MATATIELE
LOCAL MUNICIPALITY

2025/2026 MONTHLY SECTION 71 REPORT

MONTH ENDED 31 AUGUST 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 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 August 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 this has been adjusted to an adjustments budget of **R 694,485, 402**. The Municipality has recognised **R 33,578,904** for the month, this represents **5%,** and This is less than the performance expected for the month due to property rates billing, Agency fees, fines, licences and permits collected and less operational transfers and subsidies recognised for the month.

Operating Expenditure by type

The Municipality incurred expenditure of **R 52,102,281** against the approved adjusted budget allocation of **R 594,623,647**, incurring **9%** expenditure for the month budget, The expenditure incurred is over the expected performance for the month due to operational payments made on operational items for the month under review.

Capital Expenditure

- The total approved capital budget is **R 163,364,950** and this has been adjusted to an adjustments budget of **R 180,750,617.** The Municipality incurred expenditure of **R 6,827,683.** This represents **8%** of the approved capital expenditure budget, The expenditure incurred is within the expected performance for the month.
- 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 August 2025 is **R 4,563,875** which represent **8%** of expenditure to date (Vat exclusive).
- Disaster recovery grant has been adjusted to an adjusted budget of **R 41,928,666**; The grant reflects **R 1,253,115** spending at the end of 31 August 2025 (Vat exclusive), this represents **3%.**
- The Library Capital Grant allocation of **R 300,000** was allocated. The grant reflects no spending at the end of 31 August 2025.

- Capital Replacement Reserves (CRR) for the financial year is **R 80,875,000** million **is** allocated. The spending for the month is **R 9,461,731** which represent **12%** spending for the month.
- 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	August	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	8 437 668	8 437 668
Finance and Administration: Information Technology (2540)	2 600 000	-	-
Finance and Administration: Asset Mangement and Reporting (2015)	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 (2020)	1 000 000	-	-
Finance:Budget & Treasury (2010)	80 000	-	-
Marketing; Customer Relations; Publicity and Media Co-ordination:comr	627 000	-	-
Planning and Development: LED (3520)	3 110 000	-	791 433
Planning and Development: Planning (3510)	4 240 000	-	-
Public Safety: Civil Defence (3074)	2 800 000	-	-
Road Transport: Project Operations & Mainnt(4010)	55 906 666	1 253 115	1 253 115
Roads:Project Management Unit	75 931 950	5 587 938	11 624 188
Town Planning; Building Regulations and Enforcement; and City Engineer	11 505 000	-	-
Grand Total	**180 750 616**	**15 278 721**	**22 106 405**
		8%	

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	August 2025 status
Excavator	Procurement of the plant is facilitated by SCM
Harry Gwala Internal Streets	The project is under construction and progress is 75 %
Construction of Cedarville Internal Streets Phase 4	The project is under construction and progress is 45 %
Maluti Internal Streets Phase 5	The project is under construction and progress is 76 %
Mahasheng Access Road & Bridge	The project is practically completed
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 70 %

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	August 2025 status
Electrification of Motsekua Village	569 connections have been completed, Currently awaiting for the outage date from Eskom and the expenditure is at 49%.

Disaster Response Grant

Disaster Capital Project	August 2025 status
Mvenyane Access Road and Bridge Recovery	The project has been handed over awaiting contractor to commence
Lugada Mahlabathini AR Recovery	The project has been handed over awaiting contractor to commence

Disaster Recovery Grant Rollover projects	August 2025 status
Mdeni Access Road and Bridge Recovery	The project is under construction and progress is 85 %
Lugada to Mahlabathini and Bridge Recovery	The project is under construction and progress is 19 %
Hillside - Ngcwengane A/R and Bridge Recovery	The project is under construction and progress is 53 %
Mngeni Bridge Recovery	The project is under construction and progress is 70 %

Internal Funded Capital Projects

Capital Replacement Rerseve Projects	August 2025 Status
f 2 silo facilities	Request for RFQ issued. (Tender stage)
Municipal Fleet	Request for RFQ issued. (Tender stage)
Licensing Offices	Request for RFQ issued. (Tender stage)
Mphotshongweni Bridge (Rashule)	Request for RFQ issued. (Tender stage)
Lunda Access Road	The project is under construction and progress is 20 %
Nkululekweni Access Road	The project is under construction and progress is 10 %
Maloto Access Road	A contractor has been appointed awaiting contractor to commence
Buxton Park Bridge	Request for RFQ issued. (Tender stage)
Harry Gwala Internal Streets CRR	The project is under construction and progress

	is 75 %
Phalane-Mbizweni Access Road	The project is under construction and progress is 28 %
Motsekoa Access Road	The project is under construction and progress is 18 %
Mapateng Access Road	The project is under construction and progress is 40 %
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	The project has been awarded and awaits site establishment
Renovation of Town Hall	Waiting for intention to award the service provider

This information reflects on our tender control plan on August 2025

TENDER CONTROL AUGUST 2025

SUMMARY: QUOTATIONS	**Aug-25**	**TOTAL AUGUST 2025**
DAY TO DAY QUOTATIONS	1,071,471.13	1,071,471.13
FORMAL QUOTATIONS	480,268.00	480,268.00
TOTAL QUOTATIONS	**1,551,739.13**	**1,551,739.13**

BIDDING PROCESS	**Bids Awarded vs Capital Budget**	**Capital Spending Year-To-Date**	**Orders Issued**
Bids awarded	12,322,873.65	22,106,404.51	2
Bids in the process	-	-	-
Bids behind schedule	-	-	-
Bids cancelled or removed from budget	-	-	-
Bids to be awarded	2	-	-

Total Summary values	**Aug-25**	**TOTAL AUGUST**

of Procurements,		2025
Below R30 000 (SCM Orders) and travel & accommodation	1,071,471.13	1,071,471.13
R30 001 – 300 000 (Procurement Process above R 30 000.00)	480,268.00	480,268.00
Procurement above R300 000	27,814,802.57	27,814,802.57
Capital Projects	12,322,873.65	12,322,873.65
Section 32 /National treasury transversal contract	-	-
Deviations (Section 36)	-	-

BIDS AND QUOTATIONS INVITED	Aug-25	TOTAL AS AT 31 AUGUST 2025
Invited Quotations	12	12
Invited Bids	16	16
		-
Awarded Quotations	2	2
Awarded Bids	4	4

