

# ELIAS MOTSOLEDI LOCAL MUNICIPALITY



## MONTHLY BUDGET STATEMENT REPORT

**JANUARY 2023**

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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 January 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	-	351,514,433	58%
OPERATING EXPENDITURE	597,283,011	-	273,098,521	46%
TRANSFER - CAPITAL	79,606,004	-	55,475,380	70%
SURPLUS/(DEFICIT)	83,673,978	-	133,891,292	160%
CAPITAL EXPENDITURE	98,041,001	-	57,578,091	59%

**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	-	4,528	33,889	26,043	7,846	30%	44,645
Service charges	107,753	117,968	-	9,309	61,975	69,578	(7,603)	-11%	117,968
Investment revenue	1,780	3,652	-	596	1,493	1,768	(276)	-16%	3,652
Transfers and subsidies	307,637	338,906	-	292	238,322	254,918	(16,596)	-7%	338,906
Other own revenue	30,560	96,180	-	2,277	15,835	60,258	(44,423)	-74%	96,180
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>487,643</b>	<b>601,351</b>	<b>-</b>	<b>17,002</b>	<b>351,514</b>	<b>412,565</b>	<b>(61,051)</b>	<b>-15%</b>	<b>601,351</b>
Employee costs	160,187	185,316	-	12,571	100,377	108,109	(7,732)	-7%	185,316
Remuneration of Councillors	25,567	25,580	-	2,079	14,920	14,922	(1)	0%	25,580
Depreciation & asset impairment	57,070	59,780	-	-	-	29,890	(29,890)	-100%	59,780
Finance charges	526	2,185	-	-	137	1,477	(1,340)	-91%	2,185
Materials and bulk purchases	135,835	148,283	-	7,963	79,521	84,267	(4,745)	-6%	148,283
Transfers and subsidies	2,591	3,292	-	149	702	2,050	(1,348)	-66%	3,292
Other expenditure	128,543	172,846	-	10,420	77,441	110,999	(33,558)	-30%	172,846
<b>Total Expenditure</b>	<b>510,319</b>	<b>597,283</b>	<b>-</b>	<b>33,182</b>	<b>273,099</b>	<b>351,713</b>	<b>(78,614)</b>	<b>-22%</b>	<b>597,283</b>
<b>Surplus/(Deficit)</b>	<b>(22,676)</b>	<b>4,068</b>	<b>-</b>	<b>(16,181)</b>	<b>78,416</b>	<b>60,852</b>	<b>17,564</b>	<b>29%</b>	<b>4,068</b>
Transfers and subsidies - capital (monetary allocations)	74,316	79,606	-	9,173	55,475	59,977	(4,502)	-8%	79,606
Surplus/(Deficit) after capital transfers & contributions	51,640	83,674	-	(7,007)	133,891	120,829	13,062	11%	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>51,640</b>	<b>83,674</b>	<b>-</b>	<b>(7,007)</b>	<b>133,891</b>	<b>120,829</b>	<b>13,062</b>	<b>11%</b>	<b>83,674</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>88,355</b>	<b>98,041</b>	<b>-</b>	<b>7,797</b>	<b>57,578</b>	<b>64,655</b>	<b>(7,077)</b>	<b>-11%</b>	<b>98,041</b>
Capital transfers recognised	74,316	79,606	-	5,588	50,548	52,788	(2,240)	-4%	79,606
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14,040	18,435	-	2,209	7,030	11,867	(4,837)	-41%	18,435
<b>Total sources of capital funds</b>	<b>88,355</b>	<b>98,041</b>	<b>-</b>	<b>7,797</b>	<b>57,578</b>	<b>64,655</b>	<b>(7,077)</b>	<b>-11%</b>	<b>98,041</b>
<b>Financial position</b>									
Total current assets	152,406	158,966	-	-	235,349	-	-	-	158,966
Total non current assets	1,201,016	1,325,025	-	-	1,244,585	-	-	-	1,325,025
Total current liabilities	118,941	120,343	-	-	139,501	-	-	-	120,343
Total non current liabilities	98,658	113,710	-	-	99,335	-	-	-	113,710
Community wealth/Equity	1,135,823	1,249,938	-	-	1,241,097	-	-	-	1,249,938
<b>Cash flows</b>									
Net cash from (used) operating	88,300	94,811	-	(32,625)	60,805	60,268	(537)	-1%	94,811
Net cash from (used) investing	(75,949)	(78,022)	-	(7,797)	(57,578)	(61,014)	(3,436)	6%	(78,022)
Net cash from (used) financing	(4,457)	(6,971)	-	-	(542)	(510)	32	-6%	(6,971)
<b>Cash/cash equivalents at the month/year end</b>	<b>14,710</b>	<b>24,063</b>	<b>-</b>	<b>-</b>	<b>9,282</b>	<b>12,990</b>	<b>3,707</b>	<b>29%</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	15,667	6,145	4,072	4,263	3,978	3,195	19,168	123,788	180,277
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 January is R351, 514 million and the year to date budget of R412, 565 million and this reflects a negative variance of R61, 051 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: 16% unfavorable variance,
- Interest earned – outstanding debtors: 22% unfavorable variance,
- Rental on Facilities and Equipment: 18% unfavorable variance,
- Fines, penalties and forfeits: 97% unfavorable variance
- Services Charges – electricity revenue: 11% unfavorable variance
- Services Charges – refuse revenue: 7% unfavorable variance
- Licenses and permits: 11% favorable variance
- Property rates: 30% favorable variance
- Other revenue: 170% favorable
- Transfer and subsidies: 7% unfavorable

