



**MATATIELE**  
LOCAL MUNICIPALITY

**2025/2026  
MONTHLY  
SECTION 71  
REPORT**

**MONTH ENDED  
31 DECEMBER 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 more than, 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.

## **LEGISLATIVE 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 ended 31 December 2025.
- That, the submission of section 71 reports and to Provincial and National Treasuries 10 days after the end of each month be noted by Council.

## **Section 2-Executive summary**

### **2.1 Introduction**

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

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 revenue budget was **R 677,099,735** and this has been adjusted to an adjustments budget of **R 694,485,402**. The municipality has recognised revenue of **R135,643,206** for the month, representing **20%** of the adjusted budget. This performance exceeds the expected monthly target, primarily due to the receipt of the second tranche of the equitable share, which resulted in increased operational transfers and subsidies. The total revenue received to date is **66%**.

### Operating Expenditure by type

The municipality incurred expenditure of **R 79,569,071** against the approved budget of **R 594,623,647**, incurring **13%** expenditure for the month budget, This level of expenditure is higher than the expected performance for the month, primarily due to the depreciation for six months accounted for in the month of December. Expenditure incurred to date is **47%** of the approved operating expenditure budget.

### Capital Expenditure

The total approved capital budget was **R 163,364,950** and this has been adjusted to an adjustments budget of **R 180,750,617**. The municipality incurred expenditure of **R 17,131,328**, this represents **9%** of the approved capital expenditure budget, this is above the expected performance. The projects that spend above the average are MIG related, Cedarville internal streets more work was done this month. The 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. The expenditure incurred to date is **44%** of the approved capital expenditure budget.

### Capital Funded Sources

- The MIG capital grant allocation for the financial year is **R 57,646,950** as per Dora, the spending for the month ending 31 December 2025 is **R 11,893,038** which represents **21%** of expenditure for the month ended (Vat exclusive). YTD expenditure is **69%** of the allocation.

- Disaster recovery grant has been allocated a budget amount of R 24,543,000 this was adjusted to an adjusted budget of R 41,928,666; The grant reflects R 1,241,468 spending at the end of 31 December 2025 (Vat exclusive), this represents 3%. YTD expenditure is 31% of the allocation.
- The Library Capital Grant allocation of R 300,000 was allocated. The grant reflects no spending at the end of 31 December 2025. (Vat exclusive), YTD expenditure represents 88% of the allocation.
- Capital Replacement Reserves (CRR) for the financial year of R 80,875,000 is allocated. The spending for the month is R 3,996,823 which represent 6% spending for the month .YTD expenditure represents 31%.
- 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.**

Functions	TotalBudget	December Actuals	Total Actuals
Community and Social Services: Community Governance(3096)	213,000.00	-	162,500.00
Community Halls and Facilities:Public Amenities (3005)	2,137,000.00	-	517,998.73
CORE FUNCTION: SOLID WASTE REMOVAL	2,850,000.00	-	106,924.33
Energy Sources: Electricity (4040)	14,420,000.00	-	10,406,018.36
Finance and Administration: Information Technology (2540)	2,600,000.00	-	-
Finance and Administration: Asset Mangement and Reporting (201)	30,000.00	-	-
Finance and Administration: Council Support (2541)	490,000.00	24,140.39	382,163.28
Finance and Administration: Human Resources (2535)	150,000.00	24,140.39	135,186.16
Finance and Administration: SCM & Expenditure (2025)	2,660,000.00	-	52,173.91
Finance and Administration: Revenue and Debt Management (2020)	1,000,000.00	-	-
Finance:Budget & Treasury (2010)	80,000.00	-	58,845.77
Marketing; Customer Relations; Publicity and Media Co-ordination	627,000.00	-	27,761.44
Planning and Development: LED (3520)	3,110,000.00	-	843,606.95
Planning and Development: Planning (3510)	4,240,000.00	-	219,217.50
Public Safety: Civil Defence (3074)	2,800,000.00	-	-
Road Transport: Project Operations & Mainnt(4010)	55,906,666.00	3,128,657.01	16,685,282.81
Roads:Project Management Unit	75,931,950.00	13,954,390.26	47,829,309.92
Town Planning; Building Regulations and Enforcement; and City Eng	11,505,000.00	-	1,227,565.17
<b>Grand Total</b>	<b>180,750,616.00</b>	<b>17,131,328.05</b>	<b>78,654,554.33</b>

**Grant Funded Projects (MIG PROJECTS)**

<b>MIG Capital Project</b>	<b>December 2025 status</b>
Excavator	Procurement of the plant is facilitated by SCM
Harry Gwala Internal Streets	The project is under construction@78% complete
Construction of Cedarville Internal Streets Phase 4	The project is under construction@57% complete
Maluti Internal Streets Phase 5	The project is under construction@85% complete
Mahasheng Access Road & Bridge	Project is completed (100%)
Mafube-Nkosana Access Road & Bridge	The project is under construction@66% complete
Lekhalong via Magema-Outspan Access Road	The project is under construction@78% complete

**Grant Funded Projects (Integrated National Electrification Programme Grant) INEP**

<b>INEP Capital Project</b>	<b>December 2025 status</b>
Electrification of Motsekua Village	569 connections have been completed and the expenditure is at 90%

**Disaster Response Grant**

<b>Disaster Capital Project</b>	<b>December 2025 status</b>
Mvenyane Access Road and Bridge Recovery	The project is under construction @ 17% complete
Lugada Mahlabathini AR Recovery	The project is under construction @ 27% complete

<b>Disaster Recovery Grant Rollover projects</b>	<b>December 2025 status</b>
Mdeni Access Road and Bridge Recovery	Completion stage under defects liability period
Lugada to Mahlabathini and Bridge Recovery	The project is under construction @ 27% complete
Hillside - Ngcwengane A/R and Bridge Recovery	The access road final completion stage retention has been released
Mngeni Bridge Recovery	Completion stage under defects liability period

**Internal Funded Capital Projects**

<b><u>Capital Replacement Reserve Projects</u></b>	<b><u>December 2025 Status</u></b>
Phase 2 silo facilities	Planning Stage
Municipal Fleet	Planning Stage
Licensing Offices	Planning Stage
Mphotshongweni Bridge (Rashule)	The project is at tender stage
Lunda Access Road	The project is under construction @ 20% complete
Nkululekweni Access Road	The project is under construction @ 40% complete
Maloto Access Road	The project is under construction @ 30% complete
Buxton Park Bridge	The project is under construction @ 10% complete
Harry Gwala Internal Streets CRR	The project is under construction and progress is 75 %
Phalane-Mbizweni Access Road	The project is under construction @ 49% complete
Motsekoa Access Road	The project is under construction @ 50% complete
Mapateng Access Road	The project is under construction @ 85% complete
Storm Water Drainage	Project is at design stage
Cherry Picker Truck	The truck has been completed, the service provider is busy installing the crane on the truck
Transformers Infrastructure	Project has been completed
FM Tower line WIP	Completed
Landfill Electrification	Completed
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 December 2025

**TENDER CONTROL  
December 2025**

<b>SUMMARY: QUOTATIONS</b>	<b>Dec-25</b>	<b>TOTAL December 2025</b>
DAY TO DAY QUOTATIONS	R598,942.35	R598,942.35
FORMAL QUOTATIONS	R1,050,068.20	R1,050,068.20
<b>TOTAL QUOTATIONS</b>	<b>1,649,010.55</b>	<b>1,649,010.55</b>

<b>BIDDING PROCESS</b>	<b>Bids Awarded vs Capital Budget</b>	<b>Capital Spending Year-To-Date</b>	<b>Orders Issued</b>
Bids awarded	-	-	-
Bids in the process	-	-	-
Bids behind schedule	-	-	-
Bids cancelled or removed from budget	-	-	-
Bids to be awarded	-	-	-

