



MATATIELE
LOCAL MUNICIPALITY

**2023/2024
MONTHLY
SECTION 71
REPORT**

**MONTH ENDED
30 SEPTEMBER 2023**

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GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Virement – A transfer of funds within a vote.

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

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

LEGISLATIVE FRAMEWORK

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

The municipal Finance Management Act No. 56 of 2003

Section 71: Monthly budget Statements

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

PART 1-IN-YEAR REPORT

Section 1-Resolutions

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

Regulation 28 of the Municipal Budget and Reporting Regulations states:

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

Recommendations:

- That, Council takes note of the monthly budget statement and supporting documentation for the month 30 September 2023.
- That, the submission of section 71 reports and to Provincial and National Treasuries 10 days after the end of each month be noted by Council.

Section 2-Executive summary

2.1 Introduction

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

The below analysis is a high-level assessment based on revenue and expenditure recognised on the Municipal Financial System. It is incumbent on the necessary user business units and user departments to ensure the completeness, Validity and accuracy of the information provided for the purposes of the assessment and bring to the attention of the council any further business units' items which are not fully elaborated below.

2.2 Consolidated Performance (Revenue & Expenditure)

Revenue by source

- Actual revenue vs Approved budgeted revenue – The total annual approved budget was **R 610,233,708** resulting to adjusted budget allocation of **R 612,484,708**, the Municipality recognised revenue of **R 20,347,624**. This represents **3%**, is below expected performance for the month due to property rates billing, Service Charges and INEP and YTD is **36%** recognised.

Operating Expenditure by type

- Actual expenditure vs Approved budgeted expenditure – the Municipality incurred expenditure of **R 37,427,792** against the approved budget allocation of **R 514,750,752** million incurring approximately **7%** expenditure for the month budget. This is less than expected performance for the month due to non-cash items that are recognised at the end of financial year and less expenditure Workmen's Compensation Insurance premium, operating lease, achievement award, Protective Clothing and indigent relief and cash crop cropping programme expenditure incurred and YTD expenditure is **19%**.

Capital Expenditure

- The total adjusted capital budget is **R 183,967,552** from the approved budget of **R 181,716,552**. The Municipality incurred expenditure of **R 8,544,497**, this represents **5%** of the approved capital expenditure budget, this is below the expected performance for the month due to procurement processes that are still underway for capital projects and YTD Expenditure is **12%**.

The table below is an analysis per business unit –

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

Row Labels	Sum of TotalBudget	July Actual	August Actual	Actual September	Sum of TotalActual
Community Halls and Facilities:Public Amenities (3005)	909 996	-	-	40 201	40 201
CORE FUNCTION: SOLID WASTE REMOVAL	4 530 012	-	-	20 101	20 101
Energy Sources: Electricity (4040)	64 355 868	-	5 128 462	4 731 646	9 860 108
Executive and Council: Municipal Manager (1010)	69 996	-	-	-	-
Finance and Administration: Information Technology (2540)	1 850 004	-	-	-	-
Finance and Administration: Administrative and Corporate Support(2530)	280 008	-	-	-	-
Finance and Administration: Asset Management and Reporting (2015)	60 000	-	-	45 539	45 539
Finance and Administration: Council Support (2541)	450 000	-	-	100 503	100 503
Finance and Administration: Human Resources (2535)	30 000	-	-	20 101	20 101
Finance and Administration: SCM & Expenditure (2025)	3 560 004	-	7 490	-	7 490
Finance and Administration: Revenue and Debt Management (2020)	99 996	-	9 865	40 201	50 066
Finance:Budget & Treasury (2010)	60 000	-	-	20 101	20 101
Governance Function:INTERNAL AUDIT (1030)	1 860 000	-	-	45 539	45 539
Marketing: Customer Relations; Publicity and Media Co-ordination:commu	120 000	-	15 495	3 915	19 410
Planning and Development: LED (3520)	69 996	-	-	-	-
Planning and Development: Planning (3510)	20 004	-	-	-	-
Planning and Development: Planning Governance (3540)	39 996	-	-	25 439	25 439
Public Safety: Civil Defence (3074)	3 690 000	347 391	-	-	347 391
ROAD TRANSPORT: INFRASTRUCTURE GOVERNANCE (4050)	39 996	-	-	25 439	25 439
Road Transport: Project Operations & Maimnt(4010)	29 035 980	-	732 031	420 431	1 152 463
Roads:Project Management Unit	72 835 692	3 328 520	3 382 996	3 005 341	9 716 857
Grand Total	183 967 548	3 675 911	9 276 338	8 544 497	21 496 747
				5%	12%

Capital Funded Sources

- The MIG capital grant allocation for the financial year is **R 55,580,736** million as per Dora Allocation, the spending for the month ending 30 September is **R 3,792,907** which represents **7%** for the month and YTD Expenditure is **18%** (vat exclusive).
- Integrated National Electrification Programme (INEP) of **R 39,900,000** million was allocated. The grant reflects **R 3,122,366** spending at the end of 30 September 2023 which represents **8%** for the Month and YTD Expenditure is **21%**.
- Disaster Response Grant of **R 2,251,000** million was allocated. The grant reflects **R 0.00** spending at the end of 30 September 2023 which represents **0%**.
- Capital Replacement Reserves (CRR) for the financial year is **R 86,235,816** million is allocated. The spending for the month is **R 1,629,224** which represents **2%** and YTD expenditure is **4%**
- The municipality anticipates to spend **100%** of the total capital budget as at the end of the financial year, total spending for the month ended 30 September 2023.

