KOUGA MUNICIPALITY (EC 108)
FINANCE & ECONOMIC DEVELOPMENT PORTFOLIO COMMITTEE MEETING
FINANCE & ECONOMIC DEVELOPMENT
OPEN
DATE:
ITEM NO:

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY TO NOVEMBER 2025 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 NOVEMBER 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 30 November 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 Portfolio Committee.

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 December 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 November 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 606,549 million, whilst operating expenditure amounted to R580,010 million, resulting in an operating surplus of R 26,538 million.
- Capital expenditure constituted 11.46% of the 2025/26 Adjusted Capital Budget.
- Overdue consumer debts increased by R 12,714 million (4.96%) since June 2025.
- An amount of R 56,450 million is owing to creditors, 99.21% represent current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has decreased by R 32,990,524 (18.27%) since June 2025, from R 180,581,218 to R147,590,694.

Below is an analysis of the Investment Portfolio as at 30 November 2025.

	Balance as at 30 June 2025	Invested	Interest	Withdrawals	Adjustments	Balance as at 30November 2025
Standard Bank	22,335,077	13,504,899	782,242	15,504,899		21,117,320
ABSA	37,961,946	62,582,943	1,116,675	74,191,535	-	27,470,029
Nedbank	31,546,835	27,802,604	1,214,464	31,110,181		29,453,722
RMB	39,647,190	5,603,358	1,042,439	22,346,443		23,946,544
INVESTEC	29,600,838	29,262,662	1,125,879	31,497,466		28,491,912
Total	**161,091,885**	**138,756,466**	**5,281,700**	**174,650,524**	**-**	**130,479,527**
INVESTMENT	**Balance as at 30 June 2025**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 30 November 2025**
General Account	23,745,388	114,028,024	5,153,062	133,210,739		9,715,735
Cash Reserves (DBSA)	92,170,550			19,190,680		72,979,870
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	23,748,000		16,937,217		26,401,160
Housing Funds	8,899,262		128,638	5,311,888		3,716,012
Total	**161,091,885**	**138,756,466**	**5,281,700**	**174,650,524**	**-**	**130,479,527**
	Balance as at 30 June 2025	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 30 November 2025**
Cheque Accounts FNB 52540020791	800,205			(182,387)		617,818
Cheque Accounts FNB 52540033504	9,157,718			(4,098,529)		5,059,189
Cheque Accounts FNB 63022194441	513,734			(296,665)		217,069
Cheque Accounts ABSA 4114176482	5,899,110			(3,714,628)		2,184,482
Cheque Accounts ABSA 4114114771	2,052,903	6,432,336				8,485,239
Cheque Accounts ABSA 4114176474	935,410			(208,638)		240,408
Cheque Accounts ABSA 4114176490	130,253	176,710				306,963
	19,489,333	**6,609,046**	**-**	**(8,500,848)**	**-**	**17,111,168**
Total	**180,581,218**	**145,365,511**	**5,281,700**	**166,149,676**	**-**	**147,590,694**

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

Cash backed Reserves.

Bank Balances and Cash	R 17,111,168
Short-term Investment Deposits	R 130,479,527
	R 147,590,695

Application of Cash

Unspent Conditional Grants	R 30,028,410
Unspent Borrowings (DBSA)	R 72,979,870
Cash Reserves – DBSA	R 14,500,000
Cash Reserves – Developmental Charges	R 3,166,749
Operational Commitments	R 14,654,890
Internally Generated Funds (Capital Commitments)	R 22,861,887
Outstanding Creditors Liability	R 56,450,154
	R 214,641,960

Cash Shortfall	**(R 67,051,265)**

The commitments exceed cash reserves at this stage by an amount of R 67,051 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 30 November 2024	Approved Adjusted Budget 2025/26	Actuals as at 31 October 2025	Actuals as at 30 November 2025
Current Ratio	0.87:1	1.04:1	1.5:1 to 2:1	1.23:1	0.93:1	1.38:1	1.30:1
Liquidity Ratio	0.47:1	0.50:1		0.53:1	0.50:1	0.58:1	0.46:1
Cost Coverage (Excluding unspent conditional grants)	1.19 Months	0.53 Months	1 Month to 3 Months	1.10 Months	1.14 Months	0.58 Months	0.25 Months
Debtors Collection Rate	91.01%	91.38%	95%	86.55%	95%	93.48%	91.94%
Capital Expenditure	71.38%	84.49%	95%	14.52%	95%	7.51%	11.46%

"ANNEXURE A1"

1. OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO NOVEMBER 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	89 397	606 549	611 953	(5 404)
Total Expenditure	1 581 117	1 563 140	122 910	580 010	651 307	(71 296)
Surplus/(Deficit)	(112 431)	(94 454)	(33 513)	26 538	(39 354)	(76 700)

The statement of financial performance reflects an operating surplus of R 26,538 million for the financial year. It must be noted that the operating surplus at this stage is largely influenced by a zero recognition of debt impairment.

1.2. Revenue

Main revenue sources for 2025/26

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD actual	
R thousands			%
Revenue	-	-	-
Exchange Revenue			
Service charges - Electricity	479,524	202,525	42.23%
Service charges - Water	147,583	46,447	31.47%
Service charges - Waste Water Management	81,259	29,937	36.84%
Service charges - Waste management	52,990	21,863	41.26%
Sale of Goods and Rendering of Services	10,044	3,624	36.08%
Agency services	4,554	1,120	24.59%
Interest earned from Receivables	34,661	5,661	16.33%
Interest earned from Current and Non Current Assets	16,273	5,374	33.02%
Rental from Fixed Assets	3,322	2,092	62.96%
Licence and permits	2,856	1,018	35.64%
Special rating levies	15,436	6,807	44.10%
Operational Revenue	1,955	2,101	107.46%
Non-Exchange Revenue			
Property rates	304,484	150,551	49.44%
Surcharges and Taxes	22,602	6,934	30.68%
Fines, penalties and forfeits	45,795	12,000	26.20%
Licence and permits	3,139	5,129	163.39%
Transfer and subsidies - Operational	214,766	92,178	42.92%
Interest	5,841	1,631	27.93%
Operational Revenue	21,605	9,560	44.25%
Total Revenue (excluding capital transfers and contributions)	**1,468,686**	**606,549**	**41.30%**

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.

- **Service Charges – Water**
  The service charges – water reflects a 31.47% revenue recognition as at 30 November 2025, this is significantly lower than the targeted percentage of 41.67% and the revenue adjustment will be considered during the mid-year adjustments budget.

- **Agency Services**
  Agency services relate to the Department of Transport, commission received by the municipality as an acting agency for the collection of motor registration licences, drivers' licences and other vehicle permits. An allocation is yet to be made in this regard.

- **Interest earned from Receivables.**
  Interest earned from receivables is mainly influenced by the municipality's overdue consumer debts, which amounts to R 269,017 million. The interest earned from receivables is significantly low, compared to the budget due to the bad debts written off during the past financial year. The interest earned receivables revenue will be considered for an adjustment during the mid-year adjustments budget process.

- **Rental from fixed assets**
  This relates to the rental of municipal buildings, community halls, caravans parks and camping sites, and other municipal facilities. The revenue is influenced by the extent of rental agreements and seasonal demands.

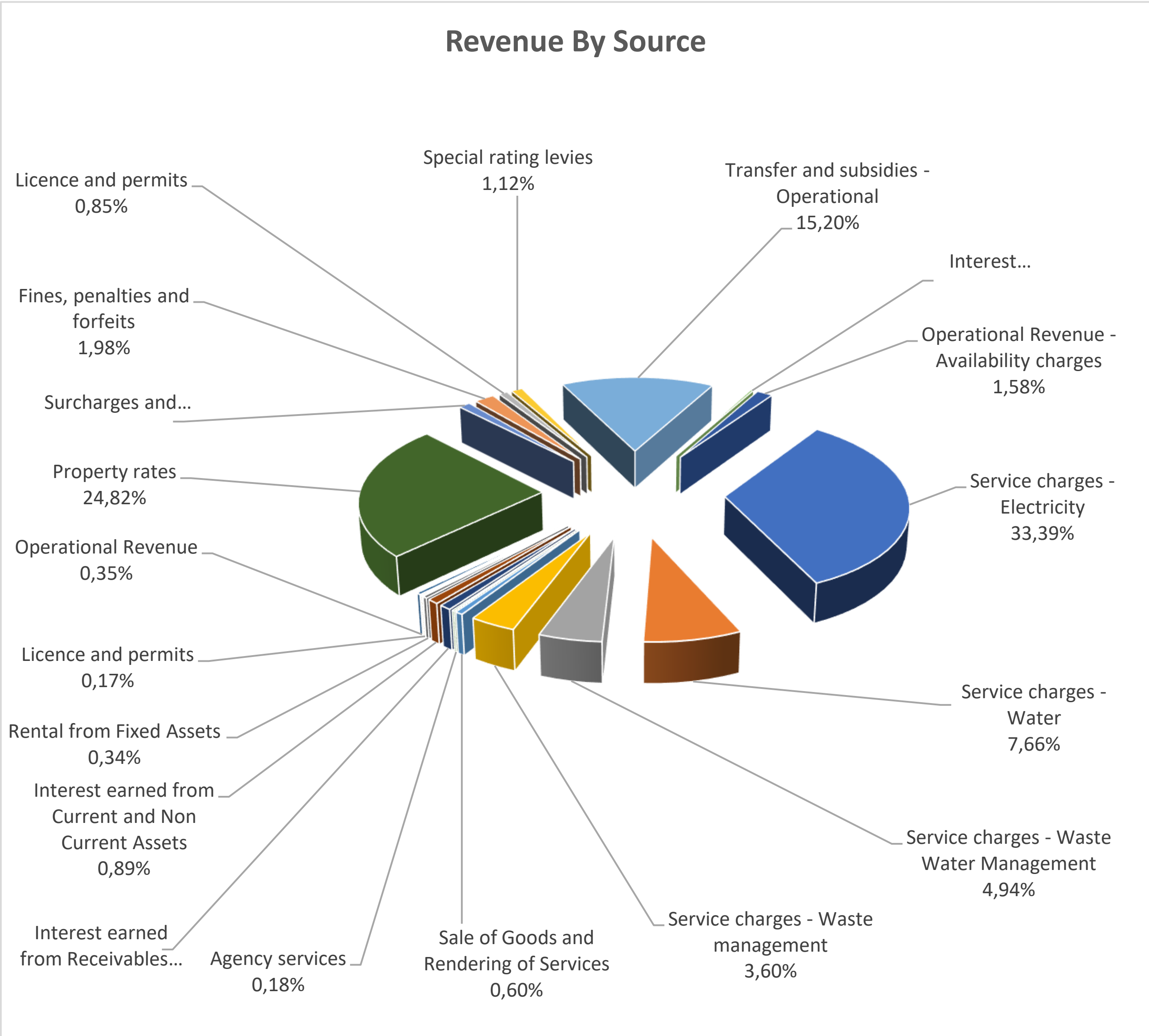
- **Operational Revenue (Exchange Revenue)**
  The other revenue relates to various sources of operating revenue such as staff recovery, insurance refunds and skills development levy refunds.
  The operational revenue is largely influenced by Augmentation fees amounting to R 980 thousand and sale of property amounting to R 130 thousand recognized against no budget provision.

- **Surcharges and Taxes**
  The surcharges and taxes relate to the Riparian Levies and the Environmental Management Fees. The revenue is largely influenced by unallocated Environmental Management Fees amounting to R 6,365 million, which reflects under the service charges – waste management and R 3,521 million for the riparian levies which is incorrectly allocated under licences or permits (non-exchange transaction).

- **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. This revenue is largely influenced by the incorrect allocation of riparian levies amounting to R 3,521 million and this will be corrected in the next reporting period.

- **Interest (Non-Exchange Revenue)**
  The interest relates to the property rates interest charged on the outstanding property rates' debts, and this is influenced by the overdue accounts which amounts to R39,621.



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	190,444	36.85%
Remuneration of councillors	15,988	6,161	38.53%
Bulk purchases - electricity	441,010	206,819	46.90%
Inventory consumed	108,312	43,496	40.16%
Debt impairment	65,115	–	0.00%
Depreciation and amortisation	142,422	45,034	31.62%
Interest	20,106	4,640	23.08%
Contracted Services	140,394	38,906	27.71%
Transfers and subsidies	950	24	2.49%
Irrecoverable debts written off	11,487	3,993	34.76%
Operational Cost	100,573	40,494	40.26%
Total Expenditure	**1,563,140**	**580,010**	**37.11%**

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 46.90 % expenditure, compared to the approved budget.

- **Inventory consumed.**
  Inventory consumed as at 30 November 2025 includes the following expenditure items:

Item Description	Adjusted Budget 2025/26	YearTD actual	%
Inventory Consumed: Consumables	4 534 808	1 216 327	26.82%
Inventory Consumed: Materials and Supplies	36 777 500	16 204 376	44.06%
Inventory Consumed: Fuel & Oil	22 000 000	8 835 261	40.16%
Inventory Consumed: Bulk Water Purchases	45 000 000	17 240 470	38.31%
Total	**108 312 308**	**43 496 435**	**40.16%**

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

- **Depreciation and amortisation**
  Depreciation and amortisation is mainly influenced by the level of capital acquisition to date, which currently reflects 11.46% expenditure, compared to the approved budget.

- **Interest**
  Interest mainly relates to the DBSA loan for the road infrastructure initiative. The loan amount is payable on a quarterly basis.

- **Contracted Services**
  Please refer to the below table.

- **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.

