



MATATIELE  
LOCAL MUNICIPALITY

2023/2024  
MONTHLY  
SECTION 71  
REPORT

MONTH ENDED  
31 JULY 2023

## TABLE OF CONTENTS

	PAGE
Glossary	3
Legislative Framework	4
<b>PART 1-IN-YEAR REPORT</b>	
Resolutions	5
Executive summary	6-11
In-year budget statement tables	12-22
<b>PART 1-SUPPORTING DOCUMENTATION</b>	
Debtors Analysis	23
Creditors Analysis	24
Investment Portfolio	245
Grants Management	26-27
Employee Related Costs & Remuneration of Councillors	28
Municipal Manager's quality certificate	29

## GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Virement** – A transfer of funds within a vote.

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

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

## LEGISLATIVE FRAMEWORK

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

**The municipal Finance Management Act No. 56 of 2003**

Section 71: Monthly budget Statements

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

## **PART 1-IN-YEAR REPORT**

### **Section 1-Resolutions**

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

Regulation 28 of the Municipal Budget and Reporting Regulations states:

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

#### **Recommendations:**

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

## **Section 2-Executive summary**

### **2.1 Introduction**

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

The below analysis is a high-level assessment based on revenue and expenditure recognised on the Municipal Financial System. 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**

- Actual revenue vs Approved budgeted revenue – The total annual approved budget was **R 610,233,708** resulting to adjusted budget allocation of **R 612,484,708**. The Municipality recognised **R 175,628,030** for the month, this represents **29%**, is within expected performance, for the month due to property rates billing that is done in the first month of the financial year and receipt of the first instalment of Equitable share.

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

- Actual expenditure vs Approved budgeted expenditure – the Municipality incurred expenditure of **R 25,525,099** against the approved budget allocation of **R 514,750,752** million and no adjustment has been made on the operating expenditure during the special adjustments budget, incurring approximately **5%** expenditure for the month budget. The expenditure the majority relates to employee related cost, Council Remuneration, contracted services and other expenditure. This is less that the expected performance for the month due to procurement processes that are still underway for operational projects.

### **Capital Expenditure**

- The total adjusted capital budget is **R 183,967,552** from the approved budget of **R 181,716,552**. The Municipality incurred expenditure of **R 3,675,911**. This represents **2%** of the approved adjusted capital expenditure budget, this is below the expected performance for the month due to procurement processes that are still underway for capital projects.

### **Capital Funded Sources**

- The MIG capital grant allocation for the financial year is **R 55,580,736** million as per Dora Allocation, the spending for the month ending 31 July is **R 3,328,519** which represent **6%** of expenditure to date (vat exclusive).
- Integrated National Electrification Programme (INEP) of **R 39,900,000** million was allocated. The grant reflects **R 0.00** spending at the end of 31 July 2023 which represent **0%**.
- Disaster Response Grant of **R 2,251,000** million was allocated. The grant reflects **R 0.00** spending at the end of 31 July 2023 which represent **0%**.
- Capital Replacement Reserves (CRR) for the financial year is **R 86,235,816** million is allocated. The spending for the month is **R 347,391** which represent **0%**
- The municipality anticipates to spend **100%** of the total capital budget as at the end of the financial year, total spending for the month ended 31 July 2023.

The table below is an analysis per business unit –

**Summary of Capital Expenditure relate to 2023-2024 financial year.**

Row Labels	Sum of TotalBudget	Sum of 202 307	Sum of TotalActual
Community Halls and Facilities:Public Amenities (3005)	909 996	-	-
CORE FUNCTION: SOLID WASTE REMOVAL	4 530 012	-	-
Energy Sources: Electricity (4040)	64 355 868	-	-
Executive and Council: Municipal Manager (1010)	69 996	-	-
Finance and Administration: Information Technology (2540)	1 850 004	-	-
Finance and Administration: Administrative and Corporate Support(2530)	280 008	-	-
Finance and Administration: Asset Management and Reporting (2015)	60 000	-	-
Finance and Administration: Council Support (2541)	450 000	-	-
Finance and Administration: Human Resources (2535)	30 000	-	-
Finance and Administration: SCM & Expenditure (2025)	3 560 004	-	-
Finance and Administration: Revenue and Debt Management (2020)	99 996	-	-
Finance:Budget & Treasury (2010)	60 000	-	-
Governance Function:INTERNAL AUDIT (1030)	1 860 000	-	-
Marketing Customer Relations Publicity and Media Co-ordination:commu	120 000	-	-
Planning and Development: LED (3520)	69 996	-	-
Planning and Development: Planning (3510)	20 004	-	-
Planning and Development: Planning Governance (3540)	39 996	-	-
Public Safety: Civil Defence (3074)	3 690 000	347 391	347 391
ROAD TRANSPORT: INFRASTRUCTURE GOVERNANCE (4050)	39 996	-	-
Road Transport: Project Operations & Mainnt(4010)	29 035 980	-	-
Roads:Project Management Unit	72 835 692	3 328 520	3 328 520
<b>Grand Total</b>	<b>183 967 548</b>	<b>3 675 911</b>	<b>3 675 911</b>
		2%	

**Grant Funded Projects (MIG PROJECTS)**

MIG Capital Project	July 2023 status
Lekhalong via Magema-Outspan Access Road	The project is at planning stage.
Mnceba - Matiasse Access Road & Bridge	The project is at planning stage.
Construction of Cedarville Internal Streets Phase 4	The project is at planning stage.
Mahasheng Access Road & Bridge	The project is at planning stage.
Maluti Internal Streets Phase 5	The project is at planning stage.
Rehabilitation of Matatiele internal Streets Cluster 1	The project is on-going and is 65% completed.
Extension of Matatiele Sports Centre Ph2	The project is on-going and is 40% completed.
High Mast Lights	The project is not yet appointed still with SCM processes.
STREET LIGHTS	The project is not yet appointed still with SCM processes.
Mafube-Nkosana Access Road & Bridge	The project is at planning stage.
Harry Gwala Internal Streets	The project is on-going and is 31% completed.

