

TSWELOPELE LOCAL MUNICIPALITY

FS 183

CIVIC CENTRE, BOSMAN STREET

BULTFONTEIN, 9670

051 853 1111

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IN YEAR REPORT (Schedule C)
October 2023

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 National 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 October 2023:

- 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 C6 Monthly budget statement – Financial Position
- 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 - M04 October

Description	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									
Financial Performance									
Property rates	-	29 557	-	4 318	14 683	9 852	4 830	49%	-
Service charges	-	79 081	-	5 588	22 213	26 360	(4 147)	-16%	-
Investment revenue	-	1 300	-	18	59	433	(374)	-86%	-
Transfers and subsidies	-	100 292	-	-	42 854	42 854	-	-	-
Other own revenue	-	4 756	-	681	2 821	1 585	1 236	78%	-
Total Revenue (excluding capital transfers and contributions)	-	214 986	-	10 605	82 630	81 085	1 545	2%	-
Employee costs	-	88 639	-	7 377	29 352	29 546	(194)	-1%	-
Remuneration of Councillors	-	6 226	-	869	2 906	2 075	830	40%	-
Depreciation & asset impairment	-	20 000	-	-	-	6 667	(6 667)	-100%	-
Finance charges	-	2 500	-	-	483	833	(351)	-42%	-
Materials and bulk purchases	-	67 550	-	4 551	10 298	22 517	(12 219)	-54%	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	-	60 003	-	4 013	19 077	20 001	(924)	-5%	-
Total Expenditure	-	244 918	-	16 811	62 115	81 639	(19 524)	-24%	-
Surplus/(Deficit)	-	(29 932)	-	(6 206)	20 515	(554)	21 069	-3803%	-
Transfers and subsidies - capital (monetary allocations)	-	37 968	-	3 714	16 361	16 361	-	-	-
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	8 036	-	(2 492)	36 876	15 807	21 069	133%	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	-	8 036	-	(2 492)	36 876	15 807	21 069	133%	-
Capital expenditure & funds sources									
Capital expenditure	-	40 837	-	7 357	25 261	13 612	11 649	86%	-
Capital transfers recognised	-	36 868	-	7 357	25 261	12 289	12 972	106%	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	3 970	-	-	-	1 323	(1 323)	-100%	-
Total sources of capital funds	-	40 838	-	7 357	25 261	13 613	11 649	86%	-
Financial position									
Total current assets	-	134 177	-	-	74 863	-	-	-	134 177
Total non current assets	-	702 739	-	-	723 165	-	-	-	702 739
Total current liabilities	-	128 531	-	-	61 249	-	-	-	128 531
Total non current liabilities	-	54 455	-	-	46 821	-	-	-	54 455
Community wealth/Equity	-	653 930	-	-	689 958	-	-	-	653 930
Cash flows									
Net cash from (used) operating	-	37 649	-	(6 122)	35 616	25 678	(9 938)	-39%	-
Net cash from (used) investing	-	(40 338)	-	(7 357)	(25 261)	(13 446)	11 815	-88%	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	-	(1 393)	-	-	10 355	13 528	3 173	23%	-
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	7 912	4 537	3 911	22 778	3 054	2 580	2 773	141 637	189 181
Creditors Age Analysis									
Total Creditors	1 151	628	-	145 770	-	-	-	6 247	153 795

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

FS183 Tswelopele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 October

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>		-	136 699	-	8 651	76 498	45 566	30 931	68%	-
Executive and council		-	27 647	-	-	-	9 216	(9 216)	-100%	-
Finance and administration		-	109 052	-	8 651	76 498	36 351	40 147	110%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	1 580	-	67	226	527	(301)	-57%	-
Community and social services		-	430	-	64	223	143	80	56%	-
Sport and recreation		-	1 150	-	2	2	383	(381)	-99%	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	19 249	-	0	1	6 416	(6 415)	-100%	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	19 249	-	0	1	6 416	(6 415)	-100%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	95 426	-	5 600	22 255	31 809	(9 553)	-30%	-
Energy sources		-	66 628	-	4 129	16 637	22 209	(5 572)	-25%	-
Water management		-	17 739	-	536	2 107	5 913	(3 806)	-64%	-
Waste water management		-	7 011	-	601	2 190	2 337	(147)	-6%	-
Waste management		-	4 048	-	334	1 322	1 349	(27)	-2%	-
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	252 954	-	14 319	98 980	84 318	14 662	17%	-
Expenditure - Functional										
<i>Governance and administration</i>		-	105 750	-	10 925	44 481	35 250	9 231	26%	-
Executive and council		-	31 785	-	477	4 208	10 595	(6 387)	-60%	-
Finance and administration		-	73 965	-	10 448	40 273	24 655	15 618	63%	-
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	18 256	-	8	64	6 085	(6 022)	-99%	-
Community and social services		-	12 717	-	2	58	4 239	(4 181)	-99%	-
Sport and recreation		-	5 539	-	6	6	1 846	(1 840)	-100%	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	18 470	-	47	2 173	6 157	(3 983)	-65%	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	18 470	-	47	2 173	6 157	(3 983)	-65%	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	102 443	-	5 831	15 398	34 148	(18 750)	-55%	-
Energy sources		-	57 062	-	3 760	4 649	19 021	(14 372)	-76%	-
Water management		-	22 978	-	1 787	9 437	7 659	1 778	23%	-
Waste water management		-	12 663	-	271	1 208	4 221	(3 013)	-71%	-
Waste management		-	9 740	-	13	103	3 247	(3 143)	-97%	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	244 919	-	16 811	62 115	81 640	(19 524)	-24%	-
Surplus/ (Deficit) for the year		-	8 035	-	(2 492)	36 865	2 678	34 187	1276%	-

