



MATATIELE
LOCAL MUNICIPALITY

**2022/2023
MONTHLY
SECTION 71
REPORT**

**MONTH ENDED
28 FEBRUARY 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 28th February 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 28 February 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 28th February 2023 amounted to **R 17,925,239** which represents **3%** of the Adjusted Budget. The amount received to date is **66%** of the adjusted budget (including grants). The majority of the revenue recognised this month of **R 18,381,449.24** is relating to Service Charges; Licences or permits, transfers and subsidies, interest; Dividend and Rent on Land.

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 612,547,719**. Expenditure for the month ended 28th February 2023 amounted to **R 44,449,683** which represents **7%** of the Adjusted Budget. Expenditure to date represents **47%** of the adjusted budget. The majority of expenditure this month relates to bulk purchases, contracted services, Insurance premium 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 28th February 2023 amounted to **R 10,315,641**, this represents **6%** of the approved capital expenditure budget. The expenditure to date represents **37%** 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 28th February 2023 is **R 6,532,431** which represent **10%** of expenditure for the month. Total YTD expenditure represents **40%** of the adjusted budget on this category.
- Integrated National Electrification Programme (INEP) of **R 46,287,972** million was allocated. The grant reflects **R 701,195** spending at the end of 28th February 2023 which represent **2%**. Total YTD expenditure represents **55%** 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 2,933,360** which represent **4%**. Total YTD expenditure represents **21%** 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 **37%** as at 28th February 2023.

The Municipality has made the rollover application that have been submitted on the 31 August 2022 as per Section 22 of DoRA 2021 and were 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	February 2023 status
Rehabilitation of Matatiele internal Streets Cluster 1	Project is 7 % complete
Purutle Moyeni Access Road and Bridge	Project is at 95% complete
Extension of Matatiele Sports Centre Ph2	Project is at tender stage
Mahangu Access Road & Bridge	Project is at 95% complete
Harry Gwala Internal Streets	Project is at 95 % complete
Rehabilitation of Cedarville internal streets	Project is at 15 % complete
Street Lights	Project is at 62 % complete
High Mast Lights	contractor has completed 5 foundation and the progress is at 60%.

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	February 2023 status
Mavundleni Electrification	construction is in progress at 53%, contractor has not been on site.
Mapoti Electrification	Construction is complete, Pending Eskom Process for energising.

Polar Park Electrification	construction is in progress at 73%.
Rockville Electrification	construction is in progress at 77%.
Hillside-Manzi Ph2 link line	Construction progresss is at 91%, poending pole to pole inspection and Eskom process on the Household connections are complete.
Sikhulumi Electrification	Construction is complete, Pending Eskom Process for energising
Sikhulumi Link Line	Construction is complete, Pending Eskom Process for energising
Molweni 1 Electrification	construction is in progress at 86%.
Molweni 2 Electrification	construction is in progress at 51%, due to scope that was not included by the surveyor on the Prelimenary Drawings.
Masupa Electrification	Construction is complete, Pending Eskom Process for energising
Moiketsi Electrification	The contractor is currently bussy with trenching and Pole planting , Progress is at 9%
Hillside Manzi Elecrification	Construction Stage and the progresss is at 84%

Internal Funded Capital Projects

Internal funded Capital Project	February 2023 status
Dengwane Khoapa Botsola-Taung AR	Project is at 30 % complete
Sitiweni AR	Project is at 80 % complete
Construction of Silo Phase 4	Prroject is at tender stage
Dlodlweni Access Road	Project is at 20 % complete
Ramatli Access Road	Project is at 30% complete
Lekhalong Access Road	Project is at tender stage
Queens Mercy Access Road	Project is at 15 % complete
Mango-Nyanzela Access Road	Project is at 28 % complete

