



MATATIELE
LOCAL MUNICIPALITY

**2025/2026
MONTHLY
SECTION 71
REPORT**

**MONTH ENDED
31 MARCH 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 31 March 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**, this was adjusted to an adjustments budget of **R 725,377,402**. The municipality has recognised revenue of **R 101,957,597** for the month, representing **14%** revenue for the month. This performance is above the expected monthly target, primarily due to receipt of last trench of equitable share in month under review. Revenue received to date is **82%** of the approved revenue budget.

Operating Expenditure by type

The approved total operating expenditure budget of **R 594,623,647** was adjusted to an adjustments operating expenditure budget of **R 595,301,647**. Municipality incurred expenditure of **R 55,969,598** for the month under review representing approximately **9%** of the total adjusted operating expenditure budget. This level of spending is above the anticipated monthly target, primarily due to backpay enforced by upper limits of Senior management and council issued by SALGA. Expenditure incurred to date stands at **69%** of the approved operating expenditure budget.

Capital Expenditure

The total approved capital budget amounted to **R 163,364,950**, this was adjusted to an adjusted capital budget of **R210,964,616**. Municipality incurred capital expenditure of **R 7,225,459**, representing approximately **3%** of the total 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. Capital expenditure incurred to date amounts to **46%** 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 March 2026 is **R 1,127,091** which represents **2%** of expenditure for the month ended (Vat exclusive). YTD expenditure is **72%** of the allocation.
- Disaster recovery grant was allocated a budget amount of **R 24,543,000** this was adjusted to a total adjusted budget of **R 72,142,666**. The grant reflects **R 2,194,801** spending at the end of 31 March 2026 (Vat exclusive), this represents **3%**. YTD expenditure is **27%** of the allocation.
- The Library Capital Grant allocation of **R 300,000** was allocated. There was no spending at the end of 31 March 2026. 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 **R 3,903,563** which represent **5%** spending for the month. YTD expenditure represents **43%**.
- 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	TotalBudget	March 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	24,140.39	447,939.12
CORE FUNCTION: SOLID WASTE REMOVAL	2,850,000.00	215,895.09	322,819.42
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 Adminstration: 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:communications and SPU (1020)	627,000.00	-	127,761.44
Planning and Development: LED (3520)	2,990,000.00	-	843,606.95
Planning and Development: Planning (3510)	4,360,000.00	540,126.70	759,344.20
Public Safety: Civil Defence (3074)	2,800,000.00	313,988.90	313,988.90
Road Transport: Project Operations & Mainnt(4010)	55,906,666.00	3,776,367.70	26,391,820.80
Roads:Project Management Unit	106,145,950.00	1,974,340.66	54,184,791.67
Town Planning; Building Regulations and Enforcement; and City Engineer:Human Settlements and Buildin	11,505,000.00	380,600.01	1,608,165.18
Grand Total	210,964,616.00	7,225,459.45	96,197,125.16

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	March 2026 status
Excavator	Project is 100 % completed
Harry Gwala Internal Streets	Project is under construction and is 85% completed
Construction of Cedarville Internal Streets Phase 4	Project is under construction and is 65% completed
Maluti Internal Streets Phase 5	Project is under construction and is 86% completed
Mahasheng Access Road & Bridge	Project is under defects liability period and is 95% completed (Retention Stage)
Mafube-Nkosana Access Road & Bridge	Project is under construction and is 70 % completed
Lekhalong via Magema-Outspan Access Road	Project is under defects liability period and is 95% completed (Retention Stage)

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Project	March 2026 status
Electrification of Motsekua Village	569 connections have been completed and energized. Overall expenditure is 95%

Disaster Response Grant

Disaster Capital Project	March 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)	SCM Procurement processes underway
Sifolweni Access Road (MDRG)	SCM Procurement processes underway
Motsing Access Road (MDRG)	SCM Procurement processes underway
Rholweni Access Road (MDRG)	SCM Procurement processes underway
Tsita-Pehong Access Road (MDRG)	SCM Procurement processes underway
Sekhutlong Access Road (MDRG)	SCM Procurement processes underway
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>March 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 March 2026

**TENDER CONTROL
MARCH 2026**

SUMMARY: QUOTATIONS	MARCH-26	TOTAL MARCH 2026
DAY TO DAY QUOTATIONS	R1,668,816.66	R1,668,816.66
FORMAL QUOTATIONS	R1,011,050.00	R1,011,050.00
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	10,687,451.49	-	2.00
Bids in the process	5.00	-	-
Bids behind schedule	-	-	-
Bids cancelled or removed from budget	-	-	-
Bids to be awarded	2.00	-	-

Total Summary values of Procurements,	MAR-26	TOTAL MARCH 2026
Below R30 000 (SCM Orders) and travel & accommodation	R1,668,816.66	1,668,816.66
R30 001 – 300 000 (Procurement Process above R 30 000.00)	R1,011,050.00	R1,011,050.00
Procurement above R300 000 (Competitive bidding)	R0.00	R0.00
Section 32 /National treasury transversal contract	R2,192,277.27	2,192,277.27
Deviations (Section 36)	R0.00	R0.00

BIDS AND QUOTATIONS INVITED	MAR-26	TOTAL MARCH 2026
Invited Quotations	6	6
Invited Bids	6	6
Awarded Quotations	4	4
Awarded Bids	0	0

