MATATIELE
LOCAL MUNICIPALITY

2024/2025 MONTHLY SECTION 71 REPORT

MONTH ENDED 31ST MAY 2025

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GLOSSARY

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.
Adjustment Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.
Allocations (Transfers – see DORA) – Money received from Provincial or National Government.
Budget Related Policy(ies) – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.
Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.
Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings - for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.
DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).
Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services and to compensate loss of RSC levies.
Fruitless and Wasteful Expenditure – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.
GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.
IDP – Integrated Development Plan. The main strategic planning document of the Municipality
MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.
MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management. mSCOA – Municipal Standard Chart of Accounts.
MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also includes details of the previous and current years' financial position.
Operating Expenditure –The day-to-day expenses of the Municipality such as salaries and wages.
Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the Rand.
SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budgeted estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.
Unauthorised Expenditure – Generally, spending without, or in excess of, an Approved Budget.
Virement – A transfer of funds within a vote.
Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.
Vote – One of the main segments into which a budget is divided. In Garden Route District, this means the different GFS classification the budget is divided.

LEGISTLATIVE FRAMEWORK

This report has been prepared in terms of the following enabling legislation:

The municipal Finance Management Act No. 56 of 2003
Section 71: Monthly budget Statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

PART 1-IN-YEAR REPORT

Section 1-Resolutions

These are the resolutions being presented to Council in the monthly report on the implementation of budget and financial situation of the municipality as required in terms of section 71 of the Municipal Finance Management Act 56 of 2003 and the Budget and Reporting Regulations

Regulation 28 of the Municipal Budget and Reporting Regulations states:

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

Recommendations:

- That, Council takes note of the monthly budget statement and supporting documentation for the month 31 May 2025.
- That, the submission of section 71 reports and to Provincial and National Treasuries 10 days after the end of each month be noted by Council.

Section 2-Executive summary

2.1 Introduction

The aim of the Financial Monitoring Report (FMR) is to provide a monthly update and report on the municipality's consolidated performance in terms of the budget, indicate any material variances from Service delivery and Budget Implementation Plan (SDBIP) and provide any remedial action or corrective steps to be taken.

The below analysis is a high-level assessment based on revenue and expenditure recognised on the Municipal Financial System. it is incumbent on the necessary user business units and user departments to ensure the completeness, Validity and accuracy of the information provided for the purposes of the assessment and bring to the attention of the council any further business units' items which are not fully elaborated below.

2.2 Consolidated Performance (Revenue & Expenditure

Revenue by source

The total annual approved budget is **R 681,215,688** this was adjusted to an adjusted revenue budget of **R 683,564,436.** The revenue recognised for the month ended 31 May 2025 is **R 11,299,824** (including capital transfers). This represents **2%** of the approved revenue budget**.** This is less than expected performance for the month due less billed property rates, decrease in electricity sales and decrease in interests this month. The total YTD revenue recognised is **88%**

Operating Expenditure by type

The municipality's approved expenditure budget was **R 584,466,312** this was adjusted to an adjusted expenditure of **R 585,266,698**. The actual expenditure incurred for the month ending 31 May 2025 amount to **R 28,000,294** when measured against the approved budget this represents **5%** of the approved operating budget. This is less than expected performance for the month due to non-cash items, depreciation, impairment of assets, electrical repairs and maintenance expenditure for the period under review. The YTD expenditure incurred is **78%.**

Capital Expenditure

The total approved capital budget was **R182,983,008** this was adjusted to an adjustment budget of **R 184,531,371.** The Municipality incurred expenditure of **R 7,884,447** for the month ended 31 May, this represents **4%** of the approved capital expenditure budget and this is less than the expected performance for the month due to projects that were appointed this quarter and have just began working on site. The total YTD spending is **52%**.

Capital Expenditure Funding Sources

- The MIG capital funding for the financial year is **R 54,704,808.** The spending for the month is **R 4,127,048 (**Vat exclusive**).** YTD to date spending represents **73%.**
- Disaster Response Grant of **R 42,640,739** million was allocated. The grant reflects

  R 1,128,488, (Vat exclusive) spending as at 31 May 2025, the expenditure to date represents **38%.** Minimal expenditure reflected on the grant as a result of the delay in awarding of disaster related capital projects.
- The Library Capital Grant allocation of **R 950,000** was allocated. The grant reflects **R 547,298** spending at 31 May 2025. Expenditure to date represents **58%.**
- Capital Replacement Reserves (CRR) for the financial year of **R 86,235,804** million is allocated. The spending as at 31 May 2025 is **R 2,081,612** Expenditure to date represents **46%.**
- The municipality is busy with procurement processes to secure contractors.

Capital Expenditure material variances

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

The table below is an analysis per business unit –

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

The approved capital budget includes Capital Replacement Reserve.

Department/Function	Sum of TotalBudget	Sum of 202505	Sum of TotalActual
Community and Social Services: Community Governance(3096)	169,996.00	-	1,739.13
Community Halls and Facilities:Public Amenities (3005)	2,687,012.00	547,298.26	699,811.30
CORE FUNCTION: SOLID WASTE REMOVAL	5,803,004.00	-	1,938,000.00
Energy Sources: Electricity (4040)	11,704,016.00	-	7,642,535.76
Executive and Council: Mayor and Council(1005)	50,004.00	-	25,237.68
Executive and Council: Municipal Manager (1010)	39,996.00	-	-
Finance and Administration: Information Technology (2540)	3,229,992.00	-	439,063.61
Finance and Administration: Administrative and Corporate Support(	90,000.00	-	50,475.37
Finance and Administration: Asset Mangement and Reporting (2015)	89,996.00	-	25,237.68
Finance and Administration: Council Support (2541)	510,000.00	-	452,955.36
Finance and Administration: Human Resources (2535)	90,000.00	-	71,475.36
Finance and Administration: SCM & Expenditure (2025)	2,380,000.00	426,887.88	1,571,229.20
Finance and Adminstration: Revenue and Debt Management (2020)	90,000.00	-	59,040.36
Finance:Budget & Treasury (2010)	-	-	-
Marketing; Customer Relations; Publicity and Media Co-ordination:c	590,004.00	-	35,710.56
Planning and Development: LED (3520)	3,060,000.00	-	1,471,337.68
Planning and Development: Planning (3510)	99,996.00	-	-
Planning and Development: Planning Governance (3540)	45,000.00	-	25,237.68
Public Safety: Civil Defence (3074)	7,700,008.00	- 12,531.90	285,000.00
Risk Management:FINANCE AND ADMINISTRATION RISK AND M&E (1	75,000.00	-	59,365.80
ROAD TRANSPORT: INFRASTRUCTURE GOVERNANCE (4050)	45,000.00	-	-
Road Transport: Project Operations & Mainnt(4010)	57,890,751.00	1,818,452.98	22,808,129.50
Roads:Project Management Unit	82,591,612.00	4,512,239.72	57,718,370.98
Town Planning; Building Regulations and Enforcement; and City Engi	5,499,984.00	592,100.00	1,150,275.21
Grand Total	**184,531,371.00**	**7,884,446.94**	**96,530,228.22**
%		4%	52%

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	May 2025 status
Mahangwe Sport Centre	Project is at design stage.
HIGHMAST LIGHTS MIG	Commissioned and Completed
Construction of Cedarville Internal Streets Phase 4	Project is under construction and the progress is 35 % .
Maluti Internal Streets Phase 5	Project is under construction and the progress is 49 %.
Mahasheng Access Road & Bridge	Project is under construction and the progress is 34 %.
Mafube-Nkosana Access Road & Bridge	Project is under construction and the progress is 60 % .

