

MOSES KOTANE LOCAL MUNICIPALITY
NW375

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT
31 DECEMBER 2023

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Legislative Framework

This report has been prepared in terms of the following enabling legislation:

Municipal Finance Management Act, No. 56 of 2003

Section 72: Mid-year budget and performance assessment

72. (1) The accounting officer of a municipality must by 25 January of each year—

(a) assess the performance of the municipality during the first half of the financial year, taking into account—

- (i) the monthly statements referred to in section 71 for the first half of the financial year;
- (ii) 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;
- (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
- (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) submit a report on such assessment to—

- (i) the mayor of the municipality;
- (ii) the National Treasury; and
- (iii) the relevant provincial treasury.

72. (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.

72. (3) The accounting officer must, as part of the review—

- (a) make recommendations as to whether an adjustments budget is necessary; and
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Section 54: Budgetary control and early identification of financial problems

54. (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—

- (a) consider the statement or report;
 - (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
 - (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
 - (d) issue any appropriate instructions to the accounting officer to ensure—
 - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) that spending of funds and revenue collection proceed in accordance with the budget;
 - (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
 - (f) in the case of a section 72 report, submit the report to the council by 31 January of each year.
- (2) If the municipality faces any serious financial problems, the mayor must—
- (a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include—
 - (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
 - (ii) the tabling of an adjustments budget; or
 - (iii) steps in terms of Chapter 13; and
 - (b) alert the council and the MEC for local government in the province to those problems.
- (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Municipal Finance Management Act, No. 56 of 2003
Municipal Budgeting and Reporting Regulation Notice 393 of 2009

Section 33: Format of a mid-year budget and performance assessment

33. A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

Section 34: Publication of mid-year budget and performance assessments

34. (1) Within five working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.
34. (2) The municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the mid-year budget and performance assessment, including –
- (a) Summaries in alternate languages predominant in the community; and
 - (b) Information relevant to each ward in the municipality

Section 35: Submission of mid-year budget and performance assessments

35. The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form –
- (a) the mid-year budget and performance assessment by 25 January of each year, and
 - (b) any other information relating to the mid-year budget and performance assessment as may be required by the National Treasury.

PART 1: Mid-year Budget and performance assessment

This report has been prepared in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003: Municipal Budget and reporting Regulations, Government Gazette 32141, 17 April 2009.

1) Mayor's Report

In terms of section 72 (1) (a) and 52 (d) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA), the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report of such assessment must in terms of section 72 (1) (b) of the Local Government: Municipal Finance Management Act No. 56 of 2003 be submitted to the Executive Mayor, Provincial Treasury and National Treasury.

Once the Mayor has considered the section 72 report, such a report must be submitted to council by the 31 January each year as required in terms of section 54 (f) of the Local Government: Municipal Finance Management Act No. 56 of 2003. The mid-year budget and performance assessment report and supporting tables of Moses Kotane Local Municipality, was also prepared in accordance with the requirements of MFMA and the Municipal Budget and Reporting Regulations.

In order to achieve our goals as set out in our Integrated Development Plan we have to strive for institutional excellence through institutional re-engineering, effective leadership and effective long term development planning. Although there has been significant progress made towards realization of the set performance objectives for the period under review, there are however still a number of challenges that require attention and these include the following:

- State of our infrastructure backlogs and the need to upgrade the existing infrastructure (roads, sewerage and water)
- Unfunded budget
- Low revenue Collection
- Revenue losses due to aging water infrastructure or illegal connections and distribution losses;
- Institutional transformation (National Treasury Reforms)

We believe that having filled all senior managers position will assist the administration of the municipality in effectively exercising adequate and sound financial management of the institution, compliance with financial management norms and standards as well as other aspects of performance reporting.

In conclusion, I am confident that the mid-term performance results as contained in this report sets a tone for overall improved institutional performance results for this financial year and based on these results and the outlook of the remaining term of this financial year.

Councilor: Nketu Nkotswe
Mayor

2) Resolutions

FOR ATTENTION

1. That the Mid-Term Budget and Performance Assessment Report be noted.
2. That the Medium-Term Revenue and Expenditure Framework Budget (MTREF) Adjustment in terms of MFMA Section 28 to be submitted to Council for consideration
3. That the Service Delivery and Budget Implementation Plans (SDBIP) to be submitted to Council for consideration

Council

Council
MM
CFO

Council
MM
PMS
Manager

3. Executive Summary

The purpose of this report is to ensure legislative compliance and also to facilitate accountability to the Moses Kotane Local Municipality Council against the targets that we have set for ourselves for the period 2023/2024.

This report is prepared in compliance with Section 72 the Municipal Finance Management Act, 56 of 2003 (MFMA), the purpose of which is to facilitate accountability by the Municipal Manager and his Executive Management Team to the Municipal Council, over the performance of the municipality for the first six months of 2023/2024 financial year.

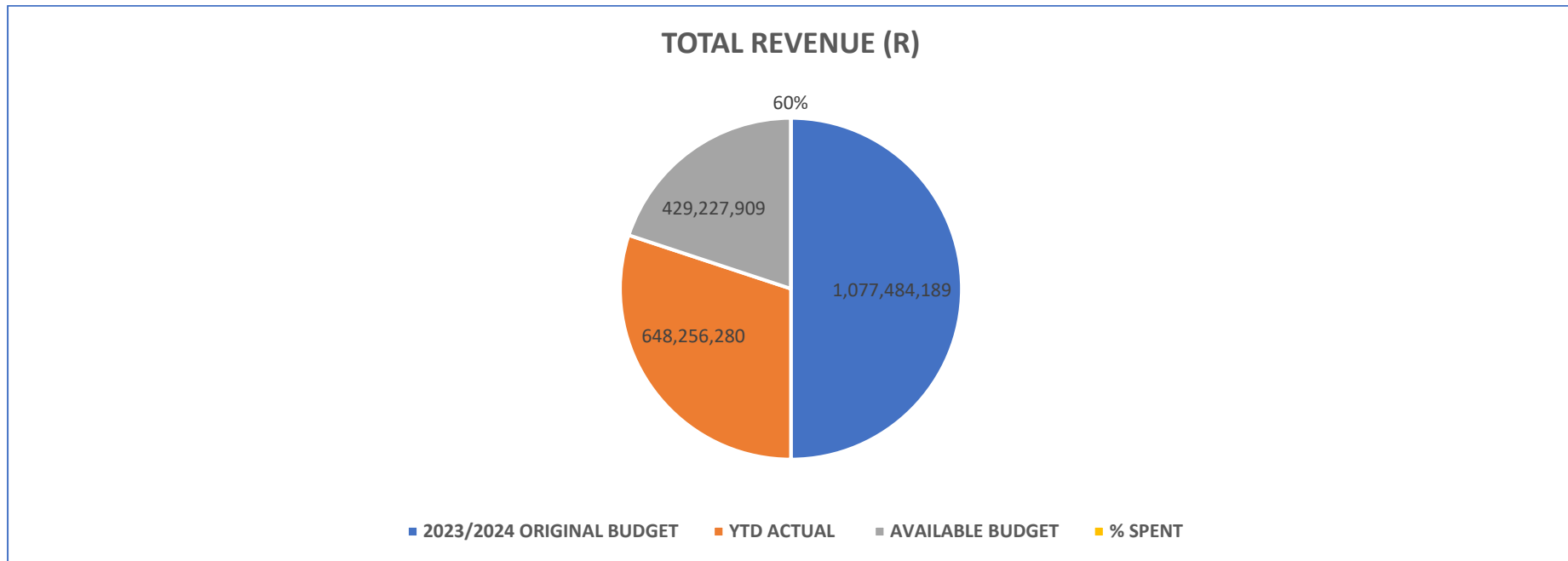
It must be noted that in all instance where the tables contained within this report includes the audited outcomes for 2022/2023.

Operating Revenue Summary

The table below reflects operating revenue generated for the first half of the 2023/2024 financial year, which encompasses property rates, services charges, operating grants and other revenue items.

INCOME					
Revenue Sources	2023/24 Budget	Actual	Year to date	Available	% Spent
	DECEMBER 2023				
Property Rates	154,525,327	12,675,557	74,626,048	79,899,279	48%
Service charges - water revenue	222,520,040	16,228,606	92,817,686	129,702,354	42%
Service charges - sanitation revenue	6,036,429	323,329	2,327,386	3,709,043	39%
Service charges - refuse revenue	12,276,619	1,056,340	6,355,089	5,921,530	52%
Interest earned - external investments	6,251,100	59,800	5,651,624	599,476	90%
Interest earned - outstanding debtors	88,198,539	7,085,222	41,315,566	46,882,973	47%
Traffic Fines	2,000,000	-	-	2,000,000	0%
Licence Applications	2,000,000	84,013	542,936	1,457,064	27%
Transfers recognised - operational	581,763,210	184,717,743.28	425,341,245.27	156,421,965	73%
Rental of facilities and equipment	187,742	9,346	60,170.99	127,571	32%
Other revenue	1,725,183	369,426	-781,470	2,506,653	-45%
TOTAL REVENUE	1,077,484,189	222,609,381.73	648,256,279.96	429,227,909	60%

Operating Revenue Graph



- a) Revenue generated for the reporting period amount to R648.2 million or 60% against the budget, this is 10% above the expected norm.
- b) The overperformance is attributed to the receipt of the December equitable share tranche.
- c) The budget performance on the following revenue items performed below the target of 50%; i.e.
 - Water (42%)
 - Sanitation (39%) (Refer to Table C4 – Financial Performance).
- d) Revenue generated from Interest on Investment has overperformed by 40%, this is due to high interest rates that was not anticipated. The item requires an upward adjustment.
- e) Non-billing on Fines and Penalties is due to lack of integration between system utilised at Traffic Unit and the core financial system. A journal will therefore be processed for towards the end of the year to account for the revenue generated.

- f) The over performance on Transfer and Subsidies is due to the grants money which are received as legislated in tranches rather than on an equal instalment.

The analysis on the material variation is provided in the tables below:

Major revenue variances against the revenue budget are as follows;

- Water and Sanitation require downward adjustment due to underperformance.
- Traffic Fines: A journal must be processed in order to update the billing of traffic fines.
- Licences and Permits: A journal must be processed in order to update the revenue generated from licences and permits.

Revenue collection

The table above reflects actual collection against the billing for property rates and service charges for the reporting period, wherein R104.7 million or 59% was received. According to Treasury norms, municipalities are expected to collect at least 95% of the billed revenue. Revenue collection remains a challenge and a threat to the financial sustainability of the municipality.

