

# ELIAS MOTSOLEDI LOCAL MUNICIPALITY



## MONTHLY BUDGET STATEMENT REPORT

**FEBRUARY 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 February 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     | 628,261,582     | 364,015,378         | 61%         |
|                       |                 | -               |                     |             |
| OPERATING EXPENDITURE | 597,283,011     | 557,071,329     | 309,622,360         | 52%         |
|                       |                 | -               |                     |             |
| TRANSFER - CAPITAL    | 79,606,001      | 79,606,001      | 55,227,591          | 69%         |
|                       |                 |                 |                     |             |
| SURPLUS/(DEFICIT)     | 83,673,978      | 151,716,154     | 111,037,835         | 133%        |
|                       |                 |                 |                     |             |
| CAPITAL EXPENDITURE   | 98,041,001      | 105,377,178     | 64,657,769          | 66%         |

**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              | 59,853            | 2,579              | 36,468             | 38,351             | (1,884)             | -5%             | 59,853             |
| Service charges  | 107,753          | 117,968             | 110,719           | 7,875              | 69,850             | 62,855             | 6,995               | 11%             | 110,719            |
| Investment revenue   | 1,780            | 3,652               | 2,152             | (275)              | 1,218              | 1,589              | (371)               | -23%            | 2,152              |
| Transfers and subsidies  | 307,637          | 338,906             | 338,906           | 60                 | 238,382            | 238,609            | (226)               | 0%              | 338,906            |
| Other own revenue  | 30,560           | 96,180              | 116,631           | 2,262              | 18,098             | 17,636             | 462                 | 3%              | 116,631            |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>487,643</b>   | <b>601,351</b>      | <b>628,262</b>    | <b>12,501</b>      | <b>364,015</b>     | <b>359,039</b>     | <b>4,976</b>        | <b>1%</b>       | <b>628,262</b>     |
| Employee costs   | 160,187          | 185,316             | 172,137           | 12,692             | 113,069            | 112,770            | 299                 | 0%              | 172,137            |
| Remuneration of Councillors  | 25,567           | 25,580              | 27,126            | 2,079              | 16,999             | 16,999             | -                   | -               | 27,126             |
| Depreciation & asset impairment                                      | 57,070           | 59,780              | 60,910            | -                  | -                  | -                  | -                   | -               | 60,910             |
| Finance charges  | 526              | 2,185               | 1,555             | 437                | 575                | 137                | 437                 | 319%            | 1,555              |
| Materials and bulk purchases   | 135,835          | 148,283             | 134,635           | 7,985              | 87,506             | 94,049             | (6,543)             | -7%             | 134,635            |
| Transfers and subsidies  | 2,591            | 3,292               | 2,673             | 331                | 1,033              | 892                | 141                 | 16%             | 2,673              |
| Other expenditure  | 128,543          | 172,846             | 158,036           | 12,999             | 90,440             | 81,614             | 8,826               | 11%             | 158,036            |
| <b>Total Expenditure</b>   | <b>510,319</b>   | <b>597,283</b>      | <b>557,071</b>    | <b>36,524</b>      | <b>309,622</b>     | <b>306,462</b>     | <b>3,161</b>        | <b>1%</b>       | <b>557,071</b>     |
| <b>Surplus/(Deficit)</b>   | <b>(22,676)</b>  | <b>4,068</b>        | <b>71,190</b>     | <b>(24,023)</b>    | <b>54,393</b>      | <b>52,578</b>      | <b>1,815</b>        | <b>3%</b>       | <b>71,190</b>      |
| Transfers and subsidies - capital (monetary allocations)             | 74,316           | 79,606              | 80,526            | 1,169              | 56,645             | 63,024             | (6,380)             | -10%            | 80,526             |
| Surplus/(Deficit) after capital transfers & contributions            | 51,640           | 83,674              | 151,716           | (22,853)           | 111,038            | 115,602            | (4,564)             | -4%             | 151,716            |
| <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>151,716</b>    | <b>(22,853)</b>    | <b>111,038</b>     | <b>115,602</b>     | <b>(4,564)</b>      | <b>-4%</b>      | <b>151,716</b>     |
| <b>Capital expenditure &amp; funds sources</b>                       |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| <b>Capital expenditure</b>   | <b>88,355</b>    | <b>98,041</b>       | <b>105,377</b>    | <b>6,909</b>       | <b>64,658</b>      | <b>64,985</b>      | <b>(327)</b>        | <b>-1%</b>      | <b>105,377</b>     |
| Capital transfers recognised   | 74,316           | 79,606              | 79,606            | 4,679              | 55,228             | 56,073             | (845)               | -2%             | 79,606             |
| Borrowing  | -                | -                   | -                 | -                  | -                  | -                  | -                   | -               | -                  |
| Internally generated funds   | 14,040           | 18,435              | 25,771            | 2,230              | 9,430              | 8,912              | 518                 | 6%              | 25,771             |
| <b>Total sources of capital funds</b>                                | <b>88,355</b>    | <b>98,041</b>       | <b>105,377</b>    | <b>6,909</b>       | <b>64,658</b>      | <b>64,985</b>      | <b>(327)</b>        | <b>-1%</b>      | <b>105,377</b>     |
| <b>Financial position</b>  |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Total current assets   | 152,406          | 158,966             | 192,808           |                    | 235,887            |                    |                     |                 | 192,808            |
| Total non current assets   | 1,201,016        | 1,325,025           | 1,328,717         |                    | 1,251,495          |                    |                     |                 | 1,328,717          |
| Total current liabilities  | 118,941          | 120,343             | 118,035           |                    | 133,927            |                    |                     |                 | 118,035            |
| Total non current liabilities  | 98,658           | 113,710             | 108,953           |                    | 99,335             |                    |                     |                 | 108,953            |
| Community wealth/Equity  | 1,135,823        | 1,249,938           | 1,294,537         |                    | 1,254,119          |                    |                     |                 | 1,294,537          |
| <b>Cash flows</b>  |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Net cash from (used) operating                                       | 88,300           | 94,811              | 123,128           | (32,625)           | 60,805             | 60,268             | (537)               | -1%             | 123,128            |
| Net cash from (used) investing                                       | (75,949)         | (78,022)            | (89,012)          | (7,797)            | (57,578)           | (61,014)           | (3,436)             | 6%              | (89,012)           |
| Net cash from (used) financing                                       | (4,457)          | (6,971)             | (7,792)           | -                  | (542)              | (510)              | 32                  | -6%             | (7,792)            |
| <b>Cash/cash equivalents at the month/year end</b>                   | <b>14,710</b>    | <b>24,063</b>       | <b>41,034</b>     | <b>-</b>           | <b>9,282</b>       | <b>13,454</b>      | <b>4,172</b>        | <b>31%</b>      | <b>32,921</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   | 12,992           | 6,230               | 4,242             | 3,521              | 3,760              | 3,474              | 17,898              | 124,674         | 176,791            |
| 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 February is R364, 015 million and the year to date budget of R359, 039 million and this reflects a positive variance of R4, 976 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: 23% unfavorable variance,
- Interest earned – outstanding debtors: 87% unfavorable variance,
- Rental on Facilities and Equipment: 2% favorable variance,
- Fines, penalties and forfeits: 4% favorable variance
- Services Charges – electricity revenue: 12% favorable variance
- Services Charges – refuse revenue: 1% unfavorable variance
- Licenses and permits: 0% favorable variance
- Property rates: 5% unfavorable variance
- Other revenue: 407% favorable
- Transfer and subsidies: 0% unfavorable

**Operating Expenditure**

The year to date operational expenditure as at end of February amounts to R309, 622 million and the year to date budget is R306, 462 million. This reflects overspending variance of R3, 161 million that translates to 1% 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:

- Finance charges: 319% over performance
- Other material: 15% under performance
- Transfer and subsidies: 15% over performance
- Other expenditure: 25% 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 February 2023 amounts to R64, 658 million and the year to date budget amounts to R64,985 million and this gives rise to R327 thousand under performance.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of February is R111, 038 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 February amounts to R176, 791 million and this shows an increase of R18,453 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 R109,521 million and other debtors amounting to R67, 270 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 February 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>292,750</b>  | <b>(4,498)</b>  | <b>192,064</b> | <b>201,596</b> | <b>(9,532)</b> | <b>-5%</b>   | <b>292,750</b>     |
| Executive and council                      | 55,019          | 53,728              | 53,728          | -               | 28,653         | 28,653         | -              |              | 53,728             |
| Finance and administration                 | 190,004         | 214,701             | 225,568         | (4,498)         | 152,957        | 162,489        | (9,532)        | -6%          | 225,568            |
| Internal audit                             | 11,184          | 13,455              | 13,455          | -               | 10,455         | 10,455         | -              |              | 13,455             |
| <b>Community and public safety</b>         | <b>24,366</b>   | <b>96,507</b>       | <b>118,460</b>  | <b>261</b>      | <b>22,197</b>  | <b>21,990</b>  | <b>208</b>     | <b>1%</b>    | <b>118,460</b>     |
| Community and social services              | 10,535          | 10,998              | 10,975          | 6               | 9,921          | 9,922          | (1)            | 0%           | 10,975             |
| Sport and recreation                       | 11,586          | 17,075              | 17,050          | -               | 10,733         | 10,737         | (3)            | 0%           | 17,050             |
| Public safety                              | 2,244           | 68,435              | 90,435          | 255             | 1,543          | 1,331          | 211            | 16%          | 90,435             |
| <b>Economic and environmental services</b> | <b>128,540</b>  | <b>124,248</b>      | <b>125,082</b>  | <b>10,027</b>   | <b>99,403</b>  | <b>94,756</b>  | <b>4,647</b>   | <b>5%</b>    | <b>125,082</b>     |
| Planning and development                   | 24,294          | 20,920              | 21,441          | 8,208           | 26,243         | 18,208         | 8,035          | 44%          | 21,441             |
| Road transport                             | 101,348         | 102,518             | 102,830         | 1,819           | 72,350         | 75,738         | (3,388)        | -4%          | 102,830            |
| Environmental protection                   | 2,898           | 811                 | 811             | -               | 811            | 811            | -              |              | 811                |
| <b>Trading services</b>                    | <b>152,846</b>  | <b>178,318</b>      | <b>172,496</b>  | <b>7,880</b>    | <b>106,996</b> | <b>103,722</b> | <b>3,274</b>   | <b>3%</b>    | <b>172,496</b>     |
| Energy sources                             | 123,719         | 145,384             | 137,915         | 7,064           | 81,497         | 77,982         | 3,515          | 5%           | 137,915            |
| Waste management                           | 29,126          | 32,935              | 34,581          | 815             | 25,499         | 25,740         | (241)          | -1%          | 34,581             |
| <b>Total Revenue - Functional</b>          | <b>561,959</b>  | <b>680,957</b>      | <b>708,787</b>  | <b>13,670</b>   | <b>420,660</b> | <b>422,064</b> | <b>(1,403)</b> | <b>0%</b>    | <b>708,787</b>     |
| <b>Expenditure - Functional</b>            |                 |                     |                 |                 |                |                |                |              |                    |
| <b>Governance and administration</b>       | <b>208,324</b>  | <b>220,755</b>      | <b>227,151</b>  | <b>19,158</b>   | <b>142,855</b> | <b>138,374</b> | <b>4,481</b>   | <b>3%</b>    | <b>227,151</b>     |
| Executive and council                      | 41,975          | 47,573              | 43,516          | 4,334           | 29,257         | 27,894         | 1,363          | 5%           | 43,516             |
| Finance and administration                 | 155,900         | 163,419             | 171,522         | 14,368          | 106,247        | 102,601        | 3,646          | 4%           | 171,522            |
| Internal audit                             | 10,449          | 9,764               | 12,113          | 456             | 7,351          | 7,879          | (528)          | -7%          | 12,113             |
| <b>Community and public safety</b>         | <b>40,240</b>   | <b>89,593</b>       | <b>57,610</b>   | <b>2,787</b>    | <b>24,596</b>  | <b>24,628</b>  | <b>(32)</b>    | <b>0%</b>    | <b>57,610</b>      |
| Community and social services              | 11,679          | 8,174               | 6,361           | 456             | 4,164          | 4,162          | 2              | 0%           | 6,361              |
| Sport and recreation                       | 10,059          | 16,175              | 9,739           | 775             | 5,599          | 5,442          | 157            | 3%           | 9,739              |
| Public safety                              | 18,502          | 65,243              | 41,510          | 1,556           | 14,833         | 15,024         | (191)          | -1%          | 41,510             |
| <b>Economic and environmental services</b> | <b>91,149</b>   | <b>120,750</b>      | <b>117,613</b>  | <b>3,574</b>    | <b>50,976</b>  | <b>52,508</b>  | <b>(1,532)</b> | <b>-3%</b>   | <b>117,613</b>     |
| Planning and development                   | 16,794          | 20,798              | 17,809          | 1,106           | 12,706         | 12,723         | (17)           | 0%           | 17,809             |
| Road transport                             | 74,157          | 99,257              | 99,804          | 2,469           | 38,270         | 39,785         | (1,515)        | -4%          | 99,804             |
| Environmental protection                   | 197             | 696                 | 0               | -               | -              | -              | -              |              | 0                  |
| <b>Trading services</b>                    | <b>170,605</b>  | <b>166,185</b>      | <b>154,697</b>  | <b>11,004</b>   | <b>91,195</b>  | <b>90,951</b>  | <b>244</b>     | <b>0%</b>    | <b>154,697</b>     |
| Energy sources                             | 125,582         | 134,925             | 114,298         | 7,620           | 66,977         | 67,388         | (411)          | -1%          | 114,298            |
| Waste management                           | 45,024          | 31,260              | 40,399          | 3,384           | 24,217         | 23,563         | 654            | 3%           | 40,399             |
| <b>Total Expenditure - Functional</b>      | <b>510,319</b>  | <b>597,283</b>      | <b>557,071</b>  | <b>36,524</b>   | <b>309,622</b> | <b>306,462</b> | <b>3,161</b>   | <b>1%</b>    | <b>557,071</b>     |
| <b>Surplus/ (Deficit) for the year</b>     | <b>51,640</b>   | <b>83,674</b>       | <b>151,716</b>  | <b>(22,853)</b> | <b>111,038</b> | <b>115,602</b> | <b>(4,564)</b> | <b>-4%</b>   | <b>151,716</b>     |

