
**MONTHLY BUDGET STATEMENTS FOR THE PERIOD OF AUGUST 2025 AND FINANCIAL STATE
OF AFFAIRS OF THE MUNICIPALITY AS AT 31 AUGUST 2025 (2025/26 FINANCIAL YEAR)**

1. Introduction

The purpose of this report is to comply with Section 71 of the Municipal Finance Management Act (MFMA), read together with Regulation 28 of the Municipal Budget and Reporting Regulations as promulgated in the Government Gazette No 32141 of 17 April 2009, which requires that specific financial particulars be reported on and in the formats prescribed.

2. Background

MFMA Accountability cycle begins with the preparation and approval of the IDP, MTREF and SDBIP, which is followed by in year reporting, Annual Financial Statements, Annual Audit (Audit Report) and Annual and Oversight Reports. The MFMA legislates what must be reported on, by when, and the Municipal Budget and Reporting Regulations prescribes the format of the reports.

In accordance with Section 71(1) of the MFMA, the Accounting Officer must by no later than 10 working days after the end of each month, submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget.

In accordance with regulation 28 of the MBRR, the monthly budget statements of a municipality must be in the format specified in Schedule C and include all the required tables, charts, and explanatory information, considering any guidelines issued by the Minister in terms of section 168(1) of the Municipal Management Finance Act".

3. Discussion

The monthly budget statement report provides a balance and consolidated financial performance overview to assist the Executive Mayor in his oversight role.

The report complies with Schedule C of the Municipal Budget and Reporting Regulations (MBRR), the following detailed schedules are attached for the period, ending 31 August 2025:

“Annexure A” – Financial Overview

“Annexure A1” – Operating Revenue and Expenditure Performance

“Annexure A2” - Capital Budget Performance

“Annexure A3” - Projected Cash Flow Statement

“Annexure A4” – Municipal Monthly Budget Tables

“Annexure A5” - Analysis of Municipality's Statement of Financial Performance

- i. Overview of Outstanding Consumer Debtors
- ii. Overview of Creditors position
- iii. Grants receipts and Expenditure
- iv. Councillors & Employee benefits
- v. Key performance Indicators

4. **Financial Implications**

Completed by BTO -	As stipulated in the report. Refer to “Annexure A”
Project Description	
Ukey no.	
Budgeted Amount	
Amount spent and committed to date	
Amount Available	
Comment	
BTO Signature	

5. **Applicable Legislation**

- Section 71 of the Local Government: Municipal Finance Management Act No. 56 of 2003.
- Local Government: Municipal Budget and Reporting Regulations, 17 April 2009.
- Local Government: Municipal Finance Management Act: Municipal Regulations on a Standard Chart of Accounts (mSCOA), 22 April 2014.

6. **Legal Implications**

The report relates to Section 71 of the Municipal Finance Management Act (MFMA) and Regulation 28 of the Municipal Budget and Reporting Regulations (MBRR).

7. **Other Implications**

None.

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**

[insert comment]

8.2 **Director: Planning & Development**

[insert comment]

8.3 **Director: Civil & Water Services**

[insert comment]

8.4 **Director: Electro and Mechanical Services**

[insert comment]

8.5 **Director: Community Services**

[insert comment]

8.6 **Deputy Municipal Manager**

[insert comment]

8.7 **Municipal Manager**

[insert comment]

9. **Delegated Authority**

To be noted by the Council.

10. **Municipal Manager's Quality Certificate**

I, Charl Du Plessis, Municipal Manager of Kouga Local Municipality hereby certify that the monthly budget statements have been prepared in accordance with the Municipal Finance Management act and regulations made under the Act, and that monthly budget statements are consistent with the Integrated Development Plan of the municipality.

Print Name _Charl Du Plessis

Municipal Manager of Kouga Local Municipal

Signature.....

Date.....12 September 2025.....

11. Recommendations

- 11.1 That the Executive Mayor notes Municipal Manager's report on the monthly budget statements, in accordance with Section 71(1) of the Municipal Finance Management Act.
- 11.2 That the Executive mayor notes the submission of the monthly budget statements report to provincial treasury as stipulated in section 71(1) of the MFMA.

Item prepared by the: Manager Budget and Treasury

Item approved by the: Chief Financial Officer

Item endorsed by the Municipal Manager:

Item noted by Portfolio Chairperson:

“ANNEXURE A”

1. FINANCIAL OVERVIEW

This report provides a balanced and consolidated financial performance overview to assist the Executive Mayor in his oversight role.

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating, and capital budget performance for the month of August 2025, to facilitate an informed assessment of the relative liquidity and financial position of the Municipality.

The financial performance highlights are as follows:

- Operating revenue amounted to R 317,883 million, whilst operating expenditure amounted to R214,834 million, resulting in an operating surplus of R 103,049 million.
- Capital expenditure constituted 1.25 % of the 2025/26 Adjusted Capital Budget.
- Overdue consumer debts increased by R 16 thousand (0.01%) since June 2025.
- An amount of R 70,906 million is owing to creditors, 99.35 % represent current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R 44,118,611 (31.20%) since June 2025, from R 180,581,218 to R224,699,829.

Below is an analysis of the Investment Portfolio as at 31 August 2025.

	Balance as at 30 June 2025	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 August 2025
Standard Bank	22,335,077	-	352,439	-		22,687,516
ABSA	37,961,946	77,052,461	448,340	67,052,461	-	48,410,286
Nedbank	31,546,835	-	166,772	-		31,713,607
RMB	39,647,190	-	381,820	-		40,029,010
INVESTEC	29,600,838	-	152,773	-		29,753,610
Total	161,091,885	77,052,461	1,502,144	67,052,461	-	172,594,029
INVESTMENT	Balance as at 30 June 2025	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 August 2025
General Account	23,745,388	52,596,204	1,448,967	47,313,095		30,477,464
Cash Reserves (DBSA)	92,170,550			17,052,461		75,118,090
Unspent borrowings (DBSA)	14,500,000					14,500,000
Cash Reserves (Development Charges)	2,186,308	980,442				3,166,749
Conditional Grants	19,590,377	20,668,000		2,686,905		37,571,472
Housing Funds	8,899,262	2,807,815	53,176			11,760,253
Total	161,091,885	77,052,461	1,502,144	67,052,461	-	172,594,029
	Balance as at 30 June 2025	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 August 2025
Cheque Accounts FNB 52540020791	800,205	388,808				1,189,013
Cheque Accounts FNB 52540033504	9,157,718	3,084,807				12,242,525
Cheque Accounts FNB 63022194441	513,734	374,466				888,201
Cheque Accounts ABSA 4114176482	5,899,110	12,673,800				18,572,910
Cheque Accounts ABSA 4114114771	2,052,903	10,927,449				12,980,352
Cheque Accounts ABSA 4114176474	935,410			(221,621)		713,789
Cheque Accounts ABSA 4114176490	130,253	5,388,757				5,519,010
	19,489,333	32,838,088	-	(221,621)	-	52,105,800
Total	180,581,218	109,890,549	1,502,144	66,830,840	-	224,699,829

The following analysis indicates the extent to which the investments are committed:

Cash backed Reserves.

Bank Balances and Cash	R 52,105,800
Short-term Investment Deposits	R 172,594,029
	<u>R 224,699,829</u>

Application of Cash

Unspent Conditional Grants	R 52,812,589
Unspent Borrowings (DBSA)	R 75,118,090
Cash Reserves – DBSA	R 14,500,000
Cash Reserves – Developmental Charges	R 3,166,749
Operational Commitments	R 8,301,591
Internally Generated Funds (Capital Commitments)	R 2,848,415
Outstanding Creditors Liability	<u>R 70,906,358</u>
	<u>R 227,653,792</u>

Cash Shortfall **(R 2,953,963)**

The commitments exceed cash reserves at this stage by an amount of R 2,954 million.

The following key financial ratios are monitored on an on-going basis:

Ratio	Actuals as at 30 June 2024	Actuals as at 30 June 2025	MFMA Circular 71 Norms	Actuals as at 31 August 2024	Approved Adjusted Budget 2025/26	Actuals as at 31 July 2025	Actuals as at 31 August 2025
Current Ratio	91:1	1.04:1	1.5:1 to 2:1	1.32:1	0.93:1	1.12:1	1.23:1
Liquidity Ratio	0.49:1	0.50:1		0.72:1	0.50:1	0.66:1	0.60:1
Cost Coverage (Excluding unspent conditional grants)	1.19 Months	0.53 Months	1 Month to 3 Months	1.57 Months	1.14 Months	1.64 Months	0.70 Months
Debtors Collection Rate	91.01%	91.38%	95%	74.99%	95%	59.22%	78.62%
Capital Expenditure	71.38%	84.49%	95%	1.93%	95%	0.04%	1.25%

“ANNEXURE A1”

1. OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD OF AUGUST 2025.

1.1. Summary Statement of Financial Performance

Description R thousands	Budget Year 2025/26					
	Original Budget	Adjusted Budget	Monthly Actual	Year TD Actual	Year TD Budget	YTD Variance
Revenue						
Total Revenue (excluding capital transfers and contributions)	1 468 686	1 468 686	94 890	317 883	244 781	73 102
Total Expenditure	1 581 117	1 563 140	110 762	214 834	260 522	(45 688)
Surplus/(Deficit)	(112 431)	(94 454)	(15 872)	103 049	(15 741)	27 414

The statement of financial performance reflects an operating surplus of R 103,049 million for the financial year. It must be noted that the operating surplus at this stage is largely influenced by a zero recognition of depreciation and amortization, and debt impairment.

1.2. Revenue

Main revenue sources for 2025/26

Description R thousands	Budget Year 2025/26		
	Adjusted Budget	YearTD actual	
Revenue			%
Exchange Revenue			
Service charges - Electricity	479,524	83,495	17.41%
Service charges - Water	147,583	17,063	11.56%
Service charges - Waste Water Management	81,259	11,806	14.53%
Service charges - Waste management	52,990	11,780	22.23%
Sale of Goods and Rendering of Services	10,044	1,648	16.41%
Agency services	4,554	1,120	24.59%
Interest earned from Receivables	34,661	3,058	8.82%
Interest earned from Current and Non-Current Assets	16,273	2,267	13.93%
Rental from Fixed Assets	3,322	736	22.14%
Licence and permits	2,856	505	17.67%
Special rating levies	15,436	3,802	24.63%
Operational Revenue	1,955	1,385	70.85%
Non-Exchange Revenue			
Property rates	304,484	84,166	27.64%
Surcharges and Taxes	22,602	-	0.00%
Fines, penalties and forfeits	45,795	331	0.72%
Licence and permits	3,139	2,454	78.20%
Transfer and subsidies - Operational	214,766	86,211	40.14%
Interest	5,841	722	12.36%
Operational Revenue	21,605	5,334	24.69%
Total Revenue (excluding capital transfers and contributions)	1,468,686	317,883	21.64%

Reasons for major over-/under-recovery per revenue source

In terms of the National Treasury norms, a variance of 10% between the budgeted and actual amounts is considered material. Below is an explanation for variances above 10% of the budgeted amount and actual amounts.

- **Operational Revenue (Exchange Revenue)**

The other revenue relates to various sources of operating revenue such as staff recovery, insurance refunds and skills development levy refunds.

The operational revenue is largely influenced by Augmentation fees amounting to R 0,980 million and sale of property amounting to R 0,130 million recognized against no budget provision.

- **Property Rates**

As at 31 August 2025, the municipality has recognised 27.64% of property rates revenue, compared to the budget. This is influenced by annual property rates raised in July 2025.

- **Surcharges and Taxes**

The surcharges and taxes relate to Environmental Management Fees and the Riparian levies which are currently allocated to waste management and licences and permits revenue; this will be rectified in the next reporting period.

- **Fines, Penalties and Forfeits**

The fines, penalties and forfeits budget mostly relate to speeding camera fines and the high budget is mainly due to the accounting for traffic fines issued in line with the Generally Recognised Accounting Practice (GRAP) requirements. The actual traffic fines issued revenue recognition is done on yearly basis at this stage. We are in consultation with the service provider to do it monthly.

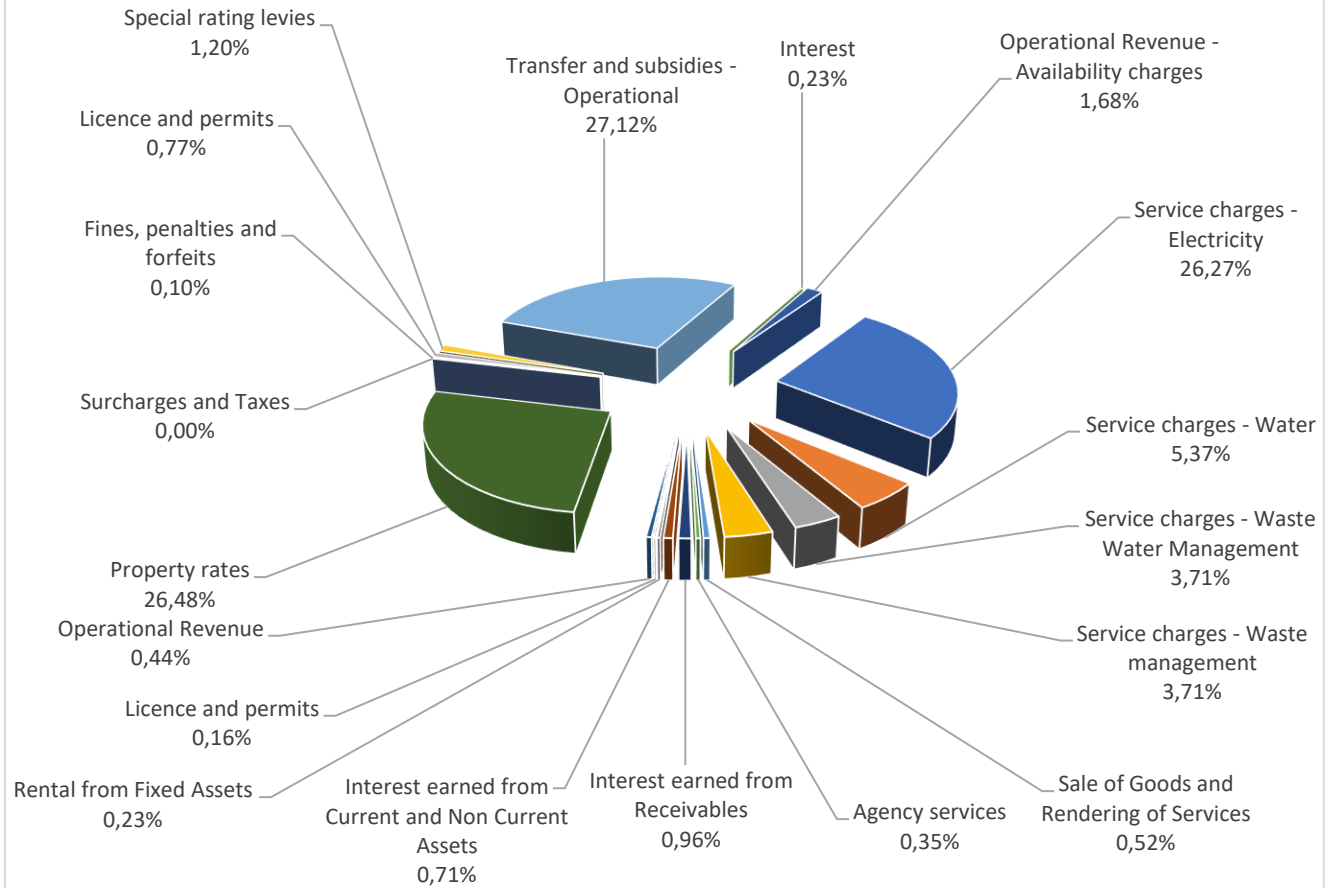
- **License and permits (Non-Exchange Revenue)**

This relates to the application of driver's licenses, certificates, and permits, and includes boat licenses. This revenue is largely influenced by community demands.

- **Transfers and subsidies-Operational**

Transfers and subsidies are largely influenced by the equitable share allocation received on 7 July 2025, amounting to R 84,606 million.

