

# ELIAS MOTSOLEDI LOCAL MUNICIPALITY



## MONTHLY BUDGET STATEMENT REPORT

**DECEMBER 2022**

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## 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 December 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 2021-22 financial year audit final report is out.

### IN YEAR BUDGET STATEMENT TABLES

DESCRIPTION	2022/23			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	601,350,985	-	334,512,867	56%
OPERATING EXPENDITURE	597,283,011	-	239,916,437	40%
TRANSFER - CAPITAL	79,606,004	-	44,960,279	56%
SURPLUS/(DEFICIT)	83,673,978	-	140,898,630	168%
CAPITAL EXPENDITURE	98,041,001	-	49,780,917	51%

**Table C1 – Budget Statement Summary**

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Financial Performance</b>									
Property rates	39,913	44,645	-	4,852	29,361	22,322	7,038	32%	44,645
Service charges	108,243	117,968	-	7,402	52,666	59,386	(6,719)	-11%	117,968
Investment revenue	1,780	3,652	-	248	897	1,480	(583)	-39%	3,652
Transfers and subsidies	297,765	338,906	-	105,214	238,030	254,918	(16,888)	-7%	338,906
Other own revenue	30,108	96,180	-	2,028	13,559	51,150	(37,591)	-73%	96,180
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>477,810</b>	<b>601,351</b>	<b>-</b>	<b>119,743</b>	<b>334,513</b>	<b>389,256</b>	<b>(54,743)</b>	<b>-14%</b>	<b>601,351</b>
Employee costs	157,625	185,316	-	21,430	87,806	92,667	(4,861)	-5%	185,316
Remuneration of Councillors	24,783	25,580	-	2,141	12,841	12,790	51	0%	25,580
Depreciation & asset impairment	-	59,780	-	-	-	29,890	(29,890)	-100%	59,780
Finance charges	1,121	2,185	-	-	137	1,345	(1,208)	-90%	2,185
Materials and bulk purchases	136,677	148,283	-	13,356	71,558	72,693	(1,135)	-2%	148,283
Transfers and subsidies	1,547	3,292	-	130	552	1,767	(1,214)	-69%	3,292
Other expenditure	143,963	172,846	-	13,140	67,021	100,956	(33,936)	-34%	172,846
<b>Total Expenditure</b>	<b>465,716</b>	<b>597,283</b>	<b>-</b>	<b>50,197</b>	<b>239,916</b>	<b>312,109</b>	<b>(72,192)</b>	<b>-23%</b>	<b>597,283</b>
<b>Surplus/(Deficit)</b>	<b>12,094</b>	<b>4,068</b>	<b>-</b>	<b>69,546</b>	<b>94,596</b>	<b>77,147</b>	<b>17,449</b>	<b>23%</b>	<b>4,068</b>
Transfers and subsidies - capital (monetary allocations)	67,914	79,606	-	7,908	46,302	59,977	(13,675)	-23%	79,606
Surplus/(Deficit) after capital transfers & contributions	80,008	83,674	-	77,454	140,899	137,124	3,774	3%	83,674
<b>Share of surplus/ (deficit) of associate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/ (Deficit) for the year</b>	<b>80,008</b>	<b>83,674</b>	<b>-</b>	<b>77,454</b>	<b>140,899</b>	<b>137,124</b>	<b>3,774</b>	<b>3%</b>	<b>83,674</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>72,706</b>	<b>98,041</b>	<b>-</b>	<b>9,925</b>	<b>49,781</b>	<b>60,797</b>	<b>(11,016)</b>	<b>-18%</b>	<b>98,041</b>
Capital transfers recognised	70,770	79,606	-	8,070	44,960	49,744	(4,784)	-10%	79,606
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	1,936	18,435	-	1,856	4,821	11,053	(6,233)	-56%	18,435
<b>Total sources of capital funds</b>	<b>72,706</b>	<b>98,041</b>	<b>-</b>	<b>9,925</b>	<b>49,781</b>	<b>60,797</b>	<b>(11,016)</b>	<b>-18%</b>	<b>98,041</b>
<b>Financial position</b>									
Total current assets	133,384	158,966	-	-	274,817	-	-	-	158,966
Total non current assets	1,223,261	1,325,025	-	-	1,236,618	-	-	-	1,325,025
Total current liabilities	92,636	120,343	-	-	176,259	-	-	-	120,343
Total non current liabilities	78,238	113,710	-	-	99,335	-	-	-	113,710
Community wealth/Equity	1,185,771	1,249,938	-	-	1,235,841	-	-	-	1,249,938
<b>Cash flows</b>									
Net cash from (used) operating	72,937	94,811	-	55,495	93,430	84,414	(9,016)	-11%	94,811
Net cash from (used) investing	(70,756)	(78,022)	-	(9,925)	(49,781)	(52,811)	(3,030)	6%	(78,022)
Net cash from (used) financing	(2,441)	(6,971)	-	-	(542)	(510)	32	-6%	(6,971)
<b>Cash/cash equivalents at the month/year end</b>	<b>6,597</b>	<b>24,063</b>	<b>-</b>	<b>-</b>	<b>49,704</b>	<b>45,338</b>	<b>(4,366)</b>	<b>-10%</b>	<b>16,415</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 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>
Debtors Age Analysis									
Total By Income Source	15,977	5,244	4,594	4,170	3,086	3,780	18,354	121,072	176,278
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 December is R344, 513 million and the year to date budget of R389, 256 million and this reflects a negative variance of R54, 743 million which is mostly attributable to equitable shares received amounting to R235, 166 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 39% unfavorable variance,
- Interest earned – outstanding debtors: 32% unfavorable variance,
- Rental on Facilities and Equipment: 17% unfavorable variance,
- Fines, penalties and forfeits: 97% unfavorable variance
- Services Charges – electricity revenue: 12% unfavorable variance
- Services Charges – refuse revenue: 8% unfavorable variance
- Licenses and permits: 17% favorable variance
- Property rates: 32% favorable variance
- Other revenue: 196% favorable
- Transfer and subsidies: 7% unfavorable

**Operating Expenditure**

The year to date operational expenditure as at end of December amounts to R239, 916 million and the year to date budget is R312, 109 million. This reflects underspending variance of R72, 192 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:

- Debt impairment: 100% under performance
- Depreciation and asset impairment: 100% under performance
- Finance charges: 90% under performance
- Other material: 31% over performance
- Bulk purchase: 14% under performance
- Contracted services: 23% over performance
- Transfer and subsidies: 69% under performance
- Other expenditure: 1% 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 December 2022 amounts to R49, 781 million and the year to date budget amounts to R60,797 million and this gives rise to R11,016 million under performance.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of December is R77, 454 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 December amounts to R176,278 million and this shows an increase of R17,940 million as compared to R158,338 million as at end of 2021/22 financial year.

Consumer debtors is made up of service charges and property rates that amount to R110,004 million and other debtors amounting to R66, 274 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 December as required by MFMA and as a result.

**Table C2 – Financial Performance (Standard Classification)**

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>249,584</b>	<b>281,883</b>	<b>-</b>	<b>76,633</b>	<b>189,984</b>	<b>199,169</b>	<b>(9,185)</b>	<b>-5%</b>	<b>281,883</b>
Executive and council	53,432	53,728	-	14,728	28,653	38,653	(10,000)	-26%	53,728
Finance and administration	185,365	214,701	-	57,660	150,876	150,061	815	1%	214,701
Internal audit	10,787	13,455	-	4,246	10,455	10,455	0	0%	13,455
<b>Community and public safety</b>	<b>23,607</b>	<b>96,507</b>	<b>-</b>	<b>11,517</b>	<b>21,605</b>	<b>57,830</b>	<b>(36,225)</b>	<b>-63%</b>	<b>96,507</b>
Community and social services	10,214	10,998	-	5,206	9,901	9,935	(33)	0%	10,998
Sport and recreation	11,148	17,075	-	5,992	10,733	10,753	(19)	0%	17,075
Public safety	2,244	68,435	-	319	970	37,142	(36,172)	-97%	68,435
<b>Economic and environmental services</b>	<b>122,556</b>	<b>124,248</b>	<b>-</b>	<b>18,387</b>	<b>82,308</b>	<b>86,708</b>	<b>(4,400)</b>	<b>-5%</b>	<b>124,248</b>
Planning and development	23,586	20,920	-	6,391	17,759	17,095	664	4%	20,920
Road transport	96,164	102,518	-	11,696	63,738	68,802	(5,065)	-7%	102,518
Environmental protection	2,806	811	-	300	811	811	(0)	0%	811
<b>Trading services</b>	<b>149,977</b>	<b>178,318</b>	<b>-</b>	<b>21,113</b>	<b>86,918</b>	<b>105,526</b>	<b>(18,608)</b>	<b>-18%</b>	<b>178,318</b>
Energy sources	121,594	145,384	-	12,478	63,040	80,575	(17,535)	-22%	145,384
Waste management	28,383	32,935	-	8,635	23,879	24,951	(1,072)	-4%	32,935
<b>Total Revenue - Functional</b>	<b>545,724</b>	<b>680,957</b>	<b>-</b>	<b>127,651</b>	<b>380,815</b>	<b>449,233</b>	<b>(68,418)</b>	<b>-15%</b>	<b>680,957</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>213,771</b>	<b>220,755</b>	<b>-</b>	<b>20,692</b>	<b>108,375</b>	<b>114,152</b>	<b>(5,778)</b>	<b>-5%</b>	<b>220,755</b>
Executive and council	41,413	47,573	-	2,907	19,475	22,247	(2,772)	-12%	47,573
Finance and administration	161,909	163,419	-	15,887	83,011	86,369	(3,358)	-4%	163,419
Internal audit	10,449	9,764	-	1,899	5,888	5,536	352	6%	9,764
<b>Community and public safety</b>	<b>35,025</b>	<b>89,593</b>	<b>-</b>	<b>5,037</b>	<b>19,368</b>	<b>55,904</b>	<b>(36,536)</b>	<b>-65%</b>	<b>89,593</b>
Community and social services	5,961	8,174	-	898	3,265	4,144	(879)	-21%	8,174
Sport and recreation	9,938	16,175	-	1,061	4,379	8,369	(3,991)	-48%	16,175
Public safety	19,126	65,243	-	3,078	11,724	43,391	(31,667)	-73%	65,243
<b>Economic and environmental services</b>	<b>63,229</b>	<b>120,750</b>	<b>-</b>	<b>11,013</b>	<b>42,849</b>	<b>62,723</b>	<b>(19,873)</b>	<b>-32%</b>	<b>120,750</b>
Planning and development	16,804	20,798	-	2,550	9,656	11,055	(1,399)	-13%	20,798
Road transport	46,228	99,257	-	8,463	33,193	51,320	(18,127)	-35%	99,257
Environmental protection	197	696	-	-	-	348	(348)	-100%	696
<b>Trading services</b>	<b>153,690</b>	<b>166,185</b>	<b>-</b>	<b>13,455</b>	<b>69,325</b>	<b>79,330</b>	<b>(10,005)</b>	<b>-13%</b>	<b>166,185</b>
Energy sources	120,044	134,925	-	9,537	52,144	63,829	(11,686)	-18%	134,925
Waste management	33,647	31,260	-	3,918	17,181	15,500	1,680	11%	31,260
<b>Total Expenditure - Functional</b>	<b>465,716</b>	<b>597,283</b>	<b>-</b>	<b>50,197</b>	<b>239,916</b>	<b>312,109</b>	<b>(72,192)</b>	<b>-23%</b>	<b>597,283</b>
<b>Surplus/ (Deficit) for the year</b>	<b>80,008</b>	<b>83,674</b>	<b>-</b>	<b>77,454</b>	<b>140,899</b>	<b>137,124</b>	<b>3,774</b>	<b>3%</b>	<b>83,674</b>