Contracted services as at **30 November 2025** are broken down as follows:

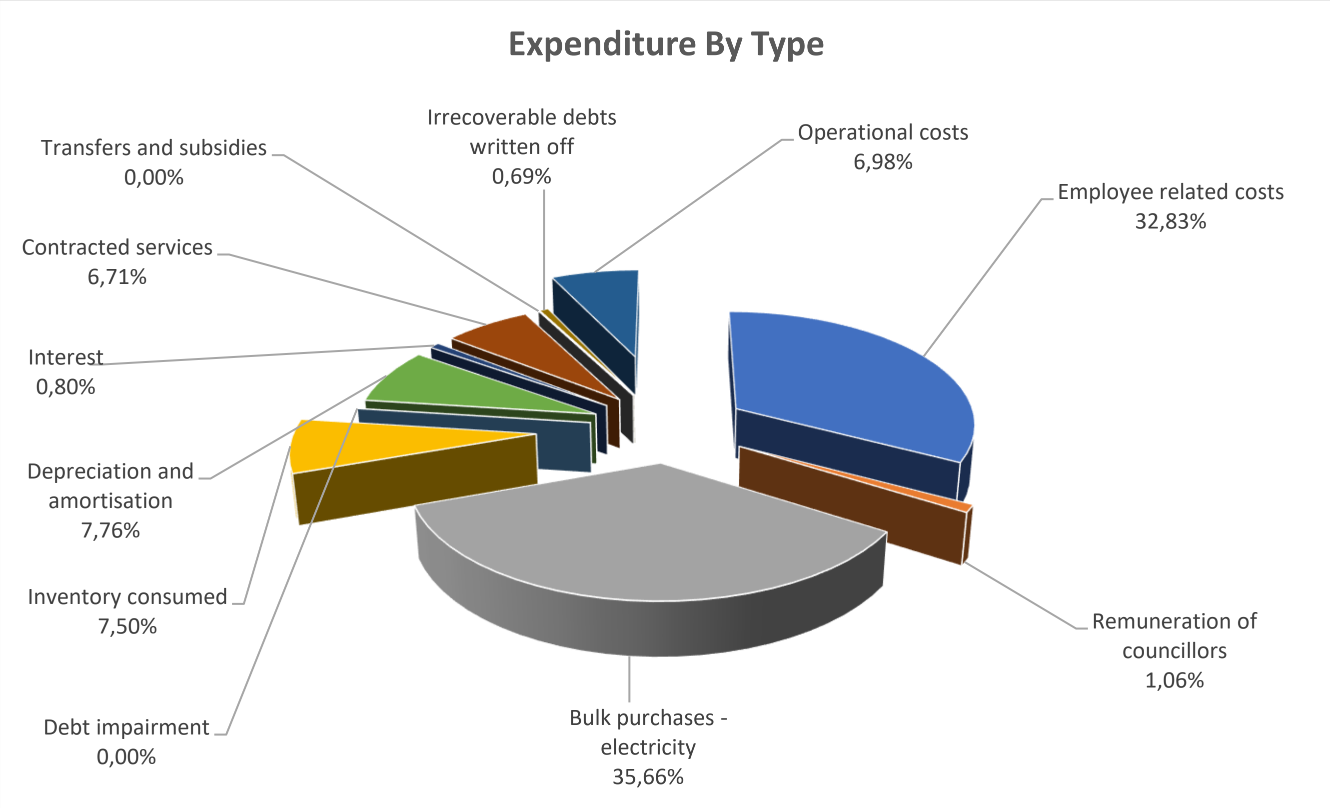
Item Description	Adjusted Budget 2025/26	YearTD Actual	%
Air quality Management	250,000	-	0.00%
Aloe Cup	80,000	-	0.00%
Animal Care	508,000	-	0.00%
Audit of Municipal Land & Properties	1,450,000	123,225	8.50%
BUILDING CONTROL	50,000	-	0.00%
Burial Services	60,000	5,000	8.33%
Calamari Festival	200,000	-	0.00%
Catering Services	769,500	209,910	27.28%
Clean up Operation	500,000	428,467	85.69%
Clearing and Grass Cutting Services	1,440,000	403,074	27.99%
Conducting of feasibility studies (EIA)	3,250,000	120,000	3.69%
Connection/Dis-connection:Electricity	550,000	-	0.00%
Consultants and Professional Services	9,257,000	2,984,214	32.24%
Destination Marketing & Promotion	450,000	18,634	4.14%
Drivers Licence Cards	500,000	123,714	24.74%
Dune Rehabilitation and Coastal Zone	2,250,000	58,947	2.62%
EC Tourism Awards	300,000	260,663	86.89%
Electricity Generation Project	500,000	-	0.00%
Environmental protection	350,000	-	0.00%
Event Promoters	20,000	3,745	18.73%
Internal Auditors	350,000	30,000	8.57%
KBF	100,000	100,000	100.00%
KLTO	360,000	-	0.00%
Kouga Family Fun Day	100,000	-	0.00%
Kouga Mayoral Summer Festival	850,000	850,000	100.00%
Laboratory Services:Water	1,200,000	48,189	4.02%
Legal Advice and Litigation	1,500,000	491,696	32.78%
Legal Cost:Collection	1,300,000	1,012,777	77.91%
Maintenance of Buildings and Facilities	9,357,000	1,674,890	17.90%
Maintenance of Electrical Infrastructure	10,325,000	1,604,852	15.54%
Maintenance of Equipment	1,657,000	147,636	8.91%
Maintenance Of Fire Equipment	112,000	3,953	3.53%

Contracted services as at **30 November 2025** continue to:

Item Description	Adjusted Budget 2025/26	YearTD Actual	%
Maintenance of Vehicles	9,373,000	3,103,772	33.11%
Maintenance STORMWATER	950,000	-	0.00%
Media Monitoring	120,000	34,780	28.98%
Mscoa Alignment	833,837	-	0.00%
New Meter Installations	2,500,000	45,026	1.80%
Occupational Health and Safety	1,400,000	509,458	36.39%
Oceans Economy Masterplan	300,000	-	0.00%
Other Contracted Services	7,920,000	2,174,511	27.46%
Personnel and Labour	19,971,000	6,048,311	30.29%
PGA Championship Sponsorship	288,750	288,750	100.00%
Pollution Control	800,000	25,600	3.20%
Precinct Plans Project Hankey and St Francis Bay	500,000	-	0.00%
Private Plots_Alien Vegetation Control	400,000	94,050	23.51%
Qualification Verification	400,000	326,155	81.54%
Replacement of Stormwater Headwalls along Kouga (	100,000	-	0.00%
Resealing & Maintenance of Roads in KLM	10,400,000	4,363,598	41.96%
Restricted Water Flow	400,000	-	0.00%
Revision of SDF	200,000	-	0.00%
SA Longboard Championship	315,000	-	0.00%
SA Open water swim	175,000	-	0.00%
Security Services	10,425,000	4,020,637	38.57%
SMART City Strategy	300,000	-	0.00%
SMME Capacitation Program	200,000	46,312	23.16%
Special Rating Area	1,338,000	962,159	71.91%
Technical Support Services	1,000,000	243,322	24.33%
Tourism Branding	400,000	23,737	5.93%
Transport Services	71,000	4,060	5.72%
Upgrade and Repair SCADA	1,150,000	110,831	9.64%
Valuer	15,672,630	5,677,451	36.23%
Winterfest	1,785,000	-	0.00%
WSL Music Festival	210,000	69,769	33.22%
WTM Africa, Indaba, Meetings Africa, Educationals,	550,000	30,126	5.48%
	140,393,717	**38,906,000**	**27.71%**

The other expenditure as at **30 November 2025** is broken down as follows:

Item Description	Adjusted Budget 2025/26	YearTD Actual	%
Achievements and Awards	3,600,000	758,338	21.06%
Advertising, Publicity and Marketing	4,415,000	1,637,650	37.09%
Bank Charges	600,000	806,101	134.35%
Bargaining Council	5,245,665	4,833,408	92.14%
Cellular Contract (Subscription and Calls)	3,600,000	1,402,037	38.95%
Claims paid to Third Parties	500,000	278,071	55.61%
External Audit Fees	4,500,000	2,620,052	58.22%
External Computer Service:Internet Charge	7,730,000	2,717,372	35.15%
Hire Charges	5,711,000	1,215,621	21.29%
Insurance Claims	700,000	91,624	13.09%
Insurance Underwriting:Premiums	3,844,237	22,550	0.59%
Leases:Furniture and Office Equipment	2,650,000	1,155,479	43.60%
Leases:Other Assets	4,870,000	5,025,909	103.20%
Licences (Radio and Television)	5,000	2,915	58.30%
Licences:Licence Agency Fees	20,000	-	0.00%
Motor Vehicle Licence and Registrations	1,741,446	485,046	27.85%
Other	1,537,772	198,118	12.88%
Postage/Stamps/Franking Machines	2,659,500	678,137	25.50%
Registration Fees:Professional and Regulatory Bodies	674,500	52,718	7.82%
Registration Fees:Seminars, Conferences, Workshops	2,255,457	422,255	18.72%
Remuneration to Ward Committees	2,160,000	828,000	38.33%
Riparian Levies	8,465,273	3,630,764	42.89%
Signage	668,500	227,214	33.99%
Skills Development Fund Levy	4,696,247	1,908,293	40.63%
Software Licences	11,155,000	3,874,563	34.73%
Storage of Files (Archiving)	500,000	15,366	3.07%
Telephone, Fax, Telegraph and Telex	10,000	-	0.00%
Third Party Vendors	3,660,000	1,094,963	29.92%
Travel and Subsistence	4,754,957	1,454,661	30.59%
Uniform and Protective Clothing	4,283,996	1,528,622	35.68%
Vehicle Tracking	895,300	461,576	51.56%
Workmen's Compensation Fund	2,464,053	1,066,533	43.28%
	100,572,903	**40,493,955**	**40.26%**



1.4. Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure as at 30 November 2025, compared to the 2025/26 Approved Budget.

Item Description	Budget Year 2025/26		
	Adjusted Budget 2025/26	**YearTD actual**	**%**
Repairs and Maintenance by Expenditure Items			
Employee related costs	144 928 589	46 230 036	31.90%
Other materials	27 816 500	11 688 151	42.02%
Contracted Services	45 689 000	11 209 658	24.53%
Other expenditure	4 635 000	996 234	21.49%
Total	**223 069 089**	**70 124 079**	**31.44%**

1.5. <u>Trading Services Performance</u>

1.5.1. Electricity

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Electricity	479,524	202,526	42.23%
Interest earned from Receivables	2,496	878	35.16%
Operational Revenue	–	266	#DIV/0!
Non-Exchange Revenue			
Transfers and subsidies - Operational	2,243	935	41.67%
Service charges - Electricity	11,390	4,914	43.15%
Total Revenue	**495,653**	**209,518**	**42.27%**
Expenditure By Type			
Employee related costs	24,169	10,053	41.59%
Bulk purchases - electricity	441,010	206,819	46.90%
Inventory consumed	8,266	4,697	56.83%
Debt impairment	14,864	–	0.00%
Depreciation and amortisation	13,139	3,459	26.33%
Interest	488	200	41.00%
Contracted services	15,455	1,856	12.01%
Irrecoverable debts written off	4,192	165	3.94%
Operational costs	4,295	1,053	24.52%
Total Expenditure	**525,879**	**228,304**	**43.41%**
Surplus/(Deficit)	**(30,226)**	**(18,785)**	

1.5.1.1 <u>Revenue</u>

- The electricity service charges revenue reflects 42.23% of budget as at 30 November, and this is in line with the projected budget ratio of 41.67% as at 30 November 2025.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.

1.5.1.2 <u>Expenditure</u>

- the bulk electricity reflects 46.90% of budget expenditure as at 30 November 2025.

1.5.1.3 <u>Net surplus/deficit of electricity ratio</u>

- Electricity reflects a deficit of R 18,785 million as at 30 November 2025 and the deficit amount equates to 8.97%, 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			
Revenue			
Exchange Revenue			
Service charges - Water	147,583	46,447	31.47%
Interest earned from Receivables	16,609	2,609	15.71%
Non-Exhange Revenue			
Transfers and subsidies - Operational	22,970	9,571	41.67%
Service charges - Water	6,790	3,181	46.85%
Total Revenue	**193,952**	**61,808**	**31.87%**
Expenditure By Type			
Employee related costs	26,264	16,693	63.56%
Inventory consumed	51,680	22,015	42.60%
Debt impairment	6,683	–	0.00%
Depreciation and amortisation	22,378	8,440	37.71%
Interest	506	213	42.04%
Contracted services	3,050	536	17.57%
Irrecoverable debts written off	1,885	1,774	94.10%
Operational costs	1,580	719	45.50%
Total Expenditure	**114,026**	**50,389**	**44.19%**
Surplus/(Deficit)	**79,926**	**11,419**	

1.5.2.1 Revenue

- The water service charges revenue reflects 31.47% of budget as at 30 November 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 17,240 million (38.31% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 11,419 million as at 30 November 2025 and equates to 18.48 % of total revenue.

1.5.3 Waste Water Management

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Waste Water Management	81,259	29,937	36.84%
Interest earned from Receivables	6,065	929	15.32%
Non-Exchange Revenue			
Transfers and subsidies - Operational	14,617	6,090	41.67%
Service charges - Waste Water Management	3,425	1,496	43.67%
Total Revenue	**105,366**	**38,452**	**36.49%**
Expenditure By Type			
Employee related costs	37,228	5,110	13.73%
Inventory consumed	13,372	5,121	38.29%
Debt impairment	3,539	–	0.00%
Depreciation and amortisation	36,895	12,130	32.88%
Interest	977	401	41.00%
Contracted services	4,530	847	18.70%
Irrecoverable debts written off	998	757	75.79%
Operational costs	6,360	1,389	21.83%
Total Expenditure	**103,901**	**25,753**	**24.79%**
Surplus/(Deficit)	**1,465**	**12,695**	

1.5.3.1 Revenue

- The waste water service charges revenue reflects 36.84% of budget as at 30 November, and this is in line with the projected budget ratio of 41.67% as at 30 November 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 12,695 million as at 30 November 2025 and equates to 33.02% of total revenue. Council approved a surplus 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	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Waste	52,990	21,863	41.26%
Sale of Goods and Rendering of Services	9	–	0.00%
Interest earned from Receivables	9,116	1,172	12.86%
Non-Exchange Revenue			
Transfers and subsidies - Operational	25,847	10,770	41.67%
Surcharges and Taxes - Waste	13,196	6,365	48.23%
Total Revenue	**101,157**	**40,169**	**39.71%**
Expenditure By Type			
Employee related costs	41,812	18,468	44.17%
Inventory consumed	8,408	3,363	40.00%
Debt impairment	2,937	–	0.00%
Depreciation and amortisation	3,195	489	15.31%
Interest	831	341	41.00%
Contracted services	17,190	3,872	22.53%
Irrecoverable debts written off	828	1,129	136.28%
Operational costs	4,034	1,273	31.55%
Total Expenditure	**79,235**	**28,935**	**36.52%**
Surplus/(Deficit)	**21,923**	**11,234**	

1.5.4.1 Revenue

- The waste service charges revenue reflects 41.26% of budget as at 30 November, and this is in line with the projected budget ratio of 41.67% as at 30 November 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 s.urplus/deficit of waste management ratio

- The waste management revenue reflects a surplus of R 11,234 million as at 30 November 2025 and equates to 27.97% 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	19,971	6,048	8,321	(2,273)
2. Travel claims	4,785	1,450	1,994	(544)
3. Overtime	27,276	9,759	11,365	(1,606)
4. Catering Costs	770	210	321	(111)
5. Events, Advertising and sponsorships	5,205	1,677	2,169	(491)
6. Attendance of Conferences, Seminars & Workshops	2,255	422	940	(518)
7. Municipal Workshops, Retreats, Strategic Sessions and Internal training	1,012	36	422	(385)
9. Essential User Scheme	1,058	1,058	1,058	–
Total	**62,332**	**20,661**	**26,589**	**(5,928)**

A comparison of the year-to-date actuals to the adjusted budget reflects savings, amounting to R 5,928 million as at 30 November 2025.