BIDS AWARDED			
AWARD DATE	DESCRIPTION	CONTRACTOR/CONSULTANT/SERVICE PROVIDER	AWARD AMOUNT
19/08/2025	Construction of Lugada Mahlabathini access road	Manong Construction and Projects	8,111,200.00
20/08/2025	Refurbishment to the existing Matatiele main office for Matatiele Local Municipality	SV Gqagqane Trading	4,211,673.65
27/08/2025	Appointment for Customer Satisfaction/Market Research for 2025/2026	TP Deep Ocean (Pty) Ltd	695,000.00

27/08/2025	Appointment for Panel of (3) Three service Providers for the Provision of Mechanical Repairs, Towing, Supply of Spares and Maintenance of Municipal on Request for Municipal Plant, and Equipment for a Period of Three years	Volleys Towing and Recovery T/A R56 Towing	Rate based

BIDS INVITED

NUMBER	NAME OF THE PROJECT	ADVERT DATE	CLOSING DATE	VALIDITY PERIOD	STATUS
1	Procurement of global navigation satellite system (GNSS) receiver with full real time kinematic (RTK) / virtual reference (VRS) capabilities of dual frequency RTK GPS system and its maintenance – (as an when needed)	8/1/2025	8/15/2025	11/13/2025	Awaiting bid evaluation
2	Supply and delivery of 200, 15,15 and 50 units 600mm, 450mm, 375mm and 900mm diameter concrete pipes respectively	8/1/2025	8/15/2025	11/13/2025	Awaiting bid evaluation
3	Supply and delivery of protective clothing public safety unit	8/1/2025	8/15/2025	11/13/2025	Awaiting bid evaluation
4	Supply and delivery of 6000 bags of 25kg tar fix all weather packed in pallets for three	8/15/2025	8/29/2025	11/27/2025	Awaiting bid evaluation

	years				
5	Supply and delivery of building control working tools	8/29/2025	9/12/2025	12/11/2025	Bid still on advert
6	Renovations of Nokhwezi community hall	8/29/2025	9/12/2025	12/11/2025	Bid still on advert
7	Renovations of Harry Gwala community hall	8/29/2025	9/12/2025	12/11/2025	Bid still on advert
8	Supply, delivery and installation of nature reserve fence	8/29/2025	9/12/2025	12/11/2025	Bid still on advert
9	Supply and delivery of photo copy paper in municipal stores for a period of twelve months	8/29/2025	9/12/2025	12/11/2025	Bid still on advert
10	Supply and delivery of cleaning material, air freshness, and paint in the municipal stores for a period of twelve months	8/29/2025	9/12/2025	12/11/2025	Bid still on advert
11	Supply and delivery of toilet paper in Municipal stores for a period of twelve months	8/29/2025	9/12/2025	12/11/2025	Bid still on advert
12	Prepare and supply design construction drawings, building plans and sub-built drawings on existing municipal buildings including identification of municipal supply main water, sewer, telecommunication and other related services for Matatiele Local Municipality	8/29/2025	9/12/2025	12/11/2025	Bid still on advert

	13	Repairs and maintenance of air conditioners at LED, BTO, Maggie Tsiu Resha, Electricity offices and Traffic offices	8/29/2025	9/12/2025	12/11/2025	Bid still on advert
	14	Swimming pool repairs and maintenance	8/29/2025	9/12/2025	12/11/2025	Bid still on advert
	15	Supply and delivery of brush cutters and full PPE	8/29/2025	9/12/2025	12/11/2025	Bid still on advert
	16	Supply and delivery protective clothing for environment and waste unit	8/29/2025	9/12/2025	12/11/2025	Bid still on advert

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

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M02 - August

Description	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
Financial Performance									
Property rates	56 360	61 937	61 937	3 696	41 281	10 323	30 958	300%	61 937
Service charges	89 707	106 834	106 834	11 172	18 730	17 806	924	5%	106 834
Investment revenue	22 318	28 813	28 813	1 500	3 096	4 802	(1 704)	-35%	28 813
Transfers and subsidies - Operational	330 510	331 654	331 654	1 214	136 065	55 276	80 790	146%	331 654
Other own revenue	54 570	65 372	65 372	9 509	11 471	10 895	575	5%	65 372
Total Revenue (excluding capital transfers and contributions)	553 485	594 610	594 610	27 090	210 644	99 102	111 543	113%	594 610
Employee costs	162 964	186 701	186 701	15 144	28 920	31 117	(2 197)	-7%	186 701
Remuneration of Councillors	24 244	24 666	24 666	1 931	3 905	4 111	(206)	-5%	24 666
Depreciation and amortisation	63 816	22 322	22 322	–	–	3 720	(3 720)	-100%	22 322
Interest	3 829	–	–	–	–	–	–		–
Inventory consumed and bulk purchases	92 699	105 033	105 033	12 080	12 207	17 505	(5 298)	-30%	105 033
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	214 199	255 903	255 903	22 948	31 896	42 650	(10 755)	-25%	255 903
Total Expenditure	561 751	594 624	594 624	52 102	76 928	99 104	(22 176)	-22%	594 624
Surplus/(Deficit)	(8 265)	(14)	(14)	(25 012)	133 716	(2)	133 718	-5790182%	(14)
Transfers and subsidies - capital (monetary allocations)	82 541	82 490	99 876	6 489	13 383	15 329	(1 946)	-13%	99 876
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
contributions	74 256	82 476	99 862	(18 523)	147 099	15 327	131 772	860%	99 862
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	74 256	82 476	99 862	(18 523)	147 099	15 327	131 772	860%	99 862
Capital expenditure & funds sources									
Capital expenditure	132 721	163 365	180 751	15 279	22 106	28 808	(6 702)	-23%	180 751
Capital transfers recognised	70 274	82 490	99 876	5 817	11 853	15 329	(3 476)	-23%	99 876
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	62 446	80 875	80 875	9 462	10 253	13 479	(3 226)	-24%	80 875
Total sources of capital funds	132 721	163 365	180 751	15 279	22 106	28 808	(6 702)	-23%	180 751
Financial position									
Total current assets	415 875	430 240	430 240		521 757				430 240
Total non current assets	1 101 668	1 275 562	1 292 947		1 123 775				1 292 947
Total current liabilities	176 837	201 988	201 988		157 727				201 988
Total non current liabilities	43 933	22 501	22 501		43 933				22 501
Community wealth/Equity	1 345 532	1 481 313	1 498 699		1 443 871				1 498 699
Cash flows									
Net cash from (used) operating	438 045	131 401	148 786	(13 197)	153 443	23 481	(129 962)	-553%	148 786
Net cash from (used) investing	130 245	(163 365)	(180 751)	(17 206)	(25 011)	(28 808)	(3 797)	13%	(180 751)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	826 435	230 838	230 838	–	398 332	257 473	(140 858)	-55%	237 936
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	15 575	40 182	3 547	2 603	2 945	3 156	2 948	225 489	296 444
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

The above table provides a concise overview of the monthly actual, year-to-date actual of the operating expenditure, capital expenditure, and age analysis. The full year forecast as seen the table above takes in the account the original budget less the YTD budget plus the YTD actuals, this therefore gives a projection based on the TYD performance on how the municipality will perform for the financial year in terms of the original budget.

