2026/2027 MONTHLY SECTION 71 REPORT

MONTH ENDED 31 AUGUST 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 Matatiele Local Municipality 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 31 August 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 Annual approved revenue budget is **R 694,996,667.** For the month of August 2026, the municipality recognised revenue amounting to **R 32,553,789** representing **5%** of revenue budget for the month. Revenue performance for the reporting period was below the anticipated monthly target, primarily due to lower-than-expected revenue generated from the following revenue item classes: Licences or Permits Operational, Sales of Goods and Rendering of Services, Agency Services and Property Rates by Usage. The underperformance in these revenue categories contributed to the overall variance between the actual revenue recognised and the anticipated monthly revenue target. Total Revenue recognised to date represents **31%** of the approved revenue budget.

Operating Expenditure by type

The annual approved operating expenditure budget allocation is **R 645,769,959** for the month under review, the municipality incurred operating expenditure amounting to **R 40,341,063** representing approximately **6%** of the total operating expenditure budget. Expenditure performance for the reporting period is below the anticipated monthly target, due municipality less expenditure on Contracted Services, Operational Cost , Inventory Consumed due to procurement processes that are underway and accounting of non-cash items such as debt impairments, depreciation and impairments that will be processed at year end. Expenditure incurred to date stands at **10%** of the approved operating expenditure budget.

Capital Expenditure

The total approved capital budget amounted to **R 157,089,364.** Municipality incurred capital expenditure of **R 6,707,398** representing approximately **4%** of the total capital budget. This performance is below the anticipated monthly spending target, primarily due capital projects that have not been appointed and procurement processes are underway. Capital expenditure incurred to date amounts to **5%** of the approved capital expenditure budget.

Capital Funded Sources

- The MIG capital grant allocation for the financial year is **R 67,208,700** as per Dora, the grant had **R 1,379,036** expenditure for the month ending 31 August 2026 (Vat exclusive), this represents **2%.** YTD expenditure represents **2%.**
- Disaster recovery grant of **R 29,890,664** is allocated**.** The grant reflects Monthly spending of **4,948,362** as at the end 31 August 2026 (Vat exclusive), this represents **17%.** YTD expenditure represents **20%.**
- The Library Capital Grant of **R 100,000** is allocated. The grant reflects no Monthly spending at the end of 31 August 2026**.**
- The Greenest Town capital Grant of **R 126,000** is allocated**;** the grant reflects no Monthly spending at the end of 31 August y 2026.
- Capital Replacement Reserves (CRR) for the financial year of **R 59,764,000** is allocated. The fund reflects **R 380,000** Monthly spending at the end of 31 August 2026. (Vat exclusive), this represents **1%**. YTD expenditure represents **1%.**
-

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 2026-2027 financial year.

Function	TotalBudget	Total August Actuals	Total Actuals
CORE FUNCTION: SOLID WASTE REMOVAL	3,176,000.00	-	-
Community Halls and Facilities:Public Amenities (3005)	746,000.00	-	-
Energy Sources: Electricity (4040)	17,800,000.00	-	-
Finance and Administration: Information Technology (2540)	5,850,000.00	-	-
Finance and Administration: Administrative and Corporate Support(2530)	480,000.00	-	-
Finance and Administration: Council Support (2541)	490,000.00	-	-
Finance and Administration: Finance Governance (2030)	50,000.00	-	-
Finance and Administration: Human Resources (2535)	258,000.00	-	-
Finance and Administration: SCM & Expenditure (2025)	2,136,000.00	-	-
Finance and Adminstration: Revenue and Debt Management (2020)	1,036,000.00	-	-
Governance Function:INTERNAL AUDIT (1030)	2,036,000.00	-	-
Legal Services:Legal Services (1042)	41,500.00	-	-
Marketing; Customer Relations; Publicity and Media Co-ordination:communications and SPU (1020)	965,000.00	-	-
Planning and Development: LED (3520)	2,072,000.00	-	-
Planning and Development: Planning (3510)	3,520,000.00	-	-
Planning and Development: Planning Governance (3540)	150,000.00	-	-
Public Safety: Civil Defence (3074)	3,450,000.00	-	-
Risk Management:FINANCE AND ADMINISTRATION RISK AND M&E (1035)	41,500.00	-	-
Road Transport: Project Operations & Mainnt(4010)	39,282,664.00	4,948,361.71	5,946,332.02
Roads:Project Management Unit	67,208,700.00	1,379,036.13	1,379,036.13
Town Planning; Building Regulations and Enforcement; and City Engineer:Human Settlements and Building Controls	6,300,000.00	379,999.92	379,999.92
Grand Total	**157,089,364.00**	**6,707,397.76**	**7,705,368.07**

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	August 2026 Status
High Mast Lights	Project is at procurement stage
High Mast Lights	Project is at procurement stage
Rehabiltation of Cedarville internal streets phase 2	Project is at procurement stage
Rehabilitation of Matatiele internal Streets Cluster 2	Project is at procurement stage
Chibini Goxe Access Road	Project is at procurement stage
Mgubho Access Road	Project is at procurement stage
Maphokong Access Road and Bridge	Project is at procurement stage
Hlomendlini Access Road	Project is at procurement stage
Motsekoa Access Road and Bridge	Project is at procurement stage
Mountain Lake Access Road	Project is at procurement stage
Mahangwe Sport Centre	Design stage
Construction of Cedarville Internal Streets Phase 4	Construction stage at 73% overall progress

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Projects	August 2026 Status
Gwadana HH	Awaiting SCM to appoint service provider
Hebron HH	Awaiting SCM to appoint service provider
Sijoka HH & Link line	Awaiting SCM to appoint service provider

Disaster Response Grant

Disaster Capital Projects	August 2026 Status
Mvenyane Access Road and Bridge Recovery	The project is under construction @ 68% complete
Lugada to Mahlabathini and Bridge Recovery	Construction stage at 85% overall progress
Tlakanelo Access Road & Bridge	The project is under construction @ 65% complete
Sifolweni Access Road	The project is under construction @ 65% complete
Motsing Access Road	The project is under construction % complete
Rholweni Access Road	The project is under construction @ 100% complete
Sekhutlong Access Road	The project is under construction @ 60% complete
Tsita-Pehong Access Road	The project is under construction @ 55% complete
Zitapile Access Road (MDRG)	The project is under construction 54% complete

Internal Funded Capital Projects

Capital Replacements Reserves Projects	August 2026 Status
Mountain Lake Jetty	Project is at procurement stage
LUNDA ACCESS ROAD	The project is under construction @ 95% complete
LICENSINGOFFICES	Project is at procurement stage
Tlakanelo Access Road & Bridge	The project is under construction @ 65% complete
Zitapile Access Road (CRR)	The project is under construction 54% complete
Lugada Mahlabathini Bridge CRR	Construction stage at 85% overall progress
Motsing Access Road (CRR)	The project is under construction and progress is 22%.
Mbizeni Concrete Slab	The project is under SCM processes
Renovation of Town Hall	The project is 70% complete
Renovation of Maluti office	Project is at procurement stage
Mphotshongweni Bridge (Rashule)	Project is at procurement stage
Shenxa Electrification	Project is at procurement stage
Refurbishment of Matatiele Substation	Project is at procurement stage
TRANSFORMER INFRA	Project is at procurement stage
Aircons	The project is 50% complete
Roadblock Trailor	Project is at procurement stage
MUNICIPAL FLEET	Project is at procurement stage

