MATATIELE

LOCAL MUNICIPALITY

2024/2025 MONTHLY SECTION 71 REPORT

MONTH ENDED 30 SEPTEMBER 2024

TABLE OF CONTENTS

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 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 30 September 2024.
- 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** and the Municipality has recognised **R 57,086,492** for the month, this represents **8%,** is within the expected performance for the month. The Revenue to date represents **37%** of the original budget

Operating Expenditure by type

The Municipality incurred expenditure of **R 47,341,271** against the approved budget allocation of **R 584,466,312**, incurring approximately **8%** expenditure for the month budget, this is within the expected performance for the month. The Expenditure to date represents **22%** of the original budget.

Capital Expenditure

The total approved capital budget is **R 182,983,008,** the Municipality incurred expenditure of **R 14,517,305.** This represents **8%** of the approved capital expenditure budget, This is within the expected performance for the month. The Expenditure to date represents **14%** of the original budget

Capital Funded Sources

- The MIG capital grant allocation for the financial year is **R 54,704,808** million as per Dora Allocation, the spending for the month ending 30 September 2024 is **R 11,464,922** which represent **21%** of expenditure to date (Vat exclusive).
- Disaster Response Grant of **R 41,092,392** million was allocated. The grant reflects **R 618,865** spending at the end of 30 September 2024 which represent **2%.**
- The Library Capital Grant allocation of R **950,000** was allocated. The grant reflects **R 0.00** spending at the end of 30 September 2024 which represent **0%.**
- Capital Replacement Reserves (CRR) for the financial year is **R 86,235,804** million is allocated. The spending for the month is **R 2,433,518** which represent **3%**
- The municipality anticipates to spend **100%** of the total capital budget as at the end of the financial year, total spending is **14%** for the month ended 30 September 2024.

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 second quarter under review.

The table below is an analysis per business unit –

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

Row Labels	Sum of TotalBudget	September Actuals	YTD Actuals
Community and Social Services: Community Governance(3096)	69 996	-	-
Community Halls and Facilities:Public Amenities (3005)	2 440 008	-	76 800
CORE FUNCTION: SOLID WASTE REMOVAL	5 950 008	-	1 624 950
Energy Sources: Electricity(4040)	9 650 016	2 433 518	2 433 518
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	-	-
Finance and Administration: Administrative and Corporate Support(	90 000	-	25 238
Finance and Administration: Asset Mangement and Reporting (2015)	39 996	-	25 238
Finance and Administration: Council Support (2541)	510 000	-	-
Finance and Administration: Human Resources (2535)	90 000	-	50 475
Finance and Administration: SCM & Expenditure (2025)	2 430 000	-	855 549
Finance and Adminstration: Revenue and Debt Management (2020)	90 000	-	50 475
Marketing; Customer Relations; Publicity and Media Co-ordination:c	590 004	-	-
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	-	-
Public Safety: Civil Defence (3074)	7 900 008	-	-
Risk Management: FINANCE AND ADMINISTRATION RISK AND M&E(1	75 000	-	-
ROAD TRANSPORT: INFRASTRUCTURE GOVERNANCE (4050)	45 000	-	-
Road Transport: Project Operations & Mainnt(4010)	56 342 388	618 865	2 806 159
Roads: Project Management Unit	84 645 612	11 464 922	15 164 499
Town Planning; Building Regulations and Enforcement; and City Engi	5 499 984	-	248 225
Grand Total	**182 983 008**	**14 517 305**	**24 832 464**
		8%	

The approved capital budget includes Capital Replacement Reserve.

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	September 2024 status
Mahangwe Sport Centre	The project is at planning stage.
HIGHMAST LIGHTS MIG	The project has commissioned and completed.
Construction of Cedarville Internal Streets Phase 4	The project is 4,06 % completed.
Maluti Internal Streets Phase 5	The project is 9 % completed.
Mahasheng Access Road & Bridge	The project is 30 % completed.
Mafube-Nkosana Access Road & Bridge	The project is 60 % completed.
Lekhalong via Magema-Outspan Access Road	The project is 40 % completed.
Extension of Matatiele Sports Centre Ph2	The project is 93% completed.
Harry Gwala Internal Streets	The project is 58 % completed.
Disaster and Fire Management Centre	The project is at planning stage.
Tipper Truck	The project is at planning stage.
Compactor Tractor	The project is at planning stage.
Ton Payload Hook Lift Truck	The project is at planning stage.
Excavator	The project is at planning stage.
Vibrating Roller	The project is at planning stage.

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	September 2024 status
Connect Mbizeni	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 20%.
Connect Mapakising	Construction is complete, contractor is busy with Eskom process. Overall progress is at 95%
Connect Mgubho	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 18%.
Connect Luxeni	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 30%.
Connect Lihaseng	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 17%.
Contractors:Electrical	Construction is complete, contractor is busy with Eskom process. Overall progress is at 95%
Connect Paballong	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 5%.
Connect Mahlabatheng	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 15%.
Connect Lugada	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 30%.

Disaster Response Grant

Disaster Capital Project	September 2024 status
Baloon Street Crossing Bridge	The project is 95% completed(Partially completion stage).
Mabheleni-Upper Mvenyane Access Road & Bridge	The project is at Partially completion stage, 95% complete
Hillside - Ngcwengane Access Road and Bridge	The Hillside-Ngcwengane Access Road is 95% partially completed. The Ngcwengane Bridge is 5 % completed.
Rockville Protea Bridge	The project is 95% completed(Partially completed).
Nyanzela Access Road	The project is 95% completed(Defects liability preiod).
Mdeni Access Road and Bridge	The project has been handover conducted for the Access Road, awaiting commencement.

Mvenyane Access Road and Bridge	
Lugada to Mahlabathini and Bridge	The Lugada to Mahlabathini Bridge is at design stage.
Mngeni Bridge	The project is 5 % completed.

