

# MONTHLY SECTION 71 REPORT

MONTH ENDED  
31 MARCH 2023

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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 31<sup>st</sup> March 2023.
- 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.

The below analysis is a high-level assessment based on revenue and expenditure recognised on the Municipal Financial System as at 31<sup>st</sup> March 2023. It is incumbent on the necessary user business units and user departments to ensure the completeness, Validity and accuracy of the information provided for the purposes of the assessment and bring to the attention of the council any further business units' items which are not fully elaborated below.

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

#### **Revenue by source**

The total annual approved budget figure is **R 579,582,986** this has been increased by **R 11,866,149** to an adjusted revenue budget of **R 591,449,132**. The total revenue received for the month ended 31<sup>st</sup> March 2023 amounted to **R 106,007,386** which represents **18%** of the Adjusted Budget. The amount received to date is **84%** of the adjusted budget (including grants). The majority of the revenue recognised this month of **R 96,024,014** is relating to Property rates; Electricity Sales, Interest, transfers and subsidies.

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

The total approved operating expenditure budget figure is **R 480,023,232** this has been increased by **R 132,524,487** to operating expenditure budget of **R 507,547,719**. Expenditure for the month ended 31<sup>st</sup> March 2023 amounted to **R 18,724,056** which represents **4%** of the Adjusted Budget. Expenditure to date represents **61%** of the adjusted budget. The majority of expenditure this month relates to bulk purchases, contracted services and Employee related costs.

#### **Capital Expenditure**

The approved annual capital budget for the financial year amounts to **R 171,309,312** which include Capital Replacement Reserve, this has increased by **R 9,341,672** to an adjusted capital budget of **R 180,650,984**. Capital expenditure incurred for the month ended 31<sup>st</sup> March 2023 amounted to **R 15,139,238**, this represents **8%** of the approved capital expenditure budget. The expenditure to date represents **45%** of the adjusted budget.

## Grants Funded Capital

- The Municipal Infrastructure Capital Grant (MIG) allocation for the financial year is **R 53,264,604** million as per Dora Allocation. This has increased by **R9,341,672** relating to approved MIG roll over amount, resulting to a total adjusted MIG budget of **R62,606,276**. The spending for the month ending 31<sup>st</sup> March 2023 is **R 6,269,997** which represent **10%** of expenditure for the month. Total YTD expenditure represents **51%** of the adjusted budget on this category.
- Integrated National Electrification Programme (INEP) of **R 46,287,972** million was allocated. The grant reflects **R 4,402,692** spending at the end of 31<sup>st</sup> March 2023 which represent **10%**. Total YTD expenditure represents **65%** on this category.
- Capital Replacement Reserves (CRR) for the financial year is **R 71,756,736** million is allocated. The spending for the month is **R 4,466,549** which represent **6%**. Total YTD expenditure represents **27%** on this category.
- The municipality anticipate to spend **100%** of the total capital budget as at the end of the financial year, Therefore the total spending is sitting at **45%** as at 31<sup>st</sup> March 2023.

The Municipality made the rollover application that was submitted on the 31 August 2022 as per Section 22 of DoRA 2021 and was submitted together with the annual financial statement, the rollover approval was published at the end of 31 October 2022 and final unspent conditional grant amount was communicated by National Treasury on 8 November 2022. The approved rollover is included in the adjustment budget of the Municipality that was approved by Council on the 23 February 2023.

**Approved Roll over on Unspent National grants relate to the following projects:**  
Municipal Infrastructure Grant (MIG)

No.	Project Name	Unspent Balance as at June 2022
1	Harry Gwala Internal Streets (Itsokolele – Njongweville)	R 3,214,705.23
2	Mahangu Access Road & Bridge	R 3,809,642.22

3	Purutle Access Road & Bridge	R 2,317,322.69
		R 9,341,670.14

### Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	March 2023 status
Rehabilitation of Matatiele internal Streets Cluster 1	Project is 31,5 % completion
Purutle Moyeni Access Road and Bridge	Project is 95 % completed.(Defect Liability period)
Extension of Matatiele Sports Centre Ph2	Project is at tender stage.
Mahangu Access Road & Bridge	Project is 95 % completed.(Defect Liability period)
Harry Gwala Internal Streets	Project 20% Completion
Rehabilitation of Cedarville internal streets	Project is 78 % completion
Street Lights	Contractor currently busy with trenching, Pole Planting, cable laying and Progress is at 40%.
High Mast Lights	contractor has completed 5 foundation and busy with the other five foundations and the progress is at 60%.

### Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	March 2023 status
Mavundleni Electrification	construction is in progress at 53%, contractor has not been on site.
Mapoti Electrification	construction is complete and energised, meter commissioning is in progress.
Polar Park Electrification	construction is in progress at 89% and the contractor is

	awaiting delivery of meters.
<b>Rockville Electrification</b>	construction is in progress at 89% and the contractor is awaiting delivery of meters.
<b>Hillside-Manzi Ph2 link line</b>	Construction progresss is at 95 and awaiting autage date from Eskom.
<b>Sikhulumi Electrification</b>	construction is complete and energised, meter commissioning is in progress.
<b>Sikhulumi Link Line</b>	construction is complete and energised, meter commissioning is in progress.
<b>Molweni 1 Electrification</b>	construction is complete and energised, meter commissioning is in progress.
<b>Molweni 2 Electrification</b>	construction is in progress at 51%, due to scope that was not included by the surveyor on the Prelimenary Drawings.
<b>Masupa Electrification</b>	construction is complete and energised, meter commissioning is in progress.
<b>Moiketsi Electrification</b>	The contractor is currently bussy with trenching and Pole planting , Progress is at 9%
<b>Hillside Manzi Elecrification</b>	Construction progresss is at 91%, pending pole to pole inspection by Eskom and Household connections are complete.

### Internal Funded Capital Projects

Internal funded Capital Project	March 2023 status
<b>Dengwane Khoapa Botsola-Taung AR</b>	Project is at 54 % completed.
<b>Sitiweni AR</b>	Project is 90 % completed.
<b>Dlodlweni Access Road</b>	Project is 42 % completed.
<b>Ramatli Access Road</b>	Project is 58 % completed.
<b>Lekhalong Access Road</b>	Project has been handed over and construction will commence soon

Queens Mercy Access Road	Project is 20 % completed.
TRANSFORMERS NEW	Two mini-substations were delivered and one has been installed on school street, the Project is complete.
Mango-Nyanzela Access Road	Project is 43 % completed.