3.1.2 Table C2: Monthly Budget Statement –Financial Performance (Functional Classification) - M02 - August

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 - August

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		419 376	437 220	437 220	6 941	180 050	72 870	107 180	147%	437 220
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		418 776	437 220	437 220	6 941	180 050	72 870	107 180	147%	437 220
Internal audit		600	–	–	–	–	–	–		–
Community and public safety		12 147	17 474	17 474	349	2 198	2 912	(715)	-25%	17 474
Community and social services		6 076	8 646	8 646	871	2 215	1 441	774	54%	8 646
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		6 072	8 828	8 828	(522)	(17)	1 471	(1 488)	-101%	8 828
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		86 431	90 736	108 122	6 679	14 120	16 703	(2 583)	-15%	108 122
Planning and development		3 592	5 502	5 502	13	383	917	(534)	-58%	5 502
Road transport		82 839	85 234	102 620	6 666	13 737	15 786	(2 049)	-13%	102 620
Environmental protection		–	–	–	–	–	–	–		–
Trading services		118 053	131 670	131 670	19 610	27 659	21 945	5 714	26%	131 670
Energy sources		103 037	114 257	114 257	18 370	25 047	19 043	6 004	32%	114 257
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		15 015	17 413	17 413	1 240	2 611	2 902	(291)	-10%	17 413
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	636 007	677 100	694 485	33 579	224 027	114 430	109 596	96%	694 485
Expenditure - Functional										
Governance and administration		260 423	270 868	270 868	19 662	35 663	45 145	(9 482)	-21%	270 868
Executive and council		33 134	33 755	33 755	2 214	6 577	5 626	951	17%	33 755
Finance and administration		222 724	232 129	232 129	17 137	28 346	38 688	(10 342)	-27%	232 129
Internal audit		4 564	4 984	4 984	311	740	831	(91)	-11%	4 984
Community and public safety		53 082	58 193	58 193	4 412	8 184	9 699	(1 515)	-16%	58 193
Community and social services		28 657	28 268	28 268	2 043	4 006	4 711	(705)	-15%	28 268
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		24 425	29 925	29 925	2 369	4 178	4 988	(810)	-16%	29 925
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		90 390	96 110	96 110	3 949	6 471	16 018	(9 547)	-60%	96 110
Planning and development		47 955	45 203	45 203	1 982	2 995	7 534	(4 538)	-60%	45 203
Road transport		42 435	50 908	50 908	1 967	3 476	8 485	(5 009)	-59%	50 908
Environmental protection		–	–	–	–	–	–	–		–
Trading services		157 855	169 452	169 452	24 079	26 610	28 242	(1 632)	-6%	169 452
Energy sources		134 169	142 991	142 991	22 388	23 135	23 832	(697)	-3%	142 991
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		23 686	26 461	26 461	1 691	3 475	4 410	(935)	-21%	26 461
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	561 751	594 624	594 624	52 102	76 928	99 104	(22 176)	-22%	594 624
Surplus/ (Deficit) for the year		74 256	82 476	99 862	(18 523)	147 099	15 327	131 772	860%	99 862

The table provides an overview of the monthly actual, year to date actual and year to date budget of revenue by source and expenditure by type for the period ended 31 August 2025. The full year forecast provides a guideline in terms of overall performance, and it gives an overview of whether the municipality will be able to spend as per the budget. The expenditure for the period ending 31 August 2025 is R 52,1 million and revenue is R 33,6 million.

3.1.3 Table C3: Monthly Budget Statement –Financial Performance (revenue and expenditure by municipal vote) - M02 - August

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 - August

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		418 368	436 870	436 870	6 922	180 015	72 812	107 203	147.2%	436 870
Vote 3 - Corporate		408	350	350	19	35	58	(23)	-40.2%	350
Vote 4 - Development and Planning		3 592	5 502	5 502	13	383	917	(534)	-58.2%	5 502
Vote 5 - Community		27 163	34 887	34 887	1 589	4 809	5 814	(1 005)	-17.3%	34 887
Vote 6 - Infrastructure		185 877	199 491	216 877	25 036	38 784	34 829	3 955	11.4%	216 877
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	636 007	677 100	694 485	33 579	224 027	114 430	109 596	95.8%	694 485
Expenditure by Vote	1									
Vote 1 - Executive Council		33 134	33 755	33 755	2 214	6 577	5 626	951	16.9%	33 755
Vote 2 - Finance and Admin		130 136	132 658	132 658	8 757	12 639	22 110	(9 471)	-42.8%	132 658
Vote 3 - Corporate		92 588	99 471	99 471	8 380	15 707	16 578	(871)	-5.3%	99 471
Vote 4 - Development and Planning		47 955	45 203	45 203	1 982	2 996	7 534	(4 538)	-60.2%	45 203
Vote 5 - Community		76 769	84 654	84 654	6 103	11 659	14 109	(2 450)	-17.4%	84 654
Vote 6 - Infrastructure		176 604	193 899	193 899	24 355	26 611	32 316	(5 706)	-17.7%	193 899
Vote 7 - Internal Audit		4 564	4 984	4 984	311	740	831	(91)	-10.9%	4 984
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	561 751	594 624	594 624	52 102	76 928	99 104	(22 176)	-22.4%	594 624
Surplus/ (Deficit) for the year	2	74 256	82 476	99 862	(18 523)	147 099	15 327	131 772	859.8%	99 862