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	September 2023 status
Lekhalong via Magema-Outspan Access Road	The project is at the planning stage
Mnceba - Matiase Access Road & Bridge	The project is at the planning stage
Construction of Cedarville Internal Streets Phase 4	The project is at the planning stage
Mahasheng Access Road & Bridge	The project is at the planning stage
Maluti Internal Streets Phase 5	The project is at the planning stage
Rehabilitation of Matatiele internal Streets Cluster 1	Under construction(overall progress is 82%
Extension of Matatiele Sports Centre Ph2	Under construction (overall progress is 48%
High Mast Lights	The contractor has ordered all the long lead materials and awaiting community introduction scheduled for 02 October 2023
STREET LIGHTS	The project is currently on SCM process and awaiting committees outcomes
Mafube-Nkosana Access Road & Bridge	The project is at the planning stage
Harry Gwala Internal Streets	Under construction(overall progress is 36%

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	September 2023 status
Fubane Electrification	MN Africa consulting engineers and Project Managers have completed the Design projects for Fubane, currently awaiting a construction task order and awaiting construction task order.
Matolong Electrification	MN Africa consulting engineers and Project Managers have completed the Design projects for Matolong, currently awaiting a construction task order and awaiting construction task order.
Bethesda Electrification	NSK electrical and construction Managers currently awaiting a construction task order and awaiting construction task order.
Jabavu Electrification	Construction is on progress currently busy with Trenching, Pole Planting and Stringing. Overall progress is at 10%
Skiti Electrification	NSK electrical and construction Managers were introduced to the community on 15 September 2023 and currently bussy with Site establishment and Material procurement.
Tholang Electrification	Site establishment is complete and the Construction Progress is at 52%

Nkululekweni Electrification	Igoda Projects is currently busy with Designs in the village
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Disaster Response Grant

Disaster Response Grant	September 2023 status
Malubalube Access Road	The project is under construction
khohlong Access Road	The project is under construction

Internal Funded Capital Projects

INTERNAL PROJECTS	September Status
Landfill site A/R	The project is at the tendering stage
Cemetery Development WIP	The project is at the tender stage
Upgrade of municipal offices WIP	The project is at the tender stage
Mavundleni Access Road	The project practical completion
Black Diamond Access Road and Bridge	The project is under construction(Overall Progress 65%)
Tsepisong Kamorathaba to Kuyasa AR	The project at practical completion
Council Chambers Water Supply	The project is under construction and the overall progress is 50%.
Lakhalong Access Road	The project is under construction and the overall progress is 70%.
Moriting Access Road	The project is at the tendering stage
Belford Access Road	The project is at the tendering stage
Internal Audit System	The project is at the tender stage
FM TOWER LINE WIP	The project is at the tender stage
Pholile Access Road	The project is at the tendering stage
Springana Access Road	The project is at the tendering stage
Mpofini Access Road	The project is at the planning stage
Mkrwabo Access Road	The project is at the tender stage
Municipal Plant	The project is at the tender stage
Khesa A/R	The project is at the planning stage
Mango A/R	The project is at the planning stage
Sekhutlong Access Road CRR	The project is at the tender stage
Construction of Silo Phase 4	The project is at tendering Stage
Kinira to Sherpard Hope Access Road	The project is at the tender stage
Transformers Infra	The project is at the tender stage
Substation Switch Gears	The project is at the tender stage
Municipa Fleet	The project is at the tender stage
Fire Engine Truck	The project is at the tender stage
Pamlaville Access Road Ward 7	The project is at the tender stage
Dlodlweni Phase 2	The project is at the planning stage
Masopa A/R	The project is at the planning stage
Extension Matatiele Sports Centre	Under construction overall progress is 48 %
Rehabilitation of Matatiele Internal Streets-Cluster 1	Under construction (overall progress is 82 %)

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

SUMMARY: QUOTATIONS	30- September- 23	TOTAL
DAY TO DAY QUOTATIONS	32	32
FORMAL QUOTATIONS	11	11
TOTAL QUOTATIONS	43	43

BIDDING PROCESS	Total Budget	Bids Awarded vs Capital Budget	Capital Spending Year-To- Date	Committed Amount	Orders Issued
Bids awarded	n/a	n/a	n/a	n/a	n/a
Bids in the process	n/a	n/a	n/a	n/a	n/a
Bids behind schedule	9	n/a	n/a	n/a	n/a
Bids cancelled or removed from budget	2	n/a	n/a	n/a	n/a
Bids to be awarded	12	n/a	n/a	n/a	n/a

2.3 Material variances from the SDBIP

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

2.4 Remedial or corrective steps

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

Section 3

IN-YEAR BUDGET STATEMENT TABLES

3.1 Monthly budget statements

3.1.1 Table C1 Monthly Budget Statement Summary

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M03 - September

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	48 726	54 360	54 360	1 703	39 711	13 590	26 121	192%	54 360
Service charges	68 146	86 942	86 942	5 803	17 676	21 735	(4 060)	-19%	86 942
Investment revenue	9 599	17 200	17 200	1 765	6 519	4 300	2 219	52%	17 200
Transfers and subsidies - Operational	267 351	318 510	318 510	524	128 453	79 628	48 825	61%	318 510
Other own revenue	24 248	37 741	37 741	2 314	6 678	9 435	(2 757)	-29%	37 741
Total Revenue (excluding capital transfers and contributions)	418 070	514 753	514 753	12 100	189 037	128 688	70 349	55%	514 753
Employee costs	128 507	161 717	161 717	12 592	38 901	40 429	(1 528)		161 717
Remuneration of Councilors	21 444	25 320	25 320	2 939	6 639	6 330	309		25 320
Depreciation and amortisation	56 094	53 300	53 300	-	-	13 325	(13 325)		53 300
Interest	35	-	-	-	-	-	-		-
Inventory consumed and bulk purchases	64 236	78 705	78 705	10 532	20 026	19 676	350		78 705
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	245 877	195 709	195 709	11 365	34 072	48 927	(14 855)	-30%	195 709
Total Expenditure	518 193	514 751	514 751	37 428	99 630	128 688	(29 048)	-23%	514 751
Surplus/(Deficit)	(98 124)	2	2	(25 318)	89 399	1	89 399	17823754%	2
Transfers and subsidies - capital (monetary allocations)	165 532	95 481	97 732	8 239	21 756	24 433	(2 677)	-11%	97 732
Transfers and subsidies - capital (in-kind) contributions	-	-	-	-	-	-	-		-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	87 488	95 483	97 734	(17 080)	121 155	24 433	96 721	308%	97 734
Capital expenditure & funds sources									
Capital expenditure	198 125	181 717	183 958	8 544	21 497	45 082	(24 495)	-33%	183 958
Capital transfers recognised	141 845	95 481	97 732	6 915	18 238	24 433	(6 195)	-25%	97 732
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	47 789	88 238	88 238	1 629	3 258	21 558	(18 300)	-85%	88 238
Total sources of capital funds	189 554	181 717	183 958	8 544	21 497	45 082	(24 495)	-53%	183 958
Financial position									
Total current assets	420 246	523 858	523 858		556 349				523 858
Total non current assets	1 139 499	1 304 697	1 506 948		1 145 587				1 306 948
Total current liabilities	150 317	160 394	160 394		173 893				160 394
Total non current liabilities	43 429	38 827	38 827		38 325				38 827
Community wealth/Equity	1 368 787	1 629 334	1 631 585		1 461 718				1 631 585
Cash flows									
Net cash from (used) operating	340 998	147 918	150 169	25 155	176 796	37 542	(141 254)	-376%	150 169
Net cash from (used) investing	188 241	(181 717)	(183 956)	(9 826)	(24 720)	(45 992)	(21 272)	46%	(183 958)
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	889 982	326 824	326 924	-	406 883	352 273	(56 586)	-16%	220 688
Debtors & creditors analysis									
	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
Debtors Age Analysis									
Total By Income Source	38 310	32 357	3 242	2 930	3 210	3 162	2 846	153 006	239 065
Creditors Age Analysis									
Total Creditors	-	-	-	-	-	-	-	-	-