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

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 - M09 – March

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M09 - March

Description	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									
Financial Performance									
Property rates	56 360	61 937	61 937	2 064	55 234	46 453	8 782	19%	61 937
Service charges	89 707	106 834	106 834	8 573	80 001	80 125	(124)	0%	106 834
Investment revenue	15 316	28 813	28 813	1 040	14 189	21 610	(7 421)	-34%	28 813
Transfers and subsidies - Operational	330 510	331 654	332 332	83 630	332 772	249 012	83 760	34%	332 332
Other own revenue	61 572	65 372	65 372	3 042	42 641	49 029	(6 389)	-13%	65 372
Total Revenue (excluding capital transfers and contributions)	553 485	594 610	595 288	98 348	524 837	446 229	78 608	18%	595 288
Employee costs	162 964	186 701	186 701	30 690	147 957	140 025	7 931	6%	186 701
Remuneration of Councillors	24 244	24 666	24 666	4 506	19 773	18 499	1 273	7%	24 666
Depreciation and amortisation	63 816	22 322	22 322	-	32 626	16 741	15 884	95%	22 322
Interest	3 829	-	-	-	1 955	-	1 955	#DIV/0!	-
Inventory consumed and bulk purchases	92 699	105 033	105 463	6 954	71 409	78 946	(7 538)	-10%	105 463
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	214 199	255 903	256 151	13 820	138 057	192 026	(53 970)	-28%	256 151
Total Expenditure	561 751	594 624	595 302	55 970	411 776	446 239	(34 463)	-8%	595 302
Surplus/(Deficit)	(8 285)	(14)	(14)	42 379	113 061	(10)	113 072	-1088033%	(14)
Transfers and subsidies - capital (monetary allocations)	82 541	82 490	130 090	3 609	70 506	86 597	(16 091)	-19%	130 090
Transfers and subsidies - capital (in-kind) contributions	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	74 256	82 476	130 076	45 988	183 567	86 587	96 980	112%	130 076
Capital expenditure & funds sources									
Capital expenditure	132 721	163 365	210 965	7 225	96 197	147 253	(51 056)	-35%	210 965
Capital transfers recognised	70 274	82 490	130 090	3 322	61 020	86 597	(25 577)	-30%	130 090
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	62 446	80 875	80 875	3 904	35 177	60 656	(25 479)	-42%	80 875
Total sources of capital funds	132 721	163 365	210 965	7 225	96 197	147 253	(51 056)	-35%	210 965
Financial position									
Total current assets	415 875	430 240	430 240	-	572 738	-	-	-	430 240
Total non current assets	1 101 668	1 275 562	1 323 161	-	1 165 240	-	-	-	1 323 161
Total current liabilities	171 218	201 988	201 988	-	208 086	-	-	-	201 988
Total non current liabilities	43 933	22 501	22 501	-	43 933	-	-	-	22 501
Community wealth/Equity	1 302 392	1 481 313	1 528 913	-	1 485 959	-	-	-	1 528 913
Cash flows									
Net cash from (used) operating	432 426	131 401	179 000	86 990	432 719	123 280	(309 439)	-251%	179 000
Net cash from (used) investing	130 245	(163 365)	(210 965)	(5 768)	(99 843)	(147 253)	(47 411)	32%	(210 965)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the month/year end	820 816	230 836	230 836	-	602 777	238 827	(363 949)	-152%	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	11 935	5 187	5 433	5 527	4 556	4 586	4 608	265 963	307 795
Creditors Age Analysis									
Total Creditors	25	-	-	-	-	-	-	-	25

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) - M09 – March

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M09 - March

Description	Ref	2024/25		Budget Year 2025/26						
		Actual	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD	YTD %	Full year
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		419 376	437 220	437 370	84 777	404 771	327 975	76 796	23%	437 370
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		418 776	437 220	437 370	84 777	404 771	327 975	76 796	23%	437 370
Internal audit		600	-	-	-	-	-	-	-	-
Community and public safety		12 147	17 474	17 502	3 310	12 586	13 117	(550)	-4%	17 502
Community and social services		6 076	8 646	8 674	2 796	8 589	6 496	2 093	32%	8 674
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		6 072	8 828	8 828	514	3 977	6 621	(2 644)	-40%	8 828
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		86 431	90 736	138 836	4 599	76 316	92 982	(16 665)	-18%	138 836
Planning and development		3 592	5 502	6 002	195	2 828	4 326	(1 499)	-35%	6 002
Road transport		82 839	85 234	132 834	4 404	73 489	88 655	(15 167)	-17%	132 834
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		118 053	131 670	131 670	9 272	101 689	98 752	2 937	3%	131 670
Energy sources		103 037	114 257	114 257	8 056	90 975	85 693	5 282	6%	114 257
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		15 015	17 413	17 413	1 216	10 714	13 060	(2 345)	-18%	17 413
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	638 007	677 100	725 377	101 958	595 343	532 826	62 517	12%	725 377
Expenditure - Functional										
<i>Governance and administration</i>		260 423	270 868	275 768	30 287	178 887	205 111	(26 224)	-13%	275 768
Executive and council		33 134	33 755	33 755	5 711	26 528	25 316	1 212	5%	33 755
Finance and administration		222 724	232 129	237 144	24 028	149 109	176 103	(26 994)	-15%	237 144
Internal audit		4 564	4 984	4 869	548	3 250	3 692	(442)	-12%	4 869
Community and public safety		53 082	58 193	59 835	8 832	43 966	44 301	(336)	-1%	59 835
Community and social services		28 657	28 268	32 046	4 380	23 110	22 712	398	2%	32 046
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		24 425	29 925	27 789	4 452	20 856	21 589	(734)	-3%	27 789
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		90 390	96 110	93 272	6 039	69 855	70 947	(1 093)	-2%	93 272
Planning and development		47 955	45 203	47 400	2 394	23 288	34 781	(11 493)	-33%	47 400
Road transport		42 435	50 908	45 873	3 645	46 566	36 167	10 400	29%	45 873
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		157 855	169 452	166 427	10 812	119 068	125 879	(6 811)	-5%	166 427
Energy sources		134 169	142 991	141 301	8 252	101 833	106 567	(4 734)	-4%	141 301
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		23 686	26 461	25 126	2 560	17 235	19 312	(2 077)	-11%	25 126
Other		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	561 751	594 624	595 302	55 970	411 776	446 239	(34 463)	-8%	595 302
Surplus/ (Deficit) for the year		74 256	82 476	130 076	45 988	183 567	86 587	96 980	112%	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 31 March 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 31 March 2026 is **R 101,957,597** and revenue is **R 55,969,598**.

