MATATIELE
LOCAL MUNICIPALITY

2024/2025 MONTHLY SECTION 71 REPORT

MONTH ENDED 31 JULY 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 Municipal Budget and Reporting Regulations

Regulation 28 of the Municipal Budget and Reporting Regulations states:

"The monthly budget statement of a municipality must be in the format specified in the Schedule C and include all required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act."

Recommendations:

- That, Council takes note of the monthly budget statement and supporting documentation for the month 31 July 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 166,862,683** for the month, this represents **24%,** is above the expected performance for the month due to property rates billing that is done in the first month of the financial year and receipt of the first instalment of Equitable share and Municipal Infrastructure Grant and Integrated National Electrification programme.

Operating Expenditure by type

The Municipality incurred expenditure of **R 42,321,038** against the approved budget allocation of **R 584,466,312**, incurring approximately **7%** expenditure for the month budget, this is within the expected performance for the month due to payments made. The expenditure the majority relates to employee related cost, Council Remuneration, contracted services and other expenditure.

Capital Expenditure

- The total approved capital budget is **R 182,983,008,** the Municipality incurred expenditure of **R 3,509,556.** This represents **2%** of the approved capital expenditure budget, this is below the expected performance for the month due to capital projects that have not yet been implemented.

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 31 July 2024 is **R 2,252,688** which represent **4%** of expenditure to date (Vat exclusive).
- Disaster Response Grant of **R 41,092,392** million was allocated. The grant reflects **R 1,080,204** spending at the end of 31 July 2024 which represent **3%.**
- The Library Capital Grant allocation of R **950,000** was allocated. The grant reflects **R 0.00** spending at the end of 31 July 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 176,664** which represent **1%**
- The municipality anticipates to spend **100%** of the total capital budget as at the end of the financial year, total spending for the month ended 31 July 2024.

The table below is an analysis per business unit –

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

Row Labels	Sum of TotalBudget	Sum of 202407	Sum of TotalActual	Sum of RemainingBudget
Community and Social Services: Community Governance(3096)	69 996	-	-	69 996
Community Halls and Facilities:Public Amenities (3005)	2 440 008	-	-	2 440 008
CORE FUNCTION: SOLID WASTE REMOVAL	5 950 008	-	-	5 950 008
Energy Sources: Electricity (4040)	9 650 016	-	-	9 650 016
Executive and Council: Mayor and Council(1005)	50 004	25 238	25 238	24 766
Executive and Council: Municipal Manager (1010)	39 996	-	-	39 996
Finance and Administration: Information Technology (2540)	3 229 992	-	-	3 229 992
Finance and Administration: Administrative and Corporate Support(2530)	90 000	25 238	25 238	64 762
Finance and Administration: Asset Mangement and Reporting (2015)	39 996	25 238	25 238	14 758
Finance and Administration: Council Support (2541)	510 000	-	-	510 000
Finance and Administration: Human Resources (2535)	90 000	50 475	50 475	39 525
Finance and Administration: SCM & Expenditure (2025)	2 430 000	-	-	2 430 000
Finance and Adminstration: Revenue and Debt Management (2020)	90 000	50 475	50 475	39 525
Marketing; Customer Relations; Publicity and Media Co-ordination:communi	590 004	-	-	590 004
Planning and Development: LED (3520)	3 060 000	-	-	3 060 000
Planning and Development: Planning (3510)	99 996	-	-	99 996
Planning and Development: Planning Governance (3540)	45 000	-	-	45 000
Public Safety: Civil Defence (3074)	7 900 008	-	-	7 900 008
Risk Management:FINANCE AND ADMINISTRATION RISK AND M&E (1035)	75 000	-	-	75 000
ROAD TRANSPORT: INFRASTRUCTURE GOVERNANCE (4050)	45 000	-	-	45 000
Road Transport: Project Operations & Mainnt(4010)	56 342 388	1 080 204	1 080 204	55 262 184
Roads:Project Management Unit	84 645 612	2 252 688	2 252 688	82 392 924
Town Planning; Building Regulations and Enforcement; and City Engineer:Hu	5 499 984	-	-	5 499 984
Grand Total	**182 983 008**	**3 509 556**	**3 509 556**	**179 473 452**
			2%	

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	July 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 at procurement stage
Maluti Internal Streets Phase 5	The project is at procurement stage
Mahasheng Access Road & Bridge	The contractor has been appointed.
Mafube-Nkosana Access Road & Bridge	The project is 60 % completed.
Mafube-Nkosana Access Road & Bridge	The contractor has been appointed.
Lekhalong via Magema-Outspan Access Road	The project is 87 % completed
Extension of Matatiele Sports Centre Ph2	The project is 57 % completed
Harry Gwala Internal Streets	The project is at planning stage
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	July 2024 status
Connect Mbizeni	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 2%.
Connect Mapakising	Construction is complete, contractor is busy with Eskom process. Overall progress is at 90%
Connect Mgubho	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 2%.
Connect Luxeni	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 2%.
Connect Lihaseng	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 6%.
Contractors:Electrical	The construction is complete, contractor is busy with Eskom process. Overall progress is at 90%
Connect Paballong	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 2%.
Connect Mahlabatheng	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 6%.
Connect Lugada	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 2%.

