

**FINANCE: IN YEAR MONITORING AND REPORTING: 1<sup>ST</sup> QUARTER: 2021/2022 FINANCIAL YEAR (MONTH ENDING 30 SEPTEMBER 2021) (6/1/1(2021/22))**

**1. QUARTER ONE SDBIP 30 SEPTEMBER 2021**

<b>MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY</b>			
<b>Summary of First quarter SDBIP (July , Aug and Sept 2021) Municipal financial management and viability</b>			
<b>Key Performance Indicators</b>	<b>Performance Remarks</b>	<b>Quarter Target</b>	<b>Actual achieved</b>
Number of Household earning less than per month with access to free electricity	Achieved	1300	1847
Prepared and Submitted Annual financial statements for 2020/2021 Financial year	Achieved	Developed and submitted 2020/2021 AFS by 31 August 2021	AFS was developed and submitted for audit
Approved budget process plan by 31 August 2021	Target Achieved	Process plan approved by Council	Process plan approved by Council on before 31 August 2021
Number of section 71 reports submitted to Treasury within 10 days after the end of the month by 30 September 2021	Achieved	3	3
Percentage Expenditure on MIG by 30 September 2021	Achieved	10%	38%
Percentage Expenditure of Financial Management Grant by 30 September 2021	Achieved	25%	25%
Percentage Expenditure on INEP Grant by 30 September 2021	Achieved	10%	38%
Percentage of Tenders processed within 90 days by 30 September 2021 (From closing date in the advert)	Not Achieved	95%	54%
Percentage of Electricity Distribution loss by 30 September 2021	Achieved	10%	10%
Percentage of Invoices Paid within 30 days of receipt by 30 September 2021	Achieved	100%	100%
Percentage of Billed revenue collected per month during 2021/22 ( 30 September 2021 Financial Year	Achieved	90%	90%

**Figure 1: Summary of 1<sup>st</sup> quarter ending 30 September 2021 SDBIP**

## **2. ANALYSIS OF FIRST QUARTER SDBIP KEY PERFORMANCE INDICATORS AND ACHIEVEMENT ENDING 30 SEPTEMBER 2021.**

1. Number of Household earning less than per month with access to free electricity
  - The target was for the municipality to register 1300 by the end of first quarter. The municipality did achieved the target by registering 1847 by the end of September 2021.
2. Prepared and Submitted Annual financial statements for 2020/2021 Financial year by 31 August 2021.

The target was for the municipality to prepare and submit annual financial statements for 2020/2021 financial year by 31 August 2021. The target was achieved.

3. The target was for the council to approve budget process plan by 31 August 2021 .The budget process plan for 2021/22 was adopted on the 31 August 2021 and the target was achieved .
4. Number of section 71 reports submitted to Treasury within 10 days after the end of the month by 30 September 2021
  - 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. The target was achieved and three section 71 reports were submitted to both national and provincial Treasury during first quarter.
5. Percentage Expenditure of Financial Management Grant by 30 September 2021.
  - The target was to spend 25% of financial management grant by 30 September 2021 .The municipality achieved by this target by spending 25% of the budget.
6. Percentage of Tenders processed within 90 days by 30 September 2021 (From closing date in the advert). The target was not achieved 95% and only 54% was achieved. The reasons for the delay in processing of bids.

7. Percentage of Electricity Distribution loss by 30 September 2021.

The target for the municipality was to achieve less than 10% on distribution loss by 10% at the end of the quarter ending 30 September 2021.

8. Percentage of invoice processed within 30 days from the date of receipts of the invoice. The target was achieved and 100% of the invoice was paid within 30 days from the date of receipt of the invoice.
  
9. Percentage of Billed revenue collected per month during 2020/21 as at 30 September 2021 Financial Year.
  - The target was for the municipality to achieved 90% collection rate at the end of the quarter ending 30 September 2020. The target was achieved by 90% .

**3. ANALYSIS FROM REPORTS FROM INCOME AND EXPENDITURE QUARTER ONE ENDING 30 SEPTEMBER 2021**  
**SUMMARY: INCOME AND EXPENDITURE REPORT PERFORMANCE**

The actual operational income for first quarter is R 295.354 million and actual to date is R 295.354 million. The operational expenditure for the same period is R 265.932 million and actual to date is R 265.932 million.

**Summary overall budgeted and actual expenditure**

<b>Types of Budget</b>	<b>Approved Budget</b>	<b>Budget Spent</b>	<b>Variance</b>	<b>% Spent</b>
Operational	R 1 112 billion	R 265 million	R 847 million	23%
Capital	R 424 million	R 40 million	R 384 million	9%
<b>Total</b>	<b>R 1.536 billion</b>	<b>R 305 million</b>	<b>R 1.231 Billion</b>	<b>20%</b>

4. APPROVED CONDITIONAL GRANT AS AT 30 SEPTEMBER 2021

Details of Grants allocated ,Grants Performance as at 30 SEPTEMBER 2021								
	Budget Year 2021/22							
Description	Original Budget	Grants Received YTD R '000	Actual Received Q1 R '000	Expenditure YTD	Actual Q1 Expenditure R'000	% Spent on received	BUDGET VS ACTUAL %	Full Year Forecast
APPROVED CONDITIONAL GRANT								
<u>Funded by:</u>								
MIG	94,768	41,006	41,006	36,010	36,010	88%	38%	94,768
INEP	11,269	5,000	5,000	4,237	4,237	85%	38%	11,269
FMG	1,850	1,850	1,850	463	463	25%	25%	1,850
EPWP	2,280	568	568	570	570	25%	25%	2,280
<b>Total Grants</b>	<b><u>110,167</u></b>	<b><u>48,424</u></b>	<b><u>48,424</u></b>	<b><u>41,280</u></b>	<b><u>41,280</u></b>	<b><u>85%</u></b>	<b><u>37%</u></b>	<b><u>110,167</u></b>

**1. Municipal infrastructure Grant (MIG)**

The actual amount received for the First quarter is R 41 006 million and to date is R 41 006 million and actual expenditure for the first quarter is R 36 010 million and to date is R 36 010 million that represent 38% of expenditure against approved allocation of R 94 768 million.

**2. Integrated National Electricity Programme (INEP)**

The actual amount received for the first quarter is R 5 000 million and to date R 5 000 million and actual expenditure for the first quarter is R 4 237 million that represents 38% of expenditure against approved allocation of R 11 279 million.

**3. Financial Management Grant (FMG)**

The actual amount received for the first quarter is R 1 850 and to date is R 1 850 million and actual expenditure for the first quarter is R 476 thousands and to date is R 462 thousands that represents 25% against the approved allocation of R 1 850 million.

**4. Expanded Public Works Programme (EPWP)**

The actual amount received for the first quarter is R 568 thousands and to date is R 568 thousands and actual expenditure for the first quarter is R 570 thousands and to date is R 570 thousands that represent 25% against the approved allocation of R 2 280 million.

5. SUMMARY OF PERFORMANCE OF INCOME AND EXPENDITURE 30 SEPTEMBER 2021

Description	Budget Year 2021/22								
	Original Budget	Q1 Projections	Q1 Sept	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	22,712,971.00	23,820,535.08	23,820,535.08	1,107,564.08	5%	26%	105%	90,851,884.00
Service charges - electricity revenue	417,348,320.00	104,337,080.00	83,240,910.33	83,240,910.33	-21,096,169.67	-25%	20%	80%	417,348,320.00
Service charges - refuse revenue	12,060,000.00	3,015,000.00	3,475,379.04	3,475,379.04	460,379.04	13%	29%	115%	12,060,000.00
Rental of facilities and equipment	361,044.00	90,261.00	350,315.56	350,315.56	260,054.56	74%	97%	388%	361,044.00
Interest earned - external investments	4,627,000.00	1,156,750.00	1,690,655.93	1,690,655.93	533,905.93	32%	37%	146%	4,627,000.00
Interest earned - outstanding debtors	23,051,000.00	5,762,750.00	7,524,228.26	7,524,228.26	1,761,478.26	23%	33%	131%	23,051,000.00
Fines, penalties and forfeits	5,041,000.00	1,260,250.00	446,352.90	446,352.90	-813,897.10	-182%	9%	35%	5,041,000.00
Licences and permits	4,696,000.00	1,174,000.00	815,804.24	815,804.24	-358,195.76	-44%	17%	69%	4,696,000.00
Transfers and subsidies	440,365,553.00	110,091,388.25	169,813,000.00	169,813,000.00	59,721,611.75	35%	39%	154%	440,365,553.00
Other revenue	203,433,812.00	50,858,453.00	4,176,329.46	4,176,329.46	-46,682,123.54	-1118%	2%	8%	203,433,812.00
<b>Total Revenue</b>	<b>1,201,835,613.00</b>	<b>300,458,903.25</b>	<b>295,353,510.80</b>	<b>295,353,510.80</b>	<b>-5,105,392.45</b>	<b>-2%</b>	<b>25%</b>	<b>98%</b>	<b>1,201,835,613.00</b>

