MATATIELE

LOCAL MUNICIPALITY

2025/2026 MONTHLY SECTION 71 REPORT

MONTH ENDED 31 JULY 2025

TABLE OF CONTENTS

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 state of affairs of the municipality as required in terms of section 71 of the Municipal Finance Management Act 56 of 2003 and the Municipal 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 July 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 if 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.

This report emphasizes the completeness and accuracy of all figures, guided by established procedures that ensure data is thoroughly verified and reconciled with the general ledger at month end. To support accuracy, the following month end reconciliations must be completed by the responsible sections:

- Cashbook/Bank reconciliation
- Investment Reconciliation
- Debtor's Reconciliation
- Creditor's Reconciliation
- Salary Reconciliation
- Petty Cash Reconciliation
- Grant Reconciliation
- Unallocated Deposit Reconciliation

The compiler is responsible for presenting these figures as they appear on the ledger, any discrepancies or irregularities identified are reported to the responsible officials for investigation and correction. The report is subsequently shared with stakeholders for input and review, incorporating their recommendations where applicable. Observations and findings that may necessitate budget adjustments are tracked and updated monthly, with planned adjustments for the mid-year review clearly indicated within the report.

2.2 Consolidated Performance (Revenue & Expenditure

Revenue by source

The total annual approved budget is **R 677,099,735** and the Municipality has recognised **R 190,448,025** for the month, this represents **28%,** this is above the expected performance for the month due to property rates billing that is recognised in the first month of the financial year and receipt of the first instalment of Equitable share and Municipal Infrastructure Grant.

Operating Expenditure by type

The Municipality incurred expenditure of **R 24,825,904** against the approved budget allocation of **R 594,623,647**, incurring **4%** expenditure for the month budget, this is less than the expected performance for the month due to less payments made. The expenditure relates to Bulk purchases. non-cash items such as Debt impairment and Depreciation & asset impairment are to be processed at year end.

Capital Expenditure

- The total approved capital budget is **R 163,364,950,** the Municipality incurred expenditure of **R 6,827,683.** This represents **4%** of the approved capital expenditure budget, this is below the expected performance for the month due to capital projects that have not yet been implemented.
- Monthly projections for year-to-date budgets is based on trend methodology, will be revised regularly and used for adjustment budget and future budget planning.

Capital Funded Sources

- The MIG capital grant allocation for the financial year is **R 57,646,950** million as per Dora Allocation, the spending for the month ending 31 July 2025 is **R 6,036,250** which represent **10%** of expenditure to date (Vat exclusive).
- Disaster Response Grant of **R 24,543,000** as allocated. The grant reflects no spending at the end of 31 July.
- The Library Capital Grant allocation of R **300,000** was allocated. The grant reflects no spending at the end of 31 July 2025.
- Capital Replacement Reserves (CRR) for the financial year is **R 80,875,000** million is allocated. The spending for the month is **R 791,433.**

- The municipality anticipates **100%** spending of the total capital budget as at the end of the financial year.

The table below is an analysis per business unit –

Summary of Capital Expenditure relate to 2025-2026 financial year.

Description	Total Budget	July Actual	Total Actual
Community and Social Services: Community Governance(3096)	150 000	-	-
Community Halls and Facilities:Public Amenities (3005)	2 200 000	-	-
CORE FUNCTION: SOLID WASTE REMOVAL	2 850 000	-	-
Energy Sources: Electricity (4040)	14 420 000	-	-
Finance and Administration: Information Technology (2540)	2 600 000	-	-
Finance and Administration: Asset Mangement and Reporting (2	30 000	-	-
Finance and Administration: Council Support (2541)	490 000	-	-
Finance and Administration: Human Resources (2535)	150 000	-	-
Finance and Administration: SCM & Expenditure (2025)	2 660 000	-	-
Finance and Adminstration: Revenue and Debt Management (20	1 000 000	-	-
Finance:Budget & Treasury (2010)	80 000	-	-
Marketing; Customer Relations; Publicity and Media Co-ordinati	627 000	-	-
Planning and Development: LED (3520)	3 110 000	791 433	791 433
Planning and Development: Planning (3510)	4 240 000	-	-
Public Safety: Civil Defence (3074)	2 800 000	-	-
Road Transport: Project Operations & Mainnt(4010)	38 521 000	-	-
Roads:Project Management Unit	75 931 950	6 036 250	6 036 250
Town Planning; Building Regulations and Enforcement; and City	11 505 000	-	-
Grand Total	**163 364 950**	**6 827 683**	**6 827 683**
		4%	

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	July 2025 status
Excavator	The project is at tender stage
Harry Gwala Internal Streets	The project is under construction and progress is 70 %
Construction of Cedarville Internal Streets Phase 4	The project is under construction and progress is 39 %.
Maluti Internal Streets Phase 5	The project is under construction and progress is 67 %.
Mahasheng Access Road & Bridge	The project is under construction and progress is 90 %.
Mafube-Nkosana Access Road & Bridge	The project is under construction and progress is 60 %
Lekhalong via Magema-Outspan Access Road	The project is under construction and progress is 65%.