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

INEP Capital Project	July 2023 status
Fubane Electrification	Task order for Designs has been issued to MN Africa consulting engineers and Project Managers
Matolong Electrification	Task order for Designs has been issued to MN Africa consulting engineers and Project Managers
Bethesda Electrification	Task order for Designs has been issued to NSK electrical and construction Managers
Jabavu Electrification	Task order for Designs has been issued to Igoda Projects
Skiti Electrification	Task order for Designs has been issued to NSK electrical and construction Managers
Tholang Electrification	Task order for Designs has been issued to Thake electrical
Nkululekweni Electrification	Task order has not been issued due to scope clash between MLM and Eskom

### Disaster Response Grant

Disaster Response Grant	July 2023 status
Malubalube Access Road	The project is at Planning Stage
khohlong Access Road	The project is at Planning Stage

### Internal Funded Capital Projects

INTERNAL PROJECTS	Project Status
Landfill site A/R	The project awaiting specification
Cemetery Development WIP	The project awaiting specification
Upgrade of municipal offices WIP	The project is at Planning Stage
Mavundleni Access Road	The project is at Construction Stage
Black Diamond Access Road and Bridge	The project is at Construction Stage
Tsepisong Kamorathaba to Kuyasa AR	The project is at Construction Stage
Council Chambers Water Supply	The project is on-going and is 94% completed.
Lakhalong Access Road	The project is on-going and is 65% completed.
Moriting Access Road	The project is at Planning Stage
Belford Access Road	The project is at Planning Stage
LANDFILL WEIGHBRIDGE	The Project awaiting specification
Internal Audit System	The Project awaiting specification
FM TOWER LINE WIP	The Project awaiting specification
Pholile Access Road	The project is at Planning Stage
Springana Access Road	The project is at Planning Stage

Mpofini Access Road	The Project is at planning stage.
Mkrwabo Access Road	The project is at Planning Stage
Municipal Plant	The project is at Planning Stage
Khesa A/R	The project is at Planning Stage
Mango A/R	The project is at Planning Stage
Sekhutlong Access Road CRR	The project awaiting specification
Construction of Silo Phase 4	The project is at tender stage.
KINIRA TO SHERPARD HOPE ACCESS ROAD	The project awaiting specification
Transformers Infra	The project awaiting specification
Substation Switch Gears	The project awaiting specification
MUNICIPAL FLEET	Project awaiting specification
Fire Engine Truck	Project awaiting specification
Pamlaville Access Road Ward 7	The project is at Planning Stage
Dlodlweni Phase 2	The project is at planning stage.
Masopa A/R	The project is at planning stage.
Extension Matatiele Sports Centre	The project is on-going and is 40% completed.
Rehabilitation of Matatiele Internal Streets-Cluster 1	The project is on-going and is 65% completed.

This information reflects on our tender control plan on July 2023.

SUMMARY: QUOTATIONS	31-Jul-23	TOTAL			
DAY TO DAY QUOTATIONS	34	34			
FORMAL QUOTATIONS	11	11			
TOTAL QUOTATIONS	45	45			
BIDDING PROCESS	Total Budget	Bids Awarded vs Capital Budget	Capital Spending Year-To-Date	Committed Amount	Orders Issued
Bids awarded	R 8 482 060.00			R 8 482 060.00	3
Bids in the process	35				
Bids behind schedule	13				
Bids cancelled or removed from budget	2				
Bids to be awarded	3				

### **2.3 Material variances from the SDBIP**

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

### **2.4 Remedial or corrective steps**

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

## Section 3

### IN-YEAR BUDGET STATEMENT TABLES

#### 3.1 Monthly budget statements

##### 3.1.1 Table C1 Monthly Budget Statement Summary

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M01 - July

Description	2023/24	Budget Year 2024/25							
	Audited Outcomes	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	48 726	54 360	54 360	36 375	36 375	4 530	31 845	703%	54 360
Service charges	68 196	66 942	66 942	4 455	4 455	7 245	(2 790)	-39%	66 942
Investment revenue	9 599	17 200	17 200	2 256	2 256	1 433	823	57%	17 200
Transfers and subsidies - Operational	267 351	318 510	318 510	126 701	126 701	26 543	100 159	377%	318 510
Other own revenue	24 248	37 741	37 741	1 887	1 887	3 145	(1 258)	-40%	37 741
Total Revenue (excluding capital transfers and contributions)	418 870	514 753	514 753	171 875	171 875	42 898	128 779	300%	514 753
Employee costs	128 507	161 717	161 717	12 614	12 614	13 476	(863)		161 717
Remuneration of Councilors	21 444	25 320	25 320	1 850	1 850	2 110	(260)		25 320
Depreciation and amortisation	56 454	53 300	53 300	-	-	4 442	(4 442)		53 300
Interest	35	-	-	-	-	-	-		-
Inventory consumed and bulk purchases	64 236	78 705	78 705	26	26	6 559	(6 532)		78 705
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	245 877	195 709	195 709	11 293	11 293	16 309	(5 017)	-31%	195 709
Total Expenditure	518 553	514 751	514 751	25 783	25 783	42 898	(17 113)	-40%	514 751
Surplus/(Deficit)	(98 484)	2	2	145 892	145 892	0	145 892	77802050%	2
Transfers and subsidies - capital (monetary allocations)	165 532	95 481	97 732	4 076	4 076	8 144	(4 068)	-50%	97 732
Transfers and subsidies - capital (in-kind) contributions	-	-	-	-	-	-	-		-
Share of surplus/ (deficit) of associate	67 048	95 483	97 734	149 988	149 988	8 144	141 823	1741%	97 734
Surplus/ (Deficit) for the year	67 048	95 483	97 734	149 988	149 988	8 144	141 823	1741%	97 734
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	189 918	181 717	183 968	3 078	3 078	15 331	(11 653)	-78%	183 968
Capital transfers recognised	141 845	95 481	97 732	3 329	3 329	8 144	(4 815)	-59%	97 732
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	47 709	86 238	86 238	347	347	7 186	(6 839)	-95%	86 238
Total sources of capital funds	189 554	181 717	183 968	3 078	3 078	15 331	(11 653)	-78%	183 968
<b>Financial position</b>									
Total current assets	428 240	523 858	523 858		613 489				523 858
Total non current assets	1 139 062	1 304 697	1 306 948		1 128 318				1 306 948
Total current liabilities	158 268	160 394	160 394		168 767				160 394
Total non current liabilities	43 429	38 827	38 827		36 325				38 827
Community wealth/Equity	1 388 762	1 629 334	1 631 585		1 536 715				1 631 585
<b>Cash flows</b>									
Net cash from (used) operating	340 998	147 918	150 169	156 798	156 798	12 514	(144 284)	-1153%	150 169
Net cash from (used) investing	188 241	(181 717)	(183 968)	(4 227)	(4 227)	(15 331)	(11 103)	72%	(183 968)
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	889 982	326 824	326 824	-	407 357	357 908	(49 451)	-14%	220 988
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	41 342	3 551	3 215	3 519	3 382	2 966	3 438	169 086	230 470
<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) - M01 - July

