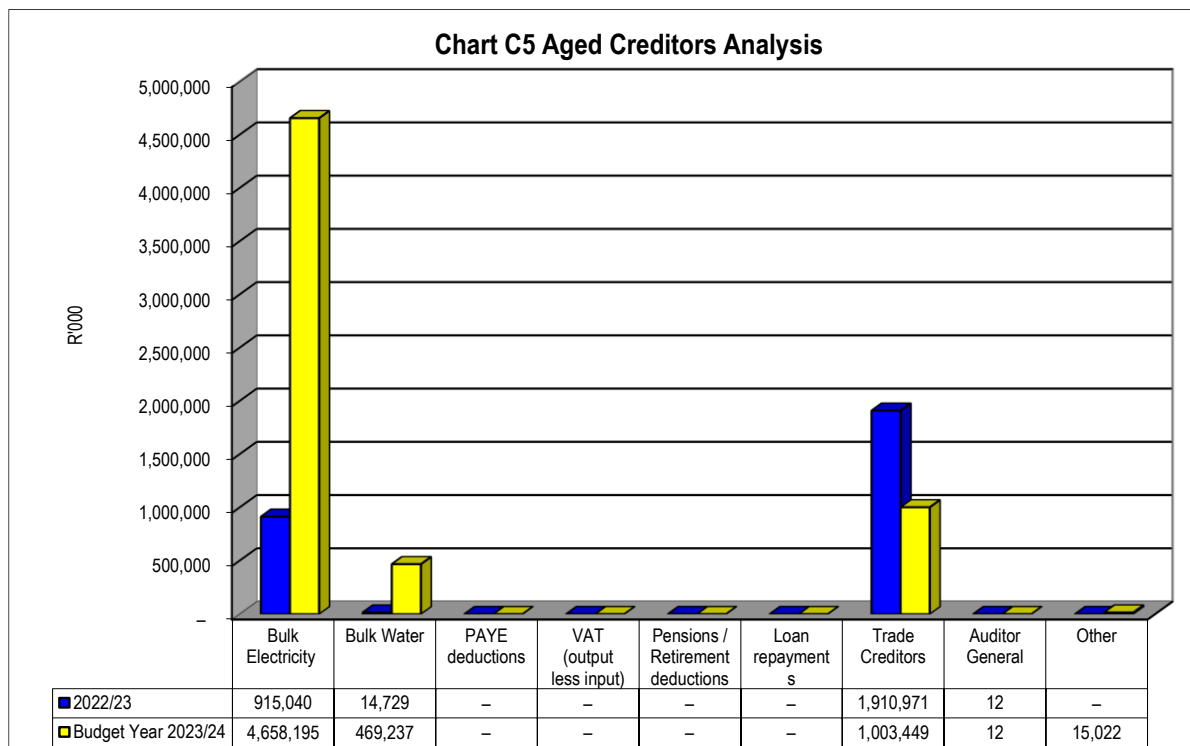
	July	August	September	October	November	December
Collection rate	84,53%	77,74%	79,18%	84,04%	84,43%	84,74

