MATATIELE

LOCAL MUNICIPALITY

2025/2026 MONTHLY SECTION 71 REPORT

MONTH ENDED 30 JUNE 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.

LEGISTLATIVE FRAMEWORK

This report has been prepared in terms of the following enabling legislation:

The municipal Finance Management Act No. 56 of 2003
Section 71: Monthly budget Statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

PART 1-IN-YEAR REPORT

Section 1-Resolutions

These are the resolutions being presented to Council in the monthly report on the implementation of budget and financial 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 30 June 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 if the Financial Monitoring Report (FMR) is to provide a monthly update and report on the municipality's consolidated performance in terms of the budget, indicate any material variances from Service delivery and Budget Implementation Plan (SDBIP) and provide any remedial action or corrective steps to be taken.

This report emphasizes the completeness and accuracy of all figures, guided by established procedures that ensure data is thoroughly verified and reconciled with the general ledger at month end. To support accuracy, the following month end reconciliations must be completed by the responsible sections:

- Cashbook/Bank reconciliation
- Investment Reconciliation
- Debtor's Reconciliation
- Creditor's Reconciliation
- Salary Reconciliation
- Grant Reconciliation
- Unallocated Deposit Reconciliation

The compiler is responsible for presenting these figures as they appear on the ledger, any discrepancies or irregularities identified are reported to the responsible officials for investigation and correction. The report is subsequently shared with stakeholders for input and review, incorporating their recommendations where applicable. Observations and findings that may necessitate budget adjustments are tracked and updated monthly, with planned adjustments for the mid-year review clearly indicated within the report.

2.2 Consolidated Performance (Revenue & Expenditure

Revenue by source

The total revenue budget was **R677,099,735**, this was adjusted to an adjustments budget of **R 725,377,402**. For the month of June 2026, the municipality recognised revenue amounting to **R 28,586,510** representing **4%** of the adjusted revenue budget for the month. The revenue performance for the reporting period is below the anticipated monthly target, mainly due to lower-than-expected receipts generated from operational revenue and sale of good and rendering services. Total Revenue collected to date represents **91%** of the approved adjusted 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.** For the month under review, the municipality incurred operating expenditure amounting to **R 39,625,777,** representing approximately **7%** of the total adjusted operating expenditure budget. Expenditure performance for the reporting period is below the anticipated monthly target, due municipality approaching the end of the financial year, with most planned projects and activities already completed. Expenditure incurred to date stands at **85%** 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 20,732,578,** representing approximately **10%** of the total capital budget. This performance is above the anticipated monthly spending target, primarily due to projects that were appointed this quarter and have this month Completed most of the work. Capital expenditure incurred to date amounts to **63%** 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 30 June 2026 is **R 869,734** which represents **2%** of expenditure for the month ended (Vat exclusive). YTD expenditure is **81%** 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 Monthly spending of **R 10,891,706** as at the end 30 June 2026 (Vat exclusive), this represents **15%.** YTD expenditure represents **50%.**
- The Library Capital Grant allocation of **R 300,000** was allocated. There was no Monthly spending at the end of 30 June 2026. YTD expenditure represents **66%** 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 8,971,138.34** which represent **11%** spending for the month. YTD expenditure represents **63%.**

The table below is an analysis per business unit –Summary of Capital Expenditure relate to 2025-2026 financial year.

Function	Total Budget	June Actuals	Total Actual
CORE FUNCTION: SOLID WASTE REMOVAL	2,850,000.00	200,000.00	742,819.42
Community and Social Services: Community Governance(3096)	213,000.00	-	162,500.00
Community Halls and Facilities:Public Amenities (3005)	2,137,000.00	-	778,519.02
Energy Sources: Electricity (4040)	14,420,000.00	866,750.00	12,545,447.70
Finance and Administration: Information Technology (2540)	2,600,000.00	-	-
Finance and Administration: Administrative and Corporate Support(2530)	-	-	-
Finance and Administration: Asset Mangement and Reporting (2015)	30,000.00	26,086.96	26,086.96
Finance and Administration: Council Support (2541)	490,000.00	-	382,163.28
Finance and Administration: Finance Governance (2030)	-	-	-
Finance and Administration: Human Resources (2535)	150,000.00	-	135,186.16
Finance and Administration: SCM & Expenditure (2025)	2,660,000.00	5,965.00	349,638.91
Finance and Adminstration: Revenue and Debt Management (2020)	600,000.00	-	-
Finance:Budget & Treasury (2010)	480,000.00	267,442.21	326,287.98
Governance Function:INTERNAL AUDIT (1030)	-	-	-
Legal Services:Legal Services (1042)	-	-	-
Marketing; Customer Relations; Publicity and Media Co-ordination:commu	627,000.00	402,182.03	579,743.47
Planning and Development: LED (3520)	2,990,000.00	-	843,606.95
Planning and Development: Planning (3510)	4,360,000.00	2,954,782.61	3,714,126.81
Planning and Development: Planning Governance (3540)	-	-	-
Public Safety: Civil Defence (3074)	2,800,000.00	1,302,608.70	1,616,597.60
Risk Management:FINANCE AND ADMINISTRATION RISK AND M&E (1035)	-	-	-
Road Transport: Project Operations & Mainnt(4010)	55,906,666.00	6,301,382.39	39,069,831.70
Roads:Project Management Unit	106,145,950.00	7,166,549.06	68,414,041.11
Town Planning; Building Regulations and Enforcement; and City Engineer:H	11,505,000.00	1,238,828.64	4,045,002.71
Grand Total	**210,964,616.00**	**20,732,577.60**	**133,731,599.78**

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	June 2026 status
Excavator	Excavator has been procured and delivered, Project completed
Harry Gwala Internal Streets	Project Is 93 % completed
Construction of Cedarville Internal Streets Phase 4	Project is 67 % completed
Maluti Internal Streets Phase 5	Project is 95 % (Practical completion with snag list)
Mahasheng Access Road & Bridge	Project is 95 % completed and is under defects liability period.
Mafube-Nkosana Access Road & Bridge	Project is 95 % completed and is under defects liability period.
Lekhalong via Magema-Outspan Access Road	Project is 95 % completed and is under defects liability period.

Grant Funded Projects <u>(Integrated National Electrification Programme Grant) INEP</u>

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

<u>Disaster Response Grant</u>

Disaster Capital Project	June 2026 status
Mvenyane Access Road and Bridge Recovery	The project is under construction and progress is 36%.
Lugada Mahlabathini AR Recovery	The project is under construction and progress is 89%.
Tlakanelo Access Road & Bridge (MDRG)	The project is under construction and progress is 45%.
Sifolweni Access Road (MDRG)	The project is under construction and progress is 54%.
Motsing Access Road (MDRG)	The project is under construction and progress is 30%.
Rholweni Access Road (MDRG)	The project is under construction and progress is 30%.
Tsita-Pehong Access Road (MDRG)	The project is under construction and progress is 40%.
Sekhutlong Access Road (MDRG)	The project is under construction and progress is 30%.