Internal Funded Capital Projects

Capital Replacement Rerseve Projects	September 2024 Status
Cherry Picker Truck	The project in on progress
Renovation of Town Hall	The project is at procurement stage.
Skiti -Tholang Access Road	The project is at construction Stage, project is at 10% completion.
Fencing Nature Reserve	The project is at procurement stage.
Server	The project is at procurement stage.
Weigh Bridge	The project is at procurement stage.
Ramafole Access Road	The project is 7 % completed.
New Resh Access Road	The project is at procurement stage.
FM TOWER LINE WIP	Currently awaiting SMME appointment by LED.
Kinira to Shepard Hope Access Road	The project is at procurement stage.
Bhakaneni Acess Road	The project has been handover to the supplier and awaiting commencement.
Fatima Access Road	The project is 10.5 % completed.
Municipal Fleet	The project is at procurement stage.
Mapoleseng Access Road	The project is at procurement stage.
Mafaise Access Road	The RFQ has been issued, awaiting Appointment.
f 2 silo facilities	The project is at procurement stage.
Potlo Access Road	The project is at procurement stage.
Moriting- Kweneng Access Road	The project is on construction Stage, and the project is at 10% completion
Chere Mahareng Access Road	The project is on construction Stage, and the project is at 20% completion
New Stance Access Road	The project is 5 % completed.
Nkungwini-Ngudla Access Road	The project is 5,8 % completed.
TRANSFORMERS INFRA	The project is at procurement stage.
Malubaluba Access Road	The project is on construction Stage, and the project is at 10% completion
Khauoe Access Road	The project is 15 % completed.
Fire Engine Truck	The project is at procurement stage.

This information reflects on our tender control plan on September 2024

SUMMARY: QUOTATIONS	30-Sep-24	TOTAL
DAY TO DAY QUOTATIONS	156	156
FORMAL QUOTATIONS	1	1
TOTAL QUOTATIONS	**157**	**157**

BIDDING PROCESS	Bids Awarded vs Capital Budget	Capital Spending Year-To-Date	Orders Issued
Bids awarded	7 633 296.97	-	-
Bids in the process	-	-	-
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

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M03 - September

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	-	28 646	39 972	15 484	24 488	158%	61 937
Service charges	75 857	91 972	-	7 525	23 651	22 993	658	3%	91 972
Investment revenue	24 861	28 813	-	(829)	6 078	7 203	(1 125)	-16%	28 813
Transfers and subsidies - Operational	354 013	360 244	-	5 096	151 533	90 061	61 472	68%	360 244
Other own revenue	27 967	41 503	-	2 465	7 099	10 376	(3 277)	-32%	-
Total Revenue (excluding capital transfers and contributions)	533 546	584 469	-	42 903	228 333	146 117	82 216	56%	584 469
Employee costs	159 134	174 999	-	12 686	36 342	43 750	(7 408)	-17%	174 999
Remuneration of Councillors	23 070	26 401	-	1 914	5 723	6 600	(878)	-13%	26 401
Depreciation and amortisation	18 539	52 790	-	-	-	13 197	(13 197)	-100%	52 790
Interest	219	-	-	-	-	-	-		-
Inventory consumed and bulk purchases	71 500	83 143	-	12 533	24 263	20 786	3 477	17%	83 143
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	201 327	247 133	-	20 208	64 003	61 783	2 220	4%	247 133
Total Expenditure	473 788	584 466	-	47 341	130 331	146 117	(15 786)	-11%	584 466
Surplus/(Deficit)	59 758	2	-	(4 438)	98 003	1	98 002	17851080%	2
Transfers and subsidies - capital (monetary allocations)	72 232	96 747	-	14 183	21 286	24 187	(2 901)	-12%	96 747
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
contributions	131 990	96 749	-	9 745	119 289	24 187	95 101	393%	96 749
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	131 990	96 749	-	9 745	119 289	24 187	95 101	393%	96 749
Capital expenditure & funds sources									
Capital expenditure	126 785	182 983	-	14 517	24 832	45 746	(20 913)	-46%	182 983
Capital transfers recognised	59 929	96 747	-	12 084	17 971	24 187	(6 216)	-26%	96 747
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	66 856	86 236	-	2 434	6 862	21 559	(14 697)	-68%	86 236
Total sources of capital funds	126 785	182 983	-	14 517	24 832	45 746	(20 913)	-46%	182 983
Financial position									
Total current assets	482 001	481 343	-		530 768				481 343
Total non current assets	1 097 671	988 611	-		1 074 144				988 611
Total current liabilities	175 469	198 386	-		166 163				198 386
Total non current liabilities	36 325	39 250	-		40 325				39 250
Community wealth/Equity	1 367 878	1 232 317	-		1 398 426				1 232 317
Cash flows									
Net cash from (used) operating	385 835	177 947	177 947	825	153 305	44 487	(108 818)	-245%	177 947
Net cash from (used) investing	167 906	(182 983)	(182 983)	(16 408)	(27 722)	(45 746)	(18 024)	39%	(182 983)
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	808 528	290 162	290 162	-	383 728	293 940	(89 788)	-31%	253 108
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	39 774	9 893	2 724	2 751	3 250	3 544	3 404	198 046	263 387
Creditors Age Analysis									
Total Creditors	7	-	-	-	-	-	-	-	7

