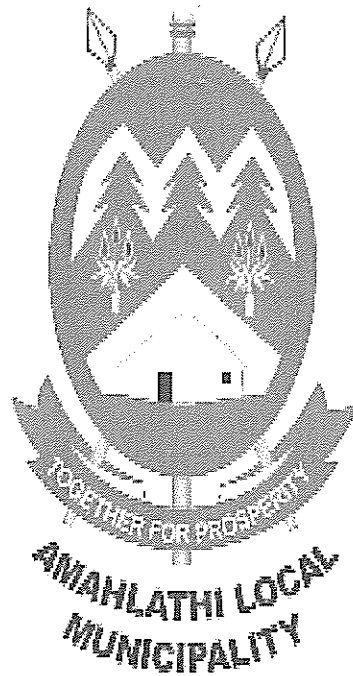




Section 71 Financial Report 30 November 2024

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PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING 30 NOVEMBER 2024
TO: THE HONOURABLE MAYOR
FROM: THE DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY
OFFICE

1. PURPOSE

The purpose of this report is to comply with section 71 of the Municipal Finance Management Act and its regulations that the municipality should report on monthly actual performance of the municipality's budget to the Mayor, National and Provincial Treasury in prescribed format.

2. BACKGROUND

In terms of Section 71(1), (2) and (3) of the MFMA No 56, 2003 Chapter 8, the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement on the financial performance of that municipality. The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required tables, charts and explanatory information of financial performance.

According to the Municipal Budget Reporting and Regulations (MBRR), 2009, "the monthly budget statement of a municipality must be in a format specified in Schedule C and include all the required tables, charts and explanatory information taking into account any guidelines issued by the Minister in terms of S168(1) of the Act" (MFMA). This report follows the legislative requirements of the Municipal Budget and Reporting Regulations (Schedule C format)

3. EXECUTIVE SUMMARY

This report is a summary of the main budget issues arising from the implementation of approved and in-year reporting monitoring process. It compares the progress in budget implementation to the projections as at the date of reporting.

3.1. CONSOLIDATED PERFORMANCE TABLE C1

EC124 Amahlathi - Table C1 Monthly Budget Statement Summary - M05 November

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	24 169	26 746	-	1 763	9 274	11 144	(1 870)	-17%	26 746
Service charges	57 850	62 935	-	6 405	33 782	26 223	7 559	29%	62 935
Investment revenue	3 456	-	-	-	-	-	-	-	-
Investment revenue - Other	3 456	3 892	-	-	1 449	1 622	(173)	-11%	3 892
Other own revenue	176 511	172 600	-	2 201	71 417	71 917	(499)	-1%	-
Total Revenue (excluding capital transfers and contributions)	265 440	266 172	-	10 369	115 922	110 905	5 017	5%	266 172
Employee costs	136 206	141 493	-	12 161	57 792	58 956	(1 164)		141 493
Remuneration of Councilors	13 595	15 031	-	1 462	5 806	6 263	(457)		15 031
Depreciation and amortisation	25 940	24 186	-	-	-	10 077	(10 077)		24 186
Interest	15 524	3 000	-	8	(1 470)	1 250	(2 720)		3 000
Inventory consumed and bulk purchases	51 988	58 418	-	-	23 655	24 341	(686)		58 418
Transfer of stock to other	10	-	-	-	-	-	-		-
Other expenditure	62 844	66 449	-	2 469	15 211	27 687	(12 476)	-45%	66 449
Total Expenditure	306 107	308 577	-	16 100	100 994	128 574	(27 579)	-21%	308 577
Surplus/(Deficit)	(40 666)	(42 405)	-	(5 731)	14 928	(17 669)	32 597	-184%	(42 405)
Transfers and subsidies - capital (monetary allocations)	46 187	59 538	-	-	14 386	24 807	###	-42%	59 538
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	5 520	17 133	-	(5 731)	29 313	7 139	22 175	311%	17 133
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	5 520	17 133	-	(5 731)	29 313	7 139	22 175	311%	17 133
Capital expenditure & funds sources									
Capital expenditure	47 937	62 148	-	9 154	31 624	25 895	5 729	22%	62 148
Capital transfers recognised	39 152	59 538	-	9 117	31 334	24 807	6 526	26%	59 538
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	8 785	2 610	-	37	291	1 088	(797)	-73%	2 610
Total sources of capital funds	47 937	62 148	-	9 154	31 624	25 895	5 729	22%	62 148
Financial position									
Total current assets	128 311	83 733	-	-	141 732				83 733
Total non current assets	437 893	453 285	-	-	469 517				453 285
Total current liabilities	265 272	253 489	-	-	281 008				253 489
Total non current liabilities	45 608	39 813	-	-	45 608				39 813
Community wealth/Equity	255 320	243 716	-	-	284 633				243 716
Cash flows									
Net cash from (used) operating	(53 782)	75 884	-	16 106	22 841	44 144	21 303	48%	75 884
Net cash from (used) investing	733 134	(71 240)	-	(9 154)	31 624	(29 683)	(61 308)	207%	(71 240)
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	680 911	(11 058)	-	-	76 817	(1 242)	(78 059)	6285%	-
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	15 731	4 542	5 009	5 811	5 361	4 647	23 371	154 127	218 600
Creditors Age Analysis									
Total Creditors	11 471	42	2 523	554	762	2 419	6 264	143 648	167 683

- The year-to-date operating revenue excluding capital transfer for period ending 30 October 2024 amounts to R115 million (a decrease from R142 reported previously was as result of a correction of an error in property rates reported in the previous month), which constitutes 105% of the year-to-date budget and 44% of the Approved Budget.
- The year-to-date operating expenditure for period ending 30 November 2024 amounts to R100 million, which constitutes 79% of the year-to-date budget and 33% of the Approved Budget.
- The year-to-date capital expenditure for period ending 30 November 2024 amount to R31 million, which constitutes 122% of the year-to-date budget and 51% of the Approved Budget.

4. BUDGET PERFORMANCE OVERVIEW

4.1. Operating Revenue by source

The Summary Statement of Financial Performance shown below is prepared on a similar basis of the prescribed budget format, detailing revenue by source type and expenditure per vote.

EC124 Amahlathi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November										
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										
Revenue										
Exchange Revenue										
Service charges - Electricity		46 291	49 465	-	5 415	28 886	20 611	8 276	40%	49 465
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		11 558	13 469	-	990	4 896	5 612	(716)	-13%	13 469
Sale of Goods and Rendering of Services		5 898	6 185	-	752	2 678	2 577	101	4%	6 185
Agency services		1 321	1 918	-	-	42	799	(758)	-95%	1 918
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		7 704	7 779	-	771	3 706	3 241	465	14%	7 779
Interest from Current and Non Current Assets		3 456	3 892	-	-	1 449	1 622	(173)	-11%	3 892
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		246	366	-	8	68	152	(84)	-55%	366
Licence and permits		2 543	3 066	-	-	9	1 277	(1 269)	-99%	3 066
Operational Revenue		11 903	133	-	-	730	56	675	1216%	133
Non-Exchange Revenue		-	-	-	-	-	-	-	-	-
Property rates		24 169	26 746	-	1 763	9 274	11 144	(1 870)	-17%	26 746
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		12	29	-	-	2	12	(10)	-81%	29
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		138 142	145 505	-	-	60 925	60 627	298	0%	145 505
Interest		7 474	7 620	-	671	3 256	3 175	81	3%	7 620
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		4 723	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		265 440	266 172	-	10 369	115 922	110 905	5 017	5%	266 172

Revenue Variance Explanations against Planned Budget

- Electricity reflects a favourable variance of 40%, this is attributable to a steady increase over the last two period in Commercial and industrial billing. This will however be monitored to identify if the estimated electricity was understated.
- Waste management reflects an unfavourable variance of 13%, this is attributed to the accumulation of overstated monthly projections of approximately R140,000. The reason for the overstatement will be identified, underlying assumptions adjusted and the projections adjusted during the adjustments budget.
- Agency Services; Licences and permits; and Fines, penalties and forfeits reflects unfavourable variances of 95%, 99% and 81% for the period, respectively. This is attributed to the Cashier vacancy in the Stutterheim Traffic Services Office, which resulted in a decreased demand for Traffic related services.

