



MATATIELE
LOCAL MUNICIPALITY

2021/2022
MONTHLY
SECTION 71
REPORT

MONTH ENDED
31 MAY 2022

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GLOSSARY

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Virement – A transfer of funds within a vote.

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

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

LEGISLATIVE FRAMEWORK

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

The municipal Finance Management Act No. 56 of 2003

Section 71: Monthly budget Statements

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

PART 1-IN-YEAR REPORT

Section 1-Resolutions

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

Regulation 28 of the Municipal Budget and Reporting Regulations states:

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

Recommendations:

- That, Council takes note of the monthly budget statement and supporting documentation for the month 31 May 2022.
- That, the submission of section 71 reports and to Provincial and National Treasuries 10 days after the end of each month be noted by Council.

Section 2-Executive summary

2.1 Introduction

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

2.2 Consolidated Performance (Revenue & Expenditure)

Revenue by source

The total revenue received for the month ended 31st May 2022 amounted to **R 33,421,091** which represents **6%** of the total annual Adjusted budget of **R 604,719,870** (including grants) with an increase of **R31,501,710** against approved budget figure of **R573,218,160**. The majority of the revenue recognised this month of **R23,535,729** relates to conditional grants recognised this month. Revenue recognised to date represents **90%** of the total revenue budget.

Operating Expenditure by type

Operating expenditure for the month ended 31st May 2022 amounted to **R 27,846,971** which represents **6%** of total adjusted operational expenditure of **R 467,569,612** with an increase of **R37,223,716** against approved operating expenditure budget figure of **R430,345,896**. This month expenditure the majority relates to bulk purchases, Employee related costs, Eskom Connection fees, Compensation fund and payment of monthly contracted services. Operating expenditure incurred to date represents **74%** of the total operating expenditure budget.

Capital Expenditure

The approved adjusted Capital budget amounts to **R237,655,515** with an increase of **R44,782,995** against annual capital budget for the financial year which amounted to **R192,872,520**. Capital expenditure incurred for the month ended 31st May 2022 amounted to **R18,610,363** this represents **8%** of the approved adjusted capital expenditure budget. Capital expenditure incurred to date represents **65%** 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	2021/22	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									
Financial Performance									
Property rates	46 575	54 088	54 088	—	48 726	49 581	(855)	-2%	54 088
Service charges	68 589	70 532	70 532	5 195	57 192	64 655	(7 463)	-12%	70 532
Investment revenue	8 835	14 650	14 650	1 124	8 302	13 429	(5 127)	-38%	14 650
Transfers and subsidies	306 535	267 313	269 537	1 667	267 177	246 816	20 361	8%	269 537
Other own revenue	21 978	21 163	21 163	1 900	22 105	19 400	2 706	14%	21 163
Total Revenue (excluding capital transfers and contributions)	452 912	427 747	429 971	9 885	483 583	393 881	9 822	2%	429 971
Employee costs	117 954	132 261	132 261	10 092	113 308	121 239	(7 931)	-7%	132 261
Remuneration of Councilors	19 979	21 690	21 690	3 543	19 999	19 882	(284)	-1%	21 690
Depreciation & asset impairment	82 540	35 300	70 300	—	22 765	55 692	(32 927)	-59%	70 300
Finance charges	1	—	—	1	1	—	1	NONE!	—
Inventory consumed and bulk purchases	53 959	57 379	69 281	(1 307)	53 678	62 099	(8 421)	-14%	69 281
Transfers and subsidies	—	—	—	—	—	—	—	—	—
Other expenditure	161 470	183 716	174 038	15 599	134 665	160 686	(26 021)	-16%	174 038
Total Expenditure	436 912	438 346	467 570	27 047	344 016	419 598	(75 582)	-18%	467 570
Surplus/(Deficit)	16 000	(2 599)	(37 599)	(17 962)	59 467	(25 717)	85 205	-331%	(37 599)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	92 926	145 471	174 749	23 536	143 449	152 867	(9 418)	-6%	174 749
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	109 526	142 872	137 150	5 574	282 936	127 150	75 787	60%	137 150
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	109 526	142 872	137 150	5 574	282 936	127 150	75 787	60%	137 150
Capital expenditure & funds sources									
Capital expenditure	147 469	192 873	237 656	18 618	154 216	208 722	(54 507)	-26%	237 656
Capital transfers recognised	78 907	142 872	172 150	15 987	125 548	150 485	(24 937)	-17%	172 150
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	68 561	50 000	65 506	2 623	28 622	58 237	(29 715)	-51%	65 506
Total sources of capital funds	147 469	192 873	237 656	18 618	154 670	208 722	(54 052)	-35%	237 656
Financial position									
Total current assets	376 085	264 567	235 326	—	478 473	—	—	—	235 326
Total non current assets	1 130 191	1 152 868	1 162 651	—	1 261 642	—	—	—	1 162 651
Total current liabilities	131 853	(62 284)	(64 459)	—	162 765	—	—	—	(64 459)
Total non current liabilities	32 753	(29 578)	(29 578)	—	32 753	—	—	—	(29 578)
Community wealth/Equity	1 320 735	1 508 297	1 492 015	—	1 544 987	—	—	—	1 492 015
Cash flows									
Net cash from (used) operating	500 027	153 490	182 511	(16 533)	312 976	161 331	(151 645)	-94%	182 511
Net cash from (used) investing	(161 457)	(192 872)	(237 656)	(14 802)	(160 056)	(208 182)	(48 126)	23%	(237 656)
Net cash from (used) financing	110	—	—	(1)	75	345	270	78%	—
Cash/cash equivalents at the month/year end	491 876	138 887	111 685	—	377 417	129 243	(257 174)	-214%	169 278
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	5 657	5 025	3 713	3 293	3 272	2 857	38 520	139 302	201 672
Creditors Age Analysis									
Total Creditors	237 057	—	—	—	—	—	—	—	237 057

