



MATATIELE
LOCAL MUNICIPALITY

2023/2024
MONTHLY
SECTION 71
REPORT

MONTH ENDED
31 AUGUST 2023

TABLE OF CONTENTS

	PAGE
Glossary	3
Legislative Framework	4
PART 1-IN-YEAR REPORT	
Resolutions	5
Executive summary	6-10
In-year budget statement tables	11-21
PART 1-SUPPORTING DOCUMENTATION	
Debtors Analysis	22
Creditors Analysis	23
Investment Portfolio	24-25
Grants Management	26-26
Employee Related Costs & Remuneration of Councillors	27
Municipal Manager's quality certificate	28

GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Virement – A transfer of funds within a vote.

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

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

LEGISLATIVE FRAMEWORK

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

The municipal Finance Management Act No. 56 of 2003

Section 71: Monthly budget Statements

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

PART 1-IN-YEAR REPORT

Section 1-Resolutions

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

Regulation 28 of the Municipal Budget and Reporting Regulations states:

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

Recommendations:

- That, Council takes note of the monthly budget statement and supporting documentation for the month 31 August 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. 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 in adjusted budget allocation of **R 612,484,708**, the Municipality recognised revenue of **R 24,694,991**. This represents **4%**, is below expected performance for the month due to property rates billing, Service Charges and INEP and YTD is **33%** recognised.

Operating Expenditure by type

- Actual expenditure vs Approved budgeted expenditure – the Municipality incurred expenditure of **R 36,428,051** against the approved budget allocation of **R 514,750,752** million incurring approximately **7%** expenditure for the month budget. This is less than the expected performance for the month due to procurement processes that are still underway for operational projects and YTD expenditure is **12%**. The expenditure the majority relates to employee related cost, Council Remuneration, contracted services and other expenditure.

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 9,276,338**, this represents **5%** 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.

The table below is an analysis per business unit –

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

Functions	Total Budget	July Actual	August Actual	YTD Actuals
Community Halls and Facilities:Public Amenities (3005)	909 996	-	-	-
CORE FUNCTION: SOLID WASTE REMOVAL	4 530 012	-	-	-
Energy Sources: Electricity (4040)	64 355 868	-	5 128 462	5 128 462
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 Mangement 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	-	7 490	7 490
Finance and Adminstration: Revenue and Debt Management (2020)	99 996	-	9 865	9 865
Finance:Budget & Treasury (2010)	60 000	-	-	-
Governance Function:INTERNAL AUDIT (1030)	1 860 000	-	-	-
Marketing, Customer Relations; Publicity and Media Co-ordination:communications and SPU (1020)	120 000	-	15 495	15 495
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	-	732 031	732 031
Roads:Project Management Unit	72 835 692	3 328 520	3 382 996	6 711 516
Grand Total	183 967 548	3 675 911	9 276 338	12 952 250
			5%	

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 August is **R 2,866,004** which is represent **5%** for the month and YTD Expenditure is **11%** (vat exclusive).
- Integrated National Electrification Programme (INEP) of **R 39,900,000** million was allocated. The grant reflects **R 5,128,462** spending at the end of 31 August 2023 which represent **13%** for the Month and YTD Expenditure is **13%** .
- Disaster Response Grant of **R 2,251,000** million was allocated. The grant reflects **R 0.00** spending at the end of 31 August 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 1,281,873** which represent **2%**
- 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 August 2023.

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	August 2023 status
Lekhalong via Magera-Outspan Access Road	The project is at planning stage
Mnceba - Matias 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 71% completed.
Extension of Matatiele Sports Centre Ph2	The project is on-going and is 45% completed.
High Mast Lights	The Contractor has been appointed on this project
STREET LIGHTS	Not yet appointed still with SCM
Mafube-Nkosana Access Road & Bridge	The project is at planning stage.
Harry Gwala Internal Streets	The project is on-going and is 35% completed.

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	August 2023 status
Fubane Electrification	MN Africa consulting engineers and Project Managers is currently busy with Designs for this Village
Matolong Electrification	MN Africa consulting engineers and Project Managers is currently busy with Designs for this Village
Bethesda Electrification	NSK electrical and construction Managers is currently busy with Designs for this Village
Jabavu Electrification	Contractor will be introduced by 09 September 2023 and currently busy with Site establishment
Skiti Electrification	Task order for Designs has NSK electrical and construction Managers is currently busy with Designs for this Village been issued to NSK electrical and construction Managers
Tholang Electrification	Site establishment is complete and the Construction Progress is at 3%
Nkululekweni Electrification	Igoda Projects is currently busy with Designs for the Village

Disaster Response Grant

Disaster Response Grant	August 2023 status
Malubalube Access Road	The project is under construction and no payment has been made at the moment
khohlong Access Road	The project is under construction and no payment has been made at the moment

