



MATATIELE  
LOCAL MUNICIPALITY

2021/2022  
MONTHLY  
SECTION 71  
REPORT

MONTH ENDED  
31 AUGUST 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 31<sup>st</sup> August 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 31<sup>st</sup> August 2021 amounted to **R 25,297,228** which represents **4%** of the total annual approved budget figure of **R573,218,160** (including grants). The majority of the revenue recognised this month of **R4,786,809** related to service charges for the month. Revenue recognised to date represents **33%** of the total revenue budget.

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

Operating expenditure for the month ended 31<sup>st</sup> August 2021 amounted to **R 29,419,992** which represents **7%** of total approved operating expenditure budget figure of **R430,345,896**, of this expenditure the majority relates to Council and employee related cost and payment of monthly contracted services. Operating expenditure incurred to date represents **15%** of the total operating expenditure budget.

#### **Capital Expenditure**

The approved annual capital budget for the financial year amounts to **R192,872,520**. Capital expenditure incurred for the month ended 31<sup>st</sup> August 2021 amounted to **R17,215,285**. This represents **9%** of the approved capital expenditure budget. Capital expenditure incurred to date represents **16%** 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

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M02 August

| Description  | 2020/21          | Budget Year 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>Financial Performance</b>   |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Property rates   | 46 575           | 54 088              | -                 | 1 337              | 35 471             | 9 015              | 26 456              | 293%            | 54 088             |
| Service charges  | 68 589           | 70 532              | -                 | 4 787              | 9 867              | 11 755             | (2 088)             | -18%            | 70 532             |
| Investment revenue   | 8 825            | 14 650              | -                 | 854                | 1 287              | 2 442              | (1 155)             | -47%            | 14 650             |
| Transfers and subsidies  | 306 535          | 267 313             | -                 | 1 754              | 109 598            | 44 552             | 65 046              | 146%            | 267 313            |
| Other own revenue  | 21 978           | 21 163              | -                 | 1 811              | 3 321              | 3 527              | (206)               | -6%             | 21 163             |
| <b>Total Revenue (excluding capital transfers and contributions)</b>   | <b>452 582</b>   | <b>427 747</b>      | <b>-</b>          | <b>10 543</b>      | <b>158 345</b>     | <b>71 291</b>      | <b>86 854</b>       | <b>124%</b>     | <b>427 747</b>     |
| Employee costs   | 117 964          | 132 261             | -                 | 10 085             | 19 437             | 22 043             | (2 606)             | -12%            | 132 261            |
| Remuneration of Councilors   | 19 979           | 21 690              | -                 | 1 702              | 3 392              | 3 615              | (223)               | -6%             | 21 690             |
| Depreciation & asset impairment  | 112 287          | 35 300              | -                 | -                  | -                  | 5 883              | (5 883)             | -100%           | 35 300             |
| Finance charges  | -                | -                   | -                 | -                  | -                  | -                  | -                   | -               | -                  |
| Inventory consumed and bulk purchases  | 53 959           | 57 379              | -                 | 8 920              | 21 535             | 9 563              | 11 972              | 125%            | 57 379             |
| Transfers and subsidies  | -                | -                   | -                 | -                  | -                  | -                  | -                   | -               | -                  |
| Other expenditure  | 152 638          | 183 716             | -                 | 8 712              | 18 487             | 30 619             | (12 132)            | -40%            | 183 716            |
| <b>Total Expenditure</b>   | <b>456 828</b>   | <b>430 346</b>      | <b>-</b>          | <b>29 428</b>      | <b>62 851</b>      | <b>71 724</b>      | <b>(8 873)</b>      | <b>-12%</b>     | <b>430 346</b>     |
| <b>Surplus/(Deficit)</b>   | <b>(4 326)</b>   | <b>(2 599)</b>      | <b>-</b>          | <b>(18 877)</b>    | <b>96 494</b>      | <b>(433)</b>       | <b>96 827</b>       | <b>-22379%</b>  | <b>(2 599)</b>     |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)  | 92 926           | 145 471             | -                 | 14 754             | 31 278             | 24 245             | 7 030               | 29%             | 145 471            |
| 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>88 600</b>    | <b>142 872</b>      | <b>-</b>          | <b>(4 123)</b>     | <b>127 768</b>     | <b>23 812</b>      | <b>103 857</b>      | <b>437%</b>     | <b>142 872</b>     |
| Share of surplus/ (deficit) of associate   | -                | -                   | -                 | -                  | -                  | -                  | -                   | -               | -                  |
| <b>Surplus/ (Deficit) for the year</b>   | <b>88 600</b>    | <b>142 872</b>      | <b>-</b>          | <b>(4 123)</b>     | <b>127 768</b>     | <b>23 812</b>      | <b>103 857</b>      | <b>437%</b>     | <b>142 872</b>     |
| <b>Capital expenditure &amp; funds sources</b>   |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Capital expenditure  | 147 687          | 192 873             | -                 | 17 215             | 30 830             | 32 145             | (1 315)             | -4%             | 192 873            |
| Capital transfers recognised   | 78 799           | 142 872             | -                 | 15 441             | 28 877             | 23 812             | 5 064               | 21%             | 142 872            |
| Borrowing  | -                | -                   | -                 | -                  | -                  | -                  | -                   | -               | -                  |
| Internally generated funds   | 68 888           | 50 000              | -                 | 1 774              | 1 953              | 8 333              | (6 380)             | -77%            | 50 000             |
| <b>Total sources of capital funds</b>  | <b>147 687</b>   | <b>192 873</b>      | <b>-</b>          | <b>17 215</b>      | <b>30 830</b>      | <b>32 145</b>      | <b>(1 315)</b>      | <b>-4%</b>      | <b>192 873</b>     |
| <b>Financial position</b>  |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Total current assets   | 384 721          | 264 567             | -                 | -                  | 473 063            | -                  | -                   | -               | 264 567            |
| Total non current assets   | 1 130 410        | 1 152 868           | -                 | -                  | 1 161 240          | -                  | -                   | -               | 1 152 868          |
| Total current liabilities  | 131 896          | (62 284)            | -                 | -                  | 123 299            | -                  | -                   | -               | (62 284)           |
| Total non current liabilities  | 32 753           | (29 578)            | -                 | -                  | 32 753             | -                  | -                   | -               | (29 578)           |
| Community wealth/Equity  | 1 581 580        | 1 589 297           | -                 | -                  | 1 478 251          | -                  | -                   | -               | 1 589 297          |
| <b>Cash flows</b>  |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Net cash from (used) operating   | 500 027          | 140 857             | -                 | (8 775)            | 113 004            | 23 476             | (90 128)            | -384%           | 140 857            |
| Net cash from (used) investing   | (161 457)        | (192 872)           | -                 | (21 664)           | (35 368)           | (32 145)           | 3 222               | -10%            | (192 872)          |
| Net cash from (used) financing   | 110              | -                   | -                 | 5                  | 6                  | -                  | (6)                 | #DIV/0!         | -                  |
| <b>Cash/cash equivalents at the month/year end</b>   | <b>481 876</b>   | <b>126 293</b>      | <b>-</b>          | <b>-</b>           | <b>302 654</b>     | <b>188 640</b>     | <b>(133 814)</b>    | <b>-78%</b>     | <b>172 396</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   | 6 290            | 35 169              | 11 658            | 2 847              | 3 139              | 18 871             | 13 847              | 122 848         | 215 668            |
| <b>Creditors Age Analysis</b>  |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Total Creditors  | -                | -                   | -                 | -                  | -                  | -                  | -                   | -               | -                  |

