



MATATIELE
LOCAL MUNICIPALITY

**2025/2026
MONTHLY
SECTION 71
REPORT**

**MONTH ENDED
28 FEBRUARY 2026**

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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 situation 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 28 February 2026.
- 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 **R677,099,735**, which was adjusted to **R694,485,402** in the adjustments budget. It was further adjusted by **R30,892,000** resulting to a total adjusted revenue budget of **R725,377,402**. The municipality has recognised revenue of **R 20,968,159** for the month, representing **3%** revenue for the month. This performance is below the expected monthly performance, primarily due no receipt/recognition of grants revenue during the period. The total revenue received to date is **68%**.

Operating Expenditure by type

The approved total operating expenditure budget of **R594,623,647** was increased by **R678,000** resulting to a total adjusted operating expenditure budget of **R595,301,647**. For the month under review, the Municipality incurred expenditure of **R32,708,234**, representing approximately **5%** of the total adjusted operating expenditure budget. This level of spending is below the anticipated monthly target, primarily due to no spending in bad debt written off, workmen's compensation and less spending on Residential and Commercial Development, contracted outsourced safeguard and security management, Maluti Land tenure. Expenditure incurred to date stands at **60%** of the approved operating expenditure budget.

Capital Expenditure

The total approved capital budget amounted to **R180,750,617** this hand been increased by **R30,213,999** resulting to further adjusted capital budget of **R210,964,616**. For the month under review, the Municipality incurred capital expenditure of **R5,203,899**, representing approximately **2%** of the total adjusted capital budget. This performance is below the anticipated monthly spending target, primarily due to lower levels of expenditure on capital projects during the reporting period, last trenches of grants are expected in March which will result to an increase in spending. Capital expenditure incurred to date amounts to **42%** 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 28 February 2026 is **R 803,799** which represents **1%** of expenditure for the month ended (Vat exclusive). YTD expenditure is **70%** of the allocation.
- Disaster recovery grant was allocated a budget amount of **R 24,543,000** this was adjusted to an adjusted budget of **R 41,928,666**. This has been further increased by **R 30,214,000** to a total adjusted budget of **R 72,142,666**. The grant reflects **R 2,718,068** spending at the end of 28 February 2026 (Vat exclusive), this represents **4%**. YTD expenditure is **24%** of the allocation.
- The Library Capital Grant allocation of **R 300,000** was allocated. The grant reflects no spending at the end of 28 February 2026. (Vat exclusive), YTD expenditure represents **56%** of the allocation.
- Capital Replacement Reserves (CRR) for the financial year of **R 80,875,000** is allocated. The spending for the month is **1,776,232** which represent **2%** spending for the month. YTD expenditure represents **39%**.
- 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.

Function	Total Budget	February Actuals	Total Actual
Community and Social Services: Community Governance(3096)	213,000.00	-	162,500.00
Community Halls and Facilities:Public Amenities (3005)	2,137,000.00	(94,200.00)	423,798.73
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 (2015)	30,000.00	-	-
Finance and Administration: Council Support (2541)	490,000.00	-	382,163.28
Finance and Administration: Human Resources (2535)	150,000.00	-	135,186.16
Finance and Administration: SCM & Expenditure (2025)	2,660,000.00	-	52,173.91
Finance and Administration: Revenue and Debt Management (2020)	600,000.00	-	-
Finance:Budget & Treasury (2010)	480,000.00	-	58,845.77
Marketing; Customer Relations; Publicity and Media Co-ordination:communi	627,000.00	100,000.00	127,761.44
Planning and Development: LED (3520)	2,990,000.00	-	843,606.95
Planning and Development: Planning (3510)	4,360,000.00	-	219,217.50
Public Safety: Civil Defence (3074)	2,800,000.00	-	-
Road Transport: Project Operations & Mainnt(4010)	55,906,666.00	3,555,022.77	22,615,453.10
Roads:Project Management Unit	106,145,950.00	1,643,076.59	52,210,451.01
Town Planning; Building Regulations and Enforcement; and City Engineer:Hur	11,505,000.00	-	1,227,565.17
Grand Total	210,964,616.00	5,203,899.36	88,971,665.71

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	February 2026 status
Excavator	Procurement of the plant is facilitated by SCM
Harry Gwala Internal Streets	The project is under construction@80% complete
Construction of Cedarville Internal Streets Phase 4	The project is under construction@64% complete
Maluti Internal Streets Phase 5	The project is under construction@85% complete
Mahasheng Access Road & Bridge	Project is under defects liability period(retention stage)
Mafube-Nkosana Access Road & Bridge	The project is under construction@70% complete
Lekhalong via Magera-Outspan Access Road	Project is under defects liability period(retention stage)

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	February 2026 status
Electrification of Motsekua Village	569 connections have been completed and the expenditure is at 95%

Disaster Response Grant

Disaster Capital Project	February 2026 status
Mvenyane Access Road and Bridge Recovery	The project is under construction @ 32.5% complete
Lugada Mahlabathini AR Recovery	The project is under construction @ 75% complete
Tlakanelo Access Road & Bridge (MDRG)	Procurement of the plant is facilitated by SCM
Sifolweni Access Road (MDRG)	Procurement of the plant is facilitated by SCM
Motsing Access Road (MDRG)	Procurement of the plant is facilitated by SCM
Rholweni Access Road (MDRG)	Procurement of the plant is facilitated by SCM
Tsita-Pehong Access Road (MDRG)	Procurement of the plant is facilitated by SCM
Sekhutlong Access Road (MDRG)	Procurement of the plant is facilitated by SCM

Disaster Recovery Grant Rollover projects	February 2026 status
Mdeni Access Road and Bridge Recovery	Completion stage under defects liability period
Lugada to Mahlabathini and Bridge Recovery	The project is under construction @ 48% 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