Revenue By Source



1.3. Expenditure

Main expenditure types for 2025/26

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD actual	
R thousands			%
Revenue			
Expenditure By Type			
Employee Related Cost	516,784	68,043	13.17%
Remuneration of councillors	15,988	2,472	15.46%
Bulk purchases - electricity	441,010	100,378	22.76%
Inventory consumed	108,422	15,893	14.66%
Debt impairment	65,115	-	0.00%
Depreciation and amortisation	142,422	-	0.00%
Interest	20,106	802	3.99%
Contracted services	140,134	9,577	6.83%
Transfers and subsidies	950	5	0.53%
Irrecoverable debts written off	11,484	196	1.71%
Operational Cost	100,723	17,468	17.34%
Total Expenditure	1,563,140	214,834	13.74%

Reasons for major over-/under expenditure per type

In terms of the National Treasury norms, a variance of 10% between the budgeted and actual amounts is considered material. Below is an explanation for variances above 10% of the budgeted amount and actual amounts.

- **Bulk purchases – electricity**

The bulk purchases – electricity reflects a 22,76 % expenditure, compared to the approved budget.

- **Inventory consumed.**

Inventory consumed includes the following expenditure items:

Item Description	Adjusted Budget 2025/26	Actuals as at 31 August 2025	%
Inventory Consumed: Consumables	4 544 808	410 903	9.04%
Inventory Consumed: Materials and Supplies	36 877 500	6 068 320	16.46%
Inventory Consumed: Fuel & Oil	22 000 000	3 339 418	15.18%
Inventory Consumed: Bulk Water Purchases	45 000 000	6 074 585	13.50%
Total	108 422 308	15 893 226	14.66%

- **Debt impairment**

At this stage, the municipality recognises the debt impairment at the end of the financial year, rather than monthly.

- **Depreciation and amortization**

At this stage, no depreciation was recognised for the period ended 31 August 2025. The depreciation journals will be processed during the next reporting period.

- **Finance charges**

Finance charges mainly relate to the DBSA loan for the road infrastructure initiative. The loan amount is payable on a quarterly basis.

- **Transfers and subsidies**

Transfers and subsidies relate to grant-in-aid given by the municipality to various non-profit organisations, in line with the Council approved grant-in-aid policy.

- **Irrecoverable debts written off**

Debts are written off upon Council approval.

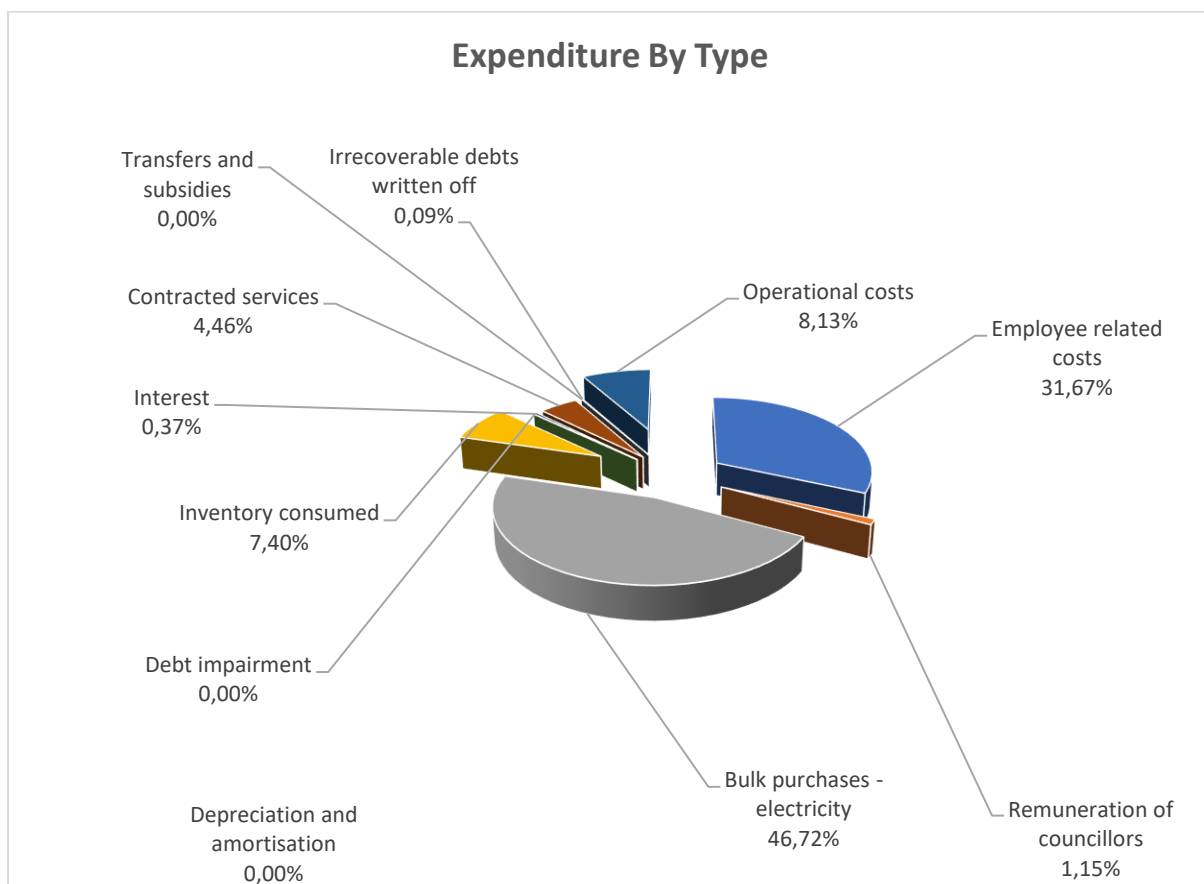
Contracted services are broken down as follows:

Item Description	Adjusted Budget 2025/26	Actuals as at 31 August 2025	%
Air quality Management	250,000.00	-	0.00%
Aloe Cup	80,000.00	-	0.00%
Animal Care	508,000.00	-	0.00%
Audit of Municipal Land & Properties	1,450,000.00	123,225.00	8.50%
BUILDING CONTROL	50,000.00	-	0.00%
Burial Services	60,000.00	-	0.00%
Calamari Festival	200,000.00	-	0.00%
Catering Services	759,500.00	82,341.89	10.84%
Clean up Operation	500,000.00	144,986.64	29.00%
Clearing and Grass Cutting Services	1,440,000.00	118,983.96	8.26%
Conducting of feasibility studies (EIA)	3,250,000.00	-	0.00%
Connection/Dis-connection:Electricity	550,000.00	-	0.00%
Consultants and Professional Services	9,502,000.00	776,671.24	8.17%
Destination Marketing & Promotion	450,000.00	17,480.00	3.88%
Drivers Licence Cards	500,000.00	39,184.00	7.84%
Dune Rehabilitation and Coastal Zone	2,500,000.00	2,790.00	0.11%
EC Tourism Awards	300,000.00	260,662.75	86.89%
Electricity Generation Project	500,000.00	-	0.00%
Environmental protection	700,000.00	-	0.00%
Event Promoters	20,000.00	3,745.00	18.73%
Internal Auditors	350,000.00	-	0.00%
KBF	100,000.00	-	0.00%
KLTO	360,000.00	-	0.00%
Kouga Family Fun Day	100,000.00	-	0.00%
Kouga Mayoral Summer Festival	850,000.00	-	0.00%
Laboratory Services:Water	1,200,000.00	-	0.00%
Legal Advice and Litigation	2,500,000.00	164,291.70	6.57%
Legal Cost:Collection	1,300,000.00	145,176.78	11.17%
Maintenance of Buildings and Facilities	9,357,000.00	183,611.01	1.96%
Maintenance of Electrical Infrastructure	10,325,000.00	272,520.98	2.64%
Maintenance of Equipment	1,657,000.00	16,057.55	0.97%

Item Description	Adjusted Budget 2025/26	Actuals as at 31 August 2025	%
Maintenance Of Fire Equipment	112,000.00	3,952.69	3.53%
Maintenance of Vehicles	9,373,000.00	1,102,255.09	11.76%
Maintenance STORMWATER	950,000.00	-	0.00%
Media Monitoring	120,000.00	17,390.00	14.49%
Mscoa Alignment	833,837.00	-	0.00%
New Meter Installations	2,500,000.00	45,026.00	1.80%
Occupational Health and Safety	1,500,000.00	229,568.00	15.30%
Oceans Economy Masterplan	300,000.00	-	0.00%
Other Contracted Services	7,920,000.00	517,803.63	6.54%
Personnel and Labour	17,891,000.00	2,605,416.45	14.56%
PGA Championship Sponsorship	288,750.00	288,750.00	100.00%
Pollution Control	800,000.00	-	0.00%
Precinct Plans Project Hankey and St Francis Bay	500,000.00	-	0.00%
Private Plots_Alien Vegetation Control	400,000.00	-	0.00%
Qualification Verification	300,000.00	155.00	0.05%
Replacement of Stormwater Headwalls along Kouga Co	100,000.00	-	0.00%
Resealing & Maintenance of Roads in KLM	10,400,000.00	-	0.00%
Restricted Water Flow	400,000.00	-	0.00%
Revision of SDF	200,000.00	-	0.00%
SA Longboard Championship	300,000.00	-	0.00%
SA Open water swim	175,000.00	-	0.00%
Security Services	10,425,000.00	1,039,510.45	9.97%
SMART City Strategy	300,000.00	-	0.00%
SMME Capacitation Program	200,000.00	-	0.00%
Special Rating Area	1,338,000.00	335,232.00	25.05%
Technical Support Services	1,000,000.00	-	0.00%
Tourism Branding	400,000.00	20,436.80	5.11%
Transport Services	71,000.00	-	0.00%
Upgrade and Repair SCADA	1,150,000.00	-	0.00%
Valuer	15,672,630.00	937,505.25	5.98%
Winterfest	1,785,000.00	-	0.00%
WSL Music Festival	210,000.00	69,769.35	33.22%
WTM Africa, Indaba, Meetings Africa, Educationals,	550,000.00	12,326.09	2.24%
	140,133,717	9,576,825	6.83%

The other expenditure is broken down as follows:

Item Description	Adjusted Budget 2025/26	Actuals as at 31 August 2025	%
Achievements and Awards	3,600,000	40,000	1.11%
Advertising, Publicity and Marketing	4,335,000	572,082	13.20%
Bank Charges	600,000	642,353	107.06%
Bargaining Council	5,245,665	4,833,408	92.14%
Cellular Contract (Subscription and Calls)	3,600,000	542,880	15.08%
Claims paid to Third Parties	200,000	64,678	32.34%
Decommissioning of Landfill Sites	121,150	-	0.00%
External Audit Fees	4,500,000	-	0.00%
External Computer Service:Internet Charge	7,730,000	1,081,055	13.99%
Hire Charges	5,751,000	1,663,105	28.92%
Insurance Claims	1,200,000	53,293	4.44%
Insurance Underwriting:Premiums	3,644,237	2,598	0.07%
Leases:Furniture and Office Equipment	2,650,000	521,636	19.68%
Leases:Other Assets	4,870,000	1,258,649	25.84%
Licences (Radio and Television)	5,000	-	0.00%
Licences:Licence Agency Fees	20,000	-	0.00%
Motor Vehicle Licence and Registrations	1,741,446	105,410	6.05%
Other	1,416,622	46,568	3.29%
Postage/Stamps/Franking Machines	2,659,500	251,625	9.46%
Registration Fees:Professional and Regulatory Bodies	654,500	4,374	0.67%
Registration Fees:Seminars, Conferences, Workshops	2,455,457	142,820	5.82%
Remuneration to Ward Committees	2,160,000	328,800	15.22%
Riparian Levies	8,465,273	950,662	0.00%
Signage	668,500	31,335	4.69%
Skills Development Fund Levy	4,696,247	684,904	14.58%
Software Licences	11,155,000	1,381,468	12.38%
Storage of Files (Archiving)	500,000	7,633	1.53%
Telephone, Fax, Telegraph and Telex	10,000	-	0.00%
Third Party Vendors	3,660,000	385,919	10.54%
Travel and Subsistence	4,794,957	540,693	11.28%
Uniform and Protective Clothing	4,283,996	735,662	17.17%
Vehicle Tracking	895,300	203,675	22.75%
Workmen's Compensation Fund	2,434,053	390,786	16.05%
	100,722,903	17,468,072	17.34%



1.4. Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure, compared to the 2025/26 Approved Budget.

Item Description	Budget Year 2025/26		
	Adjusted Budget 2025/26	Actuals as at 31 August 2025	%
Repairs and Maintenance by Expenditure Items			
Employee related costs	144 928 589	16 624 881	11.47%
Other materials	27 916 500	4 464 230	15.99%
Contracted Services	45 689 000	1 663 015	3.64%
Other expenditure	4 635 000	1 556 547	33.58%
Total	223 169 089	24 308 673	10.89%

1.5. Trading Services Performance

1.5.1. Electricity

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD Actual	%
R thousands			
<u>Revenue</u>			
Exchange Revenue			
Service charges - Electricity	479,524	83,495	17.41%
Interest earned from Receivables	2,496	437	17.51%
Operational Revenue	–	266	
Non-Exchange Revenue			
Transfers and subsidies - Operational	2,243	935	41.67%
Service charges - Electricity	11,390	2,760	24.23%
Total Revenue	495,653	87,893	17.73%
<u>Expenditure By Type</u>			
Employee related costs	24,169	3,495	13.60%
Bulk purchases - electricity	441,010	100,378	22.76%
Inventory consumed	8,266	2,450	29.63%
Debt impairment	14,864	–	0.00%
Depreciation and amortisation	13,139	–	0.00%
Interest	488	55	11.35%
Contracted services	15,455	424	2.74%
Irrecoverable debts written off	4,192	–	0.00%
Operational costs	4,295	313	7.28%
Total Expenditure	525,879	107,114	20.37%
Surplus/(Deficit)	(30,226)	(19,221)	

1.5.1.1 Revenue

- The electricity service charges revenue reflects 17.41% of budget as at 31 August, and this is in line with the projected budget ratio of 16.67% as at 31 August 2025.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.

1.5.1.2 Expenditure

- the bulk electricity reflects 22.76% of budget expenditure as at 31 August 2025.

1.5.1.3 Net surplus/deficit of electricity ratio

- Electricity reflects a deficit of R 19,221 million as at 31 August 2025 and the deficit amount equates to 21.87%, compared to the revenue. The adjusted budget deficit for the 2025/26 amount to R 30,226 million and equates to 6.10%, compared to total revenue.

1.5.2 Water

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD Actual	%
R thousands			
<u>Revenue</u>			
Exchange Revenue			
Service charges - Water	147,583	17,063	11.56%
Interest earned from Receivables	16,609	1,379	8.30%
Non-Exchange Revenue			
Transfers and subsidies - Operational	22,970	9,571	41.67%
Service charges - Water	6,790	1,789	26.35%
Total Revenue	193,952	29,833	15.38%
<u>Expenditure By Type</u>			
Employee related costs	26,264	5,779	22.00%
Inventory consumed	51,680	7,889	15.26%
Debt impairment	6,683	–	0.00%
Depreciation and amortisation	22,378	–	0.00%
Interest	506	57	11.35%
Contracted services	3,050	106	3.49%
Irrecoverable debts written off	1,885	78	4.15%
Operational costs	1,580	366	23.14%
Total Expenditure	114,026	14,276	12.52%
Surplus/(Deficit)	79,926	15,557	

1.5.2.1 Revenue

- The water service charges revenue reflects 11.56% of budget as at 31 August 2025.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.
- Operational revenue (non-exchange revenue) relates to the water availability charges.

1.5.2.2 Expenditure

- Inventory consumed includes a budget amount of R 45,000 million for the bulk water purchases and the expenditure amount of R 6,075 million (13.5% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 15,557 million as at 31 August 2025 and equates to 52.15 % of total revenue.

1.5.3 Waste Water Management

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD Actual	%
R thousands			
<u>Revenue</u>			
Exchange Revenue			
Service charges - Waste Water Management	81,259	11,806	14.53%
Interest earned from Receivables	6,065	505	8.32%
Non-Exchange Revenue			
Transfers and subsidies - Operational	14,617	6,090	41.67%
Service charges - Waste Water Management	3,425	785	22.93%
Total Revenue	105,366	19,187	18.21%
<u>Expenditure By Type</u>			
Employee related costs	37,228	1,959	5.26%
Inventory consumed	13,372	1,228	9.18%
Debt impairment	3,539	–	0.00%
Depreciation and amortisation	36,895	–	0.00%
Interest	977	111	11.35%
Contracted services	4,530	317	7.00%
Irrecoverable debts written off	998	3	0.26%
Operational costs	6,360	1,742	27.39%
Total Expenditure	103,901	5,360	5.16%
Surplus/(Deficit)	(1,465)	13,826	

1.5.3.1 Revenue

- The waste water service charges revenue reflects 14.53% of budget as at 31 August, and this is in line with the projected budget ratio of 16.67% as at 31 August 2025.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.
- Operational revenue (non-exchange revenue) relates to the waste water availability charges.