Lekhalong via Magema-Outspan Access Road	Project is under construction and the progress is 70 %.
Extension of Matatiele Sports Centre Ph2	Project is practical completion stage (95 %)
Harry Gwala Internal Streets	Project is under construction and the progress is 60 % .
Disaster and Fire Management Centre	Project is as planning stage
Compactor Tractor	The project is at 90 %

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	May 2025 status
Connect Mbizeni	Awaiting Outage date and Inspections
Connect Mapakising	Construction is complete, contractor is busy with Eskom process. Overall progress is at 100%
Connect Mgubho	Awaiting Outage date and Inspections
Connect Luxeni	Awaiting Outage date and Inspections
Connect Lihaseng	Construction is complete, contractor is busy with Eskom process. Overall progress is at 100%
Contractors:Electrical	Construction is complete, contractor is busy with Eskom process. Overall progress is at 100%
Connect Paballong	Construction is complete awaiting for an Outage Date. Overall progress is at 95%.
Connect Mahlabatheng	Construction is complete, contractor is busy with Eskom process. Overall progress is at 100%
Connect Lugada	Awaiting Outage date and Inspections

Disaster Response Grant

Disaster Capital Project	May 2025 status
Baloon Street Crossing Bridge	Project is completed (100%)
Mabheleni-Upper Mvenyane Access Road & Bridge	The access road on defects liability period @95% complete and the bridge under construction @ 21% complete
Hillside - Ngcwengane Access Road and Bridge	Project is practical completion stage (95%).
Rockville Protea Bridge	Project is completed (100%)
Nyanzela Access Road	Project is completed (100%)
Mdeni Access Road and Bridge	Mdeni Bridge is under construction and progress is 26 %.
Lugada to Mahlabathini and Bridge	The project is 100% complete final retention being released.

Mngeni Bridge	Contractor has appointed and the project has been handed over. Project is under construction and progress is 72 %.

Internal Funded Capital Projects

Capital Replacement Rerseve Projects	May 2025 Status
Renovation of Town Hall	Planning stage
Skiti -Tholang Access Road	Project is at Construction stage, progress on site is 40% complete
Fencing Nature Reserve	Planning stage
Server	Planning Stage
Weigh Bridge	Planning Stage
Ramafole Access Road	The project is under construction and the progress is at 39.1 %.
New Resh Access Road	The project is at construction stage
FM TOWER LINE WIP	Planning stage
Kinira to Shepard Hope Access Road	Project is at Construction stage, progress on site is 27% complete
Bhakaneni Acess Road	Project is at Construction stage, progress on site is 70% complete
Fatima Access Road	The project is under construction and the progress is at 39.1 %.
Municipal Fleet	The project is at 50%
Pontseng Access Road	The project is at 50%
Mafaise Access Road	Project is at Construction stage, progress on site is 29% complete
f 2 silo facilities	The project is at 50%
Sehlabeng Access Road	Project is at practical completion stage, progress on site is 95% complete
Chere Mahareng Access Road	The project is at construction stage
New Stance Access Road	The project is under construction @ 79% complete
Nkungwini-Ngudla Access Road	The project is under construction and the progress is at 56.5 %.
TRANSFORMERS INFRA	The project is at 60%
Malubaluba Access Road	Project is at Construction stage, progress on site is 62% complete
Ned Access Road	The project is under construction @ 79% complete
Fire Engine Truck	Planning stage

This information reflects on our tender control plan on May 2025

2.3 Material variances from the SDBIP

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

2.4 Remedial or corrective steps

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

Section 3

IN-YEAR BUDGET STATEMENT TABLES

3.1 Monthly budget statements

3.1.1 Table C1 Monthly Budget Statement Summary

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M11 - May

Description	2023/24	Budget Year 2024/25							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	50 649	61 937	61 937	(775)	56 589	56 775	(186)	0%	61 937
Service charges	75 857	91 972	91 972	6 686	80 357	84 307	(3 950)	-5%	91 972
Investment revenue	24 861	28 613	28 613	1 913	20 191	26 412	(6 221)	-24%	28 813
Transfers and subsidies - Operational	354 013	360 244	334 047	(5 884)	351 552	309 266	42 286	14%	334 047
Other own revenue	27 967	41 503	68 501	2 551	26 681	59 643	(32 962)	-55%	–
Total Revenue (excluding capital transfers and contributions)	533 546	584 469	585 269	4 490	535 370	536 403	(1 033)	0%	585 269
Employee costs	159 134	174 999	174 999	13 808	151 768	160 416	(8 648)	-5%	174 999
Remuneration of Councillors	23 070	26 401	26 401	1 991	22 255	24 201	(1 946)	-8%	26 401
Depreciation and amortisation	16 539	52 790	32 840	–	31 765	32 431	(665)	-2%	32 840
Interest	219	–	–	–	–	–	–		–
Inventory consumed and bulk purchases	71 500	83 143	97 439	5 975	77 391	87 651	(10 260)	-12%	97 439
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	201 327	247 133	253 588	6 226	174 480	231 702	(57 222)	-25%	253 588
Total Expenditure	473 788	584 466	585 267	28 000	457 659	536 401	(78 742)	-15%	585 267
Surplus/(Deficit)	59 758	2	2	(23 510)	77 711	2	77 709	3877306%	2
Transfers and subsidies - capital (monetary allocations)	72 232	96 747	98 295	6 591	67 063	89 924	(22 860)	-25%	98 296
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
contributions	131 990	96 749	98 298	(16 919)	144 774	89 926	54 849	61%	98 298
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	131 990	96 749	98 298	(16 919)	144 774	89 926	54 849	61%	98 298
Capital expenditure & funds sources									
Capital expenditure	126 785	182 963	184 531	7 884	96 530	168 973	(72 443)	-43%	184 531
Capital transfers recognised	59 929	96 747	98 296	5 803	56 922	89 924	(33 002)	-37%	98 296
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	66 856	86 236	86 236	2 082	39 608	79 049	(39 441)	-50%	86 236
Total sources of capital funds	126 785	182 963	184 531	7 884	96 530	168 973	(72 443)	-43%	184 531
Financial position									
Total current assets	409 433	481 343	461 393		468 902				461 393
Total non current assets	1 091 344	988 611	1 010 110		1 106 442				1 010 110
Total current liabilities	140 716	196 386	196 386		160 315				196 386
Total non current liabilities	36 325	39 250	39 250		40 325				39 250
Community wealth/Equity	1 323 736	1 232 317	1 233 866		1 374 705				1 233 866
Cash flows									
Net cash from (used) operating	385 835	177 947	132 975	20 355	436 180	76 118	(360 062)	-473%	132 975
Net cash from (used) investing	167 906	(182 963)	(184 531)	(9 022)	(100 528)	(163 365)	(62 837)	38%	(184 531)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	606 528	290 162	243 642	–	593 797	207 951	(385 845)	-186%	206 588
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	6 281	4 618	4 393	3 554	3 363	3 512	5 317	225 222	256 259
Creditors Age Analysis									
Total Creditors	57	–	–	–	–	–	–	–	57