### 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 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**

Tables below 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
<b>R thousands</b>								
<b>Financial Performance</b>								
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
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>40,752,282</b>	<b>44,704,931</b>	<b>4,900,831</b>	<b>22,223,270</b>	<b>24,213,086</b>	<b>(1,989,816)</b>	<b>-8%</b>	<b>44,704,931</b>
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
<b>Total Expenditure</b>	<b>41,455,103</b>	<b>44,617,378</b>	<b>2,763,322</b>	<b>18,869,376</b>	<b>23,488,047</b>	<b>(4,618,672)</b>	<b>-20%</b>	<b>44,617,378</b>
<b>Surplus/(Deficit)</b>	<b>(702,821)</b>	<b>87,553</b>	<b>2,137,510</b>	<b>3,353,894</b>	<b>725,039</b>	<b>2,628,855</b>	<b>363%</b>	<b>87,553</b>
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)	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>948,725</b>	<b>2,098,493</b>	<b>2,259,056</b>	<b>3,695,197</b>	<b>1,690,887</b>	<b>2,004,309</b>	<b>119%</b>	<b>2,098,493</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>948,725</b>	<b>2,098,493</b>	<b>2,259,056</b>	<b>3,695,197</b>	<b>1,690,887</b>	<b>2,004,309</b>	<b>119%</b>	<b>2,098,493</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	<b>2,226,401</b>	<b>2,347,687</b>	<b>130,683</b>	<b>397,205</b>	<b>876,251</b>	<b>(479,046)</b>	<b>-55%</b>	<b>2,347,687</b>
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
<b>Total sources of capital funds</b>	<b>2,226,401</b>	<b>2,347,687</b>	<b>130,683</b>	<b>397,205</b>	<b>876,251</b>	<b>(479,046)</b>	<b>-55%</b>	<b>2,347,687</b>
<b>Financial position</b>								
Total current assets	-	10,624,622		9,421,100				10,624,622
Total non current assets	-	57,778,710		58,125,394				57,778,710
Total current liabilities	-	14,244,890		17,561,703				14,244,890
Total non current liabilities	-	14,341,413		14,673,474				14,341,413
Community wealth/Equity	-	39,817,029		35,311,316				39,817,029
<b>Cash flows</b>								
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)
<b>Cash/cash equivalents at the month/year end</b>	<b>-</b>	<b>621,157</b>	<b>-</b>	<b>2,198,220</b>	<b>637,313</b>	<b>(1,560,907)</b>	<b>-245%</b>	<b>621,157</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>								
Total By Income Source	1,802,440	630,603	724,205	489,266	1,013,610	2,645,689	15,386,880	23,259,449
<b>Creditors Age Analysis</b>								
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
<b>R thousands</b>							
<b>Revenue</b>							
<b>Exchange Revenue</b>							
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
<b>Non-Exchange Revenue</b>							
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
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>44,704,931</b>	<b>4,900,831</b>	<b>22,223,270</b>	<b>24,213,086</b>	<b>(1,989,816)</b>	<b>-8%</b>	<b>44,704,931</b>
<b>Expenditure By Type</b>							
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
<b>Total Expenditure</b>	<b>44,617,378</b>	<b>2,763,322</b>	<b>18,869,376</b>	<b>23,488,047</b>	<b>(4,618,672)</b>	<b>-20%</b>	<b>44,617,378</b>
<b>Surplus/(Deficit)</b>	<b>87,553</b>	<b>2,137,510</b>	<b>3,353,894</b>	<b>725,039</b>	<b>2,628,855</b>	<b>363%</b>	<b>87,553</b>
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)	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>2,098,493</b>	<b>2,259,056</b>	<b>3,695,197</b>	<b>1,690,887</b>	<b>2,004,309</b>	<b>119%</b>	<b>2,098,493</b>
Income Tax	529	-	-	265	(265)	-100%	529
<b>Surplus/(Deficit) after income tax</b>	<b>2,097,964</b>	<b>2,259,056</b>	<b>3,695,197</b>	<b>1,690,623</b>	<b>2,004,574</b>	<b>119%</b>	<b>2,097,964</b>
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-		-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-		-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>2,097,964</b>	<b>2,259,056</b>	<b>3,695,197</b>	<b>1,690,623</b>	<b>2,004,574</b>	<b>119%</b>	<b>2,097,964</b>
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-		-
Intercompany/Parent subsidiary transactions	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>2,097,964</b>	<b>2,259,056</b>	<b>3,695,197</b>	<b>1,690,623</b>	<b>2,004,574</b>	<b>119%</b>	<b>2,097,964</b>