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 - M08 February

Description	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									
Financial Performance									
Property rates	48 726	54 088	54 088	1 701	45 905	36 059	9 846	21%	54 088
Service charges	68 146	86 942	86 942	7 503	45 130	57 961	(12 831)	-22%	86 942
Investment revenue	9 599	14 650	15 060	1 704	11 286	9 549	1 438	15%	15 060
Transfers and subsidies	267 351	293 418	295 226	(4 163)	207 845	195 974	11 871	6%	295 226
Other own revenue	24 248	28 129	28 435	2 300	17 294	18 514	(1 520)	-8%	28 435
Total Revenue (excluding capital transfers and contributions)	418 070	477 227	479 751	9 045	327 461	318 656	8 805	3%	479 751
Employee costs	128 303	141 262	155 816	30 444	106 584	97 086	9 499	10%	155 816
Remuneration of Councilors	21 444	22 459	22 459	1 856	15 127	14 973	154	1%	22 459
Depreciation & asset impairment	53 955	53 336	73 136	-	30 219	39 517	(9 298)	-24%	73 136
Finance charges	35	-	-	-	133	-	133	#DIV/0!	-
Inventory consumed and bulk purchases	64 236	69 130	69 525	4 038	41 023	46 166	(5 142)	-11%	69 525
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	245 424	193 836	291 611	8 112	96 389	148 779	(52 390)	-35%	291 611
Total Expenditure	513 396	480 023	612 548	44 450	289 476	346 520	(57 044)	-16%	612 548
Surplus/(Deficit)	(95 327)	(2 796)	(132 796)	(35 405)	37 985	(27 864)	65 849	-236%	(132 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	165 532	102 356	111 698	8 881	60 610	70 106	(9 496)	-14%	111 698
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	70 206	99 560	(21 099)	(26 524)	98 595	42 242	56 353	133%	(21 099)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	70 206	99 560	(21 099)	(26 524)	98 595	42 242	56 353	133%	(21 099)
Capital expenditure & funds sources									
Capital expenditure	189 896	171 309	180 651	10 316	62 138	116 075	(53 937)	-46%	180 651
Capital transfers recognised	141 845	99 553	108 894	7 234	51 018	68 237	(17 218)	-25%	108 894
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	47 688	71 757	71 757	2 933	15 056	47 838	(32 782)	-69%	71 757
Total sources of capital funds	189 533	171 309	180 651	10 167	66 074	116 075	(50 000)	-43%	180 651
Financial position									
Total current assets	420 000	309 470	354 413	-	504 033	-	-	-	354 413
Total non current assets	1 140 318	1 361 729	1 246 271	-	1 176 321	-	-	-	1 246 271
Total current liabilities	148 127	99 372	149 515	-	169 569	-	-	-	149 515
Total non current liabilities	43 429	14 442	14 442	-	43 429	-	-	-	14 442
Community wealth/Equity	1 365 373	1 557 385	1 436 727	-	1 467 357	-	-	-	1 436 727
Cash flows									
Net cash from (used) operating	341 002	110 185	132 586	2 298	273 344	77 937	(195 407)	-251%	132 586
Net cash from (used) investing	(168 241)	(171 309)	(180 651)	(11 837)	(73 078)	(116 075)	(42 997)	37%	(180 651)
Net cash from (used) financing	82	-	-	(3)	52	(822)	(874)	106%	-
Cash/cash equivalents at the month/year end	377 264	232 963	246 023	-	437 050	255 128	(181 922)	-71%	188 667
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	-	-	-	-	-	-	-	-	-
Creditors Age Analysis									
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) - M08 February

