



MATATIELE
LOCAL MUNICIPALITY

**2024/2025
MONTHLY
SECTION 71
REPORT**

**MONTH ENDED
31 OCTOBER 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 ' ; Budget and Reporting Regulations

Regulation 28 of the Municipal Budget and Reporting Regulations states:

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

Recommendations:

- That, Council takes note of the monthly budget statement and supporting documentation for the month 31 October 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

The total annual approved budget is **R 681,215,688** and the Municipality has recognised **R 21,355,552**. for the month, this represents **3%**, which is less than expected performance for the month. Due to no collection in human settlement handling fee and music festival insurance refund and less collection in property rates. The majority of revenue recognised this month of **R 8,767,449** is relating to electricity sale and INEP transfers and subsidies recognised. Year to date revenue recognised is **40%** of the total revenue budget.

Operating Expenditure by type

The Municipality incurred expenditure of **R 47,341,271** against the approved budget allocation of **R 584,466,312**, incurring approximately **7%** expenditure for the month budget, this is less than the expected performance for the month due to non-cash items accounted for at the end of the financial year, less expenditure on workmen's Compensation, Eskom connection fees, hire charges and uniform protective clothing. The Expenditure to date represents **30%** of the original budget.

Capital Expenditure

The total approved capital budget is **R 182,983,008**, the Municipality incurred expenditure of **R 6,512,731**. This represents **4%** of the approved capital expenditure budget, this is less than expected performance for the month. Due to expenditure on Capital Replacement reserves projects which are waiting for appointment of the contractors and a no capital expenditure on

MIG funded projects the spending is planned to increase next month. Expenditure to date represents **17%** of the original budget

Capital Funded Sources

- The MIG capital grant allocation for the financial year is **R 54,704,808** million as per Dora Allocation, there was no spending for the month ending 31 October 2024. Total Spending to date represents **21%** of expenditure (Vat exclusive).
- Disaster Response Grant of **R 41,092,392** million was allocated. The grant reflects **R 860 875**. spending at the end of 31 October 2024 which represent **3%**. Total Spending to date represents **16%** of expenditure (Vat exclusive).
- The Library Capital Grant allocation of **R 950,000** was allocated. The grant reflects **R 0.00** spending at the end of 31 October 2024 which represent **0%**.
- Capital Replacement Reserves (CRR) for the financial year is **R 86,235,804** million is allocated. The spending for the month is **R 5,651,857**. which represent **7%**. Total Spending to date represents **15%** of expenditure (Vat exclusive).
- The municipality anticipates to spend **100%** of the total capital budget as at the end of the financial year, Expenditure to date represents **17%** of the original budget.

Capital Expenditure material variances

- The Capital Expenditure for the 2024/2025 financial year is which implies that the capital expenditure incurred is significantly below the projection, variance is due to delays in implementing projects and the spending will improve in the Third quarter under review.

The table below is an analysis per business unit –

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

Departments/ Functions	Total Budget	October Expenditure	Total Expenditure
Community and Social Services: Community Governance(3096)	69 996.00	1 739.13	1 739.13
Community Halls and Facilities: Public Amenities (3005)	2 440 008.00	-	76 800.00
CORE FUNCTION: SOLID WASTE REMOVAL	5 950 008.00	28 050.00	1 653 000.00
Energy Sources: Electricity(4040)	9 650 016.00	1 860 801.55	4 294 319.86
Executive and Council: Mayor and Council(1005)	50 004.00	-	25 237.68
Executive and Council: Municipal Manager (1010)	39 996.00	-	-
Finance and Administration: Information Technology(2540)	3 229 992.00	-	-
Finance and Administration: Administrative and Corporate Support(2530)	90 000.00	-	25 237.69
Finance and Administration: Asset Management and Reporting (2015)	39 996.00	-	25 237.68
Finance and Administration: Council Support (2541)	510 000.00	-	-
Finance and Administration: Human Resources (2535)	90 000.00	-	50 475.36
Finance and Administration: SCM & Expenditure (2025)	2 430 000.00	260 870.00	1 116 419.00
Finance and Administration: Revenue and Debt Management (2020)	90 000.00	-	50 475.36
Marketing: Customer Relations; Publicity and Media Co-ordination: communications and SPU (1020)	590 004.00	-	-
Planning and Development: LED (3520)	3 060 000.00	-	1 446 100.00
Planning and Development: Planning(3510)	99 996.00	-	-
Planning and Development: Planning Governance (3540)	45 000.00	-	-
Public Safety: Civil Defence(3074)	7 900 008.00	285 000.00	285 000.00
Risk Management: FINANCE AND ADMINISTRATION RISK AND M&E(1035)	75 000.00	1 738.26	1 738.26
ROAD TRANSPORT: INFRASTRUCTURE GOVERNANCE(4050)	45 000.00	-	-
Road Transport: Project Operations & Maint(4010)	56 342 388.00	1 681 464.71	4 487 623.94
Roads: Project Management Unit	84 645 612.00	2 393 067.64	17 557 566.45
Town Planning: Building Regulations and Enforcement; and City Engineer: Human Settlements and Building Controls	5 499 984.00	-	248 225.21
Grand Total	182 983 008.00	6 512 731.29	31 345 195.62
Percentage		4%	17%

The approved capital budget includes Capital Replacement Reserve.

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	October 2024 status
Mahangwe Sport Centre	Designs in progress
HIGHMAST LIGHTS MIG	Complete
Construction of Cedarville Internal Streets Phase 4	Construction
Maluti Internal Streets Phase 5	Construction
Mahasheng Access Road & Bridge	Construction
Mafube-Nkosana Access Road & Bridge	Construction
Lekhalong via Magema-Outspan Access Road	Construction
Extension of Matatiele Sports Centre Ph2	Construction
Harry Gwala Internal Streets	Construction
Disaster and Fire Management Centre	Designs in progress
Tipper Truck	Order issued
Compactor Tractor	Order issued
Ton Payload Hook Lift Truck	Procurement on hold
Excavator	Procurement on hold
Vibrating Roller	Procurement on hold

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	October 2024 status
Connect Mbizeni	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 31%.
Connect Mapakising	Construction is complete, contractor is busy with Eskom process. Overall progress is at 95%
Connect Mgubho	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 31%.
Connect Luxeni	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 31%.
Connect Lihasang	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 72%.
Contractors:Electrical	Construction is complete, contractor is busy with Eskom process. Overall progress is at 95%
Connect Paballong	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 31%.
Connect Mahlabatheng	The contractor has been appointed and is currently busy finalising Designs. Overall progress is at 95%.
Connect Lugada	The contractor has been appointed and is currently busy with Rock drilling, Pole planting and Stringing. Overall progress is at 31%.