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
<b>R thousands</b>							
<b>Multi-Year expenditure appropriation</b>							
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
<b>Total Capital Multi-year expenditure</b>	<b>2,304,214</b>	<b>130,683</b>	<b>397,007</b>	<b>856,718</b>	<b>(459,711)</b>	<b>-54%</b>	<b>2,304,214</b>
<b>Single Year expenditure appropriation</b>							
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	—	—	—	—	—	—	—
<b>Total Capital single-year expenditure</b>	<b>43,473</b>	<b>—</b>	<b>198</b>	<b>19,533</b>	<b>(19,335)</b>	<b>-99%</b>	<b>43,473</b>
<b>Total Capital Expenditure</b>	<b>2,347,687</b>	<b>130,683</b>	<b>397,205</b>	<b>876,251</b>	<b>(479,046)</b>	<b>-55%</b>	<b>2,347,687</b>
<b>Capital Expenditure - Functional Classification</b>							
<b>Governance and administration</b>	<b>316,211</b>	<b>—</b>	<b>8,304</b>	<b>106,699</b>	<b>(98,395)</b>	<b>-92%</b>	<b>316,211</b>
Executive and council	26,200	—	—	—	—	—	26,200
Finance and administration	290,011	—	8,304	106,699	(98,395)	-92%	290,011
Internal audit	—	—	—	—	—	—	—
<b>Community and public safety</b>	<b>319,746</b>	<b>27,429</b>	<b>110,240</b>	<b>129,928</b>	<b>(19,688)</b>	<b>-15%</b>	<b>319,746</b>
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
<b>Economic and environmental services</b>	<b>448,920</b>	<b>26,148</b>	<b>77,485</b>	<b>133,933</b>	<b>(56,448)</b>	<b>-42%</b>	<b>448,920</b>
Planning and development	—	—	—	—	—	—	—
Road transport	448,920	26,148	77,485	133,933	(56,448)	-42%	448,920
Environmental protection	—	—	—	—	—	—	—
<b>Trading services</b>	<b>1,262,810</b>	<b>77,106</b>	<b>201,176</b>	<b>505,691</b>	<b>(304,515)</b>	<b>-60%</b>	<b>1,262,810</b>
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
<b>Other</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Capital Expenditure - Functional Classification</b>	<b>2,347,687</b>	<b>130,683</b>	<b>397,205</b>	<b>876,251</b>	<b>(479,046)</b>	<b>-55%</b>	<b>2,347,687</b>
<b>Funded by:</b>							
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
<b>Transfers recognised - capital</b>	<b>2,010,940</b>	<b>130,683</b>	<b>387,097</b>	<b>769,061</b>	<b>(68,320)</b>	<b>-9%</b>	<b>2,010,940</b>
<b>Borrowing</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Internally generated funds</b>	<b>336,746</b>	<b>—</b>	<b>10,108</b>	<b>107,190</b>	<b>(61,978)</b>	<b>-58%</b>	<b>336,746</b>
<b>Total Capital Funding</b>	<b>2,347,687</b>	<b>130,683</b>	<b>397,205</b>	<b>876,251</b>	<b>(479,046)</b>	<b>-55%</b>	<b>2,347,687</b>

