

A110 QUARTERLY BUDGET STATEMENT REPORT FOR THE FOURTH QUARTER ENDING
JUNE 2023 6/1/1- (2022/2023)

Report: Executive Mayor: 2023-07-21

1. PURPOSE

The report is submitted to ensure that Council is able to exercise his oversight responsibility over the financial management of the municipality.

2. BACKGROUND

Section 52 of the MFMA requires that:

(1) The mayor of a municipality—

(a) Must provide general political guidance over the fiscal and financial affairs of the municipality;

(b) In providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;

(c) Must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;

(d) Must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and

(e) Must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.

3. DISCUSSION

The content and format of this report for the fourth quarter ending 30th June 2023 is based upon the consolidated monthly electronic reports submitted to the Provincial and National Treasury. The statement contains the following statements:

- Statement of Operating Revenue & Expenditure – Part 1;
- Actual Capital Acquisition –Part 2;
- Cash Flow Statement – Part 3;
- Age Analysis of Debtors & Debtors Payment Statistics – Part 4;
- Age Analysis of Creditors – Part 5;
- External Investments – Part 6;
- Supply Chain Report (Deviations) – Part 7; and
- Grants & Subsidies – Part 8.

Statement of Operating Revenue & Expenditure – Part 1

The statement is assessed by summarizing how the municipality incurs its revenues and expenses through both operating and none operating activities. It also shows the net profit or loss incurred over a specific accounting period.

A Profit & Loss statement provides information on the operation of the municipality. These include service charges and the various expenses incurred during the processing as well as the rendering the services

The statement is prepared on a similar basis to the prescribed budget format which details revenue by source type and expenditure by category and/or input type.

The total operating revenue for the reporting quarter amounts to R208 422 862. The total operating revenue amount includes revenue generated from property rates R35 367 436, electricity R111 340 105, Water R16 665 122, Sanitation services R9 853 654, refuse removal R7 159 255, rental income R393 710, interest earned on external investments R43 014, interest earned-outstanding debtors R27 139 221, fines R255 203 and other revenue R206 142.

The total operating revenue increased with R15 828 236 when compared to the total operating revenue for the fourth quarter ending June 2022 which amounted to R192 594 626.

The total operating expenditure for the reporting quarter amounts to R303 723 461. While the year-to-date expenditure amounts to R1 161 373 027, this amount shows a saving of R100 138 comparing to the amount estimated as per the municipal approved budget to date. The amount of operating expenditure consists of employee related costs (employees) and councilors respectively amounting to R70 660 258 and R3 579 708, bulk purchases electricity R10 692 834, bulk purchases water R5 378 344, depreciation R17 589 975, finance costs R36 962 984 debt impairment R17 589 975 other materials R497 110, contracted services R43 363 643 and other operating expenditure amounting to R17 439 294.

The operating expenditure increased by R15 348 482 when compared to the fourth quarter ending June 2022 which amounted to R288 374 979

The operating deficit for the reporting period amounted to (R111 128 835).

MP305 Lekwa - Budget Statement - Financial Performance (revenue & expenditure) - June 2022-2023

	2020/21 Pre Audit Outcome	Ajusted Budget 2021 - 2022 MTREF	Prior Year Fourth Quarter Movement	Fourth quarter Movement	Quarter Variance	YTD Actual	YTD Budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue By Source										
Property rates	171 406 855	190 052 450	35 483 964	35 367 436	(116 528)	150 078 616	190 052 450.00	(39 974)	-21%	150 078 615.92
Service charges - electricity revenue	383 292 018	552 150 856	94 877 312	111 340 105	16 462 793	396 182 469	552 150 856.00	(155 968)	-28%	396 182 468.72
Service charges - water revenue	78 080 666	96 756 370	13 006 871	16 665 122	3 658 251	104 571 195	96 756 370.00	7 815	8%	104 571 194.86
Service charges - sanitation revenue	42 911 636	77 607 312	10 107 200	9 853 654	(253 546)	42 653 453	77 607 312.00	(34 954)	-45%	42 653 453.36
Service charges - refuse revenue	27 749 371	30 464 699	7 146 702	7 159 255	12 553	30 933 377	30 464 699.00	469	2%	30 933 377.22
Service charges - other	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 720 384	2 253 534	412 519	393 710	(18 809)	1 570 572	2 253 534.00	(683)	-30%	1 570 572.16
Interest earned - external investments	575 871	700 000	67 706	43 014	(24 692)	798 024	700 000.00	98	14%	798 023.73
Interest earned - outstanding debtors	65 440 029	57 693 464	31 237 158	27 139 221	(4 097 937)	109 795 876	57 693 464.00	52 102	90%	109 795 876.17
Fines	1 483 464	4 500 000	380 368	255 203	(125 165)	799 520	4 500 000.00	(3 700)	-82%	799 520.27
Transfers recognised - operational	140 933 350	158 753 700	42 680 000	-	(42 680 000)	158 753 700	158 753 700.00	-	-	158 753 700.00
Other revenue	2 460 425	3 233 616	415 963	206 142	(209 822)	1 159 867	3 233 616.00	(2 074)	-64%	1 159 867.01
Gains on disposal of PPE	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	916 054	1 174 166 001	235 815 763	208 422 862	(27 392 901)	997 296 669	1 174 166 001	(176 869)	-15%	997 296 669
Surplus/ (Deficit) for the year	(120 409)	98 818 781	51 782 332	(25 903 603)	-	41 488 784	98 818 781			(10 033 848 438)

The Municipality is in the process of implementing the Revenue Enhancement Strategies which will focus on the following amongst other key activities.

- 1) Reconciliation of valuation roll, deeds office and GIS to ensure completeness of revenue
- 2) Compare the land information to usage by various consumer categories
- 3) Electricity & water meter audits
- 4) Meter Reading (Monitoring of exception reports & Accuracy of billing) including introduction of electronic meter readings
- 5) Preparing lease agreements for all municipal properties.

Trading Services

Revenue Levied	Revenue YTD Actual July 2022 - June 2023	Expenditure YTD Actual July 2022 - June 2023	Surplus(Deficit) Actual July 2022 - June 2023	
Electricity	396 182 468.72	R 586 134 917.16	-R	189 952 448.44
Water	104 571 194.86	R 192 667 826.11	-R	88 096 631.25
Refuse	30 933 377.22	R 27 239 016.80	R	3 694 360.42
Sewerage	42 653 453.36	R 18 848 439.70	R	23 805 013.66
	574 340 494.16	R 824 890 199.77	-R	250 549 705.61
Revenue Collected	Revenue YTD Actual July 2022 - June 2023	Expenditure YTD Actual July 2022 - June 2023	Surplus(Deficit) Actual July 2022 - June 2023	
Electricity	R 332 186 857.79	R 586 134 917.16	-R	253 948 059.37
Water	R 41 152 686.06	R 192 667 826.11	-R	151 515 140.05
Refuse	R 11 713 526.98	R 27 239 016.80	-R	15 525 489.82
Sewerage	R 19 973 969.54	R 18 848 439.70	R	1 125 529.84
	R 405 027 040.37	R 824 890 199.77	-R	419 863 159.40

