UNITED WE PROGRESS

MATATIELE

LOCAL MUNICIPALITY

2025/2026 MONTHLY SECTION 71 REPORT

MONTH ENDED 30 SEPTEMBER 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 30 September 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
- 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 31,646,019** for the month, this represents **5%,** and This is less than the performance expected for the month due to property rates billing, licences and permits collected and less operational transfers and subsidies recognised and other revenue items for the month.

Operating Expenditure by type

The Municipality incurred expenditure of **R 43,233,227** against the approved adjusted budget allocation of **R 594,623,647**, incurring **7%** expenditure for the month budget, The expenditure incurred is less than the expected performance for the month due to non-cash items that are recognised at the end of financial year and less 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 15,890,052.** This represents **9%** of the approved capital expenditure budget, The expenditure incurred is above the expected performance for the month due to payments made on capital projects.
- 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 September 2025 is **R 6,493,628** which represent **11%** 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 4,767,742** spending at the end of 31 September 2025 (Vat exclusive), this represents **11%.**
- The Library Capital Grant allocation of **R 300,000** was allocated. The grant reflects **R 74,773** spending at the end of 30 September 2025. (Vat exclusive), this represents **25%.**

- Capital Replacement Reserves (CRR) for the financial year is **R 80,875,000** million is allocated. The spending for the month is **R 4,553,910** which represent **6%** 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	September Actuals	YTD Total Actual
Community and Social Services: Community Governance(3096)	150 000	-	-
Community Halls and Facilities:Public Amenities (3005)	2 200 000	74 773	74 773
CORE FUNCTION: SOLID WASTE REMOVAL	2 850 000	83 284	83 284
Energy Sources: Electricity (4040)	14 420 000	1 968 350	10 406 018
Finance and Administration: Information Technology (2540)	2 600 000	-	-
Finance and Administration: Asset Mangement and Reporting (20	30 000	-	-
Finance and Administration: Council Support (2541)	490 000	269 523	269 523
Finance and Administration: Human Resources (2535)	150 000	111 046	111 046
Finance and Administration: SCM & Expenditure (2025)	2 660 000	52 174	52 174
Finance and Adminstration: Revenue and Debt Management (202	1 000 000	-	-
Finance:Budget & Treasury (2010)	80 000	58 846	58 846
Marketing; Customer Relations; Publicity and Media Co-ordinatior	627 000	27 761	27 761
Planning and Development: LED (3520)	3 110 000	52 174	843 607
Planning and Development: Planning (3510)	4 240 000	100 218	100 218
Public Safety: Civil Defence (3074)	2 800 000	-	-
Road Transport: Project Operations & Maintnt(4010)	55 906 666	5 150 486	6 403 602
Roads:Project Management Unit	75 931 950	7 882 546	19 506 734
Town Planning; Building Regulations and Enforcement; and City En	11 505 000	58 872	58 872
Grand Total	**180 750 616**	**15 890 052**	**37 996 457**
		9%	

The approved capital budget includes Capital Replacement Reserve.

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	September 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 47 %
Maluti Internal Streets Phase 5	The project is under construction and progress is 82 %
Mahasheng Access Road & Bridge	The project is practically completed at 95%
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 75 %

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	September 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	September 2025 status
Mvenyane Access Road and Bridge Recovery	The project is 10% complete and under construction
Lugada Mahlabathini AR Recovery	The project is 10% complete and under construction

Disaster Recovery Grant Rollover projects	September 2025 status
Mdeni Access Road and Bridge Recovery	The project is 100% complete and final completion has been released.
Lugada to Mahlabathini and Bridge Recovery	The project is 20% complete.
Hillside - Ngcwengane A/R and Bridge Recovery	The project is 45% complete and under construction
Mngeni Bridge Recovery	The project is 85% complete and under construction

Internal Funded Capital Projects

Capital Replacement Rerseve Projects	September 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)	The project is at 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 41 %
Motsekoa Access Road	The project is under construction and progress is 30 %
Mapateng Access Road	The project is under construction and progress is 75 %
Storm Water Drainage	The project is at tender stage
Cherry Picker Truck	Appointment letter has been issued and awaiting delivery by 15 December 2025
Transformers Infrastructure	The project is completed and energised
FM Tower line WIP	The project is completed and energised
Landfill Electrification	The project is completed and energised
Refurbishment of main office	The project is at tender stage
Renovation of Town Hall	The project is at tender stage

This information reflects on our tender control plan on September 2025

TENDER CONTROL SEPTEMBER 2025

SUMMARY: QUOTATIONS	**Sept-25**	**TOTAL SEPTEMBER 2025**
DAY TO DAY QUOTATIONS	1,331,191.11	1,331,191.11
FORMAL QUOTATIONS	782,854.50	782 854.50
TOTAL QUOTATIONS	**2,114,045.61**	**2,114,045.61**

BIDDING PROCESS	**Bids Awarded vs Capital Budget**	**Capital Spending Year-To-Date**	**Orders Issued**
Bids awarded	7,768,362.69	-	3
Bids in the process	-	-	-
Bids behind schedule	-	-	-
Bids cancelled or removed from budget	-	-	-
Bids to be awarded	-	-	-

Total Summary values of Procurements,	**Sept-25**	**TOTAL SEPTEMBER 2025**
Below R30 000 (SCM Orders) and travel & accommodation	1,331,191.11	1,331,191.11

R30 001 – 300 000 (Procurement Process above R 30 000.00)	-	-
Procurement above R300 000	Both bids were awarded on rate-based contract	Both bids were awarded on rate-based contract
Capital Projects	7,768,362.69	7,768,362.69
Section 32 /National treasury transversal contract	-	-
Deviations (Section 36)	335,358.54	335,358.54