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

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 - September

Description	Ref	2022/23			Budget Year 2023/24					
		Approved Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YTD budget	YTD variance	YTD variance %	Full Year Estimate
R thousands	1									
Revenue - Functional										
Governance and administration		333 981	403 019	403 019	5 099	178 052	100 755	77 297	77%	403 019
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		333 981	403 019	403 019	5 099	178 052	100 755	77 297	77%	403 019
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		11 464	12 190	12 190	548	1 711	3 047	(1 336)	-44%	12 190
Community and social services		6 057	6 989	6 989	83	219	1 747	(1 528)	-87%	6 989
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		5 407	5 201	5 201	465	1 492	1 300	192	15%	5 201
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		88 038	62 020	64 271	2 818	10 472	16 088	(5 596)	-35%	64 271
Planning and development		171	3 504	3 504	14	40	876	(836)	-95%	3 504
Road transport		67 067	58 516	60 767	2 804	10 433	15 192	(4 759)	-31%	60 767
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		170 119	133 005	133 005	11 882	30 558	33 251	(2 693)	-8%	133 005
Energy sources		156 620	113 716	113 716	10 392	26 414	28 429	(2 015)	-7%	113 716
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		13 498	19 289	19 289	1 490	4 144	4 822	(676)	-14%	19 289
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	583 002	610 234	612 485	20 348	226 793	153 121	67 672	44%	612 485
Expenditure - Functional										
Governance and administration		241 964	233 487	233 487	16 285	51 032	50 372	(7 347)	-13%	233 487
Executive and council		28 897	33 967	33 967	3 575	9 657	8 492	1 165	14%	33 967
Finance and administration		208 687	194 744	194 744	12 217	40 112	48 686	(8 574)	-18%	194 744
Internal audit		4 380	4 775	4 775	492	1 263	1 194	69	6%	4 775
Community and public safety		35 002	51 787	51 787	3 737	11 284	12 949	(1 665)	-13%	51 787
Community and social services		15 738	27 466	27 466	2 070	5 824	6 867	(1 043)	-15%	27 466
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		19 264	24 331	24 331	1 668	5 461	6 083	(622)	-10%	24 331
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		72 268	105 773	105 773	4 818	10 537	20 443	(15 906)	-60%	105 773
Planning and development		19 907	38 759	38 759	2 747	4 787	9 690	(4 903)	-51%	38 759
Road transport		52 359	67 014	67 014	1 870	5 750	16 753	(11 003)	-66%	67 014
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		100 001	123 003	123 003	12 788	26 780	30 623	(4 137)	-13%	123 003
Energy sources		141 882	102 345	102 345	10 990	21 625	25 586	(3 962)	-15%	102 345
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		25 079	21 348	21 348	1 798	5 161	5 357	(176)	-3%	21 348
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	510 183	514 751	514 751	37 428	96 830	128 888	(29 048)	-23%	514 751
Surplus/ (Deficit) for the year		67 498	95 483	97 734	(17 080)	121 155	24 433	96 721	300%	97 734

This table assess the revenue and expenditure by department, the expenditure for the period ending 31 September 2023 is R 37,4 million and revenue is R 20,3 million.

3.1.3 Table C3: Monthly Budget Statement –Financial Performance (revenue and expenditure by municipal vote)

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 - September

Vote Description	Ref	Budget Year 2023/24								
		2022/23 Approved Budget	Original Budget	Revised Budget	Monthly actual	YearTD actual	YearTD Budget	YTD	YTD %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		333 448	402 544	402 544	5 092	177 967	100 636	77 331	76.8%	402 544
Vote 3 - Corporate		533	475	475	8	85	119	(33)	-28.1%	475
Vote 4 - Development and Planning		283	3 504	3 504	21	55	876	(821)	-93.7%	3 504
Vote 5 - Community		24 963	31 479	31 479	2 038	5 855	7 870	(2 015)	-25.6%	31 479
Vote 6 - Infrastructure		224 375	172 232	174 483	13 189	36 831	43 621	(6 790)	-15.6%	174 483
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	583 002	610 234	612 485	29 348	220 793	153 121	87 672	44.2%	612 485
Expenditure by Vote	1									
Vote 1 - Executive Council		28 897	33 967	33 967	3 575	9 657	8 492	1 165	13.7%	33 967
Vote 2 - Finance and Admin		144 926	111 852	111 852	6 785	23 619	27 963	(4 344)	-15.5%	111 852
Vote 3 - Corporate		63 761	82 892	82 892	5 432	16 496	20 723	(4 230)	-20.4%	82 892
Vote 4 - Development and Planning		20 957	38 759	38 759	2 747	4 787	9 690	(4 903)	-50.6%	38 759
Vote 5 - Community		60 081	73 146	73 146	5 535	16 445	18 285	(1 841)	-10.1%	73 146
Vote 6 - Infrastructure		193 191	169 359	169 359	12 861	27 375	42 340	(14 965)	-35.3%	169 359
Vote 7 - Internal Audit		4 380	4 775	4 775	492	1 263	1 194	69	5.8%	4 775
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	516 193	514 751	514 751	37 428	99 630	126 088	(26 049)	-22.6%	514 751
Surplus/ (Deficit) for the year	2	67 406	95 483	97 734	(17 080)	121 155	24 433	96 721	365.9%	97 734

Reporting per municipal Vote provides details on the spending over the various functions. Revenue is mainly budgeted under the Finance & Admin Function and therefore the majority of the revenue will be reflected under this function.

