

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

AUGUST 2023

Table of Contents

PART 1: IN - YEAR REPORT	3
PURPOSE	3
EXECUTIVE SUMMARY	3
IN YEAR BUDGET STATEMENT TABLES	3
Table C1 – Budget Statement Summary	3
Table C2 – Financial Performance (Standard Classification)	7
Table C3 – Financial Performance (Revenue and Expenditure by vote)	8
Table C4 – Financial Performance by Revenue Source and Expenditure Type	9
Table C5 Capex – Monthly Capital Expenditure by Standard Classification and Funding	
Table C5C – Monthly Capital Expenditure by Vote	11
Figure 1: Capital expenditure by source of finance	12
Figure 2: Monthly capital expenditure	12
Table C6– Monthly Budget Statement Financial Position	
Table C7– Monthly Budget Statement Cash Flow	
PART 2: SUPPORTING TABLES	15
Supporting Table: SC 1 Material Variance Explanations	15
Supporting Table: SC 3 - Debtors Age Analysis	17
Figure 3: Debtors age analysis	18
Figure 4: Monthly debtors book	18
TOP TWENTY DEBTORS	19
Supporting Table: SC 4 - Creditors Age Analysis	20
TOP CREDITORS PAID	20
Supporting Table: SC 5 - Investment Portfolio	20
Supporting Table: SC 6 - Transfers and Grant Receipts	20
Supporting Table: SC 7 - Transfers and Grant Expenditure	23
Figure 5: Grants Performance	24
Supporting Table: SC8 - Councilor Allowances and Employee Related Costs	24
Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts	27
Supporting Table: SC 12 Capital Expenditure Trend	28
Supporting Table: SC 13(a) Capital Expenditure on New Assets	29
Supporting Table: SC 13(b) Capital Expenditure on Renewal of Existing Assets	30
Supporting Table: SC 13(c) Repairs and Maintenance Expenditure	31
Supporting Table: SC 13(d) Depreciation and asset impairment	32
Supporting Table: SC 13(e) Capital Expenditure on upgrading of Existing Assets	33
List of Capital Programmes and Projects	35
QUALITY CERTIFICATE	36

PART 1: IN - YEAR REPORT

PURPOSE

To report to the Council and submit to National and Provincial Treasury on the monthly financial performance of the Municipality as required by Section 71 of the Municipal Finance Management Act.

EXECUTIVE SUMMARY

Section 71 of the Municipal Finance Management Act deals with requirements for in-year reporting and further state that the Accounting Officer of the Municipality must by no later than 10 working days after end of each month submit to the August or and relevant Provincial Treasury, the monthly budget statement in the prescribed format on the state of the municipality's financial results. It must be noted that 2022-23 financial year audit final report is not out.

IN YEAR BUDGET STATEMENT TABLES

DESCRIPTION	2023/24			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	680,763,743	-	183,658,330	27%
OPERATING EXPENDITURE	654,216,898	-	75,265,538	12%
TRANSFER - CAPITAL	79,756,000	-	536,207	1%
SURPLUS/(DEFICIT)	106,302,845	-	108,392,792	102%
CAPITAL EXPENDITURE	84,156,000	-	645,716	1%

Table C1 – Budget Statement Summary

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	54,993	63,025	-	3,556	7,075	10,504	(3,429)	-33%	63,025
Service charges	96,995	125,701	-	10,658	19,837	20,950	(1,113)	-5%	125,701
Investment revenue	2,996	2,306	-	1,003	1,576	215	1,361	632%	2,306
Transfers and subsidies	338,905	363,745	-	551	150,221	150,588	(367)	0%	363,745
Other own revenue	26,828	125,987	-	1,500	4,948	19,224	(14,276)	-74%	125,987
Total Revenue (excluding capital transfers and contributions)	520,718	680,764	-	17,268	183,658	201,482	(17,824)	-9%	680,764
Employee costs	162,017	194,460	-	13,725	27,355	31,382	(4,027)	-13%	194,460
Remuneration of Councillors	24,855	26,490	-	2,079	4,158	4,415	(257)	-6%	26,490
Depreciation & asset impairment	60,629	65,402	-	5,154	10,312	10,300	12	0%	65,402
Finance charges	1,623	931	-	-	-	197	(197)	-100%	931
Materials and bulk purchases	129,936	153,791	-	13,950	14,934	26,230	(11,296)	-43%	153,791
Transfers and subsidies	4,495	3,176	-	331	475	262	213	81%	3,176
Other expenditure	151,158	209,967	-	14,003	18,031	25,015	(6,984)	-28%	209,967
Total Expenditure	534,713	654,217	-	49,242	75,266	97,803	(22,537)	-23%	654,217
Surplus/(Deficit)	(13,995)	26,547	-	(31,973)	108,393	103,679	4,714	5%	26,547
Transfers and subsidies - capital (monetary allocations)	91,816	79,756	-	536	536	18,850	(18,314)	-97%	79,756
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	77,820	106,303	-	(31,437)	108,929	122,529	(13,601)	-11%	106,303
Surplus/ (Deficit) for the year	77,820	106,303	-	(31,437)	108,929	122,529	(13,601)	-11%	106,303
Capital expenditure & funds sources									
Capital expenditure	98,645	84,156	-	(267)	646	6,431	(5,785)	-90%	84,156
Capital transfers recognised	77,457	79,756	-	-	466	5,625	(5,159)	-92%	79,756
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	21,188	4,400	-	(267)	179	806	(626)	-78%	4,400
Total sources of capital funds	98,645	84,156	-	(267)	646	6,431	(5,785)	-90%	84,156
Financial position									
Total current assets	256,254	248,465	-		354,593				248,465
Total non current assets	1,239,934	1,379,378	-		1,209,731				1,379,378
Total current liabilities	169,725	124,219	-		172,854				124,219
Total non current liabilities	92,008	92,871	-		120,017				92,871
Community wealth/Equity	1,234,455	1,410,753	-		1,271,453				1,410,753
Cash flows									
Net cash from (used) operating	128,295	56,732	-	(29,030)	91,820	95,706	3,886	4%	56,732
Net cash from (used) investing	(98,645)	(71,634)	-	(179)	(646)	(3,545)	(2,900)	82%	(71,634)
Net cash from (used) financing	(7,251)	(7,009)	-	(12)	(12)	(609)	(596)	98%	(7,009)
Cash/cash equivalents at the month/year end	32,939	19,757	-	-	132,830	133,220	390	0%	19,757
Debtors & creditors analysis	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
Debtors Age Analysis									
Total By Income Source	18,517	6,282	3,784	3,617	3,776	3,429	3,738	146,741	189,884
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

The above C1 Sum table summarizes the following activities: -

Revenue:

The actual year to date operational revenue as at end of August is R183, 658 million and the year to date budget of R201, 482 million and this reflects a negative variance of R17, 824 million which is mostly attributable to equitable shares received amounting to R149, 383 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 632% favorable variance,
- Interest earned – outstanding debtors: 157% favorable variance,
- Rental of Facilities and Equipment: 614% favorable variance,
- Fines, penalties and forfeits: 94% unfavorable variance
- Services Charges – electricity revenue: 6% unfavorable variance
- Services Charges – refuse revenue: 2% unfavorable variance
- Licenses and permits: 15% unfavorable variance
- Property rates: 33% unfavorable variance
- Other revenue: 676% unfavorable
- Transfer and subsidies: 0% favorable

Operating Expenditure

The year to date operational expenditure as at end of August amounts to R75, 266 million and the year to date budget is R97, 803 million. This reflects underspending variance of R22, 537 million that translates to 23% variance. The variance is attributed underspending variance on depreciation and asset impairment and debt impairment that the municipality is still facing a challenge regarding the computation of monthly movement of the two accounts.

All other expenditure line items are performing almost in line with the year to date budget since the variance thereof is less than 10% except for the following:

- Employee related costs: 13% under performance
- Debt impairment: 100% under performance
- Finance charges: 100% under performance
- Bulk purchase: 36% under performance
- Other material: 62% under performance
- Contracted services: 26% under performance
- Transfer and subsidies: 81% over performance
- Other expenditure: 12% under performance

The above material variances are explained more in detail on Supporting Tables SC 1

Capital Expenditure

The year to date actual capital expenditure as at end of August 2023 amounts to R646 thousand and the year to date budget amounts to R6, 431 million and this gives rise to R5, 785 million under performance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of August is R108, 929 million that is mainly attributed over performance on capital and operating expenditure in the reporting period.

Debtors

Outstanding debtors' is comprised of consumer and sundry debtors. The total outstanding debtors as at end of August amounts to R189, 884 million and this shows an increase of R4,357 million as compared to R185,527 million as at end of 2022-23 financial year.

Consumer debtors is made up of service charges and property rates that amount to R118,501 million and other debtors amounting to R71, 384 million. Debtors such those relating to traffic fines are reported as other debtors as presented under current assets on Table C6 and as a result, the do not form part of consumer debtors.

Creditors

All creditors are paid within 30 days of receipt of invoice in the month of August as required by MFMA and as a result.