C447 Mataelele - Table 02 Monthly Budget Statement - Financial Performance (functional classification) - 1803 February										
Description	Ref	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	Budget Year 2022/23 YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		333 981	376 020	376 430	5 251	275 956	250 762	25 194	10%	376 430
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration	333 981	-	376 020	376 430	5 251	275 956	250 762	25 194	10%	376 430
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety	11 464	11 569	13 377	(3 834)	5 336	8 074	(2 738)	-34%		13 377
Community and social services	6 057	6 368	8 176	(4 119)	1 145	4 607	(3 461)	-75%		8 176
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	5 407	5 201	5 201	284	4 191	3 467	724	21%		5 201
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	66 038	56 290	65 938	8 084	31 271	39 456	(8 186)	-21%		65 938
Planning and development	171	202	508	10	119	196	(77)	-40%		508
Road transport	67 867	56 088	65 430	8 074	31 152	39 260	(8 108)	-21%		65 430
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	170 119	135 705	135 705	8 424	75 508	90 470	(14 962)	-17%		135 705
Energy sources	156 620	57 024	57 024	7 457	67 662	38 016	29 646	78%		57 024
Water management	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-
Waste management	13 498	78 681	78 681	968	7 846	52 454	(44 607)	-85%		78 681
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	583 602	579 583	591 449	17 925	388 071	388 762	(691)	0%	591 449
Expenditure - Functional										
Governance and administration		241 512	224 974	230 309	23 065	144 039	151 050	(7 011)	-5%	230 309
Executive and council		28 850	29 845	30 745	2 288	20 629	20 076	552	3%	30 745
Finance and administration	208 282	191 438	195 383	20 243	120 709	128 414	(7 705)	-6%		195 383
Internal audit	4 380	3 692	4 182	534	2 701	2 559	142	6%		4 182
Community and public safety	34 947	53 254	55 661	5 877	31 188	35 984	(4 796)	-13%		55 661
Community and social services	15 683	27 956	31 219	2 405	16 178	19 290	(3 112)	-16%		31 219
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	19 264	25 297	24 442	3 472	15 009	16 694	(1 685)	-10%		24 442
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	69 977	90 830	112 152	8 090	54 493	64 818	(10 325)	-16%		112 152
Planning and development	19 907	24 989	25 871	4 997	12 854	16 836	(3 981)	-24%		25 871
Road transport	50 069	65 841	86 281	3 093	41 638	47 982	(6 344)	-13%		86 281
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	166 961	110 966	214 426	7 417	59 757	94 669	(34 912)	-37%		214 426
Energy sources	141 882	86 897	194 757	5 364	48 598	79 503	(30 905)	-39%		194 757
Water management	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-
Waste management	25 079	24 069	19 669	2 054	11 158	15 166	(4 008)	-26%		19 669
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	513 396	480 023	612 548	44 450	289 476	346 520	(57 044)	-16%	612 548
Surplus/ (Deficit) for the year		70 206	99 560	(21 099)	(26 524)	98 595	42 242	56 353	133%	(21 099)

This table assess the revenue and expenditure by department, the expenditure for the period ending 28th February 2023 is R 44.4 million and revenue is R 17,9 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) - M08 February

2024/25 Initiative - Table 03 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

Vote Description	Ref	2021/22 Audited Outcome	Budget Year		Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
			Original Budget	Adjusted Budget						
R thousands										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		333 448	375 670	376 080	5 175	275 639	250 529	25 111	10.0%	376 080
Vote 3 - Corporate		533	350	350	76	317	233	83	35.7%	350
Vote 4 - Development and Planning		283	202	508	10	180	196	(15)	-7.9%	508
Vote 5 - Community		24 963	90 249	92 057	(2 867)	13 183	60 528	(47 345)	-78.2%	92 057
Vote 6 - Infrastructure		224 375	113 112	122 454	15 531	98 752	77 276	21 476	27.8%	122 454
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	583 602	579 583	591 449	17 925	388 071	388 762	(691)	-0.2%	591 449
Expenditure by Vote	1									
Vote 1 - Executive Council		28 850	29 645	30 745	2 288	20 629	20 076	552	2.8%	30 745
Vote 2 - Finance and Admin		144 999	118 223	122 563	13 142	73 576	79 683	(6 107)	-7.7%	122 563
Vote 3 - Corporate		63 283	73 215	72 820	7 102	47 133	48 731	(1 598)	-3.3%	72 820
Vote 4 - Development and Planning		20 957	24 989	25 871	4 997	13 010	16 836	(3 825)	-22.7%	25 871
Vote 5 - Community		60 026	77 323	75 330	7 931	42 346	51 150	(8 804)	-17.2%	75 330
Vote 6 - Infrastructure		190 901	152 737	281 037	8 457	90 081	127 485	(37 404)	-29.3%	281 037
Vote 7 - Internal Audit		4 380	3 692	4 182	534	2 701	2 559	142	5.5%	4 182
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	513 396	480 023	612 548	44 450	289 476	346 520	(57 044)	-16.5%	612 548
Surplus/ (Deficit) for the year	2	70 206	99 560	(21 099)	(26 524)	98 595	42 242	56 353	133.4%	(21 099)

