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

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2025 TO JANUARY 2026 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 JANUARY 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 January 2026:

"**Annexure A"** – Financial Overview

"Annexure A1" – Operating Revenue and Expenditure Performance

"Annexure A2" - Capital Budget Performance

"Annexure A3" - Projected Cash Flow Statement

"Annexure A4" – Municipal Monthly Budget Tables

"Annexure A5" - Analysis of Municipality's Statement of Financial Performance

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

4. **Financial Implications**

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

5. **Applicable Legislation**

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

6. **Legal Implications**

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

7. **Other Implications**

None.

8. **Comments by Directorates:**

8.1 **Chief Financial Officer:**
[insert comment]

8.2 **Director: Planning & Development**

[insert comment]

8.3 **Director: Civil & Water Services**

[insert comment]

8.4 **Director: Electro and Mechanical Services**

[insert comment]

8.5 **Director: Community Services**

[insert comment]

8.6 **Deputy Municipal Manager**

[insert comment]

8.7 **Municipal Manager**

[insert comment]

9. **Delegated Authority**

To be noted by the Portfolio Committee.

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

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

Signature………du Plessis ....

Date…………13 February 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 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 January 2026, 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 859,803 million, whilst operating expenditure amounted to R816,681 million, resulting in an operating surplus of R 43,122 million.
- Capital expenditure constituted 16.14% of the 2025/26 Adjusted Capital Budget.
- Overdue consumer debts increased by R 23,179 million (9.04%) since June 2025.
- An amount of R 53,806 million is owing to creditors, 99.24% represent current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality’s investment portfolio has decreased by R 3,586,842 (1.99%) since June 2025, from R 180,581,218 to R176,994,376.

Below is an analysis of the Investment Portfolio as at 31 January 2026.

	Balance as at 30 June 2025	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 January 2026
Standard Bank	-	13,504,899	1,055,145	15,504,899		21,390,223
ABSA	37,961,946	104,811,519	1,501,721	89,191,535	-	55,083,651
Nedbank	31,546,835	27,802,604	712,327	30,747,884		29,313,882
RMB	39,647,190	5,603,358	1,360,120	22,346,443		24,264,225
INVESTEC	29,600,838	29,262,662	1,384,016	31,497,466		28,750,049
Total	**138,756,808**	**180,985,041**	**6,013,329**	**189,288,227**	**-**	**158,802,029**
INVESTMENT	**Balance as at 30 June 2025**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 January 2026**
General Account	23,745,388	136,275,666	5,884,691	126,959,749		38,945,997
Cash Reserves (DBSA)	92,170,550			17,728,792		74,441,758
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		38,438,520		24,056,857
Housing Funds	8,899,262		128,638	6,161,165		2,866,735
Total	**161,091,885**	**180,985,041**	**6,013,329**	**189,288,227**	**-**	**158,802,029**
	Balance as at 30 June 2025	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 January 2026**
Cheque Accounts FNB 52540020791	800,205	917,647				1,717,852
Cheque Accounts FNB 52540033504	9,157,718			(4,433,973)		4,723,745
Cheque Accounts FNB 63022194441	513,734			(25,229)		488,505
Cheque Accounts ABSA 4114176482	5,899,110			(2,336,669)		3,562,441
Cheque Accounts ABSA 4114114771	2,052,903	5,131,714				7,184,618
Cheque Accounts ABSA 4114176474	935,410			(819,329)		116,080
Cheque Accounts ABSA 4114176490	130,253	268,853				399,106
	19,489,333	**6,318,214**	**-**	**(7,615,200)**	**-**	**18,192,347**
Total	**180,581,218**	**187,303,255**	**6,013,329**	**181,673,026**	**-**	**176,994,376**

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

Cash backed Reserves.

Bank Balances and Cash	R 18,192,347
Short-term Investment Deposits	R 158,802,029
	R 176,994,376

Application of Cash

Unspent Conditional Grants	R 38,427,915
Unspent Borrowings (DBSA)	R 74,441,758
Cash Reserves – DBSA	R 14,500,000
Cash Reserves – Developmental Charges	R 3,990,683
Operational Commitments	R 13,236,358
Internally Generated Funds (Capital Commitments)	R 19,397,179
Outstanding Creditors Liability	R 53,805,926
	R 217,799,819
Cash Shortfall	**(R 40,805,443)**

The commitments exceed cash reserves at this stage by an amount of R 40,805 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 January 2025	Approved Adjusted Budget 2025/26	Actuals as at 31 December 2025	Actuals as at 31 January 2026
Current Ratio	0.87:1	1.04:1	1.5:1 to 2:1	1.22:1	0.98:1	1.44:1	1.40:1
Liquidity Ratio	0.47:1	0.50:1		0.54:1	0.37:1	0.62:1	0.55:1
Cost Coverage (Excluding unspent conditional grants)	1.19 Months	0.53 Months	1 Month to 3 Months	1.40 Months	0.94 Months	0.65 Months	0.43 Months
Debtors Collection Rate	91.01%	91.38%	95%	87.99%	95%	93.17%	91.62%
Capital Expenditure	71.38%	84.49%	95%	26.40%	95%	14.93%	16.14%

<u>"ANNEXURE A1"</u>

1. OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO JANUARY 2026.

1.1. <u>Summary Statement of Financial Performance</u>

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	1 461 865	94 946	859 803	852 754	7 049
Total Expenditure	1 581 117	1 545 173	112 128	816 681	901 348	(84 667)
Surplus/(Deficit)	(112 431)	(83 308)	(17 182)	43 122	(48 594)	77 618

The statement of financial performance reflects an operating surplus of R 43,122 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	473,955	280,112	59.10%
Service charges - Water	123,885	66,815	53.93%
Service charges - Waste Water Management	71,792	42,500	59.20%
Service charges - Waste management	53,826	30,569	56.79%
Sale of Goods and Rendering of Services	10,044	4,519	44.99%
Agency services	4,554	1,120	24.59%
Interest earned from Receivables	11,618	7,449	64.12%
Interest earned from Current and Non Current Assets	16,273	7,567	46.50%
Rental from Fixed Assets	4,312	3,676	85.25%
Licence and permits	2,856	2,048	71.72%
Special rating levies	15,436	8,817	57.12%
Operational Revenue	8,122	3,301	40.64%
Non-Exchange Revenue	**665,193**	**401,311**	
Property rates	307,899	195,049	63.35%
Surcharges and Taxes	25,277	9,552	37.79%
Fines, penalties and forfeits	90,465	12,282	13.58%
Licence and permits	3,139	7,750	246.91%
Transfer and subsidies - Operational	214,697	162,125	75.51%
Interest	4,050	2,176	53.73%
Operational Revenue	19,666	12,376	62.93%
Total Revenue (excluding capital transfers and contributions)	**1,461,865**	**859,803**	**58.82%**

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.

- **Sale of Goods and Rendering of Services**
  The sale of goods and services relates to various sources of rendering of services such as application fees for land usage, building plan fees, cemeteries' fees and removal of restrictions fees etc. These revenue sources are influenced by community demands.

- **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 Current and Non-Current Assets**
  This interest relates to the interest earned from our bank accounts and investments which amounts to R 176,994 million as at 31 January 2026. 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.

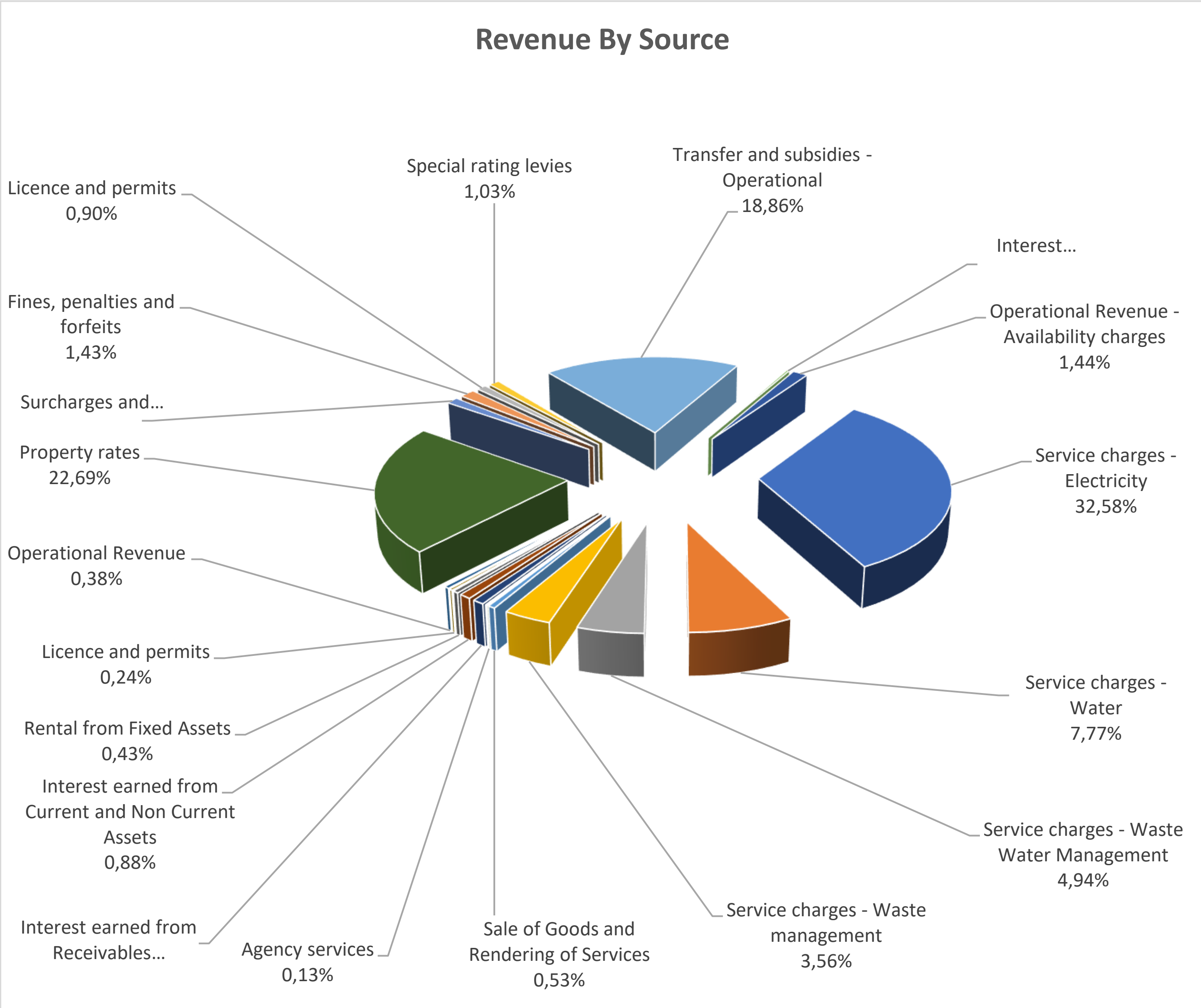
- **Operational Revenue (Exchange Revenue)**
  The other revenue relates to various sources of operating revenue such as staff recovery, insurance refunds and skills development levy refunds.
  The revenue is influenced by an additional budget allocation amounting to R 5 million for the augmentation fees made during the mid-year adjustments budget.

- **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 4,977 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 4,977 million and this will be corrected in the next reporting period.

- **Transfers and subsidies – operational**
  The operational grants and subsidies reflect a 75.51% achievement as at 31 January 2026, and this is mainly due to the R 67,723 million received on 9 December 2025 for the second installment of Equitable Share allocation.



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	440,383	264,816	60.13%
Remuneration of councillors	16,550	8,692	52.52%
Bulk purchases - electricity	440,010	277,822	63.14%
Inventory consumed	113,006	65,644	58.09%
Debt impairment	64,219	–	0.00%
Depreciation and amortisation	142,422	63,087	44.30%
Interest	39,542	8,034	20.32%
Contracted Services	121,285	60,429	49.82%
Transfers and subsidies	950	24	2.49%
Irrecoverable debts written off	54,197	7,018	12.95%
Operational Cost	97,557	61,115	62.65%
Other Losses	15,051	–	0.00%
Total Expenditure	**1,545,173**	**816,681**	**52.85%**

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 63.14% expenditure, compared to the approved budget.

- **Inventory consumed.**
  Inventory consumed as at 31 January 2026 includes the following expenditure items:

Item Description	Adjusted Budget	YD Actuals	%
Standard Rated	4,561,808	1,634,232	35.82%
Materials and Supplies	46,750,315	23,635,923	50.56%
Zero Rated	21,000,000	14,564,901	69.36%
Water	40,694,032	25,808,538	63.42%
Total	**113,006,155**	**65,643,595**	**58.09%**

- **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 44.30% expenditure, compared to the approved budget.

- **Interest**
  Interest relates to the DBSA loan, finance leases and the employee benefits provisions amounting to R 22,788 million. The interest is mainly influenced by the employee benefits provisions which are recognized at end year.

- **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.

- **Irrecoverable debts written off**

  Irrecoverable debts is written off upon Council approval.

