



MATATIELE  
LOCAL MUNICIPALITY

2020/2021  
MONTHLY MAYORS  
SECTION 71  
REPORT

MONTH ENDED  
30 SEPTEMBER 2020

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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 ended 30 September 2020.
- 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 if the Financial Monitoring Report (FMR) is to provide a monthly update and report on the municipality's consolidated performance in terms of the budget, indicate any material variances from Service delivery and Budget Implementation Plan (SDBIP) and provide any remedial action or corrective steps to be taken.

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

#### **Revenue by source**

The total revenue received for the month ended 30 September 2020 amounted to **R 9,991,357** which represents **2%** of the total annual approved budget figure of **R509,920,764** (including grants) and **2%** of the adjusted budget figure of **R 539,701,764**. The majority of the revenue recognised **R 4,694,137** related to service charges: electricity revenue.

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

Operating expenditure for the month ended 30 September amounted to **R18,543,624** which represents **5%** of total approved operating expenditure budget figure of **R408,392,856** and **4%** of the adjusted budget amount of **R 435,074,576**, of this expenditure the majority relates to Council and employee related cost and payment of monthly contracted services.

#### **Capital Expenditure**

The approved annual capital budget for the financial year amounts to **R174,313,680**, this was adjusted to **R 177,313,684**. Capital expenditure incurred for the month ended 30 September 2020 amounted to **R 6,159,528**. This represents **4%** of the approved capital expenditure budget and **3%** of the adjusted capital budget.

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

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

## **2.4 Remedial or corrective steps**

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

## Section 3

## IN-YEAR BUDGET STATEMENT TABLES

## 3.1 Monthly budget statements

## 3.1.1 Table C1 Monthly Budget Statement Summary

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Financial Performance</b>									
Property rates	(6)	48,190	48,190	1,633	36,274	12,048	24,226	201%	48,190
Service charges	-	68,817	68,817	5,642	12,037	17,204	(5,167)	-30%	68,817
Investment revenue	-	14,650	14,650	775	2,102	3,662	(1,561)	-43%	14,650
Transfers and subsidies	4,044	256,212	305,993	-	113,805	64,053	49,752	78%	305,993
Other own revenue	1,682	20,525	20,525	1,942	5,000	5,131	(131)	-3%	20,525
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>5,720</b>	<b>408,394</b>	<b>458,175</b>	<b>9,991</b>	<b>169,218</b>	<b>102,098</b>	<b>67,119</b>	<b>66%</b>	<b>458,175</b>
Employee costs	4,605	125,231	125,231	9,098	27,982	31,308	(3,326)	-11%	125,231
Remuneration of Councillors	-	21,537	21,537	1,662	5,086	5,384	(298)	-6%	21,537
Depreciation & asset impairment	-	33,110	33,110	-	-	8,278	(8,278)	-100%	33,110
Finance charges	3	-	-	-	-	-	-	-	-
Materials and bulk purchases	1,325	53,567	53,717	399	13,123	13,392	(268)	-2%	53,717
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	23,355	174,949	201,480	7,384	21,241	43,737	(22,496)	-51%	201,480
<b>Total Expenditure</b>	<b>29,288</b>	<b>408,393</b>	<b>435,075</b>	<b>18,544</b>	<b>67,433</b>	<b>102,098</b>	<b>(34,666)</b>	<b>-34%</b>	<b>435,075</b>
<b>Surplus/(Deficit)</b>	<b>(23,568)</b>	<b>1</b>	<b>23,100</b>	<b>(8,552)</b>	<b>101,785</b>	<b>0</b>	<b>101,785</b>	<b>44642450%</b>	<b>23,100</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	101,527	81,527	-	12,587	25,382	(12,795)	-50%	81,527
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(23,568)</b>	<b>101,528</b>	<b>104,627</b>	<b>(8,552)</b>	<b>114,372</b>	<b>25,382</b>	<b>88,990</b>	<b>351%</b>	<b>104,627</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(23,568)</b>	<b>101,528</b>	<b>104,627</b>	<b>(8,552)</b>	<b>114,372</b>	<b>25,382</b>	<b>88,990</b>	<b>351%</b>	<b>104,627</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>92,012</b>	<b>174,314</b>	<b>177,314</b>	<b>6,160</b>	<b>29,926</b>	<b>174,105</b>	<b>(144,179)</b>	<b>-83%</b>	<b>177,314</b>
Capital transfers recognised	79,000	99,340	79,340	3,596	14,113	24,835	(10,722)	-43%	79,340
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	9,087	74,974	97,974	2,563	15,813	18,691	(2,878)	-15%	97,974
<b>Total sources of capital funds</b>	<b>88,087</b>	<b>174,314</b>	<b>177,314</b>	<b>6,160</b>	<b>29,926</b>	<b>43,526</b>	<b>(13,600)</b>	<b>-31%</b>	<b>177,314</b>
<b>Financial position</b>									
Total current assets	(391,543)	232,526	173,716	-	417,318	-	-	-	173,716
Total non current assets	322,606	1,143,450	1,171,783	-	1,159,629	-	-	-	1,171,783
Total current liabilities	30,551	97,388	63,812	-	125,568	-	-	-	63,812
Total non current liabilities	1,046	27,398	27,398	-	28,370	-	-	-	27,398
Community wealth/Equity	(23,568)	1,148,472	1,148,472	-	1,423,009	-	-	-	1,148,472
<b>Cash flows</b>									
Net cash from (used) operating	13,206	989,595	1,052,392	63,640	454,487	247,399	(207,088)	-84%	1,052,392
Net cash from (used) investing	(119,778)	(174,314)	(174,179)	(7,818)	(35,137)	(43,578)	(8,441)	19%	(174,179)
Net cash from (used) financing	10	(1,268)	(1,268)	11	(1,387)	(1,268)	118	-9%	(1,268)
<b>Cash/cash equivalents at the month/year end</b>	<b>(391,939)</b>	<b>857,073</b>	<b>920,005</b>	<b>-</b>	<b>420,742</b>	<b>245,612</b>	<b>(175,130)</b>	<b>-71%</b>	<b>879,724</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	6,911	4,564	32,762	13,548	7,043	2,250	12,073	106,396	185,547
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-