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) - M08 February

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											
Revenue By Source											
Property rates			48 726	54 088	54 088	1 701	45 905	36 059	9 846	27%	54 088
Service charges - electricity revenue			56 530	71 416	71 416	6 540	37 331	47 611	(10 279)	-22%	71 416
Service charges - water revenue			-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-
Service charges - refuse revenue			11 615	15 526	15 526	962	7 799	10 351	(2 552)	-25%	15 526
Rental of facilities and equipment			1 260	2 028	2 028	469	1 185	1 352	(167)	-12%	2 028
Interest earned - external investments			9 599	14 650	15 060	1 704	11 286	9 849	1 438	15%	15 060
Interest earned - outstanding debtors			16 188	18 731	18 731	1 446	11 182	12 487	(1 306)	-10%	18 731
Dividends received			-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			2 058	1 769	1 769	159	1 781	1 179	581	49%	1 769
Licences and permits			3 407	4 131	4 131	135	2 494	2 754	(260)	-9%	4 131
Agency services			-	-	-	-	-	-	-	-	-
Transfers and subsidies			267 351	293 418	295 226	(4 163)	207 845	195 974	11 871	6%	295 226
Other revenue			1 350	1 471	1 777	91	672	1 042	(370)	-35%	1 777
Gains			(15)	-	-	-	-	-	-	-	-
			418 070	477 227	479 751	9 045	327 461	318 656	8 805	3%	479 751
Total Revenue (excluding capital transfers and contributions)											
Expenditure By Type											
Employee related costs			128 303	141 262	155 816	30 444	106 584	97 086	9 499	10%	155 816
Remuneration of councillors			21 444	22 459	22 459	1 856	15 127	14 973	154	1%	22 459
Debt impairment			17 651	6 000	6 000	-	-	4 000	(4 000)	-100%	6 000
Depreciation & asset impairment			53 955	53 336	73 136	-	30 219	39 517	(9 298)	-24%	73 136
Finance charges			35	-	-	-	133	-	133	#DIV/0!	-
Bulk purchases - electricity			58 161	61 383	61 383	3 492	37 733	40 922	(3 189)	-8%	61 383
Inventory consumed			6 075	7 747	8 142	546	3 290	5 244	(1 954)	-37%	8 142
Contracted services			100 354	113 584	110 776	5 345	61 172	75 161	(13 989)	-19%	110 776
Transfers and subsidies			-	-	-	-	-	-	-	-	-
Other expenditure			49 201	74 252	69 835	2 768	35 216	48 618	(13 401)	-28%	69 835
Losses			78 219	-	105 000	-	-	21 000	(21 000)	-100%	105 000
			513 396	480 023	612 548	44 450	289 476	346 520	(57 044)	-16%	612 548
Total Expenditure											
Surplus/(Deficit)											
			(95 327)	(2 796)	(132 796)	(35 405)	37 985	(27 864)	65 849	(0)	(132 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			165 532	102 356	111 698	8 881	60 610	70 106	(9 496)	(0)	111 698
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			70 206	99 560	(21 099)	(26 524)	98 595	42 242	-	-	(21 099)
Taxation			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation			70 206	99 560	(21 099)	(26 524)	98 595	42 242	-	-	(21 099)
Attributable to minorities			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			70 206	99 560	(21 099)	(26 524)	98 595	42 242	-	-	(21 099)
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year			70 206	99 560	(21 099)	(26 524)	98 595	42 242	-	-	(21 099)

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 1,636,824** income received from property rates for the month of February 2023 amounted to **R 1,700,987**.

Services Charges

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to **R 7,502,527** for the month ended 28th February 2023. This represent **9%** on this category and is within expected performance for the month. YTD revenue represent **52%** 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 469,314** for the month ended 28th February 2023 has been recognised on this category representing **23%** which is above expected performance for the month due to more collection under Investment Property ad-hoc rentals. YTD revenue represent **58%** 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 28th February 2023 amounted to **R 1,704,404** which represents **11%**. 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 **75%** 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 28th February 2023 amounted to **R 1,446,225** which represents **8%** is within expected performance. The majority of the debtors are the government departments. YTD revenue represent **60%** 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 157,949** has been recognised on this category for the month ended 28th February 2023 representing **9%** on this category, which is within the expect performance for the month. 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 135,049** has been recognised on this category for the month ended 28th February 2023 representing **3%**; 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 **60%** 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 20,884** was recognised for the month ended 28th February 2023 this represents less than **1%** of total adjusted budget. This is less than expected performance for the Month and is due to grants revenue amount being recognised when there is an expense incurred for the month. FMG salaries was the only revenue recognised in February 2023. YTD grants revenue represent **70%** on this category. Reversal journal amounting to **R - 4,183,922** was done on the Financial system relating to EPWP beneficiaries and Library support grant for February, this does not form part of revenue for this month.