Disaster Response Grant

Disaster Capital Project	October 2024 status
Baloon Street Crossing Bridge	The Project is 95% complete physical progress on site, reached practical completion
Mabheleni-Upper Mvenyane Access Road & Bridge	The Project is 95% complete physical progress on site, reached practical completion
Hillside - Ngcwengane Access Road and Bridge	The Project is at 20 % physical construction on site
Rockville Protea Bridge	The project is at 95% is reached practical construction
Nyanzela Access Road	The Project is 95% complete physical progress on site, reached practical completion
Mdeni Access Road and Bridge	The contractor has been appointed and is currently busy Roadbed . Overall progress is at 15%.

Mvenyane Access Road and Bridge	The project is at planning stage
Lugada to Mahlabathini and Bridge	The Professional engineers have been appointed and are busy with designs
Mngeni Bridge	The Project is at 20 % physical construction on site

Internal Funded Capital Projects

<u>Capital Replacement Rerseve Projects</u>	<u>October 2024 Status</u>
Cherry Picker Truck	Planning Stage
Renovation of Town Hall	Planning Stage
Skiti -Tholang Access Road	The contractor is on site busy with Roadbed preparation . Overall progress is at 19,3%.
Fencing Nature Reserve	Planning Stage
Server	Planning stage
Weigh Bridge	Planning stage
Ramafole Access Road	The project is in construction
New Resh Access Road	The contractor is on site busy with Roadbed preparation . Overall progress is at 22,5%.
FM TOWER LINE WIP	Planning stage
Kinira to Shepard Hope Access Road	The project is at 95% is reached practical construction
Bhakaneni Access Road	The contractor is on site busy with Roadbed preparation and tipping of gravel . Overall progress is at 24,3%.
Fatima Access Road	The project is at Construction stage
Municipal Fleet	It is at 50% on process
Mapoleseng Access Road	The project is at Construction stage
Mafaise Access Road	A service provide has not yet appointed as project is on tender stage
f 2 silo facilities	The project is at procurement stage
Potlo Access Road	The project is at Tendering stage
Moriting- Kweneng Access Road	The contractor is on site busy with Roadbed preparation, pipes and rockfill. Overall progress is at 48,6%.
Chere Mahareng Access Road	The contractor is on site busy with Roadbed preparation ,pipes, rockfill and processing . Overall progress is at 41%.
New Stance Access Road	The project is at Construction stage
Nkungwini-Ngudla Access Road	The project is at Construction stage
TRANSFORMERS INFRA	At 95% installation
Malubaluba Access Road	Planning stage
Khauoe Access Road	The project is at Construction stage
Fire Engine Truck	Planning stage

This information reflects on our tender control plan on October 2024

SUMMARY: QUOTATIONS	31 Oct 24	TOTAL
DAY TO DAY QUOTATIONS	224	224
FORMAL QUOTATIONS	6	6
TOTAL QUOTATIONS	230	230

BIDDING PROCESS	Bids Awarded vs Capital Budget	Capital Spending Year-To-Date	Orders Issued
Bids awarded	-	12 513 662.84	-
Bids in the process	-	-	-
Bids behind schedule	-	-	-
Bids cancelled or removed from budget	-	-	-
Bids to be awarded	-	-	-

2.3 Material variances from the SDBIP

The were no variances and deficiencies that were identified on the SDBIP under month under review.

2.4 Remedial or corrective steps

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

Section 3

IN-YEAR BUDGET STATEMENT TABLES

3.1 Monthly budget statements

3.1.1 Table C1 Monthly Budget Statement Summary

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M04 - October

Description	2023/24		Budget Year 2024/25						
	Actual Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	50 845	81 937	-	2 485	42 458	20 646	21 812	106%	81 937
Service charges	75 857	91 972	-	7 905	31 555	30 657	898	3%	91 972
Investment revenue	24 881	28 813	-	7 789	7 867	9 604	(1 737)	18%	28 813
Transfers and subsidies - Operational	354 013	360 244	-	3 325	156 288	120 081	36 207	31%	360 244
Other own revenue	27 987	41 503	-	1 997	9 093	13 834	(4 741)	34%	-
Total Revenue (excluding capital transfers and contributions)	533 546	584 468	-	19 538	247 864	194 823	53 041	27%	584 468
Employee costs	195 134	174 999	-	15 291	51 639	58 333	(6 694)	11%	174 999
Remuneration of Councilors	23 070	26 401	-	7 904	7 627	8 800	(1 173)	13%	26 401
Depreciation and amortisation	18 636	52 790	-	-	-	17 597	(17 597)	100%	52 790
Interest	219	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	71 500	83 143	-	10 377	34 640	27 774	6 866	25%	83 143
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	201 327	247 133	-	13 540	79 543	82 378	(2 835)	3%	247 133
Total Expenditure	473 786	584 466	-	43 118	173 449	194 822	(21 374)	-11%	584 466
Surplus/(Deficit)	59 759	2	-	(23 580)	74 415	1	74 414	10103002%	2
Transfers and subsidies - capital (monetary allocations)	(2 232)	96 747	-	1 296	22 582	32 249	(9 666)	30%	96 747
Transfers and subsidies - capital (in kind) contributions	131 899	96 749	-	(22 292)	96 987	32 239	64 747	291%	96 749
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	131 899	96 749	-	(22 292)	96 987	32 239	64 747	291%	96 749
Capital expenditure & funds sources									
Capital expenditure	126 783	182 983	-	6 313	31 343	89 994	(29 649)	-49%	182 983
Capital transfers recognised	99 929	96 747	-	861	18 832	32 249	(13 416)	42%	96 747
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	86 836	86 236	-	3 652	12 914	28 745	(15 831)	-86%	86 236
Total sources of capital funds	126 783	182 983	-	6 513	31 343	89 994	(29 649)	-49%	182 983
Financial position									
Total current assets	405 433	481 343	-	-	440 082	-	-	-	481 343
Total non current assets	1 097 671	988 611	-	-	1 060 667	-	-	-	988 611
Total current liabilities	102 902	198 386	-	-	104 291	-	-	-	198 386
Total non current liabilities	16 325	39 250	-	-	40 325	-	-	-	39 250
Community wealth/Equity	1 367 878	1 232 317	-	-	1 376 133	-	-	-	1 232 317
Cash flows									
Net cash from (used) operating	385 835	177 947	177 947	29 503	182 650	59 376	(123 334)	208%	177 947
Net cash from (used) investing	167 906	(182 983)	(182 983)	(7 224)	(34 943)	(62 994)	(28 049)	43%	(182 983)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	886 528	290 162	290 162	-	403 849	293 520	(110 329)	-38%	293 188
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-180 Dys	131-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	9 875	25 253	4 898	9 062	2 623	2 680	3 232	190 274	247 695
Creditors Age Analysis									
Total Creditors	3 444	-	-	-	-	-	-	-	3 444