Description	Ref	2023/24	Budget Year 2024/25							
		Approved Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Comment
R thousands	1									
Revenue - Functional										
Governance and administration		333 981	403 019	403 019	166 930	166 930	33 585	133 345	397%	403 019
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		333 981	403 019	403 019	166 930	166 930	33 585	133 345	397%	403 019
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		11 484	12 190	12 190	170	170	1 016	(846)	-83%	12 190
Community and social services		6 057	6 989	6 989	66	66	582	(517)	-89%	6 989
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		5 407	5 201	5 201	104	104	433	(329)	-76%	5 201
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		68 038	62 020	64 271	4 090	4 090	5 356	(1 266)	-24%	64 271
Planning and development		171	3 504	3 504	8	8	292	(284)	-97%	3 504
Road transport		67 867	58 516	60 767	4 083	4 083	5 064	(981)	-19%	60 767
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		170 119	133 005	133 005	4 561	4 561	11 084	(6 523)	-59%	133 005
Energy sources		156 623	113 716	113 716	3 571	3 571	9 476	(5 905)	-62%	113 716
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		13 488	19 289	19 289	990	990	1 607	(616)	-38%	19 289
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	583 602	610 234	612 485	175 751	175 751	51 040	124 710	244%	612 485
Expenditure - Functional										
Governance and administration		242 076	233 487	233 487	17 827	17 827	19 457	(1 631)	-8%	233 487
Executive and council		28 997	33 967	33 967	3 670	3 670	2 831	839	30%	33 967
Finance and administration		208 789	194 744	194 744	13 617	13 617	16 223	(2 611)	-16%	194 744
Internal audit		4 380	4 775	4 775	540	540	398	142	36%	4 775
Community and public safety		35 002	51 797	51 797	3 650	3 650	4 316	(666)	-15%	51 797
Community and social services		15 738	27 466	27 466	1 817	1 817	2 289	(472)	-21%	27 466
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		19 264	24 331	24 331	1 834	1 834	2 028	(194)	-10%	24 331
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		72 515	105 773	105 773	2 333	2 333	8 814	(6 482)	-74%	105 773
Planning and development		19 997	38 759	38 759	756	756	3 230	(2 474)	-77%	38 759
Road transport		52 607	67 014	67 014	1 577	1 577	5 584	(4 008)	-72%	67 014
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		168 061	123 683	123 683	1 073	1 073	10 308	(9 334)	-81%	123 683
Energy sources		141 882	102 345	102 345	704	704	8 529	(7 825)	-92%	102 345
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		25 079	21 348	21 348	1 270	1 270	1 779	(509)	-29%	21 348
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	516 553	514 751	514 751	25 783	25 783	42 896	(17 113)	-40%	514 751
Surplus (Deficit) for the year		67 048	95 483	97 734	149 968	149 968	8 144	141 823	1741%	97 734

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M01 - July

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Proposed Outcome	Original Budget	Revised Budget	Monthly actual	YearTD actual	YearTD Budget	YTD variance	YTD variance %	YearTD Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		333 448	402 544	402 544	166 871	166 871	33 565	133 325	397.4%	402 544
Vote 3 - Corporate		533	475	475	59	59	40	19	48.9%	475
Vote 4 - Development and Planning		283	3 504	3 504	15	15	292	(277)	-95.0%	3 504
Vote 5 - Community		24 963	31 479	31 479	1 159	1 159	2 623	(1 464)	-55.8%	31 479
Vote 6 - Infrastructure		224 375	172 232	174 483	7 647	7 647	14 540	(6 893)	-47.4%	174 483
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	593 602	610 234	612 485	175 751	175 751	51 040	124 710	244.3%	612 485
Expenditure by Vote	1									
Vote 1 - Executive Council		26 897	33 967	33 967	3 670	3 670	2 831	839	29.6%	33 967
Vote 2 - Finance and Admin		145 038	111 852	111 852	8 131	8 131	9 321	(1 190)	-12.8%	111 852
Vote 3 - Corporate		63 761	82 892	82 892	5 487	5 487	6 908	(1 421)	-20.8%	82 892
Vote 4 - Development and Planning		20 957	38 759	38 759	756	756	3 230	(2 474)	-76.6%	38 759
Vote 5 - Community		60 081	73 146	73 146	4 920	4 920	6 095	(1 175)	-19.3%	73 146
Vote 6 - Infrastructure		193 439	169 359	169 359	2 280	2 280	14 113	(11 833)	-83.8%	169 359
Vote 7 - Internal Audit		4 380	4 775	4 775	540	540	398	142	35.6%	4 775
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	516 553	514 751	514 751	25 783	25 783	42 896	(17 113)	-36.9%	514 751
Surplus/ (Deficit) for the year	2	87 048	95 483	97 734	149 968	149 968	8 144	141 823	1741.3%	97 734

Expenditure by functional classification presents the expenditures by the departments

