



MATATIELE

LOCAL MUNICIPALITY

2023/2024 MONTHLY SECTION 71 REPORT

MONTH ENDED
31 DECEMBER 2023

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GLOSSARY

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustment Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

Allocations (Transfers – see DORA) – Money received from Provincial or National Government.

Budget Related Policy(ies) – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings - for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services and to compensate loss of RSC levies.

Fruitless and Wasteful Expenditure – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management. mSCOA – Municipal Standard Chart of Accounts.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also includes details of the previous and current years' financial position.

Operating Expenditure –The day-to-day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the Rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budgeted estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised Expenditure – Generally, spending without, or in excess of, an Approved Budget.

Virement – A transfer of funds within a vote.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided. In Garden Route District, this means the different GFS classification the budget is divided.

LEGISLATIVE FRAMEWORK

This report has been prepared in terms of the following enabling legislation:

The municipal Finance Management Act No. 56 of 2003

Section 71: Monthly budget Statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

PART 1-IN-YEAR REPORT

Section 1-Resolutions

These are the resolutions being presented to Council in the monthly report on the implementation of budget and financial state of affairs of the municipality as required in terms of section 71 of the Municipal Finance Management Act 56 of 2003 and the Municipal Budget and Reporting Regulations

Regulation 28 of the Municipal Budget and Reporting Regulations states:

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

Recommendations:

- That, Council takes note of the monthly budget statement and supporting documentation for the month 31st December 2023.
- That, the submission of section 71 reports and to Provincial and National Treasuries 10 days after the end of each month be noted by Council.

Section 2-Executive summary

2.1 Introduction

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

The below analysis is a high-level assessment based on revenue and expenditure recognised on the Municipal Financial System. 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

Total annual approved budget was **R 610,233,708** the revenue budget and was adjusted to revenue budget of **R 698,440,957**. The Municipality recognised revenue for the month of December 2023 **R 125,126,815**. This represents **18%** and it is above expected performance due to revenue recognition on capital grants. YTD revenue recognised is **57%**.

Operating Expenditure by type

The approved operating expenditure budget of **R 514,750,752** was adjusted to an operating expenditure budget of **R 517,184,784**. The Municipality incurred expenditure of **R 57 486 825** this represents **11%** expenditure for the month which is more than expected performance for the month due to depreciation accounted for at midterm YTD expenditure is **44%**.

Capital Expenditure

- The approved capital budget was **R 181,716,499** this was adjusted to a budget of **R 267,489,782**. The Municipality incurred expenditure of **R 22 153 229.41** for the month ,this represents **8%** of the approved capital expenditure budget, this is within the expected performance for the month due to expenditure on grant funded projects that has improved in this quarter . YTD Expenditure is **27%**.

The table below is an analysis per business unit –

Summary of Capital Expenditure relate to 2023-2024 financial year.

Departmental Units	Sum of TotalBudget	December Expenditure	Total Expenditure
Community Halls and Facilities:Public Amenities (3005)	909 996.00	-	242 701.30
CORE FUNCTION: SOLID WASTE REMOVAL	4 530 012.00	-	67 890.36
Energy Sources: Electricity (4040)	60 428 564.00	7 858 763.80	27 902 535.60
Executive and Council: Municipal Manager (1010)	69 996.00	20 100.68	20 100.68
Finance and Administration: Information Technology (2540)	1 850 004.00	763 865.01	1 062 579.91
Finance and Administration: Administrative and Corporate	280 008.00	-	50 000.00
Finance and Administration: Asset Management and Report	60 000.00	-	45 539.31
Finance and Administration: Council Support (2541)	450 000.00	20 100.68	153 292.83
Finance and Administration: Human Resources (2535)	30 000.00	-	20 100.70
Finance and Administration: SCM & Expenditure (2025)	3 560 004.00	2 021 936.71	2 032 909.71
Finance and Administration: Revenue and Debt Management	99 996.00	-	57 722.16
Finance:Budget & Treasury (2010)	60 000.00	-	20 100.68
Governance Function:INTERNAL AUDIT (1030)	1 860 000.00	-	45 539.30
Marketing; Customer Relations; Publicity and Media Co-ord	120 000.00	40 201.36	42 196.36
Planning and Development: LED (3520)	69 996.00	67 744.15	67 744.15
Planning and Development: Planning (3510)	20 004.00	-	-
Planning and Development: Planning Governance (3540)	39 996.00	12 658.58	38 097.21
Public Safety: Civil Defence (3074)	3 690 000.00	40 201.36	387 592.66
ROAD TRANSPORT: INFRASTRUCTURE GOVERNANCE	39 996.00	-	25 438.63
Road Transport: Project Operations & Maintenance (4010)	61 741 988.00	1 794 669.36	7 090 212.67
Roads:Project Management Unit	70 545 646.00	5 672 337.72	29 044 517.39
Town Planning; Building Regulations and Enforcement; an	57 033 576.00	3 840 650.00	3 840 650.00
Grand Total	267 489 782.00	22 153 229.41	72 257 461.61
Total Monthly Expenditure (%)		8%	27%

Capital Funded Sources

- The MIG capital grant allocation for the financial year is **R 55, 580 ,736** million as per Dora Allocation and it was adjusted to budget allocation of **R 51,863,350**. The spending for the month ending 31st December 2023 is **R 4,403,808** which represents **8%** for the month and YTD Expenditure is **51%** (vat exclusive).
- Integrated National Electrification Programme (INEP) of **R 39, 900 ,000** million was allocated and it was adjusted to budget allocation of **R 37,400,000**. The grant reflects **R 6,464,183** spending at the end of 31st December 2023 which represents **17%** expenditure for the Month and YTD Expenditure is **57%**.
- Disaster Response Grant of **R 2, 251 000** million was allocated and the grant funding was adjusted budget allocation of **R 34,757,000**. The was no spending at the end of 31st December 2023 on this category due to projects that are on completion stage

