

TSWELOPELE LOCAL MUNICIPALITY

FS 183

CIVIC CENTRE, BOSMAN STREET

BULTFONTEIN, 9670

051 853 1111

www.tswelopele.gov.za



IN YEAR REPORT (Schedule C)
August 2022

PREPARED IN ACCORDANCE WITH BUDGET REGULATIONS IN TERMS OF
GOVERNMENT GAZETTE OF 17 APRIL 2009

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PART 1

1. Executive summary

Council of the Municipality approved the Budget in terms of the Municipal Finance Management Act (MFMA), Act 56 of 2003 MFMA Circulars and Municipal Budget and Reporting Regulations (MBRR) as promulgated in 2009. The Budget document was submitted to both National and Provincial Treasury in soft copies by uploading it on the Treasury prescribed Gomuni portal.

In terms of section 28 of the MBRR, the municipality must prepare the in-year reports in terms of Schedule C of the regulations.

The Schedule C states that the Municipality must report on its overall performance with specific reference to financial and Non-Financial information.

Section 71(1) of the Municipal Finance Management Act (MFMA) requires from the Municipal Manager, as Accounting Officer of the Municipality, to submit a report in a prescribed format to the Mayor within 10 working days after the end of each month on the state of the municipality's budget for that month and for the financial year up to the end of that month.

Mentioned below are some of the key issues that happened in August 2022:

- Revenue that accrued to the Municipality is presented in table C4.
- The following are the main revenue contributors:
 - Revenue from Property rates & Electricity service charges.
 - Revenue from unconditional Grants
 - In terms of GRAP 23 – Revenue from non-exchange transaction, whenever, the conditions of the grants are met, such revenue must be recognised as income in the income statement of the Municipality.
- Total Expenditure for the month is presented in the expenditure section in table C4.

2. In Year Budget Statements Tables

In terms of Municipal Budget and Reporting Regulations as per government gazette No. 32141 of 2009, the municipality is required to report on the following Tables:

- Table C1 MFMA s 71 Monthly budget statement summary
- Table C2 Monthly budget statement – Financial performance (revenue and expenditure by municipal vote)
- Table C3 Monthly budget statement – Financial Performance (Revenue and expenditure by municipal vote)
- Table C4 Monthly budget statement – Financial Performance (Revenue and expenditure)
- Table C5 Monthly budget statement – Capital Expenditure (Municipal Vote, standard classification and funding)
- Table C7 Monthly budget statement – Cash Flow

In the following pages the above tables are disclosed with summaries of what these tables mean:

2.1.1. In Year Budget Statement – Table C1 – Budget Summary

FS183 Tswelopele - Table C1 Monthly Budget Statement Summary - M02 August

Description	2019/20	Budget Year 2020/21							
	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	-	27 867	-	2 822	4 179	4 645	(465)	-10%	-
Service charges	-	69 165	-	6 919	13 344	11 528	1 816	16%	-
Investment revenue	-	1 300	-	6	10	217	(207)	-95%	-
Transfers and subsidies	-	94 460	-	2 386	37 961	37 961	-	-	-
Other own revenue	-	3 784	-	685	1 209	631	578	92%	-
Total Revenue (excluding capital transfers and contributions)	-	196 576	-	12 818	56 702	54 980	1 722	3%	-
Employee costs	-	78 740	-	6 604	12 892	13 123	(231)	-2%	-
Remuneration of Councillors	-	6 569	-	644	1 160	1 095	65	6%	-
Depreciation & asset impairment	-	20 000	-	-	-	3 333	(3 333)	-100%	-
Finance charges	-	1 500	-	22	23	250	(227)	-91%	-
Materials and bulk purchases	-	71 468	-	1 392	2 168	11 911	(9 743)	-82%	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	48 443	-	2 805	4 454	8 074	(3 620)	-45%	-
Total Expenditure	-	226 720	-	11 468	20 697	37 787	(17 089)	-45%	-
Surplus/(Deficit)	-	(30 144)	-	1 350	36 005	17 194	18 811	109%	-
Transfers and subsidies - capital (monetary allocations)	-	35 532	-	1 000	11 279	11 279	-	-	-
Contributions & Contributed assets	-	100	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	5 488	-	2 350	47 284	28 473	18 811	66%	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	5 488	-	2 350	47 284	28 473	18 811	66%	-
Capital expenditure & funds sources									
Capital expenditure	-	38 431	-	3 069	6 756	6 405	351	5%	-
Capital transfers recognised	-	34 532	-	3 069	6 008	5 755	253	4%	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	3 898	-	-	748	650	99	15%	-
Total sources of capital funds	-	38 430	-	3 069	6 756	6 405	351	5%	-
Financial position									
Total current assets	-	118 798	-	-	-	-	-	-	-
Total non current assets	-	680 331	-	-	-	-	-	-	-
Total current liabilities	-	98 792	-	-	-	-	-	-	-
Total non current liabilities	-	54 455	-	-	-	-	-	-	-
Community wealth/Equity	-	645 882	-	-	-	-	-	-	-
Cash flows									
Net cash from (used) operating	-	31 988	-	(972)	41 422	5 331	(36 090)	-677%	-
Net cash from (used) investing	-	(37 930)	-	(3 069)	(6 756)	(6 322)	435	-7%	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	-	(5 388)	-	-	34 665	(437)	(35 102)	8040%	-
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
Debtors Age Analysis									
Total By Income Source	6 293	20 518	3 506	2 258	2 255	2 178	10 537	105 722	153 268
Creditors Age Analysis									
Total Creditors	-	6 093	-	86 452	-	-	-	7 931	100 475