<b>Total Summary values of Procurements,</b>	<b>Dec-25</b>	<b>TOTAL December 2025</b>
Below R30 000 (SCM Orders) and travel & accommodation	R598,942.35	598,942.35
R30 001 – 300 000 (Procurement Process above R 30 000.00)	R1,050,068.20	R1,050,068.20
Procurement above R300 000 (Competitive bidding)	4,051,379.38	4,051,379.38
Capital Projects	-	-
Section 32 /National treasury transversal contract	-	-
Deviations (Section 36)	R0.00	R0.00

<b>BIDS AND QUOTATIONS INVITED</b>	<b>Dec-25</b>	<b>TOTAL December 2025</b>
Invited Quotations	10	10
Invited Bids	1	1
		-

Awarded Quotations	6	6
Awarded Bids	1	1

BIDS AWARDED			
AWARD DATE	DESCRIPTION	CONTRACTOR/CONSULTANT/SERVICE PROVIDER	AWARD AMOUNT
12/8/2025	Provision of Manage Security Service & IT Equipment Maintenance	Dimension Data (Pty) Ltd	Rate based
12/9/2025	Fencing of Matatiele Music Festival venue	SV Gqagqane Trading	R249,000
12/10/2025	Repairs of Electricity Department Truck	Dave and Sons Mechanicals	R41,495.36

BIDS INVITED					
NUMBER	NAME OF THE PROJECT	ADVERT DATE	CLOSING DATE	VALIDITY PERIOD	STATUS
1	Appointment of a service provider to provide an in-house travel & Accomodation and conference facilities to the Matatiele Local Municipality for a period of three years	12/12/2025	12/29/2025	3/29/2026	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**

**3.1.1 Table C1: Monthly Budget Statement Summary - M06 – December**

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M06 - December

Description	2024/25			Budget Year 2025/26					
	Audited Outcomes	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	56 390	61 937	61 937	2 219	49 175	30 968	18 207	59%	61 937
Service charges	89 707	106 834	106 834	9 091	53 940	53 417	524	1%	106 834
Investment revenue	15 316	28 813	28 813	2 154	10 177	14 406	(4 229)	-29%	28 813
Transfers and subsidies - Operational	330 510	331 654	331 654	104 555	247 442	165 827	81 615	49%	331 654
Other own revenue	61 572	65 372	65 372	2 589	33 919	32 686	1 233	4%	65 372
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>553 485</b>	<b>584 810</b>	<b>584 810</b>	<b>120 608</b>	<b>384 054</b>	<b>297 305</b>	<b>87 349</b>	<b>33%</b>	<b>584 810</b>
Employee costs	162 964	186 701	186 701	15 280	88 067	93 350	(5 283)	-6%	186 701
Remuneration of Councilors	24 244	24 666	24 666	1 937	11 637	12 333	(696)	-6%	24 666
Depreciation and amortisation	63 816	22 322	22 322	32 626	32 626	11 161	21 465	192%	22 322
Interest	3 829	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	92 699	105 033	105 033	8 406	50 757	52 516	(1 759)	-3%	105 033
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	214 199	255 903	255 903	21 241	97 765	127 951	(30 186)	-24%	255 903
<b>Total Expenditure</b>	<b>561 751</b>	<b>584 824</b>	<b>584 824</b>	<b>76 560</b>	<b>280 872</b>	<b>297 312</b>	<b>(16 440)</b>	<b>-6%</b>	<b>584 824</b>
<b>Surplus/(Deficit)</b>	<b>(8 285)</b>	<b>(14)</b>	<b>(14)</b>	<b>41 038</b>	<b>113 782</b>	<b>(7)</b>	<b>113 789</b>	<b>-184202%</b>	<b>(14)</b>
Transfers and subsidies - capital (monetary allocations)	82 541	82 490	99 876	15 036	60 432	49 148	11 284	23%	99 876
Transfers and subsidies - capital (in-kind) contributions	74 258	82 470	80 882	56 074	174 214	49 141	125 073	255%	80 882
Share of surplus/(deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>74 258</b>	<b>82 470</b>	<b>80 882</b>	<b>56 074</b>	<b>174 214</b>	<b>49 141</b>	<b>125 073</b>	<b>255%</b>	<b>80 882</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	132 721	183 385	180 751	17 131	78 655	89 585	(10 930)	-12%	180 751
Capital transfers recognised	70 274	82 490	99 876	13 135	53 115	49 148	3 967	8%	99 876
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	62 446	80 875	80 875	3 967	25 540	40 434	(14 894)	-37%	80 875
<b>Total sources of capital funds</b>	<b>132 721</b>	<b>183 385</b>	<b>180 751</b>	<b>17 131</b>	<b>78 655</b>	<b>89 585</b>	<b>(10 930)</b>	<b>-12%</b>	<b>180 751</b>
<b>Financial position</b>									
Total current assets	415 875	430 240	430 240	-	522 649	-	-	-	430 240
Total non-current assets	1 101 668	1 275 562	1 292 947	-	1 147 697	-	-	-	1 292 947
Total current liabilities	176 837	201 988	201 988	-	155 427	-	-	-	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	1 498 800	-	1 470 988	-	-	-	1 498 800
<b>Cash flows</b>									
Net cash from (used) operating	438 045	131 431	148 786	119 039	316 325	73 603	(242 722)	-330%	148 786
Net cash from (used) investing	(30 245)	(163 365)	(180 751)	(17 090)	(84 281)	(89 585)	(5 304)	6%	(180 751)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	828 435	230 838	230 838	-	561 944	248 810	(255 126)	-103%	237 938
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dya	151-180 Dya	181 Dya-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	10 727	5 644	5 027	4 924	9 291	35 449	3 042	220 893	294 996
<b>Creditors Age Analysis</b>									
Total Creditors	8	-	-	-	-	-	-	-	8

