

CITY OF MATLOSANA

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

HEAD OF DIVISION: TO SEKGALA  
SIGNED: [Signature]  
DATE: 20/4/2023

DELEGATED TO: \_\_\_\_\_  
NUMBER: \_\_\_\_\_

Received by Deputy Director: Administration

Date and Time: 21/4/2023  
Signature: [Signature]

COMMENTS:  
.....  
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Member of the Mayoral Committee Date

COMMENTS:  
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Director: Corporate Services Date

COMMENTS:  
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Supported

[Signature] 2023/04/21  
Chief Financial Officer Date

COMMENTS:  
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Director: Planning and Human Settlements Date

COMMENTS:  
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Director: Technical & Infrastructure Date

COMMENTS:  
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Director: Community Development Date

COMMENTS:  
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Director: Public Safety Date

COMMENTS:  
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Director: Local Economic Development Date

COMMENTS:  
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[Signature] 24/04/2023  
Municipal Manager Date

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 31 MARCH 2023

## MUNICIPAL FINANCE MANAGEMENT ACT NO.56 of 2003(MFMA): QUARTERLY FINANCIAL REPORT FOR JANUARY – MARCH 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 3<sup>rd</sup> QUARTER ENDED ON 31 MARCH 2023

#### 1.1 Performance summary

Table 1: Performance summary

| Summary statement of Financial Performance |                      |   |                    |                                    |            |
|--|----------------------|---|--------------------|------------------------------------|------------|
| Description                                | YTD Budget 2022/23   | 3 <sup>rd</sup> Quarter Actuals 2022/23 | YTD Actual 2022/23 | Variance Favourable (Unfavourable) | Variance % |
| Total Revenue by Source                    | 3,094,967,417        | 871,409,773                             | 2,923,450,615      | (171,516,802)                      | -5.5%      |
| Total Operating Expenditure                | 3,236,162,977        | 1,095,532,708                           | 2,429,691,616      | (806,471,361)                      | -25%       |
| <b>SURPLUS/ (DEFICIT).</b>                 | <b>(141,195,560)</b> | <b>(224,122,935)</b>                    | <b>493,758,999</b> | <b>(634,954,559)</b>               |            |

#### Revenue

The revenue for the third quarter ended on 31 March 2023 amounts to R871 million and the year to date actual amounts to R2,923 billion. It reflects a negative variance of 5.5% when compared with the year-to date budget of R3,095 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 billed is expected to increase as the municipality is enforcing revenue enhancement strategies and debt collection methods. The municipality has measures in place which seek to improve revenue and these measures will be implemented through the revised budget funding plan. The detailed reasons for the variances are outlined on table 18.

#### Expenditure

The operating expenditure for the third quarter ended on 31 March 2023 amounts to R1,096 billion and the year-to date operating expenditure amounts to R2,430 billion. It reflects a negative variance of 25% when compared with the year to date budget of R3,236 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

## Creditors

|                                    |                        |
|------------------------------------|------------------------|
| <b>Total Outstanding Creditors</b> | <b>R 2,916,997,386</b> |
| ESKOM                              | R 1,584,067,709        |
| Midvaal                            | R 1,201,314,892        |
| Trade Creditors                    | R 131,520,351          |
| Auditor General                    | R 94,434               |

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

## Capital Grants Expenditure

|              | BUDGET<br>2022/23  | 3rd Quarter<br>2022/23 | YTD<br>ACTUALS Incl<br>VAT | YTD BUDGET         | YTD %<br>Incl VAT |
|--------------|--------------------|------------------------|----------------------------|--------------------|-------------------|
| MIG          | 95 177 651         | 6 920 849              | 32 511 220                 | 71 383 238         | 34,16             |
| NDPG         | 30 000 000         | 4 079 147              | 10 606 312                 | 22 500 000         | 35,35             |
| INEP         | 29 064 000         | 2 332 935              | 10 999 674                 | 21 798 000         | 37,85             |
| WSIG         | 15 676 000         | -                      | 1 755 104                  | 11 757 000         | 11,20             |
| <b>TOTAL</b> | <b>169 917 651</b> | <b>13 332 931</b>      | <b>55 872 310</b>          | <b>127 438 238</b> | <b>32,88</b>      |

**Note:** The total Capital grants budget amounts to R 169.9 million. The total expenditure for third quarter ending 31 March 2023 amounts to R 13.3 million and the year to date actuals amounts to R 55.9 million. The capital spending is relatively low as compared to the 75% of the Year to date budget. The year-to-date capital grants expenditure is at 32.9% as at 31 March 2023.

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

### Actual operating revenue per revenue source

The actual operating revenue per revenue source is set out in Table 3 below. From table 1 it is clear that year-to-date actual operating revenue amounts to R2,923,450,615 compares unfavourably with the pro rata budgeted figure of R3,094,967,417 a negative variance of R171,516,802 for the quarter ending 31 March 2023.

