



**MATATIELE**  
LOCAL MUNICIPALITY

# 2022/2023 MONTHLY SECTION 71 REPORT

## MONTH ENDED 31 DECEMBER 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<sup>st</sup> December 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 if the Financial Monitoring Report (FMR) is to provide a monthly update and report on the municipality's consolidated performance in terms of the budget, indicate any material variances from Service delivery and Budget Implementation Plan (SDBIP) and provide any remedial action or corrective steps to be taken.

The below analysis is a high-level assessment based on revenue and expenditure recognised on the Municipal Financial System as at 31 December 2022. It is incumbent on the necessary user business units and user departments to ensure the completeness, Validity and accuracy of the information provided for the purposes of the assessment and bring to the attention of the council any further business units' items which are not fully elaborated below.

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

#### **Revenue by source**

The total revenue received for the month ended 31<sup>st</sup> December 2022 amounted to **R 112,789,530** which represents **19%** of the total annual approved budget figure of **R 579,582,986** but the amount received to date is **60%** (including grants). The majority of the revenue recognised this month of **R 104,615,099** is relating to INEP,MIG gran & Equitable Share.

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

Operating expenditure for the month ended 31<sup>st</sup> December 2022 amounted to **R 59,941,229** which represents **12%** of total approved operating expenditure budget figure of **R 480,023,232**, the expenditure to date represents **44%**. The majority of expenditure relates to bulk purchases, contracted services and depreciation.

#### **Capital Expenditure**

The approved annual capital budget for the financial year amounts to **R 171,309,312** which include Capital Replacement Reserve. Capital expenditure incurred for the month ended 31<sup>st</sup> December 2022 amounted to **R 12,311,396**. This represents **7%** of the approved capital expenditure budget.

## Grants Funded Capital

- The MIG capital grant allocation for the financial year is **R 53,264,604** million as per Dora Allocation. the spending for the month ending 31<sup>st</sup> December is **R 1,942,596** which represent **9%** of expenditure to date.
- Integrated National Electrification Programme (INEP) of **R 46,287,972** million was allocated. The grant reflects **R 6,782,507** spending at the end of 31<sup>st</sup> December 2022 which represent **14%**.
- Capital Replacement Reserves (CRR) for the financial year is **R 71,756,736** million is allocated. The spending for the month is **R 852,091** which represent **1%**.
- The municipality anticipate to spend **100%** of the total capital budget as at the end of the financial year, Therefore the spending is sitting at **30%** as at 31<sup>st</sup> December 2022.

The Municipality has made the rollover application that have been submitted on the 31 August 2022 as per Section 22 of DoRA 2021 and were submitted together with the annual financial statement, the rollover approval was published at the end of 31 October 2022 and final unspent conditional grant amount was communicated by National Treasury on 8 November 2022, therefore approved rollover will be included in the adjustment budget of the Municipality and may proceed to spend such funds after the approval of Adjustment Budget, and were rollovers have not approved the amount needs to be reverted to the national and provincial treasury or will be set off against the equitable share.

**Unspent National grants relate to the following projects:** Municipal Infrastructure Grant (MIG)

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

### Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	December status
Rehabilitation of Matatiele internal Streets Cluster 1	Contractor has been appointed
Purutle Moyeni Access Road and Bridge	Project is 95 % complete
Extension of Matatiele Sports Centre Ph2	Tender Stage
Mahangu Access Road & Bridge	Project is 95 % complete
Harry Gwala Internal Streets	Project is 94 % complete
Rehabilitation of Cedarville internal streets	Project is 15 % complete

### Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	December status
Mavundleni Electrification	Site establishment is complete and construction is in progress at 51%.
Mapoti Electrification	Construction is complete, Pending Eskom Process for energising.
Polar Park Electrification	Site establishment is complete and awaiting Material delivery construction to kickstart on 16 January 2023.
Rockville Electrification	Site establishment is complete and construction is in progress at 54%.
Hillside-Manzi Ph2 link line	Construction progresss is at 90%, poending pole to pole inspection and Eskom process on the Household connections are complete.
Sikhulumi Electrification	Construction is complete, Pending Eskom Process for energising



Sikhulumi Link Line	Construction is complete, Pending Eskom Process for energising
Molweni 1 Electrification	construction is in progress at 70%.
Molweni 2 Electrification	construction is in progress at 77%.
Masupa Electrification	Construction is complete, Pending Eskom Process for energising
Moiketsi Electrification	The contractor is busy with site establishment and Material Procurement, construction to kick-start in January 2023
Hillside Manzi Electrification	Construction Stage and the progress is at 61%

### Internal Funded Capital Projects

Internal funded Capital Project	December status
Dengwane Khoapa Botsola-Taung AR	Contractor has been appointed
Sitiweni AR	Project is 20 % completed
Mphotshongweni A R	Contractor has been appointed
Mphotshongweni Bridge (Rashule)	Contractor has been appointed
Construction of Silo Phase 4	Tender stage
Dlodlweni Access Road	Contractor has been appointed
Makomorweni Access Road and Bridge	Contractor has been appointed
Black Diamond Access Road and Bridge	Tender stage
Lekhalong Access Road	Tender stage
Queens Mercy Access Road	Contractor has been appointed
Mango-Nyanzela Access Road	Contractor has been appointed

