

# CITY OF MATLOSANA

Date: 2023/04/20

1 TO:.....

Author of the item: Lesego Moloke

Attached hereto an item for you to consider in terms of the Delegation of Powers and Functions, delegated power serial number .....

HEAD OF DIVISION: TO SEKAKA

SIGNED: [Signature]

DATE: 25/4/23

CITY OF MATLOSANA

2023 -04- 24 [Signature]

RECEIVED BY MUNICIPAL MANAGER

Received by Deputy Director: Administration

Date and Time: 21/4/2023

Signature: [Signature]

<p><u>[Signature]</u> Director: Corporate Support</p> <p><u>24/04/2023</u> Date</p>	<p>COMMENTS:</p> <p><u>Report noted.</u></p>
<p><u>[Signature]</u> Chief Financial Officer</p> <p><u>2023/04/21</u> Date</p>	<p>COMMENTS:</p> <p><u>Supported.</u></p>
<p>Director: Planning &amp; Human Settlements</p> <p>Date</p>	<p>COMMENTS:</p>
<p>Director: Technical and Infrastructure</p> <p>Date</p>	<p>COMMENTS:</p>
<p>Director: Community Development</p> <p>Date</p>	<p>COMMENTS:</p>
<p>Director: Public Safety</p> <p>Date</p>	<p>COMMENTS:</p>
<p>Director: Local Economic Development</p> <p>Date</p>	<p>COMMENTS:</p>

## 2 MUNICIPAL MANAGER

[Signature]  
SIGNATURE

24/04/2023  
DATE

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Items will not be considered by the Municipal Manager unless the following signatures are reflecting: Director of Relevant department, Chief Financial Officer and Director: Corporate Services

# MONTHLY BUDGET STATEMENT FOR THE MONTH ENDED ON 31 MARCH 2023

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## PART 1: IN-YEAR REPORT

### 1. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL PERFORMANCE OF THE MUNICIPALITY FOR THE PERIOD ENDED ON 31 MARCH 2023

#### 1.1 Performance summary

Table 1: Performance summary

Summary statement of Financial Performance					
Description	YTD Budget 2022/23	MARCH 2022/23 Actual	YTD Actual 2022/23	Variance Favourable (Unfavourable)	YTD Variance %
Total Revenue by Source	3,094,967,417	415 993 569	2,923,450,615	(171,516,802)	-5.5%
Total Operating Expenditure	3,236,162,977	597 541 348	2,429,691,616	(806,471,361)	-25%
<b>SURPLUS/ (DEFICIT).</b>	<b>(141,195,560)</b>	<b>(181,547,779)</b>	<b>493,758,999</b>	<b>(634,954,559)</b>	

#### Revenue

The revenue for the month of March amounts to R415 million and the year to date actual amounts to R2.923 billion. It reflects a negative variance of 5.5% when compared with the year-to date budget of R3.095 billion.

The negative revenue is also affected by the following factors:

- The revenue enhancement strategies as reflected in the budget funding plan has not yet been fully effective;
- Illegal connections
- Debtors' book that is increasing due to non-payment of debtors

Revenue billed is expected to increase as the municipality is enforcing revenue enhancement strategies and debt collection methods. The municipality has measures in place which seek to improve revenue and these measures will be implemented through the revised budget funding plan. The detailed reasons for the variances are outlined on table 18.

#### Expenditure

The operating expenditure for the month of March amounts to R 597 million and the year-to date actual operating expenditure amounts to R2,430 billion. It reflects a negative variance of 25% when compared with the year-to date budget of R3.236 billion. The detailed reasons for the variances are outlined on table 18

## Creditors

<b>Total Outstanding Creditors</b>	<b>R 2,916,997,386</b>
ESKOM	R 1,584,067,709
Midvaal	R 1,201,314,892
Trade Creditors	R 131,520,351
Auditor General	R 94,434

**Note:** The detailed Creditors Age analysis is outlined on Table 13

## Capital Grants expenditure

	<b>BUDGET</b>	<b>March</b>	<b>YTD</b>	<b>YTD %</b>
<b>CAPITAL GRANT EXPENDITURE</b>	<b>2022/23</b>	<b>Expenditure</b>	<b>ACTUALS Incl</b>	<b>Incl VAT</b>
		<b>Incl VAT</b>	<b>VAT</b>	
		<b>2022/23</b>		
MIG	95 177 651	6 325 657	32 511 220	34,16
NDPG	30 000 000	4 079 147	10 606 312	35,35
INEP	29 064 000	2 332 935	10 999 674	37,85
WSIG	15 676 000		1 755 104	11,20
<b>TOTAL</b>	<b>169 917 651</b>	<b>12 737 739</b>	<b>55 872 310</b>	<b>32,88</b>

**Note:** The total Capital grants budget amounts to R 169.9 million. The total expenditure for the month ending 31 March 2023 amounts to R 12.7 million, and the year-to-date actual expenditure amounts to R55.9 million representing 32.9% of the total Capital budget. The capital spending is relatively low as compared to the 75% of the Year to date budget.