Contracted services as at **31 January 2026** are broken down as follows:

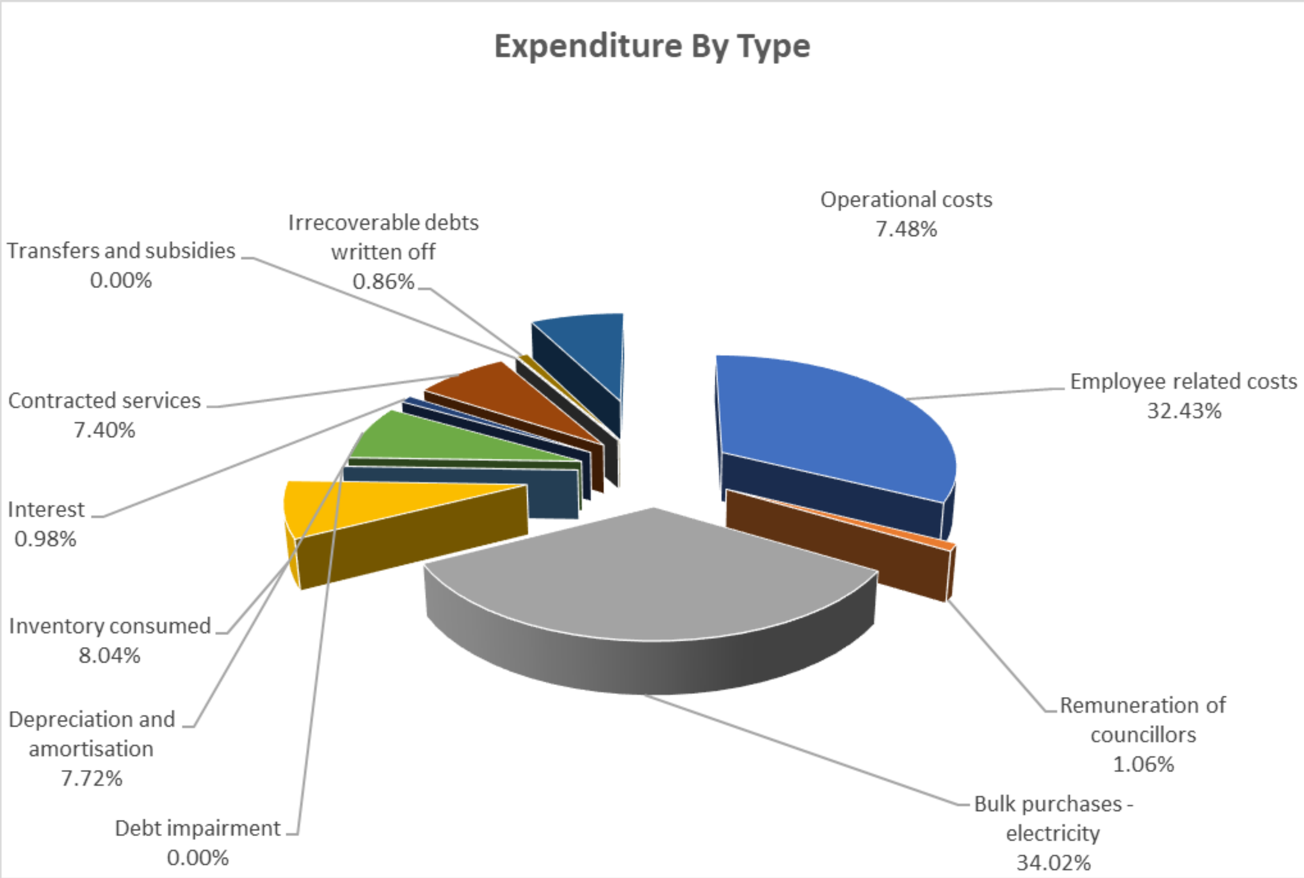
Item Description	Adjusted Budget 2025/26	YTD Actuals	%
Aloe Cup	68,000.00	-	0.00%
Animal Care	508,000.00	-	0.00%
Audit of Municipal Land & Properties	2,989,565.00	138,750.00	4.64%
BUILDING CONTROL	25,000.00	-	0.00%
Burial Services	52,000.00	10,500.00	20.19%
Calamari Festival	200,000.00	-	0.00%
Catering Services	771,500.00	324,151.32	42.02%
Clean up Operation	1,100,000.00	480,766.60	43.71%
Clearing and Grass Cutting Services	1,390,000.00	680,619.31	48.97%
Conducting of feasibility studies (EIA)	630,435.00	152,450.00	24.18%
Connection/Dis-connection:Electricity	475,000.00	174,320.00	36.70%
Consultants and Professional Services	10,517,000.00	4,111,311.65	39.09%
Destination Marketing & Promotion	400,000.00	42,280.47	10.57%
Drivers Licence Cards	453,000.00	294,275.00	64.96%
Dune Rehabilitation and Coastal Zone	1,520,000.00	167,961.26	11.05%
EC Tourism Awards	260,662.00	260,662.75	100.00%
Electricity Generation Project	1,350,000.00	-	0.00%
Environmental protection	312,000.00	-	0.00%
Event Promoters	18,000.00	3,745.00	20.81%
Internal Auditors	300,000.00	30,000.00	10.00%
KBF	100,000.00	100,000.00	100.00%
KLTO	360,000.00	-	0.00%
Kouga Family Fun Day	85,000.00	-	0.00%
Kouga Mayoral Summer Festival	850,000.00	850,000.00	100.00%
Laboratory Services:Water	(10,340,249.00)	715,015.61	-6.91%
Legal Advice and Litigation	1,500,000.00	997,748.53	66.52%
Legal Cost:Collection	2,100,000.00	1,259,389.23	59.97%
LTO Capacitation	109,000.00	17,422.50	15.98%
Maintenance of Buildings and Facilities	8,609,340.00	2,449,141.75	28.45%
Maintenance of Electrical Infrastructure	6,196,511.00	3,067,658.77	49.51%
Maintenance of Equipment	1,435,000.00	170,589.02	11.89%
Maintenance Of Fire Equipment	52,000.00	20,351.08	39.14%

Contracted services as at **31 January 2026** continue to:

Item Description	Adjusted Budget 2025/26	YTD Actuals	%
Maintenance of Vehicles	9,373,000.00	4,723,299.13	50.39%
Maintenance STORMWATER	855,000.00	-	0.00%
Media Monitoring	120,000.00	60,865.00	50.72%
Mscoa Alignment	705,137.00	81,204.49	11.52%
New Meter Installations	2,250,000.00	45,026.00	2.00%
Occupational Health and Safety	1,400,000.00	838,878.00	59.92%
Oceans Economy Masterplan	300,000.00	-	0.00%
Other Contracted Services	7,798,000.00	3,475,985.62	44.58%
Personnel and Labour	19,701,000.00	10,511,953.19	53.36%
PGA Championship Sponsorship	288,750.00	288,750.00	100.00%
Pollution Control	200,000.00	54,850.00	27.43%
Precinct Plans Project Hankey and St Francis Bay C	425,000.00	-	0.00%
Private Plots_Alien Vegetation Control	360,000.00	319,576.64	88.77%
Qualification Verification	500,000.00	331,155.00	66.23%
Replacement of Stormwater Headwalls along Kouga Co	85,000.00	-	0.00%
Resealing & Maintenance of Roads in KLM	10,000,000.00	6,119,688.90	61.20%
Restricted Water Flow	200,000.00	-	0.00%
Revision of SDF	170,000.00	-	0.00%
Roads Defects Repairs	360,000.00	-	0.00%
SA Longboard Championship	315,000.00	273,913.04	86.96%
SA Open water swim	175,000.00	-	0.00%
Security Services	10,301,000.00	6,403,013.43	62.16%
SMART City Strategy	300,000.00	-	0.00%
SMME Capacitation Program	200,000.00	118,762.12	59.38%
Special Rating Area	1,332,000.00	1,083,118.50	81.32%
Technical Support Services	785,000.00	480,953.50	61.27%
Tourism Branding	300,000.00	40,997.66	13.67%
Upgrade and Repair SCADA	823,000.00	374,438.66	45.50%
Valuer	14,651,880.00	7,876,036.02	53.75%
Winterfest	1,785,000.00	-	0.00%
WSL Music Festival	279,769.00	69,769.35	24.94%
WTM Africa, Indaba, Meetings Africa, Educationals,	550,000.00	337,196.52	61.31%
	121,285,300	**60,428,541**	**49.82%**

The other expenditure as at **31 January 2026** is broken down as follows:

Item Description	Adjusted Budget 2025/26	YTD Actuals	%
Achievements and Awards	3,732,000	1,098,085	29.42%
Advertising, Publicity and Marketing	5,099,000	2,179,358	42.74%
Bank Charges	1,100,000	1,006,346	91.49%
Bargaining Council	5,245,665	4,833,408	92.14%
Cellular Contract (Subscription and Calls)	3,597,000	1,993,762	55.43%
Claims paid to Third Parties	300,000	338,210	112.74%
External Audit Fees	4,500,000	4,374,171	97.20%
External Computer Service:Internet Charge	6,710,000	3,800,685	56.64%
Hire Charges	4,738,970	2,087,133	44.04%
Insurance Claims	400,000	136,331	34.08%
Insurance Underwriting:Premiums	3,844,237	3,510,731	91.32%
Leases:Furniture and Office Equipment	2,640,000	1,564,838	59.27%
Leases:Other Assets	4,870,000	2,889,302	59.33%
Motor Vehicle Licence and Registrations	1,741,446	633,368	36.37%
Other	1,444,772	3,436,636	237.87%
Postage/Stamps/Franking Machines	1,905,000	985,692	51.74%
Registration Fees:Professional and Regulatory Bodies	663,500	116,595	17.57%
Registration Fees:Seminars, Conferences, Workshops	2,057,457	549,210	26.69%
Remuneration to Ward Committees	1,980,000	1,162,800	0.00%
Riparian Levies	8,465,273	6,811,634	80.47%
SABC TV LICENCES	10,000	2,915	29.15%
Signage	625,500	330,139	52.78%
Skills Development Fund Levy	4,782,008	2,655,883	55.54%
Software Licences	10,998,000	6,611,896	60.12%
Storage of Files (Archiving)	330,000	26,841	8.13%
Third Party Vendors	3,637,000	1,672,145	45.98%
Travel and Subsistence	4,550,957	2,061,458	45.30%
Uniform and Protective Clothing	4,016,596	2,167,932	53.97%
Vehicle Tracking	895,300	639,094	71.38%
Workmen's Compensation Fund	2,677,639	1,438,695	53.73%
	97,557,320	**61,115,294**	**62.65%**



1.4. Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure as at 31 January 2026, 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	111,081,032	63,517,862	57.70%
Other materials	33,487,315	17,934,377	53.56%
Contracted Services	40,212,851	17,643,759	43.88%
Other expenditure	3,948,570	1,815,795	45.99%
Total	**187,729,768**	**100,911,793**	**53.75%**

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	473,955	280,112	59.10%
Interest earned from Receivables	837	1,173	140.19%
Operational Revenue	1,630	430	26.35%
Non-Exchange Revenue			
Transfers and subsidies - Operational	2,243	935	41.67%
Service charges - Electricity	10,089	6,350	62.94%
Total Revenue	**488,754**	**288,999**	**59.13%**
Expenditure By Type			
Employee related costs	23,340	14,260	61.10%
Bulk purchases - electricity	440,010	277,822	63.14%
Inventory consumed	13,814	7,571	54.81%
Debt impairment	13,133	–	0.00%
Depreciation and amortisation	13,139	4,843	36.86%
Interest	488	289	59.20%
Contracted services	11,797	4,055	34.38%
Irrecoverable debts written off	5,573	396	7.11%
Operational costs	3,963	2,083	52.56%
Total Expenditure	**525,257**	**311,320**	**59.27%**
Surplus/(Deficit)	**(36,503)**	**(22,321)**	

1.5.1.1 Revenue

- The electricity service charges revenue reflects 59.10% of budget as at 31 January, and this is in line with the projected budget ratio of 58.33% as at 31 January 2026.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.

1.5.1.2 Expenditure

- the bulk electricity reflects 63.14% of budget expenditure as at 31 January 2026.

1.5.1.3 Net surplus/deficit of electricity ratio

- Electricity reflects a deficit of R 22,321 million as at 31January 2026 and the deficit amount equates to 7.72%, compared to the revenue. The adjusted budget deficit for the 2025/26 amount to R 36,503 million and equates to 7.47%, 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	123,885	66,815	53.93%
Interest earned from Receivables	5,567	3,498	62.84%
Operational Revenue	681	277	40.70%
Non-Exhange Revenue			
Transfers and subsidies - Operational	22,970	9,571	41.67%
Service charges - Water	6,398	4,056	63.39%
Total Revenue	**159,501**	**84,217**	**52.80%**
Expenditure By Type			
Employee related costs	38,268	22,966	60.01%
Inventory consumed	49,801	32,000	64.26%
Debt impairment	(14,655)	–	0.00%
Depreciation and amortisation	22,378	11,816	52.80%
Interest	506	329	64.93%
Contracted services	(9,272)	1,100	-11.86%
Irrecoverable debts written off	21,454	3,014	14.05%
Operational costs	1,812	1,008	55.60%
Other Losses	15,051	–	0.00%
Total Expenditure	**125,343**	**72,232**	**57.63%**
Surplus/(Deficit)	**34,159**	**11,986**	

1.5.2.1 Revenue

- The water service charges revenue reflects 53.93% of budget as at 31 January 2026.
- 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 40,694 million for the bulk water purchases and the expenditure amount of R 21,399 million (63.42% of budget).

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 11,986 million as at 31 January 2026 and equates to 14.23 % 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	71,792	42,500	59.20%
Interest earned from Receivables	572	234	40.91%
Operational Revenue	2,033	1,219	59.94%
Non-Exchange Revenue			
Transfers and subsidies - Operational	14,617	6,090	41.67%
Service charges - Waste Water Management	3,179	1,970	61.97%
Total Revenue	**92,192**	**52,013**	**56.42%**
Expenditure By Type			
Employee related costs	13,156	7,115	54.08%
Inventory consumed	15,919	7,741	48.63%
Debt impairment	(3,718)	–	0.00%
Depreciation and amortisation	36,895	16,981	46.03%
Interest	977	603	61.70%
Contracted services	4,133	2,201	53.24%
Irrecoverable debts written off	7,569	1,284	16.97%
Operational costs	5,673	3,316	58.45%
Total Expenditure	**80,603**	**39,241**	**48.68%**
Surplus/(Deficit)	**11,588**	**12,772**	

1.5.3.1 Revenue

- The waste water service charges revenue reflects 59.20% of budget as at 31 January, and this is in line with the projected budget ratio of 58.33% as at 31 January 2026.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.
- Operational revenue (non-exchange revenue) relates to the waste water availability charges.

1.5.3.2 Expenditure

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

1.5.3.3 Net surplus/deficit of wastewater management ratio

- The waste water management revenue reflects a surplus of R 12,772 million as at 31 January 2026 and equates to 24.55% of total revenue. Council approved a surplus budget of R 11,588 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	53,826	30,569	56.79%
Sale of Goods and Rendering of Services	9	–	0.00%
Interest earned from Receivables	3,056	1,481	48.48%
Operational Revenue	122	50	41.03%
Non-Exchange Revenue			
Transfers and subsidies - Operational	25,847	10,770	41.67%
Surcharges and Taxes - Waste	15,872	8,599	54.18%
Total Revenue	**98,730**	**51,469**	**52.13%**
Expenditure By Type			
Employee related costs	42,683	25,522	59.79%
Inventory consumed	7,812	5,305	67.90%
Debt impairment	(7,865)	–	0.00%
Depreciation and amortisation	3,195	685	21.44%
Interest	831	492	59.20%
Contracted services	16,380	6,693	40.86%
Irrecoverable debts written off	11,503	2,025	17.60%
Operational costs	3,795	1,812	47.75%
Total Expenditure	**78,334**	**42,534**	**54.30%**
Surplus/(Deficit)	**20,396**	**8,935**	

1.5.4.1 Revenue

- The waste service charges revenue reflects 56.79% of budget as at 31 January, and this is in line with the projected budget ratio of 58.33% as at 31 January 2026.
- 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 8,935 million as at 31 January 2026 and equates to 17.36% of total revenue. Council approved a surplus budget of R 20,396million 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	19,701	10,512	11,492	(980)
2. Travel claims	4,551	2,061	2,655	(593)
3. Overtime	28,771	18,588	16,783	1,805
4. Catering Costs	772	324	450	(126)
5. Events, Advertising and sponsorships	5,801	2,270	3,384	(1,114)
6. Attendance of Conferences, Seminars & Workshops	2,057	549	1,200	(651)
7. Municipal Workshops, Retreats, Strategic Sessions and Internal training	988	343	576	(233)
9. Essential User Scheme	1,456	1,456	1,456	–
Total	**64,097**	**36,105**	**37,997**	**(1,892)**

A comparison of the year-to-date actuals to the adjusted budget reflects savings, amounting to R 1,892 million as at 31 January 2026.

