



MATATIELE
LOCAL MUNICIPALITY

2022/2023 MONTHLY SECTION 71 REPORT

MONTH ENDED 30 NOVEMBER 2022

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GLOSSARY

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

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

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 30th November 2022.
- 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 as at 30 November 2022. 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

The total revenue received for the month ended 30th November 2022 amounted to **R 19,334,340** which represents **3%** of the total annual approved budget figure of **R 579,582,986** but the amount received to date is **40%** (including grants). The majority of the revenue recognised this month of **R 9,344,789** is relating to INEP,MIG grant, Learner licence application & Electricity Service charges.

Operating Expenditure by type

Operating expenditure for the month ended 30th November 2022 amounted to **R 24,504,704** which represents **5%** of total approved operating expenditure budget figure of **R 480,023,232**, the expenditure to date represents **32%**. The majority of expenditure relates to bulk purchases, contracted services, employee related costs and operational costs.

Capital Expenditure

The approved annual capital budget for the financial year amounts to **R 171,309,312** which include Capital Replacement Reserve. Capital expenditure incurred for the month ended 30th November 2022 amounted to **R 7,334,718**. This represents **4%** of the approved capital expenditure budget.

Grants Funded Capital

- The MIG capital grant allocation for the financial year is **R 53,264,604** million as per Dora Allocation. the spending for the month ending 30th November is **R 1,942,596** which represent **4%** of expenditure to date.
- Integrated National Electrification Programme (INEP) of **R 46,287,972** million was allocated. The grant reflects **R 4,253,381** spending at the end of 30th November 2022 which represent **9%**.
- Capital Replacement Reserves (CRR) for the financial year is **R 71,756,736** million is allocated. The spending for the month is **R 1,138,742** which represent **2%**.
- The municipality anticipate to spend **100%** of the total capital budget as at the end of the financial year, Therefore the spending is sitting at **23%** as at 30th November 2022.

The Municipality has made the rollover application that have been submitted on the 31 August 2022 as per Section 22 of DoRA 2021 and were submitted together with the annual financial statement, the rollover approval was published at the end of 31 October 2022 and final unspent conditional grant amount was communicated by National Treasury on 8 November 2022, therefore approved rollover will be included in the adjustment budget of the Municipality and may proceed to spend such funds after the approval of Adjustment Budget, and were rollovers have not approved the amount needs to be reverted to the national and provincial treasury or will be set off against the equitable share.

Unspent National grants relate to the following projects: Municipal Infrastructure Grant (MIG)

No.	Project Name	Unspent Balance as at June 2022
1	Harry Gwala Internal Streets (Itsokolele – Njongweville)	R 3,214,705.23
2	Mahangu Access Road & Bridge	R 3,809,642.22
3	Purutle Access Road & Bridge	R 2,317,322.69
		R 9,341,670.14

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	November status
Rehabilitation of Matatiele internal Streets Cluster 1	Intention to appoint service provider
Purutle Moyeni Access Road and Bridge	The project is completed but on 6-month defects liability period
Mahangu Access Road & Bridge	Practical complete
Harry Gwala Internal Streets	Intention to appoint service provider
Rehabilitation of Cedarville internal streets	The project is under construction overall progress is 10% complete
High Mast Lights	Service proder appointed

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	November status
Mavundleni Electrification	Site establishment is complete and construction is in progress at 25%.
Mapoti Electrification	Construction is complete, Pending Eskom Process for energising.
Polar Park Electrification	Site establishment is complete and awaiting Material delivery.
Rockville Electrification	Site establishment is complete and construction is in progress at 51%.
Hillside-Manzi Ph2 link line	all Materials have been delivered to Site and Construction progresss is at 70%,
Sikhulumi Electrification	Construction is complete, Pending Eskom Process for energising
Sikhulumi Link Line	Construction is complete, Pending Eskom Process for energising
Molweni 1 Electrification	Site establishment is complete and construction is in progress

	at 70%.
Molweni 2 Electrification	Site establishment is complete and construction is in progress at 77%.
Masupa Electrification	Construction is complete, Pending Eskom Process for energising
Moiketsi Electrification	The contractor is busy with site establishment and Material Procurement, construction to kick-start in January 2023
Hillside Manzi Electrification	Construction Stage and the progress is at 48%

Internal Funded Capital Projects

Internal funded Capital Project	November status
Dengwane Khoapa Botsola-Taung AR	Tender stage
Sitiweni AR	Intention to appoint service provider
Mphotshongweni A R	Tender Stage
Tsepisong Kamorathaba to Kuyasa AR	Tender Stage
Mphotshongweni Bridge (Rashule)	Intention to appoint service provider
Construction of Silo Phase 4	Tender Stage
Dlodlweni Access Road	Intention to appoint service provider
Mbobo Access Road	Practical Completion
Nkosana - Mafube Access Road	Awarded
Makomorweni Access Road and Bridge	Awarded
Mavundleni Access Road	Awarded
Black Diamond Access Road and Bridge	Tender Stage
Linotseng Access Road	Construction
Hebron to Madimong Access Road	Practical Completion
Maphutsing Access Road	Practical Completion

