



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

**2021/22 FINANCIAL YEAR**

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## **1. INTRODUCTION**

### **FINANCE : MID-YEAR BUDGET ASSESSMENT – 2021/22 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 2021  
(JULY 2021 – DECEMBER 2021 YEAR TO DATE PERFORMANCE)**

<b>MUNICIPAL FINANCIAL MAMAGEMENT AND VIABILITY</b>			
<b>Summary of first half quarter SDBIP (July to December 2021) 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 earning less than per month with access to free electricity	Not Achieved	2 500	1956
Prepared and Submitted Annual financial statements for 2020/2021 Financial year	Achieved	2020/21 AFS Prepared and submitted by 31 August 2021	AFS Submitted on 31 August 2021
Approved budget process plan by 31 August 2021	Achieved	Process plan approved by Council	Process plan approved by Council on before 31 August 2021
Approved 2021/22 Budget by 31 May 2021	Achieved	Send request to departments for proposed budget by 31 December 2021	The request to departments for proposed budget was sent on the 13th December 2021
Number of section 71 reports submitted to Treasury within 10 days after the end of the month by 31 September 2021 and by 31 December 2021	Achieved	6	6

Percentage Expenditure of Financial Management Grant by 30 September 2021 and by 31 December 2021	Achieved	50%	55%
Percentage of Tenders processed within 90 days by 30 September 2021 and 31 December 2021 (From closing date in the advert)	Not Achieved	95%	83%
Percentage of Electricity Distribution loss by 30 Sept 2021 and 31 December 2021	Achieved	10%	8%
Percentage of Invoices Paid within 30 days of receipt by 30 September 2021 and 31 December 2021	Achieved	100%	100%
Percentage of Billed revenue collected per month during 2021/22( as at 30 September 2021 and by 31 December 2021 Financial Year	Achieved	90%	90%

### **3. ANALYSIS OF MID TERM SDBIP KEY PERFORMANCE INDICATORS AND ACHIEVEMENT ENDING 31 DECEMBER 2021**

#### **3.1 Number of Household earning less than per month with access to free electricity.**

- The target was for the municipality to register 2500 by mid-term. The municipality did not achieved the target by registering only 1956 by mid-term.

#### **3.2 Prepared and submitted Annual Financial Statements for the year ended 30 June 2021.**

- The target was for the municipality to prepare and submit AFS for the 2020/21 financial year on or before 31 August 2021 during mid- term. The target was achieved.

#### **3.3 Approved budget process plan by 31 August 2021.**

- The target was for the municipality to approve the budget process plan by 31 August 2021 during the mid-term. The municipality achieved the target.

#### **3.4 Approved 2020/21 budget by 31 May 2021.**

- 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 2022/23 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 55% 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 not achieve this target and 76% 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 10% on distribution loss for the mid-term ending 31 December 2021. The target was achieved and the municipality's distribution losses was 8 % for the mid-term

### 3.9 Percentage of Billed revenue collected per month during 2021/22 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 90 % for the mid-term.

## 4. ANALYSIS OF INCOME AND EXPENDITURE FOR THE MID TERM ENDING 31 DECEMBER 2021

The municipality's total approved budget amounts to R 1 201 835 613 Income and Expenditure (Operating Budget) R 1 111 661 311.00 and Capital expenditure of R 424 622 190.72

### Summary overall budgeted and actual expenditure

Types of Budget	Approved Budget	Budget Spent	Variance	% Spent
Operational	R 1 111 billion	R 562 million	R 549 million	51%
Capital	R 425 million	R 222 million	R 203 million	52%
<b>Total</b>	<b>R 1.536 billion</b>	<b>R 784 million</b>	<b>R 752million</b>	<b>51%</b>

### Summary Budget and overall current expenditure

The municipality had operational expenditure budget of R 1 111 billion and capital budget of R 425 million and the amount of R 562 million and R 222 million was spent respectively. This represents 51% spending on operational budget as well as 52% spending on capital budget. Overall spending is R 784 million against the approved budget of R 1.536 billion and this represent 51% spending of the budget

### 4.1 OPERATING REVENUE

Total Operating revenue during first half of 2021/22 was **R 604 623 686.52** compared to the related budget of R 600 917 806.50 resulting in a positive variance 1 % .The revenue received already constitute 50% of the approved original budget.

Description	Budget Year 2021/22									
	Original Budget	MID-YEAR Projections	Q1 Sept	Q2	Actual to date	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates	90,851,884.00	45,425,942.00	23,820,535.08	23,074,464.92	46,895,000.00	1,469,058.00	3%	52%	103%	90,851,884.00
Service charges - electricity revenue	417,348,320.00	208,674,160.00	83,240,910.33	123,648,089.67	206,889,000.00	-1,785,160.00	-1%	50%	99%	417,348,320.00
Service charges - refuse revenue	12,060,000.00	6,030,000.00	3,475,379.04	3,399,620.96	6,875,000.00	845,000.00	12%	57%	114%	12,060,000.00
Rental of facilities and equipment	361,044.00	180,522.00	78,000.00	72,315.56	150,315.56	-30,206.44	-20%	42%	83%	361,044.00
Interest earned - external investments	4,627,000.00	2,313,500.00	1,690,655.93	1,521,226.07	3,211,882.00	898,382.00	28%	69%	139%	4,627,000.00
Interest earned - outstanding debtors	23,051,000.00	11,525,500.00	7,524,228.26	10,027,140.74	17,551,369.00	6,025,869.00	34%	76%	152%	23,051,000.00
Fines, penalties and forfeits	5,041,000.00	2,520,500.00	446,352.90	1,651,647.10	2,098,000.00	-422,500.00	-20%	42%	83%	5,041,000.00
Licences and permits	4,696,000.00	2,348,000.00	815,804.24	1,102,183.76	1,917,988.00	-430,012.00	-22%	41%	82%	4,696,000.00
Transfers and subsidies	440,365,553.00	220,182,776.50	169,813,000.00	133,660,000.00	303,473,000.00	83,290,223.50	27%	69%	138%	440,365,553.00
Other revenue	203,433,812.00	101,716,906.00	4,176,329.46	11,385,802.50	15,562,131.96	-86,154,774.04	-554%	8%	15%	203,433,812.00
<b>Total Revenue</b>	<b>1,201,835,613.00</b>	<b>600,917,806.50</b>	<b>295,081,195.24</b>	<b>309,542,491.28</b>	<b>604,623,686.52</b>	<b>3,705,880.02</b>	<b>1%</b>	<b>50%</b>	<b>101%</b>	<b>1,201,835,613.00</b>



## **4.2 ANALYSIS OF REVENUE**

### **4.2.1 Property Rates**

The actual billing on property rate for mid-term is R 46 895 million compared to the projection of R 45 426 million which results in 3% positive variance between actual amount collected and projected amount. There is a need to adjust property rate upward by 3% during budget adjustment based on the six months performance.

### **4.2.2 Service charges Electricity revenue**

The actual billing on Electricity revenue for mid-term is R 206 889 million compared to the mid-term projections of R 208 674 million. There is a need to adjust the service charges downward by 1% based on the six-month performance.

### **4.2.3 Service charges Refuse removal**

The actual revenue billed on Refuse removal revenue for mid-term is R 6 875 million compared to the projected amount of R 6 030 million. There is a need to adjust service charges refuse removal upwards by 12% based on six-month performance.

### **4.2.4 Rental**

The actual rental revenue collected for mid-term period is R 150 thousand and projected rental revenue was R 181 thousand, which indicates under collection of 20% against the projections.

### **4.2.5 Interest earned from financial institutions**

The actual billing for interest earned from financial institutions, as at 31 December 2021 is R 3 212 million compared to the projected amount of R 2 313 million which results in over collection of 28%. There is a need to adjust Interest earned upwards based on the six-month performance.

### **4.2.6 Fines, Penalties and forfeits**

Fines, penalties and forfeits for the mid-term is R 2 098 million compared to R 2 520 millions projections which results in under collection by 20%. There is a need to adjust this revenue based on the six months performance this revenue should be adjusted downwards by 20%.

### **4.2.7 Licenses and Permits**

The actual licenses and permits collected in the midterm is R 1 918 million compared with the R 2 348 million projections which results to under collection by 22% .The revenue is collected on a cash basis and there's a need to adjust downwards this revenue based on the six month performance.

#### **4.2.8 Other Revenue**

The actual collection as at 31 December 2021 is R 15 562 million compared with the projected revenue of R 101 717 million. The results is the under collection by 61% with regard to this service. The projected revenue include the amount projected to be received from sales of stands and auctioned was done and out of 846 stands only 411 stands were sold at amount of R 71.8 million which still to be received 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 based on the six month performance only if the municipality is not anticipating in selling the remaining stands of 438 within 30 June 2022.

