

TO: Author of the item: LESIGO 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. Rossouw</u> SIGNED: <u>H.S. Rossouw</u> DATE: <u>2023/07/20</u>
---


Received by Deputy Director: Administration

Date and Time: 21/7/2023

Signature: Glenoburg

Director: Corporate Support	Date	COMMENTS:
	<u>20/07/23</u>	COMMENTS:
Chief Financial Officer	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  
 C:\Docs 2016\Mambas\New Blue Mamba.doc

24/07/2023  
DATE

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



# MONTHLY BUDGET STATEMENT FOR THE MONTH ENDED ON 30 JUNE 2023

## TABLE OF CONTENTS

### PART 1

1. Executive summary .....	3
1.1 Performance summary.....	3
2. In - year budget statement.....	6
2.1 Monthly budget statement summary.....	6
2.2 Monthly budget statement financial performance – Revenue.....	7
2.3 Monthly budget statement financial performance – Expenditure per category	10
2.4 Actual capital expenditure per vote and funding source.....	13
2.5 Monthly budget statement cash flow.....	17
2.6 Actual borrowings.....	18

### PART 2

3. In – year budget statement supporting tables and documentations.....	19
3.1 Debtors age analysis.....	19
3.2 Creditors age analysis.....	21
3.3 Investments.....	22
3.4 Allocation received and actual expenditure on allocation received.....	23
3.5 Councillors and employees benefits.....	25
3.6 Other supporting documentations.....	29

## 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 30 JUNE 2023

#### 1.1 Performance summary

Table 1: Performance summary

Summary statement of Financial Performance					
Description	YTD Budget 2022/23	JUNE 2023 Actual	YTD Actual 2022/23	Variance Favourable (Unfavourable)	YTD Variance %
Total Revenue by Source	4,137,795,150	259,383,891	3,711,977,471	(425,817,679)	-10.29%
Total Operating Expenditure	4,369,466,369	365,192,988	3,116,424,075	(1,253,042,294)	- 28.68%
<b>SURPLUS/ (DEFICIT).</b>	<b>(231,671,219)</b>	<b>(105,809,097)</b>	<b>595,553,396</b>	<b>(827,224,615)</b>	

#### Revenue

The revenue for the month ending 30 June 2023 amounts to R259 million and the year to date actual amounts to R3,712 billion. It reflects a negative variance of 10.29% when compared with the year-to date budget of R4,138 billion.

The negative revenue is also affected by the following factors:

- The revenue enhancement strategies as reflected in the budget funding plan has not yet been fully effective;
- Illegal connections
- Debtors' book that is increasing due to non-payment of debtors

Revenue has to increase as less revenue indicates that the municipality will not be able to cover its commitments and this will translate into high liabilities, thereby increasing the unfunded budget. Hence the revenue enhancement programmes must be visited and implemented daily. The detailed reasons for the variances are outlined on table 18.

#### Expenditure

The operating expenditure for the month ending 30 June 2023 amounts to R365 million and the year-to date actual operating expenditure amounts to R3,116 billion. It reflects a negative variance of 29% when compared with the year-to date budget of R4,369 billion. Negative variance is as a result of cash flow challenges. Spending on most of the items is directly linked with cash flow. If there is improvement on cash flow, then spending will also increase. The detailed reasons for the variances are outlined on table 18

## Creditors

<b>Total Outstanding Creditors</b>	<b>R 3,210,683,728</b>
ESKOM	R 1,772,653,557
Midvaal	R 1,348,569,925
Trade Creditors	R 89,416,726
Auditor General	R 43,520

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

## Capital Grants Expenditure

	ADJUSTMENT BUDGET 2022/23	June Expenditure Incl VAT 2022/23	YTD ACTUALS Incl VAT	YTD BUDGET	YTD % Incl VAT
<b>CAPITAL GRANT EXPENDITURE</b>					
MIG	84 177 650	20 742 016	65 064 120	77 162 846	77,29
NDPG	21 000 000	1 300 951	13 292 391	19 250 000	63,30
INEP	29 064 000	536 719	19 613 927	26 642 000	67,49
WSIG	11 161 000		1 755 104	10 230 917	15,73
				-	
<b>TOTAL</b>	<b>145 402 650</b>	<b>22 579 687</b>	<b>99 725 542</b>	<b>133 285 763</b>	<b>68,59</b>

Total Capital grants budget amounts to R 145.4 million. Total expenditure for the month ending 30 June 2023 amounts to R 22.6 million, and the year-to-date actual expenditure amounts to R 99.7 million representing 68.59% of the total Capital budget. Capital spending is relatively low as compared to the 92% of the Year to date budget.

**NOTE:** This report is subject to change as other invoices were received after the year end closure, however they will be captured in period 13.

Eskom did attach the Infrastructure Grant investment account during the month of June 2023, this resulted in the municipality not being able to make payments on time.

