



MATATIELE
LOCAL MUNICIPALITY

MONTHLY SECTION 71 REPORT

MONTH ENDED 30 JUNE 2023

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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 30th June 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 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.

The below analysis is a high-level assessment based on revenue and expenditure recognised on the Municipal Financial System as at 30th June 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 30th June 2023 amounted to **R 7,410,168** which represents **1%** of the Adjusted Budget. The amount received to date is **92%** of the adjusted budget (including grants). The majority of the revenue recognised this month is relating to MIG, Service Charges, Learner Licence Application, Interest dividend and rent on land.

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 30th June 2023 amounted to **R 36,983,360** which represents **6%** of the Adjusted Budget. Expenditure to date represents **66%** 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 30th June 2023 amounted to **R 21,199,778**, this represents **12%** of the approved capital expenditure budget. The expenditure to date represents **76%** 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 30th June 2023 is **R 4,879,135** which represent **8%** of expenditure for the month. Total YTD expenditure on the grant represents **100%** of the adjusted budget on this category.
- Integrated National Electrification Programme (INEP) of **R 46,287,972** million was allocated. The grant reflects **R 4,077,991** spending for the month ended 30th June 2023 which represent **9%**. Total YTD expenditure on the grant represents **100%** 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 12,391,306** spending at the 30th of June 2023 which represent **17%**. Total YTD expenditure represents **60%** 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 **76%** as at 30th June 2023, excluding the accrual expenditure that will be recognised on the 13th month.

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	June 2023 status
Rehabilitation of Matatiele internal Streets Cluster 1	under construction at 64,8% overall
Purutle Moyeni Access Road and Bridge	completion stage on defects liability period
Extension of Matatiele Sports Centre Ph2	under construction at 25% complete
Mahangu Access Road & Bridge	completion stage on defects liability period
Harry Gwala Internal Streets	under construction at 25,7% complete
Rehabilitation of Cedarville internal streets	completion stage on defects liability period
Street Lights	250 streetlights have been installed and commissioned.
High Mast Lights	10 Highmasts lights have been installed but not energized, Waiting for the delivery of light fitting and commissioning

by the Service Provider

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	June 2023 status
Mavundleni Electrification	Overall construction Progress: 90% and Contractor is currently busy finalising with installation of ready boards and pole to pole inspections
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 progresss is at 98 and awaiting autage 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 sumitted the closeout Report.
Molweni 2 Electrification	Overall construction Progress: 100% and awaiting for Eskom outage date
Masupa Electrification	Project is complete awaiting closeout report from NSK electrical
Moiketsi Electrification	Overall construction Progress: 90%,Contractor is currently busy finalising with installation of ready boards and pole to pole inspections
Hillside Manzi Elecrification	Construction progresss is at 100% and awaiting autage date from Eskom.

Internal Funded Capital Projects

Internal funded Capital Project	June 2023 status
Dengwane Khoapa Botsola-Taung AR	Practical completion at 95% overall progress
Sitiweni AR	completion stage on defects liability period
Construction of Silo Phase 4	Tender stage
Dlodlweni Access Road	Practical completion at 95% overall progress with a snag list
Ramatli Access Road	Practical completion stage with a snag list contractor currently busy with the outstanding works
Lekhalong Access Road	under construction at 50% overall progress
Queens Mercy Access Road	under construction at 60% overall progress
Mango-Nyanzela Access Road	Practical completion stage with a snag list contractor currently busy with the outstanding works

