

ELIAS MOTSOLEDI LOCAL MUNICIPALITY



MONTHLY BUDGET STATEMENT REPORT

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

Table C1 – Budget Statement Summary

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Financial Performance									
Property rates	39,913	44,645	59,853	4,700	54,993	59,853	(4,860)	-8%	59,853
Service charges	107,753	117,968	110,719	7,520	96,539	110,719	(14,180)	-13%	110,719
Investment revenue	1,780	3,652	2,152	304	3,477	2,152	1,325	62%	2,152
Transfers and subsidies	307,637	338,906	338,906	250	338,905	338,906	(1)	0%	338,906
Other own revenue	30,560	96,180	116,631	1,490	115,326	116,631	(1,305)	-1%	116,631
Total Revenue (excluding capital transfers and contributions)	487,643	601,351	628,262	14,264	609,240	628,262	(19,021)	-3%	628,262
Employee costs	160,187	185,316	166,498	13,127	163,770	166,498	(2,728)	-2%	172,137
Remuneration of Councillors	25,567	25,580	24,735	2,079	24,670	24,735	(65)	0%	27,126
Depreciation & asset impairment	57,070	59,780	61,911	10,677	60,389	61,911	(1,522)	-2%	60,910
Finance charges	526	2,185	1,555	314	1,314	1,555	(241)	-16%	1,555
Materials and bulk purchases	135,835	148,283	137,321	10,827	126,233	137,321	(11,088)	-8%	133,627
Transfers and subsidies	2,591	3,292	2,384	(71)	1,787	2,384	(597)	-25%	2,783
Other expenditure	128,543	172,846	214,158	13,249	205,977	214,158	(8,181)	-4%	156,925
Total Expenditure	510,319	597,283	608,562	50,203	584,138	608,562	(24,423)	-4%	555,063
Surplus/(Deficit)	(22,676)	4,068	19,700	(35,939)	25,102	19,700	5,402	27%	73,199
Transfers and subsidies - capital (monetary allocations)	74,316	79,606	112,526	9,827	91,816	112,526	(20,710)	-18%	112,526
Surplus/(Deficit) after capital transfers & contributions	51,640	83,674	132,226	(26,112)	116,918	132,226	(15,308)	-12%	185,725
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	51,640	83,674	132,226	(26,112)	116,918	132,226	(15,308)	-12%	185,725
Capital expenditure & funds sources									
Capital expenditure	88,355	98,041	139,386	6,293	93,963	139,386	(45,423)	-33%	139,386
Capital transfers recognised	74,316	79,606	110,199	4,335	74,945	110,199	(35,254)	-32%	110,199
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	14,040	18,435	29,187	1,958	19,017	29,187	(10,170)	-35%	29,187
Total sources of capital funds	88,355	98,041	139,386	6,293	93,963	139,386	(45,423)	-33%	139,386
Financial position									
Total current assets	152,406	158,966	192,808		276,392				192,808
Total non current assets	1,201,016	1,325,025	1,328,531		1,218,378				1,328,531
Total current liabilities	118,941	120,343	118,035		148,124				118,035
Total non current liabilities	98,658	113,710	108,953		92,040				108,953
Community wealth/Equity	1,135,823	1,249,938	1,294,351		1,254,606				1,294,351
Cash flows									
Net cash from (used) operating	88,300	94,811	123,128	(17,974)	128,295	161,490	33,195	21%	123,128
Net cash from (used) investing	(75,949)	(78,022)	(89,012)	(9,827)	(95,923)	(91,064)	4,859	-5%	(89,012)
Net cash from (used) financing	(4,457)	(6,971)	(7,792)	(1,240)	(6,030)	(8,238)	(2,208)	27%	(7,792)
Cash/cash equivalents at the month/year end	14,710	24,063	41,034	-	32,939	76,897	43,958	57%	32,921
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	13,134	6,136	4,418	3,827	4,256	3,632	6,758	3,321	45,483
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 June is R609, 240 million and the year to date budget of R628, 262 million and this reflects a negative variance of R19, 021 million which is mostly attributable to equitable shares received amounting to R328, 760 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 62% favorable variance,
- Interest earned – outstanding debtors: 12% unfavorable variance,
- Rental on Facilities and Equipment: 20% favorable variance,
- Fines, penalties and forfeits: 3% favorable variance
- Services Charges – electricity revenue: 14% unfavorable variance
- Services Charges – refuse revenue: 3% favorable variance
- Licenses and permits: 18% unfavorable variance
- Property rates: 8% unfavorable variance
- Other revenue: 38% unfavorable
- Transfer and subsidies: 0% favorable

Operating Expenditure

The year to date operational expenditure as at end of June amounts to R584, 138 million and the year to date budget is R608, 562 million. This reflects overspending variance of R24, 423 million that translates to 4% 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: 16% under performance
- Bulk purchase: 11% under performance
- Transfer and subsidies: 25% under performance

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

Capital Expenditure

The year to date actual capital expenditure as at end of June 2023 amounts to R93, 963 million and the year to date budget amounts to R139, 386 million and this gives rise to R45, 423 million under performance.

Surplus/Deficit

Taking the above into consideration, the net operating surplus for the month of June is R116, 918 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 June amounts to R185, 527 million and this shows an increase of R27,189 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 R114,053 million and other debtors amounting to R71, 424 million. Debtors such those relating to traffic fines are reported as other debtors as presented under current assets on Table C6 and as a result, the do not form part of consumer debtors.

Creditors

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

Table C2 – Financial Performance (Standard Classification)

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue - Functional									
Governance and administration	256,207	281,883	292,750	6,193	277,689	292,750	(15,061)	-5%	292,750
Executive and council	55,019	53,728	53,728	-	43,728	53,728	(10,000)	-19%	53,728
Finance and administration	190,004	214,701	225,568	6,193	220,507	225,568	(5,061)	-2%	225,568
Internal audit	11,184	13,455	13,455	-	13,455	13,455	(0)	0%	13,455
Community and public safety	24,366	96,507	118,460	365	121,315	118,460	2,855	2%	118,460
Community and social services	10,535	10,998	10,975	7	10,946	10,975	(28)	0%	10,975
Sport and recreation	11,586	17,075	17,050	-	17,033	17,050	(17)	0%	17,050
Public safety	2,244	68,435	90,435	358	93,335	90,435	2,900	3%	90,435
Economic and environmental services	128,540	124,248	157,082	7,454	139,951	157,082	(17,131)	-11%	157,082
Planning and development	24,294	20,920	21,441	191	21,673	21,441	231	1%	21,441
Road transport	101,348	102,518	134,830	7,263	117,468	134,830	(17,362)	-13%	134,830
Environmental protection	2,898	811	811	-	811	811	0	0%	811
Trading services	152,846	178,318	172,496	10,079	162,101	172,496	(10,395)	-6%	172,496
Energy sources	123,719	145,384	137,915	9,252	125,763	137,915	(12,152)	-9%	137,915
Waste management	29,126	32,935	34,581	827	36,339	34,581	1,758	5%	34,581
Total Revenue - Functional	561,959	680,957	740,787	24,091	701,056	740,787	(39,731)	-5%	740,787
Expenditure - Functional									
Governance and administration	208,324	220,755	222,895	16,054	210,762	222,895	(12,132)	-5%	227,201
Executive and council	41,975	47,573	40,970	3,197	40,742	40,970	(229)	-1%	43,516
Finance and administration	155,900	163,419	170,063	9,741	158,520	170,063	(11,542)	-7%	171,572
Internal audit	10,449	9,764	11,862	3,116	11,500	11,862	(361)	-3%	12,113
Community and public safety	40,240	89,593	107,820	3,044	106,386	107,820	(1,433)	-1%	57,760
Community and social services	11,679	8,174	6,404	534	6,291	6,404	(112)	-2%	6,511
Sport and recreation	10,059	16,175	10,424	785	10,129	10,424	(294)	-3%	9,739
Public safety	18,502	65,243	90,993	1,725	89,966	90,993	(1,027)	-1%	41,510
Economic and environmental services	91,149	120,750	120,072	16,221	117,752	120,072	(2,319)	-2%	115,563
Planning and development	16,794	20,798	19,215	2,243	18,959	19,215	(256)	-1%	17,779
Road transport	74,157	99,257	100,857	13,978	98,793	100,857	(2,064)	-2%	97,784
Environmental protection	197	696	0	-	-	0	(0)	-100%	0
Trading services	170,605	166,185	157,776	14,884	149,237	157,776	(8,539)	-5%	154,538
Energy sources	125,582	134,925	113,966	9,268	102,862	113,966	(11,104)	-10%	114,328
Waste management	45,024	31,260	43,810	5,616	46,375	43,810	2,565	6%	40,210
Total Expenditure - Functional	510,319	597,283	608,562	50,203	584,138	608,562	(24,423)	-4%	555,063
Surplus/ (Deficit) for the year	51,640	83,674	132,226	(26,112)	116,918	132,226	(15,308)	-12%	185,725

