



MATATIELE
LOCAL MUNICIPALITY

2022/2023 MONTHLY SECTION 71 REPORT

MONTH ENDED 30 SEPTEMBER 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 30 September 2022.
- That, the submission of section 71 reports and to Provincial and National Treasuries 10 days after the end of each month be noted by Council.

Section 2-Executive summary

2.1 Introduction

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

The below analysis is a high-level assessment based on revenue and expenditure recognised on the Municipal Financial System as at 30 September 2022. It is necessary for user business units and user departments to ensure the completeness, Validity and accuracy of the information provided for the purposes of the assessment.

2.2 Consolidated Performance (Revenue & Expenditure)

Revenue by source

The total revenue received for the month ended 30 September 2022 amounted to **R 20,118,485** which represents **3%** of the total annual approved budget figure of **R 579,582,986** but the amount received to date is **33%** (including grants). The majority of the revenue recognised this month of **R 4,379,743** related to Electricity Service Charges.

Operating Expenditure by type

Operating expenditure for the month ended 30 September 2022 amounted to **R 32,677,573** which represents **7%** of total approved operating expenditure budget figure of **R 480,023,232** of this expenditure the majority relates to bulk purchases for Energy Sources, contracted services, employee related costs and operational costs, when measured to TYD the amount spent to date is **19%**.

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 30 September 2022 amounted to **R 9,476,578**. This represents **6%** of the approved capital expenditure budget for the month of September 2022 and TYD spending is sitting at **12%** to date.

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 30 September is R 3,040,551 which represent 6% of expenditure for the month.
- Integrated National Electrification Programme (INEP) of R 46,287,972 million was allocated. The grant reflects R 4,793,540 spending at the end of 30 September 2022 which represent 10%.
- Capital Replacement Reserves (CRR) for the financial year is R 71,756,736 million is allocated. The spending for the month is R 1,642,487 which represent 2%.
- The municipality anticipate to spend 100% of the total capital budget as at the end of the financial year, Therefore the spending is sitting at 12% as at 30 September 2022 which is far below 25%.

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 by the 8th 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 where 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: MIG

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

Grant Funded Projects (MIG PROJECTS)

| MIG | September Status |
|---|---|
| | |
| Rehabilitation of Matatiele internal Streets Cluster 1 | The project is at tender stage |
| Purutle Moyeni Access Road and Bridge | The project is at Construction Stage and the progress is at 95 %. |
| Extension of Matatiele Sports Centre Ph2 | The project is at Construction Stage and the progress is at 92 %. |
| Mahangu Access Road & Bridge | The project is at Construction Stage and the progress is at 91%. |
| Harry Gwala Internal Streets | The project is at Construction Stage and the progress is at 90%. |
| Rehabilitation of Cedarville internal streets | The project is at tender Stage |
| Street Lights | The project is at tender Stage |
| High Mast Lights | The project is at tender Stage |

| Grant Funded Projects (Integrated National Electrification Programme Grant) INEP | |
|--|--|
| | |
| Mavundleni Electrification | Letter of instruction has been issued to the Service Provider, the contractor is busy with site establishment and Material Procurement |
| Mapoti Electrification | The project is at the Construction Stage and the progress is at 79% |
| Polar Park Electrification | Letter of instruction has been issued to the Service Provider, the contractor is busy with site establishment and Material Procurement |
| Rockville Electrification | Letter of instruction has been issued to the Service Provider, the contractor is busy with site establishment and Material Procurement |
| Hillside-Manzi Ph2 link line | The project is at the Construction Stage and the progress is at 10% |
| Sikhulumu Electrification | The project is complete, Pending Eskom Process for energising |
| Sikhulumu Link Line | The project is complete, Pending Eskom Process for energising |
| Molweni 1 Electrification | Letter of instruction has been issued to the Service Provider, the contractor is busy with site establishment and Material Procurement |
| Molweni 2 Electrification | Letter of instruction has been issued to the Service Provider, the contractor is busy finalising Designs |
| Masupa Electrification | The project is at the Construction Stage and the progress is at 92% |
| Moiketsi Electrification | Letter of instruction has been issued to the Service Provider, the contractor is busy with site establishment and Material Procurement |
| Hillside Manzi Electrification | The project is at the Construction Stage and the progress is at 10% |

Internal Funded Capital Projects

| | |
|---|--------------------------------|
| Construction of Silo Phase 4 | The project is at tender Stage |
| Municipal Plant | The project is at tender Stage |
| Dengwane Khoapa Botsola-Taung AR | The project is at tender Stage |
| Black Diamond Access Road and Bridge | The project is at tender Stage |
| Tsepisong Kamorathaba to Kuyasa AR | The project is at tender Stage |
| Dlodlweni Access Road | The project is at tender Stage |
| Makomorweni Access Road and Bridge | The project is at tender Stage |
| Lakhalong Access Road | The project is at tender Stage |
| Queens Mercy Access Road | The project is at tender Stage |
| Transformers New | The project is at 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 - M03 September