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

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August

| Description                                | Ref | 2021/22         | Budget Year 2021/22 |                 |                |               |               |              |                |                    |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
|  |     | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands                                | 1   |                 |                     |                 |                |               |               |              |                |                    |
| <b>Revenue - Functional</b>                |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Governance and administration</b>       |     | 369 349         | 341 497             | -               | 5 016          | 148 473       | 56 916        | 91 557       | 161%           | 341 497            |
| Executive and council                      |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Finance and administration                 |     | 369 349         | 341 497             | -               | 5 016          | 148 473       | 56 916        | 91 557       | 161%           | 341 497            |
| Internal audit                             |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Community and public safety</b>         |     | 9 482           | 13 841              | -               | 583            | 848           | 2 387         | (1 461)      | -63%           | 13 841             |
| Community and social services              |     | 4 965           | 7 602               | -               | 77             | 153           | 1 267         | (1 114)      | -88%           | 7 602              |
| Sport and recreation                       |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Public safety                              |     | 4 517           | 6 239               | -               | 486            | 692           | 1 040         | (348)        | -33%           | 6 239              |
| Housing                                    |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Health                                     |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Economic and environmental services</b> |     | 61 176          | 52 183              | -               | 11 298         | 11 317        | 8 687         | 2 620        | 30%            | 52 183             |
| Planning and development                   |     | 691             | 202                 | -               | 6              | 13            | 34            | (20)         | -60%           | 202                |
| Road transport                             |     | 60 486          | 51 981              | -               | 11 292         | 11 303        | 8 664         | 2 640        | 30%            | 51 981             |
| Environmental protection                   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Trading services</b>                    |     | 185 421         | 163 697             | -               | 8 428          | 28 885        | 27 616        | 2 369        | 9%             | 163 697            |
| Energy sources                             |     | 91 020          | 150 099             | -               | 7 447          | 28 013        | 25 017        | 2 997        | 12%            | 150 099            |
| Water management                           |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Waste water management                     |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Waste management                           |     | 14 401          | 15 598              | -               | 974            | 1 972         | 2 600         | (627)        | -24%           | 15 598             |
| <b>Other</b>                               | 4   | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Total Revenue - Functional</b>          | 2   | 545 428         | 573 218             | -               | 25 287         | 190 621       | 85 536        | 85 884       | 108%           | 573 218            |
| <b>Expenditure - Functional</b>            |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Governance and administration</b>       |     | 284 583         | 254 388             | -               | 13 046         | 25 886        | 42 385        | (16 489)     | -39%           | 254 388            |
| Executive and council                      |     | 24 449          | 28 860              | -               | 2 023          | 5 528         | 4 810         | 718          | 15%            | 28 860             |
| Finance and administration                 |     | 176 767         | 221 705             | -               | 10 656         | 19 630        | 36 951        | (17 321)     | -47%           | 221 705            |
| Internal audit                             |     | 3 287           | 3 744               | -               | 367            | 737           | 624           | 113          | 18%            | 3 744              |
| <b>Community and public safety</b>         |     | 32 880          | 42 778              | -               | 3 028          | 5 817         | 7 138         | (1 312)      | -18%           | 42 778             |
| Community and social services              |     | 13 823          | 20 523              | -               | 1 473          | 2 932         | 3 421         | (488)        | -14%           | 20 523             |
| Sport and recreation                       |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Public safety                              |     | 19 057          | 22 255              | -               | 1 547          | 2 885         | 3 709         | (824)        | -22%           | 22 255             |
| Housing                                    |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Health                                     |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Economic and environmental services</b> |     | 62 564          | 48 016              | -               | 2 882          | 4 788         | 8 188         | (3 400)      | -42%           | 48 016             |
| Planning and development                   |     | 17 626          | 21 954              | -               | 1 122          | 1 752         | 3 659         | (1 907)      | -52%           | 21 954             |
| Road transport                             |     | 44 878          | 27 062              | -               | 1 771          | 3 017         | 4 510         | (1 493)      | -33%           | 27 062             |
| Environmental protection                   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Trading services</b>                    |     | 156 948         | 84 242              | -               | 10 481         | 26 388        | 14 048        | 12 339       | 88%            | 84 242             |
| Energy sources                             |     | 126 683         | 60 140              | -               | 8 860          | 22 988        | 10 023        | 12 965       | 129%           | 60 140             |
| Water management                           |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Waste water management                     |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Waste management                           |     | 30 246          | 24 102              | -               | 1 601          | 3 400         | 4 017         | (617)        | -15%           | 24 102             |
| <b>Other</b>                               |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Total Expenditure - Functional</b>      | 3   | 456 828         | 438 346             | -               | 29 428         | 62 851        | 71 724        | (8 873)      | -12%           | 438 346            |
| <b>Surplus/ (Deficit) for the year</b>     |     | 88 600          | 142 872             | -               | (4 123)        | 127 769       | 23 812        | 103 957      | 437%           | 142 872            |

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)

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 August

| Vote Description                  | Ref | 2020/21            | Budget Year        |                    |                |               | YearTD<br>budget | YTD<br>variance | YTD<br>variance<br>% | Full Year<br>Forecast |
|-----------------------------------|-----|--------------------|--------------------|--------------------|----------------|---------------|------------------|-----------------|----------------------|-----------------------|
|                                   |     | Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget | Monthly actual | YearTD actual |                  |                 |                      |                       |
| R thousands                       |     |                    |                    |                    |                |               |                  |                 |                      |                       |
| Revenue by Vote                   |     |                    |                    |                    |                |               |                  |                 |                      |                       |
| Vote 1 - Executive and council    | 1   | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 2 - Finance and Admin        |     | 369 128            | 341 022            | -                  | 3 432          | 146 884       | 56 837           | 90 048          | 158.4%               | 341 022               |
| Vote 3 - Corporate                |     | 221                | 475                | -                  | 1 584          | 1 588         | 79               | 1 508           | 1906.4%              | 475                   |
| Vote 4 - Development and Planning |     | 358                | 202                | -                  | 6              | 13            | 34               | (20)            | -60.2%               | 202                   |
| Vote 5 - Community                |     | 23 883             | 29 439             | -                  | 1 537          | 2 818         | 4 907            | (2 089)         | -42.6%               | 29 439                |
| Vote 6 - Infrastructure           |     | 151 838            | 202 080            | -                  | 18 739         | 39 316        | 33 680           | 5 636           | 16.7%                | 202 080               |
| Vote 7 - Internal Audit           |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 8 -                          |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 9 -                          |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 10 -                         |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 11 -                         |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 12 -                         |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 13 -                         |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 14 -                         |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 15 -                         |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Total Revenue by Vote             | 2   | 545 428            | 573 218            | -                  | 25 297         | 189 621       | 98 536           | 95 084          | 89.5%                | 573 218               |
| Expenditure by Vote               |     |                    |                    |                    |                |               |                  |                 |                      |                       |
| Vote 1 - Executive and council    | 1   | 24 449             | 28 889             | -                  | 2 023          | 5 528         | 4 810            | 718             | 14.9%                | 28 889                |
| Vote 2 - Finance and Admin        |     | 114 083            | 153 257            | -                  | 6 089          | 10 585        | 25 543           | (14 977)        | -58.6%               | 153 257               |
| Vote 3 - Corporate                |     | 64 630             | 68 449             | -                  | 4 567          | 9 065         | 11 408           | (2 343)         | -20.5%               | 68 449                |
| Vote 4 - Development and Planning |     | 15 680             | 21 954             | -                  | 1 122          | 1 752         | 3 659            | (1 907)         | -52.1%               | 21 954                |
| Vote 5 - Community                |     | 63 127             | 66 880             | -                  | 4 621          | 9 218         | 11 147           | (1 929)         | -17.3%               | 66 880                |
| Vote 6 - Infrastructure           |     | 171 571            | 87 202             | -                  | 10 631         | 25 986        | 14 534           | 11 452          | 78.8%                | 87 202                |
| Vote 7 - Internal Audit           |     | 3 287              | 3 744              | -                  | 367            | 737           | 624              | 113             | 18.2%                | 3 744                 |
| Vote 8 -                          |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 9 -                          |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 10 -                         |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 11 -                         |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 12 -                         |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 13 -                         |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 14 -                         |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Vote 15 -                         |     | -                  | -                  | -                  | -              | -             | -                | -               | -                    | -                     |
| Total Expenditure by Vote         | 2   | 456 828            | 439 346            | -                  | 29 420         | 82 851        | 71 724           | (8 873)         | -12.4%               | 439 346               |
| Surplus/ (Deficit) for the year   | 2   | 88 600             | 142 872            | -                  | (4 123)        | 127 768       | 23 812           | 103 957         | 436.6%               | 142 872               |

