

# ELIAS MOTSOLEDI LOCAL MUNICIPALITY



## MONTHLY BUDGET STATEMENT REPORT

**NOVEMBER 2022**

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## **PART 1: IN - YEAR REPORT**

### **PURPOSE**

To report to the Council and submit to National and Provincial Treasury on the monthly financial performance of the Municipality as required by Section 71 of the Municipal Finance Management Act.

### **EXECUTIVE SUMMARY**

Section 71 of the Municipal Finance Management Act deals with requirements for in-year reporting and further state that the Accounting Officer of the Municipality must by no later than 10 working days after end of each month submit to the November 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 amounts are not yet audited.

### **IN YEAR BUDGET STATEMENT TABLES**

DESCRIPTION	2022/23			
	ORIGINAL BUDGET	ADJUSTED BUDGET	YEAR TO DATE ACTUAL	PERCENT AGE
OPERATING REVENUE	601,350,985	-	214,769,738	36%
OPERATING EXPENDITURE	597,283,011	-	189,719,268	32%
TRANSFER - CAPITAL	79,606,004	-	38,394,469	48%
SURPLUS/(DEFICIT)	83,673,978	-	63,444,939	76%
CAPITAL EXPENDITURE	98,041,001	-	39,855,706	41%

**Table C1 – Budget Statement Summary**

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Financial Performance</b>									
Property rates	39,913	44,645	-	4,849	24,509	18,602	5,907	32%	44,645
Service charges	108,243	117,968	-	10,691	45,264	49,496	(4,232)	-9%	117,968
Investment revenue	1,780	3,652	-	27	650	1,197	(548)	-46%	3,652
Transfers and subsidies	297,765	338,906	-	350	132,816	143,652	(10,836)	-8%	338,906
Other own revenue	30,108	96,180	-	3,181	11,531	41,237	(29,706)	-72%	96,180
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>477,810</b>	<b>601,351</b>	<b>-</b>	<b>19,098</b>	<b>214,770</b>	<b>254,185</b>	<b>(39,415)</b>	<b>-16%</b>	<b>601,351</b>
Employee costs	157,625	185,316	-	13,274	66,376	77,226	(10,850)	-14%	185,316
Remuneration of Councillors	24,783	25,580	-	2,079	10,700	10,658	42	0%	25,580
Depreciation & asset impairment	-	59,780	-	-	-	14,945	(14,945)	-100%	59,780
Finance charges	1,121	2,185	-	-	137	1,221	(1,083)	-89%	2,185
Materials and bulk purchases	136,677	148,283	-	9,179	58,203	59,704	(1,502)	-3%	148,283
Transfers and subsidies	1,547	3,292	-	93	423	1,508	(1,086)	-72%	3,292
Other expenditure	143,963	172,846	-	8,296	53,881	69,332	(15,451)	-22%	172,846
<b>Total Expenditure</b>	<b>465,716</b>	<b>597,283</b>	<b>-</b>	<b>32,920</b>	<b>189,719</b>	<b>234,595</b>	<b>(44,875)</b>	<b>-19%</b>	<b>597,283</b>
<b>Surplus/(Deficit)</b>	<b>12,094</b>	<b>4,068</b>	<b>-</b>	<b>(13,822)</b>	<b>25,050</b>	<b>19,590</b>	<b>5,460</b>	<b>28%</b>	<b>4,068</b>
Transfers and subsidies - capital (monetary allocations)	67,914	79,606	-	6,100	38,394	59,977	(21,583)	-36%	79,606
Surplus/(Deficit) after capital transfers & contributions	80,008	83,674	-	(7,722)	63,445	79,567	(16,122)	-20%	83,674
<b>Share of surplus/ (deficit) of associate</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Surplus/ (Deficit) for the year</b>	<b>80,008</b>	<b>83,674</b>	<b>-</b>	<b>(7,722)</b>	<b>63,445</b>	<b>79,567</b>	<b>(16,122)</b>	<b>-20%</b>	<b>83,674</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>72,706</b>	<b>98,041</b>	<b>-</b>	<b>2,731</b>	<b>39,856</b>	<b>49,498</b>	<b>(9,642)</b>	<b>-19%</b>	<b>98,041</b>
Capital transfers recognised	70,770	79,606	-	2,118	36,891	40,212	(3,321)	-8%	79,606
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	1,936	18,435	-	613	2,965	9,286	(6,321)	-68%	18,435
<b>Total sources of capital funds</b>	<b>72,706</b>	<b>98,041</b>	<b>-</b>	<b>2,731</b>	<b>39,856</b>	<b>49,498</b>	<b>(9,642)</b>	<b>-19%</b>	<b>98,041</b>
<b>Financial position</b>									
Total current assets	133,384	158,966	-		226,637				158,966
Total non current assets	1,223,261	1,325,025	-		1,226,693				1,325,025
Total current liabilities	92,636	120,343	-		150,474				120,343
Total non current liabilities	78,238	113,710	-		99,335				113,710
Community wealth/Equity	1,185,771	1,249,938	-		1,203,521				1,249,938
<b>Cash flows</b>									
Net cash from (used) operating	72,937	94,811	-	5,878	37,935	20,567	(17,368)	-84%	94,811
Net cash from (used) investing	(70,756)	(78,022)	-	(2,731)	(39,856)	(435,880)	(396,024)	91%	(78,022)
Net cash from (used) financing	(2,441)	(6,971)	-	-	(542)	(510)	32	-6%	(6,971)
<b>Cash/cash equivalents at the month/year end</b>	<b>6,597</b>	<b>24,063</b>	<b>-</b>	<b>-</b>	<b>4,134</b>	<b>(401,578)</b>	<b>(405,712)</b>	<b>101%</b>	<b>16,415</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
Debtors Age Analysis									
Total By Income Source	17,011	6,269	4,244	2,996	3,790	2,745	18,742	118,273	174,071
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 November is R214, 770 million and the year to date budget of R254, 185 million and this reflects a negative variance of R39, 415 million which is mostly attributable to equitable shares received amounting to R130, 361 million. The following are the secondary revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 46% unfavorable variance,
- Interest earned – outstanding debtors: 16% unfavorable variance,
- Rental on Facilities and Equipment: 16% unfavorable variance,
- Fines, penalties and forfeits: 98% unfavorable variance
- Services Charges – electricity revenue: 9% unfavorable variance
- Services Charges – refuse revenue: 9% unfavorable variance
- Licenses and permits: 22% favorable variance
- Property rates: 32% favorable variance
- Other revenue: 259% favorable
- Transfer and subsidies: 8% unfavorable

### **Operating Expenditure**

The year to date operational expenditure as at end of November amounts to R189, 719 million and the year to date budget is R234, 595 million. This reflects underspending variance of R44, 875 million that translates to 19% 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:

- Employee related costs: 14% under performance
- Debt impairment: 100% under performance
- Depreciation and asset impairment: 100% under performance
- Finance charges: 89% under performance
- Other material: 29% over performance
- Bulk purchase: 14% under performance
- Contracted services: 13% over performance
- Transfer and subsidies: 72% under performance
- Other expenditure: 8% 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 November 2022 amounts to R33, 856 million and the year to date budget amounts to R49,498 million and this gives rise to R9,642 million under performance.

## **Surplus/Deficit**

Taking the above into consideration, the net operating surplus for the month of November is R63, 445 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 November amounts to R174,071 million and this shows an increase of R15,733 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 R109,213 million and other debtors amounting to R64, 858 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 November as required by MFMA and as a result.