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

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 - May

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		399 198	438 117	440 124	2 502	414 472	403 213	11 259	3%	440 124
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		399 198	438 117	440 124	2 423	413 874	403 213	10 661	3%	440 124
Internal audit		–	–	–	79	598	–	598	#DIV/0!	–
Community and public safety		11 042	14 604	13 047	(5 557)	10 812	12 141	(2 130)	-18%	13 047
Community and social services		4 820	8 904	7 347	(5 996)	4 340	6 916	(2 576)	-37%	7 347
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		6 222	5 700	5 700	438	5 672	5 225	447	9%	5 700
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		63 481	104 188	106 087	6 624	69 165	97 025	(27 859)	-29%	106 087
Planning and development		1 221	5 502	5 852	369	1 889	5 323	(3 434)	-65%	5 852
Road transport		62 180	98 686	100 235	6 255	67 276	91 701	(24 425)	-27%	100 235
Environmental protection		–	–	–	–	–	–	–		–
Trading services		132 137	124 307	124 307	7 513	108 784	113 948	(5 163)	-5%	124 307
Energy sources		117 153	105 494	105 494	6 157	94 384	96 703	(2 318)	-2%	105 494
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		14 984	18 813	18 813	1 356	14 400	17 245	(2 845)	-16%	18 813
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**605 778**	**681 216**	**683 564**	**11 081**	**602 434**	**626 327**	**(23 893)**	**-4%**	**683 564**
Expenditure - Functional										
Governance and administration		219 068	256 861	264 711	12 060	201 565	241 736	(40 171)	-17%	264 711
Executive and council		31 034	35 348	35 348	2 348	29 278	32 402	(3 124)	-10%	35 348
Finance and administration		183 879	216 649	224 499	9 387	168 168	204 875	(36 707)	-18%	224 499
Internal audit		4 154	4 864	4 864	324	4 119	4 459	(340)	-8%	4 864
Community and public safety		55 724	55 502	52 353	4 419	48 914	48 357	557	1%	52 353
Community and social services		33 760	29 281	25 781	2 424	26 308	24 041	2 267	9%	25 781
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		21 964	26 221	26 571	1 995	22 606	24 316	(1 710)	-7%	26 571
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		63 750	115 059	103 179	3 471	72 820	95 967	(23 147)	-24%	103 179
Planning and development		29 869	48 686	48 536	1 953	29 446	44 509	(15 063)	-34%	48 536
Road transport		33 880	66 373	54 643	1 518	43 374	51 458	(8 084)	-16%	54 643
Environmental protection		–	–	–	–	–	–	–		–
Trading services		135 247	157 044	165 024	8 051	134 360	150 341	(15 980)	-11%	165 024
Energy sources		114 817	131 098	140 428	6 360	114 870	127 637	(12 766)	-10%	140 428
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		20 431	25 946	24 596	1 691	19 490	22 704	(3 214)	-14%	24 596
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	**473 788**	**584 466**	**585 267**	**28 000**	**457 659**	**536 401**	**(78 742)**	**-15%**	**585 267**
Surplus/ (Deficit) for the year		**131 990**	**96 749**	**98 298**	**(16 919)**	**144 774**	**89 926**	**54 849**	**61%**	**98 298**

This table assesses the revenue and expenditure by department, the revenue for the period ending 31 May 2025 is **R 11** million and the expenditure is **R 28** million.

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

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 - May

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Executive Council		–	–	–	–	–	–	–		–
Vote 2 - Finance and Admin		398 797	437 767	439 774	2 417	413 496	402 892	10 604	2.6%	439 774
Vote 3 - Corporate		401	350	350	6	378	321	58	17.9%	350
Vote 4 - Development and Planning		1 326	5 502	5 852	369	1 889	5 323	(3 434)	-64.5%	5 852
Vote 5 - Community		26 025	33 416	31 860	(4 201)	24 412	29 386	(4 975)	-16.9%	31 860
Vote 6 - Infrastructure		179 229	204 180	205 729	12 412	161 661	188 404	(26 743)	-14.2%	205 729
Vote 7 - Internal Audit		–	–	–	79	598	–	598	#DIV/0!	–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	605 778	681 216	683 564	11 081	602 434	626 327	(23 893)	-3.8%	683 564
Expenditure by Vote	1									
Vote 1 - Executive Council		31 034	35 348	35 348	2 348	29 278	32 402	(3 124)	-9.6%	35 348
Vote 2 - Finance and Admin		109 568	125 287	130 737	4 766	92 344	119 207	(26 862)	-22.5%	130 737
Vote 3 - Corporate		74 311	91 362	93 762	4 621	75 824	85 669	(9 845)	-11.5%	93 762
Vote 4 - Development and Planning		29 869	48 686	48 536	1 953	29 486	44 509	(15 022)	-33.8%	48 536
Vote 5 - Community		76 155	81 448	76 949	6 110	68 404	71 061	(2 657)	-3.7%	76 949
Vote 6 - Infrastructure		148 697	197 471	195 071	7 878	158 204	179 095	(20 892)	-11.7%	195 071
Vote 7 - Internal Audit		4 154	4 864	4 864	324	4 119	4 459	(340)	-7.6%	4 864
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	473 788	584 466	585 267	28 000	457 659	536 401	(78 742)	-14.7%	585 267
Surplus/ (Deficit) for the year	2	131 990	96 749	98 298	(16 919)	144 774	89 926	54 849	61.0%	98 298

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

Expenditure by functional classification presents the expenditures by the departments