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) - M06 – December**

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 - December

Description	Ref	Budget Year 2025/26								
		2024/25 Approved Outcomes	Original Budget	Revised Budget	Monthly actual	YearTD actual	YearTD budget	TD variance	TD variance %	Full Year Forecast
R thousands										
<b>Revenue - Functional</b>	1									
Governance and administration		419 376	437 220	437 220	112 580	309 176	218 610	90 566	41%	437 220
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		418 776	437 220	437 220	112 580	309 176	218 610	90 566	41%	437 220
Internal audit		600	-	-	-	-	-	-	-	-
Community and public safety		12 147	17 474	17 474	(1 931)	7 863	8 737	(874)	-10%	17 474
Community and social services		6 076	8 646	8 646	(2 355)	5 159	4 323	836	19%	8 646
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 072	8 828	8 828	424	2 704	4 414	(1 710)	-39%	8 828
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		86 431	90 736	108 122	15 475	63 629	53 271	10 358	19%	108 122
Planning and development		3 592	5 502	5 502	129	1 821	2 751	(930)	-34%	5 502
Road transport		82 839	85 234	102 620	15 346	61 808	50 520	11 288	22%	102 620
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		118 853	131 670	131 670	9 519	74 417	65 835	8 583	13%	131 670
Energy sources		103 037	114 257	114 257	8 296	66 923	57 128	9 794	17%	114 257
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		15 015	17 413	17 413	1 224	7 495	8 706	(1 212)	-14%	17 413
Other	4	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	<b>636 807</b>	<b>677 100</b>	<b>694 485</b>	<b>135 643</b>	<b>459 886</b>	<b>346 452</b>	<b>108 633</b>	<b>31%</b>	<b>694 485</b>
<b>Expenditure - Functional</b>										
Governance and administration		260 423	270 868	270 868	20 334	189 031	135 434	(26 403)	-19%	270 868
Executive and council		33 134	33 755	33 755	2 472	16 149	16 878	(728)	-4%	33 755
Finance and administration		222 724	232 129	232 129	17 592	90 925	116 065	(25 139)	-22%	232 129
Internal audit		4 564	4 984	4 984	269	1 957	2 492	(535)	-21%	4 984
Community and public safety		53 882	58 193	58 193	4 529	25 856	29 097	(3 240)	-11%	58 193
Community and social services		28 657	28 268	28 268	2 430	13 877	14 134	(257)	-2%	28 268
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		24 425	29 825	29 825	2 089	11 900	14 963	(2 983)	-20%	29 825
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		90 390	96 110	96 110	35 705	59 422	48 055	11 367	24%	96 110
Planning and development		47 855	45 203	45 203	4 476	19 863	22 601	(2 738)	-12%	45 203
Road transport		42 435	50 908	50 908	31 229	39 559	25 454	14 105	55%	50 908
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		157 855	169 452	169 452	19 002	86 562	84 726	1 836	2%	169 452
Energy sources		134 169	142 991	142 991	17 037	75 389	71 496	3 894	5%	142 991
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		23 686	26 461	26 461	1 964	11 173	13 231	(2 058)	-18%	26 461
Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	3	<b>561 751</b>	<b>594 624</b>	<b>594 624</b>	<b>79 569</b>	<b>280 872</b>	<b>297 312</b>	<b>(16 440)</b>	<b>-6%</b>	<b>594 624</b>
Surplus/ (deficit) for the year		74 296	82 476	99 862	56 074	174 214	49 141	123 073	255%	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 December 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 month ending 31 December 2025 is **R 79,569,072** and revenue is **R 135,643,206**.

**3.1.3 Table C3: Monthly Budget Statement –Financial Performance (revenue and expenditure by municipal vote) - M06– December**

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 - December

Vote Description	Ref	2024/25		Budget Year 2025/26						
		Proposed Revenue	Original Budget	Revised Budget	Monthly actual	YearTD actual	YearTD Budget	YTD variance	YTD variance %	YTD YTD Estimate
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		418 368	436 870	436 870	112 575	309 106	218 435	90 671	41.5%	436 870
Vote 3 - Corporate		408	350	350	5	70	175	(105)	-59.6%	350
Vote 4 - Development and Planning		3 592	5 502	5 502	129	1 821	2 751	(930)	-33.6%	5 502
Vote 5 - Community		27 163	34 867	34 867	(708)	15 358	17 443	(2 085)	-12.0%	34 867
Vote 6 - Infrastructure		185 677	199 491	216 877	23 641	128 731	107 648	21 083	19.6%	216 877
Vote 7 - Internal Audit		600	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>636 007</b>	<b>677 100</b>	<b>694 485</b>	<b>135 643</b>	<b>455 086</b>	<b>346 452</b>	<b>108 633</b>	<b>31.4%</b>	<b>694 485</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Executive Council		33 134	33 755	33 755	2 472	16 149	16 878	(728)	-4.3%	33 755
Vote 2 - Finance and Admin		130 136	132 658	132 658	9 818	47 966	66 329	(18 343)	-27.7%	132 658
Vote 3 - Corporate		92 588	99 471	99 471	7 775	42 939	49 735	(6 796)	-13.7%	99 471
Vote 4 - Development and Planning		47 955	45 203	45 203	4 476	19 863	22 601	(2 738)	-12.1%	45 203
Vote 5 - Community		76 769	84 654	84 654	6 493	37 029	42 327	(5 296)	-12.5%	84 654
Vote 6 - Infrastructure		176 604	193 899	193 899	48 266	114 949	96 545	17 999	18.6%	193 899
Vote 7 - Internal Audit		4 564	4 984	4 984	269	1 957	2 492	(535)	-21.5%	4 984
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>561 751</b>	<b>594 624</b>	<b>594 624</b>	<b>79 569</b>	<b>280 872</b>	<b>297 312</b>	<b>(16 440)</b>	<b>-5.5%</b>	<b>594 624</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>74 256</b>	<b>82 476</b>	<b>99 862</b>	<b>56 074</b>	<b>174 214</b>	<b>49 141</b>	<b>125 073</b>	<b>254.5%</b>	<b>99 862</b>

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) - M06– December**

EG441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - December

Description	Ref	2024/25		Budget Year 2025/26			YTD variance	YTD variance %	Full Year Forecast
		Approved Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual			
<b>R thousands</b>									
<b>Revenue</b>									
Exchange Revenue									
Service charges - Electricity	77 914	91 308	91 308	8 097	47 972	45 654	2 318	5%	91 308
Service charges - Water									
Service charges - Waste Water Management	11 793	15 525	15 525	954	5 968	7 762	(1 794)	-12%	15 525
Service charges - Waste management	27 190	26 470	26 470	156	19 991	12 235	6 656	50%	26 470
Sale of Goods and Rendering of Services	1 539	1 800	1 800	101	841	900	(59)	-7%	1 800
Agency services									
Interest	1 536	2 200	2 200	196	1 075	1 100	(25)	-2%	2 200
Interest earned from Receivables	15 315	26 813	26 813	2 154	10 177	14 406	(4 229)	-29%	26 813
Interest from Current and Non Current Assets									
Dividends									
Rent on Land	303								
Rent on Fixed Assets	1 317	2 220	2 220	97	979	1 110	(131)	-12%	2 220
License and permits	2 470	4 434	4 434	70	1 070	2 217	(1 137)	-61%	4 434
Special Rating Levies									
Operational Revenue	515	905	905	0	4	453	(449)	-99%	905
Non-Exchange Revenue									
Property rates	56 350	61 937	61 937	2 219	49 175	30 966	18 207	59%	61 937
Surcharges and Taxes	2 127	3 043	3 043	253	805	1 524	(719)	-47%	3 043
Fines, penalties and forfeits	31	25	25		(7)	12	(13)	-100%	25
License and permits	330 510	331 654	331 654	104 555	247 442	156 827	81 615	49%	331 654
Transfers and subsidies - Operational	23 254	24 270	24 270	1 714	9 247	12 135	(2 888)	-24%	24 270
Interest									
Fuel Levy									
Operational Revenue	1 120								
Gains on disposal of Assets	28								
Other Gains									
Discontinued Operations									
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>553 466</b>	<b>594 810</b>	<b>594 810</b>	<b>129 608</b>	<b>394 654</b>	<b>297 385</b>	<b>33%</b>	<b>594 810</b>
<b>Expenditure By Type</b>									
Employee related costs	162 964	196 701	196 701	15 080	88 067	93 350	(5 283)	-6%	196 701
Remuneration of councillors	24 244	24 866	24 866	1 537	11 637	12 333	(696)	-6%	24 866
Bulk purchases - electricity	87 457	96 000	96 000	6 916	48 020	49 000	(980)	-2%	96 000
Inventory consumed	5 212	7 533	7 533	1 570	2 737	3 516	(779)	-22%	7 533
Debt repayment									
Depreciation and amortisation	62 615	22 322	22 322	32 626	32 626	11 161	21 465	192%	22 322
Interest	3 829								
Contracted services	136 140	170 618	170 618	17 718	72 718	85 309	(12 591)	-15%	170 618
Transfers and subsidies									
Irrecoverable debts written off	12 447	6 500	6 500			3 250	(3 250)	-100%	6 500
Operational costs	62 519	78 784	78 784	3 523	25 047	36 392	(14 345)	-36%	78 784
Losses on Disposal of Assets	1 065								
Other losses	27								
<b>Total Expenditure</b>		<b>561 751</b>	<b>594 624</b>	<b>594 624</b>	<b>79 569</b>	<b>280 872</b>	<b>(297 312)</b>	<b>-49%</b>	<b>594 624</b>
Surplus/(Deficit)	(8 285)	(14)	(14)	41 038	113 782	(7)	113 789	-1642 402%	(14)
Transfers and subsidies - capital (monetary allocations)	82 541	82 490	99 876	15 036	60 432	46 148	11 284	23%	99 876
Transfers and subsidies - capital (in-kind)									
Surplus/(Deficit) after capital transfers & contributions	74 256	82 476	99 862	56 074	174 214	46 141			99 862
Income Tax									
Surplus/(Deficit) after income tax	74 256	82 476	99 862	56 074	174 214	46 141			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	56 074	174 214	46 141			99 862
Share of Surplus/Deficit attributable to Associate									
Intercompany-Parent subsidiary transactions									
Surplus/(Deficit) for the year	74 256	82 476	99 862	56 074	174 214	46 141			99 862