1.7 <u>Unauthorised Expenditure by Directorate</u>

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 30 November 2025			
R thousands	Approved Adjusted Budget- Operating	Approved Adjusted Budget- Capital Budget	Appproved Adjusted Budget 2025/26	Operating Expenditure	Capital Actuals	Total Expenditure	Unathorised Expenditure
<u>Expenditure by Vote</u>							
Civil & Water Services	336,604	225,205	561,809	114,164	20,578	134,742	–
Community Services	305,629	4,891	310,520	99,737	16	99,753	–
Electro & Mechanical Services	555,259	39,435	594,694	241,161	8,902	250,062	–
Finance and Economic Development	139,504	709	140,213	44,434	35	44,469	–
Office of the DMM	163,950	1,050	165,000	58,396	880	59,275	–
Office of the MM	18,128	–	18,128	7,750	–	7,750	–
Planning and Development	44,066	22,006	66,072	14,369	3,207	17,576	–
Total Expenditure by Vote	**1,563,140**	**293,296**	**1,856,437**	**580,010**	**33,617**	**613,628**	**-**

No unauthorised expenditure reported for the period ended 30 November 2025.

Annexure "A2"

1. CAPITAL BUDGET PERFORMANCE

1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 30 November 2025, constituted 11.46% of adjusted capital budget and the funding is broken down as follows:

- Grant funding is 29.68% of approved grant funding budget.
- Borrowing funding is 2.45% of approved borrowing funding budget.
- Internally generated funds are 9.49% at this stage.

Capital budget by municipal vote for 2025/26

Vote Description	Budget Year 2025/26			
	Original Budget	Adjusted Budget	YearTD Actual	%
R thousands				
Multi-Year expenditure appropriation				
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	–	–	–	0.00%
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	1,050	1,050	880	83.78%
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	621	709	35	4.92%
Vote 4 - COMMUNITY SERVICES	4,891	4,891	16	0.32%
Vote 5 - CIVIL AND WATER SERVICES	206,142	225,205	20,578	9.14%
Vote 6 - ELECTRO/MECHANICAL SERVICES	49,509	39,435	8,902	22.57%
Vote 7 - PLANNING AND DEVELOPMENT	3,250	22,006	3,207	14.58%
Total Capital Multi-year expenditure	**265,462**	**293,296**	**33,617**	**11.46%**

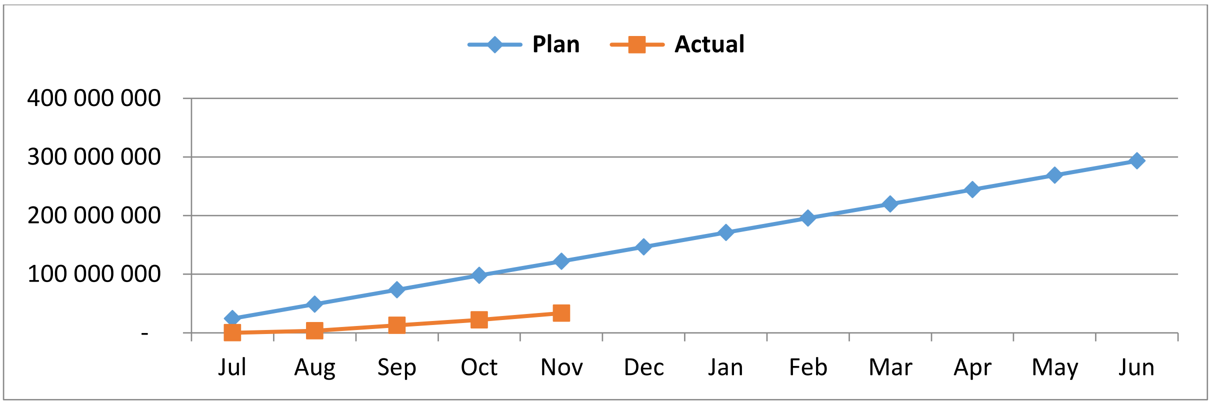
The capital expenditure as at 30 November 2025, constituted 11.46% of adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Office Of the Deputy Municipal Manager is 83.78% of R 1,050 million budget.
- Finance & Economic Development is 4.92% of R 0,709 million budget.
- Community Services is 0.32% of R 4,891million budget.
- Civil & Water Services 9.14% of R 225,205 million budget.
- Electro & Mechanical Services is 22.57% of R 39,435 million budget.
- Planning & Development is 14.58% of R 22,006 million budget.

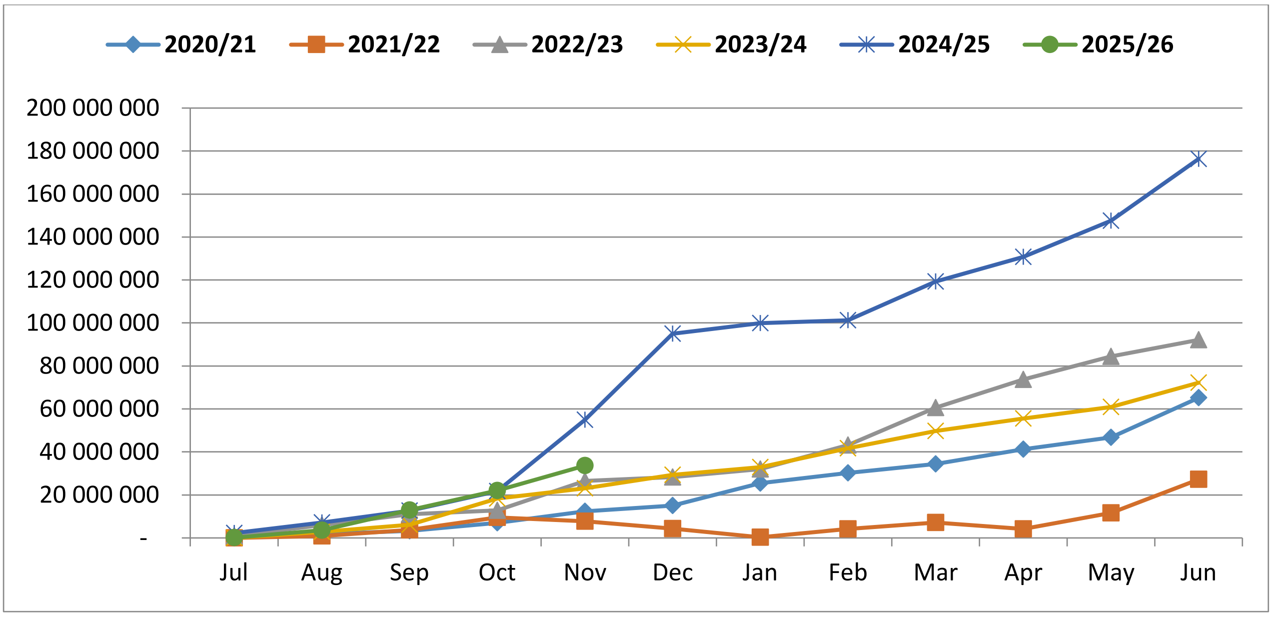
1.2. Monthly capital expenditure

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 30 November 2025

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	2025/26 Adjusted Budget	YearTD actuals	%
CIVIL AND WATER SERVICES					
DEVELOPMENTAL BANK OF SOUTH AFRICA					
ROADS AND STORMWATER	DBSA-LOAN	Roads Infrastructure	153,002,755	3,257,466	2.13%
			153,002,755	**3,257,466**	**2.13%**
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	44,029	100.00%
ROADS AND STORMWATER	INTERNAL	Sea Vista Access ring road damaged pavement layers	765,960	18,054	2.36%
ROADS AND STORMWATER	INTERNAL	George Road, Re-instatement of Embankment, Water &	673,392	19,719	2.93%
ROADS AND STORMWATER	INTERNAL	Seekoei Estuary Causeway	1,954,000	1,265,948	64.79%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Meyer Street and stormwater infr	1,002,820	299,285	29.84%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Phillip Street low level water c	630,554	180,848	28.68%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Sherley Street	1,039,319	417,750	40.19%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Nanto Street and stormwater infr	1,276,987	255,529	20.01%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Mountain Road and upgrade of sto	648,959	26,570	4.09%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Mountain Road and upgrade of sto	916,126	190,754	20.82%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Ketse Street and stormwater infr	1,138,689	365,718	32.12%
ROADS AND STORMWATER	INTERNAL	Jeffreys Bay CBD Precinct Upgrades	1,000,000	-	0.00%
SEWERAGE	INTERNAL	Design: Upgrade Weston WWTW Outfall & Reticulation	1,141,258	336,552	29.49%
SEWERAGE	INTERNAL	Apiesdraai: Sewer Pump Station	212,990	46,445	21.81%
SEWERAGE	INTERNAL	Hankey: Refurbishment of WWTW	2,388,083	159,000	6.66%
SEWERAGE	INTERNAL	Oyster Bay: Umzamowethu WWTW – Planning Stag	637,410	113,746	17.85%
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	**3,739,947**	**17.64%**
MUNICIPAL INFRASTRUCTURE GRANT					
PROJECT MANAGEMENT UNIT (PMU)	MIG	Specialized Waste Management Vehicles	3,155,652	2,816,678	89.26%
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	1,666,955	12.37%
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	4,064,683	60.09%
WATER	MIG	Infrastructure Management Plan	1,662,695	111,370	6.70%
			25,448,084	**8,729,251**	**34.30%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	2025/26 Adjusted Budget	YearTD actuals	%
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	17,285	10.83%
WATER	UISP	Thornhill: Upgrading of Informal Settlement	482,313	93,112	19.31%
WATER	UISP	Humansdorp: Upgrading of informal settlements in Kwanomzamo (Bungalows, Polar Parks & Shukushukuma)	3,144,179	787,114	25.03%
WATER	UISP	Patensie: Upgrading of Informal Settlement (Cyril Ramaphosa)	1,318,063	105,110	7.97%
WATER	UISP	Jeffreys Bay: Upgrading of Ocean View Informal Settlement	3,365,037	419,381	12.46%
WATER	UISP	Humansdorp: Upgrading of Kruisfontein Settlement (Donkerhoek)	2,436,146	1,576,582	64.72%
WATER	UISP	Kruisfontein: Upgrade of Gill Marcus Bulk Water Reservoir & Pipeline	5,780,467	309,636	5.36%
WATER	UISP	Kwanomzamo: New Bulk Water Pipeline	109,304	-	0.00%
			17,176,148	**3,308,220**	**19.26%**
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	1,174,279	16.96%
WATER	WSIG	St Francis Bay: Replacement of Waterpipe	100,000	-	0.00%
WATER	WSIG	St Francis Bay: Groundwater Supply	1,012,590	368,887	36.43%
WATER	WSIG	St Francis Bay: Replacement of Main Waterline (Sout River Bridge Crossing)	100,000	-	0.00%
			8,373,042	**1,543,166**	**18.43%**
SUBTOTAL			**225,205,202**	**20,578,050**	**9.14%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	2025/26 Adjusted Budget	YearTD actuals	%
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	12,000	1.20%
LAW ENFORCEMENT	INTERNAL	Security Cameras	1,000,000	3,750	0.38%
WASTE SERVICES	INTERNAL	Fencing of Humansdorp Landfill Site	1,500,000	-	0.00%
			3,500,000	**15,750**	**0.45%**
			4,891,304	**15,750**	**0.32%**
ELECTRO AND MECHANICAL SERVICES					
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME					
METERING AND REVENUE	INEP	Electrification of 1250 houses in Kouga	4,730,434	3,719,136	78.62%
			4,730,434	**3,719,136**	**78.62%**
INTERNALLY FUNDED					
METERING AND REVENUE	INTERNAL	Shore Road Miniature Substation & Associated Switc	2,000,000	753,858	37.69%
METERING AND REVENUE	INTERNAL	Battery Storage	25,000,000	495,248	1.98%
METERING AND REVENUE	INTERNAL	Electrical Oil circuit breakers replacement with v	1,560,165	-	0.00%
			28,560,165	**1,249,106**	**4.37%**
MUNICIPAL INFRASTRUCTURE GRANT					
METERING AND REVENUE		Design of New High Mast Lights - Construction	6,086,956	3,411,847	56.05%
			6,086,956	**3,411,847**	**56.05%**
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	27,939	100.00%
			57,642	**27,939**	**48.47%**
FINANCE LEASE					
FLEET AND WORKSHOP		Vehicle	-	493,606	
			-	**493,606**	
SUBTOTAL			**269,531,703**	**29,495,433**	**10.94%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	2025/26 Adjusted Budget	YearTD actuals	%
FINANCE AND ECONOMIC DEVELOPMENT					
INTERNALLY FUNDED					
REVENUE	INTERNAL	Revenue: vehicle	620,600	-	0.00%
REVENUE	INTERNAL	FURNITURE &EQUIPMENT REV STAFF	40,561	22,776	56.15%
REVENUE	INTERNAL	Computer Equipment	22,477	-	0.00%
Finance: SCM	INTERNAL	Computer Equipment	25,131	12,075	48.05%
			708,769	**34,851**	**4.92%**
OFICCE OF THE DMM					
INTERNALLY FUNDED					
INFORMATION COMMUNICATION TECHNOLOGY (ICT)	INTERNAL	Computer Equipment	1,000,000	872,804	87.28%
MEDIA LIAISON	INTERNAL	Camera Equipment	50,000	6,861	13.72%
			1,050,000	**879,665**	**83.78%**
PLANNING AND DEVELOPMENT					
INTERNALLY FUNDED					
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Acquisition of Land	3,200,000	-	0.00%
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Electronic Equipment	50,000	-	0.00%
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Procurement of Homeless Shelter Property	1,400,000	-	0.00%
			4,650,000	**-**	**0.00%**
DEPARTMENT OF HUMAN SETTLEMENTS					
HUMAN SETTLEMENT	DOHS	HANKEY 990-PHASE 2	6,731,297	3,207,416	47.65%
HUMAN SETTLEMENT	DOHS	HANKEY 990-PHASE 3	10,624,531	-	0.00%
SUBTOTAL			**17,355,828**	**3,207,416**	**18.48%**
TOTAL			**293,296,300**	**33,617,365**	**11.46%**