Expenditure by functional classification presents the expenditures by the departments.

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

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 - September

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcomes	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		56 530	71 416	71 416	4 819	14 757	17 654	(3 097)	(0)	71 416
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		11 615	15 526	15 526	983	2 919	3 661	(962)	(0)	15 526
Sale of Goods and Rendering of Services		923	3 930	3 930	130	273	962	(709)	(0)	3 930
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		2 166	6 500	6 500	131	318	1 625	(1 307)	(0)	6 500
Interest from Current and Non Current Assets		9 599	17 200	17 200	1 763	6 519	4 300	2 216	0	17 200
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		144	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 250	2 028	2 028	76	363	507	(144)	(0)	2 028
License and permits		3 503	4 094	4 094	291	926	1 023	(97)	(0)	4 094
Operational Revenue		283	965	965	-	47	241	(194)	(0)	965
Non-Exchange Revenue										
Property rates		46 726	54 360	54 360	1 703	39 711	13 590	26 421	0	54 360
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 058	1 769	1 769	181	594	442	142	0	1 769
License and permits		(96)	25	25	0	11	6	5	0	25
Transfers and subsidies - Operational		267 351	318 510	318 510	524	128 453	79 626	46 825	0	318 510
Interest		14 020	18 431	18 431	1 504	4 033	4 608	(575)	(0)	18 431
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		(15)	-	-	-	123	-	123	#DIV/0!	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		418 670	514 753	514 753	12 100	100 637	128 088	70 340	53%	514 753
Expenditure By Type										
Employee related costs		128 507	161 717	161 717	12 592	36 901	40 429	(1 528)	(0)	161 717
Remuneration of councillors		21 444	25 320	25 320	2 939	6 639	6 330	309	0	25 320
Bulk purchases - electricity		58 161	71 075	71 075	10 315	19 508	17 769	1 739	0	71 075
Inventory consumed		6 075	7 629	7 629	217	518	1 907	(1 389)	(0)	7 629
Debt impairment		-	-	-	-	-	-	-	-	-
Depreciation and amortisation		56 094	53 300	53 300	-	-	13 325	(13 325)	(0)	53 300
Interest		35	-	-	-	-	-	-	-	-
Contracted services		100 450	113 385	113 385	7 253	21 833	28 346	(6 513)	(0)	113 385
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		17 651	6 000	6 000	-	-	1 500	(1 500)	(0)	6 000
Operational costs		49 557	76 325	76 325	4 111	11 982	19 081	(7 099)	(0)	76 325
Losses on Disposal of Assets		76 219	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	256	-	256	#DIV/0!	-
Total Expenditure		516 193	514 751	514 751	37 420	96 639	126 088	(29 048)	-23%	514 751
Surplus/(Deficit)										
Surplus/(Deficit)		(96 124)	2	2	(25 319)	96 399	1	96 398	17%	2
Transfers and subsidies - capital (monetary allocations)		165 532	95 461	97 732	8 239	21 756	24 433	(2 677)	(0)	97 732
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		67 408	95 463	97 734	(17 080)	121 155	24 433	-	-	97 734
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		67 408	95 463	97 734	(17 080)	121 155	24 433	-	-	97 734
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		67 408	95 463	97 734	(17 080)	121 155	24 433	-	-	97 734
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		67 408	95 463	97 734	(17 080)	121 155	24 433	-	-	97 734

In terms of September 2023 Monthly Budget & Performance assessment, the actual billed and/or collected to date is R 12,1 million inclusive of operational transfers and subsidies against YTD budget of R 199 million, this reflects a positive revenue variance against the period budget of 55% this is due to property rates billing, MIG, INEP and FMG recognised for the month.

The operating expenditure budget as at 30 September 2023 is R 37,4 million against a YTD Actual of R 99,6 million and that is reflecting a variance of -23%, this indicates an under-spending against the period budget, when measured against the annual budget reflect a spending of 19% of the total operating budget.

Revenue by Source

Revenue by source explains the types of income budgeted for and the performance of these individually.

Property Rates

Property rates revenue is the major part of the municipal own revenue and represents **28%** of the total own revenue budget. The municipality bills both annual rates and monthly rates at the beginning of the financial year i.e. July. The total property rates billed amounted to **R 1,654,481.55**, income received from property rates for the month of 30 September 2023 amounted to **R 1,702,824**, The revenue collection stream will be closely monitored to ensure revenue targets are met by year end and the revenue collection rate recognised is **103%**.

Services Charges

Revenue from service charges includes electricity sales and revenue from waste removal. The total income received from services charges amounted to **R 5,802,563** for the month ended September 2023 which is made out of **R 983,425** and **R 4,819,138** for Refuse and Electricity against the approved allocation of **R 86,941,680**. This represent **7%** and this is less the expected performance on this category due to less collection on Prepaid electricity sales and refuse collection year to date revenue recognised is **20%**.

Rental of Facilities and equipment

Rental of facilities and equipment approved budget is **R 2,027,544**. Revenue amount of **R 75,805** for September 2023 has been recognised on this category, representing **4%** which is less the expected performance for the month due to Site Rentals and YTD recognition is **18%**.

Interest earned on Investments

The total Interest on investments approved budget is **R 17,199,996** and the interest received for the month of September 2023 is **R 1,765,322** which represents **10%** on this category, this is above the expected performance for the month. The variance is due to more expenditure as expected on capital projects resulting in a higher investment balance generating interest rates experienced this financial year, this resulted to the favourable interest received and YTD recognition is **38%**.

Interest on Outstanding Debtors

Interest on non-payment on both rates and electricity has been raised monthly and amounted to **R 1,635,565** interest has been posted on the interest on arrears against the approved budget allocation of **R 24,930,792** which represents **7%** and this is below expected performance when measured against the monthly projection due to non-receipts on Interest on electricity, YTD recognition is **17%**. The decrease is due to a decline of defaulting customers for payment of

services, especially government departments which results in less interest being levied for late payments.

Fines, penalties and Forfeits

Revenue from fines, penalties and forfeits has an approved budget of **R 1,769,004**. The cash receipts for traffic fines issued **R 180,768**, it represents **10%** for the month on this category, this is above the expected performance for the month due to improved Municipal Traffic fines raised/issued and year to date revenue recognised is **33%**. It must be stressed that the above exercise represent the book value only and the cash receipts from this service is minimal. Fines are based on cash basis whilst the budget is based on GRAP 1 which require us to recognised the total fines issued and not only base on collection.

