

TSWELOPELE LOCAL MUNICIPALITY (FS 183)  
CIVIC CENTRE, BOSMAN STREET  
BULTFONTEIN, 9670  
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[www.tswelopele.gov.za](http://www.tswelopele.gov.za)



# **2022-2023**

## **MID-YEAR ASSESSMENT REPORT**

## Contents

1.	Introduction .....	4
2.	Revenue Analysis .....	5
2.1.	Budgeting.....	5
2.2.	Tariff setting.....	5
2.3.	Billing.....	6
2.4.	Revenue enhancement strategy .....	7
2.5.	Revenue collection.....	7
2.6.	Other revenue .....	9
3.	Debtors .....	9
4.	Expenditure analysis .....	10
4.1.	Employee costs .....	11
4.2.	Project workers .....	12
4.3.	Capital projects .....	12
4.4.	Loans repayment.....	13
4.5.	Audit fees.....	13
4.6.	Creditors .....	14
5.	Cash flow .....	14
6.	Grant performance.....	14
7.	C-Schedule Tables .....	15
7.1.	Table C1 – Budget Summary .....	16
7.2.	Table C2 – Fin Performance (STD Classification).....	17
7.3.	Table C3 – Fin Performance (Rev and Exp – Municipal Vote).....	18
7.4.	Table C4 – (Rev& Exp).....	19
7.5.	Table – C5 – Capital Expenditure (Mun Vote) .....	20
7.6.	Table – C6 – Financial Position .....	21
7.7.	Table – C7 – Cash Flow .....	22
8.	Non-Financial Performance .....	23

9.	Level of attainment of objectives and targets.....	24
	Municipal managers office .....	24
	Finance .....	24
	Corporate services .....	24
	Technical services.....	25
	Community services.....	25
10.	Details of non-achievements.....	26
11.	Conclusion .....	30

## 1. Introduction

The mid-year assessment report is prepared in terms of Municipal Finance Management Act, 56 of 2003, section 72 which states that the municipality must perform mid-year budget and performance assessment. In this report, the municipal performance for the past six months has been incorporated together in order to determine where the municipality is standing with regard to the budget implementation as at the mid-financial year.

National Treasury issued government gazette: 37577 (Regulations on Municipal Standard Chart of Accounts [MSCOA]), this government gazette was issued in 2014. The main purpose of this regulation was to standardize the way municipalities transact and report. Prior to the introduction of MSCOA, municipalities across the country had different chart of accounts and this was problematic to National Treasury and the users of municipal financial information (i.e. potential investors) as it made the task of comparing and reporting on municipal data to be cumbersome.

The municipal financial reforms started in 2009, with the introduction of Municipal Budget and Reporting Regulations (MBRR), same as the mSCOA regulations, this Budget regulations standardized how municipalities prepares their budget. As per government gazette 37577, all Municipalities needed to fully comply by the 01 July 2017. This meant that, all transactions needed to be captured using MSCOA seven (7) segments.

National Treasury has gradually introduced the reporting portal called GoMuni, where all municipalities are expected to upload monthly, quarterly, bio-annual and annual reports. These reports are uploaded in different formats. Financial performance reports are mainly reported in the form of data strings extracted directly from the municipal financial system. This reporting is in line with the mSCOA regulations. Over the years, Tswelopele municipality has improved a lot in ensuring compliance with the mSCOA regulations and all monthly data strings are submitted timeously.

This report is prepared in accordance with Section 72 of the Municipal Finance Management Act (MFMA), and the summary of monthly performance is presented together with budget comparison to give indication of the municipality's current financial state.

## **2. Revenue Analysis**

The section below highlights revenue analysis of the municipality for the first half of the financial year, with special focus on the following:

### **2.1. Budgeting**

Tswelopele Local Municipality's budget was approved on the 31<sup>st</sup> of May 2022 and thus the budget was implemented with effect from the 1<sup>st</sup> of July 2022. The total budgeted operational revenue amount to R196.5 million comprising mainly of the grants and subsidies, service charges and property rates and a total budgeted amount of R 35 million for capital revenue.

Together with the municipal budget on the 31<sup>st</sup> of May 2022, the municipal council adopted a funding plan/strategy that will try to progressively improve the financial position and funding of the budget over the 2022/23 MTREF.

Subsequent to the approval and implementation of the annual budget by the municipality, the National Treasury assessed the municipality's budget and provided feedback on the credibility and accuracy of the data submitted (budget). Therefore, this suggests that the mid-year assessment must be undertaken with the view to address issues already highlighted by National Treasury on the approved budget.

### **2.2. Tariff setting**

The municipality is experiencing challenges in terms of developing tariffs that are cost reflective. Most of the trading services are operating at a deficit thereby unable to subsidize non-trading services.

For electricity services, the municipality applied for an average of 7.47 percent increase as per the guidelines by the National Electricity Regulator of South Africa.

Furthermore, the municipality also applies seasonal tariff on business properties which is aligned to Eskom. It is the municipality's long-term goal to also introduce Time-Of-Use tariff structure in order to bridge the gap between the municipality and Eskom tariffs.

Other service charges tariffs (water, waste water and waste) were increased with 6.0 percent. These tariffs are not yet cost reflective and processes are in place to address the backlog. An average of 6.0 percent was also approved for all other services.

## **2.3. Billing**

### **Property Rates (Valuation Roll)**

The valuation roll in terms of Municipal Property Rates Act, act 6 of 2004 as amended, was implemented on the 1<sup>st</sup> July 2022, this valuation roll will be effective for five (5) years, and every financial year after the implementation date, the municipality will prepare a supplementary roll in line with Section 78 of the Municipal Property rates act, act 6 of 2004.

The municipality has contracted Munsoft (Schedule M) to assist in performing a valuation roll reconciliation. This reconciliation will verify and assist in cleansing the municipality's data to ensure the completeness and accuracy of the municipality's billing and therefore, enhances revenue collection.

### **Water**

It is the municipality's long-term goal to implement a consumption-based billing across all households within the municipality with access to water service. However, the municipality is experiencing financial challenges and is unable to procure and install infrastructure that allows for the accurate reading of water service consumed by debtors. This means, there is a delay in implementing a consumption-based billing in the township (and such will be implemented only in the towns: Bultfontein and Hoopstad, Phahameng and Tikwana will continue to be billed at a flat rate).

### **Electricity**

The municipality is currently in a process of installing pre-paid meters throughout both Hoopstad and Bultfontein. Installation of pre-paid meters will aid municipality as follows:

- Managing electricity losses (resulting from bypassing);
- Ensuring accurate billing, no manual capturing of meter readings.
- Ensuring improved revenue collection.

The project of installing pre-paid meters is currently on 65% implementation.