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

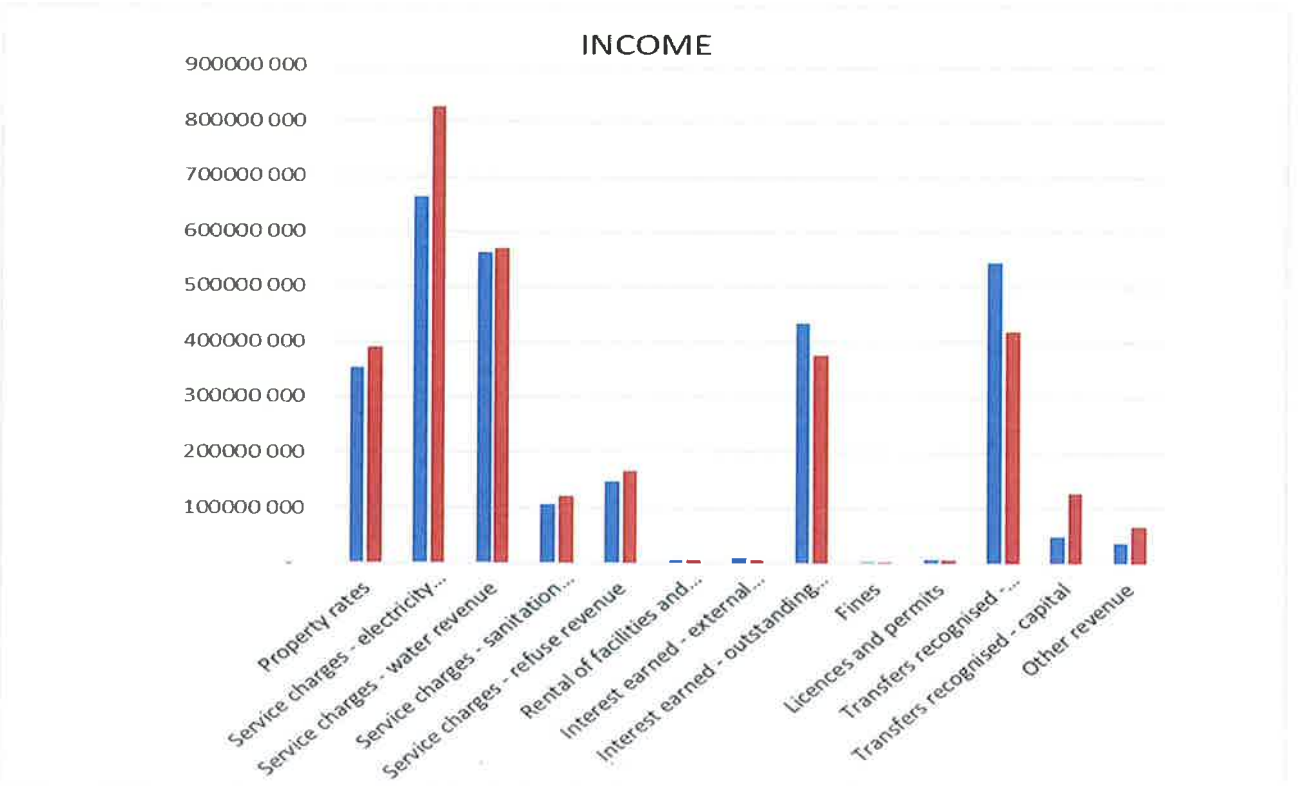
NW403 City Of Matlosana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

| Description   | Ref | 2021/22          | Budget Year 2022/23 |                  |                |                  |                  |                  |                |                    |
|---|-----|------------------|---------------------|------------------|----------------|------------------|------------------|------------------|----------------|--------------------|
|   |     | 511230910        | Original Budget     | Adjusted Budget  | 3rd 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          | 84 225         | 352 607          | 390 705          | (38 098)         | -10%           | 532 836            |
| Service charges - electricity revenue   |     | 957 447          | 1 127 210           | 1 084 563        | 190 622        | 664 705          | 828 348          | (163 644)        | -20%           | 1 084 563          |
| Service charges - water revenue   |     | 650 602          | 783 676             | 743 676          | 181 740        | 562 415          | 571 757          | (9 342)          | -2%            | 743 676            |
| Service charges - sanitation revenue  |     | 125 356          | 173 864             | 153 673          | 34 888         | 106 711          | 122 322          | (15 611)         | -13%           | 153 673            |
| Service charges - refuse revenue  |     | 167 812          | 223 421             | 223 421          | 47 975         | 147 622          | 167 566          | (19 944)         | -12%           | 223 421            |
| Rental of facilities and equipment  |     | 251 709          | 8 105               | 8 833            | 2 074          | 6 564            | 6 370            | 194              | 3%             | 8 833              |
| Interest earned - external investments  |     | 10 685           | 9 270               | 9 270            | 4 150          | 11 101           | 6 952            | 4 148            | 60%            | 9 270              |
| Interest earned - outstanding debtors   |     | 504 706          | 513 875             | 582 914          | 142 638        | 433 823          | 376 112          | 57 711           | 15%            | 582 914            |
| Dividends received  |     | -                | -                   | -                | -              | -                | -                | -                | -              | -                  |
| Fines, penalties and forfeits   |     | 7 356            | 4 523               | 4 523            | 1 176          | 2 425            | 3 392            | (967)            | -29%           | 4 523              |
| Licences and permits  |     | 8 023            | 10 384              | 9 199            | 2 193          | 6 022            | 7 047            | (1 026)          | -15%           | 9 199              |
| Agency services   |     | -                | -                   | -                | -              | -                | -                | -                | -              | -                  |
| Transfers and subsidies   |     | 511 231          | 561 824             | 561 978          | 156 307        | 544 953          | 421 430          | 123 523          | 29%            | 561 978            |
| Other revenue   |     | 48 745           | 96 358              | 79 508           | 13 886         | 35 678           | 65 528           | (29 850)         | -46%           | 79 508             |
| Gains   |     | 701              | -                   | -                | -              | 9                | -                | 9                | #DIV/0!        | -                  |
| <b>Total Revenue (excluding capital transfers and contributions)</b>                          |     | <b>3 695 815</b> | <b>4 019 854</b>    | <b>3 994 393</b> | <b>861 874</b> | <b>2 874 634</b> | <b>2 967 529</b> | <b>(92 895)</b>  | <b>-3%</b>     | <b>3 994 393</b>   |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) |     | 156 811          | 169 918             | 169 918          | 9 535          | 48 817           | 127 438          | (78 622)         | (0)            | 169 918            |
| <b>TOTAL</b>  |     | <b>3 852 626</b> | <b>4 189 772</b>    | <b>4 164 310</b> | <b>871 410</b> | <b>2 923 451</b> | <b>3 094 967</b> | <b>(171 517)</b> | <b>(0)</b>     | <b>4 164 310</b>   |