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

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		1,860	325,819	375,600	3,860	154,390	81,455	72,935	90%	375,600
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		1,860	325,819	375,600	3,860	154,390	81,455	72,935	90%	375,600
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	11,958	11,958	369	2,496	2,990	(494)	-17%	11,958
Community and social services		-	5,719	5,719	-	1,360	1,430	(69)	-5%	5,719
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	6,239	6,239	369	1,135	1,560	(424)	-27%	6,239
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		3,831	49,081	49,081	44	12,143	12,270	(127)	-1%	49,081
Planning and development		176	145	145	21	29	36	(7)	-20%	145
Road transport		3,655	48,936	48,936	23	12,114	12,234	(120)	-1%	48,936
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		28	123,062	103,062	5,718	12,775	30,766	(17,990)	-58%	103,062
Energy sources		-	107,474	87,474	4,760	9,891	26,869	(16,977)	-63%	87,474
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		28	15,588	15,588	959	2,884	3,897	(1,013)	-26%	15,588
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	5,720	509,921	539,702	9,991	181,804	127,480	54,324	43%	539,702
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		18,698	212,043	229,625	12,250	36,193	53,011	(16,818)	-32%	229,625
Executive and council		175	28,964	28,964	2,053	5,771	7,241	(1,470)	-20%	28,964
Finance and administration		18,145	179,004	196,586	9,959	29,784	44,751	(14,967)	-33%	196,586
Internal audit		377	4,075	4,075	237	637	1,019	(381)	-37%	4,075
<i>Community and public safety</i>		4,021	36,223	38,223	2,420	6,949	9,056	(2,106)	-23%	38,223
Community and social services		3,713	15,351	17,351	975	2,732	3,838	(1,105)	-29%	17,351
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		308	20,873	20,873	1,445	4,217	5,218	(1,001)	-19%	20,873
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		5,648	78,862	85,462	2,050	6,677	19,715	(13,038)	-66%	85,462
Planning and development		2,993	25,584	31,084	663	2,199	6,396	(4,197)	-66%	31,084
Road transport		2,654	53,278	54,378	1,387	4,479	13,319	(8,841)	-66%	54,378
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		921	81,265	81,765	1,824	17,613	20,316	(2,703)	-13%	81,765
Energy sources		1,111	57,506	58,006	622	14,062	14,376	(315)	-2%	58,006
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		(190)	23,759	23,759	1,202	3,552	5,940	(2,388)	-40%	23,759
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	29,288	408,393	435,075	18,544	67,433	102,098	(34,666)	-34%	435,075
<b>Surplus/ (Deficit) for the year</b>		(23,568)	101,528	104,627	(8,552)	114,372	25,382	88,990	351%	104,627