The following table depicts the overview of the first quarter billing on property rates and service charges against the budget for first half of the current financial year:

### Billing

PROPERTY RATES AND SERVICE CHARGES											
Revenue Source	Approved Budget	July 22	Aug 22	Sep 22	Total Billing 1st Quarter	Oct 22	Nov 22	Dec 22	Total Billing Midyear	Total Billing	%
		Billing	Billing	Billing		Billing	Billing	Billing			
Property rates	27 867 000	1 357 462	2 821 548	2 127 118	6 306 128	2 604 993	2 585 626	2 589 749	14 086 496	14 086 496	51%
Service charges: electricity	53 681 000	5 132 095	5 494 092	4 595 732	15 221 919	2 861 022	3 495 120	4 154 045	25 732 106	25 732 106	48%
Service charges: water	5 333 000	428 615	559 012	425 283	1 412 910	575 683	463 870	274 422	2 726 885	2 726 885	51%
Service charges: waste water	6 408 000	553 418	553 718	552 340	1 659 476	552 197	552 171	552 788	3 316 632	3 316 632	52%
Service charges: waste	3 743 000	310 766	311 957	311 674	934 397	311 781	312 099	312 462	1 870 739	1 870 739	50%
<b>Total</b>	<b>97 032 000</b>	<b>7 782 356</b>	<b>9 740 327</b>	<b>8 012 147</b>	<b>25 534 830</b>	<b>6 905 676</b>	<b>7 408 886</b>	<b>7 883 466</b>	<b>47 732 858</b>	<b>47 732 858</b>	<b>49%</b>

It is evident on the table above that a budget of R 97 million was approved for service charges and property rates. This constitutes the major revenue source from municipal own funds. As at the end of December 2022, a total billing of R 47.7 million was realized. This is approximately 49 percent of the budget. As much as billing is reasonable at almost 50 percent at mid-year, it should be noted that billing does not necessarily translate into actual cash. As such, the municipality needs take this into consideration when adjusting the budget.

#### **2.4. Revenue enhancement strategy**

A funding plan/strategy has been developed and adopted by council to try to progressively improve the financial position of the municipality.

#### **2.5. Revenue collection**

Total revenue collected from service charges and property rates amount to R31.4 million whilst total billing was R 47.7 million. This means approximately 32 percent of the budget has been collected and this translates to a 66 percent collection rate (actual billing vs actual collection).

Based on the above analysis, it is clear that prudent revenue collection strategies (implementation and regular monitoring of the funding plan) need to be implemented to ensure that sufficient revenue is collected so that such revenue can finance operations of the municipality.

Actual Collection 2022/2023														
PROPERTY RATES AND SERVICE CHARGES														
Revenue Source	Approved Budget	July	Aug	Sep Actual Receipts	Total	Oct	Nov Actual Receipts	Dec Actual Receipts	Total	Total Billing		Total Actual		Collection rate
		Actual Receipts	Actual Receipts		Collection 1st Quarter	Actual Receipts			Collection Midyear	R	%	R	%	%
Property rates	27 867 000	695 347	1 877 861	1 572 781	4 145 989	1 968 452	1 263 354	1 102 883	8 480 678	14 086 496	51%	8 480 678	30%	60%
Service charges: electricity	53 681 000	3 537 864	3 393 054	5 298 288	12 229 206	2 896 021	2 448 330	2 642 314	20 215 871	25 732 106	48%	20 215 871	38%	79%
Service charges: water	5 333 000	205 559	186 588	249 300	641 447	233 993	292 861	191 665	1 359 966	2 726 885	51%	1 359 966	26%	50%
Service charges: waste water	6 408 000	133 021	201 427	152 072	486 520	140 005	125 918	106 900	859 343	3 316 632	52%	859 343	13%	26%
Service charges: waste	3 743 000	78 053	87 686	85 890	251 629	92 670	76 644	68 388	489 331	1 870 739	50%	489 331	13%	26%
<b>Total</b>	<b>97 032 000</b>	<b>4 649 844</b>	<b>5 746 616</b>	<b>7 358 331</b>	<b>17 754 791</b>	<b>5 331 141</b>	<b>4 207 107</b>	<b>4 112 150</b>	<b>31 405 189</b>	<b>47 732 858</b>	<b>49%</b>	<b>31 405 189</b>	<b>32%</b>	<b>66%</b>
Average for Collection rate (Billing vs Actual collection)													<b>66%</b>	

The collection rates on billing per service are as low as 26 percent for solid waste and waste management respectively, while the highest percentage of 79 is realized in electricity.

This suggests that for collection on service charges, the municipality is over-reliant on the electricity service. This is informed by the fact that the municipality is licensed to supply electricity only the town areas (Bulfontein and Hoopstad) and when implanting credit control measures, the municipality is able to perform cut-offs on electricity for both Bultfontein and Hoopstad for non-payment. Eskom is licensed to supply electricity for the rest of other areas within the municipality (i.e. Phahameng and Tikwana). The installation of pre-paid meters is also proving to increase the collection of the municipality.

Collection rate on property rates is also higher due to the fact that the municipality has introduced an incentive policy on property rates where consumers benefit 5 percent rebate on early settlement.



## 2.6. Other revenue

In addition to the service charges and property rates, the municipality has also budgeted R 135 million for other revenue. The major source of other revenue is from grants and subsidies of R 94.4 million and R 35.5 million for operating and capital grants allocation respectively.

OTHER INCOME											
Revenue Source	Budget	Jul '22	Aug '22	Sep '22	Total 1st Quarter	Oct '22	Nov '22	Dec '22	Total Midyear	Total	%
Rent of facilities and equipment	347 000	8 452	20 789	19 043	48 284	3 228	9 820	11 109	72 441	72 441	21%
Interest earned - external investments	1 300 000	3 514	6 476	370 890	380 880	5 024	5 154	344 241	735 299	735 299	57%
Interest earned - outstanding debtors	281 000	392 529	491 739	516 641	1 400 909	509 505	508 561	511 810	2 930 785	2 930 785	1043%
Dividends received	130 000	-	79 281	-	79 281	-	-	-	79 281	79 281	61%
Fines	596 000	-	7 236	-	7 236	-	-	700	7 936	7 936	1%
Licenses and permits	70 000	3 827	7 236	3 827	14 890	7 999	6 497	-	29 386	29 386	42%
Grants and subsidies received - operating	94 460 000	35 575 000	2 386 000		37 961 000	-	-	30 616 000	68 577 000	68 577 000	73%
Grants and subsidies received - capital	35 532 000	10 279 000		4 521 000	14 800 000	3 928 000	-	4 945 000	23 673 000	23 673 000	67%
Other revenue	2 460 000	104 184	85 933	620 004	810 121	670 151	254 508	1 127 554	2 862 334	2 862 334	116%
<b>Total</b>	<b>135 176 000</b>	<b>46 366 506</b>	<b>3 084 690</b>	<b>6 051 405</b>	<b>55 502 601</b>	<b>5 123 907</b>	<b>784 540</b>	<b>37 556 414</b>	<b>98 967 462</b>	<b>98 967 462</b>	<b>73%</b>

For the period under review, the municipality collected/received R 96 million (R 98.9 million – R 2.9 million) which translate to 71 percent of the budgeted operating revenue (Other Income). Operating grants to the value of R 68.5 million has been received and R 23.6 million for capital grants was received.

It should be noted that services such as interest earned from outstanding debtors is interest that was billed on overdue accounts and not necessarily actual cash that was collected.