**Operating Expenditure**

The year to date operational expenditure as at end of January amounts to R273, 099 million and the year to date budget is R351, 713 million. This reflects underspending variance of R78, 614 million that translates to 22% 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: 91% under performance
- Other material: 30% over performance
- Bulk purchase: 15% under performance
- Contracted services: 21% over performance
- Transfer and subsidies: 66% 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 January 2023 amounts to R57, 578 million and the year to date budget amounts to R64,655 million and this gives rise to R7,077 million under performance.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of January is R133, 891 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 January amounts to R180, 277 million and this shows an increase of R21,939 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 R112,321 million and other debtors amounting to R67, 956 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 January 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>256,207</b>	<b>281,883</b>	<b>-</b>	<b>6,578</b>	<b>196,562</b>	<b>203,278</b>	<b>(6,716)</b>	<b>-3%</b>	<b>281,883</b>
Executive and council	55,019	53,728	-	-	28,653	38,653	(10,000)	-26%	53,728
Finance and administration	190,004	214,701	-	6,578	157,454	154,171	3,284	2%	214,701
Internal audit	11,184	13,455	-	-	10,455	10,455	0	0%	13,455
<b>Community and public safety</b>	<b>24,366</b>	<b>96,507</b>	<b>-</b>	<b>331</b>	<b>21,936</b>	<b>65,829</b>	<b>(43,893)</b>	<b>-67%</b>	<b>96,507</b>
Community and social services	10,535	10,998	-	14	9,915	9,945	(30)	0%	10,998
Sport and recreation	11,586	17,075	-	-	10,733	10,756	(23)	0%	17,075
Public safety	2,244	68,435	-	318	1,288	45,127	(43,839)	-97%	68,435
<b>Economic and environmental services</b>	<b>128,540</b>	<b>124,248</b>	<b>-</b>	<b>7,068</b>	<b>89,376</b>	<b>87,386</b>	<b>1,990</b>	<b>2%</b>	<b>124,248</b>
Planning and development	24,294	20,920	-	275	18,035	17,136	899	5%	20,920
Road transport	101,348	102,518	-	6,793	70,530	69,440	1,090	2%	102,518
Environmental protection	2,898	811	-	-	811	811	(0)	0%	811
<b>Trading services</b>	<b>152,846</b>	<b>178,318</b>	<b>-</b>	<b>12,198</b>	<b>99,116</b>	<b>116,049</b>	<b>(16,933)</b>	<b>-15%</b>	<b>178,318</b>
Energy sources	123,719	145,384	-	11,392	74,432	90,263	(15,830)	-18%	145,384
Waste management	29,126	32,935	-	805	24,684	25,786	(1,102)	-4%	32,935
<b>Total Revenue - Functional</b>	<b>561,959</b>	<b>680,957</b>	<b>-</b>	<b>26,175</b>	<b>406,990</b>	<b>472,542</b>	<b>(65,552)</b>	<b>-14%</b>	<b>680,957</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>208,324</b>	<b>220,755</b>	<b>-</b>	<b>15,322</b>	<b>123,697</b>	<b>131,928</b>	<b>(8,232)</b>	<b>-6%</b>	<b>220,755</b>
Executive and council	41,975	47,573	-	5,448	24,923	25,625	(702)	-3%	47,573
Finance and administration	155,900	163,419	-	8,868	91,879	99,247	(7,368)	-7%	163,419
Internal audit	10,449	9,764	-	1,007	6,895	7,056	(162)	-2%	9,764
<b>Community and public safety</b>	<b>40,240</b>	<b>89,593</b>	<b>-</b>	<b>2,441</b>	<b>21,809</b>	<b>59,595</b>	<b>(37,786)</b>	<b>-63%</b>	<b>89,593</b>
Community and social services	11,679	8,174	-	443	3,708	4,785	(1,077)	-23%	8,174
Sport and recreation	10,059	16,175	-	445	4,824	9,547	(4,723)	-49%	16,175
Public safety	18,502	65,243	-	1,553	13,277	45,263	(31,986)	-71%	65,243
<b>Economic and environmental services</b>	<b>91,149</b>	<b>120,750</b>	<b>-</b>	<b>4,552</b>	<b>47,402</b>	<b>68,824</b>	<b>(21,422)</b>	<b>-31%</b>	<b>120,750</b>
Planning and development	16,794	20,798	-	1,944	11,600	12,511	(911)	-7%	20,798
Road transport	74,157	99,257	-	2,608	35,802	55,907	(20,105)	-36%	99,257
Environmental protection	197	696	-	-	-	406	(406)	-100%	696
<b>Trading services</b>	<b>170,605</b>	<b>166,185</b>	<b>-</b>	<b>10,866</b>	<b>80,191</b>	<b>91,366</b>	<b>(11,174)</b>	<b>-12%</b>	<b>166,185</b>
Energy sources	125,582	134,925	-	7,214	59,358	73,432	(14,075)	-19%	134,925
Waste management	45,024	31,260	-	3,652	20,833	17,933	2,900	16%	31,260
<b>Total Expenditure - Functional</b>	<b>510,319</b>	<b>597,283</b>	<b>-</b>	<b>33,182</b>	<b>273,099</b>	<b>351,713</b>	<b>(78,614)</b>	<b>-22%</b>	<b>597,283</b>
<b>Surplus/ (Deficit) for the year</b>	<b>51,640</b>	<b>83,674</b>	<b>-</b>	<b>(7,007)</b>	<b>133,891</b>	<b>120,829</b>	<b>13,062</b>	<b>11%</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	49,272	47,271	-	-	23,196	33,196	(10,000)	-30%	47,271
Vote 2 - Municipal Manager	37,701	46,531	-	-	37,531	37,531	0	0%	46,531
Vote 3 - Budget & Treasury	83,055	103,972	-	6,528	69,199	62,953	6,246	10%	103,972
Vote 4 - Corporate Services	46,074	50,627	-	50	44,214	45,176	(962)	-2%	50,627
Vote 5 - Community Services	64,581	138,801	-	1,578	53,157	97,848	(44,691)	-46%	138,801
Vote 6 - Technical Services	239,933	265,908	-	17,744	155,731	172,774	(17,044)	-10%	265,908
Vote 7 - Developmental Planning	16,808	12,923	-	275	12,039	11,139	899	8%	12,923
Vote 8 - Executive Support	24,534	14,925	-	-	11,925	11,925	0	0%	14,925
<b>Total Revenue by Vote</b>	<b>561,959</b>	<b>680,957</b>	<b>-</b>	<b>26,175</b>	<b>406,990</b>	<b>472,542</b>	<b>(65,552)</b>	<b>-14%</b>	<b>680,957</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	35,993	35,371	-	4,364	21,033	21,226	(194)	-1%	35,371
Vote 2 - Municipal Manager	45,860	41,983	-	4,414	29,064	26,047	3,017	12%	41,983
Vote 3 - Budget & Treasury	53,340	66,301	-	3,059	36,336	39,656	(3,320)	-8%	66,301
Vote 4 - Corporate Services	28,369	36,714	-	1,586	15,652	21,020	(5,368)	-26%	36,714
Vote 5 - Community Services	93,637	130,751	-	6,741	47,922	83,314	(35,392)	-42%	130,751
Vote 6 - Technical Services	218,275	248,110	-	9,708	100,676	137,790	(37,115)	-27%	248,110
Vote 7 - Developmental Planning	12,208	15,057	-	1,583	8,356	9,161	(805)	-9%	15,057
Vote 8 - Executive Support	22,638	22,996	-	1,727	14,060	13,498	562	4%	22,996
<b>Total Expenditure by Vote</b>	<b>510,319</b>	<b>597,283</b>	<b>-</b>	<b>33,182</b>	<b>273,099</b>	<b>351,713</b>	<b>(78,614)</b>	<b>-22%</b>	<b>597,283</b>
<b>Surplus/ (Deficit) for the year</b>	<b>51,640</b>	<b>83,674</b>	<b>-</b>	<b>(7,007)</b>	<b>133,891</b>	<b>120,829</b>	<b>13,062</b>	<b>11%</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	-	4,528	33,889	26,043	7,846	30%	44,645
Service charges - electricity revenue	98,371	108,186	-	8,504	56,549	63,731	(7,182)	-11%	108,186
Service charges - refuse revenue	9,383	9,781	-	805	5,426	5,847	(421)	-7%	9,781
Rental of facilities and equipment	1,019	1,004	-	62	477	582	(106)	-18%	1,004
Interest earned - external investments	1,780	3,652	-	596	1,493	1,768	(276)	-16%	3,652
Interest earned - outstanding debtors	19,283	18,817	-	1,229	8,098	10,389	(2,291)	-22%	18,817
Fines, penalties and forfeits	2,236	68,520	-	323	1,281	45,177	(43,896)	-97%	68,520
Licences and permits	5,966	6,315	-	441	3,568	3,216	353	11%	6,315
Transfers and subsidies	307,637	338,906	-	292	238,322	254,918	(16,596)	-7%	338,906
Other revenue	2,055	1,524	-	222	2,411	895	1,517	170%	1,524
Gains							-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>487,643</b>	<b>601,351</b>	<b>-</b>	<b>17,002</b>	<b>351,514</b>	<b>412,565</b>	<b>(61,051)</b>	<b>-15%</b>	<b>601,351</b>
<b>Expenditure By Type</b>									
Employee related costs	160,187	185,316	-	12,571	100,377	108,109	(7,732)	-7%	185,316
Remuneration of councillors	25,567	25,580	-	2,079	14,920	14,922	(1)	0%	25,580
Debt impairment	19,690	61,181	-	-	-	41,090	(41,090)	-100%	61,181
Depreciation & asset impairment	57,070	59,780	-	-	-	29,890	(29,890)	-100%	59,780
Finance charges	526	2,185	-	-	137	1,477	(1,340)	-91%	2,185
Bulk purchases	97,949	109,638	-	6,753	51,543	60,858	(9,316)	-15%	109,638
Other materials	37,886	38,645	-	1,210	27,978	23,408	4,570	20%	38,645
Contracted services	77,956	67,165	-	7,183	45,888	38,053	7,835	21%	67,165
Transfers and subsidies	2,591	3,292	-	149	702	2,050	(1,348)	-66%	3,292
Other expenditure	44,245	44,500	-	3,237	31,553	31,856	(303)	-1%	44,500
Losses	(13,349)						-		
<b>Total Expenditure</b>	<b>510,319</b>	<b>597,283</b>	<b>-</b>	<b>33,182</b>	<b>273,099</b>	<b>351,713</b>	<b>(78,614)</b>	<b>-22%</b>	<b>597,283</b>
<b>Surplus/(Deficit)</b>	<b>(22,676)</b>	<b>4,068</b>	<b>-</b>	<b>(16,181)</b>	<b>78,416</b>	<b>60,852</b>	<b>17,564</b>	<b>29%</b>	<b>4,068</b>
Transfers and subsidies - capital (monetary allocations)	74,316	79,606	-	9,173	55,475	59,977	(4,502)	-8%	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>51,640</b>	<b>83,674</b>	<b>-</b>	<b>(7,007)</b>	<b>133,891</b>	<b>120,829</b>			<b>83,674</b>
Taxation							-		
<b>Surplus/(Deficit) after taxation</b>	<b>51,640</b>	<b>83,674</b>	<b>-</b>	<b>(7,007)</b>	<b>133,891</b>	<b>120,829</b>			<b>83,674</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>51,640</b>	<b>83,674</b>	<b>-</b>	<b>(7,007)</b>	<b>133,891</b>	<b>120,829</b>			<b>83,674</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>51,640</b>	<b>83,674</b>	<b>-</b>	<b>(7,007)</b>	<b>133,891</b>	<b>120,829</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**