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

Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue by Vote</b>									
Vote 1 - Executive & Council	47,876	47,271	-	12,613	23,196	33,196	(10,000)	-30%	47,271
Vote 2 - Municipal Manager	36,327	46,531	-	17,235	37,531	37,531	0	0%	46,531
Vote 3 - Budget & Treasury	82,410	103,972	-	16,894	62,670	58,845	3,825	7%	103,972
Vote 4 - Corporate Services	44,128	50,627	-	19,216	44,164	45,174	(1,010)	-2%	50,627
Vote 5 - Community Services	62,834	138,801	-	21,834	51,579	88,460	(36,881)	-42%	138,801
Vote 6 - Technical Services	231,991	265,908	-	31,346	137,987	163,003	(25,016)	-15%	265,908
Vote 7 - Developmental Planning	16,336	12,923	-	3,315	11,763	11,099	664	6%	12,923
Vote 8 - Executive Support	23,821	14,925	-	5,198	11,925	11,925	0	0%	14,925
<b>Total Revenue by Vote</b>	<b>545,724</b>	<b>680,957</b>	<b>-</b>	<b>127,651</b>	<b>380,815</b>	<b>449,233</b>	<b>(68,418)</b>	<b>-15%</b>	<b>680,957</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	35,397	35,371	-	2,219	16,668	18,488	(1,820)	-10%	35,371
Vote 2 - Municipal Manager	45,887	41,983	-	6,740	24,650	21,699	2,952	14%	41,983
Vote 3 - Budget & Treasury	171,728	66,301	-	4,743	33,276	34,551	(1,275)	-4%	66,301
Vote 4 - Corporate Services	26,478	36,714	-	3,338	14,066	18,242	(4,176)	-23%	36,714
Vote 5 - Community Services	77,045	130,751	-	10,048	41,181	76,364	(35,183)	-46%	130,751
Vote 6 - Technical Services	179,490	248,110	-	18,351	90,968	122,964	(31,996)	-26%	248,110
Vote 7 - Developmental Planning	12,217	15,057	-	1,917	6,774	8,129	(1,355)	-17%	15,057
Vote 8 - Executive Support	22,638	22,996	-	2,841	12,333	11,672	661	6%	22,996
<b>Total Expenditure by Vote</b>	<b>570,880</b>	<b>597,283</b>	<b>-</b>	<b>50,197</b>	<b>239,916</b>	<b>312,109</b>	<b>(72,192)</b>	<b>-23%</b>	<b>597,283</b>
<b>Surplus/ (Deficit) for the year</b>	<b>(25,156)</b>	<b>83,674</b>	<b>-</b>	<b>77,454</b>	<b>140,899</b>	<b>137,124</b>	<b>3,774</b>	<b>3%</b>	<b>83,674</b>

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	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue By Source</b>									
Property rates	39,913	44,645	-	4,852	29,361	22,322	7,038	32%	44,645
Service charges - electricity revenue	98,860	108,186	-	6,591	48,045	54,374	(6,329)	-12%	108,186
Service charges - refuse revenue	9,383	9,781	-	811	4,621	5,011	(391)	-8%	9,781
Rental of facilities and equipment	998	1,004	-	65	415	499	(84)	-17%	1,004
Interest earned - external investments	1,780	3,652	-	248	897	1,480	(583)	-39%	3,652
Interest earned - outstanding debtors	19,283	18,817	-	1,203	6,869	10,060	(3,191)	-32%	18,817
Fines, penalties and forfeits	2,236	68,520	-	319	958	37,185	(36,227)	-97%	68,520
Licences and permits	5,966	6,315	-	381	3,127	2,667	460	17%	6,315
Transfers and subsidies	297,765	338,906	-	105,214	238,030	254,918	(16,888)	-7%	338,906
Other revenue	1,624	1,524	-	60	2,189	739	1,451	196%	1,524
Gains							-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>477,810</b>	<b>601,351</b>	<b>-</b>	<b>119,743</b>	<b>334,513</b>	<b>389,256</b>	<b>(54,743)</b>	<b>-14%</b>	<b>601,351</b>
<b>Expenditure By Type</b>									
Employee related costs	157,625	185,316	-	21,430	87,806	92,667	(4,861)	-5%	185,316
Remuneration of councillors	24,783	25,580	-	2,141	12,841	12,790	51	0%	25,580
Debt impairment	17,950	61,181	-	-	-	41,090	(41,090)	-100%	61,181
Depreciation & asset impairment	-	59,780	-	-	-	29,890	(29,890)	-100%	59,780
Finance charges	1,121	2,185	-	-	137	1,345	(1,208)	-90%	2,185
Bulk purchases	97,917	109,638	-	7,402	44,790	52,241	(7,451)	-14%	109,638
Other materials	38,760	38,645		5,954	26,768	20,452	6,316	31%	38,645
Contracted services	82,960	67,165		9,339	38,705	31,347	7,358	23%	67,165
Transfers and subsidies	1,547	3,292		130	552	1,767	(1,214)	-69%	3,292
Other expenditure	43,053	44,500		3,801	28,316	28,519	(203)	-1%	44,500
Losses							-		
<b>Total Expenditure</b>	<b>465,716</b>	<b>597,283</b>	<b>-</b>	<b>50,197</b>	<b>239,916</b>	<b>312,109</b>	<b>(72,192)</b>	<b>-23%</b>	<b>597,283</b>
<b>Surplus/(Deficit)</b>	<b>12,094</b>	<b>4,068</b>	<b>-</b>	<b>69,546</b>	<b>94,596</b>	<b>77,147</b>	<b>17,449</b>	<b>23%</b>	<b>4,068</b>
Transfers and subsidies - capital (monetary allocations)	67,914	79,606	-	7,908	46,302	59,977	(13,675)	-23%	79,606
Transfers and subsidies - capital (monetary allocations)							-		-
Transfers and subsidies - capital (in-kind - all)							-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>80,008</b>	<b>83,674</b>	<b>-</b>	<b>77,454</b>	<b>140,899</b>	<b>137,124</b>			<b>83,674</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>80,008</b>	<b>83,674</b>	<b>-</b>	<b>77,454</b>	<b>140,899</b>	<b>137,124</b>			<b>83,674</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>80,008</b>	<b>83,674</b>	<b>-</b>	<b>77,454</b>	<b>140,899</b>	<b>137,124</b>			<b>83,674</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>80,008</b>	<b>83,674</b>	<b>-</b>	<b>77,454</b>	<b>140,899</b>	<b>137,124</b>		<b>-</b>	<b>83,674</b>

