MATATIELE

LOCAL MUNICIPALITY

2024/2025 MONTHLY SECTION 71 REPORT

MONTH ENDED 31 DECEMBER 2024

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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 31 December 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 133,681,288** for the month, this represents **20%,** which is more than expected performance for the month due to revenue recognised this month of **R 106,774,000** relating to receipt of equitable share second trench. Year to date revenue recognised is **63%** of the total revenue budget.

Operating Expenditure by type

The Municipality incurred expenditure of **R86,963,776** against the approved budget allocation of **R 584,466,312**, incurring approximately **15%** expenditure for the month budget, this is more than the expected performance for the month the majority on expenditure is relating of midterm recognised depreciation amounting to **R 31,379,819**. The Expenditure to date represents **51%** of the original budget.

Capital Expenditure

The total approved capital budget is **R 182,983,008,** the Municipality incurred expenditure of **R 13,159,149** This represents **7%** of the approved capital expenditure budget, this is less than expected performance for the month. Procurement delays tendering process are slow especially bidding process, lengthy approval times, or legal challenges. Delays in awarding contracts can push back project start time. Expenditure to date represents **31%** 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 is **R 4,121,824** spending for the month ending 31 December 2024 which represents **8%**. Total Spending to date represents **45%** of expenditure (Vat exclusive).
- Disaster Response Grant of **R 41,092,392** million was allocated. The grant reflects **R 1,909,476** spending at the end of 31 December 2024 which represent **5%.** Total Spending to date represents **21%** of expenditure (Vat exclusive).
- The Library Capital Grant allocation of **R 950,000** was allocated. The grant reflects **R 0.00** spending at the end of 31 December 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 7,127,860** which represent **8%.** Total Spending to date represents **27%** of expenditure (Vat exclusive).
- The municipality anticipates spending **100%** of the total capital budget as at the end of the financial year, Expenditure to date represents **31%** of the original budget.

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.

	Total Budget	December 2024	Total Expenditure
Community and Social Services: Community Governance(3096)	69 996.00	-	1 739.13
Community Halls and Facilities:Public Amenities (3005)	2 440 008.00	-	152 513.04
CORE FUNCTION: SOLID WASTE REMOVAL	5 950 008.00	-	1 653 000.00
Energy Sources: Electricity (4040)	9 650 016.00	1 778 630.43	6 929 761.62
Executive and Council: Mayor and Council(1005)	50 004.00	-	25 237.68
Executive and Council: Municipal Manager (1010)	39 996.00	-	-
Finance and Administration: Information Technology (2540)	3 229 992.00	212 313.36	251 241.36
Finance and Administration: Administrative and Corporate Suppc	90 000.00	-	50 475.37
Finance and Administration: Asset Mangement and Reporting (2C	39 996.00	-	25 237.68
Finance and Administration: Council Support (2541)	510 000.00	-	50 475.36
Finance and Administration: Human Resources (2535)	90 000.00	-	50 475.36
Finance and Administration: SCM & Expenditure (2025)	2 430 000.00	-	1 116 419.00
Finance and Adminstration: Revenue and Debt Management (202	90 000.00	-	59 040.36
Marketing; Customer Relations; Publicity and Media Co-ordinatic	590 004.00	26 710.56	26 710.56
Planning and Development: LED (3520)	3 060 000.00	-	1 446 100.00
Planning and Development: Planning (3510)	99 996.00	-	-
Planning and Development: Planning Governance (3540)	45 000.00	-	25 237.68
Public Safety: Civil Defence (3074)	7 900 008.00	-	285 000.00
Risk Management:FINANCE AND ADMINISTRATION RISK AND M&	75 000.00	-	1 738.26
ROAD TRANSPORT: INFRASTRUCTURE GOVERNANCE (4050)	45 000.00	-	-
Road Transport: Project Operations & Mainnt(4010)	56 342 388.00	2 958 258.33	11 224 990.57
Roads:Project Management Unit	84 645 612.00	8 183 236.76	33 028 042.31
Town Planning; Building Regulations and Enforcement; and City E	5 499 984.00	-	248 225.21
Grand Total	**182 983 008.00**	**13 159 149.44**	**56 651 660.55**
Percentage		**7%**	**31%**

The approved capital budget includes Capital Replacement Reserve.

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	December 2024 status
Mahangwe Sport Centre	Design stage
HIGHMAST LIGHTS MIG	Completed
Construction of Cedarville Internal Streets Phase 4	Construction stage
Maluti Internal Streets Phase 5	Construction stage
Mahasheng Access Road & Bridge	Construction stage
Mafube-Nkosana Access Road & Bridge	Construction stage
Lekhalong via Magema-Outspan Access Road	Construction stage
Extension of Matatiele Sports Centre Ph2	Construction stage
Harry Gwala Internal Streets	Termination Stage
Disaster and Fire Management Centre	Designed Stage
Tipper Truck	Planning Stage

Ton Payload Hook Lift Truck	Planning Stage
Excavator	Planning Stage
Vibrating Roller	Planning Stage

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	December 2024 status
Connect Mbizeni	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 80%.
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 80%.
Connect Luxeni	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 80%.
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 80%.
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 80%.

