

Date: 2022/09/13

1

TO:

Author of the item: LESISO MOLOKE

Attached hereto an item for you to consider in terms of the Delegation of Powers and Functions, delegated power serial number

HEAD OF DIVISION: <u>H.S. ROSSOUX</u>
SIGNED: <u>[Signature]</u>
DATE: <u>2022/09/13</u>

Received by Deputy Director: Administration

Date and Time: 14/9/2022

Signature: [Signature]

<u>[Signature]</u> Director: Corporate Support	<u>14/09/2022</u> Date	COMMENTS:
<u>[Signature]</u> Chief Financial Officer	<u>13/09/2022</u> Date	COMMENTS:
Director: Planning & Human Settlements	Date	COMMENTS:
Director: Technical and Infrastructure	Date	COMMENTS:
Director: Community Development	Date	COMMENTS:
Director: Public Safety	Date	COMMENTS:
Director: Local Economic Development	Date	COMMENTS:

2 MUNICIPAL MANAGER

SIGNATURE [Signature] DATE 16/09/2022

Items will not be considered by the Municipal Manager unless the following signatures are reflecting: Director of Relevant department, Chief Financial Officer and Director: Corporate Services

CITY OF
MATLOSANA
2022-09-16
RECEIVED BY
MUNICIPAL MANAGER

MONTHLY BUDGET STATEMENT FOR THE MONTH ENDED ON 31 AUGUST 2022

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PART 1: IN-YEAR REPORT

1. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL PERFORMANCE OF THE MUNICIPALITY FOR THE PERIOD ENDED ON 31 AUGUST 2022

1.1 Performance summary

Table 1: Performance summary

Summary statement of Financial Performance				
Description	YTD Budget 2022/23	AUGUST 2022/23 Actual	YTD Actual 2022/23	Variance Favourable (Unfavourable)
Total Revenue by Source	698,295,174	479,286,037	788,332,223	90,037,049
Total Operating Expenditure	709,256,597	103,204,020	221,532,621	(487,723,976)
SURPLUS/ (DEFICIT).	(10,961,423)	376,082,017	566,799,602	(577,761,025)

This is the second report for the 2022/2023 financial year that leads to expenditure of 31.23% against the year to date budget. The detailed reasons for the variances are outlined on table 18.

Cash management

Bank Balances	R 3,856,906
Call Investments	R 207,406,677
Cash and Cash Investments	R 211,263,583

Investment Portfolio: 31 August 2022 City of Matlosana

INSTITUTION	INTEREST RATE	AUGUST 2022	EXPLANATION
Call Investment			
ABSA: 3854	3,73%	7 178 080,31	WSIG
ABSA: 5047	4,70%	9 117 831,69	INEP
ABSA: 6177	6,75%	50 202 655,15	MIG
ABSA: 2264	4,70%	30 001 000,49	own
ABSA: 4682	6,65%	51 358 369,22	NDPG
ABSA: 4063	1,55%	1 761 695,92	EEDSM
ABSA: 1223	6,75%	632 646,39	HSDG
INVESTEC	3,30%	7 275 249,37	
FNB		25 708 460,47	COVID
NEDBANK	5,40%	18 364 112,60	HSDG
NEDBANK	5,40%	5 806 575,05	HSDG
TOTAL Call Investment		207 406 676,66	

Note: The R170.1 million Call investment is ring-fenced for Conditional Grants

Collection Rate & Outstanding Debtors

Total Outstanding Debtors	R 6,998,316,867
Debtors: Government	R 133,294,912
Debtors: Business	R 648,179,516
Debtors: Household	R 6,216,842,439

Note: The detailed Debtors Age analysis is outlined on Table 12. The YTD collection rate as at 31 August 2022 is 50.92%.

Creditors

Total Outstanding Creditors	R 2,545,991,364
ESKOM	R 1,370,079,547
Midvaal	R 1,073,774,866
Trade Creditors	R 101,526,383
Auditor General	R 610,568

Note: The detailed Creditors Age analysis is outlined on Table 13

Capital grant expenditure

	BUDGET 2022/23	August Expenditure Incl VAT 2022/23	YTD ACTUALS Incl VAT	YTD % Incl VAT
CAPITAL GRANT EXPENDITURE				
MIG	95 177 651	7 758 216	9 559 785	10,04
NDPG	30 000 000		-	-
DME/INER	29 064 000	1 222 143	1 222 143	4,21
WSIG	15 676 000		-	-
TOTAL	169 917 651	8 980 359	10 781 928	6,35

Capital grants expenditure is at 6.35% as at 31 August 2022.

2. IN – YEAR BUDGET STATEMENT MAIN TABLE

2.1 Monthly budget statement summary. The table below provides a high-level summary of the Municipal's financial performance, capital expenditure, financial position, cash flow, debtors and creditors analysis

Table 2 C1: Monthly Budget Statement Summary

NW403 City Of Matlosana - Table C1 Monthly Budget Statement Summary - M02 August

Description	2021/22	Current Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Properly rates	451 441	507 345	507 345	37 139	121 836	84 558	37 278	44%	507 345
Service charges	1 901 216	2 308 170	2 308 170	177 909	350 503	384 695	(34 192)	-9%	2 308 170
Investment revenue	10 685	9 270	9 270	879	882	1 545	(663)	-43%	9 270
Transfers and subsidies	511 231	561 824	561 824	212 667	212 667	93 637	119 030	127%	561 824
Other own revenue	821 241	633 244	633 244	50 692	102 444	105 541	(3 096)	-3%	633 244
Total Revenue (excluding capital transfers and contributions)	3 695 815	4 019 854	4 019 854	479 286	788 332	669 976	118 357	18%	4 019 854
Employee costs	686 188	744 037	744 037	56 603	113 755	124 007	(10 252)	-8%	744 037
Remuneration of Councillors	34 189	39 456	39 456	2 965	5 930	6 576	(646)	-10%	39 456
Depreciation & asset impairment	383 480	440 000	440 000	-	-	73 333	(73 333)	-100%	440 000
Finance charges	117 080	10 123	10 123	113	229	1 687	(1 459)	-86%	10 123
Inventory consumed and bulk purchases	1 375 438	1 259 046	1 573 049	17 068	28 616	262 175	(233 559)	-89%	1 573 049
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	1 848 597	1 448 865	1 448 865	26 456	73 004	241 478	(168 474)	-70%	1 448 865
Total Expenditure	4 444 972	3 941 828	4 255 531	103 204	221 533	709 257	(487 724)	-69%	4 255 531
Surplus/(Deficit)	(749 157)	78 326	(235 677)	376 082	566 800	(39 281)	606 081	-1543%	(235 677)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	156 811	169 918	169 918	-	-	28 320	(28 320)	-100%	169 918
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions,	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(592 346)	248 244	(65 759)	376 082	566 800	(10 961)	577 761	-5271%	(65 759)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(592 346)	248 244	(65 759)	376 082	566 800	(10 961)	577 761	-5271%	(65 759)
Capital expenditure & funds sources									
Capital expenditure	152 541	217 038	217 038	7 809	9 309	36 173	(26 864)	-74%	217 038
Capital transfers recognised	145 097	169 918	169 918	7 809	9 376	28 320	(18 944)	-67%	169 918
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	7 444	47 120	47 120	-	(67)	7 853	(7 920)	-101%	47 120
Total sources of capital funds	152 541	217 038	217 038	7 809	9 309	36 173	(26 864)	-74%	217 038
Financial position									
Total current assets	1 765 807	1 328 063	1 328 063	-	2 522 346	-	-	-	1 328 063
Total non current assets	5 565 160	5 066 938	5 066 938	-	5 574 469	-	-	-	5 066 938
Total current liabilities	4 036 245	1 831 731	2 145 734	-	4 236 474	-	-	-	2 145 734
Total non current liabilities	42 018	81 274	81 274	-	40 837	-	-	-	81 274
Community wealth/Equity	4 841 579	4 233 752	4 233 752	-	3 821 684	-	-	-	4 233 752
Cash flows									
Net cash from (used) operating	2 152 122	59 754	59 754	634 214	794 192	9 958	(784 234)	-7875%	59 754
Net cash from (used) investing	(152 541)	(217 005)	(217 038)	(7 809)	(9 309)	(36 167)	(26 859)	74%	(217 005)
Net cash from (used) financing	-	1 500	-	-	-	250	250	100%	1 500
Cash/cash equivalents at the month/year end	1 804 180	155 104	153 572	-	1 108 919	284 896	(824 023)	-289%	168 285
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	278 979	267 470	159 671	6 292 197	-	-	-	-	6 998 317
Creditors Age Analysis									
Total Creditors	256 340	316 797	48 399	1 924 456	-	-	-	-	2 545 991

2.2 Monthly Budget Statement – Financial Performance (Revenue by source)

Actual operating revenue per source

The actual operating revenue per revenue source is set out in Table 3 below. From table 1 it is clear that actual operating revenue amounts to (R 788,332,223) and compares favourably with the pro rata budgeted figure of (R 698,295,174) a positive variance of R 90,037,049 at the end of August 2022.