### 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) - M01 - July

2023/24										
Description	Ref	Budget Year 2024/25								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		56 530	71 416	71 456	3 479	3 479	5 951	(2 472)	(0)	71 416
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		11 615	15 526	15 526	976	976	1 294	(318)	(0)	15 526
Sale of Goods and Rendering of Services		923	3 930	3 930	68	68	327	(260)	(0)	3 930
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		2 168	6 500	6 500	92	92	542	(450)	(0)	6 500
Interest from Current and Non Current Assets		9 599	17 200	17 200	2 256	2 256	1 433	823	0	17 200
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		144	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 260	2 028	2 028	155	155	169	(14)	(0)	2 028
Licence and permits		3 503	4 094	4 094	99	99	341	(242)	(0)	4 094
Operational Revenue		283	965	965	47	47	80	(33)	(0)	965
Non-Exchange Revenue										
Property rates		48 726	54 360	54 360	36 375	36 375	4 530	31 845	0	54 360
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 058	1 769	1 769	8	8	147	(139)	(0)	1 769
Licence and permits		(96)	25	25	3	3	2	1	0	25
Transfers and subsidies - Operational		267 351	318 510	318 510	126 701	126 701	26 543	100 159	0	318 510
Interest		14 020	18 431	18 431	1 291	1 291	1 536	(245)	(0)	18 431
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		(15)	-	-	123	123	-	123	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		418 070	514 753	514 753	171 675	171 675	42 808	128 778	300%	514 753
Expenditure By Type										
Employee related costs		128 507	161 717	161 717	12 614	12 614	13 475	(863)	(0)	161 717
Remuneration of councillors		21 444	25 320	25 320	1 850	1 850	2 110	(260)	(0)	25 320
Bulk purchases - electricity		58 161	71 075	71 075	-	-	5 923	(5 923)	(0)	71 075
Inventory consumed		6 075	7 629	7 629	26	26	656	(609)	(0)	7 629
Debt impairment		-	-	-	-	-	-	-	-	-
Depreciation and amortisation		56 454	53 300	53 300	-	-	4 442	(4 442)	(0)	53 300
Interest		35	-	-	-	-	-	-	-	-
Contracted services		180 450	113 385	113 385	6 518	6 518	9 448	(2 931)	(0)	113 385
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		17 651	6 000	6 000	-	-	500	(500)	(0)	6 000
Operational costs		49 557	76 325	76 325	4 517	4 517	6 360	(1 844)	(0)	76 325
Losses on Disposal of Assets		78 219	-	-	-	-	-	-	-	-
Other Losses		-	-	-	258	258	-	258	#DIV/0!	-
Total Expenditure		518 553	514 751	514 751	25 783	25 783	42 808	(17 113)	-40%	514 751
Surplus/(Deficit)		(6 484)	2	2	145 892	145 892	0	145 892	778	2
Transfers and subsidies - capital (monetary allocations)		160 532	95 481	97 732	4 076	4 076	8 144	(4 068)	(0)	97 732
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		67 048	95 483	97 734	149 988	149 988	8 144	-	-	97 734
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		67 048	95 483	97 734	149 988	149 988	8 144	-	-	97 734
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		67 048	95 483	97 734	149 988	149 988	8 144	-	-	97 734
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		67 048	95 483	97 734	149 988	149 988	8 144	-	-	97 734

In terms of July 2023 Monthly Budget & Performance assessment, the actual billed and/or collected to date is **R 171,6** million inclusive of operational transfers and subsidies against YTD budget of **R 42,9** million, this reflects a revenue variance against the period budget of **300%** this is due to equitable share 1<sup>st</sup> tranche received in this month.

The operating expenditure budget as at 31 July 2023 is **R 25,8** million against a YTD Actual of **R 42,9** million and that is reflecting a variance of **-40%**, this indicates an under-spending against the period budget, when measured against the annual budget reflect a spending of **5%** of the total operating budget.

### **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 36,375,263**, income received from property rates for the month of 31 July 2023 amounted to **R 243,507**, The revenue stream will be closely monitored to ensure revenue targets are met by year end.

### **Services Charges**

Revenue from service charges includes electricity sales and revenue from waste removal. The total income received from services charges amounted to **R 4,455,413** for the month ended July 2023. This represent **5%** on this category due to less collection on Prepaid electricity sales as a result of load shedding, leading to less demand for electricity.

### **Rental of Facilities and equipment**

Rental of facilities and equipment approved budget is **R 2,027,544**. Revenue amount of **R 155,205** for July 2023 has been recognised on this category, representing **8%** which is within the expected performance for the month.

### **Interest earned on Investments**

The total Interest on investments approved budget is **R 17,199,996** and the interest received for the month of July 2023 is **R 2,256,402** which have been captured on the financial system which represents **13%** this is above the expected performance for the month. The variance is due to slower than expected capital expenditure resulting in a higher investment balance generating interest rates experienced in the beginning of this financial year. The country has seen hikes in interest rate in the past few months, with a total increase of **8,73%** this financial year that resulted to the favourable interest received.

### **Interest on Outstanding Debtors**

Interest on non-payment of electricity has been raised monthly whereas the interest for non-payment on rates **R 1,383,187** interest has been posted on the interest on arrears for refuse services with the approved budget allocation of **R 24,930 792** which represents **6%** is below expected performance when measured against the monthly projection. The majority of the debtors are the government departments.

### **Fines, penalties and Forfeits**

Revenue from fines, penalties and forfeits has an approved budget of **R 1,769,004**. The cash receipts for traffic fines issued **R 7,954**, it represents **0%** on this category. It must be stressed that the above exercise represent the book value only and the cash receipts from this service is minimal. Fines are based on 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.

### **Licences and permits**

The total approved budget for licences and permits is **R 4,118,844** for budget year. At the end of the July 2023 the cash receipts for traffic fines issued was **R 102,348** and represents **2%** of the total revenue budget for this category. This is due to a decrease in Learners licence application for the month.

### **Transfers and Subsidies-Operational**

Total approved budget amount on transfers and subsidies is **R 318,510,300** and the transfers recognised represents **R 126,654,000** was recognised for the month ended 31 July 2023 this include 1<sup>st</sup> instalments for equitable share. The recognised transfers represent **40%** of the approved allocation.

### **Transfers and Subsidies- Capital**

Total approved budget on transfers and subsidies is **R 95,480,736** and this was increased to **R 2,251,000** resulting to adjusted budget to **R 97,731,736**. Total revenue of **R 4,075,820** was recognised for the month ended 31 July 2023 and it represents **4%** of total budget. This is less than the expected performance for the month as less capital payments are made and revenue recognised.

### **Other Revenue**

Other revenue amounted to **R 115,261** for the month ended 31 July 2023, when measured against the approved budget allocation of **R 4,894,572** this represents **2%** which is less than the expected performance for the month. This is due to less revenue collected on tender documents, admin handling fees and insurance. Various line items of revenue are related to timing of certain events and will only be accounted for as the year progress.