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	July 2025 status
Electrification of Motsekua Village	500 connections have been completed and 23 are on construction

Disaster Response Grant

Disaster Capital Project	July 2025 status
Mvenyane Access Road and Bridge Recovery	Request for RFQ issued. (Tender stage)
Lugada Mahlabathini AR Recovery	Request for RFQ issued. (Tender stage)

Internal Funded Capital Projects

Capital Replacement Rerseve Projects	July 2025 Status
f 2 silo facilities	The project is at tender stage
Municipal Fleet	The project is at tender stage
Licensing Offices	The project is at tender stage
Mphotshongweni Bridge (Rashule)	Request for RFQ issued. (Tender stage)
Lunda Access Road	The Project has been handed over to a contractor
Nkululekweni Access Road	The Project has been handed over to a contractor
Maloto Access Road	The Project has been handed over to a contractor
Buxton Park Bridge	Request for RFQ issued. (Tender stage)
Harry Gwala Internal Streets CRR	
Phalane-Mbizweni Access Road	The Project has been handed over to a contractor
Motsekoa Access Road	The Project has been handed over to a contractor
Mapateng Access Road	The Project has been handed over to a contractor
Storm Water Drainage	
Cherry Picker Truck	Appointment letter has been issued and awaiting delivery by 29 August 2025
Transformers Infrastructure	3 transformers have refurbished, Pending one ring main unit to be installed by 29 August 2025
FM TOWER LINE WIP	The project is completed and Energised
Landfill Electrification	The project is completed and Energised

Refurbishment of main office	
Renovation of Town Hall	

This information reflects on our tender control plan on July 2025

SUMMARY: QUOTATIONS	31/07/2025	TOTAL
DAY TO DAY QUOTATIONS	58	58
FORMAL QUOTATIONS	1	1
TOTAL QUOTATIONS	59	59

BIDDING PROCESS	Bids Awarded vs Capital Budget	Capital Spending Year-To-Date	Orders Issued
Bids awarded	21 413 634.51	-	7
Bids in the process	-	-	-
Bids behind schedule	-	-	-
Bids cancelled or removed from budget	-	-	-
Bids to be awarded	-	-	-

2.3 Material variances from the SDBIP

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

2.4 Remedial or corrective steps

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

Section 3

IN-YEAR BUDGET STATEMENT TABLES

3.1 Monthly budget statements

3.1.1 Table C1 Monthly Budget Statement Summary

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 - July

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full Year
Revenue - Functional										
Governance and administration		418 517	437 220	–	173 109	173 109	36 435	136 674	375%	437 220
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		417 917	437 220	–	173 109	173 109	36 435	136 674	375%	437 220
Internal audit		600	–	–	–	–	–	–		–
Community and public safety		12 147	17 474	–	1 849	1 849	1 456	393	27%	17 474
Community and social services		6 076	8 646	–	1 344	1 344	721	623	87%	8 646
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		6 072	8 828	–	505	505	736	(231)	-31%	8 828
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		84 175	90 736	–	7 442	7 442	7 561	(120)	-2%	90 736
Planning and development		1 985	5 502	–	370	370	458	(88)	-19%	5 502
Road transport		82 190	85 234	–	7 071	7 071	7 103	(32)	0%	85 234
Environmental protection		–	–	–	–	–	–	–		–
Trading services		118 518	131 670	–	8 048	8 048	10 972	(2 924)	-27%	131 670
Energy sources		103 037	114 257	–	6 677	6 677	9 521	(2 844)	-30%	114 257
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		15 480	17 413	–	1 371	1 371	1 451	(80)	-5%	17 413
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	633 357	677 100	–	190 448	190 448	56 425	134 023	238%	677 100
Expenditure - Functional										
Governance and administration		240 961	270 868	–	16 001	16 001	22 572	(6 571)	-29%	270 868
Executive and council		31 806	33 755	–	4 363	4 363	2 813	1 550	55%	33 755
Finance and administration		204 591	232 129	–	11 209	11 209	19 344	(8 135)	-42%	232 129
Internal audit		4 564	4 984	–	429	429	415	14	3%	4 984
Community and public safety		53 104	58 193	–	3 772	3 772	4 849	(1 078)	-22%	58 193
Community and social services		28 657	28 268	–	1 963	1 963	2 356	(392)	-17%	28 268
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		24 447	29 925	–	1 808	1 808	2 494	(685)	-27%	29 925
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		85 632	96 110	–	2 522	2 522	8 009	(5 487)	-69%	96 110
Planning and development		33 822	45 203	–	1 013	1 013	3 767	(2 754)	-73%	45 203
Road transport		51 810	50 908	–	1 509	1 509	4 242	(2 733)	-64%	50 908
Environmental protection		–	–	–	–	–	–	–		–
Trading services		155 990	169 452	–	2 531	2 531	14 121	(11 590)	-82%	169 452
Energy sources		133 054	142 991	–	747	747	11 916	(11 169)	-94%	142 991
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		22 936	26 461	–	1 784	1 784	2 205	(421)	-19%	26 461
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	535 687	594 624	–	24 826	24 826	49 552	(24 726)	-50%	594 624
Surplus/ (Deficit) for the year		97 670	82 476	–	165 622	165 622	6 873	158 749	2310%	82 476