| 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 | 54 088 | - | 1 068 | 37 403 | 13 522 | 23 881 | 177% | 54 088 |
| Service charges | 86 146 | 86 942 | - | 5 583 | 18 042 | 21 735 | (5 694) | -29% | 86 942 |
| Investment revenue | 4 569 | 14 650 | - | 1 457 | 3 396 | 3 852 | (266) | -7% | 14 650 |
| Transfers and subsidies | 287 351 | 293 418 | - | 213 | 113 288 | 73 355 | 39 925 | 54% | 293 418 |
| Other own revenue | 34 248 | 28 125 | - | 1 886 | 8 177 | 7 032 | (850) | -12% | 28 125 |
| Total Revenue (excluding capital transfers and contributions) | 488 978 | 472 227 | - | 10 947 | 176 297 | 118 597 | 58 691 | 48% | 472 227 |
| Employee costs | 122 416 | 141 262 | - | 10 081 | 33 438 | 35 316 | (1 880) | -5% | 141 262 |
| Remuneration of Councilors | 21 444 | 22 458 | - | 1 858 | 5 858 | 5 615 | 243 | 4% | 22 458 |
| Depreciation & asset impairment | 53 854 | 53 338 | - | - | - | 13 334 | (13 334) | -100% | 53 338 |
| Finance charges | 35 | - | - | - | - | - | - | - | - |
| Inventory consumed and bulk purchases | 84 338 | 88 130 | - | 8 993 | 17 388 | 17 282 | (74) | -5% | 88 130 |
| Transfers and subsidies | - | - | - | - | - | - | - | - | - |
| Other expenditure | 253 781 | 183 830 | - | 11 138 | 34 872 | 46 458 | (13 586) | -28% | 183 830 |
| Total Expenditure | 598 796 | 488 623 | - | 52 078 | 81 576 | 128 008 | (39 631) | -54% | 488 623 |
| Surplus/(Deficit) | (89 718) | (2 796) | - | (21 831) | 84 922 | (899) | 85 821 | -12248% | (2 796) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | 185 532 | 182 356 | - | 9 272 | 14 087 | 25 588 | (11 482) | -45% | 182 356 |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Education Institutions) & Transfers and subsidies - capital (in-kind - all) | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | (89 817) | (9 690) | - | (12 659) | 84 828 | 24 886 | 74 138 | 298% | (9 690) |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | (89 817) | (9 690) | - | (12 659) | 84 828 | 24 886 | 74 138 | 298% | (9 690) |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 184 186 | 171 308 | - | 8 477 | 19 772 | 42 827 | (23 055) | -54% | 171 308 |
| Capital transfers recognised | 141 645 | 99 553 | - | 7 834 | 11 788 | 24 888 | (13 092) | -53% | 99 553 |
| Borrowing | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 41 867 | 71 757 | - | 1 642 | 7 874 | 17 938 | (9 065) | -58% | 71 757 |
| Total sources of capital funds | 168 802 | 171 308 | - | 8 477 | 19 772 | 42 827 | (23 055) | -54% | 171 308 |
| Financial position | | | | | | | | | |
| Total current assets | 420 584 | 389 478 | - | - | 510 383 | - | - | - | 389 478 |
| Total non current assets | 1 134 360 | 1 361 728 | - | - | 1 154 153 | - | - | - | 1 361 728 |
| Total current liabilities | 155 737 | 99 372 | - | - | 166 268 | - | - | - | 99 372 |
| Total non current liabilities | 37 841 | 14 442 | - | - | 37 841 | - | - | - | 14 442 |
| Community wealth/Equity | 1 485 628 | 1 657 886 | - | - | 1 441 287 | - | - | - | 1 657 886 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 275 430 | 110 180 | - | (8 531) | 149 255 | 27 540 | (121 715) | -442% | 110 180 |
| Net cash from (used) investing | (186 241) | (171 368) | - | (10 884) | (22 855) | (42 827) | (20 172) | 47% | (171 368) |
| Net cash from (used) financing | 82 | - | - | 4 | 29 | - | (29) | #DIV/0! | - |
| Cash/bank equivalents at the month/year end | 911 882 | 232 938 | - | - | 288 381 | 278 851 | (84 600) | -98% | 176 682 |
| Debtors & creditors analysis | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Days | 151-180 Days | 181 Days-1 Yr | Over 1Yr | Total |
| Debtors Age Analysis | | | | | | | | | |
| Total By Income Source | 16 211 | 4 983 | 33 447 | 5 314 | 2 523 | 3 163 | 13 474 | 148 722 | 221 778 |
| Debtors Age Analysis | | | | | | | | | |
| Total Creditors | - | - | - | - | - | - | - | - | - |

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

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

| Description | Ref | 2021/22 | Budget Year 2022/23 | | | | | | |
|--|----------|-----------------|---------------------|-----------------|-----------------|----------------|----------------|-----------------|----------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD actual | YearTD budget | YTD variance | YTD variance % |
| R thousands | 1 | | | | | | | | |
| Revenue - Functional | | | | | | | | | |
| Governance and administration: | | 333 081 | 378 000 | - | 4 848 | 168 635 | 84 085 | 82 530 | 67% |
| Executive and council | | - | - | - | - | - | - | - | - |
| Finance and administration | | 333 081 | 378 000 | - | 4 848 | 168 635 | 84 085 | 82 530 | 67% |
| Internal audit | | - | - | - | - | - | - | - | - |
| Community and public safety: | | 11 484 | 11 688 | - | 421 | 8 286 | 2 883 | 373 | 13% |
| Community and social services | | 6 057 | 6 388 | - | 318 | 1 791 | 1 592 | 189 | 13% |
| Sport and recreation | | - | - | - | - | - | - | - | - |
| Public safety | | 5 427 | 5 299 | - | 103 | 1 474 | 1 360 | 173 | 13% |
| Housing | | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - |
| Economic and environmental services: | | 86 888 | 68 280 | - | 8 788 | 8 878 | 14 873 | (5 402) | -38% |
| Planning and development | | 171 | 202 | - | 35 | 53 | 50 | 3 | 4% |
| Road transport | | 87 887 | 56 088 | - | 3 783 | 8 818 | 14 823 | (5 404) | -38% |
| Environmental protection | | - | - | - | - | - | - | - | - |
| Trading services: | | 179 118 | 186 786 | - | 11 351 | 21 884 | 38 828 | (11 632) | -35% |
| Energy services | | 158 850 | 57 854 | - | 10 272 | 18 868 | 14 258 | 4 741 | 33% |
| Water management | | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - |
| Waste management | | 13 456 | 78 881 | - | 879 | 2 836 | 19 870 | (16 733) | -85% |
| Other | 4 | - | - | - | - | - | - | - | - |
| Total Revenue - Functional | 2 | 689 662 | 578 688 | - | 25 718 | 198 285 | 144 888 | 46 488 | 31% |
| Expenditure - Functional | | | | | | | | | |
| Governance and administration: | | 281 854 | 234 874 | - | 16 883 | 68 880 | 68 844 | (5 253) | -9% |
| Executive and council | | 28 850 | 28 845 | - | 2 325 | 8 184 | 7 451 | 733 | 23% |
| Finance and administration | | 288 734 | 181 438 | - | 13 295 | 40 575 | 47 859 | (7 284) | -15% |
| Internal audit | | 4 360 | 3 652 | - | 384 | 1 221 | 823 | 208 | 35% |
| Community and public safety: | | 34 847 | 68 354 | - | 8 821 | 8 821 | 19 819 | (3 432) | -28% |
| Community and social services | | 15 883 | 27 656 | - | 1 850 | 5 118 | 6 880 | (1 873) | -27% |
| Sport and recreation | | - | - | - | - | - | - | - | - |
| Public safety | | 19 354 | 25 297 | - | 1 561 | 4 705 | 8 334 | (1 819) | -28% |
| Housing | | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - |
| Economic and environmental services: | | 88 887 | 88 888 | - | 2 885 | 8 888 | 22 267 | (13 789) | -61% |
| Planning and development | | 18 887 | 24 888 | - | 1 134 | 3 542 | 8 247 | (2 785) | -43% |
| Road transport | | 50 888 | 85 841 | - | 1 880 | 5 380 | 16 880 | (11 885) | -67% |
| Environmental protection | | - | - | - | - | - | - | - | - |
| Trading services: | | 188 888 | 118 888 | - | 18 318 | 21 888 | 27 761 | (8 155) | -22% |
| Energy services | | 147 813 | 88 887 | - | 5 253 | 18 888 | 21 734 | (3 827) | -14% |
| Water management | | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - |
| Waste management | | 22 254 | 34 888 | - | 1 888 | 2 888 | 8 817 | (3 888) | -51% |
| Other | | - | - | - | - | - | - | - | - |
| Total Expenditure - Functional | 3 | 518 786 | 488 888 | - | 82 878 | 81 376 | 128 888 | (28 631) | -24% |
| Surplus/ (Deficit) for the year | | 88 817 | 88 888 | - | (12 669) | 88 888 | 24 888 | 74 188 | 284% |