**TABLE 4: ACTUAL REVENUE PER REVENUE DEPARTMENT FOR MARCH 2023**

**NW403 City Of Matlosana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March 3rd QUARTER**

| Description                                | Ref      | Budget Year 2022/23  |                    |                    |                |                  |                  |                  |                   |                       |
|--|----------|----------------------|--------------------|--------------------|----------------|------------------|------------------|------------------|-------------------|-----------------------|
|  |          | 2021/22<br>511230910 | Original<br>Budget | Adjusted<br>Budget | 3rd QUARTER    | YearTD actual    | YearTD<br>budget | YTD variance     | YTD variance<br>% | Full Year<br>Forecast |
| <b>R thousands</b>                         | <b>1</b> |                      |                    |                    |                |                  |                  |                  |                   |                       |
| <b>Revenue - Functional</b>                |          |                      |                    |                    |                |                  |                  |                  |                   |                       |
| <b>Governance and administration</b>       |          | 1 103 392            | 1 220 631          | 1 268 994          | 276 442        | 1 025 797        | 934 818          | 90 979           | 10%               | 1 268 994             |
| Executive and council                      |          | 952                  | 2 829              | 2 729              | 714            | 1 617            | 2 081            | (464)            | -22%              | 2 729                 |
| Finance and administration                 |          | 1 102 440            | 1 217 802          | 1 266 266          | 275 728        | 1 024 180        | 932 737          | 91 443           | 10%               | 1 266 266             |
| Internal audit                             |          | -                    | -                  | -                  | -              | -                | -                | -                | -                 | -                     |
| <b>Community and public safety</b>         |          | 325 340              | 99 627             | 81 846             | 12 879         | 36 059           | 67 608           | (31 549)         | -47%              | 81 846                |
| Community and social services              |          | 263 727              | 4 350              | 4 529              | 922            | 1 933            | 3 334            | (1 401)          | -42%              | 4 529                 |
| Sport and recreation                       |          | 29 670               | 14 872             | 14 872             | 132            | 6 489            | 11 154           | (4 665)          | -42%              | 14 872                |
| Public safety                              |          | 28 136               | 33 404             | 32 444             | 9 270          | 21 307           | 24 669           | (3 362)          | -14%              | 32 444                |
| Housing                                    |          | 3 808                | 47 000             | 30 000             | 2 555          | 6 330            | 28 450           | (22 120)         | -78%              | 30 000                |
| Health                                     |          | -                    | -                  | -                  | -              | -                | -                | -                | -                 | -                     |
| <b>Economic and environmental services</b> |          | 70 959               | 57 038             | 57 038             | 5 183          | 26 005           | 42 779           | (16 773)         | -39%              | 57 038                |
| Planning and development                   |          | 9 993                | 10 763             | 10 763             | 2 466          | 7 158            | 8 073            | (915)            | -11%              | 10 763                |
| Road transport                             |          | 60 814               | 46 065             | 46 065             | 2 672          | 18 674           | 34 549           | (15 875)         | -46%              | 46 065                |
| Environmental protection                   |          | 152                  | 210                | 210                | 45             | 173              | 158              | 16               | 10%               | 210                   |
| <b>Trading services</b>                    |          | 2 316 072            | 2 785 219          | 2 728 446          | 573 722        | 1 822 282        | 2 066 205        | (243 923)        | -12%              | 2 728 446             |
| Energy sources                             |          | 1 017 620            | 1 209 703          | 1 178 456          | 208 512        | 718 912          | 894 778          | (175 866)        | -20%              | 1 178 456             |
| Water management                           |          | 879 796              | 1 018 229          | 998 532            | 247 324        | 742 944          | 755 793          | (12 848)         | -2%               | 998 532               |
| Waste water management                     |          | 143 840              | 207 797            | 187 605            | 36 099         | 111 677          | 147 771          | (36 094)         | -24%              | 187 605               |
| Waste management                           |          | 274 817              | 349 489            | 363 853            | 81 787         | 248 749          | 267 862          | (19 114)         | -7%               | 363 853               |
| <b>Other</b>                               | <b>4</b> | 36 863               | 27 258             | 27 986             | 3 184          | 13 307           | 20 734           | (7 428)          | -36%              | 27 986                |
| <b>Total Revenue - Functional</b>          | <b>2</b> | <b>3 852 626</b>     | <b>4 189 772</b>   | <b>4 164 310</b>   | <b>871 410</b> | <b>2 923 451</b> | <b>3 132 144</b> | <b>(208 693)</b> | <b>-7%</b>        | <b>4 164 310</b>      |



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

- **Finance charges 87% 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 66% 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 36% 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. Funds are committed and expenditure is expected to increase in the following months

## 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 MARCH 2023**

NW403 City Of Matlosana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March

| Vote Description   | Ref      | 2021/22         |                 |                 | Budget Year 2022/23 |               |                |                  |                |                    |
|--|----------|-----------------|-----------------|-----------------|---------------------|---------------|----------------|------------------|----------------|--------------------|
|  |          | Audited Outcome | Original Budget | Adjusted Budget | 3rd QUARTER         | YearTD actual | YearTD budget  | YTD variance     | YTD variance % | Full Year Forecast |
| <b>R thousands</b>   | <b>1</b> |                 |                 |                 |                     |               |                |                  |                |                    |
| <b>Capital Expenditure - Functional Classification</b>       |          |                 |                 |                 |                     |               |                |                  |                |                    |
| <b>Governance and administration</b>                         |          | -               | 14 820          | 28 434          | 4 730               | 6 816         | 16 560         | (9 745)          | -59%           | 28 434             |
| Executive and council  |          | -               | 11 820          | 25 409          | 3 727               | 3 940         | 14 300         | (10 360)         | -72%           | 25 409             |
| Finance and administration                                   |          | -               | 3 000           | 3 025           | 1 002               | 2 876         | 2 260          | 616              | 27%            | 3 025              |
| Internal audit   |          | -               | -               | -               | -                   | -             | -              | -                | -              | -                  |
| <b>Community and public safety</b>                           |          | 25 390          | 19 431          | 19 431          | 350                 | 4 415         | 14 573         | (10 159)         | -70%           | 19 431             |
| Community and social services                                |          | -               | -               | -               | -                   | -             | -              | -                | -              | -                  |
| Sport and recreation   |          | 25 390          | 10 431          | 10 431          | -                   | 3 283         | 7 823          | (4 541)          | -58%           | 10 431             |
| Public safety  |          | -               | 3 000           | 3 000           | 350                 | 1 132         | 2 250          | (1 118)          | -50%           | 3 000              |
| Housing  |          | -               | 6 000           | 6 000           | -                   | -             | 4 500          | (4 500)          | -100%          | 6 000              |
| Health   |          | -               | -               | -               | -                   | -             | -              | -                | -              | -                  |
| <b>Economic and environmental services</b>                   |          | 50 195          | 57 182          | 61 004          | 4 672               | 18 734        | 43 270         | (24 536)         | -57%           | 61 004             |
| Planning and development                                     |          | -               | -               | -               | -                   | -             | -              | -                | -              | -                  |
| Road transport   |          | 50 195          | 57 182          | 61 004          | 4 672               | 18 734        | 43 270         | (24 536)         | -57%           | 61 004             |
| Environmental protection                                     |          | -               | -               | -               | -                   | -             | -              | -                | -              | -                  |
| <b>Trading services</b>                                      |          | 63 277          | 116 241         | 112 419         | 12 347              | 30 354        | 86 797         | (56 443)         | -65%           | 112 419            |
| Energy sources   |          | 24 609          | 55 544          | 55 544          | 7 979               | 17 315        | 41 658         | (24 343)         | -58%           | 55 544             |
| Water management   |          | 24 327          | 28 715          | 32 680          | 4 090               | 5 985         | 24 268         | (18 282)         | -75%           | 32 680             |
| Waste water management                                       |          | 14 342          | 21 535          | 11 569          | 261                 | 406           | 12 165         | (11 759)         | -97%           | 11 569             |
| Waste management   |          | -               | 10 447          | 12 626          | 17                  | 6 648         | 8 707          | (2 059)          | -24%           | 12 626             |
| <b>Other</b>   |          | 13 678          | 9 364           | 9 364           | 1 693               | 2 689         | 7 023          | (4 335)          | -62%           | 9 364              |
| <b>Total Capital Expenditure - Functional Classification</b> | <b>3</b> | <b>152 541</b>  | <b>217 038</b>  | <b>230 651</b>  | <b>23 792</b>       | <b>63 007</b> | <b>168 224</b> | <b>(105 217)</b> | <b>-63%</b>    | <b>230 651</b>     |

