



## **GREATER LETABA MUNICIPALITY**

### **1<sup>st</sup> QUARTER IN-YEAR FINANCIAL REPORT:**

**SEPTEMBER 2024**

**Section 71 and 52(d) of the MFMA**

# **1. Introduction**

**Section 71(1) of the Municipal Finance Management Act (MFMA) requires from the Municipal Manager, as the Accounting Officer of the Municipality, to submit a report in a prescribed format to the Mayor and respective Provincial Treasury within 10 working days after the end of each month on the state of the Municipality's budget for that month and the financial year up to the end of that month.**

**Section 52(d) of the MFMA state that the Mayor must within 30 days of the end of each quarter submit a report to the council on the implementation of the budget and the financial affairs of the municipality.**

**Section 32 of the MFMA requires of the accounting Officer to promptly inform the MEC for Local Government in the Province and the Auditor General in writing of any unauthorised, irregular or fruitless and wasteful expenditure and the steps that have been taken to recover or rectify such expenditure as well steps taken to prevent a recurrence of such expenditure.**

**The report is submitted in terms of the above-mentioned legislation requirements.**

## 2. TABLE C4 – STATEMENT OF FINANCIAL PERFORMANCE

Table C4 indicates revenue by source which indicates the types of income budgeted for and the performance of these items individually and expenditure by type reflecting operational budget per type/category of the expenditure.

LIM332 Greater Letaba - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 - June

Climate Change Details - Table C4: Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - M12 - June										
Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		17,099	22,396	24,396	2,468	26,066	24,396	1,670	7%	24,396
Service charges - Water		5	-	-	646	646	-	646	#DIV/0!	-
Service charges - Waste Water Management		2	-	-	984	985	-	985	#DIV/0!	-
Service charges - Waste management		5,936	6,059	6,059	489	5,710	6,059	(349)	-6%	6,059
Sale of Goods and Rendering of Services		1,212	1,508	2,008	82	1,155	2,008	(853)	-42%	2,008
Agency services		3,401	3,368	3,368	176	2,912	3,368	(456)	-14%	3,368
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		5,070	3,751	3,751	(113)	3,147	3,751	(604)	-16%	3,751
Interest from Current and Non Current Assets		2,117	1,377	4,184	139	4,679	4,184	495	12%	4,184
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		223	249	249	15	197	249	(53)	-21%	249
Licence and permits		16,860	21,523	22,523	1,571	19,041	22,523	(3,482)	-15%	22,523
Operational Revenue		995	321	321	2	1,662	321	1,341	418%	321
Non-Exchange Revenue										
Property rates		13,342	13,517	20,517	378	19,285	20,517	(1,232)	-6%	20,517
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		632	599	599	(465)	(386)	599	(986)	-164%	599
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		374,359	388,982	393,461	216	392,470	393,461	(991)	0%	393,461
Interest		571	2,598	2,598	51	645	2,598	(1,953)	-75%	2,598
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		1,712	800	800	-	-	800	(800)	-100%	800
Other Gains		4,196	-	-	1,400	1,400	-	1,400	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		447,732	467,049	484,834	8,039	479,612	484,834	(5,222)	-1%	484,834
Expenditure By Type										
Employee related costs		128,349	143,320	145,640	13,555	142,766	145,640	(2,873)	-2%	145,640
Remuneration of councillors		24,163	29,138	31,288	2,534	32,056	31,288	767	2%	31,288
Bulk purchases - electricity		16,897	21,841	21,841	1,895	19,860	21,841	(1,981)	-9%	21,841
Inventory consumed		14,019	10,897	11,960	2,498	13,774	11,960	1,814	15%	11,960
Debt impairment		20,697	-	-	-	-	-	-	-	-
Depreciation and amortisation		52,373	21,797	26,696	3,260	29,488	26,696	2,792	10%	26,696
Interest		571	77	77	-	-	77	(77)	-100%	77
Contracted services		116,839	97,990	104,917	14,320	131,230	104,917	26,313	25%	104,917
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	22,210	15,210	-	-	15,210	(15,210)	-100%	15,210
Operational costs		80,343	76,128	83,367	9,535	84,863	83,367	1,496	2%	83,367
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		1,990	-	-	2,883	2,883	-	2,883	#DIV/0!	-
Total Expenditure		456,241	423,398	440,997	50,480	456,921	440,997	15,925	4%	440,997
Surplus/(Deficit)		(8,509)	43,651	43,838	(42,441)	22,690	43,838	(21,147)	-48%	43,838
Transfers and subsidies - capital (monetary allocations)		79,007	69,075	70,997	1,537	66,578	70,997	(4,418)	-6%	70,997
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		70,497	112,726	114,835	(40,904)	89,269	114,835	-	-	114,835
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		70,497	112,726	114,835	(40,904)	89,269	114,835	-	-	114,835
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		70,497	112,726	114,835	(40,904)	89,269	114,835	-	-	114,835
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		70,497	112,726	114,835	(40,904)	89,269	114,835	-	-	114,835