This table assess the revenue and expenditure by department, the expenditure for the period ending 30 September 2022 is R 32,7 million and revenue is R 20,1 million.

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

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

| Vote Description | Ref | 2021/22 Audited Outcomes | Budget Year | | | | | | | |
|-----------------------------------|-----|--------------------------------|--------------------|--------------------|-------------------|---------------|------------------|-----------------|----------------------|-----------------------|
| | | | Original Budget | Adjusted Budget | Monthly Actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - Executive Council | | - | - | - | - | - | - | - | | - |
| Vote 2 - Finance and Admin | | 333 448 | 375 670 | - | 4 632 | 156 476 | 93 917 | 62 559 | 66.6% | 375 670 |
| Vote 3 - Corporate | | 533 | 350 | - | 17 | 49 | 88 | (38) | -44.0% | 350 |
| Vote 4 - Development and Planning | | 283 | 202 | - | 36 | 85 | 50 | 35 | 69.2% | 202 |
| Vote 5 - Community | | 24 963 | 90 249 | - | 1 401 | 6 202 | 22 562 | (16 360) | -72.5% | 90 249 |
| Vote 6 - Infrastructure | | 224 375 | 113 112 | - | 14 031 | 27 581 | 28 278 | (697) | -2.5% | 113 112 |
| Vote 7 - Internal Audit | | - | - | - | - | - | - | - | | - |
| Vote 8 - | | - | - | - | - | - | - | - | | - |
| Vote 9 - | | - | - | - | - | - | - | - | | - |
| Vote 10 - | | - | - | - | - | - | - | - | | - |
| Vote 11 - | | - | - | - | - | - | - | - | | - |
| Vote 12 - | | - | - | - | - | - | - | - | | - |
| Vote 13 - | | - | - | - | - | - | - | - | | - |
| Vote 14 - | | - | - | - | - | - | - | - | | - |
| Vote 15 - | | - | - | - | - | - | - | - | | - |
| Total Revenue by Vote | 2 | 563 682 | 579 583 | - | 20 118 | 180 385 | 144 806 | 45 490 | 31.4% | 579 583 |
| Expenditure by Vote | 1 | | | | | | | | | |
| Vote 1 - Executive Council | | 28 650 | 29 045 | - | 2 325 | 9 194 | 7 461 | 1 733 | 23.2% | 29 045 |
| Vote 2 - Finance and Admin | | 145 441 | 118 223 | - | 7 927 | 24 412 | 29 536 | (5 144) | -17.4% | 118 223 |
| Vote 3 - Corporate | | 63 283 | 73 215 | - | 5 368 | 16 164 | 18 304 | (2 140) | -11.7% | 73 215 |
| Vote 4 - Development and Planning | | 20 957 | 24 989 | - | 1 134 | 3 698 | 6 247 | (2 549) | -40.8% | 24 989 |
| Vote 5 - Community | | 57 242 | 77 323 | - | 4 587 | 12 749 | 19 331 | (6 581) | -34.0% | 77 323 |
| Vote 6 - Infrastructure | | 196 633 | 152 737 | - | 11 073 | 23 937 | 38 184 | (14 247) | -37.3% | 152 737 |
| Vote 7 - Internal Audit | | 4 380 | 3 682 | - | 264 | 1 221 | 923 | 298 | 32.3% | 3 682 |
| Vote 8 - | | - | - | - | - | - | - | - | | - |
| Vote 9 - | | - | - | - | - | - | - | - | | - |
| Vote 10 - | | - | - | - | - | - | - | - | | - |
| Vote 11 - | | - | - | - | - | - | - | - | | - |
| Vote 12 - | | - | - | - | - | - | - | - | | - |
| Vote 13 - | | - | - | - | - | - | - | - | | - |
| Vote 14 - | | - | - | - | - | - | - | - | | - |
| Vote 15 - | | - | - | - | - | - | - | - | | - |
| Total Expenditure by Vote | 2 | 518 785 | 488 923 | - | 32 678 | 91 375 | 120 806 | (28 631) | -23.9% | 488 923 |
| Surplus/ (Deficit) for the year | 2 | 68 897 | 89 580 | - | (12 559) | 89 020 | 24 800 | 74 130 | 297.8% | 89 580 |