Municipal Plant	Tender Stage
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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 - M05 November

Description	2021/22	Budget Year 2022/23							
	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	54 008	--	1 701	40 803	22 537	18 266	51%	54 008
Service charges	68 248	86 942	--	4 632	26 446	36 226	(9 781)	-27%	86 942
Investment revenue	9 999	14 850	--	1 360	6 524	8 104	(80)	-1%	14 850
Transfers and subsidies	267 351	293 418	--	1 000	115 708	122 258	(6 549)	-5%	293 418
Other own revenue	24 243	28 129	--	3 351	10 270	11 720	(1 450)	-12%	28 129
Total Revenue (excluding capital transfers and contributions)	418 075	477 227	--	12 044	199 250	198 845	405	0%	477 227
Employee costs	128 363	141 262	--	10 799	54 711	58 869	(4 149)	-7%	141 262
Remuneration of Councilors	21 444	22 459	--	1 852	9 563	9 358	205	2%	22 459
Depreciation & asset impairment	53 995	53 336	--	--	--	22 223	(22 223)	-100%	53 336
Finance charges	38	--	--	--	--	--	--	--	--
Inventory consumed and stock purchases	64 236	69 130	--	4 132	28 218	28 904	(786)	-3%	69 130
Transfers and subsidies	--	--	--	--	--	--	--	--	--
Other expenditure	245 424	193 836	--	7 221	60 364	80 765	(20 401)	-25%	193 836
Total Expenditure	613 396	489 823	--	24 906	152 656	200 919	(47 354)	-24%	489 823
Surplus/(Deficit)	(195 321)	(2 796)	--	(12 862)	46 294	(1 169)	47 739	-4099%	(2 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	155 532	102 356	--	7 251	34 157	42 548	(8 391)	-20%	102 356
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 (in-kind - all)	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after capital transfers & contributions	70 296	99 560	--	(5 979)	80 751	41 483	39 258	95%	99 560
Share of surplus/(deficit) of associate	--	--	--	--	--	--	--	--	--
Surplus/(Deficit) for the year	70 296	99 560	--	(5 979)	80 751	41 483	39 258	95%	99 560
Capital expenditure & funds sources									
Capital expenditure	189 896	171 389	--	7 335	39 218	71 379	(32 161)	-45%	171 389
Capital transfers recognised	141 845	99 953	--	6 196	28 800	41 480	(12 580)	-30%	99 953
Borrowing	--	--	--	--	--	--	--	--	--
Internally generated funds	47 688	71 757	--	1 539	10 318	29 899	(19 581)	-65%	71 757
Total sources of capital funds	479 429	343 100	--	15 070	78 336	142 758	(64 422)	-48%	343 100
Financial position									
Total current assets	420 000	309 473	--	--	479 735	--	--	--	309 473
Total non-current assets	1 540 313	1 361 729	--	--	1 179 536	--	--	--	1 361 729
Total current liabilities	148 127	99 372	--	--	166 329	--	--	--	99 372
Total non-current liabilities	43 429	14 442	--	--	43 429	--	--	--	14 442
Community wealth/Equity	1 365 373	1 557 385	--	--	1 440 513	--	--	--	1 557 385
Cash flows									
Net cash from/(used) operating	275 430	110 160	--	19 605	157 117	45 900	(111 217)	-242%	110 160
Net cash from/(used) investing	(788 241)	(171 309)	--	(8 353)	(44 540)	(71 379)	(26 839)	38%	(171 309)
Net cash from/(used) financing	82	--	--	--	37	--	(37)	-100%	--
Cash/cash equivalents at the month/year end	311 692	232 938	--	--	349 346	268 609	(80 737)	-30%	175 982
Debtors & creditors analysis	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
Debtors Age Analysis									
Total By Income Source	14 837	6 199	3 598	30 952	4 580	1 757	10 577	137 808	210 428
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) - M05 November

