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 DECEMBER 2025 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 DECEMBER 2025 (2025/26 FINANCIAL YEAR)

1. **Introduction**

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

2. **Background**

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

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

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

3. **Discussion**

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

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

Report noted.

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…………13 January 2026…………………………........

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 Acting Manager Budget and Treasury:

Item approved by the Chief Financial Officer:

Item endorsed by the Municipal Manager:

Item noted by Portfolio Chairperson:

<u>"ANNEXURE A"</u>

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 December 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 764,857 million, whilst operating expenditure amounted to R704,553 million, resulting in an operating surplus of R 60,304 million.
- Capital expenditure constituted 14.93% of the 2025/26 Adjusted Capital Budget.
- Overdue consumer debts increased by R 15,292 million (5.97%) since June 2025.
- An amount of R 52,022 million is owing to creditors, 99.09% represent current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R 24,809,222 (13.74%) since June 2025, from R 180,581,218 to R205,390,441.

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

	Balance as at 30 June 2025	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 December 2025
Standard Bank	22,335,077	13,504,899	938,405	15,504,899		21,273,483
ABSA	37,961,946	97,101,943	1,266,079	74,191,535	-	62,138,433
Nedbank	31,546,835	27,802,604	546,358	30,287,381		29,608,415
RMB / FNB	39,647,190	5,603,358	1,224,865	22,346,443		24,128,970
INVESTEC	29,600,838	29,262,662	448,158	30,719,453		28,592,204
Total	**161,091,885**	**173,275,466**	**4,423,865**	**173,049,710**	**-**	**165,741,506**
INVESTMENT	**Balance as at 30 June 2025**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 December 2025**
General Account	23,745,388	129,146,014	4,295,228	123,656,339		33,530,291
Cash Reserves (DBSA)	92,170,550			18,308,716		73,861,835
Unspent borrowings (DBSA)	14,500,000					14,500,000
Cash Reserves (Development Charges)	2,186,308	1,804,375				3,990,683
Conditional Grants	19,590,377	42,905,000		25,503,414		36,991,963
Housing Funds	8,899,262		128,638	6,161,165		2,866,735
Total	**161,091,885**	**173,855,389**	**4,423,865**	**173,629,633**	**-**	**165,741,506**
	Balance as at 30 June 2025	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 December 2025**
Cheque Accounts FNB 52540020791	800,205	580,213				1,380,418
Cheque Accounts FNB 52540033504	9,157,718			2,586,406		6,571,313
Cheque Accounts FNB 63022194441	513,734			210,818		302,916
Cheque Accounts ABSA 4114176482	5,899,110	12,005,661				17,904,771
Cheque Accounts ABSA 4114114771	2,052,903	8,264,661				10,317,564
Cheque Accounts ABSA 4114176474	935,410	553,540				1,488,949
Cheque Accounts ABSA 4114176490	130,253	1,552,751				1,683,004
	19,489,333	**22,956,825**	**-**	**2,797,224**	**-**	**39,648,935**
Total	**180,581,218**	**196,812,214**	**4,423,865**	**176,426,857**	**-**	**205,390,441**

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

Cash backed Reserves.

Bank Balances and Cash	R 39,648,935
Short-term Investment Deposits	R 165,741,506
	R 205,695,441

Application of Cash

Unspent Conditional Grants	R 43,250,410
Unspent Borrowings (DBSA)	R 73,861,835
Cash Reserves – DBSA	R 14,500,000
Cash Reserves – Developmental Charges	R 3,990,683
Operational Commitments	R 14,416,471
Internally Generated Funds (Capital Commitments)	R 19,533,548
Outstanding Creditors Liability	R 52,022,207
	R 221,575,154
Cash Shortfall	**(R 15,879,713)**

The commitments exceed cash reserves at this stage by an amount of R 15,879,713 million.

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

Ratio	Actuals as at 30 June 2024	Actuals as at 30 June 2025	MFMA Circular 71 Norms	Actuals as at 31 December 2024	Approved Adjusted Budget 2025/26	Actuals as at 30 November 2025	Actuals as at 31 December 2025
Current Ratio	0.87:1	1.04:1	1.5:1 to 2:1	1.32:1	0.93:1	1.30:1	1.44:1
Liquidity Ratio	0.47:1	0.50:1		0.64:1	0.50:1	0.46:1	0.62:1
Cost Coverage (Excluding unspent conditional grants)	1.19 Months	0.53 Months	1 Month to 3 Months	1.69 Months	1.14 Months	0.25 Months	0.65 Months
Debtors Collection Rate	91.01%	91.38%	95%	87.81%	95%	91.94%	93.17%
Capital Expenditure	71.38%	84.49%	95%	25.06%	95%	11.46%	14.93%

"ANNEXURE A1"

1. OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO DECEMBER 2025.

1.1. Summary Statement of Financial Performance

Description	Budget Year 2025/26					
R thousands	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	158 308	764 857	734 343	30 514
Total Expenditure	1 581 117	1 563 140	124 543	704 553	781 568	(77 015)
Surplus/(Deficit)	(112 431)	(94 454)	33 765	60 304	(47 225)	(46 501)

The statement of financial performance reflects an operating surplus of R 60,304 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	240,311	50.11%
Service charges - Water	147,583	55,710	37.75%
Service charges - Waste Water Management	81,259	35,948	44.24%
Service charges - Waste management	52,990	26,200	49.44%
Sale of Goods and Rendering of Services	10,044	4,152	41.34%
Agency services	4,554	1,120	24.59%
Interest earned from Receivables	34,661	6,529	18.84%
Interest earned from Current and Non Current Assets	16,273	6,267	38.51%
Rental from Fixed Assets	3,322	3,283	98.81%
Licence and permits	2,856	1,262	44.19%
Special rating levies	15,436	7,813	50.62%
Operational Revenue	1,955	3,010	153.97%
Non-Exchange Revenue	**618,230**	**373,254**	
Property rates	304,484	172,845	56.77%
Surcharges and Taxes	22,602	8,243	36.47%
Fines, penalties and forfeits	45,795	12,181	26.60%
Licence and permits	3,139	6,425	204.70%
Transfer and subsidies - Operational	214,766	160,675	74.81%
Interest	5,841	1,909	32.69%
Operational Revenue	21,605	10,975	50.80%
Total Revenue (excluding capital transfers and contributions)	**1,468,686**	**764,857**	**52.08%**

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 37.75% revenue recognition as at 31 December 2025, this is significantly lower than the targeted percentage of 50%. The water revenue has been reduced by R 23,698 million in the mid-year adjustments budget that will be tabled to Council on 29 January 2026.

- **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 232,884 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 from receivables have been reduced by R 23,043 million during the mid-year adjustments budget which will be tabled to Council on 29 January 2025.

- **Interest earned from Current and Non-Current Assets**
  This interest relates to the interest earned from our bank accounts and investments which amounts to R 205,390 million as at 31 December 2025. The interest is anticipated to increase after the second instalment of DBSA loan amounting to R 100 million.

- **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.

  This revenue has been increased by R 0,990 million during the mid-year adjustments budget process.

- **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 1,804 million recognized against no budget provision.

The operating revenue budget has been increased by R 6,167 million, the increase includes R 5 million for the augmentation fees and the mid-year adjustments budget will be tabled in Council on 29 January 2025.

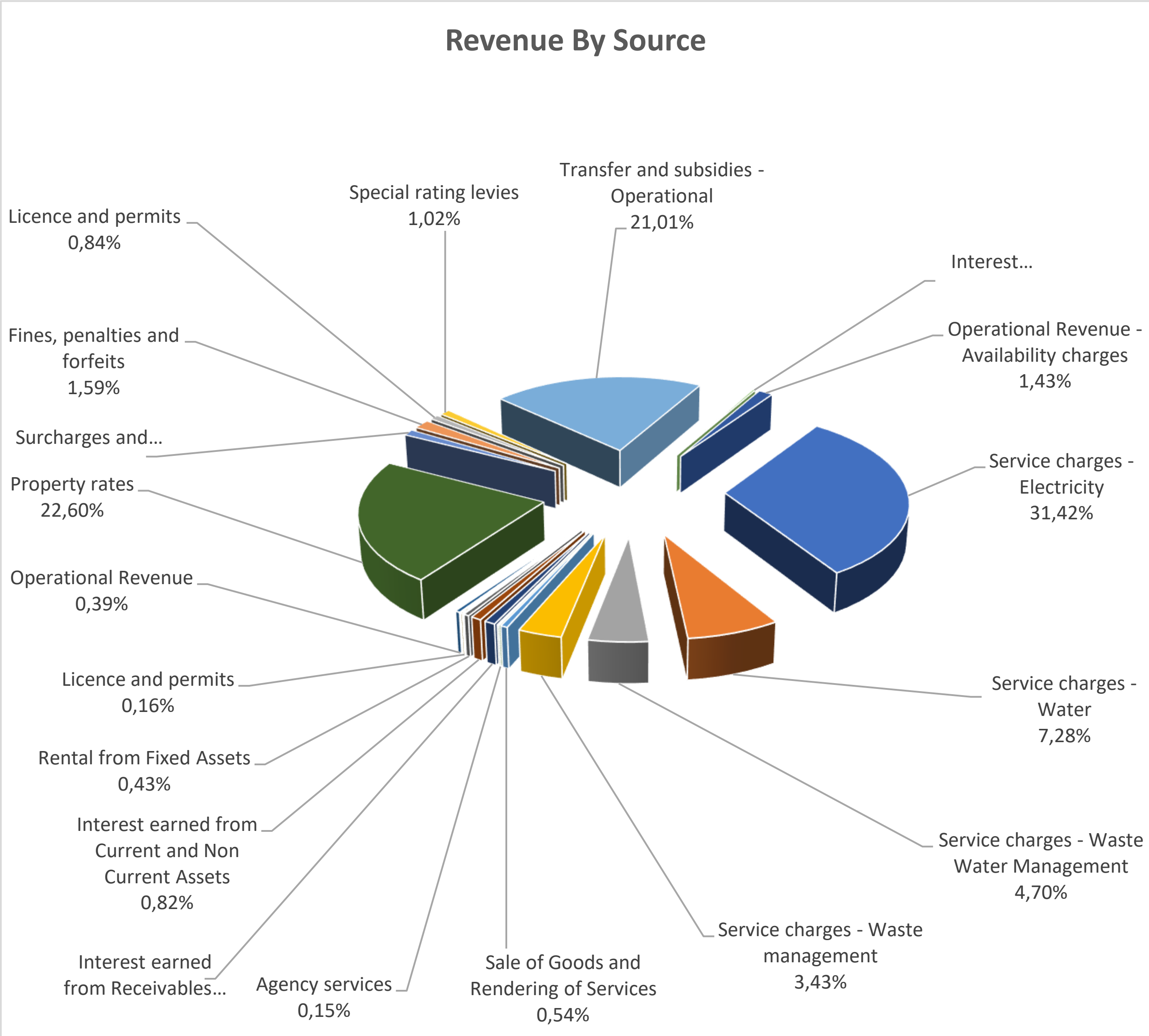
- **Surcharges and Taxes**
  The surcharges and taxes relate to the Riparian Levies and the Environmental Management Fees. The revenue is largely influenced by unallocated R 4,241 million for the riparian levies which is incorrectly allocated under licences or permits (non-exchange transactions).

- **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 4,241 million and this will be corrected in the next reporting period.

- **Transfers and subsidies – operational**
  The operational grants and subsidies reflect a 74.81% achievement as at 31 December 2025, and this is mainly due to the R 67,723 million received on 9 December 2025 for the second installment of Equitable Share allocation.

- **Interest (Non-Exchange Revenue)**
  The interest relates to the property rates interest charged on the outstanding property rates' debts. The interest budget has decreased by R 1,791 million during the mid-year adjustments budget process. The reduction is due to write-offs made during the previous financial year.


Revenue By Source
Transfer and subsidies - Operational 21,01%
Special rating levies 1,02%
Licence and permits 0,84%
Interest...
Operational Revenue - Availability charges 1,43%
Fines, penalties and forfeits 1,59%
Surcharges and...
Service charges - Electricity 31,42%
Property rates 22,60%
Operational Revenue 0,39%
Licence and permits 0,16%
Service charges - Water 7,28%
Rental from Fixed Assets 0,43%
Interest earned from Current and Non Current Assets 0,82%
Service charges - Waste Water Management 4,70%
Service charges - Waste management 3,43%
Interest earned from Receivables...
Agency services 0,15%
Sale of Goods and Rendering of Services 0,54%

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	225,747	43.68%
Remuneration of councillors	15,988	7,425	46.44%
Bulk purchases - electricity	441,010	241,731	54.81%
Inventory consumed	108,312	55,988	51.69%
Debt impairment	65,115	–	0.00%
Depreciation and amortisation	142,422	54,057	37.96%
Interest	20,106	7,661	38.10%
Contracted Services	140,394	52,596	37.46%
Transfers and subsidies	950	24	2.49%
Irrecoverable debts written off	11,487	6,110	53.19%
Operational Cost	100,573	53,214	52.91%
Total Expenditure	**1,563,140**	**704,553**	**45.07%**

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 54.81% expenditure, compared to the approved budget.

- **Inventory consumed.**
  Inventory consumed as at 31 December 2025 includes the following expenditure items:

Item Description	Adjusted Budget	YD Actuals	%
Standard Rated	4,534,808	1,423,786	31.40%
Materials and Supplies	36,777,500	20,493,432	55.72%
Zero Rated	22,000,000	12,671,506	57.60%
Water	45,000,000	21,398,914	47.55%
Total	**108,312,308**	**55,987,638**	**51.69%**

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

- **Depreciation and amortization**
  Depreciation and amortization are mainly influenced by the level of capital acquisition to date, which currently reflects 37.96% 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 and the expenditure is in line with the DBSA amortization schedule.