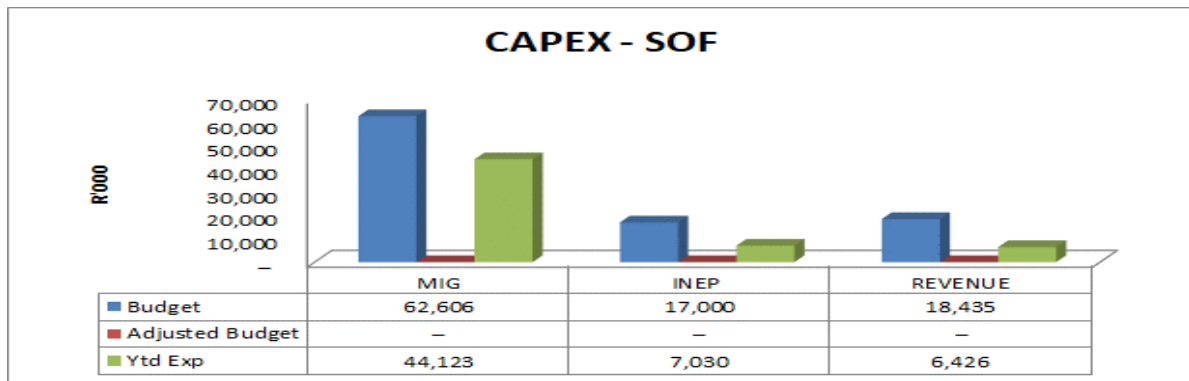
Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	1,903	1,500	-	66	1,057	1,214	(157)	-13%	1,500
Executive and council	-						-		
Finance and administration	1,903	1,500	-	66	1,057	1,214	(157)	-13%	1,500
Internal audit	-						-		
<b>Community and public safety</b>	498	3,935	-	448	2,409	2,108	301	14%	3,935
Community and social services	498	1,538	-	70	1,323	568	756	133%	1,515
Sport and recreation	-	1,680	-	378	884	1,000	(116)	-12%	1,680
Public safety	-	718	-	-	201	540	(339)	-63%	740
Housing							-		
Health							-		
<b>Economic and environmental services</b>	57,924	74,106	-	4,780	47,276	47,122	154	0%	73,756
Planning and development	-	1,100	-	-	1,075	666	409	61%	1,100
Road transport	57,924	73,006	-	4,780	46,201	46,456	(254)	-1%	72,656
Environmental protection	-						-		
<b>Trading services</b>	28,030	18,500	-	2,503	6,836	14,211	(7,375)	-52%	18,850
Energy sources	28,030	17,250	-	2,503	6,517	13,311	(6,794)	-51%	17,600
Waste management	-	1,250	-	-	319	900	(581)	-65%	1,250
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>88,355</b>	<b>98,041</b>	<b>-</b>	<b>7,797</b>	<b>57,578</b>	<b>64,655</b>	<b>(7,077)</b>	<b>-11%</b>	<b>98,041</b>
<b>Funded by:</b>									
National Government	74,316	79,606	-	5,588	50,548	52,788	(2,240)	-4%	79,606
Provincial Government							-		
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
<b>Transfers recognised - capital</b>	<b>74,316</b>	<b>79,606</b>	<b>-</b>	<b>5,588</b>	<b>50,548</b>	<b>52,788</b>	<b>(2,240)</b>	<b>-4%</b>	<b>79,606</b>
Borrowing							-		
Internally generated funds	14,040	18,435	-	2,209	7,030	11,867	(4,837)	-41%	18,435
<b>Total Capital Funding</b>	<b>88,355</b>	<b>98,041</b>	<b>-</b>	<b>7,797</b>	<b>57,578</b>	<b>64,655</b>	<b>(7,077)</b>	<b>-11%</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	824	1,500	-	66	1,057	1,214	(157)	-13%	1,500
Vote 5 - Community Services	-	4,368	-	448	2,208	2,368	(160)	-7%	4,345
Vote 6 - Technical Services	46,398	29,334	-	4,295	16,467	15,285	1,182	8%	22,815
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>47,222</b>	<b>35,202</b>	<b>-</b>	<b>4,809</b>	<b>19,732</b>	<b>18,866</b>	<b>865</b>	<b>5%</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	498	818	-	-	520	640	(120)	-19%	840
Vote 6 - Technical Services	40,635	60,922	-	2,988	36,251	44,482	(8,231)	-19%	67,441
Vote 7 - Developmental Planning	-	1,100	-	-	1,075	666	409	61%	1,100
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>41,133</b>	<b>62,839</b>	<b>-</b>	<b>2,988</b>	<b>37,846</b>	<b>45,788</b>	<b>(7,942)</b>	<b>-17%</b>	<b>69,381</b>
<b>Total Capital Expenditure</b>	<b>88,355</b>	<b>98,041</b>	<b>-</b>	<b>7,797</b>	<b>57,578</b>	<b>64,655</b>	<b>(7,077)</b>	<b>-11%</b>	<b>98,041</b>

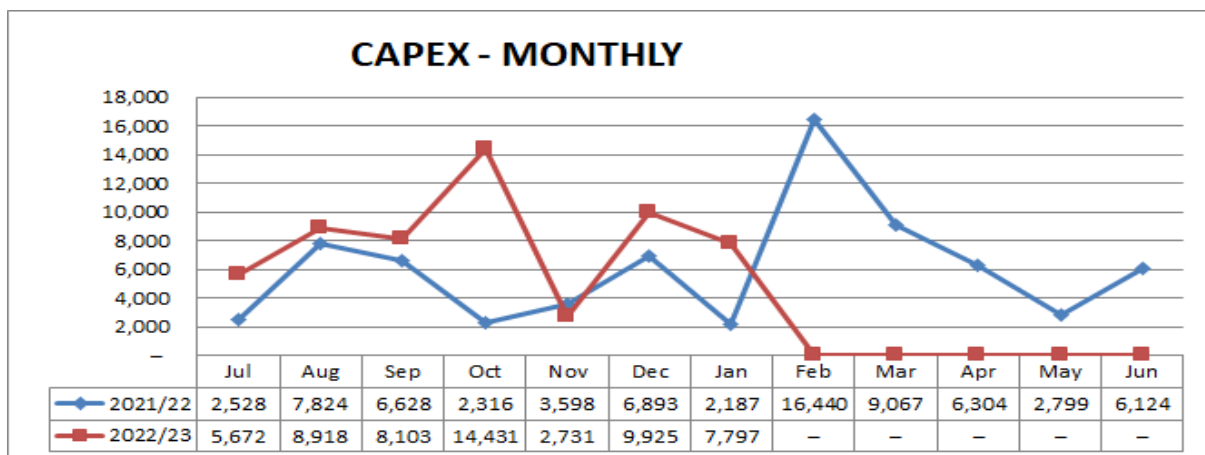
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of January 2023, R9, 925 million spending is incurred and the year to date expenditure amounts to R49 781 million whilst the year to 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 2023/23 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	14,710	24,162		1,068	24,162
Call investment deposits	–	–		8,214	–
Consumer debtors	96,531	61,834		120,352	61,834
Other debtors	20,810	62,845		82,276	62,845
Current portion of long-term receivables	–	119			119
Inventory	20,355	10,005		23,439	10,005
<b>Total current assets</b>	<b>152,406</b>	<b>158,966</b>	<b>–</b>	<b>235,349</b>	<b>158,966</b>
<b>Non current assets</b>					
Long-term receivables	–	–		–	–
Investments	–	17,278		–	17,278
Investment property	96,399	48,547		96,399	48,547
Investments in Associate					
Property, plant and equipment	1,088,067	1,258,405		1,146,245	1,258,405
Biological	–	–		–	–
Intangible	14	331		14	331
Other non-current assets	16,536	463		1,928	463
<b>Total non current assets</b>	<b>1,201,016</b>	<b>1,325,025</b>	<b>–</b>	<b>1,244,585</b>	<b>1,325,025</b>
<b>TOTAL ASSETS</b>	<b>1,353,422</b>	<b>1,483,992</b>	<b>–</b>	<b>1,479,934</b>	<b>1,483,992</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–		–	–
Borrowing	6,638	7,459		4,224	7,459
Consumer deposits	5,621	5,700		5,212	5,700
Trade and other payables	104,167	101,172		128,924	101,172
Provisions	2,515	6,012		1,142	6,012
<b>Total current liabilities</b>	<b>118,941</b>	<b>120,343</b>	<b>–</b>	<b>139,501</b>	<b>120,343</b>
<b>Non current liabilities</b>					
Borrowing	12,702	17,458		14,616	17,458
Provisions	85,956	96,252		84,720	96,252
<b>Total non current liabilities</b>	<b>98,658</b>	<b>113,710</b>	<b>–</b>	<b>99,335</b>	<b>113,710</b>
<b>TOTAL LIABILITIES</b>	<b>217,599</b>	<b>234,053</b>	<b>–</b>	<b>238,837</b>	<b>234,053</b>
<b>NET ASSETS</b>	<b>1,135,823</b>	<b>1,249,938</b>	<b>–</b>	<b>1,241,097</b>	<b>1,249,938</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
<b>Accumulated Surplus/(Deficit)</b>	<b>1,135,823</b>	<b>1,230,938</b>		<b>1,241,097</b>	<b>1,230,938</b>
<b>Reserves</b>	<b>–</b>	<b>19,000</b>		<b>–</b>	<b>19,000</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,135,823</b>	<b>1,249,938</b>	<b>–</b>	<b>1,241,097</b>	<b>1,249,938</b>