Licences and permits

The total approved budget for licences and permits is **R 4,118,844** for budget year. At the end of the September 2023 licence and permits amounted to **R 291,670** and represents **7%** of the total revenue budget for this category this is less expected performance due to an increase in Learners licence and motor vehicle registration application for the month and the YTD revenue recognition is **23%**.

Transfers and Subsidies-Operational

Total approved budget amount on transfers and subsidies is **R 318,510,300** and the transfers recognised represents **R 524,113** was recognised for the month ended 30 September 2023 this includes FMG recognised for the month which represent **1%** against total budget allocation, the year to date revenue recognised is **40%**.

Transfers and Subsidies- Capital

Total approved budget on transfers and subsidies is **R 95,480,736** and was increased to adjusted budget to **R 97,731,73**. Total revenue of **R 8,238,621** was recognised for the month ended 30 September 2023 and it represents **8%** of total budget. This is within the expected performance for the month, due to capital payments that are made and revenue was recognised on INEP and MIG. The YTD revenue recognition is **22%** on this category.

Other Revenue

Other revenue amounted to **R 130,373** for the month ended 30 September 2023, when measured against the approved budget allocation of **R 4,894,572** this represents **3%** which is less than the expected performance for the month. This is due to less revenue collected on merchandising and jobbing, admin handling fees and insurance refund. Various line items of revenue are related to timing of certain events and will only be accounted for as the year progress and TYD revenue recognised is **7%**.

Operating Expenditure by type

Employee related costs/Remuneration of Councillors

Salary costs incurred – the Municipality incurred R 15,530,865 million salary costs at the end of September 2023, incurring 8% expenditure for the month salary against the approved budget allocation of R 187,036,738 and this is within the expected performance as reflected in the table below and TYD expenditure is 24%. The variance is a result of the timing of filing of vacant positions, resignations, Recruitment have not been finalised for any vacant post major contributing factor is overtime and standby allowances which to-date the expenditure is less than anticipated .

Row Labels	Sum of TotalBudget	July Actual	August Actual	September Actual	Sum of TotalActual
Employee Related Cost	161 716 536	12 613 680	13 694 969	12 592 037	38 900 686
Municipal Staff	154 086 072	12 111 196	13 135 837	11 982 074	37 229 107
Senior Management	7 630 464	502 484	559 132	609 963	1 671 579
Remuneration of Councillors	25 320 192	1 850 101	1 850 101	2 938 828	6 639 029
Chief Whip	839 544	59 118	59 118	73 384	191 620
Executive Committee		398 471	398 471	445 976	1 242 918
Executive Mayor	1 080 648	92 960	92 960	275 381	461 300
Speaker	889 776	62 812	62 812	77 821	203 446
Total for All Other Councillors	22 510 224	1 236 739	1 236 739	2 066 266	4 539 745
Grand Total	187 036 728	14 463 780	15 545 070	15 530 865	45 539 715
				8%	24%

Debt impairment

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

Depreciation

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

Finance Costs

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

Bulk Purchases

Total approved budget on bulk electricity purchases is **R 71,075,364**, expenditure relating to bulk electricity purchases reflects **R 10,315,457** expenditure for the month, this represent **15%** spending for the month and this is above the expected performance for the month due to seasonal demand for electricity and the Load shedding continuously implemented by Eskom during the course of the period under review contributed to the above spending in Bulk purchases. They year to date expenditure incurred under this category is **27%**.

Other material

Total approved budget on other material is **R 7,629,420**, This expenditure category consists of inventory items such as material for maintenance of road operation and maintenance which amounted to **R 216 812** for the month ended 30 September 2023. This represent **3%** on this category, is less than expected performance for the month as result of less demand on finished good. The majority of the expenditure is reflected under road operation and maintenance and Energy unit. The YTD expenditure is **7%**.

Contracted Services

Total approved budget on contracted services is **R 113,584,116**. The expenditure for the month amounted to **R 7,253,268** this represents **6%** of the budgeted amount, this is less than expected performance for the month due to less expenditure on Indigent Management System, consulting cost financial reporting 7 assets, Live Stock Improvement, music festival, repairs maintenance electricity and contracted Outsourced-Safeguard & Security, Accounting and Electrical Infrastructure Maintenance. The year to date expenditure incurred is **19%** on this category.

Other Expenditure

Total approved Budget on Other expenditure is **R 76,324,512**. Other expenditure for the month ended 30 September 2023 amounted to **R 4,111,391** this represents **5%** of the budgeted amount on this category. This is less than the expected performance for the month on this category, due to less expenditure is identified relating to Audit fees, ICT software Licences, insurance premium, advertising and achievements and awards and YTD expenditure is **16%**.

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

EC-441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 - September									
Vote Description	Ref	Budget Year 2023/24							
		2022/23	2023/24	2023/24	Monthly actual	YearTD actual	YearTD	YTD	%
R thousands									
Multi-Year expenditure appropriation	2								
Vote 1 - Executive Council		-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin.		-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2								
Vote 1 - Executive Council		74	70	70	-	-	17	(17)	-100%
Vote 2 - Finance and Admin.		562	3 900	3 900	170	143	975	(832)	-85%
Vote 3 - Corporate		4 696	2 610	2 610	121	121	653	(532)	-82%
Vote 4 - Development and Planning		163	130	130	25	25	32	(7)	-22%
Vote 5 - Community		2 649	9 130	9 130	60	408	2 283	(1 875)	-82%
Vote 6 - Infrastructure		181 979	164 017	166 268	8 183	20 755	41 567	(20 812)	-80%
Vote 7 - Internal Audit		-	1 850	1 850	46	46	465	(419)	-90%
Vote 8 -		-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	190 125	181 717	183 968	8 544	21 497	45 952	(24 455)	-53%
Total Capital Expenditure		190 125	181 717	183 968	8 544	21 497	45 952	(24 455)	-53%
Capital Expenditure - Functional Classification									
Governance and administration		5 334	8 448	8 448	276	389	2 118	(1 801)	-65%
Executive and council		74	70	70	-	-	17	(17)	(0)
Finance and administration		5 260	8 510	8 510	230	250	1 608	(1 364)	(0)
Internal audit		-	1 950	1 950	46	46	465	(419)	(0)
Community and public safety		1 530	4 600	4 600	46	388	1 198	(762)	-65%
Community and social services		331	910	910	40	40	227	(187)	(0)
Sport and recreation		-	-	-	-	-	-	-	-
Public safety		1 199	3 690	3 690	-	347	923	(575)	(0)
Housing		-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
Economic and environmental services		84 289	99 791	98 042	2 477	10 928	25 518	(14 590)	-57%
Planning and development		163	130	130	25	25	32	(7)	(0)
Road transport		84 047	99 861	101 912	2 451	10 895	25 478	(14 583)	(0)
Environmental protection		-	-	-	-	-	-	-	-
Trading services		99 091	68 886	68 886	4 752	9 888	17 224	(7 341)	-43%
Energy sources		97 333	64 356	64 356	4 732	9 860	16 069	(6 229)	(0)
Water management		-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-
Waste management		1 119	4 530	4 530	20	20	1 138	(1 122)	(0)
Other		-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	190 125	181 717	183 968	8 544	21 497	45 952	(24 455)	-53%
Funded by:									
National Government		141 845	95 481	97 732	6 915	18 238	24 433	(6 195)	(0)
Provincial Government		-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Not Prov Depart Agencies)		-	-	-	-	-	-	-	-
Transfers recognised - capital		141 845	95 481	97 732	6 915	18 238	24 433	(6 195)	-25%
Borrowing	6	-	-	-	-	-	-	-	-
Internally generated funds		47 709	86 236	86 236	1 629	3 259	21 519	(18 300)	(0)
Total Capital Funding		189 554	181 717	183 968	8 544	21 497	45 952	(24 455)	-53%