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	1									
Revenue - Functional										
<i>Governance and administration</i>		309 360	341 497	341 497	(1 242)	331 119	313 039	18 080	6%	341 497
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		309 360	341 497	341 497	(1 242)	331 119	313 039	18 080	6%	341 497
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		9 482	13 841	13 841	5 713	11 005	12 688	(1 683)	-13%	13 841
Community and social services		4 965	7 602	7 602	5 216	6 049	6 968	(919)	-13%	7 602
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		4 517	6 239	6 239	497	5 036	5 719	(684)	-12%	6 239
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		61 176	52 183	77 183	16 909	60 744	64 501	(3 758)	-6%	77 183
Planning and development		691	202	202	18	162	165	(23)	-12%	202
Road transport		60 486	51 981	76 981	16 891	60 581	64 316	(3 735)	-6%	76 981
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		105 421	165 997	172 199	12 041	144 005	156 520	(12 515)	-8%	172 199
Energy services		91 020	150 099	154 377	11 060	131 477	140 443	(8 966)	-6%	154 377
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		14 401	15 596	17 822	961	12 528	16 077	(3 549)	-22%	17 822
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	545 438	573 218	604 720	33 421	546 952	546 748	204	0%	604 720
Expenditure - Functional										
<i>Governance and administration</i>		213 330	254 309	242 456	16 112	193 490	223 603	(30 113)	-13%	242 456
Executive and council		24 449	28 860	28 660	4 186	27 492	26 295	1 197	5%	28 660
Finance and administration		186 594	221 705	209 852	11 511	162 023	193 716	(31 693)	-16%	209 852
Internal audit		3 287	3 744	3 944	415	3 976	3 592	384	11%	3 944
<i>Community and public safety</i>		32 885	42 778	42 333	2 493	30 512	38 844	(8 332)	-21%	42 333
Community and social services		13 828	20 523	19 973	1 515	13 350	18 373	(5 023)	-27%	19 973
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		19 057	22 255	22 360	1 378	17 162	20 471	(3 308)	-16%	22 360
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		62 504	49 816	66 361	3 146	39 092	56 493	(17 401)	-31%	66 361
Planning and development		17 626	21 954	23 254	1 455	18 927	21 165	(2 237)	-11%	23 254
Road transport		44 878	27 062	43 127	1 690	20 165	35 329	(15 164)	-43%	43 127
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		127 193	84 242	116 400	5 697	80 921	100 658	(19 737)	-20%	116 400
Energy services		96 946	60 140	93 374	4 635	62 414	73 426	(11 012)	-21%	93 374
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		30 246	24 102	23 026	1 062	18 507	21 232	(2 725)	-13%	23 026
Other		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	435 912	430 346	467 570	27 847	344 016	419 598	(75 582)	-18%	467 570
Surplus/(Deficit) for the year		109 526	142 872	137 150	5 574	202 936	127 150	75 787	60%	137 150