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

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

Description	Budget Year 2025/26			Actuals as at 31 January 2026			
R thousands	**Approved Adjusted Budget-Operating**	**Approved Adjusted Budget-Capital Budget**	**Appproved Adjusted Budget 2025/26**	**Operating Expenditure**	**Capital Actuals**	**Total Expenditure**	**Unathorised Expenditure**
<u>Expenditure by Vote</u>							
Civil & Water Services	326,829	247,075	573,903	168,513	31,842	200,355	–
Community Services	330,563	4,890	335,453	145,627	1,915	147,543	–
Electro & Mechanical Services	550,690	42,935	593,625	328,780	13,052	341,832	–
Finance and Economic Development	126,066	1,335	127,400	62,244	163	62,407	–
Office of the DMM	154,776	2,660	157,436	82,035	1,006	83,042	–
Office of the MM	17,968	5	17,973	11,071	–	11,071	–
Planning and Development	38,281	23,666	61,947	18,411	4,081	22,492	–
Total Expenditure by Vote	**1,545,173**	**322,565**	**1,867,738**	**816,681**	**52,060**	**868,742**	-

No unauthorised expenditure reported for the period ended 31 January 2026.

Annexure "A2"

1. CAPITAL BUDGET PERFORMANCE

1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 31 January 2026, constituted 16. 14% of adjusted capital budget and the funding is broken down as follows:

- Grant funding is 32.15% of approved grant funding budget.
- Borrowing funding is 5.20% of approved borrowing funding budget.
- Internally generated funds are 14.25% 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	–	5	–	0.00%
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	1,050	2,660	1,006	37.83%
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	621	1,335	163	12.25%
Vote 4 - COMMUNITY SERVICES	4,891	4,890	1,915	39.17%
Vote 5 - CIVIL AND WATER SERVICES	206,142	247,075	31,842	12.89%
Vote 6 - ELECTRO/MECHANICAL SERVICES	49,509	42,935	13,052	30.40%
Vote 7 - PLANNING AND DEVELOPMENT	3,250	23,666	4,081	17.25%
Total Capital Multi-year expenditure	**265,462**	**322,565**	**52,060**	**16.14%**

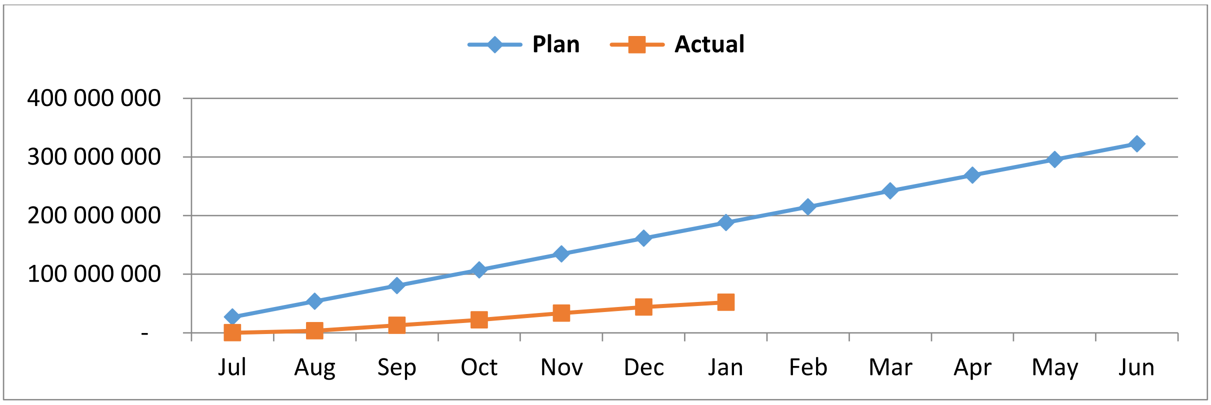
The capital expenditure as at 31 January 2026, constituted 16.14% of adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Office Of the Municipal Manager is 0% of R 5 thousand budget.
- Office Of the Deputy Municipal Manager is 37.83% of R 2,660 million budget.
- Finance & Economic Development is 12.25% of R 1,335 million budget.
- Community Services is 39.17% of R 4,890 million budget.
- Civil & Water Services 12.89% of R 247,075 million budget.
- Electro & Mechanical Services is 30.40% of R 42,935 million budget.
- Planning & Development is 17.25% of R 23,666 million budget.

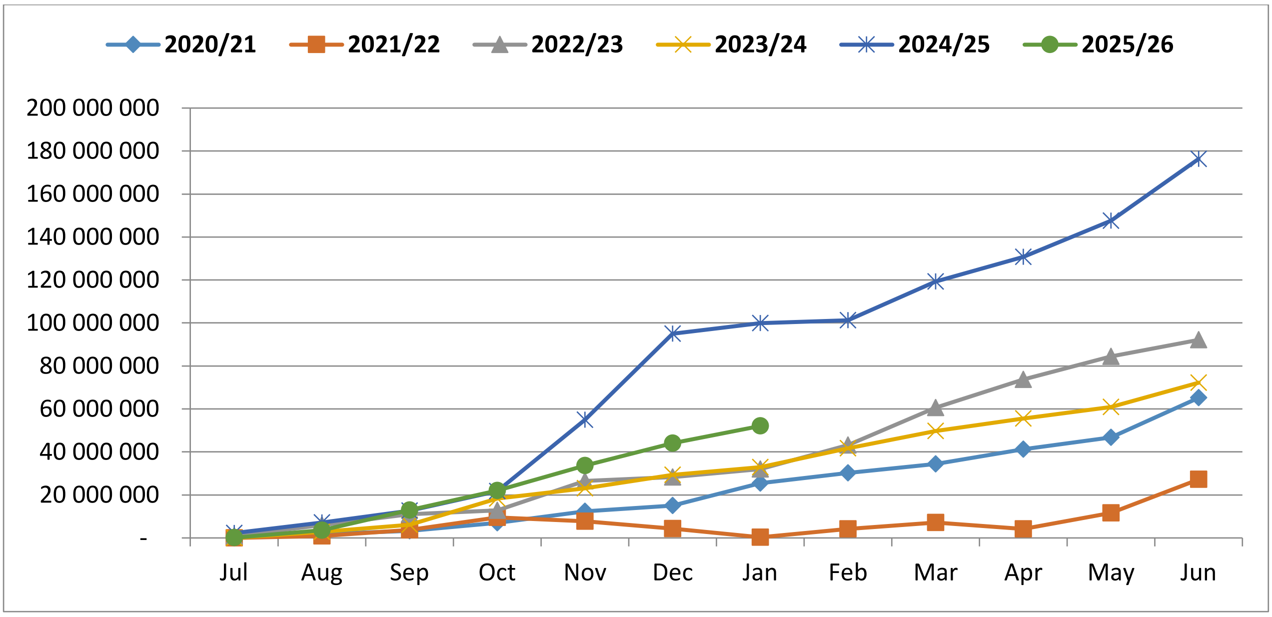
1.2. Monthly capital expenditure

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 January 2026 :

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	7,457,152	4.87%
			153,002,755	**7,457,152**	**4.87%**
INTERNALLY FUNDED					
PROJECT MANAGEMENT UNIT (PMU)	INTERNAL	Upgrading/Improvement of Sport Facilities within K	630,816	-	0.00%
PROJECT MANAGEMENT UNIT (PMU)	INTERNAL	Paving of Main Beach	44,029	44,029	100.00%
ROADS AND STORMWATER	INTERNAL	Jeffreys Bay CBD Precinct Upgrades	1,000,000	-	0.00%
ROADS AND STORMWATER	INTERNAL	George Road, Re-instatement of Embankment, Water &	1,226,900	-	0.00%
ROADS AND STORMWATER	INTERNAL	Seekoei Estuary Causeway	3,535,940	1,265,948	35.80%
ROADS AND STORMWATER	INTERNAL	Umzamowethu SW Management Plan	400,000	-	0.00%
SEWERAGE	INTERNAL	Seekoei Estuary Causeway	-	379,173	
SEWERAGE	INTERNAL	Hankey: Refurbishment of WWTW	2,296,691	159,000	6.92%
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: Construction of New Sewer Rising Main	811,148	-	0.00%
WATER	INTERNAL	Storage Containers	200,000	-	0.00%
WATER	INTERNAL	Machinery at WTW Facilities	868,120	70,460	8.12%
WATER	INTERNAL	Humansdorp: Gill Marcus Water Supply	108,674	108,675	100.00%
WATER	INTERNAL	ProtAPP Software	300,000	-	0.00%
WATER	INTERNAL	MIMOSA STREET PIPELINE REPLACEMENT	105,152	-	0.00%
WATER	INTERNAL	Construction of Civil Services in Donkerhoek & Hum	678,345	-	0.00%
			13,643,225	**2,141,032**	**15.69%**
MUNICIPAL DISASTER RESPONSE GRANT					
ROADS AND STORMWATER	MDRG	Re-instatement of Sherley Street	1,539,318	705,263	45.82%
ROADS AND STORMWATER	MDRG	Re-instatement of Mountain Road and upgrade of sto	914,386	408,066	44.63%
ROADS AND STORMWATER	MDRG	Re-instatement of Da Gama Road in the Kabeljous ar	1,048,958	-	0.00%
ROADS AND STORMWATER	MDRG	George Road, Re-instatement of Embankment, Water &	753,391	21,776	2.89%
ROADS AND STORMWATER	MDRG	Re-instatement of Phillip Street low level water c	1,652,292	183,934	11.13%
ROADS AND STORMWATER	MDRG	Sea Vista Access ring road damaged pavement layers	765,960	20,157	2.63%
ROADS AND STORMWATER	MDRG	Re-instatement of Ketse Street and stormwater infr	1,138,688	435,579	38.25%
ROADS AND STORMWATER	MDRG	Re-instatement of Nanto Street and stormwater infr	1,276,986	416,175	32.59%
ROADS AND STORMWATER	MDRG	Re-instatement of Meyer Street and stormwater infr	1,002,820	564,997	56.34%
			10,092,799	**2,755,946**	**27.31%**
MUNICIPAL INFRASTRUCTURE GRANT					
PROJECT MANAGEMENT UNIT (PMU)	MIG	Specialized Waste Management Vehicles	2,816,677	2,816,678	100.00%
PROJECT MANAGEMENT UNIT (PMU)	MIG	Upgrade of Phillipsville Sportsfield	95,652	-	0.00%
ROADS AND STORMWATER	MIG	Upgrading of Kouga Gravel Roads	13,478,100	3,920,402	29.09%
SEWERAGE	MIG	Arcadia Street: Refurbishment of Sewer Pump Station	262,016	-	0.00%
SEWERAGE	MIG	La Mer: Construction of New Sewer Rising Main	52,600	-	0.00%
SEWERAGE	MIG	Jeffreys Bay: Upgrade of Ocean View Sewer Pipe	261,915	69,565	26.56%
SEWERAGE	MIG	Kwanomzamo: Upgrading of WWTW	6,763,810	5,434,252	80.34%
WATER	MIG	Infrastructure Management Plan	1,717,311	421,657	24.55%
			25,448,081	**12,662,554**	**49.76%**

DEPARTMENT		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	Design: Upgrade Weston WWTW Outfall & Reticulation	-	547,012	
SEWERAGE	UISP	Kruisfontein: Bulk Sewer Link Line	191,464	-	0.00%
SEWERAGE	UISP	Design: Upgrade Weston WWTW Outfall & Reticulation	1,141,258	-	0.00%
SEWERAGE	UISP	Apiesdraai: Sewer Pump Station	3,544,185	46,445	1.31%
SEWERAGE	UISP	Ramaphosa Sewer Pump Station Upgrade	5,239,443	65,940	1.26%
SEWERAGE	UISP	Upgrade of Thornhill Sewer Treatment Works - Phase	2,219,112	17,285	0.78%
WATER	UISP	Humansdorp: Upgrading of Kwanomzamo Informal Settl	2,734,069	1,121,479	41.02%
WATER	UISP	Thornhill: Upgrading of Informal Settlement	419,403	-	0.00%
WATER	UISP	Patensie: Upgrading of Cyril Ramaphosa Informal Se	1,146,142	-	0.00%
WATER	UISP	Jeffreys Bay: Upgrading of Ocean View Informal Set	2,926,119	-	0.00%
WATER	UISP	Humansdorp: Upgrading of Kruisfontein Informal Set	2,118,388	1,576,582	74.42%
WATER	UISP	Thornhill: Upgrading of Informal Settlement	-	93,112	
WATER	UISP	Patensie: Upgrading of Informal Settlement (Cyril Ramaphosa)	-	105,110	
WATER	UISP	Jeffreys Bay: Upgrading of Ocean View Informal Settlement	-	722,854	
WATER	UISP	Kruisfontein: Upgrade of Gill Marcus Bulk Water Reservoir & Pipeline	5,780,466	309,636	5.36%
WATER	UISP	Kwanomzamo: New Bulk Water Pipeline	8,870,938	-	0.00%
			36,514,693	**4,605,454**	**12.61%**
WATER SERVICES INFRASTRUCTURE GRANT					
SEWERAGE	WSIG	Beach Sewer Pump Station and New Sewer Bypass	200,000	-	0.00%
SEWERAGE	WSIG	Loerie: Upgrade of Sewer Pump Station & New Sewer	5,396,909	1,851,066	34.30%
WATER	WSIG	St Francis Bay: Replacement of Waterpipe	100,000	-	0.00%
WATER	WSIG	St Francis Bay: Groundwater Supply	2,576,130	368,887	14.32%
WATER	WSIG	St Francis Bay: Replacement of Main Waterline (Sout River Bridge Crossing)	100,000	-	0.00%
			8,373,039	**2,219,952**	**26.51%**
SUBTOTAL			**247,074,592**	**31,842,090**	**12.89%**

