

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

MAY 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 Mayor 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	PERCENTAGE
OPERATING REVENUE	601,350,985	628,261,582	594,976,823	99%
		-		
OPERATING EXPENDITURE	597,283,011	555,062,633	533,935,576	89%
		-		
TRANSFER - CAPITAL	79,606,001	110,199,037	70,610,385	89%
SURPLUS/(DEFICIT)	83,673,978	185,724,850	137,255,205	164%
CAPITAL EXPENDITURE	98,041,001	139,385,876	86,579,433	88%

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
Financial Performance									
Property rates	39,913	44,645	59,853	4,533	50,293	54,612	(4,319)	-8%	59,853
Service charges	107,753	117,968	110,719	7,102	89,019	98,126	(9,107)	-9%	110,719
Investment revenue	1,780	3,652	2,152	1,040	3,173	2,152	1,021	47%	2,152
Transfers and subsidies	307,637	338,906	338,906	115	338,656	338,592	64	0%	338,906
Other own revenue	30,560	96,180	116,631	752	113,835	93,097	20,738	22%	116,631
Total Revenue (excluding capital transfers and contributions)	487,643	601,351	628,262	13,542	594,977	586,579	8,398	1%	628,262
Employee costs	160,187	185,316	172,137	12,660	150,643	150,671	(28)	0%	172,137
Remuneration of Councillors	25,567	25,580	27,126	2,079	22,591	24,147	(1,556)	-6%	27,126
Depreciation & asset impairment	57,070	59,780	60,910	0	49,712	53,925	(4,214)	-8%	60,910
Finance charges	526	2,185	1,555	-	1,000	936	64	7%	1,555
Materials and bulk purchases	135,835	148,283	133,627	7,626	115,406	128,033	(12,628)	-10%	133,627
Transfers and subsidies	2,591	3,292	2,783	191	1,857	1,593	265	17%	2,783
Other expenditure	128,543	172,846	156,925	(2,275)	192,728	132,975	59,753	45%	156,925
Total Expenditure	510,319	597,283	555,063	20,280	533,936	492,279	41,656	8%	555,063
Surplus/(Deficit)	(22,676)	4,068	73,199	(6,738)	61,041	94,300	(33,258)	-35%	73,199
Transfers and subsidies - capital (monetary allocations)	74,316	79,606	112,526	6,639	76,214	77,390	(1,177)	-2%	112,526
Surplus/(Deficit) after capital transfers & contributions	51,640	83,674	185,725	(98)	137,255	171,690	(34,435)	-20%	185,725
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	51,640	83,674	185,725	(98)	137,255	171,690	(34,435)	-20%	185,725
Capital expenditure & funds sources									
Capital expenditure	88,355	98,041	139,386	7,513	86,579	108,238	(21,659)	-20%	139,386
Capital transfers recognised	74,316	79,606	110,199	4,707	70,610	87,845	(17,235)	-20%	110,199
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14,040	18,435	29,187	2,806	15,969	20,394	(4,424)	-22%	29,187
Total sources of capital funds	88,355	98,041	139,386	7,513	86,579	108,238	(21,659)	-20%	139,386
Financial position									
Total current assets	152,406	158,966	192,808		304,082				192,808
Total non current assets	1,201,016	1,325,025	1,328,531		1,222,762				1,328,531
Total current liabilities	118,941	120,343	118,035		161,100				118,035
Total non current liabilities	98,658	113,710	108,953		92,040				108,953
Community wealth/Equity	1,135,823	1,249,938	1,294,351		-				1,294,351
Cash flows									
Net cash from (used) operating	88,300	94,811	123,128	(13,986)	146,270	171,945	25,675	15%	123,128
Net cash from (used) investing	(75,949)	(78,022)	(89,012)	(7,513)	(86,096)	(85,605)	492	-1%	(89,012)
Net cash from (used) financing	(4,457)	(6,971)	(7,792)	-	(4,790)	(2,670)	2,120	-79%	(7,792)
Cash/cash equivalents at the month/year end	14,710	24,063	41,034	-	61,980	98,380	36,400	37%	32,921
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	12,408	5,852	3,684	3,769	4,182	3,602	18,485	130,495	182,477
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 May is R594, 977 million and the year to date budget of R586, 579 million and this reflects a positive variance of R8, 398 million which is mostly attributable to equitable shares received amounting to R328, 760 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 47% favorable variance,
- Interest earned – outstanding debtors: 2% unfavorable variance,
- Rental on Facilities and Equipment: 20% favorable variance,
- Fines, penalties and forfeits: 31% favorable variance
- Services Charges – electricity revenue: 10% unfavorable variance
- Services Charges – refuse revenue: 1% favorable variance
- Licenses and permits: 8% unfavorable variance
- Property rates: 8% unfavorable variance
- Other revenue: 23% unfavorable
- Transfer and subsidies: 0% favorable

Operating Expenditure

The year to date operational expenditure as at end of May amounts to R533, 936 million and the year to date budget is R492, 279 million. This reflects overspending variance of R41, 656 million that translates to 8% 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: 230% over performance
- Other material: 16% under performance
- Transfer and subsidies: 17% over performance
- Other expenditure: 23% over 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 May 2023 amounts to R86, 579 million and the year to date budget amounts to R108, 238 million and this gives rise to R21, 659 million under performance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of May is R137, 255 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 May amounts to R182, 477 million and this shows an increase of R24,139 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 R113,053 million and other debtors amounting to R69, 424 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 May 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
Revenue - Functional									
Governance and administration	256,207	281,883	292,750	5,333	271,496	285,427	(13,932)	-5%	292,750
Executive and council	55,019	53,728	53,728	-	43,728	53,728	(10,000)	-19%	53,728
Finance and administration	190,004	214,701	225,568	5,333	214,313	218,245	(3,932)	-2%	225,568
Internal audit	11,184	13,455	13,455	-	13,455	13,455	(0)	0%	13,455
Community and public safety	24,366	96,507	118,460	508	120,950	98,731	22,219	23%	118,460
Community and social services	10,535	10,998	10,975	8	10,939	10,963	(23)	0%	10,975
Sport and recreation	11,586	17,075	17,050	-	17,033	17,046	(13)	0%	17,050
Public safety	2,244	68,435	90,435	500	92,977	70,722	22,255	31%	90,435
Economic and environmental services	128,540	124,248	157,082	5,743	126,723	122,314	4,409	4%	157,082
Planning and development	24,294	20,920	21,441	46	21,482	21,375	106	0%	21,441
Road transport	101,348	102,518	134,830	5,697	104,431	100,128	4,303	4%	134,830
Environmental protection	2,898	811	811	-	811	811	0	0%	811
Trading services	152,846	178,318	172,496	8,597	152,023	157,498	(5,476)	-3%	172,496
Energy sources	123,719	145,384	137,915	7,746	116,511	123,891	(7,380)	-6%	137,915
Waste management	29,126	32,935	34,581	851	35,512	33,607	1,905	6%	34,581
Total Revenue - Functional	561,959	680,957	740,787	20,182	671,191	663,969	7,221	1%	740,787
Expenditure - Functional									
Governance and administration	208,324	220,755	227,201	9,291	194,708	196,172	(1,464)	-1%	227,201
Executive and council	41,975	47,573	43,516	2,902	37,545	38,499	(954)	-2%	43,516
Finance and administration	155,900	163,419	171,572	6,083	148,780	146,914	1,866	1%	171,572
Internal audit	10,449	9,764	12,113	306	8,384	10,759	(2,375)	-22%	12,113
Community and public safety	40,240	89,593	57,760	3,756	103,342	52,135	51,208	98%	57,760
Community and social services	11,679	8,174	6,511	457	5,757	5,851	(94)	-2%	6,511
Sport and recreation	10,059	16,175	9,739	1,746	9,344	8,504	840	10%	9,739
Public safety	18,502	65,243	41,510	1,553	88,241	37,780	50,462	134%	41,510
Economic and environmental services	91,149	120,750	115,563	4,074	101,532	108,594	(7,062)	-7%	115,563
Planning and development	16,794	20,798	17,779	1,196	16,716	16,857	(141)	-1%	17,779
Road transport	74,157	99,257	97,784	2,878	84,816	91,737	(6,921)	-8%	97,784
Environmental protection	197	696	0	-	-	0	(0)	-100%	0
Trading services	170,605	166,185	154,538	3,159	134,353	135,379	(1,026)	-1%	154,538
Energy sources	125,582	134,925	114,328	7,503	93,594	100,641	(7,047)	-7%	114,328
Waste management	45,024	31,260	40,210	(4,344)	40,759	34,738	6,021	17%	40,210
Total Expenditure - Functional	510,319	597,283	555,063	20,280	533,936	492,279	41,656	8%	555,063
Surplus/ (Deficit) for the year	51,640	83,674	185,725	(98)	137,255	171,690	(34,435)	-20%	185,725