### 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.

## IN-YEAR BUDGET STATEMENT TABLES

### 3.1 Monthly budget statements

#### 3.1.1 Table C1 Monthly Budget Statement Summary

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M09 March

Description	2022/22	Budget Year 2022/23							
	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	48 735	54 088	54 088	1 629	47 931	43 966	6 965	17%	54 088
Service charges	58 148	85 942	86 942	3 339	48 569	56 206	(16 236)	-25%	86 942
Investment revenue	9 599	14 650	15 360	1 571	12 887	10 987	1 870	17%	14 650
Transfers and subsidies	257 351	259 418	256 225	86 252	259 098	220 354	75 034	33%	256 418
Other own revenue	24 248	28 125	28 435	1 817	36 810	21 397	12 266	-11%	28 125
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>418 070</b>	<b>477 227</b>	<b>479 751</b>	<b>93 304</b>	<b>421 265</b>	<b>367 320</b>	<b>63 345</b>	<b>18%</b>	<b>477 227</b>
Employee costs	129 303	141 262	155 516	937	107 521	105 347	1 875	1%	141 262
Remuneration of Councilors	21 444	21 456	22 459	1 610	16 737	15 944	1 009	-1%	22 459
Depreciation & asset impairment	53 955	53 336	73 136	-	32 219	40 802	(9 785)	-24%	53 336
Finance charges	38	-	-	-	135	-	103	N/A	-
Inventory consumed and bulk purchases	54 236	59 150	59 525	4 147	45 170	51 847	(6 677)	-10%	59 150
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	245 424	193 895	201 611	12 031	108 419	145 377	(16 958)	-25%	193 895
<b>Total Expenditure</b>	<b>513 396</b>	<b>450 023</b>	<b>512 548</b>	<b>18 724</b>	<b>368 266</b>	<b>360 617</b>	<b>65 617</b>	<b>-14%</b>	<b>450 023</b>
<b>Surplus/(Deficit)</b>	<b>(95 327)</b>	<b>(2 796)</b>	<b>(132 796)</b>	<b>75 080</b>	<b>113 055</b>	<b>(2 097)</b>	<b>115 162</b>	<b>-5431%</b>	<b>(2 796)</b>
Transfers and subsidies - capital (monetary allocations); (National / Provincial and District)	155 532	102 355	111 599	12 200	72 919	76 757	(3 838)	-5%	102 355
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>10 206</b>	<b>99 560</b>	<b>(21 099)</b>	<b>97 293</b>	<b>185 878</b>	<b>74 670</b>	<b>111 208</b>	<b>149%</b>	<b>99 560</b>
Share of surplus / (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus / (Deficit), for the year</b>	<b>10 206</b>	<b>99 560</b>	<b>(21 099)</b>	<b>97 293</b>	<b>185 878</b>	<b>74 670</b>	<b>111 208</b>	<b>149%</b>	<b>99 560</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	189 896	171 309	180 651	15 139	77 277	128 482	(51 205)	-60%	171 309
Capital transfers recognised	121 845	99 553	108 934	10 573	61 651	74 954	(12 973)	-17%	99 553
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	47 688	71 757	71 757	4 467	19 522	53 816	(34 295)	-64%	71 757
<b>Total sources of capital funds</b>	<b>199 533</b>	<b>171 309</b>	<b>180 651</b>	<b>15 139</b>	<b>81 213</b>	<b>128 482</b>	<b>(47 269)</b>	<b>-37%</b>	<b>171 309</b>
<b>Financial position</b>									
Total current assets	420 000	309 470	354 413	-	569 249	-	-	-	309 470
Total non current assets	1 140 318	1 361 729	1 245 271	-	1 191 461	-	-	-	1 361 729
Total current liabilities	148 127	99 372	143 515	-	162 540	-	-	-	99 372
Total non current liabilities	43 423	14 442	14 442	-	43 429	-	-	-	14 442
Community wealth/Equity	1 365 373	1 567 385	1 436 727	-	1 554 640	-	-	-	1 567 385
<b>Cash Flow</b>									
Net cash from / (used) operating	341 002	110 165	132 595	30 250	366 854	82 538	(283 956)	-344%	110 165
Net cash from / (used) investing	(198 241)	(171 309)	(180 651)	(17 368)	(90 446)	(128 482)	(38 036)	30%	(171 309)
Net cash from / (used) financing	82	-	-	(1)	50	-	(50)	N/A	-
<b>Cash/cash equivalents at the month/year end</b>	<b>377 264</b>	<b>232 953</b>	<b>245 023</b>	<b>-</b>	<b>512 930</b>	<b>248 244</b>	<b>(264 686)</b>	<b>-107%</b>	<b>232 953</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 Dya</b>	<b>151-180 Dya</b>	<b>181 Dya-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	7 345	5 152	7 033	4 266	4 701	5 574	45 551	137 237	211 022
<b>Debtors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-