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

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 - September

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		399 198	438 117	-	29 801	185 023	109 529	75 494	69%	438 117
Executive and council		-	-	-	-	-	-	-		-
Finance and administration		399 198	438 117	-	29 759	184 816	109 529	75 287	69%	438 117
Internal audit		-	-	-	42	207	-	207	#DIV/0!	-
Community and public safety		11 042	14 604	-	2 352	3 471	3 651	(180)	-5%	14 604
Community and social services		4 820	8 904	-	1 864	1 909	2 226	(317)	-14%	8 904
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		6 222	5 700	-	488	1 562	1 425	137	10%	5 700
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		63 401	104 188	-	14 188	21 320	26 047	(4 728)	-18%	104 188
Planning and development		1 221	5 502	-	4	19	1 375	(1 357)	-99%	5 502
Road transport		62 180	98 686	-	14 183	21 301	24 672	(3 371)	-14%	98 686
Environmental protection		-	-	-	-	-	-	-		-
Trading services		132 137	124 307	-	10 746	39 806	31 077	8 729	28%	124 307
Energy sources		117 153	105 494	-	9 159	34 745	26 373	8 371	32%	105 494
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		14 984	18 813	-	1 587	5 061	4 703	358	8%	18 813
Other	4	-	-	-	-	-	-	-		-
Total Revenue - Functional	2	605 778	681 216	-	57 086	249 619	170 304	79 315	47%	681 216
Expenditure - Functional										
Governance and administration		219 068	256 861	-	19 875	64 193	64 215	(22)	0%	256 861
Executive and council		31 034	35 348	-	4 431	9 100	8 837	263	3%	35 348
Finance and administration		183 879	216 649	-	14 885	53 818	54 162	(344)	-1%	216 649
Internal audit		4 154	4 864	-	559	1 275	1 216	59	5%	4 864
Community and public safety		55 724	55 502	-	4 103	9 726	13 876	(4 150)	-30%	55 502
Community and social services		33 760	29 281	-	2 281	4 219	7 320	(3 101)	-42%	29 281
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		21 964	26 221	-	1 822	5 507	6 555	(1 048)	-16%	26 221
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		63 750	115 059	-	4 173	10 444	28 765	(18 321)	-64%	115 059
Planning and development		29 869	48 686	-	2 646	5 485	12 171	(6 687)	-55%	48 686
Road transport		33 880	66 373	-	1 527	4 959	16 593	(11 634)	-70%	66 373
Environmental protection		-	-	-	-	-	-	-		-
Trading services		135 247	157 044	-	19 190	45 968	39 261	6 707	17%	157 044
Energy sources		114 817	131 098	-	17 254	39 749	32 774	6 974	21%	131 098
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		20 431	25 946	-	1 937	6 219	6 487	(268)	-4%	25 946
Other		-	-	-	-	-	-	-		-
Total Expenditure - Functional	3	473 788	584 466	-	47 341	130 331	146 117	(15 786)	-11%	584 466
Surplus/ (Deficit) for the year		131 990	96 749	-	9 745	119 289	24 187	95 101	393%	96 749

This table assess the revenue and expenditure by department, the revenue for the period ending 30 September 2024 is **R 57,1** million and the expenditure is **R 47,3** 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) - M03 - September

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		398 797	437 767	-	29 759	184 763	109 442	75 322	68.8%	437 767
Vote 3 - Corporate		401	350	-	-	53	88	(35)	-39.9%	350
Vote 4 - Development and Planning		1 326	5 502	-	4	19	1 375	(1 357)	-98.6%	5 502
Vote 5 - Community		26 025	33 416	-	3 939	8 531	8 354	177	2.1%	33 416
Vote 6 - Infrastructure		179 229	204 180	-	23 343	56 046	51 045	5 001	9.8%	204 180
Vote 7 - Internal Audit		-	-	-	42	207	-	207	#DIV/0!	-
Vote 8 -		-	-	-	-	-	-	-		-
Vote 9 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		-	-	-	-	-	-	-		-
Total Revenue by Vote	2	**605 778**	**681 216**	-	**57 086**	**249 619**	**170 304**	**79 315**	**46.6%**	**681 216**
Expenditure by Vote	1									
Vote 1 - Executive Council		31 034	35 348	-	4 431	9 100	8 837	263	3.0%	35 348
Vote 2 - Finance and Admin		109 568	125 287	-	8 853	31 558	31 322	236	0.8%	125 287
Vote 3 - Corporate		74 311	91 362	-	6 033	22 261	22 841	(580)	-2.5%	91 362
Vote 4 - Development and Planning		29 869	48 686	-	2 646	5 526	12 171	(6 646)	-54.6%	48 686
Vote 5 - Community		76 155	81 448	-	6 039	15 945	20 362	(4 417)	-21.7%	81 448
Vote 6 - Infrastructure		148 697	197 471	-	18 781	44 667	49 368	(4 700)	-9.5%	197 471
Vote 7 - Internal Audit		4 154	4 864	-	559	1 275	1 216	59	4.9%	4 864
Vote 8 -		-	-	-	-	-	-	-		-
Vote 9 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		-	-	-	-	-	-	-		-
Total Expenditure by Vote	2	**473 788**	**584 466**	-	**47 341**	**130 331**	**146 117**	**(15 786)**	**-10.8%**	**584 466**
Surplus/ (Deficit) for the year	2	**131 990**	**96 749**	-	**9 745**	**119 289**	**24 187**	**95 101**	**393.2%**	**96 749**

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)

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 - September

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		64 358	76 446	–	6 537	20 692	19 111	1 580	8%	76 446
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		11 499	15 526	–	988	2 959	3 881	(923)	-24%	15 526
Sale of Goods and Rendering of Services		1 794	5 946	–	27	180	1 487	(1 306)	-88%	5 946
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		1 657	2 200	–	116	288	550	(262)	-48%	2 200
Interest from Current and Non Current Assets		24 861	28 813	–	(829)	6 078	7 203	(1 125)	-16%	28 813
Dividends		–	–	–	–	–	–	–		–
Rent on Land		327	–	–	–	–	–	–		–
Rental from Fixed Assets		819	2 028	–	551	638	507	131	26%	2 028
Licence and permits		3 969	4 522	–	265	930	1 131	(201)	-18%	4 522
Operational Revenue		333	892	–	0	53	223	(170)	-76%	892
Non-Exchange Revenue								–		
Property rates		50 849	61 937	–	28 646	39 972	15 484	24 488	158%	61 937
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2 288	25 890	–	223	633	6 473	(5 839)	-90%	25 890
Licence and permits		28	25	–	0	2	6	(4)	-69%	25
Transfers and subsidies - Operational		354 013	360 244	–	5 096	151 533	90 061	61 472	68%	360 244
Interest		16 571	–	–	1 261	3 844	–	3 844	#DIV/0!	–
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		182	–	–	–	530	–	530	#DIV/0!	–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**533 546**	**584 469**	–	**42 903**	**228 333**	**146 117**	**82 216**	**56%**	**584 469**
Expenditure By Type										
Employee related costs		159 134	174 999	–	12 686	36 342	43 750	(7 408)	-17%	174 999
Remuneration of councillors		23 070	26 401	–	1 914	5 723	6 600	(878)	-13%	26 401
Bulk purchases - electricity		65 975	76 246	–	12 096	23 016	19 061	3 956	21%	76 246
Inventory consumed		5 525	6 897	–	437	1 245	1 724	(479)	-28%	6 897
Debt impairment		–	–	–	–	–	–	–		–
Depreciation and amortisation		18 539	52 790	–	–	–	13 197	(13 197)	-100%	52 790
Interest		219	–	–	–	–	–	–		–
Contracted services		136 012	160 782	–	14 064	48 919	40 196	8 723	22%	160 782
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		–	6 294	–	–	–	1 574	(1 574)	-100%	6 294
Operational costs		64 428	80 058	–	6 144	15 062	20 014	(4 953)	-25%	80 058
Losses on Disposal of Assets		–	–	–	–	–	–	–		–
Other Losses		887	–	–	–	23	–	23	#DIV/0!	–
Total Expenditure		**473 788**	**584 466**	–	**47 341**	**130 331**	**146 117**	**(15 786)**	**-11%**	**584 466**
Surplus/(Deficit)		59 758	2	–	(4 438)	98 003	1	98 002	17851080%	2
Transfers and subsidies - capital (monetary allocations)		72 232	96 747	–	14 183	21 286	24 187	(2 901)	-12%	96 747
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		131 990	96 749	–	9 745	119 289	24 187			96 749
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		131 990	96 749	–	9 745	119 289	24 187			96 749
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		131 990	96 749	–	9 745	119 289	24 187			96 749
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		131 990	96 749	–	9 745	119 289	24 187			96 749