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

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

Vote Description	Ref	Budget Year 2020/21								Full Year Forecast
		2019/20 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive and council		—	—	—	—	—	—	—	—	—
Vote 2 - Finance and Admin		1,717	325,469	375,250	3,850	154,379	81,367	73,012	89.7%	375,250
Vote 3 - Corporate		144	350	350	9	11	88	(77)	-87.5%	350
Vote 4 - Development and Planning		176	145	145	21	29	36	(7)	-19.8%	145
Vote 5 - Community		28	27,546	27,546	1,328	5,380	6,887	(1,507)	-21.9%	27,546
Vote 6 - Infrastructure		3,655	156,410	136,410	4,783	22,005	39,103	(17,097)	-43.7%	136,410
Vote 7 - Internal Audit		—	—	—	—	—	—	—	—	—
<b>Total Revenue by Vote</b>	2	5,720	509,921	539,702	9,991	181,804	127,480	54,324	42.6%	539,702
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive and council		815	37,214	37,714	2,343	6,564	9,303	(2,739)	-29.4%	37,714
Vote 2 - Finance and Admin		13,458	100,989	112,571	5,564	15,756	25,247	(9,491)	-37.6%	23,727
Vote 3 - Corporate		4,425	73,840	79,340	4,342	13,872	18,460	(4,588)	-24.9%	13,987
Vote 4 - Development and Planning		2,993	25,584	31,084	663	2,199	6,396	(4,197)	-65.6%	—
Vote 5 - Community		3,831	59,983	61,983	3,622	10,501	14,996	(4,495)	-30.0%	—
Vote 6 - Infrastructure		3,766	110,783	112,383	2,009	18,541	27,696	(9,155)	-33.1%	—
Vote 7 - Internal Audit		—	—	—	—	—	—	—	—	—
<b>Total Expenditure by Vote</b>	2	29,288	408,393	435,075	18,544	67,433	102,098	(34,666)	-34.0%	435,075
<b>Surplus/ (Deficit) for the year</b>	2	(23,568)	101,528	104,627	(8,552)	114,372	25,382	88,990	350.6%	104,627

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

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

Description		Ref	2019/20	Budget Year 2020/21							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue By Source											
Property rates	(6)		48,190	48,190	1,633	36,274	12,048	24,226	201%	48,190	
Service charges - electricity revenue	-		53,291	53,291	4,694	9,200	13,323	(4,123)	-31%	53,291	
Service charges - water revenue	-		-	-	-	-	-	-	-	-	
Service charges - sanitation revenue	-		-	-	-	-	-	-	-	-	
Service charges - refuse revenue	-		15,526	15,526	948	2,838	3,881	(1,044)	-27%	15,526	
Rental of facilities and equipment	1,488		500	500	68	370	125	245	196%	500	
Interest earned - external investments	-		14,650	14,650	775	2,102	3,662	(1,561)	-43%	14,650	
Interest earned - outstanding debtors	-		11,799	11,799	1,428	3,338	2,950	388	13%	11,799	
Dividends received	-		-	-	-	-	-	-	-	-	
Fines, penalties and forfeits	7		2,094	2,094	2	380	523	(143)	-27%	2,094	
Licences and permits	10		4,525	4,525	369	760	1,131	(371)	-33%	4,525	
Agency services	-		-	-	-	-	-	-	-	-	
Transfers and subsidies	4,044		256,212	305,993	-	113,805	64,053	49,752	78%	305,993	
Other revenue	178		1,608	1,608	75	152	402	(250)	-62%	1,608	
Gains	-		-	-	-	-	-	-	-	-	
			5,720	408,394	458,175	9,991	169,218	102,098	67,119	66%	458,175
Total Revenue (excluding capital transfers and contributions)											
Expenditure By Type											
Employee related costs	4,605		125,231	125,231	9,098	27,982	31,308	(3,326)	-11%	125,231	
Remuneration of councillors	-		21,537	21,537	1,662	5,086	5,384	(298)	-6%	21,537	
Debt impairment	-		5,000	5,000	-	-	1,250	(1,250)	-100%	5,000	
Depreciation & asset impairment	-		33,110	33,110	-	-	8,278	(8,278)	-100%	33,110	
Finance charges	3		-	-	-	-	-	-	-	-	
Bulk purchases	-		48,000	48,000	-	12,214	12,000	214	2%	48,000	
Other materials	1,325		5,567	5,717	399	909	1,392	(483)	-35%	5,717	
Contracted services	19,714		101,279	125,811	5,953	16,673	25,320	(8,647)	-34%	125,811	
Transfers and subsidies	-		-	-	-	-	-	-	-	-	
Other expenditure	2,957		68,670	70,670	1,432	4,568	17,167	(12,599)	-73%	70,670	
Losses	684		-	-	-	-	-	-	-	-	
			29,288	408,393	435,075	18,544	67,433	102,098	(34,666)	-34%	435,075
Total Expenditure											
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations)	(23,568)	1		23,100	(8,552)	101,785	0	101,785	446	23,100	
(National / Provincial and District)	-		101,527	81,527	-	12,587	25,382	(12,795)	(0)	81,527	
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	(23,568)		101,528	104,627	(8,552)	114,372	25,382	-	-	104,627	
Taxation	-		-	-	-	-	-	-	-	-	
Surplus/(Deficit) after taxation	(23,568)		101,528	104,627	(8,552)	114,372	25,382	-	-	104,627	
Attributable to minorities	-		-	-	-	-	-	-	-	-	
Surplus/(Deficit) attributable to municipality	(23,568)		101,528	104,627	(8,552)	114,372	25,382	-	-	104,627	
Share of surplus/ (deficit) of associate	-		-	-	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	(23,568)		101,528	104,627	(8,552)	114,372	25,382	-	-	104,627	

