



MATATIELE  
LOCAL MUNICIPALITY

2020/2021  
QUARTERLY  
SECTION 52(D)  
REPORT

1<sup>ST</sup> QUARTER ENDED  
30 SEPTEMBER 2020

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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:

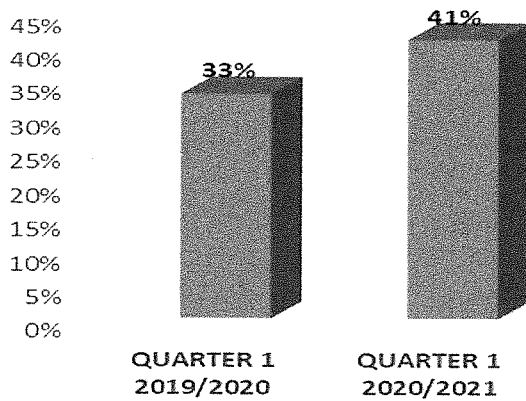
- That, the report on the implementation of the budget and the financial state of affairs of the municipality for the quarter ended 30<sup>th</sup> September 2020 be noted by council.
- That, the submission of section 52(d) reports and to Provincial and National Treasuries 30 days after the end of each quarter be noted by Council.

## 1.2 EXECUTIVE SUMMARY

### Revenue by source

The total revenue received by source for the 1<sup>st</sup> quarter amounted to **R169,217,665** against approved budget of **R408,393,768** and adjusted budget of **R458,174,768** (excluding capital transfers). This represents **41%** revenue for the first quarter, this is above the expected performance of **25%** for the quarter ended 30 September 2020.

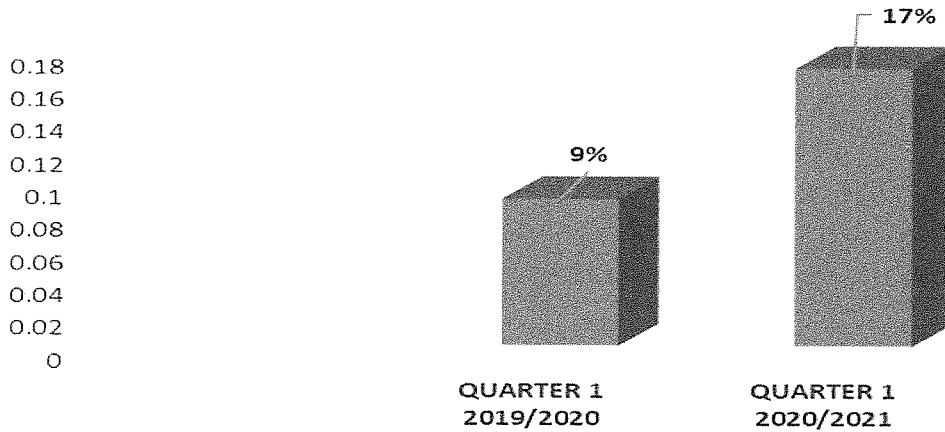
### REVENUE PERFORMANCE



**Operating Expenditure by type**

Operating expenditure amounted to R 67,432,652 for the 1<sup>st</sup>quarter of the financial year against approved budget of R 408,392,856 and adjusted budget of R435,074,576. This represents 17% of the approved operating expenditure budget and 15% of the adjusted operating expenditure budget.

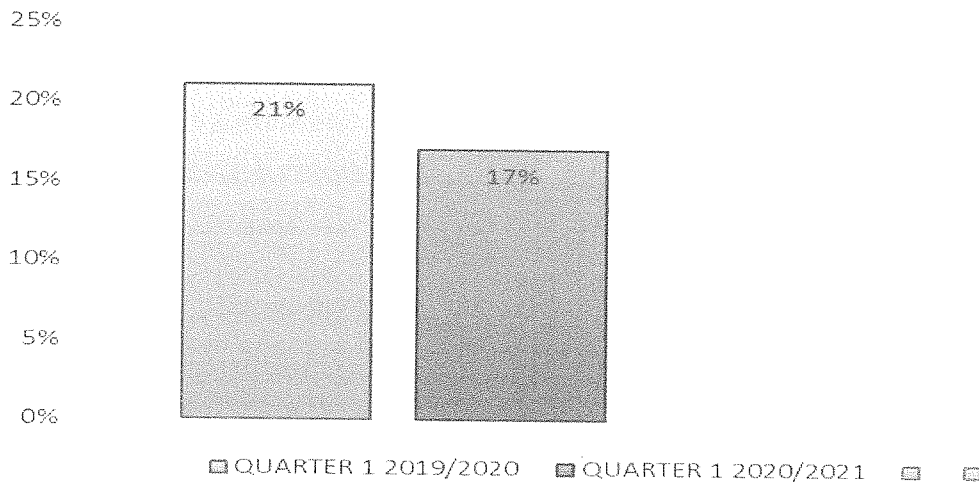
**OPERATING EXPENDITURE PERFORMANCE**



**Capital Expenditure**

Capital expenditure for the 1<sup>st</sup> quarter of the financial year amounted to R 29,926,311 against approved budget of R174,313,680 and adjusted budget of R177,313,684. This represents 17% of the approved capital expenditure budget and 16% of the adjusted capital expenditure budget.