Description	Budget Year 2021/22								
	Original Budget	Q1 Projections	Q1 Sept	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	338,896,340.00	84,724,085.00	60,210,370.84	60,210,370.84	-24,513,714.16	-29%	18%	71%	338,896,340.00
Remuneration of councillors	32,311,004.00	8,077,751.00	6,548,486.17	6,548,486.17	-1,529,264.83	-19%	20%	81%	32,311,004.00
Debt impairment	57,933,944.00	14,483,486.00	22,411,110.74	22,411,110.74	7,927,624.74	55%	39%	155%	57,933,944.00
Depreciation & asset impairment	104,000,332.00	26,000,083.00	34,550,736.76	34,550,736.76	8,550,653.76	33%	33%	133%	104,000,332.00
Finance charges	9,262,528.00	2,315,632.00	2,458,908.00	2,458,908.00	143,276.00	6%	27%	106%	9,262,528.00
Bulk purchases	344,712,000.00	86,178,000.00	79,025,586.15	79,025,586.15	-7,152,413.85	-8%	23%	92%	344,712,000.00
Other materials	30,462,980.00	7,615,745.00	4,899,909.32	4,899,909.32	-2,715,835.68	-36%	16%	64%	30,462,980.00
Contracted services	111,276,566.00	27,819,141.50	40,172,161.68	40,172,161.68	12,353,020.18	44%	36%	144%	111,276,566.00
Other expenditure	82,805,617.00	20,701,404.25	15,655,462.94	15,655,462.94	-5,045,941.31	-24%	19%	76%	82,805,617.00
<b>Total Expenditure</b>	<b>1,111,661,311.00</b>	<b>277,915,327.75</b>	<b>265,932,732.60</b>	<b>265,932,732.60</b>	<b>-11,982,595.15</b>	<b>-4%</b>	<b>24%</b>	<b>96%</b>	<b>1,111,661,311.00</b>

## **6. SIGNIFICANT VARIANCES ANALYSIS OF REVENUE AND EXPENDITURE PERFORMANCE**

### **1. Revenue**

#### **1.1.1 Licenses and Permits**

- The actual licenses and permits collected for the first quarter is R 816 thousand and to date is R 816 thousands compared with the R 1 174 million projections which results to under collected by 30%. This is a direct income which is collected as and when customer requires the service.

#### **Expenditure**

##### **2.1.1 Debt Impairment**

This is non- cash item and expenditure for the first quarter is R 22 411 million and to date is R 22 411 million compared to the projection of R 14 483 million . Debtors were assessed for impairment during the first quarter.

##### **2.1. 2 Depreciation & asset impairment**

This is non- cash item and expenditure for the first quarter is R 34 551 million and to date is R 34 551 million compared to the projection of R 26 000 million .



**7. CAPITAL EXPENDITURE.**

The Actual Capital expenditure for the first quarter 2021 is R 39 614 million and to date is R39 614 million which result to 9% spending against the approved budget of R 424 622 million.

<b>CODE</b>	<b>DEPARTMENT</b>	<b>BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCEN-TAGE</b>
SC	Technical Services	R 392 371 190.72	R 37 952 588.33	R 354 419 602.39	<b>10%</b>
SC	Community Services	R 6 075 000.00	R 1 300 000.00	R 4 775 000.00	<b>21%</b>
SC	Budget and Treasury	R 14 800 000.00	R 0	R14 800 000.00	<b>0%</b>
SC	Corporate Services	R 6 850 000.00	R 361 250	R 6 488 750.00	<b>5%</b>
SC	Regional Offices	R 4 515 000.00	R 0	R 4 515 000.00	<b>0%</b>
	<b>TOTAL</b>	<b>R 424 622 190.72</b>	<b>R 39 613 838.33</b>	<b>R 385 008 352.39</b>	<b>9%</b>

**Analysis of Capital budget expending per department**  
**Department of Budget and Treasury office**

The actual expenditure for the first quarter is zero and to date is zero million compared with the projection of R 3 700 million which result to under spending by 100%.The expenditure incurred for the first quarter represent 0% of approved budget of R 14 800 million for 2021/22 financial year. .

CAPITAL EXPENDITURE REPORT FOR THE MONTH 30 SEPTEMBER 2021									
BUDGET & TREASURY OFFICE									
ASSETS MANAGEMENT SECTION									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREME	FINAL BUDGET	EXPENDITUR	VARIANCE	PERCENTAGE	COMMENT
SC	Chain dozers	INCOME ROLLOVER	10,100,000.00		10,100,000.00		10,100,000.00	0%	Awaitng for delivery
SC	20 Ton Truck Mounted Crane	INCOME	2,500,000.00		2,500,000.00		2,500,000.00	0%	Specification
SC	1 x Crain Truck	INCOME	1,300,000.00		1,300,000.00		1,300,000.00	0%	Specification
SC	Study chairs ( Musekwa)	INCOME	100,000.00		100,000.00		100,000.00	0%	Specification
SC	Furniture for the whole municipality (Including Luvuvhu region)	INCOME	800,000.00		800,000.00		800,000.00	0%	Delivered waitng for payment
<b>TOTAL</b>	<b>BUDGET AND TREASURY BUDGET</b>		<b>14,800,000.00</b>	<b>-</b>	<b>14,800,000.00</b>	<b>-</b>	<b>14,800,000.00</b>	<b>0%</b>	

## Technical Services Department

The actual expenditure for the first quarter is R 37 953 million and to date is R 37 953 million compared with the projection of R 98 092 million which result to under spending by 61 %.The expenditure incurred for the first quarter represent 10% of approved budget of R 392 371 million for 2021/2022 financial year.

CAPITAL EXPENDITURE REPORT FOR THE MONTH 30 SEPTEMBER 2021									
TECHNICAL SERVICES DEPARTMENT									
ELECTRICAL ENGINEERING									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	Air conditioners supply and install	INCOME	500,000.00		500,000.00		500,000.00	0%	Procured waiting for payment
SC	CT VT Units:3x11kv & 4x 22kV	INCOME	250,000.00		250,000.00		250,000.00	0%	procured and waiting for delivery
SC	Mini Subs (3x315KVA, 3x630KVA)	INCOME	3,200,000.00		3,200,000.00		3,200,000.00	0%	Procured and waiting for delivery
SC	MV Cable 70mm <sup>2</sup> 22kV - urban network	INCOME	600,000.00		600,000.00		600,000.00	0%	To be procured through stock item
SC	Transformers 1x10MVA 22/11(Stubb)	INCOME	3,000,000.00		3,000,000.00		3,000,000.00	0%	Procured and waiting for delivery
SC	Transformers 4x5MVA 22/11(1xEltivillas East, 1xBoom Park, 2xE	INCOME	10,000,000.00		10,000,000.00		10,000,000.00	0%	Procured and waiting for delivery
SC	Ring Main Units 11kV (RMU)	INCOME	4,000,000.00		4,000,000.00		4,000,000.00	0%	Procured and waiting for delivery
SC	Upgrade Mara Line	INCOME	800,000.00		800,000.00	507,731.09	292,268.91	63%	COMPLETED
SC	Designs for High masts all villages (feasibility study)	INCOME	1,000,000.00		1,000,000.00		1,000,000.00	0%	Draft feasibility delivered
SC	Incomer intake point Eskom Substation	INCOME	5,104,000.00		5,104,000.00		5,104,000.00	0%	Contractor on site
SC	Upgrade Emmarentia substation - 7x switchgear	INCOME	3,200,000.00		3,200,000.00		3,200,000.00	0%	inception is done
SC	Upgrade Lev1 - poles, conductors, insulators	INCOME	1,200,000.00		1,200,000.00		1,200,000.00	0%	Contractor on site
SC	Upgrade Levubu 2 line (Beja branch line) - poles, conductors, insul	INCOME	1,300,000.00		1,300,000.00		1,300,000.00	0%	Contractor on site