BIDS AND QUOTATIONS INVITED	**Sept-25**	**TOTAL AS AT 30 SETEMBER 2025**
Invited Quotations	3	3
Invited Bids	3	3
		-
Awarded Quotations	5	5
Awarded Bids	2	2

BIDS AWARDED

AWARD DATE	**DESCRIPTION**	**CONTRACTOR/CONSULTANT/SERVICE PROVIDER**	**AWARD AMOUNT**
2025/09/02	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	Dave and Son Mechanical Repairs	Based on Rates

2025/09/18	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	Matatiele Panel and Paint	Based on Rates

BIDS INVITED

NUMBER	NAME OF THE PROJECT	ADVERT DATE	CLOSING DATE	VALIDITY PERIOD	STATUS
1	Supply and Delivery of Khanya Naledi 2025 Gift Cards	2025/09/19	2025/10/03	2026/01/01	Awaiting Evaluation
2	Horse Racing and Fashion Show Event	2025/09/19	2025/10/03	2026/01/01	Awaiting Evaluation
3	Acquisition of Brand-New Pool Vehicles for Fleet Unit 1 Double Cab and 2 Sedans Vehicles	2025/09/19	2025/10/03	2026/01/01	Awaiting Evaluation

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 - M03 - September

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	1 196	42 477	15 484	26 993	174%	61 937
Service charges	89 707	106 834	106 834	8 763	27 493	26 708	784	3%	106 834
Investment revenue	22 318	28 813	28 813	3 026	6 124	7 203	(1 079)	-15%	28 813
Transfers and subsidies - Operational	330 510	331 654	331 654	2 212	138 277	82 914	55 364	67%	331 654
Other own revenue	54 570	65 372	65 372	4 164	15 634	16 343	(709)	-4%	65 372
Total Revenue (excluding capital transfers and contributions)	553 465	594 610	594 610	19 361	230 005	148 652	81 353	55%	594 610
Employee costs	162 964	186 701	186 701	14 374	43 293	46 675	(3 382)	-7%	186 701
Remuneration of Councillors	24 244	24 666	24 666	1 928	5 833	6 166	(333)	-5%	24 666
Depreciation and amortisation	63 816	22 322	22 322	–	–	5 580	(5 580)	-100%	22 322
Interest	3 829	–	–	–	–	–	–		–
Inventory consumed and bulk purchases	92 699	105 033	105 033	13 200	25 407	26 258	(851)	-3%	105 033
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	214 199	255 903	255 903	13 732	45 627	63 976	(18 348)	-29%	255 903
Total Expenditure	561 751	594 624	594 624	43 233	120 161	148 656	(28 494)	-19%	594 624
Surplus/(Deficit)	(8 285)	(14)	(14)	(23 872)	109 844	(3)	109 847	-3171024%	(14)
Transfers and subsidies - capital (monetary allocations)	82 541	82 490	99 876	12 285	25 668	23 784	1 884	8%	99 876
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
contributions	74 256	82 476	99 862	(11 587)	135 512	23 780	111 731	470%	99 862
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	74 256	82 476	99 862	(11 587)	135 512	23 780	111 731	470%	99 862
Capital expenditure & funds sources									
Capital expenditure	132 721	163 365	180 751	15 890	37 996	44 002	(6 006)	-14%	180 751
Capital transfers recognised	70 274	82 490	99 876	11 336	23 189	23 784	(594)	-2%	99 876
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	62 448	80 875	80 875	4 554	14 807	20 218	(5 412)	-27%	80 875
Total sources of capital funds	132 721	163 365	180 751	15 890	37 996	44 002	(6 006)	-14%	180 751
Financial position									
Total current assets	415 875	430 240	430 240		506 568				430 240
Total non current assets	1 101 660	1 275 562	1 292 947		1 139 665				1 292 947
Total current liabilities	176 837	201 988	201 988		170 015				201 988
Total non current liabilities	43 933	22 501	22 501		43 933				22 501
Community wealth/Equity	1 296 773	1 481 313	1 498 698		1 432 284				1 498 698
Cash flows									
Net cash from (used) operating	438 045	131 401	148 786	33 916	187 359	36 011	(151 348)	-420%	148 786
Net cash from (used) investing	130 245	(163 365)	(180 751)	(18 237)	(43 248)	(44 002)	(755)	2%	(180 751)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	826 435	239 836	239 836	–	414 011	254 810	(159 201)	-62%	237 836
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	10 536	11 365	37 010	3 274	2 529	2 832	3 069	218 773	289 388
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) - M03 - September