## 2.2 Monthly Budget Statement – Financial Performance (Revenue per department)

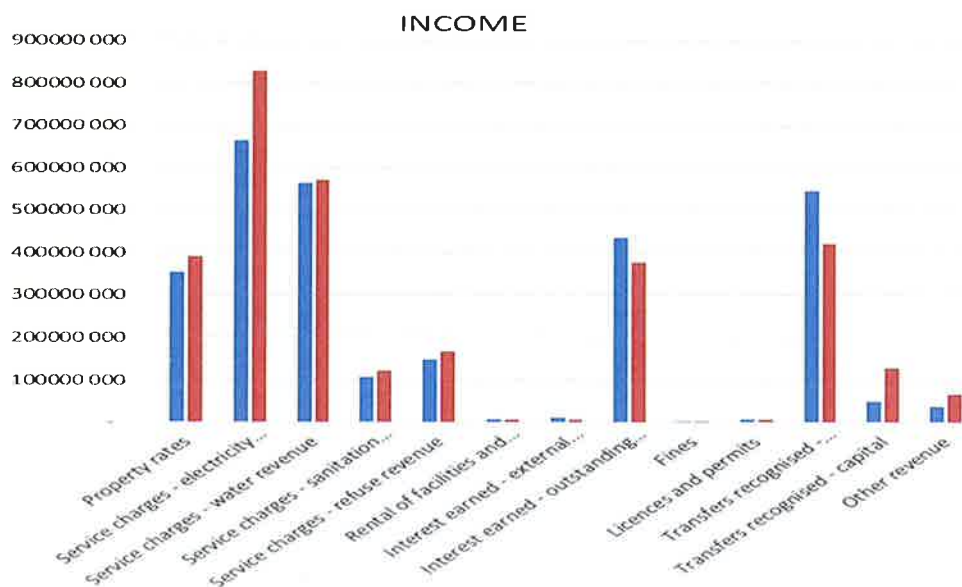
### Actual operating revenue per source

The actual operating revenue per department is set out in Table 3 below. From table 1 it is clear that year to date actual operating revenue amounts to R2,923,450,615 and compares unfavourably with the pro rata budgeted figure of R3,094,967,417 a negative variance of R171,516,802 for the month ending 31 March 2023.

**TABLE 3: ACTUAL REVENUE PER SOURCE 31 MARCH 2023**

NW403 City Of Matlosana - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2021/22	Budget Year 2022/23							
		511230910	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		451 441	507 345	532 836	37 266	352 607	390 705	(38 098)	-10%	532 836
Service charges - electricity revenue		957 447	1 127 210	1 084 563	68 869	664 705	828 348	(163 644)	-20%	1 084 563
Service charges - water revenue		650 602	783 676	743 676	65 104	562 415	571 757	(9 342)	-2%	743 676
Service charges - sanitation revenue		125 356	173 864	153 673	11 885	106 711	122 322	(15 611)	-13%	153 673
Service charges - refuse revenue		167 812	223 421	223 421	16 146	147 622	167 566	(19 944)	-12%	223 421
Rental of facilities and equipment		251 709	8 105	8 833	795	6 564	6 370	194	3%	8 833
Interest earned - external investments		10 685	9 270	9 270	1 290	11 101	6 952	4 148	60%	9 270
Interest earned - outstanding debtors		504 706	513 875	582 914	50 948	433 823	376 112	57 711	15%	582 914
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		7 356	4 523	4 523	261	2 425	3 392	(967)	-29%	4 523
Licences and permits		8 023	10 384	9 199	796	6 022	7 047	(1 026)	-15%	9 199
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		511 231	561 824	561 978	153 895	544 953	421 430	123 523	29%	561 978
Other revenue		48 745	96 358	79 508	4 608	35 678	65 528	(29 850)	-46%	79 508
Gains		701	-	-	-	9	-	9	#DIV/0!	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>3 695 815</b>	<b>4 019 854</b>	<b>3 994 393</b>	<b>411 863</b>	<b>2 874 634</b>	<b>2 967 529</b>	<b>(92 895)</b>	<b>-3%</b>	<b>3 994 393</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		156 811	169 918	169 918	4 131	48 817	127 438	(78 622)	(0)	169 918
<b>TOTAL</b>		<b>3 852 626</b>	<b>4 189 772</b>	<b>4 164 310</b>	<b>415 994</b>	<b>2 923 451</b>	<b>3 094 967</b>	<b>(171 517)</b>	<b>(0)</b>	<b>4 164 310</b>