**Capital Expenditure Performance**



**PART 2 –  
IN-YEAR BUDGET STATEMENTS**

**2.1 Table C2 Monthly Budget Statement - Financial Performance (functional classification) -**

Description	2018/19	Budget Year 2019/20						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Financial Performance</b>								
Property rates	(6)	48,190	48,190	36,274	12,048	24,226	201%	48,190
Service charges	-	68,817	68,817	12,037	17,204	(5,167)	-30%	68,817
Investment revenue	-	14,650	14,650	2,102	3,662	(1,561)	-43%	14,650
Transfers and subsidies	4,044	256,212	305,993	113,805	64,053	49,752	78%	305,993
Other own revenue	1,682	20,525	20,525	5,000	5,131	(131)	-3%	20,525
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>5,720</b>	<b>408,394</b>	<b>458,175</b>	<b>169,218</b>	<b>102,098</b>	<b>67,119</b>	<b>66%</b>	<b>458,175</b>
Employee costs	4,605	125,231	125,231	27,982	31,308	(3,326)	-11%	125,231
Remuneration of Councillors	-	21,537	21,537	5,086	5,384	(298)	-6%	21,537
Depreciation & asset impairment	-	33,110	33,110	-	8,278	(8,278)	-100%	33,110
Finance charges	3	-	-	-	-	-	-	-
Materials and bulk purchases	1,325	53,567	53,717	13,123	13,392	(268)	-2%	53,717
Transfers and subsidies	-	-	-	-	-	-	-	-
Other expenditure	23,355	174,949	201,480	21,241	43,737	(22,496)	-51%	201,480
<b>Total Expenditure</b>	<b>29,288</b>	<b>408,393</b>	<b>435,075</b>	<b>67,433</b>	<b>102,098</b>	<b>(34,666)</b>	<b>-34%</b>	<b>435,075</b>
<b>Surplus/(Deficit)</b>	<b>(23,568)</b>	<b>1</b>	<b>23,100</b>	<b>101,785</b>	<b>0</b>	<b>101,785</b>	<b>44642450%</b>	<b>23,100</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	101,527	81,527	12,587	25,382	(12,795)	-50%	81,527
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (n-kind - all)	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(23,568)</b>	<b>101,528</b>	<b>104,627</b>	<b>114,372</b>	<b>25,382</b>	<b>88,990</b>	<b>351%</b>	<b>104,627</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>(23,568)</b>	<b>101,528</b>	<b>104,627</b>	<b>114,372</b>	<b>25,382</b>	<b>88,990</b>	<b>351%</b>	<b>104,627</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	<b>92,012</b>	<b>174,314</b>	<b>177,314</b>	<b>29,926</b>	<b>174,105</b>	<b>(144,179)</b>	<b>-83%</b>	<b>177,314</b>
Capital transfers recognised	79,000	99,340	79,340	14,113	24,835	(10,722)	-43%	79,340
Borrowing	-	-	-	-	-	-	-	-
Internally generated funds	9,087	74,974	97,974	15,813	18,691	(2,878)	-15%	97,974
<b>Total sources of capital funds</b>	<b>88,087</b>	<b>174,314</b>	<b>177,314</b>	<b>29,926</b>	<b>43,526</b>	<b>(13,600)</b>	<b>-31%</b>	<b>177,314</b>
<b>Financial position</b>								
Total current assets	(391,543)	232,526	232,475	417,318				232,475
Total non current assets	322,606	1,143,450	1,146,450	1,159,629				1,146,450
Total current liabilities	30,551	97,388	97,238	125,568				97,238
Total non current liabilities	1,046	27,398	27,398	28,370				27,398
Community wealth/Equity	(23,568)	1,251,190	1,254,289	1,423,009				1,254,289
<b>Cash flows</b>								
Net cash from (used) operating	13,206	140,489	140,453	454,487	247,399	(207,088)	-84%	140,453
Net cash from (used) investing	(119,778)	(174,301)	(174,166)	(35,137)	(43,578)	(8,441)	19%	(174,179)
Net cash from (used) financing	10	-	-	(1,387)	(1,268)	118	-9%	-
<b>Cash/cash equivalents at the month/year end</b>	<b>(391,939)</b>	<b>103,071</b>	<b>103,171</b>	<b>420,742</b>	<b>339,435</b>	<b>(81,307)</b>	<b>-24%</b>	<b>(30,947)</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>								
Total By Income Source	6,911	4,564	32,762	7,043	2,250	12,073	106,396	185,547
<b>Creditors Age Analysis</b>								
Total Creditors	-	-	-	-	-	-	-	-



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

Description	Ref	Budget Year 2019/20								
		2018/19 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>										
<i>Governance and administration</i>		1,860	325,819	375,600	3,860	154,390	81,455	72,935	90%	375,600
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		1,860	325,819	375,600	3,860	154,390	81,455	72,935	90%	375,600
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	11,958	11,958	369	2,496	2,990	(494)	-17%	11,958
Community and social services		-	5,719	5,719	-	1,360	1,430	(69)	-5%	5,719
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	6,239	6,239	369	1,135	1,560	(424)	-27%	6,239
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		3,831	49,081	49,081	44	12,143	12,270	(127)	-1%	49,081
Planning and development		176	145	145	21	29	36	(7)	-20%	145
Road transport		3,655	48,936	48,936	23	12,114	12,234	(120)	-1%	48,936
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		28	123,062	103,062	5,718	12,775	30,766	(17,990)	-58%	103,062
Energy sources		-	107,474	87,474	4,760	9,891	28,869	(16,977)	-63%	87,474
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		28	15,588	15,588	959	2,884	3,897	(1,013)	-26%	15,588
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>5,720</b>	<b>509,921</b>	<b>539,702</b>	<b>9,991</b>	<b>181,804</b>	<b>127,480</b>	<b>54,324</b>	<b>43%</b>	<b>539,702</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		18,698	212,043	229,625	12,250	36,193	53,011	(16,818)	-32%	229,625
Executive and council		175	28,964	28,964	2,053	5,771	7,241	(1,470)	-20%	28,964
Finance and administration		18,145	179,004	196,586	9,959	29,784	44,751	(14,967)	-33%	196,586
Internal audit		377	4,075	4,075	237	637	1,019	(381)	-37%	4,075
<i>Community and public safety</i>		4,021	36,223	38,223	2,420	6,949	9,056	(2,106)	-23%	38,223
Community and social services		3,713	15,351	17,351	975	2,732	3,838	(1,105)	-29%	17,351
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		308	20,873	20,873	1,445	4,217	5,218	(1,001)	-19%	20,873
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		5,648	78,862	85,462	2,050	6,677	19,715	(13,038)	-66%	85,462
Planning and development		2,993	25,584	31,084	663	2,199	6,396	(4,197)	-66%	31,084
Road transport		2,654	53,278	54,378	1,387	4,479	13,319	(8,841)	-66%	54,378
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		921	81,265	81,765	1,824	17,613	20,316	(2,703)	-13%	81,765
Energy sources		1,111	57,506	58,006	622	14,082	14,376	(315)	-2%	58,006
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		(190)	23,759	23,759	1,202	3,552	5,940	(2,388)	-40%	23,759
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>29,288</b>	<b>408,393</b>	<b>435,075</b>	<b>18,544</b>	<b>67,433</b>	<b>102,098</b>	<b>(34,666)</b>	<b>-34%</b>	<b>435,075</b>
<b>Surplus/ (Deficit) for the year</b>		<b>(23,568)</b>	<b>101,528</b>	<b>104,627</b>	<b>(8,552)</b>	<b>114,372</b>	<b>25,382</b>	<b>88,990</b>	<b>351%</b>	<b>104,627</b>

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

Vote Description	Ref	Budget Year 2019/20								
		2018/19 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 Vote</b>										
Vote 1 - Executive and council	1	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		1,717	325,469	375,250	3,850	154,379	81,367	73,012	89.7%	375,250
Vote 3 - Corporate		144	350	350	9	11	88	(77)	-87.5%	350
Vote 4 - Development and Planning		176	145	145	21	29	36	(7)	-19.8%	145
Vote 5 - Community		28	27,546	27,546	1,328	5,380	6,887	(1,507)	-21.9%	27,546
Vote 6 - Infrastructure		3,655	156,410	136,410	4,783	22,005	39,103	(17,097)	-43.7%	136,410
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>2</b>	<b>5,720</b>	<b>509,921</b>	<b>539,702</b>	<b>9,991</b>	<b>181,804</b>	<b>127,480</b>	<b>54,324</b>	<b>42.6%</b>	<b>539,702</b>
<b>Expenditure by Vote</b>										
Vote 1 - Executive and council	1	815	37,214	37,714	2,343	6,564	9,303	(2,739)	-29.4%	37,714
Vote 2 - Finance and Admin		13,458	100,989	112,571	5,564	15,756	25,247	(9,491)	-37.6%	112,571
Vote 3 - Corporate		4,425	73,840	79,340	4,342	13,872	18,460	(4,588)	-24.9%	79,340
Vote 4 - Development and Planning		2,993	25,584	31,084	663	2,199	6,396	(4,197)	-65.6%	31,084
Vote 5 - Community		3,831	59,983	61,983	3,622	10,501	14,996	(4,495)	-30.0%	61,983
Vote 6 - Infrastructure		3,766	110,783	112,383	2,009	18,541	27,696	(9,155)	-33.1%	112,383
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>2</b>	<b>29,288</b>	<b>408,393</b>	<b>435,075</b>	<b>18,544</b>	<b>67,433</b>	<b>102,098</b>	<b>(34,666)</b>	<b>-34.0%</b>	<b>435,075</b>
<b>Surplus/ (Deficit) for the year</b>	<b>2</b>	<b>(23,568)</b>	<b>101,528</b>	<b>104,627</b>	<b>(8,552)</b>	<b>114,372</b>	<b>25,382</b>	<b>88,990</b>	<b>350.8%</b>	<b>104,627</b>

