



MATATIELE  
LOCAL MUNICIPALITY

2020/2021  
MONTHLY MAYORS  
SECTION 71  
REPORT

MONTH ENDED  
28<sup>TH</sup> FEBRUARY 2021

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## GLOSSARY

**Annual Budget** – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

**Adjustment Budget** – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

**Allocations (Transfers – see DORA)** – Money received from Provincial or National Government.

**Budget Related Policy(ies)** – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

**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 and must be included in the asset register.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings - for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services and to compensate loss of RSC levies.

**Fruitless and Wasteful Expenditure** – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

**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 dated April 2009.

**MFMA** – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management. mSCOA – Municipal Standard Chart of Accounts.

**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** – 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 budgeted 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, spending without, or in excess of, an Approved Budget.

**Virement** – A transfer of funds within a vote.

**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 is divided. In Garden Route District, this means the different GFS classification the budget is divided.

## LEGISLATIVE FRAMEWORK

This report has been prepared in terms of the following enabling legislation:

**The municipal Finance Management Act No. 56 of 2003**

Section 71: Monthly budget Statements

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

## PART 1-IN-YEAR REPORT

### Section 1-Resolutions

These are the resolutions being presented to Council in the monthly report on the implementation of budget and financial state of affairs of the municipality as required in terms of section 71 of the Municipal Finance Management Act 56 of 2003 and the Municipal Budget and Reporting Regulations

Regulation 28 of the Municipal Budget and Reporting Regulations states:

“The monthly budget statement of a municipality must be in the format specified in the Schedule C and include all required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.”

#### **Recommendations:**

- That, Council takes note of the monthly budget statement and supporting documentation for the month 28<sup>th</sup> February 2021.
- That, the submission of section 71 reports and to Provincial and National Treasuries 10 days after the end of each month be noted by Council.

## **Section 2-Executive summary**

### **2.1 Introduction**

The aim of the Financial Monitoring Report (FMR) is to provide a monthly update and report on the municipality's consolidated performance in terms of the budget, indicate any material variances from Service delivery and Budget Implementation Plan (SDBIP) and provide any remedial action or corrective steps to be taken.

### **2.2 Consolidated Performance (Revenue & Expenditure)**

#### **Revenue by source**

The total revenue received for the month ended 28 February 2021 amounted to **R 23,166,933** which represents **5%** of the total annual approved budget figure of **R509,920,764** (including grants) and **4%** of the adjusted budget figure of **R 544,327,264**, revenue recognised to date represents **75%** of the adjusted budget. The majority of the revenue recognised of **R5,158,681** related to service charges: electricity revenue.

#### **Operating Expenditure by type**

Operating expenditure for the month ended 28 February 2021 amounted to **R 23,969,473** which represents **6%** of total approved operating expenditure budget figure of **R408,392,856** and **5%** of the adjusted budget amount of **R 435,074,576**, of this expenditure the majority relates to Council and employee related cost and payment of monthly contracted services.

#### **Capital Expenditure**

The approved annual capital budget for the financial year amounts to **R174,313,680**, this was adjusted to **R 177,313,684**. Capital expenditure incurred for the month ended 28 February 2021 amounted to **R6,151,931**. This represents **4%** of the approved capital expenditure budget and **3%** of the adjusted capital budget. Capital expenditure incurred to date represents **51%** of the total capital expenditure budget.

### **2.3 Material variances from the SDBIP**

Variances and deficiencies are identified in terms of the SDBIP. These are reported on and monitored by the Performance Management Unit, situated in the Office of the Municipal Manager, as applicable.

## **2.4 Remedial or corrective steps**

HODs and unit managers are sent monthly income and expenditure reports to monitor expenditure and revenue performance of each department, ensure spending is within budget and is aligned to the IDP's Strategic Goals.

