



**MATATIELE**

LOCAL MUNICIPALITY

**2022/2023  
MONTHLY  
SECTION 71  
REPORT**

**MONTH ENDED  
31 AUGUST 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 31 August 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. 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 31 August 2022 amounted to **R 14,187,300** which represents **2%** of the total annual approved budget figure of **R 579,582,986** but the amount received to date is **29%** (including grants). The majority of the revenue recognised this month of **R 3,509,000** related to electricity service charges.

#### **Operating Expenditure by type**

Operating expenditure for the month ended 31 August 2022 amounted to **R 33,786,029** which represents **7%** of total approved operating expenditure budget figure of **R 480,023,232** of this expenditure the majority 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 31 August 2022 amounted to **R 6,974,766**. 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 31 August is **R 1,615,315** which represent **3%** of expenditure to date.
- Integrated National Electrification Programme (INEP) of **R 46,287,972** million was allocated. The grant reflects **R 0.00** spending at the end of 31 August 2022 which represent **0%**.
- Capital Replacement Reserves (CRR) for the financial year is **R 71,756,736** million is allocated. The spending for the month is **R 5,359,451** which represent **7%**.
- 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 **6%** as at 31 August 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 will be published at the end of 31 October 2022 and final unspent conditional grant amount will be 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
		<b>R 9,341,670.14</b>



## **Grant Funded Projects (MIG PROJECTS)**

**Rehabilitation of Matatiele internal Streets Cluster 1** – The project is on tender stage

**Purutle Moyeni Access Road and Bridge** – The project is on 94% percentage complete.

**Extension of Matatiele Sports Centre Ph2** - The project is on procurement stage

**Mahangu Access Road & Bridge** - The project is on 82% percentage complete.

**Mohapi Access Road & Bridge** - The project is on procurement

**Harry Gwala Internal Streets** - The project is on 89% percentage complete.

**Rehabilitation of Cedarville internal streets –Street Lights** – the project is on tender stage

**High Mast Lights** – The project is on tender stage

## **Grant Funded Projects (Integrated National Electrification Programme Grant) INEP**

**Mavundleni Electrification** - letter of instruction has been issued to the Service Provider. However, there is still a dispute of rates by Service Provider

**Tsepisong Electrification** - the project is on Construction Stage

**Polar Park Electrification** - letter of instruction has been issued to the Service Provider. However, there is still a dispute of rates by Service Provider.

**Pote Electrification** – letter of instruction has been issued to the Service Provider. However, there is still a dispute of rates by Service Provider.

**Hillside-Manzi Ph2 link line** – the project is on Construction Stage

**Sikhulumi Electrification** - the project is on Construction Stage

**Sikhulumi Link Lin** - the project is on Construction Stage

**Molweni 1 Electrification** - Letter of instruction has been issued to the Service Provider. However, there is still a dispute of rates by Service Provider

**Molweni 2 Electrification** - Letter of instruction has been issued to the Service Provider. However, there is still a dispute of rates by Service Provider

**Masupa Electrification** - the project is on Construction Stage

**Moiketsi Electrification** - Letter of instruction has been issued to the Service Provider. However, there is still a dispute of rates by Service Provider