3.1.3 Table C3: Monthly Budget Statement –Financial Performance (revenue and expenditure by municipal vote) - M09– March

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 - March

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Approved Budget	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	84 629	404 344	327 713	76 631	23.4%	437 020
Vote 3 - Corporate		408	350	350	148	427	263	165	62.8%	350
Vote 4 - Development and Planning		3 592	5 502	6 002	195	2 828	4 326	(1 499)	-34.6%	6 002
Vote 5 - Community		27 163	34 887	34 915	4 526	23 281	26 176	(2 896)	-11.1%	34 915
Vote 6 - Infrastructure		185 877	199 491	247 091	12 460	164 464	174 348	(9 884)	-5.7%	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	101 958	595 343	532 828	62 517	11.7%	725 377
Expenditure by Vote	1									
Vote 1 - Executive Council		33 134	33 755	33 755	5 711	26 528	25 316	1 212	4.8%	33 755
Vote 2 - Finance and Admin		130 136	132 658	138 003	13 715	82 939	101 632	(18 693)	-18.4%	138 003
Vote 3 - Corporate		92 588	99 471	99 140	10 313	66 170	74 471	(8 301)	-11.1%	99 140
Vote 4 - Development and Planning		47 955	45 203	47 400	2 394	23 288	34 781	(11 493)	-33.0%	47 400
Vote 5 - Community		76 769	84 654	84 961	11 391	61 201	63 613	(2 413)	-3.8%	84 961
Vote 6 - Infrastructure		176 604	193 899	187 174	11 897	148 400	142 734	5 666	4.0%	187 174
Vote 7 - Internal Audit		4 564	4 984	4 869	548	3 250	3 692	(442)	-12.0%	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	55 970	411 778	446 239	(34 463)	-7.7%	595 302
Surplus/ (Deficit) for the year	2	74 256	82 476	130 076	45 988	183 567	86 587	96 980	112.0%	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) - M09– March

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 - March

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	7 576	71 086	68 481	2 605	4%	91 308
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		11 793	15 526	15 526	998	8 915	11 644	(2 729)	-23%	15 526
Sale of Goods and Rendering of Services		27 190	26 470	26 470	231	20 636	19 853	784	4%	26 470
Agency services		1 539	1 800	1 800	80	1 139	1 350	(211)	-16%	1 800
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 636	2 200	2 200	243	1 775	1 650	125	8%	2 200
Interest from Current and Non Current Assets		15 316	28 813	28 813	1 040	14 189	21 610	(7 421)	-34%	28 813
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		303	-	-	235	235	-	235	#DIV/0!	-
Rental from Fixed Assets		1 317	2 220	2 220	(58)	1 216	1 665	(449)	-27%	2 220
Licence and permits		2 470	4 434	4 434	116	1 387	3 326	(1 938)	-56%	4 434
Special Rating Levies		-	-	-	-	-	-	-	-	-
Operational Revenue		518	905	905	144	343	679	(335)	-49%	905
Non-Exchange Revenue										
Property rates		56 360	61 937	61 937	2 064	55 234	46 453	8 782	19%	61 937
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		2 127	3 048	3 048	323	1 487	2 286	(799)	-35%	3 048
Licence and permits		31	25	25	-	19	(0)	19	-100%	25
Transfers and subsidies - Operational		330 510	331 654	332 332	83 630	332 772	249 012	83 760	34%	332 332
Interest		23 294	24 270	24 270	1 728	14 422	18 203	(3 781)	-21%	24 270
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		1 120	-	-	-	-	-	-	-	-
Other Gains		28	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		553 465	594 610	595 288	98 348	524 837	446 229	78 608	18%	595 288
Expenditure By Type										
Employee related costs		162 964	186 701	186 701	30 690	147 957	140 025	7 931	6%	186 701
Remuneration of councillors		24 244	24 666	24 666	4 506	19 773	18 499	1 273	7%	24 666
Bulk purchases - electricity		87 487	98 000	98 000	6 707	67 655	73 500	(5 845)	-8%	98 000
Inventory consumed		5 212	7 033	7 463	247	3 754	5 446	(1 692)	-31%	7 463
Debt impairment		-	-	-	-	-	-	-	-	-
Depreciation and amortisation		63 816	22 322	22 322	-	32 626	16 741	15 884	95%	22 322
Interest		3 829	-	-	-	1 955	-	1 955	#DIV/0!	-
Contracted services		138 140	170 618	170 796	9 367	94 750	128 035	(33 285)	-26%	170 796
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		12 447	6 500	6 500	-	-	4 875	(4 875)	-100%	6 500
Operational costs		62 519	78 784	78 854	4 453	43 307	59 116	(15 810)	-27%	78 854
Losses on Disposal of Assets		1 065	-	-	-	-	-	-	-	-
Other Losses		27	-	-	-	-	-	-	-	-
Total Expenditure		561 751	594 624	595 302	55 970	411 776	446 239	(34 463)	-8%	595 302
Surplus/(Deficit)		(8 285)	(14)	(14)	42 379	113 061	(10)	113 072	-1088033%	(14)
Transfers and subsidies - capital (monetary allocations)		82 541	82 490	130 090	3 609	70 506	86 597	(16 091)	-19%	130 090
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		74 256	82 476	130 076	45 988	183 567	86 587	-	-	130 076
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		74 256	82 476	130 076	45 988	183 567	86 587	-	-	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	45 988	183 567	86 587	-	-	130 076
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		74 256	82 476	130 076	45 988	183 567	86 587			130 076

