



## **LIM344: MID-YEAR BUDGET ASSESSMENT**

**2022/23 FINANCIAL YEAR**

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## **1. INTRODUCTION**

### **FINANCE : MID-YEAR BUDGET ASSESSMENT – 2022/23 FINANCIAL YEAR REPORT OF THE MUNICIPAL MANAGER**

In terms of section 72 of the Municipal Finance Management Act (MFMA), Act no 56 of 2003 the Accounting Officer of the municipality must by 25 January each year-

- 1.1** Assess the performance of the municipality during the first half of the financial year, taking into account-
  - a) The monthly budget statement referred to as section 71 for the first half of the financial year
  - b) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan,
  - c) The past years annual report, and progress on resolving problems identified in the annual report.
- 1.2** The Accounting Officer of the municipality must submit a report on such assessment to –
  - 1.2.1 The mayor of the municipality,
  - 1.2.2 The National and the relevant provincial treasury.
- 1.3** The Accounting Officer must, as part of the review-
- 1.4** Make recommendations as to whether an adjustment budget is necessary, and
- 1.5** Recommend revised projections for revenue and expenditure to the extent that this may be necessary

**2. HALF-YEAR BUDGET STATEMENT: 31 DECEMBER 2022  
(JULY 2022 – DECEMBER 2022 YEAR TO DATE PERFORMANCE)**

<b>MUNICIPAL FINANCIAL MAMAGEMENT AND VIABILITY</b>			
<b>Summary of first half quarter SDBIP (July 2022 to December 2022) Municipal financial management and viability</b>			
<b>Key Performance Indicators</b>	<b>Mid-Term Performance Remarks</b>	<b>Mid-term Target</b>	<b>Actual achieved Mid-term</b>
Number of Household with access to free basic electricity	Not Achieved	3450	1880
Prepared and Submitted Annual financial statements for 2021/2022 Financial year	Achieved	2021/222 AFS Prepared and submitted by 31 August 2022	AFS Submitted on 31 August 2022
Approved budget process plan by 31 August 2022	Achieved	Process plan approved by Council	Process plan approved by Council on or before 31 August 2022
Approved 2023/24 Budget by 31 May 2023	Achieved	Send request to departments for proposed budget by 31 December 2022	The request to departments for proposed budget was sent on the 05th December 2022
Number of section 71 reports submitted to Treasury within 10 days after the end of the month by 30 September 2022 and by 31 December 2022	Achieved	6	6

Percentage Expenditure of Financial Management Grant by 30 September 2022 and by 31 December 2022	Achieved	50%	53%
Percentage of Tenders processed within 90 days by 30 September 2022 and 31 December 2022 (From closing date in the advert)	Achieved	95%	97.5%
Percentage of Electricity Distribution loss by 30 Sept 2022 and 31 December 2022	Achieved	5%	0%
To achieve Unqualified audit opinion by 30 November 2022	Achieved	Unqualified audit Opinion	Unqualified audit Opinion
Percentage of Invoices Paid within 30 days of receipt by 30 September 2022 and 31 December 2022	Achieved	100%	100%
Percentage of INEP Grant spending by 30 September 2022	Achieved	45%	53%
Percentage of MIG Grant spending by 30 September 2022 and 31 December 2022	Achieved	45%	49%
Percentage of Billed revenue collected per month during 2022/23( as at 30 September 2022 and by 31 December 2022 Financial Year	Achieved	90%	91%

### **3. ANALYSIS OF MID TERM SDBIP KEY PERFORMANCE INDICATORS AND ACHIEVEMENT ENDING 31 DECEMBER 2022**

#### **3.1 Number of Household with access to free basic electricity.**

- The target was for the municipality to register 3450 by mid-term. The municipality did not achieve the target by registering only 1880 by mid-term.

#### **3.2 Prepared and submitted Annual Financial Statements for the year ended 30 June 2022.**

- The target was for the municipality to prepare and submit AFS for the 2021/22 financial year on or before 31 August 2022 during mid- term. The target was achieved.

#### **3.3 Approved budget process plan by 31 August 2022.**

- The target was for the municipality to approve the budget process plan by 31 August 2022 during the mid-term. The municipality achieved the target.

#### **3.4 Approved 2023/24 budget by 31 May 2023.**

- The target was for finance department to issue a circular notifying other departments about the deadline for submission of the budget input for the preparation of 2023/24 financial year Budget. The notice was issued and the target was achieved.

#### **3.5 Number of section 71 reports submitted to Treasury within 10 days after the end of the mid -term (six months)**

- The target was for the municipality to submit section 71 reports to provincial and national treasury within ten working days after the end of each month during mid-term. The target was achieved and six section 71 reports were submitted to both national and provincial Treasury during mid-term.

#### **3.6 Percentage Expenditure of Financial Management Grant by mid-term.**

- The target was to spend 50% of financial management grant by mid-term. The municipality achieved by this target by spending 53% of the budget.

#### **3.7 Percentage of Tenders processed within 90 days by mid-term (From closing date in the advert).**

- The target was for the municipality to process advertised Tenders within 90 days from the closing date in the advert by mid-term. The municipality did achieve this target and 97.5% of the tenders were awarded within 90 days validity period from the closing date during mid term.

### **3.8 Percentage of Electricity Distribution loss by mid-term.**

- The target for the municipality was to achieve less than 5% on distribution loss for the mid- term ending 31 December 2022. The target was achieved and the municipality s distribution losses was 0% for the mid-term

### **3.9 Percentage of Billed revenue collected per month during 2022/23 for mid-term Financial Year.**

- The target was for the municipality to achieve 90% collection rate for the mid-term. The target was achieved and the municipality s collection rate was 91 % for the mid-term.

## **4. ANALYSIS OF INCOME AND EXPENDITURE FOR THE MID TERM ENDING 31 DECEMBER 2022**

**4.1** The municipality’s total approved budget amounts to R 1 234 229 000.00 Income and Expenditure (Operating Budget) R 1 205 339 000.00 and Capital expenditure of R 449 888 000.00

### **4.2 Summary overall budgeted and actual expenditure**

<b>Types of Budget</b>	<b>Approved Budget</b>	<b>Budget Spent</b>	<b>Balance</b>	<b>% Spent</b>
Operational	R 1 205 billion	R 628 million	R 577 million	52%
Capital	R 450 million	R 194 million	R 256 million	43%
<b>Total</b>	<b>R 1.655 billion</b>	<b>R 822 million</b>	<b>R 833 million</b>	<b>49.67%</b>

The municipality had operational expenditure budget of R 1 205 billion and capital budget of R 450 million and the amount of R 628 million and R 194 million was spent respectively. This represents 52% spending on operational budget as well as 43% spending on capital budget. Overall spending is R857 million against the approved budget of R 1.655 billion and this represent 49.67% spending of the budget.

## **5. OPERATING REVENUE**

Total Operating revenue during first half of 2022/23 was R 661 934 697.77 compared to the related budget of R 617 114 500.00 resulting in a positive variance 7% .The revenue received already constitute 50% of the approved original budget.



Description	Budget Year 2022/23										
	R thousands	Original Budget	Second Quarter 2022 Projection	Q1 Sept 2022 Actual	Second Quarter 2022	Actual to date	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
<b>Revenue By Source</b>											
Property rates		100,453,000.00	50,226,500.00	26,768,915.87	29,278,588.03	56,047,503.90	5,821,003.90	10%	56%	112%	100,453,000.00
Service charges - electricity revenue		496,726,000.00	248,363,000.00	120,013,345.90	89,317,654.10	209,331,000.00	-39,032,000.00	-19%	42%	84%	496,726,000.00
Service charges - refuse revenue		14,410,000.00	7,205,000.00	3,561,855.35	3,562,847.17	7,124,702.52	-80,297.48	-1%	49%	99%	14,410,000.00
Rental of facilities and equipment		315,000.00	157,500.00	40,532.62	57,801.28	98,333.90	-59,166.10	-60%	31%	62%	315,000.00
Interest earned - external investments		6,731,000.00	3,365,500.00	2,544,745.15	1,983,561.28	4,528,306.43	1,162,806.43	26%	67%	135%	6,731,000.00
Interest earned - outstanding debtors		30,540,000.00	15,270,000.00	8,960,183.18	9,199,256.32	18,159,439.50	2,889,439.50	16%	59%	119%	30,540,000.00
Fines, penalties and forfeits		4,445,000.00	2,222,500.00	635,139.60	1,766,771.00	2,401,910.60	179,410.60	7%	54%	108%	4,445,000.00
Licences and permits		4,020,000.00	2,010,000.00	899,400.25	1,055,183.24	1,954,583.49	-55,416.51	-3%	49%	97%	4,020,000.00
Transfers and subsidies		466,925,000.00	233,462,500.00	173,235,748.91	169,689,251.09	342,925,000.00	109,462,500.00	32%	73%	147%	466,925,000.00
Other revenue		109,664,000.00	54,832,000.00	8,577,367.37	10,786,550.06	19,363,917.43	-35,468,082.57	-183%	18%	35%	109,664,000.00
<b>Total Revenue</b>		<b>1,234,229,000.00</b>	<b>617,114,500.00</b>	<b>345,237,234.20</b>	<b>316,697,463.57</b>	<b>661,934,697.77</b>	<b>44,820,197.77</b>	<b>7%</b>	<b>54%</b>	<b>107%</b>	<b>1,234,229,000.00</b>

## **5.1 ANALYSIS OF REVENUE**

### **5.1.1 Property Rates**

The Actual billing on property rate for mid-term is R 56.047 million compared to the projections R 50.226 million which results to 12% positive variance between actual collected and projections. There is a need to adjust property rate upward by 12% during budget adjustment based on the six months performance.

### **5.1.2 Service charges: Electricity revenue**

The actual billing on electricity revenue for mid-term is R 209 331 million compared to the Mid-term projections of R 248 363 million. There is a need to adjust the service charges downward by 16% based on the six-month performance.

### **5.1.3 Service charges: Refuse removal**

The actual revenue billed on refuse removal revenue for mid-term is R 7 124 million compared to the projections of R 7 205 million. There is a need to adjust service charges refuse removal downwards by 1% based on six-month performance.

### **5.1.4 Rental**

The actual rental revenue collected for mid-term 2022 is R 98 thousand and projected rental income was R 157 thousands that indicate under collection of 38% against the projections.

### **5.1.5 Interest earned from financial institutions**

The actual billing for interest earned from financial institutions as at 31 December 2022 is R 4 528 million compared to the projections of R 3 365 which results in over collection by 35%. There is a need to adjust Interest earned on investment and primary account upwards based on the six-month performance.

### **5.1.6 Fines, Penalties and forfeits**

Fines, penalties and forfeits for the mid-term is R 2 402 million compared with R 2 222 millions projections which results to over collection by 8%. There is a need to adjust this revenue based on the six months performance this revenue should be adjusted upwards by 8%.

### **5.1.7 Licenses and Permits**

The actual licenses and permits collected in the midterm is R 1 954 million compared with the R 2 010 million projections which results to under collection by 3% .The revenue is collected on a cash basis and there's a need to adjust downwards by 3% this revenue based on the six month performance.