Disaster Response Grant

Disaster Capital Project	December 2024 status
Baloon Street Crossing Bridge	The Project is 95% complete physical progress on site,reached practical completion
Mabheleni-Upper Mvenyane Access Road & Bridge	The Project is 95% complete physical progress on site,reached practical completion
Hillside - Ngcwengane Access Road and Bridge	The project is on construction stage
Rockville Protea Bridge	The project is on construction stage
Nyanzela Access Road	The Project is 95% complete physical progress on site,reached practical completion

Mdeni Access Road and Bridge	The contrctor has been appointed and is currently bussy Roadbed . Overall progress is at 15%.
Mvenyane Access Road and Bridge	The Project if on practical completion stage
Lugada to Mahlabathini and Bridge	The Proffessional engineers have been appointed and are busy with designs
Mngeni Bridge	Desings stage

Internal Funded Capital Projects

Capital Replacement Rerseve Projects	**December 2024 Status**
Cherry Picker Truck	Planning Stage
Renovation of Town Hall	Construction stage
Skiti -Tholang Access Road	The contractor is on site busy with Roadbed preparation . Overall progress is at 19,3%.
Fencing Nature Reserve	Planning Stage
Server	Planning Stage
Weigh Bridge	Planning Stage
Ramafole Access Road	Planning Stage
New Resh Access Road	The contractor is on site busy with Roadbed preparation . Overall progress is at 22,5%.
FM TOWER LINE WIP	The is at 78%
Kinira to Shepard Hope Access Road	Planning stage
Bhakaneni Acess Road	The contrctor is on site busy with Roadbed preparation and tipping of gravel . Overall progress is at 24,3%.
Fatima Access Road	Construction Stage
Municipal Fleet	Construction Stage
Mapoleseng Access Road	Construction Stage
Mafaise Access Road	A service provide has not yet appointed as project is on tender stage
f 2 silo facilities	The project is on Designs stage
Potlo Access Road	Construction Stage
Moriting- Kweneng Access Road	The contrctor is on site busy with Roadbed preparation,pipes and rockfill. Overall progress is at 48,6%.
Chere Mahareng Access Road	The contractor is on site busy with Roadbed preparation,pipes,rockfill and proccessing . Overall progress is at 41%.
New Stance Access Road	Construction Stage
Nkungwini-Ngudla Access Road	Construction Stage
TRANSFORMERS INFRA	Completed
Malubaluba Access Road	Construction Stage
Khauoe Access Road	Construction Stage

Fire Engine Truck	Planning Stage

This information reflects on our tender control plan on December 2024

SUMMARY: QUOTATIONS	31 Dec 24	TOTAL
DAY TO DAY QUOTATIONS	589	589
FORMAL QUOTATIONS	14	14
TOTAL QUOTATIONS	**603**	**603**

BIDDING PROCESS	Bids Awarded vs Capital Budget	Capital Spending Year-To-Date	Orders Issued
Bids awarded	-	13 159 149.44	0
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 - M06 - December

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	50 549	61 937	–	2 489	47 435	30 968	16 467	53%	61 937
Service charges	75 857	91 972	–	7 598	46 505	45 986	519	1%	91 972
Investment revenue	24 961	28 813	–	1 592	11 063	14 406	(3 343)	-23%	28 813
Transfers and subsidies - Operational	354 013	360 244	–	111 894	259 692	160 122	99 570	50%	360 244
Other own revenue	27 967	41 503	–	2 895	13 732	20 751	(7 020)	-34%	–
Total Revenue (excluding capital transfers and contributions)	533 546	584 469	–	126 468	388 427	292 234	96 193	33%	584 469
Employee costs	159 134	174 999	–	13 578	76 438	87 500	(11 062)	-13%	174 999
Remuneration of Councillors	23 070	26 401	–	2 803	12 329	13 201	(872)	-7%	26 401
Depreciation and amortisation	18 539	52 790	–	31 380	31 380	26 395	4 985	19%	52 790
Interest	219	–	–	–	–	–	–		–
Inventory consumed and bulk purchases	71 500	83 143	–	6 737	48 131	41 571	6 560	16%	83 143
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	201 327	247 133	–	32 466	129 752	123 567	6 186	5%	247 133
Total Expenditure	473 788	584 466	–	86 964	298 030	292 233	5 797	2%	584 466
Surplus/(Deficit)	59 758	2	–	39 505	90 397	1	90 396	8232798%	2
Transfers and subsidies - capital (monetary allocations)	72 232	96 747	–	7 213	39 892	48 374	(8 482)	-18%	96 747
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
contributions	131 990	96 749	–	46 718	130 289	48 375	81 915	169%	96 749
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	131 990	96 749	–	46 718	130 289	48 375	81 915	169%	96 749
Capital expenditure & funds sources									
Capital expenditure	126 785	182 983	–	13 159	56 652	91 492	(34 840)	-38%	182 983
Capital transfers recognised	59 929	96 747	–	6 031	33 403	48 374	(14 971)	-31%	96 747
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	66 856	86 236	–	7 128	23 249	43 118	(19 869)	-46%	86 236
Total sources of capital funds	126 785	182 983	–	13 159	56 652	91 492	(34 840)	-38%	182 983
Financial position									
Total current assets	409 433	481 343	–		479 072				481 343
Total non current assets	1 097 671	988 611	–		1 074 584				988 611
Total current liabilities	140 716	198 386	–		145 712				198 386
Total non current liabilities	36 325	39 250	–		40 325				39 250
Community wealth/Equity	1 330 063	1 232 317	–		1 367 620				1 232 317
Cash flows									
Net cash from (used) operating	385 835	177 947	177 947	107 212	290 905	88 973	(201 932)	-227%	177 947
Net cash from (used) investing	167 906	(182 983)	(182 983)	(14 750)	(63 209)	(91 492)	(28 283)	31%	(182 983)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	808 528	290 162	290 162	–	485 841	292 680	(193 161)	-66%	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	9 573	7 972	5 413	24 391	3 950	7 907	2 556	194 075	256 137
Creditors Age Analysis									
Total Creditors	465	450	–	–	–	–	–	–	915

