



MATATIELE
LOCAL MUNICIPALITY

**2023/2024
MONTHLY
SECTION 71
REPORT**

**MONTH ENDED
31 JANUARY 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.

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 January 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 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** and was adjusted to revenue budget of **R 698,440,957**. The Municipality recognised revenue for the month ended January 2024 **R 20,308,131**. This represents **3%** and it is less expected performance due to Receivables on interest and Human Settlement Construction Contract Revenue of **5%** for each payment made for housing project which has not yet been claimed for services rendered. Year to date revenue recognised is **60%** of the total revenue budget.

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 **R 37,793,726** this represents **7%** expenditure for the month which is less than expected performance for the month due to debt impairment and depreciation accounted for at year end and the Year to date expenditure is **51%** of the total operating budget.

Capital Expenditure

The approved capital budget was **R 181,716,499** this was adjusted to a Capital Expenditure budget of **R 267,489,782**. The Municipality incurred expenditure of **R 6,285,433** for the month, this represents **2%** of the approved capital expenditure budget. This is less the expected performance for the month due to expenditure on grant funded projects such as disaster recovery grant which awaiting Task order but the spending which is planned to increase in quarter 4. Year to date expenditure is **29 %** of the total capital expenditure budget.

The table below is an analysis per business unit –

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

Row Labels	Sum of TotalBudget	January	
		Actuals	YTD Actuals
Community Halls and Facilities:Public Amenities (3005)	909 996	167 000	409 701
CORE FUNCTION: SOLID WASTE REMOVAL	4 530 012	-	67 890
Energy Sources: Electricity (4040)	60 428 564	1 006 644	28 909 179
Executive and Council: Municipal Manager (1010)	69 996	-	20 101
Finance and Administration: Information Technology (2540)	1 850 004	172 899	1 235 479
Finance and Administration: Administrative and Corporate Support(253	280 008	-	50 000
Finance and Administration: Asset Mangement and Reporting (2015)	60 000	-	45 539
Finance and Administration: Council Support (2541)	450 000	-	153 293
Finance and Administration: Human Resources (2535)	30 000	-	20 101
Finance and Administration: SCM & Expenditure (2025)	3 560 004	-	2 032 910
Finance and Adminstration: Revenue and Debt Management (2020)	99 996	-	57 722
Finance:Budget & Treasury (2010)	60 000	-	20 101
Governance Function:INTERNAL AUDIT (1030)	1 860 000	-	45 539
Marketing; Customer Relations; Publicity and Media Co-ordination:com	120 000	-	42 196
Planning and Development: LED (3520)	69 996	-	67 744
Planning and Development: Planning (3510)	20 004	10 527	10 527
Planning and Development: Planning Governance (3540)	39 996	-	38 097
Public Safety: Civil Defence (3074)	3 690 000	-	387 593
ROAD TRANSPORT: INFRASTRUCTURE GOVERNANCE (4050)	39 996	-	25 439
Road Transport: Project Operations & Mainnt(4010)	61 741 988	-	7 090 213
Roads:Project Management Unit	70 545 646	4 928 364	33 972 881
Town Planning; Building Regulations and Enforcement; and City Enginee	57 033 576	-	3 840 650
Grand Total	267 489 782	6 285 433	78 542 895

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 31 January 2024 is **R 3,544,014** which represents **7%** for the month and YTD Expenditure is **58%** (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 801,196** spending at the end of 31 January 2024 which represents **2%** expenditure for the Month and year to date expenditure is **59%**.
- 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 31 January 2024 on this category due to projects that are still on planning stage. This represents **0%** expenditure for the month and year to date expenditure is **5%** of the grant allocation.

- Human Settlement Development Grant for the financial year is **R 57,033,568** million expected. The is no spending for the month under review, the project is on progress and year to date expenditure is **7%** of the grant allocation.
- Capital Replacement Reserves (CRR) for the financial year is **R 86,235,816** million is allocated. The spending for the month is **R 1,940,223** which represents **2%**, most of the projects are at planning stage and year to date expenditure is **24%** of the budget on this funding source.
- 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	January 2024 status
Lekhalong via Magama-Outspan Access Road	The project is at the planning stage
Mnceba - Matiase Access Road & Bridge	The project is under construction (overall progress 40%)
Construction of Cedarville Internal Streets Phase 4	The project is at the planning stage
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	The project is Practical Completion (overall progress 95 %)
Extension of Matatiele Sports Centre Ph2	Under construction (overall progress 65 %)
High Mast Lights	10 Highmast have been delivered and 9 have been installed, Overall progress is at 80% pending supply points to be connected
STREET LIGHTS	Makoloni Projects has been appointed and 30% Material has been delivered and currently awaiting still Pole delivery schedule for February 2024.
Mafube-Nkosana Access Road & Bridge	The project is under construction (overall progress 30%)
Harry Gwala Internal Streets	The project is under construction (overall progress 50%)

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	January 2024 status
Fubane Electrification	Construction is on progress, excavations & Pole Planting is complete, stringing is on progress. Overall progress is at 60%
Matolong Electrification	Construction is on progress, excavations, stringing & Pole Planting are completed. Contractor is busy with service connections. Overall progress is at 91%.
Bethesda Electrification	Zama Traffic Signals has been appointed, Excavations, Pole Planting is on Progress and the overall progress is at 40%.
Jabavu Electrification	Construction is complete and Energised and the network has been handed to Eskom. overall progress is at 100%
Skiti Electrification	NSK electrical has been appointed, site establishment is complete and contractor is busy with excavations, poles planting and Stringing Overall progress is at 80%.
Tholang Electrification	Construction is complete and Energised and the network has been handed to Eskom. overall progress is at 100%
Motsekoa Electrification	Igoda has been appointed, 90% Material has been delivered to Site, Excavations, Pole Planting and Stringing is on progress. Overall progress is at 16%.