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

Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue by Vote									
Vote 1 - Executive & Council	49,272	47,271	47,271	–	37,271	47,271	(10,000)	-21%	47,271
Vote 2 - Municipal Manager	37,701	46,531	46,531	–	46,531	46,531	0	0%	46,531
Vote 3 - Budget & Treasury	83,055	103,972	114,767	6,193	109,748	114,767	(5,018)	-4%	114,767
Vote 4 - Corporate Services	46,074	50,627	50,700	–	50,657	50,700	(43)	0%	50,700
Vote 5 - Community Services	64,581	138,801	162,889	1,192	166,192	162,889	3,303	2%	162,889
Vote 6 - Technical Services	239,933	265,908	290,261	16,515	262,058	290,261	(28,204)	-10%	290,261
Vote 7 - Developmental Planning	16,808	12,923	13,445	191	13,676	13,445	231	2%	13,445
Vote 8 - Executive Support	24,534	14,925	14,925	–	14,925	14,925	(0)	0%	14,925
Total Revenue by Vote	561,959	680,957	740,787	24,091	701,056	740,787	(39,731)	-5%	740,787
Expenditure by Vote									
Vote 1 - Executive & Council	35,993	35,371	35,358	2,802	35,203	35,358	(155)	0%	37,710
Vote 2 - Municipal Manager	45,860	41,983	46,329	6,776	45,242	46,329	(1,087)	-2%	47,114
Vote 3 - Budget & Treasury	53,340	66,301	62,687	3,960	60,598	62,687	(2,089)	-3%	63,175
Vote 4 - Corporate Services	28,369	36,714	30,034	4,216	26,464	30,034	(3,571)	-12%	32,357
Vote 5 - Community Services	93,637	130,751	160,233	9,313	161,366	160,233	1,132	1%	106,670
Vote 6 - Technical Services	218,275	248,110	236,488	19,302	217,995	236,488	(18,494)	-8%	232,122
Vote 7 - Developmental Planning	12,208	15,057	13,805	1,857	13,716	13,805	(89)	-1%	12,251
Vote 8 - Executive Support	22,638	22,996	23,626	1,976	23,555	23,626	(71)	0%	23,663
Total Expenditure by Vote	510,319	597,283	608,562	50,203	584,138	608,562	(24,423)	-4%	555,063
Surplus/ (Deficit) for the year	51,640	83,674	132,226	(26,112)	116,918	132,226	(15,308)	-12%	185,725

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

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

Table C4: Financial Performance by Revenue Source and Expenditure Type

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Revenue By Source									
Property rates	39,913	44,645	59,853	4,700	54,993	59,853	(4,860)	-8%	59,853
Service charges - electricity revenue	98,371	108,186	101,418	6,693	87,002	101,418	(14,416)	-14%	101,418
Service charges - refuse revenue	9,383	9,781	9,302	827	9,537	9,302	235	3%	9,302
Rental of facilities and equipment	1,019	1,004	867	94	1,039	867	173	20%	867
Interest earned - external investments	1,780	3,652	2,152	304	3,477	2,152	1,325	62%	2,152
Interest earned - outstanding debtors	19,283	18,817	15,322	1,221	13,456	15,322	(1,867)	-12%	15,322
Fines, penalties and forfeits	2,236	68,520	90,719	467	93,443	90,719	2,724	3%	90,719
Licences and permits	5,966	6,315	6,815	0	5,579	6,815	(1,237)	-18%	6,815
Transfers and subsidies	307,637	338,906	338,906	250	338,905	338,906	(1)	0%	338,906
Other revenue	2,055	1,524	2,907	(292)	1,809	2,907	(1,098)	-38%	2,907
Gains							-		
Total Revenue (excluding capital transfers and contributions)	487,643	601,351	628,262	14,264	609,240	628,262	(19,021)	-3%	628,262
Expenditure By Type									
Employee related costs	160,187	185,316	166,498	13,127	163,770	166,498	(2,728)	-2%	172,137
Remuneration of councillors	25,567	25,580	24,735	2,079	24,670	24,735	(65)	0%	27,126
Debt impairment	19,690	61,181	84,814	-	80,354	84,814	(4,460)	-5%	29,223
Depreciation & asset impairment	57,070	59,780	61,911	10,677	60,389	61,911	(1,522)	-2%	60,910
Finance charges	526	2,185	1,555	314	1,314	1,555	(241)	-16%	1,555
Bulk purchases	97,949	109,638	94,532	6,108	84,444	94,532	(10,088)	-11%	94,532
Other materials	37,886	38,645	42,789	4,719	41,789	42,789	(1,000)	-2%	39,095
Contracted services	77,956	67,165	74,830	8,398	71,805	74,830	(3,025)	-4%	73,916
Transfers and subsidies	2,591	3,292	2,384	(71)	1,787	2,384	(597)	-25%	2,783
Other expenditure	44,245	44,500	54,514	4,851	53,817	54,514	(696)	-1%	53,786
Losses	(13,349)						-		
Total Expenditure	510,319	597,283	608,562	50,203	584,138	608,562	(24,423)	-4%	555,063
Surplus/(Deficit)	(22,676)	4,068	19,700	(35,939)	25,102	19,700	5,402	27%	73,199
Transfers and subsidies - capital (monetary allocations)	74,316	79,606	112,526	9,827	91,816	112,526	(20,710)	-18%	112,526
Transfers and subsidies - capital (monetary allocations)							-		-
Transfers and subsidies - capital (in-kind - all)							-		
Surplus/(Deficit) after capital transfers & contributions	51,640	83,674	132,226	(26,112)	116,918	132,226			185,725
Taxation							-		
Surplus/(Deficit) after taxation	51,640	83,674	132,226	(26,112)	116,918	132,226			185,725
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	51,640	83,674	132,226	(26,112)	116,918	132,226			185,725
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	51,640	83,674	132,226	(26,112)	116,918	132,226			185,725

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

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

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

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

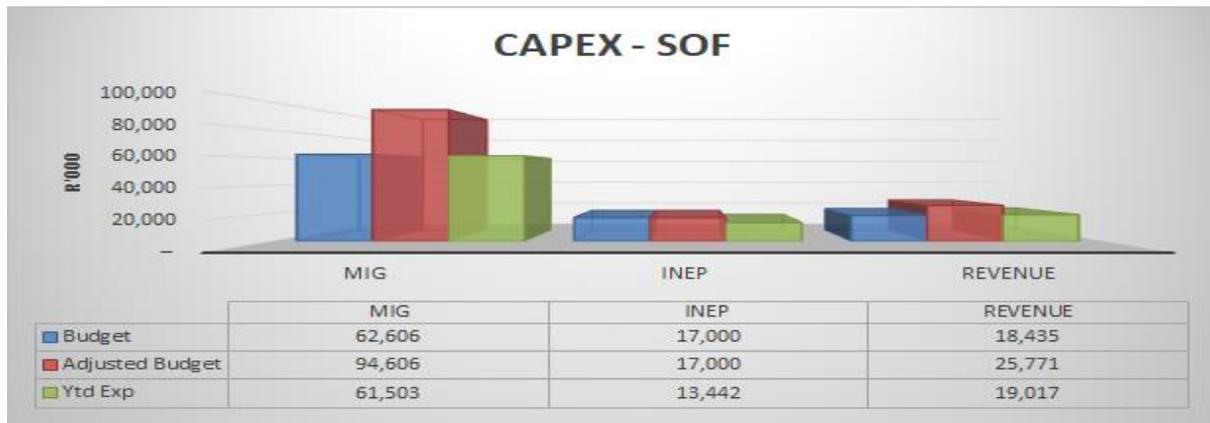
Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	1,903	1,500	3,040	148	2,209	3,040	(831)	-27%	3,040
Executive and council	-						-		
Finance and administration	1,903	1,500	3,040	148	2,209	3,040	(831)	-27%	3,040
Internal audit	-						-		
Community and public safety	498	3,935	2,933	-	2,459	2,933	(473)	-16%	3,533
Community and social services	498	1,538	1,403	-	1,909	1,403	505	36%	1,403
Sport and recreation	-	1,680	664	-	550	664	(114)	-17%	1,264
Public safety	-	718	865	-	-	865	(865)	-100%	865
Housing							-		
Health							-		
Economic and environmental services	57,924	74,106	108,490	5,521	70,642	108,490	(37,847)	-35%	108,740
Planning and development	-	1,100	1,075	-	1,075	1,075	-		1,075
Road transport	57,924	73,006	107,415	5,521	69,567	107,415	(37,847)	-35%	107,665
Environmental protection	-						-		
Trading services	28,030	18,500	24,924	624	18,653	24,924	(6,271)	-25%	24,674
Energy sources	28,030	17,250	22,774	624	16,708	22,774	(6,066)	-27%	22,524
Waste management	-	1,250	2,150	-	1,944	2,150	(205)	-10%	2,150
Other							-		
Total Capital Expenditure - Functional Classification	88,355	98,041	139,386	6,293	93,963	139,386	(45,423)	-33%	139,986
Funded by:									
National Government	74,316	79,606	110,199	4,335	74,945	110,199	(35,254)	-32%	110,199
Provincial Government							-		
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
Transfers recognised - capital	74,316	79,606	110,199	4,335	74,945	110,199	(35,254)	-32%	110,199
Borrowing							-		
Internally generated funds	14,040	18,435	29,187	1,958	19,017	29,187	(10,170)	-35%	29,187
Total Capital Funding	88,355	98,041	139,386	6,293	93,963	139,386	(45,423)	-33%	139,986