2.1.2. In Year Budget Statement – Table C2 – Fin Performance (STD Classification)

FS183 Tswelopele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		-	125 776	-	6 815	54 484	20 963	33 521	160%	-
Executive and council		-	22 523	-	-	-	3 754	(3 754)	-100%	-
Finance and administration		-	103 253	-	6 815	54 484	17 209	37 275	217%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	1 104	-	71	137	184	(47)	-26%	-
Community and social services		-	167	-	69	133	28	105	379%	-
Sport and recreation		-	937	-	2	3	156	(153)	-98%	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	18 541	-	9	9	3 090	(3 081)	-100%	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	18 541	-	9	9	3 090	(3 081)	-100%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	86 787	-	6 923	13 352	14 465	(1 112)	-8%	-
Energy sources		-	59 027	-	5 497	10 633	9 838	795	8%	-
Water management		-	17 609	-	560	990	2 935	(1 945)	-66%	-
Waste water management		-	6 408	-	554	1 107	1 068	39	4%	-
Waste management		-	3 743	-	312	623	624	(1)	0%	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	232 208	-	13 818	67 981	38 701	29 280	76%	-
Expenditure - Functional										
<i>Governance and administration</i>		-	89 208	-	8 721	16 264	14 868	1 396	9%	-
Executive and council		-	21 113	-	384	976	3 519	(2 543)	-72%	-
Finance and administration		-	68 095	-	8 337	15 288	11 349	3 939	35%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	16 735	-	21	21	2 789	(2 768)	-99%	-
Community and social services		-	11 425	-	21	21	1 904	(1 883)	-99%	-
Sport and recreation		-	5 310	-	-	0	885	(885)	-100%	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	17 718	-	77	79	2 953	(2 874)	-97%	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	17 718	-	77	79	2 953	(2 874)	-97%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	103 059	-	2 649	4 333	17 177	(12 844)	-75%	-
Energy sources		-	61 839	-	1 368	1 513	10 307	(8 793)	-85%	-
Water management		-	19 590	-	807	1 719	3 265	(1 546)	-47%	-
Waste water management		-	12 124	-	420	924	2 021	(1 097)	-54%	-
Waste management		-	9 506	-	54	177	1 584	(1 407)	-89%	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	226 720	-	11 468	20 697	37 787	(17 089)	-45%	-
Surplus/ (Deficit) for the year		-	5 488	-	2 350	47 284	915	46 369	5070%	-