## 3. Debtors

Total Debtors outstanding as at 31 December 2022 were R 158.7 million. This is a huge figure for municipality of our size. Economic factors such as unemployment rate within the municipal area as well as inability to implement effective credit control measures are also contributing towards the inclining debtor's book.

DEBTORS AGE ANALYSIS AS AT 31 DECEMBER 2022										
DEBTORS AGE ANALYSIS BY SERVICE										
SERVICE	0 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 - 120 DAYS	121 - 150 DAYS	151 - 180 DAYS	181 - 365 DAYS	>365	TOTAL	%
Water	436 701	380 583	401 037	295 682	316 038	282 612	1 163 495	11 870 315	15 146 463	10%
Electricity	3 152 461	1 753 965	1 473 662	1 456 829	1 874 949	1 120 265	3 393 023	3 451 812	17 676 966	11%
Property rates	1 119 721	802 810	641 547	495 733	589 809	11 280 404	841 683	44 777 876	60 549 583	38%
Sewerage	540 707	489 172	463 955	454 262	440 496	434 740	1 992 124	18 051 204	22 866 660	14%
Refuse	349 005	318 755	300 361	293 835	284 941	281 557	1 272 030	12 073 128	15 173 612	10%
Other	96 113	509 554	1 463 647	975 585	883 163	1 143 730	3 117 448	19 187 843	27 377 083	17%
<b>TOTAL</b>	<b>5 694 708</b>	<b>4 254 839</b>	<b>4 744 209</b>	<b>3 971 926</b>	<b>4 389 396</b>	<b>14 543 308</b>	<b>11 779 803</b>	<b>109 412 178</b>	<b>158 790 367</b>	<b>100%</b>

Property rates debtors comprise 38 percent of the outstanding debtors. This could be attributed to the drought that was experienced in the last four years and the excessive rains experienced since the start of the 2021/2022 financial year, perhaps farmers are unable to recover financially. However, note should be taken that some farmers are not willing to take advantage of rebates (such as early settlement discount) offered by the municipality. Stringent controls should be enforced to collect the outstanding debtors on electricity and water given that such bulk accounts are not serviced on a monthly basis.

DEBTORS AGE ANALYSIS BY GROUP										
CUSTOMER	0 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 - 120 DAYS	121 - 150 DAYS	151 - 180 DAYS	181 - 365 DAYS	>365	TOTAL	%
Government	469 731	155 988	512 628	601 439	781 348	1 729 848	1 364 815	967 455	5 643 790	4%
Business	4 003 199	2 051 296	2 132 716	1 690 902	2 085 449	10 974 134	4 859 811	54 795 629	82 593 137	52%
Households	2 128 669	2 017 931	1 742 320	1 531 712	1 495 267	1 370 762	5 287 388	49 918 293	65 492 341	41%
Other	32 571	29 624	356 545	147 874	27 333	468 564	267 789	3 730 801	5 061 100	3%
<b>TOTAL</b>	<b>5 694 708</b>	<b>4 254 839</b>	<b>4 744 209</b>	<b>3 971 926</b>	<b>4 389 396</b>	<b>14 543 308</b>	<b>11 779 803</b>	<b>109 412 178</b>	<b>158 790 367</b>	<b>100%</b>

Majority of debtors are in businesses, followed by households and then government. The biggest challenge is that 60 percent of the outstanding debtors is over a year. Such debt is likely to be uncollectable and debtors may need to be impaired leading to revenue loss.

#### 4. Expenditure analysis

Tswelopele Local Municipality adopted a cost containment Circular 82 as issued by National Treasury as its cost containment document. The Circular was adopted in terms of MFMA section 23 (4) to make it binding to both officials and Councilors. However, compliance to the Circular has proved to be a challenge, with major deviations on the contents thereof.

Post promulgation of the Municipal Cost Containment Regulations, the Municipal Manager developed a policy as directed by the regulations. Such was submitted to Council and Council took

a resolution not to approve / adopt such a policy. In this regard, the municipality places reliance of the regulations to ensure that cost containment objectives are realized within the municipality (despite the policy not being approved).

OPERATING EXPENDITURE											
Expenditure by type	Budget	Jul 2022	Aug 2022	Sep 2022	Total 1st Quarter	Oct 2022	Nov 2022	Dec 2022	Total Midyear	Total	
										R	%
Employee related costs- wages & salaries	78 740 000	6 288 165	6 604 308	6 211 341	19 103 814	6 391 310	6 258 471	6 367 969	38 121 564	38 121 564	48%
Remuneration of councillors	6 569 000	515 544	644 397	542 182	1 702 123	542 912	545 220	552 985	3 343 240	3 343 240	51%
Finance charges (Interest Paid)	1 500 000	147	22 356	34	22 537	2 394	9 949	-	34 880	34 880	2%
Bulk purchases	55 009 000	5 145 329	928 247	461 690	6 535 266	700 893	-	377 688	7 613 847	7 613 847	14%
Other Materials (R&M)	16 459 000	631 289	463 373	939 910	2 034 572	931 026	2 724 837	1 675 602	7 366 037	7 366 037	45%
Contracted services	26 070 000			4 133 227	4 133 227	3 493 510	5 887 400	3 851 887	17 366 023	17 366 023	67%
Other expenditure	9 373 000	1 649 214	2 804 868	-	4 454 082	1 238 383	836 891	660 665	7 190 021	7 190 021	77%
<b>Total</b>	<b>193 720 000</b>	<b>14 229 688</b>	<b>11 467 549</b>	<b>12 288 385</b>	<b>37 985 622</b>	<b>13 300 428</b>	<b>16 262 768</b>	<b>13 486 795</b>	<b>81 035 613</b>	<b>81 035 613</b>	<b>42%</b>

The municipality has spent R 81 million by the end of December 2022 out of the budget of R 193.7 million. This suggest that almost 50 percent was spent. This percent is acceptable given that the municipality is aiming to spend on essential services only and that there is still a need to reduce expenditure to ensure that the budget is funded in line with the MFMA.

The line item for contracted services includes payments made to the Auditor General, Munsoft and payments for chemicals. Whilst the line item for other expenditure is for expenditure relating to the monthly accounts to service providers contracted to ensure the smooth running of municipal operations such as procurement of petrol and diesel.

The payment plans were arranged as a way to solve the long outstanding debt problems with the creditors. However, due to financial constraints it is not always possible to adhere on a monthly basis to these payment plans. The municipality is currently in discussions with ESKOM to finalize a new payment plan.

#### 4.1. Employee costs

Salaries and wages were budgeted at R 85.3 million and R 41.4 million was spent as at the end of December 2022. This translates to 50 percent of the budget.

Strict measures need to continue being practiced to curb expenditure on overtime.

#### **4.2. Project workers**

The municipality is allocated R 1 141 000 from the Expanded Public Works Program. The funds are meant to create job opportunities for unemployed people within the municipal area. As at the end of December 2022, the municipality had spent R 1.4 million and this amount exceeds the allocated grant. This suggest that a grant meant to be utilized for 12 months has been exhausted within the first six months of the financial year. This could be attributed to either a high number of beneficiaries which might be informed by high level of unemployment within the municipality. Corrective measures need to be taken, as this results in payment of project workers from the municipal funds to which such were not budgeted.