## 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.

## IN-YEAR BUDGET STATEMENT TABLES

### 3.1 Monthly budget statements

#### 3.1.1 Table C1 Monthly Budget Statement Summary

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M06 December

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	48 706	54 088	--	1 701	42 503	27 044	15 459	57%	54 088
Service charges	60 146	86 942	--	(1 440)	25 006	43 471	(18 465)	-42%	86 942
Investment revenue	9 569	14 560	--	1 717	7 742	7 325	417	6%	14 560
Transfers and subsidies	267 361	298 418	--	95 066	210 775	156 709	54 067	44%	298 418
Other own revenue	24 248	26 129	--	2 337	12 608	14 064	(1 457)	-10%	26 129
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>418 370</b>	<b>477 227</b>	<b>--</b>	<b>99 384</b>	<b>298 634</b>	<b>238 614</b>	<b>60 021</b>	<b>25%</b>	<b>477 227</b>
Employee costs	126 302	141 252	--	10 860	66 570	70 631	(5 061)	-7%	141 252
Remuneration of Councilors	21 444	22 459	--	1 852	11 415	11 230	185	2%	22 459
Depreciation & asset impairment	53 955	53 335	--	30 219	30 219	36 668	3 551	13%	53 335
Finance charges	35	--	--	133	133	--	133	#DIV/0!	--
Inventory consumed and bulk purchases	64 236	69 130	--	4 344	32 353	34 555	(2 202)	-5%	69 130
Transfers and subsidies	--	--	--	--	--	--	--	--	--
Other expenditure	245 424	193 836	--	12 532	72 897	96 918	(24 021)	-25%	193 836
<b>Total Expenditure</b>	<b>513 396</b>	<b>480 023</b>	<b>--</b>	<b>59 941</b>	<b>212 597</b>	<b>240 012</b>	<b>(27 414)</b>	<b>-11%</b>	<b>480 023</b>
<b>Surplus/(Deficit)</b>	<b>(95 027)</b>	<b>(2 796)</b>	<b>--</b>	<b>39 443</b>	<b>86 037</b>	<b>(1 398)</b>	<b>87 435</b>	<b>-8254%</b>	<b>(2 796)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	165 532	102 356	--	13 405	47 562	51 178	(3 616)	-7%	102 356
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departments/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>70 206</b>	<b>99 560</b>	<b>--</b>	<b>52 648</b>	<b>133 600</b>	<b>49 780</b>	<b>83 820</b>	<b>168%</b>	<b>99 560</b>
Share of surplus/ (deficit) of associate	--	--	--	--	--	--	--	--	--
<b>Surplus/(Deficit) for the year</b>	<b>70 206</b>	<b>99 560</b>	<b>--</b>	<b>52 648</b>	<b>133 600</b>	<b>49 780</b>	<b>83 820</b>	<b>168%</b>	<b>99 560</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	189 356	171 309	--	8 226	47 445	85 655	(38 210)	-45%	171 309
Capital transfers recognised	141 845	99 553	--	11 459	40 359	49 776	(9 417)	-19%	99 553
Borrowing	--	--	--	--	--	--	--	--	--
Internally generated funds	47 669	71 757	--	852	11 170	35 878	(24 708)	-69%	71 757
<b>Total sources of capital funds</b>	<b>189 533</b>	<b>171 309</b>	<b>--</b>	<b>12 311</b>	<b>51 530</b>	<b>86 655</b>	<b>(34 125)</b>	<b>-42%</b>	<b>171 309</b>
<b>Financial position</b>									
Total current assets	420 000	309 470	--	--	536 565	--	--	--	309 470
Total non current assets	1 140 316	1 361 729	--	--	1 161 628	--	--	--	1 361 729
Total current liabilities	146 127	99 372	--	--	154 563	--	--	--	99 372
Total non current liabilities	43 429	14 442	--	--	43 429	--	--	--	14 442
Community wealth/Equity	1 365 373	1 557 385	--	--	1 502 361	--	--	--	1 557 385
<b>Cash flows</b>									
Net cash from (used) operating	275 430	110 160	--	75 456	232 575	55 080	(177 485)	-322%	110 160
Net cash from (used) investing	(188 247)	(171 309)	--	(11 666)	(56 206)	(85 555)	(29 349)	34%	(171 309)
Net cash from (used) financing	82	--	--	--	37	--	(37)	#DIV/0!	--
<b>Cash/Debt equivalents at the month/year end</b>	<b>311 682</b>	<b>232 938</b>	<b>--</b>	<b>--</b>	<b>413 138</b>	<b>263 513</b>	<b>(149 625)</b>	<b>-57%</b>	<b>175 582</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 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	8 237	5 554	6 420	6 064	3 509	30 879	13 719	132 870	206 651
<b>Debtors Age Analysis</b>									
Total Debtors	--	--	--	--	--	--	--	--	--

