



MATATIELE
LOCAL MUNICIPALITY

**2022/2023
MONTHLY
SECTION 71
REPORT**

**MONTH ENDED
31 JULY 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 31st July 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 31st July 2022 amounted to **R 156,088,977** which represents **27%** of the total annual approved budget figure of **R 579,582,986** (including grants). The majority of the revenue recognised this month of **R 111,660,000** related to equitable share received for the month.

Operating Expenditure by type

Operating expenditure for the month ended 31st July 2022 amounted to **R 24,911,438** which represents **5%** of total approved operating expenditure budget figure of **R 480,023,232** of this expenditure the majority relates to employee related cost, Council Remuneration, contracted services and other expenditure.

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 31st July 2022 amounted to **R 3,320,951**. This represents **2%** 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. In the month of July 2022, the spending for the month ending 31 July is **R 2,349,010** which represent **4%** 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 July 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 971,940** which represent **1%**.
- 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 **2%** as at 31 July 2022.

The Municipality has made the rollover application which must be submitted before 31 August 2022, 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 were 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 grants are as follows:

- Municipal Infrastructure Grant (MIG) National Grant **R 9,216,694**

Grant Funded Projects (MIG PROJECTS)

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

Purutle Moyeni Access Road and Bridge –On going Project

Extension of Matatiele Sports Centre Ph2 - On going Project

Mahangu Access Road & Bridge -_On going Project

Mohapi Access Road & Bridge - On going Project

Harry Gwala Internal Streets -_the project is on tender stage

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

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 – the project is on Construction Stage