Disaster Response Grant

Disaster Capital Project	July 2024 status
Baloon Street Crossing Bridge	The project is under construction (Overall progress 70%)
Mabheleni-Upper Mvenyane Access Road & Bridge	The project is under construction (Overall progress 68%)
Hillside - Ngcwengane Access Road and Bridge	The project is under construction (Overall progress 80%)
Rockville Protea Bridge	The project is under construction (Overall progress 90%)
Nyanzela Access Road	The project is completed at 95% practical completion
Mdeni Access Road and Bridge	The project is not yet appointed as it on tender stage

Mvenyane Access Road and Bridge	The project is not yet appointed as it on tender stage
Lugada to Mahlabathini and Bridge	The project is not yet appointed as it on tender stage
Mngeni Bridge	The project is not yet appointed as it on tender stage

Internal Funded Capital Projects

Capital Replacement Rerseve Projects	July 2024 Status
Cherry Picker Truck	The project is not yet appointed as it on tender stage
Renovation of Town Hall	The project is not yet appointed as it on tender stage
Skiti -Tholang Access Road	The project is not yet appointed as it on tender stage
Fencing Nature Reserve	The project is not yet appointed as it on tender stage
Server	The project is not yet appointed as it on tender stage
Weigh Bridge	The project is not yet appointed as it on tender stage
Ramafole Access Road	The project is not yet appointed as it on tender stage
New Resh Access Road	The project is not yet appointed as it on tender stage
FM TOWER LINE WIP	The project is not yet appointed as it on tender stage
KINIRA TO SHERPARD HOPE ACCESS ROAD	The project is not yet appointed as it on tender stage
Bhakaneni Acess Road	The project is not yet appointed as it on tender stage
Fatima Access Road	The project is not yet appointed as it on tender stage
Municipal Fleet	The project is not yet appointed as it on tender stage
Mapoleseng Access Road	The project is not yet appointed as it on tender stage
Mafaise Access Road	Not yet appointed-tender stage
f 2 silo facilities	The project is not yet appointed as it on tender stage

Potlo Access Road	The project is not yet appointed as it on tender stage
Moriting- Kweneng Access Road	The project is not yet appointed as it on tender stage
Chere Mahareng Access Road	The project is not yet appointed as it on tender stage
New Stance Access Road	The project is not yet appointed as it on tender stage
Nkungwini-Ngudla Access Road	The project is not yet appointed as it on tender stage
TRANSFORMERS INFRA	The project is not yet appointed as it on tender stage
Khauoe Access Road	The project is not yet appointed as it on tender stage
Fire Engine Truck	The project is not yet appointed as it on tender stage

This information reflects on our tender control plan on July 2024

SUMMARY: QUOTATIONS	31-Jul-24	TOTAL
DAY TO DAY QUOTATIONS	126	126
FORMAL QUOTATIONS	1	1
TOTAL QUOTATIONS	**127**	**127**

BIDDING PROCESS	Bids Awarded vs Capital Budget	Capital Spending Year-To-Date	Orders Issued
Bids awarded	12 452 464	-	-
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 - M01 - July

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	–	8 847	8 847	5 161	3 686	71%	61 937
Service charges	75 857	91 972	–	7 203	7 203	7 664	(461)	-6%	91 972
Investment revenue	24 861	28 813	–	4 405	4 405	2 401	2 004	83%	28 813
Transfers and subsidies - Operational	354 013	360 244	–	140 979	140 979	30 020	110 959	370%	360 244
Other own revenue	27 967	41 503	–	2 289	2 289	3 459	(1 169)	-34%	–
Total Revenue (excluding capital transfers and contributions)	533 548	584 400	–	163 724	163 724	48 706	115 018	236%	584 400
Employee costs	159 134	174 999	–	11 840	11 840	14 583	(2 743)	-19%	174 999
Remuneration of Councillors	23 070	26 401	–	1 899	1 899	2 200	(301)	-14%	26 401
Depreciation and amortisation	18 539	52 790	–	–	–	4 399	(4 399)	-100%	52 790
Interest	219	–	–	–	–	–	–		–
Inventory consumed and bulk purchases	71 500	83 143	–	344	344	6 929	(6 585)	-95%	83 143
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	201 327	247 133	–	28 260	28 260	20 594	7 666	37%	247 133
Total Expenditure	473 786	584 466	–	42 344	42 344	48 706	(6 362)	-13%	584 466
Surplus/(Deficit)	59 758	2	–	121 381	121 381	0	121 380	66328140%	2
Transfers and subsidies - capital (monetary allocations)	72 232	96 747	–	3 668	3 668	8 062	(4 394)	-55%	96 747
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
contributions	131 990	96 749	–	125 049	125 049	8 062	116 986	1451%	96 749
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	131 990	96 749	–	125 049	125 049	8 062	116 986	1451%	96 749
Capital expenditure & funds sources									
Capital expenditure	126 785	182 983	–	3 510	3 510	15 249	(11 739)	-77%	182 983
Capital transfers recognised	59 929	96 747	–	3 333	3 333	8 062	(4 729)	-59%	96 747
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	66 856	86 236	–	177	177	7 186	(7 010)	-98%	86 236
Total sources of capital funds	126 785	182 983	–	3 510	3 510	15 249	(11 739)	-77%	182 983
Financial position									
Total current assets	461 924	481 343	–		581 470				481 343
Total non current assets	1 094 951	988 611	–		1 050 529				988 611
Total current liabilities	174 878	198 386	–		185 217				198 386
Total non current liabilities	36 325	39 250	–		40 325				39 250
Community wealth/Equity	1 365 672	1 232 317	–		1 406 457				1 232 317
Cash flows									
Net cash from (used) operating	365 835	177 947	–	149 247	149 247	14 829	(134 418)	-906%	177 947
Net cash from (used) investing	167 906	(182 983)	–	(3 871)	(3 871)	(15 249)	(11 378)	75%	(182 983)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	808 526	290 162	–	–	403 521	294 779	(108 742)	-37%	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	19 276	2 996	3 469	3 712	3 461	2 814	3 075	202 653	241 476
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

