



MATATIELE

LOCAL MUNICIPALITY

MONTHLY SECTION 71 REPORT

MONTH ENDED 31 MAY 2023

TABLE OF CONTENTS

	PAGE
Glossary	3-4
Legislative Framework	4
PART 1-IN-YEAR REPORT	
Resolutions	5
Executive summary	6-9
In-year budget statement tables	10-20
PART 1-SUPPORTING DOCUMENTATION	
Debtors Analysis	21-22
Creditors Analysis	24
Investment Portfolio	23-24
Grants Management	24-25
Employee Related Costs & Remuneration of Councillors	26-27
Municipal Manager's quality certificate	28

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable

value is multiplied by the rate in the Rand.

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

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

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

Virement – A transfer of funds within a vote.

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

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

LEGISLATIVE FRAMEWORK

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

The municipal Finance Management Act No. 56 of 2003

Section 71: Monthly budget Statements

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

PART 1-IN-YEAR REPORT

Section 1-Resolutions

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

Regulation 28 of the Municipal Budget and Reporting Regulations states:

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

Recommendations:

- That, Council takes note of the monthly budget statement and supporting documentation for the month 31st May 2023.
- That, the submission of section 71 reports and to Provincial and National Treasuries 10 days after the end of each month be noted by Council.

Section 2-Executive summary

2.1 Introduction

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

The below analysis is a high-level assessment based on revenue and expenditure recognised on the Municipal Financial System as at 31st May 2023. It is incumbent on the necessary user business units and user departments to ensure the completeness, Validity and accuracy of the information provided for the purposes of the assessment and bring to the attention of the council any further business units' items which are not fully elaborated below.

2.2 Consolidated Performance (Revenue & Expenditure)

Revenue by source

The total annual approved budget figure is **R 579,582,986** and was increased to an adjusted revenue budget of **R 588,104,132**. The total revenue received for the month ended 31st May 2023 amounted to **R 27,304,977** which represents **5%** of the Adjusted Budget. The amount received to date is **91%** of the adjusted budget (including grants). The majority of the revenue recognised this month of **R 23,097,098** is relating to MIG, INEP, Electricity Service Charges, Electricity sales & revenue on interest rates.

Operating Expenditure by type

The total approved operating expenditure budget figure is **R 480,023,232** and was increase to adjusted budget of **R 612,547,719**. Expenditure for the month ended 31st May 2023 amounted to **R 32,789,350** which represents **5%** of the Adjusted Budget. Expenditure to date represents **60%** of the adjusted budget. The majority of expenditure this month relates to bulk purchases, contracted services and Employee related costs.

Capital Expenditure

The approved annual capital budget for the financial year amounts to **R 171,309,312** which include Capital Replacement Reserve, this was increased to an adjusted capital budget of **R 177,305,984**. Capital expenditure incurred for the month ended 31st May 2023 amounted to **R 22,143,820**, this represents **12%** of the approved capital expenditure budget. The expenditure to date represents **64%** of the adjusted budget.

Grants Funded Capital

- The Municipal Infrastructure Capital Grant (MIG) allocation for the financial year is **R 53,264,604** million as per Dora Allocation and was adjusted MIG budget of **R 59,261,276**. The spending for the month ending 31st May 2023 is **R 10,162,406** which represent **17%** of expenditure for the month. Total YTD expenditure on the grant represents **79%** of the adjusted budget on this category.
- Integrated National Electrification Programme (INEP) of **R 46,287,972** million was allocated. The grant reflects **R 4,407,764** spending for the month ended 31st May 2023 which represent **10%**. Total YTD expenditure on the grant represents **78%** on this category.
- Capital Replacement Reserves (CRR) for the financial year is **R 71,756,736** million is allocated. The spending for the month is **R 7,573,650** spending at the 31st of May 2023 which represent **11%**. Total YTD expenditure represents **42%** on this category.
- The municipality anticipate to spend **100%** of the total capital budget as at the end of the financial year, Therefore the total spending is sitting at **64%** as at 31st May 2023.

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	May 2023 status
Rehabilitation of Matatiele internal Streets Cluster 1	The project is currently in construction stage with 50,2%
Purutle Moyeni Access Road and Bridge	Project is 95 % completed.(Defect liability period).
Extension of Matatiele Sports Centre Ph2	The project is currently at establishment stage
Mahangu Access Road & Bridge	Project is 95 % completed.(Defect liability period).
Harry Gwala Internal Streets	The project is currently in construction stage with 27%
Rehabilitation of Cedarville internal streets	The project is currently in construction stage with 95%

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	May 2023 status
Mavundleni Electrification	Construction is in progress at 60% and 75% Material has been delivered on site
Mapoti Electrification	Project is complete awaiting closeout report from NSK electrical
Polar Park Electrification	Project is complete awaiting closeout report from MN Africa JV Capital Power
Rockville Electrification	Project is complete awaiting closeout report from MN Africa JV Capital Power
Hillside-Manzi Ph2 link line	Construction progress is at 98 and awaiting outage date from Eskom.
Sikhulumi Electrification	Project is complete awaiting closeout report from Thake electrical
Sikhulumi Link Line	Project is complete awaiting closeout report from Thake electrical
Molweni 1 Electrification	Project is complete, Igoda Project has submitted the closeout Report.
Molweni 2 Electrification	Construction is in progress at 88%, contractor has returned to site.
Masupa Electrification	Project is complete awaiting closeout report from NSK electrical
Moiketsi Electrification	The contractor is currently busy with trenching, Pole planting and stringing, Progress is at 65%
Hillside Manzi Electrification	Construction progress is at 100% and awaiting outage date from Eskom.