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

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

2021/22										
Description	Ref	Budget Year 2022/23								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue - Functional										
Governance and administration		333 981	378 020	–	99 391	265 655	188 010	77 645	41%	378 020
Executive and council		–	–	–	–	–	–	–	–	–
Finance and administration		333 981	378 020	–	99 391	265 655	188 010	77 645	41%	378 020
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		11 464	11 588	–	1 323	7 210	5 784	1 425	25%	11 588
Community and social services		6 057	5 368	–	530	3 980	3 484	796	25%	5 368
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		5 407	5 201	–	693	3 230	2 600	630	24%	5 201
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		68 038	56 290	–	5 614	22 052	28 145	(6 093)	-22%	56 290
Planning and development		171	202	–	2	93	101	(8)	-8%	202
Road transport		67 867	56 088	–	5 611	21 959	28 044	(6 085)	-22%	56 088
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		170 119	135 705	–	6 462	51 280	67 852	(16 572)	-24%	135 705
Energy sources		156 620	57 024	–	5 477	45 390	26 512	18 878	59%	57 024
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		13 496	78 681	–	984	5 890	39 340	(33 451)	-85%	78 681
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	583 802	579 583	–	112 790	348 197	289 791	58 405	19%	579 583
Expenditure - Functional										
Governance and administration		241 512	224 974	–	18 013	104 788	112 487	(7 719)	-7%	224 974
Executive and council		28 850	29 845	–	2 350	16 212	14 922	1 290	9%	29 845
Finance and administration		208 282	191 438	–	16 546	86 611	95 719	(9 108)	-10%	191 438
Internal audit		4 380	3 692	–	217	1 945	1 046	99	5%	3 692
Community and public safety		34 947	53 254	–	2 409	18 572	26 627	(8 054)	-30%	53 254
Community and social services		15 683	27 956	–	731	8 860	13 978	(5 118)	-37%	27 956
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		19 264	25 297	–	1 678	9 712	12 849	(2 937)	-23%	25 297
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		68 977	60 830	–	29 280	43 028	45 415	(2 387)	-5%	60 830
Planning and development		19 907	24 989	–	938	6 449	12 494	(6 046)	-48%	24 989
Road transport		50 069	65 841	–	28 378	36 579	32 920	3 658	11%	65 841
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		108 981	119 006	–	9 633	48 229	55 483	(9 253)	-17%	119 006
Energy sources		141 882	86 897	–	8 131	38 630	43 448	(4 818)	-11%	86 897
Water management		–	–	–	–	–	–	–	–	–
Waste water management		–	–	–	–	–	–	–	–	–
Waste management		25 079	24 069	–	1 442	7 599	12 635	(4 436)	-37%	24 069
Other		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	513 396	489 023	–	59 941	212 587	240 012	(27 414)	-11%	489 023
Surplus (Deficit) for the year		70 206	99 560	–	52 848	133 610	49 780	83 820	108%	99 560

This table assess the revenue and expenditure by department, the expenditure for the period ending 31<sup>st</sup> December 2022 is **R 59,9** million and revenue is **R 112,7** million.

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

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

Vote Description	Ref	2021/22 Audited Outcome	Budget Year Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive Council		--	--	--	--	--	--	--		--
Vote 2 - Finance and Admin		333 448	375 670	--	99 275	265 430	187 835	77 595	41.3%	375 670
Vote 3 - Corporate		533	350	--	116	225	175	50	28.8%	350
Vote 4 - Development and Planning		283	202	--	8	148	101	47	47.0%	202
Vote 5 - Community		24 963	90 249	--	2 308	13 099	45 125	(32 025)	-71.0%	90 249
Vote 6 - Infrastructure		224 375	113 112	--	11 083	67 294	56 556	10 738	19.0%	113 112
Vote 7 - Internal Audit		--	--	--	--	--	--	--		--
Vote 8 -		--	--	--	--	--	--	--		--
Vote 9 -		--	--	--	--	--	--	--		--
Vote 10 -		--	--	--	--	--	--	--		--
Vote 11 -		--	--	--	--	--	--	--		--
Vote 12 -		--	--	--	--	--	--	--		--
Vote 13 -		--	--	--	--	--	--	--		--
Vote 14 -		--	--	--	--	--	--	--		--
Vote 15 -		--	--	--	--	--	--	--		--
<b>Total Revenue by Vote</b>	2	<b>583 602</b>	<b>579 583</b>	--	<b>112 790</b>	<b>346 197</b>	<b>289 791</b>	<b>56 405</b>	<b>19.5%</b>	<b>579 583</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive Council		28 850	29 845	--	2 350	16 212	14 922	1 290	8.6%	29 845
Vote 2 - Finance and Admin		144 999	118 223	--	10 259	51 875	59 111	(7 236)	-12.2%	118 223
Vote 3 - Corporate		63 283	73 215	--	5 787	34 735	35 608	(1 872)	-5.1%	73 215
Vote 4 - Development and Planning		20 957	24 989	--	908	6 605	12 494	(5 890)	-47.1%	24 989
Vote 5 - Community		60 026	77 323	--	3 851	26 171	38 661	(12 490)	-32.3%	77 323
Vote 6 - Infrastructure		190 901	152 737	--	36 569	75 053	76 389	(1 315)	-1.7%	152 737
Vote 7 - Internal Audit		4 380	3 692	--	217	1 945	1 846	99	5.3%	3 692
Vote 8 -		--	--	--	--	--	--	--		--
Vote 9 -		--	--	--	--	--	--	--		--
Vote 10 -		--	--	--	--	--	--	--		--
Vote 11 -		--	--	--	--	--	--	--		--
Vote 12 -		--	--	--	--	--	--	--		--
Vote 13 -		--	--	--	--	--	--	--		--
Vote 14 -		--	--	--	--	--	--	--		--
Vote 15 -		--	--	--	--	--	--	--		--
<b>Total Expenditure by Vote</b>	2	<b>513 396</b>	<b>480 023</b>	--	<b>58 941</b>	<b>212 597</b>	<b>240 012</b>	<b>(27 414)</b>	<b>-11.4%</b>	<b>480 023</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>70 206</b>	<b>99 560</b>	--	<b>52 848</b>	<b>133 600</b>	<b>49 780</b>	<b>83 820</b>	<b>168.4%</b>	<b>99 560</b>

Reporting per municipal Vote provides details on the spending over the various functions. Revenue is mainly budgeted under the Finance & Admin Function and therefore the majority of the revenue will be reflected under this function.