Disaster Response Grant

Disaster Response Grant	January 2024 status
Malubalube Access Road	Practical completion (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	Practical completion (overall progress 95%)

Internal Funded Capital Projects

INTERNAL PROJECTS	January 2024 Status
Landfill site A/R	The project is under construction (overall progress is 61%)
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	The project is practical completion (overall progress is 95%)
Black Diamond Access Road and Bridge	The project is practical completion (overall progress is 95%)
Tsepisong Kamorathaba to Kuyasa AR	The project is practical completion (overall progress is 95%)
Council Chambers Water Supply	The project is practical completion (overall progress is 95%)
Lakhalong Access Road	The project is under construction and the overall progress is 90%.
Moring Access Road	The project is under construction (overall progress is 61%)
Belford Access Road	A task order has been issued and site handover conducted
Internal Audit System	The project is at the tender stage
FM TOWER LINE WIP	The project is at the tender stage
Pholile Access Road	The project is under construction(overall progress is 28%)
Springana Access Road	A task order has been issued and site handover conducted
Mpofini Access Road	The project is under construction (overall progress 40%)
Mkrwabo Access Road	A task order has been issued and site handover conducted
Municipal Plant	The project is completed as the plant was delivered
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
Sekhutlong Access Road CRR	A task order has been issued and site handover conducted

Construction of Silo Phase 4	The project is at the planning stage
Kinira to Sherpard Hope Access Road	A task order has been issued and site handover conducted
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
Dlodlweni Phase 2	The project is under construction (overall progress 20%)
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	The project is at practical Completion(overall progress 95%)

This information reflects on our tender control plan on January 2024.

SUMMARY: QUOTATIONS	31-January -2024	TOTAL
DAY TO DAY QUOTATIONS	154	154
FORMAL QUOTATIONS	2	2
TOTAL QUOTATIONS	156	156

BIDDING PROCESS	Bids Awarded vs Capital Budget	Capital Spending Year-To-Date	Orders Issued
Bids awarded	15,949,831.26	0	7
Bids in the process	7	n/a	7
Bids behind schedule	5	n/a	5
Bids cancelled or removed from budget	n/a	n/a	n/a
Bids to be awarded	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 - M07 - January

Description	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
R thousands									
Financial Performance									
Property rates	48 716	54 360	54 360	1 570	46 381	31 710	14 671	46%	54 360
Service charges	70 828	86 942	86 942	8 604	46 112	50 716	(4 604)	-9%	86 942
Investment revenue	19 146	17 200	17 200	3 256	14 262	10 033	4 229	42%	17 200
Transfers and subsidies - Operational	293 763	318 510	318 093	415	234 678	165 641	49 037	26%	318 093
Other own revenue	25 812	37 741	40 592	2 193	15 353	23 085	(7 731)	-33%	40 592
Total Revenue (excluding capital transfers and contributions)	458 264	514 753	517 187	18 036	356 787	381 185	55 802	18%	517 187
Employee costs	146 840	161 717	161 299	13 067	90 465	94 178	(3 713)		161 299
Remuneration of Councilors	22 872	25 320	25 320	1 827	13 380	14 770	(1 390)		25 320
Depreciation and amortisation	64 712	53 200	53 300	-	18 262	31 092	(12 810)		53 300
Interest	134	-	-	-	-	-	-		-
Inventory consumed and bulk purchases	64 088	78 705	78 705	9 705	49 276	45 911	3 364		78 705
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	231 865	195 709	198 561	13 194	93 149	115 233	(22 084)	-19%	198 561
Total Expenditure	530 511	514 751	517 185	37 784	284 551	381 184	(96 633)	-12%	517 185
Surplus/(Deficit)	(72 247)	2	2	(21 750)	82 236	1	82 234	7008700%	2
Transfers and subsidies - capital (monetary allocations)	108 353	95 481	181 254	4 270	65 012	88 331	(23 319)	-26%	181 254
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
contributions	36 185	95 483	181 256	(17 486)	157 248	88 332	68 915	78%	181 256
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	36 185	95 483	181 256	(17 486)	157 248	88 332	68 915	78%	181 256
Capital expenditure & funds sources									
Capital expenditure	139 283	181 717	267 490	8 285	78 543	138 835	(60 292)	-43%	267 490
Capital transfers recognised	91 149	95 481	181 254	4 345	57 670	88 331	(30 661)	-35%	181 254
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	48 134	86 238	86 238	1 840	26 873	58 364	(28 431)	-50%	86 238
Total sources of capital funds	139 283	181 717	267 490	8 285	78 543	138 835	(60 292)	-43%	267 490
Financial position									
Total current assets	458 565	523 858	523 858		538 899				523 858
Total non current assets	1 124 220	1 304 697	1 390 470		1 164 480				1 390 470
Total current liabilities	161 082	160 394	160 394		150 032				160 394
Total non current liabilities	44 880	38 827	38 827		38 325				38 827
Community wealth/Equity	1 377 943	1 629 334	1 715 167		1 535 022				1 715 167
Cash flows									
Net cash from (used) operating	361 338	147 918	233 691	(6 840)	262 245	118 919	(163 326)	-137%	233 691
Net cash from (used) investing	143 199	(181 717)	(267 490)	(6 226)	(87 494)	(138 635)	(51 141)	37%	(267 490)
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	885 260	326 924	326 924	-	448 538	341 807	(106 531)	-32%	226 988
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 Age Analysis									
Total By Income Source	11 636	4 846	4 404	3 493	4 038	28 400	25 392	159 094	245 361
Creditors Age Analysis									
Total Creditors	-	3	-	-	-	-	-	-	3