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) - M02 - August

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 - August

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	91 306	91 306	10 179	16 736	15 218	1 518	10%	91 306
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		11 793	15 526	15 526	993	1 994	2 588	(594)	-23%	15 526
Sale of Goods and Rendering of Services		27 190	26 470	26 470	8 086	8 526	4 412	4 114	93%	26 470
Agency services		1 539	1 800	1 800	(726)	(584)	300	(884)	-295%	1 800
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		1 636	2 200	2 200	149	268	367	(99)	-27%	2 200
Interest from Current and Non Current Assets		22 316	28 813	28 813	1 500	3 098	4 802	(1 704)	-35%	28 813
Dividends		–	–	–	–	–	–	–		–
Rent on Land		303	–	–	–	–	–	–		–
Rental from Fixed Assets		1 317	2 220	2 220	482	126	370	(244)	-66%	2 220
Licence and permits		2 470	4 434	4 434	198	430	739	(309)	-42%	4 434
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		518	905	905	1	1	151	(150)	-99%	905
Non-Exchange Revenue								–		
Property rates		56 360	61 937	61 937	3 598	41 281	10 323	30 958	300%	61 937
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2 127	3 048	3 048	8	143	508	(365)	-72%	3 048
Licence and permits		31	25	25	–	0	4	(4)	-94%	25
Transfers and subsidies - Operational		330 310	331 654	331 654	1 214	136 065	55 275	80 790	146%	331 654
Interest		18 293	24 270	24 270	1 310	2 560	4 045	(1 485)	-37%	24 270
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		1 120	–	–	–	–	–	–		–
Other Gains		28	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**553 465**	**594 610**	**594 610**	**27 090**	**210 644**	**99 102**	**111 543**	**113%**	**594 610**
Expenditure By Type										
Employee related costs		162 964	186 701	186 701	15 144	28 920	31 117	(2 197)	-7%	186 701
Remuneration of councillors		24 244	24 666	24 666	1 951	3 905	4 111	(206)	-5%	24 666
Bulk purchases - electricity		87 487	98 000	98 000	11 977	11 977	16 333	(4 356)	-27%	98 000
Inventory consumed		5 212	7 033	7 033	103	230	1 172	(942)	-80%	7 033
Debt impairment		–	–	–	–	–	–	–		–
Depreciation and amortisation		63 616	22 322	22 322	–	–	3 720	(3 720)	-100%	22 322
Interest		3 829	–	–	–	–	–	–		–
Contracted services		136 140	170 618	170 618	18 288	21 778	28 436	(6 658)	-23%	170 618
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		12 447	6 500	6 500	–	–	1 083	(1 083)	-100%	6 500
Operational costs		62 519	78 784	78 784	4 880	10 118	13 131	(3 013)	-23%	78 784
Losses on Disposal of Assets		1 065	–	–	–	–	–	–		–
Other Losses		27	–	–	–	–	–	–		–
Total Expenditure		**561 751**	**594 624**	**594 624**	**52 102**	**76 928**	**99 104**	**(22 176)**	**-22%**	**594 624**
Surplus/(Deficit)		(8 285)	(14)	(14)	(25 012)	133 716	(2)	133 718	-5796182%	(14)
Transfers and subsidies - capital (monetary allocations)		82 541	82 490	99 876	6 489	13 383	15 329	(1 946)	-13%	99 876
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		74 256	82 476	99 862	(18 523)	147 099	15 327			99 862
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		74 256	82 476	99 862	(18 523)	147 099	15 327			99 862
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		74 256	82 476	99 862	(18 523)	147 099	15 327			99 862
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		74 256	82 476	99 862	(18 523)	147 099	15 327			99 862

In terms of August 2025 Monthly Budget & Performance assessment, the actual Revenue billed and/or collected for the month is **R 27,090,293** exclusive of capital transfers and subsidies against original budget of **R 594,609,785** , this represents **5%** on operational revenue and This is less than the performance expected for the month due to property rates billing, Agency fees, fines, licences and permits collected and less operational transfers and subsidies recognised for the month.

The operating expenditure as at 31 August 2025 is **R 52,102,281** against Original Budget of **R 594,623,647** and this represents **9%** of operational expenditure, this indicates the expenditure incurred that is more than the expected performance for the month due to operational payments made on operational items for the month.

Capital Transfers and subsidies revenue recognised for the month is **R 6,488,611** against budget of **R 99,875,617,** this represent **6%** which is less than expected performance for the month less Capital transfers recognised 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 3,695,569**, the income received from property rates amounted to **R 2,099,258** for the month against approved budget of **R 61,936,752** this represents **6%** of the received revenue by source which is less than anticipated for the month, and it represents **67%** 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 11,171,832** which is made of **R 992,890** and **R 10,178,942** revenue from service charges against the approved budget of **R 106,833,628**. This represent **10%** and is more than the expected performance for the month when measured against the monthly projection due to more service charged collected for the month. Total YTD revenue is **18%.**

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. There is no income received from agency fees for the month but a reversal amounting to - **R 726,391.** This represents **-40%**. Total YTD revenue is **8%.**

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 482,190** has been recognised, this represent **22%** which is more than the expected performance for the month due to more revenue collected under rental of facilities and equipment. Total YTD revenue is **6%.**

Interest earned on Investments

The total approved budget Interest on investments is **R 28,812,996** and the interest received for the month of August 2025 is **R 1,499,892** which represent **5%** this is less than expected performance for the month, hence the variance. This is mainly due to the South African Reserve Bank's anticipated interest rate cutting cycle commencing later than planned and the unspent Disaster grants attracting interest. Total YTD revenue is **11%.**

Interest on Outstanding Debtors

Interest on non-payment of electricity has been raised monthly which amounts to **R 1,459,523** has been posted on the interest on arrears for refuse services with the approved budget allocation of **R 26,470,000** which represents **6%** is less expected performance when measured against the monthly projection due to less sales under electricity and Interest billed on outstanding electricity payments. This increased interest is as a result of non-payment of the principal debt owed to the Municipality. These rising arrears are a cause for concern, as they indicate a declining ability among residents to afford escalating costs. Total YTD revenue is **11%.**

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 7,960,** it represents almost **1%** this is less than expected performance for the month due to less fines and penalties issued for the month. Total YTD revenue is **5%.**

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 198,415** and represents **4%** 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. Total YTD revenue is **10%.**

Transfers and Subsidies-Operational

Total approved budget amount on transfers and subsidies is **R 331,654,050,** and the transfers recognised represents **R 1,213,930** was recognised for the month ended 31 August 2025. The recognised transfers represent **1%** of the approved allocation, hence the negative variance because of less grants recognised for the month under review. Total YTD revenue is **41%.**

Transfers and Subsidies- Capital

Total approved budget on transfers and subsidies is **R 82,489,950** and this was adjusted to an adjustment budget of **R 99,875,617**. Total revenue of **R 6,488,611** recognised for the month; this represents **6%** of total budgets and is less than the expected performance for the month due to less payments recognised under Municipal Disaster Recovery Grant. Total YTD revenue is **13%.**

Other Revenue

Other revenue amounted to **R 8,087,372** for the month ended 31 August 2025, when measured against the approved budget allocation of **R 27,375,252** this represents **30%** which is more than the expected performance for the month. This is due to the recognition on INEP projects, and more collection on various line items of revenue. Total YTD revenue is **31%.**