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

<b>TSH City Of Tshwane - Table C6 Consolidated Monthly Budget Statement - Financial Position - M06 December</b>			
Description	Budget Year 2023/24		
	Original Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>			
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash and cash equivalents	654,687	2,503,632	654,687
Trade and other receivables from exchange transactions	4,751,556	4,912,635	4,751,556
Receivables from non-exchange transactions	3,793,753	772,362	3,793,753
Current portion of non-current receivables	117,208	177,873	117,208
Inventory	1,307,419	1,054,598	1,307,419
VAT	–	–	–
Other current assets	–	–	–
<b>Total current assets</b>	<b>10,624,622</b>	<b>9,421,100</b>	<b>10,624,622</b>
<b>Non current assets</b>			
Investments	877,838	429,964	877,838
Investment property	1,196,449	1,037,138	1,196,449
Property, plant and equipment	51,219,091	51,153,884	51,219,091
Biological assets	–	–	–
Heritage assets	3,079,965	3,371,582	3,079,965
Intangible assets	1,066,172	1,137,947	1,066,172
Trade and other receivables from exchange transactions	47,678	169,502	47,678
Non-current receivables from non-exchange transactions	–	–	–
Other non-current assets	291,516	825,377	291,516
<b>Total non current assets</b>	<b>57,778,710</b>	<b>58,125,394</b>	<b>57,778,710</b>
<b>TOTAL ASSETS</b>	<b>68,407,027</b>	<b>67,546,494</b>	<b>68,407,027</b>
<b><u>LIABILITIES</u></b>			
<b>Current liabilities</b>			
Bank overdraft	–	–	–
Financial liabilities	782,153	233,072	782,153
Consumer deposits	813,829	772,355	813,829
Trade and other payables and other	11,367,951	13,970,011	11,367,951
VAT	1,280,957	2,586,265	1,280,957
Other current liabilities	–	–	–
<b>Total current liabilities</b>	<b>14,244,890</b>	<b>17,561,703</b>	<b>14,244,890</b>
<b>Non current liabilities</b>			
Financial liabilities	10,747,106	13,343,298	10,747,106
Provision	3,594,306	1,330,176	3,594,306
Long term portion of trade payables	–	–	–
Other non-current liabilities	–	–	–
<b>Total non current liabilities</b>	<b>14,341,413</b>	<b>14,673,474</b>	<b>14,341,413</b>
<b>TOTAL LIABILITIES</b>	<b>28,586,303</b>	<b>32,235,177</b>	<b>28,586,303</b>
<b>NET ASSETS</b>	<b>39,820,724</b>	<b>35,311,316</b>	<b>39,820,724</b>
<b><u>COMMUNITY WEALTH/EQUITY</u></b>			
Accumulated surplus/(deficit)	39,518,162	35,311,316	39,518,162
Reserves and funds	302,562	–	302,562
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>39,820,724</b>	<b>35,311,316</b>	<b>39,820,724</b>

**(e) 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
<b>R thousands</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
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	-	-	-	-		-
<b>Payments</b>						
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)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>3,093,746</b>	<b>1,381,455</b>	<b>1,163,992</b>	<b>217,463</b>	<b>19%</b>	<b>3,093,746</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
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)
<b>Payments</b>						
Capital assets	(2,347,687)	(397,205)	(1,138,158)	740,953	-65%	(2,347,687)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(2,701,155)</b>	<b>(397,205)</b>	<b>(1,138,158)</b>	<b>740,953</b>	<b>-65%</b>	<b>(2,701,155)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Short term loans	-			-		-
Borrowing long term/refinancing	-			-		-
Increase (decrease) in consumer deposits	-			-		-
<b>Payments</b>						
Repayment of borrowing	(382,913)	(164,460)	-	(164,460)		(382,913)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(382,913)</b>	<b>(164,460)</b>	<b>-</b>	<b>(164,460)</b>		<b>(382,913)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>9,678</b>	<b>819,790</b>	<b>25,834</b>	<b>-</b>	<b>-</b>	<b>9,678</b>
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

### (f) 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										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	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.