MP305 Lekwa - Budget Statement - Financial Performance (revenue & expenditure) - June 2022-2023										
	2020/21 Pre Audit Outcome	Ajusted Budget 2021 - 2022 MTREF	Prior Year Fourth Quarter Movement	Fourth quarter Movement	Quarter Variance	YTD Actual	YTD Budget	YTD variance	YTD variance	Full Year Forecast
Expenditure By Type										
Employee related costs	249 494 757	304 710 975	69 973 071	70 660 258	687 187	274 183 110	304 710 975.00	(30 528)	-10%	274 183 109.76
Remuneration of councillors	8 341 710	12 375 454	3 554 825	3 579 708	24 883	13 902 914	12 375 454.00	1 527	12%	13 902 913.61
Debt impairment	231 747 037	70 359 900	17 589 975	17 589 975	-	70 359 900	70 359 900.00	-		70 359 900.00
Depreciation & asset impairment	79 740 275	85 679 276	21 419 820	21 419 820	-	85 679 280	85 679 276.00	0	0%	85 679 280.00
Finance charges	94 206 417	44 305 900	32 925 057	36 962 984	4 037 927	116 220 437	44 305 900.00	71 915	162%	116 220 436.63
Bulk purchases Electricity	440 668 948	469 465 100	76 139 491	86 832 325	10 692 834	374 605 643	469 465 100.00	(94 859)	-20%	374 605 643.00
Bulk purchases Water	30 724 510	63 104 112	-	5 378 344	5 378 344	62 722 559	63 104 112.00	(382)	-1%	62 722 558.92
Other materials	13 547 438	79 988 270	608 926	497 110	111 816	9 113 018	79 988 270.00	(70 875)	-89%	9 113 018.00
Contracted services	100 407 321	69 427 829	37 340 221	43 363 643	6 023 422	90 126 615	69 427 829.00	20 699	30%	90 126 615.20
Transfers and grants	-	-	-	-	-	-	-	-		-
Other expenditure	48 128 902	62 094 477	13 304 720	17 439 294	4 134 574	64 459 552	62 094 477.00	2 365	4%	64 459 551.96
Loss on disposal of PPE	-	-	-	-	-	-	-	-		-
Total Expenditure	1 297 007 315	1 261 511 293	272 856 106	303 723 461	30 867 355	1 161 373 027	1 261 511 293	(100 138)	-8%	1 161 373 027
Surplus/(Deficit)	(454 723 190)	(335 130 816)	(97 290 873)	(111 128 835)	(13 837 962)	(245 318 958)	(335 130 816)	89 812	(0)	9 831 275 797

The total operating expenditure for the reporting quarter amounts to R303 723 461. While the year-to-date expenditure amounts to R1 161 373 027, this amount shows a saving of R100 138 comparing to the amount estimated as per the municipal approved budget to date. The amount of operating expenditure consists of employee related costs (employees) and councillors respectively amounting to R70 660 258 and R3 579 708, bulk purchases electricity R10 692 834, bulk purchases water R5 378 344, depreciation R17 589 975, finance costs R36 962 984 debt impairment R17 589 975 other materials R497 110, contracted services R43 363 643 and other operating expenditure amounting to R17 439 294. It should be noted that expenditure for bulk purchases water was not accounted for, this is as results of the Department of Water and Sanitation not sending the municipality invoices on a regular basis, the year to date is as at 31 May 2023.

The operating Deficit for the period amounts to (R111 128 835).

The Municipality has introduced the following systems as part of curbing unwanted expenditure:

- All procurements are authorized by the Accounting Officer
- Establishment of Cash Flow Plan to ensure that expenditure is incurred in line with the available revenue

Actual Capital Acquisition

Capital expenditure on capital projects for the reported quarter amounted to R17 761 429.68, this reflects a decrease of R5 245 946.32 when compared to the expenditure of the fourth quarter ended June 2022 where the expenditure was R23 007 376. R1 404 283 retention withheld for the current month. The accumulated expenditure on capital projects amounts to R67 889 049.28 for the current financial year.

Retention as at 30 June 2023

CONTRACTOR	PROJECT	CONTRACT AMOUNT	RETENTION WITHHELD	RETENTION PD BACK	RETENTION OWED
Soyamba	Installation of Sanitation Services in Rural Areas	R 1 189 732.00	R 91 546.05	R 45 773.03	R 45 773.03
Tsoga Moephantutsi	Construction and Upgrade of Stormwater Network Phase 3	R 3 400 000.00	R 292 035.82	R 153 659.75	R 138 376.07
ML Sakhile	Standerton Water Works & bulk water Supply Refurbishment	R 1 900 562.00	R 190 056.18	R 95 028.09	R 95 028.09
ZMG	Installation of Bulk Water Infrastructure and Replacement of AC pipes Lekwa Local Municipality	R 15 000 000.00	R 1 099 212.78	R 598 786.01	R 500 426.77
Ngani JV TK Vuwani	Upgrade of Standerton Sewer treatment works	R 24 609 498.00	R 1 797 900.90	R 654 978.77	R 1 142 922.13
Workman Construction and Projects(Turn Key Service Provider)	Installation of water services to informal settlements	R 1 961 400.00	R 196 137.00	R 98 068.50	R 98 068.50
Three 1 Developments (PTY) LTD	Supply & Installation of Electricity Network for 350 Households Extension 8	R 5 075 000.00	R 194 866.66	R -	R 194 866.66
Wanga Projects	Reconstruction of the Rooikopen Sewer Network - Refurbishment of the Rooikopen Pump Station and Construction of the Booster Pump Station within a Pumping Main (Sakhile Extension 4)	R 11 922 814.94	R 1 116 799.00	R -	R 1 116 799.00
ERMSA	Electrification of 35 Houses	R 1 925 000.00	R 189 600.99	R -	R 189 600.99
Thapiwe	Refurbishment and upgrading of combined recycling system at Standertom waste	R 11 810 400.00	R 1 291 268.62	R 1 365 119.16	R -73 850.54
Mbako Projects	Upgrade of Rooikopen sewer	R 6 999 687.75	R 898 855.81	R 349 982.83	R 548 872.98
Workman Construction and Projects	Refurbishment and upgrade of portions of Standerton water treatment plant	R 2 288 201.58	R 228 177.25	R 114 088.63	R 114 088.62
Zedek	Refurbishment and/or upgrade of the Standerton Waste Water Treatment Works	R 12 751 117.89	R 1 275 111.69	R 1 275 111.78	R -0.09
TM Consortium	Refurbishment and/or upgrade of Morgenzon & Sivukile Water Treatment Works	R 2 036 397.00	R 156 176.53	R -	R 156 176.53
Mavutha Electrical	Contractor For The Provision of Energy Efficiency Solution For High Masts; Streets	R 5 340 000.00	R 531 892.25	R 265 946.13	R 265 946.12
ASDU Trading and Projects.	Maintenance of existing windmills and hand pumps on an as and when required basis	R 1 000 000.00	R 100 050.69	R 99 543.79	R 506.90