## 2.2 Monthly Budget Statement – Financial Performance (Revenue per department)

### Actual operating revenue per source

The actual operating revenue per department is set out in Table 3 below. From table 1 it is clear that year to date actual operating revenue amounts to R3,711 billion and compares unfavourably with the pro rata budgeted figure of R4,137 billion a negative variance of R425 million for the month ending 30 June 2023.

**TABLE 3: ACTUAL REVENUE PER SOURCE FOR THE PERIOD ENDING 30 JUNE 2023**

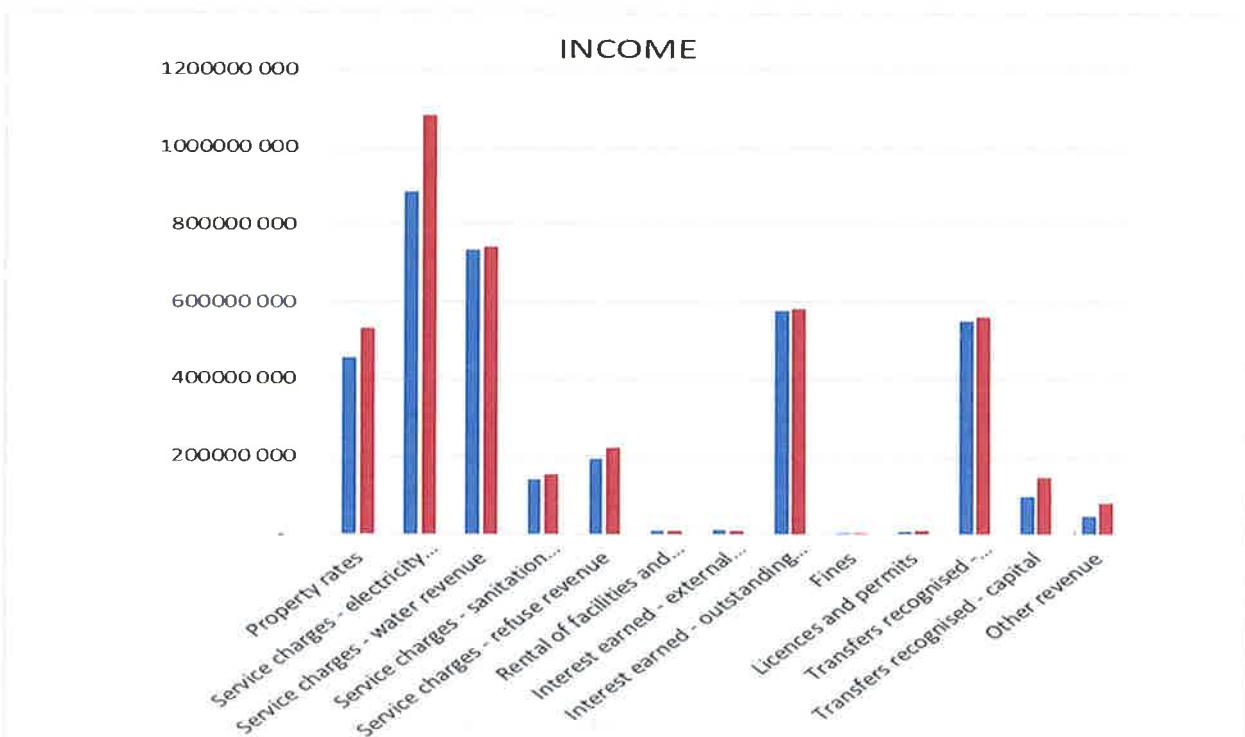
NW403 City Of Matlosana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		451,441	507,345	532,836	31,879	456,397	532,836	(76,439)	-14%	532,836
Service charges - electricity revenue		957,447	1,127,210	1,084,563	76,177	884,533	1,084,563	(200,030)	-18%	1,084,563
Service charges - water revenue		650,602	783,676	743,676	50,152	735,746	743,676	(7,929)	-1%	743,676
Service charges - sanitation revenue		125,356	173,864	153,673	11,257	141,376	153,673	(12,297)	-8%	153,673
Service charges - refuse revenue		167,812	223,421	223,421	15,544	195,291	223,421	(28,130)	-13%	223,421
Rental of facilities and equipment		251,709	8,105	8,833	463	7,984	8,833	(849)	-10%	8,833
Interest earned - external investments		10,685	9,270	9,270	(704)	12,923	9,270	3,653	39%	9,270
Interest earned - outstanding debtors		504,706	513,875	582,914	37,546	575,715	582,914	(7,198)	-1%	582,914
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		7,356	4,523	4,523	521	3,350	4,523	(1,173)	-26%	4,523
Licences and permits		8,023	10,384	9,199	617	7,701	9,199	(1,497)	-16%	9,199
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		511,231	561,824	559,978	2,009	550,028	559,978	(9,950)	-2%	559,978
Other revenue		48,745	96,358	79,508	4,136	44,949	79,508	(34,560)	-43%	79,508
Gains		701	-	-	60	71	-	71	#DIV/0!	-
<b>Total Revenue (excluding capital)</b>		<b>3,695,815</b>	<b>4,019,854</b>	<b>3,992,393</b>	<b>229,657</b>	<b>3,616,064</b>	<b>3,992,393</b>	<b>(376,328)</b>	<b>-9%</b>	<b>3,992,393</b>
Transfers and subsidies - capital		156,811	169,918	145,403	29,727	95,913	145,403	(49,489)	(0)	145,403
<b>TOTAL</b>		<b>3,852,626</b>	<b>4,189,772</b>	<b>4,137,795</b>	<b>259,384</b>	<b>3,711,977</b>	<b>4,137,795</b>	<b>(425,818)</b>	<b>-43%</b>	<b>4,137,795</b>