- others are still on planning stage. This represents **0%** expenditure for the month and YTD expenditure is **5%**.
- Capital Replacement Reserves (CRR) for the financial year is **R 86,235,816** million is allocated. The spending for the month is **R 7,444,588** which represents **9%** and YTD expenditure is **22%**
 - Human Settlement Development Grant for the financial year is **R 57,033,568** million expected. The spending for the month is **R 3,840,650** which represent **7%** and YTD expenditure is **7%**
 - The municipality anticipates to spend **100%** of the total capital budget as at the end of the financial year,

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	December 2023 status
Lekhalong via Magama-Outspan Access Road	The project is at the planning stage
Mnceba - Matiase Access Road & Bridge Construction of Cedarville Internal Streets Phase 4	The project is under construction @ 20% completed
Mahasheng Access Road & Bridge	The project is at the planning stage
Maluti Internal Streets Phase 5	The project is at the planning stage
Rehabilitation of Matatiele internal Streets Cluster 1	Under construction(overall progress is 88.8%)
Extension of Matatiele Sports Centre Ph2	Under construction(overall progress is 60%
High Mast Lights	The contractor has ordered all the long lead materials, currently busy with Foundations and the Overall Progress is at 50%.
	Intention to appoint has been issued to services Providers and currently observing the objection period which will end by 06 December 2023.
STREET LIGHTS	
	The project is under construction @ 15% completed
Matube-Nkosana Access Road & Bridge	
Harry Gwala Internal Streets	Under construction(overall progress is 50%)

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	December 2023 status
	Construction is on progress, excavations & Pole Planting is complete, stringing is on progress. Overall progress is at 60%
Fubane Electrification	Construction is on progress, excavations, stringing & Pole Planting are completed. Contractor is busy with service connections. Overall progress is at 91%.
Matolong Electrification	Zama Traffic Signals has been appointed, Site establishment is complete, Poles, Conductor, airdaic etc... have been delivered to site. Excavations and Pole Planting is on progress and the overall progress is at 34%.
Bethesda Electrification	Construction is complete and Energised and the network has been handed to Eskom. overall progress is at 100%
Jabavu Electrification	NSK electrical has been appointed, site establishment is complete and contractor is busy with excavations, poles planting and Stringing Overall progress is at 60%.
Skiti Electrification	Construction is complete and Energised and the network has been handed to Eskom. overall progress is at 100%
Tholang Electrification	Igoda has been appointed and site establishment is complete, Poles have been delivered to Site and Currently awaiting more Material to be delivered and construction will Start On 15 January 2024, overall progress is at 8%.
Motsekoea Electrification	

Disaster Response Grant

Disaster Response Grant	December 2023 status
Malubalube Access Road	The project is under construction(Overall progress 95%)
Mngeni Bridge	The project is at the planning stage
Baloon Street Crossing Bridge	The project is at the RFQ stage
Mabheleni-Upper Mvenyane Access Road & Bridge	The project is at the RFQ stage
Hillside - Ngcwengane Access Road and Bridge	The project is at the RFQ stage
Rockville Protea Bridge	The project is at the RFQ stage
Nyanzela Access Road	The project is at the RFQ stage
khohlong Access Road	The project is under construction(Overall progress 95%)

Internal Funded Capital Projects

INTERNAL PROJECTS	December 2023 Status
Landfill site A/R	The project is under construction (overall progress 57%)
Cemetery Development WIP	The project is at the tender stage
Upgrade of municipal offices WIP	The project is at the tender stage
Mavundleni Access Road	Practical completion (overall progress 95%)
Black Diamond Access Road and Bridge	The project is under construction (overall progress 83%)
Tsepisong Kamorathaba to Kuyasa AR	Practical completion (overall progress 95%)
Council Chambers Water Supply	Practical completion (overall progress 95%)
Lakhalong Access Road	The project is under construction and the overall progress is 90%.
Moring Access Road	Under construction (overall progress is 40 %)
Belford Access Road	The project is at the tendering stage
Internal Audit System	The project is at the tender stage
FM TOWER LINE WIP	The project is at the tender stage
Pholile Access Road	A task order has been issued and site handover conducted
Springana Access Road	The project is at the tendering stage
Mpofini Access Road	Under construction (overall progress 40 %)

Mkrwabo Access Road	The project is at the tender stage
Municipal Plant	The project is at the tender stage
Khesa A/R	A task order has been issued and site handover conducted
Mango A/R	A task order has been issued and site handover conducted
Sekhuthlong Access Road CRR	The project is at the tender stage
Construction of Silo Phase 4	The project is at tendering Stage
Kinira to Sheppard Hope Access Road	The project is at the tender stage
Transformers Infra	The project is at the tender stage
Substation Switch Gears	The project is at the tender stage
Municipa Fleet	The project is at the tender stage
Fire Engine Truck	The project is at the tender stage
Pamlaville Access Road Ward 7	The project is at the tender stage
Dlodweni Phase 2	The project is under construction (overall progress 20%)c
Masopa A/R	A task order has been issued and site handover conducted
Extension Matatiele Sports Centre	The project is under construction (overall progress 65%)
Rehabilitation of Matatiele Internal Streets-Cluster 1	Practical Completion (overall progress 95 %)

This information reflects on our tender control plan on December 2023.

SUMMARY:		
QUOTATIONS	30-December -23	TOTAL
DAY TO DAY QUOTATIONS	123	123
FORMAL QUOTATIONS	12	12
TOTAL QUOTATIONS	135	135

BIDDING PROCESS	Total Budget	Bids Awarded vs Capital Budget	Capital Spending Year-To-Date	Orders Issued
Bids awarded	R 267 489 782.00	R 10,341, 156,76	R 22 153 229.41	12
Bids in the process	n/a	n/a	n/a	1
Bids behind schedule	n/a	n/a	n/a	n/a
Bids cancelled or removed from budget	n/a	n/a	n/a	n/a
Bids to be awarded	n/a	n/a	n/a	n/a

2.3 Material variances from the SDBIP

Variances and deficiencies are identified in terms of the SDBIP. These are reported on and monitored by the Performance Management Unit, situated in the Office of the Municipal Manager as applicable.