#### **4.3. Capital projects**

The municipality has been allocated capital grants of R 35.5 million for the 2022/2023 financial year. As at the end of December 2022, R 24.6 million was transferred to the municipality. Capital expenditure for the first six months of the 2022/2023 financial year is R 21.6 million thereby leaving a balance of approximately R 3 million of the transferred receipts.

This R 3 million is currently in the municipal investments.

The municipality has budgeted R 3.8 million to acquire capital assets from its internally generated funds, of which vehicles for the mayor and speaker; four tractors and other small operational immovable assets such as office furniture, welding machines and laptops have been bought. However, due to aged assets the municipality still incurs a lot of expenditure on repairs and maintenance of the existing assets.

The above scenario is depicted on the table below:

Details	Budget	Jul' 22	Aug '22	Sep '22	Oct '22	Nov '22	Dec '22	Total
Executive and council	1 326 000	700 000	-	-	-	-	2 407 303	3 107 303
Budget and treasury office	550 000	48 461	-	-	-	-	-	48 461
Corporate services	60 000							-
Community and social services	1 075 000							-
Sport and recreation	825 000	370 682		266 583	-	-	-	637 265
Road transport	4 243 000	75 737	225 043	75 873	75 873	729 152	1 117 428	2 299 105
Electricity	5 000 000					989 014		989 014
Water	14 683 000	-	1 521 977	187 018	-	2 076 608	637 714	4 423 316
Waste water management	10 669 000	784 186	2 160 348	2 416 557	1 514 101	297 640	6 092 146	13 264 978
<b>TOTAL</b>	<b>38 431 000</b>	<b>1 979 066</b>	<b>3 907 368</b>	<b>2 946 030</b>	<b>1 589 974</b>	<b>4 092 414</b>	<b>10 254 591</b>	<b>24 769 442</b>
<b>Funding</b>								
<b>Funded by:</b>	<b>Budget</b>	<b>Jul' 22</b>	<b>Aug '22</b>	<b>Sep '22</b>	<b>Oct '22</b>	<b>Nov '22</b>	<b>Dec '22</b>	<b>Total</b>
National Government	34 532 000	1 230 605	3 907 368	2 946 030	1 589 974	4 092 414	7 847 288	21 613 679
Provincial Government								-
Borrowing								-
Internally generated funds	3 898 000	748 461					2 407 303	3 155 763

#### 4.4. Loans repayment

Tswelopele Local Municipality has a loan of R15 million with DBSA. The loan was taken in 2005 for Phahameng bucket eradication project. The loan currently has an outstanding balance of R 7 930 928

#### 4.5. Audit fees

The Municipality currently has an outstanding balance of R 3 205 843.42 to the Auditor General for fees that relate to the audit of the previous financial year (2021/2022).

#### 4.6. Creditors

REPORT FOR THE CREDITORS AS AT 31 DECEMBER 2022									
Detail	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	Total -
Bulk Electricity	-	-	-	89 983 258	-	-	-	-	89 983 258
Bulk Water	-	-	-	16 074 261	-	-	-	-	16 074 261
DBSA	-	-	-	-	-	-	-	7 930 928	7 930 928
PAYE deductions	-	-	-	-	-	-	-	-	0
Trade Creditors	-	-	-	-	-	-	-	-	0
Auditor General	-	-	-	3 205 843	-	-	-	-	3 205 843
Other	-	2 240 522	-	-	-	-	-	-	2 240 522
<b>Total</b>	<b>0</b>	<b>2 240 522</b>	<b>-</b>	<b>109 263 362</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>7 930 928</b>	<b>119 434 812</b>

The municipality's unpaid credit is to the value of R 119.4 million. This debt is made up by R 89 million which is owed to Eskom and R 16 million to Sandvet. Due to financial constraints the municipality is currently struggling to keep up with the payments required by both Eskom and Sandvet.

#### 5. Cash flow

As at 31 December 2022, the municipality had R 1 133 363.86 in its current account while other investment accounts had R 28 million which includes the unspent portion of the conditional grants. It also needs to be noted that the municipality has been experiencing cash flow challenges.

#### 6. Grant performance

The municipality received grants as depicted in the table below and performance in terms of spending is shown in each grant.

PERFORMANCE ON CONDITIONAL GRANTS												
GRANT NAME	GAZETTED: DoRA	YTD TRANSFER	%	ACTUAL SPENDING						YEAR TO DATE		UNSPENT TRANSFER
				Jul	Aug	Sep	Oct	Nov	Dec	Spending	%	
Finance Management Grant	2 100 000	2 100 000	100	43 429	60 246	1 093 280	96 082	34 743	100 498	1 428 277	68%	671 723
Municipal Infrastructure Grant	18 256 000	12 221 000	67	1 247 915	2 322 712	2 804 682	1 589 974	1 026 792	7 209 576	16 201 651	133%	-3 980 651
DMRE - Electricity	5 000 000	3 000 000	60	-	-	-	-	989 014	-	989 014	33%	2 010 986
Water Services Grant	12 276 000	9 452 000	77	-	1 521 977	187 018	-	2 076 608	637 714	4 423 316	47%	5 028 684
Expanded Public Works Programme Grant	1 141 000	800 000	70	227 090	210 540	318 730	318 730	174 069	219 251	1 468 410	184%	-668 410
<b>TOTAL GRANTS</b>	<b>38 773 000</b>	<b>27 573 000</b>	<b>71%</b>	<b>1 518 433</b>	<b>4 115 475</b>	<b>4 403 710</b>	<b>2 004 786</b>	<b>4 301 226</b>	<b>8 167 038</b>	<b>24 510 668</b>	<b>89%</b>	<b>3 062 332</b>

The table indicates that R 27.5 million was received as conditional grants to date, 89% percent of the received conditional grants has been spent. This suggest that R 3 million should be cash backed as at 31 December 2022.

## **7. C-Schedule 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 summaries
- 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 C6 Monthly budget statement – Financial Position
- Table C7 Monthly budget statement – Cash Flow