## 2.1 REVENUE

OPERATING REVENUE SUMMARY FIRST QUARTER SEPTEMBER 2024			
TOTAL REVENUE	BUDGET	1ST QUARTER PENDING	%
<b>BILLED REVENUE</b>			
Property Rates	21,522,000.00	5,975,790	27.77
Service charges - Electricity	28,080,000.00	7,205,700	25.66
Service charges - Refuse	6,356,000.00	1,593,000.00	25.06
Interest on Outstanding debtors	6,661,000.00	892,000.00	13.39
<b>GRANTS AND SUBSIDIES</b>			
Transfer and subsidies	423,528,000.00	171,293,000.00	40.44
<b>OTHER INCOME</b>			
Interest on investment	4,888,000.00	2,175,000.00	44.50
Rental of Facilities	2,106,000.00	163,000.00	7.74
Fines and penalties	629,000.00	6,000.00	0.95
Agency fees	3,533,000.00	584,000.00	16.53
Other income	1,436,000.00	41,000.00	2.86
Licences and permits	23,627,000.00	5,628,000.00	23.82
	<b>522,366,000.00</b>	<b>195,556,490.00</b>	<b>37.44</b>

- Overall revenue for the first quarter is at 37.44% (R195 556 490/R522 366 000) inclusive of operational grants.
- Property rate billed for the first quarter is at 27.77% (R5 975 790/ R21 522 000).
- Electricity billed for the first quarter is at 25.66% (R7 205 700/R28 080 000)
- Refuse removal is at 25.06% (R1 593 000/R6 356 000) in the first quarter.
- Interest on outstanding debtors is at 13.39% (R892 000/ R6 661 000).
- Interest generated on investment and bank account is at 44.5%.
- Fines is at 1% (R6 000/ R629 000) in the first quarter.
- Operational grant is at 40.44, the municipality received all the grants according to the allocation schedule.

## 2.2 EXPENDITURE

OPERATING EXPENDITURE SUMMARY FIRST QUARTER SEPTEMBER 2024			
TOTAL EXPENDITURE	BUDGET	1ST quarter Spending	%
<b>Personnel Cost</b>			
Employee related cost	151,912,000.00	36,104,000.00	23.77
Remuneration for Councilors	32,821,000.00	7,572,000.00	23.07
Contracted Services	114,984,000.00	35,755,000.00	31.10
Inventories	12,547,000.00	3,087,000.00	24.60
Depreciation	27,004,000.00	-	-
Debt Impairment	15,955,000.00	-	-
<b>Bulk Purchases</b>			
Electricity	22,615,000.00	4,947,000.00	21.87
<b>General expenses</b>			
Repairs and maintainance	28,628,000.00	7,216,000.00	25.21
Other expenses	61,062,000.00	6,212,000.00	10.17
	<b>467,528,000.00</b>	<b>100,893,000.00</b>	<b>21.58</b>

- The overall operational expenditure is at 21.58% (R100 893 000/ R467 528 000) in the first quarter.
- Contracted services expenditure is at 31,10% (R35 755 000/ R114 984 000) in the first quarter.
- Bulk purchase of electricity is at 21.87% (R4 947 000/ R22 615 000) in the first quarter.
- Repair and maintenance expenditure is at 25.21 % in the first quarter (7 216 000/ R28 628 000).
- FBS for first quarter is at 22.74 (R173,306.30/R762,103.00)

