



MATATIELE
LOCAL MUNICIPALITY

2026/2027 MONTHLY SECTION 71 REPORT

MONTH ENDED 30 SEPTEMBER 2026

TABLE OF CONTENTS

	PAGE
Glossary	3
Legislative Framework	4
PART 1-IN-YEAR REPORT	
Resolutions	5
Executive summary	6-13
In-year budget statement tables	14-25
PART 1-SUPPORTING DOCUMENTATION	
Debtors Analysis	26-27
Creditors Analysis	27
Investment Portfolio	28-29
Grants Management	30-31
Employee Related Costs & Remuneration of Councillors	32-33
Performance Indicators	34 -35
Municipal Manager's quality certificate	36

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.

LEGISLATIVE FRAMEWORK

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

The municipal Finance Management Act No. 56 of 2003

Section 71: Monthly budget Statements

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

PART 1-IN-YEAR REPORT

Section 1-Resolutions

These are the resolutions being presented to Council in the monthly report on the implementation of budget and financial situation of the municipality as required in terms of section 71 of the Municipal Finance Management Act 56 of 2003 and the Municipal Budget and Reporting Regulations

Regulation 28 of the Municipal Budget and Reporting Regulations states:

“The monthly budget statement of a municipality must be in the format specified in the Schedule C and include all required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.”

Recommendations:

- That, Council takes note of the monthly budget statement and supporting documentation for the month ended 30 September 2026.
- That, the submission of section 71 reports and to Provincial and National Treasuries 10 days after the end of each month be noted by Council.

Section 2-Executive summary

2.1 Introduction

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

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

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

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

2.2 Consolidated Performance (Revenue & Expenditure)

Revenue by source

The total Annual approved revenue budget is **R 694,996,667**. For the month of September 2026, the municipality recognised revenue amounting to **R 23,699,554** representing **3%** of revenue budget for the month. Revenue performance for the reporting period was below the anticipated monthly target, primarily due to lower 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 **34%** 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 44,785,365** representing approximately **7%** 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 represents **17%** of the approved operating expenditure budget.

Capital Expenditure

The total approved capital budget amounted to **R 157,089,364**, the Municipality incurred capital expenditure of **R 7,191,487** representing approximately **5%** 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 **9%** 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 4,394,266** expenditure for the month ending 30 September 2026 (Vat exclusive), this represents **7%**. YTD expenditure represents **9%**.
- Disaster recovery grant of **R 29,890,664** is allocated. The grant reflects Monthly spending of **R 1,799,251** as at the end 30 September 2026 (Vat exclusive), this represents **6%**. YTD expenditure represents **26%**.
- The Library Capital Grant of **R 100,000** is allocated. The grant reflects no Monthly spending at the end of 30 September 2026.
- The Greenest Town capital Grant of **R 126,000** is allocated; the grant reflects no Monthly spending at the end of 30 September 2026.
- Capital Replacement Reserves (CRR) for the financial year of **R 59,764,000** is allocated. The fund reflects **R 1,377,970** Monthly spending at the end of 30 Sept 2026. (Vat exclusive), this represents **2%**. YTD expenditure represents **2 %**.
-

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.

Row Labels	Sum of TotalBudget	Sum of September	Sum of TotalActual
Assets	157 089 364.00	7 191 487.09	14 896 855.16
Non-current Assets	157 089 364.00	7 191 487.09	14 896 855.16
CORE FUNCTION: SOLID WASTE REMOVAL	3 176 000.00	-	-
Community and Social Services: Community Governance(3096)	-	-	-
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: Asset Mangement and Reporting (2015)	-	-	-
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 Administration: Revenue and Debt Management (2020)	1 036 000.00	-	-
Finance:Budget & Treasury (2010)	-	-	-
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	2 797 221.16	8 743 553.18
Roads:Project Management Unit	67 208 700.00	4 394 265.93	5 773 302.06
Town Planning: Building Regulations and Enforcement; and City Engineer:Human Settlements and Building Controls	6 300 000.00	-	379 999.92
Grand Total	157 089 364.00	7 191 487.09	14 896 855.16
		5%	9%

Grant Funded Projects (MIG PROJECTS)

MIG Capital Project	September 2026 Status
High Mast Lights	Planning Stage
High Mast Lights	Planning Stage
Rehabilitation of Cedarville internal streets phase 2	Project under construction at 8% complete
Rehabilitation of Matatiele internal Streets Cluster 2	Procurement stage
Chibini Goxe Access Road	Project under construction at 10% complete
Mgubho Access Road	Planning Stage
Maphokong Access Road and Bridge	Project under construction at 10% complete
Hlomendlini Access Road	Planning Stage
Motsekoa Access Road and Bridge	Planning Stage
Mountain Lake Access Road	Planning Stage
Mahangwe Sport Centre	Planning Stage
Construction of Cedarville Internal Streets Phase 4	Project under construction at 75% complete

Grant Funded Projects (Integrated National Electrification Programme Grant) INEP

INEP Capital Projects	September 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	September 2026 Status
Mvenyane Access Road and Bridge Recovery	Project under construction, physical progress on site 82%
Lugada to Mahlabathini and Bridge Recovery	Project under construction, physical progress on site 92%
Tlakanelo Access Road & Bridge	Project under construction, physical progress on site 75%
Sifolweni Access Road	Project under construction, physical progress on site 72%
Motsing Access Road	Project under construction, physical progress on site 75%
Rholweni Access Road	Project under construction, physical progress on site 100%

Sekhutlong Access Road	Project under construction, physical progress on site 79%
Tsita-pehong access road	Project under construction, physical progress on site 75%
Zitapile Access Road (MDRG)	Project under construction, physical progress on site 50%

Internal Funded Capital Projects

Capital Replacements Reserves Projects	September 2026 Status
Mountain Lake Jetty	Procurement Stage
LUNDA ACCESS ROAD	RFQ Issued
LICENSING OFFICES	Procurement Stage
Tlakanelo Access Road & Bridge	Project under construction, physical progress on site 75%
Zitapile Access Road (CRR)	Project under construction, physical progress on site 50%
Lugada Mahlabathini Bridge CRR	Project under construction, physical progress on site 85%
Motsing Access Road (CRR)	Project under construction, physical progress on site 75%
Mbizeni Concrete Slab	RFQ Issued
Renovation of Town Hall	Practical completion stage
Renovation of Maluti office	Procurement Stage
Boreholes	Procurement Stage
Mphotshongweni Bridge (Rashule)	Design completed
Shenxa Electrification	Procurement Stage
Refurbishment of Matatiele Substation	Procurement Stage
TRANSFORMER INFRA	Procurement Stage
Aircons	Recurring Stage
Roadblock Trailer	Procurement Stage
MUNICIPAL FLEET	Procurement Stage