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue - Functional</b>									
<b>Governance and administration</b>	<b>249,584</b>	<b>281,883</b>	<b>-</b>	<b>7,137</b>	<b>113,351</b>	<b>114,927</b>	<b>(1,577)</b>	<b>-1%</b>	<b>281,883</b>
Executive and council	53,432	53,728	-	-	13,925	14,925	(1,000)	-7%	53,728
Finance and administration	185,365	214,701	-	7,137	93,217	93,793	(577)	-1%	214,701
Internal audit	10,787	13,455	-	-	6,209	6,209	(0)	0%	13,455
<b>Community and public safety</b>	<b>23,607</b>	<b>96,507</b>	<b>-</b>	<b>382</b>	<b>10,088</b>	<b>40,647</b>	<b>(30,560)</b>	<b>-75%</b>	<b>96,507</b>
Community and social services	10,214	10,998	-	1	4,696	4,726	(31)	-1%	10,998
Sport and recreation	11,148	17,075	-	3	4,741	4,757	(16)	0%	17,075
Public safety	2,244	68,435	-	378	651	31,164	(30,513)	-98%	68,435
<b>Economic and environmental services</b>	<b>122,556</b>	<b>124,248</b>	<b>-</b>	<b>6,068</b>	<b>63,920</b>	<b>76,594</b>	<b>(12,673)</b>	<b>-17%</b>	<b>124,248</b>
Planning and development	23,586	20,920	-	345	11,368	11,122	247	2%	20,920
Road transport	96,164	102,518	-	5,723	52,041	64,961	(12,920)	-20%	102,518
Environmental protection	2,806	811	-	-	511	511	(0)	0%	811
<b>Trading services</b>	<b>149,977</b>	<b>178,318</b>	<b>-</b>	<b>11,611</b>	<b>65,805</b>	<b>81,993</b>	<b>(16,188)</b>	<b>-20%</b>	<b>178,318</b>
Energy sources	121,594	145,384	-	10,141	50,562	65,304	(14,742)	-23%	145,384
Waste management	28,383	32,935	-	1,470	15,243	16,690	(1,447)	-9%	32,935
<b>Total Revenue - Functional</b>	<b>545,724</b>	<b>680,957</b>	<b>-</b>	<b>25,198</b>	<b>253,164</b>	<b>314,162</b>	<b>(60,998)</b>	<b>-19%</b>	<b>680,957</b>
<b>Expenditure - Functional</b>									
<b>Governance and administration</b>	<b>213,771</b>	<b>220,755</b>	<b>-</b>	<b>14,047</b>	<b>87,682</b>	<b>91,862</b>	<b>(4,180)</b>	<b>-5%</b>	<b>220,755</b>
Executive and council	41,413	47,573	-	3,254	16,569	18,559	(1,990)	-11%	47,573
Finance and administration	161,909	163,419	-	10,296	67,124	68,579	(1,454)	-2%	163,419
Internal audit	10,449	9,764	-	497	3,989	4,725	(736)	-16%	9,764
<b>Community and public safety</b>	<b>35,025</b>	<b>89,593</b>	<b>-</b>	<b>2,657</b>	<b>14,331</b>	<b>35,829</b>	<b>(21,499)</b>	<b>-60%</b>	<b>89,593</b>
Community and social services	5,961	8,174	-	455	2,366	3,460	(1,093)	-32%	8,174
Sport and recreation	9,938	16,175	-	677	3,318	6,677	(3,360)	-50%	16,175
Public safety	19,126	65,243	-	1,524	8,646	25,692	(17,046)	-66%	65,243
<b>Economic and environmental services</b>	<b>63,229</b>	<b>120,750</b>	<b>-</b>	<b>4,740</b>	<b>31,836</b>	<b>43,190</b>	<b>(11,353)</b>	<b>-26%</b>	<b>120,750</b>
Planning and development	16,804	20,798	-	1,747	7,106	8,890	(1,784)	-20%	20,798
Road transport	46,228	99,257	-	2,993	24,730	34,010	(9,280)	-27%	99,257
Environmental protection	197	696	-	-	-	290	(290)	-100%	696
<b>Trading services</b>	<b>153,690</b>	<b>166,185</b>	<b>-</b>	<b>11,477</b>	<b>55,870</b>	<b>63,714</b>	<b>(7,844)</b>	<b>-12%</b>	<b>166,185</b>
Energy sources	120,044	134,925	-	8,968	42,607	51,485	(8,878)	-17%	134,925
Waste management	33,647	31,260	-	2,509	13,263	12,228	1,035	8%	31,260
<b>Total Expenditure - Functional</b>	<b>465,716</b>	<b>597,283</b>	<b>-</b>	<b>32,920</b>	<b>189,719</b>	<b>234,595</b>	<b>(44,875)</b>	<b>-19%</b>	<b>597,283</b>
<b>Surplus/ (Deficit) for the year</b>	<b>80,008</b>	<b>83,674</b>	<b>-</b>	<b>(7,722)</b>	<b>63,445</b>	<b>79,567</b>	<b>(16,122)</b>	<b>-20%</b>	<b>83,674</b>

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

Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue by Vote</b>									
Vote 1 - Executive & Council	47,876	47,271	-	-	10,583	10,583	(0)	0%	47,271
Vote 2 - Municipal Manager	36,327	46,531	-	-	20,295	21,295	(1,000)	-5%	46,531
Vote 3 - Budget & Treasury	82,410	103,972	-	7,137	45,776	40,345	5,432	13%	103,972
Vote 4 - Corporate Services	44,128	50,627	-	-	24,949	28,957	(4,008)	-14%	50,627
Vote 5 - Community Services	62,834	138,801	-	2,330	29,745	61,301	(31,556)	-51%	138,801
Vote 6 - Technical Services	231,991	265,908	-	15,386	106,641	134,753	(28,112)	-21%	265,908
Vote 7 - Developmental Planning	16,336	12,923	-	345	8,448	8,202	247	3%	12,923
Vote 8 - Executive Support	23,821	14,925	-	-	6,727	8,727	(2,000)	-23%	14,925
<b>Total Revenue by Vote</b>	<b>545,724</b>	<b>680,957</b>	<b>-</b>	<b>25,198</b>	<b>253,164</b>	<b>314,162</b>	<b>(60,998)</b>	<b>-19%</b>	<b>680,957</b>
<b>Expenditure by Vote</b>									
Vote 1 - Executive & Council	35,397	35,371	-	2,962	14,450	15,364	(915)	-6%	35,371
Vote 2 - Municipal Manager	45,887	41,983	-	1,221	17,910	18,368	(458)	-2%	41,983
Vote 3 - Budget & Treasury	171,728	66,301	-	3,849	28,533	27,561	972	4%	66,301
Vote 4 - Corporate Services	26,478	36,714	-	1,515	10,728	15,275	(4,547)	-30%	36,714
Vote 5 - Community Services	77,045	130,751	-	5,867	31,133	52,190	(21,057)	-40%	130,751
Vote 6 - Technical Services	179,490	248,110	-	14,380	72,616	89,757	(17,140)	-19%	248,110
Vote 7 - Developmental Planning	12,217	15,057	-	1,379	4,857	6,396	(1,539)	-24%	15,057
Vote 8 - Executive Support	22,638	22,996	-	1,747	9,492	9,684	(192)	-2%	22,996
<b>Total Expenditure by Vote</b>	<b>570,880</b>	<b>597,283</b>	<b>-</b>	<b>32,920</b>	<b>189,719</b>	<b>234,595</b>	<b>(44,875)</b>	<b>-19%</b>	<b>597,283</b>
<b>Surplus/ (Deficit) for the year</b>	<b>(25,156)</b>	<b>83,674</b>	<b>-</b>	<b>(7,722)</b>	<b>63,445</b>	<b>79,567</b>	<b>(16,122)</b>	<b>-20%</b>	<b>83,674</b>

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

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

**Table C4: Financial Performance by Revenue Source and Expenditure Type**

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Revenue By Source</b>									
Property rates	39,913	44,645	-	4,849	24,509	18,602	5,907	32%	44,645
Service charges - electricity revenue	98,860	108,186	-	10,141	41,454	45,320	(3,866)	-9%	108,186
Service charges - refuse revenue	9,383	9,781	-	550	3,810	4,176	(367)	-9%	9,781
Rental of facilities and equipment	998	1,004	-	65	350	416	(66)	-16%	1,004
Interest earned - external investments	1,780	3,652	-	27	650	1,197	(548)	-46%	3,652
Interest earned - outstanding debtors	19,283	18,817	-	1,181	5,666	6,771	(1,105)	-16%	18,817
Fines, penalties and forfeits	2,236	68,520	-	375	639	31,199	(30,561)	-98%	68,520
Licences and permits	5,966	6,315	-	481	2,746	2,257	489	22%	6,315
Transfers and subsidies	297,765	338,906	-	350	132,816	143,652	(10,836)	-8%	338,906
Other revenue	1,624	1,524	-	1,079	2,130	593	1,537	259%	1,524
Gains							-		
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>477,810</b>	<b>601,351</b>	<b>-</b>	<b>19,098</b>	<b>214,770</b>	<b>254,185</b>	<b>(39,415)</b>	<b>-16%</b>	<b>601,351</b>
<b>Expenditure By Type</b>									
Employee related costs	157,625	185,316	-	13,274	66,376	77,226	(10,850)	-14%	185,316
Remuneration of councillors	24,783	25,580	-	2,079	10,700	10,658	42	0%	25,580
Debt impairment	17,950	61,181	-	-	-	20,545	(20,545)	-100%	61,181
Depreciation & asset impairment	-	59,780	-	-	-	14,945	(14,945)	-100%	59,780
Finance charges	1,121	2,185	-	-	137	1,221	(1,083)	-89%	2,185
Bulk purchases	97,917	109,638	-	7,014	37,388	43,549	(6,161)	-14%	109,638
Other materials	38,760	38,645	-	2,165	20,814	16,155	4,659	29%	38,645
Contracted services	82,960	67,165	-	3,571	29,366	26,058	3,308	13%	67,165
Transfers and subsidies	1,547	3,292	-	93	423	1,508	(1,086)	-72%	3,292
Other expenditure	43,053	44,500	-	4,725	24,514	22,728	1,786	8%	44,500
Losses							-		
<b>Total Expenditure</b>	<b>465,716</b>	<b>597,283</b>	<b>-</b>	<b>32,920</b>	<b>189,719</b>	<b>234,595</b>	<b>(44,875)</b>	<b>-19%</b>	<b>597,283</b>
<b>Surplus/(Deficit)</b>	<b>12,094</b>	<b>4,068</b>	<b>-</b>	<b>(13,822)</b>	<b>25,050</b>	<b>19,590</b>	<b>5,460</b>	<b>28%</b>	<b>4,068</b>
Transfers and subsidies - capital (monetary allocations)	67,914	79,606	-	6,100	38,394	59,977	(21,583)	-36%	79,606
Transfers and subsidies - capital (monetary allocations)							-		-
Transfers and subsidies - capital (in-kind - all)							-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>80,008</b>	<b>83,674</b>	<b>-</b>	<b>(7,722)</b>	<b>63,445</b>	<b>79,567</b>			<b>83,674</b>
Taxation									
<b>Surplus/(Deficit) after taxation</b>	<b>80,008</b>	<b>83,674</b>	<b>-</b>	<b>(7,722)</b>	<b>63,445</b>	<b>79,567</b>			<b>83,674</b>
Attributable to minorities									
<b>Surplus/(Deficit) attributable to municipality</b>	<b>80,008</b>	<b>83,674</b>	<b>-</b>	<b>(7,722)</b>	<b>63,445</b>	<b>79,567</b>			<b>83,674</b>
Share of surplus/ (deficit) of associate									
<b>Surplus/ (Deficit) for the year</b>	<b>80,008</b>	<b>83,674</b>	<b>-</b>	<b>(7,722)</b>	<b>63,445</b>	<b>79,567</b>		<b>-</b>	<b>83,674</b>

