MATATIELE

LOCAL MUNICIPALITY

2024/2025 MONTHLY SECTION 71 REPORT

MONTH ENDED 28 FEBRUARY 2025

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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.

LEGISTLATIVE 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 '; 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 28 February 2025.
- 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. 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 annual approved budget is **R 681,215,688** this was adjusted to an adjusted revenue budget of **R 683,564,436.** The revenue recognised for the month ended 28 February 2025 is **R 36,487,630** (including capital transfers). This represents **5%** of the approved revenue budget. This is less than expected performance for the month due to less the transfers and grants recognised for the month, decreased demand in the applications for learner licences and decrease in service fines, penalties and forfeits. The total YTD revenue recognised is **70%**

Operating Expenditure by type

The municipality's approved expenditure budget of **R 584,466,312** this was adjusted to an adjusted expenditure budget of **R 585,266,698**. The actual expenditure incurred as at 28 February 2025 amount to **R 32,454,789,** when measured against the approved budget this represents **6%** of the approved operating budget. This is less than expected performance for the month due to non-cash items, depreciation and impairment of assets, INEP grant and electrical repairs and maintenance expenditure for the period under review. the YTD expenditure incurred is **62%**.

Capital Expenditure

The total approved capital budget is **R 182,983,008** this was adjusted to an adjusted capital budget of **R 184,531,371.** the Municipality incurred expenditure of **R 3,348,562.** This represents **2%** of the approved capital expenditure budget and this is less than expected performance for the month. The variance is due to capital commitment that are not yet implemented as planned, expenditure trends should reflect in the next quarter.

The council to note that there are delays in implementation of Municipal Disaster Recover Grant. The total YTD spending is **34%**.

Capital Expenditure Funding Sources

- The MIG capital funding for the financial year is **R 54,704,808.** The spending for the month is **R 2,211,044 (**Vat exclusive**).** YTD to date spending represents **50%.**
- Disaster Response Grant of **R 41,092,392** million was allocated and adjusted to an adjusted budget allocation of **R 42,640,739**. The grant reflects **R 453,494** (Vat Exclusive) spending as at 28 February 2025. Expenditure to date represents **23%.** Minimal expenditure reflected on the grant as a result of the delay in awarding of disaster related capital projects with some projects still at tender processes and higher expenditure trends should reflects in the next quarter.
- The Library Capital Grant allocation of **R 950,000** was allocated. The grant reflects **R 0.00** spending at 28 February 2025 which represent **0%.** The specification for Vehicle Procurement has been finalized and the tender process is to commence before the end of the quarter.
- Capital Replacement Reserves (CRR) for the financial year of **R 86,235,804** million is allocated. The spending as at 28 February 2025 is **R 684,024.** Expenditure to date represents **29%.**
- The municipality is busy with procurement processes to secure contractors. The were delays in approving tenders by bid committees due to the influx of disaster projects.
- The municipality anticipates to spend **100%** of the total capital budget as at the end of the financial year.

Capital Expenditure material variances

- The Capital Expenditure for the 2024/2025 financial year is which implies that the capital expenditure incurred is significantly below the projection, variance is due to delays in implementing projects and the spending will improve in the Third quarter under review.

The table below is an analysis per business unit –

Summary of Capital Expenditure relate to 2024-2025 financial year.

The approved capital budget includes Capital Replacement Reserve.

Row Labels	Approved Budget	February 25 Actuals	Year to date Actuals
Community and Social Services: Community Governance(3096)	169 996	-	1 739
Community Halls and Facilities:Public Amenities (3005)	2 687 012	-	152 513
CORE FUNCTION: SOLID WASTE REMOVAL	5 803 004	-	1 653 000
Energy Sources: Electricity (4040)	11 704 016	-	6 929 762
Executive and Council: Mayor and Council(1005)	50 004	-	25 238
Executive and Council: Municipal Manager (1010)	39 996	-	-
Finance and Administration: Information Technology (2540)	3 229 992	187 822	439 064
Finance and Administration: Administrative and Corporate Support(2	90 000	-	50 475
Finance and Administration: Asset Mangement and Reporting (2015	89 996	-	25 238
Finance and Administration: Council Support (2541)	510 000	209 680	260 155
Finance and Administration: Human Resources (2535)	90 000	-	50 475
Finance and Administration: SCM & Expenditure (2025)	2 380 000	-	1 116 419
Finance and Adminstration: Revenue and Debt Management (2020)	90 000	-	59 040
Marketing; Customer Relations; Publicity and Media Co-ordination:c	590 004	-	26 711
Planning and Development: LED (3520)	3 060 000	-	1 446 100
Planning and Development: Planning (3510)	99 996	-	-
Planning and Development: Planning Governance (3540)	45 000	-	25 238
Public Safety: Civil Defence (3074)	7 700 008	-	297 532
Risk Management:FINANCE AND ADMINISTRATION RISK AND M	75 000	-	1 738
ROAD TRANSPORT: INFRASTRUCTURE GOVERNANCE (4050)	45 000	-	-
Road Transport: Project Operations & Mainnt(4010)	57 890 751	740 016	12 667 213
Roads:Project Management Unit	82 591 612	2 211 044	36 713 506
Town Planning; Building Regulations and Enforcement; and City Eng	5 499 984	-	248 225
Grand Total	**184 531 371**	**3 348 562**	**62 189 381**
		2%	**34%**

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	February 2025 status
Mahangwe Sport Centre	The project is at design Stage
HIGHMAST LIGHTS MIG	The project is at procurement stage.
Construction of Cedarville Internal Streets Phase 4	The project is 26% complete.
Maluti Internal Streets Phase 5	The project is 33% complete.
Mahasheng Access Road & Bridge	The project is 72% complete.
Mafube-Nkosana Access Road & Bridge	The project is 60% complete
Lekhalong via Magema-Outspan Access Road	Contractor currently busy with processing of gravel material, overall completion is 44%
Extension of Matatiele Sports Centre Ph2	Contractor is currently busy with tank stand and grand stand, overall completion is 94%
Harry Gwala Internal Streets	Contractor is currently busy with stormwater management systems, overall completion is 57%

Disaster and Fire Management Centre	The project is at design Stage
Tipper Truck	The project is at procurement stage.
Ton Payload Hook Lift Truck	The project is at procurement stage.
Excavator	The project is at procurement stage.
Vibrating Roller	The project is at procurement stage.

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	February 2025 status
Connect Mbizeni	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 89%.
Connect Mapakising	Construction is complete, contractor is busy with Eskom process. Overall progress is at 100%
Connect Mgubho	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 89%.
Connect Luxeni	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 89%.
Connect Lihaseng	Awaiting Outage date and Inspections
Contractors:Electrical	Construction is complete, contractor is busy with Eskom process. Overall progress is at 100%
Connect Paballong	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 89%.
Connect Mahlabatheng	Awaiting Outage date and Inspections
Connect Lugada	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 89%.