- **Contracted Services**
  Please refer to the contracted services breakdown on the table below.

- **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 **31 December 2025** are broken down as follows:

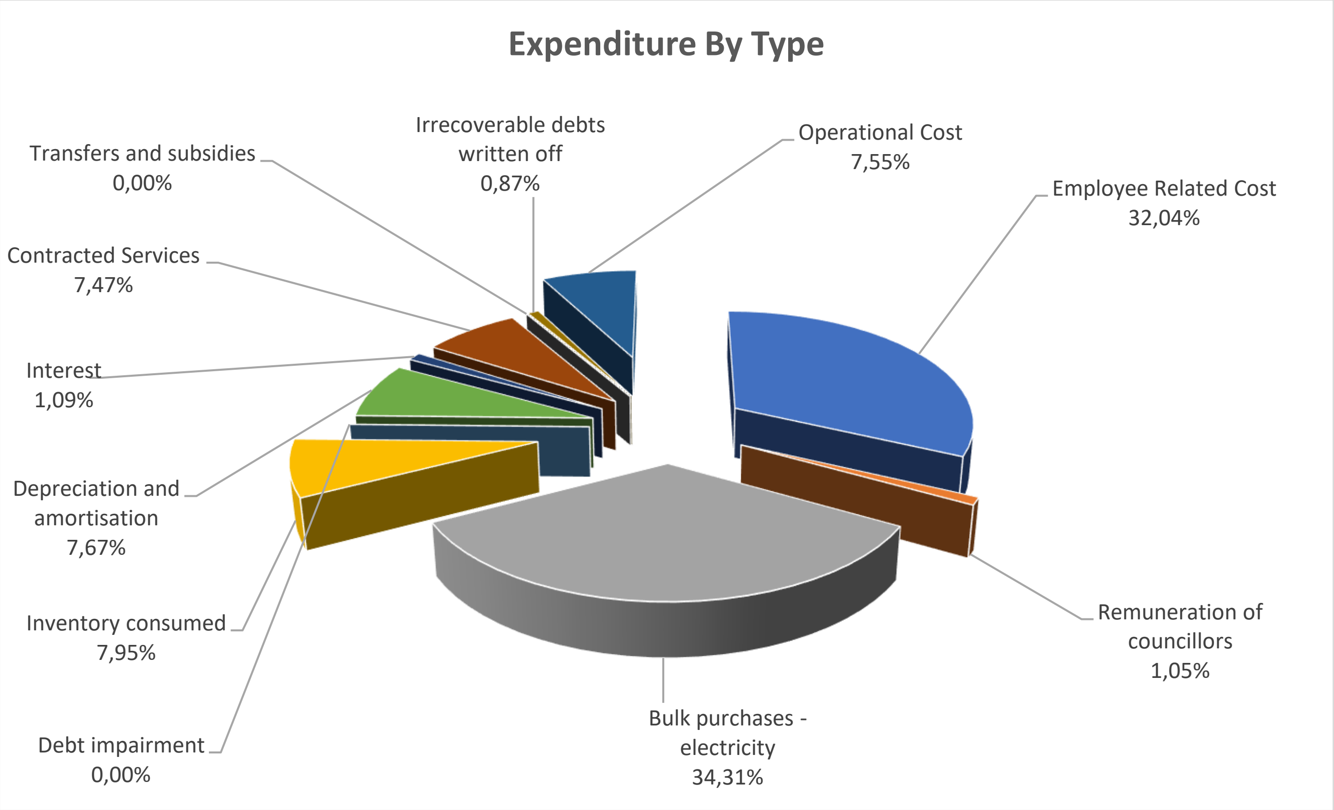
Item Description	Adjusted Budget 2025/26	YearTD Actual	%
Air quality Management	250,000	-	0.00%
Aloe Cup	80,000	-	0.00%
Animal Care	508,000	-	0.00%
Audit of Municipal Land & Properties	1,450,000	138,750	9.57%
BUILDING CONTROL	50,000	-	0.00%
Burial Services	60,000	5,000	8.33%
Calamari Festival	200,000	-	0.00%
Catering Services	769,500	317,438	41.25%
Clean up Operation	500,000	480,767	96.15%
Clearing and Grass Cutting Services	1,440,000	571,919	39.72%
Conducting of feasibility studies (EIA)	3,250,000	152,450	4.69%
Connection/Dis-connection:Electricity	550,000	-	0.00%
Consultants and Professional Services	9,257,000	3,127,030	33.78%
Destination Marketing & Promotion	450,000	25,375	5.64%
Drivers Licence Cards	500,000	241,898	48.38%
Dune Rehabilitation and Coastal Zone	2,250,000	109,172	4.85%
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	629,239	52.44%
Legal Advice and Litigation	1,500,000	938,096	62.54%
Legal Cost:Collection	1,300,000	1,252,719	96.36%
Maintenance of Buildings and Facilities	9,357,000	2,196,540	23.47%
Maintenance of Electrical Infrastructure	10,325,000	2,584,041	25.03%
Maintenance of Equipment	1,657,000	149,597	9.03%
Maintenance Of Fire Equipment	112,000	20,351	18.17%

Contracted services as at **31 December 2025** continue to:

Item Description	Adjusted Budget 2025/26	YearTD Actual	
Maintenance of Vehicles	9,373,000	4,067,684	43.40%
Maintenance STORMWATER	950,000	-	0.00%
Media Monitoring	120,000	52,170	43.48%
Mscoa Alignment	833,837	-	0.00%
New Meter Installations	2,500,000	45,026	1.80%
Occupational Health and Safety	1,400,000	749,358	53.53%
Oceans Economy Masterplan	300,000	-	0.00%
Other Contracted Services	7,920,000	3,216,052	40.61%
Personnel and Labour	19,971,000	9,094,231	45.54%
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	247,083	61.77%
Qualification Verification	400,000	331,155	82.79%
Replacement of Stormwater Headwalls along Kouga Co	100,000	-	0.00%
Resealing & Maintenance of Roads in KLM	10,400,000	6,119,689	58.84%
Restricted Water Flow	400,000	-	0.00%
Revision of SDF	200,000	-	0.00%
SA Longboard Championship	315,000	273,913	86.96%
SA Open water swim	175,000	-	0.00%
Security Services	10,425,000	5,213,292	50.01%
SMART City Strategy	300,000	-	0.00%
SMME Capacitation Program	200,000	46,312	23.16%
Special Rating Area	1,338,000	1,042,799	77.94%
Technical Support Services	1,000,000	379,501	37.95%
Tourism Branding	400,000	23,737	5.93%
Transport Services	71,000	4,060	5.72%
Upgrade and Repair SCADA	1,150,000	136,893	11.90%
Valuer	15,672,630	6,668,596	42.55%
Winterfest	1,785,000	-	0.00%
WSL Music Festival	210,000	69,769	33.22%
WTM Africa, Indaba, Meetings Africa, Educationals,	550,000	315,886	57.43%
	140,393,717	**52,596,347**	**37.46%**

The other expenditure as at **31 December 2025** is broken down as follows:

Item Description	Adjusted Budget 2025/26	YearTD Actual	%
Achievements and Awards	3,600,000	924,090	25.67%
Advertising, Publicity and Marketing	4,415,000	2,121,009	48.04%
Bank Charges	600,000	883,390	147.23%
Bargaining Council	5,245,665	4,833,408	92.14%
Cellular Contract (Subscription and Calls)	3,600,000	1,695,549	47.10%
Claims paid to Third Parties	500,000	329,971	65.99%
External Audit Fees	4,500,000	3,962,636	88.06%
External Computer Service:Internet Charge	7,730,000	3,256,488	42.13%
Hire Charges	5,711,000	1,689,445	29.58%
Insurance Claims	700,000	105,624	15.09%
Insurance Underwriting:Premiums	3,844,237	3,511,599	91.35%
Leases:Furniture and Office Equipment	2,650,000	1,362,898	51.43%
Leases:Other Assets	4,870,000	5,762,614	118.33%
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	616,896	35.42%
Other	1,537,772	201,318	13.09%
Postage/Stamps/Franking Machines	2,659,500	842,680	31.69%
Registration Fees:Professional and Regulatory Bodies	674,500	77,134	11.44%
Registration Fees:Seminars, Conferences, Workshops	2,255,457	501,093	22.22%
Remuneration to Ward Committees	2,160,000	998,400	46.22%
Riparian Levies	8,465,273	4,461,288	52.70%
Signage	668,500	264,602	39.58%
Skills Development Fund Levy	4,696,247	2,264,203	48.21%
Software Licences	11,155,000	5,471,391	49.05%
Storage of Files (Archiving)	500,000	19,207	3.84%
Telephone, Fax, Telegraph and Telex	10,000	-	0.00%
Third Party Vendors	3,660,000	1,553,340	42.44%
Travel and Subsistence	4,762,957	1,765,311	37.06%
Uniform and Protective Clothing	4,275,996	1,946,601	45.52%
Vehicle Tracking	895,300	549,510	61.38%
Workmen's Compensation Fund	2,464,053	1,238,988	50.28%
	100,572,903	**53,213,598**	52.91%



1.4. Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure as at 31 December 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 Cost	144,928,589	54,191,500	37.39%
Other materials	27,816,500	15,152,924	54.47%
Contracted Services	45,689,000	16,076,254	35.19%
Other expenditure	4,635,000	1,453,627	31.36%
Total	**223,069,089**	**86,874,304**	**38.95%**

1.5. Trading Services Performance

1.5.1. Electricity

Description	Budget Year 2025/26		
	Adjusted Budget	YearTD Actual	%
R thousands			
Revenue			
Exchange Revenue			
Service charges - Electricity	479,524	240,311	50.11%
Interest earned from Receivables	2,496	1,021	40.92%
Operational Revenue	–	430	
Non-Exchange Revenue			
Transfers and subsidies - Operational	2,243	935	41.67%
Service charges - Electricity	11,390	5,637	49.49%
Total Revenue	**495,653**	**248,333**	**50.10%**
Expenditure By Type			
Employee related costs	24,169	12,050	49.86%
Bulk purchases - electricity	441,010	241,731	54.81%
Inventory consumed	8,266	6,717	81.26%
Debt impairment	14,864	–	0.00%
Depreciation and amortisation	13,139	4,151	31.59%
Interest	488	245	50.22%
Contracted services	15,455	2,933	18.98%
Irrecoverable debts written off	4,192	371	8.85%
Operational costs	4,295	1,917	44.62%
Total Expenditure	**525,879**	**270,115**	**51.36%**
Surplus/(Deficit)	**(30,226)**	**(21,782)**	

1.5.1.1 Revenue

- The electricity service charges revenue reflects 50.11% of budget as at 31 December, and this is in line with the projected budget ratio of 50% as at 31 December 2025.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.

1.5.1.2 Expenditure

- the bulk electricity reflects 54.81% of budget expenditure as at 31 December 2025.

1.5.1.3 Net surplus/deficit of electricity ratio

- Electricity reflects a deficit of R 21,782 million as at 31 December 2025 and the deficit amount equates to 8.77%, 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	55,710	37.75%
Interest earned from Receivables	16,609	3,041	18.31%
Operational Revenue	–	277	
Non-Exhange Revenue			
Transfers and subsidies - Operational	22,970	9,571	41.67%
Service charges - Water	6,790	3,605	53.09%
Total Revenue	**193,952**	**72,204**	**37.23%**
Expenditure By Type			
Employee related costs	26,264	19,512	74.29%
Inventory consumed	51,680	27,042	52.33%
Debt impairment	6,683	–	0.00%
Depreciation and amortisation	22,378	10,128	45.26%
Interest	506	259	51.20%
Contracted services	3,050	770	25.25%
Irrecoverable debts written off	1,885	2,658	140.99%
Operational costs	1,580	880	55.68%
Total Expenditure	**114,026**	**61,248**	**53.71%**
Surplus/(Deficit)	**79,926**	**10,956**	

1.5.2.1 Revenue

- The water service charges revenue reflects 37.75% of budget as at 31 December 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 21,399 million (47.55% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 10,956 million as at 31 December 2025 and equates to 15.17 % 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	35,948	44.24%
Interest earned from Receivables	6,065	1,070	17.64%
Operational Revenue	–	234	
Non-Exchange Revenue			
Transfers and subsidies - Operational	14,617	6,090	41.67%
Service charges - Waste Water Management	3,425	1,733	50.61%
Total Revenue	**105,366**	**45,075**	**42.78%**
Expenditure By Type			
Employee related costs	37,228	6,121	16.44%
Inventory consumed	13,372	6,279	46.96%
Debt impairment	3,539	–	0.00%
Depreciation and amortisation	36,895	14,555	39.45%
Interest	977	491	50.22%
Contracted services	4,530	2,110	46.59%
Irrecoverable debts written off	998	1,123	112.50%
Operational costs	6,360	2,969	46.67%
Total Expenditure	**103,901**	**33,648**	**32.39%**
Surplus/(Deficit)	**1,465**	**11,427**	

1.5.3.1 Revenue

- The waste water service charges revenue reflects 44.24% of budget as at 31 December, and this is in line with the projected budget ratio of 50% as at 31 December 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 11,427 million as at 31 December 2025 and equates to 25.35% 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	YTD Variance
R thousands			%
Revenue			
Exchange Revenue			
Service charges - Waste	52,990	26,200	49.44%
Sale of Goods and Rendering of Services	9	–	0.00%
Interest earned from Receivables	9,116	1,321	14.49%
Operational Revenue	–	50	!
Non-Exchange Revenue			
Transfers and subsidies - Operational	25,847	10,770	41.67%
Surcharges and Taxes - Waste	13,196	7,482	56.70%
Total Revenue	**101,157**	**45,822**	**45.30%**
Expenditure By Type			
Employee related costs	41,812	21,854	52.27%
Inventory consumed	8,408	4,742	56.40%
Debt impairment	2,937	–	0.00%
Depreciation and amortisation	3,195	587	18.38%
Interest	831	417	50.22%
Contracted services	17,190	5,612	32.65%
Irrecoverable debts written off	828	1,736	209.54%
Operational costs	4,034	1,577	39.09%
Total Expenditure	**79,235**	**36,525**	**46.10%**
Surplus/(Deficit)	**21,923**	**9,296**	

1.5.4.1 Revenue

- The waste service charges revenue reflects 49.44% of budget as at 31 December, and this is in line with the projected budget ratio of 50% as at 31 December 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 9,296 million as at 31 December 2025 and equates to 20.29% 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	9,094	9,986	(891)
2. Travel claims	4,793	1,768	2,396	(628)
3. Overtime	27,276	13,968	13,638	330
4. Catering Costs	770	317	385	(67)
5. Events, Advertising and sponsorships	5,235	2,191	2,618	(427)
6. Attendance of Conferences, Seminars & Workshops	2,255	501	1,128	(627)
7. Municipal Workshops, Retreats, Strategic Sessions and Internal training	1,012	322	506	(184)
9. Essential User Scheme	1,258	1,258	1,258	–
Total	**62,570**	**29,420**	**31,914**	**(2,494)**

A comparison of the year-to-date actuals to the adjusted budget reflects savings, amounting to R 2,494 million as at 31 December 2025.