Table C2 – Financial Performance (Standard Classification)

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	277,768	300,481	-	4,340	98,207	100,309	(2,102)	-2%	300,481
Executive and council	43,728	55,444	-	-	12,173	12,173	(0)	0%	55,444
Finance and administration	220,586	231,152	-	4,340	79,729	81,831	(2,102)	-3%	231,152
Internal audit	13,455	13,884	-	-	6,305	6,305	(0)	0%	13,884
Community and public safety	31,175	129,150	-	454	13,425	27,752	(14,328)	-52%	129,150
Community and social services	10,947	11,327	-	5	3,211	3,226	(16)	0%	11,327
Sport and recreation	17,033	17,595	-	-	9,333	9,337	(4)	0%	17,595
Public safety	3,195	100,228	-	449	881	15,189	(14,308)	-94%	100,228
Economic and environmental services	140,432	130,503	-	1,816	28,646	42,728	(14,082)	-33%	130,503
Planning and development	21,669	22,674	-	342	10,142	10,217	(75)	-1%	22,674
Road transport	117,952	106,992	-	1,474	18,010	32,018	(14,008)	-44%	106,992
Environmental protection	811	836	-	-	493	493	0	0%	836
Trading services	163,158	200,386	-	11,194	43,918	49,543	(5,625)	-11%	200,386
Energy sources	126,820	151,238	-	10,158	27,163	32,214	(5,052)	-16%	151,238
Waste management	36,339	49,148	-	1,037	16,755	17,328	(574)	-3%	49,148
Total Revenue - Functional	612,533	760,520	-	17,805	184,195	220,332	(36,138)	-16%	760,520
Expenditure - Functional									
Governance and administration	215,448	227,933	-	19,462	30,138	41,999	(11,862)	-28%	227,933
Executive and council	40,873	45,702	-	3,832	6,435	7,708	(1,273)	-17%	45,702
Finance and administration	162,605	170,758	-	15,240	22,998	31,105	(8,107)	-26%	170,758
Internal audit	11,970	11,472	-	389	705	3,186	(2,481)	-78%	11,472
Community and public safety	39,658	118,872	-	3,144	6,169	7,999	(1,830)	-23%	118,872
Community and social services	9,422	9,467	-	488	1,020	1,622	(602)	-37%	9,467
Sport and recreation	8,989	14,805	-	705	1,353	2,452	(1,099)	-45%	14,805
Public safety	21,246	94,601	-	1,951	3,796	3,925	(129)	-3%	94,601
Economic and environmental services	120,504	127,771	-	8,931	16,622	20,759	(4,137)	-20%	127,771
Planning and development	18,411	24,992	-	2,015	3,316	4,002	(686)	-17%	24,992
Road transport	102,093	102,085	-	6,915	13,306	16,641	(3,335)	-20%	102,085
Environmental protection	-	695	-	-	-	116	(116)	-100%	695
Trading services	159,103	179,641	-	17,705	22,337	27,045	(4,708)	-17%	179,641
Energy sources	109,850	133,039	-	13,533	14,580	21,728	(7,149)	-33%	133,039
Waste management	49,253	46,602	-	4,173	7,758	5,317	2,440	46%	46,602
Total Expenditure - Functional	534,713	654,217	-	49,242	75,266	97,803	(22,537)	-23%	654,217
Surplus/ (Deficit) for the year	77,820	106,303	-	(31,437)	108,929	122,529	(13,601)	-11%	106,303

Table C3 – Financial Performance (Revenue and Expenditure by vote)

Vote Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	37,271	48,780	-	-	10,497	10,497	(0)	0%	48,780
Vote 2 - Municipal Manager	46,531	48,017	-	-	22,887	22,887	(0)	0%	48,017
Vote 3 - Budget & Treasury	109,827	116,810	-	4,340	31,237	33,321	(2,083)	-6%	116,810
Vote 4 - Corporate Services	50,657	52,321	-	-	19,994	20,013	(19)	0%	52,321
Vote 5 - Community Services	76,536	188,606	-	2,083	32,303	47,391	(15,088)	-32%	188,606
Vote 6 - Technical Services	263,115	276,162	-	11,039	54,564	73,437	(18,873)	-26%	276,162
Vote 7 - Developmental Planning	13,673	14,423	-	342	6,637	6,712	(75)	-1%	14,423
Vote 8 - Executive Support	14,925	15,401	-	-	6,075	6,075	0	0%	15,401
Total Revenue by Vote	612,533	760,520	-	17,805	184,195	220,332	(36,138)	-16%	760,520
Expenditure by Vote									
Vote 1 - Executive & Council	35,446	37,797	-	3,211	5,496	6,234	(737)	-12%	37,797
Vote 2 - Municipal Manager	45,914	46,270	-	2,476	3,552	9,284	(5,732)	-62%	46,270
Vote 3 - Budget & Treasury	61,222	61,056	-	7,800	10,657	13,461	(2,804)	-21%	61,056
Vote 4 - Corporate Services	27,772	41,928	-	3,416	5,389	6,797	(1,408)	-21%	41,928
Vote 5 - Community Services	97,515	175,066	-	8,046	15,366	14,868	498	3%	175,066
Vote 6 - Technical Services	230,159	254,734	-	21,279	28,940	41,198	(12,258)	-30%	254,734
Vote 7 - Developmental Planning	13,119	18,039	-	848	1,728	2,901	(1,174)	-40%	18,039
Vote 8 - Executive Support	23,567	19,327	-	2,165	4,138	3,061	1,078	35%	19,327
Total Expenditure by Vote	534,713	654,217	-	49,242	75,266	97,803	(22,537)	-23%	654,217
Surplus/ (Deficit) for the year	77,820	106,303	-	(31,437)	108,929	122,529	(13,601)	-11%	106,303

Table C2 and C3 measure the monthly actuals and year to date actuals against the year to date budget. The aforementioned budget tables are presented by standard classification and vote respectively for both revenue and expenditure. The variances are all reflected in the year-to-date variance column.

The financial results portrayed in the two tables are the same as those in other tables (i.e. it is only the description or basis of reporting that is based on financial or budget performance by vote or department, and National Treasury's standard classification).

Table C4: Financial Performance by Revenue Source and Expenditure Type

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	54,993	63,025	-	3,556	7,075	10,504	(3,429)	-33%	63,025
Service charges - electricity revenue	87,458	115,903	-	9,622	18,232	19,317	(1,085)	-6%	115,903
Service charges - refuse revenue	9,537	9,798	-	1,037	1,605	1,633	(28)	-2%	9,798
Rental of facilities and equipment	1,039	913	-	871	906	127	779	614%	913
Interest earned - external investments	2,996	2,306	-	1,003	1,576	215	1,361	632%	2,306
Interest earned - outstanding debtors	14,200	14,686	-	2,658	5,388	2,098	3,290	157%	14,686
Fines, penalties and forfeits	3,300	100,528	-	449	885	15,239	(14,354)	-94%	100,528
Licences and permits	6,062	7,176	-	593	1,021	1,196	(175)	-15%	7,176
Transfers and subsidies	338,905	363,745	-	551	150,221	150,588	(367)	0%	363,745
Other revenue	2,227	2,684	-	(3,070)	(3,252)	564	(3,816)	-676%	2,684
Gains							-		
Total Revenue (excluding capital transfers and contributions)	520,718	680,764	-	17,268	183,658	201,482	(17,824)	-9%	680,764
Expenditure By Type									
Employee related costs	162,017	194,460	-	13,725	27,355	31,382	(4,027)	-13%	194,460
Remuneration of councillors	24,855	26,490	-	2,079	4,158	4,415	(257)	-6%	26,490
Debt impairment	19,063	95,607	-	-	-	2,652	(2,652)	-100%	95,607
Depreciation & asset impairment	60,629	65,402	-	5,154	10,312	10,300	12	0%	65,402
Finance charges	1,623	931	-	-	-	197	(197)	-100%	931
Bulk purchases	93,194	113,017	-	12,020	12,103	18,836	(6,733)	-36%	113,017
Other materials	36,742	40,774	-	1,930	2,831	7,394	(4,563)	-62%	40,774
Contracted services	75,840	61,720	-	5,361	7,954	10,702	(2,748)	-26%	61,720
Transfers and subsidies	4,495	3,176	-	331	475	262	213	81%	3,176
Other expenditure	56,254	52,641	-	8,672	10,107	11,535	(1,429)	-12%	52,641
Losses	-	-	-	(30)	(30)	125	(155)	-124%	-
Total Expenditure	534,713	654,217	-	49,242	75,266	97,803	(22,537)	-23%	654,217
Surplus/(Deficit)	(13,995)	26,547	-	(31,973)	108,393	103,679	4,714	5%	26,547
Transfers and subsidies - capital (monetary allocations)	91,816	79,756	-	536	536	18,850	(18,314)	-97%	79,756
Transfers and subsidies - capital (monetary allocations)							-		-
Transfers and subsidies - capital (in-kind - all)							-		-
Surplus/(Deficit) after capital transfers & contributions	77,820	106,303	-	(31,437)	108,929	122,529			106,303
Taxation							-		
Surplus/(Deficit) after taxation	77,820	106,303	-	(31,437)	108,929	122,529			106,303
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	77,820	106,303	-	(31,437)	108,929	122,529			106,303
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	77,820	106,303	-	(31,437)	108,929	122,529			106,303

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections are on property rates, service charges – electricity, refuse, rental of facilities and equipment, interest earned – external investments, interest on outstanding debtors, fines, penalties and forfeits, licenses and permits and other revenue.