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

| Vote Description                       | 2021/22         | 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          | 47,271          | -               | 23,196         | 23,196         | -              |              | 47,271             |
| Vote 2 - Municipal Manager             | 37,701          | 46,531          | 46,531          | -               | 37,531         | 37,531         | -              |              | 46,531             |
| Vote 3 - Budget & Treasury             | 83,055          | 103,972         | 114,767         | 4,498           | 64,701         | 74,224         | (9,523)        | -13%         | 114,767            |
| Vote 4 - Corporate Services            | 46,074          | 50,627          | 50,700          | 0               | 44,214         | 44,222         | (9)            | 0%           | 50,700             |
| Vote 5 - Community Services            | 64,581          | 138,801         | 162,889         | 1,638           | 54,795         | 54,826         | (32)           | 0%           | 162,889            |
| Vote 6 - Technical Services            | 239,933         | 265,908         | 258,261         | 8,322           | 164,052        | 163,927        | 125            | 0%           | 258,261            |
| Vote 7 - Developmental Planning        | 16,808          | 12,923          | 13,445          | 8,208           | 20,247         | 12,212         | 8,035          | 66%          | 13,445             |
| Vote 8 - Executive Support             | 24,534          | 14,925          | 14,925          | -               | 11,925         | 11,925         | -              |              | 14,925             |
| <b>Total Revenue by Vote</b>           | <b>561,959</b>  | <b>680,957</b>  | <b>708,787</b>  | <b>22,666</b>   | <b>420,660</b> | <b>422,064</b> | <b>(1,403)</b> | <b>0%</b>    | <b>708,787</b>     |
| <b>Expenditure by Vote</b>             |                 |                 |                 |                 |                |                |                |              |                    |
| Vote 1 - Executive & Council           | 35,993          | 35,371          | 37,710          | 4,054           | 25,087         | 23,736         | 1,351          | 6%           | 37,710             |
| Vote 2 - Municipal Manager             | 45,860          | 41,983          | 47,114          | 2,436           | 31,500         | 32,112         | (612)          | -2%          | 47,114             |
| Vote 3 - Budget & Treasury             | 53,340          | 66,301          | 64,034          | 5,199           | 41,534         | 41,194         | 340            | 1%           | 64,034             |
| Vote 4 - Corporate Services            | 28,369          | 36,714          | 32,357          | 1,850           | 17,502         | 17,195         | 307            | 2%           | 32,357             |
| Vote 5 - Community Services            | 93,637          | 130,751         | 106,870         | 6,844           | 54,767         | 54,143         | 624            | 1%           | 106,870            |
| Vote 6 - Technical Services            | 218,275         | 248,110         | 233,072         | 13,521          | 114,197        | 113,196        | 1,001          | 1%           | 233,072            |
| Vote 7 - Developmental Planning        | 12,208          | 15,057          | 12,251          | 743             | 9,099          | 9,111          | (13)           | 0%           | 12,251             |
| Vote 8 - Executive Support             | 22,638          | 22,996          | 23,663          | 1,877           | 15,937         | 15,774         | 163            | 1%           | 23,663             |
| <b>Total Expenditure by Vote</b>       | <b>510,319</b>  | <b>597,283</b>  | <b>557,071</b>  | <b>36,524</b>   | <b>309,622</b> | <b>306,462</b> | <b>3,161</b>   | <b>1%</b>    | <b>557,071</b>     |
| <b>Surplus/ (Deficit) for the year</b> | <b>51,640</b>   | <b>83,674</b>   | <b>151,716</b>  | <b>(13,858)</b> | <b>111,038</b> | <b>115,602</b> | <b>(4,564)</b> | <b>-4%</b>   | <b>151,716</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              | 59,853          | 2,579           | 36,468         | 38,351         | (1,884)      | -5%          | 59,853             |
| Service charges - electricity revenue                                | 98,371          | 108,186             | 101,418         | 7,060           | 63,608         | 56,574         | 7,035        | 12%          | 101,418            |
| Service charges - refuse revenue                                     | 9,383           | 9,781               | 9,302           | 815             | 6,241          | 6,281          | (39)         | -1%          | 9,302              |
| Rental of facilities and equipment                                   | 1,019           | 1,004               | 867             | 88              | 565            | 555            | 10           | 2%           | 867                |
| Interest earned - external investments                               | 1,780           | 3,652               | 2,152           | (275)           | 1,218          | 1,589          | (371)        | -23%         | 2,152              |
| Interest earned - outstanding debtors                                | 19,283          | 18,817              | 15,322          | (6,872)         | 1,227          | 9,377          | (8,150)      | -87%         | 15,322             |
| Fines, penalties and forfeits  | 2,236           | 68,520              | 90,719          | 260             | 1,540          | 1,476          | 64           | 4%           | 90,719             |
| Licences and permits   | 5,966           | 6,315               | 6,815           | 562             | 4,130          | 4,129          | 2            | 0%           | 6,815              |
| Transfers and subsidies  | 307,637         | 338,906             | 338,906         | 60              | 238,382        | 238,609        | (226)        | 0%           | 338,906            |
| Other revenue  | 2,055           | 1,524               | 2,907           | 8,224           | 10,635         | 2,099          | 8,536        | 407%         | 2,907              |
| Gains  |                 |                     |                 |                 |                |                | -            |              |                    |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | <b>487,643</b>  | <b>601,351</b>      | <b>628,262</b>  | <b>12,501</b>   | <b>364,015</b> | <b>359,039</b> | <b>4,976</b> | <b>1%</b>    | <b>628,262</b>     |
| <b>Expenditure By Type</b>   |                 |                     |                 |                 |                |                |              |              |                    |
| Employee related costs   | 160,187         | 185,316             | 172,137         | 12,692          | 113,069        | 112,770        | 299          | 0%           | 172,137            |
| Remuneration of councillors  | 25,567          | 25,580              | 27,126          | 2,079           | 16,999         | 16,999         | -            | 0%           | 27,126             |
| Debt impairment  | 19,690          | 61,181              | 29,223          | -               | -              | -              | -            | 0%           | 29,223             |
| Depreciation & asset impairment                                      | 57,070          | 59,780              | 60,910          | -               | -              | -              | -            | 0%           | 60,910             |
| Finance charges  | 526             | 2,185               | 1,555           | 437             | 575            | 137            | 437          | 319%         | 1,555              |
| Bulk purchases   | 97,949          | 109,638             | 94,532          | 6,513           | 58,056         | 59,201         | (1,145)      | -2%          | 94,532             |
| Other materials  | 37,886          | 38,645              | 40,103          | 1,471           | 29,450         | 34,847         | (5,398)      | -15%         | 40,103             |
| Contracted services  | 77,956          | 67,165              | 77,281          | 5,518           | 51,406         | 50,473         | 933          | 2%           | 77,281             |
| Transfers and subsidies  | 2,591           | 3,292               | 2,673           | 331             | 1,033          | 892            | 141          | 16%          | 2,673              |
| Other expenditure  | 44,245          | 44,500              | 51,532          | 7,481           | 39,034         | 31,141         | 7,893        | 25%          | 51,532             |
| Losses   | (13,349)        |                     |                 |                 |                |                | -            |              |                    |
| <b>Total Expenditure</b>   | <b>510,319</b>  | <b>597,283</b>      | <b>557,071</b>  | <b>36,524</b>   | <b>309,622</b> | <b>306,462</b> | <b>3,161</b> | <b>1%</b>    | <b>557,071</b>     |
| <b>Surplus/(Deficit)</b>   | <b>(22,676)</b> | <b>4,068</b>        | <b>71,190</b>   | <b>(24,023)</b> | <b>54,393</b>  | <b>52,578</b>  | <b>1,815</b> | <b>3%</b>    | <b>71,190</b>      |
| Transfers and subsidies - capital (monetary allocations)             | 74,316          | 79,606              | 80,526          | 1,169           | 56,645         | 63,024         | (6,380)      | -10%         | 80,526             |
| 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>151,716</b>  | <b>(22,853)</b> | <b>111,038</b> | <b>115,602</b> |              |              | <b>151,716</b>     |
| Taxation   |                 |                     |                 |                 |                |                | -            |              |                    |
| <b>Surplus/(Deficit) after taxation</b>                              | <b>51,640</b>   | <b>83,674</b>       | <b>151,716</b>  | <b>(22,853)</b> | <b>111,038</b> | <b>115,602</b> |              |              | <b>151,716</b>     |
| Attributable to minorities   |                 |                     |                 |                 |                |                |              |              |                    |
| <b>Surplus/(Deficit) attributable to municipality</b>                | <b>51,640</b>   | <b>83,674</b>       | <b>151,716</b>  | <b>(22,853)</b> | <b>111,038</b> | <b>115,602</b> |              |              | <b>151,716</b>     |
| <b>Share of surplus/ (deficit) of associate</b>                      |                 |                     |                 |                 |                |                |              |              |                    |
| <b>Surplus/ (Deficit) for the year</b>                               | <b>51,640</b>   | <b>83,674</b>       | <b>151,716</b>  | <b>(22,853)</b> | <b>111,038</b> | <b>115,602</b> |              |              | <b>151,716</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 councillors, 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**