REVENUE PERFORMANCE AS AT 31 DECEMBER 2023			
Description	Billing	Actual Receipts	Actual/Billing
Property Rates	74 626 047,93	64 647 972,29	87%
Water	92 817 685,78	39 005 127,56	42%
Sanitation	2 327 385,54	905 245,23	39%
Refuse	6 355 089,16	203 963,62	3%
Total	176 126 208	104 762 309	59%

Table A: Summary of collection rates

- The levies represent all the amounts billed, including indigent accounts, but excluding prepaid water sales
- The levied amount is net of the free basic amount.
- The payment amount does not include the indigent subsidy, as the free basic services are deducted from the levies.
- If the free basic services amounts are included in the levies and in the payments, the payment level will be slightly higher.

Distribution losses

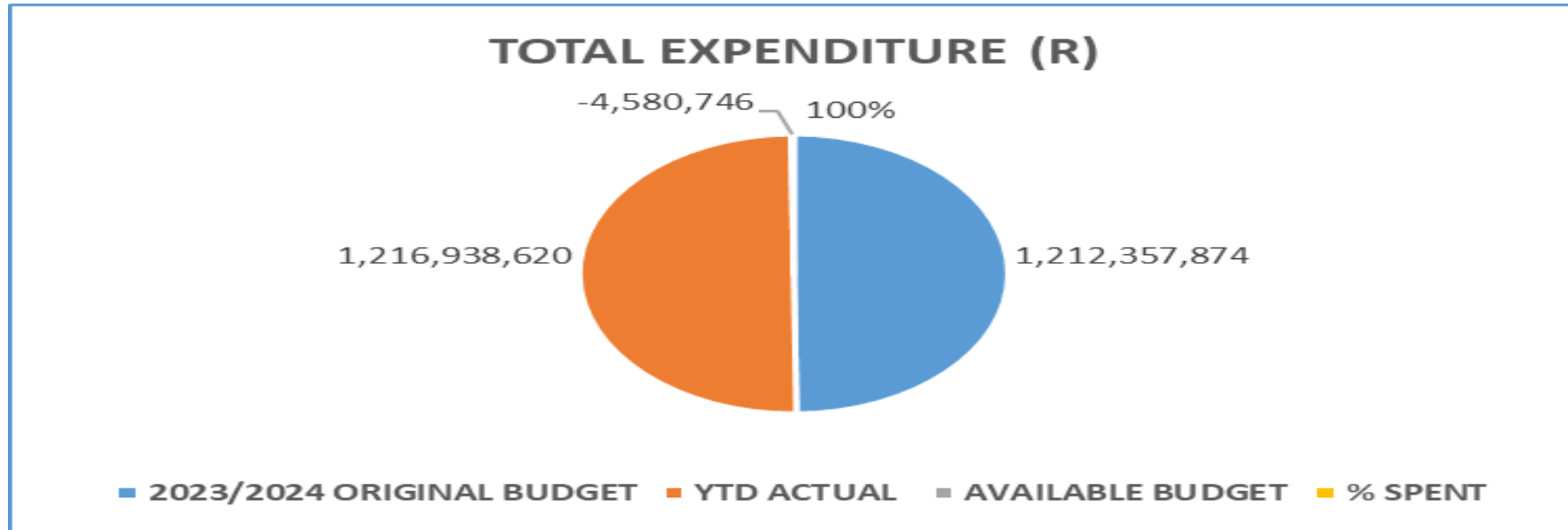
The norms are set by National Treasury as per MFMA Circular 71- **Uniform Ratios and Norms (January 2014) paragraph B –Distribution losses**

The water loss has increased to 13% in 2022/2023 financial year. This is an increase of 7% when compared to the 6% recorded for 2021/2022 financial year.

Operating Expenditure Summary

The table below reflects operating expenditure incurred for the first half of the 2023/2024 financial year.

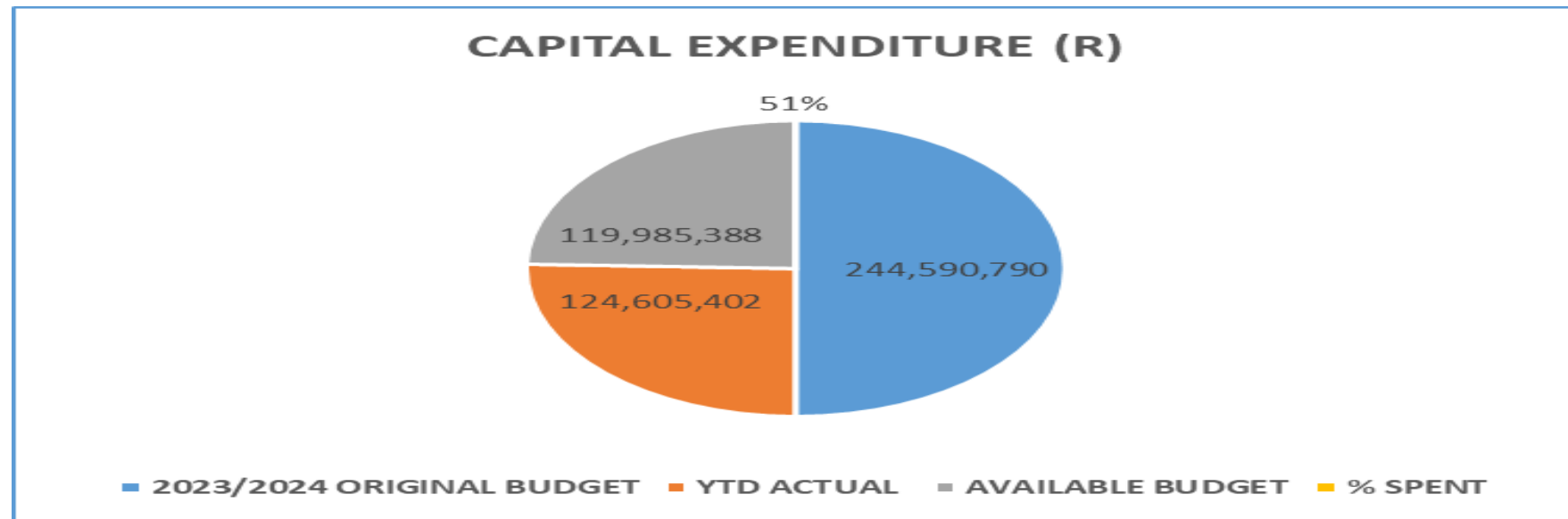
OPERATING EXPENDITURE					
Expenditure Item	2023/24 Budget	Actual	Year to date	Available	% Spent
	DECEMBER 2023				
Employee Related Cost and Allowance of Councillors	324,468,862	28,005,206.63	162,913,345.30	161,555,517	50%
Contracted Services	140,090,262	20,181,394.37	75,734,816.74	64,355,445	54%
Operational Cost	79,781,400	8,137,265.67	36,559,695.98	43,221,704	46%
Inventory	150,155,000	29,928,643.09	68,912,050.61	81,242,949	46%
Bulk Purchases Electricity	25,000,000	3,064,917.57	16,554,269.88	8,445,730	66%
Interest on External Loans	5,600,000	1,712,118	1,737,513.04	3,862,487	31%
Operating Leases	3,500,000	-6,029,669.21	2,566,099.33	933,901	73%
Bad debts Written Off	328,721,071	85,218	806,642,451	-477,921,380	245%
Depreciation	155,041,279		45,318,378	109,722,901	29%
TOTAL EXPENDITURE	1,212,357,874	85,085,093.57	1,216,938,619.59	-4,580,746	100%



- a) Operating expenditure for the reporting period is 50% above the budget.
- b) Bulk purchases as at December 2023 exceeded the target by 16%.
- c) The analysis for debt impairment is performed at year-end and subject to council consideration, therefore, the expenditure is reconciled at the end of the year.
- d) Depreciation and assets impairment performed below the budget due lack of integration of the assets management system and the core financial system, therefore, accurate expenditure is recorded at the end of the financial year.

Capital Expenditure Summary

ACTUAL vs ORIGINAL BUDGET as at 31st DECEMBER 2023				
	2023/2024 ORIGINAL BUDGET	YTD ACTUAL	AVAILABLE BUDGET	% SPENT
CAPITAL EXPENDITURE	244,590,790	124,605,402	119,985,388	51%



The capital expenditure for the first six months for 2023/2024 financial year amounts to R124.6 million or 51% of the allocated budget. The performance is satisfactory.

4. In-Year Budget Statement Tables

4.1 Monthly Budget Statement Summary

NW375 Moses Kotane - Table C1 Monthly Budget Statement Summary - M06 December

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	124,807	154,525	154,525	12,676	74,626	77,263	(2,637)	-3%	154,525
Service charges	194,662	240,833	240,833	17,608	99,022	120,417	(21,395)	-18%	240,833
Investment revenue	9,745	–	–	–	–	–	–		–
Transfers and subsidies - Operational	9,745	6,251	6,251	60	5,652	3,126	2,526	81%	6,251
Other own revenue	636,045	675,875	675,875	192,266	468,957	337,937	131,020	39%	–
Total Revenue (excluding capital transfers and contributions)	975,004	1,077,484	1,077,484	222,609	648,256	538,742	109,514	20%	1,077,484
Employee costs	283,415	296,872	296,872	26,261	151,491	148,437	3,054		296,872
Remuneration of Councillors	25,874	27,597	27,597	1,744	11,422	13,798	(2,376)		27,597
Depreciation and amortisation	132,550	155,041	155,041	–	45,318	77,521	(32,202)		155,041
Interest	5,619	5,600	5,600	1,712	1,738	2,800	(1,062)		5,600
Inventory consumed and bulk purchases	177,046	175,155	175,155	32,994	85,466	87,578	(2,111)		175,155
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	419,178	552,093	552,093	22,374	921,503	276,047	645,456	234%	552,093
Total Expenditure	1,043,682	1,212,358	1,212,358	85,085	1,216,939	606,180	610,758	101%	1,212,358
Surplus/(Deficit)	(68,678)	(134,874)	(134,874)	137,524	(568,682)	(67,438)	(501,244)	743%	(134,874)
Transfers and subsidies - capital (monetary allocations)	217,386	236,841	236,841	58,674	122,840	–	#####	#DIV/0!	236,841
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–

Moses Kotane Local Municipality – 2023/2024 Mid-Year Budget and Performance Assessment Report