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 - September

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	6 178	186 228	109 305	76 923	70%	437 220
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		418 776	437 220	437 220	6 178	186 228	109 305	76 923	70%	437 220
Internal audit		600	–	–	–	–	–	–		–
Community and public safety		12 147	17 474	17 474	3 077	5 274	4 369	906	21%	17 474
Community and social services		6 076	8 646	8 646	1 692	3 906	2 162	1 745	81%	8 646
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		6 072	8 828	8 828	1 385	1 368	2 207	(839)	-38%	8 828
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		86 431	90 736	108 122	13 194	27 314	25 845	1 469	6%	108 122
Planning and development		3 592	5 502	5 502	627	1 010	1 375	(365)	-27%	5 502
Road transport		82 839	85 234	102 620	12 567	26 304	24 470	1 834	7%	102 620
Environmental protection		–	–	–	–	–	–	–		–
Trading services		118 053	131 670	131 670	9 197	36 856	32 917	3 939	12%	131 670
Energy sources		103 037	114 257	114 257	7 981	33 028	28 564	4 464	16%	114 257
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		15 015	17 413	17 413	1 217	3 828	4 353	(525)	-12%	17 413
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	636 007	677 100	694 485	31 646	255 673	172 436	83 237	48%	694 485
Expenditure - Functional										
Governance and administration		260 423	270 868	270 868	16 975	52 638	67 717	(15 079)	-22%	270 868
Executive and council		33 134	33 755	33 755	2 377	8 954	8 439	515	6%	33 755
Finance and administration		222 724	232 129	232 129	14 324	42 670	58 032	(15 362)	-26%	232 129
Internal audit		4 564	4 984	4 984	274	1 014	1 246	(232)	-19%	4 984
Community and public safety		53 082	58 193	58 193	4 346	12 530	14 548	(2 019)	-14%	58 193
Community and social services		28 657	28 268	28 268	2 377	6 384	7 067	(683)	-10%	28 268
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		24 425	29 925	29 925	1 968	6 146	7 481	(1 335)	-18%	29 925
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		90 390	96 110	96 110	2 937	9 408	24 028	(14 619)	-61%	96 110
Planning and development		47 955	45 203	45 203	1 417	4 412	11 301	(6 888)	-61%	45 203
Road transport		42 435	50 906	50 906	1 520	4 996	12 727	(7 731)	-61%	50 906
Environmental protection		–	–	–	–	–	–	–		–
Trading services		157 855	169 452	169 452	18 975	45 585	42 363	3 222	8%	169 452
Energy sources		134 169	142 991	142 991	17 108	40 243	35 748	4 495	13%	142 991
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		23 686	26 461	26 461	1 867	5 342	6 615	(1 273)	-19%	26 461
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	561 751	594 624	594 624	43 233	120 161	148 656	(28 494)	-19%	594 624
Surplus/ (Deficit) for the year		74 256	82 476	99 862	(11 587)	135 512	23 780	111 731	479%	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 30 September 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 30 September 2025 is **R 43,233,227** million and revenue is **R 31,646,019** million.

3.1.3 Table C3: Monthly Budget Statement –Financial Performance (revenue and expenditure by municipal vote) - M03 - September

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 - September

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	6 165	186 180	109 218	76 962	70.5%	436 870
Vote 3 - Corporate		408	350	350	14	49	88	(39)	-44.5%	350
Vote 4 - Development and Planning		3 592	5 502	5 502	627	1 010	1 375	(365)	-26.5%	5 502
Vote 5 - Community		27 163	34 887	34 887	4 293	9 103	8 722	381	4.4%	34 887
Vote 6 - Infrastructure		185 877	199 491	216 877	20 547	59 332	53 034	6 298	11.9%	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	31 646	255 673	172 436	83 237	48.3%	694 485
Expenditure by Vote	1									
Vote 1 - Executive Council		33 134	33 755	33 755	2 377	8 954	8 439	515	6.1%	33 755
Vote 2 - Finance and Admin		130 136	132 658	132 658	8 493	21 132	33 165	(12 033)	-36.3%	132 658
Vote 3 - Corporate		92 588	99 471	99 471	5 832	21 539	24 868	(3 329)	-13.4%	99 471
Vote 4 - Development and Planning		47 955	45 203	45 203	1 417	4 412	11 301	(6 888)	-61.0%	45 203
Vote 5 - Community		76 769	84 654	84 654	6 213	17 872	21 164	(3 292)	-15.6%	84 654
Vote 6 - Infrastructure		176 604	193 899	193 899	18 628	45 239	48 475	(3 235)	-6.7%	193 899
Vote 7 - Internal Audit		4 564	4 984	4 984	274	1 014	1 246	(232)	-18.6%	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	43 233	120 161	148 656	(28 494)	-19.2%	594 624
Surplus/ (Deficit) for the year	2	74 256	82 476	99 862	(11 587)	135 512	23 780	111 731	468.9%	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) - M03 - September

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 - September

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	91 308	7 773	24 509	22 827	1 682	7%	91 308
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		11 795	15 526	15 526	990	2 984	3 881	(897)	-23%	15 526
Sale of Goods and Rendering of Services		27 190	26 470	26 470	674	9 200	6 618	2 583	39%	26 470
Agency services		1 539	1 800	1 800	984	400	450	(50)	-11%	1 800
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		1 636	2 200	2 200	207	475	550	(75)	-14%	2 200
Interest from Current and Non Current Assets		22 318	28 813	28 813	3 026	6 124	7 203	(1 079)	-15%	28 813
Dividends		–	–	–	–	–	–	–		–
Rent on Land		308	–	–	–	–	–	–		–
Rental from Fixed Assets		1 317	2 220	2 220	340	473	555	(82)	-15%	2 220
Licence and permits		2 470	4 434	4 434	190	620	1 109	(489)	-44%	4 434
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		818	905	905	1	2	226	(224)	-99%	905
Non-Exchange Revenue								–		
Property rates		58 569	61 937	61 937	1 196	42 477	15 484	26 993	174%	61 937
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2 127	3 048	3 048	246	359	762	(403)	-53%	3 048
Licence and permits		34	25	25	–	0	6	(6)	-98%	25
Transfers and subsidies - Operational		330 510	331 654	331 654	2 212	138 277	82 914	55 364	67%	331 654
Interest		16 293	24 270	24 270	1 545	4 106	6 068	(1 962)	-32%	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	19 361	230 005	148 652	81 353	55%	594 610
Expenditure By Type										
Employee related costs		162 964	186 701	186 701	14 374	43 293	46 675	(3 382)	-7%	186 701
Remuneration of councillors		24 244	24 666	24 666	1 928	5 833	6 166	(333)	-5%	24 666
Bulk purchases - electricity		87 487	98 000	98 000	12 740	24 717	24 500	217	1%	98 000
Inventory consumed		5 212	7 033	7 033	459	690	1 758	(1 068)	-61%	7 033
Debt impairment		–	–	–	–	–	–	–		–
Depreciation and amortisation		63 816	22 322	22 322	–	–	5 580	(5 580)	-100%	22 322
Interest		3 829	–	–	–	–	–	–		–
Contracted services		130 140	170 618	170 618	10 670	32 449	42 655	(10 206)	-24%	170 618
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		12 447	6 500	6 500	–	–	1 625	(1 625)	-100%	6 500
Operational costs		82 519	78 784	78 784	3 061	13 179	19 696	(6 517)	-33%	78 784
Losses on Disposal of Assets		1 065	–	–	–	–	–	–		–
Other Losses		27	–	–	–	–	–	–		–
Total Expenditure		561 751	594 624	594 624	43 233	120 161	148 655	(28 494)	-19%	594 624
Surplus/(Deficit)		(8 285)	(14)	(14)	(23 872)	109 844	(3)	109 847	-3171034%	(14)
Transfers and subsidies - capital (monetary allocations)		82 541	82 490	99 876	12 285	25 668	23 783	1 884	8%	99 876
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		74 256	82 476	99 862	(11 587)	135 512	23 780			99 862
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		74 256	82 476	99 862	(11 587)	135 512	23 780			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	(11 587)	135 512	23 780			99 862
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		74 256	82 476	99 862	(11 587)	135 512	23 780			99 862