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**

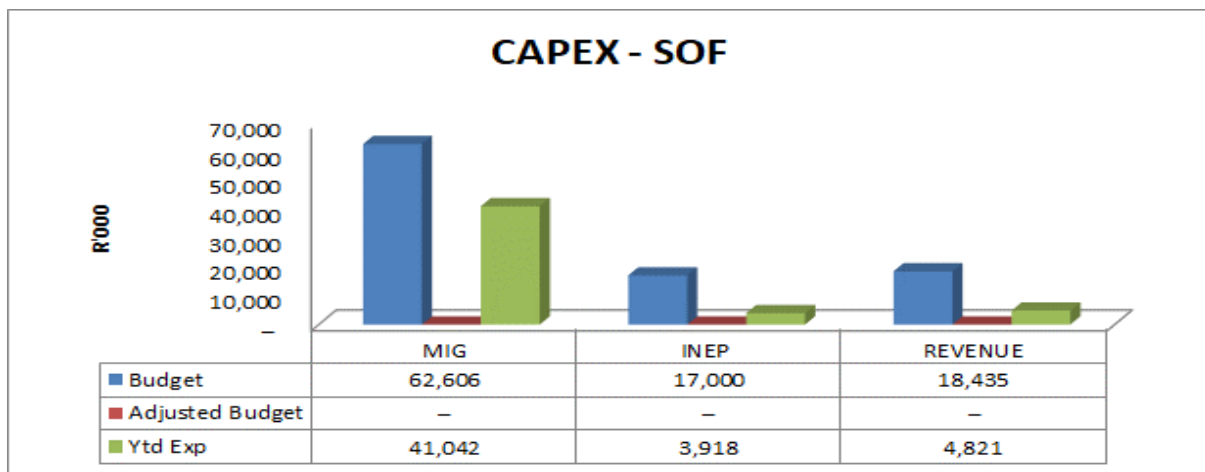
Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	1,945	1,500	-	579	991	943	48	5%	1,500
Executive and council	-						-		
Finance and administration	1,945	1,500	-	579	991	943	48	5%	1,500
Internal audit	-						-		
<b>Community and public safety</b>	498	3,935	-	1,277	1,961	2,080	(119)	-6%	3,935
Community and social services	498	1,538	-	799	1,253	540	714	132%	1,515
Sport and recreation	-	1,680	-	478	507	1,000	(493)	-49%	1,680
Public safety	-	718	-	-	201	540	(339)	-63%	740
Housing							-		
Health							-		
<b>Economic and environmental services</b>	50,458	74,106	-	8,070	42,496	45,535	(3,039)	-7%	73,756
Planning and development	-	1,100	-	-	1,075	526	549	104%	1,100
Road transport	50,458	73,006	-	8,070	41,421	45,009	(3,588)	-8%	72,656
Environmental protection	-						-		
<b>Trading services</b>	19,805	18,500	-	-	4,333	12,239	(7,906)	-65%	18,850
Energy sources	13,669	17,250	-	-	4,014	11,339	(7,325)	-65%	17,600
Waste management	6,135	1,250	-	-	319	900	(581)	-65%	1,250
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>72,706</b>	<b>98,041</b>	<b>-</b>	<b>9,925</b>	<b>49,781</b>	<b>60,797</b>	<b>(11,016)</b>	<b>-18%</b>	<b>98,041</b>
<b>Funded by:</b>									
National Government	70,770	79,606	-	8,070	44,960	49,744	(4,784)	-10%	79,606
Provincial Government							-		
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
<b>Transfers recognised - capital</b>	<b>70,770</b>	<b>79,606</b>	<b>-</b>	<b>8,070</b>	<b>44,960</b>	<b>49,744</b>	<b>(4,784)</b>	<b>-10%</b>	<b>79,606</b>
Borrowing							-		
Internally generated funds	1,936	18,435	-	1,856	4,821	11,053	(6,233)	-56%	18,435
<b>Total Capital Funding</b>	<b>72,706</b>	<b>98,041</b>	<b>-</b>	<b>9,925</b>	<b>49,781</b>	<b>60,797</b>	<b>(11,016)</b>	<b>-18%</b>	<b>98,041</b>

**Table C5C: Monthly Capital Expenditure by Vote**

Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	866	1,500	-	579	991	943	48	5%	1,500
Vote 5 - Community Services	-	4,368	-	1,277	1,760	2,340	(580)	-25%	4,345
Vote 6 - Technical Services	37,435	25,334	-	3,353	12,172	14,910	(2,738)	-18%	22,815
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>38,301</b>	<b>31,202</b>	<b>-</b>	<b>5,209</b>	<b>14,923</b>	<b>18,193</b>	<b>(3,270)</b>	<b>-18%</b>	<b>28,660</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	6,633	818	-	-	520	640	(120)	-19%	840
Vote 6 - Technical Services	27,771	64,922	-	4,717	33,263	41,438	(8,175)	-20%	67,441
Vote 7 - Developmental Planning	-	1,100	-	-	1,075	526	549	104%	1,100
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>34,405</b>	<b>66,839</b>	<b>-</b>	<b>4,717</b>	<b>34,858</b>	<b>42,605</b>	<b>(7,746)</b>	<b>-18%</b>	<b>69,381</b>
<b>Total Capital Expenditure</b>	<b>72,706</b>	<b>98,041</b>	<b>-</b>	<b>9,925</b>	<b>49,781</b>	<b>60,797</b>	<b>(11,016)</b>	<b>-18%</b>	<b>98,041</b>

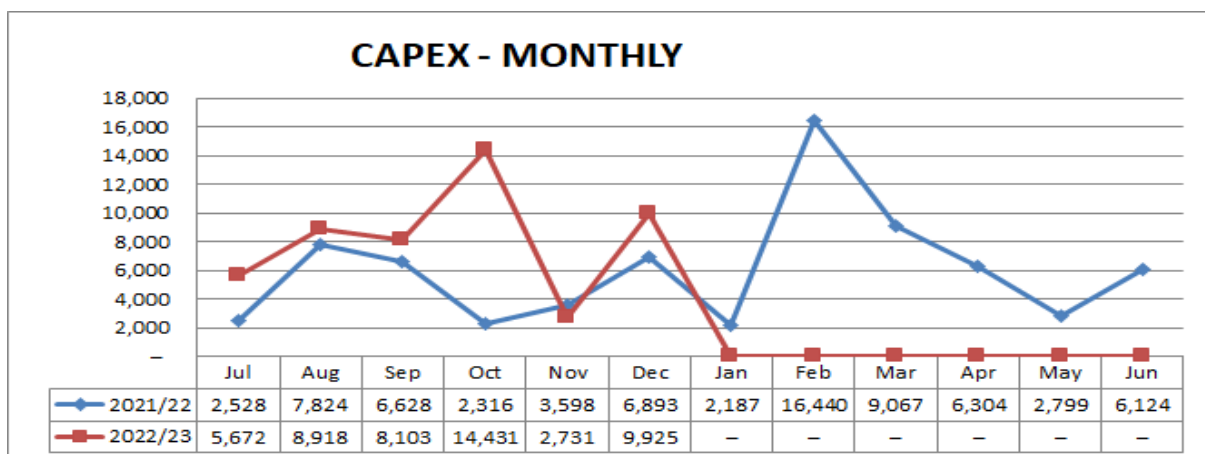
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of December 2022, R9, 925 million spending is incurred and the year to date expenditure amounts to R49 781 million whilst the year to date budget is R60 797 million and this gave rise to under spending variance of R11, 016 million that translates to 18%.

**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 R98, 041 million, R62, 606 million is funded from Municipal Infrastructure grant, R17, 000 million from Integrated National Electrification Programme and R18, 435 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 2021/22 and 2022/23 monthly capital expenditure performance.

**Table C6: Monthly Budget Statement Financial Position**

Description	2021/22	Budget Year 2022/23			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	14,775	24,162		4,457	24,162
Call investment deposits	–	–		45,248	–
Consumer debtors	102,891	61,834		116,594	61,834
Other debtors	5,863	62,845		84,851	62,845
Current portion of long-term receivables	–	119			119
Inventory	9,855	10,005		23,668	10,005
<b>Total current assets</b>	<b>133,384</b>	<b>158,966</b>	<b>–</b>	<b>274,817</b>	<b>158,966</b>
<b>Non current assets</b>					
Long-term receivables	–	–		–	–
Investments	–	17,278		–	17,278
Investment property	93,880	48,547		96,399	48,547
Investments in Associate	–				
Property, plant and equipment	1,128,896	1,258,405		1,138,277	1,258,405
Biological	–	–		–	–
Intangible	23	331		14	331
Other non-current assets	463	463		1,928	463
<b>Total non current assets</b>	<b>1,223,261</b>	<b>1,325,025</b>	<b>–</b>	<b>1,236,618</b>	<b>1,325,025</b>
<b>TOTAL ASSETS</b>	<b>1,356,645</b>	<b>1,483,992</b>	<b>–</b>	<b>1,511,435</b>	<b>1,483,992</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–		–	–
Borrowing	1,022	7,459		4,224	7,459
Consumer deposits	5,622	5,700		5,242	5,700
Trade and other payables	83,990	101,172		165,651	101,172
Provisions	2,003	6,012		1,142	6,012
<b>Total current liabilities</b>	<b>92,636</b>	<b>120,343</b>	<b>–</b>	<b>176,259</b>	<b>120,343</b>
<b>Non current liabilities</b>					
Borrowing	–	17,458		14,616	17,458
Provisions	78,238	96,252		84,720	96,252
<b>Total non current liabilities</b>	<b>78,238</b>	<b>113,710</b>	<b>–</b>	<b>99,335</b>	<b>113,710</b>
<b>TOTAL LIABILITIES</b>	<b>170,874</b>	<b>234,053</b>	<b>–</b>	<b>275,594</b>	<b>234,053</b>
<b>NET ASSETS</b>	<b>1,185,771</b>	<b>1,249,938</b>	<b>–</b>	<b>1,235,841</b>	<b>1,249,938</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	1,175,771	1,230,938		1,235,841	1,230,938
Reserves	10,000	19,000		–	19,000
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,185,771</b>	<b>1,249,938</b>	<b>–</b>	<b>1,235,841</b>	<b>1,249,938</b>