### **5.1.8 Other Revenue**

The actual collection as at 31 December 2022 is R 19 363 million compared to the projected revenue of R 54 832 million. The results is the under collection by 65% with regard to this service. The projected revenue include the amount projected to be received from sales of stands. The auction was done and the municipality will receive the money after the transfer from conveyances is completed.

The revenue is collected on a cash basis and there's a need to adjust downwards this revenue and remain with actual amount to be received from Conveyance with regard sales of south Pretorius stands.

## **6. OPERATING EXPENDITURE**

Total actual expenditure incurred during the first half of 2022/23 is **R 561 557 908.00** compared to the projected amount of R 555 830 655.50 .The expenditure incurred to date is amounting R 561 557 908.00 or 50 % of the original approved budget.

Description	Budget Year 2022/23									
	Original Budget	Second Quarter 2022 Projection	Q1 Sept 2022 Actual	Second Quarter 2022	ACTUAL TO DATE	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
<b>Expenditure By Source</b>										
Employee related costs	355,502,000.00	177,751,000.00	70,290,857.41	83,775,853.69	154,066,711.10	-23,684,288.90	-13%	43%	87%	355,502,000.00
Remuneration of councillors	29,443,000.00	14,721,500.00	7,098,646.74	7,273,880.16	14,372,526.90	-348,973.10	-2%	49%	98%	29,443,000.00
Debt impairment	60,715,000.00	30,357,500.00	15,244,446.74	31,477,404.19	46,721,850.93	16,364,350.93	54%	77%	154%	60,715,000.00
Depreciation & asset impairment	120,000,000.00	60,000,000.00	28,978,276.04	34,316,776.56	63,295,052.60	3,295,052.60	5%	53%	105%	120,000,000.00
Finance charges	9,707,000.00	4,853,500.00	926,275.89	5,135,584.01	6,061,859.90	1,208,359.90	25%	62%	125%	9,707,000.00
Bulk purchases	328,830,000.00	164,415,000.00	71,464,963.24	81,595,925.24	153,060,888.48	-11,354,111.52	-7%	47%	93%	328,830,000.00
Other materials	31,841,000.00	15,920,500.00	12,309,330.19	8,968,519.84	21,277,850.03	5,357,350.03	34%	67%	134%	31,841,000.00
Contracted services	183,327,000.00	91,663,500.00	84,657,898.33	49,147,337.21	133,805,235.54	42,141,735.54	46%	73%	146%	183,327,000.00
Other expenditure	85,974,000.00	42,987,000.00	25,042,200.14	9,830,496.42	34,872,696.56	-8,114,303.44	-19%	41%	81%	85,974,000.00
<b>Total Expenditure</b>	<b>1,205,339,000.00</b>	<b>602,669,500.00</b>	<b>316,012,894.72</b>	<b>311,521,777.32</b>	<b>627,534,672.04</b>	<b>24,865,172.04</b>	<b>4%</b>	<b>52%</b>	<b>104%</b>	<b>1,205,339,000.00</b>

## **6.1 EXPENDITURE ANALYSIS**

### **6.1.1 Employee related Cost**

The actual expenditure as at 31 December 2022 is sitting at R154 066 million compared to the projections of R 177 751 million which results in under spending by 13%. There is a need to adjust employee cost by 13% however it must be emphasized that departments should try by all means to reduce overtime.

### **6.1.2 Councillors Remuneration**

The actual expenditure as at 31 December 2022 is sitting at R14 372 million compared to the projections of R 14 721 million which results in under spending by 2% .

### **6.1.3 Debt Impairment**

This is non- cash item and expenditure is R 46 722 compared to the projection of R 30 357 million. This is mainly because debtors are normally assessed for impairment during each quarter .There is a need to improve the collection rate so that the municipality remain within the allocated budget.

### **6.1.4 Depreciation & asset impairment**

This is non- cash item and expenditure is R 63 295 million compared to the projection of R 60 000 million. There is a need to adjust the budget upwards by 5 % to cover the whole year depreciation and impairment.

### **6.1.5 Bulk purchases**

The bulk purchases expenditure for the first half is R 153 060 million and compared to projected expenditure of R 164 415 million which results to variance of 7%. There is a need to adjust the budget downwards during budget adjustment based on the six-month performance.

### **6.1.6 Finance charges**

The actual expenditure for finance charge is R 6 061 million compared to projected expenditure of R 4 853 million which results in 25% variance. There is a need to adjust finance charges during the adjustment budget by 25 % to cover the whole year especially year end journals for leases and employee benefit obligations.

### **6.1.7 Contracted Services**

The contracted services expenditure is R 133 805 million compared to projected expenditure of R 91 663 million which results in a variance of 46%. There is a need to adjust the budget upwards during budget adjustment based on the six month performance this is mainly due to high repairs n maintenance of roads and

electricity infrastructure that the municipality has embarked which is progressing well for past six months, for example, Patching of potholes , roads storm water , and electricity maintenance in the municipal area.

### **6.1.8 General Expenditure**

The other expenditure is R 34 873 million compared to the projected expenditure of R42 987 million which results in under spending by 19% on the general expenditure for the six month.

## 7. ANALYSIS OF CAPITAL BUDGET EXPENDITURE PER DEPARTMENT

The Capital Budget expenditure is R 194 188 million of the full budgeted figure of R 449 888 million which is equal to 43 % spending. Total actual expenditure incurred for Capital budget during the first half of 2022/23 is R 194 188 million compared to the projected amount of R 224 944 million which results in a negative variance of negative 14%. The expenditure incurred to date is amounting to 43% of the approved capital budget.

<b>CODE</b>	<b>DEPARTMENT</b>	<b>BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	Technical Services	R 414 803 000.00	R 182 711 292.35	R 232 091 708.00	<b>44%</b>
SC	Community Services	R 18 306 000.00	R 7 351 481.00	R 10 954 519.00	<b>40%</b>
SC	Budget and Treasury	R 7 000 000.00	R 4 037 647.40	R 2 962 352.60	<b>58%</b>
SC	Corporate Services	R 9 034 000.00	R 71 327.10	R 8 962 673.00	<b>1%</b>
SC	Regional Offices	R 745 000.00	R 16 499.00	R 728 501.00	<b>2%</b>
	<b>TOTAL</b>	<b>R 449 888 000.00</b>	<b>R 194 187 860.85</b>	<b>R 255 700 139.15</b>	<b>43%</b>

## **7.1 PLANS TO IMPROVE SPENDING FOR THE NEXT TWO QUARTERS**

- Departments are committing that, all projects that were due for completion during the second quarter will be completed during third quarter as per the revised approved time extension.
- All other projects that are under construction planned to be completed by end of financial year will be completed.
- All projects that are on evaluation stage will be adjudicated by end of January 2023 and those that are pending specification, the specification will also be submitted by end of January 2023.
- The procurement plan will be a standing item in a monthly management meeting to monitor the progress from each department.
- The departments are committing that there will be improvement in expenditure in third quarter and fourth quarter so that at the end of financial year the municipality achieve 90% to 100% spending of its capital projects.



### 7.1.1 Technical Services Department

The expenditure incurred for the first half represents 44% of approved budget for 2022/2023 financial year. The major spending of the department is mainly derived from MIG, INEP and own funding projects that are progressing well.

CONSOLIDATED CAPITAL EXPENDITURE REPORT FOR THE MONTH 31 DECEMBER 2022				
TECHNICAL SERVICES DEPARTMENT				
ELECTRICAL ENGINEERING				
CODE	DESCRIPTION	SOURCES	BUDGET	COMMENT
SC	Air conditioners supply and install in all Municipal buildings	INCOME	900,000.00	Appointed
SC	CT VT Units:3x11kv & 4x 22kV	INCOME	250,000.00	In specification
SC	Mini Subs (3x315KVA, 3x630KVA)	INCOME	4,000,000.00	Request received
SC	MV Cable 70mm <sup>2</sup> 22kV - urban network	INCOME	1,500,000.00	Request received
SC	Transformers 1x10MVA Central substation)	INCOME	5,500,000.00	Appointed
SC	Transformers 4x5MVA 22/11(Makhado Park, Roodewal, Cricket, Eltivillas East)	INCOME	4,000,000.00	Appointed
SC	Ring Main Units 11kV (RMU)	INCOME	3,000,000.00	Request received
SC	Incomer intake point Eskom Substation	INCOME	2,000,000.00	Appointed
SC	Upgrade Lev1 - wooden poles to cement poles	INCOME	1,000,000.00	Specification not yet submitted
SC	Main Substation upgrade Phase2 - breakers, links, controll pannels	INCOME	2,000,000.00	Appointed
SC	Post connections Munic area	INCOME	3,000,000.00	Appointed
SC	Minor Reticulations - transformers and lines.	INCOME	2,500,000.00	Specification not yet submitted
SC	Electrical Network GIS inventory and mapping	INCOME	1,500,000.00	Appointed

SC	Upgrade wooden pole line to Emma substation	INCOME	450,000.00	Appointed
SC	Hand and car radio supply, fit and program	INCOME	350,000.00	In adjudication
SC	Electric fence - Main, Lavubu and Beufort substations	INCOME	360,000.00	Appointed
SC	Mara - Makhitha ringfeed line	INCOME	850,000.00	Appointed
SC	High masts installation in town parks	INCOME	1,000,000.00	Appointed
SC	Designs for electrified projects -	INCOME	2,000,000.00	Appointed
SC	Electrical Workshop yard and Stores paving	INCOME	1,800,000.00	Appointed
SC	Electrical Control Centre	INCOME	400,000.00	Specification not yet submitted
SC	Upgrade secondary substations in town (Emmarentia and Boom Park)	INCOME	3,500,000.00	Appointed
SC	Upgrade secondary substations in town (Eltivillas East and Makhado Park)	INCOME	2,500,000.00	In specification
SC	Upgrade 66kv and 22kv breakers in Levubu and Beaufort substation	INCOME	800,000.00	Appointed
SC	Auto Reclosers - village & farm lines	INCOME	1,300,000.00	In Evaluation
SC	Fibre glass 6m step ladders	INCOME	150,000.00	In Evaluation
SC	Link sticks replacements	INCOME	160,000.00	In Evaluation
SC	New substation -East of Bergview estate (2 x 5MVA) - new developments.	INCOME	1,400,000.00	Specification not yet submitted
SC	Upgrade Pretorius sub : 2 x 2MVA (new housing development)	INCOME	8,000,000.00	In Evaluation
SC	Transformers 1x10MVA 22/11(Stubb)	ROLLOVER	4,000,000.00	Appointed
SC	Credit meter replacements by pre-paid meter	ROLLOVER	1,000,000.00	inhouse project in progres
SC	High masts installation in town parks	ROLLOVER	2,400,000.00	Appointed
SC	Electrical Workshop yard and Stores paving	ROLLOVER	2,175,000.00	Appointed

