

**CITY OF MATLOSANA**

Attached hereto an item to be submitted to the \_\_\_\_\_ Committee to be held on \_\_\_\_\_, Author of the item: Lesego Moloke

HEAD OF DIVISION: <u>H.S. Koseoane</u> SIGNED: <u>[Signature]</u> DATE: <u>2023/07/20</u>	DELEGATED TO: _____ NUMBER: _____
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<b>Received by Deputy Director: Administration</b>	
Date and Time: <u>21/7/2023</u>	
Signature: <u>[Signature]</u>	
Member of the Mayoral Committee _____ Date _____	<b>COMMENTS:</b> ..... .....
Director: Corporate Services _____ Date _____	<b>COMMENTS:</b> ..... .....
<u>[Signature]</u> _____ Date <u>20/07/23</u>	<b>COMMENTS:</b> ..... .....
Chief Financial Officer _____ Date _____	<b>COMMENTS:</b> ..... .....
Director: Planning and Human Settlements _____ Date _____	<b>COMMENTS:</b> ..... .....
Director: Technical & infrastructure _____ Date _____	<b>COMMENTS:</b> ..... .....
Director: Community Development _____ Date _____	<b>COMMENTS:</b> ..... .....
Director: Public Safety _____ Date _____	<b>COMMENTS:</b> ..... .....
Director: Local Economic Development _____ Date _____	<b>COMMENTS:</b> ..... .....
<u>[Signature]</u> _____ Date <u>25/07/2023</u>	<b>COMMENTS:</b> ..... .....
Municipal Manager _____ Date _____	

[Signature]
25/7/2023  
**DEPUTY DIRECTOR: CORPORATE SERVICES**
**DATE**

**ALL MANAGERS:** Ensure that your report contains comments of relevant Departments implied in your report for inclusion in the agenda, failing which same report will be excluded from the agenda.



## QUARTELY REPORT FOR THE PERIOD ENDING 30 JUNE 2023

### MUNICIPAL FINANCE MANAGEMENT ACT NO.56 of 2003(MFMA): QUARTERLY FINANCIAL REPORT FOR THE PERIOD APRIL 2023 – JUNE 2023

#### 1. PURPOSE

To comply with section 52(d) of the MFMA, by the provision of a statement to the Executive Mayor containing certain financial particulars, as legislated.

#### 2. BACKGROUND

Section 52(d) of the MFMA requires that:

The Mayor of a Municipality must within **30 days** after the end of each quarter submit a report to the **Council** on the implementation of the budget and the financial state of affairs.

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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 4<sup>th</sup> QUARTER ENDED ON 30 JUNE 2023

#### 1.1 Performance summary

Table 1: Performance summary

Summary statement of Financial Performance					
Description	YTD Budget 2022/23	4th Quarter Actuals 2022/23	YTD Actual 2022/23	Variance Favourable (Unfavourable)	Variance %
Total Revenue by Source	4,137,795,150	788,526,856	3,711,977,471	(425,817,679)	-10.29%
Total Operating Expenditure	4,369,466,369	686,732,458	3,116,424,074	(1,253,042,295)	-29%
<b>SURPLUS/ (DEFICIT).</b>	<b>(231,671,219)</b>	<b>101,794,398</b>	<b>595,553,397</b>	<b>(827,224,616)</b>	

#### Revenue

The revenue for the fourth quarter ended on 30 June 2023 amounts to R788 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 fourth quarter ended on 30 June 2023 amounts to R687 million and the year-to date 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. The negative variance is as a result of cash flow challenges that the municipality is currently facing. The detailed reasons for the variances are outlined on table 18

## Cash management

Bank Balances	R 4,563,866
Call Investments	R 74,580,764
<b>Cash and Cash Investments</b>	<b>R 79,144,630</b>

## Investment Portfolio: 30 June 2023

### City of Matlosana

INSTITUTION	INTEREST RATE	JUNE 2023	EXPLANATION
<b>Call Investment</b>			
ABSA: 3854	3,73%	9 528 573,45	WSIG
ABSA: 5047	4,70%	7 692 752,37	INEP
ABSA: 6177	6,75%	184 280,24	MIG
ABSA: 2264	4,70%	1 034,47	own
ABSA: 4682	6,65%	43 764,29	NDPG
ABSA: 4063	1,55%	2 699 082,44	EEDSM
ABSA: 1223	6,75%	5 389 951,58	Auction
ABSA:5203		17 807 866,10	own (Salaries)
INVESTEC	3,30%	7 704 405,94	own
FNB		23 529 052,95	COVID
<b>TOTAL Call Investment</b>		<b>74 580 763,83</b>	

**Note:** The R43.7 million Call investment is ring-fenced for Conditional Grants

## Collection Rate & Outstanding Debtors

<b>Total Outstanding Debtors</b>	<b>R 7,866,447,814</b>
Debtors: Government	R 91,501,744
Debtors: Business	R 613,536,411
Debtors: Household	R 7,161,409,659

**Note:** The detailed Debtors Age analysis is outlined on Table 12. The collection rate for the quarter ending 30 June 2023 is 65%.

## 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

CAPITAL GRANT EXPENDITURE	ADJUSTMENT BUDGET 2022/23	4th Quarter Expenditure	YTD ACTUALS Incl VAT	YTD BUDGET	YTD % Incl VAT
MIG	84 177 650	29 258 765	65 064 120	77 162 846	77,29
NDPG	21 000 000	2 686 079	13 292 391	19 250 000	63,30
INEP	29 064 000	6 206 785	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>38 151 628</b>	<b>99 725 542</b>	<b>133 285 763</b>	<b>68,59</b>

**Note:** The total Capital grants budget amounts to R 145.4 million. The total expenditure for fourth quarter ending 30 June 2023 amounts to R38.1 million and the year to date actuals amounts to R99.7 million. The capital spending is relatively low as compared to the 92% of the Year to date budget. The year-to-date capital grants expenditure is at 68.6% as at 30 June 2023.

**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. IN – YEAR BUDGET STATEMENT MAIN TABLE

### 2.1 Quarterly Report summary

**Table2 C1:** The table below provides a high- level summary of the Municipal's financial performance, capital expenditure, financial position, cash flow, debtors and creditors analysis.