## Section 3

## IN-YEAR BUDGET STATEMENT TABLES

## 3.1 Monthly budget statements

## 3.1.1 Table C1 Monthly Budget Statement Summary

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	44,904	48,190	48,190	1,606	43,620	32,127	11,493	36%	48,190
Service charges	58,434	68,817	68,817	5,224	35,771	45,878	(10,107)	-22%	68,817
Investment revenue	12,973	14,650	14,650	665	5,421	9,767	(4,346)	-44%	14,650
Transfers and subsidies	244,441	256,212	309,524	-	240,978	206,349	34,629	17%	309,524
Other own revenue	19,092	20,525	21,270	1,607	13,093	14,180	(1,087)	-8%	21,270
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>379,844</b>	<b>408,394</b>	<b>462,450</b>	<b>9,102</b>	<b>338,882</b>	<b>308,300</b>	<b>30,582</b>	<b>10%</b>	<b>462,450</b>
Employee costs	115,402	125,231	125,231	9,329	76,057	83,487	(7,430)	-9%	125,231
Remuneration of Councillors	20,834	21,537	21,537	1,639	13,038	14,358	(1,320)	-9%	21,537
Depreciation & asset impairment	47,731	33,110	33,110	-	-	22,073	(22,073)	-100%	33,110
Finance charges	3	-	-	-	-	-	-	-	-
Materials and bulk purchases	44,131	53,567	54,115	3,592	37,435	36,076	1,359	4%	54,115
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	129,629	174,949	205,618	9,410	69,491	137,079	(67,587)	-49%	205,618
<b>Total Expenditure</b>	<b>357,729</b>	<b>408,393</b>	<b>439,610</b>	<b>23,969</b>	<b>196,022</b>	<b>293,073</b>	<b>(97,052)</b>	<b>-33%</b>	<b>439,610</b>
<b>Surplus/(Deficit)</b>	<b>22,114</b>	<b>1</b>	<b>22,840</b>	<b>(14,868)</b>	<b>142,860</b>	<b>15,227</b>	<b>127,634</b>	<b>838%</b>	<b>22,840</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	124,782	101,527	81,787	14,065	71,458	54,525	16,933	31%	81,787
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>146,896</b>	<b>101,528</b>	<b>104,627</b>	<b>(803)</b>	<b>214,318</b>	<b>69,751</b>	<b>144,567</b>	<b>207%</b>	<b>104,627</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>146,896</b>	<b>101,528</b>	<b>104,627</b>	<b>(803)</b>	<b>214,318</b>	<b>69,751</b>	<b>144,567</b>	<b>207%</b>	<b>104,627</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>155,644</b>	<b>174,314</b>	<b>177,314</b>	<b>6,152</b>	<b>90,617</b>	<b>118,209</b>	<b>(27,592)</b>	<b>-23%</b>	<b>177,314</b>
Capital transfers recognised	95,417	99,340	79,340	4,978	53,401	66,227	(12,826)	-19%	79,340
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	60,228	74,974	97,974	1,173	37,216	49,843	(12,627)	-25%	97,974
<b>Total sources of capital funds</b>	<b>155,644</b>	<b>174,314</b>	<b>177,314</b>	<b>6,152</b>	<b>90,617</b>	<b>116,070</b>	<b>(25,453)</b>	<b>-22%</b>	<b>177,314</b>
<b>Financial position</b>									
Total current assets	266,693	232,526	262,401	-	357,769	-	-	-	262,401
Total non current assets	1,094,663	1,143,450	1,238,113	-	1,234,495	-	-	-	1,238,113
Total current liabilities	63,077	97,388	106,863	-	105,208	-	-	-	106,863
Total non current liabilities	29,028	27,398	26,760	-	27,695	-	-	-	26,760
Community wealth/Equity	1,269,250	1,251,190	1,366,891	-	1,459,361	-	-	-	1,366,891
<b>Cash flows</b>									
Net cash from (used) operating	201,441	145,787	250,796	70,448	1,601,664	167,197	(1,434,467)	-858%	250,796
Net cash from (used) investing	(155,644)	(174,314)	(177,314)	(6,916)	(81,090)	(118,209)	(37,119)	31%	(177,314)
Net cash from (used) financing	5	(118)	118	(3)	(1,431)	79	1,510	1917%	118
<b>Cash/cash equivalents at the month/year end</b>	<b>169,799</b>	<b>108,238</b>	<b>226,686</b>	<b>-</b>	<b>1,521,921</b>	<b>202,152</b>	<b>(1,319,769)</b>	<b>-653%</b>	<b>76,379</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	7,099	5,167	4,603	3,425	2,786	3,521	48,107	99,198	173,908
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-