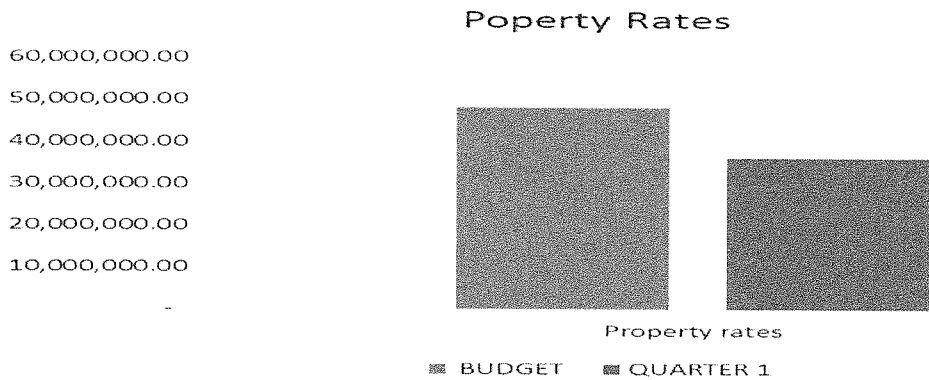
2.1.4 C4 Monthly Budget Statement –Financial Performance (revenue and Expenditure)

Description	Ref	Budget Year 2020/21								
		2019/20 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		(6)	48,190	48,190	1,633	36,274	12,048	24,226	201%	48,190
Service charges - electricity revenue		-	53,291	53,291	4,694	9,200	13,323	(4,123)	-31%	53,291
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		-	15,526	15,526	948	2,838	3,881	(1,044)	-27%	15,526
Rental of facilities and equipment	1,488	-	500	500	68	370	125	245	196%	500
Interest earned - external investments		-	14,650	14,650	775	2,102	3,662	(1,561)	-43%	14,650
Interest earned - outstanding debtors		-	11,799	11,799	1,428	3,338	2,950	388	13%	11,799
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	7	-	2,094	2,094	2	380	523	(143)	-27%	2,094
Licences and permits	10	-	4,525	4,525	369	760	1,131	(371)	-33%	4,525
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies	4,044	-	256,212	305,993	-	113,805	64,053	49,752	78%	305,993
Other revenue	178	-	1,608	1,608	75	152	402	(250)	-62%	1,608
Gains		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>5,720</b>	<b>408,394</b>	<b>458,175</b>	<b>9,991</b>	<b>169,218</b>	<b>102,098</b>	<b>67,119</b>	<b>66%</b>	<b>458,175</b>
<b>Expenditure By Type</b>										
Employee related costs		4,605	125,231	125,231	9,098	27,982	31,308	(3,326)	-11%	125,231
Remuneration of councillors		-	21,537	21,537	1,662	5,066	5,384	(298)	-6%	21,537
Debt impairment		-	5,000	5,000	-	-	1,250	(1,250)	-100%	5,000
Depreciation & asset impairment		-	33,110	33,110	-	-	8,278	(8,278)	-100%	33,110
Finance charges	3	-	-	-	-	-	-	-	-	-
Bulk purchases		-	48,000	48,000	-	12,214	12,000	214	2%	48,000
Other materials	1,325	-	5,567	5,717	399	909	1,392	(483)	-35%	5,717
Contracted services	19,714	-	101,279	125,811	5,953	16,673	25,320	(8,647)	-34%	125,811
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure	2,957	-	68,670	70,670	1,432	4,568	17,167	(12,599)	-73%	70,670
Losses		684	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>29,288</b>	<b>408,393</b>	<b>435,075</b>	<b>18,544</b>	<b>67,433</b>	<b>102,098</b>	<b>(34,666)</b>	<b>-34%</b>	<b>435,075</b>
<b>Surplus/(Deficit)</b>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(23,568)	1	23,100	(8,552)	101,785	0	101,785	446	23,100
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	101,527	81,527	-	12,587	25,382	(12,795)	(0)	81,527
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(23,568)</b>	<b>101,528</b>	<b>104,627</b>	<b>(8,552)</b>	<b>114,372</b>	<b>25,382</b>			<b>104,627</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>(23,568)</b>	<b>101,528</b>	<b>104,627</b>	<b>(8,552)</b>	<b>114,372</b>	<b>25,382</b>			<b>104,627</b>
Attributable to minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(23,568)</b>	<b>101,528</b>	<b>104,627</b>	<b>(8,552)</b>	<b>114,372</b>	<b>25,382</b>			<b>104,627</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(23,568)</b>	<b>101,528</b>	<b>104,627</b>	<b>(8,552)</b>	<b>114,372</b>	<b>25,382</b>			<b>104,627</b>

**Revenue by Source**

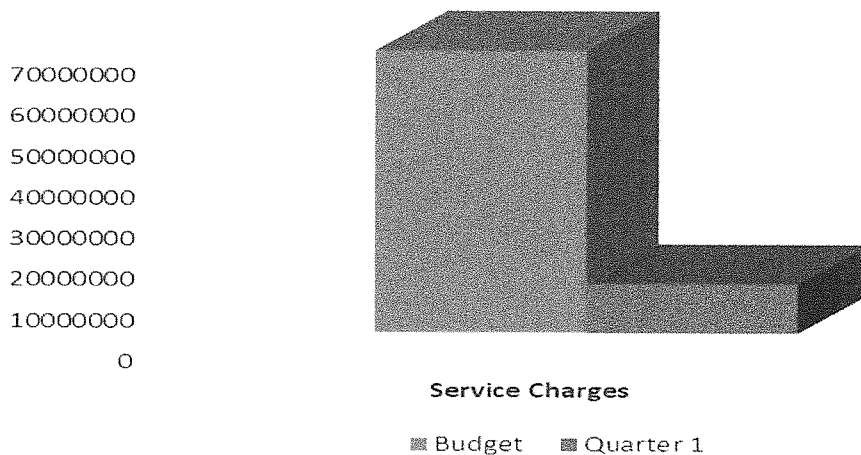
**Property Rates**

Billing on property rates is done during the first quarter of the financial year. Revenue recognised for property rates for the quarter ended 30 September 2020 amounted to **R 36,273,863**.