In terms of 30 September 2024 Monthly Budget & Performance assessment, the actual billed and/or collected to date is **R 42,9** million inclusive of operational transfers against approved Revenue budget of **R 584,469** million, this represents **7%**, is less for the expected performance for the month due to less annual property rates billed for the 1st month that have been processed as a result of supplementary valuation, less Service Charges and less grants recognised for the month.

The operating expenditure budget as at 30 September 2024 is **R 47,3** million against approved Expenditure budget of **R 584,466** million, this represents **8%** of the total operating budget, this is within the expected performance for the month under review and YTD spending is **14%.**

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 28,645 989**, the income received from property rates amounted to **R 7,985,664.97,** this represent **28%** when measured against the property rates billed or raised for the month and when measured against the approved budget of **R 61,936,752**, it represents **46%** of the received revenue by source which is more than anticipated for the month due to Property rates raised to Department of public works for Rural Schools. The revenue stream will be closely monitored to ensure revenue targets are met by quarter 3 as the municipality provide discount to customers based on certain percentage on the amount paid.

Services Charges

Revenue from Service charges amounted to **R 7,524,511** which is made of **R 987,531** and **R 6,536,980** revenue from service charges against the approved budget of **R 91,971,672.** This represent **8%** and is within the expected performance for the month due to collection on prepaid electricity sales and refuse collection. It must further be noted that bulk meters' account for most of our electricity consumption.

Rental of Facilities and equipment

Rental of facilities and equipment approved budget is **R 2,027,532.** Revenue amount of **R 550,676** for September 2024 has been recognised, representing **27%** which is above the expected performance for the month due to revenue sundry services received that must be transferred to department transport. The revenue will be monitored to measure if any upwards adjustments are required during the adjustment budget process.

Interest earned on Investments

The total approved budget Interest on investments is **R 28,812,996** and the interest received for the month of September 2024 is **R 828,516**. This represents **3%**, this is less the expected performance due to investments that have not yet matured which results to interest received resulted to be unfavourable interest.

Interest on Outstanding Debtors

Interest on non-payment of electricity has been raised monthly which amounts to **R 1,398,133** has been posted on the interest on arrears for refuse services with the approved budget allocation of **R 2,199,996** which represents **64%,** it must be stressed that the is revenue for property rates penalties which amount to **R 3,844,487** that are erroneously raised under this segment which must be reversed and be raised under fines, once this corrected the amount raised for the month amount to **R 117,542**. Therefore, once corrected this will represent **5%** which is less than the expected performance when measured against the monthly projection. The municipality receive less revenue for the month for the interest billed.

Fines, penalties and Forfeits

Revenue from fines, penalties and forfeits has an approved budget of **R 25,890,000**. The cash receipts for traffic fines issued is **R 223,235,** it must be stressed that an amount of **R 1,280,590** was erroneously raised under interest on outstanding debtors and once corrected this will amount to **R 1,503,825** for the month under review and will represents **6%** this is less than expected variance for the quarter due to improved municipal traffic fines raised/issued and it is less than the expected performance is due to the fact that not all fines issued by the traffic officers have been captured on the system.. The variance should reduce as the year progresses.

Licences and permits

The total approved budget for licences and permits is **R 4,547,100** for budget year. At the end of the September 2024 the cash receipts for traffic fines issued was **R 265,286** and represents **6%** of the total revenue budget. This is less than expected performance for the month due to decrease in motor vehicle registration application and motor vehicle registration in September.

Transfers and Subsidies-Operational

Total approved budget amount on transfers and subsidies is **R 360,244,200** and the transfers recognised represents **R 5,096,428** was recognised for the month ended 30 September 2024. The recognised transfers represent **1%** of the approved allocation as all grants. This is less than the expected performance for the month, due to less revenue recognised grants for the month of September 2024.

Transfers and Subsidies- Capital

Total approved budget on transfers and subsidies is **R 96,747,180** and Total revenue of **R 14,183,215** was recognised for the month ended 30 September 2024 and it represents **15%** of total budget. This is above the expected performance for the month due to capital payments recognised for the month on grants.

Other Revenue

Other revenue amounted to **R 27,536** for the month ended 30 September 2024, when measured against the approved budget allocation of **R 6,838,260** this represents almost **1%** which is less than the expected performance for the month. This is due to less revenue collected on tender documents, admin handling fees and insurance. Various line items of revenue are related to timing of certain events and will only be accounted for as the year progress.

Operating Expenditure by type

Employee related costs/Remuneration of Councillors

Salary costs incurred – the Municipality incurred **R 14,6** million salary costs at the end of September 2024 against the approved budget allocation of **R 201,400,800**, incurring **7%** expenditure for the month salary budget allocation and this is less than expected performance as reflected in the table below. The variance is attributable to vacant posts anticipated to be filled in the 2024/2025 financial year. The process of filling posts is continuous hence there is a variance.