### 3.1.2 Table C2: Monthly Budget Statement –Financial Performance (Functional Classification)

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March

Description		Ref	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	Budget Year 2022/23				Full Year Forecast	
		A					YearTD actual	YearTD budget	YTD variance	YTD variance %		
R thousands												
<b>Revenue - Functional</b>												
Governance and administration			333 381	376 320	376 430	86 285	362 241	282 015	80 226	28%	376 020	
Executive and council			-	-	-	-	-	-	-	-	-	
Finance and administration			333 381	376 320	376 430	86 285	362 241	282 015	80 226	28%	376 020	
Internal audit			-	-	-	-	-	-	-	-	-	
Community and public safety			11 464	11 569	13 377	3 536	8 872	8 578	295	2%	11 580	
Community and social services			6 357	6 368	6 176	3 626	4 821	4 776	45	1%	6 368	
Sport and recreation			-	-	-	-	-	-	-	-	-	
Public safety			5 407	5 201	5 201	(150)	4 240	3 901	340	4%	5 201	
Housing			-	-	-	-	-	-	-	-	-	
Health			-	-	-	-	-	-	-	-	-	
Economic and environmental services			68 038	56 290	65 938	6 880	37 931	42 217	(4 287)	-10%	56 290	
Planning and development			171	202	508	6	124	151	(27)	-18%	202	
Road transport			67 367	56 088	65 430	6 874	37 806	42 066	(4 260)	-10%	56 088	
Environmental protection			-	-	-	-	-	-	-	-	-	
Trading services			179 118	135 705	135 705	9 507	85 015	101 778	(16 763)	-16%	135 705	
Energy sources			156 620	57 024	57 024	6 820	76 182	42 758	33 424	78%	57 024	
Water management			-	-	-	-	-	-	-	-	-	
Waste water management			-	-	-	-	-	-	-	-	-	
Waste management			13 498	78 681	78 681	287	8 834	59 010	(50 177)	-35%	78 681	
Other			4	-	-	-	-	-	-	-	-	
Total Revenue - Functional			2	583 602	579 583	591 449	108 097	494 078	434 887	59 191	14%	579 583
<b>Expenditure - Functional</b>												
Governance and administration			241 512	224 074	230 300	10 233	154 271	188 731	(14 459)	-8%	224 074	
Executive and council			28 850	29 845	30 745	2 070	22 899	22 383	515	1%	29 845	
Finance and administration			208 282	191 438	195 383	8 167	128 856	143 578	(14 723)	-10%	191 438	
Internal audit			4 380	2 892	4 182	16	2 717	2 769	(52)	-2%	2 892	
Community and public safety			34 347	53 254	55 081	1 414	32 601	39 940	(7 339)	-18%	53 254	
Community and social services			15 568	27 956	31 219	1 433	17 662	20 967	(3 305)	-16%	27 956	
Sport and recreation			-	-	-	-	-	-	-	-	-	
Public safety			19 264	25 297	24 442	(70)	14 839	18 973	(4 033)	-21%	25 297	
Housing			-	-	-	-	-	-	-	-	-	
Health			-	-	-	-	-	-	-	-	-	
Economic and environmental services			69 977	90 830	112 152	2 276	56 768	66 122	(11 354)	-17%	90 830	
Planning and development			19 907	24 389	25 371	1 182	14 017	16 742	(4 725)	-26%	24 389	
Road transport			50 069	65 841	66 281	1 113	42 732	49 391	(6 629)	-13%	65 841	
Environmental protection			-	-	-	-	-	-	-	-	-	
Trading services			168 981	110 968	114 426	4 802	64 558	82 224	(18 665)	-22%	110 968	
Energy sources			141 862	86 897	194 757	3 750	52 348	65 172	(12 824)	-20%	86 897	
Water management			-	-	-	-	-	-	-	-	-	
Waste water management			-	-	-	-	-	-	-	-	-	
Waste management			25 079	24 069	19 669	1 053	12 211	16 052	(5 841)	-32%	24 069	
Other			-	-	-	-	-	-	-	-	-	
Total Expenditure - Functional			3	513 398	486 023	612 548	18 724	306 290	380 017	(51 817)	-14%	486 023
Surplus (Deficit) for the year				79 206	99 560	(21 099)	87 283	185 678	111 208	148%	99 560	

This table assess the revenue and expenditure by department, the expenditure for the period ending 31<sup>st</sup> March 2023 is R 18,7 million and revenue is R 106 million.

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

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

Vote Description	Ref	2021/22 Audited Outcome	Budget Year Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		333 448	375 870	378 030	68 273	381 812	231 752	90 153	28.5%	375 870
Vote 3 - Corporate		533	350	350	12	229	263	66	25.2%	350
Vote 4 - Development and Planning		283	202	508	8	198	151	37	24.2%	202
Vote 5 - Community		24 363	90 249	92 057	4 523	17 705	87 657	(49 962)	-73.8%	90 249
Vote 6 - Infrastructure		224 375	113 112	122 454	15 132	113 944	84 834	29 110	34.3%	113 112
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	583 602	579 383	591 449	106 007	494 078	434 687	59 391	13.7%	579 383
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive Council		28 850	29 845	30 745	2 070	22 699	22 383	315	1.4%	29 845
Vote 2 - Finance and Admin		144 988	118 223	122 563	4 691	78 287	88 667	(10 400)	-11.7%	118 223
Vote 3 - Corporate		83 283	73 215	72 820	3 455	50 588	54 811	(4 323)	-7.3%	73 215
Vote 4 - Development and Planning		20 957	24 989	25 971	1 162	14 173	19 742	(4 569)	-24.4%	24 989
Vote 5 - Community		80 026	77 323	75 330	2 468	44 912	57 992	(13 180)	-22.7%	77 323
Vote 6 - Infrastructure		190 901	152 737	201 037	4 963	94 844	114 553	(19 609)	-17.1%	152 737
Vote 7 - Internal Audit		4 380	3 682	4 162	16	2 717	2 769	(52)	-1.3%	3 682
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	513 396	488 023	612 548	18 724	308 200	369 017	(51 817)	-14.4%	488 023
<b>Surplus/ (Deficit) for the year</b>	2	70 206	99 560	(21 099)	87 283	185 878	74 670	111 208	148.9%	99 560

Reporting per municipal Vote provides details on the spending over the various functions. Revenue is mainly budgeted under the Finance & Admin 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)

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Vote 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										
<b>Revenue By Source</b>										
Property rates		48 726	54 088	54 088	1 928	47 531	40 568	6 965	17%	54 088
Service charges - electricity revenue		58 530	71 416	71 416	2 861	40 192	53 562	(13 370)	-25%	71 416
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		11 815	15 528	15 528	975	8 777	11 644	(2 868)	-25%	15 528
Rental of facilities and equipment		1 280	2 028	2 028	65	1 259	1 521	(270)	-16%	2 028
Interest earned - external investments		9 599	14 650	15 060	1 571	12 857	10 867	1 970	17%	14 650
Interest earned - outstanding debtors		16 188	18 731	18 731	1 488	12 650	14 048	(1 398)	-10%	18 731
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 058	1 789	1 789	200	1 961	1 327	634	48%	1 789
Licences and permits		3 407	4 131	4 131	(347)	2 147	3 098	(951)	-31%	4 131
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		267 351	283 418	285 228	85 252	293 098	220 084	73 034	33%	285 418
Other revenue		1 350	1 471	1 777	130	802	1 103	(301)	-27%	1 471
Gains		(15)	-	-	-	-	-	-	-	-
		418 070	477 227	479 751	93 804	421 265	357 920	63 345	18%	477 227
<b>Total Revenue (excluding capital transfers and contributions)</b>										
<b>Expenditure By Type</b>										
Employee related costs		128 303	141 262	155 818	837	107 521	105 947	1 575	1%	141 262
Remuneration of councillors		21 444	22 459	22 459	1 810	16 737	16 844	(103)	-1%	22 459
Debt impairment		17 651	6 000	6 000	-	-	4 500	(4 500)	-100%	6 000
Depreciation & asset impairment		53 355	53 338	73 136	-	30 218	40 002	(9 783)	-24%	53 336
Finance charges		35	-	-	-	133	-	133	#DIV/0!	-
Bulk purchases - electricity		58 161	61 383	61 383	3 589	41 333	46 037	(4 704)	-10%	61 383
Inventory consumed		6 075	7 747	8 142	547	3 837	5 810	(1 973)	-34%	7 747
Contracted services		100 354	113 584	110 778	7 148	88 320	85 188	(3 132)	-20%	113 584
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		49 201	74 252	89 835	4 583	40 089	55 889	(15 809)	-28%	74 252
Losses		78 219	-	105 000	-	-	-	-	-	-
		513 396	480 023	612 548	18 724	308 200	360 017	(51 817)	-14%	480 023
<b>Total Expenditure</b>										
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(95 327)	(2 796)	(132 796)	75 080	113 065	(2 097)	115 162	(0)	(2 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		165 532	102 358	111 826	12 209	72 813	76 767	(3 954)	(0)	102 358
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		70 206	99 560	(21 099)	87 283	185 878	74 670			99 560
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		70 206	99 560	(21 099)	87 283	185 878	74 670			99 560
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		70 206	99 560	(21 099)	87 283	185 878	74 670			99 560
Share of surplus/ (deficit) of associates		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		70 206	99 560	(21 099)	87 283	185 878	74 670			99 560