<u>Capital Replacement Reserve Projects</u>	<u>February 2026 Status</u>
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 @ 80% complete
Nkululekweni Access Road	The project is under construction @ 65% complete
Maloto Access Road	The project is under construction @ 58% complete
Buxton Park Bridge	The project is under construction @ 90% complete
Harry Gwala Internal Streets CRR	The project is under construction and progress is 75 %
Phalane-Mbizweni Access Road	The project is under construction @ 80% complete
Motsekoa Access Road	The project is under construction @ 65% complete
Mapateng Access Road	The project is under construction @ 58% complete
Storm Water Drainage	The project is under construction @ 90% complete
Phalane-Mbizweni Access Road	The project is under construction @ 80% complete
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 February 2026

**TENDER CONTROL
FEBRUARY 2026**

SUMMARY: QUOTATIONS	Feb-26	TOTAL FEBRUARY 2026
DAY TO DAY QUOTATIONS	R1,265,771.77	R1,265,771.77
FORMAL QUOTATIONS	R 1 302 604,00	R 1 302 604,00
TOTAL QUOTATIONS	1,265,771.77	1,265,771.77

BIDDING PROCESS	Bids Awarded vs Capital Budget	Capital Spending Year-To-Date	Orders Issued
Bids awarded	407,500.00	-	2.00
Bids in the process	-	-	-
Bids behind schedule	-	-	-
Bids cancelled or removed from budget	-	-	-
Bids to be awarded	-	-	-

Total Summary values of Procurements,	Feb-26	TOTAL FEBRUARY 2026
Below R30 000 (SCM Orders) and travel & accommodation	R1,265,771.77	1,265,771.77
R30 001 – 300 000 (Procurement Process above R 30 000.00)	R 1 302 604,00	R 1 302 604,00
Procurement above R300 000 (Competitive bidding)	R0.00	R0.00
Section 32 /National treasury transversal contract	0	-
Deviations (Section 36)	R22,977.00	R22,977.00

BIDS AND QUOTATIONS INVITED	Feb-26	TOTAL FEBRUARY 2026

Invited Quotations	0	-
Invited Bids	0	-
Awarded Quotations	8	8
Awarded Bids	0	-

BIDS AWARDED			
AWARD DATE	DESCRIPTION	CONTRACTOR/CONSULTANT /SERVICE PROVIDER	AWARD AMOUNT

BIDS INVITED					
NUMBER	NAME OF THE PROJECT	ADVERT DATE	CLOSING DATE	VALIDITY PERIOD	STATUS
1	-	-	-	-	-

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 - M08 – February

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M08 - February

Description	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									
Financial Performance									
Property rates	56 360	61 937	61 937	1 776	53 171	41 291	11 879	29%	61 937
Service charges	89 707	106 834	106 834	8 231	71 428	71 222	205	0%	106 834
Investment revenue	15 316	28 813	28 813	1 379	13 149	19 209	(6 060)	-32%	28 813
Transfers and subsidies - Operational	330 510	331 654	332 332	2 287	249 142	221 238	27 904	13%	332 332
Other own revenue	61 572	65 372	65 372	3 264	39 599	43 582	(3 983)	-9%	65 372
Total Revenue (excluding capital transfers and contributions)	553 465	594 610	595 288	16 937	426 488	396 542	29 946	8%	595 288
Employee costs	162 964	186 701	186 701	14 192	117 267	124 467	(7 201)	-6%	186 701
Remuneration of Councilors	24 244	24 666	24 666	1 928	15 267	16 444	(1 177)	-7%	24 666
Depreciation and amortisation	63 816	22 322	22 322	-	32 626	14 881	17 744	119%	22 322
Interest	3 829	-	-	-	1 955	-	1 955	#DIV/0!	-
Inventory consumed and bulk purchases	92 699	105 033	105 463	6 911	64 455	70 108	(5 653)	-8%	105 463
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	214 199	255 903	256 151	9 677	124 237	170 651	(46 414)	-27%	256 151
Total Expenditure	561 751	594 624	595 302	32 708	355 806	396 551	(40 745)	-10%	595 302
Surplus/(Deficit)	(8 285)	(14)	(14)	(15 771)	70 682	(9)	70 692	-765260%	(14)
Transfers and subsidies - capital (monetary allocations)	82 541	82 490	130 090	4 031	66 897	72 100	(5 203)	-7%	130 090
Transfers and subsidies - capital (in-kind) contributions	-	-	-	-	-	-	-	-	-
	74 256	82 476	130 076	(11 740)	137 579	72 090	65 489	91%	130 076
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	74 256	82 476	130 076	(11 740)	137 579	72 090	65 489	91%	130 076
Capital expenditure & funds sources									
Capital expenditure	132 721	163 365	210 965	5 204	88 972	126 016	(37 045)	-29%	210 965
Capital transfers recognised	70 274	82 490	130 090	3 428	57 698	72 100	(14 402)	-20%	130 090
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	62 446	80 875	80 875	1 776	31 274	53 917	(22 643)	-42%	80 875
Total sources of capital funds	132 721	163 365	210 965	5 204	88 972	126 016	(37 045)	-29%	210 965
Financial position									
Total current assets	415 875	430 240	430 240	-	517 410	-	-	-	430 240
Total non current assets	1 101 668	1 275 562	1 323 161	-	1 158 014	-	-	-	1 323 161
Total current liabilities	176 837	201 988	201 988	-	197 139	-	-	-	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	1 528 913	-	1 434 352	-	-	-	1 528 913
Cash flows									
Net cash from (used) operating	438 045	131 401	179 000	41 416	345 729	104 707	(241 022)	-230%	179 000
Net cash from (used) investing	130 245	(163 365)	(210 965)	(5 006)	(94 075)	(126 016)	(31 942)	25%	(210 965)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	826 435	230 836	230 836	-	521 554	241 491	(280 063)	-116%	237 936
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	10 588	6 292	5 608	4 594	4 645	4 648	8 763	258 072	303 209
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) - M08 – February