SC	4x Electricians standard tool boxe -	INCOME	150,000.00	Appointed
SC	Upgrade 66KV transmission line from Makhado main substaion to Mpheni area.	INCOME	1,000,000.00	Appointed
SC	SCADA control for ARC -whole network	INCOME	650,000.00	Consultant allocated
SC	Voltage regulators - Whole network	INCOME	1,200,000.00	Appointed
SC	Power transformer test kit	INCOME	450,000.00	Specification not yet submitted
SC	Upgrade Industrial line - concrete poles	INCOME	540,000.00	Appointed
SC	55x Hand held radios -Electronic digital	INCOME	330,000.00	In adjudication
SC	Electrification of South of Pretorius 700 new stands	INCOME	20,500,000.00	Appointed
SC	Electrification Tshikota 164 new stands	INCOME	9,000,000.00	In evauation
SC	Standby (backup)Electricity Power Generator Dzanani Regional office	INCOME	500,000.00	Specification not yet submitted
SC	Electricity Preventutive Measures ( Replacement of Rottern Poles) in all Municipal area	INCOME	22,000,000.00	Appointed
<b>TOTAL</b>			<b>122,065,000.00</b>	

<b>High masts installation in villages (Ward 1 to ward 38) in 2022/2023 Financial Year</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	
SC	Khwekhwe,Ndiitwani,Tshiswiswini, Maelula	INCOME	15,000,000.00	Appointed
<b>TOTAL</b>			<b>15,000,000.00</b>	
<b>ELECTRICAL ENGINEERING - INEP BUDGET</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	
SC	Muananzhele phase-4	INEP	7,791,611.00	Appointed
SC	Afton 2022/23	INEP	366,343.46	Appointed
SC	Mashau Thondoni 2022/23	INEP	149,750.42	Appointed
SC	Gombani 2022/23	INEP	138,275.29	Appointed
SC	khomele 2022/23	INEP	1,060,875.58	Appointed
SC	Maangani 2022/23	INEP	823,914.19	Appointed
SC	Mamburu 2022/23	INEP	1,032,761.52	Appointed
SC	Matshavhawe 2022/23	INEP	392,449.38	Appointed
SC	Musekwa sections 2022/23	INEP	2,594,239.56	Appointed
SC	Ramantsha 2022/23	INEP	1,291,525.66	Appointed
SC	Straighthart 2022/23	INEP	226,346.90	Appointed
SC	Gogobole 2022/23	INEP	1,755,694.58	Appointed
SC	Riverside 2022/23	INEP	717,482.38	Appointed
SC	Madodonga 2022/23	INEP	789,775.68	Appointed
SC	Manavhela 2022/23	INEP	55,080.61	Appointed
SC	Zamekom 2022/23	INEP	933,873.77	Appointed
<b>TOTAL</b>			<b>20,120,000.00</b>	

ELECTRICAL ENGINEERING - INCOME BUDGET				
CODE	DESCRIPTION	SOURCES	BUDGET	
SC	Muananzhele phase-4	INCOME	5,788,388.36	Appointed
SC	Afton 2022/23	INCOME	272,156.55	Appointed
SC	Mashau Thondoni 2022/23	INCOME	111,249.58	Appointed
SC	Gombani 2022/23	INCOME	102,724.71	Appointed
SC	khomele 2022/23	INCOME	788,124.45	Appointed
SC	Maangani 2022/23	INCOME	612,085.84	Appointed
SC	Mamburu 2022/23	INCOME	767,238.52	Appointed
SC	Matshavhawe 2022/23	INCOME	291,550.64	Appointed
SC	Musekwa sections 2022/23	INCOME	1,927,260.53	Appointed
SC	Ramantsha 2022/23	INCOME	959,474.39	Appointed
SC	Straighthart 2022/23	INCOME	168,153.11	Appointed
SC	Gogobole 2022/23	INCOME	1,304,305.48	Appointed
SC	Riverside 2022/23	INCOME	533,017.65	Appointed
SC	Madodonga 2022/23	INCOME	586,724.34	Appointed
SC	Manavhela 2022/23	INCOME	40,919.39	Appointed
SC	Zamekom 2022/23	INCOME	604,626.57	Appointed
<b>TOTAL</b>			<b>14,858,000.11</b>	

<b>CIVIL ENGINEERING SECTION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	
SC	Lutanandwa Bridge and Access road (Phase2)	MIG	33,100,000.00	Appointed
SC	Kutama Sinthumule Sports Facility	MIG	25,200,000.00	Appointed
SC	Landfill site makhado + recycling centre (Additional 2 Cells & Stormwater)	MIG	14,970,000.00	Appointed
SC	Makatu to Tshikota Road	MIG	5,000,000.00	Appointed
SC	Chabane Ribolla, Watervaal town, Tshikuwu, Rabali, Rathidili, Tshikwarani, Mangilasi and	MIG	8,500,000.00	Appointed
SC	Rivoni to Xihobyeni Access Road	MIG		Appointed
SC	Lutanandwa Bridge	MIG		Appointed
SC	Sane to Natalie Bridge	MIG		Appointed
SC	Fencing of Makhado Cemetry	MIG		Appointed
<b>TOTAL</b>			<b>86,770,000.00</b>	

INCOME FUNDED CIVIL PROJECTS				
CODE	DESCRIPTION	SOURCES	BUDGET	
SC	Development of Dzanani Park Phase 2 (Installation of outdoor gym, playing equipment and swimming pool)	INCOME - ROLLOVER	4,000,000.00	APPOINTED
SC	Upgrading of Sivananda street	INCOME	1,000,000.00	Consulted appointed
SC	ERF 210 Burger street Market stalls	INCOME - ROLLOVER	12,000,000.00	APPOINTED
SC	Construction of Admin Block at Testing Ground	INCOME - ROLLOVER	8,000,000.00	APPOINTED
SC	Re-gravelling of Waterval Cemetery road	INCOME - ROLLOVER	5,000,000.00	APPOINTED
SC	Rehabilitation of Vlei street	INCOME - ROLLOVER	5,000,000.00	APPOINTED
SC	Development of Dzanani Park Phase 2 (Installation of outdoor gym, playing equipment and swimming pool)	INCOME - ROLLOVER	1,500,000.00	On advert
SC	Development of roads and stormwater at South of Pretorius 700 new stands and Tshikota 164 new stands	INCOME - ROLLOVER	4,000,000.00	Ready for Advert
SC	Development of Potgieter Park	INCOME	1,000,000.00	Consultant allocated
SC	Refurbishment of Rabali stadium change rooms, grand stand and ablution facilities	INCOME	2,200,000.00	In Evaluation
SC	Tshivhuyuni Sports Facility	INCOME	1,000,000.00	Consultant allocated
SC	Dzanani Taxi Rank and Market stalls	INCOME	5,000,000.00	On advert
SC	Upgrading of Road to Vleifontein Clinic	INCOME	8,000,000.00	Appointed
SC	Upgrading of Waterval Clinic ring road	INCOME	1,500,000.00	On advert
SC	Upgrading of Midoroni Clinic ring road	INCOME	1,000,000.00	Consultant allocated
SC	State of the Art Hall at Otto's Hoogte	INCOME	500,000.00	Consultant allocated
SC	Development of roads and stormwater at South of Pretorius for 700 new stands and Tshikota 164 new stands (Phase 1)	INCOME	5,000,000.00	Ready for Advert
SC	Arts & Crafts Centre in town	INCOME	1,500,000.00	Consultant allocated

<b>CIVIL ENGINEERING SECTION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	
SC	Lutanandwa Bridge and Access road (Phase2)	MIG	33,100,000.00	Appointed
SC	Kutama Sinthumule Sports Facility	MIG	25,200,000.00	Appointed
SC	Landfill site makhado + recycling centre (Additional 2 Cells & Stormwater)	MIG	14,970,000.00	Appointed
SC	Makatu to Tshikota Road	MIG	5,000,000.00	Appointed
SC	Chabane Ribolla, Watervaal town, Tshikuwu, Rabali, Rathidili, Tshikwarani, Mangilasi and	MIG	8,500,000.00	Appointed
SC	Rivoni to Xihobyeni Access Road	MIG		Appointed
SC	Lutanandwa Bridge	MIG		Appointed
SC	Sane to Natalie Bridge	MIG		Appointed
SC	Fencing of Makhado Cemetery	MIG		Appointed
<b>TOTAL</b>			<b>86,770,000.00</b>	
<b>INCOME FUNDED CIVIL PROJECTS</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	
SC	Development of Dzanani Park Phase 2 (Installation of outdoor gym, playing equipment and swimming pool)	INCOME - ROLLOVER	4,000,000.00	APPOINTED
SC	Upgrading of Sivananda street	INCOME	1,000,000.00	Consulted appointed
SC	ERF 210 Burger street Market stalls	INCOME - ROLLOVER	12,000,000.00	APPOINTED
SC	Construction of Admin Block at Testing Ground	INCOME - ROLLOVER	8,000,000.00	APPOINTED
SC	Re-gravelling of Waterval Cemetery road	INCOME - ROLLOVER	5,000,000.00	APPOINTED
SC	Rehabilitation of Vlei street	INCOME - ROLLOVER	5,000,000.00	APPOINTED
SC	Development of Dzanani Park Phase 2 (Installation of outdoor gym, playing equipment and swimming pool)	INCOME - ROLLOVER	1,500,000.00	On advert



SC	Development of roads and stormwater at South of Pretorius 700 new stands and Tshikota 164 new stands	INCOME - ROLLOVER	4,000,000.00	Ready for Advert
SC	Development of Potgieter Park	INCOME	1,000,000.00	Consultant allocated
SC	Refurbishment of Rabali stadium change rooms, grand stand and ablution facilities	INCOME	2,200,000.00	In Evaluation
SC	Tshivhuyuni Sports Facility	INCOME	1,000,000.00	Consultant allocated
SC	Dzanani Taxi Rank and Market stalls	INCOME	5,000,000.00	On advert
SC	Upgrading of Road to Vleifontein Clinic	INCOME	8,000,000.00	Appointed
SC	Upgrading of Waterval Clinic ring road	INCOME	1,500,000.00	On advert
SC	Upgrading of Midoroni Clinic ring road	INCOME	1,000,000.00	Consultant allocated
SC	State of the Art Hall at Otto's Hoogte	INCOME	500,000.00	Consultant allocated
SC	Development of roads and stormwater at South of Pretorius for 700 new stands and Tshikota 164 new stands (Phase 1)	INCOME	5,000,000.00	Ready for Advert
SC	Arts & Crafts Centre in town	INCOME	1,500,000.00	Consultant allocated
SC	Rehabilitation of Joe Slovo street at Vleifontein	INCOME	13,400,000.00	APPOINTED
SC	Rehabilitation of Waterval streets (Djunane)	INCOME	10,300,000.00	APPOINTED
SC	Rehabilitation of Pretorius street	INCOME	7,000,000.00	APPOINTED
SC	Rehabilitation of Breda street	INCOME	7,000,000.00	APPOINTED
SC	Refurbishment of Waterval Region office	INCOME	10,000,000.00	APPOINTED
SC	Upgrade of Access Roads to New Rugby stadium	INCOME	5,000,000.00	Consultant allocated
SC	Rehabilitation of old landfill site (Vondeling) Phase 2 (Construction of evaporation pond, ablution facilities, planting)	INCOME	10,000,000.00	APPOINTED
SC	Rehabilitation of Rissik Street	INCOME	2,000,000.00	contractor allocated
SC	Waterval creche ring road to ZCC Church	INCOME	1,500,000.00	Consultant allocated
SC	Mbavala Bridge	INCOME	550,000.00	Consultant allocated
SC	Ablution Block/changing room at Waterval Stores Office	INCOME	1,000,000.00	In specification
SC	Commissioner & Main Street Intersection rehabilitation and Stormwater (Eltivillas)	INCOME		Completed
SC	Rehabilitation of Kruger Street	INCOME		APPOINTED
	<b>TOTAL</b>		<b>134,950,000.00</b>	