The above table shows that community wealth amounts to R1, 241 billion, total liabilities R238, million and the total assets R1, 479 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 1.7:1 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		2,287	20,126	21,895	(1,770)	-8%	40,092
Service charges	70,796	122,434		8,121	54,459	56,215	(1,756)	-3%	122,434
Other revenue	44,971	17,752		2,134	37,769	29,621	8,147	28%	17,752
Transfers and Subsidies - Operational	307,767	338,906		-	239,274	245,396	(6,122)	-2%	338,906
Transfers and Subsidies - Capital	79,469	79,606		-	63,020	63,762	(742)	-1%	79,606
Interest	1,780	3,652		431	2,634	2,787	(152)	-5%	3,652
<b>Payments</b>									
Suppliers and employees	(442,993)	(508,739)		(45,447)	(355,638)	(358,521)	(2,883)	1%	(508,739)
Finance charges	(526)	(2,185)		-	(137)	(142)	(4)	3%	(2,185)
Transfers and Grants	(1,547)	3,292		(149)	(702)	(746)	(44)	6%	3,292
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>88,300</b>	<b>94,811</b>	<b>-</b>	<b>(32,625)</b>	<b>60,805</b>	<b>60,268</b>	<b>(537)</b>	<b>-1%</b>	<b>94,811</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	1,011	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	(76,960)	(81,790)		(7,797)	(57,578)	(59,655)	(2,077)	3%	(81,790)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(75,949)</b>	<b>(78,022)</b>	<b>-</b>	<b>(7,797)</b>	<b>(57,578)</b>	<b>(61,014)</b>	<b>(3,436)</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	(4,457)	(7,459)		-	(542)	(552)	(10)	2%	(7,459)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(4,457)</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>7,894</b>	<b>9,818</b>	<b>-</b>	<b>(40,422)</b>	<b>2,685</b>	<b>(1,256)</b>			<b>9,818</b>
Cash/cash equivalents at beginning:	6,816	14,245			6,597	14,245			6,597
Cash/cash equivalents at month/year end:	14,710	24,063			9,282	12,990			16,415

Table C7 presents details pertaining to cash flow performance. As at end of January 2023, the net cash inflow from operating activities is R60,805 million whilst net cash outflow from investing activities is R57,578 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 January 2023 amounted to R9, 282 million and the net effect of the above cash flows is cash inflow movement of R2, 685 million. The cash and cash equivalent at end of the reporting period of R9, 282 million, is mainly made up of cash in the primary bank account amounting to R1, 068 with a short term investment amounting to R8, 214 million at the end of January 2023.

## 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	30%	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 projections during the main budget adjustment.
Service charges - electricity revenue	-11%	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	-7%	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	-18%	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	-16%	The municipality has invested in different short term portfolio investment.	The municipality should draft cash flow projections plan which will assist if there is a need to invest
Interest earned - outstanding debtors	-22%	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 should strategies on how to speed up the revenue collection under this item. There should be road blocks in the groblersdal entrances where cashiers are available to collection on
Licences and permits	11%	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 lower than the projections thereof as the result of set off from unspent MIG and INEP.	The budget unit should make use of the payment schedule during budget preparations.
Other revenue	170%	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	-7%	The actual expenditure incurred on employee related costs is less than the projections thereof	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 less than the projected monthly expenditure	No remedial action is needed as the variance is immaterial.
Debt impairment	-100%	Debt impairment is still calculated annually	The municipality should do away with this approach as it not viable
Depreciation & asset impairment	-100%	Depreciation is still calculated annually.	The municipality should do away with this approach as it not viable
Finance charges	-91%	Finance charges is mainly for finance lease and the municipality has a lease contract with Afrivent Pty Ltd.	The municipality should encourages the service provider to submit invoices before month end system closure.
Bulk purchases	-15%	The municipal licenced electrification areas have increased and the projections are more than the actual expenditure.	No remedial action is needed.
Other materials	20%	The projected expenditure is less than the actual expenditure thereof.	No remedial action is needed as it shows improvements on spending on maintenance and repairs.
Contracted services	21%	The actual expenditure incurred is more than the projected monthly expenditure	Major contracts are overspending and the municipality should budget accordingly during the 2022-23 adjustment budget
Transfers and subsidies	-66%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed
Other expenditure	-1%	The actual expenditure incurred is slightly 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	-4%	The projections on capital grants is more than the spending thereof.	The municipaly should fast track slow moving projects in order to avoid unspent grants being return to National Treasury every year
Internally generated funds	-41%	The actual spending on internally generated funds is less then the projections thereof.	No remedial action is needed since internally generated projects might not all be implimented during the current financial year.
<b>Cash Flow</b>			
Property rates	-8%	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	-3%	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	28%	The collection rate on leased assets are under 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 over projected to the under collection from other debtors	No remedial action is needed
Suppliers and employees	1%	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	3%	The finance charges have been slightly over projected.	No remedial action is needed
Transfers and Grants	6%	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 deposits	-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	preparations and ensure the payments are inline with the amortisation schedule.