SC	Upgrade Shefeera Line - poles, conductors, insulators	INCOME	900,000.00		900,000.00		900,000.00	0%	Specification to be submitted to Scm
SC	Main Substation upgrade Phase2 - breakers, links, controll pannels	INCOME	4,000,000.00		4,000,000.00		4,000,000.00	0%	Inception is done
SC	Post connections Munic area	INCOME	2,000,000.00		2,000,000.00		2,000,000.00	0%	In evaluation stage
SC	Credit meter replacements by pre-paid meter	INCOME	500,000.00		500,000.00		500,000.00	0%	in progress
SC	Minor Extensions - transformers, reticulation lines.	INCOME	4,500,000.00		4,500,000.00		4,500,000.00	0%	In evaluation stage
SC	Led street lights network GIS inventory and mapping, installation in	INCOME	3,000,000.00		3,000,000.00		3,000,000.00	0%	inception is done
SC	Electrical Network GIS inventory and mapping	INCOME	3,000,000.00		3,000,000.00		3,000,000.00	0%	inception is done
SC	Upgrade wooden pole line to Emma substation	INCOME	250,000.00		250,000.00		250,000.00	0%	In evaluation stage
SC	Hand and car radio supply, fit and program	INCOME	330,000.00		330,000.00		330,000.00	0%	On advert
SC	Electric fence - Main, Laevubu Beufort substations	INCOME	120,000.00		120,000.00		120,000.00	0%	Specification submitted to Scm
SC	Mara - Makhitha ringfeed line	INCOME	650,000.00		650,000.00		650,000.00	0%	In evaluation stage
SC	High masts installation in town parks	INCOME	2,400,000.00		2,400,000.00		2,400,000.00	0%	In evaluation stage
SC	Designs for electrified projects - south of pretorius development	INCOME	1,450,000.00		1,450,000.00	1,003,118.89	446,881.11	69%	inception is done
SC	Electrical Workshop yard and Stores paving	INCOME	300,000.00		300,000.00		300,000.00	0%	Specification submitted to scm
SC	High masts installation in villages	INCOME	7,000,000.00		7,000,000.00		7,000,000.00	0%	In evaluation stage
SC	1 x Crain Truck	INCOME	1,300,000.00		1,300,000.00			0%	Specification submitted to Transport sectio

SC	Upgrade secondary substations in town (Roodewal, Foster, Tree-Pa	INCOME	2,500,000.00		2,500,000.00		2,500,000.00	0%	inception is done
SC	1x borehole for electrical workshop facilities water supply backup	INCOME	60,000.00		60,000.00		60,000.00	0%	Specification submitted to scm
SC	Upgrade 2x 66kv breakers in Beaufort substation	INCOME	600,000.00		600,000.00		600,000.00	0%	Specification submitted to scm
SC	Auto Reclosers - village & farm lines	INCOME	1,300,000.00		1,300,000.00		1,300,000.00	0%	On advert
SC	2 x lap tops - (for metering section & protection section)	INCOME	25,000.00		25,000.00		25,000.00	0%	Request submitted to ICT
SC	32x Fibre glass 6m step ladders	INCOME	250,000.00		250,000.00		250,000.00	0%	On advert
SC	20 x MV/HV Earthing sets	INCOME	120,000.00		120,000.00		120,000.00	0%	On advert
SC	16 x Link sticks replacements	INCOME	130,000.00		130,000.00		130,000.00	0%	On advert
SC	New substation -East of Bergview estate (2 x 5MVA) - new develop	INCOME	350,000.00		350,000.00		350,000.00	0%	Specification submitted to scm
SC	Upgrade Pretorius sub : 2 x 2MVA (new housing development)	INCOME	350,000.00		350,000.00		350,000.00	0%	Specification submitted to scm
SC	20 x High Voltage line tester	INCOME	80,000.00		80,000.00		80,000.00	0%	inception is done
SC	14x Electricians standard tool boxe -	INCOME	300,000.00		300,000.00		300,000.00	0%	Still to be advertised
SC	Upgrade & reroute 66KV transmission line from Makhado main su	INCOME	3,000,000.00		3,000,000.00		3,000,000.00	0%	inception is done
SC	SCADA control for ARC -whole network	INCOME	350,000.00		350,000.00		350,000.00	0%	inception is done
SC	Voltage regulators - Tshipise and Mara farms	INCOME	800,000.00		800,000.00		800,000.00	0%	Specification submitted to scm
SC	Power transformer test kit	INCOME	75,000.00		75,000.00		75,000.00	0%	Still to be advertised
SC	Upgrade Industrial line - concrete poles	INCOME	240,000.00		240,000.00		240,000.00	0%	In evaluation stage
SC	55x Hand held radios -Electronic digital	INCOME	330,000.00		330,000.00		330,000.00	0%	On advert
SC	2 x Hand held GPS units	INCOME	7,000.00		7,000.00		7,000.00	0%	delivered awaiting for the payment
SC	Electrification at South of Pretorius 700 new stands and Tshikota 1	INCOME	27,000,000.00	(1,300,000.00)	25,700,000.00	1,589,809.00	24,110,191.00	6%	Appointed for design only as yet
	<b>TOTAL</b>		<b>103,721,000.00</b>	<b>(1,300,000.00)</b>	<b>102,421,000.00</b>	<b>3,100,658.98</b>	<b>98,020,341.02</b>	<b>3%</b>	

ELECTRIFICATION									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	Muananzhele phase-4	INEP	6,400,000.00		6,400,000.00		6,400,000.00	0%	awaiting for allocation of contractor
SC	Incomer intake point Eskom Substation	INEP	4,896,000.00		4,896,000.00	4,237,000.00	659,000.00	87%	Contractor on site
	<b>TOTAL</b>		<b>11,296,000.00</b>	-	<b>11,296,000.00</b>	<b>4,237,000.00</b>	<b>7,059,000.00</b>	<b>38%</b>	
ELECTRIFICATION INCOME IN MAKHADO LICENSE AREA									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	Afton 2021/22	INCOME	351,500.00		351,500.00		351,500.00	0%	awaiting for allocation of contractor
SC	Mashau Thondoni 2021/22	INCOME	999,000.00		999,000.00		999,000.00	0%	awaiting for allocation of contractor
SC	Gombani 2021/22	INCOME	425,500.00		425,500.00		425,500.00	0%	awaiting for allocation of contractor
SC	khomele 2021/22	INCOME	851,000.00		851,000.00		851,000.00	0%	awaiting for allocation of contractor
SC	Maangani 2021/22	INCOME	814,000.00		814,000.00		814,000.00	0%	awaiting for allocation of contractor
SC	Mamburu 2021/22	INCOME	540,000.00		540,000.00		540,000.00	0%	awaiting for allocation of contractor
SC	Matshavhawe 2021/22	INCOME	1,134,000.00		1,134,000.00		1,134,000.00	0%	awaiting for allocation of contractor
SC	Musekwa sections 2021/22	INCOME	536,500.00		536,500.00		536,500.00	0%	awaiting for allocation of contractor
SC	Ramantsha 2021/22	INCOME	629,000.00		629,000.00		629,000.00	0%	awaiting for allocation of contractor
SC	Straighthart 2021/22	INCOME	721,500.00		721,500.00		721,500.00	0%	awaiting for allocation of contractor
SC	Gogobole 2021/22	INCOME	1,170,000.00		1,170,000.00		1,170,000.00	0%	awaiting for allocation of contractor
SC	Riverside 2021/22	INCOME	351,500.00		351,500.00		351,500.00	0%	awaiting for allocation of contractor
SC	Madodonga 2021/22	INCOME	351,500.00		351,500.00		351,500.00	0%	awaiting for allocation of contractor
SC	Tshiendeulu 2021/22	INCOME	720,000.00		720,000.00		720,000.00	0%	awaiting for allocation of contractor
SC	Manavhela 2021/22	INCOME	444,000.00		444,000.00		444,000.00	0%	awaiting for allocation of contractor
SC	Zamekom 2021/22	INCOME	831,500.00		831,500.00		831,500.00	0%	awaiting for allocation of contractor
	<b>TOTAL</b>		<b>10,870,500.00</b>	-	<b>10,870,500.00</b>	-	<b>10,870,500.00</b>	<b>0%</b>	