**TABLE 4: ACTUAL REVENUE PER DEPARTMENT FOR THE PERIOD ENDING 30 JUNE 2023**

**NW403 City Of Matlosana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June**

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
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		1,103,392	1,220,631	1,268,994	33,134	1,164,729	1,268,994	(104,265)	-8%	1,268,994
Executive and council		952	2,829	2,729	320	2,795	2,729	66	2%	2,729
Finance and administration		1,102,440	1,217,802	1,266,266	32,814	1,161,934	1,266,266	(104,332)	-8%	1,266,266
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		325,340	99,627	71,448	4,483	45,866	71,448	(25,582)	-36%	71,448
Community and social services		263,727	4,350	4,529	282	2,575	4,529	(1,954)	-43%	4,529
Sport and recreation		29,670	14,872	4,474	360	6,956	4,474	2,482	55%	4,474
Public safety		28,136	33,404	32,444	3,385	28,806	32,444	(3,639)	-11%	32,444
Housing		3,808	47,000	30,000	455	7,528	30,000	(22,472)	-75%	30,000
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		70,959	57,038	50,732	4,057	38,075	50,732	(12,658)	-25%	50,732
Planning and development		9,993	10,763	10,763	1,196	10,159	10,763	(604)	-6%	10,763
Road transport		60,814	46,065	39,759	2,853	27,711	39,759	(12,048)	-30%	39,759
Environmental protection		152	210	210	8	204	210	(6)	-3%	210
<i>Trading services</i>		2,316,072	2,785,219	2,716,764	215,513	2,447,079	2,716,764	(269,685)	-10%	2,716,764
Energy sources		1,017,620	1,209,703	1,176,456	87,533	965,908	1,176,456	(210,548)	-18%	1,176,456
Water management		879,796	1,018,229	991,469	73,497	984,868	991,469	(6,601)	-1%	991,469
Waste water management		143,840	207,797	178,641	13,654	150,211	178,641	(28,431)	-16%	178,641
Waste management		274,817	349,489	370,197	40,829	346,092	370,197	(24,105)	-7%	370,197
<i>Other</i>	4	36,863	27,258	29,856	2,197	16,229	29,856	(13,628)	-46%	29,856
<b>Total Revenue - Functional</b>	2	<b>3,852,626</b>	<b>4,189,772</b>	<b>4,137,795</b>	<b>259,384</b>	<b>3,711,977</b>	<b>4,137,795</b>	<b>(425,818)</b>	<b>-10%</b>	<b>4,137,795</b>



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

- **Finance charges 88% less:** The underspending is mainly on interest paid on overdue accounts, most of the journals for interest paid on overdue accounts are done at the end of the financial year.
- **Bulk Purchases 63% 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 39% less:** Mainly on Security service, repair and maintenance of fleet, repair and maintenance of buildings and equipment and Asset Register administration. Under performance can be attributed to the delay in payments of invoices due to financial constraints.
- **Debt Impairment 16% less:** Most of the Debt Impairment journals are done at the end of financial year.



