



**MATATIELE**  
LOCAL MUNICIPALITY

2021/2022  
QUARTERLY  
SECTION 52(D)  
REPORT

4<sup>TH</sup> QUARTER ENDED  
30 JUNE 2022

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## GLOSSARY

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

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

**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.

**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.

**Vote** – One of the main segments into which a 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 52(d): Quarterly budget Statements

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

### **1.1 RESOLUTIONS**

This is the resolution being presented to Council in the quarterly report on the implementation of budget and financial state of affairs of the municipality as required in terms of section 52 of the Municipal Finance Management Act 56 of 2003.

**Recommendations:**

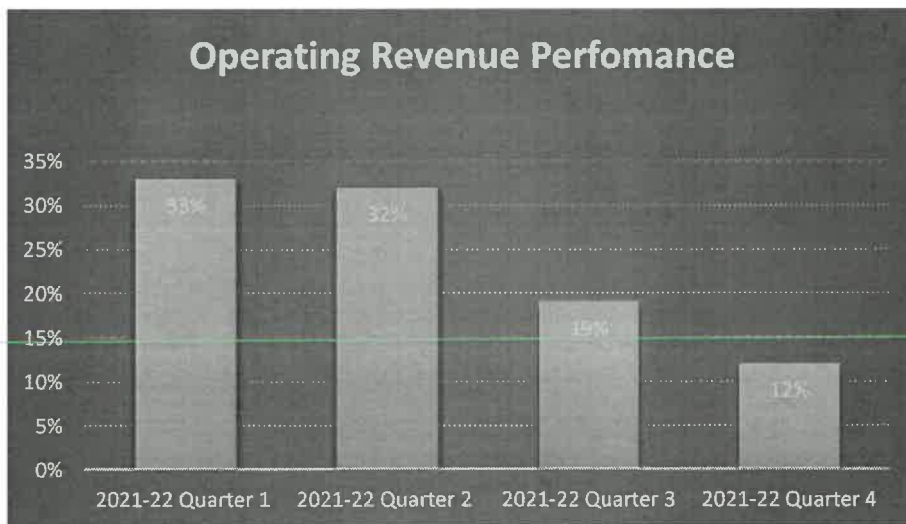
- That, the report on the implementation of the budget and the financial state of affairs of the municipality for the quarter ended 30 June 2022 be noted by council.
- That, the submission of section 52(d) reports and to Provincial and National Treasuries 30 days after the end of each quarter be noted by Council.

## 1.2 EXECUTIVE SUMMARY

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.

### Revenue by source

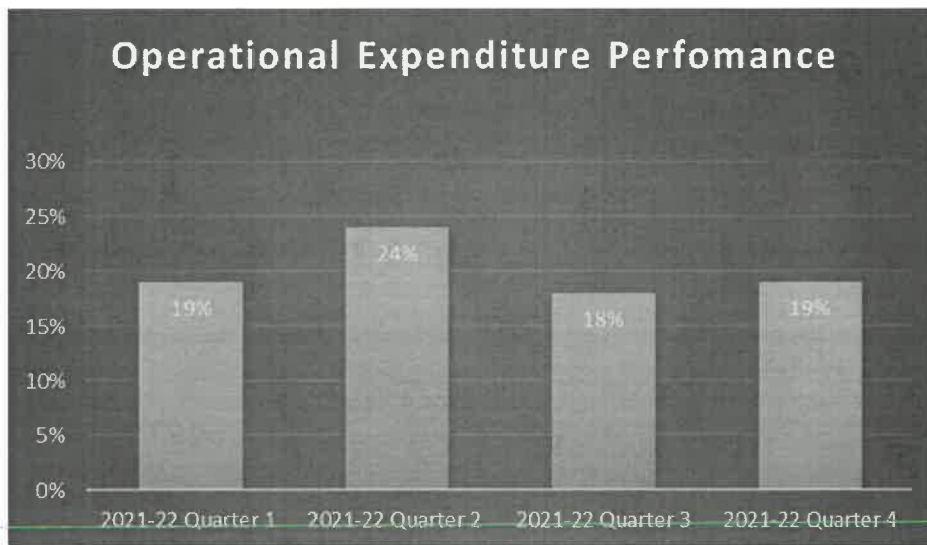
The total revenue received by source for the 4<sup>th</sup> quarter amounted to **R74,374,838** against approved budget of **R573,218,160** and the adjusted budget was **R 604,719,871** million inclusive of operational transfers and subsidies. This represents **12%** revenue for the 4<sup>th</sup> quarter, this is less than expected performance of **25%** for the quarter ended 30 June 2022. Conditional grants revenue is recognised on expenditure of a project. Due to this less expenditure was recognised as a result of Circular no 15 of 2021-22 validity of PPR of 2017 & less rates collection for the quarter. The Revenue recognised to date is **96%** of the total approved revenue.



**Operating Expenditure by type**

Operating expenditure amounted to **R 89,842,085** for the 4<sup>th</sup> quarter of the financial year against approved budget of **R 430,345,896** and adjusted to **R 467,569,611**. This represents **19%** of the adjusted operating expenditure budget which is less than expected **25%** performance for the quarter, the reason for the **6%** variance is due to non-cash items that are recognised at the end of financial year and less travelling and accommodation expenditure incurred. Expenditure incurred to date represent **81%** of approved operational expenditure. Due to

1. Depreciation which will be recognised on the 13<sup>th</sup> month
2. Bad debts written off which will be recognised on 13<sup>th</sup> month
3. Non expenditure on Employee related costs vacant post.
4. Less expenditure on ICT Contracted services & no expenditure under E Library & Prepaid electricity vendors.



**Capital Expenditure**

Capital expenditure for the 4<sup>th</sup> quarter of the financial year amounted to **R 58,846,371** against approved budget of **R 192,872,520** and Adjusted of **237,655,515**. This represents **25%** of the adjusted capital expenditure budget. Which is within the expected performance for the quarter and the year to date performance is **75%**.

**Capital Expenditure material variances**

The Capital Expenditure for the 2021/22 financial year is which implies that the capital expenditure incurred is significantly below the projection, variance is due to delays in implementing projects.

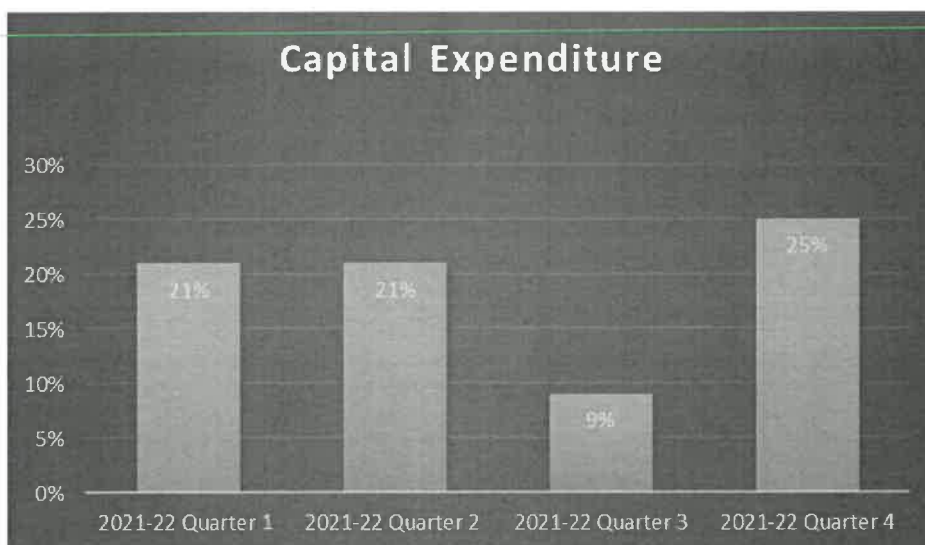
There were minor delays in other appointments as the advertisement were done before the end of the fourth quarter for projects which were added during the second adjustment budget based on the additional funding received from the national treasury. The slow spending on the capital budget as a result of SCM processes that were stopped by treasury as per Circular no 15 of 2021-22 validity of the PPR of 2017 has been noted and remedial measures are to be put in place.

The following projects were delayed in the 2021-22 financial year:

- MSUKENI ACCESS ROAD
- Cedarville Internal Streets Phase 3
- Mahangu Access Road & Bridge
- Mohapi Access Road & Bridge
- Purutle\_ Moyeni Access Road
- Harry Gwala Internal Streets

**Internal Funded Capital Projects**

- MUNICIPAL FLEET
- Palisade Fencing
- Nyanzela Access Road
- Dengwane;Khoapa;Botsola-Taung AR
- Sitiweni AR
- Mphotshongweni A R
- Tsepisong Kamorathaba to Kuyasa AR