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

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

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	–	112 727	308 650	219 059	89 591	41%	438 117
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		399 198	438 117	–	112 713	308 329	219 059	89 271	41%	438 117
Internal audit		–	–	–	14	321	–	321	#DIV/0!	–
Community and public safety		11 042	14 604	–	2 229	7 856	7 302	555	8%	14 604
Community and social services		4 820	8 904	–	1 579	4 571	4 452	120	3%	8 904
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		6 222	5 700	–	650	3 285	2 850	435	15%	5 700
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		63 401	104 188	–	7 576	40 339	52 094	(11 755)	-23%	104 188
Planning and development		1 221	5 502	–	363	432	2 751	(2 319)	-84%	5 502
Road transport		62 180	98 686	–	7 213	39 907	49 343	(9 436)	-19%	98 686
Environmental protection		–	–	–	–	–	–	–		–
Trading services		132 137	124 307	–	11 149	71 474	62 153	9 320	15%	124 307
Energy sources		117 153	105 494	–	9 828	62 502	52 747	9 755	18%	105 494
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		14 984	18 813	–	1 320	8 971	9 406	(435)	-5%	18 813
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	605 778	681 216	–	133 681	428 319	340 608	87 712	26%	681 216
Expenditure - Functional										
Governance and administration		219 068	256 861	–	25 845	129 221	128 430	791	1%	256 861
Executive and council		31 034	35 348	–	3 350	17 383	17 674	(291)	-2%	35 348
Finance and administration		183 879	216 649	–	21 959	109 276	108 325	951	1%	216 649
Internal audit		4 154	4 864	–	536	2 562	2 432	130	5%	4 864
Community and public safety		55 724	55 502	–	4 728	21 697	27 751	(6 054)	-22%	55 502
Community and social services		33 760	29 281	–	2 726	9 966	14 640	(4 675)	-32%	29 281
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		21 964	26 221	–	2 002	11 732	13 111	(1 379)	-11%	26 221
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		63 750	115 059	–	36 795	55 094	57 530	(2 436)	-4%	115 059
Planning and development		29 869	48 686	–	10 166	19 708	24 343	(4 635)	-19%	48 686
Road transport		33 880	66 373	–	26 629	35 386	33 187	2 199	7%	66 373
Environmental protection		–	–	–	–	–	–	–		–
Trading services		135 247	157 044	–	19 595	92 018	78 522	13 496	17%	157 044
Energy sources		114 817	131 098	–	17 766	80 479	65 549	14 930	23%	131 098
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		20 431	25 946	–	1 829	11 539	12 973	(1 434)	-11%	25 946
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	473 788	584 466	–	86 964	298 030	292 233	5 797	2%	584 466
Surplus/ (Deficit) for the year		131 990	96 749	–	46 718	130 289	48 375	81 915	169%	96 749

This table assess the revenue and expenditure by department, the revenue for the period ending 31 December 2024 is **R 133,6** million and the expenditure is **R 86,6** million.

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

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

Vote Description	Ref	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	–	112 713	308 195	218 884	89 312	40.8%	437 767
Vote 3 - Corporate		401	350	–	–	134	175	(41)	-23.4%	350
Vote 4 - Development and Planning		1 326	5 502	–	363	432	2 751	(2 319)	-84.3%	5 502
Vote 5 - Community		26 025	33 416	–	3 550	16 828	16 706	120	0.7%	33 416
Vote 6 - Infrastructure		179 229	204 180	–	17 041	102 409	102 090	319	0.3%	204 180
Vote 7 - Internal Audit		–	–	–	14	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	**605 778**	**681 216**	–	**133 681**	**428 319**	**340 608**	**87 712**	**25.8%**	**681 216**
Expenditure by Vote	1									
Vote 1 - Executive Council		31 034	35 348	–	3 350	17 383	17 674	(291)	-1.6%	35 348
Vote 2 - Finance and Admin		109 568	125 287	–	13 846	63 902	62 644	1 258	2.0%	125 287
Vote 3 - Corporate		74 311	91 362	–	8 113	45 374	45 681	(307)	-0.7%	91 362
Vote 4 - Development and Planning		29 869	48 686	–	10 166	19 749	24 343	(4 594)	-18.9%	48 686
Vote 5 - Community		76 155	81 448	–	6 557	33 236	40 724	(7 488)	-18.4%	81 448
Vote 6 - Infrastructure		148 697	197 471	–	44 395	115 824	98 736	17 089	17.3%	197 471
Vote 7 - Internal Audit		4 154	4 864	–	536	2 562	2 432	130	5.3%	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**	–	**86 964**	**298 030**	**292 233**	**5 797**	**2.0%**	**584 466**
Surplus/ (Deficit) for the year	2	**131 990**	**96 749**	–	**46 718**	**130 289**	**48 375**	**81 915**	**169.3%**	**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) - M06 - December