Operating Expenditure by type

Employee related costs/Remuneration of Councillors

Salary costs incurred – the Municipality incurred **R 17,074,662** million salary costs at the end of August 2025 against the approved budget allocation of **R 211,366,456**, incurring **8%** expenditure for the month salary budget allocation and this is within the expected performance as reflected in the table below. However, it is anticipated that the costs may increase when the year progress when all vacant positions are filled. Total YTD revenue is **16%.**

Description	Total Budget	August Actul	Total Actual
Employee Related Cost	**186 700 555**	**15 143 781**	**28 919 703**
Municipal Staff	178 157 163	14 657 383	27 946 791
Senior Management	8 543 392	486 398	972 912
Remuneration of Councillors	**24 665 901**	**1 930 882**	**3 905 354**
Chief Whip	816 891	49 465	98 930
Executive Committee/Mayoral Committee	5 655 601	324 649	645 091
Executive Mayor/Mayor	1 072 684	227 187	454 373
Section 79 committee chairperson	801 471	63 111	126 221
Speaker	868 047	68 696	137 393
Total for All Other Councillors	15 451 207	1 197 774	2 443 346
Grand Total	**211 366 456**	**17 074 662**	**32 825 057**
		8%	

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

Depreciation and asset impairment reflects an anticipated YTD negative variance of **R 3,720,000** million. The variance is as a result of delays in completion of projects which has influenced the capitalization and subsequent depreciation of these assets. A further depreciation will be posted in the 13th period of the financial year.

The other contributing factor to this variance is related to asset impairment, the journal will be processed at year end in accordance with GRAP.

Finance charges

No interest expenditure incurred in August as this transaction is processed at year end.

Bulk Purchases

Total approved budget on bulk electricity purchases is **R 98,000,000**, which amounted to **R 11,976,885** this represents **12%** Expenditure for the month relating to July invoice. due to seasonal demand or usage of electricity. Total YTD expenditure is 12%.

Other material

Total approved budget on other material is **R 7,032,600,** which amounted to **R 102,765** and represent **1%**. This is less than expected performance for the month as result of cost containment in relation to stores items. The municipality acknowledged the low expenditure, and it indicate that necessary expenditure against the budget will improve in the second half of the financial year. Total YTD expenditure is **3%.**

Contracted services

Total approved budget on contracted services is **R 170,618,329**. The spending for the month amounted to **R 18,287,782** that represents **11%** of the budgeted amount. This is more than expected performance for the month due to more work undertaken under Electrification of Motsekua Village. Total YTD expenditure is **13%.**

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 4,660,187** for the month; this represents **6%** of the budgeted amount on this category. This is less than the expected performance due to timing of identified Items. The municipality indicated that certain budgeted expenditures relating to the provisions and workers compensation would only be accounted for at year end. Further reasons provided provided included for the low expenditure against operational cost. Total YTD expenditure is **13%.**

3.1.5 Table C5 Monthly Budget Statement- Capital Expenditure (municipal vote function classification and funding) - M02 - August

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 - August

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		2 195	4 397	4 397	–	–	733	(733)	-100%	4 397
Vote 3 - Corporate		1 685	3 240	3 240	–	–	540	(540)	-100%	3 240
Vote 4 - Development and Planning		4 124	18 855	18 855	–	791	3 143	(2 351)	-75%	18 855
Vote 5 - Community		9 333	8 000	8 000	–	–	1 333	(1 333)	-100%	8 000
Vote 6 - Infrastructure		115 330	128 873	146 259	15 279	21 315	23 059	(1 744)	-8%	146 259
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	132 721	163 365	180 751	15 279	22 106	28 808	(6 702)	-23%	180 751
Total Capital Expenditure		132 721	163 365	180 751	15 279	22 106	28 808	(6 702)	-23%	180 751
Capital Expenditure - Functional Classification										
Governance and administration		3 933	7 637	7 637	–	–	1 273	(1 273)	-100%	7 637
Executive and council		53	–	–	–	–	–	–		–
Finance and administration		3 880	7 637	7 637	–	–	1 273	(1 273)	-100%	7 637
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		4 849	5 150	5 150	–	–	858	(858)	-100%	5 150
Community and social services		802	2 350	2 350	–	–	392	(392)	-100%	2 350
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		4 017	2 800	2 800	–	–	467	(467)	-100%	2 800
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		109 385	133 308	150 694	6 841	13 669	23 799	(10 130)	-43%	150 694
Planning and development		4 124	18 855	18 855	–	791	3 143	(2 351)	-75%	18 855
Road transport		105 261	114 453	131 839	6 841	12 877	20 656	(7 779)	-38%	131 839
Environmental protection		–	–	–	–	–	–	–		–
Trading services		14 554	17 270	17 270	8 438	8 438	2 878	5 559	193%	17 270
Energy sources		10 069	14 420	14 420	8 438	8 438	2 403	6 034	251%	14 420
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		4 485	2 850	2 850	–	–	475	(475)	-100%	2 850
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	132 721	163 365	180 751	15 279	22 106	28 808	(6 702)	-23%	180 751
Funded by:										
National Government		69 645	82 190	99 576	5 817	11 853	15 279	(3 426)	-22%	99 576
Provincial Government		629	300	300	–	–	50	(50)	-100%	300
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		70 274	82 490	99 876	5 817	11 853	15 329	(3 476)	-23%	99 876
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		62 446	80 875	80 875	9 462	10 253	13 479	(3 226)	-24%	80 875
Total Capital Funding		132 721	163 365	180 751	15 279	22 106	28 808	(6 702)	-23%	180 751

The approved annual capital budget for the financial year amounts to **R 163,364,950** and this was adjusted to an adjusted budget of **R 180,750,617** due to Disaster Recovery grant that has been catered for during this Adjustment Budget. The Municipality incurred expenditure of **R 6,827,683.** This represents **8%** of the approved capital expenditure budget, The expenditure incurred is within the expected performance for the month. Total YTD expenditure is **12%.**