- Interest from receivables from non-exchange transactions reflects a favourable variance of 14%, This is attributed to the collection rate of 55% being less than projected.
- Rentals of facilities reflects an unfavourable variance of 55% due to low demand on public facilities.
- Operational revenue reflects a favourable variance of 1216%, this is attributable to the municipality receiving two insurance refunds amount to R730,115 during the year.
- Property rates reflect an unfavourable variance of 17% due to certain customers requesting to be billed annually at various months during the financial year.

4.2 Operating Expenditure by Type

EC124 Amahlathi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November										
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 By Type										
Employee related costs		136 206	141 493	-	12 161	57 792	58 956	(1 164)	-2%	141 493
Remuneration of councillors		13 595	15 031	-	1 462	5 806	6 263	(457)	-7%	15 031
Bulk purchases - electricity		51 809	57 965	-	-	23 571	24 152	(581)	-2%	57 965
Inventory consumed		178	453	-	-	84	189	(105)	-55%	453
Debt impairment		-	26 000	-	-	-	10 833	(10 833)	-100%	26 000
Depreciation and amortisation		25 940	24 186	-	-	-	10 077	(10 077)	-100%	24 186
Interest		15 524	3 000	-	8	(1 470)	1 250	(2 720)	-218%	3 000
Contracted services		14 341	17 491	-	1 837	8 564	7 330	1 235	17%	17 491
Transfers and subsidies		10	-	-	-	-	-	-	-	-
Irrecoverable debts written off		25 872	-	-	-	-	-	-	-	-
Operational costs		22 177	22 958	-	632	6 647	9 524	(2 877)	-30%	22 958
Losses on Disposal of Assets		454	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		306 107	308 577	-	16 100	100 994	128 574	(27 579)	-21%	308 577

Expenditure Variance Explanations against Planned Budget

- Inventory consumed reflect an unfavourable variance of 55%, this is attributable to cashflow projections being divided equally across the 12 months, rather than indicating that significant expenditure occurs during quarters 3 and 4.
- Interest on overdue accounts reflect a credit balance and variance of 218%. This is as result of an Eskom interest reversal of R3.4 million during August 2024.
- Depreciation and Debt Impairment reflect a variance of 100% respectively and these will be calculated at year end.
- Contracted services reflect a favourable variance of 17%, this is attributable to the high volume of maintenance undertaken on vehicles and equipment.

- Operational costs reflect an unfavourable variance of 30%. This is due to the implementation of cost containment measures and the management of the municipality's cash flow.

The municipality tabled an unfunded budget for the 2024/25 Financial Year. A Financial Recovery Plan has been approved and is currently implemented. The outcome of the Standardisation court case was received on the 10th of May 2024 and engagements with effected parties have been underway. When implementation, the FRP will be updated and this line item will be indicated as complete. The Eskom account for November 2024 have not been paid as it was not yet due at reporting date. This will be paid prior by the due date of 31 December 2024.

4.3 Table C3 Financial Performance by Vote

The table below reflects the operating revenue and expenditure by vote.

EC124 Amahlathi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 November										
Vote 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										
Revenue by Vote	1									
Vote 1 - Executive & Council		146 344	150 128	-	39	59 134	62 553	(3 420)	-5,5%	150 128
Vote 2 - Finance and Admin		42 642	30 279	-	3 168	17 279	12 616	4 663	37,0%	30 279
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		6 121	2 032	-	12	1 870	847	1 023	120,8%	2 032
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		4 959	5 301	-	436	2 173	2 209	(35)	-1,6%	5 301
Vote 7 - Housing		505	118	-	5	36	49	(13)	-27,3%	118
Vote 8 - Planning & Development		46 778	56 611	-	292	13 533	23 588	(10 055)	-42,6%	56 611
Vote 9 - Road Transport		5 232	6 323	-	7	1 297	2 635	(1 337)	-50,8%	6 323
Vote 10 - Energy Sources		46 291	54 325	-	5 415	30 063	22 636	7 428	32,8%	54 325
Vote 11 - Waste Management		12 613	20 247	-	990	4 896	8 436	(3 541)	-42,0%	20 247
Vote 12 - Environmental Protection		144	346	-	5	27	144	(117)	-81,1%	346
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	311 627	325 710	-	10 369	130 308	135 713	(5 405)	-4,0%	325 710
Expenditure by Vote	1									
Vote 1 - Executive & Council		82 009	64 978	-	3 072	14 967	27 074	(12 107)	-44,7%	64 978
Vote 2 - Finance and Admin		56 531	65 746	-	3 999	22 921	27 394	(4 473)	-16,3%	65 746
Vote 3 - Internal Audit		2 125	1 612	-	233	1 274	672	602	89,7%	1 612
Vote 4 - Community and Social Services		8 405	8 369	-	329	1 942	3 487	(1 545)	-44,3%	8 369
Vote 5 - Sport & Recreation		2 254	2 249	-	164	914	937	(23)	-2,5%	2 249
Vote 6 - Public Safety		4 230	4 043	-	166	1 227	1 685	(458)	-27,2%	4 043
Vote 7 - Housing		199	-	-	-	75	-	75	#DIV/0!	-
Vote 8 - Planning & Development		8 860	9 777	-	689	3 534	4 074	(540)	-13,3%	9 777
Vote 9 - Road Transport		67 458	63 055	-	5 598	22 396	26 273	(3 877)	-14,8%	63 055
Vote 10 - Energy Sources		59 774	65 788	-	888	27 008	27 412	(404)	-1,5%	65 788
Vote 11 - Waste Management		13 685	22 709	-	918	4 601	9 462	(4 861)	-51,4%	22 709
Vote 12 - Environmental Protection		576	250	-	45	135	104	31	29,6%	250
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	306 107	308 577	-	16 100	100 994	128 574	(27 579)	-21,5%	308 577
Surplus/ (Deficit) for the year	2	5 520	17 133	-	(5 731)	29 313	7 139	22 175	310,6%	17 133

4.4 Capital Expenditure by Municipal Vote

The following table provides a summary of the expenditure trends based on planned capital projects and actual spending. The percentage spending on capital projects as at 30 November 2024 amounts to 122% of the year to date capital budget exclusive of vat and 51% of the total capital budget. The table below reflects the capital expenditure performance by function.