Mdeni Access Road and Bridge Recovery	Project is 95 % completed and is under defects liability period
Lugada to Mahlabathini and Bridge Recovery	The project is under construction and progress is 89%.
Hillside - Ngcwengane A/R and Bridge Recovery	Bridge is practically completed(95 %) with a snag list and Access Road has been finally completed(100%) .
Mngeni Bridge Recovery	Project is 95 % completed and is under defects liability period

Internal Funded Capital Projects

Capital Replacement Reserve Projects	**June 2026 Status**
Phase 2 silo facilities	The project is at 27%
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 and progress is 95%.
Nkululekweni Access Road	The project is under construction and progress is 95 %.
Maloto Access Road	The project is under construction and progress is 100 %.
Buxton Park Bridge	The project is under construction and progress is 100 %.
Harry Gwala Internal Streets CRR	The project is under construction and progress is 95 %
Phalane-Mbizweni Access Road	Project is practically completed with a snag list (95%)
Motsekoa Access Road	Project is under construction and is 95% completed.
Mapateng Access Road	Project is completed and is on defects liability period (95%).
Storm Water Drainage	The project is under construction @ 90% 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 53%
Renovation of Town Hall	The project is at 7%

This information reflects on our tender control plan on June 2026

TENDER CONTROL JUNE 2026

SUMMARY: QUOTATIONS	June -26	TOTAL June 2026
DAY TO DAY QUOTATIONS	R2,004,403.76	R2,004,403.76
FORMAL QUOTATIONS	R845,433.32	R845,433.32
TOTAL QUOTATIONS	**2,849,837.08**	**2,849,837.08**

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

Total Summary values of Procurements,	June-26	TOTAL JUNE 2026
Below R30 000 (SCM Orders) and travel & accommodation	R2,004,403.76	2,004,403.76
R30 001 – 300 000 (Procurement Process above R 30 000.00)	R845,433.32	R845,433.32
Procurement above R300 000 (Competitive bidding)	7,702,492.29	R7,702,492.29
Section 32 /National treasury	R2,004,403.76	R0.00

transversal contract		
Deviations (Section 36)	R1,722,467.26	R1,722,467.26

BIDS AND QUOTATIONS INVITED	June -26	TOTAL JUNE 2026
Invited Quotations	-	-
Invited Bids	-	-
Awarded Quotations	-	-
Awarded Bids	-	-

BIDS AWARDED			
AWARD DATE	DESCRIPTION	CONTRACTOR/CONSULTANT/SERVICE PROVIDER	AWARD AMOUNT
6/15/2026	Appointment for the supply, installation and Maintenance of multifunctional printers for Matatiele Local Municipality	Techseeds Telecommur	R2,806,492.29
6/4/2026	Prepare and supply design construction drawings, building plans and as build drawings on existing municipal supply main water, sewer, telecommunication and other related services for matatiele local municipality	Eco South Partnership	R1,498,000.00
6/4/2026	Small town revitalisation programme	Eco South Partnership	R3,398,000.00
-	-	-	-

BIDS INVITED				
NUMBER	NAME OF THE PROJECT	ADVERT DATE	CLOSING DATE	VALIDITY PERIOD
1	Appointment of a Panel of four Attorneys/Firm of Attorneys for a Per	19/06/2026	20/7/2026	-

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 – M12 – June

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M12 - June

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	56 360	61 937	61 937	22	57 250	61 937	(4 687)	-8%	61 937
Service charges	89 707	106 834	106 834	8 536	104 560	106 834	(2 273)	-2%	106 834
Investment revenue	15 316	28 813	28 813	3 345	20 176	28 813	(8 637)	-30%	28 813
Transfers and subsidies - Operational	330 510	331 654	332 332	(356)	330 423	332 332	(1 909)	-1%	332 332
Other own revenue	61 572	65 372	65 372	2 919	52 993	65 372	(12 380)	-19%	65 372
Total Revenue (excluding capital transfers and contributions)	**553 465**	**594 610**	**595 288**	**14 467**	**565 402**	**595 288**	**(29 886)**	**-5%**	**595 288**
Employee costs	162 964	186 701	186 701	14 607	176 130	186 701	(10 571)	-6%	186 701
Remuneration of Councillors	24 244	24 666	24 666	2 029	23 931	24 666	(735)	-3%	24 666
Depreciation and amortisation	63 816	22 322	22 322	–	32 626	22 322	10 304	46%	22 322
Interest	3 829	–	–	–	1 955	–	1 955	#DIV/0!	–
Inventory consumed and bulk purchases	92 671	105 033	105 463	9 240	93 986	105 463	(11 476)	-11%	105 463
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	214 114	255 903	256 151	13 749	178 262	256 151	(77 889)	-30%	256 151
Total Expenditure	**561 638**	**594 624**	**595 302**	**39 626**	**506 889**	**595 302**	**(88 413)**	**-15%**	**595 302**
Surplus/(Deficit)	**(8 172)**	**(14)**	**(14)**	**(25 159)**	**58 513**	**(14)**	**58 527**	**-422379%**	**(14)**
Transfers and subsidies - capital (monetary allocations)	82 541	82 490	130 090	14 120	95 288	130 090	(33 802)	-26%	130 090
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
contributions	**74 369**	**82 476**	**130 076**	**(11 039)**	**154 801**	**130 076**	**24 725**	**19%**	**130 076**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**74 369**	**82 476**	**130 076**	**(11 039)**	**154 801**	**130 076**	**24 725**	**19%**	**130 076**
Capital expenditure & funds sources									
Capital expenditure	**133 676**	**163 365**	**210 965**	**20 733**	**133 732**	**210 965**	**(77 233)**	**-37%**	**210 965**
Capital transfers recognised	71 403	82 490	130 090	11 761	83 119	130 090	(46 971)	-36%	130 090
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**62 273**	**80 875**	**80 875**	**8 971**	**50 613**	**80 875**	**(30 262)**	**-37%**	**80 875**
Total sources of capital funds	**133 676**	**163 365**	**210 965**	**20 733**	**133 732**	**210 965**	**(77 233)**	**-37%**	**210 965**
Financial position									
Total current assets	416 282	430 240	430 240		476 487				430 240
Total non current assets	1 102 668	1 275 562	1 323 161		1 203 774				1 323 161
Total current liabilities	172 512	201 988	201 988		179 023				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**		**1 457 305**				**1 528 913**
Cash flows									
Net cash from (used) operating	432 426	131 401	179 000	9 033	462 272	179 000	(283 271)	-158%	179 000
Net cash from (used) investing	130 245	(163 365)	(210 965)	(20 415)	(137 660)	(210 965)	(73 305)	35%	(210 965)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**820 816**	**230 836**	**230 836**	–	**594 511**	**230 836**	**(363 675)**	**-158%**	**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	8 493	5 106	6 234	4 151	3 834	4 432	4 701	248 268	285 217
Creditors Age Analysis									
Total Creditors	5 120	–	–	–	–	–	–	–	5 120