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 8,880,668** was received for the month ended 28th February 2023 this represents **8%** of total budget. This is within expected performance for the Month. YTD grants revenue represents **54%** 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 88,210** for the month ended 28th February 2023, this represents **5%** which is less than expected performance for the month due to no revenue recognised on Insurance Refund; Merchandising; Jobbing, Contracts; Cemetery and Burial as anticipated. YTD revenue represents **38%** 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 28th February 2023 amounted **R 17,077,799** of which the expenditure **R 1,855,961** relates to Remuneration of Councillors and **R 15,221,838** Managers and staff, that represents **9%** of the budgeted amount for this category. This is within the expected performance for the month. YTD Expenditure represents **68%** on this category. An additional **R 15,221,838** relating Employee related costs was recognised on the financial system report due system integration error which is not true Expenditure reflection for the month. The addition amount is excluded on the analyses for February 2023 to present the true expenditure reflection for the month a correcting journal will be affected on the segment in the month of March 2023.

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 28th February 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 28th February 2023 is **R 3,491,903**, 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 seasonal demand for electricity purchases. YTD expenditure represents **61%** 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 545,797** for the month ended 28th February 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 **40%** 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 28th February 2023 amounted to **R 5,344,580** that represents **5%** 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 **55%** 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 2,767,765 for the month ended 28th February 2023, that represents 4% of the budgeted amount on this category. This is less than the expected performance for the month on this category. Expenditure relating to ICT Software, wet fuel & Workmen's compensation is planned to increase by the end of 3rd quarter as per the departmental procurement plans and necessary adjustments will be implemented. YTD expenditure represents 50% 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) - M08 February									
Vote Description	Ref	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD Budget	YTD variance	YTD variance %
R thousands	1								
Multi-Year expenditure appropriation	2								
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 -		--	--	--	--	--	--	--	--
Total Capital Multi-year expenditure	4.7	--	--	--	--	--	--	--	--
Single Year expenditure appropriation	2								
Vote 1 - Executive Council		74	--	--	--	--	--	--	--
Vote 2 - Finance and Admin		562	3 260	4 060	50	1 313	2 333	(1 020)	-44%
Vote 3 - Corporate		4 698	2 310	2 310	--	1 248	1 540	(292)	-19%
Vote 4 - Development and Planning		163	500	500	--	--	333	(333)	-100%
Vote 5 - Community		2 484	6 360	6 360	255	330	4 240	(3 910)	-92%
Vote 6 - Infrastructure		181 915	158 679	167 421	10 010	63 333	107 628	(44 295)	-41%
Vote 7 - Internal Audit		--	--	--	--	(4 085)	--	(4 085)	#DIV/0!
Vote 8 -		--	--	--	--	--	--	--	--
Vote 9 -		--	--	--	--	--	--	--	--
Vote 10 -		--	--	--	--	--	--	--	--
Vote 11 -		--	--	--	--	--	--	--	--
Vote 12 -		--	--	--	--	--	--	--	--
Vote 13 -		--	--	--	--	--	--	--	--
Vote 14 -		--	--	--	--	--	--	--	--
Vote 15 -		--	--	--	--	--	--	--	--
Total Capital single-year expenditure	4	189 896	171 309	180 651	10 316	62 138	116 075	(53 937)	-46%
Total Capital Expenditure		189 896	171 309	180 651	10 316	62 138	116 075	(53 937)	-46%
Capital Expenditure - Functional Classification									
Governance and administration		5 334	5 570	6 370	50	(1 525)	3 873	(5 398)	-139%
Executive and council		74	--	--	--	--	--	--	--
Finance and administration		5 260	5 570	6 370	50	2 560	3 873	(1 313)	-34%
Internal audit		--	--	--	--	(4 085)	--	(4 085)	#DIV/0!
Community and public safety		1 365	3 460	3 460	255	300	2 307	(2 006)	-87%
Community and social services		165	1 510	1 510	255	300	1 007	(706)	-70%
Sport and recreation		--	--	--	--	--	--	--	--
Public safety		1 199	1 950	1 950	--	--	1 300	(1 300)	-100%
Housing		--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--
Economic and environmental services		84 145	110 101	117 948	7 723	35 754	74 970	(39 216)	-52%
Planning and development		163	500	500	--	--	333	(333)	-100%
Road transport		63 953	109 601	117 448	7 723	35 754	74 637	(38 883)	-52%
Environmental protection		--	--	--	--	--	--	--	--
Trading services		99 051	52 178	52 873	2 287	27 608	34 924	(7 316)	-21%
Energy sources		97 933	49 275	49 973	2 287	27 579	32 991	(5 412)	-16%
Water management		--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--
Waste management		1 119	2 900	2 900	--	30	1 933	(1 904)	-98%
Other		--	--	--	--	--	--	--	--
Total Capital Expenditure - Functional Classification	3	189 896	171 309	180 651	10 316	62 138	116 075	(53 937)	-46%