**Hillside Manzi Electrification** - the project is on Construction Stage

### **Internal Funded Capital Projects**

**Construction of Silo Phase 4** - the project is on procurement stage

**Municipal Plant** - the project is on procurement stage

**Dengwane Khoapa Botsola-Taung AR** - the project is on procurement stage

**Black Diamond Access Road and Bridge** – the project is on procurement stage

**Tsepisong Kamorathaba to Kuyasa AR** - the project is on procurement stage

**Dlodlweni Access Road** - the project is on procurement stage

**Makomorweni Access Road and Bridge** - the project is on procurement stage

**Lakhalong Access Road** - the project is on procurement stage

**Queens Mercy Access Road** - the project is on procurement stage

**Transformers New** – the project is on tender Stage

### **2.3 Material variances from the SDBIP**

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

### **2.4 Remedial or corrective steps**

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

## Section 3

### IN-YEAR BUDGET STATEMENT TABLES

#### 3.1 Monthly budget statements

##### 3.1.1 Table C1 Monthly Budget Statement Summary

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

Description	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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	48 730	54 058	—	1 067	35 704	0 015	26 689	298%	54 088
Service charges	68 148	86 842	—	4 855	10 458	14 490	(4 031)	-28%	86 842
Investment revenue	9 590	14 650	—	1 742	1 940	2 442	(502)	-21%	14 650
Transfers and subsidies	267 251	283 416	—	1 493	113 967	48 903	64 964	131%	293 416
Other own revenue	24 248	28 129	—	2 790	4 289	4 658	(406)	-9%	28 129
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>498 870</b>	<b>477 227</b>	<b>—</b>	<b>12 886</b>	<b>165 461</b>	<b>70 618</b>	<b>95 813</b>	<b>188%</b>	<b>477 227</b>
Employee costs	123 410	141 282	—	11 564	22 745	23 544	(799)	-3%	141 282
Remuneration of Councilors	21 444	22 459	—	1 856	4 900	3 143	257	7%	22 459
Depreciation & asset impairment	53 954	53 338	—	—	—	8 889	(8 889)	-100%	53 338
Finance charges	39	—	—	—	—	—	—	—	—
Inventory consumed and bulk purchases	64 230	69 130	—	7 835	8 216	11 522	(3 305)	-29%	69 130
Transfers and subsidies	—	—	—	—	—	—	—	—	—
Other expenditure	253 701	193 836	—	12 510	23 738	30 356	(6 570)	-27%	193 836
<b>Total Expenditure</b>	<b>591 786</b>	<b>480 028</b>	<b>—</b>	<b>33 766</b>	<b>69 687</b>	<b>80 054</b>	<b>(21 516)</b>	<b>-27%</b>	<b>480 028</b>
<b>Surplus/(Deficit)</b>	<b>(91 718)</b>	<b>(2 798)</b>	<b>—</b>	<b>(21 680)</b>	<b>104 763</b>	<b>(4 488)</b>	<b>107 218</b>	<b>-28008%</b>	<b>(2 798)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	105 532	100 358	—	1 561	4 820	17 059	(12 234)	-72%	102 350
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 (linked - M)	—	—	—	—	—	—	—	—	—
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>81 817</b>	<b>99 580</b>	<b>—</b>	<b>(19 619)</b>	<b>111 573</b>	<b>16 683</b>	<b>84 936</b>	<b>572%</b>	<b>99 580</b>
Share of surplus/(deficit) of associate	—	—	—	—	—	—	—	—	—
<b>Surplus / (Deficit) for the year</b>	<b>81 817</b>	<b>99 580</b>	<b>—</b>	<b>(19 619)</b>	<b>111 573</b>	<b>16 683</b>	<b>84 936</b>	<b>572%</b>	<b>99 580</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	184 168	171 338	—	8 976	98 208	28 562	(18 268)	-84%	171 308
Capital transfers recognised	141 843	22 553	—	—	3 004	(18 522)	(12 518)	-17%	92 552
Sponsoring	—	—	—	—	—	—	—	—	—
Internally generated funds	41 867	71 767	—	6 359	8 831	11 059	(5 228)	-47%	71 767
<b>Total sources of capital funds</b>	<b>168 802</b>	<b>171 338</b>	<b>—</b>	<b>8 976</b>	<b>98 208</b>	<b>28 562</b>	<b>(18 268)</b>	<b>-84%</b>	<b>171 308</b>
<b>Financial position</b>									
Total current assets	425 564	336 470	—	—	542 265	—	—	—	360 470
Total non-current assets	1 134 380	1 351 729	—	—	1 144 878	—	—	—	1 361 729
Total current liabilities	153 737	26 372	—	—	178 138	—	—	—	98 372
Total non-current liabilities	37 041	14 442	—	—	37 041	—	—	—	14 442
Community wealth Equity	1 498 828	1 657 885	—	—	1 478 788	—	—	—	1 667 885
<b>Cash flows</b>									
Net cash flow (used) operating	875 430	110 180	—	8 456	155 767	18 382	(137 407)	-749%	110 180
Net cash flow (used) investing	(188 241)	(171 338)	—	(7 043)	(11 760)	(28 562)	(16 792)	-82%	(171 308)
Net cash flow (used) financing	82	—	—	14	24	—	(24)	-200%	—
<b>Cash/bank equivalents at the month/year end</b>	<b>311 862</b>	<b>232 936</b>	<b>—</b>	<b>—</b>	<b>388 781</b>	<b>288 998</b>	<b>(10 888)</b>	<b>-84%</b>	<b>176 583</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Days</b>	<b>151-180 Days</b>	<b>181 Days-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Totals By Income Source	7 632	38 415	5 714	2 875	3 514	3 125	14 002	150 630	239 409
<b>Creditors Age Analysis</b>									
Totals Creditors	—	—	—	—	—	—	—	—	—