**3.1.2 Table C2: Monthly Budget Statement –Financial Performance (Standard Classification)**

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		309,200	325,819	376,426	3,354	295,657	250,951	44,706	18%	376,426
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		309,200	325,819	376,426	3,354	295,657	250,951	44,706	18%	376,426
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		7,125	11,958	11,693	391	6,512	7,795	(1,284)	-16%	11,693
Community and social services		3,469	5,719	5,454	52	3,897	3,636	261	7%	5,454
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		3,655	6,239	6,239	339	2,615	4,160	(1,545)	-37%	6,239
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		59,075	49,081	49,255	479	44,071	32,837	11,234	34%	49,255
Planning and development		481	145	202	3	78	135	(57)	-42%	202
Road transport		58,594	48,936	49,053	476	43,993	32,702	11,291	35%	49,053
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		129,225	123,062	106,863	18,943	64,101	71,242	(7,141)	-10%	106,863
Energy sources		118,306	107,474	87,474	17,957	56,312	58,316	(2,004)	-3%	87,474
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		10,919	15,588	19,388	986	7,789	12,926	(5,137)	-40%	19,388
<i>Other</i>	<b>4</b>	–	–	–	–	–	–	–	–	–
<b>Total Revenue - Functional</b>	<b>2</b>	<b>504,625</b>	<b>509,921</b>	<b>544,237</b>	<b>23,167</b>	<b>410,340</b>	<b>362,825</b>	<b>47,515</b>	<b>13%</b>	<b>544,237</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		181,281	212,043	230,370	11,852	101,824	153,580	(51,756)	-34%	230,370
Executive and council		31,048	28,964	28,964	1,939	16,310	19,309	(2,999)	-16%	28,964
Finance and administration		147,900	179,004	197,331	9,628	83,581	131,554	(47,973)	-36%	197,331
Internal audit		2,333	4,075	4,075	286	1,933	2,717	(784)	-29%	4,075
<i>Community and public safety</i>		29,228	36,223	38,073	2,463	19,348	25,382	(6,034)	-24%	38,073
Community and social services		12,048	15,351	17,201	935	7,594	11,467	(3,873)	-34%	17,201
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		17,180	20,873	20,873	1,528	11,754	13,915	(2,161)	-16%	20,873
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		82,373	78,862	85,462	3,924	24,191	56,975	(32,784)	-58%	85,462
Planning and development		15,981	25,584	31,084	2,171	10,760	20,723	(9,963)	-48%	31,084
Road transport		66,392	53,278	54,378	1,753	13,431	36,252	(22,821)	-63%	54,378
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		64,848	81,265	85,705	5,731	50,659	57,137	(6,478)	-11%	85,705
Energy sources		46,926	57,506	58,006	3,944	38,838	38,670	168	0%	58,006
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		17,922	23,759	27,700	1,787	11,822	18,467	(6,645)	-36%	27,700
<i>Other</i>		–	–	–	–	–	–	–	–	–
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>357,729</b>	<b>408,393</b>	<b>439,610</b>	<b>23,969</b>	<b>196,022</b>	<b>293,073</b>	<b>(97,052)</b>	<b>-33%</b>	<b>439,610</b>
<b>Surplus/ (Deficit) for the year</b>		<b>146,896</b>	<b>101,528</b>	<b>104,627</b>	<b>(803)</b>	<b>214,318</b>	<b>69,751</b>	<b>144,567</b>	<b>207%</b>	<b>104,627</b>

This table reflects the operating budget (Financial Performance) in standard classification, the main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading services.

### 3.1.3 Table C3: Monthly Budget Statement –Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and council		-	-	-	-	-	-	-		-
Vote 2 - Finance and Admin		308,729	325,469	375,951	3,330	295,544	250,634	44,910	17.9%	375,951
Vote 3 - Corporate		471	350	475	24	112	317	(204)	-64.6%	475
Vote 4 - Development and Planning		481	145	202	3	78	135	(57)	-42.3%	202
Vote 5 - Community		18,044	27,546	31,082	1,377	14,300	20,721	(6,421)	-31.0%	31,082
Vote 6 - Infrastructure		176,900	156,410	136,527	18,433	100,305	91,018	9,287	10.2%	136,527
Vote 7 - Internal Audit		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	504,625	509,921	544,237	23,167	410,340	362,825	47,515	13.1%	544,237
Expenditure by Vote	1									
Vote 1 - Executive and council		31,048	37,214	28,964	1,939	16,310	19,309	(2,999)	-15.5%	28,964
Vote 2 - Finance and Admin		88,195	100,989	122,066	5,333	44,464	81,378	(36,913)	-45.4%	122,066
Vote 3 - Corporate		59,705	73,840	75,265	4,295	39,117	50,176	(11,060)	-22.0%	75,265
Vote 4 - Development and Planning		15,981	25,584	31,084	2,171	10,760	20,723	(9,963)	-48.1%	31,084
Vote 5 - Community		47,150	59,983	65,773	4,250	31,169	43,849	(12,679)	-28.9%	65,773
Vote 6 - Infrastructure		113,317	110,783	112,383	5,697	52,269	74,922	(22,653)	-30.2%	112,383
Vote 7 - Internal Audit		2,333	-	4,075	286	1,933	2,717	(784)	-28.9%	4,075
Total Expenditure by Vote	2	357,729	408,393	439,610	23,969	196,022	293,073	(97,052)	-33.1%	439,610
Surplus/ (Deficit) for the year	2	146,896	101,528	104,627	(803)	214,318	69,751	144,567	207.3%	104,627

Reporting per municipal vote provides details on the spread of spending over the various function of council. Revenue is mainly budgeted under the Executive and Council function and therefore the majority of the revenue will be reflected under this function.