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

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 - July

Description	Ref	2024/25	Budget Year 2025/26						
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		418 517	437 220	–	173 109	173 109	36 435	136 674	375%	437 220
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		417 917	437 220	–	173 109	173 109	36 435	136 674	375%	437 220
Internal audit		600	–	–	–	–	–	–		–
Community and public safety		12 147	17 474	–	1 849	1 849	1 456	393	27%	17 474
Community and social services		6 076	8 646	–	1 344	1 344	721	623	87%	8 646
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		6 072	8 828	–	505	505	736	(231)	-31%	8 828
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		84 175	90 736	–	7 442	7 442	7 561	(120)	-2%	90 736
Planning and development		1 985	5 502	–	370	370	458	(88)	-19%	5 502
Road transport		82 190	85 234	–	7 071	7 071	7 103	(32)	0%	85 234
Environmental protection		–	–	–	–	–	–	–		–
Trading services		118 518	131 670	–	8 049	8 049	10 972	(2 924)	-27%	131 670
Energy sources		103 037	114 257	–	6 677	6 677	9 521	(2 844)	-30%	114 257
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		15 480	17 413	–	1 371	1 371	1 451	(80)	-5%	17 413
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	633 357	677 100	–	190 448	190 448	56 425	134 023	238%	677 100
Expenditure - Functional										
Governance and administration		240 961	270 868	–	16 001	16 001	22 572	(6 571)	-29%	270 868
Executive and council		31 806	33 755	–	4 363	4 363	2 813	1 550	55%	33 755
Finance and administration		204 591	232 129	–	11 209	11 209	19 344	(8 135)	-42%	232 129
Internal audit		4 564	4 984	–	429	429	415	14	3%	4 984
Community and public safety		53 104	58 193	–	3 772	3 772	4 849	(1 078)	-22%	58 193
Community and social services		28 657	28 268	–	1 963	1 963	2 356	(392)	-17%	28 268
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		24 447	29 925	–	1 806	1 808	2 494	(685)	-27%	29 925
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		85 632	96 110	–	2 522	2 522	8 009	(5 487)	-69%	96 110
Planning and development		33 822	45 203	–	1 013	1 013	3 767	(2 754)	-73%	45 203
Road transport		51 810	50 908	–	1 509	1 509	4 242	(2 733)	-64%	50 908
Environmental protection		–	–	–	–	–	–	–		–
Trading services		155 990	169 452	–	2 531	2 531	14 121	(11 590)	-82%	169 452
Energy sources		133 054	142 991	–	747	747	11 916	(11 169)	-94%	142 991
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		22 936	26 461	–	1 784	1 784	2 205	(421)	-19%	26 461
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	535 687	594 624	–	24 826	24 826	49 552	(24 726)	-50%	594 624
Surplus/ (Deficit) for the year		97 670	82 476	–	165 622	165 622	6 873	158 749	2310%	82 476

This table assess the revenue and expenditure by department, the expenditure for the period ending 31 July 2025 is **R 24,8** million and revenue is **R 190,4** 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) - M01 - July

Vote Description	Ref	2024/25	Budget Year 2025/26							
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		417 509	436 870	–	173 093	173 093	36 406	136 687	375.5%	436 870
Vote 3 - Corporate		408	350	–	16	16	29	(13)	-45.3%	350
Vote 4 - Development and Planning		1 985	5 502	–	370	370	458	(88)	-19.2%	5 502
Vote 5 - Community		27 628	34 887	–	3 220	3 220	2 907	313	10.8%	34 887
Vote 6 - Infrastructure		185 227	199 491	–	13 749	13 749	16 624	(2 876)	-17.3%	199 491
Vote 7 - Internal Audit		600	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	633 357	677 100	–	190 448	190 448	56 425	134 023	237.5%	677 100
Expenditure by Vote	1									
Vote 1 - Executive Council		31 806	33 755	–	4 363	4 363	2 813	1 550	55.1%	33 755
Vote 2 - Finance and Admin		116 930	132 658	–	3 882	3 882	11 055	(7 173)	-64.9%	132 658
Vote 3 - Corporate		87 661	99 471	–	7 327	7 327	8 289	(962)	-11.6%	99 471
Vote 4 - Development and Planning		33 863	45 203	–	1 013	1 013	3 767	(2 754)	-73.1%	45 203
Vote 5 - Community		76 040	84 654	–	5 556	5 556	7 055	(1 499)	-21.2%	84 654
Vote 6 - Infrastructure		184 823	193 899	–	2 256	2 256	16 158	(13 902)	-86.0%	193 899
Vote 7 - Internal Audit		4 564	4 984	–	429	429	415	14	3.3%	4 984
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	535 687	594 624	–	24 826	24 826	49 552	(24 726)	-49.9%	594 624
Surplus/ (Deficit) for the year	2	97 670	82 476	–	165 622	165 622	6 873	158 749	2309.7%	82 476

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) - M01 - July

Description	Ref	2024/25	Budget Year 2025/26							
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		77 914	91 308	–	6 557	6 557	7 609	(1 052)	-14%	91 308
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		11 793	15 526	–	1 001	1 001	1 294	(293)	-23%	15 526
Sale of Goods and Rendering of Services		25 583	26 470	–	440	440	2 206	(1 766)	-80%	26 470
Agency services		–	1 800	–	142	142	150	(8)	-5%	1 800
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		1 636	2 200	–	119	119	183	(64)	-35%	2 200
Interest from Current and Non Current Assets		22 318	28 813	–	1 598	1 598	2 401	(803)	-33%	28 813
Dividends		–	–	–	–	–	–	–		–
Rent on Land		303	–	–	–	–	–	–		–
Rental from Fixed Assets		1 585	2 220	–	(357)	(357)	185	(542)	-293%	2 220
Licence and permits		4 009	4 434	–	231	231	370	(138)	-37%	4 434
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		598	905	–	–	–	75	(75)	-100%	905
Non-Exchange Revenue								–		
Property rates		56 360	61 937	–	37 585	37 585	5 161	32 424	628%	61 937
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2 127	3 048	–	136	136	254	(118)	-47%	3 048
Licence and permits		31	25	–	0	0	2	(2)	-88%	25
Transfers and subsidies - Operational		330 975	331 654	–	134 852	134 852	27 638	107 214	388%	331 654
Interest		16 293	24 270	–	1 250	1 250	2 023	(772)	-38%	24 270
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		1	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		551 465	594 610	–	183 554	183 554	49 551	134 003	270%	594 610
Expenditure By Type										
Employee related costs		165 418	186 701	–	13 776	13 776	15 558	(1 782)	-11%	186 701
Remuneration of councillors		24 244	24 666	–	1 974	1 974	2 055	(81)	-4%	24 666
Bulk purchases - electricity		87 487	98 000	–	–	–	8 167	(8 167)	-100%	98 000
Inventory consumed		5 212	7 033	–	128	128	586	(458)	-78%	7 033
Debt impairment		(1 861)	–	–	–	–	–	–		–
Depreciation and amortisation		38 990	22 322	–	–	–	1 860	(1 860)	-100%	22 322
Interest		1 431	–	–	–	–	–	–		–
Contracted services		138 162	170 618	–	3 491	3 491	14 218	(10 728)	-75%	170 618
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		13 224	6 500	–	–	–	542	(542)	-100%	6 500
Operational costs		61 123	78 784	–	5 457	5 457	6 565	(1 108)	-17%	78 784
Losses on Disposal of Assets		1 281	–	–	–	–	–	–		–
Other Losses		27	–	–	–	–	–	–		–
Total Expenditure		535 687	594 624	–	24 826	24 826	49 552	(24 726)	-50%	594 624
Surplus/(Deficit)		15 778	(14)	–	158 728	158 728	(1)	158 729	########	(14)
Transfers and subsidies - capital (monetary allocations)		81 892	82 490	–	6 894	6 894	6 874	20	0%	82 490
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		97 670	82 476	–	165 622	165 622	6 873			82 476
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		97 670	82 476	–	165 622	165 622	6 873			82 476
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		97 670	82 476	–	165 622	165 622	6 873			82 476
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		97 670	82 476	–	165 622	165 622	6 873			82 476