## 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 FOR THE PERIOD ENDING 30 JUNE 2023**

NW403 City Of Matlosana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

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									
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		-	14,820	28,434	1,738	10,020	28,434	(18,413)	-65%	28,434
Executive and council		-	11,820	25,409	1,738	7,145	25,409	(18,264)	-72%	25,409
Finance and administration		-	3,000	3,025	-	2,876	3,025	(149)	-5%	3,025
Internal audit										
<b>Community and public safety</b>		25,390	19,431	12,099	264	8,394	12,099	(3,705)	-31%	12,099
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		25,390	10,431	3,799	264	2,384	3,799	(1,414)	-37%	3,799
Public safety		-	3,000	3,000	-	1,132	3,000	(1,868)	-62%	3,000
Housing		-	6,000	5,300	-	4,878	5,300	(422)	-8%	5,300
Health										
<b>Economic and environmental services</b>		50,195	57,182	37,145	1,507	23,408	37,145	(13,737)	-37%	37,145
Planning and development										
Road transport		50,195	57,182	37,145	1,507	23,408	37,145	(13,737)	-37%	37,145
Environmental protection										
<b>Trading services</b>		63,277	116,241	118,394	15,954	58,948	118,394	(59,446)	-50%	118,394
Energy sources		24,609	55,544	55,544	2,009	27,059	55,544	(28,485)	-51%	55,544
Water management		24,327	28,715	24,786	1,445	8,118	24,786	(16,668)	-67%	24,786
Waste water management		14,342	21,535	14,720	1,816	2,943	14,720	(11,776)	-80%	14,720
Waste management		-	10,447	23,344	10,684	20,828	23,344	(2,516)	-11%	23,344
<b>Other</b>		13,678	9,364	9,364	1,910	3,537	9,364	(5,827)	-62%	9,364
<b>Total Capital Expenditure - Functional Classification</b>	3	152,541	217,038	205,436	21,373	104,307	205,436	(101,129)	-49%	205,436

**NOTE:** The total capital budget amounts to R 217 million. The year-to-date expenditure as at 30 June 2023 amounts to R 104 million.



## **NDPG**

- Approved amount of professional fees has been depleted on the Construction of Jouberton Taxi Rank and not able to make any payment to the consultant. Further, some of the key professional have partially suspended their services due to non-payment by the municipality.
- Not enough funds to complete all the works the contractor was appointed for and also pay additional professional fees for the Construction of Jouberton Taxi Rank.
- The construction works are behind in comparison with time elapsed and there is poor expenditure. Design Reviews by new Consultant are also contributing to slow progress

## **WSIG**

- Poor performance by the Contractor on the Refurbishment of Jouberton Reservoir, resulting to poor expenditure on the WSIG Grant.
- Contractor delayed by the suspension of the water shutdown at Jouberton reservoir. The contractor cannot work as the Pump station contractor has to complete his work before the Reservoir contractor can continue with the Valve chamber

## 2.5 Monthly Budget Statement - Cash Flow Statement

**Collection rate** – collection rate for the month ending 30 June 2023 is 65%. The collection rate has decreased by 7% compared to 31 May 2023 where 72% was achieved.

**TABLE 10: ACTUAL CASH FLOW FOR THE PERIOD ENDING 30 JUNE 2023**

NW403 City Of Matlosana - Table C7 Monthly Budget Statement - Cash Flow - M12 June

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
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		419,718	365,289	365,289	27,728	356,921	365,289	(8,368)	-2%	365,289
Service charges		1,351,237	1,685,932	1,685,932	96,337	1,056,688	1,685,932	(629,244)	-37%	1,685,932
Other revenue		3,785,551	237,037	237,037	55,704	3,310,391	237,037	#####	1297%	237,037
Transfers and Subsidies - Operational		479,886	561,824	561,824	-	547,682	561,824	(14,142)	-3%	561,824
Transfers and Subsidies - Capital		170,551	169,918	169,918	-	150,412	169,918	(19,506)	-11%	169,918
Interest		21	108,337	108,337	-	22	108,337	(108,315)	-100%	108,337
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(4,054,823)	(3,068,583)	(3,068,583)	(432,212)	(3,726,049)	(3,068,583)	657,466	-21%	(3,068,583)
Finance charges								-		
Transfers and Grants								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>2,152,140</b>	<b>59,754</b>	<b>59,754</b>	<b>(252,443)</b>	<b>1,696,066</b>	<b>59,754</b>	<b>#####</b>	<b>-2738%</b>	<b>59,754</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		-	33	-	-	-	33	(33)	-100%	33
Decrease (increase) in non-current investments								-		
<b>Payments</b>										
Capital assets		(152,541)	(217,038)	(217,038)	(21,373)	(104,307)	(217,038)	(112,730)	52%	(217,038)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(152,541)</b>	<b>(217,005)</b>	<b>(217,038)</b>	<b>(21,373)</b>	<b>(104,307)</b>	<b>(217,005)</b>	<b>(112,698)</b>	<b>52%</b>	<b>(217,005)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		-	1,500	-	-	-	1,500	(1,500)	-100%	1,500
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>1,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,500</b>	<b>1,500</b>	<b>100%</b>	<b>1,500</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>1,999,599</b>	<b>(155,751)</b>	<b>(157,284)</b>	<b>(273,816)</b>	<b>1,591,759</b>	<b>(155,751)</b>			<b>(155,751)</b>
Cash/cash equivalents at beginning		(195,402)	310,855	310,855	(375,471)	224,921	310,855			224,921
Cash/cash equivalents at monthly/year end		1,804,197	155,104	153,572		1,816,680	155,104			69,170

**NOTE:** The cash and call Investments for the month ending 30 June 2023 amounts to R79,1 million which consists of the following:

Bank balances: R4,6 million

Call investments: R74,6 million

## **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 7,866,447,814 as at 30 June 2023 compared to R7,829,750,215 as at 31 May 2023.

