



MATATIELE
LOCAL MUNICIPALITY

**2022/2023
MONTHLY
SECTION 71
REPORT**

**MONTH ENDED
31 JANUARY 2023**

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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 31st January 2023.
- That, the submission of section 71 reports and to Provincial and National Treasuries 10 days after the end of each month be noted by Council.

Section 2-Executive summary

2.1 Introduction

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

The below analysis is a high-level assessment based on revenue and expenditure recognised on the Municipal Financial System as at 31 January 2023. 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 31st January 2023 amounted to **R 23,948,672** which represents **4%** of the total annual approved budget figure of **R 579,582,986** but the amount received to date is **64%** (including grants). The majority of the revenue recognised this month of **R 19,085,713** is relating to Service Charges; Property Rates; INEP; EPWP grant, interest; Dividend and Rent on Land.

Operating Expenditure by type

Operating expenditure for the month ended 31st January 2023 amounted to **R 32,429,051** which represents **7%** of total approved operating expenditure budget figure of **R 480,023,232**, the expenditure to date represents **51%**. The majority of expenditure this month relates to bulk purchases, contracted services and Employee related costs.

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 31st January 2023 amounted to **R 4,377,627.98**. This represents **3%** of the approved capital expenditure budget. The expenditure to date represents **33%**.

Grants Funded Capital

- The Municipal Infrastructure Capital Grant (MIG) allocation for the financial year is **R 53,264,604** million as per Dora Allocation. the spending for the month ending 31st January 2023 is **R 769,415.16** which represent **1%** of expenditure for the month. Total YTD expenditure represents **35%** on this category.
- Integrated National Electrification Programme (INEP) of **R 46,287,972** million was allocated. The grant reflects **R 2,656,005.16** spending at the end of 31st January 2023 which represent **6%**. Total YTD expenditure represents **54%** on this category.
- Capital Replacement Reserves (CRR) for the financial year is **R 71,756,736** million is allocated. The spending for the month is **R 952,207.66** which represent **1%**. Total YTD expenditure represents **17%** on this category.
- The municipality anticipate to spend **100%** of the total capital budget as at the end of the financial year, Therefore the total spending is sitting at **33%** as at 31st January 2023.

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.

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
		R 9,341,670.14

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	January 2023 status
Rehabilitation of Matatiele internal Streets Cluster 1	Site handover has been conducted
Purutle Moyeni Access Road and Bridge	Completion stage on defects liability period
Extension of Matatiele Sports Centre Ph2	Planning stage
Mahangu Access Road & Bridge	Completion stage on defects liability period
Harry Gwala Internal Streets	Site handover and site establishment have been done 10% overall progress
Rehabilitation of Cedarville internal streets	under construction on 38% overall progress
Street Lights	Service Provider has been appointed, currently preparing for site establishment and material procurement. Construction Progress is at 2%.
High Mast Lights	Site establishment is complete and construction progress is at 15%.

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	January 2023 status
Mavundleni Electrification	construction is in progress at 53%.
Mapoti Electrification	Construction is complete, Pending Eskom Process for energising.
Polar Park Electrification	construction is in progress at 70%.
Rockville Electrification	construction is in progress at 75%.
Hillside-Manzi Ph2 link line	Construction progress is at 90%, pending 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 80%.
Molweni 2 Electrification	construction is in progress at 78%.
Masupa Electrification	Construction is complete, Pending Eskom Process for energising
Moiketsi Electrification	The contractor is busy with site establishment and Material Procurement, progress is at 5%
Hillside Manzi Electrification	Construction Stage and the progress is at 62%

Internal Funded Capital Projects

Internal funded Capital Project	January 2023 status
Dengwane Khoapa Botsola-Taung AR	Site handover and site establishment have been done 10% overall progress
Sitiweni AR	Under construction on 80% overall progress
Mphotshongweni A R	Construction Stage
Tsepisong Kamorathaba to Kuyasa AR	Procurement Stage
Mphotshongweni Bridge (Rashule)	Construction Stage
Construction of Silo Phase 4	Planning stage
Dlodlweni Access Road	Under construction on 15% overall progress
Ramatli Access Road	Under construction on 30% overall progress
Landfill weigbridge	Procurement Stage

Mbobo Access Road	Defects Liability Stage
Nkosana - Mafube Access Road	Inception stage
Makomorweni Access Road and Bridge	Construction Stage, physical progress 40%
Mavundleni Access Road	Planning stage
Black Diamond Access Road and Bridge	Procurement Stage
Linotseng Access Road	85% physical progress on site
Hebron to Madimong Access Road	Defects Liability Stage
Maphutsing Access Road	Defects Liability Stage
Lekhlong Access Road	Procurement Stage
Queens Mercy Access Road	Site handover has been done contractor is currently doing site establishment on 5% overall progress
TRANSFORMERS NEW	Service Provider was appointed on the 26 January 2023
Car Port	Procurement Stage
Mango-Nyanzela Access Road	Under construction on 20% overall progress
Municipal Plant	On hold