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

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 - May

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		64 358	76 446	76 446	5 686	69 555	70 075	(520)	-1%	76 446
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		11 499	15 526	15 526	598	10 792	14 232	(3 440)	-24%	15 526
Sale of Goods and Rendering of Services		1 794	5 946	32 944	379	2 216	27 049	(24 833)	-92%	32 944
Agency services		–	–	3 000	–	–	2 400	(2 400)	-100%	3 000
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		1 657	2 200	2 200	166	1 582	2 017	(434)	-22%	2 200
Interest from Current and Non Current Assets		24 861	28 813	28 813	1 913	20 191	26 412	(6 221)	-24%	28 813
Dividends		–	–	–	–	–	–	–		–
Rent on Land		327	–	–	303	303	–	303	#DIV/0!	–
Rental from Fixed Assets		819	2 028	2 028	191	1 679	1 859	(180)	-10%	2 028
Licence and permits		3 969	4 522	1 522	298	3 683	1 745	1 938	111%	1 522
Operational Revenue		333	892	892	–	354	818	(463)	-57%	892
Non-Exchange Revenue								–		
Property rates		50 849	61 937	61 937	(775)	56 589	56 775	(186)	0%	61 937
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2 268	25 890	1 620	151	2 038	4 317	(2 278)	-53%	1 620
Licence and permits		28	25	25	3	30	23	8	33%	25
Transfers and subsidies - Operational		354 013	360 344	334 047	(5 884)	351 552	309 266	42 286	14%	334 047
Interest		16 571	–	24 270	1 278	15 012	19 416	(4 404)	-23%	24 270
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		162	–	–	(218)	(218)	–	(218)	#DIV/0!	–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		533 546	584 408	585 289	4 400	535 370	536 403	(1 033)	0%	585 289
Expenditure By Type										
Employee related costs		159 134	174 999	174 999	13 808	151 768	160 416	(8 648)	-5%	174 999
Remuneration of councillors		23 070	26 401	26 401	1 991	22 256	24 201	(1 946)	-8%	26 401
Bulk purchases - electricity		65 975	76 346	90 546	5 751	72 675	81 332	(8 657)	-11%	90 546
Inventory consumed		5 525	6 897	6 893	224	4 716	6 319	(1 603)	-25%	6 893
Debt impairment		–	–	–	–	–	–	–		–
Depreciation and amortisation		18 539	52 790	32 840	–	31 765	32 431	(666)	-2%	32 840
Interest		219	–	–	–	–	–	–		–
Contracted services		136 012	160 782	167 727	3 974	119 813	152 939	(33 127)	-22%	167 727
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		–	6 294	6 294	–	–	5 770	(5 770)	-100%	6 294
Operational costs		64 428	80 668	79 567	2 252	54 667	72 993	(18 326)	-25%	79 567
Losses on Disposal of Assets		–	–	–	–	–	–	–		–
Other Losses		887	–	–	–	–	–	–		–
Total Expenditure		473 788	584 406	585 267	28 000	457 659	536 401	(78 742)	-15%	585 267
Surplus/(Deficit)		59 758	2	2	(23 510)	77 711	2	77 709	3877306%	2
Transfers and subsidies - capital (monetary allocations)		72 232	96 747	98 296	6 591	67 063	89 924	(22 860)	-25%	98 296
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		131 990	96 749	98 298	(16 919)	144 774	89 926			98 298
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		131 990	96 749	98 298	(16 919)	144 774	89 926			98 298
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		131 990	96 749	98 298	(16 919)	144 774	89 926			98 298
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		131 990	96 749	98 298	(16 919)	144 774	89 926			98 298

In terms of 31 May 2025 Monthly Budget & Performance assessment, the actual billed and/or collected for the month is **R 4,4** million exclusive of capital transfers against approved revenue budget of **R 585,3** million, this represents **0.75%**, this is less than the expected due less billed property rates ,decrease in electricity sales and decrease in interests for month. The YTD revenue recognised is **91%**

The operating expenditure budget as at 31 May 2025 is **R 28** million against approved Expenditure budget of **R 584** million, this represents **5%** of the total operating budget, this is less than expected for the month, this performance is less due non-cash items such as depreciation and impairment of assets, electrical repairs and maintenance expenditure for the period under review and YTD spending is **78%.**

Revenue by Source

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

Property Rates

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

The total property rates raised/billed amounted to **R 774,750** the income received from property rates amounted to **R 5,063, 945** this represents **654%** when measured against the property rates billed or raised for the month. When measured against the approved budget of **R 61,936,752**, it represents **1%** of the received revenue by source which is less than anticipated for the month, as Billing is based on the value of the property a reassessment of property values might lead to lower tax assessments, exemptions and lower population.

Services Charges

Revenue from Service charges amounted to **R 6,685,827** against the approved budget of **R 91,971,672.** This represent **7%** and it is less than expected performance for the month due to the decrease in electricity connection fees and sales . The total YTD revenue is **87%.**

Agency Services

Agency Services has been budgeted separately from licences and permits with an amount of **R 3,000,000** relating to commission received from department of transport. The income received from agency fees amounted to **R 91,785.06.** This represent **3%** and is less than the expected performance for the month due to less income received. The total YTD revenue is **46%.**

Rental of Facilities and equipment

Rental of facilities and equipment approved budget is **R 2,027,532.** Revenue amount of **R190,742** for May 2025 has been recognised, representing **9%** which is more than the expected performance for the month due to revenue from sundry services . The total YTD revenue is **83%**.

Interest earned on Investments

The total approved budget Interest on investments is **R 28,812,996** and the interest received for the month of May 2025 is **R 1,912,525** which represents **7%**, this is less than the expected performance due to the decrease of on investments relates to date. The total YTD revenue is **70%.**

Interest on Outstanding Debtors

The total approved budget on Interest on Outstanding Debtors is **R 26,469,996.** Interest received for the month amounts to **R1,747,226.71,** this represents **7%** which is less than the expected performance for the month due to interest billed to debtors taking longer to pay leading to an increase. The YTD revenue raised is **64%**.

Fines, penalties and Forfeits

Revenue from fines, penalties and forfeits has an approved budget of **R25,890,000** this was adjusted to **R 1,620,000.** The cash receipts for traffic fines issued is **R 150,838 for** the may due to the debit entry made, this represents **9%**. It is more than the expected performance due to traffic fines issued. The YTD revenue is **126%.**

Licences and permits

The total approved budget for licences and permits is R **1,547,100**. The cash receipts for licence and permits issued was **R 209,158 and** represents **14%** of the total revenue budget. This is more than expected performance for the month due to increase in Learner License Application for the month. this is a positive factor in maintaining public safety and ensuring compliance with the law. The total YTD revenue is **150%**

Transfers and Subsidies-Operational

Total approved budget amount on transfers and subsidies budget is **R 334,046,582**. The transfers recognised for the month is **R 5,884,149 The** recognised transfers represent **-2%** of the budget grant allocation. This is less the expected performance for the month, due to less expenditure incurred on items funded by operational grants for the month. The total YTD revenue is **105%.**