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

Internal Funded Capital Projects

Construction of Silo Phase 4 - On going Project

Municipal Plant - On going Project

Dengwane Khoapa Botsola-Taung AR - On going Project

Black Diamond Access Road and Bridge – On going Project

Tsepisong Kamorathaba to Kuyasa AR - On going Project

Dlodlweni Access Road - On going Project

Makomorweni Access Road and Bridge - On going Project

Lakhalong Access Road - On going Project

Queens Mercy Access Road - On going Project

Queens Mercy Access Road - On going Project

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 - M01 July

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	54 066	—	34 018	34 018	4 507	29 510	655%	54 066
Service charges	68 146	86 942	—	5 804	5 804	7 245	(1 441)	-20%	86 942
Investment revenue	9 599	14 650	—	197	197	1 221	(1 024)	-84%	14 650
Transfers and subsidies	267 476	293 418	—	111 664	111 664	24 452	87 213	357%	293 418
Other own revenue	24 293	28 129	—	1 572	1 572	2 344	(772)	-33%	28 129
Total Revenue (excluding capital transfers and contributions)	418 238	477 227	—	153 255	153 255	39 769	113 486	265%	477 227
Employee costs	123 457	141 262	—	11 181	11 181	11 772	(591)	-5%	141 262
Remuneration of Councilors	20 865	22 459	—	2 144	2 144	1 872	273	15%	22 459
Depreciation & asset impairment	22 808	53 336	—	—	—	4 445	(4 445)	-100%	53 336
Finance charges	20	—	—	—	—	—	—	—	—
Inventory consumed and bulk purchases	—	69 130	—	361	361	5 761	(5 399)	-94%	69 130
Transfers and subsidies	—	—	—	—	—	—	—	—	—
Other expenditure	174 672	193 836	—	11 225	11 225	16 153	(4 928)	-31%	193 836
Total Expenditure	341 852	480 823	—	24 911	24 911	40 002	(15 090)	-38%	480 823
Surplus/(Deficit)	76 387	(2 796)	—	128 343	128 343	(233)	128 576	-55178%	(2 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	165 532	102 356	—	2 834	2 834	8 530	(5 695)	-57%	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	241 920	99 560	—	131 178	131 178	8 297	122 881	1481%	99 560
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	241 920	99 560	—	131 178	131 178	8 297	122 881	1481%	99 560
Capital expenditure & funds sources									
Capital expenditure	183 820	171 369	—	3 321	3 321	14 276	(10 955)	-77%	171 369
Capital transfers recognised	141 964	99 553	—	2 345	2 345	8 296	(5 947)	-72%	99 553
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	41 853	71 757	—	972	972	5 980	(5 008)	-84%	71 757
Total sources of capital funds	183 457	171 369	—	3 321	3 321	14 276	(10 955)	-77%	171 369
Financial position									
Total current assets	420 544	309 470	—	—	567 397	—	—	—	309 470
Total non current assets	1 291 203	1 361 729	—	—	1 294 524	—	—	—	1 361 729
Total current liabilities	153 827	99 372	—	—	172 823	—	—	—	99 372
Total non current liabilities	37 041	14 442	—	—	37 041	—	—	—	14 442
Community wealth/Equity	1 543 348	1 557 385	—	—	1 652 057	—	—	—	1 557 385
Cash flows									
Net cash from (used) operating	275 430	114 349	—	147 321	147 321	9 529	(137 792)	-1446%	114 349
Net cash from (used) investing	(188 241)	(171 309)	—	(3 819)	(3 819)	(14 276)	(10 457)	73%	(171 309)
Net cash from (used) financing	82	—	—	10	10	—	(10)	#DIV/0!	—
Cash/cash equivalents at the month/year end	311 692	237 127	—	—	380 243	289 341	(90 902)	-31%	179 771
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	47 580	3 096	3 653	3 171	2 857	2 567	11 803	158 343	234 070
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) - 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									
Revenue - Functional										
Governance and administration		334 020	376 820	-	147 167	147 167	31 335	115 832	370%	376 020
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		334 026	376 020	-	147 167	147 167	31 335	115 832	370%	376 020
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		11 589	11 580	-	142	142	964	(822)	-85%	11 580
Community and social services		6 182	6 368	-	60	60	531	(470)	-89%	6 368
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		5 407	5 201	-	81	81	433	(352)	-81%	5 201
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		68 038	56 290	-	2 852	2 852	4 691	(1 839)	-39%	56 290
Planning and development		171	202	-	8	8	17	(9)	-51%	202
Road transport		67 867	56 088	-	2 843	2 843	4 674	(1 831)	-39%	56 088
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		170 110	135 705	-	5 829	5 829	11 308	(5 380)	-48%	135 705
Energy sources		156 620	57 024	-	4 950	4 950	4 752	198	4%	57 024
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		13 498	78 681	-	979	979	6 557	(5 578)	-85%	78 681
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	583 772	578 583	-	156 089	156 089	48 298	107 790	223%	570 583
Expenditure - Functional										
Governance and administration		233 705	224 974	-	17 524	17 524	18 748	(1 224)	-7%	224 974
Executive and council		28 421	29 845	-	2 779	2 779	2 487	292	12%	29 845
Finance and administration		200 904	191 438	-	14 092	14 092	15 953	(1 861)	-12%	191 438
Internal audit		4 380	3 692	-	653	653	308	345	112%	3 692
Community and public safety		34 957	53 254	-	2 008	2 008	4 438	(1 830)	-41%	53 254
Community and social services		15 815	27 956	-	1 096	1 096	2 330	(1 234)	-53%	27 956
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		19 142	25 297	-	1 512	1 512	2 108	(596)	-28%	25 297
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		41 877	90 830	-	3 183	3 183	7 588	(4 405)	-59%	90 830
Planning and development		19 907	24 989	-	1 406	1 406	2 082	(676)	-32%	24 989
Road transport		22 070	65 841	-	1 697	1 697	5 487	(3 790)	-69%	65 841
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		95 449	110 986	-	1 677	1 677	9 247	(7 571)	-82%	110 986
Energy sources		73 162	86 897	-	801	801	7 241	(6 440)	-89%	86 897
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		22 287	24 069	-	875	875	2 006	(1 131)	-56%	24 069
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	406 088	480 023	-	24 911	24 911	40 002	(15 090)	-38%	480 023
Surplus/ (Deficit) for the year		177 684	98 560	-	131 178	131 178	8 297	122 881	1481%	90 560