## PART 2 – IN-YEAR BUDGET STATEMENTS

### 2.1 Table C1 Monthly Budget Statement Summary

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - Q4 Fourth Quarter

Description	Budget Year 2021/22								
	2020/21 Audited Outcome	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	46 575	54 080	54 080	-	48 726	54 080	(5 353)	-10%	54 080
Service charges	68 989	70 532	70 532	30 963	68 146	70 532	(2 387)	-3%	70 532
Investment revenue	4 835	14 850	14 850	838	9 138	14 850	(5 712)	-38%	14 850
Transfers and subsidies	306 535	267 313	269 637	130	267 367	269 637	(2 270)	-1%	269 637
Other non-revenue	21 978	21 963	21 183	2 791	24 886	21 183	3 703	18%	21 183
Total Revenue (excluding capital transfers and contributions)	482 812	427 747	429 971	14 718	418 213	429 971	(11 758)	-3%	429 971
Employee costs	117 964	132 261	132 261	11 183	124 491	132 261	(7 770)	-6%	132 261
Remuneration of Councilors	19 979	21 890	21 890	64	19 863	21 890	(2 027)	-9%	21 890
Depreciation & asset impairment	82 540	35 380	70 300	-	22 785	70 300	(47 515)	-58%	70 300
Finance charges	33	-	-	-	1	-	1	#DIV/0!	-
Inventory consumed and bulk purchases	53 954	57 379	69 281	4 938	88 274	69 281	11 000	16%	69 281
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	162 198	183 716	174 038	18 374	183 038	174 038	9 000	5%	174 038
Total Expenditure	436 685	438 346	467 578	34 287	378 223	467 578	(89 344)	-21%	467 578
Surplus/(Deficit)	14 948	(2 899)	(37 607)	(19 498)	38 991	(37 607)	77 890	-206%	(37 607)
Transfers and subsidies - capital (secretary allocations) (National / Provincial and District)	82 926	145 471	174 749	18 713	180 162	174 749	(5 387)	-3%	174 749
Transfers and subsidies - capital (secretary allocations) (National / Provincial Departmental Agencies, Home Affairs, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (n-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	14 948	(2 899)	(37 607)	(19 498)	38 991	(37 607)	77 890	-206%	(37 607)
Share of surplus (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus / (Deficit) for the year	14 948	(2 899)	(37 607)	(19 498)	38 991	(37 607)	77 890	-206%	(37 607)
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	147 469	192 873	237 836	25 186	178 322	237 836	(59 514)	-25%	237 836
Capital transfers recognised	78 507	142 872	172 190	14 427	139 975	172 190	(32 215)	-19%	172 190
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	68 961	88 880	68 598	10 659	38 347	68 598	(30 251)	-34%	68 598
Total sources of capital funds	147 469	192 873	237 836	24 885	178 369	237 836	(59 467)	-25%	237 836
<b>Financial position</b>									
Total current assets	376 081	264 867	236 326	-	432 318	-	-	-	236 326
Total non-current assets	1 130 191	1 162 868	1 062 891	-	1 286 748	-	-	-	1 162 891
Total current liabilities	133 338	(62 284)	(64 499)	-	145 981	-	-	-	(64 499)
Total non-current liabilities	32 753	(29 878)	(29 678)	-	32 753	-	-	-	(29 678)
Community wealth/Equity	1 340 188	1 303 287	1 462 815	-	1 540 333	-	-	-	1 462 815
<b>Cash flows</b>									
Net cash from (used) operating	500 027	153 450	182 511	(26 312)	273 863	182 511	91 352	50%	182 511
Net cash from (used) investing	(161 457)	(192 872)	(237 836)	(28 182)	(188 341)	(237 836)	49 495	26%	(237 836)
Net cash from (used) financing	110	-	-	8	82	343	264	78%	-
Cash/cash equivalents at the month/year end	491 376	138 887	111 686	-	309 526	111 950	197 576	-177%	189 278
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	11 817	4 149	3 642	3 101	2 841	2 468	37 619	138 969	204 496
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-



2.1.2 Table C2 Monthly Budget Statement –Financial Performance (Functional Class)

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Q4 Fourth Quarter

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
Governance and administration		340 300	341 497	341 497	2 741	333 060	341 497	(7 637)	-2%	341 497
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		360 360	341 497	341 497	2 741	333 060	341 497	(7 637)	-2%	341 497
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		9 482	13 841	13 841	793	11 678	13 841	(1 963)	-14%	13 841
Community and social services		4 985	7 602	7 602	120	6 169	7 602	(1 433)	-19%	7 602
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4 517	6 239	6 239	673	5 709	6 239	(531)	-8%	6 239
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		61 176	52 183	77 183	4 728	65 471	77 183	(11 712)	-15%	77 183
Planning and development		691	202	202	5	167	202	(35)	-17%	202
Road transport		60 486	51 981	76 981	4 723	65 304	76 981	(11 677)	-15%	76 981
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		105 421	165 087	172 199	23 881	187 186	172 199	(5 032)	-3%	172 199
Energy sources		91 020	150 099	154 377	22 191	153 668	154 377	(709)	0%	154 377
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		14 401	15 988	17 822	970	13 498	17 822	(4 323)	-24%	17 822
Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>545 436</b>	<b>573 218</b>	<b>604 720</b>	<b>31 423</b>	<b>578 375</b>	<b>604 720</b>	<b>(26 345)</b>	<b>-4%</b>	<b>604 720</b>
<b>Expenditure - Functional</b>										
Governance and administration		214 111	254 309	242 458	20 483	213 973	242 456	(28 483)	-12%	242 458
Executive and council		24 449	26 660	26 660	934	26 426	26 660	(234)	-1%	26 660
Finance and administration		186 374	221 705	209 852	19 144	181 167	209 852	(28 685)	-14%	209 852
Internal audit		3 287	3 744	3 944	404	4 380	3 944	436	11%	3 944
Community and public safety		32 878	42 778	42 333	4 117	34 628	42 333	(7 705)	-18%	42 333
Community and social services		13 826	20 523	19 973	2 465	15 815	19 973	(4 158)	-21%	19 973
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		19 052	22 255	22 380	1 652	16 814	22 360	(3 546)	-16%	22 360
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		62 485	49 018	66 381	2 885	41 977	64 361	(24 403)	-37%	66 381
Planning and development		17 620	21 954	23 254	960	19 907	23 254	(3 347)	-14%	23 254
Road transport		44 865	27 062	43 127	1 905	22 070	43 127	(21 056)	-49%	43 127
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		127 191	84 242	116 400	6 722	87 643	116 400	(28 757)	-25%	116 400
Energy sources		96 944	60 140	93 374	4 619	67 033	93 374	(26 341)	-28%	93 374
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		30 246	24 102	23 026	2 103	20 610	23 026	(2 415)	-10%	23 026
Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>436 685</b>	<b>430 346</b>	<b>467 570</b>	<b>34 207</b>	<b>378 223</b>	<b>467 570</b>	<b>(89 347)</b>	<b>-19%</b>	<b>467 570</b>
<b>Surplus/ (Deficit) for the year</b>		<b>108 774</b>	<b>142 872</b>	<b>137 150</b>	<b>(2 784)</b>	<b>200 153</b>	<b>137 150</b>	<b>63 002</b>	<b>46%</b>	<b>137 150</b>

### 2.1.3 C3 Monthly Budget Statement –Financial Performance (revenue and expenditure by municipal vote)

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q4 Fourth Quarter

Vote Description	Ref	2020/21 Audited Outcome	Budget Year		Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
			Original Budget	Adjusted Budget						
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - Executive and council	1	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		369 139	341 022	341 022	2 734	333 327	341 022	(7 695)	-2.3%	341 022
Vote 3 - Corporate		221	475	475	18	533	475	58	12.3%	475
Vote 4 - Development and Planning		358	202	202	5	167	202	(35)	-17.4%	202
Vote 5 - Community		23 883	29 439	31 663	1 763	25 376	31 663	(6 287)	-19.9%	31 663
Vote 6 - Infrastructure		151 838	202 080	231 358	25 914	218 972	231 358	(12 386)	-6.4%	231 358
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>545 436</b>	<b>573 216</b>	<b>604 729</b>	<b>31 423</b>	<b>578 375</b>	<b>604 729</b>	<b>(26 345)</b>	<b>-4.4%</b>	<b>604 729</b>
<b>Expenditure by Vote</b>										
Vote 1 - Executive and council	1	24 449	28 860	28 860	934	28 426	28 660	(234)	-0.8%	28 660
Vote 2 - Finance and Admin		122 852	153 257	142 837	13 734	119 029	142 837	(23 808)	-16.7%	142 837
Vote 3 - Corporate		65 462	68 449	67 015	5 420	62 107	67 015	(4 908)	-7.3%	67 015
Vote 4 - Development and Planning		15 680	21 954	23 254	970	19 939	23 254	(3 315)	-14.3%	23 254
Vote 5 - Community		63 125	66 880	66 359	6 220	55 238	66 359	(10 120)	-15.5%	66 359
Vote 6 - Infrastructure		141 810	87 202	136 501	6 525	89 103	136 501	(47 397)	-34.7%	136 501
Vote 7 - Internal Audit		3 287	3 744	3 944	404	4 360	3 944	435	11.1%	3 944
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>436 665</b>	<b>430 346</b>	<b>467 570</b>	<b>34 207</b>	<b>378 223</b>	<b>467 570</b>	<b>(89 347)</b>	<b>-19.1%</b>	<b>467 570</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>108 774</b>	<b>142 872</b>	<b>137 159</b>	<b>(2 784)</b>	<b>200 153</b>	<b>137 159</b>	<b>83 002</b>	<b>45.9%</b>	<b>137 159</b>