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

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

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

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

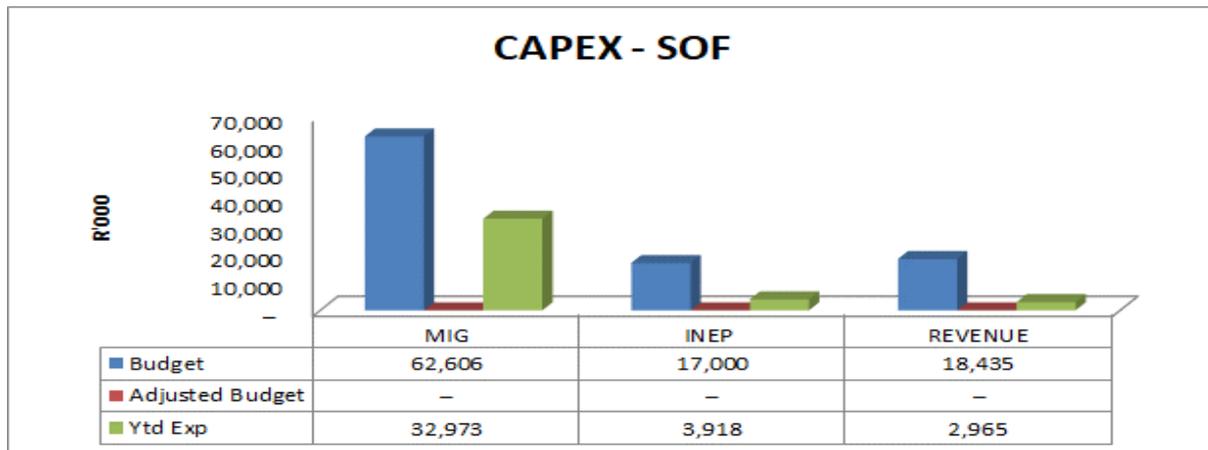
Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>	1,945	1,500	-	(4)	412	852	(440)	-52%	1,500
Executive and council	-						-		
Finance and administration	1,945	1,500	-	(4)	412	852	(440)	-52%	1,500
Internal audit	-						-		
<b>Community and public safety</b>	498	3,935	-	230	684	1,437	(753)	-52%	3,935
Community and social services	498	1,538	-	-	454	497	(43)	-9%	1,515
Sport and recreation	-	1,680	-	29	29	500	(471)	-94%	1,680
Public safety	-	718	-	201	201	440	(239)	-54%	740
Housing							-		
Health							-		
<b>Economic and environmental services</b>	50,458	74,106	-	2,118	34,426	38,892	(4,466)	-11%	73,756
Planning and development	-	1,100	-	-	1,075	526	549	104%	1,100
Road transport	50,458	73,006	-	2,118	33,351	38,366	(5,014)	-13%	72,656
Environmental protection	-						-		
<b>Trading services</b>	19,805	18,500	-	387	4,333	8,317	(3,984)	-48%	18,850
Energy sources	13,669	17,250	-	97	4,014	7,817	(3,803)	-49%	17,600
Waste management	6,135	1,250	-	291	319	500	(181)	-36%	1,250
Other							-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>72,706</b>	<b>98,041</b>	<b>-</b>	<b>2,731</b>	<b>39,856</b>	<b>49,498</b>	<b>(9,642)</b>	<b>-19%</b>	<b>98,041</b>
<b>Funded by:</b>									
National Government	70,770	79,606	-	2,118	36,891	40,212	(3,321)	-8%	79,606
Provincial Government							-		
District Municipality							-		
Transfers and subsidies - capital (monetary allocations)							-		
<b>Transfers recognised - capital</b>	<b>70,770</b>	<b>79,606</b>	<b>-</b>	<b>2,118</b>	<b>36,891</b>	<b>40,212</b>	<b>(3,321)</b>	<b>-8%</b>	<b>79,606</b>
Borrowing							-		
Internally generated funds	1,936	18,435	-	613	2,965	9,286	(6,321)	-68%	18,435
<b>Total Capital Funding</b>	<b>72,706</b>	<b>98,041</b>	<b>-</b>	<b>2,731</b>	<b>39,856</b>	<b>49,498</b>	<b>(9,642)</b>	<b>-19%</b>	<b>98,041</b>

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

Vote Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Multi-Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	866	1,500	-	(4)	412	852	(440)	-52%	1,500
Vote 5 - Community Services	-	4,368	-	29	483	1,397	(914)	-65%	4,345
Vote 6 - Technical Services	37,435	25,334	-	97	8,819	12,782	(3,963)	-31%	22,815
Vote 7 - Developmental Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>38,301</b>	<b>31,202</b>	<b>-</b>	<b>122</b>	<b>9,714</b>	<b>15,031</b>	<b>(5,317)</b>	<b>-35%</b>	<b>28,660</b>
<b>Single Year expenditure appropriation</b>									
Vote 1 - Executive & Council	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Budget & Treasury	-	-	-	-	-	-	-	-	-
Vote 4 - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	6,633	818	-	491	520	540	(20)	-4%	840
Vote 6 - Technical Services	27,771	64,922	-	2,118	28,547	33,401	(4,854)	-15%	67,441
Vote 7 - Developmental Planning	-	1,100	-	-	1,075	526	549	104%	1,100
Vote 8 - Executive Support	-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>34,405</b>	<b>66,839</b>	<b>-</b>	<b>2,610</b>	<b>30,142</b>	<b>34,467</b>	<b>(4,325)</b>	<b>-13%</b>	<b>69,381</b>
<b>Total Capital Expenditure</b>	<b>72,706</b>	<b>98,041</b>	<b>-</b>	<b>2,731</b>	<b>39,856</b>	<b>49,498</b>	<b>(9,642)</b>	<b>-19%</b>	<b>98,041</b>

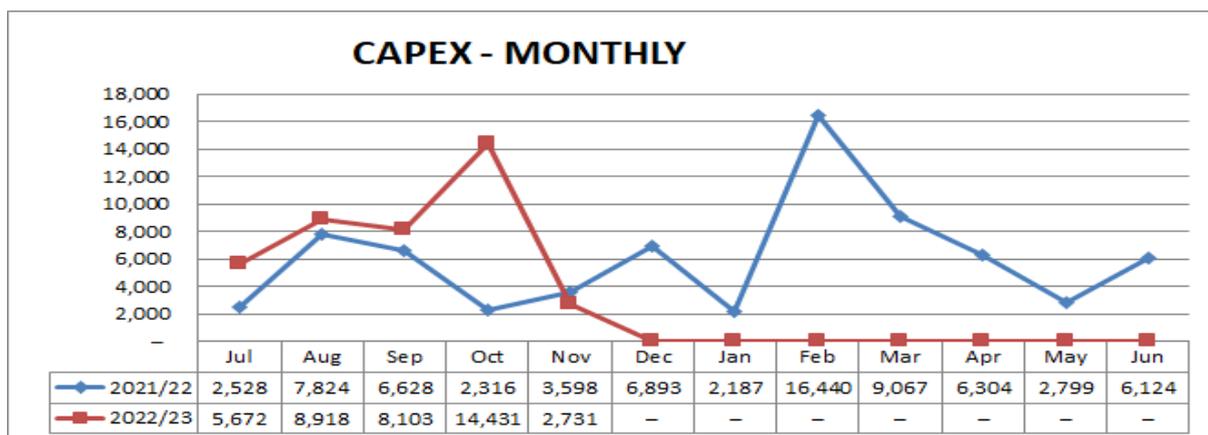
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. For the month of November 2022, R2, 731 million spending is incurred and the year to date expenditure amounts to R39 856 million whilst the year to date budget is R49 498 million and this gave rise to under spending variance of R9, 642 million that translates to 19%.

**Figure 1: Capital expenditure by source**



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R98, 041 million, R62, 606 million is funded from Municipal Infrastructure grant, R17, 000 million from Integrated National Electrification Programme and R18, 435 million from own revenue and the spending per source of finance is presented in the above graph.

**Figure 2: Monthly capital expenditure**



The above graph compares the 2021/22 and 2022/23 monthly capital expenditure performance.

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

Description	2021/22	Budget Year 2022/23			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	14,775	24,162		4,134	24,162
Call investment deposits	–	–		–	–
Consumer debtors	102,891	61,834		114,679	61,834
Other debtors	5,863	62,845		83,133	62,845
Current portion of long-term receivables	–	119			119
Inventory	9,855	10,005		24,691	10,005
<b>Total current assets</b>	<b>133,384</b>	<b>158,966</b>	<b>–</b>	<b>226,637</b>	<b>158,966</b>
<b>Non current assets</b>					
Long-term receivables	–	–		–	–
Investments	–	17,278		–	17,278
Investment property	93,880	48,547		96,399	48,547
Investments in Associate	–				
Property, plant and equipment	1,128,896	1,258,405		1,128,352	1,258,405
Biological	–	–		–	–
Intangible	23	331		14	331
Other non-current assets	463	463		1,928	463
<b>Total non current assets</b>	<b>1,223,261</b>	<b>1,325,025</b>	<b>–</b>	<b>1,226,693</b>	<b>1,325,025</b>
<b>TOTAL ASSETS</b>	<b>1,356,645</b>	<b>1,483,992</b>	<b>–</b>	<b>1,453,330</b>	<b>1,483,992</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–		–	–
Borrowing	1,022	7,459		4,224	7,459
Consumer deposits	5,622	5,700		5,391	5,700
Trade and other payables	83,990	101,172		139,717	101,172
Provisions	2,003	6,012		1,142	6,012
<b>Total current liabilities</b>	<b>92,636</b>	<b>120,343</b>	<b>–</b>	<b>150,474</b>	<b>120,343</b>
<b>Non current liabilities</b>					
Borrowing	–	17,458		14,616	17,458
Provisions	78,238	96,252		84,720	96,252
<b>Total non current liabilities</b>	<b>78,238</b>	<b>113,710</b>	<b>–</b>	<b>99,335</b>	<b>113,710</b>
<b>TOTAL LIABILITIES</b>	<b>170,874</b>	<b>234,053</b>	<b>–</b>	<b>249,809</b>	<b>234,053</b>
<b>NET ASSETS</b>	<b>1,185,771</b>	<b>1,249,938</b>	<b>–</b>	<b>1,203,521</b>	<b>1,249,938</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	1,175,771	1,230,938		1,184,449	1,230,938
Reserves	10,000	19,000		19,071	19,000
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>1,185,771</b>	<b>1,249,938</b>	<b>–</b>	<b>1,203,521</b>	<b>1,249,938</b>

The above table shows that community wealth amounts to R1,202 billion, total liabilities R249, million and the total assets R1, 453 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 1.5:1 that is not within the acceptable norm of 2:1. The municipality still needs to keep the current liabilities low and increase the current assets to strengthen the liquidity ratio.