<b>ROADS AND STORM WATER</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	
SC	3 X Jump stamper	INCOME	200,000.00	Appointed and delivered
SC	Culvert Pipes	INCOME	1,000,000.00	Appointed
SC	Workshop steel structure	INCOME	200,000.00	In Specification
SC	Hand tools	INCOME	120,000.00	In evaluation
SC	Pavement Civic Centre	INCOME	1,500,000.00	In specification
SC	High pressure car washing machine	INCOME	60,000.00	In Evaluation
SC	Workshop compressor	INCOME	100,000.00	Appointed
SC	Betry charger	INCOME	60,000.00	Appointed
	<b>TOTAL</b>		<b>3,240,000.00</b>	
<b>BUILDING MAINTANANCE</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	
SC	Fencing and refurbishment of Tshikota community hall	INCOME ROLLOVER	1,000,000.00	Appointed
SC	Fencing and refurbishment of Muwaweni community hall	INCOME ROLLOVER	2,200,000.00	Appointed
SC	Palisade Fence for Waterval Stores Office	INCOME ROLLOVER	1,000,000.00	
SC	3 X Trailor as per Region	INCOME ROLLOVER	100,000.00	Appointed
SC	Construction of four(4) Pay point building and Guard rooms	INCOME ROLLOVER	1,500,000.00	In Evaluation
SC	Fencing and upgrading of eltivillars soccer/swimming pool ground	INCOME ROLLOVER	700,000.00	Appointed
SC	Refurbishment of Lapa conference centre	INCOME	700,000.00	In specification
SC	Refurbishment of Town swimming pool	INCOME	2,000,000.00	Appointed
SC	10 borehles at pay point and community halls	INCOME	1,200,000.00	In Evaluation

SC	Fencing Musekwa Multi purpose	INCOME	1,000,000.00	In specification
SC	6x Construction of pay point office and guard rooms	INCOME	2,000,000.00	In Evaluation
SC	1x LDV bakkies	INCOME	500,000.00	Appointed
SC	5 ton half truck with half canopy	INCOME	800,000.00	Appointed
SC	Contruction of Vleifontein bustop ablutions	INCOME	700,000.00	In specification
SC	Refurbishment of Muduluni community hall and concrete palesade	INCOME	250,000.00	In specification
SC	Fencing of extended Tshikota and LTT Cemeteries	INCOME	1,500,000.00	In specification
SC	Refurbishment of Elti Villas swimming pool fence	INCOME	500,000.00	Appointed
SC	Drilling and equipping of 1 x new borehole at Elti Villas swimming pool	INCOME	150,000.00	Appointed
	<b>TOTAL</b>		<b>17,800,000.00</b>	
	<b>TOTAL TECHNICAL SERVICES BUDGET</b>		<b>414,803,000.11</b>	

### 7.1.2 Department of Community services

The actual expenditure for the midterm is R 7.351 million compared to the projection of R 9 153 million which result in a negative variance of 20%. The expenditure incurred for the first half represent 40% of approved budget for 2022/23 financial year. The department did not perform well during the mid-term. The department will improve the spending in the third and fourth quarter 2023.

CONSOLIDATED CAPITAL EXPENDITURE REPORT FOR THE MONTH 31 DECEMBER 2022				
COMMUNITY SERVICES DEPARTMENT				
LIBRARY SERVICES				
CODE	DESCRIPTION	SOURCES	BUDGET	COMMENT
SC	Musekwa 3M Machine	INCOME	300,000.00	In Evaluation
SC	Papyrus Membership Cards Camera	INCOME	10,000.00	Appointed
SC	Establishment of Luvuvhu Region Satelite Library	INCOME	150,000.00	Specification not yet submitted
<b>TOTAL</b>			<b>460,000.00</b>	

<b>PARKS AND RECREATION SECTION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
SC	Purchasing of 10 x Heavy Duty Lawn mower machine	INCOME	400,000.00	In evaluation
SC	Purchasing of 10 x Brushcutter machines	INCOME	150,000.00	In evaluation
SC	Purchasing of 3 x Tractors with complete mowing equipment	INCOME	1,500,000.00	Appointed and Delivered
SC	Additional Heavy Duty Lawn mower machine	INCOME	1,000,000.00	In evaluation
SC	Additional 10 x Brushcutter machine	INCOME	150,000.00	In evaluation
SC	Additional 8 x Tractors with complete mowing equipment	INCOME	4,000,000.00	Appointed and Delivered
<b>TOTAL</b>			<b>7,200,000.00</b>	

<b>MAKHADO REGION WASTE MANAGEMENT</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
SC	20 Skip Bins	INCOME	1,200,000.00	Appointed and delivered
SC	1000 x 240L Wheelie bins	INCOME	1,400,000.00	In evaluation
SC	Paving of 50 x refuse skip bin dropping areas	INCOME	1,500,000.00	To be advertised in January 2023
<b>TOTAL</b>			<b>4,100,000.00</b>	

<b>DZANANI TRAFFIC STATION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
SC	Upgrading of Vehicle Testing station (Grade B to A) Dzanani	INCOME	2,500,000.00	In evaution
SC	Carpot	INCOME	30,000.00	In Specification
SC	Provision of Pavement arrounding the building	INCOME	100,000.00	In specification
SC	WI-FI to Support CCTV Cameras	INCOME	20,000.00	Specification not yet submitted
SC	Walkthrough shade for Customer	INCOME	30,000.00	In evaution
<b>TOTAL</b>			<b>2,680,000.00</b>	

<b>MAKHADO TRAFFIC STATION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
SC	Replacement of Brake Roller Machine	INCOME	500,000.00	In evaluation
SC	1 X Digital Camera	INCOME	10,000.00	Appointed
SC	Photo Printer	INCOME	8,000.00	Waiting for quotations
SC	No Hawking prohibition signs	INCOME	10,000.00	Waiting for quotations
SC	Toolbox	INCOME	5,000.00	Waiting for quotations
SC	Slashers and Rake (cutting grass- bailing of cattle)	INCOME	300,000.00	In Evaluation
SC	Storeroom (zinc structure for keeping lucerne safe)	INCOME	400,000.00	Specification not yet submitted
<b>TOTAL</b>			<b>1,233,000.00</b>	

<b>MAKHADO TRAFFIC STATION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
SC	Purchase of 20 X portable hand radios and 2 X Base radios	INCOME	250,000.00	in adjudication
SC	Motor vehicle break testing system	INCOME	500,000.00	In evaluation
SC	Purchasing of 3 X Speed Measuring machines	INCOME	200,000.00	In evaluation
SC	Construction of Cattle Pound Storage Room	INCOME	200,000.00	In Specification
SC	200 X Plastic cones for accident scene	INCOME	5,000.00	Quotations requested
SC	22 X Torches for Traffic Officials	INCOME	7,000.00	Appointed
SC	Portable Road Accident Signs	INCOME	300,000.00	In Specification
SC	AMPR (automatic number plates recognition for warrant of arrests)	INCOME	500,000.00	In Specification
<b>TOTAL</b>			<b>1,962,000.00</b>	

<b>MAKHADO (REGISTERING AUTHORITY) LICENSING</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
SC	Erection of Filing Shelves for Licensing	INCOME	200,000.00	Specification not yet submitted
SC	High back Chairs for Cashiers in Licensing x10	INCOME	100,000.00	In evaluation
SC	Copier Machine	INCOME	11,000.00	Sent to IT for allocation
SC	7 X Cash Counting Machines	INCOME	7,000.00	In evaluation
SC	Fridge	INCOME	14,000.00	Waiting for quotations
SC	Help Desk Screen Protector	INCOME	6,000.00	Appointed
SC	Paving	INCOME	200,000.00	Specification not yet submitted
SC	1 X Kitchen Microwave	INCOME	3,000.00	In evaluation
SC	DLTC bollard base (base fittings) equipment & poles	INCOME	80,000.00	Appointed
SC	Calibration of K53 motorcycle equipment	INCOME	50,000.00	In evaluation
<b>TOTAL</b>			<b>671,000.00</b>	
<b>TOTAL COMMUNITY SERVICES BUDGET</b>			<b>18,306,000.00</b>	



### 7.1.3 Department of Budget and Treasury Office

The actual expenditure for the first half is R 4 037 million compared with the projection of R 3 500 million which result to a positive variance of 15%.The expenditure incurred for the first half represent 58% of approved budget for 2022/23 financial year. The department have procured vehicles and machinery for service delivery.

<b>CONSOLIDATED CAPITAL EXPENDITURE REPORT FOR THE MONTH 31 DECEMBER 2022</b>				
<b>BUDGET &amp; TREASURY OFFICE</b>				
<b>ASSETS MANAGEMENT SECTION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
SC	2x Double cabs Bakkies ( Dzanani Regional office)	INCOME	500,000.00	Appointed and Delivered
SC	Purchasing of 2 X Trucks for transporting mowing equipment (Community services)	INCOME	1,500,000.00	Appointed and Delivered
SC	Purchasing of 1 x TLB for grave digging ( Community services)	INCOME	1,300,000.00	Appointed and Delivered
SC	Purchase of Mayor and Speaker Vehicles (After investigation is done on the existing vehicles)	INCOME	1,400,000.00	Appointed and Delivered only for Mayor
SC	1x LDV bakkies	INCOME	500,000.00	Appointed and Delivered
SC	Office furniture for the whole municipality (Including Iuvubu region)	INCOME	1,800,000.00	In Evaluation
<b>TOTAL</b>	<b>BUDGET AND TREASURY BUDGET</b>		<b>7,000,000.00</b>	

#### 7.1.4 Department of Corporate Services

The actual expenditure for the first half is R71 thousands compared with the projection of R 4 517 million. The under spending represent negative 98% of the Mid-term projection. The expenditure incurred for the first half represent 1% of approved budget for 2022/23 financial year.