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 - M12 June

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	54 388	(5 373)	-10%	54 088
Service charges	68 146	86 942	86 942	(9 433)	48 317	86 942	(36 625)	-44%	86 942
Investment revenue	9 599	14 650	15 060	2 346	19 148	15 060	4 088	27%	15 060
Transfers and subsidies	267 351	283 418	285 226	1 576	293 322	295 226	(1 904)	-1%	295 226
Other own revenue	24 248	28 129	28 435	2 958	25 728	28 435	(2 707)	-10%	28 435
Total Revenue (excluding capital transfers and contributions)	418 070	477 227	478 751	(2 533)	435 232	478 751	(44 520)	-9%	478 751
Employee costs	128 507	141 262	155 816	13 455	144 491	155 816	(11 325)	-7%	155 816
Remuneration of Councilors	21 444	22 459	22 459	1 313	21 758	22 459	(701)	-3%	22 459
Depreciation & asset impairment	53 953	53 335	73 136	—	30 219	73 136	(42 917)	-58%	73 136
Finance charges	35	—	—	—	133	—	133	#DIV/0!	—
Inventory consumed and bulk purchases	64 236	68 130	69 525	3 961	57 308	69 525	(12 217)	-18%	69 525
Transfers and subsidies	—	—	—	—	—	—	—	—	—
Other expenditure	245 877	193 836	291 611	18 655	149 334	291 611	(142 277)	-49%	291 611
Total Expenditure	514 054	480 023	612 548	37 585	403 264	612 548	(209 304)	-34%	612 548
Surplus/(Deficit)	(65 983)	(2 796)	(132 796)	(40 148)	31 888	(132 796)	(164 784)	-124%	(132 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	165 532	102 356	108 353	10 575	108 481	108 353	128	0%	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 (in-kind - all)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	90 548	99 580	(24 444)	(29 573)	140 489	(24 444)	164 913	-675%	(24 444)
Share of surplus/(deficit) of associates	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	90 548	99 580	(24 444)	(29 573)	140 489	(24 444)	164 913	-675%	(24 444)
Capital expenditure & funds sources									
Capital expenditure	189 886	171 309	177 306	21 200	130 555	177 306	(46 751)	-26%	177 306
Capital transfers recognised	141 845	99 553	105 549	8 957	91 928	105 549	(13 621)	-13%	105 549
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	47 888	71 757	71 757	12 391	42 712	71 757	(29 044)	-40%	71 757
Total sources of capital funds	189 533	171 309	177 306	21 348	134 640	177 306	(42 666)	-24%	177 306
Financial position									
Total current assets	420 054	309 470	354 413	—	446 287	—	—	—	354 413
Total non-current assets	1 140 318	1 361 729	1 242 926	—	1 264 739	—	—	—	1 242 926
Total current liabilities	149 838	99 372	149 515	—	136 899	—	—	—	149 515
Total non-current liabilities	43 429	14 442	14 442	—	43 553	—	—	—	14 442
Community wealth/Equity	1 368 762	1 557 385	1 433 382	—	1 508 573	—	—	—	1 433 382
Cash flows									
Net cash from (used) operating	341 002	110 185	129 241	(5 991)	352 813	129 241	(223 573)	-173%	129 241
Net cash from (used) investing	(188 241)	(171 309)	(177 306)	(22 350)	(143 198)	(177 306)	(34 107)	-19%	(177 306)
Net cash from (used) financing	82	—	—	(2)	58	(822)	(880)	-107%	—
Cash/cash equivalents at the month/year end	377 264	232 983	248 023	—	446 405	245 201	(201 205)	-82%	188 687
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	8 317	4 096	3 679	3 083	3 458	2 964	180 911	2 752	209 271
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) - M12 June										
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									
Revenue - Functional										
Governance and administration		333 981	376 020	376 430	4 424	372 229	376 430	(4 201)	-1%	376 430
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration	333 981	376 020	376 430	376 430	4 424	372 229	376 430	(4 201)	-1%	376 430
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety	11 464	11 569	13 377	1 503	12 226	13 377	11 569	(1 150)	-9%	13 377
Community and social services	6 057	8 368	8 176	1 357	6 373	8 176	8 176	(1 804)	-22%	8 176
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	5 407	5 201	5 201	145	5 854	5 201	5 201	653	13%	5 201
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	68 038	56 290	62 593	12 462	63 039	62 593	446	1%	62 593	
Planning and development	171	202	508	616	764	508	256	50%	508	
Road transport	67 867	58 088	62 085	11 847	62 276	62 085	191	0%	62 085	
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	170 119	135 705	135 705	(10 366)	96 219	135 705	(39 486)	-29%	135 705	
Energy sources	156 620	57 024	57 024	(11 365)	84 409	57 024	27 385	48%	57 024	
Water management	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-
Waste management	13 498	78 681	78 681	999	11 810	78 681	(66 871)	-85%	78 681	
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	583 602	579 583	588 104	8 022	543 713	588 104	(44 391)	-8%	588 104
Expenditure - Functional										
Governance and administration		242 976	224 974	230 609	20 904	205 376	230 609	(25 233)	-11%	230 609
Executive and council		28 887	28 845	30 745	2 433	29 721	30 745	(1 923)	-3%	30 745
Finance and administration	238 789	191 438	195 683	18 264	172 384	195 683	(23 589)	-12%	195 683	
Internal audit	4 380	3 692	4 182	287	3 571	4 182	(611)	-15%	4 182	
Community and public safety	35 002	53 254	55 661	5 523	45 989	55 661	(9 672)	-17%	55 661	
Community and social services	15 738	27 956	31 219	2 553	24 313	31 219	(6 906)	-22%	31 219	
Sport and recreation	-	-	-	-	-	-	-	-	-	-
Public safety	19 264	25 297	24 442	2 970	21 676	24 442	(2 766)	-11%	24 442	
Housing	-	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-
Economic and environmental services	70 015	90 830	112 152	5 365	60 514	112 152	(42 638)	-38%	112 152	
Planning and development	19 907	24 908	25 871	2 659	18 938	25 871	(5 933)	-23%	25 871	
Road transport	50 108	65 841	86 281	2 706	48 577	86 281	(36 704)	-43%	86 281	
Environmental protection	-	-	-	-	-	-	-	-	-	-
Trading services	166 961	110 966	214 126	5 724	82 364	214 126	(131 762)	-62%	214 126	
Energy sources	141 882	86 897	194 757	4 402	65 821	194 757	(128 935)	-66%	194 757	
Water management	-	-	-	-	-	-	-	-	-	-
Waste water management	-	-	-	-	-	-	-	-	-	-
Waste management	25 079	24 069	19 369	1 322	16 542	19 369	(2 827)	-15%	19 369	
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	514 054	489 023	612 548	37 595	403 244	612 548	(209 304)	-34%	612 548
Surplus/ (Deficit) for the year		69 548	99 560	(24 444)	(29 573)	140 469	(24 444)	164 913	-675%	(24 444)