EC124 Amahlathi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M05 November										
Vote 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	1									
Single Year expenditure appropriation	2									
Vote 1 - Executive & Council		91	400	-	-	-	167	(167)	-100%	400
Vote 2 - Finance and Admin		(1 554)	950	-	-	181	396	(215)	-54%	950
Vote 3 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 4 - Community and Social Services		2 154	-	-	-	-	-	-	-	-
Vote 5 - Sport & Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 7 - Housing		-	-	-	-	-	-	-	-	-
Vote 8 - Planning & Development		15 609	54 678	-	8 628	28 893	22 782	6 110	27%	54 678
Vote 9 - Road Transport		23 575	-	-	-	-	-	-	-	-
Vote 10 - Energy Sources		173	5 560	-	525	1 116	2 317	(1 201)	-52%	5 560
Vote 11 - Waste Management		7 889	560	-	-	1 434	233	1 201	515%	560
Vote 12 - Environmental Protection		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	47 937	62 148	-	9 154	31 624	25 895	5 729	22%	62 148
Total Capital Expenditure		47 937	62 148	-	9 154	31 624	25 895	5 729	22%	62 148
Capital Expenditure - Functional Classification										
Governance and administration		(1 452)	1 350	-	-	181	563	(381)	-65%	1 350
Executive and council		91	400	-	-	-	167	(167)	-100%	400
Finance and administration		(1 554)	950	-	-	181	396	(215)	-54%	950
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		2 154	-	-	-	-	-	-	-	-
Community and social services		2 154	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		39 183	54 678	-	8 628	28 893	22 782	6 110	27%	54 678
Planning and development		15 609	54 678	-	8 628	28 893	22 782	6 110	27%	54 678
Road transport		23 575	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		8 062	6 120	-	525	2 550	2 550	0	0%	6 120
Energy sources		173	5 560	-	525	1 116	2 317	(1 201)	-52%	5 560
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7 889	560	-	-	1 434	233	1 201	515%	560
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	47 937	62 148	-	9 154	31 624	25 895	5 729	22%	62 148
Funded by:										
National Government		39 152	59 538	-	9 117	29 899	24 807	5 092	21%	59 538
Provincial Government		-	-	-	-	1 434	-	1 434	#DIV/0!	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		39 152	59 538	-	9 117	31 334	24 807	6 526	26%	59 538
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		8 785	2 610	-	37	291	1 088	(797)	-73%	2 610
Total Capital Funding		47 937	62 148	-	9 154	31 624	25 895	5 729	22%	62 148

4.5 Cash Flows

The cash available as at 30 November 2024 amounts to R17m; this consist of call deposits and cash available in the main account excluding the cash on hand.

EC124 Amahlathi - Table C7 Monthly Budget Statement - Cash Flow - M05 November										
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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(17 267)	22 670	-	976	7 017	9 446	(2 429)	-26%	22 670
Service charges		(37 943)	57 411	-	3 383	21 292	23 921	(2 629)	-11%	57 411
Other revenue		21 924	12 987	-	759	3 529	5 411	(1 882)	-35%	12 987
Transfers and Subsidies - Operational		11 476	145 505	-	392	58 651	60 627	(1 976)	-3%	145 505
Transfers and Subsidies - Capital		(39 900)	59 538	-	-	10 342	24 807	(14 465)	-58%	59 538
Interest		18 633	13 947	-	1 442	8 411	5 811	2 600	45%	13 947
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(10 704)	(233 173)	-	(26 181)	(82 804)	(84 630)	(1 826)	2%	(233 173)
Finance charges		-	(3 000)	-	-	-	(1 250)	(1 250)	100%	(3 000)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(53 782)	75 884	-	(19 228)	26 439	44 144	17 705	40%	75 884
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		733 134	(71 240)	-	(9 154)	(31 624)	(29 683)	1 941	-7%	(71 240)
NET CASH FROM/(USED) INVESTING ACTIVITIES		733 134	(71 240)	-	(9 154)	(31 624)	(29 683)	1 941	-7%	(71 240)
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		679 353	4 644	-	(28 382)	(5 185)	14 460			-
Cash/cash equivalents at beginning:		1 559	(15 702)	-	-	22 351	(15 702)			22 351
Cash/cash equivalents at month/year end:		680 911	(11 058)	-	-	17 166	(1 242)			-

DEBTORS ANALYSIS

The debtors report below provides the total amount owed to the municipality by income source and by debtor type. Total outstanding debt for the month ending 30 November 2024 is R218 million. A R37 million increase from the previous month. The decrease is due to the correction of an error in commercial electricity billing. The biggest contributor being the households that owe R148 million which is an increase of R2 million from previous month (household debt is increasing by approximately R2 million per month which is concerning); followed by government departments owing R40 million which is an increase of R3 million from previous month and business that owe R28 million, which is a

decrease of R41 million. This is largely due to the correction of an error in commercial electricity billing. Household and Government debt is growing significantly on a monthly basis, which is of concern. Household and Government debt have increased by R4 million and R5 million respectively during quarter 2 to date.

EC124 Amahlathi - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
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	6 555	(66)	1 990	2 128	1 779	1 144	3 848	3 618	20 976	12 517	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	3 405	5 106	326	999	945	895	4 914	49 680	66 270	57 433	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	2 024	(30)	833	868	886	832	4 832	49 020	59 375	56 497	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	12	-	6	6	6	6	34	451	521	502	-	-
Interest on Arrear Debtor Accounts	1810	2 827	-	1 376	1 379	1 329	1 395	7 450	40 233	55 989	51 786	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	907	(449)	429	431	417	376	2 232	11 126	15 469	14 582	-	-
Total By Income Source	2000	15 731	4 542	5 009	5 811	5 361	4 647	23 371	154 127	218 600	193 318	-	-
2023/24 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	4 986	5 034	1 569	2 421	2 104	1 612	6 399	16 016	40 141	28 552	-	-
Commercial	2300	4 715	(508)	731	673	572	478	2 643	19 226	28 531	23 593	-	-
Households	2400	5 934	16	2 659	2 668	2 637	2 510	14 074	117 907	148 406	139 797	-	-
Other	2500	96	-	49	49	49	47	255	977	1 522	1 377	-	-
Total By Customer Group	2800	15 731	4 542	5 009	5 811	5 361	4 647	23 371	154 127	218 600	193 318	-	-

5. CREDITORS ANALYSIS

Section 65 of the Municipal Finance management Act requires that municipalities should pay its creditors within 30 days. The municipality strives to pay its creditors within 30 days, however delays are experienced due to cash flow challenges the municipality is faced with. Below is the list of trade creditors as at 30 November 2024.

EC124 Amahlathi - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

Description	NT Code	Budget Year 2024/25								
		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	5 200	-	475	416	601	427	3 375	110 643	121 137
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	663	39	704	-	166	1 992	2 287	12 664	18 514
Auditor General	0800	2 486	-	782	-	-	-	-	-	3 268
Other	0900	3 122	3	562	138	(5)	-	601	20 341	24 764
Total By Customer Type	1000	11 471	42	2 523	554	762	2 419	6 264	143 648	167 683

6. INVESTMENT PORTFOLIO ANALYSIS

The table below details the Call Deposits made by the Municipality for the period ending 30 November 2024.