1.7 Unauthorised Expenditure by Directorate

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

Description	Budget Year 2025/26			Actuals as at 31 December 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**
Expenditure by Vote							
Civil & Water Services	336,604	227,205	563,809	145,777	26,118	171,896	–
Community Services	305,629	4,891	310,520	122,395	16	122,411	–
Electro & Mechanical Services	555,259	39,435	594,694	285,895	12,888	298,784	–
Finance and Economic Development	139,504	709	140,213	53,904	35	53,939	–
Office of the DMM	163,950	1,050	165,000	71,179	956	72,135	–
Office of the MM	18,128	–	18,128	9,404	–	9,404	–
Planning and Development	44,066	22,006	66,072	15,998	4,081	20,079	–
Total Expenditure by Vote	**1,563,140**	**295,296**	**1,858,437**	**704,553**	**44,095**	**748,648**	-

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

Annexure "A2"

1. CAPITAL BUDGET PERFORMANCE

1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 31 December 2025, constituted 14.93% of adjusted capital budget and the funding is broken down as follows:

- Grant funding is 33.12% of approved grant funding budget.
- Borrowing funding is 2.78% of approved borrowing funding budget.
- Internally generated funds are 18.61% 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	956	91.04%
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	26,118	11.50%
Vote 6 - ELECTRO/MECHANICAL SERVICES	49,509	39,435	12,888	32.68%
Vote 7 - PLANNING AND DEVELOPMENT	3,250	22,006	4,081	18.55%
Total Capital Multi-year expenditure	**265,462**	**293,296**	**44,095**	**14.93%**

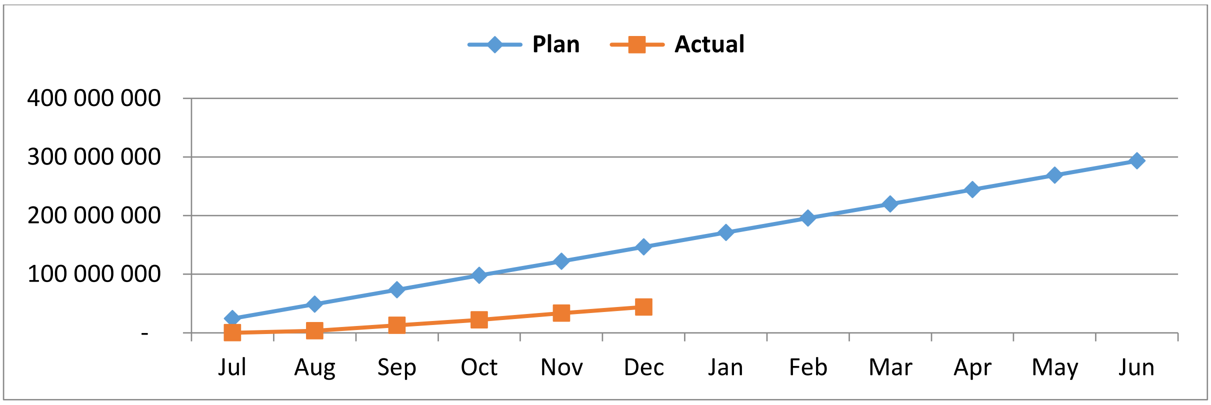
The capital expenditure as at 31 December 2025, constituted 14.93% of adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Office Of the Deputy Municipal Manager is 91.04% 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 11.50% of R 225,205 million budget.
- Electro & Mechanical Services is 32.68% of R 39,435 million budget.
- Planning & Development is 18.55% of R 22,006 million budget.

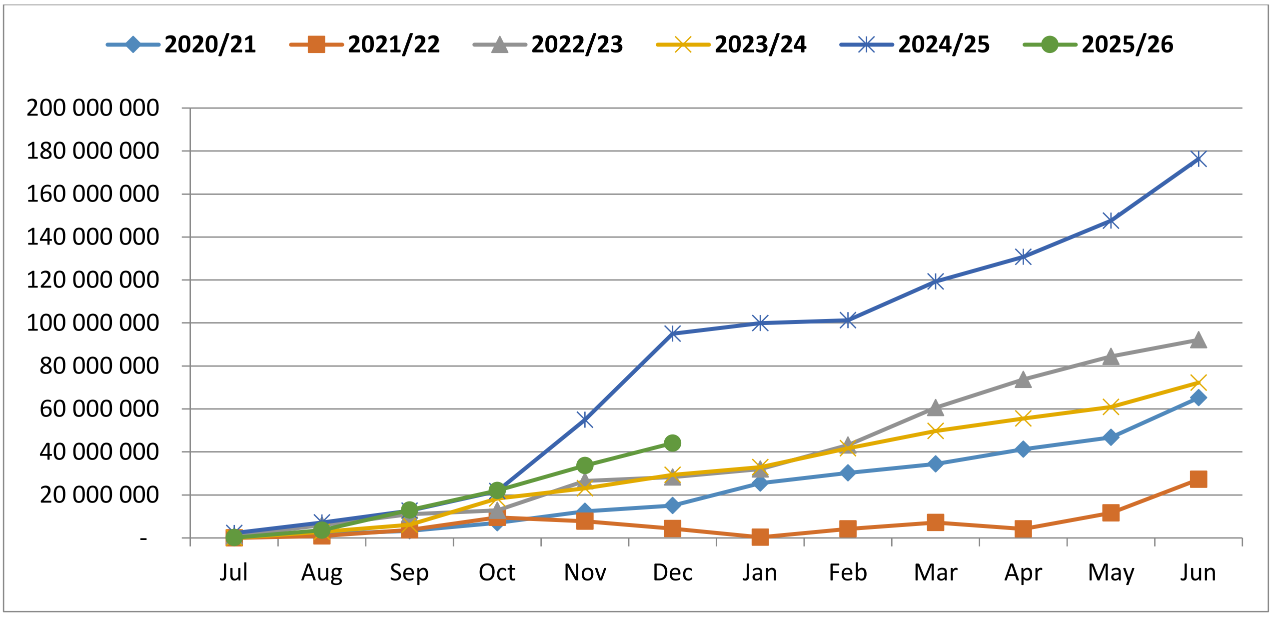
1.2. Monthly capital expenditure

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



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

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



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

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2025/26	YearTD actuals	%
CIVIL AND WATER SERVICES					
DEVELOPMENTAL BANK OF SOUTH AFRICA					
ROADS AND STORMWATER	DBSA-LOAN	Roads Infrastructure	153,002,755	3,761,747	2.46%
			153,002,755	**3,761,747**	**2.46%**
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	-	20,157	
ROADS AND STORMWATER	INTERNAL	George Road, Re-instatement of Embankment, Water &	-	21,776	
ROADS AND STORMWATER	INTERNAL	Seekoei Estuary Causeway	3,101,000	1,265,948	40.82%
ROADS AND STORMWATER	INTERNAL	Re-instatement of Meyer Street and stormwater infr	-	302,039	
ROADS AND STORMWATER	INTERNAL	Re-instatement of Phillip Street low level water c	-	183,934	
ROADS AND STORMWATER	INTERNAL	Re-instatement of Sherley Street	-	421,979	
ROADS AND STORMWATER	INTERNAL	Re-instatement of Nanto Street and stormwater infr	-	253,409	
ROADS AND STORMWATER	INTERNAL	Re-instatement of Mountain Road and upgrade of sto	-	29,426	
ROADS AND STORMWATER	INTERNAL	Re-instatement of Mountain Road and upgrade of sto	-	194,868	
ROADS AND STORMWATER	INTERNAL	Re-instatement of Ketse Street and stormwater infr	-	368,838	
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	423,221	37.08%
SEWERAGE	INTERNAL	Apiesdraai: Sewer Pump Station	212,990	46,445	21.81%
SEWERAGE	INTERNAL	Hankey: Refurbishment of WWTW	1,788,083	159,000	8.89%
SEWERAGE	INTERNAL	Oyster Bay: Umzamowethu WWTW – Planning Stag	637,410	113,746	17.85%
SEWERAGE	INTERNAL	Fencing of Sewer Pump Station	800,000	-	0.00%
SEWERAGE	INTERNAL	LA MER NEW SEWER RISING MAIN	811,149	-	0.00%
SEWERAGE	INTERNAL	Kwanomzamo Sewerage Pump Station	508,609	-	0.00%
SEWERAGE	INTERNAL	Seekoei Estuary Causeway	-	379,173	
WATER	INTERNAL	Storage Containers	200,000	-	0.00%
WATER	INTERNAL	Machinery at WTW Facilities	450,000	-	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%
			13,112,367	**4,227,987**	**32.24%**
MUNICIPAL DISASTER RESPONSE GRANT					
ROADS AND STORMWATER	MDRG	Re-instatement of Sherley Street	1,539,319	70,461	4.58%
ROADS AND STORMWATER	MDRG	Re-instatement of Mountain Road and upgrade of sto	914,387	168,390	18.42%
ROADS AND STORMWATER	MDRG	Re-instatement of Da Gama Road in the Kabeljous ar	1,048,959	-	0.00%
ROADS AND STORMWATER	MDRG	George Road, Re-instatement of Embankment, Water &	753,392	-	0.00%
ROADS AND STORMWATER	MDRG	Re-instatement of Phillip Street low level water c	1,652,293	-	0.00%
ROADS AND STORMWATER	MDRG	Sea Vista Access ring road damaged pavement layers	765,960	-	0.00%
ROADS AND STORMWATER	MDRG	Re-instatement of Ketse Street and stormwater infr	1,138,689	66,741	5.86%
ROADS AND STORMWATER	MDRG	Re-instatement of Nanto Street and stormwater infr	1,276,987	82,833	6.49%
ROADS AND STORMWATER	MDRG	Re-instatement of Meyer Street and stormwater infr	1,002,820	238,025	23.74%
			10,092,806	**626,450**	**6.21%**
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	3,920,402	29.09%
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	421,657	25.36%
			25,448,084	**11,292,984**	**44.38%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2025/26	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	65,940	33.42%
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	1,121,479	35.67%
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	722,854	21.48%
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	**4,011,998**	**23.36%**
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	1,828,426	26.40%
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	**2,197,313**	**26.24%**
SUBTOTAL			**227,205,202**	**26,118,480**	**11.50%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2025/26	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	3,747,012	79.21%
			4,730,434	**3,747,012**	**79.21%**
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	22,500,000	3,827,614	17.01%
METERING AND REVENUE	INTERNAL	Electrification of London 250	2,500,000	-	0.00%
METERING AND REVENUE	INTERNAL	Electrical Oil circuit breakers replacement with v	1,560,165	-	0.00%
			28,560,165	**4,581,472**	**16.04%**
MUNICIPAL INFRASTRUCTURE GRANT					
METERING AND REVENUE	MIG	Design of New High Mast Lights - Construction	6,086,956	4,038,358	66.34%
			6,086,956	**4,038,358**	**66.34%**
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			**271,531,703**	**39,022,617**	**14.37%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2025/26	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	949,029	94.90%
MEDIA LIAISON	INTERNAL	Camera Equipment	50,000	6,861	13.72%
			1,050,000	**955,890**	**91.04%**
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	4,081,499	60.63%
HUMAN SETTLEMENT	DOHS	HANKEY 990-PHASE 3	10,624,531	-	0.00%
SUBTOTAL			**17,355,828**	**4,081,499**	**23.52%**
TOTAL			**295,296,300**	**44,094,857**	**14.93%**

Annexure “A3”

