



MATATIELE  
LOCAL MUNICIPALITY

# MONTHLY SECTION 71 REPORT

## MONTH ENDED 30 APRIL 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 30<sup>th</sup> April 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 30<sup>th</sup> April 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 30<sup>th</sup> April 2023 amounted to **R 14,307,791** which represents **2%** of the Adjusted Budget. The amount received to date is **86%** of the adjusted budget (including grants). The majority of the revenue recognised this month of **R 9,883,607** is relating to Electricity Service Charges, Interest, transfers and subsidies.

#### **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 30<sup>th</sup> April 2023 amounted to **R 24,659,147** which represents **4%** of the Adjusted Budget. Expenditure to date represents **54%** 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 180,650,984** and on the second adjustments it was reduced by **R 3,345,000** to an adjusted capital budget of **R 177,305,984**. Capital expenditure incurred for the month ended 30<sup>th</sup> April 2023 amounted to **R 9,934,363**, this represents **6%** of the approved capital expenditure budget. The expenditure to date represents **51%** 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. This has increased by **R 5,996,672** made out by **R9,341,672** approved MIG roll over amount and a decrease of **R 3,345,000** on MIG allocation due to slow expenditure, effected on the 2<sup>nd</sup> adjustments resulting to a total adjusted MIG budget of **R 59,261,276**. The spending for the month ending 30<sup>th</sup> April 2023 is **R 5,016,849** which represent **8%** of expenditure for the month. Total YTD expenditure on the grant represents **62%** of the adjusted budget on this category.
- Integrated National Electrification Programme (INEP) of **R 46,287,972** million was allocated. The grant reflects **R 1,692,489** spending for the month ended 30<sup>th</sup> of April 2023 which represent **4%**. Total YTD expenditure on the grant represents **69%** 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 3,225,024** spending at the 30<sup>th</sup> of April 2023 which represent **4%**. Total YTD expenditure represents **32%** 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 **51%** as at 30<sup>th</sup> April 2023.

## Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	April 2023 status
Rehabilitation of Matatiele internal Streets Cluster 1	Project is at 43.1 % completed.
Purutle Moyeni Access Road and Bridge	Project is 95 % completed.(Defect lliability period).
Extension of Matatiele Sports Centre Ph2	Project is at tender stage.
Mahangu Access Road & Bridge	Project is 95 % completed.(Defect lliability period).
Harry Gwala Internal Streets	Project is at 24 % completed.
Rehabilitation of Cedarville internal streets	Project is at 93 % completed.

### Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	April 2023 status
<b>Mavundleni Electrification</b>	construction is in progress at 53% and 60% Material has been delivered on site
<b>Mapoti Electrification</b>	construction is complete and energised, meter commissioning is in progress.
<b>Polar Park Electrification</b>	construction is in progress at 89% and the contractor is awaiting delivery of meters.
<b>Rockville Electrification</b>	construction is in progress at 89% and the contractor is awaiting delivery of meters.
<b>Hillside-Manzi Ph2 link line</b>	Construction progress is at 95 and awaiting outage date from Eskom.
<b>Sikhulumu Electrification</b>	construction is complete and energised awaiting closeout report.
<b>Sikhulumu Link Line</b>	construction is complete and energised awaiting closeout report .
<b>Molweni 1 Electrification</b>	construction is complete and energised awaiting closeout report .
<b>Molweni 2 Electrification</b>	construction is in progress at 51%, contractor has returned to site.
<b>Masupa Electrification</b>	construction is complete and energised awaiting closeout report .
<b>Moiketsi Electrification</b>	The contractor is currently busy with trenching, Pole planting and stringing, Progress is at 37%
<b>Hillside Manzi Electrification</b>	Construction progress is at 91%, pending pole to pole inspection by Eskom and Household connections are complete.



### Internal Funded Capital Projects

Internal funded Capital Project	April 2023 status
Dengwane Khoapa Botsola-Taung AR	Project is at 68% completed.
Sitiweni AR	Project is at 95 % completed.(Defect liability period).
Dlodlweni Access Road	Project is at 53 % completed.
Ramatli Access Road	Project is at 64 % completed.
Lekhalong Access Road	Project is at 20 % completed.
Queens Mercy Access Road	Project is at 50% completed.
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 - M10 April