DEPARTMENT		PROJECT DESCRIPTION	Adjusted Budget 2025/26	YearTD actuals	%
COMMUNITY SERVICES					
DISTRICT					
FIRE SERVICES	DISTRICT	Fire Services - Vehicle (DISTRICT)	955,034	1,389,675	145.51%
			955,034	**1,389,675**	**145.51%**
INTERNALLY FUNDED					
FIRE SERVICES	INTERNAL	Fire Services - Vehicle (District)	434,642	-	0.00%
FIRE SERVICES	INTERNAL	Extension of Incident Command Centre (ICC)	1,000,000	12,000	1.20%
LAW ENFORCEMENT	INTERNAL	Security Cameras	1,000,000	513,699	51.37%
WASTE SERVICES	INTERNAL	Fencing of Humansdorp Landfill Site	1,500,000	-	0.00%
			3,934,642	**525,699**	**13.36%**
ELECTRO AND MECHANICAL SERVICES					
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME					
METERING AND REVENUE	INEP	Electrification of 1250 houses in Kouga	4,730,433	3,779,626	79.90%
			4,730,433	**3,779,626**	**79.90%**
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	SeaVista Electrification	2,000,000	-	0.00%
METERING AND REVENUE	INTERNAL	Thornhill Electrification	1,500,000	-	0.00%
METERING AND REVENUE	INTERNAL	OceanView Electrification	2,500,000	-	0.00%
METERING AND REVENUE	INTERNAL	Electrical Oil circuit breakers replacement with v	1,560,165	-	0.00%
			32,060,165	**4,581,472**	**14.29%**
MUNICIPAL INFRASTRUCTURE GRANT					
METERING AND REVENUE	MIG	Design of New High Mast Lights - Construction	6,086,955	4,168,930	68.49%
			6,086,955	**4,168,930**	**68.49%**
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	27,938	27,939	100.00%
			57,641	**27,939**	**48.47%**
FINANCE LEASE					
FLEET AND WORKSHOP	LEASE	Vehicle	-	493,606	
			-	**493,606**	
SUBTOTAL			**290,009,786**	**44,893,663**	**15.48%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2025/26	YearTD actuals	%
FINANCE AND ECONOMIC DEVELOPMENT					
FINANCIAL MANAGEMENT GRANT					
BUDGET AND FINANCIAL REPORTING	FMG	FMG Interns Laptops	128,700	128,620	99.94%
			128,700	128,620	**99.94%**
FINANCE AND ECONOMIC DEVELOPMENT					
INTERNALLY FUNDED					
ASSET MANAGEMENT	INTERNAL	AIR CONDITIONERS-WHOLE OF MUNICIPALITY	150,000	-	0.00%
ECONOMIC DEVELOPMENT	INTERNAL	Furniture and Office Equipment	10,000	-	0.00%
EXPENDITURE	INTERNAL	Computer Equipment	57,000	-	0.00%
EXPENDITURE	INTERNAL	Furniture and Office Equipment	50,000	-	0.00%
LOCAL ECONOMIC DEVELOPMENT	INTERNAL	Computer Equipment	28,500	-	0.00%
REVENUE	INTERNAL	Vehicle	570,600	-	0.00%
REVENUE	INTERNAL	Furniture and Office Equipment	60,561	22,776	37.61%
REVENUE	INTERNAL	Computer Equipment	114,000	-	0.00%
SUPPLY CHAIN AND CONTRACT MANAGEMENT	INTERNAL	Furniture and Office Equipment	10,700	-	0.00%
SUPPLY CHAIN AND CONTRACT MANAGEMENT	INTERNAL	Computer Equipment	154,575	12,075	7.81%
			1,205,936	**34,851**	**2.89%**
OFICCE OF THE DMM					
INTERNALLY FUNDED					
ADMINISTRATION SERVICES	INTERNAL	Generator - Humansdorp Main Building	300,000	-	0.00%
ADMINISTRATION SERVICES	INTERNAL	Furniture and Office Equipment	180,000	-	0.00%
HUMAN RESOURCES	INTERNAL	Furniture and Office Equipment	50,000	-	0.00%
HUMAN RESOURCES	INTERNAL	HR Sound System	15,000	-	0.00%
HUMAN RESOURCES	INTERNAL	Recording Devices: Labour Relations	15,000	-	0.00%
INFORMATION COMMUNICATION TECHNOLOGY (ICT)	INTERNAL	Computer Equipment	2,000,000	977,718	48.89%
LEGAL SERVICES	INTERNAL	Furniture and Office Equipment	50,000	-	0.00%
MEDIA LIAISON	INTERNAL	Camera Equipment	50,000	28,661	57.32%
			2,660,000	**1,006,379**	**37.83%**
OFICCE OF THE DMM					
INTERNALLY FUNDED					
RISK AND INTERNAL AUDIT	INTERNAL	Furniture and Office Equipment	5,000	-	0.00%
			5,000	**-**	**0.00%**
PLANNING AND DEVELOPMENT					
INTERNALLY FUNDED					
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Acquisition of Land	2,900,000	-	0.00%
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Furniture and Office Equipment	175,000	-	0.00%
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Computer Equipment	175,000	-	0.00%
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Fencing (Oceanview)	1,200,000	-	0.00%
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Fencing (Sea Vista)	200,000	-	0.00%
			4,650,000	**-**	**0.00%**
DEPARTMENT OF HUMAN SETTLEMENTS					
HUMAN SETTLEMENT	DOHS	HANKEY 990-PHASE 2	6,731,296	4,081,499	60.63%
HUMAN SETTLEMENT	DOHS	HANKEY 990-PHASE 3	12,284,786	-	0.00%
SUBTOTAL			**19,016,082**	**4,081,499**	**21.46%**
TOTAL			**322,565,180**	**52,060,386**	**16.14%**

Annexure "A3"

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

1.1. Projected Cash Flow Statement as at 31 January 2026

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 – M07 January 2026

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	296,352	22,106	200,420	171,972	28,448	17%	296,352
Service charges		719,038	908,343	846,520	53,635	405,982	529,867	(123,885)	-23%	846,520
Other revenue		52,563	112,594	131,358	194,719	140,870	65,680	75,190	114%	131,358
Transfers and Subsidies - Operational		201,325	214,766	214,845	870	162,875	125,280	37,595	30%	214,845
Transfers and Subsidies - Capital		57,409	82,934	104,291	281	63,702	54,128	9,574	18%	104,291
Interest		1,659,179	16,273	16,273	147	7,972	9,492	(1,521)	-16%	16,273
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(298,661)	(1,485,124)	(1,422,023)	(103,214)	(901,873)	(855,906)	45,966	-5%	(123,760)
Interest		–	(19,267)	(19,267)	–	(8,034)	(11,239)	(3,205)	29%	(19,267)
Transfers and Subsidies		–	(950)	(950)	–	–	(554)	(554)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,654,615**	**124,378**	**167,398**	**168,545**	**71,915**	**88,720**	**16,805**	**19%**	**1,465,660**
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)	(318,092)	(10,126)	(59,869)	–	59,869	0%	318,092
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(130,825)**	**(265,462)**	**(318,092)**	**(10,126)**	**(59,869)**	**–**	**59,869**	**0%**	**318,092**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		(120,000)	100,000	100,000	(67)	–	–	–		100,000
Increase (decrease) in consumer deposits		–	–	–	–	–	58,333	(58,333)	-100%	–
Payments										
Repayment of borrowing		–	–	–	–	(15,632)	–	15,632	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(120,000)**	**100,000**	**100,000**	**(67)**	**(15,632)**	**58,333**	**73,966**	**127%**	**100,000**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,403,790**	**(41,084)**	**(50,694)**	**158,352**	**(3,587)**	**147,053**			**1,883,752**
Cash/cash equivalents at beginning:		297,312	194,402	180,582		180,581	180,582			180,581
Cash/cash equivalents at month/year end:		2,701,102	153,318	129,888		176,994	327,635			2,064,333

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 January 2026 and are to be noted. Each table is accompanied by explanatory notes.

Table C1 Monthly Budget Statement Summary – M07 January 2026

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	307,899	22,204	195,049	179,608	15,442	9%	307,899
Service charges	629,997	761,356	723,457	61,829	419,996	422,017	(2,020)	-0%	723,457
Investment revenue	13,689	16,273	16,273	1,301	7,567	9,492	(1,925)	-20%	16,273
Transfers and subsidies - Operational	205,382	214,766	214,697	1,450	162,125	125,240	36,886	29%	214,697
Other own revenue	174,612	171,808	199,539	8,162	75,065	116,398	(41,333)	-36%	199,539
Total Revenue (excluding capital transfers and	**1,322,015**	**1,468,686**	**1,461,865**	**94,946**	**859,803**	**852,754**	**7,049**	**1%**	**1,461,865**
Employee costs	418,731	525,261	440,383	39,069	264,816	256,890	7,926	3%	440,383
Remuneration of Councillors	15,443	15,988	16,550	1,267	8,692	9,654	(962)	-10%	16,550
Depreciation and amortisation	115,298	142,422	142,422	9,030	63,087	83,079	(19,992)	-24%	142,422
Interest	13,825	20,106	39,542	373	8,034	23,066	(15,032)	-65%	39,542
Inventory consumed and bulk purchases	521,483	555,432	553,016	45,747	343,466	322,592	20,874	6%	553,016
Transfers and subsidies	447	950	950	–	24	554	(531)	-96%	950
Other expenditure	333,344	320,959	352,310	16,642	128,562	205,512	(76,950)	-37%	352,310
Total Expenditure	**1,418,571**	**1,581,117**	**1,545,173**	**112,128**	**816,681**	**901,348**	**(84,667)**	**-9%**	**1,545,173**
Surplus/(Deficit)	**(96,556)**	**(112,431)**	**(83,308)**	**(17,182)**	**43,122**	**(48,594)**	**91,716**	**-189%**	**(83,308)**
Transfers and subsidies - capital (monetary allocations)	109,313	82,934	125,262	4,766	37,495	73,069	(35,574)	-49%	125,262
Transfers and subsidies - capital (in-kind)	15,000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**27,757**	**(29,497)**	**41,953**	**(12,416)**	**80,618**	**24,475**	**56,143**	**229%**	**41,953**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**27,757**	**(29,497)**	**41,953**	**(12,416)**	**80,618**	**24,475**	**56,143**	**229%**	**41,953**
Capital expenditure & funds sources									
Capital expenditure	**151,442**	**265,462**	**322,565**	**7,966**	**52,060**	**188,163**	**(136,102)**	**-72%**	**322,565**
Capital transfers recognised	103,754	72,117	111,403	5,327	35,820	64,985	(29,165)	-45%	111,403
Borrowing	69,882	152,174	153,003	3,695	7,951	89,252	(81,301)	-91%	153,003
Internally generated funds	44,891	41,172	58,159	(1,057)	8,289	33,926	(25,636)	-76%	58,159
Total sources of capital funds	**218,527**	**265,462**	**322,565**	**7,966**	**52,060**	**188,163**	**(136,102)**	**-72%**	**322,565**
Financial position									
Total current assets	378,763	266,780	318,749		430,728				318,749
Total non current assets	2,364,279	2,577,825	2,592,388		2,401,220				2,592,388
Total current liabilities	364,097	285,984	326,235		324,419				326,235
Total non current liabilities	368,452	465,849	473,581		368,452				473,581
Community wealth/Equity	2,058,459	2,092,771	2,111,322		2,058,459				2,111,322
Cash flows									
Net cash from (used) operating	2,654,615	124,378	167,398	168,545	1,493,652	97,649	(1,396,003)	-1430%	1,465,660
Net cash from (used) investing	(130,825)	(265,462)	(318,092)	(10,126)	(60,684)	185,553	246,237	133%	318,092
Net cash from (used) financing	(120,000)	100,000	100,000	(67)	(556)	58,333	58,889	101%	100,000
Cash/cash equivalents at the month/year end	**2,701,102**	**153,318**	**129,888**	**–**	**1,897,472**	**522,117**	**(1,375,355)**	**-263%**	**2,348,812**

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	104,301	15,627	13,888	13,312	11,561	10,906	138,667	75,520	383,783
Creditors Age Analysis									
Total Creditors	54,038	–	60	35	12	49	141	(529)	53,806

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) – M07 January 2026

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**	**576,997**	**25,469**	**352,747**	**336,581**	16,165	5%	**576,997**
Executive and council		53	142	165	–	–	96	(96)	-100%	165
Finance and administration		551,593	530,479	576,831	25,469	352,747	336,485	16,262	5%	576,831
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**68,805**	**50,121**	**81,763**	**2,308**	**24,041**	**47,695**	(23,654)	-50%	**81,763**
Community and social services		3,335	3,385	3,464	33	3,281	2,021	1,261	62%	3,464
Sport and recreation		7,349	12,255	13,245	1,250	8,661	7,726	935	12%	13,245
Public safety		1,535	1,870	1,368	3	55	798	(743)	-93%	1,368
Housing		53,075	30,000	61,074	142	9,270	35,627	(26,357)	-74%	61,074
Health		3,511	2,612	2,612	880	2,774	1,523	1,251	82%	2,612
Economic and environmental services		**49,967**	**40,955**	**58,069**	**5,781**	**29,338**	**33,874**	(4,536)	-13%	**58,069**
Planning and development		8,979	10,838	11,675	672	7,596	6,810	786	12%	11,675
Road transport		21,204	10,185	23,787	3,469	8,930	13,876	(4,946)	-36%	23,787
Environmental protection		19,784	19,932	22,608	1,641	12,812	13,188	(376)	-3%	22,608
Trading services		**775,911**	**929,924**	**870,298**	**66,154**	**491,173**	**507,673**	(16,501)	-3%	**870,298**
Energy sources		417,937	501,093	494,194	40,699	293,267	288,280	4,987	2%	494,194
Water management		165,405	203,581	169,130	12,013	86,324	98,659	(12,335)	-13%	169,130
Waste water management		121,149	141,631	128,457	8,911	70,520	74,933	(4,413)	-6%	128,457
Waste management		71,420	83,619	78,517	4,530	41,062	45,801	(4,740)	-10%	78,517
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1,446,328**	**1,551,621**	**1,587,126**	**99,713**	**897,299**	**925,823**	**(28,525)**	**-3%**	**1,587,126**
Expenditure - Functional										
Governance and administration		**310,795**	**402,672**	**376,867**	**27,339**	**201,861**	**219,838**	(17,976)	-8%	**376,867**
Executive and council		49,885	66,561	60,963	5,318	36,395	35,561	834	2%	60,963
Finance and administration		260,774	332,893	312,685	21,808	164,931	182,399	(17,468)	-10%	312,685
Internal audit		136	3,218	3,219	213	535	1,878	(1,343)	-72%	3,219
Community and public safety		**109,518**	**141,482**	**119,944**	**11,652**	**68,370**	**69,967**	(1,596)	-2%	**119,944**
Community and social services		12,638	12,289	13,480	898	6,968	7,863	(895)	-11%	13,480
Sport and recreation		60,815	73,671	62,665	7,415	37,973	36,554	1,418	4%	62,665
Public safety		29,230	35,167	31,428	2,616	18,461	18,333	129	1%	31,428
Housing		1,253	11,626	9,446	590	4,531	5,510	(979)	-18%	9,446
Health		5,583	8,729	2,924	132	437	1,706	(1,268)	-74%	2,924
Economic and environmental services		**207,757**	**206,880**	**251,754**	**10,172**	**86,017**	**146,856**	(60,840)	-41%	**251,754**
Planning and development		33,240	39,914	33,922	2,394	17,086	19,788	(2,702)	-14%	33,922
Road transport		162,100	158,635	198,503	6,367	59,758	115,793	(56,035)	-48%	198,503
Environmental protection		12,417	8,331	19,329	1,410	9,173	11,275	(2,102)	-19%	19,329
Trading services		**790,138**	**830,084**	**796,244**	**62,938**	**460,226**	**464,475**	(4,249)	-1%	**796,244**
Energy sources		467,394	527,947	528,425	41,514	313,660	308,248	5,412	2%	528,425
Water management		177,229	121,164	126,271	11,071	72,808	73,658	(850)	-1%	126,271
Waste water management		86,800	109,169	80,603	5,593	39,241	47,018	(7,777)	-17%	80,603
Waste management		58,714	71,803	60,945	4,760	34,517	35,551	(1,034)	-3%	60,945
Other		**363**	**–**	**363**	**27**	**206**	**212**	**(6)**	**-3%**	**363**
Total Expenditure - Functional	3	**1,418,571**	**1,581,117**	**1,545,173**	**112,128**	**816,681**	**901,348**	**(84,667)**	**-9%**	**1,545,173**
Surplus/ (Deficit) for the year		**27,757**	**(29,497)**	**41,953**	**(12,416)**	**80,618**	**24,475**	**56,143**	**229%**	**41,953**

