

A165 QUARTERLY BUDGET STATEMENT REPORT FOR THE FIRST QUARTER ENDING  
SEPTEMBER 2023 6/1/1- (2022/2023)

---

Report: Executive Mayor

**1. PURPOSE**

The report is submitted to ensure that the Executive Mayor 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 quarter ended 30 September 2023 is based upon the monthly electronic reports submitted to the Provincial and National Treasury. The statement contains the following statements:

- Statement of Operating Revenue & Expenditure
- Actual Capital Acquisition
- Cash Flow Statement
- Age Analysis of Debtors & Debtors Payment Statistics
- Age Analysis of Creditors
- External Investments
- Supply Chain Report (Deviations) and
- Grants & Subsidies.

## Statement of Operating Revenue & Expenditure

The statement is assessed by summarizing how the municipality incurs its revenues and expenses through both operating and non-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

## Actual Operating Revenue by Source

MP305 Lekwa - Budget Statement - Financial Performance (revenue & expenditure) - September 2022									
	2021/22 Pre Audit Outcome	Approved Budget 2022 - 2023 MTREF	Sep 2022 First Quarter Movement	Sep 2023 First Quarter Movement	Quarterly Variance	YTD Actual	YTD Budget	YTD variance	YTD variance
R thousands									%
<b>Revenue By Source</b>									
Property rates	152 872 339	203 391 413	45 463 384	64 822 725	19 359 341	64 822 725	50 847 853.25	13 975	27%
Service charges - electricity revenue	355 784 603	467 837 484	85 744 064	118 587 268	32 843 203	118 587 268	116 959 371.00	1 628	1%
Service charges - water revenue	72 414 069	84 373 209	30 871 558	(18 283 331)	(49 154 889)	(18 283 331)	21 093 302.25	(39 377)	-187%
Service charges - sanitation revenue	39 502 132	42 598 638	9 817 225	15 390 943	5 573 718	15 390 943	10 649 659.50	4 741	45%
Service charges - refuse revenue	28 581 314	33 115 342	7 137 597	7 299 934	162 336	7 299 934	8 278 835.50	(979)	-12%
Rental of facilities and equipment	1 643 457	2 502 068	393 572	545 091	151 519	545 091	625 517.00	(80)	-13%
Interest earned - external investments	1 117 028	638 000	245 801	326 061	80 260	326 061	159 500.00	167	104%
Interest earned - outstanding debtors	105 536 516	116 638 775	22 984 838	31 360 854	8 376 016	31 360 854	29 159 693.75	2 201	8%
Fines	2 593 669	4 550 000	393 572	166 551	(227 021)	166 551	1 137 500.00	(971)	-85%
Transfers recognised - operational	158 753 700	173 957 400	62 294 000	72 755 000	10 461 000	72 755 000	43 489 350.00	29 266	67%
Other revenue	1 445 396	3 520 230	320 392	412 713	92 321	412 713	880 057.50	(467)	-53%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>920 244</b>	<b>1 133 122 559</b>	<b>265 666 003</b>	<b>293 383 809</b>	<b>27 717 805</b>	<b>293 383 809</b>	<b>283 280 640</b>	<b>10 103</b>	<b>4%</b>

The total operating revenue for the reporting quarter amounts to R293 383 809, this amount shows an increase of R27 717 805 when compared to prior year first quarter revenue that amounted to R265 666 003. The amount includes revenue generated from property rates R64 822 725, electricity R118 587 268, the municipality made corrections to Goldi Water accounts in August 2023, this resulted in credit notes of R35 million been passed hence a credit balance of R18 283 331, Sanitation services R15 390 943 refuse removal R7 288 934, rental income R545 091, interest earned on debtors R31 360 854 fines R166 551 transfer recognized – operational R72 755 000 and other revenue R412 713.

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

<b>Revenue Levied</b>	<b>Revenue YTD Actual July 2023 - June 2024</b>	<b>Expenditure YTD Actual July 2023 - June 2024</b>	<b>Surplus(Deficit) Actual July 2023 - June 2024</b>
Electricity	118 587 268.00	R252 115 242.40	-R 133 527 974.40
Water	- 18 283 331.00	R12 665 860.93	-R 30 949 191.93
Refuse	7 299 934.00	R9 496 889.25	-R 2 196 955.25
Sewerage	15 390 943.00	R8 520 360.38	R 6 870 582.62
	122 994 814.00	R 282 798 352.96	-R 159 803 538.96
<b>Revenue Collected</b>	<b>Revenue YTD Actual July 2023 - June 2024</b>	<b>Expenditure YTD Actual July 2023 - June 2024</b>	<b>Surplus(Deficit) Actual July 2023 - June 2024</b>
Electricity	R90 548 937.79	R 252 115 242.40	-R 161 566 304.61
Water	R 8 394 947.62	R 12 665 860.93	-R 4 270 913.31
Refuse	R 2 820 492.48	R 9 496 889.25	-R 6 676 396.77
Sewerage	R 4 076 723.80	R 8 520 360.38	-R 4 443 636.58
	R 105 841 101.69	R 282 798 352.96	-R 176 957 251.27

## Distribution Losses

### Water

Date	TOTAL CONSUMPTION (kilo litres)	Total units sold	Distribution Loss m3	Difference	Distribution Losses %	Cost Per Unit Per Month
Jul-23	888 750.00	532 663.65	-356 086.35	356 086.35	40.07%	0.03
Aug-23	888 750.00	453 159.19	-435 590.81	435 590.81	49.01%	0.03
Sep-23	0.00	638 973.10	638 973.10	-638 973.10	#DIV/0!	#DIV/0!
Oct-23	0.00	-	0.00	0.00	#DIV/0!	#DIV/0!
Nov-23	0.00	-	0.00	0.00	#DIV/0!	#DIV/0!
Dec-23	0.00	-	0.00	0.00	#DIV/0!	#DIV/0!
Jan-24	0.00	-	0.00	0.00	#DIV/0!	#DIV/0!
Feb-24	0.00	-	0.00	0.00	#DIV/0!	#DIV/0!
Mar-24	0.00	-	0.00	0.00	#DIV/0!	#DIV/0!
Apr-24	0.00	-	0.00	0.00	#DIV/0!	#DIV/0!
May-24	0.00	-	0.00	0.00	#DIV/0!	#DIV/0!
Jun-24	0.00	-	0.00	0.00	#DIV/0!	#DIV/0!
	1 777 500.00	1 624 795.94	-152 704.06	152 704.06	9%	

### Electricity

Date	Energy consumption		Total invoice charges in R	TOTAL CONSUMPTION
	STD	Demand consumption		
	kWh	kWh		
Jul-23	27 666 074.00	61 487.84	2 093 579 570.58	27 727 561.84
Aug-23	25 775 077.00	62 281.57	2 166 205 380.11	25 837 358.57
Sep-23	24 294 714.00	57 365.20	19 835 257.72	24 352 079.20
Oct-23	-	-	-	-
Nov-23	-	-	-	-
Dec-23	-	-	-	-
Jan-24	-	-	-	-
Feb-24	-	-	-	-
Mar-24	-	-	-	-
Apr-24	-	-	-	-
May-24	-	-	-	-
Jun-24	-	-	-	-
	77 735 865.00	181 134.61	4 279 620 208.41	77 916 999.61