## Operating Expenditure by type

### Employee related costs/Remuneration of Councillors

Salary costs incurred – the Municipality incurred R 14,5 million salary costs at the end of July 2023, incurring 8% expenditure for the month salary budget allocation and this is within the expected performance as reflected in the table below.

Row Labels	Sum of TotalBudget	July Actual	Sum of TotalActual
<b>Employee Related Cost</b>	<b>161 716 536</b>	<b>12 613 680</b>	<b>12 613 680</b>
Municipal Staff	154 086 072	12 111 196	12 111 196
Senior Management	7 630 464	502 484	502 484
<b>Remuneration of Councillors</b>	<b>25 320 192</b>	<b>1 850 101</b>	<b>1 850 101</b>
Chief Whip	839 544	59 118	59 118
Executive Committee	-	398 471	398 471
Executive Mayor	1 080 648	92 960	92 960
Speaker	889 776	62 812	62 812
Total for All Other Councillors	22 510 224	1 236 739	1 236 739
<b>Grand Total</b>	<b>187 036 728</b>	<b>14 463 780</b>	<b>14 463 780</b>
		8%	

### Debt impairment

Items included in this category are bad debts written off and provisions to debt impairment which at the time of compiling the report; there were no provisions recorded on the financial system resulting in this variance. However, the council to note that the above non cash provisions are required in terms of GRAP which are normally calculated at year end.

### Depreciation

Depreciation and asset impairment reflect negative variance, the variance is the result of delays in completion of prior year projects which influenced the capitalization and subsequent depreciation of these assets. The other contribution factor to this variance is related to asset impairment which is undertaken towards the end of the financial year. No depreciation accounted for the month and the asset impairment will be processed at year end.

### **Bulk Purchases**

Total approved budget on bulk electricity purchases is **R 71,075,364**, expenditure relating to bulk electricity purchases reflects zero expenditure for the month. This is below the expected performance for the month is due to month end cut off. The report does not include the July 2023 expense as Eskom invoice was not received for bulk purchases for July invoice will be considered in August 2023.

### **Other material**

Total approved budget on other material is **R 7,746,996**, This expenditure category consists of inventory items such as material for maintenance of road operation and maintenance which amounted to **R 26,490** for the month ended 31 July 2023. This is less than expected performance for the month as result of less demand on stores items. The majority of the expenditure is reflected under road operation and maintenance and Energy unit.

### **Contracted Services**

Total approved budget on contracted services is **R 113,584,116**, expenditure under this category consists of security services, waste removal, project management, accounting and auditing contracts, maintenance of equipment, events promoter's and all municipal and financial systems utilised by the municipality. The spending for the month amounted to **R 6,518,000** that represents **6%** of the budgeted amount. This is the under-performance when measured against the budget projection.

### **Other Expenditure**

Total approved Budget on Other expenditure is **R 76,324,512**; Other expenditure reflects all other expenses not specifically mentioned and consists of the following:

- Skills development levy
- Remuneration of ward committee
- Telephone expenses
- Fuel and Oil
- Travel and subsistence expenses
- Workmen's Compensation Fund.

Other expenditure amounted to **R 4,516,828** for the month ended 31 July 2023, this represents **6%** of the budgeted amount on this category. This is less than the expected performance for the month on under this category, less expenditure is identified relating to Audit fees, ICT software Licences, insurance premium, advertising and achievements and awards.

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

EC44f Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 - July

Vote Description	Ref	2022/23	2023/24	2023/24	Monthly actual	Year to date actual	2023/24	2023/24	%	2023/24
R thousands										
<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 -		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive Council		74	70	70	-	-	6	(6)	-100%	70
Vote 2 - Finance and Admin		582	3 900	3 900	-	-	325	(325)	-100%	3 900
Vote 3 - Corporate		4 698	2 610	2 610	-	-	218	(218)	-100%	2 610
Vote 4 - Development and Planning		153	130	130	-	-	11	(11)	-100%	130
Vote 5 - Community		2 484	9 139	9 139	347	347	764	(413)	-54%	9 139
Vote 6 - Infrastructure		181 937	164 267	166 268	3 329	3 329	13 856	(10 527)	-76%	166 268
Vote 7 - Internal Audit		-	1 860	1 860	-	-	155	(155)	-100%	1 860
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	189 918	181 717	183 968	3 676	3 676	15 331	(11 655)	-76%	183 968
<b>Total Capital Expenditure</b>		189 918	181 717	183 968	3 676	3 676	15 331	(11 655)	-76%	183 968
<b>Capital Expenditure - Functional Classification</b>										
Government and administration		5 334	8 440	8 440	-	-	703	(703)	-100%	8 440
Executive and council		74	70	70	-	-	6	(6)	(0)	70
Finance and administration		5 260	6 510	6 510	-	-	543	(543)	(0)	6 510
Internal audit		-	1 860	1 860	-	-	155	(155)	(0)	1 860
Community and public safety		1 365	4 600	4 600	347	347	363	(36)	-9%	4 600
Community and social services		166	910	910	-	-	76	(76)	(0)	910
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 199	3 690	3 690	347	347	308	40	2	3 690
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		84 167	99 791	102 842	3 329	3 329	8 563	(5 175)	-61%	102 842
Planning and development		153	130	130	-	-	11	(11)	(0)	130
Road transport		84 094	99 661	101 912	3 329	3 329	8 493	(5 164)	(0)	101 912
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		99 056	68 886	68 886	-	-	5 740	(5 740)	-100%	68 886
Energy services		97 933	64 355	64 355	-	-	5 363	(5 363)	(0)	64 355
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 119	4 530	4 530	-	-	378	(378)	(0)	4 530
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	189 918	181 717	183 968	3 676	3 676	15 331	(11 655)	-76%	183 968
<b>Funded by:</b>										
National Government		141 845	96 481	97 732	3 329	3 329	8 144	(4 816)	(0)	97 732
Provincial Government		-	-	-	-	-	-	-	-	-
Statutory Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (non-voting allocations) (Net / From Depts Agencies,		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		141 845	96 481	97 732	3 329	3 329	8 144	(4 816)	-69%	97 732
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		47 739	36 236	36 236	347	347	7 186	(6 839)	(0)	36 236
<b>Total Capital Funding</b>		189 584	181 717	183 968	3 676	3 676	15 331	(11 655)	-76%	183 968

The approved annual capital budget for the financial year amounts to **R 181,716,552**, this was adjusted to **R 183,967,552** during the special adjustments budget. The capital expenditure incurred for the month ended 31 July 2023 amounted to **R 3,675,911**. This represents **2%** of the approved capital expenditure budget. This is below the expected performance for the month due to procurement processes that are still underway for capital projects.