This information reflects on our tender control plan for the month ended 30 September 2026

TENDER CONTROL SEPTEMBER 2026				
SUMMARY: QUOTATIONS	Jul-26	TOTAL JULY 2026		
DAY TO DAY QUOTATIONS	R3 480 362.87	R3 480 362.87		
FORMAL QUOTATIONS	R458 400.00	R458 400.00		
TOTAL QUOTATIONS				
BIDDING PROCESS	Bids Awarded vs Capital Budget	Capital Spending Year-To-Date	Orders Issued	
Bids awarded	23 077 482.87		3.00	
Bids in the process	-		-	
Bids behind schedule	-		-	
Bids cancelled or removed from budget	-		-	
Bids to be awarded	-		-	
Total Summary values of Procurements,	Sept-26	TOTAL SEPTEMBER 2026		
Below R30 000 (SCM Orders) and travel & accommodation	R3 480 362.87	3 480 362.87		
R30 001 – 300 000 (Procurement Process above R 30 000.00)	R458 400.00	R458 400.00		
Procurement above R300 000 (Competitive bidding)	R0.00	R0.00		
Deviations (Section 36)	R0.00	R0.00		
BIDS AND QUOTATIONS INVITED	Sept-26	TOTAL SEPTEMBER 2026		
Invited Quotations	3	3		
Invited Bids	5	5		
Awarded Quotations	2	2		
Awarded Bids	3	3		
BIDS AWARDED				
AWARD DATE	DESCRIPTION	CONTRACTOR/CONSULTANT /SERVICE PROVIDER	AWARD AMOUNT	
2025/09/29	Supply and delivery of 400 cubic meters/72tons of g5 materials & 30 000 paves interlocking 80mm	Alunamda Olwethu (Pty) Ltd	R 600 000.00	
2025/09/29	Cleaning and Refuse removal in the matatiele CBD	Stem-Pro (Pty) Ltd	R5 981 599.00	
2025/09/29	Appointment of panel of four (4) turnkey electrical service providers (engineering and construction) to provide electrical services, including any work requiring professional engineering expertise for matatiele local municipality for a period of 3 years.	Mchenge Engineering JV WBP Plant Hire, Infinity Alliance JV Batebang BATAUNG, Igoda Projects (Pty) Ltd	Rates Based	
BIDS INVITED				
NUMBER	NAME OF THE PROJECT	ADVERT DATE	CLOSING DATE	VALIDITY PERIOD
	CALL FOR PROPOSALS: DEVELOPMENT AND OPERATION OF MUNICIPAL PROJECTS - Middle-Income Residential Development, Commercial Development & Mixed-Use Development	2026/09/04	2026/10/05	On advert
1				
	In-House Travel & Accommodation and Conference Facilities to The Matatiele Local Municipality for a Period of Three Years	11 09 2026	2026/10/12	on advert
2				
	Supply, Install, Train Personnel and Deliver of Fire Engen Truck Equipment.	2026/09/11	2026/09/25	13 DAYS
3				
	Cleaning of Storm-Water Pipes Over a Period of 12 Months	2026/09/11	2026/09/25	13 DAYS
4				
	Supply and Delivery of Protective Clothing for Environment and Waste Unit.	2026/09/11	2026/09/25	13 DAYS
5				
6				
7				

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 – M03 – September

EC441 Matatiele - Table C1 Monthly Budget Statement Summary - M03 - September

Description	Budget Year 2026/27								
	2025/26 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	57 250	63 250	–	2 186	43 422	15 812	27 610	175%	63 250
Service charges	106 388	110 616	–	7 215	23 725	27 654	(3 929)	-14%	110 616
Investment revenue	13 565	28 813	–	2 087	5 929	7 203	(1 274)	-18%	28 813
Transfers and subsidies - Operational	330 823	323 930	–	2 192	135 916	80 982	54 934	68%	323 930
Other own revenue	55 813	35 796	–	2 721	6 741	8 949	(2 208)	-25%	35 796
Total Revenue (excluding capital transfers and contributions)	563 839	562 404	–	16 401	215 734	149 601	75 133	53%	562 404
Employee costs	174 538	190 849	–	14 811	45 463	47 712	(2 249)	-5%	190 849
Remuneration of Councillors	24 073	25 108	–	2 017	6 030	6 277	(246)	-4%	25 108
Depreciation and amortisation	94 942	70 322	–	–	–	17 580	(17 580)	-100%	70 322
Interest	4 653	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	105 195	105 581	–	14 902	27 570	26 395	1 175	4%	105 581
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	213 743	253 911	–	13 055	33 200	63 478	(30 277)	-48%	253 911
Total Expenditure	617 143	645 770	–	44 785	112 265	161 442	(49 178)	-36%	645 770
Surplus/(Deficit)	(53 304)	(83 366)	–	(28 385)	103 469	(20 841)	124 311	-500%	(83 366)
Transfers and subsidies - capital (monetary allocations)	104 694	97 325	–	7 215	15 565	24 331	(8 766)	-36%	97 325
Transfers and subsidies - capital (in-kind) contributions	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	51 390	13 960	–	(21 169)	119 035	3 490	115 545	3311%	13 960
Surplus/ (Deficit) for the year	51 390	13 960	–	(21 169)	119 035	3 490	115 545	3311%	13 960
Capital expenditure & funds sources									
Capital expenditure	145 478	157 089	–	7 191	14 897	39 272	(24 375)	-62%	157 089
Capital transfers recognised	90 860	97 325	–	6 194	13 519	24 331	(10 812)	-44%	97 325
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	54 619	59 764	–	998	1 378	14 041	(13 563)	-91%	59 764
Total sources of capital funds	145 478	157 089	–	7 191	14 897	39 272	(24 375)	-62%	157 089
Financial position									
Total current assets	461 430	536 526	–	–	536 830	–	–	–	536 526
Total non current assets	2 547 419	1 354 463	–	–	2 562 316	–	–	–	1 354 463
Total current liabilities	199 934	313 711	–	–	160 130	–	–	–	313 711
Total non current liabilities	58 726	29 345	–	–	61 687	–	–	–	29 345
Community wealth/Equity	2 750 188	1 547 934	–	–	2 877 329	–	–	–	1 547 934
Cash flows									
Net cash from (used) operating	462 475	144 196	144 196	(11 876)	177 694	36 049	(141 645)	-393%	144 196
Net cash from (used) investing	(137 660)	(157 089)	(157 089)	(7 265)	(18 370)	(39 272)	(20 903)	53%	(157 089)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	504 715	286 455	286 455	–	457 757	298 125	(161 631)	-55%	285 539
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dya-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	11 110	6 284	34 977	3 285	3 174	5 307	3 768	239 569	307 474
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

