



EMALAHLENI LOCAL MUNICIPALITY (EC 136)

SECTION 52 (d) MONITORING REPORT

FOR QUARTER 02 OF THE 2022/2023 FY

IN TERMS OF SECTION 52 OF THE MFMA

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day-to-day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised expenditure – Generally, is spending without, or in excess of, an approved budget.

Virement – A transfer of budget.

Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. In Emalahleni Municipality this means votes such as Executive & Council, Financial Services, Corporate Services, and Public Safety etc.

MIG – Municipal Infrastructure grant- Conditional grant capital in nature

INEP – Integrated Electrification (municipal) Programme grant capital in nature

EPWP –Expanded Public Works Programme

FMG – Financial Management Grant

DOT – Department of Transport

1 REPORT OF THE HONOURABLE MAYOR

In accordance with Section 52 of the Municipal Finance Management Act 56 of 2003(MFMA); the mayor must submit a report to the council within 30 days after the end of each quarter of the 2022/2023 financial year, on the implementation of the budget and financial state of affairs of the Emalahleni Local Municipality.

The submission of this report forms part of the general responsibilities of the mayor of a municipality and is intended to inform and enable the council to fulfil its oversight responsibility.

It must be noted that the figures contained in this report are interim and are unaudited. The use of the figures reported in this report is therefore for the designated audience and any other use of this information for other purposes; the municipality disclaims itself.

Honorable Mayor : N. KONI
Signature : N. F. Cowi
Date : ...25 January 2023.....

2 MUNICIPAL MANAGER 'S CERTIFICATION

I, **Phumla Makoma**, the acting municipal manager of **Emalahleni Municipality, EC 136** hereby certify that: -

(mark as appropriate)

- the monthly budget statement
- quarterly report on the implementation of the budget and financial state of affairs of the municipality
- mid-year budget and performance assessment

for the 2nd quarter of 2022/2023 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: **Ms. POB Makoma**

Municipal Manager of Emalahleni Municipality (EC136)

Signature -----

Date --25 January 2023-----

3. QUARTERLY BUDGET STATEMENT AS AT 31 DECEMBER 2022 – QUARTER 02 OF 2022/2023

IMPLEMENTATION OF THE APPROVED 2022/23 MUNICIPAL BUDGET

The municipality implemented the approved original budget on time from the 1st July 2022 and commenced with the recording of transactions. The budget performance for quarter is summarised below:

BUDGET PERFORMANCE

	YTD Budget	Actual	Variance	% Performance
Revenue	139 756 826,00	141 126 893,00	-1 370 067,00	-1%
Operational Expenditure	- 97 286 487,00	-93 097 629,00	-4 188 858,00	4%
<i>Depreciation and impairment</i>	-8 027 196,00	-7 429 256,00	-597 940,00	7%
<i>Other Expenditure</i>	-89 259 291,00	-85 668 373,00	-3 590 918,00	4%
Capital expenditure	-50 417 290,00	-19 989 584,00	-30 427 706,00	60%
Quarterly profit/(loss)	-7 946 951,00	28 039 680,00	-35 986 631,00	453%

- ❖ Revenue including Transfers (Grants) has performed in line with the year-to-date budget at 101% for the quarter.
- ❖ Operating expenditure has also performed in line with the year-to-date budget for the Quarter 02 with a 96% performance.
- ❖ Capital expenditure was 60% below budget, which means actual performance was 40% for quarter 02. This is an indication that spending on capital projects is behind and this was due to supply chain awards which took place towards the end of the second quarter. Spending is expected to accelerate during quarter 03 and 04 when the majority of construction sites have been handed over to the contractors. A revised project cash flow projections will be monitored and reported on a regular basis to ensure all capital expenditure is at 100% by year end.
- ❖ Departmental budget performance is at par with quarterly expectations as depicted by the below table:

DEPARTMENT	YTD Budget	YTD ACTUAL	Variance	% VARIAN
EXECUTIVE & COUNCIL	14 708 511,00	16 894 874,00	-2 186 363,00	-15%
CORPORATE SERVICES	18 558 066,00	10 187 201,00	8 370 865,00	45%
BUDGET & TREASURY OFFICE	13 875 372,00	18 278 235,00	-4 402 863,00	-32%
PEDTA	7 846 284,00	4 746 352,00	3 099 932,00	40%
COMMUNITY SERVICES	16 825 116,00	20 373 239,00	-3 548 123,00	-21%
IDHS	25 473 138,00	22 617 730,00	2 855 408,00	11%
TOTAL	97 286 487,00	93 097 631,00	4 188 856,00	4%

3.1 CAPITAL BUDGET VERSUS ACTUAL

Table C5 below reflects the capital expenditure for Quarter 02 of the 2022/2023 financial year by "municipal vote". The capital expenditure at the end of Quarter 02 of 2022/2023 is R 19,990 million for the quarter with a variance of 60% compared to the Quarter 02 projection of R50,417 million.

Table C5 has been included below for illustrative purposes.

Capital Expenditure - Functional Classification										
Governance and administration		365	4 468	-	113	1 475	2 234	(759)	-34%	4 468
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		365	4 468	-	113	1 475	2 234	(759)	-34%	4 468
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		3 400	15 731	-	-	-	9 114	(9 114)	-100%	15 731
Community and social services		4 348	5 731	-	-	-	3 865	(3 865)	-100%	5 731
Sport and recreation		(948)	10 000	-	-	-	5 249	(5 249)	-100%	10 000
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		39 117	37 244	-	6 335	16 030	24 969	(8 938)	-36%	37 244
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		39 117	37 244	-	6 335	16 030	24 969	(8 938)	-36%	37 244
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		601	28 200	-	1 406	2 484	14 100	(11 616)	-82%	28 200
Energy sources		18	28 200	-	1 406	2 484	14 100	(11 616)	-82%	28 200
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		583	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	43 483	85 643	-	7 854	19 990	50 417	(30 428)	-60%	85 643
Funded by:										
National Government		36 212	73 220	-	7 741	18 515	44 206	(25 691)	-58%	73 220
Provincial Government		5 432	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		41 644	73 220	-	7 741	18 515	44 206	(25 691)	-58%	73 220
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		898	12 423	-	113	1 475	6 211	(4 737)	-76%	12 423
Total Capital Funding		42 542	85 643	-	7 854	19 990	50 417	(30 428)	-60%	85 643

3.1.1. CAPITAL EXPENDITURE SOURCES OF FUNDING

- The capital expenditure funded from National grant funding amounted to R18,515 million compared to the projected budget for the quarter of R44,206 million, resulting in a -58% (R25,619 million) under performance.
- There was no capital expenditure funded from provincial government funding.
- The capital expenditure funded from internally generated funding amounted to R 1.475 million compared to the projected budget for the quarter of R6,211 million, resulting in a -76% (R4,737 million) under performance.

3.2 OPERATING BUDGET

3.2.1 Operating Revenue

The following table shows budgeted revenue projections vs. Actual revenue recognised:

Table C4 below, is a breakdown of the Actual revenue per revenue source, as well as "other" actual revenue collected, compared to the Actual projections at the end of Quarter 02 of 2022/2023 financial year. See table C4 below together with a discussion analysis below.