### **Revenue by Source**

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

#### **Property**

Property rates revenue is the major part of the municipal own revenue and represents 9% of the total revenue.

The municipality bills both annual and monthly rates at the beginning of the financial year i.e. July. The total property rates revenue for the month of September 2020 amounted to R1,632,669.

#### **Services Charges**

Revenue from service charges includes electricity sales and revenue from waste removal. The income from services charges amounted to R5,642,000 for the month ended 30 September 2020.

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

Reflects the interest in respect funds not immediately needed in the operations of the municipality, these short-term investments made with financial institutions include conditional grants. Interest on investments for the month ended 30 September 2020 amounted to R774,903.

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

Interest on overdue accounts for the month ended 30 September 2020 amounts to R1,427,618, the majority of the debtors are the government departments.

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

Revenue from fines, penalties and forfeits has an annual budget of R4,524,696, for the month ended 30 September 2020 an amount revenue of R 1 910 has been recognised for this category.

Licences and permits

The budget for licences and permits amounts to R4,524,696 for the 2020/21 budget year. For the month ended 30 September 2020 an amount of R369,134 was recognised and represents 8% of the total revenue budget for this category.

Transfers and Subsidies-Operational

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Acts respectively. No revenue was recognised for operational transfers and subsidies for the month ended 30 September 2020.

Other Revenue

Other revenue consists mostly skills development refund, sale of tender documents, insurance refund and other revenue. Other revenue amounted to R75,259 for the month ended 30 September 2020.

Operating Expenditure by typeEmployee related costs/ Remuneration of Councillors

Remuneration related expenditure (Councillors and Staff) for the month ended 30 September 2020 amounted to R9,098,063 of an annual budget of R146,767,740 that represents 6% of the budgeted amount for this category.

Debt Impairment /Depreciation and Asset impairment

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

The municipality is in a process of utilising the financial system (Munsoft) for the fixed asset register to allow for depreciation to be reported on a, monthly basis.  
No depreciation was recorded for the month of September 2020.

Bulk Purchases

No expenditure relating to bulk electricity purchases was incurred during the month ended 30 September 2020. The municipality did not receive the invoice for the month when the month was closed.

### Other Materials

Other material consists of inventory purchases for material and supplies and amounted to R for the month R399,008 ended 30 September 2020. The procurement of Covid related PPE is also included under this category.

### Contracted Services

Expenditure under this category consists of repairs and maintenance of municipal fleet, repairs and maintenance of buildings and facilities, debt collection contract, waste removal, grass cutting, accounting and auditing contracts and all municipal and financial systems utilised by the municipality. The contracted services for the month ended 30 September 2020 amounted to R5,952,888.

### Other Expenditure

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

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

Other expenditure amounted to R1,431,536 for the month ended 30 September 2020.