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

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

Description		Ref	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		1									
<b>Revenue - Functional</b>											
Governance and administration			333 861	376 020	-	4 710	151 877	82 870	69 007	142%	376 020
Executive and council			-	-	-	-	-	-	-	-	-
Finance and administration			333 861	376 020	-	4 710	151 877	82 870	69 007	142%	376 020
Internal audit			-	-	-	-	-	-	-	-	-
Community and public safety			11 484	11 688	-	2 702	2 944	1 028	1 916	47%	11 688
Community and social services			6 057	6 308	-	1 413	1 473	1 061	412	38%	6 308
Sport and recreation			-	-	-	-	-	-	-	-	-
Public safety			5 407	5 381	-	1 289	1 371	867	504	58%	5 381
Housing			-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-
Economic and environmental services			88 888	68 290	-	2 821	4 873	9 382	(4 509)	-48%	68 290
Planning and development			171	202	-	10	18	34	(16)	-77%	202
Road transport			67 807	50 088	-	2 011	4 855	9 348	(4 483)	-48%	50 088
Environmental protection			-	-	-	-	-	-	-	-	-
Trading services			170 119	136 706	-	4 764	19 889	22 817	(11 935)	-53%	136 706
Energy services			158 800	57 024	-	3 774	8 725	9 504	(779)	-8%	57 024
Water management			-	-	-	-	-	-	-	-	-
Waste water management			-	-	-	-	-	-	-	-	-
Waste management			13 498	78 681	-	870	1 058	13 113	(11 155)	-85%	78 681
Other		4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		2	688 802	676 683	-	14 187	170 278	86 687	79 678	78%	676 683
<b>Expenditure - Functional</b>											
Governance and administration			241 864	234 874	-	17 689	36 107	37 464	(1 357)	-4%	234 874
Executive and council			25 850	29 645	-	4 000	6 869	4 974	1 895	38%	29 645
Finance and administration			206 724	161 438	-	13 169	27 051	31 000	(4 020)	-14%	161 438
Internal audit			4 380	3 082	-	304	957	615	342	50%	3 082
Community and public safety			34 147	68 264	-	8 882	6 300	8 876	(2 575)	-29%	68 264
Community and social services			15 063	27 058	-	2 061	3 157	4 659	(1 503)	-32%	27 058
Sport and recreation			-	-	-	-	-	-	-	-	-
Public safety			19 254	25 267	-	1 031	3 143	4 216	(1 073)	-25%	25 267
Housing			-	-	-	-	-	-	-	-	-
Health			-	-	-	-	-	-	-	-	-
Economic and environmental services			86 877	80 880	-	2 881	6 868	16 138	(9 155)	-82%	80 880
Planning and development			19 907	24 069	-	1 002	2 408	4 165	(1 757)	-42%	24 069
Road transport			50 069	65 641	-	1 878	3 573	12 073	(7 396)	-47%	65 641
Environmental protection			-	-	-	-	-	-	-	-	-
Trading services			188 808	110 868	-	8 880	11 807	18 484	(7 187)	-39%	110 868
Energy services			147 813	56 807	-	6 843	8 112	14 453	(5 738)	-35%	56 807
Water management			-	-	-	-	-	-	-	-	-
Waste water management			-	-	-	-	-	-	-	-	-
Waste management			22 254	24 069	-	867	1 862	4 012	(2 150)	-54%	24 069
Other			-	-	-	-	-	-	-	-	-
Total Expenditure - Functional		3	616 786	480 023	-	35 788	68 887	80 064	(21 206)	-27%	480 023
Surplus/ (Deficit) for the year			86 817	86 660	-	(19 689)	111 678	16 623	94 889	67.2%	98 660

End of report

This table assess the revenue and expenditure by department, the expenditure for the period ending 31 August 2022 is **R 33,8 million** and revenue is **R 14,1 million**.

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

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

Description	Ref	2021/22	Budget Year 2022/23							
		Actual Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
Governance and administration		333 061	376 020	-	4 710	151 877	82 670	69 207	142%	376 020
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		333 061	376 020	-	4 710	151 877	82 670	69 207	142%	376 020
Interest sub		-	-	-	-	-	-	-	-	-
Community and public safety		11 494	11 688	-	2 782	2 944	1 929	915	47%	11 688
Community and social services		0 057	0 308	-	1 413	1 473	1 061	412	39%	0 308
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		5 407	5 201	-	1 280	1 371	867	504	58%	5 201
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		68 088	68 290	-	2 021	4 878	9 382	(4 504)	-48%	68 290
Planning and development		171	302	-	10	18	34	(13)	-47%	302
Road transport		67 867	58 068	-	2 011	4 855	9 348	(4 483)	-48%	58 068
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		170 119	196 706	-	4 754	10 068	22 817	(11 955)	-53%	196 706
Energy services		150 020	57 024	-	3 774	8 725	9 504	(779)	-8%	57 024
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		13 408	78 081	-	979	1 058	13 113	(11 155)	-85%	78 081
Other	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>685 802</b>	<b>676 588</b>	<b>-</b>	<b>14 187</b>	<b>170 278</b>	<b>86 587</b>	<b>78 879</b>	<b>78%</b>	<b>676 588</b>
<b>Expenditure - Functional</b>										
Governance and administration		241 864	224 974	-	17 589	35 107	37 498	(2 391)	-9%	224 974
Executive and council		28 650	28 645	-	4 050	8 860	4 074	1 805	38%	28 645
Finance and administration		206 704	191 438	-	13 160	27 251	31 005	(4 033)	-14%	191 438
Interest sub		4 380	3 092	-	304	957	815	142	50%	3 092
Community and public safety		34 947	58 254	-	8 882	8 900	8 878	(2 575)	-25%	58 254
Community and social services		15 063	27 055	-	2 061	3 157	4 050	(1 503)	-33%	27 055
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		19 284	25 287	-	1 031	3 143	4 218	(1 073)	-25%	25 287
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		88 877	80 830	-	2 881	5 863	15 138	(9 155)	-50%	80 830
Planning and development		19 007	24 960	-	1 002	2 408	4 105	(1 757)	-42%	24 960
Road transport		50 069	65 641	-	1 878	3 573	10 973	(7 398)	-57%	65 641
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		188 808	110 888	-	9 830	11 307	18 484	(7 187)	-32%	110 888
Energy services		147 013	56 867	-	6 043	8 443	14 463	(5 020)	-35%	56 867
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		22 024	24 069	-	957	1 862	4 012	(2 150)	-54%	24 069
Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>616 753</b>	<b>485 058</b>	<b>-</b>	<b>58 758</b>	<b>66 887</b>	<b>81 064</b>	<b>(21 508)</b>	<b>-37%</b>	<b>485 058</b>
<b>Surplus/ (Deficit) for the year</b>		<b>68 817</b>	<b>86 580</b>	<b>-</b>	<b>(19 589)</b>	<b>111 679</b>	<b>15 683</b>	<b>94 088</b>	<b>672%</b>	<b>92 530</b>