Disaster Response Grant

Disaster Capital Project	February 2025 status
Baloon Street Crossing Bridge	The project is at final completion stage
Mabheleni-Upper Mvenyane Access Road & Bridge	The project is at final completion stage
Hillside - Ngcwengane Access Road and Bridge	Access Road Completed, Bridge in procurement stage
Rockville Protea Bridge	The project is completed
Nyanzela Access Road	The project is completed
Mdeni Access Road and Bridge	The access road Project is 70% Complete

Mvenyane Access Road and Bridge	This project has been reprioritised
Lugada to Mahlabathini and Bridge	Lugada to Mahlabathini Access Road has been reprioritised, and the bridge is at procurement stage
Mngeni Bridge	The project is 61% complete.

Internal Funded Capital Projects

Capital Replacement Rerseve Projects	February 2025 Status
Renovation of Town Hall	Project is under construction
Skiti -Tholang Access Road	The Project is 19.3% Complete.
Fencing Nature Reserve	Project is under construction
Server	Project is under construction
Weigh Bridge	Project is under construction
Ramafole Access Road	Project is under construction
New Resh Access Road	The Project is 37% Complete.
FM TOWER LINE WIP	Project is under construction
Kinira to Shepard Hope Access Road	Project is under construction
Bhakaneni Acess Road	The Project is 40.6% Complete
Fatima Access Road	Project is under construction
Municipal Fleet	Project is under construction
Mapoleseng Access Road	Project is under construction
Mafaise Access Road	Project is 10% Complete contractor has established on site
f 2 silo facilities	Project is under construction
Potlo Access Road	Project is under construction
Moriting- Kweneng Access Road	Project is at practical completion stage 95% complete
Chere Mahareng Access Road	The Project is 94% Complete the contractor is busy with stone pitching and ditch drains
New Stance Access Road	The Project is 67% complete
Nkungwini-Ngudla Access Road	The Project is 49,6 % complete
TRANSFORMERS INFRA	Project is under construction
Malubaluba Access Road	The Project is 68% complete
Khauoe Access Road	The Project is 67% complete
Fire Engine Truck	

This information reflects on our tender control plan on February 2025

SUMMARY: QUOTATIONS	28-Feb-25	TOTAL
DAY TO DAY QUOTATIONS	108	108
FORMAL QUOTATIONS	2	2
TOTAL QUOTATIONS	**110**	**110**

BIDDING PROCESS	Bids Awarded vs Capital Budget	Capital Spending Year-To-Date	Orders Issued
Bids awarded	24 840 406.24	-	5
Bids in the process	2	-	-
Bids behind schedule	-	-	-
Bids cancelled or removed from budget	-	-	-
Bids to be awarded	-	-	-

2.3 Material variances from the SDBIP

The were no variances and deficiencies that were identified on the SDBIP under month under review.

2.4 Remedial or corrective steps

HODs and unit managers are sent monthly income and expenditure reports to monitor expenditure and revenue performance of each department, ensure spending is within budget and is aligned to the IDP's Strategic Goals.

Section 3

IN-YEAR BUDGET STATEMENT TABLES

3.1 Monthly budget statements

3.1.1 Table C1 Monthly Budget Statement Summary

Choose name from list - Table C1 Monthly Budget Statement Summary - M06 - February

Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	50 849	61 937	61 937	2 487	52 411	41 291	11 120	27%	61 937
Service charges	79 146	91 972	91 972	6 816	60 924	61 314	(390)	-1%	91 972
Investment revenue	24 961	28 813	28 813	1 589	14 931	19 209	(4 278)	-22%	28 813
Transfers and subsidies - Operational	316 426	360 244	334 047	1 461	270 455	234 923	35 531	15%	334 047
Other own revenue	64 211	41 503	68 501	21 070	37 749	33 068	4 681	14%	–
Total Revenue (excluding capital transfers and contributions)	535 492	584 488	585 289	33 423	436 471	389 805	46 665	12%	585 289
Employee costs	166 279	174 999	174 999	14 040	107 663	116 666	(9 003)	-8%	174 999
Remuneration of Councillors	22 360	26 401	26 401	2 233	16 233	17 601	(1 368)	-8%	26 401
Depreciation and amortisation	87 669	52 790	32 840	–	31 380	31 203	177	1%	32 840
Interest	1 529	–	–	–	–	–	–		–
Inventory consumed and bulk purchases	79 588	83 143	97 439	6 120	60 003	58 288	1 715	3%	97 439
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	244 265	247 133	253 588	10 062	146 264	166 046	(19 783)	-12%	253 588
Total Expenditure	601 781	584 466	585 267	32 455	361 542	389 804	(28 262)	-7%	585 267
Surplus/(Deficit)	(66 289)	2	2	969	74 928	1	74 927	5125000%	2
Transfers and subsidies - capital (monetary allocations)	68 464	96 747	98 296	3 064	44 570	64 808	(20 238)	-31%	98 296
Transfers and subsidies - capital (in-kind)	6 576	–	–	–	–	–	–		–
contributions	8 750	96 749	98 298	4 033	119 499	64 809	54 689	84%	98 298
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	8 750	96 749	98 298	4 033	119 499	64 809	54 689	84%	98 298
Capital expenditure & funds sources									
Capital expenditure	138 191	182 983	184 531	3 349	62 189	122 298	(60 109)	-49%	184 531
Capital transfers recognised	60 493	96 747	98 296	2 665	37 241	64 808	(27 567)	-43%	98 296
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	80 698	86 236	86 236	684	24 948	57 491	(32 542)	-57%	86 236
Total sources of capital funds	139 191	182 983	184 531	3 349	62 189	122 298	(60 109)	-49%	184 531
Financial position									
Total current assets	392 756	481 343	461 393		471 016				461 393
Total non current assets	1 049 312	988 611	1 010 110		1 080 122				1 010 110
Total current liabilities	164 413	198 386	198 386		153 994				198 386
Total non current liabilities	40 325	39 250	39 250		40 325				39 250
Community wealth/Equity	1 241 322	1 232 317	1 233 866		1 356 820				1 233 866
Cash flows									
Net cash from (used) operating	391 368	177 947	157 245	34 717	331 136	155 372	(175 764)	-113%	157 245
Net cash from (used) investing	167 906	(182 983)	(184 531)	(3 819)	(70 379)	(130 773)	(60 394)	46%	(184 531)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	814 691	290 162	287 912	–	518 902	319 798	(199 104)	-62%	230 858
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	10 183	5 412	4 580	6 422	4 775	23 626	3 845	203 215	262 058
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