Internal Funded Capital Projects

INTERNAL PROJECTS	August Status
Landfill site A/R	The project is at tendering stage
Cemetery Development WIP	The project is at tendering stage
Upgrade of municipal offices WIP	The project is at tendering stage
Mavundleni Access Road	The project is under construction overall progress 90,2%.
Black Diamond Access Road and Bridge	The project is under construction (Overall progress 61%)
Tsepisong Kamorathaba to Kuyasa AR	The project is under construction(Overall progress 70,5%)
Council Chambers Water Supply	The project is at tendering stage
Lakhalong Access Road	The project is on-going and is 66.8 % completed.
Moriting Access Road	The project is at tendering stage
Belford Access Road	The project is at tendering stage
LANDFILL WEIGHBRIDGE	The project is at tendering stage
Internal Audit System	The project is at tendering stage
FM TOWER LINE WIP	The project is at tendering stage
Pholile Access Road	The project is at tendering stage
Springana Access Road	The project is at tendering stage
Mpofini Access Road	The project is at planning Stage
Mkrwabo Access Road	The project is at tendering stage
Municipal Plant	The project is at tendering 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 is at planning Stage
Construction of Silo Phase 4	The project is at tender stage
KINIRA TO SHERPARD HOPE ACCESS ROAD	The project is at planning Stage
Transformers Infra	The project is at tendering stage
Substation Switch Gears	The project is at tendering stage
MUNICIPAL FLEET	The project is at tendering stage
Fire Engine Truck	The project is at tendering stage
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 45% completed.
Rehabilitation of Matatiele Internal Streets-Cluster 1	The Project is on-going and is 71% completed.

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

SUMMARY: QUOTATIONS	31-Aug-23	TOTAL
DAY TO DAY QUOTATIONS	32	32
FORMAL QUOTATIONS	11	11
TOTAL QUOTATIONS	43	43

BIDDING PROCESS	Total Budget	Bids Awarded vs Capital Budget	Capital Spending Year-To- Date	Committed Amount	Orders Issued
Bids awarded	44 804 735.16			44 804 735.16	
Bids in the process	27				
Bids behind schedule	8	n/a	n/a		
Bids cancelled or removed from budget	0				
Bids to be awarded	4				

2.3 Material variances from the SDBIP

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

2.4 Remedial or corrective steps

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

Section 3

IN-YEAR BUDGET STATEMENT TABLES

3.1 Monthly budget statements

3.1.1 Table C1 Monthly Budget Statement Summary

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

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	48 726	54 360	54 350	1 683	38 009	9 060	28 949	320%	54 360
Service charges	68 146	86 942	86 942	7 418	11 873	14 490	(2 617)	-18%	86 942
Investment revenue	9 599	17 200	17 200	2 497	4 754	2 867	1 887	68%	17 200
Transfers and subsidies - Operational	287 351	318 510	318 510	1 228	127 929	53 085	74 844	141%	318 510
Other own revenue	24 248	37 741	37 741	2 477	4 364	6 290	(1 925)	-31%	37 741
Total Revenue (excluding capital transfers and contributions)	418 070	514 753	514 753	15 253	186 928	85 792	101 136	118%	514 753
Employee costs	129 507	161 717	161 717	13 665	26 309	26 953	(644)	-2%	161 717
Remuneration of Councilors	21 444	25 320	25 320	1 850	3 700	4 220	(520)	-12%	25 320
Depreciation and amortisation	55 094	53 300	53 300	-	-	8 883	(8 883)	-100%	53 300
Interest	35	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	64 236	78 705	78 705	9 468	9 494	13 117	(3 623)	-38%	78 705
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	245 877	195 709	195 709	11 415	22 708	32 518	(9 810)	-43%	195 709
Total Expenditure	516 193	514 751	514 751	38 428	82 211	85 792	(23 581)	-27%	514 751
Surplus/(Deficit)	(98 124)	2	2	(21 175)	124 717	0	124 717	33180401%	2
Transfers and subsidies - capital (monetary allocations)	165 532	95 481	97 732	9 442	13 517	16 289	(2 771)	-17%	97 732
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
contributions	67 408	85 483	97 734	(11 733)	138 235	16 289	121 946	749%	97 734
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	67 408	85 483	97 734	(11 733)	138 235	16 289	121 946	749%	97 734
Capital expenditure & funds sources									
Capital expenditure	190 125	181 717	183 988	9 278	12 952	30 661	(17 709)	-58%	183 988
Capital transfers recognised	141 845	95 481	97 732	7 994	11 323	16 289	(4 966)	-30%	97 732
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	47 709	86 236	86 236	1 282	1 829	14 373	(12 543)	-89%	86 236
Total sources of capital funds	189 554	181 717	183 988	9 278	12 952	30 661	(17 709)	-58%	183 988
Financial position									
Total current assets	420 246	523 858	523 858	-	572 726	-	-	-	523 858
Total non current assets	1 139 490	1 304 697	1 306 948	-	1 137 042	-	-	-	1 306 948
Total current liabilities	150 317	160 394	160 394	-	154 645	-	-	-	160 394
Total non current liabilities	43 429	38 827	38 827	-	36 325	-	-	-	38 827
Community wealth/Equity	1 388 787	1 620 334	1 631 585	-	1 508 788	-	-	-	1 631 585
Cash flows									
Net cash from (used) operating	340 998	147 918	150 169	(3 157)	153 641	25 028	(128 613)	-514%	150 169
Net cash from (used) investing	(88 241)	(181 717)	(183 988)	(10 667)	(14 895)	(30 661)	(15 766)	51%	(183 988)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	889 962	326 924	326 924	-	393 533	355 090	(38 443)	-11%	220 988
Debtors & creditors analysis	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
Debtors Age Analysis									
Total By Income Source	33 281	37 941	3 342	1 031	3 354	3 268	2 524	167 059	254 249
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