This information reflects on our tender control plan on August 2026

TENDER CONTROL
AUGUST 2026

SUMMARY: QUOTATIONS	August -26	TOTAL August 2026
DAY TO DAY QUOTATIONS	R1,677,732.73	R1,677,732.73
FORMAL QUOTATIONS	R193,200.00	R193,200.00
TOTAL QUOTATIONS	**1,870,932.73**	**1,870,932.73**

BIDDING PROCESS	Bids Awarded vs Capital Budget	Capital Spending Year-To-Date	Orders Issued
Bids awarded	-	-	-
Bids in the process	-	4	-
Bids behind schedule	-	-	-
Bids cancelled or removed from budget	-	-	-
Bids to be awarded	-	-	-

Total Summary values of Procurements,	August -26	TOTAL August 2026
Below R30 000 (SCM Orders) and travel & accommodation	R1,677,732.73	1,677,732.73
R30 001 – 300 000 (Procurement Process above R 30 000.00)	R193,200.00	R193,200.00
Procurement above R300 000 (Competitive bidding)	R0	R0
Section 32 /National treasury transversal contract	R0	R0
Deviations (Section 36)	R0	R0

BIDS AND QUOTATIONS INVITED	August -26	TOTAL August 2026
Invited Quotations	3	3
Invited Bids	7	7
Awarded Quotations	0	0
Awarded Bids	0	0

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

BIDS INVITED				
NUMBER	NAME OF THE PROJECT	ADVERT DATE	CLOSING DATE	VALIDITY PERIOD
1	Cleaning and Refuse Removal in Maluti	8/21/2026	9/21/2026	on advert
2	Cleaning and Refuse Removal in Mountain View & Harry Gwala	8/21/2026	9/21/2026	on advert
3	Cleaning and Refuse Removal in Matatiele, Buxton Park, New Jerusalem, And All Residential Areas Within The CBD).	8/21/2026	9/21/2026	on advert
4	Email managemrnt ,Archiving and Continuity	8/21/2026	9/21/2026	on advert
5	Matatiele local municipality Data centre servers	8/28/2026	9/11/2026	on advert
6	Provision of Internal Audit software of Matatielelocal municipality	8/28/2026	9/11/2026	on advert
7	Supply, Delivery, Installation, Commissioning, Branding and Training of a Trailer-Mounted 11KV Electrical Fault Location System for Matatiele Local Municipality.	8/28/2026	9/11/2026	on advert

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 – M02 – August

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M02 - August

Description	2025/26	Budget Year 2026/27							
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	57 250	63 250	–	2 187	41 236	10 542	30 695	291%	63 250
Service charges	106 388	110 616	–	9 223	16 510	18 436	(1 926)	-10%	110 616
Investment revenue	13 565	28 813	–	2 184	3 842	4 802	(960)	-20%	28 813
Transfers and subsidies - Operational	330 823	323 930	–	1 914	133 724	53 988	79 736	148%	323 930
Other own revenue	55 813	35 796	–	2 027	4 021	5 966	(1 945)	-33%	35 796
Total Revenue (excluding capital transfers and contributions)	**563 839**	**562 404**	–	**17 534**	**199 333**	**93 734**	**105 599**	**113%**	**562 404**
Employee costs	174 538	190 849	–	16 495	30 652	31 808	(1 156)	-4%	190 849
Remuneration of Councillors	24 073	25 108	–	1 988	4 013	4 185	(172)	-4%	25 108
Depreciation and amortisation	94 942	70 322	–	–	–	11 720	(11 720)	-100%	70 322
Interest	4 653	–	–	–	–	–	–		–
Inventory consumed and bulk purchases	105 195	105 581	–	12 504	12 668	17 597	(4 929)	-28%	105 581
Transfers and subsidies	–	–	–	–	–	–	–		–
Other expenditure	213 743	253 911	–	9 355	20 146	42 318	(22 173)	-52%	253 911
Total Expenditure	**617 143**	**645 770**	–	**40 341**	**67 479**	**107 628**	**(40 149)**	**-37%**	**645 770**
Surplus/(Deficit)	**(53 304)**	**(83 366)**	–	**(22 807)**	**131 854**	**(13 894)**	**145 748**	**-1049%**	**(83 366)**
Transfers and subsidies - capital (monetary allocations)	104 694	97 325	–	7 202	8 350	16 221	(7 871)	-49%	97 325
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
contributions	**51 390**	**13 960**	–	**(15 605)**	**140 204**	**2 327**	**137 877**	**5926%**	**13 960**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**51 390**	**13 960**	–	**(15 605)**	**140 204**	**2 327**	**137 877**	**5926%**	**13 960**
Capital expenditure & funds sources									
Capital expenditure	**145 478**	**157 089**	–	**6 707**	**7 705**	**26 182**	**(18 476)**	**-71%**	**157 089**
Capital transfers recognised	90 860	97 325	–	6 327	7 325	16 221	(8 896)	-55%	97 325
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**54 619**	**59 764**	–	**380**	**380**	**9 961**	**(9 581)**	**-96%**	**59 764**
Total sources of capital funds	**145 478**	**157 089**	–	**6 707**	**7 705**	**26 182**	**(18 476)**	**-71%**	**157 089**
Financial position									
Total current assets	461 430	536 526	–		565 464				536 526
Total non current assets	2 547 419	1 354 463	–		2 555 124				1 354 463
Total current liabilities	199 934	313 711	–		160 486				313 711
Total non current liabilities	58 726	29 345	–		61 687				29 345
Community wealth/Equity	**2 853 599**	**1 547 934**	–		**2 898 415**				**1 547 934**
Cash flows									
Net cash from (used) operating	462 475	144 196	–	23 161	189 571	24 033	(165 538)	-689%	144 196
Net cash from (used) investing	(137 660)	(157 089)	–	(10 072)	(11 105)	(26 182)	(15 076)	58%	(157 089)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**594 715**	**286 455**	–	–	**476 898**	**297 200**	**(179 698)**	**-60%**	**285 539**
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	11 284	36 859	3 577	3 514	5 357	3 815	3 127	237 634	305 167
Creditors Age Analysis									
Total Creditors	84	–	–	–	–	–	–	–	84