In terms of September 2025 Monthly Budget & Performance assessment, the actual Revenue billed and/or collected for the month is **R 19,361,064** inclusive of capital transfers and subsidies against original budget of **R 594,609,785** , this represents **3%** on operational revenue and This is less than the performance expected for the month due to property rates billing, licences and permits collected and less operational transfers and subsidies grants recognised and other revenue items for the month.

The operating expenditure as at 30 September 2025 is **R 43,233,227** against Original Budget of **R 594,623,647** and this represents **7%** of operational expenditure. This is less than the expected performance for the month due to non-cash items that are recognised at the end of financial year and less operational payments made on operational items for the month under review.

Capital Transfers and subsidies revenue recognised for the month is **R 15,890,052** against budget of **R 99,875,617,** this represent **9%**, The expenditure incurred is above the expected performance for the month due to payments made on capital projects.

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 1,196,201**, against approved budget of **R 61,936,752** this represents **2%** of the received revenue by source, which is less than anticipated for the month, the income received from property rates amounted to **R 10,748,486.49** which includes outstanding debt collected, and it represents **100%** 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 8,762,877** which is made of **R 989,991** and **R 7,772,886** revenue from service charges against the approved budget of **R 106,833,628**. This represent **8%** and this is within the expected performance for the month when measured against the monthly projection due to collection made or raised for the month. Total YTD revenue is **26%.**

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 for the month amount to **R 983,979.** This represents **55%**. Total YTD revenue is **22%.**

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 347,836** has been recognised, this represent **16%** 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 **21%.**

Interest earned on Investments

The total approved budget Interest on investments is **R 28,812,996** and the interest received for the month of September 2025 is **R 3,026,308** which represent **11%** this is more than expected performance for the month, hence the variance. This is mainly due to high South African Reserve Bank's interest rate and the unspent Disaster grants attracting interest. Total YTD revenue is **21%.**

Interest on Outstanding Debtors

Interest on non-payment of electricity has been raised monthly which amounts to **R 1,751,759** has been posted on the interest on arrears for refuse services with the approved budget allocation of **R 26,470,000** which represents **7%** is less expected performance when measured against the monthly projection due to less sales under electricity and Interest billed on outstanding electricity payments. This decreased 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 **17%.**

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 215,684,** it represents almost **7%** this is less than expected performance for the month due to less fines and penalties issued/raised for the month. Total YTD revenue is **12%.**

Licences and permits

The total approved budget for licences and permits is **R 4,459,108** for budget year. the cash receipts for traffic fines issued was **R 189,500** 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 **14%.**

Transfers and Subsidies-Operational

Total approved budget amount on transfers and subsidies is **R 331,654,050,** and the transfers recognised represents **R 2,211,833** was recognised for the month ended 30 September 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 **42%.**

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 12,284,955** recognised for the month; this represents **12%** of total budgets and is more than the expected performance for the month due to more payments recognised under MIG, Municipal Disaster Recovery Grant. Total YTD revenue is **13%.**

Other Revenue

Other revenue amounted to **R 675,086** for the month ended 30 September 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 less recognition on INEP projects, and less commission collected on 5% Admin handling fees and less various line items of revenue are related to timing of certain events and will only be accounted for as the year progress. Total YTD revenue is **34%.**

Operating Expenditure by type

Employee related costs/Remuneration of Councillors

Salary costs incurred – the Municipality incurred **R 16,301,837** million salary costs at the end of September 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 **23%.**

Description	Total Budget	July Actuals	YTD Total Actual
Employee Related Cost	**186 700 555**	**14 373 721**	**43 293 424**
Municipal Staff	178 157 163	13 884 090	41 830 881
Senior Management	8 543 392	489 631	1 462 543
Remuneration of Councillors	**24 665 901**	**1 928 115**	**5 833 470**
Chief Whip	816 891	64 648	163 578
Executive Committee/Mayoral Committee	5 655 601	382 931	1 028 021
Executive Mayor/Mayor	1 072 684	84 891	539 264
Section 79 committee chairperson	801 471	137 033	263 255
Speaker	868 047	68 696	206 089
Total for All Other Councillors	15 451 207	1 189 916	3 633 262
Grand Total	**211 366 456**	**16 301 837**	**49 126 894**
		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 5,580,469** million. The variance is as a result of delays in completion of projects which has influenced the capitalization and subsequent depreciation of these assets. The depreciation Journal will be passed in December and will be inclusive of July and November transactions. This process ensures that only completed and operational assets are depreciated in accordance with the Municipal Asset Management Framework and GRAP 17 (Property, Plant and Equipment). 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 September as this transaction is processed at year end. The municipality is not yet obliged to make interest payment as anticipated during the budget stage as invoice are paid within 30 days and where is the difference will be the timing in terms of billing by Eskom and the time the municipality is expected to make a payment.