EC136 Emalahleni (Ec) - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		10 978	15 120	-	687	8 167	7 560	607	8%	15 120
Service charges - electricity revenue		14 662	17 615	-	1 046	8 397	8 807	(410)	-5%	17 615
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		9 405	5 160	-	1 041	6 319	2 580	3 740	145%	5 160
Rental of facilities and equipment		874	510	-	36	212	255	(43)	-17%	510
Interest earned - external investments		3 982	4 108	-	360	2 198	2 054	144	7%	4 108
Interest earned - outstanding debtors		4 839	2 010	-	615	3 583	1 005	2 578	257%	2 010
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		138	200	-	7	69	100	(31)	-31%	200
Licences and permits		1 144	3 500	-	92	333	1 750	(1 417)	-81%	3 500
Agency services		2 090	1 591	-	86	1 015	795	220	28%	1 591
Transfers and subsidies		145 637	153 909	-	48 781	109 716	113 501	(3 785)	-3%	153 909
Other revenue		7 253	2 699	-	13	1 117	1 349	(233)	-17%	2 699
Gains		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		201 001	206 421	-	52 765	141 127	139 757	1 370	1%	206 421

- Property Rates: actual revenue billed by the end of the 2nd quarter amounts to R8,167 million, which results to a positive variance of 8% (R607 000) compared to the year-to-date Quarter 02 projection of R7,560 million.
- Electricity revenue amounts to R8,397 million at the end of the quarter, resulting in an -5% (R410 000) under-collection variance versus the projected year to date Quarter 02 budget of R8,807 million, which is deemed to be an acceptable variance.

- Refuse removal: actual billing at the end of quarter 02 amounts to R6,319 million, resulting in a 145% (R3,740 million) over collection variance compared to the year-to-date quarter 02 projection of R2,580 million, this is because the budget is based on realistically collectable revenue rather than the billing which populates the revenue amounts.
- Rental of facilities: actual billing at the end of the quarter reflects R212 000, resulting in a -17% (R43 000) under-collection variance compared to the year-to-date Quarter 02 projection of R 255 000. This is because the budget is based on realistically collectable revenue rather than the billing which populates the revenue amounts.
- Interest earned from external investments amounts to R2,198 million at the end of the quarter, resulting in a variance of 7% (R144 000) over-collection compared to the year-to-date Quarter 02 projection of R2,054 million.
- Interest billed on debtors amounts to R3,583 million at the end of the quarter, resulting in a variance of 257% (R2,578 million) over-collection compared to the year-to-date Quarter 02 projection of R1,005 million. This is because the budget is based on realistically collectable revenue rather than the billing which populates the revenue amounts.
- Fines, penalties, and forfeits: actual revenue received and recognized amounts to R69 000 at the end of the first quarter

versus a year-to-date budget of R100 000 which is a -31% (R31 000) under collection.

- Licenses and permits: actual revenue received and recognized amounts to R125 000 at the end of the first quarter versus a year-to-date budget of R875 000 which is a -86% (R750 000) under collection.
- Agency services: actual revenue received and recognized amounts to R1,015 million at the end of the 2nd quarter versus a year-to-date budget of R795 000 which is a 28% (R220 000) over collection.
- Transfers and subsidies: actual operational revenue received and recognized amounts to R109,716 million at the end of the 2nd quarter versus a year-to-date budget of R113,501 million which is a -3% (R3,785 million) under collection. The variance will improve as more operational conditional grants are spent and recognised to revenue.
- Other revenue: actual revenue amounts to R227 000, resulting in a variance of -66% (R447 000) compared to the year-to-date Quarter 02 projection of R675 000.
- The overall revenue collection at the end of Quarter 02 is showing collection of R141,127 million, resulting in a variance of -1% (R1,370 million) compared to the year-to-date Quarter 02 projection of R139,757 million, thereby showing that the municipality is largely on par with the revenue generation targets set out for the quarter.

3.2.2 Operating Expenditure by type:

Table C4 reflects operating expenditure by type for Quarter 04 of 2021/2022 of the operating expenditure.

Table C4: EXPENDITURE

Expenditure By Type									
Employee related costs	89 770	99 426	-	7 273	42 826	49 713	(6 887)	-14%	99 426
Remuneration of councillors	13 389	13 600	-	2 309	8 485	6 800	1 685	25%	13 600
Debt impairment	4 481	2 000	-	-	-	1 000	(1 000)	-100%	2 000
Depreciation & asset impairment	24 446	16 054	-	1 084	7 429	8 027	(598)	-7%	16 054
Finance charges	14	80	-	1	161	40	121	302%	80
Bulk purchases - electricity	15 030	14 000	-	1 152	8 114	7 000	1 114	16%	14 000
Inventory consumed	2 234	1 489	-	82	207	744	(538)	-72%	1 489
Contracted services	24 198	19 221	-	1 881	9 676	9 611	65	1%	19 221
Transfers and subsidies	3 696	1 315	-	86	811	658	154	23%	1 315
Other expenditure	29 458	27 388	-	3 045	15 390	13 694	1 696	12%	27 388
Losses	9 525	-	-	-	-	-	-	-	-
Total Expenditure	216 242	194 573	-	16 912	93 098	97 286	(4 189)	-4%	194 573

Expenditure projected, original budget against actuals: -

Employee related costs amounts to R42,826 million at the end of Quarter 02, with an under expenditure of -14% (R6,887 million) under-expenditure based on the year-to-date Quarter 02 budgeted expenditure of R49,713 million. This is due to vacancies which are vacant in the organogram but have been budgeted for in the projections.

Remuneration of Councillors amounts to R8,485 million which results in a variance of 25% (R1,685 million) over-expenditure. This variance and is due to an implementation of the upper limits increase of 3% which will be corrected in the main adjustment budget in Quarter 3. The approved budget is not overspent at the current moment which means there is no unauthorised expenditure.

Debt impairment has not yet been processed during the first quarter as the assessment of impaired debtors is usually performed at reporting date.

Depreciation and asset impairment Expenditure for Quarter 02 is R7,429 million, resulting in a -7% (R598 000) under-expenditure variance compared to the year-to-date budget of R8,027 million for the year showing that expenditure is on par with budget expectations.

Bulk Purchases bulk purchases has a year-to-date actual amount of R8,114 million compared to the year-to-date budget of R 7 million. This is a variance showing an over expenditure of 16% (R1,114). This is due to a huge demand for electricity due to a very cold winter this year. Electricity demand is expected to decrease over the summer.

Finance Costs – The municipality does not have financial liabilities with third party institutions. The finance costs were budgeted in anticipation for the finance lease for office equipment which has not yet been finalised. Finance costs has a year-to-date actual amount of R161 000 compared to the year-to-date budget of R 40 000. This is a variance showing an over expenditure of 302% (R121 000). This is due to finance costs that the municipality incurred in the arbitration award to Dr Vatala which was paid by the municipality during the quarter.

Inventory consumed shows an actual expenditure of R207 000 at the end of Quarter 02. This is an under-expenditure of -72% (R538 000) compared to the that the Quarter 02 year-to date budget estimate of R744 000. This is due to the municipalities efforts to curb spending that can be avoided without compromising the delivery of services to the municipal clientele.

Contracted services shows an actual expenditure of R9,676 million at the end of Quarter 02. This is an over-expenditure of -1% (R65 000) compared to the Quarter 02 year-to date budget estimate of R9,611 million. The spending is in line with the budget expenditure at mid-term.

Other Expenditure shows an actual expenditure of R15,390 million at the end of Quarter 02. This is an over-expenditure of -12% (R1,696 million) compared to the that the Quarter 02 year-to date budget estimate of R13,694 million. This is due to expenditure incurred on for the Department of Transport Grant that is over a million which could not be allocated to capital expenditure as there

were no budget provisions made for it. A special adjustment budget will be performed where the budget will be allocated and the expenditure moved to the rightful place.

