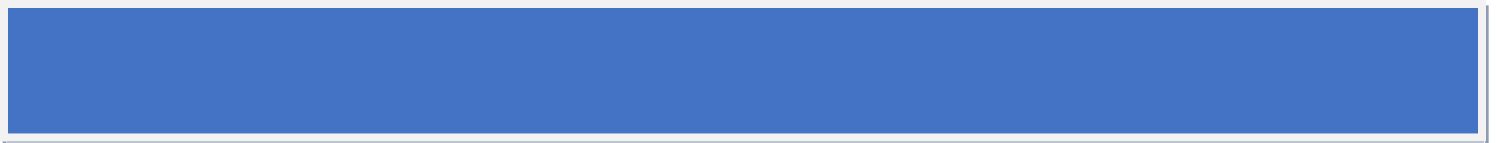


# **MFMA Section 52D Performance Report – First Quarter 2024/2025**



## -1 INTRODUCTION

This report presents performance activities of the first quarter of 2024/2025 financial year. The report is a requirement as per section 52 of the Municipal Finance Management Act No. 56 of 2003 (MFMA), which provides for the Executive Mayor, to submit to council within 30 days of the end of each quarter, a report on the implementation of the budget and financial state of affairs of the municipality.

The format of the report should be compliant with the 2024/2025 Service Delivery and Budget Implementation Plan (SDBIP) as adopted by council.

The report encompasses respective departmental performance from period 01 July 2024 to 30 September 2024. Seven (7) departments including the office of the municipal manager are reported on:

- ✚ Office of the Municipal Manager
- ✚ Budget and Treasury Office
- ✚ Corporate Services
- ✚ Community Services
- ✚ Local Economic Development and Tourism Department
- ✚ Infrastructure Service
- ✚ Rural Development and Agriculture

**The first section** of the report contains the Monthly Budget Statements for the three months July, August and September 2024 as required by section 71 of the MFMA. In this section, a report on the financial state of the municipality is presented.

**The second section** of the report contains supply chain management implementation report for the period.

## PART 1: PERFORMANCE REPORT

The report encompasses respective departmental performance from period 01 July to 30 September 2024.

Department (VOTE)	Responsible Official
Office of the Municipal Manager (Vote: Executive and Council)	Municipal Manager - Me. TPM Lebenya
Chief Financial Officer (Vote: Finance and Administration)	Chief Financial Officer – Mr. MD Mhlahlo
Corporate Services (Vote: Finance and Administration: HR, Admin.)	Director Corporate Services – Mr. RS Mokoena
Infrastructure Services (Vote: Water, Sanitation, Roads and Electricity)	Director Technical Services – Mrs. M Nkomo
Laboratory Services (Vote: LAB)	Director Technical Services – Mrs. M Nkomo
Local Economic Development (Vote: LED)	Acting Director Community Services – Mr. LW Moshwaliba
Community Services (Vote: Community Services)	Acting Director Community Services –Mr. LW Moshwaliba
Rural Development and Agriculture	Acting Director Community Services – Mr. LW Moshwaliba

**PART 2: FINANCIAL STATE OF THE MUNICIPALITY**

**2.1 The overall operating results for the quarter ending 30 September 2024.**

Description	Approved Budget	Quarter Results	Year to date (YTD)	%
<b>INCOME</b>				
Operating Revenue	178 030 256	68 300 038	68 300 038	38%
<b>EXPENDITURE</b>				
Operating Expenditure	169 927 169	37 057 563	37 057 563	22%
Capital Expenditure	8 103 087	68 785	68 785	1%
<b>TOTAL EXPENDITURE</b>	<b>178 030 256</b>	<b>37 126 348</b>	<b>37 126 348</b>	<b>21%</b>
<b>Surplus / (Deficit)</b>	<b>-</b>	<b>31 173 690</b>	<b>31 173 690</b>	

The municipality received income for the first quarter amounting to R 68 300 038 which represents 38% of the total Approved budget of R178 030 256.

The municipality's operating expenditure for the first quarter amounts to R 37 057 563 which represents 21% of the total operating expenditure budget of R 169 927 169.

The Capital expenditure for the first quarter amounts to R 68 785 which represents 1% of the total capital budget of R 8 103 087.