To also note that, the increase that has been budgeted for will only come into effect at the end of October as Unions has reached that the final increases will be 6% of which 4,5% will be paid from July to February and 1,5% will be paid from March to June making 6% over the MTREF agreed upon by the unions and SALGA until the end of 2024-25 financial year.

Row Labels	Sum of TotalBudget	Sum of 202409	Sum of TotalActual
Employee Related Cost	**174 999 456**	**12 686 146**	**36 341 681**
Municipal Staff	166 511 904	12 358 761	35 192 455
Senior Management	8 487 552	327 385	1 149 227
Remuneration of Councillors	**26 401 344**	**1 914 255**	**5 722 720**
Chief Whip	859 800	72 696	208 765
Executive Committee/Mayoral Committee	6 194 532	344 034	1 032 103
Executive Mayor/Mayor	1 103 472	285 633	842 498
Section 79 committee chairperson	847 644	-	-
Speaker	932 088	65 276	195 827
Total for All Other Councillors	16 463 808	1 146 617	3 443 528
Grand Total	**201 400 800**	**14 600 401**	**42 064 402**
		7%	

Debt impairment

Debt Impairment is processed annually. Testing of impairment is processed quarterly but adjusted on an annual basis.

Irrecoverable debts written-off

Note that no council approved write-offs as at date of reporting.

Depreciation

Depreciation and asset impairment reflect negative variance, the variance is the result of delays in completion of prior year projects which influenced the capitalization and subsequent depreciation of these assets. The other contribution factor to this variance is related to asset impairment which is undertaken towards the end of the financial year. No depreciation accounted for the month and the asset impairment will be processed at year end.

The expenditure on depreciation and amortisation will increase in quarter 2 when the Assets under Construction is capitalised with projects that were completed, he approved budget of **R 52,789,752** is allocated for depreciation.

Finance charges

No interest expenditure incurred in September as invoices are paid within 30 days and where is the difference will be the timing in terms of billing by Eskom and the time the municipality is expected to make a payment.

Bulk Purchases

Total approved budget on bulk electricity purchases is **R 76,245,564**, the expenditure incurred for the month amounted to **R 12,096,405** million which represent **16%.** This is above the expected performance for the month is due to Eskom tariff increase and seasonal demand, the payment made relates to August invoice. Then the payment for the bulk purchases for September will be processed in October 2024.

Other material

Total approved budget on other material is **R 6,897,036,** the expenditure amounted to **R 436,593** for the month ended 30 September 2024 million which represent **6%.** This is less than expected performance for the month as result of less demand on stores items.

Contracted Services

Total approved budget on contracted services is **R 160,781,520**. The spending for the month amounted to **R 14,063,654** that represents **9%** This is more than the expected performance when measured against the budget projection due more expenditure on Indigent Management System, Livestock Improvement, repairs maintenance electricity and contracted Outsourced-Safeguard & Security, Consultant and Electrical Infrastructure Maintenance, Alternate Energy and it should be anticipated that once projects are finalised the variance will be reduced.

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 expenditure amounted to **R 6,144,217** for the month, this represents **8%** of the budgeted amount on this category. This is within the expected performance for the month due to expenditure identified relating Internships and learnerships, Internships and learnerships, insurance premium, workman's Compensation and employee achievements and awards that are planned to be spent in the 3rd and 4th quarter of the financial year.

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) - M03 - September

Vote 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
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	–	–	25	23	3	12%	90
Vote 2 - Finance and Admin		2 323	3 225	–	–	931	806	125	16%	3 225
Vote 3 - Corporate		2 374	3 920	–	–	76	980	(904)	-92%	3 920
Vote 4 - Development and Planning		116	8 706	–	–	1 694	2 176	(482)	-22%	8 706
Vote 5 - Community		5 070	16 360	–	–	1 702	4 090	(2 388)	-58%	16 360
Vote 6 - Infrastructure		116 791	150 683	–	14 517	20 404	37 671	(17 267)	-46%	150 683
Vote 7 - Internal Audit		46	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	126 785	182 983	–	14 517	24 832	45 746	(20 913)	-46%	182 983
Total Capital Expenditure		**126 785**	**182 983**	–	**14 517**	**24 832**	**45 746**	**(20 913)**	**-46%**	**182 983**
Capital Expenditure - Functional Classification										
Governance and administration		**4 807**	**7 236**	–	–	**1 032**	**1 809**	(777)	-43%	**7 236**
Executive and council		64	90	–	–	25	23	3	12%	90
Finance and administration		4 698	7 145	–	–	1 007	1 786	(779)	-44%	7 145
Internal audit		46	–	–	–	–	–	–		–
Community and public safety		**3 700**	**10 410**	–	–	77	**2 603**	(2 526)	-97%	**10 410**
Community and social services		596	2 510	–	–	77	628	(551)	-88%	2 510
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		3 104	7 900	–	–	–	1 975	(1 975)	-100%	7 900
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**99 066**	**149 738**	–	**12 084**	**19 665**	**37 434**	(17 770)	-47%	**149 738**
Planning and development		116	8 706	–	–	1 694	2 176	(482)	-22%	8 706
Road transport		98 950	141 033	–	12 084	17 971	35 258	(17 288)	-49%	141 033
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**19 211**	**15 600**	–	**2 434**	**4 058**	**3 900**	158	4%	**15 600**
Energy sources		17 842	9 650	–	2 434	2 434	2 413	21	1%	9 650
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		1 369	5 950	–	–	1 625	1 488	137	9%	5 950
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**126 785**	**182 983**	–	**14 517**	**24 832**	**45 746**	**(20 913)**	**-46%**	**182 983**
Funded by:										
National Government		59 929	95 797	–	12 084	17 971	23 949	(5 979)	-25%	95 797
Provincial Government		–	950	–	–	–	238	(238)	-100%	950
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		**59 929**	**96 747**	–	**12 084**	**17 971**	**24 187**	**(6 216)**	**-26%**	**96 747**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		66 856	86 236	–	2 434	6 862	21 559	(14 697)	-68%	86 236
Total Capital Funding		**126 785**	**182 983**	–	**14 517**	**24 832**	**45 746**	**(20 913)**	**-46%**	**182 983**

The approved annual capital budget for the financial year amounts to **R 182,983,004**. The capital expenditure incurred for the month ended 30 September 2024 amounted to **R 14,517, 305.** This represents **8%** of the approved capital expenditure budget. This is within the expected performance for the month under review.