The total annual approved operating revenue budget amounted to **R594,623,647**. This budget was adjusted to an adjusted operating revenue budget of **R595,301,647**. The municipality received revenue amounting to **R98,348,452** for the month, representing **17%** of the approved budget. This performance is above the expected monthly target, primarily due to receipt of last trench of equitable share in the month under review. Revenue received to date is **88%** of the approved revenue budget.

The total approved capital revenue budget amounted to **R82,489,950** and this was adjusted to an adjustments budget of **130,089,617**. The municipality has recognised revenue of **R 3,609,146** 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 **54%** of the approved capital revenue budget.

The approved total operating expenditure budget of **R594,623,647**, this was adjusted to an adjusted operating expenditure budget of **R595,301,647**. For the month under review, the Municipality incurred expenditure of **R 55,969,598**, representing **9%** of the total adjusted operating expenditure budget. This level of spending is above the anticipated monthly target, primarily due to backpay enforced by upper limits of Senior management and council issued by SALGA. Expenditure incurred to date stands at **69%** of the approved operating expenditure 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 **R 2,063,757** 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 1,669,992** which includes outstanding debt collected, and it represents **80%** 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 8,573,277** 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 **75%** 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 79,736**. This represents **4%** and is less than expected performance for the month due to less revenue collected on this category. Total YTD revenue is **63%**.

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 87,332.17** has been recognised, this represent **4%** which is less than the expected performance for the month. The is a journal of **R 145,818** relates to correct classification . Total YTD revenue is **55%** 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 March 2026 is **R 1,040,003** which represent **4%** 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 **49%** 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 2,206,809.57** has been posted on the interest on arrears for refuse services and property rates with the approved budget allocation of **R 26,470,000** which represents **8%**, this is within the expected performance when measured against the monthly projection. Total YTD revenue is **62%** 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 322,772** it represents almost **11%** this is more than expected performance for the month. The improved monthly performance is mainly attributable to an increase in disconnection fees and issuing of traffic fines, during the month under review. Total YTD revenue is **49%** 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 115,943** and represents almost **3%** 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 **31%** of the revenue budget for this revenue source.

Transfers and Subsidies-Operational

Total approved budget on transfers and subsidies is **R 331,654,050**. This was adjusted to an adjusted budget of **R 332,332,050**, and the transfers recognised amounts to **R 83,629,672** for the month ended 31 March 2026. The recognised transfers represent **25%** of the approved allocation, this is more than the expected performance for the month due to receipt of last trench of equitable share in month under review. Total YTD revenue is almost **100%** 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 adjusted budget of **R130,089,617**. Revenue of **R 3,609,146** 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. Total YTD revenue is **54%** the revenue budget for this revenue source.

Other Revenue

Other revenue amounted to **R 374,967** for the month ended 31 March 2026, when measured against the approved budget allocation of **R 27,375,252** this represents almost **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 **77%** 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 **35,196,058** salary costs at the end of March 2026 against the approved budget of R **211,366,456**, incurring **17%** expenditure for the month . This level of spending is above the anticipated monthly target, primarily due to backpay enforced by upper limits of Senior management and council issued by SALGA. Total YTD Expenditure is **79%** of the expenditure budget for this expenditure source.

Description	TotalBudget	March Actuals	Total Actuals
Employee Related Cost	186,700,555	30,690,068	147,956,598
Municipal Staff	178,637,163	29,598,136	142,918,946
Senior Management of Municipalities	8,063,392	1,091,932	5,037,652
Remuneration of Councillors	24,665,901	4,505,990	19,772,873
Chief Whip	816,891	148,358	635,175
Executive Committee/Mayoral Committee	5,655,601	822,508	3,765,182
Executive Mayor/Mayor	1,072,684	83,906	1,047,626
Section 79 committee chairperson	801,471	363,577	1,330,792
Speaker	868,047	141,531	691,102
Total for All Other Councillors	15,451,207	2,946,109	12,302,995
Grand Total	211,366,456	35,196,058	167,729,471

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 31 March 2026 the approved budget is R **22,321,875**, which reflects a YTD expenditure of **146%**. The apparent over-expenditure is primarily due to the timing of the recognition of depreciation. Depreciation expenses were not recorded monthly from the beginning of the financial year but were only accounted for during the

mid-year period. This resulted in a bulk catch-up adjustment to recognise accumulated depreciation for prior months.

Finance charges.

No interest expenditure has been incurred in March 2026. YTD is R **1,955,031** relating to court order of late payments from Human Settlement.

Bulk Purchases

Total approved budget on bulk electricity purchases is R **98,000,000** expenditure for the month is R **6,707,072** this represents **7%** and this is less than the expected value for the month due to lower seasonal demand for electricity usage. Total YTD expenditure is **69%** of the expenditure budget.

Other material

Total approved budget on other material is R **7,032,600** it was then adjusted to an adjusted budget of R **7,462,600**. Expenditure for month amounts to R **246 930** and represents **3%**. This is within the anticipate performance for the month. Total YTD expenditure is **50%** of the expenditure budget for this expenditure source.