### Supporting Table: SC 3 - Debtors Age Analysis

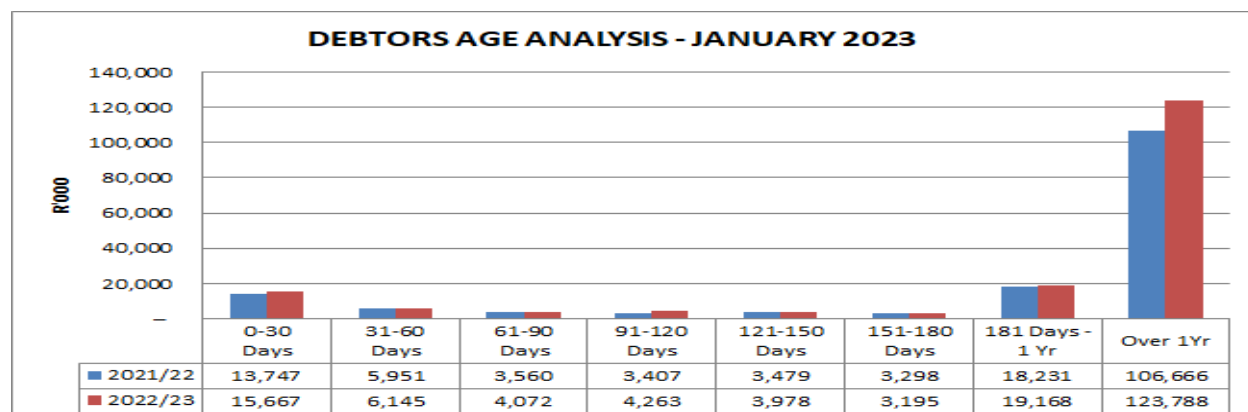
Description	Budget Year 2022/23											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Bad Debts Written Off	Impairment - Bad Debts
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Electricity	7,906	1,414	258	216	171	128	648	2,603	13,344	3,766	-	-
Receivables from Non-exchange Transactions - Property Rates	4,595	2,780	2,394	2,331	2,229	2,193	7,292	49,918	73,733	63,963	-	-
Receivables from Exchange Transactions - Waste Management	805	510	447	424	404	401	2,332	18,335	23,658	21,895	-	-
Receivables from Exchange Transactions - Property Rental Debtors	60	20	20	20	19	19	136	1,293	1,586	1,487	-	-
Interest on Arrear Debtor Accounts	1,239	1,202	1,163	1,135	1,107	1,081	8,987	47,705	63,619	60,015	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	1,063	219	(210)	138	48	(627)	(227)	3,934	4,337	3,266	-	-
<b>Total By Income Source</b>	<b>15,667</b>	<b>6,145</b>	<b>4,072</b>	<b>4,263</b>	<b>3,978</b>	<b>3,195</b>	<b>19,168</b>	<b>123,788</b>	<b>180,277</b>	<b>154,392</b>	<b>-</b>	<b>-</b>
<b>2021/22 - 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	2,282	1,743	1,378	1,583	1,422	952	6,234	40,241	55,837	50,433	-	-
Commercial	8,236	1,629	680	636	563	309	1,318	8,299	21,669	11,124	-	-
Households	4,975	2,683	2,079	2,007	1,955	1,916	11,118	72,300	99,033	89,297	-	-
Other	174	90	(65)	37	38	18	497	2,947	3,738	3,538	-	-
<b>Total By Customer Group</b>	<b>15,667</b>	<b>6,145</b>	<b>4,072</b>	<b>4,263</b>	<b>3,978</b>	<b>3,195</b>	<b>19,168</b>	<b>123,788</b>	<b>180,277</b>	<b>154,392</b>	<b>-</b>	<b>-</b>

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of January amount to R180, 277 million. The debtors' book is made up as follows:

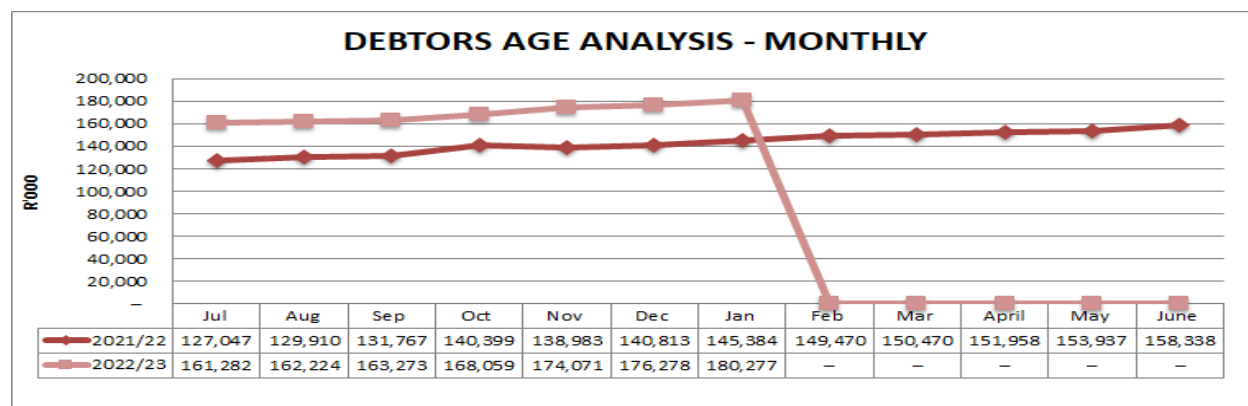
- Rates 41%
- Electricity 7%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 35%
- Other 2%

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 2023/23 (as at end of January 2023) 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 2023/23 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	2,457,220
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,428,023
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OCCUPIER	1,149,838
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	619,021
9000819	SUID-AFRIKAANSE ONTWIKKELINGST	ACTIVE	OWNER	584,248
9000808	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	472,497
1200062	GREAT NORTH TRANSPORT	ACTIVE	OCCUPIER	472,093
1501364	JAN JOUBERT TRUST (JO JO TANKS)	ACTIVE	OCCUPIER	467,229
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	452,754
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	448,080
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OCCUPIER	441,381
2000129	DEPARTMENT OF PUBLIC WORKS (NATIONAL)	ACTIVE	OCCUPIER	434,488
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	417,174
9002503	GOUWS BOERDERY TRUST 1999/022459/07	ACTIVE	OWNER	384,792
9000240	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	380,291
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	370,933
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	363,986
9001053	NDEBELE STAM	ACTIVE	OWNER	359,232
9002541	NELSPRUIT DEVELOPMENT TRUST	ACTIVE	OWNER	358,868
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	337,156
<b>TOTAL</b>				<b>12,399,304</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 R24, 856 million as outstanding creditors by the end of the month of January 2023.

CODE	CREDITOR NAME	AMOUNT
37581	PHELADI NOKO B1 FUNERAL	4,700,050
81282	BROWN DOGS SECURITY UNIT	2,782,773
37771	MASHUMI CONSTRUCTION & SUPPLY	2,241,656
81246	F-TECH SERVICES	2,129,917
35514	SDVK CONSTRUCTION & PROJECTS	1,652,131
81289	TSHEPO LEGODI JV SELAPE	1,635,201
80668	MAMPHELA MAMPHELA HOLDING	1,421,000
81290	VICTORIUS PIONEER JV	1,281,229
81002	SELEMA PLANT HIRE	968,000
81188	VISION PRINT	952,678
81042	MATUPUNUKA ICT	769,346
81200	VAPOPAX	667,920
81041	LEKONAKONETSI CONSULTING SERVI	579,792
81057	AES CONSULTING CC	517,269
81291	TUBATSE SECURITY SERVICES	483,977
81098	AUDITOR GENERAL OF SOUTH AFRICA	464,803
81135	LOSKOP RADIO/NEWSTAR BUSINESS	463,944
81084	ENYE PHEZ KWENYE ENTERTAINME	435,500
1256	MANY LE MANG CONSTRUCTION	379,000
80977	TWO RHINOS GENERAL TRADING	330,574
<b>TOTAL</b>		<b>24,856,760</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	20,109,247	104,940	-12,000,000	-	8,214,186
STANDARD BANK 015 (038823527017)	3 Month	Current Investment	8.1%		3-Mar-23	25,138,271	150,223	-25,288,493	-	0
<b>TOTAL INVESTMENTS AND INTEREST</b>						<b>45,247,517</b>		<b>-37,288,493</b>	<b>-</b>	<b>8,214,186</b>

The Municipality's current investment portfolio during the month of January had an opening balance of R45, 247 million investment top up amounted Nil in different portfolio investments, earned an interest of R255, 162 thousand, withdrew an amount of R37, 288 and closed off with R8, 214 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>307,638</b>	<b>338,906</b>	<b>-</b>	<b>-</b>	<b>239,274</b>	<b>195,452</b>	<b>43,822</b>	<b>22%</b>	<b>338,906</b>
Local Government Equitable Share	302,789	334,260	-	-	235,166	191,344	43,822	23%	334,260
Finance Management	2,650	2,850	-	-	2,850	2,850	-		2,850
EPWP Incentive	2,199	1,796	-	-	1,258	1,258	-		1,796
<b>Other grant providers:</b>	<b>130</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
LGSETA Learnership and Development	130	-	-	-	-	-	-		-
<b>Total Operating Transfers and Grants</b>	<b>307,768</b>	<b>338,906</b>	<b>-</b>	<b>-</b>	<b>239,274</b>	<b>195,452</b>	<b>43,822</b>	<b>22%</b>	<b>338,906</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>79,332</b>	<b>79,606</b>	<b>-</b>	<b>-</b>	<b>63,020</b>	<b>59,977</b>	<b>3,043</b>	<b>5%</b>	<b>79,606</b>
Municipal Infrastructure Grant (MIG)	57,984	62,606	-	-	54,020	45,989	8,031	17%	62,606
Integrated National Electrification Grant	21,348	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>79,332</b>	<b>79,606</b>	<b>-</b>	<b>-</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>387,100</b>	<b>418,512</b>	<b>-</b>	<b>-</b>	<b>302,294</b>	<b>255,429</b>	<b>46,865</b>	<b>18%</b>	<b>418,512</b>

Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R302, 294 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.