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 Audited Outcome	Budget Year Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		369 139	341 022	341 022	2 728	330 603	312 603	18 000	5.8%	341 022
Vote 3 - Corporate		221	475	475	(3 969)	516	435	80	18.4%	475
Vote 4 - Development and Planning		358	202	202	18	162	185	(23)	-12.4%	202
Vote 5 - Community		23 883	29 439	31 663	6 694	23 813	28 785	(5 152)	-17.9%	31 663
Vote 6 - Infrastructure		151 838	202 080	231 358	27 951	192 058	204 759	(12 701)	-6.2%	231 358
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	604 720	33 421	546 952	546 748	204	0.0%	604 720
Expenditure by Vote	1									
Vote 1 - Executive and council		24 449	28 860	28 660	4 186	27 492	26 295	1 197	4.5%	28 660
Vote 2 - Finance and Admin		122 910	153 257	142 837	5 657	105 295	132 151	(26 856)	-20.3%	142 837
Vote 3 - Corporate		64 630	68 449	67 015	5 795	56 687	61 565	(4 878)	-7.9%	67 015
Vote 4 - Development and Planning		15 680	21 954	23 254	1 514	18 968	21 165	(2 196)	-10.4%	23 254
Vote 5 - Community		63 132	66 880	65 359	3 955	49 019	60 076	(11 057)	-18.4%	65 359
Vote 6 - Infrastructure		141 824	87 202	136 501	6 325	82 579	114 754	(32 176)	-28.0%	136 501
Vote 7 - Internal Audit		3 287	3 744	3 944	415	3 976	3 592	384	10.7%	3 944
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	467 570	27 847	344 016	419 508	(75 582)	-18.0%	467 570
Surplus/ (Deficit) for the year	2	109 526	142 872	137 150	5 574	202 936	127 150	75 787	59.8%	137 150

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	54 088	-	48 726	49 581	(855)	-2%	54 088
Service charges - electricity revenue		57 058	55 007	55 007	4 221	46 535	50 423	(3 888)	-8%	55 007
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		11 531	15 526	15 526	973	10 657	14 232	(3 575)	-25%	15 526
Rental of facilities and equipment		1 397	1 245	1 245	(74)	1 195	1 141	53	5%	1 245
Interest earned - external investments		8 635	14 650	14 650	1 124	6 302	13 429	(5 127)	-38%	14 650
Interest earned - outstanding debtors		13 357	11 799	11 799	1 379	14 823	10 816	4 007	37%	11 799
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		762	2 094	2 094	1	1 597	1 919	(322)	-17%	2 094
Licences and permits		3 787	4 525	4 525	498	3 496	4 148	(652)	-16%	4 525
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		306 535	267 313	269 537	1 667	267 177	246 616	20 561	8%	269 537
Other revenue		873	1 501	1 501	96	995	1 376	(381)	-28%	1 501
Gains		1 001	-	-	-	-	-	-	-	-
		452 512	427 747	429 971	9 885	463 503	393 881	9 622	2%	429 971
Total Revenue (excluding capital transfers and contributions)										
Expenditure By Type										
Employee related costs		117 964	132 261	132 261	10 092	113 308	121 239	(7 931)	-7%	132 261
Remuneration of councillors		19 979	21 690	21 690	3 543	19 599	19 882	(284)	-1%	21 690
Debt impairment		34 121	7 000	7 000	-	-	6 417	(6 417)	-100%	7 000
Depreciation & asset impairment		82 540	35 300	70 300	-	22 765	55 692	(32 927)	-99%	70 300
Finance charges		1	-	-	1	1	-	1	#DIV/0!	-
Bulk purchases - electricity		48 196	50 000	62 000	(1 793)	48 233	55 433	(7 201)	-13%	62 000
Inventory consumed		5 763	7 379	7 281	405	5 446	6 666	(1 220)	-18%	7 281
Contracted services		93 220	105 630	105 785	6 535	89 610	96 955	(7 345)	-8%	105 785
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		34 128	71 066	61 253	9 064	45 055	57 314	(12 259)	-21%	61 253
Losses		-	-	-	-	-	-	-	-	-
		435 912	430 346	467 578	27 847	344 816	419 596	(75 582)	-18%	467 578
Total Expenditure										
Surplus/(Deficit)		16 600	(2 599)	(37 599)	(17 962)	59 487	(25 717)	85 205	(0)	(37 599)
Transfers and subsidies - capital (monetary allocations) (municipal / Provincial and District)		92 926	145 471	174 749	23 536	143 449	152 867	(9 418)	(0)	174 749
Transfers and subsidies - capital (monetary allocations) (provincial / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		109 526	142 872	137 150	5 574	282 936	127 150			137 150
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		109 526	142 872	137 150	5 574	282 936	127 150			137 150
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		109 526	142 872	137 150	5 574	282 936	127 150			137 150
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		109 526	142 872	137 150	5 574	282 936	127 150			137 150

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 **9%** of the total adjusted own revenue budget.