Internal Funded Capital Projects

Internal funded Capital Project	May 2023 status
Dengwane Khoapa Botsola-Taung AR	The project is currently in construction stage with 78%
Sitiweni AR	The project is currently in construction stage with 95%
Dlodlweni Access Road	The project is currently in construction stage with 71%
Ramatli Access Road	The project is currently in construction stage with 77%
Lekhalong Access Road	The project is currently in construction stage with 40%
Queens Mercy Access Road	The project is currently in construction stage with 73%
Mango-Nyanzela Access Road	Project is 55% completed
TRANSFORMERS NEW	Two mini-substations were delivered and one has been installed on school street, the Project is complete.

2.3 Material variances from the SDBIP

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

2.4 Remedial or corrective steps

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

IN-YEAR BUDGET STATEMENT TABLES

3.1 Monthly budget statements

3.1.1 Table C1 Monthly Budget Statement Summary

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M11 May

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	48 726	54 088	54 088	—	48 716	49 561	(845)	-2%	54 088
Service charges	58 148	55 942	55 942	5 116	57 753	59 597	(1 844)	-3%	55 942
Investment revenue	9 599	14 350	15 063	3 747	15 872	13 757	2 115	22%	15 063
Transfers and subsidies	257 351	230 415	235 225	27	251 745	270 417	(18 672)	-8%	235 226
Other own revenue	24 248	28 128	28 485	2 265	22 770	25 030	(2 260)	-10%	28 485
Total Revenue (excluding capital transfers and contributions)	419 076	477 227	479 761	10 155	437 784	438 478	(693)	-0%	479 751
Employee costs	128 303	141 252	155 815	11 747	131 035	141 124	(10 089)	-7%	155 816
Remuneration of Councilors	21 444	22 459	22 459	1 854	20 445	20 566	(121)	-1%	22 459
Depreciation & asset impairment	53 355	58 335	73 136	—	57 219	54 751	2 468	5%	73 136
Finance charges	35	—	—	—	123	—	123	ADN/A	—
Inventory consumed and bulk purchases	64 236	69 130	69 525	4 434	53 347	63 685	(10 338)	-16%	69 525
Transfers and subsidies	—	—	—	—	—	—	—	—	—
Other expenditure	245 424	192 335	191 511	14 795	150 453	155 900	(5 447)	-4%	191 511
Total Expenditure	513 395	480 923	512 545	32 759	365 648	545 841	(180 193)	-33%	512 545
Surplus/(Deficit)	(95 327)	(2 796)	(132 796)	(22 634)	72 136	(105 563)	178 699	-168%	(132 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	165 533	102 356	108 353	17 150	97 905	99 070	(1 165)	-1%	108 353
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departments/Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (financing - only)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	70 206	99 560	(24 444)	(5 484)	170 042	(7 454)	177 536	-2365%	(24 444)
Share of surplus / (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	70 206	99 560	(24 444)	(5 484)	170 042	(7 454)	177 536	-2365%	(24 444)
Capital expenditure & funds sources									
Capital expenditure	189 895	177 319	177 305	22 144	109 355	162 277	(52 922)	-33%	177 305
Capital transfers recognised	141 845	95 552	105 549	14 570	82 971	95 500	(12 529)	-14%	105 549
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	47 688	71 757	71 757	7 574	30 321	65 777	(35 456)	-54%	71 757
Total sources of capital funds	189 533	177 319	177 305	22 144	113 292	162 277	(48 985)	-36%	177 305
Financial Position									
Total current assets	420 000	309 470	354 413	—	506 006	—	—	—	354 413
Total non-current assets	1 140 316	1 361 729	1 542 955	—	1 223 639	—	—	—	1 242 936
Total current liabilities	146 127	99 372	149 618	—	147 311	—	—	—	149 515
Total non-current liabilities	43 429	14 442	14 442	—	43 429	—	—	—	14 442
Community wealth/Equity	1 368 762	1 557 385	1 433 392	—	1 538 894	—	—	—	1 433 392
Cash flows									
Net cash from (used) operating	341 302	110 135	123 241	(7 142)	358 626	15 693	(342 933)	-207%	123 241
Net cash from (used) investing	(158 241)	(171 303)	(177 305)	(19 114)	(123 850)	(162 277)	(41 427)	26%	(177 305)
Net cash from (used) financing	62	—	—	9	63	(812)	(881)	107%	—
Cash/bank equivalents at the month/year end	377 264	232 963	246 623	—	474 748	247 682	(227 066)	-92%	189 567
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	5 115	4 607	3 825	4 223	6 575	3 261	4 393	5 387	38 426
Creditors Age Analysis									
Total Creditors	—	—	—	—	—	—	—	—	—