1.5.3.2 Expenditure

- At this stage, the municipality recognises the debt impairment at the end of the financial year, rather than on the monthly basis.

1.5.3.3 Net surplus/deficit of wastewater management ratio

- The waste water management revenue reflects a surplus of R 13,826 million as at 31 August 2025 and equates to 72.06% of total revenue. Council approved a deficit budget of R 1,465 million for the 2025/26 financial year.

1.5.4. Waste Management

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD Actual	YTD Variance
R thousands			%
<u>Revenue</u>			
Exchange Revenue			
Service charges - Waste	52,990	11,780	22.23%
Sale of Goods and Rendering of Services	9	–	0.00%
Interest earned from Receivables	9,116	683	7.49%
Non-Exchange Revenue			
Transfers and subsidies - Operational	25,847	10,770	41.67%
Surcharges and Taxes - Waste	13,196	–	0.00%
Total Revenue	101,157	23,232	22.97%
<u>Expenditure By Type</u>			
Employee related costs	41,812	6,607	15.80%
Inventory consumed	8,408	1,254	14.92%
Debt impairment	2,937	–	0.00%
Depreciation and amortisation	3,195	–	0.00%
Interest	831	94	11.35%
Contracted services	17,190	1,410	8.20%
Irrecoverable debts written off	828	67	8.10%
Operational costs	4,034	408	10.12%
Total Expenditure	79,235	9,840	12.42%
Surplus/(Deficit)	21,923	13,392	

1.5.4.1 Revenue

- The waste service charges revenue reflects 22.23% of budget as at 31 August, and this is in line with the projected budget ratio of 16.67% as at 31 August 2025.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.
- It must be noted that the waste management is the combination of waste services and environmental management services.

1.5.4.2 Expenditure

- At this stage, the municipality recognises the debt impairment at the end of the financial year, rather than monthly.

1.5.4.3 Net surplus/deficit of waste management ratio

- The waste management revenue reflects a surplus of R 13,392 million as at 31 August 2025 and equates to 57.64% of total revenue. Council approved a surplus budget of R 21,923 million for the 2025/26 financial year.

1.6 Cost Containment Measures

The main purpose of the Municipal Cost Containment Regulations, 2019 is to ensure that the resources of the municipality are used effectively, efficiently, and economically by the implementation of cost containment measures. Cost containment measures policy was reviewed on 03 March 2025 and approved by Council on 29 May 2025.

Description	Budget Year 2025/26			
	Adjusted Budget	YearTD Actual	YearTD Budget	YTD Variance
R Thousands				
1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners	17,891	2,605	2,982	(376)
2. Travel claims	4,795	535	799	(264)
3. Overtime	27,276	3,844	4,546	(702)
4. Catering Costs	760	82	127	(44)
5. Events, Advertising and sponsorships	5,155	633	859	(227)
6. Attendance of Conferences, Seminars & Workshops	2,455	143	409	(266)
7. Municipal Workshops, Retreats, Strategic Sessions and Internal training	1,012	12	169	(156)
9. Essential User Scheme	426	426	426	–
Total	59,771	8,281	10,317	(2,036)

A comparison of the year-to-date actuals to the adjusted budget reflects savings, amounting to R 2,036 million as at 31 August 2025.

1.7 Unauthorised Expenditure by Directorate

Below is an assessment table for the unauthorised expenditure in terms of MFMA requirements and National Treasury MFMA Circular No. 68 guidelines.

Description	Budget Year 2025/26			Actuals as at 31 August 2025			
R thousands	Approved Adjusted Budget- Operating	Approved Adjusted Budget- Capital Budget	Approved Adjusted Budget 2025/26	Operating Expenditure	Capital Actuals	Total Expenditure	Unauthorised Expenditure
<u>Expenditure by Vote</u>							
Civil & Water Services	336,604	225,205	561,809	26,873	3,166	30,039	–
Community Services	305,629	4,891	310,520	33,657	–	33,657	–
Electro & Mechanical Services	555,259	39,435	594,694	109,492	494	109,986	–
Finance and Economic Development	139,504	709	140,213	13,416	–	13,416	–
Office of the DMM	163,950	1,050	165,000	24,365	3	24,367	–
Office of the MM	18,128	–	18,128	1,735	–	1,735	–
Planning and Development	44,066	22,006	66,072	5,295	–	5,295	–
Total Expenditure by Vote	1,563,140	293,296	1,856,437	214,834	3,662	218,497	-

No unauthorised expenditure reported for the period ended 31 August 2025.

Annexure “A2”

1. CAPITAL BUDGET PERFORMANCE

1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 31 August 2025, constituted 1.25% of adjusted capital budget and the funding is broken down as follows:

- Grant funding is 2.35% of approved grant funding budget.
- Borrowing funding is 0.80% of approved borrowing funding budget.
- Internally generated funds are 0.88% at this stage.

Capital budget by municipal vote for 2025/26.

Vote Description	Budget Year 2025/26			
	Original Budget	Adjusted Budget	Year TD Actual	%
R thousands				
<u>Multi-Year expenditure appropriation</u>				
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	-	-	-	0.00%
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	1 050	1 050	3	0.26%
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	621	709	-	0.00%
Vote 4 - COMMUNITY SERVICES	4 891	4 891	-	0.00%
Vote 5 - CIVIL AND WATER SERVICES	206 142	225 205	3 166	1.41%
Vote 6 - ELECTRO/MECHANICAL SERVICES	49 509	39 435	494	1.25%
Vote 7 - PLANNING AND DEVELOPMENT	3 250	22 006	-	0.00%
Total Capital Multi-year expenditure	265 462	293 296	3 662	1.25%

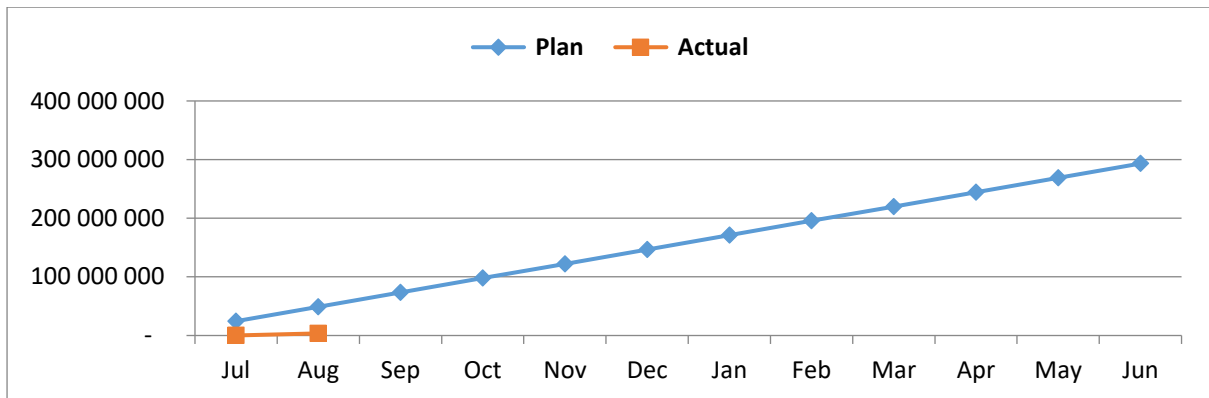
The capital expenditure as at 31 August 2025, constituted 1.25% of adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Office Of the Deputy Municipal Manager is 0.26% of R 1,050 million budget.
- Finance & Economic Development is 0% of R 0,709 million budget.
- Community Services is 0% of R 4,891 million budget.
- Civil & Water Services 1.41% of R 225,205 million budget.
- Electro & Mechanical Services is 1.25% of R 39,435 million budget.
- Planning & Development is 0% of R 22,006 million budget.

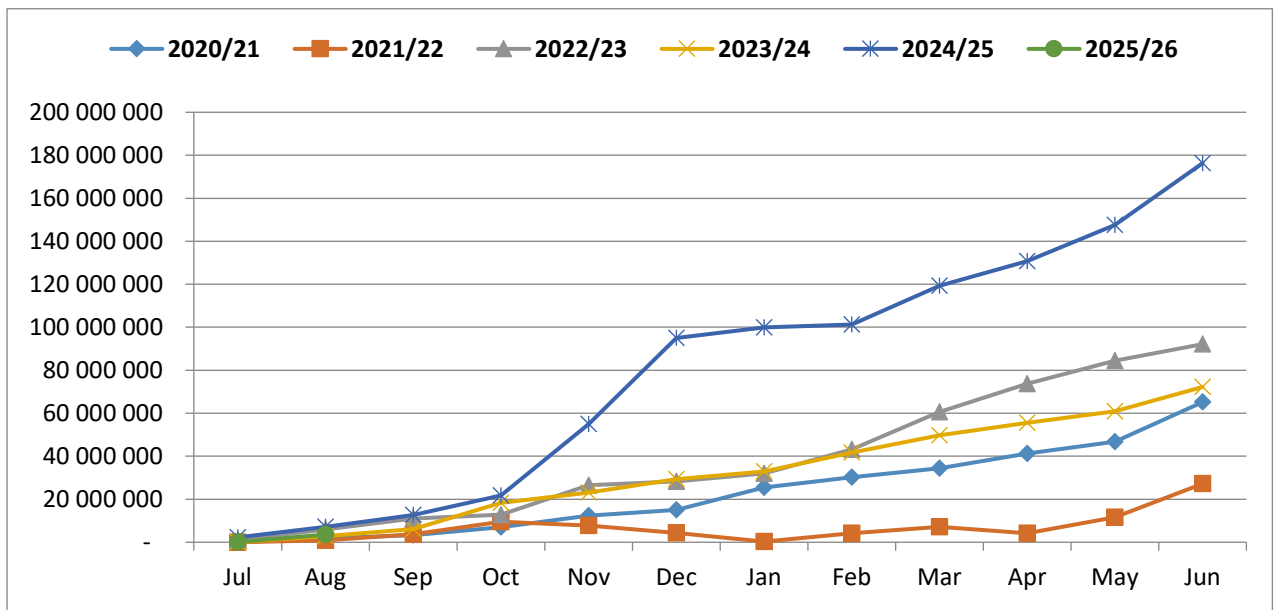
1.2. Monthly capital expenditure

The graph below reflects the municipality's monthly capital expenditure to date measured against the 2025/26 current budget.



Capital expenditure trend over the current- and past two years.

The graph below shows the municipality's capital expenditure trend for 2020/21, 2021/22, 2022/23, 2023/24, 2024/25 and 2025/26.



Status of capital programmes/projects in the Municipality as at 31 August 2025

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2025/26	Actuals Total as at 31 August 2025	%
CIVIL AND WATER SERVICES					
DEVELOPMENTAL BANK OF SOUTH AFRICA					
ROADS AND STORMWATER	DBSA-LOAN	Roads Infrastructure	153,002,755	726,156	0.47%
			153,002,755	726,156	0.47%
INTERNALLY FUNDED					
PROJECT MANAGEMENT UNIT (PMU)	INTERNAL	Upgrading/Improvement of Sport Facilities within K	595,923	-	0.00%
PROJECT MANAGEMENT UNIT (PMU)	INTERNAL	Upgrading Loerie Sports Facilities	34,894	-	0.00%
PROJECT MANAGEMENT UNIT (PMU)	INTERNAL	PAVING OF MAIN BEACH	44,030	-	0.00%
ROADS AND STORMWATER	INTERNAL	Sea Vista Access ring road damaged pavement layers	765,960	-	0.00%
ROADS AND STORMWATER	INTERNAL	George Road, Re-instatement of Embankment, Water &	673,392	-	0.00%
ROADS AND STORMWATER	INTERNAL	Seekoei Estuary Causeway	1,954,000	-	0.00%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Meyer Street and stormwater infr	1,002,820	-	0.00%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Phillip Street low level water c	630,554	-	0.00%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Sherley Street	1,039,319	-	0.00%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Nanto Street and stormwater infr	1,276,987	-	0.00%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Mountain Road and upgrade of sto	648,959	-	0.00%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Mountain Road and upgrade of sto	916,126	-	0.00%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Ketse Street and stormwater infr	1,138,689	-	0.00%
ROADS AND STORMWATER	INTERNAL	Jeffreys Bay CBD Precinct Upgrades	1,000,000	-	0.00%
SEWERAGE	INTERNAL	Seekoei Estuary Causeway	-	511,482	#DIV/0!
SEWERAGE	INTERNAL	Design: Upgrade Weston WWTW Outfall & Reticulation	1,141,258	-	0.00%
SEWERAGE	INTERNAL	Apiesdraai: Sewer Pump Station	212,990	-	0.00%
SEWERAGE	INTERNAL	Hankey: Refurbishment of WWTW	2,388,083	-	0.00%
SEWERAGE	INTERNAL	Oyster Bay: Umzamowethu WWTW & Planning Stag	637,410	-	0.00%
SEWERAGE	INTERNAL	Pump Station	508,609	-	0.00%
SEWERAGE	INTERNAL	Fencing of Sewer Pump Station	800,000	-	0.00%
SEWERAGE	INTERNAL	LA MER NEW SEWER RISING MAIN	811,149	-	0.00%
WATER	INTERNAL	Storage Containers	200,000	-	0.00%
WATER	INTERNAL	Machinery at WTW Facilities	450,000	-	0.00%
WATER	INTERNAL	Humansdorp: Groundwater Supply	547,000	-	0.00%
WATER	INTERNAL	Humansdorp: Gill Marcus Water Supply	108,675	-	0.00%
WATER	INTERNAL	Construction of Civil Services in Donkerhoek & Hum	1,678,346	-	0.00%
			21,205,173	511,482	2.41%
MUNICIPAL INFRASTRUCTURE GRANT					
PROJECT MANAGEMENT UNIT (PMU)	MIG	Specialized Waste Management Vehicles	3,155,652	-	0.00%
PROJECT MANAGEMENT UNIT (PMU)	MIG	Upgrade of Phillipsville Sportsfield	173,913	-	0.00%
ROADS AND STORMWATER	MIG	Upgrading of Kouga Gravel Roads	13,478,101	-	0.00%
SEWERAGE	MIG	Arcadia Street: Refurbishment of Sewer Pump Station	57,391	-	0.00%
SEWERAGE	MIG	La Mer: Construction of New Sewer Rising Main	86,956	-	0.00%
SEWERAGE	MIG	Jeffreys Bay: Upgrade of Ocean View Sewer Pipe	69,565	69,565	100.00%
SEWERAGE	MIG	Kwanomzamo: Upgrading of WWTW	6,763,811	1,759,106	26.01%
WATER	MIG	Infrastructure Management Plan	1,662,695	-	0.00%
			25,448,084	1,828,671	7.19%

DEPARTMENT		PROJECT DESCRIPTION	Adjusted Budget 2025/26	Actuals Total as at 31 August 2025	%
UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME					
SEWERAGE	UISP	Kwanomzamo: New Sewer Pump Station & Rising Main - Bulk Sanitation	183,706	-	0.00%
SEWERAGE	UISP	Ramaphosa Sewer Pump Station Upgrade	197,333	-	0.00%
SEWERAGE	UISP	Upgrade of Thornhill Sewer Treatment Works - Phase	159,600	-	0.00%
WATER	UISP	Thornhill: Upgrading of Informal Settlement	482,313	-	0.00%
WATER	UISP	Humansdorp: Upgrading of informal settlements in Kwanomzamo (Bungalows, Polar Parks & Shukushukuma)	3,144,179	-	0.00%
WATER	UISP	Patensie: Upgrading of Informal Settlement (Cyril Ramaphosa)	1,318,063	-	0.00%
WATER	UISP	Jeffreys Bay: Upgrading of Ocean View Informal Settlement	3,365,037	-	0.00%
WATER	UISP	Humansdorp: Upgrading of Kruisfontein Settlement (Donkerhoek)	2,436,146	-	0.00%
WATER	UISP	Kruisfontein: Upgrade of Gill Marcus Bulk Water Reservoir & Pipeline	5,780,467	99,750	1.73%
WATER	UISP	Kwanomzamo: New Bulk Water Pipeline	109,304	-	0.00%
			17,176,148	99,750	0.58%
WATER SERVICES INFRASTRUCTURE GRANT					
SEWERAGE	WSIG	Beach Sewer Pump Station and New Sewer Bypass	200,000	-	0.00%
SEWERAGE	WSIG	St Francis Bay: Sewer Pump Station & Reticulation	34,782	-	0.00%
SEWERAGE	WSIG	Loerie: Upgrade of Sewer Pump Station & New Sewer	6,925,670	-	0.00%
WATER	WSIG	St Francis Bay: Replacement of Waterpipe	100,000	-	0.00%
WATER	WSIG	St Francis Bay: Groundwater Supply	1,012,590	-	0.00%
WATER	WSIG	St Francis Bay: Replacement of Main Waterline (Sout River Bridge Crossing)	100,000	-	0.00%
			8,373,042	-	0.00%
SUBTOTAL			225,205,202	3,166,060	1.41%