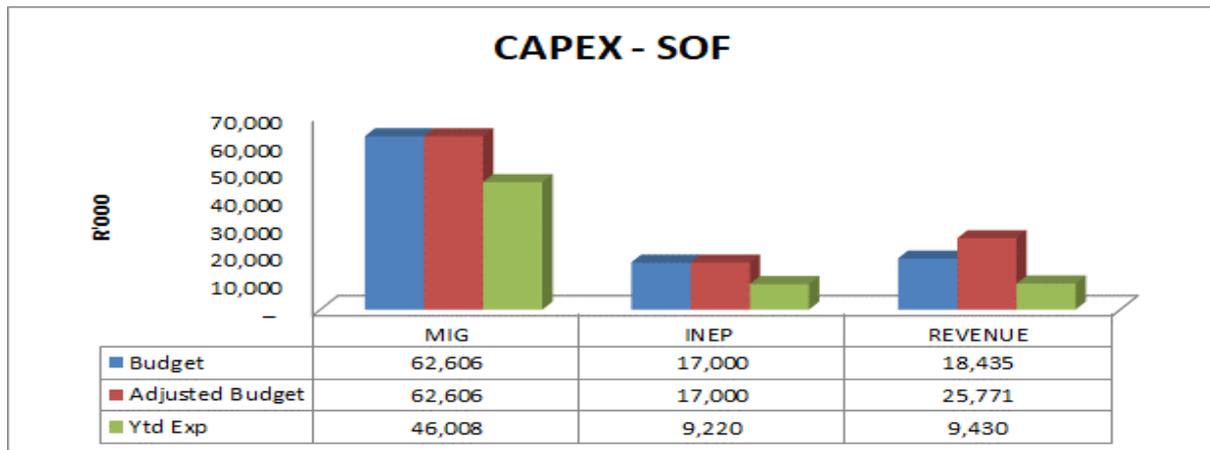
| Vote Description   | 2021/22         | Budget Year 2022/23 |                 |                |               |               |              |              |                    |
|--|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|--------------|--------------------|
|  | 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               | 3,040           | 800            | 1,856         | 2,041         | (185)        | -9%          | 3,040              |
| Executive and council  | -               |                     |                 |                |               |               | -            |              |                    |
| Finance and administration                                   | 1,903           | 1,500               | 3,040           | 800            | 1,856         | 2,041         | (185)        | -9%          | 3,040              |
| Internal audit   | -               |                     |                 |                |               |               | -            |              |                    |
| <b>Community and public safety</b>                           | 498             | 3,935               | 3,533           | (180)          | 2,399         | 2,409         | (10)         | 0%           | 3,533              |
| Community and social services                                | 498             | 1,538               | 1,403           | -              | 1,323         | 1,323         | -            |              | 1,403              |
| Sport and recreation   | -               | 1,680               | 1,264           | (180)          | 875           | 884           | (10)         | -1%          | 1,264              |
| Public safety  | -               | 718                 | 865             | -              | 201           | 201           | -            |              | 865                |
| Housing  |                 |                     |                 |                |               |               | -            |              |                    |
| Health   |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Economic and environmental services</b>                   | 57,924          | 74,106              | 74,131          | 3,495          | 50,772        | 52,781        | (2,010)      | -4%          | 74,131             |
| Planning and development                                     | -               | 1,100               | 1,075           | -              | 1,075         | 1,075         | -            |              | 1,075              |
| Road transport   | 57,924          | 73,006              | 73,056          | 3,495          | 49,697        | 51,706        | (2,010)      | -4%          | 73,056             |
| Environmental protection                                     | -               |                     |                 |                |               |               | -            |              |                    |
| <b>Trading services</b>                                      | 28,030          | 18,500              | 24,674          | 2,794          | 9,630         | 7,754         | 1,877        | 24%          | 24,674             |
| Energy sources   | 28,030          | 17,250              | 22,524          | 2,794          | 9,311         | 7,435         | 1,877        | 25%          | 22,524             |
| Waste management   | -               | 1,250               | 2,150           | -              | 319           | 319           | -            |              | 2,150              |
| Other  |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Total Capital Expenditure - Functional Classification</b> | <b>88,355</b>   | <b>98,041</b>       | <b>105,377</b>  | <b>6,909</b>   | <b>64,658</b> | <b>64,985</b> | <b>(327)</b> | <b>-1%</b>   | <b>105,377</b>     |
| <b>Funded by:</b>  |                 |                     |                 |                |               |               |              |              |                    |
| National Government  | 74,316          | 79,606              | 79,606          | 4,679          | 55,228        | 56,073        | (845)        | -2%          | 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>79,606</b>   | <b>4,679</b>   | <b>55,228</b> | <b>56,073</b> | <b>(845)</b> | <b>-2%</b>   | <b>79,606</b>      |
| Borrowing  |                 |                     |                 |                |               |               | -            |              |                    |
| Internally generated funds                                   | 14,040          | 18,435              | 25,771          | 2,230          | 9,430         | 8,912         | 518          | 6%           | 25,771             |
| <b>Total Capital Funding</b>                                 | <b>88,355</b>   | <b>98,041</b>       | <b>105,377</b>  | <b>6,909</b>   | <b>64,658</b> | <b>64,985</b> | <b>(327)</b> | <b>-1%</b>   | <b>105,377</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               | 3,040           | 800            | 1,856         | 2,041         | (185)          | -9%          | 3,040              |
| Vote 5 - Community Services                  | -               | 4,368               | 4,887           | (180)          | 2,198         | 2,208         | (10)           | 0%           | 4,887              |
| Vote 6 - Technical Services                  | 46,398          | 29,334              | 34,708          | 3,660          | 20,127        | 18,310        | 1,818          | 10%          | 34,708             |
| Vote 7 - Developmental Planning              | -               | -                   | -               | -              | -             | -             | -              | -            | -                  |
| Vote 8 - Executive Support                   | -               | -                   | -               | -              | -             | -             | -              | -            | -                  |
| <b>Total Capital Multi-year expenditure</b>  | <b>47,222</b>   | <b>35,202</b>       | <b>42,635</b>   | <b>4,280</b>   | <b>24,182</b> | <b>22,559</b> | <b>1,623</b>   | <b>7%</b>    | <b>42,635</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                 | 795             | -              | 520           | 520           | -              | -            | 795                |
| Vote 6 - Technical Services                  | 40,635          | 60,922              | 60,872          | 2,630          | 38,881        | 40,831        | (1,950)        | -5%          | 60,872             |
| Vote 7 - Developmental Planning              | -               | 1,100               | 1,075           | -              | 1,075         | 1,075         | -              | -            | 1,075              |
| Vote 8 - Executive Support                   | -               | -                   | -               | -              | -             | -             | -              | -            | -                  |
| <b>Total Capital single-year expenditure</b> | <b>41,133</b>   | <b>62,839</b>       | <b>62,742</b>   | <b>2,630</b>   | <b>40,476</b> | <b>42,426</b> | <b>(1,950)</b> | <b>-5%</b>   | <b>62,742</b>      |
| <b>Total Capital Expenditure</b>             | <b>88,355</b>   | <b>98,041</b>       | <b>105,377</b>  | <b>6,909</b>   | <b>64,658</b> | <b>64,985</b> | <b>(327)</b>   | <b>-1%</b>   | <b>105,377</b>     |

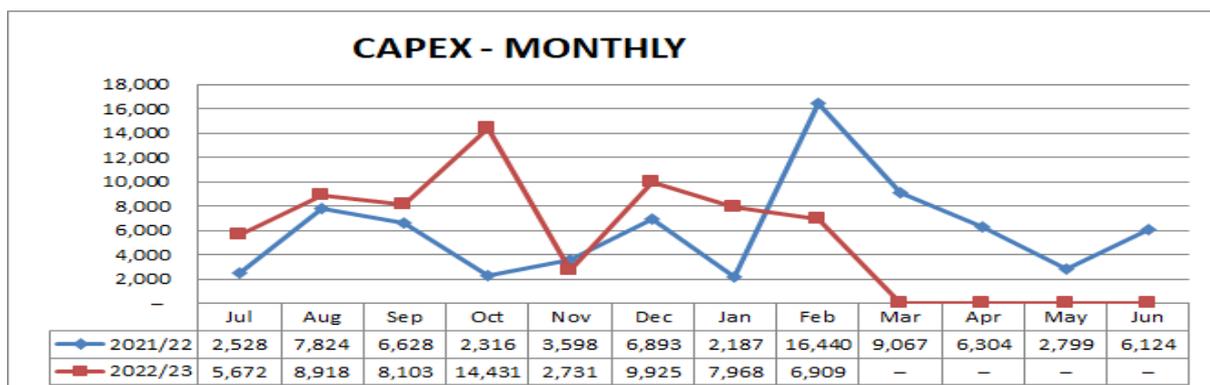
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of February 2023, R9, 925 million spending is incurred and the year to date expenditure amounts to R49 781 million whilst the year to 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              | 41,034           | 11,964           | 41,034             |
| Call investment deposits                 | –                | –                   | –                | –                | –                  |
| Consumer debtors                         | 96,531           | 61,834              | 64,191           | 118,073          | 64,191             |
| Other debtors                            | 20,810           | 62,845              | 75,304           | 80,822           | 75,304             |
| Current portion of long-term receivables | –                | 119                 | 119              | –                | 119                |
| Inventory                                | 20,355           | 10,005              | 12,160           | 25,028           | 12,160             |
| <b>Total current assets</b>              | <b>152,406</b>   | <b>158,966</b>      | <b>192,808</b>   | <b>235,887</b>   | <b>192,808</b>     |
| <b>Non current assets</b>                |                  |                     |                  |                  |                    |
| Long-term receivables                    | –                | –                   | –                | –                | –                  |
| Investments                              | –                | 17,278              | 17,278           | –                | 17,278             |
| Investment property                      | 96,399           | 48,547              | 48,547           | 96,399           | 48,547             |
| Investments in Associate                 | –                | –                   | –                | –                | –                  |
| Property, plant and equipment            | 1,088,067        | 1,258,405           | 1,261,912        | 1,153,154        | 1,261,912          |
| Biological                               | –                | –                   | –                | –                | –                  |
| Intangible                               | 14               | 331                 | 516              | 14               | 516                |
| Other non-current assets                 | 16,536           | 463                 | 463              | 1,928            | 463                |
| <b>Total non current assets</b>          | <b>1,201,016</b> | <b>1,325,025</b>    | <b>1,328,717</b> | <b>1,251,495</b> | <b>1,328,717</b>   |
| <b>TOTAL ASSETS</b>                      | <b>1,353,422</b> | <b>1,483,992</b>    | <b>1,521,524</b> | <b>1,487,381</b> | <b>1,521,524</b>   |
| <b>LIABILITIES</b>                       |                  |                     |                  |                  |                    |
| <b>Current liabilities</b>               |                  |                     |                  |                  |                    |
| Bank overdraft                           | –                | –                   | –                | –                | –                  |
| Borrowing                                | 6,638            | 7,459               | 6,638            | 1,810            | 6,638              |
| Consumer deposits                        | 5,621            | 5,700               | 5,700            | 5,147            | 5,700              |
| Trade and other payables                 | 104,167          | 101,172             | 99,684           | 125,828          | 99,684             |
| Provisions                               | 2,515            | 6,012               | 6,012            | 1,142            | 6,012              |
| <b>Total current liabilities</b>         | <b>118,941</b>   | <b>120,343</b>      | <b>118,035</b>   | <b>133,927</b>   | <b>118,035</b>     |
| <b>Non current liabilities</b>           |                  |                     |                  |                  |                    |
| Borrowing                                | 12,702           | 17,458              | 12,701           | 14,616           | 12,701             |
| Provisions                               | 85,956           | 96,252              | 96,252           | 84,720           | 96,252             |
| <b>Total non current liabilities</b>     | <b>98,658</b>    | <b>113,710</b>      | <b>108,953</b>   | <b>99,335</b>    | <b>108,953</b>     |
| <b>TOTAL LIABILITIES</b>                 | <b>217,599</b>   | <b>234,053</b>      | <b>226,988</b>   | <b>233,262</b>   | <b>226,988</b>     |
| <b>NET ASSETS</b>                        | <b>1,135,823</b> | <b>1,249,938</b>    | <b>1,294,537</b> | <b>1,254,119</b> | <b>1,294,537</b>   |
| <b>COMMUNITY WEALTH/EQUITY</b>           |                  |                     |                  |                  |                    |
| Accumulated Surplus/(Deficit)            | 1,135,823        | 1,230,938           | 1,294,537        | 1,254,119        | 1,294,537          |
| Reserves                                 | –                | 19,000              | –                | –                | –                  |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>     | <b>1,135,823</b> | <b>1,249,938</b>    | <b>1,294,537</b> | <b>1,254,119</b> | <b>1,294,537</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              | 50,336          | 4,732          | 24,858          | 21,895          | 2,963           | 14%          | 50,336             |
| Service charges                                  | 70,796          | 122,434             | 128,509         | 7,985          | 62,444          | 56,215          | 6,229           | 11%          | 128,509            |
| Other revenue                                    | 44,971          | 17,752              | 20,176          | 3,427          | 41,195          | 29,621          | 11,574          | 39%          | 20,176             |
| Transfers and Subsidies - Operational            | 307,767         | 338,906             | 338,906         | 538            | 239,812         | 245,396         | (5,584)         | -2%          | 338,906            |
| Transfers and Subsidies - Capital                | 79,469          | 79,606              | 79,606          | 4,000          | 67,020          | 63,762          | 3,258           | 5%           | 79,606             |
| Interest   | 1,780           | 3,652               | 2,152           | 628            | 3,263           | 2,787           | 476             | 17%          | 2,152              |
| <b>Payments</b>                                  |                 |                     |                 |                |                 |                 |                 |              |                    |
| Suppliers and employees                          | (442,993)       | (508,739)           | (496,824)       | (9,053)        | (365,314)       | (358,521)       | 6,793           | -2%          | (496,824)          |
| Finance charges                                  | (526)           | (2,185)             | (2,688)         | (437)          | (575)           | (142)           | 433             | -306%        | (2,688)            |
| Transfers and Grants                             | (1,547)         | 3,292               | 2,954           | (331)          | (1,033)         | (746)           | 287             | -38%         | 2,954              |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b> | <b>88,300</b>   | <b>94,811</b>       | <b>123,128</b>  | <b>11,489</b>  | <b>71,671</b>   | <b>60,268</b>   | <b>(11,403)</b> | <b>-19%</b>  | <b>123,128</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>      |                 |                     |                 |                |                 |                 |                 |              |                    |
| <b>Receipts</b>                                  |                 |                     |                 |                |                 |                 |                 |              |                    |
| 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)            |
| <b>Payments</b>                                  |                 |                     |                 |                |                 |                 |                 |              |                    |
| Capital assets                                   | (76,960)        | (81,790)            | (89,706)        | (6,667)        | (64,245)        | (59,655)        | 4,590           | -8%          | (89,706)           |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b> | <b>(75,949)</b> | <b>(78,022)</b>     | <b>(89,012)</b> | <b>(6,667)</b> | <b>(64,245)</b> | <b>(61,014)</b> | <b>3,232</b>    | <b>-5%</b>   | <b>(89,012)</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>      |                 |                     |                 |                |                 |                 |                 |              |                    |
| <b>Receipts</b>                                  |                 |                     |                 |                |                 |                 |                 |              |                    |
| Short term loans                                 | -               | -                   |                 |                |                 |                 | -               |              | -                  |
| Borrowing long term/refinancing                  | -               | -                   |                 |                |                 |                 | -               |              | -                  |
| Increase (decrease) in consumer deposits         | -               | 488                 | 488             |                | (65)            | 42              | (107)           | -254%        | 488                |
| <b>Payments</b>                                  |                 |                     |                 |                |                 |                 |                 |              |                    |
| Repayment of borrowing                           | (4,457)         | (7,459)             | (8,281)         | (1,452)        | (1,995)         | (552)           | 1,442           | -261%        | (8,281)            |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b> | <b>(4,457)</b>  | <b>(6,971)</b>      | <b>(7,792)</b>  | <b>(1,452)</b> | <b>(2,059)</b>  | <b>(510)</b>    | <b>1,549</b>    | <b>-304%</b> | <b>(7,792)</b>     |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>     | <b>7,894</b>    | <b>9,818</b>        | <b>26,324</b>   | <b>3,370</b>   | <b>5,366</b>    | <b>(1,256)</b>  |                 |              | <b>26,324</b>      |
| 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          |                | 11,964          | 13,454          |                 |              | 32,921             |