**NOTE:** The total capital budget amounts to R 217 million. The expenditure for the quarter ending 31 March 2023 amounts to R 23.8 million and the year-to-date actual expenditure amounts to R 63 million.



## TABLE 9: FINANCIAL POSITION

### NW403 City Of Matlosana - Table C6 Monthly Budget Statement - Financial Position - M09 March

| 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           | 494 155          | 65 145             |
| Call investment deposits                 |     | (1 606 285)      | 333 248             | 333 248          | 200 902          | 333 248            |
| Consumer debtors                         |     | 484 523          | 632 866             | 695 418          | 975 889          | 695 418            |
| Other debtors                            |     | 986 440          | 243 161             | 243 161          | 1 087 236        | 243 161            |
| Current portion of long-term receivables |     | 7                | 29                  | 29               | (15)             | 29                 |
| Inventory                                |     | 38 539           | 53 615              | 53 615           | 59 613           | 53 615             |
| <b>Total current assets</b>              |     | <b>1 734 431</b> | <b>1 328 063</b>    | <b>1 390 616</b> | <b>2 817 780</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           | 4 811 660        | 5 622 681        | 4 811 660          |
| Biological                               |     |                  |                     |                  |                  |                    |
| Intangible                               |     | 1 297            | 1 817               | 1 817            | 1 297            | 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>5 080 552</b> | <b>5 355 617</b> | <b>5 080 552</b>   |
| <b>TOTAL ASSETS</b>                      |     | <b>7 299 591</b> | <b>6 395 002</b>    | <b>6 471 168</b> | <b>8 173 397</b> | <b>6 471 168</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           | 65 683           | 94 930             |
| Trade and other payables                 |     | 3 411 205        | 1 177 431           | 1 704 332        | 3 796 845        | 1 704 332          |
| Provisions                               |     | 563 482          | 557 371             | 557 371          | 563 637          | 557 371            |
| <b>Total current liabilities</b>         |     | <b>4 033 788</b> | <b>1 831 731</b>    | <b>2 358 633</b> | <b>4 421 123</b> | <b>2 358 633</b>   |
| <b>Non current liabilities</b>           |     |                  |                     |                  |                  |                    |
| Borrowing                                |     | 42 018           | 81 274              | 81 274           | 35 040           | 81 274             |
| Provisions                               |     | -                | -                   | -                | -                | -                  |
| <b>Total non current liabilities</b>     |     | <b>42 018</b>    | <b>81 274</b>       | <b>81 274</b>    | <b>35 040</b>    | <b>81 274</b>      |
| <b>TOTAL LIABILITIES</b>                 |     | <b>4 075 805</b> | <b>1 913 005</b>    | <b>2 439 907</b> | <b>4 456 163</b> | <b>2 439 907</b>   |
| <b>NET ASSETS</b>                        | 2   | <b>3 223 786</b> | <b>4 481 996</b>    | <b>4 031 261</b> | <b>3 717 234</b> | <b>4 031 261</b>   |
| <b>COMMUNITY WEALTH/EQUITY</b>           |     |                  |                     |                  |                  |                    |
| Accumulated Surplus/(Deficit)            |     | 4 841 579        | 4 233 752           | 4 233 752        | 3 737 322        | 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>3 737 322</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 31 March 2023 amounts to R3.7 billion

Actual income received in the 3<sup>rd</sup> quarter includes R 188 million of the grant monies received for following grants:

|                  |               |
|------------------|---------------|
| Equitable Share: | R 152,684,000 |
| MIG:             | R 31,054,000  |
| WSIG:            | R 1,161,000   |
| INEP:            | R 3,064,000   |

## **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 7,551,155,100 as at 31 March 2023 compared to R 7,446,278,760 as at 31 December 2022.

Current to 30 days debt amounted to R 264,552,095 as at 31 March 2023 and has decreased with R 1,999,138 compared to R 266,551,233 as at 31 December 2022.

31 to 60 days debt decreased with R 18,551,002; 61 to 90 days decreased with R 209,865,225 and 91 days and older debt as at 31 March 2023 amounted to R 6,959,939,304 and has increased with R 335,291,705 compared to R 6,624,647,599 as at 31 December 2022.

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

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

Government Debt R103,386,227 (1,4%)

Business debtors' R570,417,224 (7,6%)

Domestic debtors' R 6,877,351,650 (91.1%)