MP305 Lekwa - Budget Statement - Financial Performance (revenue & expenditure) - September 2022									
	2022/23 Pre Audit Outcome	Approved Budget 2023-2024 MTREF	Sep 2022 First Quarter Movement	Sep 2023 First Quarter Movement	Quarterly Variance	YTD Actual	YTD Budget	YTD variance	YTD variance
<b>Expenditure By Type</b>									
Employee related costs	283 203 486	326 220 520	66 855 935	88 030 043	21 174 108	88 030 043	81 555 130.00	6 475	8%
Remuneration of councillors	12 086 245	13 912 707	3 293 302	4 101 755	808 453	4 101 755	3 478 176.75	624	18%
Debt impairment	256 279 305	70 419 237	17 589 975	-	17 589 975	-	17 604 809.25	(17 605)	-100%
Depreciation & asset impairment	28 019 818	82 660 194	21 419 819	18 194 473	3 225 346	54 583 419	20 665 048.50	33 918	164%
Finance charges	152 750 310	73 256 000	21 442 842	38 138 289	16 695 447	38 138 289	18 314 000.00	19 824	108%
Bulk purchases Electricity	421 367 560	531 558 818	167 285 830	196 200 698	28 914 868	196 200 698	132 889 704.50	63 311	48%
Bulk purchases Water	54 216 050	55 000 000	7 240 073	58 666	7 181 407	58 666	13 750 000.00	(13 691)	-100%
Other materials	13 415 249	18 295 000	966 543	3 045 600	2 079 057	3 045 600	4 573 750.00	(1 528)	-33%
Contracted services	87 408 030	128 597 743	13 471 338	18 260 650	4 789 312	18 260 650	32 149 435.75	(13 889)	-43%
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	74 461 378	61 559 396	8 883 509	20 990 018	12 106 509	20 990 018	15 389 849.00	5 600	36%
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>1 383 207 431</b>	<b>1 361 479 615</b>	<b>328 449 166</b>	<b>387 020 193</b>	<b>58 571 026</b>	<b>423 409 138</b>	<b>340 369 904</b>	<b>83 039</b>	<b>24%</b>
<b>Surplus/(Deficit)</b>	<b>(540 923 307)</b>	<b>(244 775 801)</b>	<b>(79 910 637)</b>	<b>(126 144 804)</b>	<b>(58 390 256)</b>	<b>(162 533 749)</b>	<b>(61 193 950)</b>	<b>(101 340)</b>	<b>0</b>

The total operating expenditure for the reporting quarter amounts to R387 020 193, this amount shows an increase of R58 571 026 on expenditure incurred comparing to the prior first quarter that amounted to R328 449 166. The amount of operating expenditure consists of employee related costs (employees) and council remuneration of R88 030 043 and R4 101 755 respectively, bulk purchases water R58 666 and electricity bulk purchases of R196 200 698, depreciation R18 194 473, finance costs R38 138 239 debt impairment R17 604 809 other materials R3 045 600, contracted services and operating expenditure amounting R18 260 650 and R20 990 018 respectively.

The operating deficit for the period amounts to (R126 144 804).

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

**Mpumalanga: Lekwa (MP305) - Table C4 Monthly Budgeted Financial Performance ( All ) for period ending (M03) 30 September 2023**

Municipality of Lekwa (nr 505) - Table 04 Monthly Budgeted Financial Performance (All) for period ending (M03) 30 September 2023													
Description	Ref	2022/23	Budget year 2023/24										
		Audited Outcome	Original Budget	Adjusted Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
R thousands													
Revenue													
Exchange Revenue													
Service charges - Electricity		355 785	467 837	467 837	56 565	15 857	46 260	118 681	118 681	116 959	1 722	1.47	467 837
Service charges - Water		72 414	84 373	84 373	7 689	(35 886)	9 914	(18 283)	(18 283)	21 093	(39 377)	(186.68)	84 373
Service charges - Waste Water Management		39 502	42 599	42 599	2 978	3 546	8 867	15 391	15 391	10 650	4 741	44.52	42 599
Service charges - Waste Management		28 581	33 115	33 115	2 415	2 463	2 422	7 300	7 300	8 279	(979)	(11.82)	33 115
Sale of Goods and Rendering of Services		952	3 150	3 150	98	131	109	338	338	788	(449)	(57.04)	3 150
Agency services													
Interest													
Interest earned from Receivables		105 537	116 639	116 639	10 738	9 859	10 764	31 361	31 361	29 160	2 201	7.55	116 639
Interest earned from Current and Non Current Assets		2 484	638	638	33	130	163	326	326	160	167	104.43	638
Dividends													
Rent on Land													
Rental from Fixed Assets		1 643	2 502	2 502	172	184	189	545	545	626	(80)	(12.86)	2 502
Licence and permits		298					2	2	2		2		
Operational Revenue		195	370	370	17	22	25	64	64	92	(29)	(30.98)	370
Non-Exchange Revenue													
Property rates		152 872	203 391	203 391	37 632	13 554	13 636	64 823	64 823	50 848	13 975	27.48	203 391
Surcharges and Taxes													
Fines, penalties and forfeits		2 594	4 550	4 550	66	36	64	167	167	1 138	(971)	(85.36)	4 550
Licences or permits							2	2	2		2		
Transfer and subsidies - Operational		158 754	173 957	173 957	69 905	411		70 316	70 316	43 489	26 827	61.69	173 957
Interest													
Fuel Levy													
Operational Revenue													
Gains on disposal of Assets													
Other Gains		19 728											
Discontinued Operations													
Total Revenue (excluding capital transfers and contributions)		941 339	1 133 123	1 133 123	188 308	10 306	92 418	291 032	291 032	283 281	7 752	2.74	1 133 123
Expenditure													
Employee related costs		283 203	326 221	326 221	14 059	37 680	36 291	88 030	88 030	81 555	6 475	7.94	326 221
Remuneration of councillors		12 086	13 913	13 913	1 005	978	2 119	4 102	4 102	3 478	624	17.93	13 913
Bulk purchases - electricity		421 368	531 559	531 559	63 399	70 902	61 900	196 201	196 201	132 890	63 311	47.64	531 559
Inventory consumed		74 284	80 345	80 345	1 669	1 409	2 290	5 368	5 368	20 086	(14 719)	(73.28)	80 345
Debt impairment		256 179	69 319	69 319						17 330	(17 330)	(100.00)	69 319
Depreciation and amortisation		28 020	82 660	82 660	6 065	6 065		12 130	12 130	20 665	(8 535)	(41.30)	82 660
Interest		152 750	73 256	73 256	12 568	12 772	12 798	38 138	38 138	18 314	19 824	108.25	73 256
Contracted services		85 232	123 768	123 768	4 115	7 440	6 445	18 000	18 000	30 942	(12 942)	(41.83)	123 768
Transfers and subsidies		733											
Irrecoverable debts written off		100	1 100	1 100	2	1	1	4	4	275	(271)	(98.43)	1 100
Operational costs		69 227	59 339	59 339	6 850	5 329	9 073	21 251	21 251	14 835	6 416	43.25	59 339
Losses on disposal of Assets		25											
Other Losses													
Total Expenditure		1 383 207	1 361 480	1 361 480	109 733	142 575	130 916	383 224	383 224	340 370	42 854	12.59	1 361 480
Surplus/(Deficit)		(441 868)	(228 357)	(228 357)	78 576	(132 269)	(38 498)	(92 191)	(92 191)	(57 089)	(35 102)	61.49	(228 357)
Transfers and subsidies - capital (monetary allocations)		69 262	40 637	40 637						10 159	(10 159)	(100.00)	40 637
Transfers and subsidies - capital (in-kind)		1 741											
Surplus/(Deficit) after capital transfers and contributions		(370 865)	(187 720)	(187 720)	78 576	(132 269)	(38 498)	(92 191)	(92 191)	(46 930)	(45 261)	96.44	(187 720)
Income Tax													
Surplus/(Deficit) after income tax		(370 865)	(187 720)	(187 720)	78 576	(132 269)	(38 498)	(92 191)	(92 191)	(46 930)	(45 261)	96.44	(187 720)
Share of Surplus/Deficit attributable to Joint Venture													
Share of Surplus/Deficit attributable to Minorities													
Surplus/(Deficit) attributable to municipality		(370 865)	(187 720)	(187 720)	78 576	(132 269)	(38 498)	(92 191)	(92 191)	(46 930)	(45 261)	96.44	(187 720)
Share of Surplus/Deficit attributable to Associate													
Intercompany/Parent subsidiary transactions													
Surplus/(Deficit) for the year		(370 865)	(187 720)	(187 720)	78 576	(132 269)	(38 498)	(92 191)	(92 191)	(46 930)	(45 261)	96.44	(187 720)

