



MATATIELE  
LOCAL MUNICIPALITY

2021/2022  
MONTHLY  
SECTION 71  
REPORT

MONTH ENDED  
30 NOVEMBER 2021

## TABLE OF CONTENTS

	PAGE
Glossary	3
Legislative Framework	4
<b>SECTION 1</b>	
Resolutions	5
Executive summary	6-7
In-year budget statement tables	8-17
<b>SECTION 2</b>	
Debtors Analysis	18
Creditors Analysis	19
Investment Portfolio	20
Grants Management	21-22
Employee Related Costs & Remuneration of Councillors	23
Municipal Manager's quality certificate	24

## 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 November 2021.
- 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.

### **2.2 Consolidated Performance (Revenue & Expenditure)**

#### **Revenue by source**

The total revenue received for the month ended 30<sup>th</sup> November 2021 amounted to **R 24 600 398** which represents **4%** of the total annual approved budget figure of **R573,218,160** (including grants). The majority of the revenue recognised this month of **R 23 143 346** related to Grants received for the month. Revenue recognised to date represents **47%** of the total revenue budget.

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

Operating expenditure for the month ended 30<sup>th</sup> November 2021 amounted to **R 32 039 931** which represents **7%** of total approved operating expenditure budget figure of **R430,345,896**, of this expenditure the majority relates to Council and electricity bulk purchases and payment of monthly contracted services. Operating expenditure incurred to date represents **36%** of the total operating expenditure budget.

#### **Capital Expenditure**

The approved annual capital budget for the financial year amounts to **R192,872,520**. Capital expenditure incurred for the month ended 30<sup>th</sup> November 2021 amounted to **R 25 179 724**. This represents **13%** of the approved capital expenditure budget. Capital expenditure incurred to date represents **44%** of the total capital expenditure budget.

### **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

Description	2020/21	Budget Year 2021/22							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	46 575	54 088	-	1 688	40 458	22 537	17 921	80%	54 088
Service charges	68 589	70 532	-	5 290	27 085	25 389	(2 304)	-8%	70 532
Investment revenue	8 835	14 650	-	770	3 432	8 104	(2 682)	-44%	14 650
Transfers and subsidies	308 535	267 313	-	-	111 002	111 380	(379)	-0%	267 313
Other own revenue	21 978	21 163	-	(5 291)	1 407	8 819	(7 411)	-84%	21 163
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>452 512</b>	<b>427 747</b>	<b>-</b>	<b>1 457</b>	<b>183 374</b>	<b>178 228</b>	<b>5 146</b>	<b>3%</b>	<b>427 747</b>
Employee costs	117 964	132 261	-	12 093	52 027	55 109	(3 082)	-6%	132 261
Remuneration of Councilors	19 979	21 690	-	657	7 403	9 637	(1 635)	-19%	21 690
Depreciation & asset impairment	82 540	35 300	-	-	-	14 708	(14 708)	-100%	35 300
Finance charges	1	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	53 969	57 379	-	4 193	36 788	23 908	12 880	54%	57 379
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	161 473	183 716	-	15 098	60 495	76 548	(16 053)	-21%	183 716
<b>Total Expenditure</b>	<b>435 912</b>	<b>430 346</b>	<b>-</b>	<b>32 840</b>	<b>156 713</b>	<b>179 311</b>	<b>(22 598)</b>	<b>-13%</b>	<b>430 346</b>
<b>Surplus/(Deficit)</b>	<b>16 600</b>	<b>(2 599)</b>	<b>-</b>	<b>(30 383)</b>	<b>26 661</b>	<b>(1 083)</b>	<b>27 744</b>	<b>-2562%</b>	<b>(2 599)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	32 526	145 471	-	23 143	88 693	60 613	28 081	46%	145 471
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)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>169 526</b>	<b>142 872</b>	<b>-</b>	<b>(7 440)</b>	<b>115 354</b>	<b>59 536</b>	<b>55 824</b>	<b>94%</b>	<b>142 872</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>169 526</b>	<b>142 872</b>	<b>-</b>	<b>(7 440)</b>	<b>115 354</b>	<b>59 536</b>	<b>55 824</b>	<b>94%</b>	<b>142 872</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>147 469</b>	<b>192 873</b>	<b>-</b>	<b>25 180</b>	<b>85 684</b>	<b>80 364</b>	<b>5 320</b>	<b>7%</b>	<b>192 873</b>
Capital transfers recognised	78 507	142 872	-	20 246	77 270	59 500	17 740	30%	142 872
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	68 961	50 000	-	4 933	8 414	20 863	(12 420)	-64%	50 000
<b>Total sources of capital funds</b>	<b>147 469</b>	<b>192 873</b>	<b>-</b>	<b>25 180</b>	<b>85 684</b>	<b>80 364</b>	<b>5 320</b>	<b>7%</b>	<b>192 873</b>
<b>Financial position</b>									
Total current assets	378 085	264 567	-	-	391 561	-	-	-	264 567
Total non current assets	1 130 191	1 152 868	-	-	1 215 875	-	-	-	1 152 868
Total current liabilities	131 863	(62 264)	-	-	117 658	-	-	-	(62 264)
Total non current liabilities	32 753	(29 578)	-	-	32 753	-	-	-	(29 578)
Community wealth/Equity	1 320 735	1 508 297	-	-	1 457 815	-	-	-	1 508 297
<b>Cash flows</b>									
Net cash from (used) operating	500 027	140 857	-	26 776	151 308	58 690	(92 618)	-158%	140 857
Net cash from (used) investing	(161 457)	(192 872)	-	(27 235)	(94 552)	(80 364)	(14 188)	15%	(192 872)
Net cash from (used) financing	110	-	-	(1)	32	-	(32)	#DIV/0!	-
<b>Cash/cash equivalents at the month/year end</b>	<b>491 876</b>	<b>126 293</b>	<b>-</b>	<b>-</b>	<b>261 211</b>	<b>156 636</b>	<b>(124 575)</b>	<b>-86%</b>	<b>172 407</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	12 263	3 565	2 921	28 358	11 135	2 606	30 117	101 762	192 368
<b>Creditors Age Analysis</b>									
Total Creditors	-	-	-	-	-	-	-	-	-