#### 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 and represents **11%** of the total own revenue budget.

The municipality bills both annual rates and monthly rates at the beginning of the financial year i.e. July. The total property rates billed amounted to **R 1,636,811** income received from property rates for the month of March 2023 amounted to **R 1,625,860**.

### **Services Charges**

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to **R 3,838,459** for the month ended 31<sup>st</sup> March 2023. This represent **4%** on this category and is less than expected performance for the month. This is due to less collection on Prepaid electricity sales as a result of load shedding, leading to less demand for electricity. YTD revenue represent **56%** of the total revenue budget for this category.

### **Rental of Facilities and equipment**

Rental of facilities and equipment annual budget is **R 2,027,556**, Revenue amount of **R 65,259** for the month ended 31<sup>st</sup> March 2023 has been recognised on this category representing **3%** which is less than expected performance for the month due to less collection under ad-hoc rentals. YTD revenue represent **62%** of the total revenue budget for this category.

### **Interest earned on Investments**

Reflects the interest in respect of funds not immediately needed in the operations of the Municipality, these are short term investments made with financial institutions also include conditional grants. The total Interest earned on investments current budget is **R 14,649,996** this was increased by **R 410,000** resulting to adjusted budget of **R15,059,996**. Interest received for the month ended 31<sup>st</sup> March 2023 amounted to **R 1,570,766** which represents **10%**. This is above the expected performance for the month; due to Grants receipts as per Dora allocation which are invested on short term basis and withdrawals are done as per expected expenditure. YTD revenue represent **85%** of the total revenue budget for this category.

### **Interest on Outstanding Debtors**

Interest on overdue accounts current budget is **R 18,730,800**, Interest received for the month ended 31<sup>st</sup> March 2023 amounted to **R 1,468,255** which represents **8%** is within expected performance. The majority of the debtors are the government departments. YTD revenue represent **68%** of the total revenue budget for this category.

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

Revenue from fines, penalties and forfeits has an annual budget of **R 1,769,004**. Total revenue of **R 200,039** has been recognised on this category for the month ended 31<sup>st</sup> March 2023 representing **11%** on this category, which is more than the expect performance for the month due to more collection on traffic fines. Fines are base cash basis whilst the budget is based on GRAP 1 which require us to recognised the total fines issued and not only base on collection. YTD revenue represent **100%** of the total revenue budget for this category.

### Licences and permits

The current budget for licences and permits amounts to **R 4,130,844**. Total revenue of **R 44,953** has been recognised on this category for the month ended 31<sup>st</sup> March 2023 representing **1%**; this less than the expected performance, due to decrease in Learner licence application revenue as a result of systems being offline due to load shedding. YTD revenue represent **52%** of the total revenue budget for this category.

### Transfers and Subsidies-Operational

Total current budget amount on transfers and subsidies is **R 293,418,000** this was increased by **R 1,808,337** resulting to adjusted budget of **R 295,226,337**. Total revenue of **R 85,252,452** was recognised for the month ended 31<sup>st</sup> March 2023 this represents less than **29%** of total adjusted budget. This is more than expected performance for the Month and is due to Equitable share grant & EPWP revenue that was recognised for the month. YTD grants revenue represent **99%** on this category.

### Transfers and Subsidies-Capital

Total current budget amount on transfers and subsidies is **R 102,355,992** this was increased by **R 9,341,672** resulting to adjusted budget of **R 111,697,664**. Total revenue of **R 12,203,187** was received for the month ended 31<sup>st</sup> March 2023 this represents **11%** of total budget. This is more than the expected performance for the Month due to more grants recognised. YTD grants revenue represents **65%** on this category.

### Other Revenue

A total current budget on other revenue is **R 1,470,708** this was increased by **R 306,140** resulting to adjusted budget of **R 1,776,848** which consists mostly Merchandising and Jobbing, sale of tender documents, insurance refund and other revenue. Other revenue amounted to

**R 129,985** for the month ended 31<sup>st</sup> March 2023, this represents **7%** which is less than expected performance for the month due to no revenue recognised on SETA Fund, Insurance Refund; Merchandising; Jobbing, Contracts; Cemetery and Burial as anticipated. YTD revenue represents **45%** on this category

## **Operating Expenditure by type**

### **Employee related costs/ Remuneration of Councillors**

Total current budget on Employee related costs/ Remuneration of Councillors is **R 163,721,472** this was increased by **R 14,553,988** resulting to adjusted budget of **R 178,275,460**. The total expenditure for the month ended 31<sup>st</sup> March 2023 amounted **R 17,768,505** of which the expenditure **R 1,609,721** relates to Remuneration of Councillors and **R 16,158,784** Managers and staff, that represents **10%** of the budgeted amount for this category. This is over the expected performance for the month due to overtime, Allowance Travel and subsistence allowance paid for the month. YTD Expenditure represents **70%** on this category. An amount of **R 15,221,838** relating Employee related costs was not recognised on the financial system report as a result of February month system integration error which was not true Expenditure reflection for the month. The omitted amount is included on the analyses for March 2023 to present the true expenditure reflection for the month as this was a correcting journal affected on the segment for February system integration error.

### **Debt Impairment**

Currently the municipality accounts for Debt impairment at the end of the financial year. Debt impairment relates to long overdue customer accounts over 90 days. It is a non-cash item and is budgeted at a rate being the difference of the cash the municipality intends to collect and what is not collectable from customers.