**NW403 City Of Matlosana - Table C1 Monthly Budget Statement Summary - M12 June**

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	451 441	507 345	532 836	31 879	456 397	532 836	(76 439)	-14%	532 836
Service charges	1 901 216	2 308 170	2 205 332	153 129	1 956 946	2 205 332	(248 385)	-11%	2 205 332
Investment revenue	10 685	9 270	9 270	(704)	12 923	9 270	3 653	39%	9 270
Transfers and subsidies	511 231	561 824	559 978	2 009	550 028	559 978	(9 950)	-2%	559 978
Other own revenue	821 241	633 244	684 977	43 344	639 771	684 977	(45 206)	-7%	684 977
	<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>
<b>Total Revenue (excluding capital transfers and contributions)</b>									
Employee costs	686 188	744 037	742 862	58 874	702 973	742 862	(39 890)	-5%	742 862
Remuneration of Councillors	34 189	39 456	39 456	3 022	36 912	39 456	(2 544)	-6%	39 456
Depreciation & asset impairment	383 480	440 000	440 000	-	272 329	440 000	(167 671)	-38%	440 000
Finance charges	116 936	10 123	10 123	84	1 215	10 123	(8 908)	-88%	10 123
Inventory consumed and bulk purchases	1 375 560	1 259 046	1 608 832	168 084	913 955	1 608 832	(694 877)	-43%	1 608 832
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	1 873 462	1 448 865	1 528 193	135 129	1 189 040	1 528 193	(339 152)	-22%	1 528 193
	<b>4 469 817</b>	<b>3 941 528</b>	<b>4 369 466</b>	<b>365 193</b>	<b>3 116 424</b>	<b>4 369 466</b>	<b>(1 253 042)</b>	<b>-29%</b>	<b>4 369 466</b>
<b>Total Expenditure</b>									
<b>Surplus/(Deficit)</b>	<b>(774 002)</b>	<b>78 326</b>	<b>(377 074)</b>	<b>(135 536)</b>	<b>499 640</b>	<b>(377 074)</b>	<b>876 714</b>	<b>-233%</b>	<b>(377 074)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	156 811	169 918	145 403	29 727	95 913	145 403	(49 489)	-34%	145 403
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions,	-	-	-	-	-	-	-	-	-
	<b>(617 190)</b>	<b>248 244</b>	<b>(231 671)</b>	<b>(105 809)</b>	<b>595 553</b>	<b>(231 671)</b>	<b>827 225</b>	<b>-357%</b>	<b>(231 671)</b>
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>									
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(617 190)</b>	<b>248 244</b>	<b>(231 671)</b>	<b>(105 809)</b>	<b>595 553</b>	<b>(231 671)</b>	<b>827 225</b>	<b>-357%</b>	<b>(231 671)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>152 541</b>	<b>217 038</b>	<b>230 651</b>	<b>14 121</b>	<b>82 935</b>	<b>209 842</b>	<b>(126 908)</b>	<b>-60%</b>	<b>230 651</b>
Capital transfers recognised	145 097	169 918	145 403	19 635	82 050	145 403	(63 352)	-44%	145 403
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	7 444	47 120	60 034	1 738	22 257	60 034	(37 777)	-63%	60 034
	<b>152 541</b>	<b>217 038</b>	<b>205 436</b>	<b>21 373</b>	<b>104 307</b>	<b>205 436</b>	<b>(101 129)</b>	<b>-49%</b>	<b>205 436</b>
<b>Total sources of capital funds</b>									
<b>Financial position</b>									
Total current assets	1 733 842	1 328 063	1 390 616	-	2 539 143	-	-	-	1 390 616
Total non current assets	5 565 160	5 066 938	5 055 337	-	5 396 917	-	-	-	5 055 337
<b>Total current liabilities</b>	<b>4 028 877</b>	<b>1 831 731</b>	<b>2 362 598</b>	<b>-</b>	<b>4 086 036</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2 362 598</b>
Total non current liabilities	42 265	81 274	81 274	-	30 996	-	-	-	81 274
Community wealth/Equity	4 841 579	4 233 752	4 233 752	-	3 948 612	-	-	-	4 233 752
<b>Cash flows</b>									
Net cash from (used) operating	2 152 140	59 754	59 754	(252 443)	1 696 066	59 754	(1 636 313)	-2738%	59 754
Net cash from (used) investing	(152 541)	(217 005)	(217 038)	(21 373)	(104 307)	(217 005)	(112 698)	52%	(217 005)
Net cash from (used) financing	-	1 500	-	-	-	1 500	1 500	100%	1 500
<b>Cash/cash equivalents at the month/year end</b>	<b>1 804 197</b>	<b>155 104</b>	<b>153 572</b>	<b>-</b>	<b>1 816 680</b>	<b>155 104</b>	<b>(1 661 576)</b>	<b>-1071%</b>	<b>69 170</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	280 298	207 830	170 416	7 207 904	-	-	-	-	7 866 448
<b>Creditors Age Analysis</b>									
Total Creditors	298 833	131 371	248 627	2 531 852	-	-	-	-	3 210 684



## 2.2 Quarterly Report – Financial Performance (Revenue by source)

### Actual operating revenue per revenue 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 quarter ending 30 June 2023.

**TABLE 3: ACTUAL REVENUE PER SOURCE FOR JUNE 2023**

NW403 City Of Matlosana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June 4th QUARTER

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	4th QUARTER	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	103 790	456 397	532 836	(76 439)	-14%	532 836
Service charges - electricity revenue		957 447	1 127 210	1 084 563	219 828	884 533	1 084 563	(200 030)	-18%	1 084 563
Service charges - water revenue		650 602	783 676	743 676	173 332	735 746	743 676	(7 929)	-1%	743 676
Service charges - sanitation revenue		125 356	173 864	153 673	34 665	141 376	153 673	(12 297)	-8%	153 673
Service charges - refuse revenue		167 812	223 421	223 421	47 669	195 291	223 421	(28 130)	-13%	223 421
Rental of facilities and equipment		251 709	8 105	8 833	1 421	7 984	8 833	(849)	-10%	8 833
Interest earned - external investments		10 685	9 270	9 270	1 822	12 923	9 270	3 653	39%	9 270
Interest earned - outstanding debtors		504 706	513 875	582 914	141 892	575 715	582 914	(7 198)	-1%	582 914
Dividends received					-			-		
Fines, penalties and forfeits		7 356	4 523	4 523	925	3 350	4 523	(1 173)	-26%	4 523
Licences and permits		8 023	10 384	9 199	1 680	7 701	9 199	(1 497)	-16%	9 199
Agency services		-	-	-	-	-	-	-		-
Transfers and subsidies		511 231	561 824	559 978	5 075	550 028	559 978	(9 950)	-2%	559 978
Other revenue		48 745	96 358	79 508	9 271	44 949	79 508	(34 560)	-43%	79 508
Gains		701	-	-	62	71	-	71	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>3 695 815</b>	<b>4 019 854</b>	<b>3 992 393</b>	<b>741 430</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 (monetary allocations) (National / Provincial and District)		156 811	169 918	145 403	47 097	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>788 527</b>	<b>3 711 977</b>	<b>4 137 795</b>	<b>(425 818)</b>	<b>(0)</b>	<b>4 137 795</b>

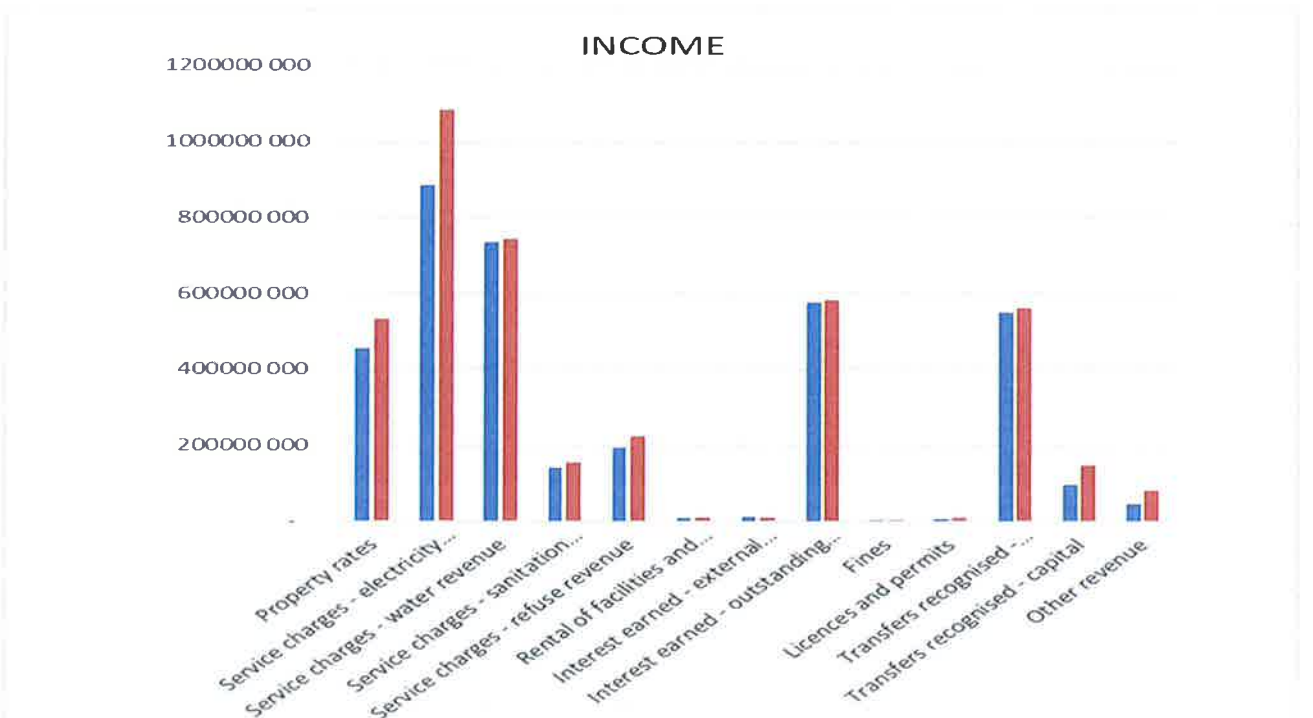
**The YTD variance on revenue is mainly due to the following items:**