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

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 May

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue - Functional										
Governance and administration		333 981	376 320	376 430	3 774	367 505	345 343	22 162	7%	376 430
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		333 981	376 320	376 430	3 774	367 505	345 343	22 162	7%	376 430
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		11 464	11 569	13 377	1 114	13 734	12 351	(1 383)	-11%	13 377
Community and social services		5 057	6 368	5 176	57	5 215	7 284	(2 069)	-31%	5 176
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		5 407	5 201	5 201	1 047	5 705	4 767	941	20%	5 201
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		62 038	56 290	62 893	6 610	50 577	57 367	(6 510)	-11%	62 893
Planning and development		171	202	808	4	148	430	(282)	-66%	808
Road transport		57 867	56 088	62 085	5 606	50 425	56 657	(6 232)	-11%	62 085
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		179 119	135 705	135 705	15 637	106 585	124 396	(17 511)	-14%	135 705
Energy sources		158 500	57 004	57 004	14 510	95 774	52 070	43 502	63%	57 004
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		12 498	78 681	78 681	357	10 511	72 124	(61 313)	-85%	78 681
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	583 502	579 583	588 114	27 325	535 691	538 547	(2 857)	-1%	588 114
Expenditure - Functional										
Governance and administration		241 512	224 974	230 619	17 341	184 393	213 595	(28 302)	-12%	230 619
Executive and council		28 550	29 545	30 745	2 434	27 285	28 073	(789)	-3%	30 745
Finance and administration		218 282	191 438	195 683	14 525	150 800	175 541	(25 020)	-14%	195 683
Internal audit		4 380	3 592	4 182	279	3 284	3 775	(492)	-13%	4 182
Community and public safety		34 947	53 254	55 661	4 079	40 466	50 742	(10 275)	-22%	55 661
Community and social services		15 632	27 956	31 219	2 167	21 760	28 237	(6 478)	-23%	31 219
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		19 264	28 297	24 442	1 312	18 705	22 505	(3 799)	-17%	24 442
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		69 977	90 630	112 152	4 754	64 149	100 348	(36 199)	-36%	112 152
Planning and development		19 907	24 989	25 871	2 427	17 273	23 610	(6 334)	-27%	25 871
Road transport		50 065	55 941	65 251	2 267	45 571	75 705	(29 835)	-35%	65 251
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		165 961	110 966	214 125	6 515	75 640	154 285	(107 545)	-68%	214 125
Energy sources		141 982	56 257	154 757	5 058	61 419	155 542	(104 554)	-63%	154 757
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		25 073	24 269	19 359	1 543	15 221	13 342	(1 879)	-17%	19 359
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	513 395	480 323	612 548	32 739	365 648	545 241	(180 392)	-33%	612 548
Surplus/ (Deficit) for the year		70 205	99 560	(24 444)	(5 414)	(17 342)	(7 494)	(177 535)	-2362%	(24 444)
Reference										

Reference:

This table assess the revenue and expenditure by department, the expenditure for the period ending 31st May 2023 is **R 32.8** million and revenue is **R 27.3** million.

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

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

Vote Description	Ref	2021/22 Audited Outcome	Budget Year							
			Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		333 443	375 670	376 090	3 739	367 353	344 692	22 667	6.6%	376 090
Vote 3 - Corporate		533	350	350	35	446	321	125	39.1%	350
Vote 4 - Development and Planning		263	202	508	15	223	430	(207)	-48.1%	508
Vote 5 - Community		24 963	90 249	92 157	2 111	21 535	84 175	(62 640)	-74.4%	92 157
Vote 6 - Infrastructure		234 375	113 112	119 139	21 404	146 128	108 923	37 199	34.1%	119 139
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	583 602	579 583	588 104	27 305	535 691	538 547	(2 857)	-0.5%	588 104
Expenditure by Vote	1									
Vote 1 - Executive Council		28 850	28 845	30 745	2 434	27 258	28 078	(798)	-2.8%	30 745
Vote 2 - Finance and Admin		144 999	118 223	122 363	8 646	92 621	111 710	(19 079)	-17.1%	122 363
Vote 3 - Corporate		63 283	73 215	73 320	5 950	61 169	67 131	(5 962)	-8.9%	73 320
Vote 4 - Development and Planning		20 957	24 989	25 571	2 487	17 434	23 612	(6 176)	-26.2%	25 571
Vote 5 - Community		60 026	77 323	75 130	5 627	55 657	69 085	(13 398)	-19.4%	75 030
Vote 6 - Infrastructure		190 901	152 737	261 137	7 335	108 135	242 648	(134 515)	-65.4%	261 137
Vote 7 - Internal Audit		4 330	3 682	4 182	278	3 264	3 776	(492)	-13.0%	4 182
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	513 396	480 823	612 548	32 789	365 648	546 041	(180 392)	-33.0%	612 548
Surplus/(Deficit) for the year	2	70 206	99 560	(24 444)	(5 484)	170 042	(7 494)	177 536	-2369.2%	(24 444)

Reporting per municipal Vote provides details on the spending over the various functions.

Revenue is mainly budgeted under the Finance & Admin Function and therefore the majority of the revenue will be reflected under this function.