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

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

Description	Ref	2022/23	Budget Year 2023/24							
		Approved Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Estimate
R thousands	1									
Revenue - Functional										
Governance and administration		333 981	403 019	403 019	6 023	172 953	67 170	105 783	157%	403 019
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		333 981	403 019	403 019	6 023	172 953	67 170	105 783	157%	403 019
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		11 484	12 180	12 180	993	1 183	2 032	(869)	-43%	12 180
Community and social services		6 057	6 989	6 989	70	136	1 165	(1 029)	-88%	6 989
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		5 201	5 201	5 201	923	1 027	867	161	19%	5 201
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		88 038	82 020	84 271	3 584	7 854	10 712	(3 058)	-29%	84 271
Planning and development		171	3 504	3 504	18	25	584	(559)	-96%	3 504
Road transport		67 867	59 516	60 767	3 546	7 629	10 128	(2 499)	-25%	60 767
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		170 119	133 005	133 005	14 115	18 878	22 187	(3 482)	-16%	133 005
Energy sources		156 620	113 716	113 716	12 451	16 022	18 953	(2 931)	-15%	113 716
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		13 498	19 289	19 289	1 654	2 654	3 215	(561)	-17%	19 289
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	583 802	610 234	612 485	24 895	200 448	162 081	98 365	98%	612 485
Expenditure - Functional										
Governance and administration		241 984	233 487	233 487	18 921	34 747	38 914	(4 167)	-11%	233 487
Executive and council		23 897	33 967	33 967	2 412	6 082	5 681	421	7%	33 967
Finance and administration		258 687	194 744	194 744	14 277	27 885	32 457	(4 563)	-14%	194 744
Internal audit		4 380	4 775	4 775	231	771	796	(25)	-3%	4 775
Community and public safety		35 082	51 787	51 787	3 896	7 547	8 633	(1 086)	-13%	51 787
Community and social services		15 739	27 466	27 466	1 937	3 754	4 578	(824)	-18%	27 466
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		19 264	24 331	24 331	1 559	3 793	4 055	(262)	-6%	24 331
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		72 288	105 773	105 773	3 586	5 819	17 629	(11 710)	-66%	105 773
Planning and development		19 907	38 759	38 759	1 283	2 039	6 480	(4 421)	-68%	38 759
Road transport		52 359	67 014	67 014	2 333	3 880	11 169	(7 289)	-65%	67 014
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		188 881	123 883	123 883	12 025	13 998	20 618	(6 618)	-32%	123 883
Energy sources		141 882	102 345	102 345	9 931	10 635	17 058	(6 423)	-38%	102 345
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		25 079	21 348	21 348	2 094	3 364	3 558	(195)	-5%	21 348
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	518 183	514 751	514 751	36 428	62 211	85 792	(23 581)	-27%	514 751
Surplus/ (Deficit) for the year		67 408	95 483	97 734	(11 733)	138 235	16 289	121 946	748%	97 734

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

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Revised Budget	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD Budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	†									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		333 448	402 544	402 544	6 004	172 675	97 081	105 784	157.7%	402 544
Vote 3 - Corporate		533	475	475	19	78	79	(1)	-1.7%	475
Vote 4 - Development and Planning		283	3 504	3 504	20	34	584	(550)	-94.1%	3 504
Vote 5 - Community		24 953	31 479	31 479	2 657	3 817	5 296	(1 479)	-27.3%	31 479
Vote 6 - Infrastructure		224 375	172 232	174 483	15 995	23 642	29 080	(5 439)	-18.7%	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	583 802	610 234	612 485	24 885	280 448	102 081	98 385	98.4%	612 485
Expenditure by Vote	†									
Vote 1 - Executive Council		28 897	33 967	33 967	2 412	6 082	5 651	421	7.4%	33 967
Vote 2 - Finance and Admin		144 926	111 852	111 852	8 703	16 834	18 642	(1 808)	-9.7%	111 852
Vote 3 - Corporate		63 761	82 892	82 892	5 374	11 061	13 815	(2 754)	-19.9%	82 892
Vote 4 - Development and Planning		20 957	38 759	38 759	1 283	2 039	6 460	(4 421)	-58.4%	38 759
Vote 5 - Community		60 591	73 146	73 146	5 390	10 910	12 191	(1 281)	-10.3%	73 146
Vote 6 - Infrastructure		183 131	169 359	169 359	12 234	14 514	28 227	(13 712)	-48.6%	169 359
Vote 7 - Internal Audit		4 380	4 775	4 775	231	771	736	(35)	-3.2%	4 775
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	516 193	514 751	514 751	36 428	82 211	85 792	(23 581)	-27.5%	514 751
Surplus (Deficit) for the year	2	67 608	95 483	97 734	(11 733)	138 235	16 289	121 946	748.6%	97 734