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

Choose name from list - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - MM8 - February

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		395 813	438 117	440 124	5 469	326 861	292 479	27 522	9%	440 124
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		359 813	438 117	440 124	5 469	319 680	292 479	27 201	9%	440 124
Internal audit		–	–	–	–	321	–	321	#DIV/0!	–
Community and public safety		13 172	14 604	13 947	2 059	11 296	9 424	1 781	19%	13 947
Community and social services		6 950	8 904	7 347	1 662	6 895	5 624	1 271	23%	7 347
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		6 222	5 700	5 700	397	4 310	3 800	510	13%	5 700
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		57 621	164 188	166 887	3 429	45 813	69 839	(24 025)	-34%	166 887
Planning and development		(4 127)	5 502	5 852	365	1 228	3 738	(2 510)	-67%	5 852
Road transport		61 748	98 686	100 235	3 064	44 585	66 101	(21 515)	-33%	100 235
Environmental protection		–	–	–	–	–	–	–		–
Trading services		139 926	124 387	124 387	25 531	104 821	82 871	21 159	26%	124 387
Energy sources		120 443	105 494	105 494	24 269	93 547	70 329	23 218	33%	105 494
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		19 484	18 813	18 813	1 261	10 474	12 542	(2 068)	-16%	18 813
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	610 532	681 216	683 564	36 486	481 841	454 614	26 427	6%	683 564
Expenditure - Functional										
Governance and administration		282 309	256 861	264 711	16 669	159 513	172 811	(13 297)	-8%	264 711
Executive and council		30 467	35 348	35 348	2 530	21 963	23 565	(1 602)	-7%	35 348
Finance and administration		247 682	216 649	224 499	13 799	134 383	146 003	(11 620)	-8%	224 499
Internal audit		4 159	4 864	4 864	332	3 168	3 243	(75)	-2%	4 864
Community and public safety		63 876	55 582	52 353	4 825	34 513	35 372	(1 858)	-5%	52 353
Community and social services		41 580	29 281	25 781	2 724	18 567	18 821	(254)	-1%	25 781
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		22 296	26 221	26 571	2 102	15 947	17 551	(1 604)	-9%	26 571
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		83 458	115 659	103 179	2 738	68 317	74 330	(14 014)	-19%	103 179
Planning and development		31 604	48 686	48 536	983	21 779	32 427	(10 649)	-33%	48 536
Road transport		51 854	66 973	54 643	1 755	38 538	41 903	(3 365)	-8%	54 643
Environmental protection		–	–	–	–	–	–	–		–
Trading services		172 148	157 844	165 824	8 232	107 199	106 252	987	1%	165 824
Energy sources		150 153	131 098	140 428	6 383	93 152	89 264	3 888	4%	140 428
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		21 997	25 946	24 596	1 849	14 047	17 028	(2 980)	-18%	24 596
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	601 791	584 466	585 267	32 455	361 542	388 884	(28 282)	-7%	585 267
Surplus (Deficit) for the year		8 758	96 749	98 298	4 033	119 499	64 889	54 689	84%	98 298

This table assesses the revenue and expenditure by department, the revenue for the period ending 28 February 2025 is **R 36,5** million and the expenditure is **R 32,5** million.

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

Choose name from list - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 - February

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Executive Council		–	–	–	–	–	–	–		–
Vote 2 - Finance and Admin		399 412	437 767	439 774	5 469	319 546	292 246	27 300	9.3%	439 774
Vote 3 - Corporate		401	350	350	–	134	233	(99)	-42.5%	350
Vote 4 - Development and Planning		(4 022)	5 502	5 852	365	1 228	3 738	(2 510)	-67.1%	5 852
Vote 5 - Community		32 656	33 416	31 860	3 320	21 679	21 966	(287)	-1.3%	31 860
Vote 6 - Infrastructure		182 086	204 180	205 729	27 333	138 132	136 430	1 702	1.2%	205 729
Vote 7 - Internal Audit		–	–	–	–	321	–	321	#DIV/0!	–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	610 532	681 216	683 564	36 488	481 041	454 614	26 427	5.8%	683 564
Expenditure by Vote	1									
Vote 1 - Executive Council		30 467	35 348	35 348	2 590	21 963	23 565	(1 602)	-6.8%	35 348
Vote 2 - Finance and Admin		167 535	125 287	130 737	6 408	75 652	84 615	(8 962)	-10.6%	130 737
Vote 3 - Corporate		80 146	91 362	93 762	7 391	58 750	61 388	(2 638)	-4.3%	93 762
Vote 4 - Development and Planning		31 604	48 686	48 536	983	21 819	32 427	(10 608)	-32.7%	48 536
Vote 5 - Community		85 863	81 448	76 949	6 674	48 560	53 399	(4 839)	-9.1%	76 949
Vote 6 - Infrastructure		202 006	197 471	195 071	8 138	131 649	131 167	482	0.4%	195 071
Vote 7 - Internal Audit		4 159	4 864	4 864	332	3 168	3 243	(75)	-2.3%	4 864
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	601 781	584 466	585 267	32 455	361 542	389 804	(28 262)	-7.3%	585 267
Surplus/ (Deficit) for the year	2	8 750	96 749	98 298	4 033	119 499	64 809	54 689	84.4%	98 298

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.

Expenditure by functional classification presents the expenditures by the departments

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

Choose name from list - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - February