Table C5C: Monthly Capital Expenditure by Vote

Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	824	1,500	3,040	148	2,209	3,040	(831)	-27%	3,040
Vote 5 - Community Services	-	4,368	4,287	-	3,484	4,287	(803)	-19%	4,287
Vote 6 - Technical Services	46,398	29,334	71,268	5,699	37,416	71,268	(33,852)	-47%	71,268
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	47,222	35,202	78,595	5,847	43,108	78,595	(35,487)	-45%	78,595
Single Year expenditure appropriation									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	498	818	795	-	920	795	125	16%	795
Vote 6 - Technical Services	40,635	60,922	58,921	446	48,859	58,921	(10,061)	-17%	58,921
Vote 7 - Developmental Planning	-	1,100	1,075	-	1,075	1,075	-	-	1,075
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	41,133	62,839	60,791	446	50,854	60,791	(9,936)	-16%	60,791
Total Capital Expenditure	88,355	98,041	139,386	6,293	93,963	139,386	(45,423)	-33%	139,386

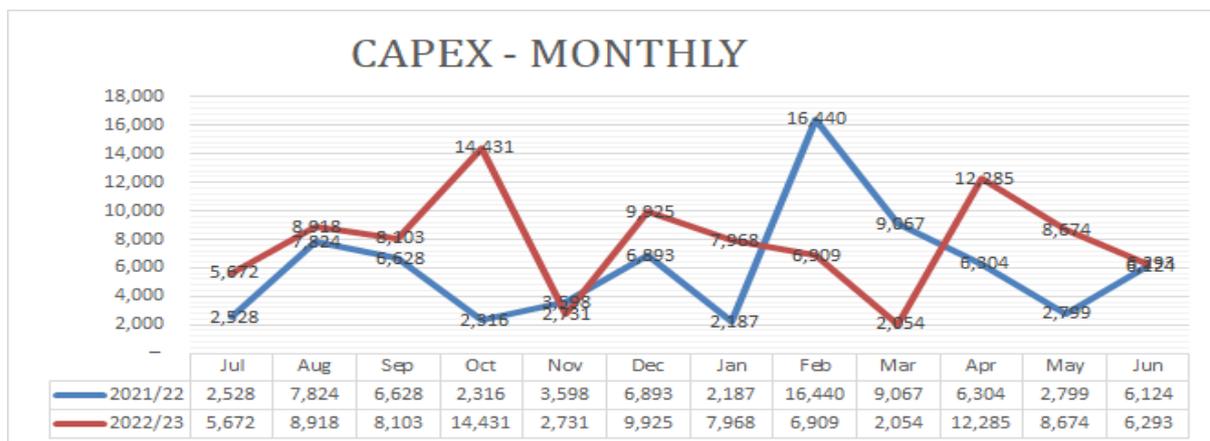
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of June 2023, R6, 293 million spending is incurred and the year to date expenditure amounts to R93 963 million whilst the year to date budget is R139 386 million and this gave rise to under spending variance of R45, 423 million that translates to 33%.

Figure 1: Capital expenditure by source



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R139, 386 million, R94, 606 million is funded from Municipal Infrastructure grant, R17, 000 million from Integrated National Electrification Programme and R29, 187 million from own revenue and the spending per source of finance is presented in the above graph.

Figure 2: Monthly capital expenditure



The above graph compares the 2021/22 and 2023/23 monthly capital expenditure performance.

Table C6: Monthly Budget Statement Financial Position

Description	2021/22	Budget Year 2022/23			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	14,710	24,162	41,034	7,479	41,034
Call investment deposits	–	–	–	25,460	–
Consumer debtors	96,531	61,834	64,191	110,392	64,191
Other debtors	20,810	62,845	75,304	108,317	75,304
Current portion of long-term receivables	–	119	119	–	119
Inventory	20,355	10,005	12,160	24,743	12,160
Total current assets	152,406	158,966	192,808	276,392	192,808
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	–	17,278	17,278	–	17,278
Investment property	96,399	48,547	48,547	95,259	48,547
Investments in Associate	–	–	–	–	–
Property, plant and equipment	1,088,067	1,258,405	1,261,912	1,121,184	1,261,912
Biological	–	–	–	–	–
Intangible	14	331	331	7	331
Other non-current assets	16,536	463	463	1,928	463
Total non current assets	1,201,016	1,325,025	1,328,531	1,218,378	1,328,531
TOTAL ASSETS	1,353,422	1,483,992	1,521,339	1,494,770	1,521,339
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	6,638	7,459	6,638	5,871	6,638
Consumer deposits	5,621	5,700	5,700	5,696	5,700
Trade and other payables	104,167	101,172	99,684	135,416	99,684
Provisions	2,515	6,012	6,012	1,142	6,012
Total current liabilities	118,941	120,343	118,035	148,124	118,035
Non current liabilities					
Borrowing	12,702	17,458	12,701	7,320	12,701
Provisions	85,956	96,252	96,252	84,720	96,252
Total non current liabilities	98,658	113,710	108,953	92,040	108,953
TOTAL LIABILITIES	217,599	234,053	226,988	240,164	226,988
NET ASSETS	1,135,823	1,249,938	1,294,351	1,254,606	1,294,351
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,135,823	1,230,938	1,294,351	1,254,606	1,294,351
Reserves	–	19,000	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	1,135,823	1,249,938	1,294,351	1,254,606	1,294,351

The above table shows that community wealth amounts to R1, 254 billion, total liabilities R240, million and the total assets R1, 494 billion. Non-current liabilities are mainly made up of borrowing and provisions for long service award, landfill site. Taking the current liabilities and current assets together, the municipality has current ratio of 1.9:1 that is below the acceptable norm of 2:1. The municipality still needs to keep the current liabilities low and increase the current assets to strengthen the liquidity ratio.

Table C7: Monthly Budget Statement Cash Flow

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	28,584	40,092	50,336	3,111	37,194	37,356	(163)	0%	50,336
Service charges	70,796	122,434	128,509	5,710	89,721	89,706	15	0%	128,509
Other revenue	44,971	17,752	20,176	1,984	53,816	58,461	(4,645)	-8%	20,176
Transfers and Subsidies - Operational	307,767	338,906	338,906	-	333,406	338,906	(5,500)	-2%	338,906
Transfers and Subsidies - Capital	79,469	79,606	79,606	-	111,606	112,123	(517)	0%	79,606
Interest	1,780	3,652	2,152	668	5,365	8,664	(3,299)	-38%	2,152
Payments									
Suppliers and employees	(442,993)	(508,739)	(496,824)	(29,205)	(499,712)	(479,368)	20,344	-4%	(496,824)
Finance charges	(526)	(2,185)	(2,688)	(314)	(1,314)	(1,487)	(173)	12%	(2,688)
Transfers and Grants	(1,547)	3,292	2,954	71	(1,787)	(2,873)	(1,086)	38%	2,954
NET CASH FROM/(USED) OPERATING ACTIVITIES	88,300	94,811	123,128	(17,974)	128,295	161,490	33,195	21%	123,128
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	1,011	5,544	2,470	-	-	421	(421)	-100%	2,470
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	(1,776)	(1,776)	-	-	(1,780)	1,780	-100%	(1,776)
Payments									
Capital assets	(76,960)	(81,790)	(89,706)	(9,827)	(95,923)	(89,706)	6,218	-7%	(89,706)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(75,949)	(78,022)	(89,012)	(9,827)	(95,923)	(91,064)	4,859	-5%	(89,012)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	488	488	-	-	42	(42)	-100%	488
Payments									
Repayment of borrowing	(4,457)	(7,459)	(8,281)	(1,240)	(6,030)	(8,281)	(2,250)	27%	(8,281)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(4,457)	(6,971)	(7,792)	(1,240)	(6,030)	(8,238)	(2,208)	27%	(7,792)
NET INCREASE/ (DECREASE) IN CASH HELD	7,894	9,818	26,324	(29,041)	26,342	62,187			26,324
Cash/cash equivalents at beginning:	6,816	14,245	14,710	-	6,597	14,710	-	-	6,597
Cash/cash equivalents at month/year end:	14,710	24,063	41,034	-	32,939	76,897	-	-	32,921

Table C7 presents details pertaining to cash flow performance. As at end of June 2023, the net cash inflow from operating activities is R128, 295 million whilst net cash outflow from investing activities is R95, 923 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R6, 030 million. The cash and cash equivalent held at end of June 2023 amounted to R32, 939 million and the net effect of the above cash flows is cash inflow movement of R26, 342 million. The cash and cash equivalent at end of the reporting period of R32, 939 million, is mainly made up of cash in the primary bank account amounting to R7, 479 million with a short term investment amounting to R25, 470 million at the end of June 2023.

PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source			
Property rates	-8%	The projected monthly revenue appears to be higher in light of the actual revenue performance	The municipality should improve on the revenue collection and strategise on collection revenue.
Service charges - electricity revenue	-14%	The projected monthly revenue appear to be high in light of the actual revenue performance	The municipality should introduce cut off measurements as means to enforce customers to pay their accounts when due.
Service charges - refuse revenue	3%	The actual revenue generated is slightly higher than the projected monthly revenue	No remedial action is needed.
Rental of facilities and equipment	20%	The actual revenue generated is slightly less than the projected monthly revenue and the majority of the rented assets are not at arm's length transactions	The municipality should look into the revenue generated on their rental of facilities to see if they generate cash as they are rented out
Interest earned - external investments	62%	The municipality has invested in three different investment portfolios with ABSA and Nedbank and the actual revenue generated is more budgeted revenue	The municipality should draft cash flow projections plan which will assist if there is a need to invest
Interest earned - outstanding debtors	-12%	The actual revenue generated is slightly less than the projected monthly revenue.	The municipality should encourage customers to pay the accounts on time to avoid incurring interest.
Fines, penalties and forfeits	3%	The contract of the speed fine cameras has been appointed, however there still slow collection in terms of revenue collection and it must be noted that the improvement of fines as a result of journal captured that relates to debt impairment.	The municipality should strategies on how to speed up the revenue collection under this item. There should be road blocks in the groblersdal entrances where cashiers are available to collection on outstanding traffic fines.
Licences and permits	-18%	The actual revenue generated is slightly less than the projected monthly revenue	No remedial action is needed since the variance is immaterial.
Transfers and subsidies	0%	The equitable share trenches received is slightly lower than the projections thereof as the result of set off from unspent MIG and INEP.	The budget unit should make use of the payment schedule during budget preparations.
Other revenue	-38%	The actual revenue generated is slightly less than the projected monthly revenue.	No remedial action is needed as the variance is positive.
Expenditure By Type			
Employee related costs	-2%	The actual expenditure incurred on employee related costs is less than the projections thereof	Majority of the positions are vacant however spending of employee related costs has improved considering the projections thereof, and vacant posts should be filled.
Remuneration of councillors	0%	The actual expenditure incurred on remuneration of councillors is slightly less than the projected monthly expenditure	No remedial action is needed.
Debt impairment	-5%	Debt impairment has been calculated for the preparations of the twelve months financial statements.	The municipality should introduce the method of calculating debt impairment on quarterly basis to avoid the the variances.
Depreciation & asset impairment	-2%	Depreciation has been calculated for the preparations of the ten months financial statements.	The municipality should introduce the method of calculating depreciation on quarterly basis to avoid the the variances.
Finance charges	-16%	Finance charges is mainly for finance lease and the municipality has a lease contract with Afirent pty Ltd.	The municipality should encourages the service provider to submit invoices before month end system closure.
Bulk purchases	-11%	The municipal licenced electrification areas have increased and the projections are more than the actual expenditure.	No remedial action is needed.
Other materials	-2%	The projected expenditure is more than the actual expenditure thereof.	No remedial action is needed
Contracted services	-4%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial is needed as the variance was addressed during budget adjustment
Transfers and subsidies	-25%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed
Other expenditure	-1%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed

Supporting Table: SC 1 Material Variance Explanations (Continuation)

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure			
National Government	-32%	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	-35%	The actual spending on internally generated funds is less than the projections thereof.	No remedial action is needed.
Cash Flow			
Property rates	0%	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	0%	The collection rate on service charges is slightly 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	-8%	The collection rate on leased assets is slightly over projected	The municipality should come up with strategies to ensure that all leased municipal assets are rented out as projected
Government - operating	-2%	The receipted trenches of operational grants are in line with the projections thereof, however there was a setoff on the second trench of equitable share as a result of unspent INEP and MIG which their rollovers were not approved.	The municipality should make use of DORA during the draft and final budget preparations and the infrastructure department should identify challenges on slow moving capital projects.
Government - Capital	0%	The receipted trenches of capital grants are in line with the projections thereof and the municipality has received an additional funding on MIG projects.	During the main budget preparation division of revenue act (DORA) should be used as a guideline.
Interest	-38%	Interest on other revenue is over projected to the under collection from other debtors	No remedial action is needed
Suppliers and employees	-4%	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	12%	The finance charges have been slightly over projected.	No remedial action is needed
Transfers and Grants	38%	The payments relating to this account are less than the projections thereof	No remedial action is needed
Capital assets	-7%	The projected capital expenditure on capex is less than the actual spending thereof.	All the expected trenches of the grants have been received in line with their payment schedule
Increase (decrease) in consumer deposits	0%	The actual payments on consumer deposit is less than the projections thereof	No remedial action is needed
Repayment of borrowing	27%	The projections is not in line with the amortisation schedule	The municipality should make use of amortisation during budget preparations and ensure the payments are inline with the amortisation schedule.

Supporting Table: SC 3 - Debtors Age Analysis

Description	Budget Year 2022/23											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Bad Debts Written Off	Impairment - Bad Debts
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Electricity	5,343	1,350	203	237	513	112	591	2,853	11,201	4,305	-	-
Receivables from Non-exchange Transactions - Property Rates	4,740	2,500	2,097	2,506	1,965	1,877	9,159	51,240	76,083	66,746	-	-
Receivables from Exchange Transactions - Waste Management	850	536	435	419	406	401	2,370	19,724	25,142	23,321	-	-
Receivables from Exchange Transactions - Property Rental Debtors	62	24	37	4	19	20	122	1,338	1,627	1,504	-	-
Interest on Arrear Debtor Accounts	1,284	1,239	1,213	1,320	1,158	1,127	6,872	54,091	68,304	64,568	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	128	203	(302)	(717)	122	65	(629)	4,299	3,170	3,140	-	-
Total By Income Source	12,408	5,852	3,684	3,769	4,182	3,602	18,485	133,545	185,527	163,584	-	-
2019/20 - totals only	13,747	5,951	3,560	3,407	3,479	3,298	18,231	106,666	158,338	135,081		
Debtors Age Analysis By Customer Group												
Organs of State	1,093	1,227	736	222	1,363	939	5,028	42,073	52,683	49,627	-	-
Commercial	6,091	1,503	527	681	554	485	1,644	8,186	19,671	11,550	-	-
Households	4,689	2,669	2,059	2,025	2,000	1,949	11,251	79,466	106,108	96,692	-	-
Other	535	452	363	841	265	228	561	3,820	7,065	5,715	-	-
Total By Customer Group	12,408	5,852	3,684	3,769	4,182	3,602	18,485	133,545	185,527	163,584	-	-

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of June amount to R185, 527 million. The debtors' book is made up as follows:

- Rates 41%
- Electricity 6%
- Rental 1%
- Refuse removal 14%
- Interest on Debtors 37%
- Other 2%

The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis

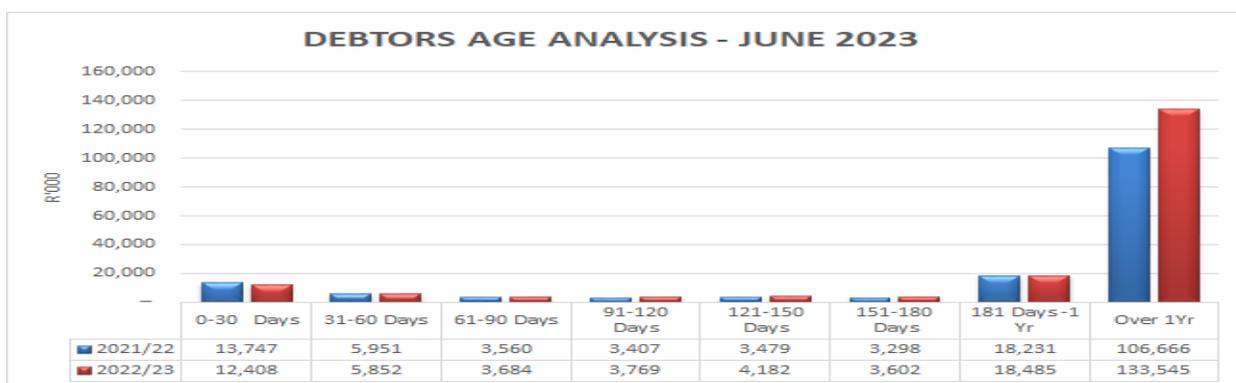
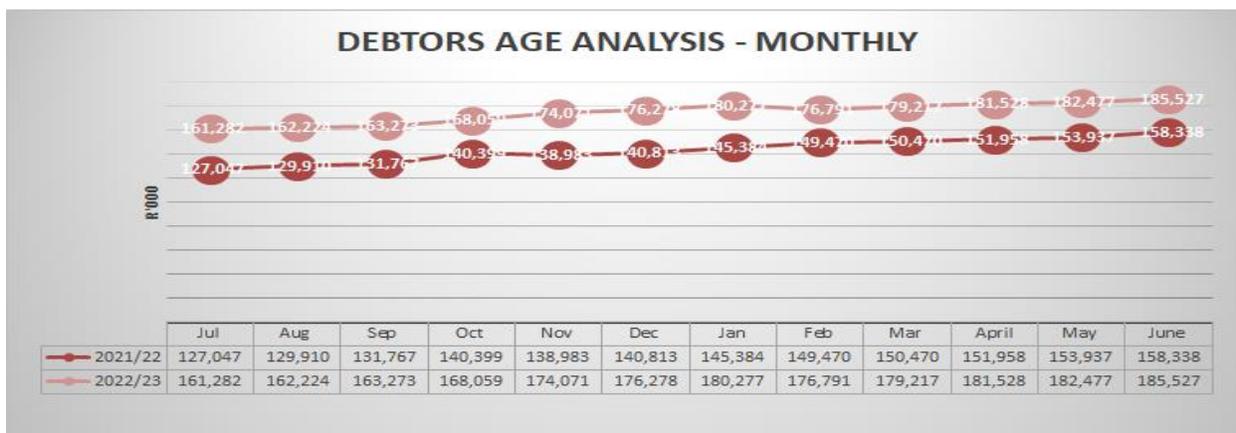


Figure 4: Monthly debtors book



The initial graph compares debtors' age analysis for 2021/22 financial year and 2022/23 (as at end of June 2023) whilst the latter shows monthly movement of debtors for both the current financial year and the 2021/22 financial year. The debtors book is materially less than the 2022/23 monthly figures and this is an indication that the municipality is not performing well in terms of collection.