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		333 981	376 020	—	5 439	168 265	156 675	9 590	6%	376 020
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		333 981	376 020	—	5 439	168 265	156 675	9 590	6%	376 020
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		11 484	11 569	—	1 864	5 886	4 829	1 066	22%	11 569
Community and social services		6 057	6 368	—	66	3 349	2 653	696	26%	6 368
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		5 407	5 201	—	1 799	2 537	2 167	370	17%	5 201
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		68 638	58 290	—	2 497	18 438	23 454	(7 016)	-30%	58 290
Planning and development		171	202	—	5	91	84	7	8%	202
Road transport		67 867	56 088	—	2 402	16 347	23 370	(7 023)	-30%	56 088
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		170 119	135 785	—	9 824	44 818	58 544	(11 726)	-21%	135 785
Energy sources		156 620	57 024	—	8 637	39 913	23 760	16 153	68%	57 024
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		13 498	78 681	—	987	4 905	32 784	(27 878)	-85%	78 681
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	583 802	579 583	—	19 334	233 497	241 493	(8 006)	-3%	579 583
Expenditure - Functional										
Governance and administration		241 512	224 974	—	13 568	89 155	93 739	(7 584)	-8%	224 974
Executive and council		28 850	29 845	—	2 139	13 862	12 435	1 427	11%	29 845
Finance and administration		208 282	191 438	—	11 162	70 565	79 766	(9 201)	-12%	191 438
Internal audit		4 380	3 692	—	265	1 727	1 538	189	12%	3 692
Community and public safety		34 947	53 254	—	2 824	16 163	22 189	(6 026)	-27%	53 254
Community and social services		15 683	27 956	—	902	8 129	11 649	(3 519)	-30%	27 956
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		19 264	25 297	—	1 722	9 034	10 540	(2 507)	-24%	25 297
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		89 977	88 830	—	2 271	13 742	37 848	(24 104)	-64%	88 830
Planning and development		19 907	24 989	—	831	5 541	10 412	(4 871)	-47%	24 989
Road transport		50 069	65 841	—	1 440	8 201	27 434	(19 233)	-70%	65 841
Environmental protection		—	—	—	—	—	—	—	—	—
Trading services		186 961	118 986	—	6 845	36 586	48 238	(9 640)	-21%	118 986
Energy sources		141 882	86 897	—	4 498	30 439	36 207	(5 767)	-16%	86 897
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		25 979	24 069	—	1 547	6 157	10 029	(3 872)	-39%	24 069
Other		—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	513 380	480 023	—	24 505	152 036	209 919	(47 883)	-24%	480 023
Surplus/ (Deficit) for the year		70 286	99 560	—	(5 170)	81 751	41 483	39 268	65%	99 560

This table assess the revenue and expenditure by department, the expenditure for the period ending 30th November 2022 is **R 24.5** million and revenue is **R 19.3** 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) - M05 November

Vote Description	Ref	2021/22 Audited Outcome	Budget Year Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		333 448	375 670	-	5 393	166 155	156 529	9 626	6.1%	375 670
Vote 3 - Corporate		533	350	-	48	110	146	(36)	-24.8%	350
Vote 4 - Development and Planning		283	202	-	8	140	84	56	66.7%	202
Vote 5 - Community		24 963	90 249	-	2 851	10 792	37 604	(26 812)	-71.3%	90 249
Vote 6 - Infrastructure		224 375	113 112	-	11 036	56 211	47 130	9 081	19.3%	113 112
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	563 662	579 583	-	19 334	233 487	241 493	(8 006)	-3.3%	579 583
Expenditure by Vote	1									
Vote 1 - Executive Council		28 850	29 845	-	2 139	13 062	12 435	1 427	11.5%	29 845
Vote 2 - Finance and Admin		144 999	118 223	-	5 590	41 617	49 260	(7 643)	-15.5%	118 223
Vote 3 - Corporate		63 283	73 215	-	5 572	28 949	30 506	(1 558)	-5.1%	73 215
Vote 4 - Development and Planning		20 957	24 989	-	831	5 697	10 412	(4 715)	-45.3%	24 989
Vote 5 - Community		60 026	77 323	-	4 171	22 320	32 218	(9 898)	-30.7%	77 323
Vote 6 - Infrastructure		190 901	152 737	-	5 937	38 484	63 641	(25 156)	-39.5%	152 737
Vote 7 - Internal Audit		4 380	3 692	-	265	1 727	1 538	189	12.3%	3 692
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	513 396	488 823	-	24 505	152 656	200 018	(47 354)	-23.7%	488 823
Surplus/ (Deficit) for the year	2	78 266	99 560	-	(5 170)	80 751	41 483	39 268	94.7%	99 560

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.

