



MATATIELE
LOCAL MUNICIPALITY

2020/2021
MONTHLY MAYORS
SECTION 71
REPORT

MONTH ENDED
31ST MAY 2021

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GLOSSARY

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

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

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

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

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.

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

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

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

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

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

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

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

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating Expenditure – The day-to-day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the Rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budgeted estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised Expenditure – Generally, spending without, or in excess of, an Approved Budget.

Virement – A transfer of funds within a vote.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided. In Garden Route District, this means the different GFS classification the budget is divided.

LEGISLATIVE FRAMEWORK

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

The municipal Finance Management Act No. 56 of 2003

Section 71: Monthly budget Statements

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

PART 1-IN-YEAR REPORT

Section 1-Resolutions

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

Regulation 28 of the Municipal Budget and Reporting Regulations states:

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

Recommendations:

- That, Council takes note of the monthly budget statement and supporting documentation for the month 31st May 2021.
- That, the submission of section 71 reports and to Provincial and National Treasuries 10 days after the end of each month be noted by Council.

Section 2-Executive summary

2.1 Introduction

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

2.2 Consolidated Performance (Revenue & Expenditure)

Revenue by source

The total revenue received for the month ended 31st May 2021 amounted to **R 17,713,643** which represents **3%** of the total annual approved budget figure of **R509,920,764** (including grants) and **3%** of the adjusted budget figure of **R 555,327,264**, revenue recognised to date represents **92%** of the adjusted budget. The majority of the revenue recognised this month of **R4,672,230** related to electricity sales for the month.

Operating Expenditure by type

Operating expenditure for the month ended 31st May 2021 amounted to **R 23,337,062** which represents **6%** of total approved operating expenditure budget figure of **R408,392,856** and **5%** of the adjusted budget amount of **R 439,610,076**, 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 188,712,684**. Capital expenditure incurred for the month ended 31st May 2021 amounted to **R7,626,489**. This represents **4%** of the approved capital expenditure budget and **4%** of the adjusted capital budget. Capital expenditure incurred to date represents **69%** of the total capital expenditure budget.