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

TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,482,811
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,416,860
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OCCUPIER	1,195,401
9000276	DEPARTMENT OF PUBLIC WORKS-PROVINCIAL	ACTIVE	OWNER	988,438
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	804,399
1200062	GREAT NORTH TRANSPORT	ACTIVE	OCCUPIER	509,818
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	480,605
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OCCUPIER	458,657
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	414,974
9002503	GOUWS BOERDERY TRUST 1999/022459/07	ACTIVE	OWNER	413,154
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	397,375
1501364	JAN JOUBERT TRUST (JO JO TANKS)	ACTIVE	OCCUPIER	380,013
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	377,181
9002958	PROVINCIAL GOVERNMENT OF LIMPO	ACTIVE	OWNER	372,819
9002327	LEMONS EMANUEL MARQUES DE	ACTIVE	OWNER	372,058
2200691	EHLERS JA	ACTIVE	OWNER	362,959
9001714	KWAMAQUHUZE COMMUNAL PROP ASSOC	ACTIVE	OWNER	356,902
9001667	NDEBELE MAHLANGU TRIBE	ACTIVE	OWNER	353,333
9001668	NDEBELE MAHLANGU TRIBE	ACTIVE	OWNER	353,000
5000305	NKANGALA DISTRICT MUNICIPALITY	ACTIVE	OWNER	351,631
TOTAL				11,842,386

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2022/23									Prior year totals
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type										
Bulk Electricity										-
Bulk Water										-
PAYE deductions										-
VAT (output less input)										-
Pensions / Retirement deductions										-
Loan repayments										-
Trade Creditors										-
Auditor General										-
Other										-
Total By Customer Type	-	-	-	-	-	-	-	-	-	-

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. The municipality is having challenges relating to extraction of creditors age analysis and below are the contributing factors:

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

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

TOP CREDITORS PAID

The Municipality had an amount of R21, 534 million as outstanding creditors by the end of the month of June 2023.

CODE	CREDITOR NAME	AMOUNT
1	ESKOM	6,124,532
37581	PHELADI NOKO B1 FUNERAL	2,658,518
81282	BROWN DOGS SECURITY UNIT	2,649,587
81313	GRANDMONDE CONSULTING ENGINEER	1,443,291
81264	ROOIBERG ASPHALT (PTY)LTD	1,326,697
81054	KGWADI YA MADIBA GENERAL	1,249,321
37771	MASHUMI CONSTRUCTION & SUPPLY	891,699
81155	AMBITION PARTNERS CHARTERED	698,190
70086	PFUKANI-KUSILE CONSULTING	495,938
81291	TUBATSE SECURITY SERVICES	483,977
81289	TSHEPO LEGODI JV SELAPE	476,442
81045	MWELASE THOBS CONSTRUCTION	473,834
81312	THA MOT ENGINNERING CONSULTANT	440,852
81042	MATUPUNUKA ICT	423,803
81223	STEAGLE JV LM GEOMATICS	387,500
148	SPARKS AND ELLIS (PTY)LTD	290,377
81041	LEKONAKONETSI CONSULTING SERVI	289,896
81197	NKANIVO DEVELOPMENT CONSULTANT	275,000
80654	MPOFU ELECTRICAL SERVICES	234,234
81164	SEJAGOBE ENGINEERS	220,800
TOTAL		21,534,488

Supporting Table: SC 5 - Investment Portfolio

The Municipality had short investment portfolio during the month of June 2023 with an opening balance of of R60, 700 million in various investment portfolios. An amount R300 741 thousand was earned as an interest, withdrew R60 920 million, reinvested R25, 379 million and closed off with R25, 459 million at the end of June 2023.

Name of institution & investment ID	Period of Investment	Type of Investment	Interest Rate	Commission Paid	Expiry Date	Opening Balance	Interest Earned	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
ABSA (2081036577)	1 Month	Current Investment	9.0%		18-Jul-23	25,275,856	183,904	-	-	25,459,760
NEDBANK (037881068264000065)		Current Investment	8.7%		19-May-23	10,152,986	8,344	- 35,541,056	25,379,726	-
NEDBANK (037881068264000064)		Current Investment	8.8%		19-Jun-23	25,271,233	108,493	- 25,379,726	-	-
TOTAL INVESTMENTS AND INTEREST						60,700,075		- 60,920,782	25,379,726	25,459,760

Supporting Table: SC 6 - Transfers and Grant Receipts

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	307,638	338,906	338,906	-	333,406	333,406	-		338,906
Local Government Equitable Share	302,789	334,260	334,260	-	328,760	328,760	-		334,260
Finance Management	2,650	2,850	2,850	-	2,850	2,850	-		2,850
EPWP Incentive	2,199	1,796	1,796	-	1,796	1,796	-		1,796
Other grant providers:	130	-	-	-	-	-	-		-
LGSETA Learnership and Development	130						-		
Total Operating Transfers and Grants	307,768	338,906	338,906	-	333,406	333,406	-		338,906
Capital Transfers and Grants									
National Government:	79,332	79,606	111,606	-	111,606	111,606	-		111,606
Municipal Infrastructure Grant (MIG)	57,984	62,606	94,606	-	94,606	94,606	-		94,606
Integrated National Electrification Grant	21,348	17,000	17,000	-	17,000	17,000	-		17,000
Provincial Government:	-	-	-	-	-	-	-		-
Coghsta - Development		-					-		-
District Municipality:	-	-	-	-	-	-	-		-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-		-
N/A							-		
Total Capital Transfers and Grants	79,332	79,606	111,606	-	111,606	111,606	-		111,606
TOTAL RECEIPTS OF TRANSFERS & GRANTS	387,100	418,512	450,512	-	445,012	445,012	-		450,512

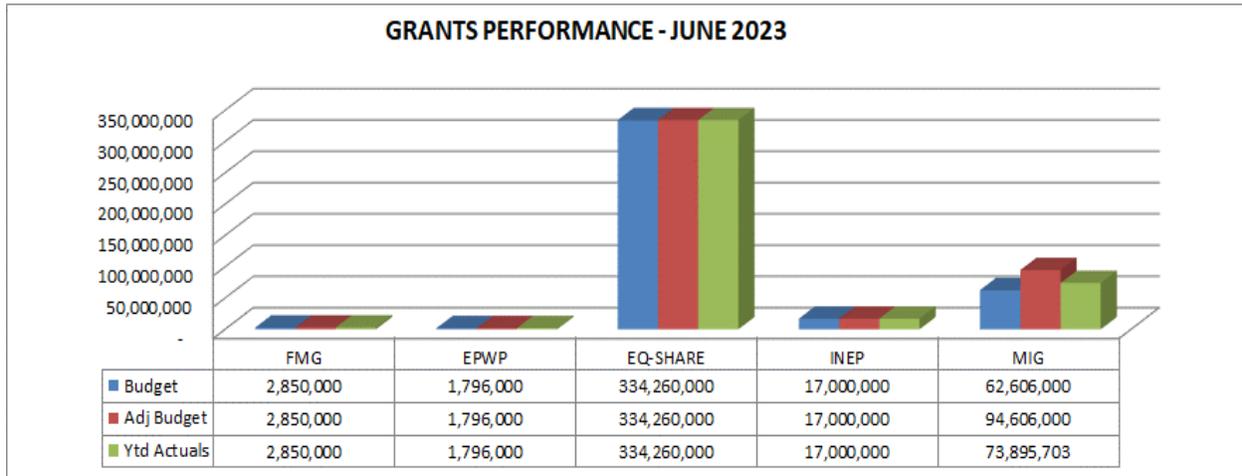
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R445, 012 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R328, 760 million; Financial Management Grant amounting to R2,850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

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	2021/23	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	307,637	338,906	338,906	29,736	358,058	338,906	19,152	6%	338,906
Local Government Equitable Share	302,788	334,260	334,260	29,487	353,412	334,260	19,152	6%	334,260
Finance Management	2,650	2,850	2,850	250	2,850	2,850	-		2,850
EPWP Incentive	2,199	1,796	1,796	-	1,796	1,796	-		1,796
Total operating expenditure of Transfers and Grants:	307,637	338,906	338,906	29,736	358,058	338,906	19,152	6%	338,906
Capital expenditure of Transfers and Grants									
National Government:	74,316	79,606	111,606	9,827	90,896	111,606	(20,710)	-19%	111,606
Municipal Infrastructure Grant (MIG)	57,924	62,606	94,606	7,198	73,896	94,606	(20,710)	-22%	94,606
Intergrated National Electrification Grant	16,392	17,000	17,000	2,629	17,000	17,000	-		17,000
Provincial Government:	-	-	-	-	-	-	-	-	-
Coghsta - Development	-	-	-	-	-	-	-	-	-
District Municipality:	-	-	-	-	-	-	-	-	-
N/A							-		
Other grant providers:	-	-	-	-	-	-	-	-	-
N/A							0		
Total capital expenditure of Transfers and Grants	74,316	79,606	111,606	9,827	90,896	111,606	(20,710)	-19%	111,606
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	381,953	418,512	450,512	39,563	448,954	450,512	(1,558)	0%	450,512