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

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

Description	Ref	2022/23				Budget Year 2023/24				
		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	71 416	6 458	9 938	11 903	(1 965)	(0)	71 416
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		11 615	15 526	15 526	959	1 936	2 588	(652)	(0)	15 526
Sale of Goods and Rendering of Services		923	3 950	3 950	75	143	655	(512)	(0)	3 950
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		2 188	6 500	6 500	95	185	1 063	(897)	(0)	6 500
Interest from Current and Non Current Assets		9 399	17 200	17 200	2 497	4 754	2 867	1 897	0	17 200
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		144	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 260	2 028	2 028	132	288	338	(50)	(0)	2 028
License and permits		3 503	4 094	4 094	536	635	682	(48)	(0)	4 094
Operational Revenue		283	965	965	-	47	161	(113)	(0)	965
Non-Exchange Revenue										
Property rates		48 726	54 360	54 360	1 633	38 029	9 060	28 949	0	54 360
Storages and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 056	1 789	1 789	395	403	295	108	0	1 789
License and permits		(96)	25	25	7	11	4	7	0	25
Transfers and subsidies - Operations		267 351	318 510	318 510	1 228	127 929	53 085	74 844	0	318 510
Interest		14 020	18 431	18 431	1 237	2 528	3 072	(543)	(0)	18 431
Fees Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		(15)	-	-	-	123	-	123	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		418 070	514 733	514 733	15 253	188 928	85 792	101 135	118%	514 733
Expenditure By Type										
Employee related costs		128 507	161 717	161 717	13 695	26 309	25 953	(644)	(0)	161 717
Remuneration of councillors		21 444	25 320	25 320	1 850	3 700	4 220	(520)	(0)	25 320
Bulk purchases - electricity		58 161	71 075	71 075	9 193	9 193	11 846	(2 653)	(0)	71 075
Inventory consumed		6 075	7 629	7 629	275	302	1 272	(970)	(0)	7 629
Debt impairment		-	-	-	-	-	-	-	-	-
Depreciation and amortisation		56 094	53 300	53 300	-	-	8 883	(8 883)	(0)	53 300
Interest		35	-	-	-	-	-	-	-	-
Contracted services		100 450	113 385	113 385	8 062	14 580	18 897	(4 318)	(0)	113 385
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		17 651	6 000	6 000	-	-	1 000	(1 000)	(0)	6 000
Operational costs		48 557	76 325	76 325	3 354	7 870	12 721	(4 850)	(0)	76 325
Losses on Disposal of Assets		78 218	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	258	-	258	#DIV/0!	-
Total Expenditure		516 193	514 751	514 751	36 428	62 211	85 792	(23 581)	-27%	514 751
Surplus/(Deficit)		(98 124)	2	2	(21 175)	124 717	9	124 717	332	2
Transfers and subsidies - capital (monetary allocations)		165 532	95 483	97 734	9 442	13 517	16 289	(2 771)	(0)	97 732
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		67 408	95 483	97 734	(11 733)	138 235	16 289			97 734
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		67 408	95 483	97 734	(11 733)	138 235	16 289			97 734
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		67 408	95 483	97 734	(11 733)	138 235	16 289			97 734
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		67 408	95 483	97 734	(11 733)	138 235	16 289			97 734

In terms of August 2023 Monthly Budget & Performance assessment, the actual billed and/or collected to date is **R 15,3** million inclusive of operational transfers and subsidies against YTD budget of **R 186,8** million, this reflects a positive revenue variance against the period budget of **118%** this is due to property rates billing, MIG, INEP and FMG recognised for the month.

The operating expenditure budget as at 31 August 2023 is **R 36,4,8** million against a YTD Actual of **R 62,2** million and that is reflecting a variance of **-27%**, this indicates an under-spending against the period budget, when measured against the annual budget reflect a spending of **7%** 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 1,654,481.55**, income received from property rates for the month of 31 August 2023 amounted to **R 1,633,345**, The revenue collection stream will be closely monitored to ensure revenue targets are met by year end and YTD recognition is **70%**.

Services Charges

Revenue from service charges includes electricity sales and revenue from waste removal. The total income received from services charges amounted to **R 7,417,917** for the month ended August 2023 which is made out of **R 959,436** and **R 6,458,481** for Refuse and Electricity against the approved allocation of **R 86,941,680**. This represent **9%** and this is above the expected performance on this category due to more collection on Prepaid electricity sales and refuse collection YTD recognition is **14%**.

Rental of Facilities and equipment

Rental of facilities and equipment approved budget is **R 2,027,544**. Revenue amount of **R 132,360** for August 2023 has been recognised on this category, representing **7%** which is less the expected performance for the month due to Ad-hoc rentals: Community Assets and TYD recognition is **14%**.

Interest earned on Investments

The total Interest on investments approved budget is **R 17,199,996** and the interest received for the month of August 2023 is **R 2,497,140** which represents **15%** on this category, this is above the expected performance for the month. The variance is due to less expenditure as expected on capital projects resulting in a higher investment balance generating interest rates experienced this financial year, this resulted to the favourable interest received and TYD recognition is **28%**.

Interest on Outstanding Debtors

Interest on non-payment on both rates and electricity has been raised monthly and amounted to **R 1,331,746** interest has been posted on the interest on arrears against the approved budget allocation of **R 24,930,792** which represents **5%** and this is below expected performance when measured against the monthly projection due to non-receipts on Interest on electricity, TYD recognition is **11%**.

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 395,115**, it represents **22%** for the month on this category this is above the expected performance for the month due to Municipal Traffic fines and YTD recognition is **22%**. 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 August 2023 the cash receipts for traffic fines issued was **R 543,211** and represents **13%** of the total revenue budget for this category this is above expected performance due to an increase in Learners licence and motor vehicle registration application for the month and the YTD revenue recognition is **16%**.

Transfers and Subsidies-Operational

Total approved budget amount on transfers and subsidies is **R 318,510,300** and the transfers recognised represents **R 1,227,624** was recognised for the month ended 31 August 2023 this include FMG recognised for the month, this is almost **0%** of the total budget allocation. The YTD revenue recognition is **40%** on this category.