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
Revenue by Vote									
Vote 1 - Executive & Council	49,272	47,271	47,271	–	37,271	47,271	(10,000)	-21%	47,271
Vote 2 - Municipal Manager	37,701	46,531	46,531	–	46,531	46,531	0	0%	46,531
Vote 3 - Budget & Treasury	83,055	103,972	114,767	5,333	103,555	107,452	(3,897)	-4%	114,767
Vote 4 - Corporate Services	46,074	50,627	50,700	0	50,657	50,691	(34)	0%	50,700
Vote 5 - Community Services	64,581	138,801	162,889	1,836	165,000	141,419	23,581	17%	162,889
Vote 6 - Technical Services	239,933	265,908	290,261	12,966	239,768	242,302	(2,534)	-1%	290,261
Vote 7 - Developmental Planning	16,808	12,923	13,445	46	13,486	13,379	106	1%	13,445
Vote 8 - Executive Support	24,534	14,925	14,925	–	14,925	14,925	(0)	0%	14,925
Total Revenue by Vote	561,959	680,957	740,787	20,182	671,191	663,969	7,221	1%	740,787
Expenditure by Vote									
Vote 1 - Executive & Council	35,993	35,371	37,710	2,570	32,401	33,317	(916)	-3%	37,710
Vote 2 - Municipal Manager	45,860	41,983	47,114	1,175	38,466	42,810	(4,343)	-10%	47,114
Vote 3 - Budget & Treasury	53,340	66,301	63,175	723	56,638	55,482	1,156	2%	63,175
Vote 4 - Corporate Services	28,369	36,714	32,357	1,566	22,247	24,176	(1,929)	-8%	32,357
Vote 5 - Community Services	93,637	130,751	106,670	67	152,052	94,988	57,064	60%	106,670
Vote 6 - Technical Services	218,275	248,110	232,122	11,473	198,692	208,307	(9,615)	-5%	232,122
Vote 7 - Developmental Planning	12,208	15,057	12,251	820	11,859	11,870	(12)	0%	12,251
Vote 8 - Executive Support	22,638	22,996	23,663	1,886	21,579	21,329	250	1%	23,663
Total Expenditure by Vote	510,319	597,283	555,063	20,280	533,936	492,279	41,656	8%	555,063
Surplus/ (Deficit) for the year	51,640	83,674	185,725	(98)	137,255	171,690	(34,435)	-20%	185,725

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
Revenue By Source									
Property rates	39,913	44,645	59,853	4,533	50,293	54,612	(4,319)	-8%	59,853
Service charges - electricity revenue	98,371	108,186	101,418	6,251	80,309	89,496	(9,187)	-10%	101,418
Service charges - refuse revenue	9,383	9,781	9,302	851	8,710	8,630	80	1%	9,302
Rental of facilities and equipment	1,019	1,004	867	65	945	788	158	20%	867
Interest earned - external investments	1,780	3,652	2,152	1,040	3,173	2,152	1,021	47%	2,152
Interest earned - outstanding debtors	19,283	18,817	15,322	441	12,234	12,531	(297)	-2%	15,322
Fines, penalties and forfeits	2,236	68,520	90,719	510	92,976	70,972	22,005	31%	90,719
Licences and permits	5,966	6,315	6,815	477	5,579	6,064	(485)	-8%	6,815
Transfers and subsidies	307,637	338,906	338,906	115	338,656	338,592	64	0%	338,906
Other revenue	2,055	1,524	2,907	(741)	2,101	2,742	(641)	-23%	2,907
Gains							-		
Total Revenue (excluding capital transfers and contributions)	487,643	601,351	628,262	13,542	594,977	586,579	8,398	1%	628,262
Expenditure By Type									
Employee related costs	160,187	185,316	172,137	12,660	150,643	150,671	(28)	0%	172,137
Remuneration of councillors	25,567	25,580	27,126	2,079	22,591	24,147	(1,556)	-6%	27,126
Debt impairment	19,690	61,181	29,223	(9,993)	80,354	24,348	56,006	230%	29,223
Depreciation & asset impairment	57,070	59,780	60,910	0	49,712	53,925	(4,214)	-8%	60,910
Finance charges	526	2,185	1,555	-	1,000	936	64	7%	1,555
Bulk purchases	97,949	109,638	94,532	6,287	78,336	83,795	(5,459)	-7%	94,532
Other materials	37,886	38,645	39,095	1,339	37,070	44,238	(7,169)	-16%	39,095
Contracted services	77,956	67,165	73,916	4,757	63,408	68,961	(5,554)	-8%	73,916
Transfers and subsidies	2,591	3,292	2,783	191	1,857	1,593	265	17%	2,783
Other expenditure	44,245	44,500	53,786	2,961	48,966	39,665	9,301	23%	53,786
Losses	(13,349)						-		
Total Expenditure	510,319	597,283	555,063	20,280	533,936	492,279	41,656	8%	555,063
Surplus/(Deficit)	(22,676)	4,068	73,199	(6,738)	61,041	94,300	(33,258)	-35%	73,199
Transfers and subsidies - capital (monetary allocations)	74,316	79,606	112,526	6,639	76,214	77,390	(1,177)	-2%	112,526
Transfers and subsidies - capital (monetary allocations)							-		-
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers & contributions	51,640	83,674	185,725	(98)	137,255	171,690			185,725
Taxation							-		
Surplus/(Deficit) after taxation	51,640	83,674	185,725	(98)	137,255	171,690			185,725
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	51,640	83,674	185,725	(98)	137,255	171,690			185,725
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	51,640	83,674	185,725	(98)	137,255	171,690			185,725

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

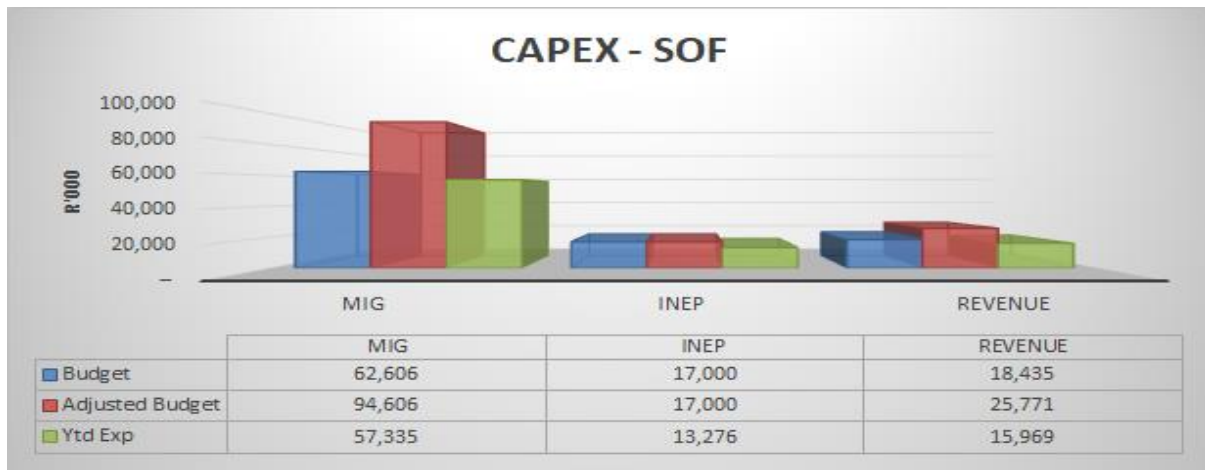
Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	1,903	1,500	3,040	(29)	2,061	3,709	(1,648)	-44%	3,040
Executive and council	-						-		
Finance and administration	1,903	1,500	3,040	(29)	2,061	3,709	(1,648)	-44%	3,040
Internal audit	-						-		
Community and public safety	498	3,935	3,533	(177)	2,289	2,520	(231)	-9%	3,533
Community and social services	498	1,538	1,403	(0)	1,909	1,366	543	40%	1,403
Sport and recreation	-	1,680	1,264	24	380	238	142	60%	1,264
Public safety	-	718	865	(201)	-	917	(917)	-100%	865
Housing							-		
Health							-		
Economic and environmental services	57,924	74,106	108,740	3,593	65,121	84,713	(19,592)	-23%	108,740
Planning and development	-	1,100	1,075	-	1,075	1,075	-		1,075
Road transport	57,924	73,006	107,665	3,593	64,046	83,638	(19,592)	-23%	107,665
Environmental protection	-						-		
Trading services	28,030	18,500	24,674	4,126	17,108	17,296	(187)	-1%	24,674
Energy sources	28,030	17,250	22,524	4,367	16,084	16,165	(81)	-1%	22,524
Waste management	-	1,250	2,150	(241)	1,024	1,131	(106)	-9%	2,150
Other							-		
Total Capital Expenditure - Functional Classification	88,355	98,041	139,986	7,513	86,579	108,238	(21,659)	-20%	139,986
Funded by:									
National Government	74,316	79,606	110,199	4,707	70,610	87,845	(17,235)	-20%	110,199
Provincial Government							-		
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
Transfers recognised - capital	74,316	79,606	110,199	4,707	70,610	87,845	(17,235)	-20%	110,199
Borrowing							-		
Internally generated funds	14,040	18,435	29,187	2,806	15,969	20,394	(4,424)	-22%	29,187
Total Capital Funding	88,355	98,041	139,386	7,513	86,579	108,238	(21,659)	-20%	139,386