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									
<b>Financial Performance</b>									
Property rates	48 726	54 289	54 088	1 134	48 716	45 074	3 642	8%	54 088
Service charges	68 146	86 342	85 942	3 666	52 634	72 451	(19 817)	-27%	86 942
Investment revenue	9 539	14 250	15 060	1 198	14 055	12 454	1 601	13%	15 060
Transfers and subsidies	267 351	293 418	295 226	(1 579)	291 718	245 600	46 118	19%	295 226
Other own revenue	24 246	28 129	28 435	1 685	20 506	23 624	(3 118)	-13%	28 435
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>418 070</b>	<b>477 227</b>	<b>479 751</b>	<b>6 364</b>	<b>427 629</b>	<b>386 204</b>	<b>28 425</b>	<b>7%</b>	<b>479 751</b>
Employee costs	128 303	141 262	135 816	11 747	119 268	126 451	(7 183)	-6%	135 816
Remuneration of Councilors	21 444	22 459	22 459	1 855	18 561	18 716	(155)	-1%	22 459
Depreciation & asset impairment	53 955	53 336	73 136	-	30 219	56 527	(26 308)	-46%	73 136
Finance charges	35	-	-	-	133	-	133	#DIV/0!	-
Inventory consumed and bulk purchases	64 236	69 130	69 525	5 743	48 913	57 845	(8 932)	-15%	69 525
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	245 424	193 836	291 611	7 315	113 734	220 195	(104 461)	-47%	291 611
<b>Total Expenditure</b>	<b>513 398</b>	<b>480 923</b>	<b>612 548</b>	<b>24 659</b>	<b>332 250</b>	<b>478 534</b>	<b>(146 675)</b>	<b>-31%</b>	<b>612 548</b>
<b>Surplus/(Deficit)</b>	<b>(85 327)</b>	<b>(2 796)</b>	<b>(132 796)</b>	<b>(18 295)</b>	<b>94 770</b>	<b>(80 330)</b>	<b>175 100</b>	<b>-218%</b>	<b>(132 796)</b>
Transfers and subsidies - capital (monetary allocations) (National, Provincial and District)	165 532	102 356	108 353	7 943	80 737	89 781	(9 044)	-10%	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)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>70 206</b>	<b>99 563</b>	<b>(24 444)</b>	<b>(10 351)</b>	<b>175 527</b>	<b>9 458</b>	<b>166 079</b>	<b>1756%</b>	<b>(24 444)</b>
Share of surplus/(deficit) of associates	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>70 206</b>	<b>99 563</b>	<b>(24 444)</b>	<b>(10 351)</b>	<b>175 527</b>	<b>9 458</b>	<b>166 079</b>	<b>1756%</b>	<b>(24 444)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>189 896</b>	<b>171 309</b>	<b>177 306</b>	<b>9 834</b>	<b>87 211</b>	<b>147 248</b>	<b>(60 036)</b>	<b>-41%</b>	<b>177 306</b>
Capital transfers recognised	141 645	39 253	105 549	6 709	68 421	87 450	(19 029)	-22%	105 549
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	47 688	71 757	71 757	3 225	22 747	59 797	(37 050)	-62%	71 757
<b>Total sources of capital funds</b>	<b>189 533</b>	<b>171 309</b>	<b>177 306</b>	<b>9 834</b>	<b>91 148</b>	<b>147 248</b>	<b>(56 100)</b>	<b>-38%</b>	<b>177 306</b>
<b>Financial position</b>									
Total current assets	420 000	309 470	354 413	-	543 282	-	-	-	354 413
Total non-current assets	1 140 318	1 381 729	1 242 926	-	1 201 565	-	-	-	1 242 926
Total current liabilities	149 127	59 372	149 515	-	156 959	-	-	-	149 515
Total non-current liabilities	43 429	14 442	14 442	-	43 429	-	-	-	14 442
Community wealth/Equity	1 365 373	1 557 385	1 433 382	-	1 544 289	-	-	-	1 433 382
<b>Cash flows</b>									
Net cash from (used) operating	341 032	113 185	129 241	(646)	365 948	104 146	(261 802)	-251%	129 241
Net cash from (used) investing	(168 241)	(171 307)	(177 306)	(11 290)	(101 736)	(147 248)	(45 512)	31%	(177 306)
Net cash from (used) financing	82	-	-	-	50	(625)	(372)	136%	-
<b>Cash/cash equivalents at the month/year end</b>	<b>377 284</b>	<b>232 983</b>	<b>248 023</b>	<b>-</b>	<b>500 964</b>	<b>250 164</b>	<b>(250 800)</b>	<b>-100%</b>	<b>188 087</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Days</b>	<b>151-180 Days</b>	<b>181 Days-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	11 904	4 873	6 895	4 209	4 607	5 624	44 672	133 312	216 096
<b>Creditors Age Analysis</b>									
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) - M10 April

Description	Ref	2021/22	Original Budget	Adjusted Budget	Monthly Actual	Budget Year 2022/23				
		Audited Outcome				YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	4									
<b>Revenue - Functional</b>										
Governance and administration		333 981	376 320	376 430	1 790	364 031	313 596	50 435	16%	376 430
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		333 981	376 320	376 430	1 790	364 031	313 596	50 435	16%	376 430
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		11 464	11 569	13 377	738	9 610	10 725	(1 116)	-10%	13 377
Community and social services		6 357	6 368	6 176	117	4 948	6 331	(1 443)	-23%	6 176
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		5 407	5 201	5 201	821	4 661	4 334	327	8%	5 201
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		68 638	56 290	62 593	6 017	43 967	51 582	(7 615)	-13%	62 593
Planning and development		171	202	508	20	144	352	(208)	-59%	508
Road transport		67 867	56 088	62 085	5 997	43 823	51 230	(7 407)	-14%	62 085
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		170 110	135 705	135 705	5 763	90 778	113 087	(22 309)	-20%	135 705
Energy sources		156 820	57 024	57 024	4 793	80 594	47 520	33 444	73%	57 024
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		13 498	78 681	78 681	930	9 814	85 547	(55 753)	-65%	78 681
Other	4	—	—	—	—	—	—	—	—	—
<b>Total Revenue - Functional</b>	2	563 802	579 583	588 194	14 308	509 386	486 291	19 395	4%	588 194
<b>Expenditure - Functional</b>										
Governance and administration		241 512	224 974	230 009	12 781	167 052	126 790	(29 728)	-12%	230 009
Executive and council		29 850	29 845	30 745	2 156	24 653	25 410	(556)	-2%	30 745
Finance and administration		208 282	191 438	195 663	10 337	139 192	161 939	(21 636)	-14%	195 663
Internal audit		4 380	3 592	4 182	288	3 005	3 371	(365)	-11%	4 182
Community and public safety		34 947	53 254	55 661	3 786	36 387	45 822	(9 435)	-21%	55 661
Community and social services		15 683	27 956	31 219	1 631	19 633	25 254	(5 661)	-22%	31 219
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		19 264	25 297	24 442	1 855	16 794	20 568	(3 774)	-18%	24 442
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		69 977	90 830	112 152	2 827	59 395	88 485	(29 090)	-33%	112 152
Planning and development		19 907	24 989	25 871	774	14 791	21 353	(6 562)	-31%	25 871
Road transport		50 369	65 841	66 281	1 853	44 604	67 131	(22 527)	-34%	66 281
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		166 961	110 266	214 126	5 486	70 025	154 447	(84 423)	-55%	214 126
Energy sources		141 882	80 897	194 757	4 004	56 352	127 130	(80 778)	-59%	194 757
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		25 079	24 269	19 369	1 482	13 673	17 318	(3 644)	-21%	19 369
Other		—	—	—	—	—	—	—	—	—
<b>Total Expenditure - Functional</b>	3	513 396	480 323	612 546	24 659	332 859	479 534	(146 675)	-31%	612 546
<b>Surplus/(Deficit) for the year</b>			79 260	(99 580)	(10 351)	175 527	9 456	166 070	1758%	(24 444)