In the case of expenditure, the following line items reflect material variance; Remuneration of councilors, Bulk purchases, other expenditure, debt impairment, depreciation and asset impairment, finance charges, employee related costs, other materials, and transfer and subsidies.

Reasons for deviations will only be provided for material variances and a variance is deemed to be material if it is 10% and more.

Table C5 Capex: Monthly Capital Expenditure by Standard Classification and Funding

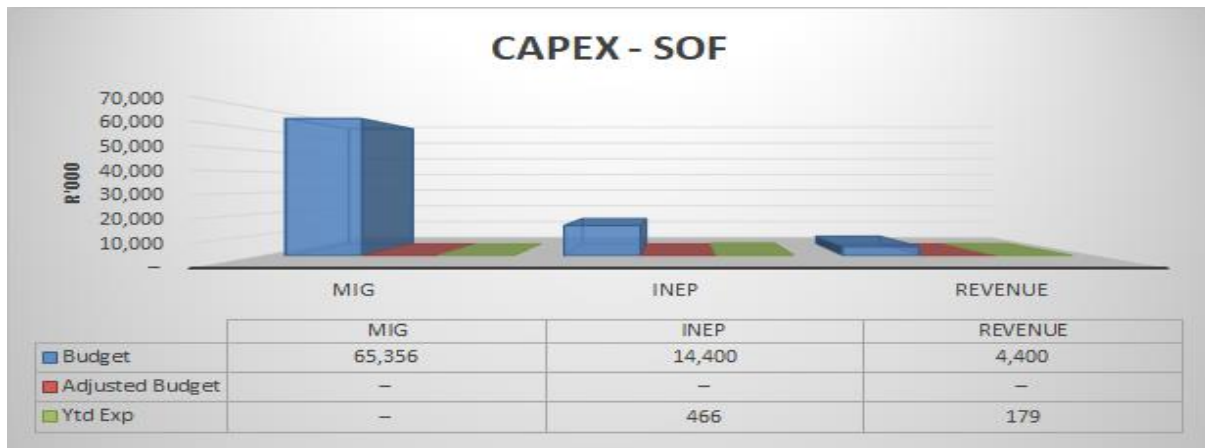
Vote Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	2,663	1,000	-	179	179	181	(1)	-1%	1,000
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	2,663	1,000	-	179	179	181	(1)	-1%	1,000
Internal audit	-	-	-	-	-	-	-	-	-
Community and public safety	2,450	100	-	-	-	50	(50)	-100%	100
Community and social services	1,455	-	-	-	-	-	-	-	-
Sport and recreation	550	100	-	-	-	50	(50)	-100%	100
Public safety	445	-	-	-	-	-	-	-	-
Housing									
Health									
Economic and environmental services	75,671	66,256	-	-	-	2,475	(2,475)	-100%	66,256
Planning and development	1,075	-	-	-	-	-	-	-	-
Road transport	74,596	66,256	-	-	-	2,475	(2,475)	-100%	66,256
Environmental protection	-	-	-	-	-	-	-	-	-
Trading services	17,861	16,800	-	(447)	466	3,725	(3,259)	-87%	16,800
Energy sources	16,001	15,000	-	(447)	466	3,281	(2,815)	-86%	15,000
Waste water management	-	-	-	-	-	-	-	-	-
Waste management	1,860	1,800	-	-	-	445	(445)	-100%	1,800
Other									
Total Capital Expenditure - Functional Classification	98,645	84,156	-	(267)	646	6,431	(5,785)	-90%	84,156
Funded by:									
National Government	77,457	79,756	-	-	466	5,625	(5,159)	-92%	79,756
Provincial Government									
District Municipality									
Transfers recognised - capital	77,457	79,756	-	-	466	5,625	(5,159)	-92%	79,756
Borrowing									
Internally generated funds	21,188	4,400	-	(267)	179	806	(626)	-78%	4,400
Total Capital Funding	98,645	84,156	-	(267)	646	6,431	(5,785)	-90%	84,156

Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	2,663	700	-	-	-	81	(81)	-100%	700
Vote 5 - Community Services	4,063	1,000	-	-	-	185	(185)	-100%	1,000
Vote 6 - Technical Services	40,032	73,356	-	(447)	-	4,850	(4,850)	-100%	73,356
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	46,759	75,056	-	(447)	-	5,115	(5,115)	-100%	75,056
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	300	-	179	179	100	79	79%	300
Vote 5 - Community Services	247	900	-	-	-	310	(310)	-100%	900
Vote 6 - Technical Services	50,564	7,900	-	-	466	906	(439)	-49%	7,900
Vote 7 - Developmental Planning	1,075	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	51,886	9,100	-	179	646	1,316	(670)	-51%	9,100
Total Capital Expenditure	98,645	84,156	-	(267)	646	6,431	(5,785)	-90%	84,156

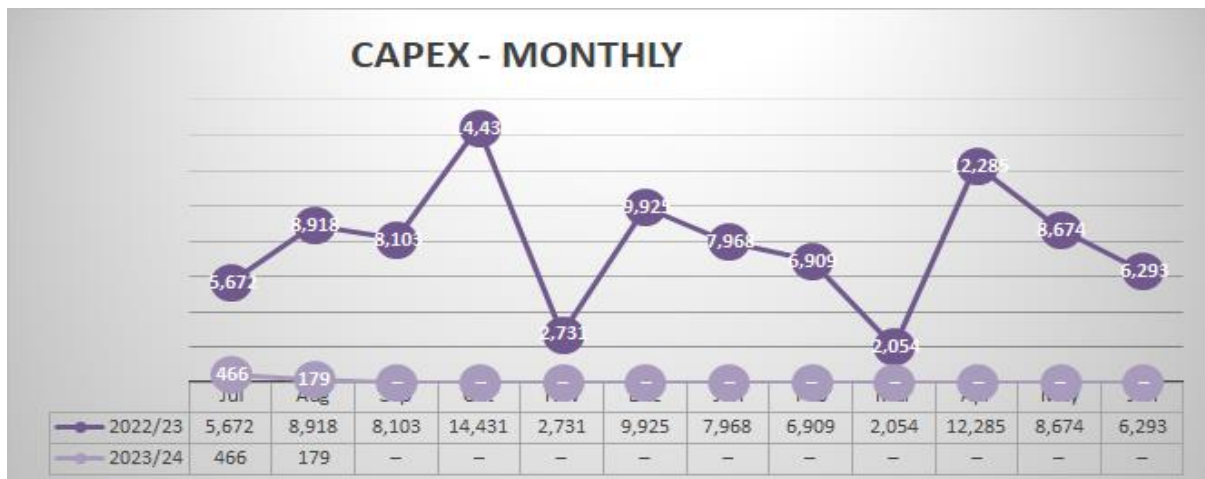
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of August 2023, -R267 thousand spending is incurred and the year to date expenditure amounts to R646 thousand whilst the year to date budget is R6, 431 million and this gave rise to under spending variance of R5, 785 million that translates to 90%.

Figure 1: Capital expenditure by source



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R84, 156 million, R65, 356 million is funded from Municipal Infrastructure grant, R14, 400 million from Integrated National Electrification Programme and R4, 400 million from own revenue and the spending per source of finance is presented in the above graph.

Figure 2: Monthly capital expenditure



The above graph compares the 2022-23 and 2023/24 monthly capital expenditure performance.

Table C6: Monthly Budget Statement Financial Position

Description	2022/23	Budget Year 2023/24			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	7,479	18,804	–	1,357	18,804
Call investment deposits	25,460	–	–	131,472	–
Consumer debtors	109,709	178,921	–	116,703	178,921
Other debtors	88,862	12,169	–	81,801	12,169
Current portion of long-term receivables	–	–	–	–	–
Inventory	24,743	38,571	–	23,259	38,571
Total current assets	256,254	248,465	–	354,593	248,465
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	17,149	18,499	–	–	18,499
Investment property	96,399	48,884	–	103,831	48,884
Investments in Associate	–	–	–	–	–
Property, plant and equipment	1,123,988	1,310,538	–	1,102,586	1,310,538
Biological	463	463	–	–	463
Intangible	7	606	–	1,386	606
Other non-current assets	1,928	388	–	1,928	388
Total non current assets	1,239,934	1,379,378	–	1,209,731	1,379,378
TOTAL ASSETS	1,496,188	1,627,843	–	1,564,324	1,627,843
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	4,650	7,246	–	7,622	7,246
Consumer deposits	5,757	5,937	–	5,705	5,937
Trade and other payables	158,176	108,287	–	149,772	108,287
Provisions	1,142	2,750	–	9,754	2,750
Total current liabilities	169,725	124,219	–	172,854	124,219
Non current liabilities					
Borrowing	7,288	5,456	–	9,357	5,456
Provisions	84,720	87,415	–	110,660	87,415
Total non current liabilities	92,008	92,871	–	120,017	92,871
TOTAL LIABILITIES	261,733	217,091	–	292,871	217,091
NET ASSETS	1,234,455	1,410,753	–	1,271,453	1,410,753
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,234,455	1,410,753	–	1,271,453	1,410,753
Reserves	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	1,234,455	1,410,753	–	1,271,453	1,410,753

The above table shows that community wealth amounts to R1, 271 billion, total liabilities R292, million and the total assets R1, 564 billion. Non-current liabilities are mainly made up of borrowing and provisions for long service award, landfill site. Taking the current liabilities and current assets together, the municipality has current ratio of 2.1:1 that is above the acceptable norm of 2:1. The municipality still needs to keep the current liabilities low and increase the current assets to strengthen the liquidity ratio.