Items included in this category are bad debts written off which at the time of compiling report, there were no provisions recorded on the financial system resulting in this variance.

### **Disposal of Fixed and Intangible Assets**

Disposal of Eskom Projects will only be transferred at the end of the financial year after Eskom advise the Municipality on the projects they will accept.

### **Depreciation and Asset impairment**

Total current budget on Depreciation and Asset impairment is **R 53,336,148** this was increased by **R 19,800,000** resulting to adjusted budget of **R 73,136,148**. There is no Depreciation recognised in this category for the month ended 31<sup>st</sup> March 2023. Total YTD expenditure represents **41%** on this category.

### **Bulk Purchases**

Total current budget on bulk electricity purchases is **R 61,382,988**, the total expenditure for the month ending 31<sup>st</sup> March 2023 is **R 3,599,322**, that represents **6%** of the total budgeted amount on this category which is less than expected performance for the month this is due to decrease in demand for electricity purchases as a result of Load shedding. YTD expenditure represents **67%** on this category.

### **Other Materials**

Total current budget on other material is **R 7,746,996** this was increased by **R 395,000** resulting to adjusted budget of **R 8,141,996**. The inventory purchases for material and supplies and expenditure amounted to **R 547,447** for the month ended 31<sup>st</sup> March 2023, that represents **7%** of the budgeted amount on this category. This is less than expected performance for the month as result of less demand on stores items. YTD Expenditure represents **47%** on this category.

### **Contracted Services**

Total current budget on contracted services is **R 113,584,116** this was decreased by **R 2,807,852** resulting to adjusted budget of **R 110,776,264** consisting 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 31<sup>st</sup> March 2023 amounted to **R 7,147,924** that represents **6%** of the budgeted amount on this category. This is less expected performance for the month due to other contracts that are not paid on a monthly basis. YTD expenditure represents **62%** on this category.

### **Other Expenditure**

Total Current Budget on Other expenditure is **R 74,251,512**; this was decreased by **R 4,416,649** resulting to adjusted budget of **R 69,834,863** reflects all other expenses not specifically mentioned and consists of the following:

- Skills development levy
- Remuneration of ward committee
- Telephone expenses

- Audit fees
- ICT Software
- Fuel and Oil
- Travel and subsistence expenses
- Workmen's Compensation Fund
- Professional Bodies Membership and Subscription

Other expenditure amounted to **R 4,882,696** for the month ended 31<sup>st</sup> March 2023, that represents **7%** of the budgeted amount on this category. This is less than the expected performance for the month on this category. Expenditure relating to Uniform protective clothing, radio slots, wet fuel & Workmen's compensation is planned to increase as per the departmental procurement plans and other are still on tender stage. YTD expenditure represents **57%** on this category.

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

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 March									
Vote Description	Ref	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
<b>R thousands</b>	<b>1</b>								
<b>Multi-Year expenditure appropriation</b>	<b>2</b>								
Vote 1 - Executive Council		-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-
<b>Total Capital: Multi-year expenditure</b>	<b>4,7</b>								
<b>Single Year expenditure appropriation</b>	<b>5</b>								
Vote 1 - Executive Council		74	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		562	3 250	4 280	3	1 316	2 448	(1 132)	-45%
Vote 3 - Corporate		4 629	2 310	2 310	5	1 263	1 733	(523)	-28%
Vote 4 - Development and Planning		52	800	800	-	-	375	(375)	-100%
Vote 5 - Community		2 083	6 360	6 360	361	590	4 770	(4 180)	-65%
Vote 6 - Infrastructure		181 915	155 979	157 421	14 870	79 203	119 159	(40 957)	-34%
Vote 7 - Internal Audit		-	-	-	-	(4 385)	-	(4 385)	#DIV/0!
Vote 8 -		-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-
<b>Total Capital: single year expenditure</b>	<b>4</b>	<b>189 936</b>	<b>171 309</b>	<b>180 651</b>	<b>15 139</b>	<b>77 277</b>	<b>128 482</b>	<b>(51 295)</b>	<b>-40%</b>
<b>Total Capital Expenditure</b>		<b>189 936</b>	<b>171 309</b>	<b>180 651</b>	<b>15 139</b>	<b>77 277</b>	<b>128 482</b>	<b>(51 295)</b>	<b>-40%</b>
<b>Capital Expenditure - Functional Classification</b>									
Governance and administration		5 334	5 670	6 370	9	(1 516)	4 178	(5 563)	-73%
Executive and council		74	-	-	-	-	-	-	-
Finance and administration		5 260	5 670	6 370	9	2 589	4 178	(1 158)	-28%
Internal audit		-	-	-	-	(4 285)	-	(4 285)	#DIV/0!
Community and public safety		1 368	3 460	3 460	105	405	2 895	(2 190)	-84%
Community and social services		155	1 510	1 510	125	405	1 123	(728)	-54%
Sport and recreation		-	-	-	-	-	-	-	-
Public safety		1 190	1 950	1 950	-	-	1 453	(1 453)	-100%
Housing		-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
Economic and environmental services		84 145	110 101	117 948	9 091	44 545	82 576	(37 731)	-46%
Planning and development		152	600	600	-	375	(375)	(375)	-100%
Road transport		83 952	109 601	117 443	9 281	54 545	30 201	(27 344)	-45%
Environmental protection		-	-	-	-	-	-	-	-
Trading services		99 051	52 470	52 470	5 935	33 543	39 133	(5 590)	-14%
Energy services		57 333	49 575	49 575	5 779	30 358	35 258	(3 500)	-10%
Water management		-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-
Waste management		1 115	2 900	3 900	155	165	2 175	(1 960)	-51%
Other		-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functions Classification</b>	<b>3</b>	<b>189 936</b>	<b>171 309</b>	<b>180 651</b>	<b>15 139</b>	<b>77 277</b>	<b>128 482</b>	<b>(51 295)</b>	<b>-40%</b>

The approved annual capital budget for the financial year amounts to **R 171,309,312** this has increased by **R 9,341,672** to an adjusted capital budget of **R 180,650,984**. Capital expenditure incurred for the month ended 31 March 2023 amounted to **R 15,139,238**.

This represents **8%** of the approved capital expenditure budget. This is within the expected performance for the month. YTD expenditure represents **45%** on this category.