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

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		48 728	54 088	54 088	-	48 716	49 581	(865)	-2%	54 088
Service charges - electricity revenue		56 530	71 416	71 416	4 135	47 319	65 465	(18 446)	-26%	71 416
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		11 815	15 528	15 528	882	10 732	14 232	(3 500)	-25%	15 528
Rental of facilities and equipment		1 280	2 028	2 028	(355)	1 040	1 859	(819)	-44%	2 028
Interest earned - external investments		9 589	14 850	15 060	2 747	16 802	13 757	3 045	22%	15 060
Interest earned - outstanding debtors		16 168	18 731	18 731	1 421	14 865	17 170	(2 305)	-13%	18 731
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 058	1 769	1 769	302	2 490	1 822	869	54%	1 769
Licences and permits		3 407	4 131	4 131	750	3 293	3 767	(483)	-13%	4 131
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		287 351	283 418	285 226	27	281 746	270 413	21 333	8%	285 226
Other revenue		1 350	1 471	1 777	146	1 082	1 583	(511)	-32%	1 777
Gains		(15)	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		418 878	477 227	479 751	10 155	437 784	439 478	(1 693)	0%	479 751
Expenditure By Type										
Employee related costs		128 303	141 282	155 816	11 787	131 035	141 134	(10 098)	-7%	155 816
Remuneration of councillors		21 444	22 459	22 459	1 854	20 445	20 588	(143)	-1%	22 459
Debt impairment		17 651	6 000	6 000	-	-	5 500	(5 500)	-100%	6 000
Depreciation & asset impairment		53 955	53 336	73 136	-	30 219	64 731	(34 512)	-53%	73 136
Finance charges		35	-	-	-	133	-	133	#DIV/0!	-
Bulk purchases - electricity		58 161	61 393	81 383	3 827	48 484	56 288	(7 804)	-14%	81 383
Inventory consumed		6 075	7 747	8 142	607	4 883	7 417	(2 534)	-34%	8 142
Contracted services		100 354	113 584	110 776	8 085	81 844	101 872	(20 028)	-20%	110 776
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		48 201	74 252	89 835	5 840	48 625	64 531	(15 906)	-25%	89 835
Losses		78 219	-	105 000	-	-	84 000	84 000	-100%	105 000
Total Expenditure		513 396	480 023	612 548	32 789	365 648	546 041	(180 392)	-33%	612 548
Surplus/(Deficit)		(95 327)	(2 796)	(132 796)	(22 634)	72 136	(106 563)	178 699	(0)	(132 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		165 532	102 956	108 353	17 150	97 906	99 070	(1 163)	(0)	108 353
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		70 206	99 560	(24 444)	(5 484)	170 042	(7 494)	-	-	(24 444)
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		70 206	99 560	(24 444)	(5 484)	170 042	(7 494)	-	-	(24 444)
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		70 206	99 560	(24 444)	(5 484)	170 042	(7 494)	-	-	(24 444)
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		70 206	99 560	(24 444)	(5 484)	170 042	(7 494)	-	-	(24 444)

Revenue by Source

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

Property Rates

Property rates revenue is the major part of the municipal own revenue and represents **11%** of the total own revenue budget.

The municipality bills both annual rates and monthly rates at the beginning of the financial year i.e. July. There was no billing on property rates for the month of May 2023, the billing of rates is only over a period of 10 months from July to April in a financial year. Income received from property rates for the month of May 2023 amounted to **R0**. YTD Billing amounts to **R48,769,875** and YTD collection is **R 48,715,628**. Total Collection rate as 31st May 2023 is **100%**.

Services Charges

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to **R 5,116,082** for the month ended 31st May 2023. This represent **6%** on this category and is less than expected performance for the month. This is due to less collection on Prepaid electricity sales as a result of load shedding, leading to less demand for electricity. YTD revenue represent **66%** of the total revenue budget for this category.

Rental of Facilities and equipment

Rental of facilities and equipment annual budget is **R 2,027,556** Revenue amount of **R 103,260** for the month ended 31st May 2023 has been recognised on this category representing **5%** which is the less than the expected performance for the month. This is due to and amount of **R 457,929** paid to department of transport resulting to a reduction in revenue. YTD revenue represent **51%** of the total revenue budget for this category.

Interest earned on Investments

Reflects the interest in respect of funds not immediately needed in the operations of the Municipality, these are short term investments made with financial institutions also include conditional grants. The total Interest earned on investments current budget is **R 14,649,996** and the adjusted budget is **R15,059,996**. Interest received for the month ended 31st May 2023 amounted to **R 2,746,986** which represents **18%**. This is more than the expected performance for the month due interest receive from Standard bank that was not recognized in the previous months. YTD revenue represent **112%** of the total revenue budget for this category.

Interest on Outstanding Debtors

Interest on overdue accounts current budget is **R 18,730,800**, Interest received for the month ended 31st May 2023 amounted to **R 1,421,075** which represents **8%**. This is within the expected performance for the month. The majority of the debtors are the government departments. YTD revenue represent **79%** of the total revenue budget for this category.

Fines, penalties and Forfeits

Revenue from fines, penalties and forfeits has an annual budget of **R 1,769,004**. Total revenue of **R 302,498** has been recognised on this category for the month ended 31st May 2023 representing **17%** on this category, which is more than the expect performance for the month due to more collection on traffic fines. Fines are base cash basis whilst the budget is based on GRAP 1 which require us to recognised the total fines issued and not only base on collection. YTD revenue represent **141%** of the total revenue budget for this category.

Licences and permits

The current budget for licences and permits amounts to **R 4,130,844**. Total revenue of **R 749,792** has been recognised on this category for the month ended 31st May 2023 representing **18%** this is above the expected performance, due to increase in Learners licence application revenue. YTD revenue represent **80%** of the total revenue budget for this category.

Transfers and Subsidies-Operational

Total current budget amount on transfers and subsidies is **R 293,418,000** and the adjusted budget is **R 295,226,337**. Total revenue of **R 27,400** was recognised for the month ended 31st May 2023 this represents almost **0%** of total adjusted budget. This is less than expected performance for the Month and is due to receipt of all expected grants trenches for the financial year. YTD grants revenue represent **99%** on this category.

Transfers and Subsidies-Capital

Total current budget amount on transfers and subsidies is **R 102,355,992** this was increased to adjusted budget of **R 108,352,664**. Total revenue of **R 17,149,823** was recognised for the month ended 31st May 2023 this represents **16%** of total budget. This is more than the expected performance for the Month as more Capital Payments are made and recognised under revenue. YTD grants revenue represents **90%** on this category.

Other Revenue

A total current budget on other revenue is **R 1,470,708** and the adjusted budget is **R 1,776,848** which consists mostly Merchandising and Jobbing, sale of tender documents, insurance refund and other revenue. Other revenue amounted to **R 145,990** for the month ended 31st May 2023, this represents **8%** which is within the expected performance for the month. YTD revenue represents **61%** on this category.

