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 MAY 2026 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 31 MAY 2026 (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 May 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 Council.

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

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

Signature…… ….....

Date……12 June 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:

"ANNEXURE A"

1. **FINANCIAL OVERVIEW**

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

An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality. This was complemented by analysing the cash flow position, the investment portfolio, ratios, the operating, and capital budget performance for the month of May 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 1,260,911 million, whilst operating expenditure amounted to R 1,256,645 million, resulting in an operating surplus of R 4,266 million.
- Capital expenditure constituted 28.13% of the 2025/26 Adjusted Capital Budget.
- Overdue consumer debts increased by R 41,117 million (16.04%) since June 2025.
- An amount of R 57,534 million is owing to creditors, 99.95% represent current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R 73,977,586 (40.97%) since June 2025, from R 180,581,218 to R254,558,804.

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

	Balance as at 30 June 2025	Invested	Interest	Withdrawals	Adjustments	Balance as at 31 May 2026
Standard Bank	22 335 077	49 329 097	1 644 471	18 514 093		54 794 552
ABSA	37 961 946	128 859 956	2 489 898	142 986 178	-	26 325 622
Nedbank	31 546 835	64 167 142	2 287 792	43 089 484		54 912 285
RMB	39 647 190	38 965 843	2 020 709	36 782 644		43 851 098
INVESTEC	29 600 838	54 680 418	2 109 017	31 497 466		54 892 807
Total	**161 091 885**	**336 002 456**	**10 551 888**	**272 869 865**	**-**	**234 776 364**
INVESTMENT	**Balance as at 30 June 2025**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 May 2026**
General Account	23 745 388	175 688 622	9 678 643	176 181 868		32 930 785
Cash Reserves (DBSA)	14 500 000					14 500 000
Unspent borrowings (DBSA)	92 170 550	100 000 000		34 615 311		157 555 240
Cash Reserves (ESKOM)		4 519 000				4 519 000
Cash Reserves (Development Charges)	2 186 308	3 095 833				5 282 141
Conditional Grants	19 590 377	52 699 000		55 911 522		16 377 855
Housing Funds	8 899 262		873 245	6 161 165		3 611 342
Total	**161 091 885**	**336 002 456**	**10 551 888**	**272 869 865**	**-**	**234 776 364**
	Balance as at 30 June 2025	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 31 May 2026**
Cheque Accounts FNB 52540020791	800 205	840 278				1 640 483
Cheque Accounts FNB 52540033504	9 157 718			(3 799 058)		5 358 660
Cheque Accounts FNB 63022194441	513 734	540 520				1 054 255
Cheque Accounts ABSA 4114176482	5 899 110			(4 794 363)		1 104 746
Cheque Accounts ABSA 4114114771	2 052 903	7 139 698				9 192 602
Cheque Accounts ABSA 4114176474	935 410			(422 452)		512 958
Cheque Accounts ABSA 4114176490	130 253	788 484				918 737
	19 489 333	**9 308 980**	**-**	**(9 015 873)**	**-**	**19 782 441**
Total	**180 581 218**	**345 311 436**	**10 551 888**	**263 853 992**	**-**	**254 558 804**

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

Cash backed Reserves.

Bank Balances and Cash	R 19,782,441
Short-term Investment Deposits	R 234,776,364
	R 254,558,805

Application of Cash

Unspent Conditional Grants	R 29,572,459
Unspent Borrowings (DBSA)	R157,555,240
Cash Reserves – ESKOM	R 4,519,000
Cash Reserves – DBSA	R 14,500,000
Cash Reserves – Developmental Charges	R 5,282,141
Operational Commitments	R 18,030,066
Internally Generated Funds (Capital commitments)	R 22,494,577
Outstanding Creditors Liability	R 57,533,805
	R 309,487,288
Cash Shortfall	**(R 54,928,483)**

The commitments exceed cash reserves at this stage by an amount of R 54,928 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 May 2025	Approved Adjusted Budget 2025/26	Actuals as at 30 April 2026	Actuals as at 31 May 2026
Current Ratio	0.87:1	1.04:1	1.5:1 to 2:1	1.41:1	0.98:1	1.59:1	1.60:1
Liquidity Ratio	0.47:1	0.50:1		0.63:1	0.37:1	0.84:1	0:81:1
Cost Coverage (Excluding unspent conditional grants)	1.19 Months	0.53 Months	1 Month to 3 Months	0.65 Months	0.94 Months	0.56 Months	0.39 Months
Debtors Collection Rate	91.01%	91.38%	95%	90.77%	95%	93.12%	93.24%
Capital Expenditure	71.38%	84.49%	95%	56.8%	95%	24.48%	28.13%

"ANNEXURE A1"

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

1.1. Summary Statement of Financial Performance

Description	Budget Year 2025/26					
R thousands	Original Budget	Adjusted Budget	Monthly Actual	Year TD Actual	Year TD Budget	YTD Variance
Revenue						
Total Revenue (excluding capital transfers and contributions)	1 468 686	1 461 865	94 071	1 260 911	1 340 042	(79 131)
Total Expenditure	1 581 117	1 545 173	110 473	1 256 645	1 416 404	(159 760)
Surplus/(Deficit)	(112 431)	(83 308)	(16 402)	4 266	(76 362)	(238 891)

The statement of financial performance reflects an operating surplus of R 4,266 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	**796 671**	**703 463**	
Service charges - Electricity	473 955	422 999	89,25%
Service charges - Water	123 885	103 543	83,58%
Service charges - Waste Water Management	71 792	68 234	95,04%
Service charges - Waste management	53 826	48 138	89,43%
Sale of Goods and Rendering of Services	10 044	9 094	90,55%
Agency services	4 554	1 120	24,59%
Interest earned from Receivables	11 618	11 667	100,43%
Interest earned from Current and Non Current Assets	16 273	12 583	77,33%
Rental from Fixed Assets	4 312	4 953	114,87%
Licence and permits	2 856	2 737	95,86%
Special rating levies	15 436	12 883	83,46%
Operational Revenue	8 122	5 511	67,86%
Non-Exchange Revenue	**665 193**	**557 448**	
Property rates	307 899	284 940	92,54%
Surcharges and Taxes	25 277	17 441	69,00%
Fines, penalties and forfeits	90 465	12 798	14,15%
Licence and permits	3 139	5 584	177,89%
Transfer and subsidies - Operational	214 697	215 389	100,32%
Interest	4 050	3 320	81,97%
Operational Revenue	19 666	17 955	91,30%
Gains on disposal of Assets	–	20	
Total Revenue (excluding capital transfers and contributions)	**1 461 865**	**1 260 911**	**86,25%**

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.