**Table C7: Monthly Budget Statement Cash Flow**

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	28,584	40,092		2,916	15,550	16,012	(462)	-3%	40,092
Service charges	96,925	122,434		7,203	38,149	39,255	(1,106)	-3%	122,434
Other revenue	8,077	17,752		23,696	33,583	12,012	21,571	180%	17,752
Transfers and Subsidies - Operational	307,767	338,906		809	134,469	134,988	(519)	0%	338,906
Transfers and Subsidies - Capital	69,330	79,606		4,000	46,270	47,012	(742)	-2%	79,606
Interest	1,570	3,652		175	1,890	1,985	(94)	-5%	3,652
<b>Payments</b>									
Suppliers and employees	(437,783)	(508,739)		(32,828)	(231,416)	(230,125)	1,291	-1%	(508,739)
Finance charges	(1,300)	(2,185)		-	(137)	(140)	(2)	2%	(2,185)
Transfers and Grants	(232)	3,292		(93)	(423)	(432)	(10)	2%	3,292
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>72,937</b>	<b>94,811</b>	<b>-</b>	<b>5,878</b>	<b>37,935</b>	<b>20,567</b>	<b>(17,368)</b>	<b>-84%</b>	<b>94,811</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	1,778	5,544				421	(421)	-100%	5,544
Decrease (increase) in non-current receivables	-	-					-		-
Decrease (increase) in non-current investments	-	(1,776)				(1,780)	1,780	-100%	(1,776)
<b>Payments</b>									
Capital assets	(72,534)	(81,790)		(2,731)	(39,856)	(434,521)	(394,666)	91%	(81,790)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(70,756)</b>	<b>(78,022)</b>	<b>-</b>	<b>(2,731)</b>	<b>(39,856)</b>	<b>(435,880)</b>	<b>(396,024)</b>	<b>91%</b>	<b>(78,022)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans	-	-					-		-
Borrowing long term/refinancing	-	488				42	(42)	-100%	488
Increase (decrease) in consumer deposits	-						-		
<b>Payments</b>									
Repayment of borrowing	(2,441)	(7,459)		-	(542)	(552)	(10)	2%	(7,459)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(2,441)</b>	<b>(6,971)</b>	<b>-</b>	<b>-</b>	<b>(542)</b>	<b>(510)</b>	<b>32</b>	<b>-6%</b>	<b>(6,971)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>(261)</b>	<b>9,818</b>	<b>-</b>	<b>3,147</b>	<b>(2,463)</b>	<b>(415,823)</b>			<b>9,818</b>
Cash/cash equivalents at beginning:	6,858	14,245			6,597	14,245			6,597
Cash/cash equivalents at month/year end:	6,597	24,063			4,134	(401,578)			16,415

Table C7 presents details pertaining to cash flow performance. As at end of November 2022, the net cash inflow from operating activities is R37,935 million whilst net cash outflow from investing activities is R39,856 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 November 2022 amounted to R4, 134 million and the net effect of the above cash flows is cash inflow movement of R2, 463 million. The cash and cash equivalent at end of the reporting period of R4, 134 million, is mainly made up of cash in the primary bank account amounting to R4, 134 with a short term investment amounting to Nil at the end of November 2022.

## PART 2: SUPPORTING TABLES

Supporting Table: SC 1 Material Variance Explanations

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>			
Property rates	32%	The projected monthly revenue appear to be lower in light of the actual revenue performance	The municipality should sustain the revenue collection and reconsider the monthly proctions during the main budget adjustment.
Service charges - electricity revenue	-9%	The projected monthly revenue appear to be higher in light of the actual revenue performance	The municipality should encourages customers to pay their electricity bills when the due and come up with strategies to do away with illegal connections in the prepaid areas.
Service charges - refuse revenue	-9%	The actual revenue generated is lower than the projected monthly revenue	No remedial action is needed as the amount is immeterial.
Rental of facilities and equipment	-16%	The actual revenue generated is less than the projected monthly revenue and the majority of the rented assets are not at arm's length transactions	The municipality should look into the revenue generated on their rental of facilities to see if they generate cash as they are rented out
Interest earned - external investments	-46%	The municipality has invested in different short term portfolio investment.	The municipality shoud draft cash flow projections plan which will assist if there is a need to invest
Interest earned - outstanding debtors	-16%	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	-98%	The contract of the speed fine cameras has been appointed, however there still slow collection in terms of revenue collection.	The municipality shiould strategies on how to speed up the revenue collection under this item. There should be road blocks in the groblersdal entrences where cashiers are available to collection on outstanding traffic fines.
Licences and permits	22%	The actual revenue generated is more than the projected monthly revenue	No remedial action is needed since the collection is higher than the projections thereof and the variance is immeterial.
Transfers and subsidies	-8%	The equitable share trenches received is slightly higher than the projections thereof.	The budget unit should make use of the payment schedule during budget preparations.
Other revenue	259%	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	-14%	The actual expenditure incurred on employee related costs is less than the projections thereof	Majority of the positions are vacant hence the low spending of employee related costs, and this should be addressed once the vacant positions are filled.
Remuneration of councillors	0%	The actual expenditure incurred on remuneration of councillors is slightly more than the projected monthly expenditure	No remedial action is needed.
Debt impairment	-100%	Debt impairment is still calculated annually	The municipality shoud do away with this approach as it not viable
Depreciation & asset impairment	-100%	Depreciation is still calculated annually.	The municipality shoud do away with this approach as it not viable
Finance charges	-89%	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 submitt invoices before month end sytem closure.
Bulk purchases	-14%	The municipal licenced electrification areas have increased and the projections are more than the actual expenditure.	No remedial action is needed.
Other materials	29%	The projected expendire is less than the actual expenditure thereof.	No remedial action is needed as it shows improvements on spending on maintenance and repairs.
Contracted services	13%	The actual expenditure incurred is less than the projected monthly expenditure	Major contracts are overspending and the municipality should budget enough during the 2022-23 adjustment budget
Transfers and subsidies	-72%	The actual expenditure incurred is less than the projected monthly expenditure	No remedial action is needed
Other expenditure	8%	The actual expenditure incurred is slightly more than the projected monthly expenditure	No remedial action is needed

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

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure</b>			
National Government	-8%	The projections on capital grants is less 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	-68%	The actual spending on internally generated funds is less then the projections thereof.	No remedial action is needed since internally generated projects are discontinued.
<b>Cash Flow</b>			
Property rates	-3%	The actual collection rate on property rates is less than the projected rate	The municipality should keep on improving on the actual collection on residential and business areas and encourage customers to pay their accounts when they are due.
Service charges	-3%	The collection rate on service charges is less than the projected rate	The municipality should come up strategies of collection methods in licenced municipal areas on electricity billings and refuse removal.
Other revenue	180%	The collection rate on leased assets are slightly over projected	The municipality should come up with strategies to ensure that all leased municipal assets are rented out as projected
Government - operating	0%	The receipted trenches of operational grants are in line with the projections thereof.	The municipality should make use of DORA during the draft and final budget preparations.
Government - Capital	-2%	The receipted trenches of capital grants are in line with the projections thereof.	During the main budget preparation division of revenue act (DORA) should be used as a guideline.
Interest	-5%	Interest on other revenue is slightly over projected to the under collection from other debtors	No remedial action is needed
Suppliers and employees	-1%	The actual costs incurred is way higher than the projected costs and the variance is caused by overspending on contracted services, other materials and other expenditure.	The variance is caused by outstanding payment on Contracted services, Other materials and general expenses therefore the municipality should avoid closing the year end with outstanding creditors
Finance charges	2%	The finance charges have been over projected.	No remedial action is needed
Transfers and Grants	2%	The payments relating to this account are slightly lower than the projections thereof	No remedial action is needed
Capital assets	91%	The projected capital expenditure on capex is more than the actual spending thereof.	All the expected trenches of the grants have been received in line with their payment schedule
Increase (decrease) in consumer depts	-100%	The actual payments on consumer deposit is less than the projections thereof	No remedial action is needed
Repayment of borrowing	2%	The projections is not in line with the amortisation schedule	The municipality should make use of amortisation during budget preparations.