This table assess the revenue and expenditure by department, the expenditure for the period ending 30th June 2023 is R 37.6 million and revenue is R 8 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) - M12 June

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		333 448	375 670	376 080	4 416	371 774	376 080	(4 306)	-1.1%	376 080
Vote 3 - Corporate		533	350	350	8	454	350	104	29.8%	350
Vote 4 - Development and Planning		283	202	508	623	846	508	338	66.5%	508
Vote 5 - Community		24 963	90 249	92 057	2 502	24 036	92 057	(68 021)	-73.9%	92 057
Vote 6 - Infrastructure		224 375	113 112	119 109	474	146 602	119 109	27 493	23.1%	119 109
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	8 022	543 713	588 104	(44 391)	-7.5%	588 104
Expenditure by Vote	1									
Vote 1 - Executive Council		28 897	29 845	30 745	2 433	29 721	30 745	(1 023)	-3.3%	30 745
Vote 2 - Finance and Admin		145 038	118 223	122 363	10 287	102 918	122 363	(19 444)	-15.9%	122 363
Vote 3 - Corporate		63 761	73 215	73 320	7 976	69 166	73 320	(4 154)	-5.7%	73 320
Vote 4 - Development and Planning		20 957	24 989	25 871	2 659	20 093	25 871	(5 777)	-22.3%	25 871
Vote 5 - Community		60 081	77 323	75 030	6 844	62 531	75 030	(12 498)	-16.7%	75 030
Vote 6 - Infrastructure		190 940	152 737	281 037	7 108	115 242	281 037	(165 795)	-59.0%	281 037
Vote 7 - Internal Audit		4 380	3 692	4 182	287	3 571	4 182	(611)	-14.6%	4 182
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	514 054	480 023	612 548	37 595	403 244	612 548	(209 304)	-34.2%	612 548
Surplus/ (Deficit) for the year	2	69 548	99 560	(24 444)	(29 573)	140 469	(24 444)	164 913	-674.7%	(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) - M12 June