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

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Multi-Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>4,7</b>	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - Executive and council		-	520	520	-	-	520	(520)	-100%	520
Vote 2 - Finance and Admin		16	5,708	5,708	-	-	5,500	(5,500)	-100%	5,708
Vote 3 - Corporate		599	2,930	2,930	17	100	2,930	(2,830)	-97%	2,930
Vote 4 - Development and Planning		43	480	480	-	-	480	(480)	-100%	480
Vote 5 - Community		1,600	6,190	6,190	29	29	6,190	(6,161)	-100%	6,190
Vote 6 - Infrastructure		89,755	158,485	161,485	6,114	29,798	158,485	(128,687)	-81%	161,485
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>4</b>	92,012	174,314	177,314	6,160	29,926	174,105	(144,179)	-83%	177,314
<b>Total Capital Expenditure</b>		92,012	174,314	177,314	6,160	29,926	174,105	(144,179)	-83%	177,314
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		615	9,159	9,159	17	100	2,238	(2,138)	-96%	9,159
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		615	9,159	9,159	17	100	2,238	(2,138)	-96%	9,159
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1,600	3,260	3,260	29	29	815	(786)	-96%	3,260
Community and social services		1,478	1,560	1,560	29	29	390	(361)	-93%	1,560
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		122	1,700	1,700	-	-	425	(425)	-100%	1,700
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		40,155	80,724	92,224	4,600	22,286	20,181	2,105	10%	92,224
Planning and development		43	480	480	-	-	120	(120)	-100%	480
Road transport		40,112	80,244	91,744	4,600	22,286	20,061	2,225	11%	91,744
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		49,643	81,171	72,671	1,514	7,512	20,293	(12,780)	-63%	72,671
Energy sources		49,643	78,241	69,741	1,514	7,512	19,560	(12,048)	-62%	69,741
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	2,930	2,930	-	-	732	(732)	-100%	2,930
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	92,012	174,314	177,314	6,160	29,926	43,526	(13,600)	-31%	177,314
<b>Funded by:</b>										
National Government		79,000	99,080	79,080	3,568	14,085	24,770	(10,685)	-43%	79,080
Provincial Government		-	260	260	29	29	65	(36)	-56%	260
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		79,000	99,340	79,340	3,596	14,113	24,835	(10,722)	-43%	79,340
<b>Borrowing</b>	<b>6</b>	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		9,087	74,974	97,974	2,563	15,813	18,691	(2,878)	-15%	97,974
<b>Total Capital Funding</b>		88,087	74,765	97,765	6,160	29,926	43,526	(13,600)	-31%	177,314

The approved capital budget amounted to **R174,313,680**, this was adjusted to **R 177,313,680**. For the month ended 30 September 2020 capital expenditure amounted to **R 6,159,528** representing **4%** of the approved budget and **3%** of the adjusted budget.

## 3.1.6 C6 Monthly Budget Statement –Financial Position

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		(453,871)	23,886	23,985	428	23,985
Call investment deposits		43,294	93,822	93,822	215,873	93,822
Consumer debtors		(26,275)	66,534	66,534	133,978	66,534
Other debtors		45,767	47,299	47,299	65,312	47,299
Current portion of long-term receivables		–	–	–	–	–
Inventory		(458)	984	834	1,726	834
<b>Total current assets</b>		<b>(391,543)</b>	<b>232,526</b>	<b>232,475</b>	<b>417,318</b>	<b>232,475</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		–	35,947	35,947	35,575	35,947
Investments in Associate		–	–	–	–	–
Property, plant and equipment		322,663	1,107,177	1,110,177	1,123,722	1,110,177
Biological		–	–	–	–	–
Intangible		(57)	326	326	333	326
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>322,606</b>	<b>1,143,450</b>	<b>1,146,450</b>	<b>1,159,629</b>	<b>1,146,450</b>
<b>TOTAL ASSETS</b>		<b>(68,937)</b>	<b>1,375,976</b>	<b>1,378,926</b>	<b>1,576,947</b>	<b>1,378,926</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		(10)	1,268	1,268	1,387	1,268
Trade and other payables		30,561	81,679	81,529	112,050	81,529
Provisions		–	14,440	14,440	12,131	14,440
<b>Total current liabilities</b>		<b>30,551</b>	<b>97,388</b>	<b>97,238</b>	<b>125,568</b>	<b>97,238</b>
<b>Non current liabilities</b>						
Borrowing		–	–	–	8,363	–
Provisions		1,046	27,398	27,398	20,007	27,398
<b>Total non current liabilities</b>		<b>1,046</b>	<b>27,398</b>	<b>27,398</b>	<b>28,370</b>	<b>27,398</b>
<b>TOTAL LIABILITIES</b>		<b>31,597</b>	<b>124,787</b>	<b>124,637</b>	<b>153,938</b>	<b>124,637</b>
<b>NET ASSETS</b>	<b>2</b>	<b>(100,535)</b>	<b>1,251,190</b>	<b>1,254,289</b>	<b>1,423,009</b>	<b>1,254,289</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		(23,568)	793,988	797,087	1,239,619	797,087
Reserves		–	457,202	457,202	183,391	457,202
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>(23,568)</b>	<b>1,251,190</b>	<b>1,254,289</b>	<b>1,423,009</b>	<b>1,254,289</b>