Transfers and Subsidies- Capital

Total approved budget on transfers and subsidies is **R 95,480,736** and was increased to adjusted budget to **R 97,731,73**. Total revenue of **R 9,441,657** was recognised for the month ended 31 August 2023 and it represents **10%** of total budget. This is above the expected performance for the month, due to capital payments that are made and revenue was recognised on INEP and MIG. The YTD revenue recognition is **14%** on this category.

Other Revenue

Other revenue amounted to **R 115,261** for the month ended 31 August 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 merchandising and jobbing, admin handling fees and insurance refund. Various line items of revenue are related to timing of certain events and will only be accounted for as the year progress and TYD revenue recognised is **4%**.

Operating Expenditure by type

Employee related costs/Remuneration of Councillors

Salary costs incurred – the Municipality incurred **R 15,5** million salary costs at the end of August 2023, incurring **8%** expenditure for the month salary against the approved budget allocation of **R 187,036,738** and this is above the expected performance as reflected in the table below and TYD expenditure is **16%**.

Row Labels	Total Budget	July Actual	August Actual	YTD Actual
Employee Related Cost	161 716 536	12 613 680	13 694 969	26 308 649
Municipal Staff	154 086 072	12 111 196	13 135 837	25 247 033
Senior Management	7 630 464	502 484	559 132	1 061 616
Remuneration of Councillors	25 320 192	1 850 101	1 850 101	3 700 201
Chief Whip	839 544	59 118	59 118	118 236
Executive Committee		398 471	398 471	796 942
Executive Mayor	1 080 648	92 960	92 960	185 920
Speaker	889 776	62 812	62 812	125 625
Total for All Other Councillors	22 510 224	1 236 739	1 236 739	2 473 479
Grand Total	187 036 728	14 463 780	15 545 070	30 008 850
			8%	16%

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 **R 9,192,668** expenditure for the month, this represent **13%** spending for the month and this is above the expected performance for the month due to seasonal demand for electricity. The YTD expenditure recognition is **13%** on this category.

Other material

Total approved budget on other material is **R 7,629,420**, This expenditure category consists of inventory items such as material for maintenance of road operation and maintenance which amounted to **R 275,071** for the month ended 31 August 2023. This represent **4%** on this category, 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. The YTD expenditure is **4%**.

Contracted Services

Total approved budget on contracted services is **R 113,584,116**. The expenditure for the month amounted to **R 8,061,583** that represents **7%** of the budgeted amount, this is less than expected performance for the month. 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 YTD expenditure recognition is **13%** on this category.

Other Expenditure

Total approved Budget on Other expenditure is **R 76,324,512**. Other expenditure for the month ended 31 August 2023 amounted to **R 3,353,659**, this represents **4%** of the budgeted amount on this category. This is less than the expected performance for the month on this category, due to less expenditure is identified relating to Audit fees, ICT software Licences, insurance premium, advertising and achievements and awards and YTD expenditure is **10%**.

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) - M32 - August

Vote Description	Ref	2022/23	Original Budget	Revised Budget	Monthly actual	YearTD actual	2022/23	2022/23	%	2022/23
R thousands										
Multi-year expenditure appropriation	2									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Executive Council		74	70	70	-	-	12	(12)	-100%	70
Vote 2 - Finance and Admin		552	3 900	3 900	33	33	651	(517)	-93%	3 900
Vote 3 - Corporate		4 698	2 510	2 510	-	-	435	(435)	-100%	2 510
Vote 4 - Development and Planning		153	130	130	-	-	22	(22)	-100%	130
Vote 5 - Community		2 649	9 130	9 130	-	347	1 522	(1 174)	-77%	9 130
Vote 6 - Infrastructure		181 979	154 017	155 288	9 243	12 572	27 711	(15 139)	-55%	155 288
Vote 7 - Internal Audit		-	1 860	1 860	-	-	310	(310)	-100%	1 860
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	190 125	181 717	183 958	9 275	12 952	30 661	(17 709)	-58%	183 958
Total Capital Expenditure		190 125	181 717	183 958	9 275	12 952	30 661	(17 709)	-58%	183 958
Capital Expenditure - Functional Classification										
Governance and administration		5 334	8 440	8 440	33	33	1 407	(1 374)	-93%	8 440
Executive and council		74	70	70	-	-	12	(12)	-100%	70
Finance and administration		5 260	6 510	6 510	33	33	1 085	(1 352)	-93%	6 510
Internal audit		-	1 860	1 860	-	-	310	(310)	-100%	1 860
Community and public safety		1 530	4 600	4 600	-	347	767	(4 19)	-55%	4 600
Community and social services		331	910	910	-	-	182	(182)	-100%	910
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 199	3 690	3 690	-	347	615	(256)	-93%	3 690
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		84 209	99 791	102 042	4 115	7 444	17 097	(9 653)	-96%	102 042
Planning and development		153	130	130	-	-	22	(22)	-100%	130
Road transport		84 047	93 661	101 512	4 115	7 444	16 985	(9 542)	-93%	101 512
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		99 051	68 886	68 886	5 128	5 128	11 481	(6 353)	-55%	68 886
Energy services		91 933	64 356	64 356	5 128	5 128	13 726	(3 596)	-93%	64 356
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 119	4 530	4 530	-	-	755	(755)	-100%	4 530
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	190 125	181 717	183 958	9 275	12 952	30 661	(17 709)	-58%	183 958
Funded by:										
National Government		141 845	95 481	97 732	7 994	11 323	15 299	(4 956)	-93%	97 732
Provincial Government		-	-	-	-	-	-	-	-	-
Distric Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (mandatory allocations) (National/Provincial Agencies)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		141 845	95 481	97 732	7 994	11 323	15 299	(4 956)	-93%	97 732
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		47 709	86 236	86 236	1 282	1 629	14 373	(12 743)	-93%	86 236
Total Capital Funding		189 554	181 717	183 958	9 275	12 952	30 661	(17 709)	-58%	183 958

performance for the month due to procurement processes that are still underway for capital projects and TYD expenditure is 7%.