Bulk Purchases

Total approved budget on bulk electricity purchases is **R 98,000,000**, which amounted to **R 12,740,499** this represents **13%** Expenditure for the month relating to August invoice and this is due to seasonal demand or usage of electricity. Total YTD expenditure is **25%.**

Other material

Total approved budget on other material is **R 7,032,600,** which amounted to **R 459,344** and represent **7%**. The variance is primarily attributable to the lower-than-anticipated consumption of inventories across various municipal departments. Inventories typically include consumable goods such as stationery, cleaning materials, maintenance supplies, and other operational materials required for day-to-day municipal activities and service delivery. Shortage of stock at stores also contributes to the biggest effect on the difference caused by the delay in appointment of service providers. Total YTD expenditure is **10%.**

Contracted services

Total approved budget on contracted services is **R 170,618,329**. The spending for the month amounted to **R 10,670,458** that represents **6%** of the budgeted amount. This is less than expected performance for the month due to less work undertaken under Electrification of Motsekua Village and smart metering. Total YTD expenditure is **19%.**

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 3,061,090** for the month; this represents **4%** 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 protective clothing, Internships and learnerships, insurance premium provisions, Audit fees and workers compensation, employee achievements and awards would only be accounted for at year end. Total YTD expenditure is **17%.**

3.1.5 Table C5 Monthly Budget Statement- Capital Expenditure (municipal vote function classification and funding) - M03 - September

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 - September

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	139	139	1 099	(960)	-87%	4 397
Vote 3 - Corporate		1 685	3 240	3 240	381	381	810	(429)	-53%	3 240
Vote 4 - Development and Planning		4 124	18 855	18 855	211	1 003	4 714	(3 711)	-79%	18 855
Vote 5 - Community		9 333	8 000	8 000	158	158	2 000	(1 842)	-92%	8 000
Vote 6 - Infrastructure		115 330	128 873	146 259	15 001	36 316	35 379	937	3%	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	15 890	37 996	44 002	(6 006)	-14%	180 751
Total Capital Expenditure		132 721	163 365	180 751	15 890	37 996	44 002	(6 006)	-14%	180 751
Capital Expenditure - Functional Classification										
Governance and administration		3 933	7 637	7 637	519	519	1 909	(1 390)	-73%	7 637
Executive and council		53	–	–	–	–	–	–		–
Finance and administration		3 880	7 637	7 637	519	519	1 909	(1 390)	-73%	7 637
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		4 849	5 150	5 150	75	75	1 288	(1 213)	-94%	5 150
Community and social services		532	2 350	2 350	75	75	588	(513)	-87%	2 350
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		4 317	2 800	2 800	–	–	700	(700)	-100%	2 800
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		109 385	133 308	150 694	13 244	26 913	36 488	(9 575)	-26%	150 694
Planning and development		4 124	18 855	18 855	211	1 003	4 714	(3 711)	-79%	18 855
Road transport		105 261	114 453	131 839	13 033	25 910	31 774	(5 864)	-18%	131 839
Environmental protection		–	–	–	–	–	–	–		–
Trading services		14 554	17 270	17 270	2 052	10 489	4 318	6 172	143%	17 270
Energy sources		10 059	14 420	14 420	1 959	10 406	3 605	6 801	189%	14 420
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		4 495	2 850	2 850	93	83	713	(629)	-88%	2 850
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	132 721	163 365	180 751	15 890	37 996	44 002	(6 006)	-14%	180 751
Funded by:										
National Government		69 645	82 190	99 576	11 261	23 115	23 709	(594)	-3%	99 576
Provincial Government		629	300	300	75	75	75	(0)	0%	300
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		70 274	82 490	99 876	11 336	23 190	23 784	(594)	-2%	99 876
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		62 446	80 875	80 875	4 554	14 807	20 219	(5 412)	-27%	80 875
Total Capital Funding		132 721	163 365	180 751	15 890	37 996	44 002	(6 006)	-14%	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**. The Municipality incurred expenditure of **R 15,890,052.** This represents **9%** of the approved capital expenditure budget, The expenditure incurred is above the expected performance for the month due to payments made on capital projects. Total YTD expenditure is **21%.**