## 3.1.7 C7 Monthly Budget Statement –Cash Flow

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
Receipts										
Property rates		-	49,807	49,807	-	-	12,452	(12,452)	-100%	49,807
Service charges		171	82,700	82,700	4,338	9,269	20,675	(11,406)	-55%	82,700
Other revenue		13,490	8,726	8,726	46,531	281,590	129,749	151,841	117%	8,726
Transfers and Subsidies - Operational		745	256,212	305,993	17	115,039	64,053	50,986	80%	305,993
Transfers and Subsidies - Capital		-	101,527	81,527	13,612	36,418	25,382	11,036	43%	81,527
Interest		(18)	11,799	11,799	(848)	(1,191)	(4,912)	3,721	-76%	11,799
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(701)	(370,283)	(400,099)	(11)	6,726	298	(6,429)	-2161%	(400,099)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		(481)	-	-	-	6,635	(298)	(6,933)	2330%	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>13,206</b>	<b>140,489</b>	<b>140,453</b>	<b>63,640</b>	<b>454,487</b>	<b>247,399</b>	<b>(207,088)</b>	<b>-84%</b>	<b>140,453</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	13	13	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(119,778)	(174,314)	(174,179)	(7,818)	(35,137)	(43,578)	(8,441)	19%	(174,179)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(119,778)</b>	<b>(174,301)</b>	<b>(174,166)</b>	<b>(7,818)</b>	<b>(35,137)</b>	<b>(43,578)</b>	<b>(8,441)</b>	<b>19%</b>	<b>(174,179)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		10	-	-	11	(1,387)	(1,268)	(118)	9%	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>10</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>(1,387)</b>	<b>(1,268)</b>	<b>118</b>	<b>-9%</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(106,562)</b>	<b>(33,812)</b>	<b>(33,713)</b>	<b>55,832</b>	<b>417,963</b>	<b>202,552</b>			<b>(33,726)</b>
Cash/cash equivalents at beginning:		(285,377)	136,883	136,883		2,779	136,883			2,779
Cash/cash equivalents at month/year end:		(391,939)	103,071	103,171		420,742	339,435			(30,947)

## PART 2 –SUPPORTING DOCUMENTATION

SECTION 4\_\_DEBTORS' ANALYSIS  
Supporting Table SC3

Description	NT Code	Budget Year 2020/21											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days				
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water	1200									-	-	-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3,292	1,203	723	522	396	282	928	258	7,603	2,386	-	-		
Receivables from Non-exchange Transactions - Property Rates	1400	1,654	1,219	30,898	-		588	2,815	55,418	92,593	58,622	-	-		
Receivables from Exchange Transactions - Waste Water Management	1500											-	-		
Receivables from Exchange Transactions - Waste Management	1600	948	654	556	379	363	344	1,634	13,044	17,921	15,763	-	-		
Receivables from Exchange Transactions - Property Rental Debtors	1700	46	5	4	3	3	3	8	36	109	54	-	-		
Interest on Arrear Debtor Accounts	1810	1,430	993	932	920	915	953	5,770	23,349	35,263	31,908	-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	-	-		
Other	1900	(458)	490	(351)	11,724	5,365	80	917	14,290	32,058	32,377	-	-		
Total By Income Source	2000	6,911	4,564	32,762	13,548	7,043	2,250	12,073	106,396	185,547	141,310	-	-		
2019/20 - totals only		17,032,509	3,188,608	2,829,239	2,254,205	2,657,880	1,762,753	31,321,363	83,737,170	144,783,727	121,733				
Debtors Age Analysis By Customer Group															
Organs of State	2200	238	78	15,150	231	11	19,524	33	22,251	57,515	42,049	-	-		
Commercial	2300	8,300	1,966	1,901	106	113	137	13,690	1,273	27,487	15,320	-	-		
Households	2400	1,307	922	12,014	580	568	565	7,540	28,797	52,313	38,070	-	-		
Other	2500	(2,934)	1,598	3,698	12,631	6,350	(17,996)	(9,190)	54,075	48,233	45,870	-	-		
Total By Customer Group	2600	6,911	4,564	32,762	13,548	7,043	2,250	12,073	106,396	185,547	141,310	-	-		

The total debt book for September 2020 is R185 547 112. has increased by R2 605 450 from the previous month balance of R182 941 662 and by R23 373 565 from 2018/19 closing balance of R162 173 547,2. Debt is made up of the following:

**Residential debt:** R 56 095 135.

**Commercial debt:** R25 170 484

**Government debt:** R 101 932 245

**Other:** R 2 349 249.79

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 from

**Maluti:** R 40 804 040,29 (including current)

**Cedarville:** R 3 251 367,63 (including current)

Debt that is above 90 days is handed over on a monthly basis to the municipal debt to collectors as follows:

**Households:** R 46 148 188,15

**Business:** R 1 970 209,58

A total of R48 118 397,3 has been handed over for June 2020 with a collection of R 1 635,35.