This table assess the revenue and expenditure by department, the expenditure for the period ending 31 July 2022 is R 24,9 million and revenue is R 156 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) - M01 July

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 and council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		333 493	375 670	-	147 152	147 152	31 306	115 846	370.0%	375 670
Vote 3 - Corporate		533	350	-	15	15	29	(14)	-49.0%	350
Vote 4 - Development and Planning		171	202	-	8	8	17	(9)	-50.7%	202
Vote 5 - Community		25 088	90 249	-	1 120	1 120	7 521	(6 400)	-85.1%	90 249
Vote 6 - Infrastructure		224 487	113 112	-	7 794	7 794	9 426	(1 632)	-17.3%	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	583 772	579 583	-	156 089	156 089	48 299	107 790	223.2%	579 583
Expenditure by Vote	1									
Vote 1 - Executive and council		28 421	29 845	-	2 779	2 779	2 487	292	11.7%	29 845
Vote 2 - Finance and Admin		138 340	118 223	-	8 417	8 417	9 852	(1 435)	-14.6%	118 223
Vote 3 - Corporate		62 533	73 215	-	5 685	5 685	6 101	(416)	-6.8%	73 215
Vote 4 - Development and Planning		19 939	24 989	-	1 396	1 396	2 082	(687)	-33.0%	24 989
Vote 5 - Community		57 244	77 323	-	3 483	3 483	6 444	(2 960)	-45.9%	77 323
Vote 6 - Infrastructure		95 232	152 737	-	2 498	2 498	12 728	(10 230)	-80.4%	152 737
Vote 7 - Internal Audit		4 380	3 692	-	653	653	308	345	112.1%	3 692
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	406 088	480 023	-	24 911	24 911	40 002	(15 090)	-37.7%	480 023
Surplus/ (Deficit) for the year	2	177 684	99 560	-	131 178	131 178	8 297	122 881	1481.1%	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) - M01 July

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	-	34 018	34 018	4 507	29 510	655%	54 088
Service charges - electricity revenue		56 530	71 416	-	4 830	4 830	5 951	(1 121)	-19%	71 416
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		11 615	15 526	-	974	974	1 294	(320)	-25%	15 526
Rental of facilities and equipment		1 290	2 028	-	103	103	189	(86)	-39%	2 028
Interest earned - external investments		9 599	14 650	-	197	197	1 221	(1 024)	-84%	14 650
Interest earned - outstanding debtors		16 188	18 731	-	1 301	1 301	1 561	(260)	-17%	18 731
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 058	1 769	-	177	177	147	29	20%	1 769
Licences and permits		3 407	4 131	-	(83)	(83)	344	(437)	-127%	4 131
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		267 476	293 418	-	111 664	111 664	24 452	87 213	357%	293 418
Other revenue		1 350	1 471	-	83	83	123	(39)	-32%	1 471
Gains		-	-	-	-	-	-	-	-	-
		418 239	477 227	-	153 255	153 255	39 769	113 486	285%	477 227
Total Revenue (excluding capital transfers and contributions)										
Expenditure By Type										
Employee related costs		123 487	141 262	-	11 181	11 181	11 772	(591)	-5%	141 262
Remuneration of councillors		20 865	22 459	-	2 144	2 144	1 872	273	15%	22 459
Debt impairment		18 094	6 000	-	-	-	500	(500)	-100%	6 000
Depreciation & asset impairment		22 808	53 336	-	-	-	4 445	(4 445)	-100%	53 336
Finance charges		20	-	-	-	-	-	-	-	-
Bulk purchases - electricity		-	61 383	-	-	-	5 115	(5 115)	-100%	61 383
Inventory consumed		-	7 747	-	361	361	646	(284)	-44%	7 747
Contracted services		105 187	113 584	-	9 080	9 080	9 465	(385)	-4%	113 584
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		51 391	74 252	-	2 144	2 144	6 188	(4 043)	-65%	74 252
Losses		-	-	-	-	-	-	-	-	-
		341 852	480 023	-	24 911	24 911	48 082	(15 890)	-38%	480 023
Total Expenditure										
Surplus/(Deficit)		76 387	(2 796)	-	128 343	128 343	(233)	128 576	(1)	(2 796)
Transfers and subsidies - capital (territorial authorities) (provincial / Provincial and District)		165 532	102 356	-	2 834	2 834	8 530	(5 695)	(8)	102 356
Transfers and subsidies - capital (territorial authorities) (provincial / 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		241 920	99 568	-	131 178	131 178	8 297			99 568
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		241 920	99 568	-	131 178	131 178	8 297			99 568
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		241 920	99 568	-	131 178	131 178	8 297			99 568
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		241 920	99 568	-	131 178	131 178	8 297			99 568