### (g) 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

**(h) 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
<b>Municipality sub-total</b>					3,044		1,369,505	-	1,372,549
<b>Entities</b>									
14923736		Call account		Call account	3,534	8.1%	3,547	13	7,094
<b>Entities sub-total</b>					3,534		3,547	13	7,094
<b>TOTAL INVESTMENTS AND INTEREST</b>	2	-			6,578		1,373,052	13	1,379,643

## (i) 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							
<b>RECEIPTS:</b>							
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>4,858,212</b>	<b>1,331,190</b>	<b>3,455,223</b>	<b>3,455,223</b>	<b>–</b>		<b>4,746,872</b>
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
<b>Provincial Government:</b>	<b>254,407</b>	<b>20,206</b>	<b>144,871</b>	<b>177,101</b>	<b>(32,230)</b>	<b>-18.2%</b>	<b>242,362</b>
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
<b>Total Operating Transfers and Grants</b>	<b>5,112,620</b>	<b>1,351,396</b>	<b>3,600,094</b>	<b>3,632,324</b>	<b>(32,230)</b>	<b>-0.9%</b>	<b>4,989,234</b>
<b>Capital Transfers and Grants</b>							
<b>National Government:</b>	<b>1,919,824</b>	<b>–</b>	<b>1,042,316</b>	<b>1,045,316</b>	<b>(3,000)</b>	<b>-0.3%</b>	<b>1,801,816</b>
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
<b>Provincial Government:</b>	<b>12,294</b>	<b>–</b>	<b>–</b>	<b>10,258</b>	<b>(10,258)</b>	<b>-100.0%</b>	<b>12,294</b>
Recapitalisation of Community Libraries Grant	12,294			10,258	(10,258)	-100.0%	12,294
<b>Other grant providers:</b>	<b>78,823</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>		<b>78,823</b>
RCG - SHRA	78,823				–		78,823
<b>Total Capital Transfers and Grants</b>	<b>2,010,940</b>	<b>–</b>	<b>1,042,316</b>	<b>1,055,574</b>	<b>(13,258)</b>	<b>-1.3%</b>	<b>1,892,933</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>7,123,560</b>	<b>1,351,396</b>	<b>4,642,410</b>	<b>4,687,898</b>	<b>(45,488)</b>	<b>-1.0%</b>	<b>6,882,167</b>

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.

## (j) 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
<b>R thousands</b>							
<b>EXPENDITURE</b>							
<b>Operating expenditure of Transfers and Grants</b>							
<b>National Government:</b>	<b>4 858 212</b>	<b>1 371 016</b>	<b>3 240 122</b>	<b>3 292 215</b>	<b>(52 093)</b>	<b>-1,6%</b>	<b>4 746 872</b>
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
<b>Provincial Government:</b>	<b>254 407</b>	<b>31 965</b>	<b>64 250</b>	<b>129 999</b>	<b>(65 749)</b>	<b>-51%</b>	<b>254 407</b>
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
<b>Total operating expenditure of Transfers and Grants:</b>	<b>5 112 620</b>	<b>1 402 981</b>	<b>3 304 371</b>	<b>3 422 214</b>	<b>(117 842)</b>	<b>-3,4%</b>	<b>5 001 279</b>
<b>Capital expenditure of Transfers and Grants</b>							
<b>National Government:</b>	<b>1 919 824</b>	<b>123 312</b>	<b>343 297</b>	<b>744 305</b>	<b>(401 008)</b>	<b>-53,9%</b>	<b>1 801 816</b>
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
<b>Provincial Government:</b>	<b>12 294</b>	<b>2 962</b>	<b>3 510</b>	<b>3 688</b>	<b>(178)</b>	<b>-4,8%</b>	<b>12 294</b>
Recapitalisation of Community Libraries Grant	12 294	2 962	3 510	3 688	(178)	-4,8%	12 294
RCG - SHRA	–	–	–	–	–	–	–
<b>Other grant providers:</b>	<b>78 823</b>	<b>4 409</b>	<b>40 290</b>	<b>21 068</b>	<b>19 222</b>	<b>91,2%</b>	<b>78 823</b>
RCG - SHRA	78 823	4 409	40 290	21 068	19 222	91,2%	78 823
<b>Total capital expenditure of Transfers and Grants</b>	<b>2 010 940</b>	<b>130 683</b>	<b>387 097</b>	<b>769 061</b>	<b>(381 963)</b>	<b>-49,7%</b>	<b>1 892 933</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>7 123 560</b>	<b>1 533 664</b>	<b>3 691 469</b>	<b>4 191 274</b>	<b>(499 806)</b>	<b>-11,9%</b>	<b>6 894 212</b>