An amount of R39, 563 million has been spent on grants during the month of June 2023 and the year to date actuals is R448, 954 million whilst the year to date budget amounts to R450, 512 million and this results in an under spending variance of R1 558 million that translates to 0%. Of the total spending amounting to R39, 563 million, R29, 736 million is spent on operational grants whilst capital grants spent R9, 827 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 June 2023. The grants expenditure are shown below in percentages:

- Financial Management Grant 100%
- Expanded Public Work Programme 100.00%
- Equitable Share 100%
- Integrated National Electrification Grant 100%
- Municipal Infrastructure Grant 78.11%

Supporting Table: SC8 - Councilor Allowances and Employee Related Costs

Summary of Employee and Councillor remuneration	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	15,253	14,476	14,684	1,223	14,631	14,684	(53)	0%	14,684
Pension and UIF Contributions	1,863	2,504	2,008	172	2,008	2,008	(0)	0%	2,008
Medical Aid Contributions	194	89	91	8	91	91	(0)	0%	91
Motor Vehicle Allowance	5,281	5,536	5,388	450	5,376	5,388	(12)	0%	5,388
Cellphone Allowance	2,738	2,753	2,326	207	2,326	2,326	-		2,326
Other benefits and allowances	238	223	239	19	239	239	(0)	0%	239
Sub Total - Councillors	25,567	25,580	24,735	2,079	24,670	24,735	(65)	0%	24,735
% increase		0%	-3%						-3%
Senior Managers of the Municipality									
Basic Salaries and Wages	3,197	4,315	1,980	334	1,980	1,980	(0)	0%	1,980
Pension and UIF Contributions	88	338	107	126	107	107	(0)	0%	107
Medical Aid Contributions	80	1,464	113	11	113	113	(0)	0%	113
Motor Vehicle Allowance	186	519	210	32	210	210	-		210
Cellphone Allowance	85	166	62	5	62	62	-		62
Other benefits and allowances	211	312	100	0	97	100	(3)	-3%	100
Payments in lieu of leave							-		
Sub Total - Senior Managers of Municipality	3,847	7,112	2,573	508	2,569	2,573	(3)	0%	2,573
% increase		85%	-33%						-33%
Other Municipal Staff									
Basic Salaries and Wages	102,769	115,473	106,060	8,766	105,991	106,060	(69)	0%	106,060
Pension and UIF Contributions	19,579	26,387	20,534	1,715	20,534	20,534	(0)	0%	20,534
Medical Aid Contributions	5,442	5,593	5,908	526	5,908	5,908	(0)	0%	5,908
Overtime	1,055	1,163	312	12	312	312	(0)	0%	312
Motor Vehicle Allowance	13,018	15,702	14,121	1,189	14,071	14,121	(50)	0%	14,121
Cellphone Allowance	1,917	1,426	2,119	160	1,919	2,119	(200)	-9%	2,119
Housing Allowances	220	230	255	22	255	255	(0)	0%	255
Other benefits and allowances	10,429	11,279	12,621	181	10,609	12,621	(2,012)	-16%	12,621
Payments in lieu of leave	624	442	1,204	-	810	1,204	(393)	-33%	1,204
Long service awards	1,288	510	791	48	791	791	(0)	0%	791
Post-retirement benefit obligations		-		-	-		-		-
Sub Total - Other Municipal Staff	156,340	178,204	163,925	12,619	161,200	163,925	(2,725)	-2%	163,925
% increase		14%	5%						5%
Total Parent Municipality	185,754	210,897	191,233	15,206	188,439	191,233	(2,793)	-1%	191,233
		14%	3%						3%
TOTAL SALARY, ALLOWANCES & BENEFITS	185,754	210,897	191,233	15,206	188,439	191,233	(2,793)	-1%	191,233
% increase		14%	3%						3%
TOTAL MANAGERS AND STAFF	160,187	185,316	166,498	13,127	163,770	166,498	(2,728)	-2%	166,498

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of June 2023 amounts to R188, 439 million and the year to date budget is R191, 233 million and the expenditure for remuneration of councilors amounts to R24, 670 million while the year to date budget is R24, 735 million. The year to date actual expenditure for senior managers is R2, 569 million and the year to date budget thereof is R2, 573 million. There are three senior managerial vacant positions (Budget and Treasury, Corporate services, and Planning) and this is causing underspending variance on budget performance for senior management. The year to date actuals for other municipal staff is R161, 200 million and the year to date budget is R163, 925 million. The remuneration of councilors and other municipal staff category has under spending variance, and there are three vacant positions in the senior management level and the positions should be filled in the new financial year 2022/23.

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

Description	Budget Year 2022/23												2022/23 Medium Term Revenue & Expenditure Framework			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Year	Year +1	Year +2	
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	2022/23	2023/24	2024/25	
Cash Receipts By Source																
Property rates	2,878	4,492	2,679	2,585	2,916	2,289	2,287	4,732	3,150	2,797	3,277	3,111	37,194	41,856	43,740	
Service charges - electricity revenue	8,018	7,087	7,464	6,636	6,815	7,783	7,743	7,555	6,207	7,420	6,632	5,306	84,664	119,873	125,264	
Service charges - refuse	509	364	478	389	387	407	378	430	413	445	451	404	5,057	8,047	8,409	
Rental of facilities and equipment	46	29	40	31	34	28	29	24	42	66	34	23	427			
Interest earned - external investments	71	157	324	127	27	248	286	35	-	237	312	301	2,125	3,669	3,675	
Interest earned - outstanding debtors	213	537	128	159	148	66	145	593	483	152	251	368	3,240	7,551	8,541	
Fines, penalties and forfeits	21	35	48	160	375	319	323	260	378	397	510	467	3,292	9,300	9,718	
Licences and permits	500	612	576	578	481	381	441	562	569	402	477	0	5,579	6,593	6,890	
Transfers and Subsidies - Operational	130,361	3,299	-	-	809	104,805	-	538	93,594	-	-	-	333,406	359,874	384,977	
Other revenue	1,599	2,742	1,624	1,246	22,806	1,324	1,341	2,581	2,036	1,383	4,343	1,494	44,519	2,640	2,758	
Cash Receipts by Source	144,217	19,354	13,360	11,911	34,799	117,649	12,972	17,311	106,871	13,298	16,287	11,474	519,502	559,405	593,974	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations)	19,000	-	23,270		4,000	16,750	-	4,000	44,586	-	-	-	111,606	76,364	79,794	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Increase (decrease) in consumer deposits																
Decrease (increase) in non-current receivables																
Decrease (increase) in non-current investments																
Total Cash Receipts by Source	163,217	19,354	36,630	11,911	38,799	134,399	12,972	21,311	151,457	13,298	16,287	11,474	631,108	636,006	674,273	
Cash Payments by Type																
Employee related costs	12,738	13,454	13,127	13,783	13,274	21,430	12,571	12,692	12,516	12,454	12,660	13,127	163,827	210,668	219,614	
Remuneration of councillors	2,069	2,393	2,080	2,079	2,079	2,141	2,079	2,079	2,079	1,434	2,079	2,079	24,670	30,493	34,153	
Interest paid	-	137	-	-	-	-	-	437	2	423	-	314	1,314	2,326	2,472	
Bulk purchases - Electricity	83	10,506	11,386	8,400	7,014	7,402	6,753	6,513	7,165	6,828	6,287	6,108	84,444	114,462	119,613	
Other materials	5,315	6,109	4,668	2,557	2,165	5,954	1,210	1,471	2,247	4,034	1,339	4,719	41,789	35,165	36,667	
Contracted services	3,535	6,867	9,209	6,185	3,571	9,339	7,183	5,518	3,467	3,777	4,757	8,398	71,805	63,305	66,069	
Grants and subsidies paid - other	136	61	75	57	93	130	149	331	286	348	191	(71)	1,787	3,436	3,588	
General expenses	10,729	2,360	2,363	4,338	4,725	3,801	3,237	7,481	2,151	4,821	2,961	4,851	53,817	61,842	52,478	
Cash Payments by Type	34,604	41,887	42,908	37,399	32,920	50,197	33,182	36,524	29,913	34,118	30,273	39,526	443,452	521,699	534,655	
Other Cash Flows/Payments by Type																
Capital assets	5,672	8,918	8,103	14,431	2,731	9,925	7,797	6,667	2,054	12,285	7,513	9,827	95,923	81,383	90,922	
Repayment of borrowing	-	542	-	-	-	-	-	1,452	962	1,834	-	1,240	6,030	25,723	26,588	
Other Cash Flows/Payments	23,500	2,986	11,668	4,103	-	28,707	12,415	(26,014)	10,748	1,326	-	(10,077)	59,360	31,800	46,694	
Total Cash Payments by Type	63,776	54,333	62,679	55,934	35,652	88,829	53,394	18,629	43,677	49,562	37,786	40,515	604,766	660,605	698,859	
NET INCREASE/(DECREASE) IN CASH HELD	99,441	(34,979)	(26,049)	(44,022)	3,147	45,570	(40,422)	2,682	107,779	(36,264)	(21,499)	(29,041)	26,342	(24,599)	(24,586)	
Cash/cash equivalents at the month/year beginning:	6,597	106,038	71,059	45,010	987	4,134	49,704	9,282	11,964	119,743	83,479	61,980	6,597	32,939	8,340	
Cash/cash equivalents at the month/year end:	106,038	71,059	45,010	987	4,134	49,704	9,282	11,964	119,743	83,479	61,980	32,939	32,939	8,340	(16,246)	