The total annual approved operational revenue budget was **R 594 609 785**. The municipality has revenue **R 120,607,555** for the month, representing **20%** of the approved budget. This performance exceeds the expected monthly target, primarily due to the receipt of the second tranche of the equitable share, which resulted in increased operational transfers and subsidies.

The municipality incurred expenditure of **R 79,569,071** against the approved budget allocation of **R 594,623,647**, incurring **13%** expenditure for the month budget, this level of expenditure is higher than the expected performance for the month, primarily due to the depreciation for six months accounted for in the month of December. Expenditure incurred to date is **47%** of the approved operating expenditure budget.

The total approved capital revenue budget was **R 82,489,950** and this has been adjusted to an adjustments budget of **R 99,875,617**. The municipality has recognised revenue of **R 15,035,651** for the month, this represents **15%** of the approved capital revenue budget, this is above the expected performance for the month. This is due to more MIG projects being recognised for the month. The revenue to date is **61%** of the approved capital revenue budget.

### **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 2,170,742** against approved budget of **R 61,936,752** this represents **4%** of the received revenue by source, which is less than anticipated for the month, the income received from property rates amounted to **R 2,218,944** which includes outstanding debt collected, and it represents **102%** 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 9,090,902** against the approved budget of **R 106,833,628**. This represents **9%** and this is more than expected performance for the month when measured against the monthly projection due to increase in electricity sales & service charges for the month. Total YTD revenue is **50%** of the revenue budget.

### **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 100,899**. This represents **6%** and is less than expected performance for the month due to less revenue recognised on the 5% admin handling fees for human settlements projects. Total YTD revenue is **47%**.

**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 96,893** has been recognised, this represent **4%** which is less than the expected performance for the month due to improve billing classification Items previously recorded as sundry services now are correctly allocated to specific revenue lines. Total YTD revenue is **44%** of the revenue budget for this revenue source.

**Interest earned on Investments.**

The total approved budget Interest on investments is **R 28,812,996** and the interest received for the month of December 2025 is **R 2,153,824** which represent **7%** this is less than expected performance for the month due to less investments made reducing our investment revenue, hence the variance. Total YTD revenue is **35%** of the revenue budget for this revenue source.

**Interest on Outstanding Debtors**

Interest on non-payment of electricity has been raised monthly which amounts to **R 1,909,849** 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 revenue under interest on electricity receivables due to billed electricity payments made on time. This result to decreased in interest. Total YTD revenue is **39%** of the revenue budget for this revenue source.

**Fines, penalties and Forfeits**

Revenue from fines, penalties and forfeits has an approved budget of **R 3,048,000**. The revenue from traffic fines issued is **R 253,299** it represents almost **8%** this is within the expected performance for the month. Total YTD revenue is **26%** of the revenue budget for this revenue source.

**Licences and permits.**

The total approved budget for licences and permits is **R 4,459,108** for budget year. Revenue recognised from licenses and permits amounts to **R 72,530** and represents **2%** of the total revenue budget for this category. This is less than expected performance for the month due to a decrease in motor vehicle registration applications for the month under review. Total YTD revenue is **24%** of the revenue budget for this revenue source.

### **Transfers and Subsidies-Operational**

Total approved budget on transfers and subsidies is **R 331,654,050**, and the transfers recognised amounts to **R 104,554,589** for the month ended 31 December 2025. The recognised transfers represent **28%** of the approved allocation, this is more than the expected performance for the month due to equitable share trench received in the month under review. Total YTD revenue is **32%** of the revenue budget for this revenue source.

### **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**. Revenue of **R15,035,651** was recognised for the month, representing **15%** of the total budget. This performance exceeds the expected level for the month, mainly due to a higher recognition of Municipal Infrastructure Grant (MIG) revenue. Total YTD revenue is **61%** the revenue budget for this revenue source.

### **Other Revenue**

Other revenue amounted to **R155,823** for the month ended 31 December 2025, when measured against the approved budget allocation of **R 27,375,252** this represents **1%** which is less than the expected performance for the month. This is due to no revenue recognised under INEP Projects, jobbing and merchandising and insurance refund. Total YTD revenue is **73%** of the revenue budget for this revenue source.

### **Operating Expenditure by type**

#### **Employee related costs/Remuneration of Councillors**

Salary costs incurred – the Municipality incurred **R 17,216,928** salary costs at the end of December 2025 against the approved budget of **R 211,366,456**, incurring **8%** expenditure for the month and this is within the expected performance as reflected in the table below. Total YTD Expenditure is **47%** of the revenue budget for this revenue source.

Description	Total Budget	December Actuals	Total Actual
<b>Employee Related Cost</b>	<b>186,700,555.00</b>	<b>15,280,308.50</b>	<b>88,087,436.14</b>
Municipal Staff	178,157,163.00	14,716,172.90	85,045,857.32
Senior Management	8,543,392.00	564,135.60	3,041,578.82
<b>Remuneration of Councillors</b>	<b>24,665,901.00</b>	<b>1,936,619.23</b>	<b>11,636,608.42</b>
Chief Whip	816,891.00	64,647.83	357,521.56
Executive Committee/Mayoral Com	5,655,601.00	382,930.58	2,176,813.08
Executive Mayor/Mayor	1,072,684.00	84,891.17	793,937.74
Section 79 committee chairperson	801,471.00	145,537.32	693,147.78
Speaker	868,047.00	68,696.42	412,178.52
Total for All Other Councillors	15,451,207.00	1,189,915.91	7,203,009.74
<b>Grand Total</b>	<b>211,366,456.00</b>	<b>17,216,927.73</b>	<b>99,724,044.56</b>

### **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**

Expenditure relating to depreciation amounts to **R 32,625,658** for the month ended 31 December 2025 against budget of **R 22,321,875**, which reflects performance of **146%**. This is above expected performance for the month due to accounting for all depreciation relating to six months in the month of December.

### **Finance charges.**

No interest expenditure has been incurred in December.

### **Bulk Purchases**

Total approved budget on bulk electricity purchases is **R 98,000,000** expenditure for the month is **R 6,915,818** this represents **7%** and this is less than the expected value for the month due to lower seasonal electricity usage. Total YTD expenditure is **49%** of the expenditure budget for this expenditure source.

### Other material

Total approved budget on other material is **R 7,032,600**. Expenditure for month amounts to **R 1,569,946** and represents **22%**. This is more -than-anticipated due to more requests on finished goods under infrastructure 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. Total YTD expenditure is **39%** of the expenditure budget for this expenditure source.