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) - M04 October

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		-	7 890	-	-	-	2 630	(2 630)	-100.0%	-
Vote 2 - Budget and Treasury Office		-	99 302	-	8 651	76 473	33 101	43 373	131.0%	-
Vote 3 - Community and Social Services		-	1 280	-	64	223	427	(203)	-47.6%	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	50	-	2	2	17	(14)	-85.5%	-
Vote 6 - Waste Management		-	4 048	-	334	1 322	1 349	(27)	-2.0%	-
Vote 7 - Waste Water Management		-	7 011	-	601	2 190	2 337	(147)	-6.3%	-
Vote 8 - Road Transport		-	19 249	-	0	1	6 416	(6 415)	-100.0%	-
Vote 9 - Water		-	17 739	-	536	2 107	5 913	(3 806)	-64.4%	-
Vote 10 - Electricity		-	66 628	-	4 129	16 637	22 209	(5 572)	-25.1%	-
Vote 11 - Corporate Services		-	29 757	-	-	24	9 919	(9 895)	-99.8%	-
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	-	252 954	-	14 319	98 980	84 318	14 662	17.4%	-
Expenditure by Vote	1									
Vote 1 - Executive and Council		-	45 426	-	477	4 208	15 142	(10 934)	-72.2%	-
Vote 2 - Budget and Treasury Office		-	49 690	-	9 934	38 020	16 563	21 457	129.5%	-
Vote 3 - Community and Social Services		-	10 284	-	2	58	3 428	(3 370)	-98.3%	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	67	-	6	6	22	(16)	-72.8%	-
Vote 6 - Waste Management		-	9 740	-	13	103	3 247	(3 143)	-96.8%	-
Vote 7 - Waste Water Management		-	12 663	-	271	1 208	4 221	(3 013)	-71.4%	-
Vote 8 - Road Transport		-	18 470	-	47	2 173	6 157	(3 983)	-64.7%	-
Vote 9 - Water		-	22 978	-	1 787	9 437	7 659	1 778	23.2%	-
Vote 10 - Electricity		-	57 062	-	3 760	4 649	19 021	(14 372)	-75.6%	-
Vote 11 - Corporate Services		-	18 539	-	514	2 252	6 180	(3 927)	-63.6%	-
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	-	244 919	-	16 811	62 115	81 640	(19 524)	-23.9%	-
Surplus/ (Deficit) for the year	2	-	8 035	-	(2 492)	36 865	2 678	34 187	1276.4%	-