DEPARTMENT		PROJECT DESCRIPTION	Adjusted Budget 2025/26	Actuals Total as at 31 August 2025	%
COMMUNITY SERVICES					
DISTRICT					
FIRE SERVICES	DISTRICT	Fire Services - Vehicle (DISTRICT)	1,391,304	-	0.00%
			1,391,304	-	0.00%
INTERNALLY FUNDED					
FIRE SERVICES	INTERNAL	Extension of Incident Command Centre (ICC)	1,000,000	-	0.00%
LAW ENFORCEMENT	INTERNAL	Security Cameras	1,000,000	-	0.00%
WASTE SERVICES	INTERNAL	Fencing of Humansdorp Landfill Site	1,500,000	-	0.00%
			3,500,000	-	0.00%
			4,891,304	-	0.00%
ELECTRO AND MECHANICAL SERVICES					
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME					
METERING AND REVENUE	INEP	Electrification of 1250 houses in Kouga	4,730,434	-	0.00%
			4,730,434	-	0.00%
INTERNALLY FUNDED					
METERING AND REVENUE	INTERNAL	Shore Road Miniature Substation & Associated Switc	2,000,000	-	0.00%
METERING AND REVENUE	INTERNAL	Battery Storage	25,000,000	-	0.00%
METERING AND REVENUE	INTERNAL	Electrical Oil circuit breakers replacement with v	1,560,165	-	0.00%
			28,560,165	-	0.00%
MUNICIPAL INFRASTRUCTURE GRANT					
METERING AND REVENUE		Design of New High Mast Lights - Construction	6,086,956	-	0.00%
			6,086,956	-	0.00%
UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME					
METERING AND REVENUE	UISP	Kwanomzamo Bulk Electrical - Boskloof Secondary Feeder Line & Substation	29,703	-	0.00%
METERING AND REVENUE	UISP	Oceanview Substation Upgrade	27,939	-	0.00%
			57,642	-	0.00%
FINANCE LEASE					
FLEET AND WORKSHOP		Vehicle	-	493,606	
			-	493,606	
SUBTOTAL			269,531,703	3,659,665	1.36%

FINANCE AND ECONOMIC DEVELOPMENT					
INTERNALLY FUNDED					
REVENUE	INTERNAL	Revenue: vehicle	620,600	-	0%
REVENUE	INTERNAL	FURNITURE & EQUIPMENT REV STAFF	40,561	-	0%
REVENUE	INTERNAL	Computer Equipment	22,477	-	0%
Finance: SCM	INTERNAL	Computer Equipment	25,131	-	0%
			708,769	-	0.00%
OFICCE OF THE DMM					
INTERNALLY FUNDED					
INFORMATION COMMUNICATION TECHNOLOGY (ICT)	INTERNAL	Computer Equipment	1,000,000	2,779	0%
MEDIA LIAISON	INTERNAL	Camera Equipment	50,000	-	0%
			1,050,000	2,779	0.26%
PLANNING AND DEVELOPMENT					
INTERNALLY FUNDED					
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Acquisition of Land	3,200,000	-	0%
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Electronic Equipment	50,000	-	0%
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Procurement of Homeless Shelter Property	1,400,000	-	0%
			4,650,000	-	0.00%
DEPARTMENT OF HUMAN SETTLEMENTS					
HUMAN SETTLEMENT	DOHS	HANKEY 990-PHASE 2	6,731,297	-	0%
HUMAN SETTLEMENT	DOHS	HANKEY 990-PHASE 3	10,624,531	-	0%
SUBTOTAL			17,355,828	-	0.00%
TOTAL			293,296,300	3,662,444	1.25%

Annexure “A3”

1. PROJECTED CASH FLOW STATEMENT FOR THE 2025/26 FINANCIAL YEAR

1.1. Projected Cash Flow Statement as at 31 August 2025

The purpose of the cash flow statement is to compare the cash inflows (receipts) with the cash outflows (payments), to ascertain the adequacy of the cash inflows to cover the cash outflows.

Table C7 Monthly Budget Statement – Cash Flow – M02 August 2025

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		263,763	294,809	294,809	40,734	70,017	49,135	20,882	42%	294,809
Service charges		719,038	908,343	908,343	56,962	105,044	151,390	(46,346)	-31%	908,343
Other revenue		52,563	112,594	112,594	20,426	43,663	18,766	24,897	133%	112,594
Transfers and Subsidies - Operational		201,325	214,766	214,766	2,305	87,722	35,794	51,927	145%	214,766
Transfers and Subsidies - Capital		57,409	82,934	92,791	3,894	31,442	13,822	17,620	127%	92,791
Interest		1,659,179	16,273	16,273	1,088	1,856	2,712	(857)	-32%	16,273
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(298,661)	(1,485,124)	(1,467,268)	(131,327)	(286,714)	(247,521)	39,193	-16%	(123,760)
Interest		-	(19,267)	(19,267)	(408)	(802)	(3,211)	(2,409)	75%	(19,267)
Transfers and Subsidies		-	(950)	(950)	-	-	(158)	(158)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		2,654,615	124,378	152,091	(6,325)	52,228	20,730	(31,498)	-152%	1,495,598
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(130,825)	(265,462)	(293,296)	(4,097)	(4,212)	(44,244)	(40,032)	90%	293,296
NET CASH FROM/(USED) INVESTING ACTIVITIES		(130,825)	(265,462)	(293,296)	(4,097)	(4,212)	(44,244)	(40,032)	90%	293,296
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		(120,000)	100,000	100,000	-	-	16,667	(16,667)	-100%	100,000
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	(2,614)	(3,897)	-	3,897	0%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(120,000)	100,000	100,000	(2,614)	(3,897)	16,667	20,564	123%	100,000
NET INCREASE/ (DECREASE) IN CASH HELD		2,403,790	(41,084)	(41,206)	(13,035)	44,119	(6,847)			1,888,895
Cash/cash equivalents at beginning:		297,312	194,402	194,402		180,581	194,402			180,581
Cash/cash equivalents at month/year end:		2,701,102	153,318	153,196		224,700	187,555			2,069,476

Annexure “A4”

1. MUNICIPAL MONTHLY BUDGET TABLES

1.1. MONTHLY BUDGET TABLES

The seven main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section of the report. These tables set out the Municipality's 2025/26 budget performance for the period of August 2025 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M02 August 2025

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Financial Performance									
Property rates	298,334	304,484	304,484	19,448	84,166	50,747	33,419	66%	304,484
Service charges	629,997	761,356	761,356	63,161	124,144	126,893	(2,749)	-2%	761,356
Investment revenue	13,689	16,273	16,273	1,244	2,267	2,712	(445)	-16%	16,273
Transfers and subsidies - Operational	205,382	214,766	214,766	312	86,211	35,794	50,417	141%	214,766
Other own revenue	174,612	171,808	171,808	10,724	21,095	28,635	(7,540)	-26%	171,808
Total Revenue (excluding capital transfers and	1,322,015	1,468,686	1,468,686	94,890	317,883	244,781	73,102	30%	1,468,686
Employee costs	418,731	525,261	516,784	33,385	68,043	86,130	(18,088)	-21%	516,784
Remuneration of Councillors	15,443	15,988	15,988	1,248	2,472	2,665	(193)	-7%	15,988
Depreciation and amortisation	115,298	142,422	142,422	–	–	23,737	(23,737)	-100%	142,422
Interest	13,825	20,106	20,106	408	802	3,351	(2,549)	-76%	20,106
Inventory consumed and bulk purchases	521,483	555,432	549,432	60,549	116,272	91,572	24,700	27%	549,432
Transfers and subsidies	447	950	950	5	5	158	(153)	-97%	950
Other expenditure	333,344	320,959	317,459	15,167	27,241	52,909	(25,668)	-49%	317,459
Total Expenditure	1,418,571	1,581,117	1,563,140	110,762	214,834	260,522	(45,688)	-18%	1,563,140
Surplus/(Deficit)	(96,556)	(112,431)	(94,454)	(15,872)	103,049	(15,741)	118,791	-755%	(94,454)
Transfers and subsidies - capital (monetary allocations)	109,313	82,934	92,791	1,839	1,954	15,465	(13,511)	-87%	92,791
Transfers and subsidies - capital (in-kind)	15,000	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers &	27,757	(29,497)	(1,663)	(14,033)	105,003	(276)	105,279	-38108%	(1,663)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	27,757	(29,497)	(1,663)	(14,033)	105,003	(276)	105,279	-38108%	(1,663)
Capital expenditure & funds sources									
Capital expenditure	151,442	265,462	293,296	3,563	3,662	48,883	(45,220)	-93%	293,296
Capital transfers recognised	103,754	72,117	81,974	1,829	1,928	13,662	(11,734)	-86%	81,974
Borrowing	69,882	152,174	153,003	1,220	1,220	25,500	(24,281)	-95%	153,003
Internally generated funds	44,891	41,172	58,320	514	514	9,720	(9,206)	-95%	58,320
Total sources of capital funds	218,527	265,462	293,296	3,563	3,662	48,883	(45,220)	-93%	293,296
Financial position									
Total current assets	378,763	266,780	266,659		465,040				266,659
Total non current assets	2,364,279	2,577,825	2,605,659		2,415,907				2,605,659
Total current liabilities	364,097	285,984	285,863		377,267				285,863
Total non current liabilities	368,452	465,849	465,849		368,340				465,849
Community wealth/Equity	2,058,459	2,092,771	2,120,605		2,135,340				2,120,605
Cash flows									
Net cash from (used) operating	2,654,615	124,378	152,091	(6,325)	52,228	20,730	(31,498)	-152%	1,495,598
Net cash from (used) investing	(130,825)	(265,462)	(293,296)	(4,097)	(4,212)	(44,244)	(40,032)	90%	293,296
Net cash from (used) financing	(120,000)	100,000	100,000	(2,614)	(3,897)	16,667	20,564	123%	100,000
Cash/cash equivalents at the month/year end	2,701,102	153,318	153,196	–	224,700	187,555	(37,145)	-20%	2,069,476
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	127,691	14,296	13,499	11,384	9,043	9,037	36,179	162,882	384,011
Creditors Age Analysis									
Total Creditors	71,735	484	25	92	(947)	32	39	(553)	70,906

Explanatory notes to Table C1 – Monthly Budget Summary

The aim of the Budget Summary is to provide a concise overview of the actual budget performance from all of the major financial perspective (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance).

The table provides an overview of the actual amounts spent compared to the monthly budget projections within the context of operating performance, resources utilised for capital expenditure, financial position, cash and funding compliance.

Table C2 Monthly Budget Statement – Financial Performance (standard classification) – M02 August 2025

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD % Variance	Full Year Forecast
Revenue - Functional										
Governance and administration		551,646	530,621	530,621	25,424	149,385	88,437	60,948	69%	530,621
Executive and council		53	142	142	—	—	24	(24)	-100%	142
Finance and administration		551,593	530,479	530,479	25,424	149,385	88,413	60,971	69%	530,479
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		68,805	50,121	59,978	810	3,469	9,996	(6,527)	-65%	59,978
Community and social services		3,335	3,385	3,385	36	79	564	(485)	-86%	3,385
Sport and recreation		7,349	12,255	12,255	754	2,372	2,043	330	16%	12,255
Public safety		1,535	1,870	1,870	11	19	312	(293)	-94%	1,870
Housing		53,075	30,000	39,857	—	115	6,643	(6,528)	-98%	39,857
Health		3,511	2,612	2,612	8	884	435	449	103%	2,612
Economic and environmental services		49,967	40,955	40,955	3,735	9,982	6,826	3,156	46%	40,955
Planning and development		8,979	10,838	10,838	858	2,049	1,806	242	13%	10,838
Road transport		21,204	10,185	10,185	1,578	2,679	1,697	981	58%	10,185
Environmental protection		19,784	19,932	19,932	1,300	5,255	3,322	1,933	58%	19,932
Trading services		775,911	929,924	929,924	66,760	157,002	154,987	2,014	1%	929,924
Energy sources		417,937	501,093	501,093	45,302	87,773	83,515	4,257	5%	501,093
Water management		165,405	203,581	203,581	8,659	29,833	33,930	(4,097)	-12%	203,581
Waste water management		121,149	141,631	141,631	8,072	20,993	23,605	(2,612)	-11%	141,631
Waste management		71,420	83,619	83,619	4,726	18,404	13,937	4,467	32%	83,619
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	1,446,328	1,551,621	1,561,478	96,729	319,837	260,246	59,591	23%	1,561,478
Expenditure - Functional										
Governance and administration		310,795	402,672	398,816	24,112	49,191	66,469	(17,277)	-26%	398,816
Executive and council		49,885	66,561	66,512	4,591	8,164	11,085	(2,921)	-26%	66,512
Finance and administration		260,774	332,893	329,086	19,511	41,008	54,847	(13,839)	-25%	329,086
Internal audit		136	3,218	3,218	10	20	536	(517)	-96%	3,218
Community and public safety		109,518	141,482	140,953	8,586	16,084	23,492	(7,407)	-32%	140,953
Community and social services		12,638	12,289	12,284	1,013	1,952	2,047	(95)	-5%	12,284
Sport and recreation		60,815	73,671	73,301	4,415	7,834	12,217	(4,383)	-36%	73,301
Public safety		29,230	35,167	35,078	2,382	4,724	5,846	(1,122)	-19%	35,078
Housing		1,253	11,626	11,589	751	1,447	1,932	(485)	-25%	11,589
Health		5,583	8,729	8,700	25	128	1,450	(1,322)	-91%	8,700
Economic and environmental services		207,757	206,880	206,592	7,441	14,126	34,432	(20,306)	-59%	206,592
Planning and development		33,240	39,914	39,914	2,211	4,371	6,652	(2,281)	-34%	39,914
Road transport		162,100	158,635	158,469	4,131	7,634	26,411	(18,778)	-71%	158,469
Environmental protection		12,417	8,331	8,209	1,099	2,121	1,368	753	55%	8,209
Trading services		790,138	830,084	816,779	70,592	135,375	136,130	(755)	-1%	816,779
Energy sources		467,394	527,947	527,747	55,362	107,586	87,958	19,628	22%	527,747
Water management		177,229	121,164	114,026	8,796	14,414	19,004	(4,590)	-24%	114,026
Waste water management		86,800	109,169	103,901	2,522	5,360	17,317	(11,957)	-69%	103,901
Waste management		58,714	71,803	71,105	3,913	8,015	11,851	(3,836)	-32%	71,105
Other		363	—	—	30	58	—	58	—	—
Total Expenditure - Functional	3	1,418,571	1,581,117	1,563,140	110,762	214,834	260,522	(45,688)	-18%	1,563,140
Surplus/ (Deficit) for the year		27,757	(29,497)	(1,663)	(14,033)	105,003	(276)	105,279	-38108%	(1,663)

Explanatory notes to Table C2 – Budgeted Financial Performance (revenue and expenditure by standard classification)

The standard classification refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities report their operations in one common format, to facilitate comparison across all municipalities.