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) - M05 November

2021/22										
Vote Description	Ref	2021/22					Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		48 726	54 088	--	1 701	40 803	22 537	18 266	81%	54 088
Service charges - electricity revenue		56 530	71 416	--	3 654	21 565	29 757	(8 192)	-28%	71 416
Service charges - water revenue		--	--	--	--	--	--	--	--	--
Service charges - sanitation revenue		--	--	--	--	--	--	--	--	--
Service charges - refuse revenue		11 615	15 526	--	978	4 880	6 469	(1 589)	-29%	15 526
Rental of facilities and equipment		1 260	2 028	--	82	446	845	(399)	-47%	2 028
Interest earned - external investments		9 599	14 630	--	1 360	6 024	6 104	(80)	-1%	14 630
Interest earned - outstanding debtors		16 188	18 731	--	1 411	6 858	7 805	(946)	-12%	18 731
Dividends received		--	--	--	--	--	--	--	--	--
Fines, penalties and forfeits		2 058	1 769	--	232	751	737	13	2%	1 769
Licences and permits		3 407	4 131	--	1 573	1 834	1 721	113	7%	4 131
Agency services		--	--	--	--	--	--	--	--	--
Transfers and subsidies		267 351	293 418	--	1 000	115 708	122 258	(6 549)	-5%	293 418
Other revenue		1 350	1 471	--	54	382	613	(231)	-38%	1 471
Gains		(15)	--	--	--	--	--	--	--	--
		418 870	477 227	--	12 044	199 250	198 845	405	0%	477 227
Total Revenue (excluding capital transfers and contributions)										
Expenditure By Type										
Employee related costs		128 303	141 262	--	10 799	54 711	58 859	(4 149)	-7%	141 262
Remuneration of councillors		21 444	22 459	--	1 852	9 563	9 358	205	2%	22 459
Debt impairment		17 651	6 000	--	--	--	2 500	(2 500)	-100%	6 000
Depreciation & asset impairment		53 905	53 336	--	--	--	22 225	(22 225)	-100%	53 336
Finance charges		35	--	--	--	--	--	--	--	--
Bulk purchases - electricity		58 161	61 383	--	3 803	26 412	25 576	836	3%	61 383
Inventory consumed		6 075	7 747	--	329	1 606	3 228	(1 622)	-50%	7 747
Contracted services		109 354	113 594	--	3 378	36 480	47 327	(10 847)	-23%	113 594
Transfers and subsidies		--	--	--	--	--	--	--	--	--
Other expenditure		49 201	74 252	--	4 343	23 885	30 938	(7 053)	-23%	74 252
Losses		78 219	--	--	--	--	--	--	--	--
		513 306	480 023	--	24 505	152 056	206 010	(47 354)	-24%	480 023
Total Expenditure										
Surplus/(Deficit)		(95 327)	(2 796)	--	(12 461)	45 594	(1 165)	47 759	(0)	(2 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		165 532	102 356	--	7 291	34 157	42 648	(8 491)	(0)	102 356
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 (in-kind - all)		--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after capital transfers & contributions		70 206	99 580	--	(5 170)	80 751	41 483			99 500
Taxation		--	--	--	--	--	--	--		--
Surplus/(Deficit) after taxation		70 206	99 580	--	(5 170)	80 751	41 483			99 500
Attributable to minorities		--	--	--	--	--	--	--		--
Surplus/(Deficit) attributable to municipality		70 206	99 580	--	(5 170)	80 751	41 483			99 500
Share of surplus/ (deficit) of associate		--	--	--	--	--	--	--		--
Surplus/ (Deficit) for the year		70 206	99 580	--	(5 170)	80 751	41 483			99 500

Revenue by Source

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

Property Rates

Property rates revenue is the major part of the municipal own revenue and represents **11%** of the total own revenue budget.

The municipality bills both annual rates and monthly rates at the beginning of the financial year i.e. July. The total property rates billed amounted to **R 1,636,736.04** income received from property rates for the month of November 2022 amounted to **R 1,700,595**.

Services Charges

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to **R 4,632,241** for the month ended 30th November 2022. This represent **5%** of billing

Rental of Facilities and equipment

Rental of facilities and equipment annual budget is **R 2,027,556**, Revenue amount of **R 81,768** for November 2022 has been recognised on this category representing **4%** which is lower than projected amount because site rentals have not yet been rented out.

Interest earned on Investments

Reflects the interest in respect of funds not immediately needed in the operations of the Municipality, these are short term investments made with financials also include conditional grants. The Interest on investments for the month ended 30th November 2022 amounted to **R 1,360,185**

Interest on Outstanding Debtors

Interest on overdue accounts for the month ended 30th November 2022 amounted to **R1,410,770** the billing of interest on outstanding debtors is lower than expected. the majority of the debtors are the government departments.

Fines, penalties and Forfeits

Revenue from fines, penalties and forfeits has an annual budget of **R 1,769,004**. An amount revenue of **R 231,680** has been recognised for this category for the month ended 30th November 2022. Which is below the expect performance due to no forfeits on hall deposit and no electricity disconnection along with pound fees. Fines are base cash basis whilst the budget is based on GRAP 1 which require us to recognised the total fines issued and not only base on connection.

Licences and permits

The budget for licences and permits amounts to **R 4,130,844** for the 2022/23 budget year, and for the month ended 30th November 2022 an amount of **R 1,572,597** was recognise and YTD revenue of **R 1,834,058** represent **44%** of the total revenue budget for this category.

Transfers and Subsidies-Operational

Total budget amount on transfers and subsidies is **R 395,773,992** an amount of **R 8,290,687** was received for the month ended 30th November 2022 this represents **2%** of total budget. This

less than expected performance for the Month and is due to grants revenue being recognised when there is an expenditure incurred for the Month. YTD grants revenue represent **38%** on this category.

Other Revenue

A total budget for other revenue is **R 1,470,708** which consists mostly Merchandising and Jobbing, sale of tender documents, insurance refund and other revenue. Other revenue amounted to **R 53,816** for the month ended 30th November 2022.