Surplus/(Deficit) after capital transfers & contributions	148,708	101,967	101,967	196,198	(445,842)	(67,438)	(378,403)	561%	101,967
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	148,708	101,967	101,967	196,198	(445,842)	(67,438)	(378,403)	561%	101,967
<u>Capital expenditure & funds sources</u>									
Capital expenditure	8,803	244,591	244,591	25,813	108,427	122,295	(13,868)	-11%	244,591
Capital transfers recognised	8,697	236,841	236,841	25,813	108,214	118,420	(10,206)	-9%	236,841
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	106	7,750	7,750	–	213	3,875	(3,662)	-94%	7,750
Total sources of capital funds	8,803	244,591	244,591	25,813	108,427	122,295	(13,868)	-11%	244,591
<u>Financial position</u>									
Total current assets	2,315,211	229,074	229,074		(129,768)				229,074
Total non current assets	3,152,582	3,619,431	3,619,431		3,215,691				3,619,431
Total current liabilities	378,290	192,126	192,126		311,187				192,126
Total non current liabilities	70,749	72,328	72,328		65,639				72,328
Community wealth/Equity	3,266,622	3,482,085	3,482,085		2,709,098				3,482,085
<u>Cash flows</u>									
Net cash from (used) operating	1,229,699	252,337	252,337	503,093	899,326	126,168	(773,158)	-613%	252,337
Net cash from (used) investing	(8,817)	(244,591)	(244,591)	(25,813)	(108,427)	(122,295)	(13,868)	11%	(244,591)
Net cash from (used) financing	(5,813)	(12,820)	(12,820)	(3,098)	(3,905)	(6,410)	(2,505)	39%	(12,820)
Cash/cash equivalents at the month/year end	1,251,950	63,660	63,660	–	825,849	66,197	(759,652)	-1148%	33,781
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<u>Debtors Age Analysis</u>									

Moses Kotane Local Municipality – 2023/2024 Mid-Year Budget and Performance Assessment Report

Total By Income Source	78,055	39,124	38,198	32,778	31,118	39,065	152,824	949,797	1,360,959
Creditors Age Analysis									
Total Creditors	1,292	2,644	1,966	237	–	–	–	–	6,139

4.1.1 Financial Performance by Functional Classification

NW375 Moses Kotane - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December 2023

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		535,972	567,889	567,889	204,721	541,926	283,944	257,982	91%	567,889
Executive and council		21,455	22,852	22,852	239	(1,718)	11,426	(13,143)	-115%	22,852
Finance and administration		514,517	545,038	545,038	204,482	543,644	272,519	271,125	99%	545,038
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		23,827	4,000	4,000	(51)	315	2,000	(1,685)	-84%	4,000
Community and social services		1,612	–	–	(135)	(228)	–	(228)	#DIV/0!	–
Sport and recreation		20,851	–	–	–	–	–	–		–
Public safety		1,365	4,000	4,000	84	543	2,000	(1,457)	-73%	4,000
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		51,230	68,923	68,923	20,646	38,023	34,462	3,561	10%	68,923
Planning and development		4,778	8,097	8,097	1,350	3,021	4,049	(1,028)	-25%	8,097
Road transport		46,452	60,826	60,826	19,296	35,002	30,413	4,589	15%	60,826
Environmental protection		–	–	–	–	–	–	–		–

Moses Kotane Local Municipality – 2023/2024 Mid-Year Budget and Performance Assessment Report

Trading services		581,362	673,513	673,513	55,968	190,833	336,756	(145,923)	-43%	673,513
Energy sources		16,357	8,000	8,000	2,046	5,413	4,000	1,413	35%	8,000
Water management		424,392	428,759	428,759	52,542	176,738	214,380	(37,642)	-18%	428,759
Waste water management		47,406	130,953	130,953	323	2,327	65,476	(63,149)	-96%	130,953
Waste management		93,207	105,800	105,800	1,056	6,355	52,900	(46,545)	-88%	105,800
Other	4	-	-	-	-	-	-	-		-
Total Revenue - Functional	2	1,192,390	1,314,325	1,314,325	281,283	771,097	657,162	113,934	17%	1,314,325
<u>Expenditure - Functional</u>	-									
Governance and administration		289,665	375,428	375,428	20,146	200,743	187,715	13,028	7%	375,428
Executive and council		84,311	101,393	101,393	9,139	47,672	50,697	(3,025)	-6%	101,393
Finance and administration		200,450	269,233	269,233	10,532	150,352	134,617	15,735	12%	269,233
Internal audit		4,903	4,802	4,802	475	2,718	2,401	317	13%	4,802
Community and public safety		125,021	121,102	121,102	9,393	53,376	60,551	(7,175)	-12%	121,102
Community and social services		26,539	33,814	33,814	1,006	10,709	16,907	(6,198)	-37%	33,814
Sport and recreation		60,726	51,959	51,959	2,545	23,324	25,979	(2,656)	-10%	51,959
Public safety		37,756	35,329	35,329	5,842	19,344	17,665	1,679	10%	35,329
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		77,589	89,084	89,084	3,328	29,450	44,542	(15,093)	-34%	89,084
Planning and development		21,391	29,621	29,621	2,126	11,827	14,811	(2,984)	-20%	29,621
Road transport		56,199	59,463	59,463	1,201	17,623	29,732	(12,109)	-41%	59,463
Environmental protection		-	-	-	-	-	-	-		-
Trading services		548,634	623,594	623,594	51,828	931,693	311,797	619,896	199%	623,594
Energy sources		43,171	38,507	38,507	1,361	21,866	19,254	2,612	14%	38,507

Moses Kotane Local Municipality – 2023/2024 Mid-Year Budget and Performance Assessment Report

Water management		402,470	492,993	492,993	44,518	758,910	246,496	512,413	208%	492,993
Waste water management		55,609	29,949	29,949	1,877	23,108	14,975	8,133	54%	29,949
Waste management		47,385	62,144	62,144	4,072	127,810	31,072	96,738	311%	62,144
Other		2,772	3,150	3,150	390	1,677	1,575	102	6%	3,150
Total Expenditure - Functional	3	1,043,682	1,212,358	1,212,358	85,085	1,216,939	606,180	610,758	101%	1,212,358
Surplus/ (Deficit) for the year		148,708	101,967	101,967	196,198	(445,842)	50,982	(496,824)	-975%	101,967

4.1.2 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

NW375 Moses Kotane - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Municipal Council		21,455	22,852	22,852	239	(1,718)	11,426	(13,143)	-115.0%	22,852
Vote 02 - Office Of The Accounting Officer		–	–	–	–	–	–	–		–
Vote 03 - Budget And Treasury Office		514,088	544,438	544,438	204,222	543,263	272,219	271,044	99.6%	544,438
Vote 04 - Corporate Services		429	600	600	259	380	300	80	26.8%	600
Vote 05 - Community Services		117,034	109,800	109,800	1,005	6,670	54,900	(48,231)	-87.9%	109,800
Vote 06 - Planning & Development		136	–	–	18	150	–	150	#DIV/0!	–
Vote 07 - Infrastructure & Technical Services		539,249	636,636	636,636	75,540	222,351	318,318	(95,967)	-30.1%	636,636
Vote 08 -		–	–	–	–	–	–	–		–
Vote 09 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–

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Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	1,192,390	1,314,325	1,314,325	281,283	771,097	657,162	113,934	17.3%	1,314,325
<u>Expenditure by Vote</u>	1									
Vote 01 - Municipal Council		71,931	87,446	87,446	5,412	37,385	43,723	(6,338)	-14.5%	87,446
Vote 02 - Office Of The Accounting Officer		22,319	23,610	23,610	4,615	15,618	11,805	3,813	32.3%	23,610
Vote 03 - Budget And Treasury Office		95,828	158,731	158,731	7,416	102,770	79,365	23,405	29.5%	158,731
Vote 04 - Corporate Services		80,922	86,645	86,645	6,352	36,457	43,322	(6,866)	-15.8%	86,645
Vote 05 - Community Services		187,203	195,701	195,701	9,484	187,514	97,851	89,663	91.6%	195,701
Vote 06 - Planning & Development		20,725	26,906	26,906	2,143	11,297	13,453	(2,156)	-16.0%	26,906
Vote 07 - Infrastructure & Technical Services		564,753	633,320	633,320	49,664	825,897	316,660	509,237	160.8%	633,320
Vote 08 -		-	-	-	-	-	-	-		-
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	1,043,682	1,212,358	1,212,358	85,085	1,216,939	606,180	610,758	100.8%	1,212,358
Surplus/ (Deficit) for the year	2	148,708	101,967	101,967	196,198	(445,842)	50,982	(496,824)	-974.5%	101,967

4.1.3 Monthly Budget Statement - Financial Performance – Operating Revenue

NW375 Moses Kotane - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		–	–	–	–	(2,479)	(0)	(2,479)	#####	–
Service charges - Water		178,981	222,520	222,520	16,229	92,818	111,260	(18,442)	-17%	222,520
Service charges - Waste Water Management		3,864	6,036	6,036	323	2,327	3,018	(691)	-23%	6,036
Service charges - Waste management		11,817	12,277	12,277	1,056	6,355	6,138	217	4%	12,277
Sale of Goods and Rendering of Services		761	520	520	59	470	260	210	81%	520
Agency services								–		
Interest								–		
Interest earned from Receivables		71,462	60,636	60,636	4,087	23,367	30,318	(6,952)	-23%	60,636
Interest from Current and Non Current Assets		9,745	6,251	6,251	60	5,652	3,126			6,251
Dividends		–	–	–	–	–	–	–		–
Rent on Land								–		
Rental from Fixed Assets		152	188	188	9	60	94	(34)	-36%	188
Licence and permits		336	2,000	2,000	84	543	1,000	(457)	-46%	2,000
Operational Revenue		1,014	1,205	1,205	310	1,227	603	625	104%	1,205
Non-Exchange Revenue								–		
Property rates		124,807	154,525	154,525	12,676	74,626	77,263	(2,637)	-3%	154,525
Surcharges and Taxes								–		
Fines, penalties and forfeits		1,028	2,000	2,000	–	–	1,000	(1,000)		2,000
Licence and permits								–		
Transfers and subsidies - Operational		537,931	581,763	581,763	184,718	425,341	290,882	134,460		581,763

Interest	32,268	27,562	27,562	2,999	17,949	13,781	4,168		27,562
Fuel Levy							-		
Operational Revenue							-		
Gains on disposal of Assets	838	-	-	-	-	-	-		-
Other Gains	0	-	-	-	-	-	-		-
Discontinued Operations							-		
Total Revenue (excluding capital transfers and contributions)	975,004	1,077,484	1,077,484	222,609	648,256	538,742	109,514	20%	1,077,484

Detailed Revenue Analysis

Total revenue generated for the 2nd quarter amount to R648.2 million. Revenue from Property Rates, Water, Refuse Removal, and Interest are the major sources of revenue for the Municipality.