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

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD Budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue - Functional										
Governance and administration		358 380	341 497	-	3 898	161 330	142 290	19 040	13%	341 497
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		358 380	341 497	-	3 898	161 330	142 290	19 040	13%	341 497
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		9 482	13 841	-	(7 943)	(6 928)	5 767	(11 795)	-265%	13 841
Community and social services		4 965	7 602	-	(5 537)	(5 223)	3 167	(11 390)	-350%	7 602
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4 517	6 239	-	584	2 196	2 600	(405)	-16%	6 239
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		61 176	52 183	-	6 663	27 466	21 743	5 723	26%	52 183
Planning and development		591	202	-	14	67	84	(17)	-20%	202
Road transport		60 485	51 981	-	6 649	27 399	21 659	5 740	27%	51 981
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		165 421	165 697	-	21 983	89 300	69 040	20 259	29%	165 697
Energy sources		91 020	150 099	-	20 999	84 399	62 541	21 858	35%	150 099
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		14 401	15 598	-	983	4 901	6 499	(1 598)	-25%	15 598
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	545 438	573 218	-	24 600	272 657	238 841	33 816	14%	573 218
Expenditure - Functional										
Governance and administration		213 339	254 309	-	19 038	80 325	105 962	(25 637)	-24%	254 309
Executive and council		24 449	28 860	-	1 932	11 672	12 325	(653)	-3%	28 860
Finance and administration		165 594	221 705	-	16 775	66 856	92 377	(25 521)	-28%	221 705
Internal audit		3 287	3 744	-	331	1 798	1 560	238	15%	3 744
Community and public safety		32 885	42 778	-	2 871	15 154	17 824	(2 670)	-15%	42 778
Community and social services		13 828	20 823	-	1 217	7 455	8 551	(1 096)	-13%	20 823
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		19 957	22 255	-	1 655	7 699	9 273	(1 574)	-17%	22 255
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		62 504	49 018	-	3 492	14 730	20 423	(5 694)	-28%	49 018
Planning and development		17 625	21 954	-	1 452	5 842	9 148	(3 305)	-36%	21 954
Road transport		44 878	27 062	-	2 040	8 888	11 276	(2 388)	-21%	27 062
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		127 193	84 242	-	6 639	46 504	35 191	11 403	32%	84 242
Energy sources		96 346	60 140	-	4 402	38 615	25 058	13 757	55%	60 140
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		30 246	24 102	-	2 237	7 689	10 042	(2 354)	-23%	24 102
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	435 912	430 346	-	32 040	156 713	179 311	(22 598)	-13%	430 346
Surplus (Deficit) for the year		109 526	142 872	-	(7 440)	115 954	59 530	55 824	94%	142 872

This table reflects the operating budget (Financial Performance) in standard classification, the main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading services.