**Disclosure Property Plant & Equipment (Repairs & Maintenance)**

Description	Approved Budget 2023-24	Monthly movement September 2023	YTD Actual	
Building Structure	R 650 000.00	R 39 670.83	R 72 175.39	11%
Plant & machinery	R 1 050 000.00	R -	R -	0%
Furniture				
Motor Vehicles	R 4 367 990.00	R 205 105.86	R 354 222.39	8%
IT Equipment	R 1 306 680.00	R -	R -	0%
Roads	R 7 150 000.00	R -	R -	0%
Electricity Network	R 33 076 500.00	R 326 429.69	R 5 316 314.68	16%
Landfill Sites	R 6 000 000.00	R 530 198.94	R 530 198.94	9%
Waste water Network	R 4 165 700.00	R 18 178.26	R 206 748.21	5%
Water Network	R 10 840 400.00	R 173 438.00	R 614 688.57	6%
Other, Property plants & Equipme	R 250 000.00	R -	R 30 168.00	12%
	<b>R 68 857 270.00</b>	<b>R 1 293 021.58</b>	<b>R 7 124 516.18</b>	<b>10%</b>
Total Budget & Expenditure	<b>1 361 479 615.00</b>			
R & MYTD Expenditure	7 124 516.18			
R & M% Approved Budget	5%			

The Municipality has to date spent 10% of the total allocated budget towards repairs and maintainance. There expenditure was incurred mainly towards the repairs and maintenance of electricity network, motor, Water network, waster waste network and other PPE.

## Actual Capital Acquisition

The actual expenditure on capital projects for the reporting quarter amounts to R11 840 408.46. An amount of R95 349 for retention previously held was paid back. The accumulated expenditure on capital projects amounts to R11 840 408.46 for the current financial year. This reflects an increase of R3 676 860.04 when compared to the expenditure of the first quarter ending in September 2022 where by the expenditure was R8 163 548.42.

## Retention as at 30 September 2022

CONTRACTOR	PROJECT	CONTRACT AMOUNT	RETENTION WITHHELD	RETENTION PD BACK	RETENSION OW
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 Moephatusi	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	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 Standerton 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 Project	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 a 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
Asgnic Africa (Pty)LTD	Rehabilitation of roads in Lekwa LM	R 7 735 960.56	R 704 551.34	R 386 798.03	R 317 753.31
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 151 159.74	R 166 717.81
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 reservoir	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 190 698.18	R -0.03
TM & S Construction	UPGRADING OF THE STANDERTON BULK WATER SUPPLY SYSTEM PHASE2 CONSTRUCTION OF KIESIER PRESSURE TOWER	R 35 462 276.62	R 877 001.57	R -	R 877 001.57
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
Enhanced Innovations	Upgrading and Operations of the Standerton Landfill Site	R 3 927 164.50	R 986 347.48	R -	R 986 347.48
Limacon	Manufacture, testing at Contractors works, supply, directory direct access (DDP), Installation, Testing at Site and Commissions of one fully functional three phase 20MVA 33/11 KV Power Transformer for Lekwa Local Municipality's Asub-station	R 6 601 906.20	R 170 611.57	R -	R 170 611.57
Ngcebo Holdings	Supply & installation of VIP toilets rural / farm areas	R 842 774.62	R 84 277.46	R 42 138.73	R 42 138.73
			<b>R 29 380 833.01</b>	<b>R 6 980 098.42</b>	<b>R 22 400 734.59</b>

Total

Retention owed from all projects for current and prior years amounts to R22 400 734.59

## 2023/2024 Financial Year MDRG Projects

PROJECT DESCRIPTION	APPROVED BUDGET CAPITALS 2023/2024	30-Jul	YTD ACTUAL EXPENDITURE IN THE 2022/23 FY	RETENTION WITHHELD VAT INCL.	RETENTION PD BACK	RETENSION OWED	REMAINING BUDGET
Rehabilitation of 2* 7.5 motors and 2* T3 Gorman Rupp pumping units. Lifting of the pumping units and the piping works to minimise flooding. Rehabilitation	R 750 000.00				R -	R -	R 750 000.00
Rehabilitation of 2* 22 kw motors and 2* pumping units. Lifting of the pumping units and the piping works to minimise flooding. Rehabilitation and lifting MCC.	R 1 250 000.00				R -	R -	R 1 250 000.00
Rehabilitation of 2* 55 kw motors and 2* pumping units. Lifting of the pumping units and the piping works to minimise flooding. Rehabilitation and lifting VSD	R 1 200 000.00				R -	R -	R 1 200 000.00
Rehabilitation of 2* 7.5 kw motors and 2* T3 Gorman Rupp pumping units. Lifting of the pumping units and the piping works to minimise flooding. Rehabilitation and lifting MCC	R 750 000.00					R -	R 750 000.00
Rehabilitation of water drainage system, installation of storm water drain pump	R 250 000.00					R -	R 250 000.00
Rehabilitation of water drainage system, installation of 0.5HP pump and drainage pipe	R 75 000.00					R -	R 75 000.00
Rehabilitation of water drainage system, installation of 0.5HP pump and drainage pipe (BB Substation)	R 75 000.00					R -	R 75 000.00
Rehabilitation of water drainage system, installation of 0.5HP pump and drainage pipe (Sakhile	R 75 000.00					R -	R 75 000.00
Replace 1*300A, 2* 80A and 1*200A circuit breaker and replace rusted cubicle. (Standerton Town - Charl Cilliers Street)	R 250 000.00					R -	R 250 000.00
Replace 1*150A circuit breaker (Standerton Town - Handel Street)	R 50 000.00					R -	R 50 000.00
Replace 2*150A, 2* 63A single phase, 2*80A 3 - phase circuit breakers and cubicle casing (Standerton Town - Coligny Street)	R 250 000.00					R -	R 250 000.00
Replace 1*150A circuit breaker and 2 single phase meters. (Standerton Town Burger Street)	R 50 000.00					R -	R 50 000.00
Replace 6* wooden poles (Farms - R Line)	R 500 000.00					R -	R 500 000.00
mattress or construction of gabions for embankment downstream. (Sakhile ward 11) Protection on both sides of the bridge. Cleaning of river bed and culverts	R 1 100 000.00			R -	R -	R -	R 1 100 000.00
	R 6 625 000.00	R -	R -	R -	R -	R -	R 6 625 000.00