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 YTD 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) – M12 – June

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M12 - June

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**419 376**	**437 220**	**437 370**	**5 775**	**418 460**	**437 370**	(18 910)	-4%	**437 370**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		418 776	437 220	437 370	5 775	418 460	437 370	(18 910)	-4%	437 370
Internal audit		600	–	–	–	–	–	–		–
Community and public safety		**12 147**	**17 474**	**17 502**	**(861)**	**12 373**	**17 502**	(5 129)	-29%	**17 502**
Community and social services		6 076	8 646	8 674	(1 362)	7 020	8 674	(1 654)	-19%	8 674
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		6 072	8 828	8 828	501	5 353	8 828	(3 475)	-39%	8 828
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**86 431**	**90 736**	**138 836**	**14 685**	**103 867**	**138 836**	(34 968)	-25%	**138 836**
Planning and development		3 592	5 502	6 002	211	3 769	6 002	(2 233)	-37%	6 002
Road transport		82 839	85 234	132 834	14 474	100 098	132 834	(32 736)	-25%	132 834
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**118 053**	**131 670**	**131 670**	**8 988**	**126 989**	**131 670**	**(4 680)**	-4%	**131 670**
Energy sources		103 037	114 257	114 257	7 780	113 326	114 257	(931)	-1%	114 257
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		15 015	17 413	17 413	1 208	13 664	17 413	(3 749)	-22%	17 413
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**636 007**	**677 100**	**725 377**	**28 587**	**661 690**	**725 377**	**(63 688)**	**-9%**	**725 377**
Expenditure - Functional										
Governance and administration		**260 360**	**270 868**	**275 768**	**17 817**	**226 389**	**275 768**	(49 379)	-18%	**275 768**
Executive and council		33 134	33 755	33 755	2 758	32 066	33 755	(1 689)	-5%	33 755
Finance and administration		222 662	232 129	237 280	14 799	190 406	237 280	(46 874)	-20%	237 280
Internal audit		4 564	4 984	4 733	260	3 917	4 733	(816)	-17%	4 733
Community and public safety		**53 081**	**58 193**	**59 835**	**4 403**	**53 236**	**59 835**	(6 599)	-11%	**59 835**
Community and social services		28 655	28 268	32 046	1 957	28 278	32 046	(3 768)	-12%	32 046
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		24 425	29 925	27 789	2 446	24 958	27 789	(2 831)	-10%	27 789
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**90 341**	**96 110**	**93 272**	**8 643**	**82 417**	**93 272**	(10 855)	-12%	**93 272**
Planning and development		47 955	45 203	47 400	6 180	31 524	47 400	(15 876)	-33%	47 400
Road transport		42 386	50 908	45 873	2 463	50 893	45 873	5 021	11%	45 873
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**157 855**	**169 452**	**166 427**	**8 762**	**144 847**	**166 427**	**(21 580)**	-13%	**166 427**
Energy sources		134 169	142 991	141 301	6 349	122 440	141 301	(18 862)	-13%	141 301
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		23 686	26 461	25 126	2 413	22 408	25 126	(2 718)	-11%	25 126
Other		–	–	–	–	–	–	–		–
Total Expenditure - Functional	3	**561 638**	**594 624**	**595 302**	**39 626**	**506 889**	**595 302**	**(88 413)**	**-15%**	**595 302**
Surplus/ (Deficit) for the year		**74 369**	**82 476**	**130 076**	**(11 039)**	**154 801**	**130 076**	**24 725**	**19%**	**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 30 June 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 June 2026 Is **R 39,625,777** and revenue is **R 28,586,510.**

3.1.3 Table C3: Monthly Budget Statement –Financial Performance (revenue and expenditure by municipal vote) – M12 – June

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 - June

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Executive Council		–	–	–	–	–	–	–		–
Vote 2 - Finance and Admin		418 368	436 870	437 020	5 772	418 012	437 020	(19 008)	-4.3%	437 020
Vote 3 - Corporate		408	350	350	3	448	350	98	28.1%	350
Vote 4 - Development and Planning		3 592	5 502	6 002	211	3 769	6 002	(2 233)	-37.2%	6 002
Vote 5 - Community		27 163	34 887	34 915	347	26 036	34 915	(8 878)	-25.4%	34 915
Vote 6 - Infrastructure		185 877	199 491	247 091	22 253	213 424	247 091	(33 667)	-13.6%	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**	**28 587**	**661 690**	**725 377**	**(63 688)**	**-8.8%**	**725 377**
Expenditure by Vote	1									
Vote 1 - Executive Council		33 134	33 755	33 755	2 758	32 066	33 755	(1 689)	-5.0%	33 755
Vote 2 - Finance and Admin		130 077	132 658	138 139	9 141	108 319	138 139	(29 821)	-21.6%	138 139
Vote 3 - Corporate		92 585	99 471	99 140	5 658	82 087	99 140	(17 053)	-17.2%	99 140
Vote 4 - Development and Planning		47 955	45 203	47 400	6 180	31 524	47 400	(15 876)	-33.5%	47 400
Vote 5 - Community		76 767	84 654	84 961	6 816	75 643	84 961	(9 317)	-11.0%	84 961
Vote 6 - Infrastructure		176 555	193 899	187 174	8 813	173 333	187 174	(13 841)	-7.4%	187 174
Vote 7 - Internal Audit		4 564	4 984	4 733	260	3 917	4 733	(816)	-17.2%	4 733
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**561 638**	**594 624**	**595 302**	**39 626**	**506 889**	**595 302**	**(88 413)**	**-14.9%**	**595 302**
Surplus/ (Deficit) for the year	2	**74 369**	**82 476**	**130 076**	**(11 039)**	**154 801**	**130 076**	**24 725**	**19.0%**	**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) – M12– June