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

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M07 - January

Description	Ref	2023/24	Budget Year 2024/25							
		Approved Budget	Original Budget	Revised Budget	Monthly actual	YearTD actual	YearTD Budget	YTD Variance	YTD %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		372 020	403 019	403 019	6 240	299 852	235 005	64 757	28%	403 019
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		372 020	403 019	403 019	6 240	299 852	235 005	64 757	28%	403 019
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		12 853	12 190	11 808	867	6 567	7 027	(460)	-7%	11 808
Community and social services		6 664	6 969	6 767	51	3 326	3 994	(668)	-17%	6 767
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 189	5 201	5 201	615	3 241	3 034	208	7%	5 201
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		63 015	62 020	152 940	4 280	36 888	70 746	(33 858)	-48%	152 940
Planning and development		868	3 504	63 389	7	3 915	24 501	(20 585)	-84%	63 389
Road transport		62 147	58 516	89 560	4 281	32 973	46 245	(13 272)	-29%	89 560
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		118 729	133 005	130 505	9 113	78 492	70 649	7 843	2%	130 505
Energy sources		106 919	113 716	111 216	7 850	69 593	65 397	4 196	6%	111 216
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		11 810	19 289	19 289	1 263	8 899	11 252	(2 353)	-21%	19 289
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	588 018	810 234	808 441	26 308	421 790	389 518	32 283	8%	808 441
Expenditure - Functional										
Governance and administration		213 148	233 487	233 487	18 100	123 782	138 201	(12 418)	-9%	233 487
Executive and council		30 685	33 967	33 967	2 161	17 883	19 814	(1 931)	-10%	33 967
Finance and administration		178 882	194 744	194 744	15 712	103 467	113 601	(10 133)	-9%	194 744
Internal audit		3 571	4 775	4 775	236	2 432	2 786	(354)	-13%	4 775
Community and public safety		40 537	51 797	51 575	4 842	29 041	30 132	(1 091)	-4%	51 575
Community and social services		24 553	27 466	27 244	2 658	16 195	15 939	256	2%	27 244
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		21 984	24 331	24 331	1 784	12 846	14 193	(1 347)	-9%	24 331
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		125 473	105 773	100 429	2 893	47 557	82 007	(15 140)	-24%	100 429
Planning and development		19 784	38 759	41 611	1 198	15 906	23 679	(7 773)	-33%	41 611
Road transport		165 669	67 014	66 818	1 694	31 651	39 018	(7 367)	-19%	66 818
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		145 353	123 893	123 893	12 149	84 171	72 155	(7 083)	-11%	123 893
Energy sources		128 555	102 345	102 345	10 353	52 423	59 701	(7 278)	-12%	102 345
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		16 798	21 348	21 348	1 796	11 748	12 453	(705)	-6%	21 348
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	530 511	514 751	517 185	37 794	284 551	301 184	(36 633)	-12%	517 185
Surplus/ (Deficit) for the year		36 105	95 483	181 256	(17 485)	157 248	88 332	88 915	78%	181 256

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 - January

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Approved Budget	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		371 565	402 544	402 544	6 237	299 556	234 618	64 740	27.6%	402 544
Vote 3 - Corporate		454	475	475	3	294	277	17	6.1%	475
Vote 4 - Development and Planning		846	3 504	63 389	18	4 020	24 501	(20 481)	-83.6%	63 389
Vote 5 - Community		24 663	31 479	31 257	1 930	15 466	18 279	(2 813)	-15.4%	31 257
Vote 6 - Infrastructure		169 067	172 232	200 776	12 121	102 461	111 642	(9 181)	-8.2%	200 776
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	566 618	610 234	698 441	20 308	421 700	369 516	32 283	8.3%	698 441
Expenditure by Vote	1									
Vote 1 - Executive Council		30 685	33 967	33 967	2 161	17 883	19 814	(1 931)	-9.7%	33 967
Vote 2 - Finance and Admin		106 403	111 852	111 852	10 065	60 821	65 247	(4 426)	-6.8%	111 852
Vote 3 - Corporate		72 489	82 892	82 892	5 647	42 646	48 354	(5 708)	-11.8%	82 892
Vote 4 - Development and Planning		19 940	38 759	41 611	1 198	15 906	23 679	(7 773)	-32.8%	41 611
Vote 5 - Community		63 335	73 146	72 924	6 439	40 789	42 585	(1 796)	-4.2%	72 924
Vote 6 - Infrastructure		234 088	169 359	166 163	12 047	84 074	96 719	(14 645)	-14.8%	166 163
Vote 7 - Internal Audit		3 571	4 775	4 775	236	2 432	2 786	(354)	-12.7%	4 775
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	530 511	514 751	517 185	37 784	264 551	301 184	(36 633)	-12.2%	517 185
Surplus/ (Deficit) for the year	2	36 105	95 483	181 256	(17 486)	157 248	68 332	66 915	78.0%	181 256