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

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M04 - October

Description	Ref	Budget Year 2024/25								
		2023/24 Approved Budget	Original Budget	Revised Budget	Monthly actual	YearTD actual	YearTD budget	YTD Variance	YTD Variance %	Year Final
Revenue - Functional										
Government and administration		399 198	438 117	-	5 599	190 532	146 039	44 493	30%	438 117
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		399 198	438 117	-	5 504	190 320	146 039	44 281	30%	438 117
Internal audit		-	-	-	5	212	-	212	#DIV/0!	-
Community and public safety		11 842	14 884	-	2 288	9 759	4 868	891	18%	14 884
Community and social services		4 820	8 904	-	1 587	3 496	2 968	528	18%	8 904
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 222	5 700	-	701	2 263	1 900	363	19%	5 700
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		63 481	104 188	-	1 389	22 629	34 729	(12 101)	-35%	104 188
Planning and development		1 221	5 502	-	13	32	1 834	(1 802)	-96%	5 502
Road transport		62 180	98 686	-	1 296	22 597	32 895	(10 299)	-31%	98 686
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		132 137	124 307	-	11 720	51 526	41 438	10 088	24%	124 307
Energy sources		117 153	105 494	-	10 416	45 161	35 965	9 997	28%	105 494
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		14 984	18 813	-	1 303	6 364	6 271	93	1%	18 813
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	695 778	681 216	-	20 826	270 445	227 072	43 373	19%	681 216
Expenditure - Functional										
Government and administration		218 068	256 861	-	19 139	83 332	85 628	(2 296)	-3%	256 861
Executive and council		31 034	35 348	-	2 400	11 499	11 783	(283)	-2%	35 348
Finance and administration		183 879	216 649	-	16 386	70 204	72 216	(2 012)	-3%	216 649
Internal audit		4 154	4 864	-	353	1 628	1 621	7	0%	4 864
Community and public safety		55 724	55 982	-	4 877	14 602	18 981	(3 898)	-21%	55 982
Community and social services		33 760	29 281	-	2 639	6 858	9 760	(2 902)	-30%	29 281
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		21 964	26 221	-	2 237	7 744	8 740	(996)	-11%	26 221
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		63 750	115 858	-	3 743	14 187	38 353	(24 166)	-63%	115 858
Planning and development		29 869	48 686	-	1 580	7 075	16 229	(9 154)	-56%	48 686
Road transport		33 880	66 373	-	2 153	7 112	22 124	(15 012)	-68%	66 373
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		135 247	157 844	-	15 399	61 327	52 348	8 979	17%	157 844
Energy sources		114 817	131 098	-	13 625	53 374	43 889	9 675	22%	131 098
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		20 431	25 946	-	1 734	7 953	8 649	(696)	-8%	25 946
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	473 788	584 466	-	43 118	173 449	184 822	(21 374)	-11%	584 466
Surplus/ (Deficit) for the year		131 990	96 748	-	(22 282)	96 997	32 250	64 747	201%	96 748

This table assess the revenue and expenditure by department, the revenue for the period ending 31 October 2024 is R 20,8 million and the expenditure is R 43,1 million.

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

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 - October

Vote Description	Ref	Budget Year 2024/25								
		2023/24 Actual Outcome	Original Budget	Revised Budget	Monthly actual	YearTD actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - Executive Council	1	-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admn		398 797	437 767	-	5 423	190 186	145 922	44 264	30.3%	437 767
Vote 3 - Corporate		401	350	-	81	134	117	17	14.9%	350
Vote 4 - Development and Planning		1 326	5 502	-	13	32	1 834	(1 802)	-98.2%	5 502
Vote 5 - Community		26 025	33 416	-	3 592	12 123	11 139	984	8.8%	33 416
Vote 6 - Infrastructure		179 229	204 180	-	11 712	67 758	68 060	(302)	-0.4%	204 180
Vote 7 - Internal Audit		-	-	-	5	212	-	212	#DIV/0!	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	605 778	681 216	-	20 826	270 445	227 072	43 373	19.1%	681 216
Expenditure by Vote										
Vote 1 - Executive Council	1	31 034	35 348	-	2 400	11 499	11 783	(283)	-2.4%	35 348
Vote 2 - Finance and Admn		109 568	125 287	-	8 917	40 474	41 762	(1 288)	-3.1%	125 287
Vote 3 - Corporate		74 311	91 362	-	7 469	29 730	30 454	(724)	-2.4%	91 362
Vote 4 - Development and Planning		29 869	48 686	-	1 590	7 116	16 229	(9 113)	-56.2%	48 686
Vote 5 - Community		76 155	81 448	-	6 611	22 556	27 149	(4 594)	-16.9%	81 448
Vote 6 - Infrastructure		148 697	197 471	-	15 778	60 445	65 824	(5 378)	-8.2%	197 471
Vote 7 - Internal Audit		4 154	4 864	-	353	1 628	1 621	7	0.4%	4 864
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	473 788	584 466	-	43 118	173 449	194 822	(21 374)	-11.0%	584 466
Surplus/ (Deficit) for the year	2	131 990	96 749	-	(22 292)	96 997	32 250	64 747	200.8%	96 749

Reporting per municipal Vote provides details on the spending over the various functions. Revenue is mainly budgeted under the Finance & Admin Function and therefore the majority of the revenue will be reflected under this function.

Expenditure by functional classification presents the expenditures by the departments