Other Expenditure: -

- Training services
- Audit fees
- Advertising
- Stationery
- Internships
- Ward committees and traditional leaders
- Municipal running costs
- Water and Electricity services
- Conference fees
- Travel and accommodation

THERE IS NO UNAUTHORISED EXPENDITURE FOR THE PERIOD UNDER REVIEW

3.3 Allocations and Grants

Conditional grants expenditure

Gant	Allocation	Amount Received	Amount Spent	Percentage expenditure
EPWP	R 1 692 000,00	R 1 184 000,00	R 505 202,00	42.67%
FMG	R 3 100 000,00	R 3 100 000,00	R 1 922 346.737	62%
MIG	R 47 916 000,00	R 30 062 000,00	R 19 474 291.45	40.64%
Library	R 950 000,00	R 950 000,00	R 385 399.96	41%
INEP	R 27 200 000,00	R 17 156 000,00	R 3 777 986.28	22.02%
DEDEAT	R 324 301,00	R 324 301,00	R324 301,00	100%
DOT	R 1 603 532,00	R 1 603 532,00	R 1 000 000,00	62%
TOTAL	R 82 785 833,00	R 54 379 833	R27 389 527.42	50%

The municipality's performance on grants overall is at 50% as at the end of December 2022. Grants expenditure for the 2nd quarter is as follows:

- MIG (Road Infrastructure) spending is at 40,64% of the transferred amount to date.
- EPWP (Expanded Public Works Programme) – spending is at 42,67% of the transferred amount to date.
- FMG (Financial Management Grant) – spending is at 62% of the transferred amount to date.
- Library grant – spending is at 41% of the transferred amount to date.
- DEDEAT - spending is at 100% of the remaining amount which was unspent in the prior year.
- INEP – spending is at 22,02% of the transferred amount to date.
- DOT – spending is at 62% of the balance that was unspent from 2021/22 financial year. This is one of long outstanding projects that need to be concluded as soon as possible.
- Overall conditional grant spending is sitting at **50%**

The total amount that is unspent at the end of December 2022 is **R27,387 million**.

3.4 WITHDRAWALS REPORT FOR QUARTER 02

Background for completing the Withdrawals report:

The Accounting Officer must include information motivating the non-budgetted withdrawals, action taken to rectify the breach and identify how funding will be sourced through an Adjustments Budget. This motivation can be an additional report to council or incorporated into the table above by inserting additional space.

This report must be tabled in Council within 30 days after the end of each quarter where a withdrawal occurs.

Withdrawals that must be reported each quarter:

1. Section 11(b) - Expenditure authorised by the MEC for finance in terms of section 26 (4) when a municipality has failed to approve a budget by 30 June;

2. Section 11(c) - Unforeseeable and unavoidable expenditure authorised by the mayor in terms of section 29 (1);
3. Section 11(d) - Payments from a trust, charitable or relief fund without budget appropriation in terms of section 12(4);
4. Section 11(e) - Payments to a person or organ of state of money received by the municipality on behalf of that person or organ of state, including
 - (i) money collected by the municipality on behalf of that person or organ of state by agreement; or
 - (ii) any insurance or other payments received by the municipality for that person or organ of state;
5. Section 11(f) - Refund money incorrectly paid into a bank account;
6. Section 11(g) - Refund guarantees, sureties and security deposits;
7. Section 11(h) - Payments for cash management and investment purposes in accordance with section 13;
8. Section 11(i) - To defray increased expenditure on a multi-year capital project in terms of section 31;
- 5 9. Section 11(j) - Payments for such other purposes as may be prescribed from time-to-time.



BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET

Municipal Finance Management Act, section 11(4)

Consolidated Quarterly Report for period 01/10/2022 to 31/12/2022 (complete relevant period)

D

Date	Payee	Amount in R	Description and Purpose (including section reference e.g. sec 11(f))	Authorised by (name)
03-10-2022	Emalahleni Local Municipality	3 000 000	Transfer from municipal fixed investment account held with STD Bank to Primary account in accordance with Section 11(f) - Payments for such other purposes as may be prescribed from time-to-time.	Mr. X Sikobi
10-10-2022	Emalahleni Local Municipality	4 000 000	Transfer from municipal fixed investment account held with STD Bank to Primary account in accordance with Section 11(f) - Payments for such other purposes as may be prescribed from time-to-time.	Mr. X Sikobi
14-10-2022	Emalahleni Local Municipality	2 500 000	Transfer from municipal fixed investment account held with STD Bank to Primary account in accordance with Section 11(f) - Payments for such other purposes as may be prescribed from time-to-time.	Mr. X Sikobi
22-10-2022	Emalahleni Local Municipality	20 302 960	Transfer from municipal fixed investment account held with STD Bank to Primary account in accordance with Section 11(h) - Payments for cash management and investment purposes in accordance with section 13;	Mr. X Sikobi
27-10-2022	Emalahleni Local Municipality	10 000 000	Transfer from municipal fixed investment account held with ABSA Bank to Primary account in accordance with Section 11(h) - Payments for cash management and investment purposes in accordance with section 13;	Mr. X Sikobi
17-11-2022	Emalahleni Local Municipality	4 000 000	Transfer from municipal fixed investment account held with ABSA Bank to Primary account in accordance with Section 11(f) - Payments for such other purposes as may be prescribed from time-to-time.	Mr. X Sikobi
24-11-2022	Emalahleni Local Municipality	6 000 000	Transfer from municipal fixed investment account held with STD Bank to Primary account in accordance with Section 11(f) - Payments for such other purposes as may be prescribed from time-to-time.	Mr. X Sikobi

For the second quarter ended 30 December 2022 the withdrawals made that were not in terms of an approved budget amounted to R49,802 million. The funds were withdrawn from an investment account for cash management purposes, such as the payment of suppliers and employee salaries and for investment purposes (transferring funds from one investment account to another when an investment matures).

4. ACCOUNTS RECEIVABLE MANAGEMENT

4.1 Debtors Collection Report

REPORT REVENUE COLLECTION FOR THE QUARTER ENDED ON 31 DECEMBER 2022

Outstanding Debt as at 31st December 2022:

- The total debt owed to the municipality as at the 31st December 2022 amounts to **R91 500 676,32**
- The total debt above can be broken down as follows:

Balance per Debtor (Billable Revenue):

Totals per Account Group	Total Balance	Current Amount	30-60 Days	Greater Than 90 Days	Total Interest Charged
Blue Crane Minerals & Resources (PTY) Ltd	R 41 878,00	R 879,70	R1 643,32	R 36 556,97	R2 798,01
Business	R10 591 863,99	R 153 782,21	R501 006,05	R7 340 820,65	R2 596 255,08
Chris Hani District Municipality	R7 073 397,72	R 32 293,87	R183 543,17	R4 920 661,91	R1 936 898,77
Churches	(R 14 506,48)	(R 15 336,01)	R821,66	R 0,00	R7,87
Cornish Trust and HW Stapelberg	R 161 139,68	R 47 722,35	R7 032,70	R 96 147,52	R10 237,11
Councillors Accounts	R 49 019,82	R 701,87	R2 559,23	R 33 083,24	R12 675,48
Dept of Rural Development and Land Reform	(R 635 293,33)	(R1 057 425,36)	R43 404,56	R 358 273,19	R20 454,28