The above table shows that community wealth amounts to R1, 235 billion, total liabilities R275, million and the total assets R1, 511 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 1.6:1 that is not within 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	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	28,584	40,092		2,289	17,839	17,968	(130)	-1%	40,092
Service charges	96,925	122,434		8,190	46,338	48,655	(2,317)	-5%	122,434
Other revenue	8,077	17,752		2,052	35,635	15,345	20,290	132%	17,752
Transfers and Subsidies - Operational	307,767	338,906		104,805	239,274	245,396	(6,122)	-2%	338,906
Transfers and Subsidies - Capital	69,330	79,606		16,750	63,020	63,762	(742)	-1%	79,606
Interest	1,570	3,652		313	2,204	2,102	102	5%	3,652
<b>Payments</b>									
Suppliers and employees	(437,783)	(508,739)		(78,774)	(310,190)	(308,125)	2,065	-1%	(508,739)
Finance charges	(1,300)	(2,185)		-	(137)	(142)	(4)	3%	(2,185)
Transfers and Grants	(232)	3,292		(130)	(552)	(548)	4	-1%	3,292
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>72,937</b>	<b>94,811</b>	<b>-</b>	<b>55,495</b>	<b>93,430</b>	<b>84,414</b>	<b>(9,016)</b>	<b>-11%</b>	<b>94,811</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	1,778	5,544				421	(421)	-100%	5,544
Decrease (increase) in non-current receivables	-	-					-		-
Decrease (increase) in non-current investments	-	(1,776)				(1,780)	1,780	-100%	(1,776)
<b>Payments</b>									
Capital assets	(72,534)	(81,790)		(9,925)	(49,781)	(51,452)	(1,671)	3%	(81,790)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(70,756)</b>	<b>(78,022)</b>	<b>-</b>	<b>(9,925)</b>	<b>(49,781)</b>	<b>(52,811)</b>	<b>(3,030)</b>	<b>6%</b>	<b>(78,022)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-	488				42	(42)	-100%	488
Increase (decrease) in consumer deposits	-						-		
<b>Payments</b>									
Repayment of borrowing	(2,441)	(7,459)		-	(542)	(552)	(10)	2%	(7,459)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(2,441)</b>	<b>(6,971)</b>	<b>-</b>	<b>-</b>	<b>(542)</b>	<b>(510)</b>	<b>32</b>	<b>-6%</b>	<b>(6,971)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(261)</b>	<b>9,818</b>	<b>-</b>	<b>45,570</b>	<b>43,107</b>	<b>31,093</b>			<b>9,818</b>
Cash/cash equivalents at beginning:	6,858	14,245			6,597	14,245			6,597
Cash/cash equivalents at month/year end:	6,597	24,063	-		49,704	45,338			16,415

Table C7 presents details pertaining to cash flow performance. As at end of December 2022, the net cash inflow from operating activities is R93,430 million whilst net cash outflow from investing activities is R49,781 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R542 thousands. The cash and cash equivalent held at end of December 2022 amounted to R49, 704 million and the net effect of the above cash flows is cash inflow movement of R43, 107 million. The cash and cash equivalent at end of the reporting period of R49, 704 million, is mainly made up of cash in the primary bank account amounting to R4, 457 with a short term investment amounting to R45, 248 million at the end of December 2022.

## PART 2: SUPPORTING TABLES

**Supporting Table: SC 1 Material Variance Explanations**

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>			
Property rates	32%	The projected monthly revenue appear to be lower in light of the actual revenue performance	The municipality should sustain the revenue collection and reconsider the monthly proctions during the main budget adjustment.
Service charges - electricity revenue	-12%	The projected monthly revenue appear to be higher in light of the actual revenue performance	The municipality should encourages customers to pay their electricity bills when the due and come up with strategies to do away with illegal connections in the prepaid areas.
Service charges - refuse revenue	-8%	The actual revenue generated is lower than the projected monthly revenue	No remedial action is needed as the amount is immaterial.
Rental of facilities and equipment	-17%	The actual revenue generated is less than the projected monthly revenue and the majority of the rented assets are not at arm's length transactions	The municipality should look into the revenue generated on their rental of facilities to see if they generate cash as they are rented out
Interest earned - external investments	-39%	The municipality has invested in different short term portfolio investment.	The municipality shoud draft cash flow projections plan which will assist if there is a need to invest
Interest earned - outstanding debtors	-32%	The projected revenue is more than the actual revenue generated.	The municipality should encourage customers to pay the accounts on time to avoid incurring interest.
Fines, penalties and forfeits	-97%	The contract of the speed fine cameras has been appointed, however there still slow collection in terms of revenue collection.	The municipality shiould 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	17%	The actual revenue generated is more than the projected monthly revenue	No remedial action is needed since the collection is higher than the projections thereof and the variance is immaterial.
Transfers and subsidies	-7%	The equitable share trenches received is slightly higher than the projections thereof.	The budget unit should make use of the payment schedule during budget preparations.
Other revenue	196%	The actual revenue generated is more than the projected monthly revenue.	No remedial action is needed as the variance is positive.
<b>Expenditure By Type</b>			
Employee related costs	-5%	The actual expenditure incurred on employee related costs is less than the projections thereof	Majority of the positions are vacant hence the low spending of employee related costs, and this should be addressed once the vacant positions are filled.
Remuneration of councillors	0%	The actual expenditure incurred on remuneration of councillors is slightly more than the projected monthly expenditure	No remedial action is needed.
Debt impairment	-100%	Debt impairment is still calculated annually	The municipality shoud do away with this approach as it not viable
Depreciation & asset impairment	-100%	Depreciation is still calculated annually.	The municipality shoud do away with this approach as it not viable
Finance charges	-90%	Finance charges is mainly for finance lease and the municipality has a lease contract with Afrirent pty ltd.	The municipality should encourages the service provider to submit invoices before month end sytem closure.
Bulk purchases	-14%	The municipal licenced electrification areas have increased and the projections are more than the actual expenditure.	No remedial action is needed.
Other materials	31%	The projected expendire is less than the actual expenditure thereof.	No remedial action is needed as it shows improvements on spending on maintenance and repairs.
Contracted services	23%	The actual expenditure incurred is less than the projected monthly expenditure	Major contracts are overspending and the municipality should budget enough during the 2022-23 adjustment budget
Transfers and subsidies	-69%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed
Other expenditure	-1%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed



## Supporting Table: SC 1 Material Variance Explanations (Continuation)

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure</b>			
National Government	-10%	The projections on capital grants is more than the spending thereof.	The municipality should fast track slow moving projects in order to avoid unspent grants being return to National Treasury every year
Internally generated funds	-56%	The actual spending on internally generated funds is slightly more than the projections thereof.	No remedial action is needed since internally generated projects are discontinued.
<b>Cash Flow</b>			
Property rates	-1%	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	-5%	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	132%	The collection rate on leased assets are slightly over projected	The municipality should come up with strategies to ensure that all leased municipal assets are rented out as projected
Government - operating	-2%	The receipted trenches of operational grants are in line with the projections thereof, however there was a setoff on the second trench of equitable share as a result of unspent INEP and MIG which their rollovers were not approved.	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 thereof.	During the main budget preparation division of revenue act (DORA) should be used as a guideline.
Interest	5%	Interest on other revenue is slightly under projected to the under collection from other debtors	No remedial action is needed
Suppliers and employees	-1%	The actual costs incurred is way higher 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	3%	The finance charges have been over projected.	No remedial action is needed
Transfers and Grants	-1%	The payments relating to this account are slightly higher than the projections thereof	No remedial action is needed
Capital assets	3%	The projected capital expenditure on capex is more than the actual spending thereof.	All the expected trenches of the grants have been received in line with their payment schedule
Increase (decrease) in consumer depts	-100%	The actual payments on consumer deposit is less than the projections thereof	No remedial action is needed
Repayment of borrowing	2%	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

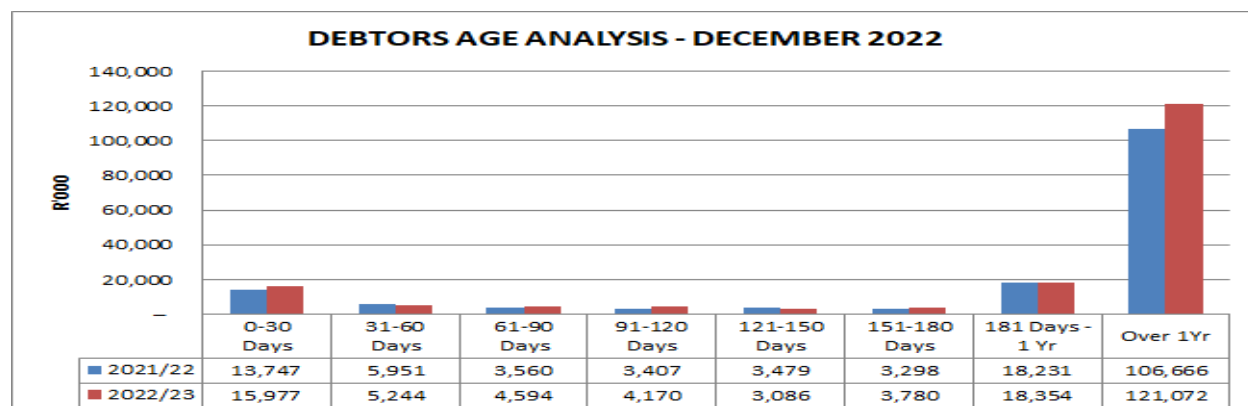
Description	Budget Year 2022/23											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Bad Debts Written Off	Impairment - Bad Debts
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Electricity	7,985	1,141	457	344	139	131	603	2,553	13,352	3,769	-	-
Receivables from Non-exchange Transactions - Property Rates	4,911	2,626	2,389	2,257	2,207	2,175	6,164	49,089	71,816	61,891	-	-
Receivables from Exchange Transactions - Waste Management	811	503	438	406	401	400	2,318	17,967	23,245	21,492	-	-
Receivables from Exchange Transactions - Property Rental Debtors	65	29	24	24	19	22	135	1,272	1,591	1,472	-	-
Interest on Arrear Debtor Accounts	1,206	1,172	1,140	1,112	1,083	1,054	9,426	46,344	62,536	59,018	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	1,000	(226)	145	27	(763)	(1)	(291)	3,848	3,739	2,820	-	-
<b>Total By Income Source</b>	<b>15,977</b>	<b>5,244</b>	<b>4,594</b>	<b>4,170</b>	<b>3,086</b>	<b>3,780</b>	<b>18,354</b>	<b>121,072</b>	<b>176,278</b>	<b>150,463</b>	-	-
<b>2019/20 - totals only</b>	<b>13,747</b>	<b>5,951</b>	<b>3,560</b>	<b>3,407</b>	<b>3,479</b>	<b>3,298</b>	<b>18,231</b>	<b>106,666</b>	<b>158,338</b>	<b>135,081</b>		
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	2,466	1,548	1,776	1,609	961	1,340	5,884	39,483	55,066	49,276	-	-
Commercial	8,267	1,176	714	580	204	499	933	8,133	20,507	10,350	-	-
Households	5,053	2,585	2,061	1,953	1,909	1,907	10,989	70,594	97,050	87,352	-	-
Other	192	(66)	43	28	13	34	549	2,862	3,655	3,486	-	-
<b>Total By Customer Group</b>	<b>15,977</b>	<b>5,244</b>	<b>4,594</b>	<b>4,170</b>	<b>3,086</b>	<b>3,780</b>	<b>18,354</b>	<b>121,072</b>	<b>176,278</b>	<b>150,463</b>	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of December amount to R176, 278 million. The debtors' book is made up as follows:

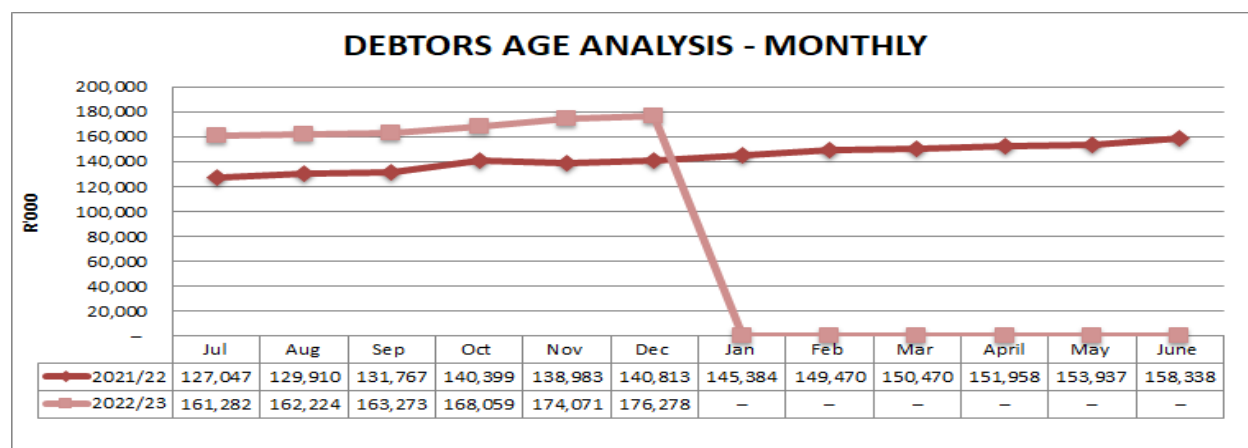
- Rates 41%
- Electricity 8%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 35%
- Other 2%

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 2021/22 financial year and 2022/23 (as at end of December 2022) whilst the latter shows monthly movement of debtors for both the current financial year and the 2021/22 financial year. The debtors book is materially less than the 2022/23 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	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,581,530
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,417,315
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OCCUPIER	1,140,933
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	725,948
9000808	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	640,021
9000819	SUID-AFRIKAANSE ONTWIKKELINGST	ACTIVE	OWNER	597,105
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	533,342
1501364	JAN JOUBERT TRUST (JO JO TANKS)	ACTIVE	OCCUPIER	470,105
1200062	GREAT NORTH TRANSPORT	ACTIVE	OCCUPIER	454,548
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	446,873
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	441,724
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OCCUPIER	438,005
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	432,620
9000240	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	418,599
9002503	GOUWS BOERDERY TRUST 1999/022459/07	ACTIVE	OWNER	379,250
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	365,765
9002541	NELSPRUIT DEVELOPMENT TRUST	ACTIVE	OWNER	354,144
9001053	NDEBELE STAM	ACTIVE	OWNER	353,132
5000305	NKANGALA DISTRICT MUNICIPALITY	ACTIVE	OWNER	334,246
2200691	EHLERS JA	ACTIVE	OWNER	332,020
<b>TOTAL</b>				<b>11,857,227</b>

## Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2022/23									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										-
Auditor General										-
Other										-
<b>Total By Customer Type</b>	-	-	-	-	-	-	-	-	-	-

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 municipality is having challenges relating to extraction of creditors age analysis and below are the contributing factors:

- Goods received vouchers (GRV) are only processed on the system as and when we are about to pay and this approach distorts the entire picture of ageing our creditors since the system will count the number of days taken to process an invoice from the date the GRV is processed.
- The contracted services are to be paid through order system payments and that should feed the age analysis module.

Proposal was made that the municipality need to maintain the invoice register that should be used for manually updating the creditors age analysis and the Budget and Treasury department is in a process of implementing the proposed register.

## TOP CREDITORS PAID

The Municipality had an amount of R15, 278 million as outstanding creditors by the end of the month of December 2022.

CODE	CREDITOR NAME	AMOUNT
81054	KGWADI YA MADIBA GENERAL	3,392,500
81264	ROOIBERG ASPHALT (PTY)LTD	3,368,500
80984	GUBIS 85 SOLUTION	2,594,022
37581	PHELADI NOKO B1 FUNERAL	1,007,245
37808	UMJANTSHI - ESPORWENI TRADING	918,850
81223	STEAGLE JV LM GEOMATICS	707,500
81200	VAPOPAX	667,920
80900	MARKET DEMAND TRADING 773	651,596
41110	KOBOTSE (PTY) LTD	451,819
80668	MAMPHELA MAMPHELA HOLDING	335,800
81025	STOP AND GO PROPERTIES	276,909
80944	INAMI PROJECTS	212,596
70086	PFUKANI-KUSILE CONSULTING	165,313
81225	LOSKOP ALARMS	134,287
81155	AMBITION PARTNERS CHARTERED	99,996
479	HUTJO TRADING ENTERPRISE	95,000
81042	MATUPUNUKA ICT	78,865
1	ESKOM	57,083
41095	REAKGONA TRAVEL SERVICES	33,048
81149	MATUNA TECH AND CONSTRUCTION	29,850
<b>TOTAL</b>		<b>15,278,698</b>

## Supporting Table: SC 5 - Investment Portfolio

Name of institution	Period of Investment	Type of Investment	Interest Rate	Commission Paid	Expiry date	Opening Balance	Interest Realised	Withdrawal	Investment Top Up	Closing Balance
STANDARD BANK 015 (038823527016)	1 Month	Current Investment	8.0%	-	21-Feb-23	-	109,247	-	20,000,000	20,109,247
STANDARD BANK 015 (038823527017)	3 Month	Current Investment	8.1%	-	3-Mar-23	-	138,271	-	25,000,000	25,138,271
<b>TOTAL INVESTMENTS AND INTEREST</b>						<b>-</b>	<b>247,517</b>	<b>-</b>	<b>45,000,000</b>	<b>45,247,517</b>

The Municipality's current investment portfolio during the month of December had an opening balance of Nil, investment top up amounted R45, 000 million in different portfolio investments, earned an interest of R247, 517 thousand, and closed off with R45, 247 million.

## Supporting Table: SC 6 - Transfers and Grant Receipts

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	<b>307,637</b>	<b>338,906</b>	<b>-</b>	<b>104,805</b>	<b>239,274</b>	<b>168,745</b>	<b>70,529</b>	<b>42%</b>	<b>338,906</b>
Local Government Equitable Share	302,788	334,260		104,805	235,166	164,638	70,528	43%	334,260
Finance Management	2,650	2,850		-	2,850	2,850	-		2,850
EPWP Incentive	2,199	1,796		-	1,258	1,257	1	0%	1,796
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
LGSETA Learnership and Development							-		
<b>Total Operating Transfers and Grants</b>	<b>307,637</b>	<b>338,906</b>	<b>-</b>	<b>104,805</b>	<b>239,274</b>	<b>168,745</b>	<b>70,529</b>	<b>42%</b>	<b>338,906</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>74,315</b>	<b>79,606</b>	<b>-</b>	<b>16,750</b>	<b>63,020</b>	<b>59,977</b>	<b>3,043</b>	<b>5%</b>	<b>79,606</b>
Municipal Infrastructure Grant (MIG)	57,924	62,606		16,750	54,020	45,989	8,031	17%	62,606
Integrated National Electrification Grant	16,391	17,000		-	9,000	13,988	(4,988)	-36%	17,000
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Coghsta - Development		-					-		-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Total Capital Transfers and Grants</b>	<b>74,315</b>	<b>79,606</b>	<b>-</b>	<b>16,750</b>	<b>63,020</b>	<b>59,977</b>	<b>3,043</b>	<b>5%</b>	<b>79,606</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>381,952</b>	<b>418,512</b>	<b>-</b>	<b>121,555</b>	<b>302,294</b>	<b>228,722</b>	<b>73,572</b>	<b>32%</b>	<b>418,512</b>

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R152,660 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R235, 166 million; Financial Management Grant amounting to R2,850 million; Municipal Infrastructure Grant amounting to R54, 020 million; Integrated National Energy Grant R9, 000 million and Expanded Public Works Programme R1, 258 million were received. Most of the first trench of the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