3.1.6 C6 Monthly Budget Statement –Financial Position - M02 - August

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M02 - August

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	230 836	332 934	230 836
Trade and other receivables from exchange transactions		(47 211)	54 254	54 254	(42 538)	54 254
Receivables from non-exchange transactions		158 812	125 528	125 528	198 159	125 528
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 832	3 784	3 784	3 753	3 784
VAT		24 677	10 438	10 438	23 583	10 438
Other current assets		5 866	5 400	5 400	5 866	5 400
Total current assets		415 875	430 240	430 240	521 757	430 240
Non current assets						
Investments		–	–	–	–	–
Investment property		4 960	4 960	4 960	4 960	4 960
Property, plant and equipment		1 094 788	1 267 568	1 284 954	1 116 895	1 284 954
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		1 543	1 543	1 543	1 543	1 543
Intangible assets		377	1 491	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		1 101 668	1 275 562	1 292 947	1 123 775	1 292 947
TOTAL ASSETS		1 517 543	1 705 802	1 723 187	1 645 532	1 723 187
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 803	528	528	1 810	528
Trade and other payables from exchange transactions		68 936	65 900	65 900	42 532	65 900
Trade and other payables from non-exchange transactions		20 481	29 800	29 800	27 159	29 800
Provision		24 184	43 950	43 950	24 184	43 950
VAT		61 434	61 810	61 810	62 043	61 810
Other current liabilities		–	–	–	–	–
Total current liabilities		176 837	201 988	201 988	157 727	201 988
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		26 005	22 501	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	22 501	43 933	22 501
TOTAL LIABILITIES		220 770	224 489	224 489	201 661	224 489
NET ASSETS	2	1 296 773	1 481 313	1 498 699	1 443 871	1 498 699
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		961 162	1 400 438	1 417 824	1 059 502	1 417 824
Reserves and funds		384 370	80 875	80 875	384 370	80 875
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1 345 532	1 481 313	1 498 699	1 443 871	1 498 699

The statement of financial position indicates the financial health of the municipality as the assets and liabilities are listed to measure the solvency of the municipality for the period ended 31 August 2025. Total assets are **R 1,6** million over the total liabilities of **R 201** thousand this is therefore means the municipality is still able to meet its financial obligations.

3.1.7 C7 Monthly Budget Statement –Cash Flow - M02 - August

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M02 - August

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	52 646	2 231	4 060	8 774	(4 714)	-54%	52 646
Service charges		96 392	90 809	90 809	8 490	18 844	15 135	3 710	25%	90 809
Other revenue		22 800	84 321	84 321	10 696	11 355	14 053	(2 698)	-19%	84 321
Transfers and Subsidies - Operational		338 711	331 654	331 654	2 553	137 295	55 276	82 019	148%	331 654
Transfers and Subsidies - Capital		179 429	82 490	99 876	–	26 661	15 329	11 332	74%	99 876
Interest		24 647	55 283	55 283	1 524	3 160	9 214	(6 054)	-66%	55 283
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(291 732)	(565 802)	(565 802)	(38 691)	(47 933)	(94 300)	46 367	-49%	(565 802)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		438 045	131 401	148 786	(13 197)	153 443	23 481	(129 962)	-553%	148 786
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)	(180 751)	(17 206)	(25 011)	(28 808)	3 797	-13%	(180 751)
NET CASH FROM/(USED) INVESTING ACTIVITIES		130 245	(163 365)	(180 751)	(17 206)	(25 011)	(28 808)	(3 797)	13%	(180 751)
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)	(31 964)	(30 404)	128 432	(5 327)			(31 964)
Cash/cash equivalents at beginning:		258 145	262 801	262 801		269 900	262 801			269 900
Cash/cash equivalents at month/year end:		826 435	230 836	230 836		398 332	257 473			237 936

A cash flow statement provides data regarding all cash inflows a municipality receives from its ongoing operations and external investment sources.

PART 2 –SUPPORTING DOCUMENTATION
SECTION 4

Debtors Analysis

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

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M02 - August

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	7 916	3 073	1 678	503	214	583	437	5 062	19 357	6 789	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	3 399	35 021	26	43	699	582	664	85 636	125 958	87 513	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	917	584	446	421	408	412	403	30 067	33 649	31 701	(9)	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	7	7	7	–	–
Interest on Arrear Debtor Accounts	1810	1 471	1 421	1 419	1 492	1 454	1 443	1 422	64 637	74 756	70 447	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	1 872	82	77	145	170	135	132	40 101	42 715	40 694	(140)	–
Total By Income Source	2000	15 575	40 182	3 547	2 603	2 945	3 156	2 948	225 499	296 444	237 141	(140)	–
2024/25 - totals only		10 882	10 597	2 909	2 947	3 405	3 679	3 448	203 778	241 645	217 257	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	9 193	37 595	2 306	1 493	1 272	1 575	1 409	92 345	147 190	98 095	–	–
Commercial	2300	5 705	1 916	738	608	1 006	925	878	70 524	82 300	73 941	(140)	–
Households	2400	677	670	503	502	965	655	662	62 620	66 954	65 104	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	15 575	40 182	3 547	2 603	2 945	3 156	2 948	225 499	296 444	237 141	(140)	–

The total debt book for August 2025 of R 296,444,059, inclusive of R 4,208,661 advance payments

The total debt for August 2025 of R 292,235,398 (including current of R 15,497,757) which is not yet due) has decreased by R 6 852 994 from the previous month closing balance of R 283,590,635.

Debt is made up of the following:

- **Residential debt:**
  R 108,005,897
  Commercial debt
  R 37,550,192
- **Government debt**
  R 126,987,605
  Other
  R 5,278,484

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 93,784,029.

- **Maluti**
  R 74,582,303 (including current)
- **Cedarville**
  R 19,201,726 (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 66 660 657.37

Business H/O R 3 130 486.24

Churches H/O R 4 690 432.61

Farms H/O R 116 424.51

R 7,186,431.93 was collected for August 2025.

SECTION 5 -CREDITORS' ANALYSIS

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 - August

Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
R thousands		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 August 2025.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Aug-25

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	WITHDRAWALS	Interest Earned	Closing Balance
Municipal Infrastructure Grant	12 389 139.06	65 624.69	-639 172.24	-65 624.69	11 815 591.51
INEP	28 315.52	9 252 452.14			9 280 767.66
EPWP	-			-	-
Disaster Management	18 539 420.30	116 404.77	-2 924 894.47	-116 404.77	15 730 930.60
Finance Management Grant	1 250.95	7.13		-7.13	1 258.08
Establishment Plan	237 489.75	1 058.94		-1 058.94	238 548.69
Housing Development Fund	2 423 812.64	11 116.33		-11 116.33	2 434 928.97
Dedea	736 678.86	3 178.82		-3 178.82	739 857.68
Total Conditional Investments	**34 356 107**	**9 449 843**	**- 3 564 067**	**- 197 391**	**40 241 883**

Aug-25

Unconditional Investments -Description	Openning Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	168 244 582.18				168 244 582.18
Call ACC FNB Surplus Cash	6 805 395.80				6 805 395.80
Nedbank 32 Days	8 440 657.27	53 765.78		-51 712.80	8 494 423.05
Nedbank	103 218 222.37	4 702 624.55	-47 000 000.00	-666 239.85	60 920 846.92
Nedbank Retention	9 927 976.12	46 348.17		-46 348.17	9 974 324.29
Termination Guarantee	144 640.82			-829.25	144 640.82
Account Gaurantee	6 202 000.00			-35 555.45	6 202 000.00
Standard bank	40 191 068.49	460 301.37		-460 301.37	40 651 369.86
	343 174 543	**4 802 739**	**- 47 000 000**	**- 1 260 987**	**301 437 583**
Total Investment as at August 2025					**341 679 466**

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

As at 31 August 2025 the conditional investments amounted to **R 40,241,883** and unconditional investments amounted to **R 301,437,466**. Total investments as at 31 August 2025 amounted to **R 341,679,466**.