Table C7: Monthly Budget Statement Cash Flow

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	37,194	54,392	-	3,574	7,731	7,897	(165)	-2%	54,392
Service charges	89,721	124,873	-	7,487	14,839	15,421	(582)	-4%	124,873
Other revenue	53,816	21,801	-	1,102	3,488	3,643	(154)	-4%	21,801
Transfers and Subsidies - Operational	333,406	363,745	-	2,896	152,920	154,023	(1,104)	-1%	363,745
Transfers and Subsidies - Capital	111,606	79,756	-	-	17,200	17,352	(152)	-1%	79,756
Interest	5,365	1,455	-	429	1,003	1,200	(197)	-16%	1,455
Payments									
Suppliers and employees	(499,712)	(585,183)	-	(44,189)	(104,887)	(103,255)	1,631	-2%	(585,183)
Finance charges	(1,314)	(931)	-	-	-	(87)	(87)	100%	(931)
Transfers and Grants	(1,787)	(3,176)	-	(331)	(475)	(488)	(13)	3%	(3,176)
NET CASH FROM/(USED) OPERATING ACTIVITIES	128,295	56,732	-	(29,030)	91,820	95,706	3,886	4%	56,732
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	851	-	-	-	-	-	-	851
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-
Payments									
Capital assets	(98,645)	(72,485)	-	(179)	(646)	(3,545)	(2,900)	82%	(72,485)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(98,645)	(71,634)	-	(179)	(646)	(3,545)	(2,900)	82%	(71,634)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	237	-	(12)	(12)	42	(55)	-129%	237
Payments									
Repayment of borrowing	(7,251)	(7,246)	-	-	-	(651)	(651)	100%	(7,246)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(7,251)	(7,009)	-	(12)	(12)	(609)	(596)	98%	(7,009)
NET INCREASE/ (DECREASE) IN CASH HELD	22,400	(21,911)	-	(29,222)	91,162	91,552			(21,911)
Cash/cash equivalents at beginning:	10,539	41,668	-		41,668	41,668			41,668
Cash/cash equivalents at month/year end:	32,939	19,757	-		132,830	133,220			19,757

Table C7 presents details pertaining to cash flow performance. As at end of August 2023, the net cash inflow from operating activities is R91, 820 million whilst net cash outflow from investing activities is R646 thousand that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R12 thousand. The cash and cash equivalent held at end of August 2023 amounted to R132, 830 million and the net effect of the above cash flows is cash inflow movement of R91, 162 million. The cash and cash equivalent at end of the reporting period of R132, 830 million, is mainly made up of cash in the primary bank account amounting to R1, 357 million with a short term investment amounting to R131, 472 million at the end of August 2023.

PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
Property rates	-33%	The projected monthly revenue appears to be higher in light of the actual revenue performance	The municipality should improve on the revenue collection and strategise on collection revenue
Service charges - electricity revenue	-6%	The projected monthly revenue appear to be higher in light of the actual revenue performance	The municipality should introduce cut off measurements as means to inforce customers to pay their accounts when due.
Service charges - refuse revenue	-2%	The actual revenue generated is slightly lower than the projected monthly revenue	The municipality should ensure revenue is collected in all business areas where skips are located
Rental of facilities and equipment	614%	The actual revenue generated is more than the projected monthly revenue and the majority of the rented assets are not at arm's length transactions	No remedial action needed.
Interest earned - external investments	632%	The municipality has invested in six different investment portfolios with ABSA and Nedbank, and the actual interest generated is more budgeted revenue	The municipality should draft cash flow projections plan which will assist if there is a need to invest during the budget preparations to avoice variances.
Interest earned - outstanding debtors	157%	The actual revenue generated is more than the projected monthly revenue.	The municipality should encourage customers to pay the accounts on time to avoid incurring interest.
Fines, penalties and forfeits	-94%	The actual revenue issued on speed cameras is less that the pojections. The contract of the speed fine cameras has been appointed, however there still slow collection in terms of revenue collection.	The municipality should strategies on how to speed up the revenue collection under this item. There should be road blocks in the groblersdal entrences where cashiers are available to collection on outstanding traffic fines.
Licences and permits	-15%	The actual revenue generated is slightly less than the projected monthly revenue	No remedial action is needed since the variance is immeterial.
Transfers and subsidies	0%	The equitable share trenches received is slightly lower than the projections thereof.	The budget team should request LPT DORA to guide in the projections during the final budget preparations.
Other revenue	-676%	The actual revenue generated is less than the projected monthly revenue.	The municipality should ensure that all write offs on the outstanding debts are true reflections of what should be written off and investigate the negative figures on other revenue.
Expenditure By Type			
Employee related costs	-13%	The actual expenditure incurred on employee related costs is less than the projections thereof	Majority of the positions are vacant, improvements should show once are the positions are filled.
Remuneration of councillors	-6%	The actual expenditure incurred on remuniration of councillors is slightly less than the projected monthly expenditure	No remedial action is needed.
Debt impairment	-100%	Debt impairment has not been calculated for the month of July and August.	The municipality should introduce the method of calculating debt impairment on monthly basis to avoid the the variances.
Depreciation & asset impairment	0%	Depreciation has been calculated for the year to date actual and the actuals is slight more than the projections.	The municipality has introduced the method of calculating depreciation on monthly basis as they Asset module contract with the system vendor.
Finance charges	-100%	Finance charges is mainly for finance lease and the municipality has a lease contract with Afriventpty ltd.	The municipality should encourages the service provider to submit invoices before month end sytem closure so payments are processed and captured on the system to avoid variances.
Bulk purchases	-36%	The municipal licenced electrification areas have increased and the projections are more than the actual expenditure.	The municipality should encourages the service provider (Eskom) to submit invoices before month end sytem closure so payments are processed and captured on the system to avoid variances.
Other materials	-62%	The projected expendire is more than the actual expenditure thereof.	The municipality should have establish a clear maintenance plan policy to ensure all their vehicles and other assets are maintained to avoid their assets depreciated quickly than their lifes span.
Contracted services	-26%	The actual expenditure incured is less than the projected monthly expenditure	Majority of contractors are paid after month end. The municipality should encourage contractors to submit invoices on time to avoid variances and ultimately improves cash flow management.
Transfers and subsidies	81%	The actual expenditure incured is more than the projected monthly expenditure	No remedial action is needed
Other expenditure	-12%	The actual expenditure incured is less than the projected monthly expenditure	The municipality should identify expenditure lead to significant variances and improve on those items to avoid the variances.

Supporting Table: SC 1 Material Variance Explanations (Continuation)

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
National Government	-92%	The projections on capital grants is more than the spending thereof.	Majority of projects haven't started according their planned schedules, the municipality should fasten the implementation process to avoid unspent grants being returned to national treasury after year end.
Internally generated funds	-78%	The actual spending on internally generated funds is less than the projections thereof.	The municipality should implement all the internal projects to ensure service delivery is achieved.
Cash Flow			
Property rates	-2%	The actual collection rate on property rates is less than the projected rate	The municipality should keep on improving on the actual collection on residential and business areas and encourage customers to pay their accounts when they are due.
Service charges	-4%	The collection rate on service charges is less than the projected rate	The municipality should come up strategies of collection methods in licenced municipal areas on electricity billings and refuse removal.
Other revenue	-4%	The collection rate on leased assets is slightly over projected	The municipality should come up with strategies to ensure that all leased municipal assets are rented out as projected
Government - operating	-1%	The receipted trenches of operational grants are not in line with the projections thereof.	The municipality should make use of DORA during the draft and final budget preparations.
Government - Capital	-1%	The receipted trenches of capital grants are in line with the projections however there is slow implementations of the capital projects.	The municipality should make use of DORA during the draft and final budget preparations.
Interest	-16%	Interest on other revenue is over projected to the under collection from other debtors	No remedial action is needed
Suppliers and employees	-2%	The actual costs incurred is less than the projected costs and the variance is caused by overspending on contracted services, other materials and other expenditure.	The variance is caused by outstanding payment on Contracted services, Other materials and general expenses therefore the municipality should avoid closing the year end with outstanding creditors
Finance charges	100%	The finance costs which is for finance lease contracts has not paid.	The municipality should encourages Afrivent to send invoices on time and the fleet unit should prepare invoices on time to avoid the material variances.
Transfers and Grants	3%	The payments relating to this account are less than the projections thereof	No remedial action is needed
Capital assets	82%	The projected capital expenditure on capex is more than the actual spending thereof.	The municipality should fast track implementation of all capital projects.
Increase (decrease) in consumer deposits	0%	The actual payments on consumer deposit is less than the projections thereof	No remedial action is needed
Repayment of borrowing	100%	The projections is not in line with the amortisation schedule	The municipality should make use of amortisation during budget preparations and ensure the payments are inline with the amortisation schedule.

Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2023/24											
	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	Bad Debts Written Off	Impairment - Bad Debts
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Electricity	9,756	1,322	310	126	161	98	125	3,442	15,341	3,952	-	-
Receivables from Non-exchange Transactions - Property Rates	4,997	2,635	2,154	2,123	1,975	1,807	2,032	57,741	75,464	65,678	-	-
Receivables from Exchange Transactions - Waste Management	1,075	715	416	431	398	384	383	22,003	25,806	23,600	-	-
Receivables from Exchange Transactions - Property Rental Debtors	328	11	16	16	20	37	4	1,456	1,889	1,534	-	-
Interest on Arrear Debtor Accounts	1,282	1,274	1,224	1,199	1,166	1,141	1,245	57,847	66,379	62,598	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	1,078	325	(337)	(278)	57	(39)	(51)	4,250	5,005	3,939	-	-
Total By Income Source	18,517	6,282	3,784	3,617	3,776	3,429	3,738	146,741	189,884	161,301	-	-
2022/23 - totals only	12,408	5,852	3,684	3,769	4,182	3,602	18,485	133,545	185,527	163,584	-	-
Debtors Age Analysis By Customer Group												
Organs of State	2,118	1,487	755	665	897	865	729	43,574	51,090	46,730	-	-
Commercial	9,373	1,250	536	482	516	365	457	9,740	22,719	11,560	-	-
Households	6,443	3,086	2,134	2,152	2,085	1,960	1,948	91,743	111,550	99,888	-	-
Other	583	459	359	318	278	240	604	1,685	4,525	3,124	-	-
Total By Customer Group	18,517	6,282	3,784	3,617	3,776	3,429	3,738	146,741	189,884	161,301	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of August amount to R189, 884 million. The debtors' book is made up as follows:

- Rates 40%
- Electricity 8%
- Rental 1%
- Refuse removal 14%
- Interest on Debtors 35%
- Other 2%

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

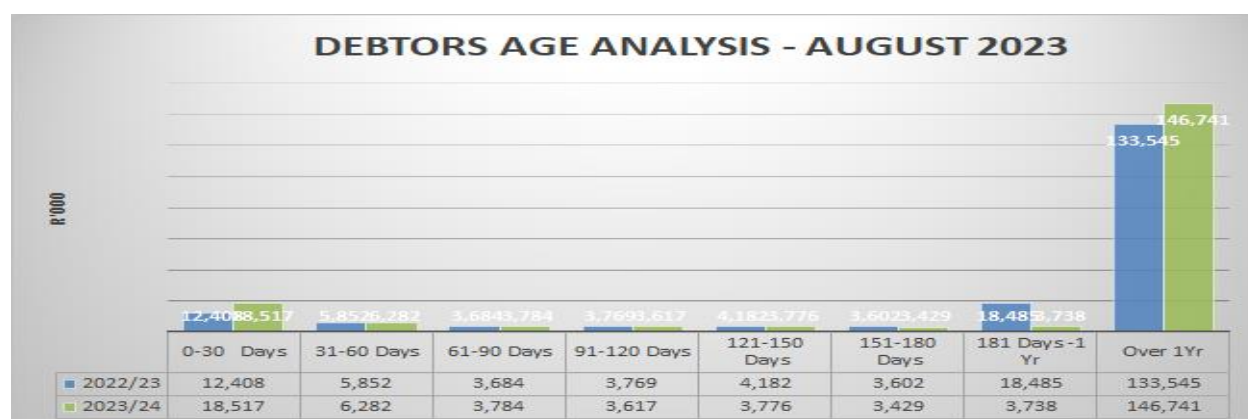
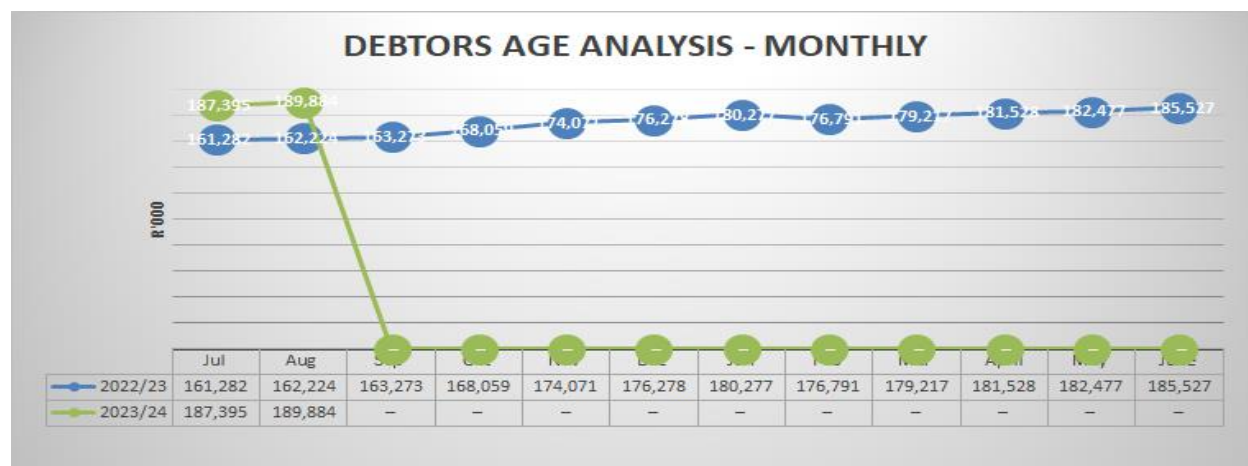


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2022-23 financial year and 2023/24 (as at end of August 2023) whilst the latter shows monthly movement of debtors for both the current financial year and the 2022-23 financial year. The debtors book is materially less than the 2023/24 monthly figures and this is an indication that the municipality is not performing well in terms of collection.

Below is list of top twenty debtors that contribute significantly to the ever-growing debt book.

TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	HAND OVER	OUTSTANDING BALANCE
10858	HUILBOS BELEGGINGS PTY LTD	ACTIVE	OWNER	N	1,948,402
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	N	1,505,323
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OCCUPIER	Y	1,214,133
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	N	1,115,779
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	Y	874,676
3992	FAMILIA TRUST 20152/2014	ACTIVE	OWNER	N	566,156
1200062	GREAT NORTH TRANSPORT	ACTIVE	OCCUPIER	N	507,189
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	N	494,282
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	N	487,719
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OCCUPIER	Y	465,755
1501364	JAN JOUBERT TRUST (JO JO TANKS)	ACTIVE	OCCUPIER	N	437,386
9002503	GOUWS BOERDERY TRUST 1999/022459/07	ACTIVE	OWNER	N	425,085
9001667	NDEBELE MAHLANGU TRIBE	ACTIVE	OWNER	N	414,871
9001668	NDEBELE MAHLANGU TRIBE	ACTIVE	OWNER	N	414,533
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	Y	408,624
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	Y	408,489
9002327	LEMOS EMANUEL MARQUES DE	ACTIVE	OWNER	N	406,934
1000017	ARABIE EIENDOMME (PTY) LTD	ACTIVE	OWNER	N	391,254
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	N	384,073
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	N	374,464
TOTAL					13,245,128

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2023/24									Prior year totals
	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	
Creditors Age Analysis By Customer Type										
Bulk Electricity										-
Bulk Water										-
PAYE deductions										-
VAT (output less input)										-
Pensions / Retirement deductions										-
Loan repayments										-
Trade Creditors	370									370
Auditor General										-
Other										-
Total By Customer Type	370	-	-	-	-	-	-	-	-	370

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice.

The contracted services are to be paid through order system payments and that should feed the age analysis module every month.

Supporting Table: SC 5 - Investment Portfolio

The Municipality had short investment portfolios during the month of August 2023 with an opening balance of R90, 469 million, and reinvested an additional amount of R60, 202 million in various investment portfolios. An amount R1, 003 million was earned as an interest, withdrew R20, 202 million, closed off with R131, 472 million at the end of August 2023.

Name of institution & investment ID	Period of Investment	Type of Investment	Interest Rate	Commission Paid	Expiry Date	Opening Balance	Interest Earned	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
ABSA (9381052783)	1 Month	Current Investment	8.9%		31-Aug-23	-	292,603	-	40,000,000	40,292,603
NEDBANK (037881068264000066)		Current Investment	9.2%		21-Aug-23	20,101,041	101,041	- 20,202,082	-	-
NEDBANK (037881068264000067)		Current Investment	9.3%		20-Aug-23	20,101,808	157,803	-	-	20,259,611
ABSA (2081162528)		Current Investment	9.6%		20-Nov-23	25,137,363	202,774	-	-	25,340,137
ABSA (2081162388)		Current Investment	9.4%		20-Oct-23	25,129,041	200,014	-	-	25,329,055
NEDBANK CALL ACCOUNT (037881068264000037)		Current Investment	7.0%		31-Aug-23	-	48,706	-	20,202,082	20,250,789
TOTAL INVESTMENTS AND INTEREST						90,469,253		- 20,202,082	60,202,082	131,472,194