Table C3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote – M02 August 2025

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		2,211	1,115	1,115	268	461	186	275	148.0%	1,115
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		459,109	484,342	484,342	25,075	148,727	80,724	68,003	84.2%	484,342
Vote 4 - COMMUNITY SERVICES		205,341	176,939	176,939	8,178	28,878	29,490	(612)	-2.1%	176,939
Vote 5 - CIVIL AND WATER SERVICES		301,230	349,202	349,202	17,004	52,002	58,200	(6,198)	-10.6%	349,202
Vote 6 - ELECTRO/MECHANICAL SERVICES		418,360	501,094	501,094	45,348	87,895	83,516	4,379	5.2%	501,094
Vote 7 - PLANNING AND DEVELOPMENT		60,017	38,929	48,786	855	1,874	8,131	(6,257)	-76.9%	48,786
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1,446,269	1,551,621	1,561,478	96,728	319,836	260,246	59,590	22.9%	1,561,478
Expenditure by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		12,834	18,128	18,128	774	1,735	3,021	(1,286)	-42.6%	18,128
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		117,742	165,192	161,547	10,199	24,014	26,924	(2,911)	-10.8%	161,547
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		101,376	139,445	139,504	7,787	13,416	23,250	(9,835)	-42.3%	139,504
Vote 4 - COMMUNITY SERVICES		305,104	314,436	312,912	17,711	33,984	52,152	(18,167)	-34.8%	312,912
Vote 5 - CIVIL AND WATER SERVICES		363,474	341,894	329,321	15,019	26,546	54,887	(28,341)	-51.6%	329,321
Vote 6 - ELECTRO/MECHANICAL SERVICES		483,211	555,517	555,259	56,375	109,492	92,543	16,949	18.3%	555,259
Vote 7 - PLANNING AND DEVELOPMENT		34,502	44,085	44,048	2,732	5,295	7,341	(2,046)	-27.9%	44,048
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1,418,243	1,578,697	1,560,719	110,598	214,483	260,119	(45,636)	-17.5%	1,560,719
Surplus/ (Deficit) for the year	2	28,025	(27,076)	758	(13,870)	105,353	127	105,226	82716.5%	758

Explanatory notes to Table C3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

The purpose of the format in which the monthly budget reporting table is represented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Directors concerned.

Operating revenue and expenditure are thus presented by "vote". A "vote" is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table C4 Monthly Budget Statement – Financial Performance (revenue and expenditure) – M02 August 2025

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue									%	
Service charges - Electricity		400,468	479,524	479,524	44,410	83,495	79,921	3,575	4%	479,524
Service charges - Water		104,737	147,583	147,583	7,508	17,063	24,597	(7,535)	-31%	147,583
Service charges - Waste Water Management		66,111	81,259	81,259	5,741	11,806	13,543	(1,737)	-13%	81,259
Service charges - Waste management		58,681	52,990	52,990	5,502	11,780	8,832	2,948	33%	52,990
Sale of Goods and Rendering of Services		6,687	10,044	10,044	763	1,648	1,674	(26)	-2%	10,044
Agency services		6,045	4,554	4,554	1,120	1,120	759	361	48%	4,554
Interest		–	–	–	–	–	–	–	–	–
Interest earned from Receivables		22,366	34,661	34,661	1,541	3,058	5,777	(2,719)	-47%	34,661
Interest earned from Current and Non Current Assets		13,689	16,273	16,273	1,244	2,267	2,712	(445)	-16%	16,273
Dividends		–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		4,068	3,322	3,322	236	736	554	182	33%	3,322
Licence and permits		2,137	2,856	2,856	152	505	476	29	6%	2,856
Special rating levies		–	15,436	15,436	3,802	3,802	2,573	1,230	48%	15,436
Operational Revenue		8,061	1,955	1,955	369	1,385	326	1,059	325%	1,955
Non-Exchange Revenue										
Property rates		298,334	304,484	304,484	19,448	84,166	50,747	33,419	66%	304,484
Surcharges and Taxes		–	22,602	22,602	–	–	3,767	(3,767)	-100%	22,602
Fines, penalties and forfeits		96,016	45,795	45,795	147	331	7,632	(7,301)	-96%	45,795
Licence and permits		6,849	3,139	3,139	844	2,454	523	1,931	369%	3,139
Transfer and subsidies - Operational		205,382	214,766	214,766	312	86,211	35,794	50,417	141%	214,766
Interest		3,214	5,841	5,841	342	722	974	(252)	-26%	5,841
Fuel Levy		–	–	–	–	–	–	–	–	–
Operational Revenue		19,241	21,605	21,605	1,407	5,334	3,601	1,734	48%	21,605
Gains on disposal of Assets		(689)	–	–	–	–	–	–	–	–
Other Gains		617	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and		1,322,015	1,468,686	1,468,686	94,890	317,883	244,781	–		1,468,686
Expenditure By Type										
Employee related costs		418,731	525,261	516,784	33,385	68,043	86,130	(18,088)	-21%	516,784
Remuneration of councillors		15,443	15,988	15,988	1,248	2,472	2,665	(193)	-7%	15,988
Bulk purchases - electricity		427,467	441,010	441,010	51,765	100,378	73,502	26,877	37%	441,010
Inventory consumed		94,016	114,422	108,422	8,784	15,893	18,070	(2,177)	-12%	108,422
Debt impairment		(68,470)	65,115	65,115	–	–	10,852	(10,852)	-100%	65,115
Depreciation and amortisation		115,298	142,422	142,422	–	–	23,737	(23,737)	-100%	142,422
Interest		13,825	20,106	20,106	408	802	3,351	(2,549)	-76%	20,106
Contracted services		92,976	142,734	140,134	7,040	9,577	23,355	(13,779)	-59%	140,134
Transfers and subsidies		447	950	950	5	5	158	(153)	-97%	950
Irrecoverable debts written off		173,925	11,487	11,487	–	196	1,915	(1,719)	-90%	11,487
Operational costs		93,868	101,623	100,723	8,127	17,468	16,787	681	4%	100,723
Losses on Disposal of Assets		13,672	–	–	–	–	–	–	–	–
Other Losses		27,372	–	–	–	–	–	–	–	–
Total Expenditure		1,418,571	1,581,117	1,563,140	110,762	214,834	260,522	(45,688)	-18%	1,563,140
Surplus/(Deficit)		(96,556)	(112,431)	(94,454)	(15,872)	103,049	(15,741)	45,688	(0)	(94,454)
Transfers and subsidies - capital (monetary allocations)		109,313	82,934	92,791	1,839	1,954	15,465	(13,511)	(0)	92,791
Transfers and subsidies - capital (in-kind)		15,000	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers &		27,757	(29,497)	(1,663)	(14,033)	105,003	(276)			(1,663)
Income Tax		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		27,757	(29,497)	(1,663)	(14,033)	105,003	(276)			(1,663)
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		27,757	(29,497)	(1,663)	(14,033)	105,003	(276)			(1,663)
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		27,757	(29,497)	(1,663)	(14,033)	105,003	(276)			(1,663)

Explanatory notes to Table C4 – Budgeted Financial Performance (revenue and expenditure)

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, so as to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the monthly results, the monthly budget-to-date projections, and the original budget, so as to assess performance.

Table C5 Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding) – M02 August 2025

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		1,623	1,050	1,050	3	3	175	(172)	-98%	1,050
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		2,001	621	709	–	–	118	(118)	-100%	709
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		861	4,891	4,891	–	–	815	(815)	-100%	4,891
Vote 4 - COMMUNITY SERVICES		61,676	206,142	224,697	3,066	3,166	37,449	(34,283)	-92%	224,697
Vote 5 - CIVIL AND WATER SERVICES		85,369	49,509	39,435	494	494	6,573	(6,079)	-92%	39,435
Vote 6 - ELECTRO/MECHANICAL SERVICES		(112)	3,250	22,006	–	–	3,668	(3,668)	-100%	22,006
Vote 7 - PLANNING AND DEVELOPMENT		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	151,419	265,462	292,788	3,563	3,662	48,798	(45,135)	-92%	292,788
Single Year expenditure appropriation	2									
0		23	–	–	–	–	–	–		–
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		–	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		–	–	509	–	–	85	(85)	-100%	509
Vote 5 - CIVIL AND WATER SERVICES		–	–	–	–	–	–	–		–
Vote 6 - ELECTRO/MECHANICAL SERVICES		–	–	–	–	–	–	–		–
Vote 7 - PLANNING AND DEVELOPMENT		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	23	–	509	–	–	85	(85)	-100%	509
Total Capital Expenditure	3	151,442	265,462	293,296	3,563	3,662	48,883	(45,220)	-93%	293,296
Capital Expenditure - Functional Classification										
Governance and administration		51,929	2,621	2,709	496	496	451	45	10%	2,709
Executive and council		293	–	–	–	–	–	–		–
Finance and administration		51,613	2,621	2,709	496	496	451	45	10%	2,709
Internal audit		23	–	–	–	–	–	–		–
Community and public safety		520	2,441	19,797	–	–	3,300	(3,300)	-100%	19,797
Community and social services		–	50	50	–	–	8	(8)	-100%	50
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		632	2,391	2,391	–	–	399	(399)	-100%	2,391
Housing		(112)	–	17,356	–	–	2,893	(2,893)	-100%	17,356
Health		–	–	–	–	–	–	–		–
Economic and environmental services		20,298	173,232	186,182	726	726	31,030	(30,304)	-98%	186,182
Planning and development		2,143	6,580	8,654	–	–	1,442	(1,442)	-100%	8,654
Road transport		18,155	166,652	177,528	726	726	29,588	(28,862)	-98%	177,528
Environmental protection		–	–	–	–	–	–	–		–
Trading services		78,695	87,169	84,608	2,340	2,440	14,101	(11,661)	-83%	84,608
Energy sources		36,398	49,509	39,435	–	–	6,573	(6,573)	-100%	39,435
Water management		14,419	18,289	22,495	–	100	3,749	(3,649)	-97%	22,495
Waste water management		27,878	17,872	21,178	2,340	2,340	3,530	(1,190)	-34%	21,178
Waste management		–	1,500	1,500	–	–	250	(250)	-100%	1,500
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	151,442	265,462	293,296	3,563	3,662	48,883	(45,220)	-93%	293,296
Funded by:										
National Government		67,436	44,639	44,639	1,829	1,829	7,440	(5,611)	-75%	44,639
Provincial Government		35,687	26,087	35,944	–	100	5,991	(5,891)	-98%	35,944
District Municipality		632	1,391	1,391	–	–	232	(232)	-100%	1,391
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		103,754	72,117	81,974	1,829	1,928	13,662	(11,734)	-86%	81,974
Borrowing	6	69,882	152,174	153,003	1,220	1,220	25,500	(24,281)	-95%	153,003
Internally generated funds		44,891	41,172	58,320	514	514	9,720	(9,206)	-95%	58,320
Total Capital Funding	7	218,527	265,462	293,296	3,563	3,662	48,883	(45,220)	-93%	293,296

Explanatory notes to Table C5 – Budgeted Capital Expenditure by vote, standard classification and funding

Table C5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Table C6 Monthly Budget Statement – Financial Position – M02 August 2025

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands						
ASSETS	1					
Current assets						
Cash and cash equivalents		180,582	143,991	143,870	224,700	143,870
Trade and other receivables from exchange transactions		63,211	59,899	59,899	86,125	59,899
Receivables from non-exchange transactions		79,492	26,651	26,651	95,152	26,651
Current portion of non-current receivables		–	–	–	–	–
Inventory		24,825	22,450	22,450	21,824	22,450
VAT		27,507	12,790	12,790	33,676	12,790
Other current assets		3,145	999	999	3,564	999
Total current assets		378,763	266,780	266,659	465,040	266,659
Non current assets						
Investments		–	–	–	–	–
Investment property		246,427	250,794	250,794	246,427	250,794
Property, plant and equipment		2,117,640	2,326,613	2,354,447	2,169,269	2,354,447
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		212	419	419	212	419
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		2,364,279	2,577,825	2,605,659	2,415,907	2,605,659
TOTAL ASSETS		2,743,042	2,844,605	2,872,318	2,880,948	2,872,318
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		29,869	31,944	31,944	25,971	31,944
Consumer deposits		34,505	31,660	31,660	35,265	31,660
Trade and other payables from exchange transactions		210,501	143,222	143,222	168,742	143,222
Trade and other payables from non-exchange transactions		20,944	–	–	52,813	–
Provision		39,189	64,451	64,330	39,189	64,330
VAT		29,089	14,707	14,707	55,287	14,707
Other current liabilities		–	–	–	–	–
Total current liabilities		364,097	285,984	285,863	377,267	285,863
Non current liabilities						
Financial liabilities		119,060	203,183	203,183	118,949	203,183
Provision		135,422	139,560	139,560	135,422	139,560
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		113,970	123,106	123,106	113,970	123,106
Total non current liabilities		368,452	465,849	465,849	368,340	465,849
TOTAL LIABILITIES		732,549	751,834	751,713	745,607	751,713
NET ASSETS	2	2,010,493	2,092,771	2,120,605	2,135,340	2,120,605
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,056,273	2,078,271	2,106,105	2,132,173	2,106,105
Reserves and funds		2,186	14,500	14,500	3,167	14,500
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	2,058,459	2,092,771	2,120,605	2,135,340	2,120,605

Explanatory notes to Table C6 – Budgeted Financial Position

- i. The table represents Assets less Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity, i.e. assets readily converted to cash or liabilities immediately required to be met from cash appear first.
- ii. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end.

Similarly, the collection rate assumption informs the budget provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as compliance assessment is directly informed by forecasting the statement of financial position.

Table C7 Monthly Budget Statement – Cash Flow – M02 August 2025

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		263,763	294,809	294,809	40,734	70,017	49,135	20,882	42%	294,809
Service charges		719,038	908,343	908,343	56,962	105,044	151,390	(46,346)	-31%	908,343
Other revenue		52,563	112,594	112,594	20,426	43,663	18,766	24,897	133%	112,594
Transfers and Subsidies - Operational		201,325	214,766	214,766	2,305	87,722	35,794	51,927	145%	214,766
Transfers and Subsidies - Capital		57,409	82,934	92,791	3,894	31,442	13,822	17,620	127%	92,791
Interest		1,659,179	16,273	16,273	1,088	1,856	2,712	(857)	-32%	16,273
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(298,661)	(1,485,124)	(1,467,268)	(131,327)	(286,714)	(247,521)	39,193	-16%	(123,760)
Interest		-	(19,267)	(19,267)	(408)	(802)	(3,211)	(2,409)	75%	(19,267)
Transfers and Subsidies		-	(950)	(950)	-	-	(158)	(158)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		2,654,615	124,378	152,091	(6,325)	52,228	20,730	(31,498)	-152%	1,495,598
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(130,825)	(265,462)	(293,296)	(4,097)	(4,212)	(44,244)	(40,032)	90%	293,296
NET CASH FROM/(USED) INVESTING ACTIVITIES		(130,825)	(265,462)	(293,296)	(4,097)	(4,212)	(44,244)	(40,032)	90%	293,296
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		(120,000)	100,000	100,000	-	-	16,667	(16,667)	-100%	100,000
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	(2,614)	(3,897)	-	3,897	0%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(120,000)	100,000	100,000	(2,614)	(3,897)	16,667	20,564	123%	100,000
NET INCREASE/ (DECREASE) IN CASH HELD		2,403,790	(41,084)	(41,206)	(13,035)	44,119	(6,847)			1,888,895
Cash/cash equivalents at beginning:		297,312	194,402	194,402		180,581	194,402			180,581
Cash/cash equivalents at month/year end:		2,701,102	153,318	153,196		224,700	187,555			2,069,476

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

- i. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
- ii. It reflects the expected cash inflows versus outflows that are likely to result from the implementation of the budget.

Annexure “A5”

1. ANALYSIS OF THE MUNICIPALITY'S STATEMENT OF FINANCIAL POSITION

In this section the Municipality's Debtors, Creditors and Investments will be analysed. These components have a significant impact on the Municipality's financial position.

1.1. Overview of outstanding Consumer Debtors (Inclusive of VAT)

Below is an analysis of the outstanding consumer debtors as at 31 August 2025, compared to the position as at 30 June 2025.