Revenue for the second quarter equates to 60% when compared to the budget, this is 10% higher than the target of 50%. The over performance is attributed to the receipts of equitable shares.

Of the total amount of revenue generated for the reporting period, 34% relates to own revenue while operational grants contributed 66%. The above indicates that the municipality is relies on government grants to fund its daily operations.

REVENUE PERFORMANCE AS AT 31 DECEMBER 2023					
Description	Budget	Billing	Billing/ Budget	Actual Receipts	Actual/ Billing
Property Rates	154,525,327	74,626,048	48%	64,647,972	87%
Water	222,520,040	92,817,686	42%	39,005,128	42%
Sanitation	6,036,429	2,327,386	39%	905,245	39%
Refuse	12,276,619	6,355,089	52%	203,964	3%
Total	395,358,415.00	176,126,208	45%	104,762,309	59%

Property Rates billing amount to R74.6 or 48% of the budgeted amount of R154.5. million, actual cash receipts amount to R64.6 (87%) of the billed amount for the reporting period, i.e. July – December 2023

Water revenue reflects billing of 42% (R92.8 million) of the budgeted amount of R225 927 605. Water revenue has underperformed by 8% mainly due to inconsistent water supply. Actual cash receipts amount to R39 million or 42% when compared to the billed amount.

The low collection rate on water service has a negative impact on the cash flow of the municipality and if this trend of non-payment continues, the municipality will not be in the position to pay all the creditors within the legislated time frame. This will further have an influence on the quality of the service due lack of funds to perform routine maintenance on water infrastructure.

Revenue raised from sanitation amount to R2.3 million or 39% against the budgeted amount of R6 million. Actual cash receipts amount to R905,245 (39%) of the billed amount.

The above indicates that water and sanitation services have billed below the expected 50%. The underperformance occurred as a result of shortage of water during the first six months of the financial year. It is further noted that collection of revenue remains low for the reporting period.

Revenue generated from refuse removal service amount to R6.3 million 52% of the appropriated budget of R12.2 million. Actual cash receipts amount to R203,963 or 3% of the billed amount.

Revenue generated interest earned from investment amounts to R5.6 million or 90% when compared to the budget of R6.2 million. The item will be adjusted accordingly during the adjustment budget.

4.1.4 Monthly Budget Statement – Financial Performance - Operating Expenditure

NW375 Moses Kotane - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Table 6: Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - 31st December										
Description	Ref	2022/2023	Budget Year 2023/2024							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year YTD actual	Year YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type	-									
Employee related costs		283,415	296,872	296,872	26,261	151,491	148,437	3,054	2%	296,872
Remuneration of councillors		25,874	27,597	27,597	1,744	11,422	13,798	(2,376)	-17%	27,597
Bulk purchases - electricity		33,007	25,000	25,000	3,065	16,554	12,500	4,054		25,000

Inventory consumed	144,039	150,155	150,155	29,929	68,912	75,078	(6,165)		150,155
Debt impairment	–	328,721	328,721	–	–	164,361	(164,361)	-100%	328,721
Depreciation and amortisation	132,550	155,041	155,041	–	45,318	77,521	(32,202)	-42%	155,041
Interest	5,619	5,600	5,600	1,712	1,738	2,800	(1,062)	-38%	5,600
Contracted services	136,096	140,090	140,090	20,181	75,735	70,045	5,690	8%	140,090
Transfers and subsidies	–	–	–	–	–	–	–		–
Irrecoverable debts written off	147,426	–	–	85	806,642	–	806,642		–
Operational costs	116,715	83,281	83,281	2,108	39,126	41,641	(2,515)	-6%	83,281
Losses on Disposal of Assets	18,942	–	–	–	–	–	–		–
Other Losses	–	–	–	–	–	–	–		–
Total Expenditure	1,043,682	1,212,358	1,212,358	85,085	1,216,939	606,180	610,758	101%	1,212,358

Detailed Operating Expenditure Analysis

The year to date expenditure as at the end of the 2nd quarter amount to R1,216,938,620 or 100% of the total operating expenditure budget of R1,212,357,874. The operating expenditure incurred for the reporting period is 50.4% above the target of 50% as at the end of the second quarter.

Overperformance on the operating expenditure mainly occurred as a result of bad debts written off against the debtors' book as per Council Resolution (167/07/2023). The bad debts written off reported by 31st December 2023 amount R806,642,451 which equates 66% of the total expenditure;

The provision of bad debts is a non-cash item and does not have impact on the cash flow of the municipality. It however gives an indication that the municipality is not performing as expected on revenue collection, the higher the provision, the lower the collection rate.

Current spending patterns on the line items indicates overspending as at second quarter while other items will exceed the budget, however cost containment measures will be strengthened to curb the over spending.

Employee Related Costs (Incl. Councillors remuneration) as at the mid-year amount to R162.9 million or 50% of the budget.

Contracted services – expenditure incurred to date amount to R75.7 million or 54% of the allocated budget. Overspending emanated from repairs and maintenance, particularly water maintenance and water/sewer quality control.

Bulk Purchases (Electricity Boreholes) – Expenditure to date amount to R16.5 million or 66% of the budget.

4.1.5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding)

NW375 Moses Kotane - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2022/23	Budget Year 2023/24										
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast			
Total Capital Expenditure					8,803	244,591	244,591	25,813	108,427	122,295	(13,868)	-11%	244,591
<u>Capital Expenditure - Functional Classification</u>													
<i>Governance and administration</i>					106	6,000	6,000	–	213	3,000	(2,787)	-93%	6,000
Executive and council											–		
Finance and administration					106	6,000	6,000	–	213	3,000	(2,787)	-93%	6,000
Internal audit											–		
<i>Community and public safety</i>					2,816	1,750	1,750	–	–	875	(875)	-100%	1,750
Community and social services					–	–	–	–	–	–	–		–
Sport and recreation					2,816	750	750	–	–	375	(375)	-100%	750
Public safety					–	1,000	1,000	–	–	500	(500)	-100%	1,000
Housing											–		
Health											–		
<i>Economic and environmental services</i>					2,790	60,826	60,826	4,314	30,698	30,413	285	1%	60,826
Planning and development					–	–	–	–	–	–	–		–
Road transport					2,790	60,826	60,826	4,314	30,698	30,413	285	1%	60,826
Environmental protection											–		
<i>Trading services</i>					3,092	176,015	176,015	21,498	77,516	88,007	(10,491)	-12%	176,015

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Energy sources		–	4,000	4,000	2,066	3,406	2,000	1,406	70%	4,000
Water management		3,950	155,754	155,754	18,911	73,589	77,877	(4,288)	-6%	155,754
Waste water management		–	10,000	10,000	522	522	5,000	(4,478)	-90%	10,000
Waste management		(859)	6,261	6,261	–	–	3,130	(3,130)	-100%	6,261
Other								–		
Total Capital Expenditure - Functional Classification	3	8,803	244,591	244,591	25,813	108,427	122,295	(13,868)	-11%	244,591
Funded by:										
National Government		8,697	236,841	236,841	25,813	108,214	118,420	(10,206)	-9%	236,841
Provincial Government		–	–	–	–	–	–	–		–
District Municipality								–		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		8,697	236,841	236,841	25,813	108,214	118,420	(10,206)	-9%	236,841
Borrowing	6							–		
Internally generated funds		106	7,750	7,750	–	213	3,875	(3,662)	-94%	7,750
Total Capital Funding		8,803	244,591	244,591	25,813	108,427	122,295	(13,868)	-11%	244,591

NB The amount reflected on the C-Schedule above is VAT exclusive.

The total accumulated capital spending (VAT Inclusive) for the period ended 31st December 2023, amounted **R124.6 million** which is translate into **51%** of the capital budget of **R244.5 million**.

Capital Expenditure per source of funding;

- Grants spending 53%

- Borrowing 0%
- Own funding 3%

Grant Performance

GRANT'S PERFORMANCE					
31-Dec-23					
DESCRIPTION	BUDGET	RECEIVED	CONDITIONS SPEND	% Spending / Budget	% Spending/ Received
EQUITABLE SHARE	566,087,000	419,914,900	205,277,250	36%	49%
MIG CAPITAL PROJECTS	171,840,790	126,515,790	90,578,856	53%	72%
MIG ROLLOVER PROJECTS		179,418	-		0%
WSIG CAPITAL PROJECTS	65,000,000	40,000,000	31,421,449	48%	79%
WSIG ROLLOVER PROJECTS		1,834,540.00	1,834,540		100%
FMG GRANT	1,950,000	1,950,000	568,109	29%	29%
EPWP	1,629,000	1,140,000	761,021	47%	67%
PMU	8,097,210	8,097,210	2,921,007	36%	36%
LIBRARY		1,200,000	35,259		3%
EEDSM	4,000,000	1,000,000	1,495,000	37%	150%
TOTAL	818,604,000	601,831,858	334,892,491	41%	56%

The percentage is calculated based on the Grants received as well as the budgeted amount.

The percentage calculation is based on the Grants as per DORA as well as the Grants received

An amount of R419,914,000 has been received for Equitable Shares and R205,277,250 or 49% was spent.

An amount of R40,000,000 has been received for WSIG projects and the expenditure to date amounts to R31,421,449 (48%). A roll over of R1,834,540 has been spent in full. The approved roll over will be incorporated in the adjustment budget.

The received amount for MIG projects amounts to R126,515,790 and the expenditure thereof amounts to R90,578,856 (72%).

Amount of R 8,097,210 has been received for PMU and the expenditure to date amounts to R2,921,007 which represents a total percentage payment of 36%.

An EPWP grant of R1,140,000 has been received and R761,021 was spent, which makes 67% of the amount received.

An FMG grant of R1,950,000 has been received and 29% was spent which is equal to an amount of R568,109. FMG performance is below the average of 42%, however the Finance Management Grant plan will be adjusted during the adjustment budget period in February 2024 to cater for the GRAP and Case-ware training of Head of Units and Managers, only two interns will be appointed before the end of March 2024 to accelerate the spending and ensure that funds are not returned to the National coffers.

A Library grant of R1,200,000 has been received and R35,259 was spent which equates to 3% when compared to the budget. The budget for the library will be incorporated during the adjustment budget period.

The EEDSM grant of R1,000,000 has been received and expenditure to date amount to R1,495,000, equivalent to 150%.