Current to 30 days debt amounted to R 280,297,624 as at 30 June 2023 and has decreased with R 21,805,044 compared to R 302,102,668 as at 31 May 2023.

31 to 60 days debt increased with R 17,985,697, 61 to 90 days increased with R 8,190,116 and 91 days and older debt as at 30 June 2023 amounted to R 7,207,904,397 and has increased with R 32,326,829 compared to R7,175,577,568 as at 31 May 2023.

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

##### **Debtors age analysis per debtor type**

Government Debt R 91,501,744 (1,2%)

Business debtors' R 613,536,411 (7.8%)

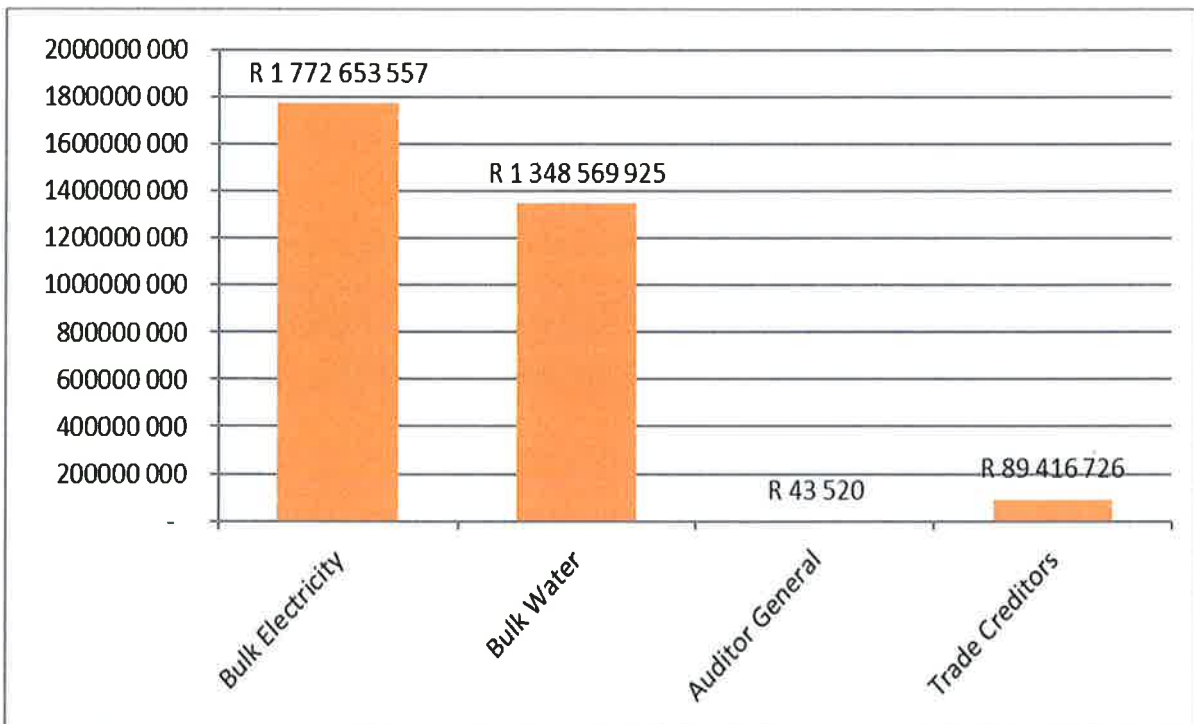
Domestic debtors' R7,161,409,659 (91%)

### 3.2 Creditors age analysis

The municipality's total outstanding creditors amounted to R 3,210,683,728 as at 30 June 2023 compared with R 3,079,076,564 as at 31 May 2023 and has increased with R 131,607,164

**TABLE 13: CREDITOR'S AGE ANALYSIS AS AT 30 JUNE 2023**

OUTSTANDING CREDITORS STATEMENT - 30 June 2023						
Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 +Days/Arreas	Total
Bulk Electricity	141 747 315	81 452 052	146 947 353	1 402 506 837	-	1 772 653 557
Bulk Water	109 373 841	49 881 131	47 780 185	1 141 534 768	-	1 348 569 925
Auditor General	5 601	37 899	-	20	-	43 520
Trade Creditors	47 706 197	-	53 899 762	(12 189 233)	-	89 416 726
<b>Total</b>	<b>298 832 954</b>	<b>131 371 082</b>	<b>248 627 300</b>	<b>2 531 852 392</b>	<b>-</b>	<b>3 210 683 728</b>