This table assess the revenue and expenditure by department, the expenditure for the period ending 30<sup>th</sup> April 2023 is **R 24.6** million and revenue is **R 14.3** 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) - M10 April										
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
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		333 448	375 870	376 080	1 708	363 619	313 304	50 315	16.1%	376 080
Vote 3 - Corporate		533	350	360	83	411	292	120	41.0%	350
Vote 4 - Development and Planning		283	202	508	20	208	352	(144)	-41.0%	508
Vote 5 - Community		24 963	80 249	92 057	1 718	19 424	78 293	(58 869)	-74.5%	82 057
Vote 6 - Infrastructure		224 375	113 112	119 109	10 790	124 724	98 750	25 974	26.3%	119 109
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>683 602</b>	<b>579 583</b>	<b>588 104</b>	<b>14 308</b>	<b>508 386</b>	<b>488 991</b>	<b>19 395</b>	<b>4.0%</b>	<b>588 104</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive Council		28 850	29 845	30 745	2 158	24 855	25 410	(556)	-2.2%	30 745
Vote 2 - Finance and Admin		144 999	118 223	122 363	5 715	83 982	101 056	(17 074)	-18.9%	122 363
Vote 3 - Corporate		63 283	73 215	73 320	4 621	55 210	60 842	(5 733)	-9.4%	73 320
Vote 4 - Development and Planning		20 957	24 989	25 871	774	14 947	21 353	(6 406)	-30.0%	25 871
Vote 5 - Community		60 026	77 323	75 030	5 248	50 060	63 140	(13 079)	-20.7%	75 030
Vote 6 - Infrastructure		190 901	152 737	281 037	5 856	100 800	204 261	(103 461)	-50.7%	281 037
Vote 7 - Internal Audit		4 380	3 692	4 182	288	3 005	3 371	(366)	-10.8%	4 182
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>513 396</b>	<b>480 023</b>	<b>612 548</b>	<b>24 659</b>	<b>332 859</b>	<b>479 534</b>	<b>(146 675)</b>	<b>-30.6%</b>	<b>612 548</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>70 206</b>	<b>99 560</b>	<b>(24 444)</b>	<b>(10 351)</b>	<b>175 527</b>	<b>9 456</b>	<b>168 070</b>	<b>1766.2%</b>	<b>(24 444)</b>