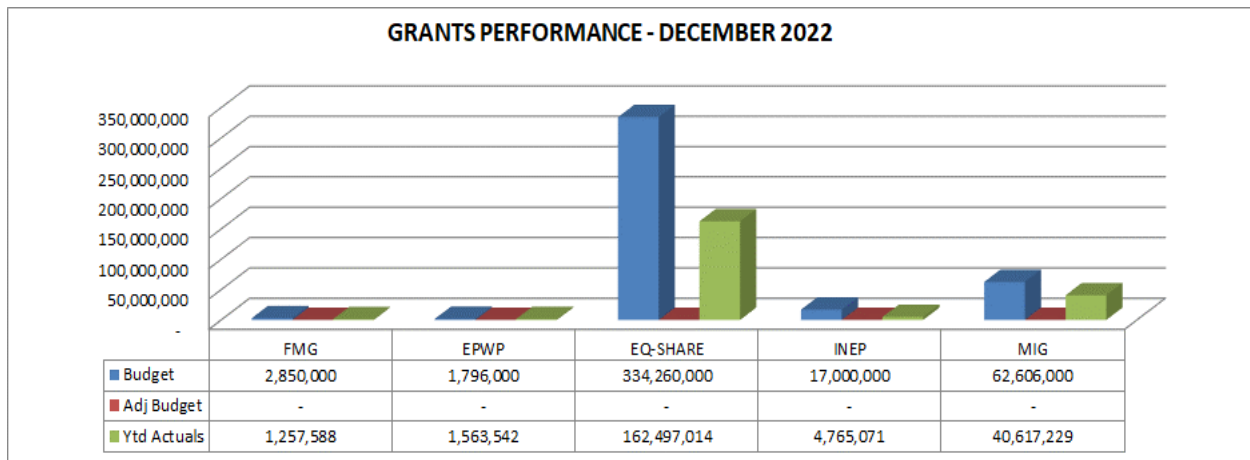
## Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>307,637</b>	<b>338,906</b>	<b>-</b>	<b>36,538</b>	<b>165,318</b>	<b>168,745</b>	<b>(3,426)</b>	<b>-2%</b>	<b>338,906</b>
Local Government Equitable Share	302,788	334,260		36,172	162,497	164,638	(2,141)	-1%	334,260
Finance Management	2,650	2,850		64	1,258	2,850	(1,592)	-56%	2,850
EPWP Incentive	2,199	1,796		301	1,564	1,257	307	24%	1,796
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
LGSETA Learnership and Development									
<b>Total operating expenditure of Transfers and Grants:</b>	<b>307,637</b>	<b>338,906</b>	<b>-</b>	<b>36,538</b>	<b>165,318</b>	<b>168,745</b>	<b>(3,426)</b>	<b>-2%</b>	<b>338,906</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>79,332</b>	<b>79,606</b>	<b>-</b>	<b>7,908</b>	<b>45,382</b>	<b>59,977</b>	<b>(14,595)</b>	<b>-24%</b>	<b>79,606</b>
Municipal Infrastructure Grant (MIG)	57,984	62,606		7,908	40,617	45,989	(5,372)	-12%	62,606
Intergrated National Electrification Grant	21,348	17,000		-	4,765	13,988	(9,223)	-66%	17,000
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Coghssta - Development		-							
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A									
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							0		
<b>Total capital expenditure of Transfers and Grants</b>	<b>79,332</b>	<b>79,606</b>	<b>-</b>	<b>7,908</b>	<b>45,382</b>	<b>59,977</b>	<b>(14,595)</b>	<b>-24%</b>	<b>79,606</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>386,969</b>	<b>418,512</b>	<b>-</b>	<b>44,446</b>	<b>210,700</b>	<b>228,722</b>	<b>(18,021)</b>	<b>-8%</b>	<b>418,512</b>

An amount of R44, 446 million has been spent on grants during the month of December 2022 and the year to date actuals is R210, 700 million whilst the year to date budget amounts to R228, 722 million and this results in an under spending variance of R18 021 million that translates to 8%. Of the total spending amounting to R44, 446 million, R36, 538 million is spent on operational grants whilst capital grants spent R7, 908 million.



**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 December 2022. The grants expenditure are shown below in percentages:

- Financial Management Grant 44.13%
- Expanded Public Work Programme 87.06%
- Equitable Share 48.61%
- Integrated National Electrification Grant 28.03%
- Municipal Infrastructure Grant 64.88%

## Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councillor remuneration	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	14,470	14,476		1,286	7,728	7,238	490	7%	14,476
Pension and UIF Contributions	1,863	2,504		172	1,025	1,252	(227)	-18%	2,504
Medical Aid Contributions	194	89		7	44	44	-		89
Motor Vehicle Allowance	5,281	5,536		450	2,830	2,768	62	2%	5,536
Cellphone Allowance	2,738	2,753		207	1,081	1,376	(295)	-21%	2,753
Other benefits and allowances	238	223		19	132	112	21	18%	223
<b>Sub Total - Councillors</b>	<b>24,783</b>	<b>25,580</b>	<b>-</b>	<b>2,141</b>	<b>12,841</b>	<b>12,790</b>	<b>51</b>	<b>0%</b>	<b>25,580</b>
<b>% increase</b>		<b>3%</b>							<b>3%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3,137	4,315		118	1,059	2,157	(1,099)	-51%	4,315
Pension and UIF Contributions	88	338		9	49	169	(120)	-71%	338
Medical Aid Contributions	80	1,464		10	49	732	(683)	-93%	1,464
Motor Vehicle Allowance	186	519		17	93	259	(166)	-64%	519
Cellphone Allowance	85	166		5	34	83	(49)	-59%	166
Other benefits and allowances	211	312		40	92	156	(64)	-41%	312
Payments in lieu of leave							-		
<b>Sub Total - Senior Managers of Municipality</b>	<b>3,787</b>	<b>7,112</b>	<b>-</b>	<b>199</b>	<b>1,374</b>	<b>3,556</b>	<b>(2,182)</b>	<b>-61%</b>	<b>7,112</b>
<b>% increase</b>		<b>88%</b>							<b>88%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	98,265	115,473		9,087	54,143	57,736	(3,594)	-6%	115,473
Pension and UIF Contributions	19,580	26,387		1,713	10,338	13,193	(2,855)	-22%	26,387
Medical Aid Contributions	5,442	5,593		474	2,847	2,796	51	2%	5,593
Overtime	1,053	1,163		17	209	581	(373)	-64%	1,163
Motor Vehicle Allowance	13,018	15,702		1,164	7,042	7,851	(809)	-10%	15,702
Cellphone Allowance	1,917	1,426		159	963	713	250	35%	1,426
Housing Allowances	220	230		21	125	115	10	9%	230
Other benefits and allowances	10,429	11,279		8,479	9,348	5,649	3,699	65%	11,279
Payments in lieu of leave	624	442		116	867	221	646	293%	442
Long service awards	1,288	510		-	550	255	295	115%	510
Post-retirement benefit obligations	2,002	-		-	-	-	-		-
<b>Sub Total - Other Municipal Staff</b>	<b>153,838</b>	<b>178,204</b>	<b>-</b>	<b>21,231</b>	<b>86,432</b>	<b>89,111</b>	<b>(2,679)</b>	<b>-3%</b>	<b>178,204</b>
<b>% increase</b>		<b>16%</b>							<b>16%</b>
<b>Total Parent Municipality</b>	<b>182,408</b>	<b>210,897</b>	<b>-</b>	<b>23,572</b>	<b>100,648</b>	<b>105,458</b>	<b>(4,810)</b>	<b>-5%</b>	<b>210,897</b>
		<b>16%</b>							<b>16%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>182,408</b>	<b>210,897</b>	<b>-</b>	<b>23,572</b>	<b>100,648</b>	<b>105,458</b>	<b>(4,810)</b>	<b>-5%</b>	<b>210,897</b>
<b>% increase</b>		<b>16%</b>							<b>16%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>157,625</b>	<b>185,316</b>	<b>-</b>	<b>21,430</b>	<b>87,806</b>	<b>92,667</b>	<b>(4,861)</b>	<b>-5%</b>	<b>185,316</b>

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of December 2022 amounts to 100,648 million and the year to date budget is R105,458 million and the expenditure for remuneration of councilors amounts to R12,841 million while the year to date budget is R12, 790 million. The year to date actual expenditure for senior managers is R1, 374 million and the year to date budget thereof is R3, 556 million. There are four senior managerial vacant positions (Budget and Treasury, Corporate services, Infrastructure and Planning) and this is causing underspending variance on budget performance for senior management. The year to date actuals for other municipal staff is R86, 432 million and the year to date budget is R89, 111 million. The remuneration of councilors and other municipal staff category has under spending variance, and there are four vacant positions in the senior management level and the positions should be filled in the new financial year 2022/23.