**Note:** According to the above information, the Municipality's highest outstanding creditor is ESKOM with the total outstanding amount of R1,773 billion followed by Midvaal with the total outstanding amount of R1,349 billion

### 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**

NW 403 City Of Matlosana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

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
<b>R thousands</b>										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		509,661	560,590	558,590	1,979	549,657	558,590	(8,934)	-1.6%	558,590
Energy Efficiency and Demand Side Management Grant		-	5,000	3,000	-	1,651	3,000	(1,349)	-45.0%	3,000
Equitable Share		484,096	545,300	545,300	-	538,013	545,300	(7,287)	-1.3%	545,300
Expanded Public Works Programme Integrated Grant		1,756	2,181	2,181	188	2,181	2,181	(0)	0.0%	2,181
Local Government Financial Management Grant		3,123	3,100	3,100	949	2,783	3,100	(317)	-10.2%	3,100
Municipal Disaster Relief Grant		15,897	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	3	4,789	5,009	5,009	842	5,028	5,009	19	0.4%	5,009
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		1,570	1,234	1,388	30	371	1,388	(1,017)	-73.3%	1,388
Capacity Building and Other Grants		1,570	1,234	1,388	30	371	1,388	(1,017)	-73.3%	1,388
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	511,231	561,824	559,978	2,009	550,028	559,978	(9,950)	-1.8%	559,978
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		156,811	169,918	145,403	29,727	95,913	145,403	(49,489)	-34.0%	145,403
Integrated National Electrification Programme Grant		-	29,064	29,064	4,215	19,077	29,064	(9,987)	-34.4%	29,064
Municipal Infrastructure Grant		92,538	95,178	84,178	24,126	63,595	84,178	(20,582)	-24.5%	84,178
Neighbourhood Development Partnership Grant		55,743	30,000	21,000	1,385	11,486	21,000	(9,514)	-45.3%	21,000
Water Services Infrastructure Grant		8,530	15,676	11,161	-	1,755	11,161	(9,406)	-84.3%	11,161
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Developers Contribution		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	156,811	169,918	145,403	29,727	95,913	145,403	(49,489)	-34.0%	145,403
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	668,042	731,742	705,381	31,736	645,941	705,381	(59,440)	-8.4%	705,381

**Note:** The table reflect the YTD actual revenue amounts to R 645,9 million, against the YTD budget of R705,3 million as at 30 June 2023. Revenue on Grants can only be recognized when conditions are met.

### 3.5 COUNCILORS AND EMPLOYEE BENEFITS

- Employees related cost – R 702,9 million spent as at 30 June 2023
- Council Remuneration – R 36,9 million spent as at 30 June 2023

**TABLE 17: COUNCILORS AND EMPLOYEE BENEFITS**

NW403 City Of Matlosana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

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
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		21,698	24,558	24,558	1,919	23,751	24,558	(806)	-3%	24,558
Pension and UIF Contributions		1,394	2,246	2,246	151	1,782	2,246	(464)	-21%	2,246
Medical Aid Contributions		6	18	18	-	-	18	(18)	-100%	18
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		3,390	2,858	2,858	262	2,867	2,858	8	0%	2,858
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		7,701	9,775	9,775	690	8,511	9,775	(1,264)	-13%	9,775
<b>Sub Total - Councillors</b>		<b>34,189</b>	<b>39,456</b>	<b>39,456</b>	<b>3,022</b>	<b>36,912</b>	<b>39,456</b>	<b>(2,544)</b>	<b>-6%</b>	<b>39,456</b>
% increase	4		15.4%	15.4%						15.4%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		5,333	10,803	10,803	(896)	(3,708)	10,803	(14,511)	-134%	10,803
Pension and UIF Contributions		10	16	16	-	5	16	(11)	-71%	16
Medical Aid Contributions		57	50	50	-	33	50	(17)	-33%	50
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		659	1,364	1,364	-	192	1,364	(1,172)	-86%	1,364
Cellphone Allowance		20	211	211	-	-	211	(211)	-100%	211
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	8	8	-	-	8	(8)	-100%	8
Payments in lieu of leave		100	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>6,179</b>	<b>12,452</b>	<b>12,452</b>	<b>(896)</b>	<b>(3,478)</b>	<b>12,452</b>	<b>(15,929)</b>	<b>-128%</b>	<b>12,452</b>
% increase	4		101.5%	101.5%						101.5%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		424,493	476,456	460,799	36,971	439,965	460,799	(20,834)	-5%	460,799
Pension and UIF Contributions		87,036	98,312	98,312	7,535	89,792	98,312	(8,520)	-9%	98,312
Medical Aid Contributions		38,294	44,045	44,045	3,421	39,568	44,045	(4,477)	-10%	44,045
Overtime		61,810	25,944	30,224	6,908	69,475	30,224	39,252	130%	30,224
Performance Bonus		33,145	38,047	38,047	2,601	33,332	38,047	(4,715)	-12%	38,047
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		996	1,410	1,410	136	1,450	1,410	40	3%	1,410
Housing Allowances		6,549	7,861	7,861	518	6,312	7,861	(1,549)	-20%	7,861
Other benefits and allowances		15,497	25,327	35,529	1,371	19,512	35,529	(16,018)	-45%	35,529
Payments in lieu of leave		3,902	14,184	14,184	309	7,044	14,184	(7,139)	-50%	14,184
Long service awards		(501)	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		8,790	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>680,010</b>	<b>731,586</b>	<b>730,411</b>	<b>59,770</b>	<b>706,450</b>	<b>730,411</b>	<b>(23,960)</b>	<b>-3%</b>	<b>730,411</b>
% increase	4		7.6%	7.4%						7.4%
<b>Total Parent Municipality</b>		<b>720,378</b>	<b>783,493</b>	<b>782,318</b>	<b>61,896</b>	<b>739,884</b>	<b>782,318</b>	<b>(42,434)</b>	<b>-5%</b>	<b>782,318</b>