Operating Expenditure by type

Employee related costs/ Remuneration of Councillors

Total current budget on Employee related costs/ Remuneration of Councillors is **R 163,721,472** and the adjusted budget is **R 178,275,460**. The total expenditure for the month ended 31st May 2023 amounted **R 13,620,839** of which the expenditure **R 1,853,645** relates to Remuneration of Councillors and **R 11,767,194** Managers and staff, that represents **8%** of the budgeted amount for this category. This is within the expected performance for the month. YTD Expenditure represents **85%** on this category.

Debt Impairment

Currently the municipality accounts for Debt impairment at the end of the financial year. Debt impairment relates to long overdue customer accounts over 90 days. It is a non-cash item and is budgeted at a rate being the difference of the cash the municipality intends to collect and what is not collectable from customers.

Items included in this category are bad debts written off which at the time of compiling report, there were no provisions recorded on the financial system resulting in this variance.

Disposal of Fixed and Intangible Assets

Disposal of Eskom Projects will only be transferred at the end of the financial year after Eskom advise the Municipality on the projects they will accept.

Depreciation and Asset impairment

Total current budget on Depreciation and Asset impairment is **R 53,336,148** and the adjusted budget is **R 73,136,148**. There is no Depreciation recognised in this category for the month ended 31st May 2023. Total YTD expenditure represents **41%** on this category.

Bulk Purchases

Total current budget on bulk electricity purchases is **R 61,382,988**, the total expenditure for the month ending 31st May 2023 is **R 3,827,029**, that represents **6%** of the total budgeted amount on this category which is less than expected performance for the month this is due to decrease in demand for electricity purchases as a result of Load shedding. YTD expenditure represents **79%** on this category.

Other Materials

Total current budget on other material is **R 7,746,996** and the adjusted budget is **R 8,141,996**. The inventory purchases for material and supplies and expenditure amounted to **R 606,555** for the month ended 31st May 2023, that represents **7%** of the budgeted amount on this category. This is less than expected performance for the month as result of less demand on stores items. YTD Expenditure represents **60%** on this category.

Contracted Services

Total current budget on contracted services is **R 113,584,116** and the adjusted budget is **R 110,776,264** consisting of repairs and maintenance of municipal fleet, repairs and maintenance of buildings and facilities, debt collection contract, waste removal, grass cutting, accounting and auditing contracts and all municipal and financial systems utilised by the municipality. The contracted services for the month ended 31st May 2023 amounted to **R 9,095,053** that represents **8%** of the budgeted amount on this category. This is within expected performance for the month due to other contracts that are not paid on a monthly basis. YTD expenditure represents **74%** on this category.

Other Expenditure

Total Current Budget on Other expenditure is **R 74,251,512** and the adjusted budget is **R 69,834,863** reflecting all other expenses not specifically mentioned and consists of the following:

- Skills development levy
- Remuneration of ward committee
- Telephone expenses
- Audit fees
- ICT Software
- Fuel and Oil
- Travel and subsistence expenses
- Workmen's Compensation Fund
- Professional Bodies Membership and Subscription

Other expenditure amounted to **R 5,639,873** for the month ended 31st May 2023, that represents **8%** of the budgeted amount on this category. This is less than the expected performance for the month on this category. Less expenditure is identified relating to ICT Telephone, Indigent Relief, insurance premium, Uniform protective clothing, these are planned to increase as per the departmental procurement plans. Insurance premium, advertising tenders, operational lease has no expenditure this month. YTD expenditure represents **70%** on this category.

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

EC44 | Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote functional classification and funding) - M+1 May

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4.7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	3									
Vote 1 - Executive Council		74	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		500	3 290	4 360	128	1 444	3 428	(2 184)	-60%	4 360
Vote 3 - Corporate		4 698	2 310	2 310	68	1 332	2 418	(788)	-37%	2 310
Vote 4 - Development and Planning		500	500	500	-	-	458	458	+100%	500
Vote 5 - Community		3 484	5 300	5 300	-	2 320	5 630	(3 310)	-60%	5 300
Vote 6 - Infrastructure		181 313	158 879	154 879	21 948	128 334	150 243	21 909	+14%	154 879
Vote 7 - Internal Audit		-	-	-	-	4 385	-	4 385	90100%	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	185 296	171 309	177 308	22 144	129 855	182 277	62 922	+36%	177 308
Total Capital Expenditure		185 296	171 309	177 308	22 144	129 855	182 277	62 922	+36%	177 308
Capital Expenditure - Functional Classification										
Governance and administration		5 384	5 370	5 370	198	11 368	5 748	(7 254)	-135%	5 370
Executive and council		74	-	-	-	-	-	-	-	-
Finance and administration		5 000	5 370	5 370	198	2 177	5 748	(3 265)	-60%	5 370
Internal audit		-	-	-	-	4 385	-	4 385	90100%	-
Community and public safety		1 368	3 480	3 480	-	2 118	3 172	(1 252)	-35%	3 480
Community and social services		198	1 510	1 510	-	405	1 384	(975)	-64%	1 510
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 169	1 970	1 970	-	1 713	1 788	(74)	-4%	1 970
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		84 145	111 101	114 808	12 328	88 888	124 878	31 328	+27%	114 808
Planning and development		500	500	500	-	-	458	458	+100%	500
Road transport		83 982	106 501	114 103	12 328	83 388	104 515	21 145	+20%	114 103
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		88 361	82 178	82 878	9 918	46 180	48 868	2 678	+7%	82 878
Energy services		27 833	46 878	46 878	3 218	44 969	45 728	759	+1%	46 878
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 110	2 900	2 900	-	211	2 658	(2 447)	-84%	2 900
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	185 296	171 309	177 308	22 144	129 855	182 277	62 922	+36%	177 308

The approved annual capital budget for the financial year amounts to **R 171,309,312** this was adjusted capital budget of **R 177,305,984**. Capital expenditure incurred for the month ended 31st May 2023 amounted to **R 22,143,820**. This represents **12%** of the approved capital expenditure budget. This is more than the expected performance for the month due to more projects that are running and payments are made. YTD expenditure represents **64%** on this category.