Annexure "A3"

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

1.1. Projected Cash Flow Statement as at 30 November 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 – M05 November 2025

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		263,763	294,809	294,809	22,487	154,304	122,837	31,467	26%	294,809
Service charges		719,038	908,343	908,343	50,889	292,830	378,476	(85,647)	-23%	908,343
Other revenue		52,563	112,594	112,594	13,904	101,388	46,914	54,474	116%	112,594
Transfers and Subsidies - Operational		201,325	214,766	214,766	1,447	93,338	89,486	3,852	4%	214,766
Transfers and Subsidies - Capital		57,409	82,934	92,791	9,704	44,746	38,663	6,083	16%	92,791
Interest		1,659,179	16,273	16,273	2,722	6,123	6,780	(657)	-10%	16,273
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(298,661)	(1,485,124)	(1,467,268)	(124,893)	(673,206)	(611,362)	61,844	-10%	(123,760)
Interest		–	(19,267)	(19,267)	(347)	(4,640)	(8,028)	(3,388)	42%	(19,267)
Transfers and Subsidies		–	(950)	(950)	–	–	(396)	(396)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		2,654,615	124,378	152,091	(24,087)	14,883	63,371	48,488	77%	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)	(13,316)	(38,660)	122,207	160,867	132%	293,296
NET CASH FROM/(USED) INVESTING ACTIVITIES		(130,825)	(265,462)	(293,296)	(13,316)	(38,660)	122,207	160,867	132%	293,296
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		(120,000)	100,000	100,000	–	–	41,667	(41,667)	-100%	100,000
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	(1,045)	(9,214)	–	9,214	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		(120,000)	100,000	100,000	(1,045)	(9,214)	41,667	50,880	122%	100,000
NET INCREASE/ (DECREASE) IN CASH HELD		2,403,790	(41,084)	(41,206)	(38,447)	(32,991)	227,244			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		147,591	421,646			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 November 2025 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M05 November 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	22,219	150,551	126,868	23,682	19%	304,484
Service charges	629,997	761,356	761,356	58,255	300,771	317,232	(16,461)	-5%	761,356
Investment revenue	13,689	16,273	16,273	1,121	5,374	6,780	(1,407)	-21%	16,273
Transfers and subsidies - Operational	205,382	214,766	214,766	592	92,178	89,486	2,692	3%	214,766
Other own revenue	174,612	171,808	171,808	7,210	57,676	71,587	(13,911)	-19%	171,808
Total Revenue (excluding capital transfers and	**1,322,015**	**1,468,686**	**1,468,686**	**89,397**	**606,549**	**611,953**	**(5,404)**	**-1%**	**1,468,686**
Employee costs	418,731	525,261	516,784	52,227	190,444	215,326	(24,882)	-12%	516,784
Remuneration of Councillors	15,443	15,988	15,988	1,237	6,161	6,662	(501)	-8%	15,988
Depreciation and amortisation	115,298	142,422	142,422	9,008	45,034	59,342	(14,308)	-24%	142,422
Interest	13,825	20,106	20,106	347	4,640	8,378	(3,738)	-45%	20,106
Inventory consumed and bulk purchases	521,483	555,432	549,322	39,313	250,316	228,884	21,432	9%	549,322
Transfers and subsidies	447	950	950	–	24	396	(372)	-94%	950
Other expenditure	333,344	320,959	317,569	20,778	83,393	132,319	(48,927)	-37%	317,569
Total Expenditure	**1,418,571**	**1,581,117**	**1,563,140**	**122,910**	**580,010**	**651,307**	**(71,296)**	**-11%**	**1,563,140**
Surplus/(Deficit)	**(96,556)**	**(112,431)**	**(94,454)**	**(33,513)**	**26,538**	**(39,354)**	**65,892**	**-167%**	**(94,454)**
Transfers and subsidies - capital (monetary allocations)	109,313	82,934	92,791	8,582	27,349	38,663	(11,314)	-29%	92,791
Transfers and subsidies - capital (in-kind)	15,000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	**27,757**	**(29,497)**	**(1,663)**	**(24,931)**	**53,887**	**(691)**	**54,578**	**-7899%**	**(1,663)**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**27,757**	**(29,497)**	**(1,663)**	**(24,931)**	**53,887**	**(691)**	**54,578**	**-7899%**	**(1,663)**
Capital expenditure & funds sources									
Capital expenditure	**151,442**	**265,462**	**293,296**	**11,579**	**33,617**	**122,207**	**(88,589)**	**-72%**	**293,296**
Capital transfers recognised	103,754	72,117	81,974	9,292	24,330	34,156	(9,826)	-29%	81,974
Borrowing	69,882	152,174	153,003	1,271	3,751	63,751	(60,000)	-94%	153,003
Internally generated funds	44,891	41,172	58,320	1,016	5,536	24,300	(18,764)	-77%	58,320
Total sources of capital funds	**218,527**	**265,462**	**293,296**	**11,579**	**33,617**	**122,207**	**(88,589)**	**-72%**	**293,296**
Financial position									
Total current assets	378,763	266,780	266,769		421,670				266,769
Total non current assets	2,364,279	2,577,825	2,605,659		2,400,828				2,605,659
Total current liabilities	363,918	285,984	285,973		323,313				285,973
Total non current liabilities	368,452	465,849	465,849		364,894				465,849
Community wealth/Equity	2,058,459	2,092,771	2,120,605		2,134,291				2,120,605
Cash flows									
Net cash from (used) operating	2,654,615	124,378	152,091	(24,087)	14,883	63,371	48,488	77%	1,495,598
Net cash from (used) investing	(130,825)	(265,462)	(293,296)	(13,316)	(38,660)	122,207	160,867	132%	293,296
Net cash from (used) financing	(120,000)	100,000	100,000	(1,045)	(9,214)	41,667	50,880	122%	100,000
Cash/cash equivalents at the month/year end	**2,701,102**	**153,318**	**153,196**	**–**	**147,591**	**421,646**	**274,056**	**65%**	**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	102,304	17,022	14,952	12,609	65,717	28,636	55,213	74,869	371,322
Creditors Age Analysis									
Total Creditors	153,411	1,492	21	94	45	25	114	2,238	157,440

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) – M05 November 2025

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
Revenue - Functional									%	
Governance and administration		**551,646**	**530,621**	**530,621**	**24,847**	**234,850**	**221,092**	13,758	6%	**530,621**
Executive and council		53	142	142	–	–	59	(59)	-100%	142
Finance and administration		551,593	530,479	530,479	24,847	234,850	221,033	13,817	6%	530,479
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**68,805**	**50,121**	**59,978**	**1**	**18,118**	**24,991**	(6,873)	-28%	**59,978**
Community and social services		3,335	3,385	3,385	26	3,212	1,410	1,802	128%	3,385
Sport and recreation		7,349	12,255	12,255	1,098	5,430	5,106	324	6%	12,255
Public safety		1,535	1,870	1,870	9	50	779	(729)	-94%	1,870
Housing		53,075	30,000	39,857	(1,143)	7,637	16,607	(8,970)	-54%	39,857
Health		3,511	2,612	2,612	10	1,788	1,088	700	64%	2,612
Economic and environmental services		**49,967**	**40,955**	**40,955**	**2,914**	**19,537**	**17,064**	2,472	14%	**40,955**
Planning and development		8,979	10,838	10,838	1,058	5,930	4,516	1,414	31%	10,838
Road transport		21,204	10,185	10,185	439	4,091	4,244	(152)	-4%	10,185
Environmental protection		19,784	19,932	19,932	1,416	9,515	8,305	1,210	15%	19,932
Trading services		**775,911**	**929,924**	**929,924**	**70,218**	**361,393**	**387,468**	(26,075)	-7%	**929,924**
Energy sources		417,937	501,093	501,093	42,449	213,753	208,789	4,965	2%	501,093
Water management		165,405	203,581	203,581	10,570	63,530	84,826	(21,295)	-25%	203,581
Waste water management		121,149	141,631	141,631	12,676	52,115	59,013	(6,898)	-12%	141,631
Waste management		71,420	83,619	83,619	4,524	31,995	34,841	(2,846)	-8%	83,619
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,446,328**	**1,551,621**	**1,561,478**	**97,979**	**633,898**	**650,616**	**(16,718)**	**-3%**	**1,561,478**
Expenditure - Functional										
Governance and administration		**310,795**	**402,672**	**398,826**	**33,868**	**144,351**	**166,176**	(21,825)	-13%	**398,826**
Executive and council		49,885	66,561	66,522	6,510	25,690	27,717	(2,027)	-7%	66,522
Finance and administration		260,774	332,893	329,086	27,353	118,568	137,118	(18,550)	-14%	329,086
Internal audit		136	3,218	3,218	6	93	1,341	(1,248)	-93%	3,218
Community and public safety		**109,518**	**141,482**	**140,953**	**11,801**	**47,351**	**58,730**	(11,379)	-19%	**140,953**
Community and social services		12,638	12,289	12,284	1,670	5,601	5,118	483	9%	12,284
Sport and recreation		60,815	73,671	73,301	5,770	24,908	30,542	(5,634)	-18%	73,301
Public safety		29,230	35,167	35,078	3,461	12,885	14,616	(1,731)	-12%	35,078
Housing		1,253	11,626	11,589	891	3,677	4,829	(1,152)	-24%	11,589
Health		5,583	8,729	8,700	9	280	3,625	(3,345)	-92%	8,700
Economic and environmental services		**207,757**	**206,880**	**205,982**	**14,257**	**58,549**	**85,826**	(27,276)	-32%	**205,982**
Planning and development		33,240	39,914	39,904	3,462	12,137	16,626	(4,489)	-27%	39,904
Road transport		162,100	158,635	158,469	9,079	40,145	66,029	(25,884)	-39%	158,469
Environmental protection		12,417	8,331	7,609	1,716	6,268	3,171	3,097	98%	7,609
Trading services		**790,138**	**830,084**	**817,379**	**62,953**	**329,612**	**340,575**	(10,963)	-3%	**817,379**
Energy sources		467,394	527,947	527,747	39,076	229,555	219,895	9,661	4%	527,747
Water management		177,229	121,164	114,026	10,845	50,791	47,511	3,280	7%	114,026
Waste water management		86,800	109,169	103,901	6,626	25,756	43,292	(17,536)	-41%	103,901
Waste management		58,714	71,803	71,705	6,405	23,509	29,877	(6,368)	-21%	71,705
Other		**363**	–	–	**30**	**147**	–	**147**		–
Total Expenditure - Functional	3	**1,418,571**	**1,581,117**	**1,563,140**	**122,910**	**580,010**	**651,307**	**(71,296)**	**-11%**	**1,563,140**
Surplus/ (Deficit) for the year		**27,757**	**(29,497)**	**(1,663)**	**(24,931)**	**53,887**	**(691)**	**54,578**	**-7899%**	**(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 – M05 November 2025

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		2,211	1,115	1,115	82	1,245	464	781	168.1%	1,115
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		459,109	484,342	484,342	24,707	222,403	201,809	20,594	10.2%	484,342
Vote 4 - COMMUNITY SERVICES		205,341	176,939	176,939	7,316	65,667	73,724	(8,057)	-10.9%	176,939
Vote 5 - CIVIL AND WATER SERVICES		301,230	349,202	349,202	23,802	118,773	145,501	(26,728)	-18.4%	349,202
Vote 6 - ELECTRO/MECHANICAL SERVICES		418,360	501,094	501,094	42,463	213,828	208,789	5,039	2.4%	501,094
Vote 7 - PLANNING AND DEVELOPMENT		60,017	38,929	48,786	(391)	11,980	20,327	(8,348)	-41.1%	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**	**97,979**	**633,897**	**650,616**	**(16,719)**	**-2.6%**	**1,561,478**
Expenditure by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		12,834	18,128	18,128	2,771	7,750	7,553	197	2.6%	18,128
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		117,742	165,192	161,547	12,221	57,564	67,311	(9,747)	-14.5%	161,547
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		101,376	139,445	139,504	10,380	44,434	58,126	(13,692)	-23.6%	139,504
Vote 4 - COMMUNITY SERVICES		305,104	314,436	312,912	25,917	100,645	130,379	(29,735)	-22.8%	312,912
Vote 5 - CIVIL AND WATER SERVICES		363,474	341,894	329,321	25,657	113,257	137,217	(23,960)	-17.5%	329,321
Vote 6 - ELECTRO/MECHANICAL SERVICES		483,211	555,517	555,259	41,852	241,161	231,358	9,803	4.2%	555,259
Vote 7 - PLANNING AND DEVELOPMENT		34,502	44,085	44,048	3,947	14,369	18,353	(3,984)	-21.7%	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**	**122,745**	**579,178**	**650,298**	**(71,119)**	**-10.9%**	**1,560,719**
Surplus/ (Deficit) for the year	2	**28,025**	**(27,076)**	**758**	**(24,766)**	**54,718**	**318**	**54,401**	**17123.1%**	**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) – M05 November 2025