### 3.1.4 Table C4: Monthly Budget Statement –Financial Performance (revenue by source and expenditure by type)

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		44,904	48,190	48,190	1,606	43,620	32,127	11,493	36%	48,190
Service charges - electricity revenue		47,645	53,291	53,291	4,253	28,121	35,527	(7,407)	-21%	53,291
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		10,790	15,526	15,526	971	7,650	10,351	(2,700)	-26%	15,526
Rental of facilities and equipment		803	500	1,245	75	919	830	89	11%	1,245
Interest earned - external investments		12,973	14,650	14,650	665	5,421	9,767	(4,346)	-44%	14,650
Interest earned - outstanding debtors		11,555	11,799	11,799	1,144	9,051	7,866	1,185	15%	11,799
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,398	2,094	2,094	1	21	1,396	(1,374)	-98%	2,094
Licences and permits		2,557	4,525	4,525	340	2,616	3,016	(400)	-13%	4,525
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		244,441	256,212	309,524	-	240,978	206,349	34,629	17%	309,524
Other revenue		2,779	1,608	1,608	47	485	1,072	(587)	-55%	1,608
Gains		-	-	-	-	-	-	-	-	-
		379,844	408,394	462,450	9,102	338,882	308,300	30,582	10%	462,450
Total Revenue (excluding capital transfers and contributions)										
Expenditure By Type										
Employee related costs		115,402	125,231	125,231	9,329	76,057	83,487	(7,430)	-9%	125,231
Remuneration of councillors		20,834	21,537	21,537	1,639	13,038	14,358	(1,320)	-9%	21,537
Debt impairment		13,884	5,000	5,000	-	-	3,333	(3,333)	-100%	5,000
Depreciation & asset impairment		47,731	33,110	33,110	-	-	22,073	(22,073)	-100%	33,110
Finance charges		3	-	-	-	-	-	-	-	-
Bulk purchases		39,938	48,000	48,000	3,278	33,731	32,000	1,731	5%	48,000
Other materials		4,192	5,567	6,115	315	3,704	4,076	(372)	-9%	6,115
Contracted services		81,078	101,279	131,110	6,852	50,331	87,407	(37,076)	-42%	131,110
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		33,957	68,670	69,508	2,558	19,160	-	19,160	#DIV/0!	69,508
Losses		711	-	-	-	-	-	-	-	-
Total Expenditure		357,729	408,392,856	439,610,076	23,969,473	196,021,783	246,734,981	(50,713)	-21%	439,610
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)		22,114	1	22,840	(14,868)	142,860	61,565	81,295	0	22,840
(National / Provincial and District)		124,782	101,527	81,787	14,065	71,458	54,525	16,933	0	81,787
Transfers and subsidies - capital (monetary allocations)										
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		146,896	101,528	104,627	(803)	214,318	116,090			104,627
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		146,896	101,528	104,627	(803)	214,318	116,090			104,627
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		146,896	101,528	104,627	(803)	214,318	116,090			104,627
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		146,896	101,528	104,627	(803)	214,318	116,090			104,627

### **Revenue by Source**

Revenue by source explains the types of income budgeted for and the performance of these individually.

#### **Property Rates**

Property rates revenue is the major part of the municipal own revenue.

The municipality bills both annual and monthly rates at the beginning of the financial year i.e. July. The total property rates revenue for the month of February amounted to R 1,605,648.

#### **Services Charges**

Revenue from service charges includes electricity sales and revenue from waste removal. The income from services charges amounted to R5,224,0944 for the month ended 28 February 2021.

#### **Interest earned on Investments**

Reflects the interest in respect funds not immediately needed in the operations of the municipality, these short-term investments made with financial institutions include conditional grants. Interest on investments for the month ended 28 February 2021 amounted to R664,502.

#### **Interest on Outstanding Debtors**

Interest on overdue accounts for the month ended 28 February 2021 amounted to R1,144,296, the majority of the debtors are the government departments.

#### **Fines, penalties and Forfeits**

Revenue from fines, penalties and forfeits has an annual budget of R4,524,696, for the month ended 28 February 2021 an amount revenue of R 780 has been recognised for this category.

#### **Licences and permits**

The budget for licences and permits amounts to R4,524,696 for the 2020/21 budget year. For the month ended 28 February 2021 an amount of R340,203 was recognised and represents 8% of the total revenue budget for this category.

### Transfers and Subsidies-Operational

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Acts respectively.

### Other Revenue

Other revenue consists mostly skills development refund, sale of tender documents, insurance refund and other revenue. Other revenue amounted to R47,008 for the month ended 28 February 2021.

### Operating Expenditure by type

#### Employee related costs/ Remuneration of Councillors

Remuneration related expenditure for the month ended 28 February 2021 amounted to R 10,967,536 of the expenditure R 1,638,972 relates to Remuneration of Councillors and R 9,328,564 to Managers and staff, that represents 7% of the budgeted amount for this category.

#### Debt Impairment /Depreciation and Asset impairment

Currently the municipality accounts for Debt impairment at the end of the financial year, no expenditure is reflected for the month for this category.

The municipality is in a process of utilising the financial system (Munsoft) for the fixed asset register to allow for depreciation to be reported on a, monthly basis.  
No depreciation was recorded for the month of February 2021.

### Bulk Purchases

Expenditure relating to bulk electricity purchases of R 3,277,562 was incurred during the month ended 28 February 2021.

### Other Materials

Other material consists of inventory purchases for material and supplies and amounted to R314 592 for the month ended 28 February 2021. The procurement of Covid related PPE is also included under this category.

### Contracted Services

Expenditure under this category consists of repairs and maintenance of municipal fleet, repairs and maintenance of buildings and facilities, debt collection contract, waste removal, grass cutting, accounting and auditing contracts and all municipal and financial systems utilised by the municipality. The contracted services for the month ended 28 February 2021 amounted to R6,851,682.