Contracted services

Total approved budget on contracted services is R **170,618,329** this was adjusted to an adjusted budget of R **170,796,329**. The spending for the month amounted to R **9,366,878** which represents **5%** 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 **55%** 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 **4,452,660** 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 **55%** of the expenditure budget for this expenditure source.

1.5 Table C5 Monthly Budget Statement- Capital Expenditure (municipal vote function classification and funding) - M09– March

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M09 - March

Vote Description	Ref	2024/25			Budget Year 2025/26				
		Approved Provision	Original Provision	Revised Provision	Monthly actual	YearTD actual	YearTD budget	YTD %	Var Year Provision
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	4 307	4 307	-	230	3 298	(3 050)	-93%
Vote 3 - Corporate		1 665	3 240	3 240	-	517	2 430	(1 913)	-79%
Vote 4 - Development and Planning		4 124	18 855	18 855	921	3 211	14 141	(10 930)	-77%
Vote 5 - Community		9 333	8 000	8 000	554	1 347	8 000	(4 753)	-79%
Vote 6 - Infrastructure		115 330	128 873	176 473	5 751	90 983	121 384	(30 402)	-25%
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	183 365	210 965	7 225	96 197	147 253	(61 068)	-36%
Total Capital Expenditure		132 721	183 365	210 965	7 225	96 197	147 253	(61 068)	-36%
Capital Expenditure - Functional Classification									
Governance and administration		9 893	7 837	7 837	-	758	6 728	(4 972)	-67%
Executive and council		53	-	-	-	-	-	-	-
Finance and administration		3 880	7 837	7 837	-	758	5 728	(4 972)	-67%
Internal audit		-	-	-	-	-	-	-	-
Community and public safety		4 848	6 160	6 160	388	824	3 883	(2 238)	-76%
Community and social services		832	2 350	2 350	34	610	1 703	(1 152)	-65%
Sport and recreation		-	-	-	-	-	-	-	-
Public safety		4 017	2 800	2 800	314	314	2 100	(1 788)	-85%
Housing		-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-
Economic and environmental services		108 386	133 308	180 908	8 871	88 788	124 711	(40 223)	-33%
Planning and development		4 124	18 855	18 855	921	3 211	14 141	(10 930)	-77%
Road transport		105 281	114 453	162 053	5 751	80 577	110 589	(29 993)	-27%
Environmental protection		-	-	-	-	-	-	-	-
Trading services		14 664	17 270	17 270	218	10 728	12 968	(2 224)	-17%
Energy sources		10 069	14 420	14 420	-	10 406	10 815	(409)	-4%
Water management		-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-
Waste management		4 485	2 850	2 850	218	323	2 138	(1 815)	-85%
Other		-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	132 721	183 365	210 965	7 225	96 197	147 253	(61 068)	-36%
Funded by:									
National Government		69 645	82 190	120 790	3 322	60 851	86 372	(25 521)	-30%
Provincial Government		629	300	300	-	169	225	(56)	-25%
District Municipality		-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Net / Prov Departm Agencies,		-	-	-	-	-	-	-	-
Transfers recognised - capital		70 274	82 480	130 080	3 822	61 020	88 687	(26 677)	-36%
Borrowing	6	-	-	-	-	-	-	-	-
Internally generated funds		62 446	80 875	80 875	3 904	35 177	60 656	(25 479)	-42%
Total Capital Funding		132 721	183 365	210 965	7 225	96 197	147 253	(61 068)	-36%

The total approved capital budget amounted to **R 163,364,950** this hand has been increased to an adjusted capital budget of **R210,964,616**. For the month under review, the Municipality incurred capital expenditure of **R 7,225,459**, representing approximately **3%** 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. Capital expenditure incurred to date amounts to **46%** of the approved capital expenditure budget.

3.1.6 C6 Monthly Budget Statement –Financial Position - M09– March

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M09 - March

Description	Ref	Budget Year 2025/26				
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands						
ASSETS						
Current assets						
Cash and cash equivalents		269 900	230 836	230 836	369 963	230 836
Trade and other receivables from exchange transactions		(47 211)	54 254	54 254	(32 953)	54 254
Receivables from non-exchange transactions		158 812	125 528	125 528	199 925	125 528
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 832	3 784	3 784	3 414	3 784
VAT		24 677	10 438	10 438	26 804	10 438
Other current assets		5 866	5 400	5 400	5 586	5 400
Total current assets		415 875	430 240	430 240	572 738	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	1 158 360	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	1 165 240	1 323 161
TOTAL ASSETS		1 517 543	1 705 802	1 753 401	1 737 978	1 753 401
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 803	528	528	1 882	528
Trade and other payables from exchange transactions		68 936	65 900	65 900	62 317	65 900
Trade and other payables from non-exchange transactions		20 481	29 800	29 800	62 101	29 800
Provision		24 184	43 950	43 950	24 184	43 950
VAT		55 815	61 810	61 810	57 602	61 810
Other current liabilities		–	–	–	–	–
Total current liabilities		171 218	201 988	201 988	208 086	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		215 151	224 489	224 489	252 019	224 489
NET ASSETS	2	1 302 392	1 481 313	1 528 913	1 485 959	1 528 913
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		918 022	1 400 438	1 448 038	1 101 589	1 448 038
Reserves and funds		384 370	80 875	80 875	384 370	80 875
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	1 302 392	1 481 313	1 528 913	1 485 959	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 31 March 2026. Total assets are **R 1,737,978** over the total liabilities of **R 252,019** this is therefore means the municipality is still able to meet its financial obligations