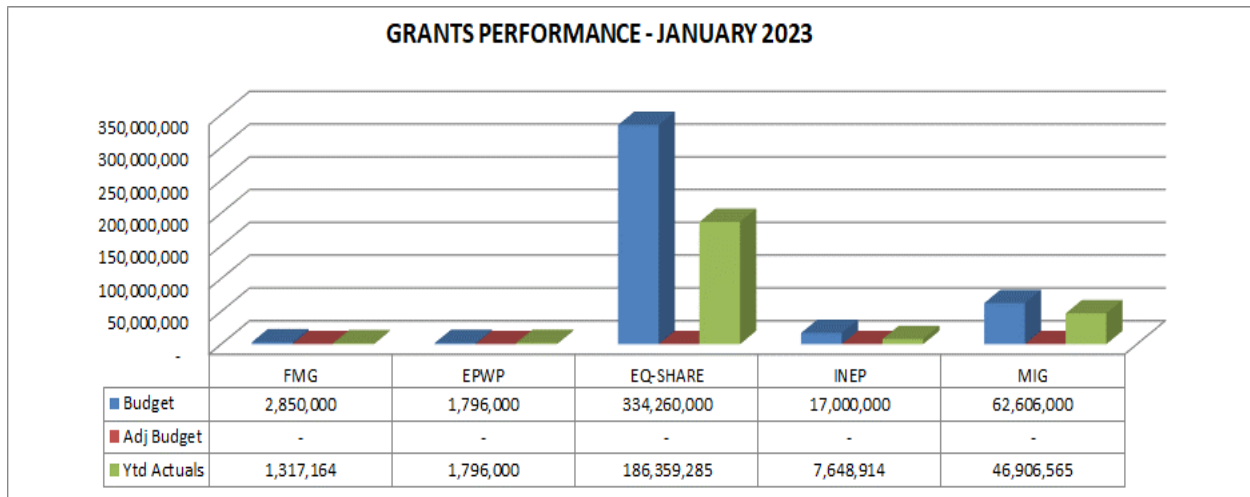
## Supporting Table: SC 7 Transfers and grants – Expenditure

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>24,154</b>	<b>189,472</b>	<b>195,451</b>	<b>(5,978)</b>	<b>-3%</b>	<b>338,906</b>
Local Government Equitable Share	302,788	334,260		23,862	186,359	191,344	(4,984)	-3%	334,260
Finance Management	2,650	2,850		60	1,317	2,850	(1,533)	-54%	2,850
EPWP Incentive	2,199	1,796		232	1,796	1,257	539	43%	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>24,154</b>	<b>189,472</b>	<b>195,451</b>	<b>(5,978)</b>	<b>-3%</b>	<b>338,906</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>74,316</b>	<b>79,606</b>	<b>-</b>	<b>9,173</b>	<b>54,555</b>	<b>59,977</b>	<b>(5,422)</b>	<b>-9%</b>	<b>79,606</b>
Municipal Infrastructure Grant (MIG)	57,924	62,606		6,289	46,907	45,989	917	2%	62,606
Intergrated National Electrification Grant	16,392	17,000		2,884	7,649	13,988	(6,339)	-45%	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							0		
<b>Total capital expenditure of Transfers and Grants</b>	<b>74,316</b>	<b>79,606</b>	<b>-</b>	<b>9,173</b>	<b>54,555</b>	<b>59,977</b>	<b>(5,422)</b>	<b>-9%</b>	<b>79,606</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>381,953</b>	<b>418,512</b>	<b>-</b>	<b>33,327</b>	<b>244,028</b>	<b>255,428</b>	<b>(11,400)</b>	<b>-4%</b>	<b>418,512</b>

An amount of R33, 327 million has been spent on grants during the month of January 2023 and the year to date actuals is R244, 028 million whilst the year to date budget amounts to R255, 428 million and this results in an under spending variance of R11 400 million that translates to 4%. Of the total spending amounting to R33, 327 million, R24, 154 million is spent on operational grants whilst capital grants spent R9, 173 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 January 2023. The grants expenditure are shown below in percentages:

- Financial Management Grant 46.22%
- Expanded Public Work Programme 100.00%
- Equitable Share 55.75%
- Integrated National Electrification Grant 44.99%
- Municipal Infrastructure Grant 74.92%