## 3. CAPITAL EXPENDITURE

CAPITAL SPENDING 1st QUARTER SEPTEMBER 2024			
CAPITAL ASSET	BUDGET	SPENDING	%
Municipal Infrastructure Grant - MIG	68,594,000.00	35,746,000.00	52.11
Own funding capital	54,615,000.00	5,562,000.00	10.18
Disaster Management Grant - MDRG	13,081,978.00	3,857,000.00	29.48
<b>Total capital assets</b>	<b>136,290,978.00</b>	<b>45,165,000.00</b>	<b>33.14</b>

- The overall capital spending is at 33.14% in the first quarter.
- MIG funded projects spending is at 52.11% in the first quarter
- Own funding projects spending is at 10.18% in the first quarter

- Disaster management grant spending is at 29.48% in the first quarter, with a rollover amount of R5 million brought forward from 2023/2024fy.

#### 4. CREDITORS AGEING

<b>Creditor Age Analysis</b>					
	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>61 - 90 Days</b>	<b>Over 90 Days</b>	<b>Total</b>
<b>R thousands</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>	<b>Amount</b>
<b>Creditor Age Analysis</b>					
Bulk Electricity	2,862	-	-	-	2,862
Bulk Water	-	-	-	-	-
PAYE deductions	-	-	-	-	-
VAT (output less input)	-	-	-	-	-
Pensions / Retirement	-	-	-	-	-
Loan repayments	-	-	-	-	-
Trade Creditors	1,283	-	-	-	1,283
Auditor-General	-	-	-	-	-
Other	-	-	-	-	-
<b>Total</b>	<b>4,145</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,145</b>

The table above shows the ageing of the municipality creditors amounting to R4,1 million (Eskom and Department of Transport) in the first quarter.

#### 5. DEBTORS' ANALYSIS

##### 5.1 DEBTORS COLLECTION

<b>Type of Service</b>	<b>Billing</b>	<b>Collection</b>	<b>%</b>
<b>Property Rates</b>	R 5,975,795.00	R 1,967,081.00	32.92
<b>Refuse</b>	R 1,593,000.00	R 519,319.00	32.60
<b>Electricity</b>	R 7,205,744.50	R 6,535,059.00	90.69
<b>Total</b>	<b>R 14,774,539.50</b>	<b>R 9,021,459.00</b>	<b>61.06</b>

- The overall collection for the first quarter is at 61%.
- Property Rates collection is at 32.92%
- Refuse Removal collection is at 32.60%
- Electricity collection is at 90.69%

## 5.2 OUTSTANDING DEBTS

LIM332 Greater Letaba - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 - September														
Description	NT Code	Budget Year 2024/25										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts Lila Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	806	576	538	606	608	634	581	39 426	43 773	41 854	--	--	--
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 420	1 110	1 335	1 485	817	452	902	18 675	26 196	22 331	--	--	--
Receivables from Non-exchange Transactions - Property Rates	1400	2 130	1 454	1 693	1 551	1 271	1 277	1 194	50 862	61 433	56 156	--	--	--
Receivables from Exchange Transactions - Waste Water Management	1500	581	564	556	538	522	523	511	40 714	44 509	42 807	--	--	--
Receivables from Exchange Transactions - Waste Management	1600	593	561	544	530	511	531	488	68 527	72 285	70 587	--	--	--
Receivables from Exchange Transactions - Property Rental Debtors	1700	--	--	--	--	--	--	--	--	--	--	--	--	--
Interest on Amex Debtor Accounts	1810	449	435	444	535	401	407	391	118 358	121 422	120 093	--	--	--
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	--	--	--	--	--	--	--	--	--	--	--	--	--
Other	1900	3	1	--	0	0	2	0	14 874	14 880	14 876	--	--	--
Total By Income Source	2000	5 982	4 791	5 110	5 245	4 130	3 828	4 068	351 435	384 498	368 794	--	--	--
2023/24 - totals only		5 517	4 638	5 237	3 506	3 054	3 977	2 968	324 712	353 609	338 217	--	--	--
Debtors Age Analysis By Customer Group														
Organs of State	2200	1 032	265	581	202	180	172	166	15 089	17 687	15 809	--	--	--
Commercial	2300	1 312	1 173	827	1 169	755	745	1 134	33 233	40 348	37 036	--	--	--
Households	2400	3 639	3 263	3 702	3 874	3 195	2 909	2 788	303 113	326 463	315 858	--	--	--
Other	2500	--	--	--	--	--	--	--	--	--	--	--	--	--
Total By Customer Group	2600	5 982	4 791	5 110	5 245	4 130	3 828	4 068	351 435	384 498	368 794	--	--	--