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) - M02 August

Vote Description		Ref	Budget Year 2022/23							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands										
Revenue By Source										
Property rates		48 726	54 068	—	1 687	35 704	9 015	26 689	296%	54 068
Service charges - electricity revenue		56 530	71 416	—	3 680	8 510	11 903	(3 393)	-29%	71 416
Service charges - water revenue		—	—	—	—	—	—	—	—	—
Service charges - sanitation revenue		—	—	—	—	—	—	—	—	—
Service charges - refuse revenue		11 615	15 526	—	975	1 949	2 588	(638)	-25%	15 526
Rental of facilities and equipment		1 260	2 028	—	50	154	338	(184)	-55%	2 028
Interest earned - external investments		9 599	14 650	—	1 742	1 940	2 442	(502)	-21%	14 650
Interest earned - outstanding debtors		16 188	18 731	—	1 215	2 516	3 122	(605)	-19%	18 731
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		2 058	1 769	—	171	348	295	53	18%	1 769
Licences and permits		3 407	4 131	—	1 123	1 030	688	342	50%	4 131
Agency services		—	—	—	—	—	—	—	—	—
Transfers and subsidies		267 351	293 418	—	1 403	113 067	48 903	64 164	131%	293 418
Other revenue		1 350	1 471	—	149	233	245	(13)	-5%	1 471
Gains		(15)	—	—	—	—	—	—	—	—
		418 670	477 227	—	12 196	165 451	70 538	95 913	100%	477 227
Total Revenue (excluding capital transfers and contributions)										
Expenditure By Type										
Employee related costs		123 416	141 262	—	11 564	22 745	23 544	(799)	-3%	141 262
Remuneration of councillors		21 444	22 459	—	1 856	4 000	3 743	257	7%	22 459
Debt impairment		18 094	6 000	—	—	—	1 000	(1 000)	-100%	6 000
Depreciation & asset impairment		53 954	53 336	—	—	—	8 889	(8 889)	-100%	53 336
Finance charges		35	—	—	—	—	—	—	—	—
Bulk purchases - electricity		58 161	61 383	—	7 547	7 547	10 230	(2 683)	-26%	61 383
Inventory consumed		6 075	7 747	—	307	669	1 291	(622)	-48%	7 747
Contracted services		105 241	113 584	—	8 390	17 470	18 931	(1 461)	-8%	113 584
Transfers and subsidies		—	—	—	—	—	—	—	—	—
Other expenditure		52 147	74 252	—	4 122	6 266	12 375	(6 109)	-49%	74 252
Losses		78 219	—	—	—	—	—	—	—	—
		516 785	480 023	—	33 786	58 067	80 004	(21 308)	-27%	480 023
Total Expenditure										
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(98 718)	(2 796)	—	(21 500)	106 753	(466)	107 219	(0)	(2 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		165 532	102 356	—	1 991	4 826	17 059	(12 234)	(0)	102 356
Transfers and subsidies - capital (in-kind - all)		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		66 817	99 560	—	(19 509)	111 579	16 593			99 560
Taxation		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation		66 817	99 560	—	(19 509)	111 579	16 593			99 560
Allocable to minorities		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		66 817	99 560	—	(19 509)	111 579	16 593			99 560
Share of surplus / (deficit) of associate		—	—	—	—	—	—	—	—	—
Surplus / (Deficit) for the year		66 817	99 560	—	(19 509)	111 579	16 593			99 560

#### 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 1,686,675**, income received from property rates for the month of August 2022 amounted to **R 5,523,676.83**.

**Services Charges**

revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to **R 4,654,952** for the month ended 31<sup>st</sup> August 2022.

**Rental of Facilities and equipment**

rental of facilities and equipment annual budget is **R 2,027,556**, Revenue amount of **R 50,489** for August 2022 has been recognised on this category 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 31<sup>st</sup> August 2022 amounted to **R 1,742,415**.

**Interest on Outstanding Debtors**

Interest on overdue accounts for the month ended 31<sup>st</sup> August 2022 amounted to **R 1,215,405**, 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 171,146** has been recognised for this category for the month ended 31<sup>st</sup> August 2022.

**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 31<sup>st</sup> August 2022 an amount of **R 1,122,824** was recognised and represents 27% of the total revenue budget for this category.

**Transfers and Subsidies-Operational**

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue acts respectively, Total amount of **R 3,4 million** was received for the month ended 31<sup>st</sup> August 2022.