The municipality bills both annual and monthly rates at the beginning of the financial year i.e. July. No property rates billed for this Month as the Municipality bills for 10 months each year, income received from property rates for the month of 31st May 2022 amounted to R1,195,378.

Services Charges

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to R5,194,843 for the month ended 31st May 2022.

Rental of Facilities

Revenue from rental of facilities includes site rentals, stadium hire, nature reserve chalets & rental of other facilities. The total income for rental of facilities amounted to R75,014 for the month ended 31st May 2022

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 May 2022 amounted to R 1,123,717.

Interest on Outstanding Debtors

Interest on overdue accounts for the month ended 31st May 2022 amounted to R1,379,050 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 31st May 2022 an amount revenue of R777 has been recognised for this category and was received from traffic fines.

Licences and permits

The budget for licences and permits amounts to R4,524,696 for the 2021/22 budget year. For the month ended 31st May 2022 an amount of R498,077 was recognised and represents 11% of the total revenue budget for this category. Majority of revenue is from Learner Licence Application.

Transfers and Subsidies-Operational

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Acts respectively. Total Revenue recognised on operational grants amounted to R1,667,166 for the month ended 31st May 2022.

Transfers and Subsidies-Capital

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Acts respectively. Total Revenue recognised on capital grants amounted to R23,535,729 for the month ended 31st May 2022.

Other Revenue

Other revenue consists mostly burial fees, building plan, clearance certificates, rezoning and other revenue. Other revenue amounted to R95,746 for the month ended 31st May 2022.

Operating Expenditure by type

Employee related costs/ Remuneration of Councillors

Remuneration related expenditure for the month ended 31st May 2022 amounted R13,634,378 of the expenditure R3,542,730 relates to Remuneration of Councillors and R10,091,648 to Managers and staff that represents 9% of the budgeted amount for this category. The year to date expenditure represents 86% of the budget amount.

Debt Impairment /Depreciation and Asset impairment

There was no expenditure on Debt/Depreciation and Asset Impairment for the month ended 31st May 2022. The overall expenditure to date represents 32% against Annual budget of R70,300,000 of the budget allocated on this category.

Bulk Purchases

Bulk Purchases related expenditure for the month ended 31st May 2022 amounted R4,064,235 this represents 7% against of the budget of this category.

Other Materials

Other material consists of inventory purchases for material and supplies and amounted to R 405,912 for the month ended 31st May 2022.

Contracted Services

Expenditure under this category consists of repairs and maintenance of municipal fleet, repairs and maintenance of buildings and facilities, debt collection contract, waste removal, grass cutting, accounting and auditing contracts and all municipal and financial systems utilised by the municipality. The contracted services for the month ended 31st May 2022 amounted to R 6,535,085.

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 R9,064,931 for the month ended 31st May 2022.