3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M11 May

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		9 715	16 393	26 452	3 936	26 452
Call investment deposits		228 017	217 545	217 545	290 429	217 545
Consumer debtors		86 494	70 502	89 638	103 981	89 638
Other debtors		92 899	4 937	17 583	105 698	17 583
Current portion of long-term receivables		-	-	-	-	-
Inventory		1 674	1 053	1 094	2 010	1 094
Total current assets		420 000	309 470	354 413	506 006	354 413
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		4 960	-	-	4 960	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		1 134 394	1 355 483	1 337 680	1 216 196	1 337 680
Biological		-	-	-	-	-
Intangible		94	4 525	4 526	840	4 526
Other non-current assets		870	600	620	1 540	620
Total non current assets		1 140 318	1 361 729	1 242 926	1 223 536	1 242 926
TOTAL ASSETS		1 560 318	1 671 199	1 597 338	1 729 545	1 597 338
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		1 578	822	822	1 538	822
Trade and other payables		132 238	62 798	112 940	131 359	112 940
Provisions		14 310	95 752	95 752	14 310	95 752
Total current liabilities		148 127	99 372	149 515	147 311	149 515
Non current liabilities						
Borrowing		-	-	-	-	-
Provisions		43 429	14 442	14 442	43 429	14 442
Total non current liabilities		43 429	14 442	14 442	43 429	14 442
TOTAL LIABILITIES		191 556	113 814	163 956	190 740	163 956
NET ASSETS	2	1 368 762	1 557 385	1 433 382	1 538 804	1 433 382
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus (Deficit)		978 878	1 178 048	1 361 800	1 143 421	1 361 800
Reserves		395 884	379 337	71 579	395 384	71 579
TOTAL COMMUNITY WEALTH/EQUITY	2	1 368 762	1 557 385	1 433 382	1 538 804	1 433 382

3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M11 May

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		36 820	43 271	43 271	1 293	43 219	39 885	3 334	8%	43 271
Service charges		62 021	69 553	64 253	6 977	62 030	59 517	2 513	4%	64 253
Other revenue		15 705	7 596	31 464	1 259	18 368	28 058	(7 690)	-30%	31 464
Transfers and Subsidies - Operational		266 202	293 418	295 226	11	293 552	270 413	23 139	8%	295 226
Transfers and Subsidies - Capital		174 749	102 358	108 353	-	119 841	99 070	20 771	21%	108 353
Interest		4 385	14 550	15 060	2 747	17 245	13 757	3 488	25%	15 060
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(218 880)	(420 882)	(428 388)	(19 458)	(195 448)	(391 758)	(196 337)	50%	(428 388)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		341 002	110 185	129 241	(7 142)	358 806	116 693	(242 113)	-207%	129 241
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(188 241)	(171 309)	(177 306)	(19 114)	(120 850)	(162 277)	(41 427)	28%	(177 306)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(188 241)	(171 309)	(177 306)	(19 114)	(120 850)	(162 277)	(41 427)	26%	(177 306)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		52	-	-	9	60	(822)	882	-107%	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		52	-	-	9	60	(822)	(882)	107%	-
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning		152 842	(61 125)	(48 065)	(26 246)	238 016	(46 406)			(48 065)
Cash/cash equivalents at month/year end:		224 422	284 098	284 098		236 732	284 068			236 732
		377 264	232 963	246 723		474 748	247 662			188 667

PART 2 –SUPPORTING DOCUMENTATION SECTION 4

Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 31st May 2023.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description	NY Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3,574	1,955	814	576	674	672	3,969	806	12,355	5,421	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	77	828	715	630	585	565	83,427	524	87,360	85,740	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	927	571	494	479	410	394	24,515	362	26,192	26,190	-	-
Receivables from Exchange Transactions - Property Rates Debtors	1700	-	-	-	-	-	-	7	7	7	7	-	-
Interest on Arrear Debtor Accounts	1810	1,421	1,433	1,418	1,402	1,388	1,367	47,339	1,340	57,309	52,836	-	-
Receivable unauthorised, irreg., fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	139	220	387	1,142	3,508	255	21,954	2,295	29,901	29,154	-	-
Total By Income Source	2000	6,139	4,607	3,828	4,223	6,575	3,253	189,911	5,387	214,923	200,349	-	-
2022/23 - totals only		-	-	-	-	-	-	-	-	-	-	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2000	2,161	1,991	1,758	1,585	1,674	1,697	27,123	1,815	36,637	33,897	-	-
Commercial	2300	3,231	1,499	889	1,542	3,820	497	26,264	2,927	40,154	34,641	-	-
Households	2400	747	1,117	1,188	1,098	1,081	1,069	67,513	1,045	74,662	71,810	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2000	6,139	4,607	3,828	4,223	6,575	3,253	189,911	5,387	214,923	200,349	-	-

The total debt book for May 2023 is R 214,923,498 inclusive of R 3,649,456 advanced payments.