### Other Expenditure

Other expenditure reflects all other expenses not specifically mentioned and consists of the following:

- Skills development levy
- Remuneration of ward committee
- Telephone expenses
- Fuel and Oil
- Travel and subsistence expenses.

Other expenditure amounted to R2,558,100 for the month ended 28 February 2021.

### 3.1.5 Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding)

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		71,334	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	71,334	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		3,013	6,029	5,029	290	479	3,352	(2,874)	-86%	5,029
Vote 3 - Corporate		1,246	3,130	3,430	274	958	2,287	(1,328)	-58%	3,430
Vote 4 - Development and Planning		43	480	570	-	-	380	(380)	-100%	570
Vote 5 - Community		1,601	6,190	6,190	182	268	4,127	(3,859)	-94%	6,190
Vote 6 - Infrastructure		78,408	158,485	162,095	5,406	88,912	108,063	(19,151)	-18%	162,095
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	84,310	174,314	177,314	6,152	90,617	118,209	(27,592)	-23%	177,314
<b>Total Capital Expenditure</b>		155,644	174,314	177,314	6,152	90,617	118,209	(27,592)	-23%	177,314
<b>Capital Expenditure - Functional Classification</b>										
<i>Governance and administration</i>		4,259	9,159	8,459	564	1,437	5,639	(4,202)	-75%	8,459
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		4,259	9,159	8,459	564	1,437	5,639	(4,202)	-75%	8,459
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1,601	3,260	3,260	154	210	2,173	(1,963)	-90%	3,260
Community and social services		1,479	1,560	1,560	154	210	1,040	(830)	-80%	1,560
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		122	1,700	1,700	-	-	1,133	(1,133)	-100%	1,700
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		87,749	80,724	98,442	638	57,980	65,628	(7,648)	-12%	98,442
Planning and development		43	480	570	-	-	380	(380)	-100%	570
Road transport		87,706	80,244	97,872	638	57,980	65,248	(7,268)	-11%	97,872
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		62,036	81,171	67,153	4,796	30,990	44,769	(13,779)	-31%	67,153
Energy sources		62,036	78,241	64,223	4,768	30,932	42,815	(11,883)	-28%	64,223
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	2,930	2,930	28	57	1,953	(1,896)	-97%	2,930
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	155,644	174,314	177,314	6,152	90,617	118,209	(27,592)	-23%	177,314
<b>Funded by:</b>										
National Government		95,416	99,080	79,080	4,978	53,344	66,053	(12,709)	-19%	79,080
Provincial Government	1	-	260	260	-	57	173	(117)	-67%	260
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		95,417	99,340	79,340	4,978	53,401	66,227	(12,826)	-19%	79,340
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		60,228	74,974	97,974	1,173	37,216	49,843	(12,627)	-25%	97,974
<b>Total Capital Funding</b>		155,644	174,314	177,314	6,152	90,617	116,070	(25,453)	-22%	177,314

The approved annual capital budget for the financial year amounts to **R174,313,680**, this was adjusted to **R 177,313,684**. Capital expenditure incurred for the month ended 28 February 2021 amounted to **R 6,151,931**. This represents **4%** of the approved capital expenditure budget and 3% of the adjusted capital budget. Capital expenditure incurred to date represents **51%** of the total capital expenditure budget.

## 3.1.6 C6 Monthly Budget Statement –Financial Position

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		153,085	23,886	15,565	6,866	15,565
Call investment deposits		–	93,822	61,875	178,504	61,875
Consumer debtors		8,258	65,910	105,427	112,423	105,427
Other debtors		103,648	47,924	78,379	58,275	78,379
Current portion of long-term receivables		–	–	–	–	–
Inventory		1,703	984	1,155	1,702	1,155
<b>Total current assets</b>		<b>266,693</b>	<b>232,526</b>	<b>262,401</b>	<b>357,769</b>	<b>262,401</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		35,575	35,947	2,327	35,575	2,327
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1,058,068	1,107,177	1,235,224	1,198,151	1,235,224
Biological		–	–	–	–	–
Intangible		333	326	562	770	562
Other non-current assets		688	–	–	–	–
<b>Total non current assets</b>		<b>1,094,663</b>	<b>1,143,450</b>	<b>1,238,113</b>	<b>1,234,495</b>	<b>1,238,113</b>
<b>TOTAL ASSETS</b>		<b>1,361,356</b>	<b>1,375,976</b>	<b>1,500,513</b>	<b>1,592,264</b>	<b>1,500,513</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		345	1,268	1,387	1,391	1,387
Trade and other payables		50,733	83,862	90,385	91,686	90,385
Provisions		11,998	12,258	15,091	12,131	15,091
<b>Total current liabilities</b>		<b>63,077</b>	<b>97,388</b>	<b>106,863</b>	<b>105,208</b>	<b>106,863</b>
<b>Non current liabilities</b>						
Borrowing		–	8,451	–	8,184	–
Provisions		29,028	18,947	26,760	19,511	26,760
<b>Total non current liabilities</b>		<b>29,028</b>	<b>27,398</b>	<b>26,760</b>	<b>27,695</b>	<b>26,760</b>
<b>TOTAL LIABILITIES</b>		<b>92,106</b>	<b>124,787</b>	<b>133,622</b>	<b>132,903</b>	<b>133,622</b>
<b>NET ASSETS</b>	<b>2</b>	<b>1,269,250</b>	<b>1,251,190</b>	<b>1,366,891</b>	<b>1,459,361</b>	<b>1,366,891</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1,038,804	793,988	914,431	1,275,971	914,431
Reserves		230,446	457,202	452,460	183,391	452,460
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>1,269,250</b>	<b>1,251,190</b>	<b>1,366,891</b>	<b>1,459,361</b>	<b>1,366,891</b>