In terms of July 2025 Monthly Budget & Performance assessment, the actual Revenue billed and/or collected to date is **R 183,5** million exclusive of capital transfers and subsidies against original budget of **R 594,6** million, this represents **30%** on operational revenue and is more than expected performance for the this is due high property rates billing which is recognised in the first month and equitable share first tranche received in this month.

The operating expenditure as at 31 July 2025 is **R 24,8** million against Original Budget of **R 594,6** million and this represents **4%** of operational expenditure, this indicates an under-spending for the month due to less payments made for the month, the expenditure relates to Bulk purchases. non-cash items such as Debt impairment and Depreciation & asset impairment are to be processed at year end.

The Operating Capital Revenue as at 31 July 2025 is **R 6,9** million against Original Budget of **R 82,5** million and this represents **8%** of operational revenue, this within the expected performance for the month.

Monthly projections for year-to-date budgets, based on trend methodology, will be revised regularly and used for adjustment budgets and future budget planning.

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 2025 to April 2026 for both annual and monthly rates, hence there is variance. The total property rates raised/billed amounted to **R 37,585,041**, the income received from property rates amounted to **R 643,107** for the month against approved budget of **R 61,936,752** this represents **61%** of the received revenue by source which is more than anticipated for the month, and it represents **1%** when measured against the property rates billed or raised. The revenue stream will be closely monitored to ensure revenue targets are met by year end.

Services Charges

Revenue from Service charges amounted to **R 7,558,024** which is made of **R 1,001,101** and **R 6,556,923** revenue from service charges against the approved budget of **R 106,833,628**. This represent **7%** and is less than the expected performance for the month when measured against the monthly projection due to less service charged collected for the month.

Agency Services

Agency Services has been budgeted separately from licences and permits with an amount of **R 1,800,000** relating to commission received from department of transport. The income received from agency fees amounted to **R 142,466.** This represent **8%** and is within the expected performance for the month under review.

Rental of Facilities and equipment

Rental of facilities and equipment approved budget is **R 2,220,000.** The revenue for the month amounted to **R 217 882** excluding a reversal amount of **R 574 521** under sundry services for July 2025 has been recognised, this represent **10%** which is more than the expected performance for the month due to more revenue collected under rental of facilities and equipment.

Interest earned on Investments

The total approved budget Interest on investments is **R 28,812,996** and the interest received for the month of July 2025 is **R 1,597,984** which represent **6%** this is less than expected performance for the month due to capital investment that have not yet been implemented, hence the variance.

Interest on Outstanding Debtors

Interest on non-payment of electricity has been raised monthly which amounts to **R 1,368,919** has been posted on the interest on arrears for refuse services with the approved budget allocation of **R 26,470,000** which represents **5%** is less expected performance when measured against the monthly projection due to less sales under electricity.

Fines, penalties and Forfeits

Revenue from fines, penalties and forfeits has an approved budget of **R 3,048,000**. The cash receipts for traffic fines issued is **R 135,529,** it represents **4%** this is less than expected performance for the month due to less fines and penalties issued for the month.

Licences and permits

The total approved budget for licences and permits is **R 4,459,108** for budget year. At the end of the July 2025 the cash receipts for traffic fines issued was **R 231,378** and represents **5%** of the total revenue budget for this category. This is less than expected performance due to a decrease in motor vehicle registration application for the month under review.

Transfers and Subsidies-Operational

Total approved budget amount on transfers and subsidies is **R 331,654,050** and the transfers recognised represents **R 134,851,502** was recognised for the month ended 31 July 2025. The recognised transfers represent **41%** of the approved allocation, hence the positive variance as a result of the first tranche of Equitable Share received in the month of July.

To Note that INEP grant that was scheduled to be received in July is received in October due delayed, owed to migration of DMRE data to new DEE network.

Transfers and Subsidies- Capital

Total approved budget on transfers and subsidies is **R 82,489,950** and Total revenue of **R 6,893,975** recognised for the month; this represents **8%** of total budgets and is within the expected performance for the month due MIG payments recognised.