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							
		Amended Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Executive and council		-	90	90	-	74	83	(9)	-11%	90
Vote 2 - Finance and Admin		4 061	756	2 156	-	620	1 813	(1 193)	-66%	2 156
Vote 3 - Corporate		2 516	6 719	6 790	6	4 355	6 151	(1 796)	-29%	6 710
Vote 4 - Development and Planning		488	218	218	-	163	199	(37)	-18%	218
Vote 5 - Community		964	4 962	5 067	22	1 726	4 832	(2 906)	-63%	5 067
Vote 6 - Infrastructure		136 420	180 138	223 416	18 582	147 279	195 845	(48 566)	-25%	223 416
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	147 489	192 873	237 656	18 610	154 216	208 722	(54 507)	-28%	237 656
Total Capital Expenditure		147 489	192 873	237 656	18 610	154 216	208 722	(54 507)	-28%	237 656
Capital Expenditure - Functional Classification										
Governance and administration		6 576	7 528	8 956	6	5 048	8 042	(2 994)	-37%	8 956
Executive and council		-	90	90	-	74	83	(9)	-11%	90
Finance and administration		6 576	7 436	8 866	6	4 975	7 960	(2 985)	-38%	8 866
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		838	1 762	1 867	22	1 289	1 899	(439)	-25%	1 867
Community and social services		675	410	410	-	101	376	(274)	-73%	410
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		155	1 352	1 457	22	1 189	1 523	(165)	-12%	1 457
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		82 344	82 285	117 175	14 890	71 548	99 897	(28 457)	-28%	117 175
Planning and development		488	248	218	-	163	203	(40)	-20%	218
Road transport		91 856	81 957	116 957	14 890	71 378	99 794	(28 417)	-28%	116 957
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		47 718	101 388	109 858	3 682	76 367	98 984	(22 616)	-23%	109 858
Energy services		47 564	98 180	106 458	3 682	75 901	96 050	(20 150)	-21%	106 458
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		154	3 200	3 200	-	466	2 933	(2 467)	-84%	3 200
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	147 489	192 873	237 656	18 610	154 216	208 722	(54 507)	-28%	237 656
Funded by:										
National Government		78 786	142 872	172 150	15 987	125 548	150 485	(24 937)	-17%	172 150
Provincial Government		121	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations, (National - Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		78 907	142 872	172 150	15 987	125 548	150 485	(24 937)	-17%	172 150
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		68 561	50 000	65 505	2 623	28 522	58 237	(29 715)	-51%	65 505
Total Capital Funding		147 489	192 873	237 656	18 610	154 070	208 722	(54 653)	-28%	237 656

The annual Adjusted Capital is **R237,655,515** with an increase of **R44,782,995** against approved annual capital budget for the financial year which amounted to **R 192,872,520**

Capital expenditure incurred for the month ended 31st May 2022 amounted to **R18,610,364**. This represents **8%** of the approved capital expenditure budget. Capital expenditure incurred to date represents **65%** 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					
ASSETS						
Current assets						
Cash		11 295	669	7 244	8 459	7 244
Call investment deposits		213 127	140 275	104 361	271 871	104 361
Consumer debtors		66 327	33 127	33 127	101 051	33 127
Other debtors		83 199	88 896	88 896	95 214	88 896
Current portion of long-term receivables		-	-	-	-	-
Inventory		2 137	1 600	1 698	1 879	1 698
Total current assets		376 085	264 567	235 326	478 473	235 326
Non current assets						
Long-term receivables		-	-	-	-	-
Investments		-	-	-	-	-
Investment property		4 960	2 327	2 327	4 960	2 327
Investments in Associate		-	-	-	-	-
Property, plant and equipment		1 124 828	1 148 451	1 158 330	1 255 936	1 158 330
Biological		-	-	-	-	-
Intangible		403	590	494	206	494
Other non-current assets		-	1 500	1 500	540	1 500
Total non current assets		1 130 191	1 152 868	1 162 651	1 261 642	1 162 651
TOTAL ASSETS		1 506 277	1 417 435	1 397 978	1 740 115	1 397 978
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Borrowing		-	-	-	-	-
Consumer deposits		1 497	(345)	(345)	1 572	(345)
Trade and other payables		115 049	(49 940)	(52 115)	145 876	(52 115)
Provisions		15 318	(11 998)	(11 998)	15 318	(11 998)
Total current liabilities		131 863	(62 284)	(64 459)	162 765	(64 459)
Non current liabilities						
Borrowing		-	-	-	-	-
Provisions		32 753	(29 578)	(29 578)	32 753	(29 578)
Total non current liabilities		32 753	(29 578)	(29 578)	32 753	(29 578)
TOTAL LIABILITIES		164 616	(91 861)	(94 037)	195 518	(94 037)
NET ASSETS	2	1 341 661	1 509 297	1 492 015	1 544 597	1 492 015
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		868 276	1 738 743	1 722 461	1 092 137	1 722 461
Reserves		452 460	(230 446)	(230 446)	452 460	(230 446)
TOTAL COMMUNITY WEALTH/EQUITY	2	1 320 735	1 509 297	1 492 015	1 544 597	1 492 015