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) – M02 – August

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 - August

Description	Ref	2025/26	Budget Year 2026/27							
		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
Governance and administration		**418 929**	**428 480**	–	**5 730**	**178 304**	**71 413**	**106 891**	**149.68**	**428 480**
Executive and council		–		–	–					
Finance and administration		418 929	428 480	–	5 730	178 304	71 413	106 891	149.68	428 480
Internal audit		–		–	–					
Community and public safety		**14 208**	**16 694**	–	**1 987**	**3 362**	**2 782**	**579**	**20.82**	**16 694**
Community and social services		8 855	8 066	–	2 027	3 167	1 344	1 823	135.58	8 066
Sport and recreation		–		–	–					
Public safety		5 353	8 628	–	(39)	195	1 438	(1 243)	(86.47)	8 628
Housing		–		–	–					
Health		–		–	–					
Economic and environmental services		**112 273**	**106 384**	–	**7 636**	**9 388**	**17 731**	**(8 342)**	**(47.05)**	**106 384**
Planning and development		3 769	5 737	–	30	265	956	(691)	(72.27)	5 737
Road transport		108 504	100 647	–	7 606	9 123	16 774	(7 651)	(45.61)	100 647
Environmental protection		–		–	–					
Trading services		**123 123**	**143 439**	–	**17 200**	**24 652**	**23 906**	**746**	**3.12**	**143 439**
Energy sources		109 459	127 983	–	16 187	22 595	21 330	1 265	5.93	127 983
Water management		–		–	–					
Waste water management		–		–	–					
Waste management		13 664	15 456	–	1 013	2 057	2 576	(519)	(20.16)	15 456
Other	4	–		–	–					
Total Revenue - Functional	2	**668 533**	**694 997**	–	**32 554**	**215 706**	**115 833**	**99 873**	**86.22**	**694 997**
Expenditure - Functional										
Governance and administration		**274 934**	**283 005**	–	**15 192**	**33 110**	**47 168**	**(14 058)**	**(29.80)**	**283 005**
Executive and council		32 238	34 137	–	2 427	6 758	5 689	1 069	18.79	34 137
Finance and administration		238 779	243 881	–	12 446	25 663	40 647	(14 984)	(36.86)	243 881
Internal audit		3 917	4 988	–	318	688	831	(143)	(17.19)	4 988
Community and public safety		**74 988**	**54 600**	–	**4 759**	**8 507**	**9 100**	**(593)**	**(6.52)**	**54 600**
Community and social services		49 400	26 858	–	2 355	4 156	4 476	(321)	(7.16)	26 858
Sport and recreation		–		–	–					
Public safety		25 588	27 742	–	2 404	4 351	4 624	(273)	(5.89)	27 742
Housing		–		–	–					
Health		–		–	–					
Economic and environmental services		**106 077**	**132 889**	–	**3 583**	**6 307**	**22 148**	**(15 841)**	**(71.52)**	**132 889**
Planning and development		36 668	36 711	–	1 601	2 727	6 119	(3 392)	(55.43)	36 711
Road transport		69 409	96 178	–	1 982	3 580	16 030	(12 450)	(77.67)	96 178
Environmental protection		–		–	–					
Trading services		**161 145**	**175 276**	–	**16 807**	**19 556**	**29 213**	**(9 657)**	**(33.06)**	**175 276**
Energy sources		134 741	151 312	–	15 234	16 399	25 219	(8 820)	(34.97)	151 312
Water management		–		–	–					
Waste water management		–		–	–					
Waste management		26 404	23 964	–	1 572	3 157	3 994	(837)	(20.97)	23 964
Other		–		–	–					
Total Expenditure - Functional	3	**617 143**	**645 770**	–	**40 341**	**67 479**	**107 628**	**(40 149)**	**(37.30)**	**645 770**
Surplus/ (Deficit) for the year		**51 390**	**49 227**	–	**(7 787)**	**148 227**	**8 204**	**140 022**	**1 706.67**	**49 227**

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 August 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. Total expenditure incurred for the month ending 31 August 2026 is **R 40,341,063** and revenue recognised is **R 32,553,789**

3.1.3 Table C3: Monthly Budget Statement –Financial Performance (revenue and expenditure by municipal vote) – M02 – August

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M02 - August

Vote Description	Ref	2025/26	Budget Year 2026/27							
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		418 591	427 580	–	12 933	178 269	71 263	107 006	150.2%	427 580
Vote 3 - Corporate		338	900	–	–	35	150	(115)	-76.8%	900
Vote 4 - Development and Planning		3 769	38 179	–	30	265	956	(691)	-72.3%	38 179
Vote 5 - Community		27 872	64 366	–	3 000	5 418	5 321	98	1.8%	64 366
Vote 6 - Infrastructure		217 963	163 972	–	16 591	31 718	38 143	(6 424)	-16.8%	163 972
Vote 7 - Internal Audit		–	–	–	–	–	–	–		–
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Revenue by Vote	2	**668 533**	**694 997**	–	**32 554**	**215 706**	**115 833**	**99 873**	**86.2%**	**694 997**
Expenditure by Vote	1									
Vote 1 - Executive Council		32 238	34 137	–	2 427	6 758	5 689	1 069	18.8%	34 137
Vote 2 - Finance and Admin		153 769	137 436	–	6 241	12 060	22 906	(10 846)	-47.4%	137 436
Vote 3 - Corporate		85 010	106 445	–	6 205	13 603	17 741	(4 138)	-23.3%	106 445
Vote 4 - Development and Planning		36 668	36 711	–	1 601	2 727	6 118	(3 392)	-55.4%	36 711
Vote 5 - Community		101 392	78 564	–	6 331	11 663	13 094	(1 431)	-10.9%	78 564
Vote 6 - Infrastructure		204 150	247 490	–	17 216	19 979	41 248	(21 269)	-51.6%	247 490
Vote 7 - Internal Audit		3 917	4 988	–	318	688	831	(143)	-17.2%	4 988
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Expenditure by Vote	2	**617 143**	**645 770**	–	**40 341**	**67 479**	**107 628**	**(40 149)**	**-37.3%**	**645 770**
Surplus/ (Deficit) for the year	2	**51 390**	**49 227**	–	**(7 787)**	**148 227**	**8 204**	**140 022**	**1706.7%**	**49 227**