2	<b>Expenditure by Type</b>				
	<b>Bulk Purchases - electricity</b>	<b>(683,362,049)</b>	<b>-63%</b>	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.	Implement revenue enhancement And debt collection rate strategies.
	<b>Contracted services</b>	<b>(179,225,120)</b>	<b>-39%</b>	Mainly on Security service, repair and maintenance of fleet, repair and maintenance of buildings and equipment and Asset Register administration. Under performance can be attributed to the delay in payments of invoices due to financial constraints.	
	<b>Finance Charges</b>	<b>(8,908,239)</b>	<b>-88%</b>	The underspending is mainly on interest paid on overdue accounts, most of the journals for interest paid on overdue accounts are done at the end of the financial year.	
	<b>Debt Impairment</b>	<b>(128,116,324)</b>	<b>-16%</b>	Most of the Debt Impairment journals are done at the end of financial year.	



## TABLE: 20 CAPITAL EXPENDITURE PERFORMANCE

NW403 City Of Matlosana - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M12 June

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>R thousands</b>									
<u>Monthly expenditure performance trend</u>									
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	6,509	15,818	54,259	38,442	70.8%	7%
October	12,712	18,086	18,086	3,082	18,899	72,346	53,447	73.9%	9%
November	12,712	18,086	18,086	1,767	20,666	90,432	69,766	77.1%	10%
December	12,712	18,086	18,086	18,549	39,215	108,519	69,303	63.9%	18%
January	12,712	18,086	18,086	1,982	41,197	126,605	85,408	67.5%	19%
February	12,712	18,086	20,809	8,542	49,739	147,415	97,676	66.3%	23%
March	12,712	18,086	20,809	13,268	63,007	168,224	105,217	62.5%	29%
April	12,712	18,086	20,809	5,806	68,813	189,033	120,220	63.6%	0
May	12,712	18,086	20,809	14,121	82,935	209,842	126,908	60.5%	0
June	12,712	18,086	(4,406)	21,373	104,307	227,929	123,621	54.2%	0
<b>Total Capital expenditure</b>	<b>152,541</b>	<b>217,038</b>	<b>205,436</b>	<b>104,307</b>					

### 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

<b>Intangible Assets</b>		-	520	520	90	90	520	430	82.8%	520
<i>Services</i>										
Licences and Rights		-	520	520	90	90	520	430	82.8%	520
<i>Water Rights</i>										
<i>Effluent Licenses</i>										
<i>Solid Waste Licenses</i>										
<i>Computer Software and Applications</i>		-	520	520	90	90	520	430	82.8%	520
<i>Load Settlement Software Applications</i>										
<i>Unspecified</i>										
<b>Computer Equipment</b>		-	-	25	-	-	25	25	100.0%	25
Computer Equipment		-	-	25	-	-	25	25	100.0%	25
<b>Furniture and Office Equipment</b>		-	2,000	1,300	68	404	1,300	896	69.0%	1,300
Furniture and Office Equipment		-	2,000	1,300	68	404	1,300	896	69.0%	1,300
<b>Machinery and Equipment</b>		-	4,600	4,600	1,022	1,288	4,600	3,312	72.0%	4,600
Machinery and Equipment		-	4,600	4,600	1,022	1,288	4,600	3,312	72.0%	4,600
<b>Transport Assets</b>		-	7,000	38,933	11,242	22,695	38,933	16,238	41.7%	38,933
Transport Assets		-	7,000	38,933	11,242	22,695	38,933	16,238	41.7%	38,933
<b>Land</b>		-	-	-	-	-	-	-		-
Land		-	-	-	-	-	-	-		-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-		-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
<b>Total Capital Expenditure on new assets</b>	1	133,379	200,908	185,604	19,243	95,378	185,604	90,226	48.6%	185,604