Transfers and Subsidies- Capital

Total approved budget on transfers and subsidies was **R 96,747,180 this was adjusted to R 98,295,530**. The total revenue of R 6,591,165 was recognised for the month; this represents **7%** of total budget. This is less than the expected performance for the month due to less recognition on disaster recovery grants project s and YTD revenue recognised is **68%.**

Other Revenue

The approved budget allocation was **R 6,838,260** this was adjusted to **R 33,836,264**, Other revenue amounted to **R 379,455** for the month, when measured against the budget allocation. This represents **1%**, this is due to INEP grant that needs to be classified correctly to construction revenue which is currently recognised under transfers and subsidies. The total YTD revenue is **8%.**

Operating Expenditure by type
Employee related costs/Remuneration of Councillors

Salary costs incurred – the Municipality incurred **R 15,7** million salary costs at the end of 31 May 2025 against the approved budget allocation of **R 201,4** million, incurring **8%** expenditure for the month salary budget allocation and this is within the expected performance for the month as reflected in the table below.
An amount of **R56,619.25** been spent for section 79 committee chairperson for the month of May, this will be corrected in June as it is currently reflected under other councillors.

Description	Total Budget	May actuals	Total Expenditure
Municipal Staff	166 511 904	13 321 469	147 670 386
Senior Management	8 487 552	486 385	4 097 426
Grand Total	**174 999 456**	**13 807 854**	**151 767 812**
		8%	**87%**

Description	Total Budget	May Actuals	Total Expenditure
Chief Whip	859 800	79 991	704 370
Executive Committee	6 194 532	405 333	3 972 790
Executive Mayor	1 103 472	194 970	2 887 639
Section 79 committee chairperson	847 644	-	-
Speaker	932 088	68 696	750 190
Total for All Other Councillors	16 463 808	1 242 143	13 940 166
Grand Total	**26 401 344**	**1 991 134**	**22 255 156**
		8%	**84%**

Debt impairment

Currently the municipality accounts for Debt impairment at the end of the financial year, no expenditure is reflected for month. It must be noted that debt impairment testing, and calculation is done at the financial year end and only at the time are journal entries processed onto the financial system and this journal only accrue in the 13th period on the financial system, therefore no expenditure will reflect for under for this category and Bad debts are written off upon Council's approval.

Irrecoverable debts written-off

Note that no council approved write-offs as at date of reporting as the journal is processed at year end. Bad debt written off under Rates and Electricity will be determined on quarter 4 and write-offs will be processed after the capital amount outstanding by debtor has been settled in terms of the incentive.

Depreciation

The approved budget was **R52,789,752** this was adjusted to **R 32,839,752.** There is no depreciation accounted for the month, and the asset impairment will be processed at year end. The total YTD expenditure on depreciation incurred reflect **97%.**

Finance charges

No interest expenditure incurred for the month as invoices are paid within 30 days and where is the difference will be the timing in terms of billing by Eskom.

Bulk Purchases

Total approved budget on bulk electricity purchases was **R 76,245,564** this was adjusted to **R 90,545,564**. The expenditure incurred for the month amounted to **R 5,750,736** which represent **6%.** This is less than the expected performance for the month due to change in seasonal demand for electricity. The payment made relates to April invoice then the payment for the bulk purchases of May 2025 will be processed in June 2025. The total YTD spending is **80%**

Other material

Total approved budget on other material was **R 6,897,036** this was adjusted to **R 6,893,032.** The expenditure amounted to **R 224,370** for the month which represent **3%** of the budget. This is less than the expected performance for the month due to less demand on stores items. The total YTD Expenditure is **68%.**

Contracted Services

Total approved budget on contracted services was **R160,781,520** this was adjusted to **R 167,726,906**. The spending for the month amounted to **R 3,974,350** this represents **2%.** This is less than the expected performance when measured against the budget projection due to timing of projects. The total YTD Expenditure is **71%.**

Other Expenditure

Other expenditure includes all other general operational costs of the Municipality. Total approved Budget on Other expenditure is **R 79,566,644.** The expenditure for the month amounted to **R 2,251,850.** This represents **3%** of the budgeted amount on this category. This is less than the expected performance for the month due to less expenditure made on workmen's compensation, Uniform, Radio Slots, Budget Outreach Transport and Provisions Landfill site and ICT software licence and cleaning materials**.** The total YTD Expenditure is **69%.**

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

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 - May

Vote Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - Executive Council		–	–	–	–	–	–	–		–
Vote 2 - Finance and Admin		–	–	–	–	–	–	–		–
Vote 3 - Corporate		–	–	–	–	–	–	–		–
Vote 4 - Development and Planning		–	–	–	–	–	–	–		–
Vote 5 - Community		–	–	–	–	–	–	–		–
Vote 6 - Infrastructure		–	–	–	–	–	–	–		–
Vote 7 - Internal Audit		–	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 1 - Executive Council		64	90	90	–	35	83	(57)	-69%	90
Vote 2 - Finance and Admin		2 323	3 225	3 225	427	1 751	2 956	(1 206)	-41%	3 225
Vote 3 - Corporate		2 374	3 900	3 920	–	1 014	3 593	(2 579)	-72%	3 920
Vote 4 - Development and Planning		116	8 705	8 705	592	2 647	7 980	(5 333)	-67%	8 705
Vote 5 - Community		5 070	16 360	16 360	535	2 925	14 997	(12 072)	-80%	16 360
Vote 6 - Infrastructure		116 781	150 683	152 231	6 331	88 158	139 366	(51 198)	-37%	152 231
Vote 7 - Internal Audit		46	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	126 785	182 983	184 531	7 884	96 530	169 973	(73 443)	-43%	184 531
Total Capital Expenditure		126 785	182 983	184 531	7 884	96 530	169 973	(73 443)	-43%	184 531
Capital Expenditure - Functional Classification										
Governance and administration		4 987	7 235	7 235	427	2 799	6 632	(3 840)	-58%	7 235
Executive and council		64	90	90	–	35	83	(57)	-69%	90
Finance and administration		4 938	7 145	7 145	427	2 765	6 560	(3 795)	-58%	7 145
Internal audit		46	–	–	–	–	–	–		–
Community and public safety		3 700	10 410	10 557	535	987	9 660	(8 674)	-90%	10 557
Community and social services		596	2 510	2 857	547	703	2 578	(1 877)	-73%	2 857
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		3 104	7 900	7 700	(13)	285	7 082	(6 797)	-96%	7 700
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		99 066	149 738	149 232	6 923	83 173	136 855	(53 682)	-39%	149 232
Planning and development		116	8 705	8 705	592	2 647	7 980	(5 333)	-67%	8 705
Road transport		98 950	141 033	140 527	6 331	80 527	128 876	(48 349)	-38%	140 527
Environmental protection		–	–	–	–	–	–	–		–
Trading services		19 231	15 600	17 507	–	9 581	15 826	(6 245)	-39%	17 507
Energy sources		17 842	9 650	11 704	–	7 643	10 489	(2 847)	-27%	11 704
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		1 389	5 950	5 803	–	1 938	5 337	(3 399)	-64%	5 803
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	126 785	182 983	184 531	7 884	96 530	169 973	(73 443)	-43%	184 531
Funded by:										
National Government		59 929	95 797	97 346	5 256	56 325	90 053	(32 678)	-37%	97 346
Provincial Government		–	950	950	547	547	871	(324)	-37%	950
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		59 929	96 747	98 296	5 803	56 872	90 924	(33 002)	-37%	98 296
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		66 856	86 236	86 236	2 082	39 658	79 049	(39 441)	-50%	86 236
Total Capital Funding		126 785	182 983	184 531	7 884	96 530	169 973	(73 443)	-43%	184 531