Other Revenue

Other revenue amounted to **R 439,845** for the month ended 31 July 2025, when measured against the approved budget allocation of **R 27,375,252** this represents **2%** which is less than the expected performance for the month. This is due to no recognition on INEP projects, and less collection on various line items of revenue. More revenue collection will only be accounted for as the year progress.

Operating Expenditure by type

Employee related costs/Remuneration of Councillors

Salary costs incurred – the Municipality incurred **R 15,750,395** million salary costs at the end of July 2025 against the approved budget allocation of **R 211,366,456**, incurring **7%** expenditure for the month salary budget allocation and this is less than expected performance as reflected in the table below due. The variance is attributable to vacant posts anticipated to be filled in the 2025/2026 financial year. The process of filling posts is continuous hence there is a variance, this is also attributed to cost savings initiatives. However, it is anticipated that the costs may increase when the year progress.

Description	Total Budget	July Actual	Total Actual
Employee Related Cost	**186 700 555**	**13 775 922**	**13 775 922**
Municipal Staff	178 157 163	13 289 407	13 289 407
Senior Management	8 543 392	486 515	486 515
Remuneration of Councillors	**24 665 901**	**1 974 473**	**1 974 473**
Chief Whip	816 891	49 465	49 465
Executive Committee/Mayoral Committee	5 655 601	320 442	320 442
Executive Mayor/Mayor	1 072 684	227 187	227 187
Section 79 committee chairperson	801 471	63 111	63 111
Speaker	868 047	68 696	68 696
Total for All Other Councillors	15 451 207	1 245 572	1 245 572
Grand Total	**211 366 456**	**15 750 395**	**15 750 395**
		7%	

Debt impairment

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

Irrecoverable debts written-off

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

Depreciation

The Variance is caused by the lower than anticipated spending of capital budget in the 2024/2025 financial year and July 2025. The other predominate reason is that Business Units were still submitting completed projects relating to the 2024/2025 financial year, especially on disaster projects not yet completed.

The expenditure on depreciation and amortisation will at mid-year when the Assets under Construction is capitalised with projects that were completed in June 2025.

Finance charges

No interest expenditure incurred in July.

Bulk Purchases

Total approved budget on bulk electricity purchases is **R 98,000,000**, No payment for the bulk purchases made in July as the invoice for July was received after month end therefore it will be processed in August resulting to 0% Expenditure performance for the month of June.

Other material

Total approved budget on other material is **R 7,032,600,** which amounted to **R 127,661** and represent **2%**. This is less than expected performance for the month as result of less demand on stores items. Majority of the work undertaken in July will be paid for in August, resulting in higher expenditure payments to be processed in August.

Contracted Services

Total approved budget on contracted services is **R 170,618,329**. The spending for the month amounted to **R 3,490,505** that represents **2%** of the budgeted amount. This is less than expected performance for the month due to less work undertaken in the first month on the new financial year.

Other Expenditure

Other expenditure includes all other general operational costs of the Municipality. Total approved Budget on Other expenditure is **R 78,784,387.** this expenditure amounted to **R 5,457,343** for the month; this represents **7%** of the budgeted amount on this category. This is less than the expected performance for the month on under this category, due to timing of identified Items relating to Audit fees, Internships and learnerships, insurance premium, workman's Compensation and employee achievements and awards whose expenditure relates to different quarters and months.

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) - M01 - July

Vote Description	Ref	2024/25	Budget Year 2025/26							
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		53	–	–	–	–	–	–		–
Vote 2 - Finance and Admin		1 797	4 397	–	–	–	366	(366)	-100%	4 397
Vote 3 - Corporate		1 664	3 240	–	–	–	270	(270)	-100%	3 240
Vote 4 - Development and Planning		4 522	18 855	–	791	791	1 571	(780)	-50%	18 855
Vote 5 - Community		9 333	8 000	–	–	–	667	(667)	-100%	8 000
Vote 6 - Infrastructure		114 765	128 873	–	6 036	6 036	10 739	(4 703)	-44%	128 873
Vote 7 - Internal Audit		–	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	132 135	163 365	–	6 828	6 828	13 614	(6 786)	-50%	163 365
Total Capital Expenditure		132 135	163 365	–	6 828	6 828	13 614	(6 786)	-50%	163 365
Capital Expenditure - Functional Classification										
Governance and administration		3 514	7 637	–	–	–	636	(636)	-100%	7 637
Executive and council		53	–	–	–	–	–	–		–
Finance and administration		3 461	7 637	–	–	–	636	(636)	-100%	7 637
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		4 849	5 150	–	–	–	429	(429)	-100%	5 150
Community and social services		832	2 350	–	–	–	196	(196)	-100%	2 350
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		4 017	2 800	–	–	–	233	(233)	-100%	2 800
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		109 218	133 308	–	6 828	6 828	11 109	(4 281)	-39%	133 308
Planning and development		4 522	18 855	–	791	791	1 571	(780)	-50%	18 855
Road transport		104 696	114 453	–	6 036	6 036	9 538	(3 501)	-37%	114 453
Environmental protection		–	–	–	–	–	–	–		–
Trading services		14 554	17 278	–	–	–	1 439	(1 439)	-100%	17 278
Energy sources		10 069	14 420	–	–	–	1 202	(1 202)	-100%	14 420
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		4 485	2 858	–	–	–	238	(238)	-100%	2 858
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	132 135	163 365	–	6 828	6 828	13 614	(6 786)	-50%	163 365
Funded by:										
National Government		69 081	82 190	–	6 036	6 036	6 849	(813)	-12%	82 190
Provincial Government		629	300	–	–	–	25	(25)	-100%	300
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		69 710	82 490	–	6 036	6 036	6 874	(838)	-12%	82 490
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		62 425	80 875	–	791	791	6 740	(5 948)	-88%	80 875
Total Capital Funding		132 135	163 365	–	6 828	6 828	13 614	(6 786)	-50%	163 365

The approved annual capital budget for the financial year amounts to **R 163,364,950**. The capital expenditure incurred for the month ended 31 July 2025 amounted to **R 6,827,683.** This represents **4%** of the approved capital expenditure budget. This is below the expected performance for the month due capital projects which have not yet been implemented.