Vote Description		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											
Revenue By Source											
Property rates			48 726	54 088	54 088	—	48 716	54 088	(5 372)	-10%	54 088
Service charges - electricity revenue			56 530	71 416	71 416	(10 414)	36 604	71 416	(34 812)	-49%	71 416
Service charges - water revenue			—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue			—	—	—	—	—	—	—	—	—
Service charges - refuse revenue			11 615	15 526	15 526	961	11 713	15 526	(3 812)	-25%	15 526
Rental of facilities and equipment			1 260	2 028	2 028	532	1 573	2 028	(455)	-22%	2 028
Interest earned - external investments			9 599	14 650	15 060	2 346	19 148	15 060	4 088	27%	15 060
Interest earned - outstanding debtors			16 188	18 731	18 731	1 404	16 269	18 731	(2 461)	-13%	18 731
Dividends received			—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits			2 058	1 769	1 769	119	2 809	1 769	840	48%	1 769
Licences and permits			3 407	4 131	4 131	32	3 325	4 131	(806)	-20%	4 131
Agency services			—	—	—	—	—	—	—	—	—
Transfers and subsidies			287 351	293 418	295 226	1 576	293 322	295 226	(1 904)	-1%	295 226
Other revenue			1 350	1 471	1 777	258	1 340	1 777	(437)	-25%	1 777
Gains			(15)	—	—	612	612	—	612	#DIV/0!	—
			418 076	477 227	479 751	(2 553)	435 232	479 751	(44 520)	-9%	479 751
Total Revenue (excluding capital transfers and contributions)											
Expenditure By Type											
Employee related costs			128 507	141 262	155 816	13 455	144 491	155 816	(11 326)	-7%	155 816
Remuneration of councillors			21 444	22 459	22 459	1 313	21 758	22 459	(701)	-3%	22 459
Debt impairment			17 651	6 000	6 000	—	—	6 000	(5 000)	-100%	6 000
Depreciation & asset impairment			53 955	53 336	73 136	—	30 219	73 136	(42 917)	-59%	73 136
Finance charges			35	—	—	—	133	—	133	#DIV/0!	—
Bulk purchases - electricity			58 161	61 383	61 383	3 100	51 564	61 383	(9 819)	-16%	61 383
Inventory consumed			6 075	7 747	8 142	861	5 744	8 142	(2 398)	-29%	8 142
Contracted services			100 450	113 584	110 776	11 233	93 077	110 776	(17 699)	-16%	110 776
Transfers and subsidies			—	—	—	—	—	—	—	—	—
Other expenditure			49 557	74 252	69 835	7 632	56 257	69 835	(13 578)	-19%	69 835
Losses			78 219	—	105 000	—	—	105 000	(105 000)	-100%	105 000
Total Expenditure			514 054	480 023	612 548	37 595	403 244	612 548	(209 304)	-34%	612 548
Surplus/(Deficit)			(95 980)	(2 796)	(132 796)	(40 148)	31 988	(132 796)	164 784	(0)	(132 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			165 532	102 356	108 353	10 575	108 481	108 353	128	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			69 548	99 560	(24 444)	(29 573)	140 469	(24 444)			(24 444)
Taxation			—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation			69 548	99 560	(24 444)	(29 573)	140 469	(24 444)			(24 444)
Attributable to minorities			—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality			69 548	99 560	(24 444)	(29 573)	140 469	(24 444)			(24 444)
Share of surplus/ (deficit) of associate			—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year			69 548	99 560	(24 444)	(29 573)	140 469	(24 444)			(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 June 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 June 2023 amounted to **R0**. YTD Billing amounts to **R48,769,875** and YTD collection is **R 48,715,628**. Total Collection rate as 30th June 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 9,433,073** the amount of **R 4,606,364** is the revenue for the month ended 30th June 2023. This represent **5%** on this category and is less than expected performance for the month, due to less collection on Prepaid electricity sales as a result of load shedding, leading to less demand for electricity. The amount of **- R 14,039,438** relates to bad debt provision which will be corrected in a form of a journal in 13th month. YTD revenue represent **56%** 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 532,317** for the month ended 30th June 2023 has been recognised on this category representing **26%** which is more than the expected performance for the month. This is due to an amount of **R 393,137** relating to department of transport resulting to more collection in revenue, correction will be made in a form of journal on 13th month to the correct segment. YTD revenue represent **78%** 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 30th June 2023 amounted to **R 2,346,230** which represents **16%**. This is more than the expected performance for the month due an increase on interest rates. YTD revenue represent **127%** 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 30th June 2023 amounted to **R 1,607,716** which represents **9%**. This is within the expected performance for the month. The majority of the debtors are the government departments. YTD revenue represent **88%** 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 119,251** has been recognised on this category for the month ended 30th June 2023 representing **7%** on this category, this is less than the expect performance for the month due to less 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 **148%** of the total revenue budget for this category.

Licences and permits

Total approved budget for licences and permits amounts to **R 4,130,844**. Total revenue of **R 31,717** has been recognised on this category for the month ended 30th June 2023 representing **1%** this is less than the expected performance, due to an incorrect pay out to department of transport resulting to decrease in Learners licence application revenue. This will be corrected through a journal on month 13. YTD revenue represent **80%** of the total revenue budget for this category.

Transfers and Subsidies-Operational

Total approved budget amount on transfers and subsidies is **R 293,418,000** and the adjusted budget is **R 295,226,337**. Total revenue of **R 1,576,211** was recognised for the month ended 30th June 2023 this represents almost **1%** 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 approved 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 10,574,678** was recognised for the month ended 30th June 2023 this represents **10%** 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 **100%** on this category.

Other Revenue

Total approved 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 55,119** for the month ended 30th June 2023, this represents **3%** which is less than the expected performance for the month, due to less revenue collected on tender documents. YTD revenue represents **64%** on this category.

Operating Expenditure by type

Employee related costs/ Remuneration of Councillors

Total Approved 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 30th June 2023 amounted **R 14,768,600** of which the expenditure **R 1,313,183** relates to Remuneration of Councillors and **R 13,455,418** Managers and staff, that represents **9%** of the budgeted amount for this category. This is within the expected performance for the month. YTD Expenditure represents **93%** on this category.

Debt Impairment

Currently the municipality accounts for Debt impairment at the end of the financial year i.e. 13th Month. 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 i.e. 13th month after Eskom advise the Municipality on the projects they will accept.

Depreciation and Asset impairment

Total approved 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 30th June 2023. This will be recognised on the 13th Month. Total YTD expenditure represents **41%** on this category.

Bulk Purchases

Total approved budget on bulk electricity purchases is **R 61,382,988**, the total expenditure for the month ending 30th June 2023 is **R 3,100,375**, that represents **5%** 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 **84%** on this category.

Other Materials

Total approved 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 860,986** for the month ended 30th June 2023, that represents **11%** of the budgeted amount on this

category. This is more than expected performance for the month as result of more demand on stores items. YTD Expenditure represents **71%** on this category.