- **Sales Of Good and Rendering 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 portfolio which amounts to R 254,559 million as at 31 May 2026.

- **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.

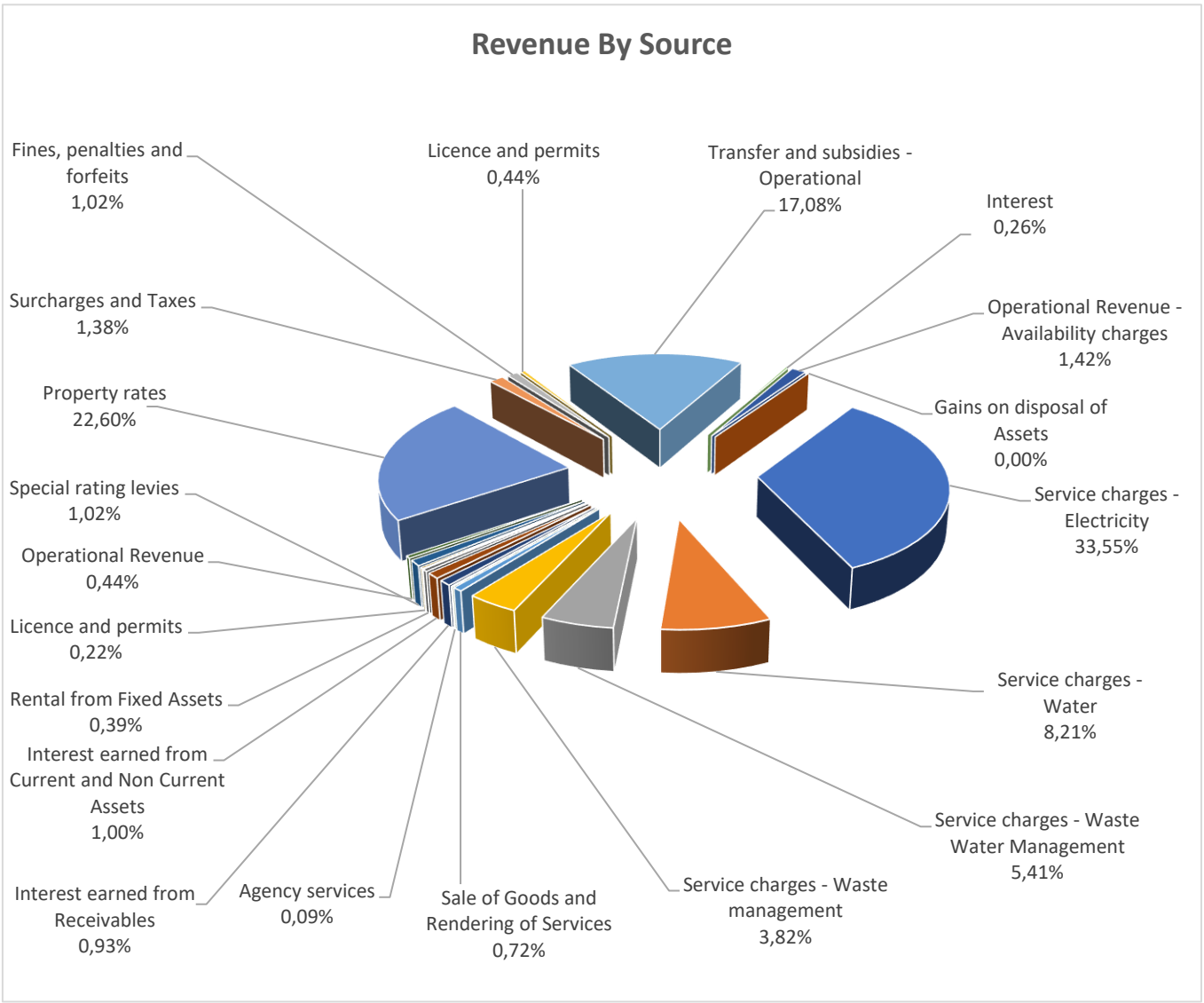
- **Operational Revenue (Exchange Revenue)**
  The other revenue relates to various sources of operating revenue such as staff recovery, insurance refunds and skills development levy refunds.
  The revenue is influenced by anticipated augmentation fees amounting to R 5,282 million.

- **Surcharges and Taxes**
  The surcharges and taxes relate to Environmental Management Fees and the Riparian levies which are currently allocated to waste management and licences and permits revenue.

- **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.

- **Non-Exchange: Licence and permits**
  The licence and permits included the misallocation of riparian levies amounting to R 2,234 million and this will be corrected in the next reporting period.

- **Transfer and subsidies**
  As at 31 May 2026, the municipality has recognized 100% of operational transfer and subsidies revenue, compared to the budget. This is due to the last installment of Equitable Share allocation amounting to R 50,883 million received in March
  2026.



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	409 142	92,91%
Remuneration of councillors	16 550	14 259	86,16%
Bulk purchases - electricity	439 637	414 431	94,27%
Inventory consumed	115 051	109 301	95,00%
Debt impairment	64 219	–	0,00%
Depreciation and amortisation	142 422	99 241	69,68%
Interest	39 542	12 433	31,44%
Contracted Services	119 986	99 279	82,74%
Transfers and subsidies	950	478	50,36%
Irrecoverable debts written off	54 197	12 501	23,07%
Operational Cost	97 184	84 604	87,06%
Losses on Disposal of Assets	–	974	
Other Losses	15 051	–	0,00%
Total Expenditure	**1 545 173**	**1 256 645**	**81,33%**

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.

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

Item Description	Adjusted Budget	YTD Actuals	%
Standard Rated	4 720 670	3 326 805	70,47%
Materials and Supplies	48 633 771	40 164 956	82,59%
Zero Rated	21 000 000	22 923 496	109,16%
Water	40 694 032	42 885 586	105,39%
Total	**115 048 473**	**109 300 843**	**95,00%**

- **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 69.68% expenditure, compared to the approved adjusted 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.

- **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 are written off upon Council approval.

- **Other Losses**
  Other losses relate to the water losses and at this stage, the municipality recognizes the water losses at the end of the financial year, rather than on monthly basis.