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

FS183 Tswelopele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

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			29 557		4 318	14 683	9 852	4 830	49%		
Service charges - electricity revenue			62 262		4 118	16 602	20 754	(4 152)	-20%		
Service charges - water revenue			5 760		535	2 100	1 920	180	9%		
Service charges - sanitation revenue			7 011		601	2 190	2 337	(147)	-6%		
Service charges - refuse revenue			4 048		334	1 322	1 349	(27)	-2%		
Rental of facilities and equipment			1 140		9	27	380	(353)	-93%		
Interest earned - external investments			1 300		18	59	433	(374)	-86%		
Interest earned - outstanding debtors			300		564	2 248	100	2 148	2148%		
Dividends received			180			88	60	28	47%		
Fines, penalties and forfeits			666			2	222	(220)	-99%		
Licences and permits			80		21	57	27	30	112%		
Agency services			-					-			
Transfers and subsidies			100 292		-	42 854	42 854	-			
Other revenue			2 390		88	398	797	(398)	-50%		
Gains on disposal of PPE								-			
Total Revenue (excluding capital transfers and contributions)			-	214 986	-	10 605	82 630	81 085	1 545	2%	-
Expenditure By Type											
Employee related costs			88 639		7 377	29 352	29 546	(194)	-1%		
Remuneration of councillors			6 226		869	2 906	2 075	830	40%		
Debt impairment			13 000				4 333	(4 333)	-100%		
Depreciation & asset impairment			20 000				6 667	(6 667)	-100%		
Finance charges			2 500		-	483	833	(351)	-42%		
Bulk purchases			58 734		4 203	7 119	19 578	(12 459)	-64%		
Other materials			8 816		348	3 178	2 939	240	8%		
Contracted services			34 373				11 458	(11 458)	-100%		
Transfers and subsidies							-	-			
Other expenditure			12 630		4 013	19 077	4 210	14 867	353%		
Loss on disposal of PPE								-			
Total Expenditure			-	244 918	-	16 811	62 115	81 639	(19 524)	-24%	-
Surplus/(Deficit)			-	(29 932)	-	(6 206)	20 515	(554)	21 069	(0)	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			37 968		3 714	16 361	16 361	-			
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)								-			
Transfers and subsidies - capital (in-kind - all)								-			
Surplus/(Deficit) after capital transfers & contributions			-	8 036	-	(2 492)	36 876	15 807		-	
Taxation								-			
Surplus/(Deficit) after taxation			-	8 036	-	(2 492)	36 876	15 807		-	
Attributable to minorities											
Surplus/(Deficit) attributable to municipality			-	8 036	-	(2 492)	36 876	15 807		-	
Share of surplus/ (deficit) of associate											
Surplus/ (Deficit) for the year			-	8 036	-	(2 492)	36 876	15 807		-	

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) - M04

October

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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		–	130	–	–	–	43	(43)	-100%	–
Vote 2 - Budget and Treasury Office		–	510	–	–	–	170	(170)	-100%	–
Vote 3 - Community and Social Services		–	100	–	–	–	33	(33)	-100%	–
Vote 4 - Public Safety		–	–	–	–	–	–	–	–	–
Vote 5 - Sport and Recreation		–	5 375	–	–	–	1 792	(1 792)	-100%	–
Vote 6 - Waste Management		–	50	–	–	–	17	(17)	-100%	–
Vote 7 - Waste Water Management		–	8 400	–	–	–	2 800	(2 800)	-100%	–
Vote 8 - Road Transport		–	2 500	–	6 439	8 341	833	7 507	901%	–
Vote 9 - Water		–	16 662	–	769	14 347	5 554	8 793	158%	–
Vote 10 - Electricity		–	7 000	–	150	2 574	2 333	240	10%	–
Vote 11 - Corporate Services		–	110	–	–	–	37	(37)	-100%	–
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	–	40 837	–	7 357	25 261	13 612	11 649	86%	–
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		–	40 837	–	7 357	25 261	13 612	11 649	86%	–
Capital Expenditure - Functional Classification										
Governance and administration		–	750	–	–	–	250	(250)	-100%	–
Executive and council			130				43	(43)	-100%	
Finance and administration			620				207	(207)	-100%	
Internal audit			–				–	–	–	
Community and public safety		–	5 376	–	–	–	1 792	(1 792)	-100%	–
Community and social services			–				–	–	–	
Sport and recreation			5 376				1 792	(1 792)	-100%	
Public safety			–				–	–	–	
Housing			–				–	–	–	
Health			–				–	–	–	
Economic and environmental services		–	2 600	–	6 439	8 341	867	7 474	862%	–
Planning and development			100				33	(33)	-100%	
Road transport			2 500		6 439	8 341	833	7 507	901%	
Environmental protection			–				–	–	–	
Trading services		–	32 112	–	919	16 921	10 704	6 217	58%	–
Energy sources			7 000		150	2 574	2 333	240	10%	
Water management			16 662		769	14 347	5 554	8 793	158%	
Waste water management			8 400		–	–	2 800	(2 800)	-100%	
Waste management			50		–	–	17	(17)	-100%	
Other			–				–	–	–	
Total Capital Expenditure - Functional Classification	3	–	40 838	–	7 357	25 261	13 613	11 649	86%	–
Funded by:										
National Government			33 868		7 357	23 623	11 289	12 334	109%	
Provincial Government			3 000		–	1 638	1 000	638	64%	
District Municipality			–		–	–	–	–	–	
Other transfers and grants			–		–	–	–	–	–	
Transfers recognised - capital		–	36 868	–	7 357	25 261	12 289	12 972	106%	–
Borrowing	6		–		–	–	–	–	–	
Internally generated funds			3 970		–	–	1 323	(1 323)	-100%	
Total Capital Funding		–	40 838	–	7 357	25 261	13 613	11 649	86%	–