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) - M10 April

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			48 726	54 088	54 088	1 184	48 716	45 974	3 642	8%	54 088
Service charges - electricity revenue			56 530	71 416	71 416	2 682	42 864	59 513	(16 630)	-28%	71 416
Service charges - water revenue			-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue			-	-	-	-	-	-	-	-	-
Service charges - refuse revenue			11 615	15 526	15 526	974	9 751	12 938	(3 187)	-25%	15 526
Rental of facilities and equipment			1 260	2 328	2 328	145	1 395	1 690	(295)	-17%	2 328
Interest earned - external investments			9 599	14 650	15 360	1 198	14 055	12 454	1 601	13%	15 360
Interest earned - outstanding debtors			16 188	18 731	18 731	794	13 444	15 609	(2 165)	-14%	18 731
Dividends received			-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits			2 058	1 769	1 769	227	2 188	1 474	714	48%	1 769
Licences and permits			3 407	4 131	4 131	396	2 543	3 442	(899)	-26%	4 131
Agency services			-	-	-	-	-	-	-	-	-
Transfers and subsidies			267 351	283 418	285 226	(1 379)	291 718	245 600	46 118	19%	295 226
Other revenue			1 360	1 471	1 777	134	936	1 409	(474)	-34%	1 777
Gains			(15)	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)			418 870	477 227	479 751	6 364	427 628	399 204	28 425	7%	479 751
Expenditure By Type											
Employee related costs			128 303	141 262	155 816	11 747	119 268	126 451	(7 183)	-6%	155 816
Remuneration of councillors			21 444	22 459	22 459	1 855	16 591	18 716	(1 255)	-1%	22 459
Debt impairment			17 651	6 900	6 900	-	-	5 000	(5 000)	-100%	6 900
Depreciation & asset impairment			53 955	53 336	73 136	-	30 219	56 327	(26 108)	-46%	73 136
Finance charges			35	-	-	-	133	-	133	#DIV/0!	-
Bulk purchases - electricity			58 161	61 383	61 383	3 394	44 637	51 152	(6 516)	-13%	61 383
Inventory consumed			6 075	7 747	8 142	439	4 277	6 693	(2 416)	-36%	8 142
Contracted services			100 354	113 584	110 776	4 428	72 749	92 969	(20 219)	-22%	110 776
Transfers and subsidies			-	-	-	-	-	-	-	-	-
Other expenditure			49 201	74 252	69 835	2 886	-	-	-	-	-
Losses			78 219	-	105 900	-	42 985	59 226	(16 242)	-27%	69 835
Total Expenditure			513 396	480 023	612 548	24 659	332 859	479 534	(146 675)	-31%	612 548
Surplus/(Deficit)			(95 327)	(2 796)	(132 796)	(18 295)	94 770	(80 330)	175 100	(0)	(132 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			155 532	102 356	108 353	7 943	80 757	89 767	(9 030)	(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)	(10 351)	175 527	9 456	-	-	(24 444)
Taxation			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation			70 206	99 560	(24 444)	(10 351)	175 527	9 456	-	-	(24 444)
Attributable to minorities			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			70 206	99 560	(24 444)	(10 351)	175 527	9 456	-	-	(24 444)
Share of surplus/(deficit) of associate			-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year			70 206	99 560	(24 444)	(10 351)	175 527	9 456	-	-	(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. The total property rates billed amounted to **R 1 636 667.51** income received from property rates for the month of April 2023 amounted to **R 1,184,320**. Total Collection rate as 30<sup>th</sup> April 2023 is **102%**.

### **Services Charges**

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to **R 3,665,693** for the month ended 30<sup>th</sup> April 2023. This represent **4%** 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 **61%** 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 144,704** for the month ended 30<sup>th</sup> April 2023 has been recognised on this category representing **7%** which is within the expected performance for the month. YTD revenue represent **71%** 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 30<sup>th</sup> April 2023 amounted to **R 1,198,247** which represents **8%**. This is within the expected performance for the month. YTD revenue represent **93%** 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 30<sup>th</sup> April 2023 amounted to **R 794,074** which represents **4%**. This is less than the expected performance for the month due to less revenue received on property rates. The majority of the debtors are the government departments. YTD revenue represent **72%** 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 226,829** has been recognised on this category for the month ended 30<sup>th</sup> April 2023 representing **13%** 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 **124%** 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 396,148** has been recognised on this category for the month ended 30<sup>th</sup> April 2023 representing **10%**. this is above the expected performance, due to increase in Learner licence application revenue. YTD revenue represent **62%** 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 62,758** was recognised for the month ended 30<sup>th</sup> April 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 by **R 5,996,672** resulting to adjusted budget of **R 108,352,664**. Total revenue of **R 7,943,494** was received for the month ended 30<sup>th</sup> April 2023 this represents **7%** of total budget. This is within the expected performance for the Month. YTD grants revenue represents **75%** 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 133,525** for the month ended 30<sup>th</sup> April 2023, this represents **8%** which is within the expected performance for the month. YTD revenue represents **52%** 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 30<sup>th</sup> April 2023 amounted **R 13,601,130** of which the expenditure **R 1,854,521** relates to Remuneration of Councillors and **R 11,746,609** 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 **77%** 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 30<sup>th</sup> April 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 30<sup>th</sup> April 2023 is **R 3,303,725**, 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 **73%** 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 439,313** for the month ended 30<sup>th</sup> April 2023, that represents **5%** 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 **53%** 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 30<sup>th</sup> April 2023 amounted to **R 4,429,424** that represents **4%** of the budgeted amount on this category. This is less expected performance for the month due to other contracts that are not paid on a monthly basis. YTD expenditure represents **66%** 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 2,885,555** for the month ended 30<sup>th</sup> April 2023, that represents **4%** 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 **62%** 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) - M10 April