		CIVIL ENGINEERING SECTION							
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	Fencing of Makhado municipality cemetery	MIG	1,500,000.00		1,500,000.00	721,029.21	778,970.79	48%	Contractor on site
SC	Landfill site makhado + recycling centre Phase 3	MIG	3,208,284.27		3,208,284.27	-	3,208,284.27	0%	in specification
SC	Lutanandwa Acces Road & Bridge	MIG	15,000,000.00		15,000,000.00	4,490,449.53	10,509,550.47	30%	Contractor on site
SC	Rivoni to Xihobyeni Access road	MIG	25,028,809.56		25,028,809.56	10,298,330.86	14,730,478.70	41%	Contractor on site
SC	Sane to Natalie Bridge	MIG	13,262,353.01		13,262,353.01	3,974,495.10	9,287,857.91	30%	Contractor on site
<b>TOTAL</b>			<b>57,999,446.84</b>	<b>-</b>	<b>57,999,446.84</b>	<b>19,484,304.70</b>	<b>38,515,142.14</b>	<b>34%</b>	

SC	Tshikwarani to Zamkomste Road Phase 4	INCOME-ROLLOVER	2,600,000.00		2,600,000.00		2,600,000.00	0%	in design stage
SC	Renovation Dzanani Regional Office building	INCOM-ROLLOVER	600,000.00		600,000.00		600,000.00	0%	in specification
SC	Upgrading of Sane to Natali Road	INCOME-ROLLOVER	2,000,000.00		2,000,000.00		2,000,000.00	0%	allocated consulted
SC	Rehabilitation of Joe Slovo street at Vliefontein	INCOME	12,000,000.00		12,000,000.00		12,000,000.00	0%	in evaluation
SC	Valdezia Xitacini to Jiweni access road Phase 4	INCOME	3,000,000.00		3,000,000.00	1,399,853.53	1,600,146.47	47%	Appointed
SC	Rehabilitation of Waterval streets	INCOME	7,000,000.00		7,000,000.00		7,000,000.00	0%	allocated consulted
SC	Upgrading of Waterval Clinic ring road	INCOME	1,200,000.00		1,200,000.00		1,200,000.00	0%	allocated consulted
SC	Upgrading of Waterval Cemetery road	INCOME	5,000,000.00		5,000,000.00		5,000,000.00	0%	allocated consulted
SC	Mingard Bridge & Access road to Mbhokota entrance	INCOME	1,200,000.00		1,200,000.00		1,200,000.00	0%	in design satage
SC	Luvhalani to Dzananwa Access Road	INCOME	1,200,000.00		1,200,000.00	569,063.44	630,936.56	47%	Appointed
SC	Makatu to Tshikota Access Road	INCOME	1,200,000.00		1,200,000.00		1,200,000.00	0%	in design satage
SC	Tsianda (Marundu to Military Base) Access Road	INCOME	1,200,000.00		1,200,000.00		1,200,000.00	0%	in design satage
SC	Rehabilitation of Baobab street	INCOME	2,500,000.00		2,500,000.00		2,500,000.00	0%	in evaluation
SC	Rehabitation of Kruger street	INCOME	5,000,000.00		5,000,000.00		5,000,000.00	0%	in advert
SC	Rehabilitation of Vlei street	INCOME	5,000,000.00		5,000,000.00		5,000,000.00	0%	in advert
SC	Refurbishment of Waterval regional office	INCOME	2,500,000.00		2,500,000.00	124,060.92	2,375,939.08	5%	Appointed

SC	Development of Dzanani Park Phase 2 (Installation of outdoor gym,	INCOME	1,500,000.00		1,500,000.00	141,728.21	1,358,271.79	9%	Appointed
SC	Commissioner & Main street Intersection rehabilitation and stormw	INCOME	3,000,000.00		3,000,000.00	680,879.90	2,319,120.10	23%	Appointed
SC	Emerentia substation refurbishment - building.	INCOME	2,000,000.00		2,000,000.00		2,000,000.00	0%	in specification
SC	Rehabilitation of old landfill site (Vondeling) Phase 2 (Construction	INCOME	3,000,000.00		3,000,000.00		3,000,000.00	0%	in specification
SC	Development of roads and stormwater at Dzanani Township (Biaba	INCOME	28,250,000.00		28,250,000.00		28,250,000.00	0%	in specification
SC	Development of roads and stormwater at South of Pretorius 700 ne	INCOME	42,500,000.00		42,500,000.00		42,500,000.00	0%	appointed consultant
SC	Refubishment of 6x drop off points ( waste management)	INCOME	500,000.00		500,000.00		500,000.00	0%	in specification
	<b>TOTAL</b>		<b>190,285,243.88</b>	<b>-</b>	<b>190,285,243.88</b>	<b>10,369,890.65</b>	<b>179,915,353.23</b>	<b>5%</b>	



ROADS AND STORM WATER									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	Four ways stop paving of road at Baobab street	INCOME	3,000,000.00		3,000,000.00		3,000,000.00	0%	in evaluation
SC	3 x Tar cutter as per Region	INCOME	250,000.00		250,000.00		250,000.00	0%	In specification
SC	3 X Tractor as per Region	INCOME	300,000.00		300,000.00		300,000.00	0%	In specification
SC	Lockery	INCOME	150,000.00		150,000.00	-	150,000.00	0%	In specification
SC	500 litres Fuel tank	INCOME	300,000.00		300,000.00		300,000.00	0%	In specification
SC	Culvert Pipes	INCOME	800,000.00		800,000.00		800,000.00	0%	appointed
SC	Compressor	INCOME	120,000.00		120,000.00		120,000.00	0%	In specification
SC	Hydraulic Press 30 Ton	INCOME	20,000.00		20,000.00		20,000.00	0%	In specification
SC	Lockerys	INCOME	100,000.00		100,000.00		100,000.00	0%	In specification
	<b>TOTAL</b>		<b>5,040,000.00</b>	<b>-</b>	<b>5,040,000.00</b>	<b>-</b>	<b>5,040,000.00</b>	<b>0%</b>	
BUILDING MAINTANANCE									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	Refurbishment of old age home	INCOME ROLLOVER	1,000,000.00		1,000,000.00		1,000,000.00	0%	appointed
SC	Refurbishment of Eltivilas swimming pool( buildings) and installa	INCOME - ROLLOVER	1,000,000.00		1,000,000.00		1,000,000.00	0%	appointed
SC	Refurbishment of Vleifontein Stadium ablutions and fencing	INCOME- ROLLOVER	1,400,000.00		1,400,000.00	760,734.00	639,266.00	54%	completed
SC	Refurbishment of 5 ablution block facilities in tax ranks ( Biaba,siloa	INCOME - ROLLOVER	1,000,000.00		1,000,000.00		1,000,000.00	0%	appointed
SC	Galvanised dicing machine	INCOME	160,000.00		160,000.00		160,000.00	0%	in specification
SC	Fencing and refurbishment of Tshikota community hall	INCOME	2,200,000.00		2,200,000.00		2,200,000.00	0%	in specification
SC	Fencing and refurbishment of Muwaweni community hall	INCOME	2,200,000.00		2,200,000.00		2,200,000.00	0%	in specification
SC	Hand tools	INCOME	300,000.00		300,000.00		300,000.00	0%	in specification
SC	Palisade Fence for Waterval Stores Office	INCOME	1,000,000.00		1,000,000.00		1,000,000.00	0%	in specification
SC	Fencing and upgrading of eltivillars soccer ground	INCOME	2,000,000.00		2,000,000.00		2,000,000.00	0%	in specification
SC	Refurbishment and upgrading (baseball facility) VLEINFOINTEIN	INCOME	500,000.00		500,000.00		500,000.00	0%	in specification
SC	Water Borehole (Makhado testing ground)	INCOME	200,000.00		200,000.00		200,000.00	0%	in specification
SC	Development of Potgitters Park phase 1	INCOME	500,000.00		500,000.00		500,000.00	0%	in specification
SC	Ablution facility Civic Centre Park	INCOME	500,000.00		500,000.00		500,000.00	0%	in specification
SC	Refurbishing of Makhado Park	INCOME	500,000.00		500,000.00		500,000.00	0%	in specification
	<b>TOTAL</b>		<b>14,460,000.00</b>	<b>-</b>	<b>14,460,000.00</b>	<b>760,734.00</b>	<b>13,699,266.00</b>	<b>5%</b>	
<b>TOTAL</b>	<b>TECHNICAL SERVICES BUDGET</b>		<b>393,672,190.72</b>	<b>(1,300,000.00)</b>	<b>392,372,190.72</b>	<b>37,952,588.33</b>	<b>353,119,602.39</b>	<b>10%</b>	