### Contracted services

Total approved budget on contracted services is **R 170,618,329**. The spending for the month amounted to **R 17,717,961** which represents **10%** of the budgeted amount. This is more than expected performance for the month. The is due to payments made under electrification project (Motsekua village) and music festival. Total YTD expenditure is **43%** of the expenditure budget for this expenditure source.

### 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 3,522,760.55** for the month; this represents **4%** of the budget. This is less than the expected performance due to slow and none spending in the following budgeted expenditure items protective clothing, insurance premium provisions, Audit fees and workmen's compensation. Total YTD expenditure is **32%** of the expenditure budget for this expenditure source.

**1.5 Table C5 Monthly Budget Statement- Capital Expenditure (municipal vote function classification and funding) - M06– December**

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 - December

Vote Description	Ref	2024/25		Budget Year 2025/26				Variance %	Variance R	
		Original	Revised	Monthly actual	YearTD actual	YearTD budget	YearTD %			
<b>R thousands</b>										
<b>Multi-Year expenditure appropriation</b>	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 -		--	--	--	--	--	--	--	--	
<b>Total Capital Multi-year expenditure</b>	1.7									
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive Council		53	--	--	--	--	--	--	--	
Vote 2 - Finance and Admin		2 196	4 397	4 397	139	2 198	(2 060)	-94%	4 397	
Vote 3 - Corporate		1 885	3 240	3 240	48	1 817	(1 423)	-68%	3 240	
Vote 4 - Development and Planning		4 124	18 855	18 855	--	2 297	(9 428)	-75%	18 855	
Vote 5 - Community		8 233	8 200	8 200	--	787	(4 300)	-80%	8 200	
Vote 6 - Infrastructure		115 336	128 873	146 259	17 063	74 921	(2 339)	4%	146 259	
Vote 7 - Internal Audit		--	--	--	--	--	--	--	--	
Vote 8 -		--	--	--	--	--	--	--	--	
Vote 9 -		--	--	--	--	--	--	--	--	
Vote 10 -		--	--	--	--	--	--	--	--	
Vote 11 -		--	--	--	--	--	--	--	--	
Vote 12 -		--	--	--	--	--	--	--	--	
Vote 13 -		--	--	--	--	--	--	--	--	
Vote 14 -		--	--	--	--	--	--	--	--	
Vote 15 -		--	--	--	--	--	--	--	--	
<b>Total Capital single year expenditure</b>	4	132 721	163 365	180 751	17 131	78 655	(89 585)	-12%	180 751	
<b>Total Capital Expenditure</b>		132 721	163 365	180 751	17 131	78 655	(89 585)	-12%	180 751	
<b>Capital Expenditure - Functional Classification</b>										
<b>Government and administration</b>		3 933	7 637	7 637	48	656	(3 162)	-83%	7 637	
Executive and council		53	--	--	--	--	--	--	--	
Finance and administration		3 880	7 637	7 637	48	656	(3 162)	-83%	7 637	
Internal audit		--	--	--	--	--	--	--	--	
Community and public safety		4 849	5 158	5 158	--	680	(2 575)	-74%	5 158	
Community and social services		832	2 350	2 350	--	680	(1 175)	-42%	2 350	
Sport and recreation		--	--	--	--	--	--	--	--	
Public safety		4 017	2 800	2 800	--	1 400	(1 400)	-100%	2 800	
Housing		--	--	--	--	--	--	--	--	
Health		--	--	--	--	--	--	--	--	
<b>Economic and environmental services</b>		109 385	133 306	150 694	17 063	66 885	(7 752)	-10%	150 694	
Planning and development		4 124	18 855	18 855	--	2 297	(9 428)	-76%	18 855	
Road transport		105 251	114 653	131 839	17 063	64 516	(6 129)	-1%	131 839	
Environmental protection		--	--	--	--	--	--	--	--	
Trading services		14 536	17 278	17 278	--	10 513	(6 436)	22%	17 278	
Energy services		10 069	14 425	14 425	--	10 406	(7 210)	44%	14 425	
Water management		--	--	--	--	--	--	--	--	
Waste water management		--	--	--	--	--	--	--	--	
Waste management		2 485	2 850	2 850	--	107	(1 425)	-92%	2 850	
Other		--	--	--	--	--	--	--	--	
<b>Total Capital Expenditure - Functional Classification</b>	3	132 721	163 365	180 751	17 131	78 655	(89 585)	-12%	180 751	
<b>Funded by:</b>										
National Government		99 645	82 190	99 676	13 135	52 851	(46 996)	2 854	8%	99 676
Provincial Government		625	300	300	--	253	(150)	113	75%	300
District Municipality		--	--	--	--	--	--	--	--	
Transfers and subsidies - capital (monthly allocations) (Nat. Prov. Depart. Agencies)		--	--	--	--	--	--	--	--	
Transfers recognised - capital		78 274	82 490	99 676	13 135	52 115	(49 146)	3 967	8%	99 676
Borrowing	6	--	--	--	--	--	--	--	--	
Internally generated funds		62 446	80 875	80 875	3 891	25 542	(40 436)	(14 954)	-37%	80 875
<b>Total Capital Funding</b>		132 721	163 365	180 751	17 131	78 655	(89 585)	(10 938)	-12%	180 751

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 17,131,328** this represents **9%** of the approved capital expenditure budget, this is above the expected performance. The projects that spend above the average are MIG related, Cedarville internal streets more work was done this month. The total Expenditure to date is **44%** of the revenue budget for this revenue source.

### 3.1.6 C6 Monthly Budget Statement –Financial Position - M06 – December

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M06 - December

Description	Ref	Budget Year 2025/26				Full Year Forecast
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Year TO actual	
<b>R thousands</b>						
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		269 900	230 836	230 836	335 419	230 836
Trade and other receivables from exchange transactions		(47 211)	54 254	54 254	(38 760)	54 254
Receivables from non-exchange transactions		158 812	125 528	125 528	193 933	125 528
Current portion of non-current receivables		-	-	-	-	-
Inventory		3 832	3 784	3 784	3 560	3 784
VAT		24 677	10 438	10 438	23 631	10 438
Other current assets		5 866	5 400	5 400	5 866	5 400
<b>Total current assets</b>		<b>415 875</b>	<b>430 240</b>	<b>430 240</b>	<b>522 649</b>	<b>430 240</b>
<b>Non current assets</b>						
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	1 140 817	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		-	-	-	-	-
<b>Total non current assets</b>		<b>1 101 668</b>	<b>1 275 562</b>	<b>1 292 947</b>	<b>1 147 697</b>	<b>1 292 947</b>
<b>TOTAL ASSETS</b>		<b>1 517 543</b>	<b>1 705 802</b>	<b>1 723 187</b>	<b>1 670 346</b>	<b>1 723 187</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
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	42 056	65 900
Trade and other payables from non-exchange transactions		20 461	29 800	29 800	24 879	29 800
Provision		24 184	43 950	43 950	24 184	43 950
VAT		61 434	61 810	61 810	62 475	61 810
Other current liabilities		-	-	-	-	-
<b>Total current liabilities</b>		<b>176 837</b>	<b>201 988</b>	<b>201 988</b>	<b>155 427</b>	<b>201 988</b>
<b>Non current liabilities</b>						
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	-
<b>Total non current liabilities</b>		<b>43 933</b>	<b>22 501</b>	<b>22 501</b>	<b>43 933</b>	<b>22 501</b>
<b>TOTAL LIABILITIES</b>		<b>220 770</b>	<b>224 489</b>	<b>224 489</b>	<b>199 360</b>	<b>224 489</b>
<b>NET ASSETS</b>	2	<b>1 296 773</b>	<b>1 481 313</b>	<b>1 498 698</b>	<b>1 470 986</b>	<b>1 498 699</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		912 403	1 400 438	1 417 824	1 086 617	1 417 824
Reserves and funds		384 370	80 875	80 875	384 370	80 875
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1 296 773</b>	<b>1 481 313</b>	<b>1 498 698</b>	<b>1 470 986</b>	<b>1 498 699</b>

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 December 2025. Total assets are **R 1,670,346** over the total liabilities of **R 199,360** this is therefore means the municipality is still able to meet its financial obligations.