#### **4.3 OPERATING EXPENDITURE**

Total actual expenditure incurred during the first half of 2021/22 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 2021/22									
	Original Budget	MID-YEAR Projections	Q1 Sept 2021	Q2 Dec 2021	MID-YEAR ACTUAL	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
<b>Expenditure By Source</b>										
Employee related costs	338,896,340.00	169,448,170.00	60,210,370.84	75,228,629.16	135,439,000.00	-34,009,170.00	-20%	40%	80%	338,896,340.00
Remuneration of councillors	32,311,004.00	16,155,502.00	6,548,486.17	6,637,513.83	13,186,000.00	-2,969,502.00	-18%	41%	82%	32,311,004.00
Debt impairment	57,933,944.00	28,966,972.00	22,411,110.74	20,747,889.26	43,159,000.00	14,192,028.00	49%	74%	149%	57,933,944.00
Depreciation & asset impairment	104,000,332.00	52,000,166.00	34,550,736.76	34,449,263.24	69,000,000.00	16,999,834.00	33%	66%	133%	104,000,332.00
Finance charges	9,262,528.00	4,631,264.00		2,458,908.00	2,458,908.00	-2,172,356.00	-47%	27%	53%	9,262,528.00
Bulk purchases	344,712,000.00	172,356,000.00	79,025,586.15	91,760,413.85	170,786,000.00	-1,570,000.00	-1%	50%	99%	344,712,000.00
Other materials	30,462,980.00	15,231,490.00	4,899,909.32	8,220,090.68	13,120,000.00	-2,111,490.00	-14%	43%	86%	30,462,980.00
Contracted services	111,276,566.00	55,638,283.00	40,172,161.68	33,506,838.32	73,679,000.00	18,040,717.00	32%	66%	132%	111,276,566.00
Other expenditure	82,805,617.00	41,402,808.50	15,655,462.94	25,074,537.06	40,730,000.00	-672,808.50	-2%	49%	98%	82,805,617.00
<b>Total Expenditure</b>	<b>1,111,661,311.00</b>	<b>555,830,655.50</b>	<b>263,473,824.60</b>	<b>298,084,083.40</b>	<b>561,557,908.00</b>	<b>5,727,252.50</b>	<b>1%</b>	<b>51%</b>	<b>101%</b>	<b>1,111,661,311.00</b>

## **4.4 EXPENDITURE ANALYSIS**

### **4.4.1 Employee related Cost**

The actual expenditure as at 31 December 2021 is sitting at R135 439 million compared to the projections of R 169 448 million which results in under spending by 20%. There is a need to adjust employee cost by 20%; however, it must be emphasized that departments should try by all means to reduce overtime.

### **4.4.2 Councillors Remuneration**

The actual expenditure as at 31 December 2021 is sitting at R13 186 million compared to the projections of R 16 155 million which results under spending by 18%.

### **4.4.3 Debt Impairment**

This is non- cash item and expenditure is R 43 159 compared to the projection of R 28 966 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.

### **4.4.4 Depreciation & asset impairment**

This is non- cash item and expenditure is R 69 000 million compared to the projection of R 52 000 million. There is a need to adjust the budget upwards by 33 % to cover the whole year depreciation.

### **4.4.5 Bulk purchases**

The bulk purchases expenditure for the first half is R 170 786 million and compared to projected expenditure of R 172 356 million which results to variance of 1%. There is a need to adjust the budget downwards during budget adjustment based on the six-month performance.

### **4.4.6 Finance charges**

The actual expenditure for finance charge is R 2 458 million compared to projected expenditure of R 4 631 million which result to 47% variance. There is a need to adjust finance charges during the adjustment budget by 47 % to cover the whole year especially year end journals for leases and employee benefit accruals.

### **4.4.7 Contracted Services**

The contracted services expenditure is R 73 679 million compared to projected expenditure of R 55 638 million which results to variance of 32%. 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 and electricity maintenance.

### **4.4.8 General Expenditure**

The other expenditure is R 53 850 million compared to the projected expenditure of R 56 634 million which results to under spending by 8 % on the general expenditure for the six month.

#### 4.5 Analysis of Capital budget expending per department

The Capital Budget expenditure is R 222 678 million of the full budgeted figure of R 424 622 million which is equal to 52 % spending. Total actual expenditure incurred for Capital budget during the first half of 2021/22 is R 222 678 million compared to the projected amount of R 212 311 million which result to a positive variance of 2%. The expenditure incurred to date is amounting to 52% of the approved capital budget

The Actual Capital expenditure for the Mid-year 2021 is R 222 678 million and projection is R 212 311 million which result to 2% over spending. The overall expenditure represent 52% against approved budget of R 424 622 million.

<b>CODE</b>	<b>DEPARTMENT</b>	<b>BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	Technical Services	R 393,172,190.72	R 215,760,115.73	R 177,412,074.99	55%
SC	Community Services	R 5,275,000.00	R 1,300,000.00	R 3,975,000.00	25%
SC	Budget and Treasury	R 14,800,000.00	R 3,049,520.87	R 11,750,479.13	21%
SC	Corporate Services	R 6,850,000.00	R 2,568,941.50	4,281,058.50	38%
SC	Regional Offices	R 4,525,000.00	-	R 4,525,000.00	0%
	<b>TOTAL</b>	<b>R 424 622 190.72</b>	<b>R 222,678,578.10</b>	<b>R 201,943,612.62</b>	<b>52%</b>

#### 4.5.1 Technical Services Department

The actual expenditure for the first half is R 215 760 million compared with the projection of R 196 586 million which results in a positive variance of 5%. The expenditure incurred for the first half represents 55% of approved budget for 2020/2021 financial year. The major spending of the department is mainly derived from MIG, INEP and own funding projects that are progressing well.

CAPITAL BUDGET REPORT FOR THE MONTH 31 DECEMBER 2021 TECHNICAL SERVICES DEPARTMENT				
ELECTRICAL ENGINEERING				
CODE	DESCRIPTION	SOURCES	BUDGET	COMMENTS
SC	Air conditioners supply and install	INCOME	500,000.00	Appointed
SC	CT VT Units:3x11kv & 4x 22kV	INCOME	250,000.00	Appointed
SC	Mini Subs (3x315KVA, 3x630KVA)	INCOME	3,200,000.00	Appointed
SC	MV Cable 70mm <sup>2</sup> 22kV - urban network	INCOME	600,000.00	To be procured through stock item
SC	Transformers 1x10MVA 22/11(Stubb)	INCOME	3,000,000.00	Appointed
SC	Transformers 4x5MVA 22/11(1xEltivillas East, 1xBoom Park, 2xE	INCOME	10,000,000.00	Appointed
SC	Ring Main Units 11kV (RMU)	INCOME	4,000,000.00	Appointed
SC	Upgrade Mara Line	INCOME	800,000.00	Appointed
SC	Designs for High masts all villages (feasibility study)	INCOME	1,000,000.00	Draft feasibility delivered
SC	Incomer intake point Eskom Substation	INCOME	5,104,000.00	Contractor on site
SC	Upgrade Emmarentia substation - 7x switchgear	INCOME	3,200,000.00	inception is done
SC	Upgrade Lev1 - poles, conductors, insulators	INCOME	1,200,000.00	Contractor on site
SC	Upgrade Levubu 2 line (Beja branch line) - poles, conductors, insul	INCOME	1,300,000.00	Contractor on site
SC	Upgrade Shefeera Line - poles, conductors, insulators	INCOME	900,000.00	Appointed
SC	Main Substation upgrade Phase2 - breakers, links, controll pannels	INCOME	4,000,000.00	Inception is done
SC	Post connections Munic area	INCOME	2,000,000.00	Appointed
SC	Credit meter replacements by pre-paid meter	INCOME	500,000.00	in progress
SC	Minor Extensions - transformers, reticulation lines.	INCOME	4,500,000.00	Appointed
SC	Led street lights network GIS inventory and mapping, installation in	INCOME	3,000,000.00	inception is done
SC	Electrical Network GIS inventory and mapping	INCOME	3,000,000.00	inception is done
SC	Upgrade wooden pole line to Emma substation	INCOME	250,000.00	In evaluation stage
SC	Hand and car radio supply, fit and program	INCOME	330,000.00	In evaluation
SC	Electric fence - Main, Laevubu Beufort substations	INCOME	120,000.00	Specification submitted to Scm

SC	Mara - Makhitha ringfeed line	INCOME	650,000.00	Spec not yet received
SC	High masts installation in town parks	INCOME	2,400,000.00	In evaluation
SC	Designs for electrified projects - south of pretorius development	INCOME	1,450,000.00	Consultant allocated
SC	Electrical Workshop yard and Stores paving	INCOME	300,000.00	In evaluation
SC	High masts installation in villages	INCOME	7,000,000.00	spec to be reviewed
SC	1 x Crain Truck	INCOME	1,300,000.00	Consultant Allocated
SC	Upgrade secondary substations in town (Roodewal, Foster, Tree-Pa	INCOME	2,500,000.00	Appointed
SC	1x borehole for electrical workshop facilities water supply backup	INCOME	60,000.00	Appointed
SC	Upgrade 2x 66kv breakers in Beaufort substation	INCOME	600,000.00	Contractor on site
SC	Auto Reclosers - village & farm lines	INCOME	1,300,000.00	In evaluation
SC	2 x lap tops - (for metering section & protection section)	INCOME	25,000.00	Request submitted to ICT
SC	32x Fibre glass 6m step ladders	INCOME	250,000.00	Appointed
SC	20 x MV/HV Earthing sets	INCOME	120,000.00	Appointed
SC	16 x Link sticks replacements	INCOME	130,000.00	Appointed (Declined)
SC	New substation -East of Bergview estate (2 x 5MVA) - new develop	INCOME	350,000.00	Consultant allocated
SC	Upgrade Pretorius sub : 2 x 2MVA (new housing development)	INCOME	350,000.00	Consultant allocated
SC	20 x High Voltage line tester	INCOME	80,000.00	inception is done
SC	14x Electricians standard tool boxe -	INCOME	300,000.00	Appointed
SC	Upgrade & reroute 66KV transmission line from Makhado main su	INCOME	3,000,000.00	inception is done
SC	SCADA control for ARC -whole network	INCOME	350,000.00	inception is done
SC	Voltage regulators - Tshipise and Mara farms	INCOME	800,000.00	Allocated
SC	Power transformer test kit	INCOME	75,000.00	Still to be advertised
SC	Upgrade Industrial line - concrete poles	INCOME	240,000.00	In evaluation stage
SC	55x Hand held radios -Electronic digital	INCOME	330,000.00	On advert
SC	2 x Hand held GPS units	INCOME	7,000.00	delivered awaiting Payment
SC	Electrification at South of Pretorius 700 new stands and Tshikota 1	INCOME	17,500,000.00	Appointed
	<b>TOTAL</b>		<b>94,221,000.00</b>	