In the following pages the above tables are disclosed

## 7.1. Table C1 – Budget Summary

FS183 Tswelopele - Table C1 Monthly Budget Statement Summary - M06 December

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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	27 867	-	2 590	14 086	13 934	153	1%	-
Service charges	-	69 165	-	5 294	33 646	34 583	(936)	-3%	-
Investment revenue	-	1 300	-	344	735	650	85	13%	-
Transfers and subsidies	-	94 460	-	30 616	68 577	68 577	-		-
Other own revenue	-	3 784	-	1 658	5 990	1 892	4 098	217%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>196 576</b>	-	<b>40 501</b>	<b>123 035</b>	<b>119 635</b>	<b>3 400</b>	<b>3%</b>	-
Employee costs	-	78 740	-	6 368	38 122	39 370	(1 248)	-3%	-
Remuneration of Councillors	-	6 569	-	553	3 343	3 285	59	2%	-
Depreciation & asset impairment	-	20 000	-	-	-	10 000	(10 000)	-100%	-
Finance charges	-	1 500	-	852	2 525	750	1 775	237%	-
Materials and bulk purchases	-	71 468	-	4 493	24 856	35 734	(10 878)	-30%	-
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	-	48 443	-	4 513	24 556	24 222	335	1%	-
<b>Total Expenditure</b>	-	<b>226 720</b>	-	<b>16 779</b>	<b>93 401</b>	<b>113 360</b>	<b>(19 959)</b>	<b>-18%</b>	-
<b>Surplus/(Deficit)</b>	-	<b>(30 144)</b>	-	<b>23 722</b>	<b>29 634</b>	<b>6 275</b>	<b>23 359</b>	<b>372%</b>	-
Transfers and subsidies - capital (monetary allocations)	-	35 532	-	4 945	24 673	24 673	-		-
Contributions & Contributed assets	-	100	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>5 488</b>	-	<b>28 667</b>	<b>54 307</b>	<b>30 948</b>	<b>23 359</b>	<b>75%</b>	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	-	<b>5 488</b>	-	<b>28 667</b>	<b>54 307</b>	<b>30 948</b>	<b>23 359</b>	<b>75%</b>	-
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>38 431</b>	-	<b>10 255</b>	<b>24 769</b>	<b>19 216</b>	<b>5 554</b>	<b>29%</b>	-
Capital transfers recognised	-	34 532	-	7 847	21 614	17 266	4 348	25%	-
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	-	3 898	-	2 407	3 156	1 949	1 207	62%	-
<b>Total sources of capital funds</b>	-	<b>38 430</b>	-	<b>10 255</b>	<b>24 769</b>	<b>19 215</b>	<b>5 554</b>	<b>29%</b>	-
<b>Financial position</b>									
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	-	-	-	-	-		-
<b>Cash flows</b>									
Net cash from (used) operating	-	31 988	-	28 655	60 312	44 198	(16 114)	-36%	-
Net cash from (used) investing	-	(37 930)	-	(10 255)	(24 769)	(18 965)	5 804	-31%	-
Net cash from (used) financing	-	-	-	-	-	-	-		-
<b>Cash/cash equivalents at the month/year end</b>	-	<b>(5 388)</b>	-	<b>-</b>	<b>35 542</b>	<b>25 787</b>	<b>(9 755)</b>	<b>-38%</b>	-
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	4 227	4 715	3 963	4 493	14 535	3 204	10 513	107 582	153 231
<b>Creditors Age Analysis</b>									
Total Creditors	-	2 241	-	110 666	-	-	-	7 931	120 837



## 7.2. Table C2 – Fin Performance (STD Classification)

FS183 Tswelopele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

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
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		-	125 776	-	39 769	112 920	62 888	50 032	80%	-
Executive and council		-	22 523	-	-	-	11 262	(11 262)	-100%	-
Finance and administration		-	103 253	-	39 769	112 920	51 627	61 293	119%	-
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	1 104	-	39	379	552	(173)	-31%	-
Community and social services		-	167	-	33	361	84	278	333%	-
Sport and recreation		-	937	-	6	18	469	(451)	-96%	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	18 541	-	-	22	9 271	(9 248)	-100%	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	18 541	-	-	22	9 271	(9 248)	-100%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	86 787	-	5 296	33 685	43 394	(9 708)	-22%	-
Energy sources		-	59 027	-	4 155	25 766	29 514	(3 747)	-13%	-
Water management		-	17 609	-	275	2 732	8 805	(6 073)	-69%	-
Waste water management		-	6 408	-	553	3 317	3 204	113	4%	-
Waste management		-	3 743	-	312	1 871	1 872	(1)	0%	-
<b>Other</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	-	232 208	-	45 104	147 006	116 104	30 902	27%	-
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		-	89 208	-	10 130	59 639	44 604	15 035	34%	-
Executive and council		-	21 113	-	696	3 911	10 557	(6 645)	-63%	-
Finance and administration		-	68 095	-	9 434	55 728	34 048	21 681	64%	-
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	16 735	-	46	281	8 368	(8 086)	-97%	-
Community and social services		-	11 425	-	38	267	5 713	(5 445)	-95%	-
Sport and recreation		-	5 310	-	9	14	2 655	(2 641)	-99%	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	17 718	-	499	1 603	8 859	(7 256)	-82%	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	17 718	-	499	1 603	8 859	(7 256)	-82%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	103 059	-	6 104	31 877	51 530	(19 652)	-38%	-
Energy sources		-	61 839	-	871	19 480	30 920	(11 439)	-37%	-
Water management		-	19 590	-	4 810	9 751	9 795	(44)	0%	-
Waste water management		-	12 124	-	368	2 144	6 062	(3 918)	-65%	-
Waste management		-	9 506	-	55	502	4 753	(4 251)	-89%	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	-	226 720	-	16 779	93 401	113 360	(19 959)	-18%	-
<b>Surplus/ (Deficit) for the year</b>		-	5 488	-	28 324	53 605	2 744	50 861	1854%	-

### 7.3. Table C3 – Fin Performance (Rev and Exp – Municipal Vote)

**FS183 Tswelopele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December**

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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and Council		-	4 375	-	-	-	2 188	(2 188)	-100.0%	-
Vote 2 - Budget and Treasury Office		-	93 293	-	39 711	112 839	46 647	66 193	141.9%	-
Vote 3 - Community and Social Services		-	1 042	-	33	361	521	(160)	-30.7%	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	22	-	6	18	11	7	60.1%	-
Vote 6 - Waste Management		-	3 743	-	312	1 871	1 872	(1)	0.0%	-
Vote 7 - Waste Water Management		-	6 408	-	553	3 317	3 204	113	3.5%	-
Vote 8 - Road Transport		-	18 541	-	-	22	9 271	(9 248)	-99.8%	-
Vote 9 - Water		-	17 609	-	275	2 732	8 805	(6 073)	-69.0%	-
Vote 10 - Electricity		-	59 027	-	4 155	25 766	29 514	(3 747)	-12.7%	-
Vote 11 - Corporate Services		-	28 148	-	58	80	14 074	(13 994)	-99.4%	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	-	<b>232 208</b>	-	<b>45 104</b>	<b>147 006</b>	<b>116 104</b>	<b>30 902</b>	<b>26.6%</b>	-
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive and Council		-	18 346	-	696	3 911	9 173	(5 262)	-57.4%	-
Vote 2 - Budget and Treasury Office		-	65 150	-	9 303	52 814	32 575	20 239	62.1%	-
Vote 3 - Community and Social Services		-	9 633	-	38	267	4 817	(4 549)	-94.4%	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	47	-	9	14	24	(10)	-41.0%	-
Vote 6 - Waste Management		-	9 506	-	55	502	4 753	(4 251)	-89.4%	-
Vote 7 - Waste Water Management		-	12 124	-	368	2 144	6 062	(3 918)	-64.6%	-
Vote 8 - Road Transport		-	17 718	-	499	1 603	8 859	(7 256)	-81.9%	-
Vote 9 - Water		-	19 592	-	4 810	9 751	9 796	(45)	-0.5%	-
Vote 10 - Electricity		-	61 839	-	871	19 480	30 920	(11 439)	-37.0%	-
Vote 11 - Corporate Services		-	12 767	-	131	2 915	6 384	(3 469)	-54.3%	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	-	<b>226 722</b>	-	<b>16 779</b>	<b>93 401</b>	<b>113 361</b>	<b>(19 960)</b>	<b>-17.6%</b>	-
<b>Surplus/ (Deficit) for the year</b>	2	-	<b>5 486</b>	-	<b>28 324</b>	<b>53 605</b>	<b>2 743</b>	<b>50 862</b>	<b>1854.2%</b>	-