Institution	Opening Balance	New Investment	Withdrawals	INTEREST					Total
				July	August	Sept	Oct	Nov	
FNB 62063171351	14 562 569,07	6 829 000,00	(21 651 950,37)	80 298,33	63 751,49	72 076,82	46 022,59	24 335,14	26 103,07
FNB 62135193770	1 620,85	24 460 595,42	(18 269 137,77)	19 715,91	64 135,80	55 313,70	22 982,72	62 052,67	6 417 279,30
FNB 61381739619	895 602,61	1 165 115,00	(1 538 000,00)	5 058,32	5 086,88	2 941,62	3 496,22	2 841,42	542 142,07
FNB 74568809858	5 174 751,78		(438 556,23)	37 003,02	38 509,87	36 291,56	31 478,79	32 739,30	4 912 218,09
FNB 62774381942	299 994,50			1 847,23	1 858,60	1 786,84	1 816,18	1 749,11	309 052,46
FNB 62774381009	2 031,22			12,50	12,59	12,10	12,29	11,85	2 092,55
FNB 62774381413	19360,52	1 160 000,00	(1 143 030,42)	834,28	3 615,85	1 617,36	194,21	296,01	42 887,81
FNB 62774382445	2392,88			14,73	14,82	14,26	14,48	13,96	2 465,13
FNB 62774383592	391165,68	68 700 000,00	(66 265 826,00)	162 683,27	6 032,26	6 388,23	10 273,44	6 791,68	3 017 508,56
FNB 62774382966	974256,48		(63 656,49)	5 619,69	5 641,66	5 423,82	5 512,91	5 309,28	938 107,35
NEDBANK '20738		9 000 000,00	(9 120 834,25)	30 757,81	68 106,58	21 969,86			-
ABSA 2081691844		9 000 000,00	(9 319 696,95)	-	102 195,61	71 092,60	97 262,12	49 146,62	0,00
ABSA 2081691836		9 000 000,00	(9 054 236,71)	-	54 236,71				-0,00
ABSA 2081691828		9 000 000,00	(9 225 721,75)	-	104 123,83	72 433,97	49 163,95		-0,00
FNB 63127290730		1 000,00						0,73	1 000,73
FNB 63127288686		1 000,00						0,73	1 000,73
FNB 63127292538		1 000,00						0,73	1 000,73
	22 323 745,59	138 315 710,42	(146 090 646,94)	343 845,09	517 322,55	347 362,74	268 229,90	185 287,04	16 209 856,39

EC124 Amahlathi - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rand/s)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial/ Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
FNB 62063171351			Call Deposit	Yes	Fixed		Nil		N/A	14 563	268	(21 652)	6 829	26
FNB 62135193770			Call Deposit	Yes	Fixed		Nil		N/A	2	224	(18 269)	24 461	6 417
FNB 61381739619			Call Deposit	Yes	Fixed		Nil		N/A	896	19	(1 538)	1 165	542
FNB 74568809858			Fixed Deposit	Yes	Fixed	7,9	Nil		26/09/2025	5 175	176	(439)	-	4 912
FNB 62774381942			Call Deposit	Yes	Fixed		Nil		N/A	300	9		-	309
FNB 62774381009			Call Deposit	Yes	Fixed		Nil		N/A	2	0		-	2
FNB 62774381413			Call Deposit	Yes	Fixed		Nil		N/A	19	7	(1 143)	1 160	43
FNB 62774382445			Call Deposit	Yes	Fixed		Nil		N/A	2	0		-	2
FNB 62774383592			Call Deposit	Yes	Fixed		Nil		N/A	391	192	(66 266)	68 700	3 018
FNB 62774382966			Call Deposit	Yes	Fixed		Nil		N/A	974	28	(64)	-	938
NEDBANK '20738			Call Deposit	Yes	Fixed		Nil		N/A		121	(9 121)	9 000	-
ABSA 2081691844			Call Deposit	Yes	Fixed		Nil		N/A		320	(9 320)	9 000	0
ABSA 2081691836			Call Deposit	Yes	Fixed		Nil		N/A		54	(9 054)	9 000	-
ABSA 2081691828			Call Deposit	Yes	Fixed		Nil		N/A		226	(9 226)	9 000	(0)
FNB 63127290730			Call Deposit	Yes	Fixed		Nil		N/A		0		1	1
FNB 63127288686			Call Deposit	Yes	Fixed		Nil		N/A		0		1	1
FNB 63127292538			Call Deposit	Yes	Fixed		Nil		N/A		0		1	1
Municipality sub-total										22 324		(146 091)	138 318	16 213

7. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

The conditional and unconditional grants allocation gazette for 2024/25 reflected an amount of R205m. An amount of R87 million has been received for period ending 30 November 2024. Transfers and grants receipts per allocation or grant is provided in the table below.

EC124 Amahlathi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M05 November

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:	1,2									
Operating Transfers and Grants										
National Government:		492 326	143 651	-	-	60 157	59 855	(981)	-1,6%	143 651
EPWP Incentive	-	5 595	1 211	-	-	303	505	(202)	-40,0%	1 211
Finance Management	-	8 735	2 200	-	-	2 200	917			2 200
Local Government Equitable Share	-	-	138 370	-	-	57 654	57 654			138 370
Metro Informal Settlements Partnership Grant	-	477 996	-	-	-	-	-			-
Municipal Infrastructure Grant	-	-	1 870	-	-	-	779	(779)	-100,0%	1 870
								-		
								-		
								-		
Other transfers and grants [insert description]								-		
Provincial Government:		(15 225)	1 854	-	-	(1 792)	(772)	(1 020)	132,0%	1 854
Eastern Cape_Capacity Building and Other_Specify (Add grant description)_A		(15 225)	1 854	-	-	(1 792)	(772)	(1 020)	132,0%	1 854
	4							-		
								-		
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Other grant providers:		1 153	-	-	-	286	-	286	#DIV/0!	-
Unspecified_Specify (Replace with the name of the Entity)_Receipts	-	1 153	-	-	-	286	-	286	#DIV/0!	-
								-		
Total Operating Transfers and Grants	5	478 254	145 505	-	-	58 651	59 082	(1 714)	-2,9%	145 505
Capital Transfers and Grants										
National Government:		137 513	59 538	-	560	28 817	6 353	9 623	151,5%	59 538
Municipal Infrastructure Grant (MIG)	-	132 217	35 533	-	-	24 428	14 805	9 623	65,0%	35 533
Energy Efficiency and Demand Side Management Grant	-	-	3 000	-	-	-	(1 250)			3 000
Integrated National Electrification Programme Grant	-	-	1 860	-	560	560	775			1 860
Municipal Disaster Relief Grant	-	5 296	19 145	-	-	3 829	(7 977)			19 145
								-		
								-		
								-		
Other capital transfers [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
	-							-		
								-		
District Municipality:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Other grant providers:		-	-	-	-	-	-	-		-
[insert description]								-		
								-		
Total Capital Transfers and Grants	5	137 513	59 538	-	560	28 817	6 353	9 623	151,5%	59 538
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	615 767	205 043	-	560	87 468	65 436	7 908	12,1%	205 043

The table below reflects expenditure for the period ending 30 November 2024. The operating grants, excluding equitable share are at R4 million and capital grants at R 18 million. It is worth noting that the funds for EPWP Grant are already depleted and the municipality is financing the expenditure from internally generated funds.