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) - M07 - January

Description		Ref	2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
Revenue											
Exchange Revenue											
Service charges - Electricity											
Service charges - Water											
Service charges - Waste Water Management											
Service charges - Waste management											
Sale of Goods and Rendering of Services											
Agency services											
Interest											
Interest earned from Receivables											
Interest from Current and Non Current Assets											
Dividends											
Rent on Land											
Rental from Fixed Assets											
Licence and permits											
Operational Revenue											
Non-Exchange Revenue											
Property rates											
Surcharges and Taxes											
Fines, penalties and forfeits											
Licence and permits											
Transfers and subsidies - Operational											
Interest											
Fuel Levy											
Operational Revenue											
Gains on disposal of Assets											
Other Gains											
Discontinued Operations											
Total Revenue (excluding capital transfers and contributions)											
Expenditure By Type											
Employee related costs											
Remuneration of councillors											
Bulk purchases - electricity											
Inventory consumed											
Debt impairment											
Depreciation and amortisation											
Interest											
Contracted services											
Transfers and subsidies											
Irrecoverable debts written off											
Operational costs											
Losses on Disposal of Assets											
Other Losses											
Total Expenditure											
Surplus/(Deficit)											
Transfers and subsidies - capital (monetary allocations)											
Transfers and subsidies - capital (in-kind)											
Surplus/(Deficit) after capital transfers & contributions											
Income Tax											
Surplus/(Deficit) after income tax											
Share of Surplus/Deficit attributable to Joint Venture											
Share of Surplus/Deficit attributable to Minorities											
Surplus/(Deficit) attributable to municipality											
Share of Surplus/Deficit attributable to Associate											
Intercompany/Parent subsidiary transactions											
Surplus/(Deficit) for the year											

In terms of January 2024 Monthly Budget & Performance assessment, the actual revenue recognised for the month is **R 16 million** inclusive of operational transfers and subsidies against approved budget of **R 517,2 million**, this represents **3%** end of the month under review and it is less than the expected performance for the month slow spending on grants and **5%** revenue on human settlements projects not yet claimed resulting to less recognition of revenue on grants. Revenue recognised to date is **69%**.

The operating expenditure incurred for the month is **R 37,8 million** against adjusted budget amount of **R 517,2 million** this represents **7%**. This is below the expected performance for the month due to depreciation and Debt impairment that is recognised at year end. The YTD expenditure incurred is **51%**.

Revenue by Source

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

Property Rates

Property rates 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 1,570,457** 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 31 January 2024 amounted to **R 1,209,116** against billed amount of **R 1,570,457** the revenue collection rate recognised is **76%**. 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 8,603,840** for the month ended January 2024 against the approved allocation of **R 86,941,680**. This represents **10%** due electricity sales and electricity service charge monthly resulting to more month collection. Year to date electricity sale revenue recognised is **53%**.

Rental of Facilities and equipment

Rental of facilities and equipment approved budget is **R 2,027,544**. Revenue amount of **R 7,868** for January 2024 has been recognised on this category, representing almost **1%** which is less than expected performance for the month due to decrease on site rentals. Year to date revenue recognised is **33%** of the budget for this revenue source.

Interest earned on Investments

The total Interest on investments approved budget is **R 17,199,996** and the interest received for the month ended 31 January 2024 is **R 3,255,734** which represents **19%** on this category. This is more than expected performance for the month due to interest investments which have matured for the month under review. Year to date revenue recognised on this revenue source is **83%** of the budget.

Interest on Outstanding Debtors

Interest on non-payment on both rates and electricity has been raised monthly and amounted to **R 1,548,650** 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. with many debtors taking advantage of the debt relief, the billing of interest on outstanding debts is therefore lower than anticipated. The revenue recognised to date is **42%**.

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 32,068** against approved represents **2%** for the month. 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 **66%**. 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 January 2024 licence and permits amounted to **R 588,560** and represents almost **14%** of the total revenue budget for this category this is more than expected performance due to an increase in Learners licence and motor vehicle registration application for the month and the Year to date revenue recognised is **51%** of the budget.

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 recognised for the month is **R 414,872** which represent almost **1%** against total budget allocation. This is less than the expected performance for the month due to equitable share and slow spending on conditional operating grants, DEDEAT, Library subsidy which are recognised upon receipts. Equitable share last tranche will be received on march 2024 as scheduled. The Year to date revenue recognised is **74%** of the budget.

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 transfers revenue of **R 4,270,471** was recognised for the month ended 31 January 2024 and it represents **2%** of total budget, this is less than the expected performance for the month due to less payments not made on human settlements development grant and Disaster recovery grant as these projects are at planning stage. The year to date revenue recognised is **36%** 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 31,346** was recognised for the month this represents almost **1%** on this category 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 as anticipated. It must also be noted that various line items of revenue are related to timing of certain events that will be accounted on quarter 4. The year to date 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 adjusted to Employee related costs/Remuneration of Councillors budget of **R 186,619,080**. Total expenditure of **R 14,893,855** salary costs was recognised for the month this represent **8%** expenditure and this within the expected performance as reflected in the table below due. The year to date expenditure is **56%** on this category. This is inclusive of remuneration of councillors

Row Labels	Sum of TotalBudget	January	YTD Actuals
Employee Related Cost	161 298 888	13 066 770	90 465 220
Municipal Staff	153 668 424	12 663 973	87 332 658
Senior Management	7 630 464	402 797	3 132 562
Remuneration of Councillors	25 320 192	1 827 085	13 380 005
Chief Whip	839 544	61 441	409 508
Executive Committee	-	344 044	2 424 082
Executive Mayor	1 080 648	283 415	1 558 663
Section 79 committee chairperson	-	-	24 542
Speaker	889 776	65 276	432 156
Total for All Other Councillors	22 510 224	1 072 910	8 580 139
Grand Total	186 619 080	14 893 855	103 845 225
		8%	56%

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 no expenditure relating to depreciation was processed for the month ending January 2024, The total year to date expenditure recognised is **34%** and normally the depreciation will be accounted at year end after the capitalisation and subsequent depreciation of these assets. The other contributing factor to this variance related assets impairment which is also undertaken towards the end of the financial year.