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 - M07 January

Description	2021/22	Budget Year 2022/23							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	48 726	54 066	—	1 701	44 204	31 552	12 653	40%	54 066
Service charges	68 146	86 942	—	12 622	57 525	50 716	(13 066)	-26%	86 942
Investment revenue	9 599	14 650	—	1 840	9 562	9 546	1 036	12%	14 650
Transfers and subsidies	267 351	293 418	—	1 232	212 008	171 151	40 848	24%	293 418
Other own revenue	24 248	28 129	—	2 366	14 994	15 408	(1 415)	-9%	28 129
Total Revenue (excluding capital transfers and contributions)	418 070	477 227	—	19 762	318 416	278 382	40 034	14%	477 227
Employee costs	126 303	141 252	—	10 570	76 141	82 403	(6 262)	-8%	141 252
Remuneration of Councilors	21 444	22 459	—	1 856	13 271	13 170	170	1%	22 459
Depreciation & asset impairment	53 955	53 336	—	—	30 219	31 113	(894)	-3%	53 336
Finance charges	35	—	—	—	133	—	133	#DIV/0!	—
Inventory consumed and bulk purchases	64 236	69 130	—	4 623	36 966	40 326	(3 340)	-8%	69 130
Transfers and subsidies	—	—	—	—	—	—	—	—	—
Other expenditure	245 434	193 856	—	15 379	86 276	113 071	(24 795)	-22%	193 856
Total Expenditure	513 396	488 023	—	32 429	245 026	280 014	(34 987)	-12%	488 023
Surplus/(Deficit)	(95 327)	(2 796)	—	(12 647)	73 390	(1 631)	75 021	-899%	(2 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	165 532	102 356	—	4 167	51 729	59 708	(7 978)	-13%	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 - a/c)	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	70 206	99 569	—	(8 480)	125 119	58 077	67 043	115%	99 569
Share of surplus/(deficit) of associate	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	70 206	99 569	—	(8 480)	125 119	58 077	67 043	115%	99 569
Capital expenditure & funds sources									
Capital expenditure	189 695	171 309	—	4 378	51 822	99 930	(48 108)	-88%	171 309
Capital transfers recognised	141 545	99 563	—	3 425	43 785	56 072	(14 287)	-29%	99 563
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	47 688	71 757	—	952	12 122	41 858	(29 736)	-71%	71 757
Total sources of capital funds	189 533	171 309	—	4 378	55 907	99 930	(44 023)	-44%	171 309
Financial position									
Total current assets	420 000	309 470	—	—	522 188	—	—	—	309 470
Total non current assets	1 140 518	1 361 729	—	—	1 166 005	—	—	—	1 361 729
Total current liabilities	148 127	99 372	—	—	150 684	—	—	—	99 372
Total non current liabilities	43 429	14 442	—	—	43 429	—	—	—	14 442
Community wealth/Equity	1 365 373	1 557 385	—	—	1 493 884	—	—	—	1 557 385
Cash flows									
Net cash from (used) operating	275 430	110 150	—	(16 567)	216 005	54 250	(151 748)	-236%	110 150
Net cash from (used) investing	(186 241)	(171 309)	—	(5 034)	(51 240)	(99 930)	(38 690)	-99%	(171 309)
Net cash from (used) financing	82	—	—	17	55	—	(55)	#DIV/0!	—
Cash/bank equivalents at the month/year end	311 692	232 938	—	—	391 554	258 417	(133 137)	-52%	175 582
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	10 485	5 037	5 115	5 240	5 213	3 378	41 829	133 563	211 561
Creditors Age Analysis									
Total Creditors	—	—	—	—	—	—	—	—	—