2.4 Remedial or corrective steps

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

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							YTD Variance %	Full Year Forecast
	Approved Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD Budget	YTD Variance			
Financial Performance										
Property rates	46 716	54 360	54 360	1 591	44 811	27 160	17 651	65%		54 360
Service charges	70 628	86 342	86 342	1 517	37 568	43 471	15 963	-14%		86 342
Investment revenue	19 146	17 200	17 200	1 015	11 067	8 600	2 467	28%		17 200
Transfers and subsidies - Operational	293 789	318 510	318 553	103 455	234 254	159 151	75 119	47%		318 559
Other operating revenue	25 612	37 741	40 552	1 545	19 161	19 553	16 432	-35%		40 592
Total Revenue (excluding capital transfers and contributions)	459 264	514 753	517 167	188 725	340 750	257 955	82 765	32%		517 167
Employee costs	146 640	161 717	161 299	13 442	77 358	80 734	13 355	17%		161 299
Remuneration of Councilors	22 672	25 320	25 320	1 325	11 593	12 660	1 107	11%		25 320
Depreciation and amortisation / rates	64 712	53 300	53 300	19 282	18 282	26 660	10 558	-13%		53 300
Inventory consumed and bulk purchases	64 138	79 725	78 705	6 399	38 570	39 352	2 16	216		78 705
Transfers and subsidies	-	195 709	196 561	-	-	-	-	-		-
Other expenditure	231 745	195 709	196 561	17 738	79 594	98 567	116 679	-19%		196 568
Total Expenditure	530 391	514 751	517 165	57 467	226 758	257 954	113 991	-12%		517 165
Surplus/(Deficit)	(72 127)	2	2	51 236	113 992	1	113 991	10105607%		2
Transfers and subsidies - capital (inventory allocations)	103 553	95 481	161 254	16 402	63 741	69 745	13 207	-13%		161 254
Transfers and subsidies - stocks (in-kind contributions)	-	-	-	-	-	-	-	-		-
Share of surplus / (deficit) of associate companies	36 225	95 483	181 235	67 640	174 733	69 748	134 986	151%		181 236
Surplus/(Deficit) for the year	36 225	95 483	181 235	67 640	174 733	69 748	134 986	151%		181 236
Capital expenditure & funds sources										
Capital expenditure	129 955	181 717	257 490	17 740	67 844	112 954	145 024	-40%		257 490
Capital transfers received	91 148	95 481	181 254	14 709	33 325	63 745	116 422	-34%		181 254
Borrowing	-	-	-	-	-	-	-	-		-
Internally generated funds	48 631	86 235	86 235	7 445	18 933	43 113	124 185	-56%		86 236
Total sources of capital funds	137 789	181 717	257 490	22 153	72 257	112 954	140 607	-36%		257 490
Financial position										
Total current assets	459 547	523 659	523 659		554 658					523 659
Total non current assets	1 124 200	1 304 897	1 390 470		1 178 156					1 390 470
Total current liabilities	180 544	160 594	160 594		153 850					160 594
Total non current liabilities	44 880	39 827	38 827		38 825					38 827
Community wealth/equity	1 377 943	1 629 334	1 715 167		1 552 638					1 715 167
Cash flows										
Net cash from / (used) operating	361 338	147 318	233 691	122 222	239 085	95 955	1193 121	-201%		239 091
Net cash from / (used) investing	140 199	(181 717)	(236 490)	(24 276)	(91 268)	(112 954)	(31 557)	28%		(236 490)
Net cash from / (used) financing	-	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	865 250	326 324	326 324	-	432 605	343 823	(118 789)	-35%		228 268
Debtors & creditors analysis										
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr		Total
Debtors & creditors analysis	8 945	5 794	3 675	4 280	26 459	29 313	2 751	157 065		228 823
Debtors & creditors analysis	3	-	-	-	-	-	-	-		3

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

EC0441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M100 - December

Description	Rf	2023/24		Budget Year 2024/25		Monthly actual	Year to date actual	Variance	%	Budget
		Actual	Budget	Actual	Budget					
Recurrent - Functional	1									
Generative and distribution		372 020	403 019	403 019	104 711	293 612	201 510	32 703	48%	403 019
Electric and water		-	-	-	-	-	-	-	-	-
Fire and administration		372 020	403 019	403 019	104 711	293 612	201 510	32 703	48%	403 019
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		12 653	12 190	11 968	1 996	5 901	6 039	(139)	-2%	11 968
Community and social services		6 554	6 359	6 757	1 552	3 275	3 439	(164)	-5%	6 757
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 159	5 201	5 201	127	2 625	2 627	25	1%	5 201
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		63 015	62 020	102 949	7 505	32 599	54 305	(21 055)	-40%	102 949
Planning and development		358	3 504	65 399	3 592	3 593	18 723	(12 615)	-77%	53 309
Road transport		62 147	58 516	89 550	3 775	28 691	37 582	(8 893)	-24%	89 550
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		110 729	133 805	130 505	13 794	69 378	65 027	3 884	5%	130 505
Energy sources		106 979	113 716	111 716	9 409	61 742	56 333	5 510	10%	111 716
Water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	11 510	15 289	19 289	1 305	7 635	9 644	(2 009)	-21%	19 289
Total Recurrent - Functional	2	556 616	619 234	699 441	126 127	481 491	327 731	73 760	23%	699 441
Expenditure - Functional										
Governance and administration		213 028	233 487	233 487	20 063	105 673	116 743	(11 071)	-9%	233 487
Executive and council		30 555	33 957	33 957	2 470	15 722	15 954	(1 622)	-7%	33 957
Finance and administration		178 772	194 744	194 744	17 334	87 755	97 772	(5 617)	-13%	194 744
Internal audit		3 571	4 775	4 775	269	2 115	2 088	(192)	-5%	4 775
Community and public safety		46 537	51 797	51 575	4 306	24 308	25 843	(1 455)	-5%	51 575
Community and social services		21 553	27 456	27 244	2 331	13 357	13 679	(341)	-2%	27 244
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		21 504	24 331	24 331	2 165	11 052	12 166	(1 104)	-9%	24 331
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		125 473	105 773	108 429	25 481	44 665	53 551	(2 885)	-17%	108 429
Planning and development		19 764	38 759	41 611	4 517	14 708	20 093	(5 385)	-27%	41 611
Road transport		105 529	67 014	66 818	20 563	29 957	33 552	(3 501)	-10%	66 818
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		145 353	123 693	123 693	7 947	52 022	61 947	(9 825)	-16%	123 693
Energy sources		123 555	102 345	102 345	5 982	42 070	51 173	(9 103)	-18%	102 345
Water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other		16 753	21 348	21 348	1 965	9 952	10 674	(722)	-7%	21 348
Total Expenditure - Functional	3	530 251	514 751	517 405	57 547	225 758	287 964	(31 206)	-12%	517 405
Surplus/Deficit for the year		36 225	95 483	181 256	67 248	174 733	59 748	114 956	151%	181 256