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

Vote Description	Ref	2020/21	Budget Year							
		Audited Outcome	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		369 139	341 022	-	3 676	158 719	142 092	16 627	11.7%	341 022
Vote 3 - Corporate		221	475	-	222	2 611	198	2 413	1219.0%	475
Vote 4 - Development and Planning		358	202	-	14	67	84	(17)	-20.3%	202
Vote 5 - Community		23 883	29 439	-	(6 960)	(1 127)	12 266	(13 394)	-109.2%	29 439
Vote 6 - Infrastructure		151 838	202 080	-	27 649	111 798	84 200	27 598	32.8%	202 080
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	545 438	573 218	-	24 690	272 967	238 941	33 226	13.9%	573 218
Expenditure by Vote	1									
Vote 1 - Executive and council		24 449	28 560	-	1 932	11 672	12 025	(353)	-2.9%	28 560
Vote 2 - Finance and Admin		122 910	153 257	-	10 535	40 832	63 867	(23 025)	-36.1%	153 257
Vote 3 - Corporate		64 630	68 449	-	6 239	26 023	28 520	(2 497)	-8.8%	68 449
Vote 4 - Development and Planning		15 690	21 954	-	1 452	5 842	9 148	(3 305)	-36.1%	21 954
Vote 5 - Community		63 132	66 880	-	5 108	22 843	27 867	(5 024)	-18.0%	66 880
Vote 6 - Infrastructure		141 824	87 202	-	6 442	47 703	36 334	11 369	31.3%	87 202
Vote 7 - Internal Audit		3 287	3 744	-	331	1 798	1 560	238	15.2%	3 744
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	435 912	430 346	-	32 040	156 713	179 311	(22 598)	-12.6%	430 346
Surplus (Deficit) for the year	2	109 526	142 872	-	(7 440)	115 354	59 530	55 824	93.8%	142 872

Reporting per municipal vote provides details on the spread of spending over the various function of council. Revenue is mainly budgeted under the Executive and Council 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)**

Vote Description	Ref	2020/21	Budget Year 2021/22							
		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		46 575	54 088	–	1 688	40 458	22 537	17 921	80%	54 088
Service charges - electricity revenue		57 058	55 007	–	4 317	22 241	22 919	(678)	-3%	55 007
Service charges - water revenue		–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue		–	–	–	–	–	–	–	–	–
Service charges - refuse revenue		11 531	15 526	–	973	4 844	6 469	(1 625)	-25%	15 526
Rental of facilities and equipment		1 397	1 245	–	(8 448)	(7 934)	519	(8 453)	-1630%	1 245
Interest earned - external investments		8 835	14 650	–	770	3 422	6 104	(2 682)	-44%	14 650
Interest earned - outstanding debtors		13 357	11 799	–	1 356	6 503	4 916	1 587	32%	11 799
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		762	2 094	–	147	556	872	(316)	-36%	2 094
Licences and permits		3 787	4 525	–	457	1 674	1 885	(211)	-11%	4 525
Agency services		–	–	–	–	–	–	–	–	–
Transfers and subsidies		305 535	267 313	–	–	111 002	111 380	(379)	0%	267 313
Other revenue		673	1 501	–	197	608	625	(17)	-3%	1 501
Gains		1 851	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		452 512	427 747	–	1 457	183 374	178 228	5 146	3%	427 747
Expenditure By Type										
Employee related costs		117 964	132 261	–	12 093	52 027	55 109	(3 082)	-6%	132 261
Remuneration of councillors		19 979	21 690	–	657	7 403	9 037	(1 635)	-18%	21 690
Debt impairment		34 121	7 000	–	–	–	2 917	(2 917)	-100%	7 000
Depreciation & asset impairment		62 540	35 300	–	–	–	14 708	(14 708)	-100%	35 300
Finance charges		–	–	–	–	–	–	–	–	–
Bulk purchases - electricity		48 196	30 000	–	3 857	34 726	20 633	13 893	61%	30 000
Inventory consumed		5 763	7 379	–	335	2 062	3 075	(1 013)	-33%	7 379
Contracted services		93 220	105 630	–	9 733	41 259	44 013	(2 753)	-6%	105 630
Transfers and subsidies		–	–	–	–	–	–	–	–	–
Other expenditure		34 128	71 086	–	5 364	19 236	29 619	(10 383)	-36%	71 086
Losses		–	–	–	–	–	–	–	–	–
Total Expenditure		435 912	430 346	–	32 048	156 713	179 311	(22 598)	-13%	430 346
Surplus/(Deficit)										
Transfers and subsidies - capital (in-kind) (provincial and District)		16 600	(2 599)	–	(30 583)	26 661	(1 083)	27 744	(0)	(2 599)
Transfers and subsidies - capital (in-kind) (provincial and District)		92 925	145 471	–	23 143	88 693	60 613	28 081	0	145 471
Transfers and subsidies - capital (in-kind) (provincial and District)		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind) (provincial and District)		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind) (provincial and District)		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		109 526	142 872	–	(7 440)	115 354	59 530			142 872
Taxation		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation		109 526	142 872	–	(7 440)	115 354	59 530			142 872
Attributable to minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		109 526	142 872	–	(7 440)	115 354	59 530			142 872
Share of surplus/(deficit) of associate		–	–	–	–	–	–			–
Surplus/(Deficit) for the year		109 526	142 872	–	(7 440)	115 354	59 530			142 872

### 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 **13%** of the total own revenue budget.

The municipality bills both annual and monthly rates at the beginning of the financial year i.e. July. The total property rates billed amounted to R 1,687,517.51 income received from property rates for the month of November 2021 amounted to R1, 397,779.56.

#### Services Charges

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to R 5,289,679 for the month ended 30<sup>th</sup> November 2021.