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 34,017,532**, income received from property rates for the month of July 2022 amounted to **R 247 661.86**.

Services Charges

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to R 5,804,293 for the month ended 31st July 2022.

Rental of Facilities and equipment

Rental of facilities and equipment Annual budget is **R 2,027,556**. Revenue amount of **R 183,102** for July 2022 has been recognised on this category.

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 31st July 2022 amounted to **R 197,118**.

Interest on Outstanding Debtors

Interest on overdue accounts for the month ended 31st July 2022 amounted to **R 1,300,948**, 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 176,693** has been recognised for this category for the month ended 31st July 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 31st July 2022 an amount of **R 92,734** was recognised and represents 2% 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 **114,4 million** was received for the month ended 31st July 2022 this include 1st instalments for equitable share, Municipal Infrastructure Grant, Integrated National Electricity (INEP).

Other Revenue

Other revenue consists mostly Merchandising and Jobbing, sale of tender documents, insurance refund and other revenue. Other revenue amounted to **R 83 492** for the month ended 31st July 2022.

Operating Expenditure by type

Employee related costs/ Remuneration of Councillors

Employee related expenditure for the month ended 31st July 2022 amounted **R 13,325,253** of which the expenditure **R 2,144,245** relates to Remuneration of Councillors and **R 11,181,007**, 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 July 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 and it reflects zero expenditure for the month. This is due to the invoice receive from Eskom after month end.

Other Materials

Other material consists of inventory purchases for material and supplies and amounted to **R 361,445** for the month ended 31st July 2022.

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 31st July 2022 amounted to **R 9,080,301.**

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
- Fuel and Oil
- Travel and subsistence expenses
- Workmen's Compensation Fund.

Other expenditure amounted to R 2,144,439 for the month ended 31st July 2022.

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

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and council		-	-	-	-	-	-	-		-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-		-
Vote 3 - Corporate		-	-	-	-	-	-	-		-
Vote 4 - Development and Planning		-	-	-	-	-	-	-		-
Vote 5 - Community		-	-	-	-	-	-	-		-
Vote 6 - Infrastructure		-	-	-	-	-	-	-		-
Vote 7 - Internal Audit		-	-	-	-	-	-	-		-
Vote 8 -		-	-	-	-	-	-	-		-
Vote 9 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4.7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 1 - Executive and council		74	-	-	-	-	-	-		-
Vote 2 - Finance and Admin		562	3 260	-	672	672	272	400	147%	3 260
Vote 3 - Corporate		4 698	2 310	-	-	-	193	(193)	-100%	2 310
Vote 4 - Development and Planning		163	500	-	-	-	42	(42)	-100%	500
Vote 5 - Community		2 484	6 360	-	-	-	530	(530)	-100%	6 360
Vote 6 - Infrastructure		175 839	158 879	-	2 649	2 649	13 240	(10 591)	-80%	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	183 820	171 309	-	3 321	3 321	14 276	(10 955)	-77%	171 309
Total Capital Expenditure		183 820	171 309	-	3 321	3 321	14 276	(10 955)	-77%	171 309

The approved annual capital budget for the financial year amounts to **R 171,309,312**.
 Capital expenditure incurred for the month ended 31st July 2022 amounted to **R 3,320,951**.
 This represents **2%** of the approved capital expenditure budget.