Ngcebo Holdings	Maintenance of existing windmills and hand pumps on an as and when required basis	R 1 000 000.00	R 100 002.97	R 99 913.26	R 89.71
Hlahlathela	Installation of security systems for vulnerable Water, Sanitation and Electricity Infrastructure	R 1 576 126.75	R 157 612.39	R 157 612.75	R -0.36
Zedek	Refurbishment & Upgrade of Morgenzon Sports Facility	R 6 455 757.23	R 645 575.72	R -	R 645 575.72
Capital Power Projects	Electrification of 30 rural Houses	R 3 850 273.34	R 470 775.45	R -	R 470 775.45
ASDU Trading and Projects.	drilling and installation of boreholes	R 1 718 790.00	R 171 879.00	R 85 939.50	R 85 939.50
ASDU Trading and Projects.	The supply deliver and install precast concrete palisade fencing to the morgenzon cemetery	R 1 647 143.85	R 155 657.10	R 164 714.39	R -9 057.29
Mrazane	Construction of o booster Pumping System for the Sivukile Low Pressure Supply Area for Morgenzon	R 2 432 380.10	R 130 308.70	R 93 821.04	R 36 487.66
Mrazane	Installation of Water Services to informal settlements within Lekwa LM	R 860 000.00	R 86 499.07	R -	R 86 499.07
Asgnc Africa (Pty)LTD	Rehabilitation of roads in Lekwa LM	R 7 735 960.56	R 704 551.34	R -	R 704 551.34
Totobela Rloutona	DRILLING OF BOREHOLES AND INSTALLATION OF WINDMILLS WITHIN LEKWA	R 1 312 981.38	R 131 298.04	R 65 649.02	R 65 649.02
Pulefuhlala	Refurbishment and Upgrading of Standerton Bulk Water Supply System.	R 7 411 766.10	R 328 893.92	R -	R 328 893.92
Ntlemo	Refurbishment of Muller, Johan, TLC and Vaal Sewer Pump Stations.	R 6 967 326.01	R 516 357.73	R -	R 516 357.73
Vuxaka Consulting	Refurbishment and Upgrading of Morgenzon and Sivukile Bulk Water Supply.	R 5 216 421.74	R 317 877.55	R 521 512.64	R -203 635.09
Ermsa	Electrification of 128 RDP in Standerton Extension 8	R 2 038 307.15	R 203 656.84	R -	R 203 656.84
Ermsa	Construction of switching station at Standerton Extension 8	R 10 236 618.00	R 8 886 959.92	R -	R 8 886 959.92
Big Family	Refurbishment and upgrade of Mahala Park Soccerfield	R 1 425 136.35	R 102 373.00	R -	R 102 373.00
Big Family	The supply and installation of high security clear view fencing at the standerton square reservior	R 2 149 476.00	R 211 194.52	R 247 994.63	R -36 800.11
Hlahlathela	The supply , delivery & Installation of High Security Clear View Fencing	R 1 775 737.42	R 177 572.70	R 177 572.68	R 0.02
Zedek	Supply, delivery & Install Precast concrete palisade	R 1 906 982.00	R 190 698.15	R 95 349.09	R 95 349.06
TM & S Construction	UPGRADING OF THE STANDERTON BULK WATER SUPPLY SYSTEM PHASE2 CONSTRUCTION OF KIESIER PRESSURE TOWER	R 35 462 276.62	R 363 125.84	R -	R 363 125.84
TM & S Construction	Coligny Sewer Line Upgrade	R 21 105 982.32	R 2 114 220.01	R -	R 2 114 220.01
TCM Developments	Refurbishments of Rural VIP Toilets	R 961 515.00	R -	R -	R -
MIZANA ENGINEERING SERVICE	Refurbishment of Standerton Wastewater Treatment Works Phase 2:	R 15 250 437.37	R 1 808 942.58	R -	R 1 808 942.58
Ngcebo Holdings	Supply & installation of VIP toilets rural /farm areas	R 842 774.62	R 84 277.46	R -	R 84 277.46
			R 27 709 998.23	R 6 826 165.47	R 20 883 832.76

Total retention owed from all projects for current and prior years amounts to R20 883 832.76.

Rollover Capital Projects for the 2021 – 2022 Financial Year

PROJECT DESCRIPTION	APPROVED BUDGET CAPITALS 2022/2023	ADJUSTED BUDGET CAPITALS 2022/2023	31-May	30-Jun	YTD ACTUAL EXPENDITURE IN THE 2022/23 FY	REMAINING BUDGET	RETENTION WITHHELD VAT INCL	RETENTION PD BACK	RETENSION OWED	YD Balance
Standerton Wastewater Treatment Works Phase 2:	R 15 250 437.73	R 20 000 000.00	R 4 654 272.84	R 7 648 931.00	R 18 584 444.05	R 101 624.95	R 1 313 931.00	R -	R 1 313 931.00	R 19 898 375.05
Installation/renovation/ Desludging or rural VIP toilets and provision of chemicals	R 48 545.00	R 48 545.00			R 48 645.00	R -	R -	R -	R -	R 48 645.00
Upgrade of roads within Lekwa LM	R 992 323.87	R 992 323.87		R 58 529.49	R 830 083.63	R 70 008.73	R 92 231.51	R -	R 92 231.51	R 922 315.14
Rehabilitation of tarred roads - Hlongwane Drive	R 11 685 897.52	R 11 685 897.52			R 11 685 897.52	R -	R -	R -	R -	R 11 685 897.52
Purchase of refuse truck	R2 640 000.00	R2 640 000.00			R 2 640 000.00	R -			R -	R 2 640 000.00
	R 30 617 204.12	R 35 366 766.39	R 4 654 272.84	R 7 707 460.49	R 33 789 070.20	R 171 633.68	R 1 406 162.51	R -	R 1 406 162.51	R 35 195 232.71

The above listed projects should have been completed by end of June 2022 however due to implementation challenges the projects will be completed in the 2022 – 2023 financial year.

Capital Projects for 2022 – 23 Financial Year

Project Description	Source of Funding	Adjusted Budget Capital Projects 2022/2023	Apr-23	May-23	Jun-23	Retention Withheld VAT incl	Retention owed	YTD	Balance
Refurbishment and upgrade of sewer pump stations and coligny sewer line	MIG	R 21948 524.00		R 1496 407.97	R 599 443.29	R 2 114 220.01	R 2 114 220.01	R22 041 806.93	-R 93 282.93
Refurbishment of Standerton Waste Water Treatment Works (Phase 2) Kieser	MIG	R 7 949 726.00		R 659 666.76		R 367 161.98	R 367 161.98	R 8 037 488.73	-R 87 762.73
Construction of booster pump station and pressure tower for sakhile	MIG	R -					R -	R -	R -
Installation of VIP toilets	MIG	R 1 000 000.00	R -	R 557 181.90	R 112 098.26	R 84 277.46	R 71822.10	R 842 774.62	R 157 225.38
Upgrade of Standerton Substation A phase 1	INEP	R 7 000 000.00		R 285 240.25	R 1 689 657.92	R 170 611.57	R 170 611.57	R 2 999 999.99	R 4 000 000.01
Fencing of reservoirs	Funding	R 2 000 000.00					R -	R -	R 2 000 000.00
Installation of telemetry system to monitor reservoir water levels	Internal Funding	R 2 000 000.00					R -	R -	R 2 000 000.00
Procurement of Vehicles (new)	Funding	R 10 000 000.00					R -	R -	R 10 000 000.00
Computer software acquisition	Funding	R 500 000.00					R -	R -	R 500 000.00
Computer & IT Services	Internal Funding	R 2 300 000.00					R -	R -	R 2 300 000.00
Rehabilitation of roads at Lekwa	Internal Funding	R 10 000 000.00					R -	R 177 908.81	R 9 822 091.19
Furniture and equipment	Internal Funding	R 500 000.00					R -	R -	R 500 000.00
		R 65 198 250.00	R -	R 2 998 496.88	R 2 401 199.47	R 2 736 271.02	R 2 723 815.66	R 34 099 979.08	R 31 098 270.92