**TABLE 4: ACTUAL REVENUE PER DEPARTMENT 31 MARCH 2023**

**NW 403 City Of Matlosana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 March**

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		1 103 392	1 220 631	1 268 994	206 463	1 025 797	934 818	90 979	10%	1 268 994
Executive and council		952	2 829	2 729	66	1 617	2 081	(464)	-22%	2 729
Finance and administration		1 102 440	1 217 802	1 266 266	206 397	1 024 180	932 737	91 443	10%	1 266 266
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		325 340	99 627	81 846	3 710	36 059	67 608	(31 549)	-47%	81 846
Community and social services		263 727	4 350	4 529	598	1 933	3 334	(1 401)	-42%	4 529
Sport and recreation		29 670	14 872	14 872	39	6 489	11 154	(4 665)	-42%	14 872
Public safety		28 136	33 404	32 444	2 837	21 307	24 869	(3 362)	-14%	32 444
Housing		3 808	47 000	30 000	236	6 330	28 450	(22 120)	-78%	30 000
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		70 959	57 038	57 038	329	26 005	42 779	(16 773)	-39%	57 038
Planning and development		9 993	10 763	10 763	465	7 158	8 073	(915)	-11%	10 763
Road transport		60 814	46 065	46 065	(149)	18 674	34 549	(15 875)	-46%	46 065
Environmental protection		152	210	210	13	173	158	16	10%	210
<i>Trading services</i>		2 316 072	2 785 219	2 728 446	203 453	1 822 282	2 066 205	(243 923)	-12%	2 728 446
Energy sources		1 017 620	1 209 703	1 178 456	77 090	7 18 912	894 778	(175 366)	-20%	1 178 456
Water management		879 796	1 018 229	998 532	88 647	742 944	755 793	(12 848)	-2%	998 532
Waste water management		143 840	207 797	187 605	12 195	111 677	147 771	(36 094)	-24%	187 605
Waste management		274 817	349 489	363 853	25 522	248 749	267 862	(19 114)	-7%	363 853
Other	4	36 863	27 258	27 986	2 038	13 307	20 734	(7 428)	-36%	27 986
<b>Total Revenue - Functional</b>	<b>2</b>	<b>3 852 626</b>	<b>4 189 772</b>	<b>4 164 310</b>	<b>415 994</b>	<b>2 923 451</b>	<b>3 132 144</b>	<b>(208 693)</b>	<b>-7%</b>	<b>4 164 310</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		1 206 014	746 226	727 018	78 182	461 742	551 969	(90 227)	-16%	727 018
Executive and council		279 619	431 089	401 261	34 387	237 627	311 368	(73 741)	-24%	401 261
Finance and administration		922 698	309 136	319 756	43 361	219 393	236 100	(16 708)	-7%	319 756
Internal audit		3 697	6 001	6 001	433	4 722	4 501	221	5%	6 001
<i>Community and public safety</i>		296 946	383 563	395 854	30 364	252 211	292 685	(40 474)	-14%	395 854
Community and social services		63 816	116 557	119 289	9 470	60 575	88 531	(27 956)	-32%	119 289
Sport and recreation		90 892	100 852	101 952	7 530	80 072	76 080	3 992	5%	101 952
Public safety		138 930	159 088	161 298	11 568	100 220	120 201	(19 981)	-17%	161 298
Housing		3 206	6 993	13 153	1 790	11 324	7 753	3 571	46%	13 153
Health		101	162	162	4	21	121	(101)	-83%	162
<i>Economic and environmental services</i>		246 223	284 751	293 197	31 007	181 569	216 868	(35 299)	-16%	293 197
Planning and development		84 720	69 467	69 412	4 698	43 118	52 004	(8 887)	-17%	69 412
Road transport		161 979	213 300	221 301	26 199	137 497	163 376	(25 879)	-16%	221 301
Environmental protection		(476)	1 984	1 984	110	955	1 488	(533)	-36%	1 984
<i>Trading services</i>		2 700 663	2 501 039	2 924 742	456 502	1 522 745	2 155 163	(632 418)	-29%	2 924 742
Energy sources		1 148 407	1 629 984	1 695 472	280 917	700 940	1 248 684	(547 744)	-44%	1 695 472
Water management		1 046 263	417 355	750 150	122 727	508 512	556 036	(47 523)	-9%	750 150
Waste water management		218 936	200 674	224 594	31 878	156 968	160 074	(3 105)	-2%	224 594
Waste management		287 057	253 026	254 526	20 980	156 324	190 370	(34 046)	-18%	254 526
Other		24 043	25 948	25 990	1 488	11 424	19 478	(8 054)	-41%	25 990
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>4 473 890</b>	<b>3 941 528</b>	<b>4 366 801</b>	<b>597 541</b>	<b>2 429 692</b>	<b>3 236 163</b>	<b>(806 472)</b>	<b>-25%</b>	<b>4 366 801</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(621 264)</b>	<b>248 244</b>	<b>(202 491)</b>	<b>(181 548)</b>	<b>493 759</b>	<b>(104 020)</b>	<b>597 779</b>	<b>-575%</b>	<b>(202 491)</b>

**The variance on the expenditure against the YTD budget is mainly on the following items:**

- **Finance charges 87% less:** The underspending is mainly on interest paid on overdue accounts, most of the journals for interest paid on overdue accounts are done at the end of the financial year.
- **Bulk Purchases 66% less:** Expenditure is lower due to the outstanding Eskom invoices, it is difficult for the Municipality to meet the obligation due to the low collection rate.
- **Contracted services 36% less:** Mainly on Security service, repair and maintenance of fleet, repair and maintenance of buildings and equipment and Asset Register administration. Under performance can be attributed to the delay in payments of invoices due to financial constraints. Funds are committed and expenditure is expected to increase in the following months

## 2.4 Actual capital expenditure (excluding vat) per vote and funding source

The actual capital expenditure per vote is set out in Table 7 below.