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

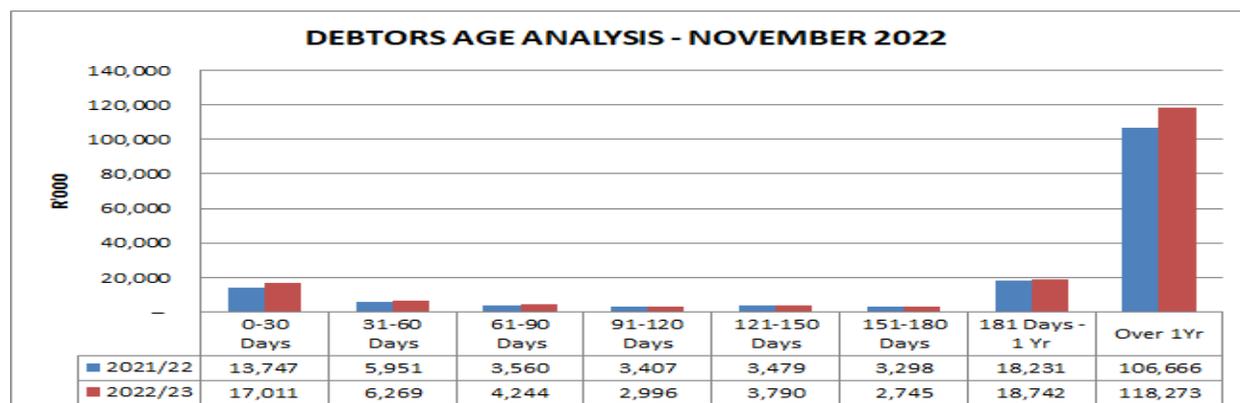
Description	Budget Year 2022/23											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Bad Debts Written Off	Impairment - Bad Debts
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Electricity	9,506	1,753	406	147	134	110	617	2,461	15,134	3,469	-	-
Receivables from Non-exchange Transactions - Property Rates	4,912	2,527	2,291	2,220	2,188	1,145	6,125	48,258	69,666	59,936	-	-
Receivables from Exchange Transactions - Waste Management	812	508	425	402	400	387	2,324	17,591	22,849	21,104	-	-
Receivables from Exchange Transactions - Property Rental Debtors	65	27	24	19	22	22	133	1,251	1,564	1,448	-	-
Interest on Arrear Debtor Accounts	1,181	1,146	1,114	1,083	1,055	1,672	9,212	44,936	61,399	57,958	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	536	307	(15)	(876)	(9)	(591)	331	3,775	3,459	2,631	-	-
<b>Total By Income Source</b>	<b>17,011</b>	<b>6,269</b>	<b>4,244</b>	<b>2,996</b>	<b>3,790</b>	<b>2,745</b>	<b>18,742</b>	<b>118,273</b>	<b>174,071</b>	<b>146,546</b>	<b>-</b>	<b>-</b>
<b>2019/20 - totals only</b>	<b>13,747</b>	<b>5,951</b>	<b>3,560</b>	<b>3,407</b>	<b>3,479</b>	<b>3,298</b>	<b>18,231</b>	<b>106,666</b>	<b>158,338</b>	<b>135,081</b>		
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	2,092	1,847	1,625	953	1,344	1,023	5,822	38,692	53,398	47,834	-	-
Commercial	9,968	1,666	608	125	504	(273)	1,484	7,931	22,013	9,771	-	-
Households	4,971	2,641	2,004	1,911	1,907	1,884	10,914	68,871	95,103	85,487	-	-
Other	(20)	115	7	8	35	111	522	2,779	3,557	3,455	-	-
<b>Total By Customer Group</b>	<b>17,011</b>	<b>6,269</b>	<b>4,244</b>	<b>2,996</b>	<b>3,790</b>	<b>2,745</b>	<b>18,742</b>	<b>118,273</b>	<b>174,071</b>	<b>146,546</b>	<b>-</b>	<b>-</b>

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of November amount to R174, 071 million. The debtors' book is made up as follows:

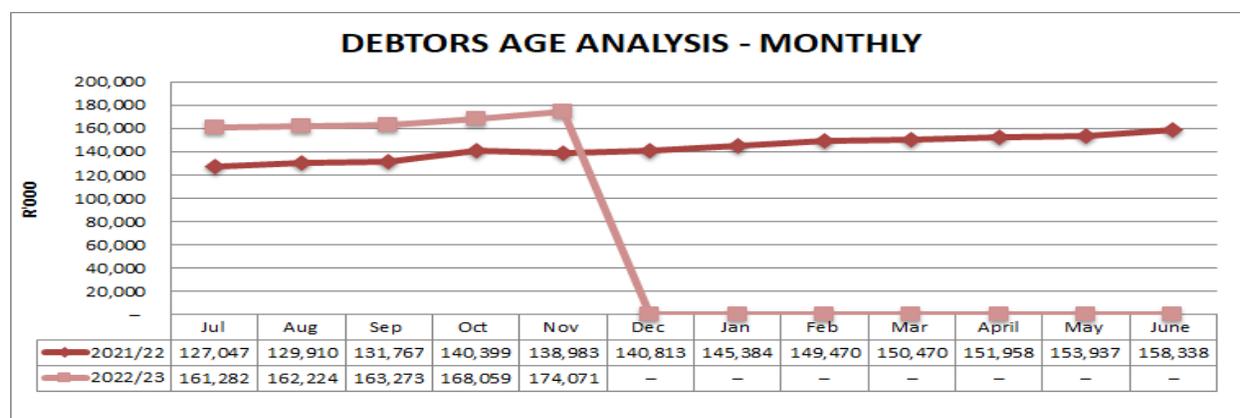
- Rates 40%
- Electricity 9%
- Rental 1%
- Refuse removal 13%
- Interest on Debtors 35%
- Other 2%

The debtors' age analysis is graphically presented below.

**Figure 3: Debtors age analysis**



**Figure 4: Monthly debtors book**



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

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

## TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	ACCOUNT STATUS	OCC/OWN	OUTSTANDING BALANCE
9005301	TWIN CITY TRADING PTY LTD 0000 PLUS 1 OTHER	ACTIVE	OWNER	1,458,496
9012345	BREED J & OOSTHUIZEN J F	ACTIVE	OCCUPIER	1,406,690
6000908	DEPARTMENT OF EDUCATION	ACTIVE	OCCUPIER	1,132,096
1501364	JAN JOUBERT TR (JO JO TANKS)	ACTIVE	OCCUPIER	935,307
800000478	DAYBREAK PROP 3 PTY LTD	ACTIVE	OWNER	529,886
9000808	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	526,713
9900067	WATER PURIFICATION PLANT (SDM)	ACTIVE	OCCUPIER	522,931
9000819	SUID-AFRIKAANSE ONTWIKKELINGST	ACTIVE	OWNER	501,480
2200702	NAMIB FAMILY TRUST	ACTIVE	OWNER	441,038
1200062	GREAT NORTH TRANSPORT	ACTIVE	OCCUPIER	437,003
9001763	TSHEHLA TRUST MAMAILE GEORGE	ACTIVE	OWNER	435,416
7000918	MATHEBULA JABULANI JACK TITUS	ACTIVE	OCCUPIER	434,655
9002065	GOVERNMENT OF KWANDEBELE	ACTIVE	OWNER	428,815
136	LIZINEX (PTY) LTD	ACTIVE	OWNER	400,900
9002503	GOUWS BOERDERY TRUST 1999/022459/07	ACTIVE	OWNER	373,749
9019006	TIGER STRIPES INVESTMENTS (PTY	ACTIVE	OWNER	360,637
9002541	NELSPRUIT DEVELOPMENT TRUST	ACTIVE	OWNER	349,456
9000240	NATIONAL GOVERNMENT OF THE REP	ACTIVE	OWNER	345,204
5000305	NKANGALA DISTRICT MUNICIPALITY	ACTIVE	OWNER	331,425
2200691	EHLERS JA	ACTIVE	OWNER	327,000
<b>TOTAL</b>				<b>13,924,313</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 R14, 385 million as outstanding creditors by the end of the month of November 2022.

CODE	CREDITOR NAME	AMOUNT
1	ESKOM	7,200,960
35514	SDVK CONSTRUCTION & PROJECTS	2,192,564
37771	MASHUMI CONSTRUCTION & SUPPLY	777,010
81178	MAXIMUM PROFIT RECOVERY	652,154
81002	SELEMA PLANT HIRE	484,000
81042	MATUPUNUKA ICT	402,645
7989	MUNSOFT (PTY) LTD	372,374
80573	IETS OF MACH	290,500
81041	LEKONAKONETSI CONSULTING SERVI	289,896
81225	LOSKOP ALARMS	268,575
35524	EMEDUVAC	231,041
41027	KDM TRAVEL EXPRESS	219,252
81035	SPECTRUM UTILITY MANAGEMENT	166,885
81147	DZANGI CONSULTING SERVICES	143,503
37581	PHELADI NOKO B1 FUNERAL	139,260
81168	LKCENRIX SOLUTIONS	138,000
41095	REAKGONA TRAVEL SERVICES	130,963
80951	SELAPE MAP TRADING AND PROJECT	110,976
81155	AMBITION PARTNERS CHARTERED	99,421
81038	LATERAL UNISON INSURANCE BROKE	75,187
<b>TOTAL</b>		<b>14,385,164</b>

## Supporting Table: SC 5 - Investment Portfolio

Name of institution	Period of Investment	Type of Investment	Interest Rate	Commissi on Paid	Expiry date	Opening balance	Interest Realised	Withdrawal	Investment Top Up	Closing Balance
STANDARD BANK 015 (038823527015)	1 Month	Current Investment	6.9%		24-Nov-24	-	27,217	- 8,527,217	8,500,000	-
<b>TOTAL INVESTMENTS AND INTEREST</b>						-		<b>- 8,527,217</b>	<b>8,500,000</b>	<b>-</b>

The Municipality's current investment portfolio during the month of November had an opening balance of Nil, investment top up amounted R8, 500 million in single portfolio investment, earned an interest of R27, 217 thousand, withdrew all R8, 527 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>307,637</b>	<b>338,906</b>	<b>-</b>	<b>809</b>	<b>134,469</b>	<b>143,652</b>	<b>(9,183)</b>	<b>-6%</b>	<b>338,906</b>
Local Government Equitable Share	302,788	334,260		-	130,361	139,546	(9,185)	-7%	334,260
Finance Management	2,650	2,850		-	2,850	2,850	-		2,850
EPWP Incentive	2,199	1,796		809	1,258	1,257	1	0%	1,796
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
LGSETA Learnership and Development							-		
<b>Total Operating Transfers and Grants</b>	<b>307,637</b>	<b>338,906</b>	<b>-</b>	<b>809</b>	<b>134,469</b>	<b>143,652</b>	<b>(9,183)</b>	<b>-6%</b>	<b>338,906</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	<b>74,315</b>	<b>79,606</b>	<b>-</b>	<b>-</b>	<b>46,270</b>	<b>59,977</b>	<b>(13,707)</b>	<b>-23%</b>	<b>79,606</b>
Municipal Infrastructure Grant (MIG)	57,924	62,606		-	37,270	45,989	(8,719)	-19%	62,606
Intergrated National Electrification Grant	16,391	17,000		-	9,000	13,988	(4,988)	-36%	17,000
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Coghsta - Development		-					-		-
<b>District Municipality:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
N/A							-		
<b>Total Capital Transfers and Grants</b>	<b>74,315</b>	<b>79,606</b>	<b>-</b>	<b>-</b>	<b>46,270</b>	<b>59,977</b>	<b>(13,707)</b>	<b>-23%</b>	<b>79,606</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>381,952</b>	<b>418,512</b>	<b>-</b>	<b>809</b>	<b>180,739</b>	<b>203,629</b>	<b>(22,890)</b>	<b>-11%</b>	<b>418,512</b>