#### Rental of Facilities

Revenue from rental of facilities reflects a negative amount of R 8,537,055.83, this relates to debt for water and sewerage services from Sisonke & Alfred Nzo district municipality which has erroneously been recorded as rental of facilities instead of contingent liabilities. The latter will be corrected in the month of December, total income recognised from rental of facilities for the month of November 2021 amounts R 89 475.

#### Interest earned on Investments

Reflects the interest in respect funds not immediately needed in the operations of the municipality, these short-term investments made with financial institutions include conditional grants. Interest on investments for the month ended 30<sup>th</sup> November 2021 amounted to R 770,495.

#### Interest on Outstanding Debtors

Interest on overdue accounts for the month ended 30<sup>th</sup> November 2021 amounted to R1,355,661 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 2,093,700 for the month ended 30<sup>th</sup> November 2021 an amount revenue of R 147,408 has been recognised for this category.

### Licences and permits

The budget for licences and permits amounts to R4,524,696 for the 2021/22 budget year. For the month ended 30<sup>th</sup> November 2021 an amount of R 456,696 was recognised and represents 10% 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. No Revenue recognised on operating grants for the month ended 30<sup>th</sup> November 2021.

### Transfers and Subsidies-Capital

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Acts respectively. Revenue recognised on capital grants amounted to R23,143,346 for the month ended 30<sup>th</sup> November 2021.

### Other Revenue

Other revenue consists mostly skills development refund, sale of tender documents, insurance refund and other revenue. Other revenue amounted to R 197,176 for the month ended 30<sup>th</sup> November 2021.

### **Operating Expenditure by type**

#### Employee related costs/ Remuneration of Councillors

Remuneration related expenditure for the month ended 30<sup>th</sup> November 2021 amounted R 12,749,756 of the expenditure R 656 988 relates to Remuneration of Councillors and R 12,092,768 to Managers and staff that represents 8% of the budgeted amount for this category.

#### Debt Impairment /Depreciation and Asset impairment

Currently the municipality accounts for Debt impairment at the end of the financial year, no expenditure is reflected for the month for this category.

The municipality is in a process of utilising the financial system (Munsoft) for the fixed asset register to allow for depreciation to be reported on a, monthly basis.  
No depreciation was recorded for the month ended 30<sup>th</sup> November 2021.

### Bulk Purchases

Expenditure relating to bulk electricity purchases amounts to R 3,857,350 for the month.

### Other Materials

Other material consists of inventory purchases for material and supplies and amounted to R 335,273 for the month ended 30<sup>th</sup> November 2021.

### 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 30<sup>th</sup> November 2021 amounted to R 9,733,083.

### 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.

Other expenditure amounted to R 5,364,469 for the month ended 30<sup>th</sup> November 2021.

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

Vote Description	Ref	2020/21	Budget Year 2021/22						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD Variance	YTD Variance %
<b>Revenues</b>	1								
<b>Multi-Year expenditure appropriation</b>	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 -		--	--	--	--	--	--	--	--
<b>Total Capital Multi-year expenditure</b>	4,7	--	--	--	--	--	--	--	--
<b>Single Year expenditure appropriation</b>	2								
Vote 1 - Executive and Council		--	90	--	74	74	36	36	98%
Vote 2 - Finance and Admin		4 061	756	--	357	451	115	136	43%
Vote 3 - Corporate		2 516	6 741	--	2 765	3 512	2 796	716	26%
Vote 4 - Development and Planning		405	218	--	74	74	81	177	-19%
Vote 5 - Community		584	4 362	--	128	1 192	2 369	1 177	-42%
Vote 6 - Infrastructure		134 420	180 138	--	21 748	83 362	75 257	8 105	7%
Vote 7 - Internal Audit		--	--	--	--	--	--	--	--
Vote 8 -		--	--	--	--	--	--	--	--
Vote 9 -		--	--	--	--	--	--	--	--
Vote 10 -		--	--	--	--	--	--	--	--
Vote 11 -		--	--	--	--	--	--	--	--
Vote 12 -		--	--	--	--	--	--	--	--
Vote 13 -		--	--	--	--	--	--	--	--
Vote 14 -		--	--	--	--	--	--	--	--
Vote 15 -		--	--	--	--	--	--	--	--
<b>Total Capital single-year expenditure</b>	8	147 469	192 873	--	25 195	85 684	88 364	2 679	7%
<b>Total Capital Expenditure</b>		147 469	192 873	--	25 195	85 684	88 364	2 679	7%
<b>Capital Expenditure - Functional Classification</b>									
Government and administration		6 576	7 528	--	3 230	4 808	3 136	301	29%
Executive and Council		--	90	--	74	74	36	36	98%
Finance and administration		6 576	7 436	--	3 157	3 863	3 099	365	26%
Internal audit		--	--	--	--	--	--	--	--
Community and public safety		359	1 762	--	128	1 192	734	458	62%
Community and social services		675	410	--	56	56	171	115	-57%
Sport and recreation		--	--	--	--	--	--	--	--
Public safety		155	1 352	--	72	1 126	563	573	112%
Housing		--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--
Economic and environmental services		80 364	82 285	--	7 388	36 878	34 282	(7 374)	-22%
Planning and development		488	345	--	74	74	123	130	25%
Road transport		51 855	81 957	--	7 315	24 804	34 140	17 345	22%
Environmental protection		--	--	--	--	--	--	--	--
Travelling services		47 718	101 396	--	14 434	53 578	48 242	11 336	27%
Energy services		47 564	98 193	--	14 434	53 578	48 998	12 570	31%
Water management		--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--
Waste management		154	3 200	--	--	--	1 133	(1 133)	-100%
Other		--	--	--	--	--	--	--	--
<b>Total Capital Expenditure - Functional Classification</b>	3	147 469	192 873	--	25 195	85 684	88 364	2 679	7%
<b>Funding</b>									
National Government		78 786	142 873	--	20 346	77 278	59 530	17 748	30%
Provincial Government		121	--	--	--	--	--	--	--
District Municipality		--	--	--	--	--	--	--	--
Transfers and subsidies - capital (municipal allocations)		--	--	--	--	--	--	--	--
Municipal / Provincial Departmental Agencies, Households		--	--	--	--	--	--	--	--
Non-profit institutions, Private Enterprises, Public Corporations, Higher Education Institutions		--	--	--	--	--	--	--	--
Transfers received - Capital		78 907	142 873	--	20 346	77 278	59 530	17 748	30%
Borrowing		--	--	--	--	--	--	--	--
Internally generated funds		68 561	50 000	--	4 313	3 414	20 833	(12 421)	-60%
<b>Total Capital Funding</b>	6	147 469	192 873	--	25 195	85 684	88 364	2 679	7%