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 2026/25		Monthly actual YearTD actual	TD TD Budget	TD TD Budget	TD TD Budget	TD TD Budget	TD TD Budget
		Revenue	Expenditure	Revenue	Expenditure						
Revenue by Vote											
Vote 1 - Executive Council	1	-	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		371 555	402 544	402 544	402 544	104 537	293 321	201 272	92 043	45.7%	472 544
Vote 3 - Corporate		454	475	475	475	174	291	238	54	22.6%	475
Vote 4 - Development and Planning		846	3 554	63 389	31 257	3 874	4 002	16 723	(12 721)	-76.1%	63 389
Vote 5 - Community		24 633	31 479	31 257	31 257	3 303	13 537	15 884	(2 347)	-13.7%	31 257
Vote 6 - Infrastructure		169 087	172 232	200 776	200 776	13 242	90 340	93 815	(3 475)	-3.7%	220 776
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	566 616	610 234	698 441	698 441	125 127	401 491	327 731	73 760	22.5%	698 441
Expenditure by Vote											
Vote 1 - Executive Council	1	30 685	33 967	33 967	33 967	2 470	15 722	16 984	(1 262)	-7.4%	33 967
Vote 2 - Finance and Admin		106 433	111 852	111 852	111 852	9 587	50 767	55 926	(5 170)	-9.2%	111 852
Vote 3 - Corporate		72 389	82 892	82 892	82 892	7 737	36 999	41 446	(4 447)	-10.7%	82 892
Vote 4 - Development and Planning		19 940	38 759	41 611	41 611	4 617	14 708	20 533	(5 825)	-26.8%	41 611
Vote 5 - Community		63 335	73 146	72 924	72 924	6 261	34 360	36 517	(2 157)	-5.9%	72 924
Vote 6 - Infrastructure		224 038	169 359	169 163	169 163	26 646	72 027	84 531	(12 504)	-14.9%	169 163
Vote 7 - Internal Audit		3 571	4 775	4 775	4 775	269	2 186	2 388	(192)	-8.0%	4 775
Vote 8 -		-	-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	530 391	514 751	517 185	517 185	57 487	226 758	257 984	(31 226)	-12.1%	517 185
Surplus (Deficit) for the year	2	36 225	95 483	181 256	181 256	67 640	174 733	69 748	404 985	150.5%	181 256

Expenditure by functional classification presents the expenditures by the departments.

performance for the month due to Equitable share received in December. Revenue recognised to date is **65%**.

The operating expenditure incurred for the month is **R 57,4 million** against adjusted budget amount of **R 517,2 million** this represents **11%**. This is above the expected performance for the month due to depreciation only recognise now on midterm for all previous Six months. YTD expenditure is **44%**.

Revenue by Source

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

Property Rates

Property rates revenue is the major part of the municipal own revenue and represents **28%** of the total own revenue budget. The municipality bills both annual rates and monthly rates at the beginning of the financial year i.e. July. The total property rates billed amounted to **R 1,691,168** against approved budget of **R 54 360 276** this represent **3%** which is below the expected performance for the month due to rapidly change in property values after actual valuation. Revenue recognised from property rates for the month of 31st December 2023 amounted to **R 1,095,048** against billed amount of **R 1,691,168** the revenue collection rate recognised is **64%**. The revenue collection stream will be closely monitored to ensure revenue targets are met by year end.

Services Charges

Revenue from service charges includes electricity sales and revenue from waste removal. The total income received from services charges amounted to **R 1,517,303** for the month ended December 2023 against the approved allocation of **R 86,941,680**. This represent **2%** due incorrect meter reading in the previous month resulting to less collection on electricity connection fees for the month. YTD Electricity sale revenue recognised is **43%**.

Rental of Facilities and equipment

Rental of facilities and equipment approved budget is **R 2,027,544**. Revenue amount of **R -837 340,22** for December 2023 has been recognised on this category, representing **0%** this which is less than expected performance for the month due to an amount received from human settlement and was recognised under this category. This has been corrected in the month december. YTD revenue recognised is **34%**.

Interest earned on Investments

The total Interest on investments approved budget is **R 17,199,996** and the interest received for the month ended 31st December 2023 is **R 1 015 731** which represents **6%** on this category. This is less than expected performance for the month due to current month interest on investment not received, expected to be received in January month end. YTD recognition is **64%**.