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) - M03 September

| C441 Initiative - Table C4 monthly budget statement - Financial Performance (Revenue and Expenditure) - 2022 September | | | | | | | | | | |
|--|----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| Vote Description | R/ | 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 | 54 080 | - | 1 699 | 37 403 | 13 522 | 23 881 | 177% | 54 080 |
| Service charges - electricity revenue | | 56 530 | 71 416 | - | 4 609 | 13 118 | 17 854 | (4 736) | -27% | 71 416 |
| Service charges - water revenue | | - | - | - | - | - | - | - | - | - |
| Service charges - sanitation revenue | | - | - | - | - | - | - | - | - | - |
| Service charges - refuse revenue | | 11 615 | 15 526 | - | 974 | 2 923 | 3 881 | (958) | -25% | 15 526 |
| Rental of facilities and equipment | | 1 260 | 2 028 | - | 138 | 292 | 507 | (215) | -42% | 2 028 |
| Interest earned - external investments | | 9 599 | 14 650 | - | 1 457 | 3 398 | 3 662 | (266) | -7% | 14 650 |
| Interest earned - outstanding debtors | | 16 188 | 18 731 | - | 1 580 | 4 096 | 4 683 | (587) | -13% | 18 731 |
| Dividends received | | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | | 2 058 | 1 769 | - | 164 | 511 | 442 | 69 | 16% | 1 769 |
| Licences and permits | | 3 407 | 4 131 | - | (32) | 999 | 1 033 | (34) | -3% | 4 131 |
| Agency services | | - | - | - | - | - | - | - | - | - |
| Transfers and subsidies | | 267 351 | 283 418 | - | 213 | 113 200 | 73 355 | 39 925 | 54% | 283 418 |
| Other revenue | | 1 350 | 1 471 | - | 46 | 279 | 368 | (89) | -24% | 1 471 |
| Gains | | (15) | - | - | - | - | - | - | - | - |
| | | 418 878 | 477 221 | - | 10 847 | 176 297 | 119 387 | 56 911 | 48% | 477 221 |
| Total Revenue (excluding capital transfers and contributions) | | | | | | | | | | |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 123 416 | 141 262 | - | 10 691 | 33 436 | 35 316 | (1 880) | -5% | 141 262 |
| Remuneration of councillors | | 21 444 | 22 458 | - | 1 859 | 5 858 | 5 615 | 243 | 4% | 22 458 |
| Debt impairment | | 18 094 | 6 000 | - | - | - | 1 500 | (1 500) | -100% | 6 000 |
| Depreciation & asset impairment | | 53 954 | 53 336 | - | - | - | 13 334 | (13 334) | -100% | 53 336 |
| Finance charges | | 25 | - | - | - | - | - | - | - | - |
| Bulk purchases - electricity | | 59 161 | 61 363 | - | 8 635 | 16 182 | 15 346 | 836 | 5% | 61 363 |
| Inventory consumed | | 6 075 | 7 747 | - | 358 | 1 027 | 1 937 | (910) | -47% | 7 747 |
| Contracted services | | 105 241 | 113 584 | - | 7 653 | 25 124 | 28 396 | (3 272) | -12% | 113 584 |
| Transfers and subsidies | | - | - | - | - | - | - | - | - | - |
| Other expenditure | | 52 147 | 74 252 | - | 3 483 | 9 749 | 18 563 | (8 814) | -47% | 74 252 |
| Losses | | 78 219 | - | - | - | - | - | - | - | - |
| | | 518 785 | 480 023 | - | 32 678 | 91 375 | 120 006 | (28 631) | -24% | 480 023 |
| Total Expenditure | | | | | | | | | | |
| Surplus/(Deficit) | | (99 907) | (2 799) | - | (21 831) | 84 922 | (809) | 85 821 | (9) | (2 799) |
| Transfers and subsidies - capital (monetary allocations) (National / Provincial and District) | | 185 532 | 182 336 | - | 9 272 | 14 097 | 25 589 | (11 492) | (9) | 182 336 |
| 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 | | 96 617 | 99 500 | - | (12 559) | 90 820 | 24 890 | - | - | 99 500 |
| Taxation | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after taxation | | 96 617 | 99 500 | - | (12 559) | 90 820 | 24 890 | - | - | 99 500 |
| Attributable to minorities | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) attributable to municipality | | 96 617 | 99 500 | - | (12 559) | 90 820 | 24 890 | - | - | 99 500 |
| Share of surplus/ (deficit) of associate | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) for the year | | 96 617 | 99 500 | - | (12 559) | 90 820 | 24 890 | - | - | 99 500 |

Revenue by Source

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

Property Rates

Property rates revenue is the major part of the municipal own revenue and represents 3% 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 1,698,532, income received from property rates for the month of September 2022 amounted to R 12,403,108.

Services Charges

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to R 5,582,630 for the month ended 30 September 2022. This represent 6% billing.

Rental of Facilities and equipment

Rental of facilities and equipment annual budget is R 2,027,556, Revenue amount of R 138,299 for September 2022 has been recognised on this category which is lower than projected amount as 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 30 September 2022 amounted to R 1,456,649.

Interest on Outstanding Debtors

Interest on overdue accounts for the month ended 30 September 2022 amounted to R 1,579, 841, 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 163,528 has been recognised for this category for the month ended 30 September 2022 which is below the expected performance due to no forfeits on hall deposits and no Electricity disconnection fees to date. Fines revenue are raised on cash basis whilst the budget is based on Grap 1 which requires us to recognised the total fines issued and not only based on collection.

Licences and permits

The budget for licences and permits amounts to R 4,130,844 for the current budget year, and for the month ended 30 September 2022 an amount of R 28,846 was recognised excluding the reversal of -R60,556 and YTD Revenue of R-31,710 represents -1% of the total revenue budget for this category.

Transfers and Subsidies

A total budget amount on Transfers and Subsidies is R395,773,992 and an of R 9,5 million was received for the month ended 30 September 2022, this represents 2% of the total budget. This is due to grants that are allocated to be received in quarterly non equal tranches and MIG which was not received in September as per the Dora allocation.

Other Revenue

A total budget amount on Other revenue is R1,470,708 consists mostly Merchandising and Jobbing, sale of tender documents, insurance refund and other revenue. Other revenue amounted to R 46,103 for the month ended 30 September 2022, this represent 3% the total budget. This is due to no pool fees received as this is a seasonal revenue, less burial fees due to more people depending on indigent, no insurance claims & SETA refunds as anticipated.

Operating Expenditure by type

Employee related costs/ Remuneration of Councillors

Employee related expenditure for the month ended 30 September 2022 amounted R 12,548,849 of which the expenditure R 1,857,598 relates to Remuneration of Councillors and R 10,691,251, to Managers and staff, that represents 8% of the budgeted amount for this category. It must be noted that the variance is a result of timing of filling vacant positions.

The municipal administration must at least during the 1st quarter on identify and submit to the council for approval the priority posts to be filled within the available budget and savings accrued. Corporate service unit has then during the quarter consolidate critical and compliance posts from the respective business units for approval by council.

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 September 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 R 8,634,710 expenditure for the month. This represent 14% of the actual budget, which is above than projected amount for September 2022. This can be attributed to the seasonal demand of electricity but could also be indicative of energy losses that the municipality is incurring year to year.

Other Materials

Total current budget on Other material is R7,746,996 consists of inventory purchases for material and supplies. Expenditure amounted to R 357,808 for the month ended 30 September 2022, this represents 5% of the total budget. This is below the anticipated due less demand on stores items.

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 total current budget is R113,584,116 on contracted services, an expenditure for the month ended 30 September amounted to R 7 653 440 which represents 7% on this category. This is less than anticipated, due to events that take place on different quarters and months e.g. Khaya naledi in 2nd quarter December month.

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 3,482,766 for the month ended 30 September 2022, that represents 5% of the budgeted amount on this category. Expenditure relating to Audit fees, ICT Software & Workmen's compensation is planned to increase in the 3rd quarter as per the departmental procurement plans.