3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M03 - September

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	–	296 881	290 162
Trade and other receivables from exchange transactions		(23 839)	126 604	–	(40 599)	126 604
Receivables from non-exchange transactions		154 305	37 651	–	177 371	37 651
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 992	3 041	–	4 289	3 041
VAT		82 852	18 836	–	87 779	18 836
Other current assets		6 546	5 048	–	5 048	5 048
Total current assets		482 001	481 343	–	530 768	481 343
Non current assets						
Investments		–	–	–	–	–
Investment property		4 960	4 960	–	4 960	4 960
Property, plant and equipment		1 090 015	981 457	–	1 067 069	981 457
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		1 543	1 543	–	1 543	1 543
Intangible assets		1 153	652	–	573	652
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		1 097 671	988 611	–	1 074 144	988 611
TOTAL ASSETS		1 579 671	1 469 954	–	1 604 913	1 469 954
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 780	472	–	1 780	472
Trade and other payables from exchange transactions		39 952	126 890	–	32 301	126 890
Trade and other payables from non-exchange transactions		27 259	20 746	–	17 642	20 746
Provision		20 371	29 993	–	26 769	29 993
VAT		83 146	20 285	–	87 671	20 285
Other current liabilities		2 961	–	–	–	–
Total current liabilities		175 469	198 386	–	166 163	198 386
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		21 827	39 250	–	23 768	39 250
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		14 497	–	–	16 556	–
Total non current liabilities		36 325	39 250	–	40 325	39 250
TOTAL LIABILITIES		211 794	237 637	–	206 487	237 637
NET ASSETS	2	1 367 878	1 232 317	–	1 398 426	1 232 317
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 002 118	1 146 081	–	1 002 159	1 146 081
Reserves and funds		365 760	86 236	–	396 267	86 236
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1 367 878	1 232 317	–	1 398 426	1 232 317

3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M03 - September

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	1 208	11 900	13 162	(1 261)	-10%	52 646
Service charges		85 259	80 376	80 376	5 638	20 849	20 094	755	4%	80 376
Other revenue		22 975	84 503	84 503	10 982	14 467	21 126	(6 658)	-32%	84 503
Transfers and Subsidies - Operational		346 670	360 244	360 244	4 302	146 159	90 061	56 098	62%	360 244
Transfers and Subsidies - Capital		114 964	96 747	96 747	11 106	46 128	24 187	21 941	91%	96 747
Interest		24 009	28 813	28 813	2 168	7 577	7 203	373	5%	28 813
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(260 721)	(525 383)	(525 383)	(34 579)	(93 776)	(131 346)	37 570	-29%	(525 383)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		385 835	177 947	177 947	825	153 305	44 487	(108 818)	-245%	177 947
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)	(182 983)	(16 408)	(27 722)	(45 746)	18 024	-39%	(182 983)
NET CASH FROM/(USED) INVESTING ACTIVITIES		167 906	(182 983)	(182 983)	(16 408)	(27 722)	(45 746)	(18 024)	39%	(182 983)
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		553 741	(5 036)	(5 036)	(15 583)	125 583	(1 259)			(5 036)
Cash/cash equivalents at beginning:		254 787	295 199	295 199		258 145	295 199			258 145
Cash/cash equivalents at month/year end:		808 528	290 162	290 162		383 728	293 940			253 108

PART 2 –SUPPORTING DOCUMENTATION
SECTION 4

Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 30 September 2024.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 - September

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	7 367	1 122	641	572	586	816	478	1 974	13 556	4 427	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	27 581	5 853	18	18	577	538	563	77 328	112 476	79 025	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	1 598	520	464	426	411	389	387	28 235	32 430	29 848	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	7	7	7	–	–
Interest on Arrear Debtor Accounts	1810	2 736	1 382	1 384	1 502	1 524	1 534	1 507	55 496	67 044	61 563	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	493	1 036	218	232	153	266	469	35 005	37 873	36 125	(58)	–
Total By Income Source	2000	39 774	9 893	2 724	2 751	3 250	3 544	3 404	198 046	263 387	210 995	(58)	–
2023/24 - totals only		38 310	32 357	3 242	2 930	3 210	3 162	2 846	153 008	239 065	165 156	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	29 681	6 141	1 550	1 547	1 762	1 991	1 618	78 556	122 845	85 473	–	–
Commercial	2300	7 963	2 704	400	453	376	457	697	40 266	53 317	42 250	(36)	–
Households	2400	2 131	1 048	774	751	1 112	1 096	1 089	79 223	87 225	83 272	(22)	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	39 774	9 893	2 724	2 751	3 250	3 544	3 404	198 046	263 387	210 995	(58)	–

The total debt book for September 2024 of R 263,386,799, inclusive of R 3,911,688.30 advance payments.

The total debt book for September 2024 of R 259,475,110.70 (including of R 9,892,710.71 which is not yet due) has decreased by R 10,475,400.27 from the previous month closing balance of R 237 985 294. Debt is made up of the following:

- **Residential debt**
  R 99,655,590.00
- **Commercial debt**
  R 38,309,867.79
- **Government debt**
  R 116,960,081.77
- **Other**
  R 4,549,572

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 84,945,286,40

- **Maluti**
  R 67,554,420.06 (including current)
- **Cedarville**
  R 17,390,866.48 (including current)

The municipality makes use of debt collectors in implementing the credit and debt collection policy.

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 to be handed over:

The following has been handed over:

Total Debtors – Government _R 116,960,081.77

Total Debtors - Business HO _R 30,979,046

Total Debtors – Business _R 7,330,820.81

Total Debtors – Households _R 12,771,580,08

Total Debtors - Households HO_R 86,884,009,92

Total Debtors – Other _R 431,538.00

Total Debtors - Other HO _R 4,118,033.14

No collection made for September 2024.