3.1.4 Table C4: Monthly Budget Statement-Financial Performance (revenue by source and expenditure by type)

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 - October

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenues										
Exchange Revenue										
Service charges - Electricity		54 358	75 446	--	5 927	27 519	25 482	2 137	8%	75 446
Service charges - Water		--	--	--	--	--	--	--	--	--
Service charges - Waste Water Management		--	--	--	--	--	--	--	--	--
Service charges - Waste management		11 499	15 526	--	978	3 937	5 175	(1 239)	-24%	15 526
Sale of Goods and Rendering of Services		1 794	5 946	--	25	208	1 982	(1 777)	-89%	5 946
Agency services		--	--	--	--	--	--	--	--	--
Interest		--	--	--	--	--	--	--	--	--
Interest earned from Receivables		1 457	2 200	--	119	407	735	(325)	-34%	2 200
Interest from Current and Non Current Assets		24 861	28 813	--	1 789	7 867	9 604	(1 737)	-18%	28 813
Dividends		--	--	--	--	--	--	--	--	--
Share of profit		327	--	--	--	--	--	--	--	--
Share from Fixed Assets		819	2 028	--	450	1 088	576	412	61%	2 028
License and permits		3 969	4 522	--	537	1 467	1 507	(41)	-3%	4 522
Operational Revenue		333	882	--	81	134	297	(163)	-55%	882
Non-Exchange Revenue										
Property rates		50 849	61 937	--	2 485	42 458	20 546	21 912	105%	61 937
Charges and Taxes		--	--	--	--	--	--	--	--	--
Fines, penalties and forfeits		2 388	25 886	--	158	803	8 630	(7 827)	-91%	25 886
License and permits		28	25	--	1	3	8	(6)	-67%	25
Transfers and subsidies - Operational		154 913	360 244	--	5 305	155 888	170 081	36 807	31%	360 244
Interest		15 571	--	--	1 140	4 985	--	4 985	40110%	--
Fuel Levy		--	--	--	--	--	--	--	--	--
Operational Revenue		--	--	--	--	--	--	--	--	--
Share of disposal of Assets		--	--	--	--	--	--	--	--	--
Other Gains		182	--	--	(530)	--	--	--	--	--
Non-Exchanged Operations										
Total Revenue (excluding capital transfers and contributions)		533 545	584 488	--	19 530	247 864	194 823	53 041	27%	584 488
Expenditure By Type										
Employee related costs		159 134	174 989	--	15 287	51 639	58 333	6 694	11%	174 989
Reimbursement of councillors		23 690	25 401	--	1 904	7 627	8 800	1 173	13%	25 401
IT & purchases - electronic		65 975	75 246	--	5 338	32 257	25 415	6 842	27%	75 246
Transfer conducted		5 525	6 887	--	1 038	2 283	2 259	24	1%	6 887
Asset impairment		--	--	--	--	--	--	--	--	--
Depreciation and amortisation		18 539	52 790	--	--	--	17 587	(17 587)	-100%	52 790
Interest		219	--	--	--	--	--	--	--	--
Contracted services		135 912	160 782	--	11 419	59 337	53 594	5 743	11%	160 782
Transfers and subsidies		--	--	--	--	--	--	--	--	--
Recoverable debts written off		--	6 294	--	--	--	2 088	(2 088)	-100%	6 294
Operational costs		64 428	80 058	--	5 144	20 205	26 685	6 480	24%	80 058
Losses on Disposal of Assets		--	--	--	--	--	--	--	--	--
Other Losses		887	--	--	(23)	--	--	--	--	--
Total Expenditure		473 755	584 486	--	43 948	173 449	194 822	(21 374)	-19%	584 486
Surplus/(Deficit)		59 790	--	--	(23 988)	74 415	1	74 414	10105982%	2
Transfers and subsidies - capital (monetary allocations)		72 232	55 747	--	1 285	22 582	32 249	9 667	33%	55 747
Transfers and subsidies - capital (in-kind)		--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after capital transfers & contributions		131 990	96 748	--	(22 282)	96 987	32 259			96 748
Income Tax		--	--	--	--	--	--	--	--	--
Surplus/(Deficit) after income tax		131 990	96 748	--	(22 282)	96 987	32 259			96 748
Share of Surplus/Deficit attributable to Joint Ventures		--	--	--	--	--	--	--	--	--
Share of Surplus/Deficit attributable to Minorities		--	--	--	--	--	--	--	--	--
Surplus/(Deficit) attributable to municipality		131 990	96 748	--	(22 282)	96 987	32 259			96 748
Share of Surplus/Deficit attributable to Associates		--	--	--	--	--	--	--	--	--
Intercompany/Parent/ subsidiary transactions		--	--	--	--	--	--	--	--	--
Surplus/ (Deficit) for the year		131 990	96 748	--	(22 282)	96 987	32 259			96 748

In terms of 31 October 2024 Monthly Budget & Performance assessment, the actual billed and/or collected to date is R 19,4 million inclusive of operational transfers against approved Revenue budget of R 584,469 million, this represents 3.3%, is less for the expected performance for the month due to less annual property rates billed for the month and a no collection in human settlement handling fee, music festival insurance refund recognised for the month.

The operating expenditure budget as at 31 October 2024 is **R 43,1** million against approved Expenditure budget of **R 584,466** million, this represents **7%** of the total operating budget, this is less than the expected performance for the month under review due to non-cash items accounted for at the end of the financial year, less expenditure on workmen's Compensation, Eskom connection fees, hire charges and uniform protective clothing and YTD spending is **30%**.

Revenue by Source

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

Property Rates

Property Rates – Property rates are billed for 10 months starting from July 2024 to April 2025 for both annual and monthly rates, hence there is variance hence there is variance, the variance will decrease as the year progresses once all supplementary valuations are taken into consideration.

The total property rates raised/billed amounted to **R 2 453 392**, the income received from property rates amounted to **R 15,266,160** this represent **622%** when measured against the property rates billed or raised for the month and when measured against the approved budget of **R 61,936,752**, it represents **4%** of the revenue recognises by source which is less than anticipated for the month due to annual billing done in July billing. Billing is based on the value of the property a reassessment of property values might lead to lower tax assessments, exemptions and lower population. The revenue stream will be closely monitored to ensure revenue targets are met by quarter 3 as the municipality provide discount to customers based on certain percentage on the amount paid.

Services Charges

Revenue from Service charges amounted to **R 7,702,221** against the approved budget of **R 91,971,672**. This represent **8%** and is within the expected performance for the month due to collection on prepaid electricity sales and refuse collection. The Expenditure to date is **34%**.

Rental of Facilities and equipment

Rental of facilities and equipment approved budget is **R 2,027,532**. Revenue amount of **R 449,847** for October 2024 has been recognised, representing **22%** which is above the expected performance for the month due to municipality due to an addition of Rental site for Advertising. The revenue will be monitored to measure if any additional adjustments are required during the adjustment budget process. The Expenditure to date is **54%**.

Interest earned on Investments

The total approved budget Interest on investments is **R 28,812,996** and the interest received for the month of October 2024 is **R1,788,946**. This represents **6%**, this is less the expected performance due to investments that have not yet matured which results to interest received resulted to be unfavourable interest. The Expenditure to date is **27%**.

Interest on Outstanding Debtors

Interest on non-payment of electricity has been raised monthly which amounts to **R1,258,000** has been posted on the interest on arrears for refuse services with the approved budget allocation of **R 2,199,996** which represents **57%**, it must be stressed that the is revenue for property rates penalties which amount to **R4,984,518** that are erroneously raised under this segment which must be reversed and be raised under fines, once this corrected the amount raised for the month amount to **R118,969**. Therefore, once corrected this will represent **5%** which is less than the expected performance when measured against the monthly projection. The municipality receive less revenue for the month for the interest billed.

Fines, penalties and Forfeits

Revenue from fines, penalties and forfeits has an approved budget of **R 25,890,000**. The cash receipts for traffic fines issued is **R 169 119**. it must be stressed that an amount of **R 4,984,518** was erroneously raised under interest on outstanding debtors and once corrected this will amount to **R1,309,150**. for the month under review and will represents **5%** this is less than expected variance for the month due to less fines issued by the traffic officers . The variance should reduce as the year progresses.

Licences and permits

The total approved budget for licences and permits is **R 4,547,100** for budget year. At the end of the October 2024 the cash receipts for traffic fines issued was **R 538,007 and** represents **12%** of the total revenue budget. This is more than expected performance for the month due to increase in motor vehicle registration application and motor vehicle registration in October these is positive factor in maintaining public safety and ensuring compliance with the law.