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 – M07 January 2026

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	1,138	82	1,464	664	800	120.5%	1,138
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		459,109	484,342	485,848	25,336	340,019	283,411	56,607	20.0%	485,848
Vote 4 - COMMUNITY SERVICES		205,341	176,939	219,749	9,243	83,460	128,187	(44,727)	-34.9%	219,749
Vote 5 - CIVIL AND WATER SERVICES		301,230	349,202	315,179	23,819	164,346	183,854	(19,509)	-10.6%	315,179
Vote 6 - ELECTRO/MECHANICAL SERVICES		418,360	501,094	494,372	40,714	293,373	288,384	4,989	1.7%	494,372
Vote 7 - PLANNING AND DEVELOPMENT		60,017	38,929	70,840	519	14,636	41,323	(26,687)	-64.6%	70,840
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**	**1,587,126**	**99,713**	**897,298**	**925,823**	**(28,526)**	**-3.1%**	**1,587,126**
Expenditure by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		12,834	18,128	17,968	1,667	11,071	10,481	589	5.6%	17,968
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		117,742	165,192	148,703	9,597	78,832	86,743	(7,910)	-9.1%	148,703
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		101,376	139,445	126,048	8,339	62,244	73,527	(11,284)	-15.3%	126,048
Vote 4 - COMMUNITY SERVICES		305,104	314,436	331,157	23,432	146,949	193,174	(46,225)	-23.9%	331,157
Vote 5 - CIVIL AND WATER SERVICES		363,474	341,894	326,236	22,535	167,191	190,304	(23,112)	-12.1%	326,236
Vote 6 - ELECTRO/MECHANICAL SERVICES		483,211	555,517	552,576	43,835	329,730	322,336	7,394	2.3%	552,576
Vote 7 - PLANNING AND DEVELOPMENT		34,502	44,085	38,295	2,413	18,411	22,339	(3,928)	-17.6%	38,295
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**	**1,540,981**	**111,819**	**814,428**	**898,903**	**(84,476)**	**-9.4%**	**1,540,981**
Surplus/ (Deficit) for the year	2	**28,025**	**(27,076)**	**46,145**	**(12,106)**	**82,870**	**26,920**	**55,950**	**207.8%**	**46,145**

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) – M07 January 2026

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
Revenue									%	
Exchange Revenue										
Service charges - Electricity		400,468	479,524	473,955	39,801	280,112	276,474	3,638	1%	473,955
Service charges - Water		104,737	147,583	123,885	11,105	66,815	72,266	(5,451)	-8%	123,885
Service charges - Waste Water Management		66,111	81,259	71,792	6,552	42,500	41,878	622	1%	71,792
Service charges - Waste management		58,681	52,990	53,826	4,370	30,569	31,398	(829)	-3%	53,826
Sale of Goods and Rendering of Services		6,687	10,044	10,044	366	4,519	5,859	(1,340)	-23%	10,044
Agency services		6,045	4,554	4,554	–	1,120	2,657	(1,537)	-58%	4,554
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		22,366	34,661	11,618	920	7,449	6,777	672	10%	11,618
Interest earned from Current and Non Current Assets		13,689	16,273	16,273	1,301	7,567	9,492	(1,925)	-20%	16,273
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		4,068	3,322	4,312	393	3,676	2,515	1,160	46%	4,312
Licence and permits		2,137	2,856	2,856	786	2,048	1,666	382	23%	2,856
Special rating levies		–	15,436	15,436	1,004	8,817	9,004	(188)	-2%	15,436
Operational Revenue		8,061	1,955	8,122	291	3,301	4,738	(1,437)	-30%	8,122
Non-Exchange Revenue										
Property rates		298,334	304,484	307,899	22,204	195,049	179,608	15,442	9%	307,899
Surcharges and Taxes		–	22,602	25,277	1,309	9,552	14,745	(5,193)	-35%	25,277
Fines, penalties and forfeits		96,016	45,795	90,465	101	12,282	52,771	(40,489)	-77%	90,465
Licence and permits		6,849	3,139	3,139	1,325	7,750	1,831	5,919	323%	3,139
Transfer and subsidies - Operational		205,382	214,766	214,697	1,450	162,125	125,240	36,886	29%	214,697
Interest		3,214	5,841	4,050	267	2,176	2,363	(186)	-8%	4,050
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		19,241	21,605	19,666	1,400	12,376	11,472	904	8%	19,666
Gains on disposal of Assets		(689)	–	–	–	–	–	–		–
Other Gains		617	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and		**1,322,015**	**1,468,686**	**1,461,865**	**94,946**	**859,803**	**852,754**	**–**		**1,461,865**
Expenditure By Type										
Employee related costs		418,731	525,261	440,383	39,069	264,816	256,890	7,926	3%	440,383
Remuneration of councillors		15,443	15,988	16,550	1,267	8,692	9,654	(962)	-10%	16,550
Bulk purchases - electricity		427,467	441,010	440,010	36,091	277,822	256,672	21,150	8%	440,010
Inventory consumed		94,016	114,422	113,006	9,656	65,644	65,920	(276)	0%	113,006
Debt impairment		(68,470)	65,115	64,219	–	–	37,461	(37,461)	-100%	64,219
Depreciation and amortisation		115,298	142,422	142,422	9,030	63,087	83,079	(19,992)	-24%	142,422
Interest		13,825	20,106	39,542	373	8,034	23,066	(15,032)	-65%	39,542
Contracted services		92,976	142,734	121,285	7,832	60,429	70,749	(10,321)	-15%	121,285
Transfers and subsidies		447	950	950	–	24	554	(531)	-96%	950
Irrecoverable debts written off		173,925	11,487	54,197	909	7,018	31,615	(24,597)	-78%	54,197
Operational costs		93,868	101,623	97,557	7,902	61,115	56,907	4,208	7%	97,557
Losses on Disposal of Assets		13,672	–	–	–	–	–	–		–
Other Losses		27,372	–	15,051	–	–	8,780	(8,780)	-100%	15,051
Total Expenditure		**1,418,571**	**1,581,117**	**1,545,173**	**112,128**	**816,681**	**901,348**	**(84,667)**	**-9%**	**1,545,173**
Surplus/(Deficit)		**(96,556)**	**(112,431)**	**(83,308)**	**(17,182)**	**43,122**	**(48,594)**	**84,667**	**(0)**	**(83,308)**
Transfers and subsidies - capital (monetary allocations)		109,313	82,934	125,262	4,766	37,495	73,069	(35,574)	**(0)**	125,262
Transfers and subsidies - capital (in-kind)		15,000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**27,757**	**(29,497)**	**41,953**	**(12,416)**	**80,618**	**24,475**			**41,953**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**27,757**	**(29,497)**	**41,953**	**(12,416)**	**80,618**	**24,475**			**41,953**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**27,757**	**(29,497)**	**41,953**	**(12,416)**	**80,618**	**24,475**			**41,953**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**27,757**	**(29,497)**	**41,953**	**(12,416)**	**80,618**	**24,475**			**41,953**

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) – M07 January 2026

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		–	–	5	–	–	3	(3)	-100%	5
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		1,623	1,050	2,660	50	1,006	1,552	(545)	-35%	2,660
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		2,001	621	1,335	129	163	779	(615)	-79%	1,335
Vote 4 - COMMUNITY SERVICES		861	4,891	4,890	1,900	1,915	2,852	(937)	-33%	4,890
Vote 5 - CIVIL AND WATER SERVICES		61,676	206,142	247,075	5,724	31,842	144,127	(112,285)	-78%	247,075
Vote 6 - ELECTRO/MECHANICAL SERVICES		85,369	49,509	42,935	163	13,052	25,045	(11,994)	-48%	42,935
Vote 7 - PLANNING AND DEVELOPMENT		(112)	3,250	23,666	–	4,081	13,805	(9,724)	-70%	23,666
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**	**322,565**	**7,966**	**52,060**	**188,163**	**(136,102)**	**-72%**	**322,565**
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**	**322,565**	**7,966**	**52,060**	**188,163**	**(136,102)**	**-72%**	**322,565**
Capital Expenditure - Functional Classification										
Governance and administration		**51,929**	**2,621**	**4,911**	**667**	**2,148**	**2,865**	(716)	-25%	**4,911**
Executive and council		293	–	–	–	–	–	–		–
Finance and administration		51,613	2,621	4,906	667	2,148	2,862	(713)	-25%	4,906
Internal audit		23	–	5	–	–	3	(3)	-100%	5
Community and public safety		**520**	**2,441**	**21,456**	**1,411**	**5,512**	**12,516**	(7,004)	-56%	**21,456**
Community and social services		–	50	50	22	29	29	(1)	-2%	50
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		632	2,391	2,390	1,390	1,402	1,394	8	1%	2,390
Housing		(112)	–	19,016	–	4,081	11,093	(7,011)	-63%	19,016
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**20,298**	**173,232**	**191,012**	**4,028**	**18,260**	**111,424**	(93,163)	-84%	**191,012**
Planning and development		2,143	6,580	8,276	–	2,861	4,827	(1,967)	-41%	8,276
Road transport		18,155	166,652	182,736	4,028	15,399	106,596	(91,197)	-86%	182,736
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**78,695**	**87,169**	**105,186**	**1,858**	**26,140**	**61,358**	(35,218)	-57%	**105,186**
Energy sources		36,398	49,509	42,935	163	12,558	25,045	(12,488)	-50%	42,935
Water management		14,419	18,289	30,749	179	4,898	17,937	(13,039)	-73%	30,749
Waste water management		27,878	17,872	30,002	1,516	8,683	17,501	(8,817)	-50%	30,002
Waste management		–	1,500	1,500	–	–	875	(875)	-100%	1,500
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**151,442**	**265,462**	**322,565**	**7,966**	**52,060**	**188,163**	**(136,102)**	**-72%**	**322,565**
Funded by:										
National Government		67,436	44,639	54,860	3,814	25,716	32,002	(6,286)	-20%	54,860
Provincial Government		35,687	26,087	55,588	124	8,715	32,427	(23,712)	-73%	55,588
District Municipality		632	1,391	955	1,390	1,390	557	833	149%	955
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**	**111,403**	**5,327**	**35,820**	**64,985**	**(29,165)**	**-45%**	**111,403**
Borrowing	6	69,882	152,174	153,003	3,695	7,951	89,252	(81,301)	-91%	153,003
Internally generated funds		44,891	41,172	58,159	(1,057)	8,289	33,926	(25,636)	-76%	58,159
Total Capital Funding	7	**218,527**	**265,462**	**322,565**	**7,966**	**52,060**	**188,163**	**(136,102)**	**-72%**	**322,565**

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 – M07 January 2026

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	120,562	176,994	120,562
Trade and other receivables from exchange transactions		63,211	59,899	63,211	119,407	63,211
Receivables from non-exchange transactions		79,492	26,651	79,496	59,853	79,496
Current portion of non-current receivables		–	–	–	–	–
Inventory		24,825	22,450	24,827	25,870	24,827
VAT		27,507	12,790	27,507	71,672	27,507
Other current assets		3,145	999	3,145	1,622	3,145
Total current assets		**378,763**	**266,780**	**318,749**	**455,419**	**318,749**
Non current assets						
Investments		–	–	–	–	–
Investment property		246,427	250,794	246,427	246,427	246,427
Property, plant and equipment		2,117,640	2,326,613	2,345,450	2,154,616	2,345,450
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		212	419	512	177	512
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**	**2,592,388**	**2,401,220**	**2,592,388**
TOTAL ASSETS		**2,743,042**	**2,844,605**	**2,911,137**	**2,856,639**	**2,911,137**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		29,869	31,944	23,538	12,153	23,538
Consumer deposits		34,505	31,660	34,505	36,305	34,505
Trade and other payables from exchange transactions		210,501	143,222	199,594	133,229	199,594
Trade and other payables from non-exchange transactions		20,944	–	0	38,399	0
Provision		39,189	64,451	39,509	39,189	39,509
VAT		29,089	14,707	29,089	65,145	29,089
Other current liabilities		–	–	–	–	–
Total current liabilities		**364,097**	**285,984**	**326,235**	**324,419**	**326,235**
Non current liabilities						
Financial liabilities		119,060	203,183	201,401	119,060	201,401
Provision		135,422	139,560	140,339	135,422	140,339
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		113,970	123,106	131,841	113,970	131,841
Total non current liabilities		**368,452**	**465,849**	**473,581**	**368,452**	**473,581**
TOTAL LIABILITIES		**732,549**	**751,834**	**799,816**	**692,871**	**799,816**
NET ASSETS	2	**2,010,493**	**2,092,771**	**2,111,322**	**2,163,768**	**2,111,322**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,056,273	2,078,271	2,091,822	2,159,777	2,091,822
Reserves and funds		2,186	14,500	19,500	3,991	19,500
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2,058,459**	**2,092,771**	**2,111,322**	**2,163,768**	**2,111,322**

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 – M07 January 2026

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	296,352	22,106	200,420	171,972	28,448	17%	296,352
Service charges		719,038	908,343	846,520	53,635	405,982	529,867	(123,885)	-23%	846,520
Other revenue		52,563	112,594	131,358	194,719	140,870	65,680	75,190	114%	131,358
Transfers and Subsidies - Operational		201,325	214,766	214,845	870	162,875	125,280	37,595	30%	214,845
Transfers and Subsidies - Capital		57,409	82,934	104,291	281	63,702	54,128	9,574	18%	104,291
Interest		1,659,179	16,273	16,273	147	7,972	9,492	(1,521)	-16%	16,273
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(298,661)	(1,485,124)	(1,422,023)	(103,214)	(901,873)	(855,906)	45,966	-5%	(123,760)
Interest		–	(19,267)	(19,267)	–	(8,034)	(11,239)	(3,205)	29%	(19,267)
Transfers and Subsidies		–	(950)	(950)	–	–	(554)	(554)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2,654,615**	**124,378**	**167,398**	**168,545**	**71,915**	**88,720**	**16,805**	**19%**	**1,465,660**
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)	(318,092)	(10,126)	(59,869)	–	59,869	0%	318,092
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(130,825)**	**(265,462)**	**(318,092)**	**(10,126)**	**(59,869)**	**–**	**59,869**	**0%**	**318,092**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		(120,000)	100,000	100,000	(67)	–	–	–		100,000
Increase (decrease) in consumer deposits		–	–	–	–	–	58,333	(58,333)	-100%	–
Payments										
Repayment of borrowing		–	–	–	–	(15,632)	–	15,632	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(120,000)**	**100,000**	**100,000**	**(67)**	**(15,632)**	**58,333**	**73,966**	**127%**	**100,000**
NET INCREASE/ (DECREASE) IN CASH HELD		**2,403,790**	**(41,084)**	**(50,694)**	**158,352**	**(3,587)**	**147,053**			**1,883,752**
Cash/cash equivalents at beginning:		297,312	194,402	180,582		180,581	180,582			180,581
Cash/cash equivalents at month/year end:		2,701,102	153,318	129,888		176,994	327,635			2,064,333

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 January 2026, compared to the position as at 30 June 2025.