### 2.1.4 C4 Monthly Budget Statement –Financial Performance (revenue and Expenditure)

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q4 Fourth Quarter

Vote Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Source</b>										
Property rates		46 575	54 088	54 088	-	48 726	54 088	(5 363)	-10%	54 088
Service charges - electricity revenue		57 058	55 007	55 007	9 995	56 530	55 007	1 524	3%	55 007
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		11 531	15 526	15 526	958	11 615	15 526	(3 911)	-25%	15 526
Rental of facilities and equipment		1 397	1 245	1 245	103	1 297	1 245	52	4%	1 245
Interest earned - external investments		8 835	14 660	14 650	836	9 139	14 660	(5 511)	-38%	14 650
Interest earned - outstanding debits		13 357	11 799	11 799	1 808	16 631	11 799	4 832	41%	11 799
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		762	2 094	2 094	464	2 061	2 094	(33)	-2%	2 094
Licences and permits		3 787	4 525	4 525	290	3 705	4 525	(819)	-18%	4 525
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		306 536	267 313	269 537	130	267 307	269 537	(2 230)	-1%	269 537
Other revenue		573	1 501	1 501	207	1 202	1 501	(299)	-20%	1 501
Grant		1 801	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>452 512</b>	<b>427 747</b>	<b>429 671</b>	<b>14 798</b>	<b>418 213</b>	<b>429 671</b>	<b>(11 758)</b>	<b>-3%</b>	<b>429 671</b>
<b>Expenditure By Type</b>										
Employee related costs		117 964	132 261	132 261	11 183	124 491	132 261	(7 770)	-6%	132 261
Remuneration of councillors		19 979	21 690	21 690	54	19 653	21 690	(2 037)	-9%	21 690
Debt impairment		34 121	7 000	7 000	-	-	7 000	(7 000)	-100%	7 000
Depreciation & asset impairment		82 540	35 300	70 300	-	22 765	70 300	(47 535)	-68%	70 300
Finance charges		33	-	-	-	1	-	1	#DIV/0!	-
Bulk purchases - electricity		48 196	50 000	52 000	3 970	52 203	62 000	(9 797)	-16%	62 000
Inventory consumed		5 757	7 379	7 281	625	6 071	7 281	(1 210)	-17%	7 281
Contracted services		93 160	105 630	105 286	14 818	104 427	105 286	(859)	1%	105 286
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		34 915	71 086	61 752	3 556	48 612	61 752	(13 141)	-21%	61 752
Losses		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>436 865</b>	<b>436 346</b>	<b>467 578</b>	<b>34 297</b>	<b>378 223</b>	<b>467 578</b>	<b>(89 347)</b>	<b>-19%</b>	<b>467 578</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (municipal allocations) (Municipal / Provincial and District)		15 848	(2 589)	(37 888)	(19 406)	30 981	(37 589)	77 589	(#)	(37 888)
Transfers and subsidies - capital (municipal allocations) (municipal / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		52 926	145 471	174 749	15 713	160 862	174 749	(14 587)	(#)	174 749
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>988 774</b>	<b>142 672</b>	<b>137 158</b>	<b>(2 784)</b>	<b>288 153</b>	<b>137 158</b>			<b>137 158</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>988 774</b>	<b>142 672</b>	<b>137 158</b>	<b>(2 784)</b>	<b>288 153</b>	<b>137 158</b>			<b>137 158</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>988 774</b>	<b>142 672</b>	<b>137 158</b>	<b>(2 784)</b>	<b>288 153</b>	<b>137 158</b>			<b>137 158</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>988 774</b>	<b>142 672</b>	<b>137 158</b>	<b>(2 784)</b>	<b>288 153</b>	<b>137 158</b>			<b>137 158</b>

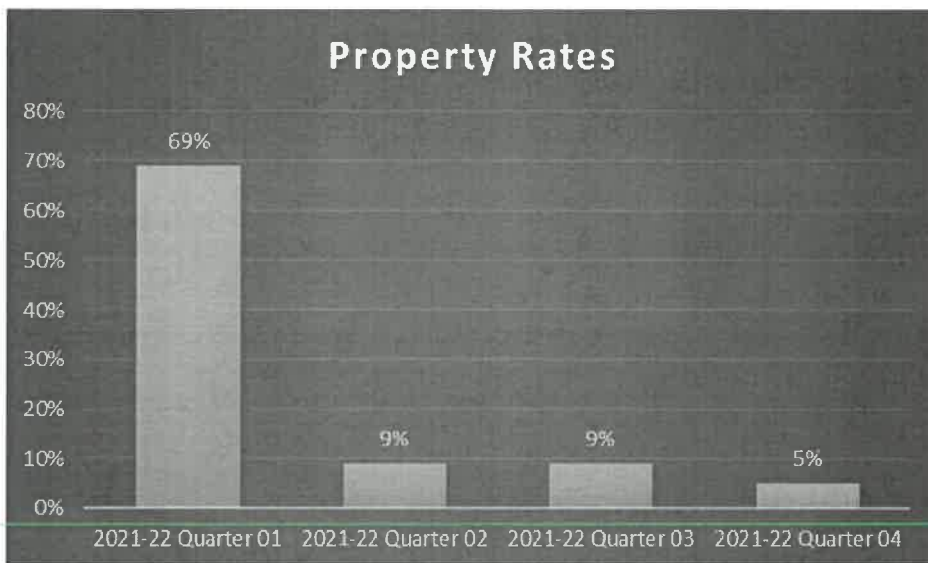
## Revenue by Source

### Property Rates

Property Rates is the major part of the municipal own revenue and represents **13%** of total own revenue budget.

Billing on Annual property rates is done in July for the financial year. Billing for the quarter 4 amounted to **R 1,584,225**

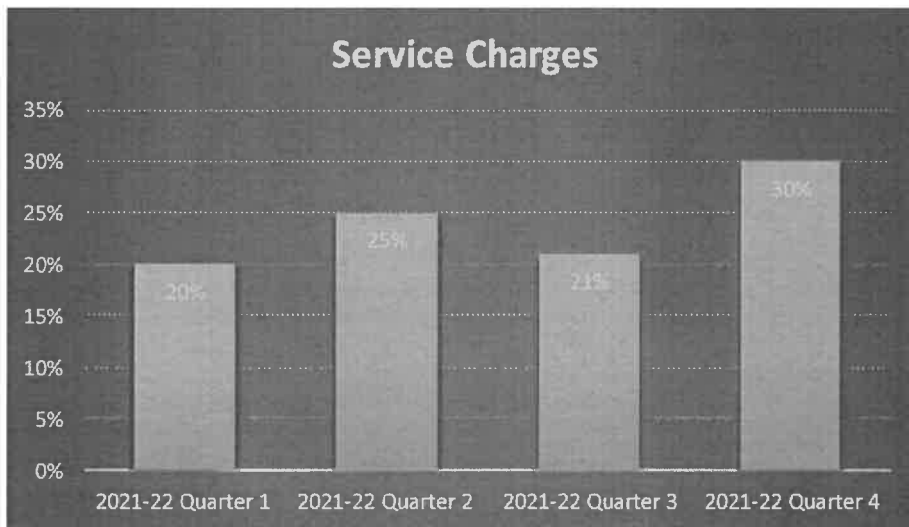
Revenue received from property rates amounted to **R 2,836,193** for the Quarter 4 ended 30<sup>th</sup> June 2022 against adjusted budget of **R 54,088,416** this represents **5%** of received revenue by source which is less than anticipated **25%**. This is due to no property rates billed for May and June 2022 as the Municipality bills for 10 months each year.



**Service Charges**

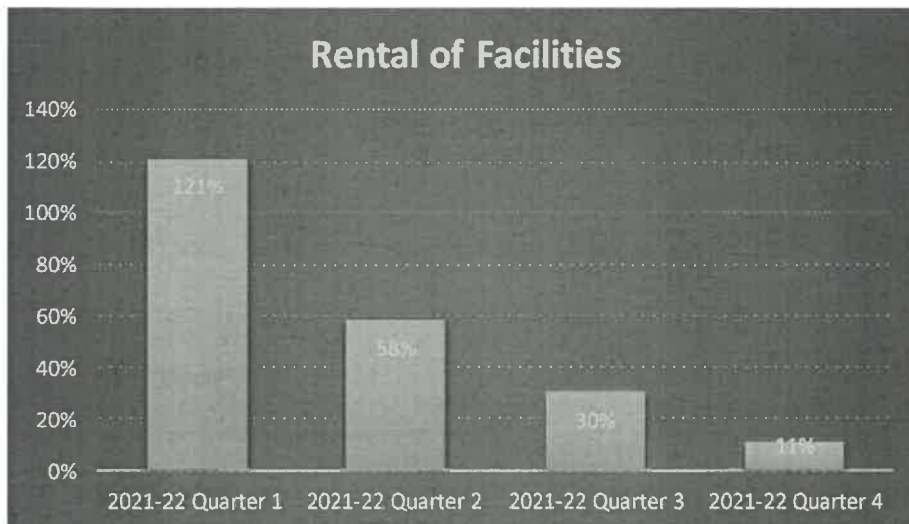
Revenue from Service charges amounted to **R 21,259,459** which is made out of **R 2,904,563** and **R 18,354,896** for Refuse and Electricity for the 4<sup>th</sup> quarter ended 30<sup>th</sup> June 2022 against adjusted budget of **R 70,532,412**

This represent **30%** of the revenue budget for this source. This is above the expected performance for the quarter, due to increased demand for electricity during winter season by consumers



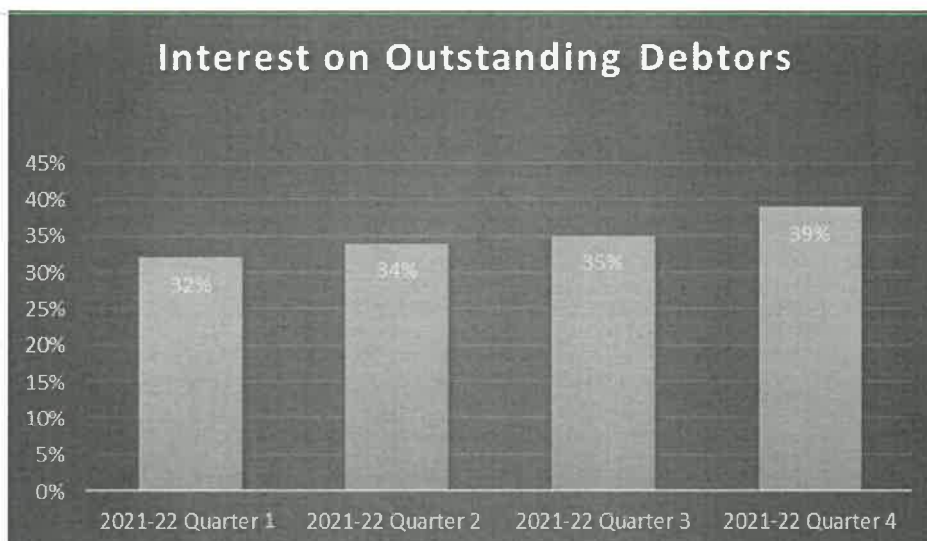
**Rental from facilities**

Revenue from rental of facilities amounted to **R 137,745** for the 4<sup>th</sup> quarter ended 30 June 2022 against adjusted budget of **R 1,245,000** and this represents **11%**. This is below the expected performance for the quarter.