The table reflects the financial position of the month ending 31st May 2022

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		17 463	45 975	45 975	1 222	36 065	42 144	(6 079)	-14%	45 975
Service charges		54 759	60 729	60 729	7 339	55 774	55 668	106	0%	60 729
Other revenue		33 631	9 365	9 365	1 301	13 673	8 584	5 091	59%	9 365
Transfers and Subsidies - Operational		309 461	267 313	267 313	10	266 184	245 037	21 147	9%	267 313
Transfers and Subsidies - Capital		92 926	145 471	174 749	—	174 749	152 867	21 882	14%	174 749
Interest		8 578	—	14 650	1 124	3 548	11 720	(8 172)	-70%	14 650
Dividends		—	—	—	—	—	—	—	—	—
Payments										
Suppliers and employees		(16 811)	(375 402)	(390 269)	(29 528)	(237 020)	(354 689)	(117 669)	33%	(390 269)
Finance charges		—	—	—	—	—	—	—	—	—
Transfers and Grants		—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		580 827	153 458	182 511	(18 533)	312 976	161 331	(151 645)	-94%	182 511
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—	—
Payments										
Capital assets		(161 457)	(192 872)	(237 656)	(14 802)	(160 056)	(208 182)	(48 126)	23%	(237 656)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(161 457)	(192 872)	(237 656)	(14 802)	(160 056)	(208 182)	(48 126)	23%	(237 656)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		—	—	—	—	—	—	—	—	—
Borrowing long term/retrefinancing		—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		110	—	—	(1)	75	345	(270)	-78%	—
Payments										
Repayment of borrowing		—	—	—	—	—	—	—	—	—
NET CASH FROM/(USED) FINANCING ACTIVITIES		110	—	—	(1)	75	345	270	78%	—
NET INCREASE/ (DECREASE) IN CASH HELD		338 680	(39 422)	(55 144)	(33 336)	152 994	(46 506)			(55 144)
Cash/cash equivalents at beginning:		153 196	178 309	166 749		224 422	166 749			224 422
Cash/cash equivalents at month/year end:		491 876	138 887	111 605		377 417	120 243			169 278

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.e. Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1 Yr	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	3 290	1 902	557	910	775	604	3 225	6 483	17 647	11 998	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	66	925	686	595	577	549	26 911	46 648	79 957	75 280	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	922	625	472	432	407	387	1 816	20 026	25 090	23 671	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-
Interest on Asset Debit Accounts	1810	1 379	1 388	1 381	1 354	1 358	1 346	6 180	34 241	48 606	44 478	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	0	288	637	5	155	1	385	26 896	30 364	29 440	-	-
Total By Income Source	2000	5 657	5 829	3 713	3 293	3 272	2 887	38 520	138 382	281 672	187 274	-	-
2021/22 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 005	2 194	1 570	1 932	1 881	1 658	32 238	53 201	96 679	90 910	-	-
Commercial	2300	3 078	1 941	1 270	505	527	390	2 005	35 830	45 545	39 256	-	-
Households	2400	574	895	873	856	863	839	4 277	50 272	59 449	57 108	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2000	5 657	5 829	3 713	3 293	3 272	2 887	38 520	138 382	281 672	187 274	-	-

The total debt book for 31st May 2022 inclusive of R 3,565,002 advanced payments resulting to a total of R 201,672,355

The total debt book for May 2022 of R 198 107 953.94 (including current of R 6 967 406.80 which is not yet due) has decreased by R – 7 003 225 from the previous month closing balance of R 199 770 734.53. Debt is made up of the following:

Residential debt:

R 71 912 002.93

Commercial debt

R 30 933 642.41

Government debt

R 92 477 961.3

Other

R 2 784 347.3

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 52 226 015.73 (including current)

Cedarville

R 4 669 668.27 (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 R 59 220 468.24

Business H/O R 3 154 654.45

Churches H/O R 121 615.56

Farms H/O R 2 421 233.98

R 162 419.33 was collected for May 2022.

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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	237 097	-	-	-	-	-	-	-	237 097
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	237 097	-	-	-	-	-	-	-	237 097

Total expenditure on this category is R237,097 for this month, municipality paid its creditors within 30 days for the month ended 31st May 2022.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