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

1.1. Projected Cash Flow Statement as at 31 December 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 – M06 December 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	25,824	180,128	147,404	32,723	22%	294,809
Service charges		719,038	908,343	908,343	59,456	352,286	454,171	(101,886)	-22%	908,343
Other revenue		52,563	112,594	112,594	22,515	123,903	56,297	67,606	120%	112,594
Transfers and Subsidies - Operational		201,325	214,766	214,766	68,143	161,481	107,383	54,098	50%	214,766
Transfers and Subsidies - Capital		57,409	82,934	92,791	18,956	63,702	46,396	17,307	37%	92,791
Interest		1,659,179	16,273	16,273	890	7,013	8,136	(1,123)	-14%	16,273
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(298,661)	(1,485,124)	(1,467,268)	(119,777)	(792,983)	(733,634)	59,349	-8%	(123,760)
Interest		–	(19,267)	(19,267)	(3,021)	(7,661)	(9,633)	(1,972)	20%	(19,267)
Transfers and Subsidies		–	(950)	(950)	–	–	(475)	(475)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,654,615**	**124,378**	**152,091**	**72,986**	**87,869**	**76,045**	**(11,823)**	**-16%**	**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)	(295,296)	(12,049)	(50,709)	147,648	198,357	134%	295,296
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(130,825)**	**(265,462)**	**(295,296)**	**(12,049)**	**(50,709)**	**147,648**	**198,357**	**134%**	**295,296**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		(120,000)	100,000	100,000	–	–	50,000	(50,000)	-100%	100,000
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	(3,137)	(12,350)	–	12,350	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(120,000)**	**100,000**	**100,000**	**(3,137)**	**(12,350)**	**50,000**	**62,350**	**125%**	**100,000**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,403,790**	**(41,084)**	**(43,206)**	**57,800**	**24,809**	**273,693**			**1,890,895**
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	151,196		205,390	468,095			2,071,476

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 December 2025 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M06 December 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	22,294	172,845	152,242	20,603	14%	304,484
Service charges	629,997	761,356	761,356	57,397	358,168	380,678	(22,510)	-6%	761,356
Investment revenue	13,689	16,273	16,273	893	6,267	8,136	(1,870)	-23%	16,273
Transfers and subsidies - Operational	205,382	214,766	214,766	68,497	160,675	107,383	53,292	50%	214,766
Other own revenue	174,612	171,808	171,808	9,227	66,902	85,904	(19,002)	-22%	171,808
Total Revenue (excluding capital transfers and	**1,322,015**	**1,468,686**	**1,468,686**	**158,308**	**764,857**	**734,343**	**30,514**	**4%**	**1,468,686**
Employee costs	418,731	525,261	516,784	35,303	225,747	258,392	(32,644)	-13%	516,784
Remuneration of Councillors	15,443	15,988	15,988	1,264	7,425	7,994	(569)	-7%	15,988
Depreciation and amortisation	115,298	142,422	142,422	9,023	54,057	71,211	(17,154)	-24%	142,422
Interest	13,825	20,106	20,106	3,021	7,661	10,053	(2,392)	-24%	20,106
Inventory consumed and bulk purchases	521,483	555,432	549,322	47,403	297,719	274,661	23,058	8%	549,322
Transfers and subsidies	447	950	950	–	24	475	(451)	-95%	950
Other expenditure	333,344	320,959	317,569	28,527	111,920	158,783	(46,863)	-30%	317,569
Total Expenditure	**1,418,571**	**1,581,117**	**1,563,140**	**124,543**	**704,553**	**781,568**	**(77,015)**	**-10%**	**1,563,140**
Surplus/(Deficit)	**(96,556)**	**(112,431)**	**(94,454)**	**33,765**	**60,304**	**(47,225)**	**107,529**	**-228%**	**(94,454)**
Transfers and subsidies - capital (monetary allocations)	109,313	82,934	104,398	5,380	32,729	52,199	(19,470)	-37%	104,398
Transfers and subsidies - capital (in-kind)	15,000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**27,757**	**(29,497)**	**9,944**	**39,146**	**93,033**	**4,974**	**88,059**	**1770%**	**9,944**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**27,757**	**(29,497)**	**9,944**	**39,146**	**93,033**	**4,974**	**88,059**	**1770%**	**9,944**
Capital expenditure & funds sources									
Capital expenditure	**151,442**	**265,462**	**295,296**	**10,477**	**44,095**	**147,648**	**(103,553)**	**-70%**	**295,296**
Capital transfers recognised	103,754	72,117	92,066	6,163	30,493	46,033	(15,540)	-34%	92,066
Borrowing	69,882	152,174	153,003	504	4,255	76,501	(72,246)	-94%	153,003
Internally generated funds	44,891	41,172	50,227	3,810	9,346	25,113	(15,767)	-63%	50,227
Total sources of capital funds	**218,527**	**265,462**	**295,296**	**10,477**	**44,095**	**147,648**	**(103,553)**	**-70%**	**295,296**
Financial position									
Total current assets	378,763	266,780	264,769		475,439				264,769
Total non current assets	2,364,279	2,577,825	2,607,659		2,402,284				2,607,659
Total current liabilities	364,097	285,984	274,367		329,386				274,367
Total non current liabilities	368,452	465,849	465,849		368,122				465,849
Community wealth/Equity	2,058,459	2,092,771	2,120,605		2,180,216				2,120,605
Cash flows									
Net cash from (used) operating	2,654,615	124,378	152,091	70,902	85,785	76,045	(9,740)	-13%	1,495,598
Net cash from (used) investing	(130,825)	(265,462)	(295,296)	(12,049)	(50,709)	147,648	198,357	134%	295,296
Net cash from (used) financing	(120,000)	100,000	100,000	(1,053)	(10,267)	50,000	60,267	121%	100,000
Cash/cash equivalents at the month/year end	**2,701,102**	**153,318**	**151,196**	**–**	**205,390**	**468,095**	**262,705**	**56%**	**2,071,476**

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	96,623	15,625	14,178	12,345	11,260	63,190	79,571	75,427	368,218
Creditors Age Analysis									
Total Creditors	52,190	125	35	12	49	45	110	(543)	52,022

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) – M06 December 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**	**92,427**	**327,277**	**265,310**	61,967	23%	**530,621**
Executive and council		53	142	142	–	–	71	(71)	-100%	142
Finance and administration		551,593	530,479	530,479	92,427	327,277	265,239	62,038	23%	530,479
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**68,805**	**50,121**	**59,978**	**3,615**	**21,733**	**29,989**	(8,256)	-28%	**59,978**
Community and social services		3,335	3,385	3,385	36	3,249	1,692	1,556	92%	3,385
Sport and recreation		7,349	12,255	12,255	1,981	7,411	6,128	1,283	21%	12,255
Public safety		1,535	1,870	1,870	3	52	935	(883)	-94%	1,870
Housing		53,075	30,000	39,857	1,490	9,127	19,928	(10,801)	-54%	39,857
Health		3,511	2,612	2,612	106	1,894	1,306	588	45%	2,612
Economic and environmental services		**49,967**	**40,955**	**52,561**	**4,020**	**23,556**	**26,281**	(2,724)	-10%	**52,561**
Planning and development		8,979	10,838	10,838	994	6,924	5,419	1,505	28%	10,838
Road transport		21,204	10,185	21,792	1,370	5,461	10,896	(5,435)	-50%	21,792
Environmental protection		19,784	19,932	19,932	1,656	11,171	9,966	1,205	12%	19,932
Trading services		**775,911**	**929,924**	**929,924**	**63,626**	**425,019**	**464,962**	(39,943)	-9%	**929,924**
Energy sources		417,937	501,093	501,093	38,815	252,568	250,546	2,022	1%	501,093
Water management		165,405	203,581	203,581	10,781	74,311	101,791	(27,480)	-27%	203,581
Waste water management		121,149	141,631	141,631	9,494	61,609	70,815	(9,207)	-13%	141,631
Waste management		71,420	83,619	83,619	4,536	36,531	41,810	(5,279)	-13%	83,619
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,446,328**	**1,551,621**	**1,573,084**	**163,688**	**797,586**	**786,542**	**11,044**	**1%**	**1,573,084**
Expenditure - Functional										
Governance and administration		**310,795**	**402,672**	**398,826**	**30,171**	**174,522**	**199,412**	(24,889)	-12%	**398,826**
Executive and council		49,885	66,561	66,522	5,387	31,078	33,260	(2,183)	-7%	66,522
Finance and administration		260,774	332,893	329,086	24,555	143,123	164,542	(21,419)	-13%	329,086
Internal audit		136	3,218	3,218	229	322	1,609	(1,287)	-80%	3,218
Community and public safety		**109,518**	**141,482**	**140,953**	**9,367**	**56,719**	**70,476**	(13,757)	-20%	**140,953**
Community and social services		12,638	12,289	12,284	469	6,070	6,142	(72)	-1%	12,284
Sport and recreation		60,815	73,671	73,293	5,649	30,557	36,646	(6,089)	-17%	73,293
Public safety		29,230	35,167	35,086	2,961	15,846	17,543	(1,697)	-10%	35,086
Housing		1,253	11,626	11,589	264	3,941	5,795	(1,854)	-32%	11,589
Health		5,583	8,729	8,700	25	305	4,350	(4,045)	-93%	8,700
Economic and environmental services		**207,757**	**206,880**	**205,982**	**17,296**	**75,845**	**102,991**	(27,146)	-26%	**205,982**
Planning and development		33,240	39,914	39,904	2,554	14,691	19,952	(5,260)	-26%	39,904
Road transport		162,100	158,635	158,469	13,246	53,391	79,235	(25,844)	-33%	158,469
Environmental protection		12,417	8,331	7,609	1,496	7,763	3,805	3,958	104%	7,609
Trading services		**790,138**	**830,084**	**817,379**	**67,676**	**397,288**	**408,689**	(11,402)	-3%	**817,379**
Energy sources		467,394	527,947	527,747	42,590	272,145	263,873	8,272	3%	527,747
Water management		177,229	121,164	114,026	10,947	61,737	57,013	4,724	8%	114,026
Waste water management		86,800	109,169	103,901	7,892	33,648	51,950	(18,302)	-35%	103,901
Waste management		58,714	71,803	71,705	6,248	29,757	35,853	(6,096)	-17%	71,705
Other		**363**	**–**	**–**	**33**	**179**	**–**	**179**		**–**
Total Expenditure - Functional	3	**1,418,571**	**1,581,117**	**1,563,140**	**124,543**	**704,553**	**781,568**	**(77,015)**	**-10%**	**1,563,140**
Surplus/ (Deficit) for the year		**27,757**	**(29,497)**	**9,944**	**39,146**	**93,033**	**4,974**	**88,059**	**1770%**	**9,944**

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 – M06 December 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	137	1,382	557	825	147.9%	1,115
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		459,109	484,342	484,342	92,280	314,683	242,171	72,512	29.9%	484,342
Vote 4 - COMMUNITY SERVICES		205,341	176,939	176,939	8,550	74,217	88,469	(14,252)	-16.1%	176,939
Vote 5 - CIVIL AND WATER SERVICES		301,230	349,202	360,809	21,754	140,527	180,404	(39,877)	-22.1%	360,809
Vote 6 - ELECTRO/MECHANICAL SERVICES		418,360	501,094	501,094	38,830	252,659	250,547	2,112	0.8%	501,094
Vote 7 - PLANNING AND DEVELOPMENT		60,017	38,929	48,786	2,138	14,118	24,393	(10,275)	-42.1%	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**	**1,573,084**	**163,688**	**797,585**	**786,542**	**11,043**	**1.4%**	**1,573,084**
Expenditure by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		12,834	18,128	18,128	1,654	9,404	9,064	340	3.8%	18,128
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		117,742	165,192	161,547	11,672	69,235	80,773	(11,538)	-14.3%	161,547
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		101,376	139,445	139,504	9,471	53,904	69,752	(15,847)	-22.7%	139,504
Vote 4 - COMMUNITY SERVICES		305,104	314,436	312,912	22,872	123,516	156,455	(32,939)	-21.1%	312,912
Vote 5 - CIVIL AND WATER SERVICES		363,474	341,894	329,321	31,399	144,656	164,660	(20,005)	-12.1%	329,321
Vote 6 - ELECTRO/MECHANICAL SERVICES		483,211	555,517	555,259	44,735	285,895	277,629	8,266	3.0%	555,259
Vote 7 - PLANNING AND DEVELOPMENT		34,502	44,085	44,048	1,629	15,998	22,024	(6,026)	-27.4%	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**	**123,430**	**702,609**	**780,357**	**(77,749)**	**-10.0%**	**1,560,719**
Surplus/ (Deficit) for the year	2	**28,025**	**(27,076)**	**12,365**	**40,258**	**94,976**	**6,185**	**88,792**	**1435.7%**	**12,365**