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 9,327,814** expenditure for the month, this represents **13%** spending for the month and this is above the expected performance for the month due to Eskom Bulk account for January paid in advance. The year to date expenditure is **65%** on this category.

Contracted Services

Total approved budget on contracted services of **R 113,384,580** was adjusted to budget of **R 116,236,260**. The expenditure for the month amounted to **R 5,984,441** this represents **5%** of the budgeted amount, this is below the expected performance for the month due to no expenditure on Indigent management system, Consulting fees, Accounting, Project Management and Live Stock Improvement and the reason for the variance is mainly due to timing of projects. The year to date expenditure incurred is **47%** 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 amounted to **R 377,600** for the month ended 31 January 2024. This represent **5%** on this category and is below the expected performance due to less material and stores items used for the month. The year to date expenditure is **38%** on this category.

Other Expenditure

Total approved Budget on Other expenditure is **R 76,324,512**. Other expenditure for the month ended 31 January 2024 amounted to **R 7,210,016** this represents **9%** of the budgeted amount on this category, due to more expenditure on audit fees, hire costs & protective clothing. The year to date expenditure is **50%** on this category.

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) - M07 - January

Vote Description	Rd	2023/24					Budget Year 2024/25			
		2023/24	2023/24	2023/24	2023/24	2023/24	2024/25	2024/25	YTD variance	YTD variance %
Thousands										
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		-	70	70	-	36	41	(5)	-5%	70
Vote 2 - Finance and Admin		3 867	3 900	3 900	-	2 196	2 275	(79)	-3%	3 900
Vote 3 - Corporate		1 704	2 810	2 810	173	1 450	1 523	(74)	-4%	2 810
Vote 4 - Development and Planning		-	130	57 164	11	3 957	21 493	(17 536)	-85%	57 164
Vote 5 - Community		2 417	6 130	6 130	157	365	5 338	(4 461)	-84%	6 130
Vote 6 - Infrastructure		131 598	164 017	160 750	5 835	68 986	102 983	(36 825)	-39%	160 750
Vote 7 - Internal Audit		-	1 800	1 800	-	40	1 065	(1 025)	-98%	1 800
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	139 283	181 717	267 480	6 285	78 543	136 535	(60 082)	-49%	267 480
Total Capital Expenditure		139 283	181 717	267 480	6 285	78 543	136 535	(60 082)	-49%	267 480
Capital Expenditure - Functional Classification										
Governance and administration		5 673	3 440	3 440	173	3 723	4 823	(1 100)	-34%	3 440
Executive and council		-	70	70	-	36	41	(5)	-5%	70
Finance and administration		5 571	3 370	3 370	173	3 637	4 746	(1 075)	-32%	3 370
Internal audit		-	1 800	1 800	-	40	1 065	(1 025)	-98%	1 800
Community and public safety		2 086	4 600	4 600	167	787	2 683	(1 896)	-70%	4 600
Development and social services		372	910	210	167	410	521	(111)	-21%	910
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 713	3 690	3 690	-	348	2 133	(1 785)	-51%	3 690
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		67 938	99 704	109 491	4 069	46 046	62 938	(47 922)	-59%	109 491
Planning and development		-	130	57 164	11	3 957	21 493	(17 536)	-85%	57 164
Road transport		67 938	99 704	132 338	4 038	41 069	70 654	(29 785)	-30%	132 338
Environmental protection		-	-	-	-	-	-	-	-	-
Travel and transport		48 868	68 868	64 868	3 007	29 877	36 711	(6 844)	-25%	64 868
Energy services		43 387	64 358	60 430	1 007	23 900	36 058	(12 658)	-20%	60 430
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		100	4 530	4 530	-	58	2 543	(2 443)	-54%	4 530
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	139 283	181 717	267 480	6 285	78 543	136 535	(60 082)	-49%	267 480
Funded by:										
National Government		91 149	95 481	124 220	4 345	53 829	99 943	(13 114)	-13%	124 220
Provincial Government		-	-	57 034	-	3 541	21 348	(17 807)	-83%	57 034
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (municipal allocation) / Prov Depts Agencies		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		91 149	95 481	161 254	4 345	57 370	88 391	(30 881)	-30%	161 254
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		48 134	59 236	59 236	1 940	20 173	36 354	(12 421)	-31%	59 236
Total Capital Funding		139 283	181 717	267 480	6 285	78 543	136 535	(60 082)	-49%	267 480

The approved capital budget was R 181,716,499 this was adjusted to budget amount of R 267,489,782. The expenditure incurred amount to R 6,285,433, this represents 2% 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. Year to date expenditure is 29%.