3.1.6 C6 Monthly Budget Statement –Financial Position

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M01 - July

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		269 900	230 836	–	377 039	230 836
Trade and other receivables from exchange transactions		(49 858)	54 254	–	(49 462)	54 254
Receivables from non-exchange transactions		158 812	125 528	–	195 689	125 528
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 832	3 784	–	3 735	3 784
VAT		24 593	10 438	–	25 240	10 438
Other current assets		5 866	5 400	–	5 866	5 400
Total current assets		413 144	430 240	–	558 088	430 240
Non current assets						
Investments		–	–	–	–	–
Investment property		4 960	4 960	–	4 960	4 960
Property, plant and equipment		1 126 880	1 267 568	–	1 133 708	1 267 568
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		1 543	1 543	–	1 543	1 543
Intangible assets		377	1 491	–	377	1 491
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		1 133 760	1 275 562	–	1 140 588	1 275 562
TOTAL ASSETS		1 546 904	1 705 802	–	1 698 685	1 705 802
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 803	528	–	1 822	528
Trade and other payables from exchange transactions		66 460	65 900	–	40 719	65 900
Trade and other payables from non-exchange transactions		20 665	29 800	–	32 501	29 800
Provision		24 908	43 950	–	24 908	43 950
VAT		61 193	61 810	–	61 239	61 810
Other current liabilities		–	–	–	–	–
Total current liabilities		175 028	201 988	–	161 188	201 988
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		26 005	22 501	–	26 005	22 501
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		17 928	–	–	17 928	–
Total non current liabilities		43 933	22 501	–	43 933	22 501
TOTAL LIABILITIES		218 962	224 489	–	205 121	224 489
NET ASSETS	2	1 327 942	1 481 313	–	1 493 564	1 481 313
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		957 448	1 400 438	–	1 097 725	1 400 438
Reserves and funds		395 839	80 875	–	395 839	80 875
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1 353 288	1 481 313	–	1 493 564	1 481 313

3.1.7 C7 Monthly Budget Statement –Cash Flow

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M01 - July

Description	Ref	2024/25	Budget Year 2025/26							
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		67 797	52 646	–	1 829	1 829	4 387	(2 558)	-58%	52 646
Service charges		96 392	90 809	–	10 354	10 354	7 567	2 787	37%	90 809
Other revenue		22 800	84 321	–	659	659	7 027	(6 368)	-91%	84 321
Transfers and Subsidies - Operational		338 711	331 654	–	134 743	134 743	27 638	107 105	388%	331 654
Transfers and Subsidies - Capital		179 429	82 490	–	26 661	26 661	6 874	19 786	288%	82 490
Interest		24 647	55 283	–	1 636	1 636	4 607	(2 971)	-64%	55 283
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(291 732)	(565 802)	–	(9 242)	(9 242)	(47 150)	37 908	-80%	(565 802)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		438 045	131 401	–	166 640	166 640	10 950	(155 690)	-1422%	131 401
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		130 245	(163 365)	–	(7 804)	(7 804)	(13 614)	5 810	-43%	(163 365)
NET CASH FROM/(USED) INVESTING ACTIVITIES		130 245	(163 365)	–	(7 804)	(7 804)	(13 614)	(5 810)	43%	(163 365)
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		568 291	(31 964)	–	158 835	158 835	(2 664)			(31 964)
Cash/cash equivalents at beginning:		258 145	262 801	–		269 900	262 801			269 900
Cash/cash equivalents at month/year end:		826 435	230 836	–		428 735	260 137			237 936

PART 2 –SUPPORTING DOCUMENTATION
SECTION 4

Debtors Analysis

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

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M01 - July

Description	NT Code	Budget Year 2025/26											
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	6 358	1 084	461	324	716	485	132	4 928	15 469	8 586	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	36 882	30	62	753	823	568	561	85 298	124 746	87 762	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	944	537	456	424	425	412	385	28 784	33 369	31 430	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	7	7	7	–	–
Interest on Arrear Debtor Accounts	1810	1 425	1 425	1 508	1 464	1 446	1 425	1 417	63 259	73 369	69 010	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	82	77	145	170	136	133	267	38 857	40 867	40 562	(196)	–
Total By Income Source	2000	45 892	3 963	2 834	3 136	3 346	3 002	2 762	223 092	287 828	235 338	(196)	–
2024/25 - totals only		–	–	–	–	–	–	–	–	–	–	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	37 975	2 308	1 495	1 273	1 679	1 410	1 124	90 467	137 627	95 849	–	–
Commercial	2300	7 034	1 190	836	1 195	1 112	927	986	70 672	83 912	74 892	(196)	–
Households	2400	884	504	503	668	558	665	682	61 953	66 288	64 597	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	45 892	3 963	2 834	3 136	3 346	3 002	2 762	223 092	287 828	235 338	(196)	–

The total debt book for July 2025 of R 287,827,632, inclusive of R 4,236,996 advance payments

The total debt for July 2025 of R 283,590,636 (including current of R 46,668,658.31) which is not yet due) has decreased by R 6,498,171.84 from the previous month closing balance of R 243,420,149.13.

Debt is made up of the following:

- **Residential debt:**
  R 107,082,515
  Commercial debt
  R 39,411,363
- **Government debt**
  R 131,680,495
  Other
  R 5,416,263

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 91,383,604.