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		67 647	78 446	78 446	5 849	55 059	53 964	2 095	4%	78 446
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		11 499	15 526	15 526	567	7 865	10 351	(2 485)	-24%	15 526
Sale of Goods and Rendering of Services		37 443	5 946	32 944	19 069	20 144	9 364	10 780	115%	32 944
Agency services		–	–	3 000	–	–	500	(500)	-100%	3 000
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		1 667	2 200	2 200	166	1 055	1 467	(412)	-28%	2 200
Interest from Current and Non Current Assets		24 681	28 613	28 613	1 889	14 931	19 209	(4 278)	-22%	28 613
Dividends		–	–	–	–	–	–	–		–
Rent on Land		327	–	–	–	–	–	–		–
Rental from Fixed Assets		1 294	2 028	2 028	(22)	1 261	1 352	(91)	-7%	2 028
Licence and permits		3 969	4 522	1 522	266	2 772	2 415	357	15%	1 522
Operational Revenue		636	892	892	–	135	585	(450)	-77%	892
Non-Exchange Revenue								–		
Property rates		50 849	61 937	61 937	2 467	52 411	41 291	11 120	27%	61 937
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2 288	25 890	1 620	(7 744)	1 666	12 406	(10 841)	-87%	1 620
Licence and permits		28	25	25	6	25	17	8	48%	25
Transfers and subsidies - Operational		316 435	388 244	394 047	1 484	278 488	234 923	35 531	15%	394 047
Interest		16 571	–	24 270	9 340	10 792	4 854	5 938	122%	24 270
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		–	–	–	–	1	–	1	#DIV/0!	–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		535 482	584 469	585 269	33 423	436 471	389 806	46 665	12%	585 269
Expenditure By Type										
Employee related costs		166 279	174 999	174 999	14 040	107 563	116 666	(9 003)	-8%	174 999
Remuneration of councilors		22 960	25 401	25 401	2 233	16 259	17 501	(1 368)	-8%	25 401
Bulk purchases - electricity		74 157	76 245	90 545	6 613	55 970	53 696	2 280	4%	90 545
Inventory consumed		5 531	6 897	6 893	587	4 032	4 597	(565)	-12%	6 893
Debt impairment		–	–	–	–	–	–	–		–
Depreciation and amortisation		87 660	52 790	32 840	–	31 380	31 209	177	1%	32 840
Interest		1 529	–	–	–	–	–	–		–
Contracted services		139 811	160 782	167 727	5 369	99 477	108 577	(9 099)	-8%	167 727
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		34 617	6 294	6 294	–	–	4 196	(4 196)	-100%	6 294
Operational costs		67 003	93 056	75 567	4 702	45 786	53 274	(6 487)	-12%	75 567
Losses on Disposal of Assets		13 191	–	–	–	–	–	–		–
Other Losses		284	–	–	–	–	–	–		–
Total Expenditure		681 781	584 466	585 267	32 455	361 542	389 894	(28 262)	-7%	585 267
Surplus/(Deficit)		(46 300)	2	2	969	74 928	1	74 927	5125668%	2
Transfers and subsidies - capital (monetary allocations)		96 454	96 747	96 296	3 064	44 570	64 909	(20 338)	-31%	96 296
Transfers and subsidies - capital (in-kind)		6 570	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		56 724	96 749	96 298	4 033	119 499	64 909			96 298
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		56 724	96 749	96 298	4 033	119 499	64 909			96 298
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		56 724	96 749	96 298	4 033	119 499	64 909			96 298
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus (Deficit) for the year		56 724	96 749	96 298	4 033	119 499	64 909			96 298

In terms of 28 February 2025 Monthly Budget & Performance assessment, the actual billed and/or collected for the month is **R 33,4** million exclusive of capital transfers against approved revenue budget of **R 585.3** million, this represents **5%**, is less than the expected due to transfers and grants recognised for the month, decreased demand in the applications for learner licences and decrease in service fines, penalties and forfeits. YTD Revenue is **75%.**

The operating expenditure budget as at 28 February 2025 is **R 32,5** million against approved Expenditure budget of **R 584** million, this represents **6%** of the total operating budget, this is less than expected for the month, this performance is less due non-cash items such as depreciation and impairment of assets, INEP grant and electrical repairs and maintenance expenditure for the period under review and YTD spending is **62%.**

Revenue by Source

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

Property Rates

Property Rates – Property rates are billed for 10 months starting from July 2024 to April 2025 for both annual and monthly rates, hence there is variance hence there is variance, the variance will decrease as the year progresses once all supplementary valuations are taken into consideration.

The total property rates raised/billed amounted to **R 2,487,405** the income received from property rates amounted to **R 1,635,633.46,** this represents **66%** when measured against the property rates billed or raised for the month. When measured against the approved budget of **R 61,936,752**, it represents **4%** of the received revenue by source which is less than anticipated for the month, as Billing is based on the value of the property a reassessment of property values might lead to lower tax assessments, exemptions and lower population.

Services Charges

Revenue from Service charges amounted to **R 7,602,954** against the approved budget of **R 91,971,672.** This represent **8%** and is less than the expected performance for the month due to less electricity connection fees. The total YTD revenue is **66%.**

Agency Services

Agency Services has been budgeted separately from licences and permits with an amount of **R 3,000,000** relating to commission received from department of transport. The income received from agency fees amounted to **R 21,757.** This represent **1%** and is less than the expected performance for the month due to less income received. The total YTD revenue is **66%.**

Rental of Facilities and equipment

Rental of facilities and equipment approved budget is **R 2,027,532.** Revenue amount of **R 22,366** for February 2025 has been recognised, representing **1%** which is less than the expected performance for the month. The majority is **R 100,983** relating to department of transport claims. The total YTD revenue is **62%**.

Interest earned on Investments

The total approved budget Interest on investments is **R 28,812,996** and the interest received for the month of February 2025 is **R 1,589,164,** which represents **6%**, this is less than the expected performance due to investments that have not matured which results to interest received resulted to be unfavourable interest. The total YTD revenue is **52%.**

Interest on Outstanding Debtors

Interest on non-payment of electricity has been raised monthly which amounts to **R 9,505,561** has been posted on the interest on arrears for refuse services with the approved budget allocation of **R 2,199,996** this has been adjusted to **R 26,469,996.** This represents **36%**, which is more the expected performance for the month due to interest billed to debtors taking longer to pay leading to an increase. The YTD revenue raised is **45%.**

Fines, penalties and Forfeits

Revenue from fines, penalties and forfeits has an approved budget of **R 25,890,000** has been adjusted budget to **R 1 620 000.** The cash receipts for traffic fines issued is **R 133,257** for the month due to the debit entry made, this represents **8%.** It's within the expected performance. The YTD revenue is **97%.**

Licences and permits

The total approved budget for licences and permits is **R 4,547,100,** Licences and permits have been adjusted budget to **R 1,547,100** due to Agency fees that have been separated from this item. The cash receipts for traffic fines issued was **R 293,221** and represents **19%** of the total revenue budget. This is more than expected performance for the month due to increase in Learner License Application for the month. this is a positive factor in maintaining public safety and ensuring compliance with the law. The total YTD revenue is **111%**

Transfers and Subsidies-Operational

Total approved budget amount on transfers and subsidies is **R 360,244,200** this was adjusted budget to **R 334,046,582** which relates the National Governments Integrated National Electrification Programme reclassification, library incentive grant unspent grant from the **2023/2024** financial year and allocation of grant funding received from Alfred Nzo district municipality to support the IDP roadshows. The transfers recognised for the month is **R 1,460.995.** The recognised transfers represent **1%** of the approved grant allocation. This is less than the expected performance for the month, due to less expenditure incurred of items funded by operational grants for the month. The total YTD revenue is **81%.**

Transfers and Subsidies- Capital

Total approved budget on transfers and subsidies is **R 96,747,180** this adjusted to **R 98,295,530** which relates to unspent funds from the Municipal Disaster Recovery Grant. The total revenue of **R 3,064,218** was recognised for the month, this represents **3%** of total budget. This is less than the expected performance for the month this is due to INEP transfer to contract revenue grant and YTD revenue recognised is **45%.**

Other Revenue

The approved budget allocation of **R 6,838,260,** this was adjusted budget to **R 33 836 264** due reclassification INEP grant to on Construction Contract Revenue and revenue from sale of tickets from the Music festival. Other revenue amounted to **R 19,059,215** for the month, when measured against the approved budget. This represents **56%** which is more than the expected performance for the month. This is due to reclassification INEP grant. The total YTD revenue is **60%.**

Operating Expenditure by type
Employee related costs/Remuneration of Councillors

Salary costs incurred – the Municipality incurred **R 16,3** million salary costs at the end of 28 February 2025 against the approved budget allocation of **R 201,4** million, incurring **8%** expenditure for the month salary budget allocation and this is within the expected performance for the month as reflected in the table below.