4.1.6 Monthly Budget Statement - Financial Position

NW375 Moses Kotane - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		1,902,658	63,040	63,040	201,086	63,040
Trade and other receivables from exchange transactions		70,897	66,260	66,260	(632,145)	66,260
Receivables from non-exchange transactions		172,477	66,260	66,260	140,268	66,260
Current portion of non-current receivables						
Inventory		16,493	14,665	14,665	15,653	14,665
VAT		129,471	12,635	12,635	121,517	12,635
Other current assets		23,214	6,214	6,214	23,853	6,214
Total current assets		2,315,211	229,074	229,074	(129,768)	229,074
Non current assets						
Investments		–	–	–	–	–
Investment property		150,664	151,438	151,438	150,664	151,438
Property, plant and equipment		2,988,511	3,452,125	3,452,125	3,052,532	3,452,125
Biological assets						
Living and non-living resources						
Heritage assets		14	14	14	14	14
Intangible assets		13,393	15,854	15,854	12,482	15,854
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions						
Other non-current assets						

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Total non current assets		3,152,582	3,619,431	3,619,431	3,215,691	3,619,431
TOTAL ASSETS		5,467,793	3,848,505	3,848,505	3,085,923	3,848,505
LIABILITIES						
Current liabilities	-					
Bank overdraft		-	-	-	-	-
Financial liabilities		8,840	12,820	12,820	5,185	12,820
Consumer deposits		1,823	-	-	1,827	-
Trade and other payables from exchange transactions		210,314	177,266	177,266	192,370	177,266
Trade and other payables from non-exchange transactions		8,156	-	-	15,528	-
Provision		49,159	2,040	2,040	46,395	2,040
VAT		99,997	-	-	49,881	-
Other current liabilities		-	-	-	-	-
Total current liabilities		378,290	192,126	192,126	311,187	192,126
Non current liabilities						
Financial liabilities		34,753	33,895	33,895	29,642	33,895
Provision		35,996	38,433	38,433	35,996	38,433
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		70,749	72,328	72,328	65,639	72,328
TOTAL LIABILITIES		449,039	264,454	264,454	376,825	264,454
NET ASSETS	2	5,018,754	3,584,052	3,584,052	2,709,098	3,584,052
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		3,266,622	3,482,085	3,482,085	2,709,098	3,482,085
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-

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TOTAL COMMUNITY WEALTH/EQUITY	2	3,266,622	3,482,085	3,482,085	2,709,098	3,482,085
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The cash flow reporting remains prevalent to the municipality; however, the matter is receiving and will be addressed as outlined in the mSCOA Road Map. The cash balance of the municipality stood at R214 million as at the end of the December 2023.respectively.

4.1.7 Monthly Budget Statement - Cash Flow

NW375 Moses Kotane - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		100 014	80 353	80 353	7 417	53 181	40 177	13 004	32%	80 353
Service charges		154 773	69 811	69 811	6 172	42 306	34 906	7 400	21%	69 811
Other revenue		589 255	5 913	5 913	34 795	87 339	2 957	84 382	2854%	5 913
Transfers and Subsidies - Operational		161 779	581 763	581 763	184 778	425 204	290 882	134 322	46%	581 763
Transfers and Subsidies - Capital		208 558	236 841	236 841	90 679	130 679	118 420	12 259	10%	236 841
Interest		9 745	6 251	6 251	60	5 652	3 126	2 526	81%	6 251
Dividends		—	—	—	—	—	—	—		—
Payments										
Suppliers and employees		5 575	(728 596)	(728 596)	179 191	154 966	(364 298)	(519 264)	143%	(728 596)
Interest		—	—	—	—	—	—	—		—
Transfers and Subsidies		—	—	—	—	—	—	—		—
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 229 699	252 337	252 337	503 093	899 326	126 168	(773 158)	-613%	252 337
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(13)	—	—	—	—	—	—		—
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—		—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—		—
Payments										
Capital assets		(8 803)	(244 591)	(244 591)	(25 813)	(108 427)	(122 295)	(13 868)	11%	(244 591)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(8 817)	(244 591)	(244 591)	(25 813)	(108 427)	(122 295)	(13 868)	11%	(244 591)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		—	—	—	—	—	—	—		—
Borrowing long term/refinancing		—	—	—	(254)	(254)	—	(254)	#DIV/0!	—
Increase (decrease) in consumer deposits		—	—	—	0	4	—	4	#DIV/0!	—
Payments										
Repayment of borrowing		(5 813)	(12 820)	(12 820)	(2 845)	(3 655)	(6 410)	(2 755)	43%	(12 820)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(5 813)	(12 820)	(12 820)	(3 098)	(3 905)	(6 410)	(2 505)	39%	(12 820)
NET INCREASE/ (DECREASE) IN CASH HELD		1 215 070	(5 074)	(5 074)	474 182	786 994	(2 537)			(5 074)
Cash/cash equivalents at beginning:		36 880	68 734	68 734	166 930	38 855	68 734			38 855
Cash/cash equivalents at month/year end:		1 251 950	63 660	63 660		825 849	66 197			33 781

Due to the challenges highlighted on the statement of Financial Position, the above cash flow statement does not reflect a true cash position of the municipality. The municipality closed the period with a favourable cash balance of R214 million.

5. Debtors' Analysis

NW375 Moses Kotane - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2023/24									
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
R thousands											
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	37,891	19,145	19,557	16,566	16,193	17,509	86,577	431,533	644,972	568,378
Trade and Other Receivables from Exchange Transactions - Electricity	1300									–	–
Receivables from Non-exchange Transactions - Property Rates	1400	21,487	10,423	10,049	7,582	6,438	11,111	35,151	304,678	406,919	364,960
Receivables from Exchange Transactions - Waste Water Management	1500	726	456	447	437	433	418	2,175	5,351	10,444	8,814
Receivables from Exchange Transactions - Waste Management	1600	2,389	1,192	1,197	1,197	1,195	1,105	6,587	13,774	28,635	23,857
Receivables from Exchange Transactions - Property Rental Debtors	1700									–	–
Interest on Arrear Debtor Accounts	1810	15,313	6,777	6,789	6,562	6,778	8,839	21,534	165,160	237,752	208,873
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–
Other	1900	248	1,131	158	433	82	83	800	29,302	32,237	30,700
Total By Income Source	2000	78,055	39,124	38,198	32,778	31,118	39,065	152,824	949,797	1,360,959	1,205,582
2022/23 - totals only		84549164	42070340	37774213	35141531	30056667	31436759	179410168	1516380795	1,956,820	1,792,426
Debtors Age Analysis By Customer Group											
Organs of State	2200	16,711	7,380	7,178	6,202	6,631	7,006	34,384	207,568	293,059	261,790
Commercial	2300	23,654	12,099	12,700	10,107	8,964	8,306	29,530	253,397	358,758	310,304
Households	2400	37,544	18,565	18,212	16,387	15,443	23,674	88,116	483,011	700,952	626,631
Other	2500	146	1,080	108	82	81	79	794	5,821	8,191	6,857
Total By Customer Group	2600	78,055	39,124	38,198	32,778	31,118	39,065	152,824	949,797	1,360,959	1,205,582

- a) The debtor's age analysis until the month of December 2023 amounts R1.3 billion.
- b) The age analysis will continue to grow to the extent of non-payment below 100% and by interest charged every month on the arrears.
- c) Credit control measures must be applied strictly throughout the municipality, regardless of the customer type.
- d) Households and businesses are the most owing customers at 52% and 26% respectively. Organs of state owes R293 million or 22% of the total outstanding debtors.

5.1 Debtors' Book Analysis

The table below reflects the municipality's debtors book trend analysis.

Debtors growth analysis							
Description R thousands	Budget Year 2023/24						
	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Debtors Growth Analysis							
Gross debtors balance	2,096,067,669	1,317,396,738	1,282,755,834	1,313,471,529	1,306,769,005	1,336,589,123	1,360,959,380
Net debtor increase / (decrease)	–	-778,670,931	-34,640,904	30,715,695	-6,702,524	29,820,118	24,370,257
Percentage increase (decrease)	–	-59%	-3%	2%	-1%	2%	2%

- a) The gross debtors' book amount to R1,360 billion for the reporting period.
- b) The table above reflects reduction of R778.6 million on the debtors' book when compared to 2022/2023 financial year. This occurred after the Council took a resolution to write off long outstanding debts.
- c) The consumer household are the main contributors to the debtors' book.

5.1.1 Debt collection Control

- a) Debt collection control measures are to be applied to all household consumers throughout the municipality
- b) The municipality does not have sufficient capacity in the debt management department to manage all the household debt.
- c) The debt management department needs to be further capacitated
- d) No debt collection control measures in all the areas
- e) The consumption of water and the non-payment for water consumption must be address as a matter of urgency.
- f) Most Indigent households used more than the 6kl water that they received free, measures to curb the excess water consumption beyond 6kl must be implemented.

6. Creditors' Analysis

NW375 Moses Kotane - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December 2023

Description R thousands	NT Code	Budget Year 2023/2024				
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	Total
Creditors Age Analysis By Customer Type						
Bulk Electricity	0100					
Bulk Water	0200					
PAYE deductions	0300					
VAT (output less input)	0400					
Pensions / Retirement deductions	0500					
Loan repayments	0600					
Trade Creditors	0700	1,292	2,644	1,966	237	
Auditor General	0800					
Other	0900					
Total By Customer Type	1000	1,292	2,644	1,966	237	6,139

The overall outstanding creditors amount to R6.1 million, this balance is owed for different type of goods and services procured in rendering services delivery. The municipality strives to adhere to the creditors payment time frame as stipulated in the MFMA. The monthly current account is paid.

7. Investment Portfolio analysis

The table below reflects a summary of investments for the first six months of the 2023/2024 financial year.