## 2.2 Actual Revenue, per revenue source

Source of Income	Revenue		Variance	Explanation of material differences
	Projected for 1 <sup>st</sup> Quarter	Actual received for the 1 <sup>st</sup> Quarter		
Equitable Share	58 229 000	58 229 000	-	NONE
FMG	2 300 000	2 300 000	-	NONE
EPWP Grant	478 000	478 000	-	NONE
Rural Assets Man	1 889 000	1 889 000	-	NONE
Energy Efficiency & Demand Grant	2 000 000	2 000 000	-	NONE
AGRI-Seta Grant	-	-	-	NONE
Interest Received	1 083 453	1 599 326	515 873	Higher investment made during the first quarter of the year.
Other Revenue	1 804 712	1 804 712	-	NONE
<b>TOTAL INCOME</b>	<b>71 198 289</b>	<b>68 300 038</b>	<b>515 873</b>	

## 2.3 Short term Investments as of 30 September 2024

Banking Institution	Type of Account	Opening Balance	Investment Amount	Interest Earned	Amount Withdrawn	Closing Balance
ABSA	Fixed Deposit	10 044 895.29	27 000 000	640 615.02	-	37 685 510.31
ABSA	Call Account	5 307 059.50	-	103 668.28	-	5 410 727.78
ABSA	Call Account	3 596 683.63	-	75 035.12	-	3 671 718.75
ABSA	Call Account	14 266 236.51	-	322 431.49	-	14 588 668.00
NEDBAN K	Call Account	7 233 571.31	-	150 559.35	-	7 384 110.66
<b>TOTAL</b>		<b>40 448 446.24</b>	<b>27 000 000</b>	<b>1 292 289.26</b>	<b>-</b>	<b>68 740 735.50</b>

At the end of the first quarter the municipality showed a positive bank balance of R 68 740 735.50 on all investment accounts

## 2.4 Actual Expenditure per category

Operating Expenditure per Category	Approved Budget	Expenditure		(YTD) Expenditure	% Exp to date
		Projected per quarter	Actual per 1 <sup>st</sup> Quarter		
Employee Cost	104 459 428	26 114 857	25 490 661	25 490 661	24%
Councillors Allowance	8 795 892	2 198 973	2 077 302	2 077 302	24%
General Expenditure	53 495 884	9 833 972	8 803 763	8 803 763	16%
Property, Plant and Equipment	8 103 087	2 025 771	68 785	68 785	1%
Depreciation	3 175 965	793 991	685 837	685 837	22%
<b>TOTAL</b>	<b>178 030 256</b>	<b>40 967 564</b>	<b>37 126 348</b>	<b>37 126 348</b>	<b>21%</b>

## 2.5 Actual Expenditure per Vote including Capital.

Department	Expenditure		Variance	%Exp
	Projected per Quarter	Actual Results per quarter		
Office of the Speaker	728 345	685 702	(42 643)	94%
Office of the Chief Whip	122 970	117 213	(5 757)	95%
MAYCO and Council	2 435 797	2 206 853	(228 944)	91%
Office of the Executive Mayor	2 124 625	2 055 122	(69 503)	97%
Municipal Manager	6 370 811	5 808 726	(562 085)	91%
IDP	495 934	434 444	(61 490)	88%
LED	1 360 710	1 174 424	(186 286)	86%
Budget and Treasury	5 418 953	5 134 980	(283 973)	95%
Corporate Services	6 546 426	6 178 158	(368 268)	94%
Community Services	7 108 288	6 453 856	(654 432)	91%
Infrastructure	5 416 573	4 552 038	(864 535)	84%
Rural Development and Agricultural	1 237 037	1 150 112	(86 925)	93%
Laboratory	1 601 095	1 174 720	(426 375)	73%
	<b>40 967 564</b>	<b>37 126 348</b>	<b>(3 841 216)</b>	<b>91%</b>

### **Variance analysis (Reasons provided for variances exceeding 10%)**

- ✚ The 22% underspending in IDP and Performance department is in line with the department's procurement plan. Projects are to be conducted in upcoming quarters
- ✚ The 24% underspending in LED and Tourism department is in line with the department's procurement plan. Projects are to be conducted in upcoming quarters.
- ✚ The 16% underspending in the infrastructure department is due to some capital projects which are still at the planning phase.
- ✚ The 27% underspending in the Laboratory services is due to some functions not executed in the first quarter of the year.