



**MATATIELE**  
LOCAL MUNICIPALITY

# 2021/2022 MONTHLY SECTION 71 REPORT

## MONTH ENDED 31 OCTOBER 2021

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## GLOSSARY

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

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

**Allocations (Transfers – see DORA)** – Money received from Provincial or National Government.

**Budget Related Policy(ies)** – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

**Capital Expenditure** - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.

**Cash Flow Statement** – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings - for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

**Equitable Share** – A general grant paid to municipalities. It is predominantly targeted to help with free basic services and to compensate loss of RSC levies.

**Fruitless and Wasteful Expenditure** – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

**GFS** – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

**GRAP** – Generally Recognised Accounting Practice. The new standard for municipal accounting.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

**MFMA** – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management. mSCOA – Municipal Standard Chart of Accounts.

**MTREF** – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

**Operating Expenditure** –The day-to-day expenses of the Municipality such as salaries and wages.

**Rates** – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the Rand.

**SDBIP** – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budgeted estimates.

**Strategic Objectives** – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Unauthorised Expenditure** – Generally, spending without, or in excess of, an Approved Budget.

**Virement** – A transfer of funds within a vote.

**Virement Policy** - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

**Vote** – One of the main segments into which a budget is divided. In Garden Route District, this means the different GFS classification the budget is divided.

## LEGISLATIVE FRAMEWORK

This report has been prepared in terms of the following enabling legislation:

**The municipal Finance Management Act No. 56 of 2003**

Section 71: Monthly budget Statements

**Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations**

## **PART 1-IN-YEAR REPORT**

### **Section 1-Resolutions**

These are the resolutions being presented to Council in the monthly report on the implementation of budget and financial state of affairs of the municipality as required in terms of section 71 of the Municipal Finance Management Act 56 of 2003 and the Municipal Budget and Reporting Regulations

Regulation 28 of the Municipal Budget and Reporting Regulations states:

“The monthly budget statement of a municipality must be in the format specified in the Schedule C and include all required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.”

#### **Recommendations:**

- That, Council takes note of the monthly budget statement and supporting documentation for the month 31 October 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 31<sup>st</sup> October 2021 amounted to **R 46,848,832** which represents **8%** of the total annual approved budget figure of **R573,218,160** (including grants). The majority of the revenue recognised this month of **R 34,274,540** related to Grants received for the month. Revenue recognised to date represents **43%** of the total revenue budget.