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									
<b>Multi-Year expenditure appropriation</b>		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	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>		2									
Vote 1 - Executive Council			74	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin			362	3 263	4 663	-	1 316	3 197	(1 881)	-58%	4 063
Vote 3 - Corporate			4 699	2 313	2 313	11	1 264	1 905	(641)	-34%	2 313
Vote 4 - Development and Planning			163	500	500	-	417	417	(83)	-16%	500
Vote 5 - Community			2 484	6 363	6 363	1 739	3 325	5 300	(2 974)	-46%	5 363
Vote 6 - Infrastructure			161 915	152 379	154 076	9 184	86 287	136 429	(50 142)	-37%	154 076
Vote 7 - Internal Audit			-	-	-	-	4 035	-	4 035	ADN/D	-
Vote 8 -			-	-	-	-	-	-	-	-	-
Vote 9 -			-	-	-	-	-	-	-	-	-
Vote 10 -			-	-	-	-	-	-	-	-	-
Vote 11 -			-	-	-	-	-	-	-	-	-
Vote 12 -			-	-	-	-	-	-	-	-	-
Vote 13 -			-	-	-	-	-	-	-	-	-
Vote 14 -			-	-	-	-	-	-	-	-	-
Vote 15 -			-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure		4	199 896	171 308	177 306	9 934	87 211	147 248	(60 336)	-41%	177 306
Total Capital Expenditure			199 896	171 308	177 306	9 934	87 211	147 248	(60 336)	-41%	177 306
<b>Capital Expenditure - Functional Classification</b>											
Governance and administration			5 334	5 573	6 370	11	11 565	5 122	(6 454)	-128%	6 370
Executive and council			74	-	-	-	-	-	-	-	-
Finance and administration			5 260	5 573	6 370	11	2 680	5 122	(2 441)	-45%	6 370
Internal audit			-	-	-	-	4 035	-	(4 035)	ADN/D	-
Community and public safety			1 366	3 460	3 460	1 713	2 118	2 583	(765)	-27%	3 460
Community and social services			169	1 513	1 513	-	408	1 238	(1 069)	-70%	1 513
Sport and recreation			-	-	-	-	-	-	-	-	-
Public safety			1 199	1 350	1 950	1 713	1 710	1 345	(365)	-26%	1 950
Housing			-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-
Economic and environmental services			84 145	110 101	114 663	6 492	51 337	95 344	(44 007)	-45%	114 663
Planning and development			163	500	500	-	417	417	(83)	-16%	500
Road transport			80 593	129 601	114 123	6 432	51 337	94 927	(43 594)	-46%	114 123
Environmental protection			-	-	-	-	-	-	-	-	-
Trading services			99 251	52 178	52 673	1 718	35 261	43 899	(8 638)	-20%	52 673
Energy services			97 533	49 278	49 973	1 682	35 160	41 462	(6 292)	-15%	49 973
Water management			-	-	-	-	-	-	-	-	-
Waste water management			-	-	-	-	-	-	-	-	-
Waste management			1 718	2 900	2 900	25	211	2 417	(2 196)	-91%	2 900
Other			-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification		3	199 896	171 308	177 306	9 934	87 211	147 248	(60 336)	-41%	177 306

The approved annual capital budget for the financial year amounts to **R 171,309,312** this was increased to an adjusted capital budget of **R 180,650,984** and on the second adjustments it was reduced by **R 3,345,000** to an adjusted capital budget of **R 177,305,984**. Capital expenditure incurred for the month ended 30<sup>th</sup> April 2023 amounted to **R 9,934,363**. This represents **6%** of the approved capital expenditure budget. This is less than the expected performance for the month due to projects that are on tender stage. YTD expenditure represents **51%** on this category.

### 3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M10 April

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		8 715	15 393	28 452	3 396	28 452
Call investment deposits		228 017	217 545	217 545	329 750	217 545
Consumer debtors		88 494	70 502	89 638	105 054	89 638
Other debtors		52 899	4 937	17 693	103 050	17 683
Current portion of long-term receivables		—	—	—	—	—
Inventory		1 874	1 093	1 094	2 031	1 094
<b>Total current assets</b>		<b>420 000</b>	<b>309 470</b>	<b>354 413</b>	<b>543 282</b>	<b>354 413</b>
<b>Non current assets</b>						
Long-term receivables		—	—	—	—	—
Investments		—	—	—	—	—
Investment property		4 960	—	—	4 960	—
Investments in Associate		—	—	—	—	—
Property, plant and equipment		1 134 394	1 356 483	1 237 680	1 194 230	1 237 680
Biological		—	—	—	—	—
Intangible		94	4 626	4 626	640	4 626
Other non-current assets		870	620	620	1 365	620
<b>Total non current assets</b>		<b>1 140 318</b>	<b>1 361 729</b>	<b>1 242 926</b>	<b>1 201 395</b>	<b>1 242 926</b>
<b>TOTAL ASSETS</b>		<b>1 560 318</b>	<b>1 671 199</b>	<b>1 597 338</b>	<b>1 744 677</b>	<b>1 597 338</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		—	—	—	—	—
Borrowing		—	—	—	—	—
Consumer deposits		1 578	822	822	1 629	822
Trade and other payables		132 258	62 798	112 940	141 020	112 940
Provisions		14 310	35 752	35 752	14 310	35 752
<b>Total current liabilities</b>		<b>148 127</b>	<b>99 372</b>	<b>149 515</b>	<b>156 959</b>	<b>149 515</b>
<b>Non current liabilities</b>						
Borrowing		—	—	—	—	—
Provisions		43 429	14 442	14 442	43 429	14 442
<b>Total non current liabilities</b>		<b>43 429</b>	<b>14 442</b>	<b>14 442</b>	<b>43 429</b>	<b>14 442</b>
<b>TOTAL LIABILITIES</b>		<b>191 556</b>	<b>113 814</b>	<b>163 956</b>	<b>200 388</b>	<b>163 956</b>
<b>NET ASSETS</b>	2	<b>1 368 762</b>	<b>1 557 385</b>	<b>1 433 382</b>	<b>1 544 289</b>	<b>1 433 382</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		969 989	1 178 048	1 361 803	1 148 905	1 361 803
Reserves		395 394	379 337	71 579	395 384	71 579
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1 365 373</b>	<b>1 557 385</b>	<b>1 433 382</b>	<b>1 544 289</b>	<b>1 433 382</b>