Contracted Services

Total approved 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 30th June 2023 amounted to **R 11,232,776** that represents **10%** of the budgeted amount on this category. This is more expected performance for the month due to payment of all contracts relating to this financial year. YTD expenditure represents **84%** on this category.

Other Expenditure

Total approved 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 7,632,390** for the month ended 30th June 2023, that represents **11%** of the budgeted amount on this category. This is more than the expected performance for the month on this category. More expenditure is identified relating to Workmen's Compensation Fund, Achievements and Awards, Communication Radio TV transmissions, Signage, Transport Provided as Part of Departmental Activities, Travel and Subsistence, Uniform and Protective Clothing. YTD expenditure represents **81%** on this category.

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

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 June

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		5										
Vote 1 - Executive Council			74	-	-	-	-	-	-	-	-	
Vote 2 - Finance and Admin			562	3 260	4 060	1 304	2 748	4 360	(1 212)	-32%	4 060	
Vote 3 - Corporate			4 698	2 310	2 310	93	1 426	2 310	(844)	-38%	2 310	
Vote 4 - Development and Planning			163	500	500	-	500	500	(337)	-100%	500	
Vote 5 - Community			2 484	6 360	6 360	250	2 579	6 360	(3 781)	-59%	6 360	
Vote 6 - Infrastructure			131 916	158 879	164 076	19 553	137 887	164 076	(26 189)	-22%	164 076	
Vote 7 - Internal Audit			-	-	-	-	(4 085)	-	(4 085)	#DIV/0!	-	
Vote 8 -			-	-	-	-	-	-	-	-	-	
Vote 9 -			-	-	-	-	-	-	-	-	-	
Vote 10 -			-	-	-	-	-	-	-	-	-	
Vote 11 -			-	-	-	-	-	-	-	-	-	
Vote 12 -			-	-	-	-	-	-	-	-	-	
Vote 13 -			-	-	-	-	-	-	-	-	-	
Vote 14 -			-	-	-	-	-	-	-	-	-	
Vote 15 -			-	-	-	-	-	-	-	-	-	
Total Capital single-year expenditure		4	199 296	171 309	177 306	21 200	130 555	177 306	(46 751)	-26%	177 306	
Total Capital Expenditure			199 296	171 309	177 306	21 200	130 555	177 306	(46 751)	-26%	177 306	
<u>Capital Expenditure - Functional Classification</u>												
Governance and administration			5 334	5 579	6 379	1 397	89	6 379	(5 281)	-99%	6 379	
Executive and council			74	-	-	-	-	-	-	-	-	
Finance and administration			5 260	5 579	6 379	1 397	4 174	6 379	(2 198)	-34%	6 379	
Internal audit			-	-	-	-	(4 085)	-	(4 085)	#DIV/0!	-	
Community and public safety			1 366	3 460	3 460	130	2 249	3 460	(1 211)	-35%	3 460	
Community and social services			165	1 510	1 510	130	535	1 510	(975)	-66%	1 510	
Sport and recreation			-	-	-	-	-	-	-	-	-	
Public safety			1 199	1 950	1 950	-	1 713	1 950	(237)	-12%	1 950	
Housing			-	-	-	-	-	-	-	-	-	
Health			-	-	-	-	-	-	-	-	-	
Economic and environmental services			84 145	110 101	114 603	21 416	84 782	114 603	(29 821)	-26%	114 603	
Planning and development			163	500	500	-	500	500	(337)	-100%	500	
Road transport			62 583	109 601	114 103	21 416	84 782	114 103	(29 321)	-26%	114 103	
Environmental protection			-	-	-	-	-	-	-	-	-	
Trading services			99 951	52 178	52 873	(1 744)	43 435	52 873	(9 438)	-18%	52 873	
Energy services			97 933	49 278	49 973	(1 964)	43 105	49 973	(6 868)	-14%	49 973	
Water management			-	-	-	-	-	-	-	-	-	
Waste water management			-	-	-	-	-	-	-	-	-	
Waste management			1 119	2 900	2 900	120	330	2 900	(2 570)	-89%	2 900	
Other			-	-	-	-	-	-	-	-	-	
Total Capital Expenditure - Functional Classification			3	199 296	171 309	177 306	21 200	130 555	177 306	(46 751)	-26%	177 306

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 30th June 2023 amounted to **R 21,199,778**. 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 **76%** on this category.