To note that the recruitment processes are underway for other various vacant positions.

Row Labels	Approved Budget	February 2025 Actuals	Year to Date Actuals
Chief Whip	859 800	74 629	525 449
Executive Committee/Mayoral Committee	6 194 532	448 177	2 821 204
Executive Mayor/Mayor	1 103 472	280 097	2 178 175
Municipal Staff	166 511 904	13 704 601	104 880 273
Section 79 committee chairperson	847 644	-	-
Senior Management	8 487 552	412 721	2 783 171
Speaker	932 088	81 078	544 101
Total for All Other Councillors	16 463 808	1 272 027	10 163 720
Grand Total	**201 400 800**	**16 273 330**	**123 896 093**
		8%	**62%**

The overtime cost has increased drastically and will need to be closely monitored to ensure that cost containment measures are affected to ensure that this is reduced.

Row Labels	Approved Budget	Frebuary 2025 Actuals	Year to Date Actuals
Community Halls and Facilities:Public Amenities (3005)	69 996	30 503	359 192
CORE FUNCTION: SOLID WASTE REMOVAL	455 492	40 310	318 729
Energy Sources: Electricity (4040)	679 128	48 761	434 646
Finance and Administration: Information Technology (254	10 000	-	9 864
Finance and Administration: Administrative and Corporat	120 000	9 474	145 215
Finance and Administration: Council Support (2541)	50 004	-	-
Finance and Administration: SCM & Expenditure (2025)	105 004	8 954	72 229
Public Safety: Civil Defence (3074)	1 815 280	202 151	1 888 285
Road Transport: Project Operations & Mainnt(4010)	30 000	1 979	19 020
Roads:ROAD TRANSPORT HUMAN SETTLEMENTS (4035)	-	22 503	40 802
Town Planning; Building Regulations and Enforcement; an	50 000	-	-
Grand Total	**3 384 904**	**364 635**	**3 287 982**
		11%	**97%**

Debt impairment

Currently the municipality accounts for Debt impairment at the end of the financial year, no expenditure is reflected for month. It must be noted that debt impairment testing, and calculation is done at the financial year end and only at the time are journal entries processed onto the financial system and this journal only accrue in the 13th period on the financial system, therefore no expenditure will reflect for under for this category and Bad debts are written off upon Council's approval.

Irrecoverable debts written-off

Note that no council approved write-offs as at date of reporting as the journal is processed at year end. Bad debt written off under Rates and Electricity will be determined on quarter 4 and write-offs will be processed after the capital amount outstanding by debtor has been settled in terms of the incentive.

Depreciation

The approved budget is **R 52,789, 752** this was adjusted to **R 32,839,752.** No depreciation accounted for the month and the asset impairment will be processed at year end. The total YTD expenditure on depreciation incurred reflect **96%,** The expenditure on depreciation and amortisation will increase at year end when the Assets under Construction is capitalised with projects that were completed in June 2024.

Finance charges

No interest expenditure incurred for the month as invoices are paid within 30 days and where is the difference will be the timing in terms of billing by Eskom.

Bulk Purchases

Total approved budget on bulk electricity purchases is **R 76,245,564,** this was adjusted to **R 90,545,564**. The expenditure incurred for the month amounted to **R 5,612,915** million which represent **7%** and YTD spending is **66%.** This is less than the expected performance for the month due to change in seasonal demand for electricity. The payment made relates to January invoice then the payment for the bulk purchases of 28 February 2025 will be processed in March 2025.

Other material

Total approved budget on other material is **R 6,897,036,** this was adjusted to **R 6,893,032.** The expenditure amounted to **R 507,007** for the month which represent **7%.** This is less than the expected performance for the month due to less demand on stores items. The total YTD Expenditure is **58%.**

Contracted Services

Total approved budget on contracted services is **R 160,781,520,** this was adjusted to **R 167,726,906**. The spending for the month amounted to **R 5,359,246,** this represents **3%.** This is less than the expected performance when measured against the budget projection due to timing of projects. The total YTD Expenditure is **59%.**

Other Expenditure

Other expenditure includes all other general operational costs of the Municipality. Total approved Budget on Other expenditure is **R 80,057,640** this was adjusted to **R 79,566,644.** The expenditure for the month amounted to **R 4,702,291**. this represents **6%** of the budgeted amount on this category. This is less than the expected performance for the month due to less expenditure made workmen's compensation, Uniform, Radio Slots, Budget Outreach Transport and Provisions Landfill site and ICT software licence and cleaning materials. The total YTD Expenditure is **59%.**