2.3 Material variances from the SDBIP

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

2.4 Remedial or corrective steps

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

Section 3

IN-YEAR BUDGET STATEMENT TABLES

3.1 Monthly budget statements

3.1.1 Table C1 Monthly Budget Statement Summary

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	44,904	48,190	48,190	(285)	46,564	44,174	2,390	5%	44,174
Service charges	58,434	68,817	68,817	5,846	52,042	63,082	(11,040)	-18%	64,376
Investment revenue	12,973	14,650	14,650	784	7,768	13,429	(5,662)	-42%	14,650
Transfers and subsidies	244,441	256,212	309,524	132	304,447	283,730	20,717	7%	309,524
Other own revenue	19,092	20,525	21,270	1,987	19,357	19,498	(140)	-1%	21,270
Total Revenue (excluding capital transfers and contributions)	379,844	408,394	462,450	8,462	430,179	423,913	6,266	1%	453,994
Employee costs	115,402	125,231	125,231	8,264	102,602	114,795	(12,193)	-11%	125,231
Remuneration of Councillors	20,834	21,537	21,537	1,689	18,317	19,742	(1,425)	-7%	21,537
Depreciation & asset impairment	47,731	33,110	33,110	-	-	30,351	(30,351)	-100%	33,110
Finance charges	3	-	-	-	1	-	1	#DIV/0!	-
Materials and bulk purchases	44,131	53,567	54,561	3,871	48,164	50,014	(1,850)	-4%	54,561
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	129,629	174,949	205,172	9,514	101,952	188,074	(86,122)	-46%	205,172
Total Expenditure	357,729	408,393	439,610	23,337	271,036	402,976	(131,940)	-33%	439,610
Surplus/(Deficit)	22,114	1	22,840	(14,875)	159,143	20,937	138,206	660%	14,383
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	124,782	101,527	93,186	9,252	81,592	85,420	(3,828)	-4%	93,186
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	146,896	101,528	116,026	(5,623)	240,735	106,357	134,378	126%	107,569
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	146,896	101,528	116,026	(5,623)	240,735	106,357	134,378	126%	107,569
Capital expenditure & funds sources									
Capital expenditure	155,644	174,105	188,713	7,626	129,948	172,987	(43,038)	-25%	188,713
Capital transfers recognised	95,417	99,340	90,739	1,616	71,881	83,177	(11,296)	-14%	90,739
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	60,228	74,765	97,974	6,011	58,068	89,809	(31,742)	-35%	97,974
Total sources of capital funds	155,644	174,105	188,713	7,626	129,948	172,987	(43,038)	-25%	188,713
Financial position									
Total current assets	266,693	232,526	200,528	-	384,762	-	-	-	200,528
Total non current assets	1,094,663	1,143,450	1,157,849	-	1,194,460	-	-	-	1,157,849
Total current liabilities	63,077	97,388	106,093	-	76,941	-	-	-	106,093
Total non current liabilities	29,028	27,398	26,760	-	28,178	-	-	-	26,760
Community wealth/Equity	1,269,250	1,251,190	1,225,524	-	1,474,104	-	-	-	1,225,524
Cash flows									
Net cash from (used) operating	482,077	990,785	572,899	41,051	782,806	525,157	(257,649)	-49%	572,899
Net cash from (used) investing	(155,644)	(174,105)	(188,713)	(7,626)	(129,948)	(172,987)	(43,038)	25%	(188,713)
Net cash from (used) financing	1	(1,268)	(1,387)	(20)	(1,476)	(1,268)	207	-16%	(1,387)
Cash/cash equivalents at the month/year end	450,431	952,295	535,884	-	654,161	503,987	(150,174)	-30%	385,578
Debtors & creditors analysis	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
Debtors Age Analysis									
Total By Income Source	6,555	4,882	19,645	3,286	3,374	3,543	31,490	97,789	170,564
Creditors Age Analysis									
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
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		309,200	325,819	376,426	1,723	367,979	344,943	23,036	7%	376,426
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		309,200	325,819	376,426	1,723	367,979	344,943	23,036	7%	376,426
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		7,125	11,958	11,693	777	8,758	10,719	(1,961)	-18%	11,693
Community and social services		3,469	5,719	5,454	428	4,571	4,999	(428)	-9%	5,454
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		3,655	6,239	6,239	349	4,187	5,719	(1,533)	-27%	6,239
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		59,075	49,081	60,654	5,900	54,188	55,547	(1,359)	-2%	60,654
Planning and development		481	145	202	6	126	133	(7)	-6%	202
Road transport		58,594	48,936	60,452	5,894	54,063	55,414	(1,351)	-2%	60,452
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		129,225	123,062	106,863	9,313	80,846	97,958	(17,112)	-17%	106,863
Energy sources		118,306	107,474	87,474	8,333	70,112	80,185	(10,073)	-13%	87,474
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		10,919	15,588	19,388	980	10,734	17,773	(7,038)	-40%	19,388
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	504,625	509,921	555,636	17,714	511,771	509,166	2,605	1%	555,636
Expenditure - Functional										
<i>Governance and administration</i>		181,281	212,043	230,379	11,838	142,552	211,181	(68,629)	-32%	230,379
Executive and council		31,048	37,214	28,364	2,140	22,293	26,000	(3,707)	-14%	28,364
Finance and administration		147,900	174,829	197,941	9,464	117,314	181,446	(64,132)	-35%	197,941
Internal audit		2,333	-	4,075	234	2,945	3,735	(791)	-21%	4,075
<i>Community and public safety</i>		29,228	36,223	38,064	2,698	26,748	34,892	(8,143)	-23%	38,064
Community and social services		12,048	15,351	17,191	1,186	10,780	15,758	(4,978)	-32%	17,191
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		17,180	20,873	20,873	1,513	15,968	19,133	(3,165)	-17%	20,873
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		82,373	78,862	85,462	2,905	33,442	78,340	(44,898)	-57%	85,462
Planning and development		15,981	25,584	31,084	1,486	15,175	28,494	(13,318)	-47%	31,084
Road transport		66,392	53,278	54,378	1,419	18,266	49,846	(31,580)	-63%	54,378
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		64,848	81,265	85,705	5,896	68,294	78,563	(10,269)	-13%	85,705
Energy sources		46,926	57,506	58,006	3,992	50,063	53,172	(3,109)	-6%	58,006
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		17,922	23,759	27,700	1,904	18,231	25,392	(7,161)	-28%	27,700
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	357,729	408,393	439,610	23,337	271,036	402,976	(131,940)	-33%	439,610
Surplus/ (Deficit) for the year		146,896	101,528	116,026	(5,623)	240,735	106,191	134,545	127%	116,026