## 7.4. Table C4 – (Rev& Exp)

FS183 Tswelopele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

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
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates			27 867		2 590	14 086	13 934	153	1%	
Service charges - electricity revenue			53 681		4 154	25 732	26 841	(1 108)	-4%	
Service charges - water revenue			5 333		274	2 727	2 667	60	2%	
Service charges - sanitation revenue			6 408		553	3 317	3 204	113	4%	
Service charges - refuse revenue			3 743		312	1 871	1 872	(1)	0%	
Rental of facilities and equipment			347		11	72	174	(101)	-58%	
Interest earned - external investments			1 300		8	34	650	85	13%	
Interest earned - outstanding debtors			281		512	2 931	141	2 790	1986%	
Dividends received			130			79	65	14	22%	
Fines, penalties and forfeits			596		1	15	298	(283)	-95%	
Licences and permits			70		6	30	35	(5)	-15%	
Agency services			-					-		
Transfers and subsidies			94 460		30 616	68 577	68 577	-		
Other revenue			2 360		1 128	2 862	1 180	1 682	143%	
Gains on disposal of PPE								-		
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>-</b>		<b>40 501</b>	<b>123 035</b>	<b>119 635</b>	<b>3 400</b>	<b>3%</b>	<b>-</b>
<b>Expenditure By Type</b>										
Employee related costs			78 740		6 368	38 122	39 370	(1 248)	-3%	
Remuneration of councillors			6 569		553	3 343	3 285	59	2%	
Debt impairment			13 000				6 500	(6 500)	-100%	
Depreciation & asset impairment			20 000				10 000	(10 000)	-100%	
Finance charges			1 500		852	2 525	750	1 775	237%	
Bulk purchases			55 009		2 818	19 490	27 505	(8 015)	-29%	
Other materials			16 459		1 676	5 366	8 230	(2 863)	-35%	
Contracted services			26 070				13 035	(13 035)	-100%	
Transfers and subsidies							-	-		
Other expenditure			9 373		4 513	24 556	4 687	19 870	424%	
Loss on disposal of PPE								-		
<b>Total Expenditure</b>			<b>-</b>		<b>16 779</b>	<b>93 401</b>	<b>113 360</b>	<b>(19 959)</b>	<b>-18%</b>	<b>-</b>
<b>Surplus/(Deficit)</b>			<b>-</b>		<b>23 722</b>	<b>29 634</b>	<b>6 275</b>	<b>23 359</b>	<b>0</b>	<b>-</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			35 532		4 945	24 673	24 673	-		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educational Institutions)			100					-		
Transfers and subsidies - capital (in-kind - all)								-		
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			<b>-</b>		<b>28 667</b>	<b>54 307</b>	<b>30 948</b>			<b>-</b>
Taxation								-		
<b>Surplus/(Deficit) after taxation</b>			<b>-</b>		<b>28 667</b>	<b>54 307</b>	<b>30 948</b>			<b>-</b>
Attributable to minorities										
<b>Surplus/(Deficit) attributable to municipality</b>			<b>-</b>		<b>28 667</b>	<b>54 307</b>	<b>30 948</b>			<b>-</b>
Share of surplus/ (deficit) of associate										
<b>Surplus/ (Deficit) for the year</b>			<b>-</b>		<b>28 667</b>	<b>54 307</b>	<b>30 948</b>			<b>-</b>

## 7.5. Table – C5 – Capital Expenditure (Mun Vote)

FS183 Tswelopele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06  
December

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
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Executive and Council		-	1 326	-	2 407	3 107	663	2 444	369%	-
Vote 2 - Budget and Treasury Office		-	550	-	-	14	275	(261)	-95%	-
Vote 3 - Community and Social Services		-	1 075	-	-	-	538	(538)	-100%	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	825	-	-	637	413	225	54%	-
Vote 6 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 7 - Waste Water Management		-	10 669	-	6 092	13 265	5 335	7 930	149%	-
Vote 8 - Road Transport		-	4 243	-	1 117	2 299	2 122	178	8%	-
Vote 9 - Water		-	14 683	-	638	4 423	7 342	(2 918)	-40%	-
Vote 10 - Electricity		-	5 000	-	-	989	2 500	(1 511)	-60%	-
Vote 11 - Corporate Services		-	60	-	-	34	30	4	14%	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	<b>38 431</b>	-	<b>10 255</b>	<b>24 769</b>	<b>19 216</b>	<b>5 554</b>	<b>29%</b>	-
<b>Single Year expenditure appropriation</b>	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]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>		-	<b>38 431</b>	-	<b>10 255</b>	<b>24 769</b>	<b>19 216</b>	<b>5 554</b>	<b>29%</b>	-
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		-	<b>1 881</b>	-	<b>2 407</b>	<b>3 156</b>	<b>941</b>	<b>2 215</b>	<b>236%</b>	-
Executive and council		-	1 271	-	2 407	3 107	636	2 472	389%	-
Finance and administration		-	610	-	-	48	305	(257)	-84%	-
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	<b>1 954</b>	-	-	<b>637</b>	<b>977</b>	<b>(340)</b>	<b>-35%</b>	-
Community and social services		-	55	-	-	-	28	(28)	-100%	-
Sport and recreation		-	1 899	-	-	637	950	(312)	-33%	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		-	<b>4 243</b>	-	<b>1 117</b>	<b>2 299</b>	<b>2 122</b>	<b>178</b>	<b>8%</b>	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	4 243	-	1 117	2 299	2 122	178	8%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		-	<b>30 352</b>	-	<b>6 730</b>	<b>18 677</b>	<b>15 176</b>	<b>3 501</b>	<b>23%</b>	-
Energy sources		-	5 000	-	-	989	2 500	(1 511)	-60%	-
Water management		-	14 683	-	638	4 423	7 342	(2 918)	-40%	-
Waste water management		-	10 669	-	6 092	13 265	5 335	7 930	149%	-
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	-	<b>38 430</b>	-	<b>10 255</b>	<b>24 769</b>	<b>19 215</b>	<b>5 554</b>	<b>29%</b>	-
<b>Funded by:</b>										
National Government		-	34 532	-	7 847	21 614	17 266	4 348	25%	-
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		-	<b>34 532</b>	-	<b>7 847</b>	<b>21 614</b>	<b>17 266</b>	<b>4 348</b>	<b>25%</b>	-
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>	6	-	<b>3 898</b>	-	<b>2 407</b>	<b>3 156</b>	<b>1 949</b>	<b>1 207</b>	<b>62%</b>	-
<b>Total Capital Funding</b>		-	<b>38 430</b>	-	<b>10 255</b>	<b>24 769</b>	<b>19 215</b>	<b>5 554</b>	<b>29%</b>	-