OUTSTANDING DEBT SEP 2024	
TOTAL DEBT INCLUDING MOPANI	384,498,000.00
MOPANI WATER	(43,773,000.00)
NMOPANI SEWERAGE	(44,509,000.00)
TOTAL DEBT EXCLUDING MOPANI	296,216,000.00
TOTAL COLLECTION	9,021,459.00
DEBT COLLECTION RATE	3.05%

The above table shows the ageing of the municipality debtors in the first quarter. The municipality have a total debtor of R384 498 000 including Mopani debt of R88 282 000. The overall debts excluding Mopani is R296 216 000.

## 5.3 GOVERNMENT DEBT

Total Outstanding Government Services Debts As At 31 September 2024								
GREATER LETABA MUNICIPALITY	Name of Department							
	Education	Provincial Public works	National Public Works	Roads & Transport	Health & Social Dev	Rural Development	Mopani district Municipality	Total
Education	834876							834,876
Provincial Public Works		750,002						750,002
National public works			427,840					427,840
Roads and transport				37,197				37,197
Health					103,049			103,049
Rural Development						3,347,055		3,347,055
Mopani District							58,026	58,026
TOTAL	834,876	750,002	427,840	37,197	103,049	3,347,055	58,026	5,558,044

- The overall government debt is at R5.5 million in the first quarter.

## 5.4 GOVERNMENT PAYMENT

Total Government Payments As At July to 31 September 2024								
	Name of Department							
GREATER LETABA MUNICIPALITY	Education	Provincial Public works	National Public Works	Roads & Transport	Health & Social Dev	Mopani District	Rural Development	Total
Education	18,000.00							18,000.00
Provincial public works		41,389.00						41,389.00
National public works			-					
Roads and transport				91,878.88				91,878.88
Health					155,229.00			155,229.00
Mopani District						152,454.00		152,454.00
Rural Development							-	-
<b>TOTAL</b>	<b>18,000.00</b>	<b>41,389.00</b>		<b>91,878.88</b>	<b>155,229.00</b>	<b>152,454.00</b>		<b>399,561.88</b>

- The overall payment received from government departments is at R399 561 in the first quarter.

## 5.5 ELECTRICITY DISTRIBUTION LOSS

ELECTRICITY DISTRIBUTION LOSS FIRST QUARTER SEPTEMBER 2024	
	2024/2025
Sales (Units)	2,291,364
Purchases (Units)	2,309,732
<b>Difference - Distribution losses</b>	<b>-18,368</b>
<b>Percentage losses (%)</b>	<b>-1%</b>
Sales in rand value	6,100,629.46
Purchases in rand value	5,566,192.44
<b>Difference</b>	<b>534,437.02</b>
<b>Percentage of Profit (%)</b>	<b>10%</b>

- The above table outline distribution loss for electricity as at September 2024.

## 6. GRANTS

EXPENDITURE ON GRANTS AND SUBSIDIES FIRST QUARTER SEPTEMBER 2024				
GRANT	BUDGET	RECEIVED TO DATE	SPENDING	%SPENDING
<b>National Government:</b>				
Local Government Equitable Share	385,877,000.00	161,024,000.00	-	
Finance Management Grant	2,000,000.00	2,000,000.00	170,000.00	8.50
EPWP Incentive	1,874,000.00	469,000.00	1,217,000.00	64.94
Municipal Infrastructure Grant	72,204,000.00	55,204,000.00	36,773,000.00	50.93
Energy Efficiency Demand Management Gr	5,000,000.00	1,200,000.00	600,000.00	12.00
Integrated National Electrification Progra	17,170,000.00	8,000,000.00	7,255,000.00	42.25
Municipal Disaster Response Grant	7,997,000.00	1,599,000.00	-	-
Municipal Disaster Response Grant (Rollov	5,084,978.00	5,084,978.00	3,857,000.00	75.85



- The above table illustrate all the conditional grants received and spent for the financial year 2024/2025.