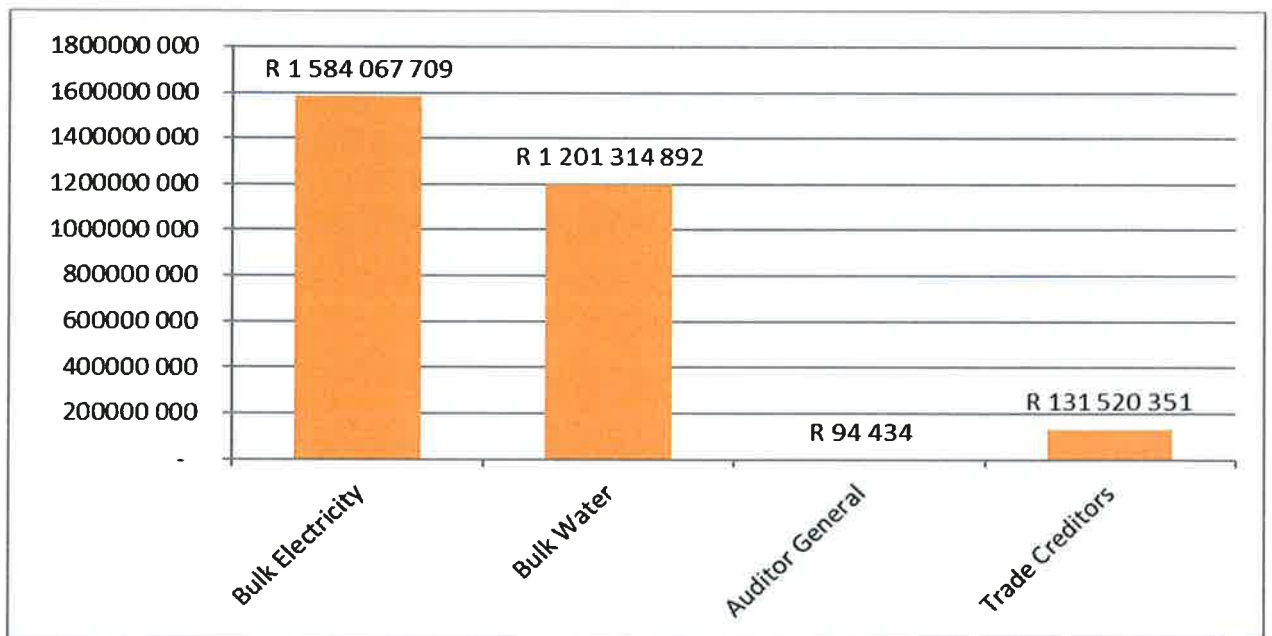
### 3.2 Creditors age analysis

The municipality's total outstanding creditors amounted to R 2,916,997,386 as at 31 March 2023 compared with the R 2,790,333,522 as at 31 December 2022 and increased with R 126,663,864

An amount of R 106.5 million and R182.9 million was paid to **Midvaal** and **Eskom** respectively in the third quarter ending 31 March 2023.

**TABLE 13: CREDITOR'S AGE ANALYSIS AS AT 31 MARCH 2023**

| OUTSTANDING CREDITORS STATEMENT - 31 MARCH 2023 |                    |                    |                    |                      |                  |                      |
|---|--------------------|--------------------|--------------------|----------------------|------------------|----------------------|
| Detail  | 0 - 30 Days        | 31 - 60 Days       | 61 - 90 Days       | 91 - 120 Days        | 121 +Days/Arreas | Total                |
| Bulk Electricity                                | 78 158 127         | 68 090 933         | 72 338 948         | 1 365 479 701        | -                | 1 584 067 709        |
| Bulk Water                                      | 97 790 541         | 52 934 056         | 48 183 584         | 1 002 406 711        | -                | 1 201 314 892        |
| Auditor General                                 | 94 414             | 20                 | -                  | -                    | -                | 94 434               |
| Trade Creditors                                 | (278 887)          | 9 082 854          | 11 459 178         | 111 257 206          | -                | 131 520 351          |
| <b>Total</b>                                    | <b>175 764 195</b> | <b>130 107 863</b> | <b>131 981 710</b> | <b>2 479 143 618</b> | <b>-</b>         | <b>2 916 997 386</b> |



**Note:** According to the above information, the Municipality's highest outstanding creditor is **ESKOM** with the total outstanding amount of R1, 584 billion followed by **Midvaal** with the total outstanding amount of R1, 201 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**

NW403 City Of Matlosana - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - 3rd Quarter

| Description   | Ref | 2021/22         | Budget Year 2022/23 |                 |                |                |                |                 |                |                    |
|---|-----|-----------------|---------------------|-----------------|----------------|----------------|----------------|-----------------|----------------|--------------------|
|   |     | Audited Outcome | Original Budget     | Adjusted Budget | 3rd 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             | 560 590         | 155 966        | 544 612        | 420 443        | 124 169         | 29,5%          | 560 590            |
| Energy Efficiency and Demand Side Management Grant  |     | -               | 5 000               | 5 000           | -              | -              | 3 750          | (3 750)         | -100,0%        | 5 000              |
| Equitable Share                                     |     | 484 096         | 545 300             | 545 300         | 152 684        | 538 013        | 408 975        | 129 038         | 31,6%          | 545 300            |
| Expanded Public Works Programme Integrated Grant    |     | 1 756           | 2 181               | 2 181           | 792            | 1 614          | 1 636          | (21)            | -1,3%          | 2 181              |
| Local Government Financial Management Grant         |     | 3 123           | 3 100               | 3 100           | 1 334          | 1 669          | 2 325          | (656)           | -28,2%         | 3 100              |
| Municipal Disaster Relief Grant                     |     | 15 897          | -                   | -               | -              | -              | -              | -               | -              | -                  |
| Municipal Infrastructure Grant                      | 3   | 4 789           | 5 009               | 5 009           | 1 155          | 3 315          | 3 757          | (442)           | -11,8%         | 5 009              |
| Other transfers and grants [insert description]     |     | -               | -                   | -               | -              | -              | -              | -               | -              | -                  |
| Provincial Government:                              |     | 1 570           | 1 234               | 1 388           | 341            | 341            | 987            | (646)           | -65,4%         | 1 388              |
| Capacity Building and Other Grants                  |     | 1 570           | 1 234               | 1 388           | 341            | 341            | 987            | (646)           | -65,4%         | 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   | <b>511 231</b>  | <b>561 824</b>      | <b>561 978</b>  | <b>156 307</b> | <b>544 953</b> | <b>421 430</b> | <b>123 523</b>  | <b>29,3%</b>   | <b>561 978</b>     |
| <b>Capital Transfers and Grants</b>                 |     |                 |                     |                 |                |                |                |                 |                |                    |
| National Government:                                |     | 156 811         | 169 918             | 169 918         | 9 535          | 48 817         | 127 438        | (78 622)        | -61,7%         | 169 918            |
| Integrated National Electrification Programme Grant |     | -               | 29 064              | 29 064          | 2 407          | 11 074         | 21 798         | (10 724)        | -49,2%         | 29 064             |
| Municipal Infrastructure Grant                      |     | 92 568          | 95 178              | 95 178          | 5 421          | 29 460         | 71 383         | (41 923)        | -58,7%         | 95 178             |
| Neighbourhood Development Partnership Grant         |     | 55 743          | 30 000              | 30 000          | 1 707          | 6 527          | 22 500         | (15 973)        | -71,0%         | 30 000             |
| Water Services Infrastructure Grant                 |     | 8 500           | 15 676              | 15 676          | -              | 1 755          | 11 757         | (10 002)        | -85,1%         | 15 676             |
| Provincial Government:                              |     | -               | -                   | -               | -              | -              | -              | -               | -              | -                  |
| [insert description]                                |     | -               | -                   | -               | -              | -              | -              | -               | -              | -                  |
| District Municipality:                              |     | -               | -                   | -               | -              | -              | -              | -               | -              | -                  |
| [insert description]                                |     | -               | -                   | -               | -              | -              | -              | -               | -              | -                  |
| Other grant providers:                              |     | -               | -                   | -               | -              | -              | -              | -               | -              | -                  |
| [insert description]                                |     | -               | -                   | -               | -              | -              | -              | -               | -              | -                  |
| Developers Contribution                             |     | -               | -                   | -               | -              | -              | -              | -               | -              | -                  |
| <b>Total Capital Transfers and Grants</b>           | 5   | <b>156 811</b>  | <b>169 918</b>      | <b>169 918</b>  | <b>9 535</b>   | <b>48 817</b>  | <b>127 438</b> | <b>(78 622)</b> | <b>-61,7%</b>  | <b>169 918</b>     |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>     | 5   | <b>668 042</b>  | <b>731 742</b>      | <b>731 896</b>  | <b>165 842</b> | <b>593 770</b> | <b>548 868</b> | <b>44 902</b>   | <b>8,2%</b>    | <b>731 896</b>     |