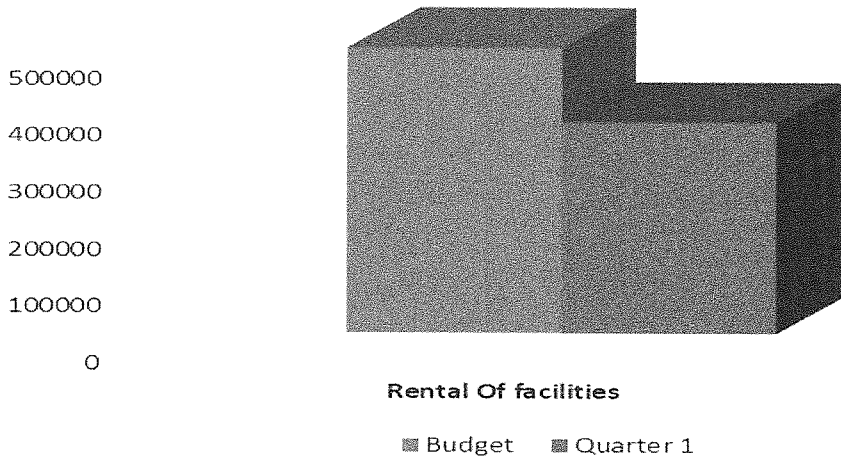
**Service Charges**

Revenue from Service charges amounted to **R 12,037,348** for the 1<sup>st</sup> quarter ended 30 September 2020 against approved budget of **R68,816,568** this represent 17% of the revenue budget for this source. The variance is due to less electricity consumption by consumers as anticipated



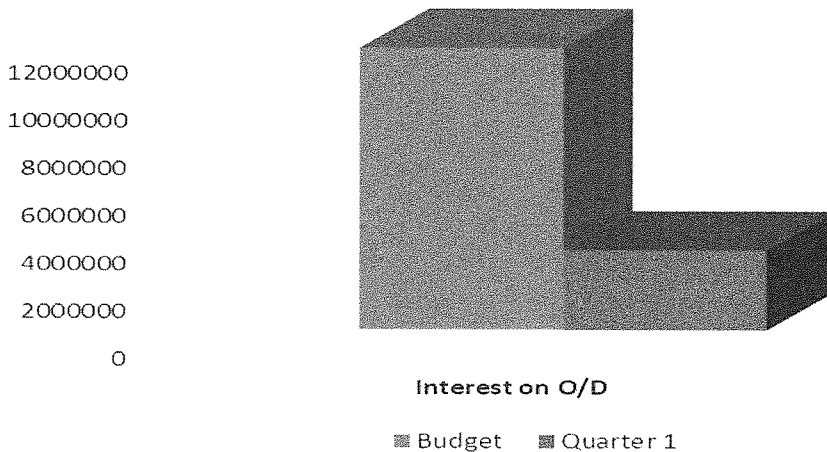
Rental from facilities

Revenue from rental of facilities amounted to R 370,087 for the 1<sup>st</sup> quarter ended 30 September 2020 against budget of R 500,000 and this represents 74% of the anticipated revenue from rentals, more revenue was recognised under this category and revenue adjustment will be done during the adjustments budget in February 2020.



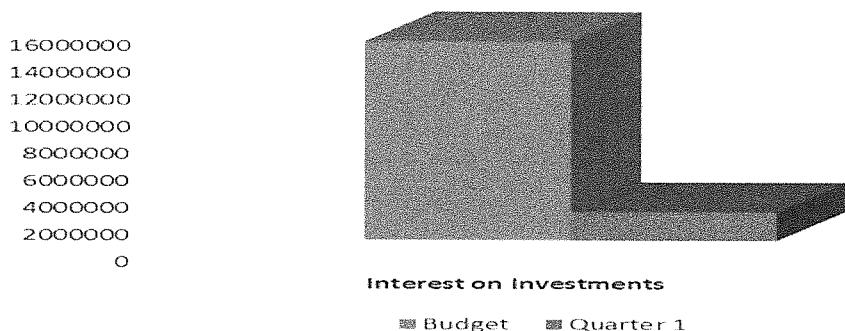
Interest on Outstanding Debtors

Interest on outstanding debtors for the 1<sup>st</sup> quarter ended 30 September 2020 amounted to **R 3,337,868** against approved budget of **R11,798,772** and this reflects **28%** of the revenue budget and is a positive performance as the expected target is 25% for the quarter.



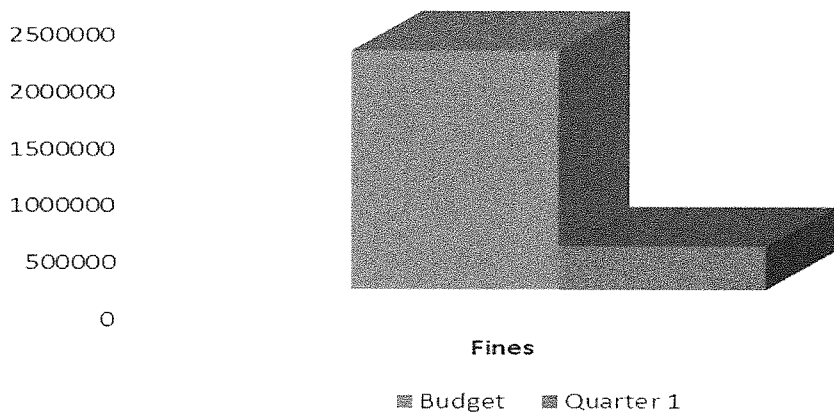
Interest on Investments

Interest earned from conditional and unconditional investments amounted to **R2,101,612** against approved budget **R14,650,000** for the 1st quarter ended 30 September 2020. This represents **14%** of the total budget from this source and is due to low interest rates on investments during the lockdown period.



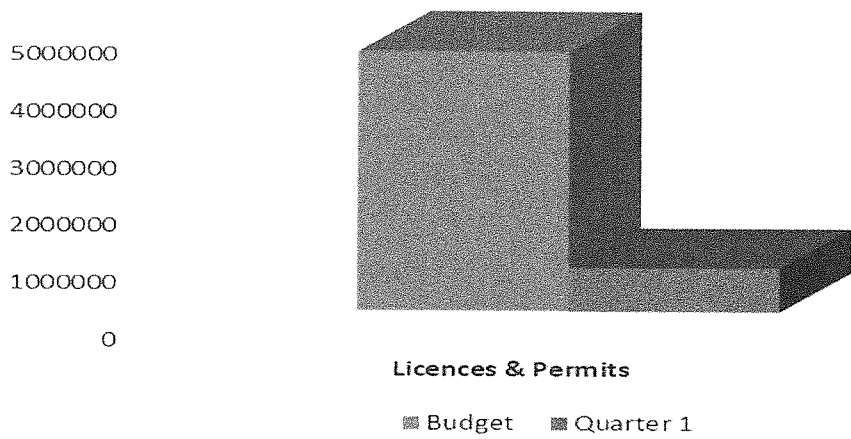
Fines & Penalties

Revenue from fines and penalties amounted to **R 380,103** for the 1<sup>st</sup> quarter ended 30 September 2020 against approved budget of **R 2,093,700** and this reflects **18%** of the revenue budget from fines and penalties, the variance is a result of less payments received for fines issued in the quarter under review.