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 R11, 474 million and the total cash payment for the month were R40, 515 million and this resulted in net decrease in cash held amounting to R29, 041 million. With cash and cash equivalent of R61, 980 million at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R32, 939 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance trend									
July	2,528	11,281	11,281	5,672	5,672	11,281	5,608	50%	6%
August	7,824	13,110	13,110	8,918	14,590	24,391	9,800	40%	15%
September	6,628	8,644	8,644	8,103	22,693	33,034	10,341	31%	23%
October	2,316	8,526	8,526	14,431	37,124	41,561	4,436	11%	38%
November	3,598	7,411	7,411	2,731	39,856	48,972	9,116	19%	41%
December	6,893	11,299	11,299	9,925	49,781	60,271	10,490	17%	51%
January	2,187	3,718	3,718	7,968	57,749	63,989	6,240	10%	59%
February	16,440	10,392	7,407	6,909	64,658	71,396	6,738	9%	66%
March	9,067	7,436	5,550	2,054	66,711	76,946	10,234	13%	68%
April	6,304	8,496	17,695	12,285	78,996	94,641	15,645	17%	81%
May	2,799	2,619	22,808	8,674	87,670	117,449	29,779	25%	89%
June	21,773	5,109	21,937	6,293	93,963	139,386	45,423	33%	96%
Total Capital expenditure	88,355	98,041	139,386	93,963					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure for the month of June amounts to R6, 293 million. The year to date actual expenditure incurred is R93, 963 million whilst the year to date budget is R139, 386 million that gives rise to under spending variance of R45, 423 million that translate to 33%.

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on new assets by Asset Class									
Infrastructure	22,332	18,500	23,924	624	17,350	23,924	6,574	27%	23,924
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-
Road Structures							-		
Road Furniture							-		
Attenuation							-		
Electrical Infrastructure	22,332	17,250	22,774	624	16,617	22,774	6,158	27%	22,774
Power Plants			2,230	-	2,230	2,230	-		2,230
MV Substations		50	-	-	-	-	-		-
MV Networks	22,332	17,000	20,344	624	14,387	20,344	5,958	29%	20,344
Capital Spares		200	200	-	-	200	200	100%	200
Solid Waste Infrastructure	-	1,250	1,150	-	734	1,150	416	36%	1,150
Landfill Sites							-		
Waste Transfer Stations							-		
Capital Spares		1,250	1,150	-	734	1,150	416	36%	1,150
Community Assets	-	418	238	-	-	238	238	100%	238
Capital Spares		418	238	-	-	238	238	100%	238
Other assets	-	458	454	-	454	454	0	0%	454
Operational Buildings	-	458	454	-	454	454	0	0%	454
Stores		458	454	-	454	454	0	0%	454
Intangible Assets	-	300	185	-	-	185	185	100%	185
Servitudes							-		
Computer Software and Applications		300	185	-	-	185	185	100%	185
Computer Equipment	824	700	2,135	-	1,605	2,135	529	25%	2,135
Computer Equipment	824	700	2,135	-	1,605	2,135	529	25%	2,135
Furniture and Office Equipment	-	500	1,139	148	695	1,139	444	39%	1,139
Furniture and Office Equipment		500	1,139	148	695	1,139	444	39%	1,139
Machinery and Equipment	214	1,610	1,400	-	2,171	1,400	(771)	-55%	1,400
Machinery and Equipment	214	1,610	1,400	-	2,171	1,400	(771)	-55%	1,400
Transport Assets	1,079	-	-	-	-	-	-		-
Transport Assets	1,079						-		
Total Capital Expenditure on new assets	24,449	22,485	29,475	772	22,276	29,475	7,199	24%	29,475

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class									
Infrastructure	44,874	30,723	54,435	2,047	29,361	54,435	25,073	46%	54,435
Roads Infrastructure	39,750	28,631	31,250	792	26,014	31,250	5,235	17%	31,250
Roads	39,750	28,331	30,690	631	25,853	30,690	4,836	16%	30,690
Road Furniture		300	560	161	161	560	399	71%	560
Electrical Infrastructure	5,124	-	-	-	-	-	-	-	-
MV Substations							-		
MV Switching Stations							-		
MV Networks	5,124						-		
Solid Waste Infrastructure	-	2,092	23,185	1,255	3,347	23,185	19,838	86%	23,185
Landfill Sites		2,092	23,185	1,255	3,347	23,185	19,838	86%	23,185
Capital Spares							-		
Community Assets	-	1,000	869	-	1,376	869	(507)	-58%	869
Cemeteries/Crematoria		1,000	869	-	1,376	869	(507)	-58%	869
Police							-		
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities							-		
Outdoor Facilities							-		
Other assets	-	-	208	-	-	208	208	100%	208
Municipal Offices		-	208	-	-	208	208	100%	208
Workshops							-		
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Software and Applications							-		
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	920	-	(920)	#DIV/0!	-
Machinery and Equipment			-	-	920		(920)	#DIV/0!	
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets							-		
Total Capital Expenditure on renewal of existing assets	44,874	31,723	55,512	2,047	31,657	55,512	23,855	43.0%	55,512

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Repairs and maintenance expenditure by Asset Class									
Infrastructure	30,270	25,453	32,461	3,014	31,347	32,461	1,114	3%	32,461
Roads Infrastructure	13,895	15,467	22,463	1,107	21,463	22,463	1,000	4%	22,463
Roads	13,895	15,467	22,463	1,107	21,463	22,463	1,000	4%	22,463
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	12,201	8,263	7,235	1,907	7,235	7,235	0	0%	7,235
MV Substations							-		
MV Switching Stations							-		
MV Networks	12,201	8,263	7,235	1,907	7,235	7,235	0	0%	7,235
Solid Waste Infrastructure	4,175	1,722	2,763	-	2,649	2,763	114	4%	2,763
Landfill Sites	4,175	1,722	2,763	-	2,649	2,763	114	4%	2,763
Waste Transfer Stations							-		
Community Assets	166	594	537	6	537	537	0	0%	537
Community Facilities	166	594	537	6	537	537	0	0%	537
Libraries							-		
Parks	166	594	537	6	537	537	0	0%	537
Other assets	575	1,095	1,431	-	1,431	1,431	0	0%	1,431
Operational Buildings	575	1,095	1,431	-	1,431	1,431	0	0%	1,431
Municipal Offices	541	1,095	1,431	-	1,431	1,431	0	0%	1,431
Stores	34						-		
Intangible Assets	38	200	28	-	28	28	0	0%	28
Computer Software and Applications	38	200	28	-	28	28	0	0%	28
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Machinery and Equipment	3,214	6,556	7,317	1,224	6,830	7,317	487	7%	7,317
Machinery and Equipment	3,214	6,556	7,317	1,224	6,830	7,317	487	7%	7,317
Transport Assets	4,117	3,794	3,396	479	3,396	3,396	0	0%	3,396
Transport Assets	4,117	3,794	3,396	479	3,396	3,396	0	0%	3,396
Total Repairs and Maintenance Expenditure	38,380	37,692	45,170	4,722	43,568	45,170	1,602	3.5%	45,170

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Depreciation by Asset Class/Sub-class									
Infrastructure	41,746	44,007	45,908	1,374	37,209	41,645	4,436	11%	44,907
Roads Infrastructure	36,879	39,127	40,728	6,240	37,209	37,855	646	2%	39,727
Roads	36,879	39,127	40,728	6,240	37,209	37,855	646	2%	39,727
Storm water Infrastructure	399	418	418	-	-	246	246	100%	418
Drainage Collection	399	418	418	-	-	246	246	100%	418
Electrical Infrastructure	3,754	3,724	4,024	(4,000)	-	3,092	3,092	100%	4,024
MV Switching Stations	3,754	3,724	4,024	(4,000)	-	3,092	3,092	100%	4,024
MV Substations							-		
MV Networks							-		
Solid Waste Infrastructure	714	738	738	(866)	-	452	452	100%	738
Landfill Sites	714	738	738	(866)	-	452	452	100%	738
Waste Transfer Stations							-		
Community Assets	1,231	1,266	1,266	(850)	-	985	985	100%	1,266
Community Facilities	1,231	1,266	1,266	(850)	-	985	985	100%	1,266
Public Open Space	1,231	1,266	1,266	(850)	-	985	985	100%	1,266
Heritage assets	5	6	6	-	-	3	3	100%	6
Other Heritage	5	6	6	-	-	3	3	0	6
Other assets	4,140	4,229	4,229	-	-	3,215	3,215	100%	4,229
Operational Buildings	4,140	4,229	4,229	-	-	3,215	3,215	100%	4,229
Municipal Offices	4,140	4,229	4,229	-	-	3,215	3,215	100%	4,229
Intangible Assets	51	53	83	(6)	-	56	56	100%	83
Licences and Rights	51	53	83	(6)	-	56	56	100%	83
Computer Software and Applications	51	53	83	(6)	-	56	56	100%	83
Computer Equipment	692	725	925	259	836	762	(74)	-10%	925
Computer Equipment	692	725	925	259	836	762	(74)	-10%	925
Furniture and Office Equipment	590	618	618	(598)	-	452	452	100%	618
Furniture and Office Equipment	590	618	618	(598)	-	452	452	100%	618
Machinery and Equipment	2,864	2,961	2,961	(2,839)	-	2,298	2,298	100%	2,961
Machinery and Equipment	2,864	2,961	2,961	(2,839)	-	2,298	2,298	100%	2,961
Transport Assets	5,751	5,915	5,915	(3,483)	2,224	4,509	2,285	51%	5,915
Transport Assets	5,751	5,915	5,915	(3,483)	2,224	4,509	2,285	51%	5,915
Total Depreciation	57,070	59,780	61,911	(6,145)	40,269	53,925	13,657	25%	60,910