3.1.6 C6 Monthly Budget Statement –Financial Position - M03 - September

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M03 - September

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	324 704	230 836
Trade and other receivables from exchange transactions		(47 211)	54 254	54 254	(39 957)	54 254
Receivables from non-exchange transactions		158 812	125 528	125 528	188 522	125 528
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 832	3 784	3 784	3 449	3 784
VAT		24 677	10 438	10 438	23 984	10 438
Other current assets		5 866	5 400	5 400	5 866	5 400
Total current assets		415 875	430 240	430 240	506 568	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	1 132 785	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	1 139 665	1 292 947
TOTAL ASSETS		1 517 543	1 705 802	1 723 187	1 646 232	1 723 187
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 803	528	528	1 832	528
Trade and other payables from exchange transactions		68 936	65 900	65 900	40 880	65 900
Trade and other payables from non-exchange transactions		20 481	29 800	29 800	40 768	29 800
Provision		24 184	43 950	43 950	24 184	43 950
VAT		61 434	61 810	61 810	62 351	61 810
Other current liabilities		–	–	–	–	–
Total current liabilities		176 837	201 988	201 988	170 015	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	213 948	224 489
NET ASSETS	2	1 296 773	1 481 313	1 498 698	1 432 284	1 498 698
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		912 403	1 400 438	1 417 824	1 047 914	1 417 824
Reserves and funds		384 370	80 875	80 875	384 370	80 875
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1 296 773	1 481 313	1 498 698	1 432 284	1 498 698

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 30 September 2025. Total assets are **R 506,568,000** million over the total liabilities of **R 213,948,000** million this is therefore means the municipality is still able to meet its financial obligations.

3.1.7 C7 Monthly Budget Statement –Cash Flow - M03 - September

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M03 - September

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	12 683	16 743	13 162	3 582	27%	52 646
Service charges		96 392	90 809	90 809	7 553	26 398	22 702	3 696	16%	90 809
Other revenue		22 800	84 321	84 321	2 756	14 111	21 080	(6 969)	-33%	84 321
Transfers and Subsidies - Operational		336 711	331 654	331 654	30	137 325	82 914	54 411	66%	331 654
Transfers and Subsidies - Capital		179 429	82 490	99 876	36 912	63 573	23 784	39 789	167%	99 876
Interest		24 647	55 283	55 283	3 044	6 204	13 821	(7 617)	-55%	55 283
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(291 732)	(565 802)	(565 802)	(29 062)	(76 995)	(141 450)	64 456	-46%	(565 802)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		436 045	131 401	148 786	33 916	187 359	36 011	(151 348)	-420%	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)	(18 237)	(43 248)	(44 002)	755	-2%	(180 751)
NET CASH FROM/(USED) INVESTING ACTIVITIES		130 245	(163 365)	(180 751)	(18 237)	(43 248)	(44 002)	(755)	2%	(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)	15 679	144 111	(7 991)			(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		414 011	254 810			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 30 September 2025.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 - September

Description R thousands	NT Code	Budget Year 2025/26 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	5 548	4 980	2 868	1 385	486	214	583	5 338	21 392	8 016	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	1 970	2 510	32 174	28	14	822	530	78 894	118 539	79 886	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	915	564	476	412	403	394	400	30 327	33 891	31 937	(0)	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	7	7	7	–	–
Interest on Arrear Debtor Accounts	1810	1 867	1 460	1 409	1 384	1 468	1 437	1 420	54 298	74 780	70 014	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	298	1 872	52	77	145	170	135	40 091	42 779	40 618	(104)	–
Total By Income Source	2000	10 536	11 365	37 018	3 274	2 529	2 832	3 068	218 773	289 388	230 477	(104)	–
2024/25 - totals only		39 774	9 893	2 721	2 751	3 250	3 544	3 494	190 046	263 387	210 085	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	3 585	9 028	34 800	2 246	1 474	1 250	1 558	85 066	139 107	91 594	–	–
Commercial	2300	6 302	1 675	1 383	526	554	980	858	70 677	82 764	73 434	(104)	–
Households	2400	679	661	887	502	501	602	653	63 191	67 517	65 509	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	10 536	11 365	37 018	3 274	2 529	2 832	3 068	218 773	289 388	230 477	(104)	–

The total debt book for September 2025 of R 289,388,439, inclusive of R 5,212,168 advance payments.

The total debt for September 2025 of R 284,176,271 (including current of R 9,325,321) which is not yet due) has decreased by R 17,384,448 from the previous month closing balance of R 292,235,398.

Debt is made up of the following:

- **Residential debt:**
  R 108,935,070
  Commercial debt
  R 37,191,179
- **Government debt**
  R 132,837,716
  Other
  R 5,212,307

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 94,525,611.

- **Maluti**
  R 75,122,331 (including current)
- **Cedarville**
  R 19,403,280 (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 67,209 035.27

Business H/O R 3,164,487.08

Churches H/O R 117 627.88

Farms H/O R 4,647,139.34

R 17,857,366.47 was collected for September 2025.

SECTION 5 -CREDITORS' ANALYSIS

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 - September

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	-	-	-	-	-	-	-	-	-	7
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	7

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 30 September 2025.

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Sept-25

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	WITHDRAWALS	Interest Earned	Closing Balance
Municipal Infrastructure Grant	11 815 591.51	16 004 471.06	-7 419 293.37	-67 471.06	20 400 769.20
INEP	9 280 767.66	39 707.83	-9 246 174.28	-39707.83	74 301.21
EPWP	-			-	-
Disaster Management	15 730 930.60	7 457 647.16	-3 139 543.20	-95 647.16	20 049 034.56
Finance Management Grant	1 258.08	6.82		-6.82	1 264.90
Establishment Plan	238 548.69	1 029.36		-1 029.36	239 578.05
Housing Development Fund	2 434 928.97	10 807.09		-10 807.09	2 445 736.06
Dedea	739 857.68	3 298.96		-3 298.96	743 156.64
Total Conditional Investments	**40 241 883**	**23 516 968**	- **19 805 011**	- **217 968**	**43 953 841**

Sept-25

Unconditional Investments -Description	Openning Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	168 244 582.18	7 900 000.00		-1 616 699.35	176 144 582.18
Call ACC FNB Surplus Cash	6 805 395.80			-31 211.59	6 805 395.80
Nedbank 32 Days	8 494 423.05	52 304.75		-52 304.75	8 546 727.80
Nedbank	60 920 846.92	22 521 654.95	-46 100 000.00	-521 654.95	37 342 501.87
Nedbank Retention	9 974 324.29	55 063.75		-55 063.75	10 029 388.04
Termination Guarantee	144 640.82			-798.56	144 640.82
Account Gaurantee	6 202 000.00			-34 238.57	6 202 000.00
Standard bank	40 191 068.49	460 301.37		-460 301.37	40 651 369.86
	300 977 282	**30 529 023**	- **46 100 000**	- **2 772 273**	**285 866 606**
Total Investment as at 31 September 2025					**329 820 447**

The investment portfolio of the municipality as at 30 September 2025 amounted to as indicated below.