Supporting Table: SC 6 - Transfers and Grant Receipts

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	338,905	363,745	-	2,850	152,827	150,588	2,239	1%	363,745
Local Government Equitable Share	334,259	358,519	-	-	149,383	147,144	2,239	2%	358,519
Finance Management	2,850	2,850	-	2,850	2,850	2,850	-		2,850
EPWP Incentive	1,796	2,376	-	-	594	594	-		2,376
Other grant providers:	358	-	-	46	46	-	46	#DIV/0!	-
LGSETA Learnership and Development	358			46	46		46	#DIV/0!	
Total Operating Transfers and Grants	339,263	363,745	-	2,896	152,873	150,588	2,285	2%	363,745
Capital Transfers and Grants									
National Government:	111,606	79,756	-	-	17,200	18,850	(1,650)	-9%	79,756
Municipal Infrastructure Grant (MIG)	94,606	65,356	-	-	13,500	14,615	(1,115)	-8%	65,356
Integrated National Electrification Grant	17,000	14,400	-	-	3,700	4,235	(535)	-13%	14,400
Provincial Government:	-	-	-	-	-	-	-		-
Coghsta - Development									
District Municipality:	-	-	-	-	-	-	-		-
N/A									
Other grant providers:	-	-	-	-	-	-	-		-
N/A									
Total Capital Transfers and Grants	111,606	79,756	-	-	17,200	18,850	(1,650)	-9%	79,756
TOTAL RECEIPTS OF TRANSFERS & GRANTS	450,869	443,501	-	2,896	170,073	169,438	635	0%	443,501

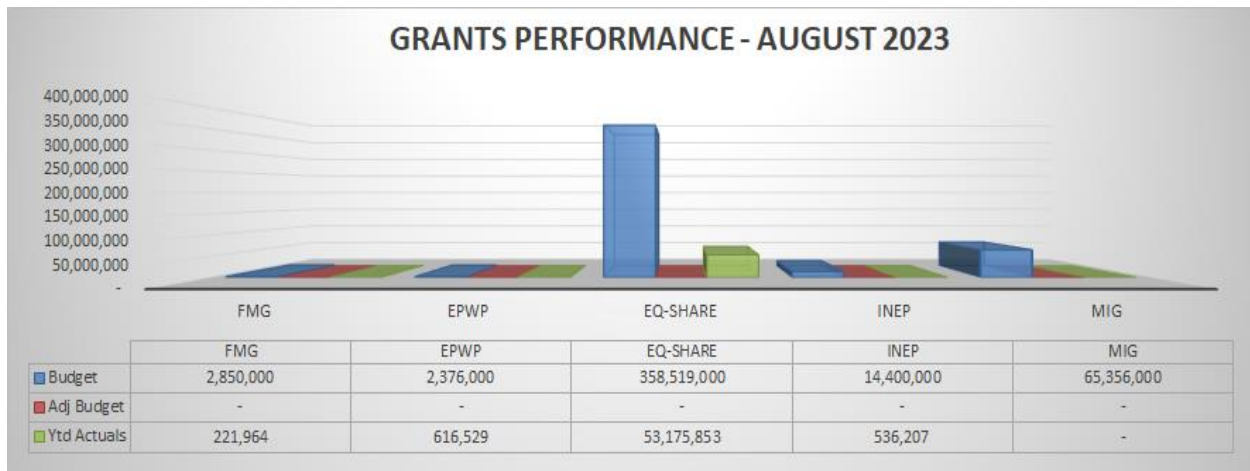
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R170, 073 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R149, 383 million; Financial Management Grant amounting to R2, 850 million; LGSETA amounting to R46 hundred, Municipal Infrastructure Grant amounting to R13, 500 million; Integrated National Energy Grant R3, 700 million and Expanded Public Works Programme R594 thousand were received. All the trenches of the grants allocated for the current financial year, have been received in line with National Treasury payment schedule.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	338,905	363,745	-	31,547	54,014	58,361	(4,346)	-7%	363,745
Local Government Equitable Share	334,259	358,519	-	30,996	53,176	57,751	(4,575)	-8%	358,519
Finance Management	2,850	2,850	-	222	222	214	8	4%	2,850
EPWP Incentive	1,796	2,376	-	329	617	396	221	56%	2,376
Total operating expenditure of Transfers and Grants:	339,263	363,745	-	31,547	54,014	58,361	(4,346)	-7%	363,745
Capital expenditure of Transfers and Grants									
National Government:	90,896	79,756	-	536	536	5,625	(5,089)	-90%	79,756
Municipal Infrastructure Grant (MIG)	73,896	65,356	-	-	-	2,428	(2,428)	-100%	65,356
Intergrated National Electrification Grant	17,000	14,400	-	536	536	3,197	(2,661)	-83%	14,400
Provincial Government:	-	-	-	-	-	-	-		-
Coghsta - Development		-					-		
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							0		
Total capital expenditure of Transfers and Grants	90,896	79,756	-	536	536	5,625	(5,089)	-90%	79,756
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	430,159	443,501	-	32,083	54,551	63,986	(9,435)	-15%	443,501

An amount of R32, 083 million has been spent on grants during the month of August 2023 and the year to date actuals is R54, 551 million whilst the year to date budget amounts to R63, 986 million and this results in an under spending variance of R9 435 million that translates to 14.7%. Of the total spending amounting to R54, 551 million, 54, 014 million is spent on operational grants whilst capital grants spent R536 thousand.

Figure 5: Grants performance



The above graph depicts the gazetted and budgeted amounts for all the grants and the expenditure thereof as at end of August 2023. The grants expenditure are shown below in percentages:

- Financial Management Grant 7.79%
- Expanded Public Work Programme 25.95%
- Equitable Share 14.83%
- Integrated National Electrification Grant 3.72%
- Municipal Infrastructure Grant 0%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councillor remuneration	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	14,631	16,222	–	1,223	2,446	2,704	(258)	-10%	16,222
Pension and UIF Contributions	2,008	2,060	–	172	343	343	(0)	0%	2,060
Medical Aid Contributions	91	89	–	8	16	15	1	7%	89
Motor Vehicle Allowance	5,376	5,399	–	450	900	900	–		5,399
Cellphone Allowance	2,511	2,489	–	207	415	415	–		2,489
Other benefits and allowances	239	230	–	19	38	38	–		230
Sub Total - Councillors	24,855	26,490	–	2,079	4,158	4,415	(257)	-6%	26,490
% increase		7%							7%
Senior Managers of the Municipality									
Basic Salaries and Wages	1,798	4,877	–	187	394	813	(418)	-51%	4,877
Pension and UIF Contributions	97	366	–	10	154	61	93	153%	366
Medical Aid Contributions	109	211	–	11	22	35	(14)	-39%	211
Motor Vehicle Allowance	200	545	–	32	64	91	(27)	-30%	545
Cellphone Allowance	58	168	–	7	14	28	(14)	-49%	168
Other benefits and allowances	97	361	–	0	0	60	(60)	-100%	361
Payments in lieu of leave	–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality	2,358	6,527	–	246	648	1,088	(440)	-40%	6,527
% increase		177%							177%
Other Municipal Staff									
Basic Salaries and Wages	105,415	124,064	–	9,213	18,395	20,677	(2,283)	-11%	124,064
Pension and UIF Contributions	20,535	25,011	–	1,804	3,609	4,169	(559)	-13%	25,011
Medical Aid Contributions	5,908	6,133	–	548	1,083	1,022	61	6%	6,133
Overtime	312	1,232	–	36	44	205	(161)	-78%	1,232
Motor Vehicle Allowance	14,071	15,907	–	1,285	2,549	2,651	(103)	-4%	15,907
Cellphone Allowance	1,919	1,830	–	165	327	305	22	7%	1,830
Housing Allowances	255	268	–	23	47	45	2	5%	268
Other benefits and allowances	10,609	12,655	–	185	350	1,083	(733)	-68%	12,655
Payments in lieu of leave	(177)	35	–	–	36	–	36	0%	35
Long service awards	812	797	–	218	267	137	130	94%	797
Post-retirement benefit obligations		–	–	–	–	–	–		–
Sub Total - Other Municipal Staff	159,659	187,932	–	13,478	26,707	30,294	(3,588)	-12%	187,932
% increase		18%							18%
Total Parent Municipality	186,872	220,949	–	15,804	31,513	35,797	(4,284)	-12%	220,949
		18%							18%
TOTAL SALARY, ALLOWANCES & BENEFITS	186,872	220,949	–	15,804	31,513	35,797	(4,284)	-12%	220,949
% increase		18%							18%
TOTAL MANAGERS AND STAFF	162,017	194,460	–	13,725	27,355	31,382	(4,027)	-13%	194,460

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of August 2023 amounts to R31, 513 million and the year to date budget is R35, 797 million and the expenditure for remuneration of councilors amounts to R4, 158 million while the year to date budget is R4, 415 million. The year to date actual expenditure for senior managers is R648 thousand and the year to date budget thereof is R1, 088 million. There are three senior managerial vacant positions (Budget and Treasury, Corporate services, and Planning) and this is causing underspending variance on budget performance for senior management. The year to date actuals for other municipal staff is R26, 707 million and the year to date budget is R30, 294 million. The remuneration of councilors, senior managers and other municipal staff category has under spending variance, and there are three vacant positions in the senior management level and the positions should be filled in the new financial year 2023/24.

Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts

Description	Budget Year 2023/24												2023/24 Medium Term Revenue & Expenditure Framework			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Year	Year +1	Year +2	
	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	2023/24	2024/25	2025/26	
Cash Receipts By Source																
Property rates	4,158	3,574	4,538	4,538	4,538	4,538	4,538	4,538	4,538	4,538	4,538	5,819	54,392	58,227	62,147	
Service charges - electricity revenue	6,586	6,734	5,694	6,635	7,695	8,658	7,560	7,491	6,533	11,620	13,585	23,215	112,005	130,679	153,686	
Service charges - refuse	494	468	516	572	516	627	516	683	516	627	795	883	7,213	7,791	8,385	
Rental of facilities and equipment	42	61	65	56	56	101	164	99	31	37	57	145	913	958	1,003	
Interest earned - external investments	573	429	320	-	-	190	123	-	-	150	-	(331)	1,455	1,600	1,659	
Interest earned - outstanding debtors	272	286	285	310	322	514	642	635	675	680	514	521	5,655	5,864	5,965	
Fines, penalties and forfeits	436	449	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,120	11,028	11,568	12,112	
Licences and permits	428	593	652	652	652	652	652	652	652	652	652	284	7,176	7,528	7,882	
Transfers and Subsidies - Operational	150,023	2,896	-	-	1,069	119,506	-	713	89,630	-	-	(93)	363,745	387,608	378,480	
Other revenue	1,480	-	2,684	-	-	-	-	-	-	-	-	(1,480)	2,684	2,816	2,948	
Cash Receipts by Source	164,492	15,489	15,757	13,766	15,850	135,789	15,198	15,813	103,578	19,306	21,144	30,083	566,266	614,639	634,268	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations)	17,200	-	19,500	-	5,200	16,776	-	4,000	17,080	-	-	-	79,756	76,283	79,692	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits	-	(12)	9	15	6	-	27	52	13	-	94	33	237	305	320	
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Decrease (increase) in non-current investments	-	-	88	89	-	103	95	105	106	108	0	156	851	891	935	
Total Cash Receipts by Source	181,692	15,477	35,353	13,870	21,056	152,668	15,320	19,971	120,778	19,414	21,238	30,272	647,110	692,118	715,215	
Cash Payments by Type																
Employee related costs	13,630	13,725	15,502	15,510	15,502	21,571	15,517	15,505	15,505	15,516	15,508	19,349	192,340	198,267	207,585	
Remuneration of councillors	2,079	2,079	2,237	2,237	2,237	2,237	2,237	2,237	2,237	2,237	2,237	2,609	26,900	28,218	29,544	
Interest paid	-	-	89	87	81	78	74	67	64	57	53	281	931	471	100	
Bulk purchases - Electricity	83	12,020	9,347	9,347	9,347	9,347	9,347	9,347	9,347	9,347	9,347	16,791	113,017	127,505	150,074	
Other materials	901	1,930	3,169	2,373	933	1,851	1,623	3,703	2,579	2,346	2,193	9,718	33,319	34,942	36,575	
Contracted services	2,593	5,361	4,801	5,239	6,088	6,053	5,721	5,279	4,868	4,643	4,376	8,498	63,520	67,294	70,501	
Grants and subsidies paid - other	145	331	66	66	66	66	270	151	66	66	66	1,818	3,176	3,417	3,671	
General expenses	6,459	8,672	4,068	3,544	3,738	3,480	4,287	4,193	4,781	3,651	4,146	(2,260)	48,758	49,202	51,469	
Cash Payments by Type	25,889	44,117	39,279	38,403	37,992	44,683	39,076	40,482	39,447	37,863	37,926	56,804	481,961	509,316	549,519	
Other Cash Flows/Payments by Type																
Capital assets	466	179	3,769	3,842	6,451	3,407	4,530	12,018	7,104	5,871	5,364	19,483	72,485	77,363	77,492	
Repayment of borrowing	-	-	588	592	597	602	606	611	615	620	625	1,790	7,246	5,456	-	
Other Cash Flows/Payments	34,953	402	-	-	-	-	-	40,000	-	-	-	31,974	107,329	67,329	67,329	
Total Cash Payments by Type	61,309	44,699	43,636	42,837	45,040	48,692	44,212	93,111	47,166	44,354	43,915	110,051	669,022	659,465	694,340	
NET INCREASE/(DECREASE) IN CASH HELD	120,384	(29,222)	(8,283)	(28,967)	(23,984)	103,976	(28,892)	(73,140)	73,612	(24,940)	(22,677)	(79,779)	(21,911)	32,654	20,875	
Cash/cash equivalents at the month/year beginning:	41,668	162,052	132,830	124,547	95,580	71,597	175,573	146,681	73,541	147,153	122,213	99,536	41,668	19,757	52,411	
Cash/cash equivalents at the month/year end:	162,052	132,830	124,547	95,580	71,597	175,573	146,681	73,541	147,153	122,213	99,536	19,757	19,757	52,411	73,286	

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R15, 477 million and the total cash payment for the month were R44, 699 million and this resulted in net decrease in cash held amounting to R29, 222 million. With cash and cash equivalent of R162, 052 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R132, 830 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance trend									
July	5,672	1,718	-	466	466	1,718	1,251	73%	1%
August	8,918	4,713	-	179	646	6,431	5,785	90%	1%
September	8,103	4,390	-	-		10,821	-		
October	14,431	8,295	-	-		19,115	-		
November	2,731	6,262	-	-		25,378	-		
December	9,925	13,059	-	-		38,437	-		
January	7,968	5,318	-	-		43,755	-		
February	6,909	4,512	-	-		48,266	-		
March	2,054	9,195	-	-		57,462	-		
April	12,525	4,478	-	-		61,940	-		
May	7,513	9,027	-	-		70,967	-		
June	11,895	13,189	-	-		84,156	-		
Total Capital expenditure	98,645	84,156	-	646					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of August amounts to R179 thousand. The year to date actual expenditure incurred is R646 thousand whilst the year to date budget is R6, 431 million that gives rise to under spending variance of R5, 785 million that translate to 90%.

Supporting Table: SC 13(a) Capital Expenditure on New Assets

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets by Asset Class									
Infrastructure	16,629	15,800	-	(447)	466	3,328	2,862	86%	15,800
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-
Road Structures									
Storm water Infrastructure	-	800	-	-	-	47	47	100%	800
Drainage Collection		800	-	-	-	47	47	100%	800
Electrical Infrastructure	15,895	15,000	-	(447)	466	3,281	2,815	86%	15,000
Power Plants	2,230		-	-	-	-	-	-	-
MV Substations	-	-	-	-	-	-	-	-	-
MV Networks	13,665	14,800	-	(447)	466	3,266	2,800	86%	14,800
Capital Spares	-	200	-	-	-	15	15	100%	200
Solid Waste Infrastructure	734	-	-	-	-	-	-	-	-
Landfill Sites							-	-	-
Waste Transfer Stations							-	-	-
Capital Spares	734	-	-	-	-	-	-	-	-
Community Assets	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes							-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-
Computer Equipment	1,930	700	-	-	-	81	81	100%	700
Computer Equipment	1,930	700	-	-	-	81	81	100%	700
Furniture and Office Equipment	1,036	1,100	-	179	179	360	181	50%	1,100
Furniture and Office Equipment	1,036	1,100	-	179	179	360	181	50%	1,100
Machinery and Equipment	2,227	200	-	-	-	50	50	100%	200
Machinery and Equipment	2,227	200	-	-	-	50	50	100%	200
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	21,822	17,800	-	(267)	646	3,819	3,173	83%	17,800

Supporting Table: SC 13(b) Capital Expenditure on Renewal of Existing Assets

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class									
Infrastructure	29,802	-	-	-	-	-	-	-	-
Roads Infrastructure	26,455	-	-	-	-	-	-	-	-
Roads	26,294	-	-	-	-	-	-	-	-
Road Furniture	161	-	-	-	-	-	-	-	-
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
MV Substations									
MV Switching Stations									
MV Networks	-								
Solid Waste Infrastructure	3,347	-	-	-	-	-	-	-	-
Landfill Sites	3,347	-	-	-	-	-	-	-	-
Capital Spares									
Community Assets	1,376	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	1,376	-	-	-	-	-	-	-	-
Police									
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities									
Other assets	247	-	-	-	-	-	-	-	-
Municipal Offices	247	-	-	-	-	-	-	-	-
Workshops									
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Software and Applications									
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets									
Total Capital Expenditure on renewal of existing assets	31,425	-	-	-	-	-	-	-	-

Supporting Table: SC 13(c) Repairs and Maintenance Expenditure

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure by Asset Class									
Infrastructure	26,633	19,481	-	980	1,220	2,770	1,550	56%	19,481
Roads Infrastructure	21,436	12,165	-	471	472	1,752	1,280	73%	12,165
Roads	21,436	12,165	-	471	472	1,752	1,280	73%	12,165
Road Furniture							-		
Electrical Infrastructure	2,203	6,073	-	334	398	811	413	51%	6,073
MV Substations							-		
MV Switching Stations							-		
MV Networks	2,203	6,073	-	334	398	811	413	51%	6,073
Solid Waste Infrastructure	2,994	1,243	-	175	350	207	(143)	-69%	1,243
Landfill Sites	2,994	1,243	-	175	350	207	(143)	-69%	1,243
Waste Transfer Stations							-		
Community Assets	537	573	-	-	1	139	138	99%	573
Community Facilities	537	573	-	-	1	139	138	99%	573
Parks	537	573	-	-	1	139	138	99%	573
Other assets	1,443	1,698	-	35	39	460	421	92%	1,698
Operational Buildings	1,443	1,698	-	35	39	460	421	92%	1,698
Municipal Offices	1,443	1,698	-	35	39	460	421	92%	1,698
Intangible Assets	58	211	-	-	-	13	13	100%	211
Licences and Rights	58	211	-	-	-	13	13	100%	211
Computer Software and Applications	58	211	-	-	-	13	13	100%	211
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	7,250	6,262	-	1,086	1,979	1,376	(603)	-44%	6,262
Machinery and Equipment	7,250	6,262	-	1,086	1,979	1,376	(603)	-44%	6,262
Transport Assets	3,424	2,646	-	506	642	1,951	1,309	67%	2,646
Transport Assets	3,424	2,646	-	506	642	1,951	1,309	67%	2,646
Total Repairs and Maintenance Expenditure	39,346	30,871	-	2,607	3,882	6,710	2,828	42%	30,871