## Capital Projects for 2023 – 24 Financial Year

Project Description	Source of Funding	Approved Budget Capital Projects 2023/2024	Aug-23	Sep-23	Retention Withheld VAT incl	Retention owed	YTD	Remaining Budget
Upgrading of the Standerton Bulk Water Supply System phase 3	MIG 01/2324	R 27 952 311.00	R 1 162 294.65		R 513 875.34	R 513 875.34	R 5 138 753.37	R 22 813 557.63
Installation of VIP toilets	MIG 02/2324	R 2 000 000.00				R -	R -	R 2 000 000.00
Installation of boreholes	MIG 03/2324	R 1 000 000.00				R -	R -	R 1 000 000.00
Rehabilitation of 5km tarred road (Bauman Street) adjoining the R39 and R50 Provincial Roads	MIG 04/2324	R 400 000.00				R -	R -	R 400 000.00
Installation of High mast lights within Lekwa LM	MIG 05/2324	R 400 000.00				R -	R -	R 400 000.00
Fencing of Cemeteries within Lekwa LM	MIG 06/2324	R 184 289.00				R -	R -	R 184 289.00
Rehabilitation of Morgenzon landfill Site	MIG 06/2324	R 200 000.00				R -	R -	R 200 000.00
Upgrade of A Sub Station	INEP 01/2324	R 7 000 000.00		R 46 678.50		R -	R 46 678.50	R 6 953 321.50
Construction of 11Kv, SWS at Rooikoppen (pre-Eng)	INEP 02/2324	R 1 500 000.00				R -	R -	R 1 500 000.00
Upgrade of the Standerton Landfill Site	Internal Funding	R 18 000 000.00	R 4 057 775.46	R 2 384 849.45	R 212 351.68	R 450 863.94	R 6 654 976.59	R 11 345 023.41
Renovation of Offices(new)	Internal Funding	R 5 000 000.00				R -	R -	R 5 000 000.00
Procurement of Laptops	Internal Funding	R 2 000 000.00						R 2 000 000.00
Procurement of Vehicles(new)	Internal Funding	R 10 000 000.00				R -	R -	R 10 000 000.00
		<b>R 75 636 600.00</b>	<b>R 5 220 070.11</b>	<b>R 2 431 527.95</b>	<b>R 726 227.02</b>	<b>R 964 739.28</b>	<b>R 11 840 408.46</b>	<b>R 63 796 191.54</b>

## Cash Flow Statement

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 first quarter ending September 2023 amounts to R279 614 936. This shows an improvement in cash received of R76 235 189 when compared to the Revenue collected of R203 379 747 for the first quarter ended in September 2022. The amount includes revenue collected from Property Rates R41 092 265, Electricity R86 835 501, Water R9 157 830, sanitation R4 316 861, Refuse R3 014 243 inter accounts transfers R47 303 294, grants and subsidies R73 166 000 and other revenues amounting to R14 728 943(i.e. fines, rental income, interest).

The actual payments made for the first quarter ending September 2023 amounts to R297 551 295 215 038 892. This shows an decrease of R82 512 403 when compared to the payment made in the first quarter ended September 2022 which amounts to R215 038 892. The amount includes payment for employee related costs (employees & councillors) of R76 128 298 and R3 425 410, bulk purchases R20 906 302 contracted services amounting to R50 855 206 as well as inter account transfers amounting to R121 898 187 Capital expenditure amounted to R19 645 197 (This amount includes projects relating to 22/23 paid in the first month of 23/24 FY) and general expenses amounted to R4 698 696.

The Municipality's cash flow status for all bank accounts reflects a favorable bank balance of R3 298 291 including a favorable closing balance on primary account of R333 604.6. It should be noted that though the municipality has a favorable bank balance at the end of the reporting month there were still outstanding creditors of R2.6 billion and outstanding debtors of R1.8 billion as disclosed on the age analysis below.