Dept Social Development	R 102 253,88	R 10 889,92	R25 889,00	R 55 427,92	R10 047,04
Dordrecht High School	(R 21 605,14)	(R 21 605,14)	R0,00	R 0,00	R0,00
DR S. Xhoma	R 278 702,66	R 6 281,07	R15 515,61	R 218 475,35	R38 430,63
Eastern Cape Development Corp	(R 8 849,42)	(R 8 849,42)	R0,00	R 0,00	R0,00
Education	(R 9 651,24)	(R 45 487,11)	R10 002,42	R 24 584,49	R1 248,96
Farms	R6 396 133,97	(R 49 254,58)	R15 961,00	R4 478 600,41	R1 950 827,14
Health	R1 190 287,86	R 64 783,28	R166 557,19	R 911 990,90	R46 956,49
Indigents	R 339 784,78	R 28 969,59	R121 100,54	R 181 232,98	R8 481,67
Indwe High School	R 30 726,03	R 3 334,14	R6 668,28	R 19 323,35	R1 400,26
Joe Gqabi Municipality	R 22 618,24	R 5 007,06	R10 364,87	R 6 501,62	R744,69
Mr Mvambo	R 497 415,36	R 9 016,54	R27 943,19	R 363 958,20	R96 497,43
Municipal Accounts	(R 1 232,57)	R 0,00	R0,00	(R 1 232,57)	R0,00
National Public Works	(R 105 483,82)	(R1 404 178,66)	R319 201,19	R 912 705,99	R66 787,66
Osborne Family Trust and Number Two Piggeries	R 145 602,17	(R 2 280,92)	R0,00	R 107 338,37	R40 544,72
Provincial Public Works	R4 526 971,77	(R 21 058,69)	R563 124,63	R3 457 767,90	R527 137,93
Residents	R60 601 068,29	R 617 534,64	R1 889 550,13	R41 204 347,92	R16 889 635,60
South African Post Office	R 62 952,74	R 15 726,03	R46 304,21	R 0,00	R922,50
Staff Accounts	R 110 769,70	(R 3 558,76)	R6 056,60	R 88 200,07	R20 071,79
Van Niekerk	R 74 711,66	(R 9 942,05)	R24 688,04	R 54 727,72	R5 237,95
TOTAL	R91 500 676,32	(R1 642 054,43)	R3 988 937,59	R64 869 494,10	R24 284 299,06

Balance per service type:

Totals per Service Type	Balance	Current Amount	30-60 Days	Greater Than 90 Days	Total Interest Charged
Advance Payment	(R3 634 949,80)	(R3 634 949,80)	R 0,00	R 0,00	R0,00
Adv-Pay Reverse	R 17 498,26	R 0,00	R 729,60	R 16 768,66	R0,00
Electricity Basic	R 373 802,23	R 40 384,22	R 150 609,59	R 154 079,79	R28 728,63
Electricity Metered	R8 861 082,38	R 189 032,61	R 457 296,61	R6 205 738,96	R2 009 014,20
Property Rates	R34 621 063,30	R 574 268,39	R1 022 179,31	R23 838 896,08	R9 185 719,52
Rental(H003)	R 754 213,45	R 26 043,91	R 48 969,04	R 571 609,14	R107 591,36
Repay: Property Rates	R 68 019,68	R 0,00	R 0,00	R 68 019,68	R0,00
Repay: Waste Disposal	R 83 377,52	R 0,00	R 0,00	R 83 377,52	R0,00
Waste Disposal	R50 356 569,30	R1 163 166,24	R2 309 153,44	R33 931 004,27	R12 953 245,35
Total	R91 500 676,32	(R1 642 054,43)	R3 988 937,59	R64 869 494,10	R24 284 299,06

Councillors Accounts

Account No	Name	Total	Current Amount	30-60 Days	Greater Than 90 Days	Total Interest Charged
0000000000003067	THANDEKA GLORIA/THEMBINKOSI	R29 823,92	R183,11	R366,22	R19 334,54	R9 940,05
0000000000005399	GABRIEL KULASHE	R 8 703,31	R 164,01	R 1 483,51	R 5 701,15	R1 354,64
0000000000006042	MXOLISI PATRICK MASIZA	R 5 104,13	R 178,52	R 357,04	R 3 728,66	R839,91
0000000000009364	SYDNEY QOMOYI	R 5 388,46	R 176,23	R 352,46	R 4 318,89	R540,88
	SIMON TORONTO/ VUYOKAZI MNYUKO					
TOTAL		R 49 019,82	R 701,87	R 2 559,23	R 33 083,24	R 12 675,48

Staff Accounts

Account No	Name	Total	Current Amount	30-60 Days	Greater Than 90 Days	Total Interest Charged
0000000000001811	TINUS BEKKER	(R 4 975,49)	(R 9 950,98)	R 0,00	R0,00	R0,00
0000000000001812	MABHUTI HEADMAN NTSHINGANA	R 1 171,95	R 1 540,61	R 764,90	R0,00	R17,00
0000000000004777	THOBEKA HAZEL SIZANI	R 2 328,67	R 2 488,86	R 363,16	R1 661,89	R122,04
0000000000004922	NOKUZOLA FLORENCE MTWANA	R 5 473,04	R 5 473,04	R 0,00	R4 593,86	R879,18
0000000000005227	KRISMESI PONDOYI	R 18 275,67	R 18 432,80	R 357,04	R12 790,24	R4 949,87
0000000000005286	SPIITI MBULELO ELEFU	R 3 446,32	R 3 603,45	R 357,04	R2 468,12	R442,64
0000000000005321	ZUKILE TEKA	R 15 928,89	R 16 086,02	R 357,04	R12 017,59	R3 375,74

0000000000005476	DANJIWE BENTELE	R 2 226,91	R 2 384,04	R 357,04	R1 580,01	R111,34
0000000000005477	LINDIWE NOLINDEMNA MPHOCWA	R 4 891,98	R 4 891,98	R 0,00	R4 101,60	R790,38
0000000000006480	THAMSANQA MAYEKISO	R 14 797,02	R 14 954,15	R 357,04	R10 130,94	R4 130,52
0000000000006708	MALIBONGWE ADVOCATE NZIWENI	R 44 909,11	R 46 236,58	R 2 654,94	R35 946,20	R4 980,50
0000000000007940	PHUMZILE ERIC JACOBS	-	R 0,00	R 0,00	R0,00	R0,00
0000000000007993	NKOSIKHONA MVIMBI	(R 1 619,17)	(R 3 238,34)	R 0,00	R0,00	R0,00
0000000000008667	PHUMZILE ERIC JACOBS	R 3 914,80	R 4 137,61	R 488,40	R2 909,62	R272,58
Total Row Count:		R 110 769,70	R 107 039,82	R 6 056,60	R 88 200,07	R 20 071,79

Debtors Collection Levels for December 2022:

QUARTER 2: The collection rate for October (11.36%), November (24.91%) and December (216.90%). This translates to the average collection rate of 84.39%

Collection Efforts

Totals per Account Group	Total Balance	Total Balance
Blue Crane Minerals & Resources (PTY) Ltd	R 41 878,00	R11 627,09 was received in December 2022.
Business	R10 591 863,99	R165 143.15 was received from businesses in December 2022. Statements of accounts were hand delivered and others were sent via email to those customers with email accounts.