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) – M06 December 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	37,786	240,311	239,762	549	0%	479,524
Service charges - Water		104,737	147,583	147,583	9,263	55,710	73,792	(18,082)	-25%	147,583
Service charges - Waste Water Management		66,111	81,259	81,259	6,011	35,948	40,630	(4,682)	-12%	81,259
Service charges - Waste management		58,681	52,990	52,990	4,337	26,200	26,495	(295)	-1%	52,990
Sale of Goods and Rendering of Services		6,687	10,044	10,044	529	4,152	5,022	(870)	-17%	10,044
Agency services		6,045	4,554	4,554	–	1,120	2,277	(1,157)	-51%	4,554
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		22,366	34,661	34,661	867	6,529	17,330	(10,801)	-62%	34,661
Interest earned from Current and Non Current Assets		13,689	16,273	16,273	893	6,267	8,136	(1,870)	-23%	16,273
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		4,068	3,322	3,322	1,191	3,283	1,661	1,622	98%	3,322
Licence and permits		2,137	2,856	2,856	244	1,262	1,428	(166)	-12%	2,856
Special rating levies		–	15,436	15,436	1,006	7,813	7,718	95	1%	15,436
Operational Revenue		8,061	1,955	1,955	909	3,010	977	2,032	208%	1,955
Non-Exchange Revenue										
Property rates		298,334	304,484	304,484	22,294	172,845	152,242	20,603	14%	304,484
Surcharges and Taxes		–	22,602	22,602	1,309	8,243	11,301	(3,058)	-27%	22,602
Fines, penalties and forfeits		96,016	45,795	45,795	181	12,181	22,897	(10,716)	-47%	45,795
Licence and permits		6,849	3,139	3,139	1,296	6,425	1,569	4,856	309%	3,139
Transfer and subsidies - Operational		205,382	214,766	214,766	68,497	160,675	107,383	53,292	50%	214,766
Interest		3,214	5,841	5,841	278	1,909	2,921	(1,011)	-35%	5,841
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		19,241	21,605	21,605	1,415	10,975	10,802	173	2%	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**	**158,308**	**764,857**	**734,343**	**–**		**1,468,686**
Expenditure By Type										
Employee related costs		418,731	525,261	516,784	35,303	225,747	258,392	(32,644)	-13%	516,784
Remuneration of councillors		15,443	15,988	15,988	1,264	7,425	7,994	(569)	-7%	15,988
Bulk purchases - electricity		427,467	441,010	441,010	34,912	241,731	220,505	21,227	10%	441,010
Inventory consumed		94,016	114,422	108,312	12,491	55,988	54,156	1,832	3%	108,312
Debt impairment		(68,470)	65,115	65,115	–	–	32,557	(32,557)	-100%	65,115
Depreciation and amortisation		115,298	142,422	142,422	9,023	54,057	71,211	(17,154)	-24%	142,422
Interest		13,825	20,106	20,106	3,021	7,661	10,053	(2,392)	-24%	20,106
Contracted services		92,976	142,734	140,394	13,690	52,596	70,196	(17,600)	-25%	140,394
Transfers and subsidies		447	950	950	–	24	475	(451)	-95%	950
Irrecoverable debts written off		173,925	11,487	11,487	2,117	6,110	5,744	366	6%	11,487
Operational costs		93,868	101,623	100,573	12,720	53,214	50,285	2,928	6%	100,573
Losses on Disposal of Assets		13,672	–	–	–	–	–	–		–
Other Losses		27,372	–	–	–	–	–	–		–
Total Expenditure		**1,418,571**	**1,581,117**	**1,563,140**	**124,543**	**704,553**	**781,568**	**(77,015)**	**-10%**	**1,563,140**
Surplus/(Deficit)		**(96,556)**	**(112,431)**	**(94,454)**	**33,765**	**60,304**	**(47,225)**	**77,015**	**(0)**	**(94,454)**
Transfers and subsidies - capital (monetary allocations)		109,313	82,934	104,398	5,380	32,729	52,199	(19,470)	(0)	104,398
Transfers and subsidies - capital (in-kind)		15,000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**27,757**	**(29,497)**	**9,944**	**39,146**	**93,033**	**4,974**			**9,944**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**27,757**	**(29,497)**	**9,944**	**39,146**	**93,033**	**4,974**			**9,944**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**27,757**	**(29,497)**	**9,944**	**39,146**	**93,033**	**4,974**			**9,944**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**27,757**	**(29,497)**	**9,944**	**39,146**	**93,033**	**4,974**			**9,944**

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) – M06 December 2025

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		–	–	–	–	–	–	–		–
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		1,623	1,050	1,050	76	956	525	431	82%	1,050
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		2,001	621	709	–	35	354	(320)	-90%	709
Vote 4 - COMMUNITY SERVICES		861	4,891	4,891	–	16	2,446	(2,430)	-99%	4,891
Vote 5 - CIVIL AND WATER SERVICES		61,676	206,142	227,205	5,540	26,118	113,602	(87,484)	-77%	227,205
Vote 6 - ELECTRO/MECHANICAL SERVICES		85,369	49,509	39,435	3,987	12,888	19,718	(6,829)	-35%	39,435
Vote 7 - PLANNING AND DEVELOPMENT		(112)	3,250	22,006	874	4,081	11,003	(6,921)	-63%	22,006
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 Capital Multi-year expenditure	4,7	**151,419**	**265,462**	**295,296**	**10,477**	**44,095**	**147,648**	**(103,553)**	**-70%**	**295,296**
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		–	–	–	–	–	–	–		–
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 Capital single-year expenditure	4	23	–	–	–	–	–	–		–
Total Capital Expenditure	3	**151,442**	**265,462**	**295,296**	**10,477**	**44,095**	**147,648**	**(103,553)**	**-70%**	**295,296**
Capital Expenditure - Functional Classification										
Governance and administration		**51,929**	**2,621**	**2,709**	**76**	**1,481**	**1,354**	127	9%	**2,709**
Executive and council		293	–	–	–	–	–	–		–
Finance and administration		51,613	2,621	2,709	76	1,481	1,354	127	9%	2,709
Internal audit		23	–	–	–	–	–	–		–
Community and public safety		**520**	**2,441**	**19,797**	**874**	**4,100**	**9,899**	(5,798)	-59%	**19,797**
Community and social services		–	50	50	–	7	25	(18)	-73%	50
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		632	2,391	2,391	–	12	1,196	(1,184)	-99%	2,391
Housing		(112)	–	17,356	874	4,081	8,678	(4,596)	-53%	17,356
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**20,298**	**173,232**	**189,329**	**3,406**	**14,232**	**94,664**	(80,433)	-85%	**189,329**
Planning and development		2,143	6,580	8,654	–	2,861	4,327	(1,466)	-34%	8,654
Road transport		18,155	166,652	180,675	3,406	11,371	90,337	(78,966)	-87%	180,675
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**78,695**	**87,169**	**83,461**	**6,121**	**24,282**	**41,731**	(17,449)	-42%	**83,461**
Energy sources		36,398	49,509	39,435	3,987	12,395	19,718	(7,323)	-37%	39,435
Water management		14,419	18,289	21,948	948	4,719	10,974	(6,255)	-57%	21,948
Waste water management		27,878	17,872	20,578	1,186	7,167	10,289	(3,122)	-30%	20,578
Waste management		–	1,500	1,500	–	–	750	(750)	-100%	1,500
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**151,442**	**265,462**	**295,296**	**10,477**	**44,095**	**147,648**	**(103,553)**	**-70%**	**295,296**
Funded by:										
National Government		67,436	44,639	54,731	4,499	21,902	27,366	(5,463)	-20%	54,731
Provincial Government		35,687	26,087	35,944	1,665	8,591	17,972	(9,381)	-52%	35,944
District Municipality		632	1,391	1,391	–	–	696	(696)	-100%	1,391
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**103,754**	**72,117**	**92,066**	**6,163**	**30,493**	**46,033**	**(15,540)**	**-34%**	**92,066**
Borrowing	6	69,882	152,174	153,003	504	4,255	76,501	(72,246)	-94%	153,003
Internally generated funds		44,891	41,172	50,227	3,810	9,346	25,113	(15,767)	-63%	50,227
Total Capital Funding	7	**218,527**	**265,462**	**295,296**	**10,477**	**44,095**	**147,648**	**(103,553)**	**-70%**	**295,296**

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 – M06 December 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	141,870	205,390	141,870
Trade and other receivables from exchange transactions		63,211	59,899	59,899	87,839	59,899
Receivables from non-exchange transactions		79,492	26,651	26,651	76,010	26,651
Current portion of non-current receivables		–	–	–	–	–
Inventory		24,825	22,450	22,560	26,489	22,560
VAT		27,507	12,790	12,790	78,729	12,790
Other current assets		3,145	999	999	982	999
Total current assets		**378,763**	**266,780**	**264,769**	**475,439**	**264,769**
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	2,356,447	2,155,676	2,356,447
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		212	419	419	182	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**	**2,607,659**	**2,402,284**	**2,607,659**
TOTAL ASSETS		**2,743,042**	**2,844,605**	**2,872,428**	**2,877,723**	**2,872,428**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		29,869	31,944	31,944	15,435	31,944
Consumer deposits		34,505	31,660	31,660	36,157	31,660
Trade and other payables from exchange transactions		210,501	143,222	143,332	132,248	143,332
Trade and other payables from non-exchange transactions		20,944	–	(11,607)	43,250	(11,607)
Provision		39,189	64,451	64,330	39,189	64,330
VAT		29,089	14,707	14,707	63,107	14,707
Other current liabilities		–	–	–	–	–
Total current liabilities		**364,097**	**285,984**	**274,367**	**329,386**	**274,367**
Non current liabilities						
Financial liabilities		119,060	203,183	203,183	118,730	203,183
Provision		135,422	139,560	139,560	135,422	139,560
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		113,970	123,106	123,106	113,970	123,106
Total non current liabilities		**368,452**	**465,849**	**465,849**	**368,122**	**465,849**
TOTAL LIABILITIES		**732,549**	**751,834**	**740,216**	**697,507**	**740,216**
NET ASSETS	2	**2,010,493**	**2,092,771**	**2,132,212**	**2,180,216**	**2,132,212**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,056,273	2,078,271	2,106,105	2,176,225	2,106,105
Reserves and funds		2,186	14,500	14,500	3,991	14,500
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2,058,459**	**2,092,771**	**2,120,605**	**2,180,216**	**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 – M06 December 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	25,824	180,128	147,404	32,723	22%	294,809
Service charges		719,038	908,343	908,343	59,456	352,286	454,171	(101,886)	-22%	908,343
Other revenue		52,563	112,594	112,594	22,515	123,903	56,297	67,606	120%	112,594
Transfers and Subsidies - Operational		201,325	214,766	214,766	68,143	161,481	107,383	54,098	50%	214,766
Transfers and Subsidies - Capital		57,409	82,934	92,791	18,956	63,702	46,396	17,307	37%	92,791
Interest		1,659,179	16,273	16,273	890	7,013	8,136	(1,123)	-14%	16,273
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(298,661)	(1,485,124)	(1,467,268)	(119,777)	(792,983)	(733,634)	59,349	-8%	(123,760)
Interest		–	(19,267)	(19,267)	(3,021)	(7,661)	(9,633)	(1,972)	20%	(19,267)
Transfers and Subsidies		–	(950)	(950)	–	–	(475)	(475)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,654,615**	**124,378**	**152,091**	**72,986**	**87,869**	**76,045**	**(11,823)**	**-16%**	**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)	(295,296)	(12,049)	(50,709)	147,648	198,357	134%	295,296
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(130,825)**	**(265,462)**	**(295,296)**	**(12,049)**	**(50,709)**	**147,648**	**198,357**	**134%**	**295,296**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		(120,000)	100,000	100,000	–	–	50,000	(50,000)	-100%	100,000
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	(3,137)	(12,350)	–	12,350	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(120,000)**	**100,000**	**100,000**	**(3,137)**	**(12,350)**	**50,000**	**62,350**	**125%**	**100,000**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,403,790**	**(41,084)**	**(43,206)**	**57,800**	**24,809**	**273,693**			**1,890,895**
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	151,196		205,390	468,095			2,071,476

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

i. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.

ii. It reflects the expected cash inflows versus outflows that are likely to result from the implementation of the budget.

Annexure "A5"

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

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

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

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

Debtors' Age Analysis (Inclusive of VAT) as at 31 December 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	32,696	5,725	5,821	4,360	4,208	4,061	14,358	12,370	83,599
Trade and Other Receivables from Exchange Transactions - Electricity	39,386	2,564	1,885	1,281	1,070	585	1,702	7,332	55,805
Receivables from Non-exchange Transactions - Property Rates	25,630	2,687	2,114	3,124	1,669	788	3,517	24,813	64,341
Receivables from Exchange Transactions - Waste Water Management	14,417	1,981	1,833	1,445	1,417	1,202	4,369	4,816	31,481
Receivables from Exchange Transactions - Waste Management	11,555	1,435	1,232	1,144	1,018	981	3,174	4,164	24,704
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	6,250	533	631	523	689	10,352	14,179	15,621	48,780
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(33,310)	699	661	467	1,188	45,222	38,272	6,310	59,507
Total By Income Source	**96,623**	**15,625**	**14,178**	**12,345**	**11,260**	**63,190**	**79,571**	**75,427**	**368,218**
Debtors Age Analysis By Customer Group									
Organs of State	2,301	1,087	1,258	583	664	6,540	367	2,995	15,795
Commercial	11,813	469	291	301	223	1,480	2,354	4,398	21,328
Households	82,505	14,066	12,628	11,460	10,373	55,150	76,850	68,034	331,067
Other	4	3	0	0	0	21	–	–	28
Total By Customer Group	**96,623**	**15,625**	**14,178**	**12,345**	**11,260**	**63,190**	**79,571**	**75,427**	**368,218**