2.1.3. In Year Budget Tables – Table C3 – Fin Performance (Rev and Exp – Municipal Vote)

FS183 Tswelopele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

Vote Description	Ref	2019/20	Budget Year 2020/21							
		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 1 - Executive and Council		-	4 375	-	-	-	729	(729)	-100.0%	-
Vote 2 - Budget and Treasury Office		-	93 293	-	6 815	54 484	15 549	38 935	250.4%	-
Vote 3 - Community and Social Services		-	1 042	-	69	133	174	(40)	-23.2%	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	22	-	2	3	4	(0)	-10.6%	-
Vote 6 - Waste Management		-	3 743	-	312	623	624	(1)	-0.2%	-
Vote 7 - Waste Water Management		-	6 408	-	554	1 107	1 068	39	3.7%	-
Vote 8 - Road Transport		-	18 541	-	9	9	3 090	(3 081)	-99.7%	-
Vote 9 - Water		-	17 609	-	560	990	2 935	(1 945)	-66.3%	-
Vote 10 - Electricity		-	59 027	-	5 497	10 633	9 838	795	8.1%	-
Vote 11 - Corporate Services		-	28 148	-	-	-	4 691	(4 691)	-100.0%	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	232 208	-	13 818	67 981	38 701	29 280	75.7%	-
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	18 346	-	384	976	3 058	(2 082)	-68.1%	-
Vote 2 - Budget and Treasury Office		-	65 150	-	7 941	14 819	10 858	3 961	36.5%	-
Vote 3 - Community and Social Services		-	9 633	-	21	21	1 606	(1 584)	-98.7%	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	47	-	-	0	8	(8)	-99.6%	-
Vote 6 - Waste Management		-	9 506	-	54	181	1 584	(1 403)	-88.6%	-
Vote 7 - Waste Water Management		-	12 124	-	420	924	2 021	(1 097)	-54.3%	-
Vote 8 - Road Transport		-	17 718	-	77	79	2 953	(2 874)	-97.3%	-
Vote 9 - Water		-	19 592	-	807	1 719	3 265	(1 547)	-47.4%	-
Vote 10 - Electricity		-	61 839	-	1 368	1 513	10 307	(8 793)	-85.3%	-
Vote 11 - Corporate Services		-	12 767	-	396	469	2 128	(1 659)	-78.0%	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	-	226 722	-	11 468	20 702	37 787	(17 085)	-45.2%	-
Surplus/ (Deficit) for the year	2	-	5 486	-	2 350	47 280	914	46 365	5070.9%	-

2.1.4. In Year Budget Tables – Table C4 – (Rev & Exp)

FS183 Tswelopele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

Description	Ref	2019/20	Budget Year 2020/21								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands											
Revenue By Source											
Property rates			27 867		2 822	4 179	4 645	(465)	-10%		
Service charges - electricity revenue			53 681		5 494	10 626	8 947	1 679	19%		
Service charges - water revenue			5 333		559	988	889	99	11%		
Service charges - sanitation revenue			6 408		554	1 107	1 068	39	4%		
Service charges - refuse revenue			3 743		312	623	624	(1)	0%		
Rental of facilities and equipment			347		21	29	58	(29)	-49%		
Interest earned - external investments			1 300		6	10	217	(207)	-95%		
Interest earned - outstanding debtors			281		492	884	47	837	1788%		
Dividends received			130		79	79	22	58	266%		
Fines, penalties and forfeits			596			14	99	(85)	-86%		
Licences and permits			70		7	11	12	(0)	-2%		
Agency services			-					-			
Transfers and subsidies			94 460		2 386	37 961	37 961	-			
Other revenue			2 360		86	190	393	(203)	-52%		
Gains on disposal of PPE								-			
Total Revenue (excluding capital transfers and contributions)			-	196 576	-	12 818	56 702	54 980	1 722	3%	-
Expenditure By Type											
Employee related costs			78 740		6 604	12 892	13 123	(231)	-2%		
Remuneration of councillors			6 569		644	1 160	1 095	65	6%		
Debt impairment			13 000				2 167	(2 167)	-100%		
Depreciation & asset impairment			20 000				3 333	(3 333)	-100%		
Finance charges			1 500		22	23	250	(227)	-91%		
Bulk purchases			55 009		928	1 074	9 168	(8 095)	-88%		
Other materials			16 459		463	1 095	2 743	(1 649)	-60%		
Contracted services			26 070				4 345	(4 345)	-100%		
Transfers and subsidies							-	-			
Other expenditure			9 373		2 805	4 454	1 562	2 892	185%		
Loss on disposal of PPE								-			
Total Expenditure			-	226 720	-	11 468	20 697	37 787	(17 089)	-45%	-
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			-	(30 144)	-	1 350	36 005	17 194	18 811	0	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)				100							
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions			-	5 488	-	2 350	47 284	28 473			-
Taxation											
Surplus/(Deficit) after taxation			-	5 488	-	2 350	47 284	28 473			-
Attributable to minorities											
Surplus/(Deficit) attributable to municipality			-	5 488	-	2 350	47 284	28 473			-
Share of surplus/ (deficit) of associate											
Surplus/ (Deficit) for the year			-	5 488	-	2 350	47 284	28 473			-