### 3.1.4 Table C4: Monthly Budget Statement-Financial Performance (revenue by source and expenditure by type)

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

EC441 Metadata - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - (in thousands)										
Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue By Source</b>										
Property rates		48 726	54 088	-	1 705	42 533	27 044	15 459	57%	54 088
Service charges - electricity revenue		56 530	71 416	-	(2 418)	19 147	35 708	(16 561)	-46%	71 416
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		11 615	15 526	-	979	5 859	7 763	(1 904)	-25%	15 526
Rental of facilities and equipment		1 260	2 028	-	76	521	1 014	(492)	-49%	2 028
Interest earned - external investments		9 599	14 650	-	1 717	7 742	7 325	417	6%	14 650
Interest earned - outstanding debtors		16 186	18 731	-	1 426	6 284	9 365	(1 081)	-12%	18 731
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 358	1 769	-	264	1 015	885	130	15%	1 769
Licences and permits		3 407	4 131	-	431	2 285	2 065	200	10%	4 131
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		267 351	293 418	-	95 068	210 776	146 709	64 067	44%	293 418
Other revenue		1 350	1 471	-	140	522	735	(213)	-29%	1 471
Gains		(15)	-	-	-	-	-	-	-	-
		418 978	477 227	-	99 384	298 634	238 814	60 821	25%	477 227
<b>Total Revenue (excluding capital transfers and contributions)</b>										
<b>Expenditure By Type</b>										
Employee related costs		128 303	141 262	-	10 660	65 570	70 431	(5 061)	-7%	141 262
Remuneration of councillors		21 444	22 459	-	1 852	11 415	11 230	185	2%	22 459
Debt impairment		17 651	6 000	-	-	-	3 600	(3 600)	-100%	6 000
Depreciation & asset impairment		53 955	53 336	-	30 219	30 219	26 666	3 551	13%	53 336
Finance charges		35	-	-	133	133	-	133	#DIV/0!	-
Bulk purchases - electricity		56 161	61 383	-	4 024	30 436	30 691	(255)	-1%	61 383
Inventory consumed		6 075	7 747	-	320	1 906	3 873	(1 947)	-50%	7 747
Contracted services		100 354	113 584	-	8 213	44 693	56 792	(12 099)	-21%	113 584
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		49 201	74 252	-	4 319	28 204	37 126	(8 922)	-24%	74 252
Losses		78 219	-	-	-	-	-	-	-	-
		513 396	480 023	-	50 041	212 567	240 812	(27 414)	-11%	480 023
<b>Total Expenditure</b>										
Surplus/(Deficit)		(95 327)	(2 796)	-	39 443	86 037	(1 398)	87 435	(0)	(2 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		165 532	102 356	-	13 405	47 562	51 178	(3 616)	(0)	102 356
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		70 206	99 580	-	52 848	133 000	49 789			99 580
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		70 206	99 580	-	52 848	133 000	49 789			99 580
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		70 206	99 580	-	52 848	133 000	49 789			99 580
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		70 206	99 580	-	52 848	133 000	49 789			99 580

#### Revenue by Source

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

#### Property Rates

Property rates revenue is the major part of the municipal own revenue and represents **11%** of the total own revenue budget.

The municipality bills both annual rates and monthly rates at the beginning of the financial year i.e. July. The total property rates billed amounted to **R 1,637,117.84** income received from property rates for the month of December 2022 amounted to **R 1,700,801**.

### **Services Charges**

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to **R 1,641,867** for the month ended 31<sup>st</sup> December 2022. This represent **2%** of billing

### **Rental of Facilities and equipment**

Rental of facilities and equipment annual budget is **R 2,027,556**, Revenue amount of **R 75,669** for December 2022 has been recognised on this category representing **4%** which is lower than projected amount because site rentals have not yet been rented out.

### **Interest earned on Investments**

Reflects the interest in respect of funds not immediately needed in the operations of the Municipality, these are short term investments made with financials also include conditional grants. The Interest on investments for the month ended 31<sup>st</sup> December 2022 amounted to **R 1,717,473**

### **Interest on Outstanding Debtors**

Interest on overdue accounts for the month ended 31<sup>st</sup> December 2022 amounted to **R1,426,171** the billing of interest on outstanding debtors is lower than expected. the majority of the debtors are the government departments.

### **Fines, penalties and Forfeits**

Revenue from fines, penalties and forfeits has an annual budget of **R 1,769,004**. An amount revenue of **R 264,071** has been recognised for this category representing **15%** for the month ended 31<sup>st</sup> December 2022. Which is above the expect performance due to more collection in traffic fines and pound fees. Fines are base cash basis whilst the budget is based on GRAP 1 which require us to recognised the total fines issued and not only base on connection.

### **Licences and permits**

The budget for licences and permits amounts to **R 4,130,844** for the 2022/23 budget year, and for the month ended 31<sup>st</sup> December 2022 an amount of **R 431,160** was recognise and YTD revenue of **R 2,265,218** represent **55%** of the total revenue budget for this category.

### **Transfers and Subsidies-Operational**

Total budget amount on transfers and subsidies is **R 293,418,000** an amount of **R 95,068,101** was received for the month ended 31<sup>st</sup> December 2022 this represents **32%** of total budget. This

more than expected performance for the Month and is due to grants revenue being recognised in trenches as per Dora allocation. YTD grants revenue represent **72%** on this category.

### **Transfers and Subsidies-Capital**

Total budget amount on transfers and subsidies is **R 102,355,992** an amount of **R 13,405,454** was received for the month ended 31<sup>st</sup> December 2022 this represents **13%** of total budget. This more than expected performance for the Month and is due to grants revenue being recognised in trenches as per Dora allocation. YTD grants revenue represent **46%** on this category.

### **Other Revenue**

A total budget for other revenue is **R 1,470,708** which consists mostly Merchandising and Jobbing, sale of tender documents, insurance refund and other revenue. Other revenue amounted to **R 140,285** for the month ended 31<sup>st</sup> December 2022.