The approved annual capital budget for the financial year amounts to **R 192,872,520**.

Capital expenditure incurred for the month ended 30<sup>th</sup> November 2021 amounted to **R25,179,724**. This represents **13%** of the approved capital expenditure budget. Capital expenditure incurred to date represents **44%** of the total capital expenditure budget.

### 3.1.6 C6 Monthly Budget Statement –Financial Position

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		11 295	669	–	(15 410)	669
Call investment deposits		213 127	140 275	–	231 088	140 275
Consumer debtors		66 327	33 127	–	80 420	33 127
Other debtors		83 199	88 896	–	93 628	88 896
Current portion of long-term receivables		–	–	–	–	–
Inventory		2 137	1 600	–	1 826	1 600
<b>Total current assets</b>		<b>376 085</b>	<b>264 567</b>	<b>–</b>	<b>391 551</b>	<b>264 567</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		4 960	2 327	–	4 960	2 327
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1 124 828	1 148 451	–	1 210 182	1 148 451
Biological		–	–	–	–	–
Intangible		403	590	–	453	590
Other non-current assets		–	1 500	–	280	1 500
<b>Total non current assets</b>		<b>1 130 191</b>	<b>1 152 868</b>	<b>–</b>	<b>1 215 875</b>	<b>1 152 868</b>
<b>TOTAL ASSETS</b>		<b>1 506 277</b>	<b>1 417 435</b>	<b>–</b>	<b>1 607 426</b>	<b>1 417 435</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		1 497	(345)	–	1 529	(345)
Trade and other payables		115 049	(49 940)	–	100 811	(49 940)
Provisions		15 318	(11 998)	–	15 318	(11 998)
<b>Total current liabilities</b>		<b>131 863</b>	<b>(62 284)</b>	<b>–</b>	<b>117 658</b>	<b>(62 284)</b>
<b>Non current liabilities</b>						
Borrowing		–	–	–	–	–
Provisions		32 753	(29 578)	–	32 753	(29 578)
<b>Total non current liabilities</b>		<b>32 753</b>	<b>(29 578)</b>	<b>–</b>	<b>32 753</b>	<b>(29 578)</b>
<b>TOTAL LIABILITIES</b>		<b>164 616</b>	<b>(91 861)</b>	<b>–</b>	<b>150 411</b>	<b>(91 861)</b>
<b>NET ASSETS</b>	<b>2</b>	<b>1 341 661</b>	<b>1 509 297</b>	<b>–</b>	<b>1 457 015</b>	<b>1 509 297</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		868 275	1 739 743	–	1 004 555	1 739 743
Reserves		452 460	(230 445)	–	452 460	(230 445)
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>1 320 735</b>	<b>1 509 297</b>	<b>–</b>	<b>1 457 015</b>	<b>1 509 297</b>