**Other Revenue**

Other revenue consists mostly Merchandising and Jobbing, sale of tender documents, insurance refund and other revenue. Other revenue amounted to **R 149,045** for the month ended 31<sup>st</sup> August 2022.

**Operating Expenditure by type****Employee related costs/ Remuneration of Councillors**

Employee related expenditure for the month ended 31<sup>st</sup> August 2022 amounted **R 13,419,759** of which the expenditure **R 1,856,079** relates to Remuneration of Councillors and **R 11,563,680**, to Managers and staff, that represents **8%** of the budgeted amount for this category. The variance is due vacant positions that are not yet filled.

**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 August 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 7,547,258** expenditure for the month ending 31<sup>st</sup> August 2022, that represents **12%** of the budgeted amount on this category, which is lower than projected amount as august 2022 payment will be paid in September.

**Other Materials**

Other material consists of inventory purchases for material and supplies and amounted to



**R 307,483** for the month ended 31 August 2022, that represents **4%** of the budgeted amount on this category. The variance is due to delays in procurement by departments.

### **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 31<sup>st</sup> August 2022 amounted to **R 8,389,821**, that represents **7%** of the budgeted amount on this category. Expenditure relating to contracted services is planned to increase in the 3<sup>rd</sup> quarter as per the departmental procurement plans.

### **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 4,121,709 for the month ended 31<sup>st</sup> August 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 3<sup>rd</sup> quarter as per the departmental procurement plans.

### 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) - M02 August

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	Year TD actual	Year TD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>Multi-Year expenditure appropriation</b>	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 -		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive Council		74	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		502	3 300	-	410	1 082	543	536	90%	3 300
Vote 3 - Corporate		4 008	2 310	-	43	43	365	(343)	-80%	2 310
Vote 4 - Development and Planning		103	500	-	-	-	83	(83)	-100%	500
Vote 5 - Community		2 484	6 300	-	-	-	1 080	(1 080)	-100%	6 300
Vote 6 - Infrastructure		178 184	158 679	-	2 523	9 171	25 480	(17 306)	-10%	158 679
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	1	184 185	171 309	-	2 973	12 294	26 552	(18 268)	-8%	171 309
<b>Total Capital Expenditure</b>		184 185	171 309	-	2 973	12 294	26 552	(18 268)	-8%	171 309

The approved annual capital budget for the financial year amounts to **R 171,309,312**.

Capital expenditure incurred for the month ended 31 August 2022 amounted to **R 6,974,766**.

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 - M02 August

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		8 715	15 393	-	(2 679)	15 393
Call investment deposits		228 017	217 545	-	331 661	217 545
Consumer debtors		81 268	70 502	-	109 223	70 502
Other debtors		100 710	4 937	-	102 329	4 937
Current portion of long-term receivables		-	-	-	-	-
Inventory		1 874	1 093	-	1 735	1 093
<b>Total current assets</b>		<b>420 584</b>	<b>309 470</b>	<b>-</b>	<b>542 269</b>	<b>309 470</b>
<b>Non current assets</b>						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		4 960	-	-	4 960	-
Investments in Associate		-	-	-	-	-
Property, plant and equipment		1 128 456	1 356 483	-	1 138 407	1 356 483
Biological		-	-	-	-	-
Intangible		94	4 626	-	94	4 626
Other non-current assets		870	620	-	1 215	620
<b>Total non current assets</b>		<b>1 134 380</b>	<b>1 361 729</b>	<b>-</b>	<b>1 144 676</b>	<b>1 361 729</b>
<b>TOTAL ASSETS</b>		<b>1 554 964</b>	<b>1 671 199</b>	<b>-</b>	<b>1 686 945</b>	<b>1 671 199</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		1 578	822	-	1 602	822
Trade and other payables		139 845	62 798	-	150 226	62 798
Provisions		14 310	35 752	-	14 310	35 752
<b>Total current liabilities</b>		<b>155 733</b>	<b>99 372</b>	<b>-</b>	<b>176 138</b>	<b>99 372</b>
<b>Non current liabilities</b>						
Borrowing		-	-	-	-	-
Provisions		37 041	14 442	-	37 041	14 442
<b>Total non current liabilities</b>		<b>37 041</b>	<b>14 442</b>	<b>-</b>	<b>37 041</b>	<b>14 442</b>
<b>TOTAL LIABILITIES</b>		<b>192 774</b>	<b>113 814</b>	<b>-</b>	<b>213 179</b>	<b>113 814</b>
<b>NET ASSETS</b>	<b>2</b>	<b>1 362 190</b>	<b>1 557 385</b>	<b>-</b>	<b>1 473 766</b>	<b>1 557 385</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		1 100 139	1 178 048	-	1 078 383	1 178 048
Reserves		355 384	379 337	-	395 384	379 337
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>1 455 523</b>	<b>1 557 385</b>	<b>-</b>	<b>1 473 766</b>	<b>1 557 385</b>