Interest on Outstanding Debtors

Interest on non-payment on both rates and electricity has been raised monthly and amounted to **R 1,561,303** interest has been posted on the interest on arrears against the approved budget allocation of **R 24,930,792**. which represents **6%** and this is below expected performance when measured against the monthly projection due to non-receipts on Interest on electricity. The decrease is due to a decline of defaulting customers for payment of services, especially government departments which results in less interest being levied for late payments. Revenue recognised to date is **36%**

Fines, penalties and Forfeits

Revenue from fines, penalties and forfeits has an approved budget of **R 1,769,004**. The cash receipts for traffic fines issued is **R 126,701** against approved represents **7%** for the month on this category. This is below expected performance for the month due to a decrease in number of offenders identified by traffic department, Municipal Traffic fines raised/issued and year to date revenue recognised is **64%**. It must be stressed that the above exercise represent the book value only and the cash receipts from this service is minimal. Fines are based on cash basis whilst the budget is based on GRAP 1 which require us to recognised the total fines issued and not only base on collection.

Licences and permits

The total approved budget for licences and permits is **R 4,118,844** for budget year. At the end of the December 2023 licence and permits amounted to **R 1,302** and represents almost **0%** of the total revenue budget for this category this is less expected performance due to a decrease in Learners licence and motor vehicle registration application for the month and the YTD revenue recognition is **37%**.

Transfers and Subsidies-Operational

Total approved budget amount on transfers and subsidies is **R 318,510,300** this was adjusted to an adjustments budget of **R 318,092,652**. Total transfers revenue of **R 103 455 911** was recognised for the month ended 31st December 2023 which represent **33%** against total budget allocation. This is more than the expected performance for the month due to more payments made on operational grants as anticipated and recognition of Equitable share grant resulting more revenue recognition for the month. The YTD revenue recognised is **74%** on this category.

Transfers and Subsidies- Capital

Total approved budget on transfers and subsidies is **R 95,480,736** and was adjusted to **R 181,253,912**. Total revenue budget of **R 16,401,657** was recognised for the month ended 31st December 2023 and it represents **9%** of total budget which this is within the expected performance for the month. The YTD revenue recognised is **34%** on this category.

Other Revenue

Total approved budget on other Revenue is **R 4,894,572** this was adjusted to other revenue budget of **R 7,746,252**. The total revenue of **R 193,080** was recognised for the month this represents **2%** which is less than the expected performance for the month. This is due to less revenue collected on merchandising and jobbing, admin handling fees and insurance refund. The YTD revenue recognised is **9%** on this category.

Operating Expenditure by type

Employee related costs/Remuneration of Councillors

Total approved budget allocation on Employee related costs/Remuneration of Councillors is **R187,036,730** this was reduced by **R 417,650** to an adjusted budget of **R 186,619,080**. Total expenditure of **R 15 367 938 salary** costs was recognised for the month this represent **8%** expenditure and this is less than the expected performance as reflected in the table below due to vacant positions not filled. The TYD expenditure is **48%** on this category. This is inclusive of remuneration of councillors

Row Labels	Total Budget	December 2023 Expenditure	Total Expenditure
Employee Related Cost	161 298 888.00	13 442 180.66	77 398 449.88
Municipal Staff	153 668 424.00	12 800 278.94	74 668 685.64
Senior Management	7 630 464.00	641 901.72	2 729 764.24
Remuneration of Councillors	25 320 192.00	1 925 758.66	11 552 920.32
Chief Whip	839 544.00	61 440.83	348 067.17
Executive Committee	-	344 043.57	2 080 038.50
Executive Mayor	1 080 648.00	283 415.02	1 275 247.61
Section 79 committee chairperson	-	-	(24 542.01)
Speaker	889 776.00	65 275.67	366 879.83
Total for All Other Councillors	22 510 224.00	1 171 583.57	7 507 229.22
Grand Total	186 619 080.00	15 367 939.32	88 951 370.20
		8%	48%

Debt impairment

Items included in this category are bad debts written off and provisions to debt impairment which at the time of compiling the report; there were no provisions recorded on the financial system resulting in this variance. However, the council to note that the above non-cash provisions are required in terms of GRAP which are normally calculated at year end.

Depreciation

Total approved budget on depreciation is **R 53 300 148** and expenditure relating to depreciation reflects **R 18 282 115** expenditure for the month ending December 2023, this represent **34%** depreciation accounted for the month and this is more than expected performance for the month as depreciation account represents 6 months' expenditure. The total YTD expenditure is 34% on this category.

Finance Costs

No expenditure relating to interest charges has been incurred for the month.

Bulk Purchases

Total approved budget on bulk electricity purchases is **R 71,075,364**, expenditure relating to bulk electricity purchases reflects **R 5 221 409** expenditure for the month, this represent **7%** spending for the month and this is less the expected performance for the month due to seasonal demand for electricity and load shedding. The YTD expenditure is **52%** on this category.

Other material

Total approved budget on other material is **R 7,629,420**, This expenditure category consists of inventory items such as material for maintenance of road operation and maintenance which amounted to **R 877, 204** for the month ended 31st December 2023. This represent **11%** on this category and is above the expected performance due to more material and stores items used for the month. The YTD expenditure is **33%** on this category.

Contracted Services

Total approved budget on contracted services is **R113,384,580** was adjusted to budget of **R 116,236,260**. The expenditure for the month amounted to **R 8,955,191** this represents **8%** of the budgeted amount, this is within the expected performance for the month. The YTD expenditure incurred is **42%** on this category.

Other Expenditure

Total approved Budget on Other expenditure is **R 76,324,512**. Other expenditure for the month ended 31st December 2023 amounted to **R 8,782,967** this represents **12%** of the budgeted amount on this category. This is more than the expected performance for the month on this category due to insurance premium take over pay out. The YTD expenditure is **41%** on this category.