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 August 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 August 2025

Description	August 2025
Nedbank Primary Account:	1,151,670
Standard bank Account:	7,908,079
FNB Money Market Account:	392 030
Total Cash held as at 31 August 2025	**9,451,779**

Unreconciled items for the month amount to **R 18,198,263.84** 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 9,451,779** and Bank statement balance of **R 341,679,466**.

SECTION 7_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6 – M02 - August

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	327 138	2 545	153 504	54 523	99 071	181.7%	327 138
Expanded Public Works Programme Integrated Grant		3 880	2 980	2 980	2 545	2 545	497	2 048	412.4%	2 980
Local Government Financial Management Grant	3	1 700	1 800	1 800	–	–	300	(300)	-100.0%	1 800
Municipal Infrastructure Grant		57 584	3 034	3 034	–	17 997	506	17 491	3459.0%	3 034
Equitable Share		320 321	319 324	319 324	–	133 052	53 221	79 831	150.0%	319 324
Provincial Government:		–	4 516	4 516	–	–	753	(753)	-100.0%	4 516
Specify (Add grant description)		–	2 850	2 850	–	–	475	(475)	-100.0%	2 850
Specify (Add grant description)		–	1 666	1 666	–	–	278	(278)	-100.0%	1 666
District Municipality:		150	–	–	–	–	–	–		–
Specify (Add grant description)		150	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		383 635	331 654	331 654	2 545	153 504	55 276	98 318	177.9%	331 654
Capital Transfers and Grants										
National Government:		24 542	82 199	99 576	–	–	15 279	(15 279)	-100.0%	99 576
Municipal Infrastructure Grant		–	57 647	57 647	–	–	9 608	(9 608)	-100.0%	57 647
Municipal Disaster Recovery Grant		24 542	24 543	41 929	–	–	5 671	(5 671)	-100.0%	41 929
Provincial Government:		4 316	300	300	–	1 666	50	1 616	3232.0%	300
Specify (Add grant description)		3 066	–	–	–	1 666	–	1 666	#DIV/0!	–
Specify (Add grant description)		1 250	300	300	–	–	50	(50)	-100.0%	300
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		28 858	82 499	99 876	–	1 666	15 329	(13 663)	-89.1%	99 876
TOTAL RECEIPTS OF TRANSFERS & GRANTS		412 493	414 144	431 530	2 545	155 260	70 605	84 655	119.9%	431 530

The Municipality have received the conditional grant and unconditional grants allocations amounting to **R 155,2 million** for both operations grants and capital grants.

7.2 Supporting Table SC7 - M02 - August

Description 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
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		8 282	7 814	7 814	939	2 377	1 302	1 075	82.5%	7 814
Expanded Public Works Programme Integrated Grant		3 880	2 980	2 980	736	1 881	497	1 384	278.7%	2 980
Municipal Disaster Relief Grant		1 631	–	–	–	–	–	–		–
Local Government Financial Management Grant	3	1 700	1 800	1 800	26	142	300	(158)	-52.8%	1 800
Municipal Infrastructure Grant		1 071	3 034	3 034	177	354	506	(151)	-29.9%	3 034
Provincial Government:		3 560	4 516	4 516	275	636	753	(116)	-15.4%	4 516
Specify (Add grant description)		466	2 850	2 850	35	35	475	(440)	-92.7%	2 850
Specify (Add grant description)		3 095	1 666	1 666	240	602	278	324	116.6%	1 666
District Municipality:		150	–	–	–	–	–	–		–
Specify (Add grant description)		150	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		11 992	12 330	12 330	1 214	3 013	2 055	958	46.6%	12 330
Capital Transfers and Grants										
National Government:		80 137	82 190	99 576	6 489	13 383	15 279	(1 896)	-12.4%	99 576
Municipal Disaster Relief Grant		6 604	–	–	–	–	–	–		–
Municipal Infrastructure Grant		56 513	57 647	57 647	5 235	12 129	9 608	2 522	26.2%	57 647
Municipal Disaster Recovery Grant		17 020	24 543	41 929	1 253	1 253	5 671	(4 418)	-77.9%	41 929
Provincial Government:		601	300	300	–	(866)	50	(916)	-1832.7%	300
Specify (Add grant description)		–	300	300	–	–	50	(50)	-100.0%	300
Specify (Add grant description)		(29)	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	–	(866)	–	(866)	#DIV/0!	–
Specify (Add grant description)		629	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		80 738	82 490	99 876	6 489	12 516	15 329	(2 813)	-18.3%	99 876
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		92 730	94 820	112 206	7 703	15 530	17 384	(1 854)	-10.7%	112 206

The total operating grant expenditure amounts to **R 1,2** million and Capital grant expenditure amounts to **R 6,5 million** as at 31 August 2025. Total expenditure for the month amounts to **R 7,7** million which represents **7%** when compared to the total allocation **of R 112,8** 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 August 2025