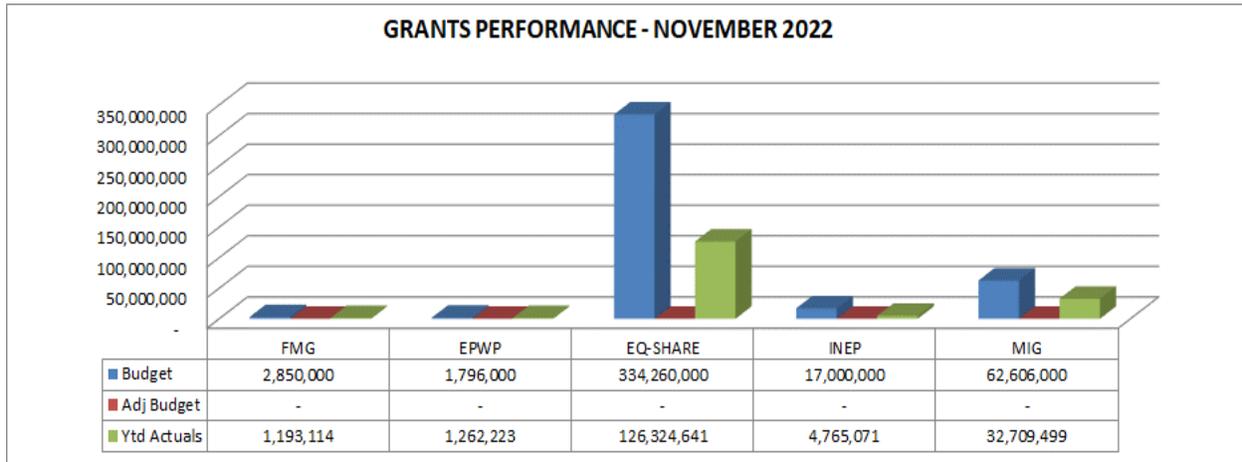
Supporting tables SC6 provides details of grants received. The year to date actual receipts amounts to R152,660 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R130, 361 million; Financial Management Grant amounting to R2,850 million; Municipal Infrastructure Grant amounting to R37, 270 million; Integrated National Energy Grant R9, 000 million and Expanded Public Works Programme R1, 258 million were received. Most of the first trench of the grants allocated for the current financial year, so far have been received in line with National Treasury payment schedule.

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>307,637</b>	<b>338,906</b>	<b>-</b>	<b>22,488</b>	<b>128,780</b>	<b>143,652</b>	<b>(14,873)</b>	<b>-10%</b>	<b>338,906</b>
Local Government Equitable Share	302,788	334,260		22,138	126,325	139,546	(13,221)	-9%	334,260
Finance Management	2,650	2,850		60	1,193	2,850	(1,657)	-58%	2,850
EPWP Incentive	2,199	1,796		290	1,262	1,257	5	0%	1,796
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
LGSETA Learnership and Development							-		
<b>Total operating expenditure of Transfers and Grants:</b>	<b>307,637</b>	<b>338,906</b>	<b>-</b>	<b>22,488</b>	<b>128,780</b>	<b>143,652</b>	<b>(14,873)</b>	<b>-10%</b>	<b>338,906</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	<b>79,332</b>	<b>79,606</b>	<b>-</b>	<b>5,181</b>	<b>37,475</b>	<b>59,977</b>	<b>(22,502)</b>	<b>-38%</b>	<b>79,606</b>
Municipal Infrastructure Grant (MIG)	57,984	62,606		5,181	32,709	45,989	(13,280)	-29%	62,606
Integrated National Electrification Grant	21,348	17,000		-	4,765	13,988	(9,223)	-66%	17,000
<b>Provincial Government:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
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 expenditure of Transfers and Grants</b>	<b>79,332</b>	<b>79,606</b>	<b>-</b>	<b>5,181</b>	<b>37,475</b>	<b>59,977</b>	<b>(22,502)</b>	<b>-38%</b>	<b>79,606</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>386,969</b>	<b>418,512</b>	<b>-</b>	<b>27,669</b>	<b>166,255</b>	<b>203,629</b>	<b>(37,375)</b>	<b>-18%</b>	<b>418,512</b>

An amount of R27, 669 million has been spent on grants during the month of November 2022 and the year to date actuals is R166, 255 million whilst the year to date budget amounts to R203, 629 million and this results in an under spending variance of R37 375 million that translates to 18%. Of the total spending amounting to R27, 669 million, R22, 488 million is spent on operational grants whilst capital grants spent R5, 181 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 November 2022. The grants expenditure are shown below in percentages:

- Financial Management Grant 41.86%
- Expanded Public Work Programme 70.28%
- Equitable Share 37.79%
- Integrated National Electrification Grant 28.03%
- Municipal Infrastructure Grant 52.25%

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

Summary of Employee and Councillor remuneration	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	14,470	14,476		1,223	6,442	6,031	411	7%	14,476
Pension and UIF Contributions	1,863	2,504		172	853	1,043	(190)	-18%	2,504
Medical Aid Contributions	194	89		7	37	37	-		89
Motor Vehicle Allowance	5,281	5,536		450	2,380	2,307	74	3%	5,536
Cellphone Allowance	2,738	2,753		207	874	1,147	(273)	-24%	2,753
Other benefits and allowances	238	223		19	113	93	20	21%	223
<b>Sub Total - Councillors</b>	<b>24,783</b>	<b>25,580</b>	<b>-</b>	<b>2,079</b>	<b>10,700</b>	<b>10,658</b>	<b>42</b>	<b>0%</b>	<b>25,580</b>
<b>% increase</b>		<b>3%</b>							<b>3%</b>
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	3,137	4,315		118	940	1,798	(857)	-48%	4,315
Pension and UIF Contributions	88	338		9	40	141	(101)	-72%	338
Medical Aid Contributions	80	1,464		10	39	610	(571)	-94%	1,464
Motor Vehicle Allowance	186	519		17	76	216	(140)	-65%	519
Cellphone Allowance	85	166		5	29	69	(40)	-58%	166
Other benefits and allowances	211	312		0	51	130	(79)	-60%	312
Payments in lieu of leave							-		
<b>Sub Total - Senior Managers of Municipality</b>	<b>3,787</b>	<b>7,112</b>	<b>-</b>	<b>159</b>	<b>1,175</b>	<b>2,963</b>	<b>(1,788)</b>	<b>-60%</b>	<b>7,112</b>
<b>% increase</b>		<b>88%</b>							<b>88%</b>
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	98,265	115,473		9,259	45,056	48,113	(3,057)	-6%	115,473
Pension and UIF Contributions	19,580	26,387		1,724	8,625	10,994	(2,369)	-22%	26,387
Medical Aid Contributions	5,442	5,593		473	2,373	2,330	42	2%	5,593
Overtime	1,053	1,163		27	192	485	(293)	-60%	1,163
Motor Vehicle Allowance	13,018	15,702		1,173	5,878	6,542	(664)	-10%	15,702
Cellphone Allowance	1,917	1,426		160	804	594	210	35%	1,426
Housing Allowances	220	230		21	104	96	8	9%	230
Other benefits and allowances	10,429	11,279		166	869	4,711	(3,842)	-82%	11,279
Payments in lieu of leave	624	442		111	751	184	567	308%	442
Long service awards	1,288	510		-	550	213	337	159%	510
Post-retirement benefit obligations	2,002	-		-	-	-	-		-
<b>Sub Total - Other Municipal Staff</b>	<b>153,838</b>	<b>178,204</b>	<b>-</b>	<b>13,116</b>	<b>65,201</b>	<b>74,263</b>	<b>(9,062)</b>	<b>-12%</b>	<b>178,204</b>
<b>% increase</b>		<b>16%</b>							<b>16%</b>
<b>Total Parent Municipality</b>	<b>182,408</b>	<b>210,897</b>	<b>-</b>	<b>15,353</b>	<b>77,076</b>	<b>87,885</b>	<b>(10,808)</b>	<b>-12%</b>	<b>210,897</b>
		<b>16%</b>							<b>16%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>182,408</b>	<b>210,897</b>	<b>-</b>	<b>15,353</b>	<b>77,076</b>	<b>87,885</b>	<b>(10,808)</b>	<b>-12%</b>	<b>210,897</b>
<b>% increase</b>		<b>16%</b>							<b>16%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>157,625</b>	<b>185,316</b>	<b>-</b>	<b>13,274</b>	<b>66,376</b>	<b>77,226</b>	<b>(10,850)</b>	<b>-14%</b>	<b>185,316</b>