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

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 - July

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full Year
Revenue - Functional										
Governance and administration		399 198	438 117	–	148 730	148 730	36 510	112 220	307%	438 117
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		399 198	438 117	–	148 633	148 633	36 510	112 123	307%	438 117
Internal audit		–	–	–	97	97	–	97	#DIV/0!	–
Community and public safety		11 042	14 604	–	308	308	1 217	(909)	-75%	14 604
Community and social services		4 820	8 904	–	18	18	742	(724)	-98%	8 904
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		6 222	5 700	–	291	291	475	(184)	-39%	5 700
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		63 401	104 188	–	3 686	3 686	8 682	(4 996)	-58%	104 188
Planning and development		1 221	5 502	–	4	4	458	(455)	-99%	5 502
Road transport		62 180	98 686	–	3 683	3 683	8 224	(4 541)	-55%	98 686
Environmental protection		–	–	–	–	–	–	–		–
Trading services		132 137	124 307	–	14 668	14 668	10 359	4 309	42%	124 307
Energy sources		117 153	105 494	–	13 344	13 344	8 791	4 553	52%	105 494
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		14 984	18 813	–	1 324	1 324	1 568	(244)	-16%	18 813
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	605 778	681 216	–	167 392	167 392	56 768	110 624	195%	681 216
Expenditure - Functional										
Governance and administration		219 068	256 861	–	27 643	27 643	21 405	6 238	29%	256 861
Executive and council		31 034	35 348	–	2 351	2 351	2 946	(594)	-20%	35 348
Finance and administration		183 879	216 649	–	24 884	24 884	18 054	6 830	38%	216 649
Internal audit		4 154	4 864	–	407	407	405	2	1%	4 864
Community and public safety		55 724	55 502	–	2 796	2 796	4 625	(1 829)	-40%	55 502
Community and social services		33 760	29 281	–	974	974	2 440	(1 466)	-60%	29 281
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		21 964	26 221	–	1 822	1 822	2 185	(363)	-17%	26 221
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		63 750	115 059	–	3 027	3 027	9 588	(6 562)	-68%	115 059
Planning and development		29 869	48 686	–	1 637	1 637	4 057	(2 420)	-60%	48 686
Road transport		33 880	66 373	–	1 389	1 389	5 531	(4 142)	-75%	66 373
Environmental protection		–	–	–	–	–	–	–		–
Trading services		135 247	157 044	–	8 878	8 878	13 087	(4 209)	-32%	157 044
Energy sources		114 817	131 098	–	7 138	7 138	10 925	(3 787)	-35%	131 098
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		20 431	25 946	–	1 740	1 740	2 162	(422)	-20%	25 946
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	473 788	584 466	–	42 344	42 344	48 706	(6 362)	-13%	584 466
Surplus/ (Deficit) for the year		131 990	96 749	–	125 049	125 049	8 062	116 986	1451%	96 749

This table assess the revenue and expenditure by department, the expenditure for the period ending 31 July 2024 is **R 42,3** million and revenue is **R 167,** 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) - M01 - July

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	–	148 581	148 581	36 481	112 100	307.3%	437 767
Vote 3 - Corporate		401	350	–	53	53	29	23	80.4%	350
Vote 4 - Development and Planning		1 325	5 502	–	4	4	458	(455)	-99.2%	5 502
Vote 5 - Community		26 025	33 416	–	1 632	1 632	2 785	(1 153)	-41.4%	33 416
Vote 6 - Infrastructure		179 229	204 180	–	17 027	17 027	17 015	12	0.1%	204 180
Vote 7 - Internal Audit		–	–	–	97	97	–	97	#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	–	167 392	167 392	56 768	110 624	194.9%	681 216
Expenditure by Vote	1									
Vote 1 - Executive Council		31 034	35 348	–	2 351	2 351	2 945	(594)	-20.2%	35 348
Vote 2 - Finance and Admin		109 568	125 287	–	14 426	14 426	10 441	3 986	38.2%	125 287
Vote 3 - Corporate		74 311	91 362	–	10 458	10 458	7 614	2 844	37.4%	91 362
Vote 4 - Development and Planning		29 869	48 686	–	1 656	1 656	4 057	(2 401)	-59.2%	48 686
Vote 5 - Community		75 155	81 448	–	4 536	4 536	6 787	(2 251)	-33.2%	81 448
Vote 6 - Infrastructure		148 697	197 471	–	8 509	8 509	16 456	(7 947)	-48.3%	197 471
Vote 7 - Internal Audit		4 154	4 864	–	407	407	405	2	0.5%	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	–	42 344	42 344	48 706	(6 362)	-13.1%	584 466
Surplus/ (Deficit) for the year	2	131 990	96 749	–	125 049	125 049	8 062	116 986	1451.0%	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) - M01 - July