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

Operating expenditure for the month ended 31<sup>st</sup> October 2021 amounted to **R 34,436,925** which represents **8%** 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 **29%** 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 31<sup>st</sup> October 2021 amounted to **R 10,419,977**. This represents **5%** of the approved capital expenditure budget. Capital expenditure incurred to date represents **31%** 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	-	1 631	36 771	18 029	20 741	115%	54 088
Service charges	68 589	70 532	-	7 838	21 795	23 511	(1 716)	-7%	70 532
Investment revenue	8 625	14 650	-	525	2 652	4 883	(2 232)	-46%	14 650
Transfers and subsidies	306 535	267 313	-	1 403	111 002	88 104	21 097	25%	267 313
Other own revenue	21 978	21 163	-	1 178	7 698	7 054	644	9%	21 163
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>432 302</b>	<b>427 747</b>	<b>-</b>	<b>12 574</b>	<b>181 917</b>	<b>142 582</b>	<b>39 334</b>	<b>26%</b>	<b>427 747</b>
Employee costs	117 964	132 261	-	11 007	39 934	44 087	(4 153)	-9%	132 261
Remuneration of Councilors	19 979	21 690	-	1 664	6 746	7 230	(484)	-7%	21 690
Depreciation & asset impairment	112 287	35 300	-	-	-	11 767	(11 767)	-100%	35 300
Finance charges	1	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	53 959	57 379	-	4 573	32 595	19 126	13 469	70%	57 379
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	152 638	183 716	-	17 193	45 368	61 239	(15 841)	-26%	183 716
<b>Total Expenditure</b>	<b>436 828</b>	<b>438 346</b>	<b>-</b>	<b>34 437</b>	<b>134 673</b>	<b>143 440</b>	<b>(8 770)</b>	<b>-13%</b>	<b>438 346</b>
<b>Surplus/(Deficit)</b>	<b>(4 526)</b>	<b>(2 599)</b>	<b>-</b>	<b>(21 863)</b>	<b>57 244</b>	<b>(606)</b>	<b>58 110</b>	<b>-4700%</b>	<b>(2 599)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	92 926	145 471	-	34 275	65 550	48 490	17 060	35%	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>88 600</b>	<b>142 872</b>	<b>-</b>	<b>12 412</b>	<b>122 794</b>	<b>47 824</b>	<b>75 170</b>	<b>156%</b>	<b>142 872</b>
Share of surplus/ (deficit) of associates	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>88 600</b>	<b>142 872</b>	<b>-</b>	<b>12 412</b>	<b>122 794</b>	<b>47 824</b>	<b>75 170</b>	<b>156%</b>	<b>142 872</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>147 687</b>	<b>192 873</b>	<b>-</b>	<b>10 420</b>	<b>60 304</b>	<b>64 291</b>	<b>(3 787)</b>	<b>-6%</b>	<b>192 873</b>
Capital transfers recognised	78 799	142 872	-	8 973	57 024	47 624	9 400	20%	142 872
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	68 888	50 000	-	1 447	3 480	16 667	(13 187)	-79%	50 000
<b>Total sources of capital funds</b>	<b>147 687</b>	<b>192 873</b>	<b>-</b>	<b>10 420</b>	<b>60 304</b>	<b>64 291</b>	<b>(3 787)</b>	<b>-6%</b>	<b>192 873</b>
<b>Financial position</b>									
Total current assets	264 721	264 567	-	-	415 145	-	-	-	264 567
Total non current assets	1 130 410	1 152 868	-	-	1 290 914	-	-	-	1 152 868
Total current liabilities	131 896	(82 284)	-	-	100 031	-	-	-	(82 284)
Total non current liabilities	32 753	(29 578)	-	-	32 753	-	-	-	(29 578)
Community wealth/Equity	1 504 500	1 509 297	-	-	1 473 276	-	-	-	1 509 297
<b>Cash flows</b>									
Net cash from (used) operating	500 027	140 857	-	3 758	124 532	48 952	(77 580)	-165%	140 857
Net cash from (used) investing	(161 457)	(192 872)	-	(11 420)	(67 316)	(64 291)	3 026	-5%	(192 872)
Net cash from (used) financing	110	-	-	27	33	-	(33)	-100%	-
Cash/cash equivalents at the month/year end	481 876	128 293	-	-	281 681	180 971	(120 690)	-79%	172 388
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Days</b>	<b>151-180 Days</b>	<b>181 Days-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	8 183	4 324	3 487	28 369	11 191	2 654	30 451	110 834	198 473
<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
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		369 349	341 497	-	3 673	157 432	113 832	43 600	38%	341 497
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		369 349	341 497	-	3 673	157 432	113 832	43 600	38%	341 497
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		9 482	13 841	-	846	1 816	4 614	(2 698)	-58%	13 841
Community and social services		4 965	7 602	-	81	314	2 534	(2 220)	-88%	7 602
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4 517	6 239	-	766	1 601	2 080	(478)	-23%	6 239
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		61 176	52 183	-	9 439	20 802	17 394	3 408	20%	52 183
Planning and development		691	202	-	25	53	87	(14)	-21%	202
Road transport		60 486	51 981	-	9 434	20 749	17 327	3 422	20%	51 981
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		185 421	165 697	-	32 871	67 317	55 232	12 085	22%	165 697
Energy sources		91 020	150 099	-	31 903	63 400	50 033	13 366	27%	150 099
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		14 401	15 598	-	968	3 917	5 199	(1 282)	-25%	15 598
<i>Other</i>	<b>4</b>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>545 428</b>	<b>573 218</b>	<b>-</b>	<b>46 849</b>	<b>247 467</b>	<b>191 873</b>	<b>56 594</b>	<b>36%</b>	<b>573 218</b>
<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		204 503	254 399	-	21 381	61 298	84 779	(23 482)	-28%	254 399
Executive and council		24 449	28 860	-	2 118	9 740	9 620	120	1%	28 860
Finance and administration		176 767	221 705	-	18 826	50 081	73 902	(23 821)	-32%	221 705
Internal audit		3 287	3 744	-	436	1 466	1 248	218	17%	3 744
<i>Community and public safety</i>		32 889	42 778	-	3 323	12 283	14 259	(1 977)	-14%	42 778
Community and social services		13 823	20 523	-	1 828	6 239	6 841	(603)	-9%	20 523
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		19 067	22 255	-	1 695	6 044	7 418	(1 374)	-19%	22 255
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		62 504	49 016	-	3 769	11 238	16 339	(5 101)	-31%	49 016
Planning and development		17 626	21 954	-	2 013	4 390	7 318	(2 928)	-40%	21 954
Road transport		44 878	27 062	-	1 756	6 848	9 021	(2 173)	-24%	27 062
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		156 840	84 242	-	5 965	39 864	28 081	11 784	42%	84 242
Energy sources		126 693	60 140	-	4 644	34 413	20 047	14 366	72%	60 140
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		30 246	24 102	-	1 322	5 451	8 034	(2 582)	-32%	24 102
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>456 826</b>	<b>430 346</b>	<b>-</b>	<b>34 437</b>	<b>124 673</b>	<b>143 449</b>	<b>(18 776)</b>	<b>-13%</b>	<b>430 346</b>
<b>Surplus/ (Deficit) for the year</b>		<b>88 602</b>	<b>142 872</b>	<b>-</b>	<b>12 412</b>	<b>122 794</b>	<b>47 624</b>	<b>75 170</b>	<b>158%</b>	<b>142 872</b>