3.1.7 C7 Monthly Budget Statement –Cash Flow - M09 – March

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M09 - March

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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		67 797	52 646	52 646	1 993	27 693	39 485	(11 791)	-30%	52 646
Service charges		96 392	90 809	90 809	7 382	78 566	68 106	10 460	15%	90 809
Other revenue		22 800	84 321	84 321	1 615	35 363	63 241	(27 878)	-44%	84 321
Transfers and Subsidies - Operational		338 711	331 654	332 332	79 857	327 719	249 012	78 708	32%	332 332
Transfers and Subsidies - Capital		179 429	82 490	130 090	16 427	168 972	86 597	82 374	95%	130 090
Interest		24 647	55 283	55 283	1 561	15 516	41 462	(25 946)	-63%	55 283
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(297 351)	(565 802)	(566 480)	(21 845)	(221 110)	(424 623)	203 513	-48%	(566 480)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		432 426	131 401	179 000	86 990	432 719	123 280	(309 439)	-251%	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)	(5 768)	(99 843)	(147 253)	47 411	-32%	(210 965)
NET CASH FROM/(USED) INVESTING ACTIVITIES		130 245	(163 365)	(210 965)	(5 768)	(99 843)	(147 253)	(47 411)	32%	(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		562 672	(31 964)	(31 964)	81 222	332 877	(23 973)			(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:		820 816	230 836	230 836		602 777	238 827			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 March 2026.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 - March

Description	NT Code	Budget Year 2026/28									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.L.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	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	6 787	1 576	1 043	2 274	1 531	1 547	1 473	8 311	25 422	15 136	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	2 080	976	701	693	658	637	680	111 832	118 258	114 500	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	899	554	452	443	433	421	418	31 706	35 336	33 421	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	7	7	7	-	-	
Interest on Arrear Debtor Accounts	1810	1 977	1 948	1 937	1 884	1 854	1 893	1 831	71 616	85 141	79 279	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	212	133	390	233	80	68	206	42 290	43 632	42 897	(10)	-	
Total By Income Source	2000	11 936	6 187	6 493	6 627	4 668	4 688	4 808	286 968	307 796	286 240	(10)	-	
202405 - totals only		8 858	5 901	4 171	4 319	6 134	4 963	23 553	206 571	263 869	246 240	-	-	
Debtors Age Analysis By Customer Group														
Organs of State	2200	3 338	2 929	3 500	3 822	3 027	3 068	2 947	108 392	149 020	139 258	-	-	
Commercial	2300	7 912	1 590	1 273	1 051	878	869	1 010	73 582	88 184	77 390	(10)	-	
Households	2400	686	686	661	655	652	649	651	65 989	70 611	68 594	-	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	11 936	6 187	6 493	6 627	4 668	4 688	4 808	286 968	307 796	286 240	(10)	-	

The total debt book for March 2026 of **R 307,795,358** inclusive to **R 4,218,259** advance payments.

The total debt for March 2026 of **303,577,099** (including current of **R (11,668,894)** which is not yet due) has decreased by **4,179,393** from the previous month closing balance of **R 296,087,599**.

Debt is made up of the following:

- **Residential debt:**
R 45,051,418
- **Commercial debt**
R 36,771,503
- **Government debt**
R 142,845,338
- **Other**
R 468,464

The municipality implements the credit control and debt collection policy. There are two areas in which the municipality cannot collect and the debt totals to **R 106,061,511**

- **Maluti**
R 79,394,979 (including current)
- **Cedarville**
R 26,666,532(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 70,295,124.

Business H/O R 3,392,298

Churches H/O R 124,848

Farms H/O R 4,628,106

R 6,569,104 was collected for March 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 31 March 2026.

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 - March

Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
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	25	-	-	-	-	-	-	-	25	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	25	-	-	-	-	-	-	-	25	-

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Mar-26						
Investment Management						
Conditional Investments -Description	Opening Balance	Deposits	WITHDRAWALS	Interest Earned	Closing Balance	
Municipal Infrastructure Grant	268,928.48	12,805,110.55	-2,572,632.64	-7,110.55	10,501,406.39	
INEP	1,146,571.41	5,497.24		-5497.24	1,152,068.65	
EPWP	-			-	-	
Disaster Management	50,947,825.24	1,226,861.92	-2,203,891.60	-124,916.12	49,970,795.56	
Finance Management Grant	1,299.37	6.16	-1,305.53	-6.16	-	
Establishment Plan	244,659.94	1,038.97		-1,038.97	245,698.91	
Housing Development Fund	2,499,158.44	10,931.26		-10,931.26	2,510,089.70	
Dedea	758,920.36	3,222.81		-3,222.81	762,143.17	
Total Conditional Investments	55,867,363	14,052,669	- 4,777,830	- 152,723	65,142,202	
Unconditional Investments -Description						
	Opening Balance	Deposits	Withdrawals	Interest Earned	Closing Balance	
Call Acc STD CRR	188,744,582.18	4,800,000.00		-879,132.14	193,544,582.18	
Call ACC FNB Surplus Cash	6,805,395.80			-26,885.98	6,805,395.80	
Nedbank 32 Days	8,805,325.35	47,283.32		-47,283.32	8,852,608.67	
Nedbank	23,228,522.12	87,249,280.61	-48,185,347.14	-183,972.37	62,292,455.59	
Nedbank Retention	24,492,765.33	107,909.61			24,600,674.94	
Termination Guarantee	144,640.82			-693.56	144,640.82	
Account Gaurantee	6,202,000.00			-29,735.72	6,202,000.00	
	258,423,232	92,204,474	- 48,185,347	- 1,167,703	302,442,358	
Total Investments	314,290,595	106,257,142	- 52,963,177	- 1,320,426	367,584,560	