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

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 January

Description	Ref	Budget Year 2022/23								
		2021/22 Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		333 981	376 020	--	5 850	270 705	219 345	51 360	23%	370 020
Executive and council		--	--	--	--	--	--	--	--	--
Finance and administration		333 981	376 020	--	5 850	270 705	219 345	51 360	23%	376 020
Internal audit		--	--	--	--	--	--	--	--	--
Community and public safety		11 484	11 508	--	1 081	9 170	8 748	2 422	36%	11 508
Community and social services		6 057	6 368	--	1 294	5 264	3 715	1 550	42%	6 368
Sport and recreation		--	--	--	--	--	--	--	--	--
Public safety		5 407	5 201	--	676	3 906	3 034	873	29%	5 201
Housing		--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--
Economic and environmental services		98 838	58 290	--	1 134	23 186	32 838	(9 652)	-29%	58 290
Planning and development		171	202	--	15	108	118	(9)	-8%	202
Road transport		67 867	56 088	--	1 119	23 078	32 718	(9 640)	-29%	56 088
Environmental protection		--	--	--	--	--	--	--	--	--
Trading services		170 119	135 785	--	15 804	67 084	70 141	(12 077)	-15%	135 785
Energy sources		156 620	57 024	--	14 815	60 205	33 284	26 941	81%	57 024
Water management		--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--
Waste management		13 498	78 681	--	989	6 879	45 897	(39 018)	-95%	78 681
Other	4	--	--	--	--	--	--	--	--	--
Total Revenue - Functional	2	583 882	579 583	--	23 940	370 145	338 080	32 065	8%	579 583
Expenditure - Functional										
Governance and administration		241 512	224 874	--	18 206	120 974	131 235	(10 261)	-8%	224 874
Executive and council		28 850	29 845	--	2 129	18 341	17 409	932	5%	29 845
Finance and administration		208 282	191 438	--	13 835	100 466	111 672	(11 207)	-10%	191 438
Internal audit		4 380	3 682	--	222	2 167	2 154	13	1%	3 682
Community and public safety		34 947	53 254	--	8 738	25 311	31 085	(5 774)	-19%	53 254
Community and social services		15 683	27 956	--	4 913	13 773	16 308	(2 535)	-16%	27 956
Sport and recreation		--	--	--	--	--	--	--	--	--
Public safety		19 264	25 297	--	1 825	11 537	14 757	(3 219)	-22%	25 297
Housing		--	--	--	--	--	--	--	--	--
Health		--	--	--	--	--	--	--	--	--
Economic and environmental services		98 877	98 830	--	3 375	48 402	52 984	(4 582)	-12%	98 830
Planning and development		19 907	24 989	--	1 408	7 857	14 577	(6 720)	-46%	24 989
Road transport		50 069	65 841	--	1 966	38 545	38 407	138	0%	65 841
Environmental protection		--	--	--	--	--	--	--	--	--
Trading services		188 981	110 906	--	8 119	52 340	84 738	(12 390)	-19%	110 906
Energy sources		141 882	86 897	--	4 604	43 235	50 690	(7 455)	-15%	86 897
Water management		--	--	--	--	--	--	--	--	--
Waste water management		--	--	--	--	--	--	--	--	--
Waste management		25 079	24 069	--	1 506	9 105	14 040	(4 935)	-35%	24 069
Other		--	--	--	--	--	--	--	--	--
Total Expenditure - Functional	3	513 386	489 823	--	32 429	245 826	280 914	(34 087)	-12%	489 823
Surplus/ (Deficit) for the year		70 496	89 760	--	(8 489)	125 119	58 077	87 943	115%	90 500

This table assess the revenue and expenditure by department, the expenditure for the period ending 31st January 2023 is **R 32.4** million and revenue is **R 23,9** 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) - M07 January

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
R thousands										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		333 448	375 670	-	5 035	270 465	219 141	51 324	23.4%	375 670
Vote 3 - Corporate		533	350	-	15	240	204	36	17.7%	350
Vote 4 - Development and Planning		283	202	-	22	170	118	52	44.5%	202
Vote 5 - Community		24 963	90 249	-	2 950	18 049	52 645	(36 596)	-69.5%	90 249
Vote 6 - Infrastructure		224 375	113 112	-	15 927	83 221	65 982	17 239	26.1%	113 112
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	583 682	579 583	-	23 949	378 145	338 898	32 055	9.5%	579 583
Expenditure by Vote	1									
Vote 1 - Executive Council		26 850	29 845	-	2 129	18 341	17 408	932	5.4%	29 845
Vote 2 - Finance and Admin		144 999	118 223	-	8 559	60 434	68 963	(8 529)	-12.4%	118 223
Vote 3 - Corporate		83 283	73 215	-	5 296	40 032	42 709	(2 677)	-6.3%	73 215
Vote 4 - Development and Planning		20 957	24 969	-	1 408	8 013	14 577	(6 564)	-45.0%	24 969
Vote 5 - Community		60 026	77 323	-	8 244	34 416	45 105	(10 689)	-23.7%	77 323
Vote 6 - Infrastructure		190 901	152 737	-	6 570	81 624	89 097	(7 473)	-9.4%	152 737
Vote 7 - Internal Audit		4 380	3 682	-	222	2 167	2 154	13	0.6%	3 682
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	513 396	488 823	-	32 429	245 826	280 614	(34 987)	-12.5%	488 823
Surplus/ (Deficit) for the year	2	78 286	99 568	-	(8 480)	125 119	58 077	67 843	115.4%	99 568