Disclosure Property Plant & Equipment (Repairs & Maintenance)

Description	Adjusted Budget 2022 - 23	Monthly Movement June 2023	YTD Actual	% R & M
Building & Structure	R 1 869 873.00	R 159 908.69	R754 105.84	40%
Plant & Machinery	R 1 721 800.00	R -	R224 099.78	13%
Furniture & Fixtures	R -	R -	R -	0%
Motor Vehicle	R 5 094 880.00	R463 426.74	R3 783 013.37	74%
IT Equipments	R 300 000.00	R -	R -	0%
Roads	R 6 504 000.00	R 3 352.00	R 4 525 454.80	70%
Electricity Network	R 33 907 000.00	R135 275.87	R34 171 183.37	101%
Landfill Sites (solid waste removal)	R 2 164 000.00	R1 736 160.00	R 1 736 160.00	
Waste Water Network	R 3 787 000.00	R 1 086.96	R 594 018.26	16%
Water Network	R 8 082 100.00	R226 467.49	R1 485 854.23	18%
Other, Property Plant & Equipment	R 406 200.00	R -	R 294 201.41	72%
	R 63 836 853.00	R 2 725 677.75	R 47 568 091.06	75%
Total Budget Expenditure	R 1 272 167 994.00			
R & M YTD Expenditure	R 47 568 091.06			

The Municipality has to date spent 75% of the total allocated budget towards repairs and maintenance. There expenditure was incurred mainly towards the repairs and maintenance of electricity network, roads, motor vehicles repair, Water network, waster waste network and Building and Structure repairs.

Cash Flow Statement – Part 3

The purpose of this statement is to keep an account of the different activities of Council. It also provides information on the mode of generation of funds required for repayment. The cash flow statement also helps to analyze the amount of cash that would be required in order to meet the operating costs.

It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

The actual receipt (cash) received for the reporting quarter amounted to R148 015 143. The amount includes revenue collected from Property Rates R22 547 039.00, Electricity R67 085 608, Water R9 815 691, Sanitation R4 963 468, Refuse R2 887 062.00, grants & subsidies received amounting to R0 inter accounts transfers R33 103 351.00 and other revenues amounting to R7 612 923.00(i.e., fines, rental income, interest). There was a increase in revenue collected of R17 917 454 when compared to the revenue collected of R130 097 689 for the fourth quarter ending June 2022.

The actual payments made for the reporting quarter amounts to R150 272 830.00. The amount includes payment for employee related costs (employees) and councilors amounted to R70 660 258 and R3 579 708, bulk purchases R1 876 024.00, contracted services amounting to R21 006 799.00, capital expenditure amount to R11 166 685 as well as inter account transfers amounting to R28 560 000 and general expenses amounting to R13 077 974.00. There was an increase in expenditure amounting to R12 571 028 when compared the expenditure for the fourth quarter ending June 2022 of R126 535 117.

The Municipality's cash flow status for primary account reflects a favourable bank balance of R9 798 483.00. It should be noted that though the municipality had a favourable bank balance at the end of the reporting quarter there were still outstanding creditors amount to R2.2 billion.