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
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	824	1,500	3,040	(29)	2,061	2,705	(644)	-24%	3,040
Vote 5 - Community Services	-	4,368	4,287	102	3,313	3,094	219	7%	4,287
Vote 6 - Technical Services	46,398	29,334	69,317	5,761	31,717	45,641	(13,924)	-31%	69,317
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	47,222	35,202	76,644	5,834	37,091	51,440	(14,349)	-28%	76,644
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	498	818	795	(520)	-	557	(557)	-100%	795
Vote 6 - Technical Services	40,635	60,922	60,872	2,199	48,413	55,167	(6,754)	-12%	60,872
Vote 7 - Developmental Planning	-	1,100	1,075	-	1,075	1,075	-	-	1,075
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	41,133	62,839	62,742	1,679	49,488	56,799	(7,310)	-13%	62,742
Total Capital Expenditure	88,355	98,041	139,386	7,513	86,579	108,238	(21,659)	-20%	139,386

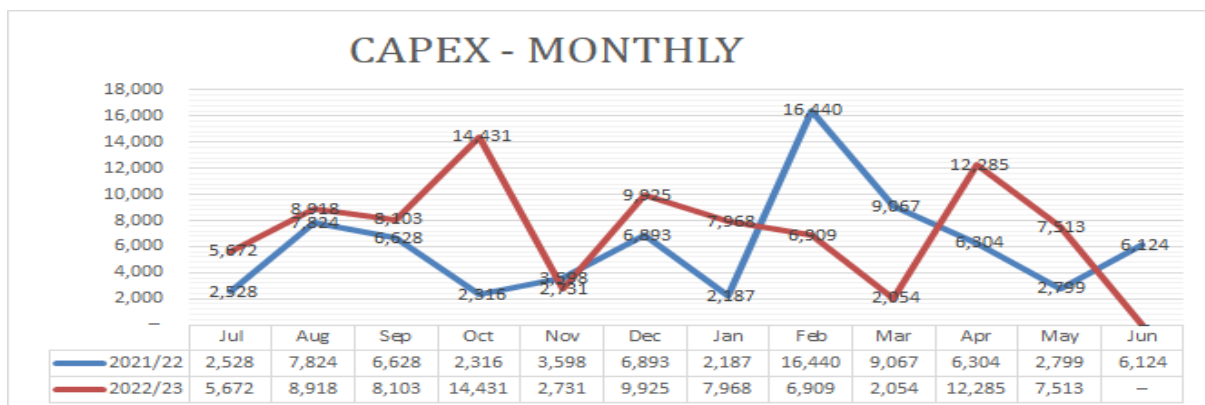
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of May 2023, R2, 054 million spending is incurred and the year to date expenditure amounts to R66 711 million whilst the year to date budget is R70 535 million and this gave rise to under spending variance of R3, 824 million that translates to 5%.

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 R139, 386 million, R94, 606 million is funded from Municipal Infrastructure grant, R17, 000 million from Integrated National Electrification Programme and R29, 187 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
ASSETS					
Current assets					
Cash	14,710	24,162	41,034	1,195	41,034
Call investment deposits	–	–	–	60,786	
Consumer debtors	96,531	61,834	64,191	107,970	64,191
Other debtors	20,810	62,845	75,304	106,094	75,304
Current portion of long-term receivables	–	119	119		119
Inventory	20,355	10,005	12,160	28,037	12,160
Total current assets	152,406	158,966	192,808	304,082	192,808
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	17,278	17,278	–	17,278
Investment property	96,399	48,547	48,547	95,259	48,547
Investments in Associate					
Property, plant and equipment	1,088,067	1,258,405	1,261,912	1,125,568	1,261,912
Biological	–	–	–	–	–
Intangible	14	331	331	8	331
Other non-current assets	16,536	463	463	1,928	463
Total non current assets	1,201,016	1,325,025	1,328,531	1,222,762	1,328,531
TOTAL ASSETS	1,353,422	1,483,992	1,521,339	1,526,844	1,521,339
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	6,638	7,459	6,638	7,111	6,638
Consumer deposits	5,621	5,700	5,700	5,056	5,700
Trade and other payables	104,167	101,172	99,684	147,792	99,684
Provisions	2,515	6,012	6,012	1,142	6,012
Total current liabilities	118,941	120,343	118,035	161,100	118,035
Non current liabilities					
Borrowing	12,702	17,458	12,701	7,320	12,701
Provisions	85,956	96,252	96,252	84,720	96,252
Total non current liabilities	98,658	113,710	108,953	92,040	108,953
TOTAL LIABILITIES	217,599	234,053	226,988	253,140	226,988
NET ASSETS	1,135,823	1,249,938	1,294,351	1,273,704	1,294,351
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,135,823	1,230,938	1,294,351	1,273,704	1,294,351
Reserves	–	19,000	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	1,135,823	1,249,938	1,294,351	1,273,704	1,294,351

The above table shows that community wealth amounts to R1, 272 billion, total liabilities R253, million and the total assets R1, 526 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 1.9:1 that is below 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
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	28,584	40,092	50,336	3,277	34,082	29,297	4,786	16%	50,336
Service charges	70,796	122,434	128,509	7,083	84,011	89,259	(5,247)	-6%	128,509
Other revenue	44,971	17,752	20,176	5,364	51,832	53,718	(1,886)	-4%	20,176
Transfers and Subsidies - Operational	307,767	338,906	338,906	-	333,406	338,906	(5,500)	-2%	338,906
Transfers and Subsidies - Capital	79,469	79,606	79,606	-	111,606	112,123	(517)	0%	79,606
Interest	1,780	3,652	2,152	562	4,697	7,727	(3,030)	-39%	2,152
Payments									
Suppliers and employees	(442,993)	(508,739)	(496,824)	(30,082)	(470,507)	(456,006)	14,501	-3%	(496,824)
Finance charges	(526)	(2,185)	(2,688)	-	(1,000)	(1,280)	(280)	22%	(2,688)
Transfers and Grants	(1,547)	3,292	2,954	(191)	(1,857)	(1,799)	58	-3%	2,954
NET CASH FROM/(USED) OPERATING ACTIVITIES	88,300	94,811	123,128	(13,986)	146,270	171,945	25,675	15%	123,128
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	1,011	5,544	2,470	-	-	421	(421)	-100%	2,470
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	(1,776)	(1,776)	-	-	(1,780)	1,780	-100%	(1,776)
Payments									
Capital assets	(76,960)	(81,790)	(91,715)	(7,513)	(86,096)	(84,246)	1,850	-2%	(91,715)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(75,949)	(78,022)	(89,012)	(7,513)	(86,096)	(85,605)	492	-1%	(89,012)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	488	488	-	-	42	(42)	0%	488
Payments									
Repayment of borrowing	(4,457)	(7,459)	(8,281)	-	(4,790)	(2,712)	2,078	-77%	(8,281)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4,457)	(6,971)	(7,792)	-	(4,790)	(2,670)	2,120	-79%	(7,792)
NET INCREASE/ (DECREASE) IN CASH HELD	7,894	9,818	26,324	(21,499)	55,383	83,670			26,324
Cash/cash equivalents at beginning:	6,816	14,245	14,710		6,597	14,710			6,597
Cash/cash equivalents at month/year end:	14,710	24,063	41,034		61,980	98,380			32,921

Table C7 presents details pertaining to cash flow performance. As at end of May 2023, the net cash inflow from operating activities is R146, 270 million whilst net cash outflow from investing activities is R86, 096 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R4, 790 million. The cash and cash equivalent held at end of May 2023 amounted to R61, 980 million and the net effect of the above cash flows is cash inflow movement of R55, 383 million. The cash and cash equivalent at end of the reporting period of R61, 980 million, is mainly made up of cash in the primary bank account amounting to R1, 195 million with a short term investment amounting to R60, 786 million at the end of May 2023.

PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
Property rates	-8%	The projected monthly revenue appears to be higher in light of the actual revenue performance	The municipality should improve on the revenue collection and strategise on collection revenue.
Service charges - electricity revenue	-10%	The projected monthly revenue appear to be high in light of the actual revenue performance	The municipality should introduce cut off measurements as means to enforce customers to pay their accounts when due.
Service charges - refuse revenue	1%	The actual revenue generated is slightly higher than the projected monthly revenue	No remedial action is needed.
Rental of facilities and equipment	20%	The actual revenue generated is slightly 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	47%	The municipality has invested in three different investment portfolios with ABSA and Nedbank, and the actual revenue generated is more budgeted revenue	The municipality should draft cash flow projections plan which will assist if there is a need to invest
Interest earned - outstanding debtors	-2%	The actual revenue generated is slightly less than the projected monthly revenue.	The municipality should encourage customers to pay the accounts on time to avoid incurring interest.
Fines, penalties and forfeits	31%	The contract of the speed fine cameras has been appointed, however there still slow collection in terms of revenue collection and it must be noted that the improvement of fines as a results of journal captured that relates to debt impairment.	The municipality should strategies on how to speed up the revenue collection under this item. There should be road blocks in the groblersdal entrences where cashiers are available to collection on outstanding traffic fines.
Licences and permits	-8%	The actual revenue generated is slightly less than the projected monthly revenue	No remedial action is needed since the variance is immaterial.
Transfers and subsidies	0%	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	-23%	The actual revenue generated is slightly less than the projected monthly revenue.	No remedial action is needed as the variance is positive.
Expenditure By Type			
Employee related costs	0%	The actual expenditure incurred on employee related costs is slightly less than the projections thereof	Majority of the positions are vacant however spending of employee related costs has improved considering the projections thereof, and vacant posts should be filled.
Remuneration of councillors	-6%	The actual expenditure incurred on remuneration of councillors is less than the projected monthly expenditure	No remedial action is needed.
Debt impairment	230%	Debt impairment has been calculated for the preparations of the ten months financial statements.	The municipality should introduce the method of calculating debt impairment on quarterly basis to avoid the the variances.
Depreciation & asset impairment	-8%	Depreciation has been calculated for the preparations of the ten months financial statements.	The municipality should introduce the method of calculating depreciation on quarterly basis to avoid the the variances.
Finance charges	7%	Finance charges is mainly for finance lease and the municipality has a lease contract with Afirent pty ltd.	The municipality should encourages the service provider to submit invoices before month end sytem closure.
Bulk purchases	-7%	The municipal licenced electrification areas have increased and the projections are more than the actual expenditure.	No remedial action is needed.
Other materials	-16%	The projected expendire is more than the actual expenditure thereof.	No remedial action is needed
Contracted services	-8%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial is needed as the variance was addressed during budget adjustment
Transfers and subsidies	17%	The actual expenditure incurred is more than the projected monthly expenditure	No remedial action is needed
Other expenditure	23%	The actual expenditure incurred is more 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
Capital Expenditure			
National Government	-20%	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	-22%	The actual spending on internally generated funds is less than the projections thereof.	No remedial action is needed.
Cash Flow			
Property rates	16%	The actual collection rate on property rates is more 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	-6%	The collection rate on service charges is less than the projected rate	The municipality should come up strategies of collection methods in licenced municipal areas on electricity billings and refuse removal.
Other revenue	-4%	The collection rate on leased assets is slightly over projected	The municipality should come up with strategies to ensure that all leased municipal assets are rented out as projected
Government - operating	-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 and the infrastructure department should identify challenges on slow moving capital projects.
Government - Capital	0%	The receipted trenches of capital grants are in line with the projections thereof and the municipality has received an additional funding on MIG projects.	During the main budget preparation division of revenue act (DORA) should be used as a guideline.
Interest	-39%	Interest on other revenue is over projected to the under collection from other debtors	No remedial action is needed
Suppliers and employees	-3%	The actual costs incurred is more 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	22%	The finance charges have been slightly over projected.	No remedial action is needed
Transfers and Grants	-3%	The payments relating to this account are slightly higher than the projections thereof	No remedial action is needed
Capital assets	-2%	The projected capital expenditure on capex is less 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	0%	The actual payments on consumer deposit is less than the projections thereof	No remedial action is needed
Repayment of borrowing	-77%	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
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Electricity	5,343	1,350	203	237	513	112	591	2,853	11,201	4,305	-	-
Receivables from Non-exchange Transactions - Property Rates	4,740	2,500	2,097	2,506	1,965	1,877	9,159	50,240	75,083	65,746	-	-
Receivables from Exchange Transactions - Waste Management	850	536	435	419	406	401	2,370	19,724	25,142	23,321	-	-
Receivables from Exchange Transactions - Property Rental Debtors	62	24	37	4	19	20	122	1,338	1,627	1,504	-	-
Interest on Arrear Debtor Accounts	1,284	1,239	1,213	1,320	1,158	1,127	6,872	52,091	66,304	62,568	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	128	203	(302)	(717)	122	65	(629)	4,250	3,120	3,091	-	-
Total By Income Source	12,408	5,852	3,684	3,769	4,182	3,602	18,485	130,495	182,477	160,534	-	-
2021/22 - totals only	13,747	5,951	3,560	3,407	3,479	3,298	18,231	106,666	158,338	135,081		
Debtors Age Analysis By Customer Group												
Organs of State	1,093	1,227	736	222	1,363	939	5,028	40,073	50,683	47,627	-	-
Commercial	6,091	1,503	527	681	554	485	1,644	8,186	19,671	11,550	-	-
Households	4,689	2,669	2,059	2,025	2,000	1,949	11,251	78,466	105,108	95,692	-	-
Other	535	452	363	841	265	228	561	3,770	7,015	5,665	-	-
Total By Customer Group	12,408	5,852	3,684	3,769	4,182	3,602	18,485	130,495	182,477	160,534	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of May amount to R182, 477 million. The debtors' book is made up as follows:

- Rates 41%
- Electricity 6%
- Rental 1%
- Refuse removal 14%
- Interest on Debtors 36%
- Other 2%

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

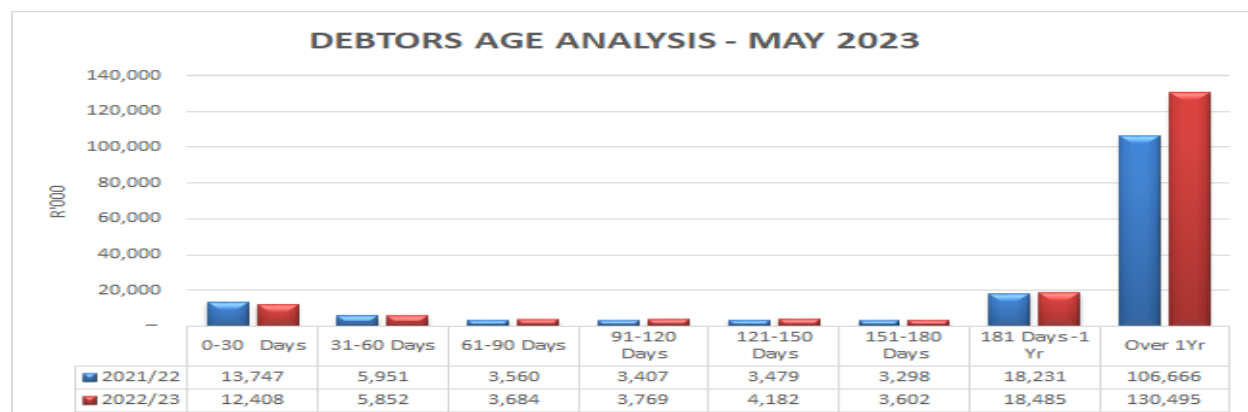
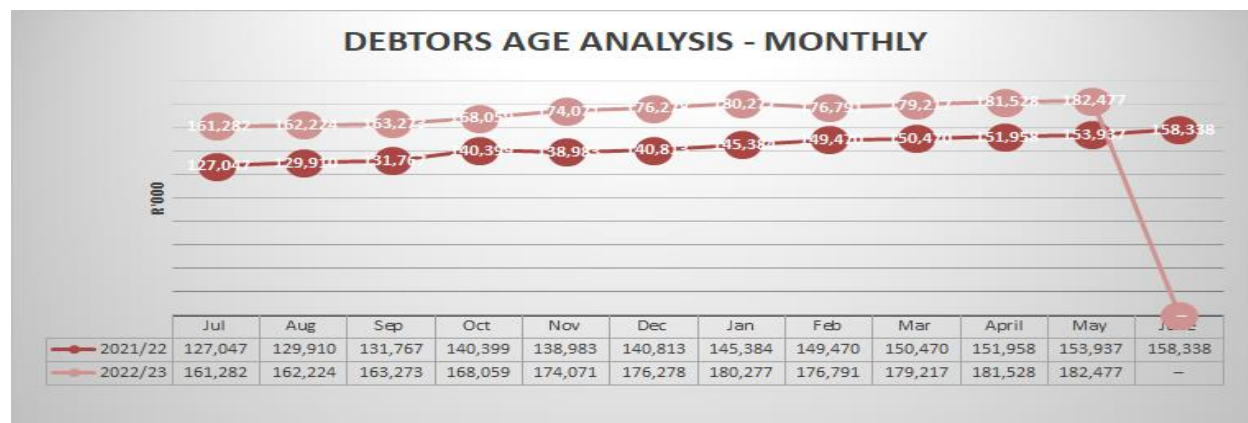