3.1.6 C6 Monthly Budget Statement –Financial Positon

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M07 - January

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		254 787	326 924	326 924	311 039	326 924
Trade and other receivables from exchange transactions		(27 732)	125 378	125 378	(16 591)	125 378
Receivables from non-exchange transactions		143 549	52 209	52 209	157 616	52 209
Current portion of non-current receivables		—	—	—	—	—
Inventory		1 605	2 025	2 025	1 627	2 025
VAT		82 038	17 322	17 322	78 487	17 322
Other current assets		5 319	—	—	4 721	—
Total current assets		459 563	523 858	523 858	536 899	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	1 177 216	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	1 390 478	1 184 480	1 390 478
TOTAL ASSETS		1 583 783	1 828 554	1 914 328	1 721 379	1 914 328
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		—	—	—	—	—
Consumer deposits		1 636	413	413	1 732	413
Trade and other payables from exchange transactions		57 837	56 071	56 071	23 359	56 071
Trade and other payables from non-exchange transactions		4 904	—	—	17 338	—
Provision		11 816	90 868	90 868	20 371	90 868
VAT		81 928	13 041	13 041	84 272	13 041
Other current liabilities		2 961	—	—	2 961	—
Total current liabilities		161 082	160 394	160 394	150 632	160 394
Non current liabilities						
Financial liabilities		—	—	—	—	—
Provision		38 827	38 827	38 827	21 627	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		205 962	199 221	199 221	186 957	199 221
NET ASSETS	2	1 377 823	1 629 334	1 715 107	1 535 022	1 715 107
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 025 622	1 543 098	1 628 871	1 182 701	1 628 871
Reserves and funds		352 321	86 236	86 236	352 321	86 236
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	1 377 943	1 629 334	1 715 107	1 535 022	1 715 107

3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M07 - January

Description	Ref	Budget Year 2024/25							
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	1								
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates		43 708	43 488	43 488	1 323	39 466	25 368	14 098	56%
Service charges		76 126	76 730	76 730	5 802	42 622	44 759	(2 137)	-5%
Other revenue		21 974	51 959	54 811	2 063	14 894	31 379	(16 495)	-53%
Transfers and Subsidies - Operational		293 564	318 510	318 093	778	238 562	185 641	50 920	27%
Transfers and Subsidies - Capital		119 841	95 481	181 254	3 841	80 026	88 331	(8 305)	-9%
Interest		18 991	17 200	17 200	3 256	14 860	10 033	4 827	48%
Dividends		-	-	-	-	-	-	-	-
Payments									
Suppliers and employees		(208 865)	(455 451)	(457 885)	(24 004)	(146 175)	(266 592)	120 417	-45%
Interest		-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-
NET CASH FROM(USED) OPERATING ACTIVITIES		301 338	147 818	233 601	(9 648)	282 245	118 918	(163 320)	-137%
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		143 199	(181 717)	(267 490)	(6 228)	(87 494)	(138 635)	51 141	-37%
NET CASH FROM(USED) INVESTING ACTIVITIES		143 199	(181 717)	(267 490)	(6 228)	(87 494)	(138 635)	(51 141)	37%
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		504 537	(33 799)	(33 799)	(13 067)	194 751	(19 716)		
Cash/cash equivalents at beginning:		360 723	360 723	360 723		254 787	360 723		
Cash/cash equivalents at month/year end:		865 260	326 924	326 924		449 538	341 007		

PART 2 –SUPPORTING DOCUMENTATION

SECTION 4

Debtors Analysis

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

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 - January

Description		NT Code	Budget Year 2024/25										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.e. Council Policy
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total				
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	7 355	1 825	1 379	905	1 298	1 135	882	5 296	19 876	9 317	-	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	1 559	778	826	579	553	531	26 950	65 435	97 017	94 056	-	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	302	544	471	486	418	403	402	26 441	30 065	28 149	-	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-	-	
Interest on Amex Debtor Accounts	1810	1 587	1 580	1 540	1 522	1 582	1 316	1 349	52 361	62 837	58 142	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	233	141	379	8	177	25 014	0	9 954	35 496	34 745	-	-	-	
Total By Income Source	2000	11 639	4 848	4 404	3 493	4 838	28 400	29 382	158 694	245 361	224 418	-	-	-	
2023/24 - totals only		10 465	5 837	5 116	6 240	5 813	3 378	41 829	133 863	211 561	190 823	-	-	-	
Debtors Age Analysis By Customer Group															
Organs of State	2200	2 112	2 542	2 320	1 975	2 443	2 024	28 044	71 219	112 718	105 746	-	-	-	
Commercial	2300	8 294	1 189	966	400	497	25 288	235	14 245	51 094	40 695	-	-	-	
Households	2400	1 210	1 135	1 110	1 118	1 090	1 080	1 112	73 890	81 489	78 006	-	-	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	11 616	4 848	4 404	3 493	4 838	28 400	29 382	158 694	245 361	224 418	-	-	-	

advance payments.

The total debt book for January 2024 of R 241,438,689 (including current of R 11,334,726. which is not yet due) has decreased by R 5,869,712 from the previous month closing balance of R 235 973 675.

- **Residential debt:**
R 91,769,980.54
- **Commercial debt**
R 38,607,879.49
- **Government debt**
R 107,038,569.92
- **Other**
R 4,022,259.05

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 68,460,168.47.

- **Maluti**
R 63,040,944.94 (including current)

▪ **Cedarville**

R 5,419,223.53 (including current)

The municipality makes use of debt collectors in implementing the credit and debt collection policy. A 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 81,293,418.18

Business H/O R 33,066,811.43

Churches H/O R 12,398.10

Farms H/O R 3,651,523.04

R 877,794.85 was collected for January 2024 for handed over accounts.