MONTHLY CASH FLOWS		Budget Year 2023/2024											Budget Year 2023/24 - Full Year Forecast
Rands	July Actual	August Actual	Sept. Actual	October Budgeted	November Budgeted	December Budgeted	January Budgeted	February Budgeted	March Budgeted	April Budgeted	May Budgeted	June Budgeted	
<b>Cash Receipts By Source</b>													
Property rates	29 242 090	6 496 705	5 353 470	16 949 284	16 949 284	16 949 284	16 949 284	16 949 284	16 949 284	16 949 284	16 949 284	16 949 284	203 391 413
Service charges - electricity revenue	32 067 137	22 527 710	32 240 653	38 986 457	38 986 457	38 986 457	38 986 457	38 986 457	38 986 457	38 986 457	38 986 457	38 986 457	467 837 484
Service charges - water revenue	3 701 813	3 535 965	1 920 052	7 031 101	7 031 101	7 031 101	7 031 101	7 031 101	7 031 101	7 031 101	7 031 101	7 031 101	84 373 209
Service charges - sanitation revenue	1 456 121	1 525 181	1 335 559	3 549 887	3 549 887	3 549 887	3 549 887	3 549 887	3 549 887	3 549 887	3 549 887	3 549 887	42 598 638
Service charges - refuse revenue	1 047 940	981 154	985 149	2 759 612	2 759 612	2 759 612	2 759 612	2 759 612	2 759 612	2 759 612	2 759 612	2 759 612	33 115 342
Rental of facilities and equipment	123 019	140 977	189 172	208 506	208 506	208 506	208 506	208 506	208 506	208 506	208 506	208 506	2 502 068
Interest earned - external investments	32 797	129 847	163 417	53 167	53 167	53 167	53 167	53 167	53 167	53 167	53 167	53 167	638 000
Interest earned - outstanding debtors	10 755 254	831 974	534 247	9 719 898	9 719 898	9 719 898	9 719 898	9 719 898	9 719 898	9 719 898	9 719 898	9 719 898	116 638 775
Fines, penalties and forfeits	66 171	54 189	64 400	379 167	379 167	379 167	379 167	379 167	379 167	379 167	379 167	379 167	4 550 000
Transfer receipts - operational	69 905 000	3 261 000		14 496 450	14 496 450	14 496 450	14 496 450	14 496 450	14 496 450	14 496 450	14 496 450	14 496 450	173 957 400
Inter Accounts Transfers	-	31 281 187	7 411 107	-	-	-	-	-	-	-	-	-	-
Other revenue	-	1 505 581	137 898	293 353	293 353	293 353	293 353	293 353	293 353	293 353	293 353	293 353	3 520 230
<b>Cash Receipts by Source</b>	<b>148 397 342</b>	<b>72 271 469</b>	<b>50 335 124</b>	<b>94 426 880</b>	<b>94 426 880</b>	<b>94 426 880</b>	<b>94 426 880</b>	<b>94 426 880</b>	<b>94 426 880</b>	<b>94 426 880</b>	<b>94 426 880</b>	<b>94 426 880</b>	<b>1 133 122 559</b>
<b>Other Cash Flows by Source</b>													
Transfer receipts - capital	11 788 000	8 200 000		3 386 383	3 386 383	3 386 383	3 386 383	3 386 383	3 386 383	3 386 383	3 386 383	3 386 383	40 636 600
<b>Total Cash Receipts by Source</b>	<b>160 185 342</b>	<b>80 471 469</b>	<b>50 335 124</b>	<b>97 813 263</b>	<b>97 813 263</b>	<b>97 813 263</b>	<b>97 813 263</b>	<b>97 813 263</b>	<b>97 813 263</b>	<b>97 813 263</b>	<b>97 813 263</b>	<b>97 813 263</b>	<b>1 173 759 159</b>
<b>Cash Payments by Type</b>													
Employee related costs	26 405 547	25 199 726	24 523 024	27 185 043	27 185 043	27 185 043	27 185 043	27 185 043	27 185 043	27 185 043	27 185 043	27 185 043	326 220 520
Remuneration of councillors	1 161 949	1 124 022	1 139 439	1 159 392	1 159 392	1 159 392	1 159 392	1 159 392	1 159 392	1 159 392	1 159 392	1 159 392	13 912 707
Bulk purchases - Electricity	13 504 665	1 981 264	3 420 373	44 296 568	44 296 568	44 296 568	44 296 568	44 296 568	44 296 568	44 296 568	44 296 568	44 296 568	531 558 818
Bulk purchases - Water	-	-	2 000 000	4 583 333	4 583 333	4 583 333	4 583 333	4 583 333	4 583 333	4 583 333	4 583 333	4 583 333	55 000 000
Other materials	23 733	640 659	1 500 468	1 524 583	1 524 583	1 524 583	1 524 583	1 524 583	1 524 583	1 524 583	1 524 583	1 524 583	18 295 000
Contracted services	21 758 039	17 184 547	11 912 620	10 716 479	10 716 479	10 716 479	10 716 479	10 716 479	10 716 479	10 716 479	10 716 479	10 716 479	128 597 743
Inter Accounts Transfers	90 000 000	31 892 187	-	-	-	-	-	-	-	-	-	-	-
Other expenditure	392 934	18 209	2 122 693	5 129 950	5 129 950	5 129 950	5 129 950	5 129 950	5 129 950	5 129 950	5 129 950	5 129 950	61 559 396
<b>Cash Payments by Type</b>	<b>153 246 867</b>	<b>78 040 615</b>	<b>46 618 617</b>	<b>94 595 349</b>	<b>94 595 349</b>	<b>94 595 349</b>	<b>94 595 349</b>	<b>94 595 349</b>	<b>94 595 349</b>	<b>94 595 349</b>	<b>94 595 349</b>	<b>94 595 349</b>	<b>1 135 144 184</b>
<b>Other Cash Flows/Payments by Type</b>													
Capital assets	11 322 019	4 070 481	4 252 696	6 303 050	6 303 050	6 303 050	6 303 050	6 303 050	6 303 050	6 303 050	6 303 050	6 303 050	75 636 600
<b>Total Cash Payments by Type</b>	<b>164 568 886</b>	<b>82 111 096</b>	<b>50 871 313</b>	<b>100 898 399</b>	<b>100 898 399</b>	<b>100 898 399</b>	<b>100 898 399</b>	<b>100 898 399</b>	<b>100 898 399</b>	<b>100 898 399</b>	<b>100 898 399</b>	<b>100 898 399</b>	<b>1 210 780 784</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>- 4 383 543</b>	<b>- 1 639 627</b>	<b>- 536 189</b>	<b>- 3 085 135</b>	<b>- 3 085 135</b>	<b>- 3 085 135</b>	<b>- 3 085 135</b>	<b>- 3 085 135</b>	<b>- 3 085 135</b>	<b>- 3 085 135</b>	<b>- 3 085 135</b>	<b>- 3 085 135</b>	<b>- 37 021 625</b>
Cash/cash equivalents at the month/year beg	9 857 650	5 474 107	3 834 480	3 298 291	213 155	2 871 980	5 957 115	9 042 251	12 127 386	15 212 522	18 297 657	21 382 792	24 467 928
Cash/cash equivalents at the month/year end	5 474 107	3 834 480	3 298 291	213 155	2 871 980	5 957 115	9 042 251	12 127 386	15 212 522	18 297 657	21 382 792	24 467 928	24 467 928

Mpumalanga: Lekwa (MP305) - Table C7 Monthly Budgeted Cash Flows ( All ) for period ending (M03) 30 September 2023

Description	Ref	2022/23	Budget year 2023/24										
		Audited Outcome	Original Budget	Adjusted Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
R thousands	1												
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>													
<b>Receipts</b>													
Property rates		118 655	197 230	197 230	29 233	8 639	7 242	45 113	45 113	49 308	(4 194)	(8.51)	197 230
Service charges		461 731	544 102	544 102	39 060	41 194	46 999	127 253	127 253	136 025	(8 773)	(6.45)	544 102
Other revenue		34 102	9 527	9 527	(22 573)	1 405	1 434	(19 734)	(19 734)	2 382	(22 116)	(928.54)	9 527
Transfers and Subsidies - Operational	1	271 462	173 958	173 958	69 906	414	4	70 325	70 325	43 489	26 836	61.71	173 958
Transfers and Subsidies - Capital	1	39 537	40 640	40 640	36 413	7 000	14 408	57 821	57 821	10 160	47 661	469.10	40 640
Interest							131	131	131		131		
Dividends													
<b>Payments</b>													
Suppliers and employees		(525 020)	(1 209 506)	(1 209 506)	(73 359)	(37 629)	(32 458)	(143 446)	(143 446)	(302 376)	158 931	(52.56)	(1 209 506)
Finance charges													
Transfers and Subsidies	1												
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>400 468</b>	<b>(244 048)</b>	<b>(244 048)</b>	<b>78 680</b>	<b>21 023</b>	<b>37 760</b>	<b>137 463</b>	<b>137 463</b>	<b>(61 012)</b>	<b>198 475</b>	<b>(325.31)</b>	<b>(244 048)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>													
<b>Receipts</b>													
Proceeds on disposal of PPE													
Decrease (Increase) in non-current debtors (not used)													
Decrease (increase) in non-current receivables		0	28 208	28 208	(28 208)	28 208				7 052	(7 052)	(100.00)	28 208
Decrease (increase) in non-current investments		(1 375)	(26 841)	(26 841)	(3 834)	3 834				(29 717)	29 717	(100.00)	(26 841)
<b>Payments</b>													
Capital assets		(54 930)	(75 687)	(75 687)	(2 282)	(9 729)	(6 928)	(18 940)	(18 940)	(18 922)	(18)	0.10	(75 687)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(56 304)</b>	<b>(74 319)</b>	<b>(74 319)</b>	<b>(34 325)</b>	<b>22 313</b>	<b>(6 928)</b>	<b>(18 940)</b>	<b>(18 940)</b>	<b>(41 586)</b>	<b>22 647</b>	<b>(54.46)</b>	<b>(74 319)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>													
<b>Receipts</b>													
Short term loans													
Borrowing long term/refinancing													
Increase (decrease) in consumer deposits		(102)											
<b>Payments</b>													
Repayment of borrowing		797											
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>695</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>344 859</b>	<b>(318 367)</b>	<b>(318 367)</b>	<b>44 355</b>	<b>43 337</b>	<b>30 832</b>	<b>118 523</b>	<b>118 523</b>	<b>(102 598)</b>	<b>221 122</b>	<b>(215.52)</b>	<b>(318 367)</b>
Cash/cash equivalents at the year begin:		10 756	15 481	15 481	31 044	68 769	112 105	31 044	31 044	15 481	15 563	100.53	15 481
Cash/cash equivalents at the year end:	2	355 615	(302 886)	(302 886)	75 399	112 105	142 937	142 937	142 937	(87 117)	236 685	(271.68)	(302 886)

References

### External Investment (Call accounts)

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

The Closing balance on all call accounts as at 30 September 2023 amounts to R11 698 174.6. Municipality for the reporting month capitalized R94 759.91 interest on all call accounts. Eight call accounts have been closed by the municipality as per the resolution by LLM & GDM and only two are remaining.