EC124 Amahlathi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M05 November

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:		491 449	5 281	-	-	1 479	2 200	(721)	-32,8%	5 281
Expanded Public Works Programme Integrated Grant	-	4 718	1 211	-	-	1 211	505	706	140,0%	1 211
Local Government Financial Management Grant	-	8 735	2 200	-	-	268	917	(648)	-70,7%	2 200
Metro Informal Settlements Partnership Grant	-	477 996	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	-	-	1 870	-	-	-	779	(779)	-100,0%	1 870
Other transfers and grants [insert description]								-		
Provincial Government:		4 800	-	-	-	1 792	-	1 792	#DIV/0!	-
Eastern Cape_Capacity Building and Other_Specify (Add grant description)_R		4 800	-	-	-	1 792		1 792	#DIV/0!	
								-		
								-		
Other transfers and grants [insert description]								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
[insert description]								-		
Other grant providers:		1 153	-	-	-	1 003	-	1 003	#DIV/0!	-
Unspecified-Specify (Replace with the name of the Entity)-Transfer	-	1 153	-	-	-	1 003	-	1 003	#DIV/0!	-
Unspecified_Specify (Replace with the name of the Entity)_Receipts								-		
Total operating expenditure of Transfers and Grants:		497 402	5 281	-	-	4 274	2 200	2 074	94,2%	5 281
Capital expenditure of Transfers and Grants										
National Government:		122 390	59 538	-	-	18 397	24 807	(6 411)	-25,8%	59 538
Energy Efficiency and Demand Side Management Grant	-	-	3 000	-	-	84	1 250	(1 166)	-93,3%	3 000
Integrated National Electrification Programme Grant	-	-	1 860	-	-	593	775	(182)	-23,5%	1 860
Municipal Disaster Relief Grant	-	-	19 145	-	-	10 354	7 977	2 377	29,8%	19 145
Municipal Infrastructure Grant	-	122 390	35 533	-	-	7 366	14 805	(7 439)	-50,2%	35 533
								-		
Other capital transfers [insert description]								-		
Provincial Government:		-	-	-	-	-	-	-		-
Eastern Cape	-	-	-	-	-	-	-	-		-
								-		
District Municipality:		-	-	-	-	-	-	-		-
								-		
								-		
Other grant providers:		-	-	-	-	-	-	-		-
								-		
								-		
Total capital expenditure of Transfers and Grants		122 390	59 538	-	-	18 397	24 807	(6 411)	-25,8%	59 538
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		619 792	64 819	-	-	22 671	27 008	(4 337)	-16,1%	64 819

8. COUNCILLOR AND BOARD MEMBER ALLOWANCES AND EMPLOYEE BENEFITS

The expenditure on employee related costs and councillors allowance is detailed in the table below.

EC124 Amahlathi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M05 November										
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		9 141	10 377	-	1 008	3 899	4 324	(425)	-10%	10 377
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		436	593	-	48	206	247	(41)	-17%	593
Cellphone Allowance		1 481	1 702	-	119	585	709	(124)	-18%	1 702
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2 538	2 358	-	288	1 116	983	133	14%	2 358
Sub Total - Councillors		13 595	15 031	-	1 462	5 806	6 263	(457)	-7%	15 031
% increase	4		10,6%							10,6%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	5 214	6 423	-	369	1 979	2 676	(697)	-26%	6 423
Pension and UIF Contributions		10	12	-	1	4	5	(1)	-29%	12
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		369	585	-	15	95	244	(148)	-61%	585
Cellphone Allowance		78	94	-	6	28	39	(11)	-29%	94
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1	1	-	0	0	0	(0)	-27%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Enrolment		-	-	-	-	-	-	-	-	-
Security		-	-	-	-	-	-	-	-	-
Aiding and counselling allowance		38	82	-	-	-	34	(34)	-100%	82
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		5 710	7 197	-	390	2 106	2 999	(892)	-30%	7 197
% increase	4		26,0%							26,0%
Other Municipal Staff										
Basic Salaries and Wages		87 036	87 827	-	8 762	38 979	36 595	2 384	7%	87 827
Pension and UIF Contributions		16 052	16 798	-	1 127	6 357	6 999	(642)	-9%	16 798
Medical Aid Contributions		4 898	6 449	-	550	2 437	2 687	(250)	-9%	6 449
Overtime		1 622	1 386	-	96	577	578	(1)	0%	1 386
Performance Bonus		6 854	6 815	-	615	3 231	2 840	391	14%	6 815
Motor Vehicle Allowance		5 495	5 484	-	265	2 056	2 285	(229)	-10%	5 484
Cellphone Allowance		1 859	850	-	73	363	354	9	3%	850
Housing Allowances		2 522	2 631	-	207	1 035	1 096	(61)	-6%	2 631
Other benefits and allowances		911	1 042	-	40	297	434	(137)	-32%	1 042
Payments in lieu of leave		1 051	-	-	-	87	-	87	#DIV/0!	-
Long service awards		(598)	966	-	-	-	403	(403)	-100%	966
Post-retirement benefit obligations	2	2 709	2 204	-	-	-	918	(918)	-100%	2 204
Enrolment		-	-	-	-	-	-	-	-	-
Security		-	-	-	-	-	-	-	-	-
Aiding and counselling allowance		186	1 844	-	36	267	769	(501)	-65%	1 844
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		130 496	134 297	-	11 771	55 686	55 957	(271)	0%	134 297
% increase	4		2,9%							2,9%
Total Parent Municipality		149 801	156 524	-	13 624	63 598	65 218	(1 620)	-2%	156 524

9. SUMMARY OF STATEMENT OF FINANCIAL POSITION

The financial position reflects the position of Amahlathi Local Municipality having considered the assets; liabilities and equity as at 30 November 2024.

EC124 Amahlathi - Table C6 Monthly Budget Statement - Financial Position - M05 November						
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		22 827	21 092	-	17 166	21 092
Trade and other receivables from exchange transactions		27 527	20 492	-	43 733	20 492
Receivables from non-exchange transactions		29 522	17 192	-	34 318	17 192
Current portion of non-current receivables		-	-	-	-	-
Inventory		3	74	-	(848)	74
VAT		47 272	24 882	-	52 301	24 882
Other current assets		1 160	-	-	1 262	-
Total current assets		128 311	83 733	-	147 932	83 733
Non current assets						
Investments		-	-	-	-	-
Investment property		11 679	11 687	-	11 679	11 687
Property, plant and equipment		421 113	434 745	-	452 737	434 745
Biological assets		4 470	6 214	-	4 470	6 214
Living and non-living resources		-	-	-	-	-
Heritage assets		610	610	-	610	610
Intangible assets		20	30	-	20	30
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		437 893	453 285	-	469 517	453 285
TOTAL ASSETS		566 203	537 018	-	617 449	537 018
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		222	228	-	222	228
Consumer deposits		1 737	1 844	-	1 737	1 844
Trade and other payables from exchange transactions		183 801	207 406	-	177 809	207 406
Trade and other payables from non-exchange transactions		15 783	15 500	-	32 024	15 500
Provision		17 036	18 394	-	17 036	18 394
VAT		46 694	10 118	-	52 179	10 118
Other current liabilities		-	-	-	-	-
Total current liabilities		265 272	253 489	-	281 008	253 489
Non current liabilities						
Financial liabilities		-	222	-	-	222
Provision		16 068	7 862	-	16 068	7 862
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		29 540	31 728	-	29 540	31 728
Total non current liabilities		45 608	39 813	-	45 608	39 813
TOTAL LIABILITIES		310 880	293 302	-	326 615	293 302
NET ASSETS	2	255 324	243 716	-	290 834	243 716
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		255 320	243 716	-	290 834	243 716
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	255 320	243 716	-	290 834	243 716

9.1.CURRENT ASSETS

- **Cash** – The cash balance of R 956,419 comprises of the cashbook balance for the main primary bank account as at 30 November 2024.
- **Call Investments Deposits** – Call investment deposits comprises of investments of call deposits made with various financial institutions when there is surplus cash available in the main account. These monies are invested in line with municipal investment policy. The table below details the Cash Balance in the Main Account and Call Deposits made by the Municipality for the period ending 30 November 2024.