The total approved capital budget was **R182,983,008** this was adjusted to an adjustment budget of **R 184,531,371.** The Municipality incurred expenditure of **R 7,884,447** for the month ended 31 May, this represents **4%** of the approved capital expenditure budget and this is less than the expected performance for the month due to projects that were appointed this quarter and have just began working on site. The total YTD spending is **52%**.

3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M11 - May

Description	Ref	2023/24	Budget Year 2024/25			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		258 145	290 162	267 912	320 067	267 912
Trade and other receivables from exchange transactions		(23 839)	126 604	128 804	(40 502)	128 804
Receivables from non-exchange transactions		154 305	37 651	37 751	168 385	37 751
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 992	3 041	3 041	4 062	3 041
VAT		10 285	18 836	18 836	11 539	18 836
Other current assets		6 546	5 048	5 048	5 351	5 048
Total current assets		**409 433**	**481 343**	**461 393**	**468 902**	**461 393**
Non current assets						
Investments		–	–	–	–	–
Investment property		4 960	4 960	4 960	4 960	4 960
Property, plant and equipment		1 083 688	981 457	1 002 355	1 099 449	1 002 355
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		1 543	1 543	1 543	1 543	1 543
Intangible assets		1 153	652	1 252	491	1 252
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**1 091 344**	**988 611**	**1 010 110**	**1 106 442**	**1 010 110**
TOTAL ASSETS		**1 500 778**	**1 469 954**	**1 471 502**	**1 575 344**	**1 471 502**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 780	472	472	1 797	472
Trade and other payables from exchange transactions		39 952	126 890	126 890	34 477	126 890
Trade and other payables from non-exchange transactions		27 259	20 746	20 746	40 116	20 746
Provision		20 371	29 993	29 993	26 769	29 993
VAT		48 394	20 285	20 285	57 155	20 285
Other current liabilities		2 961	–	–	–	–
Total current liabilities		**140 716**	**198 386**	**198 386**	**160 315**	**198 386**
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		21 827	39 250	39 250	23 768	39 250
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		14 497	–	–	16 556	–
Total non current liabilities		**36 325**	**39 250**	**39 250**	**40 325**	**39 250**
TOTAL LIABILITIES		**177 041**	**237 637**	**237 637**	**200 639**	**237 637**
NET ASSETS	2	**1 323 736**	**1 232 317**	**1 233 866**	**1 374 705**	**1 233 866**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		957 976	1 146 081	1 147 630	978 866	1 147 630
Reserves and funds		365 760	86 236	86 236	395 839	86 236
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**1 323 736**	**1 232 317**	**1 233 866**	**1 374 705**	**1 233 866**

3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M11 - May

Description	Ref	2023/24	Budget Year 2024/25							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		52 679	52 646	52 646	5 530	56 520	52 646	3 874	7%	52 646
Service charges		85 259	80 376	78 176	13 079	88 289	90 809	(1 520)	-2%	78 176
Other revenue		22 975	84 503	87 131	1 762	19 320	84 321	(65 001)	-77%	87 131
Transfers and Subsidies - Operational		346 670	360 244	334 047	33	338 408	331 654	6 754	2%	334 047
Transfers and Subsidies - Capital		114 964	96 747	98 296	10 725	176 202	82 490	93 712	114%	98 296
Interest		24 009	28 813	28 813	1 913	21 689	–	21 689	#DIV/0!	28 813
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(260 721)	(525 383)	(546 133)	(12 677)	(265 248)	(565 802)	300 554	-53%	(546 133)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		385 835	177 947	132 975	20 356	436 198	76 114	(360 862)	-473%	132 975
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		167 906	(182 983)	(184 531)	(9 022)	(100 528)	(163 365)	62 837	-38%	(184 531)
NET CASH FROM/(USED) INVESTING ACTIVITIES		167 906	(182 983)	(184 531)	(9 022)	(100 528)	(163 365)	(62 837)	38%	(184 531)
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		553 741	(5 036)	(51 556)	11 333	335 652	(87 247)			(51 556)
Cash/cash equivalents at beginning:		254 787	295 199	295 199		258 145	295 199			258 145
Cash/cash equivalents at month/year end:		808 528	290 162	243 642		593 797	207 951			206 588

PART 2 –SUPPORTING DOCUMENTATION
SECTION 4

Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 31 May 2025.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 - May

Description	NT Code	Budget Year 2024/25											
R thousands		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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3 478	1 151	1 327	699	336	498	741	3 641	12 040	5 684	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	133	1 124	850	754	716	698	672	91 578	96 565	94 418	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	882	530	474	453	416	402	398	29 281	32 839	30 953	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	7	7	7	–	–
Interest on Arrear Debtor Accounts	1810	1 642	1 642	1 567	1 546	1 536	1 510	1 497	63 017	73 954	69 104	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	146	170	136	133	357	305	2 008	37 697	40 954	40 401	–	–
Total By Income Source	2000	6 281	4 618	4 383	3 854	3 363	3 912	5 317	225 222	256 259	240 957	–	–
2023/24 - totals only		10 919	4 533	4 519	3 430	3 336	3 335	2 746	212 643	245 030	225 468	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 396	2 904	2 120	1 780	1 520	1 805	1 883	96 479	110 067	103 456	–	–
Commercial	2300	3 369	1 831	1 602	1 098	1 180	1 064	2 783	67 694	80 611	73 809	–	–
Households	2400	516	683	671	976	663	663	651	61 049	65 561	63 692	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	6 281	4 618	4 383	3 854	3 363	3 912	5 317	225 222	256 259	240 957	–	–

The total debt book for 31 May 2025 of **R 256,259,057** inclusive of **R 4,757,546** advance payments.

The total debt book for May amounts to **R 251,248,783** (including of **R 5,194,256.35** which is not yet due) has decreased by **R 16,925,522** from the previous month closing balance of **R 262,980,049** Debt is made up of the following:

- **Residential debt**
  R 105,767,885
- **Commercial debt**
  R 36,901,038
- **Government debt**
  R 103,992,813
- **Other**
  R 4,587,047.71

R 17,184,112 is the collection made for May 2025.