Operating Expenditure by type

Employee related costs/ Remuneration of Councillors

Employee related expenditure for the month ended 30th November 2022 amounted **R12,651,464** of which the expenditure **R 1,852,387** relates to Remuneration of Councillors and **R 10,799,077** to Managers and staff, that represents **8%** of the budgeted amount for this category.

Debt Impairment

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

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

Depreciation and Asset impairment

No depreciation was recorded for the month of 30th November 2022. This is due to delays in completion of the prior year projects which effect the capitalisation and subsequent depreciation of the assets. It is therefore the sooner the prior year projects are completed; the sooner the variance will be eliminated. The other contributing factor relates to asset impairment which is normally undertaken towards the end of the financial year.

Bulk Purchases

Expenditure relating to bulk electricity purchases reflects **R 3,803,483** expenditure for the month ending 30th November 2022, that represents **6%** of the budgeted amount on this category, which is less than November projections this is due to decrease in seasonal demand for electricity purchases.

Other Materials

Total current budget on other material is **R 7 746 996** consists of inventory purchases for material and supplies and expenditure amounted to **R 328,994** for the month ended 30th November 2022, that represents **4%** of the budgeted amount on this category. The variance is due to less demand on stores items as anticipated.

Contracted Services

Expenditure under this category consists of repairs and maintenance of municipal fleet, repairs and maintenance of buildings and facilities, debt collection contract, waste removal, grass cutting, accounting and auditing contracts and all municipal and financial systems utilised by the municipality. The contracted services for the month ended 30th November 2022 amounted to **R 3,377,836** that represents **3%** of the budgeted amount on this category. This is less than anticipated for the month due to contractors that are not yet appointed.

Other Expenditure

Other expenditure reflects all other expenses not specifically mentioned and consists of the following:

- Skills development levy
- Remuneration of ward committee
- Telephone expenses
- Audit fees
- ICT Software
- Fuel and Oil
- Travel and subsistence expenses
- Workmen's Compensation Fund
- Professional Bodies Membership and Subscription

Other expenditure amounted to **R 4,342,926** for the month ended 30th November 2022, that represents **6%** of the budgeted amount on this category. Expenditure relating to Audit fees, ICT Software & Workmen's compensation is planned to increase in the 3rd quarter as per the departmental procurement plans.

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

Total Capital Multi-year expenditure	4.7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2	-	-	-	-	-	-	-	-	-
Vote 1 - Executive Council		74	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		562	3 260	-	-	1 238	1 358	(120)	-9%	3 260
Vote 3 - Corporate		4 698	2 310	-	691	1 232	963	269	28%	2 310
Vote 4 - Development and Planning		163	500	-	-	-	208	(208)	-100%	500
Vote 5 - Community		2 484	6 360	-	-	75	2 650	(2 575)	-97%	6 360
Vote 6 - Infrastructure		181 915	158 879	-	6 644	36 673	66 200	(29 526)	-45%	158 879
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	189 896	171 309	-	7 335	39 218	71 379	(32 161)	-45%	171 309
Total Capital Expenditure		189 896	171 309	-	7 335	39 218	71 379	(32 161)	-45%	171 309
Capital Expenditure - Functional Classification										
Governance and administration		5 334	5 570	-	891	2 470	2 321	149	6%	5 570
Executive and council		74	-	-	-	-	-	-	-	-
Finance and administration		5 260	5 570	-	691	2 470	2 321	149	6%	5 570
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1 366	3 480	-	-	45	1 442	(1 397)	-97%	3 480
Community and social services		166	1 510	-	-	45	629	(564)	-93%	1 510
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 199	1 950	-	-	-	813	(813)	-100%	1 950
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		84 145	118 181	-	2 258	28 858	45 878	(25 018)	-55%	118 181
Planning and development		163	500	-	-	-	208	(208)	-100%	500
Road transport		83 983	109 601	-	2 258	28 858	45 667	(24 809)	-54%	109 601
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		90 651	52 178	-	4 386	15 845	21 741	(5 896)	-27%	52 178
Energy services		97 933	49 278	-	4 386	15 815	20 532	(4 717)	-23%	49 278
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 119	2 900	-	-	30	1 208	(1 179)	-98%	2 900
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	189 896	171 309	-	7 335	39 218	71 379	(32 161)	-45%	171 309

The approved annual capital budget for the financial year amounts to **R 171,309,312**.
 Capital expenditure incurred for the month ended 30th November 2022 amounted to **R7,334,718**
 This represents **4%** of the approved capital expenditure budget. The variance is as a result of capital projects that are still in tender stage.