Debtors' Age Analysis (Inclusive of VAT) as at 31 January 2026

Description	Budget Year 2025/26								
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	33,794	5,488	5,365	5,624	4,216	4,125	17,425	12,651	88,689
Trade and Other Receivables from Exchange Transactions - Electricity	42,845	3,087	1,945	1,565	1,101	951	1,949	7,323	60,766
Receivables from Non-exchange Transactions - Property Rates	27,733	2,840	2,267	1,889	2,758	1,558	3,521	24,826	67,393
Receivables from Exchange Transactions - Waste Water Management	15,075	1,993	1,770	1,744	1,379	1,376	5,199	4,804	33,340
Receivables from Exchange Transactions - Waste Management	11,758	1,448	1,312	1,173	1,098	991	3,990	4,060	25,830
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	6,011	360	588	677	569	737	24,281	15,667	48,889
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(32,915)	411	641	640	440	1,167	82,302	6,190	58,877
Total By Income Source	**104,301**	**15,627**	**13,888**	**13,312**	**11,561**	**10,906**	**138,667**	**75,520**	**383,783**
Debtors Age Analysis By Customer Group									
Organs of State	2,058	1,160	1,052	1,231	577	661	6,833	3,021	16,592
Commercial	12,532	411	286	237	241	181	3,665	4,459	22,013
Households	89,707	14,056	12,547	11,844	10,743	10,064	128,150	68,040	345,152
Other	4	1	3	0	0	0	19	–	27
Total By Customer Group	**104,301**	**15,627**	**13,888**	**13,312**	**11,561**	**10,906**	**138,667**	**75,520**	**383,783**

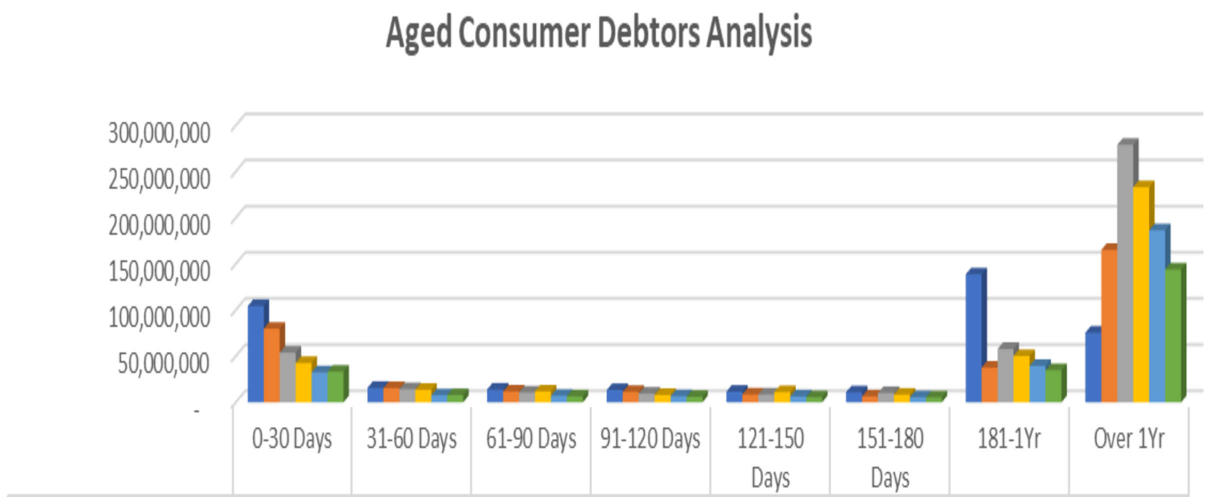
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2025

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 January 2026, the overdue debts have increased by R 23,179 million from R 256,303 million to R 279,482 million, as follows:

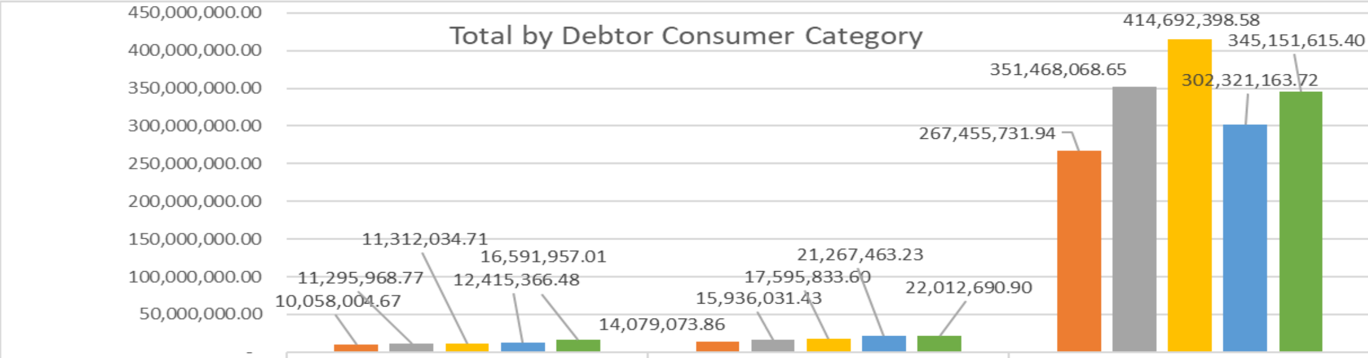
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-25**	**31-Jan-26**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	69,558	54,895	(14,663)
Trade and Other Receivables from Exchange Transactions - Electricity	24,215	17,921	(6,294)
Receivables from Non-exchange Transactions - Property Rates	48,684	39,661	(9,024)
Receivables from Exchange Transactions - Waste Water Management	26,371	18,264	(8,106)
Receivables from Exchange Transactions - Waste Management	27,508	14,072	(13,436)
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	44,532	42,878	(1,653)
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	15,436	91,791	76,356
Total By Income Source	**256,303**	**279,482**	**23,179**
Debtors Age Analysis By Customer Group			
Organs of State	12,461	14,534	2,073
Commercial	10,471	9,480	(990)
Households	233,347	255,445	22,098
Other	25	23	(2)
Total By Customer Group	**256,303**	**279,482**	**23,179**

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 January 2026	104,301,432	15,627,155	13,888,339	13,312,157	11,561,361	10,905,782	138,667,437	75,519,731
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	16,591,957.01	22,012,690.90	345,151,615.40

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	40,976	–	–	–	–	–	–	–	40,976
Bulk Water	1,744	–	60	12	12	49	141	(913)	1,105
PAYE deductions	7,450								7,450
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repayments									–
Trade Creditors	3,867	–	–	23	–	–	–	384	4,274
Auditor General									–
Other									–
Total By Customer Type	54,038	–	60	35	12	49	141	(529)	53,806

The above amounts represent invoices still to be paid. The major creditors as at 31January 202 are as follows:

Eskom	R 40,976 million
NMBM	R 1,105 million
PAYE	R 7,450 million
Other Creditors	R 4,274 million
Total	**R 53,806 million**

It must be noted that the Eskom amount of R 40,976 million, represents the current account for January 2026, which is due in February 2026.

It is to be noted that the SARS amount of R 7,450million, represents the current account for January 2026, which is due in February 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 – M07 January 2026.

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	209,160	-	157,311	157,311	-		209,160
Operational Revenue:General Revenue:Equitable Share	203,533	203,533	-	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	1,637	-	1,785	1,785	-	0.00%	1,637
Municipal Infrastructure Grant [Schedule 5B]	1,909	1,909	-	1,541	1,541	-	0.00%	1,909
Provincial Government:	2,955	3,034	-	(3,034)	(3,034)	-	0.00%	2,955
Human Settlement Grant	-	-	-	-	-	-		-
Library grant	2,955	3,034	-	(3,034)	(3,034)	(3,034)	100.00%	2,955
District Municipality:	2,503	2,503	870	2,610	2,610	-	0.00%	2,503
Environmental health subsidy	2,503	2,503	870	2,610	2,610	-	0.00%	2,503
Other grant providers:	-	-	-	-	-			-
Departmental Agencies and Accounts	-	-	-	-	-	-		-
Total Operating Transfers and Grants	214,766	214,697	870	156,887	156,887	-	0.00%	214,618
Capital Transfers and Grants								
National Government:	51,334	51,482	148	39,727	39,727		0.00%	51,334
Local Government Financial Management Grant [Schedule 5B]		148	148	148	148			
Municipal Disaster Relief Grant	-	-	-	-	-	-		-
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5,440	5,440	-	2,992	2,992		0.0%	5,440
Municipal Infrastructure Grant [Schedule 5B]	36,265	36,265	-	29,287	29,287		0.0%	36,265
Water Services Infrastructure Grant	9,629	9,629	-	7,300	7,300		0.0%	9,629
Provincial Government:	30,000	51,858	525	14,571	14,571		0.0%	51,858
Human Settlement Grant	30,000	51,858	525	14,571	14,571		0.0%	51,858
District Municipality:	1,391	1,098	-	-	-			1,391
Fire Services Subsidy	1,391	1,098	-	-	-			1,391
Total Capital Transfers and Grants	82,726	104,439	673	54,298	54,298	-	0.0%	104,584
TOTAL RECEIPTS OF TRANSFERS & GRANTS	297,491	319,135	1,543	211,185	211,185	-	0.0%	319,201

Below is an analysis of the spending associated with the grants as at 31 January 2026:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M07 January 2026.

Description	2025/26	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**	**209,160**	**580**	**156,481**	**155,811**	**(670)**	**(0)**	**85,768**
Operational Revenue:General Revenue:Equitable Share	203,533	203,533	–	152,529	152,529	–	**0%**	84,806
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B]	2,081	2,081	132	1,602	1,214	(388)	**-32%**	347
Local Government Financial Management Grant [Schedule 5B]	1,785	1,637	156	461	955	494	**52%**	298
Municipal Infrastructure Grant [Schedule 5B]	1,909	1,909	292	1,890	1,113	(776)	**-70%**	318
Provincial Government:	**2,955**	**3,034**	**-**	**6,068**	**-**	**(3,034)**	**#DIV/0!**	**-**
Human Settlement Grant	–	–	–	3,034	–			–
Library grant	2,955	3,034	–	3,034	–	(3,034)		–
District Municipality:	**2,503**	**2,503**	**-**	**2,610**	**870**	**(1,740)**	**(0)**	**870**
Environmental health subsidy	2,503	2,503	–	2,610	870	(1,740)	**-200%**	870
Other grant providers:	**-**	**-**	**-**	**-**	**-**	**-**		**-**
Departmental Agencies and Accounts	–	–	–	–	–			–
Total operating expenditure of Transfers and Grants:	**214,766**	**214,697**	**580**	**165,159**	**156,681**	**(8,478)**	**#DIV/0!**	**86,638**
Capital expenditure of Transfers and Grants								
National Government:	**51,334**	**63,089**	**4,624**	**28,226**	**36,802**	**8,576**	**0.23**	**8,704**
Local Government Financial Management Grant [Schedule 5B]	–	148	148	148	86			148
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5,440	5,440	33	4,268	3,173	**(1,095)**	**-34%**	907
Municipal Infrastructure Grant [Schedule 5B]	36,265	36,265	1,994	18,614	21,155	**2,541**	**12%**	6,044
Water Services Infrastructure Grant	9,629	9,629	–	2,107	5,617	**3,510**	**62%**	1,605
Municipal Disaster Relief Grant	–	11,607	2,449	3,089	6,771	3,681	**54%**	–
Provincial Government:	30,000	**61,074**	**142**	**9,270**	**35,627**	**26,357**	**74%**	**6,643**
Human Settlement	30,000	61,074	142	9,270	35,627	**26,357**	**74%**	6,643
District Municipality:	**1,391**	**955**	**-**	**(1,390)**	**557**	**1,947**		**232**
Fire Services Subsidy	1,391	955	–	(1,390)	557	**1,947**		232
Total capital expenditure of Transfers and Grants	**82,726**	**125,118**	**4,766**	**36,106**	**72,986**	**36,880**	**51%**	**15,578**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**297,491**	**339,815**	**5,347**	**201,265**	**229,667**	**28,402**	**12%**	**102,217**

CONDITIONAL GRANTS, SUBSIDIES AND DONATIONS RECEIVED

CONDITIONAL GRANTS, SUBSIDIES AND DONATIONS								
Reconciliation Grant Register as at 31 January 2026 (2025/26 F/Y)								
Name of Grants	Name of organ of state	Opening balances (Rollovers) as at 1 July 2025	Monthjly Receipts	YTD Receipts	YTD Expenditure		% of Spending to date	Unspent Balances
Opex grants, subsidies and donations								
Financial Management Grant	DORA	-	1,785,000	1,785,000	460,560	1,324,440	25.80%	1,324,440
Expanded Public Works Programme	DORA	-	1,456,000	1,456,000	1,602,298	(146,298)	110.05%	(146,298)
Municipal Infrastructure Grant	DORA	-	1,541,400	1,541,400	1,889,618	(348,218)	122.59%	(348,218)
		-	**4,782,400**	**4,782,400**	**3,952,476**	**829,924**		**829,924**
Capex grants, subsidies and donations						-		
Municipal Infrastructure Grant	DORA	-	29,286,600	29,286,600	18,613,690	10,672,910	63.56%	10,672,910
Financial Management Grant	DORA	-	-	-	147,912	(147,912)	#DIV/0!	(147,912)
Integrated National Electrification Programme	DORA	-	2,992,000	2,992,000	4,268,038	(1,276,038)	142.65%	(1,276,038)
Water Services Infrastructure Grant	DORA	120,926	7,300,000	7,420,926	2,106,745	5,193,255	28.39%	5,314,181
Municipal Disaster Response Grant	DORA	11,606,728	-	11,606,728	3,089,234	(3,089,234)	26.62%	8,517,494
			-					
Housing: Human Settlements Dev. Grant (Beneficiaries)	Provincial: Department of Infrastructure	9,216,084	14,571,123	23,787,207	9,269,850	5,301,273	38.97%	14,517,357
		20,943,738	**54,149,723**	**75,093,461**	**37,495,469**	**16,654,254**	**49.93%**	**37,597,992**
			58,932,123	**79,875,861**	**41,447,946**	**17,484,177**	**51.89%**	**38,427,915**