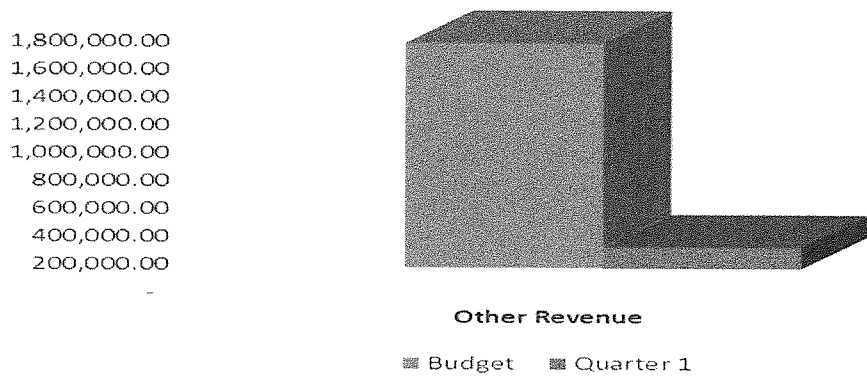
Licenses and Permits

Revenue from licenses and permits amounted to R 760,325 against approved budget R 4,524,696 for the 1<sup>st</sup> quarter ended 30 September 2020. This represents 17% revenue for the quarter against the budget from this source, the licencing department was closed in the fourth quarter due to national lockdown.



Other Revenue

Other revenue reflects an amount of R 151,520 for the 1<sup>st</sup> quarter ended 30 September 2020 against approved budget of R 1,608,024. This represents 9% of the budget allocated for this category. The variance is a result no revenue received for tender documents, insurance refund as anticipated.

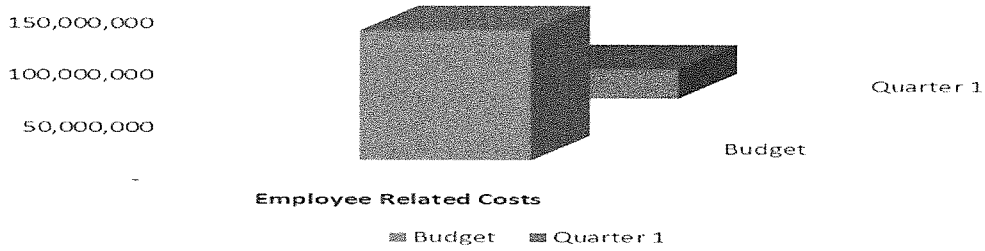


**Expenditure by Type**

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

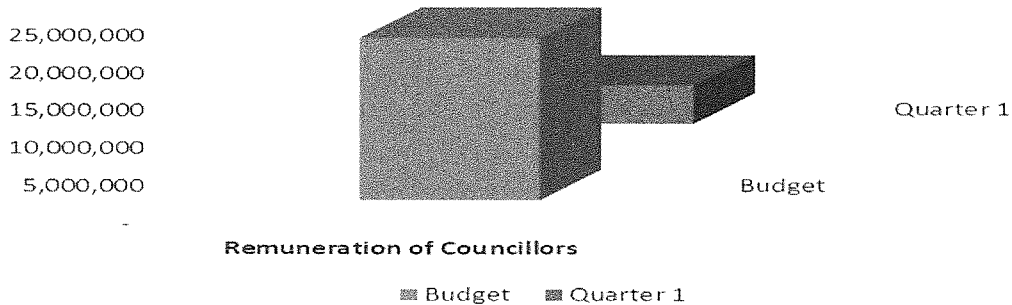
**Employee Related Costs**

Employee related expenditure for the 1st quarter ending 30 September 2020 amounted to **R 26,075,462** against budget amount of **R125,230,692**, that represents 22% of the budgeted amount. The variance is due to vacant posts that have not been filled.



**Remuneration of Councillors**

Expenditure from remuneration of Councillors amounted to R 5,086,322 for the for 1st quarter ended 30 September 2020 against adjusted budget of R 21,537,048, this represents 24% of the budget allocated to this category. This is within the expected performance for the quarter.





Debt impairment

Currently the municipality accounts for Debt impairment at the end of the financial year, no expenditure is reflected for 1<sup>st</sup> quarter for this category.

Depreciation and Asset Impairment

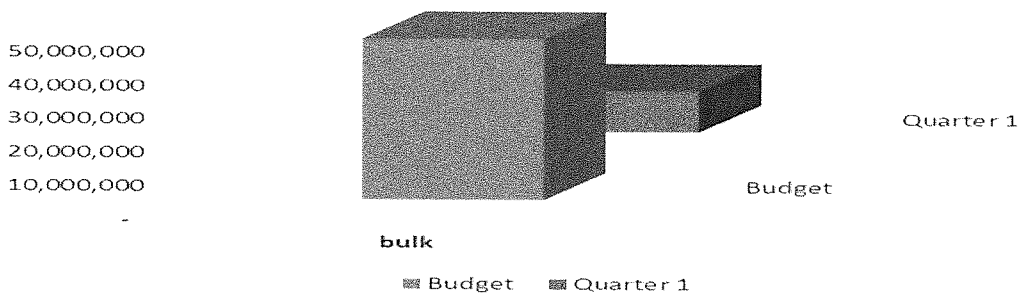
Expenditure and Asset Impairment is accounted for at the end of the financial year, no expenditure is reflected for the 1<sup>st</sup> quarter for this category.

Finance Costs

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

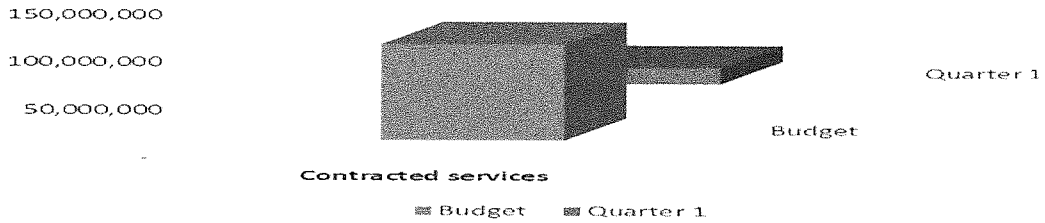
Bulk Purchases

Expenditure on electricity bulk purchases amounted to R 12,214,073 for the 1<sup>st</sup> quarter ended 30 September 2020 against adjusted budget of R 48,000,000, this represents 25% and is within the expected performance for the quarter.



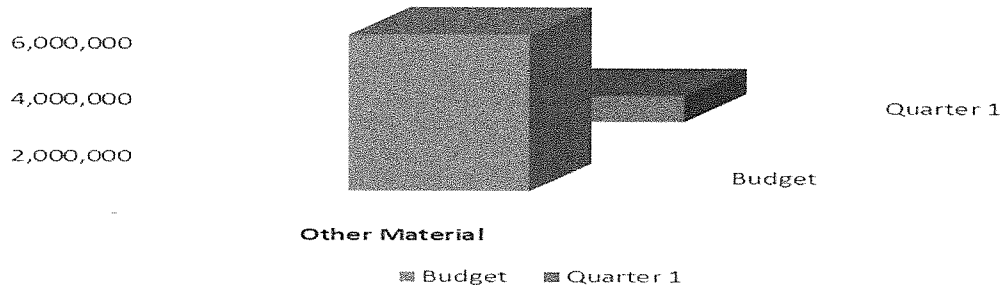
Contracted Services

Expenditure on contracted services amounted to R 16,673,097 for the 1<sup>st</sup> quarter ended 30 September 2020 against approved budget of R 101,278,992 and adjusted budget of R125,810,712, this represents 16% and 13% respectively of the budget for this category and is less than the expected performance for the quarter. This is as a result of less expenditure on catering services, legal services, event promotion than anticipated due to the national lockdown.