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) – M02– August

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 - August

Description	Ref	2025/26	Budget Year 2026/27							
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		94 534	95 616	–	8 220	14 500	15 936	(1 436)	-9%	95 616
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		11 854	15 000	–	1 002	2 010	2 500	(490)	-20%	15 000
Sale of Goods and Rendering of Services		732	882	–	38	78	147	(69)	-47%	882
Agency services		1 505	1 800	–	(108)	3	300	(297)	-99%	1 800
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		2 503	2 200	–	147	275	367	(92)	-25%	2 200
Interest from Current and Non Current Assets		13 565	28 813	–	2 184	3 842	4 802	(960)	-20%	28 813
Dividends		–	–	–	–	–	–	–		–
Rent on Land		235	–	–	–	–	–	–		–
Rental from Fixed Assets		1 542	2 250	–	561	678	375	303	81%	2 250
Licence and permits		1 863	4 126	–	29	143	688	(545)	-79%	4 126
Special Rating Levies		–	–	–	–	–	–	–		–
Construction Contract Revenue		20 952	35 267	–	7 817	8 023	5 878	2 145	3649%	35 267
Development Charges		–	–	–	–	–	–	–		–
Operational Revenue		808	1 455	–	1	34	243	(209)	-86%	1 455
Non-Exchange Revenue								–		
Property rates		57 250	63 250	–	2 187	41 236	10 542	30 695	291%	63 250
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		2 034	3 048	–	42	64	508	(444)	-87%	3 048
Licence and permits		–	35	–	1	1	6	(5)	-89%	35
Transfers and subsidies - Operational		330 823	323 930	–	1 914	133 724	53 988	79 736	148%	323 930
Interest		25 524	20 000	–	1 314	2 747	3 333	(586)	-18%	20 000
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Fixed and Intangible Assets		(5 694)	–	–	–	–	–	–		–
Other Gains		3 811	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**563 839**	**597 671**	**–**	**25 352**	**207 356**	**99 612**	**107 744**	**108%**	**597 671**
Expenditure By Type										
Employee related costs		174 538	190 849	–	16 495	30 652	31 808	(1 156)	-4%	190 849
Remuneration of councillors		24 073	25 108	–	1 988	4 013	4 185	(172)	-4%	25 108
Bulk purchases - electricity		99 182	99 000	–	12 384	12 384	16 500	(4 116)	-25%	99 000
Inventory consumed		6 013	6 581	–	120	284	1 097	(812)	-74%	6 581
Debt impairment		207	–	–	–	–	–	–		–
Depreciation and amortisation		94 942	70 322	–	–	–	11 720	(11 720)	-100%	70 322
Interest		4 653	–	–	–	–	–	–		–
Contracted services		126 358	170 428	–	7 398	12 506	28 405	(15 899)	-56%	170 428
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		17 046	6 500	–	–	–	1 083	(1 083)	-100%	6 500
Operational costs		58 731	76 983	–	1 957	7 640	12 831	(5 191)	-40%	76 983
Disposal of Fixed and Intangible Assets		6 877	–	–	–	–	–	–		–
Other Losses		4 524	–	–	–	–	–	–		–
Total Expenditure		**617 143**	**645 770**	**–**	**40 341**	**67 479**	**107 628**	**(40 149)**	**-37%**	**645 770**
Surplus/(Deficit)		**(53 304)**	**(48 099)**	**–**	**(14 990)**	**139 877**	**(8 016)**	**147 893**	**-1845%**	**(48 099)**
Transfers and subsidies - capital (monetary allocations)		104 694	97 325	–	7 202	8 350	16 221	(7 871)	-49%	97 325
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**51 390**	**49 227**	**–**	**(7 787)**	**148 227**	**8 204**			**49 227**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**51 390**	**49 227**	**–**	**(7 787)**	**148 227**	**8 204**			**49 227**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		**51 390**	**49 227**	**–**	**(7 787)**	**148 227**	**8 204**			**49 227**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**51 390**	**49 227**	**–**	**(7 787)**	**148 227**	**8 204**			**49 227**

The total annual approved operating revenue budget amounted to **R597,677,303.** The municipality recognised revenue amounting to **R 25,351,509 for** the month, representing **4%** of the approved budget. Revenue performance for the reporting period was below the anticipated monthly target, primarily due to lower-than-expected revenue generated from the following revenue item classes: Licences or Permits Operational, Sales of Goods and Rendering of Services, Agency Services and Property Rates by Usage. The underperformance in these revenue categories contributed to the overall variance between the actual revenue recognised and the anticipated monthly revenue target. Total Revenue recognised to date represents 31% of the approved revenue budget.

The total approved capital revenue budget amounted to **R 97,325,364.** The municipality has recognised revenue of **R 7,202,279 r**epresenting **7%** of the approved capital revenue budget, this is below the expected performance for the month due to more expenditure on MDR grant-funded capital projects. The revenue to date is **9%** of the approved capital revenue budget.

The annual approved operating expenditure budget allocation is **R 645,769,959** for the month under review, the municipality incurred operating expenditure amounting to **R 40,341,063** representing approximately **6%** of the total operating expenditure budget. Expenditure performance for the reporting period is below the anticipated monthly target, due municipality less expenditure on Contracted Services, Operational Cost, Inventory Consumed due to procurement processes that are underway and accounting of non-cash items such as debt impairments, depreciation and impairments that will be processed at year end. Expenditure incurred to date stands at **10%** 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. The total property rates raised/billed amounted to **R 2,186,939** against approved budget of **R 63,250,000** this represents **3%** of the received revenue by source, which is less than anticipated for the month. Revenue received from property rates amounted to **R 14,905,642** includes outstanding debt collected, and it represents **682%** when measured against the property rates billed or raised. This is above the expected performance for the month because of payment received from public works provincial treasury.

The revenue stream will be closely monitored to ensure revenue targets are met by year end.

Services Charges

Revenue from service charges amounted to **R 9,222,570 against** the approved budget of **R 110,615,684**. This represents **8%** and the revenue performance is within the expected performance for the month. Total YTD revenue is **14%** of the revenue budget.

Agency Services

Agency Services has been budgeted with an amount of **R 1,800,000** relating to commission received from department of transport. For the month under review, no income received from agency services. The underperformance is mainly attributable to the timing of remittances of collections to the Department of Transport. The. Total YTD revenue is almost **0%.**

Rental of Facilities and equipment

Rental of facilities and equipment approved budget is **R 2,250,000.** For the month under review, revenue amounting to **R 561,282. r**epresenting **25%** of the approved revenue budget**.** This performance is above the anticipated monthly target, mainly due to more rentals of facilities. Total YTD revenue is **30%.**

Interest earned on Investments.

The total approved budget Interest on investments is **R 28,812,996** and the interest received for the month of August 2026 is **R 2,184,200 which** represent **8%** this is within the expected performance for the month. Total YTD revenue is **13%** of the revenue budget for this revenue source**.**

Interest on Outstanding Debtors

Interest on non-payment of electricity has been raised monthly which amounts to **R 1,461,429** and it has been posted on the interest on arrears for refuse services and property rates with the approved budget allocation of **R 22,200,000** which represents **7%**, this is less than the expected performance when measured against the monthly projection due to less interest charged. Total YTD revenue is **14%** 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 on the reporting period is **R 42,258** it represents almost **1%** this is less than expected performance for the month due to a decrease in disconnection fees and issuing of traffic fines. Total YTD revenue is **2%** of the revenue budget for this revenue source.

Licences and permits.

The total approved budget for licences and permits is **R 4,161,000** for budget year. Revenue recognised from licenses and permits amounts to **R 29,734** and represents almost **1%** 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 **3%** of the revenue budget for this revenue source.

Construction Contract Revenue

Construction contract has been budgeted with an amount of **R 35,267,000** relating to commission received from department of human settlement and INEP Grant. For the month under review, income received amounted to **R 7,817,391** representing approximately **22%** of the approved revenue budget. The performance for the month is above the anticipated target due to revenue collection recorded under INEP Grant. Total YTD revenue is **23%**.

Transfers and Subsidies-Operational

Total approved budget on transfers and subsidies is **R 323,929,623.** For the month ended **31 August 2026**, transfers recognised amounted to **R 1,913,802** representing almost **1%** of the total budget allocation. The performance for the month is below the anticipated monthly target, mainly because of the less receipt and recognition of this revenue source. Total YTD revenue is almost **41%** of the revenue budget for this revenue source.

Transfers and Subsidies- Capital

Total approved budget on transfers and subsidies is **R 97,325,364.** The municipality has recognised revenue of **R 7,202,279** representing **7%** of the approved capital revenue budget, this is below the expected performance for the month due no expenditure incurred on projects to be funded by Municipal infrastructure grant and the fact that procurement processes are still underway for contractors. The revenue to date is **9%** of the approved capital revenue budget.