MONTHLY CASH FLOWS	Budget Year 2022/2023												Budget Year 2022/23 - Full Year Forecast
	July Actual	August Actual	Sept. Actual	October Actual	November Actuals	December Actuals	January Actuals	February Actuals	March Actuals	April Actuals	May Actual	June Actuals	
Rands													
Cash Receipts By Source													
Property rates	5 656 009	9 473 867	12 150 117	13 353 738	7 825 500	4 553 790	6 810 325	6 749 332	6 639 322	8 096 364	7 193 474	7 257 200	95 759 039
Service charges - electricity revenue	24 564 079	24 034 619	23 786 175	25 725 198	24 900 672	9 975 906	20 091 412	20 542 948	21 104 646	11 052 516	33 523 310	22 509 782	261 811 263
Service charges - water revenue	2 088 555	3 629 745	5 548 971	5 470 378	3 775 537	1 095 996	4 533 339	2 457 359	3 323 425	3 896 781	2 948 424	2 970 486	41 738 996
Service charges - sanitation revenue	1 321 502	1 906 576	3 050 292	2 696 082	1 773 149	889 319	1 569 398	1 294 275	1 693 539	2 253 648	1 345 873	1 363 947	21 157 600
Service charges - refuse revenue	873 540	930 355	2 365 863	1 081 287	994 508	522 043	1 112 442	837 716	1 001 941	982 501	944 503	960 058	12 606 757
Rental of facilities and equipment	122 553	134 921	136 099	128 139	129 237	118 754	126 981	22 173	145 687	133 808	133 124	127 778	1 459 154
Interest earned - external investments	57 145	124 160	108 864	100 580	136 165	123 871	188 365	117 985	25 034	30 275	42 672	342	1 055 457
Interest earned - outstanding debtors	490 122	1 165 279	1 054 220	1 204 430	754 428	250 726	734 256	707 235	560 459	2 133 997	688 632	3 273 475	13 017 258
Fines, penalties and forfeits	-	-	114 500	-	-	-	-	51 154	206 592	86 416	87 360	81 427	627 449
Transfer receipts - operational	59 444 000	3 314 000	-	556 000	-	51 134 000	-	-	42 680 000	-	-	-	157 128 000
Inter Accounts Transfers	-	2 542 725	5 364 362	13 869 304	570 157	-	845 250	9 906 608	14 200 074	-	11 543 351	21 560 000	80 401 831
Other revenue	128 571	110 179	587 782	2 782 781	327 561	9 510 179	46 903	-	306 133	87 166	-	706 452	14 593 707
Cash Receipts by Source	94 746 076	47 366 426	54 267 245	66 967 917	41 186 914	78 174 584	36 058 671	42 686 785	91 886 752	28 753 473	58 450 723	60 810 947	701 356 513
Other Cash Flows by Source													
Transfer receipts - capital	7 000 000	-	7 000 000	-	3 000 000	7 000 000	-	-	11 514 000	-	-	-	35 514 000
Total Cash Receipts by Source	101 746 076	47 366 426	61 267 245	66 967 917	44 186 914	85 174 584	36 058 671	42 686 785	103 400 752	28 753 473	58 450 723	60 810 947	736 870 513
Cash Payments by Type													
Employee related costs	22 436 817	22 334 955	21 514 392	22 211 568	23 037 162	23 593 952	22 082 965	23 001 918	22 657 101	23 767 375	23 548 595	23 344 288	273 531 088
Remuneration of councillors	1 084 522	1 102 572	1 156 875	1 106 813	1 227 824	1 137 066	1 137 066	1 137 066	1 137 066	1 137 066	1 280 693	1 161 949	13 806 578
Bulk purchases - Electricity	12 590 922	5 041 964	3 836 050	6 195 682	6 315 140	19 382 386	7 085 095	2 574 468	7 254 417	28 439	1 271 621	575 964	72 152 148
Bulk purchases - Water	500 000	-	500 000	1 500 000	500 000	1 500 000	500 000	-	-	-	-	-	5 000 000
Other materials	510 268	502 244	996 543	1 473 078	1 656 704	359 907	997 831	1 860 726	135 549	291 509	30 139	23 733	8 838 231
Contracted services	12 207 033	8 168 673	9 873 244	6 276 758	8 152 132	3 960 997	12 792 592	3 202 466	12 005 582	8 677 218	8 338 333	3 991 248	97 646 277
Inter Accounts Transfers	37 979 156	-	10 000 000	8 320 000	3 000 000	7 835 000	-	253 936	23 008 943	7 000 000	7 000 000	21 560 000	118 957 035
Other expenditure	9 365 852	7 376 721	8 334 765	7 642 021	3 044 350	18 354 410	2 207 179	3 662 749	16 455 995	2 165 217	10 905 637	7 120	89 522 017
Cash Payments by Type	96 674 570	44 527 129	56 211 869	54 725 920	46 933 312	76 123 718	46 802 728	35 693 329	82 654 653	36 066 825	52 375 018	50 664 302	679 453 373
Other Cash Flows/Payments by Type													
Capital assets	7 540 369	5 974 418	4 110 537	3 241 250	3 241 249	1 079 367	-	7 900 916	9 776 470	-	6 842 012	4 324 673	54 031 260
Total Cash Payments by Type	104 214 939	50 501 547	60 322 406	57 967 170	50 174 561	77 203 085	46 802 728	43 594 244	92 431 123	36 066 825	59 217 030	54 988 975	733 484 633
NET INCREASE/(DECREASE) IN CASH HELD	- 2 468 863	- 3 135 121	944 839	9 000 747	- 5 987 647	7 971 499	- 10 744 057	- 907 460	10 969 629	- 7 313 352	- 766 307	5 821 972	3 385 879
Cash/cash equivalents at the month/year	6 412 604	3 943 741	808 620	1 753 459	10 754 206	4 766 559	12 738 058	1 994 001	1 086 542	12 056 171	4 742 819	3 976 512	9 798 483
Cash/cash equivalents at the month/year	3 943 741	808 620	1 753 459	10 754 206	4 766 559	12 738 058	1 994 001	1 086 542	12 056 171	4 742 819	3 976 512	9 798 483	9 798 483

Debtors Age Analysis & Debtors Payment Statistics – Part 4 a & b

The debtor's age analysis analyses amount owed by customers for services rendered by the municipality according to the length of time that those amounts have remained unpaid.

The debtor's balance has increased by R215 462 295 from R 1 614 353 561 to R1 829 815 856 when compared to the fourth quarter ending June 2022. Outstanding Debtors that are older than 90 days amounts to R1 695 060 526 of the total outstanding debts.

The debt from households amounts to R1,3 billion, government to R9,8 million while business owed R272 million, and other customers owed an amount of R201 million.

Electricity contributes R221 million of the outstanding debt, Property assessment rates R383 million, Water R341 million, Waste water R165 million, refuse R126 million, debt from other sources R108 million while interest on arrears amounts to R482 million.

MP305 Lekwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NTC o d	Budget Year 2022/23									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		
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	#	5 810	3 885	5 455	4 455	4 651	5 556	4 301	307 875	341 988	326 838	
Trade and Other Receivables from Exchange Transactions - Electricity	#	33 868	12 952	8 039	6 250	4 770	3 441	3 384	149 061	221 764	166 905	
Receivables from Non-exchange Transactions - Property Rates	#	10 864	8 008	7 384	7 429	6 974	6 741	6 517	330 078	383 994	357 738	
Receivables from Exchange Transactions - Waste Water Management	#	3 088	2 483	2 384	2 332	2 231	2 244	2 172	148 332	165 266	157 312	
Receivables from Exchange Transactions - Waste Management	#	2 394	1 886	1 785	1 758	1 716	1 692	1 675	113 444	126 351	120 285	
Receivables from Exchange Transactions - Property Rental Debtors	#								-	-		
Interest on Arrear Debtor Accounts	#	10 135	10 742	10 020	9 472	9 230	9 017	8 645	415 039	482 300	451 403	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	#								-	-		
Other	#	(1 083)	1 081	(6 425)	703	501	1 831	486	111 058	108 153	114 579	
Total By Income Source	#	65 075	41 037	28 642	32 399	30 073	30 523	27 179	1 574 886	1 829 815	1 695 061	-
2019/20 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	#	4 670	1 040	(6 050)	(181)	380	756	(480)	9 703	9 837	10 177	
Commercial	#	30 828	13 362	10 464	8 813	6 771	6 035	5 713	190 476	272 461	217 807	
Households	#	24 873	21 883	20 472	20 372	19 432	20 310	18 626	1 199 681	1 345 649	1 278 421	
Other	#	4 705	4 751	3 755	3 395	3 491	3 423	3 320	175 027	201 868	188 657	
Total By Customer Group	#	65 075	41 037	28 642	32 399	30 073	30 523	27 179	1 574 886	1 829 815	1 695 061	-