TABLE 3: ACTUAL REVENUE PER SOURCE FOR AUGUST 2022

NW403 City Of Matlosana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	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
R thousands										
Revenue By Source										
Property rates		451 441	507 345	507 345	37 139	121 836	84 558	37 278	44%	507 345
Service charges - electricity revenue		957 447	1 127 210	1 127 210	90 407	174 869	187 868	(12 999)	-7%	1 127 210
Service charges - water revenue		650 602	783 676	783 676	57 853	116 407	130 613	(14 205)	-11%	783 676
Service charges - sanitation revenue		125 356	173 864	173 864	12 431	24 836	28 977	(4 141)	-14%	173 864
Service charges - refuse revenue		167 812	223 421	223 421	17 218	34 391	37 237	(2 846)	-8%	223 421
Rental of facilities and equipment		251 709	8 105	8 105	415	1 294	1 351	(57)	-4%	8 105
Interest earned - external investments		10 685	9 270	9 270	879	882	1 545	(663)	-43%	9 270
Interest earned - outstanding debtors		504 706	513 875	513 875	47 433	94 419	85 646	8 773	10%	513 875
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		7 356	4 523	4 523	211	394	754	(360)	-48%	4 523
Licences and permits		8 023	10 384	10 384	536	1 256	1 731	(475)	-27%	10 384
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		511 231	561 824	561 824	212 667	212 667	93 637	119 030	127%	561 824
Other revenue		48 745	96 358	96 358	2 097	5 080	16 060	(10 980)	-68%	96 358
Gains		701	-	-	-	3	-	3	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		3 695 815	4 019 854	4 019 854	479 286	788 332	669 976	118 357	18%	4 019 854
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		156 811	169 918	169 918	-	-	28 320	(28 320)	(0)	169 918
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-

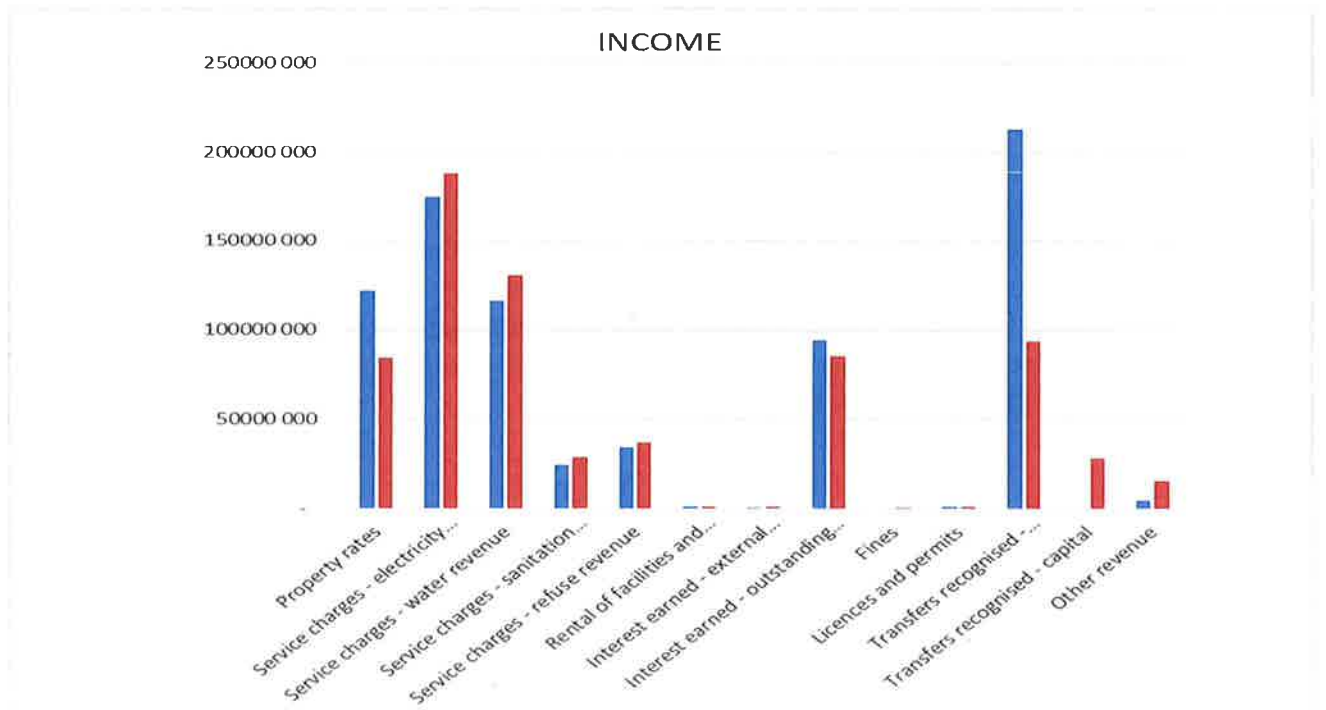
The YTD variance on revenue is mainly due to the following items:

- **Property Rates 44% more:** Property rates have realised more revenue due to the rates that have been raised for the full year in respect to Government Departments and the Farms who pay their accounts annually. The amount is raised in full in July as opposed to monthly instalments. The variance is expected to stabilise as the year progresses.
- **Service charges - Water revenue 11% less:** Water is slightly lower than budgeted due to the estimated readings caused by lack of access to some premises, the consumers are now bringing the correct readings.
- **Service charges – Sanitation revenue 10% less:** Revenue was less than projected
- **Service charges – Refuse revenue 14% less:** Revenue was less than projected
- **Interest earned – external investment 43% less:** Most of the interest earned is realised at the end of financial year.
- **Transfers and subsidies 127% more:** All Grants received were in line with the approved schedule from National Treasury in terms of the Division of Revenue Act.
- **License and Permits 27% less:** Under collection can be attributed to the fact that vehicle licences can be renewed at the Post Office. Members of the public generally go to the closest convenient point in order to pay which may not always be City of Matlosana.
- **Fines, penalties & forfeits 48% less:** The budgeted amount consists of numerous items (e.g. traffic fines, court fines, illegal connection, etc.) in this instance under performance was mostly on non-collection of traffic fines which is due to lack of tools of trade (vehicles), shortage of staff and vacant positions that are not filled to date and also non-performance of appointed Back Office Service Provider.

TABLE 4: ACTUAL REVENUE PER DEPARTMENT FOR AUGUST 2022

NW403 City Of Matlosana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

Description	Ref	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
R thousands										
Revenue - Functional										
<i>Governance and administration</i>		1 103 392	1 220 631	1 220 631	264 714	363 557	203 438	160 119	79%	1 220 631
Executive and council		952	2 829	2 829	210	412	471	(59)	-13%	2 829
Finance and administration		1 102 440	1 217 802	1 217 802	264 504	363 145	202 967	160 178	79%	1 217 802
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		325 340	99 627	99 627	2 527	4 643	16 604	(11 961)	-72%	99 627
Community and social services		263 727	4 350	4 350	178	382	725	(343)	-47%	4 350
Sport and recreation		29 670	14 872	14 872	8	8	2 479	(2 471)	-100%	14 872
Public safety		28 136	33 404	33 404	2 155	3 226	5 567	(2 341)	-42%	33 404
Housing		3 808	47 000	47 000	186	1 028	7 833	(6 806)	-87%	47 000
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		70 959	57 038	57 038	397	798	9 506	(8 709)	-92%	57 038
Planning and development		9 993	10 763	10 763	380	767	1 794	(1 027)	-57%	10 763
Road transport		60 814	46 065	46 065	14	14	7 677	(7 664)	-100%	46 065
Environmental protection		152	210	210	3	17	35	(18)	-51%	210
<i>Trading services</i>		2 316 072	2 785 219	2 785 219	211 648	417 567	464 203	(46 636)	-10%	2 785 219
Energy sources		1 017 620	1 209 703	1 209 703	94 817	183 662	201 617	(17 955)	-9%	1 209 703
Water management		879 796	1 018 229	1 018 229	76 850	154 153	169 705	(15 551)	-9%	1 018 229
Waste water management		143 840	207 797	207 797	12 731	25 437	34 633	(9 196)	-27%	207 797
Waste management		274 817	349 489	349 489	27 250	54 316	58 248	(3 933)	-7%	349 489
<i>Other</i>	4	36 863	27 258	27 258	-	1 767	4 543	(2 776)	-61%	27 258
Total Revenue - Functional	2	3 852 626	4 189 772	4 189 772	479 286	788 332	698 295	90 037	13%	4 189 772



2.3 Monthly Budget Statement – Financial Performance (Expenditure per category)

Actual operating expenditure per category

The actual operating expenditure per vote is set out in Table 5 below. Total actual operating expenditure of R 221,532,621 compares unfavourably with the pro rata budgeted expenditure of R 709,256,597 a variance of R 487,723,976