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

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 - February

Vote Description	Ref	2023/24	Budget Year 2024/25							
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		64	90	90	–	25	60	(35)	-58%	90
Vote 2 - Finance and Admin		3 322	3 225	3 225	–	1 229	2 150	(921)	-43%	3 225
Vote 3 - Corporate		1 983	3 920	3 920	398	800	2 613	(1 813)	-69%	3 920
Vote 4 - Development and Planning		116	8 705	8 705	–	1 729	5 803	(4 084)	-70%	8 705
Vote 5 - Community		5 715	16 360	16 360	–	2 105	10 907	(8 802)	-81%	16 360
Vote 6 - Infrastructure		116 945	150 680	152 231	2 951	56 310	100 766	(44 456)	-44%	152 231
Vote 7 - Internal Audit		48	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	130 191	182 983	184 531	3 348	62 189	122 298	(60 109)	-49%	184 531
Total Capital Expenditure		130 191	182 983	184 531	3 348	62 189	122 298	(60 109)	-49%	184 531
Capital Expenditure - Functional Classification										
Governance and administration		5 415	7 235	7 235	398	2 853	4 823	(2 769)	-57%	7 235
Executive and council		64	90	90	–	25	60	(35)	-58%	90
Finance and administration		5 305	7 145	7 145	398	2 829	4 763	(2 734)	-57%	7 145
Internal audit		46	–	–	–	–	–	–		–
Community and public safety		4 346	19 410	19 557	–	452	6 968	(6 516)	-94%	19 557
Community and social services		851	2 510	2 657	–	154	1 743	(1 589)	-91%	2 657
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		3 495	7 900	7 900	–	298	5 227	(4 929)	-94%	7 900
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		100 853	149 736	149 232	2 951	51 198	99 734	(48 536)	-49%	149 232
Planning and development		116	8 705	8 705	–	1 729	5 813	(4 084)	-70%	8 705
Road transport		100 577	141 533	140 527	2 951	49 301	93 921	(44 540)	-47%	140 527
Environmental protection		–	–	–	–	–	–	–		–
Trading services		19 738	15 600	17 587	–	8 583	10 781	(2 199)	-20%	17 587
Energy sources		10 369	9 650	11 704	–	8 939	8 844	95	1%	11 704
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		1 369	5 950	5 883	–	1 853	3 937	(2 284)	-58%	5 883
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	130 191	182 983	184 531	3 348	62 189	122 298	(60 109)	-49%	184 531
Funded by:										
National Government		90 453	95 797	97 346	2 665	37 268	64 174	(26 906)	-42%	97 346
Provincial Government		–	950	950	–	–	633	(633)	-100%	950
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		90 453	96 747	98 296	2 665	37 268	64 808	(27 567)	-43%	98 296
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		39 738	86 236	86 236	682	24 922	57 491	(32 542)	-57%	86 236
Total Capital Funding		130 191	182 983	184 531	3 348	62 189	122 298	(60 109)	-49%	184 531

The total approved capital budget is **R 182,983,008** this was adjusted to **R 184,531,371,** the Municipality incurred expenditure of **R 3,348,562.** This represents **2%** of the approved capital expenditure budget, this is less than expected performance for the month due. The variance is due to capital commitment that are not yet implemented as planned, expenditure trends should reflect in the next quarter. The also to note that council the delays in MDRG projects.

3.1.6 C6 Monthly Budget Statement –Financial Position

Choose name from list - Table C6 Monthly Budget Statement - Financial Position - M08 - February

Description	Ref	2023/24	Budget Year 2024/25			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		258 145	290 162	267 912	313 777	267 912
Trade and other receivables from exchange transactions		(43 578)	126 604	128 804	(35 125)	128 804
Receivables from non-exchange transactions		154 305	37 651	37 751	168 807	37 751
Current portion of non-current receivables		–	–	–	–	–
Inventory		4 413	3 041	3 041	3 571	3 041
VAT		12 924	18 836	18 836	14 939	18 836
Other current assets		6 546	5 048	5 048	5 048	5 048
Total current assets		392 756	481 343	481 393	471 018	481 393
Non current assets						
Investments		–	–	–	–	–
Investment property		4 960	4 960	4 960	4 960	4 960
Property, plant and equipment		1 042 237	981 457	1 002 355	1 073 128	1 002 355
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		1 543	1 543	1 543	1 543	1 543
Intangible assets		573	652	1 252	491	1 252
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		1 049 312	988 611	1 010 110	1 080 122	1 010 110
TOTAL ASSETS		1 442 068	1 469 954	1 471 502	1 551 137	1 471 502
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 780	472	472	1 800	472
Trade and other payables from exchange transactions		80 097	126 890	126 890	28 901	126 890
Trade and other payables from non-exchange transactions		21 039	20 746	20 746	37 154	20 746
Provision		23 809	29 993	29 993	26 769	29 993
VAT		54 728	20 285	20 285	59 360	20 285
Other current liabilities		2 961	–	–	–	–
Total current liabilities		184 413	198 386	198 386	153 984	198 386
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		23 769	39 250	39 250	23 769	39 250
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		16 556	–	–	16 556	–
Total non current liabilities		40 325	39 250	39 250	40 325	39 250
TOTAL LIABILITIES		204 737	237 637	237 637	194 308	237 637
NET ASSETS	2	1 237 330	1 232 317	1 233 866	1 356 829	1 233 866
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		845 055	1 146 081	1 147 630	960 562	1 147 630
Reserves and funds		396 267	86 236	86 236	396 267	86 236
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1 241 322	1 232 317	1 233 866	1 356 829	1 233 866

3.1.7 C7 Monthly Budget Statement –Cash Flow

Choose name from list - Table C7 Monthly Budget Statement - Cash Flow - M08 - February

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		52 679	52 646	52 646	1 803	47 099	55 805	(8 706)	-16%	52 646
Service charges		85 259	80 376	78 176	7 060	62 510	84 314	(21 805)	-26%	78 176
Other revenue		22 975	84 503	87 131	1 311	13 403	75 203	(61 801)	-82%	87 131
Transfers and Subsidies - Operational		345 670	360 244	334 047	2 100	256 242	343 949	(85 707)	-25%	334 047
Transfers and Subsidies - Capital		114 964	96 747	98 296	37 157	148 377	81 860	66 517	81%	98 296
Interest		24 009	28 613	53 083	1 615	16 609	30 225	(13 616)	-45%	53 083
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(255 188)	(525 383)	(546 133)	(16 329)	(215 104)	(515 985)	300 881	-58%	(546 133)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		391 368	177 947	157 265	34 717	331 136	155 372	(175 764)	-113%	157 249
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		167 906	(182 983)	(184 531)	(3 819)	(70 379)	(130 773)	60 394	-46%	(184 531)
NET CASH FROM/(USED) INVESTING ACTIVITIES		167 906	(182 983)	(184 531)	(3 819)	(70 379)	(130 773)	(60 394)	46%	(184 531)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–		–
NET INCREASE/ (DECREASE) IN CASH HELD		559 273	(5 036)	(27 266)	30 898	260 757	24 599			(27 286)
Cash/cash equivalents at beginning:		254 787	295 199	295 199		258 145	295 199			258 145
Cash/cash equivalents at month/year end:		814 061	290 162	267 912		518 902	319 798			230 858

PART 2 –SUPPORTING DOCUMENTATION
SECTION 4

Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 28 February 2025.