Account N	Account Num	Opening balance	Deposits	Interest capitalised	Withdrawals	Closing balance
MIG	37881152036	18 533.03	-	122.14		18 655.17
GRANTS A	37881153059	12 084 881.66	-	94 637.77	- 500 000.00	11 679 519.43
		12 103 414.69	-	94 759.91	- 500 000.00	11 698 174.60

### Debtors Age Analysis

The debtor's age analysis analyses amounts 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 R300 million from R1,6 billion to R1,9 billion when compared to the first quarter ending September 2022.

The debtors balance for the reporting quarter amount to R122 million, Outstanding Debtors that are older than 90 days' amounts to R1,7 billion of the total outstanding debts.

The debt from households amounts to R1,4 billion, government to R60 million while business owed R253 million and other customers owed an amount of R210 million. Electricity contributes R248 million of the outstanding debt, Property assessment rates R406 million, Water R326 million, Waste water R176 million, refuse R130 million, income from other sources R134 million while interest on arrears amounts to R506 million.

MP305 Lekwa - Supporting Table SC3 Monthly Budget Statement - aged debtors - September													
Description	NT Code	Budget Year 2023/2024										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	14 610	3 857	3 748	3 600	4 200	3 599	19 908	273 059	326 581	304 366		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	58 226	11 079	9 926	5 910	4 391	4 094	18 428	136 133	248 187	168 957		
Receivables from Non-exchange Transactions - Property Rates	1400	21 904	12 342	6 695	7 039	6 784	6 934	38 753	306 051	406 502	365 560		
Receivables from Exchange Transactions - Waste Water Management	1500	11 543	2 440	2 331	2 280	2 244	2 247	12 524	140 903	176 511	160 198		
Receivables from Exchange Transactions - Waste Management	1600	4 444	1 880	1 773	1 731	1 702	1 689	9 847	107 677	130 744	122 647		
Receivables from Exchange Transactions - Property Rental Debtors	1700									-	-		
Interest on Arrear Debtor Accounts	1810	21 293	10 311	9 760	10 291	9 604	9 087	48 907	386 963	506 215	464 852		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	10 577	2 712	1 209	631	(1 218)	1 356	7 398	111 778	134 444	119 946		
Total By Income Source	2000	142 598	44 621	35 442	31 482	27 708	29 006	155 765	1 462 563	1 929 185	1 706 525		
2019/20 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	23 629	9 476	4 833	1 506	(136)	944	4 191	16 409	60 852	22 915		
Commercial	2300	55 671	7 324	6 467	5 163	4 721	5 136	24 232	144 515	253 227	183 766		
Households	2400	52 389	21 210	20 526	20 474	19 681	19 843	108 272	1 141 734	1 404 128	1 310 003		
Other	2500	10 909	6 611	3 617	4 339	3 442	3 083	19 071	159 906	210 979	189 842		
Total By Customer Group	2600	142 598	44 621	35 442	31 482	27 708	29 006	155 765	1 462 564	1 929 186	1 706 526		



## Debtors Breakdown per Ward

WARD	202309 (Current	202308 (30 Days	202307 (60 Days	202306 (90 Days	202305 (120 Day	202304 (150 Day	202303 (180 Day	202302 (210 Day	202301 (240 Day	202212 (270 Day	202211 (300 Day	202210 (330 Day	202209 (360 Day	202208 (390 + Days	Total	Written O
	57600748.29	18145243.41	18282423.53	13412694.94	12023787.87	10669394.59	11759024.32	10875707.07	10437730.45	10115077.45	10947432.94	9918141.55	9603487.94	531863630.9	735654525.3	0
WARD 1	1400961.13	1439870.8	1426313.37	1350932.3	1370187.16	1358235.84	1377345.29	1324485.53	1304372.39	1267529.55	1110307.6	1226927.37	1230257.36	80281252.6	97468978.29	0
WARD 2	1619351.25	1489259.01	1456859.18	1404393.4	1382779.5	1381616.9	1367206.74	1318796.23	1345827.79	1319474.89	1173770.76	1265390.44	1249784.2	73593498.71	91368009	0
WARD 3	1657083.7	1381362.79	1325489.27	1191248.94	1055074.47	1062962.46	1050858.95	1115837.44	1146345.26	1029328.18	521182.12	679334.18	1058204.78	63123889.45	77398201.99	0
WARD 4	9102238.64	2232356.88	1303105.51	1081813.47	1242582.86	1122567.48	1029139.16	991314.24	1001424.04	943595.16	864608.9	896408.95	880793.74	42545050.12	65236999.15	0
WARD 5	2011773.37	2093736.37	2420752.34	1946816.67	1957593	1869181.41	1840639.23	1827733.68	1826945.86	1785411.09	1595274.82	1713726.99	1713619	113606818.2	138210022	0
WARD 6	1073893.63	1120988.95	1117232.57	1084245.06	1064262.71	1075780.19	1016495.73	972959.99	953794.19	936585.23	833089.02	902119.97	896909.05	67127477.06	80175833.35	0
WARD 7	732745.17	611267.4	605247.82	579190.08	644215.7	614788.73	578736.46	573827.12	586690.89	560960.29	505109.13	539918.95	537874.49	37907174.28	45577746.51	0
WARD 8	6769669.06	3945893.58	3132486.72	3214190.76	2603931.35	3102057.15	2748659.94	2175762.72	2052838.98	1912835.74	1727684.48	1770790.85	1863411.18	39542237.52	76562450.03	0
WARD 9	340340.41	22502.18	22359.86	19637.84	19482.6	-429961.08	18778.06	17896.58	17735.61	17542.81	17113.48	16727.12	16621.94	622253.63	739031.04	0
WARD 10	6110538.56	6196854.39	5618828.21	3432662.77	1521374.32	-249308.76	382100.93	450046.71	660401.82	309156.48	381723.64	231085.39	417412.03	11512047.61	36974924.1	0
WARD 11	3089127.21	2877098.43	2923002.15	2495539.69	2352147.47	2011731.69	1788601.41	1775967.55	2462173.45	1716326.67	1497621.41	1720189.74	1624062.13	115951625	144285214	0
WARD 12	130731.95	119657.03	119083.1	117997.27	118236.71	114450.59	113602.84	113600	114381.41	112568.05	107276.04	108784.34	108585.09	5025974.79	6524929.21	0
WARD 13	1208.52	1199.79	1191.07	1137.92	1129.63	1109.64	1090.35	1082.77	1075.19	1062.46	1050.08	252.63	252.15	47834.2	60676.4	0
WARD 14	2566769.26	2220008.98	2653816.97	1960274.67	1888095.44	1840092.55	1835737.54	1887304.63	1848644.87	1830704.2	1637378.23	1809094.86	1771002.51	141604110.9	167353035.6	0
WARD 15	2264004.01	2229206.2	2212437.3	2149524.1	2236887.33	2163416.19	2098339.12	2095708.58	2269790.86	2018984.81	1772536.45	1975970.26	1899573.81	138209838.1	165596217.1	0
	0	0	0	0	0	0	0	0	0	0	0	0	0	-1348.21	-1348.21	0
TOTAL	96471184.16	46126506.19	44620628.97	35442299.88	31481768.12	27708115.57	29006356.07	27518030.84	28030173.06	25877143.06	24693159.1	24774863.59	24871851.4	1462563365	1929185445	0

### Transfer & Grants Subsidies (Indigent support)

To date 2306 households were registered for indigent support. The current outstanding debts balances of the registered indigent households amounted to R120 090 886.31 as at 30 September 2023. The registered Indigent household increased by 673 when compared to the number of Indigents as at the first quarter ended September 2022.