TABLE 5: ACTUAL OPERATIONAL EXPENDITURE PER CATEGORY FOR AUGUST 2022

NW403 City Of Matlosana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	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
R thousands										
Expenditure By Type										
Employee related costs		686 188	744 037	744 037	56 603	113 755	124 007	(10 252)	-8%	744 037
Remuneration of councillors		34 189	39 456	39 456	2 965	5 930	6 576	(646)	-10%	39 456
Debt impairment		1 273 898	788 344	788 344	2 123	3 842	131 391	(127 549)	-97%	788 344
Depreciation & asset impairment		383 480	440 000	440 000	-	-	73 333	(73 333)	-100%	440 000
Finance charges		117 080	10 123	10 123	113	229	1 687	(1 459)	-86%	10 123
Bulk purchases - electricity		874 375	1 088 924	1 088 924	573	922	181 487	(180 566)	-99%	1 088 924
Inventory consumed		501 063	170 122	484 125	16 494	27 694	80 688	(52 994)	-66%	484 125
Contracted services		335 867	435 466	435 466	11 872	28 096	72 578	(44 482)	-61%	435 466
Transfers and subsidies								-		
Other expenditure		216 986	225 054	225 054	12 462	41 067	37 509	3 557	9%	225 054
Losses		21 845	-	-	-	-	-	-		-
Total Expenditure		4 444 972	3 941 528	4 255 531	103 204	221 533	709 257	(487 724)	-69%	4 255 531

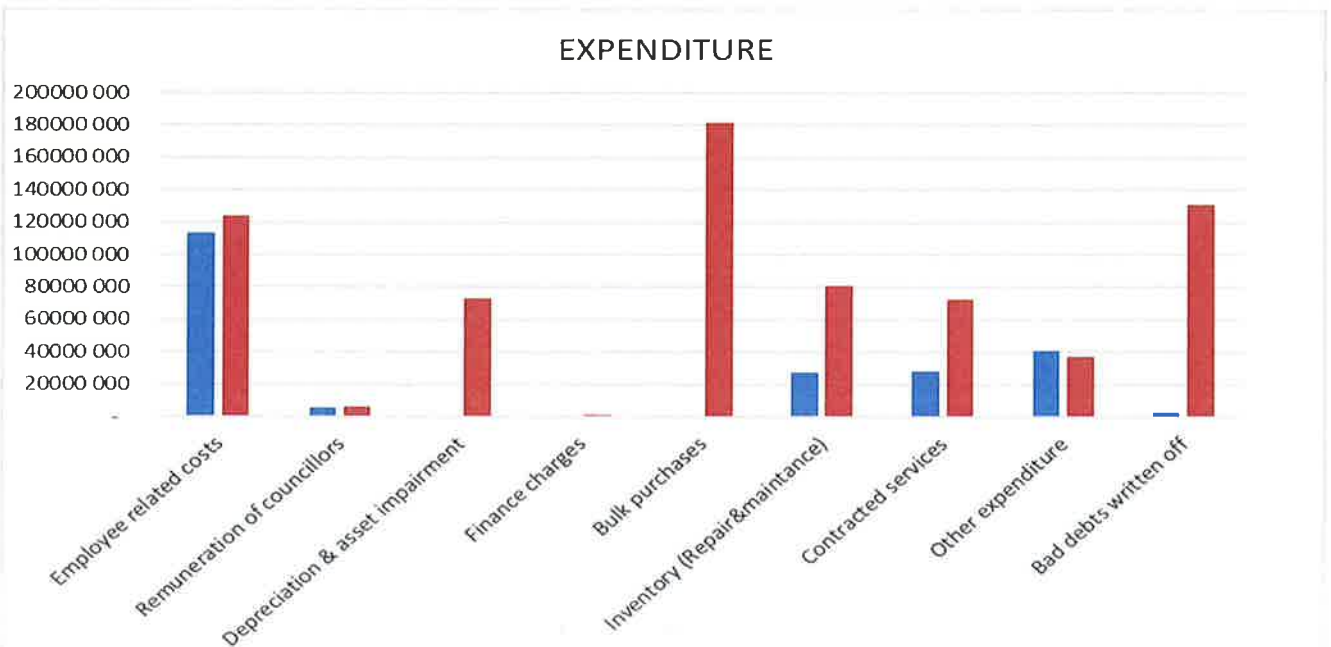
The variance on the expenditure against the YTD budget is mainly on the following items:

- **Inventory consumed 66% less:** Inventory consumed includes Bulk Water, expenditure is lower due to the outstanding Midvaal invoices, the Municipality is struggling to meet the obligation due to financial constraints.
- **Bulk Purchases 99% less:** Expenditure is lower due to the outstanding Eskom invoices, it is difficult for the Municipality to meet the obligation due to the low collection rate.
- **Contracted services 61% less:** under performance can be due to the slow start of the financial year, the percentage will improve in the coming months
- **Debt Impairment 97% less:** Most of the Debt Impairment journals are done at the end of financial year.
- **Depreciation & Asset Impairment 100% less:** Under performance is due to the fact that journals can only be done after the submission of the Annual Financial Statements.

TABLE 6: ACTUAL OPERATIONAL EXPENDITURE PER VOTE FOR AUGUST 2022

NW403 City Of Matlosana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

Description	Ref	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
R thousands	1									
Expenditure - Functional										
Governance and administration		1 193 685	746 226	746 226	28 976	75 260	124 371	(49 111)	-39%	746 226
Executive and council		279 619	431 089	431 089	15 875	49 768	71 849	(22 081)	-31%	431 089
Finance and administration		910 369	309 136	309 136	12 691	24 708	51 523	(26 815)	-52%	309 136
Internal audit		3 697	6 001	6 001	411	785	1 000	(215)	-22%	6 001
Community and public safety		296 946	383 563	383 563	21 286	39 773	63 928	(24 155)	-38%	383 563
Community and social services		63 816	116 557	116 557	3 421	6 696	19 426	(12 730)	-66%	116 557
Sport and recreation		90 892	100 852	100 852	6 278	12 085	16 809	(4 724)	-28%	100 852
Public safety		138 930	159 088	159 088	9 980	19 329	26 515	(7 186)	-27%	159 088
Housing		3 206	6 903	6 903	1 607	1 663	1 151	513	45%	6 903
Health		101	162	162	-	-	27	(27)	-100%	162
Economic and environmental services		246 223	284 751	284 751	7 301	15 013	47 459	(32 446)	-68%	284 751
Planning and development		84 720	69 467	69 467	4 063	7 971	11 578	(3 607)	-31%	69 467
Road transport		161 979	213 300	213 300	3 132	6 782	35 550	(28 768)	-81%	213 300
Environmental protection		(476)	1 984	1 984	105	260	331	(71)	-21%	1 984
Trading services		2 684 075	2 501 039	2 815 042	45 032	90 279	469 174	(378 895)	-81%	2 815 042
Energy sources		1 146 005	1 629 984	1 629 984	13 298	24 442	271 664	(247 222)	-91%	1 629 984
Water management		1 036 161	417 355	731 358	17 292	33 378	121 893	(88 515)	-73%	731 358
Waste water management		217 457	200 674	200 674	4 464	12 839	33 446	(20 607)	-62%	200 674
Waste management		284 451	253 026	253 026	9 978	19 620	42 171	(22 551)	-53%	253 026
Other		24 043	25 948	25 948	608	1 207	4 325	(3 117)	-72%	25 948
Total Expenditure - Functional	3	4 444 972	3 941 528	4 255 531	103 204	221 533	709 257	(487 724)	-69%	4 255 531



2.4 Actual capital expenditure (excluding vat) per vote and funding source

The actual capital expenditure per vote is set out in Table 7 below.

TABLE 7: ACTUAL CAPITAL EXPENDITURE PER VOTE AUGUST 2022

NW403 City Of Matlosana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02

August

Vote Description	Ref	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
R thousands	1									
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		-	14 820	14 820	-	(67)	2 470	(2 537)	-103%	14 820
Executive and council		-	11 820	11 820	-	(67)	1 970	(2 037)	-103%	11 820
Finance and administration		-	3 000	3 000	-	-	500	(500)	-100%	3 000
Internal audit										
<i>Community and public safety</i>		25 390	19 431	19 431	-	-	3 238	(3 238)	-100%	19 431
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		25 390	10 431	10 431	-	-	1 738	(1 738)	-100%	10 431
Public safety		-	3 000	3 000	-	-	500	(500)	-100%	3 000
Housing		-	6 000	6 000	-	-	1 000	(1 000)	-100%	6 000
Health										
<i>Economic and environmental services</i>		50 195	57 182	53 682	1 464	2 724	9 212	(6 489)	-70%	53 682
Planning and development										
Road transport		50 195	57 182	53 682	1 464	2 724	9 212	(6 489)	-70%	53 682
Environmental protection										
<i>Trading services</i>		63 277	116 241	119 741	6 345	6 345	19 692	(13 347)	-68%	119 741
Energy sources		24 609	55 544	55 544	1 063	1 063	9 257	(8 195)	-89%	55 544
Water management		24 327	28 715	32 215	-	-	5 104	(5 104)	-100%	32 215
Waste water management		14 342	21 535	21 535	-	-	3 589	(3 589)	-100%	21 535
Waste management		-	10 447	10 447	5 282	5 282	1 741	3 541	203%	10 447
<i>Other</i>		13 678	9 364	9 364	-	307	1 561	(1 253)	-80%	9 364
Total Capital Expenditure - Functional Classification	3	152 541	217 038	217 038	7 809	9 309	36 173	(26 864)	-74%	217 038