May-22					
Investment Management					
Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	32 069 040.04	108 186.86	(9 048 238.64)	(108 186.86)	23 128 988.26
INEP	18 126 188.57	110 852.95	(4 628 482.48)	(110 852.95)	13 608 559.04
EPWP	-	-	-	-	-
Municipal Electrification Intervention	279 370.20	861.00	-	(861.00)	280 231.20
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	55 957.81	172.50	-	(172.50)	56 130.31
Establishment Plan	196 750.06	475.16	-	(475.16)	197 225.22
Housing Development Fund	2 005 529.90	4 843.49	-	(4 843.49)	2 010 373.39
Dedea	610 306.94	1 473.93	-	(1 473.93)	611 780.87
Total Conditional Investments	53 343 144	226 866	13 676 721	226 866	39 893 288
Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	85 884 582.18			(247 418.19)	85 884 582.18
Call Acc STD CRR	11 394 475.08	32 825.45		(32 825.45)	11 427 300.53
Call Acc STD CRR	22 284 997.26	51 638.35	(22 336 635.61)	(51 638.35)	-
Call ACC FNB Surplus Cash	6 805 395.80			(14 822.72)	6 805 395.80
Nedbank 32 Days	6 596 017.24	24 396.30		(24 396.30)	6 620 413.54
Nedbank relief fund	789 380.51	2 433.00		(2 433.00)	791 813.51
Nedbank COV -19 Solidarity	95 498.46	304.11		(304.11)	95 802.57
Nedbank call Surplus	27 363 214.01	22 510 880.20	(23 875 635.91)	(154 683.08)	25 998 458.30
Nedbank Retention	27 428 680.27	84 540.60		(84 540.60)	27 513 220.87
Termination Guarantee	144 640.82			(445.80)	144 640.82
Account Gaurantee	6 202 000.00			(195 115.70)	6 202 000.00
Nedbank	20 126 986.30	87 479.45		(126 986.30)	20 214 465.75
Nedbank	40 100 800.00	173 600.00		(173 600.00)	40 274 400.00
Total Unconditional	255 216 668	22 968 097	46 212 272	1 109 210	231 972 494
TOTAL	308 559 811	23 194 963	59 888 993	1 336 075	271 865 782

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 31st May 2022 the conditional investments amounted to R 39,893,288 and unconditional investments amounted to R231,972,782.

Total investments as at 31st May 2022 amounted to R 271,865,782.

SECTION 7_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6

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										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		-	265 363	265 363	-	265 363	243 249	22 114	9.1%	265 363
Expanded Public Works Programme Integrated Grant		-	4 887	4 887	-	4 887	4 480	407	9.1%	4 887
Local Government Financial Management Grant		-	1 650	1 650	-	1 650	1 513	138	9.1%	1 650
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Equitable Share		-	258 826	258 826	-	258 826	237 257	21 569	9.1%	258 826
Provincial Government:		-	1 950	4 174	-	4 174	3 826	348	9.1%	4 174
Capacity Building and Other : Library		-	1 950	1 950	-	1 950	1 788	163	9.1%	1 950
DEDEAT		-	-	2 224	-	2 224	2 038	185	9.1%	2 224
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	-	267 313	269 537	-	269 537	247 075	22 461	9.1%	269 537
Capital Transfers and Grants										
National Government:		-	145 471	174 749	-	174 749	160 187	14 562	9.1%	174 749
Municipal Infrastructure Grant		-	51 971	76 971	-	76 971	70 557	6 414	9.1%	76 971
Integrated National Electrification Programme Grant		-	93 500	97 778	-	97 778	89 630	8 148	9.1%	97 778
Provincial Government:		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	0.0%	-
Other grant providers:		-	-	-	-	-	-	-	0.0%	-
Total Capital Transfers and Grants	5	-	145 471	174 749	-	174 749	160 187	14 562	9.1%	174 749
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	-	412 784	444 286	-	444 286	407 262	37 024	9.1%	444 286

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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		-	265 363	265 363	25 271	224 495	243 249	(18 754)	-7.7%	265 363
Expanded Public Works Programme Integrated Grant		-	4 887	4 887	3	4 887	4 480	407	9.1%	4 887
Local Government Financial Management Grant		-	1 650	1 650	4	1 253	1 513	(249)	-16.5%	1 650
Equitable Share		-	258 826	258 826	25 264	218 345	237 257	(18 912)	-8.0%	258 826
Provincial Government:		(484)	1 950	4 174	260	2 515	3 826	(1 311)	-34.3%	4 174
Capacity Building and Other : Library		(484)	1 950	1 950	260	291	1 788	(1 496)	-83.7%	1 950
DEDEAT: ALIEN PLANT CLEARING		-	-	2 224	-	2 224	2 038	185	9.1%	2 224
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		(484)	267 313	269 537	25 531	227 010	247 075	(20 065)	-8.1%	269 537
Capital expenditure of Transfers and Grants										
National Government:		-	145 471	174 749	15 987	125 548	160 187	(34 638)	-21.6%	174 749
Municipal Infrastructure Grant		-	51 971	76 971	12 295	52 647	70 557	(17 910)	-25.4%	76 971
Integrated National Electrification Programme Grant		-	93 500	97 778	3 692	72 901	89 630	(16 729)	-18.7%	97 778
Provincial Government:		-	-	-	-	-	-	-	-	-
DEDEAT ALIEN PLANT CLEARING		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		-	145 471	174 749	15 987	125 548	160 187	(34 638)	-21.6%	174 749
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		(484)	412 784	444 286	41 518	352 558	407 262	(54 704)	-13.4%	444 286

Expenditure performance on grants amounted to R41,5 million for the month ended 31st May 2022.