<b>ELECTRIFICATION</b>			
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>
SC	Muananzhele phase-4	INEP	6,400,000.00
SC	Incomer intake point Eskom Substation	INEP	4,896,000.00
<b>TOTAL</b>			<b>11,296,000.00</b>
<b>ELECTRIFICATION INCOME IN MAKHADO LICENSE AREA</b>			
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>
SC	Afton 2021/22	INCOME	351,500.00
SC	Mashau Thondoni 2021/22	INCOME	999,000.00
SC	Gombani 2021/22	INCOME	425,500.00
SC	khomele 2021/22	INCOME	851,000.00
SC	Maangani 2021/22	INCOME	814,000.00
SC	Mamburu 2021/22	INCOME	540,000.00
SC	Matshavhawe 2021/22	INCOME	1,134,000.00
SC	Musekwa sections 2021/22	INCOME	536,500.00
SC	Ramantsha 2021/22	INCOME	629,000.00
SC	Straighthart 2021/22	INCOME	721,500.00
SC	Gogobole 2021/22	INCOME	1,170,000.00
SC	Riverside 2021/22	INCOME	351,500.00
SC	Madodonga 2021/22	INCOME	351,500.00
SC	Tshiendeulu 2021/22	INCOME	720,000.00
SC	Manavhela 2021/22	INCOME	444,000.00
SC	Zamekom 2021/22	INCOME	831,500.00
<b>TOTAL</b>			<b>10,870,500.00</b>

Appointed

Appointed

COMMENTS

Consultant appointed

Consultant appointed

Consultant appointed

Consultant appointed

Consultant appointed

Consultant appointed

Consultant appointed

Consultant appointed

Consultant appointed

Consultant appointed

Consultant appointed

Consultant appointed

Consultant appointed

Consultant appointed

Consultant appointed

Consultant appointed



<b>MIG PROJECTS</b>				
<b>COD</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	
SC	Fencing of Makhado municipality cemetery	MIG	1,500,000.00	To be advertised
SC	Landfill site makhado + recycling centre and Regraveling	MIG	3,208,284.27	In evaluation
SC	Lutanandwa Acces Road & Bridge	MIG	15,000,000.00	Appointed
SC	Rivoni to Xihobyeni Access road	MIG	25,028,809.56	Appointed
SC	Sane to Natalie Bridge	MIG	13,262,353.01	Appointed
SC	Tshedza to Vuvha Access road Phase 3	MIG	32,292,553.16	Appointed
SC	PMU Management Fees	MIG	4,476,000.00	Appointed
<b>TOTAL</b>			<b>94,768,000.00</b>	

<b>CIVIL ENGINEERING SECTION - OWN FUNDING</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	
SC	Alwayn and kameel Streets	INCOME	2,000,000.00	Appointed
SC	Pretorious Streets	INCOME	3,000,000.00	Consultant allocated
SC	Devinish Streets	INCOME	2,000,000.00	Consultant allocated
SC	Kroaral boom Street	INCOME	2,000,000.00	Consultant allocated
SC	breda Streets	INCOME	2,000,000.00	Consultant allocated
SC	Roads to the Clinic Vleifontein	INCOME	700,000.00	Consultant allocated
SC	ERF 10 Burger street Market stalls	INCOME - ROLLOVER	6,000,000.00	Appointed
SC	Mudimeli stormwater	INCOME ROLLOVER	2,500,000.00	Appointed
SC	Construction of Admin Block at Testing Ground	INCOME - ROLLOVER	10,387,065.05	Appointed
SC	Rathidili Incubation Centre	INCOME- ROLLOVER	6,084,501.60	Appointed
SC	Tshakhuma fruit market Phase 2	INCOM- ROLLOVER	10,663,677.23	Appointed
SC	Sane to Natalie Bridge	INCOME - ROLLOVER	5,000,000.00	Appointed

SC	Rehabilitation of Dzanani Streets (Biaba)	INCOME-ROLLOVER	2,000,000.00	Appointed
SC	Rehabilitation of Djunane street at Waterval Township for proper de	INCOME-ROLLOVER	2,000,000.00	To be advertised
SC	Tshikwarani to Zamkomste Road Phase 3	INCOME-ROLLOVER	2,600,000.00	awaiting for spec
SC	Renovation Dzanani Regional Office building	INCOM-ROLLOVER	600,000.00	Appointed
SC	Upgrading of Sane to Natali Road	INCOME-ROLLOVER	2,000,000.00	Appointed
SC	Rehabilitation of Joe Slovo street at Vliefontein	INCOME	12,000,000.00	Appointed
SC	Valdezia Xitacini to Jiweni access road Phase 4	INCOME	3,000,000.00	Appointed
SC	Rehabilitation of Waterval streets	INCOME	7,000,000.00	To be advertised
SC	Upgrading of Waterval Clinic ring road	INCOME	1,200,000.00	Design on progress
SC	Upgrading of Waterval Cemetery road	INCOME	5,000,000.00	Appointed
SC	Mingard Bridge & Access road to Mbhokota entrance	INCOME	1,200,000.00	Design on progress
SC	Luvhalani to Dzananwa Access Road	INCOME	1,200,000.00	Appointed
SC	Makatu to Tshikota Access Road	INCOME	1,200,000.00	Design on progress
SC	Tsianda (Marundu to Military Base) Access Road	INCOME	1,200,000.00	Design on progress
SC	Rehabilitation of Baobab street	INCOME	2,500,000.00	Project cancelled
SC	Rehabilitation of Kruger street	INCOME	5,000,000.00	Appointed
SC	Rehabilitation of Vlei street	INCOME	5,000,000.00	Appointed
SC	Refurbishment of Waterval regional office	INCOME	2,500,000.00	In specification
SC	Development of Dzanani Park Phase 2 (Installation of outdoor gym,	INCOME	1,500,000.00	In specification
SC	Commissioner & Main street Intersection rehabilitation and stormw	INCOME	3,000,000.00	Appointed
SC	Emerentia substation refurbishment - building.	INCOME	2,000,000.00	In specification
SC	Rehabilitation of old landfill site (Vondeling) Phase 2 (Construction	INCOME	3,000,000.00	In evaluation
SC	Development of roads and stormwater at Dzanani Township (Biaba	INCOME	21,250,000.00	Consultant allocated
SC	Development of roads and stormwater at South of Pretorius 700 ne	INCOME	42,500,000.00	Consultant allocated
SC	Refurbishment of 6x drop off points ( waste management)	INCOME	500,000.00	In evaluation
	Waterval Sports Facility Phase 3	INCOME		
	<b>TOTAL</b>		<b>183,285,243.88</b>	

<b>ROADS AND STORM WATER</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	
SC	Four ways stop paving of road at Baobab street	INCOME	3,000,000.00	Appointed
SC	3 x Tar cutter as per Region	INCOME	250,000.00	In evaluation
SC	3 X Traylor as per Region	INCOME	300,000.00	In evaluation
SC	Lockery	INCOME	150,000.00	In evaluation
SC	500 litres Fuel tank	INCOME	300,000.00	In evaluation
SC	Culvert Pipes	INCOME	800,000.00	Appointed
SC	Compressor	INCOME	120,000.00	In evaluation
SC	Hydraulic Press 30 Ton	INCOME	20,000.00	Appointed
SC	Lockerys	INCOME	100,000.00	In evaluation
	<b>TOTAL</b>		<b>5,040,000.00</b>	

<b>BUILDING MAINTANANCE</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENTS</b>
SC	Refurbishment of old age home	INCOME ROLLOVER	1,000,000.00	Appointed
SC	Refurbishment of Eltivilas swimming pool( buildings) and installat	INCOME - ROLLOVER	1,000,000.00	Appointed
SC	Refurbishment of Vleifontein Stadium ablutions and fencing	INCOME- ROLLOVER	1,400,000.00	Appointed
SC	Refurbishment of 5 ablution block facilities in tax ranks ( Biaba,siloa	INCOME - ROLLOVER	1,000,000.00	Appointed
SC	Galvanised dicing machine	INCOME	160,000.00	In evaluation
SC	Fencing and refurbishment of Tshikota community hall	INCOME	2,200,000.00	In evaluation
SC	Fencing and refurbishment of Muwaweni community hall	INCOME	2,200,000.00	In evaluation
SC	Hand tools	INCOME	300,000.00	In evaluation
SC	Palisade Fence for Waterval Stores Office	INCOME	1,000,000.00	In evaluation
SC	Fencing and upgrading of eltivillars soccer ground	INCOME	2,000,000.00	In evaluation
SC	Refurbishment and upgrading (baseball facility) VLEINFOINTEIN	INCOME	500,000.00	In specification
SC	Water Borehole (Makhado testing ground)	INCOME	200,000.00	In evaluation
SC	Development of Potgiters Park phase 1	INCOME	500,000.00	Consultant allocated
SC	Ablution facility Civic Centre Park	INCOME	500,000.00	Consultant allocated
SC	Refurbishing of Makhado Park	INCOME	500,000.00	Appointed
SC		INCOME	16,500,000.00	In specification
SC	Drilling and Equiping of borehole at Muduluni community hall	INCOME	142,800.00	Appointed
	<b>TOTAL</b>		<b>30,960,000.00</b>	

#### 4.5.2 Department of Community services

The actual expenditure for the Midterm is R 1 300 million compared with the projection of R 3 037 million which result to a negative variance of 57%. The expenditure incurred for the first half represent 25% of approved budget for 2021/22 financial year. The department did not perform well during the mid-term. The department will improve the spending in the third and fourth quarter 2022.