Debtors' Age Analysis (Inclusive of VAT) as at 31 August 2025

Description	Budget Year 2025/26								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	31,564	5,544	6,239	4,372	3,885	4,002	11,860	37,550	105,016
Trade and Other Receivables from Exchange Transactions - Electricity	50,110	2,325	1,806	1,222	938	746	3,669	12,276	73,093
Receivables from Non-exchange Transactions - Property Rates	42,292	2,319	1,799	1,542	1,248	1,167	9,952	29,037	89,355
Receivables from Exchange Transactions - Waste Water Management	14,963	1,891	1,743	1,474	1,315	1,447	4,096	14,614	41,543
Receivables from Exchange Transactions - Waste Management	12,579	1,397	1,158	1,089	986	944	2,910	18,346	39,410
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	6,935	420	422	1,397	393	468	2,709	38,423	51,167
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(30,751)	400	332	287	278	263	984	12,636	(15,574)
Total By Income Source	127,691	14,296	13,499	11,384	9,043	9,037	36,179	162,882	384,011
Debtors Age Analysis By Customer Group									
Organs of State	1,600	543	500	405	292	239	2,010	7,565	13,156
Commercial	16,845	627	537	271	260	188	993	7,035	26,757
Households	109,242	13,124	12,461	10,706	8,490	8,608	33,171	148,265	344,067
Other	4	1	1	1	1	1	6	17	31
Total By Customer Group	127,691	14,296	13,499	11,384	9,043	9,037	36,179	162,882	384,011

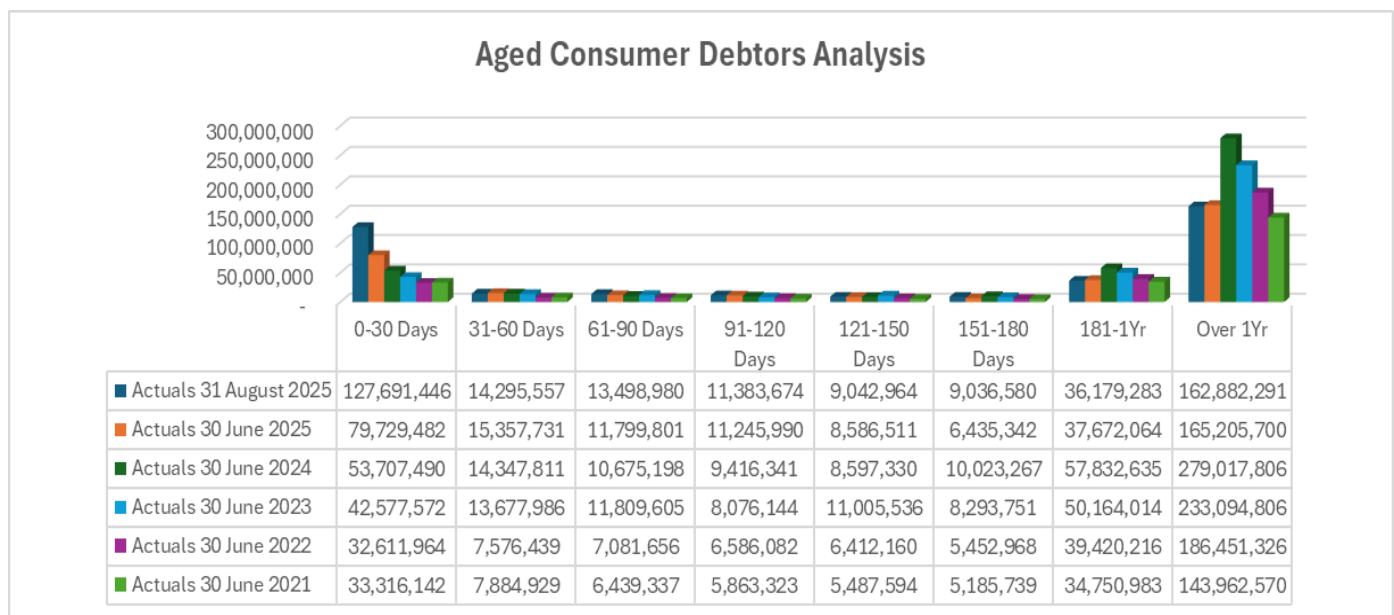
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2025

Description	Budget Year 2024/25								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	28,680	5,190	4,620	4,594	3,061	2,488	11,553	38,052	98,238
Trade and Other Receivables from Exchange Transactions - Electricity	35,660	2,601	1,789	1,437	1,179	898	4,080	12,231	59,875
Receivables from Non-exchange Transactions - Property Rates	22,917	2,601	1,859	1,593	1,365	1,265	10,636	29,366	71,601
Receivables from Exchange Transactions - Waste Water Management	12,361	1,881	1,655	1,800	1,305	778	3,775	15,177	38,732
Receivables from Exchange Transactions - Waste Management	9,817	1,360	1,194	1,107	1,008	532	2,915	19,392	37,325
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	4,827	1,351	343	406	366	317	2,848	38,902	49,359
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(34,533)	374	340	310	303	158	1,865	12,086	(19,097)
Total By Income Source	79,729	15,358	11,800	11,246	8,587	6,435	37,672	165,206	336,033
Debtors Age Analysis By Customer Group									
Organs of State	(46)	793	608	624	396	317	2,209	7,514	12,415
Commercial	10,797	489	415	382	289	257	1,240	7,397	21,267
Households	68,974	14,074	10,775	10,239	7,900	5,860	34,217	150,280	302,321
Other	4	1	1	1	1	1	6	15	29
Total By Customer Group	79,729	15,358	11,800	11,246	8,587	6,435	37,672	165,206	336,033

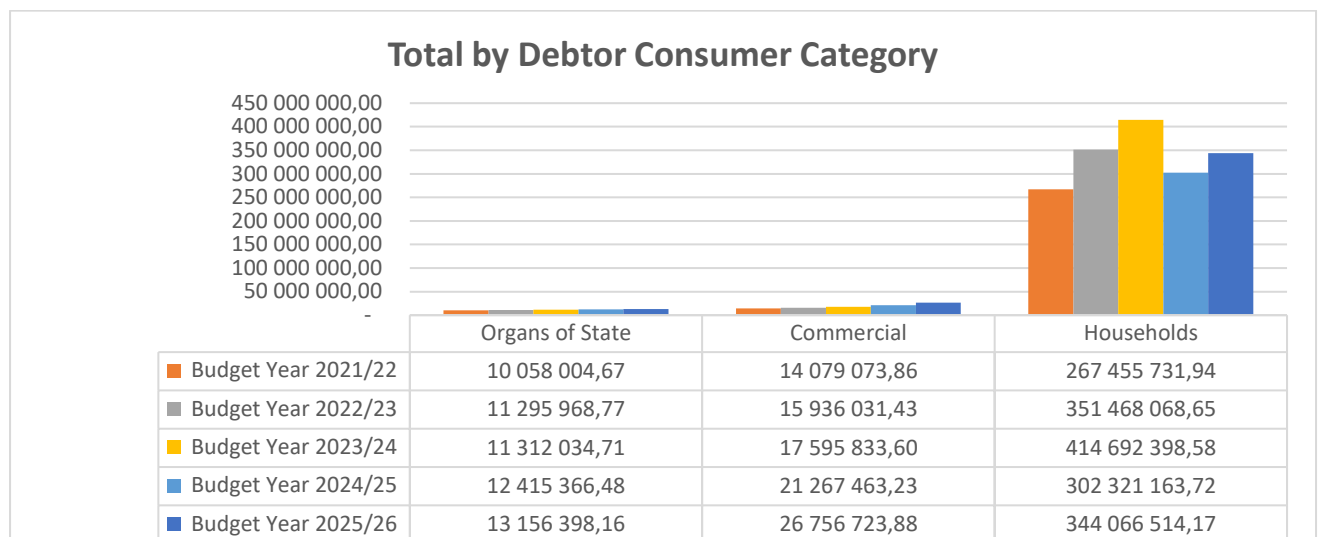
The analysis indicates that from 30 June 2025 to 31 August 2025, the overdue debts have increased by R 0,016 million from R 256,303 million to R 256,319 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	30-Jun-25	31-Aug-25	DIFFERENCE
Trade and Other Receivables from Exchange Transactions - Water	69,558	73,453	3,895
Trade and Other Receivables from Exchange Transactions - Electricity	24,215	22,983	(1,232)
Receivables from Non-exchange Transactions - Property Rates	48,684	47,063	(1,621)
Receivables from Exchange Transactions - Waste Water Management	26,371	26,580	209
Receivables from Exchange Transactions - Waste Management	27,508	26,831	(678)
Receivables from Exchange Transactions - Property Rental Debtors	-	-	-
Interest on Arrear Debtor Accounts	44,532	44,233	(299)
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-
Other	15,436	15,178	(258)
Total By Income Source	256,303	256,319	16
Debtors Age Analysis By Customer Group			
Organs of State	12,461	11,556	(905)
Commercial	10,471	9,912	(559)
Households	233,347	234,824	1,477
Other	25	27	2
Total By Customer Group	256,303	256,319	16

Graphical Analysis of consumer debtors



Graphical Analysis of consumer debtors (total by Debtor Consumer Category)



1.2 Overview of Creditors position

Below is an analysis of the status of the major creditors.

Description	Budget Year 2025/26								
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	58,808	–	–	–	–	–	–	–	58,808
Bulk Water	1,763	480	20	22	(947)	32	39	(937)	473
PAYE deductions	6,073								6,073
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repayments									–
Trade Creditors	5,090	4	4	70	–	–	–	384	5,552
Auditor General									–
Other									–
Total By Customer Type	71,735	484	25	92	(947)	32	39	(553)	70,906

The above amounts represent invoices still to be paid. The major creditors as at 31 August 2025 are as follows:

Eskom	R 58,808 million
NMBM	R 0,473 million
PAYE	R 6,073 million
Other Creditors	R 5,552 million
Total	<u>R 70,906 million</u>

It must be noted that the Eskom amount of R 58,808 million, represents the current account for August 2025, which is due on 23 September 2025.

It is to be noted that the SARS amount of R 6,073 million, represents the current account for August 2025, which is due in September 2025.

1.3 Allocation and Grants receipts and expenditure for the 2025/26 financial year

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M02 August 2025.

Description	Budget Year 2025/26							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands							%	
RECEIPTS:								
Operating Transfers and Grants								
National Government:	209,308	209,308	2,305	87,722	87,722	-		209,308
Operational Revenue:General Revenue:Equitable Share	203,533	203,533	-	84,806	84,806	-		203,533
Expanded Public Works Programme Integrated Grant for Municipalities [S	2,081	2,081	520	520	520	-		2,081
Local Government Financial Management Grant [Schedule 5B]	1,785	1,785	1,785	1,785	1,785	-		1,785
Municipal Infrastructure Grant [Schedule 5B]	1,909	1,909	-	611	611	-		1,909
Provincial Government:	2,955	2,955	-	-	-	-	#DIV/0!	2,955
Human Settlement Grant	-	-	-	-	-	-	#DIV/0!	-
Library grant	2,955	2,955	-	-	-	-	#DIV/0!	2,955
District Municipality:	2,503	2,503	-	870	870	-	0.00%	2,503
Environmental health subsidy	2,503	2,503	-	870	870	-	0.00%	2,503
Other grant providers:	-	-	-	-	-			-
Departmental Agencies and Accounts	-	-	-	-	-	-	#DIV/0!	-
Total Operating Transfers and Grants	214,766	214,766	2,305	88,592	88,592	-	0.00%	214,766
Capital Transfers and Grants								
National Government:	51,334	51,334	2,448	17,752	17,752			51,334
Municipal Disaster Relief Grant	-	-	-	-	-	-	#DIV/0!	-
Integrated National Electrification Programme (Municipal Grant) [Schedule	5,440	5,440	2,448	2,448	2,448			5,440
Municipal Infrastructure Grant [Schedule 5B]	36,265	36,265	-	11,604	11,604			36,265
Water Services Infrastructure Grant	9,629	9,629	-	3,700	3,700			9,629
Provincial Government:	30,000	39,857	1,446	13,690	13,690			39,857
Human Settlement Grant	30,000	39,857	1,446	13,690	13,690			39,857
District Municipality:	1,391	1,391	-	-	-			1,391
Fire Services Subsidy	1,391	1,391	-	-	-			1,391
Total Capital Transfers and Grants	82,726	92,583	3,894	31,442	31,442	-	0%	92,583
TOTAL RECEIPTS OF TRANSFERS & GRANTS	297,491	307,348	6,199	120,034	120,034	-	0.00%	307,348

Below is an analysis of the spending associated with the grants as at 31 August 2025:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M02 August 2025.

Note: The equitable share allocation is utilised to fund indigent household's subsidies granted to qualifying households, with the remainder being used to support the Municipality's operations.

Description	2024/25	Budget Year 2025/26						
	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:	209,308	209,308	312	85,341	85,768	427	0	85,768
Operational Revenue: General Revenue: Equitable Share	203,533	203,533	–	84,806	84,806	–	0%	84,806
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2,081	2,081	273	273	347	74	21%	347
Local Government Financial Management Grant [Schedule 5B]	1,785	1,785	39	74	298	223	75%	298
Municipal Infrastructure Grant [Schedule 5B]	1,909	1,909	–	188	318	130	41%	318
Provincial Government:	2,955	2,955	–	–	–	–	#DIV/0!	–
Human Settlement Grant	–	–	–	–	–	–	–	–
Library grant	2,955	2,955	–	–	–	–	–	–
District Municipality:	2,503	2,503	–	870	870	–	–	870
Environmental health subsidy	2,503	2,503	–	870	870	–	0%	870
Other grant providers:	–	–	–	–	–	–	–	–
Departmental Agencies and Accounts	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:	214,766	214,766	312	86,211	86,638	427	#DIV/0!	86,638
Capital expenditure of Transfers and Grants								
National Government:	51,334	51,334	1,839	1,839	8,556	6,717	0.79	8,556
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5,440	5,440	–	–	907	907	100%	907
Municipal Infrastructure Grant [Schedule 5B]	36,265	36,265	1,839	1,839	6,044	4,205	70%	6,044
Water Services Infrastructure Grant	9,629	9,629	–	–	1,605	1,605	100%	1,605
Municipal Disaster Relief Grant	–	–	–	–	–	–	#DIV/0!	–
Provincial Government:	30,000	39,857	–	115	6,643	6,528	98%	6,643
Human Settlement	30,000	39,857	–	115	6,643	6,528	98%	6,643
District Municipality:	1,391	1,391	–	–	232	232	–	232
Fire Services Subsidy	1,391	1,391	–	–	232	232	–	232
Total capital expenditure of Transfers and Grants	82,726	92,583	1,839	1,954	15,430	13,477	87%	15,430
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	297,491	307,348	2,151	88,165	102,069	13,904	14%	102,069

CONDITIONAL GRANTS, SUBSIDIES AND DONATIONS RECEIVED

CONDITIONAL GRANTS, SUBSIDIES AND DONATIONS							
Reconciliation Grant Register as at 31 August 2025 (2025/26 F/Y)							
<u>Name of Grants</u>	<u>Name of organ of state</u>	<u>Opening balances (Rollovers) as at 1 July 2025</u>	<u>Monthly Receipts</u>	<u>YTD Receipts</u>	<u>YTD Expenditure</u>	<u>% of Spending to date</u>	<u>Unspent Balances</u>
Opex grants, subsidies and donations							
Financial Management Grant	DORA	-	1,785,000.00	1,785,000.00	74,468.31	4.17%	1,710,531.69
Expanded Public Works Programme	DORA	-	520,000.00	520,000.00	272,542.51	52.41%	247,457.49
Municipal Infrastructure Grant	DORA	-	610,750.00	610,750.00	188,000.92	30.78%	422,749.08
Total Opex grants, subsidies and donations		-	2,915,750.00	2,915,750.00	535,011.74		2,380,738.26
Capex grants, subsidies and donations							
Municipal Infrastructure Grant	DORA	-	11,604,250.00	11,604,250.00	1,839,106.11	15.85%	9,765,143.89
Integrated National Electrification Programme	DORA	-	2,448,000.00	2,448,000.00	-	0.00%	2,448,000.00
Water Services Infrastructure Grant	DORA	120,926.00	3,700,000.00	3,820,926.00	-	0.00%	3,820,926.00
Municipal Disaster Response Grant	DORA	11,606,728.00	-	11,606,728.00	-	0.00%	11,606,728.00
Housing: Human Settlements Dev. Grant (Beneficiaries)	Provincial: Department of Infrastructure	9,216,084.00	13,689,681.69	22,905,765.69	114,712.50	0.50%	22,791,053.19
Total Capex grants, subsidies and donation		20,943,738.00	31,441,931.69	52,385,669.69	1,953,818.61	3.73%	50,431,851.08
Total Unspent Monetary Allocations		20,943,738.00	34,357,681.69	55,301,419.69	2,488,830.35	4.50%	52,812,589.34

1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M02 August 2025.