### **Operating Expenditure by type**

#### **Employee related costs/ Remuneration of Councillors**

Employee related expenditure for the month ended 31<sup>st</sup> December 2022 amounted **R12,711,957** of which the expenditure **R 1,852,387** relates to Remuneration of Councillors and **R 10,859,569** to Managers and staff, that represents **8%** of the budgeted amount for this category.

#### **Debt Impairment**

Currently the municipality accounts for Debt impairment at the end of the financial year. Debt impairment relates to long overdue customer accounts over 90 days. It is a non-cash item and is budgeted at a rate being the difference of the cash the municipality intends to collect and what is not collectable from customers.

Items included in this category are bad debts written off which at the time of compiling report, there were no provisions recorded on the financial system resulting in this variance.

#### **Depreciation and Asset impairment**

Depreciation recognised in this category amounted to R 30,219,215 as at 31<sup>st</sup> December 2022. This represents 57% on this category and this is within the expected performance to date.

### **Bulk Purchases**

Expenditure relating to bulk electricity purchases reflects **R 4,024,493** expenditure for the month ending 31<sup>st</sup> December 2022, that represents **7%** of the budgeted amount on this category, which is less than December projections this is due to decrease in seasonal demand for electricity purchases.

### **Other Materials**

Total current budget on other material is **R 7 746 996** consists of inventory purchases for material and supplies and expenditure amounted to **R 319,825** for the month ended 31<sup>st</sup> December 2022, that represents **4%** of the budgeted amount on this category. The variance is due to less demand on stores items as anticipated.

### **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> December 2022 amounted to **R 8,213,100** that represents **7%** of the budgeted amount on this category. This is less than anticipated for the month due to contractors that are not yet appointed.

### **Other Expenditure**

Other expenditure reflects all other expenses not specifically mentioned and consists of the following:

- Skills development levy
- Remuneration of ward committee
- Telephone expenses
- Audit fees
- ICT Software
- Fuel and Oil
- Travel and subsistence expenses
- Workmen's Compensation Fund
- Professional Bodies Membership and Subscription

Other expenditure amounted to **R 4,319,247** for the month ended 31<sup>st</sup> December 2022, that represents **6%** of the budgeted amount on this category. Expenditure relating to Audit fees, ICT Software & Workmen's compensation is planned to increase in the 3rd quarter as per the departmental procurement plans.



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

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 December									
Vote Description	Ref	2021/22	Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands									
<b>Multi-Year expenditure appropriation</b>	2								
Vote 1 - Executive Council		-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-
<b>Total Capital Multi-Year expenditure</b>	4.7	-	-	-	-	-	-	-	-
<b>Single Year expenditure appropriation</b>	3								
Vote 1 - Executive Council		74	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		962	3 260	-	-	1 238	1 630	(392)	-24%
Vote 3 - Corporate		4 656	2 310	-	-	1 232	1 155	77	7%
Vote 4 - Development and Planning		163	500	-	-	-	250	(250)	-100%
Vote 5 - Community		2 454	6 360	-	-	75	5 180	(3 105)	-98%
Vote 6 - Infrastructure		161 315	156 879	-	12 311	48 968	79 440	(30 468)	-38%
Vote 7 - Internal Audit		-	-	-	(4 085)	(4 085)	-	(4 085)	#DIV/0!
Vote 8 -		-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	169 896	171 309	-	8 226	47 445	85 655	(38 210)	-45%
<b>Total Capital Expenditure</b>		169 896	171 309	-	8 226	47 445	85 655	(38 210)	-45%
<b>Capital Expenditure - Functional Classification</b>									
Governance and administration		5 334	5 579	-	(4 085)	(1 615)	2 785	(4 400)	-158%
Executive and council		74	-	-	-	-	-	-	-
Finance and administration		5 260	5 579	-	-	2 470	2 785	(316)	-11%
Internal audit		-	-	-	(4 085)	(4 085)	-	(4 085)	#DIV/0!
Community and public safety		1 366	3 460	-	-	45	1 730	(1 685)	-97%
Community and social services		156	1 510	-	-	45	755	(710)	-94%
Sport and recreation		-	-	-	-	-	-	-	-
Public safety		1 199	1 990	-	-	-	975	(975)	-100%
Housing		-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
Economic and environmental services		84 145	118 181	-	5 329	26 387	55 954	(28 664)	-52%
Planning and development		163	500	-	-	-	250	(250)	-100%
Road transport		83 982	109 601	-	5 329	26 387	54 901	(26 414)	-52%
Environmental protection		-	-	-	-	-	-	-	-
Trading services		99 094	52 178	-	6 783	22 628	26 988	(3 457)	-53%
Energy services		97 933	49 278	-	6 783	22 598	24 638	(2 041)	-8%
Water management		-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-
Waste management		1 119	2 900	-	-	30	1 450	(1 420)	-98%
Other		-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	169 896	171 309	-	8 226	47 445	85 655	(38 210)	-45%

The approved annual capital budget for the financial year amounts to **R 171,309,312**. Capital expenditure incurred for the month ended 31<sup>st</sup> December 2022 amounted to **R12,311,396**. This represents **7%** of the approved capital expenditure budget. The variance is as a result of capital projects that are still in tender stage.