3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M12 June

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		8 715	15 393	26 452	15 487	26 452
Call investment deposits		228 017	217 545	217 545	239 303	217 545
Consumer debtors		88 494	70 502	89 638	104 546	89 638
Other debtors		92 953	4 937	17 683	85 326	17 683
Current portion of long-term receivables		—	—	—	—	—
Inventory		1 874	1 093	1 094	1 626	1 094
Total current assets		420 054	309 470	354 413	446 287	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	1 356 483	1 237 690	1 237 396	1 237 680
Biological		—	—	—	—	—
Intangible		94	4 626	4 626	840	4 626
Other non-current assets		870	620	620	1 543	620
Total non current assets		1 140 318	1 361 729	1 242 926	1 244 739	1 242 926
TOTAL ASSETS		1 560 371	1 671 199	1 597 338	1 691 025	1 597 338
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Borrowing		—	—	—	—	—
Consumer deposits		1 578	822	822	1 636	822
Trade and other payables		132 950	62 798	112 940	122 522	112 940
Provisions		14 310	35 752	35 752	14 742	35 752
Total current liabilities		148 838	99 372	149 515	138 899	149 515
Non current liabilities						
Borrowing		—	—	—	—	—
Provisions		43 429	14 442	14 442	43 553	14 442
Total non current liabilities		43 429	14 442	14 442	43 553	14 442
TOTAL LIABILITIES		192 267	113 814	163 956	182 452	163 956
NET ASSETS	2	1 368 104	1 557 385	1 433 382	1 508 573	1 433 382
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		973 378	1 178 048	1 361 803	1 113 190	1 361 803
Reserves		395 384	379 337	71 579	395 384	71 579
TOTAL COMMUNITY WEALTH/EQUITY	2	1 368 762	1 557 385	1 433 382	1 508 573	1 433 382

3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M12 June

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		36 620	43 271	43 271	488	43 708	43 271	437	1%	43 271
Service charges		62 021	69 553	64 253	8 085	70 126	64 253	5 872	9%	64 253
Other revenue		15 705	7 598	31 464	3 608	21 974	31 464	(9 480)	-30%	31 464
Transfers and Subsidies - Operational		266 202	293 418	295 226	12	293 564	295 226	(1 663)	-1%	295 226
Transfers and Subsidies - Capital		174 749	102 356	108 353	-	119 841	108 353	11 488	11%	108 353
Interest		4 385	14 650	15 060	1 748	18 993	15 060	3 933	26%	15 060
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(218 680)	(420 662)	(428 386)	(19 941)	(215 360)	(428 386)	(212 996)	50%	(428 386)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		341 002	118 185	129 241	(5 991)	352 815	129 241	(223 573)	-173%	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)	(22 350)	(143 199)	(177 306)	(34 107)	19%	(177 306)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(188 241)	(171 309)	(177 306)	(22 350)	(143 199)	(177 306)	(34 107)	19%	(177 306)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing (long term) refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		82	-	-	(2)	58	(822)	880	-107%	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		82	-	-	(2)	58	(822)	(880)	107%	-
NET INCREASE/(DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning		224 422	294 088	294 088		236 732	294 088			236 732
Cash/cash equivalents at month/year end:		377 264	232 963	246 023		446 406	245 201			188 667

PART 2 –SUPPORTING DOCUMENTATION

SECTION 4

Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 30th June 2023.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2022/23									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.e. 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			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1203	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	5 599	1 295	800	508	557	426	2 302	532	12 020	4 325	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	102	669	630	506	561	554	83 299	519	86 918	85 517	(3)	-
Receivables from Exchange Transactions - Waste Water Management	1503	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 507	465	458	429	395	380	24 421	381	28 465	26 015	(9)	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	7	-	7	7	-	-
Interest on Arrear Debtor Accounts	1810	2 820	1 428	1 415	1 389	1 360	1 349	47 033	1 318	58 142	52 479	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1823	-	-	-	-	-	-	-	3	-	-	-	-
Other	1900	313	220	375	151	575	255	8 097	-	9 991	9 082	-	-
Total By Income Source	2000	10 342	4 096	3 679	3 093	3 469	2 964	165 159	2 752	195 544	177 427	(10)	-
2022/23 - totals only		-	-	-	-	-	-	-	-	-	-	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	4 507	1 937	1 719	1 516	1 596	1 441	65 380	1 487	99 582	91 420	-	-
Commercial	2300	4 355	1 042	774	485	788	450	12 268	193	20 346	14 164	(4)	-
Households	2400	1 480	1 117	1 186	1 101	1 066	1 074	67 513	1 072	75 625	71 943	(5)	-
Other	2503	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	10 342	4 096	3 679	3 093	3 469	2 964	165 159	2 752	195 544	177 427	(10)	-

The total debt book for June 2023 is R 195,543,560 inclusive of R 3,815,468 advanced payments.

The total debt book for June 2023 of R191 728 092.59 (including current of R 6 210 663.58 which is not yet due) has decreased by R 25756613.82 from the previous month closing balance of R211 274 042.83 . Debt is made up of the following:

Residential debt:

R 84 564 967.66

Commercial debt

R 9 296 755.16

Government debt

R 94 558 147.63

Other

R 3 308 222.14

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 58,757,706.09

(including current)

Cedarville

R 5 032 982.63

(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 75 438 485.35

Business H/O

R 4 892 969.56

Churches H/O

R 142 022.45

Farms H/O

R 3 135 571.12

June 2023 collection for all handed over accounts is R 650 100.75.