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 - June

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		77 914	91 308	91 308	7 557	92 706	91 308	1 398	2%	91 308
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		11 793	15 526	15 526	979	11 854	15 526	(3 672)	-24%	15 526
Sale of Goods and Rendering of Services		27 190	26 470	26 470	226	21 684	26 470	(4 786)	-18%	26 470
Agency services		1 539	1 800	1 800	127	1 505	1 800	(295)	-16%	1 800
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		1 636	2 200	2 200	221	2 503	2 200	303	14%	2 200
Interest from Current and Non Current Assets		15 316	28 813	28 813	3 345	20 176	28 813	(8 637)	-30%	28 813
Dividends		–	–	–	–	–	–	–		–
Rent on Land		303	–	–	–	235	–	235	#DIV/0!	–
Rental from Fixed Assets		1 317	2 220	2 220	529	3 894	2 220	1 674	75%	2 220
Licence and permits		2 470	4 434	4 434	168	1 863	4 434	(2 571)	-58%	4 434
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		518	905	905	–	391	905	(514)	-57%	905
Non-Exchange Revenue								–		
Property rates		56 360	61 937	61 937	22	57 250	61 937	(4 687)	-8%	61 937
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2 127	3 048	3 048	211	2 034	3 048	(1 014)	-33%	3 048
Licence and permits		31	25	25	–	(0)	25	(25)	-100%	25
Transfers and subsidies - Operational		330 510	331 654	332 332	(356)	330 423	332 332	(1 909)	-1%	332 332
Interest		23 294	24 270	24 270	1 436	18 884	24 270	(5 386)	-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)		**553 465**	**594 610**	**595 288**	**14 467**	**565 402**	**595 288**	**(29 886)**	**-5%**	**595 288**
Expenditure By Type										
Employee related costs		162 964	186 701	186 701	14 607	176 130	186 701	(10 571)	-6%	186 701
Remuneration of councillors		24 244	24 666	24 666	2 029	23 931	24 666	(735)	-3%	24 666
Bulk purchases - electricity		87 487	98 000	98 000	7 854	88 371	98 000	(9 629)	-10%	98 000
Inventory consumed		5 184	7 033	7 463	1 386	5 616	7 463	(1 847)	-25%	7 463
Debt impairment		–	–	–	–	–	–	–		–
Depreciation and amortisation		63 816	22 322	22 322	–	32 626	22 322	10 304	46%	22 322
Interest		3 829	–	–	–	1 955	–	1 955	#DIV/0!	–
Contracted services		138 081	170 618	170 796	7 702	121 299	170 796	(49 497)	-29%	170 796
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		12 447	6 500	6 500	–	–	6 500	(6 500)	-100%	6 500
Operational costs		62 493	78 784	78 854	6 047	56 963	78 854	(21 892)	-28%	78 854
Losses on Disposal of Assets		1 065	–	–	–	–	–	–		–
Other Losses		27	–	–	–	–	–	–		–
Total Expenditure		**561 638**	**594 624**	**595 302**	**39 626**	**506 889**	**595 302**	**(88 413)**	**-15%**	**595 302**
Surplus/(Deficit)		**(8 172)**	**(14)**	**(14)**	**(25 159)**	**58 513**	**(14)**	**58 527**	**-422379%**	**(14)**
Transfers and subsidies - capital (monetary allocations)		82 541	82 490	130 090	14 120	96 288	130 090	(33 802)	-26%	130 090
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**74 369**	**82 476**	**130 076**	**(11 039)**	**154 801**	**130 076**			**130 076**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**74 369**	**82 476**	**130 076**	**(11 039)**	**154 801**	**130 076**			**130 076**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		**74 369**	**82 476**	**130 076**	**(11 039)**	**154 801**	**130 076**			**130 076**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**74 369**	**82 476**	**130 076**	**(11 039)**	**154 801**	**130 076**			**130 076**

The total annual approved operating revenue budget amounted to **R594,609,785**. This budget was adjusted to an adjusted operating revenue budget of **R 595,287,785**. The municipality received revenue amounting to **R 14,466,824** for the month, representing **2%** of the approved budget. The revenue performance for the reporting period is below the anticipated monthly target, mainly due to lower-than-expected receipts generated from operational revenue as well as the property rates. Revenue received to date is **95%** of the approved revenue budget.

The total approved capital revenue budget amounted to **R 82,489,950** and this was adjusted to an adjustments budget of **R130,089,617**. The municipality has recognised revenue of **R 14,119,686** representing **11%** of the approved capital revenue budget, this is above the expected performance for the month due to more disaster capital projects being recognised for the month. The revenue to date is **74%** of the approved capital revenue budget.

The approved total operating expenditure budget of **R 594,623,647** was adjusted to an adjustments operating expenditure budget of **R 595,301,647**. For the month under review, the municipality incurred operating expenditure amounting to **R 39,625,777**, representing approximately **7%** of the total adjusted operating expenditure budget. Expenditure performance for the reporting period is below the anticipated monthly target, due municipality approaching the end of the financial year, with the majority of planned projects and activities already completed. Expenditure incurred to date stands at **85%** 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 variance will decrease as the year progresses once all supplementary valuations are taken into consideration.

Revenue received from property rates amounted to **R 4,877,952** which includes the collection of outstanding debt. An amount of **R21,924** relates to debit note corrections processed during the month of June, Year to date revenue billed represent **92%** of the revenue budget.

Services Charges

Revenue from service charges amounted to **R 9,051,873** against the approved budget of **R 106,833,628**. This represent **8%** and the revenue performance is within the expected performance for the month. Total YTD revenue is **98%** 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. For the month under review, income received from agency services amounted to **R126,996** representing approximately **7%** of the approved revenue budget. The performance for the month is below the anticipated target due to lower revenue collections recorded under this category during the reporting period. Total YTD revenue is **84%.**

Rental of Facilities and equipment

Rental of facilities and equipment approved budget is **R 2,220,000**. For the month under review, revenue amounting to **R 88,768.** representing **4%** of the approved revenue budget. This performance is below the anticipated monthly target, mainly due less rental of facilities. The is a amount R **440,291** relates to insurance refund that is under sundry account and will be reclassified to the appropriate account in period 13 . Total YTD revenue is **62%.**

Interest earned on Investments.

The total approved budget Interest on investments is **R 28,812,996** and the interest received for the month of June 2026 is **R 3,345,432** which represent **12%** this is more than expected performance for the month due to more investments made increasing our interest on investment revenue, hence the variance. Total YTD revenue is **70%** 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 **R1,657,522** and it 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 **6%**, this is less than the expected performance when measured against the monthly projection due to less interest charged. Total YTD revenue is **82%** 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 210,667** it represents almost **7%** this is less than expected performance for the month due to a decrease In dlsconnectlon fees and Issulng of trafflc flnes, during the month under review. Total YTD revenue is **67%** 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 168,244** and represents almost **4%** 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 **42%** 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,** For the month ended **30 June 2026**, transfers recognised amounted to **R 1,143,839** representing almost **0%** of the total budget allocation for this revenue source. The performance for the month is below the anticipated monthly target, mainly because most operational transfers had already been received earlier in the financial year. 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 14,119,686** was recognised for the month, representing **11%** of the total budget. This performance is above the expected level for the month, mainly due to more recognition in conditional grants revenue. Total YTD revenue is **74%** the revenue budget for this revenue source.