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

**(k) 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
<b>R thousands</b>								
<b><u>Revenue By Municipal Entity</u></b>								
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
<b>Total Operating Revenue</b>	<b>181,557</b>	<b>185,658</b>	<b>11,769</b>	<b>74,375</b>	<b>92,829</b>	<b>(18,453)</b>	<b>-20%</b>	<b>185,658</b>
<b><u>Expenditure By Municipal Entity</u></b>								
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
<b>Total Operating Expenditure</b>	<b>133,201</b>	<b>185,128</b>	<b>16,264</b>	<b>78,879</b>	<b>92,546</b>	<b>(13,667)</b>	<b>-15%</b>	<b>185,128</b>
<b>Surplus/ (Deficit) for the yr/period</b>	48,355	529	(4,495)	(4,504)	282	(32,121)	-11371%	529
<b><u>Capital Expenditure By Municipal Entity</u></b>								
Housing Company Tshwane	142,911	82,193	4,409	40,488	41,096	609	1%	82,193
Tshwane Economic Development Agency	448	452	–	–	–	–		452
<b>Total Capital Expenditure</b>	<b>143,359</b>	<b>82,645</b>	<b>4,409</b>	<b>40,488</b>	<b>41,096</b>	<b>609</b>	<b>1%</b>	<b>82,645</b>



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

TSH City Of Tshwane - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M06 December							
Month	Budget Year 2023/24						
	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>							
<b><u>Monthly expenditure performance trend</u></b>							
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	–		
<b>Total Capital expenditure</b>	<b>2,347,690</b>	<b>397,205</b>					

**(m) 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
<b>R thousands</b>							
<b><u>Capital expenditure on new assets by Asset Class/Sub-class</u></b>							
<b><u>Infrastructure</u></b>	<b>1,095,266</b>	<b>75,146</b>	<b>214,533</b>	<b>401,396</b>	<b>186,863</b>	<b>46.6%</b>	<b>1,095,266</b>
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
<b><u>Community Assets</u></b>	<b>43,794</b>	<b>12,268</b>	<b>12,815</b>	<b>24,238</b>	<b>11,423</b>	<b>47.1%</b>	<b>43,794</b>
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
<b><u>Heritage assets</u></b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Monuments	—	—	—	—	—	—	—
<b><u>Investment properties</u></b>	<b>25,100</b>	<b>—</b>	<b>—</b>	<b>7,530</b>	<b>7,530</b>	<b>100.0%</b>	<b>25,100</b>
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
<b><u>Other assets</u></b>	<b>79,983</b>	<b>4,409</b>	<b>40,290</b>	<b>21,868</b>	<b>(18,422)</b>	<b>-84.2%</b>	<b>79,983</b>
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	—	—	—	—	—	—	—
<b><u>Biological or Cultivated Assets</u></b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Biological or Cultivated Assets	—	—	—	—	—	—	—
<b><u>Intangible Assets</u></b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
Servitudes	—	—	—	—	—	—	—
<b><u>Computer Equipment</u></b>	<b>10,000</b>	<b>—</b>	<b>—</b>	<b>3,690</b>	<b>3,690</b>	<b>100.0%</b>	<b>10,000</b>
Computer Equipment	10,000	—	—	3,690	3,690	100.0%	10,000
<b><u>Furniture and Office Equipment</u></b>	<b>13,007</b>	<b>—</b>	<b>198</b>	<b>6,637</b>	<b>6,439</b>	<b>97.0%</b>	<b>13,007</b>
Furniture and Office Equipment	13,007	—	198	6,637	6,439	97.0%	13,007
<b><u>Machinery and Equipment</u></b>	<b>14,866</b>	<b>1,766</b>	<b>3,495</b>	<b>8,117</b>	<b>4,622</b>	<b>56.9%</b>	<b>14,866</b>
Machinery and Equipment	14,866	1,766	3,495	8,117	4,622	56.9%	14,866
<b><u>Transport Assets</u></b>	<b>50,000</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>50,000</b>
Transport Assets	50,000	—	—	—	—	—	50,000
<b><u>Land</u></b>	<b>26,200</b>	<b>—</b>	<b>15,171</b>	<b>—</b>	<b>(15,171)</b>	<b>—</b>	<b>26,200</b>
Land	26,200	—	15,171	—	(15,171)	—	26,200
<b><u>Zoo's, Marine and Non-biological Animals</u></b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b><u>Living resources</u></b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total Capital Expenditure on new assets</b>	<b>1,358,215</b>	<b>93,588</b>	<b>286,502</b>	<b>473,476</b>	<b>186,973</b>	<b>39.5%</b>	<b>1,358,215</b>