3.1.6 C6 Monthly Budget Statement –Financial Position

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

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		236 732	326 824	326 824	339 861	326 824
Trade and other receivables from exchange transactions		(20 826)	125 378	125 378	(34 084)	125 378
Receivables from non-exchange transactions		126 487	52 209	52 209	176 635	52 209
Current portion of non-current receivables		-	-	-	-	-
Inventory		1 874	2 025	2 025	1 439	2 025
VAT		71 028	17 322	17 322	83 557	17 322
Other current assets		4 961	-	-	5 319	-
Total current assets		420 246	523 858	523 858	572 726	523 858
Non current assets						
Investments		-	-	-	-	-
Investment property		4 960	4 960	4 960	4 960	4 960
Property, plant and equipment		1 133 454	1 297 761	1 300 012	1 129 628	1 300 012
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		870	-	-	1 543	-
Intangible assets		206	1 975	1 975	911	1 975
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		1 139 490	1 304 697	1 306 948	1 137 042	1 306 948
TOTAL ASSETS		1 559 736	1 828 554	1 830 805	1 709 768	1 830 805
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		1 578	413	413	1 658	413
Trade and other payables from exchange transactions		54 068	56 071	56 071	32 281	56 071
Trade and other payables from non-exchange transactions		12 340	-	-	23 477	-
Provision		11 350	90 868	90 868	20 371	90 868
VAT		68 021	13 041	13 041	83 897	13 041
Other current liabilities		2 961	-	-	2 961	-
Total current liabilities		150 317	160 394	160 394	164 645	160 394
Non current liabilities						
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	-
Total non current liabilities		43 429	38 827	38 827	36 325	38 827
TOTAL LIABILITIES		193 746	199 221	199 221	200 970	199 221
NET ASSETS	2	1 365 990	1 629 334	1 631 585	1 508 798	1 631 585
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		973 403	1 543 088	1 545 349	1 156 477	1 545 349
Reserves and funds		395 364	86 236	86 236	352 321	86 236
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	1 368 767	1 629 334	1 631 585	1 508 798	1 631 585

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

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		36 620	43 488	43 488	5 251	6 261	7 248	(957)	-13%	43 488
Service charges		62 021	76 730	76 730	6 205	12 615	12 788	(173)	-1%	76 730
Other revenue		15 705	51 959	51 959	2 720	2 853	8 660	(5 807)	-67%	51 959
Transfers and Subsidies - Operational		266 202	318 510	318 510	1 713	128 389	53 085	75 303	142%	318 510
Transfers and Subsidies - Capital		174 749	95 481	97 732	-	31 665	16 289	15 376	94%	97 732
Interest		4 385	17 200	17 200	2 497	4 754	2 867	1 887	66%	17 200
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(218 663)	(455 451)	(455 451)	(21 542)	(32 925)	(75 968)	42 983	-57%	(455 451)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		349 988	147 918	150 169	(3 157)	153 841	25 028	(128 613)	-514%	150 169
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)	(181 717)	(183 968)	(10 667)	(14 895)	(30 661)	15 765	-51%	(183 968)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(188 241)	(181 717)	(183 968)	(10 667)	(14 895)	(30 661)	(15 768)	51%	(183 968)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		529 238	(33 799)	(33 799)	(13 825)	138 746	(5 633)			(33 799)
Cash/cash equivalents at beginning:		380 723	360 723	380 723		254 787	360 723			254 787
Cash/cash equivalents at month/year end:		539 962	326 924	326 924		335 533	355 090			220 988

PART 2 –SUPPORTING DOCUMENTATION SECTION 4

Debtors Analysis

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

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

Description	NT Code	Budget Year 2023/24										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 Dns	151-180 Dns	181 Dns-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	4 438	1 294	1 290	1 024	784	555	442	2 527	12 356	5 332	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 554	34 683	22	19	606	561	541	81 029	119 045	82 776	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	925	573	458	453	406	368	403	25 126	28 742	26 776	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-
Interest on Arrear Debtor Accounts	1810	1 350	1 369	1 384	1 400	1 379	1 402	1 366	49 506	59 186	55 073	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	25 015	0	177	136	220	341	151	8 863	34 904	9 711	-	-
Total By Income Source	2000	33 281	37 941	3 342	3 031	3 394	3 268	2 924	167 059	254 248	179 676	-	-
20/23 - totals only		7 932	38 415	5 714	2 676	3 514	3 125	14 002	156 830	232 408	189 348	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 795	35 367	2 016	1 685	1 511	1 619	1 484	83 380	130 076	89 877	-	-
Commercial	2300	28 359	1 406	687	628	798	513	371	13 382	47 064	15 682	-	-
Households	2400	1 127	1 148	718	718	1 086	1 137	1 069	70 697	77 101	74 197	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	33 281	37 941	3 342	3 031	3 394	3 268	2 924	167 059	254 248	179 676	-	-

Debt is made up of the following:

- **Residential debt:**
R 86,738,866.89
- **Commercial debt**
R 35,304,749.93
- **Government debt**
R 125,073,927.00
- **Other**
R 3,687,901.78

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 67,296,317.07.