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		360 128	341 022	-	2 682	155 043	113 674	41 369	36.4%	341 022
Vote 3 - Corporate		221	475	-	790	2 389	158	2 230	1408.7%	475
Vote 4 - Development and Planning		358	202	-	25	53	67	(14)	-21.1%	202
Vote 5 - Community		23 883	29 439	-	1 814	5 833	9 813	(3 980)	-40.6%	29 439
Vote 6 - Infrastructure		151 838	202 080	-	41 337	84 149	67 360	16 789	24.9%	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	545 428	573 218	-	46 848	247 467	191 073	56 394	29.9%	573 218
Expenditure by Vote	1									
Vote 1 - Executive and council		24 449	26 860	-	2 118	9 740	9 620	120	1.3%	26 860
Vote 2 - Finance and Admin		114 063	153 257	-	12 770	30 297	51 086	(20 789)	-40.7%	153 257
Vote 3 - Corporate		64 630	66 449	-	6 057	19 784	22 816	(3 032)	-13.3%	66 449
Vote 4 - Development and Planning		15 680	21 954	-	2 013	4 390	7 318	(2 928)	-40.0%	21 954
Vote 5 - Community		63 127	66 880	-	4 644	17 734	22 293	(4 559)	-20.4%	66 880
Vote 6 - Infrastructure		171 571	87 202	-	6 399	41 261	29 067	12 193	41.9%	87 202
Vote 7 - Internal Audit		3 267	3 744	-	436	1 466	1 246	218	17.5%	3 744
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	456 628	430 348	-	34 437	124 673	143 449	(18 776)	-13.1%	430 346
Surplus/ (Deficit) for the year	2	88 800	142 872	-	12 412	122 794	47 624	75 170	157.8%	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										
<b>Revenue By Source</b>										
Property rates		46 575	54 088	-	1 631	30 771	18 029	20 741	115%	54 088
Service charges - electricity revenue		57 058	55 007	-	6 875	17 924	18 336	(411)	-2%	55 007
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		11 531	15 526	-	963	3 871	5 175	(1 304)	-25%	15 526
Rental of facilities and equipment		1 387	1 245	-	(988)	513	415	98	24%	1 245
Interest earned - external investments		8 825	14 650	-	525	2 652	4 083	(2 232)	-46%	14 650
Interest earned - outstanding debtors		13 357	11 799	-	1 342	5 148	3 933	1 215	31%	11 799
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		782	2 094	-	62	408	688	(289)	-41%	2 094
Licences and permits		3 787	4 525	-	715	1 218	1 508	(291)	-19%	4 525
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		308 535	267 313	-	1 403	111 002	89 104	21 897	25%	267 313
Other revenue		873	1 501	-	48	411	500	(89)	-18%	1 501
Gains		1 801	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>452 582</b>	<b>427 747</b>	<b>-</b>	<b>12 574</b>	<b>181 917</b>	<b>142 982</b>	<b>38 934</b>	<b>28%</b>	<b>427 747</b>
<b>Expenditure By Type</b>										
Employee related costs		117 964	132 261	-	11 007	39 934	44 087	(4 153)	-9%	132 261
Remuneration of councillors		19 979	21 680	-	1 664	6 746	7 230	(484)	-7%	21 680
Debt impairment		25 504	7 000	-	-	-	2 333	(2 333)	-100%	7 000
Depreciation & asset impairment		112 287	35 308	-	-	-	11 767	(11 767)	-100%	35 308
Finance charges		-	-	-	-	-	-	-	-	-
Build purchases - electricity		48 196	50 000	-	3 930	30 869	16 667	14 202	85%	50 000
Inventory consumed		5 763	7 379	-	643	1 727	2 460	(733)	-30%	7 379
Contracted services		93 011	105 630	-	10 772	31 526	35 210	(3 684)	-10%	105 630
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		34 123	71 086	-	6 422	13 871	23 585	(9 824)	-41%	71 086
Losses		-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>456 828</b>	<b>430 346</b>	<b>-</b>	<b>34 437</b>	<b>124 673</b>	<b>143 449</b>	<b>(18 776)</b>	<b>-13%</b>	<b>430 346</b>
<b>Surplus/(Deficit)</b>		<b>(4 326)</b>	<b>(2 989)</b>	<b>-</b>	<b>(21 863)</b>	<b>57 244</b>	<b>(866)</b>	<b>58 110</b>	<b>(8)</b>	<b>(2 599)</b>
Transfers and subsidies - capital (mainly structures) (provision)		-	-	-	-	-	-	-	-	-
Provincial and District		92 926	145 471	-	34 275	65 550	48 490	17 060	8	145 471
Transfers and subsidies - current (mainly debtors) (provision)		-	-	-	-	-	-	-	-	-
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>88 600</b>	<b>142 872</b>	<b>-</b>	<b>12 412</b>	<b>122 794</b>	<b>47 624</b>			<b>142 872</b>
Taxation		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>		<b>88 600</b>	<b>142 872</b>	<b>-</b>	<b>12 412</b>	<b>122 794</b>	<b>47 624</b>			<b>142 872</b>
Attributable to minorities		-	-	-	-	-	-			-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>88 600</b>	<b>142 872</b>	<b>-</b>	<b>12 412</b>	<b>122 794</b>	<b>47 624</b>			<b>142 872</b>
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
<b>Surplus/ (Deficit) for the year</b>		<b>88 600</b>	<b>142 872</b>	<b>-</b>	<b>12 412</b>	<b>122 794</b>	<b>47 624</b>			<b>142 872</b>