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	–	6 606	40 600	38 223	2 377	6%	76 446
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		11 499	15 526	–	992	5 905	7 763	(1 858)	-24%	15 526
Sale of Goods and Rendering of Services		1 794	5 946	–	383	644	2 973	(2 329)	-78%	5 946
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		1 657	2 200	–	164	723	1 100	(377)	-34%	2 200
Interest from Current and Non Current Assets		24 861	28 813	–	1 592	11 063	14 406	(3 343)	-23%	28 813
Dividends		–	–	–	–	–	–	–		–
Rent on Land		327	–	–	–	–	–	–		–
Rental from Fixed Assets		819	2 028	–	243	1 036	1 014	23	2%	2 028
Licence and permits		3 969	4 522	–	407	2 063	2 261	(209)	-9%	4 522
Operational Revenue		333	892	–	–	134	446	(312)	-70%	892
Non-Exchange Revenue								–		
Property rates		50 849	61 937	–	2 489	47 435	30 968	16 467	53%	61 937
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2 288	25 890	–	249	1 248	12 945	(11 697)	-90%	25 890
Licence and permits		28	25	–	7	16	12	4	28%	25
Transfers and subsidies - Operational		354 013	360 244	–	111 894	269 692	180 122	89 570	50%	360 244
Interest		16 571	–	–	1 442	7 878	–	7 878	#DIV/0!	–
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		182	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**533 546**	**584 469**	–	**126 468**	**388 427**	**292 234**	**96 193**	**33%**	**584 469**
Expenditure By Type										
Employee related costs		159 134	174 999	–	13 578	76 438	87 500	(11 062)	-13%	174 999
Remuneration of councillors		23 070	26 401	–	2 803	12 329	13 201	(872)	-7%	26 401
Bulk purchases - electricity		65 975	76 246	–	6 166	44 793	38 123	6 670	17%	76 246
Inventory consumed		5 525	6 897	–	551	3 338	3 449	(110)	-3%	6 897
Debt impairment		–	–	–	–	–	–	–		–
Depreciation and amortisation		18 539	52 790	–	31 380	31 380	26 395	4 985	19%	52 790
Interest		219	–	–	–	–	–	–		–
Contracted services		136 012	160 782	–	20 601	91 297	80 391	10 906	14%	160 782
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		–	6 294	–	–	–	3 147	(3 147)	-100%	6 294
Operational costs		64 428	80 058	–	11 665	38 456	40 029	(1 573)	-4%	80 058
Losses on Disposal of Assets		–	–	–	–	–	–	–		–
Other Losses		887	–	–	–	–	–	–		–
Total Expenditure		**473 788**	**584 466**	–	**86 964**	**298 030**	**292 233**	**5 797**	**2%**	**584 466**
Surplus/(Deficit)		**59 758**	**2**	–	**39 505**	**90 397**	**1**	**90 396**	**8232798%**	**2**
Transfers and subsidies - capital (monetary allocations)		72 232	96 747	–	7 213	39 892	48 374	(8 482)	-18%	96 747
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**131 990**	**96 749**	–	**46 718**	**130 289**	**48 375**			**96 749**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**131 990**	**96 749**	–	**46 718**	**130 289**	**48 375**			**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**	–	**46 718**	**130 289**	**48 375**			**96 749**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**131 990**	**96 749**	–	**46 718**	**130 289**	**48 375**			**96 749**

In terms of 31 December 2024 Monthly Budget & Performance assessment, the actual billed and/or collected to date is **R 126.4** million inclusive of operational transfers against approved Revenue budget of **R 584,469** million, this represents **22%**, is more than the expected. The majority of revenue recognised this month of **R 106,774,000** relating to receipt of equitable share second trench.

The operating expenditure budget as at 31 December 2024 is **R 86,9** million against approved Expenditure budget of **R 584,466** million, this represents **15%** of the total operating budget, this is more than expected for the month ,majority on expenditure is relating to as at midterm recognised depreciation amounting to **R 31, 379,819** and YTD spending is **51%.**

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 2,452,252** the income received from property rates amounted to **R 2,908,362** this represent **119%** 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 **5%** of the revenue recognises by source which is less than anticipated for the month due to annual billing done in July billing. Billing is based on the value of the property a reassessment of property values might lead to lower tax assessments, exemptions and lower population. 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 7,598,057** against the approved budget of **R 91,971,672.** This represent **8%** and is within the expected performance for the month. The Revenue to date is **51%.**

Rental of Facilities and equipment

Rental of facilities and equipment approved budget is **R 2,027,532.** Revenue amount of **R 243 270** for **December 2024** has been recognised, representing **12%** which is above the expected performance for the month. The majority is **R 160,744** relating to department of transport claims. The revenue will be monitored to measure if any additional adjustments are required during the adjustment budget process. The revenue to date is **51%.**

Interest earned on Investments

The total approved budget Interest on investments is **R 28,812,996** and the interest received for the month of December 2024 is **R1,592,311.3**This represents **6%**, this is less the expected performance due to increase in circulation of cash flow resulted to decrease in investments and unfavourable interest. The revenue to date is **38%.**

Interest on Outstanding Debtors

Interest on non-payment of electricity has been raised monthly which amounts to **R1,605,765** has been posted on the interest on arrears for refuse services with the approved budget allocation of **R 2,199,996** which represents **73%**, it must be stressed that the is revenue for property rates penalties which amount to **R7,877,501** that is 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 163,990** Therefore, once corrected this will represent **7%** which is less than the expected performance when measured against the monthly projection. The municipality receive less revenue for the month on the interest billed due to debtors taking longer to pay their dues, leading to a decrease in the interest revenue YTD revenue is **33%**

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 248 656** It must be stressed that an amount of **R7,877,501** was erroneously raised under interest on outstanding debtors and once corrected this will amount to **R 1,690,431** for the month under review and will represents **7%** this is less than expected variance for the month due to less fines issued by the traffic officers. The variance should reduce as the year progresses at same time the is improved community relations. YTD revenue is **35%**

Licences and permits

The total approved budget for licences and permits is **R 4,547,100** for budget year. At the end of the December 2024 the cash receipts for traffic fines issued was **R 414,620** and represents **9%** of the total revenue budget. This is more than expected performance for the month due to increase in motor vehicle registration application and motor vehicle registration in month December this e is positive factor in maintaining public safety and ensuring compliance with the law. YTD revenue is **45%**

Transfers and Subsidies-Operational

Total approved budget amount on transfers and subsidies is **R 360,244,200** and the transfers recognised represents **R 111,894,026** was recognised for the month ended **31 December 2024.** The recognised transfers represent **31%** of the approved grant allocation. This is more than the expected performance for the month, majority of revenue recognised this month of **R 106,774,000** is relating to receipt of equitable share second trench. YTD revenue is **75%**

Transfers and Subsidies- Capital

Total approved budget on transfers and subsidies is **R 96,747,180** and Total revenue of **R 7,212,870** was recognised for the month ended 31 December 2024 and it represents **7%** of total budget. This is below the expected performance for the month this is due to slow recognition in Disaster grants and library and museum grant. YTD revenue is **41%**

Other Revenue

Other revenue amounted to **R 382,863** for the month ended 31 December 2024, when measured against the approved budget allocation of **R 6,838,260** this represents almost **6%** 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. YTD revenue is **11%**

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 **December 2024** against the approved budget allocation of **R 201,400,800**, 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.