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

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

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and council		–	–	–	–	–	–	–	–	–
Vote 2 - Finance and Admin		308,729	325,469	375,951	1,635	367,688	344,622	23,066	6.7%	375,951
Vote 3 - Corporate		471	350	475	87	290	321	(30)	-9.5%	475
Vote 4 - Development and Planning		481	145	202	6	126	133	(7)	-5.6%	202
Vote 5 - Community		18,044	27,546	31,082	1,757	19,493	28,491	(8,999)	-31.6%	31,082
Vote 6 - Infrastructure		176,900	156,410	147,926	14,227	124,175	135,599	(11,425)	-8.4%	147,926
Vote 7 - Internal Audit		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	504,625	509,921	555,636	17,714	511,771	509,166	2,605	0.5%	555,636
Expenditure by Vote	1									
Vote 1 - Executive and council		31,048	37,214	28,364	2,140	22,293	26,000	(3,707)	-14.3%	28,364
Vote 2 - Finance and Admin		88,195	100,989	122,666	5,305	62,761	112,444	(49,684)	-44.2%	122,666
Vote 3 - Corporate		59,705	73,840	75,274	4,159	54,553	69,001	(14,448)	-20.9%	75,274
Vote 4 - Development and Planning		15,981	25,584	31,084	1,486	15,175	28,494	(13,318)	-46.7%	31,084
Vote 5 - Community		47,150	59,983	65,763	4,602	44,979	60,283	(15,304)	-25.4%	65,763
Vote 6 - Infrastructure		113,317	110,783	112,383	5,411	68,330	103,018	(34,689)	-33.7%	112,383
Vote 7 - Internal Audit		2,333	–	4,075	234	2,945	3,735	(791)	-21.2%	4,075
Total Expenditure by Vote	2	357,729	408,393	439,610	23,337	271,036	402,976	(131,940)	-32.7%	439,610
Surplus/ (Deficit) for the year	2	146,896	101,528	116,026	(5,623)	240,735	106,191	134,545	126.7%	116,026