	Number of indigents	
Wards No.	2022-2023	2023-2024
Ward 1	128	154
Ward 2	102	178
Ward 3	207	258
Ward 4	65	89
Ward 5	190	221
Ward 6	117	143
Ward 7	121	280
Ward 8	35	50
Ward 9	0	10
Ward 10	18	61
Ward 11	250	239
Ward 12	0	0
Ward 13	1	0
Ward 14	144	254
Ward 15	254	369
<b>Total Indigents</b>	<b>1633</b>	<b>2306</b>

## Debtors Payment Statistics

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

A collection rate of 58% for the first quarter ending 30 September 2023 and this collection rate shows a decrease when compared to the first quarter ending September 2022 collection rate. Considering the levied amount of R233 836 696.96 and the actual payments amounting to R134 466 108.65 this indicates revenue loss amounting to R99 370 588.31.

Reporting Month	Revenue Collected	Revenue Levied	Collection Rate
Jul-23	39 813 195.97	122 803 419.38	32%
Aug-23	44 367 893.59	2 930 137.33	1514%
Sep-23	50 285 019.09	108 103 140.25	47%
<b>Total</b>	<b>R 134 466 108.65</b>	<b>R 233 836 696.96</b>	<b>58%</b>

## Payment Statistics Revenue Streams

Column1	Column2	Column3	Column4
July 2023 - June 2024			
Revenue Stream	Revenue Collected	Revenue Levied	Collection Rate
Electricity	R 94 345 996.87	R 122 116 546.54	77%
Water	R 8 394 947.62	R 55 480 747.89	15%
Refuse	R 2 820 492.48	R 7 299 933.52	39%
Sewerage	R 4 076 723.80	R 15 390 942.52	26%
Rates	R 18 128 142.63	R 65 111 408.90	28%
Interest	R 1 947 797.84	R 31 359 768.89	6%
	<b>R 129 714 101.24</b>	<b>R 296 759 348.26</b>	<b>44%</b>

In an effort to ensure that there is a continuous implementation of debt collection, a plan should be developed that will focus on the various categories of customers (business, residential, government, farms etc) with a clear time frames and clear activities to be embarked on. The plan should also include the various resources required (human resources, vehicles, machinery & equipment, etc.) to enable the implementation of debt collection.

An area of concern is the high litigation and court interdict against the Municipality for illegally disconnecting customers. A procedure manual should be developed in line with credit control & debt collection policy that will outline activities that needs to be performed prior a customer is disconnected or handed over to the attorneys for collection. These activities may include amongst others issuing of notice, correcting accounts where there is an objection, addressing issues of the prescribed debt in line with the Prescription Act as well as the Municipal Systems Act.

Whilst the Municipality is implementing debt collection, it is imperative that a Customer Care Unit be established to address customer queries as well as building the consumer confidence.

## Creditors Age Analysis

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

The Creditors Age Analysis shows an outstanding amount of R2 770 477 600.28,30 of which R2 212 104 455.99 is owed to Eskom. The municipality has taken several initiatives to ensure that the arrears amount owed to Eskom is paid. The latest outstanding amount for Department of Water and Sanitation is R497 113 541.04.

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 R17 306 520.67. The Municipality has an outstanding payment to Auditor General an amount of R394 663.33. The Municipality has retention withheld amounting to R212 351.68.

The Municipality owes SARS R21 157 684.66 relating 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.

Description	Budget Year 2023/24								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									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity	82 557 026.43	92 320 530.53	84 024 399.03	-				1 953 202 500.00	2 212 104 455.99
Bulk Water	41 804 434.06	416 858 644.78	116 683 214.29	5 376 116.03				-	497 113 541.04
PAYE deductions	11 204 034.18	4 546 517.01	496 299.78					4 910 833.69	21 157 684.66
VAT (output less input)									.
Pensions / Retirement deductions									.
Loan repayments									.
Trade Creditors	11 352 708.56	1 030 146.09	1 599 634.46	754 728.47	1 264 771.92		-	1 304 531.17	17 306 520.67
Auditor General	394 663.33								394 663.33
Retention	212 351.68	1 252 978.36	384 731.00	1 820 089.55	400 851.00	278 357.00	349 656.00	17 701 720.00	22 400 734.59
<b>Total By Customer Type</b>	<b>63 916 350.12</b>	<b>516 008 816.77</b>	<b>203 188 278.56</b>	<b>7 950 934.05</b>	<b>1 665 622.92</b>	<b>278 357.00</b>	<b>349 656.00</b>	<b>1 977 119 584.86</b>	<b>2 770 477 600.28</b>

The Municipality has been unable to pay all creditors within 30 days as required by the MFMA.

## Grants & Subsidies – Part 8 Received & Expenditure

*The municipality has to date received R99 779 000 on the grants and subsidies as allocated.*

	Approved Budget	YTD Allocation	Allocation	Outstanding Allocation
<b>Municipal Infrastructure Grant</b>	33 828 000.00	17 488 000.00	-	16 340 000.00
<b>Local Government Financial Management Grant</b>	2 850 000.00	2 850 000.00	-	-
<b>Expanded Public Works Programme Integrated Grant for Municipalities</b>	1 643 000.00	411 000.00	-	1 232 000.00
<b>Equitable share</b>	167 773 000.00	69 905 000.00	-	97 868 000.00
<b>Municipal Disaster Recovery Grant</b>	6 625 000.00	6 625 000.00	-	-
<b>Integrated National Electrification Programme Grant</b>	8 500 000.00	2 500 000.00	-	6 000 000.00
	<b>221 219 000.00</b>	<b>99 779 000.00</b>	<b>-</b>	<b>121 440 000.00</b>

*The Municipality has to date spent an amount of R6 022 224.33 on conditional grants received.*

Type of Grant	YTD Allocation Received July - June 2024	YTD Expenditure July - June 2024	Rem aining Balance
Municipal Infrastructure Grant	R 17 488 000.00	R 5 138 753.85	R 12 349 246.15
Local Government Financial Management Grant	R 2 850 000.00	R 400 991.98	R 2 449 008.02
Expanded Public Works Programme Integrated Grant for Municipalities	R 411 000.00	R 435 800.00	R (24 800.00)
Integrated National Electrification Programme (Municipal) Grant	R 2 500 000.00	R 46 678.50	R 2 453 321.50
	<b>R 23 249 000.00</b>	<b>R 6 022 224.33</b>	<b>R 17 226 775.67</b>