Debtors Breakdown per Ward

WARD	202306 (Current)	202305 (30 Days)	202304 (60 Days)	202303 (90 Days)	202302 (120 Days)	202301 (150 Days)	202212 (180 Days)	202211 (210 Days)	202210 (240 Days)	202209 (270 Days)	202208 (300 Days)	202207 (330 Days)	202206 (360 Days)	202205 (390 + Days)	Total	Written Off
	R 39 142 448.02	R 19 324 998.40	R 15 359 562.75	R 14 697 604.05	R 13 121 144.99	R 12 610 881.11	R 11 096 592.79	R 12 061 824.80	R 9 736 395.53	R 12 420 959.34	R 12 854 857.46	R 10 992 601.12	R 10 646 109.93	R 531 613 073.09	R 725 679 053.38	R -
WARD 1	R 1 372 498.71	R 1 384 620.43	R 1 369 740.65	R 1 390 084.78	R 1 336 373.55	R 1 313 869.73	R 1 277 758.07	R 1 121 007.67	R 1 235 908.37	R 1 237 821.65	R 1 198 003.77	R 1 188 945.09	R 1 109 835.38	R 77 492 584.29	R 94 029 052.14	R -
WARD 2	R 1 205 800.43	R 1 371 843.49	R 1 381 970.03	R 1 368 083.13	R 1 323 174.85	R 1 348 996.83	R 1 322 453.91	R 1 177 536.33	R 906 405.81	R 1 254 238.28	R 1 228 462.56	R 1 240 757.72	R 1 141 376.32	R 69 932 338.54	R 86 203 438.23	R -
WARD 3	R 561 553.63	R 1 067 173.18	R 1 074 612.48	R 1 057 322.82	R 1 119 473.15	R 1 149 895.60	R 1 033 263.57	R 518 660.84	-R 1 154 149.11	R 1 058 996.49	R 1 084 883.72	R 1 046 483.08	R 974 578.85	R 60 451 836.37	R 71 044 584.67	R -
WARD 4	R 6 194 348.40	R 2 715 661.32	R 1 295 253.44	R 1 182 980.79	R 1 068 771.18	R 1 058 155.29	R 992 773.22	R 894 562.91	R 923 285.67	R 908 482.29	R 926 678.35	R 832 389.62	R 815 094.33	R 40 629 559.57	R 60 437 996.38	R -
WARD 5	R 1 976 128.90	R 1 962 306.37	R 1 874 154.31	R 1 844 734.07	R 1 831 497.09	R 1 831 256.87	R 1 789 978.49	R 1 600 671.64	R 1 723 763.72	R 1 725 635.56	R 1 674 064.82	R 1 661 975.51	R 1 475 694.60	R 109 138 555.73	R 132 110 417.68	R -
WARD 6	R 1 114 049.45	R 1 071 661.82	R 1 080 259.49	R 1 021 724.97	R 978 282.70	R 958 301.57	R 941 204.09	R 837 465.83	R 905 529.70	R 898 174.80	R 873 433.01	R 871 648.17	R 812 400.11	R 64 816 064.24	R 77 180 199.95	R -
WARD 7	R 564 685.73	R 629 115.42	R 600 299.57	R 566 611.65	R 561 719.04	R 575 508.25	R 549 719.10	R 494 767.23	R 529 119.68	R 526 659.63	R 517 730.04	R 508 821.21	R 474 684.25	R 35 553 668.78	R 42 653 109.58	R -
WARD 8	R 4 474 503.73	R 3 421 344.91	R 3 018 599.66	R 2 997 965.99	R 2 407 733.41	R 2 237 133.75	R 2 134 979.54	R 1 924 611.70	R 1 400 846.21	R 1 943 817.44	R 1 798 100.52	R 1 771 720.41	R 1 660 514.37	R 36 778 261.78	R 67 970 133.42	R -
WARD 9	-R 1 152 020.27	R 12 054.00	-R 2 351 513.67	R 11 629.77	R 11 557.86	R 11 488.79	R 11 358.62	R 11 228.95	R 10 902.36	R 10 827.09	R 11 148.08	R 11 107.37	R 10 314.18	R 296 098.86	-R 3 083 818.01	R -
WARD 10	R 2 787 408.67	R 1 495 258.09	-R 2 174 503.39	R 428 143.31	R 469 335.42	R 716 870.33	R 367 856.81	R 432 927.55	-R 135 115.65	R 315 018.85	R 416 964.54	R 531 217.33	-R 723 098.82	R 9 037 242.59	R 13 965 525.63	R -
WARD 11	R 2 502 062.60	R 2 350 869.98	R 2 020 023.28	R 1 797 192.76	R 1 771 471.51	R 2 457 201.24	R 1 710 599.16	R 1 493 796.79	R 1 714 726.01	R 1 618 104.01	R 1 575 463.28	R 1 563 499.02	R 1 459 945.09	R 111 229 606.10	R 135 264 560.83	R -
WARD 12	R 124 052.88	R 124 338.82	R 114 786.83	R 113 937.11	R 113 824.27	R 114 381.41	R 112 568.05	R 107 276.04	R 108 784.34	R 108 585.09	R 105 751.50	R 105 327.57	R 97 696.03	R 4 814 121.10	R 6 265 431.04	R -
WARD 13	R 1 137.92	R 1 129.63	R 1 109.64	R 1 090.35	R 1 082.77	R 1 075.19	R 1 062.46	R 1 050.08	252.63	R 252.15	R 236.87	R 236.42	R 218.34	R 47 142.57	R 57 077.02	R -
WARD 14	R 2 037 757.06	R 1 857 805.52	R 1 797 287.07	R 1 809 213.00	R 1 851 350.63	R 1 863 072.56	R 1 809 760.61	R 1 643 684.98	R 1 810 028.81	R 1 777 446.36	R 1 778 046.27	R 1 841 675.26	R 1 504 181.11	R 136 812 832.19	R 160 194 141.43	R -
WARD 15	R 2 168 786.73	R 2 246 965.48	R 2 180 021.48	R 2 110 862.88	R 2 106 547.44	R 2 275 186.91	R 2 026 716.33	R 1 780 383.87	R 1 984 208.13	R 1 906 807.70	R 1 999 603.43	R 1 826 605.23	R 1 704 933.98	R 133 527 671.89	R 159 845 301.48	R -
	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	R -	-R 1 348.21	-R 1 348.21	R -
TOTAL	R 65 075 202.59	R 41 037 146.86	R 28 641 663.62	R 32 399 181.43	R 30 073 339.86	R 30 523 275.43	R 27 178 644.82	R 26 101 457.21	R 21 700 892.21	R 27 711 826.73	R 28 043 428.22	R 25 995 010.13	R 23 164 478.05	R 1 422 169 309.48	R 1 829 814 856.64	R -

Debtors Payment Statistics – Part 4 (b)

The table shows the amount collected by the municipality for service rendered against the service charges billing.

The collection rate for the fourth quarter ending June 2023 is 73%, taking into account the levied amount of R280 625 022.41 and the actual payments amounting to R206 516 760.67. The average collection rate increased by 5% when compared to the average collection of the fourth quarter ending June 2022 of 66%.

Reporting Month	Revenue Collected	Revenue Levied	Collection Rate
Jul-22	35617829.35	64158849.39	56%
Aug-22	R 41 001 210.61	R 67 591 509.24	61%
Sep-22	R 46 530 324.42	R 65 714 547.26	71%
Oct-22	R 62 864 409.82	R 61 211 508.75	103%
Nov-22	R 40 076 022.15	R 63 017 486.52	64%
Dec-22	R 16 846 966.04	R 64 396 740.00	26%
Jan-23	R 56 173 072.43	R 85 800 713.35	65%
Feb-23	R 33 200 905.68	R 41 009 936.47	81%
Mar-23	35 609 842.15	52 701 597.58	68%
Apr-23	R 57 897 057.03	R 63 767 830.85	91%
May-23	R 99 313 817.53	R 147 262 280.01	67%
Jun-23	49 305 886.11	69 594 911.55	71%
Total	R 574 437 343.32	R 846 227 910.97	68%

Payment Statistics Revenue Streams

July 2022 - June 2023			
Revenue Stream	Revenue Collected	Revenue Levied	Collection Rate
Electricity	R 332 186 857.79	R 396 182 468.72	84%
Water	R 41 152 686.06	R 104 571 194.86	39%
Refuse	R 11 713 526.98	R 30 933 377.22	38%
Sewerage	R 19 973 969.54	R 42 653 453.36	47%
Rates	R 99 879 206.57	R 150 078 615.92	67%
Interest	R 15 988 930.43	R 109 795 876.17	15%
	R 520 895 177.37	R 834 214 986.25	62%

Creditors Age Analysis– Part 5

The creditors age analysis indicates an analysis of unpaid received invoices, aged by due date. The creditors are broken down into four ageing periods.