Description	Ref	2024/25	Budget Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
Revenue									%	
Exchange Revenue										
Service charges - Electricity		400,468	479,524	479,524	38,111	202,525	199,802	2,723	1%	479,524
Service charges - Water		104,737	147,583	147,583	9,699	46,447	61,493	(15,046)	-24%	147,583
Service charges - Waste Water Management		66,111	81,259	81,259	6,065	29,937	33,858	(3,921)	-12%	81,259
Service charges - Waste management		58,681	52,990	52,990	4,380	21,863	22,079	(216)	-1%	52,990
Sale of Goods and Rendering of Services		6,687	10,044	10,044	601	3,624	4,185	(561)	-13%	10,044
Agency services		6,045	4,554	4,554	–	1,120	1,898	(778)	-41%	4,554
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		22,366	34,661	34,661	828	5,661	14,442	(8,781)	-61%	34,661
Interest earned from Current and Non Current Assets		13,689	16,273	16,273	1,121	5,374	6,780	(1,407)	-21%	16,273
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		4,068	3,322	3,322	350	2,092	1,384	708	51%	3,322
Licence and permits		2,137	2,856	2,856	156	1,018	1,190	(172)	-14%	2,856
Special rating levies		–	15,436	15,436	1,008	6,807	6,432	375	6%	15,436
Operational Revenue		8,061	1,955	1,955	126	2,101	814	1,286	158%	1,955
Non-Exchange Revenue										
Property rates		298,334	304,484	304,484	22,219	150,551	126,868	23,682	19%	304,484
Surcharges and Taxes		–	22,602	22,602	1,303	6,934	9,417	(2,483)	-26%	22,602
Fines, penalties and forfeits		96,016	45,795	45,795	147	12,000	19,081	(7,081)	-37%	45,795
Licence and permits		6,849	3,139	3,139	979	5,129	1,308	3,821	292%	3,139
Transfer and subsidies - Operational		205,382	214,766	214,766	592	92,178	89,486	2,692	3%	214,766
Interest		3,214	5,841	5,841	279	1,631	2,434	(803)	-33%	5,841
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		19,241	21,605	21,605	1,432	9,560	9,002	558	6%	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**	**89,397**	**606,549**	**611,953**	**–**		**1,468,686**
Expenditure By Type										
Employee related costs		418,731	525,261	516,784	52,227	190,444	215,326	(24,882)	-12%	516,784
Remuneration of councillors		15,443	15,988	15,988	1,237	6,161	6,662	(501)	-8%	15,988
Bulk purchases - electricity		427,467	441,010	441,010	33,638	206,819	183,754	23,065	13%	441,010
Inventory consumed		94,016	114,422	108,312	5,675	43,496	45,130	(1,633)	-4%	108,312
Debt impairment		(68,470)	65,115	65,115	–	–	27,131	(27,131)	-100%	65,115
Depreciation and amortisation		115,298	142,422	142,422	9,008	45,034	59,342	(14,308)	-24%	142,422
Interest		13,825	20,106	20,106	347	4,640	8,378	(3,738)	-45%	20,106
Contracted services		92,976	142,734	140,394	10,997	38,906	58,497	(19,591)	-33%	140,394
Transfers and subsidies		447	950	950	–	24	396	(372)	-94%	950
Irrecoverable debts written off		173,925	11,487	11,487	3,545	3,993	4,786	(794)	-17%	11,487
Operational costs		93,868	101,623	100,573	6,236	40,494	41,905	(1,411)	-3%	100,573
Losses on Disposal of Assets		13,672	–	–	–	–	–	–		–
Other Losses		27,372	–	–	–	–	–	–		–
Total Expenditure		**1,418,571**	**1,581,117**	**1,563,140**	**122,910**	**580,010**	**651,307**	**(71,296)**	**-11%**	**1,563,140**
Surplus/(Deficit)		**(96,556)**	**(112,431)**	**(94,454)**	**(33,513)**	**26,538**	**(39,354)**	**71,296**	**(0)**	**(94,454)**
Transfers and subsidies - capital (monetary allocations)		109,313	82,934	92,791	8,582	27,349	38,663	(11,314)	**(0)**	92,791
Transfers and subsidies - capital (in-kind)		15,000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**27,757**	**(29,497)**	**(1,663)**	**(24,931)**	**53,887**	**(691)**			**(1,663)**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**27,757**	**(29,497)**	**(1,663)**	**(24,931)**	**53,887**	**(691)**			**(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)**	**(24,931)**	**53,887**	**(691)**			**(1,663)**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**27,757**	**(29,497)**	**(1,663)**	**(24,931)**	**53,887**	**(691)**			**(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) – M05 November 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	9	880	437	442	101%	1,050
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		2,001	621	709	–	35	295	(260)	-88%	709
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		861	4,891	4,891	–	16	2,038	(2,022)	-99%	4,891
Vote 4 - COMMUNITY SERVICES		61,676	206,142	225,205	7,063	20,578	93,835	(73,257)	-78%	225,205
Vote 5 - CIVIL AND WATER SERVICES		85,369	49,509	39,435	4,487	8,902	16,431	(7,530)	-46%	39,435
Vote 6 - ELECTRO/MECHANICAL SERVICES		(112)	3,250	22,006	19	3,207	9,169	(5,962)	-65%	22,006
Vote 7 - PLANNING AND DEVELOPMENT		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**151,419**	**265,462**	**293,296**	**11,579**	**33,617**	**122,207**	**(88,589)**	**-72%**	**293,296**
Single Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		23	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		–	–	–	–	–	–	–		–
Vote 4 - COMMUNITY SERVICES		–	–	–	–	–	–	–		–
Vote 5 - CIVIL AND WATER SERVICES		–	–	–	–	–	–	–		–
Vote 6 - ELECTRO/MECHANICAL SERVICES		–	–	–	–	–	–	–		–
Vote 7 - PLANNING AND DEVELOPMENT		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	23	–	–	–	–	–	–		–
Total Capital Expenditure	3	**151,442**	**265,462**	**293,296**	**11,579**	**33,617**	**122,207**	**(88,589)**	**-72%**	**293,296**
Capital Expenditure - Functional Classification										
Governance and administration		**51,929**	**2,621**	**2,709**	**2**	**1,405**	**1,129**	276	24%	**2,709**
Executive and council		293	–	–	–	–	–	–		–
Finance and administration		51,613	2,621	2,709	2	1,405	1,129	276	24%	2,709
Internal audit		23	–	–	–	–	–	–		–
Community and public safety		**520**	**2,441**	**19,797**	**26**	**3,226**	**8,249**	(5,023)	-61%	**19,797**
Community and social services		–	50	50	7	7	21	(14)	-67%	50
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		632	2,391	2,391	–	12	996	(984)	-99%	2,391
Housing		(112)	–	17,356	19	3,207	7,232	(4,024)	-56%	17,356
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**20,298**	**173,232**	**186,182**	**6,217**	**10,825**	**77,576**	(66,751)	-86%	**186,182**
Planning and development		2,143	6,580	8,654	2,817	2,861	3,606	(745)	-21%	8,654
Road transport		18,155	166,652	177,528	3,401	7,965	73,970	(66,005)	-89%	177,528
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**78,695**	**87,169**	**84,608**	**5,333**	**18,161**	**35,253**	(17,093)	-48%	**84,608**
Energy sources		36,398	49,509	39,435	4,487	8,408	16,431	(8,023)	-49%	39,435
Water management		14,419	18,289	22,495	608	3,771	9,373	(5,602)	-60%	22,495
Waste water management		27,878	17,872	21,178	238	5,982	8,824	(2,843)	-32%	21,178
Waste management		–	1,500	1,500	–	–	625	(625)	-100%	1,500
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**151,442**	**265,462**	**293,296**	**11,579**	**33,617**	**122,207**	**(88,589)**	**-72%**	**293,296**
Funded by:										
National Government		67,436	44,639	44,639	8,472	17,403	18,599	(1,196)	-6%	44,639
Provincial Government		35,687	26,087	35,944	820	6,927	14,977	(8,050)	-54%	35,944
District Municipality		632	1,391	1,391	–	–	580	(580)	-100%	1,391
Transfers recognised - capital		**103,754**	**72,117**	**81,974**	**9,292**	**24,330**	**34,156**	**(9,826)**	**-29%**	**81,974**
Borrowing	6	69,882	152,174	153,003	1,271	3,751	63,751	(60,000)	-94%	153,003
Internally generated funds		44,891	41,172	58,320	1,016	5,536	24,300	(18,764)	-77%	58,320
Total Capital Funding	7	**218,527**	**265,462**	**293,296**	**11,579**	**33,617**	**122,207**	**(88,589)**	**-72%**	**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 – M05 November 2025

Description R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
ASSETS	1					
Current assets						
Cash and cash equivalents		180,582	143,991	143,870	147,591	143,870
Trade and other receivables from exchange transactions		63,211	59,899	59,899	89,373	59,899
Receivables from non-exchange transactions		79,492	26,651	26,651	78,967	26,651
Current portion of non-current receivables		–	–	–	–	–
Inventory		24,825	22,450	22,560	25,281	22,560
VAT		27,507	12,790	12,790	79,489	12,790
Other current assets		3,145	999	999	970	999
Total current assets		**378,763**	**266,780**	**266,769**	**421,670**	**266,769**
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	2,154,214	2,354,447
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		212	419	419	187	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**	**2,400,828**	**2,605,659**
TOTAL ASSETS		**2,743,042**	**2,844,605**	**2,872,428**	**2,822,498**	**2,872,428**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		29,869	31,944	31,944	18,572	31,944
Consumer deposits		34,505	31,660	31,660	35,805	31,660
Trade and other payables from exchange transactions		210,322	143,222	143,332	130,802	143,332
Trade and other payables from non-exchange transactions		20,944	–	–	30,028	–
Provision		39,189	64,451	64,330	39,189	64,330
VAT		29,089	14,707	14,707	68,916	14,707
Other current liabilities		–	–	–	–	–
Total current liabilities		**363,918**	**285,984**	**285,973**	**323,313**	**285,973**
Non current liabilities						
Financial liabilities		119,060	203,183	203,183	115,503	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**	**364,894**	**465,849**
TOTAL LIABILITIES		**732,369**	**751,834**	**751,823**	**688,207**	**751,823**
NET ASSETS	2	**2,010,673**	**2,092,771**	**2,120,605**	**2,134,291**	**2,120,605**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,056,273	2,078,271	2,106,105	2,131,125	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**	**2,134,291**	**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 – M05 November 2025

Description R thousands	Ref	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES	1								%	
Receipts										
Property rates		263,763	294,809	294,809	22,487	154,304	122,837	31,467	26%	294,809
Service charges		719,038	908,343	908,343	50,889	292,830	378,476	(85,647)	-23%	908,343
Other revenue		52,563	112,594	112,594	13,904	101,388	46,914	54,474	116%	112,594
Transfers and Subsidies - Operational		201,325	214,766	214,766	1,447	93,338	89,486	3,852	4%	214,766
Transfers and Subsidies - Capital		57,409	82,934	92,791	9,704	44,746	38,663	6,083	16%	92,791
Interest		1,659,179	16,273	16,273	2,722	6,123	6,780	(657)	-10%	16,273
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(298,661)	(1,485,124)	(1,467,268)	(124,893)	(673,206)	(611,362)	61,844	-10%	(123,760)
Interest		–	(19,267)	(19,267)	(347)	(4,640)	(8,028)	(3,388)	42%	(19,267)
Transfers and Subsidies		–	(950)	(950)	–	–	(396)	(396)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,654,615**	**124,378**	**152,091**	**(24,087)**	**14,883**	**63,371**	**48,488**	**77%**	**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)	(13,316)	(38,660)	122,207	160,867	132%	293,296
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(130,825)**	**(265,462)**	**(293,296)**	**(13,316)**	**(38,660)**	**122,207**	**160,867**	**132%**	**293,296**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		(120,000)	100,000	100,000	–	–	41,667	(41,667)	-100%	100,000
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	(1,045)	(9,214)	–	9,214	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(120,000)**	**100,000**	**100,000**	**(1,045)**	**(9,214)**	**41,667**	**50,880**	**122%**	**100,000**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,403,790**	**(41,084)**	**(41,206)**	**(38,447)**	**(32,991)**	**227,244**			**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		147,591	421,646			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 30 November 2025, compared to the position as at 30 June 2025.