## SECTION 5 -CREDITORS' ANALYSIS

## Supporting Table SC4

Description	NT Code	Budget Year 2020/21									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
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 paid its creditors within 30 days for the month ended 30 September 2020.

## SECTION 6- INVESTMENT POTFOLIO ANALYSIS

## Conditional and Unconditional investment monitoring Information

Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	24,808.97	13,620,976.25	- 3,504,420.68	- 8,976.25	10,141,364.54
INEP	14,350,590.20	13,550.89		- 13,550.89	14,364,141.09
EPWP	-	-	-	-	-
Municipal Electrification Intervention	265,400.66	676.12	-	- 676.12	266,076.78
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	53,159.82	135.47	-	- 135.47	53,295.29
Establishment Plan	190,666.78	297.75	-	- 297.75	190,964.53
Housing Development Fund	1,939,310.95	3,028.51		- 3,028.51	1,942,339.46
Dedea	590,155.72	921.61		- 921.61	591,077.33
<b>Total Conditional Investments</b>	<b>17,414,093</b>	<b>13,639,587</b>	<b>- 3,504,421</b>	<b>- 25,148</b>	<b>27,549,259</b>

Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	19,984,582.18			- 43,528.06	19,984,582.18
Call Acc STD CRR	10,885,442.65	23,709.39		- 23,709.39	10,909,152.04
Call Acc STD CRR	20,316,284.94	96,821.91		- 96,821.91	20,413,106.85
Call Acc STD CRR	50,355,273.97	186,986.30		- 186,986.30	50,542,260.27
Call ACC FNB Surplus Cash	6,805,414.00			- 10,981.89	6,805,414.00
Nedbank 91 Days	50,338,328.76	191,506.85		- 191,506.85	50,529,835.61
Nedbank 32 Days	6,188,618.00	19,710.41		- 19,710.41	6,208,328.41
Nedbank relief fund	749,908.95	1,910.83		- 1,910.83	751,819.78
Nedbank COV -19 Solidarity	90,673.50	230.96		- 230.96	90,904.46
Nedbank call Surplus	32,533,683.16	171,324.24	- 15,796,000.00	- 171,324.24	16,909,007.40
<b>Total Unconditional</b>	<b>198,248,210</b>	<b>692,201</b>	<b>- 15,796,000</b>	<b>- 746,711</b>	<b>183,144,411</b>

The municipality invests surplus funds in order to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investments policy. As at 30 September 2020 the conditional investments amounted to R27,549,259 and unconditional investments amounted to R183,144,411.

Total investments as at 30 September 2020 amounted to R210,693,670.

## SECTION 7\_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

### 7.1 Supporting Table SC6

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		-	255,022	304,803	-	114,995	76,201	38,794	50.9%	304,803
Local Government Equitable Share		-	249,823	299,604	-	112,420	74,901	37,519	50.1%	299,604
Finance Management Grant		-	1,700	1,700	-	1,700	425	1,275	300.0%	1,700
EPWP		-	3,499	3,499	-	875	875	0	0.0%	3,499
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	930	930	-	-	233	(233)	-100.0%	930
Sport and Recreation		-	930	930	-	-	233	(233)	-100.0%	930
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	-	255,952	305,733	-	114,995	76,433	38,562	50.5%	305,733
<b>Capital Transfers and Grants</b>										
National Government:		-	101,527	81,527	13,612	36,418	20,382	10,184	50.0%	81,527
MIG		-	48,936	48,936	13,612	22,418	12,234	10,184	83.2%	48,936
INEP		-	52,591	32,591	-	14,000	8,148	-	-	32,591
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	260	260	-	-	65	(65)	-100.0%	260
Sport and Recreation		-	260	260	-	-	65	(65)	-100.0%	260
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	-	101,787	81,787	13,612	36,418	20,447	10,119	49.5%	81,787
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	357,739	387,520	13,612	151,413	96,880	48,681	50.2%	387,520

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Acts respectively. The second instalment of the Municipal infrastructure grant was received, an amount of R13,112,000 was received during September.