### 3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M01 - July

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		236 732	326 924	326 924	386 561	326 924
Trade and other receivables from exchange transactions		(20 836)	125 378	125 378	(38 540)	125 378
Receivables from non-exchange transactions		126 487	52 209	52 209	180 058	52 209
Current portion of non-current receivables		—	—	—	—	—
Inventory		1 874	2 025	2 025	1 450	2 025
VAT		71 022	17 322	17 322	78 843	17 322
Other current assets		4 961	—	—	5 319	—
<b>Total current assets</b>		<b>420 240</b>	<b>523 858</b>	<b>523 858</b>	<b>613 489</b>	<b>523 858</b>
<b>Non current assets</b>						
Investments		—	—	—	—	—
Investment property		4 960	4 960	4 960	4 960	4 960
Property, plant and equipment		1 133 138	1 297 761	1 300 012	1 120 997	1 300 012
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		870	—	—	1 543	—
Intangible assets		94	1 975	1 975	817	1 975
Trade and other receivables from exchange transactions		—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		—	—	—	—	—
<b>Total non current assets</b>		<b>1 139 862</b>	<b>1 304 697</b>	<b>1 306 948</b>	<b>1 128 318</b>	<b>1 306 948</b>
<b>TOTAL ASSETS</b>		<b>1 559 302</b>	<b>1 828 554</b>	<b>1 830 805</b>	<b>1 741 807</b>	<b>1 830 805</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		—	—	—	—	—
Financial liabilities		—	—	—	—	—
Consumer deposits		1 578	413	413	1 647	413
Trade and other payables from exchange transactions		54 619	56 071	56 071	31 915	56 071
Trade and other payables from non-exchange transactions		12 340	—	—	32 632	—
Provision		11 350	90 868	90 868	20 192	90 868
VAT		68 021	13 041	13 041	79 421	13 041
Other current liabilities		2 951	—	—	2 961	—
<b>Total current liabilities</b>		<b>150 268</b>	<b>160 394</b>	<b>160 394</b>	<b>168 767</b>	<b>160 394</b>
<b>Non current liabilities</b>						
Financial liabilities		—	—	—	—	—
Provision		28 828	38 827	38 827	21 827	38 827
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		14 601	—	—	14 497	—
<b>Total non current liabilities</b>		<b>43 429</b>	<b>38 827</b>	<b>38 827</b>	<b>36 325</b>	<b>38 827</b>
<b>TOTAL LIABILITIES</b>		<b>193 697</b>	<b>199 221</b>	<b>199 221</b>	<b>205 092</b>	<b>199 221</b>
<b>NET ASSETS</b>	<b>2</b>	<b>1 365 605</b>	<b>1 629 334</b>	<b>1 631 585</b>	<b>1 536 715</b>	<b>1 631 585</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		973 378	1 543 098	1 545 349	1 184 336	1 545 349
Reserves and funds		395 384	86 236	86 236	352 379	86 236
Other		—	—	—	—	—
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>1 368 762</b>	<b>1 629 334</b>	<b>1 631 585</b>	<b>1 536 715</b>	<b>1 631 585</b>

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M01 - July

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
Receipts										
Property rates		36 620	43 488	43 488	1 040	1 040	3 624	(2 584)	-71%	43 488
Service charges		62 021	76 730	76 730	6 410	6 410	6 394	16	0%	76 730
Other revenue		15 705	51 959	51 959	134	134	4 330	(4 196)	-97%	51 959
Transfers and Subsidies - Operational		266 202	318 510	318 510	126 676	126 676	26 543	100 133	377%	318 510
Transfers and Subsidies - Capital		174 749	95 481	97 732	31 665	31 665	8 144	23 521	289%	97 732
Interest		4 385	17 200	17 200	2 256	2 256	1 433	823	57%	17 200
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(218 683)	(455 451)	(455 451)	(11 383)	(11 383)	(37 954)	26 571	-70%	(455 451)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>340 988</b>	<b>147 918</b>	<b>150 189</b>	<b>156 798</b>	<b>156 798</b>	<b>12 514</b>	<b>(144 284)</b>	<b>-1153%</b>	<b>150 189</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		188 241	(181 717)	(183 968)	(4 227)	(4 227)	(15 331)	11 103	-72%	(183 968)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>188 241</b>	<b>(181 717)</b>	<b>(183 968)</b>	<b>(4 227)</b>	<b>(4 227)</b>	<b>(15 331)</b>	<b>(11 103)</b>	<b>72%</b>	<b>(183 968)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>529 239</b>	<b>(33 799)</b>	<b>(33 799)</b>	<b>152 570</b>	<b>152 570</b>	<b>(2 817)</b>			<b>(33 799)</b>
Cash/cash equivalents at beginning:		360 723	360 723	360 723		234 787	360 723			234 787
Cash/cash equivalents at month/year end:		889 962	326 924	326 924		407 357	357 906			220 988

## PART 2 –SUPPORTING DOCUMENTATION SECTION 4

### Debtors Analysis

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

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 - July

Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L.O Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3 473	1 381	1 158	848	560	442	551	1 884	10 438	4 417	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	35 542	28	20	634	866	583	550	84 252	122 194	86 505	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	943	585	495	426	413	416	374	24 896	28 532	26 528	0	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-
Interest on Arrear Debtor Accounts	1810	1 383	1 380	1 408	1 389	1 409	1 382	1 379	49 686	58 345	55 167	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1830	0	177	136	220	354	151	575	8 338	9 852	9 839	-	-
Total By Income Source	2889	41 342	3 591	3 215	3 519	3 362	2 966	3 430	169 886	238 478	182 383	0	-
28/23/24 - Isala only		47 585	3 066	3 653	3 171	2 857	2 557	11 803	159 343	234 070	179 749	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	35 620	2 033	1 750	1 583	1 624	1 467	1 584	86 982	132 684	93 291	-	-
Commercial	2300	4 548	793	741	838	583	395	765	12 789	21 453	15 370	0	-
Households	2400	1 173	725	724	1 089	1 155	1 084	1 089	68 304	76 393	73 712	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2694	41 342	3 551	3 215	3 519	3 362	2 966	3 430	169 885	238 478	182 383	0	-

The total debt book for June 2023 of R 227 412 855.84 (including current of R 42 059 522 which is not yet due) has decreased by R 6,374,758.75 from the previous month closing balance of R 191,728,092.59.