3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M05 November

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		8 715	15 393	—	4 532	15 393
Call investment deposits		228 017	217 545	—	280 476	217 545
Consumer debtors		88 494	70 502	—	93 690	70 502
Other debtors		92 899	4 937	—	99 353	4 937
Current portion of long-term receivables		—	—	—	—	—
Inventory		1 874	1 093	—	1 684	1 093
Total current assets		429 006	309 478	—	479 735	389 478
Non current assets						
Long-term receivables		—	—	—	—	—
Investments		—	—	—	—	—
Investment property		4 960	—	—	4 960	—
Investments in Associate		—	—	—	—	—
Property, plant and equipment		1 134 394	1 356 483	—	1 173 267	1 356 483
Biological		—	—	—	—	—
Intangible		94	4 626	—	94	4 626
Other non-current assets		870	620	—	1 215	620
Total non current assets		1 140 318	1 361 729	—	1 179 536	1 361 729
TOTAL ASSETS		1 569 318	1 671 199	—	1 659 271	1 671 199
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Borrowing		—	—	—	—	—
Consumer deposits		1 578	822	—	1 616	822
Trade and other payables		132 238	62 798	—	150 403	62 798
Provisions		14 310	35 752	—	14 310	35 752
Total current liabilities		148 127	99 372	—	166 329	99 372
Non current liabilities						
Borrowing		—	—	—	—	—
Provisions		43 429	14 442	—	43 429	14 442
Total non current liabilities		43 429	14 442	—	43 429	14 442
TOTAL LIABILITIES		191 556	113 814	—	209 758	113 814
NET ASSETS	2	1 369 762	1 557 385	—	1 449 513	1 557 385
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		969 989	1 178 048	—	1 054 129	1 178 048
Reserves		395 384	379 337	—	395 384	379 337
TOTAL COMMUNITY WEALTH/EQUITY	2	1 365 373	1 557 385	—	1 449 513	1 557 385

3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M05 November

Description	Ref	2021/22	Budget Year 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	43 271	–	1 627	32 309	18 029	14 279	79%	43 271
Service charges		62 021	69 553	–	4 375	37 119	28 961	8 139	28%	69 553
Other revenue		15 705	7 598	–	2 726	10 165	3 166	6 999	221%	7 598
Transfers and Subsidies - Operational		266 202	293 418	–	14	114 585	122 258	(7 672)	-6%	293 418
Transfers and Subsidies - Capital		174 749	102 356	–	29 000	87 625	42 848	44 977	105%	102 356
Interest		4 385	14 650	–	1 360	6 467	8 104	363	6%	14 650
Dividends		–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees		(284 252)	(420 887)	–	(19 487)	(131 153)	(175 286)	(44 133)	25%	(420 687)
Finance charges		–	–	–	–	–	–	–	–	–
Transfers and Grants		–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		275 430	110 160	–	19 605	157 117	45 900	(111 217)	-242%	110 160
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)	(171 309)	–	(8 353)	(44 540)	(71 379)	(26 839)	38%	(171 309)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(188 241)	(171 309)	–	(8 353)	(44 540)	(71 379)	(26 839)	38%	(171 309)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–	–	–
Borrowing long term/financing		–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		82	–	–	–	37	–	37	#DIV/0!	–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		82	–	–	–	37	–	(37)	#DIV/0!	–
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		87 270	(61 150)	–	11 252	112 615	(25 479)			(61 150)
Cash/cash equivalents at month/year end:		224 422	294 088	–		236 732	294 068			236 732
		311 692	232 936	–		349 346	268 609			175 582

PART 2 –SUPPORTING DOCUMENTATION SECTION 4

Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 30th November 2022.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

Description		Budget Year 2022/23												Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		NT Code	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	Total over 90 days			
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	4 169	872	1 215	513	406	224	458	1 422	9 279	3 025	–	–	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	2 398	681	624	28 527	44	10	2 380	57 506	90 169	86 487	(18)	–	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	1 509	474	415	395	359	387	1 709	21 135	28 354	23 956	(33)	–	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	7	7	7	–	–	–	–
Interest on Arrear Debtor Accounts	1810	2 811	1 485	1 178	1 282	1 186	1 156	5 346	36 147	50 520	45 037	–	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	3 951	2 677	169	2 315	2 601	0	994	21 392	34 089	27 302	–	–	–	–
Total By Income Source	2000	14 837	6 199	3 398	30 932	4 396	1 737	18 877	137 685	218 428	185 794	(51)	–	–	–
2022/23 - totals only															
Debtors Age Analysis By Customer Group															
Organs of State	2200	4 134	1 916	2 000	26 904	1 254	1 014	4 320	55 101	96 642	88 582	–	–	–	–
Commercial	2300	8 405	3 172	518	2 955	2 675	83	1 548	24 584	43 920	31 825	(23)	–	–	–
Households	2400	2 296	1 111	1 000	1 083	689	681	5 009	57 825	69 665	65 376	(27)	–	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	14 837	6 199	3 398	30 932	4 396	1 737	18 877	137 685	218 428	185 794	(51)	–	–	–

The total debt book for November 2022 is R210,428,235.00 inclusive of R 3,451,668 advanced payments.