Transfers and Subsidies-Operational

Total approved budget amount on transfers and subsidies is **R 360,244,200** and the transfers recognised represents **R 5,354,703**. was recognised for the month ended 31 October 2024. The recognised transfers represent **1%** of the approved allocation as all grants. This is less than the expected performance for the month, due to less revenue recognised grants for the month of October 2024. Second Trench of equitable share to be received the following month

Transfers and Subsidies- Capital

Total approved budget on transfers and subsidies is **R 96,747,180** and Total revenue of **R 1,295,747**. was recognised for the month ended 31 October 2024 and it represents **1%** of total budget. This is below the expected performance for the month due to no capital payments recognised for the month and the majority is MIG.

Other Revenue

Other revenue amounted to **R110,249**. for the month ended 31 October 2024, when measured against the approved budget allocation of **R 6,838,260** this represents almost **2%** which is less than the expected performance for the month. This is due to less revenue collected on tender documents, admin handling fees and insurance. Various line items of revenue are related to timing of certain events and will only be accounted for as the year progress.

Operating Expenditure by type**Employee related costs/Remuneration of Councillors**

Salary costs incurred – the Municipality incurred **R 17,2** million salary costs at the end of October 2024 against the approved budget allocation of **R 201,400,800**, incurring **9%** expenditure for the month salary budget allocation and this is more than expected performance as reflected in the table below. The variance is attributable to a back pay resulted from an increase that has been budgeted which come into effect at the end of October 6% of which 4,5% will be paid from July to February and 1,5% will be paid from March to June making 6% over the MTREF agreed upon by the unions and SALGA until the end of 2024-25 financial year.

Row Labels	Total Budget	October Expenditure	Total Expenditure
Employee Related Cost	174 999 456.00	15 297 008.49	51 638 689.84
Municipal Staff	166 511 904.00	14 983 904.21	50 176 358.74
Senior Management	8 487 552.00	313 104.28	1 462 331.10
Remuneration of Councillors	26 401 344.00	1 904 435.59	7 627 155.91
Chief Whip	859 800.00	72 695.93	281 461.20
Executive Committee	6 194 532.00	344 034.19	1 376 136.76
Executive Mayor	1 103 472.00	278 432.60	1 120 930.40
Section 79 committee chairperson	847 644.00	-	-
Speaker	932 088.00	65 275.67	261 102.68
Total for All Other Councillors	16 463 808.00	1 143 997.20	4 587 524.87
Grand Total	201 400 800.00	17 201 444.08	59 265 845.75
Percentage		9%	29%

Debt impairment

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

Irrecoverable debts written-off

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

Depreciation

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

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

Finance charges

No interest expenditure incurred in October 2024 as invoices are paid within 30 days and where is the difference will be the timing in terms of billing by Eskom and the time the municipality is expected to make a payment.

Bulk Purchases

Total approved budget on bulk electricity purchases is **R 76,245,564**, the expenditure incurred for the month amounted to **R 9,339,253**. million which represent **12%**. This is above the expected performance for the month due to Eskom tariff increase and seasonal demand, the payment made relates to September invoice. Then the payment for the bulk purchases for October will be processed in November 2024.

Other material

Total approved budget on other material is **R 6,897,036**, the expenditure amounted to **R 1,037,836** for the month ended **31 October 2024** million which represent **15%**. This is more than expected performance for the month as result of more demand on stores items.

Contracted Services

Total approved budget on contracted services is **R 160,781,520**. The spending for the month amounted to **R 10,418,629** that represents **6%** This is less than the expected performance when measured against the budget projection due no expenditure on the following project that will commence in the following quarter SMME Support, Music Festival, cash cropping programmes, Revaluation of asset, Livestock Improvement, and it should be anticipated that once projects are commence the variance will be reduced.

Other Expenditure

Other expenditure includes all other general operational costs of the Municipality. Total approved Budget on Other expenditure is **R 80,057,640**. This expenditure amounted to **R 5,143,624**. for the month, this represents **6%** of the budgeted amount on this category. This is less than expected performance for the month due to low expenditure identified relating Internships and learnerships, insurance premium, workmen's Compensation and employee achievements and awards that are planned to be spent in the 3rd and 4th quarter of the financial year.

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

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M04 - October

Vote Description	Ref	2023/24		Budget Year 2024/25						
		Approved	Revised	Monthly actual	Year TD actual	Year TD budget	Variance	%	Variance	
A thousands										
Municipal expenditure appropriation	2									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	
Vote 3 - Community		-	-	-	-	-	-	-	-	
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	-	-	-	-	-	-	-	-	
Single Year expenditure appropriation	2									
Vote 1 - Executive Council		94	90	-	25	30	(36)	-38%	90	
Vote 2 - Finance and Admin		2 325	1 225	283	1 194	1 075	(119)	-10%	3 325	
Vote 3 - Community		2 374	3 800	-	78	1 201	(1 201)	-94%	3 300	
Vote 4 - Development and Planning		116	3 708	-	1 694	2 302	(1 200)	-42%	8 705	
Vote 5 - Community		8 070	16 360	315	2 017	9 453	(12 430)	-63%	16 360	
Vote 6 - Infrastructure		116 791	150 683	5 973	18 341	50 228	(32 888)	-44%	150 683	
Vote 7 - Internal Audit		46	-	-	-	-	-	-	-	
Vote 8 -		-	-	-	-	-	-	-	-	
Vote 9 -		-	-	-	-	-	-	-	-	
Vote 10 -		-	-	-	-	-	-	-	-	
Vote 11 -		-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	
Vote 15 -		-	-	-	-	-	-	-	-	
Total Capital single-year expenditure	4	126 726	182 983	6 573	31 343	80 994	(29 648)	-40%	182 983	
Total Capital Expenditure		126 726	182 983	-	6 573	31 343	80 994	(29 648)	-40%	182 983
Capital Expenditure - Functional Classification										
Governance and administration		4 061	7 230	-	283	1 289	2 412	(1 117)	-66%	7 230
Executive and council		94	90	-	25	30	(36)	-38%	90	
Finance and administration		4 066	7 140	-	283	1 275	2 382	(1 117)	-47%	7 140
Internal audit		46	-	-	-	-	-	-	-	
Community and public safety		3 700	16 416	-	287	364	3 478	(1 108)	-62%	16 416
Community and social services		3 700	2 510	-	2	73	537	(1 568)	-61%	2 510
Sport and recreation		-	-	-	-	-	-	-	-	
Public safety		3 704	7 800	-	285	285	2 633	(2 348)	-92%	7 800
Housing		-	-	-	-	-	-	-	-	
Health		-	-	-	-	-	-	-	-	
Economic and environmental services		80 046	140 738	-	4 075	23 748	48 913	(28 172)	-52%	140 738
Planning and development		116	8 705	-	1 694	2 302	(1 200)	-42%	8 705	
Road transport		80 930	141 033	-	4 073	22 042	47 011	(24 968)	-53%	141 033
Environmental protection		-	-	-	-	-	-	-	-	
Trading services		19 211	13 888	-	6 889	5 943	5 288	742	14%	13 888
Energy services		17 342	9 950	-	1 951	4 284	3 217	1 071	34%	9 950
Water management		-	-	-	-	-	-	-	-	
Waste water management		-	-	-	-	-	-	-	-	
Waste management		1 869	3 938	-	28	1 659	1 963	(336)	-17%	3 938
Other		-	-	-	-	-	-	-	-	
Total Capital Expenditure - Functional Classification	3	126 726	182 983	-	6 573	31 343	80 994	(29 648)	-40%	182 983
Funded by:										
National Government		50 929	36 787	-	861	16 855	31 332	(13 501)	-41%	36 787
Provincial Government		-	650	-	-	-	317	(317)	-100%	650
District Municipality		-	-	-	-	-	-	-	-	
Transfers and subsidies - capital (primary allocation) (Net Prov/Deparmt Agency)		-	-	-	-	-	-	-	-	
Transfers recognized - capital		50 929	36 747	-	861	16 852	32 288	(13 438)	-62%	36 747
Borrowings		-	-	-	-	-	-	-	-	
Internally generated funds		66 856	86 236	-	3 652	12 514	28 746	(18 232)	-59%	86 236
Total Capital Funding		126 726	182 983	-	6 573	31 343	80 994	(29 648)	-40%	182 983