### 3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	<b>1</b>					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash		8 715	15 393	–	13 172	15 393
Call investment deposits		228 017	217 545	–	335 254	217 545
Consumer debtors		88 494	70 502	–	97 996	70 502
Other debtors		92 889	4 937	–	90 500	4 937
Current portion of long-term receivables		–	–	–	–	–
Inventory		1 874	1 093	–	1 744	1 093
<b>Total current assets</b>		<b>420 000</b>	<b>309 470</b>	<b>–</b>	<b>538 665</b>	<b>309 470</b>
<b>Non current assets</b>						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		4 960	–	–	4 960	–
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1 134 394	1 356 483	–	1 155 457	1 356 483
Biological		–	–	–	–	–
Intangible		94	4 626	–	(4)	4 626
Other non-current assets		870	620	–	1 215	620
<b>Total non current assets</b>		<b>1 140 318</b>	<b>1 361 729</b>	<b>–</b>	<b>1 161 628</b>	<b>1 361 729</b>
<b>TOTAL ASSETS</b>		<b>1 560 318</b>	<b>1 671 199</b>	<b>–</b>	<b>1 700 293</b>	<b>1 671 199</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		1 578	822	–	1 616	822
Trade and other payables		132 238	62 798	–	138 577	62 798
Provisions		14 310	35 752	–	14 310	35 752
<b>Total current liabilities</b>		<b>148 127</b>	<b>99 372</b>	<b>–</b>	<b>154 503</b>	<b>99 372</b>
<b>Non current liabilities</b>						
Borrowing		–	–	–	–	–
Provisions		43 429	14 442	–	43 429	14 442
<b>Total non current liabilities</b>		<b>43 429</b>	<b>14 442</b>	<b>–</b>	<b>43 429</b>	<b>14 442</b>
<b>TOTAL LIABILITIES</b>		<b>191 556</b>	<b>113 814</b>	<b>–</b>	<b>197 932</b>	<b>113 814</b>
<b>NET ASSETS</b>	<b>2</b>	<b>1 368 762</b>	<b>1 557 385</b>	<b>–</b>	<b>1 502 361</b>	<b>1 557 385</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated Surplus/(Deficit)		969 989	1 178 048	–	1 106 978	1 178 048
Reserves		395 384	379 337	–	395 384	379 337
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>2</b>	<b>1 365 373</b>	<b>1 557 385</b>	<b>–</b>	<b>1 502 361</b>	<b>1 557 385</b>

### 3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	†									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
Receipts										
Property rates		36 620	43 271	–	1 105	33 414	21 635	11 778	54%	43 271
Service charges		62 021	69 553	–	4 187	41 307	34 777	6 530	19%	69 553
Other revenue		15 705	7 588	–	1 085	11 250	3 799	7 451	196%	7 588
Transfers and Subsidies - Operational		266 202	293 418	–	97 306	211 891	146 709	65 182	44%	293 418
Transfers and Subsidies - Capital		174 749	102 356	–	–	87 625	51 179	36 447	71%	102 356
Interest		4 385	14 650	–	1 717	8 184	7 325	859	12%	14 650
Dividends		–	–	–	–	–	–	–	–	–
Payments										
Suppliers and employees		(284 252)	(420 687)	–	(29 943)	(161 096)	(210 343)	(49 247)	23%	(420 687)
Finance charges		–	–	–	–	–	–	–	–	–
Transfers and Grants		–	–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>275 430</b>	<b>110 160</b>	<b>–</b>	<b>75 458</b>	<b>232 575</b>	<b>55 090</b>	<b>(177 485)</b>	<b>-322%</b>	<b>110 160</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		(188 241)	(171 309)	–	(11 666)	(56 205)	(85 655)	(29 448)	34%	(171 309)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(188 241)</b>	<b>(171 309)</b>	<b>–</b>	<b>(11 666)</b>	<b>(56 205)</b>	<b>(85 655)</b>	<b>(29 448)</b>	<b>34%</b>	<b>(171 309)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
Receipts										
Short term loans		–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		82	–	–	–	37	–	37	#DIV/0!	–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–	–	–
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>82</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>37</b>	<b>–</b>	<b>(37)</b>	<b>#DIV/0!</b>	<b>–</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>87 270</b>	<b>(61 150)</b>	<b>–</b>	<b>63 791</b>	<b>176 406</b>	<b>(30 575)</b>			<b>(61 150)</b>
Cash/cash equivalents at beginning:		224 422	294 685	–		236 732	294 088			236 732
Cash/cash equivalents at month/year end:		311 692	233 535	–		413 138	263 513			175 582

## PART 2 –SUPPORTING DOCUMENTATION

### SECTION 4

#### Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 31<sup>st</sup> December 2022.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M66 December

Description		Budget Year 2022/23										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts LLo Council Policy
NT Code		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total				
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	4 056	960	1 480	808	1 162	610	829	1 202	11 017	4 512	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 381	893	707	842	605	26 466	1 491	56 354	90 736	87 557	-	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	915	632	536	443	400	387	1 752	21 757	26 827	24 738	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-	-
Interest on Arrear Debtor Accounts	1810	1 428	1 413	1 391	1 494	1 174	1 200	5 520	38 195	51 813	47 583	-	-	-
Recoverable unauthorized, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	255	1 655	2 296	2 677	168	2 315	3 528	13 356	26 249	22 042	-	-	-
Total By Income Source	2900	8 237	5 954	6 428	6 864	3 989	38 879	13 119	132 878	206 851	186 441	-	-	-
2022/23 - total only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	2 654	1 927	2 252	1 915	998	28 884	4 733	56 299	98 563	91 828	-	-	-
Commercial	2300	4 438	2 610	3 083	3 061	443	2 920	4 001	16 760	37 297	27 165	-	-	-
Households	2400	1 143	1 117	1 105	1 388	1 067	1 075	4 385	59 811	70 791	87 427	-	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2400	8 237	5 654	6 428	6 864	3 588	38 879	13 119	132 878	206 851	186 441	-	-	-

The total debt book for December 2022 is R 206 650 965.00 inclusive of R 3,307,012 advanced payments.