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M08 - February

Description	Ref	Budget Year 2025/26								
		2024/25 Revised Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Estimate
R thousands	1									
Revenue - Functional										
Governance and administration		419 376	437 220	437 370	5 213	319 994	291 510	28 484	10%	437 370
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		418 776	437 220	437 370	5 213	319 994	291 510	28 484	10%	437 370
Internal audit		600	-	-	-	-	-	-	-	-
Community and public safety		12 147	17 474	17 502	2 053	9 256	11 655	(2 399)	-21%	17 502
Community and social services		6 076	8 646	8 674	1 518	5 793	5 770	23	0%	8 674
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 072	8 828	8 828	535	3 463	5 885	(2 422)	-41%	8 828
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		86 431	90 736	138 836	5 218	71 717	77 697	(5 980)	-8%	138 836
Planning and development		3 592	5 502	6 002	735	2 633	3 768	(1 135)	-30%	6 002
Road transport		82 839	85 234	132 834	4 484	69 085	73 929	(4 844)	-7%	132 834
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		118 053	131 670	131 670	8 484	92 418	87 780	4 638	5%	131 670
Energy sources		103 037	114 257	114 257	7 507	82 919	76 171	6 748	9%	114 257
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		15 015	17 413	17 413	977	9 498	11 608	(2 110)	-18%	17 413
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	636 007	677 100	725 377	20 968	493 385	468 642	24 743	5%	725 377
Expenditure - Functional										
Governance and administration		260 423	270 868	275 768	16 112	148 600	181 559	(32 958)	-18%	275 768
Executive and council		33 134	33 755	33 755	2 342	20 817	22 503	(1 687)	-7%	33 755
Finance and administration		222 724	232 129	237 144	13 411	125 082	155 756	(30 674)	-20%	237 144
Internal audit		4 564	4 984	4 869	359	2 702	3 299	(597)	-18%	4 869
Community and public safety		53 082	58 193	59 835	4 609	35 134	39 124	(3 990)	-10%	59 835
Community and social services		28 657	28 268	32 046	2 334	18 730	19 601	(871)	-4%	32 046
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		24 425	29 925	27 789	2 275	16 404	19 523	(3 119)	-16%	27 789
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		90 390	96 110	93 272	3 021	63 815	63 506	309	0%	93 272
Planning and development		47 955	45 203	47 400	1 191	20 894	30 574	(9 681)	-32%	47 400
Road transport		42 435	50 908	45 873	1 830	42 922	32 931	9 990	30%	45 873
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		157 855	169 452	166 427	8 967	108 256	112 363	(4 107)	-4%	166 427
Energy sources		134 169	142 991	141 301	7 158	93 581	94 989	(1 408)	-1%	141 301
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		23 686	26 461	25 126	1 809	14 675	17 374	(2 699)	-16%	25 126
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	561 751	594 624	595 302	32 708	355 806	396 551	(40 745)	-10%	595 302
Surplus (Deficit) for the year		74 256	82 476	130 076	(11 740)	137 579	72 090	65 489	91%	130 076

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 28 February 2026. 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 28 February 2026 is R 32, 708, 234 and revenue is R 20,968,159.

3.1.3 Table C3: Monthly Budget Statement –Financial Performance (revenue and expenditure by municipal vote) - M08– February

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 - February

Vote 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										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		418 368	436 870	437 020	5 013	319 715	291 277	28 438	9.8%	437 020
Vote 3 - Corporate		408	350	350	199	279	233	46	19.7%	350
Vote 4 - Development and Planning		3 592	5 502	6 002	735	2 633	3 768	(1 135)	-30.1%	6 002
Vote 5 - Community		27 163	34 887	34 915	3 030	18 755	23 263	(4 509)	-19.4%	34 915
Vote 6 - Infrastructure		185 877	199 491	247 091	11 991	152 004	150 100	1 904	1.3%	247 091
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	725 377	20 968	493 385	468 642	24 743	5.3%	725 377
Expenditure by Vote	1									
Vote 1 - Executive Council		33 134	33 755	33 755	2 342	20 817	22 503	(1 687)	-7.5%	33 755
Vote 2 - Finance and Admin		130 136	132 658	138 003	6 648	69 224	89 508	(20 284)	-22.7%	138 003
Vote 3 - Corporate		92 588	99 471	99 140	6 763	55 858	66 248	(10 390)	-15.7%	99 140
Vote 4 - Development and Planning		47 955	45 203	47 400	1 191	20 894	30 574	(9 681)	-31.7%	47 400
Vote 5 - Community		76 769	84 654	84 961	6 418	49 809	56 497	(6 688)	-11.8%	84 961
Vote 6 - Infrastructure		176 604	193 899	187 174	8 988	136 503	127 921	8 582	6.7%	187 174
Vote 7 - Internal Audit		4 564	4 984	4 869	359	2 702	3 299	(597)	-18.1%	4 869
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	595 302	32 708	355 806	396 551	(40 745)	-10.3%	595 302
Surplus/ (Deficit) for the year	2	74 256	82 476	130 076	(11 740)	137 579	72 090	65 489	90.8%	130 076