Chris Hani District Municipality	R7 073 397,72	R1 706 498,92 was received in December 2022. This after numerous meetings we held them and COGTA intervention. CHDMS has requested a list of RDP beneficiaries in order to properly reconcile the municipal debt.
Churches	(R 14 506,48)	The balance results from the payments made by the churches towards their accounts.
CORNISH TRUST AND HW STAPELBERG	R 161 139,68	R53 564,86 was paid in December 2022.
Councillors Accounts	R 49 019,82	No payment was received from Councillors in December 2022. Communications were sent through the office of the speaker to councillors to make payment arrangements as per the revised policy, no feedback was received. Network challenges affected the functioning of the unit as we were unable to instruct HR to deduct via payroll. An intervention through the Office of the MM to conclude this matter.
Dept of Rural Development and Land Reform	(R 635 293,33)	Rural Developments accounts are up to date with the credit balances resulting from overpayment
Dept Rural Dev & Agri Reform	0	The account that were in the name of Rural developments were transferred to provincial public works. This is at the request from Provincial Public Works as the accounts related to services for cluster offices.
Dept Social Development	R 102 253,88	No payment was received from Social Development in December 2022, even though they had an agreement to pay in December.
Dordrecht High School	(R 21 605,14)	Dordrecht High School's accounts are up to date with credit balance resulting from overpayment.
DR S XHOMA	R 278 702,66	R10 000.00 was received from Dr. Xhoma in December as per the terms of his payment arrangement.
Eastern Cape Development Corp	(R 8 849,42)	Credit Balance.
Education	(R 9 651,24)	Credit Balance.
Farms	R6 396 133,97	R1 000.00 was received in December 2022.
Health	R1 190 287,86	Network challenges have hampered effective follow up with Department of Health, alternative communication methods will be explored.
Indigents	R 339 784,78	R563.80 was received in December 2022.
Indwe High School	R 30 726,03	No payment was received in December from Indwe High school. Disconnection notice was issued to them.

Joe Gqabi Municipality	R 22 618,24	R5 041,61 was received in December from Joe Gqabi District Municipality.
Mr Mvambo	R 497 415,36	No payment was received in December 2022. Disconnection notice was issued in June and there were no response to those.
Municipal Accounts	(R 1 232,57)	The balance results from the department credits that were not done on municipal accounts in November.
National Public Works	(R 105 483,82)	No payment was made by National Public Works in December 2022, but their accounts are still on credit. The department made a commitment to pay rates in December 2022.
OSBORNE FAMILY TRUST AND NUMBER TWO PIGGERIES	R 145 602,17	No payment was received from David Osborn in December 2022. Customer statements were issued and Debtor will be contacted.
Provincial Public Works	R4 526 971,77	R3 999 892,57 was received from Provincial Public Works in December 2022. The department made a commitment to pay R4,2 million in December and pay the rest in January.
Residents	R60 601 068,29	R59 222,26 was received from Residents in November 2022. We will continue with disconnection letters and demand letters to those who do not pay their accounts.
South African Post Office	R 62 952,74	No payment was received from Post Office in December 2022, even though they had committed to pay the remaining balance in December 2022.
Staff Accounts	R 110 769,70	R2 818,00 was received from municipal employees in December 2022. These are salary deductions as per the agreement with 3 of the listed debtors. Effective communication between the revenue office and HR will be established to accelerate the collection strategy as per the revised policy provisions.
Van Niekerk	R 74 711,66	R12 997,10 was received in November from Mr. Van Niekerk.
	R91 500 676.32	

5.2. Payment Arrangements Made:

Name	Account Number	Initial Application Debt	Down Payment	Instalment Amount	Remaining Holding Amount
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Jackson Phakathi Matwa	00000000217	R 59 190.90	R 3 015.00	R 3 144.22	R 42 750.33
Nomakorinte Velencia Mpolweni	00000001701	R 40 381.59	R 10 000.00	R 2 523.85	R 31 562.63
Albertus Hercules Van De Venter	00000001803	R 17 198.61	R 600.00	R 747.77	R 19 085.86
Albertus Hercules Van De Venter	00000002107	R 14 514.00	R 600.00	R 500.48	R 17 096.45
Veronica Breed	00000002019	R 2 428.78	R 1 200.00	R 607.20	R 366.82
Michael Makhambi	00000006564	R 7 958.33	R 530.00	R 497.39	R 7 397.57
Coetzer Hester Francina Sophia	00000001844	R 14 305.80	R 800.00	R 794.77	R 16 629.52
Attwell Mbuzeli Ngqongwa	00000002035	R 8 289.05	R 500.00	R 518.07	R 9 799.81
Nomampondomise Cekiso	00000002041	R 4 404.57	R 1 000.00	R 880.91	R 4 621.41
Martin Johannes Marais	00000001787	R 10 340.43	R 2 000.00	R 492.40	R 11 363.15
Vuyisile Maseti	00000001733	R 13 127.01	R 1 200.00	R 596.68	R 11 398.62
Lisa Mealies	00000002183	R 33 625.11	R 800.00	R 1 401.05	R 40 488.66
Marianna Schmidt	00000002123	R 11 851.45	R 1 050.00	R 987.62	R 8 336.84
Yalezwa Mntwana	00000001656	R 6 616.11	R 300.00	R 275.67	R 6 616.11
Mongezi Mntwana	00000001657	R 14 721.31	R 600.00	R 300.43	R 14 721.31
Diane Van De Venter	00000001740	R 11 948.71	R 150.00	R 306.38	R 11 048.11
Christoffel Marthinis Oosthuizen	00000001858	R 15 344.61	R 4 413.60	R 902.62	R 16 986.14
		R 702 707.95	R 105 718.71	R 32 716.36	R 270 269.34

5. REVENUE MANAGEMENT PERFORMANCE

Non-Billable Revenue:

Description	Department	Original Budget	Actual Collection	%
Licences or Permits:Trading (Business)	PEDTA	-R500 000,00	-R116 560,69	23%
Administrative Handling Fees	IDHS	-R1 000 000,00	R0,00	0,00%
Insurance Refund	BTO	-R1 415 986,00	-R985 889,84	69,63%
Cemetery and Burial	Com Serv	R0,00	-R21 808,97	0,00%
Building Plan Approval	IDHS	R0,00	-R52 227,35	0,00%
Clearance Certificates	BTO	R0,00	-R4 254,68	0,00%
Electricity:Connection/Reconnection Fees	IDHS	-R1 164 696,00	-R54 921,01	5,00%
Interest: Short Term Investments and Call Accounts	BTO	-R4 108 000,00	-R2 204 067,15	54%
Electricity Sales:Commercial Prepaid	BTO	-R12 500 000,00	-R5 286 318,69	42,29%
Grazing Fees	PEDTA	R0,00	-R4 173,92	0,00%
LGSETA	Corp Serv	-R1 035 000,00	-R440 023,89	43%
Fines, Penalties and Forfeits:Fines:Traffic:Municipal	Comm Serv	-R100 000,00	-R28 300,00	28,30%

Vehicle Registration	Comm Serv	-R1 590 637,00	-R1 034 900,12	65,06%
Rental from Community Assets	Comm Serv	-R10 000,00	-R31 309,58	313,10%
Commission Fees	BTO	-R281 857,00	-R54 967,31	19,50%
Fines, Penalties and Forfeits:Fines:Illegal Connections	IDHS	-R1,00	-R25 000,00	,00%
Fines, Penalties and Forfeits:Fines:Pound Fees	Comm Serv	-R100 000,00	-R16 112,90	16,11%
Inspection Fees:Agricultural Activities	PEDTA	-R1 000,00	-R478,26	47,83%
Drivers Licence Application/Duplicate Drivers Licences	Comm Serv	-R1 000 000,00	-R181 749,00	18,17%
Learner Licence Application	Comm Serv	-R1 000 000,00	-R35 019,00	3,50%
Motor Vehicle Licence	Comm Serv	-R1 000 000,00	R0,00	0,00%
Electricity Prepaid Sales	BTO	-R50 000,00	R0,00	0,00%
Integrated National Electrification Programme Grant	IDHS	-R27 200 000	-R4 918 141,41	18,08%
Municipal Infrastructure Grant	IDHS	-R46 020 200	-R18 761 032,59	40,77%
Expanded Public Works Programme Integrated Grant	IDHS	-R1 692 000,00	-R505 202,00	29,86%
Local Government Financial Management Grant	BTO	-R3 100 000,00	-R2 775 164,20	89,52%