**Department of Community services**

The actual expenditure for the first quarter is R 1 300 million and to date is R 1 300 million compared with the projection of R 1 518 million which result to under spending by 14%.The expenditure incurred for the first quarter represent 21% of approved budget of R 6 075 million for 2021/22 financial year.

CAPITAL EXPENDITURE REPORT FOR THE MONTH 30 SEPTEMBER 2021 COMMUNITY SERVICES DEPARTMENT									
LIBRARY SERVICES									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	Extension of Circulation Area	INCOME ROLLOVER	200,000.00		200,000.00		200,000.00	0%	in specification
SC	Water Cooler X 2	INCOME	19,000.00		19,000.00		19,000.00	0%	appointed
SC	Shredding machine	INCOME	15,000.00		15,000.00		15,000.00	0%	in evaluation
SC	3M Book detector system (Musekwa Library)	INCOME	450,000.00		450,000.00		450,000.00	0%	In advert
<b>TOTAL</b>			<b>684,000.00</b>	-	<b>684,000.00</b>	-	<b>684,000.00</b>	<b>0%</b>	
PARKS AND RECREATION SECTION									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	20 Skip Bins	INCOME	800,000.00	1,300,000.00	2,100,000.00	1,300,000.00	800,000.00	62%	appointed
SC	1x New Ground water monitoring borehole at Vondeling Landfill Site	INCOME	150,000.00	-	150,000.00		150,000.00	0%	in specification
	10 X Grass cutter Machine	INCOME	100,000.00	-	100,000.00		100,000.00	0%	
<b>TOTAL</b>			<b>1,050,000.00</b>	<b>1,300,000.00</b>	<b>2,350,000.00</b>	<b>1,300,000.00</b>	<b>1,050,000.00</b>	<b>55%</b>	

MAKHADO REGION									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	HIGH VOLUME DOCUMENT scanner for sensitive documents	INCOME	100,000.00	-	100,000.00	-	100,000.00	0%	in specification
SC	STEP LADDER	INCOME	1,000.00	-	1,000.00		1,000.00	0%	in specification
SC	DIGITAL CAMERA	INCOME	15,000.00	-	15,000.00		15,000.00	0%	in specification
SC	Purchase of 15x license scanners	INCOME	225,000.00	-	225,000.00		225,000.00	0%	in specification
<b>TOTAL</b>			<b>341,000.00</b>	<b>-</b>	<b>341,000.00</b>	<b>-</b>	<b>341,000.00</b>	<b>0%</b>	
DZANANI TRAFFIC STATION									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	Upgrading of Vehicle Testing station (Grade B to A) Dzanani	INCOME	2,500,000.00	-	2,500,000.00	-	2,500,000.00	0%	in specification
<b>TOTAL</b>			<b>2,500,000.00</b>	<b>-</b>	<b>2,500,000.00</b>	<b>-</b>	<b>2,500,000.00</b>	<b>0%</b>	
MAKHADO TRAFFIC STATION									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	Purchase of 20 X portable radios and 2 X Base radios	INCOME	200,000.00	-	200,000.00	-	200,000.00	0%	in specification
<b>TOTAL</b>			<b>200,000.00</b>	<b>-</b>	<b>200,000.00</b>	<b>-</b>	<b>200,000.00</b>	<b>0%</b>	
<b>TOTAL COMMUNITY SERVICES BUDGET</b>			<b>4,775,000.00</b>	<b>1,300,000.00</b>	<b>6,075,000.00</b>	<b>1,300,000.00</b>	<b>4,775,000.00</b>	<b>21%</b>	

## Department of Corporate Services

The actual expenditure for the first quarter is R 361 thousands and to date is R 361 thousands compared with the projection of R 1 712 million which result to under spending by 78%.The expenditure incurred for the first quarter represent 5% of approved budget of R 6 850 million for 2020/21 financial year.

CAPITAL EXPENDITURE REPORT FOR THE MONTH 30 SEPTEMBER 2021									
CORPORATE SERVICES DEPARTMENT									
UPGRADE AND ACQUISITION OF NETWORK AND COMMUNICATION SYSTEMS - ICT									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	Data Migration to new server primary working environment	INCOME	650,000.00		650,000.00		650,000.00	0%	Appointed
SC	Refresh backup servers - HW & SW	INCOME	400,000.00		400,000.00		400,000.00	0%	HW completed and SW in evaluation
SC	Phase 1 VOIP readiness at switchboard intake point (Ph2 & Ph3 - 2022/23 & 2023/24	INCOME	300,000.00	-	300,000.00		300,000.00	0%	In specification
SC	Architecture for DR Replicate solution (Ph2 - 2022/23 & Ph3 - 2023/24)	INCOME	100,000.00		100,000.00		100,000.00	0%	In specification
SC	Network refresher	INCOME	500,000.00		500,000.00		500,000.00	0%	In specification
SC	150MEG fiber optic internet data line	INCOME	800,000.00		800,000.00		800,000.00	0%	In specification
SC	24/7 Municipal Call Centre electronic system	INCOME	300,000.00		300,000.00		300,000.00	0%	In evaluation
SC	Connectivity - Levubu Regional Office	INCOME	250,000.00		250,000.00		250,000.00	0%	In specification
	<b>TOTAL</b>		<b>3,300,000.00</b>	<b>-</b>	<b>3,300,000.00</b>	<b>-</b>	<b>3,300,000.00</b>	<b>0%</b>	

ICT EQUIPMENT FOR ALL DEPARTMENT									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	ICT equipment for all departments - laptops, desktops, printer/scanners	INCOME	1,000,000.00	-	1,000,000.00	-	1,000,000.00	0%	Appointed
SC	Management of library system	INCOME	250,000.00		250,000.00		250,000.00	0%	In specification
<b>TOTAL</b>			<b>1,250,000.00</b>	<b>-</b>	<b>1,250,000.00</b>	<b>-</b>	<b>1,250,000.00</b>	<b>-</b>	
<b>ADMINISTRATION :RECORDS &amp; AUXILIARY SERVICES</b>									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	Activate electronic signature module on collaborator platform	INCOME	300,000.00	-	300,000.00		300,000.00	0%	Awaiting for Specificatio
SC	Records Management System	INCOME-ROLLOVER	1,200,000.00		1,200,000.00	361,250.00	838,750.00	30%	appointed
<b>TOTAL</b>			<b>1,500,000.00</b>	<b>-</b>	<b>1,500,000.00</b>	<b>361,250.00</b>	<b>1,138,750.00</b>	<b>24%</b>	
<b>HUMAN RESOURCE DIVISION</b>									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	Levubu Regional mobile Offices	INCOME	800,000.00	-	800,000.00		800,000.00	0%	Awaiting for Specificatio
<b>TOTAL</b>			<b>800,000.00</b>	<b>-</b>	<b>800,000.00</b>	<b>-</b>	<b>800,000.00</b>	<b>0%</b>	
<b>TOTAL CORPORATE SERVICES BUDGET</b>			<b>6,850,000.00</b>	<b>-</b>	<b>6,850,000.00</b>	<b>361,250.00</b>	<b>6,488,750.00</b>	<b>5%</b>	

### Regional Offices

The actual expenditure for the first quarter is zero and to date is zero compared with the projection of R 1 131 million which result to under spending by 100%.The expenditure incurred for first quarter represent 0% of approved budget of R 4 525 million for 2021/22 financial year.