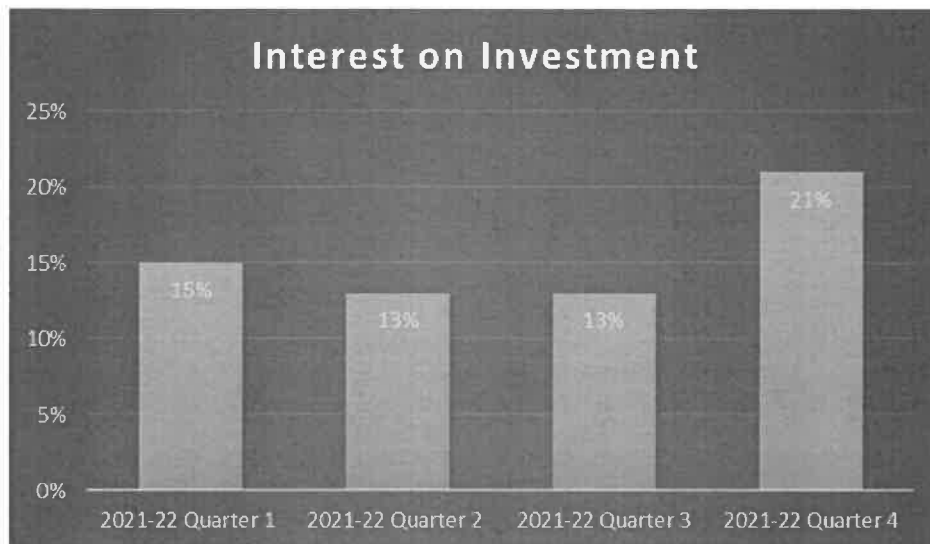
**Interest on Outstanding Debtors**

Interest on outstanding debtors for the 4<sup>th</sup> quarter ended 30 June 2022 amounted to **R4,580,544** against the adjusted budget of **R 11,798,772** and this reflects **39%** of the revenue budget and is a positive performance as the expected target is **25%** for the quarter.



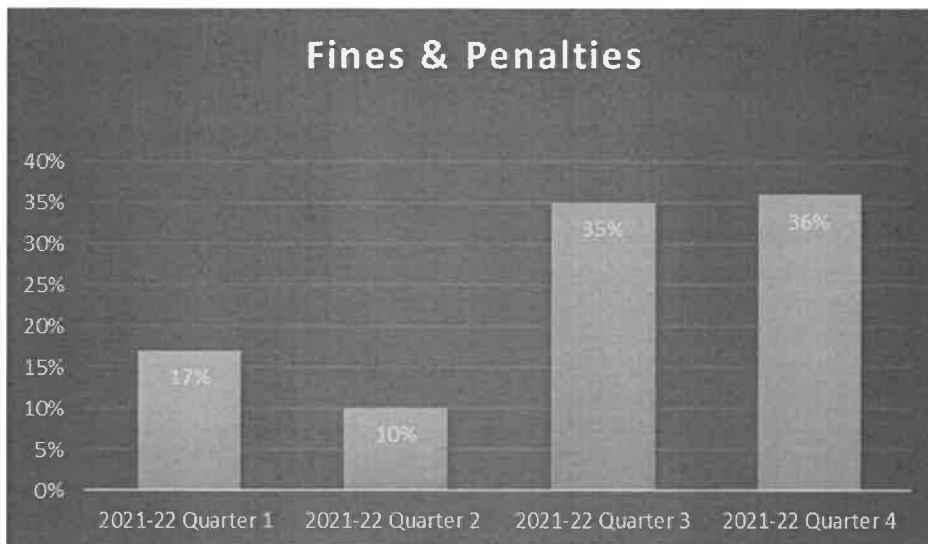
### Interest on Investments

Interest earned from conditional and unconditional investments amounted to **R 3,116,348** for Quarter 4 against adjusted budget of **R14,649,996**. This represents **21%** of the total budget from this source and is also due to the fact that interest due on some investments has not yet materialised on major investments.



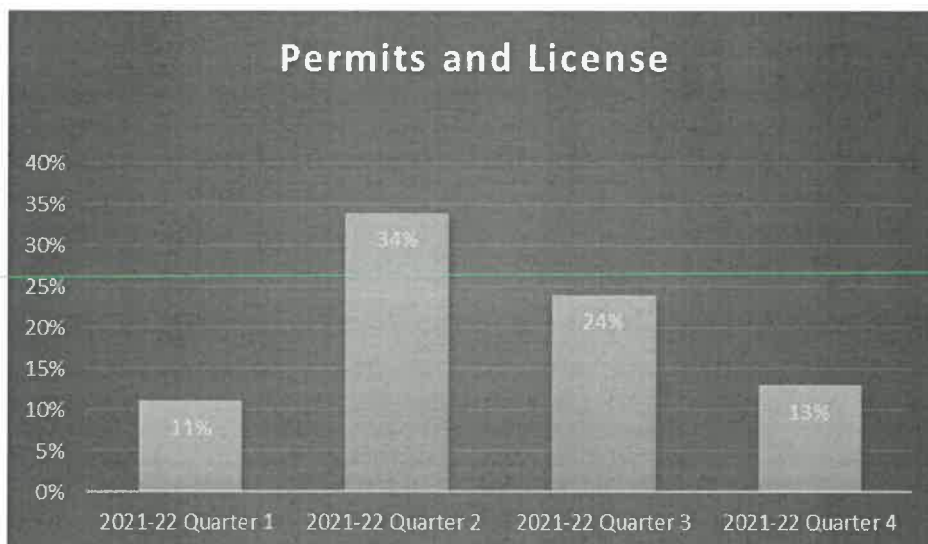
### Fines & Penalties

Revenue from fines and penalties amounted to **R 757,654** for the 4<sup>th</sup> quarter ended 30<sup>th</sup> June 2022 against approved budget of **R 2,093,700** and this reflects **36%** of the revenue budget from fines and penalties, it has improved.



**Licenses and Permits**

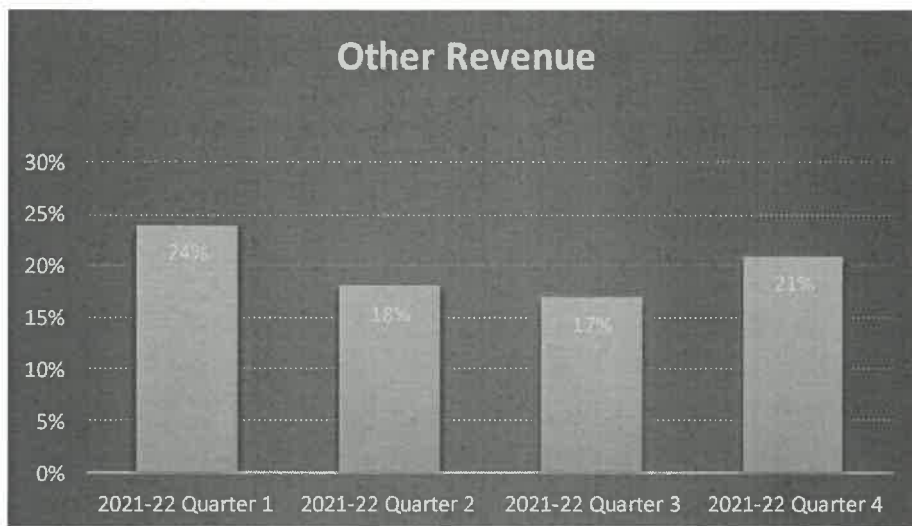
Revenue from licenses and permits amounted to **R 571,933** against approved budget **R 4,524,684** for the 4<sup>th</sup> quarter ended 30 June 2022. This represents **13%** revenue for the quarter against the budget from this source. This is less than the expected performance for the quarter as a result of system being off line due to load shedding.



**Other Revenue**

Other revenue reflects an amount of **R 321,553** for the 4<sup>th</sup> quarter ended 30<sup>th</sup> June 2022 against approved budget of **R 1 501 176** this represents **21%** of the budget allocated for this category. The variance is a result no revenue received for insurance refund as anticipated.



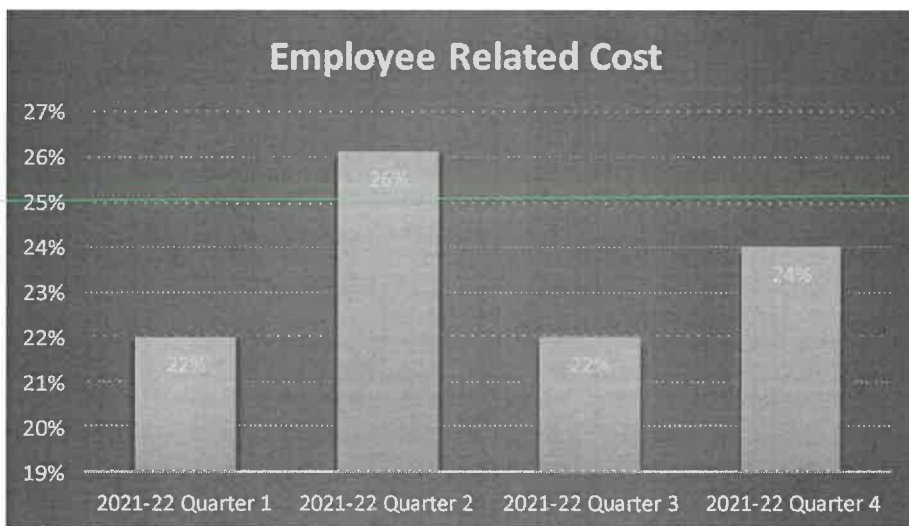


**Expenditure by Type**

Expenditure by type reflects operational budget per type/category of expenditure

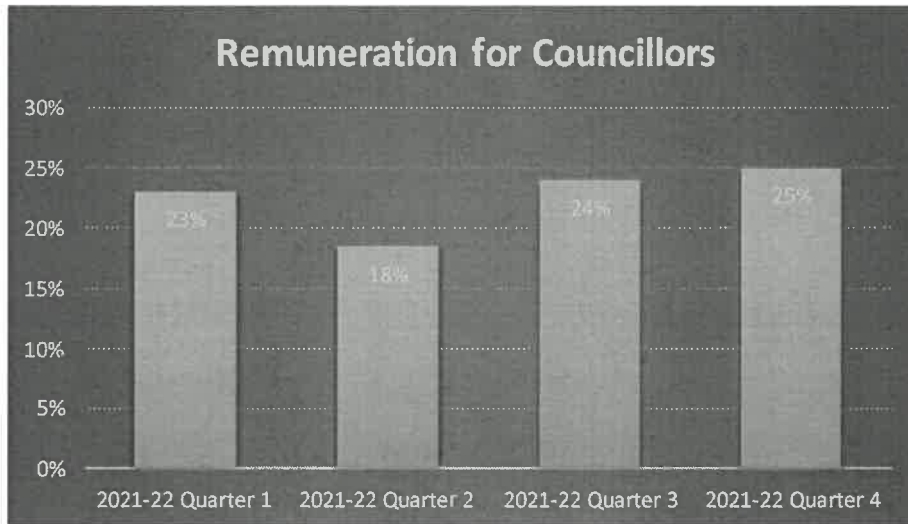
**Employee Related Costs**

Employee related expenditure for the 4<sup>th</sup> quarter ending 30<sup>th</sup> June 2022 amounted to **R 31,289,649** against budget amount of **R 132,260,904** that represents **24%** of the budgeted amount. This is not the expected performance for the quarter, due to vacant position.