2.1.5. In Year Budget Table – C5 – Capital Expenditure (Mun Vote)

FS183 Tswelopele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02

August

Vote Description	Ref	Budget Year 2020/21								
		2019/20 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		–	1 326	–	–	700	221	479	217%	–
Vote 2 - Budget and Treasury Office		–	550	–	–	14	92	(77)	-84%	–
Vote 3 - Community and Social Services		–	1 075	–	–	–	179	(179)	-100%	–
Vote 4 - Public Safety		–	–	–	–	–	–	–	–	–
Vote 5 - Sport and Recreation		–	825	–	–	371	138	233	170%	–
Vote 6 - Waste Management		–	–	–	–	–	–	–	–	–
Vote 7 - Waste Water Management		–	10 669	–	2 160	2 945	1 778	1 166	66%	–
Vote 8 - Road Transport		–	4 243	–	722	798	707	90	13%	–
Vote 9 - Water		–	14 683	–	187	1 895	2 447	(552)	-23%	–
Vote 10 - Electricity		–	5 000	–	–	–	833	(833)	-100%	–
Vote 11 - Corporate Services		–	60	–	–	34	10	24	241%	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Capital Multi-year expenditure	4,7	–	38 431	–	3 069	6 756	6 405	351	5%	–
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		–	–	–	–	–	–	–	–	–
Vote 2 - Budget and Treasury Office		–	–	–	–	–	–	–	–	–
Vote 3 - Community and Social Services		–	–	–	–	–	–	–	–	–
Vote 4 - Public Safety		–	–	–	–	–	–	–	–	–
Vote 5 - Sport and Recreation		–	–	–	–	–	–	–	–	–
Vote 6 - Waste Management		–	–	–	–	–	–	–	–	–
Vote 7 - Waste Water Management		–	–	–	–	–	–	–	–	–
Vote 8 - Road Transport		–	–	–	–	–	–	–	–	–
Vote 9 - Water		–	–	–	–	–	–	–	–	–
Vote 10 - Electricity		–	–	–	–	–	–	–	–	–
Vote 11 - Corporate Services		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Capital single-year expenditure	4	–	–	–	–	–	–	–	–	–
Total Capital Expenditure		–	38 431	–	3 069	6 756	6 405	351	5%	–
Capital Expenditure - Functional Classification										
Governance and administration		–	1 881	–	–	748	314	435	139%	–
Executive and council			1 271			700	212	488	230%	
Finance and administration			610			48	102	(53)	-52%	
Internal audit			–			–	–	–	–	
Community and public safety		–	1 954	–	–	371	326	45	14%	–
Community and social services			55			–	9	(9)	-100%	
Sport and recreation			1 899			371	317	54	17%	
Public safety			–			–	–	–	–	
Housing			–			–	–	–	–	
Health			–			–	–	–	–	
Economic and environmental services		–	4 243	–	722	798	707	90	13%	–
Planning and development			–			–	–	–	–	
Road transport			4 243		722	798	707	90	13%	
Environmental protection			–			–	–	–	–	
Trading services		–	30 352	–	2 347	4 840	5 059	(219)	-4%	–
Energy sources			5 000			–	833	(833)	-100%	
Water management			14 683		187	1 895	2 447	(552)	-23%	
Waste water management			10 669		2 160	2 945	1 778	1 166	66%	
Waste management			–			–	–	–	–	
Other		–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional Classification	3	–	38 430	–	3 069	6 756	6 405	351	5%	–
Funded by:										
National Government			34 532		3 069	6 008	5 755	253	4%	
Provincial Government			–		–	–	–	–	–	
District Municipality			–		–	–	–	–	–	
Other transfers and grants			–		–	–	–	–	–	
Transfers recognised - capital		–	34 532	–	3 069	6 008	5 755	253	4%	–
Borrowing	6									
Internally generated funds			3 898			748	650	99	15%	
Total Capital Funding		–	38 430	–	3 069	6 756	6 405	351	5%	–