# SUPPORTING TABLE SC13c

NW403 City Of Matlosana - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M12

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
<b>R thousands</b>										
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		92 816	156 185	190 764	37 000	199 190	190 764	(8 427)	-4,4%	190 764
Roads Infrastructure		14 286	48 376	63 796	18 767	80 523	63 796	(16 727)	-26,2%	63 796
Roads		14 034	47 744	62 444	18 737	80 047	62 444	(17 603)	-28,2%	62 444
Road Structures										
Road Furniture		251	632	1 352	30	476	1 352	876	64,8%	1 352
Electrical Infrastructure		45 970	69 691	86 691	14 973	80 405	86 691	6 286	7,3%	86 691
MV Substations		330	278	778	-	261	778	517	66,5%	778
MV Switching Stations		3	115	115	-	-	115	-	100,0%	115
MV Networks										
LV Networks		45 637	69 298	85 798	14 973	80 144	85 798	5 654	6,6%	85 798
Capital Spares										
Water Supply Infrastructure		25 146	17 565	19 965	3 171	19 977	19 965	(12)	-0,1%	19 965
Reservoirs		945	3 494	3 494	-	3 517	3 494	(22)	-0,6%	3 494
Distribution		24 201	14 070	16 470	3 171	16 460	16 470	10	0,1%	16 470
Sanitation Infrastructure		7 415	20 553	20 312	88	18 285	20 312	2 027	10,0%	20 312
Pump Station										
Reticulation		5 540	10 903	10 662	27	10 375	10 662	287	2,7%	10 662
Waste Water Treatment Works		1 875	9 650	9 650	61	7 910	9 650	1 740	18,0%	9 650
<b>Community Assets</b>		2 500	13 208	13 728	230	12 822	13 728	906	6,6%	13 728
Community Facilities		415	6 181	6 701	(10)	5 728	6 701	974	14,5%	6 701
Museums		28	104	119	-	81	119	38	32,1%	119
Galleries										
Theatres										
Libraries		417	980	985	29	835	985	150	15,2%	985
Cemeteries/Crematoria		(209)	3 916	4 616	118	4 540	4 616	76	1,6%	4 616
Police										
Parks										
Public Open Space		-	4	4	-	-	4	4	100,0%	4
Nature Reserves		90	505	305	(203)	217	305	88	29,0%	305
Public Ablution Facilities										
Markets		89	672	672	47	55	672	617	91,8%	672
<b>Computer Equipment</b>		3 389	4 065	4 065	870	2 475	4 065	1 589	39,1%	4 065
Computer Equipment		3 389	4 065	4 065	870	2 475	4 065	1 589	39,1%	4 065
<b>Furniture and Office Equipment</b>		427	1 199	2 216	987	2 314	2 216	(98)	-4,4%	2 216
Furniture and Office Equipment		427	1 199	2 216	987	2 314	2 216	(98)	-4,4%	2 216
<b>Machinery and Equipment</b>		11 365	24 213	24 233	4 668	20 408	24 233	3 825	15,8%	24 233
Machinery and Equipment		11 365	24 213	24 233	4 668	20 408	24 233	3 825	15,8%	24 233
<b>Transport Assets</b>		2 557	15 894	15 814	40	229	15 814	15 586	98,6%	15 814
Transport Assets		2 557	15 894	15 814	40	229	15 814	15 586	98,6%	15 814
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	1	115 619	223 989	262 504	45 723	243 870	262 504	18 635	7,1%	262 504

## SUPPORTING TABLE SC13e

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

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
<b>Community Assets</b>		13,678	11,064	11,064	1,910	4,669	11,064	6,395	57.8%	11,064
Community Facilities		13,678	11,064	11,064	1,910	4,669	11,064	6,395	57.8%	11,064
Testing Stations		-	3,000	3,000	-	1,132	3,000	1,868	62.3%	3,000
Markets		13,678	8,064	8,064	1,910	3,537	8,064	4,527	56.1%	8,064
<b>Other assets</b>		-	3,000	3,000	-	2,876	3,000	124	4.1%	3,000
Operational Buildings		-	3,000	3,000	-	2,876	3,000	124	4.1%	3,000
Municipal Offices		-	3,000	3,000	-	2,876	3,000	124	4.1%	3,000
<b>Total Capital Expenditure on upgrading of existing</b>	<b>1</b>	<b>13,678</b>	<b>14,064</b>	<b>14,064</b>	<b>1,910</b>	<b>7,544</b>	<b>14,064</b>	<b>6,520</b>	<b>46.4%</b>	<b>14,064</b>

### 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 June 2023 as per section 71 of the MFMA.