- **Service charges – Electricity revenue 18% less:** Less revenue billed on electricity than initially anticipated. The budget on electricity revenue was adjusted downwards with the February adjustment budget to bring it in line with the current trends. However, the municipality is enforcing the measures to reduce illegal connections and ensure that all properties consuming electricity are billed. The reduction on this line item can also be attributed to the current implementation of load shedding by ESKOM and the acceleration of customers converting to solar.
- **Service charges – Refuse revenue 13% less:** Revenue was less than projected
- **Interest earned – External Investment 39% more:** Revenue was more than projected, mainly on interest earned on investments.
- **Fines, penalties & forfeits 26% 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 was due to shortage of staff and vacant positions that are not filled to date. According the traffic department, the vacant positions have been advertised therefore traffic fines collection rate will start to increase as soon as the appointment of new Traffic Officers has been finalised.
- **License and Permits 16% less:** One of the reasons for under collection is that members of the public can renew vehicle licences online using eNaTIS electronic system instead of going physically to municipality offices
- **Other Revenue 43% less:** The budgeted amount consists of numerous items (e.g. Commission: insurance, Commission: Transaction Handling fees, Plan printing and duplicate, etc.) in this instance under performance was mostly on the Sale of Property. The reason for under collection is that there has been delays in the issuing of clearance figures for property transfers.

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

NW403 City Of Matlosana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June 4th QUARTER

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	4th QUARTER	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		1 103 392	1 220 631	1 268 994	138 931	1 164 729	1 268 994	(104 265)	-8%	1 268 994
Executive and council		952	2 829	2 729	1 178	2 795	2 729	66	2%	2 729
Finance and administration		1 102 440	1 217 802	1 266 266	137 754	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	9 807	45 866	71 448	(25 582)	-36%	71 448
Community and social services		263 727	4 350	4 529	643	2 575	4 529	(1 954)	-43%	4 529
Sport and recreation		29 670	14 872	4 474	467	6 956	4 474	2 482	55%	4 474
Public safety		28 136	33 404	32 444	7 499	28 806	32 444	(3 639)	-11%	32 444
Housing		3 808	47 000	30 000	1 198	7 528	30 000	(22 472)	-75%	30 000
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		70 959	57 038	50 732	12 070	38 075	50 732	(12 658)	-25%	50 732
Planning and development		9 993	10 763	10 763	3 002	10 159	10 763	(604)	-6%	10 763
Road transport		60 814	46 065	39 759	9 037	27 711	39 759	(12 048)	-30%	39 759
Environmental protection		152	210	210	31	204	210	(6)	-3%	210
<i>Trading services</i>		2 316 072	2 785 219	2 716 764	624 797	2 447 079	2 716 764	(269 685)	-10%	2 716 764
Energy sources		1 017 620	1 209 703	1 176 456	246 996	965 908	1 176 456	(210 548)	-18%	1 176 456
Water management		879 796	1 018 229	991 469	241 924	984 868	991 469	(6 601)	-1%	991 469
Waste water management		143 840	207 797	178 641	38 533	150 211	178 641	(28 431)	-16%	178 641
Waste management		274 817	349 489	370 197	97 344	346 092	370 197	(24 105)	-7%	370 197
<i>Other</i>	4	36 863	27 258	29 856	2 922	16 229	29 856	(13 628)	-46%	29 856
<b>Total Revenue - Functional</b>	<b>2</b>	<b>3 852 626</b>	<b>4 189 772</b>	<b>4 137 795</b>	<b>788 527</b>	<b>3 711 977</b>	<b>4 137 795</b>	<b>(425 818)</b>	<b>-10%</b>	<b>4 137 795</b>



## 2.3 Quarterly Report – Financial Performance (Expenditure per category)

### 1. Actual operating expenditure per category

The actual operating expenditure per vote is set out in Table 5 below. Year to date actual operating expenditure of R 3,116 billion compares unfavourably with the pro rata budgeted expenditure of R 4,369 billion a variance of R 1,253 billion

**TABLE 5: ACTUAL OPERATIONAL EXPENDITURE PER CATEGORY FOR THE PERIOD ENDING 30 JUNE 2023**

NW403 City Of Matlosana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June 4th QUARTER

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	4th QUARTER	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Expenditure By Type</b>										
Employee related costs		686 188	744 037	742 862	178 783	702 973	742 862	(39 890)	-5%	742 862
Remuneration of councillors		34 189	39 456	39 456	9 066	36 912	39 456	(2 544)	-6%	39 456
Debt impairment		1 302 816	788 344	788 344	68 734	660 228	788 344	(128 116)	-16%	788 344
Depreciation & asset impairment		383 480	440 000	440 000	-	272 329	440 000	(167 671)	-38%	440 000
Finance charges		116 936	10 123	10 123	263	1 215	10 123	(8 908)	-88%	10 123
Bulk purchases - electricity		874 375	1 088 924	1 088 924	129 771	405 562	1 088 924	(683 362)	-63%	1 088 924
Inventory consumed		501 185	170 122	519 908	167 281	508 394	519 908	(11 515)	-2%	519 908
Contracted services		333 130	435 466	461 222	65 597	281 997	461 222	(179 225)	-39%	461 222
Transfers and subsidies					-			-		
Other expenditure		215 671	225 054	278 626	65 616	245 195	278 626	(33 432)	-12%	278 626
Losses		21 845	-	-	1 621	1 621	-	1 621	#DIV/0!	-
<b>Total Expenditure</b>		<b>4 489 817</b>	<b>3 941 528</b>	<b>4 369 466</b>	<b>686 732</b>	<b>3 116 424</b>	<b>4 369 466</b>	<b>(1 253 042)</b>	<b>-28%</b>	<b>4 369 466</b>

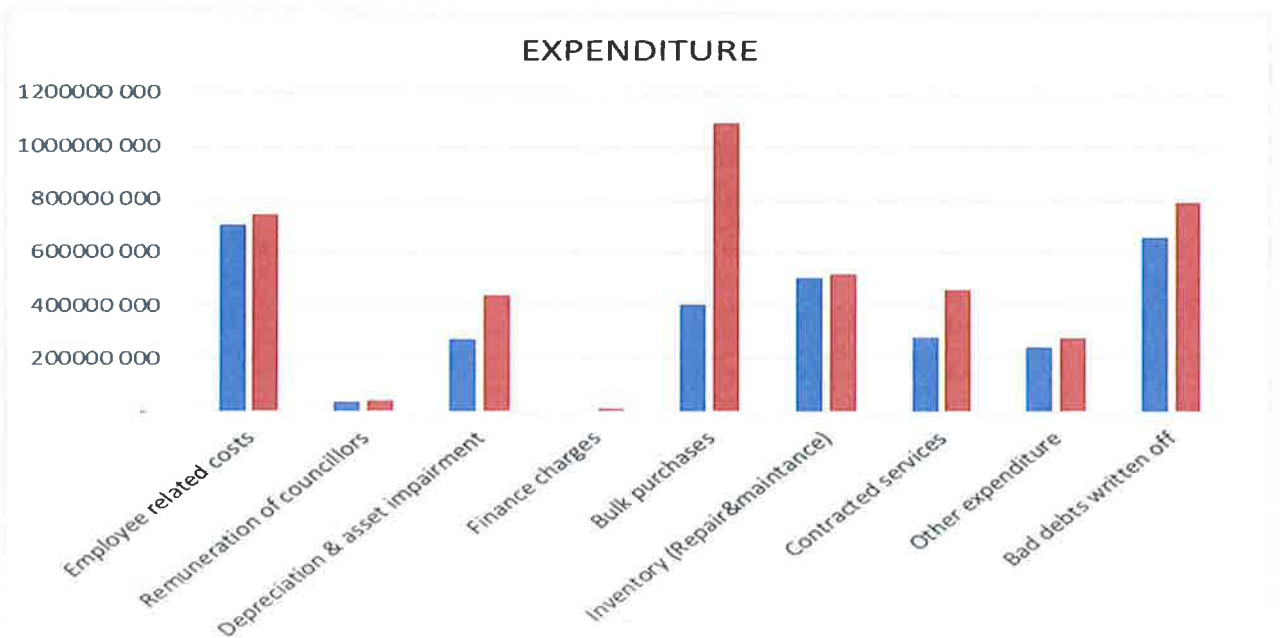
**The variance on the expenditure against the YTD budget is mainly on the following items:**

- **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.