## 7. BANK AND INVESTMENT BALANCES

BANK INVESTMENT BALANCES AS AT SEPTEMBER 2024	
BANK	
MAIN ACCOUNT	12,954,345.26
TRAFFIC EQUITABLE ACOUNT	3,653,130.61
GLM SOLIDARITY FUND	224,084.42
<b>TOTAL BANK BALANCE</b>	<b>16,831,560.29</b>
INVESTMENT	
ABSA	153,799.92
STANDARD BANK	62,925,974.61
<b>TOTAL INVESTMENT BALANCE</b>	<b>63,079,774.53</b>
<b>TOTAL</b>	<b>79,911,334.82</b>

- The cash and cash equivalent for September 2024 is at R79,9 million.
- The cash flow statement reports as of September 2024 indicates a favourable/positive closing balance (cash and cash equivalents).

## 8. SUPPLY CHAIN MANAGEMENT REPORTS

## 9. UIFWE

UIFWE SUMMARY REGISTER SEPTEMBER 2024					
ITEM	OPENING BALANCE JULY 2024	ADDITIONS	RECOVERED	WRITTEN OFF	CLOSING BALANCE SEPTEMBER 2024
UNAUTHORISED EXPENDITURE	173,726,859.00	-	-	-	173,726,859.00
IRREGULAR EXPENDITURE	23,980,291.00	-	-	-	23,980,291.00
FRUITLESS AND WASTEFULL EXPENDITURE	2,276,995.24	-	-	-	2,276,995.24

- There is no unauthorised expenditure incurred in the first quarter, the balance of R173,7 million brought forward from previous year 2023/2024.
- There is no irregular expenditure incurred in the first quarter, the balance R23,9 million brought forward from previous year 2023/2024.
- There is no fruitless expenditure incurred in the first quarter, the balance of R2,2 million brought forward from previous year 2023/2024.

## 8.2 DEVIATION REGISTER

DEVIATION SUMMARY REGISTER AS AT SEPTEMBER 2024	
DESCRIPTION	AMOUNT
DEVIATION	523,544.29

- The overall deviation is at R523 544.29 in the first quarter.

### 8.3 QUOTATION REGISTER

QUOTATION SUMMARY REGISTER AS AT SEPTEMBER 2024	
DESCRIPTION	AMOUNT
DEVIATION	2,483,591.36

- The overall quotation for the first quarter is at R2,4 million.

### 8.4 COMMITMENT REGISTER

COMMITMENT SUMMARY SEPTEMBER 2024					
OPENING BALANCE JULY 2024	NEW CONTRACTS APPROVED/VARIATION ORDER	TOTAL CONTRACT VALUE	PAYMENTS	RETENTION FEES AND ACUALS	CLOSING BALANCE
192,202,747.99	40,340,316.02	232,543,064.01	- 69,631,855.44	- 2,687,653.91	160,223,554.66

- The new total contracts value appointed for is R40,3 million.
- The committed closing balance for the first quarter R160,2 million.

### 8.5 PROCUREMENT PLAN

- Out of thirty-three projects, two projects appointed, four projects advertised waiting for adjudication, and twenty-seven projects are on the specification stage

### 8.6 CONTRACT REGISTER

CONTRACT REGISTER FOR THE PERIOD ENDING JUNE 2025			
No.	Tender number	Description	Amount R
1	GLM022/2024	Electrification of two villages(2) Ramaroka and Tlhotlhokwe(72&82 stands)	R3 280 868.36 (VAT inclusive)
2	GLM023/2024	Electrification of one village(1)at Maphalle(204 stands)	R4 279 689.60 (VAT inclusive)
3	GLM024/2024	Electrification of two villages(2) at Ntata and Mamatlepa(72&82 stands)	R3 280 868.36 (VAT inclusive)
4	GLM025/2024	Electrification of two villages(2) at Mohlabaneng and Makgakgapatse (72&115stands)	R2 952 000 (VAT inclusive)
5	GLM025/2024	Rehabilitation of Eugene street and stormwater management	R15 342 756.19 (VAT inclusive)

The municipality has appointed five projects in the first quarter

### **8.7 SMALL, MEDIUM AND MICRO ENTERPRISE**

- The municipality awarded 70 SMME quotations in the first quarter amounting to R1,8 million.

### **10.RECOMMENDATIONS**

- The September 2024 finance report be noted and recommended to Council for noting.