## 3.1.7 C7 Monthly Budget Statement –Cash Flow

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
Receipts										
Property rates		-	49,807	43,371	1,556	8,373	28,914	(20,541)	-71%	43,371
Service charges		86,333	82,700	47,500	4,024	26,997	31,667	(4,669)	-15%	47,500
Other revenue		4,149	8,726	9,471	50,524	1,241,469	6,314	1,235,155	19561%	9,471
Transfers and Subsidies - Operational		242,957	256,212	309,524	1,065	246,038	206,349	39,689	19%	309,524
Transfers and Subsidies - Capital		124,782	101,527	81,787	9,591	50,410	54,525	(4,115)	-8%	81,787
Interest		24,528	14,650	14,650	(335)	(4,225)	9,767	(13,991)	-143%	14,650
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(281,152)	(367,836)	(237,934)	(181)	6,190	(158,623)	(164,813)	104%	(237,934)
Finance charges		(5)	-	-	-	-	-	-		-
Transfers and Grants		(150)	-	(17,573)	4,205	26,411	(11,715)	(38,126)	325%	(17,573)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>201,441</b>	<b>145,787</b>	<b>250,796</b>	<b>70,448</b>	<b>1,601,664</b>	<b>167,197</b>	<b>(1,434,467)</b>	<b>-858%</b>	<b>250,796</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(155,644)	(174,314)	(177,314)	(6,916)	(81,090)	(118,209)	(37,119)	31%	(177,314)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(155,644)</b>	<b>(174,314)</b>	<b>(177,314)</b>	<b>(6,916)</b>	<b>(81,090)</b>	<b>(118,209)</b>	<b>(37,119)</b>	<b>31%</b>	<b>(177,314)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		5	(118)	118	(3)	(1,431)	79	(1,510)	-1917%	118
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>5</b>	<b>(118)</b>	<b>118</b>	<b>(3)</b>	<b>(1,431)</b>	<b>79</b>	<b>1,510</b>	<b>1917%</b>	<b>118</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>45,801</b>	<b>(28,645)</b>	<b>73,600</b>	<b>63,529</b>	<b>1,519,143</b>	<b>49,067</b>			<b>73,600</b>
Cash/cash equivalents at beginning:		123,997	136,883	153,085		2,779	153,085			2,779
Cash/cash equivalents at month/year end:		169,799	108,238	226,686		1,521,921	202,152			76,379

## PART 2 –SUPPORTING DOCUMENTATION

### SECTION 4\_\_DEBTORS' ANALYSIS

#### Supporting Table SC3

Description	NT Code	Budget Year 2020/21										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dye-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	3,403	2,070	2,165	1,104	540	1,280	2,300	1,081	13,942	6,304	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1,563	1,048	695	588	510	503	22,617	43,063	70,587	67,281	-	-
Receivables from Non-exchange Transactions - Property Rates	1400									-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	987	719	592	589	473	454	1,764	16,313	21,891	19,593	-	-
Receivables from Exchange Transactions - Waste Management	1600								7	7	7	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,146	1,118	1,151	1,133	1,263	1,285	4,122	25,104	36,322	32,907	-	-
Interest on Arrear Debtor Accounts	1810									-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	0	212	0	12	0	0	17,305	13,629	31,158	30,946	-	-
Other	1900									-	-	-	-
Total By Income Source	2000	7,099	5,167	4,603	3,425	2,786	3,521	48,107	99,198	173,908	157,038	-	-
2019/20 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	2,117	2,242	2,781	1,811	1,539	2,339	26,436	47,888	87,151	80,012	-	-
Commercial	2300	4,960	2,915	1,814	1,607	1,240	1,176	21,657	51,187	86,556	76,867	-	-
Households	2400	23	10	9	8	7	6	15	123	200	159	-	-
Other	2500									-	-	-	-
Total By Customer Group	2600	7,099	5,167	4,603	3,425	2,786	3,521	48,107	99,198	173,908	157,038	-	-

The total debt book for December 2020 is R 170,191,020.46 has decreased by R683 179 from the previous month balance, Debt is made up of the following:

#### Residential debt:

R 61,394,199.03

#### Commercial debt

R 23 427 976,59

#### Government debt

R 83 116 625,39

#### Other

R 2 252 219.4

The municipality implements the credit control and debt collection policy, there are two areas in which the municipality is not able to collect and the debt totals to;

#### Maluti

R42 080 261,98 (including current)

**Cedarville**

R 3 525 488.27 (including current)

The municipality makes use of debt collectors in implementing the credit and debt collection policy. There is no handover made in February as the contract expired. The new service provider has been appointed to start with the collections.