CAPITAL EXPENDITURE REPORT FOR THE MONTH 30 SEPTEMBER 2021									
REGIONAL OFFICES									
WATERVAL REGIONAL OFFICE									
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTAGE	COMMENT
SC	Palisade Fence for Waterval Regional Office	INCOME ROLLOVER	700,000.00		700,000.00		700,000.00	0%	in specification
SC	Boreholes and equipping Tshitale Office	INCOME	200,000.00		200,000.00		200,000.00	0%	in specification
SC	Borehole for Vleifonteyn Community Hall	INCOME	225,000.00		225,000.00		225,000.00	0%	in specification
SC	Borehole for Waterval Stores Office	INCOME	225,000.00		225,000.00		225,000.00	0%	in specification
SC	Tractor and Roller mower blade	INCOME	800,000.00		800,000.00		800,000.00	0%	in specification
SC	Pavement of parking area for Vleifonteyn office	INCOME	400,000.00		400,000.00		400,000.00	0%	in specification
SC	Pavement of parking area for Waterval Office	INCOME	400,000.00		400,000.00		400,000.00	0%	in specification
SC	Pedestrian Roller	INCOME	400,000.00		400,000.00		400,000.00	0%	in specification
SC	Mobile Filling Cabinet	INCOME	500,000.00		500,000.00		500,000.00	0%	in specification
SC	Lawnmower X 5	INCOME	100,000.00		100,000.00		100,000.00	0%	in specification
SC	Rehabilitation of water system to Vleifonteyn Office	INCOME	75,000.00		75,000.00		75,000.00	0%	in specification
SC	Rehabilitation of water system to the main building of Water	INCOME	75,000.00		75,000.00		75,000.00	0%	in specification
<b>TOTAL</b>			<b>4,100,000.00</b>	-	<b>4,100,000.00</b>	-	<b>4,100,000.00</b>	<b>0%</b>	

		DZANANI REGIONAL OFFICE							
CODE	DESCRIPTION	SOURCES	BUDGET	VIREMENT	FINAL BUDGET	EXPENDITURE	VARIANCE	PERCENTA	COMMENT
SC	One Tractor slasher mower	INCOME	20,000.00		20,000.00		20,000.00	0%	in specification
SC	One Fuel tanker (1000 L)	INCOME	100,000.00		100,000.00		100,000.00	0%	in specification
SC	Four water coolers (25 L)	INCOME	10,000.00		10,000.00		10,000.00	0%	in specification
SC	Pavement dzanani regional office outside	INCOME	250,000.00		250,000.00		250,000.00	0%	in specification
SC	Six Brush cutters	INCOME	45,000.00		45,000.00		45,000.00	0%	in specification
	<b>TOTAL</b>		<b>425,000.00</b>	-	<b>425,000.00</b>	-	<b>425,000.00</b>	0%	
<b>TOTAL REGIONAL OFFICES BUDGET</b>			<b>4,525,000.00</b>	-	<b>4,525,000.00</b>	-	<b>4,525,000.00</b>	<b>0%</b>	

## 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.

SOURCE CAPITAL FUNDING									
<b>Budget Year 2021/22</b>									
R thousands	Original Budget	Q1 Projection	Q1 Sept Actual	YTD Actual	YTD Variance	YTD variance	YTD Actual Budget/Budget %	Actual vs Projected%	Full Year Forecast
<b>CAPITAL EXPENDITURE -STANDARD</b>									
<b>Funded by:</b>									
National Government	69,278	17,320	23,721	23,721	(6,402)	-37%	34%	137%	69,278
Provincial Government	-								
District Municipality	-								
Other transfers and grants	-								
<b>Transfers recognised - capital</b>	<b>69,278</b>	<b>17,320</b>	<b>23,721</b>	<b>23,721</b>	<b>(6,402)</b>	<b>-37%</b>	<b>34%</b>	<b>137%</b>	<b>69,278</b>
Public contributions & donations	-								
Borrowing	-								
Internally generated funds	355,344	106,156	15,893	15,893	90,263	85%	4%	15%	355,344
<b>Total Capital Funding</b>	<b>424,622</b>	<b>123,475</b>	<b>39,614</b>	<b>39,614</b>	<b>83,861</b>	<b>68%</b>	<b>9%</b>	<b>32%</b>	<b>424,622</b>

The above table show how the capital contribution has been financed and recognised during the quarter. The municipality projected to R 123 475 million during the quarter and only R 39 614 million was spent. An amount of R 17 320 million has been recognised from transfer and R 15 893 million was recognised from internally generated revenue. This represent 9% of the approved capital budget amount of R 424 622 million for 2021/22 financial year



## 8. DEBTORS AGE ANALYSIS

### Debt Impairment

#### Debtors Age Analysis By Customer Group

Customer Group	Total Debt per Customer Group	Impairment Provided	Net Debt per Customer Group
Organs of State	55 099	(47 099)	8 000
Commercial	61 690	(52 733)	8 957
Households	166 378	(142 221)	24 157
Other	76 568	(65 451)	11 117
<b>Totals</b>	<b>359 735</b>	<b>(307 504)</b>	<b>52 231</b>

### Summary of Debt Impairment Narration

Allowance for debt impairment for the Month of September 2021 equals R307.5 million.

The Total Consumer Debtors as at the 30<sup>th</sup> of September 2021 equals R359.7 million.

The Net Debt Collectible equals R52.2 million

### COLLECTION REPORT FOR THE FIRST QUARTER OF 2021/ 2022

MONTHS	COLLECTION RATE
July – 2021	111%
August – 2021	70%
September - 2021	88%
<b>Total</b>	<b>90%</b>

### DEBT BREAKDOWN - SEPTEMBER 2021

Customer Group	Amount	Action Plan
<b>ORGANS OF STATE</b>	<b>55 099 496.04</b>	
Agriculture	(94 321.30)	Payment in advance
Arts	17 146.96	Normal Monthly debt
Education	3 067 163.07	Consolidation will be done with the circuit office in town for the purpose of collection.
Health	374 618.36	Normal Monthly debt

Public Works - National	23 108 986.10	A meeting will be arranged with the responsible Public Works officials for the purpose of settling those accounts
Public Works - Provincial	(64 595.26)	Payment in advance
Rural Development	16 966 991.46	A meeting will be arranged with the responsible Public Works officials for the purpose of settling those accounts
DWARF	347 856.20	Cut-offs will be executed for the accounts in arrear
SASSA	46 517.92	Cut-offs will be executed for the accounts in arrear
Vhembe District Municipality	11 329 132.53	Cut-offs will be executed for the accounts in arrear
<b>COMMERCIAL</b>	<b>61 689 950.90</b>	
Business	61 689 950.90	Cut-offs will be executed for the accounts in arrear

**Residential Properties 166 377 649.36**

Waterval	53 943 054.73	Cut-offs will be executed for the accounts in arrear and debt collectors are in the process of appointment for debt collection on accounts above 90 days in arrear.
Dzanani	13 648 057.06	Cut-offs will be executed for the accounts in arrear and debt collectors are in the process of

		appointment for debt collection on accounts above 90 days in arrear.
Vleifontein	27 557 318.13	Cut-offs will be executed for the accounts in arrear and debt collectors are in the process of appointment for debt collection on accounts above 90 days in arrear.
Tshikota	7 776 018.13	Cut-offs will be executed for the accounts in arrear and debt collectors are in the process of appointment for debt collection on accounts above 90 days in arrear.
Makhado (Louis Trichardt)	63 453 201.31	Cut-offs will be executed for the accounts in arrear and debt collectors are in the process of appointment for debt collection on accounts above 90 days in arrear.