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

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

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		44,904	48,190	48,190	(285)	46,564	44,174	2,390	5%	44,174
Service charges - electricity revenue		47,645	53,291	53,291	4,877	41,477	48,850	(7,373)	-15%	48,850
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		10,790	15,526	15,526	969	10,565	14,232	(3,666)	-26%	15,526
Rental of facilities and equipment		803	500	1,245	384	1,786	1,141	645	57%	1,245
Interest earned - external investments		12,973	14,650	14,650	784	7,768	13,429	(5,662)	-42%	14,650
Interest earned - outstanding debtors		11,555	11,799	11,799	1,179	12,415	10,816	1,599	15%	11,799
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,398	2,094	2,094	90	702	1,919	(1,218)	-63%	2,094
Licences and permits		2,557	4,525	4,525	260	3,516	4,148	(632)	-15%	4,525
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		244,441	256,212	309,524	132	304,447	283,730	20,717	7%	309,524
Other revenue		2,779	1,608	1,608	74	939	1,474	(535)	-36%	1,608
Gains		-	-	-	-	-	-	-	-	-
		379,844	408,394	462,450	8,462	430,179	423,913	6,266	1%	453,994
Total Revenue (excluding capital transfers and contributions)										
Expenditure By Type										
Employee related costs		115,402	125,231	125,231	8,264	102,602	114,795	(12,193)	-11%	125,231
Remuneration of councillors		20,834	21,537	21,537	1,689	18,317	19,742	(1,425)	-7%	21,537
Debt impairment		13,884	5,000	5,000	-	-	4,583	(4,583)	-100%	5,000
Depreciation & asset impairment		47,731	33,110	33,110	-	-	30,351	(30,351)	-100%	33,110
Finance charges		3	-	-	-	1	-	1	#DIV/0!	-
Bulk purchases		39,938	48,000	48,000	3,419	43,448	44,000	(552)	-1%	48,000
Other materials		4,192	5,567	6,561	452	4,716	6,014	(1,298)	-22%	6,561
Contracted services		81,078	101,279	131,110	7,747	74,563	120,184	(45,621)	-38%	131,110
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		33,957	68,670	69,062	1,767	27,388	63,306	(35,918)	-57%	69,062
Losses		711	-	-	-	-	-	-	-	-
Total Expenditure										
		357,729	408,393	439,610	23,337	271,036	402,976	(131,940)	-33%	439,610
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)		22,114	1	22,840	(14,875)	159,143	20,937	138,206	0	14,383
(National / Provincial and District)		124,782	101,527	93,186	9,252	81,592	85,420	(3,828)	(0)	93,186
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										
Taxation		146,896	101,528	116,026	(5,623)	240,735	106,357	-	-	107,569
		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation										
Attributable to minorities		146,896	101,528	116,026	(5,623)	240,735	106,357	-	-	107,569
		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality										
Share of surplus/ (deficit) of associate		146,896	101,528	116,026	(5,623)	240,735	106,357	-	-	107,569
		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year										
		146,896	101,528	116,026	(5,623)	240,735	106,357	-	-	107,569

Revenue by Source

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

Property Rates

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

The municipality bills both annual and monthly rates at the beginning of the financial year i.e. July. The total property rates revenue for the month of May amounted to R 1,171,576.

Services Charges

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to R5,845,552 for the month ended 31st May 2021.

Interest earned on Investments

Reflects the interest in respect funds not immediately needed in the operations of the municipality, these short-term investments made with financial institutions include conditional grants. Interest on investments for the month ended 31st May 2021 amounted to R 783,515.

Interest on Outstanding Debtors

Interest on overdue accounts for the month ended 31st May 2021 amounted to R 1,178,930 the majority of the debtors are the government departments.

Fines, penalties and Forfeits

Revenue from fines, penalties and forfeits has an annual budget of R 2,093,700 for the month ended 31st May 2021 an amount revenue of R 89,886 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 31st May 2021 an amount of R 260,453 was recognised and represents 6% 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 grant was received in the month of May 2021.

Other Revenue

Other revenue consists mostly skills development refund, sale of tender documents, insurance refund and other revenue. Other revenue amounted to R 73,697 for the month ended 31st May 2021.

Operating Expenditure by type

Employee related costs/ Remuneration of Councillors

Remuneration related expenditure for the month ended 31st May 2021 amounted R 9,952,520 of the expenditure R 1,688,746 relates to Remuneration of Councillors and R 8,263,774 to Managers and staff, that represents 7% of the budgeted amount for this category.

Debt Impairment /Depreciation and Asset impairment

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

The municipality in 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 May 2021.

Bulk Purchases

Expenditure relating to bulk electricity purchases amounts to R3,418,923 for the month, this includes the amount for the month of May whose was not received for the month and by the time the month end was completed.

Other Materials

Other material consists of inventory purchases for material and supplies and amounted to R 451,868 for the month ended 31st May 2021.

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 31st May 2021 amounted to R 7,746,511.

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 R 1,767,240 for the month ended 31st May 2021.