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) - M07 January

C0441 metadata - Table C: Monthly Budget Statement - Financial Performance (revenue and expenditure) - 4 year validity										
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										
Revenue By Source										
Property rates		48 726	54 088	-	1 701	44 204	31 552	12 653	40%	54 088
Service charges - electricity revenue		56 530	71 416	-	11 643	30 791	41 699	(10 868)	-26%	71 416
Service charges - water revenue		-	-	-	-	-	-	-	-	-
Service charges - sanitation revenue		-	-	-	-	-	-	-	-	-
Service charges - refuse revenue		11 615	15 526	-	978	6 837	9 067	(2 220)	-25%	15 526
Rental of facilities and equipment		1 260	2 028	-	194	716	1 183	(467)	-39%	2 028
Interest earned - external investments		9 599	14 650	-	1 940	9 582	8 546	1 036	12%	14 650
Interest earned - outstanding debtors		16 188	18 731	-	1 451	9 735	10 928	(1 193)	-11%	18 731
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 058	1 789	-	588	1 603	1 032	571	55%	1 789
Licences and permits		3 407	4 131	-	94	2 359	2 410	(51)	-2%	4 131
Agency services		-	-	-	-	-	-	-	-	-
Transfers and subsidies		267 351	293 418	-	1 232	212 008	171 161	40 848	24%	293 418
Other revenue		1 350	1 471	-	59	581	858	(277)	-32%	1 471
Gains		(15)	-	-	-	-	-	-	-	-
		418 070	477 227	-	10 782	318 418	278 382	40 034	14%	477 227
Total Revenue (excluding capital transfers and contributions)										
Expenditure By Type										
Employee related costs		128 303	141 262	-	10 570	76 141	82 403	(6 262)	-8%	141 262
Remuneration of councillors		21 444	22 459	-	1 856	13 271	13 101	170	1%	22 459
Debt impairment		17 951	6 000	-	-	-	3 500	(3 500)	-100%	6 000
Depreciation & asset impairment		53 955	53 336	-	-	30 219	31 113	(894)	-3%	53 336
Finance charges		35	-	-	-	133	-	133	#DIV/0!	-
Bulk purchases - electricity		58 161	61 383	-	3 805	34 242	35 807	(1 565)	-4%	61 383
Inventory consumed		6 075	7 747	-	818	2 744	4 519	(1 775)	-39%	7 747
Contracted services		100 354	113 584	-	11 135	55 827	66 257	(10 430)	-16%	113 584
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		49 201	74 252	-	4 245	32 449	43 313	(10 865)	-25%	74 252
Losses		78 219	-	-	-	-	-	-	-	-
		513 398	480 023	-	32 429	245 026	286 014	(34 987)	-12%	480 023
Total Expenditure										
Surplus/(Deficit)		(95 327)	(2 796)	-	(12 647)	73 390	(1 631)	75 021	(0)	(2 796)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		165 532	102 356	-	4 167	51 729	59 708	(7 978)	(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		70 299	99 500	-	(8 480)	125 119	58 077			99 500
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		70 299	99 500	-	(8 480)	125 119	58 077			99 500
Attributable to minorities		-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality		70 299	99 500	-	(8 480)	125 119	58 077			99 500
Share of surplus/ (deficit) of associate		-	-	-	-	-	-			-
Surplus/ (Deficit) for the year		70 299	99 500	-	(8 480)	125 119	58 077			99 500

Revenue by Source

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

Property Rates

Property rates revenue is the major part of the municipal own revenue and represents **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 1,636,830.68** income received from property rates for the month of January 2023 amounted to **R 1,700,982**.

Services Charges

Revenue from service charges includes electricity sales and revenue from waste removal. The total income from services charges amounted to **R 12,622,210** for the month ended 31st January 2023. This represent **15%** on this category above expected performance due to more electricity sales. YTD revenue represent **43%** of the total revenue budget for this category.

Rental of Facilities and equipment

Rental of facilities and equipment annual budget is **R 2,027,556**, Revenue amount of **R 194,216** for the month ended 31st January 2023 has been recognised on this category representing **10%** which is within expected performance. YTD revenue represent **35%** of the total revenue budget for this category.

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 financial institutions also include conditional grants. The total Interest earned on investments current budget is **R 14,649,996**, Interest received for the month ended 31st January 2023 amounted to **R 1,840,208.19** which represents **13%**. This is above the expected performance for the month; due to Grants receipts as per Dora allocation which are invested on short term basis and withdrawals are done as per expected expenditure. YTD revenue represent **65%** of the total revenue budget for this category.

Interest on Outstanding Debtors

Interest on overdue accounts current budget is **R 18,730,800**, Interest received for the month ended 31st January 2023 amounted to **R 1,451,096** which represents **8%** is within expected performance. The majority of the debtors are the government departments. YTD revenue represent **52%** of the total revenue budget for this category.

Fines, penalties and Forfeits

Revenue from fines, penalties and forfeits has an annual budget of **R 1,769,004**. Total revenue of **R 588,252** has been recognised on this category for the month ended 31st January 2023 representing **33%** on this category, which is above the expect performance due to more collection in traffic fines. 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 collection. YTD revenue represent **91%** of the total revenue budget for this category.

Licences and permits

The current budget for licences and permits amounts to **R 4,130,844**. Total revenue of **R 93,816** has been recognised on this category for the month ended 31st January 2023 representing **2%**; this less than the expected performance, due to decrease in Learner licence application revenue as a result of systems being offline due to load shedding. YTD revenue represent **57%** of the total revenue budget for this category.

Transfers and Subsidies-Operational

Total current budget amount on transfers and subsidies is **R 293,418,000** an amount of **R 1,232,030** was recognised for the month ended 31st January 2023 this is less than **1%** of total budget. This is less than expected performance for the Month and is due to grants revenue being recognised in trenches as per Dora allocation. EPWP & FMG were recognised on this category for the month ending January 2023. YTD grants revenue represent **72%** on this category.

Transfers and Subsidies-Capital

Total current budget amount on transfers and subsidies is **R 102,355,992** an amount of **R 4,166,787** was received for the month ended 31st January 2023 this represents **4%** of total budget. This less than expected performance for the Month and is due to grants revenue being recognised in trenches as per Dora allocation. YTD grants revenue represents **51%** on this category.