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

| | | | | | | | | | | |
|---|-----|---------|---------|---|-------|--------|--------|----------|-------|---------|
| Total Capital Multi-year expenditure | 4,7 | - | - | - | - | - | - | - | - | - |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - Executive Council | | 74 | - | - | - | - | - | - | - | - |
| Vote 2 - Finance and Admin | | 562 | 3 260 | - | - | 1 082 | 815 | 267 | 33% | 3 260 |
| Vote 3 - Corporate | | 4 696 | 2 310 | - | 362 | 425 | 578 | (153) | -26% | 2 310 |
| Vote 4 - Development and Planning | | 163 | 500 | - | - | - | 125 | (125) | -100% | 500 |
| Vote 5 - Community | | 2 484 | 6 360 | - | 30 | 30 | 1 590 | (1 560) | -98% | 6 360 |
| Vote 6 - Infrastructure | | 176 184 | 158 879 | - | 9 065 | 18 236 | 39 720 | (21 484) | -54% | 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 | 184 165 | 171 309 | - | 9 477 | 19 772 | 42 827 | (23 055) | -54% | 171 309 |
| Total Capital Expenditure | | 184 165 | 171 309 | - | 9 477 | 19 772 | 42 827 | (23 055) | -54% | 171 309 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | 5 334 | 5 570 | - | 382 | 1 506 | 1 393 | 114 | 8% | 5 570 |
| Executive and council | | 74 | - | - | - | - | - | - | - | - |
| Finance and administration | | 5 260 | 5 570 | - | 382 | 1 506 | 1 393 | 114 | 8% | 5 570 |
| Internal audit | | - | - | - | - | - | - | - | - | - |
| Community and public safety | | 1 366 | 3 460 | - | - | - | 865 | (865) | -100% | 3 460 |
| Community and social services | | 166 | 1 510 | - | - | - | 378 | (378) | -100% | 1 510 |
| Sport and recreation | | - | - | - | - | - | - | - | - | - |
| Public safety | | 1 199 | 1 950 | - | - | - | 488 | (488) | -100% | 1 950 |
| Housing | | - | - | - | - | - | - | - | - | - |
| Health | | - | - | - | - | - | - | - | - | - |
| Economic and environmental services | | 84 145 | 110 101 | - | 4 272 | 13 443 | 27 525 | (14 083) | -51% | 110 101 |
| Planning and development | | 163 | 500 | - | - | - | 125 | (125) | -100% | 500 |
| Road transport | | 83 983 | 109 601 | - | 4 272 | 13 443 | 27 400 | (13 958) | -51% | 109 601 |
| Environmental protection | | - | - | - | - | - | - | - | - | - |
| Trading services | | 93 320 | 52 178 | - | 4 823 | 4 823 | 13 044 | (8 221) | -63% | 52 178 |
| Energy sources | | 92 201 | 49 278 | - | 4 794 | 4 794 | 12 319 | (7 526) | -61% | 49 278 |
| Water management | | - | - | - | - | - | - | - | - | - |
| Waste water management | | - | - | - | - | - | - | - | - | - |
| Waste management | | 1 119 | 2 900 | - | 30 | 30 | 725 | (695) | -96% | 2 900 |
| Other | | - | - | - | - | - | - | - | - | - |
| Total Capital Expenditure - Functional Classification | 3 | 184 165 | 171 309 | - | 9 477 | 19 772 | 42 827 | (23 055) | -54% | 171 309 |

The approved annual capital budget for the financial year amounts to R 171,309,312. Capital expenditure incurred for the month ended 30 September 2022 amounted to R 9,476,578. This represents 6% of the approved capital expenditure budget. This is lower than the anticipated expenditure for the month due delays on appointments on capital projects.

3.1.6 C6 Monthly Budget Statement –Financial Position

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

| 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 | - | 3 234 | 15 393 |
| Call investment deposits | | 228 017 | 217 545 | - | 301 563 | 217 545 |
| Consumer debtors | | 81 268 | 70 502 | - | 98 152 | 70 502 |
| Other debtors | | 100 710 | 4 937 | - | 106 687 | 4 937 |
| Current portion of long-term receivables | | - | - | - | - | - |
| Inventory | | 1 874 | 1 093 | - | 1 716 | 1 093 |
| Total current assets | | 420 584 | 309 470 | - | 510 353 | 309 470 |
| Non current assets | | | | | | |
| Long-term receivables | | - | - | - | - | - |
| Investments | | - | - | - | - | - |
| Investment property | | 4 960 | - | - | 4 960 | - |
| Investments in Associate | | - | - | - | - | - |
| Property, plant and equipment | | 1 128 456 | 1 356 483 | - | 1 147 883 | 1 356 483 |
| Biological | | - | - | - | - | - |
| Intangible | | 94 | 4 626 | - | 94 | 4 626 |
| Other non-current assets | | 670 | 620 | - | 1 215 | 620 |
| Total non current assets | | 1 134 380 | 1 361 729 | - | 1 454 153 | 1 361 729 |
| TOTAL ASSETS | | 1 554 964 | 1 671 199 | - | 1 664 506 | 1 671 199 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | - | - | - | - | - |
| Borrowing | | - | - | - | - | - |
| Consumer deposits | | 1 578 | 822 | - | 1 607 | 822 |
| Trade and other payables | | 139 548 | 62 798 | - | 150 351 | 62 798 |
| Provisions | | 14 310 | 35 752 | - | 14 310 | 35 752 |
| Total current liabilities | | 155 737 | 99 372 | - | 166 268 | 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 | | 192 778 | 113 814 | - | 203 309 | 113 814 |
| NET ASSETS | 2 | 1 362 187 | 1 557 385 | - | 1 461 207 | 1 557 385 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | 1 100 139 | 1 178 048 | - | 1 065 823 | 1 178 048 |
| Reserves | | 395 384 | 379 337 | - | 395 384 | 379 337 |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 1 495 523 | 1 557 385 | - | 1 461 207 | 1 557 385 |