### 3.1.7 C7 Monthly Budget Statement –Cash Flow - M06 – December

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M06 - December

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		67 797	52 646	52 646	1 754	22 392	26 323	(3 931)	-15%	52 646
Service charges		96 392	90 809	90 809	8 644	55 319	45 404	9 914	22%	90 809
Other revenue		22 800	84 321	84 321	1 893	30 902	42 160	(11 259)	-27%	84 321
Transfers and Subsidies - Operational		338 711	331 654	331 654	106 454	246 939	165 827	81 112	49%	331 654
Transfers and Subsidies - Capital		179 429	82 490	99 876	27 715	107 149	49 148	58 002	118%	99 876
Interest		24 647	55 283	55 283	2 186	10 874	27 641	(16 767)	-61%	55 283
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(291 732)	(565 802)	(565 802)	(29 607)	(157 250)	(282 901)	125 651	-44%	(565 802)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>438 045</b>	<b>131 401</b>	<b>148 786</b>	<b>119 039</b>	<b>316 325</b>	<b>73 603</b>	<b>(242 722)</b>	<b>-330%</b>	<b>148 786</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		(130 245)	(163 385)	(180 751)	(17 090)	(84 281)	(89 585)	5 304	-6%	(180 751)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(130 245)</b>	<b>(163 385)</b>	<b>(180 751)</b>	<b>(17 090)</b>	<b>(84 281)</b>	<b>(89 585)</b>	<b>(5 304)</b>	<b>0%</b>	<b>(180 751)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short-term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/ refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>568 201</b>	<b>(31 084)</b>	<b>(31 964)</b>	<b>101 948</b>	<b>232 045</b>	<b>(15 982)</b>			<b>(31 964)</b>
Cash/cash equivalents at beginning:		258 145	262 801	262 801		269 900	262 801			269 900
Cash/cash equivalents at month/year end:		826 455	230 836	230 836		501 944	246 819			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 December 2025.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 - December												
Description	R7 Code	Budget Year 2025/26							Total	Total over 90 days	Actual Bal Debts written off against orders	Requires cor. Bud Debts i.e. Council Policy
		1-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-4 Yr				
<i>All thousands</i>												
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	5 728	2 148	1 730	1 952	3 415	1 842	1 203	2 924	20 781	11 138	-
Receivables from Non-exchange Transactions - Property Rates	1400	3 678	888	758	702	2 142	311 14	18	78 888	112 158	112 435	0
Receivables from Exchange Transactions - Waste Management	1500	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1800	885	540	470	455	428	418	375	30 835	34 400	32 901	1
Interest on Arrear De RM Accounts	1910	1 614	1 880	1 820	1 151	1 435	1 383	1 373	67 875	76 582	73 871	-
Receivables unauthorised, impaired, doubtful and doubtful expenditure	1920	-	-	-	-	-	-	-	-	-	-	-
Other	1990	234	87	80	208	1 871	85	78	40 480	43 048	42 841	155
<b>Total By Income Source</b>	<b>2000</b>	<b>10 727</b>	<b>6 844</b>	<b>6 827</b>	<b>4 928</b>	<b>6 281</b>	<b>96 488</b>	<b>3 042</b>	<b>220 883</b>	<b>294 998</b>	<b>273 628</b>	<b>81</b>
<b>283425 - write off</b>		<b>9 873</b>	<b>7 872</b>	<b>6 413</b>	<b>24 307</b>	<b>3 956</b>	<b>7 907</b>	<b>2 558</b>	<b>164 075</b>	<b>288 137</b>	<b>282 879</b>	<b>-</b>
<b>Debtors Age Analysis By Customer Group</b>												
Organic of Basic	2070	4 222	2 818	3 284	3 127	2 848	33 845	2 671	84 298	142 343	151 201	-
Commercial	2100	5 828	1 288	1 587	1 139	800	945	478	72 275	83 803	75 840	8
Household	2400	871	880	838	843	843	951	463	84 322	86 751	86 751	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-
<b>Total By Customer Group</b>	<b>2000</b>	<b>10 727</b>	<b>6 844</b>	<b>6 827</b>	<b>4 928</b>	<b>6 281</b>	<b>36 488</b>	<b>3 042</b>	<b>220 883</b>	<b>294 998</b>	<b>273 628</b>	<b>81</b>

The total debt book for December 2025 of **R 294,996,276** inclusive to **R 4,366,361** advance payments.

The total debt for December 2025 of **R 290,629,915** (including current of **R 6,613,019** which is not yet due) has decreased by **R 10,670,684** from the previous month closing balance of **R 286,572,250**

Debt is made up of the following:

- **Residential debt:**  
R 43,223,805
- **Commercial debt**  
R 34,700,384
- **Government debt**  
R 136,070,515
- **Other**  
R 130,268.79

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 96,818,131

- **Maluti**  
R 77,238,180 (including current)
- **Cedarville**  
R 19,579,951 (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 68,454,337

Business H/O R 3,279,115

Churches H/O R 121,238

Farms H/O R 4,650,391

**R 11,275,995** was collected for December 2025.

**SECTION 5 - CREDITORS' ANALYSIS**

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 - December

Description	NT Code	Budget Year 2025/26								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
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	8	-	-	-	-	-	-	-	8	915
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	8	-	-	-	-	-	-	-	8	915

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 December 2025.

## SECTION 6- INVESTMENT POTFOLIO ANALYSIS

### Conditional and Unconditional investment monitoring Information

Dec-25

#### Investment Management

Conditional Investments -Description	Opening Balance	Deposits	WITHDRAWALS	Interest Earned	Closing Balance
Municipal Infrastructure Grant	3,872,008.51	13,991,831.02	-10,303,541.71	-42,831.02	7,560,297.82
INEP	11,377,110.41	12,007.88	-10,266,723.04	-12007.88	1,122,395.25
EPWP	-			-	-
Disaster Management	14,227,344.47	10,236,868.20	-1,302,836.38	-100,468.95	23,161,376.29
Finance Management Grant	1,278.93	6.80		-6.80	1,285.73
Establishment Plan	241,668.22	1,026.27		-1,026.27	242,694.49
Housing Development Fund	2,467,689.49	10,793.60		-10,793.60	2,478,483.09
Dedea	749,537.99	3,285.64		-3,285.64	752,823.63
<b>Total unconditional investments</b>	<b>32,936,638</b>	<b>24,255,819</b>	<b>- 21,873,101</b>	<b>- 170,420</b>	<b>35,319,356</b>

Unconditional Investments -Description	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	181,844,582.18				181,844,582.18
Call ACC FNB Surplus Cash	6,805,395.80			-29,738.65	6,805,395.80
Nedbank 32 Days	8,650,597.25	50,955.60		-50,955.60	8,701,552.85
Nedbank	9,774,088.49	113,631,493.11	-47,950,495.28	-157,020.91	75,455,086.32
Nedbank Retention	13,170,502.54	60,282.16		-60,282.16	13,230,784.70
Termination Guarantee	144,640.82			-762.90	144,640.82
Account Gaurantee	6,202,000.00			32,709.30	6,202,000.00
<b>Total Conditional Investments</b>	<b>226,591,807</b>	<b>113,742,731</b>	<b>- 47,950,495</b>	<b>- 266,051</b>	<b>292,384,043</b>
<b>Total Investments</b>	<b>259,528,445</b>	<b>137,998,550</b>	<b>- 69,823,596</b>	<b>- 436,471</b>	<b>327,703,399</b>