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M02 - August

Summary of Employee and Councillor remuneration	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
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		13 478	13 855	13 855	1 096	2 192	2 309	(117)	-5%	13 855
Pension and UIF Contributions		920	958	958	74	148	160	(11)	-7%	958
Medical Aid Contributions		537	91	91	6	59	15	44	291%	91
Motor Vehicle Allowance		15	2 178	2 178	19	34	363	(329)	-91%	2 178
Cellphone Allowance		2 551	2 673	2 673	212	423	445	(22)	-5%	2 673
Housing Allowances		6 742	4 912	4 912	524	1 049	819	230	28%	4 912
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		24 244	24 666	24 666	1 931	3 905	4 111	(206)	-5%	24 666
% increase	4		1.7%	1.7%						1.7%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		1 636	2 782	2 782	194	388	464	(75)	-16%	2 782
Pension and UIF Contributions		124	489	489	19	38	82	(44)	-54%	489
Medical Aid Contributions		98	343	343	16	33	57	(24)	-43%	343
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		15	580	580	4	7	97	(89)	-92%	580
Motor Vehicle Allowance		1 774	2 905	2 905	161	362	484	(123)	-25%	2 905
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		754	904	904	51	102	151	(49)	-32%	904
Other benefits and allowances		0	1	1	0	0	0	(0)	-67%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		202	540	540	22	43	90	(47)	-52%	540
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		4 604	8 543	8 543	486	973	1 424	(451)	-32%	8 543
% increase	4		85.6%	85.6%						85.6%
Other Municipal Staff										
Basic Salaries and Wages		109 136	124 147	124 147	8 495	17 668	20 691	(3 023)	-15%	124 147
Pension and UIF Contributions		16 493	21 360	21 360	1 567	3 108	3 560	(452)	-13%	21 360
Medical Aid Contributions		6 512	8 001	8 001	565	1 130	1 333	(203)	-15%	8 001
Overtime		4 279	3 980	3 980	407	563	663	(101)	-15%	3 980
Performance Bonus		10 412	9 305	9 305	1 866	2 925	1 551	1 374	89%	9 305
Motor Vehicle Allowance		6 808	7 060	7 060	533	1 035	1 177	(142)	-12%	7 060
Cellphone Allowance		6	6	6	1	1	1	(0)	-7%	6
Housing Allowances		3 091	3 221	3 221	266	530	537	(7)	-1%	3 221
Other benefits and allowances		1 544	1 076	1 076	958	987	179	807	450%	1 076
Payments in lieu of leave		(1 159)	–	–	–	–	–	–		–
Long service awards		1 145	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	94	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		–	–	–	–	–	–	–		–
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Other Municipal Staff		158 361	178 157	178 157	14 657	27 947	29 693	(1 746)	-6%	178 157
% increase	4		12.5%	12.5%						12.5%
Total Parent Municipality		187 209	211 366	211 366	17 075	32 825	35 228	(2 403)	-7%	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 August 2025 amounted **R 17,074,662 million** of which the expenditure **R 1,930,882 million** relates to Remuneration of Councillors and **R 15,143,781 million**, to Managers and staff, incurring **8%** expenditure for the month salary budget allocation and this is within the expected performance as reflected in the table below. However, it is anticipated that the costs may increase when the year progress when all vacant positions are filled. Total YTD expenditure is **16%.**

8.1 Performance Indicators

Description of financial indicator	Basis of calculation	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.7%	3.8%	3.8%	0.0%	4.1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/		8.0%	6.5%	6.4%	6.1%	6.4%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	235.2%	213.0%	213.0%	330.8%	213.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		152.6%	114.3%	114.3%	211.1%	114.3%
Revenue Management							
Annual Debtors Collection Rate	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		21.2%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		29.4%	31.4%	31.4%	13.7%	31.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.1%	4.8%	4.8%	0.7%	4.8%
Interest & Depreciation	I&D/Total Revenue - capital revenue		12.2%	3.8%	3.8%	0.0%	4.1%
IDP regulation financial viability indicators							
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue						
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational						

References

1. Consumer debtors > 12 months old are excluded from current assets.

2. Material variances to be explained.

Calculations						
Financial liabilities						
Total Assets		1 517 543	1 705 302	1 723 187	1 645 532	1 723 187
Employee related costs		162 964	186 701	186 701	28 920	186 701
Repairs & Maintenance		16 973	28 250	28 250	1 416	28 250
Interest (finance charges)		3 829				
Principal paid						
Depreciation		63 816	22 322	22 322		24 666
Operating expenditure		561 751	594 624	594 624	76 928	594 624
Total Capital Expenditure		132 721	163 365	180 751	15 279	22 106
Borrowed funding for capital						
Debt		107 345	95 700	95 700	87 620	95 700
Equity		1 345 532	1 481 313	1 498 699	1 443 871	1 498 699
Reserves and funds						
Borrowing						
Current assets		415 875	430 240	430 240	521 757	430 240
Current liabilities		176 537	201 988	201 988	157 727	201 988
Monetary assets		269 900	230 836	230 836	332 934	230 836
Total Revenue (excluding capital transfers and contributions)		553 465	594 610	594 610	210 644	594 610
Transfers and subsidies - Operational		330 510				
Transfers and subsidies - capital (monetary allocations)		82 541	82 490	99 876	13 383	99 876
Debt service payments		24 647	55 283	55 283		
Outstanding debtors (receivables)		117 457				
Annual services revenue		146 068	168 770	168 770	14 867	60 010
Cash + investments	including LT investments	269 900	230 836	230 836	332 934	230 836
Fixed operational expend. (monthly)						
Longstanding debtors outstanding						
Longstanding debtors recovered						
Attorney collections						

Borrowing Management

The municipality does not have any loans.

Liquidity

4.2 Liquidity Management

4.2.1 Cash Coverage August 2025

Purpose/ Use of the Ratio

Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)

The Municipality as at end of August 2025 could take **48 months** to pay for its day-to-day expenses using just its cash reserves as per the information reported in the monthly financial statements.

Current Ratio: is calculated by a total of Current Assets/ Current Liabilities.

Budgeted Current Ratio: R 430,240,000/ R 176,837,000 = **R 2.43:1**

Actual Current Ratio as at 31 August 2025: R 521,757,000 / R 157,727,000 = **3.31:1**

The current ratio is a liquidity ratio used to measure whether the municipality has enough resources to meet its short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. A good ratio is 1.5- R 2 for every R 1 owed. The budget showed a **R 2.43:1** ratio and actual ratio as at 31 August 2025 is: R 3.31: R 1 which is above the norm.

Acid test Ratio: (Current Assets – Inventory) / Current Liabilities

Budgeted Acid test Ratio: R 430,240,000 – R 3,784,000) / R 176,837,000 = **2.41:1**

Actual Acid Test Ratio as at 31 August 2025:(R 521,757,000 – R 3,753,000) / R 157,727,000 = **3.28:1**

The Acid test ratio, commonly known as the quick ratio, uses an organisation's balance sheet data as a indicator of whether it has sufficient short-term assets to cover its short-term liabilities. The acid test ratio disregards current assets that are difficult to quickly liquidate such as inventory. The acid test ratio may not give a reliable picture of an organisation's financial condition if the municipality has accounts receivable that take longer than usual to collect or current liabilities that are due to the municipality but have no immediate payment needed. A good ratio is R1 for every R1 owed. Which shows that the municipality would be able to pay it short term liabilities with its easy liquidated short-term assets.

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 August 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: 11/09/2025