The approved annual capital budget for the financial year amounts to R 183,967,552. The capital expenditure incurred for the month ended 30 September 2023 amounted to R 8,544,497. This represents 5% of the approved capital expenditure budget. This is below the expected performance for the month due to procurement processes that are still underway for capital projects and year to date expenditure is 12%.

3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M03 - September

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		236 732	326 924	326 924	335 195	326 924
Trade and other receivables from exchange transactions		(20 836)	125 378	125 378	(31 758)	125 378
Receivables from non-exchange transactions		126 487	52 209	52 209	159 132	52 209
Current portion of non-current receivables		-	-	-	-	-
Inventory		1 874	2 025	2 025	1 551	2 025
VAT		71 028	17 322	17 322	87 508	17 322
Other current assets		4 961	-	-	4 721	-
Total current assets		420 246	523 858	523 858	556 349	523 858
Non current assets						
Investments						
Investment property		4 960	4 960	4 960	4 960	4 960
Property, plant and equipment		1 133 454	1 297 761	1 300 012	1 138 173	1 300 012
Biological assets						
Living and non-living resources		-	-	-	-	-
Heritage assets		870	-	-	1 543	-
Intangible assets		206	1 975	1 975	911	1 975
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		1 139 490	1 304 697	1 306 948	1 145 587	1 306 948
TOTAL ASSETS		1 559 736	1 828 554	1 830 805	1 701 936	1 830 805
LIABILITIES						
Current liabilities						
Bank overdraft						
Bank overdraft		-	-	-	-	-
Financial liabilities						
Consumer deposits		1 578	413	413	1 665	413
Trade and other payables from exchange transactions		54 068	56 071	56 071	33 045	56 071
Trade and other payables from non-exchange transactions		12 340	-	-	30 942	-
Provision		11 350	90 868	90 868	20 371	90 868
VAT		68 021	13 041	13 041	84 908	13 041
Other current liabilities		2 961	-	-	2 961	-
Total current liabilities		150 317	160 394	160 394	173 893	160 394
Non current liabilities						
Financial liabilities						
Provision		28 829	38 827	38 827	21 827	38 827
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		14 601	-	-	14 497	-
Total non current liabilities		43 429	38 827	38 827	36 325	38 827
TOTAL LIABILITIES		193 746	199 221	199 221	210 218	199 221
NET ASSETS	2	1 365 990	1 629 334	1 631 585	1 491 718	1 631 585
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		973 403	1 543 096	1 545 349	1 139 387	1 545 349
Reserves and funds		395 384	86 236	86 236	352 321	86 236
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	1 368 787	1 629 334	1 631 585	1 491 718	1 631 585

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M03 - September

Description	Raf	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		36 620	43 488	43 488	20 447	26 738	10 672	15 866	146%	43 488
Service charges		62 021	76 730	76 730	4 882	17 497	19 182	(1 686)	-9%	76 730
Other revenue		15 705	51 959	51 959	4 027	6 890	12 990	(6 110)	-47%	51 959
Transfers and Subsidies - Operational		266 202	318 510	318 510	1 923	130 312	79 628	50 684	64%	318 510
Transfers and Subsidies - Capital		174 749	95 481	97 732	14 313	45 978	24 433	21 545	88%	97 732
Interest		4 385	17 200	17 200	2 383	7 117	4 300	2 817	66%	17 200
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(218 683)	(455 451)	(455 451)	(22 800)	(55 726)	(113 663)	58 137	-51%	(455 451)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		340 998	147 918	150 180	25 155	178 706	37 542	(141 254)	-37%	150 180
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(188 241)	(181 717)	(183 988)	(9 826)	(24 728)	(45 992)	21 272	48%	(183 988)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(188 241)	(181 717)	(183 988)	(9 826)	(24 728)	(45 992)	(21 272)	48%	(183 988)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		529 230	(33 799)	(33 799)	15 330	154 075	(8 450)			(33 799)
Cash/cash equivalents at beginning:		360 723	360 723	360 723		254 787	360 723			254 787
Cash/cash equivalents at month/year end:		889 962	326 924	326 924		408 863	352 273			220 988

**PART 2 –SUPPORTING DOCUMENTATION
SECTION 4**

Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 30 September 2023.