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) - M08– February

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 - February

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										
Revenue										
Exchange Revenue										
Service charges - Electricity		77 914	91 308	91 308	7 275	63 510	60 872	2 639	4%	91 308
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		11 793	15 526	15 526	956	7 917	10 351	(2 433)	-24%	15 526
Sale of Goods and Rendering of Services		27 190	26 470	26 470	399	20 406	17 647	2 759	16%	26 470
Agency services		1 539	1 800	1 800	192	1 059	1 200	(141)	-12%	1 800
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 636	2 200	2 200	232	1 532	1 467	65	4%	2 200
Interest from Current and Non Current Assets		15 316	28 813	28 813	1 379	13 149	19 209	(6 060)	-32%	28 813
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		303	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 317	2 220	2 220	175	1 274	1 480	(206)	-14%	2 220
Licence and permits		2 470	4 434	4 434	209	1 272	2 956	(1 685)	-57%	4 434
Special Rating Levies		-	-	-	-	-	-	-	-	-
Operational Revenue		518	905	905	195	199	603	(404)	-67%	905
Non-Exchange Revenue										
Property rates		56 360	61 937	61 937	1 776	53 171	41 291	11 879	29%	61 937
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 127	3 048	3 048	137	1 164	2 032	(868)	-43%	3 048
Licence and permits		31	25	25	-	(0)	17	(17)	-100%	25
Transfers and subsidies - Operational		330 510	331 654	332 332	2 287	249 142	221 238	27 904	13%	332 332
Interest		23 294	24 270	24 270	1 726	12 694	16 180	(3 486)	-22%	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)		553 485	594 610	595 288	16 937	426 488	396 542	29 946	8%	595 288
Expenditure By Type										
Employee related costs		162 964	186 701	186 701	14 192	117 267	124 467	(7 201)	-6%	186 701
Remuneration of councillors		24 244	24 666	24 666	1 928	15 267	16 444	(1 177)	-7%	24 666
Bulk purchases - electricity		87 487	98 000	98 000	6 340	60 948	65 333	(4 386)	-7%	98 000
Inventory consumed		5 212	7 033	7 463	571	3 507	4 774	(1 267)	-27%	7 463
Debt impairment		-	-	-	-	-	-	-	-	-
Depreciation and amortisation		63 816	22 322	22 322	-	32 626	14 881	17 744	119%	22 322
Interest		3 829	-	-	-	1 955	-	1 955	#DIV/0!	-
Contracted services		138 140	170 618	170 796	4 991	85 383	113 781	(28 398)	-25%	170 796
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		12 447	6 500	6 500	-	-	4 333	(4 333)	-100%	6 500
Operational costs		62 519	78 784	78 854	4 686	38 854	52 537	(13 683)	-26%	78 854
Losses on Disposal of Assets		1 065	-	-	-	-	-	-	-	-
Other Losses		27	-	-	-	-	-	-	-	-
Total Expenditure		561 751	594 624	595 302	32 708	355 806	396 551	(40 745)	-10%	595 302
Surplus/(Deficit)		(8 285)	(14)	(14)	(15 771)	70 682	(9)	70 692	-765280%	(14)
Transfers and subsidies - capital (monetary allocations)		82 541	82 490	130 090	4 031	66 897	72 100	(5 203)	-7%	130 090
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		74 256	82 476	130 076	(11 740)	137 579	72 090			130 076
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		74 256	82 476	130 076	(11 740)	137 579	72 090			130 076
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		74 256	82 476	130 076	(11 740)	137 579	72 090			130 076
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus (Deficit) for the year		74 256	82 476	130 076	(11 740)	137 579	72 090			130 076

The total annual approved operating revenue budget amounted to **R594,623,647**. During the adjustments budget, the budget was increased by **R678,000**, resulting in an adjusted operating revenue budget of **R595,301,647**. The municipality has revenue **R 16,936,938** for the month,

representing **3%** of the approved budget. This performance is below the expected monthly target, primarily due no receipt/recognition of operating grants in month under review. Revenue received to date is **72%** of the approved revenue budget.

The approved total operating expenditure budget of **R594,623,647** was adjusted by **R678,000** during the adjustments budget process, resulting in an adjusted operating expenditure budget of **R595,301,647**. During the month under review, the Municipality incurred operating expenditure of **R32,708,234**, representing approximately **5%** of the total adjusted operating expenditure budget . This level of spending is below the anticipated monthly target. Performance for the month was lower than expected, primarily due to no /slow spending in bad debt written off, Residential and Commercial Development, contracted outsourced safeguard and security management, Maluti Land tenure. Expenditure incurred to date stands at **60%** of the approved operating expenditure budget.

The total approved capital revenue budget amounted to **R82,489,950** and this was adjusted to an adjustments budget of **R99,875,617**. This has been increased further by **R30,213,900**, resulting in an adjusted capital revenue budget of **R130,089,617**. The municipality has recognised revenue of **R4,031,221** for the month, this represents **3%** of the approved capital revenue budget, this is below the expected performance for the month. this is due to less capital projects being recognised for the month. The revenue to date is **51%** 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 **R1,776,288** to against approved budget of **R 61,936,752** this represents **3%** of the received revenue by source, which is less than anticipated for the month, the income received from property rates amounted to **R 1,476,832** which includes outstanding debt collected, and it represents **120%** 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 8,230,667** 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. Total YTD revenue is **67%** 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 **R191,839**. This represents **11%** and is more than expected performance for the month due to more revenue collected on this category. Total YTD revenue is **59%**.

Rental of Facilities and equipment

Rental of facilities and equipment approved budget is **R 2,220,000**. The revenue for the month amounted to **175,373** has been recognised, this represent **8%** which is within the expected performance for the month. Total YTD revenue is **57%** 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 February 2026 is **1,379,362.28** which represent **5%** this is less than expected performance for the month due to less investments made reducing our interest on investment revenue, hence the variance. Total YTD revenue is **46%** 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 **1,957,273** has been posted on the interest on arrears for refuse services with the approved budget allocation of **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 **54%** 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 **136,999** it represents almost **4%** this is less than expected performance for the month due to less fine penalties and forfeits on the month under review. Total YTD revenue is **38%** 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 **R208,823** and represents almost **5%** 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 **29%** of the revenue budget for this revenue source.

Transfers and Subsidies-Operational

Total approved budget on transfers and subsidies is **R 331,654,050** has been increased by **R678,000** to an adjusted budget of **R332,332,050**, and the transfers recognised amounts to **2,286,764** for the month ended 28 February 2026. The recognised transfers represent **1%** of the approved allocation, this is less than the expected performance for the month, there was no tranche due this month . Total YTD revenue is **75%** 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** it has been further adjusted by **R30,214,000** to an adjusted budget of **R130,089,617**. Revenue of **R4,031,221** was recognised for the month, representing **3%** of the total budget. This performance is below the expected level for the month, mainly due to less recognition in conditional grants revenue as most Grants tranches are to be received in March. Total YTD revenue is **51%** the revenue budget for this revenue source.

Other Revenue

Other revenue amounted to **R593,549** for the month ended 28 February 2026, when measured against the approved budget allocation of **R 27,375,252** this represents almost **2%** 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 **75%** of the revenue budget for this revenue source.

Operating Expenditure by type

Employee related costs/Remuneration of Councillors

Salary costs incurred – the Municipality incurred **16,120,247** salary costs at the end of February 2026 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 **63%** of the revenue budget for this revenue source.