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	–	6 217	6 217	6 370	(153)	-2%	76 446
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		11 499	15 526	–	986	986	1 294	(308)	-24%	15 526
Sale of Goods and Rendering of Services		1 794	5 946	–	33	33	496	(462)	-93%	5 946
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		1 657	2 200	–	79	79	183	(104)	-57%	2 200
Interest from Current and Non Current Assets		24 861	28 813	–	4 405	4 405	2 401	2 004	83%	28 813
Dividends		–	–	–	–	–	–	–		–
Rent on Land		327	–	–	–	–	–	–		–
Rental from Fixed Assets		819	2 028	–	2	2	169	(167)	-99%	2 028
Licence and permits		3 969	4 522	–	159	159	377	(218)	-58%	4 522
Operational Revenue		333	892	–	53	53	74	(22)	-29%	892
Non-Exchange Revenue								–		
Property rates		50 849	61 937	–	8 847	8 847	5 161	3 686	71%	61 937
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2 288	25 890	–	132	132	2 158	(2 026)	-94%	25 890
Licence and permits		28	25	–	0	0	2	(2)	-83%	25
Transfers and subsidies - Operational		354 013	360 244	–	140 979	140 979	30 020	110 959	370%	360 244
Interest		16 571	–	–	1 301	1 301	–	1 301	#DIV/0!	–
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		182	–	–	530	530	–	530	#DIV/0!	–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		533 546	584 469	–	163 724	163 724	48 706	115 019	236%	584 469
Expenditure By Type										
Employee related costs		159 134	174 999	–	11 840	11 840	14 583	(2 743)	-19%	174 999
Remuneration of councillors		23 070	26 401	–	1 899	1 899	2 200	(301)	-14%	26 401
Bulk purchases - electricity		65 975	76 246	–	–	–	6 354	(6 354)	-100%	76 246
Inventory consumed		5 525	6 897	–	344	344	575	(231)	-40%	6 897
Debt impairment		–	–	–	–	–	–	–		–
Depreciation and amortisation		18 539	52 790	–	–	–	4 399	(4 399)	-100%	52 790
Interest		219	–	–	–	–	–	–		–
Contracted services		136 012	160 782	–	23 112	23 112	13 398	9 714	72%	160 782
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		–	6 294	–	–	–	525	(525)	-100%	6 294
Operational costs		64 428	80 058	–	5 126	5 126	6 671	(1 546)	-23%	80 058
Losses on Disposal of Assets		–	–	–	–	–	–	–		–
Other Losses		887	–	–	23	23	–	23	#DIV/0!	–
Total Expenditure		473 788	584 466	–	42 344	42 344	48 706	(6 362)	-13%	584 466
Surplus/(Deficit)		59 758	2	–	121 381	121 381	0	121 380	663281408%	2
Transfers and subsidies - capital (monetary allocations)		72 232	96 747	–	3 668	3 668	8 062	(4 394)	-55%	96 747
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		131 990	96 749	–	125 049	125 049	8 062			96 749
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		131 990	96 749	–	125 049	125 049	8 062			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	–	125 049	125 049	8 062			96 749
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		131 990	96 749	–	125 049	125 049	8 062			96 749

In terms of July 2024 Monthly Budget & Performance assessment, the actual billed and/or collected to date is **R 163,2** million inclusive of operational transfers and subsidies against YTD budget of R **48,7** million, this reflects a revenue variance against the period budget of **236%** this is due to equitable share, MIG and INEP 1st trenche received in this month which is favourable.

The operating expenditure budget as at 31 July 2024 is **R 42,3** million against a YTD Actual of **R 48,7** million and that is reflecting a variance of **-13%**, this indicates an under-spending against the period budget, when measured against the annual budget reflect a spending of **7%** of the total operating budget.

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, 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 8,846,986**, the income received from property rates amounted to **R 2,621,584** for the month against approved budget of **R 61,936,752** this represents **14%** of the received revenue by source which is more than anticipated for the month, and it represents **30%** when measured against the property rates billed or raised. The revenue stream will be closely monitored to ensure revenue targets are met by year end as the municipality provide discount to customers based on certain percentage on the amount paid.

Services Charges

Revenue from Service charges amounted to **R 7,203,401** which is made out of **R 986,139** and **R 6,217,262** 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. It must be noted that it is practically impossible to run the billing as at the last date of every month due to the number of meters that need to be read and, more importantly, the bulk meters are only read either on the last day of a month or the first day of a new month. It must further be noted that bulk meters' account for the majority 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 2,308** for July 2024 has been recognised, representing **1%** which is less than the expected performance for the month due to that the municipality did not receive any monies for rental of facilities and equipment. The rental revenue targets were not met in the previous financial year resulting in maintaining the rental budget allocation for the 2024/25 financial year. The revenue will be monitored to gage if any downward 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 July 2024 is **R 2,907,366** and not **R 4,405,482**, therefore this amount should be less accrued interest received reversal of **R 1,498,117** for June 2024 which represents **10%**, this is above the expected performance due to matured investments which results to interest received resulted to be favourable interest.

Interest on Outstanding Debtors

Interest on non-payment of electricity has been raised monthly which amounts to **R 1,380,410** has been posted on the interest on arrears for refuse services with the approved budget allocation of **R 2,199,996** which represents **63%** is above expected performance when measured against the monthly projection. The majority of the debtors are the government departments. The municipality did not receive any monies 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 131,640**, it represents **0%** on this category. 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 July 2024 the cash receipts for traffic fines issued was **R 159,411** and represents **4%** of the total revenue budget for this category. This is due to a decrease in motor vehicle registration application for the month.

Transfers and Subsidies-Operational

Total approved budget amount on transfers and subsidies is **R 360,244,200** and the transfers recognised represents **R 140,979,350** was recognised for the month ended 31 July 2024. The recognised transfers represent **39%** of the approved allocation as all grants, hence the positive variance as a result of the first tranche of Equitable Share being received in the month of July.