<b>CONSOLIDATED CAPITAL EXPENDITURE REPORT FOR THE MONTH 31 DECEMBER 2022</b>				
<b>CORPORATE SERVICES DEPARTMENT</b>				
<b>UPGRADE AND ACQUISITION OF NETWORK AND COMMUNICATION SYSTEMS - ICT</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
SC	Phase 2 VOIP - Civic Center, Phase 3 Regional Offices	INCOME	500,000.00	Appointed
SC	Connectivity proposed Levubu Regional Office	INCOME	150,000.00	Specification not yet submitted
SC	Firewall backup device and software	INCOME	290,000.00	On advert
SC	MECM software to monitor and report security patches	INCOME	500,000.00	On advert
SC	AD Manager Audit Plus software for domain monitoring & reporting	INCOME	250,000.00	In Specification
SC	Extend existing wireless connectivity from Chambers to offices	INCOME	300,000.00	Specification not yet submitted
SC	Replace LAN cabling - Dzanani Regional office	INCOME	250,000.00	On advert
SC	Replace LAN cabling - Dzanani Traffic Office	INCOME	300,000.00	On advert
SC	Refresh backup servers - HW & SW	ROLLOVER	400,000.00	Appointed
SC	Architecture for DR Replicate solution (Ph2 - 2022/23 & Ph3 - 2023/24)	ROLLOVER	100,000.00	Appointed
SC	Network refresher	ROLLOVER	500,000.00	Appointed
SC	150MEG fiber optic internet data line	ROLLOVER	800,000.00	On advert
<b>TOTAL</b>			<b>4,340,000.00</b>	

<b>ICT EQUIPMENT FOR ALL DEPARTMENT</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
SC	ICT equipment for all departments - laptops, desktops, printer/scanners	INCOME	1,890,000.00	Appointed
<b>TOTAL</b>			<b>1,890,000.00</b>	
<b>COMMUNICATIONS DIVISION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
SC	One camera	INCOME	35,000.00	Appointed
SC	Seven DSTV Decoders	INCOME	9,000.00	in specification
SC	Seven 32" Television sets	INCOME	35,000.00	in Specification
SC	Welcome to town signage	INCOME	25,000.00	Specification not yet submitted
	<b>TOTAL</b>		<b>104,000.00</b>	

<b>COUNCILLORS SUPPORT AND COMMITTEES</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	
SC	Sound & Recording System - Council Chamber	INCOME-ROLLOVER	800,000.00	On advert
SC	Wall mounted projector and screen for Council & Executive Committee Chambers	INCOME	100,000.00	In Specification
<b>TOTAL</b>			<b>900,000.00</b>	
<b>HUMAN RESOURCE DIVISION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
SC	Computerized Attendance system, including finger print	INCOME	500,000.00	Specification not yet submitted
SC	Levubu Regional mobile Offices	INCOME	800,000.00	In Specification
	<b>TOTAL</b>		<b>1,300,000.00</b>	
<b>LEGAL SERVICES</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
	Electronic signature system	INCOME	350,000.00	Specification not yet submitted
SC	Computerized Legal Case Register (Collaborator)	INCOME	150,000.00	Specification not yet submitted
	<b>TOTAL</b>		<b>500,000.00</b>	
<b>TOTAL CORPORATE SERVICES BUDGET</b>			<b>9,034,000.00</b>	-

### **7.1.5 Regional Offices**

The actual expenditure for the first half is R 16 thousand compared with the projection of R 372 million which result to a negative variance of 96%.The expenditure incurred for the first half represent 2% of approved budget for 2022/23 financial year. The major part of the capital budget for this department is in Dzanani regional office and Waterval Regional office with an approved budget of R 395 thousands and R 350 respectively. Spending is expected to be accelerated in the second midterm.

<b>CONSOLIDATED CAPITAL EXPENDITURE REPORT FOR THE MONTH 31 DECEMBER 2022</b>				
<b>REGIONAL OFFICES</b>				
<b>WATERVAL REGIONAL OFFICE</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
SC	Brush Cutter	INCOME	200,000.00	In Evaluation
SC	Blinders	INCOME	80,000.00	In specification
SC	Burglar doors and Buglar proofs for community Hall	INCOME	90,000.00	Specification not yet submitted
SC	Homelite	INCOME	25,000.00	Waiting for quotations
<b>TOTAL</b>			<b>395,000.00</b>	
<b>DZANANI REGIONAL OFFICE</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENT</b>
SC	Construction of shelter for customer waiting area at Dzanani Regional offices	INCOME	200,000.00	In Evaluation
SC	Overhead projector for Dzanani hall	INCOME	30,000.00	Appointed
SC	1x 71cm Tv set for custoer waiting area (Dzanani Traffic Station)	INCOME	15,000.00	Appointed
SC	5X brush cutter machines	INCOME	50,000.00	In Evaluation
SC	1x Walk behind grass cutting machine (Heavy duty lawnmower)	INCOME	40,000.00	In Evaluation
SC	2 x chainsaws	INCOME	15,000.00	Waiting for quotations
	<b>TOTAL</b>		<b>350,000.00</b>	
<b>TOTAL REGIONAL OFFICES BUDGET</b>			<b>745,000.00</b>	

## 8. SOURCES OF FINANCE - CAPITAL REVENUE

It should be noted that Capital Revenue represents the sources of finances of capital expenditure Section 71 Report in terms of the MFMA.

### SUMMARISED MID YEAR CAPITAL EXPENDITURE FUNDING AS 31 DECEMBER 2022

<b>DEPARTMENT</b>	<b>Amount</b>
Technical Services	182 711 292.35
Community Services	7 351 481.00
Budget and Treasury	4 037 647.40
Corporate Services	71 327.10
Regional Office	16 499.00
<b>TOTAL</b>	<b>194 187 860.85</b>
<b>FUNDING</b>	<b>Amount</b>
<b>INCOME</b>	134 082 860.91
<b>INEP</b>	10 630 000.00
<b>MIG</b>	49 474 999.94
<b>TOTAL</b>	<b>194 187 860.85</b>

## 9. CONDITIONAL GRANT SUMMARY

The grant funding gazetted by both National and Provincial Treasury and approved in Makhado Municipality's 2022/23 budget. (Excludes equitable share as it is not conditional).

Details of Grants allocated ,Grants Performance as at 31 DECEMBER 2022										
Description	Budget Year 2022/23									
	APPROVED BUDGET	Grants Received YTD R '000	Actual Received Q1 R '000	Actual Received Q2 R '000	Actual Q1 Expenditure R'000	Actual Q2 Expenditure R'000	Actual to date Expenditure R'000	% Spent on received	BUDGET VS ACTUAL %	Full Year Forecast
APPROVED CONDITIONAL GRANT										
Funded by:										
MIG	102,597	61,160	61,160	29,510	13,898	36,461	50,359	82%	49%	102,597
INEP	20,120	5,000	-	5,000	729	9,721	10,630	213%	53%	20,120
FMG	1,950	1,950	1,950	-	525	508	1,033	53%	53%	1,950
EPWP	3,289	2,282	815	1,467	815	815	1,629	71%	50%	3,289
<b>Total Grants</b>	<b>127,956</b>	<b>70,392</b>	<b>63,925</b>	<b>35,977</b>	<b>15,967</b>	<b>47,505</b>	<b>63,652</b>	<b>90%</b>	<b>50%</b>	<b>127,956</b>

### 9.1 Municipal infrastructure Grant (MIG)

The actual amount received for the first half is R 61 160 million and actual expenditure is R 50 359 million representing 49% of expenditure against approved allocation of R 102 597 million. Spending needs to be accelerated during the third and fourth quarter of the financial year to ensure 100% spending of the grant by the end of the financial year.

### 9.2 Integrated National Electricity Programme (INEP)

The actual amount received for the first half is R 5 000 million and actual expenditure is R 10 630 million which represent 53% of expenditure against approved allocation of R 20 120 million. Spending needs to be accelerated during the third and fourth quarter of the financial year to ensure 100% spending of the grant by the end of the financial year.

### 9.3 Financial Management Grant (FMG)

The actual amount received as at 31 December 2022 Mid-term is R 1 950 Million and actual expenditure incurred is R 1 033 million that represents 53% against the approved allocation of R 1 950 million.



#### **9.4 Expanded Public Works Programme (EPWP)**

The actual amount received as at 31 December 2022 Med-Term is R 2 282 and actual expenditure incurred is R 1 629 million that represent 50% against the approved allocation of R 3 289 million.

## 10. DEBTORS AGE ANALYSIS

The amount outstanding from debtors as at 31 December 2022 is R 423 013 000.00

### LIM344 Makhado-Supporting Table SC3 Monthly Budget Statement- Aged Debtors \_ M06 DECEMBER 2022

Description	BUDGET 2022/2023							Total	Total over 90 days
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys			
<b>R thousands</b>									
<b>Debtors Age Analysis By Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Electricity	24,656	3,138	2,579	1,135	8,611	39,954	80,073	49,700	
Receivables from Non-exchange Transactions - Property Rates	11,014	3,499	3,338	3,207	28,783	114,125	163,966	146,114	
Receivables from Exchange Transactions - Waste Management	1,600	526	504	493	2,712	22,946	28,781	26,150	
Interest on Arrear Debtor Accounts	6,177	3,003	2,937	2,880	15,666	94,812	125,475	113,358	
Other	4,161	871	384	489	2,746	16,067	24,718	19,304	
<b>Total By Income Source</b>	<b>47,608</b>	<b>11,037</b>	<b>9,742</b>	<b>8,204</b>	<b>58,518</b>	<b>287,904</b>	<b>423,013</b>	<b>354,626</b>	
							-	-	
<b>Debtors Age Analysis By Customer Group</b>				8,204					
Organs of State	5,469	1,452	1,093	1,422	18,316	36,389	64,141	56,126	
Commercial	18,857	2,095	1,606	1,323	7,869	34,195	65,946	43,387	
Households	10,834	4,040	3,829	3,627	19,977	157,548	199,854	181,151	
Other	12,448	3,450	3,214	1,832	12,356	59,772	93,072	73,962	
<b>Total By Customer Group</b>	<b>47,608</b>	<b>11,037</b>	<b>9,742</b>	<b>8,204</b>	<b>58,518</b>	<b>287,904</b>	<b>423,013</b>	<b>354,626</b>	

**SECTION 71 – DECEMBER 2022**

**Debt Impairment Summary**

**December - 2022**  
**Impairment**  

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**(344 313)**  

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**Debt  
Impairment  
Debtors Age Analysis By Customer Group**

<b>Customer Group</b>	<b>Total Debt per Customer Group</b>	<b>Impairment Provided</b>	<b>Net Debt per Customer Group</b>
Organs of State	64 140	(52 207)	11 933
Commercial	65 946	(53 677)	12 269
Households	199 854	(162 672)	37 182
Other	93 073	(75 757)	17 316
<b>Totals</b>	<b>423 013</b>	<b>(344 313)</b>	<b>78 700</b>

**MAKHADO LOCAL MUNICIPALITY**

**Quarterly Debt Breakdown - December 2022**

Customer Group ORGANS OF STATE	Sep-22		Dec-22	
	Amount	Action Plan	Amount	Action Plan
	<b>19 315 206.48</b>		<b>19 158 321.49</b>	
Agriculture	69 482.30	Cut-offs will be executed where necessary and the Department will also be engaged through the IGR meetings	(183 145.37)	Cut-offs will be executed where necessary and the Department will also be engaged through the IGR meetings
Arts	137.73	Normal Monthly debt	4 232.47	Normal Monthly debt
Education	356 864.15	The department will also be engaged through the IGR meetings	423 189.66	The department will be engaged through the IGR meetings

Health	63 704.67	Normal Monthly debt	245 036.64	The department will also be engaged through the IGR meetings
Public Works - National	3 972 371.97	Cut-offs will be executed where necessary and the Department will also be engaged through the IGR meetings	2 867 318.38	Cut-offs will be executed where necessary and the Department will also be engaged through the IGR meetings
Public Works - Provincial	71 696.34	Normal Monthly Account	120 930.47	The Department will be engaged through the IGR meetings

Rural Development	13 647 248.15	Statements were sent to the Department and Invoices to be hand delivered to the Department's office. A date of the meeting to be secured when the invoices are hand delivered.	13 895 720.54	Statements were sent to the Department. The response is still awaited..
DWARF	340 083.37	Cut-offs will be executed for the accounts in arrears.	346 797.13	Cut-offs will be executed for the accounts in arrears.
SASSA	60 582.22	Cut-offs will be executed for the accounts in arrears.	64 437.84	Cut-offs will be executed for the accounts in arrears.