Description	Total Budget	February Actuals	Total Actual
Employee Related Cost	186,700,555.00	14,192,131.91	117,266,529.80
Municipal Staff	178,637,163.00	13,786,095.28	113,320,809.46
Senior Management	8,063,392.00	406,036.63	3,945,720.34
Remuneration of Councillors	24,665,901.00	1,928,115.24	15,266,883.70
Chief Whip	816,891.00	64,647.83	486,817.22
Executive Committee/Mayoral Committee	5,655,601.00	382,930.58	2,942,674.24
Executive Mayor/Mayor	1,072,684.00	84,891.17	963,720.08
Section 79 committee chairperson	801,471.00	137,033.33	967,214.44
Speaker	868,047.00	68,696.42	549,571.36
Total for All Other Councillors	15,451,207.00	1,189,915.91	9,356,886.36
Grand Total	211,366,456.00	16,120,247.15	132,533,413.50

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

No Expenditure relating to depreciation for the month ended 28 February 2026 the approved budget is **R 22,321,875**, which reflects a YTD expenditure of **146%**. This is less than expected performance for the month due to accounting for all depreciation relating to six months in the previous month and will be closely monitored during adjustment period.

Finance charges.

No interest expenditure has been incurred in February 2026.

Bulk Purchases

Total approved budget on bulk electricity purchases is **R 98,000,000** expenditure for the month is **R 6,339,855**, this represents **6%** and this is less than the expected value for the month due to lower seasonal demand for electricity usage. Total YTD expenditure is **62%** of the expenditure budget.

Other material

Total approved budget on other material is **R 7,032,600** it was then adjusted by **R 430,000** to an adjusted budget of **R7,462,600**. Expenditure for month amounts to **R 571,359.28** and represents **8%**. This is within the anticipate performance for the month. Total YTD expenditure is **47%** of the expenditure budget for this expenditure source.

Contracted services

Total approved budget on contracted services is **R 170,618,329** it was increased by **R178,000** to an adjusted budget of **R170,796,329**. The spending for the month amounted to **R 4,990,793** which represents **3%** of the budgeted amount. This is less than expected performance for the month due no payments made in contracted Safeguard & Security, Residential and commercial development and conveyancing Maluti land tenure. Total YTD expenditure is **50%** 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 4,685,979** for the month; this represents **6%** of the budget. This is less than the expected performance due to no spending on workmen's compensation, Provision for landfill site and public Amenities uniform . Total YTD expenditure is **49%** of the expenditure budget for this expenditure source.

1.5 Table C5 Monthly Budget Statement- Capital Expenditure (municipal vote function classification and funding) - M08– February

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M08 - February

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Balance Forward	Original Budget	Revised Budget	Monthly actual	YearTD actual	YearTD budget	YTD Variance	YTD -%	YearTD Balance
R thousands	1									
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	100	239	2 931	(2 693)	-92%	4 397
Vote 3 - Corporate		1 685	3 240	3 240	-	517	2 160	(1 643)	-76%	3 240
Vote 4 - Development and Planning		4 124	18 855	18 855	-	2 290	12 570	(10 280)	-82%	18 855
Vote 5 - Community		9 333	8 000	8 000	(94)	693	5 333	(4 640)	-87%	8 000
Vote 6 - Infrastructure		115 330	128 873	176 473	5 198	85 232	103 022	(17 790)	-17%	176 473
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	210 965	5 204	88 972	126 016	(37 045)	-29%	210 965
Total Capital Expenditure		132 721	163 365	210 965	5 204	88 972	126 016	(37 045)	-29%	210 965
Capital Expenditure - Functional Classification										
Governance and administration		3 933	7 637	7 637	100	756	5 091	(4 335)	-85%	7 637
Executive and council		53	-	-	-	-	-	-	-	-
Finance and administration		3 880	7 637	7 637	100	756	5 091	(4 335)	-85%	7 637
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		4 849	5 150	5 150	(94)	586	3 433	(2 847)	-83%	5 150
Community and social services		832	2 350	2 350	(94)	586	1 567	(980)	-63%	2 350
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		4 017	2 800	2 800	-	-	1 867	(1 867)	-100%	2 800
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		109 385	133 308	180 908	5 198	77 116	105 978	(28 962)	-27%	180 908
Planning and development		4 124	18 855	18 855	-	2 290	12 570	(10 280)	-82%	18 855
Road transport		105 261	114 453	162 053	5 198	74 826	93 408	(18 582)	-20%	162 053
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		14 554	17 270	17 270	-	10 513	11 513	(1 000)	-9%	17 270
Energy sources		10 069	14 420	14 420	-	10 406	9 613	793	8%	14 420
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		4 485	2 850	2 850	-	107	1 900	(1 793)	-94%	2 850
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	132 721	163 365	210 965	5 204	88 972	126 016	(37 045)	-29%	210 965
Funded by:										
National Government		69 645	82 190	129 790	3 522	57 529	71 900	(14 371)	-20%	129 790
Provincial Government		629	300	300	(94)	169	200	(31)	-16%	300
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Net / Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		70 274	82 490	130 090	3 428	57 698	72 100	(14 402)	-20%	130 090
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds	6	62 446	80 875	80 875	1 776	31 274	53 917	(22 643)	-42%	80 875
Total Capital Funding		132 721	163 365	210 965	5 204	88 972	126 016	(37 045)	-29%	210 965

The total approved capital budget amounted to **R180,750,617** this has been increased by **R30,213,999** resulting to further adjusted capital budget of **R210,964,616**. For the month under review, the Municipality incurred capital expenditure of **R5,203,899**, representing approximately **2%** of the total adjusted capital budget. This performance is below the anticipated monthly spending target, primarily due to lower levels of expenditure on capital projects during the reporting period, last tranches of grants are expected in March which will result to an increase in spending. Capital expenditure incurred to date amounts to **42%** of the approved capital expenditure budget.