### 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 1 630 644.21 income received from property rates for the month of October 2021 amounted to R18,632,204.

### Services Charges

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to R 7,837,735 for the month ended 31<sup>st</sup> October 2021.

### 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 31<sup>st</sup> October 2021 amounted to R 524,794.

### Interest on Outstanding Debtors

Interest on overdue accounts for the month ended 31<sup>st</sup> October 2021 amounted to R1,341,624 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 31<sup>st</sup> October 2021 an amount revenue of R61,517 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 31<sup>st</sup> O 2021 an amount of R 714,845 was recognised and represents 16% 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. Revenue recognised on operating grants amounted to R 1,403,129 for the month ended 31<sup>st</sup> October 2021.

### Other Revenue

Other revenue consists mostly skills development refund, sale of tender documents, insurance refund and other revenue. Other revenue amounted to R 47,769 for the month ended 31<sup>st</sup> October 2021.

### Operating Expenditure by type

#### Employee related costs/ Remuneration of Councillors

Remuneration related expenditure for the month ended 31<sup>st</sup> October 2021 amounted R 12,670,356 of the expenditure R 1,663,651 relates to Remuneration of Councillors and R 11,006,705 to Managers and staff that represents 11% 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 31<sup>st</sup> October 2021.

### Bulk Purchases

Expenditure relating to bulk electricity purchases amounts to R 3,930,492 for the month.

### Other Materials

Other material consists of inventory purchases for material and supplies and amounted to R 642,788 for the month ended 31<sup>st</sup> October 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 31<sup>st</sup> October 2021 amounted to R 10,771,756.