**OTHER**

**76 568 383.45**

Agricultural	75 493 414.30	Cut-offs will be executed for the accounts in arrear and Data Cleansing to obtain addresses for the farms
Churches	491 663.56	Cut-offs will be executed for the accounts in arrear
PSI	270 453.37	Cut-offs will be executed for the accounts in arrear

PBO	312 852.22	Cut-offs will be executed for the accounts in arrear
<b>GRAND - TOTAL</b>	<b><u>359 735 479.75</u></b>	

- Vhembe District Municipality still owes **R42m** as at the 30 of September 2021.
- The amount received from Vhembe district for first quarter is R 6 million
- Distribution loss for the month ending 30 September 2021 amounted to 10%.
- The overall Distribution Losses for the first quarter, in the 2021 /2022 Financial Year = **10%**
- The overall Collection Rate for the first quarter = 90%
- The 90% collection rate was achieved despite of the COVID – 19 pandemic challenges.
- The municipality has advertised the tender for debtors' collectors who will assist in collecting where the municipality does not provide electricity and the tender is in evaluation stage.

#### **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**

- Credit Control will be applied to Government and business to be implemented without compromise.
- To arrange meeting with the all heads of department who are owing the municipality huge amounts e.g Department of Public works national, rural development and Education.
- To continue monitoring the payment arrangement with VDM which now having the balance of R 42 million.
- To continue in Installing of prepaid meter
- Handing over debts older than 90 days for debt collection who will be appointed soon.
- To consolidate all outstanding debt for the national and provincial department into one
- To continue encouraging all our customers to enter into a payment arrangement to settle outstanding debt while servicing the current billing.

## 9. SCM PROCESS

### COMPETITIVE BIDDING PROCESSES ACTIVITY

ACTIVITY	Bids Advertise d	Evaluate d	Adjudicate d	Awarde d	BBB -EE	Re-Advertise d	Cancelle d
Balance B/F	12	-	-	-	-	-	-
1 <sup>st</sup> Quarter	13	24	24	24			
Total to Date	25	24	24	24		01	
ANNEXURE	A	B	C	D	E	F	F

All requests for adverts were processed. As at 30 September 2021, the following 21 bids were not awarded:

NO	BID NO	DESCRIPTION	CLOSING DATE	COMMENTS
1	07/2021	Re-advertisement: supply and delivery of cleaning material for the period of three years	22 February 2021 at 12:00pm	In evaluation
2	08/2021	Re-advertisement: supply and delivery of hardware material for the period of three years	22 February 2021 at 12:00pm	In evaluation
3	09/2021	Re-advertisement: supply and delivery of paints for the period of three years	22 February 2021 at 12:00pm	In evaluation
4	26 of 2021	Panel of service providers for Supply and delivery of stationery and cartridges/toner for the period three (03) years	15 March 2021 at 12:00pm	In evaluation
5	30 of 2021	Refurbishment of Eltivillas Swimming pool	12 March 2021 at 12:00pm	In evaluation
6	33 of 2021	Supply, delivery of material and construct a concrete palisade fence at Eltivillas Swimming Pool.	23 March 2021 at 12:00pm	In evaluation
7	35 of 2021	Appointment of an electrical contractor for replacement of double structure poles and insulators at levubu 1 line.	09 April 2021 at 12:00pm	In evaluation
8	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
9	53 / 2021	Call centre and ticketing system for municipal call centre for the period of three(03) years	16-Jul-21	In evaluation
10	56 of 2021	Debt collection for a period of three years	16-Aug-21	In evaluation

11	57 of 2021	Supply and delivery of round pipes and culvert pipes	26-Aug-21	In evaluation
12	60 of 2021	Supply and delivery of diaries and calenders	21-Sep-21	In evaluation
13	68 of 2021	Operating Systems for server	21-Sep-21	In evaluation
14	69 of 2021	Supply and delivery and instalation of server cabinet with builtin air conditioning and controls	21-Sep-21	In evaluation
15	70 of 2021	Supply,delivery and installation of two high masts at Makhado new land fill site	23-Sep-21	In evaluation
16	61 of 2021	Supply and delivery of protective clothing for a period of three years	01-Oct-21	Not yet closed
17	65 of 2021	Supply and delivery of Cold mix asphalt for a period of three years	01-Oct-21	Not yet closed
18	63 of 2021	Supply and delivery of SS60 and CAT65 bituminius emulsions for a period of three years	01-Oct-21	Not yet closed
19	62 of 2021	Provision of security services	01-Oct-21	Not yet closed
20	64 of 2021	Supply and delivery of oils for mechanical workshop for the period of three years	01-Oct-21	Not yet closed
21	67 of 2021	Rehabilitation of Joe Slovo street at Vleifontein	01-Oct-21	Not yet closed

#### FORMAL WRITTEN QUOTATION AS AT 30 SEPTEMBER 2021

ACTIVITY	Quotations Advertised	Quotations Evaluated	Quotations Awarded
1 <sup>st</sup> Quarter	28	23	23

#### PROCUREMENT DEVIATION FIRST QUARTER REPORT

- The number of awards made in terms of SCM regulation 36  
= **17**
- Reason(s) for deviation in terms of SCM Regulations 36  
**Reason:** Emergency and impractical to follow normal SCM process
- Total value of deviations under R 200 000  
= **R459 481.51**
- Total value of deviations over R 200 000  
= **R0**
- Total number of deviations under R 200 000 is 17
- Total number of deviation over R 200 000 is 0

7. Total value of deviations awarded through SCM Regulation 36  
= R 459 481.51

**STATUS OF RECONCILIATIONS AS AT 30 SEPTEMBER 2021**

Bank reconciliations is up to date  
Grant Reconciliation is up to date  
Investment Reconciliations is up to date  
Assets Reconciliation is up to date  
Petty Cash reconciliation is up to date  
Retention reconciliation is up to date  
Inventory Reconciliation is up to date  
Debtors Reconciliations is up to date  
Salary Reconciliation is up to date  
Vat Reconciliation is done up to Month of August 2021

**7. A CASH FLOW POSITION**

This statement indicates the financial position as at 30 September 2021 is R 290 528 257.87. The municipality continue to keep a favorable balance on the monthly basis and this cash flow statement reflect positive balance of R 290 528 257.87 at the end first quarter 30 September 2021.

Primary Account R 290 528 257.87

**Closing balance as at 30 September 2021 R 290 528 257.87**

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**LIM344 Makhado - Table C1 Monthly Budget Statement Summary - M03 September**

Description	2020/2021	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	87,658	90,852	-	7,438	23,821	22,713	1,108	5%	90,852
Service charges	460,916	429,408	-	25,353	86,500	107,352	(20,853)	-19%	429,408
Investment revenue	5,137	4,627	-	324	1,691	1,157	534	46%	4,627
Transfers and subsidies	585,528	440,366	-	1,037	169,813	110,091	59,722	54%	440,366
Other own revenue	99,687	236,583	-	3,144	13,530	59,146	(45,616)	-77%	236,583
	<b>1,238,926</b>	<b>1,201,836</b>	<b>-</b>	<b>37,294</b>	<b>295,353</b>	<b>300,459</b>	<b>(5,105)</b>	<b>-2%</b>	<b>1,201,836</b>
<b>Total Revenue (excluding capital transfers and contributions)</b>									
Employee costs	297,128	338,896	-	21,326	60,210	84,724	(24,514)	-29%	338,896
Remuneration of Councillors	26,158	32,311	-	2,207	6,548	8,078	(1,529)	-19%	32,311
Depreciation & asset impairment	127,663	104,000	-	10,354	34,551	26,000	8,551	33%	104,000
Finance charges	2,480	9,263	-	-	2,459	2,316	143	6%	9,263
Materials and bulk purchases	299,613	375,175	-	34,082	83,925	93,794	(9,868)	-11%	375,175
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	271,264	252,016	-	16,263	78,239	63,004	15,235	24%	252,016
<b>Total Expenditure</b>	<b>1,024,306</b>	<b>1,111,661</b>	<b>-</b>	<b>84,232</b>	<b>265,933</b>	<b>277,915</b>	<b>(11,983)</b>	<b>-4%</b>	<b>1,111,661</b>
<b>Surplus/(Deficit)</b>	<b>214,620</b>	<b>90,174</b>	<b>-</b>	<b>(46,938)</b>	<b>29,421</b>	<b>22,544</b>	<b>6,877</b>	<b>31%</b>	<b>90,174</b>