TABLE 8: ACTUAL CAPITAL EXPENDITURE PER FUNDING SOURCE FOR AUGUST 2022

NW403 City Of Matlosana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August

Vote Description	Ref	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
R thousands	1									
Funded by:										
National Government		145 097	169 918	169 918	7 809	9 376	28 320	(18 944)	-67%	169 918
Provincial Government								-		
District Municipality								-		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)		-	-	-	-	-	-	-		-
Transfers recognised - capital		145 097	169 918	169 918	7 809	9 376	28 320	(18 944)	-67%	169 918
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		7 444	47 120	47 120	-	(67)	7 853	(7 920)	-101%	47 120
Total Capital Funding		152 541	217 038	217 038	7 809	9 309	36 173	(26 864)	-74%	217 038

TABLE 9: FINANCIAL POSITION

NW403 City Of Matlosana - Table C6 Monthly Budget Statement - Financial Position - M02 August

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		1 831 189	65 145	65 145	326 077	65 145
Call investment deposits		(1 606 285)	333 248	333 248	292 047	333 248
Consumer debtors		515 917	632 866	632 866	867 422	632 866
Other debtors		986 440	243 161	243 161	997 672	243 161
Current portion of long-term receivables		7	29	29	3	29
Inventory		38 539	53 615	53 615	39 126	53 615
Total current assets		1 765 807	1 328 063	1 328 063	2 522 346	1 328 063
Non current assets						
Long-term receivables		–	33	33	–	33
Investments						
Investment property		325 865	257 100	257 100	325 865	257 100
Investments in Associate						
Property, plant and equipment		5 832 224	4 798 047	4 798 047	5 841 533	4 798 047
Biological						
Intangible		1 297	1 817	1 817	1 297	1 817
Other non-current assets		(594 226)	9 941	9 941	(594 226)	9 941
Total non current assets		5 565 160	5 066 938	5 066 938	5 574 469	5 066 938
TOTAL ASSETS		7 330 967	6 395 002	6 395 002	8 096 815	6 395 002
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		(5 042)	2 000	2 000	(5 042)	2 000
Consumer deposits		64 143	94 930	94 930	64 712	94 930
Trade and other payables		3 413 663	1 177 431	1 491 434	3 613 289	1 491 434
Provisions		563 482	557 371	557 371	563 516	557 371
Total current liabilities		4 036 245	1 831 731	2 145 734	4 236 474	2 145 734
Non current liabilities						
Borrowing		42 018	81 274	81 274	40 837	81 274
Provisions		–	–	–	–	–
Total non current liabilities		42 018	81 274	81 274	40 837	81 274
TOTAL LIABILITIES		4 078 263	1 913 005	2 227 008	4 277 311	2 227 008
NET ASSETS	2	3 252 704	4 481 996	4 167 993	3 819 504	4 167 993
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		4 841 579	4 233 752	4 233 752	3 821 684	4 233 752
Reserves		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	4 841 579	4 233 752	4 233 752	3 821 684	4 233 752

Note: The financial position as indicated in Table 9 above shows that the Net Assets of the City of Matlosana as at 31 August 2022 amounts to R3.8 billion

2.5 Monthly Budget Statement - Cash Flow Statement (Annexure B)

- Cash flow from operating activities as at 31 August 2022 reflect an amount of R794 million which includes the following Grant that the municipality received:
 - EPWP: R546 thousands
 - EEDSM: R1 million
 - WSIG: R5 million
 - Equitable Share: R212.7 million

- Cash flow from investing activities as at 31 August 2022 amounts to R9.3 million excluding VAT

- Collection rate – The YTD collection rate as at 31 August 2022 is 50.92%. The collection rate has increased by 10.81% from last month where 40.12% was achieved for the period ended 31 July 2022.

TABLE 10: ACTUAL CASH FLOW AUGUST 2022

NW403 City Of Matlosana - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		419 718	365 289	365 289	22 938	47 738	60 881	(13 143)	-22%	365 289
Service charges		1 351 237	1 685 932	1 685 932	82 763	149 082	280 989	(131 906)	-47%	1 685 932
Other revenue		3 785 533	237 037	237 037	681 227	722 006	39 506	682 500	1728%	237 037
Transfers and Subsidies - Operational		479 886	561 824	561 824	214 213	214 213	93 637	120 576	129%	561 824
Transfers and Subsidies - Capital		170 551	169 918	169 918	5 000	55 000	28 320	26 680	94%	169 918
Interest		21	108 337	108 337	-	-	18 056	(18 056)	-100%	108 337
Dividends										
Payments										
Suppliers and employees		(4 054 823)	(3 068 583)	(3 068 583)	(371 927)	(393 847)	(511 431)	(117 584)	23%	(3 068 583)
Finance charges										
Transfers and Grants										
NET CASH FROM/(USED) OPERATING ACTIVITIES		2 152 122	59 754	59 754	634 214	794 192	9 958	(784 234)	-7875%	59 754
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE										
Decrease (increase) in non-current receivables		-	33	-	-	-	5	(5)	-100%	33
Decrease (increase) in non-current investments										
Payments										
Capital assets		(152 541)	(217 038)	(217 038)	(7 809)	(9 309)	(36 173)	(26 864)	74%	(217 038)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(152 541)	(217 005)	(217 038)	(7 809)	(9 309)	(36 167)	(26 859)	74%	(217 005)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		-	1 500	-	-	-	250	(250)	-100%	1 500
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	1 500	-	-	-	250	250	100%	1 500
NET INCREASE/ (DECREASE) IN CASH HELD		1 999 582	(155 751)	(157 284)	626 405	784 884	(25 959)			(155 751)
Cash/cash equivalents at beginning:		(195 402)	310 855	310 855	294 088	324 036	310 855			324 036
Cash/cash equivalents at month/year end:		1 804 180	155 104	153 572		1 108 919	284 896			168 285

2.6 Actual borrowings

The municipality's position on external loans is set out in Table 11 attached. The municipality started the 2022/23 financial year with borrowing debt of R12,866,179 and after repayments R 554,380 were made, the total borrowings outstanding as at 31 August 2022 amounts to R 12,311,799

TABLE 11: ACTUAL BORROWING FOR AUGUST 2022

Attached ANNEXURE A

ANNEXURE A
31 AUGUST 2022

Borrowing Reference No	Start Date	End Date	Borrowing Period Years	Original Loan	Lender	Purpose	% Interest Rate (± disc) Per Annum	Interest Paid 1/1st quarter	Opening Balance 01/07/2022	Debt Repaid or Re-deemed	Additional Principal Accrued	Balance at 31/08/2022
ANNUITY LOANS												
NW11182	1/10/1998	30/09/2018	20	7435456	Development Bank of SA	Provision of Infrastructure	15.25	0.00	0.00	0.00	0.00	0.00
NW13637	1/10/2000	30/09/2020	20	3951600	Development Bank of SA	Provision of Infrastructure	15.6	0.00	0.00	0.00	0.00	0.00
NW1036771	1/11/2010	1/11/2025	15	36269878	Development Bank of SA	Provision of Infrastructure	14.75	228 585.38	12 866 176.72	554 379.93	0.00	12 311 798.89
10906	30/09/1989	30/09/2019	20	5587000	Development Bank of SA	Provision of Infrastructure	15.25	0.00	0.00	0.00	0.00	0.00
10912	30/09/1989	30/09/2019	20	7477000	Development Bank of SA	Provision of Infrastructure	15.25	0.00	0.00	0.00	0.00	0.00
10913	30/09/1989	30/09/2019	20	5780000	Development Bank of SA	Provision of Infrastructure	15.25	0.00	0.00	0.00	0.00	0.00
TOTAL ANNUITIES									12 866 176.72	684 379.93	0.00	12 311 798.89

PART 2 SUPPORTING DOCUMENTATION

3. IN -YEAR BUDGET STATEMENT SUPPORTING TABLES AND DOCUMENTATIONS

3.1 Debtor's age analysis

Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 6,998,316,865 as at 31 August 2022 compared to R 6,849,310,998 as at 31 July 2022.

Current to 30 days debt amounted to R278,979,229 as at 31 August 2022 and has decreased with R 70,090,172 compared to R 349,069,401 as at 31 July 2022.

31 to 60 days debt increased with R 91,396,503; 61 to 90 days increased with R 23,817,308 and 91 days and older debt as at 31 August 2022 amounted to R 6,292,197,435 and has increased with R 103,882,228 compared to R 6,188,315,207 as at 31 July 2022.