Table C7 presents details pertaining to cash flow performance. As at end of February 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 February 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 February 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                         | -5%      | The projected monthly revenue appear to be higher in light of the actual revenue performance  | The municipality should sustain the revenue collection and strategise on collection revenue.  |
| Service charges - electricity revenue  | 12%      | The projected monthly revenue appear to be lower in light of the actual revenue performance   | No remedial action is needed as the actual revenue is more that the projections thereof.  |
| Service charges - refuse revenue       | -1%      | The actual revenue generated is slightly lower than the projected monthly revenue   | No remedial action is needed as the amount is immaterial.   |
| Rental of facilities and equipment     | 2%       | The actual revenue generated is slightly more 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 | -23%     | The municipality has withdrawn all the investment inclusive of the interest earned.   | The municipality should draft cash flow projections plan which will assist if there is a need to invest   |
| Interest earned - outstanding debtors  | -87%     | 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          | 4%       | The contract of the speed fine cameras has been appointed, however there still slow collection in terms of revenue collection.                              | The municipality should strategies on how to speed up the revenue collection under this item. There should be road blocks in the groblersdal entrences where cashiers are available to collection on outstanding traffic fines. |
| Licences and permits                   | 0%       | The actual revenue generated is slightly 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                | 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                          | 407%     | 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                 | 0%       | The actual expenditure incurred on employee related costs is more 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            |          | 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                        |          | Debt impairment is still calculated annually  | The municipality should do away with this approach as it not viable   |
| Depreciation & asset impairment        |          | Depreciation is still calculated annually.  | The municipality should do away with this approach as it not viable   |
| Finance charges                        | 319%     | Finance charges is mainly for finance lease and the municipality has a lease contract with Afirent ply ltd.   | The municipality should encourages the service provider to submit invoices before month end sytem closure.  |
| Bulk purchases                         | -2%      | The municipal licenced electrification areas have increased and the projections are more than the actual expenditure.                                       | No remedial action is needed.   |
| Other materials                        | -15%     | The projected expendire is more than the actual expenditure thereof.  | No remedial action is needed  |
| Contracted services                    | 2%       | The actual expenditure incurred is slightly more than the projected monthly expenditure   | No remedial is needed as the ivariance was addressed during budget adjustment   |
| Transfers and subsidies                | 16%      | The actual expenditure incurred is more than the projected monthly expenditure  | No remedial action is needed  |
| Other expenditure                      | 25%      | 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                      | -2%      | 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               | 6%       | The actual spending on internally generated funds is more than the projections thereof.  | No remedial action is needed.  |
| <b>Cash Flow</b>                         |          |  |  |
| Property rates                           | 14%      | 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                          | 11%      | The collection rate on service charges is more 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                            | 39%      | 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                     | 5%       | 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                                 | 17%      | Interest on other revenue is slightly under projected to the under collection from other debtors   | No remedial action is needed   |
| Suppliers and employees                  | -2%      | 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                          | -306%    | The finance charges have been slightly over projected.   | No remedial action is needed   |
| Transfers and Grants                     | -38%     | The payments relating to this account are slightly higher than the projections thereof   | No remedial action is needed   |
| Capital assets                           | -8%      | 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 |          | The actual payments on consumer deposit is less than the projections thereof   | No remedial action is needed   |
| Repayment of borrowing                   | -261%    | 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

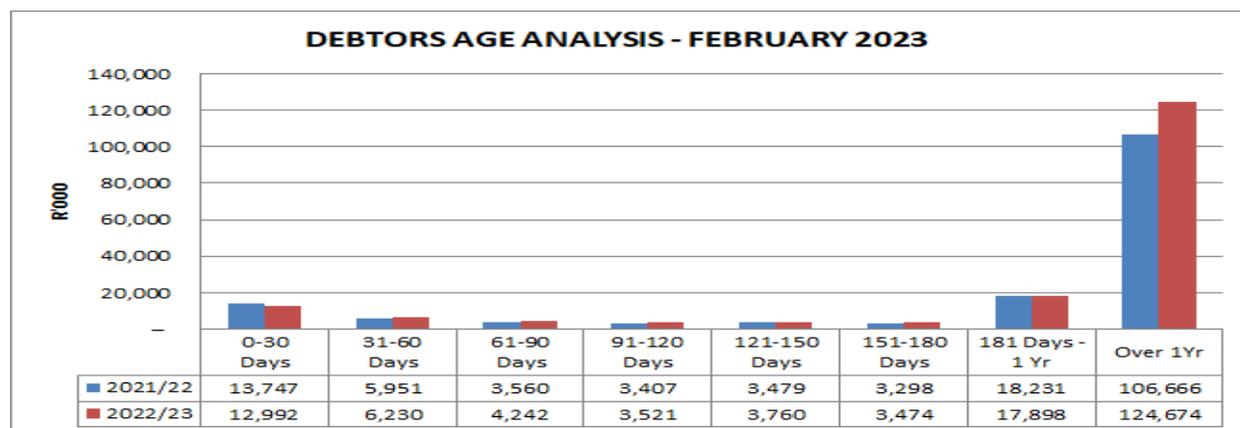
| Description   | Budget Year 2022/23 |               |               |                |                |                |                 |                |                |                          | Bad Debts<br>Written Off | Impairment -<br>Bad Debts |
|---|---------------------|---------------|---------------|----------------|----------------|----------------|-----------------|----------------|----------------|--------------------------|--------------------------|---------------------------|
|   | 0-30 Days           | 31-60<br>Days | 61-90<br>Days | 91-120<br>Days | 121-150<br>Dys | 151-180<br>Dys | 181 Dys-1<br>Yr | Over 1Yr       | Total          | Total<br>over 90<br>days |                          |                           |
| <b>Debtors Age Analysis By Income Source</b>                            |                     |               |               |                |                |                |                 |                |                |                          |                          |                           |
| Trade and Other Receivables from Exchange Transactions - Electricity    | 6,484               | 1,772         | 418           | 144            | 145            | 126            | 512             | 2,789          | 12,391         | 3,716                    |                          | -                         |
| Receivables from Non-exchange Transactions - Property Rates             | 4,891               | 2,349         | 2,113         | 1,920          | 1,918          | 1,786          | 7,307           | 49,212         | 71,495         | 62,142                   |                          | -                         |
| Receivables from Exchange Transactions - Waste Management               | 815                 | 529           | 435           | 419            | 406            | 401            | 2,344           | 18,687         | 24,036         | 22,257                   |                          | -                         |
| Receivables from Exchange Transactions - Property Rental Debtors        | 47                  | 26            | 20            | 20             | 20             | 19             | 131             | 1,317          | 1,599          | 1,507                    |                          | -                         |
| Interest on Arrear Debtor Accounts                                      | 1,366               | 1,213         | 1,176         | 1,144          | 1,118          | 1,091          | 8,446           | 48,667         | 64,222         | 60,467                   |                          | -                         |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | -                   | -             | -             | -              | -              | -              | -               | -              | -              | -                        |                          | -                         |
| Other   | (611)               | 341           | 81            | (126)          | 153            | 50             | (842)           | 4,002          | 3,048          | 3,237                    |                          | -                         |
| <b>Total By Income Source</b>   | <b>12,992</b>       | <b>6,230</b>  | <b>4,242</b>  | <b>3,521</b>   | <b>3,760</b>   | <b>3,474</b>   | <b>17,898</b>   | <b>124,674</b> | <b>176,791</b> | <b>153,326</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   | 513                 | 1,708         | 1,320         | 1,011          | 1,171          | 987            | 5,252           | 39,382         | 51,345         | 47,804                   | -                        | -                         |
| Commercial  | 6,771               | 1,813         | 802           | 549            | 585            | 517            | 1,130           | 8,166          | 20,333         | 10,948                   | -                        | -                         |
| Households  | 4,910               | 2,594         | 2,067         | 1,983          | 1,954          | 1,916          | 11,188          | 73,953         | 100,565        | 90,994                   | -                        | -                         |
| Other   | 798                 | 116           | 54            | (23)           | 50             | 54             | 328             | 3,172          | 4,548          | 3,580                    | -                        | -                         |
| <b>Total By Customer Group</b>  | <b>12,992</b>       | <b>6,230</b>  | <b>4,242</b>  | <b>3,521</b>   | <b>3,760</b>   | <b>3,474</b>   | <b>17,898</b>   | <b>124,674</b> | <b>176,791</b> | <b>153,326</b>           |                          | -                         |