	Total Budget	December 2024	Total Expenditure
- Employee Related Cost	**174 999 456.00**	**13 578 485.80**	**76 437 673.42**
Municipal Staff	166 511 904.00	13 273 736.22	74 365 843.16
Senior Management	8 487 552.00	304 749.58	2 071 830.26
- Remuneration of Councillors	**26 401 344.00**	**2 802 699.73**	**12 329 021.46**
Chief Whip	859 800.00	61 382.35	415 539.48
Executive Committee/Mayoral Committee	6 194 532.00	366 379.54	2 086 550.49
Executive Mayor/Mayor	1 103 472.00	265 048.71	1 657 130.06
Section 79 committee chairperson	847 644.00	-	-
Speaker	932 088.00	72 428.52	407 631.69
Total for All Other Councillors	16 463 808.00	2 037 460.61	7 762 169.74
Grand Total	**201 400 800.00**	**16 381 185.53**	**88 766 694.88**
Percentage		8%	44%

Debt impairment

Debt Impairment is processed annually.

Irrecoverable debts written-off

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

Depreciation

The expenditure on depreciation and amortisation is **R 31,379, 819** against approved budget

R 52,789, 752 this reflect **59%** Expenditure for the month and it is above expected performance as depreciation account represents 6 months for midterm. The total YTD expenditure is **59%.**

Finance charges

No interest expenditure incurred in December 2024 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 **R6,186,443** million which represent **8%.** This is within the expected performance for the month. The payment made relates to November invoice then the payment for the bulk purchases of December 2024 will be processed in January 2025.

Other material

Total approved budget on other material is **R 6,897,036,** the expenditure amounted to **R 550,505** for the month ended 31 December 2024 which represent **8%.** This is within the expected performance for the month. The YTD Expenditure is **48%**

Contracted Services

Total approved budget on contracted services is **R 160,781,520**. The spending for the month amounted to **R 20,601,301.40** that represents **13%** This is more than the expected performance when measured against the budget projection due to Contracted services that had Expenditure in December as per the plan at LED department which are Music festival **R 2,329,500**, Maluti land tenure **R1,914,530** and cash cropping programmes **R3,391,525**. YTD Expenditure is **57%.**

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 11,864,523 for** the month, this represents **15%** of the budgeted amount on this category. This is more than the expected performance for the month majority of expenditure relates to Insurance premium made, Audit fee and ICT software licence. The YTD Expenditure is **48%.**

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) - M06 - December

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
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	45	(20)	-44%	90
Vote 2 - Finance and Admin		2 323	3 225	–	27	1 225	1 613	(383)	-24%	3 225
Vote 3 - Corporate		2 374	3 920	–	212	403	1 960	(1 557)	-79%	3 920
Vote 4 - Development and Planning		115	8 705	–	–	1 720	4 352	(2 633)	-60%	8 705
Vote 5 - Community		5 070	16 360	–	–	2 092	8 180	(6 088)	-74%	16 360
Vote 6 - Infrastructure		116 791	150 683	–	10 920	51 153	75 342	(24 159)	-32%	150 683
Vote 7 - Internal Audit		45	–	–	–	–	–	–		–
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	–	13 159	56 652	91 492	(34 840)	-38%	182 983
Total Capital Expenditure		**126 785**	**182 983**	–	**13 159**	**56 652**	**91 492**	**(34 840)**	**-38%**	**182 983**
Capital Expenditure - Functional Classification										
Governance and administration		4 887	7 235	–	239	1 657	3 617	(1 960)	-54%	7 235
Executive and council		64	90	–	–	25	45	(20)	-44%	90
Finance and administration		4 558	7 145	–	239	1 630	3 572	(1 941)	-54%	7 145
Internal audit		45	–	–	–	–	–	–		–
Community and public safety		3 700	10 410	–	–	439	5 205	(4 766)	-92%	10 410
Community and social services		595	2 510	–	–	154	1 255	(1 101)	-88%	2 510
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		3 104	7 900	–	–	285	3 950	(3 665)	-93%	7 900
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		99 066	149 738	–	11 141	45 973	74 869	(28 896)	-39%	149 738
Planning and development		115	8 705	–	–	1 720	4 352	(2 633)	-60%	8 705
Road transport		98 950	141 033	–	11 141	44 253	70 517	(26 263)	-37%	141 033
Environmental protection		–	–	–	–	–	–	–		–
Trading services		19 211	15 600	–	1 779	8 583	7 800	783	10%	15 600
Energy sources		17 842	9 650	–	1 779	6 930	4 825	2 105	44%	9 650
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		1 369	5 950	–	–	1 653	2 975	(1 322)	-44%	5 950
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**126 785**	**182 983**	–	**13 159**	**56 652**	**91 492**	**(34 840)**	**-38%**	**182 983**
Funded by:										
National Government		59 929	95 797	–	6 031	33 403	47 899	(14 496)	-30%	95 797
Provincial Government		–	950	–	–	–	475	(475)	-100%	950
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies		–	–	–	–	–	–	–		–
Transfers recognised - capital		59 929	96 747	–	6 031	33 403	48 374	(14 971)	-31%	96 747
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		66 856	86 236	–	7 128	23 249	43 118	(19 869)	-46%	86 236
Total Capital Funding		**126 785**	**182 983**	–	**13 159**	**56 652**	**91 492**	**(34 840)**	**-38%**	**182 983**

The total approved capital budget is **R 182,983,008,** the Municipality incurred expenditure of **R 13,159,149** This represents **7%** of the approved capital expenditure budget, this is less than expected performance for the month due to delays in the procurement processes and slow progress on some projects. Expenditure to date represents **31%** of the original budget.