Interest on debtors is also included in total debtors' book.

Debtors age analysis per debtor type

Government Debt R 133,294,912 (1.9%)

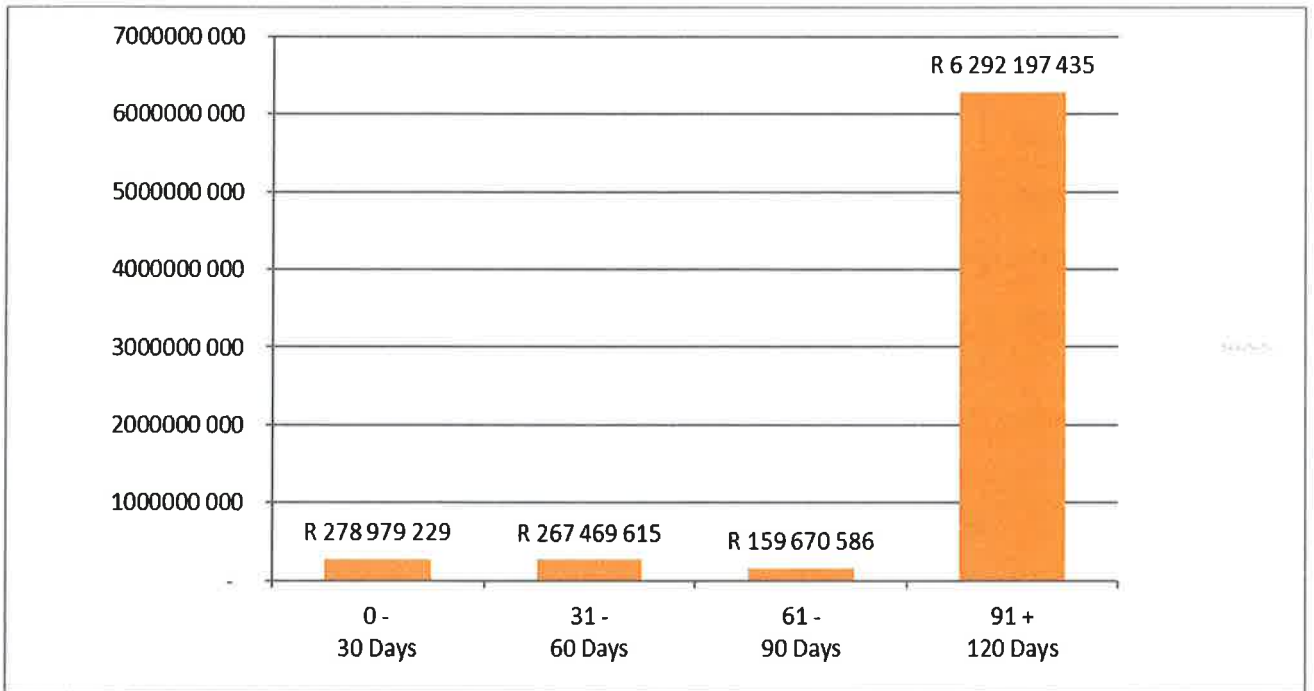
Business debtors' R 648,179,516 (9.3%)

Domestic debtors' R 6,216,842,439 (88.8%)

TABLE 12: OUTSTANDING DEBTORS AS AT 31 AUGUST 2022

DEBTOR'S AGE ANALYSIS - August 2022

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total -
Debtors Age Analysis By Income Source					
Water Tariffs	72 520 303	75 523 703	46 467 994	2 348 317 347	2 542 829 347
Electricity Tariffs	83 812 042	46 856 104	18 325 850	418 317 028	567 311 024
Rates (Property Rates)	35 715 894	69 747 920	10 692 647	339 363 851	455 520 312
Sewerage/ Sanitation	9 894 297	7 519 983	5 112 625	314 227 597	336 754 502
Refuse Removal Tariffs	18 817 409	15 142 165	10 779 858	624 594 847	669 334 279
Other	58 219 284	52 679 740	68 291 612	2 247 376 765	2 426 567 401
Total By Income Source	278 979 229	267 469 615	159 670 586	6 292 197 435	6 998 316 865
Debtors Age Analysis By Customer Group					
Government	7 906 342	39 568 257	3 329 110	82 491 202	133 294 911
Business	74 315 859	53 072 365	16 779 339	504 011 953	648 179 516
Households	196 757 028	174 828 993	139 562 137	5 705 694 280	6 216 842 438
Other	-	-	-	-	-
Total By Customer Group	278 979 229	267 469 615	159 670 586	6 292 197 435	6 998 316 865



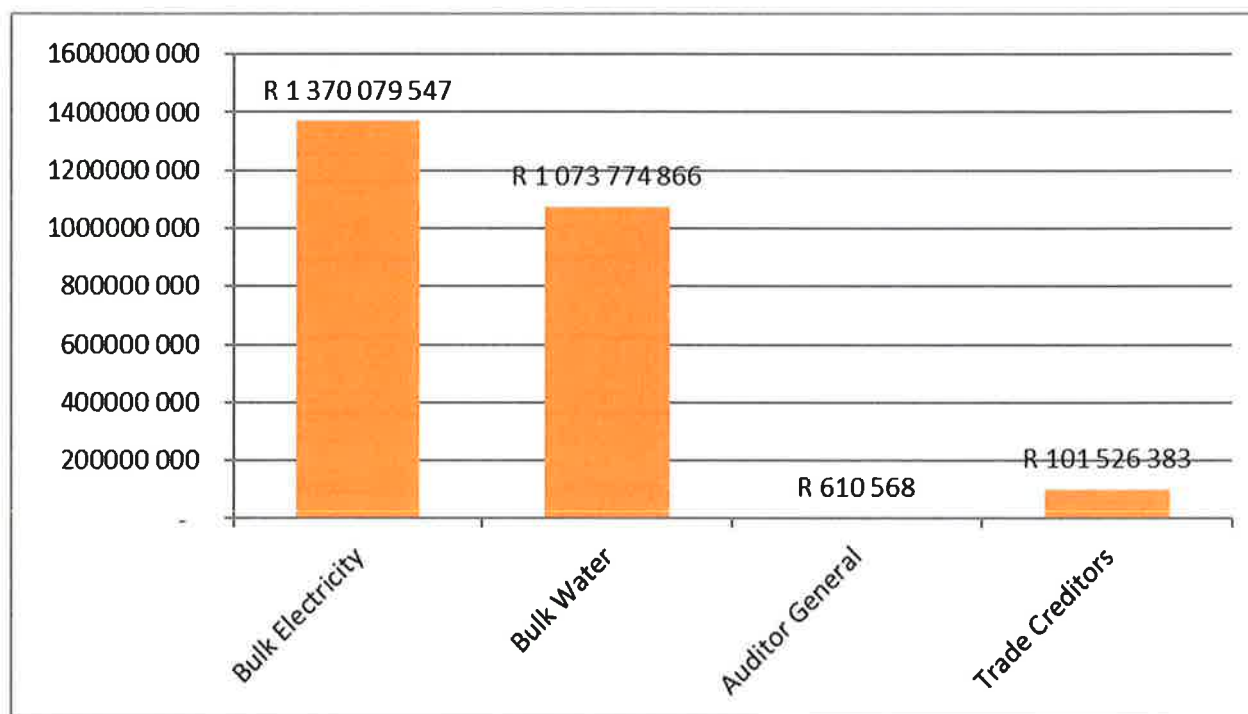
Note: According to the Debtors Age Analysis it is clear that the 88.8% of the total outstanding debt is owed by the Household.

3.2 Creditors age analysis

The municipality's total outstanding creditors amounted to R 2,545,991,364 as at 31 August 2022 compared with the R 2,462,308,326 as at 31 July 2022 and increased with R 83,683,038

TABLE 13: CREDITOR'S AGE ANALYSIS AS AT 31 AUGUST 2022

OUTSTANDING CREDITORS STATEMENT - AUGUST 2022						
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days/Arreas	Total
Bulk Electricity	141 649 237	274 512 696	-	953 917 614	-	1 370 079 547
Bulk Water	103 484 168	42 283 199	44 575 563	883 431 936	-	1 073 774 866
Auditor General	609 841	727	-	-	-	610 568
Trade Creditors	10 596 332	-	3 823 122	87 106 929	-	101 526 383
Total	256 339 578	316 796 622	48 398 685	1 924 456 479	-	2 545 991 364



Note: According to the above information the Municipality's highest outstanding creditor is ESKOM with the total outstanding amount of R1,370 billion followed by Midvaal with the total outstanding amount of R1,073 billion

3.3 Investment

Surplus cash is invested on a daily basis depending on the commitment of funds. The municipality's investments as at 31 August 2022 is as set out in Table 14 below.