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

Description	Budget Year 2022/23												2022/23 Medium Term Revenue & Expenditure Framework			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year	Budget Year +1	Budget Year +2	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	2020/21	2021/22	2022/23	
<b>Cash Receipts By Source</b>																
Property rates	2,878	4,492	2,679	2,585	2,916	2,289	3,341	3,341	3,341	3,341	3,341	5,549	40,092	41,856	43,740	
Service charges - electricity revenue	8,018	7,087	7,464	6,636	6,815	7,783	9,569	9,569	9,569	9,569	9,569	23,179	114,826	119,873	125,264	
Service charges - refuse	509	364	478	389	387	407	642	642	642	642	642	1,961	7,708	8,047	8,409	
Rental of facilities and equipment	46	29	40	31	34	28	193	193	193	193	193	1,140	2,312			
Interest earned - external investments	71	157	324	127	27	248	21	32	32	32	32	(716)	389	3,669	3,675	
Interest earned - outstanding debtors	213	537	128	159	148	66	654	686	689	754	422	2,057	6,512	7,551	8,541	
Fines, penalties and forfeits	21	35	48	160	375	319	353	353	353	353	353	1,511	4,232	9,300	9,718	
Licences and permits	500	612	576	578	481	381	526	526	526	526	526	557	6,315	6,593	6,890	
Transfers and Subsidies - Operational	130,361	3,299	-	-	809	104,805		538	93,594			5,500	338,906	359,874	384,977	
Other revenue	1,599	2,742	1,624	1,246	22,806	1,324	1,877	1,877	1,877	1,877	1,877	(18,200)	22,528	2,640	2,758	
<b>Cash Receipts by Source</b>	<b>144,217</b>	<b>19,354</b>	<b>13,360</b>	<b>11,911</b>	<b>34,799</b>	<b>117,649</b>	<b>17,177</b>	<b>17,757</b>	<b>110,817</b>	<b>17,288</b>	<b>16,956</b>	<b>22,538</b>	<b>543,823</b>	<b>559,405</b>	<b>593,974</b>	
<b>Other Cash Flows by Source</b>																
Transfers and subsidies - capital (monetary allocations)	19,000	-	23,270		4,000	16,750		4,000	12,586	-	-	-	79,606	76,364	79,794	
Borrowing long term/refinancing				-	-		-		-							
Increase (decrease) in consumer deposits												488	488	237	505	
Decrease (increase) in non-current receivables																
Decrease (increase) in non-current investments																
<b>Total Cash Receipts by Source</b>	<b>163,217</b>	<b>19,354</b>	<b>36,630</b>	<b>11,911</b>	<b>38,799</b>	<b>134,399</b>	<b>17,177</b>	<b>21,757</b>	<b>123,403</b>	<b>17,288</b>	<b>16,956</b>	<b>23,026</b>	<b>623,917</b>	<b>636,006</b>	<b>674,273</b>	
<b>Cash Payments by Type</b>																
Employee related costs	12,738	13,454	13,127	13,783	13,274	21,430	16,824	16,824	16,824	16,824	16,824	29,962	201,889	210,668	219,614	
Remuneration of councillors	2,069	2,393	2,080	2,079	2,079	2,141	2,069	2,069	2,069	2,069	2,069	3,214	26,401	30,493	34,153	
Interest paid	-	137	-	-	-	-	329	339	346	354	321	1,395	3,221	2,326	2,472	
Bulk purchases - Electricity	83	10,506	11,386	8,400	7,014	7,402	9,137	9,137	9,137	9,137	9,137	19,165	109,638	114,462	119,613	
Other materials	5,315	6,109	4,668	2,557	2,165	5,954	3,320	3,320	3,320	3,320	3,320	(3,526)	39,844	35,165	36,667	
Contracted services	3,535	6,867	9,209	6,185	3,571	9,339	5,805	5,805	5,805	5,805	5,805	1,932	69,664	63,305	66,069	
Grants and subsidies paid - other	136	61	75	57	93	130	274	274	274	274	274	1,368	3,292	3,436	3,588	
General expenses	10,729	2,360	2,363	4,338	4,725	3,801	3,212	3,851	3,452	2,897	2,880	4,339	48,946	61,842	52,478	
<b>Cash Payments by Type</b>	<b>34,604</b>	<b>41,887</b>	<b>42,908</b>	<b>37,399</b>	<b>32,920</b>	<b>50,197</b>	<b>40,970</b>	<b>41,620</b>	<b>41,228</b>	<b>40,681</b>	<b>40,631</b>	<b>57,851</b>	<b>502,897</b>	<b>521,699</b>	<b>534,655</b>	
<b>Other Cash Flows/Payments by Type</b>																
Capital assets	5,672	8,918	8,103	14,431	2,731	9,925	6,667	6,667	6,667	6,667	6,667	(3,111)	80,005	81,383	90,922	
Repayment of borrowing	-	542	-	-	-	-	1,986	2,140	2,425	2,642	2,861	12,320	24,917	25,723	26,588	
Other Cash Flows/Payments	23,500	2,986	11,668	4,103	-	28,707	3,542		2,654		3,456	(40,760)	39,855	31,800	46,694	
<b>Total Cash Payments by Type</b>	<b>63,776</b>	<b>54,333</b>	<b>62,679</b>	<b>55,934</b>	<b>35,652</b>	<b>88,829</b>	<b>53,165</b>	<b>50,427</b>	<b>52,975</b>	<b>49,990</b>	<b>53,615</b>	<b>26,299</b>	<b>647,674</b>	<b>660,605</b>	<b>698,859</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>99,441</b>	<b>(34,979)</b>	<b>(26,049)</b>	<b>(44,022)</b>	<b>3,147</b>	<b>45,570</b>	<b>(35,989)</b>	<b>(28,670)</b>	<b>70,428</b>	<b>(32,702)</b>	<b>(36,659)</b>	<b>(3,273)</b>	<b>(23,757)</b>	<b>(24,599)</b>	<b>(24,586)</b>	
Cash/cash equivalents at the month/year beginning:	6,597	106,038	71,059	45,010	987	4,134	49,704	13,716	(14,954)	55,474	22,772	(13,887)	6,597	(17,160)	(41,759)	
Cash/cash equivalents at the month/year end:	106,038	71,059	45,010	987	4,134	49,704	13,716	(14,954)	55,474	22,772	(13,887)	(17,160)	(17,160)	(41,759)	(66,345)	

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 R38, 799 million and the total cash payment for the month were R35, 652 million and this resulted in net increase in cash held amounting to R3, 147 million. With cash and cash equivalent of R987 thousand at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R4, 134 million. This is a supporting table for table C7 – Cash Flow Statement.

### Supporting Table: SC 12 Capital Expenditure Trend

Month	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
<b>Monthly expenditure performance trend</b>									
July	2,528	11,281		5,672	5,672	11,281	5,608	50%	6%
August	7,824	13,110		8,918	14,590	24,391	9,800	40%	15%
September	6,628	8,644		8,103	22,693	33,034	10,341	31%	23%
October	2,316	8,526		14,431	37,124	41,561	4,436	11%	38%
November	3,598	7,411		2,731	39,856	48,972	9,116	19%	41%
December	6,893	11,299		9,925	49,781	60,271	10,490	17%	51%
January	2,187	3,718				63,989	–		
February	16,440	10,392				74,381	–		
March	9,067	7,436				81,817	–		
April	6,304	8,496				90,314	–		
May	2,799	2,619				92,932	–		
June	6,124	5,109				98,041	–		
<b>Total Capital expenditure</b>	<b>72,706</b>	<b>98,041</b>	<b>–</b>	<b>49,781</b>					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of December amounts to R9, 925 million. The year to date actual expenditure incurred is R49, 781 million whilst the year to date budget is R60, 271 million that gives rise to under spending variance of R10, 490 million that translate to 17%.

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on new assets by Asset Class</b>									
<b>Infrastructure</b>	13,378	18,500	-	-	4,333	11,984	7,651	64%	18,500
<b>Roads Infrastructure</b>	-	-	-	-	-	-	-		-
Roads		-	-	-	-	-	-		-
Road Structures							-		
Road Furniture							-		
Attenuation							-		
<b>Electrical Infrastructure</b>	13,378	17,250	-	-	4,014	11,084	7,070	64%	17,250
MV Substations		50				45	45	100%	50
MV Networks	14,210	17,000		-	3,918	10,839	6,921	64%	17,000
LV Networks	(832)						-		
Capital Spares		200		-	97	200	103	52%	200
<b>Solid Waste Infrastructure</b>	-	1,250	-	-	319	900	581	65%	1,250
Landfill Sites							-		
Waste Transfer Stations							-		
Capital Spares		1,250	-	-	319	900	581	65%	1,250
<b>Community Assets</b>	-	418	-	-	201	300	99	33%	418
Community Facilities	-	418	-	-	201	300	99	33%	418
Libraries							-		
Cemeteries/Crematoria							-		
Capital Spares		418		-	201	300	99	33%	418
<b>Other assets</b>	-	458	-	-	454	145	(309)	-213%	458
Municipal Offices	-						-		
Stores		458		-	454	145	(309)	-213%	458
<b>Intangible Assets</b>	-	300	-	-	-	200	200	100%	300
Servitudes							-		
Licences and Rights	-	300	-	-	-	200	200	100%	300
Unspecified		300				200	200	100%	300
<b>Computer Equipment</b>	866	700	-	292	555	561	6	1%	700
Computer Equipment	866	700		292	555	561	6	1%	700
<b>Furniture and Office Equipment</b>	-	500	-	287	436	423	(13)	-3%	500
Furniture and Office Equipment		500		287	436	423	(13)	-3%	500
<b>Machinery and Equipment</b>	291	1,610	-	-	379	1,030	651	63%	1,610
Machinery and Equipment	291	1,610		-	379	1,030	651	63%	1,610
<b>Transport Assets</b>	1,079	-	-	-	-	-	-		-
Transport Assets	1,079						-		
<b>Total Capital Expenditure on new assets</b>	15,615	22,485	-	579	6,358	14,643	8,285	57%	22,485

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on renewal of existing assets by Asset Class</b>									
<b>Infrastructure</b>	34,499	32,631	-	4,505	18,845	19,859	1,015	5%	32,631
Roads Infrastructure	34,499	28,631	-	4,505	14,869	15,859	990	6%	28,631
Roads	34,499	28,331		4,505	14,869	15,659	790	5%	28,331
Road Structures							-		
Road Furniture		300		-	-	200	200	100%	300
Attenuation							-		
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
LV Networks		-					-		
<b>Solid Waste Infrastructure</b>	-	4,000	-	-	3,975	4,000	25	1%	4,000
Landfill Sites		4,000		-	3,975	4,000	25	1%	4,000
Waste Transfer Stations							-		
<b>Community Assets</b>	-	1,000	-	799	799	801	2	0%	1,000
Cemeteries/Crematoria		1,000		799	799	801	2	0%	1,000
Police							-		
Public Open Space							-		
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Computer Software and Applications							-		
Load Settlement Software Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on renewal of existing assets</b>	34,499	33,631	-	5,304	19,644	20,660	1,017	4.9%	33,631

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Repairs and maintenance expenditure by Asset Class</b>									
<b>Infrastructure</b>	33,280	24,286	-	3,971	18,437	18,565	129	1%	24,753
<b>Roads Infrastructure</b>	13,895	14,300	-	2,988	13,811	14,512	701	5%	14,217
Roads	13,895	14,300	-	2,988	13,811	14,512	701	5%	14,217
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	12,201	8,263	-	742	3,422	3,073	(349)	-11%	9,536
HV Substations							-		
MV Networks	12,201	8,263	-	742	3,422	3,073	(349)	-11%	9,536
LV Networks							-		
<b>Solid Waste Infrastructure</b>	7,184	1,722	-	241	1,204	980	(224)	-23%	1,000
Landfill Sites	7,184	1,722	-	241	1,204	980	(224)	-23%	1,000
Waste Transfer Stations							-		
<b>Community Assets</b>	166	594	-	19	388	389	1	0%	594
Community Facilities	166	594	-	19	388	389	1	0%	594
Libraries							-		
Cemeteries/Crematoria							-		
Parks	166	594	-	19	388	389	1	0%	594
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	541	1,013	-	31	1,004	1,546	542	35%	2,645
Municipal Offices	541	1,013	-	31	1,004	1,546	542	35%	2,645
Stores							-		
<b>Intangible Assets</b>	44	200	-	-	-	99	99	100%	200
Servitudes							-		
Computer Software and Applications	44	200	-	-	-	99	99	100%	200
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	3,388	7,806	-	1,552	4,825	3,646	(1,179)	-32%	6,445
Machinery and Equipment	3,388	7,806	-	1,552	4,825	3,646	(1,179)	-32%	6,445
<b>Transport Assets</b>	3,268	3,794	-	580	2,999	2,342	(656)	-28%	3,904
Transport Assets	3,268	3,794	-	580	2,999	2,342	(656)	-28%	3,904
<b>Total Repairs and Maintenance Expenditure</b>	<b>40,687</b>	<b>37,692</b>	<b>-</b>	<b>6,153</b>	<b>27,652</b>	<b>26,588</b>	<b>(1,064)</b>	<b>-4.0%</b>	<b>38,542</b>