1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M07 January 2026

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	10,761	862	5,901	6,277	(376)	-6%	10,761
Pension and UIF Contributions	–	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	–	–	–	–	–		–
Motor Vehicle Allowance	3,427	3,626	4,153	287	1,984	2,422	(438)	-18%	4,153
Cellphone Allowance	1,409	1,483	1,637	118	806	955	(148)	-16%	1,637
Housing Allowances	–	–	–	–	–	–	–		–
Sub Total - Councillors	**15,443**	**15,988**	**16,550**	**1,267**	**8,692**	**9,654**	**(962)**	**-10%**	**16,550**
Senior Managers of the Municipality									
Basic Salaries and Wages	10,400	9,436	10,393	737	4,883	6,062	(1,179)	-19%	10,393
Pension and UIF Contributions	13	11	13	1	7	7	0	0%	13
Medical Aid Contributions	–	–	–	–	–	–	–		–
Overtime	–	–	–	–	–	–	–		–
Performance Bonus	1,657	395	472	–	82	275	(194)	-70%	472
Motor Vehicle Allowance	1,024	655	1,085	255	1,664	633	1,031	163%	1,085
Cellphone Allowance	24	–	96	44	92	56	36	64%	96
Housing Allowances	–	–	–	–	–	–	–		–
Other benefits and allowances	10	0	28	38	49	16	33	201%	28
Sub Total - Senior Managers of Municipality	**17,381**	**10,498**	**12,087**	**1,074**	**6,778**	**7,051**	**(273)**	**-4%**	**12,087**
Other Municipal Staff									
Basic Salaries and Wages	254,014	309,705	268,337	23,818	155,915	156,530	(615)	0%	268,337
Pension and UIF Contributions	36,539	52,636	45,383	3,612	24,655	26,473	(1,818)	-7%	45,383
Medical Aid Contributions	16,734	28,847	20,946	1,708	10,596	12,219	(1,622)	-13%	20,946
Overtime	37,582	37,741	39,573	5,773	24,796	23,084	1,712	7%	39,573
Performance Bonus	979	227	1,010	–	948	589	359	61%	1,010
Motor Vehicle Allowance	10,046	13,359	12,181	905	6,267	7,106	(838)	-12%	12,181
Cellphone Allowance	103	–	120	10	69	70	(1)	-1%	120
Housing Allowances	677	951	865	70	465	505	(40)	-8%	865
Other benefits and allowances	32,181	45,629	37,878	1,329	26,452	22,096	4,356	20%	37,878
Payments in lieu of leave	–	–	–	–	–	–	–		–
Long service awards	8,522	1,583	2,002	11	1,165	1,168	(3)	0%	2,002
Post-retirement benefit obligations	3,972	24,085	–	760	6,711	–	6,711		–
Sub Total - Other Municipal Staff	**401,350**	**514,763**	**428,296**	**37,995**	**258,038**	**249,839**	**8,199**	**3%**	**428,296**
Total Parent Municipality	**434,173**	**541,249**	**456,933**	**40,336**	**273,508**	**266,544**	**6,964**	**3%**	**456,933**
TOTAL SALARY, ALLOWANCES & BENEFITS	**434,173**	**541,249**	**456,933**	**40,336**	**273,508**	**266,544**	**6,964**	**3%**	**456,933**
TOTAL MANAGERS AND STAFF	**418,731**	**525,261**	**440,383**	**39,069**	**264,816**	**256,890**	**7,926**	**3%**	**440,383**

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 January 2025**	**Approved Adjusted Budget 2025/26**	**Actuals as at 31 January 2026**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	0.32%	0.52%	2.23%	1.55%	2.8%	2.64%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	269.91%	0%	171.94%	95.91%
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	1.22:1	0.98	1.40
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.50	0.54:1	0.37	0.55
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	86.71%	91.01%	91.38%	87.99%	95%	91.62%

Other indicators		Actuals as at 30 June 2023	Actuals as at 30 June 2024	Actuals as at 30 June 2025	Actuals as at 31 January 2025	Approve d Adjusted Budget 2025/26	Actuals as at 31 January 2026
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	1.40 Months	0.94 Months	0.43 Months
Employee Costs	Employee Costs / Total Operating Expenditure	29.47%	30.85%	29.53%	31.23%	28.5%	32.43%
Capital Expenditure	Capital Expenditure / Capital Budget	94.66%	71.38%	84.49%	26.40%	95%	16.14%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	3.86%	2.24%	2.33%	11.13%	12.15%	12.36%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.32%	1.42%	1.52%	4.02%	8%	4.68%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	77.74%	83.49%	84.46%	81.27%	85.31%	81.14%

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 2.64% as at 31 January 2026, compared to the approved adjusted budget ratio of 2.8%.

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 January 2026, the ratio indicates 95.91% 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 January 2026, 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:

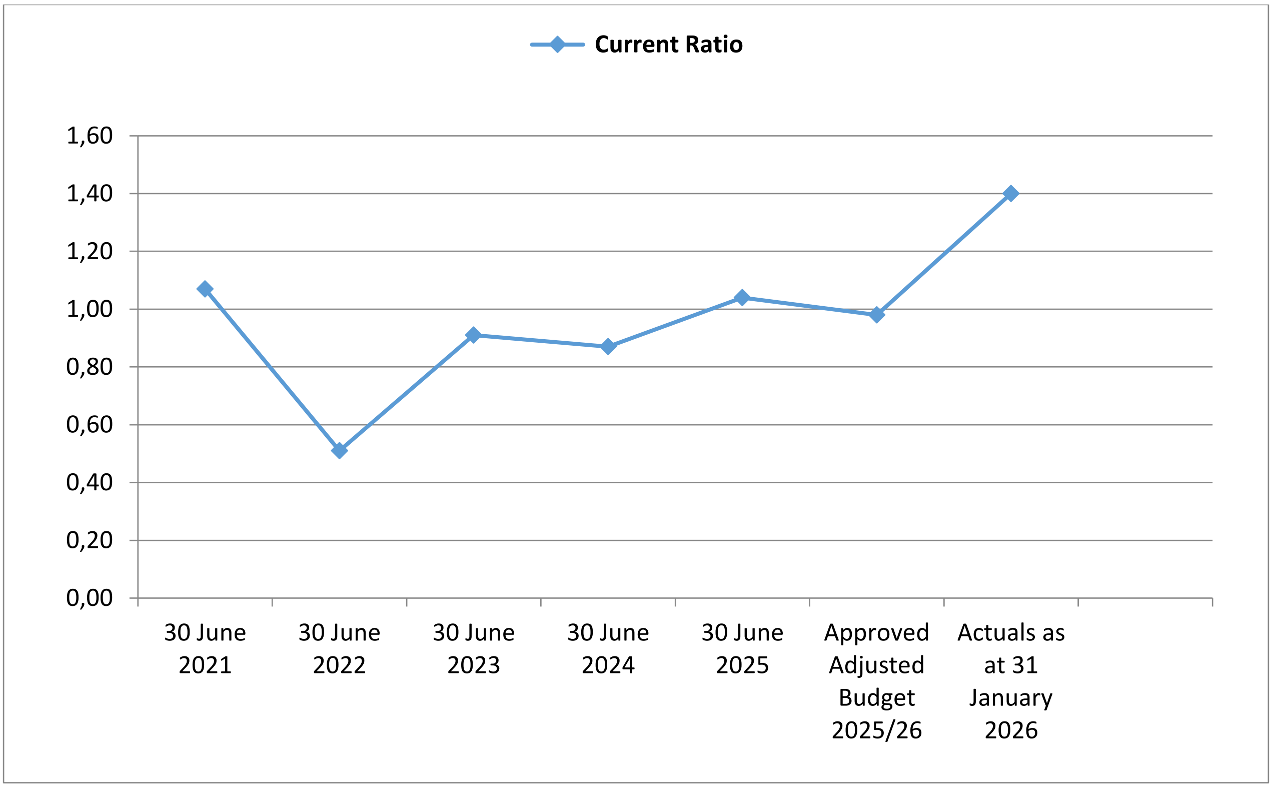
Current assets/Current liabilities

The ratio as at 31 January 2026 was 1.40:1, compared to the approved adjusted budget ratio of 0.98:1. As at 31 January 2026, cash reserves/commitments amounted to R 92,932 million, the current ratio excluding the cash reserves constitute 1.12:1.

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.

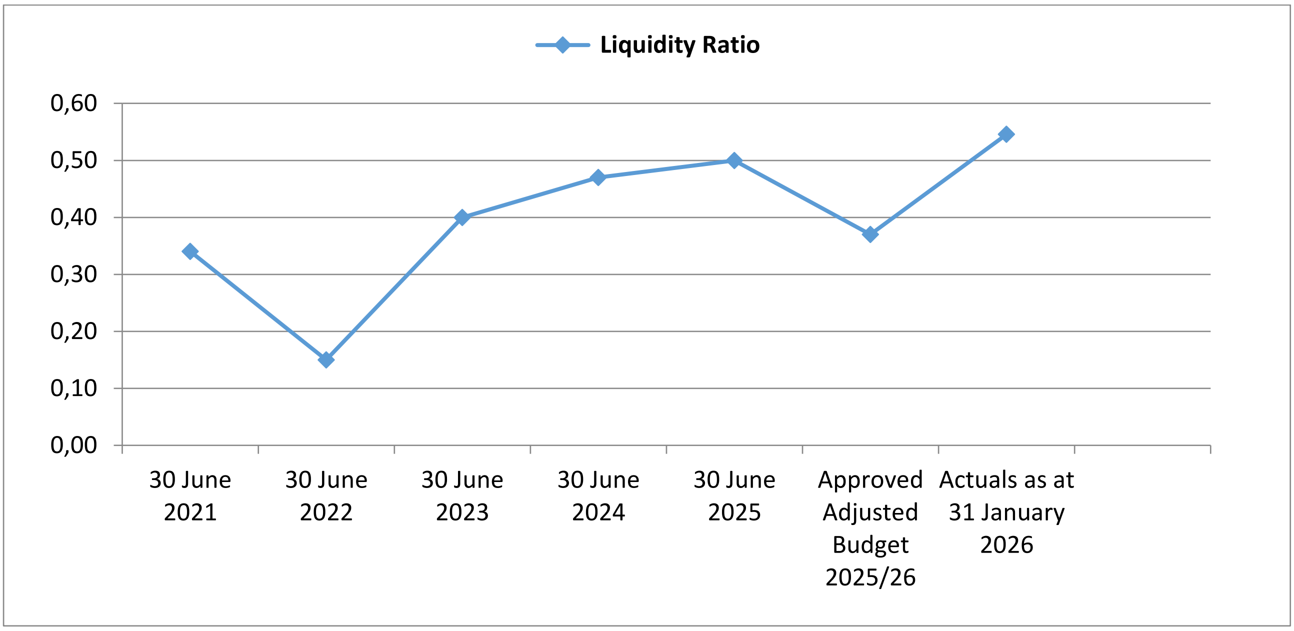
The ratio is determined as follows:

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 January 2026 was 0.55:1 compared to the approved adjusted budget ratio of 0.37:1.

As at 31 January 2026, cash reserves/commitments amounted to R 92,932 million, the liquidity ratio excluding the cash reserves constitute 0.26:1.

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



1.2. Revenue Management

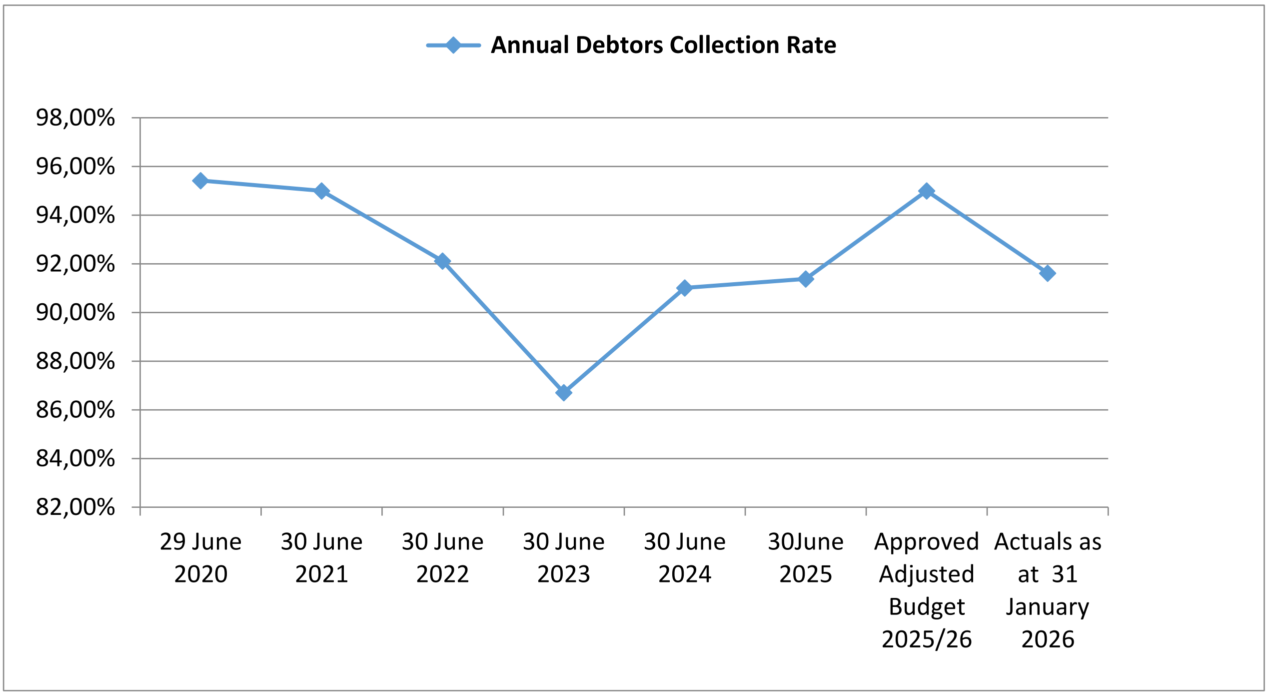
1.2.1. Annual Debtors Collection Rate

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 January 2026 was 91.62%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for January is 81.76 %.



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.