2.1.6. In Year Budget Table – C7 – Cash Flow

FS183 Tswelopele - Table C7 Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2019/20	Budget Year 2020/21								
		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			28 396		1 878	2 573	4 733	(2 159)	-46%		
Service charges			69 165		5 032	9 971	11 528	(1 556)	-13%		
Other revenue			2 525		114	245	421	(176)	-42%		
Government - operating			94 560		2 386	37 961	15 760	22 201	141%		
Government - capital			35 532		1 000	11 279	5 922	5 357	90%		
Interest			1 430		6	10	238	(228)	-96%		
Dividends			100		79	79	17	63	376%		
Payments											
Suppliers and employees			(198 720)		(11 445)	(20 675)	(33 120)	(12 445)	38%		
Finance charges			(1 000)		(22)	(23)	(167)	(144)	86%		
Transfers and Grants								-			
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	31 988	-	(972)	41 422	5 331	(36 090)	-677%	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			500				83	(83)	-100%		
Decrease (Increase) in non-current debtors								-			
Decrease (increase) other non-current receivables								-			
Decrease (increase) in non-current investments								-			
Payments											
Capital assets			(38 430)		(3 069)	(6 756)	(6 405)	351	-5%		
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(37 930)	-	(3 069)	(6 756)	(6 322)	435	-7%	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans								-			
Borrowing long term/refinancing								-			
Increase (decrease) in consumer deposits								-			
Payments											
Repayment of borrowing								-			
NET CASH FROM/(USED) FINANCING ACTIVITIES			-	-	-	-	-	-	-	-	
NET INCREASE/ (DECREASE) IN CASH HELD			-	(5 942)	-	(4 041)	34 665	(990)		-	
Cash/cash equivalents at beginning:			554				554			-	
Cash/cash equivalents at month/year end:			(5 388)				34 665	(437)		-	

3. Explanatory note on in year budget tables

Explanatory Notes to Table C1

Table C1 gives a summary of the overall performance of Tswelopele Local Municipality for the Month of August 2022 as well as YTD performance for the financial year; the following key aspects are included

Financial Performance: This is a summary of income statement of the Municipality

Capital Expenditure and funding sources: This gives a brief overview of the capital expenditure and its funding sources

Cash Flow: This gives a brief overview of the Cash flow of the Municipality

Creditors and Debtors analysis: This section gives the summary of creditors and debtors aging analysis.

This is the most important table as it gives users of the financial information a “snapshot” of what happened in the month of August 2022.

Explanatory Notes to Table C2

1. Table C2 is a view of the financial performance per standard classification.
2. Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4 as Table A4 exclude capital transfers

Explanatory Note to Table C3

1. Table C3 is an overview of the financial performance in relation to the revenue and expenditure per municipal vote.
2. Profits made on trading services are used to subsidise non-trading services

Explanatory note on table C4

1. This table gives the total revenue and total expenditure of the municipality (financial performance) according to revenue and expenditure classification.

Explanatory note on Table C5

1. Table C5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Explanatory note on Table C7

1. Table C7 is the budgeted cash flow statement. It is the first measurement in determining if the municipality has enough cash and cash equivalents to fund its operations.
2. The total amount shown for suppliers and employees consist of amounts for the August 2022 salaries of R 7.2 Million.
3. Due to financial constraints the municipality is currently struggling to keep up with the payment plans agreed upon with Eskom and Sandvet.
4. The line item for other expenditure includes amounts that were paid for the chemicals to purify water, payment made to the security company that is guarding our offices and payments to our financial system service provider.

PART 2

1. Supporting Documentation

Over and above the information as disclosed above Municipal Budget and Reporting Regulations (MBRR) requires the Municipality to disclose the following information:

- Material Variances Explanations
- Debtors age analysis
- Creditors age analysis
- Allocations and Grant Receipts and Expenditure
- Other Supporting Documents

Mentioned on the following pages are all the supporting tables as required by MBRR:

1.1. Supporting Table SC1 – Material Variances Explanations

FS183 Tswelopele - Supporting Table SC1 Material variance explanations - M02 August

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Interest earned - outstanding debtors	837	The municipality's has a high number of outstanding debtors	
2	Expenditure By Type			
	Debt impairment	(2 167)	Write-offs not yet done	
	Depreciation & asset impairment	(3 333)	Depreciation gets to be calculated only at the end of the financial year	

1.2. Supporting Table SC2 – Performance Indicators

FS183 Tswelopele - Supporting Table SC2 Monthly Budget Statement - performance indicators - M02 August

Description of financial indicator	Basis of calculation	Ref	2019/20	Budget Year 2020/21			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.0%	9.5%	0.0%	0.1%	0.0%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		0.0%	15.8%	0.0%	0.0%	0.0%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	0.0%	120.3%	0.0%	0.0%	0.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		0.0%	16.8%	0.0%	0.0%	0.0%
Revenue Management							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		0.0%	51.6%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0.0%	0.0%	0.0%	0.0%	0.0%