#### 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 6,421,534 for the month ended 31<sup>st</sup> October 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 %	Full Year Forecast
<b>R Roll-overs</b>	<b>1</b>									
<b>Multi-Year expenditure appropriation</b>	<b>2</b>									
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>	<b>4.7</b>	-	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	<b>2</b>									
Vote 1 - Executive and Council		-	90	-	-	-	30	(30)	-100%	90
Vote 2 - Finance and Admin		4 001	756	-	-	54	252	(798)	-78%	756
Vote 3 - Corporate		2 516	6 710	-	130	752	2 237	(1 485)	-66%	6 710
Vote 4 - Development and Planning		488	210	-	-	-	73	(73)	-100%	210
Vote 5 - Community		984	4 962	-	-	1 664	1 654	(580)	-36%	4 962
Vote 6 - Infrastructure		136 638	180 138	-	10 282	58 634	88 646	(1 412)	-3%	180 138
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>	<b>4</b>	147 687	192 873	-	10 420	60 584	64 291	(3 787)	-4%	192 873
<b>Total Capital Expenditure</b>		147 687	192 873	-	10 420	60 584	64 291	(3 787)	-4%	192 873
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		8 576	7 536	-	138	886	2 588	(1 702)	-68%	7 536
Executive and Council		-	90	-	-	-	30	(30)	-100%	90
Finance and administration		8 576	7 436	-	138	886	2 479	(1 672)	-67%	7 436
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		838	1 762	-	-	1 864	987	477	81%	1 762
Community and social services		675	418	-	-	-	137	(137)	-100%	418
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		163	1 352	-	-	1 864	451	614	139%	1 352
Housing		-	-	-	-	-	-	-	-	-
<b>Health</b>		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		91 935	82 285	-	5 919	19 486	27 488	(7 912)	-25%	82 285
Planning and development		488	210	-	-	-	83	(83)	-100%	210
Road transport		81 448	81 957	-	5 919	19 486	27 319	(7 836)	-29%	81 957
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		48 348	101 388	-	4 363	39 144	38 783	5 351	16%	101 388
Energy services		48 191	98 180	-	4 363	39 144	38 727	6 418	20%	98 180
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		154	3 208	-	-	-	1 057	(1 067)	-100%	3 208
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	<b>3</b>	147 687	192 873	-	10 420	60 584	64 291	(3 787)	-4%	192 873
<b>Funded by:</b>										
National Government		78 678	142 872	-	8 973	57 884	47 434	9 490	20%	142 872
Provincial Government		121	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-
National / Provincial Departmental Agencies, Households		-	-	-	-	-	-	-	-	-
Non-profit institutions, Private Enterprises, Public Corporations, Higher Education Institutions		-	-	-	-	-	-	-	-	-
<b>Transfers recognition - capital</b>		78 799	142 872	-	8 973	57 884	47 434	9 490	20%	142 872
<b>Donating</b>		-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		88 888	50 000	-	1 447	3 480	16 857	(13 187)	-29%	50 000
<b>Total Capital Funding</b>		147 687	192 873	-	10 420	60 584	64 291	(3 787)	-4%	192 873

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

Capital expenditure incurred for the month ended 31<sup>st</sup> October 2021 amounted to **R 10,419,977**. This represents **5%** of the approved capital expenditure budget. Capital expenditure incurred to date represents **31%** 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
R thousands	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		11 285	669	-	8 536	669
Call investment deposits		213 127	140 275	-	221 032	140 275
Consumer debtors		74 945	33 127	-	96 067	33 127
Other debtors		83 227	88 896	-	87 700	88 896
Current portion of long-term receivables		-	-	-	-	-
Inventory		2 137	1 600	-	1 729	1 600
<b>Total current assets</b>		<b>384 721</b>	<b>264 567</b>	<b>-</b>	<b>415 145</b>	<b>264 567</b>
<b>Non current assets</b>						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		3 589	2 327	-	3 589	2 327
Investments in Associate		-	-	-	-	-
Property, plant and equipment		1 126 417	1 148 451	-	1 186 872	1 148 451
Biological		-	-	-	-	-
Intangible		403	590	-	453	590
Other non-current assets		-	1 500	-	-	1 500
<b>Total non current assets</b>		<b>1 130 410</b>	<b>1 152 868</b>	<b>-</b>	<b>1 190 914</b>	<b>1 152 868</b>
<b>TOTAL ASSETS</b>		<b>1 515 131</b>	<b>1 417 435</b>	<b>-</b>	<b>1 606 060</b>	<b>1 417 435</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		1 497	(345)	-	1 530	(345)
Trade and other payables		115 082	(49 940)	-	83 183	(49 940)
Provisions		15 318	(11 998)	-	15 318	(11 998)
<b>Total current liabilities</b>		<b>131 896</b>	<b>(62 284)</b>	<b>-</b>	<b>100 031</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>164 649</b>	<b>(91 861)</b>	<b>-</b>	<b>132 784</b>	<b>(91 861)</b>
<b>NET ASSETS</b>	2	<b>1 350 482</b>	<b>1 509 297</b>	<b>-</b>	<b>1 473 276</b>	<b>1 509 297</b>
<b>COMMUNITY WEALTHEQUITY</b>						
Accumulated Surplus/(Deficit)		1 049 100	1 739 743	-	1 020 816	1 739 743
Reserves		452 460	(230 446)	-	452 460	(230 446)
<b>TOTAL COMMUNITY WEALTHEQUITY</b>	2	<b>1 501 560</b>	<b>1 509 297</b>	<b>-</b>	<b>1 473 276</b>	<b>1 509 297</b>