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2021/22 financial year and 2022/23 (as at end of May 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 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	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,609,113
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,471,685
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OCCUPIER	1,186,148
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	843,487
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	717,303
1200062	GREAT NORTH TRANSPORT	ACTIVE	OCCUPIER	492,273
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	473,999
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OCCUPIER	455,149
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	426,077
9002503	GOUWS BOERDERY TRUST 1999/022459/07	ACTIVE	OWNER	407,394
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	392,005
1501364	JAN JOUBERT TRUST (JO JO TANKS)	ACTIVE	OCCUPIER	380,013
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	365,577
2200691	EHLERS JA	ACTIVE	OWNER	357,703
9002327	LEMONS EMANUEL MARQUES DE	ACTIVE	OWNER	355,554
9001714	KWAMAQHUZE COMMUNAL PROP ASSOC	ACTIVE	OWNER	350,330
5000305	NKANGALA DISTRICT MUNICIPALITY	ACTIVE	OWNER	348,678
72010812	PROVINCIAL GOVERNMENT OF THE PROVINCE OF MPUMALANGA	ACTIVE	OWNER	332,947
9001667	NDEBELE MAHLANGU TRIBE	ACTIVE	OWNER	324,311
9001668	NDEBELE MAHLANGU TRIBE	ACTIVE	OWNER	323,981
TOTAL				11,613,726

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									-	
Total By Customer Type	-	-	-	-	-	-	-	-	-	-

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 R20, 551 million as outstanding creditors by the end of the month of May 2023.

CODE	CREDITOR NAME	AMOUNT
1	ESKOM	6,507,670
80593	TECHNICRETE ISG (PTY)LTD	2,116,745
81168	LKCENRIX SOLUTIONS	1,390,258
40029	GIFTRON DISTRIBUTION	1,328,998
81302	SESHEGO ELECTRICAL CONTRACTORS	1,009,720
81246	F-TECH SERVICES	996,639
32701	UNIQUECO PROPERTIES (PTY) LTD	996,291
41009	TSHASHU CONSULTING AND PROJECT	912,053
37771	MASHUMI CONSTRUCTION & SUPPLY	899,496
81054	KGWADI YA MADIBA GENERAL	763,179
37581	PHELADI NOKO B1 FUNERAL	508,644
81042	MATUPUNUKA ICT	499,421
81002	SELEMA PLANT HIRE	484,000
80654	MPOFU ELECTRICAL SERVICES	429,525
32508	NTSHIANA T/ENTERPRISE t/a NTSH	384,996
81039	LEPHATA LA BASHA TRADING AND P	340,531
81041	LEKONAKONETSI CONSULTING SERVI	289,896
81025	STOP AND GO PROPERTIES	276,909
81256	MOLOKO PHOOKO ATTORNEYS	210,620
41027	KDM TRAVEL EXPRESS	205,966
TOTAL		20,551,556

Supporting Table: SC 5 - Investment Portfolio

Name of institution & investment ID	Period of Investment	Type of Investment	Interest Rate	Commission Paid	Expiry date	Opening balance	Interest Earned	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
ABSA (2081036577)	1 Month	Current Investment	9.0%		18-Jul-23	25,085,822	275,856	-	-	25,361,678
NEDBANK (037881068264000065)		Current Investment	8.7%		19-May-23	20,066,932	86,055	-10,000,000	-	10,152,986
NEDBANK (037881068264000064)		Current Investment	8.8%		19-Jun-23	25,084,384	186,849	-	-	25,271,233
TOTAL INVESTMENTS AND INTEREST						70,237,137		-10,000,000	-	60,785,897

The Municipality had short investment portfolio during the month of May 2023 with an opening balance of of R70, 237 million in various investment portfolios. An amount R548 760 thousand was earned as an interest, withdrew R10 000 million and closed off with R60, 785 million at the end of May 2023.

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
RECEIPTS:									
Operating Transfers and Grants									
National Government:	307,638	338,906	338,906	-	333,406	333,406	-		338,906
Local Government Equitable Share	302,789	334,260	334,260	-	328,760	328,760	-		334,260
Finance Management	2,650	2,850	2,850	-	2,850	2,850	-		2,850
EPWP Incentive	2,199	1,796	1,796	-	1,796	1,796	-		1,796
Other grant providers:	130	-	-	-	-	-	-		-
LGSETA Learnership and Development	130						-		
Total Operating Transfers and Grants	307,768	338,906	338,906	-	333,406	333,406	-		338,906
Capital Transfers and Grants									
National Government:	79,332	79,606	111,606	-	111,606	76,471	35,135	46%	111,606
Municipal Infrastructure Grant (MIG)	57,984	62,606	94,606	-	94,606	60,757	33,849	56%	94,606
Integrated National Electrification Grant	21,348	17,000	17,000	-	17,000	15,714	1,286	8%	17,000
Provincial Government:	-	-	-	-	-	-	-		-
Coghsta - Development		-					-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Capital Transfers and Grants	79,332	79,606	111,606	-	111,606	76,471	35,135	46%	111,606
TOTAL RECEIPTS OF TRANSFERS & GRANTS	387,100	418,512	450,512	-	445,012	409,877	35,135	9%	450,512

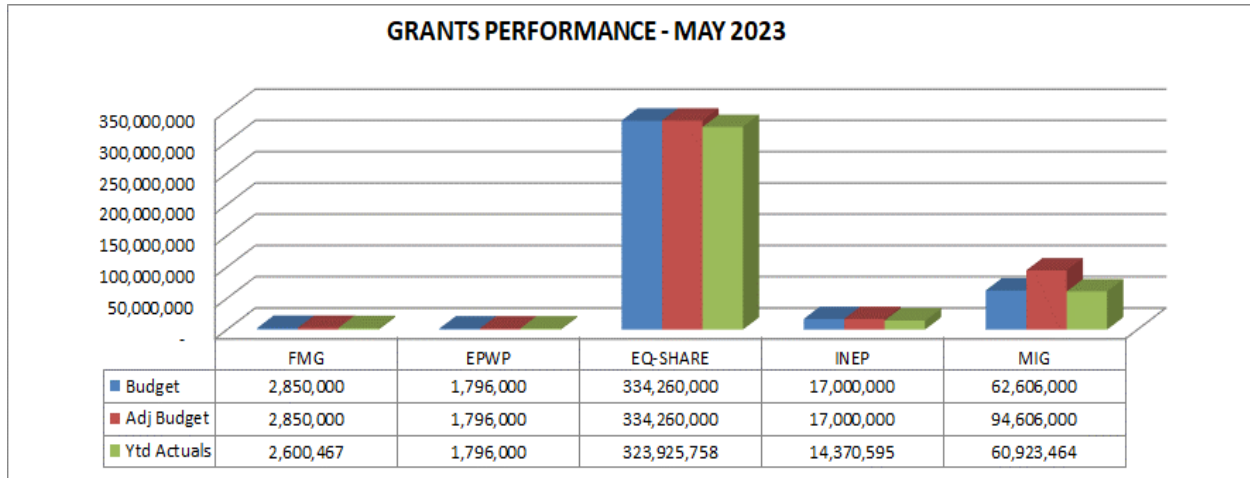
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R445, 012 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R328, 760 million; Financial Management Grant amounting to R2,850 million; Municipal Infrastructure Grant amounting to R94, 606 million; Integrated National Energy Grant R17, 000 million and Expanded Public Works Programme R1, 796 million were received. All the trenches of the grants allocated for the current financial year, have been received in line with National Treasury payment schedule and the municipality has received an additional Municipal Infrastructure Grant of R32, 000 million. The municipality will prepare a special adjustment for such as a result.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2021/23	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	307,637	338,906	338,906	21,815	328,322	338,906	(10,584)	-3%	338,906
Local Government Equitable Share	302,788	334,260	334,260	21,699	323,926	334,260	(10,334)	-3%	334,260
Finance Management	2,650	2,850	2,850	115	2,600	2,850	(250)	-9%	2,850
EPWP Incentive	2,199	1,796	1,796	–	1,796	1,796	–		1,796
Total operating expenditure of Transfers and Grants:	307,637	338,906	338,906	21,815	328,322	338,906	(10,584)	-3%	338,906
Capital expenditure of Transfers and Grants									
National Government:	74,316	79,606	111,606	6,639	75,294	82,817	(7,523)	-9%	111,606
Municipal Infrastructure Grant (MIG)	57,924	62,606	94,606	5,154	60,923	68,829	(7,906)	-11%	94,606
Intergrated National Electrification Grant	16,392	17,000	17,000	1,486	14,371	13,988	383	3%	17,000
Provincial Government:	–	–	–	–	–	–	–		–
Coghsta - Development		–					–		
District Municipality:	–	–	–	–	–	–	–		–
N/A							–		
Other grant providers:	–	–	–	–	–	–	–		–
N/A							0		
Total capital expenditure of Transfers and Grants	74,316	79,606	111,606	6,639	75,294	82,817	(7,523)	-9%	111,606
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	381,953	418,512	450,512	28,454	403,616	421,723	(18,107)	-4%	450,512