3.1.6 C6 Monthly Budget Statement –Financial Position - M08– February

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M08 - February

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		269 900	230 836	230 836	321 270	230 836
Trade and other receivables from exchange transactions		(47 211)	54 254	54 254	(35 679)	54 254
Receivables from non-exchange transactions		158 812	125 528	125 528	198 065	125 528
Current portion of non-current receivables		-	-	-	-	-
Inventory		3 832	3 784	3 784	3 448	3 784
VAT		24 677	10 438	10 438	24 440	10 438
Other current assets		5 866	5 400	5 400	5 866	5 400
Total current assets		415 875	430 240	430 240	517 410	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	1 315 568	1 151 134	1 315 568
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		1 543	1 543	1 543	1 543	1 543
Intangible assets		377	1 491	1 091	377	1 091
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	1 323 161	1 158 014	1 323 161
TOTAL ASSETS		1 517 543	1 705 802	1 753 401	1 675 424	1 753 401
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		1 803	528	528	1 871	528
Trade and other payables from exchange transactions		68 936	65 900	65 900	45 572	65 900
Trade and other payables from non-exchange transactions		20 481	29 800	29 800	62 601	29 800
Provision		24 184	43 950	43 950	24 184	43 950
VAT		61 434	61 810	61 810	62 912	61 810
Other current liabilities		-	-	-	-	-
Total current liabilities		176 837	201 988	201 988	197 139	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	241 072	224 489
NET ASSETS	2	1 296 773	1 481 313	1 528 913	1 434 352	1 528 913
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		912 403	1 400 438	1 448 038	1 049 982	1 448 038
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	1 528 913	1 434 352	1 528 913

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 28

February 2026. Total assets are **R 1,753,401** over the total liabilities of **R 224,489** this is therefore means the municipality is still able to meet its financial obligations

3.1.7 C7 Monthly Budget Statement –Cash Flow - M08 – February

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M08 - February

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
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		67 797	52 646	52 646	1 670	25 700	35 097	(9 397)	-27%	52 646
Service charges		96 392	90 809	90 809	8 628	71 184	60 539	10 645	18%	90 809
Other revenue		22 800	84 321	84 321	2 265	33 748	56 214	(22 466)	-40%	84 321
Transfers and Subsidies - Operational		338 711	331 654	332 332	903	247 862	221 238	26 624	12%	332 332
Transfers and Subsidies - Capital		179 429	82 490	130 090	44 300	152 545	72 100	80 445	112%	130 090
Interest		24 647	55 283	55 283	1 465	13 955	36 855	(22 901)	-62%	55 283
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(291 732)	(565 802)	(566 480)	(17 815)	(199 265)	(377 337)	178 072	-47%	(566 480)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		438 045	131 401	179 000	41 416	345 729	104 707	(241 022)	-230%	179 000
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)	(210 965)	(5 006)	(94 075)	(126 016)	31 942	-25%	(210 965)
NET CASH FROM/(USED) INVESTING ACTIVITIES		130 245	(163 365)	(210 965)	(5 006)	(94 075)	(126 016)	(31 942)	25%	(210 965)
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)	36 410	251 654	(21 309)			(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		521 554	241 491			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 28 February 2026.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 - February

Description	NT Code	Budget Year 2025/26									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts LLo Council Policy
		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			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	5 552	2 427	2 280	1 531	1 568	1 475	2 945	5 541	23 317	13 059	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	2 024	947	740	680	660	705	2 111	110 146	118 012	114 302	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	921	585	468	447	434	428	412	31 408	35 080	33 128	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-
Interest on Arrear Debtor Accounts	1810	1 957	1 941	1 887	1 856	1 896	1 835	1 425	70 479	83 275	77 490	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	135	412	233	80	88	206	1 871	40 493	43 517	42 738	(1)	-
Total By Income Source	2000	10 588	6 292	5 608	4 594	4 645	4 648	8 763	258 072	303 209	280 721	(1)	-
2024/25 - totals only		10 183	5 412	4 580	6 422	4 775	23 626	3 845	203 215	262 058	241 883	-	-
Debtors Age Analysis By Customer Group													
Organs of State	2200	2 993	3 547	3 823	3 028	3 090	2 952	7 367	119 535	146 335	135 972	-	-
Commercial	2300	6 913	2 083	1 126	911	902	1 045	754	73 151	86 883	76 762	(1)	-
Households	2400	683	662	659	655	653	651	642	65 386	69 991	67 987	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	10 588	6 292	5 608	4 594	4 645	4 648	8 763	258 072	303 209	280 721	(1)	-

The total debt book for February 2026 of **R 303,209,169** inclusive to **R 4,261,312** advance payments.

The total debt for February 2026 of **R 298,947,857** (including current of **R 10,393,560** which is not yet due) has decreased by **R 7,533,302** from the previous month closing balance of **R 290,628,898**

Debt is made up of the following:

- **Residential debt:**
R 44,574,429.37
- **Commercial debt**
R 36,045,966.76
- **Government debt**
R 140,035,754.70
- **Other**
R 473,075.28

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 98,845,489

- **Maluti**
R 78,657,200 (including current)
- **Cedarville**
R 20,188,289 (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 69,674,528.

Business H/O R 3,350,681.

Churches H/O R 123,644.73

Farms H/O R 4,670,602.

R 7,600,826 was collected for February 2026.

SECTION 5 -CREDITORS' ANALYSIS

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 28 February 2026.

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 - February

Description	NT Code	Budget Year 2026/28									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	-	-	-	-	-	-	-	-	-	
Auditor General	0800	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	-	-	-	-	-	-	-	-	-	