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

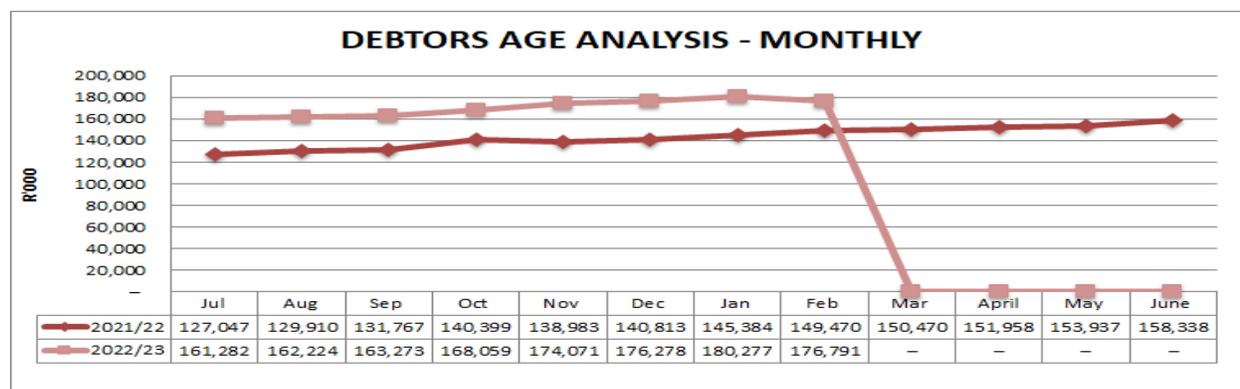
- Rates 40%
- Electricity 7%
- Rental 1%
- Refuse removal 14%
- Interest on Debtors 36%
- Other 2%

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 2023/23 (as at end of February 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    | 1,584,001           |
| 9012345      | BREED J & OOSTHUIZEN J F                    | ACTIVE         | OCCUPIER | 1,438,813           |
| 6000908      | DEPARTMENT OF EDUCATION                     | ACTIVE         | OCCUPIER | 1,158,811           |
| 201885       | SHOPRITE CHECKERS (PTY) LTD                 | ACTIVE         | OCCUPIER | 568,830             |
| 800000478    | DAYBREAK PROP 3 PTY LTD                     | ACTIVE         | OWNER    | 540,968             |
| 9900067      | WATER PURIFICATION PLANT (SDM)              | ACTIVE         | OCCUPIER | 488,667             |
| 1200062      | GREAT NORTH TRANSPORT                       | ACTIVE         | OCCUPIER | 472,093             |
| 2200702      | NAMIB FAMILY TRUST                          | ACTIVE         | OWNER    | 458,680             |
| 9001763      | TSHEHLA TRUST MAMAILE GEORGE                | ACTIVE         | OWNER    | 454,485             |
| 2000129      | DEPARTMENT OF PUBLIC WORKS (NATIONAL)       | ACTIVE         | OCCUPIER | 448,127             |
| 7000918      | MATHEBULA JABULANI JACK TITUS               | ACTIVE         | OCCUPIER | 444,784             |
| 9002065      | GOVERNMENT OF KWANDEBELE                    | ACTIVE         | OWNER    | 420,889             |
| 9000276      | DEPARTMENT OF PUBLIC WORKS-PROVINCIAL       | ACTIVE         | OWNER    | 415,253             |
| 9002503      | GOUWS BOERDERY TRUST 1999/022459/07         | ACTIVE         | OWNER    | 390,378             |
| 9019006      | TIGER STRIPES INVESTMENTS (PTY              | ACTIVE         | OWNER    | 376,140             |
| 9002541      | NELSPRUIT DEVELOPMENT TRUST                 | ACTIVE         | OWNER    | 363,628             |
| 9002958      | PROVINCIAL GOVERNMENT OF LIMPO              | ACTIVE         | OWNER    | 344,179             |
| 2200691      | EHLERS JA                                   | ACTIVE         | OWNER    | 342,175             |
| 5000305      | NKANGALA DISTRICT MUNICIPALITY              | ACTIVE         | OWNER    | 339,953             |
| 9001712      | MINERAL WILDLIFE INV PTY LTD 200402878407   | ACTIVE         | OWNER    | 332,677             |
| <b>TOTAL</b> |   |                |          | <b>11,383,530</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 R20, 708 million as outstanding creditors by the end of the month of February 2023.

| CODE         | CREDITOR NAME                  | AMOUNT            |
|--------------|--------------------------------|-------------------|
| 1            | ESKOM                          | 6,674,571         |
| 40029        | GIFTRON DISTRIBUTION           | 1,720,753         |
| 81039        | LEPHATA LA BASHA TRADING AND P | 1,666,497         |
| 81289        | TSHEPO LEGODI JV SELAPE        | 1,351,247         |
| 81282        | BROWN DOGS SECURITY UNIT       | 1,255,099         |
| 81008        | OBAKENG MEDIA AND PROJECTS     | 980,156           |
| 81178        | MAXIMUM PROFIT RECOVERY        | 883,088           |
| 81246        | F-TECH SERVICES                | 855,350           |
| 37771        | MASHUMI CONSTRUCTION & SUPPLY  | 777,010           |
| 81042        | MATUPUNUKA ICT                 | 710,386           |
| 81001        | JUST-BREEZE JV TLOU YA HLAKA   | 625,000           |
| 81292        | KELEBOHETSE PROJECTS           | 544,140           |
| 81002        | SELEMA PLANT HIRE              | 484,000           |
| 81099        | PHUTITAU INVESTMENT            | 469,283           |
| 81041        | LEKONAKONETSI CONSULTING SERVI | 455,496           |
| 81147        | DZANGI CONSULTING SERVICES     | 302,520           |
| 81025        | STOP AND GO PROPERTIES         | 276,909           |
| 81213        | KOPANEGO TRAVEL/THEROMBA JV    | 253,393           |
| 81137        | MPOYANA LEDWABA INC            | 238,524           |
| 32508        | NTSHIANA T/ENTERPRISE t/a NTSH | 185,001           |
| <b>TOTAL</b> |                                | <b>20,708,421</b> |

## Supporting Table: SC 5 - Investment Portfolio

| Name of institution & investment ID   | Period of Investment | Type of Investment | Interest Rate | on Paid (Rands) | date of investment | Opening balance  | be realised | Premature Withdrawa | Investment Top Up | Closing Balance |
|---------------------------------------|----------------------|--------------------|---------------|-----------------|--------------------|------------------|-------------|---------------------|-------------------|-----------------|
| STANDARD BANK 015 (038823527016)      | 1 Month              | Investment         | 8.0%          |                 | 21-Feb-23          | 8,214,186        | 34,917      | -8,249,103          | -                 | 0               |
| <b>TOTAL INVESTMENTS AND INTEREST</b> |                      |                    |               |                 |                    | <b>8,214,186</b> |             | <b>-8,249,103</b>   | <b>-</b>          | <b>0</b>        |

The Municipality's current investment portfolio during the month of February had an opening balance of R8, 214 million investment top up amounted Nil in different portfolio investments, earned an interest of R34, 917 thousand, withdrew an amount of R8, 249 million and closed off with Nil.

## 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>338,906</b>  | <b>538</b>     | <b>239,812</b> | <b>214,755</b> | <b>25,057</b> | <b>12%</b>   | <b>338,906</b>     |
| Local Government Equitable Share                | 302,789         | 334,260             | 334,260         | –              | 235,166        | 210,109        | 25,057        | 12%          | 334,260            |
| Finance Management                              | 2,650           | 2,850               | 2,850           | –              | 2,850          | 2,850          | –             |              | 2,850              |
| EPWP Incentive                                  | 2,199           | 1,796               | 1,796           | 538            | 1,796          | 1,796          | –             |              | 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>338,906</b>  | <b>538</b>     | <b>239,812</b> | <b>214,755</b> | <b>25,057</b> | <b>12%</b>   | <b>338,906</b>     |
| <b>Capital Transfers and Grants</b>             |                 |                     |                 |                |                |                |               |              |                    |
| <b>National Government:</b>                     | <b>79,332</b>   | <b>79,606</b>       | <b>79,606</b>   | <b>4,000</b>   | <b>67,020</b>  | <b>62,718</b>  | <b>4,302</b>  | <b>7%</b>    | <b>79,606</b>      |
| Municipal Infrastructure Grant (MIG)            | 57,984          | 62,606              | 62,606          | –              | 54,020         | 48,730         | 5,290         | 11%          | 62,606             |
| Intergrated National Electrification Grant      | 21,348          | 17,000              | 17,000          | 4,000          | 13,000         | 13,988         | (988)         | -7%          | 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>79,606</b>   | <b>4,000</b>   | <b>67,020</b>  | <b>62,718</b>  | <b>4,302</b>  | <b>7%</b>    | <b>79,606</b>      |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b> | <b>387,100</b>  | <b>418,512</b>      | <b>418,512</b>  | <b>4,538</b>   | <b>306,832</b> | <b>277,473</b> | <b>29,359</b> | <b>11%</b>   | <b>418,512</b>     |

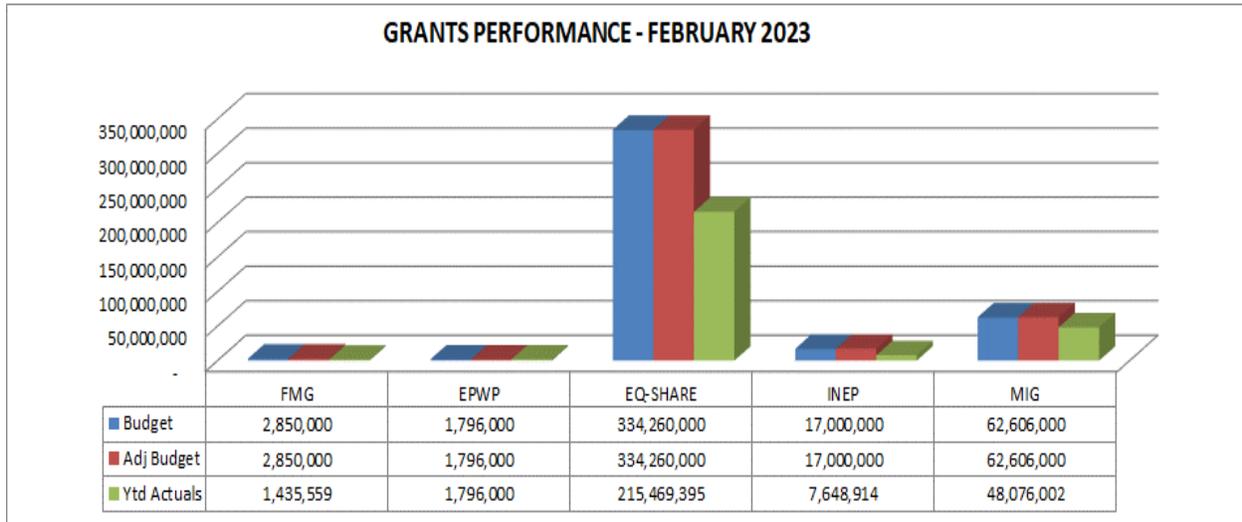
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R306, 832 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R235, 166 million; Financial Management Grant amounting to R2,850 million; Municipal Infrastructure Grant amounting to R54, 020 million; Integrated National Energy Grant R9, 000 million and Expanded Public Works Programme R1, 796 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>338,906</b>  | <b>29,359</b>  | <b>218,701</b> | <b>214,755</b> | <b>3,946</b> | <b>2%</b>    | <b>338,906</b>     |
| Local Government Equitable Share                            | 302,788         | 334,260             | 334,260         | 29,110         | 215,469        | 210,109        | 5,360        | 3%           | 334,260            |
| Finance Management  | 2,650           | 2,850               | 2,850           | 249            | 1,436          | 2,850          | (1,414)      | -50%         | 2,850              |
| EPWP Incentive  | 2,199           | 1,796               | 1,796           | -              | 1,796          | 1,796          | -            |              | 1,796              |
| <b>Other transfers and grants</b>                           |                 |                     |                 |                |                |                |              |              |                    |
| LGSETA Learnership and Development                          | -               |                     |                 |                |                |                |              |              |                    |
| <b>Total operating expenditure of Transfers and Grants:</b> | <b>307,637</b>  | <b>338,906</b>      | <b>338,906</b>  | <b>29,359</b>  | <b>218,701</b> | <b>214,755</b> | <b>3,946</b> | <b>2%</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>79,606</b>   | <b>4,679</b>   | <b>57,296</b>  | <b>56,073</b>  | <b>(348)</b> | <b>-1%</b>   | <b>79,606</b>      |
| Municipal Infrastructure Grant (MIG)                        | 57,924          | 62,606              | 62,606          | 1,885          | 48,076         | 48,730         | (654)        | -1%          | 62,606             |
| Intergrated National Electrification Grant                  | 16,392          | 17,000              | 17,000          | 2,794          | 9,220          | 7,343          | 306          | 4%           | 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>79,606</b>   | <b>4,679</b>   | <b>57,296</b>  | <b>56,073</b>  | <b>1,223</b> | <b>2%</b>    | <b>79,606</b>      |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>            | <b>381,953</b>  | <b>418,512</b>      | <b>418,512</b>  | <b>34,038</b>  | <b>275,997</b> | <b>270,828</b> | <b>5,169</b> | <b>2%</b>    | <b>418,512</b>     |