**Note:** The table reflect the YTD actual revenue amounts to R593.8 million, against the YTD budget of R548.9 million as at 31 March 2023. Revenue on Grants can only be recognized when conditions are met.

**RESIDENTIAL CATALYTIC PROJECT**

|                                       |                           |
|---------------------------------------|---------------------------|
| Opening balance as at 1 January 2023: | R 8,388,738               |
| Less withdrawals:                     |                           |
| - 08 February 2023:                   | (R 6,296,210)             |
| - 03 March 2023:                      | <u>(R 300,000)</u>        |
| Closing balance 31 March 2023:        | <b><u>R 1,792,528</u></b> |

**TABLE: 18 MATERIAL VARIANCES**

| NW403 City of Matlosana - Supporting Table SC1 Material variance explanations – 3 <sup>rd</sup> Quarter |                                       |               |      |  |   |
|---|---------------------------------------|---------------|------|--|---|
| Ref   | Description                           |               |      | Reasons for material deviations  | Remedial or corrective steps/remarks  |
|   |                                       | Variance      | %    |  |   |
| R thousands   |                                       |               |      |  |   |
| 1   | <b>Revenue By Source</b>              |               |      |  |   |
|   | Service Charges: Electricity          | (163,643,686) | -20% | Less revenue billed on electricity than initially anticipated. The variance is as a result illegal connections, unbilled properties consuming electricity and less consumption due 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. |
|   | Service Charges: Sanitation           | (15,610,702)  | -13% | Revenue was less than projected  |   |
|   | Service Charges: Refuse               | (19,943,710)  | -12% | Revenue was less than projected  |   |
|   | Interest earned – external investment | 4,148,423     | 60%  | Revenue was more than projected, mainly on interest earned on investments.   |   |
|   | Interest earned – outstanding debtors | 57,711,111    | 15%  | The variance is as a result of the debtors' book that is increasing due to non-payment of debtors. The increase in the debtors result in an increase interest charges.   |   |
|   |                                       |               |      |  |   |
|   | License and Permits                   | (1,025,514)   | -15% | 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   |   |
|   | Fines, penalties and forfeits         | (966,983)     | -29% | 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.   |   |
|   | Other revenue                         | (29,850,242)  | -46% | 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 19: FINANCIAL PERFORMANCE**

NW403 City Of Matlosana - Supporting Table SC2 Monthly Budget Statement - performance indicators - M09 March

| 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>Borrowing Management</b>                          |   |     |                 |                     |                 |               |                    |
| Capital Charges to Operating Expenditure             | Interest & principal paid/Operating Expenditure   |     | 3,7%            | 14,3%               | 12,6%           | 0,1%          | 1,4%               |
| Borrowed funding of 'own' capital expenditure        | Borrowings/Capital expenditure excl. transfers and grants                                       |     | 0,0%            | 0,0%                | 0,0%            | 0,0%          | 0,0%               |
| <b>Safety of Capital</b>                             |   |     |                 |                     |                 |               |                    |
| Debt to Equity                                       | Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves                            |     | 71,2%           | 29,8%               | 42,2%           | 102,4%        | 42,2%              |
| Gearing  | Long Term Borrowing/ Funds & Reserves   |     | 0,0%            | 0,0%                | 0,0%            | 0,0%          | 0,0%               |
| <b>Liquidity</b>                                     |   |     |                 |                     |                 |               |                    |
| Current Ratio  | Current assets/current liabilities  | 1   | 43,0%           | 72,5%               | 59,0%           | 63,7%         | 59,0%              |
| Liquidity Ratio                                      | Monetary Assets/Current Liabilities   |     | 5,6%            | 21,7%               | 16,9%           | 15,7%         | 16,9%              |
| <b>Revenue Management</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   |     | 39,9%           | 21,8%               | 23,6%           | 71,9%         | 23,6%              |
| Longstanding Debtors Recovered                       | Debtors > 12 Mths Recovered/ Total Debtors > 12 Months Old                                      |     | 0,0%            | 0,0%                | 0,0%            | 0,0%          | 0,0%               |
| <b>Creditors Management</b>                          |   |     |                 |                     |                 |               |                    |
| Creditors System Efficiency                          | % of Creditors Paid Within Terms (within MFMA s 65(e))  |     |                 |                     |                 |               |                    |
| <b>Funding of Provisions</b>                         |   |     |                 |                     |                 |               |                    |
| Percentage Of Provisions Not Funded                  | Unfunded Provisions/ Total Provisions   |     |                 |                     |                 |               |                    |
| <b>Other Indicators</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%           | 18,6%               | 18,6%           | 18,3%         | 18,6%              |
| Repairs & Maintenance                                | R&M/ Total Revenue - capital revenue  |     | 3,1%            | 5,6%                | 6,6%            | 5,2%          | 6,6%               |
| Interest & Depreciation                              | I&D/ Total Revenue - capital revenue  |     | 13,6%           | 11,2%               | 11,3%           | 0,0%          | 1,2%               |
| <b>IDP regulation financial viability indicators</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                            |     |                 |                     |                 |               |                    |