Other Revenue

Other revenue amounted to **R 39,409** for the month ended 31 August 2026, when measured against the approved revenue budget of **R 2,337,000** this represents almost **2%** which is less than the expected performance for the month. This is due to less revenue received under the reporting period. Total YTD revenue is **5%** 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 18,482,719** salary costs at the end of **31 August** 2026 against the approved budget of **R 215,956,501**, incurring **9%** expenditure for the month. This level of spending is slightly above the anticipated monthly target due to notch increments implemented during the reporting period. Total YTD Expenditure is **16%** of the expenditure budget for this expenditure type

Description	Total Budget	August Actuals	Total Actual
Employee Related Cost	**190,848,882.00**	**16,495,002.46**	**30,652,142.46**
Municipal Staff	181,533,297.00	15,795,714.85	29,288,317.52
Senior Management of Municipalities	9,315,585.00	699,287.61	1,363,824.94
Remuneration of Councillors	**25,107,619.00**	**1,987,716.04**	**4,013,091.28**
Chief Whip	843,922.00	67,137.84	134,275.68
Executive Committee/Mayoral Committee	5,487,214.00	341,102.19	682,204.38
Executive Mayor/Mayor	1,108,813.00	105,936.22	211,872.44
Section 79 committee chairperson	827,956.00	135,881.07	271,762.14
Speaker	896,899.00	71,352.32	142,704.64
Total for All Other Councillors	15,942,815.00	1,266,306.40	2,570,272.00
Grand Total	**215,956,501.00**	**18,482,718.50**	**34,665,233.74**

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 August 2026.

Finance charges.

No interest expenditure has been incurred in August 2026.

Bulk Purchases

Total approved budget on bulk electricity purchases is **R 98,000,000** expenditure for the month is **R 12,383,857** this represents **13%** and this is more than the expected value for the month due to higher seasonal demand for electricity usage. Total YTD expenditure is **13%** of the expenditure budget.

Other material

Total approved budget on other material is **R 6,580,800.** Expenditure for month amounts to **R 119,915** and represents **2%.** This is less -than-anticipated due to less requests on inventory goods across the departments. Inventories typically include consumable goods such as stationery, cleaning materials, maintenance supplies, and other operational materials required for day-to-day municipal activities and service delivery. Total YTD expenditure is **4%** of the expenditure budget for this expenditure type.

Contracted services

Total approved budget on contracted services is **R 170,427,608.** The spending for the month amounted to **R 7,397,541** which represents **4%** of the budgeted amount. This is less than expected performance for the month due new budgeted contracts not yet awarded. Total YTD expenditure is **7%** of the expenditure budget for this expenditure type.

Other Expenditure

Other expenditure includes all other general operational costs of the Municipality. Total approved Budget on Other Expenditure is **R 76,983,175.** The expenditure amounted **R 1,957,032** for the month; this represents **3%** of the budget and it is less the expected performance for the month due to no payments on lease expenditure. Total YTD expenditure is **10%** of the expenditure budget for this expenditure source.

1.5 Table C5 Monthly Budget Statement- Capital Expenditure (municipal vote function classification and funding) – M02– August

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 - August

Vote Description	Ref	2025/26	Budget Year 2026/27							
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		–	–	–	–	–	–	–		–
Vote 2 - Finance and Admin		1 282	4 270	–	–	–	712	(712)	-100%	4 270
Vote 3 - Corporate		517	7 078	–	–	–	1 180	(1 180)	-100%	7 078
Vote 4 - Development and Planning		11 082	12 042	–	380	380	2 007	(1 627)	-81%	12 042
Vote 5 - Community		3 254	7 372	–	–	–	1 229	(1 229)	-100%	7 372
Vote 6 - Infrastructure		129 343	124 291	–	6 327	7 325	20 715	(13 390)	-65%	124 291
Vote 7 - Internal Audit		–	2 036	–	–	–	339	(339)	-100%	2 036
Vote 8 -		–	–	–	–	–	–	–		–
Vote 9 -		–	–	–	–	–	–	–		–
Vote 10 -		–	–	–	–	–	–	–		–
Vote 11 -		–	–	–	–	–	–	–		–
Vote 12 -		–	–	–	–	–	–	–		–
Vote 13 -		–	–	–	–	–	–	–		–
Vote 14 -		–	–	–	–	–	–	–		–
Vote 15 -		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	145 478	157 089	–	6 707	7 705	26 182	(18 476)	-71%	157 089
Total Capital Expenditure		145 478	157 089	–	6 707	7 706	26 182	(18 476)	-71%	157 089
Capital Expenditure - Functional Classification										
Governance and administration		1 799	13 384	–	–	–	2 231	(2 231)	-100%	13 384
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		1 799	11 348	–	–	–	1 891	(1 891)	-100%	11 348
Internal audit		–	2 036	–	–	–	339	(339)	-100%	2 036
Community and public safety		2 293	4 196	–	–	–	699	(699)	-100%	4 196
Community and social services		676	746	–	–	–	124	(124)	-100%	746
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		1 617	3 450	–	–	–	575	(575)	-100%	3 450
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		127 880	118 533	–	6 707	7 706	19 756	(12 050)	-61%	118 533
Planning and development		11 082	12 042	–	380	380	2 007	(1 627)	-81%	12 042
Road transport		116 797	106 491	–	6 327	7 325	17 749	(10 423)	-59%	106 491
Environmental protection		–	–	–	–	–	–	–		–
Trading services		13 506	20 976	–	–	–	3 496	(3 496)	-100%	20 976
Energy sources		12 545	17 800	–	–	–	2 967	(2 967)	-100%	17 800
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		961	3 176	–	–	–	529	(529)	-100%	3 176
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	145 478	157 089	–	6 707	7 706	26 182	(18 476)	-71%	157 089
Funded by:										
National Government		90 663	97 099	–	6 327	7 325	16 183	(8 858)	-55%	97 099
Provincial Government		197	226	–	–	–	38	(38)	-100%	226
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		90 860	97 325	–	6 327	7 325	16 221	(8 896)	-55%	97 325
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		54 619	59 764	–	380	380	9 961	(9 581)	-96%	59 764
Total Capital Funding		145 478	157 089	–	6 707	7 706	26 182	(18 476)	-71%	157 089

The total approved capital budget amounted to **R 157,089,364.** Municipality incurred capital expenditure of **R 6,707,397.76** representing approximately **4%** of the total capital budget. This performance is below the anticipated monthly spending target, primarily due capital projects that have not been awarded and implemented. Capital expenditure incurred to date amounts to **5%** of the approved capital expenditure budget.

3.1.6 C6 Monthly Budget Statement –Financial Position – M02– August

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M02 - August

Description	Ref	2025/26	Budget Year 2026/27			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		298 432	286 455	–	388 964	286 455
Short term investments		–	–	–	–	–
Trade and other receivables from exchange transactions		24 585	7 239	–	27 615	7 239
Receivables from non-exchange transactions		100 580	142 193	–	124 923	142 193
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 312	3 109	–	3 059	3 109
VAT		28 502	89 684	–	14 884	89 684
Other current assets		6 019	7 845	–	6 019	7 845
Total current assets		461 430	536 526	–	565 464	536 526
Non current assets						
Investments		–	–	–	–	–
Investment property		115 835	4 960	–	115 835	4 960
Property, plant and equipment		2 429 823	1 344 608	–	2 437 528	1 344 608
Biological assets		–	–	–	–	–
Living resources		–	–	–	–	–
Heritage assets		1 543	1 543	–	1 543	1 543
Intangible assets		218	3 352	–	218	3 352
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		2 547 419	1 354 463	–	2 555 124	1 354 463
TOTAL ASSETS		3 008 849	1 890 990	–	3 120 588	1 890 990
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 906	489	–	1 925	489
Trade and other payables from exchange transactions		91 502	167 072	–	53 442	167 072
Trade and other payables from non-exchange transactions		28 275	48 500	–	35 640	48 500
Provision		22 396	45 300	–	19 436	45 300
VAT		55 855	52 348	–	50 044	52 348
Other current liabilities		–	–	–	–	–
Total current liabilities		199 934	313 711	–	160 486	313 711
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		33 195	29 345	–	33 195	29 345
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		25 531	–	–	28 492	–
Total non current liabilities		58 726	29 345	–	61 687	29 345
TOTAL LIABILITIES		258 661	343 055	–	222 173	343 055
NET ASSETS	2	2 750 188	1 547 934	–	2 898 415	1 547 934
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		946 946	1 488 060	–	991 762	1 488 060
Reserves and funds		1 906 653	59 874	–	1 906 653	59 874
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2 853 599	1 547 934	–	2 898 415	1 547 934