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

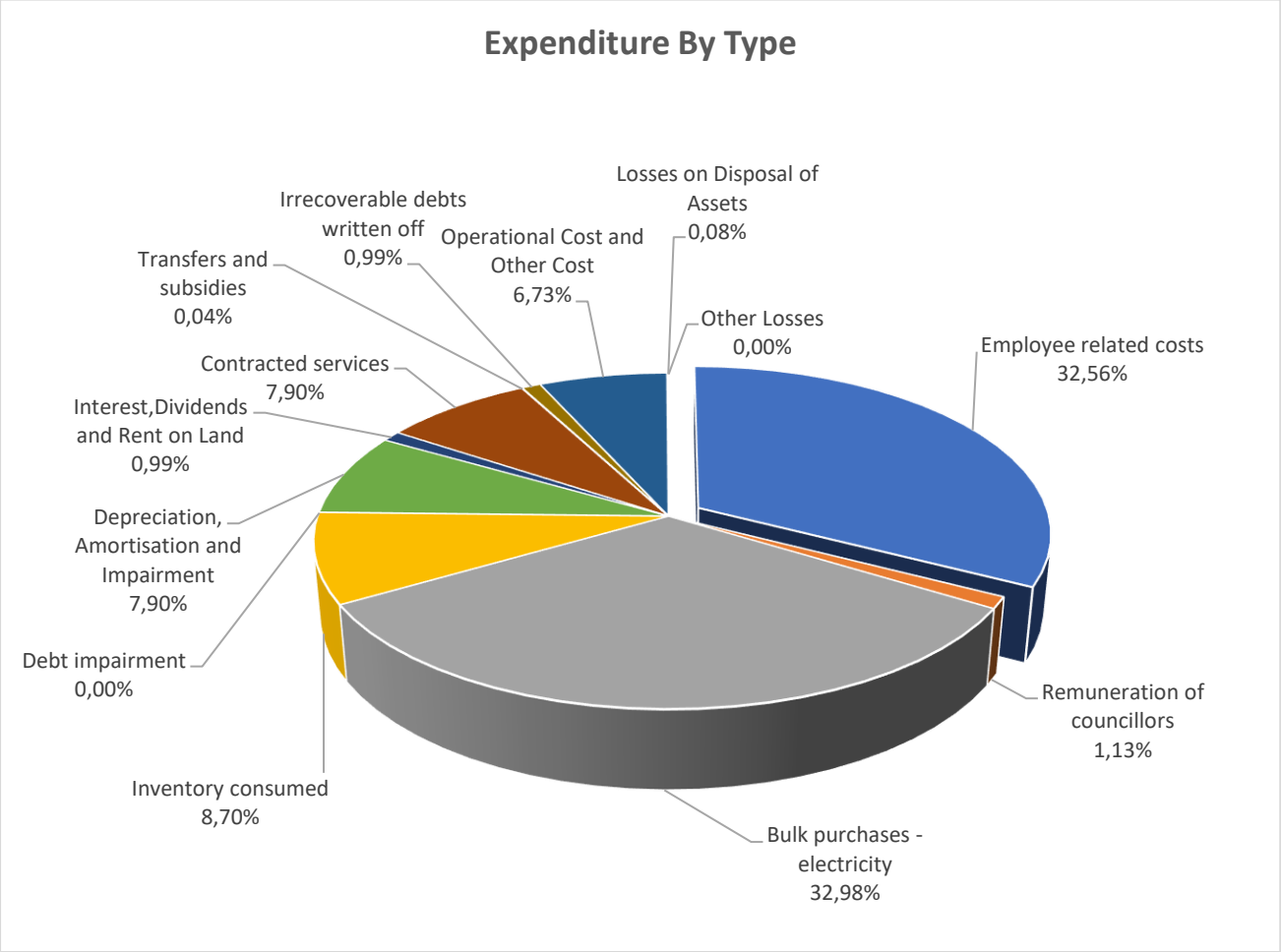
Item Description	Adjusted Budget 2025/26	YTD Actuals	%
Aloe Cup	68 000	-	0,00%
Animal Care	508 000	490 503	96,56%
Audit of Municipal Land & Properties	2 989 565	537 329	17,97%
BUILDING CONTROL	25 000	-	0,00%
Burial Services	77 000	37 000	48,05%
Calamari Festival	200 000	-	0,00%
Catering Services	736 350	421 772	57,28%
Clean up Operation	1 025 000	1 013 503	98,88%
Clearing and Grass Cutting Services	1 390 000	1 247 524	89,75%
Conducting of feasibility studies (EIA)	630 435	630 435	100,00%
Connection/Dis-connection:Electricity	475 000	174 320	36,70%
Consultants and Professional Services	9 529 492	6 520 824	68,43%
Destination Marketing & Promotion	400 000	377 751	94,44%
Drivers Licence Cards	603 000	418 949	69,48%
Dune Rehabilitation and Coastal Zone	1 220 000	605 729	49,65%
EC Tourism Awards	260 662	260 663	100,00%
Electricity Generation Project	1 460 000	721 305	49,40%
Environmental protection	312 000	3 471 995	1112,82%
Event Promoters	3 745	3 745	100,00%
Internal Auditors	300 000	30 000	10,00%
KBF	100 000	100 000	100,00%
KLTO	360 000	-	0,00%
Kouga Family Fun Day	85 000	85 000	100,00%
Kouga Mayoral Summer Festival	850 000	850 000	100,00%
Laboratory Services:Water	(10 340 249)	772 870	-7,47%
Legal Advice and Litigation	2 342 400	2 121 497	90,57%
Legal Cost:Collection	2 100 000	1 912 999	91,10%
LTO Capacitation	109 000	22 353	20,51%
Maintenance of Buildings and Facilities	8 929 875	5 475 354	61,32%
Maintenance of Electrical Infrastructure	5 071 811	4 603 720	90,77%
Maintenance of Equipment	1 435 000	764 882	53,30%
Maintenance Of Fire Equipment	52 000	48 876	93,99%
Maintenance of Vehicles	9 373 000	8 031 284	85,69%
Maintenance STORMWATER	855 000	-	0,00%
Media Monitoring	120 000	95 645	79,70%
Mscoa Alignment	705 137	705 137	100,00%
New Meter Installations	1 629 156	45 026	2,76%
Occupational Health and Safety	1 400 000	1 043 855	74,56%
Oceans Economy Masterplan	300 000	300 000	100,00%
Other Contracted Services	7 893 508	5 174 561	65,55%
Personnel and Labour	19 549 000	16 545 748	84,64%
PGA Championship Sponsorship	288 750	288 750	100,00%
Pollution Control	200 000	83 700	41,85%
Precinct Plans Project Hankey and St Francis Bay C	425 000	-	0,00%
Private Plots_Alien Vegetation Control	360 000	338 077	93,91%
Qualification Verification	500 000	411 303	82,26%
Replacement of Stormwater Headwalls along Kouga Co	85 000	-	0,00%