As at 30 September 2025 the conditional investments amounted to **R 43,953,841** and unconditional investments amounted to **R 285,866,606**. Total investments as at 30 September 2025 amounted to **R 329,820,447**.

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 30 September 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 30 September 2025

Description	September 2025
Nedbank Primary Account:	4,939,654
Standard bank Account:	5,768,519
FNB Money Market Account:	468,209
Total Cash held as at 30 September 2025	**11,176,383**

Unreconciled items for the month amount to **R 16,823,883** which is made up of the receipts not yet banked and payments that reflects on the following month.

The above tables reflect the Cashbook balance of **R 11,176,383**and investment balance of **R 329,820,447** and the total cash book balance and investment is **R 340,099,683.**

SECTION 7_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6 – M03 - September

EC441 Matatiele - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 - September

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:		383 405	327 138	327 138	15 937	169 531	81 785	87 746	107.3%	327 138
Expanded Public Works Programme Integrated Grant		3 880	2 980	2 980	–	2 545	745	1 800	241.6%	2 980
Local Government Financial Management Grant	3	1 700	1 800	1 800	–	–	450	(450)	-100.0%	1 800
Municipal Infrastructure Grant		57 584	3 034	3 034	15 937	33 934	759	33 175	4373.8%	3 034
Equitable Share		320 321	319 324	319 324	–	133 052	79 831	53 221	66.7%	319 324
Provincial Government:		–	4 516	4 516	–	–	1 129	(1 129)	-100.0%	4 516
Specify (Add grant description)		–	2 850	2 850	–	–	713	(713)	-100.0%	2 850
Specify (Add grant description)		–	1 666	1 666	–	–	416	(416)	-100.0%	1 666
District Municipality:		150	–	–	–	–	–	–		–
Specify (Add grant description)		150	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		383 636	331 654	331 654	15 937	169 531	82 914	86 617	104.5%	331 654
Capital Transfers and Grants										
National Government:		24 542	82 190	99 576	7 362	7 362	23 709	(16 347)	-68.9%	99 576
Municipal Infrastructure Grant		–	57 647	57 647	–	–	14 412	(14 412)	-100.0%	57 647
Municipal Disaster Recovery Grant		24 542	24 543	41 929	7 362	7 362	9 297	(1 935)	-20.8%	41 929
Provincial Government:		4 316	300	300	–	1 666	75	1 591	2121.3%	300
Specify (Add grant description)		3 066	–	–	–	1 666	–	1 666	#DIV/0!	–
Specify (Add grant description)		1 250	300	300	–	–	75	(75)	-100.0%	300
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		28 858	82 490	99 876	7 362	9 028	23 784	(14 756)	-62.0%	99 876
TOTAL RECEIPTS OF TRANSFERS & GRANTS		412 493	414 144	431 530	23 299	178 559	106 697	71 862	67.4%	431 530

The Municipality have received the conditional grant and unconditional grants allocations amounting to **R 23,299,000** million for both operations grants and capital grants.

7.2 Supporting Table SC7 - M03 - September

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 - September

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	7 814	1 953	4 330	1 964	2 377	121.7%	7 814
Expanded Public Works Programme Integrated Grant		3 880	2 980	2 980	1 471	3 352	745	2 607	349.9%	2 980
Municipal Disaster Relief Grant		1 631	–	–	–	–	–	–		–
Local Government Financial Management Grant	3	1 700	1 800	1 800	126	268	450	(182)	-40.5%	1 800
Municipal Infrastructure Grant		1 071	3 034	3 034	356	711	759	(48)	-6.3%	3 034
Provincial Government:		3 560	4 516	4 516	259	895	1 129	(234)	-20.7%	4 516
Specify (Add grant description)		466	2 850	2 850	46	80	713	(632)	-88.7%	2 850
Specify (Add grant description)		3 095	1 666	1 666	213	815	416	398	95.6%	1 666
District Municipality:		150	–	–	–	–	–	–		–
Specify (Add grant description)		150	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		11 992	12 330	12 330	2 212	5 225	3 093	2 143	68.5%	12 330
Capital Transfers and Grants										
National Government:		80 137	82 190	99 576	12 210	25 593	23 709	1 884	7.9%	99 576
Municipal Disaster Relief Grant		6 604	–	–	–	–	–	–		–
Municipal Infrastructure Grant		56 313	57 647	57 647	7 442	19 572	14 412	5 160	35.8%	57 647
Municipal Disaster Recovery Grant		17 [illegible]	24 543	41 929	4 768	6 021	9 297	(3 276)	-35.2%	41 929
Provincial Government:		601	300	300	(4 732)	(5 599)	75	(5 674)	-7564.9%	300
Specify (Add grant description)		–	300	300	–	–	75	(75)	-100.0%	300
Specify (Add grant description)		(29)	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	(4 807)	(5 673)	–	(5 673)	#DIV/0!	–
Specify (Add grant description)		629	–	–	75	75	–	75	#DIV/0!	–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		80 738	82 490	99 876	7 478	19 994	23 784	(3 789)	-15.9%	99 876
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		92 730	94 820	112 206	9 690	25 219	26 866	(1 647)	-6.1%	112 206