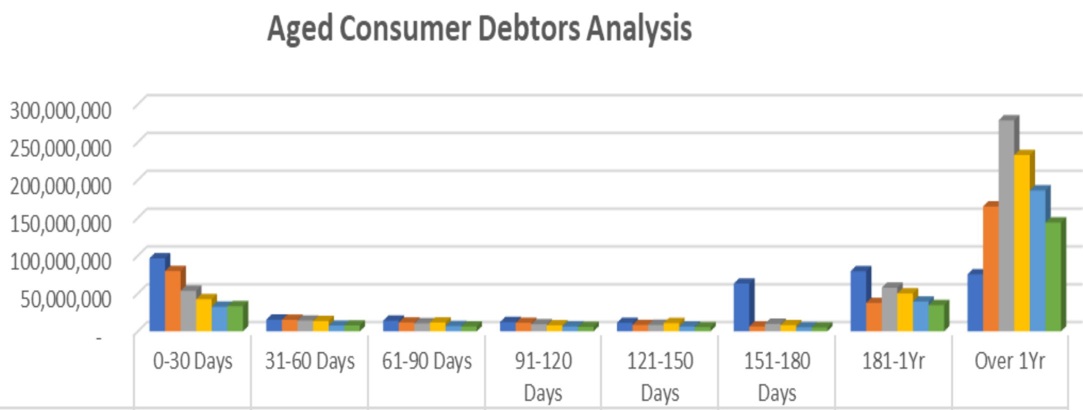
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2025

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

The analysis indicates that from 30 June 2025 to 31 December 2025, the overdue debts have increased by R 12,714 million from R 256,303 million to R 269,017 million, as follows:

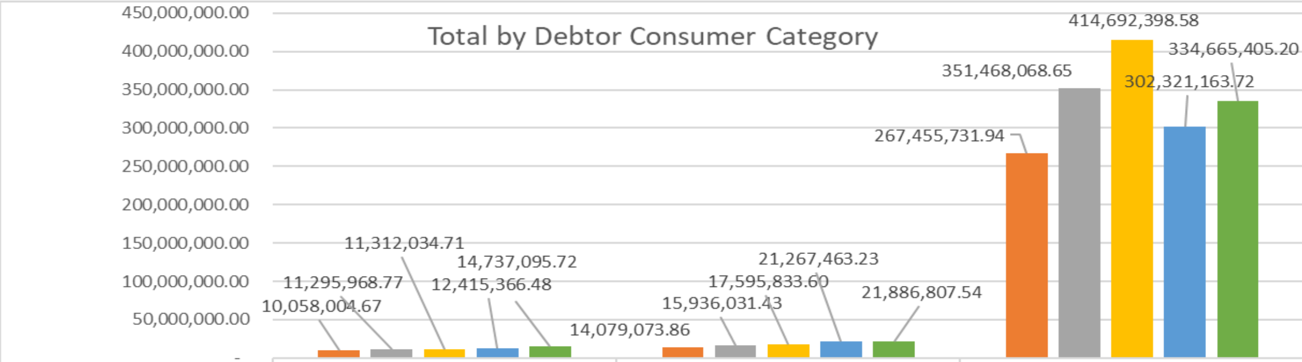
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-25**	**31-Dec-25**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	69,558	50,903	(18,654)
Trade and Other Receivables from Exchange Transactions - Electricity	24,215	16,419	(7,796)
Receivables from Non-exchange Transactions - Property Rates	48,684	38,711	(9,973)
Receivables from Exchange Transactions - Waste Water Management	26,371	17,064	(9,306)
Receivables from Exchange Transactions - Waste Management	27,508	13,150	(14,359)
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	44,532	42,530	(2,002)
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	15,436	92,818	77,382
Total By Income Source	**256,303**	**271,595**	**15,292**
Debtors Age Analysis By Customer Group			
Organs of State	12,461	13,494	1,033
Commercial	10,471	9,515	(955)
Households	233,347	248,562	15,215
Other	25	24	(1)
Total By Customer Group	**256,303**	**271,595**	**15,292**

Graphical Analysis of consumer debtors



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181-1Yr	Over 1Yr
Actuals 31 December 2025	96,622,854	15,625,247	14,177,565	12,344,786	11,259,904	63,189,739	79,571,034	75,426,589
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)



	Organs of State	Commercial	Households
Budget Year 2021/22	10,058,004.67	14,079,073.86	267,455,731.94
Budget Year 2022/23	11,295,968.77	15,936,031.43	351,468,068.65
Budget Year 2023/24	11,312,034.71	17,595,833.60	414,692,398.58
Budget Year 2024/25	12,415,366.48	21,267,463.23	302,321,163.72
Budget Year 2025/26	14,737,095.72	21,886,807.54	334,665,405.20

1.2 Overview of Creditors position

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

Description	Budget Year 2025/26								
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	39,419	–	–	–	–	–	–	–	39,419
Bulk Water	1,490	60	12	12	49	45	110	(927)	851
PAYE deductions	6,508								6,508
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repayments									–
Trade Creditors	4,772	65	23	–	–	–	–	384	5,244
Auditor General									–
Other									–
Total By Customer Type	52,190	125	35	12	49	45	110	(543)	52,022

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

Eskom	R 39,419 million
NMBM	R 0,851 million
PAYE	R 6,508 million
Other Creditors	R 5,244 million
Total	**R 52,022 million**

It must be noted that the Eskom amount of R 39,419 million, represents the current account for December 2025, which is due on January 2026.

It is to be noted that the SARS amount of R 6,508 million, represents the current account for December 2025, which is due in January 2026.

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

Supporting Table SC6 Monthly Budget Statement – transfers and grant receipts – M06 December 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	68,143	157,311	157,311	-		209,308
Operational Revenue:General Revenue:Equitable Share	203,533	203,533	67,723	152,529	152,529	-	0.00%	203,533
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5	2,081	2,081	-	1,456	1,456	-	0.00%	2,081
Local Government Financial Management Grant [Schedule 5B]	1,785	1,785	-	1,785	1,785	-	0.00%	1,785
Municipal Infrastructure Grant [Schedule 5B]	1,909	1,909	420	1,541	1,541	-	0.00%	1,909
Provincial Government:	2,955	2,955	-	(3,034)	(3,034)	-	0.00%	2,955
Humam Settlement Grant	-	-	-	-	-	-		-
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	-	-	-	-	-	-		-
Total Operating Transfers and Grants	214,766	214,766	68,143	156,017	156,017	-	0.00%	214,766
Capital Transfers and Grants								
National Government:	51,334	51,334	8,522	39,579	39,579		0.00%	51,334
Municipal Disaster Relief Grant	-	-	-	-	-	-		-
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5,440	5,440	544	2,992	2,992		0.00%	5,440
Municipal Infrastructure Grant [Schedule 5B]	36,265	36,265	7,978	29,287	29,287		0.00%	36,265
Water Services Infrastructure Grant	9,629	9,629	-	7,300	7,300		0.00%	9,629
Provincial Government:	30,000	39,857	10,434	14,046	14,046		0.00%	39,857
Human Settlement Grant	30,000	39,857	10,434	14,046	14,046		0.00%	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	18,956	53,625	53,625	-	0.00%	92,583
TOTAL RECEIPTS OF TRANSFERS & GRANTS	297,491	307,348	87,099	209,642	209,642	-	0.00%	307,348

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M06 December 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**	**68,497**	**155,901**	**155,416**	**(485)**	**(0)**	**85,768**
Operational Revenue:General Revenue:Equitable Share	203,533	203,533	67,723	152,529	152,529	–	**0%**	84,806
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2,081	2,081	418	1,470	1,041	(430)	**-41%**	347
Local Government Financial Management Grant [Schedule 5B]	1,785	1,785	61	304	893	588	**66%**	298
Municipal Infrastructure Grant [Schedule 5B]	1,909	1,909	295	1,597	954	(643)	**-67%**	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**	**68,497**	**163,709**	**156,286**	**(7,423)**	**#DIV/0!**	**86,638**
Capital expenditure of Transfers and Grants								
National Government:	**51,334**	**62,941**	**3,890**	**23,602**	**31,471**	**7,869**	**0.25**	**8,556**
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5,440	5,440	–	4,235	2,720	**(1,515)**	**-56%**	907
Municipal Infrastructure Grant [Schedule 5B]	36,265	36,265	2,865	16,619	18,133	**1,513**	**8%**	6,044
Water Services Infrastructure Grant	9,629	9,629	385	2,107	4,815	**2,708**	**56%**	1,605
Municipal Disaster Relief Grant	–	11,607	640	640	5,803	5,163	**89%**	–
Provincial Government:	30,000	**39,857**	**1,490**	**9,127**	**19,928**	**10,801**	**54%**	**6,643**
Human Settlement	30,000	39,857	1,490	9,127	19,928	**10,801**	**54%**	6,643
District Municipality:	**1,391**	**1,391**	**-**	**-**	**696**	**696**		**232**
Fire Services Subsidy	1,391	1,391	–	–	696	**696**		232
Total capital expenditure of Transfers and Grants	**82,726**	**104,189**	**5,380**	**32,729**	**52,095**	**19,365**	**37%**	**15,430**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**297,491**	**318,955**	**73,877**	**196,438**	**208,381**	**11,943**	**6%**	**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

CONDITIONAL GRANTS, SUBSIDIES AND DONATIONS							
Reconciliation Grant Register as at 31 December 2025 (2025/26 F/Y)							
Name of Grants	Name of organ of state	Opening balances (Rollovers) as at 1 July 2025	YTD Receipts	Total Receipts	YTD Expenditure	% of Spending to date	Unspent Balances
Opex grants, subsidies and donations							
Financial Management Grant	DORA	-	1,785,000	1,785,000	304,280	17.05%	1,480,720
Expanded Public Works Programme	DORA	-	1,456,000	1,456,000	1,470,306	100.98%	(14,306)
Municipal Infrastructure Grant	DORA	-	1,541,400	1,541,400	1,597,454	103.64%	(56,054)
		-	**4,782,400**	**4,782,400**	**3,372,039**		**1,410,361**
Capex grants, subsidies and donations							
Municipal Infrastructure Grant	DORA	-	29,286,600	29,286,600	16,619,466	56.75%	12,667,134
Integrated National Electrification Programme	DORA	-	2,992,000	2,992,000	4,235,424	141.56%	(1,243,424)
Water Services Infrastructure Grant	DORA	120,926	7,300,000	7,420,926	2,106,745	28.39%	5,314,181
Municipal Disaster Response Grant	DORA	11,606,728	-	11,606,728	640,046	5.51%	10,966,682
			-				
Housing: Human Settlements Dev. Grant (Beneficiaries)	Provincial: Department of Infrastructure	9,216,084	14,046,496	23,262,580	9,127,490	39.24%	14,135,090
		20,943,738	**53,625,096**	**74,568,834**	**32,729,170**	**43.89%**	**41,839,664**
			58,407,496	**79,351,234**	**36,101,210**	**45.50%**	**43,250,024**

1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M06 December 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	860	5,039	5,439	(400)	-7%	10,879
Pension and UIF Contributions	–	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	–	–	–	–	–		–
Motor Vehicle Allowance	3,427	3,626	3,626	287	1,697	1,813	(116)	-6%	3,626
Cellphone Allowance	1,409	1,483	1,483	117	689	741	(52)	-7%	1,483
Housing Allowances	–	–	–	–	–	–	–		–
Sub Total - Councillors	**15,443**	**15,988**	**15,988**	**1,264**	**7,425**	**7,994**	**(569)**	**-7%**	**15,988**
Senior Managers of the Municipality									
Basic Salaries and Wages	10,400	9,436	9,436	676	4,146	4,718	(572)	-12%	9,436
Pension and UIF Contributions	13	11	11	1	6	5	1	20%	11
Medical Aid Contributions	–	–	–	–	–	–	–		–
Overtime	–	–	–	–	–	–	–		–
Performance Bonus	1,657	395	395	–	82	198	(116)	-59%	395
Motor Vehicle Allowance	1,024	655	655	235	1,409	328	1,082	330%	655
Cellphone Allowance	24	–	–	38	48	–	48		–
Housing Allowances	–	–	–	–	–	–	–		–
Other benefits and allowances	10	0	0	0	12	0	12	9661%	0
Sub Total - Senior Managers of Municipality	**17,381**	**10,498**	**10,498**	**950**	**5,704**	**5,249**	**455**	**9%**	**10,498**
Other Municipal Staff									
Basic Salaries and Wages	254,014	309,705	300,978	22,614	132,097	150,489	(18,392)	-12%	300,978
Pension and UIF Contributions	36,539	52,636	52,636	3,548	21,043	26,318	(5,275)	-20%	52,636
Medical Aid Contributions	16,734	28,847	28,847	1,537	8,888	14,423	(5,535)	-38%	28,847
Overtime	37,582	37,741	37,741	5,045	19,022	18,871	152	1%	37,741
Performance Bonus	979	227	227	12	948	114	834	734%	227
Motor Vehicle Allowance	10,046	13,359	13,359	906	5,363	6,680	(1,317)	-20%	13,359
Cellphone Allowance	103	–	–	30	60	–	60		–
Housing Allowances	677	951	951	69	395	475	(81)	-17%	951
Other benefits and allowances	32,181	45,629	45,879	(88)	25,123	22,939	2,184	10%	45,879
Payments in lieu of leave	–	–	–	–	–	–	–		–
Long service awards	8,522	1,583	1,583	95	1,155	791	363	46%	1,583
Post-retirement benefit obligations	3,972	24,085	24,085	585	5,950	12,042	(6,092)	-51%	24,085
Sub Total - Other Municipal Staff	**401,350**	**514,763**	**506,286**	**34,353**	**220,044**	**253,143**	**(33,099)**	**-13%**	**506,286**
Total Parent Municipality	**434,173**	**541,249**	**532,772**	**36,568**	**233,172**	**266,385**	**(33,213)**	**-12%**	**532,772**
TOTAL SALARY, ALLOWANCES & BENEFITS	**434,173**	**541,249**	**532,772**	**36,568**	**233,172**	**266,385**	**(33,213)**	**-12%**	**532,772**
TOTAL MANAGERS AND STAFF	**418,731**	**525,261**	**516,784**	**35,303**	**225,747**	**258,392**	**(32,644)**	**-13%**	**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 31 December 2024**	**Approved Adjusted Budget 2025/26**	**Actuals as at 31 December 2025**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	0.32%	0.52%	2.23%	1.57%	2.74%	2.84%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	269.91%	0%	242.89%	45.53%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.00	0.01	0.02	0.01	0.03	0.03
Liquidity							
Current Ratio	Current assets / current liabilities	0.91	0.87	1.04	1.32:1	0.93	1.44
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.50	0.64:1	0.50	0.62
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	86.71%	91.01%	91.38%	87.81%	95%	93.17%

Other indicators		Actuals as at 30 June 2023	Actuals as at 30 June 2024	Actuals as at 30 June 2025	Actuals as at 31 December 2024	Approved Adjusted Budget 2025/26	Actuals as at 31 December 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	1.69 Months	1.14 Months	0.65 Months
Employee Costs	Employee Costs / Total Operating Expenditure	29.47%	30.85%	29.53%	31.59%	33.22%	32.04%
Capital Expenditure	Capital Expenditure / Capital Budget	94.66%	71.38%	84.49%	25.06%	95%	14.93%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	3.86%	2.24%	2.33%	10.56%	14.65%	12.33%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.32%	1.42%	1.52%	3.23%	9.96%	4.03%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	77.74%	83.49%	84.46%	79.01%	85.38%	78.99%

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 2.84% as at 31 December 2025, compared to the approved adjusted budget ratio of 2.74%.