<b>CAPITAL BUDGET REPORT FOR THE MONTH 31 DECEMBER 2021</b>				
<b>COMMUNITY SERVICES DEPARTMENT</b>				
<b>LIBRARY SERVICES</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENTS</b>
SC	Extension of Circulation Area	INCOME ROLLOVER	200,000.00	Appointed
SC	Water Cooler X 2	INCOME	19,000.00	Appointed
SC	Shredding machine	INCOME	15,000.00	Appointed
SC	3M Book detector system (Musekwa Library)	INCOME	450,000.00	To be re-advertised
<b>TOTAL</b>			<b>684,000.00</b>	
<b>PARKS AND RECREATION SECTION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENTS</b>
SC	20 Skip Bins	INCOME	800,000.00	Appointed
SC	1x New Ground water monitoring borehole at Vondeling Landfill Site	INCOME	150,000.00	In evaluation
	10 X Grass cutter Machine	INCOME	100,000.00	Appointed
<b>TOTAL</b>			<b>1,050,000.00</b>	

<b>MAKHADO REGION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>Comments</b>
SC	HIGH VOLUME DOCUMENT scanner for sensitive documents	INCOME	100,000.00	In evaluation
SC	STEP LADDER	INCOME	1,000.00	quotations requested
SC	DIGITAL CAMERA	INCOME	15,000.00	quotations requested
SC	Purchase of 15x license scanners	INCOME	225,000.00	In evaluation
<b>TOTAL</b>			<b>341,000.00</b>	
<b>DZANANI TRAFFIC STATION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>Comments</b>
SC	Upgrading of Vehicle Testing station (Grade B to A) Dzanani	INCOME	2,500,000.00	On re-advert
<b>TOTAL</b>			<b>2,500,000.00</b>	
<b>MAKHADO TRAFFIC STATION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>Comments</b>
SC	Purchase of 20 X portable radios and 2 X Base radios	INCOME	200,000.00	In evaluation
<b>TOTAL</b>			<b>200,000.00</b>	
<b>TOTAL COMMUNITY SERVICES BUDGET</b>			<b>4,775,000.00</b>	

#### 4.5.3 Department of Budget and Treasury Office

The actual expenditure for the first half is R 3 049 million compared with the projection of R 7 400 million which result to a negative variance of 58%.The expenditure incurred for the first half represent 21% of approved budget for 2021/22 financial year. The department have procured the Dozer which will be delivered end of February 2022 which will accelerate the spending in this department.

<b>ASSETS MANAGEMENT SECTION</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>FINAL BUDGET</b>	<b>COMMENTS</b>
SC	Chain dozers	ROLLOVE R	8,512,500.00	Appointed
SC	20 Ton Truck Mounted Crane	INCOME	1,700,000.00	Quotations being requested
SC	1 x Crain Truck	INCOME	1,300,000.00	Quotations being requested
SC	Study chairs ( Musekwa)	INCOME	100,000.00	Quotations being requested
SC	Furniture for the whole municipality (Including Luvuvhu region)	INCOME	1,600,000.00	Appointed
SC	Goosneck Lowbed Semi Trailer	INCOME	1,587,500.00	Appointed and delivered
<b>TOTAL BUDGET AND TREASURY BUDGET</b>			<b>14,800,000.00</b>	

#### 4.5.4 Department of Corporate Services



The actual expenditure for the first half is R 2 568 million compared with the projection of R 3 425 million. The under spending represent negative 25% of the Mid-term projection. The expenditure incurred for the first half represent 38% of approved budget for 2021/22 financial year.

<b>CAPITAL EXPENDITURE REPORT FOR THE MONTH 31 DECEMBER 2021</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>COMMENTS</b>
SC	Data Migration to new server primary working environment	INCOME	650,000.00	In evaluation
SC	Refresh backup servers - HW & SW	INCOME	400,000.00	In specification
SC	Phase 1 VOIP readiness at switchboard intake point (Ph2 & Ph3 - 2022/23 & 2023/24)	INCOME	300,000.00	In evaluation
SC	Architecture for DR Replicate solution (Ph2 - 2022/23 & Ph3 - 2023/24)	INCOME	100,000.00	In evaluation
SC	Network refresher	INCOME	500,000.00	In evaluation
SC	150MEG fiber optic internet data line	INCOME	800,000.00	In specification
SC	24/7 Municipal Call Centre electronic system	INCOME	300,000.00	Appointed
SC	Connectivity - Levubu Regional Office	INCOME	250,000.00	In specification
<b>TOTAL</b>			<b>3,300,000.00</b>	

#### 4.5.5 Regional Offices

The actual expenditure for the first half is zero compared with the projection of R 2 257 million which result to a negative variance of 100%.The expenditure incurred for the first half represent 0% of approved budget for 2021/22 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 425 thousands and R 4 100 million respectively. Spending is expected to be accelerated in the Second midterm.

<b>CAPITAL EXPENDITURE REPORT FOR THE MONTH 31 DECEMBER 2021</b>				
<b>REGIONAL OFFICES</b>				
<b>WATERVAL REGIONAL OFFICE</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENTS</b>
SC	Palisade Fence for Waterval Regional Office	INCOME ROLLOVER	700,000.00	in specification
SC	Boreholes and equipping Tshitale Office	INCOME	200,000.00	in specification
SC	Borehole for Vleifonteyn Community Hall	INCOME	225,000.00	in specification
SC	Borehole for Waterval Stores Office	INCOME	225,000.00	in specification
SC	Tractor and Roller mower blade	INCOME	800,000.00	in specification
SC	Pavement of parking area for Vleifonteyn office	INCOME	400,000.00	In evaluation
SC	Pavement of parking area for Waterval Office	INCOME	400,000.00	In evaluation
SC	Pedestrian Roller	INCOME	400,000.00	in specification
SC	Mobile Filling Cabinet	INCOME	500,000.00	in specification
SC	Lawnmower X 5	INCOME	100,000.00	in specification
SC	Rehabilitation of water system to Vleifonteyn Office	INCOME	75,000.00	in specification
SC	Rehabilitation of water system to the main building of Waterval	INCOME	75,000.00	in specification
<b>TOTAL</b>			<b>4,100,000.00</b>	

<b>DZANANI REGIONAL OFFICE</b>				
<b>CODE</b>	<b>DESCRIPTION</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>COMMENTS</b>
SC	One Tractor slasher mower	INCOME	20,000.00	In evaluation
SC	One Fuel tanker (1000 L)	INCOME	100,000.00	In evaluation
SC	Four water coolers (25 L)	INCOME	10,000.00	in specification
SC	Pavement dzanani regional office outside	INCOME	250,000.00	In evaluation
SC	Six Brush cutters	INCOME	45,000.00	In evaluation
	<b>TOTAL</b>		<b>425,000.00</b>	

## 5. 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 2021

<b>DEPARTMENT</b>	<b>Amount</b>
Technical Services	215,760,116
Community Services	1,300,000
Budget and Treasury	3,049,521
Corporate Services	2,568,942
Regional Office	-
<b>TOTAL</b>	<b>222,678,578</b>
<b>FUNDING</b>	<b>Amount</b>
<b>INCOME</b>	180,827,991
<b>INEP</b>	4,237,000
<b>MIG</b>	37,613,587
<b>TOTAL</b>	<b>222,678,578</b>

## 6. CONDITIONAL GRANT SUMMARY

The grant funding gazetted by both National and Provincial Treasury and approved in Makhado Municipality's 2020/21 budget. (Excludes equitable share as it is not conditional).

Details of Grants allocated ,Grants Performance as at 31 December 2021										
Budget Year 2021/22										
Description	Original 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	Mid-year Expenditure R'000	% Spent on received	BUDGET VS ACTUAL %	Full Year Forecast
APPROVED CONDITIONAL GRANT										
<u>Funded by:</u>										
MIG	94,768	84,787	41,006	43,781	36,010	27,206	63,216	75%	67%	94,768
INEP	11,269	11,269	5,000	6,296	4,237	–	4,237	38%	38%	11,269
FMG	1,850	1,850	1,850	559	463	559	1,022	55%	55%	1,850
EPWP	2,280	1,596	568	570	570	570	1,140	71%	50%	2,280
DMG	26,000	26,000		26,000						26,000
<b>Total Grants</b>	<b>136,167</b>	<b>125,502</b>	<b>48,424</b>	<b>51,206</b>	<b>41,280</b>	<b>28,336</b>	<b>69,616</b>	<b>55%</b>	<b>51%</b>	<b>136,167</b>

The municipality receive additional allocation with respect to Disaster Grant amounting to R 26 million and this amount was received at the end of October 2021. The following projects have been allocated service providers and all the contractors are on site. Municipality will be incurring the expenditure in the third quarter ending March 2021.

No	DESCRIPTIONS FOR APPROVED PROJECTS
1	Repair of damages roads infrastructure: Waterval storm water
2	Repairs of bridge and regravelling : Musekwa straighthardt
3	Backfilling and regravelling
4	<b>Repair of damages storm-water infrastructure :Tshikota</b>
5	Repair of damages storm-water infrastructure : Tshiozwi
6	Repair of damages road surface infrastructure : Tshavhalovhedzi
7	Repair of damages road surface infrastructure :Makushu
8	Repair of damages road surface infrastructure :Ravele
9	Repair of damages road surface infrastructure :Mukondeni
10	Repair of damages road surface infrastructure : Mashau
11	Repair of damages road surface infrastructure : Eltivillas

### **6.1 Municipal infrastructure Grant (MIG)**

The actual amount received for the first half is R 84 787 million and actual expenditure is R 63 216 million that represent 67% of expenditure against approved allocation of R 94 768 million

Spending needs to accelerate during the third and fourth quarter of the financial year to ensure 100% spending of the grant by the end of the financial year.