An amount of R28, 454 million has been spent on grants during the month of May 2023 and the year to date actuals is R403, 616 million whilst the year to date budget amounts to R421, 723 million and this results in an under spending variance of R18 107 million that translates to 4%. Of the total spending amounting to R28, 454 million, R21, 815 million is spent on operational grants whilst capital grants spent R6, 639 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 May 2023. The grants expenditure are shown below in percentages:

- Financial Management Grant 91.24%
- Expanded Public Work Programme 100.00%
- Equitable Share 96.91%
- Integrated National Electrification Grant 84.53%
- Municipal Infrastructure Grant 64.40%

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
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	15,253	14,476	14,986	1,223	13,409	13,999	(590)	-4%	14,986
Pension and UIF Contributions	1,863	2,504	2,996	172	1,836	2,639	(803)	-30%	2,996
Medical Aid Contributions	194	89	89	8	83	82	1	1%	89
Motor Vehicle Allowance	5,281	5,536	6,144	450	4,926	5,080	(154)	-3%	6,144
Cellphone Allowance	2,738	2,753	2,652	207	2,118	2,118	-		2,652
Other benefits and allowances	238	223	259	19	220	228	(9)	-4%	259
Sub Total - Councillors	25,567	25,580	27,126	2,079	22,591	24,147	(1,556)	-6%	27,126
% increase		0%	6%						6%
Senior Managers of the Municipality									
Basic Salaries and Wages	3,197	4,315	2,769	117	1,646	1,849	(203)	-11%	2,769
Pension and UIF Contributions	88	338	140	9	(19)	113	(132)	-117%	140
Medical Aid Contributions	80	1,464	257	11	102	173	(71)	-41%	257
Motor Vehicle Allowance	186	519	251	17	178	206	(28)	-14%	251
Cellphone Allowance	85	166	79	5	58	66	(8)	-13%	79
Other benefits and allowances	211	312	201	7	97	107	(10)	-10%	201
Payments in lieu of leave							-		
Sub Total - Senior Managers of Municipality	3,847	7,112	3,697	166	2,061	2,514	(453)	-18%	3,697
% increase		85%	-4%						-4%
Other Municipal Staff									
Basic Salaries and Wages	102,769	115,473	104,223	8,724	97,225	96,146	1,079	1%	104,223
Pension and UIF Contributions	19,579	26,387	20,625	1,704	18,819	18,847	(28)	0%	20,625
Medical Aid Contributions	5,442	5,593	5,906	517	5,382	5,393	(11)	0%	5,906
Overtime	1,055	1,163	347	17	299	249	51	20%	347
Motor Vehicle Allowance	13,018	15,702	14,056	1,179	12,883	12,882	0	0%	14,056
Cellphone Allowance	1,917	1,426	1,925	160	1,759	1,763	(5)	0%	1,925
Housing Allowances	220	230	253	22	233	232	1	0%	253
Other benefits and allowances	10,429	11,279	15,605	171	10,429	10,702	(273)	-3%	15,605
Payments in lieu of leave	624	442	4,283	-	810	1,007	(197)	-20%	4,283
Long service awards	1,288	510	1,217	-	743	936	(193)	-21%	253
Post-retirement benefit obligations		-	-	-	-	-	-		-
Sub Total - Other Municipal Staff	156,340	178,204	168,440	12,494	148,581	148,157	425	0%	167,476
% increase		14%	8%						7%
Total Parent Municipality	185,754	210,897	199,263	14,739	173,233	174,818	(1,584)	-1%	198,299
		14%	7%						7%
TOTAL SALARY, ALLOWANCES & BENEFITS	185,754	210,897	199,263	14,739	173,233	174,818	(1,584)	-1%	198,299
% increase		14%	7%						7%
TOTAL MANAGERS AND STAFF	160,187	185,316	172,137	12,660	150,643	150,671	(28)	0%	171,173

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of May 2023 amounts to R173, 233 million and the year to date budget is R174, 818 million and the expenditure for remuneration of councilors amounts to R22, 591 million while the year to date budget is R24, 147 million. The year to date actual expenditure for senior managers is R2, 061 million and the year to date budget thereof is R2, 514 million. There are three senior managerial vacant positions (Budget and Treasury, Corporate services, and Planning) and this is causing underspending variance on budget performance for senior management. The year to date actuals for other municipal staff is R148, 581 million and the year to date budget is R148, 157 million. The remuneration of councilors and other municipal staff category has under spending variance, and there are three vacant positions in the senior management level and the positions should be filled in the new financial year 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	Outcome	Outcome	Outcome	Outcome	Budget	2022/23	2023/24	2024/25	
Cash Receipts By Source																
Property rates	2,878	4,492	2,679	2,585	2,916	2,289	2,287	4,732	3,150	2,797	3,277	16,254	50,336	41,856	43,740	
Service charges - electricity revenue	8,018	7,087	7,464	6,636	6,815	7,783	7,743	7,555	6,207	7,420	6,632	43,075	122,434	119,873	125,264	
Service charges - refuse	509	364	478	389	387	407	378	430	413	445	451	1,423	6,075	8,047	8,409	
Rental of facilities and equipment	46	29	40	31	34	28	29	24	42	66	34	463	867			
Interest earned - external investments	71	157	324	127	27	248	286	35	–	237	312	(1,435)	389	3,669	3,675	
Interest earned - outstanding debtors	213	537	128	159	148	66	145	593	483	152	251	5,509	8,381	7,551	8,541	
Fines, penalties and forfeits	21	35	48	160	375	319	323	260	378	397	510	719	3,544	9,300	9,718	
Licences and permits	500	612	576	578	481	381	441	562	569	402	477	964	6,542	6,593	6,890	
Transfers and Subsidies - Operational	130,361	3,299	–	–	809	104,805	–	538	93,594	–	–	–	333,406	359,874	384,977	
Other revenue	1,599	2,742	1,624	1,246	22,806	1,324	1,341	2,581	2,036	1,383	4,343	(40,419)	2,605	2,640	2,758	
Cash Receipts by Source	144,217	19,354	13,360	11,911	34,799	117,649	12,972	17,311	106,871	13,298	16,287	26,552	534,580	559,405	593,974	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations)	19,000	–	23,270	–	4,000	16,750	–	4,000	44,586	–	–	–	111,606	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	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total Cash Receipts by Source	163,217	19,354	36,630	11,911	38,799	134,399	12,972	21,311	151,457	13,298	16,287	27,040	646,674	636,006	674,273	
Cash Payments by Type																
Employee related costs	12,738	13,454	13,127	13,783	13,274	21,430	12,571	12,692	12,516	12,454	12,660	13,600	164,299	210,668	219,614	
Remuneration of councillors	2,069	2,393	2,080	2,079	2,079	2,141	2,079	2,079	2,079	1,434	2,079	3,810	26,401	30,493	34,153	
Interest paid	–	137	–	–	–	–	–	437	2	423	–	1,688	2,688	2,326	2,472	
Bulk purchases - Electricity	83	10,506	11,386	8,400	7,014	7,402	6,753	6,513	7,165	6,828	6,287	16,196	94,532	114,462	119,613	
Other materials	5,315	6,109	4,668	2,557	2,165	5,954	1,210	1,471	2,247	4,034	1,339	2,775	39,844	35,165	36,667	
Contracted services	3,535	6,867	9,209	6,185	3,571	9,339	7,183	5,518	3,467	3,777	4,757	6,257	69,664	63,305	66,069	
Grants and subsidies paid - other	136	61	75	57	93	130	149	331	286	348	191	1,097	2,954	3,436	3,588	
General expenses	10,729	2,360	2,363	4,338	4,725	3,801	3,237	7,481	2,151	4,821	2,961	47,209	96,175	61,842	52,478	
Cash Payments by Type	34,604	41,887	42,908	37,399	32,920	50,197	33,182	36,524	29,913	34,118	30,273	92,631	496,558	521,699	534,655	
Other Cash Flows/Payments by Type																
Capital assets	5,672	8,918	8,103	14,431	2,731	9,925	7,797	6,667	2,054	12,285	7,513	53,289	139,386	81,383	90,922	
Repayment of borrowing	–	542	–	–	–	–	–	1,452	962	1,834	–	3,490	8,281	25,723	26,588	
Other Cash Flows/Payments	23,500	2,986	11,668	4,103	–	28,707	12,415	(26,014)	10,748	1,326	–	(78,244)	(8,806)	31,800	46,694	
Total Cash Payments by Type	63,776	54,333	62,679	55,934	35,652	88,829	53,394	18,629	43,677	49,562	37,786	71,167	635,418	660,605	698,859	
NET INCREASE/(DECREASE) IN CASH HELD	99,441	(34,979)	(26,049)	(44,022)	3,147	45,570	(40,422)	2,682	107,779	(36,264)	(21,499)	(44,127)	11,256	(24,599)	(24,586)	
Cash/cash equivalents at the month/year beginning:	6,597	106,038	71,059	45,010	987	4,134	49,704	9,282	11,964	119,743	83,479	61,980	6,597	17,854	(6,746)	
Cash/cash equivalents at the month/year end:	106,038	71,059	45,010	987	4,134	49,704	9,282	11,964	119,743	83,479	61,980	17,854	17,854	(6,746)	(31,332)	