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)

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

| Vote Description   | Ref | 2020/21         | Budget Year 2021/22 |                 |                |               |               |              |                |                    |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
|  |     | 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   |     | 46 575          | 54 088              | -               | 1 337          | 35 471        | 9 015         | 26 456       | 293%           | 54 088             |
| Service charges - electricity revenue  |     | 57 058          | 55 087              | -               | 3 820          | 7 731         | 9 168         | (1 437)      | -16%           | 55 087             |
| Service charges - water revenue  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Service charges - sanitation revenue   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Service charges - refuse revenue   |     | 11 531          | 15 526              | -               | 967            | 1 937         | 2 588         | (651)        | -25%           | 15 526             |
| Rental of facilities and equipment   |     | 1 397           | 1 245               | -               | 115            | 202           | 208           | (6)          | -3%            | 1 245              |
| Interest earned - external investments   |     | 8 825           | 14 650              | -               | 854            | 1 287         | 2 442         | (1 155)      | -47%           | 14 650             |
| Interest earned - outstanding debtors  |     | 13 357          | 11 799              | -               | 1 135          | 2 239         | 1 968         | 272          | 14%            | 11 799             |
| Dividends received   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Fines, penalties and forfeits  |     | 762             | 2 094               | -               | 218            | 221           | 349           | (127)        | -37%           | 2 094              |
| Licences and permits   |     | 3 767           | 4 525               | -               | 271            | 474           | 754           | (280)        | -37%           | 4 525              |
| Agency services  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Transfers and subsidies  |     | 306 535         | 267 313             | -               | 1 754          | 109 598       | 44 552        | 65 046       | 146%           | 267 313            |
| Other revenue  |     | 973             | 1 501               | -               | 73             | 165           | 250           | (85)         | -26%           | 1 501              |
| Gains  |     | 1 801           | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Total Revenue (excluding capital transfers and contributions)  |     | 452 582         | 427 747             | -               | 10 543         | 159 345       | 71 281        | 88 064       | 124%           | 427 747            |
| Expenditure By Type  |     |                 |                     |                 |                |               |               |              |                |                    |
| Employee related costs   |     | 117 564         | 132 261             | -               | 10 085         | 18 437        | 22 043        | (2 606)      | -12%           | 132 261            |
| Remuneration of councillors  |     | 19 979          | 21 690              | -               | 1 702          | 3 392         | 3 615         | (223)        | -6%            | 21 690             |
| Debt impairment  |     | 25 504          | 7 000               | -               | -              | -             | 1 157         | (1 167)      | -100%          | 7 000              |
| Depreciation & asset impairment  |     | 112 287         | 35 300              | -               | -              | -             | 5 883         | (5 883)      | -100%          | 35 300             |
| Finance charges  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Bulk purchases - electricity   |     | 48 196          | 50 000              | -               | 8 140          | 20 606        | 8 333         | 12 272       | 147%           | 50 000             |
| Inventory consumed   |     | 5 763           | 7 379               | -               | 781            | 929           | 1 230         | (300)        | -24%           | 7 379              |
| Contracted services  |     | 93 011          | 105 630             | -               | 7 471          | 13 401        | 17 605        | (4 204)      | -24%           | 105 630            |
| Transfers and subsidies  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Other expenditure  |     | 34 123          | 71 086              | -               | 1 241          | 5 088         | 11 848        | (6 761)      | -57%           | 71 086             |
| Losses   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Total Expenditure  |     | 456 828         | 430 346             | -               | 29 420         | 62 851        | 71 724        | (8 873)      | -12%           | 430 346            |
| Surplus/(Deficit)  |     | (4 336)         | (2 598)             | -               | (18 877)       | 96 494        | (433)         | 96 927       | (8)            | (2 598)            |
| 11610000 0000 00000000 - Capital (financially attributable) (transfers / Provincial and District)  |     | 52 526          | 145 471             | -               | 14 754         | 31 276        | 24 245        | 7 030        | 0              | 145 471            |
| 11610000 0000 00000000 - Capital (financially attributable) (transfers / 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  |     | 88 860          | 142 872             | -               | (4 123)        | 127 768       | 23 812        |              |                | 142 872            |
| Taxation   |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Surplus/(Deficit) after taxation   |     | 88 860          | 142 872             | -               | (4 123)        | 127 768       | 23 812        |              |                | 142 872            |
| Attributable to minorities   |     | -               | -                   | -               | -              | -             | -             |              |                | -                  |
| Surplus/(Deficit) attributable to municipality   |     | 88 860          | 142 872             | -               | (4 123)        | 127 768       | 23 812        |              |                | 142 872            |
| Share of surplus/ (deficit) of associate   |     | -               | -                   | -               | -              | -             | -             |              |                | -                  |
| Surplus/ (Deficit) for the year  |     | 88 860          | 142 872             | -               | (4 123)        | 127 768       | 23 812        |              |                | 142 872            |

## **Revenue by Source**

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

### **Property Rates**

Property rates revenue is the major part of the municipal own revenue and represents 13% of the total own revenue budget.

The municipality bills both annual and monthly rates at the beginning of the financial year i.e. July. The total property rates billed amounted to R 1,642,523 income received from property rates for the month of August 2021 amounted to R977,526.

### **Services Charges**

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to R 4,786,809 for the month ended 31<sup>st</sup> August 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 31<sup>st</sup> August 2021 amounted to R 853,978.

### **Interest on Outstanding Debtors**

Interest on overdue accounts for the month ended 31<sup>st</sup> August 2021 amounted to R 1,135,053 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 31<sup>st</sup> August 2021 an amount revenue of R 217,715 has been recognised for this category.

Licences and permits

The budget for licences and permits amounts to R4,524,696 for the 2021/22 budget year. For the month ended 31<sup>st</sup> August 2021 an amount of R 270,637 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. A total amount of R1,754,413 was recognised on operating grants for the month ended 31<sup>st</sup> August 2021, the first instalment of the Expanded Public Works incentive and Finance Management Grant were received in the month of August

Other Revenue

Other revenue consists mostly skills development refund, sale of tender documents, insurance refund and other revenue. Other revenue amounted to R72,637 for the month ended 31<sup>st</sup> August 2021.