3.1.6 C6 Monthly Budget Statement –Financial Position

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

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	–	325 462	290 162
Trade and other receivables from exchange transactions		(23 839)	126 604	–	(36 927)	126 604
Receivables from non-exchange transactions		154 305	37 651	–	164 688	37 651
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 992	3 041	–	3 557	3 041
VAT		10 285	18 836	–	17 244	18 836
Other current assets		6 546	5 048	–	5 048	5 048
Total current assets		409 433	481 343	–	479 072	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	–	1 067 590	981 457
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		1 543	1 543	–	1 543	1 543
Intangible assets		1 153	652	–	491	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	–	1 074 584	988 611
TOTAL ASSETS		1 507 104	1 469 954	–	1 553 656	1 469 954
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 780	472	–	1 797	472
Trade and other payables from exchange transactions		39 952	126 890	–	29 352	126 890
Trade and other payables from non-exchange transactions		27 259	20 746	–	29 570	20 746
Provision		20 371	29 993	–	26 769	29 993
VAT		48 394	20 285	–	58 223	20 285
Other current liabilities		2 961	–	–	–	–
Total current liabilities		140 716	198 386	–	145 712	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		177 041	237 637	–	186 036	237 637
NET ASSETS	2	1 330 063	1 232 317	–	1 367 620	1 232 317
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		964 303	1 146 081	–	971 353	1 146 081
Reserves and funds		365 760	86 236	–	396 267	86 236
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1 330 063	1 232 317	–	1 367 620	1 232 317

3.1.7 C7 Monthly Budget Statement –Cash Flow

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

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	3 141	43 548	26 323	17 225	65%	52 646
Service charges		85 259	80 376	80 376	8 594	47 215	40 188	7 027	17%	80 376
Other revenue		22 975	84 503	84 503	1 953	10 012	42 251	(32 239)	-76%	84 503
Transfers and Subsidies - Operational		346 670	360 244	360 244	106 793	256 094	180 122	75 972	42%	360 244
Transfers and Subsidies - Capital		114 964	96 747	96 747	26 086	106 543	48 374	58 170	120%	96 747
Interest		24 009	28 813	28 813	1 592	12 561	14 406	(1 845)	-13%	28 813
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(260 721)	(525 383)	(525 383)	(40 948)	(185 069)	(262 691)	77 623	-30%	(525 383)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**385 835**	**177 947**	**177 947**	**107 212**	**290 905**	**88 973**	**(201 932)**	**-227%**	**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)	(14 750)	(63 209)	(91 492)	28 283	-31%	(182 983)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**167 906**	**(182 983)**	**(182 983)**	**(14 750)**	**(63 209)**	**(91 492)**	**(28 283)**	**31%**	**(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)	92 462	227 696	(2 518)			(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		485 841	292 680			253 108

PART 2 –SUPPORTING DOCUMENTATION
SECTION 4

Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 31 December 2024.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 - December

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	4 769	2 546	2 498	1 337	1 229	684	609	3 741	17 413	7 599	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	2 379	1 247	1 029	21 025	727	4 493	15	68 385	99 300	94 645	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	913	574	479	439	438	396	379	27 896	31 513	29 547	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–		7	7	–	–
Interest on Arrear Debtor Accounts	1810	1 607	1 596	1 250	1 374	1 290	1 313	1 344	58 054	67 818	63 366	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	205	2 308	159	216	277	1 021	208	35 992	40 086	37 724	–	–
Total By Income Source	**2000**	**9 873**	**7 972**	**5 413**	**24 391**	**3 958**	**7 987**	**2 556**	**194 075**	**256 137**	**232 879**	–	–
2023/24 - totals only		6 945	5 094	3 676	4 280	28 459	29 513	2 791	157 066	239 823	222 109	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 817	2 902	3 220	22 471	2 171	5 487	1 515	71 621	112 205	103 266	–	–
Commercial	2300	7 036	5 061	2 187	1 914	1 776	2 418	1 016	122 245	143 652	129 368	–	–
Households	2400	20	8	7	6	3	3	25	208	280	245	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**9 873**	**7 972**	**5 413**	**24 391**	**3 958**	**7 987**	**2 556**	**194 075**	**256 137**	**232 879**	–	–

The total debt book for 31 December 2024 of **R 256,137,213**, inclusive of **R 4,055,096**. advance payments.

The total debt book for December amounts to **R 252,082,117** (including of **R 9,725, 532** which is not yet due) has decreased by **R 8,760, 500** from the previous month closing balance of **R 251,117,085.** Debt is made up of the following:

- **Residential debt**
  R 101,339, 942.89
- **Commercial debt**
  R 40, 052, 939.24
- **Government debt**
  R 106, 105, 874.45
- **Other**
  R 252 ,082, 116.63

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 79,929,054.85**

- **Maluti**
  R 69, 509, 557.17 (including current)
- **Cedarville**
  R 10, 419 497.68 (including current)

No collection made for December 2024.

SECTION 5 -CREDITORS' ANALYSIS
Supporting Table SC4

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

Description	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
R thousands		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	465	450	–	–	–	–	–	–	915	3
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	1000	465	450	–	–	–	–	–	–	915	3

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.