3.1.7 C7 Monthly Budget Statement –Cash Flow

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

| 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 | - | 13 309 | 20 632 | 10 818 | 9 814 | 91% | 43 271 |
| Service charges | | 62 021 | 69 553 | - | 5 466 | 20 113 | 17 388 | 2 725 | 16% | 69 553 |
| Other revenue | | 15 705 | 7 598 | - | 4 733 | 6 607 | 1 900 | 4 708 | 248% | 7 598 |
| Transfers and Subsidies - Operational | | 266 202 | 293 418 | - | 10 | 114 559 | 73 355 | 41 205 | 56% | 293 418 |
| Transfers and Subsidies - Capital | | 174 749 | 102 356 | - | - | 58 625 | 25 589 | 33 036 | 129% | 102 356 |
| Interest | | 4 385 | 14 650 | - | 1 457 | 3 838 | 3 662 | 176 | 5% | 14 650 |
| Dividends | | - | - | - | - | - | - | - | - | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (284 232) | (420 687) | - | (31 513) | (75 120) | (105 172) | (30 052) | 29% | (420 687) |
| Finance charges | | - | - | - | - | - | - | - | - | - |
| Transfers and Grants | | - | - | - | - | - | - | - | - | - |
| NET CASH FROM(USED) OPERATING ACTIVITIES | | 275 430 | 110 580 | - | (6 531) | 149 255 | 27 540 | (121 715) | -442% | 110 580 |
| 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) | - | (10 894) | (22 655) | (42 827) | (20 172) | 47% | (171 309) |
| NET CASH FROM(USED) INVESTING ACTIVITIES | | (188 241) | (171 309) | - | (10 894) | (22 655) | (42 827) | (20 172) | 47% | (171 309) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | - | - |
| Borrowing long term/financing | | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | 82 | - | - | 4 | 29 | - | 29 | #DIV/0! | - |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | - | - |
| NET CASH FROM(USED) FINANCING ACTIVITIES | | 82 | - | - | 4 | 29 | - | (29) | #DIV/0! | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 87 270 | (61 150) | - | (17 421) | 126 629 | (15 287) | | | (61 150) |
| Cash/cash equivalents at beginning: | | 224 422 | 294 088 | - | | 236 732 | 294 066 | | | 236 732 |
| Cash/cash equivalents at month/year end: | | 311 692 | 232 938 | - | | 263 361 | 278 801 | | | 175 582 |

PART 2 –SUPPORTING DOCUMENTATION

SECTION 4

Debtors Analysis

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

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - 30 September

| 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 | | | | | | | | | | | | | |
| Traffic and Other Receivables from Exchange Transactions - Water | 1200 | - | - | - | - | - | - | - | - | - | - | - | - |
| Traffic and Other Receivables from Exchange Transactions - Electricity | 1300 | 3 454 | 2 174 | 1 152 | 983 | 829 | 661 | 2 521 | 2 881 | 14 675 | 7 855 | - | - |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 1 549 | 821 | 20 228 | 45 | 19 | 584 | 2 435 | 83 598 | 97 247 | 66 851 | - | - |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | - | - | - | - | - | - | - | - | - | - | - | - |
| Receivables from Exchange Transactions - Waste Management | 1600 | 995 | 500 | 456 | 395 | 397 | 385 | 1 722 | 20 825 | 25 748 | 23 623 | - | - |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | - | - | - | - | - | - | - | 7 | 7 | 7 | - | - |
| Interest on Asset Debtor Accounts | 1810 | 1 580 | 1 280 | 1 298 | 1 388 | 1 287 | 1 205 | 5 926 | 36 808 | 50 483 | 46 335 | - | - |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 1900 | 2 679 | 868 | 2 324 | 2 401 | 0 | 298 | 871 | 24 704 | 33 636 | 26 464 | - | - |
| Total By Income Source | 2000 | 10 211 | 4 983 | 33 447 | 5 314 | 2 523 | 3 183 | 13 474 | 148 722 | 221 776 | 173 135 | 1 | - |
| 2022/23 - Initial only | | | | | | | | | | | | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | 2 513 | 2 745 | 20 180 | 1 095 | 1 749 | 1 578 | 6 991 | 83 223 | 98 686 | 75 427 | - | - |
| Commercial | 2300 | 6 521 | 1 113 | 3 145 | 2 741 | 75 | 447 | 1 405 | 28 327 | 43 834 | 33 655 | - | - |
| Households | 2400 | 1 157 | 1 125 | 1 142 | 688 | 699 | 1 077 | 5 016 | 57 172 | 68 676 | 64 653 | - | - |
| Other | 2500 | - | - | - | - | - | - | - | - | - | - | - | - |
| Total By Customer Group | 2600 | 10 211 | 4 983 | 33 447 | 5 314 | 2 523 | 3 183 | 13 474 | 148 722 | 221 776 | 173 135 | 1 | - |

The total debt book for September 2022 of R 218,618,286.86 (including current of R 3,158,109.14 which is not yet due) has increased by R 11,047,722.62, from the previous financial year closing balance of R 229,666,009.48.

Debt is made up of the following:

- Residential debt:**

R 75,297,334.85

- Commercial debt**

R 34,329,382.91

- Government debt**

R 105,716,913.97

- Other**

R 3,274,655.13

Total Debt for the month of September paid by government departments of R13 418 926.36 as follows:

| | | |
|---------------|---|----------------|
| Education | R | 48,568.33 |
| Dept. PW NAT | R | 342,267.89 |
| Dept. PW PROV | R | 1,3,027,770.14 |

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 57,966,728.87

▪ **Maluti**

R 53,292,650.87 (including current)

▪ **Cedarville**

R 4,674,078 (including current)

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 following are measures to be put in place to reduce the outstanding debts

- debtors shall be handed over to the new debt collections panel of attorneys
- Council has appointed a service provider to undertake the disconnections with an aim of speeding up debt recovery
- Continuous partial blocking of debtors that utilize the prepaid electricity meters.

The following has been handed over:

| | | |
|-----------------|---|---------------|
| Residential H/O | R | 67,854,012.04 |
| Business H/O | R | 30,706,889.80 |
| Churches H/O | R | 144,162.31 |
| Farms H/O | R | 2,767,944.50 |

An amount of R 2,651,211.43 was collected for September 2022.