**TABLE 6: ACTUAL OPERATIONAL EXPENDITURE PER VOTE FOR THE PERIOD ENDING 30 JUNE 2023**

NW403 City Of Matlosana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 June 4th QUARTER

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	4th QUARTER	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		1 201 819	746 226	727 023	119 966	581 707	727 023	(145 315)	-20%	727 023
Executive and council		278 161	431 089	401 266	72 055	309 682	401 266	(91 584)	-23%	401 266
Finance and administration		919 961	309 136	319 756	46 395	265 787	319 756	(53 968)	-17%	319 756
Internal audit		3 697	6 001	6 001	1 516	6 238	6 001	237	4%	6 001
<b>Community and public safety</b>		297 069	383 563	395 854	79 489	331 700	395 854	(64 154)	-16%	395 854
Community and social services		63 938	116 557	119 289	14 805	75 380	119 289	(43 909)	-37%	119 289
Sport and recreation		90 892	100 852	101 952	28 276	108 347	101 952	6 395	6%	101 952
Public safety		138 930	159 088	161 298	35 574	135 794	161 298	(25 504)	-16%	161 298
Housing		3 206	6 903	13 153	823	12 146	13 153	(1 007)	-8%	13 153
Health		101	162	162	12	33	162	(129)	-80%	162
<b>Economic and environmental services</b>		246 223	284 751	293 197	68 890	250 460	293 197	(42 738)	-15%	293 197
Planning and development		84 720	69 467	69 412	13 338	56 456	69 412	(12 956)	-19%	69 412
Road transport		161 979	213 300	221 801	54 562	192 059	221 801	(29 742)	-13%	221 801
Environmental protection		(476)	1 984	1 984	990	1 945	1 984	(39)	-2%	1 984
<b>Trading services</b>		2 700 663	2 501 039	2 927 402	413 624	1 936 369	2 927 402	(991 033)	-34%	2 927 402
Energy sources		1 148 407	1 629 984	1 693 932	190 895	891 835	1 693 932	(802 096)	-47%	1 693 932
Water management		1 046 263	417 355	754 350	145 961	654 473	754 350	(99 876)	-13%	754 350
Waste water management		218 936	200 674	224 594	35 089	192 058	224 594	(32 536)	-14%	224 594
Waste management		287 057	253 026	254 526	41 678	198 002	254 526	(56 524)	-22%	254 526
<b>Other</b>		24 043	25 948	25 990	4 763	16 188	25 990	(9 802)	-38%	25 990
<b>Total Expenditure - Functional</b>	3	4 469 817	3 941 528	4 369 466	686 732	3 116 424	4 369 466	(1 253 042)	-29%	4 369 466



## 2.4 Actual capital expenditure 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 4th QUARTER

Vote Description	Ref	2021/22			Budget Year 2022/23					
		Audited Outcome	Original Budget	Adjusted Budget	4th QUARTER	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>↑</b>									
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		-	14 820	28 434	3 205	10 020	28 434	(18 413)	-65%	28 434
Executive and council		-	11 820	25 409	3 205	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								-		
<i>Community and public safety</i>		25 390	19 431	12 099	3 979	8 394	12 099	(3 705)	-31%	12 099
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		25 390	10 431	3 799	(898)	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	4 878	5 300	(422)	-8%	5 300
Health								-		
<i>Economic and environmental services</i>		50 195	57 182	37 145	4 674	23 408	37 145	(13 737)	-37%	37 145
Planning and development								-		
Road transport		50 195	57 182	37 145	4 674	23 408	37 145	(13 737)	-37%	37 145
Environmental protection								-		
<i>Trading services</i>		63 277	116 241	118 394	28 594	58 948	118 394	(59 446)	-50%	118 394
Energy sources		24 609	55 544	55 544	9 744	27 059	55 544	(28 485)	-51%	55 544
Water management		24 327	28 715	24 786	2 132	8 118	24 786	(16 668)	-67%	24 786
Waste water management		14 342	21 535	14 720	2 538	2 943	14 720	(11 776)	-80%	14 720
Waste management		-	10 447	23 344	14 180	20 828	23 344	(2 516)	-11%	23 344
<i>Other</i>		13 678	9 364	9 364	848	3 537	9 364	(5 827)	-62%	9 364
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>152 541</b>	<b>217 038</b>	<b>205 436</b>	<b>41 300</b>	<b>104 307</b>	<b>205 436</b>	<b>(101 129)</b>	<b>-49%</b>	<b>205 436</b>

**NOTE:** The total capital budget amounts to R205 million. The expenditure for the quarter ending 30 June 2023 amounts to R41,3 million and the year-to-date actual expenditure amounts to R104,3 million.



**TABLE 8: ACTUAL CAPITAL EXPENDITURE PER FUNDING SOURCE 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 4th QUARTER

Vote Description	Ref	2021/22			Budget Year 2022/23					
		Audited Outcome	Original Budget	Adjusted Budget	4th QUARTER	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Funded by:</b>										
National Government		145 097	169 918	145 403	30 951	82 050	145 403	(63 352)	-44%	145 403
Provincial Government								-		
District Municipality								-		
R thousands		-	-	-	-	-	-	-		-
Transfers recognised - capital		145 097	169 918	145 403	30 951	82 050	145 403	(63 352)	-44%	145 403
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		7 444	47 120	60 034	10 349	22 257	60 034	(37 777)	-63%	60 034
<b>Total Capital Funding</b>		<b>152 541</b>	<b>217 038</b>	<b>205 436</b>	<b>41 300</b>	<b>104 307</b>	<b>205 436</b>	<b>(101 129)</b>	<b>-49%</b>	<b>205 436</b>

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

**MIG**

1. Sewer Pump Stations in KOSH
  - Budget limitations in completing some of the construction scope of works due to AFA partial approval, and there is not enough budget for Consultants Fees
2. Extension of National Fresh Produce Market in Klerksdorp Phase2
  - Slow rate of progress by contractor citing cash flow challenges.
3. Upgrading of Outfall Sewer in Jouberton and Alabama Extensions
  - Delays in project registration by CoGTA.
4. Refurbishment of Electrical and Mechanical Equipment in the Water Pump Stations in KOSH
  - Delays in arrival of soft starters from international supplier hampering with progress.
  - Slow progress by contractor because the municipality has not approved the water shut downs applied for by HT Pelatona at various pump stations which are required to fit various components at the pump stations.
5. Paving of Taxi Routes and Storm Water Drainage in Khuma (Phase 9)
  - Contractor is behind programme of works due to rain delays, poor performance and partially suspension and removal of construction equipment from site from 28 February 2023.