A payment of R 224 999.97 was made in the correct period at the bank however, an error was that the same payment was captured twice on the financial system which was then corrected by a credit note after the December month-end was already processed.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Dec 24

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	3 637 814.28	11 031 070.01	-4 313 378.40	-75 070.01	10 355 505.89
INEP	3 930 227.43	8 656.32	-3 922 997.55	8656.32	15 886.20
EPWP	-		-	-	-
Municipal Electrification Intervention	332 992.75	2 032.08	-	-2 032.08	335 024.83
Disaster Management	5 520 589.17	66 258.29	-4 000 000.00	-66 258.29	1 586 847.46
Library and Archives	-		-	-	-
Finance Management Grant	1 193.58	7.41		-741.00	1 200.99
Smart Grid	66 697.79	407.16	-	-407.16	67 104.95
Establishment Plan	228 594.29	1 164.89		-1 164.89	229 759.18
Housing Development Fund	2 330 708.47	12 173.96		-12 173.96	2 342 882.43
Dedea	709 085.69	3 613.43		-3 613.43	712 699.12
Total Conditional Investments	**16 757 903**	**11 125 384**	- **12 236 376**	- **152 805**	**15 646 911**

Unconditional Investments -Description	Openning Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	206 684 582.18	11 200 000.00		1 166 662.50	217 884 582.18
Call Acc STD CRR	13 340 289.87	72 512.70		-72 512.70	13 412 802.57
Call ACC FNB Surplus Cash	6 805 395.80			-35 378.73	6 805 395.80
Nedbank 32 Days	8 014 856.05	53 853.30		-53 853.30	8 068 709.35
Nedbank	1 011 868.60	109 843 858.97	-102 500 000.00	-37 849.08	8 355 727.57
Nedbank relief fund	940 897.85	5 742.15		-5 742.15	946 640.00
Nedbank COV -19 Solidalitry	114 049.86	685.74		-685.74	114 735.60
Nedbank Retention	68 869.37	420.27		-420.27	69 289.64
Termination Guarantee	144 640.82			-882.69	144 640.82
Account Gaurantee	6 202 000.00			-31 127.20	6 202 000.00
Standard Bank		40 000 000.00			40 000 000.00
	243 327 450	**161 177 073**	- **102 500 000**	**928 211**	**302 004 524**
Total Investment	**260 085 354**	**172 302 457**	- **114 736 376**	**775 406**	**317 651 435**

The investment portfolio of the municipality as at 31 December 2024 amounted to as indicated below.

As at 31 December 2024 the conditional investments amounted to **R 15,646,911** and unconditional investments amounted to **R 302,004,524**. Total investments as at 31 December 2024 amounted to **R 317,651,435**

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 31 December 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 31 December 2024

Description	December 2024
Nedbank Primary Account:	2,379,867.68
Standard bank Account:	1,267,419.00
FNB Money Market Account:	3,847,038.00
Total Cash held as at 31 December 2024	**7,494,326.12**

The above table reflects the Cashbook balance is **R 7,494,326** and Bank statement balance of **R 317,651,435.** Total investments as at 31 December 2024 amounted to **R 325,145,761**

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 - M06 - December

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	–	117 730	289 348	177 714	111 634	62.8%	355 428
Expanded Public Works Programme Integrated Grant		3 974	3 880	–	–	544	1 940	(1 396)	-71.9%	3 880
Integrated National Electrification Programme Grant		41 000	26 648	–	–	–	13 324	(13 324)	-100.0%	26 648
Local Government Financial Management Grant	3	1 700	1 700	–	–	1 700	850	850	100.0%	1 700
Municipal Infrastructure Grant		54 593	2 879	–	10 956	46 863	1 440	45 423	3155.3%	2 879
Equitable Share		303 970	320 321	–	106 774	240 241	160 161	80 080	50.0%	320 321
Provincial Government:		–	4 816	–	–	–	2 408	(2 408)	-100.0%	4 816
Specify (Add grant description)		–	1 750	–	–	–	875	(875)	-100.0%	1 750
Specify (Add grant description)		–	3 066	–	–	–	1 533	(1 533)	-100.0%	3 066
District Municipality:		100	–	–	–	–	–	–		–
Specify (Add grant description)		100	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		405 337	360 244	–	117 730	289 348	180 122	109 226	60.6%	360 244
Capital Transfers and Grants										
National Government:		32 706	95 797	–	–	24 235	47 899	(23 664)	-49.4%	95 797
Municipal Disaster Relief Grant		32 706	41 092	–	–	4 908	20 546	(15 638)	-76.1%	41 092
Municipal Infrastructure Grant		–	54 705	–	–	–	27 352	(27 352)	-100.0%	54 705
Integrated National Electrification Programme Grant		–	–	–	–	19 327	–	19 327	#DIV/0!	–
Provincial Government:		3 981	950	–	–	3 396	475	2 921	614.9%	950
Specify (Add grant description)		–	950	–	–	–	475	(475)	-100.0%	950
Specify (Add grant description)		3 331	–	–	–	2 146	–	2 146	#DIV/0!	–
Specify (Add grant description)		650	–	–	–	1 250	–	1 250	#DIV/0!	–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		36 687	96 747	–	–	27 631	48 374	(20 743)	-42.9%	96 747
TOTAL RECEIPTS OF TRANSFERS & GRANTS		442 024	456 991	–	117 730	316 979	228 496	88 484	38.7%	456 991

The Municipality have received the conditional grant and unconditional grants allocations amounting to **R 117,7** 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 - M06 - December