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 August 2026. Total assets are **R 2,555,124** over the total liabilities of **R 222,173** this is therefore means the municipality is still able to meet its financial obligations

3.1.7 C7 Monthly Budget Statement –Cash Flow – M02– August

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M02 - August

Description	Ref	2025/26	Budget Year 2026/27							
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		56 589	53 762	–	23 414	24 073	8 960	15 112	169%	53 762
Service charges		107 966	94 023	–	8 008	25 064	15 671	9 393	60%	94 023
Other revenue		40 832	93 090	–	10 656	17 676	15 515	2 161	14%	93 090
Transfers and Subsidies - Operational		327 772	323 930	–	2 760	133 104	53 988	79 116	147%	323 930
Transfers and Subsidies - Capital		192 969	97 325	–	–	24 950	16 221	8 729	54%	97 325
Interest		21 811	51 013	–	2 585	4 666	8 502	(3 836)	-45%	51 013
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(285 464)	(568 948)	–	(24 261)	(39 962)	(94 825)	54 862	-58%	(568 948)
Interest		–	–	–	–	–	–	–		–
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**462 475**	**144 196**	**–**	**23 161**	**189 571**	**24 033**	**(165 538)**	**-689%**	**144 196**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Insurance Refund - Capital		–	–	–	–	–	–	–		–
Long Term Investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(137 660)	(157 089)	–	(10 072)	(11 105)	(26 182)	15 076	-58%	(157 089)
Retention (Capital)		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(137 660)**	**(157 089)**	**–**	**(10 072)**	**(11 105)**	**(26 182)**	**15 076**	**(0)**	**(157 089)**
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		**324 815**	**(12 894)**	**–**	**13 089**	**178 465**	**(2 149)**			**(12 894)**
Cash/cash equivalents at beginning:		269 900	299 349	–		298 432	299 349			298 432
Cash/cash equivalents at month/year end:		594 715	286 455	–		476 898	297 200			285 539

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 SC2 presented below summarises the Debtors Age Analysis as at 31 August 2026.

EC441 Matatiele - Supporting Table SC2 Monthly Budget Statement - aged debtors - M02 - August

Description R thousands	NT Code	Budget Year 2026/27 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	6 257	1 924	1 328	1 255	614	866	488	4 884	17 534	8 025	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	1 888	32 574	20	0	593	572	483	65 138	121 240	86 758	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	923	609	460	460	422	413	413	32 909	36 606	34 516	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	605	30	30	29	29	29	28	828	1 608	944	–	–
Interest on Arrear Debtor Accounts	1810	1 467	1 563	1 594	1 651	1 558	1 723	1 686	71 252	82 503	77 878	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	143	161	145	119	2 142	211	130	42 723	45 773	45 325	–	–
Total By Income Source	**2000**	**11 284**	**36 859**	**3 577**	**3 514**	**5 357**	**3 815**	**3 127**	**237 634**	**305 167**	**253 447**	**–**	**–**
2025/26 - totals only		15 075	40 182	3 047	2 603	2 845	3 158	2 948	225 489	296 444	237 161	–	–
Debtors Age Analysis By Customer Group													
Organs of State	2200	3 534	33 304	2 225	2 332	3 754	2 309	1 615	93 114	142 087	103 124	–	–
Commercial	2300	7 057	2 857	841	653	948	954	863	75 834	90 007	79 252	–	–
Households	2400	693	698	511	529	655	652	650	68 685	73 073	71 171	–	–
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**11 284**	**36 859**	**3 577**	**3 514**	**5 357**	**3 815**	**3 127**	**237 634**	**305 167**	**253 447**	**–**	**–**

The total debt book for 31 August 2026 of R **305,167,007** inclusive to **R 3,744,136** advance payments.

The total debt for July 2026 of **R 301,422,871 (**including current of **R 10,806,420** which is not yet due) has decreased by **R 12,488,567** from the previous month closing balance of
R 313,911,437.
Debt is made up of the following:

- **Residential debt:**
  R 46,442,176.00
  Commercial debt
  R 36,794,193.32
  Government debt
  R 136,089,990.59
  Other
  R 460,280.62

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 97,080,042.**

- **Maluti**
  R 74,582,303.37 (including current)
- **Cedarville**
  R 19,201,726.15 (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 72,754,867

Business H/O R 3,508,660

Churches H/O R 130,865

Farms H/O R 5,241,838

R 24,025,424 was collected for August 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 August 2026.

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 - August

Description	NT Code	Budget Year 2026/27									Prior year totals for chart (same period)
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	–	–	–	–	–	–	–	–	–	–
Bulk Water	0200	–	–	–	–	–	–	–	–	–	–
PAYE deductions	0300	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–	–	–	–
Trade Creditors	0700	84	–	–	–	–	–	–	–	84	–
Auditor General	0800	–	–	–	–	–	–	–	–	–	–
Other	0900	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	1000	84	–	–	–	–	–	–	–	84	–

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Aug-26					
Investment Management					
Conditional Investments -Description	**Opening Balance**	**Deposits**	**WITHDRAWALS**	**Interest Earned**	**Closing Balance**
Municipal Infrastructure Grant	20,687,695.37	2,038,575.28	-1,427,302.40	-38,575.28	21,298,968.25
INEP	18,743.43	8,990,103.54		-103.54	9,008,846.97
EPWP	-			-	-
Disaster Management	28,995,177.80	182,515.48	-12,692,947.56	-182,515.48	16,484,745.72
Establishment Plan	249,939.99	1,114.45		-1,114.45	251,054.44
Housing Development Fund	2,554,692.02	11,716.59		-11,663.10	2,566,408.61
Dedea	775,298.71	3,456.99		-3,456.99	778,755.70
Total Conditional Investments	**53,281,547**	**11,227,482**	**- 14,120,250**	**- 237,429**	**50,388,780**