The above table provides a concise overview of the monthly actual, year-to-date actual of the operating expenditure, capital expenditure, and age analysis. The full year forecast as seen the table above takes in the account the original budget less the YTD budget plus the YTD actuals, this therefore gives a projection based on the 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) – M03 – September

EC441 Matatiele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 - September

Description	Ref	2025/26	Budget Year 2026/27							
		Adopted Budget	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD Budget	TTD Variance	TTD %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		418 929	428 480	—	6 265	184 569	107 120	77 449	72%	428 480
Executive and council		—	—	—	—	—	—	—	—	—
Finance and administration		418 929	428 480	—	6 265	184 569	107 120	77 449	72%	428 480
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		14 208	16 594	—	2 271	5 633	4 149	1 484	36%	16 594
Community and social services		8 855	7 966	—	1 809	4 976	1 992	2 984	150%	7 966
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		5 353	8 628	—	463	657	2 157	(1 500)	-70%	8 628
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		112 273	9 284	—	561	1 599	2 321	(722)	-31%	9 284
Planning and development		3 769	5 737	—	181	446	1 434	(988)	-69%	5 737
Road transport		108 504	3 547	—	380	1 153	887	266	30%	3 547
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		123 123	143 313	—	7 388	32 040	35 828	(3 789)	-11%	143 313
Energy sources		109 459	127 983	—	6 369	28 964	31 996	(3 032)	-9%	127 983
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		13 664	15 330	—	1 019	3 076	3 833	(757)	-20%	15 330
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	668 533	597 671	—	16 484	223 840	149 418	74 423	50%	597 671
Expenditure - Functional										
<i>Governance and administration</i>		274 934	283 005	—	19 205	52 315	70 751	(18 436)	-26%	283 005
Executive and council		32 238	34 137	—	2 646	9 404	8 534	870	10%	34 137
Finance and administration		238 779	243 881	—	15 857	41 520	60 970	(19 450)	-32%	243 881
Internal audit		3 917	4 988	—	703	1 391	1 247	144	12%	4 988
<i>Community and public safety</i>		74 988	54 600	—	4 746	13 253	13 650	(397)	-3%	54 600
Community and social services		49 400	26 858	—	2 367	6 523	6 714	(191)	-3%	26 858
Sport and recreation		—	—	—	—	—	—	—	—	—
Public safety		25 588	27 742	—	2 378	6 730	6 936	(206)	-3%	27 742
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		106 077	132 889	—	3 828	10 134	33 222	(23 088)	-69%	132 889
Planning and development		36 668	36 711	—	1 804	4 531	9 178	(4 647)	-51%	36 711
Road transport		69 409	96 178	—	2 024	5 603	24 044	(18 441)	-77%	96 178
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		161 145	175 276	—	17 006	36 562	43 819	(7 257)	-17%	175 276
Energy sources		134 741	151 312	—	15 518	31 917	37 828	(5 911)	-16%	151 312
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		26 404	23 964	—	1 488	4 645	5 991	(1 346)	-22%	23 964
<i>Other</i>		—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	617 143	645 770	—	44 785	112 265	161 442	(49 178)	-30%	645 770
Surplus/ (Deficit) for the year		51 390	(48 099)	—	(28 301)	111 576	(12 025)	123 600	-1028%	(48 099)

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 September 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 30 September 2026 is **R 44,785,365** and revenue recognised is **R 23,699,554**

3.1.3 Table C3: Monthly Budget Statement –Financial Performance (revenue and expenditure by municipal vote) – M03 – September

EC441 Matatiele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 - September

Vote Description	Ref	2025/26	Budget Year 2026/27							
		Revised Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive Council		-	-	-	-	-	-	-		-
Vote 2 - Finance and Admin		418 591	427 580	-	6 265	184 534	106 895	77 639	72.6%	427 580
Vote 3 - Corporate		338	900	-	-	35	225	(190)	-84.5%	900
Vote 4 - Development and Planning		3 769	5 737	-	181	446	1 434	(988)	-68.9%	5 737
Vote 5 - Community		27 872	31 924	-	3 290	8 709	7 981	728	9.1%	31 924
Vote 6 - Infrastructure		217 963	131 530	-	6 748	30 117	32 882	(2 766)	-8.4%	131 530
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	597 671	-	16 484	223 840	149 418	74 423	49.8%	597 671
Expenditure by Vote	1									
Vote 1 - Executive Council		32 238	34 137	-	2 646	9 404	8 534	870	10.2%	34 137
Vote 2 - Finance and Admin		153 769	137 436	-	7 260	19 320	34 359	(15 039)	-43.8%	137 436
Vote 3 - Corporate		85 010	106 445	-	8 597	22 200	26 611	(4 411)	-16.6%	106 445
Vote 4 - Development and Planning		36 668	36 711	-	1 804	4 531	9 178	(4 647)	-50.6%	36 711
Vote 5 - Community		101 392	78 564	-	6 234	17 898	19 641	(1 743)	-8.9%	78 564
Vote 6 - Infrastructure		204 150	247 490	-	17 542	37 521	61 872	(24 352)	-39.4%	247 490
Vote 7 - Internal Audit		3 917	4 988	-	703	1 391	1 247	144	11.6%	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	-	44 785	112 265	161 442	(49 178)	-30.5%	645 770
Surplus/ (Deficit) for the year	2	51 390	(48 099)	-	(28 301)	111 576	(12 025)	123 600	-1027.9%	(48 099)

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) – M03– September

EC441 Matatiele - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 - September

Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		94 534	95 616	–	6 205	20 705	23 904	(3 199)	-13%	95 616
Service charges - Water		–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–
Service charges - Waste management		11 854	15 000	–	1 010	3 020	3 750	(730)	-19%	15 000
Sale of Goods and Rendering of Services		21 684	882	–	107	185	221	(35)	-16%	882
Agency services		1 505	1 800	–	142	145	450	(305)	-68%	1 800
Interest		–	–	–	–	–	–	–	–	–
Interest earned from Receivables		2 503	2 200	–	162	437	550	(113)	-21%	2 200
Interest from Current and Non Current Assets		13 565	28 813	–	2 087	5 929	7 203	(1 274)	-18%	28 813
Dividends		–	–	–	–	–	–	–	–	–
Rent on Land		235	–	–	–	–	–	–	–	–
Rental from Fixed Assets		1 542	2 250	–	204	881	563	319	57%	2 250
Licence and permits		1 863	4 126	–	2	145	1 031	(887)	-86%	4 126
Special Rating Levies		–	–	–	–	–	–	–	–	–
Construction Contract Revenue		–	–	–	–	–	–	–	–	–
Development Charges		–	–	–	–	–	–	–	–	–
Operational Revenue		808	1 455	–	–	34	364	(330)	-91%	1 455
Non-Exchange Revenue										
Property rates		57 250	63 250	–	2 186	43 422	15 812	27 610	175%	63 250
Surcharges and Taxes		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		2 034	3 048	–	322	385	762	(377)	-49%	3 048
Licence and permits		(0)	35	–	1	1	9	(7)	-84%	35
Transfers and subsidies - Operational		330 823	323 930	–	2 192	135 916	80 982	54 934	68%	323 930
Interest		25 524	20 000	–	1 780	4 527	5 000	(473)	-9%	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	562 404	–	16 401	215 734	140 601	75 133	53%	562 404
Expenditure By Type										
Employee related costs		174 538	190 849	–	14 811	45 463	47 712	(2 249)	-5%	190 849
Remuneration of councillors		24 073	25 108	–	2 017	6 030	6 277	(246)	-4%	25 108
Bulk purchases - electricity		99 182	99 000	–	14 725	27 109	24 750	2 359	10%	99 000
Inventory consumed		6 013	6 581	–	177	461	1 645	(1 184)	-72%	6 581
Debt impairment		207	–	–	–	–	–	–	–	–
Depreciation and amortisation		94 942	70 322	–	–	–	17 580	(17 580)	-100%	70 322
Interest		4 653	–	–	–	–	–	–	–	–
Contracted services		126 358	170 428	–	6 922	19 428	42 607	(23 179)	-54%	170 428
Transfers and subsidies		–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		17 046	6 500	–	–	–	1 625	(1 625)	-100%	6 500
Operational costs		58 731	76 983	–	6 133	13 772	19 246	(5 474)	-28%	76 983
Disposal of Fixed and Intangible Assets		11 398	–	–	–	–	–	–	–	–
Other Losses		3	–	–	–	–	–	–	–	–
Total Expenditure		617 143	645 770	–	44 785	112 265	161 442	(49 178)	-30%	645 770
Surplus/(Deficit)		(53 304)	(83 366)	–	(28 385)	103 469	(20 841)	124 311	-596%	(83 366)
Transfers and subsidies - capital (monetary allocations)		104 694	97 325	–	7 215	15 565	24 331	(8 766)	-36%	97 325
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		51 390	13 960	–	(21 169)	119 035	3 490			13 960
Income Tax		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		51 390	13 960	–	(21 169)	119 035	3 490			13 960
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		51 390	13 960	–	(21 169)	119 035	3 490			13 960
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year		51 390	13 960	–	(21 169)	119 035	3 490			13 960

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** representing **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 2,185,679** 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 2,630,791** includes outstanding debt collected, and it represents **120%** when measured against the property rates billed or raised. The revenue stream will be closely monitored to ensure revenue targets are met by year end.

Services Charges

Revenue from service charges amounted to **R 7,215,125** against the approved budget of **R 110,615,684**. This represents **7%** and the revenue performance is below the expected performance for the month due to less revenue on electricity sales for the month. Total YTD revenue is **21%** 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, revenue from agency services amounted to **R 142,450**. This represents **8%** which is within expected performance for the month. The total YTD revenue is **8%**.

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 203,755** was recognised on this revenue source representing **9%** of the approved revenue budget. This performance is above the anticipated monthly target, mainly due to more rentals of facilities particularly the higher utilisation of the stadium during the month under review, which contributed to the revenue recognised under this source. Total YTD revenue is **39%**.

Interest earned on Investments.

The total approved budget for Interest on investments is **R 28,812,996** and the interest received for the month of September 2026 is **R 2,087,053** which represent **7%** this is less than expected performance for the month This is below the expected monthly performance due to lower investment balances held with banks, resulting in reduced interest. Total YTD revenue is **21%** 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 **9%**, this is above the expected monthly performance due to higher interest charges raised on outstanding electricity, refuse service and property rate arrears. Total YTD revenue is **22%** 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 321,588** it represents almost **11%** this is above expected performance for the month due to an increase in issuing of traffic fines. Total YTD revenue is **13%** 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 below the expected monthly performance due to a lower number of learner's licence applications and the temporary closure of the Motor Vehicle Testing Station during 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 almost **1%** of the approved revenue budget. The performance for the month is below the anticipated target due to no revenue Recognize NEP 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 30 September 2026, transfers recognised amounted to **R 2,192,287** 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 Performance for the month was below the anticipated monthly target due to no operational grants being received and recognised during the month under review . Total YTD revenue is almost **42%** 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 7,215,312** representing **7%** of the approved capital revenue budget, this is below the expected performance for the month due less 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 **16%** of the approved capital revenue budget.

Other Revenue

Other revenue amounted to **R 107,440** for the month ended 30 September 2026, when measured against the approved revenue budget of **R 2,337,000** this represents almost **5%** which is less than the expected performance for the month. This is due to less revenue received under motor vehicle registration, Service charges and insurance refund on the reporting period. Total YTD revenue is **9%** of the revenue budget for this revenue source.

Operating Expenditure by type

Employee related costs/Remuneration of Councillors

Row Labels	Sum of TotalBudget	Sum of September	Sum of TotalActual
Expenditure	215 956 501.00	16 828 671.61	51 493 905.35
Employee Related Cost	190 848 882.00	14 811 320.97	45 463 463.43
Municipal Staff	181 533 297.00	14 102 132.99	43 390 450.51
Senior Management of Municipalities	9 315 585.00	709 187.98	2 073 012.92
Remuneration of Councillors	25 107 619.00	2 017 350.64	6 030 441.92
Chief Whip	843 922.00	67 137.84	201 413.52
Executive Committee/Mayoral Committee	5 487 214.00	341 102.19	1 023 306.57
Executive Mayor/Mayor	1 108 813.00	105 936.22	317 808.66
Section 79 committee chairperson	827 956.00	144 083.27	415 845.41
Speaker	896 899.00	71 352.32	214 056.96
Total for All Other Councillors	15 942 815.00	1 287 738.80	3 858 010.80
Grand Total	215 956 501.00	16 828 671.61	51 493 905.35
		8%	24%

Salary costs incurred – the Municipality incurred **R 16,828,671** salary costs at the end of **30 September** 2026 against the approved budget of **R 215,956,501**, incurring **8%** expenditure for the month. This level of spending is within the anticipated monthly target for the reporting period. Total YTD Expenditure is **24%** of the expenditure budget for this expenditure type.