The total debt book for December 2022 of R 203 343 953.1 (including current of R 8 303 971.5 which is not yet due) has decreased by R 11 927 586.04 from the previous month closing balance of R206,967,567.64 . Debt is made up of the following:

Residential debt:

R 78 841 420.23

Commercial debt

R 27 285 697.92

Government debt

R 93 914 398.21

Other

R 3 302 436.74

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 55 390 816.35 (including current)

Cedarville

R 5 021 879.54 (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 70 582 181.68 Business H/O

R 22 921 825.4

Churches H/O

R 149 458.46

Farms H/O

R 3 129 905.93

R 1 142 715.06 was collected for December 2022.

## SECTION 5 -CREDITORS' ANALYSIS

### Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2022/23								Total
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
<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 makes an extra effort that creditors are paid within 30 days as per MFMA, therefore municipality paid its creditors within 30 days for the month ended 31<sup>st</sup> December 2022.

## SECTION 6- INVESTMENT POTFOLIO ANALYSIS

### Conditional and Unconditional investment monitoring Information

Dec 22					
Investment Management					
Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	26 363 608.19	62 689.00	-5 054 846.93	-62 689.00	21 371 450.26
INEP	9 405 495.06	14 051 101.54	-6 488 813.60	-84 031.11	16 967 783.00
EPWP	-	-	-	-	-
Municipal Electrification Intervention	287 041.72	1 392.00	-	-1 392.00	288 433.72
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	57 494.33	278.88	-	-278.88	57 773.21
Establishment Plan	201 211.93	922.82	-	-922.82	202 134.75
Housing Development Fund	2 051 011.08	9 406.56	-	-9 406.56	2 060 427.64
Dedea	624 147.38	2 862.53	-	-2 862.53	627 009.91
<b>Total Conditional Investments</b>	<b>38 990 010</b>	<b>14 128 653</b>	<b>- 11 543 661</b>	<b>- 161 583</b>	<b>41 575 002</b>
Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	105 784 582.18	7 800 000.00	-	-542 635.60	113 584 582.18
Call Acc STD CRR	11 681 314.19	56 054.31	-	-56 054.31	11 737 368.50
Call ACC FNB Surplus Cash	6 805 395.80	-	-	-26 876.65	6 805 395.80
Nedbank 32 Days	6 806 888.16	36 869.22	-	-36 869.22	6 843 757.38
Nedbank	24 553 257.03	94 622 186.06	-101 100 000.00	-140 186.06	18 075 443.09
Nedbank relief fund	811 057.43	3 933.06	-	-3 933.06	814 990.49
Nedbank COV -19 Solidarity	98 189.07	494.40	-	-494.40	98 683.47
Nedbank Retention	28 181 883.86	136 662.78	-	-136 662.78	28 318 546.64
Termination Guarantee	144 640.82	-	-	-701.52	144 640.82
Account Gaurantee	6 202 000.00	-	-	-30 075.54	6 202 000.00
Standard Bank-008	50 411 404.11	331 130.14	-	-301 027.40	50 742 534.25
Standard Bank-009	-	50 306 061.64	-	-306 061.64	50 306 061.64
<b>Total Unconditional</b>	<b>241 480 613</b>	<b>102 987 330</b>	<b>- 101 100 000</b>	<b>- 161 583</b>	<b>293 674 004</b>
<b>Total</b>	<b>280 470 622</b>	<b>117 115 983</b>	<b>- 112 643 661</b>	<b>- 161 583</b>	<b>335 249 007</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. This indicates that the municipality as at 31<sup>st</sup> December 2022 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

As at 31<sup>st</sup> December 2022 the conditional investments amounted to **R 41,575,002** and unconditional investments amounted to **R 293,674,004**. Total investments as at 31<sup>st</sup> December 2022 amounted to **R 335,249,007**

The following reflects bank balances at 31<sup>st</sup> December 2022

Description	December 2022
Nedbank Primary Account:	3,168,124,84
Standard bank Account:	5,414,208,61
FNB Money Market Account:	1,977,247,03

Total Cash held as at 31<sup>st</sup> December 2022

10,559,580,48

The cash bank balance as at 31<sup>st</sup> December 2022 amounted to R 10,5 million.

## SECTION 7 \_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

### 7.1 Supporting Table SC6

Description	2022/23 Medium Term Revenue & Expenditure Framework				
R thousand	Budget Year 2022/23	Monthly actual	YearTD actual	YearTD budget	Performance %
<b>RECEIPTS:</b>					
<b>Operating Transfers and Grants</b>					
<b>National Government:</b>	292 768	96 647	211 160	121 987	72%
Local Government Equitable Share	286 308	94 482	206 142	119 295	72%
Expanded Public Works Programme Integrated Grant	4 810	2 165	3 368	2 004	70%
Local Government Financial Management Grant	1 650	-	1 650	688	100%
<b>Provincial Government:</b>	650	650	650	271	100%
Capacity Building and Other : Library DEDEAT	650	650	650	271	100%
<b>Total Operating Transfers and Grants</b>	293 418	97 297	211 810	122 258	72%
<b>Capital Transfers and Grants</b>	102 356	-	66 795	42 648	65%
Integrated National Electrification Programme (Municipal Grant) (Schedule 5B)	46 288	-	34 830	19 287	75%
Municipal Infrastructure Grant (MIG)	56 068	-	31 965	23 362	57%
<b>Total Capital Transfers and Grants</b>	102 356	-	66 795	42 648	65%
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	395 774	97 297	278 605	164 906	70%

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

The conditional & non conditional grants received for the month of December Equitable Share **R94,4** Million, EPWP **R2,1** Million and Library **R650,000** Million resulting to a total Amount of **R 97.2** million for the month and the municipality had a roll-over of **R9,3** million at the beginning of the financial year, which will be included in the adjustment budget to be approved by the national treasury.