**SECTION 5 -CREDITORS' ANALYSIS****Supporting Table SC4**

Description R thousands	NT Code	Budget Year 2020/21									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	Total	
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100									-	
Bulk Water	0200									-	
PAYE deductions	0300									-	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500									-	
Loan repayments	0600									-	
Trade Creditors	0700									-	
Auditor General	0800									-	
Other	0900									-	
<b>Total By Customer Type</b>	<b>1000</b>	-	-	-	-	-	-	-	-	-	-

The municipality paid its creditors within 30 days for the month ended 28 February 2021.

**SECTION 6- INVESTMENT POTFOLIO ANALYSIS*****Conditional and Unconditional investment monitoring Information***

Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	2,583,294.56	6,582.23		(6,582.23)	2,589,876.79
INEP	4,483,450.80	5,983,528.85	(1,634,669.25)	(11,423.50)	8,832,310.40
Municipal Electrification Intervention	268,754.74	684.79	-	(684.79)	269,439.53
Smart Grid	53,831.50	137.02	-	(137.02)	53,968.52
Establishment Plan	192,190.16	280.13	-	(280.13)	192,470.29
Housing Development Fund	1,954,805.64	2,849.20	-	2,849.20	1,957,654.84
Dedea	594,840.03	867.00	-	(867.00)	595,707.03
<b>Total Conditional Investments</b>	<b>10,131,167</b>	<b>5,994,929</b>	<b>- 1,634,669</b>	<b>- 17,125</b>	<b>14,491,427</b>

Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	34,884,582.18	12,000,000.00	-	(155,609.87)	46,884,582.18
Call Acc STD CRR	11,007,696.30	20,778.91	-	(20,778.91)	11,028,475.21
Call Acc STD CRR	20,810,076.71	83,912.33	-	(83,912.33)	20,893,989.04
Call ACC FNB Surplus Cash	6,805,395.80	-	-	(10,981.85)	6,805,395.80
Nedbank 32 Days	6,286,511.65	20,021.97	-	(20,021.97)	6,306,533.62
Nedbank relief fund	759,386.98	1,935.02	-	(1,935.02)	761,322.00
Nedbank COV -19 Solidarity	91,827.00	234.05	-	(234.05)	92,061.05
Nedbank call Surplus	110,683,693.56	5,153,683.01	(13,000,000.00)	(153,683.01)	102,837,376.57
Nedbank 91 days-0000014	50,322,520.54	167,232.88	-	(167,232.88)	50,489,753.42
<b>Total Unconditional</b>	<b>241,651,691</b>	<b>17,280,565</b>	<b>- 13,000,000</b>	<b>- 614,390</b>	<b>246,099,489</b>

The municipality invests surplus funds in order to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investments policy. As at 28 February 2021 the conditional investments amounted to R14,491,427 and unconditional investments amounted to R246,099,489.

Total investments as at 28 February 2021 amounted to R260,590,916.

## SECTION 7 \_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

## 7.1 Supporting Table SC6

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		240,621	255,022	304,803	1,049	242,347	203,202	39,145	19.3%	304,803
Local Government Equitable Share		234,919	249,823	299,604	-	237,148	199,736	37,412	18.7%	299,604
Finance Management Grant		1,700	1,700	1,700	-	1,700	1,133	567	50.0%	1,700
					-	-	-	-		-
EPWP		3,257	3,499	3,499	1,049	3,499	2,333	1,166	50.0%	3,499
Disater relief grant		745	-	-	-	-	-	-		-
Provincial Government:		1,197	930	4,721	-	4,441	3,147	1,294	41.1%	4,721
Sport and Recreation		1,197	930	930	-	650	620	30	4.8%	930
DEDEAT				3,791	-	3,791	2,527	1,264	50.0%	3,791
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]										
Total Operating Transfers and Grants	5	241,818	255,952	309,523	1,049	246,787	206,349	40,439	19.6%	309,523
Capital Transfers and Grants										
National Government:		128,432	101,527	81,527	9,591	64,410	54,351	(805)	-1.5%	81,527
MIG		58,255	48,936	48,936	-	31,819	32,624	(805)	-2.5%	48,936
INEP		70,177	52,591	32,591	9,591	32,591	21,727			32,591
Other capital transfers [insert description]										
Provincial Government:		-	260	260	-	-	173	(173)	-100.0%	260
Sport and Recreation		-	260	260	-	-	173	(173)	-100.0%	260
[insert description]										
		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]		-	-	-	-	-	-	-		-
Total Capital Transfers and Grants	5	128,432	101,787	81,787	9,591	64,410	54,525	(978)	-1.8%	81,787
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	370,250	357,739	391,310	10,640	311,197	260,874	39,460	15.1%	391,310

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Acts respectively. An amount of R10,6 million was received in the month of February, relating to EPWP and INEP last instalment as per DORA payment schedule.