**Remuneration of Councillors**

YTD Remuneration of Councillors amounted to **R 5,391,495** for the for 4<sup>th</sup> quarter ended 30<sup>th</sup> June 2022 against budget of **R 21,689,916** this represents **25%** of the budget allocated to this category. This is within the expected performance for the quarter.



**Debt impairment**

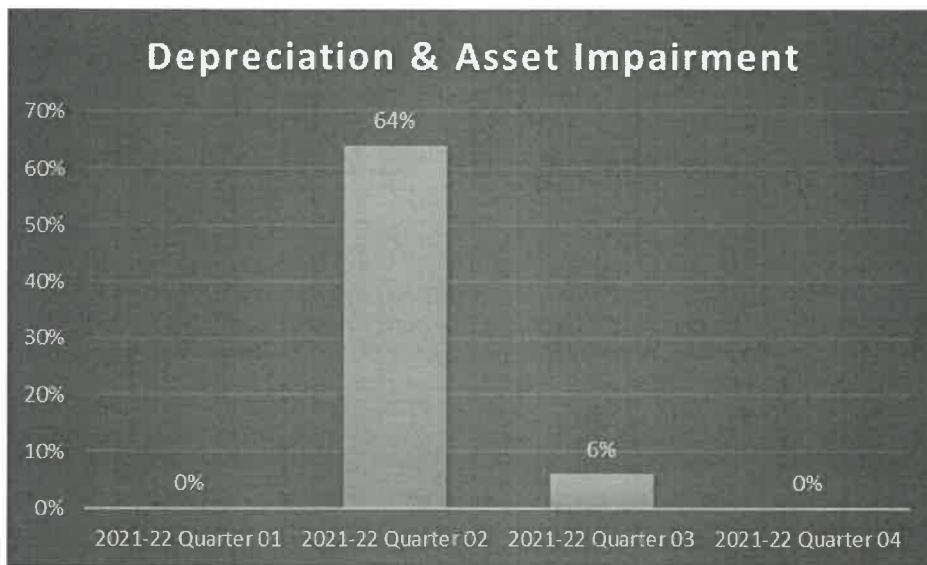
Expenditure will be recognised at the end of the financial year. Debt impairment relates to long overdue customer accounts over 90 days. It is a non-cash item and is budgeted at a rate being the difference of the cash the municipality intends to collect and what is not collectable from customers.

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

Currently the municipality accounts for Debt impairment at the end of the financial year, no expenditure is reflected for 4th quarter for this category.

**Depreciation and Asset Impairment**

The sooner the capitalisation and subsequent depreciation of the assets, the variance will be eliminated and no expenditure is reflected for 4th quarter for this category when measured against adjusted budget of R 70,300,005 this represents 0% of the budget allocated on this category. The balance movements on this category will be reflected on month 13 once the depreciation calculations have been made.

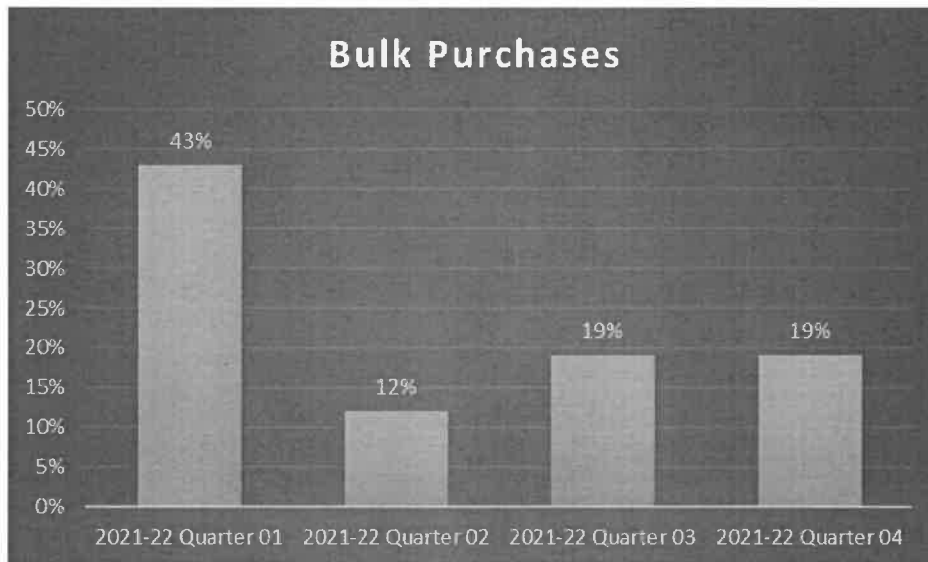


**Finance Costs**

No expenditure relating to interest charges has been incurred for the quarter.

**Bulk Purchases**

Expenditure on electricity bulk purchases amounted to **R11,671,105** for the 4<sup>th</sup> quarter ended 30<sup>th</sup> June 2022 against Adjusted budget of **R 62,000,000** this represents **19%** and the overall expenditure is less than the expected performance, due to June 2022 Eskom bulk invoice to be recognised on the 13<sup>th</sup> month.



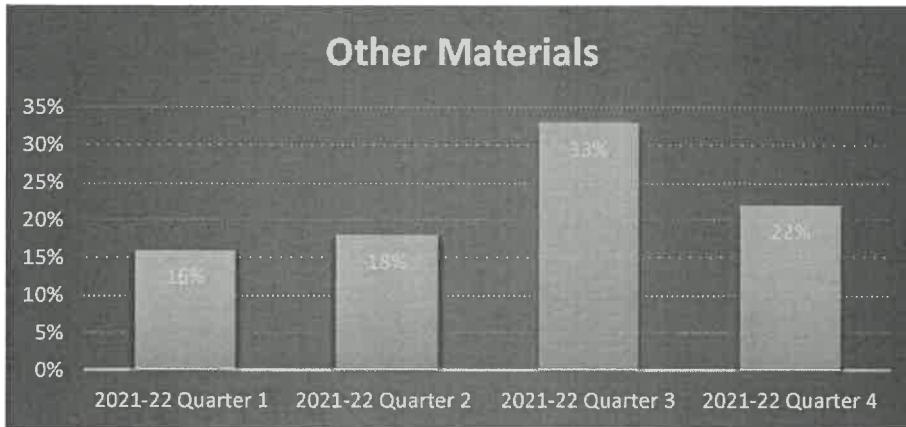
**Contracted Services**

TYD Expenditure on contracted services amounted to **R 30,550,392** for the 4<sup>th</sup> quarter ended 30<sup>th</sup> June 2022 against Adjusted Budget of **R 105,680,024** this represents **27%** of the budget. This is within the expected performance for the quarter.



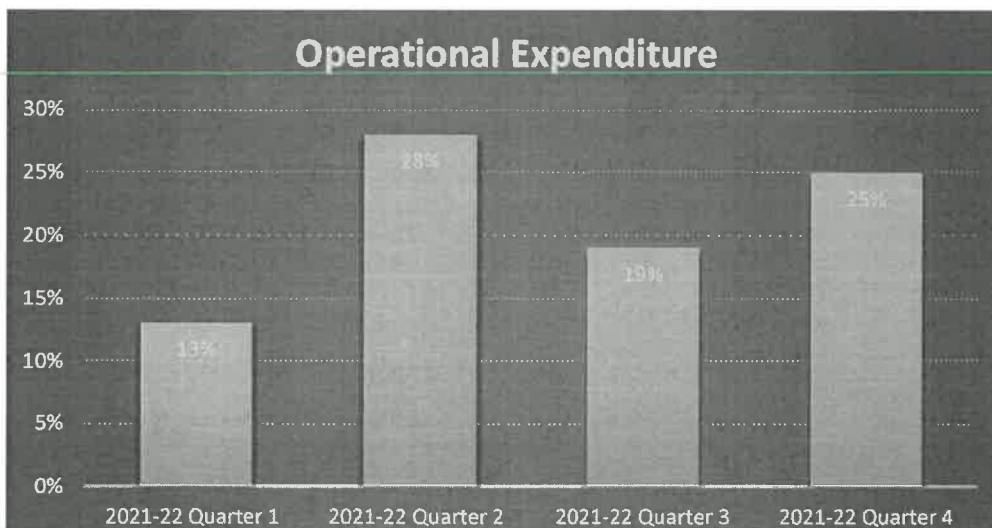
**Other Material**

Expenditure on other material amounted to **R1,504,337** for the 4<sup>th</sup> quarter ended 30<sup>th</sup> June 2022 against approved budget of **R7,280,872**. This represents **22%** of budget allocation for this category. This is less than the expected performance for the quarter, due to less expenditure on repairs and maintenance which was affected by the SCM processes that were stopped by national treasury as per circular no 15 of 2021-22 validity of PPR of 2017.



**Operational Expenditure**

Operational expenditure for the 4<sup>th</sup> quarter ended 30 June 2022 amounted to **R 15,291,957** against adjusted budget of **R 61,253,052** and represents **25%**. This is within expected performance for the quarter.