An amount of R34, 038 million has been spent on grants during the month of February 2023 and the year to date actuals is R275, 997 million whilst the year to date budget amounts to R270, 828 million and this results in an under spending variance of R5 169 million that translates to 2%. Of the total spending amounting to R34, 038 million, R29, 359 million is spent on operational grants whilst capital grants spent R4, 679 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 February 2023. The grants expenditure are shown below in percentages:

- Financial Management Grant 50.37%
- Expanded Public Work Programme 100.00%
- Equitable Share 64.46%
- Integrated National Electrification Grant 44.99%
- Municipal Infrastructure Grant 76.79%

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

| Summary of Employee and Councillor remuneration          | 2021/22        | Budget Year 2022/23 |                 |                |                |                |              |              |                    |
|--|----------------|---------------------|-----------------|----------------|----------------|----------------|--------------|--------------|--------------------|
|  |                | 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              | 14,986          | 1,223          | 10,175         | 10,175         | -            |              | 14,986             |
| Pension and UIF Contributions                            | 1,863          | 2,504               | 2,996           | 172            | 1,368          | 1,368          | -            |              | 2,996              |
| Medical Aid Contributions                                | 194            | 89                  | 89              | 8              | 59             | 59             | -            |              | 89                 |
| Motor Vehicle Allowance                                  | 5,281          | 5,536               | 6,144           | 450            | 3,730          | 3,730          | -            |              | 6,144              |
| Cellphone Allowance                                      | 2,738          | 2,753               | 2,652           | 207            | 1,496          | 1,496          | -            |              | 2,652              |
| Other benefits and allowances                            | 238            | 223                 | 259             | 19             | 171            | 171            | -            |              | 259                |
| <b>Sub Total - Councillors</b>                           | <b>25,567</b>  | <b>25,580</b>       | <b>27,126</b>   | <b>2,079</b>   | <b>16,999</b>  | <b>16,999</b>  | <b>-</b>     |              | <b>27,126</b>      |
| <b>% increase</b>  |                | <b>0%</b>           | <b>6%</b>       |                |                |                |              |              | <b>6%</b>          |
| <b>Senior Managers of the Municipality</b>               |                |                     |                 |                |                |                |              |              |                    |
| Basic Salaries and Wages                                 | 3,197          | 4,315               | 2,769           | 117            | 1,294          | 1,294          | (1)          | 0%           | 2,769              |
| Pension and UIF Contributions                            | 88             | 338                 | 140             | 9              | 67             | 67             | (0)          | 0%           | 140                |
| Medical Aid Contributions                                | 80             | 1,464               | 257             | 11             | 70             | 69             | 1            | 1%           | 257                |
| Motor Vehicle Allowance                                  | 186            | 519                 | 251             | 17             | 127            | 127            | -            |              | 251                |
| Cellphone Allowance                                      | 85             | 166                 | 79              | 5              | 43             | 43             | -            |              | 79                 |
| Other benefits and allowances                            | 211            | 312                 | 201             | 0              | 92             | 92             | -            |              | 201                |
| Payments in lieu of leave                                |                |                     |                 |                |                |                | -            |              |                    |
| <b>Sub Total - Senior Managers of Municipality</b>       | <b>3,847</b>   | <b>7,112</b>        | <b>3,697</b>    | <b>159</b>     | <b>1,692</b>   | <b>1,692</b>   | <b>0</b>     | <b>0%</b>    | <b>3,697</b>       |
| <b>% increase</b>  |                | <b>85%</b>          | <b>-4%</b>      |                |                |                |              |              | <b>-4%</b>         |
| <b>Other Municipal Staff</b>                             |                |                     |                 |                |                |                |              |              |                    |
| Basic Salaries and Wages                                 | 102,769        | 115,473             | 104,223         | 8,561          | 71,298         | 71,040         | 259          | 0%           | 104,223            |
| Pension and UIF Contributions                            | 19,579         | 26,387              | 20,625          | 1,693          | 13,731         | 13,735         | (4)          | 0%           | 20,625             |
| Medical Aid Contributions                                | 5,442          | 5,593               | 5,906           | 498            | 3,852          | 3,861          | (9)          | 0%           | 5,906              |
| Overtime   | 1,055          | 1,163               | 347             | 26             | 247            | 221            | 26           | 12%          | 347                |
| Motor Vehicle Allowance                                  | 13,018         | 15,702              | 14,056          | 1,165          | 9,371          | 9,370          | 1            | 0%           | 14,056             |
| Cellphone Allowance                                      | 1,917          | 1,426               | 1,925           | 159            | 1,281          | 1,281          | -            |              | 1,925              |
| Housing Allowances                                       | 220            | 230                 | 253             | 21             | 168            | 168            | -            |              | 253                |
| Other benefits and allowances                            | 10,429         | 11,279              | 15,605          | 337            | 9,845          | 9,683          | 162          | 2%           | 15,605             |
| Payments in lieu of leave                                | 624            | 442                 | 4,283           | 74             | 1,007          | 1,007          | -            |              | 4,283              |
| Long service awards                                      | 1,288          | 510                 | 253             | 21             | 168            | 713            | (545)        | -76%         | 253                |
| Post-retirement benefit obligations                      |                | -                   | -               | -              | -              | -              | -            |              | -                  |
| <b>Sub Total - Other Municipal Staff</b>                 | <b>156,340</b> | <b>178,204</b>      | <b>167,476</b>  | <b>12,555</b>  | <b>110,968</b> | <b>111,078</b> | <b>(110)</b> | <b>0%</b>    | <b>167,476</b>     |
| <b>% increase</b>  |                | <b>14%</b>          | <b>7%</b>       |                |                |                |              |              | <b>7%</b>          |
| <b>Total Parent Municipality</b>                         | <b>185,754</b> | <b>210,897</b>      | <b>198,299</b>  | <b>14,792</b>  | <b>129,660</b> | <b>129,770</b> | <b>(110)</b> | <b>0%</b>    | <b>198,299</b>     |
| <b>% increase</b>  |                | <b>14%</b>          | <b>7%</b>       |                |                |                |              |              | <b>7%</b>          |
| <b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>           | <b>185,754</b> | <b>210,897</b>      | <b>198,299</b>  | <b>14,792</b>  | <b>129,660</b> | <b>129,770</b> | <b>(110)</b> | <b>0%</b>    | <b>198,299</b>     |
| <b>% increase</b>  |                | <b>14%</b>          | <b>7%</b>       |                |                |                |              |              | <b>7%</b>          |
| <b>TOTAL MANAGERS AND STAFF</b>                          | <b>160,187</b> | <b>185,316</b>      | <b>171,173</b>  | <b>12,714</b>  | <b>112,660</b> | <b>112,770</b> | <b>(110)</b> | <b>0%</b>    | <b>171,173</b>     |

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of February 2023 amounts to R129, 660 million and the year to date budget is R129, 770 million and the expenditure for remuneration of councilors amounts to R16, 999 million while the year to date budget is R16, 999 million. The year to date actual expenditure for senior managers is R1, 692 million and the year to date budget thereof is R1, 692 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 R110, 968 million and the year to date budget is R111, 078 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         | Outcome       | 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           | 4,732         | 3,341          | 3,341          | 3,341           | 15,455          | 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         | 9,569          | 9,569          | 9,569           | 34,627          | 122,434   | 119,873         | 125,264         |  |
| Service charges - refuse                                 | 509                 | 364             | 478             | 389             | 387           | 407            | 378             | 430           | 642            | 642            | 642             | 805             | 6,075   | 8,047           | 8,409           |  |
| Rental of facilities and equipment                       | 46                  | 29              | 40              | 31              | 34            | 28             | 29              | 24            | 193            | 193            | 193             | 27              | 867   |                 |                 |  |
| Interest earned - external investments                   | 71                  | 157             | 324             | 127             | 27            | 248            | 286             | 35            | 32             | 32             | 32              | (983)           | 389   | 3,669           | 3,675           |  |
| Interest earned - outstanding debtors                    | 213                 | 537             | 128             | 159             | 148           | 66             | 145             | 593           | 689            | 754            | 422             | 4,528           | 8,381   | 7,551           | 8,541           |  |
| Fines, penalties and forfeits                            | 21                  | 35              | 48              | 160             | 375           | 319            | 323             | 260           | 353            | 353            | 353             | 945             | 3,544   | 9,300           | 9,718           |  |
| Licences and permits                                     | 500                 | 612             | 576             | 578             | 481           | 381            | 441             | 562           | 526            | 526            | 526             | 833             | 6,542   | 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           | 2,581         | 1,877          | 1,877          | 1,877           | (38,290)        | 2,605   | 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>17,311</b> | <b>110,817</b> | <b>17,288</b>  | <b>16,956</b>   | <b>23,447</b>   | <b>540,080</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>21,311</b> | <b>123,403</b> | <b>17,288</b>  | <b>16,956</b>   | <b>23,935</b>   | <b>620,174</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          | 12,692        | 12,752         | 12,704         | 12,875          | 12,898          | 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         | 2,069          | 2,069          | 2,069           | 3,194           | 26,401  | 30,493          | 34,153          |  |
| Interest paid  | -                   | 137             | -               | -               | -             | -              | -               | 437           | 346            | 354            | 321             | 1,092           | 2,688   | 2,326           | 2,472           |  |
| Bulk purchases - Electricity                             | 83                  | 10,506          | 11,386          | 8,400           | 7,014         | 7,402          | 6,753           | 6,513         | 9,137          | 9,137          | 9,137           | 9,066           | 94,532  | 114,462         | 119,613         |  |
| Other materials  | 5,315               | 6,109           | 4,668           | 2,557           | 2,165         | 5,954          | 1,210           | 1,471         | 3,320          | 3,320          | 3,320           | 433             | 39,844  | 35,165          | 36,667          |  |
| Contracted services                                      | 3,535               | 6,867           | 9,209           | 6,185           | 3,571         | 9,339          | 7,183           | 5,518         | 5,805          | 5,805          | 5,805           | 842             | 69,664  | 63,305          | 66,069          |  |
| Grants and subsidies paid - other                        | 136                 | 61              | 75              | 57              | 93            | 130            | 149             | 331           | 274            | 274            | 274             | 1,098           | 2,954   | 3,436           | 3,588           |  |
| General expenses   | 10,729              | 2,360           | 2,363           | 4,338           | 4,725         | 3,801          | 3,237           | 7,481         | 9,549          | 14,216         | 11,454          | 21,923          | 96,175  | 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>36,524</b> | <b>43,253</b>  | <b>47,880</b>  | <b>45,257</b>   | <b>50,546</b>   | <b>496,558</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           | 5,459           | 89,706  | 81,383          | 90,922          |  |
| Repayment of borrowing                                   | -                   | 542             | -               | -               | -             | -              | -               | 1,452         | 1,456          | 1,499          | 1,521           | 1,810           | 8,281   | 25,723          | 26,588          |  |
| Other Cash Flows/Payments                                | 23,500              | 2,986           | 11,668          | 4,103           | -             | 28,707         | 12,415          | (26,014)      | (15,422)       | (33,212)       | 3,456           | (20,992)        | (8,806)   | 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>18,629</b> | <b>35,954</b>  | <b>22,834</b>  | <b>56,901</b>   | <b>36,823</b>   | <b>585,738</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>2,682</b>  | <b>87,449</b>  | <b>(5,546)</b> | <b>(39,945)</b> | <b>(12,888)</b> | <b>34,436</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         | 11,964         | 99,413         | 93,867          | 53,922          | 6,597   | 41,034          | 16,434          |  |
| Cash/cash equivalents at the month/year end:             | 106,038             | 71,059          | 45,010          | 987             | 4,134         | 49,704         | 9,282           | 11,964        | 99,413         | 93,867         | 53,922          | 41,034          | 41,034  | 16,434          | (8,152)         |  |