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 28th February 2023 amounted to **R 10,315,641**.

This represents **6%** of the approved capital expenditure budget. The variance is as a result of capital projects that have just been awarded with no payments implemented as yet. YTD expenditure represents **37%** on this category.

3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M08 February

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		8 715	15 393	28 452	(13 769)	28 452
Call investment deposits		228 017	217 545	217 545	311 116	217 545
Consumer debtors		88 494	70 502	89 638	103 261	89 638
Other debtors		92 899	4 937	17 683	101 392	17 683
Current portion of long-term receivables		—	—	—	—	—
Inventory		1 874	1 093	1 094	2 033	1 094
Total current assets		420 000	309 470	354 413	504 033	354 413
Non current assets						
Long-term receivables		—	—	—	—	—
Investments		—	—	—	—	—
Investment property		4 960	—	—	4 960	—
Investments in Associate		—	—	—	—	—
Property, plant and equipment		1 134 394	1 356 483	1 241 025	1 170 150	1 241 025
Biological		—	—	—	—	—
Intangible		94	4 626	4 626	(4)	4 626
Other non-current assets		870	620	620	1 215	620
Total non current assets		1 140 318	1 361 729	1 246 271	1 176 321	1 246 271
TOTAL ASSETS		1 560 318	1 671 199	1 600 683	1 680 354	1 600 683
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Borrowing		—	—	—	—	—
Consumer deposits		1 578	822	822	1 630	822
Trade and other payables		132 238	62 798	112 940	153 626	112 940
Provisions		14 310	35 752	35 752	14 310	35 752
Total current liabilities		148 127	99 372	149 515	169 569	149 515
Non current liabilities						
Borrowing		—	—	—	—	—
Provisions		43 429	14 442	14 442	43 429	14 442
Total non current liabilities		43 429	14 442	14 442	43 429	14 442
TOTAL LIABILITIES		191 556	113 814	163 956	212 998	163 956
NET ASSETS	2	1 368 762	1 557 385	1 436 727	1 467 357	1 436 727
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		969 999	1 178 048	1 365 148	1 071 973	1 365 148
Reserves		395 384	379 337	71 579	395 384	71 579
TOTAL COMMUNITY WEALTH/EQUITY	2	1 365 373	1 557 385	1 436 727	1 467 357	1 436 727

3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M08 February

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M08 February										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		36 620	43 271	43 271	1 644	36 360	28 947	7 513	26%	43 271
Service charges		62 021	69 553	64 253	3 735	48 971	45 309	3 662	8%	64 253
Other revenue		15 705	7 598	31 484	1 798	14 211	9 839	4 372	44%	31 484
Transfers and Subsidies - Operational		266 202	293 418	295 226	3	211 902	195 974	15 928	8%	295 226
Transfers and Subsidies - Capital		174 749	102 356	111 688	11 458	99 083	70 106	28 977	41%	111 688
Interest		4 385	14 650	15 060	1 704	11 729	9 849	1 880	19%	15 060
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(218 680)	(420 662)	(428 386)	(18 045)	(148 911)	(281 966)	(133 075)	47%	(428 386)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		341 002	110 185	132 586	2 298	273 344	77 937	(195 407)	-251%	132 586
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)	(11 837)	(73 078)	(116 075)	(42 997)	37%	(180 651)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(188 241)	(171 309)	(180 651)	(11 837)	(73 078)	(116 075)	(42 997)	37%	(180 651)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		82	-	-	(3)	52	(822)	874	-106%	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		82	-	-	(3)	52	(822)	(874)	106%	-
NET INCREASE/ (DECREASE) IN CASH HELD		152 842	(61 125)	(48 065)	(9 542)	290 318	(38 960)			(48 065)
Cash/cash equivalents at beginning:		224 422	294 088	294 088		236 732	294 088			236 732
Cash/cash equivalents at month/year end:		377 264	232 963	246 023		437 050	255 128			188 667