### 3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M09 March						
Description	Ref	2021/22 Audited Outcome	Original Budget	Budget Year 2022/23 Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>†</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		8 715	15 393	28 452	3 187	15 393
Call investment deposits		228 017	217 545	217 545	357 536	217 545
Consumer debtors		88 494	70 502	89 638	105 979	70 502
Other debtors		92 899	4 937	17 683	100 522	4 937
Current portion of long-term receivables		—	—	—	—	—
Inventory		1 874	1 093	1 094	2 025	1 093
<b>Total current assets</b>		<b>420 000</b>	<b>309 470</b>	<b>354 413</b>	<b>569 249</b>	<b>309 470</b>
<b>Non current assets</b>						
Long-term receivables		—	—	—	—	—
Investments		—	—	—	—	—
Investment property		4 960	—	—	4 960	—
Investments in Associate		—	—	—	—	—
Property, plant and equipment		1 134 384	1 356 483	1 241 025	1 185 139	1 356 483
Biological		—	—	—	—	—
Intangible		94	4 626	4 626	(4)	4 626
Other non-current assets		870	620	620	1 365	620
<b>Total non current assets</b>		<b>1 140 318</b>	<b>1 361 729</b>	<b>1 246 271</b>	<b>1 191 461</b>	<b>1 361 729</b>
<b>TOTAL ASSETS</b>		<b>1 560 318</b>	<b>1 671 199</b>	<b>1 600 683</b>	<b>1 760 709</b>	<b>1 671 199</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		—	—	—	—	—
Borrowing		—	—	—	—	—
Consumer deposits		1 578	822	822	1 629	822
Trade and other payables		132 238	62 798	112 940	146 701	62 798
Provisions		14 310	35 752	35 752	14 310	35 752
<b>Total current liabilities</b>		<b>148 127</b>	<b>99 372</b>	<b>149 515</b>	<b>162 640</b>	<b>99 372</b>
<b>Non current liabilities</b>						
Borrowing		—	—	—	—	—
Provisions		43 429	14 442	14 442	43 429	14 442
<b>Total non current liabilities</b>		<b>43 429</b>	<b>14 442</b>	<b>14 442</b>	<b>43 429</b>	<b>14 442</b>
<b>TOTAL LIABILITIES</b>		<b>191 556</b>	<b>113 814</b>	<b>163 956</b>	<b>206 069</b>	<b>113 814</b>
<b>NET ASSETS</b>	<b>2</b>	<b>1 368 762</b>	<b>1 557 385</b>	<b>1 436 727</b>	<b>1 554 640</b>	<b>1 557 385</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		963 989	1 178 048	1 365 148	1 159 256	1 178 048
Reserves		395 384	379 337	71 579	395 384	379 337
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>1 365 373</b>	<b>1 557 385</b>	<b>1 436 727</b>	<b>1 554 640</b>	<b>1 557 385</b>

## 3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M09 March

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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		36 520	43 271	43 271	1 408	37 768	32 463	5 315	16%	43 271
Service charges		62 721	69 553	64 253	3 584	52 554	52 165	389	1%	69 553
Other revenue		15 705	7 598	31 484	504	14 714	5 699	9 015	158%	7 598
Transfers and Subsidies - Operational		266 202	283 418	285 226	81 927	283 529	220 064	73 465	33%	283 418
Transfers and Subsidies - Capital		174 749	102 358	111 698	20 758	119 841	76 757	43 074	56%	102 358
Interest		4 355	14 650	15 060	1 571	13 309	10 987	2 312	21%	14 650
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(218 386)	(420 562)	(428 358)	(16 200)	(185 112)	(315 499)	(150 385)	45%	(420 662)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		341 802	110 185	132 586	93 250	366 594	82 638	(283 956)	-344%	110 185
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		(188 241)	(171 309)	(180 651)	(17 366)	(90 446)	(128 482)	(38 036)	30%	(171 309)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(188 241)	(171 309)	(180 651)	(17 366)	(90 446)	(128 482)	(38 036)	30%	(171 309)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/financing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		82	-	-	(1)	50	-	50	#DIV/0!	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		82	-	-	(1)	50	-	(50)	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning		152 842	(61 125)	(48 965)	75 880	276 198	(45 843)			(61 125)
Cash/cash equivalents at beginning		224 422	294 388	294 388		236 732	294 088			236 732
Cash/cash equivalents at month/year end		377 264	232 963	246 023		512 930	248 244			175 607

## PART 2 –SUPPORTING DOCUMENTATION

### SECTION 4

#### Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 31<sup>st</sup> March 2023.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M69 March

Description		Budget Year 2022/23											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-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	—	—	—	—	—	—	—	—	—	—	—	—	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2 970	1 121	992	1 564	653	1 033	2 724	1 365	12 411	7 358	—	—	
Receivables from Non-exchange Transactions - Property Rates	1400	1 572	822	677	619	598	564	27 121	59 427	91 402	68 330	—	—	
Receivables from Exchange Transactions - Waste Water Management	1500	—	—	—	—	—	—	—	—	—	—	—	—	
Receivables from Exchange Transactions - Waste Management	1600	924	620	498	424	405	413	1 788	32 584	27 613	25 814	—	—	
Receivables from Exchange Transactions - Property Rates Debtors	1700	—	—	—	—	—	—	—	7	7	7	—	—	
Interest on Asset Debtor Accounts	1810	1 470	1 448	1 420	1 404	1 381	1 368	8 158	41 267	55 354	51 606	—	—	
Recoverable unauthorised irregular, hushies and wasteful expenditure	1820	—	—	—	—	—	—	—	—	—	—	—	—	
Other	1900	410	1 142	3 508	255	1 655	2 295	7 782	12 608	29 935	24 573	—	—	
Total By Income Source	2000	7 346	5 152	7 833	4 266	4 701	5 674	45 551	137 297	217 820	197 489	—	—	
282293 - Initial only		—	—	—	—	—	—	—	—	—	—	—	—	
Debtors Age Analysis By Customer Group														
Organs of State	2200	2 174	1 818	1 975	2 533	1 688	2 055	32 713	58 545	103 601	97 534	—	—	
Commercial	2300	3 833	2 139	3 850	642	1 837	2 558	8 381	16 215	38 733	28 741	—	—	
Households	2400	1 239	1 128	1 108	1 381	1 277	1 063	4 447	62 536	73 698	79 214	—	—	
Other	2500	—	—	—	—	—	—	—	—	—	—	—	—	
Total By Customer Group	2600	7 346	5 152	7 833	4 266	4 701	5 674	45 551	137 297	217 820	197 489	—	—	

The total debt book for March 2023 is R 217,020,032 inclusive of R 3,347,587,81 advanced payments.