SECTION 5 -CREDITORS' ANALYSIS
Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 - September

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	7	-	-	-	-	-	-	-	7	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	7	-	-	-	-	-	-	-	7	-

The municipality makes an extra effort that creditors are paid within 30 days as per MFMA, therefore municipality paid its creditors within 30 days unless there is a valid reason for not paying on time.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Sep-24

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	16 433 847.93	108 881.28	-16 541 729.21	-108 881.28	1 000.00
INEP	5 112 963.08	22 396.01	-4 230 466.92	-22396.01	904 892.17
EPWP	-		-	-	-
Municipal Electrification Intervention	326 665.16	2 150.16	-	-2 150.16	328 815.32
Disaster Management	18 313 597.68	120 543.50	-2 500 000.00	-120 543.50	15 934 141.18
Library and Archives	-		-	-	-
Finance Management Grant	1 171.00	7.39		-7.39	1 178.39
Smart Grid	65 430.53	430.59	-	-430.59	65 861.12
Establishment Plan	225 026.05	1 212.98		-1 212.98	226 239.03
Housing Development Fund	2 293 755.18	12 364.28		-12 364.28	2 306 119.46
Dedea	698 017.21	3 762.60		3 762.60	701 779.81
Total Conditional Investments	**43 470 474**	**271 749**	- **23 272 196**	- **264 224**	**20 470 026**

Sep-24

Unconditional Investments -Description	Openning Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	198 384 582.18	4 200 000.00		-1 113 792.80	202 584 582.18
Call Acc STD CRR	13 120 465.19	73 510.55		-73 510.55	13 193 975.74
Call ACC FNB Surplus Cash	6 805 395.80			-38 436.50	6 805 395.80
Nedbank 32 Days	7 847 806.05	56 654.67		-56 654.67	7 904 460.72
Nedbank	27 427 091.95	7 364 246.82	-34 790 000.00	-322 472.15	1 338.77
Nedbank relief fund	923 018.92	6 075.38		-6 075.38	929 094.30
Nedbank COV-19 Solidalitry	111 868.89	736.25		-736.25	112 605.14
Nedbank Retention	67 560.63	444.85		-444.85	68 005.48
Termination Guarantee	144 640.82			-952.01	144 640.82
NEDBANK	30 435 381.38	225 197.26		-225 197.26	30 660 578.64
Account Gaurantee	6 202 000.00			-40 822.66	6 202 000.00
	291 469 812	**11 926 866**	- **34 790 000**	- **1 879 095**	**268 606 678**
Total investments as at 30 September 2024					**289 076 704**

The investment portfolio of the municipality as at 30 September 2024 amounted to as indicated below.

As at 30 September 2024 the conditional investments amounted to **R 20,470,026** and unconditional investments amounted to **R 268,606,678**. Total investments as at 30 September 2024 amounted to **R 289,076,704**.

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.

This indicates that the municipality as at 30 September 2024 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 30 September 2024

Description	September 2024
Nedbank Primary Account:	1,602,517.12
Standard bank Account:	4,143,020.50
FNB Money Market Account:	3,594,956.18
Total Cash held as at 31 August 2024	**9,340,493.80**

The above table reflects the Cashbook balance is **R 9,340,493.80** and Bank statement balance of **R 289,076,704**. Total investments as at 30 September 2024 amounted to **R 298,417,197.80.**

SECTION 7_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6

EC441 Matatiele - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 - September

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
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		405 237	355 428	–	–	154 810	88 857	65 953	74.2%	355 428
Expanded Public Works Programme Integrated Grant		3 974	3 880	–	–	969	970	(1)	-0.1%	3 880
Integrated National Electrification Programme Grant		41 000	26 648	–	–	–	6 662	(6 662)	-100.0%	26 648
Local Government Financial Management Grant	3	1 700	1 700	–	–	1 700	425	1 275	300.0%	1 700
Municipal Infrastructure Grant		54 593	2 879	–	–	18 674	720	17 954	2494.3%	2 879
Equitable Share		303 970	329 321	–	–	133 467	80 080	53 387	66.7%	329 321
Provincial Government:		–	4 816	–	–	–	1 204	(1 204)	-100.0%	4 816
Specify (Add grant description)		–	1 750	–	–	–	437	(437)	-100.0%	1 750
Specify (Add grant description)		–	3 066	–	–	–	767	(767)	-100.0%	3 066
District Municipality:		100	–	–	–	–	–	–		–
Specify (Add grant description)		100	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		405 337	360 244	–	–	154 810	90 061	64 749	71.9%	360 244
Capital Transfers and Grants										
National Government:		32 706	95 797	–	4 908	13 235	23 949	(10 714)	-44.7%	95 797
Municipal Disaster Relief Grant		32 706	41 092	–	4 908	4 908	10 273	(5 365)	-52.2%	41 092
Municipal Infrastructure Grant		–	54 705	–	–	–	13 676	(13 676)	-100.0%	54 705
Integrated National Electrification Programme Grant		–	–	–	–	8 327	–	8 327	#DIV/0!	–
Provincial Government:		3 981	950	–	1 250	2 017	238	1 779	749.3%	950
Specify (Add grant description)		–	950	–	–	–	238	(238)	-100.0%	950
Specify (Add grant description)		3 331	–	–	–	767	–	767	#DIV/0!	–
Specify (Add grant description)		650	–	–	1 250	1 250	–	1 250	#DIV/0!	–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		36 687	96 747	–	6 158	15 252	24 187	(8 935)	-36.9%	96 747
TOTAL RECEIPTS OF TRANSFERS & GRANTS		442 024	456 991	–	6 158	170 062	114 248	55 814	48.9%	456 991

The Municipality have received the conditional grant and unconditional grants allocations amounting to **R 6,2** million for both operations grants and capital grants.