The investment portfolio of the municipality as at 31 March 2026 is as follows:

As at 31 March 2026 the conditional investments amounted to **R 65,142,202** and unconditional investments amounted to **R 302,442,358**. Total investments as at 31 March 2026 amounted to **R 367,584,560**

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 March 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 31 March 2026

Description	March 2026
Nedbank Primary Account:	6,436,056
Standard bank Account:	3,542,469
FNB Money Market Account:	853,474
Total Cash held as at 31 March 2026	10,831,999

Unreconciled items for the month amount to **R 8,454,839.05**, 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 367,584,560** and the total cash book balance and investment is **R 378,416,559**

SECTION 7_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6 – M09 - March

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	79,831	347,687	260,765	100%	
Local Government Equitable Share	319,324	319,324	79,831	319,324	239,493	100%	
Expanded Public Works Programme Integrated Grant	2,980	2,980	-	2,980	2,235	100%	
Local Government Financial Management Grant	1,800	1,800	-	1,800	1,350	100%	
Integrated National Electrification Programme	20,549	20,549	-	20,549	15,412	100%	
Municipal Infrastructure Grant (MIG)	3,034	3,034	-	3,034	2,276	100%	
Provincial Government:	2,616	3,144	-	3,019	2,358	96%	
Capacity Building and Other : Library	950	978	-	978	734	100%	
Human Settlement	-	500	-	375	375	75%	
DEDEAT	1,666	1,666	-	1,666	1,250	100%	
District Municipality:	-	150	-	150	113	0	
IDP roadshows	-	150	-	150	113	100%	
Total Operating Transfers and Grants	350,303	350,981	79,831	350,706	263,123	100%	
Capital Transfers and Grants	82,490	112,704	12,798	112,704	84,528	100%	
Municipal Infrastructure Grant (MIG)	57,647	57,647	12,798	57,647	43,235	100%	
Disaster Response Grant	24,543	54,757	-	54,757	41,068	100%	
Capacity Building and Other : Library	300	300	-	300	225	100%	
Total Capital Transfers and Grants	82,490	112,704	12,798	112,704	84,528	100%	
TOTAL RECEIPTS OF TRANSFERS & GRANTS	432,793	463,685	92,629	463,410	347,651	0	

The Municipality has **R 12,798,000** received the conditional grant and **R 79,831,000** unconditional grants allocations for both operational and capital grants.

7.2 Supporting Table SC7 - M09– March

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M09 - March

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										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		8 282	7 814	7 814	3 512	11 038	5 861	5 178	88.3%	7 814
Expanded Public Works Programme Integrated Grant		3 880	2 980	2 980	2 636	7 115	2 235	4 880	218.3%	2 980
Municipal Disaster Relief Grant		1 631	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		1 700	1 800	1 800	81	772	1 350	(578)	-42.8%	1 800
Municipal Infrastructure Grant		1 071	3 034	3 034	794	3 152	2 276	876	38.5%	3 034
Provincial Government:		3 560	4 516	5 044	287	2 410	3 598	(1 188)	-33.0%	5 044
Specify (Add grant description)		-	-	500	-	349	200	149	74.5%	500
Specify (Add grant description)		466	2 850	2 878	77	364	2 149	(1 784)	-83.0%	2 878
Specify (Add grant description)		3 095	1 666	1 666	210	1 696	1 249	447	35.8%	1 666
District Municipality:		150	-	150	-	-	60	(60)	-100.0%	150
Specify (Add grant description)		150	-	150	-	-	60	(60)	-100.0%	150
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		11 992	12 330	13 008	3 799	13 448	9 519	3 929	41.3%	13 008
Capital Transfers and Grants										
National Government:		80 137	82 190	129 790	3 609	70 337	86 372	(16 035)	-18.6%	129 790
Municipal Disaster Relief Grant		6 604	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		56 513	57 647	57 647	1 271	48 108	43 235	4 873	11.3%	57 647
Municipal Disaster Recovery Grant		17 020	24 543	72 143	2 339	22 229	43 137	(20 908)	-48.5%	72 143
Provincial Government:		601	300	300	6 040	(2 093)	225	(2 318)	-1030.4%	300
Specify (Add grant description)		-	300	300	-	-	225	(225)	-100.0%	300
Specify (Add grant description)		(29)	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	6 040	(2 262)	-	(2 262)	#DIV/0!	-
Specify (Add grant description)		629	-	-	-	169	-	169	#DIV/0!	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants		80 738	82 490	130 090	9 649	68 244	86 597	(18 354)	-21.2%	130 090
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		92 730	94 820	143 098	13 448	81 691	96 116	(14 425)	-15.0%	143 098

The municipality has expenditure of **R 13,4 million** for both total operating and capital transfers grants