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

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Functional Classification										
<i>Governance and administration</i>		4,259	9,159	8,459	2,009	3,935	7,049	(3,114)	-44%	8,459
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		4,259	9,159	8,459	2,009	3,935	7,049	(3,114)	-44%	8,459
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		1,601	3,260	3,260	327	538	2,717	(2,179)	-80%	3,260
Community and social services		1,479	1,560	1,560	172	382	1,300	(918)	-71%	1,560
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		122	1,700	1,700	155	155	1,417	(1,262)	-89%	1,700
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		87,749	80,724	109,841	11,607	77,931	91,522	(13,591)	-15%	109,841
Planning and development		43	480	570	400	430	463	(33)	-7%	570
Road transport		87,706	80,244	109,271	11,207	77,501	91,059	(13,559)	-15%	109,271
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		62,036	81,171	57,153	4,111	39,919	55,961	(16,042)	-29%	67,153
Energy sources		62,036	78,241	64,223	4,062	39,812	53,519	(13,707)	-26%	64,223
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	2,930	2,930	49	106	2,442	(2,335)	-96%	2,930
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	155,644	174,314	188,713	18,054	122,322	157,248	(34,926)	-22%	188,713
Funded by:										
National Government		95,416	99,080	90,479	9,135	70,156	82,567	(12,411)	-15%	90,479
Provincial Government		-	260	260	52	109	217	(108)	-50%	260
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		95,417	99,340	90,739	9,187	70,265	82,783	(12,518)	-15%	90,739
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		60,228	74,974	97,974	8,868	52,057	62,304	(10,247)	-16%	97,974
Total Capital Funding		155,644	174,314	188,713	18,054	122,322	145,088	(22,766)	-16%	188,713

The approved annual capital budget for the financial year amounts to **R174,313,680**, this was adjusted to **R 188,712,684**. Capital expenditure incurred for the month ended 31st May 2021 amounted to **R 7,626,489**. This represents **4%** of the approved capital expenditure budget and **4%** of the adjusted capital budget. Capital expenditure incurred to date represents **69%** of the total capital expenditure budget.

3.1.6 C6 Monthly Budget Statement –Financial Position

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		153,085	23,886	23,985	82,911	23,985
Call investment deposits		–	93,822	61,875	178,504	61,875
Consumer debtors		8,258	65,910	66,534	35,424	66,534
Other debtors		103,648	47,924	47,299	85,818	47,299
Current portion of long-term receivables		–	–	–	–	–
Inventory		1,703	984	834	2,106	834
Total current assets		266,693	232,526	200,528	384,762	200,528
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		35,575	35,947	35,947	2,327	35,947
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1,058,068	1,107,177	1,121,576	1,178,412	1,121,576
Biological		–	–	–	–	–
Intangible		333	326	326	494	326
Other non-current assets		688	–	–	13,227	–
Total non current assets		1,094,663	1,143,450	1,157,849	1,194,460	1,157,849
TOTAL ASSETS		1,361,356	1,375,976	1,358,377	1,579,223	1,358,377
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		345	1,268	1,268	369	1,268
Trade and other payables		50,733	83,862	90,385	64,573	90,385
Provisions		11,998	12,258	14,440	11,998	14,440
Total current liabilities		63,077	97,388	106,093	76,941	106,093
Non current liabilities						
Borrowing		–	8,451	–	–	–
Provisions		29,028	18,947	26,760	28,178	26,760
Total non current liabilities		29,028	27,398	26,760	28,178	26,760
TOTAL LIABILITIES		92,106	124,787	132,853	105,119	132,853
NET ASSETS	2	1,269,250	1,251,190	1,225,524	1,474,104	1,225,524
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1,038,804	793,988	808,486	1,243,658	808,486
Reserves		230,446	457,202	417,038	230,446	417,038
TOTAL COMMUNITY WEALTH/EQUITY	2	1,269,250	1,251,190	1,225,524	1,474,104	1,225,524