## 7.2 Supporting Table SC7

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		240,621	255,022	304,803	1,049	242,347	203,202	39,145	19.3%	304,803
Local Government Equitable Share		234,919	249,823	299,604	-	237,148	199,736	37,412	18.7%	299,604
Finance Management Grant		1,700	1,700	1,700	-	1,700	1,133	567	50.0%	1,700
EPWP		3,257	3,499	3,499	1,049	3,499	2,333	1,166	50.0%	3,499
Disaster relief grant		745	-	-	-	-	-	-	-	-
Provincial Government:		1,197	930	4,721	-	4,441	3,147	1,294	41.1%	4,721
Sport and Recreation		1,197	930	930	-	650	620	30	4.8%	930
DEDEAT		-	-	3,791	-	3,791	2,527	1,264	50.0%	3,791
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	241,818	255,952	309,523	1,049	246,787	206,349	40,439	19.8%	309,523
<b>Capital Transfers and Grants</b>										
National Government:		128,432	101,527	81,527	9,591	64,410	54,351	(805)	-1.5%	81,527
MIG		58,255	48,936	48,936	-	31,819	32,624	(805)	-2.5%	48,936
INEP		70,177	52,591	32,591	9,591	32,591	21,727	-	-	32,591
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	260	260	-	-	173	(173)	-100.0%	260
Sport and Recreation		-	260	260	-	-	173	(173)	-100.0%	260
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	128,432	101,787	81,787	9,591	64,410	54,525	(978)	-1.8%	81,787
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	370,250	357,739	391,310	10,640	311,197	260,874	39,460	15.1%	391,310

Expenditure performance on operational grants amounted to R10,6 million for the month ended 28 February 2021.

The equitable share is used for the day to day running of the Municipality.

## SECTIONS 8 EXPENDITURE ON COUNCILLOR AND EMPLOYEE RELATED COSTS

Supporting Table C8

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		-	13,114	13,114	964	6,712	8,743	(2,031)	-23%	-
Pension and UIF Contributions		-	739	739	61	415	493	(77)	-16%	-
Medical Aid Contributions		-	142	142	65	212	95	118	124%	-
Motor Vehicle Allowance		-	133	133	11	75	89	(13)	-15%	-
Cellphone Allowance		-	3,140	3,140	204	1,607	2,093	(486)	-23%	-
Housing Allowances		-	4,269	4,269	335	2,315	2,846	(531)	-19%	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		-	21,537	21,537	1,639	11,337	14,358	(3,021)	-21%	-
% Increase	4									
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		1,084	103,247	103,197	7,571	53,601	68,831	(15,231)	-22%	-
Pension and UIF Contributions		(3)	988	988	43	315	659	(344)	-52%	-
Medical Aid Contributions		-	5,322	5,322	363	2,416	3,548	(1,132)	-32%	-
Overtime		(54)	692	742	165	1,095	461	633	137%	-
Performance Bonus		330	6,197	6,197	319	2,688	4,132	(1,444)	-35%	-
Motor Vehicle Allowance		-	4,114	4,074	418	2,721	2,742	(21)	-1%	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	4,672	4,672	380	2,528	3,114	(587)	-19%	-
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		2,523	-	-	-	341	-	341	#DIV/0!	-
Long service awards		161	-	-	5	88	-	88	#DIV/0!	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>	2	-	125,231	125,191	9,265	65,791	83,487	(17,697)	-21%	-
% Increase	4	4,042	2998.2%	2997.2%						
<b>Total Parent Municipality</b>		4,042	146,768	146,728	10,904	77,127	97,845	(20,718)	-21%	-
Unpaid salary, allowances & benefits in arrears:										
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		4,042	146,768	146,728	10,904	77,127	97,845	(20,718)	-21%	-
% increase	4		3531.0%	3530.0%						
<b>TOTAL MANAGERS AND STAFF</b>		4,042	125,231	125,191	9,265	65,791	83,487	(17,697)	-21%	-

Remuneration related expenditure for the month ended 28 February 2021 amounted to R 10,9 million of the expenditure R1,6 million relates to Remuneration of Councillors and R 9,2 million to Managers and staff.

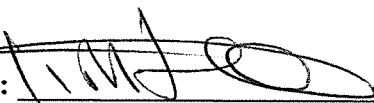
**MUNICIPAL MANAGER'S QUALITY CERTIFICATE****QUALITY CERTIFICATE**

I, **Lizo Matiwane**, the Municipal Manager of Matatiele Local Municipality do hereby certify that-

The monthly budget statements (Section 71 Report) on the implementation of the budget and financial state of affairs of the municipality for the month ended 28 February 2021 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

**Print Name:** **Lizo Matiwane**

**Municipal Manager of Matatiele Local Municipality**

**Signature:** 

**Date:** 11 March 2021