## 3.1.7 C7 Monthly Budget Statement –Cash Flow

Description	Ref	2020/21	Budget Year 2021/22							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
Receipts										
Property rates		17 483	45 975	-	20 406	25 876	15 325	10 551	69%	45 975
Service charges		54 758	60 729	-	4 196	17 553	20 243	(2 690)	-13%	60 729
Other revenue		33 631	9 366	-	1 755	4 171	3 122	1 049	34%	9 366
Transfers and Subsidies - Operational		309 461	267 313	-	12	110 782	88 104	21 678	24%	267 313
Transfers and Subsidies - Capital		92 926	145 471	-	-	49 997	48 490	1 507	3%	145 471
Interest		8 578	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(16 811)	(387 996)	-	(22 531)	(83 847)	(129 332)	(45 484)	35%	(387 996)
Finance charges		-	-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/USED OPERATING ACTIVITIES</b>		<b>580 827</b>	<b>140 857</b>	<b>-</b>	<b>3 758</b>	<b>124 532</b>	<b>48 952</b>	<b>(77 386)</b>	<b>-165%</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)	-	(11 420)	(67 316)	(64 291)	3 026	-5%	(192 872)
<b>NET CASH FROM/USED INVESTING ACTIVITIES</b>		<b>(161 457)</b>	<b>(192 872)</b>	<b>-</b>	<b>(11 420)</b>	<b>(67 316)</b>	<b>(64 291)</b>	<b>3 026</b>	<b>-5%</b>	<b>(192 872)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/financing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		110	-	-	27	33	-	33	100%	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/USED FINANCING ACTIVITIES</b>		<b>110</b>	<b>-</b>	<b>-</b>	<b>27</b>	<b>33</b>	<b>-</b>	<b>(33)</b>	<b>100%</b>	<b>-</b>
<b>NET INCREASE / (DECREASE) IN CASH HELD</b>		<b>338 880</b>	<b>(52 016)</b>	<b>-</b>	<b>(7 635)</b>	<b>57 249</b>	<b>(17 339)</b>			<b>(52 016)</b>
Cash/cash equivalents at beginning:		153 196	178 309	-	-	224 412	178 309			224 412
Cash/cash equivalents at month/year end:		491 876	126 293	-	-	281 661	160 971			172 396

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

Description	NFB Code	Budget Year 2021/22										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts LLA 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		
Thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200									-	-		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	4 185	1 112	1 024	1 657	1 624	1 188	5 455	1 063	17 309	10 987		
Receivables from Non-exchange Transactions - Property Rates	1400	1 616	912	763	25 280	44	18	2 330	49 042	79 984	76 694		
Receivables from Exchange Transactions - Waste Water Management	1500										-		
Receivables from Exchange Transactions - Waste Management	1600	960	608	485	441	402	364	1 829	18 354	23 483	21 419		
Receivables from Exchange Transactions - Property Rental Debtors	1700								7	7	7		
Interest on Arrear Debtor Accounts	1810	1 345	1 571	1 130	1 911	1 015	882	5 014	28 069	40 198	36 152		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820										-		
Other	1900	56	121	76	1	8 544	71	15 824	14 293	38 492	36 238		
Total By Income Source	2800	8 163	4 324	3 467	28 369	11 191	2 654	38 451	119 834	199 473	183 489	-	-
2021/22 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 443	2 173	1 797	26 838	2 250	1 824	9 224	53 834	99 584	93 171		
Commercial	2300	4 884	1 335	887	386	8 400	330	17 289	12 329	46 040	36 934		
Households	2400	835	616	804	944	542	500	3 939	45 470	53 849	51 304		
Other	2500										-		
Total By Customer Group	2800	8 163	4 324	3 467	28 369	11 191	2 654	38 451	119 834	199 473	183 489	-	-

The total debt book for September 2021 of **R 196 353 477** (including current of **R 7 768 214** which is not yet due) has decreased by **R16 337 024** from the previous month closing balance of **R 212 690 501** and increased by **R39 165 344** from the last quarter of the previous financial year. Debt is made up of the following:

**Residential debt:**

R 65 902 269.95

**Commercial debt**

R 31 998 023.64

**Government debt**

R 95 700 443.98

**Other**

R 2 752 739.32

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 47 942 130.93 (including current)

**Cedarville**

R 4 176 852.99 (including current)

(Both areas are handed over for collection)

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

The following has been handed over:

Residential H/O R53 601 817.54

Business H/O R 3 117 228.52

Churches H/O R 153 069.32

No collection has been made so far.

## SECTION 5 -CREDITORS' ANALYSIS

### Supporting Table SC4

Description	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>R thousands</b>										
<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									-
Auditor General	0800									-
Other	0900									-
<b>Total By Customer Type</b>	<b>1000</b>	-	-	-	-	-	-	-	-	-

The municipality paid its creditors within 30 days for the month ended 31<sup>st</sup> October 2021.