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

Item Description	Adjusted Budget 2025/26	YTD Actuals	%
Resealing & Maintenance of Roads in KLM	10 000 000	6 878 451	68,78%
Restricted Water Flow	200 000	-	0,00%
Revision of SDF	170 000	53 250	31,32%
Roads Defects Repairs	360 000	35 000	9,72%
SA Longboard Championship	315 000	273 913	86,96%
SA Open water swim	175 000	175 000	100,00%
Security Services	10 296 600	11 320 155	109,94%
SMART City Strategy	300 000	-	0,00%
SMME Capacitation Program	200 000	118 762	59,38%
Special Rating Area	15 426 880	11 303 536	73,27%
Technical Support Services	783 000	400 407	51,14%
Tourism Branding	300 000	215 872	71,96%
Upgrade and Repair SCADA	783 000	538 385	68,76%
Valuer	700 000	463 000	66,14%
Winterfest	1 785 000	244 623	13,70%
WSL Music Festival	279 769	69 769	24,94%
WTM Africa, Indaba, Meetings Africa, Educationals,	550 000	404 586	73,56%
	119 615 886	**99 278 691**	**83,00%**

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

Item Description	Adjusted Budget 2025/26	YTD Actuals	%
Achievements and Awards	3 762 000	2 806 759	74,61%
Advertising, Publicity and Marketing	5 473 380	4 000 479	73,09%
Bank Charges	1 100 000	1 593 130	144,83%
Bargaining Council	5 245 665	4 833 408	92,14%
Cellular Contract (Subscription and Calls)	3 597 000	3 083 707	85,73%
Claims paid to Third Parties	466 000	425 403	91,29%
External Audit Fees	4 500 000	4 392 962	97,62%
External Computer Service:Internet Charge	6 710 000	6 065 752	90,40%
Hire Charges	5 196 970	4 088 194	78,66%
Insurance Claims	254 000	214 626	84,50%
Insurance Underwriting:Premiums	3 764 237	3 965 028	105,33%
Leases:Furniture and Office Equipment	2 640 000	2 437 248	92,32%
Leases:Other Assets	4 923 500	4 925 260	100,04%
Motor Vehicle Licence and Registrations	1 741 446	837 370	48,08%
Other	1 056 772	1 588 046	150,27%
Postage/Stamps/Franking Machines	1 892 350	1 559 768	82,42%
Registration Fees:Professional and Regulatory Bodies	643 790	267 841	41,60%
Registration Fees:Seminars, Conferences, Workshops	1 712 981	971 728	56,73%
Remuneration to Ward Committees	1 980 000	1 828 800	92,36%
Riparian Levies	8 465 273	8 053 655	95,14%
SABC TV LICENCES	3 000	2 915	97,17%
Signage	605 650	529 165	87,37%
Skills Development Fund Levy	4 782 009	4 130 779	86,38%
Software Licences	10 952 550	9 066 431	82,78%
Storage of Files (Archiving)	120 000	38 501	32,08%
Third Party Vendors	3 517 000	3 083 260	87,67%
Travel and Subsistence	4 157 814	2 906 616	69,91%
Uniform and Protective Clothing	4 348 096	3 664 308	84,27%
Vehicle Tracking	895 300	992 573	110,86%
Workmen's Compensation Fund	2 677 641	2 250 757	84,06%
	97 184 424	**84 604 469**	**87,06%**



1.4. **Repairs and Maintenance**

Below is an analysis of actual repairs and maintenance expenditure as at 31 May 2026, compared to the 2025/26 Approved Budget.

Item Description	Budget Year 2025/26		
	Adjusted Budget 2025/26	YTD Actuals	%
Repairs and Maintenance by Expenditure Items			
Employee Related Cost	110 081 031	96 002 948	87,21%
Other materials	35 135 771	29 416 673	83,72%
Contracted Services	39 314 194	27 373 252	69,63%
Other expenditure	3 797 570	3 128 911	82,39%
Total	**188 328 566**	**155 921 784**	**82,79%**

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	422 999	89,25%
Interest earned from Receivables	837	1 820	217,49%
Operational Revenue	1 630	1 196	73,36%
Non-Exchange Revenue			
Transfers and subsidies - Operational	2 243	2 242	99,94%
Service charges - Electricity	10 089	9 183	91,01%
Total Revenue	**488 754**	**437 439**	**89,50%**
Expenditure By Type			
Employee related costs	23 340	21 967	94,12%
Bulk purchases - electricity	440 010	414 431	94,19%
Inventory consumed	15 692	14 545	92,69%
Debt impairment	13 133	–	0,00%
Depreciation and amortisation	13 139	7 610	57,92%
Interest	488	452	92,66%
Contracted services	10 161	7 038	69,26%
Irrecoverable debts written off	5 573	900	16,14%
Operational costs	3 720	3 310	88,98%
Total Expenditure	**525 257**	**470 254**	**89,53%**
Surplus/(Deficit)	**(36 503)**	**(32 815)**	

1.5.1.1 Revenue

- The electricity service charges revenue reflects 89.25% of budget as at 31 May 2026, and this is in line with the projected budget ratio of 91.67% as at 31 May 2026.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.

1.5.1.2 Expenditure

- the bulk electricity reflects 94.19% of budget expenditure as at 31 May 2026.

1.5.1.3 Net surplus/deficit of electricity ratio

- Electricity reflects a deficit of R 32,815 million as at 31 May 2026 and the deficit amount equates to 7.5%, 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	103 543	83,58%
Interest earned from Receivables	5 567	5 651	101,52%
Operational Revenue	681	427	62,65%
Non-Exhange Revenue			
Transfers and subsidies - Operational	22 970	22 956	99,94%
Service charges - Water	6 398	5 864	91,65%
Total Revenue	**159 501**	**138 441**	**86,80%**
Expenditure By Type			
Employee related costs	38 268	34 740	90,78%
Inventory consumed	49 917	51 562	103,30%
Debt impairment	(14 655)	–	0,00%
Depreciation and amortisation	22 378	18 568	82,97%
Interest	506	1 108	218,92%
Contracted services	(9 328)	1 745	-18,71%
Irrecoverable debts written off	21 454	5 341	24,90%
Operational costs	1 752	1 516	86,50%
Other losses	15 051	–	0,00%
Total Expenditure	**125 343**	**114 580**	**91,41%**
Surplus/(Deficit)	**34 159**	**23 860**	

1.5.2.1 Revenue

- The water service charges revenue reflects 83.58% of budget as at 31 May 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 42,886 million (94.89% of budget).
- Debt impairment reflects a negative budget amount of R 14,655 million and this was influenced by the irrecoverable debts written off budget of R 21,454 million, this will be corrected in the next reporting period.
- Contracted services budget reflects a negative amount of R 9,328 million and this is influenced by the recognition of water inventory from natural resources.