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

Total Capital Expenditure		138 283	181 717	267 490	22 153	72 257	112 864	(40 607)	-36%	267 490
Capital Expenditure - Functional Classification										
Governance and administration		5 571	8 440	8 440	2 866	3 550	4 220	(670)	-16%	8 440
Executive and council		-	70	70	20	20	35	(15)	(3)	70
Finance and administration		5 571	8 510	8 510	2 846	3 484	3 265	223	0	6 510
Internal audit		-	1 860	1 860	-	45	800	(864)	(3)	1 860
Community and public safety		2 086	4 680	4 680	40	630	2 300	(1 670)	-73%	4 680
Community and social services		373	910	910	-	243	455	(212)	(3)	910
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	1 713	3 690	40	388	1 845	(1 457)	(3)	3 690
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		87 928	99 791	188 481	11 388	40 187	72 863	(32 777)	-45%	188 481
Planning and development		-	130	57 164	3 821	3 946	14 323	(10 377)	(3)	57 164
Road transport		87 928	99 661	132 328	7 467	36 160	59 560	(22 400)	(3)	132 328
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		43 608	68 886	64 959	7 659	27 970	33 461	(5 451)	-15%	64 959
Energy services		43 357	64 356	60 429	7 859	27 903	31 186	(3 294)	(3)	60 429
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		340	4 530	4 530	-	88	2 265	(2 197)	(3)	4 530
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	138 283	181 717	267 490	22 153	72 257	112 864	(40 607)	-36%	267 490
Funded by:										
National Government		91 149	95 481	124 220	10 868	49 484	55 489	(6 004)	(3)	124 220
Provincial Government		-	-	57 034	3 841	3 841	14 258	(10 418)	(3)	57 034
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Mta / Prov / Degrain Agencies)		91 149	95 481	181 254	14 709	53 325	69 746	(16 422)	-24%	181 254
Transfers (recognised - capital)		-	-	-	-	-	-	-	-	-
Borrowing	5	-	-	-	-	-	-	-	(3)	-
Internally generated funds		48 134	86 236	86 236	7 445	18 833	43 118	(24 385)	(3)	86 236
Total Capital Funding		139 283	181 717	267 490	22 153	72 257	112 864	(40 607)	-36%	267 490

The approved capital budget was **R 181,716,499** this was adjusted to budget amount of **R 267,489,782**. The Municipality incurred expenditure of **R 22,153,229** this represents **8%** of the approved capital expenditure budget, this is below the expected performance for the month due to procurement processes that are still underway for Capital projects. YTD Expenditure is **27%**.

3.1.6 C6 Monthly Budget Statement –Financial Positon

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

Description	Ref	Budget Year 2024/25			YearTD actual	Full Year Forecast
		2023/24 Audited Outcome	Original Budget	Adjusted Budget		
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		254 787	326 924	326 924	343 161	326 924
Trade and other receivables from exchange transactions		(27 732)	125 378	125 378	(20 608)	125 378
Receivables from non-exchange transactions		143 549	52 209	52 209	156 073	52 209
Current portion of non-current receivables		-	-	-	-	-
Inventory		1 605	2 025	2 025	1 578	2 025
VAT		82 020	17 322	17 322	79 683	17 322
Other current assets		5 319	-	-	4 721	-
Total current assets		459 547	523 858	523 858	564 608	523 858
Non current assets						
Investments		-	-	-	-	-
Investment property		4 960	4 960	4 960	4 960	4 960
Property, plant and equipment		1 116 806	1 297 761	1 383 534	1 170 930	1 383 534
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		1 543	-	-	1 543	-
Intangible assets		911	1 975	1 975	762	1 975
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		1 124 220	1 304 697	1 390 470	1 178 195	1 390 470
TOTAL ASSETS		1 583 767	1 828 554	1 914 328	1 742 803	1 914 328
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		1 636	413	413	1 727	413
Trade and other payables from exchange transactions		57 669	56 071	56 071	23 202	56 071
Trade and other payables from non-exchange transactions		4 904	-	-	21 275	-
Provision		11 816	90 868	90 868	20 371	90 868
VAT		81 928	13 041	13 041	84 314	13 041
Other current liabilities		2 961	-	-	2 961	-
Total current liabilities		160 944	160 394	160 394	153 850	160 394
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		30 382	38 827	38 827	21 827	38 827
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		14 497	-	-	14 497	-
Total non current liabilities		44 880	38 827	38 827	36 325	38 827
TOTAL LIABILITIES		205 824	199 221	199 221	190 175	199 221
NET ASSETS	2	1 377 943	1 629 334	1 715 107	1 552 628	1 715 107

3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - MD6 - December

Description	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD Budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1									
Receipts		43 706	43 468	43 468	1 924	38 143	21 744	16 399	75%	43 468
Property rates		70 126	76 730	76 730	7 025	36 720	38 365	(1 645)	-4%	76 730
Service charges		21 974	51 998	54 814	1 725	12 821	26 692	(13 872)	-52%	54 814
Other revenue		233 564	318 510	318 093	104 767	235 763	199 151	78 632	48%	318 093
Transfers and Subsidies - Operational		118 841	95 481	181 254	30 209	78 196	69 746	6 439	9%	181 254
Transfers and Subsidies - Capital		18 981	17 200	17 200	1 016	11 624	8 600	3 024	35%	17 200
Interest		-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Payments		(206 885)	(455 457)	(457 885)	(24 454)	(122 170)	(226 334)	106 163	-46%	(457 885)
Supplies and employees		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/USED IN OPERATING ACTIVITIES		361 338	147 316	233 681	122 222	289 065	95 965	(193 121)	-201%	233 681
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts		-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments		(43 199)	(131 717)	(267 480)	(24 278)	(81 268)	(112 854)	37 587	-28%	(267 480)
Capital assets		(43 199)	(131 717)	(267 480)	(24 278)	(81 268)	(112 854)	(31 597)	-28%	(267 480)
NET CASH FROM/USED IN INVESTING ACTIVITIES		(43 199)	(131 717)	(267 480)	(24 278)	(81 268)	(112 854)	(31 597)	-28%	(267 480)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts		-	-	-	-	-	-	-	-	-
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term financing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments		-	-	-	-	-	-	-	-	-
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/USED IN FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		594 337	(33 799)	(33 799)	97 945	207 616	(16 899)			(33 799)
Cash held equivalents at beginning		360 723	360 723	360 723		254 787	360 723			254 787
Cash held equivalents at month/year end		955 260	326 924	326 924		462 405	343 823			220 988