### **6.2 Integrated National Electricity Programme (INEP)**

The actual amount received for the first half is R 11 269 million and actual expenditure is R 4 237 million which represent 38% of expenditure against approved allocation of R 11 269 million. Spending needs to accelerate during the third and fourth quarter of the financial year to ensure 100% spending of the grant by the end of the financial year.

### **6.3 Financial Management Grant (FMG)**

The actual amount received as at 31 December 2021 Mid-term is R 1 850 Million and actual expenditure incurred is R 1 022 million that represents 55% against the approved allocation of R 1 850 million.

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

The actual amount received as at 31 December 2021 Med-Term is R 1 596 and actual expenditure incurred is R 1 140 million that represent 50% against the approved allocation of R 2 280 million.

## 7. DEBTORS AGE ANALYSIS

The amount outstanding from debtors as at 31 December 2021 is R 377 143 000.00.

### LIM344 Makhado-Supporting Table SC3 Monthly Budget Statement- Aged Debtors \_M06 December 2021

Description	BUDGET 2021/2022							
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	Total	Total over 90 days
<b>R thousands</b>								
<b>Debtors Age Analysis By Income Source</b>								
Trade and Other Receivables from Exchange Transactions - Electricity	27,424	3,178	3,376	2,729	12,646	37,606	86,959	52,981
Receivables from Non-exchange Transactions - Property Rates	8,410	6,174	1,973	3,022	14,586	117,730	151,895	135,338
Receivables from Exchange Transactions - Waste Management	1,556	526	485	473	2,625	18,628	24,293	21,726
Interest on Arrear Debtor Accounts	5,328	2,548	2,472	2,436	12,962	69,855	95,601	85,253
Other	4,223	561	2,443	847	3,720	6,601	18,395	11,168
<b>Total By Income Source</b>	<b>46,941</b>	<b>12,987</b>	<b>10,749</b>	<b>9,507</b>	<b>46,539</b>	<b>250,420</b>	<b>377,143</b>	<b>306,466</b>
							-	-
<b>Debtors Age Analysis By Customer Group</b>								
Organs of State	4,999	2,500	1,065	2,142	11,283	33,113	55,102	46,538
Commercial	21,242	1,907	1,776	1,849	7,667	27,249	61,690	36,765
Households	19,559	6,150	4,945	3,475	16,535	143,383	183,783	163,393
Other	1,141	2,430	2,963	2,041	11,054	46,675	76,568	59,770
<b>Total By Customer Group</b>	<b>46,941</b>	<b>12,987</b>	<b>10,749</b>	<b>9,507</b>	<b>46,539</b>	<b>250,420</b>	<b>377,143</b>	<b>306,466</b>



**Debt Impairment**

**Debtors Age Analysis By Customer Group**

**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	59 501	(51 226)	8 275
Commercial	62 870	(54 127)	8 743
Households	174 352	(150 105)	24 247
Other	80 420	(69 236)	11 184
<b>Totals</b>	<b>377 143</b>	<b>(324 695)</b>	<b>52 448</b>

**MAKHADO LOCAL MUNICIPALITY**

**DEBT BREAKDOWN - DECEMBER 2021**

<b>Customer Group</b>	<b>Amount</b>	<b>Action Plan</b>
<b>ORGANS OF STATE</b>	<b>44 002 675.96</b>	
Agriculture	(60 604.69)	Payment in advance
Arts	30 816.46	Normal Monthly debt
Education	3 564 581.00	Consolidation will be done with the circuit office in town for the purpose of collection. To be executed in January 2022

Health	365 581.24	Normal Monthly debt
		The Department was engaged regarding the debt. Payments were made by the Department which reduced the debt from R21,679,708.54 to R6,449,863.86. The remaining debt to be monitored to ensure that it is further reduced and eventually paid up.
Public Works - National	6 781 545.42	
Public Works - Provincial	18 260.11	Normal Monthly Account
		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.
Rural Development	17 645 731.75	
DWARF	312 309.24	Cut-offs will be executed for the accounts in arrear. To be disconnected in January 2022
SASSA	49 869.11	Cut-offs will be executed for the accounts in arrear. To be disconnected in January 2022
Vhembe District Municipality	15 294 586.32	Cut-offs will be executed for the accounts in arrear. To be disconnected in January 2022
<b>COMMERCIAL</b>	<b>62 870 220.76</b>	
Business	62 870 220.76	Cut-offs will be executed for the accounts in arrear. To be disconnected in January 2022
<b>Residential Properties</b>	<b>174 351 938.84</b>	
Waterval	56 870 417.27	Campaigns are necessary to educate the public about payment of their accounts. Appointment of debt collectors

		could also assist with collection
Dzanani	14 242 014.85	Campaigns are necessary to educate the public about payment of their accounts. Appointment of debt collectors could also assist with collection
Vleifontein	29 029 930.22	Campaigns are necessary to educate the public about payment of their accounts. Appointment of debt collectors could also assist with collection
Tshikota	8 221 798.88	Cut-offs will be executed for the accounts in arrear. Appointment of debt collectors could also assist with collection
Makhado (Louis Trichardt)	65 987 777.62	Cut-offs will be executed for the accounts in arrear. Appointment of debt collectors could also assist with collection
<b>OTHER</b>	<b>95 918 181.27</b>	
Agricultural	79 262 823.00	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
Other Government Accounts	15 498 266.40	Cut-offs will be executed for the accounts in arrear
Churches	522 892.83	Cut-offs will be executed for the accounts in arrear
PSP	286 622.56	Cut-offs will be executed for the accounts in arrear
PSI	346 782.98	Cut-offs will be executed for the accounts in arrear

PBO	473.42	Normal monthly debt
SOP	320.08	Normal monthly debt

**GRAND - TOTAL** 377 143 016.83

**Debt Impairment**

**Debtors Age Analysis By Customer Group**

The Collection Rate for the period July 2021 to December 2021 is 90% on billed income.

MONTH	COLLECTION RATE
Jul-21	111%
Aug-21	70%
Sep-21	88%
Oct-21	94%
Nov-21	86%
Dec-21	89%
	538%
<b>TOTAL</b>	<b>90%</b>

### **Summary of Debt Impairment Narration**

Allowance for debt impairment for the Mid -term ending December 2021 equals R324.6 million.

The Total Consumer Debtors as at the 31 December equals R377.1 million.

The Net Debt Collectible equals R52.4 million.

### **COLLECTION REPORT.**

- Vhembe District Municipality still owes **R36m** as at the 31 December 2021.
- Distribution loss for the mid-year ending 31 December 2021 amounted to **8%**.
  - The overall mid-year Collection Rate is = 90%
  - The 90% collection rate was achieved despite of the COVID – 19 pandemic challenges.
  - The municipality has appointed service providers for debtor collectors who will assist in collecting where the municipality does not provide electricity.

### **CHALLENGES THAT IMPACT ON COLLECTION**

- The non-existent of electricity in R293 Towns such as Dzanani, Waterval, Vleifontein, excluding Tshikota.
  - Illegal connections
-

- Government entities who are not paying the Municipality

### **STRATEGIES TO IMPROVE COLLECTION**

- The municipality has embarked on a campaign to physically check meters that are not buying or buying electricity that is unreasonably too low because they raise a suspicion of illegal connection. This exercise can be executed with the assistance of Technical Department.
- All accounts with meters inside the yards will be identified and a request sent to Technical Department to have those meters removed and allocated to a point where they can be accessible.
- Credit Control is currently being implemented to Government and business without compromise.
- The municipality is currently monitoring the payment arrangement with VDM with on 96 million outstanding for water debt which currently is sitting at R 36 million
- Installation of prepaid meter
- Handing over debts older than 90 days for debt collection who have been appointed by the end of January 2021

## 8. TRADE PAYABLES

### 8.1 CREDITORS AGE ANALYSIS

#### 8.1.1.1 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 2021. 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.

## 9. A CASH FLOW POSITION

This statement indicates the financial position as at 31 December 2021 is R 300 157 748.01. The municipality continues to keep a favorable balance on the monthly basis and this cash flow statement reflects a positive balance of R 300 157 748.01 as at 31 December 2021 mid-term.