Unconditional Investments -Description	**Openning Balance**	**Deposits**	**Withdrawals**	**Interest Earned**	**Closing Balance**
Call Acc STD CRR	196,444,582.18			-942,664.89	196,444,582.18
Call Acc STD CRR	30,050,465.75	195,554.80		-195,554.80	30,246,020.55
Call ACC FNB Surplus Cash	6,805,395.80			-31,211.59	6,805,395.80
Nedbank 32 Days	9,063,596.06	55,809.30		-55,809.30	9,119,405.36
Nedbank CRR	73,680,741.22	9,591,366.49	-25,000,000.00	-526,696.46	58,272,107.71
Nedbank Retention	27,566,713.59	7,269,311.81	-5,613,217.72	-182,515.48	29,222,807.68
Termination Guarantee	144,640.82			-798.56	144,640.82
Account Gaurantee	6,202,000.00			-34,238.57	6,202,000.00
Total Unconditional Investments	**349,958,135**	**17,112,042**	**- 30,613,218**	**- 1,969,490**	**336,456,960**
Total Investments	**403,239,683**	**28,339,525**	**- 44,733,468**	**- 2,206,918**	**386,845,740**

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

As at 31 August 2026 the conditional investments amounted to **R 50,388,780** and unconditional investments amounted to **R 336,456,960.** Total investments as at 31 August 2026 amounted to **R 386,845,740**

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 August 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 August 2026

Description	August 2026
Nedbank Primary Account:	2 727 251.29
Standard bank Account:	2 200 487.11
FNB Money Market Account:	1 186 547.61
Total Cash held as at 31 August 2026	**6 114 286.01**

Unreconciled items for the month amount to **R 2,837,617.56** 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 6 114 286.01** and investment balance of **R 386,845,740** and the total cash book balance and investment is **R 392 ,960 ,026.01**

SECTION 7_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC18– M02 – August

Description	2026-2027 Meduim Term Revenue & Expenditure Framework				
R thousand	Approved Budget Year 2026/27	Monthly actual	YearTD actual	YearTD budget	Perfomance %
RECEIPTS:					
Operating Transfers and Grants					
National Government:	**351,289**	**11,737**	**142,069**	**58,548**	40%
Local Government Equitable Share	312,797	–	130,332	52,133	42%
Expanded Public Works Programme Integrated Grant	2,988	747	747	498	25%
Local Government Financial Management Grant	2,000	2,000	2,000	333	100%
Intergrated National Electrification Programme	29,967	8,990	8,990	4,995	30%
Municipal Infrastructure Grant (MIG)	3,537	–	–	590	0%
Provincial Government:	**1,178**	**–**	**–**	**196**	0%
Capacity Building and Other : Library	1,178	–	–	196	0%
Human Settlement	–	–	–	–	0%
DEDEAT	–	–	–	–	0%
District Municipality:	**–**	**–**	**–**	**–**	**–**
IDP roadshows	–	–	–	–	0%
Total Operating Transfers and Grants	**352,467**	**11,737**	**142,069**	**58,745**	**3%**
Capital Transfers and Grants	**67,309**	**20,224**	**20,224**	**5,609**	**30%**
Municipal Infrastructure Grant (MIG)	67,209	20,224	20,224	11,201	30%
Disaster Response Grant	–	–	–	-	0%
Capacity Building and Other : Library	100	–	–	17	0%
Total Capital Transfers and Grants	**67,309**	**20,224**	**20,224**	**5,609**	**0**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**419,776**	**31,961**	**162,293**	**64,354**	**0**

The Municipality has received **R 31,9 Million** grants allocations for both operational and capital grants.

7.2 Supporting Table SC19 – M02– August

EC441 Matatiele - Supporting Schedule SC19 Monthly Budget Statement - Expenditure on Transfers and Grants - M02 - August

Description	Ref	2025/26	Budget Year 2026/27							
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:		8 787	8 525	–	1 914	3 368	1 421	1 947	137.1%	8 525
Expanded Public Works Programme Integrated Grant		2 980	2 988	–	1 477	2 517	498	2 019	405.4%	2 988
Local Government Financial Management Grant	3	1 800	2 000	–	33	78	333	(255)	-76.6%	2 000
Municipal Infrastructure Grant		4 007	3 537	–	404	773	590	184	31.1%	3 537
Provincial Government:		2 562	2 607	–	0	24	435	(411)	-94.5%	2 607
Specify (Add grant description)		349	–	–	–	18	–	18	#DIV/0!	–
Greenest Town		547	174	–	0	6	29	(23)	-79.2%	174
Library Support		1 666	2 433	–	–	–	406	(406)	-100.0%	2 433
District Municipality:		150	–	–	–	–	–	–		–
Specify (Add grant description)		150	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants		11 499	11 133	–	1 914	3 392	1 855	1 537	82.8%	11 133
Capital Transfers and Grants										
National Government:		104 497	97 099	–	7 202	8 350	16 183	(7 833)	-48.4%	97 099
Municipal Infrastructure Grant		55 383	67 209	–	1 586	1 586	11 201	(9 616)	-85.8%	67 209
Municipal Disaster Recovery Grant		49 114	29 891	–	5 616	6 764	4 982	1 782	35.8%	29 891
Provincial Government:		197	226	–	–	3 864	38	3 826	10157.3%	226
Library Support		–	100	–	–	–	17	(17)	-100.0%	100
Greenest Town		–	126	–	–	–	21	(21)	-100.0%	126
Specify (Add grant description)		0	–	–	–	3 864	–	3 864	#DIV/0!	–
Specify (Add grant description)		197	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants		104 694	97 325	–	7 202	12 214	16 221	(4 007)	-24.7%	97 325
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		116 193	108 458	–	9 116	15 606	18 076	(2 471)	-13.7%	108 458

The municipality has expenditure of **R 9,1 million** on both total operating and capital transfers grants

SECTIONS 8

Table SC22 presents the expenditure of councillor and staff benefits at 31 August 2026

EC441 Matatiele - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - Month DD, YYYY -