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 was recorded for the month ended 30 September 2026.

Finance charges.

No interest expenditure has been incurred in September 2026.

Bulk Purchases

Total approved budget on bulk electricity purchases is **R 98,000,000** expenditure for the month is **R 14,725,370** this represents **15%** and this is more than the expected value for the month due to. Total YTD expenditure is **27%** of the expenditure budget.

Other material

Total approved budget on other material is **R 6,580,800**. Expenditure for month amounts to **R 176,770** and represents **3%**. 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 **7%** 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 6,922,006** which represents **4%** of the budgeted amount. This is less than expected performance for the month due to new budgeted contracts not yet awarded and timing of contracted project scheduled for the coming quarter . Total YTD expenditure is **11%** 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 6,132,547** for the month; this represents **8%** of the budget and it is within the expected performance for the month. Total YTD expenditure is **18%** of the expenditure budget for this expenditure source.

1.5 Table C5 Monthly Budget Statement- Capital Expenditure (municipal vote function classification and funding) – M03– September

EC441 Matatiele - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 - September

Vote Description	Ref	2025/26 Revised Budget	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2026/27 YearTD actual	YearTD Budget	YTD Variance	YTD %	Full year Estimate
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate		-	-	-	-	-	-	-	-	-
Vote 4 - Development and Planning		-	-	-	-	-	-	-	-	-
Vote 5 - Community		-	-	-	-	-	-	-	-	-
Vote 6 - Infrastructure		-	-	-	-	-	-	-	-	-
Vote 7 - Internal Audit		-	-	-	-	-	-	-	-	-
Vote 8 -		-	-	-	-	-	-	-	-	-
Vote 9 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Executive Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance and Admin		1 282	4 270	-	-	-	1 067	(1 067)	-100%	4 270
Vote 3 - Corporate		517	7 078	-	-	-	1 769	(1 769)	-100%	7 078
Vote 4 - Development and Planning		11 082	12 042	-	-	380	3 011	(2 631)	-87%	12 042
Vote 5 - Community		3 254	7 372	-	-	-	1 843	(1 843)	-100%	7 372
Vote 6 - Infrastructure		129 343	124 291	-	7 191	14 517	31 073	(16 556)	-53%	124 291
Vote 7 - Internal Audit		-	2 036	-	-	-	509	(509)	-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	-	7 191	14 897	39 272	(24 375)	-62%	157 089
Total Capital Expenditure		145 478	157 089	-	7 191	14 897	39 272	(24 375)	-62%	157 089
Capital Expenditure - Functional Classification										
Governance and administration		1 799	13 384	-	-	-	3 346	(3 346)	-100%	13 384
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		1 799	11 348	-	-	-	2 837	(2 837)	-100%	11 348
Internal audit		-	2 036	-	-	-	509	(509)	-100%	2 036
Community and public safety		2 293	4 196	-	-	-	1 049	(1 049)	-100%	4 196
Community and social services		675	746	-	-	-	186	(186)	-100%	746
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1 617	3 450	-	-	-	862	(862)	-100%	3 450
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		127 880	118 533	-	7 191	14 897	29 633	(14 736)	-50%	118 533
Planning and development		11 082	12 042	-	-	380	3 011	(2 631)	-87%	12 042
Road transport		116 797	106 491	-	7 191	14 517	26 623	(12 106)	-45%	106 491
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		13 506	20 976	-	-	-	5 244	(5 244)	-100%	20 976
Energy sources		12 545	17 800	-	-	-	4 450	(4 450)	-100%	17 800
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		961	3 176	-	-	-	794	(794)	-100%	3 176
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	145 478	157 089	-	7 191	14 897	39 272	(24 375)	-62%	157 089
Funded by:										
National Government		90 663	97 099	-	6 194	13 519	24 275	(10 756)	-44%	97 099
Provincial Government		197	226	-	-	-	56	(56)	-100%	226
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Net / Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		90 860	97 325	-	6 194	13 519	24 331	(10 812)	-44%	97 325
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		54 619	59 764	-	998	1 378	14 941	(13 563)	-91%	59 764
Total Capital Funding		145 478	157 089	-	7 191	14 897	39 272	(24 375)	-62%	157 089

The total approved capital budget amounted to **R 157,089,364**. Municipality incurred capital expenditure of **R 7,191,487** representing approximately **5%** 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 **9%** of the approved capital expenditure budget.

3.1.6 C6 Monthly Budget Statement –Financial Position – M03– September

EC441 Matatiele - Table C6 Monthly Budget Statement - Financial Position - M03 - September

Description	Ref	2025/26	Budget Year 2026/27			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		298 432	286 455	–	349 756	286 455
Short term Investments		–	–	–	–	–
Trade and other receivables from exchange transactions		24 585	7 239	–	28 778	7 239
Receivables from non-exchange transactions		100 580	142 193	–	126 137	142 193
Current portion of non-current receivables		–	–	–	–	–
Inventory		3 312	3 109	–	3 077	3 109
VAT		28 502	89 684	–	23 063	89 684
Other current assets		6 019	7 845	–	6 019	7 845
Total current assets		481 430	536 526	–	536 830	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	–	2 444 720	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	1 354 483	–	2 562 316	1 354 483
TOTAL ASSETS		3 008 849	1 890 990	–	3 099 146	1 890 990
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		–	–	–	–	–
Consumer deposits		1 906	489	–	1 931	489
Trade and other payables from exchange transactions		91 502	167 072	–	58 487	167 072
Trade and other payables from non-exchange transactions		28 275	48 500	–	30 232	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	–	160 130	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	–	221 817	343 055
NET ASSETS	2	2 750 188	1 547 934	–	2 877 329	1 547 934
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		843 535	1 488 060	–	970 676	1 488 060
Reserves and funds		1 906 653	59 874	–	1 906 653	59 874
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2 750 188	1 547 934	–	2 877 329	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 30 September 2026. Total assets are **R 2,562,316** over the total liabilities of **R 221,817** this is therefore means the municipality is still able to meet its financial obligations.