The total approved capital budget is R 182,983,008, the Municipality incurred expenditure of R 6,512,731. This represents 4% of the approved capital expenditure budget, this is less than expected performance for the month. Due to expenditure once the second tranches of the grant has been received on Capital Replacement reserves projects which waiting for appointment of the contractors and a no capital expenditure on MIG funded projects the spending is planned to increase next month once the second tranche of the grant has been received

3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M04 - October

Description	Ref	Budget Year 2024/25				
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		258 145	290 162	-	300 154	290 162
Trade and other receivables from exchange transactions		123 839	126 604	-	(41 155)	126 604
Receivables from non-exchange transactions		154 305	37 651	-	162 199	37 651
Current portion of non-current receivables		-	-	-	-	-
Inventory		3 992	3 041	-	3 607	3 041
VAT		10 285	18 836	-	10 238	18 836
Other current assets		6 546	5 048	-	5 048	5 048
Total current assets		409 433	481 343	-	440 092	481 343
Non-current assets						
Investments		-	-	-	-	-
Investment property		4 960	4 960	-	4 960	4 960
Property, plant and equipment		1 090 015	981 457	-	1 073 582	981 457
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		1 543	1 543	-	1 543	1 543
Intangible assets		1 153	652	-	573	652
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non-current assets		1 097 671	988 611	-	1 080 657	988 611
TOTAL ASSETS		1 507 104	1 469 954	-	1 520 748	1 469 954
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		1 780	472	-	1 781	472
Trade and other payables from exchange transactions		39 952	126 890	-	33 078	126 890
Trade and other payables from non-exchange transactions		27 259	20 746	-	30 527	20 746
Provision		29 371	29 993	-	26 768	29 993
VAT		10 579	20 285	-	12 135	20 285
Other current liabilities		2 961	-	-	-	-
Total current liabilities		102 902	198 386	-	104 291	198 386
Non-current liabilities						
Financial liabilities		-	-	-	-	-
Provision		21 827	39 250	-	23 768	39 250
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		14 497	-	-	16 556	-
Total non-current liabilities		36 324	39 250	-	40 324	39 250
TOTAL LIABILITIES		139 226	237 637	-	144 615	237 637
NET ASSETS	2	1 367 878	1 232 317	-	1 376 133	1 232 317
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 002 118	1 146 081	-	979 867	1 146 081
Reserves and funds		365 759	86 236	-	396 267	86 236
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	1 367 878	1 232 317	-	1 376 133	1 232 317

3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M04 - October

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		52 679	52 646	52 646	26 486	36 367	17 549	20 638	119%	52 646
Service charges		85 259	80 376	80 376	10 111	30 951	26 792	4 169	16%	80 376
Other revenue		22 975	84 503	84 503	(7 568)	6 899	26 168	(21 268)	-76%	84 503
Transfers and Subsidies - Operational		346 670	360 244	360 244	1 394	147 552	120 081	27 471	23%	360 244
Transfers and Subsidies - Capital		114 964	96 747	96 747	20 461	66 589	32 249	34 340	106%	96 747
Interest		24 009	28 813	28 813	1 789	9 366	9 604	(239)	-2%	28 813
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(260 721)	(525 383)	(525 383)	(23 169)	(117 103)	(175 128)	58 024	-33%	(525 383)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		385 835	177 947	177 947	29 903	182 650	59 316	(123 334)	-206%	177 947
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(67 906)	(182 983)	(182 983)	(7 224)	(34 945)	(60 994)	26 049	-43%	(182 983)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(67 906)	(182 983)	(182 983)	(7 224)	(34 945)	(60 994)	(26 849)	43%	(182 983)
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) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		553 741	(5 036)	(5 036)	22 280	147 705	(1 679)			(5 036)
Cash/cash equivalents at beginning		254 787	296 199	296 199		258 145	296 199			258 145
Cash/cash equivalents at month/year end		808 528	290 162	290 162		406 849	293 520			253 106

**PART 2 –SUPPORTING DOCUMENTATION
SECTION 4**

Debtors Analysis

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

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M04 - October

Description	NT Code	Budget Year 2024/25									Total 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debt Loss 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				
<i>R thousands</i>														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	4 765	1 662	1 702	726	637	572	683	3 136	13 086	5 753	-	-	
Receivables from non-exchange Transactions - Property Rates	1400	2 447	21 415	913	5 557	75	15	506	68 530	95 418	74 643	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	1 186	566	508	443	405	391	319	27 490	31 375	29 111	C	-	
Receivables from Exchange Transactions - Property Rates Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-	
Interest on Arrear Debtor Accounts	1810	1 261	1 386	1 261	1 325	1 361	1 470	1 492	55 421	65 003	61 059	-	-	
Recoverable unauthorised irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	159	216	277	1 031	214	232	152	26 689	37 969	37 317	-	-	
Total By Income Source	2600	9 819	25 253	4 698	8 882	2 623	2 688	3 232	190 274	247 658	207 888	0	-	
2023/24 - Actual only		7 146	5 654	29 765	30 381	2 894	2 763	2 895	152 813	211 041	181 735	-	-	
Debtors Age Analysis By Customer Group														
Regions of Sale	2200	3 358	22 702	2 814	5 806	1 518	1 516	1 802	69 504	108 621	79 949	-	-	
Commerce	2300	6 423	2 537	2 689	3 188	1 071	1 165	1 416	119 997	138 128	127 096	C	-	
Households	2400	38	16	14	14	33	8	14	773	911	842	-	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	9 819	25 253	4 698	8 882	2 623	2 688	3 232	190 274	247 658	207 888	0	-	

The total debt book for October 2024 of R 247,659,039, inclusive of R 13,521,601. advance payments.