The total debt book for May 2023 of R211 274 042.83 (including current of R 5 952 749.45 which is not yet due) has decreased by R 7 246 244.96 from the previous month closing balance of R212 567 538.35. Debt is made up of the following:

Residential debt:

R 84,002,236.22

Commercial debt

R 29,158,890.60

Government debt

R 94 794 313.2

Other

R 3 318 602.81

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 58 318 092.65

(including current)

Cedarville

R 5 055 515.93

(including current)

(both areas are handed over for collection)

The municipality makes use of debt collectors in implementing the credit and debt collection policy. A new service provider has been appointed to start looking at debt that is older than 90 days.

The following has been handed over:

Residential H/O

R 74 667 897.05

Business H/O

R 25 142 725.27

Churches H/O

R 148 634.35

Farms H/O

R 3 127 247.34

Included in the hand over accounts for Business is an amount of R 17 429 012.37 (excl. VAT of R2 614 351.85) debt for Parallax PTY LTD for third party vending.

May 2023 collection for all handed over accounts is

R 1 060 187.68.

SECTION 5 -CREDITORS' ANALYSIS

Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description	NT Code	Budget Year 2022/23								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-

The municipality makes an extra effort that creditors are paid within 30 days as per MFMA, therefore municipality paid its creditors within 30 days for the month ended 31st May 2023.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

May 23

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	27 698 147.76	182 664.48	-1 732 076.05	-182 664.48	26 148 736.19
INEP	18 257 760.69	119 228.14	-2 889 280.24	-119 228.14	15 487 708.59
EPWP	-	-	-	-	-
Municipal Electrification Intervention	294 831.50	1 756.80	-	-1 756.80	296 588.30
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	59 054.85	351.90	-	-351.90	59 406.75
Establishment Plan	205 966.23	1 092.75	-	-1 092.75	207 058.98
Housing Development Fund	2 099 472.94	11 138.71	-	-11 138.71	2 110 611.65
Dedea	638 787.80	3 496.70	-	-3 496.70	642 284.50
Total Conditional Investments	49 254 022	319 729	- 4 621 356	- 319 729	44 952 395

Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	131 384 582.18	-	-	-	131 384 582.18
Call Acc STD CRR	11 906 760.19	128 513.22	-	-128 513.22	12 035 273.41
Call ACC FNB Surplus Cash	6 805 395.80	-	-	-34 399.98	6 805 395.80
Nedbank 32 Days	7 012 822.94	46 111.80	-	-330 973.80	7 058 934.74
Nedbank	51 752 730.34	368 792.70	-36 000 000.00	-368 792.70	16 121 523.04
Nedbank relief fund	833 068.86	4 964.10	-	-4 964.10	838 032.96
Nedbank COV -19 Solidalirity	100 910.71	601.20	-	-601.20	101 511.91
Nedbank Retention	13 863 286.24	82 610.10	-	-82 610.10	13 945 896.34
Termination Guarantee	144 640.82	-	-	-861.90	144 640.82
Account Gaurantee	6 202 000.00	-	-	-36 957.00	6 202 000.00
Standard Bank -011	50 484 726.03	346 232.87	-	-346 232.87	50 830 958.90
Total Unconditional	280 490 924	631 593	- 36 000 000	- 1 334 907	245 468 750
Total Investment	329 744 946	951 323	- 40 621 356	- 1 654 636	290 421 145

The municipality invests surplus funds in order to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investments policy. This indicates that the municipality as at 31st May 2023 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

As at 31st May 2023 the conditional investments amounted to **R 44,952,395** and unconditional investments amounted to **R 245 468 750**.

Total investments as at 31st May 2023 amounted to **R 290, 421,145**.

The following reflects bank balances at 31st May 2023

Description	May 2023
Nedbank Primary Account:	4 100 254.15
Standard bank Account:	4 314 490.02
FNB Money Market Account:	278 520.72
Total Cash held as at 31st May 2023	8 693 264.89

The cash bank balance as at 31st May 2023 amounted to **R 8.7 million**.

SECTION 7_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6

EC441 Matatiele - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1.2									
Operating Transfers and Grants										
National Government:		83 508	6 460	6 460	-	6 460	5 922	538	9.1%	6 460
Expanded Public Works Programme Integrated Grant		4 887	4 810	4 810	-	4 810	4 409	401	9.1%	4 810
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		1 650	1 650	1 650	-	1 650	1 513	138	9.1%	1 650
Municipal Infrastructure Grant		78 971	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	650	2 458	-	2 458	2 253	205	9.1%	2 458
Library Grant		-	650	2 458	-	2 458	2 253	205	9.1%	2 458
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	83 508	7 110	9 918	-	8 918	8 175	743	9.1%	8 918
Capital Transfers and Grants										
National Government:		97 778	102 366	108 353	-	108 353	99 323	9 029	9.1%	108 353
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	56 068	62 065	-	62 065	58 893	5 172	9.1%	62 065
Integrated National Electrification Programme Grant		97 778	46 288	46 288	-	46 288	42 431	3 857	9.1%	46 288
Provincial Government:		650	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	0.0%	-
Other grant providers:		-	-	-	-	-	-	-	0.0%	-
Total Capital Transfers and Grants	5	98 428	102 366	108 353	-	108 363	99 323	9 029	9.1%	108 363
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	181 936	109 466	117 271	-	117 271	107 498	9 773	9.1%	117 271

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

The Municipality did not receive any conditional grants in the month of May 2023. All Trenches have been received for the current financial year.