Summary of Employee and Councillor remuneration	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands									
	A	B	C						D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	10,607	10,879	10,879	845	1,674	1,813	(139)	-8%	10,879
Pension and UIF Contributions	-	-	-	-	-	-	-		-
Medical Aid Contributions	-	-	-	-	-	-	-		-
Motor Vehicle Allowance	3,427	3,626	3,626	286	567	604	(37)	-6%	3,626
Cellphone Allowance	1,409	1,483	1,483	117	230	247	(17)	-7%	1,483
Housing Allowances	-	-	-	-	-	-	-		-
Sub Total - Councillors	15,443	15,988	15,988	1,248	2,472	2,665	(193)	-7%	15,988
Senior Managers of the Municipality									
Basic Salaries and Wages	10,400	9,436	9,436	681	1,362	1,573	(211)	-13%	9,436
Pension and UIF Contributions	13	11	11	1	2	2	0	20%	11
Medical Aid Contributions	-	-	-	-	-	-	-		-
Overtime	-	-	-	-	-	-	-		-
Performance Bonus	1,657	395	395	-	-	66	(66)	-100%	395
Motor Vehicle Allowance	1,024	655	655	235	470	109	361	330%	655
Cellphone Allowance	24	-	-	2	4	-	4		-
Housing Allowances	-	-	-	-	-	-	-		-
Other benefits and allowances	10	0	0	0	6	0	6	14353%	0
Sub Total - Senior Managers of Municipality	17,381	10,498	10,498	919	1,844	1,750	94	5%	10,498
Other Municipal Staff									
Basic Salaries and Wages	254,014	309,705	301,228	21,643	43,279	50,205	(6,926)	-14%	301,228
Pension and UIF Contributions	36,539	52,636	52,636	3,479	6,923	8,773	(1,850)	-21%	52,636
Medical Aid Contributions	16,734	28,847	28,847	1,159	2,679	4,808	(2,129)	-44%	28,847
Overtime	37,582	37,741	37,741	2,608	5,501	6,290	(789)	-13%	37,741
Performance Bonus	979	227	227	-	-	38	(38)	-100%	227
Motor Vehicle Allowance	10,046	13,359	13,359	903	1,759	2,227	(468)	-21%	13,359
Cellphone Allowance	103	-	-	7	12	-	12		-
Housing Allowances	677	951	951	63	125	158	(34)	-21%	951
Other benefits and allowances	32,181	45,629	45,629	1,724	3,371	7,605	(4,234)	-56%	45,629
Payments in lieu of leave	-	-	-	-	-	-	-		-
Long service awards	8,522	1,583	1,583	177	522	264	258	98%	1,583
Post-retirement benefit obligations	3,972	24,085	24,085	703	2,030	4,014	(1,984)	-49%	24,085
Sub Total - Other Municipal Staff	401,350	514,763	506,286	32,466	66,199	84,381	(18,182)	-22%	506,286
Total Parent Municipality	434,173	541,249	532,772	34,632	70,514	88,795	(18,281)	-21%	532,772
TOTAL SALARY, ALLOWANCES & BENEFITS	434,173	541,249	532,772	34,632	70,514	88,795	(18,281)	-21%	532,772
TOTAL MANAGERS AND STAFF	418,731	525,261	516,784	33,385	68,043	86,130	(18,088)	-21%	516,784

1.5. Key performance indicators

The table below reflects the key performance indicators as per the 2025/26 Budget and the associated performance to date.

		Actuals as at 30 June 2022	Actuals as at 30 June 2023	Actuals as at 30 June 2025	Actuals as at 31 August 2024	Approved Adjusted Budget 2025/26	Actuals as at 31 August 2025
Borrowing Management							
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	1.04%	0.32%	2.23%	1.4%	2.74%	2.19%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	269.91%	0%	242.89%	237.19%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.01	0.00	0.02	0.01	0.03	0.01
Liquidity							
Current Ratio	Current assets / current liabilities	0,51	0.91	1.04	1.32	0.93	1.23
Liquidity Ratio	Monetary assets / current liabilities	0,15	0.40	0.50	0.72	0.50	0.60
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	94.32%	86.71%	91.38%	74.99%	95%	78.62%

Other indicators		Actuals as at 30 June 2022	Actuals as at 30 June 2023	Actuals as at 30 June 2025	Actuals as at 31 August 2024	Approved Adjusted Budget 2025/26	Actuals as at 31 August 2025
Cost coverage	(Cash and cash equivalents - Unspent Conditional Grants - Overdraft) + Short term investment)/monthly fixed operational expenditure excluding (depreciation, amortisation, provision for bad debts, impairment and loss on disposal of assets)	0.36	0.98	0.53 Months	1.57 Months	1.14 Months	0.70 Months
Employee Costs	Employee Costs / Total Operating Expenditure	31,69%	29.47%	29.53%	28.58%	33.22%	31.67%
Capital Expenditure	Capital Expenditure / Capital Budget	123,92 %	94.66%	84.49%	1.93%	95%	1.25%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	4,32%	3.86%	2.33%	13.64%	14.65%	11.32%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2,26%	2.32%	1.52%	0.58%	9.96%	1.12%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	77,76%	77.74%	84.46%	74.02%	85.38%	72.88%

The above table is discussed in detail below.

1.1. Borrowing Management

1.1.1. Capital charges to Operating Expenditure.

The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as percentage of Total Operating Expenditure.

Capital charges/Total Operating Expenditure to date.

The ratio is 2.19% as at 31 August 2025, compared to the approved adjusted budget ratio of 2.74%.

Borrowed funding of capital expenditure.

This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure.

The ratio is determined as follows:

Capital expenditure funded from Borrowings/Total Capital Expenditure to date (excluding transfers and grants)

As at 31 August 2025, the ratio indicates 237.19% of borrowed funding, compared to total expenditure to date, excluding transfers and grants.

1.1.2. Debt Servicing Costs to Operating Revenue Ratio

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date.

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 31 August 2025, the ratio indicates 0.01, compared to the approved adjusted budget of 0.03.

1.1.3. Current ratio

The Ratio assesses the Municipality's ability to meet its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables etc.).

The ratio is determined as follows:

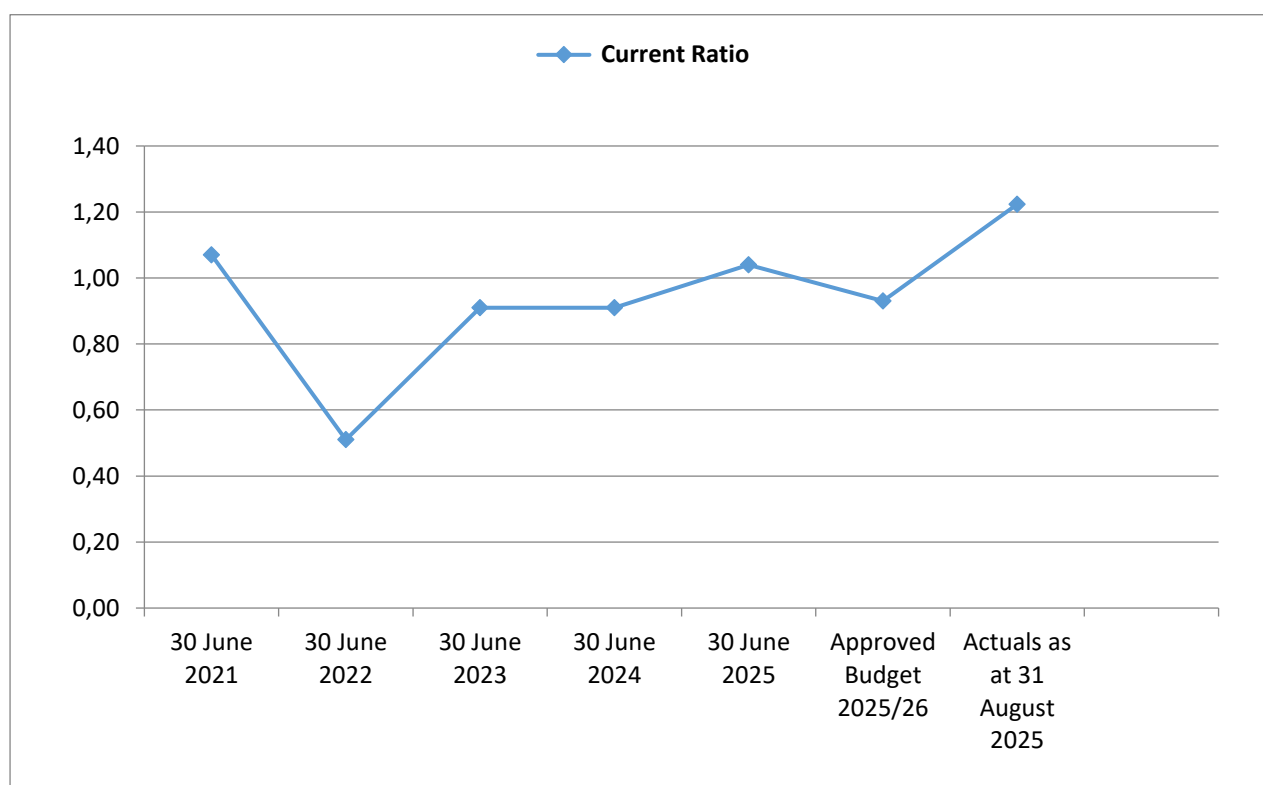
Current assets/Current liabilities

The ratio as at 31 August 2025 was 1.23:1, compared to the approved adjusted budget ratio of 0.93:1. As at 31 August 2025, cash reserves/commitments amounted to R 92,785 million, the current ratio excluding the cash reserves constitute 0.99:1.

In terms of the MFMA Circular No. 71, the norm is 1.5:1 to 2:1

The higher the current Ratio, the stronger the Municipality's financial capacity to meet its current obligations.

A ratio of below 1:1 would suggest that the Municipality would be unable to meet all of its current obligations as and when they fall due.



1.1.4. Liquidity Ratio

The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets.

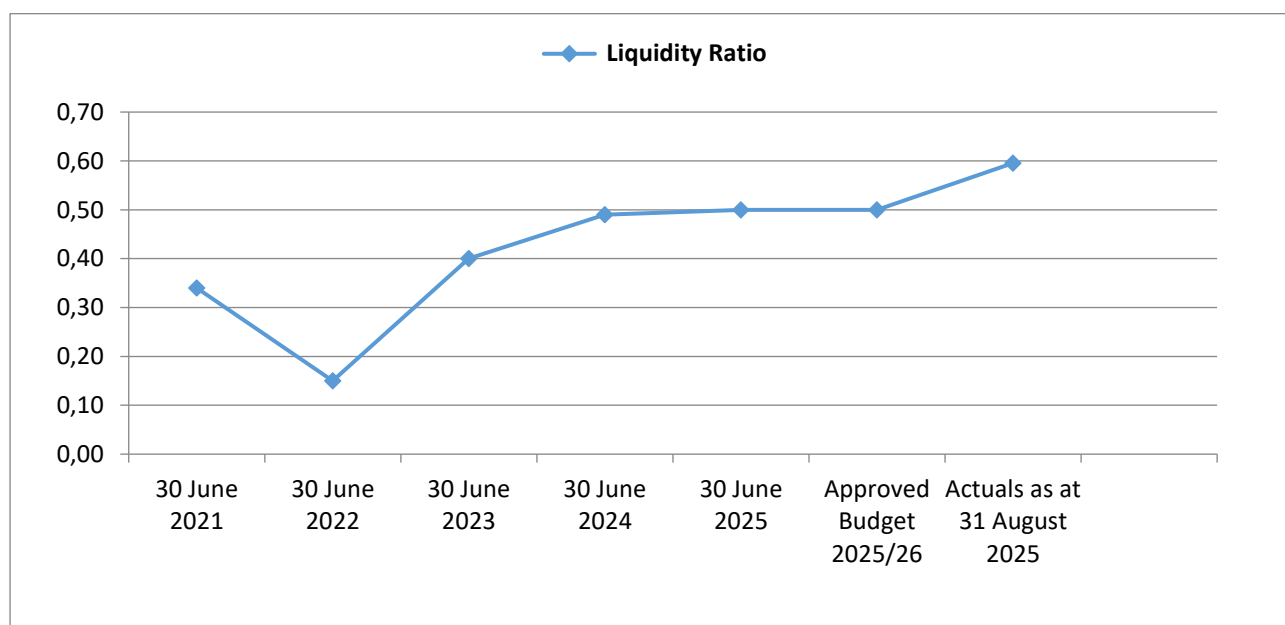
The ratio is determined as follows:

$$\text{Monetary assets/Current liabilities}$$

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 31 August 2025 was 0.60:1 compared to the approved adjusted budget ratio of 0.50:1.

As at 31 August 2025, cash reserves/commitments amounted to R 92,785 million, the liquidity ratio excluding the cash reserves constitute 0.35:1.

The liquidity ratio is of the utmost importance to measure the financial liquidity and sustainability of the municipality.



1.2. Revenue Management

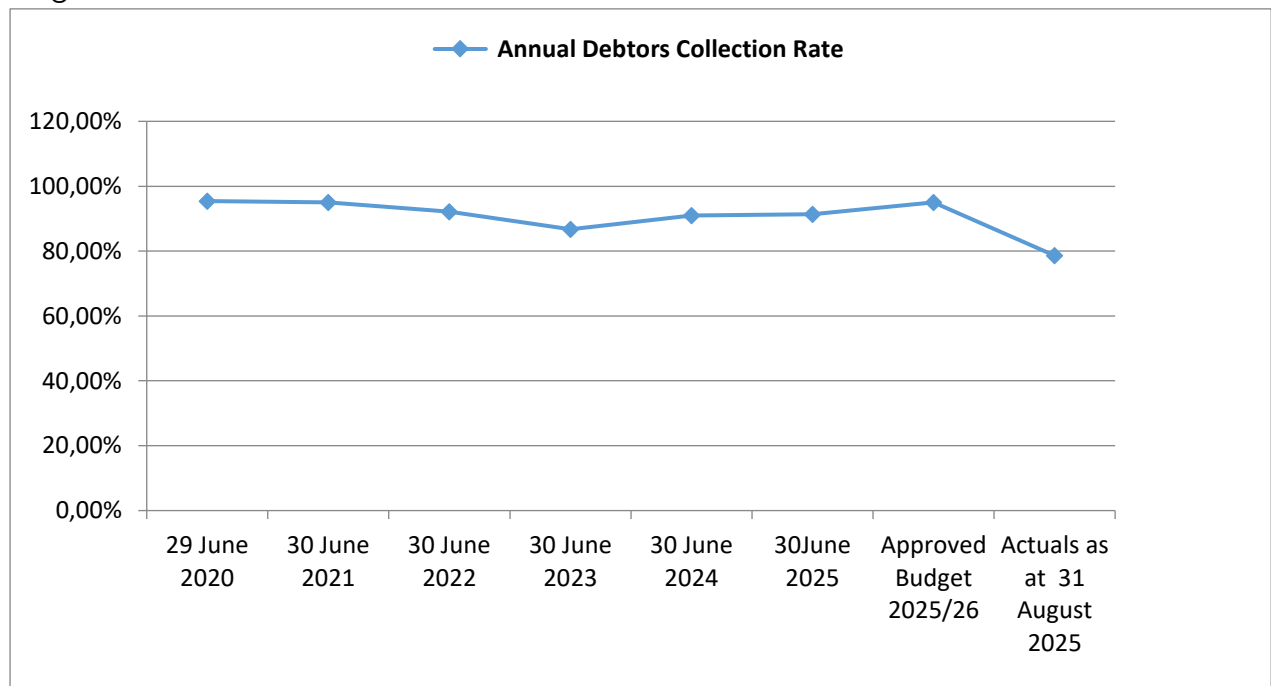
1.2.1. Annual Debtors Collection Rate

This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services.

The ratio to determine the percentage collection rate is as follows:

$$\frac{\text{Gross Debtors Opening Balance} + \text{Billed Revenue} - \text{Gross Debtors Closing Balance} - \text{Bad Debts Written Off}}{\text{Billed Revenue}} \times 100$$

The average collection rate as at 31 August 2025 was 78.62%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for August is 106.28%.



1.3. Other indicators

1.3.1. Cost coverage

The Ratio indicates the Municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investments, without collecting any additional revenue, during that particular month.