Summary of Employee and Councillor remuneration	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		14 049	14 548	–	1 186	2 372	2 441	(69)	-3%	14 548
Cell phone Allowance		2 536	2 659	–	212	423	443	(20)	-5%	2 659
Housing Allowance		4 460	4 337	–	364	728	723	6	1%	4 337
In-kind Benefits		–	–	–	–	–	–	–		–
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		1 983	2 372	–	175	353	395	(43)	-11%	2 372
Office-bearer Allowance		–	–	–	–	–	–	–		–
Out of pocket Expenses		–	–	–	–	–	–	–		–
Travelling Allowance		–	–	–	–	–	–	–		–
Use of Personal Facilities		–	–	–	–	–	–	–		–
Total Allowances and Service Related Benefits		23 039	24 016	–	1 938	3 876	4 003	(127)	-3%	24 016
Social Contributions										
Medical Aid Benefits		84	91	–	(30)	(23)	15	(38)	-254%	91
Pension Fund Contributions		950	1 002	–	80	150	167	(17)	-8%	1 002
Total Social Contributions		1 034	1 092	–	50	127	182	(55)	-25%	1 092
Total Councillors		24 073	25 108	–	1 988	4 003	4 185	(172)	-4%	25 108
% increase	4									
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		1 626	3 422	–	263	502	570	(68)	-12%	3 422
Bonuses		4	398	–	–	–	67	(67)	-100%	398
Allowance								–		
Accommodation, Travel and Incidental		–	–	–	–	–	–	–		–
Cellular and Telephone	3	–	–	–	–	–	–	–		–
Housing Benefits	3	993	1 333	–	124	246	232	14	6%	1 333
Non-pensionable		–	–	–	–	–	–	–		–
Travel or Motor Vehicle	3	2 258	2 505	–	222	441	447	(6)	-1%	2 505
Voluntary Work		–	–	–	–	–	–	–		–
Total Allowance		3 251	4 078	–	346	687	680	8	1%	4 078
Service Related Benefits										
Acting	3	–	–	–	–	–	–	–		–
Bonus	3	–	–	–	–	–	–	–		–
Danger Allowance	3	–	–	–	–	–	–	–		–
Entertainment	3	–	–	–	–	–	–	–		–
Fire Brigade		–	–	–	–	–	–	–		–
In-kind Benefits	3	–	–	–	–	–	–	–		–
Leave Pay	3	–	–	–	–	–	–	–		–
Lifeguard/Duty Squads		–	–	–	–	–	–	–		–
Long Service Award		–	–	–	–	–	–	–		–
Overtime		–	–	–	–	–	–	–		–
Scarcity	3	430	599	–	48	96	100	(4)	-4%	599
Standby Allowance	3	–	–	–	–	–	–	–		–
Tools Allowance	3	–	–	–	–	–	–	–		–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–		–
Leave gratuity		–	–	–	–	–	–	–		–
Long Term Service Award		–	–	–	–	–	–	–		–
Total Service Related Benefits		430	599	–	48	96	100	(4)	-4%	599
Total Salaries and Allowances		5 612	8 498	–	657	1 285	1 416	(131)	-9%	8 498
Social Contributions										
Bargaining Council		1	71	–	0	0	12	(12)	-98%	71
Group Life Insurance		–	–	–	–	–	–	–		–
Medical		247	298	–	19	36	50	(14)	-28%	298
Pension		307	363	–	23	41	61	(20)	-33%	363
Unemployment Insurance		10	85	–	1	2	14	(12)	-85%	85
Total Social Contributions		565	817	–	42	79	136	(58)	-42%	817
Post-retirement Benefit	5									
Medical		–	–	–	–	–	–	–		–
Other Benefits		–	–	–	–	–	–	–		–
Pension		–	–	–	–	–	–	–		–
Total Post-retirement Benefit		–	–	–	–	–	–	–		–
Costs Capitalised to PPE		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		6 077	9 316	–	699	1 364	1 553	(189)	-12%	9 316
% increase	4									
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		121 590	130 723	–	11 087	20 509	21 787	(1 278)	-6%	130 723
Bonuses		6 169	9 771	–	1 122	1 520	1 629	(109)	-7%	9 771
Allowance										
Accommodation, Travel and Incidental		–	20	–	–	–	3	(3)	-100%	20
Cellular and Telephone	3	6	6	–	1	1	1	(0)	-7%	6
Housing Benefits	3	2 717	1 575	–	111	235	262	(27)	-10%	1 575
Non-pensionable		–	–	–	–	–	–	–		–
Travel or Motor Vehicle	3	5 757	5 702	–	437	871	950	(79)	-8%	5 702
Voluntary Work		–	–	–	–	–	–	–		–
Total Allowance		8 480	7 303	–	549	1 108	1 217	(109)	-9%	7 303
Service Related Benefits										
Acting	3	–	–	–	–	–	–	–		–
Bonus	3	–	–	–	–	–	–	–		–
Danger Allowance	3	–	–	–	–	–	–	–		–
Entertainment	3	–	–	–	–	–	–	–		–
Fire Brigade		–	–	–	–	–	–	–		–
In-kind Benefits	3	–	–	–	–	–	–	–		–
Leave Pay	3	1 117	–	–	234	425	–	425	#DIV/0!	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–		–
Long Service Award		–	–	–	–	–	–	–		–
Overtime		3 959	2 380	–	394	771	393	377	96%	2 380
Scarcity	3	–	–	–	–	–	–	–		–
Standby Allowance	3	–	–	–	–	–	–	–		–
Tools Allowance	3	–	–	–	–	–	–	–		–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–		–
Leave gratuity		–	–	–	–	234	–	234	#DIV/0!	–
Long Term Service Award		–	–	–	49	136	–	136	#DIV/0!	–
Total Service Related Benefits		5 076	2 380	–	676	1 566	393	1 173	298%	2 380
Total Salaries and Allowances		141 316	150 157	–	13 414	24 703	25 026	(323)	-1%	150 157

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 August** amounted **R 18,482,718** of which the expenditure **R 1,987,716** relates to Remuneration of Councillors and **R 16,495,004** to Managers and staff against approves budget of **R215,956,501** incurring **9%.** This level of spending is slightly above the anticipated monthly target due to notch increments implemented during the reporting period. Total YTD Expenditure is **16%** of the expenditure budget for this expenditure type

8.1 Performance Indicators

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - Performance M02 - August

Description of financial indicator	Basis of calculation	Ref	2025/26	Budget Year 2026/27			
			Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure		0.8%	10.9%	0.0%	0.0%	3.9%
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/		5.1%	13.9%	0.0%	4.1%	13.9%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity							
Current Ratio	Current assets/current liabilities	1	230.8%	171.0%	0.0%	352.3%	171.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		149.3%	91.3%	0.0%	242.4%	91.3%
Revenue Management							
Annual Debtors Collection Rate	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		23.3%	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		31.0%	33.9%	0.0%	15.4%	33.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.1%	3.9%	0.0%	0.8%	3.9%
Interest & Depreciation	I&D/Total Revenue - capital revenue		17.7%	12.5%	0.0%	0.0%	4.5%
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		3 008 848	1 890 990		3 120 588	1 890 990
Employee related costs		174 538	190 849		30 652	190 849
Repairs & Maintenance		17 235	21 784		1 676	21 784
Interest (finance charges)		4 653				
Principal paid						
Depreciation		94 942	70 322			25 108
Operating expenditure		617 143	645 770		67 479	645 770
Total Capital Expenditure		145 478	157 089		6 707	7 705
Borrowed funding for capital						
Debt		145 309	215 573		117 574	215 573
Equity		2 853 589	1 547 934		2 898 415	1 547 934
Reserves and funds						
Borrowing						
Current assets		461 430	536 526		565 464	536 526
Current liabilities		199 934	313 711		160 488	313 711
Monetary assets		298 432	286 455		388 984	286 455
Total Revenue (excluding capital transfers and contributions)		563 838	562 404		199 333	562 404
Transfers and subsidies - Operational		330 823				
Transfers and subsidies - capital (monetary allocations)		104 694	97 325		8 350	97 325
Debt service payments		21 811	51 013			
Outstanding debtors (receivables)		131 184				
Annual services revenue		163 638	173 888		11 410	57 746
Cash + investments	Including LT investments	298 432	286 455		388 984	286 455
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 July 2026

Purpose/ Use of the Ratio

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

The Municipality as at end of July 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 536,526,000/ R313,711,000 = **R 1.7:1**

Actual Current Ratio as 31 August 2026: **R 565,464,000 / R 160,486,000 = 3.6:1**

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 1.7:1** ratio and actual ratio as **31 August 2026 is: R 3.6: R 1** which is above the norm.

Acid test Ratio: (Current Assets – Inventory) / Current Liabilities

Budgeted Acid test Ratio:(R 536,526,000 – R 3,109,000) / R 173,155,000 = 3:1

Actual Acid Test Ratio as at 31 August 2026:(R 536,526,000 – R3,059,000) / R 160,486,000 = **3.32 :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 31 August 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: 04/09/2026