Other Revenue

A total current budget on 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 59,073.51** for the month ended 31st January 2023, this represents **4%** which is less than expected performance for the month due to no revenue recognised on Insurance Refund; Merchandising; Jobbing, Contracts; Cemetery and Burial as anticipated. YTD revenue represents **40%** on this category.

Operating Expenditure by type**Employee related costs/ Remuneration of Councillors**

Total current budget on Employee related costs/ Remuneration of Councillors is **R 163,721,472**, the total expenditure for the month ended 31st January 2023 amounted **R 12,426,425** of which the expenditure **R 1,855,961** relates to Remuneration of Councillors and **R 10,570,464** to Managers and staff, that represents **8%** of the budgeted amount for this category. YTD Expenditure represents **55%** on 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

There is no Depreciation recognised in this category for the month ended 31st January 2023. Total YTD expenditure represents 57% on this category.

Finance Charges

There are no Finance charges recognised for the month ended 31st January 2023 on this category.

Expenditure to date of R 133,392 relate to interest charges incurred.

This relates to the late payment of Eskom invoices; the amount will be investigated by MPAC and will be recovered from the affected employee.

Bulk Purchases

Total current budget on bulk electricity purchases is **R 61,382,988**, the total expenditure for the month ending 31st January 2023 is **R 3,805,147**, that represents **6%** of the total budgeted amount on this category which is less than expected performance for the month this is due to decrease in seasonal demand for electricity purchases. YTD expenditure represents **56%** on this category.

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 817,981** for the month ended 31st

January 2023, that represents **11%** of the budgeted amount on this category. This is within the expected performance for the month. YTD Expenditure represents **35%** on this category.

Contracted Services

Total current budget on contracted services is **R 113,584,116** 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 January 2023 amounted to **R 11,134,727** that represents **10%** of the budgeted amount on this category. This is within expected performance for the month. YTD expenditure represents **49%** on this category.

Other Expenditure

Total Current Budget on Other expenditure is **R 74,251,512**; 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 4,244,771** for the month ended 31st January 2023, that represents **6%** of the budgeted amount on this category. This is less than the expected performance for the month on this category. Expenditure relating to ICT Software, wet fuel & Workmen's compensation is planned to increase by the end of 3rd quarter as per the departmental procurement plans and necessary adjustments will be implemented. YTD expenditure represents **44%** on this category.

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) - M07 January										
Vote Description	Ref	2021/22	Budget Year 2022/23							
		Actual 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 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 Council		74	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		562	3 250	-	25	1 263	1 902	(839)	-34%	3 250
Vote 3 - Corporate		4 696	2 310	-	16	1 243	1 348	(109)	-7%	2 310
Vote 4 - Development and Planning		153	500	-	-	-	292	(292)	-100%	500
Vote 5 - Community		2 484	6 360	-	-	79	3 710	(3 631)	-98%	6 360
Vote 6 - Infrastructure		161 915	158 879	-	4 337	53 322	52 680	(39 357)	-42%	158 879
Vote 7 - Internal Audit		-	-	-	-	(4 085)	-	(4 085)	#DIV/0!	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	169 896	171 389	-	4 375	51 822	59 930	(48 108)	-68%	171 389
Total Capital Expenditure		169 896	171 389	-	4 375	51 822	59 930	(48 108)	-68%	171 389
Capital Expenditure - Functional Classification										
Governance and administration		5 334	5 579	-	40	(1 575)	3 249	(4 824)	-148%	5 579
Executive and council		74	-	-	-	-	-	-	-	-
Finance and administration		5 260	5 579	-	40	2 519	3 249	(730)	-23%	5 579
Internal audit		-	-	-	-	(4 085)	-	(4 085)	#DIV/0!	-
Community and public safety		1 366	3 468	-	-	46	2 618	(1 973)	-98%	3 468
Community and social services		166	1 510	-	-	45	493	(336)	-95%	1 510
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 199	1 950	-	-	-	1 130	(730)	-100%	1 950
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		84 145	119 191	-	1 644	26 834	64 228	(35 196)	-65%	119 191
Planning and development		563	500	-	-	292	292	(292)	-100%	500
Road transport		83 983	109 801	-	1 644	26 033	63 934	(35 903)	-95%	109 801
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		99 059	52 178	-	2 663	25 323	38 437	(5 119)	-17%	52 178
Energy services		97 933	49 278	-	2 663	25 291	28 745	(3 454)	-12%	49 278
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		1 115	2 900	-	-	30	1 692	(1 662)	-98%	2 900
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	169 896	171 389	-	4 375	51 822	59 930	(48 108)	-68%	171 389

The approved annual capital budget for the financial year amounts to **R 171,309,312**.

Capital expenditure incurred for the month ended 31st January 2023 amounted to **R 4,377,628**

This represents **3%** of the approved capital expenditure budget. The variance is as a result of capital projects that have just been awarded with no payments implemented as yet. YTD expenditure represents **33%** on this category.