The total debt book for November 2022 excluding advanced payments is R 206 967 567.64 (including current of R 9 457 924.16 which is not yet due) has decreased by R 5,886 626.03 from the previous month closing balance of R204 757 927.31 . Debt is made up of the following:

Residential debt:

R 77 449 660

Commercial debt

R 34 260 291.75

Government debt

R 91 979 146.52

Other

R 3 278 469.51

The municipality implements the credit control and debt collection policy.

There are two areas in which the municipality is not able to collect and the debt totals to

Maluti

R 54 672 396.06 (including current)

Cedarville

R 4 888 379.04 (including current)

(both areas are handed over for collection)

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

The following has been handed over:

Residential H/O R 69 636 694.51

Business H/O R 30 716 555.66

Churches H/O R 148 449.05

Farms H/O R 3 107 887.09

R2 167 012.6 was collected for November 2022.

SECTION 5 -CREDITORS' ANALYSIS

Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

Description	NT Code	Budget Year 2022/23								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
R thousands										
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 30th November 2022.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Nov 22					
Investment Management					
Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	14 096 109.94	15 074 162.89	-2 806 664.64	-74 162.89	26 363 608.19
INEP	14 212 851.97	84 031.11	-4 891 388.02	-84 031.11	9 405 495.06
EPWP	-	-	-	-	-
Municipal Electrification Intervention	285 646.72	1 395.00	-	-1 395.00	287 041.72
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	57 215.02	279.31	-	-279.31	57 494.33
Establishment Plan	200 421.23	790.70	-	-790.70	201 211.93
Housing Development Fund	2 042 951.22	8 059.86	-	-	2 051 011.08
Dedea	621 694.66	2 452.72	-	-2 452.72	624 147.38
Total Conditional Investments	31 516 891	15 171 172	- 7 698 053	- 163 112	38 990 010
Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	105 784 582.18			-436 904.82	105 784 582.18
Call Acc STD CRR	11 633 267.20	48 046.99		-48 046.99	11 681 314.19
Call ACC FNB Surplus Cash	6 805 395.80			-26 876.65	6 805 395.80
Nedbank 32 Days	6 769 516.73	37 371.43		-37 371.43	6 806 888.16
Nedbank	20 362 434.94	20 190 822.09	-16 000 000.00	-190 822.09	24 553 257.03
Nedbank relief fund	807 115.78	3 941.65		-3 941.65	811 057.43
Nedbank COV -19 Solidarity	97 711.98	477.09		-477.09	98 189.07
Nedbank Retention	28 044 924.62	136 959.24		-136 959.24	28 181 883.86
Termination Guarantee	144 640.82			-706.49	144 640.82
Account Gaurantee	6 202 000.00			-30 287.93	6 202 000.00
Standard Bank-008	50 110 376.71	301 027.40		-301 027.40	50 411 404.11
Total Unconditional	236 761 967	20 718 646	- 16 000 000	-	241 480 613
Total	268 278 858	35 889 817	- 23 698 053	- 163 112	280 470 622

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 30th November 2022 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

As at 30th November 2022 the conditional investments amounted to **R 38,990,010** and unconditional investments amounted to **R 241,480,613**. Total investments as at 30th November 2022 amounted to **R 280,470,622**

The following reflects bank balances at 30th November 2022

Description	November 2022
Nedbank Primary Account:	2,593,993.18
Standard bank Account:	7,820,730.78
FNB Money Market Account:	1,942,174.93
Total Cash held as at 30th November 2022	12,356,898.89

The cash bank balance as at 30 November 2022 amounted to **R 12,3 million**.

SECTION 7 _ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6

Description	2022/23 Medium Term Revenue & Expenditure Framework				
R thousand	Budget Year 2022/23	Monthly actual	YearTD actual	YearTD budget	Performance %
RECEIPTS:					
Operating Transfers and Grants					
National Government:	292 768	-	114 513	121 987	39%
Local Government Equitable Share	286 308	-	111 660	119 295	39%
Expanded Public Works Programme Integrated Grant	4 810	-	1 203	2 004	25%
Local Government Financial Management Grant	1 650	-	1 650	688	100%
Provincial Government:	650	-	-	271	0%
Capacity Building and Other : Library DEDEAT	650	-	-	271	0%
Total Operating Transfers and Grants	293 418	-	114 513	122 258	39%
Capital Transfers and Grants	102 356	29 000	66 795	42 648	65%
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	46 288	14 000	34 830	19 287	75%
Municipal Infrastructure Grant (MIG)	56 068	15 000	31 965	23 362	57%
Total Capital Transfers and Grants	102 356	29 000	66 795	42 648	65%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	395 774	29 000	181 308	164 906	46%

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Acts respectively.

The conditional grant received for the month of November INEP **R14** Million, MIG **R15** Million resulting to a total Amount of **R 29** million for the month and the municipality had a roll-over of **R9,3** million at the beginning of the financial year, which will be included in the adjustment budget to be approved by the national treasury.