Transfers and Subsidies- Capital

Total approved budget on transfers and subsidies is **R 96,747,180** and Total revenue of **R 3,667,826** was recognised for the month ended 31 July 2024 and it represents **4%** of total budget. This is less than the expected performance for the month as less capital payments are made on capital projects as there are delays on procurement processes and less revenue recognised on MIG and Disaster Grant.

Other Revenue

Other revenue amounted to **R 85,868** for the month ended 31 July 2024, when measured against the approved budget allocation of **R 6,838,260** this represents **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. Therefore, this means that the municipality is heavily grant dependant.

Operating Expenditure by type

Employee related costs/Remuneration of Councillors

Salary costs incurred – the Municipality incurred **R 13,7** million salary costs at the end of July 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 due •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 once negotiations for the final increases over the MTREF are agreed upon by the unions and SALGA.

Row Labels	Sum of TotalBudget	Sum of 202407	Sum of TotalActual	Sum of RemainingBudget
Employee Related Cost	**174 999 456**	**11 840 020**	**11 840 020**	**163 159 436**
Municipal Staff	166 511 904	11 382 286	11 382 286	155 129 618
Senior Management	8 487 552	457 733	457 733	8 029 819
Remuneration of Councillors	**26 401 344**	**1 899 412**	**1 899 412**	**24 501 932**
Chief Whip	859 800	61 441	61 441	798 359
Executive Committee/Mayoral Committee	6 194 532	344 034	344 034	5 850 498
Executive Mayor/Mayor	1 103 472	278 433	278 433	825 039
Section 79 committee chairperson	847 644	-	-	847 644
Speaker	932 088	65 276	65 276	866 812
Total for All Other Councillors	16 463 808	1 150 228	1 150 228	15 313 580
Grand Total	**201 400 800**	**13 739 431**	**13 739 431**	**187 661 369**
			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

The Variance is caused by the lower than anticipated spending of capital budget in the 2023/2024 financial year and July 2024. The other predominate reason is that Business Units were still submitting completed projects relating to the 2023/2024 financial year, especially on disaster projects up until the last week of July 2024.

The expenditure on depreciation and amortisation will increase in August when the Assets under Construction is capitalised with projects that were completed in June 2024.

Finance charges

No interest expenditure incurred in July.

Bulk Purchases

Total approved budget on bulk electricity purchases is **R 76,245,564**, This is below the expected performance for the month is due to month end cut off as no payment for the bulk purchases made in July as the invoice for July was received after month end therefore it will be processed in August.

Other material

Total approved budget on other material is **R 6,897,036,** which amounted to **R 343,922** for the month ended 31 July 2024. This is less than expected performance for the month as result of less demand on stores items. Majority of the work undertaken in July will be paid for in August, resulting in higher expenditure payments to be processed in August.

Contracted Services

Total approved budget on contracted services is **R 160,781,520**. The spending for the month amounted to **R 23,112,006** that represents **14%** of the budgeted amount due to work that is undertaken in the first month. This is above the performance when measured against the budget projection.

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 5,125,679** for the month, this represents **6%** of the budgeted amount on this category. This is less than the expected performance for the month on under this category, less expenditure is identified relating to Audit fees, Internships and learnerships, insurance premium, workman's Compensation and employee achievements and awards.

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) - M01 - July

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	25	8	18	237%	90
Vote 2 - Finance and Admin		2 323	3 225	–	76	76	269	(193)	-72%	3 225
Vote 3 - Corporate		2 374	3 920	–	76	76	327	(251)	-77%	3 920
Vote 4 - Development and Planning		116	8 706	–	–	–	725	(725)	-100%	8 706
Vote 5 - Community		5 070	16 360	–	–	–	1 363	(1 363)	-100%	16 360
Vote 6 - Infrastructure		116 791	150 683	–	3 333	3 333	12 557	(9 224)	-73%	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	126 786	182 983	–	3 510	3 510	15 249	(11 739)	-77%	182 983
Total Capital Expenditure		126 786	182 983	–	3 510	3 510	15 249	(11 739)	-77%	182 983
Capital Expenditure - Functional Classification										
Governance and administration		4 807	7 235	–	177	177	603	(426)	-71%	7 235
Executive and council		64	90	–	25	25	8	18	237%	90
Finance and administration		4 696	7 145	–	151	151	595	(444)	-75%	7 145
Internal audit		46	–	–	–	–	–	–		–
Community and public safety		3 700	10 410	–	–	–	868	(868)	-100%	10 410
Community and social services		596	2 510	–	–	–	209	(209)	-100%	2 510
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		3 104	7 900	–	–	–	658	(658)	-100%	7 900
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		99 066	149 738	–	3 333	3 333	12 478	(9 145)	-73%	149 738
Planning and development		116	8 706	–	–	–	725	(725)	-100%	8 706
Road transport		98 950	141 033	–	3 333	3 333	11 753	(8 420)	-72%	141 033
Environmental protection		–	–	–	–	–	–	–		–
Trading services		19 211	15 600	–	–	–	1 300	(1 300)	-100%	15 600
Energy sources		17 842	9 650	–	–	–	804	(804)	-100%	9 650
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		1 369	5 950	–	–	–	496	(496)	-100%	5 950
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	126 786	182 983	–	3 510	3 510	15 249	(11 739)	-77%	182 983
Funded by:										
National Government		59 929	95 797	–	3 333	3 333	7 983	(4 650)	-58%	95 797
Provincial Government		–	950	–	–	–	79	(79)	-100%	950
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		59 929	96 747	–	3 333	3 333	8 062	(4 729)	-59%	96 747
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		66 856	86 236	–	177	177	7 186	(7 010)	-98%	86 236
Total Capital Funding		126 785	182 983	–	3 510	3 510	15 249	(11 739)	-77%	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 31 July 2024 amounted to **R 3,509,556.** This represents **2%** of the approved capital expenditure budget. This is below the expected performance for the month due capital projects which have not yet been implemented.