- **Maluti**
  R 73,822,247 (including current)
- **Cedarville**
  R 17,561,357 (including current)

The municipality makes use of debt collectors in implementing the credit and debt collection policy.

The credit control measures for collection are implemented especially for old debt, the municipality has attorneys to assist with collection of long outstanding debt when all internal processes have been exhausted.

The following has been handed over:

Residential H/O R 66,001,681.48

Business H/O R 3,093,339.93

Churches H/O R 115,221,14

Farms H/O R 3,889,790.17

R 6,336,606.88 was collected for July 2025.

SECTION 5 -CREDITORS' ANALYSIS

Supporting Table SC4

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 - July

Description R thousands	NT Code	Budget Year 2025/26									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	-	-	-	-	-	-	-	-	-	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	-

The municipality makes an extra effort that creditors are paid within 30 days as per MFMA, therefore municipality paid its creditors within 30 days for the month ended 31 July 2025.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Jul-25

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	WITHDRAWALS	Interest Earned	Closing Balance
Municipal Infrastructure Grant	3 587 808.84	18 045 819.32	-9 244 489.10	-48 819.32	12 389 139.06
INEP	2 210 269.37	18 315.52	-2 200 269.37	-18315.52	28 315.52
EPWP	-			-	-
Disaster Management	20 972 631.27	142 430.05	-2 575 641.02	-142 430.05	18 539 420.30
Finance Management Grant	1 244.05	6.90		-6.90	1 250.95
Establishment Plan	236 385.54	1 104.21		-1 104.21	237 489.75
Housing Development Fund	2 412 237.21	11 575.43		-11 575.43	2 423 812.64
Dedea	733 253.66	3 425.20		-3 425.20	736 678.86
Total Conditional Investments	**30 153 830**	**18 222 677**	- **14 020 399**	- **225 677**	**34 356 107**

Jul-25

Unconditional Investments -Description	Openning Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	168 244 582.18			-843 066.69	168 244 582.18
Call ACC FNB Surplus Cash	6 805 395.80			-31 603.14	6 805 395.80
Nedbank 32 Days	8 388 944.47	51 712.80		-51 712.80	8 440 657.27
Nedbank	31 710 112.22	156 508 110.15	-85 000 000.00	-203 770.11	103 218 222.37
Nedbank Retention	5 517 638.53	4 410 337.59		-14 610.83	9 927 976.12
Termination Guarantee	144 640.82			-802.50	144 640.82
Account Gaurantee	6 202 000.00			-34 408.50	6 202 000.00
Standard bank		40 191 068.49		-191 068.49	40 191 068.49
	227 013 314	**160 970 161**	- **85 000 000**	- **1 371 043**	**343 174 543**
Total Investments as at 31 July 2025					**377 530 650**

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

As at 31 July 2025 the conditional investments amounted to **R 34,356,107** and unconditional investments amounted to **R 343,174,543**. Total investments as at 31 July 2025 amounted to **R 377,530,650**.

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

This indicates that the municipality as at 31 July 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 July 2025

Description	July 2025
Nedbank Primary Account:	712,089
Standard bank Account:	1,974,351
FNB Money Market Account:	322,301
Total Cash held as at 30 July 2025	**3 008 741**

Unreconciled items for the month amount to **R 3,510,888** 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 **R 3,008,741** and Bank statement balance of **R 377,530,650.**

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 - M01 - July

Description	Ref	2024/25	Budget Year 2025/26							
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:		383 485	327 138	–	151 849	151 849	27 262	123 787	454.1%	327 138
Expanded Public Works Programme Integrated Grant		3 880	2 980	–	–	–	248	(248)	-100.0%	2 980
Local Government Financial Management Grant	3	1 700	1 800	–	–	–	150	(150)	-100.0%	1 800
Municipal Infrastructure Grant		57 584	3 034	–	17 997	17 997	253	17 744	7018.0%	3 034
Equitable Share		320 321	319 324	–	133 852	133 852	26 610	106 442	400.0%	319 324
Provincial Government:		–	4 516	–	–	–	376	(376)	-100.0%	4 516
Specify (Add grant description)		–	2 850	–	–	–	238	(238)	-100.0%	2 850
Specify (Add grant description)		–	1 666	–	–	–	139	(139)	-100.0%	1 666
District Municipality:		150	–	–	–	–	–	–		–
Specify (Add grant description)		150	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		383 635	331 654	–	151 849	151 849	27 638	123 411	446.5%	331 654
Capital Transfers and Grants										
National Government:		24 542	82 190	–	–	–	6 849	(6 849)	-100.0%	82 190
Municipal Infrastructure Grant		–	57 647	–	–	–	4 804	(4 804)	-100.0%	57 647
Municipal Disaster Recovery Grant		24 542	24 543	–	–	–	2 045	(2 045)	-100.0%	24 543
Provincial Government:		4 316	300	–	1 666	1 666	25	1 641	6564.0%	300
Specify (Add grant description)		3 066	–	–	1 666	1 666	–	1 666	#DIV/0!	–
Specify (Add grant description)		1 250	300	–	–	–	25	(25)	-100.0%	300
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		28 858	82 490	–	1 666	1 666	6 874	(5 208)	-75.8%	82 490
TOTAL RECEIPTS OF TRANSFERS & GRANTS		412 493	414 144	–	152 715	152 715	34 512	118 203	342.5%	414 144

The Municipality have received the conditional grant and unconditional grants allocations amounting to **R 152,7** million for both operations grants and capital grants.