- Delays by the households at extension 11 to relocate their household as per Surveyor's Certificate. This is delaying Eskom from relocating their infrastructure and also the Contractor to be able to start working on extension 11

### **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



**TABLE 9: FINANCIAL POSITION**

**NW403 City Of Matlosana - Table C6 Monthly Budget Statement - Financial Position - M12 June**

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		1,831,206	65,145	65,145	(104,880)	65,145
Call investment deposits		(1,606,285)	333,248	333,248	163,800	333,248
Consumer debtors		484,523	632,866	695,418	1,291,238	695,418
Other debtors		985,851	243,161	243,161	1,137,833	243,161
Current portion of long-term receivables		7	29	29	(22)	29
Inventory		38,539	53,615	53,615	51,174	53,615
<b>Total current assets</b>		<b>1,733,842</b>	<b>1,328,063</b>	<b>1,390,616</b>	<b>2,539,143</b>	<b>1,390,616</b>
<b>Non current assets</b>						
Long-term receivables		-	33	33	-	33
Investments						
Investment property		349,865	257,100	257,100	349,865	257,100
Investments in Associate						
Property, plant and equipment		5,832,224	4,798,047	4,786,445	5,663,892	4,786,445
Biological						
Intangible		1,297	1,817	1,817	1,387	1,817
Other non-current assets		(618,226)	9,941	9,941	(618,226)	9,941
<b>Total non current assets</b>		<b>5,565,160</b>	<b>5,066,938</b>	<b>5,055,337</b>	<b>5,396,917</b>	<b>5,055,337</b>
<b>TOTAL ASSETS</b>		<b>7,299,002</b>	<b>6,395,002</b>	<b>6,445,953</b>	<b>7,936,061</b>	<b>6,445,953</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		(5,042)	2,000	2,000	(5,042)	2,000
Consumer deposits		64,143	94,930	94,930	67,916	94,930
Trade and other payables		3,406,295	1,177,431	1,708,297	3,459,482	1,708,297
Provisions		563,482	557,371	557,371	563,681	557,371
<b>Total current liabilities</b>		<b>4,028,877</b>	<b>1,831,731</b>	<b>2,362,598</b>	<b>4,086,036</b>	<b>2,362,598</b>
<b>Non current liabilities</b>						
Borrowing		42,265	81,274	81,274	30,996	81,274
Provisions		-	-	-	-	-
<b>Total non current liabilities</b>		<b>42,265</b>	<b>81,274</b>	<b>81,274</b>	<b>30,996</b>	<b>81,274</b>
<b>TOTAL LIABILITIES</b>		<b>4,071,142</b>	<b>1,913,005</b>	<b>2,443,872</b>	<b>4,117,032</b>	<b>2,443,872</b>
<b>NET ASSETS</b>	2	<b>3,227,859</b>	<b>4,481,996</b>	<b>4,002,081</b>	<b>3,819,028</b>	<b>4,002,081</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		4,841,579	4,233,752	4,233,752	3,948,612	4,233,752
Reserves		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>4,841,579</b>	<b>4,233,752</b>	<b>4,233,752</b>	<b>3,948,612</b>	<b>4,233,752</b>

**Note:** The financial position as indicated in Table 9 above shows that the Net Assets of the City of Matlosana as at 30 June 2023 amounts to R3,8 billion

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

### 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: Collection rate** – The collection rate for the fourth quarter ending 30 June 2023 is 65%. Cash and call Investments for the quarter ending 30 June 2023 amounts to R79,1 million which consists of the following:

Bank balances: R 4,6 million

Call investments: R74,6 million

## 2.6 Actual borrowings

The municipality's position on external loans is set out in Table 11 below. The municipality started the 2022/23 financial year with borrowing debt of R12,866,179 and after repayments R 3,502,848 were made, the total borrowings outstanding as at 30 June 2023 amounts to R 9,363,331

**TABLE 11: ACTUAL BORROWING FOR THE PERIOD ENDING 30 JUNE 2023**

### ANNEXURE A

ANNEXURE A  
30 JUNE 2023

Borrowing Reference No	Start Date	End Date	Borrowing Period Years	Original Loan	Lender	Purpose	% Interest Rate (2 dec) Per Annum	Interest Paid This quarter	Opening Balance 01/07/2022	Debt Repaid or Re-deemed	Additional Principal Accrued	Balance at 30/06/2023
<b>Monthly Payments</b>												
103677-1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		115 541.14	12 866 179.72	276 002.21		12 590 178.01
103677-1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		113 044.24	12 590 159.91	272 370.02		12 318 790.00
103677-1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		106 871.95	12 311 796.04	264 543.31		12 047 253.00
103677-1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		107 302.33	12 025 255.91	263 532.91		11 762 723.00
103677-1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		101 941.36	11 743 722.57	260 473.30		11 483 249.27
103677-1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		101 042.64	11 454 242.77	258 671.97		11 195 571.00
103677-1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		100 405.24	11 165 576.00	250 920.28		10 914 656.00
103677-1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		88 405.58	10 874 656.00	303 310.04		10 571 346.00
103677-1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		94 224.56	10 571 345.46	296 590.32		10 274 755.00
103677-1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		89 101.45	10 274 754.91	302 223.63		9 972 531.00
103677-1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		80 285.45	9 972 531.00	301 734.57		9 670 796.00
103677-1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		83 949.47	9 670 796.00	317 465.66		9 363 330.00
<b>ANNUITY LOANS</b>												
MM103677-1	1/11/2010	1/11/2025	15	35269078	Development Bank of SA	Provision of Infrastructure	14.75	1 192 574.59	12 866 179.72	3 502 847.73	0.00	9 363 330.99
<b>TOTAL ANNUITIES</b>								<b>1 192 574.59</b>	<b>12 866 179.72</b>	<b>3 502 847.73</b>		<b>9 363 330.99</b>

## **PART 2 SUPPORTING DOCUMENTS**

### **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 7,866,447,813 as at 30 June 2023 compared to R 7,551,155,100 as at 31 March 2023.

Current to 30 days debt amounted to R 280,297,624 as at 30 June 2023 and has increased with R 15,745,529 compared to R 264,552,095 as at 31 March 2023.

31 to 60 days debt increased with R 33,126,850; 61 to 90 days increased with R 18,455,241 and 91 days and older debt as at 30 December 2023 amounted to R 7,207,904,397 and has increased with R 247,965,093 compared to R 6,959,939,304 as at 31 March 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%)

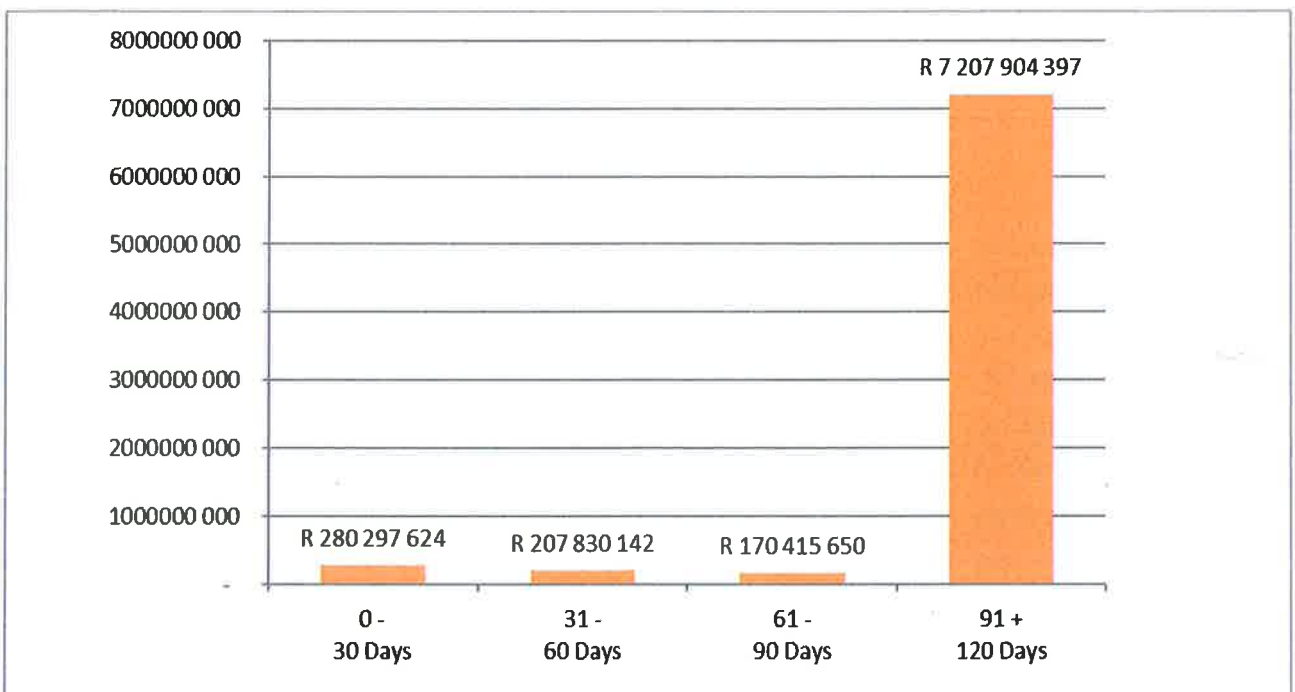
Business debtors' R 613,536,411 (7.8%)