The municipality implements the credit control and debt collection policy. There are two areas in which the municipality is not able to collect and the debt totals to **R 89,744,032.**

- **Maluti**
  R 72,598,319.57 (including current)
- **Cedarville**
  R 17,145,712 (including current)

The municipality has appointed a panel of collecting agency to assist in implementing the credit and debt policy for outstanding debt 90 days and over.

The credit control measures for collection are implemented especially for old debt.

The following are measures to be put in place to reduce the outstanding debts

- Continuous partial blocking of accounts that utilize the prepaid electricity meters.

Other reasons for the increase in debt:

- The new valuation roll was implemented, General valuation roll that has produced substantial increased property values resulting in unaffordable property rates;
- The loss of income faced by customers affected their ability to pay.
- Escalating interest charges on outstanding government debt that is not serviceable.

SECTION 5 -CREDITORS' ANALYSIS
Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 - May

Description R thousands	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	57	–	–	–	–	–	–	–	57	3
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	1000	57	–	–	–	–	–	–	–	57	3

The above tables represent the age creditors as of 31 May 2025.

The age creditors reflect no outstanding payments as at 31 May 2025 as per the financial system. The municipality makes an extra effort to ensure that creditors are paid 30 days as per the MFMA.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

May-25

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	WITHDRAWALS	Interest Earned	Closing Balance
Municipal Infrastructure Grant	13,763,609.95	84,754.93	-3,328,230.01	-84,754.93	10,520,134.87
INEP	3,885,069.77	24,709.02		-24709.02	3,909,778.79
EPWP	-		-	-	-
Disaster Management	27,763,189.86	162,778.35	-350,347.50	-162,778.35	27,575,620.71
Finance Management Grant	1,229.43	7.20		-7.20	1,236.63
Establishment Plan	234,181.32	1,140.43		-1,140.43	235,321.75
Housing Development Fund	2,389,147.76	11,939.19		-11,939.19	2,401,086.95
Dedea	726,416.32	3,537.55		-3,537.55	729,953.87
Total Conditional Investments	**48,762,844**	**288,867**	- **3,678,578**	- **288,867**	**45,373,134**

Unconditional Investments -Description	Openning Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	218,944,582.18	3,400,000.00		-1,156,409.55	222,344,582.18
Call ACC FNB Surplus Cash	6,805,395.80			-33,001.50	6,805,395.80
Nedbank 32 Days	8,281,449.64	52,751.70		-52,751.70	8,334,201.34
Nedbank	34,529,647.62	28,783,560.87	-40,015,784.00	-335,021.07	23,297,424.49
Nedbank Rentention	1,738,293.30	7,123.26		-7,123.26	1,745,416.56
Termination Guarantee	144,640.82			-832.20	144,640.82
Account Gaurantee	6,202,000.00			-35,682.60	6,202,000.00
	276,646,009	**32,243,436**	- **40,015,784**	- **1,620,822**	**268,873,661**
Total Investement					**314,246,795**

The investment portfolio of the municipality as at 31 May 2025 amounted to as indicated below.

As at 31 May 2025 the conditional investments amounted to **R 45,373,134 and** unconditional investments amounted to **R 268,873,661** . Total investments as of 31 May 2025 amounted to **R 314,246,795 .**

These invested funds are those funds for the capital projects that have not yet been implemented. The interest raised from these short-term investments is already included in the budget at an estimate. Within the short-term call deposits, there are dedicated call accounts meant for conditional grants, and reserves. Conditional grants are expected to deplete as we spend the conditional grants.

This indicates that the municipality as of 31 May 2025 had sufficient cash to operate for a period more than 3 months without receiving grants to cover operating costs.

The following reflects bank balances at 31st May 2025.

Description	**May 2025**
Nedbank Primary Account:	2,652,863.23
Standard bank Account:	5,981,663.94
FNB Money Market Account:	197,884.70
Total Cash held as at 31 May 2025	**8,832,411.87**

Unreconciled items amount to **R 3,014,851** which is made up of the receipts not yet banked and payments that reflects on the following month.

The above table reflects the Cashbook balance is and Bank statement balance of **R 8,832,411** Total investments as at 31 May 2025 amounted to **R 314,246,795** .

SECTION 7_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6

EC441 Matatiele - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 - May

Description	Ref	2023/24	Budget Year 2024/25						
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		405 237	355 428	328 780	–	383 485	304 491	78 994	25.9%	328 780
Expanded Public Works Programme Integrated Grant		3 974	3 880	3 880	–	3 880	3 557	323	9.1%	3 880
Integrated National Electrification Programme Grant		41 000	26 648	–	–	–	3 109	(3 109)	-100.0%	–
Local Government Financial Management Grant	3	1 700	1 700	1 700	–	1 700	1 558	142	9.1%	1 700
Municipal Infrastructure Grant		54 593	2 879	2 879	–	57 584	2 639	54 945	2081.8%	2 879
Equitable Share		303 970	320 321	320 321	–	320 321	293 628	26 693	9.1%	320 321
Provincial Government:		–	4 816	5 116	–	–	4 655	(4 655)	-100.0%	5 116
Specify (Add grant description)		–	1 750	2 050	–	–	1 844	(1 844)	-100.0%	2 050
Specify (Add grant description)		–	3 066	3 066	–	–	2 811	(2 811)	-100.0%	3 066
District Municipality:		100	–	150	–	–	120	(120)	-100.0%	150
Specify (Add grant description)		100	–	150	–	–	120	(120)	-100.0%	150
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		405 337	360 244	334 047	–	383 485	309 266	74 219	24.0%	334 047
Capital Transfers and Grants										
National Government:		32 706	95 797	97 346	(955)	47 714	89 053	(41 339)	-46.4%	97 346
Municipal Disaster Relief Grant		32 706	41 092	42 641	–	–	38 907	(38 907)	-100.0%	42 641
Municipal Infrastructure Grant		–	54 705	54 705	–	–	50 146	(50 146)	-100.0%	54 705
Integrated National Electrification Programme Grant		–	–	–	(955)	23 172	–	23 172	#DIV/0!	–
Municipal Disaster Recovery Grant		–	–	–	–	24 542	–	24 542	#DIV/0!	–
Provincial Government:		3 981	950	950	–	4 316	871	3 445	395.6%	950
Specify (Add grant description)		–	950	950	–	–	871	(871)	-100.0%	950
Specify (Add grant description)		3 331	–	–	–	3 066	–	3 066	#DIV/0!	–
Specify (Add grant description)		650	–	–	–	1 250	–	1 250	#DIV/0!	–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		36 687	96 747	98 296	(955)	52 030	89 924	(37 893)	-42.1%	98 296
TOTAL RECEIPTS OF TRANSFERS & GRANTS		442 024	456 991	432 342	(955)	435 515	399 189	36 326	9.1%	432 342

The Municipality have received the conditional grant and unconditional grants allocations.