3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M01 July

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	–	(2 565)	15 393
Call investment deposits		228 017	217 545	–	355 423	217 545
Consumer debtors		81 268	70 502	–	110 885	70 502
Other debtors		100 655	4 937	–	101 882	4 937
Current portion of long-term receivables		–	–	–	–	–
Inventory		1 890	1 093	–	1 772	1 093
Total current assets		420 544	309 470	–	567 397	309 470
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		4 960	–	–	4 960	–
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1 285 167	1 356 483	–	1 286 488	1 356 483
Biological		–	–	–	–	–
Intangible		206	4 626	–	206	4 626
Other non-current assets		870	620	–	870	620
Total non current assets		1 291 203	1 361 729	–	1 294 524	1 361 729
TOTAL ASSETS		1 711 747	1 671 199	–	1 861 921	1 671 199
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		1 578	822	–	1 588	822
Trade and other payables		137 938	62 798	–	156 925	62 798
Provisions		14 310	35 752	–	14 310	35 752
Total current liabilities		153 827	99 372	–	172 823	99 372
Non current liabilities						
Borrowing		–	–	–	–	–
Provisions		37 041	14 442	–	37 041	14 442
Total non current liabilities		37 041	14 442	–	37 041	14 442
TOTAL LIABILITIES		190 867	113 814	–	209 864	113 814
NET ASSETS	2	1 520 880	1 557 385	–	1 652 057	1 557 385
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1 090 886	1 178 048	–	1 199 597	1 178 048
Reserves		452 460	379 337	–	452 460	379 337
TOTAL COMMUNITY WEALTH/EQUITY	2	1 543 348	1 557 385	–	1 652 057	1 557 385

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									
CASH FLOW FROM OPERATING ACTIVITIES										
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		(264 252)	(416 498)	-	(14 819)	(14 819)	(34 708)	(19 889)	57%	(416 498)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		275 438	114 349	-	147 321	147 321	9 529	(137 792)	-1446%	114 349
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)	-	(3 819)	(3 819)	(14 276)	(10 457)	73%	(171 309)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(188 241)	(171 309)	-	(3 819)	(3 819)	(14 276)	(10 457)	73%	(171 309)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		82	-	-	10	10	-	10	#DIV/0!	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		82	-	-	10	10	-	(10)	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		87 278	(56 961)	-	143 512	143 512	(4 747)			(56 961)
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 July 2022.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 July

Description	NT Code	Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts L.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	5 240	1 212	923	225	622	265	984	3 539	13 012	5 637	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	33 140	10	671	611	560	546	2 560	74 154	112 251	78 431	(14)	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 590	508	456	407	386	374	1 772	20 203	25 694	23 140	(44)	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-
Interest on Arrear Debtor Accounts	1810	2 684	1 367	1 315	1 291	1 287	1 253	6 102	34 825	50 124	44 758	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	4 926	0	288	637	2	129	385	26 614	32 981	27 767	-	-
Total By Income Source	2800	47 588	3 096	3 653	3 171	2 857	2 567	11 803	158 343	234 870	179 748	(58)	-
2022/23 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	35 384	1 932	1 771	1 216	1 614	1 258	5 725	74 541	123 441	84 354	-	-
Commercial	2300	10 482	603	998	1 067	395	456	1 974	33 801	49 796	37 713	(56)	-
Households	2400	1 714	562	885	867	848	853	4 104	51 002	60 833	57 673	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2800	47 588	3 096	3 653	3 171	2 857	2 567	11 803	158 343	234 870	179 748	(58)	-

The total debt book for July 2022 of R 231 303 494.27 (including current of R 2,775,505.73 which is not yet due) has increased by R 31,188,394.04. from the previous financial year closing balance of R 200,115,100.23.

Debt is made up of the following:

- **Residential debt:**
R 73 960 102.16
- **Commercial debt**
R 34 466 389.57
- **Government debt**
R 119 417 548.87
- **Other**
R 3 459 453.67

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 60 099 120.