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

**TABLE 12: OUTSTANDING DEBTORS AS AT 30 JUNE 2023**

**DEBTOR'S AGE ANALYSIS - 30 June 2023**

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total -
<b>Debtors Age Analysis By Income Source</b>					
Water Tariffs	77 001 703	78 319 915	57 049 823	2 667 578 051	2 879 949 492
Electricity Tariffs	63 252 292	30 048 273	25 338 943	466 317 535	584 957 043
Rates (Property Rates)	33 028 586	14 749 369	11 589 994	383 841 553	443 209 502
Sewerage/ Sanitation	9 015 281	6 570 457	6 098 968	352 336 730	374 021 436
Refuse Removal Tariffs	17 321 699	13 664 335	12 923 584	706 027 084	749 936 702
Other	80 678 063	64 477 793	57 414 338	2 631 803 444	2 834 373 638
<b>Total By Income Source</b>	<b>280 297 624</b>	<b>207 830 142</b>	<b>170 415 650</b>	<b>7 207 904 397</b>	<b>7 866 447 813</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	6 272 802	5 500 797	1 631 922	78 096 223	91 501 744
Business	60 748 339	38 205 134	21 509 705	493 073 233	613 536 411
Households	213 276 483	164 124 211	147 274 023	6 636 734 941	7 161 409 658
Other	-	-	-	-	-
<b>Total By Customer Group</b>	<b>280 297 624</b>	<b>207 830 142</b>	<b>170 415 650</b>	<b>7 207 904 397</b>	<b>7 866 447 813</b>



**Note:** According to the Debtors Age Analysis it is clear that the 91% of the total outstanding debt is owed by the Household.

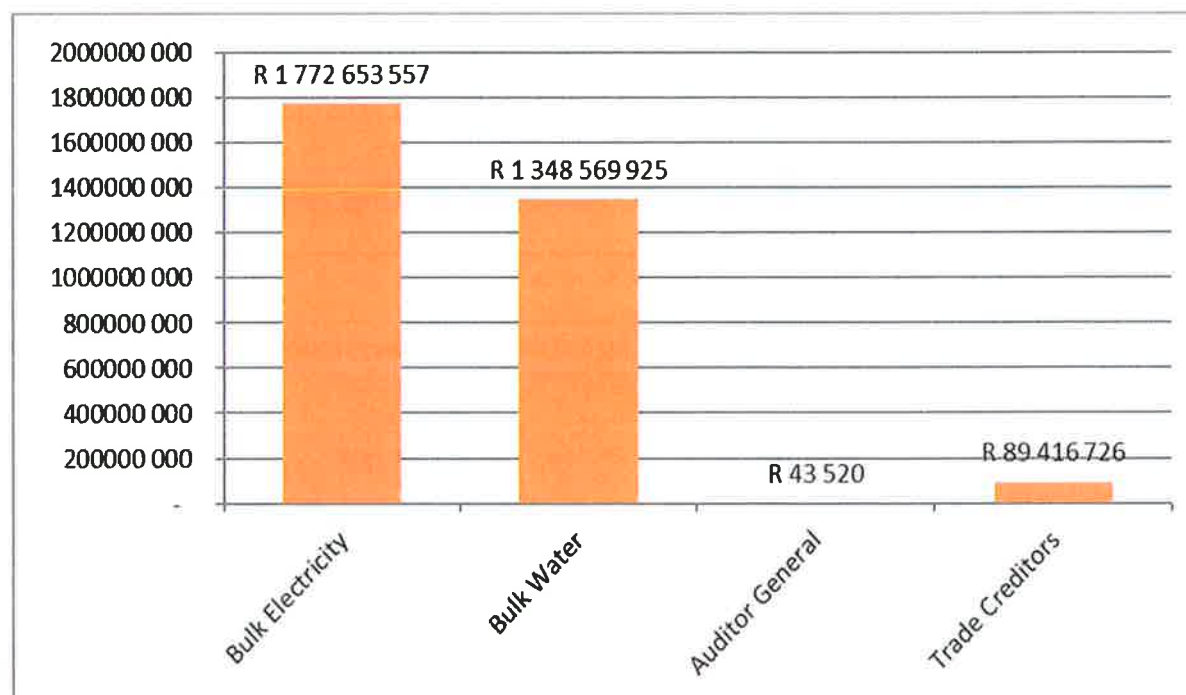
### 3.2 Creditors age analysis

The municipality's total outstanding creditors amounted to R 3,210 billion as at 30 June 2023 compared with the R 2,917 billion as at 31 March 2023 and increased with R 293,7 million

An amount of R92 million and R149 million was paid to **Midvaal** and **Eskom** respectively in the fourth quarter ending 30 June 2023.

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

CREDITORS AGE ANALYSIS - 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

### 3.3 Investment

Surplus cash is invested on a daily basis depending on the commitment of funds. The municipality's investments as at 30 June 2023 is as set out in Table 14 below.

**TABLE 14: INVESTMENTS AS AT 30 JUNE 2023**

NW403 City Of Matlosana - Supporting Table SC5 Monthly Budget Statement - investment portfolio - 4th Quarter

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months									
<b>R thousands</b>											
<b>Municipality</b>											
ABSA		-	daily call	yes	Variable		113 433	535	(143 216)	72 596	43 347
INVESTEC		-	daily call	yes	Variable		7 653	51	-		7 704
SANLAM		2yrs	Policy	yes	Variable	2024/08/01	11 338	757	-		12 094
FNB		12months	Long term	yes	Variable	2023/06/30	68	3	-		71
FNB		-	daily call	yes	Variable		23 373	156			23 529
NEOBANK											-
Municipality sub-total							155 865	1 501	(143 216)	72 596	86 746
<b>Entities</b>											
											-
											-
											-
											-
											-
Entities sub-total							-		-	-	-
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>						<b>155 865</b>	<b>1 501</b>	<b>(143 216)</b>	<b>72 596</b>	<b>86 746</b>

**Note:** The municipality started the beginning of the month with total investments of R155,9 million and after investment made of R72,6 million and withdrawals of R143,2 million closed with an investment balance of R86,7 million which includes collateral and long term investment 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 - 4th Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	4th Quarter	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		509 661	560 590	558 590	5 045	549 657	558 590	(8 934)	-1,6%	558 590
Energy Efficiency and Demand Side Management Grant		-	5 000	3 000	1 651	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	567	2 181	2 181	(0)	0,0%	2 181
Local Government Financial Management Grant		3 123	3 100	3 100	1 114	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	1 713	5 028	5 009	19	0,4%	5 009
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		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]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	511 231	561 824	559 978	5 075	550 028	559 978	(9 950)	-1,8%	559 978
<b>Capital Transfers and Grants</b>										
National Government:		156 811	169 918	145 403	47 097	95 913	145 403	(49 489)	-34,0%	145 403
Integrated National Electrification Programme Grant		-	29 064	29 064	8 003	19 077	29 064	(9 987)	-34,4%	29 064
Municipal Infrastructure Grant		92 668	95 178	84 178	34 135	63 595	84 178	(20 582)	-24,5%	84 178
Neighbourhood Development Partnership Grant		55 743	30 000	21 000	4 959	11 486	21 000	(9 514)	-45,3%	21 000
Water Services Infrastructure Grant		8 500	15 676	11 161	-	1 755	11 161	(9 406)	-84,3%	11 161
Provincial Government:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Developers Contribution		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	156 811	169 918	145 403	47 097	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	52 171	645 941	705 381	(59 440)	-8,4%	705 381