### 3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M10 April

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	4 158	41 926	36 059	5 867	13%	43 271
Service charges		62 021	69 553	64 253	2 499	55 054	54 781	273	0%	64 253
Other revenue		15 705	7 595	31 464	2 365	17 078	20 651	(3 573)	-17%	31 464
Transfers and Subsidies - Operational		266 202	293 418	295 226	12	293 540	245 600	47 940	20%	295 226
Transfers and Subsidies - Capital		174 749	102 358	108 153	—	119 841	89 787	30 054	33%	108 353
Interest		4 385	14 652	15 000	1 198	14 438	12 454	2 044	14%	15 000
Dividends		—	—	—	—	—	—	—	—	—
Payments										
Suppliers and employees		(218 680)	(420 662)	(428 356)	(10 879)	(175 991)	(355 166)	(178 196)	50%	(428 386)
Finance charges		—	—	—	—	—	—	—	—	—
Transfers and Grants		—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		341 002	110 185	129 241	(646)	365 948	104 146	(261 802)	-251%	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)	(171 389)	(177 306)	(11 290)	(101 736)	(147 248)	(45 512)	31%	(177 306)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(188 241)	(171 389)	(177 306)	(11 290)	(101 736)	(147 248)	(45 512)	31%	(177 306)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		82	—	—	—	50	(822)	872	-100%	—
Payments										
Repayment of borrowing		—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES		82	—	—	—	50	(822)	(872)	106%	—
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/bank equivalents at beginning		152 842	(61 125)	(48 065)	(11 936)	264 262	(43 924)			(48 065)
Cash/bank equivalents at month/year end		224 422	284 088	294 088		236 732	284 088			236 732
		377 264	232 863	246 023		500 994	250 164			188 667

## PART 2 –SUPPORTING DOCUMENTATION SECTION 4

### Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 30<sup>th</sup> April 2023.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 April

Description		Budget Year 2022/23										Actual Bad Debts Written Off against Debtors		Impairment - Bad Debts (Lia Council Policy)
NT Code		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	4,334	1,042	919	1,547	614	1,009	2,724	1,385	13,593	7,209	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	2,498	703	620	804	966	544	29,352	56,704	98,581	84,770	(1)	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	1,554	563	433	411	395	402	1,769	22,570	28,027	25,467	(3)	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-	
Interest on Arrear Debtor Accounts	1810	2,898	1,433	1,418	1,381	1,376	1,354	6,056	40,143	58,075	50,331	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	819	1,142	3,508	255	1,855	2,295	7,762	12,582	29,768	24,630	-	-	
Total By Income Source	2000	11,964	4,873	6,895	4,209	4,697	5,624	44,672	133,312	216,066	192,423	(4)	-	
2022/23 - totals only														
Debtors Age Analysis By Customer Group														
Origin of Sale	2200	4,153	1,851	1,947	2,521	1,675	2,001	31,872	54,896	100,990	92,996	-	-	
Commercial	2300	5,548	1,924	3,906	863	1,905	2,577	8,527	16,676	41,718	30,341	(4)	-	
Households	2400	2,204	1,057	1,043	1,035	1,028	1,016	4,273	81,735	73,388	69,084	-	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	11,904	4,833	6,896	4,209	4,607	5,524	44,672	133,312	216,066	192,423	(4)	-	

The total debt book for April 2023 is R 216,095,623 inclusive of R 3,528,084 advanced payments.

The total debt book for April 2023 of R212 567 538.35 (including current of R 6 787 891.17 which is not yet due) has decreased by R 7 892 797.01 from the previous month closing balance of R213 672 444.19. Debt is made up of the following:

Residential debt:

R 83 879 522.54

Commercial debt

R 29 384 582.02

Government debt

R 95 998 162.33

Other

R 3 305 271.46

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 57 883 756.21

(including current)

Cedarville

R 5 112 260.27

(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 73 185 851.71

Business H/O

R 24 217 193.11

Churches H/O

R 144 499.72

Farms H/O

R 3 091 911.63

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.

April 2023 collection for all handed over accounts is R 377 992.7.

## SECTION 5 -CREDITORS' ANALYSIS

### Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April

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
<b>Creditors Age Analysis By Customer Type</b>										
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	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	-	-	-	-	-	-	-	-	-

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 30<sup>th</sup> April 2023.