### 3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M01 July

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									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
Receipts										
Property rates		36 620	43 271	-	1 195	1 195	3 606	(2 411)	-67%	43 271
Service charges		62 021	69 553	-	11 287	11 287	5 796	5 491	95%	69 553
Other revenue		15 705	7 598	-	(445)	(445)	633	(1 078)	-170%	7 598
Transfers and Subsidies - Operational		266 202	293 418	-	111 668	111 668	24 452	87 216	357%	293 418
Transfers and Subsidies - Capital		174 749	102 356	-	37 795	37 795	8 530	29 265	343%	102 356
Interest		4 385	14 650	-	640	640	1 221	(581)	-48%	14 650
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(284 252)	(416 498)	-	(14 819)	(14 819)	(34 708)	(19 889)	57%	(416 498)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>275 438</b>	<b>114 349</b>	<b>-</b>	<b>147 321</b>	<b>147 321</b>	<b>9 529</b>	<b>(137 792)</b>	<b>-1446%</b>	<b>114 349</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(188 241)	(171 309)	-	(3 819)	(3 819)	(14 276)	(10 457)	73%	(171 309)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(188 241)</b>	<b>(171 309)</b>	<b>-</b>	<b>(3 819)</b>	<b>(3 819)</b>	<b>(14 276)</b>	<b>(10 457)</b>	<b>73%</b>	<b>(171 309)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		82	-	-	10	10	-	10	#DIV/0!	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>82</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>10</b>	<b>-</b>	<b>(10)</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>87 278</b>	<b>(56 961)</b>	<b>-</b>	<b>143 512</b>	<b>143 512</b>	<b>(4 747)</b>			<b>(56 961)</b>
Cash/cash equivalents at beginning:		224 422	294 088	-		236 732	294 088			236 732
Cash/cash equivalents at month year end:		311 692	237 127	-		380 243	289 341			179 771

## PART 2 –SUPPORTING DOCUMENTATION SECTION 4

### Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 31<sup>st</sup> August 2022.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - MM2 August

Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L.O Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 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	4 004	1 806	1 214	1 050	859	228	3 053	2 159	14 373	7 350	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 528	32 365	45	10	632	582	2 508	70 531	108 200	74 262	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	960	621	478	457	428	387	1 779	20 758	25 868	23 809	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-
Interest on Asset Debtor Accounts	1810	1 268	1 299	1 377	1 359	1 307	1 282	6 365	36 598	50 863	46 919	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	172	2 325	2 601	0	288	637	296	26 778	33 098	28 000	-	-
Total By Income Source	2000	7 932	38 415	5 714	2 876	3 514	3 125	14 002	158 830	232 406	180 348	-	-
2022/23 - totals only		-	-	-	-	-	-	-	-	-	-	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 515	33 054	1 944	1 812	1 709	1 233	8 001	69 993	120 562	82 749	-	-
Commercial	2300	3 538	3 694	2 792	96	374	725	668	29 980	41 867	31 942	-	-
Households	2400	1 578	1 667	978	968	1 432	1 167	5 333	56 657	69 980	65 757	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	7 632	38 415	5 714	2 876	3 514	3 125	14 002	158 830	232 406	180 348	-	-

The total debt book for August 2022 of R 229,666,009.48 (including current of R 2,742,837 which is not yet due) has increased by R 1,637,485, from the previous financial year closing balance of R 231,303 494.27.

### Debt is made up of the following:

- **Residential debt:**

R 76 266 433.48

- **Commercial debt**

R 33 197 141.35

- **Government debt**

R 116,838,666.26

- **Other**

R 3 363 768.39

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 58,544,557.27**

- **Maluti**

R 53,961,335.38 (including current)

- **Cedarville**

R 4,583,221.89 (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 department is also actively recovering old debt, which has yielded an improvement in receipts.

The majority of debtors under this category is over 120 days and above, the matters have results in legal processes, estate late matters which pose a challenge as regards to debt collection. The most significant debtors are reported to MTM and Stanco Committee.

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 68 634 800.47

Business H/O R 29 159 581.21

Churches H/O R 241 096.28

Farms H/O R 2 738 629.25

**R 655,796.80 was collected for August 2022.**

## SECTION 5 -CREDITORS' ANALYSIS

### Supporting Table SC4

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

Description	NT Code	Budget Year 2022/23								
		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
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 31<sup>st</sup> August 2022.