Operating Expenditure by typeEmployee related costs/ Remuneration of Councillors

Remuneration related expenditure for the month ended 31<sup>st</sup> August 2021 amounted R 11,787,299 of the expenditure R 1,702,185 relates to Remuneration of Councillors and R 10,085,114 to Managers and staff, that represents 8% 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 August 2021.

Bulk Purchases

Expenditure relating to bulk electricity purchases amounts to R 8,139,585 for the month.

### Other Materials

Other material consists of inventory purchases for material and supplies and amounted to R 780,623 for the month ended 31<sup>st</sup> August 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 31<sup>st</sup> August 2021 amounted to R 5,929,632.

### 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 7,471,221 for the month ended 31<sup>st</sup> August 2021.

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

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - AUGUST 2021

| Vote Description  |  | Ref      | 2020/21        | Budget Year 2021/22 |                 |                |               |               |              |                |                    |
|---|--|----------|----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
|   |  |          | Actual Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands   |  | 1        |                |                     |                 |                |               |               |              |                |                    |
| <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   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 8 -  |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 9 -  |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 10 -   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 11 -   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 12 -   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 13 -   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 14 -   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 15 -   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Total Capital Multi-year expenditure  |  | 4,7      | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Single Year expenditure appropriation</b>  |  | <b>2</b> |                |                     |                 |                |               |               |              |                |                    |
| Vote 1 - Executive and council  |  |          | -              | 90                  | -               | -              | -             | 15            | (15)         | -100%          | 90                 |
| Vote 2 - Finance and Admin  |  |          | 4 061          | 756                 | -               | 4              | 4             | 126           | (122)        | -67%           | 756                |
| Vote 3 - Corporate  |  |          | 2 516          | 6 710               | -               | 614            | 614           | 1 110         | (505)        | -45%           | 6 710              |
| Vote 4 - Development and Planning   |  |          | 488            | 218                 | -               | -              | -             | 36            | (36)         | -100%          | 218                |
| Vote 5 - Community  |  |          | 964            | 4 962               | -               | 1 064          | 1 064         | 627           | 237          | 20%            | 4 962              |
| Vote 6 - Infrastructure   |  |          | 136 636        | 180 136             | -               | 15 533         | 29 148        | 30 023        | (875)        | -3%            | 180 136            |
| Vote 7 - Internal Audit   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 8 -  |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 9 -  |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 10 -   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 11 -   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 12 -   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 13 -   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 14 -   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Vote 15 -   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Total Capital single-year expenditure   |  | 4        | 147 687        | 192 873             | -               | 17 215         | 30 830        | 32 145        | (1 315)      | -4%            | 192 873            |
| Total Capital Expenditure   |  |          | 147 687        | 192 873             | -               | 17 215         | 30 830        | 32 145        | (1 315)      | -4%            | 192 873            |
| <b>Capital Expenditure - Functional Classification</b>  |  |          |                |                     |                 |                |               |               |              |                |                    |
| Governance and administrative   |  |          | 6 576          | 7 524               | -               | 618            | 618           | 1 254         | (636)        | -61%           | 7 524              |
| Executive and council   |  |          | -              | 90                  | -               | -              | -             | 15            | (15)         | -100%          | 90                 |
| Finance and administration  |  |          | 6 576          | 7 434               | -               | 618            | 618           | 1 239         | (621)        | -60%           | 7 434              |
| Internal audit  |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Community and public safety   |  |          | 450            | 1 762               | -               | 1 064          | 1 064         | 294           | 778          | 262%           | 1 762              |
| Community and social services   |  |          | 475            | 418                 | -               | -              | -             | 68            | (68)         | -100%          | 418                |
| Sport and recreation  |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Public safety   |  |          | 155            | 7 352               | -               | 1 064          | 1 064         | 225           | 839          | 522%           | 7 352              |
| Housing   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Health  |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Economic and environmental services   |  |          | 91 956         | 82 265              | -               | 1 795          | 10 631        | 13 701        | (3 070)      | -32%           | 82 265             |
| Planning and development  |  |          | 438            | 248                 | -               | -              | -             | 41            | (41)         | -100%          | 248                |
| Road transport  |  |          | 91 448         | 81 957              | -               | 1 795          | 10 631        | 13 660        | (3 029)      | -32%           | 81 957             |
| Environmental protection  |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Trading services  |  |          | 48 345         | 101 388             | -               | 13 738         | 19 117        | 16 687        | 2 220        | 13%            | 101 388            |
| Energy services   |  |          | 48 151         | 98 150              | -               | 13 738         | 19 117        | 16 363        | 2 754        | 17%            | 98 150             |
| Water management  |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Waste water management  |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Waste management  |  |          | 154            | 3 200               | -               | -              | -             | 533           | (533)        | -100%          | 3 200              |
| Other   |  |          | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Total Capital Expenditure - Functional Classification   |  | 3        | 147 687        | 192 873             | -               | 17 215         | 30 830        | 32 145        | (1 315)      | -4%            | 192 873            |
| <b>Funded by:</b>   |  |          |                |                     |                 |                |               |               |              |                |                    |
| National Government   |  |          | 78 678         | 142 872             | -               | 15 441         | 28 377        | 23 812        | 5 064        | 21%            | 142 872            |
| Provincial Government   |  |          | 121            | -                   | -               | -              | -             | -             | -            | -              | -                  |
| 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  |  |          | 78 799         | 142 872             | -               | 15 441         | 28 377        | 23 812        | 5 064        | 21%            | 142 872            |
| Borrowing   |  | 6        | -              | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Internally generated funds  |  |          | 68 888         | 50 000              | -               | 1 774          | 1 963         | 8 333         | (6 369)      | -77%           | 50 000             |
| Total Capital Funding   |  |          | 147 687        | 192 873             | -               | 17 215         | 30 830        | 32 145        | (1 315)      | -4%            | 192 873            |

The approved annual capital budget for the financial year amounts to **R 192,872,520**.

Capital expenditure incurred for the month ended 31<sup>st</sup> August 2021 amounted to **R 17,215,285**. This represents **9%** of the approved capital expenditure budget. Capital expenditure incurred to date represents **16%** of the total capital expenditure budget.