3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M07 January

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		8 715	15 393	–	1 061	15 393
Call investment deposits		228 017	217 545	–	318 375	217 545
Consumer debtors		88 494	70 502	–	100 995	70 502
Other debtors		92 899	4 937	–	100 056	4 937
Current portion of long-term receivables		–	–	–	–	–
Inventory		1 874	1 093	–	1 701	1 093
Total current assets		420 000	309 470	–	522 180	309 470
Non current assets						
Long-term receivables		–	–	–	–	–
Investments		–	–	–	–	–
Investment property		4 960	–	–	4 960	–
Investments in Associate		–	–	–	–	–
Property, plant and equipment		1 134 394	1 356 483	–	1 159 834	1 356 483
Biological		–	–	–	–	–
Intangible		94	4 626	–	(4)	4 626
Other non-current assets		870	620	–	1 215	620
Total non current assets		1 140 318	1 361 729	–	1 165 000	1 361 729
TOTAL ASSETS		1 560 318	1 671 199	–	1 687 180	1 671 199
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		1 578	822	–	1 633	822
Trade and other payables		132 238	62 798	–	134 941	62 798
Provisions		14 310	35 752	–	14 310	35 752
Total current liabilities		148 127	99 372	–	150 884	99 372
Non current liabilities						
Borrowing		–	–	–	–	–
Provisions		43 429	14 442	–	43 429	14 442
Total non current liabilities		43 429	14 442	–	43 429	14 442
TOTAL LIABILITIES		191 556	113 814	–	194 313	113 814
NET ASSETS	2	1 368 762	1 557 385	–	1 492 867	1 557 385
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		969 989	1 178 048	–	1 098 497	1 178 048
Reserves		395 384	379 337	–	395 384	379 337
TOTAL COMMUNITY WEALTH/EQUITY	2	1 365 373	1 557 385	–	1 493 881	1 557 385

3.1.7 C7 Monthly Budget Statement –Cash Flow

EC44f Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M07 January

Description	Ref	2021/22	Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates		36 620	43 271	-	1 302	34 716	25 261	9 475	38%
Service charges		62 021	69 553	-	3 929	45 236	40 573	4 663	11%
Other revenue		15 705	7 596	-	1 162	12 412	4 432	7 980	180%
Transfers and Subsidies - Operational		286 202	293 418	-	8	211 899	171 161	40 738	24%
Transfers and Subsidies - Capital		174 249	102 356	-	-	87 625	59 708	27 917	47%
Interest		4 385	14 650	-	1 840	10 024	8 546	1 479	17%
Dividends		-	-	-	-	-	-	-	-
Payments									
Suppliers and employees		(284 232)	(420 687)	-	(24 808)	(185 904)	(245 401)	(59 496)	24%
Finance charges		-	-	-	-	-	-	-	-
Transfers and Grants		-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		275 430	110 180	-	(18 567)	216 008	64 280	(151 748)	-238%
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-
Payments									
Capital assets		(188 241)	(171 309)	-	(5 034)	(61 240)	(99 930)	(38 690)	39%
NET CASH FROM/(USED) INVESTING ACTIVITIES		(188 241)	(171 309)	-	(5 034)	(61 240)	(99 930)	(38 690)	39%
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short-term loans		-	-	-	-	-	-	-	-
Borrowing long-term/financing		-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		82	-	-	17	55	-	55	#DIV/0!
Payments									
Repayment of borrowing		-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		82	-	-	17	55	-	(55)	#DIV/0!
NET INCREASE/ (DECREASE) IN CASH HELD		87 270	(61 129)	-	(21 584)	154 822	(35 671)		
Cash/cash equivalents at beginning:		224 422	294 088	-	-	236 732	294 088	-	-
Cash/cash equivalents at month/year end:		311 692	232 958	-	-	391 554	258 417	-	-

PART 2 –SUPPORTING DOCUMENTATION SECTION 4

Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 31st January 2023.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - 30/07 January

Budget Year 2022/23													Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.e. Council Policy
Description	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	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Traffic and Other Receivables from Exchange Transactions - Water	1200	--	--	--	--	--	--	--	--	--	--	--	--	--
Traffic and Other Receivables from Exchange Transactions - Electricity	1300	3 003	1 932	868	1 432	629	1 093	1 170	1 398	11 485	5 682	--	--	--
Receivables from Non-exchange Transactions - Property Rates	1400	1 595	944	896	649	613	559	27 428	58 730	91 116	87 960	--	--	--
Receivables from Exchange Transactions - Waste Water Management	1500	--	--	--	--	--	--	--	--	--	--	--	--	--
Receivables from Exchange Transactions - Waste Management	1600	927	563	487	476	409	389	1 778	22 019	27 067	25 970	--	--	--
Receivables from Exchange Transactions - Property Rental Debtors	1700	--	--	--	--	--	--	--	7	7	7	--	--	--
Interest on Amort Debtor Accounts	1810	1 451	1 423	1 410	1 388	1 484	1 169	5 613	39 271	53 209	48 826	--	--	--
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	--	--	--	--	--	--	--	--	--	--	--	--	--
Other	1900	3 508	255	1 655	2 296	2 677	186	5 840	12 276	28 676	23 256	--	--	--
Total By Income Source	2000	19 485	5 037	5 118	6 249	5 813	3 378	41 829	133 063	211 581	198 823	--	--	--
2022/23 - totals only		--	--	--	--	--	--	--	--	--	--	--	--	--
Debtors Age Analysis By Customer Group														
Organs of State	2200	2 072	2 617	1 779	2 227	1 774	1 923	30 613	57 187	100 193	93 724	--	--	--
Commercial	2300	7 269	1 297	2 231	2 922	2 964	399	6 785	15 775	36 633	28 845	--	--	--
Households	2400	1 432	1 122	1 106	1 091	1 075	1 058	4 432	60 701	71 735	66 305	--	--	--
Other	2500	--	--	--	--	--	--	--	--	--	--	--	--	--
Total By Customer Group	2600	19 485	5 037	5 118	6 249	5 813	3 378	41 829	133 063	211 581	198 823	--	--	--