- **Maluti**
R 55 345 425.03 (including current)
- **Cedarville**
R 4 753 694.92 (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 60 509 780.83

Business H/O R 28 269 635.18

Churches H/O R 122 762.79

Farms H/O R 2 662 407.3

R 1 775 672.3 was collected for July 2022.

SECTION 5 -CREDITORS' ANALYSIS

Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

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 31st July 2022.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Jul-22

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	7 331 852.14	17 034 177.89	(1 384 979.09)	(69 177.89)	22 981 050.94
INEP	10 000.00	44 391.82	20 830 000.00	(44 391.82)	20 884 391.82
EPWP	-	-	-	-	-
Municipal Electrification Intervention	281 169.77	982.20	-	(982.20)	282 151.97
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	56 318.41	196.80	-	(196.80)	56 515.21
Establishment Plan	197 735.85	569.64	-	(569.64)	198 305.49
Housing Development Fund	2 015 578.33	5 806.52	-	(5 806.52)	2 021 384.85
Dedea	613 364.80	1 701.46	-	(1 701.46)	615 066.26
Total Conditional Investments	10 506 019	17 087 826	19 445 021	-	122 826

Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	95 884 582.18	4 000 000.00	-	-	99 884 582.18
Call Acc STD CRR	11 461 582.43	-	-	-	11 461 582.43
Call ACC FNB Surplus Cash	6 805 395.80	-	-	-	6 805 395.80
Nedbank 32 Days	6 646 804.63	27 315.60	-	(27 315.60)	6 674 120.23
Nedbank	61 864 892.74	111 865 130.11	(75 300 000.00)	(205 130.11)	98 430 022.85
Nedbank relief fund	794 465.56	2 775.30	-	(2 775.30)	797 240.86
Nedbank COV -19 Solidarity	96 134.01	335.70	-	(335.70)	96 469.71
Nedbank Retention	27 605 371.25	96 429.60	-	(96 429.60)	27 701 800.85
Termination Guarantee	144 640.82	-	-	(505.20)	144 640.82
Account Gaurantee	6 202 000.00	-	-	(21 664.50)	6 202 000.00
Standard Bank	-	50 180 821.92	-	(180 821.92)	50 180 821.92
Total Unconditional	217 505 869	166 172 808	-	75 300 000	-
Total Investment				534 978	308 378 678

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

As at 31st July 2022 the conditional investments amounted to **R 47,038,867** and unconditional investments amounted to **R 308,378,578**. Total investments as at 31st July 2022 amounted to **R 355,417,544**.

The following reflects bank balances at 31st July 2022

Description	July 2022
Nedbank Primary Account:	2,047,406.05
Standard bank Account:	29 552.85
FNB Money Market Account:	1,779,085.95
Total Cash held as at 30 July 2022	3,856,044.85

The cash bank balance as at 31 July 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 %
RECEIPTS:						
Operating Transfers and Grants						
National Government:	292 768	292 768	111 660	111 660	24 397	38%
Local Government Equitable Share	286 308	286 308	111 660	111 660	23 859	39%
Expanded Public Works Programme Integrated Grant	4 810	4 810	-	-	401	0%
Local Government Financial Management Grant	1 650	1 650	-	-	138	0%
Provincial Government:	650	650	-	-	54	0%
Capacity Building and Other: Library DEDEAT	650	650	-	-	54	0%
	-	-	-	-	-	0%
Total Operating Transfers and Grants	293 418	293 418	111 660	111 660	24 452	38%
Capital Transfers and Grants	102 356	102 356	37 795	37 795	8 530	37%
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	46 288	46 288	20 830	20 830	3 857	45%
Municipal Infrastructure Grant (MIG)	56 068	56 068	16 965	16 965	4 672	30%
Total Capital Transfers and Grants	102 356	102 356	37 795	37 795	8 530	37%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	395 774	395 774	149 455	149 455	32 981	38%

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Acts respectively. The first trenches for Equitable Share,

Municipal Infrastructure grant, Integrated National electrification programme are recognised on this category.