**TABLE 7: ACTUAL CAPITAL EXPENDITURE PER VOTE FOR MARCH 2023**

NW403 City Of Matlosana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - 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	1									
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		-	14 820	28 434	582	6 816	16 560	(9 745)	-59%	28 434
Executive and council		-	11 820	25 409	582	3 940	14 300	(10 360)	-72%	25 409
Finance and administration		-	3 000	3 025	-	2 876	2 260	616	27%	3 025
Internal audit										
<b>Community and public safety</b>		25 390	19 431	19 431	303	4 415	14 573	(10 159)	-70%	19 431
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		25 390	10 431	10 431	-	3 283	7 823	(4 541)	-58%	10 431
Public safety		-	3 000	3 000	303	1 132	2 250	(1 118)	-50%	3 000
Housing		-	6 000	6 000	-	-	4 500	(4 500)	-100%	6 000
Health										
<b>Economic and environmental services</b>		50 195	57 182	61 004	4 394	18 734	43 270	(24 536)	-57%	61 004
Planning and development										
Road transport		50 195	57 182	61 004	4 394	18 734	43 270	(24 536)	-57%	61 004
Environmental protection										
<b>Trading services</b>		63 277	116 241	112 419	6 296	30 354	86 797	(56 443)	-65%	112 419
Energy sources		24 609	55 544	55 544	4 404	17 315	41 658	(24 343)	-58%	55 544
Water management		24 327	28 715	32 680	1 892	5 985	24 268	(18 282)	-75%	32 680
Waste water management		14 342	21 535	11 569	-	406	12 165	(11 759)	-97%	11 569
Waste management		-	10 447	12 626	-	6 648	8 707	(2 059)	-24%	12 626
<b>Other</b>		13 678	9 364	9 364	1 693	2 689	7 023	(4 335)	-62%	9 364
<b>Total Capital Expenditure - Functional Classification</b>	3	152 541	217 038	230 651	13 268	63 007	168 224	(105 217)	-63%	230 651

**NOTE:** The total capital budget amounts to R 230.6 million. The year-to-date expenditure as at 31 March 2023 amounts to R 63 million.



### **NDPG**

- Approved amount of professional fees has been depleted on the Construction of Jouberton Taxi Rank and not able to make any payment to the consultant. Further, some of the key professional have partially suspended their services due to non-payment by the municipality.
- Not enough funds to complete all the works the contractor was appointed for and also pay additional professional fees for the Construction of Jouberton Taxi Rank.

### **WSIG**

Poor performance by the Contractor on the Refurbishment of Jouberton Reservoir.

## 2.5 Monthly Budget Statement - Cash Flow Statement (Annexure B)

Cash Flow Statement doesn't show a true reflection due to the issues relating to the linkings on the Data Strings.

**Collection rate** – collection rate for the month ending 31 March 2023 is 94%. The collection rate has increased by 15% from February month where 79% was achieved.

**TABLE 10: ACTUAL CASH FLOW MARCH 2023**

NW403 City Of Matlosana - Table C7 Monthly Budget Statement - Cash Flow - M09 March

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		419 718	365 289	365 289	31 158	277 004	273 966	3 038	1%	365 289
Service charges		1 351 237	1 685 932	1 685 932	129 172	798 833	1 264 449	(465 616)	-37%	1 685 932
Other revenue		3 785 551	237 037	237 037	354 833	2 705 138	177 778	#####	1422%	237 037
Transfers and Subsidies - Operational		479 886	561 824	561 824	153 162	547 682	421 368	126 314	30%	561 824
Transfers and Subsidies - Capital		170 551	169 918	169 918	100 664	215 797	127 438	88 358	69%	169 918
Interest		21	108 337	108 337	5	22	81 253	(81 230)	-100%	108 337
Dividends								-		
<b>Payments</b>										
Suppliers and employees		(4 054 823)	(3 068 583)	(3 068 583)	(564 280)	(2 811 019)	(2 301 440)	509 578	-22%	(3 068 583)
Finance charges								-		
Transfers and Grants								-		
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>2 152 140</b>	<b>59 754</b>	<b>59 754</b>	<b>204 713</b>	<b>1 733 457</b>	<b>44 812</b>	<b>#####</b>	<b>-3768%</b>	<b>59 754</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables		-	33	-	-	-	25	(25)	-100%	33
Decrease (increase) in non-current investments								-		
<b>Payments</b>										
Capital assets		(152 541)	(217 038)	(217 038)	(13 268)	(63 007)	(162 778)	(99 771)	61%	(217 038)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(152 541)</b>	<b>(217 005)</b>	<b>(217 038)</b>	<b>(13 268)</b>	<b>(63 007)</b>	<b>(162 754)</b>	<b>(99 747)</b>	<b>61%</b>	<b>(217 005)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		-	1 500	-	-	-	1 125	(1 125)	-100%	1 500
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>1 500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 125</b>	<b>1 125</b>	<b>100%</b>	<b>1 500</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>1 999 599</b>	<b>(155 751)</b>	<b>(157 284)</b>	<b>191 445</b>	<b>1 670 450</b>	<b>(116 817)</b>			<b>(155 751)</b>
Cash/cash equivalents at beginning:		(195 402)	310 855	310 855	8 177	224 921	310 855			224 921
Cash/cash equivalents at month/year end:		1 804 197	155 104	153 572		1 895 372	194 039			69 170

**NOTE:** The cash and call Investments for the month ending 31 March 2023 amounts to R247 million which consists of the following:

Bank balances: R4.9 million

Call investments: R242 million

## 2.6 Actual borrowings

The municipality's position on external loans is set out in Table 11 below. The municipality started the 2022/23 financial year with borrowing debt of R12,866,179 and after repayments R 2,591,423 were made, the total borrowings outstanding as at 31 March 2023 amounts to R 10,274,754