## SECTION 6- INVESTMENT POTFOLIO ANALYSIS

### Conditional and Unconditional investment monitoring Information

Apr 23					
<b>Investment Management</b>					
<b>Conditional Investments -Description</b>	<b>Opening Balance</b>	<b>Deposits</b>	<b>Withdrawals</b>	<b>Interest Earned</b>	<b>Closing Balance</b>
Municipal Infrastructure Grant	32 320 226.35	100 176.37	-4 722 254.96	-100 176.37	27 698 147.76
INEP	22 932 642.31	135 038.29	-4 809 919.91	-135 038.29	18 257 760.69
EPWP	-	-	-	-	-
Municipal Electrification Intervention	293 146.97	1 684.53	-	-1 684.53	294 831.50
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	58 717.39	337.46	-	-337.46	59 054.85
Establishment Plan	204 930.35	1 035.88	-	-1 035.88	205 966.23
Housing Development Fund	2 088 913.91	10 559.03	-	-10 559.03	2 099 472.94
Dedea	635 681.67	3 106.13	-	-3 106.13	638 787.80
<b>Total Conditional Investments</b>	<b>58 534 259</b>	<b>251 938</b>	<b>- 9 532 175</b>	<b>- 251 938</b>	<b>49 254 022</b>
<b>Unconditional Investments -Description</b>					
<b>Opening Balance</b>	<b>Deposits</b>	<b>Withdrawals</b>	<b>Interest Earned</b>	<b>Closing Balance</b>	
Call Acc STD CRR	125 484 582.18	5 900 000.00	-	-	131 384 582.18
Call Acc STD CRR	11 906 760.19	-	-	-	11 906 760.19
Call ACC FNB Surplus Cash	6 805 395.80	-	-	-32 749.80	6 805 395.80
Nedbank 32 Days	6 968 340.13	44 482.81	-	-44 482.81	7 012 822.94
Nedbank	56 322 667.34	14 430 063.00	-19 000 000.00	-293 591.37	51 752 730.34
Nedbank relief fund	828 308.93	4 759.93	-	-4 759.93	833 068.86
Nedbank COV -19 Solidarity	100 302.04	608.67	-	-608.67	100 910.71
Nedbank Retention	13 781 316.89	81 969.35	-	-81 969.35	13 863 286.24
Termination Guarantee	144 640.82	-	-	-831.23	144 640.82
Account Guarantee	6 202 000.00	-	-	-35 640.40	6 202 000.00
Standard Bank -010	20 313 808.22	95 506.85	-20 409 315.07	-95 506.85	-
Standard Bank -011	50 138 493.15	346 232.88	-	-346 232.88	50 484 726.03
<b>Total Unconditional Investments</b>	<b>298 996 616</b>	<b>20 557 391</b>	<b>- 19 000 000</b>	<b>- 936 373</b>	<b>280 490 924</b>
<b>TOTAL INVESTMENTS</b>	<b>357 530 875</b>	<b>20 809 328</b>	<b>- 28 532 175</b>	<b>- 1 188 311</b>	<b>329 744 946</b>

The municipality invests surplus funds in order to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investments policy.

This indicates that the municipality as at 30<sup>th</sup> April 2023 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

As at 30<sup>th</sup> April 2023 the conditional investments amounted to **R 49,254,022** and unconditional investments amounted to **R 280,490,924**.

Total investments as at 30<sup>th</sup> April 2023 amounted to **R 329,744,946**.

The following reflects bank balances at 30<sup>th</sup> April 2023

Description	April 2023
Nedbank Primary Account:	2 477 479.12
Standard bank Account:	130 312.91
FNB Money Market Account:	2 212 695.16
<b>Total Cash held as at 30<sup>th</sup> April 2023</b>	<b>4,820,487,19</b>

The cash bank balance as at 30<sup>th</sup> April 2023 amounted to **R 4.8 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 - M10 April

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	5 383	0	0.0%	6 460
Expanded Public Works Programme Integrated Grant		4 887	4 810	4 810	—	4 810	4 038	100.0%	83.3%	4 810
Municipal Disaster Relief Grant		—	—	—	—	—	—	0.0%	0.0%	—
Local Government Financial Management Grant		1 650	1 650	1 650	—	1 650	1 375	0.0%	0.0%	—
Municipal Infrastructure Grant		76 971	—	—	—	—	—	100.0%	83.3%	1 650
Neighbourhood Development Partnership Grant		—	—	—	—	—	—	0.0%	0.0%	—
Provincial Government:		—	650	2 458	—	650	2 049	26%	315.2%	2 458
Specify (Add grant description)		—	—	—	—	—	—	0%	0%	—
Library Grant		—	650	2 458	—	650	2 049	26%	315.2%	2 458
District Municipality:		—	—	—	—	—	—	0%	0%	—
Other grant providers:		—	—	—	—	—	—	0%	0%	—
Total Operating Transfers and Grants	5	83 508	7 110	8 918	—	7 110	7 432	0	0.0%	8 918
Capital Transfers and Grants										
National Government:		97 778	102 356	108 353	—	108 353	90 294	100%	83%	108 353
Neighbourhood Development Partnership Grant		—	—	—	—	—	—	0%	0%	—
Municipal Infrastructure Grant		—	56 068	62 065	—	62 065	51 721	100%	83%	62 065
Integrated National Electrification Programme Grant		97 778	46 288	46 288	—	46 288	39 573	100%	83%	46 288
Provincial Government:		—	—	—	—	—	—	0%	0%	—
District Municipality:		—	—	—	—	—	—	0%	0%	—
Other grant providers:		—	—	—	—	—	—	0%	0%	—
Total Capital Transfers and Grants	5	97 778	102 356	108 353	—	108 353	90 294	100%	83%	108 353
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	181 286	109 466	117 271	—	116 463	97 726	98%	84.6%	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 April 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 - M10 April