3.1.7 C7 Monthly Budget Statement –Cash Flow – M03– September

EC441 Matatiele - Table C7 Monthly Budget Statement - Cash Flow - M03 - September

Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		56 589	53 762	53 762	2 868	26 941	13 441	13 501	100%	53 762
Service charges		107 966	94 023	94 023	6 966	32 029	23 506	8 524	36%	94 023
Other revenue		40 832	93 090	93 090	501	18 177	23 273	(5 096)	-22%	93 090
Transfers and Subsidies - Operational		327 772	323 930	323 930	10	133 114	80 982	52 132	64%	323 930
Transfers and Subsidies - Capital		192 969	97 325	97 325	5 921	30 871	24 331	6 540	27%	97 325
Interest		21 811	51 013	51 013	2 353	7 019	12 753	(5 735)	-45%	51 013
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(285 464)	(568 948)	(568 948)	(30 495)	(70 457)	(142 237)	71 780	-50%	(568 948)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) OPERATING ACTIVITIES		462 475	144 196	144 196	(11 876)	177 694	36 049	(141 645)	-393%	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)	(157 089)	(7 265)	(18 370)	(39 272)	20 903	-53%	(157 089)
Retention (Capital)		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(137 660)	(157 089)	(157 089)	(7 265)	(18 370)	(39 272)	20 903	(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)	(12 894)	(19 141)	159 325	(3 223)			(12 894)
Cash/cash equivalents at beginning:		269 900	299 349	299 349		298 432	299 349			298 432
Cash/cash equivalents at month/year end:		594 715	286 455	286 455		457 757	296 125			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 30 September 2026.

EC441 Matatiele - Supporting Table SC2 Monthly Budget Statement - aged debtors - M03 - September

Description	NT Code	Budget Year 2026/27									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts L10 Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Treasury and Other Receivables from Exchange Transactions - Water	1200	—	—	—	—	—	—	—	—	—	—	—	—
Treasury and Other Receivables from Exchange Transactions - Electricity	1300	5 879	2 671	1 439	1 186	1 031	808	943	4 660	18 419	8 330	—	—
Receivables from Non-exchange Transactions - Property Rates	1400	1 837	908	31 291	—	—	581	563	85 589	120 548	86 512	—	—
Receivables from Exchange Transactions - Waste Water Management	1500	—	—	—	—	—	—	—	—	—	—	—	—
Receivables from Exchange Transactions - Waste Water Management	1600	340	573	509	432	440	472	403	33 043	38 732	34 728	—	—
Receivables from Exchange Transactions - Property Rental Debtors	1700	121	537	30	39	29	29	29	853	1 658	970	—	—
Interest on former Debtor Accounts	1810	1 940	1 408	1 548	1 494	1 033	1 054	1 719	72 801	84 079	79 123	—	—
Provisionable unauthorised, irregular, fruitless and wasteful expenditure	1820	—	—	—	—	—	—	—	—	—	—	—	—
Other	1900	290	108	160	145	119	2 142	211	42 823	46 029	45 440	—	—
Total By Income Source	2000	11 118	6 294	34 977	3 255	3 174	5 387	3 768	239 569	387 474	255 183	—	—
2025/26 - totals only		10 636	11 365	37 050	3 274	2 529	2 832	3 968	218 773	288 388	238 477	—	—
Debtors Age Analysis By Customer Group													
Ordinary of State	2200	3 236	3 102	32 869	2 040	2 036	3 725	2 174	81 894	103 207	103 808	—	—
Commercial	2300	7 180	2 504	1 325	605	620	829	943	75 438	90 644	79 634	—	—
Households	2400	693	677	683	519	528	653	601	69 217	73 623	71 528	—	—
Other	2500	—	—	—	—	—	—	—	—	—	—	—	—
Total By Customer Group	2600	11 118	6 294	34 977	3 255	3 174	5 387	3 768	239 569	387 474	255 183	—	—

The total debt book for 30 September 2026 of **R 307,473,768** inclusive to **R 3,676,817** advance payments.

The total debt for September 2026 of **R 303,796,951.6** (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 September 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 September 2026.

EC441 Matatiele - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 - September

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

SECTION 6- INVESTMENT POTFOLIO ANALYSIS

Conditional and Unconditional investment monitoring Information

Sept-26					
Investment Management					
Conditional Investments -Description	Opening Balance	Deposits	WITHDRAWALS	Interest Earned	Closing Balance
Municipal Infrastructure Grant	21 298 968.25	112 744.70	-2 000 000.00	-112 744.70	19 411 712.95
INEP	9 008 846.97	43 330.08		-4330.08	9 052 177.05
EPWP	-			-	-
Disaster Relief Fund		4 016 547.99			4 016 547.99
Disaster Management	16 484 745.72	4 121 153.90	-5 445 865.71	-121 153.90	15 160 033.91
Establishment Plan	251 054.44	1 093.64		-1 093.64	252 148.08
Housing Development Fund	2 566 408.61	11 496.10		-11 496.10	2 577 904.71
Dedea	778 755.70	3 392.38		-3 392.38	782 148.08
Total Conditional Investments	50 388 780	8 309 759	- 7 445 866	- 254 211	51 252 673
Unconditional Investments -Description	Openning Balance	Deposits	Withdrawals	Interest Earned	Closing Balance
Call Acc STD CRR	196 444 582.18			-917 638.39	196 444 582.18
Call Acc STD CRR	30 246 020.55	189 246.57		-189 246.57	30 435 267.12
Call ACC FNB Surplus Cash	6 805 395.80			-31 211.59	6 805 395.80
Nedbank 32 Days	9 119 405.36	56 153.09		-56 153.09	9 175 558.45
Nedbank CRR	58 272 112.78	12 414 329.46	-43 300 000.00	-379 292.33	27 386 442.24
Nedbank Retention	29 222 807.68	163 887.49		-163 887.49	29 386 695.17
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	336 456 965	12 823 617	- 43 300 000	- 1 772 467	305 980 582
TOTAL INVESTMENTS	386 845 745	21 133 375	- 50 745 866	- 2 026 677	357 233 255

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

As at 30 September 2026 the conditional investments amounted to **R 51,252,673** and unconditional investments amounted to **R 305,980,582**. Total investments as at 30 September 2026 amounted to **R 357,233,255**

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 of 30 September 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 September 2026

Description	September 2026
Nedbank Primary Account:	362 247.00
Standard bank Account:	3 284 378.48
FNB Money Market Account:	1 272 242.26
Total Cash held as at 30 September 2026	4 918 867,74