TABLE 14: INVESTMENTS AS AT 31 AUGUST 2022

NW403 City Of Matlosana - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M02 August

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
Municipality														
ABSA	-	daily call	yes	Variable	-	-	-	-	-	146 403	641	(74 047)	77 256	150 252
INVESTEC	-	daily call	yes	Variable	-	-	-	-	-	7 242	33	-	-	7 275
SANLAM	2yrs	Policy	yes	Variable	-	-	-	-	2024/08/01	11 338	-	-	-	11 338
FNB	12months	Long term	yes	Variable	-	-	-	-	2022/06/30	68	-	-	-	68
FNB	-	daily call	yes	Variable	-	-	-	-	-	25 592	116	-	-	25 708
NEDBANK	-	daily call	yes	Variable	-	-	-	-	-	24 060	110	-	-	24 171
Municipality sub-total										214 703	900	(74 047)	77 256	218 812
Entities														
														-
														-
														-
														-
														-
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2									214 703	900	(74 047)	77 256	218 812

Note: The municipality started the beginning of the month with total investments of R214,703,198 and after investments made of R77,255,500 and withdrawals of R74,046,807 closed with an investment balance of R218,812,209 at the five listed local banks.

3.4 Allocations received and Actual expenditure on allocations received

The municipality's position with regard to grant allocation received and the actual expenditure on the grant allocations received are set out in Table 15 and 16 below.

TABLE 15: TRANSFER AND GRANT RECEIPTS

NW403 City Of Matlosana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

Description	Ref	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
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		509 661	560 590	560 590	212 667	212 667	93 432	119 235	127,6%	560 590
Energy Efficiency and Demand Side Management Grant		-	5 000	5 000	-	-	833	(833)	-100,0%	5 000
Equitable Share		484 096	545 300	545 300	212 667	212 667	90 883	121 784	134,0%	545 300
Expanded Public Works Programme Integrated Grant		1 756	2 181	2 181	-	-	364	(364)	-100,0%	2 181
Local Government Financial Management Grant		3 123	3 100	3 100	-	-	517	(517)	-100,0%	3 100
Municipal Disaster Relief Grant		15 897	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3	4 789	5 009	5 009	-	-	835	(835)	-100,0%	5 009
Other transfers and grants [insert description]										
Provincial Government:		1 570	1 234	1 234	-	-	206	(206)	-100,0%	1 234
Capacity Building and Other Grants		1 570	1 234	1 234	-	-	206	(206)	-100,0%	1 234
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	511 231	561 824	561 824	212 667	212 667	93 637	119 030	127,1%	561 824
Capital Transfers and Grants										
National Government:		156 811	169 918	169 918	-	-	28 320	(28 320)	-100,0%	169 918
Integrated National Electrification Programme Grant		-	29 064	29 064	-	-	4 844	(4 844)	-100,0%	29 064
Municipal Infrastructure Grant		92 568	95 178	95 178	-	-	15 863	(15 863)	-100,0%	95 178
Neighbourhood Development Partnership Grant		55 743	30 000	30 000	-	-	5 000	(5 000)	-100,0%	30 000
Water Services Infrastructure Grant		8 500	15 676	15 676	-	-	2 613	(2 613)	-100,0%	15 676
Provincial Government:		-	-	-	-	-	-	-	-	-
[insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Developers Contribution		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	156 811	169 918	169 918	-	-	28 320	(28 320)	-100,0%	169 918
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	668 042	731 742	731 742	212 667	212 667	121 957	90 710	74,4%	731 742

NOTE: It should be noted that during the month of August 2022 only Equitable Share Grant revenue was recognized. Revenue on Grants can only be recognized when conditions are met.

TABLE 16: TRANSFER AND GRANT EXPENDITURE

NW403 City Of Matlosana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Ref	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
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		109 339	102 079	102 079	4 470	28 138	17 013	11 125	65,4%	102 079
Energy Efficiency and Demand Side Management Grant	22	4 549	4 549	-	-	758	(758)	-100,0%	4 549	
Equitable Share	71 877	86 606	86 606	3 815	26 860	14 434	12 426	86,1%	86 606	
Expanded Public Works Programme Integrated Grant	1 968	2 701	2 701	212	427	450	(23)	-5,1%	2 701	
Local Government Financial Management Grant	21 708	3 100	3 100	85	137	517	(379)	-73,4%	3 100	
Municipal Disaster Relief Grant	8 661	-	-	-	-	-	-	-	-	
Municipal Infrastructure Grant	5 103	5 124	5 124	358	713	854	(141)	-16,5%	5 124	
Provincial Government:		755	1 256	1 256	2	2	209	(207)	-98,9%	1 256
Capacity Building and Other Grants	755	1 256	1 256	2	2	209	(207)	-98,9%	1 256	
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		110 095	103 335	103 335	4 472	28 140	17 223	10 918	63,4%	103 335
Capital expenditure of Transfers and Grants										
National Government:		145 097	169 918	169 918	7 809	9 376	28 320	(18 944)	-66,9%	169 918
Integrated National Electrification Programme Grant	-	29 064	29 064	1 063	1 063	4 844	(3 781)	-78,1%	29 064	
Municipal Disaster Relief Grant	9 663	-	-	-	-	-	-	-	-	
Municipal Infrastructure Grant	79 512	95 178	95 178	6 746	8 313	15 863	(7 550)	-47,6%	95 178	
Neighbourhood Development Partnership Grant	48 530	30 000	30 000	-	-	5 000	(5 000)	-100,0%	30 000	
Water Services Infrastructure Grant	7 391	15 676	15 676	-	-	2 613	(2 613)	-100,0%	15 676	
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Developers Contribution	-	-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		145 097	169 918	169 918	7 809	9 376	28 320	(18 944)	-66,9%	169 918
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		255 191	273 253	273 253	12 281	37 516	45 542	(8 026)	-17,6%	273 253

Note: The table reflect the YTD actual expenditure incurred amounting to R37.5 million, against the YTD budget of R45.5 million as at 31 August 2022.

3.5 COUNCILORS AND EMPLOYEE BENEFITS

- Employees related cost – R 113.7 million spent as at 31 August 2022
- Council Remuneration – R 5.9 million spent as at 31 August 2022

TABLE 17: COUNCILORS AND EMPLOYEE BENEFITS

NW403 City Of Matlosana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration	Ref	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
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		21 698	24 558	24 558	1 868	3 738	4 093	(355)	-9%	24 558
Pension and UIF Contributions		1 394	2 246	2 246	142	282	374	(92)	-25%	2 246
Medical Aid Contributions		6	18	18	-	-	3	(3)	-100%	18
Motbr Vehicle Allowance										
Cellphone Allowance		3 390	2 858	2 858	285	570	476	93	20%	2 858
Housing Allowances										
Other benefits and allowances		7 701	9 775	9 775	670	1 340	1 629	(289)	-18%	9 775
Sub Total - Councillors		34 189	39 456	39 456	2 965	5 930	6 576	(646)	-10%	39 456
% increase	4		15,4%	15,4%						15,4%
Senior Managers of the Municipality										
Basic Salaries and Wages		5 333	10 803	10 803	363	726	1 801	(1 075)	-60%	10 803
Pension and UIF Contributions		10	16	16	1	1	3	(1)	-46%	16
Medical Aid Contributions		57	50	50	5	10	8	2	20%	50
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motbr Vehicle Allowance		659	1 364	1 364	36	72	227	(155)	-68%	1 364
Cellphone Allowance		20	211	211	-	-	35	(35)	-100%	211
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	8	8	-	-	1	(1)	-100%	8
Payments in lieu of leave		100	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		6 179	12 452	12 452	405	809	2 075	(1 266)	-61%	12 452
% increase	4		101,5%	101,5%						101,5%
Other Municipal Staff										
Basic Salaries and Wages		424 493	476 456	476 456	36 056	72 291	79 409	(7 118)	-9%	476 456
Pension and UIF Contributions		87 036	95 974	95 974	7 439	14 908	15 996	(1 088)	-7%	95 974
Medical Aid Contributions		38 294	44 045	44 045	3 203	6 410	7 341	(931)	-13%	44 045
Overtime		61 810	25 944	25 944	5 071	10 716	4 324	6 392	148%	25 944
Performance Bonus		33 145	38 047	38 047	1 913	3 499	6 341	(2 842)	-45%	38 047
Motbr Vehicle Allowance										
Cellphone Allowance		996	1 410	1 410	112	222	235	(13)	-5%	1 410
Housing Allowances		6 549	7 861	7 861	535	1 073	1 310	(237)	-18%	7 861
Other benefits and allowances		15 497	27 666	27 666	1 421	2 445	4 611	(2 166)	-47%	27 666
Payments in lieu of leave		3 902	14 184	14 184	447	1 381	2 364	(983)	-42%	14 184
Long service awards		(501)	-	-	-	-	-	-		-
Post-retirement benefit obligations		8 790	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		680 010	731 586	731 586	56 198	112 945	121 931	(8 986)	-7%	731 586
% increase	4		7,6%	7,6%						7,6%
Total Parent Municipality		720 378	783 493	783 493	59 567	119 684	130 583	(10 898)	-8%	783 493