The total debt book for March 2023 of R213 672 444.19 (including current of R 7 254 627.22 which is not yet due) has decreased by R 4 556 435.23 from the previous month closing balance of R 210 974 252.20. Debt is made up of the following:

Residential debt:

R 82 738 758.19

Commercial debt

R 28 768 735.87

Government debt

R 98 859 321.7

Other

R 3 305 628.43

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

R 57 569 267.46

(including current)

Cedarville

R 5 228 577.42

(including current)

(both areas are handed over for collection)

The municipality makes use of debt collectors in implementing the credit and debt collection policy. A new service provider has been appointed to start looking at debt that is older than 90 days.

The following has been handed over:

Residential H/O

R 73 473 315.83

Business H/O

R 25 001 539.6

Churches H/O

R 147 703.58

Farms H/O

R 3 107 585.61

Included in the hand over accounts for Business is an amount of R 17 429 012.37 (excl. VAT of R2 614 351.85) debt for Parallax PTY LTD for third party vending.

March 2023 collection for all handed over accounts is

R1 119 432.86

## SECTION 5 -CREDITORS' ANALYSIS

### Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description		NT Code	Budget Year 2022/23								Total
			0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	
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	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	

The municipality makes an extra effort that creditors are paid within 30 days as per MFMA, therefore municipality paid its creditors within 30 days for the month ended 31<sup>st</sup> March 2023.

## SECTION 6- INVESTMENT POTFOLIO ANALYSIS

### Conditional and Unconditional investment monitoring Information

Mar 23					
<b>Investment Management</b>					
<b>Conditional Investments -Description</b>	<b>Opening Balance</b>	<b>Deposits</b>	<b>Withdrawals</b>	<b>Interest Earned</b>	<b>Closing Balance</b>
Municipal Infrastructure Grant	19 832 013.73	20 851 851.26	-8 373 638.64	-103 851.26	32 320 226.35
INEP	25 567 657.92	77 864.48	-2 712 880.09	-77 864.48	22 932 642.31
EPWP	-	-	-	-	-
Municipal Electrification Intervention	291 636.93	1 510.04	-	-1 510.04	293 146.97
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	58 414.99	302.40	-	-302.40	58 717.39
Establishment Plan	203 948.88	981.47	-	-981.47	204 930.35
Housing Development Fund	2 078 909.51	10 004.40	-	-10 004.40	2 088 913.91
Dedea	632 637.21	3 044.46	-	-3 044.46	635 681.67
<b>Total Conditional Investments</b>	<b>48 665 219</b>	<b>20 955 559</b>	<b>- 11 086 519</b>	<b>- 197 559</b>	<b>58 534 259</b>
<b>Unconditional Investments -Description</b>					
<b>Opening Balance</b>	<b>Deposits</b>	<b>Withdrawals</b>	<b>Interest Earned</b>	<b>Closing Balance</b>	
Call Acc STD CRR	125 484 582.18	-	-	-628 798.08	125 484 582.18
Call Acc STD CRR	11 847 393.39	59 366.80	-	-59 366.80	11 906 760.19
Call ACC FNB Surplus Cash	6 805 395.80	-	-	-	6 805 395.80
Nedbank 32 Days	6 928 477.65	39 862.48	-	-39 862.48	6 968 340.13
Nedbank	4 360 008.08	136 312 659.26	-84 350 000.00	-93 590.18	56 322 667.34
Nedbank relief fund	824 042.01	4 266.92	-	-4 266.92	828 308.93
Nedbank COV -19 Solidarity	99 785.44	516.60	-	-516.20	100 302.04
Nedbank Retention	28 633 052.69	148 264.20	-15 000 000.00	-148 264.20	13 781 316.89
Termination Guarantee	144 640.82	-	-	-749.00	144 640.82
Account Gaurantee	6 202 000.00	-	-	-32 114.60	6 202 000.00
Standard Bank-009	50 952 191.78	68 013.70	-51 020 205.48	-68 013.70	-
Standard Bank-010	20 163 726.03	150 082.19	-	-150 082.20	20 313 808.22
Standard Bank-011	-	50 138 493.15	-	-138 493.15	50 138 493.15
<b>Total Unconditional</b>	<b>262 445 296</b>	<b>136 783 032</b>	<b>- 99 350 000</b>	<b>- 1 364 118</b>	<b>298 996 616</b>
<b>Total Investments</b>	<b>311 110 515</b>	<b>157 738 591</b>	<b>- 110 436 519</b>	<b>- 1 561 676</b>	<b>357 530 875</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.

This indicates that the municipality as at 31<sup>st</sup> March 2023 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

As at 31<sup>st</sup> March 2023 the conditional investments amounted to **R 58,534,259** and unconditional investments amounted to **R 298,996,616**. Total investments as at 31<sup>st</sup> March 2023 amounted to **R 357 530 875**.

The following reflects bank balances at 31<sup>st</sup> March 2023

Description	March 2023
Nedbank Primary Account:	2 484 266.73
Standard bank Account:	5 913 564.52
FNB Money Market Account:	2 149 398.07
<b>Total Cash held as at 31<sup>st</sup> March 2023</b>	<b>10 547 229.32</b>

The cash bank balance as at 31<sup>st</sup> March 2023 amounted to **R 10.5 million**.

## SECTION 7 \_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

### 7.1 Supporting Table SC6

EC441 Matatiele - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

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										
<b>RECEIPTS:</b>	1.2									
<b>Operating Transfers and Grants</b>										
National Government:		83 508	6 460	6 468	1 442	6 460	4 845	1 615	33.3%	6 460
Expanded Public Works Programme Integrated Grant:		4 897	4 810	4 810	1 442	4 810	3 607	1 202	33.3%	4 810
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		1 650	1 650	1 650	-	1 650	1 238	413	33.3%	1 650
Municipal Infrastructure Grant		76 571	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	650	2 458	-	650	1 844	(1 194)	-64.7%	650
Specify /Add grant description:		-	-	-	-	-	-	-	-	-
Library Grant		-	650	2 458	-	650	1 844	(1 194)	-64.7%	650
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	83 508	7 110	8 918	1 442	7 110	6 689	421	6.3%	7 110
<b>Capital Transfers and Grants</b>										
National Government:		97 778	102 356	111 698	20 758	99 011	83 773	15 238	18.2%	102 356
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	56 068	65 410	20 758	52 723	49 057	3 666	7.5%	56 068
Integrated National Electrification Programme Grant		57 776	46 288	46 288	-	46 288	34 716	11 572	33.3%	46 288
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	0.0%	-
Other grant providers:		-	-	-	-	-	-	-	0.0%	-
<b>Total Capital Transfers and Grants</b>	5	97 778	102 356	111 698	20 758	99 011	83 773	15 238	18.2%	102 356
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	181 286	169 466	120 616	22 200	106 121	90 462	15 659	17.3%	109 666

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

The Municipality received MIG R 20.7 million and EPWP R1,442 thousand conditional grants in the month of March 2023.