The total debt book for October 2024 of R 234,137,438.69 (including of R 9,398, 043.71 which is not yet due) has decreased by R 25 337 672.01 from the previous month closing balance of R 259,475,110.70. Debt is made up of the following:

- **Residential debt**
R 99,607,792.65
- **Commercial debt**
R 36,834,013.84
- **Government debt**
R 102,520,456.92
- **Other**
R 274,879.14

The municipality implements the credit control and debt collection policy. There are two areas in which the municipality is not able to collect and the debt totals to R 84,945,286,40

- **Maluti**
R 68, 222, 419.15 (including current)
- **Cedarville**
R 16 280 947.53 (including current)

No collection made for October 2024.

SECTION 5 - CREDITORS' ANALYSIS Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 - October

Description	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
		9 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions + Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	3 444	-	-	-	-	-	-	-	3 444	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	3 444	-	-	-	-	-	-	-	3 444	-

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

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Oct 24

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Municipal Infrastructure Grant	1 000.00	17 295 947.80		-62 947.80	17 296 947.80
INEP	904 892.17	19 447.43		-19447.43	924 339.60
EPWP	-		-	-	-
Municipal Electrification Intervention	328 815.32	2 069.74		-2 069.74	330 885.06
Disaster Management	15 934 141.18	115 520.44	-1 325 386.33		14 724 275.29
Library and Archives	-		-	-	-
Finance Management Grant	1 178.39	7.85		-7.85	1 186.24
Smart Grid	65 861.12	414.45		-414.45	66 275.57
Establishment Plan	226 239.03	1 200.93		-1 200.93	227 439.96
Housing Development Fund	2 306 119.46	12 535.18		-12 535.18	2 318 654.64
Dedea	701 779.81	3 725.20		-3 725.20	705 505.01
Total Conditional Investments	20 470 026	17 450 869	-	1 325 386	36 595 509

Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	202 584 582.18	4 100 000.00		1 166 596.21	206 684 582.18
Call Acc STD CRR	13 193 975.74	74 518.85		-74 518.85	13 268 494.59
Call ACC FNB Surplus Cash	6 805 395.80			-36 683.88	6 805 395.80
Nedbank 32 Days	7 904 460.72	54 627.26		-54 627.26	7 959 087.98
Nedbank	1 338.77	48 872 350.37	-32 000 000.00	-136 705.99	16 873 689.14
Nedbank relief fund	929 094.30	5 848.14		-5 848.14	934 942.44
Nedbank COV -19 Solidarity	112 605.14	722.73		-722.73	113 327.87
Nedbank Retention	68 005.48	428.03		-428.03	68 433.51
Termination Guarantee	144 640.82			-910.41	144 640.82
NEDBANK	30 660 578.64	75 065.74	-30 735 644.38	-75 065.74	-
Account Gaurantee	6 202 000.00			-39 038.52	6 202 000.00
	268 606 678	53 183 561	-	62 735 644	30 660 579
Total Investment as 31 October 2024					295 650 104

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

As at 31 October 2024 the conditional investments amounted to **R 36,595,509** and unconditional investments amounted to **R 259,054,594**. Total investments as at 31 October 2024 amounted to **R 295,650,104**.

These invested funds are those funds for the capital projects that have not yet been implemented. The interest raised from these short-term investments is already included in the budget at an estimate.

This indicates that the municipality as at 31 October 2024 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

The following reflects bank balances at 31 October 2024

Description	October 2024
Nedbank Primary Account:	803,966.3
Standard bank Account:	6,205,659.31
FNB Money Market Account:	3,594,956.18
Total Cash held as at 31 October 2024	10 604 581.86

The above table reflects the Cashbook balance is **R 10,604,581.86** and Bank statement balance of **R 289,076,704**. Total investments as at 31 October 2024 amounted to **R 298,417,197.80**.

SECTION 7 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6

EC441 Matatiele - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M04 - October

Description	Ref	Budget Year 2024/25								
		2023/24 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										
National Government:		405 237	355 428	-	17 233	172 043	118 476	53 567	45.2%	355 428
Expanded Public Works Programme Integrated Grant		3 974	3 880	-	-	989	1 293	(324)	-25.1%	3 880
Integrated National Electrification Programme Grant		41 000	26 648	-	-	-	8 883	(8 883)	-100.0%	26 648
Local Government Financial Management Grant		1 700	1 700	-	-	1 700	567	1 133	200.0%	1 700
Municipal Infrastructure Grant		54 583	2 879	-	17 233	35 987	980	34 947	3641.4%	2 879
Equitable Share		383 978	328 321	-	-	133 467	106 774	26 693	25.0%	328 321
Provincial Government:		-	4 816	-	-	-	1 605	(1 605)	-100.0%	4 816
Specify (Add grant description)		-	1 750	-	-	-	583	(583)	-100.0%	1 750
Specify (Add grant description)		-	3 066	-	-	-	1 022	(1 022)	-100.0%	3 066
District Municipality:		100	-	-	-	-	-	-	-	-
Specify (Add grant description)		100	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		405 337	369 244	-	17 233	172 043	129 081	51 962	43.3%	369 244
Capital Transfers and Grants										
National Government:		32 706	95 797	-	-	13 235	31 932	(18 087)	-58.6%	95 797
Municipal Disaster Relief Grant		32 706	41 092	-	-	4 988	13 697	(8 789)	-64.2%	41 092
Municipal Infrastructure Grant		-	54 705	-	-	-	18 235	(18 235)	-100.0%	54 705
Integrated National Electrification Programme Grant		-	-	-	-	8 327	-	8 327	#DIV/0!	-
Provincial Government:		3 981	950	-	1 379	3 396	317	3 079	172.4%	950
Specify (Add grant description)		-	950	-	-	-	317	(317)	-100.0%	950
Specify (Add grant description)		3 331	-	-	1 379	2 648	-	2 146	#DIV/0!	-
Specify (Add grant description)		650	-	-	-	1 250	-	1 250	#DIV/0!	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		36 687	96 747	-	1 379	16 631	32 240	(15 618)	-48.4%	96 747
TOTAL RECEIPTS OF TRANSFERS & GRANTS		442 024	456 991	-	18 612	188 674	152 330	36 344	23.9%	456 991

The Municipality have received the conditional grant and unconditional grants allocations amounting to **R 18,6 million** for both operations grants and capital grants.