PART 2 –SUPPORTING DOCUMENTATION SECTION 4

Debtors Analysis

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

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - R05 - December												
Description	MT Code	Budget Year 2024/25							Total	Total over 60 days	Actual Bad Debt against Debtors	Impairment - Bad Debt - Lo Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days + Yr				
Debtors Age Analysis by Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1300	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1301	4 743	1 739	680	4 449	1 139	733	927	4 333	8 646	-	-
Receivables from Exchange Transactions - Property Rates	1400	1 637	816	652	807	553	23 687	17	63 667	50 774	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	923	966	533	447	420	415	385	28 790	27 626	-	-
Receivables from Exchange Transactions - Property Rental Directors	1700	-	-	-	-	-	-	-	7	7	-	-
Receivables from Exchange Transactions - Property Rental Directors	1810	1 571	1 590	1 535	1 601	1 322	1 554	1 282	57 432	56 727	-	-
Receivable unallocated - irregular invoices and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-
Other	1900	150	379	0	177	25 074	0	177	9 550	34 924	-	-
Total By Income Source	3300	8 543	3 684	3 879	8 269	28 439	29 513	2 791	157 066	239 823	-	-
2023/24 - totals only		8 537	3 554	4 420	8 564	3 509	33 679	13 419	122 870	186 441	-	-
Debtors Age Analysis By Customer Group												
Changes of State	2300	2 566	2 347	1 998	2 443	2 024	23 651	1 571	69 594	119 789	-	-
Commercial	2310	3 770	4 697	535	719	24 529	525	246	44 043	48 323	-	-
Household	2320	1 479	1 455	1 192	1 419	1 433	1 739	786	77 102	77 242	-	-
Other	2330	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	8 645	5 594	3 679	4 289	28 439	29 513	2 791	157 066	239 823	-	-

The total debt book for December 2023 is amounting **R 239,823,209** inclusive of **R 3,849,533.44** advance payments.

The total debt book for December 2023 of **R 235 973 675.56** (including current of R 8 695 993.81 which is not yet due) has decreased by **R 11 091 489.63** from the previous month closing balance of **R 238 369 171.38**.

- **Residential debt:**
R 91 049 460.13
- **Commercial debt**
R 35 793 269.11
- **Government debt**
R 105 184 887.65
- **Other**
R 3 946 988.67

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 67,606 825.30.

- **Maluti**
R 62 299 337.34 (including current)
- **Cedarville**
R 5 307 487.96 (including current)

The municipality makes use of debt collectors in implementing the credit and debt collection policy. An service provider has been appointed to start looking at debt that is older than 90 days.

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 80 524 688.45
 Business H/O R 30 624 766.74
 Churches H/O R 124 353.62
 Farms H/O R 3 617 979.25
 R 1 592 490.53 was collected for December 2023 for handed over accounts.

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 by client (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	
		Over 1 Year							
Creditors Age Analysis By Customer Type									
R Dossants									
Bulk Electricity	07102	-	-	-	-	-	-	-	-
Bulk Water	08200	-	-	-	-	-	-	-	-
PAYE deductions	08300	-	-	-	-	-	-	-	-
VAT (output less input)	09400	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	09500	-	-	-	-	-	-	-	-
Loan repayments	09600	-	-	-	-	-	-	-	-
Trade Creditors	09700	3	-	-	-	-	-	-	3
Accruals (General)	09800	-	-	-	-	-	-	-	-
Other	09900	-	-	-	-	-	-	-	-
Total By Customer Type	10000	3	-	-	-	-	-	-	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 for the month ended **31st December 2023**.

SECTION 6- INVESTMENT PORTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Investment Management		Dec 23							
Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance				
Municipal Infrastructure Grant	15 332 184.40	14 495 762.66	-7 481 896.60	-98 762.66	22 346 050.46				
INEP	1 117 702.15	12 003 873.30	-7 433 810.57	-50 212.54	5 687 764.88				
EPWP	-	-	-	-	-				
Municipal Electrification Intervention	308 260.65	1 963.50	-	-1 963.50	310 224.15				
Library and Archives	-	-	-	-	-				
Finance Management Grant	-	-	-	-	-				
Smart Grid	61 744.46	393.30	-	-393.30	62 137.76				
Establishment Plan	214 059.16	1 209.00	-	-1 209.00	215 268.16				
Housing Development Fund	2 181 966.57	12 323.62	-	-12 323.62	2 194 290.19				
Dedea	663 998.66	3 629.26	-	-3 629.26	667 627.92				
Total Conditional Investments	19 879 916	26 519 155	-	14 915 707	168 494	31 483 364			
Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance				
Call Acc STD CRR	152 284 582.18	7 600 000.00			159 884 582.18				
Call Acc STD CRR	12 457 675.42				12 457 675.42				
Call ACC FNB Surplus Cash	6 805 395.80			-37 196.62	6 805 395.80				
Nedbank 32 Days	7 364 351.98	51 449.70		-51 449.70	7 415 801.68				
Nedbank	38 657 696.49	100 413 431.60	-99 500 000.00	-373 004.50	39 571 128.09				
Nedbank relief fund	871 015.00	5 548.20		-5 548.20	876 563.20				
Nedbank COV -19 Solidality	105 565.69	672.30		-672.30	106 237.99				
Nedbank Retention	14 494 754.81	92 329.50		-92 329.50	14 587 084.31				
Termination Guarantee	144 640.82			-952.01	144 640.82				
Account Gaurantee	6 202 000.00			-39 505.80	6 202 000.00				
Nedbank		50 248 767.13		-248 767.13	50 248 767.13				
Total Unconditional	239 387 678	108 163 431	-	99 500 000	-	298 299 877			
Total Investment as at Decemeber 2023						329 783 240			

The municipality invests surplus funds in order to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investments policy. This indicates that the municipality as at 31st December 2023 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

As at 31st December 2023 the conditional investments amounted to **R 31,483,364** and unconditional investments amounted to **R 298,299,877**. Total investments as at 31st December 2023 amounted to **R 329 783 240**.