The municipality has incurred **R 9,690,000** for both total operating and capital transfers grants

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 30 September 2025

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 - September

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	3 288	3 464	(176)	-5%	13 856
Pension and UIF Contributions		520	958	958	74	222	239	(17)	-7%	958
Medical Aid Contributions		537	91	91	7	67	23	44	192%	91
Motor Vehicle Allowance		15	2 178	2 178	157	191	544	(353)	-65%	2 178
Cellphone Allowance		2 551	2 673	2 673	212	634	668	(34)	-5%	2 673
Housing Allowances		6 742	4 912	4 912	382	1 431	1 228	203	17%	4 912
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		24 244	24 666	24 666	1 928	5 833	6 166	(333)	-5%	24 666
% increase	4		1.7%	1.7%						1.7%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		1 836	2 782	2 782	157	545	695	(150)	-22%	2 782
Pension and UIF Contributions		104	489	489	22	60	122	(62)	-51%	489
Medical Aid Contributions		98	343	343	22	55	86	(31)	-36%	343
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		15	580	580	–	7	145	(138)	-95%	580
Motor Vehicle Allowance		1 774	2 905	2 905	184	542	726	(184)	-25%	2 905
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		754	904	904	73	175	226	(51)	-23%	904
Other benefits and allowances		0	1	1	0	0	0	(0)	-56%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		202	540	540	34	77	135	(58)	-43%	540
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		4 684	8 543	8 543	490	1 463	2 136	(673)	-32%	8 543
% increase	4		85.6%	85.6%						85.6%
Other Municipal Staff										
Basic Salaries and Wages		109 138	124 147	124 147	10 177	27 845	31 037	(3 192)	-10%	124 147
Pension and UIF Contributions		16 465	21 360	21 360	1 584	4 692	5 340	(648)	-12%	21 360
Medical Aid Contributions		6 512	8 001	8 001	571	1 701	2 000	(299)	-15%	8 001
Overtime		4 279	3 980	3 980	369	932	995	(63)	-6%	3 980
Performance Bonus		10 412	9 305	9 305	386	3 210	2 326	883	38%	9 305
Motor Vehicle Allowance		6 808	7 060	7 060	545	1 580	1 765	(185)	-10%	7 060
Cellphone Allowance		6	6	6	1	2	2	(0)	-7%	6
Housing Allowances		3 091	3 221	3 221	215	749	805	(57)	-7%	3 221
Other benefits and allowances		1 544	1 076	1 076	84	1 071	269	802	298%	1 076
Payments in lieu of leave		(1 159)	–	–	32	32	–	32	#DIV/0!	–
Long service awards		1 146	–	–	17	17	–	17	#DIV/0!	–
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	13 884	41 831	44 539	(2 708)	-6%	178 157
% increase	4		12.5%	12.5%						12.5%
Total Parent Municipality		187 289	211 366	211 366	16 302	49 127	52 842	(3 715)	-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 30 September 2025 amounted **R 17,074,662 million** of which the expenditure **R 1,928,115 million** relates to Remuneration of Councillors and **R 16,301,837 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 revenue is **23%.**

8.1 Performance Indicators

EC441 Matatiele - Supporting Table SC2 Monthly Budget Statement - performance indicators - M03 - September

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/		8.3%	6.5%	6.4%	7.0%	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%	298.0%	213.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		152.6%	114.3%	114.3%	191.0%	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%	18.8%	31.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.1%	4.8%	4.8%	1.1%	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	1 705 602	1 723 187	1 646 232	1 723 187
Employee related costs		162 964	186 701	186 701	43 293	186 701
Repairs & Maintenance		16 973	28 250	28 250	2 445	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	120 161	594 624
Total Capital Expenditure		132 721	163 366	180 751	15 890	37 996
Borrowed funding for capital						
Debt		107 345	95 700	95 700	99 577	95 700
Equity		1 296 773	1 481 313	1 498 699	1 432 284	1 498 699
Reserves and funds						
Borrowing						
Current assets		415 875	430 240	430 240	506 568	430 240
Current liabilities		176 837	201 988	201 988	170 015	201 988
Monetary assets		269 900	230 836	230 836	324 784	230 836
Total Revenue (excluding capital transfers and contributions)		553 465	594 610	594 610	230 005	594 610
Transfers and subsidies - Operational		330 510				
Transfers and subsidies - capital (monetary allocations)		82 541	82 490	99 876	25 668	99 876
Debt service payments		24 647	55 283	55 283		
Outstanding debtors (receivables)		117 467				
Annual services revenue		146 068	168 770	168 770	9 959	69 970
Cash + investments	Including LT investments	269 900	230 836	230 836	324 784	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 September 2025

Purpose/ Use of the Ratio

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

The Municipality as at end of September 2025 could take 28 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 30 September 2025: R 506,568,000 / R 170,015,000 = **2.98:1**

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 1.5-2:1 R 2 for every R 1 owed. The budget showed a **R 2.43:1** ratio and actual ratio as 30 September 2025 is: R 2.98: 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 170,015,000 = **2.51:1**

Actual Acid Test Ratio as at 30 September 2025:(R 506,568,000 – R 3,449,000) / R 170,015,000 = **2.96:1**

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.

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 30 September 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: L. M

Date: 10/10/2025