## 7.6. Table – C6 – Financial Position

**FS183 Tswelopele - Table C6 Monthly Budget Statement - Financial Position - M06 December**

Description	Ref	2019/20	Budget Year 2020/21				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
<b>R thousands</b>	1						
<b>ASSETS</b>							
<b>Current assets</b>							
Cash			7 441		2 804	7 441	
Call investment deposits			9 189		22 184	9 189	
Consumer debtors			96 084		49 874	96 084	
Other debtors			5 331			5 331	
Current portion of long-term receivables							
Inventory			753			753	
<b>Total current assets</b>			<b>-</b>	<b>118 798</b>	<b>-</b>	<b>74 863</b>	<b>118 798</b>
<b>Non current assets</b>							
Long-term receivables			-		90 527	-	
Investments			-		1 052	-	
Investment property			110 039		104 999	110 039	
Investments in Associate							
Property, plant and equipment			568 919		525 276	568 919	
Biological			1 373		1 310	1 373	
Intangible							
Other non-current assets							
<b>Total non current assets</b>			<b>-</b>	<b>680 331</b>	<b>-</b>	<b>723 165</b>	<b>680 331</b>
<b>TOTAL ASSETS</b>			<b>-</b>	<b>799 129</b>	<b>-</b>	<b>798 028</b>	<b>799 129</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Bank overdraft			-			-	
Borrowing			2 637		713	2 637	
Consumer deposits			1 512		60 536	1 512	
Trade and other payables			93 821			93 821	
Provisions			822			822	
<b>Total current liabilities</b>			<b>-</b>	<b>98 792</b>	<b>-</b>	<b>61 249</b>	<b>98 792</b>
<b>Non current liabilities</b>							
Borrowing			5 853		7 625	5 853	
Provisions			48 602		39 195	48 602	
<b>Total non current liabilities</b>			<b>-</b>	<b>54 455</b>	<b>-</b>	<b>46 821</b>	<b>54 455</b>
<b>TOTAL LIABILITIES</b>			<b>-</b>	<b>153 247</b>	<b>-</b>	<b>108 070</b>	<b>153 247</b>
<b>NET ASSETS</b>	2		<b>-</b>	<b>645 882</b>	<b>-</b>	<b>689 958</b>	<b>645 882</b>
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated Surplus/(Deficit)			645 882		689 958	645 882	
Reserves							
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2		<b>-</b>	<b>645 882</b>	<b>-</b>	<b>689 958</b>	<b>645 882</b>

## 7.7. Table – C7 – Cash Flow

FS183 Tswelopele - Table C7 Monthly Budget Statement - Cash Flow - M06 December

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	
<b>R thousands</b>	1										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates			28 396		1 103	8 481	14 198	(5 717)	-40%		
Service charges			69 165		3 994	28 822	34 583	(5 760)	-17%		
Other revenue			2 525		1 139	2 979	1 263	1 717	136%		
Government - operating			94 560		30 616	68 577	68 577	-			
Government - capital			35 532		4 945	24 673	24 673	-			
Interest			1 430		8	34	715	20	3%		
Dividends			100			79	50	29	59%		
<b>Payments</b>											
Suppliers and employees			(198 720)		(13 487)	(74 001)	(99 360)	(25 359)	26%		
Finance charges			(1 000)		-	(35)	(500)	(465)	93%		
Transfers and Grants								-			
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			-	31 988	-	28 655	60 312	44 198	(16 114)	-36%	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			500				250	(250)	-100%		
Decrease (Increase) in non-current debtors								-			
Decrease (increase) other non-current receivables								-			
Decrease (increase) in non-current investments								-			
<b>Payments</b>											
Capital assets			(38 430)		(10 255)	(24 769)	(19 215)	5 554	-29%		
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			-	(37 930)	-	(10 255)	(24 769)	(18 965)	5 804	-31%	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans								-			
Borrowing long term/refinancing								-			
Increase (decrease) in consumer deposits								-			
<b>Payments</b>											
Repayment of borrowing								-			
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			-	-	-	-	-	-		-	
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>			-	(5 942)	-	18 400	35 542	25 233		-	
Cash/cash equivalents at beginning:			554				554			-	
Cash/cash equivalents at month/year end:			(5 388)				35 542	25 787		-	

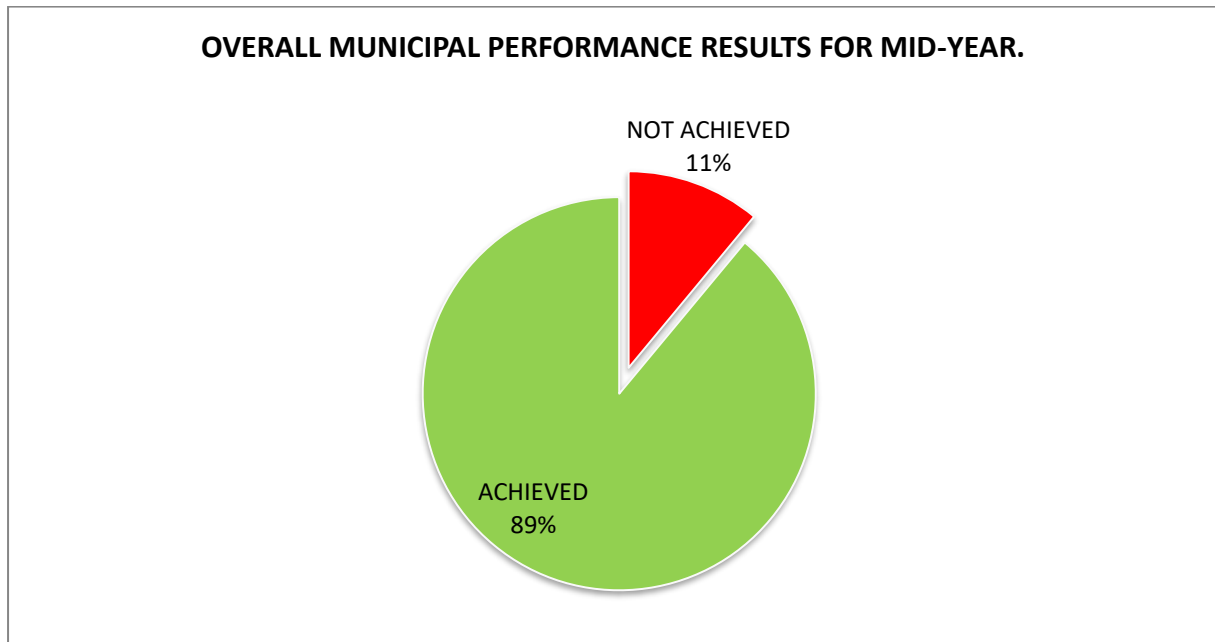
## **8. Non-Financial Performance**

Performance management is prescribed by chapter 6 of the Municipal Systems Act of 2000 and the Municipal Planning and Performance Regulation of August 2001. Section 7 of the aforementioned regulation states that "A municipality's performance management systems entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players" This framework should reflect the linkage between the IDP, Budget and SDBIP.