### 3.1.7 C7 Monthly Budget Statement –Cash Flow

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
Receipts										
Property rates		17 483	45 975	-	1 479	27 355	19 156	8 199	43%	45 975
Service charges		54 759	60 729	-	5 724	23 277	25 304	(2 027)	-8%	60 729
Other revenue		33 631	9 365	-	1 863	6 034	3 902	2 132	55%	9 365
Transfers and Subsidies - Operational		309 461	267 313	-	2 217	112 999	111 380	1 618	1%	267 313
Transfers and Subsidies - Capital		92 926	145 471	-	36 000	85 997	60 613	25 384	42%	145 471
Interest		8 578	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(16 811)	(367 996)	-	(20 507)	(104 354)	(161 665)	(57 311)	35%	(367 996)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>508 027</b>	<b>140 857</b>	<b>-</b>	<b>26 776</b>	<b>151 308</b>	<b>58 689</b>	<b>(92 618)</b>	<b>-158%</b>	<b>140 857</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(161 457)	(192 872)	-	(27 235)	(94 552)	(80 364)	14 188	-16%	(192 872)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(161 457)</b>	<b>(192 872)</b>	<b>-</b>	<b>(27 235)</b>	<b>(94 552)</b>	<b>(80 364)</b>	<b>14 188</b>	<b>-16%</b>	<b>(192 872)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		110	-	-	(1)	32	-	32	#DIV/0!	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>110</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>32</b>	<b>-</b>	<b>(32)</b>	<b>#DIV/0!</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>338 680</b>	<b>(52 016)</b>	<b>-</b>	<b>(461)</b>	<b>56 788</b>	<b>(21 673)</b>			<b>(52 016)</b>
Cash/cash equivalents at beginning		153 196	176 309	-		224 422	178 309			224 422
Cash/cash equivalents at month/year end		491 876	126 293	-		281 211	156 636			172 407

**PART 2 –SUPPORTING DOCUMENTATION**  
**SECTION 4 \_\_DEBTORS' ANALYSIS**  
**Supporting Table SC3**

Description	NT Code	Budget Year 2021/22										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy
		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	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	5 285	760	647	1 529	1 602	1 175	5 410	1 050	17 460	10 775		
Receivables from Non-exchange Transactions - Property Rates	1400	2 518	679	669	25 125	44	18	2 242	48 885	80 198	76 313		
Receivables from Exchange Transactions - Waste Water Management	1500									-	-		
Receivables from Exchange Transactions - Waste Management	1600	1 513	450	420	399	372	365	1 724	16 135	23 383	21 600		
Receivables from Exchange Transactions - Property Rental Debtors	1700								7	7	7		
Interest on Arrear Debtor Accounts	1810	2 094	1 555	1 120	1 004	1 073	977	5 004	28 024	41 452	36 030		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	193	121	76	1	8 944	71	15 738	5 648	29 692	29 502		
Total By Income Source	2000	12 263	3 565	2 921	26 058	11 135	2 606	30 117	101 782	182 368	173 679	-	-
2021/22 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	4 636	2 034	1 527	26 627	2 241	1 824	9 197	44 312	92 396	84 199		
Commercial	2300	5 926	727	501	499	8 360	290	17 029	12 296	45 638	38 383		
Households	2400	1 641	804	752	933	535	453	3 892	45 214	54 334	51 097		
Other	2500									-	-		
Total By Customer Group	2600	12 263	3 565	2 921	26 058	11 135	2 606	30 117	101 782	182 368	173 679	-	-

The total debt book for November 2021 is **R 192 367 996** including **R 3 207 772** of advanced payments. The total debt book excluding the advanced payments of **R 189 160 224** (including current of **R 7 237 595** which is not yet due) has decreased by **R7 193 253** from the previous month closing balance of **R 196 353 477**.

Debt is made up of the following:

**Residential debt:**

R 66 482 902.22

**Commercial debt**

R 31 525 079.73

**Government debt**

R 88 420 939.03

**Other**

R 2 731 303.72

The municipality implements the credit control and debt collection policy.

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

**Maluti**

R 48 471 691.74 (including current)

**Cedarville**

R 12 598 829.11 (including current)

(Both areas have been handed over to the debt collectors)

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

The following has been handed over:

Residential R54 079 923.99

Business R 3 010 811.19

Churches R 158 034.44

Total collections on handed over accounts for the month ending 30 November 2021 amounts to R386 656, 21 including R70 147.54 that relates to October Collections which was not reported during October month.

## SECTION 5 -CREDITORS' ANALYSIS

### Supporting Table SC4

Description R thousands	NT Code	Budget Year 2021/22								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	
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	21	-	-	-	-	-	-	-	21
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>21</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21</b>

The Creditor reflecting on 0 to 30 days amounting to R 20 697.70 is an invoice received end of November for payment to be done in December 2021. It was captured on the system and not processed during Month end of November, municipality paid its creditors within 30 days for the month ended 30<sup>th</sup> November 2021.