## SUPPORTING TABLE SC13a:

NW403 City Of Matlosana - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M09 March

| 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 new assets by Asset Class/Sub-class</b> |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Infrastructure</b>   |     | 107 989         | 171 357             | 164 197         | 4 042          | 41 813        | 126 798       | 84 985       | 67,0%          | 164 197            |
| Roads Infrastructure  |     | 50 195          | 57 182              | 61 004          | 4 394          | 18 734        | 43 270        | 24 536       | 56,7%          | 61 004             |
| Roads   |     | 50 195          | 57 182              | 61 004          | 4 394          | 18 734        | 43 270        | 24 536       | 56,7%          | 61 004             |
| Road Structures   |     |                 |                     |                 |                |               |               |              |                |                    |
| Road Furniture  |     |                 |                     |                 |                |               |               |              |                |                    |
| Capital Spares  |     |                 |                     |                 |                |               |               |              |                |                    |
| Storm water Infrastructure  |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
| Drainage Collection   |     |                 |                     |                 |                |               |               |              |                |                    |
| Storm water Conveyance  |     |                 |                     |                 |                |               |               |              |                |                    |
| Attenuation   |     |                 |                     |                 |                |               |               |              |                |                    |
| Electrical Infrastructure   |     | 20 538          | 53 944              | 53 944          | 4 404          | 16 688        | 40 458        | 23 770       | 58,8%          | 53 944             |
| Power Plants  |     |                 |                     |                 |                |               |               |              |                |                    |
| HV Substations  |     | 7 444           | 22 000              | 22 000          | 1 307          | 3 960         | 16 500        | 12 540       | 76,0%          | 22 000             |
| HV Switching Station  |     |                 |                     |                 |                |               |               |              |                |                    |
| HV Transmission Conductors  |     |                 |                     |                 |                |               |               |              |                |                    |
| MV Substations  |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
| MV Switching Stations   |     |                 |                     |                 |                |               |               |              |                |                    |
| MV Networks   |     | 13 093          | 29 064              | 29 064          | 2 029          | 11 658        | 21 798        | 10 140       | 46,5%          | 29 064             |
| LV Networks   |     | -               | 2 880               | 2 880           | 1 069          | 1 069         | 2 160         | 1 091        | 50,5%          | 2 880              |
| Capital Spares  |     |                 |                     |                 |                |               |               |              |                |                    |
| Water Supply Infrastructure                                       |     | 28 398          | 28 715              | 32 680          | 1 892          | 5 985         | 24 268        | 18 282       | 75,3%          | 32 680             |
| Dams and Weirs  |     |                 |                     |                 |                |               |               |              |                |                    |
| Boreholes   |     |                 |                     |                 |                |               |               |              |                |                    |
| Reservoirs  |     |                 |                     |                 |                |               |               |              |                |                    |
| Pump Stations   |     | 4 071           | -                   | -               | -              | -             | -             | -            |                | -                  |
| Water Treatment Works   |     |                 |                     |                 |                |               |               |              |                |                    |
| Bulk Mains  |     | 20 668          | 13 504              | 17 004          | 1 892          | 4 459         | 12 674        | 8 214        | 64,8%          | 17 004             |
| Distribution  |     | 3 659           | 15 210              | 15 676          | -              | 1 526         | 11 594        | 10 068       | 86,8%          | 15 676             |
| Distribution Points   |     |                 |                     |                 |                |               |               |              |                |                    |
| PRV Stations  |     |                 |                     |                 |                |               |               |              |                |                    |
| Capital Spares  |     |                 |                     |                 |                |               |               |              |                |                    |
| Sanitation Infrastructure   |     | 8 858           | 21 069              | 11 569          | -              | 406           | 12 002        | 11 596       | 96,6%          | 11 569             |
| Pump Station  |     | 3 659           | -                   | 5 569           | -              | 261           | 3 481         | 3 220        | 92,5%          | 5 569              |
| Reticulation  |     | 5 199           | 21 069              | 6 000           | -              | 145           | 8 521         | 8 377        | 98,3%          | 6 000              |
| Waste Water Treatment Works                                       |     |                 |                     |                 |                |               |               |              |                |                    |
| Outfall Sewers  |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
| Toilet Facilities   |     |                 |                     |                 |                |               |               |              |                |                    |
| Capital Spares  |     |                 |                     |                 |                |               |               |              |                |                    |
| Solid Waste Infrastructure  |     | -               | 10 447              | 5 000           | (6 648)        | -             | 6 800         | 6 800        | 100,0%         | 5 000              |
| Landfill Sites  |     |                 |                     |                 |                |               |               |              |                |                    |
| Waste Transfer Stations   |     | -               | 10 447              | 5 000           | (6 648)        | -             | 6 800         | 6 800        | 100,0%         | 5 000              |
| <b>Community Assets</b>   |     | 25 390          | 15 431              | 15 431          | -              | 3 283         | 11 573        | 8 291        | 71,6%          | 15 431             |
| Community Facilities  |     | -               | 5 000               | 5 000           | -              | -             | 3 750         | 3 750        | 100,0%         | 5 000              |
| Public Open Space   |     | -               | 5 000               | 5 000           | -              | -             | 3 750         | 3 750        | 100,0%         | 5 000              |

## 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               | 1 600           | -              | 627           | 1 363         | 736          | 54,0%          | 1 600              |
| Roads Infrastructure  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Roads   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Road Structures   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Road Furniture  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Capital Spares  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Storm water Infrastructure  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Drainage Collection   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Storm water Conveyance  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Attenuation   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Electrical Infrastructure   |     | -               | 1 600               | 1 600           | -              | 627           | 1 200         | 573          | 47,7%          | 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           | -              | 627           | 1 200         | 573          | 47,7%          | 1 600              |
| Capital Spares  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Sanitation Infrastructure   |     | 5 483           | 466                 | -               | -              | -             | 163           | 163          | 100,0%         | -                  |
| Pump Station  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Reticulation  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Waste Water Treatment Works   |     | 5 483           | 466                 | -               | -              | -             | 163           | 163          | 100,0%         | -                  |
| <b>Total Capital Expenditure on renewal of existing assets</b>                    | 1   | <b>5 483</b>    | <b>2 066</b>        | <b>1 600</b>    | <b>-</b>       | <b>627</b>    | <b>1 363</b>  | <b>736</b>   | <b>54,0%</b>   | <b>1 600</b>       |