The Municipality have received the conditional grant allocations amounting to R 149,5 million and the municipality had a roll-over of R 9.2 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 - 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										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		6 537	-	-	4	4	-	4	#DIV/0!	-
Expanded Public Works Programme Integrated Grant		4 887	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		1 650	-	-	4	4	-	4	#DIV/0!	-
Provincial Government:		2 113	-	-	-	-	-	-	-	-
Specify (Add grant description)		2 113	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		8 650	-	-	4	4	-	4	#DIV/0!	-
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		165 532	109 466	-	(15 279)	(15 279)	9 122	(24 401)	-267.5%	109 466
Municipal Infrastructure Grant		67 754	63 178	-	2 834	2 834	5 265	(2 430)	-46.2%	63 178
Integrated National Electrification Programme Grant		97 778	46 288	-	(18 113)	(18 113)	3 857	(21 970)	-569.6%	46 288
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		165 532	109 466	-	(15 279)	(15 279)	9 122	(24 461)	-267.5%	109 466
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		174 182	109 466	-	(15 275)	(15 275)	9 122	(24 397)	-267.4%	109 466

Expenditure performance on grants amounted to R 2,8 million for the month ended 31st July 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 July 2022

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration	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	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12 846	14 129	-	1 280	1 280	1 177	102	9%	14 129
Pension and UIF Contributions		692	693	-	95	95	58	38	65%	693
Medical Aid Contributions		536	92	-	61	61	8	54	696%	92
Motor Vehicle Allowance		58	-	-	-	-	-	-	-	-
Cellphone Allowance		2 352	2 573	-	200	200	214	(14)	-7%	2 573
Housing Allowances		4 379	4 972	-	507	507	414	93	22%	4 972
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		20 865	22 459	-	2 144	2 144	1 872	273	15%	22 459
% increase	4		7.6%							7.6%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 235	3 947	-	188	188	329	(141)	-43%	3 947
Pension and UIF Contributions		34	147	-	1	1	12	(12)	-94%	147
Medical Aid Contributions		-	80	-	-	-	7	(7)	-100%	80
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	149	-	-	-	12	(12)	-100%	149
Motor Vehicle Allowance		1 033	2 016	-	107	107	168	(61)	-36%	2 016
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		677	725	-	58	58	60	(3)	-5%	725
Other benefits and allowances		383	501	-	36	36	42	(6)	-14%	501
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4 362	7 567	-	300	300	631	(241)	-38%	7 567
% increase	4		73.5%							73.5%
Other Municipal Staff										
Basic Salaries and Wages		80 340	93 243	-	7 169	7 169	7 770	(601)	-8%	93 243
Pension and UIF Contributions		13 041	15 771	-	1 218	1 218	1 314	(96)	-7%	15 771
Medical Aid Contributions		4 717	4 995	-	416	416	416	0	0%	4 995
Overtime		1 779	2 480	-	135	135	207	(72)	-35%	2 480
Performance Bonus		6 223	7 649	-	495	495	637	(142)	-22%	7 649
Motor Vehicle Allowance		4 918	4 414	-	435	435	368	68	18%	4 414
Cellphone Allowance		6	6	-	1	1	1	(0)	-7%	6
Housing Allowances		383	2 983	-	20	20	249	(228)	-92%	2 983
Other benefits and allowances		4 806	2 154	-	426	426	180	247	137%	2 154
Payments in lieu of leave		1 484	-	-	426	426	-	426	#DIV/0!	-
Long service awards		363	-	-	48	48	-	48	#DIV/0!	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		119 124	133 895	-	10 791	10 791	11 141	(350)	-3%	133 895
% increase	4		12.2%							12.2%
Total Parent Municipality		144 352	163 721	-	13 325	13 325	13 643	(318)	-2%	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 31st July 2022 amounted **R 13,3 million** of which the expenditure **R 2,1 million** relates to Remuneration of Councillors and

R 11,2 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 31st July 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: 15 August 2022.