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Feb-26					
Investment Management					
Conditional Investments -Description	Opening Balance	Deposits	WITHDRAWALS	Interest Earned	Closing Balance
Municipal Infrastructure Grant	7,490,118.62	40,219.37	-7,261,409.51	-40,219.37	268,928.48
INEP	1,140,517.42	6,053.99		-6053.99	1,146,571.41
EPWP	-			-	-
Disaster Management	23,286,666.02	37,364,610.64	-9,703,451.42	-123,610.64	50,947,825.24
Finance Management Grant	1,292.55	6.82		-6.82	1,299.37
Establishment Plan	243,725.11	934.83		-934.83	244,659.94
Housing Development Fund	2,489,323.91	9,834.53		-9,834.53	2,499,158.44
Dedea	756,020.55	2,899.81		-2,899.81	758,920.36
Total Conditional Investments	35,407,664	37,424,560	- 16,964,861	- 183,560	55,867,363
Unconditional Investments -Description					
	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	181,844,582.18	6,900,000.00		778,805.50	188,744,582.18
Call ACC FNB Surplus Cash	6,805,395.80			-29,766.61	6,805,395.80
Nedbank 32 Days	8,753,285.34	52,040.01		-52,040.01	8,805,325.35
Nedbank	47,842,756.31	385,765.81	-25,000,000.00	-352,076.25	23,228,522.12
Nedbank Retention	13,301,016.75	11,191,748.58		-70,604.67	24,492,765.33
Termination Guarantee	144,640.82			-767.87	144,640.82
Account Gaurantee	6,202,000.00			-32,921.69	6,202,000.00
	264,893,677	18,529,554	- 25,000,000	240,628	258,423,232
Total Investment	300,301,341	55,954,114	- 41,964,861	57,068	314,290,595

The investment portfolio of the municipality as at 28 February 2026 is as follows:

As at 28 February 2026 the conditional investments amounted to **R 55,867,363** and unconditional investments amounted to **R 258,423,232**. Total investments as at 28 February 2026 amounted to **R 314,290,595**

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 28 February 2026 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 28 February 2026

Description	February 2026
Nedbank Primary Account:	2,518,511
Standard bank Account:	4,804,508
FNB Money Market Account:	784,838.24
Total Cash held as at 28 February 2026	8,107,857.24

Unreconciled items for the month amount to **R 1,005,634.42** 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 8,107,857.24** and investment balance of **R 314,290,595** and the total cash book balance and investment is **R 322,398,452.24**

SECTION 7 _ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6 – M08 - February

Description	2025-2026 Medium Term Revenue & Expenditure Framework						
	R thousand	Approved Budget Year 2025/26	Adjustment Budget	Monthly actual	YearTD actual	YearTD budget	Performance %
RECEIPTS:							
Operating Transfers and Grants							
National Government:	347,687	347,687	894	267,856	231,791		77%
Local Government Equitable Share	319,324	319,324	-	239,493	212,883		75%
Expanded Public Works Programme Integrated Grant	2,980	2,980	894	2,980	1,987		100%
Local Government Financial Management Grant	1,800	1,800	-	1,800	1,200		100%
Intergrated National Electrification Programme	20,549	20,549	-	20,549	13,699		100%
Municipal Infrastructure Grant (MIG)	3,034	3,034	-	3,034	2,023		100%
Provincial Government:	2,616	3,144	-	3,019	2,096		96%
Capacity Building and Other : Library	950	978	-	978	652		100%
Human Settlement	-	500	-	375	333		75%
DEDEAT	1,666	1,666	-	1,666	1,111		100%
District Municipality:	-	150	-	150	100		0
IDP roadshows	-	150	-	150	100		100%
Total Operating Transfers and Grants	350,303	350,981	894	270,875	233,887		77%
Capital Transfers and Grants	82,490	112,704	37,241	99,906	75,136		89%
Municipal Infrastructure Grant (MIG)	57,647	57,647	-	44,849	38,431		78%
Disaster Response Grant	24,543	54,757	37,241	54,757	36,505		100%
Capacity Building and Other : Library	300	300	-	300	200		100%
Total Capital Transfers and Grants	82,490	112,704	37,241	99,906	75,136		89%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	432,793	463,685	38,135	370,781	309,023		0

The Municipality has **R 894,000** received the conditional grant and **R 37,241,000** unconditional grants allocations for both operational and capital grants.

7.2 Supporting Table SC7 - M08 – February

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 - February

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										
EXPENDITURE										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		8 282	7 814	7 814	1 894	7 526	5 209	2 317	44.5%	7 814
Expanded Public Works Programme Integrated Grant		3 880	2 980	2 980	1 500	4 478	1 987	2 492	125.4%	2 980
Municipal Disaster Relief Grant		1 631	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	3	1 700	1 800	1 800	35	691	1 200	(509)	-42.4%	1 800
Municipal Infrastructure Grant		1 071	3 034	3 034	358	2 357	2 023	334	16.5%	3 034
Provincial Government:		3 560	4 516	5 044	392	2 123	3 116	(993)	-31.9%	5 044
Specify (Add grant description)		-	-	500	349	349	100	249	248.9%	500
Specify (Add grant description)		466	2 850	2 878	30	288	1 906	(1 618)	-84.9%	2 878
Specify (Add grant description)		3 095	1 666	1 666	14	1 486	1 111	375	33.8%	1 666
District Municipality:		150	-	150	-	-	30	(30)	-100.0%	150
Specify (Add grant description)		150	-	150	-	-	30	(30)	-100.0%	150
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		11 992	12 330	13 008	2 287	9 649	8 356	1 294	15.5%	13 008
<u>Capital Transfers and Grants</u>										
National Government:		80 137	82 190	129 790	4 125	66 728	71 900	(5 172)	-7.2%	129 790
Municipal Disaster Relief Grant		6 604	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		56 513	57 647	57 647	934	46 837	38 431	8 406	21.9%	57 647
Municipal Disaster Recovery Grant		17 020	24 543	72 143	3 191	19 891	33 468	(13 578)	-40.6%	72 143
Provincial Government:		601	300	300	(6 750)	(8 133)	200	(8 333)	-4166.6%	300
Specify (Add grant description)		-	300	300	-	-	200	(200)	-100.0%	300
Specify (Add grant description)		(29)	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	(6 656)	(8 302)	-	(8 302)	#DIV/0!	-
Specify (Add grant description)		629	-	-	(94)	169	-	169	#DIV/0!	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		80 738	82 490	130 090	(2 625)	58 595	72 100	(13 505)	-18.7%	130 090
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		92 730	94 820	143 098	(338)	68 244	80 455	(12 212)	-15.2%	143 098

The municipality has expenditure of **R 5,714,431.29** for both total operating and capital transfers grants