**TABLE 11: ACTUAL BORROWING FOR MARCH 2023**

### ANNEXURE A

#### ANNEXURE A

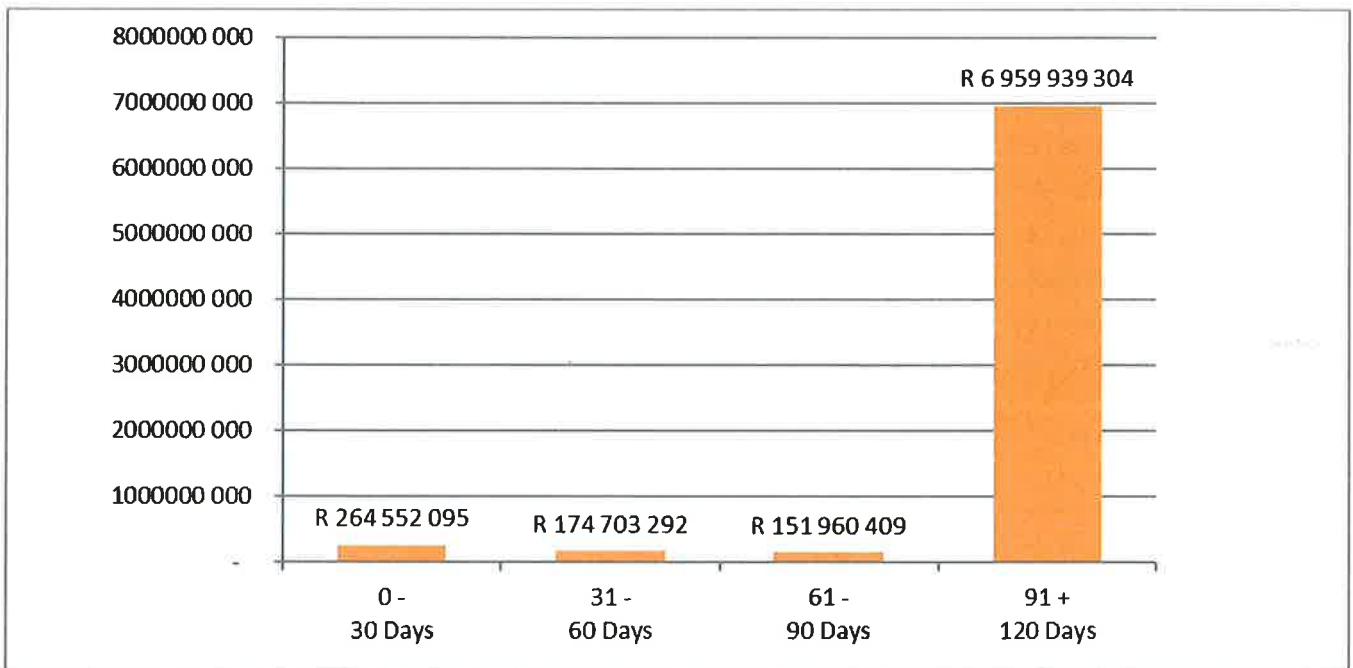
31 MARCH 2023

Borrowing Reference No	Start Date	End Date	Borrowing Period Years	Original Loan	Lender	Purpose	% Interest Rate (2 dec) Per Annum	Interest Paid This quarter	Opening Balance 01/07/2022	Debt Repaid or Re-deemed	Additional Principal Accrued	Balance at 31/03/2023
<b>Monthly Payments</b>												
103677:1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		115 541.14	12 866 178.72	276 008.81		12 590 169.91
103677:1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		113 044.24	12 590 169.91	278 371.02		12 311 798.89
103677:1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		106 071.95	12 311 798.89	284 543.31		12 027 255.58
103677:1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		107 882.32	12 027 255.58	283 532.91		11 743 722.67
103677:1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		101 941.32	11 743 722.67	289 473.91		11 454 248.76
103677:1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		101 048.64	11 454 248.77	288 671.91		11 165 576.86
103677:1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		100 453.04	11 165 576.81	290 921.28		10 874 655.53
103677:1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		88 105.08	10 874 655.53	303 310.04		10 571 345.49
103677:1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)		94 824.54	10 571 345.49	296 590.53		10 274 754.96
103677:1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			10 274 754.96			10 274 754.96
103677:1	01/11/2010	01/11/2025			Development Bank of SA	Acquisition of Other Assets (03)			10 274 754.96			10 274 754.96
<b>ANNUITY LOANS</b>												
NW103677:1	1/11/2010	1/11/2025	15	35289078	Development Bank of SA	Provision of Infrastructure	14.75	929 753.19	12 866 178.72	2 591 423.77	0.00	10 274 754.96
<b>TOTAL ANNUITIES</b>								<b>929 753.19</b>	<b>12 866 178.72</b>	<b>2 591 423.77</b>		<b>10 274 754.96</b>