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	–	4 802	26 211	17 554	8 657	49.3%	35 107
Expanded Public Works Programme Integrated Grant		3 974	3 880	–	1 554	4 269	1 940	2 329	120.0%	3 880
Integrated National Electrification Programme Grant		41 600	26 648	–	3 050	21 173	13 324	7 849	58.9%	26 648
Municipal Disaster Relief Grant		–	–	–	–	0	–	0	#DIV/0!	–
Local Government Financial Management Grant	3	1 077	1 700	–	192	755	850	(95)	-11.2%	1 700
Municipal Infrastructure Grant		2 860	2 879	–	–	15	1 440	(1 425)	-99.0%	2 879
Provincial Government:		3 640	4 816	–	318	3 240	2 408	832	34.6%	4 816
Specify (Add grant description)		0	–	–	–	–	–	–		–
Specify (Add grant description)		309	1 750	–	2	223	875	(652)	-74.5%	1 750
Specify (Add grant description)		3 331	3 066	–	316	3 017	1 533	1 484	96.8%	3 066
District Municipality:		100	–	–	–	–	–	–		–
Specify (Add grant description)		100	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		53 250	39 923	–	5 120	29 451	19 962	9 490	47.5%	39 923
Capital Transfers and Grants										
National Government:		69 024	95 797	–	7 213	39 892	47 899	(8 007)	-16.7%	95 797
Municipal Disaster Relief Grant		16 907	41 092	–	2 196	9 926	20 546	(10 620)	-51.7%	41 092
Municipal Infrastructure Grant		52 117	54 705	–	5 017	29 965	27 352	2 613	9.6%	54 705
Integrated National Electrification Programme Grant		0	–	–	–	–	–	–		–
Provincial Government:		(6 576)	950	–	(566)	(1 136)	475	(1 611)	-339.2%	950
Specify (Add grant description)		–	950	–	–	–	475	(475)	-100.0%	950
Specify (Add grant description)		(4 500)	–	–	–	–	–	–		–
Specify (Add grant description)		(2 076)	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	(566)	(1 136)	–	(1 136)	#DIV/0!	–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		62 449	96 747	–	6 647	38 756	48 374	(9 618)	-19.9%	96 747
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		115 699	136 670	–	11 767	68 207	68 335	(128)	-0.2%	136 670

The total operating grant expenditure amounts to **R 5.1 million** and Capital grant expenditure amounts to **R 6.6 million** including MIG salaries amounting to **R 276 ,875** for the month December .Total expenditure for the month amounts to **R 11.7** million which represents **9%** when compared to the total allocation as per the Dora. This represents **50%** total actual expenditure to date.

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 31 December 2024.

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

Summary of Employee and Councillor remuneration	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
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12 101	13 958	13 958	1 065	6 731	6 979	(248)	-4%	13 958
Pension and UIF Contributions		802	1 054	1 054	116	451	527	(76)	-14%	1 054
Medical Aid Contributions		697	137	137	62	397	68	329	480%	137
Motor Vehicle Allowance		(4)	2 757	2 757	–	–	1 379	(1 379)	-100%	2 757
Cellphone Allowance		2 547	2 876	2 876	212	1 280	1 438	(158)	-11%	2 876
Housing Allowances		6 926	5 620	5 620	547	3 471	2 810	661	24%	5 620
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		23 070	26 401	26 401	2 003	12 329	13 201	(872)	-7%	26 401
% increase	4		14.4%	14.4%						14.4%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 155	2 905	2 905	97	703	1 453	(749)	-52%	2 905
Pension and UIF Contributions		(17)	301	301	4	26	150	(125)	-83%	301
Medical Aid Contributions		–	263	263	5	11	131	(121)	-92%	263
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		114	687	687	–	–	343	(343)	-100%	687
Motor Vehicle Allowance		1 152	2 856	2 856	[illegible]	809	1 428	(618)	-43%	2 856
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		1 583	906	906	77	462	453	8	2%	906
Other benefits and allowances		0	1	1	0	0	0	(0)	-78%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		172	569	569	10	61	285	(223)	-78%	569
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		5 160	8 488	8 488	305	2 072	4 244	(2 172)	-51%	8 488
% increase	4		64.5%	64.5%						64.5%
Other Municipal Staff										
Basic Salaries and Wages		106 079	116 202	116 202	9 460	50 501	58 101	(7 600)	-13%	116 202
Pension and UIF Contributions		15 431	17 227	17 227	1 373	8 071	8 614	(543)	-6%	17 227
Medical Aid Contributions		5 972	6 468	6 468	512	3 114	3 234	(120)	-4%	6 468
Overtime		4 042	2 130	2 130	413	2 386	1 065	1 321	124%	2 130
Performance Bonus		7 260	8 982	8 982	572	3 264	4 491	(1 227)	-27%	8 982
Motor Vehicle Allowance		7 708	8 844	8 844	532	3 529	4 422	(893)	-20%	8 844
Cellphone Allowance		6	7	7	1	3	3	(0)	-8%	7
Housing Allowances		3 159	5 421	5 421	211	1 376	2 710	(1 335)	-49%	5 421
Other benefits and allowances		2 586	1 231	1 231	173	1 246	616	631	102%	1 231
Payments in lieu of leave		1 240	–	–	–	724	–	724	#DIV/0!	–
Long service awards		491	–	–	26	153	–	153	#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	13 274	74 366	83 256	(8 890)	-11%	166 512
% increase	4		8.1%	8.1%						8.1%
Total Parent Municipality		182 204	201 401	201 401	16 381	88 767	100 700	(11 934)	-12%	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 31 December 2024 amounted **R 16,3 million** of which the expenditure **R 2,8 million** relates to Remuneration of Councillors and **R 13,5 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 31 December 2024 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: 09 | 01 | 2025