**Mpumalanga: Lekwa (MP305) - Table C5 Monthly Budgeted Capital Expenditure by Functional Classification and Funding for period ending (M03) 30 September 2023**

Punjab: Lok Sabha (MPs) - Table 35 Monthly Budgeted Capital Expenditure by Functional Classification and Funding for period ending (M03) 30 September 2023													
Description	Ref	2022/23	Budget year 2023/24										
		Audited Outcome	Original Budget	Adjusted Budget	M01 July Actual	M02 Aug Actual	M03 Sept Actual	Q1 Sept Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
R thousands													
<b>Capital Expenditure - Functional</b>													
Municipal governance and administration		14 058	17 000	17 000	135	24	3 683	3 843	3 843	4 250	(407)	(9.59)	17 000
Executive and council													
Finance and administration		14 058	17 000	17 000	135	24	3 683	3 843	3 843	4 250	(407)	(9.59)	17 000
Internal audit													
Community and public safety		1 478	234	234	-	-	-	-	-	59	(59)	(100.00)	234
Community and social services		1 301	184	184						46	(46)	(100.00)	184
Sport and recreation		177	50	50						13	(13)	(100.00)	50
Public safety													
Housing													
Health													
Economic and environmental services		4 205	400	400	-	-	-	-	-	100	(100)	(100.00)	400
Planning and development													
Road transport		4 205	400	400						100	(100)	(100.00)	400
Environmental protection													
Trading services		58 540	58 052	58 052	1 918	7 282	4 280	13 480	13 480	14 513	(1 033)	(7.12)	58 052
Energy sources		13 168	8 900	8 900			81	81	81	2 225	(2 144)	(96.35)	8 900
Water management		6 787	28 952	28 952		4 468		4 468	4 468	7 238	(2 770)	(38.26)	28 952
Waste water management		38 585	2 000	2 000						500	(500)	(100.00)	2 000
Waste management			18 200	18 200	1 918	2 813	4 199	8 930	8 930	4 550	4 380	96.27	18 200
Other													
Total Capital Expenditure - Functional	3	78 283	75 687	75 687	2 053	7 306	7 963	17 322	17 322	18 922	(1 599)	(8.45)	75 687
<b>Funded by</b>													
National Government	-	62 640	40 637	40 637		4 468	81	4 550	4 550	10 159	(5 609)	(55.22)	40 637
Provincial Government													
District Municipality													
Transfers and subsidies - capital (monetary allocations) (Nat/													
Transfers recognised - capital		62 640	40 637	40 637	-	4 468	81	4 550	4 550	10 159	(5 609)	(55.22)	40 637
Borrowing	6												
Internally generated funds		6 877	35 050	35 050	2 053	2 838	7 882	12 773	12 773	8 763	4 010	45.77	35 050
Total Capital Funding		69 518	75 687	75 687	2 053	7 306	7 963	17 322	17 322	18 922	(1 599)	(8.45)	75 687

### Supply Chain Report (Deviations)

The report indicates instances where the municipality did not adhere fully to the requirements of the Supply Chain Management policy when procuring certain goods or services. Deviations approved by the Accounting Officer, do not result in the municipality over spending on the appropriated budget, neither does it reflect any fruitless, wasteful nor unauthorized expenditure. In most cases the deviations are as a result of urgent nature, sometimes limited supplies and or strip and quote situations.

For the reporting period, the Municipality did not incur any deviations.

September 2023					
ORDER NO.	DATE	SUPPLIER	AMOUNT	DESCRIPTION	REASON

## Contracted Services

	Actual Budget 2023-24	YTD Actual	YTD Budget	YTD Variance	YTD Variance %
		Sep-23	Jun-24	Jun-24	Aug-23
HIRE OF MACHINES	R 2 750 000.00		R 2 750 000.00	R 2 750 000.00	100%
LEGAL COST	R 12 000 000.00	R 69 050.50	R 12 000 000.00	R 11 930 949.50	99%
VALUATION ROLL	R 2 900 000.00	R 813 783.93	R 2 900 000.00	R 2 086 216.07	72%
PREPARATION:AFS	R 2 950 000.00	R 3 718 490.60	R 2 950 000.00	R (768 490.60)	-26%
SECURITY SERVICES	R 36 473 973.00	R 6 176 427.50	R 36 473 973.00	R 30 297 545.50	83%
HIRE OF WATER TANKERS	R 4 082 000.00	R 1 366 865.21	R 4 082 000.00	R 2 715 134.79	67%
Accounting Printing and Posting	R 3 000 000.00	R 253 220.00	R 3 000 000.00	R 2 746 780.00	92%
Electrical Infrastructure	R 31 276 500.00	R 5 316 314.68	R 31 276 500.00	R 25 960 185.32	83%
Vending Commission 4% OF PRE PAID			R -	R -	
IT or Network Services	R 5 023 320.00	R 7 654 663.05	R 5 023 320.00	R (2 631 343.05)	-52%
Insurance Contract	R 4 000 000.00	R 14 636.38	R 4 000 000.00	R 3 985 363.62	100%
Risk Management software	R 60 000.00		R 60 000.00	R 60 000.00	100%
PMS	R 700 000.00	R -	R 700 000.00	R 700 000.00	100%
Software License	R 210 300.00	R -	R 210 300.00	R 210 300.00	100%
Skills Audit	R 400 000.00		R 400 000.00	R 400 000.00	100%
Leasing of Printing & Photocopy Machin	R 2 080 000.00	R 261 032.75	R 2 080 000.00	R 1 818 967.25	87%
Upgrade & Operations of landfill sites	R 6 000 000.00		R 6 000 000.00	R 6 000 000.00	100%
	<i>R 113 906 093.00</i>	<i>R 25 644 484.60</i>	<i>R 113 906 093.00</i>	<i>R 88 261 608.40</i>	

## Fruitless and wasteful expenditure

The Municipality was unable to pay its creditors on time resulting to interest and penalties as per the breakdown.



Lekwa Local Municipality		
30-Sep-23		
Fruitless & Wasteful Expenditure		
		2023/09/30
Opening Balance	R	403 805 155.97
Current Year Fruitless Wasteful Expenditure	R	37 943 462.77
Interest on Arrear Eskom accounts	R	37 943 461.41
Interest on Arrear Water accounts		
Interest on Arrear Telkom, AGSA, SARS, Pension and Munsoft accounts		
Interest on Arrear Telkom Account		
Interest on Arrear A.G SA Account	R	1.36
Interest on Arrear PAYE Account		
Interest on Arrear VAT Account		
Penalties VAT		
Penalties PAYE		
Interest on Arrear Nashua Account		
Interest on Pension Fund		
Interest on Sanlam Account		
Interest on Munsoft Account		
<b>BALANCE</b>	<b>R</b>	<b>441 748 618.74</b>
<b>PREVIOUSLY REPORTED</b>		
Less: Fruitless expenditure - prior period error correction - 2022 VAT		
Less: Fruitless expenditure - prior period error correction - 2022 PAYE		
less: Finance Cost Amount exempted in 2021FY		
Add: Fruitless expenditure - prior period error correction DWS interest Prior Years		
Less: Amount written off - current		

#### RECOMMENDATION BY THE EXECUTIVE MAYOR

---

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