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	49,807	49,807	(285)	46,564	45,656	908	2%	49,807
Service charges		86,333	82,700	82,700	5,846	52,042	75,809	(23,766)	-31%	82,700
Other revenue		4,149	518,998	8,726	808	6,943	7,999	(1,057)	-13%	8,726
Transfers and Subsidies - Operational		242,957	256,212	305,993	132	304,447	280,494	23,953	9%	305,993
Transfers and Subsidies - Capital		124,782	101,527	92,926	9,252	81,592	85,182	(3,590)	-4%	92,926
Interest		24,528	(19,649)	26,449	1,962	20,182	24,245	(4,062)	-17%	26,449
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(672)	1,190	6,297	23,337	271,035	5,772	(265,263)	-4595%	6,297
Finance charges		-	-	-	-	-	-	-		-
Transfers and Grants		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		482,077	990,785	572,899	41,051	782,806	525,157	(257,649)	-49%	572,899
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		(155,644)	(174,105)	(188,713)	(7,626)	(129,948)	(172,987)	(43,038)	25%	(188,713)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(155,644)	(174,105)	(188,713)	(7,626)	(129,948)	(172,987)	(43,038)	25%	(188,713)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		1	(1,268)	(1,387)	(20)	(1,476)	(1,268)	(207)	16%	(1,387)
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		1	(1,268)	(1,387)	(20)	(1,476)	(1,268)	207	-16%	(1,387)
NET INCREASE/ (DECREASE) IN CASH HELD		326,434	815,412	382,799	33,404	651,382	350,902			382,799
Cash/cash equivalents at beginning:		123,997	136,883	153,085		2,779	153,085			2,779
Cash/cash equivalents at month/year end:		450,431	952,295	535,884		654,161	503,987			385,578

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.to 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	4,086	2,131	1,385	1,121	1,098	1,449	1,603	492	13,364	5,763	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	335	828	627	567	567	519	22,310	40,059	65,813	64,023	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	960	613	514	480	458	443	2,019	16,978	22,464	20,378	-	-
Receivables from Exchange Transactions - Waste Management	1600	-	-	-	-	-	-	-	7	7	7	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,102	1,077	1,143	1,117	1,099	1,132	5,180	26,214	38,064	34,742	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	72	233	15,977	0	153	0	377	14,039	30,851	14,569	-	-
Other	1900	-	-	-	-	-	-	-	-	-	-	-	-
Total By Income Source	2000	6,555	4,882	19,645	3,286	3,374	3,543	31,490	97,789	170,564	139,481	-	-
2019/20 - totals only												-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	2300	1,969	1,733	2,111	1,955	1,962	2,277	25,604	44,495	82,106	76,293	-	-
Households	2400	4,572	3,138	17,526	1,324	1,405	1,259	5,860	53,164	88,247	63,011	-	-
Other	2500	15	11	8	8	7	7	26	130	211	178	-	-
Total By Customer Group	2600	6,555	4,882	19,645	3,286	3,374	3,543	31,490	97,789	170,564	139,481	-	-

The total debt book for May 2021 of R 167 030 832,46 has increase by R870 135,66 from the previous month balance of R 166 160 696,8. Debt is made up of the following:

Residential debt:

R 63 194 316,79

Commercial debt

R 23 432 622,54

Government debt

R 78 136 688,63

Other

R 2 267 204,5

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

R43 266 249,84 (including current)

Cedarville

R3 675 691,49 (including current)

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.

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 31st May 2021.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	6,680,600.33	20,445.52		(20,445.52)	6,701,045.85
INEP	2,528,566.25	11,087.37		(11,087.37)	2,539,653.62
EPWP	-	-	-	-	-
Municipal Electrification Intervention	270,747.92	667.51	-	(667.51)	271,415.43
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	54,230.78	133.79	-	(133.79)	54,364.57
Establishment Plan	193,081.93	311.58	-	311.58	193,393.51
Housing Development Fund	1,963,876.00	3,169.10	-	(3,169.10)	1,967,045.10
Dedea	597,631.16	964.40	-	964.40	598,595.56
Total Conditional Investments	12,288,734	36,779	-	34,227	12,325,514

Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	48,584,582.18	2,300,000.00	-	(114,024.20)	50,884,582.18
Call Acc STD CRR	11,078,174.26	24,933.48	-	(24,933.48)	11,103,107.74
Call Acc STD CRR	21,097,315.07	100,049.31	-	(100,049.31)	21,197,364.38
Call ACC FNB Surplus Cash	6,805,395.80	-	-	(10,627.60)	6,805,395.80
Nedbank 32 Days	6,344,819.45	19,556.09	-	19,556.09	6,364,375.54
Nedbank relief fund	765,018.28	1,886.40	-	(1,886.40)	766,904.68
Nedbank COV -19 Solidarity	92,523.17	228.01	-	228.01	92,751.18
Nedbank call Surplus	85,977,453.40	40,544,272.82	(57,784,885.48)	(255,790.90)	68,736,840.74
Nedbank Retention	-	26,684,885.48	-		26,684,885.48
NEDBANK	50,300,620.55	182,730.14	-	(182,730.14)	50,483,350.69
NEDBANK	40,203,484.94	78,619.18	(40,282,104.12)	(138,739.73)	-
Total Unconditional	271,249,387	42,990,926	- 57,784,885	- 808,998	243,119,558

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 31st May 2021 the conditional investments amounted to R12,325,514 and unconditional investments amounted to R243,119,558.

Total investments as at 31st May 2021 amounted to R255,445,072.

SECTION 7_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		240,621	255,022	304,803	-	308,037	279,403	28,635	10.2%	304,803
Local Government Equitable Share		234,919	249,823	299,604	-	299,604	274,637	24,967	9.1%	299,604
Finance Management Grant		1,700	1,700	1,700	-	1,700	1,558	142	9.1%	1,700
EPWP		3,257	3,499	3,499	-	3,499	3,207	292	9.1%	3,499
Disaster relief grant		745	-	-	-	3,234	-	3,234	#DIV/0!	-
Provincial Government:		1,197	930	4,721	-	4,441	4,327	113	2.6%	4,721
Sport and Recreation		1,197	930	930	-	650	853	(203)	-23.8%	930
DEDEAT		-	-	3,791	-	3,791	3,475	316	9.1%	3,791
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	241,818	255,952	309,523	-	312,478	283,730	28,748	10.1%	309,523
Capital Transfers and Grants										
National Government:		128,432	101,527	92,926	-	92,926	85,182	5,028	5.9%	92,926
MIG		58,255	48,936	60,335	-	60,335	55,307	5,028	9.1%	60,335
INEP		70,177	52,591	32,591	-	32,591	29,875	2,716	8.3%	32,591
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	260	260	-	-	238	(238)	-100.0%	260
Sport and Recreation		-	260	260	-	-	238	(238)	-100.0%	260
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	128,432	101,787	93,186	-	92,926	85,420	4,790	5.6%	93,186
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	370,250	357,739	402,709	-	405,404	369,150	33,538	9.1%	402,709

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Acts respectively. No grant was received in the month of May 2021.

7.2 Supporting Table SC7

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		239,876	255,022	304,803	16,496	190,972	279,403	(88,431)	-31.6%	304,803
Local Government Equitable Share		234,919	249,823	299,604	16,496	186,430	274,637	(88,207)	-32.1%	299,604
Finance Management Grant		1,700	1,700	1,700	-	1,043	1,558	(515)	-33.0%	1,700
EPWP		3,257	3,499	3,499	-	3,499	3,207	292	9.1%	3,499
Disaster relief grant		-	-	-	-	-	-	-	-	-
Provincial Government:		1,197	930	4,721	434	1,210	4,327	(3,118)	-72.0%	4,721
Sport and Recreation		1,197	930	930	14	56	853	(797)	-93.5%	930
DEDEAT		-	-	3,791	420	1,154	3,475	(2,321)	-66.8%	3,791
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		241,073	255,952	309,523	16,930	192,182	283,730	(91,548)	-32.3%	309,523
Capital expenditure of Transfers and Grants										
National Government:		128,432	101,527	92,926	1,841	74,254	85,182	(10,928)	-12.8%	92,926
MIG		58,255	48,936	60,335	935	49,284	55,307	(6,023)	-10.9%	60,335
INEP		70,177	52,591	32,591	906	24,970	29,875	(4,905)	-16.4%	32,591
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	260	260	-	109	238	(130)	-54.4%	260
0		-	260	260	-	109	238	(130)	-54.4%	260
District Municipality:		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
0		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		128,432	101,787	93,186	1,841	74,363	85,420	(11,058)	-12.9%	93,186
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		369,505	357,739	402,709	18,771	266,544	369,150	(102,606)	-27.8%	402,709