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										
<b>EXPENDITURE</b>										
<b><u>Operating expenditure of Transfers and Grants</u></b>										
National Government:		6 537	6 460	6 460	25	4 747	5 383	0	0.0%	6 460
Expanded Public Works Programme Integrated Grant		4 887	4 810	4 810	-	3 619	4 008	75.2%	110.8%	4 810
Integrated National Electrification Programme Grant		-	-	-	-	-	-	0%	0%	-
Municipal Disaster Relief Grant		-	-	-	-	-	-	0%	0%	-
Local Government Financial Management Grant		1 650	1 650	1 650	25	1 129	1 375	68.4%	121.8%	1 650
Municipal Infrastructure Grant		-	-	-	-	-	-	0.0%	0.0%	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	0.0%	0.0%	-
Provincial Government:		2 113	650	2 458	75	676	2 049	27.8%	303.2%	2 458
Specify (Add grant description)		-	-	-	-	-	-	0.0%	0.0%	-
Library Grant		-	650	2 458	38	663	2 049	27.0%	309.1%	2 458
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		8 650	7 110	8 918	100	5 423	7 432	171.1%	187.0%	8 918
<b><u>Capital expenditure of Transfers and Grants</u></b>										
National Government:		165 407	102 356	108 353	6 937	70 592	90 294	65.2%	127.9%	108 353
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	0%	0%	-
Municipal Infrastructure Grant		67 629	56 066	62 066	5 245	38 627	51 721	62.6%	133.2%	62 066
Integrated National Electrification Programme Grant		97 778	46 286	46 288	1 692	31 755	38 573	68.6%	121.4%	46 288
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		165 407	102 356	108 353	6 937	70 592	90 294	65.2%	127.9%	108 353
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		174 057	109 466	117 271	7 037	76 015	97 726	64.8%	128.6%	117 271

Expenditure performance on conditional grants amounted to **R 7 million** for the month ended 30<sup>th</sup> April 2023. Operational expenditure grants amounted to **R 100 thousand** and Capital expenditure grants amounted to **R6.9 million**.



## SECTIONS 8

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

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M10 April

Summary of Employee and Councilor remuneration	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	I	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		13 286	14 128	14 128	1 091	11 170	11 774	(604)	-5%	14 128
Pension and UIF Contributions		712	693	693	74	758	577	181	31%	693
Medical Aid Contributions		536	92	92	66	390	77	313	407%	92
Motor Vehicle Allowance		59	-	-	-	-	-	-	-	-
Cellphone Allowance		2 352	2 573	2 573	201	2 010	2 144	(134)	-6%	2 573
Housing Allowances		4 489	4 972	4 972	421	4 263	4 143	119	3%	4 972
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>21 444</b>	<b>22 459</b>	<b>22 459</b>	<b>1 855</b>	<b>18 591</b>	<b>19 716</b>	<b>(1 225)</b>	<b>-1%</b>	<b>22 459</b>
<b>% increase</b>	4		<b>4.7%</b>	<b>4.7%</b>						<b>4.7%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages	3	3 150	3 947	3 947	294	2 225	3 289	(1 064)	-32%	3 947
Pension and UIF Contributions		37	147	147	0	3	123	(120)	-97%	147
Medical Aid Contributions		73	80	80	-	-	67	(67)	-100%	80
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		360	149	149	-	-	125	(125)	-100%	149
Motor Vehicle Allowance		1 605	2 016	2 016	101	893	1 680	(687)	-41%	2 016
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		696	725	725	21	410	605	(194)	-32%	725
Other benefits and allowances		337	501	501	12	138	418	(280)	-67%	501
Payments in lieu of leave		-	-	-	-	224	-	224	#DIV/0!	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>6 239</b>	<b>7 567</b>	<b>7 567</b>	<b>427</b>	<b>3 993</b>	<b>6 306</b>	<b>(2 312)</b>	<b>-37%</b>	<b>7 567</b>
<b>% increase</b>	4		<b>21.3%</b>	<b>21.3%</b>						<b>21.3%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		83 947	93 243	107 104	8 130	81 426	86 019	(4 592)	-5%	107 104
Pension and UIF Contributions		13 155	15 771	15 913	1 199	12 103	13 226	(1 125)	-9%	15 913
Medical Aid Contributions		4 643	4 995	4 995	465	4 328	4 163	165	4%	4 995
Overtime		1 793	2 480	2 730	253	1 677	2 217	(540)	-15%	2 730
Performance Bonus		5 649	7 649	7 649	225	4 986	6 374	(1 387)	-22%	7 649
Motor Vehicle Allowance		4 272	4 414	4 714	464	4 396	3 859	538	14%	4 714
Cellphone Allowance		6	6	6	1	5	5	(0)	-7%	6
Housing Allowances		383	2 983	2 983	233	1 901	2 486	(585)	-24%	2 983
Other benefits and allowances		4 767	2 154	2 154	249	2 659	1 795	864	48%	2 154
Payments in lieu of leave		1 643	-	-	88	1 269	-	1 269	#DIV/0!	-
Long service awards		523	-	-	14	325	-	325	#DIV/0!	-
Post-retirement benefit obligations	2	1 065	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>122 064</b>	<b>133 695</b>	<b>149 249</b>	<b>11 320</b>	<b>115 275</b>	<b>129 145</b>	<b>(4 871)</b>	<b>-4%</b>	<b>149 249</b>
<b>% increase</b>	4		<b>9.5%</b>	<b>21.5%</b>						<b>21.5%</b>
<b>Total Parent Municipality</b>		<b>149 746</b>	<b>163 721</b>	<b>178 275</b>	<b>13 601</b>	<b>137 859</b>	<b>145 167</b>	<b>(7 308)</b>	<b>-5%</b>	<b>179 275</b>

**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 30<sup>th</sup> April 2023 amounted **R 13.6** million of which the expenditure **R 1,9** million relates to Remuneration of Councillors and

**R 11.7** thousand, 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 **77%** 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 30<sup>th</sup> April 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:** 11/05/2023