Borrowed funding of capital expenditure.

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

The ratio is determined as follows:

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

As at 31 December 2025, the ratio indicates 45.53% of borrowed funding, compared to total expenditure to date, excluding transfers and grants.

1.1.2. Debt Servicing Costs to Operating Revenue Ratio

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

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

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

1.1.3. Current ratio

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

The ratio is determined as follows:

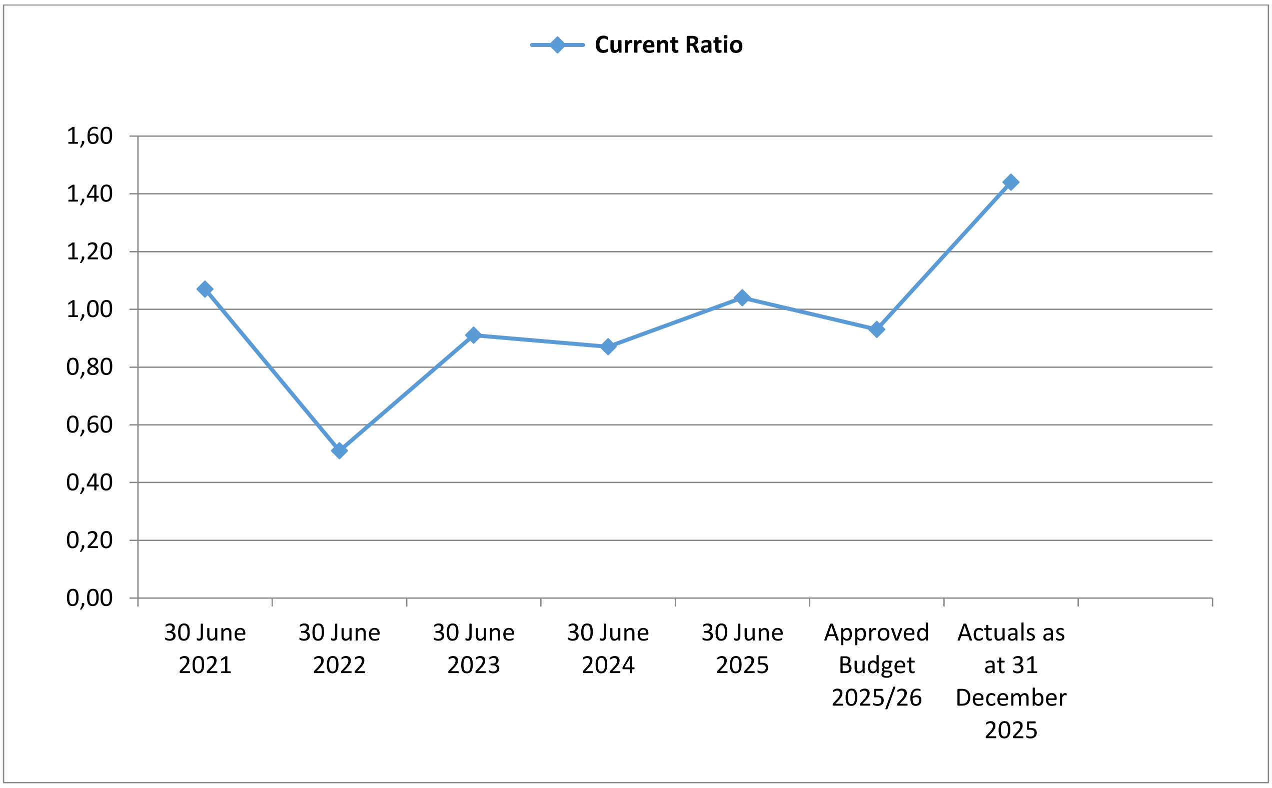
Current assets/Current liabilities

The ratio as at 31 December 2025 was 1.44:1, compared to the approved adjusted budget ratio of 0.93:1. As at 31 December 2025, cash reserves/commitments amounted to R 92,353 million, the current ratio excluding the cash reserves constitute 1.16:1.

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.

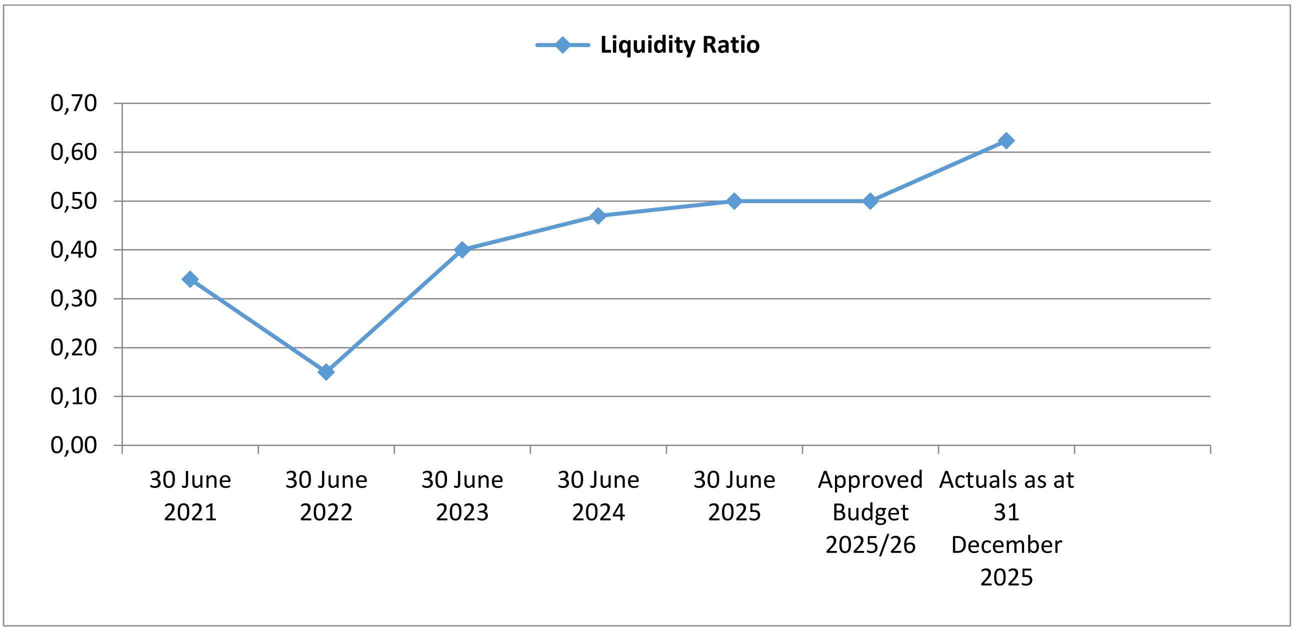
The ratio is determined as follows:

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 31 December 2025 was 0.62:1 compared to the approved adjusted budget ratio of 0.50:1.

As at 31 December 2025, cash reserves/commitments amounted to R 92,353 million, the liquidity ratio excluding the cash reserves constitute 0.34:1.

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



1.2. Revenue Management

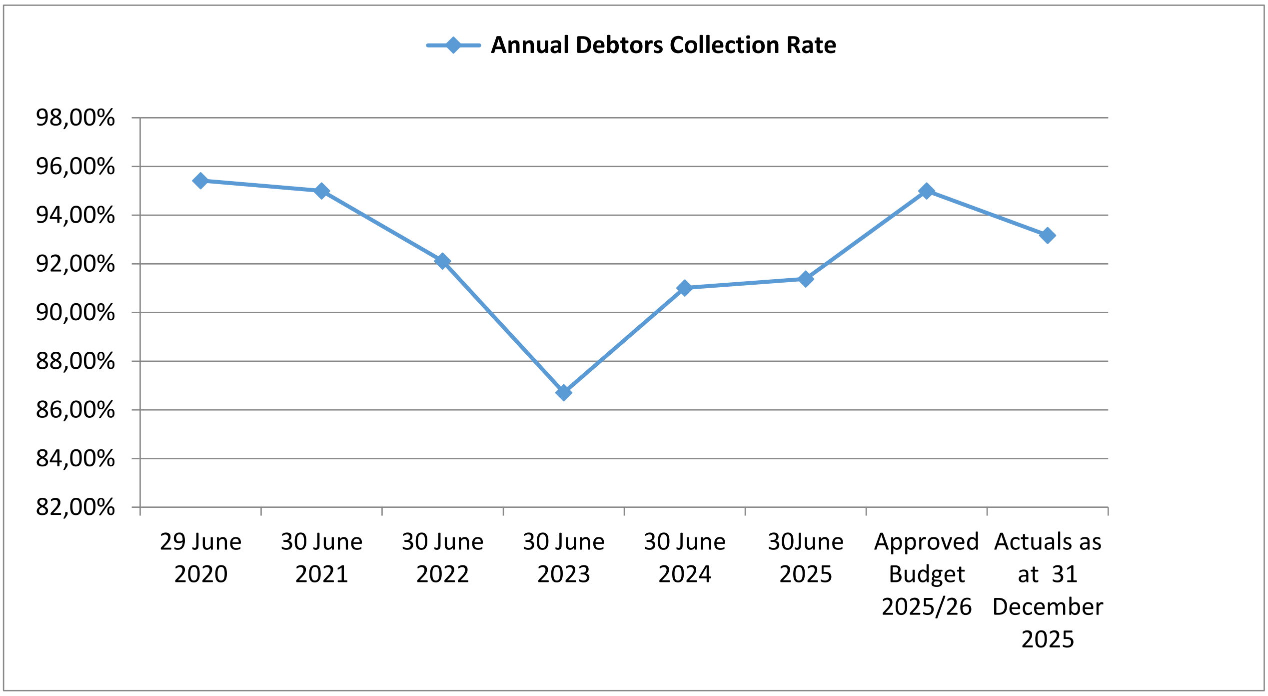
1.2.1. Annual Debtors Collection Rate

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 31 December 2025 was 93.17%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for December is 100.27%.



1.3. Other indicators

1.3.1. Cost coverage

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

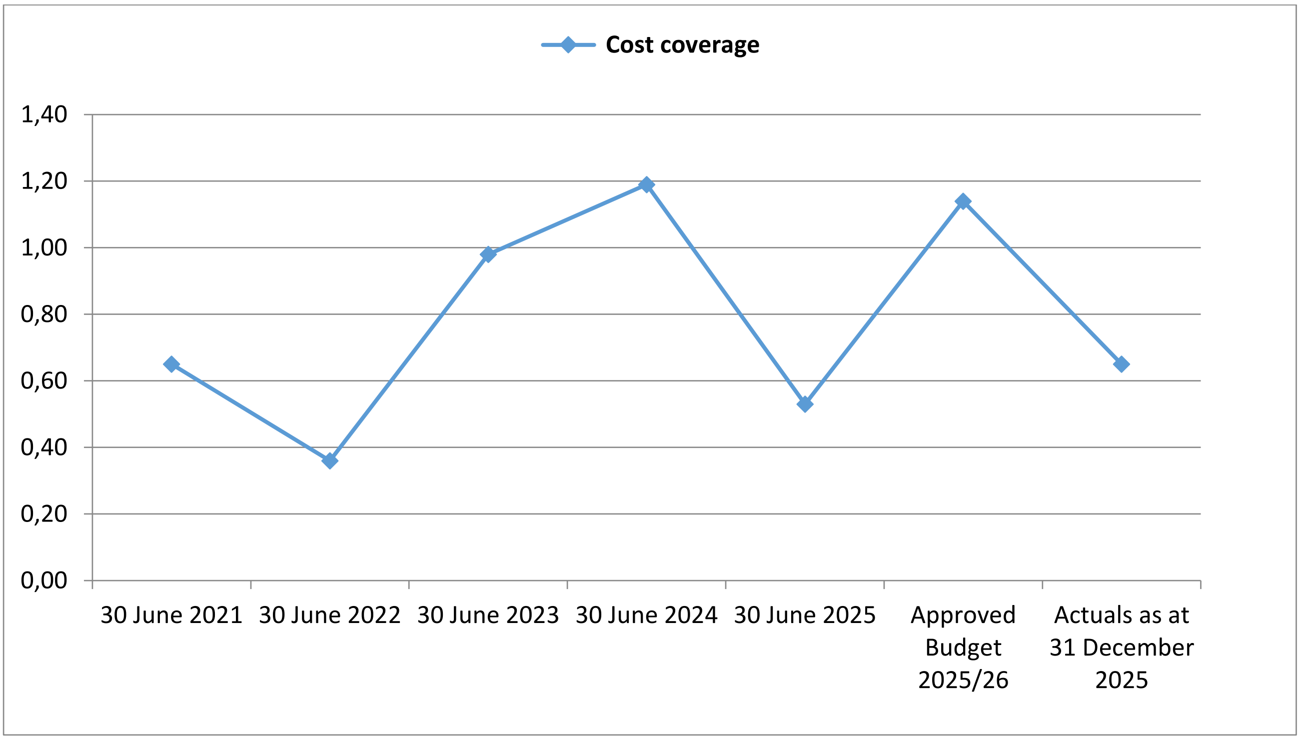
The Ratio is adjusted for Unspent Conditional Grants, Unspent borrowings and Cash Reserves provided for the Development Bank of South Africa (DBSA) and augmentation fees, as the cash is not available for normal day-to-day operational expenditure but rather reserved for Grant and Capital related expenditure.