SECTION 5 -CREDITORS' ANALYSIS

Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 - January

Description	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
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	-	3	-	-	-	-	-	-	3	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	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 31 January 2024.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Jan-24

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	22 346 050.46	137 467.90	-9 450 922.90	-137 467.90	13 032 595.46
INEP	5 687 764.88	24 836.25		-24 836.25	5 712 601.13
EPWP	-		-	-	-
Municipal Electrification Intervention	310 224.15	2 041.97	-	-2 041.97	312 266.12
Library and Archives	-		-	-	-
Finance Management Grant	-		-	-	-
Smart Grid	62 546.65	408.89	-	-408.89	62 955.54
Establishment Plan	215 268.16	1 215.82		-1 215.82	216 483.98
Housing Development Fund	2 194 290.19	12 393.24		-12 393.24	2 206 683.43
Dedea	667 627.92	3 892.36		-3 892.36	671 520.28
Total Conditional Investments	31 483 772	182 256	- 9 450 923	- 182 256	22 215 106

Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	159 884 582.18			-876 517.94	159 884 582.18
Call Acc STD CRR	12 457 675.42	146 436.84			12 604 112.26
Call ACC FNB Surplus Cash	6 805 395.80			-38 436.50	6 805 395.80
Nedbank 32 Days	7 415 801.68	53 536.07		-53 536.07	7 469 337.75
Nedbank	39 571 128.09	9 920 689.73	-30 000 000.00	-427 922.16	19 491 817.82
Nedbank relief fund	876 563.20	5 769.72		-5 769.72	882 332.92
Nedbank COV -19 Solidarity	106 237.99	699.36		-699.36	106 937.35
Nedbank Retention	14 587 084.31	96 015.06		-96 015.06	14 683 099.37
Termination Guarantee	144 640.82			-952.01	144 640.82
Account Gaurantee	6 202 000.00			-40 822.66	6 202 000.00
Nedbank	50 248 767.13	385 589.04		-385 589.04	50 634 356.17
Total Unconditional	298 299 877	10 608 736	- 30 000 000	- 1 926 261	278 908 612
Total investments as at 31 January 2024					301 123 718

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 31 January 2024 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

As at 31 January 2024 the conditional investments amounted to **R 22,215,106** and unconditional investments amounted to **R 278,908,612**. Total investments as at 31 January 2024 amounted to **R 301,123,718**.

The following reflects bank balances at 31 January 2024

Description	31 January 2024
Nedbank Primary Account:	7,327,318.27
Standard bank Account:	12,476,287.52
FNB Money Market Account:	2,889,124.68
Total Cash held as at 31 January 2024	22,692,730.47

The above table reflects the Cashbook balance is **R 22,692,730.47** and Bank statement balance of **R 301,123,718** and the total cash book balance and investment is **R 323,816,488.74**

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 - M07 - January

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
R thousands										
RECEIPTS:										
Operating Transfers and Grants	1,2									
National Government:		345 491	312 569	312 152	-	276 873	182 175	94 698	52.8%	312 152
Expanded Public Works Programme Integrated Grant		4 810	3 974	3 752	-	2 781	2 235	546	24.4%	3 752
Local Government Financial Management Grant		1 660	1 700	1 700	-	1 700	992	708	71.4%	1 700
Municipal Infrastructure Grant		62 723	2 925	2 730	-	44 415	1 633	42 782	2619.7%	2 730
Equitable Share		286 306	303 970	303 970	-	227 977	177 318	50 661	28.6%	303 970
Provincial Government:		-	5 941	5 941	-	699	3 466	(2 816)	-81.2%	5 941
Specify (Add grant description)		-	2 250	2 250	-	608	1 313	(663)	-50.5%	2 250
Specify (Add grant description)		-	3 691	3 691	-	-	2 153	(2 153)	-100.0%	3 691
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		345 491	318 510	318 093	-	277 523	185 641	91 882	48.9%	318 093
Capital Transfers and Grants										
National Government:		48 539	95 481	124 220	-	27 936	66 943	(39 013)	-58.3%	124 220
Municipal Disaster Relief Grant		2 281	-	34 957	-	-	13 578	(13 578)	-100.0%	34 957
Municipal Infrastructure Grant		-	55 581	51 563	-	-	21 028	(31 028)	-100.0%	51 563
Integrated National Electrification Programme Grant		46 258	39 900	37 400	-	27 936	22 338	5 593	25.0%	37 400
Provincial Government:		-	-	57 634	748	3 331	21 386	(18 057)	-84.6%	57 634
Specify (Add grant description)		-	-	-	748	3 331	-	3 331	#DIV/0!	-
Specify (Add grant description)		-	-	57 634	-	-	21 386	(21 386)	-100.0%	57 634
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		48 539	95 481	181 254	748	31 267	88 331	(57 078)	-84.6%	181 254
TOTAL RECEIPTS OF TRANSFERS & GRANTS		394 030	413 991	499 347	748	308 790	273 972	34 812	12.7%	499 347

No expenditure was recognised on operating grant receipts amounts and **R 748,000** capital grant recognised in January 2024. Total receipts for both operational and Capital grants for the month amount to **R 748,000** which is almost 1% when compared to the total Budget allocation as per the Dora.