The investment portfolio of the municipality as at 31 December 2025 is as follows :

As at 31 December 2025 the conditional investments amounted to **R 35,319,356** and unconditional investments amounted to **R 292,384,043**. Total investments as at 31 December 2025 amounted to **R 327,703,399**

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 December 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 31 December 2025

Description	December 2025
Nedbank Primary Account:	1,698,331,01
Standard bank Account:	6,003,220.12
FNB Money Market Account:	673,162.74
<b>Total Cash held as at 31 December 2025</b>	<b>8,374,713.87</b>

Unreconciled items for the month amount to **R 659,939.39** 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 8,374,713.87** and investment balance of **R 327,703,399** and the total cash book balance and investment is **R 336,078,112.87**

## SECTION 7 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

### 7.1 Supporting Table SC6 – M06 - December

Description	2025-2026 Medium Term Revenue & Expenditure Framework						
	R thousand	Approved Budget Year 2024/25	Adjustment Budget	Monthly actual	YearTD actual	YearTD budget	Performance %
<b>RECEIPTS:</b>							
<b>Operating Transfers and Grants</b>							
<b>National Government:</b>	<b>347,687</b>	<b>347,687</b>	<b>106,441</b>	<b>266,962</b>	<b>173,844</b>	<b>77%</b>	
Local Government Equitable Share	319,324	319,324	106,441	239,493	158,662	75%	
Expanded Public Works Programme Integrated Grant	2,980	2,980	-	2,086	1,490	70%	
Local Government Financial Management Grant	1,800	1,800	-	1,800	900	100%	
Integrated National Electrification Programme	20,549	20,549	-	20,549	10,275	100%	
Municipal Infrastructure Grant (MIG)	3,034	3,034	-	3,034	1,517	100%	
<b>Provincial Government:</b>	<b>2,616</b>	<b>2,616</b>	<b>-</b>	<b>2,644</b>	<b>1,308</b>	<b>101%</b>	
Capacity Building and Other : Library	950	950	-	978	475	103%	
DEDEAT	1,666	1,666	-	1,666	833	100%	
<b>Total Operating Transfers and Grants</b>	<b>350,303</b>	<b>350,303</b>	<b>106,441</b>	<b>269,606</b>	<b>175,152</b>	<b>77%</b>	
<b>Capital Transfers and Grants</b>	<b>82,490</b>	<b>99,876</b>	<b>24,103</b>	<b>62,665</b>	<b>49,938</b>	<b>63%</b>	
Municipal Infrastructure Grant (MIG)	57,647	57,647	13,949	44,849	28,823	78%	
Disaster Response Grant	24,543	41,929	10,154	17,516	20,964	42%	
Capacity Building and Other : Library	300	300	-	300	150	100%	
<b>Total Capital Transfers and Grants</b>	<b>82,490</b>	<b>99,876</b>	<b>24,103</b>	<b>62,665</b>	<b>49,938</b>	<b>63%</b>	
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>432,793</b>	<b>450,179</b>	<b>130,544</b>	<b>332,271</b>	<b>225,089</b>	<b>74%</b>	

The Municipality has received the conditional grant and unconditional grants allocations amounting to **R 130,5** Million for both operational and capital grants.

## 7.2 Supporting Table SC7 - M06 – December

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 - December

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>EXPENDITURE</b>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		8 282	7 814	7 814	(2 125)	6 246	3 907	2 339	59.9%	7 814
Expanded Public Works Programme Integrated Grant		3 858	2 900	2 990	(2 471)	3 907	1 400	2 497	167.6%	2 900
Municipal Disaster Relief Grant		1 631	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		1 700	1 000	1 000	35	620	900	(280)	-31.1%	1 000
Municipal Infrastructure Grant		1 871	3 834	3 834	310	1 639	1 517	122	8.1%	3 834
Provincial Government:		3 560	4 516	4 516	239	1 703	2 250	(555)	-24.6%	4 516
Specify (Add grant description)		466	2 850	2 850	27	245	1 425	(1 180)	-52.8%	2 850
Specify (Add grant description)		3 095	1 666	1 666	212	1 458	833	625	75.1%	1 666
District Municipality:		150	-	-	-	-	-	-	-	-
Specify (Add grant description)		150	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>		<b>11 992</b>	<b>12 330</b>	<b>12 330</b>	<b>(1 886)</b>	<b>7 949</b>	<b>6 165</b>	<b>1 784</b>	<b>28.9%</b>	<b>12 330</b>
<u>Capital Transfers and Grants</u>										
National Government:		80 137	82 190	99 576	15 036	60 169	48 998	11 171	22.8%	99 576
Municipal Disaster Relief Grant		6 604	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		56 513	57 647	57 647	13 324	45 104	28 823	16 281	56.5%	57 647
Municipal Disaster Recovery Grant		17 020	24 543	41 929	1 712	15 064	20 174	(5 110)	-25.3%	41 929
Provincial Government:		681	300	300	3 769	(287)	150	(437)	-291.3%	300
Specify (Add grant description)		-	300	300	-	-	150	(150)	-100.0%	300
Specify (Add grant description)		(29)	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	3 769	(558)	-	(550)	#DIV/0!	-
Specify (Add grant description)		629	-	-	-	263	-	263	#DIV/0!	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>		<b>80 738</b>	<b>82 490</b>	<b>99 876</b>	<b>18 805</b>	<b>59 882</b>	<b>49 148</b>	<b>10 734</b>	<b>21.8%</b>	<b>99 876</b>
<b>TOTAL EXPENDITURE OF TRANSFERS &amp; GRANTS</b>		<b>92 730</b>	<b>94 820</b>	<b>112 206</b>	<b>16 918</b>	<b>67 831</b>	<b>55 313</b>	<b>12 518</b>	<b>22.6%</b>	<b>112 206</b>

The municipality has expenditure of R 16,918,000 for both total operating and capital transfers grants