Debtors' Age Analysis (Inclusive of VAT) as at 30 November 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	33,247	6,437	4,791	4,547	4,304	4,571	10,903	12,054	80,854
Trade and Other Receivables from Exchange Transactions - Electricity	40,913	2,864	2,091	1,438	758	530	1,709	7,304	57,606
Receivables from Non-exchange Transactions - Property Rates	26,826	2,812	4,053	1,999	925	828	3,737	25,267	66,447
Receivables from Exchange Transactions - Waste Water Management	14,707	2,126	1,656	1,590	1,313	1,070	3,753	4,687	30,901
Receivables from Exchange Transactions - Waste Management	12,077	1,431	1,281	1,112	1,042	762	2,616	4,103	24,424
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	6,529	631	537	697	10,635	4,864	9,530	15,431	48,854
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(31,995)	721	542	1,225	46,741	16,013	22,964	6,023	62,235
Total By Income Source	**102,304**	**17,022**	**14,952**	**12,609**	**65,717**	**28,636**	**55,213**	**74,869**	**371,322**
Debtors Age Analysis By Customer Group									
Organs of State	2,071	1,289	698	688	6,584	88	358	2,961	14,737
Commercial	11,755	599	563	366	1,593	818	1,759	4,433	21,887
Households	88,472	15,133	13,691	11,554	57,515	27,730	53,096	67,475	334,665
Other	6	0	0	0	26	–	–	–	32
Total By Customer Group	**102,304**	**17,022**	**14,952**	**12,609**	**65,717**	**28,636**	**55,213**	**74,869**	**371,322**

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

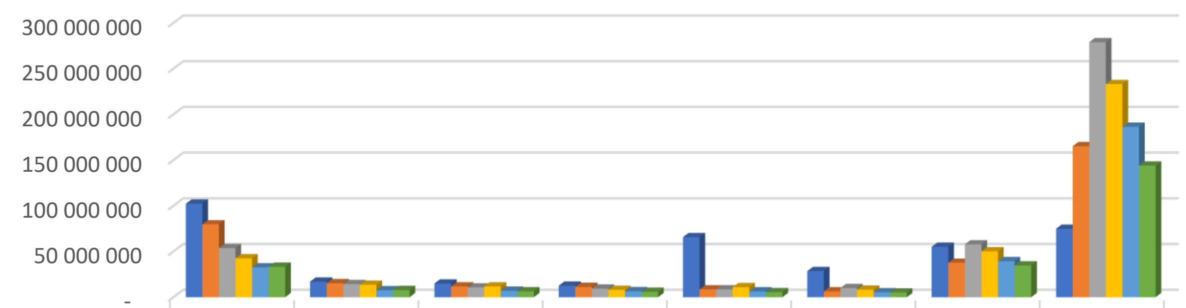
Description	Budget Year 2024/25								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	28,680	5,190	4,620	4,594	3,061	2,488	11,553	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 30 November 2025, the overdue debts have increased by R 12,714 million from R 256,303 million to R 269,017 million, as follows:

R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-25**	**30-Nov-25**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	69,558	47,606	(21,951)
Trade and Other Receivables from Exchange Transactions - Electricity	24,215	16,693	(7,522)
Receivables from Non-exchange Transactions - Property Rates	48,684	39,621	(9,064)
Receivables from Exchange Transactions - Waste Water Management	26,371	16,195	(10,176)
Receivables from Exchange Transactions - Waste Management	27,508	12,347	(15,161)
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	44,532	42,325	(2,206)
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	15,436	94,230	78,794
Total By Income Source	**256,303**	**269,017**	**12,714**
Debtors Age Analysis By Customer Group			
Organs of State	12,461	12,666	205
Commercial	10,471	10,132	(339)
Households	233,347	246,193	12,847
Other	25	26	1
Total By Customer Group	**256,303**	**269,017**	**12,714**

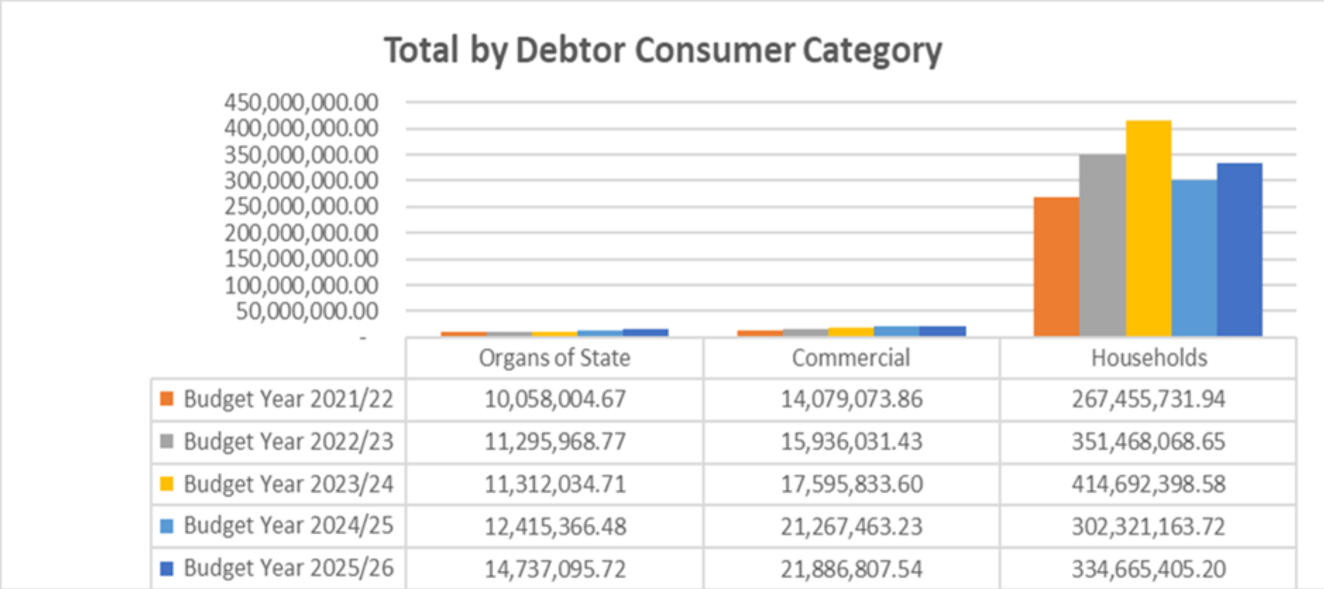
Graphical Analysis of consumer debtors

Aged Consumer Debtors Analysis



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181-1Yr	Over 1Yr
Actuals 31 November 2025	102 304 255	17 021 658	14 951 860	12 608 595	65 717 283	28 636 046	55 212 992	74 868 960
Actuals 30 June 2025	79 729 482	15 357 731	11 799 801	11 245 990	8 586 511	6 435 342	37 672 064	165 205 700
Actuals 30 June 2024	53 707 490	14 347 811	10 675 198	9 416 341	8 597 330	10 023 267	57 832 635	279 017 806
Actuals 30 June 2023	42 577 572	13 677 986	11 809 605	8 076 144	11 005 536	8 293 751	50 164 014	233 094 806
Actuals 30 June 2022	32 611 964	7 576 439	7 081 656	6 586 082	6 412 160	5 452 968	39 420 216	186 451 326
Actuals 30 June 2021	33 316 142	7 884 929	6 439 337	5 863 323	5 487 594	5 185 739	34 750 983	143 962 570

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



<u>1.2 Overview of Creditors position</u>

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

Description R thousands	Budget Year 2025/26 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	38,619	–	–	–	–	–	–	–	**38,619**
Bulk Water	1,487	12	12	49	45	14	114	(945)	**788**
PAYE deductions	6,544								**6,544**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	10,056	55	–	–	–	4	–	384	**10,499**
Auditor General									**–**
Other									**–**
Total By Customer Type	**56,706**	**67**	**12**	**49**	**45**	**19**	**114**	**(561)**	**56,450**

The above amounts represent invoices still to be paid. The major creditors as at 30 November 2025 are as follows:

Eskom	R 38,619 million
NMBM	R 0,788 million
PAYE	R 6,544 million
Other Creditors	<u>R 10,499 million</u>
Total	**<u>R 56,450 million</u>**

It must be noted that the Eskom amount of R 38,619 million, represents the current account for November 2025, which is due on 23 December 2025.

It is to be noted that the SARS amount of R 6,544 million, represents the current account for November 2025, which is due in December 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 – M05 November 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**	**1,447**	**89,169**	**89,169**	**-**		**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 [Schedule 5	2,081	2,081	936	1,456	1,456	-		2,081
Local Government Financial Management Grant [Schedule 5B]	1,785	1,785	–	1,785	1,785	-		1,785
Municipal Infrastructure Grant [Schedule 5B]	1,909	1,909	511	1,122	1,122	-		1,909
Provincial Government:	**2,955**	**2,955**	**-**	**(3,034)**	**(3,034)**	**-**	**0.00%**	**2,955**
Humam Settlement Grant	–	–	–	–	–	–	#DIV/0!	–
Library grant	2,955	2,955	–	(3,034)	(3,034)	–	0.00%	2,955
District Municipality:	**2,503**	**2,503**	**-**	**1,740**	**1,740**	**-**	**0.00%**	**2,503**
Environmental health subsidy	2,503	2,503	–	1,740	1,740	-	0.00%	2,503
Other grant providers:	**-**	**-**	**-**	**-**	**-**			**-**
Departmental Agencies and Accounts	–	–	–	–	–	-	**#DIV/0!**	–
Total Operating Transfers and Grants	**214,766**	**214,766**	**1,447**	**87,875**	**87,875**	**-**	**0.00%**	**214,766**
Capital Transfers and Grants								
National Government:	**51,334**	**51,334**	**9,704**	**31,057**	**31,057**			**51,334**
Municipal Disaster Relief Grant	–	–	–	–	–	-	**#DIV/0!**	–
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5,440	5,440	–	2,448	2,448			5,440
Municipal Infrastructure Grant [Schedule 5B]	36,265	36,265	9,704	21,309	21,309			36,265
Water Services Infrastructure Grant	9,629	9,629	–	7,300	7,300			9,629
Provincial Government:	**30,000**	**39,857**	**-**	**3,612**	**3,612**			**39,857**
Human Settlement Grant	30,000	39,857	–	3,612	3,612			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**	**9,704**	**34,669**	**34,669**	**-**	**0%**	**92,583**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**297,491**	**307,348**	**11,151**	**122,543**	**122,543**	**-**	**0.00%**	**307,348**

Below is an analysis of the spending associated with the grants as at 30 November 2025:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M05 November 2025.

Description	2024/25	Buget 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**	**592**	**87,404**	**87,212**	**(192)**	**(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	241	1,052	867	(185)	**-21%**	347
Local Government Financial Management Grant [Schedule 5B]	1,785	1,785	56	244	744	500	**67%**	298
Municipal Infrastructure Grant [Schedule 5B]	1,909	1,909	295	1,302	795	(507)	**-64%**	318
Provincial Government:	**2,955**	**2,955**	**-**	**6,068**	**-**	**(3,034)**	**#DIV/0!**	**-**
Human Settlement Grant	-	-	-	3,034	-			-
Library grant	2,955	2,955	-	3,034	-	(3,034)		-
District Municipality:	**2,503**	**2,503**	**-**	**1,740**	**870**	**(870)**	**(0)**	**870**
Environmental health subsidy	2,503	2,503	-	1,740	870	(870)	**-100%**	870
Other grant providers:	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Departmental Agencies and Accounts	-	-	-	-	-			-
Total operating expenditure of Transfers and Grants:	**214,766**	**214,766**	**592**	**95,212**	**88,082**	**(7,130)**	**#DIV/0!**	**86,638**
Capital expenditure of Transfers and Grants								
National Government:	**51,334**	**51,334**	**9,725**	**19,712**	**21,389**	**1,678**	**0.08**	**8,556**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5,440	5,440	3,470	4,235	2,267	**(1,969)**	**-87%**	907
Municipal Infrastructure Grant [Schedule 5B]	36,265	36,265	6,255	13,754	15,111	**1,356**	**9%**	6,044
Water Services Infrastructure Grant	9,629	9,629	-	1,722	4,012	**2,290**	**57%**	1,605
Municipal Disaster Relief Grant	-	-	-	-	-	-	**#DIV/0!**	-
Provincial Government:	30,000	**39,857**	**675**	**7,637**	**16,607**	**8,970**	**54%**	**6,643**
Human Settlement	30,000	39,857	675	7,637	16,607	**8,970**	**54%**	6,643
District Municipality:	**1,391**	**1,391**	**-**	**-**	**580**	**580**		**232**
Fire Services Subsidy	1,391	1,391	-	-	580	**580**		232
Total capital expenditure of Transfers and Grants	**82,726**	**92,583**	**10,400**	**27,349**	**38,576**	**11,227**	**29%**	**15,430**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**297,491**	**307,348**	**10,992**	**122,561**	**126,658**	**4,097**	**3%**	**102,069**

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.

CONDITIONAL GRANTS, SUBSIDIES AND DONATIONS RECEIVED

Reconciliation Grant Register as at 30 November 2025 (2025/26 F/Y)							
Name of Grants	Name of organ of state	Opening balances (Rollovers) as at 1 July 2025	Monthjly Receipts	YTD Receipts	YTD Expenditure	% of Spending to date	Unspent Balances
Opex grants, subsidies and donations							
Financial Management Grant	DORA	-	1,785,000	1,785,000	243,720	13.65%	1,541,280
Expanded Public Works Programme	DORA	-	1,456,000	1,456,000	1,052,066	72.26%	403,934
Municipal Infrastructure Grant	DORA	-	1,121,500	1,121,500	1,302,029	116.10%	(180,529)
		-	**4,362,500**	**4,362,500**	**2,597,815**		**1,764,685**
Capex grants, subsidies and donations							
Municipal Infrastructure Grant	DORA	-	21,308,500	21,308,500	13,754,225	64.55%	7,554,275
Integrated National Electrification Programme	DORA	-	2,448,000	2,448,000	4,235,424	173.02%	(1,787,424)
Water Services Infrastructure Grant	DORA	120,926	7,300,000	7,420,926	1,722,049	23.21%	5,698,877
Municipal Disaster Response Grant	DORA	11,606,728	-	11,606,728	-	0.00%	11,606,728
			-				
Housing: Human Settlements Dev. Grant (Beneficiaries)	Provincial: Department of Infrastructure	9,216,084	3,612,464	12,828,548	7,637,280	59.53%	5,191,268
		20,943,738	**34,668,964**	**55,612,702**	**27,348,977**	**49.18%**	**28,263,725**
			39,031,464	**59,975,202**	**29,946,792**	**49.93%**	**30,028,410**

1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M05 November 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	842	4,179	4,533	(354)	-8%	10,879
Pension and UIF Contributions	–	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	–	–	–	–	–		–
Motor Vehicle Allowance	3,427	3,626	3,626	281	1,410	1,511	(101)	-7%	3,626
Cellphone Allowance	1,409	1,483	1,483	114	572	618	(46)	-7%	1,483
Housing Allowances	–	–	–	–	–	–	–		–
Sub Total - Councillors	**15,443**	**15,988**	**15,988**	**1,237**	**6,161**	**6,662**	**(501)**	**-8%**	**15,988**
Senior Managers of the Municipality									
Basic Salaries and Wages	10,400	9,436	9,436	746	3,470	3,932	(461)	-12%	9,436
Pension and UIF Contributions	13	11	11	1	5	4	1	20%	11
Medical Aid Contributions	–	–	–	–	–	–	–		–
Overtime	–	–	–	–	–	–	–		–
Performance Bonus	1,657	395	395	82	82	165	(83)	-50%	395
Motor Vehicle Allowance	1,024	655	655	235	1,174	273	901	330%	655
Cellphone Allowance	24	–	–	2	10	–	10		–
Housing Allowances	–	–	–	–	–	–	–		–
Other benefits and allowances	10	0	0	0	12	0	12	11538%	0
Sub Total - Senior Managers of Municipality	**17,381**	**10,498**	**10,498**	**1,066**	**4,754**	**4,374**	**380**	**9%**	**10,498**
Other Municipal Staff									
Basic Salaries and Wages	254,014	309,705	300,978	22,415	109,483	125,407	(15,925)	-13%	300,978
Pension and UIF Contributions	36,539	52,636	52,636	3,543	17,496	21,932	(4,436)	-20%	52,636
Medical Aid Contributions	16,734	28,847	28,847	1,555	7,352	12,020	(4,668)	-39%	28,847
Overtime	37,582	37,741	37,741	2,763	13,977	15,726	(1,749)	-11%	37,741
Performance Bonus	979	227	227	936	936	95	842	889%	227
Motor Vehicle Allowance	10,046	13,359	13,359	909	4,457	5,566	(1,110)	-20%	13,359
Cellphone Allowance	103	–	–	6	30	–	30		–
Housing Allowances	677	951	951	68	326	396	(70)	-18%	951
Other benefits and allowances	32,181	45,629	45,879	18,368	25,210	19,116	6,095	32%	45,879
Payments in lieu of leave	–	–	–	–	–	–	–		–
Long service awards	8,522	1,583	1,583	21	1,059	659	400	61%	1,583
Post-retirement benefit obligations	3,972	24,085	24,085	578	5,365	10,035	(4,670)	-47%	24,085
Sub Total - Other Municipal Staff	**401,350**	**514,763**	**506,286**	**51,161**	**185,690**	**210,952**	**(25,262)**	**-12%**	**506,286**
Total Parent Municipality	**434,173**	**541,249**	**532,772**	**53,464**	**196,605**	**221,988**	**(25,383)**	**-11%**	**532,772**
TOTAL SALARY, ALLOWANCES & BENEFITS	**434,173**	**541,249**	**532,772**	**53,464**	**196,605**	**221,988**	**(25,383)**	**-11%**	**532,772**
TOTAL MANAGERS AND STAFF	**418,731**	**525,261**	**516,784**	**52,227**	**190,444**	**215,326**	**(24,882)**	**-12%**	**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.