Debt is made up of the following:

- **Residential debt:**  
R 85,597,836.85
- **Commercial debt**  
R 10,197,581.08
- **Government debt**  
R 127,718,931.36
- **Other**  
R 3,898,506.55

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 R 66,690,178.

- **Maluti**  
R 61,517,097.73 (including current)
- **Cedarville**  
R 5,173,080.94 (including current)

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

The credit control measures for collection are implemented especially for old debt, the municipality has attorneys to assist with collection of long outstanding debt when all internal processes have been exhausted.

The following has been handed over:

Residential H/O R 76 132 844.62

Business H/O R 4,966,008.59

Churches H/O R 144,521.45

Farms H/O R 2 662 407.3

**R 1 775 672.3 was collected for July 2023.**

## SECTION 5 -CREDITORS' ANALYSIS

### Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 - July

Description	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	-

The municipality 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 31 July 2023.

## SECTION 6- INVESTMENT POTFOLIO ANALYSIS

### Conditional and Unconditional investment monitoring Information

Jul-23					
<b>Investment Management</b>					
Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	352 023.83	15 802 540.93		-97 540.93	16 154 564.76
INEP	915 467.69	16 023 839.55		-63 839.55	16 939 307.24
EPWP	-		-	-	-
Municipal Electrification Intervention	298 438.87	1 901.10	-	-1 901.10	300 339.97
Library and Archives	-		-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	59 777.41	380.70	-	-380.70	60 158.11
Establishment Plan	208 190.71	1 175.85		-1 175.85	209 366.56
Housing Development Fund	2 122 147.73	11 985.78		-11 985.78	2 134 133.51
Dedea	645 795.07	3 647.42		-3 647.42	649 442.49
<b>Total Conditional Investments</b>	<b>4 601 841</b>	<b>31 845 471</b>	<b>-</b>	<b>- 180 471</b>	<b>36 447 313</b>
Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	131 384 582.18	11 000 000.00		-805 300.33	142 384 582.18
Call Acc STD CRR	12 103 528.25	70 929.99		-70 929.99	12 174 458.24
Call ACC FNB Surplus Cash	6 805 395.80			-37 196.61	6 805 395.80
Nedbank 32 Days	7 107 476.90	49 655.10		-49 644.10	7 157 132.00
Nedbank	55 967 184.61	126 943 852.68	-126 000 000.00	-289 852.68	56 911 037.29
Nedbank relief fund	843 262.10	5 371.50		-5 371.50	848 633.60
Nedbank COV -19 Solidarity	102 180.66	651.00		-651.00	102 831.66
Nedbank Retention	14 032 915.09	89 387.70		-89 387.70	14 122 302.79
Termination Guarantee	144 640.82			-902.51	144 640.82
Account Gaurantee	6 202 000.00			-38 698.66	6 202 000.00
Nedbank account -020		100 666 810.96		-666 810.96	100 666 810.96
<b>Total Unconditional</b>	<b>234 693 166</b>	<b>138 159 848</b>	<b>- 126 000 000</b>	<b>- 2 054 746</b>	<b>347 519 825</b>
<b>Total Investment for February 2023</b>					<b>383 967 138</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 31 July 2023 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

As at 31 July 2023 the conditional investments amounted to **R 36,447,313** and unconditional investments amounted to **R 347,519,825**. Total investments as at 31 July 2023 amounted to **R 383,967,138**.

The following reflects bank balances at 31<sup>st</sup> July 2023

Description	July 2023
Nedbank Primary Account:	2,009,838.48
Standard bank Account:	4,101,834.83
FNB Money Market Account:	2,424,638.14
<b>Total Cash held as at 30 July 2023</b>	<b>5,943,645.72</b>

The above table reflects the Cashbook balance is **R 5,943,645.72** and Bank statement balance of **R 383,967,138**.

## 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 - M01 - July

Description	Ref	2023/24	Budget Year 2024/25							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:		342 334	312 569	312 569	142 359	142 359	26 047	116 312	446.5%	312 569
Expanded Public Works Programme Integrated Grant:		4 887	3 974	3 974	-	-	331	(331)	-100.0%	3 974
Local Government Financial Management Grant		1 650	1 700	1 700	-	-	142	(142)	-100.0%	1 700
Municipal Infrastructure Grant		76 971	2 925	2 925	15 705	15 705	244	15 461	6342.4%	2 925
Equitable Share		258 826	303 970	303 970	126 654	126 654	25 331	101 323	400.0%	303 970
Provincial Government:		-	5 941	5 941	-	-	495	(495)	-100.0%	5 941
Specify (Add grant description)		-	2 250	2 250	-	-	188	(188)	-100.0%	2 250
Specify (Add grant description)		-	3 691	3 691	-	-	308	(308)	-100.0%	3 691
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>		<b>342 334</b>	<b>318 510</b>	<b>318 510</b>	<b>142 359</b>	<b>142 359</b>	<b>26 543</b>	<b>115 816</b>	<b>436.3%</b>	<b>318 510</b>
<b>Capital Transfers and Grants</b>										
National Government:		97 778	95 481	97 732	15 960	15 960	8 144	7 816	96.0%	97 732
Municipal Disaster Relief Grant		-	-	2 251	-	-	188	(188)	-100.0%	2 251
Municipal Infrastructure Grant		-	55 581	55 581	-	-	4 832	(4 632)	-100.0%	55 581
integrated National Electrification Programme Grant		97 778	39 900	39 900	15 960	15 960	3 325	12 635	380.0%	39 900
Provincial Government:		650	-	-	-	-	-	-	-	-
Specify (Add grant description)		650	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>		<b>98 428</b>	<b>95 481</b>	<b>97 732</b>	<b>15 960</b>	<b>15 960</b>	<b>8 144</b>	<b>7 816</b>	<b>96.0%</b>	<b>97 732</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>		<b>440 762</b>	<b>413 991</b>	<b>416 242</b>	<b>158 319</b>	<b>158 319</b>	<b>34 687</b>	<b>123 632</b>	<b>356.4%</b>	<b>416 242</b>

for operations grant.