**TABLE 12: OUTSTANDING DEBTORS AS AT 31 MARCH 2023**

**DEBTOR'S AGE ANALYSIS - 31 MARCH 2023**

Detail	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 + 120 Days	Total -
<b>Debtors Age Analysis By Income Source</b>					
Water Tariffs	77 824 236	61 711 023	51 644 092	2 591 229 407	2 782 408 758
Electricity Tariffs	63 463 772	24 072 065	16 590 779	461 102 244	565 228 860
Rates (Property Rates)	35 817 870	14 257 129	11 508 545	373 890 368	435 473 911
Sewerage/ Sanitation	9 474 331	6 723 720	6 324 612	341 246 304	363 768 967
Refuse Removal Tariffs	17 768 397	13 776 102	-	26 970	31 571 469
Other	60 203 489	54 163 254	65 892 381	3 192 444 011	3 372 703 134
<b>Total By Income Source</b>	<b>264 552 095</b>	<b>174 703 292</b>	<b>151 960 409</b>	<b>6 959 939 304</b>	<b>7 551 155 100</b>
<b>Debtors Age Analysis By Customer Group</b>					
Government	4 793 691	2 933 695	2 721 480	92 937 360	103 386 227
Business	61 097 759	19 363 356	13 601 630	476 354 479	570 417 224
Households	198 660 645	152 406 242	135 637 298	6 390 647 464	6 877 351 650
Other	-	-	-	-	-
<b>Total By Customer Group</b>	<b>264 552 095</b>	<b>174 703 292</b>	<b>151 960 409</b>	<b>6 959 939 304</b>	<b>7 551 155 100</b>



**Note:** According to the Debtors Age Analysis it is clear that the 91.1% of the total outstanding debt is owed by the Household

### 3.3 Investment

Surplus cash is invested on a daily basis depending on the commitment of funds. The municipality's investments as at 31 March 2023 is as set out in Table 14 below.

**TABLE 14: INVESTMENTS AS AT 31 MARCH 2023**

NW403 City Of Matlosana - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/No)	Variable or Fixed interest rate	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months									
<b>R thousands</b>											
<b>Municipality</b>											
ABSA		-	daily call	yes	Variable		148 027	770	(242 351)	279 615	186 061
INVESTEC		-	daily call	yes	Variable		7 511	45	-		7 557
SANLAM		2yrs	Policy	yes	Variable	2024/08/01	11 338		-		11 338
FNB		12months	Long term	yes	Variable	2022/06/30	68		-		68
FNB		-	daily call	yes	Variable		22 939	139			23 077
NEDBANK		-	daily call	yes	Variable		24 961	152			25 112
<b>Municipality sub-total</b>							<b>214 843</b>	<b>1 106</b>	<b>(242 351)</b>	<b>279 615</b>	<b>253 213</b>
<b>Entities</b>											
											-
											-
											-
											-
											-
<b>Entities sub-total</b>											-
<b>TOTAL INVESTMENTS AND INTEREST</b>	2						<b>214 843</b>	<b>1 106</b>	<b>(242 351)</b>	<b>279 615</b>	<b>253 213</b>

**Note:** The municipality started the beginning of the month with total investments of R214,843,167 and after investments made of R279,615,000 and withdrawals of R242,351,385 closed with an investment balance of R253,213,082 includes collateral and long term investment at the five listed local banks.

## TABLE 16: TRANSFER AND GRANT EXPENDITURE

NW403 City Of Matlosana - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 March

Description	Ref	2021/22	Budget Year 2022/23							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		109 339	102 079	104 277	12 505	74 584	77 094	(2 510)	-3,3%	104 277
Energy Efficiency and Demand Side Management Grant		22	4 549	5 000	1 651	1 651	3 592	(1 941)	-54,0%	5 000
Equitable Share		71 877	86 606	88 906	10 171	65 777	65 530	248	0,4%	88 906
Expanded Public Works Programme Integrated Grant		1 968	2 701	2 201	193	1 808	1 826	(18)	-1,0%	2 201
Local Government Financial Management Grant		21 708	3 100	3 100	56	1 578	2 325	(747)	-32,1%	3 100
Municipal Disaster Relief Grant		8 661	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		5 103	5 124	5 069	434	3 769	3 821	(52)	-1,4%	5 069
<b>Provincial Government:</b>		755	1 256	2 038	208	552	1 255	(703)	-56,0%	2 038
Capacity Building and Other Grants		755	1 256	2 038	208	552	1 255	(703)	-56,0%	2 038
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		110 095	103 335	106 315	12 713	75 135	78 348	(3 213)	-4,1%	106 315
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		145 097	169 918	169 918	11 076	51 099	127 438	(76 339)	-59,9%	169 918
Integrated National Electrification Programme Grant		-	29 064	29 064	2 029	11 658	21 798	(10 140)	-46,5%	29 064
Municipal Disaster Relief Grant		9 663	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		79 512	95 178	95 178	5 501	29 014	71 383	(42 369)	-59,4%	95 178
Neighbourhood Development Partnership Grant		48 530	30 000	30 000	3 547	8 900	22 500	(13 600)	-60,4%	30 000
Water Services Infrastructure Grant		7 391	15 676	15 676	-	1 526	11 757	(10 231)	-87,0%	15 676
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
Developers Contribution		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		145 097	169 918	169 918	11 076	51 099	127 438	(76 339)	-59,9%	169 918
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		255 191	273 253	276 232	23 789	126 234	205 787	(79 552)	-38,7%	276 232

**Note:** The table reflect the YTD actual expenditure incurred amounting to R126.2 million, against the YTD budget of R205,8 million as at 31 March 2023.