1.5.2.3 Net surplus/deficit of water ratio

- The water reflects a surplus of R 23,860 million as at 31 May 2026 and equates to 17.24% 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	68 234	95,04%
Operational revenue	572	506	88,46%
Interest earned from Receivables	2 033	1 907	93,79%
Non-Exchange Revenue			
Transfers and subsidies - Operational	14 617	14 608	99,94%
Service charges - Waste Water Management	3 179	2 909	91,51%
Total Revenue	**92 192**	**88 163**	**95,63%**
Expenditure By Type			
Employee related costs	13 156	10 526	80,01%
Inventory consumed	15 869	13 264	83,59%
Debt impairment	(3 718)	–	0,00%
Depreciation and amortisation	36 895	26 685	72,33%
Interest	977	937	95,89%
Contracted services	4 133	7 737	80,73%
Irrecoverable debts written off	7 569	2 310	30,52%
Operational costs	5 723	4 977	86,96%
Total Expenditure	**80 603**	**66 437**	**76,97%**
Surplus/(Deficit)	**11 588**	**21 726**	

1.5.3.1 Revenue

- The waste water service charges revenue reflects 95.04% of budget as at 31 May, and this is in line with the projected budget ratio of 91.67% as at 31 May 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 21,726 million as at 31 May 2026 and equates to 24.64% 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	48 138	89,43%
Operational revenue	122	76	62,52%
Sale of Goods and Rendering of Services	9	2	19,23%
Interest earned from Receivables	3 056	2 201	72,04%
Non-Exchange Revenue			
Transfers and subsidies - Operational	25 847	25 831	99,94%
Surcharges and Taxes - Waste	15 872	13 046	82,20%
Total Revenue	**98 730**	**89 294**	**90,44%**
Expenditure By Type			
Employee related costs	42 683	39 284	92,04%
Inventory consumed	7 887	8 329	105,60%
Debt impairment	3 638	3 258	89,55%
Depreciation and amortisation	3 195	1 077	33,69%
Interest	831	752	90,43%
Contracted services	15 605	12 283	78,71%
Irrecoverable debts written off	–	–	
Operational costs	4 495	3 509	78,06%
Total Expenditure	**78 334**	**68 490**	**87,43%**
Surplus/(Deficit)	**20 396**	**20 804**	

1.5.4.1 Revenue

- The waste service charges revenue reflects 89.43% of budget as at 31 May 2026, and this is in line with the projected budget ratio of 91.67% as at 31 May 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 20,804 million as at 31 May 2026 and equates to 23.30% of total revenue. Council approved a surplus budget of R 20,396 million for the 2025/26 financial year.

1.6 Cost Containment Measures

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

Description	Budget Year 2025/26			
	Adjusted Budget	YearTD Actual	YearTD Budget	YTD Variance
R Thousands				
1. Temporary Appointments, Contractual Appointments, Unemployed Graduates and Experiential Learners	19 549	16 546	17 920	(1 374)
2. Travel claims	4 158	2 896	3 811	(915)
3. Overtime	28 771	28 060	26 373	1 687
4. Catering Costs	736	422	675	(253)
5. Events, Advertising and sponsorships	6 175	4 562	5 661	(1 098)
6. Attendance of Conferences, Seminars & Workshops	1 561	972	1 431	(459)
7. Municipal Workshops, Retreats, Strategic Sessions and Internal training	988	439	906	(467)
9. Essential User Scheme	2 389	2 389	2 389	–
Total	**64 328**	**56 286**	**59 166**	**(2 880)**

A comparison of the year-to-date actuals to the adjusted budget reflects savings, amounting to R 2,880 million as at 31 May 2026.

1.7 Unauthorised Expenditure by Directorate

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

Description	Budget Year 2025/26			YTD Actuals			
R thousands	Approved Adjusted Budget-Operating	Approved Adjusted Budget-Capital Budget	Appproved Adjusted Budget 2024/25	Operating Expenditure	Capital Actuals	Total Expenditure	Unathorised Expenditure
Expenditure by Vote							
Civil & Water Services	326 829	247 075	573 903	266 273	56 958	323 230	–
Community Services	330 563	4 890	335 453	228 468	3 647	232 116	–
Electro & Mechanical Services	552 576	42 935	595 511	499 890	23 074	522 964	–
Finance and Economic Development	126 066	1 335	127 400	92 543	394	92 937	–
Office of the DMM	152 890	2 660	155 550	123 738	2 029	125 766	–
Office of the MM	17 968	5	17 973	15 011	5	15 016	–
Planning and Development	38 281	23 666	61 947	30 702	4 640	35 343	–
Total Expenditure by Vote	**1 545 173**	**322 565**	**1 867 738**	**1 256 625**	**90 747**	**1 347 372**	-

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

Annexure "A2"

1. CAPITAL BUDGET PERFORMANCE

1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 31 May 2026, constituted 28.13% of adjusted capital budget and the funding is broken down as follows:

- Grant funding is 45.13% of approved grant funding budget.
- Borrowing funding is 10.78% of approved borrowing funding budget.
- Internally generated funds are 41.22% 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	5	100,00%
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER	1 050	2 660	2 029	76,28%
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	621	1 335	394	29,55%
Vote 4 - COMMUNITY SERVICES	4 891	4 890	3 647	74,59%
Vote 5 - CIVIL AND WATER SERVICES	206 142	247 075	56 958	23,05%
Vote 6 - ELECTRO/MECHANICAL SERVICES	49 509	42 935	23 074	53,74%
Vote 7 - PLANNING AND DEVELOPMENT	3 250	23 666	4 640	19,61%
Total Capital Multi-year expenditure	**265 462**	**322 565**	**90 747**	**28,13%**