## SECTION 6- INVESTMENT POTFOLIO ANALYSIS

### Conditional and Unconditional investment monitoring Information

Aug-22					
Investment Management					
Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	22 981 050.94	58 645.58	(1 412 909.71)	(58 645.58)	21 626 786.81
INEP	20 884 391.82	20 181.44		(20 181.44)	20 904 573.26
EPWP	-	-	-	-	-
Municipal Electrification Intervention	282 151.97	1 076.35	-	(1 076.35)	283 228.32
Library and Archives	-		-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	56 515.21	215.58	-	(215.58)	56 730.79
Establishment Plan	198 305.49	656.85		(656.85)	198 962.34
Housing Development Fund	2 021 384.85	6 695.50		(6 695.85)	2 028 080.35
Dedea	615 066.26	2 103.02		(2 103.02)	617 169.28
<b>Total Conditional Investments</b>	<b>47 038 867</b>	<b>89 574</b>	<b>- 1 412 910</b>	<b>- 89 575</b>	<b>45 715 531</b>
Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	99 884 582.18	5 900 000.00			105 784 582.18
Call Acc STD CRR	11 461 582.43	80 623.44		(80 623.44)	11 542 205.87
Call ACC FNB Surplus Cash	6 805 395.80			(19 605.14)	6 805 395.80
Nedbank 32 Days	6 674 120.23	29 713.46		(29 713.46)	6 703 833.69
Nedbank	98 430 022.85	5 676 918.63	(34 514 200.00)	(432 851.82)	69 592 741.48
Nedbank relief fund	797 240.86	3 041.53		(3 041.53)	800 282.39
Nedbank COV -19 Solidarity	96 469.71	397.17		(397.17)	96 866.88
Nedbank Retention	27 701 800.85	105 684.25		(105 684.25)	27 807 485.10
Termination Guarantee	144 640.82			(551.74)	144 640.82
Account Gaurantee	6 202 000.00			(23 661.05)	6 202 000.00
Standard Bank	50 180 821.92	279 452.05		(279 452.05)	50 460 273.97
<b>Total Unconditional</b>	<b>308 378 678</b>	<b>12 075 831</b>	<b>- 34 514 200</b>	<b>- 975 582</b>	<b>285 940 308</b>
<b>Total Investments</b>					<b>331 655 839</b>

The municipality invests surplus funds in order to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investments policy. This indicates that the municipality as at 31<sup>st</sup> August 2022 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

As at 31<sup>st</sup> August 2022 the conditional investments amounted to **R 45,715,531** and unconditional investments amounted to **R 285,038,867**. Total investments as at 31<sup>st</sup> August 2022 amounted to **R 331,655,839**.

The following reflects bank balances at 31 August 2022

Description	August 2022
Nedbank Primary Account:	1,623,728.19
Standard bank Account:	409,299.51
FNB Money Market Account:	1,825,047.60
<b>Total Cash held as at 31 August 2022</b>	<b>3,858,075.53</b>

The cash bank balance as at 31 August 2022 amounted to **R 3,9 million**.

## SECTION 7 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

### 7.1 Supporting Table SC6

Description	2022-2023 Medium Term Revenue & Expenditure Framework					
R thousand	Approved Budget Year 2022/23	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Performance %
<b>RECEIPTS:</b>						
<b>Operating Transfers and Grants</b>						
National Government:	292 768	292 768	2 853	114 513	48 795	39%
Local Government Equitable Share	286 308	286 308	-	111 660	47 718	39%
Expanded Public Works Programme Integrated Grant	4 810	4 810	1 203	1 203	802	25%
Local Government Financial Management Grant	1 650	1 650	1 650	1 650	275	100%
Provincial Government:	650	650	-	-	108	0%
Capacity Building and Other : Library DEDEAT	650	650	-	-	108	0%
	-	-	-	-	-	0%
<b>Total Operating Transfers and Grants</b>	<b>293 418</b>	<b>293 418</b>	<b>2 853</b>	<b>114 513</b>	<b>48 903</b>	<b>39%</b>
<b>Capital Transfers and Grants</b>	<b>102 356</b>	<b>102 356</b>	<b>-</b>	<b>37 795</b>	<b>17 059</b>	<b>37%</b>
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	46 288	46 288	-	20 830	7 715	45%
Municipal Infrastructure Grant (MIG)	56 068	56 068	-	16 965	9 345	30%
<b>Total Capital Transfers and Grants</b>	<b>102 356</b>	<b>102 356</b>	<b>-</b>	<b>37 795</b>	<b>17 059</b>	<b>37%</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>395 774</b>	<b>395 774</b>	<b>2 853</b>	<b>152 308</b>	<b>65 962</b>	<b>38%</b>

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Acts respectively. The first tranches for Finance Management Grant, Expanded Public Works Incentive are recognised on this category.

The Municipality have received the conditional grant allocations amounting to **R 2,9 million** and the municipality had a roll-over of **R 9.3 million** at the beginning of the financial year, which will be included in the adjustment budget if approved by the national treasury.

## 7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M02 August										
Description	Ref	2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	Budget Year 2022/23				
						YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		6 537	6 460	-	1 153	1 158	1 077	81	7,5%	6 460
Expanded Public Works Programme Integrated Grant		4 887	4 810	-	1 141	1 141	602	339	42,3%	4 810
Local Government Financial Management Grant		1 650	1 650	-	13	17	275	(258)	-93,8%	1 650
Provincial Government:		2 113	650	-	250	250	108	141	130,3%	650
Library Grant		2 113	650	-	250	250	108	141	130,3%	650
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		<b>8 650</b>	<b>7 110</b>	<b>-</b>	<b>1 403</b>	<b>1 407</b>	<b>1 188</b>	<b>222</b>	<b>18,7%</b>	<b>7 110</b>
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		165 407	102 356	-	1 766	4 826	17 059	(12 234)	-71,7%	102 356
Municipal Infrastructure Grant		67 629	56 068	-	1 766	4 826	9 345	(4 519)	-48,4%	56 068
Integrated National Electrification Programme Grant		97 778	46 288	-	-	-	7 715	(7 715)	-100,0%	46 288
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		<b>165 407</b>	<b>102 356</b>	<b>-</b>	<b>1 766</b>	<b>4 826</b>	<b>17 059</b>	<b>(12 234)</b>	<b>-71,7%</b>	<b>102 356</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>174 057</b>	<b>109 466</b>	<b>-</b>	<b>3 169</b>	<b>6 233</b>	<b>18 244</b>	<b>(12 012)</b>	<b>-66,8%</b>	<b>109 466</b>