7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		8 537	6 460	6 460	26	4 773	5 922	(1 148)	-19.4%	6 460
Expanded Public Works Programme Integrated Grant		4 867	4 610	4 610	-	3 619	4 409	(750)	-17.5%	4 610
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		1 650	1 650	1 650	26	1 155	1 513	(358)	-23.7%	1 650
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		2 113	650	2 458	3	679	-	679	#DIV/0!	2 458
Specify (Add grant description)		-	650	2 458	2	664	-	664	#DIV/0!	2 458
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		8 650	7 110	8 918	29	5 452	5 922	(469)	-7.9%	8 918
Capital expenditure of Transfers and Grants										
National Government:		165 407	109 466	108 378	14 836	85 428	99 346	(13 918)	-14.0%	108 378
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		67 629	63 178	62 090	10 429	49 255	56 916	(7 660)	-13.5%	62 090
Integrated National Electrification Programme Grant		97 778	46 288	46 288	4 408	36 172	42 431	(6 259)	-14.7%	46 288
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		165 407	109 466	108 378	14 836	85 428	99 346	(13 918)	-14.0%	108 378
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		174 057	116 576	117 296	14 865	90 880	105 268	(14 388)	-13.7%	117 296
References										

Expenditure performance on conditional grants amounted to **R 14.8 million** for the month ended 31st May 2023. Operational expenditure grants amounted to **R 29 thousand** and Capital expenditure grants amounted to **R 14.8 million**.

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 31st May 2023

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

Summary of Employee and Councillor remuneration	Ref	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	Budget Year 2022/23 YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		13 296	14 129	14 129	1 091	12 291	12 952	(660)	-5%	14 129
Pension and UIF Contributions		712	693	693	74	632	635	197	31%	693
Medical Aid Contributions		536	92	92	66	458	85	371	436%	92
Motor Vehicle Allowance		58	-	-	-	-	-	-	-	-
Cellphone Allowance		2 352	2 573	2 573	201	2 211	2 358	(146)	-6%	2 573
Housing Allowances		4 489	4 972	4 972	421	4 654	4 558	127	3%	4 972
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		21 444	22 459	22 459	1 854	20 445	20 588	(143)	-1%	22 459
% increase	4		4.7%	4.7%						4.7%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		3 130	3 947	3 947	139	2 394	3 618	(1 254)	-35%	3 947
Pension and UIF Contributions		37	147	147	0	3	135	(132)	-96%	147
Medical Aid Contributions		73	80	80	-	-	74	(74)	-100%	80
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		360	149	149	-	-	137	(123)	-100%	149
Motor Vehicle Allowance		1 605	2 016	2 016	101	1 094	1 848	(755)	-41%	2 016
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		696	725	725	21	431	665	(234)	-35%	725
Other benefits and allowances		337	501	501	12	150	459	(310)	-67%	501
Payments in lieu of leave		-	-	-	-	224	-	224	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6 239	7 567	7 567	272	4 266	6 936	(2 671)	-39%	7 567
% increase	4		21.3%	21.3%						21.3%
Other Municipal Staff										
Basic Salaries and Wages		83 947	93 243	107 104	8 076	89 500	98 582	(7 080)	-7%	107 104
Pension and UIF Contributions		13 155	15 771	15 913	1 193	13 299	14 571	(1 275)	-8%	15 913
Medical Aid Contributions		4 643	4 985	4 985	468	4 796	4 579	217	5%	4 985
Overtime		1 790	2 480	2 730	255	2 132	2 473	(341)	-14%	2 730
Performance Bonus		5 849	7 649	7 649	330	5 316	7 012	(1 696)	-24%	7 649
Motor Vehicle Allowance		4 272	4 414	4 714	501	4 597	4 286	311	7%	4 714
Cellphone Allowance		6	6	6	1	6	6	(0)	-7%	6
Housing Allowances		383	2 983	2 983	250	2 152	2 734	(583)	-21%	2 983
Other benefits and allowances		4 787	2 154	2 154	248	2 509	1 975	534	47%	2 154
Payments in lieu of leave		1 643	-	-	161	1 429	-	1 429	#DIV/0!	-
Long service awards		523	-	-	11	336	-	336	#DIV/0!	-
Post-retirement benefit obligations	2	1 365	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		122 064	133 695	148 249	11 495	126 769	134 197	(7 428)	-6%	148 249
% increase	4		9.5%	21.5%						21.5%
Total Parent Municipality		149 746	163 721	178 273	13 621	151 480	161 721	(10 241)	-6%	178 273

Section 66 of the MFMA requires that the accounting officer of a municipality must report to Council in a prescribed format all expenditure incurred by the municipality on staff salaries, wages and benefits in a manner that discloses expenditure per type such as salaries contributions for pensions etc.

Remuneration related expenditure for the month ended 31st May 2023 amounted **R 13.6** million of which the expenditure **R 1,9** million relates to Remuneration of Councillors and **R 11.7** Million, to Managers and staff, that represents **8%** expenditure of the budgeted amount for this

category. This is within the expected performance for the month. Expenditure to date represents **85%** on this category.

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

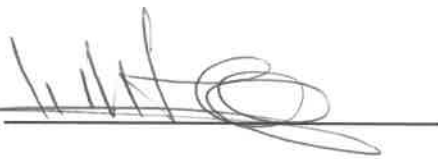
I, **Lizo Matiwane**, the Municipal Manager of Matatiele Local Municipality do hereby certify that-

The monthly budget statements (Section 71 Report) on the implementation of the budget and financial state of affairs of the municipality for the month ended 31st May 2023 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: Lizo Matiwane

Municipal Manager of Matatiele Local Municipality

Signature:



Date:

14/06/2023