SECTION 5 -CREDITORS' ANALYSIS

Supporting Table SC4

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

| 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 |
| Creditors Age Analysis By Customer Type | | | | | | | | | | |
| Bulk Electricity | 0100 | - | - | - | - | - | - | - | - | - |
| Bulk Water | 0200 | - | - | - | - | - | - | - | - | - |
| PAYE deductions | 0300 | - | - | - | - | - | - | - | - | - |
| VAT (output less input) | 0400 | - | - | - | - | - | - | - | - | - |
| Pensions / Retirement deductions | 0500 | - | - | - | - | - | - | - | - | - |
| Loan repayments | 0600 | - | - | - | - | - | - | - | - | - |
| Trade Creditors | 0700 | - | - | - | - | - | - | - | - | - |
| Auditor General | 0800 | - | - | - | - | - | - | - | - | - |
| Other | 0900 | - | - | - | - | - | - | - | - | - |
| Total By Customer Type | 1000 | - | - | - | - | - | - | - | - | - |

The municipality makes an extra effort that creditors are paid within 30 days as per MFMA, therefore municipality paid its creditors within 30 days for the month ended 30 September 2022.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Sep-22

| Investment Management | | | | | |
|--|-----------------|---------------|-----------------|-----------------|-----------------|
| Conditional Investments -Description | Opening Balance | Deposits | Withdrawals | Interest Earned | Closing Balance |
| Municipal Infrastructure Grant | 21 626 786.81 | 92 650.88 | (4 633 886.80) | (92 650.88) | 17 085 550.89 |
| INEP | 20 904 573.26 | 88 772.84 | | (88 772.84) | 20 993 346.10 |
| EPWP | - | - | - | - | - |
| Municipal Electrification Intervention | 283 228.32 | 1 202.80 | - | (1 202.80) | 284 431.12 |
| Library and Archives | - | | - | - | - |
| Finance Management Grant | - | - | - | - | - |
| Smart Grid | 56 730.79 | 240.87 | - | (240.87) | 56 971.66 |
| Establishment Plan | 198 962.34 | 670.48 | | (670.48) | 199 632.82 |
| Housing Development Fund | 2 028 080.35 | 6 834.35 | | (6 834.35) | 2 034 914.70 |
| Dedea | 617 169.28 | 2 079.77 | | (2 079.77) | 619 249.05 |
| Total Conditional Investments | 45 715 531 | 192 452 | - 4 633 887 | - 192 452 | 41 274 096 |
| | | | | | |
| Unconditional Investments -Description | Opening Balance | Deposits | Withdrawals | Interest Earned | Closing Balance |
| Call Acc STD CRR | 105 784 582.18 | | | | 105 784 582.18 |
| Call Acc STD CRR | 11 542 205.87 | 42 848.46 | | (42 848.46) | 11 585 054.33 |
| Call ACC FNB Surplus Cash | 6 805 395.80 | | | (22 541.70) | 6 805 395.80 |
| Nedbank 32 Days | 6 703 833.69 | 32 738.48 | | (32 738.48) | 6 736 572.17 |
| Nedbank | 69 592 741.48 | 21 407 839.71 | (47 500 000.00) | (407 839.71) | 43 500 581.19 |
| Nedbank relief fund | 800 282.39 | 3 398.53 | | (3 398.53) | 803 680.92 |
| Nedbank COV -19 Solidarity | 96 866.88 | 411.37 | | (411.37) | 97 278.25 |
| Nedbank Retention | 27 807 485.10 | 118 086.44 | | (118 086.44) | 27 925 571.54 |
| Termination Guarantee | 144 640.82 | | | (614.11) | 144 640.82 |
| Account Gaurantee | 6 202 000.00 | | | (26 337.29) | 6 202 000.00 |
| Standard Bank | 50 460 273.97 | 238 356.17 | | (238 356.17) | 50 698 630.14 |
| Total Unconditional | 285 940 308 | 21 843 679 | - 47 500 000 | - 893 172 | 260 283 987 |
| | | | | | |
| Total Investments | 301 558 084 | | | | |

It must be noted that the municipality does not have entities hence no investment that must be recognised on their behalf.

The municipality invests surplus funds in order to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investments policy. This indicates that the municipality as at 30 September 2022 had sufficient cash to operate for a period up to 3 months without receiving grants to cover operating costs.

As at 30 September 2022 the conditional investments amounted to R 41,274,096 and unconditional investments amounted to R 260,283,987. Total investments as at 30 September 2022 amounted to R 301,558,084.

A significant portion of this is being ring fenced for various statutory and constructive obligations and may therefore not being considered as unencumbered cash.

The following reflects bank balances at 30 September 2022

| Description | September 2022 |
|--|-----------------------|
| Nedbank Primary Account: | 2,401,482.44 |
| Standard bank Account: | 1,616,259.82 |
| FNB Money Market Account: | 1,872,308.56 |
| Total Cash held as at 30 September 2022 | 5,890,050.82 |

The cash bank balance as at 30 September 2022 amounted to **R 5,9 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 | – | 114 513 | 73 192 | 39% |
| Local Government Equitable Share | 286 308 | 286 308 | – | 111 660 | 71 577 | 39% |
| Expanded Public Works Programme Integrated Grant | 4 810 | 4 810 | – | 1 203 | 1 202 | 25% |
| Local Government Financial Management Grant | 1 650 | 1 650 | – | 1 650 | 413 | 100% |
| Provincial Government: | 650 | 650 | – | – | 163 | 0% |
| Capacity Building and Other : Library | 650 | 650 | – | – | 163 | 0% |
| DEDEAT | – | – | – | – | – | 0% |
| Total Operating Transfers and Grants | 293 418 | 293 418 | – | 114 513 | 73 355 | 39% |
| Capital Transfers and Grants | 102 356 | 102 356 | – | 37 795 | 25 589 | 37% |
| Integrated National Electrification Programme (Municipal Grant) [Schedule 5B] | 46 288 | 46 288 | – | 20 830 | 11 572 | 45% |
| Municipal Infrastructure Grant (MIG) | 56 068 | 56 068 | – | 16 965 | 14 017 | 30% |
| Total Capital Transfers and Grants | 102 356 | 102 356 | – | 37 795 | 25 589 | 37% |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 395 774 | 395 774 | – | 152 308 | 98 944 | 38% |

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Acts respectively. The first tranches are recognised on this category.

The was no conditional grant allocations received for the month of September 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 once approved by the national treasury.