Choose name from list - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 - February

Description	NT Code	Budget Year 2024/25											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	5 149	1 502	1 296	1 474	2 096	789	1 218	4 329	17 853	9 906	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2 399	1 298	1 005	914	877	20 876	678	72 822	100 869	95 967	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	872	589	491	400	428	407	388	26 491	32 125	30 179	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-
Interest on Arrear Debtor Accounts	1810	1 629	1 612	1 582	1 566	1 217	1 339	1 276	60 624	70 847	66 024	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	134	418	208	2 068	199	216	277	37 141	40 556	39 801	-	-
Total By Income Source	2000	10 183	5 412	4 586	6 422	4 775	23 826	3 845	203 215	262 858	241 883	-	-
2023/24 - totals only		14 160	4 096	3 949	3 220	3 779	28 307	29 328	158 043	244 881	222 678	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 507	2 219	2 420	2 628	2 862	21 912	2 168	77 860	114 712	107 428	-	-
Commercial	2300	6 848	2 524	1 463	3 137	1 256	1 062	1 030	95 913	83 266	72 400	-	-
Households	2400	697	668	651	658	656	852	647	29 441	34 090	32 053	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2000	10 183	5 412	4 586	6 422	4 775	23 826	3 845	203 215	262 858	241 883	-	-

The total debt book for 28 February 2025 of **R 262,057,807**, inclusive of **R 4,270,951** advance payments.

The total debt book for February amounts to **R 257,786,856** (including of **R 9,778,298** which is not yet due) has decreased by **R 2,785,590** from the previous month closing balance of **R 255,001,266.** Debt is made up of the following:

- **Residential debt**
  R 103,803,917
- **Commercial debt**
  R 40,733,112
- **Government debt**
  R 108,575,824
- **Other**
  R 4,674,003

R 5,948,627.31 is the collection made for February 2025.

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 **R 87,611,965**

- **Maluti**
  R 70,796,978 (including current)
- **Cedarville**
  R 16,814,986 (including current)

The municipality have currently appointed a panel of collecting agency to assist in implementing the credit and debt collection policy for outstanding debt 90 days and over.

The credit control measures for collection are implemented especially for old debt.

The following are measures to be put in place to reduce the outstanding debts

- Continuous partial blocking of accounts that utilize the prepaid electricity meters.

Other reasons for the increase in debt:

- The new valuation roll was implemented, General valuation roll that has produced substantial increased property values resulting in unaffordable property rates;
- The loss of income faced by customers affected their ability to pay.
- Escalating interest charges on outstanding government debt that is not serviceable.

SECTION 5 -CREDITORS' ANALYSIS

Supporting Table SC4

Choose name from list - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 - February

Description R thousands	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
		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	
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	-	-	-	-	-	-	-	-	-	30
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	30

The above tables represent the age creditors as at 28 February 2025.

The age creditors reflect no outstanding payments as at 28 February 2025 as per the financial system. The municipality makes an extra effort to ensure that creditors are paid 30 days as per the MFMA.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Feb-25

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	7 867 319.10	58 098.79	-2 542 700.74	-58 098.79	5 382 717.15
INEP	26 523.60	163.19	5 716 212.04	-163.19	5 742 898.83
EPWP	-		-	-	-
Disaster Management	1 598 208.44	19 643 830.01	-2 912 517.56	-9 830.01	18 329 520.89
Finance Management Grant	1 208.43	7.43		-7.43	1 215.86
Establishment Plan	230 928.44	1 018.61		-1 018.61	231 947.05
Housing Development Fund	2 355 103.93	10 659.27		-10 659.27	2 365 763.20
Dedea	716 326.07	3 159.69		-3 159.69	719 485.76
Total Conditional Investments	**12 795 618**	**19 716 937**	**260 994**	**- 82 937**	**32 773 549**

Feb-25

Unconditional Investments -Description	Openning Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	217 884 582.18			-1 027 937.67	217 884 582.18
Call ACC FNB Surplus Cash	6 805 395.80			-35 499.93	6 805 395.80
Nedbank 32 Days	8 123 532.23	55 139.86		-55 139.86	8 178 672.09
Nedbank	4 339 428.71	23 017 161.41	-27 353 860.00	-48 330.93	2 730.12
Nedbank Retention	69 716.20	428.87		-428.87	70 145.07
Termination Guarantee	144 640.82			-776.72	144 640.82
Account Gaurantee	6 202 000.00			-33 303.76	6 202 000.00
Standard Bank	40 505 972.60	290 465.76		-290 465.76	40 796 438.36
	284 075 269	**23 363 196**	**- 27 353 860**	**- 1 491 884**	**280 084 604**
Total Investments as at 28 February 2025					**312 858 153**

The investment portfolio of the municipality as at 28 February 2025 amounted to as indicated below.

As at 28 February 2025 the conditional investments amounted to **R 32,773,549** and unconditional investments amounted to **R 280,084,604**. Total investments as at 28 February 2025 amounted to **R 312,858,153.**

These invested funds are those funds for the capital projects that have not yet been implemented. The interest raised from these short-term investments is already included in the budget at an estimate. Within the short-term call deposits; there are dedicated call accounts meant for conditional grants, and reserves. Conditional grants are expected to deplete as we spend the conditional grants.

This indicates that the municipality as at 28 February 2025 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

The following reflects bank balances at 28 February 2025

Description	February 2025
Nedbank Primary Account:	928,583
Standard bank Account:	1,065,899
FNB Money Market Account:	19,747
Total Cash held as at 31 January 2025	**2,014,231**

Unreconciled items amount to **R 1,096,279** which is made up of the receipts not yet banked and payments that reflects on the following month.

The above table reflects the Cashbook balance is **R 2,014,231** and Bank statement balance of **R 312,858,153**. Total investments as at 28 February 2025 amounted to **R 314,872,384.**

SECTION 7_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6

Description	2024-2025 Meduim Term Revenue & Expenditure Framework					
R thousand	Approved Budget Year 2024/25	Adjustment Budget	Monthly actual	YearTD actual	YearTD budget	Perfomance %
RECEIPTS:						
Operating Transfers and Grants						
National Government:	352 549	325 901	1 165	245 821	217 267	75%
Local Government Equitable Share	320 321	320 321	–	240 241	213 547	75%
Expanded Public Works Programme Integrated Grant	3 880	3 880	1 165	3 880	2 587	100%
Local Government Financial Management Grant	1 700	1 700	–	1 700	1 133	100%
Intergrated National Electrification Programme	26 648	–	–	–	–	0%
Provincial Government:	4 816	5 266	920	5 266	3 511	100%
Capacity Building and Other : Library	1 750	2 050		2 050	1 367	100%
District Municipality:	–	150	–	150	100	100%
IDP roadshows	–	150		150	100	100%
	3 066	3 066	920	3 066	2 044	100%
Other grant providers:	–				–	
DEDEAT	3 066	3 066	920	3 066	2 044	100%
Total Operating Transfers and Grants	357 365	331 167	2 085	251 087	220 778	76%
Capital Transfers and Grants	99 626	101 175	19 634	90 454	67 450	91%
Municipal Infrastructure Grant (MIG)	57 584	57 584	–	46 863	38 389	81%
Disaster Response Grant	41 092	42 641	19 634	42 641	28 427	100%
Capacity Building and Other : Library	950	950	–	950	633	100%
Total Capital Transfers and Grants	99 626	101 175	19 634	90 454	67 450	91%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	456 991	432 342	21 719	341 541	288 228	75%

The Municipality have received the conditional grant and unconditional grants allocations.