## SECTION 6- INVESTMENT POTFOLIO ANALYSIS

### Conditional and Unconditional investment monitoring Information

Nov-21					
Investment Management					
Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	15 321 845.04	49 152.06	(6 396 896.03)	(49 152.06)	8 974 101.07
INEP	357 840.94	36 000 911.71		(911.71)	36 358 752.65
EPWP	-	-	-	-	-
Municipal Electrification Intervention	274 845.63	700.29	-	(700.29)	275 545.92
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	55 051.53	140.12	-	(140.12)	55 191.65
Establishment Plan	194 516.38	319.75		(319.75)	194 836.13
Housing Development Fund	1 982 761.39	3 259.33		(3 259.33)	1 986 020.72
Dedea	603 346.85	1 023.21		(1 023.21)	604 370.06
<b>Total Conditional Investments</b>	<b>18 790 208</b>	<b>36 055 506</b>	<b>- 6 396 896</b>	<b>- 55 506</b>	<b>48 448 818</b>
Unconditional Investments -Description					
Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	61 684 582.18	8 700 000.00		(148 386.13)	70 384 582.18
Call Acc STD CRR	11 201 781.01	50 510.63		(50 510.63)	11 252 291.64
Call Acc STD CRR	21 684 701.37	103 276.71		(103 276.71)	21 787 978.08
Call ACC FNB Surplus Cash	6 805 395.80			(10 981.86)	6 805 395.80
Nedbank 32 Days	6 465 049.28	20 590.82		(20 590.82)	6 485 640.10
Nedbank relief fund	776 597.08	1 978.73		(1 978.73)	778 575.81
Nedbank COV -19 Solidarity	93 930.76	247.04		(247.04)	94 177.80
Nedbank call Surplus	40 171 704.03	93 016.46	(28 720 299.67)	(93 016.46)	11 544 420.82
Nedbank Retention	26 984 488.15	68 754.90		(68 754.90)	27 053 243.05
Termination Guarantee	144 640.82			(356.70)	144 640.82
Account Gaurantee	6 202 000.00			(15 292.50)	6 202 000.00
Call Acc STD CRR	20 022 068.49	78 465.76		(787 978.08)	20 100 534.25
<b>Total Unconditional</b>	<b>202 236 939</b>	<b>9 116 841</b>	<b>- 28 720 300</b>	<b>- 50 567 123</b>	<b>182 633 480</b>

The municipality invests surplus funds in order to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investments policy. As at 30<sup>th</sup> November 2021 the conditional investments amounted to R48,448,818 and unconditional investments amounted to R182,633,480.

Total investments as at 30<sup>th</sup> November 2021 amounted to R231,082,298.

## SECTION 7\_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6

Description	Ref	2020/21	Budget Year 2021/22							Full Year Forecast
		Assessed Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>										
<b>RECEIPTS:</b>	1.2									
<b>General Transfers and Grants</b>										
National Government:			255 363	—	2 799	112 915	110 568	(0)	0.8%	255 363
Local Government Equitable Share			258 825	—	—	107 844	107 844	(0)	0.0%	258 825
Expanded Public Works Programme Integrated Grant			4 887	—	2 199	3 421	2 036			4 887
Local Government Financial Management Grant			1 650	—	—	1 550	500			1 650
Provincial Government:										
Human Settlement Development			650	—	—	—	271	—		650
IDP							—	—		
Libraries, Archives and Museums			650	—	—	—	271	—		650
Library Service										
Other transfers/grants (insert description)										
District Municipality:										
(insert description)										
Other grant providers:										
<b>Total Operating Transfers and Grants</b>	5		256 013	—	2 799	112 915	110 839	(0)	0.8%	256 013
<b>Capital Transfers and Grants</b>										
National Government:			145 471	—	—	49 997	50 613	—		145 471
Municipal Infrastructure Grant (MIG)			51 971	—	—	30 997	21 055			51 971
Integrated National Electrification Programme (Municipal Grant) (Schedule 5B)			93 500	—	—	19 000	29 558			93 500
Other capital transfers (insert description)										
Provincial Government:										
District Municipality:										
(insert description)										
Other grant providers:										
(insert description)										
<b>Total Capital Transfers and Grants</b>	5		145 471	—	—	49 997	50 613	—		145 471
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5		411 484	—	2 799	162 912	171 452	(0)	0.0%	411 484

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

## 7.2 Supporting Table SC7

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		-	265 363	-	23 424	100 733	110 568	-		265 363
Local Government Equitable Share			258 826		22 569	96 808	107 844	-		258 826
Expanded Public Works Programme Integrated Grant			4 887		824	3 172	2 036	-		4 887
Local Government Financial Management Grant			1 650		31	753	688	-		1 650
0			-		-	-	-	-		-
0			-		-	-	-	-		-
0			-		-	-	-	-		-
0			-		-	-	-	-		-
Provincial Government:		-	650	-	-	-	271	(271)	-100.0%	650
Human Settlement Development (DP)			-		-	-	-	-		-
Libraries, Archives and Museums			650		-	-	271	(271)	-100.0%	650
Library Service			-		-	-	-	-		-
Other transfers/grants (insert description)			-		-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
(insert description)			-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
0			-	-	-	-	-	-		-
Total operating expenditure of Transfers and Grants:		-	266 013	-	23 424	100 733	110 839	(271)	-0.2%	266 013
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	145 471	-	20 398	77 973	60 613	-		145 471
Municipal Infrastructure Grant (MIG)			51 971		6 062	24 628	21 655	-		51 971
Integrated National Electrification Programme (Municipal Grant) (Schedule 5B)			93 500		14 347	53 345	38 958	-		93 500
0			-		-	-	-	-		-
0			-		-	-	-	-		-
0			-		-	-	-	-		-
Other capital transfers (insert description)			-		-	-	-	-		-
Provincial Government:		-	-	-	-	-	-	-		-
0			-	-	-	-	-	-		-
0			-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
0			-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
0			-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		-	145 471	-	20 398	77 973	60 613	-		145 471
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		-	411 484	-	43 823	178 706	171 452	(271)	-0.2%	411 484