EC441 Matatiele - Supporting Table 9C3 Monthly Budget Statement - aged debtors - M03 - September

Description	HT Code	Budget Year 2023/24										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.l.o Council Policy	
		6-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total					
R thousands															
Debtors Age Analysis By Income Source															
Traffic and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Traffic and Other Receivables from Exchange Transactions - Electricity	1300	8 210	1 270	1 272	893	708	554	442	2 518	13 985	5 213	-	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	2 308	29 188	17	19	571	559	531	89 175	102 442	70 854	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	1 538	522	485	443	398	302	400	25 054	29 185	28 675	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-	-	
Interest on Asset Debtor Accounts	1816	2 984	1 379	1 327	1 941	1 317	1 335	1 322	47 423	58 427	52 738	-	-	-	
Recoverable unauthorised, irregular, useless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	25 192	5	177	136	220	333	131	8 829	35 628	9 669	-	-	-	
Total By Income Source	2806	38 310	32 357	3 262	2 839	3 216	3 182	2 846	133 608	238 085	185 158	-	-	-	
2022/23 - total only		19 211	4 983	3 947	5 314	2 823	3 183	13 474	148 722	221 776	173 133	-	-	-	
Debtors Age Analysis By Customer Group															
Organs of State	2200	5 407	29 974	1 860	1 626	1 424	1 545	1 412	89 715	113 086	75 728	-	-	-	
Commercial	2300	30 866	1 243	566	585	708	486	368	13 308	47 929	15 455	-	-	-	
Households	2400	2 237	1 140	716	716	1 081	1 132	1 066	89 981	78 049	73 876	-	-	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2800	38 310	32 357	3 262	2 839	3 218	3 182	2 846	133 608	238 085	185 158	-	-	-	

The total debt book for September 2023 of R 239,064,806, inclusive of R 5,563,701 advance payments.

The total debt book for September 2023 of R 233,501,104.50 (including current of R 5 692 590.36 which is not yet due) has decreased by R 23 239 468.15 from the previous month closing balance of R 251,047,981.79. Debt is made up of the following:

- **Residential debt:**
R 86,309,341.48
- **Commercial debt**
R 35,659,794.67
- **Government debt**
R 107,675,958.88
- **Other**
R 3,856,009.45

The municipality implements the credit control and debt collection policy. There are two areas in which the municipality is not able to collect and the debt totals to R 67,316,667.93.

- **Maluti**
R 62,059,383.19 (including current)
- **Cedarville**
R 5,257,284.74 (including current)

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

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

The following has been handed over:

Residential H/O R 77,886,454.33

Business H/O R 30,033,069.03

Churches H/O R 122,225.30

Farms H/O R 3,503,403.79

R 846 967.86 was collected for September 2023.

SECTION 5 -CREDITORS' ANALYSIS

Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 - September

Description	NT Code	Budget Year 2023/24									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	-

The municipality makes an extra effort that creditors are paid within 30 days as per MFMA, therefore municipality paid its creditors within 30 days for the month ended 30 September 2023.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Sep-23

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	9 502 866.10	14 392 629.36	-3 541 379.87	-79 629.36	20 354 115.59
INEP	11 068 355.20	110 421.83	-3 590 720.45	-110 421.83	7 588 056.58
EPWP	-	-	-	-	-
Municipal Electrification Intervention	302 316.84	1 989.89	-	-1 989.89	304 306.73
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	60 553.98	398.66	-	-398.66	60 952.64
Establishment Plan	210 549.05	1 150.81	-	-1 150.81	211 699.86
Housing Development Fund	2 146 186.98	11 730.53	-	-11 730.53	2 157 917.51
Dedea	653 110.50	3 569.74	0	-3 569.74	656 680.24
Total Conditional Investments	23 943 939	14 521 891	- 7 132 100	- 208 891	31 333 729

Sep-23

Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	142 384 582.18	-	-	-807 496.12	142 384 582.18
Call Acc STD CRR	12 245 803.90	69 448.81	-	-69 448.81	12 315 252.71
Call ACC FNB Surplus Cash	6 805 395.80	-	-	-38 436.51	6 805 395.80
Nedbank 32 Days	7 208 800.63	52 041.56	-	-52 041.56	7 260 842.19
Nedbank	15 606 348.83	21 883 277.33	-37 400 000.00	-263 244.54	89 626.16
Nedbank relief fund	854 219.49	5 622.78	-	-5 622.78	859 842.27
Nedbank COV -19 Solidality	103 508.39	681.38	-	-681.38	104 189.77
Nedbank Retention	14 215 258.37	93 567.61	-	-93 567.61	14 308 825.98
Termination Guarantee	144 640.82	-	-	-902.51	144 640.82
Account Gaurantee	6 202 000.00	-	-	-40 822.66	6 202 000.00
Nedbank account -020	101 461 854.80	769 397.26	-	-769 397.26	102 231 252.06
Total Unconditional	307 232 413	22 874 037	- 37 400 000	- 2 141 662	292 706 450
Total Investments for September 2023					324 040 179

The municipality invests surplus funds in order to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investments policy. This indicates that the municipality as at 30 September 2023 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

As at 30 September 2023 the conditional investments amounted to **R 31,333,729** and unconditional investments amounted to **R 292,706,450**. Total investments as at 30 September 2023 amounted to **R 324,040,179**.

The following reflects bank balances at 30 September 2023

Description	30 September 2023
Nedbank Primary Account:	6 417 447.43
Standard bank Account:	2 582 112.04
FNB Money Market Account:	1 823 634.45
Total Cash held as at 30 July 2023	10 823 193.92

The above table reflects the Cashbook balance is R 10,823,193.92 and Bank statement balance of R 292,706,450 and the total cash book balance and investment is R 324,040,179.

SECTION 7_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6

EC441 Matatiele - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 - September

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Fall Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		342 334	312 569	312 569	15 306	159 365	78 142	81 223	103.9%	312 569
Expanded Public Works Programme integrated Grant		4 987	3 974	3 974	993	993	994	(1)	-0.1%	3 974
Local Government Financial Management Grant	3	1 660	1 700	1 700	-	1 700	428	1 275	300.0%	1 700
Municipal Infrastructure Grant		76 971	2 925	2 925	14 313	30 019	731	25 287	4004.6%	2 925
Equitable Share		258 926	303 970	303 970	-	126 654	75 952	50 652	66.7%	303 970
Provincial Government:		-	5 941	5 941	-	-	1 485	(1 485)	-100.0%	5 941
Specify (Add grant description)		-	2 260	2 260	-	-	563	(563)	-100.0%	2 260
Specify (Add grant description)		-	3 681	3 681	-	-	923	(923)	-100.0%	3 681
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		342 334	318 510	318 510	15 306	159 365	79 628	79 737	100.1%	318 510
Capital Transfers and Grants										
National Government:		97 778	95 481	97 732	-	15 960	24 433	(8 473)	-34.7%	97 732
Municipal Disaster Relief Grant		-	-	2 251	-	-	563	(563)	-100.0%	2 251
Municipal Infrastructure Grant		-	55 581	55 581	-	-	13 895	(13 895)	-100.0%	55 581
Integrated National Electrification Programme Grant		97 778	39 900	39 900	-	15 960	9 972	5 985	60.0%	39 900
Provincial Government:		650	-	-	922	922	-	922	RD/NO:	-
Specify (Add grant description)		-	-	-	922	922	-	922	RD/NO:	-
Specify (Add grant description)		556	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		98 428	95 481	97 732	922	16 882	24 433	(7 551)	-30.9%	97 732
TOTAL RECEIPTS OF TRANSFERS & GRANTS		440 762	413 991	416 242	16 228	176 247	104 061	72 187	69.4%	416 242

The Municipality have received the conditional grant allocations amounting to R 16,2 million for operations grant of which amounted to R 15,3 million was received for MIG and EPWP Grant.