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 R21, 311 million and the total cash payment for the month were R18, 629 million and this resulted in net increase in cash held amounting to R2, 682 million. With cash and cash equivalent of R9, 282 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R11, 964 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              | 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          | 57,578        | 63,989        | 6,411        | 10%          | 59%                        |
| February                                     | 16,440          | 10,392              | 7,407           | 6,909          | 64,658        | 71,396        | 6,738        | 10%          | 66%                        |
| March  | 9,067           | 7,436               | 5,550           | -              | -             | 76,946        | -            |              |                            |
| April  | 6,304           | 8,496               | 12,117          | -              | -             | 89,062        | -            |              |                            |
| May  | 2,799           | 2,619               | 9,492           | -              | -             | 98,554        | -            |              |                            |
| June   | 21,773          | 5,109               | 6,823           | -              | -             | 105,377       | -            |              |                            |
| <b>Total Capital expenditure</b>             | <b>88,355</b>   | <b>98,041</b>       | <b>105,377</b>  | <b>64,658</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 February amounts to R6, 909 million. The year to date actual expenditure incurred is R64, 658 million whilst the year to date budget is R71, 396 million that gives rise to under spending variance of R6, 738 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              | 23,674          | 2,794          | 9,630         | 7,754         | (1,877)      | -24%         | 23,674             |
| <b>Roads Infrastructure</b>                             | -               | -                   | -               | -              | -             | -             | -            | -            | -                  |
| Roads   |                 | -                   | -               | -              | -             | -             | -            | -            | -                  |
| Road Structures   |                 |                     |                 |                |               |               |              |              |                    |
| Road Furniture  |                 |                     |                 |                |               |               |              |              |                    |
| Attenuation   |                 |                     |                 |                |               |               |              |              |                    |
| <b>Electrical Infrastructure</b>                        | 22,332          | 17,250              | 22,524          | 2,794          | 9,311         | 7,435         | (1,877)      | -25%         | 22,524             |
| Power Plants  |                 |                     | 3,400           |                |               |               | -            |              | 3,400              |
| MV Substations  |                 | 50                  | -               | -              |               | -             | -            |              | -                  |
| MV Networks   | 22,332          | 17,000              | 18,924          | 2,794          | 9,220         | 7,343         | (1,877)      | -26%         | 18,924             |
| Capital Spares  |                 | 200                 | 200             | -              | 92            | 92            | -            |              | 200                |
| <b>Solid Waste Infrastructure</b>                       | -               | 1,250               | 1,150           | -              | 319           | 319           | -            |              | 1,150              |
| Landfill Sites  |                 |                     |                 |                |               |               | -            |              |                    |
| Waste Transfer Stations                                 |                 |                     |                 |                |               |               | -            |              |                    |
| Capital Spares  |                 | 1,250               | 1,150           | -              | 319           | 319           | -            |              | 1,150              |
| <b>Community Assets</b>                                 | -               | 418                 | 238             | -              | 201           | 201           | -            |              | 238                |
| Community Facilities                                    | -               | 418                 | 238             | -              | 201           | 201           | -            |              | 238                |
| Cemeteries/Crematoria                                   |                 |                     |                 |                |               |               | -            |              |                    |
| Capital Spares  |                 | 418                 | 238             | -              | 201           | 201           | -            |              | 238                |
| <b>Other assets</b>                                     | -               | 458                 | 454             | -              | 454           | 454           | -            |              | 454                |
| Operational Buildings                                   | -               | 458                 | 454             | -              | 454           | 454           | -            |              | 454                |
| Municipal Offices                                       | -               |                     |                 |                |               |               | -            |              |                    |
| Stores  |                 | 458                 | 454             | -              | 454           | 454           | -            |              | 454                |
| <b>Intangible Assets</b>                                | -               | 300                 | 185             | (185)          | (185)         | -             | 185          | 0%           | 185                |
| Servitudes  |                 |                     |                 |                |               |               | -            |              |                    |
| Licences and Rights                                     | -               | 300                 | 185             | (185)          | (185)         | -             | 185          | 0%           | 185                |
| Unspecified   |                 | 300                 | 185             | (185)          | (185)         | -             | 185          | 0%           | 185                |
| <b>Computer Equipment</b>                               | 824             | 700                 | 2,135           | 985            | 1,605         | 1,605         | (0)          | 0%           | 2,135              |
| Computer Equipment                                      | 824             | 700                 | 2,135           | 985            | 1,605         | 1,605         | (0)          | 0%           | 2,135              |
| <b>Furniture and Office Equipment</b>                   | -               | 500                 | 1,139           | -              | 436           | 436           | -            |              | 1,139              |
| Furniture and Office Equipment                          |                 | 500                 | 1,139           | -              | 436           | 436           | -            |              | 1,139              |
| <b>Machinery and Equipment</b>                          | 214             | 1,610               | 1,400           | 475            | 1,007         | 361           | (646)        | -179%        | 1,400              |
| Machinery and Equipment                                 | 214             | 1,610               | 1,400           | 475            | 1,007         | 361           | (646)        | -179%        | 1,400              |
| <b>Transport Assets</b>                                 | 1,079           | -                   | -               | -              | -             | -             | -            |              | -                  |
| Transport Assets  | 1,079           |                     |                 |                |               |               | -            |              |                    |
| <b>Total Capital Expenditure on new assets</b>          | 24,449          | 22,485              | 29,225          | 4,069          | 13,149        | 10,811        | (2,337)      | -22%         | 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 |
| <b>Capital expenditure on renewal of existing assets by Asset Class</b> |                 |                     |                 |                |               |               |              |              |                    |
| <b>Infrastructure</b>   | <b>44,874</b>   | <b>30,723</b>       | <b>30,983</b>   | <b>2,350</b>   | <b>21,754</b> | <b>21,505</b> | <b>(249)</b> | <b>-1%</b>   | <b>30,983</b>      |
| Roads Infrastructure  | 39,750          | 28,631              | 28,891          | 2,350          | 19,662        | 19,413        | (249)        | -1%          | 28,891             |
| Roads   | 39,750          | 28,331              | 28,331          | 2,350          | 19,662        | 19,413        | (249)        | -1%          | 28,331             |
| Road Structures   |                 |                     |                 |                |               |               | -            |              |                    |
| Road Furniture  |                 | 300                 | 560             | -              | -             | -             | -            |              | 560                |
| <b>Electrical Infrastructure</b>  | <b>5,124</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>2,092</b>    | <b>-</b>       | <b>2,092</b>  | <b>2,092</b>  | <b>-</b>     |              | <b>2,092</b>       |
| Landfill Sites  |                 | 2,092               | 2,092           | -              | 2,092         | 2,092         | -            |              | 2,092              |
| Waste Transfer Stations   |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Community Assets</b>   | <b>-</b>        | <b>1,000</b>        | <b>869</b>      | <b>-</b>       | <b>869</b>    | <b>869</b>    | <b>-</b>     |              | <b>869</b>         |
| Community Facilities  | -               | 1,000               | 869             | -              | 869           | 869           | -            |              | 869                |
| Cemeteries/Crematoria   |                 | 1,000               | 869             | -              | 869           | 869           | -            |              | 869                |
| 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>           |
| Indoor Facilities   |                 |                     |                 |                |               |               | -            |              |                    |
| Outdoor Facilities  |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Other assets</b>   | <b>-</b>        | <b>-</b>            | <b>208</b>      | <b>-</b>       | <b>-</b>      | <b>-</b>      | <b>-</b>     |              | <b>208</b>         |
| Operational Buildings   | -               | -                   | 208             | -              | -             | -             | -            |              | 208                |
| Municipal Offices   |                 | -                   | 208             | -              | -             | -             | -            |              | 208                |
| Workshops   |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Intangible Assets</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>           |
| Computer Equipment  |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Furniture and Office Equipment</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>           |
| Machinery and Equipment   |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Transport Assets</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>32,060</b>   | <b>2,350</b>   | <b>22,623</b> | <b>22,374</b> | <b>(249)</b> | <b>-1.1%</b> | <b>32,060</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              | 29,653          | 871            | 20,904        | 22,100        | 1,197        | 5%           | 29,653             |
| <b>Roads Infrastructure</b>                               | 13,895          | 15,467              | 21,167          | -              | 14,926        | 16,824        | 1,898        | 11%          | 21,167             |
| Roads   | 13,895          | 15,467              | 21,167          | -              | 14,926        | 16,824        | 1,898        | 11%          | 21,167             |
| Road Structures   |                 |                     |                 |                |               |               | -            |              |                    |
| Road Furniture  |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Electrical Infrastructure</b>                          | 12,201          | 8,263               | 5,763           | 630            | 4,052         | 3,422         | (630)        | -18%         | 5,763              |
| HV Substations  |                 |                     |                 |                |               |               | -            |              |                    |
| MV Networks   | 12,201          | 8,263               | 5,763           | 630            | 4,052         | 3,422         | (630)        | -18%         | 5,763              |
| LV Networks   |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Solid Waste Infrastructure</b>                         | 4,175           | 1,722               | 2,722           | 241            | 1,926         | 1,855         | (72)         | -4%          | 2,722              |
| Landfill Sites  | 4,175           | 1,722               | 2,722           | 241            | 1,926         | 1,855         | (72)         | -4%          | 2,722              |
| Waste Transfer Stations                                   |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Community Assets</b>                                   | 166             | 594                 | 544             | 182            | 441           | 389           | (52)         | -13%         | 544                |
| Community Facilities                                      | 166             | 594                 | 544             | 182            | 441           | 389           | (52)         | -13%         | 544                |
| Libraries   |                 |                     |                 |                |               |               | -            |              |                    |
| Cemeteries/Crematoria                                     |                 |                     |                 |                |               |               | -            |              |                    |
| Parks   | 166             | 594                 | 544             | 182            | 441           | 389           | (52)         | -13%         | 544                |
| <b>Sport and Recreation Facilities</b>                    | -               | -                   | -               | -              | -             | -             | -            |              | -                  |
| Indoor Facilities   |                 |                     |                 |                |               |               | -            |              |                    |
| Outdoor Facilities  |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Other assets</b>                                       | 575             | 1,095               | 1,495           | 5              | 1,049         | 1,546         | 497          | 32%          | 1,495              |
| Operational Buildings                                     | 575             | 1,095               | 1,495           | 5              | 1,049         | 1,546         | 497          | 32%          | 1,495              |
| Municipal Offices   | 541             | 1,095               | 1,495           | 5              | 1,049         | 1,546         | 497          | 32%          | 1,495              |
| <b>Intangible Assets</b>                                  | 38              | 200                 | 100             | -              | 28            | 99            | 71           | 72%          | 100                |
| Servitudes  |                 |                     |                 |                |               |               | -            |              |                    |
| Licences and Rights                                       | 38              | 200                 | 100             | -              | 28            | 99            | 71           | 72%          | 100                |
| Computer Software and Applications                        | 38              | 200                 | 100             | -              | 28            | 99            | 71           | 72%          | 100                |
| <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               | 6,849           | 474            | 4,720         | 4,667         | (53)         | -1%          | 6,849              |
| Machinery and Equipment                                   | 3,214           | 6,556               | 6,849           | 474            | 4,720         | 4,667         | (53)         | -1%          | 6,849              |
| <b>Transport Assets</b>                                   | 4,117           | 3,794               | 3,794           | 368            | 3,382         | 3,060         | (322)        | -11%         | 3,794              |
| Transport Assets  | 4,117           | 3,794               | 3,794           | 368            | 3,382         | 3,060         | (322)        | -11%         | 3,794              |
| <b>Total Repairs and Maintenance Expenditure</b>          | 38,380          | 37,692              | 42,436          | 1,900          | 30,524        | 31,862        | 1,338        | 4.2%         | 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 |
| <b>Depreciation by Asset Class/Sub-class</b> |                 |                     |                 |                |               |               |              |              |                    |
| <b>Infrastructure</b>                        | 41,746          | 44,007              | 44,907          | -              | -             | 11,002        | 11,002       | 100%         | 44,907             |
| <b>Roads Infrastructure</b>                  | 36,879          | 39,127              | 39,727          | -              | -             | 9,782         | 9,782        | 100%         | 39,727             |
| Roads  | 36,879          | 39,127              | 39,727          |                |               | 9,782         | 9,782        | 100%         | 39,727             |
| Storm water Infrastructure                   | 399             | 418                 | 418             | -              | -             | 104           | 104          | 100%         | 418                |
| Drainage Collection                          | 399             | 418                 | 418             |                |               | 104           | 104          | 100%         | 418                |
| <b>Electrical Infrastructure</b>             | 3,754           | 3,724               | 4,024           | -              | -             | 931           | 931          | 100%         | 4,024              |
| HV Substations                               |                 |                     |                 |                |               |               | -            |              |                    |
| HV Transmission Conductors                   | 3,754           | 3,724               | 4,024           |                |               | 931           | 931          | 100%         | 4,024              |
| LV Networks                                  |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Solid Waste Infrastructure</b>            | 714             | 738                 | 738             | -              | -             | 184           | 184          | 100%         | 738                |
| Landfill Sites                               | 714             | 738                 | 738             |                |               | 184           | 184          | 100%         | 738                |
| Waste Transfer Stations                      |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Community Assets</b>                      | 1,231           | 1,266               | 1,266           | -              | -             | 316           | 316          | 100%         | 1,266              |
| Cemeteries/Crematoria                        |                 |                     |                 |                |               |               | -            |              |                    |
| Public Open Space                            | 1,231           | 1,266               | 1,266           |                |               | 316           | 316          | 100%         | 1,266              |
| <b>Heritage assets</b>                       | 5               | 6                   | 6               | -              | -             | 1             | 1            | 100%         | 6                  |
| Other Heritage                               | 5               | 6                   | 6               |                |               | 1             | 1            | 0            | 6                  |
| <b>Other assets</b>                          | 4,140           | 4,229               | 4,229           | -              | -             | 1,057         | 1,057        | 100%         | 4,229              |
| Municipal Offices                            | 4,140           | 4,229               | 4,229           |                |               | 1,057         | 1,057        | 100%         | 4,229              |
| Stores                                       |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Intangible Assets</b>                     | 51              | 53                  | 83              | -              | -             | 13            | 13           | 100%         | 83                 |
| Computer Software and Applications           | 51              | 53                  | 83              |                |               | 13            | 13           | 100%         | 83                 |
| Load Settlement Software Applications        |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Computer Equipment</b>                    | 692             | 725                 | 925             | -              | -             | 181           | 181          | 100%         | 925                |
| Computer Equipment                           | 692             | 725                 | 925             |                |               | 181           | 181          | 100%         | 925                |
| <b>Furniture and Office Equipment</b>        | 590             | 618                 | 618             | -              | -             | 154           | 154          | 100%         | 618                |
| Furniture and Office Equipment               | 590             | 618                 | 618             |                |               | 154           | 154          | 100%         | 618                |
| <b>Machinery and Equipment</b>               | 2,864           | 2,961               | 2,961           | -              | -             | 740           | 740          | 100%         | 2,961              |
| Machinery and Equipment                      | 2,864           | 2,961               | 2,961           |                |               | 740           | 740          | 100%         | 2,961              |
| <b>Transport Assets</b>                      | 5,751           | 5,915               | 5,915           | -              | -             | 1,479         | 1,479        | 100%         | 5,915              |
| Transport Assets                             | 5,751           | 5,915               | 5,915           |                |               | 1,479         | 1,479        | 100%         | 5,915              |
| <b>Total Depreciation</b>                    | 57,070          | 59,780              | 60,910          | -              | -             | 14,945        | 14,945       | 100%         | 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 |
| <b>Capital expenditure on upgrading of existing assets by Asset Class</b> |                 |                     |                 |                |               |               |              |              |                    |
| <b>Infrastructure</b>   | 18,534          | 41,433              | 42,133          | 868            | 27,304        | 29,925        | 2,621        | 9%           | 42,133             |
| <b>Roads Infrastructure</b>   | 18,534          | 41,433              | 41,133          | 868            | 27,304        | 29,841        | 2,536        | 9%           | 41,133             |
| Roads   | 18,534          | 41,433              | 41,133          | 868            | 27,304        | 29,841        | 2,536        | 9%           | 41,133             |
| Road Structures   |                 |                     |                 |                |               |               | -            |              |                    |
| Road Furniture  |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Electrical Infrastructure</b>  | -               | -                   | -               | -              | -             | -             | -            |              | -                  |
| HV Substations  |                 |                     |                 |                |               |               | -            |              |                    |
| HV Switching Station  |                 |                     |                 |                |               |               | -            |              |                    |
| MV Networks   |                 |                     |                 |                |               |               | -            |              |                    |
| LV Networks   |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Solid Waste Infrastructure</b>   | -               | -                   | 1,000           | -              | -             | 84            | 84           | 100%         | 1,000              |
| Landfill Sites  | -               |                     | 1,000           | -              | -             | 84            | 84           | 100%         | 1,000              |
| Waste Transfer Stations   |                 |                     |                 |                |               |               | -            |              |                    |
| <b>Community Assets</b>   | 498             | 1,300               | 884             | (378)          | 507           | 800           | 293          | 37%          | 884                |
| Community Facilities  | 498             | 1,300               | 884             | (378)          | 507           | 800           | 293          | 37%          | 884                |
| Cemeteries/Crematoria   | 498             |                     |                 |                |               |               | -            |              |                    |
| Police  |                 |                     |                 |                |               |               | -            |              |                    |
| Parks   |                 | 1,300               | 884             | (378)          | 507           | 800           | 293          | 37%          | 884                |
| <b>Other assets</b>   | -               | 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              |
| Stores  |                 |                     |                 |                |               |               | -            |              |                    |
| <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              | 44,092          | 490            | 28,886        | 31,800        | 2,914        | 9%           | 44,092             |