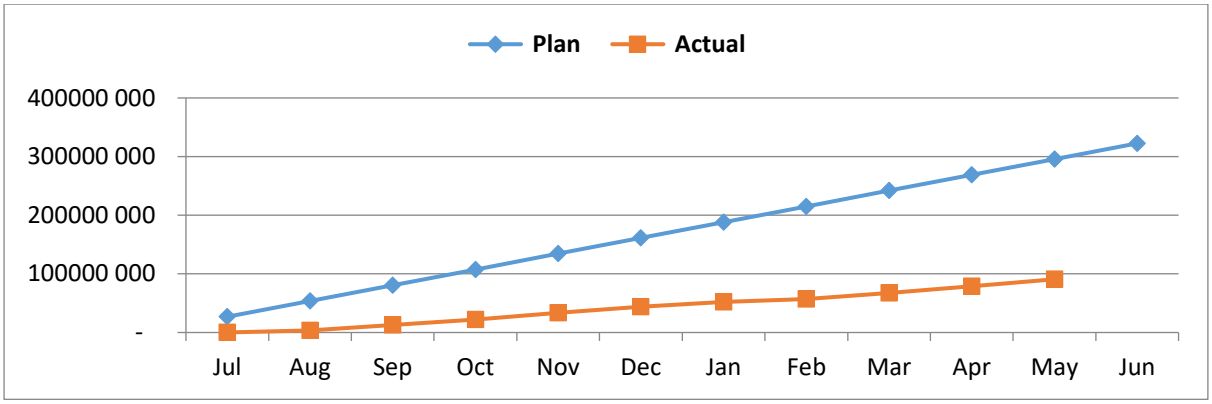
The capital expenditure as at 31 May 2026, constituted 28.13% of adjusted capital budget.

The capital expenditure is broken down per directorate as follows:

- Office Of the Municipal Manager is 100.0% of R 5 thousand budget.
- Office Of the Deputy Municipal Manager is 76.28% of R 2,660 million budget.
- Finance & Economic Development is 29.55% of R 1,335
- million budget.
- Community Services is 74.59% of R 4,890 million budget.
- Civil & Water Services 23.05% of R 247,075 million budget.
- Electro & Mechanical Services is 53.74% of R 42,935 million budget.
- Planning & Development is 19.61% of R 23,666 million budget.