### 2.1.5 C5 Monthly Budget Statement –Capital Expenditure (municipal vote, functional classification and funding)

<u>Capital Expenditure - Functional Classification</u>										
Governance and administration		6 576	7 526	8 896	134	5 182	8 896	(3 713)	-42%	8 896
Executive and council		-	90	90	-	74	90	(16)	-18%	90
Finance and administration		6 576	7 436	8 806	134	5 109	8 806	(3 707)	-42%	8 806
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		830	1 762	1 867	110	1 370	1 867	(497)	-27%	1 867
Community and social services		675	410	410	65	166	410	(244)	-59%	410
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		155	1 352	1 457	45	1 204	1 457	(253)	-17%	1 457
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		82 344	82 285	117 175	11 420	82 960	117 175	(34 215)	-29%	117 175
Planning and development		488	248	218	-	163	218	(45)	-25%	218
Road transport		91 856	81 957	116 957	11 420	82 798	116 957	(34 160)	-29%	116 957
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		47 718	101 380	109 658	13 442	88 889	109 658	(19 849)	-18%	109 658
Energy sources		47 554	98 180	106 458	12 790	88 691	106 458	(17 767)	-17%	106 458
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		154	3 200	3 200	652	1 119	3 200	(2 081)	-65%	3 200
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	<b>147 468</b>	<b>192 873</b>	<b>237 656</b>	<b>25 106</b>	<b>179 322</b>	<b>237 656</b>	<b>(58 333)</b>	<b>-29%</b>	<b>237 656</b>
<u>Funded by:</u>										
National Government		78 786	142 872	172 150	14 427	138 975	172 150	(32 175)	-19%	172 150
Provincial Government		121	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>78 907</b>	<b>142 872</b>	<b>172 150</b>	<b>14 427</b>	<b>138 975</b>	<b>172 150</b>	<b>(32 175)</b>	<b>-19%</b>	<b>172 150</b>
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		68 561	50 000	65 505	10 679	38 983	65 505	(26 522)	-40%	65 505
<b>Total Capital Funding</b>		<b>147 468</b>	<b>192 873</b>	<b>237 656</b>	<b>24 889</b>	<b>178 958</b>	<b>237 656</b>	<b>(58 697)</b>	<b>-29%</b>	<b>237 656</b>

References

The Approved Capital Budget amounted to **R 192,872,520** and was adjusted to **R 237,655,515** for the financial year and for the 4<sup>th</sup> quarter ended 30 June 2022 spending amounted to **R58,846,371** representing **25%** of the total capital budget, Expenditure on capital is within the expected performance for the 4<sup>th</sup> Quarter. Capital expenditure to date is **75%**.

2.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - Q4 Fourth Quarter

Description	Ref	2020/21	Budget Year 2021/22			
		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		11 295	669	7 244	8 715	7 244
Call investment deposits		213 127	140 275	104 361	228 017	104 361
Consumer debtors		66 327	33 127	33 127	101 765	33 127
Other debtors		83 194	88 896	88 896	91 931	88 896
Current portion of long-term receivables		-	-	-	-	-
Inventory		2 137	1 600	1 698	1 890	1 698
<b>Total current assets</b>		<b>376 061</b>	<b>264 567</b>	<b>235 326</b>	<b>432 318</b>	<b>235 326</b>
<b>Non current assets</b>						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		4 960	2 327	2 327	4 960	2 327
Investments in Associate		-	-	-	-	-
Property, plant and equipment		1 124 828	1 148 451	1 158 330	1 280 712	1 158 330
Biological		-	-	-	-	-
Intangible		403	590	494	206	494
Other non-current assets		-	1 500	1 500	870	1 500
<b>Total non current assets</b>		<b>1 130 191</b>	<b>1 152 868</b>	<b>1 162 651</b>	<b>1 286 748</b>	<b>1 162 651</b>
<b>TOTAL ASSETS</b>		<b>1 506 272</b>	<b>1 417 435</b>	<b>1 397 978</b>	<b>1 719 067</b>	<b>1 397 978</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		1 497	(345)	(345)	1 578	(345)
Trade and other payables		116 524	(49 940)	(52 115)	129 085	(52 115)
Provisions		15 318	(11 998)	(11 998)	15 318	(11 998)
<b>Total current liabilities</b>		<b>133 338</b>	<b>(62 284)</b>	<b>(64 459)</b>	<b>145 981</b>	<b>(64 459)</b>
<b>Non current liabilities</b>						
Borrowing		-	-	-	-	-
Provisions		32 753	(29 578)	(29 578)	32 753	(29 578)
<b>Total non current liabilities</b>		<b>32 753</b>	<b>(29 578)</b>	<b>(29 578)</b>	<b>32 753</b>	<b>(29 578)</b>
<b>TOTAL LIABILITIES</b>		<b>166 092</b>	<b>(91 861)</b>	<b>(94 037)</b>	<b>178 734</b>	<b>(94 037)</b>
<b>NET ASSETS</b>	<b>2</b>	<b>1 340 180</b>	<b>1 509 297</b>	<b>1 492 015</b>	<b>1 540 333</b>	<b>1 492 015</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		887 720	1 739 743	1 722 461	1 087 873	1 722 461
Reserves		452 460	(230 446)	(230 446)	452 460	(230 446)
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>1 340 180</b>	<b>1 509 297</b>	<b>1 492 015</b>	<b>1 540 333</b>	<b>1 492 015</b>

The table reflects the financial position is recorded at the end of the quarter ending 30<sup>th</sup> June 2022.

### 2.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - Q4 Fourth Quarter

Description	Ref	Budget Year 2021/22								
		2020/21 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
Receipts										
Property rates		17 483	45 975	45 975	555	36 620	45 975	(9 355)	-20%	45 975
Service charges		54 759	60 729	60 729	6 247	62 021	60 729	1 292	2%	60 729
Other revenue		33 631	9 365	9 365	2 029	15 705	9 365	6 340	68%	9 365
Transfers and Subsidies - Operational		309 461	267 313	267 313	18	266 202	267 313	(1 111)	0%	267 313
Transfers and Subsidies - Capital		92 926	145 471	174 749	-	174 749	174 749	0	0%	174 749
Interest		8 576	-	14 650	836	4 385	14 650	(10 265)	-70%	14 650
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(16 811)	(375 402)	(380 269)	(48 998)	(266 018)	(390 269)	(104 252)	27%	(390 269)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>590 827</b>	<b>153 438</b>	<b>182 511</b>	<b>(39 312)</b>	<b>273 663</b>	<b>182 511</b>	<b>(91 152)</b>	<b>-50%</b>	<b>182 511</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		(161 457)	(192 672)	(237 656)	(26 185)	(188 241)	(237 656)	(49 414)	21%	(237 656)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(161 457)</b>	<b>(192 672)</b>	<b>(237 656)</b>	<b>(26 185)</b>	<b>(188 241)</b>	<b>(237 656)</b>	<b>(49 414)</b>	<b>21%</b>	<b>(237 656)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		110	-	-	6	82	345	(264)	-76%	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>110</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>82</b>	<b>345</b>	<b>264</b>	<b>76%</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>338 680</b>	<b>(36 422)</b>	<b>(55 144)</b>	<b>(67 491)</b>	<b>85 504</b>	<b>(54 790)</b>			<b>(55 144)</b>
Cash/cash equivalents at beginning		153 196	178 309	166 749		224 422	166 749			224 422
Cash/cash equivalents at month/year end		491 876	138 887	111 605		309 926	111 959			169 278

Data source



## PART 3 –SUPPORTING DOCUMENTATION

### DEBTORS' ANALYSIS

#### Supporting Table SC3 \_Monthly Budget statement Aged Debtors \_ Fourth quarter

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q4 Fourth Quarter

Description	NT Code	Budget Year 2021/22									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts Lta Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
<b>R thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	4 067	1 298	498	779	444	271	2 556	6 483	17 206	10 543	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	116	700	625	572	557	536	26 818	49 806	79 425	77 969	(11)	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	1 478	485	423	400	385	374	1 780	19 954	25 280	22 893	(4)	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-	
Interest on Arrear Debtor Accounts	1810	2 780	1 378	1 358	1 310	1 317	1 286	6 072	34 203	49 723	44 227	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	2 602	288	637	2	137	1	385	28 804	32 855	29 328	-	-	
<b>Total By Income Source</b>	<b>2800</b>	<b>11 817</b>	<b>4 148</b>	<b>3 542</b>	<b>3 901</b>	<b>2 841</b>	<b>2 468</b>	<b>37 819</b>	<b>138 859</b>	<b>284 486</b>	<b>184 988</b>	<b>(15)</b>	<b>-</b>	
<b>2021/22 - totals only</b>														
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	4 086	2 133	1 527	1 828	1 505	1 264	31 411	53 104	96 858	88 112	-	-	
Commercial	2300	6 593	1 129	1 146	422	486	368	1 948	35 705	47 791	38 923	(15)	-	
Households	2400	1 137	888	859	850	857	836	4 250	50 150	58 847	56 952	-	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total By Customer Group</b>	<b>2800</b>	<b>11 817</b>	<b>4 148</b>	<b>3 542</b>	<b>3 901</b>	<b>2 841</b>	<b>2 468</b>	<b>37 819</b>	<b>138 859</b>	<b>284 486</b>	<b>184 988</b>	<b>(15)</b>	<b>-</b>	

The total debt book for 30th June 2022 inclusive of R 4,380,529 advanced payments resulting to a total of R 204,495,629

The total debt book for June 2022 of R 200 115 100.23 has increased by R 4,444,782 from the previous Quarter closing balance of R 195,670,318 Debt is made up of the following:

Residential debt:

R 71,685,887.03

Commercial debt

R 33,044,609.29

Government debt

R 92,614,263.13

Other

R 2,770,340.78

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

Maluti

R 52,622,959.36 (including current)

Cedarville

R 4,666,114.81 (including current)

(both areas are handed over for collection)

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

The following has been handed over:

Residential H/O R 59,653,830.5

Business H/O R 3,153,899.96

Churches H/O R 121 615.56

Farms H/O R 2,392,868.69

A total of R 419 062.84 was collected for the 4<sup>th</sup> quarter through the utilisation of debt collectors.