Other Revenue

Other revenue amounted to **R 226,351** for the month ended 30 June 2026, when measured against the approved revenue budget of **R 27,375,252** this represents almost **1%** which is less than the expected performance for the month. This is due to less revenue received under merchandising. Total YTD revenue is **81%** 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 **16,636,412** salary costs at the end of 30 June 2026 against the approved budget of **R 211,366,456**, incurring **8%** expenditure for the month. This level of spending is below the anticipated monthly target. Total YTD Expenditure is **95%** of the expenditure budget for this expenditure source.

Description	Total Budget	June Actuals	Total Actuals
⊟ **Employee Related Cost**	**186,700,555.00**	**14,607,098.70**	**176,129,743.72**
Municipal Staff	178,637,163.00	14,080,658.82	170,073,440.09
Senior Management of Municipalities	8,063,392.00	526,439.88	6,056,303.63
⊟ **Remuneration of Councillors**	**24,665,901.00**	**2,029,313.44**	**23,930,510.03**
Chief Whip	816,891.00	67,137.84	787,123.77
Executive Committee/Mayoral Committee	5,655,601.00	341,102.19	4,500,386.17
Executive Mayor/Mayor	1,072,684.00	105,936.22	1,125,857.82
Section 79 committee chairperson	801,471.00	139,819.27	1,686,385.94
Speaker	868,047.00	71,352.32	836,463.01
Total for All Other Councillors	15,451,207.00	1,303,965.60	14,994,293.32
Grand Total	**211,366,456.00**	**16,636,412.14**	**200,060,253.75**

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 30 June 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 June 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 7,854,427** this represents **8%** and this is within the the expected value for the month due to lower seasonal demand for electricity usage. Total YTD expenditure is **90%** 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 **R7,462,600.** Expenditure for month amounts to **R 1,385,621** and represents **19%.** This is more -than-anticipated due to inventory purchased for planned maintenance. Total YTD expenditure is **75%** 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 7,702,363** which represents **5%** of the budgeted amount. This is less than expected performance for the month due no payments made for Grave Digging Services, Agricultural shows feasibility studies and Internal audit consultants. Total YTD expenditure is **71%** 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.** The expenditure amounted **R 6,046,953** for the month; this represents **8%** of the budget and it is within the expected performance for the month. Total YTD expenditure is **72%** of the expenditure budget for this expenditure source.

1.5 Table C5 Monthly Budget Statement- Capital Expenditure (municipal vote function classification and funding) – M12– June

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M12 - June

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - Executive Council		-	-	-	-	-	-	-		-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-		-
Vote 3 - Corporate		-	-	-	-	-	-	-		-
Vote 4 - Development and Planning		-	-	-	-	-	-	-		-
Vote 5 - Community		-	-	-	-	-	-	-		-
Vote 6 - Infrastructure		-	-	-	-	-	-	-		-
Vote 7 - Internal Audit		-	-	-	-	-	-	-		-
Vote 8 -		-	-	-	-	-	-	-		-
Vote 9 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 -		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-		-
Single Year expenditure appropriation	2									
Vote 1 - Executive Council		53	-	-	-	-	-	-		-
Vote 2 - Finance and Admin		2 195	4 397	4 397	702	1 282	4 397	(3 115)	-71%	4 397
Vote 3 - Corporate		1 685	3 240	3 240	-	517	3 240	(2 723)	-84%	3 240
Vote 4 - Development and Planning		4 124	18 855	18 855	4 194	8 603	18 855	(10 252)	-54%	18 855
Vote 5 - Community		9 333	8 000	8 000	1 503	3 300	8 000	(4 700)	-59%	8 000
Vote 6 - Infrastructure		116 285	128 873	176 473	14 335	120 029	176 473	(56 443)	-32%	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	133 676	163 365	210 965	20 733	133 732	210 965	(77 233)	-37%	210 965
Total Capital Expenditure		**133 676**	**163 365**	**210 965**	**20 733**	**133 732**	**210 965**	**(77 233)**	**-37%**	**210 965**
Capital Expenditure - Functional Classification										
Governance and administration		3 933	7 637	7 637	702	1 799	7 637	(5 838)	-76%	7 637
Executive and council		53	-	-	-	-	-	-		-
Finance and administration		3 880	7 637	7 637	702	1 799	7 637	(5 838)	-76%	7 637
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		4 849	5 150	5 150	1 303	2 558	5 150	(2 592)	-50%	5 150
Community and social services		832	2 350	2 350	-	941	2 350	(1 409)	-60%	2 350
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		4 017	2 800	2 800	1 303	1 617	2 800	(1 183)	-42%	2 800
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		110 575	133 308	180 908	17 662	116 087	180 908	(64 821)	-36%	180 908
Planning and development		4 124	18 855	18 855	4 194	8 603	18 855	(10 252)	-54%	18 855
Road transport		106 451	114 453	162 053	13 468	107 484	162 053	(54 569)	-34%	162 053
Environmental protection		-	-	-	-	-	-	-		-
Trading services		14 319	17 270	17 270	1 067	13 288	17 270	(3 982)	-23%	17 270
Energy sources		9 835	14 420	14 420	867	12 545	14 420	(1 875)	-13%	14 420
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		4 485	2 850	2 850	200	743	2 850	(2 107)	-74%	2 850
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	**133 676**	**163 365**	**210 965**	**20 733**	**133 732**	**210 965**	**(77 233)**	**-37%**	**210 965**
Funded by:										
National Government		70 773	82 190	129 790	11 761	82 922	129 790	(46 868)	-36%	129 790
Provincial Government		629	300	300	-	197	300	(103)	-34%	300
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-		-
Transfers recognised - capital		71 403	82 490	130 090	11 761	83 119	130 090	(46 971)	-36%	130 090
Borrowing	6	-	-	-	-	-	-	-		-
Internally generated funds		62 273	80 875	80 875	8 971	50 613	80 875	(30 262)	-37%	80 875
Total Capital Funding		**133 676**	**163 365**	**210 965**	**20 733**	**133 732**	**210 965**	**(77 233)**	**-37%**	**210 965**

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 20,732,578,** representing approximately **10%** of the total capital budget. This performance is above the anticipated monthly spending target, primarily due to projects that were appointed this quarter and have this month Completed most of the work. Capital expenditure incurred to date amounts to **63%** of the approved capital expenditure budget.