Expenditure performance on grants amounted to R43,8 million for the month ended 30<sup>th</sup> November 2021.

The equitable share is used for the day to day running of the Municipality.

## SECTIONS 8\_EXPENDITURE ON COUNCILLOR AND EMPLOYEE RELATED COSTS

Summary of Employee and Councillor remuneration	Ref	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
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		12 087	13 681	-	416	4 443	5 701	(1 258)	-22%	13 681
Pension and UIF Contributions		741	808	-	22	265	337	(71)	-21%	808
Medical Aid Contributions		540	141	-	56	327	59	268	456%	141
Motor Vehicle Allowance		129	136	-	-	58	56	2	3%	136
Cellphone Allowance		2 279	2 391	-	79	832	996	(164)	-16%	2 391
Housing Allowances		4 204	4 532	-	84	1 477	1 888	(411)	-22%	4 532
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>19 979</b>	<b>21 690</b>	<b>-</b>	<b>657</b>	<b>7 403</b>	<b>9 037</b>	<b>(1 635)</b>	<b>-18%</b>	<b>21 690</b>
<b>% increase</b>	4		<b>8.6%</b>							<b>8.6%</b>
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		1 084	3 200	-	369	689	1 333	(644)	-48%	3 200
Pension and UIF Contributions		70	139	-	6	30	58	(28)	-49%	139
Medical Aid Contributions		-	121	-	-	-	50	(50)	-100%	121
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		577	1 813	-	129	326	756	(430)	-57%	1 813
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		577	1 390	-	87	283	579	(296)	-51%	1 390
Other benefits and allowances		170	499	-	46	99	208	(109)	-52%	499
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>2 479</b>	<b>7 162</b>	<b>-</b>	<b>637</b>	<b>1 427</b>	<b>2 984</b>	<b>(1 557)</b>	<b>-52%</b>	<b>7 162</b>
<b>% increase</b>	4		<b>188.9%</b>							<b>188.9%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		75 738	87 626	-	6 632	33 461	36 511	(3 060)	-8%	87 626
Pension and UIF Contributions		12 615	14 324	-	1 061	5 430	5 968	(539)	-9%	14 324
Medical Aid Contributions		5 589	5 134	-	384	1 896	2 139	(244)	-11%	5 134
Overtime		2 147	1 916	-	222	1 101	799	303	38%	1 916
Performance Bonus		5 961	6 332	-	628	2 382	2 638	(256)	-10%	6 332
Motor Vehicle Allowance		4 996	4 832	-	384	2 149	2 014	135	7%	4 832
Cellphone Allowance		6	6	-	119	121	3	119	4651%	6
Housing Allowances		-	2 531	-	-	-	1 055	(1 055)	-100%	2 531
Other benefits and allowances		4 344	2 398	-	643	2 234	999	1 235	124%	2 398
Payments in lieu of leave		3 821	-	-	1 370	1 703	-	1 703	#DIV/0!	-
Long service awards		290	-	-	10	134	-	134	#DIV/0!	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>115 485</b>	<b>125 099</b>	<b>-</b>	<b>11 456</b>	<b>50 609</b>	<b>52 125</b>	<b>(1 524)</b>	<b>-3%</b>	<b>125 099</b>
<b>% increase</b>	4		<b>8.3%</b>							<b>8.3%</b>
<b>Total Parent Municipality</b>		<b>137 943</b>	<b>153 951</b>	<b>-</b>	<b>12 750</b>	<b>59 430</b>	<b>64 146</b>	<b>(4 716)</b>	<b>-7%</b>	<b>153 951</b>

Remuneration related expenditure for the month ended 30<sup>th</sup> November 2021 amounted to R 12, 7 million of the expenditure R 656 988 relates to Remuneration of Councillors and R12 million to Managers and staff.

## MUNICIPAL MANAGER'S QUALITY CERTIFICATE

### QUALITY CERTIFICATE

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

The monthly budget statements (Section 71 Report) on the implementation of the budget and financial state of affairs of the municipality for the month ended 30<sup>th</sup> November 2021 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

**Print Name:** Lizo Matiwane

**Municipal Manager of Matatiele Local Municipality**

**Signature:**



**Date:**

14/12/2021