PART 2 –SUPPORTING DOCUMENTATION

SECTION 4

Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 28th February 2023.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February														
Description	NT Code	Budget Year 2022/23										Total over 90 days	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 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total				
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	2 869	1 202	1 755	799	1 206	612	2 135	1 364	11 922	6 106	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 593	872	898	631	612	561	27 064	59 063	91 145	87 962	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	966	605	476	442	443	387	1 782	22 278	27 378	25 331	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-	-
Interest on Arrear Debtor Accounts	1810	1 459	1 440	1 411	1 366	1 378	1 477	5 737	40 288	54 588	50 277	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	1 142	3 508	255	1 655	2 295	2 677	5 372	12 358	29 263	24 358	-	-	-
Total By Income Source	2000	8 018	7 627	4 596	4 915	5 934	5 713	42 120	135 379	214 303	194 061	-	-	-
2022/23 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	2 011	2 030	2 549	1 745	2 088	1 774	31 737	57 866	101 800	95 209	-	-	-
Commercial	2300	4 846	4 469	938	2 079	2 767	2 881	5 942	15 902	39 824	29 571	-	-	-
Households	2400	1 161	1 127	1 110	1 062	1 078	1 058	4 441	61 611	72 679	69 281	-	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	8 018	7 627	4 596	4 915	5 934	5 713	42 120	135 379	214 303	194 061	-	-	-

The total debt book for February 2023 is R 214,302,857 inclusive of R 3,328,604.8 advanced payments.

The total debt book for February 2023 of R210,974,252.20 (including current of R 10,409,325.35 which is not yet due) has decreased by R 5,252,658.87 from the previous month closing balance of R208,305,745.90. Debt is made up of the following:

Residential debt:

R 81 458 958.08

Commercial debt

R 29 121 034.5

Government debt

R 97 111 381.93

Other

R 3 282 877.69

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 56 848 484.57 (including current)

Cedarville

R 5 083 087.34 (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 72 463 931.62

Business H/O

R 25 618 427.65

Churches H/O

R 149 458.46

Farms H/O

R 3 122 703.42

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.

R 1003 881.84 was collected for February 2023 for all handed over accounts

SECTION 5 -CREDITORS' ANALYSIS

Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

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 28th February 2023.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Feb 23					
Investment Management					
Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	21 497 540.36	119 414.06	-1 784 941.06	-119 414.06	19 832 013.36
INEP	15 545 776.41	11 551 143.67	-1 529 262.16	-93 143.67	25 567 657.92
EPWP	-	-	-	-	-
Municipal Electrification Intervention	290 025.88	1 611.05	-	-1 611.05	291 636.93
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	58 092.20	322.79	-	-322.79	58 414.99
Establishment Plan	203 068.73	880.15	-	-880.15	203 948.88
Housing Development Fund	2 069 937.89	8 971.62	-	-8 971.62	2 078 909.51
Dedea	629 907.03	2 730.18	-	-2 730.18	632 637.21
Total Conditional Investments	40 294 349	11 685 074	- 3 314 203	- 227 074	48 665 219
Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	118 984 582.18	6 500 000.00	-	-538 527.48	125 484 582.18
Call Acc STD CRR	11 794 013.36	53 380.03	-	-53 380.03	11 847 393.39
Call ACC FNB Surplus Cash	6 805 395.80	-	-	-31 444.66	6 805 395.80
Nedbank 32 Days	6 885 841.91	42 635.74	-	-42 635.74	6 928 477.65
Nedbank	27 194 089.92	165 918.16	-23 000 000.00	-165 918.16	4 360 008.08
Nedbank relief fund	819 489.83	4 552.18	-	-4 552.18	824 042.01
Nedbank COV -19 Solidality	99 228.15	557.29	-	-557.29	99 785.44
Nedbank Retention	28 474 880.57	158 172.12	-	-158 172.17	28 633 052.69
Termination Guarantee	144 640.82	-	-	-803.51	144 640.82
Account Gaurantee	6 202 000.00	-	-	-34 450.96	6 202 000.00
Standard Bank-009	50 634 794.52	317 397.26	-	317 397.26	50 952 191.78
Standard Bank-010	20 036 383.56	127 342.47	-	-127 343.47	20 163 726.03
Total Unconditional Investments	278 075 341	7 369 955	- 23 000 000	- 840 388	262 445 296
Total Investments	318 369 689	19 055 029	- 26 314 203	- 1 067 462	311 110 515