Primary Account	R 300 157 748.01
Closing balance as at 31 December 2021	R 300 157 748.01

## 10. SCM PROCESS

### 10.1 COMPETITIVE BIDDING PROCESSES ACTIVITY

ACTIVITY	Bids Advertised	Evaluated	Adjudicated	Awarded	BBB-EE	Re-Advertised	Cancelled
Balance B/F	12	-	-	-	-	-	-
1 <sup>st</sup> Quarter	13	25	25	24		01	
2 <sup>nd</sup> Quarter	50	22	22	15		07	
<b>Total to Date</b>	75	47	47	39		08	
<b>ANNEXURE</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>F</b>

All requests for adverts were processed. As at 31 December 2021, the following 28 bids were not awarded:

NO	BID NO	DESCRIPTION	CLOSING DATE	COMMENTS
01	52 / 2021	Appointment of service provider to conduct a laboratory tests for Makhado new and vondeling landfill site ground water monitoring boreholes for the period of three (03) years	16 July 2021	In evaluation
02	70 of 2021	Supply,delivery and installation of two high masts at Makhado new land fill site	23-Sep-21	In evaluation
03	64 of 2021	Supply and delivery of oils for mechanical workshop for the period of three years	01-Oct-21	In evaluation
04	71 of 2021	Rendering of waste Material recovery	08-Oct-21	In evaluation



05	73 of 2021	Proposal for future land development at cloud end hotel	01-Nov-21	In evaluation
06	76 of 2021	Supply,delivery and installation of mobile radio and portable radio	01-Nov-21	In evaluation
07	79 of 2021	Construction of Makhado landfill sitE and recycling centre Phase 3	12-Nov-21	In evaluation
08	80 of 2021	Pavement of Parking area in vleivontein office	12-Nov-21	In evaluation
09	81 of 2021	Pavement of Parking area in Dzanani regional office	12-Nov-21	In evaluation
10	82 of 2021	Pavement of electricity workshop yard and stores	12-Nov-21	In evaluation
11	83 of 2021	Design erchitecture of disaster recovery solution	12-Nov-21	In evaluation
12	84 of 2021	Supply,delivery,install,configure and commission convension from analogue to VOIP telephone system	23-Nov-21	In evaluation
13	85 of 2021	Network refresher Project and supply of network switches,fibrecable and splicing for the period of three years	23-Nov-21	In evaluation
14	86 of 2021	Refurbishment of 6x waste drop-off points within Makhado municipality area	10-Dec-21	In evaluation
15	87 of 2021	Refurbishment of Tshikota Community hall	10-Dec-21	In evaluation
16	88 of 2021	Supply, delivery of material, labour and construction of concrete palisade fence at Tshikota Community hall	10-Dec-21	In evaluation

17	89 of 2021	Supply, delivery of material, labour and construction of concrete palisade fence at Elvillas swimming pool	10-Dec-21	In evaluation
18	90 of 2021	Supply, delivery of material, labour and construction of concrete palisade fence at waterval Regional Office	10-Dec-21	In evaluation
19	91 of 2021	Supply, delivery of material, labour and construction of concrete palisade fence at Muwaweni Community hall	14-Dec-21	In evaluation
20	92 of 2021	Supply and delivery of trailers for Makhado local municipality	14-Dec-21	In evaluation
21	93 of 2021	Supply and delivery of 3 x500litres Fuel Tankers for Makhado local municipality	14-Dec-21	In evaluation
22	94 of 2021	Appointment of electrical contractor to Supply and erection of high masts lightening structures in Town Parks	14-Dec-21	In evaluation
23	95 of 2021	Appointment of electrical contractor to upgrade wooden poles to concrete poles for 22kv line to Emma Substation.	14-Dec-21	In evaluation
24	96 of 2021	Appointment of electrical contractor to upgrade wooden poles to concrete poles for 22kv line to industrial line	10-Jan-22	Not yet closed
25	97 of 2021	Supply, deliver and commissioning of 3 X Voltage regulators at	10-Jan-22	Not yet closed

		Tshipise		
26	98 of 2021	Appointment of electrical contractor to supply, deliver, install and commissioning of 10MVA Transformer (22000/11000) at Sub Substation.	10-Jan-22	Not yet closed
27	99 of 2021	Compilation and maintenance of the general valuation roll and supplementary valuation rolls as and when the supply of other valuation related services in compliance with the local government: Municipal Property Rates Act, 2004 ( Act no 6 of 2004) read together with local government : Municipal Property Rates amendment Act,2014 ( Act no.29 of 2014) for the period of three years	14-Jan-22	Not yet closed
28	100 of 2021	Panel of service provider to publishing notices and adverts on different newspapers for three years	14-Jan-22	Not yet closed

## 10.2 FORMAL WRITTEN QUOTATION AS AT 31 DECEMBER 2021

ACTIVITY	Quotations Advertised	Quotations Evaluated	Quotations Awarded
1 <sup>st</sup> Quarter	28	23	23
2 <sup>nd</sup> Quarter	40	15	15

### 10.3 PROCUREMENT DEVIATION MID-YEAR REPORT ENDING DECEMBER 2021

- The number of awards made in terms of SCM regulation 36 =25
  
- Reason(s) for deviation in terms of SCM Regulations 36
- ✓ **Reason:Sole service providers and impractical** to follow normal SCM process
  
- Total value of deviations under R 200 000 = R 600 834.81
- Total value of deviations over R200 000 = R0
- Total number of deviations under R 200 000 is 25
- Total number of deviation over R 200 000 is 0
- Total value of deviations awarded through SCM Regulation 36 = R 600 834.81

## **11. REASONS FOR THE ADJUSTMENT BUDGET**

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

## **12. RECOMMENDATION**

- That the mid-year budget and performance assessment as tabled be considered by Council.
- That the 2021/22 annual budget be adjusted in February 2022 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.

### **12.1 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 2022 will be made in terms of the section 28 of the Municipal Finance Management Act no 56 of 2003.

### 13. ANNEXURES

LIM344 Makhado - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description R thousands	2020/21	Budget Year 2021/22							
	Audited	Original Budget	Adjusted	Half Year	YearTD actual	YearTD	YTD	YTD	Full Year
<b>Financial Performance</b>									
Property rates	87 658	90 852	-	46 895	46 895	-	46 895	-	90 852
Service charges	451 039	429 408	-	213 764	213 764	-	213 764	-	429 408
Investment revenue	5 137	4 627	-	3 212	3 212	-	3 212	-	4 627
Transfers and subsidies	473 076	440 366	-	303 473	303 473	-	303 473	-	440 366
Other own revenue	48 703	236 582	-	37 280	37 280	-	37 280	-	236 582
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 065 614</b>	<b>1 201 835</b>	<b>-</b>	<b>604 624</b>	<b>604 624</b>	<b>-</b>	<b>604 624</b>	<b>-</b>	<b>1 201 835</b>
Employee costs	297 128	338 896	-	135 439	135 439	-	135 439	-	338 896
Remuneration of Councillors	26 158	32 311	-	13 186	13 186	-	13 186	-	32 311
Depreciation & asset impairment	127 663	104 000	-	69 000	69 000	-	69 000	-	104 000
Finance charges	2 480	9 263	-	2 498	2 498	-	2 498	-	9 263
Inventory consumed and bulk purchases	299 612	375 175	-	183 868	183 868	-	183 868	-	375 175
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	198 867	252 016	-	157 567	157 567	-	157 567	-	252 016
<b>Total Expenditure</b>	<b>951 909</b>	<b>1 111 661</b>	<b>-</b>	<b>561 558</b>	<b>561 558</b>	<b>-</b>	<b>561 558</b>	<b>-</b>	<b>1 111 661</b>
<b>Surplus/(Deficit)</b>	<b>113 705</b>	<b>90 173</b>	<b>-</b>	<b>43 066</b>	<b>43 066</b>	<b>-</b>	<b>43 066</b>	<b>-</b>	<b>90 173</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	107 800	69 633	-	67 453	67 453	-	67 453	-	69 633
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)	904	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>222 408</b>	<b>159 807</b>	<b>-</b>	<b>110 519</b>	<b>110 519</b>	<b>-</b>	<b>110 519</b>	<b>0</b>	<b>159 807</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>222 408</b>	<b>159 807</b>	<b>-</b>	<b>110 519</b>	<b>110 519</b>	<b>-</b>	<b>110 519</b>	<b>0</b>	<b>159 807</b>

<b>Capital expenditure &amp; funds sources</b>	<b>152 388</b>	<b>424 622</b>	<b>-</b>	<b>222 678</b>	<b>222 678</b>	<b>-</b>	<b>222 678</b>		<b>424 622</b>
Capital expenditure									
Capital transfers recognised	54 013	69 633	-	69 633	69 633	-	69 633		82 766
Borrowing									
Internally generated funds	-	-	-	-	-	-	-		-
<b>Total sources of capital funds</b>	<b>98 375</b>	<b>354 981</b>	<b>-</b>	<b>180 828</b>	<b>180 828</b>	<b>-</b>	<b>180 828</b>		<b>341 856</b>
	<b>152 388</b>	<b>424 622</b>	<b>-</b>	<b>222 678</b>	<b>222 678</b>	<b>-</b>	<b>222 678</b>		<b>424 622</b>
<b>Financial position</b>									
Total current assets	744 399	544 517	-		786 904				544 517
Total non current assets	1 621 449	2 727 271	-		1 645 940				2 727 271
Total current liabilities	461 521	228 276	-		526 175				228 276
Total non current liabilities	90 223	121 789	-		91 992				121 789
Community wealth/Equity	<b>1 743 808</b>	<b>2 921 724</b>	<b>-</b>		<b>1 814 678</b>				<b>2 921 724</b>
<b>Cash flows</b>									
Net cash from (used) operating	867 755	505 616	-	139 273	139 273	252 808	113 535		505 616
Net cash from (used) investing	(159 261)	(424 622)	-	(104 273)	(104 273)	(212 311)	(108 039)		(424 622)
Net cash from (used) financing	(538)	-	-	(669)	(669)	-	669		-
<b>Cash/cash equivalents at the month/year end</b>	<b>206 890</b>	<b>250 158</b>	<b>-</b>	<b>-</b>	<b>300 158</b>	<b>300 158</b>	<b>300 158</b>		<b>286 781</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</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	0	46 941	46 941	46 941	46 941	-	46 539	250 421	377 143
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-