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 R13, 149 and the year to date budget is R10, 811 million that reflects under spending variance of R2, 337 million that translates to 22% variance.

The year to date actuals on renewal of existing assets amounts R22, 623 million and with the year to date budget of R22, 374 million and this reflects under spending variance of R249 thousand that translates to 1.1% variance.

The year to date actual expenditure on repairs and maintenance is R30, 524 million, and the year to date budget is R31, 862 million, reflecting under spending variance of R1, 338 million that translates to 4.2%.

The year to date actual expenditure on upgrading of existing assets is R28, 886 million and the year to date budget is R31, 800 million, reflecting over spending variance of R2, 914 million that translates to 9%.

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.

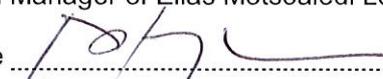
## List of Capital Programmes and Projects

| 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   | 59,000          | 28,500      | 48%        |
|  | Street litter Bibs  | Multi                          | Solid Waste Infrastructure     | Capital Spares                 | 850,000   | 800,000         | -           | 0%         |
|  | Fencing of Elandsdoorn/Ntwane Cemetery                        | Multi                          | Community Assets               | Cemeteries/Crematoria          | 1,000,000   | 869,000         | 869,000     | 100%       |
|  | Upgrading and Development of Parks                            | Multi                          | Community Assets               | Parks                          | 1,300,000   | 884,469         | 506,614     | 57%        |
|  | 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         | 290,500     | 100%       |
|  | Gable Roof  | Single                         | Other assets                   | Municipal Offices              | -   | 208,000         | -           | -          |
|  | Furniture and Office Equipment                                | Multi                          | Furniture and Office Equipment | Furniture and Office Equipment | -   | 419,250         | -           | -          |
|  | Machinery and Equipment                                       | Multi                          | Machinery and Equipment        | Machinery and Equipment        | 380,000   | 380,000         | 368,294     | 97%        |
|  | Trailer   | Multi                          | Machinery and Equipment        | Machinery and Equipment        | 380,000   | 80,000          | -           | 0%         |
|  | Vehicles  | Single                         | Community Assets               | Capital Spares                 | 417,500   | 237,500         | 200,905     | 85%        |
|  | Fencing of Roossenekal Landfill Site                          | Multi                          | Solid Waste Infrastructure     | Landfill Sites                 | -   | 1,000,000       | -           | -          |
|  | Computer Equipment  | Multi                          | Computer Equipment             | Computer Equipment             | 700,000   | 2,134,652       | 1,605,202   | 75%        |
|  | Corporate Services  | Furniture and Office Equipment | Multi                          | Furniture and Office Equipment | Furniture and Office Equipment                        | 500,000         | 720,001     | 436,290    |
| Record Management System                                       |   | Multi                          | Intangible Assets              | Unspecified                    | 300,000   | 185,000         | -           | -100%      |
| 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%       |
| Economic Development Planning                                  | Culverts and Road signs 600                                   | Multi                          | Roads Infrastructure           | Road Furniture                 | 300,000   | 560,000         | -           | 0%         |
|  | Moletema Streets Upgrade                                      | Multi                          | Roads Infrastructure           | Roads                          | 3,500,000   | 3,500,000       | 2,754,902   | 79%        |
| Technical Services   | Upgrading of Bloomport and Uitspanning Access Road            | Single                         | Roads Infrastructure           | Roads                          | 24,830,820  | 24,830,820      | 16,907,135  | 68%        |
|  | Groblersdal Landfill site 6.6                                 | Multi                          | Solid Waste Infrastructure     | Landfill Sites                 | 2,092,365   | 2,092,365       | 2,092,364   | 100%       |
|  | Upgrading of Stompo Bus Road                                  | Multi                          | Roads Infrastructure           | Roads                          | 800,000   | 800,000         | -           | 0%         |
|  | Upgrading 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 (MIG) | Multi                          | Roads Infrastructure           | Roads                          | 700,000   | 700,000         | -           | 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   | 6,512,520       | 5,859,480   | 90%        |
|  | Upgrading of Tafelkop stadium Access Road                     | Single                         | Roads Infrastructure           | Roads                          | 27,001,116  | 27,001,116      | 19,488,459  | 72%        |
|  | Electrification of Makaepea                                   | Single                         | Electrical Infrastructure      | MV Networks                    | 3,240,000   | 3,240,000       | 289,557     | 9%         |
|  | Electrification of Masakaneng                                 | Multi                          | Electrical Infrastructure      | MV Networks                    | 7,960,000   | 7,960,000       | 6,734,238   | 85%        |
|  | Electrification of Maleoskop                                  | Multi                          | Electrical Infrastructure      | MV Networks                    | -   | 1,924,407       | -           | -          |
|  | Electrification of Nyakelang Extension                        | Single                         | Electrical Infrastructure      | MV Networks                    | 3,800,000   | 3,800,000       | 1,764,174   | 46%        |
|  | Electrification of Phomola                                    | Single                         | Electrical Infrastructure      | MV Networks                    | 2,000,000   | 2,000,000       | 431,668     | 22%        |
|  | 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         | 91,753      | 46%        |
|  | Alternative Energy Solution                                   | Multi                          | Electrical Infrastructure      | Power Plants                   | -   | 3,400,000       | -           | -          |
|  | Machinery and Equipment                                       | Multi                          | Machinery and Equipment        | Machinery and Equipment        | 850,000   | 940,000         | 638,335     | 68%        |

## 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 28 February 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 15/03/2023