3.1.6 C6 Monthly Budget Statement –Financial Position – M12– June

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M12 - June

Description	Ref	2024/25	Budget Year 2025/26			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		269 900	230 836	230 836	298 432	230 836
Trade and other receivables from exchange transactions		(47 211)	54 254	54 254	(32 875)	54 254
Receivables from non-exchange transactions		158 812	125 528	125 528	177 269	125 528
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 832	3 784	3 784	3 315	3 784
VAT		25 084	10 438	10 438	24 086	10 438
Other current assets		5 866	5 400	5 400	6 260	5 400
Total current assets		**416 282**	**430 240**	**430 240**	**476 487**	**430 240**
Non current assets						
Investments		–	–	–	–	–
Investment property		4 960	4 960	4 960	4 960	4 960
Property, plant and equipment		1 095 788	1 267 568	1 315 568	1 196 894	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		**1 102 668**	**1 275 562**	**1 323 161**	**1 203 774**	**1 323 161**
TOTAL ASSETS		**1 518 949**	**1 705 802**	**1 753 401**	**1 680 261**	**1 753 401**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 803	528	528	1 906	528
Trade and other payables from exchange transactions		70 230	65 900	65 900	54 340	65 900
Trade and other payables from non-exchange transactions		20 481	29 800	29 800	41 193	29 800
Provision		24 184	43 950	43 950	24 184	43 950
VAT		55 815	61 810	61 810	57 400	61 810
Other current liabilities		–	–	–	–	–
Total current liabilities		**172 512**	**201 988**	**201 988**	**179 023**	**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		**216 445**	**224 489**	**224 489**	**222 956**	**224 489**
NET ASSETS	2	**1 302 505**	**1 481 313**	**1 528 913**	**1 457 305**	**1 528 913**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		918 022	1 400 438	1 448 038	1 072 935	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**	**1 457 305**	**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 30 June 2026. Total assets are **R 1,680,261** over the total liabilities of **R 222,956** this is therefore means the municipality is still able to meet its financial obligations

3.1.7 C7 Monthly Budget Statement –Cash Flow – M12– June

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M12 - June

Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		67 797	52 646	52 646	5 540	56 589	52 646	3 943	7%	52 646
Service charges		96 392	90 809	90 809	10 755	107 966	90 809	17 157	19%	90 809
Other revenue		22 800	84 321	84 321	2 587	40 832	84 321	(43 488)	-52%	84 321
Transfers and Subsidies - Operational		338 711	331 654	332 332	21	327 772	332 332	(4 560)	-1%	332 332
Transfers and Subsidies - Capital		179 429	82 490	130 090	8 534	192 969	130 090	62 880	48%	130 090
Interest		24 647	55 283	55 283	3 470	21 811	55 283	(33 472)	-61%	55 283
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(297 351)	(565 802)	(566 480)	(21 875)	(285 668)	(566 480)	280 812	-50%	(566 480)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**432 426**	**131 401**	**179 000**	**9 033**	**462 272**	**179 000**	**(283 271)**	**-158%**	**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)	(20 415)	(137 660)	(210 965)	73 305	-35%	(210 965)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**130 245**	**(163 365)**	**(210 965)**	**(20 415)**	**(137 660)**	**(210 965)**	**(73 305)**	**35%**	**(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)**	**(11 382)**	**324 612**	**(31 964)**			**(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		594 511	230 836			237 936

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

PART 2 –SUPPORTING DOCUMENTATION

SECTION 4

Debtors Analysis

Table SC3 presented below summarises the Debtors Age Analysis as at 30 June 2026.

EC441 Matatiele - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 - June

Description	NT Code	Budget Year 2025/26											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	5 698	2 616	1 203	934	855	1 315	1 733	8 325	22 680	13 162	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	116	29	671	536	512	482	474	93 945	96 867	96 050	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	875	605	462	438	436	416	408	32 380	36 019	34 077	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	7	7	7	–	–
Interest on Arrear Debtor Accounts	1810	1 658	1 736	1 756	1 931	1 900	1 879	1 853	71 029	83 743	78 593	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	145	120	2 142	212	130	340	233	42 581	45 902	43 496	–	–
Total By Income Source	**2000**	**8 493**	**5 106**	**6 234**	**4 151**	**3 834**	**4 432**	**4 701**	**248 268**	**285 217**	**265 385**	–	–
2024/25 - totals only		9 378	3 704	3 493	3 681	3 236	2 927	3 271	220 862	250 554	233 978	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	3 123	3 102	4 452	2 482	2 268	2 723	3 096	105 765	127 011	116 334	–	–
Commercial	2300	4 849	1 471	1 121	1 012	912	1 059	958	74 909	86 291	78 850	–	–
Households	2400	521	533	660	656	654	650	647	67 594	71 915	70 201	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**8 493**	**5 106**	**6 234**	**4 151**	**3 834**	**4 432**	**4 701**	**248 268**	**285 217**	**265 385**	–	–

The total debt book for 30 June 2026 of **R 285,217,314** inclusive to **R 4,079,484** advance payments.

The total debt for June 2026 of **R 281,137,830** (including current of **R 7,514,033** which is not yet due) has decreased by **R 13,879,882.70** from the previous month closing balance of **R 287,503,679**

Debt is made up of the following:

- **Residential debt:**
  R 45,412,842
  Commercial debt
  R 34,010,879.76
  Government debt
  R 121,878,887.08
  Other
  R 377,210.07

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 99,668,867**

- **Maluti**
  R 78,878,553 (including current)
- **Cedarville**
  R 11,228,853 (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 71,608,721

Business H/O R 3,121,302

Churches H/O R 128,458.21

Farms H/O R 4,637,424

R 15,022,090 was collected for June 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 30 June 2026.

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 - June

Description R thousands	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	
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	5 120	–	–	–	–	–	–	–	5 120	–
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	**1000**	5 120	–	–	–	–	–	–	–	5 120	–

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Jun-26

Investment Management

Conditional Investments -Description	Opening Balance	Deposits	WITHDRAWALS	Interest Earned	Closing Balance
Municipal Infrastructure Grant	3,518,830.15	25,092.48	-3,098,608.75	-25,092.48	445,313.88
INEP	18,544.89	98.94		-98.94	18,643.83
EPWP	-			-	-
Disaster Management	44,640,028.73	255,811.90	-9,645,998.61	-255,811.90	35,249,842.02
Establishment Plan	247,761.37	1,069.11		-1,069.11	248,830.48
Housing Development Fund	2,531,791.93	11,236.99		-11,236.99	2,543,028.92
Dedea	768,430.72	3,426.36		-3,426.36	771,857.08
Total Conditional Investments	**51,725,388**	**296,736**	- **12,744,607**	- **296,736**	**39,277,516**

Unconditional Investments -Description	Openning Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	205,144,582.18	3,300,000.00	-20,000,000.00	-1,870,976.63	188,444,582.18
Call ACC FNB Surplus Cash	6,805,395.80			-29,906.45	6,805,395.80
Nedbank 32 Days	8,956,474.73	53,432.13		-53,432.13	9,009,906.86
Nedbank CRR	33,710,971.27	30,271,591.40	-61,500,000.00	-237,771.43	2,482,562.67
Nedbank Retention	29,345,638.35	144,931.74		-144,931.74	29,490,570.09
Termination Guarantee	144,640.82			-770.84	144,640.82
Account Gaurantee	6,202,000.00			-33,049.13	6,202,000.00
Total Unconditional Investments	**290,309,703**	**33,769,955**	- **81,500,000**	- **2,370,838**	**242,579,658**
Total Investments	**342,035,091**	**34,066,691**	- **94,244,607**	- **2,667,574**	**281,857,175**

The investment portfolio of the municipality as at 30 June 2026 is as follows:

As at 30 June 2026 the conditional investments amounted to **R 39, 277,516** and unconditional investments amounted to **R 242,857,175**. Total investments as at 30 June 2026 amounted to **R 281,857,175**

These invested funds are those funds for the capital projects that have not yet been implemented. The interest raised from these short-term investments is already included in the budget at an estimate.