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 Councilor remuneration		Ref	2020/21 Audited Outcome	Budget Year 2021/22							
R thousands			Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
		1	A	B	C					D	
Councillors (Political Office Bearers plus Other)											
Basic Salaries and Wages			12 087	13 681	13 681	2 169	12 043	12 541	(499)	-4%	13 681
Pension and UIF Contributions			741	808	808	134	667	741	(74)	-10%	808
Medical Aid Contributions			540	141	141	69	488	129	358	277%	141
Motor Vehicle Allowance			129	136	136	-	58	124	(66)	-53%	136
Cellphone Allowance			2 279	2 391	2 391	400	2 213	2 192	21	1%	2 391
Housing Allowances			4 204	4 532	4 532	772	4 131	4 155	(24)	-1%	4 532
Other benefits and allowances			-	-	-	-	-	-	-	-	-
Sub Total - Councillors			19 979	21 690	21 690	3 543	19 599	19 882	(284)	-1%	21 690
% increase		4		8.6%	8.6%						8.6%
Senior Managers of the Municipality											
Basic Salaries and Wages		3	1 084	3 200	3 200	305	1 926	2 933	(1 008)	-34%	3 200
Pension and UIF Contributions			70	139	139	1	33	127	(94)	-74%	139
Medical Aid Contributions			-	121	121	-	-	111	(111)	-100%	121
Overtime			-	-	-	-	-	-	-	-	-
Performance Bonus			-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance			-	-	-	-	-	-	-	-	-
Cellphone Allowance			577	1 813	1 813	105	927	1 662	(735)	-44%	1 813
Housing Allowances			-	-	-	-	-	-	-	-	-
Other benefits and allowances			577	1 390	1 390	56	621	1 274	(653)	-51%	1 390
Payments in lieu of leave			170	499	499	51	331	457	(126)	-28%	499
Long service awards			-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations			-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		2	-	-	-	-	-	-	-	-	-
% increase		4	2 479	7 162	7 162	518	3 838	6 565	(2 726)	-42%	7 162
				188.9%	188.9%						188.9%
Other Municipal Staff											
Basic Salaries and Wages			75 738	87 626	87 298	6 860	74 458	80 066	(5 607)	-7%	87 298
Pension and UIF Contributions			12 615	14 324	14 324	1 126	11 922	13 130	(1 206)	-9%	14 324
Medical Aid Contributions			5 569	5 134	5 134	407	4 308	4 706	(398)	-8%	5 134
Overtime			2 147	1 916	2 026	(95)	1 461	1 840	(379)	-21%	2 026
Performance Bonus			5 951	6 332	6 332	291	4 647	5 804	(1 157)	-20%	6 332
Motor Vehicle Allowance			4 996	4 832	4 832	403	4 516	4 430	86	2%	4 832
Cellphone Allowance			6	6	6	2	145	6	140	2491%	6
Housing Allowances			-	2 531	2 531	64	319	2 320	(2 001)	-86%	2 531
Other benefits and allowances			4 344	2 998	2 616	390	4 675	2 372	2 303	97%	2 616
Payments in lieu of leave			3 821	-	-	106	2 681	-	2 681	#DIV/0!	-
Long service awards			290	-	-	20	338	-	338	#DIV/0!	-
Post-retirement benefit obligations			-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		2	-	-	-	-	-	-	-	-	-
% increase		4	115 485	125 099	125 899	9 574	109 478	114 674	(5 204)	-5%	125 899
				8.3%	8.3%						8.3%
Total Parent Municipality											
			137 943	153 951	153 951	13 634	132 987	141 122	(8 214)	-6%	153 951

Remuneration related expenditure for the month ended 31st May 2022 amounted to R 13,6 million of the expenditure R 3,5 million relates to Remuneration of Councillors and R10.1 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 31st May 2022 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: Lizo Matiwane

Municipal Manager of Matatiele Local Municipality

Signature:



Date: 08/06/2022