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class									
Infrastructure	18,534	41,433	53,040	3,474	38,955	53,040	14,085	27%	53,040
Roads Infrastructure	18,534	41,433	52,040	3,474	38,955	52,040	13,085	25%	52,040
Roads	18,534	41,433	52,040	3,474	38,955	52,040	13,085	25%	52,040
Road Structures							-		
Road Furniture							-		
Electrical Infrastructure	-	-	-	-	-	-	-		-
MV Substations							-		
MV Switching Stations							-		
MV Networks							-		
LV Networks							-		
Solid Waste Infrastructure	-	-	1,000	-	-	1,000	1,000	100%	1,000
Landfill Sites	-		1,000	-	-	1,000	1,000	100%	1,000
Waste Transfer Stations							-		
Community Assets	498	1,300	284	-	-	284	284	100%	284
Community Facilities	498	1,300	284	-	-	284	284	100%	284
Cemeteries/Crematoria	498		-			-	-		-
Parks		1,300	284	-	-	284	284	100%	284
Other assets	-	1,100	1,075	-	1,075	1,075	-		1,075
Operational Buildings	-	1,100	1,075	-	1,075	1,075	-		1,075
Municipal Offices	-						-		
Yards		1,100	1,075	-	1,075	1,075	-		1,075
Intangible Assets	-	-	-	-	-	-	-		-
Licences and Rights	-	-	-	-	-	-	-		-
Computer Software and Applications							-		
Computer Equipment	-	-	-	-	-	-	-		-
Computer Equipment							-		
Furniture and Office Equipment	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
Machinery and Equipment	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
Transport Assets	-	-	-	-	-	-	-		-
Transport Assets							-		
Total Capital Expenditure on upgrading of existing assets	19,032	43,833	54,399	3,474	40,030	54,399	14,369	26%	54,399

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

The total expenditure for new capital projects amounts to R22, 276 and the year to date budget is R29, 475 million that reflects under spending variance of R7, 199 million that translates to 24% variance.

The year to date actuals on renewal of existing assets amounts R31, 657 million and with the year to date budget of R55, 512 million and this reflects over spending variance of R23, 855 million that translates to 43.0% variance.

The year to date actual expenditure on repairs and maintenance is R43, 568 million, and the year to date budget is R45, 170 million, reflecting a positive spending variance of R1, 602 million that translates to 3.5%.

The year to date actual expenditure on upgrading of existing assets is R40, 030 million and the year to date budget is R54, 399 million, reflecting a positive spending variance of R14, 369 million that translates to 26%.

The year to date actual expenditure on depreciation and asset impairment is R40, 269 and the year to date budget is R53, 925 million, reflecting a positive spending variance of R13, 657 million, that translates to 25% which means the integration between asset management system and core financial system is bi-annually during the ten months preparations of financial statements and this partially the requirements for implementation of mSCOA. This is basically mean that the municipality is partially complying with some of mSCOA requirements.

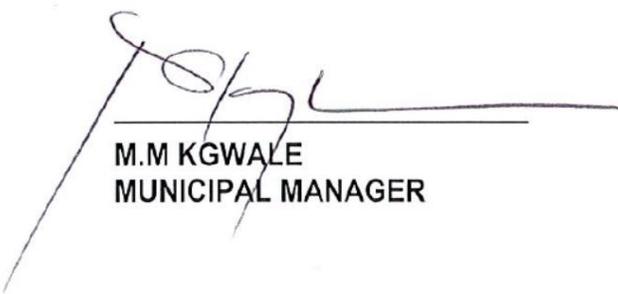
List of Capital Programmes and Projects

Department	Project Description	Type	Asset Class	Asset Sub-Class	2022/23 Medium Term Revenue and Expenditure Framework			
					Original Budget	Adjusted Budget	YTD Actuals	Percentage
Community Services	No Illegal Dumping Boards	Single	Solid Waste Infrastructure	Capital Spares	100,000	59,000	-	0%
	Street litter Bibs	Multi	Solid Waste Infrastructure	Capital Spares	850,000	800,000	733,810	92%
	Fencing of Elandsdoorn/Ntwane Cemetery	Multi	Community Assets	Cemeteries/Crematoria	1,000,000	869,000	1,375,614	158%
	Upgrading and Development of Parks	Multi	Community Assets	Parks	1,300,000	284,469	-	0%
	6.3 Trailers	Single	Community Assets	Capital Spares	-	-	290,500	0%
	6.4 Disaster Management Centre & Emergency Relief Store room	Multi	Operational Buildings	Stores	457,500	454,300	454,230	100%
	500 Twenty skip bins 500	Single	Solid Waste Infrastructure	Capital Spares	300,000	290,600	-	0%
	Gable Roof	Single	Other assets	Municipal Offices	-	208,000	-	0%
	Furniture and Office Equipment	Multi	Furniture and Office Equipment	Furniture and Office Equipment	-	419,250	-	0%
	Machinery and Equipment	Multi	Machinery and Equipment	Machinery and Equipment	380,000	380,000	550,432	145%
	Trailer	Multi	Machinery and Equipment	Machinery and Equipment	380,000	80,000	78,950	99%
	Vehicles	Single	Community Assets	Capital Spares	417,500	237,500	-	0%
	Fencing of Roosenekal Landfill Site	Multi	Solid Waste Infrastructure	Landfill Sites	-	1,000,000	-	0%
	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	603,332
Software Server		Multi	Intangible Assets	Unspecified	300,000	185,000	-	0%
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 Technical Services	Culverts and Road signs 600	Multi	Roads Infrastructure	Road Furniture	300,000	560,000	160,870	29%
	Motetema Streets Upgrade	Multi	Roads Infrastructure	Roads	3,500,000	5,858,696	5,579,414	95%
	Upgrading of Bloomport and Uitspanning Access Road	Single	Roads Infrastructure	Roads	24,830,820	24,830,820	20,273,808	82%
	Groblersdal Landfill site 6.6	Multi	Solid Waste Infrastructure	Landfill Sites	2,092,365	23,185,401	3,347,400	14%
	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	383,350	51%
	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	689,748	86%
	Upgrading of Malaeneng A Ntwane Access Road	Multi	Roads Infrastructure	Roads	900,000	750,000	-	0%
	Upgrading of Masoing Bus route	Multi	Roads Infrastructure	Roads	850,000	850,000	-	0%
	Upgrading of Mokumong access road to Marateng taxi rank (Internal)	Multi	Roads Infrastructure	Roads	700,000	700,000	-	0%
	Upgrading of Mokumong access road to Marateng taxi rank (MIG)	Multi	Roads Infrastructure	Roads	-	1,406,964	-	0%
	Upgrading of Dipakapakeng	Multi	Roads Infrastructure	Roads	2,169,180	2,169,180	1,747,084	81%
	Upgrading of Nyakoroane Internal Access Road	Multi	Roads Infrastructure	Roads	6,512,520	16,012,520	13,080,781	82%
	Upgrading of Tafelkop stadium Access Road	Single	Roads Infrastructure	Roads	27,001,116	27,001,116	23,053,862	85%
	Electrification of Makaepa	Single	Electrical Infrastructure	MV Networks	3,240,000	2,137,080	1,944,042	91%
	Electrification of Masakaneng	Multi	Electrical Infrastructure	MV Networks	7,960,000	9,911,297	7,910,528	80%
	Electrification of Maleoskop	Multi	Electrical Infrastructure	MV Networks	-	1,924,407	944,286	49%
	Electrification of Nyakelang Extension	Single	Electrical Infrastructure	MV Networks	3,800,000	2,891,623	2,153,471	74%
	Electrification of Phomola	Single	Electrical Infrastructure	MV Networks	2,000,000	2,060,000	1,434,279	70%
	Machinery And Equipment: Donated	Single	Machinery and Equipment	Machinery and Equipment	-	-	919,900	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	-	2,230,000	2,230,000	100%
	Machinery and Equipment	Multi	Machinery and Equipment	Machinery and Equipment	850,000	940,000	1,250,919	133%

Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of 30 June 2023 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM472)



M.M KGWALE
MUNICIPAL MANAGER

Date :15 July 2023