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 28 February 2026

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 - February

Summary of Employee and Councillor 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		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		15 487	13 855	13 855	1 096	8 768	9 237	(469)	-5%	13 855
Pension and UIF Contributions		920	958	958	74	593	639	(46)	-7%	958
Medical Aid Contributions		537	91	91	7	(123)	61	(184)	-304%	91
Motor Vehicle Allowance		15	2 178	2 178	157	996	1 452	(456)	-31%	2 178
Cellphone Allowance		2 551	2 673	2 673	212	1 692	1 782	(90)	-5%	2 673
Housing Allowances		4 734	4 912	4 912	382	3 342	3 274	67	2%	4 912
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		24 244	24 686	24 686	1 928	15 267	16 444	(1 177)	-7%	24 686
% increase	4		1.7%	1.7%						1.7%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	1 636	2 782	2 432	109	1 255	1 784	(530)	-30%	2 432
Pension and UIF Contributions		124	489	489	13	161	326	(165)	-51%	489
Medical Aid Contributions		98	343	343	18	163	229	(66)	-29%	343
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		15	580	580	-	7	387	(379)	-98%	580
Motor Vehicle Allowance		1 774	2 905	2 775	182	1 596	1 911	(315)	-16%	2 775
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		754	904	904	59	526	602	(77)	-13%	904
Other benefits and allowances		0	1	1	0	0	1	(0)	-42%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		202	540	540	26	237	360	(123)	-34%	540
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4 604	8 543	8 063	406	3 946	5 600	(1 654)	-30%	8 063
% increase	4		85.6%	75.1%						75.1%
Other Municipal Staff										
Basic Salaries and Wages		109 136	124 147	124 927	10 038	78 837	82 920	(4 084)	-5%	124 927
Pension and UIF Contributions		16 493	21 360	21 060	1 581	12 630	14 180	(1 551)	-11%	21 060
Medical Aid Contributions		6 512	8 001	8 001	615	4 615	5 334	(719)	-13%	8 001
Overtime		4 279	3 980	4 000	362	2 635	2 657	(22)	-1%	4 000
Performance Bonus		10 412	9 305	9 305	479	6 599	6 204	395	6%	9 305
Motor Vehicle Allowance		6 808	7 060	7 040	448	3 995	4 703	(708)	-15%	7 040
Cellphone Allowance		6	6	6	1	4	4	(0)	-7%	6
Housing Allowances		3 091	3 221	3 221	131	1 500	2 147	(647)	-30%	3 221
Other benefits and allowances		1 544	1 076	1 076	83	1 492	718	774	108%	1 076
Payments in lieu of leave		(1 159)	-	-	-	766	-	766	#DIV/0!	-
Long service awards		1 145	-	-	48	249	-	249	#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	178 837	13 786	113 321	118 867	(5 547)	-5%	178 837
% increase	4		12.5%	12.8%						12.8%
Total Parent Municipality		187 209	211 366	211 366	16 120	132 533	140 911	(8 378)	-8%	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 28 February amounted **R16,120, 247 of** which the expenditure **R 1,928,115** relates to Remuneration of Councillors and **R 14 ,192, 132** to Managers and staff against approves budget of **R211, 366, 456** incurring **8%** expenditure for the month salary budget allocation and this is within the expected performance for the month. Total YTD Expenditure is **63%** the revenue budget for this expenditure type.

8.1 Performance Indicators

EC441 Matatiele - Supporting Table SC2 Monthly Budget Statement - performance indicators - M08 - February

Description of financial indicator	Basis of calculation	Ref	Budget Year 2025/26				
			2024/25 Adjusted Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.7%	3.8%	3.7%	0.5%	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%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/		8.3%	6.5%	6.3%	8.8%	6.3%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	235.2%	213.0%	213.0%	262.5%	213.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		152.6%	114.3%	114.3%	163.0%	114.3%
<u>Revenue Management</u>							
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%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
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%	27.5%	31.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.1%	4.8%	4.0%	2.4%	4.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		12.2%	3.8%	3.7%	0.5%	4.1%
<u>IDP regulation financial viability indicators</u>							
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						

Calculations					
Financial liabilities					
Total Assets	1 517 543	1 705 802	1 753 401	1 675 424	1 753 401
Employee related costs	162 964	186 701	186 701	117 267	186 701
Repairs & Maintenance	16 973	28 250	23 760	10 262	23 760
Interest (finance charges)	3 829			1 955	
Principal paid					
Depreciation	63 816	22 322	22 322		24 666
Operating expenditure	561 751	594 624	595 302	355 806	595 302
Total Capital Expenditure	132 721	163 365	210 965	5 204	88 972
Borrowed funding for capital					
Debt	107 345	95 700	95 700	126 102	95 700
Equity	1 296 773	1 481 313	1 528 913	1 434 352	1 528 913
Reserves and funds					
Borrowing					
Current assets	415 875	430 240	430 240	517 410	430 240
Current liabilities	176 837	201 988	201 988	197 139	201 988
Monetary assets	269 900	230 836	230 836	321 270	230 836
Total Revenue (excluding capital transfers and contributions)	553 465	594 610	595 288	426 488	595 288
Transfers and subsidies - Operational	330 510				
Transfers and subsidies - capital (monetary allocations)	82 541	82 490	130 090	66 897	130 090
Debt service payments	24 647	55 283	55 283		
Outstanding debtors (receivables)	117 467				
Annual services revenue	146 068	168 770	168 770	10 007	124 598
Cash + investments	269 900	230 836	230 836	321 270	230 836
		Including LT investments			
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 February 2026

Purpose/ Use of the Ratio

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

The Municipality as at end of February 2026 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 201,988,000 = R 2.13:1

Actual Current Ratio as 28 February 2026: R 517,410,000 / R 197,139,000 = 2.62:1

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 2.62:1** ratio and actual ratio as **28 February 2026 is: R 2.62: 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 201,988,000 = 2.11:1

Actual Acid Test Ratio as at 28 February 2026: (R 517,410,000 – R 3,448,000) / R 179,139,000 = 2.60:1

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, **Nokhanyo Nosisa Zembe**, 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 28 February 2026 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: Nokhanyo Nosisa Zembe

Acting Municipal Manager of Matatiele Local Municipality

Signature: _____



Date: _____

12/03/2026