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 31 March 2026

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 - March

Summary of Employee and Councillor remuneration R thousands	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
	1	A	B	C					D	
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		15 487	13 855	13 855	2 803	11 571	10 391	1 180	11%	13 855
Pension and UIF Contributions		920	958	958	190	783	718	65	9%	958
Medical Aid Contributions		537	91	91	13	(110)	68	(179)	-262%	91
Motor Vehicle Allowance		15	2 178	2 178	443	1 439	1 633	(195)	-12%	2 178
Cellphone Allowance		2 551	2 673	2 673	423	2 115	2 005	111	6%	2 673
Housing Allowances		4 734	4 912	4 912	634	3 976	3 684	292	8%	4 912
Other benefits and allowances		-	-	-	-	-	-	-	-	-
Sub Total - Councillors		24 244	24 666	24 666	4 506	19 773	18 499	1 273	7%	24 666
% increase	4		1.7%	1.7%						1.7%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		1 636	2 782	2 432	280	1 535	1 946	(412)	-21%	2 432
Pension and UIF Contributions		124	489	489	121	282	367	(85)	-23%	489
Medical Aid Contributions		98	343	343	46	209	258	(48)	-19%	343
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		15	580	580	(0)	7	435	(428)	-98%	580
Motor Vehicle Allowance		1 774	2 905	2 775	414	2 010	2 127	(117)	-5%	2 775
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		754	904	904	154	680	678	2	0%	904
Other benefits and allowances		0	1	1	0	0	1	(0)	-30%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		202	540	540	77	314	405	(91)	-22%	540
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		4 604	8 543	8 063	1 092	5 038	6 216	(1 178)	-19%	8 063
% increase	4		85.6%	75.1%						75.1%
Other Municipal Staff										
Basic Salaries and Wages		109 136	124 147	124 927	22 955	101 791	93 422	8 369	9%	124 927
Pension and UIF Contributions		16 493	21 360	21 060	3 086	15 716	15 900	(185)	-1%	21 060
Medical Aid Contributions		6 512	8 001	8 001	1 179	5 794	6 000	(206)	-3%	8 001
Overtime		4 279	3 980	4 000	364	2 999	2 993	6	0%	4 000
Performance Bonus		10 412	9 305	9 305	851	7 450	6 979	471	7%	9 305
Motor Vehicle Allowance		6 808	7 060	7 040	1 024	5 019	5 287	(268)	-5%	7 040
Cellphone Allowance		6	6	6	1	5	5	0	3%	6
Housing Allowances		3 091	3 221	3 221	303	1 803	2 416	(613)	-25%	3 221
Other benefits and allowances		1 544	1 076	1 076	(715)	776	807	(31)	-4%	1 076
Payments in lieu of leave		(1 159)	-	-	403	1 169	-	1 169	#DIV/0!	-
Long service awards		1 145	-	-	147	396	-	396	#DIV/0!	-
Post-retirement benefit obligations		94	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		158 361	178 157	178 637	29 598	142 919	133 810	9 109	7%	178 637
% increase	4		12.5%	12.8%						12.8%
Total Parent Municipality		187 209	211 366	211 366	35 196	167 729	158 525	9 205	6%	211 366

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

Remuneration related expenditure for the month ended 31 March amounted **R 35,196,058** of which the expenditure **R 4,505,990** relates to Remuneration of Councillors and **R 30,690,068** to Managers and staff against approved budget of **R211, 366, 456** incurring **17%** expenditure for the month salary budget allocation. This level of spending is above the anticipated monthly target, primarily due to backpay enforced by upper limits of Senior management and council issued by SALGA. Total YTD Expenditure is **79%** the revenue budget for this expenditure type.

8.1 Performance Indicators

EC441 Matatiele - Supporting Table SC2 Monthly Budget Statement - performance indicators - M09 - March

Description of financial indicator	Basis of calculation	Ref	Budget Year 2025/26				
			2024/25 Actuals Outcomes	Original Budget	Revised Budget	YearTD actual	Final Budget
Borrowing Management							
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%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/		8.2%	8.5%	8.3%	9.8%	8.3%
Geearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	242.0%	213.0%	213.0%	275.2%	213.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		157.6%	146.3%	114.3%	177.8%	114.3%
Revenue Management							
Annual Debtors Collection Rate	Last 12 Mths Receipt/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		21.2%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/unit 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%	28.2%	31.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.1%	4.8%	4.0%	2.2%	4.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		12.2%	3.8%	3.7%	0.4%	4.1%
IDP regulation financial viability indicators							
I. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year						
II. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue						
III. Cost coverage	(Available cash + Investments)/monthly fixed operational						

References

1. Consumer debtors > 12 months old are excluded from current assets.
2. Material variances to be explained.

Calculations

Financial liabilities					
Total Assets	1 517 543	1 705 802	1 753 401	1 737 978	1 753 401
Employee related costs	182 984	188 701	188 701	147 957	188 701
Repairs & Maintenance	18 973	28 250	23 780	11 570	23 780
Interest (finance charges)	3 829			1 955	
Principal paid					
Depreciation	83 816	22 322	22 322		24 888
Operating expenditure	581 751	594 824	595 302	411 776	595 302
Total Capital Expenditure	132 721	183 365	210 985	7 225	98 197
Borrowed funding for capital					
Debt	107 345	95 700	95 700	142 347	95 700
Equity	1 302 392	1 481 313	1 528 913	1 485 959	1 528 913
Reserves and funds					
Borrowing					
Current assets	415 875	430 240	430 240	572 738	430 240
Current liabilities	171 218	201 988	201 988	208 086	201 988
Monetary assets	289 900	230 838	230 838	389 983	230 838
Total Revenue (excluding capital transfers and contributions)	553 485	594 510	595 288	524 837	595 288
Transfers and subsidies - Operational	330 510				
Transfers and subsidies - capital (monetary allocations)	82 541	82 490	130 090	70 508	130 090
Debt service payments	24 847	55 283	55 283		
Outstanding debtors (receivables)	117 487				
Annual services revenue	148 088	188 770	188 770	10 837	135 235
Cash + Investments	259 900	230 838	230 838	389 983	230 838
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 March 2026

Purpose/ Use of the Ratio

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

The Municipality as at end of March 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 31 March 2026: R 572,738,000 / R 208,086,000 = 2.75:1

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 **31 March 2026 is: R 2.75: 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 31 March 2026:(R 572,738,000 – R 3,414,000) / R 208,086,000 = 2.73:1

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 31 March 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: 15 | 04 | 2026