**Note:** The table reflect the YTD actual revenue amounts to R645,9 million, against the YTD budget of R705,4 million as at 30 June 2023. 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 - 4th Quarter

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	4th QUARTER	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		109 462	102 079	102 277	18 394	92 978	102 277	(9 299)	-9,1%	102 277
Energy Efficiency and Demand Side Management Grant		22	4 549	3 000	1 432	3 083	3 000	83	2,8%	3 000
Equitable Share		71 877	86 606	88 906	13 829	79 607	88 906	(9 299)	-10,5%	88 906
Expanded Public Works Programme Integrated Grant		1 968	2 701	2 201	613	2 420	2 201	219	9,9%	2 201
Local Government Financial Management Grant		21 700	3 100	3 100	1 176	2 755	3 100	(345)	-11,1%	3 100
Municipal Disaster Relief Grant		8 784	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		5 103	5 124	5 069	1 344	5 113	5 069	44	0,9%	5 069
Provincial Government:		755	1 256	2 038	1 047	1 599	2 038	(439)	-21,6%	2 038
Capacity Building and Other Grants		755	1 256	2 038	1 047	1 599	2 038	(439)	-21,6%	2 038
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>110 217</b>	<b>103 335</b>	<b>104 315</b>	<b>19 441</b>	<b>94 577</b>	<b>104 315</b>	<b>(9 738)</b>	<b>-9,3%</b>	<b>104 315</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		145 097	169 918	145 403	30 951	82 050	145 403	(63 352)	-43,6%	145 403
Integrated National Electrification Programme Grant		-	29 064	29 064	5 397	17 056	29 064	(12 008)	-41,3%	29 064
Municipal Disaster Relief Grant		9 663	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		79 512	95 178	84 178	23 219	52 233	84 178	(31 945)	-37,9%	84 178
Neighbourhood Development Partnership Grant		48 530	30 000	21 000	2 336	11 236	21 000	(9 764)	-46,5%	21 000
Water Services Infrastructure Grant		7 391	15 676	11 161	-	1 526	11 161	(9 635)	-86,3%	11 161
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Developers Contribution		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>145 097</b>	<b>169 918</b>	<b>145 403</b>	<b>30 951</b>	<b>82 050</b>	<b>145 403</b>	<b>(63 352)</b>	<b>-43,6%</b>	<b>145 403</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>255 314</b>	<b>273 253</b>	<b>249 717</b>	<b>50 393</b>	<b>176 627</b>	<b>249 717</b>	<b>(73 090)</b>	<b>-29,3%</b>	<b>249 717</b>

**Note:** The table reflect the YTD actual expenditure incurred amounting to R177 million, against the YTD budget of R250 million as at 30 June 2023.

**RESIDENTIAL CATALYTIC PROJECT**

Opening balance as at 1 January 2023:	R 6,596,210
Less withdrawals:	
- 08 February 2023:	(R 6,296,210)
- 03 March 2023:	<u>(R 300,000)</u>
Closing balance 30 June 2023:	<u>R 0</u>

**TABLE: 17**

**3.5 Council and Employee benefits**

**NW403 City Of Matosana - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - 4th Quarter**

Summary of Employee and Councillor remuneration R thousands	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	4th QUARTER	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C					D	
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		21 698	24 558	24 558	5 758	23 751	24 558	(806)	-3%	24 558
Pension and UIF Contributions		1 394	2 246	2 246	452	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	785	2 867	2 858	8	0%	2 858
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		7 701	9 775	9 775	2 070	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>9 066</b>	<b>36 912</b>	<b>39 456</b>	<b>(2 544)</b>	<b>-6%</b>	<b>39 456</b>
<b>% increase</b>	4		<b>15,4%</b>	<b>15,4%</b>						<b>15,4%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages	3	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	2	-	-	-	-	-	-	-	-	-
<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>
<b>% increase</b>	4		<b>101,5%</b>	<b>101,5%</b>						<b>101,5%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		424 493	476 456	460 799	110 774	439 965	460 799	(20 834)	-5%	460 799
Pension and UIF Contributions		87 036	98 312	98 312	22 551	89 792	98 312	(8 520)	-9%	98 312
Medical Aid Contributions		38 294	44 045	44 045	10 260	39 568	44 045	(4 477)	-10%	44 045
Overtime		61 810	25 944	30 224	19 486	69 475	30 224	39 252	130%	30 224
Performance Bonus		33 145	38 047	38 047	6 393	33 332	38 047	(4 715)	-12%	38 047
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		996	1 410	1 410	429	1 450	1 410	40	3%	1 410
Housing Allowances		6 549	7 861	7 861	1 558	6 312	7 861	(1 549)	-20%	7 861
Other benefits and allowances		15 497	25 327	35 529	6 116	19 512	35 529	(16 018)	-45%	35 529
Payments in lieu of leave		3 902	14 184	14 184	2 111	7 044	14 184	(7 139)	-50%	14 184
Long service awards		(501)	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	8 790	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>680 010</b>	<b>731 586</b>	<b>730 411</b>	<b>179 679</b>	<b>706 450</b>	<b>730 411</b>	<b>(23 960)</b>	<b>-3%</b>	<b>730 411</b>
<b>% increase</b>	4		<b>7,6%</b>	<b>7,4%</b>						<b>7,4%</b>
<b>Total Parent Municipality</b>		<b>720 378</b>	<b>783 493</b>	<b>782 318</b>	<b>187 849</b>	<b>739 884</b>	<b>782 318</b>	<b>(42 434)</b>	<b>-5%</b>	<b>782 318</b>

**NOTE:** The Employee related cost for the quarter ending 30 June 2023 amounts to R179 million and the year-to-date actual expenditure amounts to R703 million

Council Remuneration for the quarter ending 30 June 2023 amounts to R9 million and the year-to-date actual expenditure amounts to R36,9 million

**TABLE: 18 MATERIAL VARIANCES**

NW403 City of Matlosana - Supporting Table SC1 Material variance explanations – 4 <sup>th</sup> Quarter 2023					
Ref	Description	Variance	%	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands					
1	<b>Revenue By Source</b>				
	<b>Service Charges: Electricity</b>	<b>(200,029,764)</b>	<b>-18%</b>	Less revenue billed on electricity than initially anticipated. The budget on electricity revenue was adjusted downwards with the February adjustment budget to bring it in line with the current trends. However, the municipality is enforcing the measures to reduce illegal connections and ensure that all properties consuming electricity are billed. The reduction on this line item can also be attributed to the current implementation of load shedding by ESKOM.	The municipality has to enforce measures to reduce illegal connections and ensure that all properties consuming electricity are billed.
	<b>Service Charges: Refuse</b>	<b>(28,129,832)</b>	<b>-13%</b>	Revenue was less than projected	
	<b>Interest earned – external investment</b>	<b>3,652,922</b>	<b>39%</b>	Revenue was more than projected, mainly on interest earned on investments.	
	<b>License and Permits</b>	<b>(1,497,276)</b>	<b>-16%</b>	One of the reasons for under collection is that members of the public can renew vehicle licences online using eNaTIS electronic system instead of going physically to municipality offices	
	<b>Fines, penalties and forfeits</b>	<b>(1,173,192)</b>	<b>-26%</b>	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 was due to shortage of staff and vacant positions that are not filled to date.	Accordinging the traffic department, the vacant positions have been advertised therefore, traffic fines collection rate will start to increase as soon as the appointment of new Traffic Officers has been finalised.
	<b>Other revenue</b>	<b>(34,559,671)</b>	<b>-43%</b>	The budgeted amount consists of numerous items (e.g. Commission: insurance, Commission: Transaction Handling fees, Plan printing and duplicate, etc.) in this instance under performance was mostly on the Sale of Property. The reason for under collection is that there has been delays in the issuing of clearance figures for property transfers.	