INVESTMENTS MOSES KOTANE 2023/2024							
SUMMARY OF INVESTMENTS							
ACCOUNT	TYPE OF	BALANCE	BANK	DEPOSIT	INTEREST	WITHDREW	BALANCE
NUMBER	INVESTMENT	01/07/2023	CHARGES		CAPITALIZED		31/12/2023
228810957(002)	CALL MKLM MAIN STANDARD BANK	5,160,908.71	0.00	320,650,000.00	2,952,557.49	212,900,000.00	115,863,466.20
2062250801	12 MONTHS CEDED ESCOM	425,755.26		0.00	0.00		458,112.66
228810957(004)	CALL - MIG STANDARD BANK	10,683,660.31	0.00	117,979,890.00	912,534.74	69,018,485.03	60,557,600.02
228810957(003)	CALL WSIG GRANT	11,690,577.14		54,028,005.00	811,558.06	46,867,839.00	19,662,301.20
228810957(001)	CALL FLEET	4,842,691.84	0.00	0.00	164,588.86	4,650,000.00	357,280.70
BALANCE		32,803,593.26	0.00	492,657,895.00	4,841,239.15	333,436,324.03	196,898,760.78

8. Allocation and grant receipts and expenditure

a. Table SC6 Monthly Budget Statement - transfers and grant receipts

NW375 Moses Kotane - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
-										
Operating Transfers and Grants										
National Government:		537,195	581,763	581,763	184,862	425,608	290,882	134,727	46.3%	581,763
Energy Efficiency and Demand Side Management Grant		350	4,000	4,000	(1,019)	1,495	2,000	(505)	-25.2%	4,000
Equitable Share		528,602	566,087	566,087	184,045	419,914	283,043	136,871	48.4%	566,087
Expanded Public Works Programme Integrated Grant		1,652	1,629	1,629	239	761	815	(53)	-6.6%	1,629
Local Government Financial Management Grant		1,950	1,950	1,950	264	568	975	(407)	-41.7%	1,950
Municipal Disaster Relief Grant		-	-	-	-	-	-	-		-
Municipal Infrastructure Grant	3	4,642	8,097	8,097	1,333	2,870	4,049	(1,178)	-29.1%	8,097
Other transfers and grants [insert description]								-		
Provincial Government:		735	-	-	(144)	(267)	-	(267)		-
Capacity Building and Other Grants		735	-	-	(144)	(267)	-	(267)		-
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-

Moses Kotane Local Municipality – 2023/2024 Mid-Year Budget and Performance Assessment Report

<i>National Library South Africa</i>		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	537,931	581,763	581,763	184,718	425,341	290,882	134,460	46.2%	581,763
<u>Capital Transfers and Grants</u>										
National Government:		217,144	236,841	236,841	58,674	122,840	118,420	4,420	3.7%	236,841
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	4.3%	–
Municipal Infrastructure Grant		157,450	171,841	171,841	46,329	89,584	85,920	3,664	2.3%	171,841
Water Services Infrastructure Grant		59,694	65,000	65,000	12,345	33,256	32,500	756		65,000
Provincial Government:		242	–	–	–	–	–	–		–
<i>Infrastructure Grant</i>		242	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
<i>[insert description]</i>								–		
Other grant providers:		–	–	–	–	–	–	–		–
<i>[insert description]</i>								–		
<i>Municipal Infrastructure Investment Unit</i>		–	–	–	–	–	–	–		–
<i>National Small Business Council</i>		–	–	–	–	–	–	–		–
<i>Registration of Deeds Trade Account</i>		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	217,386	236,841	236,841	58,674	122,840	118,420	4,420	3.7%	236,841
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	755,317	818,604	818,604	243,391	548,182	409,302	138,880	33.9%	818,604

9. Councillor allowances and employee benefits

Notes:

NW375 Moses Kotane - Supporting Table SC8 Monthly Budget Statement - Councillor and staff benefits - M06 December 2023

Summary of Employee and Councillor remuneration	Ref	2022/23 Audited Outcome	Budget Year 2023/24 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
-	1	A	B	C						D
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		21,687	23,211	23,211	1,390	9,337	11,606	(2,269)	-20%	23,211
Pension and UIF Contributions		-	-	-	-	-	-	-		-
Medical Aid Contributions		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		-	-	-	-	-	-	-		-
Cellphone Allowance		3,017	3,174	3,174	267	1,546	1,587	(41)	-3%	3,174
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		1,170	1,211	1,211	88	539	606	(66)	-11%	1,211
Sub Total - Councillors		25,874	27,597	27,597	1,744	11,422	13,798	(2,376)	-17%	27,597
% increase	4		6.7%	6.7%						6.7%
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages		3,731	9,559	9,559	250	1,816	4,780	(2,964)	-62%	9,559
Pension and UIF Contributions		213	683	683	-	-	342	(342)	-100%	683
Medical Aid Contributions		54	114	114	-	-	57	(57)	-100%	114
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		98	367	367	-	118	184	(66)	-36%	367
Motor Vehicle Allowance		556	1,225	1,225	22	132	613	(480)	-78%	1,225
Cellphone Allowance		-	-	-	-	-	-	-		-

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Housing Allowances	2	-	-	-	-	-	-	-		-
Other benefits and allowances		0	1	1	-	-	0	(0)	-100%	1
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		93	-	-	-	-	-	-		-
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality	4	4,745	11,949	11,949	272	2,066	5,975	(3,909)	-65%	11,949
% increase			151.8%	151.8%						151.8%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages	2	181,806	202,326	202,326	16,492	100,359	101,163	(804)	-1%	202,326
Pension and UIF Contributions		38,071	40,740	40,740	3,412	20,453	20,370	83	0%	40,740
Medical Aid Contributions		15,403	16,572	16,572	1,333	7,955	8,286	(332)	-4%	16,572
Overtime		20,210	5,856	5,856	1,532	9,513	2,928	6,585	225%	5,856
Performance Bonus		12,509	14,192	14,192	2,615	7,553	7,096	457	6%	14,192
Motor Vehicle Allowance		1,078	669	669	80	481	334	146	44%	669
Cellphone Allowance								-		
Housing Allowances		631	629	629	60	374	315	59	19%	629
Other benefits and allowances		2,876	3,558	3,558	330	2,051	1,779	272	15%	3,558
Payments in lieu of leave		719	-	-	-	-	-	-		-
Long service awards		4,195	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Entertainment								-		

Scarcity										
Acting and post related allowance		1,171	382	382	135	687	191	496	260%	382
In kind benefits								–		
Sub Total - Other Municipal Staff		278,670	284,923	284,923	25,989	149,425	142,462	6,963	5%	284,923
% increase	4		2.2%	2.2%						2.2%
Total Parent Municipality		309,289	324,469	324,469	28,005	162,913	162,235	678	0%	324,469

- Employee cost as at December 2023 amount R151.4 million which represents 51% of the remuneration budget,
- Councillors remuneration as at December 2023 amount to R11.4 million which represents 41% of the remuneration budget
- The average staff complements in terms of MLM Payroll and HR administrative records totals to **606**, this number exclude councillors and temporary employee.

Overtime analysis

The schedule below is an analysis of the overtime for the period of **December 2023 per Department**.

Department	Budget	Expenditure Q1	Expenditure Q2	Movement Q1 - Q2	% to date
Infrastructure	R 3 040 073.00	R 2 503 506.00	R 4 718 503.00	R 2 214 997.00	155%
Community Services	R 1 338 791.00	R 1 015 804.00	R 2 079 361.00	R 1 063 557.00	155%
Corporate Services	R 901 724.00	R 835 565.00	R 2 032 889.00	R 1 197 324.00	225%
BTO	R 208 119.00	R 12 714.00	R 275 808.00	R 263 094.00	133%
COUNCIL GENERAL	R 64 503.00	R 43 687.00	R 100 939.00	R 57 252.00	68%
IDP			R 37 650.00	R 37 650.00	0%
LED			R 125 893.00	R 125 893.00	0%
TOTAL	R 5 553 210.00	R 4 411 276.00	R 9 371 043.00	R 4 959 767.00	169%

The overtime report will be reported to Council on a monthly basis as from January 2024 as required by Municipal Cost Containment Regulation.

10. Material variances to the service delivery and budget implementation plan

NW375 Moses Kotane - Supporting Table SC1 Material variance explanations - M06 December 2023				
Ref	Description R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1	Revenue			
	Electricity Service charge	(2,479)	Misallocation of Free Basic Electricity	Corrections will be effected in the next open period 2023
2	Expenditure By Type			
	Variances was Not Calculated	806,557	Irrecoverable debt written off	The budget will be adjusted in February 2024 to accommodate the write off.

NW375 Moses Kotane - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December 2023

NW375 Moses Kotane - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

Description	Ref	Budget Year 2023/24												2023/24 Medium Term Revenue & Expenditure Framework		
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands	1															
Cash Receipts By Source																
Property rates		4,450	1,522	4,701	31,755	3,336	7,417	6,696	6,696	6,696	6,696	6,696	(6,308)	80,353	84,290	88,252
Service charges - Electricity revenue													–			
Service charges - Water revenue		9,141	3,234	5,850	13,795	2,971	6,104	5,558	5,558	5,558	5,558	5,558	(2,191)	66,693	70,027	73,318
Service charges - Waste Water Management		32	149	54	595	23	30	151	151	151	151	151	172	1,811	1,900	1,989
Service charges - Waste Mangement		42	69	72	77	29	38	109	109	109	109	109	436	1,308	1,372	1,436
Rental of facilities and equipment		8	–	18	16	9	9	16	16	16	16	16	49	188	197	206
Interest earned - external investments		1,103	1,976	1,053	823	636	60	521	521	521	521	521	(2,005)	6,251	6,582	6,931
Interest earned - outstanding debtors													–			
Dividends received		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		36	34	21	12	18	23	167	167	167	167	167	1,024	2,000	2,000	2,094
Licences and permits		113	76	64	125	81	84	167	167	167	167	167	624	2,000	2,090	2,184
Agency services													–			
Transfers and Subsidies - Operational		235,869	2,357	2,200	–	–	184,778	48,480	48,480	48,480	48,480	48,480	(85,842)	581,763	620,091	621,835
Other revenue		(443,693)	70,263	302,922	63,375	59,047	34,679	144	144	144	144	144	(85,586)	1,725	1,870	32,529
Cash Receipts by Source		(194,011)	77,704	315,885	109,734	65,504	233,154	61,471	61,471	61,471	61,471	61,471	(177,672)	737,653	783,640	823,637
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		20,000	–	–	20,000	–	90,679	19,737	19,737	19,737	19,737	19,737	7,478	236,841	269,958	282,412
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)													–			
Proceeds on Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans													–			
Borrowing long term/refinancing		–	–	–	–	–	(254)	–	–	–	–	–	254	–	–	–
Increase (decrease) in consumer deposits		–	–	1	2	0	0	–	–	–	–	–	(4)	–	–	–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source		(174,011)	77,704	315,886	129,736	65,505	323,579	81,208	81,208	81,208	81,208	81,208	(169,943)	974,494	1,053,598	1,106,049
Cash Payments by Type																
Employee related costs		(17)	(4,906)	4,961	875	(137)	584	24,739	24,739	24,739	24,739	24,739	171,816	296,872	309,546	322,613
Remuneration of councillors		(24)	(496)	446	(796)	(58)	(76)	2,300	2,300	2,300	2,300	2,300	17,102	27,597	28,949	30,309
Interest				–	–	–	–	–	–	–	–	–	–	–	–	–
Bulk purchases - Electricity		3,669	4,241	(1,232)	854	669	–	2,083	2,083	2,083	2,083	2,083	6,383	25,000	26,225	27,458
Acquisitions - water & other inventory		22,966	24,564	–	38,242	–	33,026	10,833	10,833	10,833	10,833	10,833	(42,965)	130,000	136,370	142,779
Contracted services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - other municipalities													–			
Transfers and subsidies - other													–			
Other expenditure		(212,610)	51,044	27,850	22,017	40,945	(215,989)	20,761	20,761	20,761	20,761	20,761	432,067	249,127	263,439	270,605
Cash Payments by Type		(186,017)	74,447	32,025	61,192	41,419	(182,454)	60,716	60,716	60,716	60,716	60,716	584,402	728,596	764,529	793,764
Other Cash Flows/Payments by Type																
Capital assets		9,552	8,926	17,796	19,802	26,539	25,813	20,383	20,383	20,383	20,383	20,383	34,250	244,591	269,958	282,412
Repayment of borrowing		584	–	226	–	–	2,845	1,068	1,068	1,068	1,068	1,068	3,824	12,820	13,027	13,510
Other Cash Flows/Payments		–	–	213	–	945	3,264	–	–	–	–	–	(4,422)	–	–	–
Total Cash Payments by Type		(175,880)	83,372	50,260	80,994	68,903	(150,533)	82,167	82,167	82,167	82,167	82,167	618,055	986,006	1,047,514	1,089,686
NET INCREASE/(DECREASE) IN CASH HELD		1,869	(5,669)	265,626	48,742	(3,399)	474,112	(959)	(959)	(959)	(959)	(959)	(787,998)	(11,513)	6,084	16,363
Cash/cash equivalents at the month/year beginning:		38,855	40,724	35,055	300,682	349,424	346,025	820,137	819,178	818,219	817,259	816,300	815,340	38,855	27,343	33,427
Cash/cash equivalents at the month/year end:		40,724	35,055	300,682	349,424	346,025	820,137	819,178	818,219	817,259	816,300	815,340	27,343	27,343	33,427	49,790