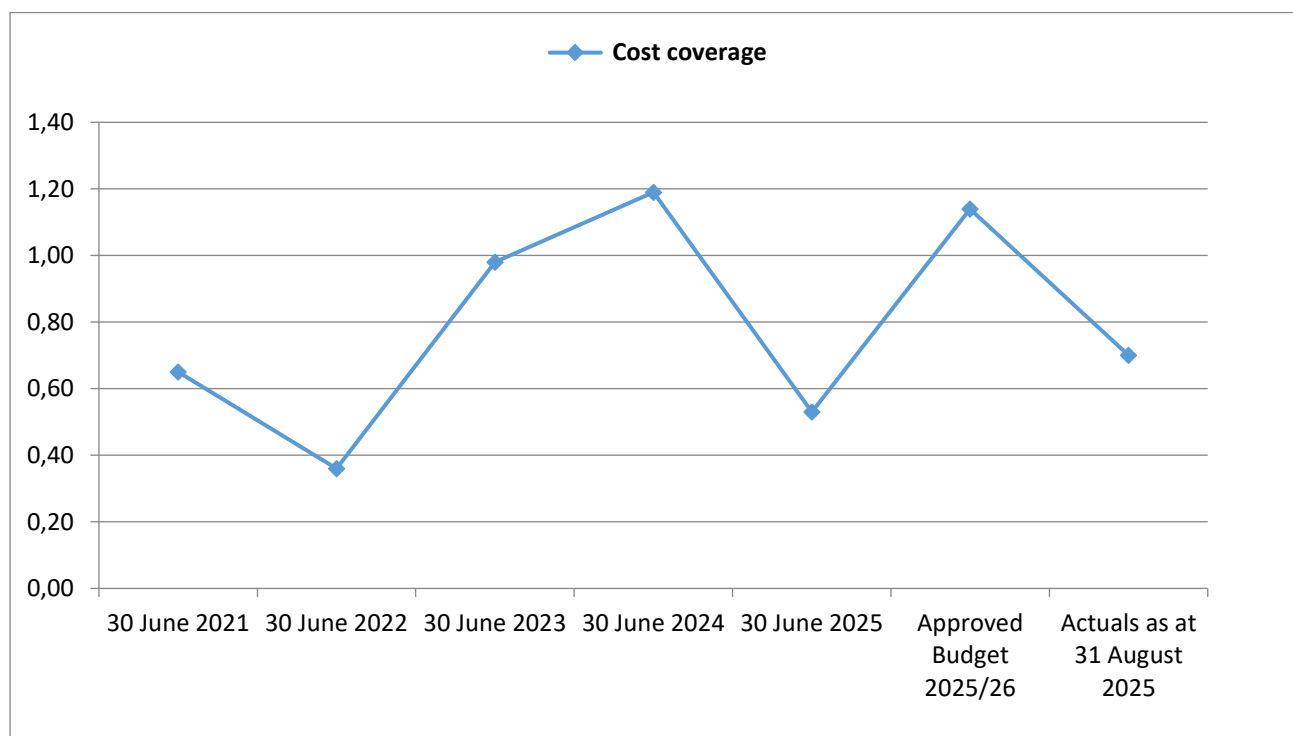
The Ratio is adjusted for Unspent Conditional Grants, Unspent borrowings and Cash Reserves provided for the Development Bank of South Africa (DBSA) and augmentation fees, as the cash is not available for normal day-to-day operational expenditure but rather reserved for Grant and Capital related expenditure.

The ratio is determined as follows:

Cash and cash equivalents – unspent conditional grants – unspent borrowings – cash reserves - overdraft + short-term investments/ monthly fixed operational expenditure excluding (depreciation, amortisation, provisions for bad debts, impairment and loss on the disposal of assets)

As at 31 August 2025, the Ratio was 0.70 months, compared to the approved adjusted budget ratio of 1.14 months.

In terms of MFMA Circular No. 71, the norm is 1 month to 3 months.



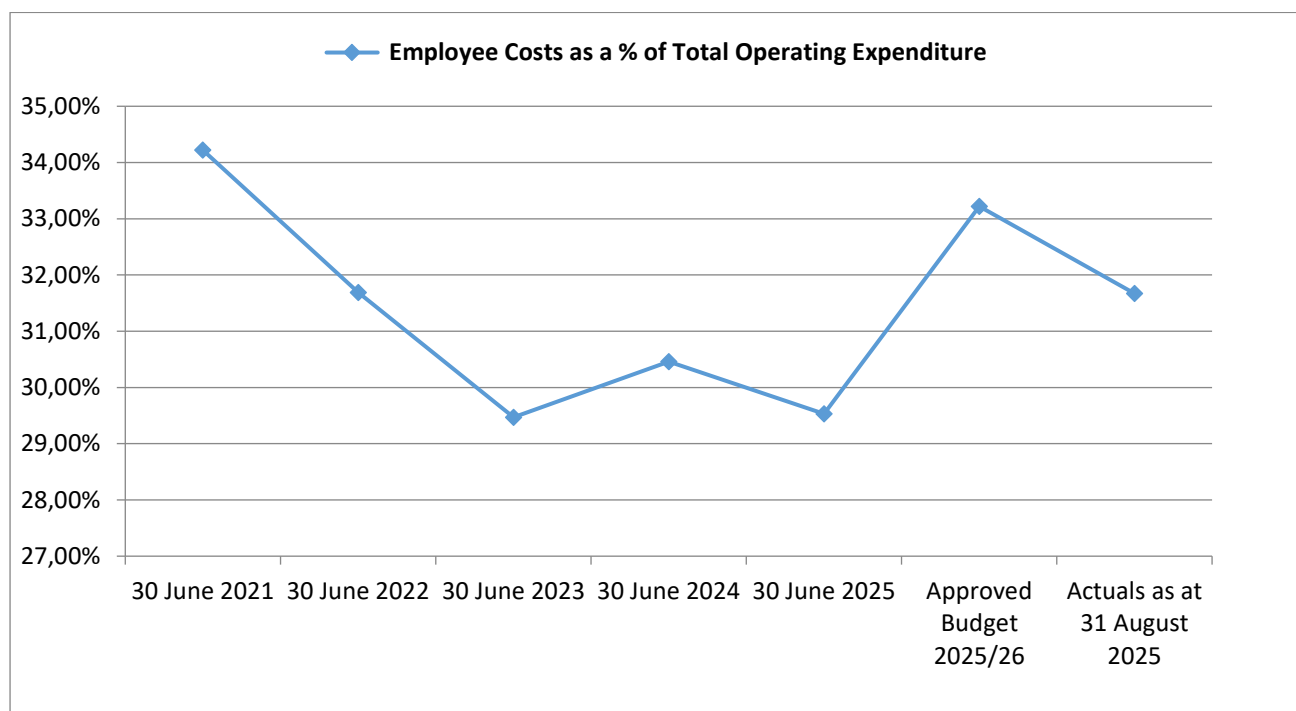
1.3.2. Employee costs as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the employment of human resources.

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 31 August 2025, Employee Related Costs constituted 31.67% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 33.22%.



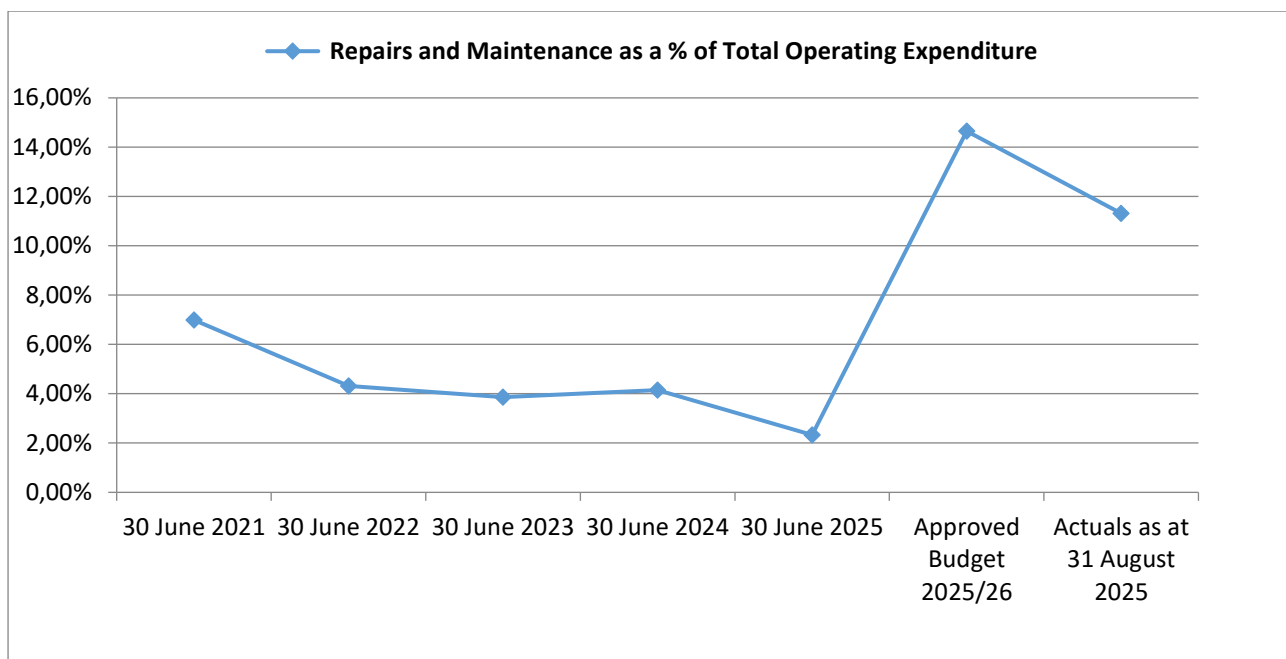
1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

This ratio assesses the extent to which the Municipality's Total Operating Expenditure is consumed by costs associated with the repairs and maintenance of its assets.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Total Operating Expenditure to date

As at 31 August 2025, the ratio was 11.32%, compared to the approved adjusted budget ratio of 14.65%.



1.3.4. Repairs and Maintenance as a % of the book value of Property, Plant and Equipment (PPE)

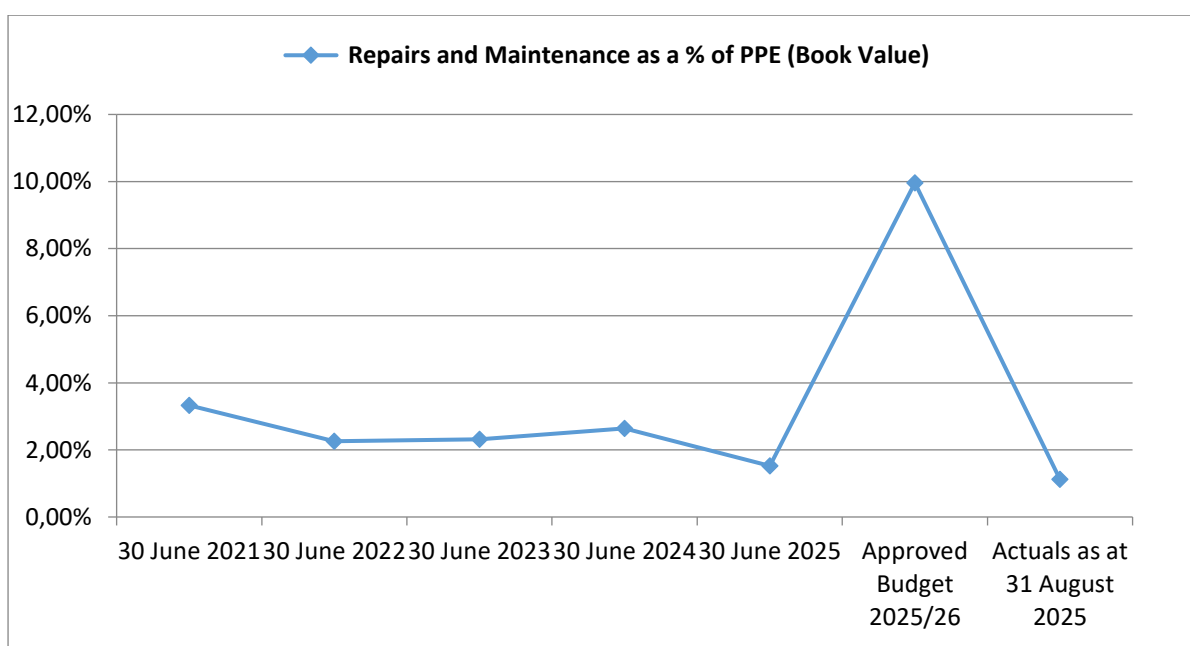
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

Repairs and maintenance expenditure to date / Book value of PPE to date

As at 31 August 2025, repairs and maintenance expenditure constituted 1.12% of the book value of PPE, compared to the approved adjusted budget ratio of 9.96%.

In terms of the MFMA Circular No.71, the norm is 8%.



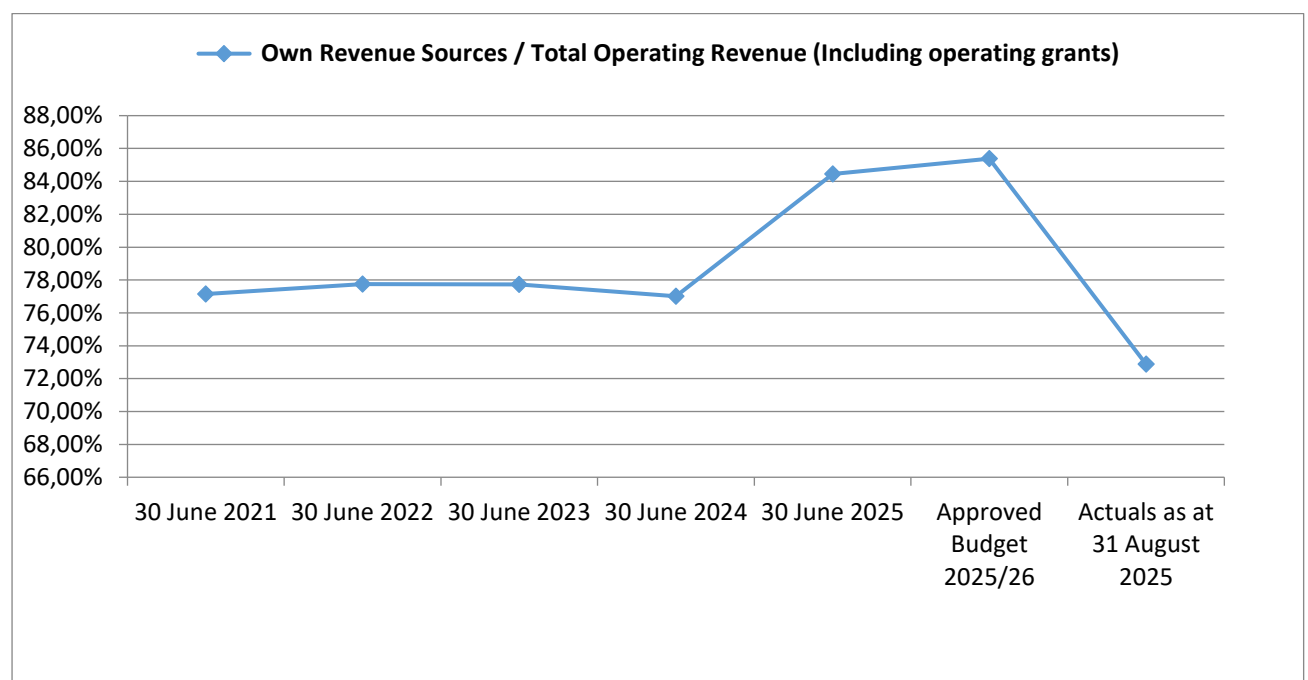
Own Revenue Generation

This ratio measures the extent to which the Municipality has control over its revenue sources, i.e., what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations.

The ratio is determined as follows:

Own Revenue Sources / Total Operating Income (includes operating grants)

As at 31 August 2025, the Municipality's own revenue sources constituted 72.88% of its total Operating Income, compared to the approved adjusted budget ratio of 85.38%.



1.3.5. Capital Budget Spending

This ratio assesses the level of actual capital spending, compared to the budgeted capital expenditure.

The ratio is determined as follows:

$$\text{Actual Capital spending} / \text{Approved Capital Budget}$$

The actual spending as at 31 August 2025 amounted to 1.25%, compared to the approved adjusted budget ratio of 95%.