TABLE: 18 MATERIAL VARIANCES

NW403 City of Matlosana – Supporting Table SC1 Material variance explanations – M02 August 2022					
Ref	Description	Variance	%	Reasons for material deviations	Remedial or corrective steps/remarks
1	Revenue By Source				
	Property Rates	37,278,044	44%	Property rates have realised more revenue due to the rates that have been raised for the full year in respect to Government Departments and the Farms who pay their accounts annually. The amount is raised in full in July as opposed to monthly instalments. The variance is expected to stabilise as the year progresses	
	Service Charges: Water	(14,205,334)	-11%	Water is slightly lower than budgeted due to the estimated readings caused by lack of access to some premises, the consumers are now bringing the correct readings.	
	Service Charges: Sanitation	(4,141,032)	-14%	Revenue was less than projected	
	Interest earned – external investment	(662,751)	-43%	Most of the interest earned is realised at the end of financial year.	
	Transfers and subsidies	119,029,614	127%	All Grants received were in line with the approved schedule form National Treasury in terms of the Division of Revenue Act	
	License and Permits	(474,879)	-27%	Under collection can be attributed to the fact that vehicle licences can be renewed at the Post Office. Members of the public generally go to the closest convenient point in order to pay which may not always be City of Matlosana.	
	Fines, penalties and forfeits	(360,206)	-48%	The budget made up of numerous items (e.g. traffic fines, court fines, illegal connection, etc.) in this instance under performance was mostly on non-collection of traffic fines which is due to lack of tools of trade (vehicles), shortage of staff and vacant positions that are not filled to date and also non-performance of appointed Back Office Service Provider.	
2	Expenditure by Type				
	Inventory consumed	(52,993,722)	-66%	Inventory consumed includes Bulk Water, expenditure is lower due to the outstanding Midvaal invoices, the Municipality is struggling to meet the obligation due to financial constraints.	
	Bulk Purchases - electricity	(180,565,766)	-99%	Expenditure is lower due to the outstanding Eskom invoices, it is difficult for the	Implement revenue enhancement And debt collection rate strategies.

				Municipality to meet the obligation due to the low collection rate.	
	Contracted services	(44,482,279)	-61%	Under performance can be due to the slow start of the financial year, the percentage will improve in the next coming months	
	Debt Impairment	(127,548,748)	-97%	Most of the Debt Impairment journals are done at the end of the financial year	
	Depreciation & Asset Impairment	(73,333,354)	- 100%	Under performance is due to the fact that journals can only be done after the submission of the Annual Financial Statements.	

TABLE 19: FINANCIAL PERFORMANCE

NW403 City Of Matlosana - Supporting Table SC2 Monthly Budget Statement - performance indicators - M02 August

Description of financial indicator	Basis of calculation	Ref	2021/22	Budget Year 2022/23			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2,6%	11,4%	10,6%	0,1%	1,2%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0,0%	0,0%	0,0%	0,0%	0,0%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		71,3%	29,8%	37,2%	95,5%	37,2%
Gearing	Long Term Borrowing/ Funds & Reserves		0,0%	0,0%	0,0%	0,0%	0,0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	43,7%	72,5%	61,9%	59,5%	61,9%
Liquidity Ratio	Monetary Assets/Current Liabilities		5,6%	21,7%	18,6%	14,6%	18,6%
<u>Revenue Management</u>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		40,7%	21,8%	21,8%	236,6%	21,8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0,0%	0,0%	0,0%	0,0%	0,0%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	0,0%	25,0%	25,0%	0,0%	25,0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	0,0%	23,0%	23,0%	0,0%	23,0%
Employee costs	Employee costs/Total Revenue - capital revenue		18,6%	18,5%	18,5%	14,4%	18,5%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3,1%	5,6%	5,6%	1,5%	5,6%
Interest & Depreciation	I&D/Total Revenue - capital revenue		13,5%	11,2%	11,2%	0,0%	1,2%
<u>IDP regulation financial viability indicators</u>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						

TABLE: 20 CAPITAL EXPENDITURE PERFORMANCE

NW403 City Of Matlosana - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M02 August

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
R thousands									
Monthly expenditure performance trend									
July	12 712	18 086	18 086	1 500	1 500	18 086	16 587	91,7%	1%
August	12 712	18 086	18 086	7 809	9 309	36 173	26 864	74,3%	4%
September	12 712	18 086	18 086	-		54 259	-		
October	12 712	18 086	18 086	-		72 346	-		
November	12 712	18 086	18 086	-		90 432	-		
December	12 712	18 086	18 086	-		108 519	-		
January	12 712	18 086	18 086	-		126 605	-		
February	12 712	18 086	18 086	-		144 692	-		
March	12 712	18 086	18 086	-		162 778	-		
April	12 712	18 086	18 086	-		180 865	-		
May	12 712	18 086	18 086	-		198 951	-		
June	12 712	18 086	18 086	-		217 038	-		
Total Capital expenditure	152 541	217 038	217 038	9 309					

3.6 OTHER SUPPORTING DOCUMENTS

- SC13a: Capital expenditure on new assets by assets class
- SC 13b: Capital expenditure on renewal of existing assets
- SC 13c: Expenditure On repairs and maintenance by assets class
- SC 13d: Depreciation by assets class
- SC 13e: Expenditure on upgrading of existing assets by assets class

SUPPORTING TABLE SC13a:

NW403 City Of Matlosana - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M02 August

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		107 989	171 357	171 357	7 809	9 068	28 559	19 491	68,2%	171 357
Roads Infrastructure		50 195	57 182	53 682	1 464	2 724	9 212	6 489	70,4%	53 682
Roads		50 195	57 182	53 682	1 464	2 724	9 212	6 489	70,4%	53 682
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-		-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		20 538	53 944	53 944	1 063	1 063	8 991	7 928	88,2%	53 944
Power Plants										
HV Substations		7 444	22 000	22 000	-	-	3 667	3 667	100,0%	22 000
HV Switching Station										
HV Transmission Conductors										
MV Substations		-	-	-	-	-	-	-		-
MV Switching Stations										
MV Networks		13 093	29 064	29 064	1 063	1 063	4 844	3 781	78,1%	29 064
LV Networks		-	2 880	2 880	-	-	480	480	100,0%	2 880
Capital Spares										
Water Supply Infrastructure		28 398	28 715	32 215	-	-	5 104	5 104	100,0%	32 215
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations		4 071	-	-	-	-	-	-		-
Water Treatment Works										
Bulk Mains		20 668	13 504	17 004	-	-	2 569	2 569	100,0%	17 004
Distribution		3 659	15 210	15 210	-	-	2 535	2 535	100,0%	15 210
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		8 858	21 069	21 069	-	-	3 512	3 512	100,0%	21 069
Pump Station		3 659	-	-	-	-	-	-		-
Reticulation		5 199	21 069	21 069	-	-	3 512	3 512	100,0%	21 069
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	10 447	10 447	5 282	5 282	1 741	(3 541)	-203,3%	10 447
Landfill Sites										
Waste Transfer Stations		-	10 447	10 447	5 282	5 282	1 741	(3 541)	-203,3%	10 447
Waste Processing Facilities										
Community Assets		25 390	15 431	15 431	-	-	2 572	2 572	100,0%	15 431
Community Facilities		-	5 000	5 000	-	-	833	833	100,0%	5 000
Sport and Recreation Facilities		25 390	10 431	10 431	-	-	1 738	1 738	100,0%	10 431
Indoor Facilities		-	-	-	-	-	-	-		-
Outdoor Facilities		25 390	10 431	10 431	-	-	1 738	1 738	100,0%	10 431
Capital Spares										
Heritage assets		-	-	-	-	-	-	-		-
Public Open Space		-	5 000	5 000	-	-	833	833	100,0%	5 000
Nature Reserves										

Intangible Assets		-	520	520	-	-	87	87	100,0%	520
Servitudes								-		
Licences and Rights		-	520	520	-	-	87	87	100,0%	520
<i>Water Rights</i>								-		
<i>Effluent Licenses</i>								-		
<i>Solid Waste Licenses</i>								-		
<i>Computer Software and Applications</i>		-	520	520	-	-	87	87	100,0%	520
Furniture and Office Equipment		-	2 000	2 000	-	-	333	333	100,0%	2 000
Furniture and Office Equipment		-	2 000	2 000	-	-	333	333	100,0%	2 000
Machinery and Equipment		-	4 600	4 600	-	(67)	767	833	108,7%	4 600
Machinery and Equipment		-	4 600	4 600	-	(67)	767	833	108,7%	4 600
Transport Assets		-	7 000	7 000	-	-	1 167	1 167	100,0%	7 000
Transport Assets		-	7 000	7 000	-	-	1 167	1 167	100,0%	7 000
Land		-	-	-	-	-	-	-		-
Land								-		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals								-		
Total Capital Expenditure on new assets	1	133 379	200 908	200 908	7 809	9 002	33 485	24 483	73,1%	200 908

SUPPORTING TABLE SC13b

NW403 City Of Matlosana - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset

Description	Ref	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
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		5 483	2 066	2 066	-	-	344	344	100,0%	2 066
Electrical Infrastructure		-	1 600	1 600	-	-	267	267	100,0%	1 600
Power Plants								-		
LV Networks		-	1 600	1 600	-	-	267	267	100,0%	1 600
Capital Spares								-		
Sanitation Infrastructure		5 483	466	466	-	-	78	78	100,0%	466
Pump Station								-		
Reticulation								-		
Waste Water Treatment Works		5 483	466	466	-	-	78	78	100,0%	466
Total Capital Expenditure on renewal of existing assets	1	5 483	2 066	2 066	-	-	344	344	100,0%	2 066

SUPPORTING TABLE SC13c

NW403 City Of Matlosana - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M02

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		92 816	156 185	156 185	4 702	10 419	26 031	15 612	60,0%	156 185
Roads Infrastructure		14 286	48 376	48 376	21	21	8 063	8 041	99,7%	48 376
Roads		14 034	47 744	47 744	21	21	7 957	7 936	99,7%	47 744
Road Structures										
Road Furniture		251	632	632	-	-	105	105	100,0%	632
Electrical Infrastructure		45 970	69 691	69 691	3 933	6 106	11 615	5 510	47,4%	69 691
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations		330	278	278	30	30	46	17	36,1%	278
MV Switching Stations		3	115	115	-	-	19	19	100,0%	115
MV Networks										
LV Networks		45 637	69 298	69 298	3 903	6 076	11 550	5 474	47,4%	69 298
Capital Spares										
Water Supply Infrastructure		25 146	17 565	17 565	747	1 082	2 927	1 846	63,1%	17 565
Dams and Weirs										
Boreholes										
Reservoirs		945	3 494	3 494	558	669	582	(86)	-14,8%	3 494
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution		24 201	14 070	14 070	189	413	2 345	1 932	82,4%	14 070
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		7 415	20 553	20 553	-	3 210	3 426	215	6,3%	20 553
Pump Station										
Reticulation		5 540	10 903	10 903	-	3 210	1 817	(1 393)	-76,7%	10 903
Waste Water Treatment Works		1 875	9 650	9 650	-	-	1 608	1 608	100,0%	9 650
Outfall Sewers										
Community Assets		2 500	13 208	13 208	456	605	2 201	1 596	72,5%	13 208
Community Facilities		415	6 181	6 181	340	489	1 030	541	52,5%	6 181
Museums		28	104	104	-	-	17	17	100,0%	104
Galleries										
Theatres										
Libraries		417	980	980	2	2	163	161	98,6%	980
Cemeteries/Crematoria		(209)	3 916	3 916	338	440	653	213	32,6%	3 916
Police										
Parks										
Public Open Space		-	4	4	-	-	1	1	100,0%	4
Nature Reserves		90	505	505	-	47	84	37	43,8%	505
Public Ablution Facilities										
Markets		89	672	672	-	-	112	112	100,0%	672
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										

Sport and Recreation Facilities		2 085	7 026	7 026	115	115	1 171	1 056	90,1%	7 026
Indoor Facilities		670	2 330	2 330	-	-	388	388	100,0%	2 330
Outdoor Facilities		1 415	4 696	4 696	115	115	783	667	85,3%	4 696
Capital Spares								-		
Heritage assets		79	168	168	-	-	28	28	100,0%	168
Monuments								-		
Historic Buildings								-		
Works of Art		-	-	-	-	-	-	-		-
Conservation Areas		79	168	168	-	-	28	28	100,0%	168
Other assets		1 131	5 127	5 127	8	208	855	647	75,7%	5 127
Operational Buildings		1 131	5 127	5 127	8	208	855	647	75,7%	5 127
Municipal Offices		1 102	5 070	5 070	8	208	845	637	75,4%	5 070
Pay/Enquiry Points								-		
Building Plan Offices								-		
Workshops		26	48	48	-	-	8	8	100,0%	48
Yards								-		
Stores		2	9	9	-	-	2	2	100,0%	9
Intangible Assets		1 337	3 931	3 931	96	102	655	553	84,4%	3 931
Servitudes								-		
Licences and Rights		1 337	3 931	3 931	96	102	655	553	84,4%	3 931
Water Rights								-		
Effluent Licenses								-		
Solid Waste Licenses								-		
Computer Software and Applications		1 337	3 931	3 931	96	102	655	553	84,4%	3 931
Computer Equipment		3 389	4 065	4 065	-	23	677	654	96,6%	4 065
Computer Equipment		3 389	4 065	4 065	-	23	677	654	96,6%	4 065
Furniture and Office Equipment		427	1 199	1 199	-	-	200	200	100,0%	1 199
Furniture and Office Equipment		427	1 199	1 199	-	-	200	200	100,0%	1 199
Machinery and Equipment		11 385	24 213	24 213	113	113	4 036	3 922	97,2%	24 213
Machinery and Equipment		11 385	24 213	24 213	113	113	4 036	3 922	97,2%	24 213
Transport Assets		2 557	15 894	15 894	-	(3)	2 649	2 652	100,1%	15 894
Transport Assets		2 557	15 894	15 894	-	(3)	2 649	2 652	100,1%	15 894
Land		-	-	-	-	-	-	-		-
Land								-		
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals								-		
Total Repairs and Maintenance Expenditure	1	115 619	223 989	223 989	5 374	11 467	37 332	25 865	69,3%	223 989

SUPPORTING TABLE SC13d

NW403 City Of Matosana - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M02 August

Description	Ref	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
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		281 187	287 692	287 692	-	-	47 949	47 949	100,0%	287 692
Roads Infrastructure		92 856	96 260	96 260	-	-	16 043	16 043	100,0%	96 260
Roads		92 856	96 260	96 260	-	-	16 043	16 043	100,0%	96 260
Electrical Infrastructure		56 338	49 997	49 997	-	-	8 333	8 333	100,0%	49 997
Power Plants		567	-	-	-	-	-	-		-
MV Networks		55 771	49 997	49 997	-	-	8 333	8 333	100,0%	49 997
LV Networks		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Water Supply Infrastructure		130 774	93 480	93 480	-	-	15 580	15 580	100,0%	93 480
Dams and Weirs		84	-	-	-	-	-	-		-
Distribution		130 690	93 480	93 480	-	-	15 580	15 580	100,0%	93 480
Distribution Points		-	-	-	-	-	-	-		-
Sanitation Infrastructure		1 219	47 956	47 956	-	-	7 993	7 993	100,0%	47 956
Pump Station		-	-	-	-	-	-	-		-
Reticulation		232	47 956	47 956	-	-	7 993	7 993	100,0%	47 956
Waste Water Treatment Works		987	-	-	-	-	-	-		-
Community Assets		213	-	-	-	-	-	-		-
Community Facilities		213	-	-	-	-	-	-		-
Halls		213	-	-	-	-	-	-		-
Other assets		78 177	77 763	77 763	-	-	12 960	12 960	100,0%	77 763
Operational Buildings		78 177	77 763	77 763	-	-	12 960	12 960	100,0%	77 763
Municipal Offices		78 177	77 763	77 763	-	-	12 960	12 960	100,0%	77 763
Computer Equipment		716	963	963	-	-	160	160	100,0%	963
Computer Equipment		716	963	963	-	-	160	160	100,0%	963
Furniture and Office Equipment		22 139	1 117	1 117	-	-	186	186	100,0%	1 117
Furniture and Office Equipment		22 139	1 117	1 117	-	-	186	186	100,0%	1 117
Machinery and Equipment		954	-	-	-	-	-	-		-
Machinery and Equipment		954	-	-	-	-	-	-		-
Transport Assets		94	72 466	72 466	-	-	12 078	12 078	100,0%	72 466
Transport Assets		94	72 466	72 466	-	-	12 078	12 078	100,0%	72 466
Total Depreciation	1	383 480	440 000	440 000	-	-	73 333	73 333	100,0%	440 000

SUPPORTING TABLE SC13e

NW403 City Of Matlosana - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset

Description	Ref	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
R thousands	1									
Community Assets		13 678	11 064	11 064	-	307	1 844	1 537	83,3%	11 064
Community Facilities		13 678	11 064	11 064	-	307	1 844	1 537	83,3%	11 064
Testing Stations		-	3 000	3 000	-	-	500	500	100,0%	3 000
Markets		13 678	8 064	8 064	-	307	1 344	1 037	77,1%	8 064
Other assets		-	3 000	3 000	-	-	500	500	100,0%	3 000
Operational Buildings		-	3 000	3 000	-	-	500	500	100,0%	3 000
Municipal Offices		-	3 000	3 000	-	-	500	500	100,0%	3 000
Total Capital Expenditure on upgrading of existing assets	1	13 678	14 064	14 064	-	307	2 344	2 037	86,9%	14 064

6.6 RECOMMENDATIONS

Based on the contents of this report, it is recommended that the Accounting Officer submits to the Executive Mayor this report for August 2022 as per section 71 of the MFMA.