11. Capital Programme Performance

a. Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

NW375 Moses Kotane - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

Description	Ref	2022/23	Budget Year 2023/2024							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
-									0.8%	
Infrastructure		3,092	171,460	171,460	22,422	85,059	85,730	671		171,460
Roads Infrastructure		-	-	-	-	-	-	-		-
Roads		-	-	-	-	-	-	-		-
Road Structures								-		
Road Furniture								-		
Capital Spares								-		
Storm water Infrastructure		-	14,738	14,738	923	8,163	7,369	(794)	-10.8%	14,738
Drainage Collection		-	14,738	14,738	923	8,163	7,369	(794)	-10.8%	14,738
Storm water Conveyance								-		
Attenuation								-		
Electrical Infrastructure		-	4,000	4,000	2,066	3,406	2,000	(1,406)	-70.3%	4,000
LV Networks		-	4,000	4,000	2,066	3,406	2,000	(1,406)	-70.3%	4,000
Capital Spares								-		
Water Supply Infrastructure		3,950	136,461	136,461	18,911	72,969	68,231	(4,738)	-6.9%	136,461
Water Treatment Works		-	17,000	17,000	4,674	7,446	8,500	1,054	12.4%	17,000

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Bulk Mains		–	14,702	14,702	2,268	8,048	7,351	(697)	-9.5%	14,702
Distribution		3,950	102,560	102,560	11,969	57,475	51,280	(6,195)	-12.1%	102,560
Distribution Points		–	2,200	2,200	–	–	1,100	1,100	100.0%	2,200
PRV Stations								–		
Capital Spares								–		
Sanitation Infrastructure		–	10,000	10,000	522	522	5,000	4,478	89.6%	10,000
Pump Station								–		
Reticulation								–		
Waste Water Treatment Works		–	–	–	–	–	–	–		–
Outfall Sewers								–		
Toilet Facilities		–	10,000	10,000	522	522	5,000	4,478	89.6%	10,000
Capital Spares								–		
Solid Waste Infrastructure		(859)	6,261	6,261	–	–	3,130	3,130	100.0%	6,261
Landfill Sites		(859)	6,261	6,261	–	–	3,130	3,130	100.0%	6,261
Computer Equipment		–	–	–	–	–	–	–		–
Computer Equipment								–		
									90.9%	
Furniture and Office Equipment		–	3,500	3,500	–	160	1,750	1,590		3,500
									90.9%	
Furniture and Office Equipment		–	3,500	3,500	–	160	1,750	1,590		3,500
									100.0%	
Machinery and Equipment		–	750	750	–	–	375	375		750
									100.0%	
Machinery and Equipment		–	750	750	–	–	375	375		750
Zoological plants and animals								–		
Total Capital Expenditure on new assets	1	3,092	175,710	175,710	22,422	85,219	87,855	2,636	3.0%	175,710

b. Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06 December

NW375 Moses Kotane - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06 December

Description	Ref	2021/22	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
-										
Infrastructure		-	19,293	19,293	-	620	9,646	9,026	93.6%	19,293
Roads Infrastructure		-	-	-	-	-	-	-		-
Water Supply Infrastructure		-	19,293	19,293	-	620	9,646	9,026	93.6%	19,293
Dams and Weirs								-		
Boreholes		-	19,293	19,293	-	620	9,646	9,026	93.6%	19,293
Capital Spares								-		
Information and Communication Infrastructure		-	-	-	-	-	-	-		-
Community Assets		2,816	1,000	1,000	-	-	500	500	100.0%	1,000
Community Facilities		2,816	1,000	1,000	-	-	500	500	100.0%	1,000
Halls		2,816	-	-	-	-	-	-		-
Centres								-		
Crèches								-		
Clinics/Care Centres								-		
Fire/Ambulance Stations								-		

Testing Stations		-	1,000	1,000	-	-	500	500	100.0%	1,000
Monuments								-		
Biological or Cultivated Assets		-	-	-	-	-	-	-		-
Biological or Cultivated Assets								-		
Intangible Assets		106	2,500	2,500	-	53	1,250	1,197	95.7%	2,500
Servitudes								-		
Licences and Rights		106	2,500	2,500	-	53	1,250	1,197	95.7%	2,500
Water Rights								-		
Effluent Licenses								-		
Solid Waste Licenses								-		
Computer Software and Applications		106	2,500	2,500	-	53	1,250	1,197	95.7%	2,500
Load Settlement Software Applications								-		
Unspecified								-		
Zoological plants and animals								-		
Total Capital Expenditure on renewal of existing assets	1	2,922	22,793	22,793	-	673	11,396	10,723	94.1%	22,793

12.3. Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December

NW375 Moses Kotane - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast

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R thousands	1								%	
Repairs and maintenance expenditure by Asset Class/Sub-class										
-										
Infrastructure		30,248	23,800	23,800	(583)	7,288	11,900	4,612	38.8%	23,800
Roads Infrastructure		1,640	5,200	5,200	193	520	2,600	2,080	80.0%	5,200
Roads		1,640	5,000	5,000	58	384	2,500	2,116	84.6%	5,000
Road Structures								-		
Road Furniture		-	200	200	136	136	100	(36)	-35.7%	200
Capital Spares								-		
Storm water Infrastructure		-	-	-	-	-	-	-		-
Drainage Collection								-		
Storm water Conveyance		-	-	-	-	-	-	-		-
Attenuation								-		
Electrical Infrastructure		1,398	4,200	4,200	(2,210)	1,338	2,100	762	36.3%	4,200
Power Plants								-		
HV Substations								-		
HV Switching Station								-		
HV Transmission Conductors								-		
MV Substations								-		
MV Switching Stations								-		
MV Networks								-		
LV Networks		1,398	4,200	4,200	(2,210)	1,338	2,100	762	36.3%	4,200
Capital Spares								-		
Water Supply Infrastructure		324	1,000	1,000	-	29	500	471	94.2%	1,000
Dams and Weirs								-		

Boreholes							–		
Reservoirs	324	1,000	1,000	–	29	500	471	94.2%	1,000
Pump Stations							–		
Water Treatment Works							–		
Bulk Mains							–		
Distribution							–		
Distribution Points							–		
PRV Stations							–		
Capital Spares							–		
Sanitation Infrastructure	–	–	–	–	–	–	–		–
Pump Station							–		
Reticulation							–		
Waste Water Treatment Works							–		
Outfall Sewers							–		
Toilet Facilities							–		
Capital Spares							–		
Solid Waste Infrastructure	26,886	13,400	13,400	1,433	5,401	6,700	1,299	1 9.4%	13,400
Landfill Sites	26,886	13,400	13,400	1,433	5,401	6,700	1,299	19.4%	13,400
Waste Transfer Stations	–	–	–	–	–	–	–		–
Waste Processing Facilities							–		
Waste Drop-off Points							–		
Waste Separation Facilities							–		
Electricity Generation Facilities							–		
Capital Spares							–		

Rail Infrastructure	-	-	-	-	-	-	-	-	-
<i>Rail Lines</i>							-		
<i>Rail Structures</i>							-		
<i>Rail Furniture</i>							-		
<i>Drainage Collection</i>							-		
<i>Storm water Conveyance</i>							-		
<i>Attenuation</i>							-		
<i>MV Substations</i>							-		
<i>LV Networks</i>							-		
<i>Capital Spares</i>							-		
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>							-		
<i>Piers</i>							-		
<i>Revetments</i>							-		
<i>Promenades</i>							-		
<i>Capital Spares</i>							-		
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
<i>Data Centres</i>							-		
<i>Core Layers</i>							-		
<i>Distribution Layers</i>							-		
<i>Capital Spares</i>							-		
Community Assets	37	255	255	-	-	128	128	100.0%	255
Community Facilities	-	5	5	-	-	3	3	100.0%	5

Halls							-		
Centres							-		
Crèches							-		
Clinics/Care Centres							-		
Fire/Ambulance Stations							-		
Testing Stations	-	-	-	-	-	-	-	-	-
Museums							-		
Galleries							-		
Theatres							-		
Libraries							-		
Cemeteries/Crematoria	-	5	5	-	-	3	3	100.0%	5
Police							-		
PurIs							-		
Public Open Space							-		
Nature Reserves							-		
Public Ablution Facilities							-		
Markets							-		
Stalls							-		
Abattoirs							-		
Airports							-		
Taxi Ranks/Bus Terminals							-		
Capital Spares							-		
Sport and Recreation Facilities	37	250	250	-	-	125	125	100.0%	250
Indoor Facilities							-		