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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Depreciation by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	42,368	44,007	-	-	-	11,002	11,002	100%	44,007
<b>Roads Infrastructure</b>	37,502	39,127	-	-	-	9,782	9,782	100%	39,127
Roads	37,502	39,127				9,782	9,782	100%	39,127
Road Structures							-		
Storm water Infrastructure	399	418	-	-	-	104	104	100%	418
Drainage Collection	-	418				104	104	100%	418
Storm water Conveyance	399						-		
<b>Electrical Infrastructure</b>	3,754	3,724	-	-	-	931	931	100%	3,724
HV Switching Station							-		
HV Transmission Conductors		3,724				931	931	100%	3,724
MV Networks	3,754						-		
LV Networks							-		
<b>Solid Waste Infrastructure</b>	714	738	-	-	-	184	184	100%	738
Landfill Sites	714	738				184	184	100%	738
Waste Transfer Stations							-		
<b>Community Assets</b>	1,231	1,266	-	-	-	316	316	100%	1,266
Parks	1,231						-		
Public Open Space		1,266				316	316	0	1,266
<b>Heritage assets</b>	5	6	-	-	-	1	1	100%	6
Other Heritage	5	6				1	1	0	6
<b>Other assets</b>	4,140	4,229	-	-	-	1,057	1,057	0	4,229
Municipal Offices	4,140	4,229				1,057	1,057	100%	4,229
Workshops							-		
<b>Intangible Assets</b>	-	53	-	-	-	13	13	100%	-
Servitudes							-		
Computer Software and Applications		53				13	13	100%	
<b>Computer Equipment</b>	692	725	-	-	-	181	181	100%	725
Computer Equipment	692	725				181	181	100%	725
<b>Furniture and Office Equipment</b>	590	618	-	-	-	154	154	100%	618
Furniture and Office Equipment	590	618				154	154	100%	618
<b>Machinery and Equipment</b>	674	2,961	-	-	-	740	740	100%	707
Machinery and Equipment	674	2,961				740	740	100%	707
<b>Transport Assets</b>	5,751	5,915	-	-	-	1,479	1,479	100%	5,915
Transport Assets	5,751	5,915				1,479	1,479	100%	5,915
<b>Total Depreciation</b>	55,452	59,780	-	-	-	14,945	14,945	100%	57,472

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on upgrading of existing assets by Asset Class</b>									
<b>Infrastructure</b>	22,060	39,525	-	3,565	22,198	23,776	1,579	7%	39,525
<b>Roads Infrastructure</b>	15,925	39,525	-	3,565	22,198	23,776	1,579	7%	39,525
Roads	15,925	39,525		3,565	22,198	23,776	1,579	7%	39,525
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
MV Networks							-		
LV Networks							-		
<b>Solid Waste Infrastructure</b>	6,135	-	-	-	-	-	-		-
Landfill Sites	6,135						-		
<b>Community Assets</b>	498	1,300	-	478	507	509	3	1%	1,300
Libraries							-		
Cemeteries/Crematoria	498						-		
Police							-		
Parks		1,300		478	507	509	3	1%	1,300
<b>Other assets</b>	33	1,100	-	-	1,075	1,208	133	0	1,100
Municipal Offices	33						-		
Workshops							-		
Yards		1,100			1,075	1,208	133	11%	1,100
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Solid Waste Licenses							-		
Computer Software and Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on upgrading of existing assets</b>	22,592	41,925	-	4,043	23,779	25,494	1,714	7%	41,925

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 R6, 358 and the year to date budget is R14, 643 million that reflects over spending variance of R8, 285 million that translates to 57% variance.

The year to date actuals on renewal of existing assets amounts R19, 644 million and with the year to date budget of R20, 660 million and this reflects over spending variance of R1, 017 million that translates to 4.9% variance.

The year to date actual expenditure on repairs and maintenance is R27, 652 million, and the year to date budget is R26, 588 million, reflecting under spending variance of R1, 064 million that translates to 4%.

The year to date actual expenditure on upgrading of existing assets is R23, 779 million and the year to date budget is R25, 494 million, reflecting over spending variance of R1, 714 million that translates to 7%.

The year to date actual expenditure on depreciation and asset impairment is R0 and the year to date budget is R14, 945 million, reflecting spending variance of R14, 945 million, that translates to 100% which means the integration between asset management system and core financial system is done annually and this is not the requirements for implementation of mSCOA. This is basically mean that the municipality is partially complying with some of mSCOA requirements.

## List of Capital Programmes and Projects

Department	Project Description	Type	Asset Class	Asset Sub-Class	2022/23 Medium Term Revenue and Expenditure Framework			
					Original Budget	Adjusted Budget	YTD Actuals	Percentage
Community Services	No Illegal Dumping Boards	Single	Solid Waste Infrastructure	Capital Spares	100,000	-	28,500	29%
	Street litter Bins	Multi	Solid Waste Infrastructure	Capital Spares	850,000	-	-	0%
	Fencing of Elandsdoorn/Ntwane Cemetery	Multi	Community Assets	Cemeteries/Crematoria	1,000,000	-	799,000	80%
	Upgrading and Development of Parks	Multi	Community Assets	Parks	1,300,000	-	506,614	39%
	6.4 Disaster Management Centre & Emergency Relief Store room	Multi	Operational Buildings	Stores	457,500	-	454,230	99%
	500 Twenty skip bins 500	Single	Solid Waste Infrastructure	Capital Spares	300,000	-	290,500	97%
	Machinery and Equipment	Multi	Machinery and Equipment	Machinery and Equipment	380,000	-	-	0%
	Trailer	Multi	Machinery and Equipment	Machinery and Equipment	380,000	-	-	0%
	Vehicles	Single	Community Assets	Capital Spares	417,500	-	200,905	48%
	Computer Equipment	Multi	Computer Equipment	Computer Equipment	700,000	-	554,550	79%
Corporate Services	Furniture and Office Equipment	Multi	Furniture and Office Equipment	Furniture and Office Equipment	500,000	-	436,290	87%
	Record Management System	Multi	Intangible Assets	Unspecified	300,000	-	-	0%
Economic Development Planning	Razor Fencing of Portion 39 of Farm Klipbank 26 JS (Game Farm)	Single	Other assets	Yards	1,100,000	-	1,075,000	98%
Technical Services	Culverts and Road signs 600	Multi	Roads Infrastructure	Road Furniture	300,000	-	-	0%
	Moletema Streets Upgrade	Multi	Roads Infrastructure	Roads	3,500,000	-	-	0%
	Upgrading of Bloombport and Uitspanning Access Road	Single	Roads Infrastructure	Roads	24,830,820	-	14,869,181	60%
	Groblersdal Landfill site 6.6	Multi	Solid Waste Infrastructure	Landfill Sites	4,000,000	-	3,975,492	99%
	Upgrading of Stompo Bus Road	Multi	Roads Infrastructure	Roads	800,000	-	-	0%
	Upgrading Maraganeng Access Road 600	Multi	Roads Infrastructure	Roads	900,000	-	-	0%
	Upgrading of Hlogottlou-Bopanang Road	Multi	Roads Infrastructure	Roads	800,000	-	-	0%
	Upgrading of Kgobokwane-Kgaphamadi Road	Multi	Roads Infrastructure	Roads	800,000	-	-	0%
	Upgrading of Malaeneng A Ntwane Access Road	Multi	Roads Infrastructure	Roads	900,000	-	-	0%
	Upgrading of Masoing Bus route	Multi	Roads Infrastructure	Roads	850,000	-	-	0%
	Upgrading of Mokumong access road to Marateng taxi rank (MIG)	Multi	Roads Infrastructure	Roads	700,000	-	-	0%
	Upgrading of Dipakapakeng	Multi	Roads Infrastructure	Roads	2,169,180	-	1,111,481	51%
	Upgrading of Nyakoroane Internal Access Road	Multi	Roads Infrastructure	Roads	4,604,885	-	3,352,895	73%
	Upgrading of Tafelkop stadium Access Road	Single	Roads Infrastructure	Roads	27,001,116	-	17,733,412	66%
	Electrification of Makaepa	Single	Electrical Infrastructure	MV Networks	3,240,000	-	289,557	9%
	Electrification of Masakaneng	Multi	Electrical Infrastructure	MV Networks	3,960,000	-	3,256,966	82%
	Electrification of Nyakelang Extension	Single	Electrical Infrastructure	MV Networks	3,800,000	-	217,896	6%
	Electrification of Phomola	Single	Electrical Infrastructure	MV Networks	2,000,000	-	153,400	8%
	Electrification of Phooko	Single	Electrical Infrastructure	MV Networks	4,000,000	-	-	0%
	Main substation	Single	Electrical Infrastructure	MV Substations	50,000	-	-	0%
Aircons	Multi	Electrical Infrastructure	Capital Spares	200,000	-	96,501	48%	
Machinery and Equipment	Multi	Machinery and Equipment	Machinery and Equipment	850,000	-	378,547	45%	

## 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 December 2022 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)

Signature

Date

  
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