**CREDITORS' ANALYSIS**

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q4 Fourth Quarter

Description	NT Code	Budget Year 2021/22								Total
		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	
R thousands										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	-	-	-	-	-	-	-	-	-

The municipality paid its creditors within 30 days for the 4<sup>th</sup> quarter ended 30 June 2022.

## INVESTMENT POTFOLIO ANALYSIS

Jun 22					
Investment Management					
Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	23 128 988.26	101 484.36	(15 898 620.48)	(101 484.36)	7 331 852.14
INEP	13 608 559.04	57 915.78	(13 656 474.82)	(57 915.78)	10 000.00
EPWP	-	-	-	-	-
Municipal Electrification Intervention	280 231.20	938.57	-	(938.57)	281 169.77
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	56 130.31	188.10	-	(188.10)	56 318.41
Establishment Plan	197 225.22	510.63	-	(510.63)	197 735.85
Housing Development Fund	2 010 373.39	5 204.94	-	(5 204.94)	2 015 578.33
Dedea	611 780.87	1 583.93	-	(1 593.93)	613 364.80
<b>Total Conditional Investments</b>	<b>39 893 288</b>	<b>167 826</b>	<b>- 29 555 095</b>	<b>- 167 836</b>	<b>10 506 019</b>
Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	85 884 582.18	10 000 000.00	-	(265 653.75)	95 884 582.18
Call Acc STD CRR	11 427 300.53	34 281.90	-	(34 281.90)	11 461 582.43
Call ACC FNB Surplus Cash	6 805 395.80	-	-	(34 054.94)	6 805 395.80
Nedbank 32 Days	6 620 413.54	26 391.09	-	(26 391.09)	6 646 804.63
Nedbank	25 998 525.30	75 866 367.44	(40 000 000.00)	(114 729.48)	61 864 892.74
Nedbank relief fund	791 813.51	2 652.05	-	(2 652.05)	794 465.56
Nedbank COV -19 Solidarity	95 802.57	331.44	-	(331.44)	96 134.01
Nedbank Retention	27 513 220.87	92 150.38	-	(92 150.38)	27 605 371.25
Termination Guarantee	144 640.82	-	-	(484.42)	144 640.82
Account Gaurantee	6 202 000.00	-	-	(20 772.41)	6 202 000.00
Nedbank	20 214 465.75	40 150.69	(20 254 616.44)	(40 150.69)	-
Nedbank	40 274 400.00	67 200.00	(40 341 600.00)	(67 200.00)	-
<b>Total Unconditional</b>	<b>231 972 561</b>	<b>86 129 525</b>	<b>- 100 596 216</b>	<b>- 698 853</b>	<b>217 505 869</b>
<b>Total</b>	<b>271 865 849</b>	<b>86 297 351</b>	<b>- 130 151 312</b>	<b>- 866 689</b>	<b>228 011 889</b>

The table above reflects investments as at the 30 June 2022 at the various institutions at which the funds are invested, the total investments amounted to **R 228,011,889** this includes both conditional and unconditional grants and municipal reserves.

### Bank Balances

The following reflects bank balances at 30 June 2022

Description	April 2022	May 2022	June 2022
Nedbank Primary Account:	1,482,190.04	3,823,551.06	3,024,458.29
Standard bank Account:	1,011,380.32	1,265,325.78	4,016,044.21
First National Bank Account:	1,664,036.38	1,700,522.68	1,757,671.38
<b>Total Cash held as at 30 June 2022</b>	<b>4,157,606.74</b>	<b>6,789,399.52</b>	<b>8,798,173.88</b>

The Total Cash held as at 30 June 2022 is **R 8,798,173.88**

## ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

EC441 Matatiele - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q4 Fourth Quarter

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
National Government:		-	265 363	265 363	-	265 363	265 363	0	0.0%	265 363
Expanded Public Works Programme Integrated Grant		-	4 887	4 887	-	4 887	4 887	-		4 887
Local Government Financial Management Grant		-	1 650	1 650	-	1 650	1 650	0	0.0%	1 650
Entitlement Share		-	258 826	258 826	-	258 826	258 826	-		258 826
Provincial Government:		-	1 950	4 174	-	4 174	4 174	-		4 174
Capacity Building and Other - Library		-	1 950	1 950	-	1 950	1 950	-		1 950
DEDEAT		-	-	2 224	-	2 224	2 224	-		2 224
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
<b>Total Operating Transfers and Grants</b>	<b>5</b>	<b>-</b>	<b>267 313</b>	<b>269 537</b>	<b>-</b>	<b>269 537</b>	<b>269 537</b>	<b>0</b>	<b>0.0%</b>	<b>269 537</b>
<b>Capital Transfers and Grants</b>										
National Government:		-	145 471	174 749	-	174 749	174 749	(0)	0.0%	174 749
Municipal Infrastructure Grant		-	51 971	76 971	-	76 971	76 971	-		76 971
Integrated National Electrification Programme Grant		-	93 500	97 778	-	97 778	97 778	(0)	0.0%	97 778
Provincial Government:		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-	0.0%	-
Other grant providers:		-	-	-	-	-	-	-	0.0%	-
<b>Total Capital Transfers and Grants</b>	<b>5</b>	<b>-</b>	<b>145 471</b>	<b>174 749</b>	<b>-</b>	<b>174 749</b>	<b>174 749</b>	<b>(0)</b>	<b>0.0%</b>	<b>174 749</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>5</b>	<b>-</b>	<b>412 784</b>	<b>444 286</b>	<b>-</b>	<b>444 286</b>	<b>444 286</b>	<b>(0)</b>	<b>0.0%</b>	<b>444 286</b>

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of revenues. All trenches allocated to be received in the quarter under review have been received.

### Supporting Table C7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q4 Fourth Quarter

Description	Rat	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	Year/TO actual	Year/TO budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:	-	265 363	265 363	25 801	250 682	265 363	(14 681)	-5.5%	265 363	
Expanded Public Works Programme Integrated Grant	-	4 887	4 887	-	4 887	4 887	(0)	0.0%	4 887	
Local Government Financial Management Grant	-	1 650	1 650	-	1 650	1 650	0	0.0%	1 650	
Equitable Share	-	258 826	258 826	25 801	244 145	258 826	(14 681)	-5.7%	258 826	
Provincial Government:	(484)	1 950	4 174	260	2 515	4 174	(1 659)	-39.7%	4 174	
Capacity Building and Other: Library	(484)	1 950	1 950	285	291	1 950	(1 659)	-85.1%	1 950	
DEDEAT, ALIEN PLANT CLEARING	-	-	2 224	-	2 224	2 224	-		2 224	
District Municipality:	-	-	-	-	-	-	-		-	
Other grant providers:	-	-	-	-	-	-	-		-	
<b>Total operating expenditure of Transfers and Grants:</b>	<b>(484)</b>	<b>267 313</b>	<b>269 537</b>	<b>26 061</b>	<b>253 197</b>	<b>269 537</b>	<b>(16 339)</b>	<b>-6.1%</b>	<b>269 537</b>	
<u>Capital expenditure of Transfers and Grants</u>										
National Government:	-	145 471	174 749	25 835	156 162	174 749	(18 587)	-10.6%	174 749	
Municipal Infrastructure Grant	-	51 971	75 971	4 124	58 384	75 971	(18 587)	-24.1%	75 971	
Integrated National Electrification Programme Grant	-	93 500	97 778	22 711	97 778	97 778	-		97 778	
Provincial Government:	-	-	-	-	-	-	-		-	
District Municipality:	-	-	-	-	-	-	-		-	
Other grant providers:	-	-	-	-	-	-	-		-	
<b>Total capital expenditure of Transfers and Grants</b>	<b>-</b>	<b>145 471</b>	<b>174 749</b>	<b>25 835</b>	<b>156 162</b>	<b>174 749</b>	<b>(18 587)</b>	<b>-10.6%</b>	<b>174 749</b>	
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>(484)</b>	<b>412 784</b>	<b>444 286</b>	<b>52 895</b>	<b>409 359</b>	<b>444 286</b>	<b>(34 926)</b>	<b>-7.9%</b>	<b>444 286</b>	

Expenditure performance on operational grants to date represents **94%** of the approved budget. Slow spending on library grant due to delays in project awarding.

Capital Expenditure on capital grants to date represents is **75%** of the Adjusted budget on capital grants, which is less than the expected performance.

The slow spending on the capital budget as a result of SCM processes that were stopped by treasury as per Circular no 15 of 2021-22 validity of the PPR of 2017.

## EMPLOYEE RELATED COSTS AND COUNCILLOR'S REMUNERATION

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.