7.2 Supporting Table SC7

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

| 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 | | | | | | | | | | |
| EXPENDITURE | | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 6 537 | 6 460 | - | - | 1 150 | 1 615 | (457) | -28.3% | 6 460 |
| Expanded Public Works Programme Integrated Grant | | 4 887 | 4 810 | - | - | 1 141 | 1 202 | (62) | -5.2% | 4 810 |
| Local Government Financial Management Grant | | 1 650 | 1 650 | - | - | 17 | 413 | (395) | -95.9% | 1 650 |
| Provincial Government: | | 2 113 | 650 | - | 213 | 462 | 183 | 300 | 184.6% | 650 |
| Library Grant | | 2 113 | 650 | - | 213 | 462 | 183 | 300 | 184.6% | 650 |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| Total operating expenditure of Transfers and Grants: | | 8 650 | 7 110 | - | 213 | 1 620 | 1 778 | (158) | -8.9% | 7 110 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 165 407 | 102 356 | - | 8 087 | 12 361 | 25 500 | (13 228) | -51.7% | 102 356 |
| Municipal Infrastructure Grant | | 87 829 | 58 060 | - | 3 303 | 7 560 | 14 017 | (6 449) | -46.0% | 58 060 |
| Integrated National Electrification Programme Grant | | 97 778 | 44 286 | - | 4 784 | 4 794 | 11 572 | (6 778) | -58.6% | 44 288 |
| Provincial Government: | | - | - | - | - | - | - | - | - | - |
| District Municipality: | | - | - | - | - | - | - | - | - | - |
| Other grant providers: | | - | - | - | - | - | - | - | - | - |
| Total capital expenditure of Transfers and Grants | | 165 407 | 102 356 | - | 8 087 | 12 361 | 25 500 | (13 228) | -51.7% | 102 356 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 174 057 | 109 466 | - | 8 310 | 13 981 | 27 366 | (13 365) | -48.9% | 109 466 |

Expenditure performance on grants amounted to R 8,3 million for the month ended 30 September 2022. Slow spending on FMG is due invoices not yet received from the Supplies and on MIG & INEP is due to projects not yet appointed.

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 30 September 2022

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

| Summary of Employee and Councillor remuneration | Ref | Budget Year 2022/23 | | | | | | | | |
|--|----------|-------------------------------|--------------------|--------------------|-------------------|------------------|------------------|-----------------|----------------------|-----------------------|
| | | 2021/22 Audited Outcome | Original Budget | Adjusted Budget | Monthly Actual | YearTD Actual | YearTD Budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | A | B | C | | | | | | D |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | | 10 296 | 14 129 | — | 1 108 | 3 510 | 3 532 | (22) | -1% | 14 129 |
| Pension and UIF Contributions | | 712 | 895 | — | 74 | 244 | 178 | 71 | 41% | 895 |
| Medical Aid Contributions | | 554 | 92 | — | 66 | 180 | 20 | 165 | 715% | 92 |
| Motor Vehicle Allowance | | 50 | — | — | — | — | — | — | — | — |
| Cellphone Allowance | | 2 382 | 2 573 | — | 202 | 605 | 640 | (40) | -6% | 2 573 |
| Housing Allowances | | 4 489 | 4 972 | — | 407 | 1 312 | 1 243 | 69 | 6% | 4 972 |
| Other benefits and allowances | | — | — | — | — | — | — | — | — | — |
| Sub Total - Councillors | | 21 444 | 22 459 | — | 1 858 | 5 858 | 5 619 | 243 | 4% | 22 459 |
| % increase | 4 | | 4.7% | | | | | | | 4.7% |
| Senior Managers of the Municipality | | | | | | | | | | |
| Basic Salaries and Wages | | 3 150 | 3 947 | — | 152 | 528 | 987 | (458) | -46% | 3 947 |
| Pension and UIF Contributions | | 37 | 147 | — | 0 | 2 | 37 | (36) | -96% | 147 |
| Medical Aid Contributions | | 73 | 80 | — | — | — | 29 | (20) | -100% | 80 |
| Overtime | | — | — | — | — | — | — | — | — | — |
| Performance Bonus | | 360 | 149 | — | — | — | 97 | (36) | -100% | 149 |
| Motor Vehicle Allowance | | 1 605 | 2 016 | — | 83 | 297 | 504 | (207) | -41% | 2 016 |
| Cellphone Allowance | | — | — | — | — | — | — | — | — | — |
| Housing Allowances | | 696 | 729 | — | 63 | 168 | 181 | (13) | -7% | 729 |
| Other benefits and allowances | | 337 | 501 | — | — | 74 | 125 | (51) | -41% | 501 |
| Payments in lieu of leave | | — | — | — | 224 | 224 | — | 224 | #DIV/0! | — |
| Long service awards | | — | — | — | — | — | — | — | — | — |
| Post-retirement benefit obligations | | — | — | — | — | — | — | — | — | — |
| Sub Total - Senior Managers of Municipality | | 6 229 | 7 567 | — | 512 | 1 293 | 1 882 | (998) | -32% | 7 567 |
| % increase | 4 | | 21.3% | | | | | | | 21.3% |
| Other Municipal staff | | | | | | | | | | |
| Basic Salaries and Wages | | 79 060 | 93 243 | — | 7 831 | 21 315 | 23 311 | (1 996) | -9% | 93 243 |
| Pension and UIF Contributions | | 13 155 | 15 771 | — | 1 212 | 3 667 | 3 943 | (275) | -7% | 15 771 |
| Medical Aid Contributions | | 4 443 | 4 997 | — | 420 | 1 248 | 1 249 | (1) | 0% | 4 995 |
| Overtime | | 1 790 | 2 480 | — | 208 | 823 | 620 | (97) | -16% | 2 480 |
| Performance Bonus | | 5 849 | 7 649 | — | 325 | 1 809 | 1 912 | (43) | -2% | 7 649 |
| Motor Vehicle Allowance | | 4 272 | 4 414 | — | 426 | 1 295 | 1 104 | 192 | 17% | 4 414 |
| Cellphone Allowance | | 6 | 6 | — | 1 | 2 | 2 | (0) | -7% | 6 |
| Housing Allowances | | 383 | 2 985 | — | 233 | 273 | 746 | (472) | -63% | 2 985 |
| Other benefits and allowances | | 4 787 | 2 184 | — | 285 | 1 111 | 539 | 572 | 104% | 2 184 |
| Payments in lieu of leave | | 1 643 | — | — | 46 | 728 | — | 728 | #DIV/0! | — |
| Long service awards | | 520 | — | — | 38 | 110 | — | 110 | #DIV/0! | — |
| Post-retirement benefit obligations | | 1 065 | — | — | — | — | — | — | — | — |
| Sub Total - Other Municipal staff | | 117 177 | 133 695 | — | 10 180 | 32 143 | 33 454 | (1 281) | -4% | 133 695 |
| % increase | 4 | | 14.1% | | | | | | | 14.1% |
| Total Parent Municipality | | 144 859 | 163 721 | — | 12 549 | 38 294 | 40 938 | (1 637) | -4% | 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 30 September 2022 amounted R 12,5 million of which the expenditure R 1,9 million relates to Remuneration of Councillors and

R 10,6 million, to Managers and staff, that represents 9% of the budgeted amount for this category.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTIFICATE

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

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

Print Name: Lizo Matiwane

Municipal Manager of Matatiele Local Municipality

Signature: 
frv

Date: 13/10/2022