- **Maluti**
R 62,059,383.19 (including current)
- **Cedarville**
R 5,236,933.88 (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 76,885 478.71

Business H/O R 29,681,797.25

Churches H/O R 143,777.13

Farms H/O R 3,544,124.65

R 558,368.85 was collected for August 2023.

SECTION 5 -CREDITORS' ANALYSIS

Supporting Table SC4

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

Description	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
		6 - 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	-	-	-	-	-	-	-	-	-	-

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Aug-23					
Investment Management					
Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	16 154 564.75	52 978.56	-6 704 677.21	-52 978.56	9 502 866.10
INEP	16 939 307.24	26 778.70	-5 897 730.74	-26 778.70	11 068 355.20
EPWP	-	-	-	-	-
Municipal Electrification Intervention	300 339.97	1 976.87	-	-1 976.87	302 316.84
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	60 158.11	395.87	-	-395.87	60 553.98
Establishment Plan	209 366.56	1 182.49	-	-1 182.49	210 549.05
Housing Development Fund	2 134 133.51	12 053.47	-	-12 053.47	2 146 186.98
Dedea	649 442.49	3 668.01	-	-3 668.01	653 110.50
Total Conditional Investments	36 447 313	99 034	- 12 602 408	- 99 034	23 943 939
Aug-23					
Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	142 384 582.18	-	-	-834 412.66	142 384 582.18
Call Acc STD CRR	12 174 458.24	71 345.66	-	-71 345.66	12 245 803.90
Call ACC FNB Surplus Cash	6 805 395.80	-	-	-38 436.51	6 805 395.80
Nedbank 32 Days	7 157 132.00	51 668.63	-	-51 668.63	7 208 800.63
Nedbank	56 911 037.29	6 495 311.54	-47 800 000.00	-289 852.68	15 606 348.83
Nedbank relief fund	848 633.60	5 585.89	-	-5 585.89	854 219.49
Nedbank COV -19 Solidarity	102 831.66	676.73	-	-676.73	103 508.39
Nedbank Retention	14 122 302.70	92 955.67	-	-92 955.67	14 215 258.37
Termination Guarantee	144 640.82	-	-	-902.51	144 640.82
Account Gaurantee	6 202 000.00	-	-	-40 822.66	6 202 000.00
Nedbank account -020	100 666 810.96	795 043.84	-	-795 043.84	101 461 854.80
Total Unconditional	347 519 825	7 512 588	-	- 2 221 703	307 232 413
Total Investment for 31 August 2023					331 176 352

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

As at 31 August 2023 the conditional investments amounted to **R 23,943,939** and unconditional investments amounted to **R 307,232,413**. Total investments as at 31 August 2023 amounted to **R 331,176,352**.

The following reflects bank balances at 31 August 2023

Description	31 August 2023
-------------	----------------

Nedbank Primary Account:	5,186,690.89
Standard bank Account:	5,557,445.28
FNB Money Market Account:	2,509,203.59
Total Cash held as at 30 July 2023	13,253,339.76

The above table reflects the Cashbook balance is **R 13,253,339.76** and Bank statement balance of **R 331,176,352**.

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 - M02 - August

Description	Ref	2022/23	Budget Year 2023/24							
		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:		342 334	312 569	312 569	1 700	144 659	52 895	91 964	175.5%	312 569
Expenditure Public Works Programme Integrated Grant		4 987	3 974	3 974	-	-	662	(662)	-100.0%	3 974
Local Government Financial Management Grant	3	1 650	1 700	1 700	1 700	1 700	283	1 417	80.0%	1 700
Municipal Infrastructure Grant		75 971	2 925	2 925	-	15 705	488	15 217	3121.2%	2 925
Equitable Share		258 826	303 970	303 970	-	126 654	50 662	75 992	150.0%	303 970
Provincial Government:		-	5 941	5 941	-	-	990	(990)	-100.0%	5 941
Specify (Add grant description)		-	2 250	2 250	-	-	375	(375)	-100.0%	2 250
Specify (Add grant description)		-	3 691	3 691	-	-	615	(615)	-100.0%	3 691
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		342 334	319 510	318 510	1 700	144 659	53 085	90 974	171.4%	318 510
Capital Transfers and Grants										
National Government:		97 778	95 481	97 732	-	15 960	16 289	(329)	-2.0%	97 732
Municipal Disaster Relief Grant		-	-	2 251	-	-	375	(375)	-100.0%	2 251
Municipal Infrastructure Grant		-	55 581	55 581	-	-	9 263	(9 263)	-100.0%	55 581
Integrated National Electrification Programme Grant		97 778	39 900	39 900	-	15 960	6 650	9 310	140.3%	39 900
Provincial Government:		650	-	-	-	-	-	-	-	-
Specify (Add grant description)		650	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		98 428	95 481	97 732	-	15 960	16 289	(329)	-2.0%	97 732
TOTAL RECEIPTS OF TRANSFERS & GRANTS		440 762	415 991	416 242	1 700	160 619	69 374	80 645	130.7%	416 242

The Municipality have received the conditional grant allocations amounting to **R 2,6** million for operations grant of which amounted to **R 1,700,000** million was received for Local Government Financial Management Grant and **R 922,000** was received for Deduct Incentive grant, but the grant was not raised as liability for the month of August as it's sitting under unknown deposit, then the Journal we be made on month 9 to correct misallocation.