This indicates that the municipality as at 30 June 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 30 June 2026

Description	June 2026
Nedbank Primary Account:	19 568 567
Standard bank Account:	2 064 786
FNB Money Market Account:	1 058 980
Total Cash held as at 30 June 2026	**22,692,333**

Unreconciled items for the month amount to **R 6,118,547** 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 22,692,333** and investment balance of **R 281,857,175** and the total cash book balance and investment is **R 304,549,508**

SECTION 7_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC6 – M12 – June

Description	2025-2026 Meduim Term Revenue & Expenditure Framework					
R thousand	Approved Budget Year 2025/26	Adjustment Budget	Monthly actual	YearTD actual	YearTD budget	Perfomance %
RECEIPTS:						
Operating Transfers and Grants						
National Government:	347,687	347,687	–	347,687	347,687	100%
Local Government Equitable Share	319,324	319,324	–	319,324	319,324	100%
Expanded Public Works Programme Integrated Grant	2,980	2,980	–	2,980	2,980	100%
Local Government Financial Management Grant	1,800	1,800	–	1,800	1,800	100%
Intergrated National Electrification Programme	20,549	20,549	–	20,549	20,549	100%
Municipal Infrastructure Grant (MIG)	3,034	3,034	–	3,034	3,034	100%
Provincial Government:	2,616	3,144	–	3,019	3,144	96%
Capacity Building and Other : Library	950	978	–	978	978	100%
Human Settlement	–	500	–	375	500	75%
DEDEAT	1,666	1,666	–	1,666	1,666	100%
District Municipality:	–	150	–	150	150	0
IDP roadshows	–	150	–	150	150	100%
Total Operating Transfers and Grants	350,303	350,981	–	350,706	350,831	100%
Capital Transfers and Grants	82,490	112,704	–	112,704	112,704	100%
Municipal Infrastructure Grant (MIG)	57,647	57,647		57,647	57,647	100%
Disaster Response Grant	24,543	54,757		54,757	54,757	100%
Capacity Building and Other : Library	300	300	–	300	300	100%
Total Capital Transfers and Grants	82,490	112,704	–	112,704	112,704	100%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	432,793	463,685	–	463,410	463,535	100%

The Municipality has not received grants allocations for both operational and capital grants.

7.2 Supporting Table SC7 – M12– June

EC441 Matatiele - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 - June

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		8 282	7 814	7 814	(620)	8 419	7 814	605	7.7%	7 814
Expanded Public Works Programme Integrated Grant		3 880	2 980	2 980	(1 499)	2 980	2 980	0	0.0%	2 980
Municipal Disaster Relief Grant		1 631	–	–	–	–	–	–		–
Local Government Financial Management Grant	3	1 700	1 800	1 800	526	1 432	1 800	(368)	-20.5%	1 800
Municipal Infrastructure Grant		1 071	3 034	3 034	354	4 007	3 034	973	32.1%	3 034
Provincial Government:		3 560	4 516	5 044	264	2 530	5 044	(2 514)	-49.8%	5 044
Specify (Add grant description)		–	–	500	–	349	500	(151)	-30.2%	500
Specify (Add grant description)		466	2 850	2 878	54	515	2 878	(2 363)	-82.1%	2 878
Specify (Add grant description)		3 095	1 666	1 666	210	1 666	1 666	0	0.0%	1 666
District Municipality:		150	–	150	–	150	150	–		150
Specify (Add grant description)		150	–	150	–	150	150	–		150
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		11 992	12 330	13 008	(356)	11 099	13 008	(1 909)	-14.7%	13 008
Capital Transfers and Grants										
National Government:		80 137	82 190	129 790	14 120	96 091	129 790	(33 699)	-26.0%	129 790
Municipal Disaster Relief Grant		6 604	–	–	–	–	–	–		–
Municipal Infrastructure Grant		56 513	57 647	57 647	1 315	54 155	57 647	(3 492)	-6.1%	57 647
Municipal Disaster Recovery Grant		17 020	24 543	72 143	12 805	41 936	72 143	(30 207)	-41.9%	72 143
Provincial Government:		601	300	300	8 120	(3 915)	300	(4 215)	-1404.9%	300
Specify (Add grant description)		–	300	300	–	–	300	(300)	-100.0%	300
Specify (Add grant description)		(29)	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	8 120	(4 112)	–	(4 112)	#DIV/0!	–
Specify (Add grant description)		629	–	–	–	197	–	197	#DIV/0!	–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		80 738	82 490	130 090	22 240	92 176	130 090	(37 913)	-29.1%	130 090
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		92 730	94 820	143 098	21 884	103 275	143 098	(39 822)	-27.8%	143 098

The municipality has expenditure of **R 103,2 million** for both total operating and capital transfers grants

SECTIONS 8

Table SC8 presents the expenditure of councillor and staff benefits at 30 June 2026