SECTION 5 -CREDITORS' ANALYSIS

Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

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 30th June 2023.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Jun 23					
Investment Management					
Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	26 148 736.19	168 582.35	-25 965 294.72	-168 582.35	352 023.82
INEP	15 487 708.59	105 382.74	-14 677 623.64	-105 382.74	915 467.69
EPWP	-	-	-	-	-
Municipal Electrification Intervention	296 588.30	1 850.57	-	-1 850.57	298 438.87
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	59 406.75	370.66	-	-370.66	59 777.41
Establishment Plan	207 058.98	1 131.73	-	-1 131.73	208 190.71
Housing Development Fund	2 110 611.65	11 536.08	-	-11 536.08	2 122 147.73
Dedea	642 284.50	3 510.57	-	-3 510.57	645 795.07
Total Conditional Investments	44 952 395	292 365	- 40 642 918	- 292 365	4 601 841
Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	131 384 582.18	-	-	-745 112.56	131 384 582.18
Call Acc STD CRR	12 035 273.41	68 254.84	-	-68 254.84	12 103 528.25
Call ACC FNB Surplus Cash	6 805 395.80	-	-	-36 105.89	6 805 395.80
Nedbank 32 Days	7 061 365.10	48 542.16	-	-48 542.16	7 109 907.26
Nedbank	16 121 523.04	76 345 661.57	-36 500 000.00	-263 881.55	55 967 184.61
Nedbank relief fund	838 032.96	5 229.14	-	-5 229.14	843 262.10
Nedbank COV -19 Solidarity	101 511.91	668.75	-	-668.75	102 180.66
Nedbank Retention	13 945 896.43	87 018.66	-	-87 018.66	14 032 915.09
Termination Guarantee	144 640.82	-	-	-921.30	144 640.82
Account Gaurantee	6 202 000.00	-	-	-38 698.66	6 202 000.00
Standard Bank -011	50 830 958.90	150 034.25	-50 980 993.15	-150 034.25	-
Total Unconditional	245 471 181	76 555 375	- 36 500 000	- 1 444 468	234 695 597
Total Investment	290 423 576	76 847 740	- 77 142 918	- 1 736 832	239 297 438

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 30th June 2023 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

As at 30th June 2023 the conditional investments amounted to **R 4,601,841** and unconditional investments amounted to **R 234,695,597**.

Total investments as at 30th June 2023 amounted to **R 239,297,438**.

The following reflects bank balances at 30th June 2023

Description	June 2023
Nedbank Primary Account:	9 638 057.26
Standard bank Account:	11 016 917.86
FNB Money Market Account:	2 345 540.66
Total Cash held as at 30th June 2023	23 000 515.7

The cash bank balance as at 30th June 2023 amounted to **R 23 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 - M12 June

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	6 460	0	0.0%	6 460
Expanded Public Works Programme Integrated Grant		4 887	4 810	4 810	-	4 810	4 810	0	0.0%	4 810
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		1 650	1 650	1 650	-	1 650	1 650	-	-	1 650
Municipal Infrastructure Grant		76 971	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	650	2 458	-	2 458	2 458	-	-	2 458
Library Grant		-	650	2 458	-	2 458	2 458	-	-	2 458
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	83 508	7 110	8 918	-	8 918	8 918	0	0.0%	8 918
Capital Transfers and Grants										
National Government:		97 778	102 356	108 353	-	108 353	108 353	0	0.0%	108 353
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	56 065	62 065	-	62 065	62 065	-	-	62 065
Integrated National Electrification Programme Grant		97 778	46 288	46 288	-	46 288	46 288	0	0.0%	46 288
Provincial Government:		650	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	0.0%	-
Other grant providers:		-	-	-	-	-	-	-	0.0%	-
Total Capital Transfers and Grants	5	98 428	102 356	108 353	-	108 353	108 353	0	0.0%	108 353
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	181 936	109 466	117 271	-	117 271	117 271	0	0.0%	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 - M12 June