Supporting Table: SC 13(d) Depreciation and asset impairment

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	43,983	51,395	-	3,840	7,727	4,414	(3,313)	-75%	51,395
Roads Infrastructure	37,525	43,096	-	3,316	6,631	3,372	(3,259)	-97%	43,096
Roads	37,233	43,096	-	3,277	6,554	3,291	(3,262)	-99%	43,096
Road Structures	227			19	39	40	2	4%	
Road Furniture	64			19	39	40	2	4%	
Storm water Infrastructure	-	440	-	-	-	37	37	100%	440
Drainage Collection	-	440	-	-	-	37	37	100%	440
Electrical Infrastructure	5,390	7,083	-	510	982	898	(84)	-9%	7,083
MV Substations		4,238	-	128	263	353	90	26%	4,238
MV Switching Stations				30	60	61	1	1%	
MV Networks	3,254	2,845	-	122	194	237	43	18%	2,845
LV Networks				54	107	11	(97)	-892%	
Capital Spares	2,136			176	357	236	(121)	-52%	
Solid Waste Infrastructure	1,068	777	-	14	114	107	(7)	-6%	777
Landfill Sites	764	777	-	(7)	67	65	(2)	-3%	777
Waste Transfer Stations							-		
Waste Processing Facilities	302			21	46	42	(4)	-10%	
Capital Spares	3			0	0	0	(0)	-253%	
Community Assets	1,039	1,333	-	91	179	297	118	40%	1,333
Community Facilities	799	1,333	-	68	137	255	118	0	1,333
Halls				3	5	5	(1)	-11%	
Centres				15	31	32	1	4%	
Cemeteries/Crematoria	91			8	16	17	2	10%	
Purls	456			0	0	2	2	83%	
Public Open Space	-	1,333	-	-	-	111	111	100%	1,333
Taxi Ranks/Bus Terminals				21	42	43	1	2%	
Capital Spares	252			21	43	44	1	3%	
Sport and Recreation Facilities	240	-	-	22	42	42	(0)	0%	-
Indoor Facilities	240						-		
Outdoor Facilities				22	42	42	(0)	0%	
Heritage assets	-	6	-	-	-	1	1	100%	6
Other Heritage	-	6	-	-	-	1	1	100%	6
Other assets	3,999	4,453	-	338	674	626	(48)	-8%	4,453
Operational Buildings	3,999	4,453	-	243	484	440	(44)	-10%	4,453
Municipal Offices	3,999	4,453	-	209	417	371	(45)	-12%	4,453
Stores				3	5	7	1	16%	
Training Centres				31	62	62	(0)	0%	
Housing	-	-	-	95	190	186	(3)	-2%	-
Social Housing				95	190	186	(3)	-2%	
Intangible Assets	7	88	-	1	1	9	8	88%	88
Servitudes				1	1	2	1	43%	
Licences and Rights	7	88	-	(0)	-	7	7	100%	88
Computer Software and Applications	7	88	-	(0)	-	7	7	100%	88
Load Settlement Software Applications							-		
Computer Equipment	835	974	-	75	149	155	5	3%	974
Computer Equipment	835	974	-	75	149	155	5	3%	974
Furniture and Office Equipment	766	651	-	68	131	121	(9)	-8%	651
Furniture and Office Equipment	766	651	-	68	131	121	(9)	-8%	651
Machinery and Equipment	3,355	3,118	-	258	505	651	145	22%	3,118
Machinery and Equipment	3,355	3,118	-	258	505	651	145	22%	3,118
Transport Assets	6,645	3,384	-	486	946	436	(509)	-117%	3,384
Transport Assets	6,645	3,384	-	486	946	436	(509)	-117%	3,384
Total Depreciation	60,629	65,402	-	5,154	10,312	6,710	(3,603)	-54%	65,402

Supporting Table: SC 13(e) Capital Expenditure on upgrading of Existing Assets

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class									
Infrastructure	44,323	66,356	-	-	-	2,612	2,612	100%	66,356
Roads Infrastructure	43,487	65,356	-	-	-	2,428	2,428	100%	65,356
Roads	43,487	65,356	-	-	-	2,428	2,428	100%	65,356
Storm water Infrastructure	-	-	-	-	-	-	-	-	-
Drainage Collection									
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
MV Substations									
MV Switching Stations									
MV Networks									
LV Networks									
Solid Waste Infrastructure	836	1,000	-	-	-	185	185	100%	1,000
Landfill Sites	836	1,000	-	-	-	185	185	100%	1,000
Waste Transfer Stations									
Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Parks									
Other assets	1,075	-	-	-	-	-	-	-	-
Operational Buildings	1,075	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Yards	1,075	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Computer Software and Applications									
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment									
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment									
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment									
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets									
Total Capital Expenditure on upgrading of existing assets	45,398	66,356	-	-	-	2,612	2,612	100%	66,356

Supporting table SC13a, SC13b and SC13e provide details of capital expenditure in terms of asset classification based on new assets and renewal of existing assets; while table SC13c provide details of expenditure performance on repairs and maintenance by asset classification and Table SC13d presents expenditure on depreciation and asset impairment. These tables present the capital programme, and assets management and performance of the Municipality.

The total expenditure for new capital projects amounts to R646 thousand and the year to date budget is R3, 819 million that reflects under spending variance of R3, 173 million that translates to 83.1% variance.

The renewal of existing assets is not budgeted for the 2023/24 financial year.

The year to date actual expenditure on repairs and maintenance is R3, 882 million, and the year to date budget is R6, 710 million, reflecting a positive spending variance of R2, 828 million that translates to 42.1%.

The year to date actual expenditure on upgrading of existing assets is R0 and the year to date budget is R2, 612 million, reflecting a positive spending variance of R2, 612 million that translates to 100%.

The year to date actual expenditure on depreciation and asset impairment is R10, 312 and the year to date budget is R6, 710 million, reflecting a negative spending variance of R3, 603 million, that translates to 53.7% which means the integration between asset management system and core financial system is working which is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is complying mSCOA requirements in terms of the depreciation method.

List of Capital Programmes and Projects

Department	Project Description	Type	Asset Class	Asset Sub-Class	2023/24 Medium Term Revenue and Expenditure Framework		
					Original Budget	YTD Actuals	Percentage
Community Services	Furniture and Office Equipment	Single	Furniture and Office Equipment	Furniture and Office Equipment	800,000	-	0%
	Machinery and Equipment	Single	Machinery and Equipment	Machinery and Equipment	100,000	-	0%
Corporate Services	Fencing of Roosenekal Landfill Site	Multi	Solid Waste Infrastructure	Landfill Sites	1,000,000	-	0%
	Computer Equipment	Multi	Computer Equipment	Computer Equipment	700,000	179,450	26%
Technical Services	Furniture and Office Equipment	Single	Furniture and Office Equipment	Furniture and Office Equipment	300,000	-	0%
	Goblersdal Stormwater	Single	Storm water Infrastructure	Drainage Collection	800,000	-	0%
	Upgrading of Hlogottlou-Bopanang Road	Multi	Roads Infrastructure	Roads	12,275,600	-	0%
	Upgrading of Kgobokwane-Kgaphamadi Road	Multi	Roads Infrastructure	Roads	20,580,400	-	0%
	Upgrading of Malaeneng A Ntwane Access Road	Multi	Roads Infrastructure	Roads	10,000,000	-	0%
	Upgrading of Mokumong Access Road to Marateng Taxi Rank	Multi	Roads Infrastructure	Roads	22,500,000	-	0%
	Electrification of Magukubjane	Single	Electrical Infrastructure	MV Networks	400,000	-	0%
	Electrification of Masakaneng	Multi	Electrical Infrastructure	MV Networks	8,000,000	-	0%
Electrification of Motetema High view	Single	Electrical Infrastructure	MV Networks	2,000,000	-	0%	
Electrification of Phooko	Single	Electrical Infrastructure	MV Networks	1,400,000	-	0%	
Electrification of Phomola	Single	Electrical Infrastructure	MV Networks	2,000,000	466,267	23%	
Electrification of Vlakfontein	Single	Electrical Infrastructure	MV Networks	1,000,000	-	0%	
	Aircons	Single	Furniture and Office Equipment	Furniture and Office Equipment	200,000	-	0%
	Machinery and Equipment	Single	Machinery and Equipment	Machinery and Equipment	100,000	-	0%

Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of 31 August 2023 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM472)



M.M KGWALE
MUNICIPAL MANAGER

Date: 13 September 2023