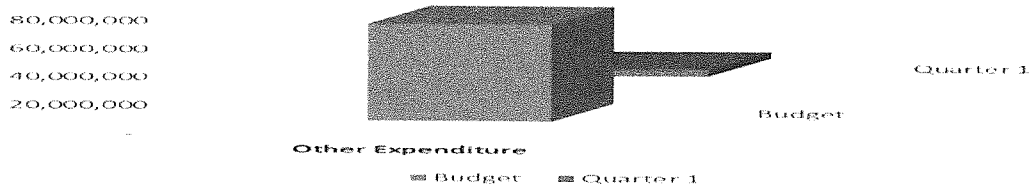
**Other Material**

Expenditure on other material amounted to R 909,064 for the 1st quarter ended 30 September 2020 against approved budget of R 5,566,512 and adjusted budget of R 5,716,512. This represents 16% of budget allocation for this category. The deviation is a s a result of less material and supplied withdrawn from the municipal stores as the offices were closed.



Operational Expenditure

Operational expenditure for the 1<sup>st</sup> quarter ended 30 September 2020 amounted to **R4,568,097** against approved budget of **R 68,669,608** and adjusted budget of **R70,669,604** and represents **7%** and **6%** of the respective budget allocation for this category. The variance results from expenditure from travelling and subsistence that was not utilised, and other general expenditure that was not incurred during the national lockdown.



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

Vote Description	Ref	Budget Year 2020/21								
		2019/20 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>Multi-Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	<b>4.7</b>	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - Executive and council		-	520	520	-	-	520	(520)	-100%	520
Vote 2 - Finance and Admin		16	5,708	5,708	-	-	5,500	(5,500)	-100%	5,708
Vote 3 - Corporate		599	2,930	2,930	17	100	2,930	(2,830)	-97%	2,930
Vote 4 - Development and Planning		43	480	480	-	-	480	(480)	-100%	480
Vote 5 - Community		1,800	6,190	6,190	29	29	6,190	(6,161)	-100%	6,190
Vote 6 - Infrastructure		89,755	158,465	161,485	6,114	29,798	158,465	(128,687)	-81%	161,485
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 - Null		-	-	-	-	-	-	-	-	-
Vote 9 - Null		-	-	-	-	-	-	-	-	-
Vote 10 - Null		-	-	-	-	-	-	-	-	-
Vote 11 - Null		-	-	-	-	-	-	-	-	-
Vote 12 - Null		-	-	-	-	-	-	-	-	-
Vote 13 - Null		-	-	-	-	-	-	-	-	-
Vote 14 - Null		-	-	-	-	-	-	-	-	-
Vote 15 - Null		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	<b>4</b>	92,012	174,314	177,314	6,160	29,926	174,105	(144,179)	-83%	177,314
<b>Total Capital Expenditure</b>		92,012	174,314	177,314	6,160	29,926	174,105	(144,179)	-83%	177,314
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		615	9,159	9,159	17	100	2,238	(2,138)	-96%	9,159
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		615	9,159	9,159	17	100	2,238	(2,138)	-96%	9,159
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		1,600	3,260	3,260	29	29	815	(786)	-96%	3,260
Community and social services		1,478	1,560	1,560	29	29	390	(361)	-93%	1,560
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		122	1,700	1,700	-	-	425	(425)	-100%	1,700
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		40,155	80,724	92,224	4,600	22,286	20,181	2,105	10%	92,224
Planning and development		43	480	480	-	-	120	(120)	-100%	480
Road transport		40,112	80,244	91,744	4,600	22,286	20,061	2,225	11%	91,744
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		49,643	81,171	72,871	1,514	7,512	20,293	(12,780)	-63%	72,871
Energy sources		49,643	78,241	69,741	1,514	7,512	19,560	(12,048)	-62%	69,741
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	2,930	2,930	-	-	732	(732)	-100%	2,930
<b>Other</b>		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	92,012	174,314	177,314	6,160	29,926	43,526	(13,600)	-31%	177,314
<b>Funded by:</b>										
National Government		79,000	99,080	79,080	3,568	14,085	24,770	(10,685)	-43%	79,080
Provincial Government		-	260	260	29	29	65	(36)	-56%	260
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		79,000	99,340	79,340	3,596	14,113	24,835	(10,722)	-43%	79,340
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		9,087	74,974	97,974	2,563	15,813	18,691	(2,878)	-15%	97,974
<b>Total Capital Funding</b>		88,087	174,314	177,314	6,160	29,926	43,526	(13,600)	-31%	177,314

The approved capital budget amounted to **R174,313,684** and was adjusted to **R177,313,684** for the financial year. For the 1<sup>st</sup> quarter ended 30 September 2020 amounted to **R29,926,308** representing **17%** of the budget. The deviation is mainly as a result of delayed expenditure on electricity and road construction projects due to re-allocation of funds infrastructure projects and the national lockdown.

2.1.6 C6 Monthly Budget Statement –Financial Position

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		(453,871)	23,886	23,985	428	23,985
Call investment deposits		43,294	93,822	93,822	215,873	93,822
Consumer debtors		(26,275)	66,534	66,534	133,978	66,534
Other debtors		45,767	47,299	47,299	65,312	47,299
Current portion of long-term receivables		-	-	-	-	-
Inventory		(458)	984	834	1,726	834
<b>Total current assets</b>		<b>(391,543)</b>	<b>232,526</b>	<b>232,475</b>	<b>417,318</b>	<b>232,475</b>
<b>Non current assets</b>						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		-	35,947	35,947	35,575	35,947
Investments in Associate		-	-	-	-	-
Property, plant and equipment		322,663	1,107,177	1,110,177	1,123,722	1,110,177
Biological		-	-	-	-	-
Intangible		(57)	326	326	333	326
Other non-current assets		-	-	-	-	-
<b>Total non current assets</b>		<b>322,606</b>	<b>1,143,450</b>	<b>1,146,450</b>	<b>1,159,629</b>	<b>1,146,450</b>
<b>TOTAL ASSETS</b>		<b>(68,937)</b>	<b>1,375,976</b>	<b>1,378,926</b>	<b>1,576,947</b>	<b>1,378,926</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		(10)	1,268	1,268	1,387	1,268
Trade and other payables		30,561	81,679	81,529	112,050	81,529
Provisions		-	14,440	14,440	12,131	14,440
<b>Total current liabilities</b>		<b>30,551</b>	<b>97,388</b>	<b>97,238</b>	<b>125,568</b>	<b>97,238</b>
<b>Non current liabilities</b>						
Borrowing		-	-	-	8,363	-
Provisions		1,046	27,398	27,398	20,007	27,398
<b>Total non current liabilities</b>		<b>1,046</b>	<b>27,398</b>	<b>27,398</b>	<b>28,370</b>	<b>27,398</b>
<b>TOTAL LIABILITIES</b>		<b>31,597</b>	<b>124,787</b>	<b>124,637</b>	<b>153,938</b>	<b>124,637</b>
<b>NET ASSETS</b>	2	<b>(100,535)</b>	<b>1,251,190</b>	<b>1,254,289</b>	<b>1,423,009</b>	<b>1,254,289</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		(23,568)	793,988	797,087	1,239,619	797,087
Reserves		-	457,202	457,202	183,391	457,202
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>(23,568)</b>	<b>1,251,190</b>	<b>1,254,289</b>	<b>1,423,009</b>	<b>1,254,289</b>

The table reflects the financial position is recorded at the end of the quarter ending 30 September 2020.