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 - June

Summary of Employee and Councillor remuneration R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		15 487	13 855	13 855	1 186	14 049	13 855	194	1%	13 855
Pension and UIF Contributions		920	958	958	80	950	958	(8)	-1%	958
Medical Aid Contributions		537	91	91	7	(95)	91	(186)	-204%	91
Motor Vehicle Allowance		15	2 178	2 178	180	1 959	2 178	(218)	-10%	2 178
Cellphone Allowance		2 551	2 673	2 673	212	2 538	2 673	(135)	-5%	2 673
Housing Allowances		4 734	4 912	4 912	364	4 529	4 912	(383)	-8%	4 912
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**24 244**	**24 666**	**24 666**	**2 029**	**23 931**	**24 666**	**(735)**	**-3%**	**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	164	1 828	2 432	(604)	-25%	2 432
Pension and UIF Contributions		124	489	489	18	318	489	(172)	-35%	489
Medical Aid Contributions		98	343	343	18	247	343	(97)	-28%	343
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		15	580	580	–	4	580	(576)	-99%	580
Motor Vehicle Allowance		1 774	2 905	2 775	203	2 410	2 775	(365)	-13%	2 775
Cellphone Allowance		–	–	–	–	–	–	–		–
Housing Allowances		754	904	904	86	860	904	(44)	-5%	904
Other benefits and allowances		0	1	1	0	1	1	(0)	-33%	1
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–	–		–
Scarcity		202	540	540	38	390	540	(149)	-28%	540
Acting and post related allowance		–	–	–	–	–	–	–		–
In kind benefits		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**4 604**	**8 543**	**8 063**	**526**	**6 056**	**8 063**	**(2 007)**	**-25%**	**8 063**
% increase	4		**85.6%**	**75.1%**						**75.1%**
Other Municipal Staff										
Basic Salaries and Wages		109 136	124 147	124 927	9 471	122 738	124 927	(2 189)	-2%	124 927
Pension and UIF Contributions		16 493	21 360	21 060	1 567	18 942	21 060	(2 119)	-10%	21 060
Medical Aid Contributions		6 512	8 001	8 001	618	7 093	8 001	(907)	-11%	8 001
Overtime		4 279	3 980	4 000	426	3 952	4 000	(48)	-1%	4 000
Performance Bonus		10 412	9 305	9 305	1 286	7 658	9 305	(1 647)	-18%	9 305
Motor Vehicle Allowance		6 808	7 060	7 040	454	5 844	7 040	(1 197)	-17%	7 040
Cellphone Allowance		6	6	6	1	6	6	(0)	-7%	6
Housing Allowances		3 091	3 221	3 221	129	1 925	3 221	(1 296)	-40%	3 221
Other benefits and allowances		1 544	1 076	1 076	38	(22)	1 076	(1 098)	-102%	1 076
Payments in lieu of leave		(1 159)	–	–	35	1 415	–	1 415	#DIV/0!	–
Long service awards		1 145	–	–	57	524	–	524	#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**	**178 637**	**14 081**	**170 073**	**178 637**	**(8 564)**	**-5%**	**178 637**
% increase	4		**12.5%**	**12.8%**						**12.8%**
Total Parent Municipality		**187 209**	**211 366**	**211 366**	**16 636**	**200 060**	**211 366**	**(11 306)**	**-5%**	**211 366**

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

Remuneration related expenditure for the month ended **30 June** amounted **R 16,636,412** of which the expenditure **R 2,029,313** relates to Remuneration of Councillors and **R 14,607,099** to Managers and staff against approves budget of **R211, 366, 456** incurring **8%** expenditure for the month salary budget allocation and it is within the expected performance for the month. Total YTD Expenditure is **95%** the revenue budget for this expenditure type.

Description	Total Budget	June Actuals	Total Actuals
Employee Related Cost	**186,700,555.00**	**14,607,098.70**	**176,129,743.72**
Municipal Staff	178,637,163.00	14,080,658.82	170,073,440.09
Senior Management of Municipalities	8,063,392.00	526,439.88	6,056,303.63
Remuneration of Councillors	**24,665,901.00**	**2,029,313.44**	**23,930,510.03**
Chief Whip	816,891.00	67,137.84	787,123.77
Executive Committee/Mayoral Committee	5,655,601.00	341,102.19	4,500,386.17
Executive Mayor/Mayor	1,072,684.00	105,936.22	1,125,857.82
Section 79 committee chairperson	801,471.00	139,819.27	1,686,385.94
Speaker	868,047.00	71,352.32	836,463.01
Total for All Other Councillors	15,451,207.00	1,303,965.60	14,994,293.32
Grand Total	**211,366,456.00**	**16,636,412.14**	**200,060,253.75**

8.1 Performance Indicators

EC441 Matatiele - Supporting Table SC2 Monthly Budget Statement - performance indicators - M12 - June

Description of financial indicator	Basis of calculation	Ref	2024/25	Budget Year 2025/26			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.7%	3.8%	3.7%	0.4%	4.1%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants		0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/		8.3%	6.5%	6.3%	7.8%	6.3%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	241.3%	213.0%	213.0%	266.2%	213.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		156.5%	114.3%	114.3%	166.7%	114.3%
Revenue Management							
Annual Debtors Collection Rate	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		21.2%	0.0%	0.0%	0.0%	0.0%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >		0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
Funding of Provisions							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
Other Indicators							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		29.4%	31.4%	31.4%	31.2%	31.4%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.1%	4.8%	4.0%	3.0%	4.0%
Interest & Depreciation	I&D/Total Revenue - capital revenue		12.2%	3.8%	3.7%	0.3%	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		1 518 949	1 705 802	1 753 401	1 680 261	1 753 401
Employee related costs		162 964	186 701	186 701	176 130	186 701
Repairs & Maintenance		16 887	28 250	23 760	16 945	23 760
Interest (finance charges)		3 829			1 955	
Principal paid						
Depreciation		63 816	22 322	22 322		24 666
Operating expenditure		561 638	594 624	595 302	506 889	595 302
Total Capital Expenditure		133 676	163 365	210 965	20 733	133 732
Borrowed funding for capital						
Debt		108 639	95 700	95 700	113 461	95 700
Equity		1 302 392	1 481 313	1 528 913	1 457 305	1 528 913
Reserves and funds						
Borrowing						
Current assets		416 282	430 240	430 240	476 487	430 240
Current liabilities		172 512	201 988	201 988	179 023	201 988
Monetary assets		269 900	230 836	230 836	298 432	230 836
Total Revenue (excluding capital transfers and contributions)		553 465	594 610	595 288	565 402	595 288
Transfers and subsidies - Operational		330 510				
Transfers and subsidies - capital (monetary allocations)		82 541	82 490	130 090	96 288	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	8 558	161 810
Cash + Investments	Including LT investments	269 900	230 836	230 836	298 432	230 836
Fixed operational expend. (monthly)						
Longstanding debtors outstanding						
Longstanding debtors recovered						
Attorney collections						

Borrowing Management

The municipality does not have any loans.

Liquidity

4.2 Liquidity Management

4.2.1 Cash Coverage June 2026

Purpose/ Use of the Ratio

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

The Municipality as at end of June 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 2.1:1

Actual Current Ratio as 30 June 2026: R 476,487,000 / R 179,023,000 = 2.7:1

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 2.7:1** ratio and actual ratio as **30 June 2026 is: R 2.7: 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 30 June 2026:(R 476,487,968,000 – R 3,315,000) / R 179,023,000 = 2.64 :1

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

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTICATE

I, **Mothusi Frank Lepheana**, the Municipal Manager of Matatiele Local Municipality do hereby certify that-

The monthly budget statements (Section 71 Report) on the implementation of the budget and financial state of affairs of the municipality for the month ended 30 June 2026 has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print Name: ADV Mothusi Frank Lepheana

Municipal Manager of Matatiele Local Municipality

Signature: ____________

Date: 14 | 07 | 2026