The following reflects bank balances at 31st December 2023

Description	31 st December 2023
Nedbank Primary Account:	5 280 841.24
Standard bank Account:	6 967 511.72
FNB Money Market Account:	2 811 358.17
Total Cash held as at 31st December 2023	15 059 711.13

The above table reflects the Cashbook balance is R 15 059 711.13 and Bank statement balance of R 329 783 240 and the total cash book balance and investment is R 344 842 951

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		YTD variance	YTD variance %	Full Year Forecast
		Audited Outcomes	Original Budget	Adjusted Budget	Monthly actual	YearTD actual		
R thousands								
RECEIPTS:	1,2							
Operating Transfers and Grants								
National Government:		345 491	312 569	312 152	117 206	276 873	156 106	312 152
Expanded Public Works Programme Integrated Grant		4 810	3 974	3 732	1 788	2 761	1 832	3 732
Local Government Financial Management Grant		1 630	1 700	1 700	-	1 700	850	1 700
Municipal Infrastructure Grant	3	52 723	2 925	2 730	14 397	44 415	1 414	2 730
Equitable Share		266 308	303 970	303 970	191 323	227 977	151 985	303 970
Provincial Government:		-	5 941	5 941	650	650	2 978	5 941
Specialty (Add grant description)		-	2 258	2 258	650	650	1 735	2 258
Specialty (Add grant description)		-	3 683	3 683	-	-	1 845	3 683
District Municipality:		-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-
Total Operating Transfers and Grants		345 491	318 510	318 083	118 158	277 523	159 151	318 083
Capital Transfers and Grants								
National Government:		49 539	95 481	124 226	11 970	27 930	55 488	124 226
Municipal Disaster Relief Grant		2 251	-	34 957	-	-	9 302	34 957
Municipal Infrastructure Grant		-	55 581	51 863	-	-	26 561	51 863
Integrated National Electrification Programme Grant		46 288	39 900	37 406	11 979	27 930	19 325	37 406
Provincial Government:		-	-	57 034	1 661	2 593	14 258	57 034
Specialty (Add grant description)		-	-	-	1 661	2 593	-	-
Specialty (Add grant description)		-	-	57 034	-	-	14 258	57 034
District Municipality:		-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-
Total Capital Transfers and Grants		49 539	95 481	181 254	13 631	30 513	69 746	181 254
TOTAL RECEIPTS OF TRANSFERS & GRANTS		394 930	413 991	499 347	131 789	308 036	228 897	499 347

The total operating grant receipts amounts to **R 118.1** million and 13.6 million Capital grant received in December 2023. Total receipts for both operational and Capital grants for the month amount to **R 131,7** million which **26%** when compared to the total Budget allocation as per the Dora.

7.2 Supporting Table SC7

ECM41 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 - December

Description	Ref	2023/24		Budget Year 2024/25						Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD Variance %	
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		6 480	2 925	2 730	1 809	4 499	1 414	3 085	218.2%	2 730
Expanded Public Works Programme Integrated Grant		4 810	-	-	1 788	2 781	-	2 781	#DIV/0!	-
Local Government Financial Management Grant		1 650	-	-	21	688	-	688	#DIV/0!	-
Municipal Infrastructure Grant	3	-	2 925	2 730	-	1 020	1 414	(384)	-27.1%	2 730
Provincial Government:		345	3 691	3 691	889	1 788	1 845	(58)	-3.1%	3 691
Specify (Add grant description)		345	-	-	889	1 788	-	1 788	#DIV/0!	-
Specify (Add grant description)		-	3 691	3 691	-	-	1 645	(1 645)	-100.0%	3 691
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		6 805	6 616	6 421	2 698	6 287	3 259	3 027	92.9%	6 421
Capital Transfers and Grants										
National Government:		108 353	103 405	131 922	12 561	56 901	59 305	(2 404)	-4.2%	131 922
Municipal Disaster Relief Grant		-	-	34 957	-	1 700	9 302	(7 542)	-0.1%	34 957
Municipal Infrastructure Grant		62 865	63 505	59 565	5 127	30 406	30 768	(278)	-0.9%	59 565
Integrated National Electrification Programme Grant		46 288	39 900	37 400	7 434	24 651	18 325	5 326	27.5%	37 400
Provincial Government:		-	-	57 034	501	501	14 258	(13 757)	-96.5%	57 034
Specify (Add grant description)		-	-	57 034	501	501	14 258	(13 757)	-96.5%	57 034
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		108 353	103 405	188 936	13 062	57 402	73 653	(16 251)	-22.1%	188 936
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		115 157	110 821	195 377	15 760	63 688	76 912	(13 224)	-17.2%	195 377

The total operating grant expenditure amounts to **R 2.7** and Capital grant expenditure amounts to **R 13** million. Total expenditure for both operational and Capital grants for the month amounts to **R 15,7** million which **8%** 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 2023/24 allocated funds.

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 31st December 23

[illegible]

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.

Employee related cost expenditure for the month ended 31st December 2023 amounted **R 15,3** million of which the expenditure **R 1,9** million relates to Remuneration of Councillors and **R 13,4** million, to Managers and staff, that represents **8%** of the budgeted amount for this category and this is within the expected performance for the month. The YTD expenditure recognition is **48%** on this category.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTIFICATE

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 **31st December 2023** has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: **Lizo Matiwane**

Municipal Manager of Matatiele Local Municipality

Signature: _____



Date: 11 / 01 / 2023