LIM344 Makhado - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

Description R thousands	Ref	2020/21		Budget Year 2021/22						
		Audited	Original	Adjusted	Half Year	YearTD actual	YearTD	YTD	YTD	Full Year
<b>Revenue - Functional</b>		598 536	529 374	-	374 596	374 596	-	374 596	0	529 374
<i>Governance and administration</i>		469 106	401 747	-	301 311	301 311	-	301 311	0	401 747
Executive and council Finance and administration Internal audit		129 430	127 627	-	73 285	73 285	-	73 285	0	127 627
<i>Community and public safety</i> Community and social services		-	-	-	-	-	-	-	0	-
Sport and recreation		387	295	-	206	206	-	206	0	295
Public safety Housing Health		170	142	-	103	103	-	103	0	142
<i>Economic and environmental services</i>		128	97	-	64	64	-	64	0	97
Planning and development Road transport Environmental protection		82	55	-	38	38	-	38	0	55
<i>Trading services</i> Energy sources Water management		7	-	-	-	-	-	-	0	-
Waste water management Waste management		-	-	-	-	-	-	-	-	-
<i>Other</i>		111 742	300 755	-	68 321	68 321	-	68 321	0	300 755
		191	175 444	-	274	274	-	274	0	175 444
		111 551	125 310	-	68 047	68 047	-	68 047	0	125 310
		-	-	-	-	-	-	-	0	-
		463 653	441 045	-	229 966	229 966	-	229 966	0	441 045
		448 414	428 982	-	221 910	221 910	-	221 910	0	428 982
		4	-	-	-	-	-	-	-	-
		85	-	-	41	41	-	41	0	-
		15 151	12 063	-	8 015	8 015	-	8 015	0	12 063
	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	1 174 317	1 271 468	-	672 077	672 077	-	672 077	0	1 271 468
<b>Expenditure - Functional</b>		428 144	497 044	-	266 680	266 680	-	266 680	-	497 044
<i>Governance and administration</i>		90 837	91 735	-	47 410	47 410	-	47 410	-	91 735
Executive and council Finance and administration Internal audit		337 307	405 309	-	219 270	219 270	-	219 270	-	405 309
<i>Community and public safety</i> Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		11 153	11 825	-	5 397	5 397	-	5 397	-	11 825
Public safety Housing Health		3 127	3 349	-	1 668	1 668	-	1 668	-	3 349
<i>Economic and environmental services</i>		1 327	1 204	-	544	544	-	544	-	1 204
Planning and development Road transport Environmental protection		4 646	5 329	-	2 072	2 072	-	2 072	-	5 329
<i>Trading services</i> Energy sources Water management		-	-	-	-	-	-	-	-	-
Waste water management Waste management		2 053	1 942	-	1 113	1 113	-	1 113	-	1 942
<i>Other</i>		148 812	174 501	-	73 945	73 945	-	73 945	-	174 501
		40 291	49 915	-	12 676	12 676	-	12 676	-	49 915
		108 522	124 586	-	61 268	61 268	-	61 268	-	124 586
		-	-	-	-	-	-	-	-	-
		363 800	428 292	-	215 537	215 537	-	192 882	-	428 292
		337 280	403 458	-	202 085	202 085	-	202 085	-	403 458
		72	100	-	43	43	-	43	-	100
		-	-	-	-	-	-	-	-	-
		26 447	24 735	-	13 409	13 409	-	13 409	-	24 735
		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	951 909	1 111 661	-	561 558	561 558	-	561 558	-	1 111 661
<b>Surplus/ (Deficit) for the year</b>		222 408	159 807	-	110 519	110 519	-	110 519	-	159 807



**LIM344 Makhado - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year Assessment**

Vote Description R thousands	Ref	2020/21 Audited Outcome	Budget Year							
			Original	Adjusted	Half Year	YearTD actual	YearTD	YTD	YTD	Full Year
<b>Revenue by Vote</b>	1									
Vote 1 - EXECUTIVE AND COUNCIL		566 566	496 515	–	364 527	364 527	–	364 527		496 515
Vote 2 - WASTE MANAGEMENT		15 235	12 063	–	8 056	8 056	–	8 056		12 063
Vote 3 - ROAD TRANSPORT		13 726	30 511	–	4 645	4 645	–	4 645		30 511
Vote 4 - WATER		4	–	–	–	–	–	–		–
Vote 5 - ELECTRICITY- A		81 709	1 045	–	–	–	–	–		1 045
Vote 6 - ELECTRICITY- B		321 584	419 681	–	202 555	202 555	–	202 555		419 681
Vote 7 - ELECTRICITY- C		30 342	4 117	–	2 345	2 345	–	2 345		4 117
Vote 8 - ELECTRICITY- D		14 778	4 140	–	1989	1989	–	1989		4 140
Vote 9 - CORPORATE SERVICES		3 749	2 855	–	387	387	–	387		2 855
Vote 10 - PLANNING AND DEVELOPMENT		309	20198	–	9089	9089	–	9089		20198
Vote 11 - COMMUNITY AND SOCIAL SERVICES		252	198	–	141	141	–	141		198
Vote 12 - HOUSING		7	–	–	–	–	–	–		–
Vote 13 - OTHER		–	–	–	–	–	–	–		–
Vote 14 - SPORTS AND RECREATION		493	128	–	251	251	–	251		128
Vote 15 - BUDGET AND TREASURY		125 564	280 017	–	72 852	72 852	–	72 852		280 017
<b>Total Revenue by Vote</b>	2	<b>1 174 317</b>	<b>1 271 468</b>	<b>–</b>	<b>672 077</b>	<b>672 077</b>	<b>–</b>	<b>672 077</b>		<b>1 271 468</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - EXECUTIVE AND COUNCIL		132 986	130 577	–	65 084	65 084	–	65 084		130 577
Vote 2 - WASTE MANAGEMENT		26 447	24 735	–	13 409	13 409	–	13 409		24 735
Vote 3 - ROAD TRANSPORT		30 582	31 173	–	15 615	15 615	–	15 615		31 173
Vote 4 - WATER		72	100	–	43	43	–	43		100
Vote 5 - ELECTRICITY- A		26 938	22 284	–	14 099	14 099	–	14 099		22 284
Vote 6 - ELECTRICITY- B		295 878	368 124	–	181 831	181 831	–	181 831		368 124
Vote 7 - ELECTRICITY- C		1 543	1 533	–	875	875	–	875		1 533
Vote 8 - ELECTRICITY- D		12 922	11 517	–	5 281	5 281	–	5 281		11 517
Vote 9 - CORPORATE SERVICES		58 973	63 269	–	29 239	29 239	–	29 239		63 269
Vote 10 - PLANNING AND DEVELOPMENT		67 767	82 766	–	28 731	28 731	–	28 731		82 766
Vote 11 - COMMUNITY AND SOCIAL SERVICES		11 368	10 621	–	4 853	4 853	–	4 853		10 621
Vote 12 - HOUSING		–	–	–	–	–	–	–		–
Vote 13 - OTHER		13 788	13 013	–	6 824	6 824	–	6 824		13 013
Vote 14 - SPORTS AND RECREATION		37 117	55 774	–	28 523	28 523	–	28 523		55 774
Vote 15 - BUDGET AND TREASURY		235 527	296 176	–	167 152	167 152	–	167 152		296 176
<b>Total Expenditure by Vote</b>	2	<b>951 909</b>	<b>1 111 661</b>	<b>–</b>	<b>561 558</b>	<b>561 558</b>	<b>–</b>	<b>561 558</b>		<b>1 111 661</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>222 408</b>	<b>159 807</b>	<b>–</b>	<b>110 519</b>	<b>110 519</b>	<b>–</b>	<b>110 519</b>		<b>159 807</b>

**LIM344 Makhado - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment**

Vote Description R thousands	Ref	Budget Year 2021/22						
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Half Year Actuals	YearTD actual	YTD budget Projection	Full year budget
<b>Revenue By Source</b>								
Property rates		87 658	90 852	–	46 895	46 895	45 425	90 852
Service charges - electricity revenue		438 074	417 348	–	206 889	206 889	208 674	417 348
Service charges - refuse revenue		12 881	12 060	–	6 875	6 875	6 030	12 060
Rental of facilities and equipment		125	361	–	150.00	150	180	361
Interest earned - external investments		5 137	4 627	–	3 212	3 212	2 313	4 627
Interest earned - outstanding debtors		24 851	23 051	–	17 551	17 551	11 525	23 051
Fines, penalties and forfeits		5 256	5 041	–	2 098	2098	2 520	5 041
Licences and permits		4 466	4 696	–	1 918	1 918	2 348	4 696
Transfers and subsidies		473 076	440 366	–	303 473	303 473	220 182	440 366
Other revenue		14 004	203 434	–	15 562	15 562	101 717	203 434
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 065 614</b>	<b>1 201 835</b>	<b>–</b>	<b>604 624</b>	<b>604 624</b>	<b>600 919</b>	<b>1 201 835</b>
<b>Expenditure By Type</b>								
Employee related costs		297 128	338 896	–	135 439	135 439	135 439	338 896
Remuneration of councillors		26 158	32 311	–	13 186	13 186	13 186	32 311
Debt impairment		(11 832)	57 934	–	43 159	43 159	43 159	57 934
Depreciation & asset impairment		127 663	104 000	–	69 000	69 000	69 000	104 000
Finance charges		2 480	9 263	–	2 458	2 458	0	9 263
Bulk purchases - electricity		275 610	344 712	–	170 786	170 786	150 590	344 712
Inventory consumed		24 003	30 463	–	13 120	13 120	13 120	30 463
Contracted services		112 214	111 277	–	73 679	73 679	73 679	111 277
Other expenditure		98 485	82 806	–	40 730	40 730	40 730	82 806
<b>Total Expenditure</b>		<b>951 909</b>	<b>1 111 661</b>	<b>–</b>	<b>561 558</b>	<b>561 558</b>	<b>561 558</b>	<b>1 111 661</b>
<b>Surplus/(Deficit)</b>		<b>113 705</b>	<b>90 173</b>	<b>–</b>	<b>43 066</b>	<b>43 066</b>	<b>43 066</b>	<b>90 173</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		107 800	69 633	–	67 453	67 453	67 453	69 633
/ Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>222 408</b>	<b>159 807</b>	<b>–</b>	<b>110</b>	<b>110 519</b>	<b>110 519</b>	<b>159 807</b>
Taxation		–	–	–	–	–	–	–
<b>Surplus/(Deficit) after taxation</b>		<b>222 408</b>	<b>159 807</b>	<b>–</b>	<b>110 519</b>	<b>110 519</b>	<b>110 519</b>	<b>159 807</b>
Attributable to minorities		–	–	–	–	–	–	–
<b>Surplus/(Deficit) attributable to municipality</b>		<b>222 408</b>	<b>159 807</b>	<b>–</b>	<b>110 519</b>	<b>110 519</b>	<b>110 519</b>	<b>159 807</b>
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>		<b>222 408</b>	<b>159 807</b>	<b>–</b>	<b>110 519</b>	<b>110 519</b>	<b>110 519</b>	<b>159 807</b>