Municipal Infrastructure Grant – PMU Admin Costs	IDHS	-R1 895 800,00	-R1 594 443,29	84,10%
Equitable Share	BTO	-R146 186 000	-R105 254 000	72%
Electricity Sales:Commercial Conventional (Single Phase)	BTO	R0,00	-R618 183,44	0,00%
Electricity Sales:Commercial Conventional (3-Phase)	BTO	-R5 400 000,00	-R1 283 081,86	23,76%
Electricity Sales:Street Lighting	IDHS	-R900 000,00	-R1 157 432,73	128,60%
		-R259 251 177	-R147 444 764	57%

Performance per Department

	Budget	Actual	%
BTO	-R173 041 843,00	-R118 465 927,17	68%
Community Services	-R4 800 637,00	-R1 349 199,57	28%
Corporate Services	-R1 035 000,00	-R440 023,89	43%
IDHS	-R79 872 697,00	-R27 068 400,38	34%
PEDTA	-R501 000,00	-R121 212,87	24%
	-R259 251 177,00	-R147 444 763,88	57%

6. INDIGENT MANAGEMENT AND FREE BASIC SERVICES REPORT

The National Government provides equitable share to municipality to provide Free Basic Services to deserving households.

To comply with the provisions of the above sections and in line with the municipality's Service Delivery and Budget Implementation Plan (SDBIP), Budget and Treasury Office (BTO) the revenue section has been mandated to conduct the Indigent applications project annually in all the municipal boundaries.

2022/23 Expenditure Incurred

FBE service	SEPTEMBER R	OCTOBER	NOVEMBER R	Total
Municipal Electricity	R69 800.56	R68 945	R69 159.48	R207 905.04
No of Customers	980	968	971	
Eskom	R151 829.60	R147 313.55	R147 223.23	R446 366.38
No of Customers	1681	1632	1630	

- 3209 were sent for verification by FICRA and the results came back with outstanding information and duplicates from different wards, the list has been sent back to wards for the outstanding information that was needed.
- The office is expecting to receive the list from the affected wards and follows up to be made upon failure to submit.
- The Office has noted that our indigent customers most of them are not the owners of the properties according to the valuation roll of the municipality, office conducted an exercise to verify the list and if the applicant is identified not to be the owner, the applicant should come to Municipality office and update the information that is on the system following a procedure which applies to all the Ontec customers.

7. CASHFLOW STATEMENT

EC136 Emalahleni (Ec) - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2021/22		Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		12 495	5 487	-	3 485	5 047	2 743	2 304	84%	5 487
Service charges		18 130	9 294	-	3 038	10 003	4 647	5 356	115%	9 294
Other revenue		12 241	6 550	-	241	3 075	3 275	(200)	-6%	6 550
Transfers and Subsidies - Operational		142 852	145 693	-	49 369	111 992	73 792	38 200	52%	145 693
Transfers and Subsidies - Capital		52 951	46 020	-	6 955	45 715	35 000	10 715	31%	46 020
Interest		4 870	3 130	-	615	3 567	1 565	2 002	128%	3 130
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(114 138)	-	-	(12 199)	(67 891)	-	67 891	#DIV/0!	-
Finance charges		(14)	-	-	(1)	(161)	-	161	#DIV/0!	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		129 388	216 173	-	51 503	111 348	121 022	9 674	8%	216 173
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(54 513)	-	-	(8 663)	(21 457)	-	21 457	#DIV/0!	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(54 513)	-	-	(8 663)	(21 457)	-	21 457	#DIV/0!	-
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	(50)	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(50)	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		74 874	216 123	-	42 641	89 890	121 022			216 173
Cash/cash equivalents at beginning:		53 851	-	-	-	76 073	-			76 073
Cash/cash equivalents at month/year end:		138 725	216 123	-	-	165 964	121 022			292 246

8. CASH AND CASH EQUIVALENTS

Below table is the investment balances of the municipality on the 31 December 2022 of 2022/23.

INVESTMENT SUMMARY FOR THE MONTH: DECEMBER 2022										
Investment ID	Description	Account Number	Institution	Opening Balance	Investment Made	Investment Withdraw	Investment Interest	Bank Charges	BALANCE	GL BALANCE
FUNDS										
1	SUFFIX 530	1100-465258-530	INVESTEC	1 103 875,29	0,00	0,00	6 552,79	0,00	1 110 428,08	1 110 428,11
2	INVESTMENT 001	08 8799 697- 001	STANDARD BANK	202 056,70	0,00	1 166,95	1 166,95	0,00	202 056,70	202 056,70
3	INVESTMENT 012	08 8799 697-012	STANDARD BANK	11 598,23	0,00	0,00	34,97	0,00	11 633,20	11 633,20
4	INVESTMENT 020	08 8799 697-020	STANDARD BANK	20 940 773,13	0,00	0,00	128 943,53	0,00	21 069 716,66	21 069 716,66
19	INVESTMENT 021	08 8799 697-021	STANDARD BANK	15 699 571,78	0,00	0,00	98 670,65	0,00	15 798 242,43	15 798 242,43
23	INVESTMENT 022	08 8799 697-022	STANDARD BANK	32 572,93	0,00	0,00	27,66	0,00	32 600,59	32 600,59
24	INVESTMENT 023	08 8799 697-023	STANDARD BANK	15 000 000,00	0,00	0,00	0,00	0,00	15 000 000,00	15 000 000,00
26	INVESTMENT 024	08 8799 697-024	STANDARD BANK	[0,00]	0,00	0,00	0,00	0,00	-0,00	-0,00
32	INVESTMENT 025	08 8799 697-025	STANDARD BANK	20 659 901,81	0,00	0,00	123 704,70	0,00	20 783 606,51	20 783 606,52
33	INVESTMENT 026	08 8799 697-026	STANDARD BANK	5 590,47	0,00	0,00	15,43	0,00	5 605,90	5 605,90
27	FIXED DEPOSIT	93 5890 7006	ABSA BANK	173 352,45	10 000 000,00	0,00	1 004,50	50,00	10 174 306,95	10 174 306,95
28	FIXED DEPOSIT	99-6256-7503	ABSA BANK	64 924,59	0,00	0,00	376,22	50,00	65 250,81	65 250,81
34	FIXED DEPOSIT	08 8799 697-027	STANDARD BANK	20 000 000,00	0,00	0,00	0,00	0,00	20 000 000,00	20 000 000,00
35	FIXED DEPOSIT	08 8799 697-028	STANDARD BANK	0	20 000 000,00	0,00	0,00	0,00	20 000 000,00	20 000 000,00
36	FIXED DEPOSIT	08 8799 697-029	STANDARD BANK	0	20 000 000,00	0,00	0,00	0,00	20 000 000,00	20 000 000,00
				93 894 217,38	50 000 000,00	1 166,95	360 497,40	100,00	144 253 447,83	144 253 447,87

The municipality on 31 December 2022 of 2022/2023 FY is sitting at a balance of R144,253 million for Investments.

Cash and cash equivalents December 2022 of 2022/2023 FY	
Municipal Account	Closing balance
Investments (less Unspent grants)	R144,253 million
Main bank accounts	R1,495 million
	R145,748 million

On the 31 December 2022 of 2022/2023 financial year, the municipality is sitting at a balance of R145,748 million for cash and cash equivalents.