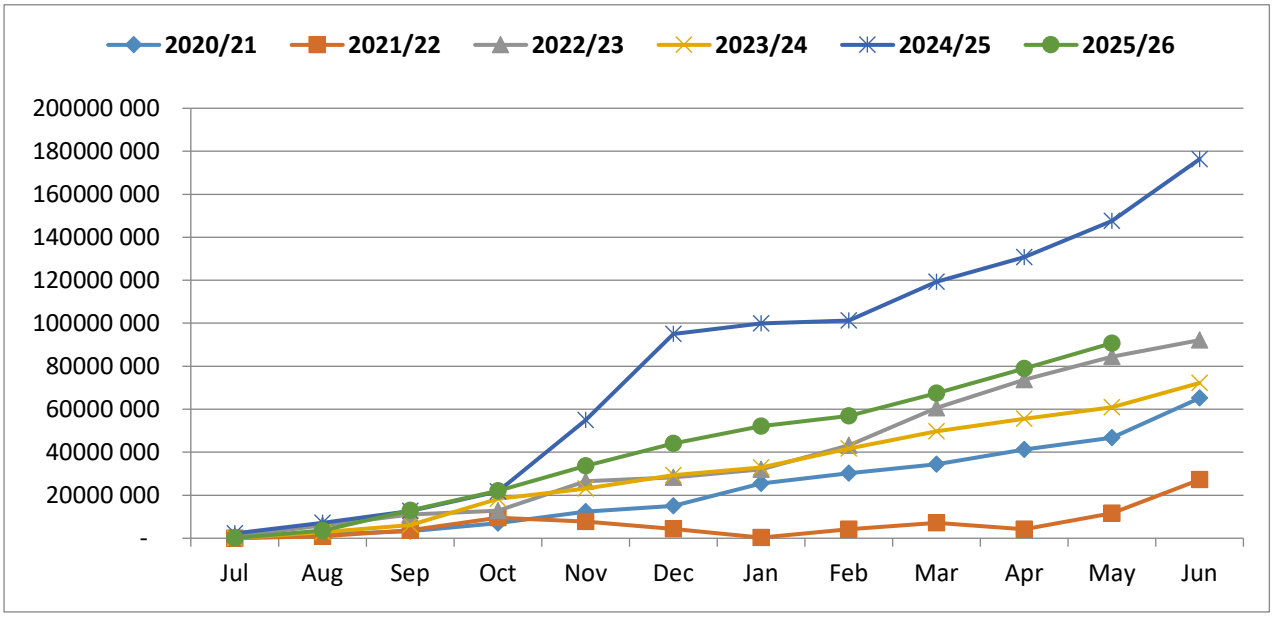
1.2. Monthly capital expenditure

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 May 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	15 998 199	10,46%
			153 002 755	**15 998 199**	**10,46%**
INTERNALLY FUNDED					
PROJECT MANAGEMENT UNIT (PMU)	INTERNAL	Upgrading/Improvement of Sport Facilities within K	630 816	84 486	13,39%
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	3 097 207	87,59%
ROADS AND STORMWATER	INTERNAL	Umzamowethu SW Management Plan	400 000	-	0,00%
SEWERAGE	INTERNAL	Seekoei Estuary Causeway	-	-	
SEWERAGE	INTERNAL	Hankey: Refurbishment of WWTW	2 296 691	1 736 345	75,60%
SEWERAGE	INTERNAL	Oyster Bay: Umzamowethu WWTW – Planning Stag	637 410	270 188	42,39%
SEWERAGE	INTERNAL	Fencing of Sewer Pump Station	800 000	791 537	98,94%
SEWERAGE	INTERNAL	La Mer: Construction of New Sewer Rising Main	811 148	345 420	42,58%
WATER	INTERNAL	Storage Containers	200 000	-	0,00%
WATER	INTERNAL	Machinery at WTW Facilities	868 120	224 590	25,87%
WATER	INTERNAL	Humansdorp: Gill Marcus Water Supply	108 674	108 675	100,00%
WATER	INTERNAL	ProtAPP Software	300 000	208 696	69,57%
WATER	INTERNAL	MIMOSA STREET PIPELINE REPLACEMENT	105 152	75 997	72,27%
WATER	INTERNAL	Construction of Civil Services in Donkerhoek & Hum	678 345	-	0,00%
			13 643 225	**6 987 169**	**51,21%**
MUNICIPAL DISASTER RESPONSE GRANT					
ROADS AND STORMWATER	MDRG	Re-instatement of Sherley Street	1 539 318	1 486 618	96,58%
ROADS AND STORMWATER	MDRG	Re-instatement of Mountain Road and upgrade of sto	914 386	719 806	78,72%
ROADS AND STORMWATER	MDRG	Re-instatement of Da Gama Road in the Kabeljous ar	1 048 958	56 286	5,37%
ROADS AND STORMWATER	MDRG	George Road, Re-instatement of Embankment, Water &	753 391	43 157	5,73%
ROADS AND STORMWATER	MDRG	Re-instatement of Phillip Street low level water c	1 652 292	550 172	33,30%
ROADS AND STORMWATER	MDRG	Sea Vista Access ring road damaged pavement layers	765 960	762 556	99,56%
ROADS AND STORMWATER	MDRG	Re-instatement of Ketse Street and stormwater infr	1 138 688	585 327	51,40%
ROADS AND STORMWATER	MDRG	Re-instatement of Nanto Street and stormwater infr	1 276 986	1 186 878	92,94%
ROADS AND STORMWATER	MDRG	Re-instatement of Meyer Street and stormwater infr	1 002 820	906 334	90,38%
			10 092 799	**6 297 133**	**62,39%**
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	95 652	100,00%
ROADS AND STORMWATER	MIG	Upgrading of Kouga Gravel Roads	13 478 100	9 019 483	66,92%
SEWERAGE	MIG	Arcadia Street: Refurbishment of Sewer Pump Station	262 016	18 644	7,12%
SEWERAGE	MIG	La Mer: Construction of New Sewer Rising Main	52 600	2 770	5,27%
SEWERAGE	MIG	Jeffreys Bay: Upgrade of Ocean View Sewer Pipe	261 915	184 765	70,54%
SEWERAGE	MIG	Kwanomzamo: Upgrading of WWTW	6 763 810	4 951 069	73,20%
WATER	MIG	Infrastructure Management Plan	1 717 311	1 234 922	71,91%
			25 448 081	**18 323 982**	**72,01%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2025/26	YearTD actuals	%
UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME					
SEWERAGE	UISP	Kwanomzamo: New Sewer Pump Station & Rising Main - Bulk Sanitation	183 706	-	0,00%
SEWERAGE	UISP	Design: Upgrade Weston WWTW Outfall & Reticulation	-	-	
SEWERAGE	UISP	Kruisfontein: Bulk Sewer Link Line	191 464	-	0,00%
SEWERAGE	UISP	Design: Upgrade Weston WWTW Outfall & Reticulation	1 141 258	922 230	80,81%
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	1 246 658	45,60%
WATER	UISP	Thornhill: Upgrading of Informal Settlement	419 403	299 514	71,41%
WATER	UISP	Patensie: Upgrading of Cyril Ramaphosa Informal Se	1 146 142	105 110	9,17%
WATER	UISP	Jeffreys Bay: Upgrading of Ocean View Informal Set	2 926 119	880 202	30,08%
WATER	UISP	Humansdorp: Upgrading of Kruisfontein Informal Set	2 118 388	1 880 435	88,77%
WATER	UISP	Thornhill: Upgrading of Informal Settlement	-	-	
WATER	UISP	Patensie: Upgrading of Informal Settlement (Cyril Ramaphosa)	-	-	
WATER	UISP	Jeffreys Bay: Upgrading of Ocean View Informal Settlement	-	-	
WATER	UISP	Kruisfontein: Upgrade of Gill Marcus Bulk Water Reservoir & Pipeline	5 780 466	472 515	8,17%
WATER	UISP	Kwanomzamo: New Bulk Water Pipeline	8 870 938	-	0,00%
			36 514 693	**5 936 334**	**16,26%**
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	2 967 140	54,98%
WATER	WSIG	St Francis Bay: Replacement of Waterpipe	100 000	-	0,00%
WATER	WSIG	St Francis Bay: Groundwater Supply	2 576 130	447 767	17,38%
WATER	WSIG	St Francis Bay: Replacement of Main Waterline (Sout River Bridge Crossing)	100 000	-	0,00%
			8 373 039	**3 414 907**	**40,78%**
SUBTOTAL			**247 074 592**	**56 957 723**	**23,05%**

DEPARTMENT	FUNDING SOURCE	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	44 007	4,40%
LAW ENFORCEMENT	INTERNAL	Security Cameras	1 000 000	909 159	90,92%
WASTE SERVICES	INTERNAL	Fencing of Humansdorp Landfill Site	1 500 000	1 304 348	86,96%
			3 934 642	**2 257 514**	**57,38%**
SUBTOTAL			**4 889 676**	**3 647 189**	**74,59%**
ELECTRO AND MECHANICAL SERVICES					
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME					
METERING AND REVENUE	INEP	Electrification of 1250 houses in Kouga	4 730 433	4 450 981	94,09%
			4 730 433	**4 450 981**	**94,09%**
INTERNALLY FUNDED					
METERING AND REVENUE	INTERNAL	Shore Road Miniature Substation & Associated Switc	2 000 000	1 142 914	57,15%
METERING AND REVENUE	INTERNAL	Battery Storage	22 500 000	9 153 558	40,68%
METERING AND REVENUE	INTERNAL	SeaVista Electrification	2 000 000	-	0,00%
METERING AND REVENUE	INTERNAL	Thornhill Electrification	1 500 000	982 312	65,49%
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	1 107 601	70,99%
			32 060 165	**12 386 385**	**38,63%**
MUNICIPAL INFRASTRUCTURE GRANT					
METERING AND REVENUE	MIG	Design of New High Mast Lights - Construction	6 086 955	5 714 861	93,89%
			6 086 955	**5 714 861**	**93,89%**
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			**42 935 194**	**23 073 771**	**53,74%**

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	87 971	58,65%
ECONOMIC DEVELOPMENT	INTERNAL	Furniture and Office Equipment	10 000	4 996	49,96%
EXPENDITURE	INTERNAL	Computer Equipment	57 000	-	0,00%
EXPENDITURE	INTERNAL	Furniture and Office Equipment	50 000	18 060	36,12%
LOCAL ECONOMIC DEVELOPMENT	INTERNAL	Computer Equipment	28 500	19 740	69,26%
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	15 501	13,60%
SUPPLY CHAIN AND CONTRACT MANAGEMENT	INTERNAL	Furniture and Office Equipment	10 700	8 730	81,59%
SUPPLY CHAIN AND CONTRACT MANAGEMENT	INTERNAL	Computer Equipment	154 575	87 931	56,89%
			1 205 936	**265 706**	**22,03%**
SUBTOTAL			**1 334 636**	**394 325**	**29,55%**
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	23 317	12,95%
HUMAN RESOURCES	INTERNAL	Furniture and Office Equipment	50 000	2 500	5,00%
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	1 964 511	98,23%
LEGAL SERVICES	INTERNAL	Furniture and Office Equipment	50 000	9 960	19,92%
MEDIA LIAISON	INTERNAL	Camera Equipment	50 000	28 661	57,32%
			2 660 000	**2 028 949**	**76,28%**
OFICCE OF THE DMM					
INTERNALLY FUNDED					
RISK AND INTERNAL AUDIT	INTERNAL	Furniture and Office Equipment	5 000	5 000	100,00%
			5 000	**5 000**	**100,00%**
SUBTOTAL			**2 665 000**	**2 033 949**	**76,32%**
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	45 225	25,84%
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	**45 225**	**25,84%**
DEPARTMENT OF HUMAN SETTLEMENTS					
HUMAN SETTLEMENT	DOHS	HANKEY 990-PHASE 2	6 731 296	4 595 220	68,27%
HUMAN SETTLEMENT	DOHS	HANKEY 990-PHASE 3	12 284 786	-	0,00%
			19 016 082	**4 595 220**	**24,16%**
SUBTOTAL			**23 666 082**	**4 640 445**	**19,61%**
TOTAL			**322 565 180**	**90 747 402**	**28,13%**