Expenditure performance on grants amounted to R 3,2 million for the month ended 31<sup>st</sup> August 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 August 2022

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

Summary of Employee and Councilor remuneration R thousands	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
	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		13 296	14 129	—	1 122	2 402	2 355	47	2%	14 129
Pension and UIF Contributions		712	693	—	73	170	115	55	47%	693
Medical Aid Contributions		536	92	—	61	123	15	107	696%	92
Motor Vehicle Allowance		58	—	—	—	—	—	—	—	—
Cellphone Allowance		2 352	2 573	—	209	401	429	(28)	-7%	2 573
Housing Allowances		4 409	4 972	—	398	905	629	276	9%	4 972
Other benefits and allowances		—	—	—	—	—	—	—	—	—
<b>Sub Total - Councillors</b>		<b>21 444</b>	<b>22 459</b>	<b>—</b>	<b>1 856</b>	<b>4 000</b>	<b>3 743</b>	<b>257</b>	<b>7%</b>	<b>22 459</b>
<b>% increase</b>	<b>4</b>		<b>4,7%</b>							<b>4,7%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages	3	3 130	3 947	—	188	377	658	(281)	-43%	3 947
Pension and UIF Contributions		37	147	—	1	2	25	(23)	-93%	147
Medical Aid Contributions		73	80	—	—	—	13	(13)	-100%	80
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		360	149	—	—	—	25	(25)	-100%	149
Motor Vehicle Allowance		1 605	2 016	—	107	214	336	(122)	-36%	2 016
Cellphone Allowance		—	—	—	—	—	—	—	—	—
Housing Allowances		696	725	—	58	115	121	(6)	-5%	725
Other benefits and allowances		337	501	—	38	74	84	(9)	-11%	501
Payments in lieu of leave		—	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations	2	—	—	—	—	—	—	—	—	—
<b>Sub Total - Senior Managers of Municipality</b>		<b>6 239</b>	<b>7 567</b>	<b>—</b>	<b>392</b>	<b>782</b>	<b>1 261</b>	<b>(479)</b>	<b>-38%</b>	<b>7 567</b>
<b>% increase</b>	<b>4</b>		<b>21,3%</b>							<b>21,3%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		79 060	93 243	—	7 115	14 284	15 540	(1 257)	-8%	93 243
Pension and UIF Contributions		13 155	15 771	—	1 237	2 455	2 628	(173)	-7%	15 771
Medical Aid Contributions		4 643	4 956	—	409	825	833	(7)	-1%	4 956
Overtime		1 790	2 450	—	180	315	413	(93)	-24%	2 450
Performance Bonus		5 849	7 645	—	1 945	1 544	1 275	269	21%	7 645
Motor Vehicle Allowance		4 272	4 414	—	432	867	736	131	16%	4 414
Cellphone Allowance		6	6	—	1	1	1	(0)	-7%	6
Housing Allowances		383	2 983	—	20	41	497	(456)	-92%	2 983
Other benefits and allowances		4 767	2 154	—	450	676	399	517	144%	2 154
Payments in lieu of leave		1 643	—	—	256	682	—	682	#DIV/0!	—
Long service awards		523	—	—	24	72	—	72	#DIV/0!	—
Post-retirement benefit obligations	2	1 065	—	—	—	—	—	—	—	—
<b>Sub Total - Other Municipal Staff</b>		<b>117 177</b>	<b>133 695</b>	<b>—</b>	<b>11 172</b>	<b>21 963</b>	<b>22 283</b>	<b>(320)</b>	<b>-1%</b>	<b>133 695</b>
<b>% increase</b>	<b>4</b>		<b>14,1%</b>							<b>14,1%</b>
<b>Total Parent Municipality</b>		<b>144 859</b>	<b>163 721</b>	<b>—</b>	<b>13 420</b>	<b>26 745</b>	<b>27 297</b>	<b>(542)</b>	<b>-2%</b>	<b>163 721</b>

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

Remuneration related expenditure for the month ended 31<sup>st</sup> August 2022 amounted **R 13,4** million of which the expenditure **R 1,9** million relates to Remuneration of Councillors and **R 11,5** million, to Managers and staff, that represents **8%** of the budgeted amount for this category.

## MUNICIPAL MANAGER'S QUALITY CERTIFICATE

## QUALITY CERTIFICATE

I, **Thabiso Ntsalla**, 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 31 August 2022 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: **Thabiso Ntsalla**

Acting Municipal Manager of Matatiele Local Municipality

Signature: \_\_\_\_\_



Date: \_\_\_\_\_

14/09/2022