3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M01 - July

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	–	370 756	290 162
Trade and other receivables from exchange transactions		(23 839)	126 604	–	(45 197)	126 604
Receivables from non-exchange transactions		154 305	37 651	–	160 058	37 651
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 992	3 041	–	4 585	3 041
VAT		82 775	18 836	–	83 224	18 836
Other current assets		6 546	5 048	–	8 044	5 048
Total current assets		481 924	481 343	–	581 470	481 343
Non current assets						
Investments		–	–	–	–	–
Investment property		4 960	4 960	–	4 960	4 960
Property, plant and equipment		1 087 295	981 457	–	1 043 453	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		1 094 951	988 611	–	1 050 529	988 611
TOTAL ASSETS		1 576 875	1 469 954	–	1 631 998	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		39 361	126 890	–	32 290	126 890
Trade and other payables from non-exchange transactions		27 259	20 746	–	41 246	20 746
Provision		20 371	29 993	–	25 628	29 993
VAT		83 146	20 285	–	84 273	20 285
Other current liabilities		2 961	–	–	–	–
Total current liabilities		174 878	198 386	–	185 217	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		211 203	237 637	–	225 541	237 637
NET ASSETS	2	1 365 672	1 232 317	–	1 406 457	1 232 317
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 002 769	1 146 081	–	1 043 553	1 146 081
Reserves and funds		362 903	86 236	–	362 903	86 236
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1 365 672	1 232 317	–	1 406 457	1 232 317

3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M01 - July

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	–	4 099	4 099	4 387	(289)	-7%	52 646
Service charges		85 259	80 376	–	8 123	8 123	6 698	1 425	21%	80 376
Other revenue		22 975	84 503	–	619	619	7 042	(6 423)	-91%	84 503
Transfers and Subsidies - Operational		346 670	360 244	–	134 267	134 267	30 020	104 246	347%	360 244
Transfers and Subsidies - Capital		114 964	96 747	–	30 620	30 620	8 062	22 558	280%	96 747
Interest		24 009	28 813	–	2 907	2 907	2 401	506	21%	28 813
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(260 721)	(525 383)	–	(31 387)	(31 387)	(43 782)	12 395	-28%	(525 383)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		385 835	177 947	–	149 247	149 247	14 829	(134 418)	-906%	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)	–	(3 871)	(3 871)	(15 249)	11 378	-75%	(182 983)
NET CASH FROM/(USED) INVESTING ACTIVITIES		167 906	(182 983)	–	(3 871)	(3 871)	(15 249)	(11 378)	75%	(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)	–	145 376	145 376	(420)			(5 036)
Cash/cash equivalents at beginning:		254 787	295 199	–		258 145	295 199			258 145
Cash/cash equivalents at month/year end:		808 528	290 162	–		403 521	294 779			253 108

PART 2 –SUPPORTING DOCUMENTATION
SECTION 4

Debtors Analysis

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

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 - July

Description	NT Code	Budget Year 2024/25											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	5 451	733	685	905	486	288	582	1 170	10 306	3 429	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	8 213	18	414	563	584	517	507	84 701	95 717	86 873	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	1 542	474	447	410	403	385	371	27 651	31 683	29 220	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	7	7	7	–	–
Interest on Arrear Debtor Accounts	1810	2 799	1 539	1 580	1 568	1 539	1 494	1 480	54 298	66 276	60 379	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	1 271	233	153	266	469	133	135	34 826	37 485	35 828	(87)	–
Total By Income Source	2000	19 276	2 996	3 469	3 712	3 481	2 814	3 675	202 653	241 476	215 735	(87)	–
2023/24 - totals only		–	–	–	–	–	–	–	–	–	–	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	9 379	1 747	1 906	2 115	1 656	1 290	1 638	85 596	105 329	92 296	–	–
Commercial	2300	8 032	493	440	491	728	374	365	39 761	50 684	41 719	(56)	–
Households	2400	1 865	756	1 122	1 105	1 098	1 149	1 072	77 296	85 463	81 720	(31)	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	19 276	2 996	3 469	3 712	3 481	2 814	3 075	202 653	241 476	215 735	(87)	–

The total debt book for July 2024 of R 241,476,294.75, inclusive of R 3,490,706 advance payments

The total debt for July 2024 of R 237,985,294.75 (including current of R 15,378,395.33 which is not yet due) has increased by R 7,158,703 from the previous month closing balance of R 230,826,591.

Debt is made up of the following:

- **Residential debt:**
  R 97,088,117.55
  Commercial debt
  R 36,624,346.65
- **Government debt**
  R 99,646,940.24
  Other
  R 4,625,889.70

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 73,392,553.52

- **Maluti**
  R 67,840,071.60 (including current)

- **Cedarville**
  R 5,552,481.92 (including current)

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

The credit control measures for collection are implemented especially for old debt, the municipality has attorneys to assist with collection of long outstanding debt when all internal processes have been exhausted.