<b>2</b>	<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 19: FINANCIAL PERFORMANCE**

NW403 City Of Matlosana - Supporting Table SC2 Monthly Budget Statement - performance indicators - M12 June

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
<b><u>Borrowing Management</u></b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		2.6%	11.4%	10.3%	0.0%	1.1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		71.1%	29.8%	42.3%	88.3%	42.3%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>							
Current Ratio	Current assets/current liabilities	1	43.0%	72.5%	58.9%	62.1%	58.9%
Liquidity Ratio	Monetary Assets/Current Liabilities		5.6%	21.7%	16.9%	1.4%	16.9%
<b><u>Revenue Management</u></b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		39.8%	21.8%	23.5%	67.2%	23.5%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Creditors Management</u></b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b><u>Funding of Provisions</u></b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b><u>Other Indicators</u></b>							
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%	18.6%	19.4%	18.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.1%	5.6%	6.6%	6.7%	6.6%
Interest & Depreciation	I&D/Total Revenue - capital revenue		13.5%	11.2%	11.3%	0.0%	1.2%
<b><u>IDP regulation financial viability indicators</u></b>							
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 - 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

## SUPPORTING TABLE SC13a:

NW 403 City Of Matlosana - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - 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>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		<b>107,989</b>	<b>171,357</b>	<b>131,427</b>	<b>6,558</b>	<b>63,640</b>	<b>131,427</b>	<b>67,787</b>	<b>51.6%</b>	<b>131,427</b>
Roads Infrastructure		50,195	57,182	37,145	1,507	23,408	37,145	13,737	37.0%	37,145
Roads		50,195	57,182	37,145	1,507	23,408	37,145	13,737	37.0%	37,145
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		20,538	53,944	53,944	1,789	25,674	53,944	28,270	52.4%	53,944
Power Plants										
HV Substations		7,444	22,000	22,000	-	6,227	22,000	15,773	71.7%	22,000
HV Switching Station										
HV Transmission Conductors										
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations										
MV Networks		13,093	29,064	29,064	467	17,056	29,064	12,008	41.3%	29,064
LV Networks		-	2,880	2,880	1,322	2,391	2,880	489	17.0%	2,880
Capital Spares										
Water Supply Infrastructure		28,398	28,715	24,786	1,445	8,118	24,786	16,668	67.2%	24,786
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations		4,071	-	-	-	-	-	-	-	-
Water Treatment Works										
Bulk Mains		20,668	13,504	17,794	1,445	6,592	17,794	11,202	63.0%	17,794
Distribution		3,659	15,210	6,992	-	1,526	6,992	5,466	78.2%	6,992
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		8,858	21,069	10,551	1,816	2,943	10,551	7,608	72.1%	10,551
Pump Station		3,659	-	5,000	1,816	2,799	5,000	2,201	44.0%	5,000
Reticulation		5,199	21,069	5,551	-	145	5,551	5,407	97.4%	5,551
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	10,447	5,000	-	3,496	5,000	1,504	30.1%	5,000
Landfill Sites										
Waste Transfer Stations			10,447	5,000	-	3,496	5,000	1,504	30.1%	5,000
<b>Community Assets</b>		<b>25,390</b>	<b>15,431</b>	<b>8,799</b>	<b>264</b>	<b>7,262</b>	<b>8,799</b>	<b>1,537</b>	<b>17.5%</b>	<b>8,799</b>
Community Facilities		-	5,000	5,000	-	4,878	5,000	122	2.4%	5,000
Public Open Space		-	5,000	5,000	-	4,878	5,000	122	2.4%	5,000
Sport and Recreation Facilities		25,390	10,431	3,799	264	2,384	3,799	1,414	37.2%	3,799
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		25,390	10,431	3,799	264	2,384	3,799	1,414	37.2%	3,799



<b>Intangible Assets</b>		-	520	520	90	90	520	430	82.8%	520
<i>Servitudes</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 SC13b

NW403 City Of Matlosana - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal 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>R thousands</b>	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		5,483	2,066	5,769	219	1,385	5,769	4,384	76.0%	5,769
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	1,600	1,600	219	1,385	1,600	215	13.4%	1,600
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	1,600	1,600	219	1,385	1,600	215	13.4%	1,600
Sanitation Infrastructure		5,483	466	4,169	-	-	4,169	4,169	100.0%	4,169
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		5,483	466	4,169	-	-	4,169	4,169	100.0%	4,169
<b>Total Capital Expenditure on renewal of existing assets</b>	1	<b>5,483</b>	<b>2,066</b>	<b>5,769</b>	<b>219</b>	<b>1,385</b>	<b>5,769</b>	<b>4,384</b>	<b>76.0%</b>	<b>5,769</b>

# SUPPORTING TABLE SC13c

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

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
<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
<b>Roads Infrastructure</b>		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
<b>Electrical Infrastructure</b>		45 970	69 691	86 691	14 973	80 405	85 691	5 285	7.3%	86 691
MV Substations		330	278	778	-	261	778	517	66.5%	778
MV Switching Stations		3	115	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								-		
<b>Water Supply Infrastructure</b>		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								-		
Reticalation		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	75	1.5%	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>		11 385	24 213	24 233	4 668	20 408	24 233	3 825	15.8%	24 233
Machinery and Equipment		11 385	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	223 969	262 504	45 723	243 870	262 584	18 635	7.1%	262 584

# SUPPORTING TABLE SC13d

NW403 City Of Matlosana - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - 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>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		281,187	287,692	322,692	-	209,380	322,692	113,312	35.1%	322,692
Roads Infrastructure		92,856	96,260	96,260	-	65,071	96,260	31,189	32.4%	96,260
Roads		92,856	96,260	96,260	-	65,071	96,260	31,189	32.4%	96,260
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		56,338	49,997	59,997	-	41,794	59,997	18,203	30.3%	59,997
Power Plants		567	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		55,771	49,997	59,997	-	41,794	59,997	18,203	30.3%	59,997
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		130,774	93,480	93,480	-	55,326	93,480	38,154	40.8%	93,480
Dams and Weirs		84	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		130,690	93,480	93,480	-	55,326	93,480	38,154	40.8%	93,480
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		1,219	47,956	72,956	-	47,190	72,956	25,766	35.3%	72,956
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		232	47,956	72,956	-	47,190	72,956	25,766	35.3%	72,956
Waste Water Treatment Works		987	-	-	-	-	-	-	-	-
<b>Community Assets</b>		213	-	-	-	-	-	-	-	-
Community Facilities		213	-	-	-	-	-	-	-	-
Halls		213	-	-	-	-	-	-	-	-
<b>Other assets</b>		78,177	77,763	79,263	-	58,633	79,263	20,630	26.0%	79,263
Operational Buildings		78,177	77,763	79,263	-	58,633	79,263	20,630	26.0%	79,263
Municipal Offices		78,177	77,763	79,263	-	58,633	79,263	20,630	26.0%	79,263
<b>Computer Equipment</b>		716	963	1,763	-	735	1,763	1,027	58.3%	1,763
Computer Equipment		716	963	1,763	-	735	1,763	1,027	58.3%	1,763
<b>Furniture and Office Equipment</b>		22,139	1,117	2,617	-	1,326	2,617	1,291	49.3%	2,617
Furniture and Office Equipment		22,139	1,117	2,617	-	1,326	2,617	1,291	49.3%	2,617
<b>Machinery and Equipment</b>		954	-	-	-	-	-	-	-	-
Machinery and Equipment		954	-	-	-	-	-	-	-	-
<b>Transport Assets</b>		94	72,466	33,666	-	2,255	33,666	31,411	93.3%	33,666
Transport Assets		94	72,466	33,666	-	2,255	33,666	31,411	93.3%	33,666
<b>Land</b>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	1	383,480	440,000	440,000	-	272,329	440,000	167,671	38.1%	440,000

## 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>

## 8. RECOMMENDATIONS

Based on the contents of this report it is recommended that the Executive Mayor submits to the Council this Fourth Quarter report as per section 52(d) of the MFMA.