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q4 Fourth Quarter

Summary of Employee and Councillor remuneration	Ref	2020/21		Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C					D	
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		12 087	13 681	13 681	(4)	12 038	13 681	(1 643)	-12%	13 681
Pension and UIF Contributions		741	808	808	4	671	808	(136)	-17%	808
Medical Aid Contributions		560	141	141	54	542	141	401	284%	141
Motor Vehicle Allowance		129	136	136	-	58	136	(77)	-57%	136
Cellphone Allowance		2 279	2 391	2 391	-	2 213	2 391	(179)	-7%	2 391
Housing Allowances		4 204	4 532	4 532	(0)	4 131	4 532	(401)	-9%	4 532
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>19 979</b>	<b>21 690</b>	<b>21 690</b>	<b>54</b>	<b>19 653</b>	<b>21 680</b>	<b>(2 027)</b>	<b>-9%</b>	<b>21 680</b>
<b>% increase</b>	4		<b>8.6%</b>	<b>8.6%</b>						<b>8.6%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		1 064	3 200	3 200	309	2 235	3 200	(965)	-30%	3 200
Pension and UIF Contributions		70	139	139	1	34	139	(105)	-75%	139
Medical Aid Contributions		-	121	121	-	-	121	(121)	-100%	121
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		577	1 813	1 813	105	1 033	1 813	(780)	-43%	1 813
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		577	1 390	1 390	56	677	1 390	(712)	-51%	1 390
Other benefits and allowances		170	498	498	52	363	498	(116)	-23%	498
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>2 478</b>	<b>7 162</b>	<b>7 162</b>	<b>524</b>	<b>4 362</b>	<b>7 162</b>	<b>(2 799)</b>	<b>-39%</b>	<b>7 162</b>
<b>% increase</b>	4		<b>188.9%</b>	<b>188.9%</b>						<b>188.9%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		75 738	87 626	87 296	6 837	81 296	87 296	(6 003)	-7%	87 296
Pension and UIF Contributions		12 615	14 324	14 324	1 140	13 062	14 324	(1 262)	-9%	14 324
Medical Aid Contributions		5 989	5 134	5 134	408	4 717	5 134	(418)	-8%	5 134
Overtime		2 147	1 916	2 025	184	1 644	2 025	(381)	-19%	2 025
Performance Bonus		5 961	6 332	6 332	1 219	5 865	6 332	(466)	-7%	6 332
Motor Vehicle Allowance		4 966	4 832	4 832	402	4 918	4 832	85	2%	4 832
Cellphone Allowance		6	6	6	1	146	6	140	2284%	6
Housing Allowances		-	2 531	2 531	64	363	2 531	(2 168)	-85%	2 531
Other benefits and allowances		4 344	2 398	2 616	380	5 055	2 616	2 439	103%	2 616
Payments in lieu of leave		3 821	-	-	-	2 681	-	2 681	#DIV/0!	-
Long service awards		290	-	-	25	363	-	363	#DIV/0!	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>113 683</b>	<b>125 998</b>	<b>125 089</b>	<b>10 639</b>	<b>120 129</b>	<b>123 889</b>	<b>(4 076)</b>	<b>-3%</b>	<b>123 889</b>
<b>% increase</b>	4		<b>8.3%</b>	<b>8.3%</b>						<b>8.3%</b>
<b>Total Parent Municipality</b>		<b>137 843</b>	<b>153 951</b>	<b>153 951</b>	<b>11 237</b>	<b>144 144</b>	<b>153 951</b>	<b>(9 806)</b>	<b>-6%</b>	<b>153 951</b>
Unpaid salary, allowances & benefits in arrears:										

## COUNCIL REMUNERATION

The expenditure from remuneration of Councillors amounted to R 5,391,495 for the 4<sup>th</sup> quarter ended 30 June 2022 against the adjusted budget of R 21,689,916, this represents 25% of the budget allocated to this category.

## EMPLOYEE RELATED COST

The variance is a result of the timing of filling of vacant positions, the expenditure for the quarter under review amounted to R 31,289,649 against budget of R 132,260,904 and represents 24% performance of the budget, this is within the expected performance for the quarter.

**SUPPLY CHAIN MANAGEMENT**

**a. Progress on Procurement Plan 2021/22**

**Circular 62 and 94 of the MFMA Act No 56 of 2003**  
 The departments within the municipality will do need analysis and budget for goods, services and construction works. A demand management plan will be developed by the Supply Chain Manager  
 The Bid Specification committee will at twice a month and the deadline date for the submission of requests for Bids is the 12th of each month. All requests which missed the deadline will always be processed in the following months  
 The BEC will at once a month to process all projects that have been advertised and closed. The turn-around time for a closed bid will be 21 days before appointment. This is in compliance with section 43 of the SCM regulations which deals with objections.

Dept Code	Funding	Total Project Cost	Adjusted Budget 2021/22	Mode of Procurement	Project Description	Percentage Expenditure 03	Percentage Expenditure 04	Requisition and spec submission date	SPEC Date	Advert Date	Closing Date	BEC Date	BAC Date	Appointment	Status	Watch Report
<b>ADJUSTED PROCUREMENT PLAN</b>																
Public Participation and Customers Care	Equitable Share	R 642 000.00	R 15.00	Competitive Bidding	Customer Satisfaction Survey	8%	100%	15-Mar-22	15-Mar-22	25-Mar-22	25-Apr-22	04-May-22	13-May-22	13-Jun-22	TOR not sent to the BEC	
Administration and Council Support	Capital	R 200 000.00	R -	Competitive Bidding	Guard Houses	0%	100%	15-Mar-22	15-Mar-22	25-Mar-22	25-Apr-22	04-May-22	13-May-22	13-Jun-22	Awarded	
ICT	Equitable share	R 400 000.00	R 200 000.00	Competitive Bidding	ICT SECURITY AWARENESS (POPIA)	100%	100%	15-Mar-22	15-Mar-22	25-Mar-22	25-Apr-22	04-May-22	13-May-22	13-Jun-22	TOR not sent to the BEC	N/A
ICT	Equitable share	R 1 300 000.00	R 1 300 000.00	Competitive Bidding	PROVISION OF HR AND PAYROLL SYSTEM	0%	0%	15-Mar-22	15-Mar-22	25-Mar-22	25-Apr-22	04-May-22	13-May-22	13-Jun-22	TOR not sent to the BEC	N/A
<b>COMMUNITY SERVICES</b>																
Purchase of uniform and protective clothing		R 250 000.00	R 250 000.00	Competitive Bidding	Purchase of uniform and protective clothing			15-Mar-22	15-Mar-22	25-Mar-22	25-Apr-22	04-May-22	13-May-22	13-Jun-22	TOR not sent to the BEC	
SCBA with oxygen cylinders (fire), pickhead axe, hoodigan tools, roof ladder, rescue saw, torches		R 205 000.00	R 205 000.00	Competitive Bidding	SCBA with oxygen cylinders (fire), pickhead axe, hoodigan tools, roof ladder, rescue saw, torches			15-Mar-22	15-Mar-22	25-Mar-22	25-Apr-22	04-May-22	13-May-22	13-Jun-22	TOR not sent to the BEC	
Waste and Environment		R 600 000.00	R 600 000.00	Competitive Bidding	Mowers reserve access road			25-Mar-22	25-Mar-22	07-Apr-22	22-Apr-22	27-Apr-22	06-May-22	06-Jun-22	BSC	
Waste and Environment		R 750 000.00	R 750 000.00	Competitive Bidding	backfill site access road			25-Mar-22	25-Mar-22	07-Apr-22	22-Apr-22	27-Apr-22	06-May-22	06-Jun-22	BSC	
Waste and Environment		R 1 000 000.00	R 1 000 000.00	Competitive Bidding	Camery development			25-Mar-22	25-Mar-22	07-Apr-22	22-Apr-22	27-Apr-22	06-May-22	06-Jun-22	BSC	
Waste and Environment		R 4 000 000.00	R 4 000 000.00	Competitive Bidding	Remediation of landfill site			25-Mar-22	25-Mar-22	07-Apr-22	22-Apr-22	27-Apr-22	06-May-22	06-Jun-22	BSC	
Waste and Environment		R 200 000.00	R 200 000.00	Competitive Bidding	Grass cutting machines			25-Mar-22	25-Mar-22	07-Apr-22	22-Apr-22	27-Apr-22	06-May-22	06-Jun-22	BSC	
Waste and Environment		R 4 000 000.00	R 4 000 000.00	Competitive Bidding	Remediation of landfill site			15-Mar-22	15-Mar-22	25-Mar-22	25-Apr-22	04-May-22	13-May-22	13-Jun-22	BSC	
Public Amenities & EPWP		R 350 000.00	R 400 000.00	Competitive Bidding	Positive maintenance of 5 sports fields			15-Mar-22	15-Mar-22	25-Mar-22	25-Apr-22	04-May-22	13-May-22	13-Jun-22	TOR not sent to the BEC	
Public Amenities & EPWP		R 350 000.00	R 350 000.00	Competitive Bidding	Buy Park Public Toilets			15-Mar-22	15-Mar-22	25-Mar-22	25-Apr-22	04-May-22	13-May-22	13-Jun-22	TOR not sent to the BEC	
Public Amenities & EPWP		R 850 000.00	R 850 000.00	Competitive Bidding	Reservations			15-Mar-22	15-Mar-22	25-Mar-22	25-Apr-22	04-May-22	13-May-22	13-Jun-22	TOR not sent to the BEC	
			<b>R 25 937 000.00</b>													

• Q4-TENDERS AWARDED R200 000 TO R50 MILLION-APRIL TO JUNE 2022

N O	NAME OF DESCRIPTION	CLOSING DATE	SERVICE PROVIDER	APPOINTMENT DATE	AMOUNT	LOCALITY
1.	Supply and Installation of 1.8M high x 3M wide palisade fence panels length:140 M, 2 x automated vehicular sliding gates and 1 pedestaling gate	19 /11/ 2021	Phambaniso and Sons (Pty) Ltd	10 /05/ 2022	R 201,200.00	Matatiele
2.	Appointment of a service provider to provide in-house travel & accommodation and conference facilities to the Matatiele Local Municipality for a period of two years	04/ 03/ 2022	Tunimart Travel (Pty) Ltd	21 /06/ 2022	rates	East London

**IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

The YTD Fruitless and wasteful expenditure for the 4<sup>th</sup> quarter ended 30 June 2022 amounted to R 738.72 this expenditure relates to penalties for late submission for Compensation of Occupational Injuries and Diseases (COIDA) and interest on overdue Eskom account.

**INDIGENT MANAGEMENT**

The indigent register for the 2021/22 has 14,300 beneficiaries registered to date. A total of R 6,402,124.94 has been incurred as the end of quarter 4

Expenditure for quarter four ended 30 June 2022:

- Electricity	R 350 673.06
- Rates and refuse	R 293 855.05



- Alternative energy (Solar; and gas and stoves) R 5 757 596.83

**Challenges experienced during registration processes**

- applications submitted with incomplete information
- delays in submitting applications for capturing.
- returned applications forms not re-submitted for verification and capturing

## MUNICIPAL MANAGER'S QUALITY CERTIFICATE

### QUALITY CERTIFICATE

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

The quarterly budget statement (Section 52(d) Report) on the implementation of the budget and financial state of affairs of the municipality for the third quarter ended 30<sup>th</sup> June 2022 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

**Print Name:** Lizo Matiwane

**Municipal Manager of Matatiele Local Municipality**

**Signature:**



**Date:** 14/07/2022