Vhembe District Municipality	733 035.58	VDM accounts have been normalised	1 373 803.73	Cut-offs will be executed for the accounts arrears.
<b>COMMERCIAL</b>			<b>65 946 235.25</b>	
	<b>66 930 416.52</b>			
Business	66 930 416.52	Cut-offs will be executed for the accounts in arrear	65 946 235.25	Cut-offs will be executed for the accounts in arrear
<b>RESIDENTIAL</b>			<b>199 853 719.74</b>	
	<b>193 139 869.87</b>			
Waterval	65 428 129.59	Campaigns are necessary to educate the public about payment of their accounts. of debt collectors have been appointed to assist with collection.	68 409 470.49	Campaigns are necessary to educate the public about payment of their accounts. of debt collectors have been appointed to assist with collection

Dzanani	15 985 091.72	Campaigns are necessary to educate the public about payment of their accounts. of debt collectors have been appointed to assist with collection.	16 717 082.33	Campaigns are necessary to educate the public about payment of their accounts. of debt collectors have been appointed to assist with collection
Vleifontein	33 531 644.85	Campaigns are necessary to educate the public about payment of their accounts. of debt collectors have been appointed to assist with collection.	35 137 732.35	Campaigns are necessary to educate the public about payment of their accounts. of debt collectors have been appointed to assist with collection



Tshikota	8 959 235.26	Cut-offs will be executed for the accounts in arrears. Appointment of debt collectors will assist with collection.	9 432 898.45	Campaigns are necessary to educate the public about payment of their accounts. of debt collectors have been appointed to assist with collection
Makhado (Louis Trichardt)	44 958 612.81	Cut-offs will be executed for the accounts in arrears. Appointment of debt collectors will assist with collection.	45 750 640.82	Cut-offs will be executed for the accounts in arrears. Appointment of debt collectors will assist with collection
Villages	18 819 252.30	Data cleansing will assist in maintaining actual debts collectable.	21 683 180.53	Data cleansing is being executed on a gradual basis to assist in maintaining actual debts collectable.

Farms	5 526 096.59	Cut-offs will be executed for the accounts in arrears. Appointment of debt collectors will assist with collection.	2 792 258.02	Cut-offs will be executed for the accounts in arrears. Appointment of debt collectors will assist with collection.
Vuwani	(68 193.25)	These accounts will be paid over to Collins Chavane Local Municipality	(69 543.25)	These accounts will be paid over to Collins Chavane Local Municipality before en of February 2023.
<b>OTHER</b>	<b>129 329 007.72</b>		<b>138 054 756.68</b>	

Agriculture	87 459 651.79	Cut-offs will be executed for the accounts in arrear and Data Cleansing to obtain addresses for the farms. Appointment of debt collectors could also assist with collection	92 468 106.42	Cut-offs will be executed for the accounts in arrear and Data Cleansing to obtain addresses for the farms. Appointment of debt collectors will also assist with collection
Other Government Accounts	1 880 517.10	Cut-offs will be executed for the accounts in arrear	2 733 558.89	Cut-offs will be executed for the accounts in arrear
Churches	628 030.66	Cut-offs will be executed for the accounts in arrear	605 194.91	Cut-offs will be executed for the accounts in arrear

Public Service Purpose (PSP)	4 923 106.84	Cut-offs will be executed for the accounts in arrear	5 205 523.09	Cut-offs will be executed for the accounts in arrear
Public Service Infrastructure (PSI)	635 207.03	Cut-offs will be executed for the accounts in arrear	711 158.55	Cut-offs will be executed for the accounts in arrear
Public Benefit Organisation (PBO)	(2 593.72)	Accounts paid in advance	(483.53)	Accounts paid in advance
State Owned Property (SOP)	33 805 088.02	Cut-offs will be executed for the accounts in arrear and Data Cleansing to obtain addresses for the farms. Appointment of debt collectors could also assist with collection	36 331 698.35	Cut-offs will be executed for the accounts in arrear and Data Cleansing to obtain addresses for the farms. Appointment of debt collectors will assist with collection
	<b>408 714 500.59</b>		<b>423 013 033.16</b>	

**Summary of Debt Impairment Narration**

Allowance for debt impairment for the quarter ending December 2022 equals R344.3 million.

The Total Consumer Debtors as at the 31<sup>st</sup> of December 2022 equals R423 million.

The Net Debt Collectible equals R78.7 million.

**The table below reflects both the collection rate and the distribution loss per quarter and the Mid-Year Average:**

<b>Collection Rate Table</b>			
<b>Quarter - 1</b>		<b>Quarter - 2</b>	
<b>Month</b>	<b><u>Percentage</u></b>	<b>Month</b>	<b><u>Percentage</u></b>
July – 2022	<u>106%</u>	October - 2022	89%
<u>August – 2022</u>	<u>82%</u>	November - 2022	96%
September - 2022	<u>90%</u>	December - 2022	85%
<u>Total</u>	<u>278%</u>		268%
<b>Average percentage for the Quarter</b>	<b>93%</b>		<b>90%</b>

**The Mid-year average collection rate is 91%**

<b>Distribution Rate Table</b>			
<b>Quarter - 1</b>		<b>Quarter - 2</b>	
<b>Month</b>	<b><u>Percentage</u></b>	<b>Month</b>	<b><u>Percentage</u></b>
July – 2022	<u>6%</u>	October - 2022	15%
<u>August – 2022</u>	<u>10%</u>	November - 2022	-13%

September - 2022	<u>0%</u>	December - 2022	-3%
<u>Total</u>	<u>16%</u>		-1%
<b>Average percentage for the Quarter</b>	<b>5.3%</b>		<b>0.3%</b>

**Second quarter average distribution Loss for is 0.3%**

#### **10.1 CHALLENGES OF COLLECTION**

- The non-existent of electricity in R293 Towns such as Dzanani, Waterval, Vleifontein, excluding Tshikota still exists as a challenge towards collection.

#### **10.2 STRATEGIES TO IMPROVE COLLECTION**

- The meters are physically checked to the those customers that are not buying or buying electricity that is unreasonably too low because they raise a suspicion of illegal connection by Technical and finance.
- Credit Control will be applied to Government and business to be implemented without compromise.
- Municipality has Handed over debts older than 90 days to appointed debt collectors who are currently working on the data provided and there will be monthly monitoring

## 11. TRADE PAYABLES

### 11.1 CREDITORS AGE ANALYSIS

In terms of MFMA all creditors should be paid within 30 days of receiving the invoice or statement, as at the end of December 2022. 100 % of operational and capital creditors were paid within 30 days of receiving the relevant invoice or statement as prescribed in terms of Section 65(e) of the MFMA.

## 12. STATEMENT OF CASH FLOW POSITION

This statement indicates the financial position as at 31 December 2022 is R 162 515 813.82. The municipality continues to keep a favorable balance on a monthly basis and this cash flow statement reflects a positive balance of R 162 515 813.82 as at 31 December 2022.

Primary Account R 162 515 813.82  
Closing balance as at 31 December 2022 R 162 515 813.82

## 13. SCM PROCESS

### 13.1 COMPETITIVE BIDDING PROCESSES ACTIVITY

ACTIVITY	Bids Advertised	Evaluated	Adjudicated	Awarded	BBB-EE	Re- Advertised	Cancelled
Balance B/F	05	-	-	-	-	-	-
1 <sup>st</sup> Quarter	27	17	17	17			
2 <sup>nd</sup> Quarter	28	18	18	18			
TOTAL	60	35	35	35			
ANNEXURE	A	B	C	D	E	F	F

All requests for adverts were processed. As at 31 December 2022, the following 25 bids were not awarded:

NO	BID NO	DESCRIPTION	CLOSING DATE	COMMENTS
01	45 of 2022	Re-advertisement: New Internet line : 150 megabits per second (Mbps) upload (UL) and 150 Mbps download (DL) failover internet dataline for the period of three (03) years	09-Sep-22	In Evaluation
02	55 of 2022	Appointment of panel of service providers to provide Media Buying Services (Radio advertisement) For Period of three years	09-Sep-22	In Evaluation
		Size: 1,5027 ha		
03	62 of 2022	Supply, delivery of material, labour and construction of Ha- Mashau paypoint office, Guardroom and septic tank	23-Sep-22	In Evaluation
04	63 of 2022	Supply, delivery of material, labour and construction of Ha- Mudimeli paypoint office, Guardroom and septic tank	23-Sep-22	In Evaluation
05	64 of 2022	Supply, delivery of material, labour and construction of Tshiendeulu paypoint office, Guardroom and septic tank	23-Sep-22	In Evaluation
06	65 of 2022	Re-advertisement: Upgrading Of Dzanani Vehicle Testing Station From Grade “B” To “A” And Calibration	23-Sep-22	In Evaluation



07	72 of 2022	Refurbishment of Rabali Stadium Change Rooms and Grandstand	25-Nov-22	In Evaluation
08	73 of 2022	Supply and Delivery of Heavy-Duty (Industrial) Lawnmowers and Brush cutter Machines	25-Nov-22	In Evaluation
09	74 of 2022	Remove and Replace all Roadworthy Test Equipment at `Makhado Testing Station	25-Nov-22	In Evaluation
10	75 of 2022	Re-advertisement: Supply, delivery, installation and repairs of mobile radio and portable radio for the period of three years as and when required	09-Dec-22	In Evaluation
11	80 of 2022	Appointment Of Electrical Contractor for Provision of Underground Electrical Reticulation Network For The New Residential Development At Tshikota Township, Makhado Town	09-Dec-22	In Evaluation
12	81 of 2022	Provision of Meter Reading (Electric) And Credit Control for The Period of Three (03) Years For Makhado Municipality Licensed Distribution Area	23-Dec-22	In Evaluation
13	82 of 2022	Supply and Delivery of Office Furniture for The Whole Municipality	09-Dec-22	In Evaluation
14	83 of 2022	Upgrading Of 4X 5MVA transformers of 22/11kv For Makhado Park, Rodevaal, Cricket Club and Eltivillas East Substations	19-Dec-22	In Evaluation
15	84 of 2022	Supply And Delivery Of 240L Polythene Wheelie Bins to Makhado Municipality	19-Dec-22	In Evaluation
16	85 of 2022	Appointment Of a Service Provider to Repair Existing Weighbridge at Makhado Landfill Site (Vondelling)	19-Dec-22	In Evaluation
17	86 of 2022	Appointment of a Panel of Registered Professional Land Surveyors for A Period of Three (03) Years	16-Jan-23	On advert