7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 - September

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD Budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		6 537	2 925	2 925	19	614	731	(118)	-16.1%	2 925
Expanded Public Works Programme Integrated Grant		4 567	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	3	1 650	-	-	19	614	-	614	#DIV/0!	-
Municipal Infrastructure Grant		-	2 925	2 925	-	-	731	(731)	-100.0%	2 925
Provincial Government:		2 113	3 691	3 691	505	1 105	923	262	28.4%	3 691
Specify (Add grant description)		2 113	-	-	505	1 105	-	1 105	#DIV/0!	-
Specify (Add grant description)		-	3 691	3 691	-	-	923	(923)	-100.0%	3 691
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		8 650	6 616	6 616	524	1 799	1 654	145	8.8%	6 616
Capital Transfers and Grants										
National Government:		165 467	103 405	105 656	8 239	21 756	26 414	(4 658)	-17.6%	105 656
Municipal Disaster Relief Grant		-	-	2 251	-	-	563	(563)	-100.0%	2 251
Municipal Infrastructure Grant		67 629	63 505	63 505	4 645	12 269	15 675	(3 609)	-22.7%	63 565
Integrated National Electrification Programme Grant		97 778	39 900	39 900	3 594	9 488	9 975	(487)	-4.9%	39 900
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		165 467	103 405	105 656	8 239	21 756	26 414	(4 658)	-17.6%	105 656
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		174 057	110 021	112 272	8 763	23 555	28 068	(4 513)	-16.1%	112 272

The total operating grant expenditure amounts to **R 524,000** and Capital grant expenditure amounts to **R 8,2 million** inclusive of **R 248,022** which is the misallocation of MIG salaries that must be corrected with a Journal on October 2023. Total expenditure for both operational and Capital grants for the month amounts to **R 8,8 million** which represents **20%** when compared to the total allocation as per the Dora. The tables above reflect on the performance of these respective conditional grants which indicates that the municipality is well on track to meet its target of fully spending the 2023/24 allocated funds.

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 30 September 23

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 - September

Summary of Employee and Councillor remuneration	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		10 296	14 165	14 165	1 596	3 767	3 541	226	6%	14 165
Pension and UIF Contributions		712	2 975	2 975	107	254	744	(490)	-66%	2 975
Medical Aid Contributions		536	113	113	68	205	28	177	626%	113
Motor Vehicle Allowance		58	199	199	-	-	50	(50)	-100%	199
Cellphone Allowance		2 352	2 610	2 610	377	779	653	126	19%	2 610
Housing Allowances		4 489	5 259	5 259	791	1 854	1 315	319	24%	5 259
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		21 444	25 320	25 320	2 930	6 630	6 330	300	5%	25 320
% increase	4		18.1%	18.1%						18.1%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	3 335	3 190	3 190	284	813	797	16	2%	3 190
Pension and UIF Contributions		97	218	218	1	2	54	(53)	-97%	218
Medical Aid Contributions		73	168	168	-	-	42	(42)	-100%	168
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		360	468	468	-	-	117	(117)	-100%	468
Motor Vehicle Allowance		1 605	2 119	2 119	148	365	520	(164)	-31%	2 119
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		698	972	972	183	414	243	171	70%	972
Other benefits and allowances		0	1	1	0	0	0	(0)	-79%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Society		336	495	495	17	77	124	(47)	-38%	495
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6 443	7 830	7 830	610	1 672	1 988	(238)	-12%	7 830
% increase	4		18.4%	18.4%						18.4%
Other Municipal Staff										
Basic Salaries and Wages		83 947	107 314	107 314	8 426	25 405	26 828	(1 424)	-5%	107 314
Pension and UIF Contributions		13 155	15 824	15 824	1 311	3 902	3 956	(54)	-1%	15 824
Medical Aid Contributions		4 943	5 945	5 945	489	1 444	1 486	(42)	-3%	5 945
Overtime		1 790	2 728	2 728	227	671	682	(10)	-2%	2 728
Performance Bonus		5 949	8 354	8 354	371	1 923	2 089	(166)	-8%	8 354
Motor Vehicle Allowance		4 272	7 037	7 037	615	1 941	1 759	182	10%	7 037
Cellphone Allowance		6	8	8	1	2	2	(0)	-7%	8
Housing Allowances		383	4 906	4 906	258	774	1 227	(453)	-37%	4 906
Other benefits and allowances		4 787	1 973	1 973	230	716	493	223	45%	1 973
Payments in lieu of leave		1 643	-	-	39	248	-	248	#DIV/0!	-
Long service awards		523	-	-	16	204	-	204	#DIV/0!	-
Post-retirement benefit obligations	2	1 065	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Society		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		122 054	154 086	154 086	11 982	37 229	38 522	(1 293)	-3%	154 086
% increase	4		26.2%	26.2%						26.2%
Total Parent Municipality		149 951	187 637	187 637	15 531	45 540	48 738	(1 219)	-3%	187 637

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.

Employee related cost expenditure for the month ended 30 September 2023 amounted **R 15,5 million** of which the expenditure **R 2,9 million** relates to Remuneration of Councillors and

R 12,6 million, to Managers and staff, that represents **8%** of the budgeted amount for this category and the expenditure is within the expected performance for the month. The YTD expenditure recognition is **24** on this category.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTIFICATE

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

The monthly budget statements (Section 71 Report) on the implementation of the budget and financial state of affairs of the municipality for the month ended 30 September 2023 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: Lizo Matiwane

Municipal Manager of Matatiele Local Municipality

Signature: 

Date: 10/10/2023