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

Summary of Employee and Councilor 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	15,253	14,476		1,223	8,951	8,444	507	6%	14,476
Pension and UIF Contributions	1,863	2,504		172	1,197	1,461	(264)	-18%	2,504
Medical Aid Contributions	194	89		8	52	52	0	0%	89
Motor Vehicle Allowance	5,281	5,536		450	3,280	3,229	51	2%	5,536
Cellphone Allowance	2,738	2,753		207	1,289	1,606	(317)	-20%	2,753
Other benefits and allowances	238	223		19	151	130	21	16%	223
<b>Sub Total - Councillors</b>	<b>25,567</b>	<b>25,580</b>	<b>-</b>	<b>2,079</b>	<b>14,920</b>	<b>14,922</b>	<b>(1)</b>	<b>0%</b>	<b>25,580</b>
<b>% increase</b>		<b>0%</b>							<b>0%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3,197	4,315		118	1,176	2,517	(1,341)	-53%	4,315
Pension and UIF Contributions	88	338		9	58	197	(139)	-71%	338
Medical Aid Contributions	80	1,464		10	59	854	(795)	-93%	1,464
Motor Vehicle Allowance	186	519		17	110	302	(192)	-64%	519
Cellphone Allowance	85	166		5	38	97	(58)	-60%	166
Other benefits and allowances	211	312		0	92	182	(90)	-50%	312
Payments in lieu of leave							-		
<b>Sub Total - Senior Managers of Municipality</b>	<b>3,847</b>	<b>7,112</b>	<b>-</b>	<b>159</b>	<b>1,533</b>	<b>4,149</b>	<b>(2,615)</b>	<b>-63%</b>	<b>7,112</b>
<b>% increase</b>		<b>85%</b>							<b>85%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	102,769	115,473		8,595	62,738	67,359	(4,621)	-7%	115,473
Pension and UIF Contributions	19,579	26,387		1,700	12,038	15,392	(3,354)	-22%	26,387
Medical Aid Contributions	5,442	5,593		507	3,354	3,262	91	3%	5,593
Overtime	1,055	1,163		12	221	678	(457)	-67%	1,163
Motor Vehicle Allowance	13,018	15,702		1,164	8,206	9,159	(953)	-10%	15,702
Cellphone Allowance	1,917	1,426		159	1,122	832	290	35%	1,426
Housing Allowances	220	230		21	147	134	12	9%	230
Other benefits and allowances	10,429	11,279		160	9,508	6,587	2,921	44%	11,279
Payments in lieu of leave	624	442		66	933	258	676	262%	442
Long service awards	1,288	510		27	577	298	279	94%	510
Post-retirement benefit obligations		-		-	-	-	-		-
<b>Sub Total - Other Municipal Staff</b>	<b>156,340</b>	<b>178,204</b>	<b>-</b>	<b>12,412</b>	<b>98,844</b>	<b>103,960</b>	<b>(5,116)</b>	<b>-5%</b>	<b>178,204</b>
<b>% increase</b>		<b>14%</b>							<b>14%</b>
<b>Total Parent Municipality</b>	<b>185,754</b>	<b>210,897</b>	<b>-</b>	<b>14,650</b>	<b>115,297</b>	<b>123,030</b>	<b>(7,733)</b>	<b>-6%</b>	<b>210,897</b>
		<b>14%</b>							<b>14%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>185,754</b>	<b>210,897</b>	<b>-</b>	<b>14,650</b>	<b>115,297</b>	<b>123,030</b>	<b>(7,733)</b>	<b>-6%</b>	<b>210,897</b>
<b>% increase</b>		<b>14%</b>							<b>14%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>160,187</b>	<b>185,316</b>	<b>-</b>	<b>12,571</b>	<b>100,377</b>	<b>108,109</b>	<b>(7,732)</b>	<b>-7%</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 January 2023 amounts to R115, 297 million and the year to date budget is R123, 030 million and the expenditure for remuneration of councilors amounts to R14, 920 million while the year to date budget is R14, 922 million. The year to date actual expenditure for senior managers is R1, 533 million and the year to date budget thereof is R4, 149 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 R98, 844 million and the year to date budget is R103, 960 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	Year	Year +1	Year +2	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	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	2,287	3,341	3,341	3,341	3,341	6,602	40,092	41,856	43,740	
Service charges - electricity revenue	8,018	7,087	7,464	6,636	6,815	7,783	7,743	9,569	9,569	9,569	9,569	25,005	114,826	119,873	125,264	
Service charges - refuse	509	364	478	389	387	407	378	642	642	642	642	2,226	7,708	8,047	8,409	
Rental of facilities and equipment	46	29	40	31	34	28	29	193	193	193	193	1,304	2,312			
Interest earned - external investments	71	157	324	127	27	248	286	32	32	32	32	(981)	389	3,669	3,675	
Interest earned - outstanding debtors	213	537	128	159	148	66	145	686	689	754	422	2,567	6,512	7,551	8,541	
Fines, penalties and forfeits	21	35	48	160	375	319	323	353	353	353	353	1,541	4,232	9,300	9,718	
Licences and permits	500	612	576	578	481	381	441	526	526	526	526	642	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	1,341	1,877	1,877	1,877	1,877	(17,663)	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>12,972</b>	<b>17,757</b>	<b>110,817</b>	<b>17,288</b>	<b>16,956</b>	<b>26,743</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>12,972</b>	<b>21,757</b>	<b>123,403</b>	<b>17,288</b>	<b>16,956</b>	<b>27,231</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	12,571	16,824	16,824	16,824	16,824	34,216	201,889	210,668	219,614	
Remuneration of councillors	2,069	2,393	2,080	2,079	2,079	2,141	2,079	2,069	2,069	2,069	2,069	3,204	26,401	30,493	34,153	
Interest paid	-	137	-	-	-	-	-	339	346	354	321	1,723	3,221	2,326	2,472	
Bulk purchases - Electricity	83	10,506	11,386	8,400	7,014	7,402	6,753	9,137	9,137	9,137	9,137	21,549	109,638	114,462	119,613	
Other materials	5,315	6,109	4,668	2,557	2,165	5,954	1,210	3,320	3,320	3,320	3,320	(1,416)	39,844	35,165	36,667	
Contracted services	3,535	6,867	9,209	6,185	3,571	9,339	7,183	5,805	5,805	5,805	5,805	555	69,664	63,305	66,069	
Grants and subsidies paid - other	136	61	75	57	93	130	149	274	274	274	274	1,493	3,292	3,436	3,588	
General expenses	10,729	2,360	2,363	4,338	4,725	3,801	3,237	3,851	3,452	2,897	2,880	4,314	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>33,182</b>	<b>41,620</b>	<b>41,228</b>	<b>40,681</b>	<b>40,631</b>	<b>65,639</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	7,797	6,667	6,667	6,667	6,667	(4,241)	80,005	81,383	90,922	
Repayment of borrowing	-	542	-	-	-	-	-	2,140	2,425	2,642	2,861	14,306	24,917	25,723	26,588	
Other Cash Flows/Payments	23,500	2,986	11,668	4,103	-	28,707	12,415		2,654		3,456	(49,633)	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>53,394</b>	<b>50,427</b>	<b>52,975</b>	<b>49,990</b>	<b>53,615</b>	<b>26,070</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>(40,422)</b>	<b>(28,670)</b>	<b>70,428</b>	<b>(32,702)</b>	<b>(36,659)</b>	<b>1,161</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	9,282	(19,388)	51,040	18,338	(18,321)	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	9,282	(19,388)	51,040	18,338	(18,321)	(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 R12, 972 million and the total cash payment for the month were R53, 394 million and this resulted in net increase in cash held amounting to R40, 422 million. With cash and cash equivalent of R49, 704 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R9, 282 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		7,797	57,578	63,989	6,411	10%	59%
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	21,773	5,109				98,041	-		
<b>Total Capital expenditure</b>	<b>88,355</b>	<b>98,041</b>	<b>-</b>	<b>57,578</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 January amounts to R7, 797 million. The year to date actual expenditure incurred is R57, 578 million whilst the year to date budget is R63, 989 million that gives rise to under spending variance of R6, 411 million that translate to 10%.

## 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>	22,332	18,500	-	2,503	6,836	13,956	7,120	51%	18,500
<b>Roads Infrastructure</b>	-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-
Road Structures							-		
Road Furniture							-		
Attenuation							-		
<b>Electrical Infrastructure</b>	22,332	17,250	-	2,503	6,517	13,056	6,539	50%	17,250
MV Substations		50				45	45	100%	50
MV Networks	22,332	17,000		2,508	6,426	12,811	6,386	50%	17,000
LV Networks							-		
Capital Spares		200		(5)	92	200	108	54%	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>	824	700	-	66	621	581	(40)	-7%	700
Computer Equipment	824	700		66	621	581	(40)	-7%	700
<b>Furniture and Office Equipment</b>	-	500	-	-	436	433	(3)	-1%	500
Furniture and Office Equipment		500		-	436	433	(3)	-1%	500
<b>Machinery and Equipment</b>	214	1,610	-	(18)	361	680	319	47%	1,610
Machinery and Equipment	214	1,610		(18)	361	680	319	47%	1,610
<b>Transport Assets</b>	1,079	-	-	-	-	-	-		-
Transport Assets	1,079						-		
<b>Total Capital Expenditure on new assets</b>	24,449	22,485	-	2,551	8,909	16,296	7,386	45%	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>	<b>44,874</b>	<b>30,723</b>	<b>-</b>	<b>560</b>	<b>19,405</b>	<b>17,453</b>	<b>(1,951)</b>	<b>-11%</b>	<b>32,631</b>
Roads Infrastructure	39,750	28,631	-	2,443	17,312	15,453	(1,859)	-12%	28,631
Roads	39,750	28,331		2,443	17,312	15,253	(2,059)	-13%	28,331
Road Structures							-		
Road Furniture		300		-	-	200	200	100%	300
Attenuation							-		
<b>Electrical Infrastructure</b>	<b>5,124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
HV Substations							-		
HV Switching Station							-		
MV Networks	5,124						-		
<b>Solid Waste Infrastructure</b>	<b>-</b>	<b>2,092</b>	<b>-</b>	<b>(1,883)</b>	<b>2,092</b>	<b>2,000</b>	<b>(92)</b>	<b>-5%</b>	<b>4,000</b>
Landfill Sites		2,092		(1,883)	2,092	2,000	(92)	-5%	4,000
Waste Transfer Stations							-		
<b>Community Assets</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>70</b>	<b>869</b>	<b>801</b>	<b>(68)</b>	<b>-8%</b>	<b>1,000</b>
Cemeteries/Crematoria		1,000		70	869	801	(68)	-8%	1,000
Police							-		
Public Open Space							-		
<b>Sport and Recreation Facilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices							-		
Workshops							-		
<b>Intangible Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Servitudes							-		
Computer Software and Applications							-		
Load Settlement Software Applications							-		
<b>Computer Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Machinery and Equipment							-		
<b>Transport Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Transport Assets							-		
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>44,874</b>	<b>31,723</b>	<b>-</b>	<b>630</b>	<b>20,274</b>	<b>18,255</b>	<b>(2,019)</b>	<b>-11.1%</b>	<b>33,631</b>