The ratio is determined as follows:

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

As at 31 December 2025, the Ratio was 0.65 months, compared to the approved adjusted budget ratio of 1.14 months.

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



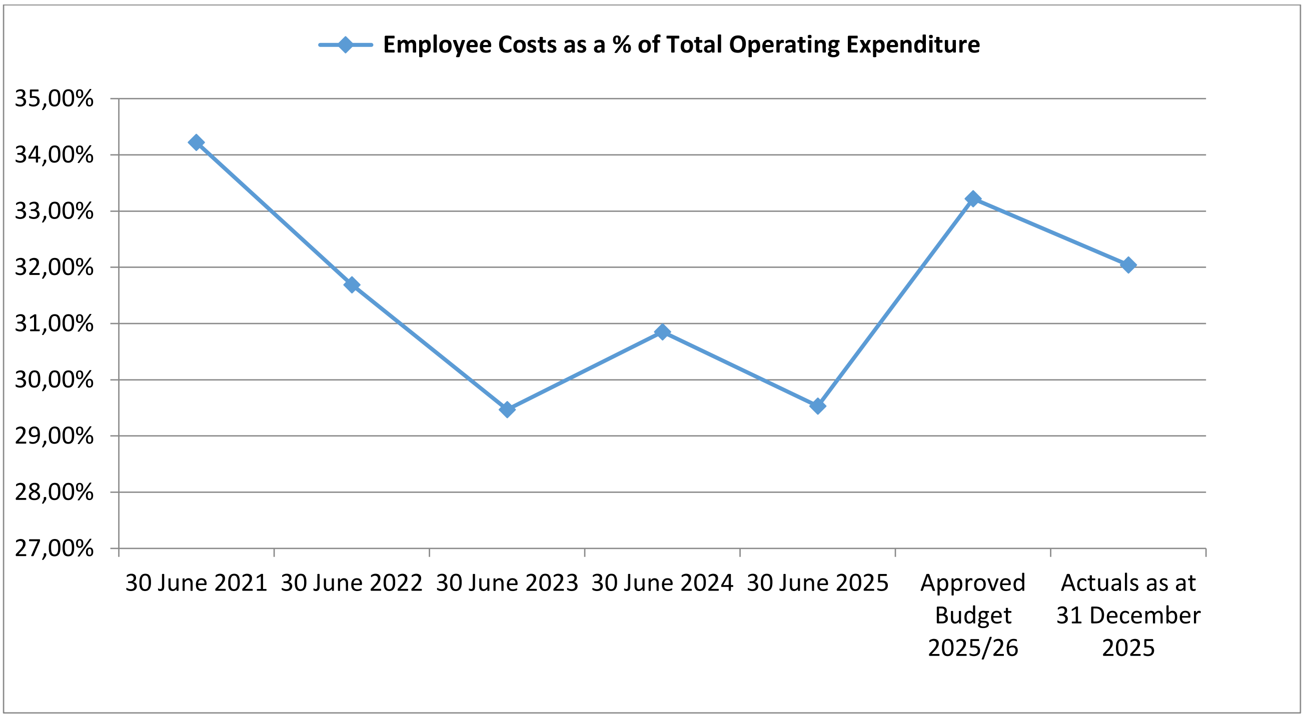
1.3.2. Employee costs as a % of Total Operating Expenditure

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

The ratio is determined as follows:

Employee Costs to date/Total Operating Expenditure to Date

As at 31 December 2025, Employee Related Costs constituted 32.04% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 33.22%.



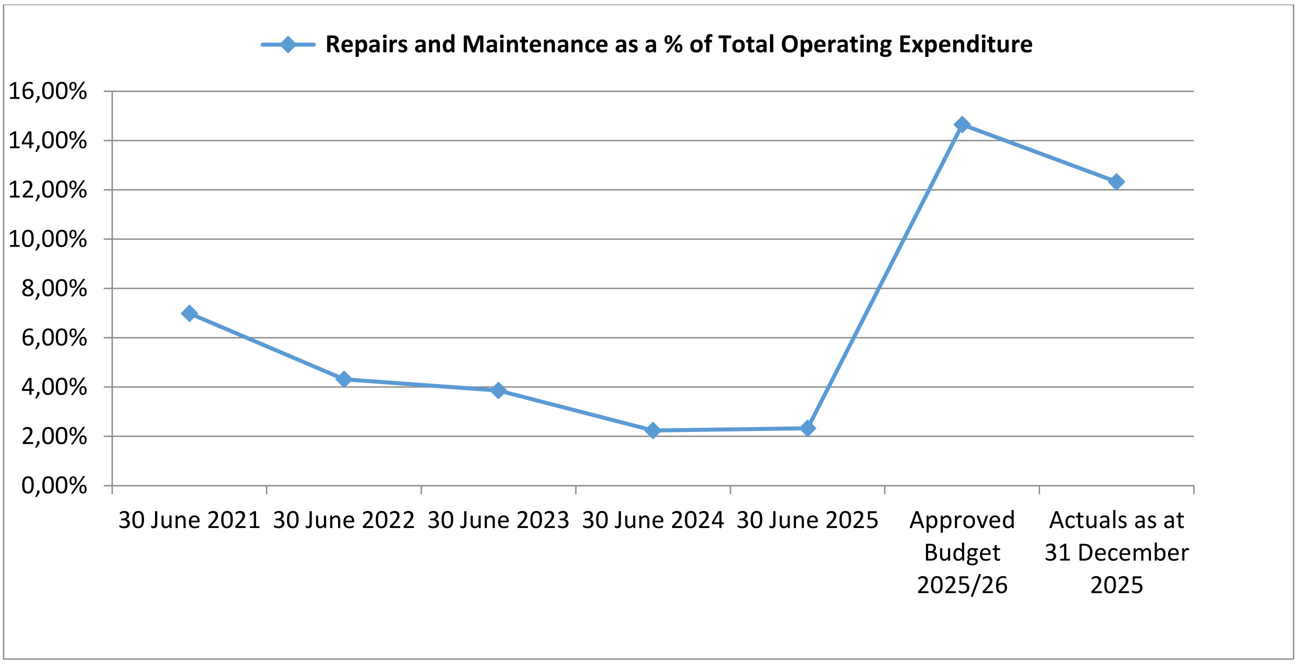
1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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

The ratio is determined as follows:

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

As at 31 December 2025, the ratio was 12.33%, compared to the approved adjusted budget ratio of 14.65%.



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

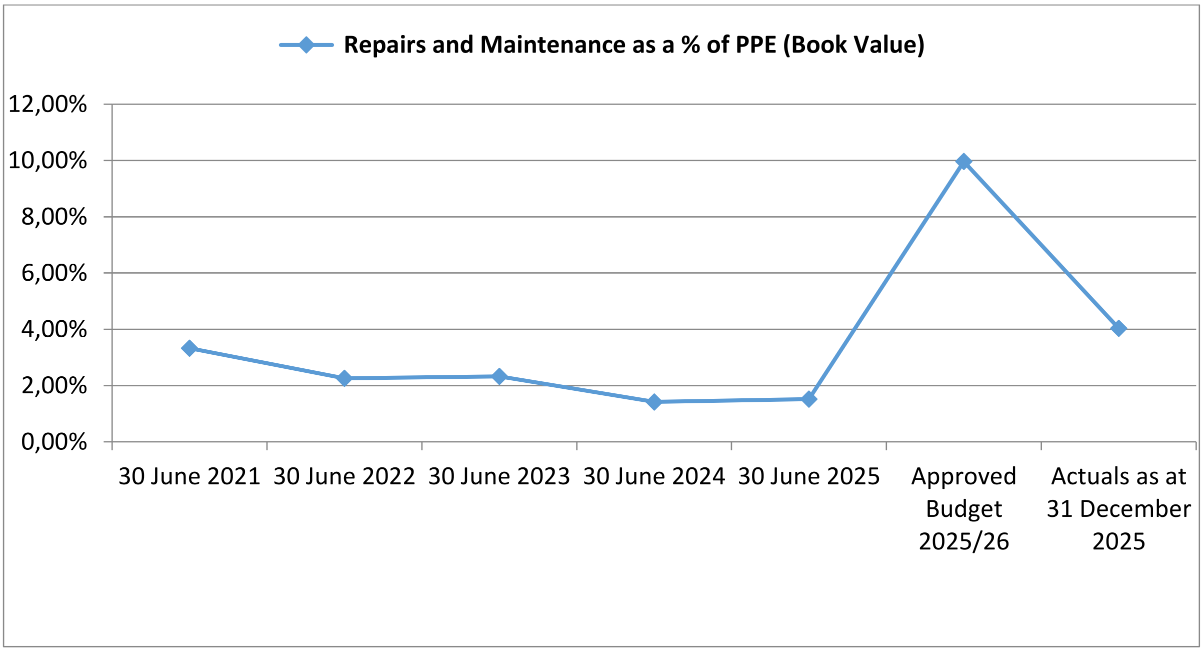
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 December 2025, repairs and maintenance expenditure constituted 4.03% of the book value of PPE, compared to the approved adjusted budget ratio of 9.96%.

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

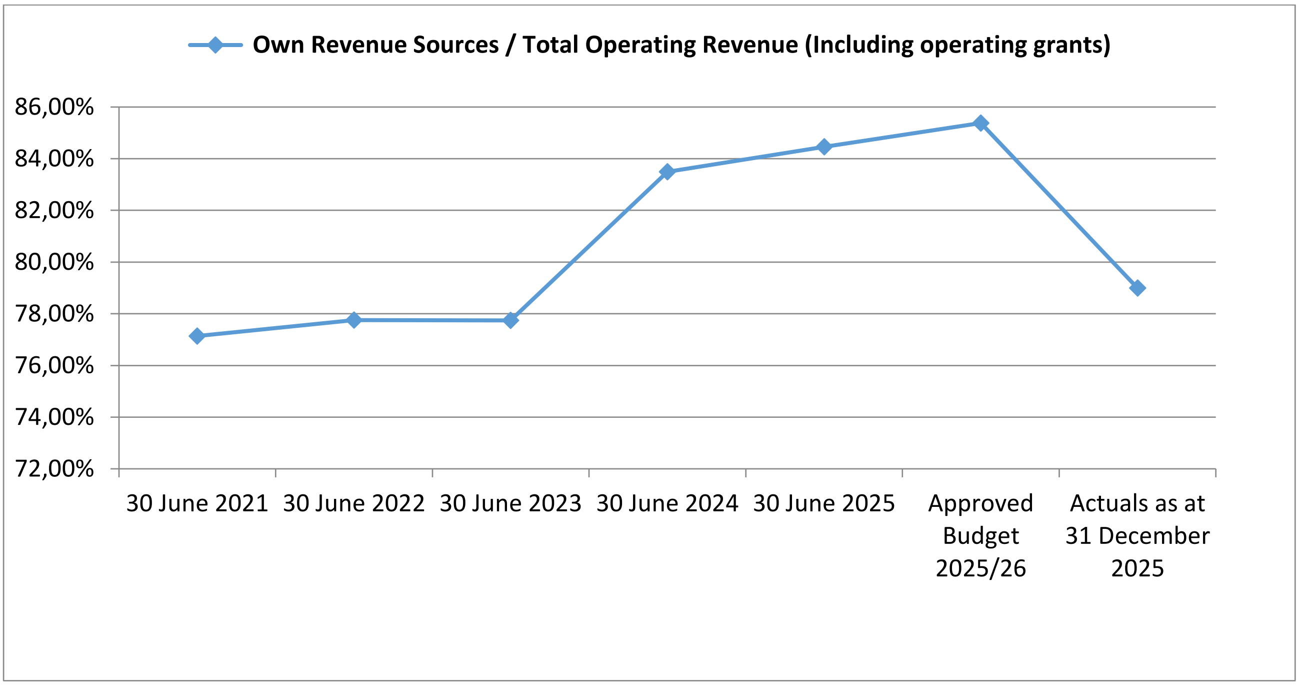


Own Revenue Generation
This ratio measures the extent to which the Municipality has control over its revenue sources, i.e., what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations.

The ratio is determined as follows:

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

As at 31 December 2025, the Municipality's own revenue sources constituted 78.99% 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 31 December 2025 amounted to 14.93%, compared to the approved adjusted budget ratio of 95%.