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 R16, 287 million and the total cash payment for the month were R37, 786 million and this resulted in net decrease in cash held amounting to R21, 499 million. With cash and cash equivalent of R83, 479 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R61, 980 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
Monthly expenditure performance trend									
July	2,528	11,281	11,281	5,672	5,672	11,281	5,608	50%	6%
August	7,824	13,110	13,110	8,918	14,590	24,391	9,800	40%	15%
September	6,628	8,644	8,644	8,103	22,693	33,034	10,341	31%	23%
October	2,316	8,526	8,526	14,431	37,124	41,561	4,436	11%	38%
November	3,598	7,411	7,411	2,731	39,856	48,972	9,116	19%	41%
December	6,893	11,299	11,299	9,925	49,781	60,271	10,490	17%	51%
January	2,187	3,718	3,718	7,968	57,749	63,989	6,240	10%	59%
February	16,440	10,392	7,407	6,909	64,658	71,396	6,738	9%	66%
March	9,067	7,436	5,550	2,054	66,711	76,946	10,234	13%	68%
April	6,304	8,496	17,695	12,285	78,996	94,641	15,645	17%	81%
May	2,799	2,619	22,808	7,513	86,509	117,449	30,940	26%	88%
June	21,773	5,109	21,937	-		139,386	-		
Total Capital expenditure	88,355	98,041	139,386	86,509					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of May amounts to R7, 513 million. The year to date actual expenditure incurred is R86, 509 million whilst the year to date budget is R117, 449 million that gives rise to under spending variance of R30, 940 million that translate to 26%.

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
Capital expenditure on new assets by Asset Class									
Infrastructure	22,332	18,500	23,674	3,985	16,726	18,158	1,432	8%	23,674
Roads Infrastructure	-	-	-	-	-	-	-		-
Roads		-	-	-	-	-	-		-
Road Structures							-		
Road Furniture							-		
Attenuation							-		
Electrical Infrastructure	22,332	17,250	22,524	4,275	15,992	17,480	1,488	9%	22,524
Power Plants			3,400	2,230	2,230	2,126	(104)	-5%	3,400
MV Substations		50	-	-		-	-		-
MV Networks	22,332	17,000	18,924	2,137	13,762	15,181	1,418	9%	18,924
Capital Spares		200	200	(92)	-	174	174	100%	200
Solid Waste Infrastructure	-	1,250	1,150	(291)	734	678	(56)	-8%	1,150
Landfill Sites							-		
Waste Transfer Stations							-		
Capital Spares		1,250	1,150	(291)	734	678	(56)	-8%	1,150
Community Assets	-	418	238	(201)	-	238	238	100%	238
Capital Spares		418	238	(201)	-	238	238	100%	238
Other assets	-	458	454	-	454	454	-		454
Operational Buildings	-	458	454	-	454	454	-		454
Stores		458	454	-	454	454	-		454
Intangible Assets	-	300	185	-	-	-	-		185
Servitudes							-		
Computer Software and Applications		300	185	-	-	-	-		185
Computer Equipment	824	700	2,135	(29)	1,605	2,080	475	23%	2,135
Computer Equipment	824	700	2,135	(29)	1,605	2,080	475	23%	2,135
Furniture and Office Equipment	-	500	1,139	92	548	625	77	12%	1,139
Furniture and Office Equipment		500	1,139	92	548	625	77	12%	1,139
Machinery and Equipment	214	1,610	1,400	254	1,710	1,125	(584)	-52%	1,400
Machinery and Equipment	214	1,610	1,400	254	1,710	1,125	(584)	-52%	1,400
Transport Assets	1,079	-	-	-	-	-	-		-
Transport Assets	1,079						-		
Total Capital Expenditure on new assets	24,449	22,485	29,225	4,100	21,043	22,680	1,638	7%	29,225

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
Capital expenditure on renewal of existing assets by Asset Class									
Infrastructure	44,874	30,723	54,685	793	27,314	40,487	13,172	33%	54,685
Roads Infrastructure	39,750	28,631	31,500	793	25,222	28,073	2,851	10%	31,500
Roads	39,750	28,331	30,940	793	25,222	27,748	2,526	9%	30,940
Road Furniture		300	560	-	-	325	325	100%	560
Electrical Infrastructure	5,124	-	-	-	-	-	-		-
MV Substations							-		
MV Switching Stations							-		
MV Networks	5,124						-		
Solid Waste Infrastructure	-	2,092	23,185	-	2,092	12,414	10,322	83%	23,185
Landfill Sites		2,092	23,185	-	2,092	12,414	10,322	83%	23,185
Capital Spares							-		
Community Assets	-	1,000	869	-	1,376	869	(507)	-58%	869
Cemeteries/Crematoria		1,000	869	-	1,376	869	(507)	-58%	869
Police							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	-	-	208	-	-	-	-		208
Municipal Offices		-	208	-	-	-	-		208
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on renewal of existing assets	44,874	31,723	55,762	793	28,690	41,356	12,666	30.6%	55,762

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
Repairs and maintenance expenditure by Asset Class									
Infrastructure	30,270	25,453	27,795	1,164	27,193	26,995	(198)	-1%	29,653
Roads Infrastructure	13,895	15,467	19,309	665	19,216	19,103	(113)	-1%	21,167
Roads	13,895	15,467	19,309	665	19,216	19,103	(113)	-1%	21,167
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	12,201	8,263	5,763	17	5,328	5,244	(84)	-2%	5,763
MV Substations							-		
MV Switching Stations							-		
MV Networks	12,201	8,263	5,763	17	5,328	5,244	(84)	-2%	5,763
Solid Waste Infrastructure	4,175	1,722	2,722	482	2,649	2,649	-		2,722
Landfill Sites	4,175	1,722	2,722	482	2,649	2,649	-		2,722
Waste Transfer Stations							-		
Community Assets	166	594	544	30	531	424	(107)	-25%	544
Community Facilities	166	594	544	30	531	424	(107)	-25%	544
Libraries							-		
Parks	166	594	544	30	531	424	(107)	-25%	544
Other assets	575	1,095	1,495	188	1,431	1,355	(75)	-6%	1,495
Operational Buildings	575	1,095	1,495	188	1,431	1,355	(75)	-6%	1,495
Municipal Offices	541	1,095	1,495	188	1,431	1,355	(75)	-6%	1,495
Stores	34						-		
Intangible Assets	38	200	100	-	28	140	112	80%	100
Computer Software and Applications	38	200	100	-	28	140	112	80%	100
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Machinery and Equipment	3,214	6,556	6,849	(254)	5,606	6,352	746	12%	6,849
Machinery and Equipment	3,214	6,556	6,849	(254)	5,606	6,352	746	12%	6,849
Transport Assets	4,117	3,794	4,653	372	4,057	3,861	(197)	-5%	3,794
Transport Assets	4,117	3,794	4,653	372	4,057	3,861	(197)	-5%	3,794
Total Repairs and Maintenance Expenditure	38,380	37,692	41,436	1,499	38,846	39,127	282	0.7%	42,436