The Creditors Age Analysis shows an outstanding amount of R2 821 510 457 of which R2 000 134 660 is owed to Eskom. The municipality has taken several initiatives to ensure that the arrears amount owed to Eskom is

paid. The Mpumalanga Department community safety, security and liaison has an outstanding amount of R75 508 057. The latest outstanding amount for Department of Water and Sanitation is R662 737 041.

The Provincial Head: Gauteng of the Department of water and sanitation has approved recommendations that Lekwa Local Municipality's Register No.20016625 for the existing lawful water use (Permit No. 17/177/79) of 7 300 000m3/a be closed with effect from 2011/10/28 and that water use Licence No C11M/A/1490 issued to Lekwa Local Municipality be the only legal instrument confirming water allocation for the municipality. A recommendation that a reconciliation of the municipal account be performed and create revised bills based on the corrected volumes was also approved by the Chief Financial Officer of the department.

The Municipality's outstanding trade creditors amounts to R36 809 754. The Municipality has outstanding R3 396 794 amount owed to the Auditor General. The Municipality has retention withheld amounting to R20 883 832.

The Municipality owes SARs of which R22 040 320 is in relation to PAYE. The Municipality does not maintain sufficient working capital thus resulting in statutory payments and some other creditors not being paid timeously. The outstanding creditors are continuously increasing thus indicating that the Municipality is entering into obligations that it's unable to service. Unless all interventions are implemented (Revenue enhancement strategy, financial recovery, cost curtailments & installation of smart meters) the Municipality will face a severe financial sustainability issues & distress, that might require the Municipality to consider interventions as entrenched within the Municipal Finance Management Act.

The outstanding creditors have decreased by R 62 102 307 when compared to the fourth quarter ending June 2022 where the outstanding creditors amounted to R2 883 612 764.

Creditors Age Analysis May 2023									
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	49 510 023	41 484 118	35 665 117	40 716 440				1 832 758 962	2 000 134 660
Bulk Water	5 378 344	5 378 344	5 197 762	5 197 012	5 197 012	5 197 012	31 177 073	600 014 482	662 737 041
PAYE deductions	4 031 016	789 275	3 922 560	3 780 063	469 691	9 047 715			22 040 320
VAT(Output less input)									0
Retirement deductions									0
Loan repayments									0
Trade Creditors	17 471 806	7 417 621	2 751 984	0	9 168 343				36 809 754
Auditor General	400 705		750 531	477 239	24889.99	1 743 429			3 396 794
Retention Withheld	1 404 283	748 965	400 851	161 886	116 471	349 656	315 057	17 386 663	20 883 832
Mpumalanga Dept Transp								75 508 057	75 508 057
Total	78 196 177	55 818 322	48 688 806	50 332 639	14 976 406	16 337 812	31 492 130	2 525 668 164	2 821 510 457

External Investment (Call accounts) – Part 6

The table indicates the investments and movements on the municipality's grants call accounts.

Closing balance on all call accounts as at 30 June 2023 amounts to R55 169.99. Municipality for the reporting quarter has accrued interest of R342.09 on all call accounts. The amount of R798 023.73 is the total interest accrued on all call accounts to date for the reporting year 2022/2023.

Account Name	Account Number	Opening Balance	Deposits	Interest Capitalised	Withdrawals	Closing Balance
MIG	37881152036	R 4 605 282.08	R 51 205 160.78	R 647 584.48	-R 56 439 731.63	R 18 295.71
WSIG	37881152060	R 1 269.58	R -	R 53.91	-R 1 323.49	R -
ELECTRIC RINGFENCE	37881152001	R 8 239.49	R -	R 16 138.47	-R 24 377.96	-R 0.00
FMG	37881152095	R 1 024.32	R -	R 43.59	-R 1 067.91	R 0.00
LGSETA	37881152079	R 124 067.29	R -	R 5 285.13	-R 129 352.42	R -
ELECTRICITY GRANTS	37881152087	R 72 050.13	R -	R 3 068.86	-R 75 118.99	R -
INTERNAL PROJECTS	37881152109	R 11 450.58	R 6 000 000.00	R 25 576.02	-R 6 037 026.60	R -
INEP	37881153059	R 3 594 427.60	R 3 010 585.74	R 70 097.27	-R 6 638 236.36	R 36 874.25
RETENTIONS	37881151994	R 3 849.89	R 1 025 574.69	R 15 976.70	-R 1 045 401.25	R 0.03
EPWP	37881152028	R 97 319.03	R 464 000.00	R 14 199.30	-R 575 518.33	R -
		R 8 518 979.99	61 705 321.21	798 023.73	- 70 967 154.94	55 169.99

Supply Chain Report (Deviations) – Part 7

Paragraph 7.2.21 of the Supply Chain Management policy deals with the deviation from and ratification of minor breaches of procurement processes and determines as follows:

“7.2.21.1 The Municipal Manager may:

(a) dispense with the official procurement processes established by the SCM Policy and procure required goods or services through any convenient process, which may include direct negotiations, but only:

(i) in an emergency;

(ii) if such goods or services are produced or available from a single provider only;

(iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;

(iv) acquisition of animals for zoos and/or nature and game reserves; or

(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

(b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature.

7.2.21.2 The accounting officer must record the reasons for any deviations in terms of sub-paragraphs

7.2.21.1(a) and (b) above and report them to the next meeting of the Council and include it as a note to the annual financial statements.

7.2.21.3 Subparagraph 7.2.21.2 does not apply to the procurement of goods and services contemplated in paragraph 2.2 of Chapter 3.”

No deviations occurred in the reporting quarter.

For the reporting period, the Municipality incurred no deviation.