**(n) 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							
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>							
<b>Infrastructure</b>	<b>305,195</b>	<b>9,595</b>	<b>32,316</b>	<b>137,933</b>	<b>105,617</b>	<b>76.6%</b>	<b>305,195</b>
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
<b>Community Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Other assets</b>	<b>33,500</b>	<b>6,723</b>	<b>8,466</b>	<b>-</b>	<b>(8,466)</b>		<b>33,500</b>
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	-	-	-	-	-		-
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Biological or Cultivated Assets	-	-	-	-	-		-
<b>Intangible Assets</b>	<b>7,000</b>	<b>-</b>	<b>-</b>	<b>3,150</b>	<b>3,150</b>	<b>100.0%</b>	<b>7,000</b>
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
<b>Computer Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Furniture and Office Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Furniture and Office Equipment	-	-	-	-	-		-
<b>Machinery and Equipment</b>	<b>25,000</b>	<b>-</b>	<b>70</b>	<b>5,400</b>	<b>5,330</b>	<b>98.7%</b>	<b>25,000</b>
Machinery and Equipment	25,000	-	70	5,400	5,330	98.7%	25,000
<b>Transport Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Land</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Zoo's, Marine and Non-biological Animals</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
<b>Living resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Mature	-	-	-	-	-		-
Immature	-	-	-	-	-		-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>370,695</b>	<b>16,318</b>	<b>40,852</b>	<b>146,483</b>	<b>105,631</b>	<b>72.1%</b>	<b>370,695</b>

**(o) 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
<b>R thousands</b>							
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>							
<b>Infrastructure</b>	<b>516,777</b>	<b>20,777</b>	<b>61,315</b>	<b>204,292</b>	<b>142,977</b>	<b>70.0%</b>	<b>516,777</b>
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	-	-	-	-	-	-	-
<b>Community Assets</b>	<b>2,000</b>	<b>-</b>	<b>1,606</b>	<b>2,000</b>	<b>394</b>	<b>19.7%</b>	<b>2,000</b>
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	-	-	-	-	-	-	-
<b>Other assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Biological or Cultivated Assets	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>100,000</b>	<b>-</b>	<b>6,930</b>	<b>50,000</b>	<b>43,070</b>	<b>86.1%</b>	<b>100,000</b>
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	-	-	-	-	-	-	-
<b>Computer Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Furniture and Office Equipment	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and Equipment	-	-	-	-	-	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	<b>618,777</b>	<b>20,777</b>	<b>69,850</b>	<b>256,292</b>	<b>186,442</b>	<b>72.7%</b>	<b>618,777</b>

**(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 SAP ECC6 system to the new SAP S4 Hana system and the process resulted in gaps in the data, however the City is working towards development of automated reporting on SAP, which will see improvement in the following months.

J Mettler  
CITY MANAGER  
CITY OF TSHWANE

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

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