## 3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M02 August

| Description                              | Ref | 2020/21          | Budget Year 2021/22 |                 |                  |                    |
|--|-----|------------------|---------------------|-----------------|------------------|--------------------|
|  |     | Audited Outcome  | Original Budget     | Adjusted Budget | YearTD actual    | Full Year Forecast |
| R thousands                              | 1   |                  |                     |                 |                  |                    |
| <b>ASSETS</b>                            |     |                  |                     |                 |                  |                    |
| <b>Current assets</b>                    |     |                  |                     |                 |                  |                    |
| Cash                                     |     | 11 285           | 669                 | -               | 3 450            | 669                |
| Call investment deposits                 |     | 213 127          | 140 275             | -               | 265 274          | 140 275            |
| Consumer debtors                         |     | 74 945           | 33 127              | -               | 112 112          | 33 127             |
| Other debtors                            |     | 83 227           | 88 896              | -               | 90 357           | 88 896             |
| Current portion of long-term receivables |     | -                | -                   | -               | -                | -                  |
| Inventory                                |     | 2 137            | 1 600               | -               | 1 869            | 1 600              |
| <b>Total current assets</b>              |     | <b>384 721</b>   | <b>264 567</b>      | <b>-</b>        | <b>473 063</b>   | <b>264 567</b>     |
| <b>Non current assets</b>                |     |                  |                     |                 |                  |                    |
| Long-term receivables                    |     | -                | -                   | -               | -                | -                  |
| Investments                              |     | -                | -                   | -               | -                | -                  |
| Investment property                      |     | 3 589            | 2 327               | -               | 3 589            | 2 327              |
| Investments in Associate                 |     | -                | -                   | -               | -                | -                  |
| Property, plant and equipment            |     | 1 126 417        | 1 148 451           | -               | 1 157 247        | 1 148 451          |
| Biological                               |     | -                | -                   | -               | -                | -                  |
| Intangible                               |     | 403              | 590                 | -               | 403              | 590                |
| Other non-current assets                 |     | -                | 1 500               | -               | -                | 1 500              |
| <b>Total non current assets</b>          |     | <b>1 130 410</b> | <b>1 152 868</b>    | <b>-</b>        | <b>1 161 240</b> | <b>1 152 868</b>   |
| <b>TOTAL ASSETS</b>                      |     | <b>1 515 131</b> | <b>1 417 435</b>    | <b>-</b>        | <b>1 634 303</b> | <b>1 417 435</b>   |
| <b>LIABILITIES</b>                       |     |                  |                     |                 |                  |                    |
| <b>Current liabilities</b>               |     |                  |                     |                 |                  |                    |
| Bank overdraft                           |     | -                | -                   | -               | -                | -                  |
| Borrowing                                |     | -                | -                   | -               | -                | -                  |
| Consumer deposits                        |     | 1 497            | (345)               | -               | 1 503            | (345)              |
| Trade and other payables                 |     | 115 082          | (49 940)            | -               | 106 478          | (49 940)           |
| Provisions                               |     | 15 318           | (11 998)            | -               | 15 318           | (11 998)           |
| <b>Total current liabilities</b>         |     | <b>131 896</b>   | <b>(62 284)</b>     | <b>-</b>        | <b>123 299</b>   | <b>(62 284)</b>    |
| <b>Non current liabilities</b>           |     |                  |                     |                 |                  |                    |
| Borrowing                                |     | -                | -                   | -               | -                | -                  |
| Provisions                               |     | 32 753           | (29 578)            | -               | 32 753           | (29 578)           |
| <b>Total non current liabilities</b>     |     | <b>32 753</b>    | <b>(29 578)</b>     | <b>-</b>        | <b>32 753</b>    | <b>(29 578)</b>    |
| <b>TOTAL LIABILITIES</b>                 |     | <b>164 649</b>   | <b>(91 861)</b>     | <b>-</b>        | <b>156 052</b>   | <b>(91 861)</b>    |
| <b>NET ASSETS</b>                        | 2   | <b>1 350 482</b> | <b>1 509 297</b>    | <b>-</b>        | <b>1 478 251</b> | <b>1 509 297</b>   |
| <b>COMMUNITY WEALTH/EQUITY</b>           |     |                  |                     |                 |                  |                    |
| Accumulated Surplus/(Deficit)            |     | 1 049 100        | 1 739 743           | -               | 1 025 791        | 1 739 743          |
| Reserves                                 |     | 452 460          | (230 446)           | -               | 452 460          | (230 446)          |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>     | 2   | <b>1 501 560</b> | <b>1 509 297</b>    | <b>-</b>        | <b>1 478 251</b> | <b>1 509 297</b>   |

### 3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M02 August

| Description                                    | Ref | 2020/21         | Budget Year 2021/22 |                 |                |               |               |              |                |                    |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
|  |     | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands                                    |     |                 |                     |                 |                |               |               |              |                |                    |
| CASH FLOW FROM OPERATING ACTIVITIES            |     |                 |                     |                 |                |               |               |              |                |                    |
| Receipts                                       |     |                 |                     |                 |                |               |               |              |                |                    |
| Property rates                                 |     | 17 483          | 45 975              | -               | 1 090          | 2 234         | 7 653         | (5 378)      | -70%           | 45 975             |
| Service charges                                |     | 54 759          | 60 729              | -               | 5 538          | 8 763         | 10 121        | (1 358)      | -13%           | 60 729             |
| Other revenue                                  |     | 33 631          | 9 366               | -               | 751            | 491           | 1 561         | (1 069)      | -69%           | 9 366              |
| Transfers and Subsidies - Operational          |     | 309 461         | 267 313             | -               | 2 888          | 110 755       | 44 552        | 66 203       | 149%           | 267 313            |
| Transfers and Subsidies - Capital              |     | 92 926          | 145 471             | -               | -              | 35 348        | 24 245        | 11 103       | 46%            | 145 471            |
| Interest                                       |     | 9 578           | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Dividends                                      |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Payments                                       |     |                 |                     |                 |                |               |               |              |                |                    |
| Suppliers and employees                        |     | (15 811)        | (387 996)           | -               | (19 052)       | (44 037)      | (64 666)      | (20 629)     | 32%            | (387 996)          |
| Finance charges                                |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Transfers and Grants                           |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| NET CASH FROM/(USED) OPERATING ACTIVITIES      |     | 505 027         | 140 857             | -               | (18 775)       | 113 884       | 23 476        | (90 128)     | -384%          | 140 857            |
| 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                                 |     | (161 457)       | (192 872)           | -               | (21 864)       | (35 368)      | (32 145)      | 3 222        | -10%           | (192 872)          |
| NET CASH FROM/(USED) INVESTING ACTIVITIES      |     | (161 457)       | (192 872)           | -               | (21 864)       | (35 368)      | (32 145)      | 3 222        | -10%           | (192 872)          |
| CASH FLOWS FROM FINANCING ACTIVITIES           |     |                 |                     |                 |                |               |               |              |                |                    |
| Receipts                                       |     |                 |                     |                 |                |               |               |              |                |                    |
| Short-term loans                               |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Borrowing long-term/repayment                  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Increase (decrease) in consumer deposits       |     | 110             | -                   | -               | 5              | 6             | -             | 5            | #DIV/0!        | -                  |
| Payments                                       |     |                 |                     |                 |                |               |               |              |                |                    |
| Repayment of borrowing                         |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| NET CASH FROM/(USED) FINANCING ACTIVITIES      |     | 110             | -                   | -               | 5              | 6             | -             | 5            | #DIV/0!        | -                  |
| NET INCREASE/ (DECREASE) IN CASH HELD          |     | 333 680         | (52 015)            | -               | (39 434)       | 79 243        | (11 689)      | (90 128)     | -32%           | (52 015)           |
| Cash/cash equivalents at beginning:            |     | 153 196         | 178 309             | -               | -              | 224 412       | 178 309       | -            | -              | 224 412            |
| Cash/cash equivalents at month/year end:       |     | 491 876         | 126 293             | -               | -              | 322 654       | 166 640       | -            | -              | 172 396            |