Table SC8 provides details for Remuneration of Councilors and Employee related cost. The total salaries, allowances and benefits paid as at end of November 2022 amounts to 77,076 million and the year to date budget is R87,885 million and the expenditure for remuneration of councilors amounts to R10,700 million while the year to date budget is R10, 658 million. The year to date actual expenditure for senior managers is R1, 175 million and the year to date budget thereof is R2, 963 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 R65, 201 million and the year to date budget is R74, 263 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 Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
<b>Cash Receipts By Source</b>															
Property rates	2,878	4,492	2,679	2,585	2,916	3,341	3,341	3,341	3,341	3,341	3,341	4,496	40,092	41,856	43,740
Service charges - electricity revenue	8,018	7,087	7,464	6,636	6,815	9,569	9,569	9,569	9,569	9,569	9,569	21,393	114,826	119,873	125,264
Service charges - refuse	509	364	478	389	387	642	642	642	642	642	642	1,726	7,708	8,047	8,409
Rental of facilities and equipment	46	29	40	31	34	193	193	193	193	193	193	975	2,312		
Interest earned - external investments	71	157	324	127	27	32	21	32	32	32	32	(501)	389	3,669	3,675
Interest earned - outstanding debtors	213	537	128	159	148	598	654	686	689	754	422	1,525	6,512	7,551	8,541
Fines, penalties and forfeits	21	35	48	160	375	353	353	353	353	353	353	1,477	4,232	9,300	9,718
Licences and permits	500	612	576	578	481	526	526	526	526	526	526	412	6,315	6,593	6,890
Transfers and Subsidies - Operational	130,361	3,299	-	-	809	110,305		538	93,594			-	338,906	359,874	384,977
Other revenue	1,599	2,742	1,624	1,246	22,806	1,877	1,877	1,877	1,877	1,877	1,877	(18,753)	22,528	2,640	2,758
<b>Cash Receipts by Source</b>	<b>144,217</b>	<b>19,354</b>	<b>13,360</b>	<b>11,911</b>	<b>34,799</b>	<b>127,437</b>	<b>17,177</b>	<b>17,757</b>	<b>110,817</b>	<b>17,288</b>	<b>16,956</b>	<b>12,749</b>	<b>543,823</b>	<b>559,405</b>	<b>593,974</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations)	19,000	-	23,270		4,000	16,750		4,000	12,586		-	-	79,606	76,364	79,794
Borrowing long term/refinancing				-	-		-		-		-	-			
Increase (decrease) in consumer deposits												488	488	237	505
Decrease (increase) in non-current receivables												-			
Decrease (increase) in non-current investments												-			
<b>Total Cash Receipts by Source</b>	<b>163,217</b>	<b>19,354</b>	<b>36,630</b>	<b>11,911</b>	<b>38,799</b>	<b>144,187</b>	<b>17,177</b>	<b>21,757</b>	<b>123,403</b>	<b>17,288</b>	<b>16,956</b>	<b>13,238</b>	<b>623,917</b>	<b>636,006</b>	<b>674,273</b>
<b>Cash Payments by Type</b>															
Employee related costs	12,738	13,454	13,127	13,783	13,274	16,824	16,824	16,824	16,824	16,824	16,824	34,569	201,889	210,668	219,614
Remuneration of councillors	2,069	2,393	2,080	2,079	2,079	2,069	2,069	2,069	2,069	2,069	2,069	3,286	26,401	30,493	34,153
Interest paid	-	137	-	-	-	315	329	339	346	354	321	1,080	3,221	2,326	2,472
Bulk purchases - Electricity	83	10,506	11,386	8,400	7,014	9,137	9,137	9,137	9,137	9,137	9,137	17,431	109,638	114,462	119,613
Other materials	5,315	6,109	4,668	2,557	2,165	3,320	3,320	3,320	3,320	3,320	3,320	(892)	39,844	35,165	36,667
Contracted services	3,535	6,867	9,209	6,185	3,571	5,805	5,805	5,805	5,805	5,805	5,805	5,466	69,664	63,305	66,069
Grants and subsidies paid - other	136	61	75	57	93	274	274	274	274	274	274	1,224	3,292	3,436	3,588
General expenses	10,729	2,360	2,363	4,338	4,725	2,423	3,212	3,851	3,452	2,897	2,880	5,718	48,946	61,842	52,478
<b>Cash Payments by Type</b>	<b>34,604</b>	<b>41,887</b>	<b>42,908</b>	<b>37,399</b>	<b>32,920</b>	<b>40,167</b>	<b>40,970</b>	<b>41,620</b>	<b>41,228</b>	<b>40,681</b>	<b>40,631</b>	<b>67,881</b>	<b>502,897</b>	<b>521,699</b>	<b>534,655</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	5,672	8,918	8,103	14,431	2,731	6,667	6,667	6,667	6,667	6,667	6,667	147	80,005	81,383	90,922
Repayment of borrowing	-	542	-	-	-	1,875	1,986	2,140	2,425	2,642	2,861	10,445	24,917	25,723	26,588
Other Cash Flows/Payments	23,500	2,986	11,668	4,103	-		3,542		2,654		3,456	(12,054)	39,855	31,800	46,694
<b>Total Cash Payments by Type</b>	<b>63,776</b>	<b>54,333</b>	<b>62,679</b>	<b>55,934</b>	<b>35,652</b>	<b>48,709</b>	<b>53,165</b>	<b>50,427</b>	<b>52,975</b>	<b>49,990</b>	<b>53,615</b>	<b>66,419</b>	<b>647,674</b>	<b>660,605</b>	<b>698,859</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>99,441</b>	<b>(34,979)</b>	<b>(26,049)</b>	<b>(44,022)</b>	<b>3,147</b>	<b>95,478</b>	<b>(35,989)</b>	<b>(28,670)</b>	<b>70,428</b>	<b>(32,702)</b>	<b>(36,659)</b>	<b>(53,181)</b>	<b>(23,757)</b>	<b>(24,599)</b>	<b>(24,586)</b>
Cash/cash equivalents at the month/year beginning:	6,597	106,038	71,059	45,010	987	4,134	99,613	63,624	34,954	105,382	72,680	36,021	6,597	(17,160)	(41,759)
Cash/cash equivalents at the month/year end:	106,038	71,059	45,010	987	4,134	99,613	63,624	34,954	105,382	72,680	36,021	(17,160)	(17,160)	(41,759)	(66,345)

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly cash receipts reflect an amount of R38, 799 million and the total cash payment for the month were R35, 652 million and this resulted in net increase in cash held amounting to R3, 147 million. With cash and cash equivalent of R987 thousand at the beginning of the reporting period, the municipality closed off the month with cash and cash equivalent amounting of R4, 134 million. This is a supporting table for table C7 – Cash Flow Statement.

### Supporting Table: SC 12 Capital Expenditure Trend

Month	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
<b>Monthly expenditure performance trend</b>									
July	2,528	11,281		5,672	5,672	11,281	5,608	50%	6%
August	7,824	13,110		8,918	14,590	24,391	9,800	40%	15%
September	6,628	8,644		8,103	22,693	33,034	10,341	31%	23%
October	2,316	8,526		14,431	37,124	41,561	4,436	11%	38%
November	3,598	7,411		2,731	39,856	48,972	9,116	19%	41%
December	6,893	11,299				60,271	–		
January	2,187	3,718				63,989	–		
February	16,440	10,392				74,381	–		
March	9,067	7,436				81,817	–		
April	6,304	8,496				90,314	–		
May	2,799	2,619				92,932	–		
June	6,124	5,109				98,041	–		
<b>Total Capital expenditure</b>	<b>72,706</b>	<b>98,041</b>	<b>–</b>	<b>39,856</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 November amounts to R2, 731 million. The year to date actual expenditure incurred is R39, 856 million whilst the year to date budget is R48, 972 million that gives rise to under spending variance of R9, 116 million that translate to 19%.

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on new assets by Asset Class</b>									
<b>Infrastructure</b>	13,378	18,500	-	387	4,333	8,062	3,729	46%	18,500
<b>Roads Infrastructure</b>	-	-	-	-	-	-	-		-
Roads		-	-	-	-	-	-		-
Road Structures							-		
Road Furniture							-		
Attenuation							-		
<b>Electrical Infrastructure</b>	13,378	17,250	-	97	4,014	7,562	3,548	47%	17,250
MV Substations		50				45	45	100%	50
MV Networks	14,210	17,000		-	3,918	7,317	3,399	46%	17,000
LV Networks	(832)						-		
Capital Spares		200		97	97	200	103	52%	200
<b>Solid Waste Infrastructure</b>	-	1,250	-	291	319	500	181	36%	1,250
Landfill Sites							-		
Waste Transfer Stations							-		
Capital Spares		1,250	-	291	319	500	181	36%	1,250
<b>Community Assets</b>	-	418	-	201	201	300	99	33%	418
Community Facilities	-	418	-	201	201	300	99	33%	418
Libraries							-		
Cemeteries/Crematoria							-		
Capital Spares		418		201	201	300	99	33%	418
<b>Other assets</b>	-	458	-	-	454	145	(309)	-213%	458
Municipal Offices	-						-		
Stores		458		-	454	145	(309)	-213%	458
<b>Intangible Assets</b>	-	300	-	-	-	200	200	100%	300
Servitudes							-		
Licences and Rights	-	300	-	-	-	200	200	100%	300
Unspecified		300				200	200	100%	300
<b>Computer Equipment</b>	866	700	-	(4)	263	399	136	34%	700
Computer Equipment	866	700		(4)	263	399	136	34%	700
<b>Furniture and Office Equipment</b>	-	500	-	-	149	253	104	41%	500
Furniture and Office Equipment		500		-	149	253	104	41%	500
<b>Machinery and Equipment</b>	291	1,610	-	-	379	1,030	651	63%	1,610
Machinery and Equipment	291	1,610		-	379	1,030	651	63%	1,610
<b>Transport Assets</b>	1,079	-	-	-	-	-	-		-
Transport Assets	1,079						-		
<b>Total Capital Expenditure on new assets</b>	15,615	22,485	-	584	5,779	10,389	4,610	44%	22,485

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on renewal of existing assets by Asset Class</b>									
<b>Infrastructure</b>	34,499	32,631	-	-	14,340	13,344	(996)	-7%	32,631
Roads Infrastructure	34,499	28,631	-	-	10,364	11,344	979	9%	28,631
Roads	34,499	28,331		-	10,364	11,144	779	7%	28,331
Road Structures							-		
Road Furniture		300		-	-	200	200	100%	300
Attenuation							-		
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
LV Networks		-					-		
<b>Solid Waste Infrastructure</b>	-	4,000	-	-	3,975	2,000	(1,975)	-99%	4,000
Landfill Sites		4,000		-	3,975	2,000	(1,975)	-99%	4,000
Waste Transfer Stations							-		
<b>Community Assets</b>	-	1,000	-	-	-	417	417	100%	1,000
Cemeteries/Crematoria		1,000		-	-	417	417	100%	1,000
Police							-		
Public Open Space							-		
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	-	-	-	-	-	-	-		-
Operational Buildings	-	-	-	-	-	-	-		-
Municipal Offices							-		
Workshops							-		
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Computer Software and Applications							-		
Load Settlement Software Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on renewal of existing assets</b>	34,499	33,631	-	-	14,340	13,761	(579)	-4.2%	33,631