## SECTION 6- INVESTMENT POTFOLIO ANALYSIS

### Conditional and Unconditional investment monitoring Information

Investment Management					
Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	19 874 292.41	26 758.37	(4 579 205.74)	(26 758.37)	15 321 845.04
INEP	356 633.90	1 207.04		(1 207.04)	357 840.94
EPWP	-	-	-	-	-
Municipal Electrification Intervention	274 169.73	675.90	-	(675.90)	274 845.63
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	54 916.23	135.30	-	(135.30)	55 051.53
Establishment Plan	194 203.00	313.38		(313.38)	194 516.38
Housing Development Fund	1 979 566.96	3 194.43		(3 194.43)	1 982 761.39
Dedea	602 406.11	940.74		(940.74)	603 346.85
<b>Total Conditional Investments</b>	<b>23 336 188</b>	<b>33 225</b>	<b>- 4 579 206</b>	<b>- 33 225</b>	<b>18 790 208</b>

  

Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	61 684 582.18				61 684 582.18
Call Acc STD CRR	11 201 781.01				11 201 781.01
Call Acc STD CRR	21 591 106.85	93 594.52		(93 594.52)	21 684 701.37
Call ACC FNB Surplus Cash	6 805 395.80			(10 627.60)	6 805 395.80
Nedbank 32 Days	6 445 183.88	19 865.40		(19 865.40)	6 465 049.28
Nedbank relief fund	774 686.98	1 910.10		(1 910.10)	776 597.08
Nedbank COV -19 Solidarity	93 699.76	231.00		(231.00)	93 930.76
Nedbank call Surplus	30 845 663.02	71 626 041.01	(62 300 000.00)	(164 530.52)	40 171 704.03
Nedbank Retention	26 918 114.65	66 373.50		(66 373.50)	26 984 488.15
Termination Guarantee	144 640.82			(368.59)	144 640.82
Account Gaurantee	6 202 000.00			(15 802.25)	6 202 000.00
Call Acc STD CRR		20 022 068.49		(22 068.49)	20 022 068.49
Call Acc STD CRR	50 456 164.39	110 958.90	(50 567 123.29)	(110 958.90)	-
<b>Total Unconditional</b>	<b>223 163 019</b>	<b>91 941 043</b>	<b>- 112 867 123</b>	<b>- 50 567 123</b>	<b>202 236 939</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 31<sup>st</sup> October 2021 the conditional investments amounted to R18,790,208 and unconditional investments amounted to R202,236,939.

Total investments as at 30<sup>th</sup> September 2021 amounted to R221,027,147.

## SECTION 7\_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

### 7.1 Supporting Table SC6

Description	Ref	Budget Year 2021/22								
		2020/21 Amended Outcomes	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD Budget	YTD variance	YTD variance %	Full Year Forecast
<b>R Receipts:</b>										
<b>RECEIPTS:</b>										
<b>Transfers and Grants</b>	1.2									
<b>National Government:</b>										
Local Government Equalisation Share		289 383	289 383	289 383	100 176	100 176	21 388	21 388	24.4%	289 383
Expanded Public Works Programme Integrated Grant		4 887	4 887	4 887	1 232	1 232	1 232	1 232	25.0%	4 887
Local Government Financial Management Grant		1 000	1 000	1 000	1 000	1 000	1 000	1 000	100.0%	1 000
<b>Provincial Government:</b>										
Human Settlement Development		800	800	800	211	211	211	211	26.4%	800
Library, Archives and Museums		800	800	800	211	211	211	211	26.4%	800
Library Services										
Other transfers/grants (insert description)										
<b>District Municipality</b>										
(insert description)										
<b>Other grant providers:</b>										
<b>Total Operating Transfers and Grants</b>	5	295 013	295 013	295 013	110 176	110 176	21 388	21 388	24.2%	295 013
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>										
Municipal Infrastructure Grant (MIG)		145 471	145 471	145 471	49 387	49 387	49 387	49 387	33.9%	145 471
Integrated National Electrification Programme (Municipal Grant) (Schedule 5B)		51 871	51 871	51 871	17 334	17 334	17 334	17 334	33.4%	51 871
		93 000	93 000	93 000	19 000	19 000	19 000	19 000	20.4%	93 000
Other capital transfers (insert description)										
<b>Provincial Government:</b>										
<b>District Municipality</b>										
(insert description)										
<b>Other grant providers:</b>										
(insert description)										
<b>Total Capital Transfers and Grants</b>	5	145 471	145 471	145 471	49 387	49 387	49 387	49 387	33.9%	145 471
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	411 484	411 484	411 484	159 563	159 563	21 388	21 388	13.4%	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:		-	283 363	-	24 483	77 389	88 454	-		283 363
Local Government Equitable Share			258 826		24 027	74 239	86 275	-		258 826
Expanded Public Works Programme Integrated Grant			4 887			2 948	1 829	-		4 887
Local Government Financial Management Grant			1 650		456	722	550	-		1 650
0			-					-		
0			-					-		
0			-					-		
0			-					-		
Provincial Government:		-	850	-	-	-	217	(217)	-100.0%	850
Human Settlement Development			-					-		
IDP			-					-		
Libraries, Archives and Museums			850				217	(217)	-100.0%	850
Library Service			-					-		
Other transfers/grants (insert description)			-					-		
District Municipality:		-	-	-	-	-	-	-		-
(insert description)		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
<b>Total operating expenditure of Transfers and Grants:</b>										
		-	288 013	-	24 483	77 389	88 671	(217)	-0.2%	288 013
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		-	145 471	-	9 119	57 574	48 490	-		145 471
Municipal Infrastructure Grant (MIG)			51 971		4 903	16 578	17 324	-		51 971
Integrated National Electrification Programme (Municipal Grant) (Schedule 5B)			93 500		4 217	38 998	31 167	-		93 500
0			-					-		
0			-					-		
0			-					-		
Other capital transfers (insert description)			-					-		
Provincial Government:		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
0		-	-	-	-	-	-	-		-
<b>Total capital expenditure of Transfers and Grants</b>										
		-	145 471	-	9 119	57 574	48 490	-		145 471
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>										
		-	411 484	-	33 602	134 963	137 161	(217)	-0.2%	411 484