## PART 2 –SUPPORTING DOCUMENTATION

### SECTION 4 \_DEBTORS' ANALYSIS

#### Supporting Table SC3

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 August

| Description   | NT Code     | Budget Year 2021/22 |               |               |              |              |               |               |                |                |                    | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts I.L.C. Council Policy |
|---|-------------|---------------------|---------------|---------------|--------------|--------------|---------------|---------------|----------------|----------------|--------------------|--|--|
|   |             | 0-30 Days           | 31-60 Days    | 61-90 Days    | 91-120 Days  | 121-150 Days | 151-180 Days  | 181 Days-1 Yr | Over 1 Yr      | Total          | Total over 90 days |  |  |
| <b>R thousands</b>  |             |                     |               |               |              |              |               |               |                |                |                    |  |  |
| <b>Debtors Age Analysis By Income Source</b>                          |             |                     |               |               |              |              |               |               |                |                |                    |  |  |
| Trade and Other Receivables from Exchange Transactions - Water        | 1200        | 2 551               | 2 170         | 1 337         | 1 243        | 967          | 1 161         | 3 940         | 887            | 14 606         | 7 948              |  |  |
| Trade and Other Receivables from Exchange Transactions - Electricity  | 1300        | 1 581               | 32 293        | 41            | 19           | 532          | 504           | 2 292         | 61 872         | 98 341         | 64 419             |  |  |
| Receivables from Non-exchange Transactions - Property Rates           | 1400        |                     |               |               |              |              |               |               |                |                |                    |  |  |
| Receivables from Exchange Transactions - Waste Water Management       | 1500        | 839                 | 808           | 485           | 443          | 423          | 414           | 1 941         | 17 796         | 25 027         | 21 017             |  |  |
| Receivables from Exchange Transactions - Waste Management             | 1600        |                     |               |               |              |              |               |               |                |                |                    |  |  |
| Receivables from Exchange Transactions - Property Rental Debtors      | 1700        | 1 143               | 1 089         | 1 165         | 1 071        | 1 055        | 1 120         | 5 558         | 28 907         | 41 127         | 37 721             |  |  |
| Interest on Arrear Debtor Accounts                                    | 1810        |                     |               |               |              |              |               |               |                |                |                    |  |  |
| Recoverable unutilised, irregular, fruitless and wasteful expenditure | 1820        | 75                  | 1             | 8 044         | 71           | 232          | 15 684        | 114           | 14 377         | 38 589         | 30 430             |  |  |
| Other   | 1900        |                     |               |               |              |              |               |               |                |                |                    |  |  |
| <b>Total By Income Source</b>   | <b>2000</b> | <b>6 290</b>        | <b>38 189</b> | <b>11 658</b> | <b>2 847</b> | <b>3 138</b> | <b>18 871</b> | <b>13 847</b> | <b>122 848</b> | <b>215 688</b> | <b>181 591</b>     |  |  |
| <b>2021/22 - totals only</b>  |             |                     |               |               |              |              |               |               |                |                |                    |  |  |
| <b>Debtors Age Analysis By Customer Group</b>                         |             |                     |               |               |              |              |               |               |                |                |                    |  |  |
| Organs of State   | 2300        | 1 867               | 35 571        | 2 504         | 1 308        | 1 367        | 2 016         | 8 276         | 66 730         | 118 430        | 80 547             |  |  |
| Commercial  | 2400        | 4 399               | 2 586         | 9 109         | 535          | 1 334        | 16 847        | 5 536         | 55 957         | 96 502         | 95 808             |  |  |
| Households  | 2600        | 23                  | 12            | 46            | 5            | 8            | 8             | 34            | 141            | 276            | 135                |  |  |
| Other   | 2500        |                     |               |               |              |              |               |               |                |                |                    |  |  |
| <b>Total By Customer Group</b>  | <b>2800</b> | <b>6 290</b>        | <b>38 189</b> | <b>11 658</b> | <b>2 847</b> | <b>3 138</b> | <b>18 871</b> | <b>13 847</b> | <b>122 848</b> | <b>215 688</b> | <b>181 591</b>     |  |  |

The total debt book for August 2021 of R 212 806 907 (including current of R 6 124 892 which is not yet due) has decreased by R5 034 735.06 from the previous month closing balance of R 211 716 750.

Debt is made up of the following:

#### Residential debt:

R 65 132 797.01

#### Commercial debt

R 29 946 964.8

#### Government debt

R 114 950 787

#### Other

R 2 776 358.32

The municipality implements the credit control and debt collection policy.

There are two areas in which the municipality is not able to collect and the debt totals to

#### Maluti

R 46 903 748.33 (including current)

#### Cedarville

R 3 895 396 (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

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

| Description                             |  | NT Code | Budget Year 2021/22 |              |              |               |                |                |                   |             |
|---|--|---------|---------------------|--------------|--------------|---------------|----------------|----------------|-------------------|-------------|
|   |  |         | 0 - 30 Days         | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | 151 - 180 Days | 181 Days - 1 Year | Over 1 Year |
| R thousands                             |  |         |                     |              |              |               |                |                |                   |             |
| Creditors Age Analysis By Customer Type |  |         |                     |              |              |               |                |                |                   |             |
| Bulk Electricity                        |  | 0100    |                     |              |              |               |                |                |                   | -           |
| Bulk Water                              |  | 0200    |                     |              |              |               |                |                |                   | -           |
| PAYE deductions                         |  | 0300    |                     |              |              |               |                |                |                   | -           |
| VAT (output less input)                 |  | 0400    |                     |              |              |               |                |                |                   | -           |
| Pensions / Retirement deductions        |  | 0500    |                     |              |              |               |                |                |                   | -           |
| Loan repayments                         |  | 0600    |                     |              |              |               |                |                |                   | -           |
| Trade Creditors                         |  | 0700    |                     |              |              |               |                |                |                   | -           |
| Auditor General                         |  | 0800    |                     |              |              |               |                |                |                   | -           |
| Other                                   |  | 0900    |                     |              |              |               |                |                |                   | -           |
| Total By Customer Type                  |  | 1000    | -                   | -            | -            | -             | -              | -              | -                 | -           |

The municipality paid its creditors within 30 days for the month ended 31<sup>st</sup> August 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         | 16,374,013.75     | 21,565.06     | - 7,401,581.03      | - 21,565.06     | 8,993,997.78      |
| INEP                                   | 19,821,201.73     | 9,900.70      | - 17,505,974.19     | - 9,900.70      | 2,325,128.24      |
| Municipal Electrification Intervention | 272,777.84        | 695.02        | -                   | - 695.02        | 273,472.86        |
| Smart Grid                             | 54,637.54         | 139.19        | -                   | - 139.19        | 54,776.73         |
| Establishment Plan                     | 193,587.80        | 312.39        | -                   | - 312.39        | 193,900.19        |
| Housing Development Fund               | 1,973,296.10      | 3,184.30      | -                   | - 3,184.30      | 1,976,480.40      |
| Dedea                                  | 600,497.81        | 969.02        | -                   | - 969.02        | 601,466.83        |
| <b>Total Conditional Investments</b>   | <b>39,290,013</b> | <b>36,766</b> | <b>- 24,907,555</b> | <b>- 36,766</b> | <b>14,419,223</b> |