The following has been handed over:

Residential H/O R 85,197,980.60

Business H/O R 30,679,284.57

Churches H/O R 135,319.41

Farms H/O R 3,889,790.17

R 352,919.30 was collected for July 2024.

SECTION 5 -CREDITORS' ANALYSIS

Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 - July

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

The municipality makes an extra effort that creditors are paid within 30 days as per MFMA, therefore municipality paid its creditors within 30 days for the month ended 31 July 2024.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Jul-24

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	28 696.56	18 674 182.70	-2 107 881.50	-182.70	16 594 997.76
INEP	10 000.00	8 353 748.43	-7 047 558.92	-26748.43	1 316 189.51
EPWP	-		-	-	-
Municipal Electrification Intervention	322 474.85	2 054.10	-	-2 054.10	324 528.95
Disaster Management	17 715 484.93	479 085.04		-95 827.74	18 194 569.97
Library and Archives	-		-	-	-
Finance Management Grant		1 163.35		-1 163.35	1 163.35
Smart Grid	64 591.43	411.30	-	-411.30	65 002.73
Establishment Plan	222 505.55	1 256.70		-1 256.70	223 762.25
Housing Development Fund	2 268 063.04	12 809.89		-12 809.89	2 280 872.93
Dedea	690 073.77	4 023.22		-4 023.22	694 096.99
Total Conditional Investments	**21 321 890**	**27 528 735**	**- 9 155 440**	**- 144 477**	**39 695 184**

Unconditional Investments -Description	Openning Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	190 884 582.18			-1 082 550.92	190 884 582.18
Call Acc STD CRR	12 894 897.48	149 126.16		-149 126.16	13 044 023.64
Call ACC FNB Surplus Cash	6 805 395.80			-38 436.50	6 805 395.80
Nedbank 32 Days	7 737 501.08	54 056.40		-54 056.40	7 791 557.48
Nedbank	440 497.74	155 115 799.19	-90 792 397.30	-75 372.09	64 763 899.63
Nedbank relief fund	911 179.12	5 804.10		-5 804.10	916 983.22
Nedbank COV -19 Solidalitry	110 433.79	703.50		-703.50	111 137.29
Nedbank Retention	44 477.25	22 641.63		-22 641.63	67 118.88
Termination Guarantee	144 640.82			-921.30	144 640.82
NEDBANK		30 202 677.54		-202 677.54	30 202 677.54
Account Gaurantee	6 202 000.00			-39 505.80	6 202 000.00
	226 175 605	**185 550 809**	**- 90 792 397**	**- 1 671 796**	**320 934 016**
Total Investments as at 31 July 2024					**360 629 201**

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

As at 31 July 2024 the conditional investments amounted to **R 39,695,184** and unconditional investments amounted to **R 320,934,016**. Total investments as at 31 July 2024 amounted to **R 360,629,201**.

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 July 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 31st July 2024

Description	**July 2024**
Nedbank Primary Account:	3,385,637.92
Standard bank Account:	7,593,487.81
FNB Money Market Account:	3,385,637.92
Total Cash held as at 30 July 2024	**12,974,789.39**

The above table reflects the Cashbook balance is **R 12,974,789.39** and Bank statement balance of **R 360,629,201**.

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 - M01 - July

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	–	152 141	152 141	29 619	122 522	413.7%	355 428
Expanded Public Works Programme Integrated Grant		3 974	3 880	–	–	–	323	(323)	-100.0%	3 880
Integrated National Electrification Programme Grant		41 000	26 648	–	–	–	2 221	(2 221)	-100.0%	26 648
Local Government Financial Management Grant	3	1 700	1 700	–	–	–	142	(142)	-100.0%	1 700
Municipal Infrastructure Grant		54 593	2 879	–	18 674	18 674	240	18 434	7683.0%	2 879
Equitable Share		303 970	320 321	–	133 467	133 467	26 693	106 774	400.0%	320 321
Provincial Government:		–	4 816	–	–	–	401	(401)	-100.0%	4 816
Specify (Add grant description)		–	1 750	–	–	–	146	(146)	-100.0%	1 750
Specify (Add grant description)		–	3 066	–	–	–	256	(256)	-100.0%	3 066
District Municipality:		100	–	–	–	–	–	–		–
Specify (Add grant description)		100	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		405 337	360 244	–	152 141	152 141	30 020	122 121	406.8%	360 244
Capital Transfers and Grants										
National Government:		32 796	96 797	–	8 327	8 327	7 983	344	4.3%	96 797
Municipal Disaster Relief Grant		32 796	41 092	–	–	–	3 424	(3 424)	-100.0%	41 092
Municipal Infrastructure Grant		–	54 705	–	–	–	4 559	(4 559)	-100.0%	54 705
Integrated National Electrification Programme Grant		–	–	–	8 327	8 327	–	8 327	#DIV/0!	–
Provincial Government:		3 981	950	–	767	767	79	688	868.8%	950
Specify (Add grant description)		–	950	–	–	–	79	(79)	-100.0%	950
Specify (Add grant description)		3 331	–	–	767	767	–	767	#DIV/0!	–
Specify (Add grant description)		650	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		36 687	96 747	–	9 094	9 094	8 062	1 032	12.8%	96 747
TOTAL RECEIPTS OF TRANSFERS & GRANTS		442 024	456 991	–	161 235	161 235	38 083	123 152	323.4%	456 991

The Municipality have received the conditional grant and unconditional grants allocations amounting to **R 161,2** 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 - M01 - July