Date	Type	Account Description	Balance
30 November 2024	Cash	Main Account	956 418.97
30 November 2024	Call Investment Deposit	Disaster Account	26 103.07
30 November 2024	Call Investment Deposit	MIG Account	6 417 279.30
30 November 2024	Call Investment Deposit	Insurance Account	542 142.07
30 November 2024	Call Investment Deposit	FNB Guarantee	4 912 218.09
30 November 2024	Call Investment Deposit	Retention Account	309 052.46
30 November 2024	Call Investment Deposit	FMG Account	2 092.55
30 November 2024	Call Investment Deposit	INEP Account	42 887.81
30 November 2024	Call Investment Deposit	LGSETA Account	2 465.13
30 November 2024	Call Investment Deposit	Payroll Accounts	3 017 508.56
30 November 2024	Call Investment Deposit	Waste Management	938 107.35
30 November 2024	Call Investment Deposit	EEDMS Account	1 000.73
30 November 2024	Call Investment Deposit	In-house projects Account	1 000.73
30 November 2024	Call Investment Deposit	STR Account	1 000.73
			17 166 275.36

- The total cash available as at 30 November 2024 indicates a total balance of **R17 166 275.36**.
- **Inventory** – The value of inventory as at 31 October 2024 amounts to R74 thousand.
- **Investment Property; Biological Assets and Intangible Assets** – The depreciation will be calculated during the Second quarter FAR compilation.

9.2.NON-CURRENT ASSETS

- The non-current assets amount to R469 million with the biggest contributor being the Property; Plant and Equipment of the municipality amounting to R452 million.

9.3.CURRENT LIABILITIES

- Section 65 of the Municipal Finance management Act requires that municipalities should pay its creditors within 30 days. The municipality strives to pay its creditors

within 30 days, however delays are experienced due to cash flow challenges the municipality is faced with. Below is the list of trade creditors as at 30 November 2024.

- **Trade and other Payables** – The trade and other payables are currently at R177 million which indicates a R4 million decrease when compared to prior months.
- **Unspent Grant** – The unspent grants amounts to R32 million as at 30 November 2024.

10.REPAIRS AND MAINTENANCE

The table below reflects expenditure on repairs by asse class. The expenditure on repairs and maintenance is at 30% of annual budget.

EC124 Amahlathi - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M05 November

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	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		1 454	1 750	-	365	553	729	176	24,2%	1 750
Roads Infrastructure		705	900	-	-	166	375	209	55,6%	900
Roads		705	900	-	-	166	375	209	55,6%	900
Road Structures		-	-	-	-	-	-	-		-
Road Furniture		-	-	-	-	-	-	-		-
Capital Spares		-	-	-	-	-	-	-		-
Storm water Infrastructure		7	50	-	-	2	21	19	92,6%	50
Drainage Collection		7	50	-	-	2	21	19	92,6%	50
Storm water Conveyance		-	-	-	-	-	-	-		-
Attenuation		-	-	-	-	-	-	-		-
Electrical Infrastructure		742	800	-	365	385	333	(52)	-15,5%	800
Power Plants		46	100	-	-	-	42	42	100,0%	100
HV Substations		-	-	-	-	-	-	-		-
HV Switching Station		-	-	-	-	-	-	-		-
HV Transmission Conductors		696	700	-	365	385	292	(93)	-32,0%	700
Community Assets		-	150	-	-	-	63	63	100,0%	150
Community Facilities		-	150	-	-	-	63	63	100,0%	150
Libraries		-	-	-	-	-	-	-		-
Cemeteries/Crematoria		-	150	-	-	-	63	63	100,0%	150
Other assets		308	515	-	8	123	215	92	42,7%	515
Operational Buildings		308	515	-	8	123	215	92	42,7%	515
Municipal Offices		307	500	-	8	123	208	85	40,9%	500
Pay/Enquiry Points		-	-	-	-	-	-	-		-
Capital Spares		0	15	-	-	-	6	6	100,0%	15
Machinery and Equipment		-	50	-	-	-	21	21	100,0%	50
Machinery and Equipment		-	50	-	-	-	21	21	100,0%	50
Transport Assets		1 955	1 300	-	30	485	542	56	10,4%	1 300
Transport Assets		1 955	1 300	-	30	485	542	56	10,4%	1 300
Total Repairs and Maintenance Expenditure	1	3 717	3 765	-	403	1 161	1 569	407	26,0%	3 765

11.RESOLUTIONS AND RECOMMENDATIONS

It is recommended that that the Mayoral Committee / Mayoral Committee meeting take note of -

1. The monthly section 71 report for period ending 30 November 2024 **BE NOTED AND ACCEPTED.**
2. The non-compliance emanating from the municipality's debt relief self-assessment as well as the Provincial Treasury's independent assessment set-out.
3. The following remedial actions necessary and / or undertaken to improve the municipality's monthly compliance in terms of debt relief conditions.
4. The balance of the Eskom bulk account and the municipality's reconciliation of these accounts.

12. CONCLUSION

The municipality continues to take part in the Eskom Debt relief program. The compliance status is 95%. This is largely due to the municipality adopting an unfunded budget.

The collection rate has decreased from 99% during October 2024 to 55% in the current month. Since the start of the programme, the municipality has not missed one payment to Eskom.