## 7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 - July

Description	Ref	2023/24	Budget Year 2024/25								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands											
EXPENDITURE											
Operation expenditure of Transfers and Grants											
National Government:	3	6 537	2 925	2 925	47	47	244	(197)	-80.6%	2 925	
Expanded Public Works Programme Integrated Grant		4 887	-	-	-	-	-	-	-	-	
Local Government Financial Management Grant		1 650	-	-	47	47	-	47	#DIV/0!	-	
Municipal Infrastructure Grant		-	2 925	2 925	-	-	244	(244)	-100.0%	2 925	
Provincial Government:		2 113	3 691	3 691	-	-	308	(308)	-100.0%	3 691	
Specify (Add grant description)		2 113	-	-	-	-	-	-	-	-	
Specify (Add grant description)		-	3 691	3 691	-	-	308	(308)	-100.0%	3 691	
District Municipality:		-	-	-	-	-	-	-	-	-	
Other grant providers:		-	-	-	-	-	-	-	-	-	
Total Operating Transfers and Grants			8 650	6 616	6 616	47	47	551	(504)	-91.4%	6 616
Capital Transfers and Grants											
National Government:		165 407	103 405	105 656	4 076	4 076	8 805	(4 729)	-53.7%	105 656	
Municipal Disaster Relief Grant		-	-	2 251	-	-	188	(188)	-100.0%	2 251	
Municipal Infrastructure Grant		67 629	63 505	63 505	4 076	4 076	5 292	(1 216)	-23.0%	63 505	
Integrated National Electrification Programme Grant		97 778	39 900	39 900	-	-	3 325	(3 325)	-100.0%	39 900	
Provincial Government:		-	-	-	-	-	-	-	-	-	
District Municipality:		-	-	-	-	-	-	-	-	-	
Other grant providers:		-	-	-	-	-	-	-	-	-	
Total Capital Transfers and Grants			165 407	103 405	105 656	4 076	4 076	8 805	(4 729)	-53.7%	105 656
TOTAL EXPENDITURE OF TRANSFERS & GRANTS			174 057	110 021	112 272	4 123	4 123	9 356	(5 233)	-55.9%	112 272

The total operating grant expenditure amounts to **R 47,000** and Capital grant expenditure amounts to **R 4** million inclusive of **R 248,022** MIG salaries as at 31 July 2023. Total expenditure for the month amounts to **R 4,1** million which represents **4%** when compared to the total allocation as per the Dora. The tables above reflect on the performance of these respective conditional grants which indicates that the municipality is well on track to meet its target of fully spending the 2023/24 allocated funds.

## SECTIONS 8

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

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 - July

Summary of Employee and Councillor remuneration	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		13 296	14 165	14 165	1 086	1 086	1 180	(95)	-8%	14 165
Pension and UIF Contributions		712	2 975	2 975	74	74	248	(174)	-70%	2 975
Medical Aid Contributions		536	113	113	68	68	9	59	625%	113
Motor Vehicle Allowance		58	199	199	-	-	17	(17)	-100%	199
Cellphone Allowance		2 352	2 610	2 610	201	201	218	(17)	-8%	2 610
Housing Allowances		4 486	5 259	5 259	421	421	438	(17)	-4%	5 259
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		21 444	25 320	25 320	1 850	1 850	2 110	(260)	-12%	25 320
% Increase	4		18.1%	18.1%						18.1%
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		3 335	3 190	3 190	278	276	266	12	4%	3 190
Pension and UIF Contributions		37	218	218	1	1	18	(18)	-97%	218
Medical Aid Contributions		73	168	168	-	-	14	(14)	-100%	168
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		360	468	468	-	-	39	(39)	-100%	468
Motor Vehicle Allowance		1 605	2 119	2 119	104	104	177	(72)	-41%	2 119
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		596	972	972	106	106	81	25	30%	972
Other benefits and allowances		0	1	1	0	0	0	(0)	-99%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		336	495	495	14	14	41	(27)	-63%	495
Aiding and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		8 443	7 830	7 830	502	502	636	(133)	-21%	7 830
% Increase	4		18.4%	18.4%						18.4%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		63 947	107 314	107 314	8 428	8 428	8 643	(215)	-5%	107 314
Pension and UIF Contributions		13 155	15 824	15 824	1 293	1 293	1 318	(25)	-2%	15 824
Medical Aid Contributions		4 843	5 945	5 945	475	475	495	(21)	-4%	5 945
Overtime		1 790	2 728	2 728	215	215	227	(11)	-5%	2 728
Performance Bonus		5 849	8 354	8 354	507	507	696	(189)	-37%	8 354
Motor Vehicle Allowance		4 272	7 037	7 037	675	675	586	89	15%	7 037
Cellphone Allowance		6	6	6	1	1	1	(0)	-7%	6
Housing Allowances		383	4 906	4 906	258	258	409	(151)	-37%	4 906
Other benefits and allowances		4 787	1 973	1 973	248	248	164	83	51%	1 973
Payments in lieu of leave		1 643	-	-	12	12	-	12	#DIV/0!	-
Long service awards		523	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		1 065	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Aiding and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		122 084	154 086	154 086	12 111	12 111	12 541	(429)	-6%	154 086
% Increase	4		26.2%	26.2%						26.2%
<b>Total Parent Municipality</b>		149 951	187 037	187 037	14 464	14 464	15 586	(1 123)	-7%	187 037

**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 31 July 2023 amounted **R 14,7 million** of which the expenditure **R 1,9 million** relates to Remuneration of Councillors and

**R 12,8 million**, to Managers and staff, that represents **8%** of the budgeted amount for this category and the expenditure is within the expected performance for the month.

## MUNICIPAL MANAGER'S QUALITY CERTIFICATE

### QUALITY CERTIFICATE

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

The monthly budget statements (Section 71 Report) on the implementation of the budget and financial state of affairs of the municipality for the month ended 31 July 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: 11-08-2023