|  |          |                |                |                |               |                |                |               |              |                |
|--|----------|----------------|----------------|----------------|---------------|----------------|----------------|---------------|--------------|----------------|
| <b>Other assets</b>                              |          | <b>1 131</b>   | <b>5 127</b>   | <b>7 605</b>   | <b>425</b>    | <b>1 640</b>   | <b>4 808</b>   | <b>3 168</b>  | <b>65,9%</b> | <b>7 505</b>   |
| Operational Buildings                            |          | 1 131          | 5 127          | 7 505          | 425           | 1 640          | 4 808          | 3 168         | 65,9%        | 7 505          |
| Municipal Offices                                |          | 1 102          | 5 070          | 7 448          | 425           | 1 616          | 4 765          | 3 149         | 66,1%        | 7 448          |
| Pay/Enquiry Points                               |          |                |                |                |               |                |                |               |              |                |
| Building Plan Offices                            |          |                |                |                |               |                |                |               |              |                |
| Workshops  |          | 26             | 48             | 48             | –             | 24             | 36             | 12            | 33,6%        | 48             |
| Yards  |          |                |                |                |               |                |                |               |              |                |
| Stores   |          | 2              | 9              | 9              | –             | –              | 7              | 7             | 100,0%       | 9              |
| <b>Intangible Assets</b>                         |          | <b>1 337</b>   | <b>3 931</b>   | <b>3 971</b>   | <b>154</b>    | <b>2 253</b>   | <b>2 994</b>   | <b>741</b>    | <b>24,8%</b> | <b>3 971</b>   |
| Servitudes                                       |          |                |                |                |               |                |                |               |              |                |
| Licences and Rights                              |          | 1 337          | 3 931          | 3 971          | 154           | 2 253          | 2 994          | 741           | 24,8%        | 3 971          |
| Water Rights                                     |          |                |                |                |               |                |                |               |              |                |
| Effluent Licenses                                |          |                |                |                |               |                |                |               |              |                |
| Solid Waste Licenses                             |          |                |                |                |               |                |                |               |              |                |
| Computer Software and Applications               |          | 1 337          | 3 931          | 3 971          | 154           | 2 253          | 2 994          | 741           | 24,8%        | 3 971          |
| Load Settlement Software Applications            |          |                |                |                |               |                |                |               |              |                |
| Unspecified                                      |          |                |                |                |               |                |                |               |              |                |
| <b>Computer Equipment</b>                        |          | <b>3 389</b>   | <b>4 065</b>   | <b>4 065</b>   | <b>354</b>    | <b>1 071</b>   | <b>3 048</b>   | <b>1 978</b>  | <b>64,9%</b> | <b>4 065</b>   |
| Computer Equipment                               |          | 3 389          | 4 065          | 4 065          | 354           | 1 071          | 3 048          | 1 978         | 64,9%        | 4 065          |
| <b>Furniture and Office Equipment</b>            |          | <b>427</b>     | <b>1 199</b>   | <b>2 216</b>   | <b>474</b>    | <b>474</b>     | <b>1 327</b>   | <b>853</b>    | <b>64,3%</b> | <b>2 216</b>   |
| Furniture and Office Equipment                   |          | 427            | 1 199          | 2 216          | 474           | 474            | 1 327          | 853           | 64,3%        | 2 216          |
| <b>Machinery and Equipment</b>                   |          | <b>11 385</b>  | <b>24 213</b>  | <b>24 233</b>  | <b>4 315</b>  | <b>12 435</b>  | <b>18 168</b>  | <b>5 733</b>  | <b>31,6%</b> | <b>24 233</b>  |
| Machinery and Equipment                          |          | 11 385         | 24 213         | 24 233         | 4 315         | 12 435         | 18 168         | 5 733         | 31,6%        | 24 233         |
| <b>Transport Assets</b>                          |          | <b>2 557</b>   | <b>15 894</b>  | <b>15 814</b>  | <b>(505)</b>  | <b>188</b>     | <b>11 889</b>  | <b>11 701</b> | <b>98,4%</b> | <b>15 814</b>  |
| Transport Assets                                 |          | 2 557          | 15 894         | 15 814         | (505)         | 188            | 11 889         | 11 701        | 98,4%        | 15 814         |
| <b>Land</b>                                      |          | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>      | <b>-</b>       | <b>-</b>       | <b>-</b>      |              | <b>-</b>       |
| Land   |          |                |                |                |               |                |                |               |              |                |
| <b>Zoo's, Marine and Non-biological Animals</b>  |          | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>      | <b>-</b>       | <b>-</b>       | <b>-</b>      |              | <b>-</b>       |
| Zoo's, Marine and Non-biological Animals         |          |                |                |                |               |                |                |               |              |                |
| <b>Total Repairs and Maintenance Expenditure</b> | <b>1</b> | <b>115 619</b> | <b>223 989</b> | <b>262 212</b> | <b>29 906</b> | <b>149 153</b> | <b>182 706</b> | <b>33 553</b> | <b>18,4%</b> | <b>262 212</b> |

## 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 |
| R thousands   | 1        |                 |                     |                 |                |               |               |              |                |                    |
| <b>Community Assets</b>                                   |          | 13 678          | 11 064              | 11 064          | 1 996          | 3 821         | 8 298         | 4 478        | 54,0%          | 11 064             |
| Community Facilities                                      |          | 13 678          | 11 064              | 11 064          | 1 996          | 3 821         | 8 298         | 4 478        | 54,0%          | 11 064             |
| Testing Stations  |          | -               | 3 000               | 3 000           | 303            | 1 132         | 2 250         | 1 118        | 49,7%          | 3 000              |
| Markets   |          | 13 678          | 8 064               | 8 064           | 1 693          | 2 689         | 6 048         | 3 360        | 55,5%          | 8 064              |
| <b>Other assets</b>                                       |          | -               | 3 000               | 3 000           | -              | 2 876         | 2 250         | (626)        | -27,8%         | 3 000              |
| Operational Buildings                                     |          | -               | 3 000               | 3 000           | -              | 2 876         | 2 250         | (626)        | -27,8%         | 3 000              |
| Municipal Offices   |          | -               | 3 000               | 3 000           | -              | 2 876         | 2 250         | (626)        | -27,8%         | 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>1 996</b>   | <b>6 696</b>  | <b>10 548</b> | <b>3 852</b> | <b>36,5%</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 Third Quarter report as per section 52(d) of the MFMA.