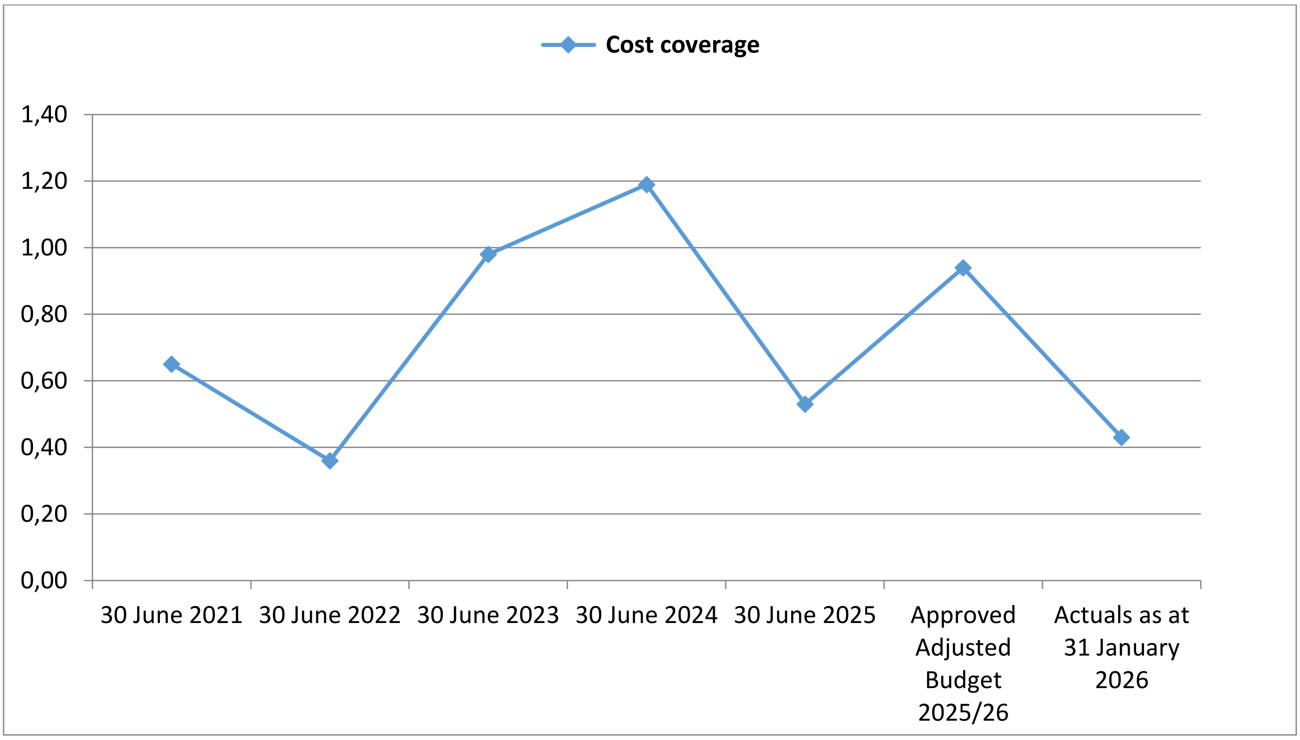
The Ratio is adjusted for Unspent Conditional Grants, Unspent borrowings and Cash Reserves provided for the Development Bank of South Africa (DBSA) and augmentation fees, as the cash is not available for normal day-to-day operational expenditure but rather reserved for Grant and Capital related expenditure.

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 January 2026, the Ratio was 0.43 months, compared to the approved adjusted budget ratio of 0.94 months.

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



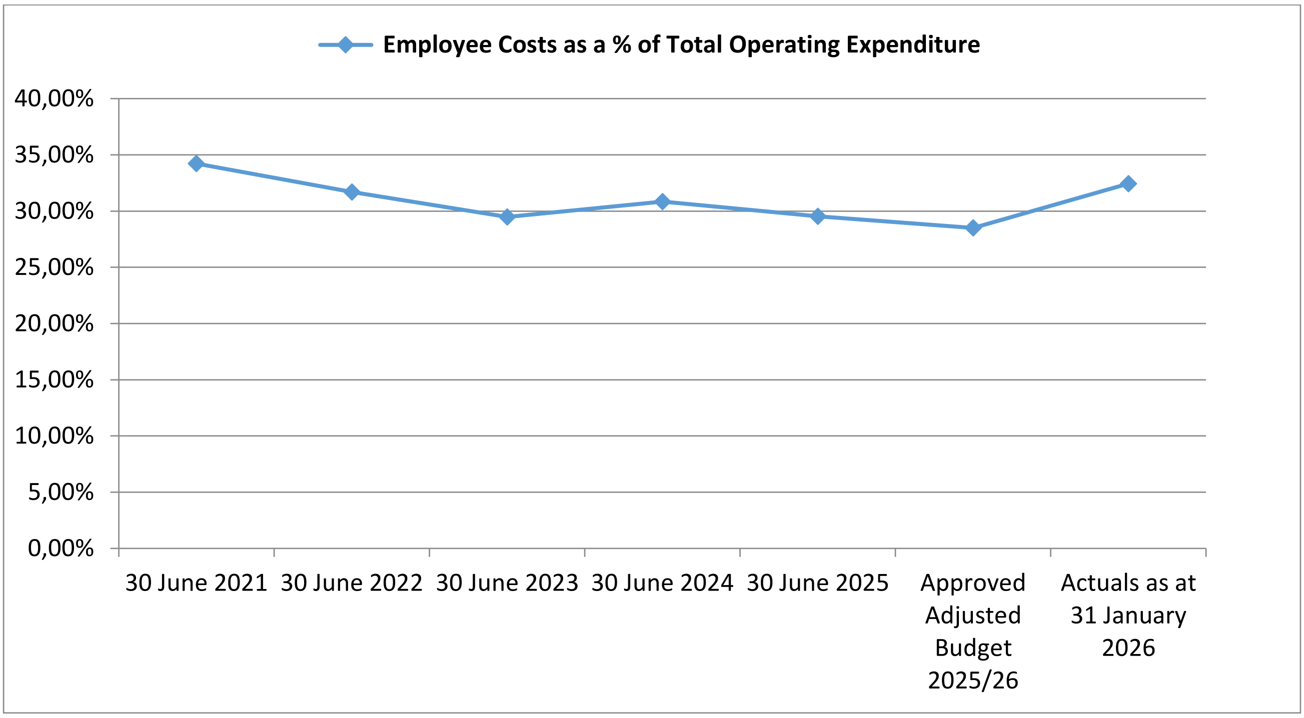
1.3.2. Employee costs as a % of Total Operating Expenditure

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 January 2026, Employee Related Costs constituted 32.43% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 28.5%.



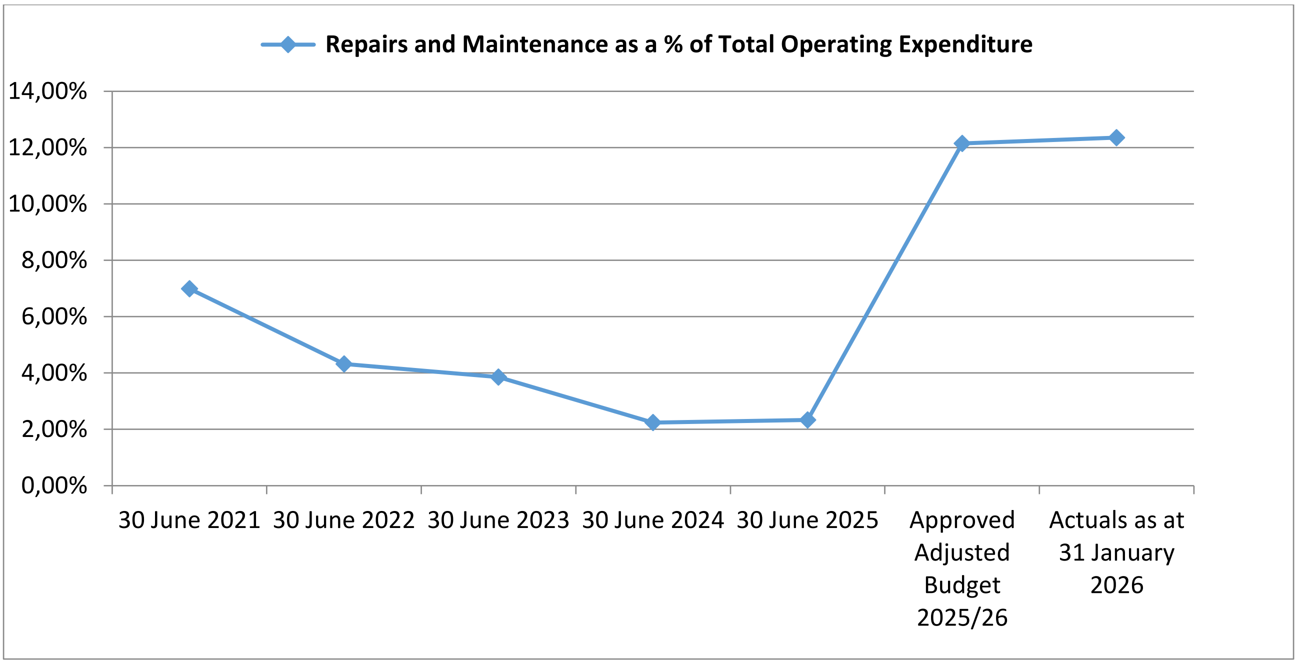
1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 January 2026, the ratio was 12.36%, compared to the approved adjusted budget ratio of 12.15%.



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

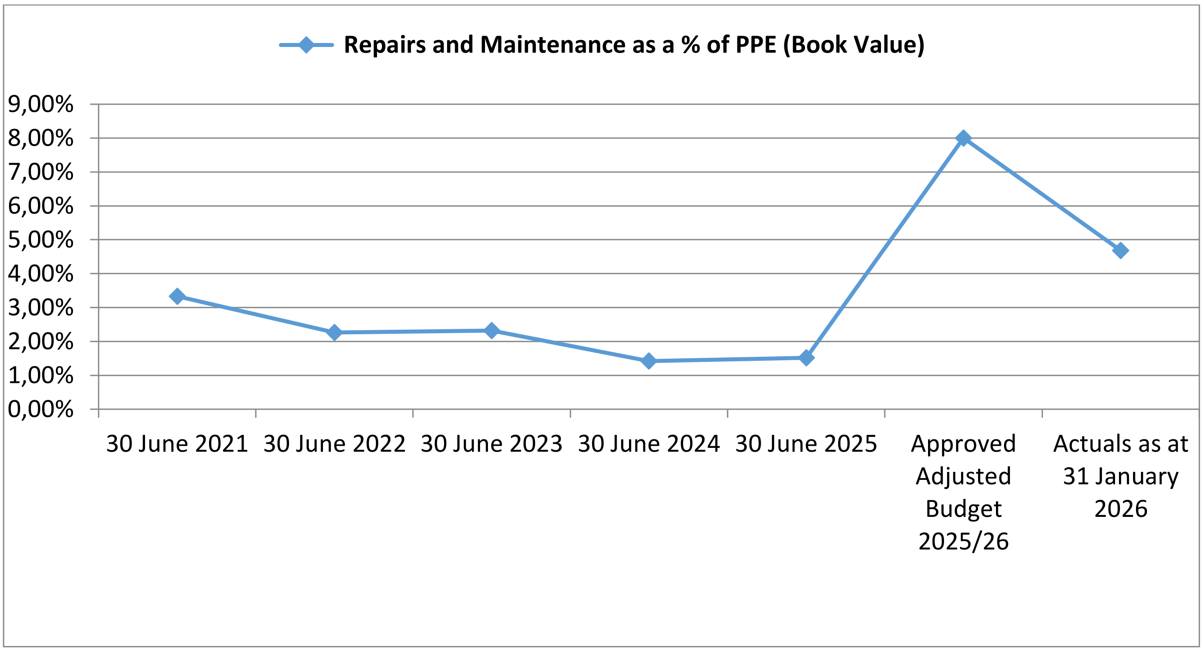
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 January 2026, repairs and maintenance expenditure constituted 4.68% of the book value of PPE, compared to the approved adjusted budget ratio of 8%.

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



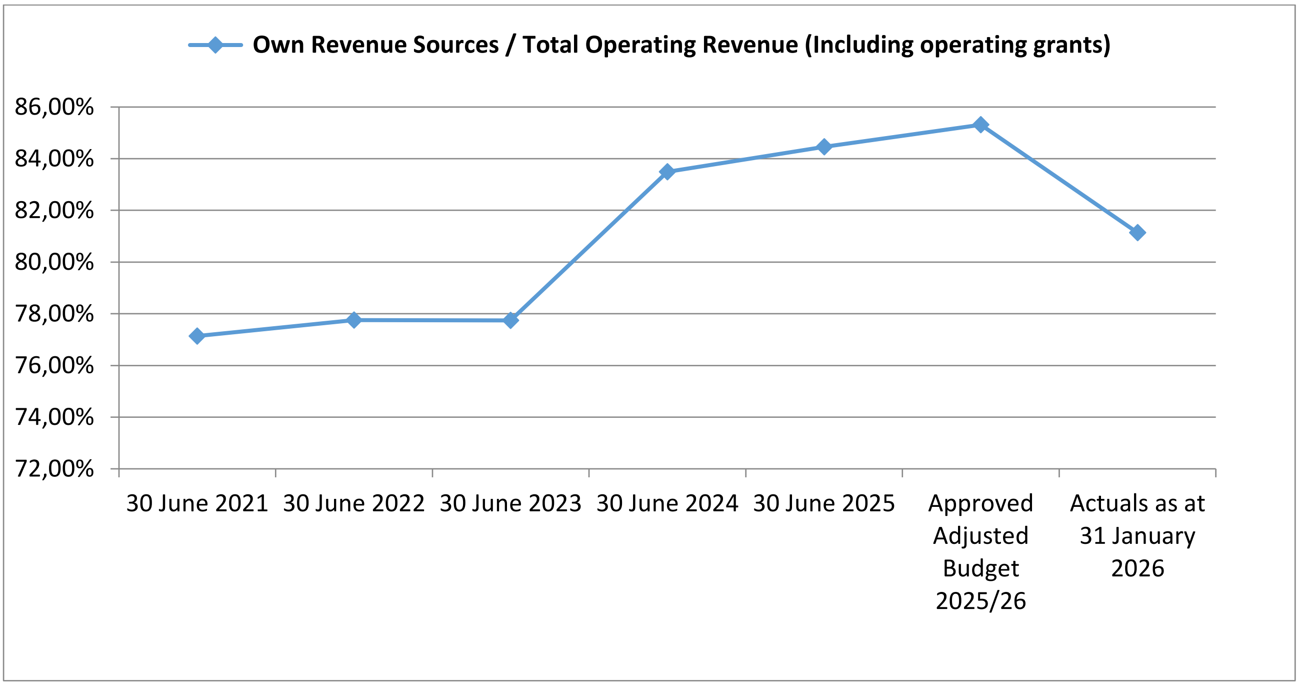
Own Revenue Generation

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 January 2026, the Municipality's own revenue sources constituted 81.14% of its total Operating Income, compared to the approved adjusted budget ratio of 85.31%.



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 January 2026 amounted to 16.14%, compared to the approved adjusted budget ratio of 95%.