9. ASSET ADDITIONS ON THE 30 December 2022

The following items are covered in the report:

- Asset additions for the first term
- Insurance claims and current claim status for the period
- Proposed disposals -These are assets which were identified to be impaired during the conditional assessment of assets and can no longer provide further benefit to the institution and should be disposed to be in line with good asset management practices.

Asset additions :

Machinery & Equipment	67 620,00
Transport Assets	829 161,93
Electrical Infrastructure	1 023 005,10
Roads Infrastructure	7 086 306.58
	9 006 093.61

Insurance Claims

DISCRIPTION	CUSTODIAN	CLAIM NUMBER	REASON FOR LOSS	DATE OF LOSS	STATUS	EXCESSPAID	COMMENTS
Laptop Hp ProBook 450 G7 00008418 S/N=5CD050	Ms. Njovane	EMA00 023	Laptop reported with broken screen due to accidental falling	2022/04 /05	Laptop repaired	R2500	Laptop is still with Platinum repairs for

6Q36							
Tools	Mr. Qaba	EMA00 022	Armed robbery	2022/03 /22	Claim still pending		An assessor from guard risk has been appointed
HP EliteBook 360	Mr. Mntuyed wa	EMA00 025	Laptop reported with broken screen due to accidental falling		Claim still pending	-	IT-sure appointed for assessment and repairs
UD truck HMD 965 EC	Fleet Management /Xozumt hi	EMA00 026	Truck collided with another truck	16/09/2 022	Claim still pending		

PROPOSED DISPOSALS

A list of vehicles and plant/machinery were submitted to be considered for disposal by the council. There has been no progress in organising an auction as the municipality must have an alternative asset replacement plan prior to disposing the existing assets.

10. CREDITORS & SECTION 66 REPORT

The Municipality runs pays the salaries once a month for each of the following categories:

- Councillors, Contract employees and Permanent employees on the 25th of every month
- Casuals, EPWP workers and Ward Committees on the last day of the month

All deductions are paid to the third parties before the 7th of each month.

The municipality pays its service providers weekly on each Friday. The invoices to be paid on Friday must be reach the Expenditure office by Wednesday each week.

PAYMENT OF CREDITORS

6.3 CREDITORS AGE ANALYSIS

EC136 Emalahleni (Ec) - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description R thousands	NT Code	Budget Year 2022/23								Total	Prior year totals for chart (same period)
		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		
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	0	-	-	0	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	246	-	0	0	-	-	-	0	246	1 537
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	6	-	-	-	-	-	-	-	6	-
Total By Customer Type	1000	253	-	0	0	-	0	-	0	253	1 537

The municipality is required within 30 days after receipt of the invoice from the suppliers. The total balance outstanding amounted to R253 000 comprising of trade creditors, falling within the 30 days aging as required.

At the end of the quarter ended December 2022, payroll expenditure amounted to R 20,575 million for the gross earnings component.

Breakdown of the Earnings and Deductions for Permanent employees, casuals, ward committees and Ad hoc payments:

**SECTION 66 REPORT
PERSONNEL EXPENDITURE FOR 2022/23**

Description	Oct-22	Nov-22	Dec-22
SALARIES	4 254 733,08	R 4 393 861,48	R 4 471 926,10
PERFORMANCE BONUS	62 575,81	-	-
BACKPAY	-	R 0,00	R 0,00
3 G ALLOWANCE	31 724,46	33 470,00	R 34 494,50
SHORT TIME	- 3 168,21	(R 10 266,53)	(R 5 702,78)
ACTING ALLOWANCE	63 850,45	R 144 673,23	R 74 599,03
SUBSISTANCE & TRAVELLING	147 625,02	R 117 020,89	R 166 743,50
SUBSISTANCE & TRAVELLING	57 040,00	R 10 000,00	R 43 600,00
SUBSISTANCE & TRAVELLING	38 846,45	R 44 940,00	R 44 652,44
SUBSISTANCE & TRAVELLING	8 500,00	R 33 432,66	R 7 000,00
SUBSISTANCE & TRAVELLING	-	R 0,00	R 0,00
TELEPHONE ALLOWANCE	56 950,65	R 60 055,71	R 63 809,66
TELEPHONE ALLOWANCE COUN	-	-	-
STAND BY	-	R 7 537,98	-
OVERTIME AT 1,5	52 850,77	R 59 817,73	R 54 225,94
OVERTIME AT 2	82 722,02	R 83 941,01	R 69 288,36
LAMAF	127 947,80	131 970,20	132 024,20
BONITAS MEDICAL SCHEME	61 305,60	61 305,60	61 623,60
KEY HEALTH	4 773,10	4 773,10	4 773,10
SAMWU MEDICAL AID	47 612,40	47 612,40	47 612,40
MEDICAL AID BENEFIT	25 864,93	25 864,93	25 864,93
CRF FOR LOCAL GOVERNMENT	549 494,76	R 557 725,47	567 918,64
SAMWU N P F - NEW	87 952,31	87 952,31	87 952,31
PENSION SALA COUNCIL	24 857,29	24 857,29	22 661,54
PENSION BENEFIT	97 851,31	97 851,31	129 009,12
TRANSPORT ALLOWANCE	370 439,14	390 120,90	403 120,90
LONG SERVICE BONUS	20 090,29	R 14 421,61	R 0,00
BONUS	317 573,38	R 304 063,58	385 236,85
BARGAINING COUNCIL	2 030,40	2 008,80	1 998,00
HOUSING ALLOWANCE	66 049,99	R 66 049,99	R 83 049,99
COUNCIL ALLOWANCE	-	-	-
TRAVELLING ALLOWANCE	-	R 0,00	R 0,00
UIF - COUNCIL	31 807,57	32 405,77	32 513,39
RELOCATION COST	12 038,41	21 600,00	14 400,00
GROSS EARNINGS	6 701 939,18	6 849 067,42	7 024 395,72

DEDUCTIONS:

ABSA HOUSING LOAN	6 526,02	R 6 526,02	R 6 526,02
AFRICAN LIFE	148 143,13	R 148 188,77	R 149 348,04
AGENCY SHOP FEES	1 272,00	1 272,00	1 272,00
ANC CONTRIBUTION	-	-	-
AVBOB MUTUAL ASSURANCE	74 131,86	R 72 869,30	R 74 138,72
BACK PAY RECEIVED	1 251,89	R 1 251,89	R 1 251,89
BARGAINING COUNCIL	2 030,40	R 2 008,80	1 998,00
BONITAS MEDICAL SCHEME	38 050,40	R 38 050,40	38 262,40
Bonus Monthly Tax	85 696,92	87 577,86	87 810,47
BOOYSENS & CO, INCORPORA	700,00	R 700,00	R 700,00
CRF CONTRACT	7 074,62	R 7 074,62	R 7 074,62
CRF CONTRACT 9	-	-	-
CRF COUNCILLOR	-	-	-
CRF DIRECTORS	-	-	-
CRF FOR LOCAL GOVERNMENT	319 321,42	R 323 436,78	331 508,52
DISCOVERY FUNERAL	-	-	-
EFF CONTR	-	-	-
FNB HOME LOANS	48 078,47	R 50 158,87	R 50 158,87
IMATU	4 725,00	R 4 650,00	R 4 575,00
KEY HEALTH	8 764,90	R 8 764,90	8 764,90
LAMAF	118 798,20	R 124 206,80	124 642,80
LEGAL WISE	8 986,00	R 1 971,00	R 5 066,00
MAFORI CREDIT RESCUE	38 793,72	R 31 182,09	R 33 654,63
MAGISTRATE MIDLLEBURG	2 700,00	R 2 700,00	R 2 700,00
MAGISTRATE WELKOM	2 100,00	R 2 100,00	R 2 100,00
MAGISTRATE-LADYFRERE	4 000,00	R 4 000,00	R 5 500,00
MAINTANANCE	16 200,00	R 16 200,00	R 18 700,00
MAINTANANCE UITENHAGE	1 000,00	R 1 000,00	R 1 000,00
MAINTENANCE GRANT (I)	1 000,00	R 1 000,00	R 1 000,00
METROPOLITAN	46 098,70	R 51 262,43	47 336,02
PAYE INCOME TAX	849 265,59	900 340,08	917 272,72
PENSION FUND -SALA-M	10 451,25	10 451,25	9 542,52
RUSSEL BEKKER INC	2 968,17	R 2 968,17	R 2 968,17
SAMWU	6 955,00	R 7 020,00	7 020,00
SAMWU MEDICAL AID	31 741,60	R 31 741,60	31 741,60
SAMWU N P F - NEW	43 976,26	R 43 976,26	43 976,26
SD COETZEE INCORPORATED	297,31	R 297,31	R 297,31
THE BEST FUNERAL SOCIETY	22 127,05	R 23 506,20	R 22 964,40
UIF MEMBER	32 161,81	32 405,77	32 513,39
VODACOM	-	R 795,67	795,67
WATER & ELECTRICITY	700,00	R 700,00	R 350,00
WATER & ELECTRICITY 2	1 768,00	R 1 418,00	R 1 418,00
	1 987 855,69	2 043 772,84	2 075 948,94
S D L	54 683,63	56 392,48	R 54 642,09