| Unconditional Investments -Description | Opening Balance    | Deposits         | Withdrawals         | Interest Earned  | Closing Balance    |
|--|--------------------|------------------|---------------------|------------------|--------------------|
| Call Acc STD CRR                       | 56,884,582.18      | -                | -                   | - 128,029.27     | 56,884,582.18      |
| Call Acc STD CRR                       | 11,152,335.25      | 25,100.39        | -                   | - 25,100.39      | 11,177,435.64      |
| Call Acc STD CRR                       | 21,400,690.41      | 93,594.52        | -                   | - 93,594.52      | 21,494,284.93      |
| Call ACC FNB Surplus Cash              | 6,805,395.80       | -                | -                   | - 10,981.86      | 6,805,395.80       |
| Nedbank 32 Days                        | 6,404,324.32       | 20,397.38        | -                   | - 20,397.38      | 6,424,721.70       |
| Nedbank relief fund                    | 770,754.32         | 1,963.85         | -                   | - 1,963.85       | 772,718.17         |
| Nedbank COV -19 Solidarity             | 93,224.72          | 237.46           | -                   | - 237.46         | 93,462.18          |
| Nedbank call Surplus                   | 113,586,021.29     | 350,139.91       | - 50,207,164.03     | - 350,139.91     | 63,728,997.17      |
| Nedbank Retention                      | 26,781,465.40      | 68,237.82        | -                   | - 68,237.82      | 26,849,703.22      |
| Termination Guarantee                  | -                  | 144,640.82       | -                   | -                | 144,640.82         |
| Account Guarantee                      | -                  | 6,202,000.00     | -                   | -                | 6,202,000.00       |
| Call Acc STD CRR                       | 50,086,301.37      | 184,931.51       | -                   | - 184,931.51     | 50,271,232.88      |
| <b>Total Unconditional</b>             | <b>293,965,095</b> | <b>7,091,244</b> | <b>- 50,207,164</b> | <b>- 883,614</b> | <b>250,849,175</b> |
| <b>Total Investments</b>               | <b>333,255,108</b> | <b>7,128,009</b> | <b>- 75,114,719</b> | <b>- 920,380</b> | <b>265,268,398</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 31<sup>st</sup> August 2021 the conditional investments amounted to R14,419,223 and unconditional investments amounted to R250,849,175.

Total investments as at 31<sup>st</sup> August 2021 amounted to R265,268,398.

## SECTION 7\_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

## 7.1 Supporting Table SC6

| Description   | Ref | 2020/21         | Budget Year 2021/22 |                 |                |               |               |              |                |                    |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
|   |     | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands   |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>RECEIPTS:</b>  |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Operating Transfers and Grants</b>   | 1,2 |                 |                     |                 |                |               |               |              |                |                    |
| National Government:  |     |                 |                     |                 |                |               |               |              |                |                    |
| Equitable Share   |     | -               | 265,363             | -               | 2,872          | 110,716       | 44,227        | 64,706       | 146.3%         | 265,363            |
| Expanded Public Works Programme Integrated Grant                              |     |                 | 258,826             |                 | -              | 107,844       | 43,138        | 64,706       | 150.0%         | 258,826            |
| Local Government Financial Management Grant                                   |     |                 | 4,887               |                 | 1,222          | 1,222         | 815           |              |                | 4,887              |
| Municipal Disaster Grant  |     |                 | 1,650               |                 | 1,650          | 1,650         | 275           |              |                | 1,650              |
| Municipal Infrastructure Grant  |     |                 |                     |                 |                |               |               |              |                |                    |
| Provincial Government:  |     |                 |                     |                 |                |               |               |              |                |                    |
| Human Settlement Development (DP)   |     | -               | 650                 | -               | -              | -             | 108           | -            |                | 650                |
| Libraries, Archives and Museums   |     |                 |                     |                 |                |               |               |              |                |                    |
| Library Service   |     |                 | 850                 |                 |                |               | 108           |              |                | 650                |
| Other transfers/grants [insert description]                                   |     |                 |                     |                 |                |               |               |              |                |                    |
| District Municipality:  |     |                 |                     |                 |                |               |               |              |                |                    |
| [insert description]  |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
| Other grant providers:  |     |                 |                     |                 |                |               |               |              |                |                    |
|   |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
| <b>Total Operating Transfers and Grants</b>                                   | 5   | -               | 266,013             | -               | 2,872          | 110,716       | 44,336        | 64,706       | 145.9%         | 266,013            |
| <b>Capital Transfers and Grants</b>   |     |                 |                     |                 |                |               |               |              |                |                    |
| National Government:  |     |                 |                     |                 |                |               |               |              |                |                    |
| Municipal Infrastructure Grant (MIG)  |     | -               | 145,471             | -               | -              | 35,348        | 24,245        | -            |                | 145,471            |
| Integrated National Electrification Programme (Municipal Grant) (Schedule 5B) |     |                 | 51,971              |                 |                | 18,348        | 8,662         |              |                | 51,971             |
| Provincial Government:  |     |                 | 93,500              |                 |                | 19,000        | 15,583        |              |                | 93,500             |
|   |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
| District Municipality:  |     |                 |                     |                 |                |               |               |              |                |                    |
| [insert description]  |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
| Other grant providers:  |     |                 |                     |                 |                |               |               |              |                |                    |
| [insert description]  |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
| <b>Total Capital Transfers and Grants</b>                                     | 5   | -               | 145,471             | -               | -              | 35,348        | 24,245        | -            |                | 145,471            |
| <b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>                               | 5   | -               | 411,484             | -               | 2,872          | 146,064       | 68,581        | 64,706       | 94.4%          | 411,484            |

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

## 7.2 Supporting Table SC7

| Appendix Table SC7  |     |                 |                     |                 |                |               |               |              |                |                    |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| Description   | Ref | 2020/21         | Budget Year 2021/22 |                 |                |               |               |              |                |                    |
|   |     | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands   |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>EXPENDITURE</b>  |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Operating expenditure of Transfers and Grants</b>                          |     |                 |                     |                 |                |               |               |              |                |                    |
| National Government:  |     |                 |                     |                 |                |               |               |              |                |                    |
|   |     | -               | 265,363             | -               | 18,509         | 34,962        | 44,227        | -            |                | 265,363            |
| Expanded Public Works Programme Integrated Grant                              |     |                 | 258,826             |                 | 17,726         | 33,232        | 43,138        | -            |                | 258,826            |
| Local Government Financial Management Grant                                   |     |                 | 4,887               |                 | 783            | 1,565         | 815           | -            |                | 4,887              |
| Municipal Disaster Grant  |     |                 | 1,650               |                 |                | 164           | 275           | -            |                | 1,650              |
| Municipal Infrastructure Grant  |     |                 |                     |                 |                |               |               | -            |                | -                  |
| Provincial Government:  |     |                 |                     |                 |                |               |               | -            |                | -                  |
| Human Settlement Development  |     | -               | 650                 | -               | -              | -             | 108           | (108)        | -100.0%        | 650                |
| IDP   |     |                 | -                   |                 | -              | -             | -             | -            |                | -                  |
| Libraries, Archives and Museums   |     |                 |                     |                 |                | -             | -             | -            |                | -                  |
| Library Service   |     |                 | 650                 |                 | -              |               | 108           | (108)        | -100.0%        | 650                |
| Other transfers/grants [insert description]                                   |     |                 |                     |                 |                |               |               | -            |                | -                  |
| District Municipality:  |     |                 |                     |                 |                |               |               | -            |                | -                  |
| [insert description]  |     |                 | -                   |                 | -              | -             | -             | -            |                | -                  |
| Other grant providers:  |     |                 |                     |                 |                |               |               | -            |                | -                  |
|   |     |                 | -                   |                 | -              | -             | -             | -            |                | -                  |
|   |     |                 |                     |                 |                |               |               | -            |                | -                  |
| <b>Total operating expenditure of Transfers and Grants:</b>                   |     |                 | -                   |                 | 18,509         | 34,962        | 44,336        | (108)        | -0.2%          | 266,013            |
| <b>Capital expenditure of Transfers and Grants</b>                            |     |                 |                     |                 |                |               |               |              |                |                    |
| National Government:  |     |                 |                     |                 |                |               |               |              |                |                    |
| Municipal Infrastructure Grant (MIG)  |     | -               | 145,471             | -               | 15,567         | 29,126        | 24,245        | -            |                | 145,471            |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] |     |                 | 51,971              |                 | 1,829          | 10,009        | 8,662         | -            |                | 51,971             |
| Other capital transfers [insert description]                                  |     |                 | 93,500              |                 | 13,738         | 19,117        | 15,583        | -            |                | 93,500             |
| Provincial Government:  |     |                 |                     |                 |                |               |               | -            |                | -                  |
|   |     |                 | -                   |                 | -              | -             | -             | -            |                | -                  |
| District Municipality:  |     |                 |                     |                 |                |               |               | -            |                | -                  |
|   |     |                 | -                   |                 | -              | -             | -             | -            |                | -                  |
| Other grant providers:  |     |                 |                     |                 |                |               |               | -            |                | -                  |
|   |     |                 | -                   |                 | -              | -             | -             | -            |                | -                  |
|   |     |                 |                     |                 |                |               |               | -            |                | -                  |
| <b>Total capital expenditure of Transfers and Grants</b>                      |     |                 | -                   |                 | 15,567         | 29,126        | 24,245        | -            |                | 145,471            |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>                              |     |                 | -                   |                 | 34,076         | 64,088        | 68,581        | (108)        | -0.2%          | 411,484            |