2.1.6. In Year Budget Table – C6 – Financial Position

FS183 Tswelopele - Table C6 Monthly Budget Statement - Financial Position - M04 October

Description	Ref	2019/20	Budget Year 2020/21				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
R thousands	1						
ASSETS							
Current assets							
Cash			20 897		2 804	20 897	
Call investment deposits			1 505		22 184	1 505	
Consumer debtors			105 691		49 874	105 691	
Other debtors			5 331			5 331	
Current portion of long-term receivables							
Inventory			753			753	
Total current assets			-	134 177	-	74 863	134 177
Non current assets							
Long-term receivables			-			90 527	
Investments			-			1 052	
Investment property			110 039			104 999	110 039
Investments in Associate							
Property, plant and equipment			591 327			525 276	591 327
Biological			1 373			1 310	1 373
Intangible							
Other non-current assets							
Total non current assets			-	702 739	-	723 165	702 739
TOTAL ASSETS			-	836 916	-	798 028	836 916
LIABILITIES							
Current liabilities							
Bank overdraft			-				
Borrowing			2 637			713	2 637
Consumer deposits			1 512			60 536	1 512
Trade and other payables			123 560				123 560
Provisions			822				822
Total current liabilities			-	128 531	-	61 249	128 531
Non current liabilities							
Borrowing				13 378		7 625	13 378
Provisions				41 077		39 195	41 077
Total non current liabilities			-	54 455	-	46 821	54 455
TOTAL LIABILITIES			-	182 986	-	108 070	182 986
NET ASSETS	2		-	653 930	-	689 958	653 930
COMMUNITY WEALTH/EQUITY							
Accumulated Surplus/(Deficit)				653 930		689 958	653 930
Reserves							
TOTAL COMMUNITY WEALTH/EQUITY	2		-	653 930	-	689 958	653 930

2.1.7. In Year Budget Table – C7 Cash Flow

FS183 Tswelopele - Table C7 Monthly Budget Statement - Cash Flow - M04 October

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			28 079		2 918	11 019	9 360	1 660	18%		
Service charges			75 126		4 449	17 084	25 042	(7 958)	-32%		
Other revenue			3 146		88	446	1 049	(603)	-57%		
Government - operating			100 292			42 854	42 854	-			
Government - capital			37 968		3 714	16 361	16 361	-			
Interest			1 200		18	58	400	(342)	-86%		
Dividends			100		-	88	33	55	165%		
Payments											
Suppliers and employees			(205 762)		(16 811)	(61 633)	(68 587)	(6 955)	10%		
Finance charges			(2 500)				(833)	(833)	100%		
Transfers and Grants							-				
NET CASH FROM/(USED) OPERATING ACTIVITIES			-	37 649	-	(5 624)	26 278	25 678	(600)	-2%	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE			500				167	(167)	-100%		
Decrease (Increase) in non-current debtors								-			
Decrease (increase) other non-current receivables								-			
Decrease (increase) in non-current investments								-			
Payments											
Capital assets			(40 838)		(7 357)	(25 261)	(13 613)	11 649	-86%		
NET CASH FROM/(USED) INVESTING ACTIVITIES			-	(40 338)	-	(7 357)	(25 261)	(13 446)	11 815	-88%	-
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			-	(2 689)	-	(12 981)	1 017	12 232		-	
Cash/cash equivalents at beginning:			1 296				1 296			-	
Cash/cash equivalents at month/year end:			(1 393)			1 017	13 528			-	

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 October 2023 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 October 2023.

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 Notes to Table C6

1. Table C6 is consistent with international standards of good financial management practice, and improves understandability for councillors and management of the impact of the budget on the statement of financial position (balance sheet). This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.

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. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
2. The total amount shown for suppliers and employees consist of amounts for the October 2023 salaries of R 8.2 million.
3. The line item for other materials is all costs that were incurred to repair various assets of the municipality.
4. The line item for other expenditure and contracted services amongst 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 - M04 October

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue By Source			
	Interest earned - outstanding debtors	2 148	The municipality's has a high number of outstanding debtors	
2	Expenditure By Type			
	Debt impairment	(4 333)	Write-offs performed at year end	
	Depreciation & asset impairment	(6 667)	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 - M04 October

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%	9.2%	0.0%	0.8%	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%	21.3%	0.0%	1.2%	21.3%
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%	104.4%	0.0%	122.2%	104.4%
Liquidity Ratio	Monetary Assets/Current Liabilities		0.0%	17.4%	0.0%	40.8%	17.4%
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%	169.9%	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 - M04 October