The total debt book for January 2023 is R 211,561,176.00 inclusive of R 3,255,430.1 advanced payments.

The total debt book for January 2023 of R208 305 745.9 (including current of R 10 409 325.35 which is not yet due) has decreased by R 9 071 147.08 from the previous month closing balance of R203 343 953.1. Debt is made up of the following:

Residential debt:

R 80 321 886.26

Commercial debt

R 29 183 181.27

Government debt

R 95 506 216.61

Other

R 3 294 461.76

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 56 109 597.56 (including current)

Cedarville

R 5 106 394.15 (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 71 527 010.96

Business H/O

R 25 145 114.73

Churches H/O

R 149 458.46

Farms H/O

R 3 289 563.76

Included in the hand over accounts for Business is an amount of R 17 015 480.48 (excl VAT of R2 552 322.06) debt for Parallax PTY LTD for third party vending.

R 805 937.96 was collected for January 2023 for all handed over accounts

SECTION 5 -CREDITORS' ANALYSIS

Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January

Description	NT Code	Budget Year 2022/23								
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
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	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-

The municipality makes an extra effort that creditors are paid within 30 days as per MFMA, therefore municipality paid its creditors within 30 days for the month ended 31st January 2023.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Jan 23					
Investment Management					
Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	21 371 450.26	126 090.10		-126 090.10	21 497 540.36
INEP	16 967 783.00	103 137.18	-1 525 143.77	-103 137.18	15 545 776.41
EPWP	-	-	-	-	-
Municipal Electrification Intervention	288 433.72	1 592.16	-	-1 592.16	290 025.88
Library and Archives	-	-	-	-	-
Finance Management Grant	-	-	-	-	-
Smart Grid	57 773.21	318.99	-	-318.99	58 092.20
Establishment Plan	202 134.75	933.98		-933.98	203 068.73
Housing Development Fund	2 060 417.64	9 520.25		-9 520.25	2 069 937.89
Dedea	627 009.91	2 897.12		-2 897.12	629 907.03
Total Conditional Investments	41 575 002	244 490	- 1 525 144	- 244 490	40 294 349
Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	113 584 582.18	5 400 000.00		-554 997.37	118 984 582.18
Call Acc STD CRR	11 737 368.50	56 644.86		-56 644.86	11 794 013.36
Call ACC FNB Surplus Cash	6 805 395.80			-31 211.60	6 805 395.80
Nedbank 32 Days	6 843 757.38	42 084.53		-42 084.53	6 885 841.91
Nedbank	18 075 443.09	51 118 646.83	-42 000 000.00	-175 427.65	27 194 089.92
Nedbank relief fund	814 990.49	4 499.34		-4 499.34	819 489.83
Nedbank COV -19 Solidarity	98 683.47	544.68		-544.68	99 228.15
Nedbank Retention	28 318 546.64	156 333.93		-156 333.93	28 474 880.57
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	50 742 534.25	200 684.93	-50 943 219.18	-200 684.93	-
Standard Bank-009	50 306 061.64	328 732.88		-328 732.88	50 634 794.52
Standard Bank-010		20 036 383.56		-36 383.56	20 036 383.56
Total Unconditional	293 674 004	77 344 556	- 92 943 219	- 1 618 322	278 075 341
TOTAL INVESTMENTS	335 249 007	77 589 045	- 94 468 363	- 1 862 812	318 369 689

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 31st January 2023 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

As at 31st January 2023 the conditional investments amounted to **R 40,249,349** and unconditional investments amounted to **R 278,075,341**. Total investments as at 31st January 2023 amounted to **R 318,369,689**

The following reflects bank balances at 31st January 2023

Description	January 2023
Nedbank Primary Account:	1 267 638.64
Standard bank Account:	3 357 131.02
FNB Money Market Account:	2 025 117.80
Total Cash held as at 31st January 2023	6 649 887.46

The cash bank balance as at 31st January 2023 amounted to **R 6,6 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 %
RECEIPTS:					
Operating Transfers and Grants					
National Government:	292 768	-	211 160	170 781	72%
Local Government Equitable Share	286 308	-	206 142	167 013	72%
Expanded Public Works Programme Integrated Grant	4 810	-	3 368	2 806	70%
Local Government Financial Management Grant	1 650	-	1 650	963	100%
Provincial Government:	650	-	650	379	100%
Capacity Building and Other : Library DEDEAT	650	-	650	379	100%
Total Operating Transfers and Grants	293 418	-	211 810	171 161	72%
Capital Transfers and Grants	102 356	-	66 795	59 708	65%
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	48 288	-	34 830	27 001	75%
Municipal Infrastructure Grant (MIG)	56 068	-	31 965	32 706	57%
Total Capital Transfers and Grants	102 356	-	66 795	59 708	65%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	395 774	-	278 605	230 868	70%