18	87 of 2022	Appointment of a Panel of Registered Town or Technical Planners for A Period of Three (03) Years	16-Jan-23	On advert
19	88 of 2022	Appointment of Panel of Registered Environmental Consultants for A Period of Three (03) Years	16-Jan-23	On advert
20	89 of 2022	Manage engine patch manager plus enterprise (PMPE) software	03-Feb-23	On advert
21	90 of 2022	Supply,delivery,installation ,commission and licencing for security firewall back up product	30-Jan-23	On advert
22	91 of 2022	Replace local area network cabling at Dzanani traffic office	30-Jan-23	On advert
23	92 of 2022	Replace local area network cabling at Dzanani regional office	30-Jan-23	On advert
24	93 of 2022	Supply ,delivery and commissioning of sound and recording system for council chamber	30-Jan-23	On advert
25	77 of 2022	Upgrade Pretorius Substation 2x 2mva Transformers (22000//11000v) And Housing	09 December 2022	In Evaluation

### 13.2 FORMAL WRITTEN QUOTATION AS AT 31 DECEMBER 2022

ACTIVITY	Quotations Advertised	Quotations Evaluated	Quotations Awarded
1 <sup>st</sup> Quarter	40	21	21

ACTIVITY	Quotations Advertised	Quotations Evaluated	Quotations Awarded
2 <sup>nd</sup> Quarter	41	25	25

### 13.3 PROCUREMENT DEVIATION MID-YEAR REPORT ENDING DECEMBER 2022

1. The number of awards made in terms of SCM regulation 36  
= **35**
2. Reason(s) for deviation in terms of SCM Regulations 36  
**Reason: Sole service providers and impractical to follow normal SCM process**
3. Total value of deviations under R200 000.00  
**R623 180.07 + R 284 195.57 = R 907 375.64**
4. Total value of deviations over R200 000  
= **R0**
5. Total number of deviations under R 200 000 is 20
6. Total number of deviation over R 200 000 is 0
7. Total value of deviations awarded through SCM Regulation 36  
= **R 907 375.64**

### 14. REASONS FOR THE ADJUSTMENT BUDGET

- Possible upward rates, and other revenue adjustment on budgeted income
- Possible upward/down wards on the bulk purchases expenditure, finance charges, debt impairment and depreciation and other expenditure.

## **15. RECOMMENDATION**

- That the mid-year budget and performance assessment as tabled be considered by Council.
- That the 2022/23 annual budget be adjusted in February 2023 in terms of Section 28 of the MFMA
- That the mid-year budget and performance assessment report be submitted to the Honourable Mayor and the National and Provincial Treasuries.
- That the mid-year budget and performance report be placed on the municipal website within five working days after it is tabled to the Honourable Mayor and approved.

### **15.1 Recommendations by Administrative Management**

- That the Council note that the adjustment budget for the income and expenditure projections for the financial year ending 30 June 2023 will be made in terms of the section 28 of the Municipal Finance Management Act no 56 of 2003.

LIM344 Makhado - Table B4 Adjustments Budget Financial Performance (Revenue) Proposed adjustment on 28 February 2023

Description	Budget Year 2022/23				Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Adjustment	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>R thousands</b>						
<b>Revenue By Source</b>						
Property rates	100,453	11,641	11,641	112,094	116,578	121,241
Service charges - electricity revenue	496,726			496,726	493,679	583,679
Service charges - refuse revenue	14,410	(161)	(161)	14,249	12,566	13,129
Rental of facilities and equipment	315	(119)	(119)	196	375	391
Interest earned - external investments	6,731	2,325	2,325	9,056	4,821	5,034
Interest earned - outstanding debtors	30,540	5,778	5,778	36,318	23,950	24,956
Fines, penalties and forfeits	4,445	357	357	4,802	5,252	5,169
Licences and permits	4,020	(112)	(112)	3,908	4,894	8,243
Transfers and subsidies	466,925			466,925	432,160	425,246
Other revenue	109,664			109,664	80,324	99,478
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,234,229</b>	<b>19,709</b>	<b>19,709</b>	<b>1,253,938</b>	<b>1,174,599</b>	<b>1,286,566</b>
<b>Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)</b>	<b>106,980</b>			<b>106,980</b>	<b>111,652</b>	<b>112,752</b>
<b>Balance bought forward/Opening balance cash surplus</b>	<b>196,979</b>			<b>196,979</b>	<b>235,900</b>	<b>251,567</b>
<b>Total Revenue</b>	<b>1,538,188</b>	<b>19,709</b>	<b>19,709</b>	<b>1,557,897</b>	<b>1,522,151</b>	<b>1,650,885</b>

LIM344 Makhado - Table B4 Adjustments Budget Financial Performance ( Expenditure) Proposed adjustment on 28 February 2023

Description	Budget Year 2022/23				Budget Year +1 2023/24	Budget Year +2 2024/25
	Original Budget	Adjustment	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
<b>Expenditure By Type</b>						
Employee related costs	355,502	(20,000)	(20,000)	335,502	360,077	382,582
Remuneration of councillors	29,443			29,443	32,386	34,491
Debt impairment	60,715	6,000	6,000	66,715	59,947	62,145
Depreciation & asset impairment	120,000	20,000	20,000	140,000	107,738	110,789
Finance charges	9,707	2,413	2,413	12,120	9,652	10,077
Bulk purchases	328,830	25,000	25,000	353,830	380,398	441,843
Other materials	31,841	5,000	5,000	36,841	31,742	33,139
Contracted services	183,327	30,000	30,000	213,327	96,452	104,827
Other expenditure	85,974	(20,000)	(20,000)	65,974	54,654	60,442
<b>Total Expenditure</b>	<b>1,205,339</b>	<b>48,413</b>	<b>48,413</b>	<b>1,253,752</b>	<b>1,133,046</b>	<b>1,240,335</b>
Surplus/(Deficit)	28,890			186	41,552	46,230
Transfers and subsidies - capital (monetary allocations) (National / Provin	106,980			106,980	111,652	112,752
Surplus/ (Deficit) for the year	135,870	(28,704)	(28,704)	107,166	153,204	158,982

**LIM344 - Table C1 Monthly Budget Statement Summary - M06 December**

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	96 261	100 453	100 453	8 297	56 047	50 227	5820	10%	100 453
Service charges	402 489	511 136	511 136	26 859	216 456	255 568	39 112	-20%	511 136
Investment revenue	6 914	6 731	6 731	856	4 528	3 366	1 163	35%	6 731
Transfers and subsidies	431 877	466 925	466 925	147 143	342 925	233 463	109 462	38%	466 925
Other own revenue	70 459	148 984	148 984	5 700	41 978	74 492	(32 514)	-54%	148 984
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 008 000</b>	<b>1 234 229</b>	<b>1 234 229</b>	<b>188 855</b>	<b>661 934</b>	<b>617 114</b>	<b>44 820</b>	<b>7%</b>	<b>1 234 229</b>
Employee costs	293 786	355 501	355 501	35 932	154 067	177 751	(23 684)	-13%	355 501
Remuneration of Councillors	28 071	29 444	29 444	2 689	14 373	14 722	(349)	-2%	29 444
Depreciation & asset impairment	137 431	120 000	120 000	22 771	63 295	60 000	3 295	5%	120 000
Finance charges	3 264	9 707	9 707	0	0	4 854	(4 854)	-100%	9 707
Inventory consumed and bulk purchases	337 829	360 671	340 071	25 669	155 990	180 336	(24 346)	-14%	360 671
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	312 892	330 016	350 616	46 061	203 167	165 008	38 159	23%	330 016
<b>Total Expenditure</b>	<b>1 113 274</b>	<b>1 205 339</b>	<b>1 205 339</b>	<b>133 121</b>	<b>627 535</b>	<b>602 670</b>	<b>24 865</b>	<b>-2%</b>	<b>1 205 339</b>
<b>Surplus/(Deficit)</b>	<b>(105 274)</b>	<b>28 889</b>	<b>28 889</b>	<b>55 734</b>	<b>34 399</b>	<b>14 445</b>	<b>19 955</b>	<b>238%</b>	<b>28 889</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	125 064	106 890	106 890	-	-	53 445	(53 445)	-100%	106 890
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	4 205	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>23 995</b>	<b>135 779</b>	<b>135 779</b>	<b>55 734</b>	<b>34 399</b>	<b>67 890</b>	<b>(166 959)</b>	<b>-246%</b>	<b>135 779</b>

<b>Capital expenditure &amp; funds sources</b>					194 188				
<b>Capital expenditure</b>	307 193	449 388	449 388	31 530		224 694	( 30 506)	-48%	449 388
Capital transfers recognised	94 541	106 890	106 890	17 020	58 533	53 445	(7 558)	-14%	106 890
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	72 536	342 998	342 998	15 106	135 655	171 499	(108 531)	-63%	342 998
<b>Total sources of capital funds</b>	<b>167 077</b>	<b>449 888</b>	<b>449 888</b>	<b>32 126</b>	<b>194 188</b>	<b>224 944</b>	<b>(116 089)</b>	<b>-52%</b>	<b>449 888</b>
<b>Financial position</b>									
Total current assets	737 164	442 673	442 673		599 085				442 673
Total non current assets	1 729 788	2 736 852	2 736 852		1 778 458				2 736 852
Total current liabilities	540 923	160 040	160 040		537 813				160 040
Total non current liabilities	128 594	121 789	121 789		141 365				121 789
Community wealth/Equity	1 796 677	2 897 696	2 897 696		1 698 365				2 897 696
<b>Cash flows</b>									
Net cash from (used) operating	32 271	457 796	457 796	86 058	28 199	228 898	274 676	120%	457 796
Net cash from (used) investing	(217 475)	(449 888)	(449 888)	(37 155)	134 841	(224 944)	(90 103)	40%	(449 888)
Net cash from (used) financing	(71)	-	-	(304)	(524)	-	524	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>20 512</b>	<b>151 560</b>	<b>151 560</b>	<b>-</b>	<b>162 516</b>	<b>147 606</b>	<b>127 425</b>	<b>86%</b>	<b>209 231</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	34 585	15 309	11 326	13 036	9 160	8 190	52 074	279 333	423 013
<b>Creditors Age Analysis</b>									
Total Creditors	147	-	-	-	-	-	-	(27)	120