PAYMENT OF CASUALS:

Description	Oct-22	Nov-22	Dec-22
CASUAL WAGES	275 949,60	267 570,00	263 643,84
SUBSISTANCE& TRAVELL	2 440,00	-	-
	278 389,60	267 570,00	263 643,84

UIF	2 759,49	2 675,70	2 636,44
BARGAINING COUNCIL			
GROSS EARNINGS	281 149,09	270 245,70	266 280,28

UIF	2 759,49	2 675,70	2 636,44
PAY AS YOU EARN	328,08	399,90	257,70
BACK PAY RECEIVED		-	-

DEDUCTIONS	3 087,57	3 075,60	2 894,14
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Paid to employees	275 302,03	264 494,40	260 749,70
Paid to third parties	5 847,06	5 751,30	5 530,58
	281 149,09	270 245,70	266 280,28

ADHOC:

Description	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
Leave Pay	36 486,67	134 226,48	103 381,60	407 083,37	28 259,08	20 443,85
Pro rata bonus	-	12 637,90	34 335,71	11 607,13	2 561,40	-
Reimbursive Travel Allowance (IT)			2 717,00	-	-	-
Subsistance Allowance (Excl)	-		340,00	-	-	-
Reimbursive Travel Allowance (> Rate)			1 664,00	-	-	-
	-					-
	36 486,67	146 864,38	142 438,31	418 690,50	30 820,48	20 443,85

PAYE	12 139,13	49 440,04	47 048,36	171 970,07	8 313,99	6 004,50
UIF	256,37	354,24	354,24	354,24	177,12	177,12
TOTAL DEDUCTIONS	12 395,50	49 794,28	47 402,60	172 324,31	8 491,11	6 181,62

SDL	364,87	1 468,64	1393,81	597,52	308,20	204,44
UIF	256,37	354,24	354,24	354,24	177,12	177,12
TOTAL CONTRIBUTION	621,24	1 822,88	1 748,05	951,76	485,32	381,56

TOTAL COST	37 107,91	148 687,26		419642,26	31 305,80	20 825,41
NET PAY		97 070,10		246366,19	22 329,37	14 262,23
PAID TO THIRD PARTIES		51 617,16		173 276,07	8 976,43	6 563,18

WARD COMMITTEES:


Description	Oct-22	Nov-22	Dec-22
WARD COMMITTEE	255 000,00	253 500,00	255 500,00
TRADITIONAL LEADERS	3 000,00	3 000,00	3 000,00
BACKPAY	-	-	-
UIF	2 580,00	2 565,00	2 580,00
GROSS EARNINGS	260 580,00	259 065,00	261 080,00
UIF	2 580,00	2 565,00	2 580,00
DEDUCTIONS	2 580,00	2 565,00	2 580,00

Paid to employees =	255 420,00	253 935,00	255 420,00
Paid to third parties =	5 160,00	5 130,00	5 160,00
	260 580,00	259 065,00	260 580,00

COUNCILLORS REMUNERATION:

Description	Oct-22	Nov-22	Dec-22
SALARIES	986 198,44	986 198,44	986 198,44
TRAVELLING ALLOWANCE	44 000,00	44 000,00	44 000,00
REIMBURSIVE TRAVEL ALLOWANCE (IT)	10 859,64	12 672,09	12 803,34
CELLPHONE ALLOWANCE	115 600,00	115 600,00	115 600,00
SUBSISTANCE ALLOWANCE (EXCL)	4 080,00	440,00	1 920,00
REIMBURSIVE TRAVEL ALLOWANCE(RATE)	4 722,52	5 186,47	2 686,30
TOTAL EARNINGS	1 165 460,60	1 164 097,00	1 163 208,08
DEDUCTIONS	343 139,94	426 109,14	436 365,35
PAYE	190 265,35	181 727,29	180 992,50
Medical aid (LA Health)	9 827,00	9 827,00	9 827,00
Pension fund (CRF)	84 462,29	112 854,45	112 854,45
Metropolitan	13 642,00	13 642,00	13 642,00
African Life	2 517,62	2 517,62	3 476,62
Arrears SARS	6 929,78	-	6 929,78
ANC Contribution	25 700,05	25 700,05	25 700,05
EFF Contribution	5 271,85	5 271,85	5 271,85
MTN	-	54 399,82	54 252,69
Vodacom	-	14 354,43	15 736,34
Mafori	-	1 290,63	3 158,07
Discovery Funeral	4 524,00	4 524,00	4 524,00
TOTAL COST	1 165 460,60	1 164 097,00	1 163 208,08
Net pay	822 320,66	737 987,86	726 842,73
Paid to Third Parties	343 139,94	426 109,14	436 365,35

11. FRUITLESS AND WASTEFUL EXPENDITURE REPORT

		Emalahleni Local Municipality 2022/2023 Financial Year	
Register of Fruitless and Wasteful Expenditure			

Month	Supplier Name	Invoice date	Invoice Received Date (Registry Stamp)	Date of payment	Payment (Voucher no)	Amount	Description of Incident	SCC	UI	DP	CC	TR	P	WO	General comments	
																Transaction details
OCT	Telkom	25/09/2022	29/09/2022			R 54,23		€								
	Estkom	28/09/2022	29/09/2022			R 0,91		€								
	Estkom	28/09/2022	29/09/2022			R 1,69		€								
NOV	Department of Economic D	02/11/2022	07/11/2022			625 000,00		€								
DEC																

TOTAL F&W EXPENDITURE INCURRED FOR THE YEAR **TOTAL 625 056,83**
 TOTAL RECOVERED FROM RESPONSIBLE OFFICIALS
 TOTAL EXPENDITURE UNDER INVESTIGATION
 TOTAL APPROVED BY COUNCIL FOR WRITE-OFF
 BALANCE **625 056,83**

The Fruitless and wasteful expenditure for quarter ended December amounted to R 625 058,83, the major reason is the payment of R625 000 to DEDEAT for EIA violations at Indwe Sportsfield Phase 1 construction.