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		49 511	35 107	–	7 167	7 167	2 926	4 242	145.0%	35 107
Expended Public Works Programme Integrated Grant		3 974	3 880	–	–	–	323	(323)	-100.0%	3 880
Integrated National Electrification Programme Grant		41 000	26 648	–	7 048	7 048	2 221	4 827	217.4%	26 648
Local Government Financial Management Grant	3	1 677	1 700	–	105	105	142	(37)	-26.0%	1 700
Municipal Infrastructure Grant		2 860	2 879	–	15	15	240	(225)	-93.7%	2 879
Provincial Government:		3 640	4 816	–	345	345	401	(56)	-14.0%	4 816
Specify (Add grant description)		0	–	–	–	–	–	–		–
Specify (Add grant description)		309	1 750	–	10	10	146	(136)	-93.3%	1 750
Specify (Add grant description)		3 331	3 066	–	335	335	256	80	31.2%	3 066
District Municipality:		100	–	–	–	–	–	–		–
Specify (Add grant description)		100	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		53 250	39 923	–	7 512	7 512	3 327	4 185	125.8%	39 923
Capital Transfers and Grants										
National Government:		69 024	95 797	–	3 668	3 668	7 983	(4 315)	-54.1%	95 797
Municipal Disaster Relief Grant		16 907	41 092	–	1 242	1 242	3 424	(2 182)	-63.7%	41 092
Municipal Infrastructure Grant		52 117	54 705	–	2 426	2 426	4 559	(2 133)	-46.8%	54 705
Integrated National Electrification Programme Grant		0	–	–	–	–	–	–		–
Provincial Government:		(6 576)	950	–	(3 619)	(3 619)	79	(3 698)	-4671.2%	950
Specify (Add grant description)		–	950	–	–	–	79	(79)	-100.0%	950
Specify (Add grant description)		(4 500)	–	–	–	–	–	–		–
Specify (Add grant description)		(2 076)	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	(3 619)	(3 619)	–	(3 619)	#DIV/0!	–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		62 449	96 747	–	49	49	8 062	(8 013)	-99.4%	96 747
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		115 699	136 670	–	7 561	7 561	11 389	(3 828)	-33.6%	136 670

The total operating grant expenditure amounts to **R 7,512** million and Capital grant expenditure amounts to **R 49,000** inclusive of **R 248,822** MIG salaries as at 31 July 2024. Total expenditure for the month amounts to **R 7,561** million which represents **5%** 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 31 July 2024

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 - July

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	–	975	975	1 163	(186)	-16%	13 958
Pension and UIF Contributions		800	1 054	–	86	86	88	(22)	-25%	1 054
Medical Aid Contributions		697	137	–	67	67	11	56	487%	137
Motor Vehicle Allowance		(4)	2 757	–	–	–	230	(230)	-100%	2 757
Cellphone Allowance		2 547	2 876	–	209	209	240	(31)	-13%	2 876
Housing Allowances		5 926	5 620	–	582	582	468	114	24%	5 620
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		23 070	26 401	–	1 899	1 899	2 200	(301)	-14%	26 401
% increase	4		14.4%							14.4%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 186	2 905	–	197	197	242	(45)	-19%	2 905
Pension and UIF Contributions		(17)	301	–	4	4	25	(21)	-82%	301
Medical Aid Contributions		–	263	–	–	–	22	(22)	-100%	263
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		114	687	–	–	–	57	(57)	-100%	687
Motor Vehicle Allowance		1 192	2 856	–	169	169	238	(69)	-29%	2 856
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		1 583	906	–	77	77	76	1	2%	906
Other benefits and allowances		9	1	–	0	0	0	(0)	-84%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		172	569	–	10	10	47	(37)	-78%	569
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		5 160	8 488	–	458	458	707	(250)	-35%	8 488
% increase	4		64.5%							64.5%
Other Municipal Staff										
Basic Salaries and Wages		106 079	116 202	–	7 532	7 532	9 684	(2 152)	-22%	116 202
Pension and UIF Contributions		15 431	17 227	–	1 279	1 279	1 436	(156)	-11%	17 227
Medical Aid Contributions		5 972	6 468	–	516	516	539	(23)	-4%	6 468
Overtime		4 042	2 130	–	441	441	177	264	149%	2 130
Performance Bonus		7 260	8 982	–	419	419	748	(329)	-44%	8 982
Motor Vehicle Allowance		7 706	8 844	–	543	543	737	(94)	-13%	8 844
Cellphone Allowance		6	7	–	1	1	1	(0)	-8%	7
Housing Allowances		3 159	5 421	–	273	273	452	(179)	-40%	5 421
Other benefits and allowances		2 585	1 231	–	222	222	103	120	117%	1 231
Payments in lieu of leave		1 240	–	–	40	40	–	40	#DIV/0!	–
Long service awards		491	–	–	17	17	–	17	#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	–	11 382	11 382	13 876	(2 494)	-18%	166 512
% increase	4		8.1%							8.1%
Total Parent Municipality		182 204	201 401	–	13 739	13 739	16 783	(3 044)	-18%	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 July 2024 amounted **R 13,7 million** of which the expenditure **R 1,9 million** relates to Remuneration of Councillors and

R 11,8 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.

Also, the increase that has been budgeted for will only come into effect once negotiations for the final increases over the MTREF are agreed upon by the unions and SALGA.

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 31 July 2024 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: Lizo Matiwane

Acting Municipal Manager of Matatiele Local Municipality

Signature: ________________

Date: 15|08|2024