Expenditure performance on grants amounted to R18,7 million for the month ended 31st May 2021.

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

SECTIONS 8_EXPENDITURE ON COUNCILLOR AND EMPLOYEE RELATED COSTS

Supporting Table C8

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		20,834	13,114	13,114	974	11,408	12,021	(614)	-5%	13,114
Pension and UIF Contributions		-	739	739	59	586	678	(91)	-13%	739
Medical Aid Contributions		-	142	142	65	406	130	276	212%	142
Motor Vehicle Allowance		-	133	133	11	108	122	(14)	-12%	133
Cellphone Allowance		-	3,140	3,140	242	2,456	2,878	(423)	-15%	3,140
Housing Allowances		-	4,269	4,269	338	3,353	3,913	(560)	-14%	4,269
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		20,834	21,537	21,537	1,689	18,317	19,742	(1,425)	-7%	21,537
% increase	4		3.4%	3.4%						3.4%
Sub Total - Senior Managers of Municipality		-	-	-	-	-	-	-	-	-
% increase	4									
Other Municipal Staff										
Basic Salaries and Wages		114,140	103,247	103,197	6,464	85,584	94,643	(9,059)	-10%	103,197
Pension and UIF Contributions		3	988	988	46	450	906	(455)	-50%	988
Medical Aid Contributions		-	5,322	5,322	369	3,517	4,878	(1,361)	-28%	5,322
Overtime		54	692	742	387	1,606	634	972	153%	742
Performance Bonus		330	6,197	6,197	209	3,295	5,681	(2,386)	-42%	6,197
Motor Vehicle Allowance		-	4,114	4,114	420	3,928	3,771	157	4%	4,114
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	4,672	4,672	338	3,553	4,282	(729)	-17%	4,672
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		870	-	-	18	554	-	554	#DIV/0!	-
Long service awards		5	-	-	14	115	-	115	#DIV/0!	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		115,402	125,231	125,231	8,264	102,602	114,795	(12,193)	-11%	125,231
% increase	4		8.5%	8.5%						8.5%
Total Parent Municipality		136,235	146,768	146,768	9,953	120,919	134,537	(13,618)	-10%	146,768
Unpaid salary, allowances & benefits in arrears:										
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4									
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		136,235	146,768	146,768	9,953	120,919	134,537	(13,618)	-10%	146,768
% increase	4		7.7%	7.7%						7.7%
TOTAL MANAGERS AND STAFF		115,402	125,231	125,231	8,264	102,602	114,795	(12,193)	-11%	125,231

Remuneration related expenditure for the month ended 31st May 2021 amounted to R 9,9 million of the expenditure R1,6 million relates to Remuneration of Councillors and R 8,2 million to Managers and staff.

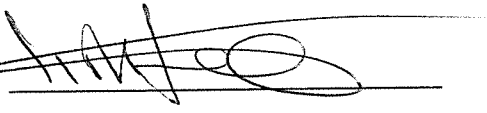
MUNICIPAL MANAGER'S QUALITY CERTIFICATE**QUALITY CERTIFICATE**

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

The monthly budget statements (Section 71 Report) on the implementation of the budget and financial state of affairs of the municipality for the month ended 31st May 2021 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: Lizo Matiwane

Municipal Manager of Matatiele Local Municipality

Signature: 

Date: 14/06/2021