7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 - January

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
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:	3	6 460	2 925	2 730	39	4 538	1 633	2 905	177.9%	2 730
Expanded Public Works Programme Integrated Grant		4 810	-	-	-	2 781	-	2 781	#DIV/0!	-
Local Government Financial Management Grant		1 660	-	-	39	727	-	727	#DIV/0!	-
Municipal Infrastructure Grant		-	2 925	2 730	-	1 030	1 633	(603)	-36.9%	2 730
Provincial Government:		345	3 691	3 691	112	1 899	2 153	(254)	-11.8%	3 691
Specify (Add grant description)		345	-	-	112	1 899	-	1 899	#DIV/0!	-
Specify (Add grant description)		-	3 691	3 691	-	-	2 153	(2 153)	-100.0%	3 691
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		6 805	6 616	6 421	151	6 437	3 796	2 641	78.8%	6 421
Capital Transfers and Grants										
National Government:	3	108 353	103 405	131 922	4 535	81 435	71 482	(10 047)	-14.1%	131 922
Municipal Disaster Relief Grant		-	-	34 957	264	2 024	13 578	(11 554)	-85.1%	34 957
Municipal Infrastructure Grant		62 065	63 505	59 565	4 270	34 760	35 567	(807)	-2.3%	59 565
Integrated National Electrification Programme Grant		46 288	39 900	37 400	-	24 651	22 338	2 313	10.4%	37 400
Provincial Government:		-	-	57 034	-	501	21 388	(20 887)	-97.7%	57 034
Specify (Add grant description)		-	-	57 034	-	501	21 388	(20 887)	-97.7%	57 034
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		108 353	103 405	188 956	4 535	81 936	92 870	(30 934)	-33.3%	188 956
TOTAL EXPENDITURE OF TRANSFERS & GRANTS										
	116 157	110 021	195 377	4 685	68 374	96 656	(28 283)	-29.3%	195 377	

amounts to R 4,7 million which is 1% 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 31 January 2024

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 - January

Summary of Employee and Councillor remuneration	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
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		13 696	14 165	14 165	976	7 163	8 263	(1 100)	-13%	14 165
Pension and UIF Contributions		919	2 975	2 975	64	481	1 735	(1 255)	-72%	2 975
Medical Aid Contributions		526	113	113	(30)	375	96	309	470%	113
Motor Vehicle Allowance		158	199	199	—	(4)	116	(120)	-104%	199
Cellphone Allowance		2 552	2 610	2 610	213	1 489	1 523	(34)	-2%	2 610
Housing Allowances		5 619	5 259	5 259	605	3 876	3 060	809	26%	5 259
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Sub Total - Councillors		22 872	25 320	25 320	1 827	13 380	14 778	(1 398)	-6%	25 320
% increase	4		10.7%	10.7%						10.7%
Senior Managers of the Municipality										
Basic Salaries and Wages		2 594	3 190	3 190	178	1 383	1 861	(477)	-26%	3 190
Pension and UIF Contributions		90	218	218	1	(18)	127	(145)	-115%	218
Medical Aid Contributions		95	168	168	—	—	98	(98)	-100%	168
Overtime		—	—	—	—	—	—	—	—	—
Performance Bonus		348	468	468	—	—	273	(273)	-100%	468
Motor Vehicle Allowance		1 382	2 119	2 119	91	679	1 236	(557)	-45%	2 119
Cellphone Allowance		—	—	—	—	—	—	—	—	—
Housing Allowances		687	972	972	123	968	567	401	71%	972
Other benefits and allowances		0	1	1	—	0	1	(1)	-82%	1
Payments in lieu of leave		235	—	—	—	—	—	—	—	—
Long service awards		—	—	—	—	—	—	—	—	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		350	495	495	10	121	239	(168)	-58%	495
Aiding and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality		5 749	7 630	7 630	403	3 133	4 451	(1 319)	-30%	7 630
% increase	4		32.7%	32.7%						32.7%
Other Municipal Staff										
Basic Salaries and Wages		96 794	107 214	106 896	8 466	59 731	62 443	(2 713)	-4%	106 896
Pension and UIF Contributions		14 500	15 824	15 824	1 288	9 067	9 231	(164)	-2%	15 824
Medical Aid Contributions		5 196	5 945	5 945	519	3 411	3 468	(57)	-2%	5 945
Overtime		2 530	2 726	2 726	505	2 132	1 590	541	34%	2 726
Performance Bonus		7 741	8 354	8 354	628	4 316	4 873	(557)	-11%	8 354
Motor Vehicle Allowance		5 226	7 037	7 037	637	4 479	4 105	374	9%	7 037
Cellphone Allowance		6	6	6	1	4	4	(1)	-7%	6
Housing Allowances		2 422	4 906	4 906	258	1 805	2 862	(1 057)	-37%	4 906
Other benefits and allowances		3 137	1 973	1 973	205	1 536	1 151	385	33%	1 973
Payments in lieu of leave		3 133	—	—	161	530	—	530	#DIV/0!	—
Long service awards		427	—	—	—	324	—	324	#DIV/0!	—
Post-retirement benefit obligations		—	—	—	—	—	—	—	—	—
Entertainment		—	—	—	—	—	—	—	—	—
Scarcity		—	—	—	—	—	—	—	—	—
Aiding and post related allowance		—	—	—	—	—	—	—	—	—
In kind benefits		—	—	—	—	—	—	—	—	—
Sub Total - Other Municipal Staff		141 000	154 088	153 088	12 084	87 333	86 727	(606)	-3%	153 088
% increase	4		9.2%	8.9%						8.9%
Total Parent Municipality		186 712	187 037	186 619	14 894	103 845	108 948	(5 103)	-5%	186 619

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 31 January 2024 amounted **R 14,9** million of which the expenditure **R 1,9** million relates to Remuneration of Councillors and **R 13,1** 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 **56%** on this category.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTIFICATE

I, Lizo Matiwane, the Municipal Manager of Matatiele Local Municipality do hereby certify that-

The monthly budget statements (Section 71 Report) on the implementation of the budget and financial state of affairs of the municipality for the month ended **31 January 2024** has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: Lizo Matiwane

Municipal Manager of Matatiele Local Municipality

Signature: 

Date: 08/02/2024