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 28th February 2023 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

As at 28th February 2023 the conditional investments amounted to **R 48,665,219** and unconditional investments amounted to **R 262,445,296**. Total investments as at 28th February 2023 amounted to **R 311,110,515**.

The following reflects bank balances at 28th February 2023

Description	February 2023
Nedbank Primary Account:	2 996 501.71
Standard bank Account:	555 349.70
FNB Money Market Account:	2 087 990.37

Total Cash held as at 28 th February 2023	5 639 841.78
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The cash bank balance as at 28th February 2023 amounted to R 5,6 million.

SECTION 7 _ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6

Description	2022/23 Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year 2022/23	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Performance %
RECEIPTS:						
Operating Transfers and Grants						
National Government:	292 768	292 768	–	211 160	195 179	72%
Local Government Equitable Share	286 308	286 308	–	206 142	190 872	72%
Expanded Public Works Programme Integrated Grant	4 810	4 810	–	3 368	3 207	70%
Local Government Financial Management Grant	1 650	1 650	–	1 650	1 100	100%
Provincial Government:	650	2 458	–	650	1 639	100%
Capacity Building and Other : Library	650	2 458	–	650	1 639	26%
DEDEAT			–	–	–	
Total Operating Transfers and Grants	293 418	295 226	–	211 810	196 818	72%
Capital Transfers and Grants	102 356	111 698	11 458	78 253	74 465	76%
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	46 288	46 288	11 458	46 288	30 859	100%
Municipal Infrastructure Grant (MiG)	56 068	65 410	–	31 965	43 606	49%
Total Capital Transfers and Grants	102 356	111 698	11 458	78 253	74 465	70%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	395 774	406 924	11 458	290 063	271 283	71%

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

The Municipality received INEP R 11,4 conditional grant in the month of February 2023 and Library was increased by R 1,8 roll over from previous financial year. The municipality had a roll-over of R9,3 million at the beginning of the financial year and was approved by national treasury. This is included on the adjustment budget that was approved by Council on the 23 February 2023.

7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February									
Description	Ref	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	Budget Year 2022/23			
R thousands						YearTD actual	YearTD budget	YTD variance	YTD variance %
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:		6 537	6 460	6 460	21	4 698	4 307	392	9.1%
Expanded Public Works Programme Integrated Grant		4 887	4 810	4 810	-	3 619	3 207	412	12.8%
Local Government Financial Management Grant		1 650	1 650	1 650	21	1 080	1 100	(20)	-1.8%
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-
Provincial Government:		2 113	650	2 458	-	597	1 639	(1 042)	-63.6%
Specify (Add grant description)		-	-	-	-	-	-	-	-
Library grant		-	650	2 458	-	623	1 639	(1 015)	-62.0%
District Municipality:		-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		8 650	7 110	8 918	21	5 295	5 946	(650)	-10.9%
Capital expenditure of Transfers and Grants									
National Government:		165 407	102 356	111 723	7 725	52 983	74 482	(21 499)	-28.9%
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		67 629	56 068	65 435	7 024	27 313	43 623	(16 310)	-37.4%
Integrated National Electrification Programme Grant		97 778	46 288	46 288	701	25 669	30 859	(5 189)	-16.8%
Provincial Government:		-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		165 407	102 356	111 723	7 725	52 983	74 482	(21 499)	-28.9%
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		174 057	109 466	120 641	7 746	58 278	80 427	(22 149)	-27.5%

Expenditure performance on conditional grants amounted to **R 7.7 million** for the month ended 28th February 2023. Operational expenditure grants amounted to **R21** thousand and Capital expenditure grants amounted to **R7.7** million.

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 28th February 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: 14/03/2023