Unreconciled items for the month amount to **R 12,397,343.96** 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 4 918 867,74** and investment balance of **R 358,233,255** and the total cash book balance and investment is **R 363,152,122,74**

SECTION 7_ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

7.1 Supporting Table SC18– M03 – September

Description	2026-2027 Medium Term Revenue & Expenditure Framework				
R thousand	Approved Budget Year 2026/27	Monthly actual	YearTD actual	YearTD budget	Performance %
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%
Integrated 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 – M03– September

EC441 Matatiele - Supporting Schedule SC19 Monthly Budget Statement - Expenditure on Transfers and Grants - M03 - September

Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		8 787	8 525	–	1 992	5 360	2 131	3 229	181.8%	8 525
Expanded Public Works Programme Integrated Grant		2 980	2 988	–	1 479	3 996	747	3 249	434.9%	2 988
Local Government Financial Management Grant		1 800	2 000	–	133	211	500	(289)	-57.8%	2 000
Municipal Infrastructure Grant		4 007	3 537	–	380	1 153	884	268	30.4%	3 537
Provincial Government:		2 962	2 907	–	201	328	682	(427)	-65.6%	2 907
Specify (Add grant description)		348	–	–	–	18	–	18	#DIV/0!	–
Specify (Add grant description)		547	174	–	201	207	44	163	375.3%	174
Specify (Add grant description)		1 666	2 433	–	–	–	688	(608)	-100.0%	2 433
District Municipality:		150	–	–	–	–	–	–	–	–
Specify (Add grant description)		150	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants		11 489	11 133	–	2 192	5 584	2 783	2 801	100.6%	11 133
Capital Transfers and Grants										
National Government:		104 497	97 099	–	7 215	15 565	24 275	(8 710)	-35.9%	97 099
Municipal Infrastructure Grant		55 383	67 209	–	5 038	4 624	16 802	(10 178)	-60.6%	67 209
Municipal Disaster Recovery Grant		49 114	29 891	–	2 177	9 941	7 473	1 468	19.5%	29 891
Provincial Government:		197	226	–	(0)	3 864	56	3 807	6738.2%	226
Specify (Add grant description)		–	100	–	–	–	25	(25)	-100.0%	100
Specify (Add grant description)		–	126	–	–	–	32	(32)	-100.0%	126
Specify (Add grant description)		0	–	–	(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	–	7 215	19 429	24 331	(4 903)	-20.1%	97 325
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		116 193	108 458	–	9 408	25 013	27 114	(2 101)	-7.7%	108 458

The municipality has expenditure of **R 9,4 million** on both total operating and capital transfers grants

SECTIONS 8

Table SC22 presents the expenditure of councillor and staff benefits at 30 September 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 Audited	Original	Adjusted	Monthly actual	Budget Year 2026/27 YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands			A	B	C						D
Councillors (Political Office Bearers plus Other)		1									
Allowances and Service Related Benefits											
Basic Salary			14 049	14 048	14 048	1 185	3 558	3 002	(104)	-3%	14 048
Cell phone Allowance			2 538	2 059	2 059	212	635	605	(30)	-5%	2 059
Housing Allowance			4 400	4 337	4 337	364	1 093	1 084	8	1%	4 337
In-kind Benefits			-	-	-	-	-	-	-	-	-
Market Related Non-pensionable Allowance			-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance			1 993	2 372	2 372	185	537	593	(56)	-9%	2 372
Office-bearer Allowance			-	-	-	-	-	-	-	-	-
Out of pocket Expenses			-	-	-	-	-	-	-	-	-
Travelling Allowance			-	-	-	-	-	-	-	-	-
Use of Personal Facilities			-	-	-	-	-	-	-	-	-
Total Allowances and Service Related Benefits			23 988	24 018	24 018	1 848	6 822	6 004	(182)	-3%	24 018
Social Contributions											
Medial Aid Benefits			84	91	91	(9)	(32)	23	(55)	-243%	91
Pension Fund Contributions			950	1 002	1 002	80	240	250	(10)	-4%	1 002
Total Social Contributions			1 034	1 092	1 092	71	208	273	(66)	-24%	1 092
Total Councillors			24 978	25 108	25 108	2 017	6 930	6 277	(248)	-4%	25 108
% increase		4									
Senior Managers of the Municipality		2									
Salaries and Allowances											
Basic Salary			1 828	3 422	3 422	263	765	855	(91)	-11%	3 422
Bonuses			4	399	399	-	-	100	(100)	-100%	399
Allowance											
Accommodation, Travel and Incidental			-	-	-	-	-	-	-	-	-
Cellular and Telephone			-	-	-	-	-	-	-	-	-
Housing Benefits			993	1 393	1 393	124	370	348	22	6%	1 393
Non-pensionable			-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle			2 258	2 685	2 685	202	663	671	(8)	-1%	2 685
Voluntary Work			-	-	-	-	-	-	-	-	-
Total Allowance			8 261	4 078	4 078	548	1 383	1 029	14	1%	4 078
Service Related Benefits											
Acting			-	-	-	-	-	-	-	-	-
Bonus			-	-	-	-	-	-	-	-	-
Danger Allowance			-	-	-	-	-	-	-	-	-
Entertainment			-	-	-	-	-	-	-	-	-
Fire Brigade			-	-	-	-	-	-	-	-	-
In-kind Benefits			-	-	-	-	-	-	-	-	-
Leave Pay			-	-	-	-	-	-	-	-	-
Lifeguard/Duty Squads			-	-	-	-	-	-	-	-	-
Long Service Award			-	-	-	-	-	-	-	-	-
Overtime			-	-	-	-	-	-	-	-	-
Scarcity			430	590	590	48	144	150	(5)	-4%	590
Standby Allowance			-	-	-	-	-	-	-	-	-
Tools Allowance			-	-	-	-	-	-	-	-	-
Uniform/Special/Protective Clothing			-	-	-	-	-	-	-	-	-
Leave gratuity			-	-	-	-	-	-	-	-	-
Long Term Service Award			-	-	-	-	-	-	-	-	-
Total Service Related Benefits			430	590	590	48	144	150	(6)	-4%	590
Total Salaries and Allowances			6 512	8 488	8 488	667	1 943	2 125	(182)	-9%	8 488
Social Contributions											
Bargaining Council			1	71	71	0	0	18	(18)	-90%	71
Group Life Insurance			-	-	-	-	-	-	-	-	-
Medical			247	298	298	18	54	75	(21)	-28%	298
Pension			307	363	363	33	73	91	(17)	-19%	363
Unemployment Insurance			10	65	65	1	3	21	(18)	-85%	65
Total Social Contributions			565	817	817	52	130	204	(74)	-36%	817
Post-retirement Benefit											
Medical			-	-	-	-	-	-	-	-	-
Other Benefits			-	-	-	-	-	-	-	-	-
Pension			-	-	-	-	-	-	-	-	-
Total Post-retirement Benefit			-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE			-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality			6 577	9 316	9 316	709	2 073	2 329	(256)	-11%	9 316
% increase		4									
Other Municipal Staff											
Salaries and Allowances											
Basic Salary			121 590	130 723	130 723	10 342	30 851	32 681	(1 830)	-6%	130 723
Bonuses			6 169	9 771	9 771	320	1 840	2 443	(602)	-25%	9 771
Allowance											
Accommodation, Travel and Incidental			-	20	20	-	-	5	(5)	-100%	20
Cellular and Telephone			6	6	6	1	2	2	(0)	-7%	6
Housing Benefits			2 717	1 575	1 575	111	347	394	(47)	-12%	1 575
Non-pensionable			-	-	-	-	-	-	-	-	-
Travel or Motor Vehicle			5 757	5 702	5 702	441	1 312	1 406	(114)	-8%	5 702
Voluntary Work			-	-	-	-	-	-	-	-	-
Total Allowance			8 480	7 303	7 303	552	1 660	1 828	(168)	-9%	7 303
Service Related Benefits											
Acting			-	-	-	-	-	-	-	-	-
Bonus			-	-	-	-	-	-	-	-	-
Danger Allowance			-	-	-	-	-	-	-	-	-
Entertainment			-	-	-	-	-	-	-	-	-
Fire Brigade			-	-	-	-	-	-	-	-	-
In-kind Benefits			-	-	-	-	-	-	-	-	-
Leave Pay			1 117	-	-	189	615	-	615	#DIV/0!	-
Lifeguard/Duty Squads			-	-	-	-	-	-	-	-	-
Long Service Award			-	-	-	-	-	-	-	-	-
Overtime			3 960	2 360	2 360	381	1 152	590	562	95%	2 360
Scarcity			-	-	-	-	-	-	-	-	-
Standby Allowance			-	-	-	-	-	-	-	-	-
Tools Allowance			-	-	-	-	-	-	-	-	-
Uniform/Special/Protective Clothing			-	-	-	-	234	-	234	#DIV/0!	-
Leave gratuity			-	-	-	-	173	-	173	#DIV/0!	-
Long Term Service Award			-	-	-	-	-	-	-	-	-
Total Service Related Benefits			6 578	2 360	2 360	607	2 178	663	1 568	268%	2 360
Total Salaries and Allowances			141 316	160 167	160 167	11 821	36 824	37 659	(1 016)	-3%	160 167