7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M04 - October

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:		49 511	35 107	-	4 382	20 821	11 702	9 218	78.8%	35 107
Expanded Public Works Programme Integrated Grant		3 974	3 880	-	1 548	3 344	1 293	2 051	158.6%	3 880
Integrated National Electrification Programme Grant		41 000	26 648	-	3 367	17 132	8 883	8 249	92.9%	26 648
Municipal Disaster Relief Grant		-	-	-	(649)	-	-	-	-	-
Local Government Financial Management Grant	3	1 877	1 700	-	108	430	567	(137)	-24.2%	1 700
Municipal Infrastructure Grant		2 860	2 879	-	-	15	968	(945)	-98.4%	2 879
Provincial Government:		3 640	4 816	-	333	2 581	1 605	895	55.8%	4 816
Specify (Add grant description)		0	-	-	-	-	-	-	-	-
Specify (Add grant description)		309	1 750	-	16	181	583	(482)	-82.7%	1 750
Specify (Add grant description)		3 331	3 066	-	317	2 400	1 022	1 378	134.8%	3 066
District Municipality:		100	-	-	-	-	-	-	-	-
Specify (Add grant description)		100	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		53 250	39 923	-	4 715	23 421	13 308	10 113	76.0%	39 923
Capital Transfers and Grants										
National Government:		69 824	95 797	-	1 296	22 582	31 832	(9 351)	-29.3%	95 797
Municipal Disaster Relief Grant		16 907	41 092	-	998	4 217	13 007	(9 480)	-69.2%	41 092
Municipal Infrastructure Grant		52 117	54 705	-	306	18 364	18 235	129	0.7%	54 705
Integrated National Electrification Programme Grant		0	-	-	-	-	-	-	-	-
Provincial Government:		(8 576)	950	-	(284)	(284)	317	(600)	-189.6%	950
Specify (Add grant description)		-	950	-	-	-	317	(317)	-100.0%	950
Specify (Add grant description)		(4 500)	-	-	-	-	-	-	-	-
Specify (Add grant description)		(2 076)	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	(284)	(284)	-	(284)	#DIV/0!	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		62 449	96 747	-	1 012	22 298	32 249	(9 951)	-30.8%	96 747
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		115 699	136 670	-	5 727	45 719	45 557	162	0.4%	136 670

The total operating grant expenditure amounts to **R 4.7 million** and Capital grant expenditure amounts to **R 1 million** inclusive of **R 248,827** MIG salaries as at 31 October 2024. Total expenditure for the month amounts to **R 5,7 million** which represents **2%** when compared to the total allocation as per the Dora. This represents **33%** The total actual expenditure to date.

SECTIONS 8

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

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M04 - October

Summary of Employee and Councillor remuneration	Ref	Budget Year 2024/25								
		2023/24 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		12 101	13 958	13 958	969	3 896	4 653	(757)	-16%	13 958
Pension and UIF Contributions		803	1 054	1 054	67	267	351	(84)	-24%	1 054
Medical Aid Contributions		697	137	137	67	268	46	223	487%	137
Motor Vehicle Allowance		(4)	2 757	2 757	-	-	919	(919)	-100%	2 757
Cellphone Allowance		2 547	2 876	2 876	213	848	959	(111)	-12%	2 876
Housing Allowances		6 926	5 620	5 620	588	2 349	1 873	475	25%	5 620
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		23 078	26 401	26 401	1 904	7 627	8 980	(1 173)	-13%	26 401
% Increase	4		14.4%	14.4%						14.4%
Senior Managers of the Municipality										
Basic Salaries and Wages		2 155	2 905	2 905	97	509	968	(459)	-47%	2 905
Pension and UIF Contributions		(17)	301	301	4	17	100	(83)	-83%	301
Medical Aid Contributions		-	263	263	-	-	88	(88)	-100%	263
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		114	687	687	-	-	229	(229)	-100%	687
Motor Vehicle Allowance		1 152	2 856	2 856	125	587	952	(365)	-38%	2 856
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		1 583	906	906	77	308	302	6	2%	906
Other benefits and allowances		0	1	1	0	0	0	(0)	-83%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		172	569	569	10	41	190	(149)	-78%	569
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In-kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5 188	8 488	8 488	313	1 462	2 829	(1 367)	-48%	8 488
% Increase	4		64.5%	64.5%						64.5%
Other Municipal Staff										
Basic Salaries and Wages		106 079	116 202	116 202	10 597	33 966	38 734	(4 768)	-12%	116 202
Pension and UIF Contributions		15 431	17 227	17 227	1 486	5 327	5 742	(416)	-7%	17 227
Medical Aid Contributions		5 972	6 468	6 468	523	2 091	2 156	(65)	-3%	6 468
Overtime		4 042	2 130	2 130	445	1 667	710	957	135%	2 130
Performance Bonus		7 260	8 982	8 982	470	2 080	2 994	(914)	-31%	8 982
Motor Vehicle Allowance		7 708	8 844	8 844	569	2 430	2 948	(519)	-18%	8 844
Cellphone Allowance		6	7	7	1	2	2	(0)	-5%	7
Housing Allowances		3 159	5 421	5 421	211	954	1 807	(853)	-47%	5 421
Other benefits and allowances		2 586	1 231	1 231	203	871	410	460	112%	1 231
Payments in lieu of leave		1 240	-	-	404	686	-	686	#DIV/0!	-
Long service awards		491	-	-	76	104	-	104	#DIV/0!	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In-kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		153 974	166 512	166 512	14 984	50 176	55 984	(5 328)	-10%	166 512
% Increase	4		8.1%	8.1%						8.1%
Total Parent Municipality		182 204	201 401	201 401	17 201	58 266	67 134	(7 968)	-12%	201 401

Section 66 of the MFMA requires that the accounting officer of a municipality must report to Council in a prescribed format all expenditure incurred by the municipality on staff salaries, wages and benefits in a manner that discloses expenditure per type such as salaries contributions for pensions etc.

Remuneration related expenditure for the month ended 31 October 2024 amounted **R 17,2 million** of which the expenditure **R 1,9 million** relates to Remuneration of Councillors and **R 15,2 million**, to Managers and staff, that represents **9%** of the budgeted amount for this category and the expenditure is less than expected performance for the month.

The variance is attributable to a back pay resulted from an increase that has been budgeted which come into effect at the end of October 6% of which 4,5% will be paid from July to February and 1,5% will be paid from March to June making 6% over the MTREF agreed upon by the unions and SALGA until the end of 2024-25 financial year

MUNICIPAL MANAGER'S QUALITY CERTIFICATE**QUALITY CERTIFICATE**

I, Siyanda Mthokozisi Ntshikilana, the Acting Municipal Manager of Matatiele Local Municipality do hereby certify that-

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

Print Name: SM Ntshikilana

Acting Municipal Manager of Matatiele Local Municipality

Signature: _____



Date: _____

07/11/2024