## 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>	30,270	25,453	-	494	20,033	18,565	(1,468)	-8%	24,753
<b>Roads Infrastructure</b>	13,895	15,467	-	13	14,926	14,512	(414)	-3%	14,217
Roads	13,895	15,467	-	13	14,926	14,512	(414)	-3%	14,217
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	12,201	8,263	-	-	3,422	3,073	(349)	-11%	9,536
HV Substations							-		
MV Networks	12,201	8,263	-	-	3,422	3,073	(349)	-11%	9,536
LV Networks							-		
<b>Solid Waste Infrastructure</b>	4,175	1,722	-	482	1,686	980	(706)	-72%	1,000
Landfill Sites	4,175	1,722	-	482	1,686	980	(706)	-72%	1,000
Waste Transfer Stations							-		
<b>Community Assets</b>	166	594	-	(129)	259	389	130	34%	594
Community Facilities	166	594	-	(129)	259	389	130	34%	594
Libraries							-		
Cemeteries/Crematoria							-		
Parks	166	594	-	(129)	259	389	130	34%	594
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	575	1,095	-	11	1,044	1,546	502	32%	2,645
Municipal Offices	541	1,095	-	11	1,044	1,546	502	32%	2,645
Stores	34						-		
<b>Intangible Assets</b>	38	200	-	28	28	99	71	72%	200
Servitudes							-		
Computer Software and Applications	38	200	-	28	28	99	71	72%	200
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	3,214	6,556	-	552	4,246	3,646	(600)	-16%	6,445
Machinery and Equipment	3,214	6,556	-	552	4,246	3,646	(600)	-16%	6,445
<b>Transport Assets</b>	4,117	3,794	-	16	3,014	2,342	(672)	-29%	3,904
Transport Assets	4,117	3,794	-	16	3,014	2,342	(672)	-29%	3,904
<b>Total Repairs and Maintenance Expenditure</b>	<b>38,380</b>	<b>37,692</b>	<b>-</b>	<b>972</b>	<b>28,624</b>	<b>26,588</b>	<b>(2,036)</b>	<b>-7.7%</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>	<b>42,368</b>	<b>44,007</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>11,002</b>	<b>11,002</b>	<b>100%</b>	<b>44,007</b>
<b>Roads Infrastructure</b>	<b>37,502</b>	<b>39,127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,782</b>	<b>9,782</b>	<b>100%</b>	<b>39,127</b>
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>	<b>3,754</b>	<b>3,724</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>931</b>	<b>931</b>	<b>100%</b>	<b>3,724</b>
HV Switching Station							-		
HV Transmission Conductors		3,724				931	931	100%	3,724
MV Networks	3,754						-		
LV Networks							-		
<b>Solid Waste Infrastructure</b>	<b>714</b>	<b>738</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>184</b>	<b>184</b>	<b>100%</b>	<b>738</b>
Landfill Sites	714	738				184	184	100%	738
Waste Transfer Stations							-		
<b>Community Assets</b>	<b>1,231</b>	<b>1,266</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>316</b>	<b>316</b>	<b>100%</b>	<b>1,266</b>
Parks	1,231						-		
Public Open Space		1,266				316	316	0	1,266
<b>Heritage assets</b>	<b>5</b>	<b>6</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>100%</b>	<b>6</b>
Other Heritage	5	6				1	1	0	6
<b>Other assets</b>	<b>4,140</b>	<b>4,229</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,057</b>	<b>1,057</b>	<b>0</b>	<b>4,229</b>
Municipal Offices	4,140	4,229				1,057	1,057	100%	4,229
Workshops							-		
<b>Intangible Assets</b>	<b>-</b>	<b>53</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>13</b>	<b>100%</b>	<b>-</b>
Servitudes							-		
Computer Software and Applications		53				13	13	100%	
<b>Computer Equipment</b>	<b>692</b>	<b>725</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>181</b>	<b>181</b>	<b>100%</b>	<b>725</b>
Computer Equipment	692	725				181	181	100%	725
<b>Furniture and Office Equipment</b>	<b>590</b>	<b>618</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>154</b>	<b>154</b>	<b>100%</b>	<b>618</b>
Furniture and Office Equipment	590	618				154	154	100%	618
<b>Machinery and Equipment</b>	<b>674</b>	<b>2,961</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>740</b>	<b>740</b>	<b>100%</b>	<b>707</b>
Machinery and Equipment	674	2,961				740	740	100%	707
<b>Transport Assets</b>	<b>5,751</b>	<b>5,915</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,479</b>	<b>1,479</b>	<b>100%</b>	<b>5,915</b>
Transport Assets	5,751	5,915				1,479	1,479	100%	5,915
<b>Total Depreciation</b>	<b>55,452</b>	<b>59,780</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,945</b>	<b>14,945</b>	<b>100%</b>	<b>57,472</b>

## 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>	18,534	41,433	-	4,238	26,436	28,097	1,661	6%	39,525
<b>Roads Infrastructure</b>	18,534	41,433	-	4,238	26,436	28,097	1,661	6%	39,525
Roads	18,534	41,433		4,238	26,436	28,097	1,661	6%	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>	-	-	-	-	-	-	-		-
Landfill Sites	-	-	-	-	-	-	-		-
<b>Community Assets</b>	498	1,300	-	378	884	800	(84)	-11%	1,300
Libraries							-		
Cemeteries/Crematoria	498						-		
Police							-		
Parks		1,300		378	884	800	(84)	-11%	1,300
<b>Other assets</b>	-	1,100	-	-	1,075	1,208	133	0	1,100
Municipal Offices	-						-		
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>	19,032	43,833	-	4,616	28,395	30,105	1,709	6%	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 R8, 909 and the year to date budget is R16, 296 million that reflects over spending variance of R7, 386 million that translates to 45% variance.

The year to date actuals on renewal of existing assets amounts R20, 274 million and with the year to date budget of R18, 255 million and this reflects over spending variance of R2, 019 million that translates to 11.1% variance.

The year to date actual expenditure on repairs and maintenance is R28, 624 million, and the year to date budget is R26, 588 million, reflecting under spending variance of R2, 036 million that translates to 7.7%.

The year to date actual expenditure on upgrading of existing assets is R28, 395 million and the year to date budget is R30, 105 million, reflecting over spending variance of R1, 709 million that translates to 6%.

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 Bibs	Multi	Solid Waste Infrastructure	Capital Spares	850,000	-	-	0%
	Fencing of Elandsdoorn/Ntwane Cemetery	Multi	Community Assets	Cemeteries/Crematoria	1,000,000	-	869,000	87%
	Upgrading and Development of Parks	Multi	Community Assets	Parks	1,300,000	-	884,469	68%
	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%
	Corporate Services	Computer Equipment	Multi	Computer Equipment	Computer Equipment	700,000	-	620,550
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 Technical Services	Razor Fencing of Portion 39 of Farm Klipbank 26 JS (Game Farm)	Single	Other assets	Yards	1,100,000	-	1,075,000	98%
	Culverts and Road signs 600	Multi	Roads Infrastructure	Road Furniture	300,000	-	-	0%
	Motetema Streets Upgrade	Multi	Roads Infrastructure	Roads	3,500,000	-	1,421,914	41%
	Upgrading of Bloompport and Uitspanning Access Road	Single	Roads Infrastructure	Roads	24,830,820	-	15,890,234	64%
	Groblersdal Landfill site 6.6	Multi	Solid Waste Infrastructure	Landfill Sites	2,092,365	-	2,092,364	100%
	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 Hlogotlou-Bopanang Road	Multi	Roads Infrastructure	Roads	800,000	-	-	0%
	Upgrading of Kgobokwane-Kgaphamadi Road	Multi	Roads Infrastructure	Roads	800,000	-	295,652	37%
	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	-	1,187,349	55%
	Upgrading of Nyakoroane Internal Access Road	Multi	Roads Infrastructure	Roads	6,512,520	-	5,252,623	81%
	Upgrading of Tafelkop stadium Access Road	Single	Roads Infrastructure	Roads	27,001,116	-	19,700,301	73%
	Electrification of Makaepea	Single	Electrical Infrastructure	MV Networks	3,240,000	-	289,557	9%
	Electrification of Masakaneng	Multi	Electrical Infrastructure	MV Networks	7,960,000	-	5,764,656	72%
	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	-	-	-	0%	
Main substation	Single	Electrical Infrastructure	MV Substations	50,000	-	-	0%	
Aircons	Multi	Electrical Infrastructure	Capital Spares	200,000	-	91,753	46%	
Machinery and Equipment	Multi	Machinery and Equipment	Machinery and Equipment	850,000	-	360,947	42%	

## 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 January 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)

Signature .....

Date ..... 15/02/2023