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 September** amounted **R 16,828,672** of which the expenditure **R 2,017,351** relates to Remuneration of Councillors and **R 14,811,321** to Managers and staff against approved budget of **R215,956,501** incurring **8%** expenditure for the month. This level is within the expected performance for the month. Total YTD Expenditure is **24%** of the expenditure budget for this expenditure type

8.1 Performance Indicators

EC441 Matatiele - Supporting Table SC8 Monthly Budget Statement - Performance M03 - September

Description of financial indicator	Basis of calculation	Ref	2025/26	Budget Year 2026/27			
			Approved Outcomes	Original Budget	Adjusted Budget	YearTD actual	Full Year Estimate
<u>Borrowing Management</u>							
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%
<u>Safety of Capital</u>							
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/		5.3%	13.9%	0.0%	4.1%	13.9%
Gearing	Long Term Borrowing/ Funds & Reserves		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>							
Current Ratio	Current assets/current liabilities	1	230.8%	171.0%	0.0%	335.2%	171.0%
Liquidity Ratio	Monetary Assets/Current Liabilities		149.3%	91.3%	0.0%	218.4%	91.3%
<u>Revenue Management</u>							
Annual Debtors Collection Rate	Last 12 Mths Receipts/ Last 12 Mths Billing						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		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%
<u>Creditors Management</u>							
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))						
<u>Funding of Provisions</u>							
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions						
<u>Other Indicators</u>							
Electricity Distribution Losses	% Volume (units purchased and generated less units sold)/units purchased and generated	2					
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	2					
Employee costs	Employee costs/Total Revenue - capital revenue		31.0%	33.9%	0.0%	21.1%	33.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		3.1%	3.9%	0.0%	1.5%	3.9%
Interest & Depreciation	I&D/Total Revenue - capital revenue		17.7%	12.5%	0.0%	0.0%	4.5%
<u>IDP regulation financial viability indicators</u>							
I. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)						
II. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue						
III. Cost coverage	(Available cash + Investments)/monthly fixed operational						

References

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

Calculations						
Financial liabilities						
Total Assets	3 008 849	1 890 990		3 099 148	1 890 990	
Employee related costs	174 538	190 849		45 463	190 849	
Repairs & Maintenance	17 235	21 784		3 195	21 784	
Interest (finance charges)	4 653					
Principal paid						
Depreciation	94 942	70 322			25 108	
Operating expenditure	617 143	645 770		112 265	645 770	
Total Capital Expenditure	145 478	157 089		7 191	14 897	
Borrowed funding for capital						
Debt	145 309	215 573		117 211	215 573	
Equity	2 750 188	1 547 934		2 877 329	1 547 934	
Reserves and funds						
Borrowing						
Current assets	461 430	536 526		536 630	536 526	
Current liabilities	199 934	313 711		162 130	313 711	
Monetary assets	298 432	286 455		349 756	286 455	
Total Revenue (excluding capital transfers and contributions)	983 639	562 404		215 734	562 404	
Transfers and subsidies - Operational	330 823					
Transfers and subsidies - capital (monetary allocations)	104 094	97 325		15 565	97 325	
Debt service payments	21 811	51 013		51 013		
Outstanding debtors (receivables)	131 184					
Annual services revenue	163 036	173 866		9 401	67 147	
Cash + Investments	298 432	286 455		349 756	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 30 September 2026: R 536,830 / R 160,130 = 3.4:1

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 30 September 2026 is: **R 3.4: 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 30 September 2026:(R 536,830 – R3,077) / R 160,130 = 3.33 :1

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

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

QUALITY CERTIFICATE

I, 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 30TH September 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 / 10 / 2026