7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 - May

Description	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		49 511	35 107	8 459	(8 247)	25 599	10 863	14 736	135.6%	8 459
Expanded Public Works Programme Integrated Grant		3 974	3 880	3 880	(8 653)	2 341	3 557	(1 215)	-34.2%	3 880
Integrated National Electrification Programme Grant		41 000	26 648	–	–	21 173	3 109	18 064	581.0%	–
Municipal Disaster Relief Grant		–	–	–	–	0	–	0	#DIV/0!	–
Local Government Financial Management Grant	3	1 677	1 700	1 700	195	1 325	1 558	(234)	-15.0%	1 700
Municipal Infrastructure Grant		2 860	2 879	2 879	211	760	2 639	(1 879)	-71.2%	2 879
Provincial Government:		3 640	4 816	5 116	363	3 911	4 655	(744)	-16.0%	5 116
Specify (Add grant description)		0	–	–	–	–	–	–		–
Specify (Add grant description)		309	1 750	2 050	29	408	1 844	(1 436)	-77.9%	2 050
Specify (Add grant description)		3 331	3 066	3 066	333	3 503	2 811	693	24.7%	3 066
District Municipality:		100	–	150	–	1 750	120	1 630	1358.2%	150
Specify (Add grant description)		100	–	150	–	1 750	120	1 630	1358.2%	150
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		53 250	39 923	13 726	(5 884)	31 260	15 638	15 622	99.9%	13 726
Capital Transfers and Grants										
National Government:		69 024	95 797	97 346	6 044	66 516	89 053	(22 537)	-25.3%	97 346
Municipal Disaster Relief Grant		16 907	41 092	42 641	169	2 456	38 907	(36 451)	-93.7%	42 641
Municipal Infrastructure Grant		52 117	54 705	54 705	4 746	47 689	50 146	(2 457)	-4.9%	54 705
Integrated National Electrification Programme Grant		0	–	–	–	–	–	–		–
Municipal Disaster Recovery Grant		–	–	–	1 128	16 371	–	16 371	#DIV/0!	–
Provincial Government:		(6 576)	950	950	38	(1 659)	871	(2 529)	-290.5%	950
Specify (Add grant description)		–	950	950	–	–	871	(871)	-100.0%	950
Specify (Add grant description)		(4 500)	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	–	(29)	–	(29)	#DIV/0!	–
Specify (Add grant description)		(2 076)	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	(510)	(2 177)	–	(2 177)	#DIV/0!	–
Specify (Add grant description)		–	–	–	547	547	–	547	#DIV/0!	–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		62 449	96 747	98 296	6 081	64 857	89 924	(25 066)	-27.9%	98 296
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		115 699	136 670	112 021	197	96 117	105 562	(9 444)	-8.9%	112 021

The total operating grant expenditure amounts to **R 5,8 Million** and Capital grant expenditure amounts to **R 6 Million** for the month May 2025.

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 31st May 2025.

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 - May

Summary of Employee and Councillor remuneration	Ref	2023/24	Budget Year 2024/25							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		12 101	13 958	13 958	1 104	12 376	12 795	(419)	-3%	13 958
Pension and UIF Contributions		803	1 054	1 054	74	846	966	(120)	-12%	1 054
Medical Aid Contributions		697	137	137	61	476	126	350	279%	137
Motor Vehicle Allowance		(4)	2 757	2 757	–	–	2 527	(2 527)	-100%	2 757
Cellphone Allowance		2 547	2 876	2 876	213	2 339	2 636	(297)	-11%	2 876
Housing Allowances		6 926	5 620	5 620	539	6 218	5 152	1 066	21%	5 620
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**23 070**	**26 401**	**26 401**	**1 991**	**22 255**	**24 201**	**(1 946)**	**-8%**	**26 401**
% increase	4		**14.4%**	**14.4%**						**14.4%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		2 155	2 905	2 905	194	1 422	2 663	(1 241)	-47%	2 905
Pension and UIF Contributions		(17)	301	301	19	105	276	(170)	-62%	301
Medical Aid Contributions		–	263	263	16	82	241	(159)	-66%	263
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		114	687	687	4	11	630	(619)	-98%	687
Motor Vehicle Allowance		1 152	2 856	2 856	181	1 594	2 618	(1 024)	-39%	2 856
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		1 583	906	906	51	703	831	(128)	-15%	906
Other benefits and allowances		0	1	1	0	0	1	(1)	-71%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		172	569	569	22	181	522	(341)	-65%	569
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**5 160**	**8 488**	**8 488**	**486**	**4 097**	**7 780**	**(3 683)**	**-47%**	**8 488**
% increase	4		**64.5%**	**64.5%**						**64.5%**
Other Municipal Staff										
Basic Salaries and Wages		106 079	116 202	114 927	8 245	98 173	105 499	(7 326)	-7%	114 927
Pension and UIF Contributions		15 431	17 227	17 227	1 429	15 072	15 791	(719)	-5%	17 227
Medical Aid Contributions		5 972	6 468	6 468	575	5 940	5 929	11	0%	6 468
Overtime		4 042	2 130	3 385	–	4 024	2 956	1 067	36%	3 385
Performance Bonus		7 260	8 982	8 982	1 059	8 498	8 233	265	3%	8 982
Motor Vehicle Allowance		7 708	8 844	8 844	519	6 289	8 107	(1 818)	-22%	8 844
Cellphone Allowance		6	7	7	1	6	6	(0)	-8%	7
Housing Allowances		3 159	5 421	5 421	266	2 825	4 969	(2 144)	-43%	5 421
Other benefits and allowances		2 586	1 231	1 251	929	5 101	1 145	3 956	346%	1 251
Payments in lieu of leave		1 240	–	–	–	708	–	708	#DIV/0!	–
Long service awards		491	–	–	298	1 035	–	1 035	#DIV/0!	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		**153 874**	**166 512**	**166 512**	**13 321**	**147 670**	**152 636**	**(4 966)**	**-3%**	**166 512**
% increase	4		**8.1%**	**8.1%**						**8.1%**
Total Parent Municipality		**182 204**	**201 401**	**201 401**	**15 799**	**174 023**	**184 617**	**(10 594)**	**-6%**	**201 401**
Unpaid salary, allowances & benefits in arrears:										

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

Salary costs incurred – the Municipality incurred **R 15,7 million** salary costs at the end of 30th May 2025 against the approved budget allocation of **R 201,4 million**, incurring **9%** expenditure for the month salary budget allocation and this is within the expected performance for the month as reflected in the table below.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTICATE

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

The monthly budget statements (Section 71 Report) on the implementation of the budget and financial state of affairs of the municipality for the month ended 31 May 2025 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: L Matiwane

Municipal Manager of Matatiele Local Municipality

Signature: ______________________

Date: 11-06-2025