7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 - August

Description		Ref	2022/23	Budget Year 2023/24								
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
R thousands												
EXPENDITURE												
Operating expenditure of Transfers and Grants												
National Government:		3	6 537	2 925	2 925	548	595	488	107	22.0%	2 925	
Expanded Public Works Programme Integrated Grant			4 887	-	-	-	-	-	-	-	-	
Local Government Financial Management Grant			1 650	-	-	548	595	-	595	#DIV/0!	-	
Municipal Infrastructure Grant			-	2 925	2 925	-	-	488	(488)	-100.0%	2 925	
Provincial Government:			2 113	3 691	3 691	680	680	615	65	10.5%	3 691	
Specify (Add grant description)			2 113	-	-	680	680	-	680	#DIV/0!	-	
Specify (Add grant description)			-	3 691	3 691	-	-	615	(615)	-100.0%	3 691	
District Municipality:			-	-	-	-	-	-	-	-	-	
Other grant providers:			-	-	-	-	-	-	-	-	-	
Total Operating Transfers and Grants			8 550	6 616	6 616	1 228	1 275	1 103	172	15.6%	6 616	
Capital Transfers and Grants												
National Government:			165 487	103 405	105 656	9 442	13 517	17 609	(4 092)	-23.2%	105 656	
Municipal Disaster Relief Grant			-	-	2 251	-	-	375	(375)	-100.0%	2 251	
Municipal Infrastructure Grant			67 629	63 505	63 505	3 544	7 620	10 584	(2 954)	-48.0%	63 505	
Integrated National Electrification Programme Grant			97 778	39 900	39 900	5 898	5 898	6 650	(752)	-11.3%	39 900	
Provincial Government:			-	-	-	-	-	-	-	-	-	
District Municipality:			-	-	-	-	-	-	-	-	-	
Other grant providers:			-	-	-	-	-	-	-	-	-	
Total Capital Transfers and Grants				165 487	103 405	105 656	9 442	13 517	17 609	(4 092)	-23.2%	105 656
TOTAL EXPENDITURE OF TRANSFERS & GRANTS												
			174 057	110 821	112 272	12 680	14 792	18 712	(3 920)	-20.9%	112 272	

The total operating grant expenditure amounts to **R 1,2** and Capital grant expenditure amounts to **R 9,4** million inclusive of **R 248,022** which is the misallocation of MIG salaries that must be corrected with a Journal on September 2023. Total expenditure for both operational and Capital grants for the month amounts to **R 10,7** million which represents **9%** 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.

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

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 - August

Summary of Employee and Councillor remuneration		2022/23	Budget Year 2023/24							
Ref		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
Councillors (Political Office Bearers plus Other)										
		13 296	14 165	14 165	1 086	2 172	2 361	(189)	-8%	14 165
		712	2 975	2 975	74	147	496	(349)	-70%	2 975
		536	113	113	66	137	19	118	626%	113
		58	199	199	-	-	33	(33)	-100%	199
		2 352	2 610	2 610	201	402	435	(33)	-8%	2 610
		4 489	5 259	5 259	421	843	876	(33)	-4%	5 259
		-	-	-	-	-	-	-	-	-
		21 444	25 320	25 320	1 850	3 790	4 220	(430)	-12%	25 320
			18.1%	18.1%						18.1%
Senior Managers of the Municipality										
		3 335	3 190	3 190	272	549	532	18	3%	3 190
		37	218	218	1	1	36	(35)	-97%	218
		73	168	168	-	-	28	(28)	-100%	168
		-	-	-	-	-	-	-	-	-
		360	468	468	-	-	78	(78)	-100%	468
		1 605	2 119	2 119	115	220	353	(133)	-38%	2 119
		-	-	-	-	-	-	-	-	-
		696	972	972	126	231	162	69	43%	972
		0	1	1	0	0	0	(0)	-84%	1
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		336	495	495	45	60	83	(23)	-28%	495
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		6 443	7 630	7 630	559	1 062	1 272	(210)	-17%	7 630
			18.4%	18.4%						18.4%
Other Municipal Staff										
		83 947	107 314	107 314	8 531	16 979	17 666	(687)	-5%	107 314
		13 155	15 824	15 824	1 298	2 591	2 637	(46)	-2%	15 824
		4 643	5 945	5 945	481	955	991	(36)	-4%	5 945
		1 790	2 726	2 726	226	444	454	(10)	-2%	2 726
		5 849	8 354	8 354	1 045	1 552	1 392	160	11%	8 354
		4 272	7 037	7 037	651	1 326	1 173	153	13%	7 037
		6	6	6	1	1	1	(0)	-7%	6
		383	4 906	4 906	258	516	618	(302)	-37%	4 906
		4 797	1 973	1 973	239	466	329	137	48%	1 973
		1 643	-	-	197	208	-	208	#DIV/0!	-
		523	-	-	188	188	-	188	#DIV/0!	-
		1 065	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-
		122 904	154 088	154 088	13 136	25 247	25 691	(434)	-2%	154 088
			26.2%	26.2%						26.2%
		149 891	187 937	187 937	15 545	30 009	31 173	(1 164)	-4%	187 937

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 August 2023 amounted **R 15,5 million** of which the expenditure **R 1,9 million** relates to Remuneration of Councillors and

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 August 2023 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: Lizo Matiwane

Acting Municipal Manager of Matatiele Local Municipality

Signature: 

Date: 11/08/2023