13. ANNEXURE A: SCHEDULE A

14. ANNEXURE B: Compliance with the Conditions for Municipal Debt Relief

15.1 MFMA Circular 124 – Municipal Compliance Self-Assessment

Annexure A2 - Monthly			Notes/Comments
 Municipal Debt Relief MFMA Circular No. 124 Municipal Finance Management Act No. 56 of 2003			
Select Assessor			
Certificate of Compliance: Municipal Debt Relief Conditions for Application Period: Kw24 National Financial Year: 2023 Demarcation Code of Municipality being assessed: EC114 District: Amathole Demarcation Description: Amathole			
I, Amathole , hereby certify that the provincial treasury monitored the compliance against the conditions of Municipal Debt Relief as set out in MFMA Circular No. 124 and that the Provincial Treasury is satisfied and certifies that the said municipality fully complies with the conditions as set out in the table below.			
Municipal Debt Relief Conditions (Monthly reporting)			Choose from drop down list
Condition 6.11 - Maintaining the Bulk Water current account Current account for the purpose of the current water account for a specific month			
6.11.1	Has the municipality paid its bulk water current account within 10 days of receiving the relevant invoice plus applies to all municipalities including metros? <i>Note - refer condition 6.11.2</i>	Does not have function	The municipality is a company of the Amathole DfL
6.11.2	Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury, the Water Board and/or Water Trading Entity within 5 days of making any such payment for RPI format and the Bulk Water current account? <i>Note - current account in terms of municipal debt relief approval means the total bill in charges for the billing period plus VAT plus any repayment that may be due in terms of a payment arrangement of "flow stream" (March 2023 and for all current account) up to the date of approval of the application.</i>	Does not have function	The municipality is a company of the Amathole DfL
6.11.3	Does the amount of the bulk water current account payment in per the proof of payment reconcile to the amount recorded on the financial system as per the MISC04 data filing and the section 41(2) MFMA statement of the Water Board and/or Water Trading Entity?	Does not have function	
6.11.4	Has the municipality paid its bulk water current account within 10 days of receiving the relevant invoice plus applies to all municipalities including metros? <i>Note - current account in terms of municipal debt relief approval means the total bill in charges for the billing period plus VAT plus any repayment that may be due in terms of a payment arrangement of "flow stream" (March 2023 and for all current account) up to the date of approval of the application.</i>	Yes	
6.11.5	Has the municipality submitted the supporting evidence of the bulk water current account payment to the National Treasury and Water Board within 5 days of making any such payment for RPI format and the Bulk Water current account?	Yes	
6.11.6	Does the amount as per the proof of payment reconcile to the amount recorded on the financial system as per the MISC04 data filing and the section 41(2) MFMA statement of the Board?	Yes	
Condition 6.12 - Compliance with a funded MTRF (Choose from drop down list the MTRF allowed)			
6.12.1	Is the municipality a funded MTRF (as defined in the National Treasury's Budget Funding Guidelines) - <i>Note - the municipality must be a funded MTRF as defined in the National Treasury's Budget Funding Guidelines.</i>	No	The municipality has received an Unfunded Budget for 2024/25 FY
6.12.2	Has the municipality budgeted for any operating surplus on the A1 Schedule (Table A1 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	No	The municipality has budgeted for an operational deficit due to non-cash items such as depreciation and amortisation. Unless the municipality is in a position to increase its revenue drastically, this will not change in the short term.
6.12.3	Has the municipality made adequate provision for debt repayment (including the eventual conversion of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A1 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	The municipality, implementing a voluntary RPP AND Revenue Enhancement strategy. The municipality has established a Revenue Enhancement Committee. It will be looking into revenue management changes.
Note - For example, if the municipality during the preceding 12 months only managed to collect 80 per cent of its revenue then simply using the provision for debt repayment during the 12 months would not be sufficient. The municipality must use the provision for debt repayment and the provision for debt repayment must be sufficient to cover the debt repayment during the 12 months. 			
6.12.4	Has the municipality made adequate provision for debt repayment (including the eventual conversion of revenue and property rates during the 12 months immediately preceding the tabling of the budget) on the A1 Schedule (Table A1 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations?	Yes	RPP Motion for 2024/25 FY and RPP Motion 122 - 2024/25 FY. The amounts are reasonable.
Note - If the municipality does not have the necessary debt repayment provision, the National Treasury must be notified in writing and the municipality must submit a plan to the National Treasury to address the shortfall. 			
6.12.5	If the municipality's MTRF is not funded, has it tabled and adopted a credible Budget Funding Plan as part of the MTRF budget (refer to item 3 of MFMA Budget Guidelines 122, 09 December 2023)?	Yes	
Note - If the municipality has an MTRF, it must submit a credible Budget Funding Plan to the National Treasury. The National Treasury must be notified in writing and the municipality must submit a plan to the National Treasury to address the shortfall. 			
6.12.6	If the municipality's MTRF is not funded and does not have an RPP per the legislative framework, does the existing RPP incorporate a credible Budget Funding Plan (the RPP give effect to a funded MTRF) over the period of the MTRF, along with the principles of a budget funding plan as envisaged in item 9.3 of MFMA Budget Guidelines 122, 09 December 2023)? <i>Note - The RPP must be a credible Budget Funding Plan as envisaged in item 9.3 of MFMA Budget Guidelines 122, 09 December 2023.</i>	Yes	
6.12.7	Does the municipality have annual and monthly cashflow projections, included on the A1 Schedule (Table A1 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations, that give effect to the municipality's Budget Funding Plan strategy (the RPP strategy) and related financial trends (the example figure under item 9.3 of MFMA Budget Guidelines 122, 09 December 2023)?	Yes	The municipality has annual and monthly cashflow projections, included on the A1 Schedule (Table A1 - Budgeted Financial Performance) of the Municipal Budget and Reporting Regulations, that give effect to the municipality's Budget Funding Plan strategy (the RPP strategy) and related financial trends (the example figure under item 9.3 of MFMA Budget Guidelines 122, 09 December 2023).
6.12.8	Cost reflective tariffs - (including metros) has the municipality included its completed tariff for MFMA Circulars 55 and item 12 of MFMA Budget Guidelines 122, as part of the municipality's annual budget and adopted MTRF submissions with effect to the tabling of the 2023/24 MTRF?	Yes	Cost reflective tariffs for 2023/24 FY are not applicable to the MTRF. The municipality has completed its tariffs for 2023/24 FY.

6.6.1 - the municipality issues a consolidated monthly bill to all consumers/property owners in terms of which all partial payments received are allocated in the following order of priority: firstly, to property rates, thereafter to water, wastewater, refuse removal and lastly to electricity?		Yes	
6.6.2 - the municipality disconnects electricity services and/or blocks the purchasing of pre-paid electricity of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?		Yes	
6.6.3 - the municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality? In the interim, if the municipality has not yet implemented the restriction, it should be noted that the municipality is not required to restrict the supply of water to any consumer/property owner unless the defaulter already registered as an indigent consumer with the municipality?		Does not have function	
6.6.4 - if the defaulting consumer/property owner is registered as an indigent consumer with the municipality, is the monthly supply of electricity and water to that consumer/property owner physically restricted to the monthly national basic free electricity and water limits of 50 KiloWatt electricity and 6 KiloLitres water, respectively? <i>Note - If a municipality is not required to restrict the supply of electricity and water to an indigent consumer, it is not required to restrict the supply of electricity and water to an indigent consumer.</i>		Yes	
6.7 - Minimum quarterly average quarterly collection of property rates and service charges			
6.7.1 - Has the municipality achieved a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter - demonstrated in the MFMA s.71 monthly and quarterly statement(s) and mSCOA data strings uploaded via the GoMuni Upload Portal?		No	
6.7.2 - If the response in 6.7.1 is "No" and the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality demonstrated to the satisfaction of National Treasury the following:			
6.7.2.1 - the underperformance directly relates to Eskom supplied areas where the municipality does not have electricity as a collection tool and that the average quarterly collection of the municipality (excluding Eskom supplied areas) equals the required quarterly average collection set-out in paragraph 6.7.1.		Yes	
6.7.2.2 - the municipality for technical engineering reasons is unable to physically restrict and/or limit the supply of water in the Eskom supplied area(s)?		6.7.1 = Yes	
6.7.2.3 - the municipality before 01 February 2024 attempted to enter into a service delivery agreement with Eskom for purposes of municipal revenue collection in the Eskom supplied area(s) as envisaged in sections 76 to 78 of the Municipal Systems Act, 2000 and that such failed and the reason(s) for the failure?		Yes	The municipality has previously approached Eskom to assist with revenue collection in Eskom supplied areas. Eskom has refused to assist the municipality. The matter has been escalated to DSDTA for further intervention.
6.7.3 - The municipality has progressively installed smart pre-paid meters in the municipality supplied areas to improve its collection and only then, on an individual case-by-case basis, considered writing off the debt of its customers, within its normal credit control process?		Yes	The municipality has appointed a service provider to supply with SMART meters for residents. The installation is done by the municipality. The challenge with the supplied meters was done they stop working when there is no electricity. The meters have been replaced. Today 250 meters have been bought, 175 meters have been installed. The municipality is still procuring for more.
6.7.4 - Has the municipality adopted a policy to install any new electricity connection in the demarcated area with effect from the 2023/24 MTRF with a smart pre-paid meter?		No	While there is no council approved policy in place, every meter that is being installed is a SMART pre-paid meter.
6.7.5 - Has the municipality's 2023/24, 2024/25 and 2025/26 tabled and adopted capital budgets and MFMA section 71 statements reflected the approach set-out in 6.7.3 and 6.7.4?		Yes	
6.8 - Municipality's Compliance of the reporting framework			
6.8.1 - Has the municipality demonstrated through the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/or any subsequent supplementary GVR compiled by the registered municipal valuer?		Yes	The municipality does upload the quarterly valuation report, however, it is NOT in a prescribed reporting framework.
6.8.2 - If the response in 6.8.1 is "No", has the municipality demonstrated the steps taken to correct the variances identified? <i>Note - monthly errors, arising from the use of incorrect valuations in the council approved GVR, are not a valid reason for non-compliance with the reporting framework.</i>		Yes	The municipality does not report the identified variances identified but need to utilize the correct format for the report.
6.8.3 - For the latest ending Quarter - Has the municipality submitted its completed billing system, GVR and/or other GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury quarterly (refer MFMA Circular no. 53, 54, 107 and 108) to the upload portal on the National Treasury website?		Yes	The municipality does upload the quarterly valuation report, however, it is NOT in a prescribed reporting framework.
6.9 - Monitor and report on budget compliance			
6.9.1 - MFMA section 71 reporting - has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?		Yes	The Revenue Enhancement committee (chaired by MM) reports quarterly in standing committees, EXCO and ultimately to council.
6.9.2 - If progress is slow in terms of paragraph 6.9.1, is the active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string? <i>Note - paragraphs 6.9.1 and 6.9.2 are not required to be reported in the mSCOA data string.</i>		Yes	
6.9.3 - Municipalities with financial recovery plans (FRP) - if the municipality has a FRP as envisaged in the prevailing local government legislative framework, is the municipality reporting monthly its progress in implementing its FRP to the Provincial Executive?		No FRP	voluntary FRP
6.9.4 - If the municipality has an FRP, with effect from 01 April 2023, parallel to submitting its monthly FRP progress report to the Provincial Executive, has the municipality also submitted the FRP progress report to the National Treasury: Municipal Financial Recovery Service (MFRRS) through the GoMuni Upload Portal (https://upload.mfrrs.co.za)?		No FRP	voluntary FRP
6.10 - Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions:			
6.10.1 - has the relevant Provincial Treasury (delegated) / National Treasury (non-delegated) monthly monitored the municipality's compliance in terms of these conditions?		Yes	
6.10.2 - Has the Head of the relevant Provincial Treasury (delegated) monthly certified the municipality's compliance to these conditions, to the National Treasury's satisfaction as envisaged in the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.5 of MFMA Circular no. 124) and timely uploaded the compliance certificate via the GoMuni Upload Portal (https://upload.mfrrs.co.za)? <i>Note - in the event of a non-compliance with any of the conditions for provincial treasuries, the municipality must submit a compliance certificate to the National Treasury.</i>		Yes	
6.10.3 - has the Provincial Treasury failed to rectify any provincial treasury non-compliance with any of the conditions for provincial treasuries (refer paragraph 4.1.1 to 4.1.6 of MFMA Circular no. 124) within one month of the non-compliance occurring?		No	