Borrowing Management		**Actuals as at 30 June 2023**	**Actuals as at 30 June 2024**	**Actuals as at 30 June 2025**	**Actuals as at 30 November 2024**	**Approved Adjusted Budget 2025/26**	**Actuals as at 30 November 2025**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	0.32%	0.52%	2.23%	1.38%	2.74%	2.39%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	269.91%	0%	242.89%	67.75%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.00	0.01	0.02	0.01	0.03	0.02
Liquidity							
Current Ratio	Current assets / current liabilities	0.91	0.87	1.04	1.23:1	0.93	1.30
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.50	0.53:1	0.50	0.46
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	86.71%	91.01%	91.38%	86.55%	95%	91.94%

Other indicators		**Actuals as at 30 June 2023**	**Actuals as at 30 June 2024**	**Actuals as at 30 June 2025**	**Actuals as at 30 Novembe r 2024**	**Approve d Adjusted Budget 2025/26**	**Actuals as at 30 November 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)	0.98	1.19 Months	0.53 Months	1.10 Months	1.14 Months	0.25 Months
Employee Costs	Employee Costs / Total Operating Expenditure	29.47%	30.85%	29.53%	31.96%	33.22%	32.83%
Capital Expenditure	Capital Expenditure / Capital Budget	94.66%	71.38%	84.49%	14.52%	95%	11.46%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	3.86%	2.24%	2.33%	10.10%	14.65%	12.09%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.32%	1.42%	1.52%	2.61%	9.96%	3.26%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	77.74%	83.49%	84.46%	72.83%	85.38%	84.80%

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 2.39% as at 30 November 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 30 November 2025, the ratio indicates 67.75% 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 30 November 2025, the ratio indicates 0.02, 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:

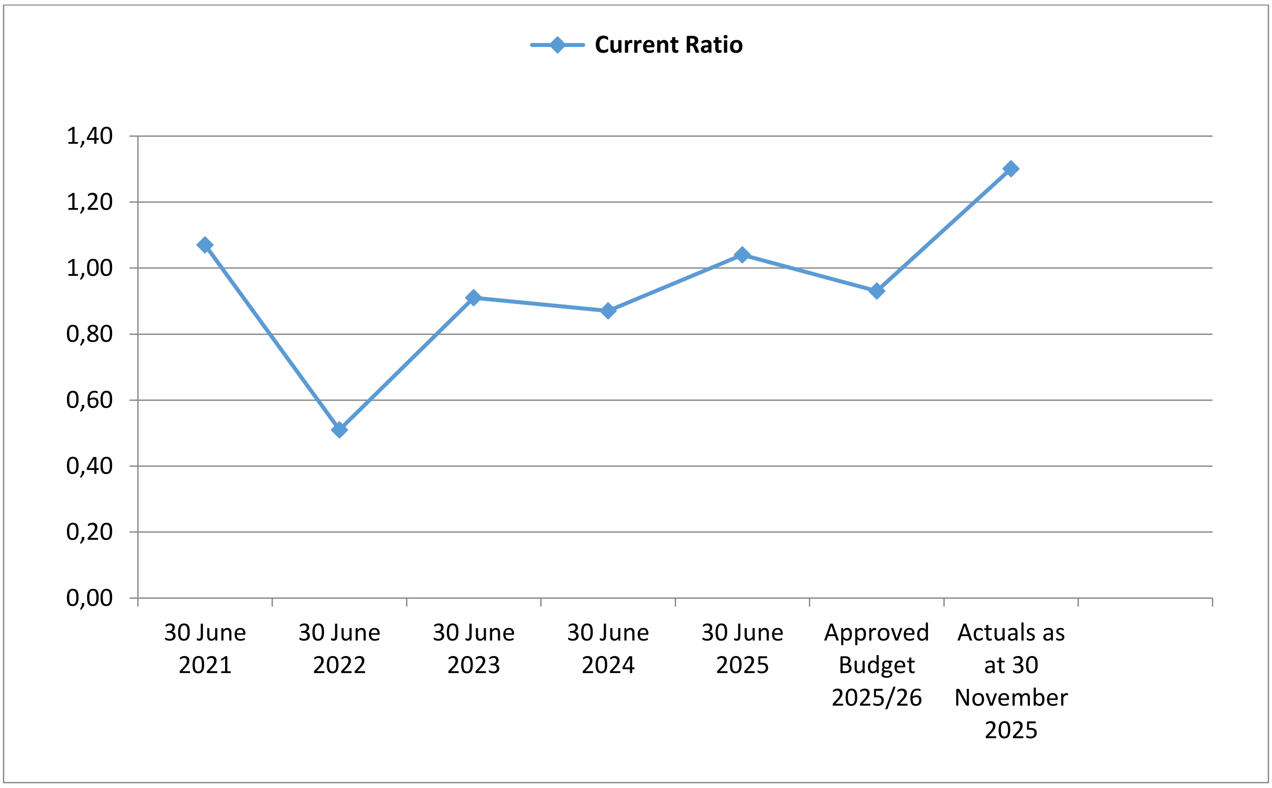
Current assets/Current liabilities

The ratio as at 30 November 2025 was 1.30:1, compared to the approved adjusted budget ratio of 0.93:1. As at 30 November 2025, cash reserves/commitments amounted to R 90,647 million, the current ratio excluding the cash reserves constitute 1.02:1.

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.

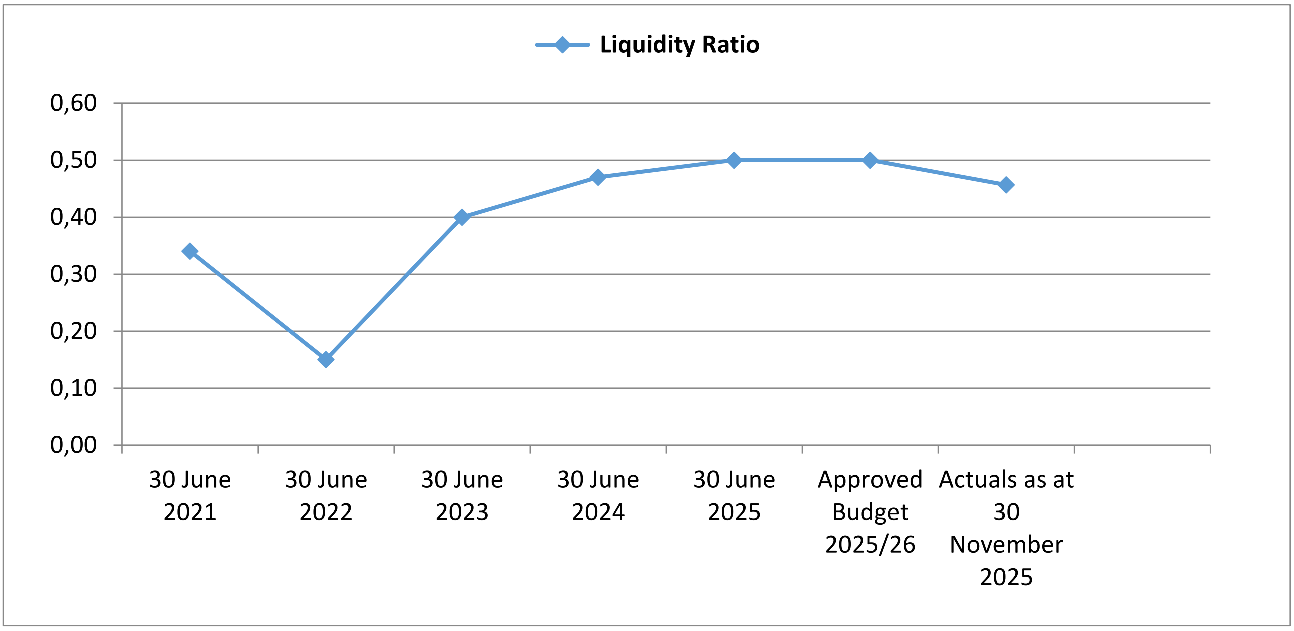
The ratio is determined as follows:

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 30 November 2025 was 0.46:1 compared to the approved adjusted budget ratio of 0.50:1.

As at 30 November 2025, cash reserves/commitments amounted to R 90,647 million, the liquidity ratio excluding the cash reserves constitute 0.18:1.

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



1.2. Revenue Management

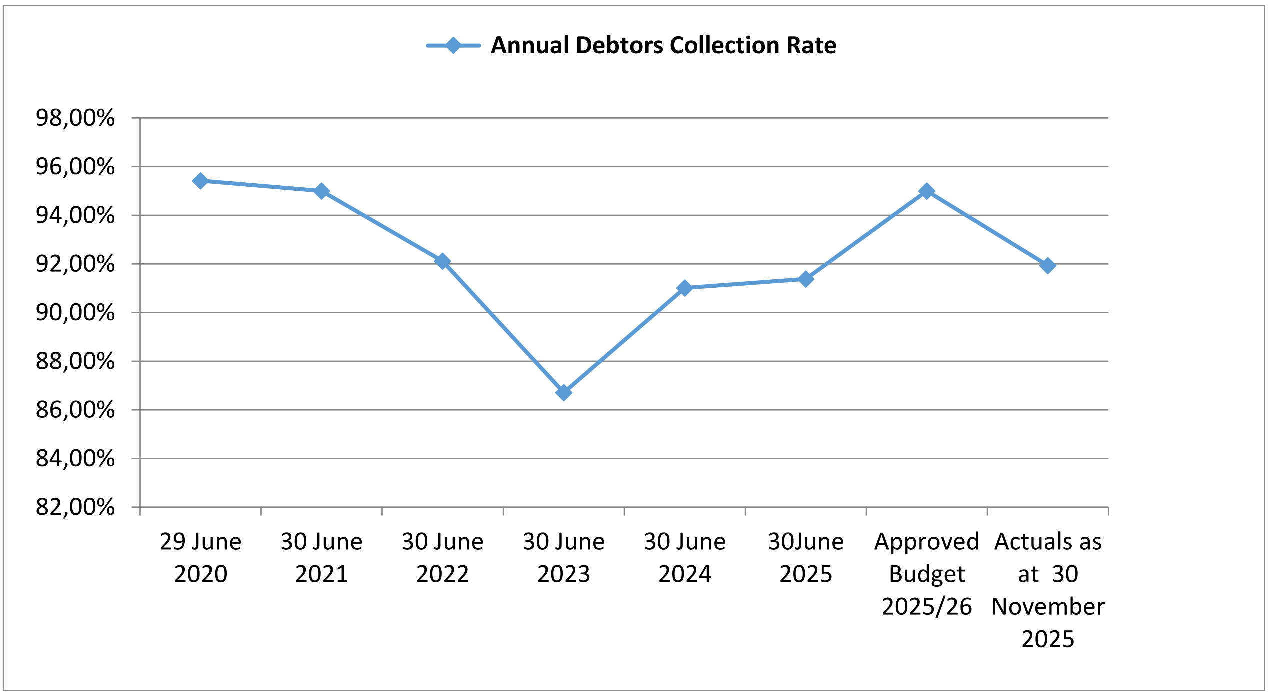
1.2.1. Annual Debtors Collection Rate

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:

Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100

The average collection rate as at 30 November 2025 was 91.94%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for November is 84.79%.



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.