Expenditure performance on grants amounted to R34,million for the month ended 31<sup>st</sup> August 2021.

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

## SECTIONS 8 EXPENDITURE ON COUNCILLOR AND EMPLOYEE RELATED COSTS

EC441 Matatiele - Supporting Table SC6 Monthly Budget Statement - councillor and staff benefits - M02 August

| Summary of Employee and Councillor remuneration          | Ref | 2020/21         | Budget Year 2021/22 |                 |                |               |               |              |                |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|
|  |     | Audited Outcome | Original Budget     | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % |
| R thousands  |     | A               | B                   | C               |                |               |               |              |                |
| <b>Councillors (Political Office Bearers plus Other)</b> | 1   |                 |                     |                 |                |               |               |              |                |
| Basic Salaries and Wages                                 |     | 12 087          | 13 681              | -               | 1 011          | 2 021         | 2 280         | (259)        | -11%           |
| Pension and UIF Contributions                            |     | 741             | 808                 | -               | 61             | 123           | 135           | (12)         | -9%            |
| Medical Aid Contributions                                |     | 540             | 141                 | -               | 77             | 141           | 24            | 118          | 501%           |
| Motor Vehicle Allowance                                  |     | 128             | 136                 | -               | 15             | 29            | 23            | 7            | 29%            |
| Cellphone Allowance                                      |     | 2 279           | 2 391               | -               | 188            | 378           | 399           | (20)         | -5%            |
| Housing Allowances                                       |     | 4 204           | 4 532               | -               | 350            | 700           | 755           | (55)         | -7%            |
| Other benefits and allowances                            |     | -               | -                   | -               | -              | -             | -             | -            | -              |
| <b>Sub Total - Councillors</b>                           |     | 19 979          | 21 680              | -               | 1 702          | 3 292         | 3 615         | (323)        | -6%            |
| <b>% increase</b>  | 4   |                 | 8.8%                |                 |                |               |               |              | 16.6%          |
| <b>Senior Managers of the Municipality</b>               | 3   |                 |                     |                 |                |               |               |              |                |
| Basic Salaries and Wages                                 |     | 1 094           | 3 200               | -               | 80             | 160           | 533           | (373)        | -70%           |
| Pension and UIF Contributions                            |     | 70              | 130                 | -               | 6              | 12            | 23            | (11)         | -50%           |
| Medical Aid Contributions                                |     | -               | 121                 | -               | -              | -             | 25            | (25)         | -100%          |
| Overtime   |     | -               | -                   | -               | -              | -             | -             | -            | -              |
| Performance Bonus  |     | -               | -                   | -               | -              | -             | -             | -            | -              |
| Motor Vehicle Allowance                                  |     | 577             | 1 813               | -               | 49             | 98            | 302           | (204)        | -67%           |
| Cellphone Allowance                                      |     | -               | -                   | -               | -              | -             | -             | -            | -              |
| Housing Allowances                                       |     | 577             | 1 390               | -               | 49             | 98            | 232           | (133)        | -58%           |
| Other benefits and allowances                            |     | 170             | 439                 | -               | 13             | 26            | 83            | (57)         | -68%           |
| Payments in lieu of leave                                |     | -               | -                   | -               | -              | -             | -             | -            | -              |
| Long service awards                                      |     | -               | -                   | -               | -              | -             | -             | -            | -              |
| Post-retirement benefit obligations                      |     | -               | -                   | -               | -              | -             | -             | -            | -              |
| <b>Sub Total - Senior Managers of Municipality</b>       | 2   | 2 479           | 7 162               | -               | 187            | 385           | 1 184         | (798)        | -67%           |
| <b>% increase</b>  | 4   |                 | 188.9%              |                 |                |               |               |              | 188.9%         |
| <b>Other Municipal Staff</b>                             |     |                 |                     |                 |                |               |               |              |                |
| Basic Salaries and Wages                                 |     | 75 738          | 87 626              | -               | 6 475          | 12 873        | 14 604        | (1 731)      | -12%           |
| Pension and UIF Contributions                            |     | 12 615          | 14 320              | -               | 1 044          | 2 084         | 2 387         | (304)        | -14%           |
| Medical Aid Contributions                                |     | 5 569           | 5 134               | -               | 380            | 752           | 856           | (103)        | -12%           |
| Overtime   |     | 2 147           | 1 915               | -               | 224            | 441           | 319           | 122          | 38%            |
| Performance Bonus  |     | 5 961           | 6 332               | -               | 870            | 1 148         | 1 055         | 93           | 9%             |
| Motor Vehicle Allowance                                  |     | 4 996           | 4 832               | -               | 465            | 921           | 825           | 116          | 14%            |
| Cellphone Allowance                                      |     | 6               | 5                   | -               | 1              | 1             | 1             | (0)          | -2%            |
| Housing Allowances                                       |     | -               | 2 531               | -               | -              | -             | 422           | (422)        | -100%          |
| Other benefits and allowances                            |     | 4 344           | 2 398               | -               | 400            | 785           | 400           | 385          | 97%            |
| Payments in lieu of leave                                |     | 3 821           | -                   | -               | 14             | 18            | -             | 18           | #DIV/0!        |
| Long service awards                                      |     | 290             | -                   | -               | 5              | 38            | -             | 33           | #DIV/0!        |
| Post-retirement benefit obligations                      |     | -               | -                   | -               | -              | -             | -             | -            | -              |
| <b>Sub Total - Other Municipal Staff</b>                 | 2   | 115 485         | 125 098             | -               | 9 888          | 19 942        | 20 898        | (956)        | -9%            |
| <b>% increase</b>  | 4   |                 | 8.3%                |                 |                |               |               |              | 8.3%           |
| <b>Total Parent Municipality</b>                         |     | 137 943         | 153 951             | -               | 11 787         | 22 829        | 25 898        | (2 828)      | -11%           |

Remuneration related expenditure for the month ended 31<sup>st</sup> August 2021 amounted to R 11, 7 million of the expenditure R1,7 million relates to Remuneration of Councillors and R9,8 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 31<sup>st</sup> August 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:** 13/09/2021