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

Vote Description R thousands	Ref 1	2020/21	Budget Year 2021/22			
		Audited	Original	Adjusted	Half Year	YearTD actual
<b>Single Year expenditure appropriation</b>	2					
Vote 1 - EXECUTIVE AND COUNCIL		2 712	270 051	-	135 958	135 958
Vote 2 - WASTE MANAGEMENT		-	6 708	-	2 029	2 029
Vote 3 - ROAD TRANSPORT		0	-	-	-	-
Vote 4 - WATER		-	-	-	-	-
Vote 5 - ELECTRICITY- A		-	99 484	-	59419	59419
Vote 6 - ELECTRICITY- B		33 454	15 904	-	15 112	15 112
Vote 7 - ELECTRICITY- C		-	-	-	-	-
Vote 8 - ELECTRICITY- D		-	-	-	-	-
Vote 9 - CORPORATE SERVICES		3 526	6 850	-	2569	2569
Vote 10 - PLANNING AND DEVELOPMENT		-	-	-	-	-
Vote 11 - COMMUNITY AND SOCIAL SERVICES		21 657	5 275	-	1 300	1 300
Vote 12 - HOUSING		-	-	-	-	-
Vote 13 - OTHER		-	-	-	-	-
Vote 14 - SPORTS AND RECREATION		-	5 550	-	3 241	3 241
Vote 15 - BUDGET AND TREASURY		91 218	14800	-	3 050	3 050
<b>Total Capital single-year expenditure</b>	4	152 388	424 622	-	222 678	222 678
<b>Total Capital Expenditure</b>		<b>152 388</b>	<b>424 622</b>	<b>-</b>	<b>222 678</b>	<b>222 678</b>
<b>Capital Expenditure - Functional Classification</b>		<b>118 886</b>	<b>81645</b>	<b>-</b>	<b>39136</b>	<b>39136</b>
<b>Governance and administration</b>		2 485	37 035	-	18 012	18 012
Executive and council Finance and administration Internal audit		116 401	44 610	-	21 124	21 124
<b>Community and public safety</b> Community and social services Sport and recreation		-	-	-	-	-
Public safety Housing Health		-	7 775	-	0	0
<b>Economic and environmental services</b>		-	2 184	-	-	-
Planning and development Road transport Environmental protection		-	2 550	-	-	-
<b>Trading services</b> Energy sources Water management		-	3 041	-	-	0
Waste water management Waste management		-	-	-	-	-
<b>Other</b>		-	-	-	-	-
		-	-	-	-	-
		47	217 881	-	31 081	31 081
		(180)	6 000	-	2353	2353
		227	211 881	-	128 380	128 380
		-	-	-	-	-
		33 454	125 096	-	12 809	12 809
		33 454	118 388	-	50 780	10 780
		-	-	-	-	-
		-	-	-	-	-
		-	6 708	-	2 029	2 029
		-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>152 388</b>	<b>424 622</b>	<b>-</b>	<b>222 678</b>	<b>222 678</b>

<b>Funded by:</b>						
National Government		54013	69 633	-	41 850	41 850
<b>LIM344 Makhado - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year</b>						
Vote Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	Half Year Actuals	YearTD actual
<b>R thousands</b>	1					
Provincial Government		-	-	-	-	-
District Municipality		-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National		-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>54013</b>	<b>69 633</b>	<b>-</b>	<b>41 850</b>	<b>41 850</b>
<b>Borrowing</b>		-	-	-	-	-
<b>Internally generated funds</b>	6	98 375	354 989	-	180 828	180 828
<b>Total Capital Funding</b>		<b>152 388</b>	<b>424 622</b>	<b>-</b>	<b>222 678</b>	<b>222 678</b>

**LIM344 Makhado - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment**

Description R thousands	Ref 1	2020/21	Budget Year 2021/22			
		Audited	Original	Adjusted	YearTD actual	Full Year
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		205 786	223 656	–	300 158	223 656
Call investment deposits		0	990	–	–	990
Consumer debtors		141 180	74 368	–	84 949	74 368
Other debtors		269 904	133 547	–	272 854	133 547
Current portion of long-term receivables		–	–	–	–	–
Inventory		127 529	111 956	–	128 944	111 956
<b>Total current assets</b>		<b>744 399</b>	<b>544 517</b>	<b>–</b>	<b>786 904</b>	<b>544 517</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		15 584	15 144	–	15 391	15 144
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1 601 839	2 709 877	–	1 627 311	2 709 877
Biological		–	–	–	–	–
Intangible		1 866	2 250	–	1 078	2 250
Other non-current assets		2 160	–	–	2 160	–
<b>Total non current assets</b>		<b>1 621 449</b>	<b>2 727 271</b>	<b>–</b>	<b>1 645 940</b>	<b>2 727 271</b>
<b>TOTAL ASSETS</b>		<b>2 365 848</b>	<b>3 271 788</b>	<b>–</b>	<b>2 432 845</b>	<b>3 271 788</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		3 568	–	–	1 799	–
Consumer deposits		16 029	10 458	–	15 360	10 458
Trade and other payables		332 523	190 924	–	13909	190 924
Provisions		109 401	26 893	–	108 198	26 893
<b>Total current liabilities</b>		<b>461 521</b>	<b>228 276</b>	<b>–</b>	<b>125 357</b>	<b>228 276</b>
<b>Non current liabilities</b> Borrowing Provisions						
		(1 825)	–	–	–	–
		92 047	121 789	–	92 047	121 789
<b>Total non current liabilities</b>		<b>90 223</b>	<b>121 789</b>	<b>–</b>	<b>91 992</b>	<b>121 789</b>
<b>TOTAL LIABILITIES</b>		<b>551 744</b>	<b>350 065</b>	<b>–</b>	<b>618 167</b>	<b>350 065</b>
<b>NET ASSETS</b>	2	<b>1 814 104</b>	<b>2 921 724</b>	<b>–</b>	<b>1 814 678</b>	<b>2 921 724</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit) Reserves		1 743 808	2 921 724	–	1 814 678	2 921 724
		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1 743 808</b>	<b>2 921 724</b>	<b>–</b>	<b>1 814 678</b>	<b>2 921 724</b>

**LIM344 Makhado - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment**

Description R thousands	Ref 1	2020/21		Budget Year 2021/22						
		Audited	Original	Adjusted	Half Year	YearTD actual	YearTD	YTD	YTD	Full Year
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		60 491	57 465	-	35 670	35 670	28 733			57 465
Service charges		341 049	411 590	-	251 689	251 689	205 795			411 590
Other revenue		155 112	279 598	-	89 423	89 423	139 799			279 598
Transfers and Subsidies - Operational		478 532	440 366	-	331 368	331 368	220 183			440 366
Transfers and Subsidies - Capital		98 216	69 633	-	55 077	55 077	34 817			69 633
Interest		-	4 627	-	3 213	3 213	3 213			4 627
Dividends		-	-	-	-	-	-			-
<b>Payments</b>										
Suppliers and employees		(843 948)	(757 462)	-	(449 391)	(449 391)	(378 731)			(757 462)
Finance charges		-	(200)	-	-	-	(100)			(200)
Transfers and Grants		-	-	-	-	-	-			-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>289 452</b>	<b>505 616</b>	<b>-</b>	<b>317 049</b>	<b>317 049</b>	<b>252 808</b>	<b>113 535</b>	<b>45%</b>	<b>505 616</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-			-
Decrease (increase) in non-current receivables		-	-	-	-	-	-			-
Decrease (increase) in non-current investments		-	-	-	-	-	-			-
<b>Payments</b>										
Capital assets		(227 257)	(424 622)	-	(222 678)	(222 678)	(212 311)	(108 039)	51%	(424 622)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>62 135</b>	<b>(424 622)</b>	<b>-</b>	<b>94 371</b>	<b>94 371</b>	<b>(212 311)</b>	<b>(108 039)</b>	<b>51%</b>	<b>(424 622)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-			-
Borrowing long term/refinancing		-	-	-	-	-	-			-
Increase (decrease) in consumer deposits		-	-	-	-	-	-			-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-			-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>62 135</b>	<b>80 994</b>	<b>-</b>	<b>94 371</b>	<b>94 371</b>	<b>40 497</b>			<b>80 994</b>
Cash/cash equivalents at beginning:		143 651	205 786	-	205 786	205 786	205 786			205 786
Cash/cash equivalents at month/year end:		205 786	286 781	-		300 158	246 284			286 781