6.11 **Debt relief on municipality borrowing powers** - Has the municipality borrowed since its initial or any subsequent benefit in terms of this municipal debt support programme?

Yes ☐ No ☐

6.12 **For the duration of the Municipal Debt Relief programme proper management of accounts**

6.12.1 - Has the municipality **apportioned and ring-fenced** in a sub-account to its primary bank account - (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the local Government Equitable Share (LES) the municipality is entitled to provide free basic electricity, water and sanitation?

Yes ☐ No ☐

6.12.2 - Has the municipality during the month first applied the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly to bulk water current account before it applied the revenue in the sub-account for any other purpose?

Yes ☐ No ☐

Supporting evidence - Has the municipality submitted a copy of the monthly bank statement of its ring-fenced bank account to the National Treasury and provincial treasury along with its MFMA s.71 statement collected revenue.

Yes ☐ No ☐

6.13 **Accounting Treatment** - has the municipality fully accounted for and correctly reported on the write-off of its Eskom arrears debt (debt existing as on 31 March 2023) as per any written instruction of the National Treasury: Office of the Accountant General for Municipal Debt Relief to pay?

Yes ☐ No ☐

6.14 **NERSA license** - has the municipality during the month failed to comply with any condition of the Municipal Debt Relief?

Yes ☐ No ☐

15.2 Municipal Debt Relief Performance across the period of debt relief participation



National Treasury
Municipal Debt Relief
MFMA Circular No. 124
Municipal Finance Management Act No. 56 of 2003

Province

EC

Code	District	Code Description
EC124	Amathole	Amathole

Monthly Performance Report																																													
Municipal Details			Part A				Part B				Part C				Part D				Part E				Part F																						
			Eskom And Bulk water current account				Compliance with a funded MTRF				FRP/BFP & Tariff Assessment				Electricity and water as collection tools				Quarterly collection of property rates and services charges				Maximization of Revenue Base				Oversight				Compliance Status														
Month	Code Descr	Code	C1	C2	C3	C4	C5	C6	C7	C8	C9	C10	C11	C12	C13	C14	C15	C16	C17	C18	C19	C20	C21	C22	C23	C24	C25	C26	C27	C28	C29	C30	C31	C32	C33	C34	C35	C36	C37	C38	C39	C40	C41	Score	Compliance Status
1. July	Amathole	EC124																																										50%	Non Compliance
2. August	Amathole	EC124																																										50%	Non Compliance
3. September	Amathole	EC124																																										50%	Non Compliance
4. October	Amathole	EC124																																										50%	Non Compliance
5. November	Amathole	EC124																																										50%	Non Compliance
6. December	Amathole	EC124																																										0%	Non Compliance
7. January	Amathole	EC124																																										0%	Non Compliance
8. February	Amathole	EC124																																										0%	Non Compliance
9. March	Amathole	EC124																																										0%	Non Compliance
10. April	Amathole	EC124																																										0%	Non Compliance
11. May	Amathole	EC124																																										0%	Non Compliance
12. June	Amathole	EC124																																										0%	Non Compliance

Comments/Motivation

HOD Name: _____

Signature of HOD: _____

Date: _____

*Note - If the official is signing on behalf of the Head of the Provincial Treasury (HOD), the written provision of the HOD must be attached as an Annexure to this Certificate of Compliance

15.3 October 2024 Provincial Treasury Debt Relief Compliance Assessment

Please see Annexure C Attached

[illegible]

15.5 Maintaining the Eskom bulk current account

Eskom accounts are paid prior to the due date. Last payment amounting to R5 million was made on 04 November 2024. This was in relation to the September invoice.

The municipality is also keeping up with the Third Party payments.

15. MUNICIPAL MANAGERS QUALITY CERTIFICATE

QUALITY CERTIFICATE

I, **Dr. Z Shasha** Municipal Manager of **Amahlathi Municipality**, hereby certify that -

(Mark as appropriate)

☒ the monthly budget statement

☐ Quarterly report on the implementation of the budget and financial state of affairs of the municipality

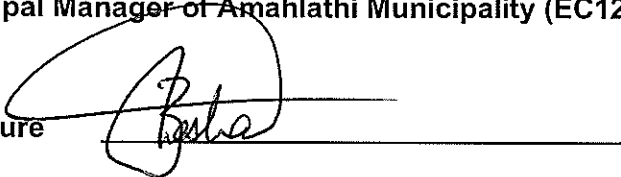
☐ Mid-year budget and performance assessment

for the month of November 2024 of 2024/2025 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: Dr. Z Shasha

Municipal Manager of Amahlathi Municipality (EC124)

Signature



Date: 12 November 2024