**SECTIONS 8**

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

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 - December

Summary of Employee and Councilor remuneration	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		15 457	13 855	13 855	1 096	6 576	6 927	(352)	-5%	13 855
Pension and UIF Contributions		920	958	958	74	445	473	(34)	-7%	958
Medical Aid Contributions		537	91	91	7	88	45	43	84%	91
Motor Vehicle Allowance		15	2 178	2 178	166	681	1 009	(407)	-37%	2 178
Cellphone Allowance		2 561	2 673	2 673	212	1 269	1 336	(67)	-5%	2 673
Housing Allowances		4 734	4 912	4 912	382	2 577	2 456	122	5%	4 912
Other benefits and allowances		-	-	-	-	-	-	-	-	-
<b>Sub Total - Councillors</b>		<b>24 244</b>	<b>24 666</b>	<b>24 666</b>	<b>1 937</b>	<b>11 637</b>	<b>12 333</b>	<b>(696)</b>	<b>-6%</b>	<b>24 666</b>
<b>% increase</b>	4		<b>1.7%</b>	<b>1.7%</b>						<b>1.7%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		1 636	2 762	2 762	157	1 017	1 391	(374)	-27%	2 762
Pension and UIF Contributions		124	489	489	22	126	245	(118)	-48%	489
Medical Aid Contributions		98	343	343	22	122	172	(50)	-29%	343
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		15	580	580	-	7	290	(283)	-97%	580
Motor Vehicle Allowance		1 174	2 905	2 905	255	1 195	1 452	(257)	-18%	2 905
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		754	904	904	73	394	452	(58)	-13%	904
Other benefits and allowances		0	1	1	0	0	0	(0)	-45%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		202	540	540	34	180	270	(90)	-33%	540
Aging and post-retired allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>4 604</b>	<b>8 543</b>	<b>8 543</b>	<b>561</b>	<b>3 642</b>	<b>4 272</b>	<b>(1 238)</b>	<b>-29%</b>	<b>8 543</b>
<b>% increase</b>	4		<b>85.6%</b>	<b>85.6%</b>						<b>85.6%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		109 136	124 147	124 147	10 334	58 724	62 073	(3 349)	-5%	124 147
Pension and UIF Contributions		16 493	21 360	21 360	1 593	9 455	10 680	(1 225)	-11%	21 360
Medical Aid Contributions		6 512	8 001	8 001	560	3 383	4 000	(617)	-15%	8 001
Overtime		4 279	3 980	3 980	317	1 722	1 990	(268)	-13%	3 980
Performance Bonus		10 412	9 305	9 305	795	5 222	4 653	569	12%	9 305
Motor Vehicle Allowance		6 808	7 050	7 050	475	3 094	3 530	(437)	-12%	7 050
Cellphone Allowance		6	6	6	1	3	3	(0)	-7%	6
Housing Allowances		3 091	3 221	3 221	191	1 238	1 610	(372)	-23%	3 221
Other benefits and allowances		1 544	1 076	1 076	85	1 325	938	387	146%	1 076
Payments in lieu of leave		(1 159)	-	-	325	723	-	723	#DIV/0!	-
Long service awards		1 145	-	-	95	157	-	157	#DIV/0!	-
Post-retirement benefit obligations		84	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Aging and post-retired allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>158 361</b>	<b>178 157</b>	<b>178 157</b>	<b>14 716</b>	<b>85 846</b>	<b>89 079</b>	<b>(4 033)</b>	<b>-5%</b>	<b>178 157</b>
<b>% increase</b>	4		<b>12.5%</b>	<b>12.5%</b>						<b>12.5%</b>
<b>Total Parent Municipality</b>		<b>187 299</b>	<b>211 366</b>	<b>211 366</b>	<b>17 217</b>	<b>99 724</b>	<b>105 683</b>	<b>(5 959)</b>	<b>-6%</b>	<b>211 366</b>

**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 December 2025 amounted **R 17,216,928** of which the expenditure **R 1,936,619** relates to Remuneration of Councillors and **R 14,280,309** to Managers and staff, incurring **8%** expenditure for the month salary budget

allocation and this is within the expected performance for the month. Total YTD Expenditure is 47% the revenue budget for this expenditure type.

### 8.1 Performance Indicators

EC441: Matatiele - Supporting Table SC2 Monthly Budget Statement - performance indicators - M06 - December

Description of financial indicator	Basis of calculation	Ref	2024-25		Budget Year 2025/26	
			Approved Performance	Original Budget	Revised Budget	YTD actual
<b>Accounting Management</b>						
Capital Charges to Operating Expenditure	Interest & principal paid/Generating Expenditure		6.7%	3.8%	3.8%	5.2%
Smoothed funding of both capital expenditure	Employment/Capital expenditure ex cl. transfers and grants		4.0%	0.0%	0.0%	1.0%
<b>Balances of Capital</b>						
Debt to Equity	Loans: Accounts Payable, Overhead & Tax Provision-Long Term Borrowing, Funds & Reserves		8.3%	5.5%	5.4%	5.8%
Debt to Equity	Loans: Accounts Payable, Overhead & Tax Provision-Long Term Borrowing, Funds & Reserves		8.3%	5.5%	5.4%	5.8%
<b>Liabilities</b>						
Current Ratio	Current assets/Current liabilities		235.2%	213.2%	213.0%	136.7%
Used to Ratio	Monetary Assets/Current Liabilities		132.0%	114.3%	114.3%	215.8%
<b>Revenue Management</b>						
Annual Debtors Collection Rate	Less 12 Mths Receivables/12 Mths Billing					
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		21.2%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >		8.9%	0.0%	0.0%	0.0%
<b>Creditors Management</b>						
Creditors System Efficiency	% of Creditors Paid Within Terms within 60 Days of Due					
Funding of Provisions	Unfunded Provisions/Total Provisions					
<b>Other Indicators</b>						
Electricity Consumption Losses	% Volume Units purchased and generated less units sold/Units purchased and generated	1				
Water Distribution Losses	% Volume Units purchased and sold/Units sold/Units purchased and sold	2				
Employee costs	Employee costs/Total Revenue + Capital Revenue		20.4%	31.4%	31.4%	22.3%
Repairs & Maintenance	EMAT/Total Revenue + Capital Revenue		3.1%	4.8%	4.8%	1.8%
Interest & Depreciation	IGD Total Revenue + Capital Revenue		12.2%	3.8%	3.8%	0.9%
<b>Self-regulation financial viability indicators</b>						
I. Debt coverage	Total Operating Revenue + Operating Grants/Total 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 operations					
<b>Notes:</b>						
1. Consumer debtors > 12 months: do not include from current assets						
2. Material amounts to be explained						
<b>Calculate Costs</b>						
<b>Financial Indicators</b>						
Total Assets			1 517 543	1 795 802	1 723 187	1 870 346
Employee related costs			162 064	186 701	186 781	88 087
Repairs & Maintenance			18 973	29 250	28 250	7 151
Interest/finance charges			3 829			28 250
Principals paid						
Depreciation			83 816	30 302	21 322	21 068
Operating expenditure			581 711	634 824	594 824	280 872
Total Capital Expenditure			132 721	183 385	182 751	17 131
Borrowed funding for capital						
Debt			107 345	55 700	65 700	84 864
Equity			1 298 773	1 481 313	1 498 892	1 498 892
Reserves and funds:						
Borrowing						
Current assets			415 815	430 240	430 241	622 619
Current liabilities			176 827	251 988	201 988	155 421
Monetary assets			280 900	230 838	232 852	335 419
Total Revenue (including grants, transfers and contributions)			557 465	584 810	584 810	394 854
Transfers and subsidies - Government			330 510			
Transfers and subsidies - capital (incl. ordinary allocation)			82 541	42 480	99 814	80 432
Debt service payments			24 947	55 283	55 283	90 876
Outstanding debtors receivable:						
Annual services revenue			148 048	184 770	188 770	17 310
Cash - invest. funds			280 900	210 838	232 451	335 419
Other operational essential (monthly)						
Longstanding debtors outstanding						
Longstanding debtors recovered						
Accounts receivable						

## Borrowing Management

The municipality does not have any loans.

## Liquidity

### 4.2 Liquidity Management

#### 4.2.1 Cash Coverage December 2025

Purpose/ Use of the Ratio

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

The Municipality as at end of December 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 31 December 2025:** R 552,646,000/ R 155,427,000 = 3.36:1

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 31 December 2025 is: R 3.36: 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 31 December 2025:**( R 552,646,000 – R 3,560,000) / R 147,675,000 = 3.33:1

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 CERTIFICATE

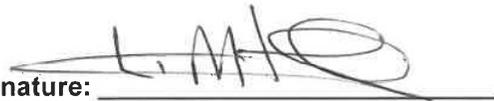
I, **Lizo Matiwane**, the Municipal Manager of Matatiele Local Municipality do hereby certify that-

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

Print Name: **Lizo Matiwane**

Municipal Manager of Matatiele Local Municipality

Signature: \_\_\_\_\_



Date: \_\_\_\_\_

12/01/2026