Expenditure performance on grants amounted to R33,6 million for the month ended 31<sup>st</sup> October 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	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	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		12 057	13 681	-	995	4 027	4 560	(534)	-12%	13 681
Pension and UIF Contributions		741	808	-	60	244	269	(25)	-9%	808
Medical Aid Contributions		540	141	-	65	271	47	224	476%	141
Motor Vehicle Allowance		129	136	-	15	58	45	13	29%	136
Cellphone Allowance		2 279	2 381	-	185	753	797	(44)	-6%	2 381
Housing Allowances		4 204	4 532	-	344	1 393	1 511	(117)	-8%	4 532
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		19 979	21 090	-	1 664	6 746	7 230	(484)	-7%	21 090
% increase	4		8.6%							8.6%
<b>Senior Managers of the Municipality</b>	3									
Basic Salaries and Wages		1 064	3 200	-	80	321	1 067	(746)	-70%	3 200
Pension and UIF Contributions		70	139	-	6	23	46	(23)	-50%	139
Medical Aid Contributions		-	121	-	-	-	40	(40)	-100%	121
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		577	1 813	-	49	196	604	(408)	-67%	1 813
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		577	1 390	-	49	196	463	(267)	-58%	1 390
Other benefits and allowances		170	499	-	13	53	166	(113)	-58%	499
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2 475	7 162	-	197	796	2 387	(1 597)	-67%	7 162
% increase	4		188.9%							188.9%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		75 738	87 626	-	7 663	26 820	29 209	(2 389)	-8%	87 626
Pension and UIF Contributions		12 615	14 324	-	1 263	4 369	4 775	(406)	-8%	14 324
Medical Aid Contributions		5 569	5 134	-	384	1 512	1 711	(199)	-12%	5 134
Overtime		2 147	1 916	-	212	879	639	240	38%	1 916
Performance Bonus		5 961	6 332	-	326	1 754	2 111	(357)	-17%	6 332
Motor Vehicle Allowance		4 996	4 832	-	442	1 764	1 611	154	10%	4 832
Cellphone Allowance		6	6	-	1	2	2	(0)	-2%	6
Housing Allowances		-	2 531	-	-	-	844	(844)	-100%	2 531
Other benefits and allowances		4 344	2 398	-	447	1 580	799	791	99%	2 398
Payments in lieu of leave		3 821	-	-	-	331	-	331	#DIV/0!	-
Long service awards		290	-	-	70	124	-	124	#DIV/0!	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		115 485	125 099	-	10 089	39 144	41 708	(2 555)	-6%	125 099
% increase	4		8.3%							8.3%
<b>Total Parent Municipality</b>		137 943	153 951	-	12 670	46 890	51 317	(4 637)	-9%	153 951

Remuneration related expenditure for the month ended 31<sup>st</sup> October 2021 amounted to R 12, 6 million of the expenditure R1,6 million relates to Remuneration of Councillors and R11 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 31<sup>st</sup> October 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:** 11/11/2021