7.2 Supporting Table SC7

Choose name from list - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 - February

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		49 534	35 107	8 459	1 569	27 792	18 075	9 716	53.8%	8 459
Expanded Public Works Programme Integrated Grant		3 974	3 880	3 880	1 539	5 607	2 587	3 220	124.5%	3 880
Integrated National Electrification Programme Grant		41 900	26 648	–	–	29 173	12 436	6 737	70.3%	–
Municipal Disaster Relief Grant		–	–	–	–	9	–	9	#DIV/0!	–
Local Government Financial Management Grant	3	1 700	1 700	1 700	29	797	1 133	(336)	-29.7%	1 700
Municipal Infrastructure Grant		2 960	2 879	2 879	–	15	1 919	(1 904)	-99.2%	2 879
Provincial Government:		3 646	4 816	5 116	328	2 858	3 279	(421)	-12.9%	5 116
Specify (Add grant description)		0	–	–	–	–	–	–		–
Specify (Add grant description)		315	1 758	2 059	12	287	1 227	(940)	-76.6%	2 059
Specify (Add grant description)		3 331	3 058	3 058	316	2 572	2 044	529	25.9%	3 058
District Municipality:		182	–	150	20 774	20 774	30	20 744	69146.1%	150
Specify (Add grant description)		182	–	150	20 774	20 774	30	20 744	69146.1%	150
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		53 362	39 923	13 725	22 672	51 425	21 386	30 039	140.5%	13 725
Capital Transfers and Grants										
National Government:		88 982	95 797	97 346	3 964	44 570	64 174	(19 604)	-30.5%	97 346
Municipal Disaster Relief Grant		16 952	41 092	42 641	522	11 256	27 705	(16 449)	-59.4%	42 641
Municipal Infrastructure Grant		51 733	54 705	54 705	2 543	33 315	36 470	(3 155)	-8.7%	54 705
Integrated National Electrification Programme Grant		0	–	–	–	–	–	–		–
Provincial Government:		48	950	950	(514)	(4 151)	633	(4 784)	-755.4%	950
Specify (Add grant description)		–	950	950	–	–	633	(633)	-100.0%	950
Specify (Add grant description)		–	–	–	(29)	(29)	–	(29)	#DIV/0!	–
Specify (Add grant description)		–	–	–	(485)	(4 122)	–	(4 122)	#DIV/0!	–
Specify (Add grant description)		48	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		89 030	96 747	98 296	3 450	40 419	64 806	(24 389)	-37.6%	98 296
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		121 919	136 670	112 021	25 213	91 834	86 194	5 650	6.6%	112 021

The total operating grant expenditure amounts to **R 20,7 Million** and Capital grant expenditure amounts to **R 2,6 Million** including MIG salaries amounting to **R 264,125** for the month February 2025. Total expenditure for the month amounts to **R 25,2** million.

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 28 February 2025.

Choose name from list - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 - February

Summary of Employee and Councillor remuneration R thousands	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		11 749	13 958	13 958	1 315	9 074	9 305	(231)	-2%	13 958
Pension and UIF Contributions		833	1 054	1 054	92	647	702	(55)	-12%	1 054
Medical Aid Contributions		(13)	137	137	49	277	91	186	204%	137
Motor Vehicle Allowance		–	2 757	2 757	–	–	1 838	(1 838)	-100%	2 757
Cellphone Allowance		2 566	2 876	2 876	265	1 658	1 917	(259)	-11%	2 876
Housing Allowances		7 102	5 620	5 620	548	4 566	3 747	819	22%	5 620
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		22 360	26 401	26 401	2 233	16 233	17 601	(1 368)	-8%	26 401
% increase	4		18.1%	18.1%						18.1%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 467	2 906	2 906	189	929	1 937	(1 008)	-52%	2 906
Pension and UIF Contributions		(17)	361	361	19	49	200	(152)	-76%	361
Medical Aid Contributions		–	253	253	18	32	176	(143)	-81%	253
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		114	687	687	–	–	458	(458)	-100%	687
Motor Vehicle Allowance		1 192	2 856	2 856	166	1 111	1 904	(793)	-42%	2 856
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		1 003	906	906	51	850	604	(54)	-9%	906
Other benefits and allowances		0	1	1	0	0	1	(0)	-73%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		172	569	569	22	112	380	(268)	-71%	569
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		5 472	8 488	8 488	469	2 783	5 658	(2 875)	-51%	8 488
% increase	4		55.1%	55.1%						55.1%
Other Municipal Staff										
Basic Salaries and Wages		105 849	114 262	114 927	8 299	71 370	77 212	(5 834)	-8%	114 927
Pension and UIF Contributions		16 607	17 227	17 227	1 377	10 828	11 465	(636)	-6%	17 227
Medical Aid Contributions		5 705	6 468	6 468	566	4 254	4 312	(78)	-2%	6 468
Overtime		4 695	2 130	3 309	426	3 286	1 671	1 617	97%	3 585
Performance Bonus		8 401	8 982	8 982	1 159	8 309	8 988	(679)	-11%	8 982
Motor Vehicle Allowance		8 455	8 844	8 844	574	4 578	8 896	(1 219)	-21%	8 844
Cellphone Allowance		6	7	7	1	4	4	(0)	-8%	7
Housing Allowances		2 427	5 421	5 421	394	1 959	3 614	(1 661)	-46%	5 421
Other benefits and allowances		2 673	1 251	1 251	914	2 314	825	1 489	181%	1 251
Payments in lieu of leave		1 240	–	–	–	706	–	706	#DIV/0!	–
Long service awards		491	–	–	–	184	–	184	#DIV/0!	–
Post-retirement benefit obligations	2	4 356	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		160 887	165 512	165 512	13 632	104 889	111 008	(6 120)	-6%	165 512
% increase	4		3.5%	3.5%						3.5%
Total Parent Municipality		188 639	201 401	201 401	16 273	123 906	134 267	(10 371)	-8%	201 401

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 28 February 2025 amounted **R 16,3 million** of which the expenditure **R 2,2 million** relates to Remuneration of Councillors and **R 14 million**, to Managers and staff, that represents **8%** of the budgeted amount for this category and the expenditure is within the expected performance for the month.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTICATE

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 28 February 2025 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: L Matiwane

Municipal Manager of Matatiele Local Municipality

Signature: _____

Date: 14/3/2025