7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M05 November

Description	Ref	Budget Year 2022/23								
		2021/22 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	6 460	-	2 267	3 425	2 692	733	27.2%	6 460
Expenditure Public Works Programme Integrated Grant		4 887	4 810	-	1 267	2 408	2 004	403	20.1%	4 810
Local Government Financial Management Grant		1 650	1 650	-	1 000	1 017	888	330	47.9%	1 650
Provincial Government:		2 113	650	-	161	623	271	353	130.2%	650
Library Grant		2 113	650	-	161	623	271	353	130.2%	650
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		8 650	7 110	-	2 428	4 048	2 963	1 085	36.6%	7 110
Capital expenditure of Transfers and Grants										
National Government:		165 407	102 356	-	6 423	29 918	42 648	(12 731)	-29.9%	102 356
Municipal Infrastructure Grant		67 629	56 068	-	2 170	14 388	23 362	(8 974)	-38.4%	56 068
Integrated National Electrification Programme Grant		97 778	46 288	-	4 253	15 530	19 287	(3 757)	-19.5%	46 288
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		165 407	102 356	-	6 423	29 918	42 648	(12 731)	-29.9%	102 356
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		174 057	109 466	-	8 851	33 966	45 611	(11 645)	-28.6%	109 466

Expenditure performance on grants amounted to R 8,8 million for the month ended 30th November 2022. The equitable share is used for the day to day running of the Municipality.

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 31 October 2022

Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	13 296	14 129	-	1095	5 701	5 887	(186)	-3%	14 129
Pension and UIF Contributions	712	693	-	73	391	289	102	35%	693
Medical Aid Contributions	536	92	-	61	311	39	272	707%	92
Motor Vehicle Allowance	58	-	-	-	-	-	-	-	-
Cellphone Allowance	2 352	2 573	-	201	1 005	1 072	(67)	-6%	2 573
Housing Allowances	4 489	4 972	-	421	2 155	2 072	84	4%	4 972
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Sub Total - Councillors	21 444	22 459	-	1 852	9 563	9 358	205	2%	22 459
% increase	4	4.7%							4.7%
Senior Managers of the Municipality									
Basic Salaries and Wages	3 130	3 947	-	179	892	1 645	(752)	-46%	3 947
Pension and UIF Contributions	37	147	-	0	2	61	(59)	-96%	147
Medical Aid Contributions	73	80	-	-	-	33	(33)	-100%	80
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	360	149	-	-	-	62	(62)	-100%	149
Motor Vehicle Allowance	1 605	2 016	-	107	508	840	(332)	-40%	2 016
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	696	725	-	53	274	302	(28)	-9%	725
Other benefits and allowances	337	501	-	6	87	209	(122)	-58%	501
Payments in lieu of leave	-	-	-	-	224	-	224	#DIV/0!	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	6 239	7 567	-	345	1 987	3 153	(1 166)	-37%	7 567
% increase	4	21.3%							21.3%
Other Municipal Staff									
Basic Salaries and Wages	83 947	93 243	-	6 983	35 269	38 851	(3 583)	-9%	93 243
Pension and UIF Contributions	13 155	15 771	-	1 205	6 079	6 571	(492)	-7%	15 771
Medical Aid Contributions	4 643	4 995	-	415	2 084	2 081	2	0%	4 995
Overtime	1 790	2 480	-	172	779	1 033	(255)	-25%	2 480
Performance Bonus	5 849	7 649	-	498	2 734	3 187	(453)	-14%	7 649
Motor Vehicle Allowance	4 272	4 414	-	440	2 172	1 839	332	18%	4 414
Cellphone Allowance	6	6	-	1	3	3	(0)	-7%	6
Housing Allowances	383	2 983	-	233	738	1 243	(505)	-41%	2 983
Other benefits and allowances	4 787	2 154	-	214	1 522	898	625	70%	2 154
Payments in lieu of leave	1 643	-	-	257	1 180	-	1 180	#DIV/0!	-
Long service awards	523	-	-	36	164	-	164	#DIV/0!	-
Post-retirement benefit obligations	2	1 065	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff	122 064	133 695	-	10 454	52 723	55 706	(2 983)	-5%	133 695
% increase	4	9.5%							9.5%
Total Parent Municipality	149 746	163 721	-	12 651	64 273	68 217	(3 944)	-6%	163 721

Section 66 of the MFMA requires that the accounting officer of a municipality must report to Council in a prescribed format all expenditure incurred by the municipality on staff salaries, wages and benefits in a manner that discloses expenditure per type such as salaries contributions for pensions etc.

Remuneration related expenditure for the month ended 30th November 2022 amounted R 12,6 million of which the expenditure R 1,9 million relates to Remuneration of Councillors and R 10,7 million, to Managers and staff, that represents 9% of the budgeted amount for this category.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTIFICATE

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

The monthly budget statements (Section 71 Report) on the implementation of the budget and financial state of affairs of the municipality for the month ended 30 November 2022 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: Lizo Matiwane

Acting Municipal Manager of Matatiele Local Municipality

Signature:



Date:

13/12/2022