Outdoor Facilities	37	250	250	–	–	125	125	100.0%	250
Capital Spares							–		
Heritage assets	–	–	–	–	–	–	–		–
Monuments							–		
Historic Buildings							–		
Works of Art							–		
Conservation Areas							–		
Other Heritage							–		
	–	–	–	–	–	–	–		–
Investment properties	–	–	–	–	–	–	–		–
Revenue Generating	–	–	–	–	–	–	–		–
Improved Property							–		
Unimproved Property							–		
Non-revenue Generating	–	–	–	–	–	–	–		–
Improved Property							–		
Unimproved Property							–		
Other assets	3,040	3,800	3,800	152	1,098	1,900	802	42.2%	3,800
Operational Buildings	3,040	3,800	3,800	152	1,098	1,900	802	42.2%	3,800
Municipal Offices	3,040	3,800	3,800	152	1,098	1,900	802	42.2%	3,800
Pay/Enquiry Points							–		
Building Plan Offices							–		
Workshops							–		
Yards							–		
Stores							–		

Laboratories							-		
Training Centres							-		
Manufacturing Plant							-		
Depots							-		
Capital Spares							-		
Housing	-	-	-	-	-	-	-		-
Staff Housing							-		
Social Housing							-		
Capital Spares							-		
Biological or Cultivated Assets	-	-	-	-	-	-	-		-
Biological or Cultivated Assets							-		
Intangible Assets	(44)	2,000	2,000	-	1,772	1,000	(772)	-77.2%	2,000
Servitudes							-		
Licences and Rights	(44)	2,000	2,000	-	1,772	1,000	(772)	-77.2%	2,000
Water Rights							-		
Effluent Licenses							-		
Solid Waste Licenses							-		
Computer Software and Applications	(44)	2,000	2,000	-	1,772	1,000	(772)	-77.2%	2,000
Load Settlement Software Applications							-		
Unspecified							-		
Computer Equipment	13	50	50	-	10	25	15	61.7%	50
Computer Equipment	13	50	50	-	10	25	15	61.7%	50

<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<u>Transport Assets</u>		17,330	27,250	27,250	8,923	23,595	13,625	(9,970)	-73.2%	27,250
Transport Assets		17,330	27,250	27,250	8,923	23,595	13,625	(9,970)	-73.2%	27,250
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Living resources</u>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	50,624	57,155	57,155	8,492	33,763	28,578	(5,186)	-18.1%	57,155

12.4. Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

NW375 Moses Kotane - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

Description	Ref	2022/23 Audited Outcome	Budget Year 2023/24 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
-										
Infrastructure		98,964	116,323	116,323	-	32,729	58,162	25,433	43.7%	116,323
Roads Infrastructure		32,163	37,499	37,499	-	10,139	18,750	8,610	45.9%	37,499
Roads		32,163	37,499	37,499	-	10,139	18,750	8,610	45.9%	37,499
Road Structures		-	-	-	-	-	-	-		-
Road Furniture		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Storm water Infrastructure		4,512	5,058	5,058	-	1,754	2,529	775	30.6%	5,058
Drainage Collection		4,512	5,058	5,058	-	1,754	2,529	775	30.6%	5,058
Storm water Conveyance		-	-	-	-	-	-	-		-
Attenuation		-	-	-	-	-	-	-		-
Electrical Infrastructure		3,479	4,206	4,206	-	1,166	2,103	937	44.6%	4,206
Power Plants		3,479	4,206	4,206	-	1,166	2,103	937	44.6%	4,206
HV Substations		-	-	-	-	-	-	-		-
HV Switching Station		-	-	-	-	-	-	-		-
HV Transmission Conductors		-	-	-	-	-	-	-		-
MV Substations		-	-	-	-	-	-	-		-
MV Switching Stations		-	-	-	-	-	-	-		-

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<i>MV Networks</i>	-	-	-	-	-	-	-	-	-
<i>LV Networks</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	55,241	65,312	65,312	-	18,672	32,656	13,983	42.8%	65,312
<i>Dams and Weirs</i>	-	-	-	-	-	-	-	-	-
<i>Boreholes</i>	-	-	-	-	-	-	-	-	-
<i>Reservoirs</i>	-	-	-	-	-	-	-	-	-
<i>Pump Stations</i>	-	-	-	-	-	-	-	-	-
<i>Water Treatment Works</i>	-	-	-	-	-	-	-	-	-
<i>Bulk Mains</i>	-	-	-	-	-	-	-	-	-
<i>Distribution</i>	55,241	65,312	65,312	-	18,672	32,656	13,983	42.8%	65,312
<i>Distribution Points</i>	-	-	-	-	-	-	-	-	-
<i>PRV Stations</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	2,734	3,246	3,246	-	741	1,623	882	54.3%	3,246
<i>Pump Station</i>	-	-	-	-	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment Works</i>	2,734	3,246	3,246	-	741	1,623	882	54.3%	3,246
<i>Outfall Sewers</i>	-	-	-	-	-	-	-	-	-
<i>Toilet Facilities</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure	835	1,001	1,001	-	256	501	245	48.8%	1,001
<i>Landfill Sites</i>	835	1,001	1,001	-	256	501	245	48.8%	1,001
<i>Waste Transfer Stations</i>	-	-	-	-	-	-	-	-	-

<i>Waste Processing Facilities</i>	-	-	-	-	-	-	-	-
<i>Waste Drop-off Points</i>	-	-	-	-	-	-	-	-
<i>Waste Separation Facilities</i>	-	-	-	-	-	-	-	-
<i>Electricity Generation Facilities</i>	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-
<i>Rail Lines</i>							-	
<i>Rail Structures</i>							-	
<i>Rail Furniture</i>							-	
<i>Drainage Collection</i>							-	
<i>Storm water Conveyance</i>							-	
<i>Attenuation</i>							-	
<i>MV Substations</i>							-	
<i>LV Networks</i>							-	
<i>Capital Spares</i>							-	
Coastal Infrastructure	-	-	-	-	-	-	-	-
<i>Sand Pumps</i>							-	
<i>Piers</i>							-	
<i>Revetments</i>							-	
<i>Promenades</i>							-	
<i>Capital Spares</i>							-	
Information and Communication Infrastructure	-	-	-	-	-	-	-	-
<i>Data Centres</i>							-	
<i>Core Layers</i>							-	

Distribution Layers							-		
Capital Spares							-		
Community Assets	16,754	17,300	17,300	-	5,801	8,650	2,848	32.9%	17,300
Community Facilities	16,754	17,300	17,300	-	5,801	8,650	2,848	32.9%	17,300
Halls	14,185	15,452	15,452	-	4,945	7,726	2,781	36.0%	15,452
Centres	2,568	1,848	1,848	-	856	924	68	7.3%	1,848
Crèches	-	-	-	-	-	-	-		-
Clinics/Care Centres	-	-	-	-	-	-	-		-
Fire/Ambulance Stations	-	-	-	-	-	-	-		-
Testing Stations	-	-	-	-	-	-	-		-
Museums	-	-	-	-	-	-	-		-
Galleries	-	-	-	-	-	-	-		-
Theatres	-	-	-	-	-	-	-		-
Libraries	-	-	-	-	-	-	-		-
Cemeteries/Crematoria	-	-	-	-	-	-	-		-
Police	-	-	-	-	-	-	-		-
Parks	-	-	-	-	-	-	-		-
Public Open Space	-	-	-	-	-	-	-		-
Nature Reserves	-	-	-	-	-	-	-		-
Public Ablution Facilities	-	-	-	-	-	-	-		-
Markets	-	-	-	-	-	-	-		-
Stalls	-	-	-	-	-	-	-		-
Abattoirs	-	-	-	-	-	-	-		-

<i>Airports</i>	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-
<i>Indoor Facilities</i>	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-	-	-	-
Other assets	6,514	7,148	7,148	-	2,351	3,574	1,223	34.2%
Operational Buildings	6,514	7,148	7,148	-	2,351	3,574	1,223	34.2%
<i>Municipal Offices</i>	6,514	7,148	7,148	-	2,351	3,574	1,223	34.2%

<i>Pay/Enquiry Points</i>	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>	-	-	-	-	-	-	-	-
<i>Workshops</i>	-	-	-	-	-	-	-	-
<i>Yards</i>	-	-	-	-	-	-	-	-
<i>Stores</i>	-	-	-	-	-	-	-	-
<i>Laboratories</i>	-	-	-	-	-	-	-	-
<i>Training Centres</i>	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>	-	-	-	-	-	-	-	-
<i>Depots</i>	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-
<i>Housing</i>	-	-	-	-	-	-	-	-
<i>Staff Housing</i>	-	-	-	-	-	-	-	-
<i>Social Housing</i>	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-
<u>Biological or Cultivated Assets</u>	-	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>	-	-	-	-	-	-	-	-
<u>Intangible Assets</u>	2,361	5,975	5,975	-	965	2,988	2,023	67.7%
<i>Servitudes</i>	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>	2,361	5,975	5,975	-	965	2,988	2,023	67.7%
<i>Water Rights</i>	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>	2,361	5,975	5,975	-	965	2,988	2,023	67.7%

<i>Load Settlement Software Applications</i>									
<i>Unspecified</i>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	3,429	5,178	5,178	-	1,211	2,589	1,378	53.2%	5,178
Furniture and Office Equipment	3,429	5,178	5,178	-	1,211	2,589	1,378	53.2%	5,178
Machinery and Equipment	252	391	391	-	87	196	108	55.5%	391
Machinery and Equipment	252	391	391	-	87	196	108	55.5%	391
Transport Assets	4,278	2,725	2,725	-	2,174	1,363	(812)	-59.6%	2,725
Transport Assets	4,278	2,725	2,725	-	2,174	1,363	(812)	-59.6%	2,725
Land	-	-	-	-	-	-	-	-	-
Land							-		
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals							-		
Living resources	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>							-		
<i>Zoological plants and animals</i>							-		
Immature	-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>							-		

<i>Zoological plants and animals</i>								–		
Total Depreciation	1	132,550	155,041	155,041	–	45,318	77,521	32,202	41.5%	155,041

12.5. Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M06 December

NW375 Moses Kotane - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class -

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		2,790	46,088	46,088	3,391	22,535	23,044	509	2.2%	46,088
Roads Infrastructure		2,790	46,088	46,088	3,391	22,535	23,044	509	2.2%	46,088
Roads		2,790	46,088	46,088	3,391	22,535	23,044	509	2.2%	46,088
Total Capital Expenditure on upgrading of existing assets	1	2,790	46,088	46,088	3,391	22,535	23,044	509	2.2%	46,088

Quality Certificate

I, **M.V Letsoalo** the Municipal Manager of **Moses Kotane Local Municipality**, hereby certify that:

The Mid-Year Budget and Performance Assessment for the period of 1 July 2023 to 31 December 2023 has been prepared in accordance with the Municipal Finance Management Act, No. 56 of 2003 and Municipal Budget and Reporting Regulations Notice 393 of 2009.

Mr MV Letsoalo
Municipal Manager
Moses Kotane Local Municipality, NW375