## 7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Supporting Table 001/1 Monthly Budget Statement - Transfers and Grant expenditure - M06 December										
Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
National Government:		6 537	6 460	-	21	3 445	3 230	215	6.7%	6 460
Expanded Public Works Programme Integrated Grant		4 987	4 810	-	-	2 408	2 405	3	0.1%	4 810
Local Government Financial Management Grant		1 650	1 650	-	21	1 038	825	213	25.9%	1 650
Provincial Government:		2 113	650	-	-	623	325	298	91.8%	650
Library Grant		2 113	650	-	-	623	325	298	91.8%	650
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		8 650	7 110	-	21	4 069	3 555	514	14.5%	7 110
<b>Capital expenditure of Transfers and Grants</b>										
National Government:		165 407	102 356	-	11 687	41 604	51 178	(9 574)	-18.7%	102 356
Municipal Infrastructure Grant		67 629	56 068	-	4 904	19 292	28 034	(8 742)	-31.2%	56 068
Integrated National Electrification Programme Grant		97 778	46 288	-	6 783	22 312	23 144	(832)	-3.6%	46 288
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		165 407	102 356	-	11 687	41 604	51 178	(9 574)	-18.7%	102 356
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		<b>174 057</b>	<b>109 466</b>	<b>-</b>	<b>11 707</b>	<b>45 673</b>	<b>54 733</b>	<b>(9 060)</b>	<b>-16.6%</b>	<b>109 466</b>

Expenditure performance on grants amounted to R 11,6 million for the month ended 31<sup>st</sup> December 2022. The equitable share is used for the day to day running of the Municipality.



## SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 31 December 2022

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration		2021/22	Budget Year 2022/23						
R thousands	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
	1	A	B	C					
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages		13 256	14 129	-	1 066	6 796	7 065	(269)	-4%
Pension and UIF Contributions		712	683	-	73	464	346	117	34%
Medical Aid Contributions		536	92	-	61	372	46	326	705%
Motor Vehicle Allowance		58	-	-	-	-	-	-	-
Cellphone Allowance		2 352	2 573	-	201	1 206	1 286	(81)	-6%
Housing Allowances		4 488	4 872	-	421	2 577	2 486	91	4%
Other benefits and allowances		-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>21 444</b>	<b>22 459</b>	<b>-</b>	<b>1 852</b>	<b>11 415</b>	<b>11 230</b>	<b>185</b>	<b>2%</b>
<b>% Increase</b>			<b>4.7%</b>						
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages		3 130	3 947	-	399	1 282	1 873	(682)	-35%
Pension and UIF Contributions		37	147	-	0	2	74	(71)	-97%
Medical Aid Contributions		73	80	-	-	-	40	(40)	-100%
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		360	149	-	-	-	-	-	-
Motor Vehicle Allowance		1 605	2 016	-	106	616	75	(75)	-100%
Cellphone Allowance		-	-	-	-	-	1 006	(382)	-38%
Housing Allowances		686	725	-	54	328	363	(35)	-10%
Other benefits and allowances		337	501	-	10	87	251	(154)	-61%
Payments in lieu of leave		-	-	-	-	224	-	224	#DIV/0!
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>6 239</b>	<b>7 567</b>	<b>-</b>	<b>571</b>	<b>2 559</b>	<b>3 783</b>	<b>(1 223)</b>	<b>-32%</b>
<b>% Increase</b>			<b>21.3%</b>						
<b>Other Municipal Staff</b>									
Basic Salaries and Wages		83 947	93 243	-	6 901	42 170	46 621	(4 451)	-10%
Pension and UIF Contributions		13 155	15 771	-	1 208	7 286	7 885	(599)	-8%
Medical Aid Contributions		4 643	4 995	-	420	2 504	2 498	6	0%
Overtime		1 790	2 480	-	218	997	1 240	(243)	-20%
Performance Bonus		5 849	7 649	-	625	3 358	3 824	(465)	-12%
Motor Vehicle Allowance		4 272	4 414	-	440	2 612	2 207	405	18%
Cellphone Allowance		6	6	-	1	3	3	(0)	-7%
Housing Allowances		363	2 983	-	233	971	1 481	(521)	-35%
Other benefits and allowances		4 787	2 154	-	219	1 741	1 077	664	82%
Payments in lieu of leave		1 643	-	-	-	1 180	-	1 180	#DIV/0!
Long service awards		523	-	-	24	186	-	186	#DIV/0!
Post-retirement benefit obligations		1 365	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>122 064</b>	<b>133 695</b>	<b>-</b>	<b>10 288</b>	<b>63 011</b>	<b>66 848</b>	<b>(3 836)</b>	<b>-6%</b>
<b>% Increase</b>			<b>9.5%</b>						
<b>Total Parent Municipality</b>		<b>149 746</b>	<b>163 721</b>	<b>-</b>	<b>12 712</b>	<b>76 985</b>	<b>81 861</b>	<b>(4 875)</b>	<b>-6%</b>

**Section 66** of the MFMA requires that the accounting officer of a municipality must report to Council in a prescribed format all expenditure incurred by the municipality on staff salaries, wages and benefits in a manner that discloses expenditure per type such as salaries contributions for pensions etc.

Remuneration related expenditure for the month ended 31<sup>st</sup> December 2022 amounted **R 12,7** million of which the expenditure **R 1,9** million relates to Remuneration of Councillors and **R 10,8** million, to Managers and staff, that represents **8%** of the budgeted amount for this category.

## 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 December 2022 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

**Print Name:** Lizo Matiwane

**Acting Municipal Manager of Matatiele Local Municipality**

**Signature:** 

**Date:** 13-01-2023