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Repairs and maintenance expenditure by Asset Class</b>									
<b>Infrastructure</b>	33,280	24,997	-	1,334	14,444	15,505	1,061	7%	24,753
<b>Roads Infrastructure</b>	13,895	14,217	-	537	10,801	11,452	651	6%	14,217
Roads	13,895	14,217	-	537	10,801	11,452	651	6%	14,217
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
<b>Electrical Infrastructure</b>	12,201	9,058	-	797	2,679	3,073	394	13%	9,536
HV Substations							-		
MV Networks	12,201	9,058	-	797	2,679	3,073	394	13%	9,536
LV Networks							-		
<b>Solid Waste Infrastructure</b>	7,184	1,722	-	-	963	980	17	2%	1,000
Landfill Sites	7,184	1,722	-	-	963	980	17	2%	1,000
Waste Transfer Stations							-		
<b>Community Assets</b>	166	594	-	51	369	389	21	5%	594
Community Facilities	166	594	-	51	369	389	21	5%	594
Libraries							-		
Cemeteries/Crematoria							-		
Parks	166	594	-	51	369	389	21	5%	594
<b>Sport and Recreation Facilities</b>	-	-	-	-	-	-	-		-
Indoor Facilities							-		
Outdoor Facilities							-		
<b>Other assets</b>	541	2,345	-	61	994	1,546	552	36%	2,645
Municipal Offices	541	2,345	-	61	994	1,546	552	36%	2,645
Stores							-		
<b>Intangible Assets</b>	44	200	-	-	-	99	99	100%	200
Servitudes							-		
Computer Software and Applications	44	200	-	-	-	99	99	100%	200
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	3,388	6,556	-	683	3,273	3,646	373	10%	6,445
Machinery and Equipment	3,388	6,556	-	683	3,273	3,646	373	10%	6,445
<b>Transport Assets</b>	3,268	3,794	-	338	2,419	2,342	(76)	-3%	3,904
Transport Assets	3,268	3,794	-	338	2,419	2,342	(76)	-3%	3,904
<b>Total Repairs and Maintenance Expenditure</b>	<b>40,687</b>	<b>38,487</b>	<b>-</b>	<b>2,467</b>	<b>21,499</b>	<b>23,528</b>	<b>2,029</b>	<b>8.6%</b>	<b>38,542</b>

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

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

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

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
<b>Capital expenditure on upgrading of existing assets by Asset Class</b>									
<b>Infrastructure</b>	22,060	39,525	-	2,118	18,633	24,522	5,889	24%	39,525
<b>Roads Infrastructure</b>	15,925	39,525	-	2,118	18,633	24,522	5,889	24%	39,525
Roads	15,925	39,525		2,118	18,633	24,522	5,889	24%	39,525
Road Structures							-		
Road Furniture							-		
Storm water Infrastructure	-	-	-	-	-	-	-		-
Drainage Collection							-		
<b>Electrical Infrastructure</b>	-	-	-	-	-	-	-		-
HV Substations							-		
HV Switching Station							-		
MV Networks							-		
LV Networks							-		
<b>Solid Waste Infrastructure</b>	6,135	-	-	-	-	-	-		-
Landfill Sites	6,135		-	-	-	-	-		-
<b>Community Assets</b>	498	1,300	-	29	29	300	271	90%	1,300
Libraries							-		
Cemeteries/Crematoria	498						-		
Police							-		
Parks		1,300		29	29	300	271	90%	1,300
<b>Other assets</b>	33	1,100	-	-	1,075	526	(549)	(0)	1,100
Municipal Offices	33						-		
Workshops							-		
Yards		1,100		-	1,075	526	(549)	-104%	1,100
<b>Intangible Assets</b>	-	-	-	-	-	-	-		-
Servitudes							-		
Solid Waste Licenses							-		
Computer Software and Applications							-		
<b>Computer Equipment</b>	-	-	-	-	-	-	-		-
Computer Equipment							-		
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-		-
Furniture and Office Equipment							-		
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-		-
Machinery and Equipment							-		
<b>Transport Assets</b>	-	-	-	-	-	-	-		-
Transport Assets							-		
<b>Total Capital Expenditure on upgrading of existing assets</b>	22,592	41,925	-	2,147	19,737	25,348	5,612	22%	41,925

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

The total expenditure for new capital projects amounts to R5, 779 and the year to date budget is R10, 389 million that reflects over spending variance of R4, 610 million that translates to 44% variance.

The year to date actuals on renewal of existing assets amounts R14, 340 million and with the year to date budget of R13, 761 million and this reflects over spending variance of R579 thousand that translates to 4.2% variance.

The year to date actual expenditure on repairs and maintenance is R21, 499 million, and the year to date budget is R23, 528 million, reflecting under spending variance of R2, 029 million that translates to 8.6%.

The year to date actual expenditure on upgrading of existing assets is R19, 737 million and the year to date budget is R25, 348 million, reflecting over spending variance of R5, 612 million that translates to 22%.

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
<b>Parent municipality:</b>								
Community Services	No Illegal Dumping Boards	Single	Solid Waste Infrastructure	Capital Spares	100,000	-	28,500	29%
	Street litter Bibs	Multi	Solid Waste Infrastructure	Capital Spares	850,000	-	-	0%
	Fencing of Elandsdoorn/Ntwane Cemetery	Multi	Community Assets	Cemeteries/Crematoria	1,000,000	-	-	0%
	Upgrading and Development of Parks	Multi	Community Assets	Parks	1,300,000	-	28,800	2%
	6.4 Disaster Management Centre & Emergency Relief Store room	Multi	Operational Buildings	Stores	457,500	-	454,230	99%
	500 Twenty skip bins 500	Single	Solid Waste Infrastructure	Capital Spares	300,000	-	290,500	97%
	Machinery and Equipment	Multi	Machinery and Equipment	Machinery and Equipment	380,000	-	-	0%
	Trailer	Multi	Machinery and Equipment	Machinery and Equipment	380,000	-	-	0%
	Vehicles	Single	Community Assets	Capital Spares	417,500	-	200,905	48%
Corporate Services	Computer Equipment	Multi	Computer Equipment	Computer Equipment	700,000	-	262,550	38%
	Furniture and Office Equipment	Multi	Equipment	Equipment	500,000	-	149,465	30%
	Record Management System	Multi	Intangible Assets	Unspecified	300,000	-	-	0%
Economic Development Planning	Razor Fencing of Portion 39 of Farm Klipbank 26 JS (Game Farm)	Single	Other assets	Yards	1,100,000	-	1,075,000	98%
Technical Services	Culverts and Road signs 600	Multi	Roads Infrastructure	Road Furniture	300,000	-	-	0%
	Motetema Streets Upgrade	Multi	Roads Infrastructure	Roads	3,500,000	-	-	0%
	Upgrading of Blooport and Uitspanning Access Road	Single	Roads Infrastructure	Roads	24,830,820	-	10,364,346	42%
	Groblersdal Landfill site 6.6	Multi	Solid Waste Infrastructure	Landfill Sites	4,000,000	-	3,975,492	99%
	Upgrading of Stompo Bus Road	Multi	Roads Infrastructure	Roads	800,000	-	-	0%
	Upgrading Maraganeng Access Road 600	Multi	Roads Infrastructure	Roads	900,000	-	-	0%
	Upgrading of Hlogotlou-Bopanang Road	Multi	Roads Infrastructure	Roads	800,000	-	-	0%
	Upgrading of Kgobokwane-Kgaphamadi Road	Multi	Roads Infrastructure	Roads	800,000	-	-	0%
	Upgrading of Malaeneng A Ntwane Access Road	Multi	Roads Infrastructure	Roads	900,000	-	-	0%
	Upgrading of Masoing Bus route	Multi	Roads Infrastructure	Roads	850,000	-	-	0%
	Upgrading of Mokumong access road to Marateng taxi rank (MIG)	Multi	Roads Infrastructure	Roads	700,000	-	-	0%
	Upgrading of Dipakapakeng	Multi	Roads Infrastructure	Roads	2,169,180	-	1,111,481	51%
	Upgrading of Nyakoroane Internal Access Road	Multi	Roads Infrastructure	Roads	4,604,885	-	-	0%
	Upgrading of Tafelkop stadium Access Road	Single	Roads Infrastructure	Roads	27,001,116	-	17,521,570	65%
	Electrification of Makaepa	Single	Electrical Infrastructure	MV Networks	3,240,000	-	289,557	9%
	Electrification of Masakaneng	Multi	Electrical Infrastructure	MV Networks	3,960,000	-	3,256,966	82%
	Electrification of Nyakelang Extension	Single	Electrical Infrastructure	MV Networks	3,800,000	-	217,896	6%
	Electrification of Phomola	Single	Electrical Infrastructure	MV Networks	2,000,000	-	153,400	8%
	Electrification of Phooko	Single	Electrical Infrastructure	MV Networks	4,000,000	-	-	0%
	Main substation	Single	Electrical Infrastructure	MV Substations	50,000	-	-	0%
	Aircons	Multi	Electrical Infrastructure	Capital Spares	200,000	-	96,501	48%
	Machinery and Equipment	Multi	Machinery and Equipment	Machinery and Equipment	850,000	-	378,547	45%

## Quality certificate

I, **MESHACK MAHLAGAUME KGWALE**, the Municipal Manager of **ELIAS MOTSOLEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of 30 November 2022 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM472)

Signature

Date

  
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19/12/2022  
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