7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 - September

Description R thousands	Ref	2023/24 Audited Outcome	Budget Year 2024/25 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:		49 511	35 107	–	9 350	16 539	8 777	7 762	88.4%	35 107
Expanded Public Works Programme Integrated Grant		3 974	3 880	–	1 797	1 797	970	827	85.2%	3 880
Integrated National Electrification Programme Grant		41 000	26 648	–	2 505	13 765	6 662	7 103	106.6%	26 648
Municipal Disaster Relief Grant		–	–	–	4 908	640	–	640	#DIV/0!	–
Local Government Financial Management Grant	3	1 677	1 700	–	141	322	425	(103)	-24.2%	1 700
Municipal Infrastructure Grant		2 860	2 879	–	–	15	720	(705)	-97.9%	2 879
Provincial Government:		3 640	4 816	–	654	2 168	1 204	964	80.0%	4 816
Specify (Add grant description)		0	–	–	–	–	–	–		–
Specify (Add grant description)		309	1 750	–	61	85	437	(353)	-80.6%	1 750
Specify (Add grant description)		3 331	3 066	–	593	2 083	767	1 316	171.7%	3 066
District Municipality:		100	–	–	–	–	–	–		–
Specify (Add grant description)		100	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		53 250	39 923	–	10 004	18 707	9 981	8 726	87.4%	39 923
Capital Transfers and Grants										
National Government:		69 024	95 797	–	14 183	21 286	23 949	(2 664)	-11.1%	95 797
Municipal Disaster Relief Grant		16 907	41 092	–	712	3 227	10 273	(7 046)	-68.6%	41 092
Municipal Infrastructure Grant		52 117	54 705	–	13 472	18 059	13 676	4 382	32.0%	54 705
Integrated National Electrification Programme Grant		0	–	–	–	–	–	–		–
Provincial Government:		(6 576)	950	–	8 021	–	238	(238)	-100.0%	950
Specify (Add grant description)		–	950	–	–	–	238	(238)	-100.0%	950
Specify (Add grant description)		(4 500)	–	–	–	–	–	–		–
Specify (Add grant description)		(2 076)	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	8 021	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		62 449	96 747	–	22 204	21 286	24 187	(2 901)	-12.0%	96 747
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		115 699	136 670	–	32 208	39 992	34 168	5 825	17.0%	136 670

The total operating grant expenditure amounts to **R 10** million and Capital grant expenditure amounts to **R 22,2** million inclusive of **R 248,827** MIG salaries as at 30 September 2024. Total expenditure for the month amounts to **R 32,2** million which represents **23%** when compared to the total allocation as per the Dora. The tables above reflect on the performance of these respective conditional grants which indicates that the municipality is well on track to meet its target of fully spending the 2024/25 allocated funds.

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 30 September 2024.

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 - September

Summary of Employee and Councillor remuneration R thousands	Ref	2023/24 Audited Outcome	Budget Year 2024/25 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12 101	13 958	13 958	979	2 926	3 490	(563)	-16%	13 958
Pension and UIF Contributions		803	1 054	1 054	67	200	263	(63)	-24%	1 054
Medical Aid Contributions		697	137	137	67	201	34	167	487%	137
Motor Vehicle Allowance		(4)	2 757	2 757	–	–	689	(689)	-100%	2 757
Cellphone Allowance		2 547	2 876	2 876	213	635	719	(84)	-12%	2 876
Housing Allowances		6 926	5 620	5 620	568	1 760	1 405	355	25%	5 620
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		23 670	26 401	26 401	1 914	5 723	6 600	(878)	-13%	26 401
% increase	4		14.4%	14.4%						14.4%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 158	2 905	2 905	111	412	726	(314)	-43%	2 905
Pension and UIF Contributions		(17)	301	301	4	13	75	(62)	-83%	301
Medical Aid Contributions		–	263	263	–	–	66	(66)	-100%	263
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		114	687	687	–	–	172	(172)	-100%	687
Motor Vehicle Allowance		1 152	2 856	2 856	125	462	714	(251)	-35%	2 856
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		1 663	906	906	77	231	227	4	2%	906
Other benefits and allowances		0	1	1	0	0	0	(0)	-83%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		172	569	569	10	31	142	(112)	-78%	569
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		5 160	8 488	8 488	327	1 149	2 122	(973)	-46%	8 488
% increase	4		64.5%	64.5%						64.5%
Other Municipal Staff										
Basic Salaries and Wages		106 079	116 202	116 202	8 563	23 369	29 051	(5 681)	-20%	116 202
Pension and UIF Contributions		16 431	17 227	17 227	1 282	3 841	4 307	(466)	-11%	17 227
Medical Aid Contributions		5 972	6 468	6 468	527	1 568	1 617	(49)	-3%	6 468
Overtime		4 042	2 130	2 130	416	1 222	532	690	130%	2 130
Performance Bonus		7 260	8 982	8 982	251	1 610	2 246	(636)	-28%	8 982
Motor Vehicle Allowance		7 706	8 844	8 844	609	1 861	2 211	(350)	-16%	8 844
Cellphone Allowance		6	7	7	1	2	2	(0)	-8%	7
Housing Allowances		3 169	5 421	5 421	236	743	1 355	(612)	-45%	5 421
Other benefits and allowances		2 586	1 231	1 231	223	668	308	360	117%	1 231
Payments in lieu of leave		1 240	–	–	242	281	–	281	#DIV/0!	–
Long service awards		491	–	–	11	28	–	28	#DIV/0!	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		153 974	166 512	166 512	12 359	35 192	41 628	(6 436)	-15%	166 512
% increase	4		8.1%	8.1%						8.1%
Total Parent Municipality		182 204	201 401	201 401	14 600	42 064	50 350	(8 286)	-16%	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 30 September 2024 amounted **R 14,6 million** of which the expenditure **R 1,9 million** relates to Remuneration of Councillors and

R 12,6 million, to Managers and staff, that represents **7%** of the budgeted amount for this category and the expenditure is less than expected performance for the month.

To also note that, the increase that has been budgeted for will only come into effect at the end of October as Unions have reached that the final increases will be 6% of which 4,5% will be paid from July to February and 1,5% will be paid from March to June making 6% over the MTREF agreed upon by the unions and SALGA until the end of 2024-25 financial year.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTICATE

I, **Lizo Matiwane**, the Acting 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 30 September 2024 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: L. M

Date: 09/10/2024