This report serves to provide feedback regarding the half-yearly departmental performance of Tswelopele Local Municipality as required through the Municipal Systems Act No 32 of 2000. The information included in this report is based on the IDP and SDBIP as developed for the financial year 2022/23. The performance plans/agreements were aligned to the IDP and SDBIP, thus this report reflect the performance progress as at end 31 December 2022. This report is based on the assessment of key service delivery quarterly targets. Actual quarterly performance obtained through a process whereby Key Performance Indicators and targets are compared to the initial planned as contained in the 2022/23 SDBIP.

This report serves as a summary of performance results. The detailed performance information with KPI's and targets is contained in a separate addendum document. This report seeks to provide feedback on the performance level achieved to date against the targets as laid out in the IDP and SDBIP. Where underperformance or zero achievement of indicators have been experienced the respective concerns or mitigating reasons are highlighted and detailed pertaining to the relevant measures being implemented or those that need to be implemented and are included thereto.

## 9. Level of attainment of objectives and targets



### **Municipal managers office**

The Municipal Manager's Office had [27] half yearly targets set as per the key performance indicators, Attained [23] and not achieved [4].

### **Finance**

The Finance Department had [29] half yearly targets set as per the key performance indicators, Attained [27] and not achieved [2].

### **Corporate services**

The Corporate Services had [20] half yearly targets set as per the key performance indicators, Attained [19] and not achieved [1].



## **Technical services**

The Technical Services had [40] half yearly targets set as per the key performance indicators, Attained [34] and not achieved [6].

## **Community services**

The Community Services had [18] half yearly targets set as per the key performance indicators, Attained [16] and not achieved [2].

## 10. Details of non-achievements

### DEPARTMENT: MUNICIPAL MANAGER

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	Only 20% of the budget was spent on the refurbishment of electricity/energy demand management in Hoopstad and Bultfontein	Supply delays due to manufacturing backlog	The supply delays won't be experienced as the product testing phase won't be done again., thus resulting in prompt ordering processes and time saving benefits.	30 June 2023
2.	The Fencing of cemeteries in Tikwana project has not yet commenced.	The project was initially planned to kickstart earlier, however due to prioritisation of water and sanitation projects, the project timelines were reviewed and concluded that this project will commence in March 2023[The implementation plan was amended accordingly].	The target will be reviewed in February in accordance with the adjustment budget and revised SDBIP processes.	N/A
3.	93% of budget spent on the construction of Sewer Reticulation in Phahameng/Bultfontein Ext 10	The contractor main challenge on site is the control of groundwater and dewatering trenches post heavy rains.  Contractor is still on target with the construction programme.	The target will be reviewed in February in accordance with the adjustment budget and revised SDBIP processes.	N/A
4.	15% of budget spent on the construction of Sewer Reticulation in Phahameng/Bultfontein Ext 9	The processes involved in the registration of the project took longer than anticipated. The procurement processes happened as planned however the turnaround	The target will be reviewed in February in accordance with the adjustment budget and revised SDBIP processes.	N/A

		time from the DWS took longer after the submission of the revised technical report by the technical department		
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**DEPARTMENT: FINANCIAL SERVICES**

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	90% of issues raised and proposed corrective measures by the Internal Auditors were attended to	No reasons were submitted for non-achievement	The audit action plan will be a standing item in all departmental meetings.	Monthly WEF 31 January 2023
2.	Only one funding plan was submitted to Exco	A funding plan was submitted to EXCO in the first quarter.  The plan is currently under review.	With the intervention/review of provincial treasury, the funding plan will be submitted to EXCO 6 February 2023	Monthly WEF 31 January 2023

**DEPARTMENT: TECHNICAL SERVICES**

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	Electricity losses from July to December 2022 is 24%	The electricity losses calculation is excluding the prepaid meters units consumed by households, businesses and other entities.	Going forward the municipality has instructed the service provider for smart meters to provide monthly sales units from smart meters in order to calculate accurately the losses.	Monthly WEF 31 January 2023

2.	Only 20% of the budget was spent on the refurbishment of electricity/energy demand management in Hoopstad and Bultfontein	Supply delays due to manufacturing backlog	The supply delays won't be experienced as the product testing phase won't be done again, thus resulting in prompt ordering processes and time saving benefits.	30 June 2023
3.	The Fencing of cemeteries in Tikwana project has not yet commenced.	The project was initially planned to kickstart earlier, however due to prioritisation of water and sanitation projects, the project timelines were reviewed and concluded that this project will commence in March 2023 [The implementation plan was amended accordingly].	The target will be reviewed in February in accordance with the adjustment budget and revised SDBIP processes.	N/A
4.	93% of budget spent on the construction of Sewer Reticulation in Phahameng/Bultfontein Ext 10	The contractor main challenge on site is the control of groundwater and dewatering trenches post heavy rains.  Contractor is still on target with the construction programme.	The target will be reviewed in February in accordance with the adjustment budget and revised SDBIP processes.	N/A
5.	15% of budget spent on the construction of Sewer Reticulation in Phahameng/Bultfontein Ext 9	The processes involved in the registration of the project took longer than anticipated. The procurement processes happened as planned however the turnaround time from the DWS took longer after the submission of the revised technical report by the technical department	The target will be reviewed in February in accordance with the adjustment budget and revised SDBIP processes.	N/A

6.	91% of issues raised and proposed corrective measures by the Internal Auditors were attended to.	No reasons were submitted for non-achievement	The audit action plan will be a standing item in all departmental meetings	Monthly WEF 31 January 2023
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**DEPARTMENT: CORPORATE SERVICES**

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	Not all documents as per section 75 of the MFMA have been uploaded on the website.	The website server crashed in the first quarter of the financial year, as such all uploaded municipal documents could not be retrieved [The back-up was also in that virtual server].	We have developed a new server and the municipality is uploading information from time to time as and when the information becomes available.	Monthly WEF 31 January 2023

**DEPARTMENT: COMMUNITY SERVICES**

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	No local disaster advisory forum was conducted in the first semester.	The advisory forum was suspended for the past two years due to covid restrictions.	The forum is being resuscitated and will convene quarterly.  Stakeholders met on the 14 December 2022	Quarterly
2.	Business forum meetings not facilitated.	No reasons for non-achievement were provided.	LED Unit to call stakeholders meeting to form new Business Forum Committee.	Quarterly

## **11. Conclusion**

The municipality is facing some challenges with regard to budget implementation as well as achieving the targets set in the integrated development plan due to amongst others the following reasons, cash flow problems and shortage of municipal equipment and personnel in service delivery areas.

The municipality is also experiencing high staff turnover due to retirements, death and employee choosing external job opportunities/offers. Another concerning factor is the ever-increasing debtors' book and non-payment of municipal services by consumers which has a serious effect in the provision of sustainable municipal services.

Management needs to take a stand against misuse of municipal assets and ill-discipline of municipal officials, consequence management needs to be applied in this regard.