1.3. Supporting Table SC3 – Debtors age analysis

FS183 Tswelopele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2020/21										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		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	577	362	286	244	244	256	1 221	11 260	14 450	13 223		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	5 224	3 036	1 323	895	706	661	2 724	3 521	18 089	8 506		
Receivables from Non-exchange Transactions - Property Rates	1400	1 358	14 914	399	201	189	161	726	45 378	63 325	46 655		
Receivables from Exchange Transactions - Waste Water Management	1500	534	476	412	497	386	375	1 817	16 799	21 296	19 875		
Receivables from Exchange Transactions - Waste Management	1600	346	312	280	268	266	258	1 251	11 329	14 310	13 372		
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-		
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	(1 745)	1 419	807	153	464	468	2 797	17 435	21 798	21 318		
Total By Income Source	2000	6 293	20 518	3 506	2 258	2 255	2 178	10 537	105 722	153 268	122 950	-	-
2019/20 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 126	2 669	166	(19)	229	254	882	784	6 090	2 130		
Commercial	2300	4 431	14 819	1 672	892	911	891	3 996	54 647	82 260	61 338		
Households	2400	516	2 367	1 407	1 320	1 082	1 036	5 073	46 977	59 780	55 489		
Other	2500	221	663	261	64	33	(4)	586	3 314	5 138	3 993		
Total By Customer Group	2600	6 293	20 518	3 506	2 258	2 255	2 178	10 537	105 722	153 268	122 950	-	-

Presented above is municipal debtors aging at the end of August 2022. The total outstanding debt on the 3^{1st} of August 2022 is R 153 million.

1.4. Supporting Table SC4 – Aged Creditors

FS183 Tswelopele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description	NT Code	Budget Year 2020/21								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	72 036	-	-	-	-	72 036
Bulk Water	0200	-	-	-	14 416	-	-	-	-	14 416
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	7 931	7 931
Trade Creditors	0700	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	6 093	-	-	-	-	-	-	6 093
Total By Customer Type	1000	-	6 093	-	86 452	-	-	-	7 931	100 475

At the end of August 2022, the Municipality has outstanding debt of R 100 million owed to creditors.

1.5. Supporting Table SC6 – Grants Received

FS183 Tswelopele - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M02 August

Description	Ref	2019/20				Budget Year 2020/21				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	94 460	-	2 386	37 961	37 961	-		-
Local Government Equitable Share			91 219		-	35 575	35 575	-		
Finance Management			2 100		2 100	2 100	2 100			
EPWP Incentive			1 141		286	286	286			
Other transfers and grants [insert description]	3							-		
Provincial Government:		-	-	-	-	-	-	-		-
Other transfers and grants [insert description]	4							-		
District Municipality:		-	-	-	-	-	-	-		-
Lejweleputswa								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Total Operating Transfers and Grants	5	-	94 460	-	2 386	37 961	37 961	-		-
Capital Transfers and Grants										
National Government:		-	35 532	-	1 000	11 279	11 279	-		-
Municipal Infrastructure Grant (MIG)			18 256		-	4 755	4 755	-		
Energy Efficiency and Demand-side Management Grant			5 000		1 000	1 000	1 000	-		
Water Service Grant			12 276		-	5 524	5 524	-		
Provincial Government:		-	-	-	-	-	-	-		-
[insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
Total Capital Transfers and Grants	5	-	35 532	-	1 000	11 279	11 279	-		-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	129 992	-	3 386	49 240	49 240	-		-

1.6. Supporting Table SC7 – Grants Expenditure

FS183 Tswelopele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		-	94 460	-	271	541	15 743	(15 202)	-96.6%	-
Local Government Equitable Share			91 219				15 203	(15 203)	-100.0%	
Finance Management			2 100		60	104	350	(246)	-70.4%	
EPWP Incentive			1 141		211	438	190	247	130.1%	
Other transfers and grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
Lejweleputswa										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		-	94 460	-	271	541	15 743	(15 202)	-96.6%	-
Capital expenditure of Transfers and Grants										
National Government:		-	35 532	-	3 069	6 008	5 922	86	1.5%	-
Municipal Infrastructure Grant (MIG)			18 256		2 882	4 113	3 043	1 070	35.2%	
Energy Efficiency and Demand-side Management Grant			5 000				833	(833)	-100.0%	
Water Service Grant			12 276		187	1 895	2 046	(151)	-7.4%	
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		-	35 532	-	3 069	6 008	5 922	86	1.5%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	129 992	-	3 340	6 549	21 665	(15 116)	-69.8%	-