**LIM344 Makhado - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September**

Description	Budget Year 2021/22								
	2020/2021 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue By Source</b>									
Property rates	87,658	90,852	–	7,438	23,821	22,713	1,108	5%	90,852
Service charges - electricity revenue	448,035	417,348	–	24,280	83,241	104,337	(21,096)	-20%	417,348
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	12,881	12,060	–	1,073	3,259	3,015	244	8%	12,060
Rental of facilities and equipment	125	361	–	23	70	90	(20)	-22%	361
Interest earned - external investments	5,137	4,627	–	324	1,691	1,157	534	46%	4,627
Interest earned - outstanding debtors	16,209	23,051	–	2,243	7,524	5,763	1,761	31%	23,051
Dividends received	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	6,109	5,041	–	25	446	1,260	(814)	-65%	5,041
Licences and permits	4,466	4,696	–	301	816	1,174	(358)	-31%	4,696
Agency services	–	–	–	–	–	–	–	–	–
Transfers and subsidies	585,528	440,366	–	1,037	169,813	110,091	59,722	54%	440,366
Other revenue	72,778	203,434	–	552	4,673	50,858	(46,185)	-91%	203,434
Gains	–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1,238,926</b>	<b>1,201,836</b>	<b>–</b>	<b>37,294</b>	<b>295,353</b>	<b>300,459</b>	<b>(5,105)</b>	<b>-2%</b>	<b>1,201,836</b>
<b>Expenditure By Type</b>									
Employee related costs	297,128	338,896	–	21,326	60,210	84,724	(24,514)	-29%	338,896
Remuneration of councillors	26,158	32,311	–	2,207	6,548	8,078	(1,529)	-19%	32,311
Debt impairment	60,594	57,934	–	1,135	22,411	14,483	7,928	55%	57,934
Depreciation & asset impairment	127,663	104,000	–	10,354	34,551	26,000	8,551	33%	104,000
Finance charges	2,480	9,263	–	–	2,459	2,316	143	6%	9,263
Bulk purchases	275,610	344,712	–	32,144	79,026	86,178	(7,152)	-8%	344,712
Other materials	24,003	30,463	–	1,938	4,900	7,616	(2,716)	-36%	30,463
Contracted services	113,918	111,277	–	8,014	40,172	27,819	12,353	44%	111,277
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	96,752	82,806	–	7,114	15,655	20,701	(5,046)	-24%	82,806
Losses	–	–	–	–	–	–	–	–	–
<b>Total Expenditure</b>	<b>1,024,306</b>	<b>1,111,661</b>	<b>–</b>	<b>84,232</b>	<b>265,933</b>	<b>277,915</b>	<b>(11,983)</b>	<b>-4%</b>	<b>1,111,661</b>
<b>Surplus/(Deficit)</b>									
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	214,620	90,174	–	(46,938)	29,421	22,544	6,877	0	90,174
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	–	69,633	–	–	–	17,408	(17,408)	(0)	69,633
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>214,620</b>	<b>159,807</b>	<b>–</b>	<b>(46,938)</b>	<b>29,421</b>	<b>39,952</b>	<b>–</b>	<b>–</b>	<b>159,807</b>
Taxation	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after taxation</b>	<b>214,620</b>	<b>159,807</b>	<b>–</b>	<b>(46,938)</b>	<b>29,421</b>	<b>39,952</b>	<b>–</b>	<b>–</b>	<b>159,807</b>
Attributable to minorities	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) attributable to municipality</b>	<b>214,620</b>	<b>159,807</b>	<b>–</b>	<b>(46,938)</b>	<b>29,421</b>	<b>39,952</b>	<b>–</b>	<b>–</b>	<b>159,807</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>214,620</b>	<b>159,807</b>	<b>–</b>	<b>(46,938)</b>	<b>29,421</b>	<b>39,952</b>	<b>–</b>	<b>–</b>	<b>159,807</b>

**LIM344 Makhado - Table C7 Monthly Budget Statement - Cash Flow - M03 September**

Description	Ref	2020/21	Budget Year 2021/22			budget 2021/2022				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1								%	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		60,491	57,465		16,656	26,634	14,366	12,268	85%	57,465
Service charges		398,602	411,590		30,018	74,309	102,898	(28,588)	-28%	411,590
Other revenue		99,266	279,598		74,760	176,307	69,899	106,408	152%	279,598
Transfers and Subsidies - Operational		575,041	440,366		4	180,925	110,091	70,833	64%	440,366
Transfers and Subsidies - Capital			69,633		20,000	41,006	17,408	23,598	136%	69,633
Interest		-	4,627				-	-		4,627
Dividends		-	-	-	-	-	-	-		-
<b>Payments</b>										
Suppliers and employees		(844,407)	(757,462)			(374,826)	(189,366)	185,460	-98%	(757,462)
Finance charges		1	(200)		-		(50)	(50)	100%	(200)
Transfers and Grants			-				-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>288,994</b>	<b>505,616</b>	<b>-</b>	<b>141,437</b>	<b>124,356</b>	<b>125,247</b>	<b>892</b>	<b>1%</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		(226,859)	(424,622)			(39,614)	(106,156)	(66,542)	63%	(424,622)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(226,859)</b>	<b>(424,622)</b>	<b>-</b>	<b>-</b>	<b>(39,614)</b>	<b>(106,156)</b>	<b>(66,542)</b>	<b>63%</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>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>62,135</b>	<b>80,994</b>	<b>-</b>	<b>141,437</b>	<b>84,742</b>	<b>19,092</b>			<b>80,994</b>
Cash/cash equivalents at beginning:		143,652	205,786			205,786	205,786			205,786
<b>Cash/cash equivalents at month/year end:</b>		<b>205,786</b>	<b>286,780</b>	<b>-</b>		<b>290,528</b>	<b>224,878</b>			<b>286,780</b>

**LIM344 Makhado - Table C6 Monthly Budget Statement - Financial Position - M03 September**

Description	Ref	2020/2021	Budget Year	Adjusted	Budget 2021/22	
		Audited	2020/21		Budget	YearTD actual
R thousands	1	Outcome	Original	Budget		
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		205,786	223,656		290,528	223,656
Call investment deposits						
Consumer debtors		165,760	75,358		42,831	75,358
Other debtors		49,803	133,547		263,403	133,547
Current portion of long-term receivables						
Inventory		127,529	111,956		126,891	111,956
<b>Total current assets</b>		<b>548,878</b>	<b>544,517</b>	<b>-</b>	<b>723,653</b>	<b>544,517</b>
<b>Non current assets</b>						
Long-term receivables						
Investments						
Investment property		15,584	15,842		15,487	15,842
Investments in Associate						
Property, plant and equipment		1,601,839	2,727,271		1,604,210	2,727,271
Biological						
Intangible		1,866	4,418		1,851	4,418
Other non-current assets					2,160	
<b>Total non current assets</b>		<b>1,619,289</b>	<b>2,747,530</b>	<b>-</b>	<b>1,623,708</b>	<b>2,747,530</b>
<b>TOTAL ASSETS</b>		<b>2,168,167</b>	<b>3,292,047</b>	<b>-</b>	<b>2,347,361</b>	<b>3,292,047</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft						
Borrowing						
Consumer deposits		16,029			1,799	
Trade and other payables		170,000	228,276		16,169	228,276
Provisions		33,334			108,552	
<b>Total current liabilities</b>		<b>219,363</b>	<b>228,276</b>	<b>-</b>	<b>126,520</b>	<b>228,276</b>
<b>Non current liabilities</b>						
Borrowing						
Provisions		149,918	121,789		92,042	121,789
<b>Total non current liabilities</b>		<b>149,918</b>	<b>121,789</b>	<b>-</b>	<b>92,042</b>	<b>121,789</b>
<b>TOTAL LIABILITIES</b>		<b>369,280</b>	<b>350,065</b>	<b>-</b>	<b>218,562</b>	<b>350,065</b>
<b>NET ASSETS</b>	<b>2</b>	<b>1,798,887</b>	<b>2,941,982</b>	<b>-</b>	<b>2,128,799</b>	<b>2,941,982</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1,801,046	2,921,724		1,771,025	2,921,724
Reserves						
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>1,801,046</b>	<b>2,921,724</b>	<b>-</b>	<b>1,771,025</b>	<b>2,921,724</b>