## 7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

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										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		6 537	6 460	6 460	3 643	4 722	4 845	(123)	-2.5%	6 460
Expanded Public Works Programme Integrated Grant		4 827	4 810	4 810	3 619	3 619	3 807	11	0.3%	4 810
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		1 650	1 650	1 650	24	1 104	1 238	(134)	-12.8%	1 650
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		2 113	650	2 458	4	601	1 844	(1 243)	-67.4%	2 458
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
Library Grant		-	650	2 458	2	625	1 544	(1 218)	-86.1%	2 458
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		8 650	7 110	8 918	3 646	5 323	6 689	(1 366)	-20.4%	8 918
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		165 407	102 358	111 698	10 672	83 655	83 773	(20 118)	-24.0%	102 358
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		67 629	58 068	65 410	6 270	33 583	49 057	(15 474)	-31.5%	58 068
Integrated National Electrification Programme Grant		97 778	46 288	46 288	4 403	30 072	34 718	(4 644)	-13.4%	46 288
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		165 407	102 358	111 698	10 672	83 655	83 773	(20 118)	-24.0%	102 358
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>174 057</b>	<b>109 466</b>	<b>120 616</b>	<b>14 319</b>	<b>68 978</b>	<b>90 462</b>	<b>(21 484)</b>	<b>-23.7%</b>	<b>111 274</b>

Expenditure performance on conditional grants amounted to R 14.3 million for the month ended 31<sup>st</sup> March 2023. Operational expenditure grants amounted to R3.6 million and Capital expenditure grants amounted to R10.7 million.

## SECTIONS 8

**Table SC8 presents the expenditure of councillor and staff benefits at 31 March 2023**

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - 31 March

Summary of Employee and Councillor remuneration	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		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		13 296	14 129	14 129	1 093	10 079	10 597	(518)	-5%	14 129
Pension and UIF Contributions		712	693	693	74	684	520	165	32%	693
Medical Aid Contributions		536	92	92	(180)	324	69	255	367%	92
Motor Vehicle Allowance		58	-	-	-	-	-	-	-	-
Cellphone Allowance		2 352	2 573	2 573	201	1 809	1 929	(121)	-6%	2 573
Housing Allowances		4 489	4 972	4 972	421	3 941	3 729	112	3%	4 972
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>21 444</b>	<b>22 459</b>	<b>22 459</b>	<b>1 610</b>	<b>16 737</b>	<b>16 844</b>	<b>(108)</b>	<b>-1%</b>	<b>22 459</b>
<b>% increase</b>	4		4.7%	4.7%						4.7%
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		3 130	3 947	3 947	5	1 931	2 980	(1 029)	-35%	3 947
Pension and UIF Contributions		37	147	147	9	3	111	(106)	-97%	147
Medical Aid Contributions		73	80	80	-	-	80	(60)	-100%	80
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		360	149	149	-	-	142	(112)	-100%	149
Motor Vehicle Allowance		1 805	2 016	2 016	26	992	1 312	(820)	-41%	2 016
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		686	725	725	-	390	544	(154)	-28%	725
Other benefits and allowances		337	501	501	5	128	378	(249)	-66%	501
Payments in lieu of leave		-	-	-	-	224	-	224	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>6 239</b>	<b>7 567</b>	<b>7 567</b>	<b>36</b>	<b>3 966</b>	<b>5 675</b>	<b>(2 109)</b>	<b>-37%</b>	<b>7 567</b>
<b>% increase</b>	4		21.3%	21.3%						21.3%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		83 947	93 243	107 104	1 221	73 296	89 932	3 364	5%	93 243
Pension and UIF Contributions		13 155	15 771	15 313	(1)	11 304	11 828	(824)	-8%	15 771
Medical Aid Contributions		4 943	4 995	4 995	12	3 862	3 746	116	3%	4 995
Overtime		1 790	2 480	2 730	(3)	1 624	1 860	(236)	-15%	2 480
Performance Bonus		5 848	7 649	7 649	(250)	4 780	5 737	(976)	-17%	7 649
Motor Vehicle Allowance		4 272	4 414	4 714	-	3 333	3 311	22	1%	4 414
Cellphone Allowance		6	8	6	-	5	5	(0)	-7%	8
Housing Allowances		383	2 983	2 983	-	1 689	2 237	(569)	-25%	2 983
Other benefits and allowances		4 787	2 154	2 154	12	2 411	1 616	795	49%	2 154
Payments in lieu of leave		1 643	-	-	-	1 180	-	1 180	#DIV/0!	-
Long service awards		523	-	-	(9)	311	-	311	#DIV/0!	-
Post-retirement benefit obligations		1 065	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>122 064</b>	<b>133 695</b>	<b>146 249</b>	<b>900</b>	<b>103 955</b>	<b>100 272</b>	<b>3 683</b>	<b>4%</b>	<b>133 695</b>
<b>% increase</b>	4		9.5%	21.5%						9.5%
<b>Total Parent Municipality</b>		<b>149 746</b>	<b>163 721</b>	<b>178 275</b>	<b>2 547</b>	<b>124 253</b>	<b>122 791</b>	<b>1 467</b>	<b>1%</b>	<b>163 721</b>

**Section 66** of the MFMA requires that the accounting officer of a municipality must report to Council in a prescribed format all expenditure incurred by the municipality on staff salaries, wages and benefits in a manner that discloses expenditure per type such as salaries contributions for pensions etc.

Remuneration related expenditure for the month ended 31<sup>st</sup> March 2023 amounted **R 2.5** million of which the expenditure **R 1,6** million relates to Remuneration of Councillors and

**R 936** thousand, to Managers and staff, that represents **10%** expenditure of the budgeted amount for this category. This is over the expected performance for the month due to overtime, Allowance Travel and subsistence allowance paid for the month. Expenditure to date represents

70% on this category. An amount of **R 15,221,838** relating Employee related costs was not recognised on the financial system report as a result of February month system integration error which was not true Expenditure reflection for the month. The omitted amount is included on the percentage analyses for March 2023 to present the true expenditure reflection for the month as this was a correcting journal effected on the segment for February system integration error.

**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 31<sup>st</sup> March 2023 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:**

18 April 2023