LIM344 Makhado - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Vote Description R thousands	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>Revenue By Source</b>										
Property rates		96 261	100 453	100 453	8 297	56 047	50 227	5 821	10%	100 453
Service charges - electricity revenue		388 762	496 726	496 726	25 657	209 331	248 363	(39,032.00)	-19%	496 726
Service charges - water revenue		-	-	-	-	-	-	-		-
Service charges - sanitation revenue		0	-	-	-	0	-	0	0	-
Service charges - refuse revenue		13 629	14 410	14 410	1202	7 165	7 125	(80)	-1%	14 410
Rental of facilities and equipment		122	315	315	15	98	158	(59)	-38%	315
Interest earned - external investments		6 914	6 731	6 731	856	4 528	3 366	1 163	35%	6 731
Interest earned - outstanding debtors		31237	30 540	30 540	3 113	18 127	15 270	2 857	19%	30 540
Dividends received		-	-	-	-	-	-	-		-
Fines, penalties and forfeits		3 766	4 445	4 445	1619	2 402	2 222	180	8%	4 445
Licences and permits		4 053	4 020	4 020	418	1955	2 010	(55)	-3%	4 020
Agency services		-	-	-	-	-	-	-		-
Transfers and subsidies		431877	466 925	466 925	147 143	342 925	233 463	109 462	32%	466 925
Other revenue		18 039	109 664	109 664	535	17 412	54 832	(35 468)	-183%	109 664
Gains		13 242	-	-	-	1951	-	1951		-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 008 000</b>	<b>1 234 229</b>	<b>1 234 229</b>	<b>188 855</b>	<b>661 935</b>	<b>617 114</b>	<b>44 820</b>	<b>7%</b>	<b>1 234 229</b>

<b>Expenditure By Type</b>									
Employee related costs	293 786	355 501	355 501	35 932	154 067	177 751	(23 684)	-13%	355 501
Remuneration of councillors	28 071	29 444	29 444	2 689	14 373	14 722	(349)	-2%	29 444
Debt impairment	77 924	60 715	60 715	2174	46 721	30 358	15 430	54%	60 715
Depreciation & asset impairment	137 431	120 000	120 000	22 771	63 295	60 000	3 295	5%	120 000
Finance charges	3 264	9 707	9 707	0	6 061	4 854	1 208	25%	9 707
Bulk purchases - electricity	306 304	328 830	304 730	20 307	153 061	164 415	-11,354	-7%	328 830
Inventory consumed	31526	31841	35 341	5 361	21274	15 921	5 354	34%	31841
Contracted services	167 725	183 327	200 427	20 491	133 805	91663	42 142	46%	183 327
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	63 823	85 974	89 474	3 855	34 873	42 987	(8 114)	-19%	85 974
Losses	3 420	-	-	-	-	-	-		-
<b>Total Expenditure</b>	<b>1 113 274</b>	<b>1 205 339</b>	<b>1 205 339</b>	<b>133 121</b>	<b>627 535</b>	<b>602 670</b>	<b>24 865</b>	<b>4%</b>	<b>1 205 339</b>
<b>Surplus/(Deficit)</b>	<b>(105 274)</b>	<b>28 889</b>	<b>28 889</b>	<b>55 734</b>	<b>34 400</b>	<b>14 445</b>	<b>(113 514)</b>	<b>0</b>	<b>28 889</b>
Transfers and subsidies - capital (monetary allocations) /Provincial and District)	125 064	106 890	106 890	-	-	53 445	(53 445)	0	106 890
Transfers and subsidies - capital (monetary allocations) /Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)	-	-	-	-	-	-	-		-
Transfers and subsidies - capital (in-kind - all)	4 205	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>23 995</b>	<b>135 779</b>	<b>135 779</b>	<b>55 734</b>	<b>34 400</b>	<b>67 890</b>			<b>135 779</b>
Taxation	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after taxation</b>	<b>23 995</b>	<b>135 779</b>	<b>135 779</b>	<b>55 734</b>	<b>34 400</b>	<b>67 890</b>			<b>135 779</b>
Attributable to minorities	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>23 995</b>	<b>135 779</b>	<b>135 779</b>	<b>55 734</b>	<b>34 400</b>	<b>67 890</b>			<b>135 779</b>
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>23 995</b>	<b>135 779</b>	<b>135 779</b>	<b>55 734</b>	<b>34 400</b>	<b>67 890</b>			<b>135 779</b>

LIM344 Makhado - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description R thousands	Ref 1	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>Single Year expenditure appropriation</b>	2									
Vote 1 - EXECUTIVE AND COUNCIL		194 197	15 840	45 428	1 663	20 487	7 920	12 567	159%	15 840
Vote 2 - WASTE MANAGEMENT		4 002	4 100	4 100	–	781	2 050	(1 269)	-62%	4 100
Vote 3 - ROAD TRANSPORT		–	4 046	4 046	4	51	2 023	(1 972)	-97%	4 046
Vote 4 - WATER		–	–	–	–	–	–	–	–	–
Vote 5 - ELECTRICITY- A		37 899	–	1 000	(1 157)	7 435	–	7 435	#DIV/0!	–
Vote 6 - ELECTRICITY- B		23 091	230 993	212 693	14 279	18 673	115 497	(96 823)	-84%	230 993
Vote 7 - ELECTRICITY- C		–	–	–	–	–	–	–	–	–
Vote 8 - ELECTRICITY- D		–	–	–	–	–	–	–	–	–
Vote 9 - CORPORATE SERVICES		1 898	5 494	5 494	–	41	2 747	(2 706)	-98%	5 494
Vote 10 - PLANNING AND DEVELOPMENT		8 372	5 600	5 600	–	2 121	2 800	(679)	-24%	5 600
Vote 11- COMMUNITY AND SOCIAL SERVICES		2 225	–	–	–	–	–	–	–	–
Vote 12 - HOUSING		–	–	–	–	–	–	–	–	–
Vote 13 - OTHER		–	–	–	–	–	–	–	–	–
Vote 14 - SPORTS AND RECREATION		8 894	176 070	163 482	16 725	139 600	88 035	51 565	59%	176 070
Vote 15 - BUDGET AND TREASURY		26 615	7 245	7 545	16	4 999	3 623	1 376	38%	7 245
<b>Total Capital single-year expenditure</b>	4	307 193	449 888	449 888	31 530	194 188	224 694	(30 506)	-14%	449 888
<b>Total Capital Expenditure</b>		307 193	449 888	449 888	31 530	194 188	224 694	(30 506)	-14%	449 888
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b> Executive and council Finance and administration Internal audit		78 267	19 279	19 579	872	10 931	9 640	1 291	13%	19 279
<b>Community and public safety</b> Community and social services Sport and recreation Public safety Housing Health		43 797	900	900	856	3 770	450	3 320	738%	900
<b>Economic and environmental services</b> Planning and development Road transport Environmental protection		34 470	18 379	18 679	16	7 160	9 190	(2 029)	-22%	18 379
<b>Trading services</b> Energy sources Water management Waste water management Waste management		–	–	–	–	–	–	–	–	–
<b>Other</b>		3 758	2 510	2 210	577	6 281	1 255	5 026	400%	2 510
		1512	460	460	–	–	230	(230)	-100%	460
		2 216	2 050	1 750	577	6 281	1 025	5 256	513%	2 050
		31	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		160 177	193 006	210 306	16 959	73 011	96 503	(23 492)	-24%	193 006
		3 098	–	–	–	–	–	–	–	–
		157 079	193 006	210 306	16 959	73 011	96 503	(23 492)	-24%	193 006
		–	–	–	–	–	–	–	–	–
		64 992	235 093	217 793	13 122	26 890	117 547	(90 657)	-77%	235 093
		60 990	230 993	213 693	13 122	26 109	115 497	(89 388)	-77%	230 993
		–	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–	–	–
		4 002	4 100	4 100	–	781	2 050	(1 269)	-62%	4 100
		–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure - Functional Classification</b>	3	307 193	449 888	449 888	31 530	194 188	224 944	(30 506)	-48%	449 888

**LIM344 Makhado - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December**

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National /Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>94 541</b>	<b>106 890</b>	<b>106 890</b>	<b>17 020</b>	<b>58 533</b>	<b>53 445</b>	<b>5 088</b>	<b>10%</b>	<b>106 890</b>
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		72 536	342 998	342 998	15 106	135 655	171 499	(35 844)	21%	342 998
<b>Total Capital Funding</b>		<b>167 077</b>	<b>449 888</b>	<b>449 888</b>	<b>32 126</b>	<b>194 188</b>	<b>224 944</b>	<b>-30506</b>	<b>14%</b>	<b>449 888</b>

LIM344 Makhado - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description R thousands	Ref 1	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		201 324	150 570	150 570	174 663	150 570
Call investment deposits		-	990	990	-	990
Consumer debtors		83 839	91 703	91 703	39 377	91 703
Other debtors		323 364	88 832	88 832	338 697	88 832
Current portion of long-term receivables		-	-	-	-	-
Inventory		128 637	110 578	110 578	125 101	110 578
<b>Total current assets</b>		<b>737 164</b>	<b>442 673</b>	<b>442 673</b>	<b>599 085</b>	<b>442 673</b>
<b>Non current assets</b>						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		15 884	16 345	16 345	15 692	16 345
Investments in Associate		-	-	-	-	-
Property, plant and equipment		1 709 772	2 719 885	2 719 885	1 759 091	2 719 885
Biological		-	-	-	-	-
Intangible		1 971	622	622	1 514	622
Other non-current assets		2 160	-	-	2 160	-
<b>Total non current assets</b>		<b>1 729 788</b>	<b>2 736 852</b>	<b>2 736 852</b>	<b>1 778 458</b>	<b>2 736 852</b>
<b>TOTAL ASSETS</b>		<b>2 466 952</b>	<b>3 179 525</b>	<b>3 179 525</b>	<b>2 377 543</b>	<b>3 179 525</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		1 744	-	-	1 744	-
Consumer deposits		15 958	10 458	10 458	15 434	10 458
Trade and other payables		453 106	122 689	122 689	465 109	122 689
Provisions		70 116	26 893	26 893	55 526	26 893
<b>Total current liabilities</b>		<b>540 923</b>	<b>160 040</b>	<b>160 040</b>	<b>537 813</b>	<b>160 040</b>
<b>Non current liabilities</b> Borrowing Provisions						
		(686)	-	-	(686)	-
		129 281	121 789	121 789	142 051	121 789
<b>Total non current liabilities</b>		<b>128 594</b>	<b>121 789</b>	<b>121 789</b>	<b>141 365</b>	<b>121 789</b>
<b>TOTAL LIABILITIES</b>		<b>669 518</b>	<b>281 829</b>	<b>281 829</b>	<b>679 178</b>	<b>281 829</b>
<b>NET ASSETS</b>	2	<b>1 797 434</b>	<b>2 897 696</b>	<b>2 897 696</b>	<b>1 698 365</b>	<b>2 897 696</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit) Reserves		1 797 434	2 897 696	2 897 696	1 698 365	2 897 696