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
Depreciation by Asset Class/Sub-class									
Infrastructure	41,746	44,007	44,907	4	35,835	41,645	5,810	14%	44,907
Roads Infrastructure	36,879	39,127	39,727	-	30,969	37,855	6,886	18%	39,727
Roads	36,879	39,127	39,727	-	30,969	37,855	6,886	18%	39,727
Storm water Infrastructure	399	418	418	-	-	246	246	100%	418
Drainage Collection	399	418	418	-	-	246	246	100%	418
Electrical Infrastructure	3,754	3,724	4,024	-	4,000	3,092	(908)	-29%	4,024
HV Transmission Conductors	3,754	3,724	4,024	-	4,000	3,092	(908)	-29%	4,024
MV Substations							-		
MV Networks							-		
Solid Waste Infrastructure	714	738	738	4	866	452	(414)	-92%	738
Landfill Sites	714	738	738	4	866	452	(414)	-92%	738
Waste Transfer Stations							-		
Community Assets	1,231	1,266	1,266	12	850	985	135	14%	1,266
Community Facilities	1,231	1,266	1,266	12	850	985	135	14%	1,266
Public Open Space	1,231	1,266	1,266	12	850	985	135	14%	1,266
Heritage assets	5	6	6	-	-	3	3	100%	6
Other Heritage	5	6	6	-	-	3	3	0	6
Other assets	4,140	4,229	4,229	(16)	3,298	3,215	(83)	-3%	4,229
Operational Buildings	4,140	4,229	4,229	(16)	3,298	3,215	(83)	-3%	4,229
Municipal Offices	4,140	4,229	4,229	(16)	3,298	3,215	(83)	-3%	4,229
Intangible Assets	51	53	83	-	6	56	50	89%	83
Licences and Rights	51	53	83	-	6	56	50	89%	83
Computer Software and Applications	51	53	83	-	6	56	50	89%	83
Computer Equipment	692	725	925	-	577	762	185	24%	925
Computer Equipment	692	725	925	-	577	762	185	24%	925
Furniture and Office Equipment	590	618	618	0	598	452	(146)	-32%	618
Furniture and Office Equipment	590	618	618	0	598	452	(146)	-32%	618
Machinery and Equipment	2,864	2,961	2,961	-	2,839	2,298	(541)	-24%	2,961
Machinery and Equipment	2,864	2,961	2,961	-	2,839	2,298	(541)	-24%	2,961
Transport Assets	5,751	5,915	5,915	-	5,707	4,509	(1,199)	-27%	5,915
Transport Assets	5,751	5,915	5,915	-	5,707	4,509	(1,199)	-27%	5,915
Total Depreciation	57,070	59,780	60,910	0	49,712	53,925	4,214	8%	60,910

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
Capital expenditure on upgrading of existing assets by Asset Class									
Infrastructure	18,534	41,433	53,040	2,329	35,481	42,843	7,362	17%	53,040
Roads Infrastructure	18,534	41,433	52,040	2,570	35,481	42,390	6,909	16%	52,040
Roads	18,534	41,433	52,040	2,570	35,481	42,390	6,909	16%	52,040
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	-	-	-	-	-	-	-	-	-
MV Substations							-		
MV Switching Stations							-		
MV Networks							-		
LV Networks							-		
Solid Waste Infrastructure	-	-	1,000	(241)	-	453	453	100%	1,000
Landfill Sites	-		1,000	(241)	-	453	453	100%	1,000
Waste Transfer Stations							-		
Community Assets	498	1,300	284	-	-	284	284	100%	284
Community Facilities	498	1,300	284	-	-	284	284	100%	284
Cemeteries/Crematoria	498						-		
Parks		1,300	284	-	-	284	284	100%	284
Other assets	-	1,100	1,075	-	1,075	1,075	-		1,075
Operational Buildings	-	1,100	1,075	-	1,075	1,075	-		1,075
Municipal Offices	-						-		
Yards		1,100	1,075	-	1,075	1,075	-		1,075
Intangible Assets	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Computer Software and Applications							-		
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	291	291	-	(291)	0%	-
Machinery and Equipment				291	291		(291)	0%	
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets							-		
Total Capital Expenditure on upgrading of existing assets	19,032	43,833	54,399	2,620	36,847	44,202	7,356	17%	54,399

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 R21, 043 and the year to date budget is R22, 680 million that reflects under spending variance of R1, 638 million that translates to 7% variance.

The year to date actuals on renewal of existing assets amounts R28, 690 million and with the year to date budget of R41, 356 million and this reflects over spending variance of R12, 666 million that translates to 30.6% variance.

The year to date actual expenditure on repairs and maintenance is R38, 846 million, and the year to date budget is R39, 127 million, reflecting a positive spending variance of R282 thousand that translates to 0.7%.

The year to date actual expenditure on upgrading of existing assets is R36, 847 million and the year to date budget is R44, 202 million, reflecting a positive spending variance of R7, 356 million that translates to 17%.

The year to date actual expenditure on depreciation and asset impairment is R49, 712 and the year to date budget is R53, 925 million, reflecting a positive spending variance of R4, 214 million, that translates to 8% which means the integration between asset management system and core financial system is bi-annually during the ten months preparations of financial statements and this partially 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	59,000	-	0%	
	Street litter Bibs	Multi	Solid Waste Infrastructure	Capital Spares	850,000	800,000	733,810	92%	
	Fencing of Elandsdoorn/Ntwane Cemetery	Multi	Community Assets	Cemeteries/Crematoria	1,000,000	869,000	1,375,614	158%	
	Upgrading and Development of Parks	Multi	Community Assets	Parks	1,300,000	284,469	-	0%	
	6.4 Disaster Management Centre & Emergency Relief Store room	Multi	Operational Buildings	Stores	457,500	454,300	454,230	100%	
	500 Twenty skip bins 500	Single	Solid Waste Infrastructure	Capital Spares	300,000	290,600	-	0%	
	Gable Roof	Single	Other assets	Municipal Offices	-	208,000	-	0%	
	Furniture and Office Equipment	Multi	Furniture and Office Equipment	Furniture and Office Equipment	-	419,250	91,753	22%	
	Machinery and Equipment	Multi	Machinery and Equipment	Machinery and Equipment	380,000	380,000	670,493	176%	
	Trailer	Multi	Machinery and Equipment	Machinery and Equipment	380,000	80,000	78,950	99%	
	Vehicles	Single	Community Assets	Capital Spares	417,500	237,500	-	0%	
	Fencing of Roossenekal Landfill Site	Multi	Solid Waste Infrastructure	Landfill Sites	-	1,000,000	-	0%	
	Corporate Services	Computer Equipment	Multi	Computer Equipment	Computer Equipment	700,000	2,134,652	1,605,202	75%
		Furniture and Office Equipment	Multi	Furniture and Office Equipment	Furniture and Office Equipment	500,000	720,001	455,832	63%
		Software Server	Multi	Intangible Assets	Unspecified	300,000	185,000	-	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	1,075,000	100%	
	Technical Services	Culverts and Road signs 600	Multi	Roads Infrastructure	Road Furniture	300,000	560,000	-	0%
Motetema Streets Upgrade		Multi	Roads Infrastructure	Roads	3,500,000	6,108,696	5,165,117	85%	
Upgrading of Bloomport and Uitspanning Access Road		Single	Roads Infrastructure	Roads	24,830,820	24,830,820	20,056,670	81%	
Groblersdal Landfill site 6.6		Multi	Solid Waste Infrastructure	Landfill Sites	2,092,365	23,185,401	2,092,364	9%	
Upgrading of Stompo Bus Road		Multi	Roads Infrastructure	Roads	800,000	800,000	-	0%	
Upgrading of Maraganeng Access Road 600		Multi	Roads Infrastructure	Roads	900,000	750,000	-	0%	
Upgrading of Hlogottlou-Bopanang Road		Multi	Roads Infrastructure	Roads	800,000	800,000	-	0%	
Upgrading of Kgobokwane-Kgaphamadi Road		Multi	Roads Infrastructure	Roads	800,000	800,000	295,652	37%	
Upgrading of Malaeneng A Ntwane Access Road		Multi	Roads Infrastructure	Roads	900,000	750,000	-	0%	
Upgrading of Masoing Bus route		Multi	Roads Infrastructure	Roads	850,000	850,000	-	0%	
Upgrading of Mokumong access road to Marateng taxi rank (Internal)		Multi	Roads Infrastructure	Roads	700,000	700,000	-	0%	
Upgrading of Mokumong access road to Marateng taxi rank (MIG)		Multi	Roads Infrastructure	Roads	-	1,406,964	-	0%	
Upgrading of Dipakapakeng		Multi	Roads Infrastructure	Roads	2,169,180	2,169,180	1,660,514	77%	
Upgrading of Nyakoroane Internal Access Road		Multi	Roads Infrastructure	Roads	6,512,520	16,012,520	10,533,535	66%	
Upgrading of Tafelkop stadium Access Road		Single	Roads Infrastructure	Roads	27,001,116	27,001,116	22,991,533	85%	
Electrification of Makaepa		Single	Electrical Infrastructure	MV Networks	3,240,000	3,240,000	1,846,484	57%	
Electrification of Masakaneng		Multi	Electrical Infrastructure	MV Networks	7,960,000	7,960,000	7,910,528	99%	
Electrification of Maleoskop		Multi	Electrical Infrastructure	MV Networks	-	1,924,407	486,476	25%	
Electrification of Nyakelang Extension		Single	Electrical Infrastructure	MV Networks	3,800,000	3,800,000	2,124,152	56%	
Electrification of Phomola		Single	Electrical Infrastructure	MV Networks	2,000,000	2,000,000	1,394,604	70%	
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	200,000	-	0%		
Alternative Energy Solution	Multi	Electrical Infrastructure	Power Plants	-	3,400,000	2,230,000	66%		
Machinery and Equipment	Multi	Machinery and Equipment	Machinery and Equipment	850,000	940,000	1,250,919	133%		

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 May 2023 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM472)



M.M KGWALE
MUNICIPAL MANAGER

Date :15 May 2024