## 7.2 Supporting Table C7

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		–	254,000	304,803	15,417	47,510	76,201	(28,691)	-37.7%	304,803
Local Government Equitable Share			248,801	299,604	14,704	45,416	74,901	(29,485)	-39.4%	299,604
Finance Management Grant			1,700	1,700	33	54	425	(371)	-87.4%	1,700
EPWP			3,499	3,499	680	2,041	875	1,166	133.3%	3,499
Other transfers and grants [insert description]								–		
Provincial Government:		–	930	930	5	7	233	(225)	-96.9%	930
Sport and Recreation			930	930	5	7	233	(225)	-96.9%	930
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Total operating expenditure of Transfers and Grants:		–	254,930	305,733	15,422	47,518	76,433	(28,916)	-37.8%	305,733
Capital expenditure of Transfers and Grants										
National Government:		–	101,527	81,527	3,816	14,825	20,382	(5,557)	-27.3%	81,527
MIG			48,936	48,936	3,816	14,381	12,234	2,147	17.5%	48,936
0			52,591	32,591		444	8,148	(7,704)	-94.6%	32,591
Other capital transfers [insert description]								–		
Provincial Government:		–	260	260	–	–	65	(65)	-100.0%	260
			260	260			65	(65)	-100.0%	260
District Municipality:		–	–	–	–	–	–	–		–
0								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total capital expenditure of Transfers and Grants		–	101,787	81,787	3,816	14,825	20,447	(5,622)	-27.5%	81,787
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		–	356,717	387,520	19,238	62,342	96,880	(34,538)	-35.7%	387,520

Expenditure performance on operational grants amounted to R 19,237,876 for the month ended 30 September 2020.

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

## SECTIONS 8\_EXPENDITURE ON COUNCILLOR AND EMPLOYEE RELATED COSTS

Supporting Table C8

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		—	13,114	13,114	963	2,945	3,279	(334)	-10%	13,114
Pension and UIF Contributions		—	739	739	59	177	185	(7)	-4%	739
Medical Aid Contributions		—	142	142	63	189	36	154	433%	142
Motor Vehicle Allowance		—	133	133	11	32	33	(1)	-3%	133
Cellphone Allowance		—	3,140	3,140	240	730	785	(55)	-7%	3,140
Housing Allowances		—	4,269	4,269	327	1,012	1,067	(55)	-5%	4,269
Other benefits and allowances		—	—	—	—	—	—	—	—	—
<b>Sub Total - Councillors</b>		—	21,537	21,537	1,662	5,086	5,384	(298)	-6%	21,537
<b>% increase</b>	4									
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		1,084	103,247	103,247	7,407	22,619	25,812	(3,193)	-12%	103,247
Pension and UIF Contributions		(3)	988	988	45	138	247	(109)	-44%	988
Medical Aid Contributions		—	5,322	5,322	330	993	1,330	(337)	-25%	5,322
Overtime		171	692	692	210	458	173	286	165%	692
Performance Bonus		371	6,197	6,197	300	1,497	1,549	(53)	-3%	6,197
Motor Vehicle Allowance		—	4,114	4,114	373	1,043	1,028	15	1%	4,114
Cellphone Allowance		—	—	—	—	—	—	—	—	—
Housing Allowances		31	4,672	4,672	354	1,031	1,168	(137)	-12%	4,672
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Payments in lieu of leave		2,707	—	—	79	203	—	203	#DIV/0!	—
Long service awards		243	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
<b>Sub Total - Other Municipal Staff</b>		4,605	125,231	125,231	9,098	27,982	31,308	(3,326)	-11%	125,231
<b>% increase</b>	4		2619.5%	2619.5%						2619.5%
<b>Total Parent Municipality</b>		4,605	146,768	146,768	10,760	33,068	36,692	(3,624)	-10%	146,768
<b>Total Municipal Entities</b>		—	—	—	—	—	—	—	—	—
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		4,605	146,768	146,768	10,760	33,068	36,692	(3,624)	-10%	146,768
<b>% increase</b>	4		3087.2%	3087.2%						3087.2%
<b>TOTAL MANAGERS AND STAFF</b>		4,605	125,231	125,231	9,098	27,982	31,308	(3,326)	-11%	125,231

Remuneration related expenditure for the month ended 30 September 2020 amounted to R 9,098,063, of the expenditure R 1,662,129 relates to Remuneration of Councillors and R 9,098,063 to Managers and staff.

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

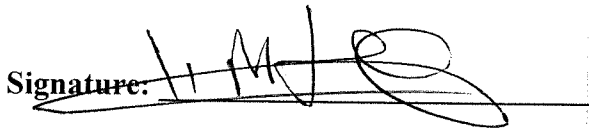
I, **Lizo Matiwane**, the Acting Municipal Manager of Matatiele Local Municipality do hereby certify that-

The monthly budget statement (Section 71 Report) on the implementation of the budget and financial state of affairs of the municipality for the month ended 30 September 2020 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:**

12/10/2020