ORDER NUMBER	DATE	SUPPLIER	AMOUNT	DESCRIPTION	REASON
42337	2022/10/12	Tomco Electrical & Mechanical	230 848.70	REPAIR OF MINI SUB	It was impractical or possible to follow official procurement process as the Mini Sub had to be stripped before a quote is issued. Section 36(1)(v)
42319	2022/10/21	Nkomo	136 500.00	HIRING OF WATER TANKERS	Interruption of water supplier due to excessive load shedding that resulted in emergency procurement 36(1)(i)
42314	2022/10/21	Phakamile	122 850.00	HIRING OF WATER TANKERS	Interruption of water supplier due to excessive load shedding that resulted in emergency procurement 36(1)(i)
42640	2022/11/21	Nkomo	156 000.00	HIRING OF WATER TANKERS	Interruption of water supplier due to excessive load shedding that resulted in emergency procurement 36(1)(i)
42380	2022/11/02	Nkomo	156 000.00	HIRING OF WATER TANKERS	Interruption of water supplier due to excessive load shedding that resulted in emergency procurement 36(1)(i)
42379	2022/11/02	Phakamile	210 600.00	HIRING OF WATER TANKERS	Interruption of water supplier due to excessive load shedding that resulted in emergency procurement 36(1)(i)
42686	2023/03/23	RICHTRAU TRADING 22 CC	191 475.00	HIRING OF JETTING VACUUM TRUCK FOR 15 DAYS WET RATE	Disaster that damaged infrastructure that resulted in emergency procurement 36(1)(i)
42655	2023/03/14	FACILITATORS CONSTRUCTION SERV	240 120.00	HIRING OF 2 TIPPER TRUCKS FOR 20 DAYS WET RATE	Disaster that damaged infrastructure that resulted in emergency procurement 36(1)(i)
42626	2023/03/02	ORATHU CONSTRUCTION AND PROJEC	371 565.00	HIRE OF GRADER FOR 20 DAYS	Disaster that damaged infrastructure that resulted in emergency procurement 36(1)(i)
42718	2023/04/18	NKOSIBEKO TRADING ENTERPRISE (208 260.00	2 X HIRING OF 2X10M CUBIC TIPPER TRUCK WET RATE FOR 20 DAYS 9HOURS A DAY	Disaster that damaged infrastructure that resulted in emergency procurement 36(1)(i)
		Total	2 024 218.70		

Grants & Subsidies – Part 8 Received & Expenditure

The municipality has to date received R 192 642 000 on the grants and subsidies as allocated.

	Approved Budget 2022/2023	Revised Budget 2022/2023	YTD Allocation Received July - May 2023	Allocation Transferred	Outstanding Allocation
Municipal Infrastructure Grant	R 32 514 000.00	R 32 514 000.00	R 32 514 000.00		R -
Local Government Financial Management Grant	R 2 850 000.00	R 2 850 000.00	R 2 850 000.00		R -
Expanded Public Works Programme Integrated Grant for Municipalities	R 1 855 000.00	R 1 855 000.00	R 1 855 000.00		R -
Equitableshares	R 152 423 000.00	R 152 423 000.00	R 152 423 000.00		R -
Integrated National Electrification Programme Grant	R 7 000 000.00	R 3 000 000.00	R 3 000 000.00		R -
	R 196 642 000.00	R 192 642 000.00	R 192 642 000.00	R -	R -

The Municipality has to date spent an amount of R74 981 343.28 on conditional grants received. This shows an improvement in spending with an increase of R31 654 522.31 when compared to spending as at June 2022.

Type of Grant	Unspent Grant 2022 - 23 Financial Year	YTD Allocation Received July - June 2023	YTD Expenditure July - June 2023	Remaining Balance
Municipal Infrastructure Grant	R 35 373 863.97	R 32 514 000.00	R 67 887 863.97	R -
Local Government Financial Management Grant		R 2 850 000.00	R 2 851 074.88	R (1 074.88)
Expanded Public Works Programme Integrated Grant for Municipalities		R 1 855 000.00	R 1 242 404.43	R 612 595.57
Integrated National Electrification Programme (Municipal) Grant		R 3 000 000.00	R 2 999 999.99	R 0.01
	R 35 373 863.97	R 40 219 000.00	R 74 981 343.28	R 611 520.70

Transfer & Grants 3

To date 1884 households were registered for indigent support. The current outstanding debts balances of the registered indigent households amounted to R R97 966 213.99 as at 30 June 2023. The registered indigent household increased by 154 when compared to the registered indigent household as at the fourth quarter ending June 2023.

WARDS	Number of active indigents as at 30 June 2021/22	Number of active indigents as at 30 June 2022/23
Ward 1	152	167
Ward 2	95	115
Ward 3	214	213
Ward 4	62	76
Ward 5	201	197
Ward 6	112	135
Ward 7	122	202
Ward 8	41	46
Ward 10	20	52
Ward 11	253	132
Ward 12	0	0
Ward 13	1	0
Ward 14	204	242
Ward 15	253	271
Blanks		
TOTAL	1730	1884

Contracted Services

	Adjusted Budget 2022-23	YTD Actual	YTD Budget	YTD Variance	YTD Variance %
		Jun-23	Jun-23	Jun-23	May-23
HIRE OF MACHINES	R 3 382 000.00	R2 074 055.39	R 3 382 000.00	R 1 307 944.61	39%
LEGAL COST	R 19 492 000.00	R 5 601 426.37	R 19 492 000.00	R 13 890 573.63	71%
VALUATION ROLL	R 1 000 000.00	R 1 369 096.83	R 1 000 000.00	R (369 096.83)	-37%
PREPARATION:AFS	R 4 800 000.00	R 4 978 521.18	R 4 800 000.00	R (178 521.18)	-4%
VENDING DEBT COLLEC 4.5% OF PRE PAID	R -	R -	R -	R -	
SECURITY SERVICES	R 36 473 973.00	R 33 434 475.25	R 36 473 973.00	R 3 039 497.75	8%
HIRE OF WATER TANKERS	R 4 600 000.00	R 4 575 536.96	R 4 600 000.00	R 24 463.04	1%
Accounting Printing and Posting	R 1 500 000.00	R 539 180.00	R 1 500 000.00	R 960 820.00	64%
Electrical Infrastructure	R 23 993 500.00	R 15 784 557.20	R 23 993 500.00	R 8 208 942.80	34%
Vending Commission 4% OF PRE PAID	R 4 575 100.00		R 4 575 100.00	R 4 575 100.00	100%
IT Service Programming	R 9 552 211.00	R 15 931 237.93	R 9 552 211.00	R (6 379 026.93)	-67%
Insurance Contract	R 800 000.00	R 4 009 398.09	R 800 000.00	R (3 209 398.09)	-401%
Risk Management software	R 152 200.00	R 92 970.00	R 152 200.00	R 59 230.00	39%
Mscosa Conversion	R -		R -	R -	
PMS	R 700 000.00	R -	R 700 000.00	R 700 000.00	100%
Software License	R 410 300.00	R -	R 410 300.00	R 410 300.00	100%
Upgrade & Operations of landfill sites	R 2 164 000.00	R 1 736 160.00	R 2 164 000.00	R 427 840.00	20%
	R 113 595 284.00	R 90 126 615.20	R 113 595 284.00	R 23 468 668.80	

RECOMMENDATION BY THE EXECUTIVE MAYOR

- (1) That the Report of the Executive Mayor regarding the budget statement for the fourth quarter ending June 2023 BE NOTED.

Acknowledgement of receipt of Quarter Budget Statements (Section 52 Report) for the fourth quarter ending June 2023.

Municipal Manager of Lekwa Local Municipality MP305

Name: MJ Lamola

Signature: _____

Date: _____

Mayor of Lekwa Local Municipality MP305

Name: DL Thabethe

Signature: _____

Date: _____