**TABLE: 18 MATERIAL VARIANCES**

NW403 City of Matlosana – Supporting Table SC1 Material variance explanations – M09 March 2023					
Ref	Description	Variance	%	Reasons for material deviations	Remedial or corrective steps/remarks
1	<b>Revenue By Source</b>				
	Service Charges: Electricity	(163,643,686)	-20%	Less revenue billed on electricity than initially anticipated. The variance is as a result illegal connections, unbilled properties consuming electricity and less consumption due to the current implementation of load shedding by ESKOM	The municipality has to enforce measures to reduce illegal connections and ensure that all properties consuming electricity are billed.
	Service Charges: Sanitation	(15,610,702)	-13%	Revenue was less than projected	
	Service Charges: Refuse	(19,943,710)	-12%	Revenue was less than projected	
	Interest earned – external investment	4,148,423	60%	Revenue was more than projected, mainly on interest earned on investments.	
	Interest earned – outstanding debtors	57,711,111	15%	The variance is as a result of the debtors' book that is increasing due to non-payment of debtors. The increase in the debtors result in an increase interest charges.	
	License and Permits	(1,025,514)	-15%	One of the reasons for under collection is that members of the public can renew vehicle licences online using eNaTIS electronic system instead of going physically to municipality offices	
	Fines, penalties and forfeits	(966,983)	-29%	The budgeted amount consists of numerous items (e.g. traffic fines, court fines, illegal connection, etc.) in this instance under performance was mostly on non-collection of traffic fines which was due to shortage of staff and vacant positions that are not filled to date.	
	Other revenue	(29,850,242)	-46%	The budgeted amount consists of numerous items (e.g. Commission: insurance, Commission: Transaction Handling fees, Plan printing and duplicate, etc.) in this instance under performance was mostly on the Sale of Property. The reason for under collection is that there has been delays in the issuing of clearance figures for property transfers.	
2	<b>Expenditure by Type</b>				

## TABLE 19: FINANCIAL PERFORMANCE

### NW403 City Of Matlosana - Supporting Table SC2 Monthly Budget Statement - performance indicators - M09 March

Description of financial indicator	Basis of calculation	Ref	2021/22	Budget Year 2022/23			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>Borrowing Management</b>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		3,7%	14,3%	12,6%	0,1%	1,4%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0,0%	0,0%	0,0%	0,0%	0,0%
<b>Safety of Capital</b>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves		71,2%	29,8%	42,2%	102,4%	42,2%
Gearing	Long Term Borrowing/ Funds & Reserves		0,0%	0,0%	0,0%	0,0%	0,0%
<b>Liquidity</b>							
Current Ratio	Current assets/current liabilities	1	43,0%	72,5%	59,0%	63,7%	59,0%
Liquidity Ratio	Monetary Assets/Current Liabilities		5,6%	21,7%	16,9%	15,7%	16,9%
<b>Revenue Management</b>							
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		39,9%	21,8%	23,6%	71,9%	23,6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old		0,0%	0,0%	0,0%	0,0%	0,0%
<b>Creditors Management</b>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<b>Funding of Provisions</b>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<b>Other Indicators</b>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2	0,0%	25,0%	25,0%	0,0%	25,0%
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2	0,0%	23,0%	23,0%	0,0%	23,0%
Employee costs	Employee costs/Total Revenue - capital revenue		18,6%	18,6%	18,6%	18,3%	18,6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3,1%	5,6%	6,6%	5,2%	6,6%
Interest & Depreciation	I&D/Total Revenue - capital revenue		13,6%	11,2%	11,3%	0,0%	1,2%
<b>IDP regulation financial viability indicators</b>							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure						



## SUPPORTING TABLE SC13a:

NW403 City Of Matlosana - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - 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
<b>R thousands</b>	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		107 989	171 357	164 197	4 042	41 813	126 798	84 985	67,0%	164 197
Roads Infrastructure		50 195	57 182	61 004	4 394	18 734	43 270	24 536	56,7%	61 004
Roads		50 195	57 182	61 004	4 394	18 734	43 270	24 536	56,7%	61 004
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-		-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		20 538	53 944	53 944	4 404	16 688	40 458	23 770	58,8%	53 944
Power Plants										
HV Substations		7 444	22 000	22 000	1 307	3 960	16 500	12 540	76,0%	22 000
HV Switching Station										
HV Transmission Conductors										
MV Substations		-	-	-	-	-	-	-		-
MV Switching Stations										
MV Networks		13 093	29 064	29 064	2 029	11 658	21 798	10 140	46,5%	29 064
LV Networks		-	2 880	2 880	1 069	1 069	2 160	1 091	50,5%	2 880
Capital Spares										
Water Supply Infrastructure		28 398	28 715	32 680	1 892	5 985	24 268	18 282	75,3%	32 680
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations		4 071	-	-	-	-	-	-		-
Water Treatment Works										
Bulk Mains		20 668	13 504	17 004	1 892	4 459	12 674	8 214	64,8%	17 004
Distribution		3 659	15 210	15 676	-	1 526	11 594	10 068	86,8%	15 676
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		8 858	21 069	11 569	-	406	12 002	11 596	96,6%	11 569
Pump Station		3 659	-	5 569	-	261	3 481	3 220	92,5%	5 569
Reticulation		5 199	21 069	6 000	-	145	8 521	8 377	98,3%	6 000
Waste Water Treatment Works										
Outfall Sewers		-	-	-	-	-	-	-		-
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	10 447	5 000	(6 648)	-	6 800	6 800	100,0%	5 000
Landfill Sites										
Waste Transfer Stations		-	10 447	5 000	(6 648)	-	6 800	6 800	100,0%	5 000
<b>Community Assets</b>		<b>25 390</b>	<b>15 431</b>	<b>15 431</b>	<b>-</b>	<b>3 283</b>	<b>11 573</b>	<b>8 291</b>	<b>71,6%</b>	<b>15 431</b>
Community Facilities		-	5 000	5 000	-	-	3 750	3 750	100,0%	5 000
Public Open Space		-	5 000	5 000	-	-	3 750	3 750	100,0%	5 000