7.2 Supporting Table SC7

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M01 - July

Description	Ref	2024/25	Budget Year 2025/26							
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:		8 282	7 814	–	1 438	1 438	651	787	120.9%	7 814
Expanded Public Works Programme Integrated Grant		3 880	2 980	–	1 145	1 145	248	896	361.0%	2 980
Municipal Disaster Relief Grant		1 631	–	–	–	–	–	–		–
Local Government Financial Management Grant	3	1 700	1 800	–	116	116	150	(34)	-22.6%	1 800
Municipal Infrastructure Grant		1 071	3 034	–	177	177	253	(76)	-29.9%	3 034
Provincial Government:		4 026	4 516	–	361	361	376	(15)	-4.0%	4 516
Specify (Add grant description)		466	2 950	–	–	–	236	(236)	-100.0%	2 950
Specify (Add grant description)		3 560	1 566	–	361	361	139	223	160.3%	1 566
District Municipality:		150	–	–	–	–	–	–		–
Specify (Add grant description)		150	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		12 457	12 330	–	1 800	1 800	1 028	772	75.1%	12 330
Capital Transfers and Grants										
National Government:		79 488	82 190	–	6 894	6 894	6 849	45	0.7%	82 190
Municipal Disaster Relief Grant		6 604	–	–	–	–	–	–		–
Municipal Infrastructure Grant		56 513	57 647	–	6 894	6 894	4 804	2 090	43.5%	57 647
Municipal Disaster Recovery Grant		16 371	24 543	–	–	–	2 045	(2 045)	-100.0%	24 543
Provincial Government:		601	300	–	(866)	(866)	25	(891)	-3566.4%	300
Specify (Add grant description)		–	300	–	–	–	25	(25)	-100.0%	300
Specify (Add grant description)		(29)	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	(866)	(866)	–	(866)	#DIV/0!	–
Specify (Add grant description)		629	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		80 089	82 490	–	6 028	6 028	6 874	(847)	-12.3%	82 490
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		92 546	94 820	–	7 827	7 827	7 902	(75)	-0.9%	94 820

The total operating grant expenditure amounts to **R 1,8** million and Capital grant expenditure amounts to **R 6 million** as at 31 July 2025. Total expenditure for the month amounts to **R 6** million which represents **8,1%** when compared to the total allocation **of R 94,8** million. The tables above reflect on the performance of these respective conditional grants which indicates that the municipality will meet its target of fully spending the 2025/26 allocated funds at year end.

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 31 July 2025

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 - July

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 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		13 478	13 593	–	1 096	1 096	1 155	(59)	-5%	13 556
Pension and UIF Contributions		920	958	–	74	74	80	(6)	-7%	958
Medical Aid Contributions		537	91	–	54	54	8	46	606%	91
Motor Vehicle Allowance		15	2 178	–	15	15	181	(167)	-92%	2 178
Cellphone Allowance		2 558	2 573	–	212	212	223	(11)	-5%	2 573
Housing Allowances		5 742	4 912	–	524	524	409	115	28%	4 912
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		24 244	24 666	–	1 974	1 974	2 065	(91)	-4%	24 666
% increase	4		1.7%							1.7%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		1 690	2 782	–	194	194	232	(38)	-16%	2 782
Pension and UIF Contributions		124	489	–	19	19	41	(22)	-54%	489
Medical Aid Contributions		98	343	–	16	16	29	(12)	-43%	343
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		15	580	–	4	4	48	(45)	-92%	580
Motor Vehicle Allowance		1 774	2 905	–	181	181	242	(61)	-25%	2 905
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		754	904	–	51	51	75	(24)	-32%	904
Other benefits and allowances		0	1	–	0	0	0	(0)	-67%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		382	540	–	22	22	45	(23)	-52%	540
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		4 894	5 543	–	487	487	712	(225)	-32%	5 543
% increase	4		85.6%							85.6%
Other Municipal Staff										
Basic Salaries and Wages		109 136	124 147	–	9 174	9 174	10 346	(1 172)	-11%	124 147
Pension and UIF Contributions		16 493	21 360	–	1 541	1 541	1 780	(239)	-13%	21 360
Medical Aid Contributions		6 512	8 001	–	566	566	667	(101)	-15%	8 001
Overtime		3 870	3 980	–	156	156	332	(176)	-53%	3 980
Performance Bonus		11 130	9 305	–	1 058	1 058	775	283	36%	9 305
Motor Vehicle Allowance		6 808	7 060	–	501	501	588	(87)	-15%	7 060
Cellphone Allowance		6	6	–	1	1	1	(0)	-7%	6
Housing Allowances		3 094	3 221	–	264	264	268	(4)	-2%	3 221
Other benefits and allowances		1 544	1 076	–	29	29	90	(61)	-68%	1 076
Payments in lieu of leave		708	–	–	–	–	–	–		–
Long service awards		1 145	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	1 372	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		161 915	178 157	–	13 289	13 289	14 846	(1 557)	-10%	178 157
% increase	4		10.1%							10.1%
Total Parent Municipality		190 663	211 366	–	15 750	15 750	17 614	(1 863)	-11%	211 366

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

Remuneration related expenditure for the month ended 31 July 2025 amounted **R 15,8 million** of which the expenditure **R 1,9 million** relates to Remuneration of Councillors and **R 13,8 million**, to Managers and staff, that represents **7%** of the budgeted amount for this category and the expenditure is less than expected performance for the month.

The variance is attributable to vacant posts anticipated to be filled in the 2025/2026 financial year. The process of filling posts is continuous hence there is a variance, this is also attributed to cost savings initiatives. However, it is anticipated that the costs may increase when the year progress.

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTICATE

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

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

Print Name: Lizo Matiwane

Acting Municipal Manager of Matatiele Local Municipality

Signature: ______________________

Date: 13/08/2025