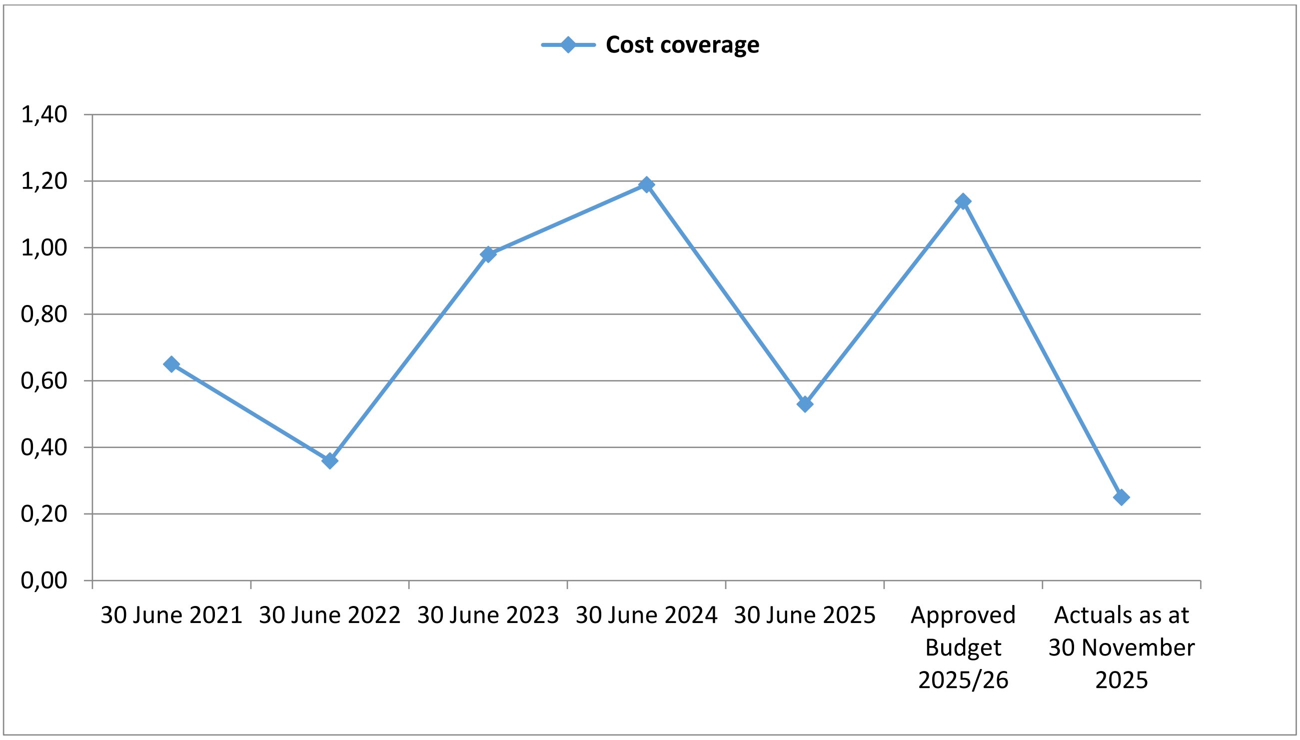
The Ratio is adjusted for Unspent Conditional Grants, Unspent borrowings and Cash Reserves provided for the Development Bank of South Africa (DBSA) and augmentation fees, as the cash is not available for normal day-to-day operational expenditure but rather reserved for Grant and Capital related expenditure.

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 30 November 2025, the Ratio was 0.25 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.



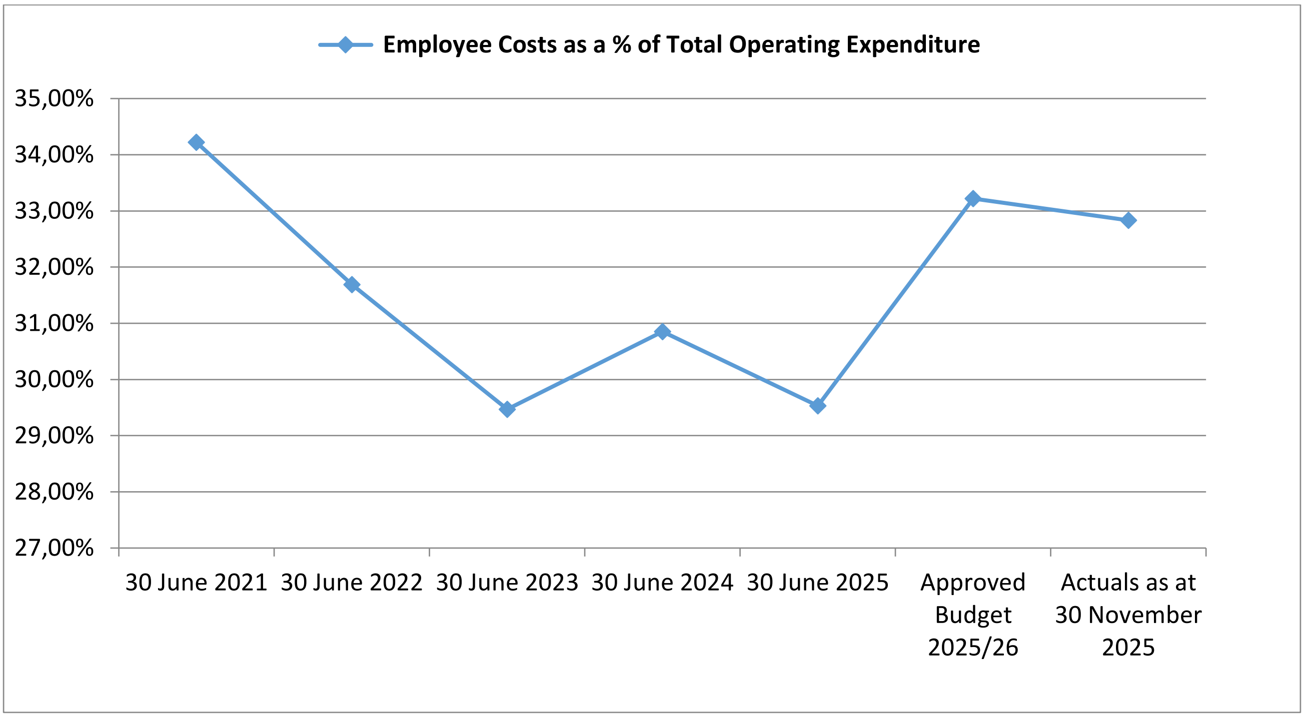
1.3.2. Employee costs as a % of Total Operating Expenditure

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 30 November 2025, Employee Related Costs constituted 32.83% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 33.22%.



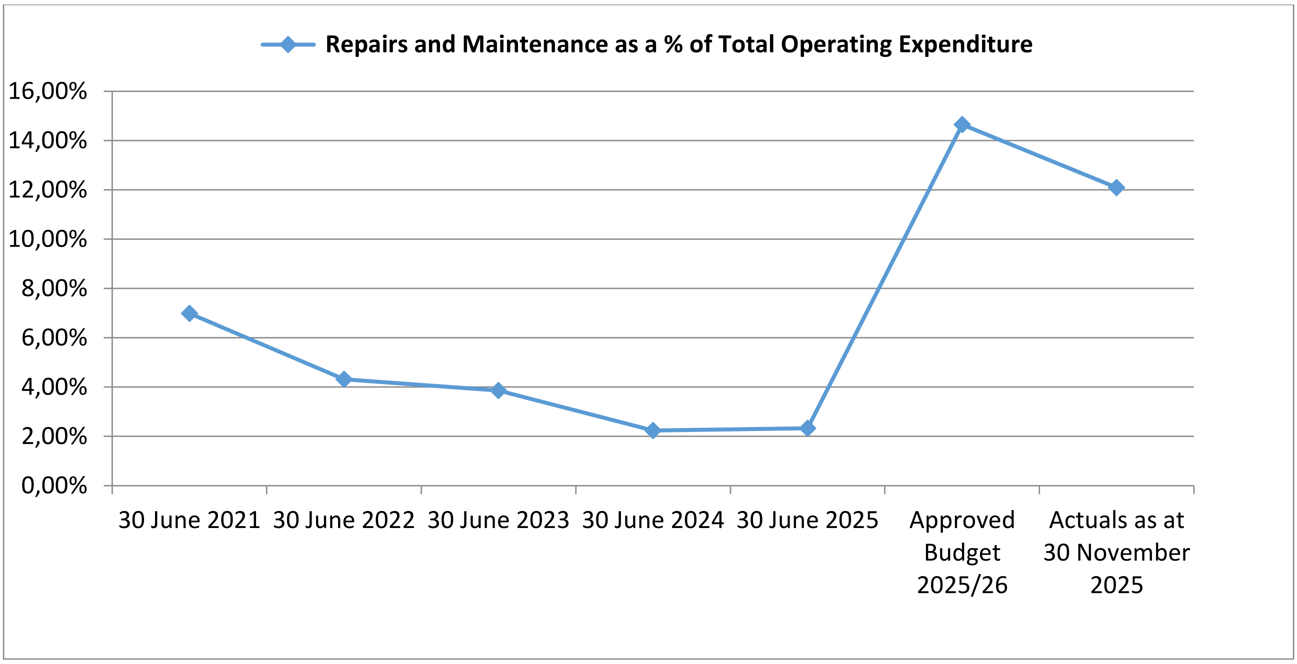
1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 30 November 2025, the ratio was 12.09%, 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)

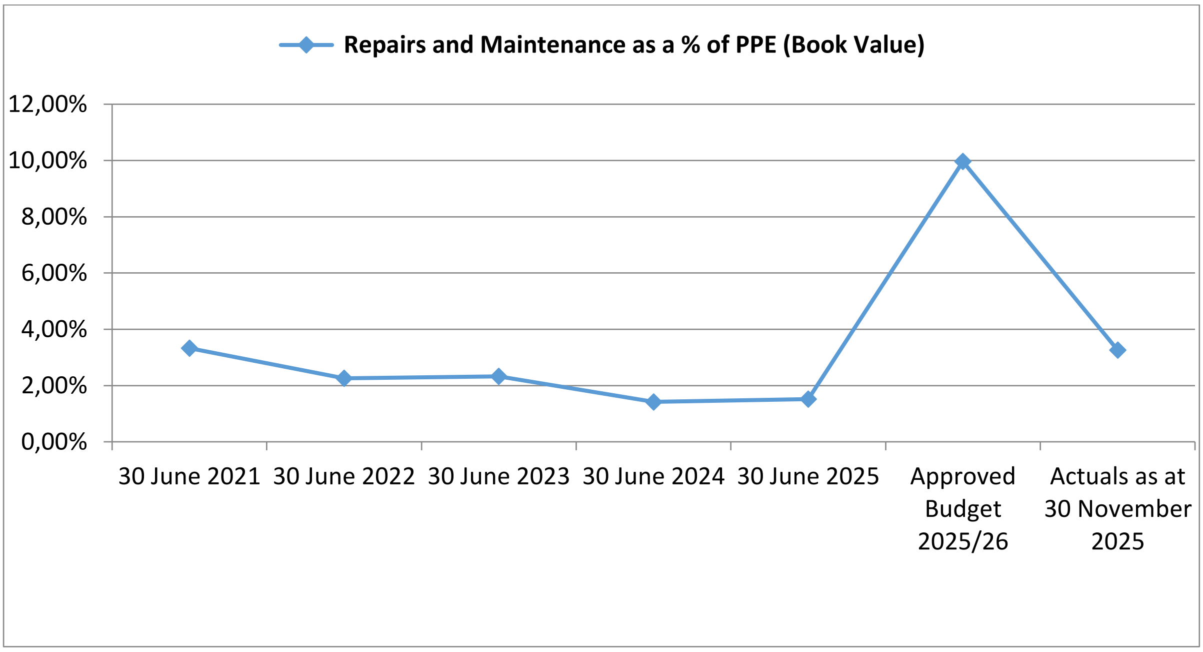
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 30 November 2025, repairs and maintenance expenditure constituted 3.26% 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%.



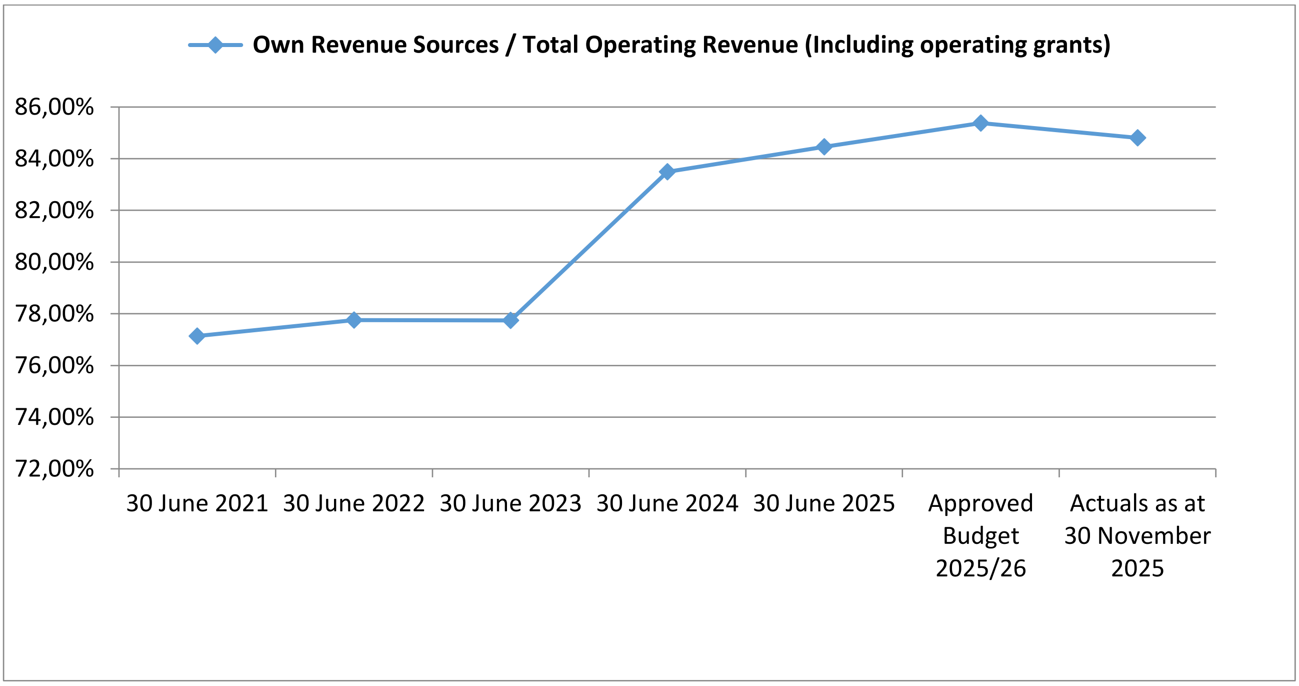
Own Revenue Generation

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 30 November 2025, the Municipality's own revenue sources constituted 84.80% 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:

Actual Capital spending / Approved Capital Budget

The actual spending as at 30 November 2025 amounted to 11.46%, compared to the approved adjusted budget ratio of 95%.