## SUPPORTING TABLE SC13b

### NW403 City Of Matlosana - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class -

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									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		5 483	2 066	1 600	-	627	1 363	736	54,0%	1 600
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	1 600	1 600	-	627	1 200	573	47,7%	1 600
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	1 600	1 600	-	627	1 200	573	47,7%	1 600
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		5 483	466	-	-	-	163	163	100,0%	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		5 483	466	-	-	-	163	163	100,0%	-
<b>Total Capital Expenditure on renewal of existing ass</b>	<b>1</b>	<b>5 483</b>	<b>2 066</b>	<b>1 600</b>	<b>-</b>	<b>627</b>	<b>1 363</b>	<b>736</b>	<b>54,0%</b>	<b>1 600</b>

<b>Other assets</b>		<b>1 131</b>	<b>5 127</b>	<b>7 505</b>	<b>425</b>	<b>1 640</b>	<b>4 808</b>	<b>3 168</b>	<b>65,9%</b>	<b>7 505</b>
Operational Buildings		1 131	5 127	7 505	425	1 640	4 808	3 168	65,9%	7 505
Municipal Offices		1 102	5 070	7 448	425	1 616	4 765	3 149	66,1%	7 448
Pay/Enquiry Points								-		
Building Plan Offices								-		
Workshops		26	48	48	-	24	36	12	33,6%	48
Yards								-		
Stores		2	9	9	-	-	7	7	100,0%	9
<b>Intangible Assets</b>		<b>1 337</b>	<b>3 931</b>	<b>3 971</b>	<b>154</b>	<b>2 253</b>	<b>2 994</b>	<b>741</b>	<b>24,8%</b>	<b>3 971</b>
Servitudes								-		
Licences and Rights		1 337	3 931	3 971	154	2 253	2 994	741	24,8%	3 971
Water Rights								-		
Effluent Licenses								-		
Solid Waste Licenses								-		
Computer Software and Applications		1 337	3 931	3 971	154	2 253	2 994	741	24,8%	3 971
Load Settlement Software Applications								-		
Unspecified								-		
<b>Computer Equipment</b>		<b>3 389</b>	<b>4 065</b>	<b>4 065</b>	<b>354</b>	<b>1 071</b>	<b>3 048</b>	<b>1 978</b>	<b>64,9%</b>	<b>4 065</b>
Computer Equipment		3 389	4 065	4 065	354	1 071	3 048	1 978	64,9%	4 065
<b>Furniture and Office Equipment</b>		<b>427</b>	<b>1 199</b>	<b>2 216</b>	<b>474</b>	<b>474</b>	<b>1 327</b>	<b>853</b>	<b>64,3%</b>	<b>2 216</b>
Furniture and Office Equipment		427	1 199	2 216	474	474	1 327	853	64,3%	2 216
<b>Machinery and Equipment</b>		<b>11 385</b>	<b>24 213</b>	<b>24 233</b>	<b>4 315</b>	<b>12 435</b>	<b>18 168</b>	<b>5 733</b>	<b>31,6%</b>	<b>24 233</b>
Machinery and Equipment		11 385	24 213	24 233	4 315	12 435	18 168	5 733	31,6%	24 233
<b>Transport Assets</b>		<b>2 557</b>	<b>15 894</b>	<b>15 814</b>	<b>(505)</b>	<b>188</b>	<b>11 889</b>	<b>11 701</b>	<b>98,4%</b>	<b>15 814</b>
Transport Assets		2 557	15 894	15 814	(505)	188	11 889	11 701	98,4%	15 814
<b>Land</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Land		-	-	-	-	-	-	-		-
<b>Zoo's, Marine and Non-biological Animals</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-		-
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>115 619</b>	<b>223 989</b>	<b>262 212</b>	<b>29 906</b>	<b>149 153</b>	<b>182 706</b>	<b>33 553</b>	<b>18,4%</b>	<b>262 212</b>

## SUPPORTING TABLE SC13e

NW403 City Of Matlosana - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class

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
<b>R thousands</b>	1									
<b>Community Assets</b>		13 678	11 064	11 064	1 996	3 821	8 298	4 478	54,0%	11 064
Community Facilities		13 678	11 064	11 064	1 996	3 821	8 298	4 478	54,0%	11 064
Testing Stations		-	3 000	3 000	303	1 132	2 250	1 118	49,7%	3 000
Markets		13 678	8 064	8 064	1 693	2 689	6 048	3 360	55,5%	8 064
<b>Other assets</b>		-	3 000	3 000	-	2 876	2 250	(626)	-27,8%	3 000
Operational Buildings		-	3 000	3 000	-	2 876	2 250	(626)	-27,8%	3 000
Municipal Offices		-	3 000	3 000	-	2 876	2 250	(626)	-27,8%	3 000
<b>Total Capital Expenditure on upgrading of existing</b>	1	13 678	14 064	14 064	1 996	6 696	10 548	3 852	36,5%	14 064

### 6.6 RECOMMENDATIONS

Based on the contents of this report, it is recommended that the Accounting Officer submits to the Executive Mayor this report for March 2023 as per section 71 of the MFMA.