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:		6 537	6 460	6 460	150	6 460	6 460	0	0.0%	6 460
Expanded Public Works Programme Integrated Grant		4 887	4 810	4 810	—	4 810	4 810	0	0.0%	4 810
Integrated National Electrification Programme Grant		—	—	—	—	—	—	—	—	—
Municipal Disaster Relief Grant		—	—	—	—	—	—	—	—	—
Local Government Financial Management Grant		1 650	1 650	1 650	150	1 650	1 650	—	—	1 650
Municipal Infrastructure Grant		—	—	—	—	—	—	—	—	—
Neighbourhood Development Partnership Grant		—	—	—	—	—	—	—	—	—
Provincial Government:		2 113	850	2 458	79	758	2 458	(1 700)	-69.2%	2 458
Specify (Add grant description)		—	850	2 458	40	704	2 458	(1 754)	-71.3%	2 458
District Municipality:		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
Total operating expenditure of Transfers and Grants:		8 650	7 110	8 918	229	7 218	8 918	(1 700)	-19.1%	8 918
Capital expenditure of Transfers and Grants										
National Government:		165 407	109 466	108 378	15 199	94 673	108 378	(13 705)	-12.6%	108 378
Neighbourhood Development Partnership Grant		—	—	—	—	—	—	—	—	—
Municipal Infrastructure Grant		67 629	63 178	62 090	11 121	54 422	62 090	(7 667)	-12.3%	62 090
Integrated National Electrification Programme Grant		97 778	46 288	46 288	4 078	40 250	46 288	(6 038)	-13.0%	46 288
Provincial Government:		—	—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—	—
Other grant providers:		—	—	—	—	—	—	—	—	—
Total capital expenditure of Transfers and Grants		165 407	109 466	108 378	15 199	94 673	108 378	(13 705)	-12.6%	108 378
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		174 057	116 576	117 296	15 429	101 891	117 296	(15 405)	-13.1%	117 296

Expenditure performance on conditional grants amounted to **R 15.2 million** for the month ended 30th June 2023. Operational expenditure grants amounted to **R 229 thousand** and Capital expenditure grants amounted to **R 15.4 million**.

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 30th June 2023

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration R thousands	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
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		13 296	14 129	14 129	678	12 939	14 129	(1 190)	-8%	14 129
Pension and UIF Contributions		712	693	693	54	667	693	194	28%	693
Medical Aid Contributions		536	92	92	68	524	92	432	467%	92
Motor Vehicle Allowance		58	-	-	-	-	-	-	-	-
Cellphone Allowance		2 952	2 573	2 573	201	2 412	2 573	(161)	-6%	2 573
Housing Allowances		4 488	4 972	4 972	312	4 996	4 972	24	0%	4 972
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		21 444	22 459	22 459	1 313	21 758	22 459	(701)	-3%	22 459
% increase	4		4.7%	4.7%						4.7%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	3 335	3 947	3 947	(64)	2 901	3 947	(1 046)	-42%	3 947
Pension and UIF Contributions		37	147	147	0	4	147	(144)	-97%	147
Medical Aid Contributions		73	80	80	-	-	80	(80)	-100%	80
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		360	149	149	-	-	149	(149)	-100%	149
Motor Vehicle Allowance		1 605	2 016	2 016	101	1 194	2 016	(822)	-41%	2 016
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		696	725	725	61	492	725	(234)	-32%	725
Other benefits and allowances		337	501	501	12	161	501	(340)	-68%	501
Payments in lieu of leave		-	-	-	-	224	-	224	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6 443	7 567	7 567	110	4 375	7 567	(3 191)	-42%	7 567
% increase	4		17.4%	17.4%						17.4%
Other Municipal Staff										
Basic Salaries and Wages		83 947	93 243	107 104	7 748	97 250	107 104	(9 854)	-9%	107 104
Pension and UIF Contributions		13 155	15 771	15 913	1 199	14 485	15 913	(1 419)	-9%	15 913
Medical Aid Contributions		4 643	4 995	4 995	474	5 270	4 995	275	5%	4 995
Overtime		1 790	2 480	2 730	157	2 289	2 730	(441)	-16%	2 730
Performance Bonus		5 649	7 649	7 649	2 626	7 942	7 649	293	4%	7 649
Motor Vehicle Allowance		4 272	4 414	4 714	553	5 450	4 714	736	16%	4 714
Cellphone Allowance		6	6	6	1	6	6	(0)	-7%	6
Housing Allowances		383	2 993	2 993	270	2 422	2 993	(561)	-19%	2 993
Other benefits and allowances		4 787	2 154	2 154	254	3 163	2 154	1 009	47%	2 154
Payments in lieu of leave		1 643	-	-	10	1 439	-	1 439	#DIV/0!	-
Long service awards		523	-	-	55	391	-	391	#DIV/0!	-
Post-retirement benefit obligations	2	1 065	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		122 064	133 693	148 249	13 346	146 115	148 249	(8 134)	-5%	148 249
% increase	4		9.5%	21.5%						21.5%
Total Parent Municipality		149 951	163 721	178 275	14 769	166 249	178 275	(12 027)	-7%	178 275

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 30th June 2023 amounted **R 14.8** million of which the expenditure **R 1,3** million relates to Remuneration of Councillors and **R 13,5** Million, to Managers and staff, that represents **9%** expenditure of the budgeted amount for this

category. This is within the expected performance for the month. Expenditure to date represents **93%** 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 30th June 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 July 2023