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

The Municipality did not receive any conditional & non-conditional grants in the month of January 2023. 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 - M07 January

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										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		6 537	6 460	-	1 232	3 720	3 768	(48)	-1.3%	6 460
Expanded Public Works Programme Integrated Grant		4 887	4 810	-	1 211	3 619	2 806	813	29.0%	4 810
Local Government Financial Management Grant		1 650	1 650	-	21	101	963	(862)	-99.5%	1 650
Provincial Government:		2 113	650	-	-	623	379	244	64.4%	650
Library Grant		2 113	950	-	-	623	379	244	64.4%	650
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		8 650	7 110	-	1 232	4 343	4 148	196	4.7%	7 110
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		165 407	102 356	-	3 653	45 257	59 708	(14 451)	-24.2%	102 356
Municipal Infrastructure Grant		67 629	56 068	-	997	20 289	32 705	(12 417)	-38.0%	56 068
Integrated National Electrification Programme Grant		97 778	46 288	-	2 656	24 968	27 001	(2 033)	-7.5%	46 288
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		165 407	102 356	-	3 653	45 257	59 708	(14 451)	-24.2%	102 356
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		174 057	109 466	-	4 885	49 600	63 855	(14 255)	-22.3%	109 466

Expenditure performance on conditional grants amounted to **R 4.8 million** for the month ended 31st January 2022. Operational expenditure grants amounted to **R1.2** million and Capital expenditure grants amounted to **R3.6** million.

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 31 January 2023

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration R thousands	Ref	2021/22	Budget Year 2022/23						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
	1	A	B	C					
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages		13 296	14 129	-	1 095	7 892	8 242	(350)	-4%
Pension and UIF Contributions		712	693	-	73	537	404	133	33%
Medical Aid Contributions		536	92	-	85	437	54	383	711%
Motor Vehicle Allowance		58	-	-	-	-	-	-	-
Cellphone Allowance		2 352	2 573	-	201	1 407	1 501	(94)	-6%
Housing Allowances		4 488	4 972	-	421	2 998	2 900	98	3%
Other benefits and allowances		-	-	-	-	-	-	-	-
Sub Total - Councillors		21 444	22 489	-	1 856	13 271	13 181	178	1%
% increase	4		4.7%						4.7%
Senior Managers of the Municipality	3								
Basic Salaries and Wages		3 130	3 947	-	138	1 431	2 302	(871)	-36%
Pension and UIF Contributions		37	147	-	-	2	86	(84)	-97%
Medical Aid Contributions		73	80	-	-	-	47	(47)	-100%
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		360	148	-	-	-	87	(87)	-100%
Motor Vehicle Allowance		1 605	2 016	-	75	681	1 176	(495)	-41%
Cellphone Allowance		-	-	-	-	-	-	-	-
Housing Allowances		686	725	-	21	348	423	(75)	-18%
Other benefits and allowances		337	501	-	6	103	282	(188)	-65%
Payments in lieu of leave		-	-	-	-	224	-	224	#DIV/0!
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		6 239	7 567	-	241	2 808	4 414	(1 614)	-37%
% increase	4		21.3%						21.3%
Other Municipal Staff									
Basic Salaries and Wages		83 947	93 243	-	8 835	49 004	54 382	(5 387)	-10%
Pension and UIF Contributions		13 155	15 771	-	1 208	8 494	9 200	(706)	-8%
Medical Aid Contributions		4 643	4 995	-	444	2 948	2 914	34	1%
Overtime		1 780	2 480	-	233	1 229	1 447	(217)	-15%
Performance Bonus		5 848	7 649	-	611	3 970	4 462	(492)	-11%
Motor Vehicle Allowance		4 272	4 414	-	440	3 052	2 575	477	19%
Cellphone Allowance		6	6	-	1	4	4	(0)	-7%
Housing Allowances		383	2 983	-	233	1 203	1 740	(537)	-31%
Other benefits and allowances		4 787	2 154	-	219	1 960	1 257	704	56%
Payments in lieu of leave		1 643	-	-	-	1 180	-	1 180	#DIV/0!
Long service awards		523	-	-	107	295	-	295	#DIV/0!
Post-retirement benefit obligations		1 065	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		122 064	133 895	-	10 329	73 341	77 889	(4 548)	-6%
% increase	4		9.5%						9.5%
Total Parent Municipality		149 746	163 721	-	12 426	89 412	95 584	(6 092)	-6%

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 31st January 2023 amounted **R 12,4** million of which the expenditure **R 1,9** million relates to Remuneration of Councillors and **R 10,5** million, to Managers and staff, that represents **8%** expenditure of the budgeted amount for this category. Expenditure to date represents **55%** on 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 January 2023 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: Lizo Matiwane

Municipal Manager of Matatiele Local Municipality

Signature: 

Date: 14/02/2023