2.1.7 C7 Monthly Budget Statement –Cash Flow

Description	Ref	2019/20	Budget Year 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>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		-	49,807	49,807	-	-	12,452	(12,452)	-100%	49,807
Service charges		171	82,700	82,700	4,338	9,269	20,675	(11,406)	-55%	82,700
Other revenue		13,490	8,726	8,726	46,531	281,590	129,749	151,841	117%	8,726
Transfers and Subsidies - Operational		745	256,212	305,993	17	115,039	64,053	50,986	80%	305,993
Transfers and Subsidies - Capital		-	101,527	81,527	13,612	36,418	25,382	11,036	43%	81,527
Interest		(18)	11,799	11,799	(848)	(1,191)	(4,912)	3,721	-76%	11,799
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(701)	(370,283)	(400,099)	(11)	6,726	298	(6,429)	-2161%	(400,099)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		(481)	-	-	-	6,635	(298)	(6,933)	2330%	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>13,206</b>	<b>140,489</b>	<b>140,453</b>	<b>63,640</b>	<b>454,487</b>	<b>247,399</b>	<b>(207,088)</b>	<b>-84%</b>	<b>140,453</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	13	13	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(119,778)	(174,314)	(174,179)	(7,818)	(35,137)	(43,578)	(8,441)	19%	(174,179)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(119,778)</b>	<b>(174,301)</b>	<b>(174,166)</b>	<b>(7,818)</b>	<b>(35,137)</b>	<b>(43,578)</b>	<b>(8,441)</b>	<b>19%</b>	<b>(174,179)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		10	-	-	11	(1,387)	(1,268)	(118)	9%	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>10</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>(1,387)</b>	<b>(1,268)</b>	<b>118</b>	<b>-9%</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(106,562)</b>	<b>(33,812)</b>	<b>(33,713)</b>	<b>55,832</b>	<b>417,963</b>	<b>202,552</b>			<b>(33,726)</b>
Cash/cash equivalents at beginning:		(285,377)	136,883	136,883		2,779	136,883			2,779
Cash/cash equivalents at month/year end:		(391,939)	103,071	103,171		420,742	339,435			(30,947)

PART 3 –SUPPORTING DOCUMENTATION

DEBTORS' ANALYSIS

Supporting Table SC3 \_Monthly Budget statement Aged Debtors \_Q1 Third quarter

Description	NT Code	Budget Year 2020/21										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i/o 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	Total over 90 days			
R thousands														
<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	3,292	1,203	723	522	396	282	928	258	7,603	2,386			
Receivables from Non-exchange Transactions - Property Rates	1400	1,654	1,219	30,898			588	2,815	55,418	92,593	58,822			
Receivables from Exchange Transactions - Waste Water Management	1500													
Receivables from Exchange Transactions - Waste Management	1600	548	654	556	379	363	344	1,634	13,044	17,921	15,763			
Receivables from Exchange Transactions - Property Rental Debtors	1700	46	5	4	3	3	3	8	38	109	54			
Interest on Arrear Debtor Accounts	1810	1,430	993	932	920	915	953	5,770	23,349	35,263	31,908			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820													
Other	1900	(458)	450	(351)	11,724	5,365	80	917	14,290	32,056	32,377			
<b>Total By Income Source</b>	<b>2000</b>	<b>6,911</b>	<b>4,564</b>	<b>32,762</b>	<b>13,548</b>	<b>7,043</b>	<b>2,250</b>	<b>12,073</b>	<b>106,396</b>	<b>185,547</b>	<b>141,310</b>			
<b>2018/19 - totals only</b>		<b>17032509</b>	<b>3188808</b>	<b>2829239</b>	<b>2254205</b>	<b>2657880</b>	<b>1762753</b>	<b>31321363</b>	<b>83737170</b>	<b>144,784</b>	<b>121,733</b>			
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	238	78	15,150	231	11	19,524	33	22,251	57,515	42,049			
Commercial	2300	8,300	1,966	1,901	106	113	137	13,690	1,273	27,487	15,320			
Households	2400	1,307	922	12,014	580	568	585	7,540	28,797	52,313	38,070			
Other	2500	(2,934)	1,598	3,698	12,631	6,350	(17,995)	(9,190)	54,075	48,233	45,870			
<b>Total By Customer Group</b>	<b>2600</b>	<b>6,911</b>	<b>4,564</b>	<b>32,762</b>	<b>13,548</b>	<b>7,043</b>	<b>2,250</b>	<b>12,073</b>	<b>106,396</b>	<b>185,547</b>	<b>141,310</b>			

The total debt book for September 2020 is R185 547 112. has increased by R2 605 450 from the previous month balance of R182 941 662 and by R23 373 565 from 2018/19 closing balance of R162 173 547,2. Debt is made up of the following:

**Residential debt:** R 56 095 135.

**Commercial debt:** R25 170 484

**Government debt:** R 101 932 245

**Other:** R 2 349 249.79

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 from

**Maluti:** R 40 804 040,29 (including current)

**Cedarville:** R 3 251 367,63 (including current)

Debt that is above 90 days is handed over on a monthly basis to the municipal debt to collectors as follows:

**Households:** R 46 148 188,15

**Business:** R 1 970 209,58

A total of R48 118 397,3 has been handed over for June 2020 with a collection of R 1 635,35.

### CREDITORS' ANALYSIS

Description	NT Code	Budget Year 2019/20									Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
<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 1<sup>st</sup> quarter ended 30 September 2020.

### INVESTMENT POTFOLIO ANALYSIS

Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	24,808.97	13,620,976.25	- 3,504,420.68	- 8,976.25	10,141,364.54
INEP	14,350,590.20	13,550.89		- 13,550.89	14,364,141.09
EPWP	-	-	-	-	-
Municipal Electrification Intervention	265,400.66	676.12	-	- 676.12	266,076.78
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	53,159.82	135.47	-	- 135.47	53,295.29
Establishment Plan	190,666.78	297.75	-	- 297.75	190,964.53
Housing Development Fund	1,939,310.95	3,028.51		- 3,028.51	1,942,339.46
Dedea	590,155.72	921.61		921.61	591,077.33
<b>Total Conditional Investments</b>	<b>17,414,093</b>	<b>13,639,587</b>	<b>- 3,504,421</b>	<b>- 25,148</b>	<b>27,549,259</b>

Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	19,984,582.18			- 43,528.06	19,984,582.18
Call Acc STD CRR	10,885,442.65	23,709.39		- 23,709.39	10,909,152.04
Call Acc STD CRR	20,316,284.94	96,821.91		- 96,821.91	20,413,106.85
Call Acc STD CRR	50,355,273.97	186,986.30		- 186,986.30	50,542,260.27
Call ACC FNB Surplus Cash	6,805,414.00			- 10,981.89	6,805,414.00
Nedbank 91 Days	50,338,328.76	191,506.85		- 191,506.85	50,529,835.61
Nedbank 32 Days	6,188,618.00	19,710.41		- 19,710.41	6,208,328.41
Nedbank relief fund	749,908.95	1,910.83		- 1,910.83	751,819.78
Nedbank COV -19 Solidarity	90,673.50	230.96		- 230.96	90,904.46
Nedbank call Surplus	32,533,683.16	171,324.24	- 15,796,000.00	- 171,324.24	16,909,007.40
<b>Total Unconditional</b>	<b>198,248,210</b>	<b>692,201</b>	<b>- 15,796,000</b>	<b>- 746,711</b>	<b>183,144,411</b>
	<b>215,662,303</b>	<b>14,331,787</b>	<b>- 19,300,421</b>	<b>- 771,859</b>	<b>210,693,670</b>

As at 30 September 2020, the total investments amounted to R210,693,670, this includes both conditional and unconditional grants and municipal reserves.



### ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Description	Ref	2018/19	Budget Year							
		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>	1,2									
<b>Operating Transfers and Grants</b>										
National Government:										
Local Government Equitable Share		255,022	304,803	-	114,995	76,201	38,794	50.9%	304,803	
Finance Management Grant		249,823	299,604	-	112,420	74,901	37,519	50.1%	299,604	
EPWP		1,700	1,700	-	1,700	425	1,275	300.0%	1,700	
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	
Provincial Government:										
Sport and Recreation		3,499	3,499	-	875	875	0	0.0%	3,499	
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	
District Municipality:										
[insert description]		930	930	-	-	233	(233)	-100.0%	930	
[insert description]		930	930	-	-	233	(233)	-100.0%	930	
Other grant providers:										
[insert description]		-	-	-	-	-	-	-	-	
<b>Total Operating Transfers and Grants</b>	5	-	255,952	305,733	-	114,995	76,433	38,562	50.5%	305,733
<b>Capital Transfers and Grants</b>										
National Government:										
MIG		101,527	81,527	13,612	36,418	20,382	10,184	50.0%	81,527	
INEP		48,936	48,936	13,612	22,418	12,234	10,184	83.2%	48,936	
Other capital transfers [insert description]		52,591	32,591	-	14,000	8,148	-	-	32,591	
Provincial Government:										
Sport and Recreation		260	260	-	-	65	(65)	-100.0%	260	
District Municipality:										
[insert description]		260	260	-	-	65	(65)	-100.0%	260	
Other grant providers:										
[insert description]		-	-	-	-	-	-	-	-	
<b>Total Capital Transfers and Grants</b>	5	-	101,787	81,787	13,612	36,418	20,447	10,119	49.5%	81,787
<b>Total</b>	5	-	357,739	387,519,988	136,120,000	151,413,000	96,879,997	48,681	50.2%	387,520

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

Description	Ref	Budget Year 2020/21								
		2019/20 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:	1,2	-	255,022	304,803	-	114,995	76,201	38,794	50.9%	304,803
Local Government Equitable Share		-	249,823	299,604	-	112,420	74,901	37,519	50.1%	299,604
Finance Management Grant		-	1,700	1,700	-	1,700	425	1,275	300.0%	1,700
EPWP		-	3,499	3,499	-	875	875	0	0.0%	3,499
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	930	930	-	-	233	(233)	-100.0%	930
Sport and Recreation		-	930	930	-	-	233	(233)	-100.0%	930
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>5</b>	<b>-</b>	<b>255,952</b>	<b>305,733</b>	<b>-</b>	<b>114,995</b>	<b>76,433</b>	<b>38,962</b>	<b>50.5%</b>	<b>305,733</b>
<b>Capital Transfers and Grants</b>										
National Government:		-	101,527	81,527	13,612	36,418	20,382	10,184	50.0%	81,527
MIG		-	48,936	48,936	13,612	22,418	12,234	10,184	83.2%	48,936
INEP		-	52,591	32,591	-	14,000	8,148	-	-	32,591
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	260	260	-	-	65	(65)	-100.0%	260
Sport and Recreation		-	260	260	-	-	65	(65)	-100.0%	260
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>5</b>	<b>-</b>	<b>101,787</b>	<b>81,787</b>	<b>13,612</b>	<b>36,418</b>	<b>20,447</b>	<b>10,119</b>	<b>49.5%</b>	<b>81,787</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>5</b>	<b>-</b>	<b>357,739</b>	<b>387,520</b>	<b>13,612</b>	<b>151,413</b>	<b>96,880</b>	<b>48,881</b>	<b>50.2%</b>	<b>387,520</b>

Expenditure performance on operational grants to date represents **44%** of the approved budget and on operating grants, slow expenditure on library support grant is noted.

Capital expenditure on capital grants to date represents 87% of the adjusted budget on capital grants , expenditure on capital grants is within the expected performance .

**EXPENDITURE ON COUNCILLOR AND EMPLOYEE RELATED COSTS**  
**EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff**  
**benefits – Q1 1<sup>st</sup> Quarter**

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>	1									
Basic Salaries and Wages		-	13,114	13,114	963	2,945	3,279	(334)	-10%	13,114
Pension and UIF Contributions		-	739	739	59	177	185	(7)	-4%	739
Medical Aid Contributions		-	142	142	63	189	36	154	433%	142
Motor Vehicle Allowance		-	133	133	11	32	33	(1)	-3%	133
Cellphone Allowance		-	3,140	3,140	240	730	785	(55)	-7%	3,140
Housing Allowances		-	4,269	4,269	327	1,012	1,067	(55)	-5%	4,269
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		-	21,537	21,537	1,662	5,086	5,384	(298)	-6%	21,537
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		1,084	103,247	103,247	7,407	22,619	25,812	(3,193)	-12%	103,247
Pension and UIF Contributions		(3)	988	988	45	138	247	(109)	-44%	988
Medical Aid Contributions		-	5,322	5,322	330	993	1,330	(337)	-25%	5,322
Overtime		171	692	692	210	458	173	286	165%	692
Performance Bonus		371	6,197	6,197	300	1,497	1,549	(53)	-3%	6,197
Motor Vehicle Allowance		-	4,114	4,114	373	1,043	1,028	15	1%	4,114
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		31	4,672	4,672	354	1,031	1,168	(137)	-12%	4,672
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		2,707	-	-	79	203	-	203	#DIV/0!	-
Long service awards		243	-	-	-	-	-	-	-	-
Postretirement benefit obligations		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>	2	4,605	125,231	125,231	9,098	27,982	31,308	(3,326)	-11%	125,231
<b>% Increase</b>	4		2619.5%	2619.5%						2619.5%
<b>Total Parent Municipality</b>		4,605	146,768	146,768	10,760	33,068	36,692	(3,624)	-10%	146,768
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>			3087.2%	3087.2%						3087.2%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		4,605	146,768	146,768	10,760	33,068	36,692	(3,624)	-10%	146,768
<b>% increase</b>	4		3087.2%	3087.2%						3087.2%
<b>TOTAL MANAGERS AND STAFF</b>		4,605	125,231	125,231	9,098	27,982	31,308	(3,326)	-11%	125,231

Expenditure from remuneration of Councillors amounted to R 5,086,322 for the 1<sup>st</sup> quarter ended 30 September 2020 against budget of R 21,357,048, this represents 24% of the budget allocated to this category.

Employee related cost expenditure for the quarter under review amounted to R 27,981,999 against budget of R 125,230,692 and represents 24% performance of the budget, vacant positions that have been included in the approved budget have not been filled resulting is a slight variance.

**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 September 2020 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 / 10 / 2020