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	556	431	332	311	284	240	229	13 487	15 870	14 551		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3 196	1 150	1 120	948	842	589	521	8 409	16 775	11 309		
Receivables from Non-exchange Transactions - Property Rates	1400	1 417	1 017	837	19 733	445	341	671	58 894	83 354	80 083		
Receivables from Exchange Transactions - Waste Water Management	1500	596	634	389	371	374	341	339	20 271	23 315	21 696		
Receivables from Exchange Transactions - Waste Management	1600	354	306	300	283	237	230	228	13 656	15 593	14 635		
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-		
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	1 794	999	934	1 132	872	840	784	26 919	34 274	30 547		
Total By Income Source	2000	7 912	4 537	3 911	22 778	3 054	2 580	2 773	141 637	189 181	172 822	-	-
2019/20 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 049	1 029	789	2 929	438	234	520	2 690	9 678	6 811		
Commercial	2300	3 252	1 200	907	17 974	821	772	758	72 591	98 275	92 915		
Households	2400	2 580	1 723	1 575	1 169	1 100	1 079	1 053	57 105	67 385	61 506		
Other	2500	1 030	584	639	706	695	496	442	9 251	13 843	11 590		
Total By Customer Group	2600	7 912	4 537	3 911	22 778	3 054	2 580	2 773	141 637	189 181	172 822	-	-

Presented above is municipal debtors aging at the end of October 2023. The total outstanding debt on the 31st of October 2023 is R 189 million.

1.4. Supporting Table SC4 – Aged Creditors

FS183 Tswelopele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

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	-	-	-	128 201	-	-	-	-	128 201
Bulk Water	0200	-	-	-	17 568	-	-	-	-	17 568
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	6 247	6 247
Trade Creditors	0700	-	-	-	-	-	-	-	-	-
Auditor General	0800	1 151	-	-	-	-	-	-	-	1 151
Other	0900	-	628	-	-	-	-	-	-	628
Total By Customer Type	1000	1 151	628	-	145 770	-	-	-	6 247	153 795

At the end of October 2023, the Municipality has outstanding debt of R 153 million owed to creditors.

1.5. Supporting Table SC6 – Grants Received

FS183 Tswelopele - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 October

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:		-	100 292	-	-	42 854	37 912	4 942	13.0%	-
Local Government Equitable Share			97 242			40 517	35 575	4 942	13.9%	
Finance Management			2 100		-	2 100	2 100			
EPWP Incentive			950		-	237	237			
3										
Other transfers and grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-		-
4										
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
Lejweleputswa										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total Operating Transfers and Grants	5	-	100 292	-	-	42 854	37 912	4 942	13.0%	-
Capital Transfers and Grants										
National Government:		-	34 868	-	3 714	16 361	16 361	-		-
Municipal Infrastructure Grant (MIG)			18 889			5 616	5 616			
Energy Efficiency and Demand-side Management Grant			4 000			2 000	2 000			
Water Service Grant			11 979		3 714	8 745	8 745			
Provincial Government:		-	3 000	-	-	-	-	-		-
[insert description]			3 000							
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total Capital Transfers and Grants	5	-	37 868	-	3 714	16 361	16 361	-		-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	138 160	-	3 714	59 215	54 273	4 942	9.1%	-

1.6. Supporting Table SC7 – Grants Expenditure

FS183 Tswelopele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 October

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:		-	100 292	-	329	1 843	33 431	(31 588)	-94.5%	-
Local Government Equitable Share			97 242				32 414	(32 414)	-100.0%	
Finance Management			2 100		97	1 148	700	448	64.1%	
EPWP Incentive			950		232	694	317	378	119.2%	
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:		-	100 292	-	329	1 843	33 431	(31 588)	-94.5%	-
Capital expenditure of Transfers and Grants										
National Government:		-	34 868	-	7 357	23 623	11 623	12 000	103.3%	-
Municipal Infrastructure Grant (MIG)			18 889		6 439	8 341	6 296	2 044	32.5%	
Energy Efficiency and Demand-side Management Grant			4 000		150	936	1 333	(398)	-29.8%	
Water Service Grant			11 979		769	14 347	3 993	10 354	259.3%	
Provincial Government:		-	3 000	-	-	1 638	1 000	638	63.8%	-
			3 000			1 638	1 000	638	63.8%	
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		-	37 868	-	7 357	25 261	12 623	12 639	100.1%	-
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	138 160	-	7 687	27 104	46 053	(18 949)	-41.1%	-