Status of capital programmes/projects in the Municipality as at 31 May 2026: Summary

	Budget Year 2025/26		
FUNDED BY:	**Adjusted Budget**	**YearTD Actual**	**%**
TOTAL GRANTS FUNDING	111 403 457	50 279 651	45.13%
BORROWINGS	153 002 755	16 491 804	10,78%
TOTAL INTERNALLY GENERATED FUNDS	58 158 968	23 975 947	41.22%
TOTAL CAPITAL FUNDING	**322 565 180**	**90 747 402**	**28.13%**

Annexure "A3"

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

1.1. Projected Cash Flow Statement as at 31 May 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 – M11 May 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	25 346	296 729	271 656	25 074	9%	296 352
Service charges		719 038	908 343	846 520	58 085	655 117	775 977	(120 859)	-16%	846 520
Other revenue		52 563	112 594	131 358	59 226	347 473	120 411	227 062	189%	131 358
Transfers and Subsidies - Operational		201 325	214 766	214 845	–	215 553	196 941	18 612	9%	214 845
Transfers and Subsidies - Capital		57 409	82 934	104 291	–	74 330	95 600	(21 270)	-22%	104 291
Interest		1 659 179	16 273	16 273	1 484	13 317	14 917	(1 599)	-11%	16 273
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(298 661)	(1 485 124)	(1 422 023)	(152 159)	(1 484 077)	(1 303 521)	180 556	-14%	(123 760)
Interest		–	(19 267)	(19 267)	(288)	(12 433)	(17 661)	(5 229)	30%	(19 267)
Transfers and Subsidies		–	(950)	(950)	–	–	(871)	(871)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 654 615**	**124 378**	**167 398**	**(8 307)**	**106 010**	**153 448**	**47 438**	**31%**	**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)	(13 534)	(104 360)	291 584	395 943	136%	318 092
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(130 825)**	**(265 462)**	**(318 092)**	**(13 534)**	**(104 360)**	**291 584**	**395 943**	**136%**	**318 092**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		(120 000)	100 000	100 000	–	100 000	91 667	8 333	9%	100 000
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		(23 418)	(23 990)	(23 990)	(1 551)	(27 673)	(21 991)	5 682	-26%	(23 990)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(143 418)**	**76 010**	**76 010**	**(1 551)**	**72 327**	**69 676**	**(2 652)**	**-4%**	**76 010**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 380 372**	**(65 075)**	**(74 684)**	**(23 392)**	**73 978**	**514 707**			**1 859 762**
Cash/cash equivalents at beginning:		297 312	194 402	180 582		180 581	180 582			180 581
Cash/cash equivalents at month/year end:		2 677 684	129 327	105 898		254 559	695 289			2 040 343

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

Table C1 Monthly Budget Statement Summary – M11 May 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	22 530	284 940	282 241	2 699	1%	307 899
Service charges	629 997	761 356	723 457	61 588	642 913	663 169	(20 256)	-3%	723 457
Investment revenue	13 689	16 273	16 273	1 596	12 583	14 917	(2 333)	-16%	16 273
Transfers and subsidies - Operational	205 382	214 766	214 697	130	215 389	196 805	18 584	9%	214 697
Other own revenue	174 612	171 808	199 539	8 227	105 085	182 911	(77 826)	-43%	199 539
Total Revenue (excluding capital transfers and contributions)	**1 322 015**	**1 468 686**	**1 461 865**	**94 071**	**1 260 911**	**1 340 042**	**(79 131)**	**-6%**	**1 461 865**
Employee costs	418 731	525 261	440 383	35 436	409 142	403 684	5 458	1%	440 383
Remuneration of Councillors	15 443	15 988	16 550	1 314	14 259	15 171	(912)	-6%	16 550
Depreciation and amortisation	115 298	142 422	142 422	9 046	99 241	130 553	(31 312)	-24%	142 422
Interest	13 825	20 106	39 542	288	12 433	36 247	(23 814)	-66%	39 542
Inventory consumed and bulk purchases	521 483	555 432	555 058	45 694	523 732	508 464	15 268	3%	554 688
Transfers and subsidies	447	950	950	–	478	871	(392)	-45%	950
Other expenditure	333 344	320 959	350 268	18 695	197 359	321 415	(124 056)	-39%	350 638
Total Expenditure	**1 418 571**	**1 581 117**	**1 545 173**	**110 473**	**1 256 645**	**1 416 404**	**(159 760)**	**-11%**	**1 545 173**
Surplus/(Deficit)	**(96 556)**	**(112 431)**	**(83 308)**	**(16 402)**	**4 266**	**(76 362)**	**80 629**	**-106%**	**(83 308)**
Transfers and subsidies - capital (monetary allocations)	109 313	82 934	125 262	7 528	57 234	114 823	(57 589)	-50%	125 262
Transfers and subsidies - capital (in-kind)	15 000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**27 757**	**(29 497)**	**41 954**	**(8 874)**	**61 500**	**38 461**	**23 039**	**60%**	**41 954**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**27 757**	**(29 497)**	**41 954**	**(8 874)**	**61 500**	**38 461**	**23 039**	**60%**	**41 954**
Capital expenditure & funds sources									
Capital expenditure	**151 442**	**265 462**	**322 565**	**11 768**	**90 747**	**295 684**	**(204 937)**	**-69%**	**322 565**
Capital transfers recognised	103 754	72 117	111 403	5 879	50 280	102 120	(51 840)	-51%	111 403
Borrowing	69 882	152 174	153 003	788	16 492	140 253	(123 761)	-88%	153 003
Internally generated funds	44 891	41 172	58 159	5 101	23 976	53 312	(29 336)	-55%	58 159
Total sources of capital funds	**218 527**	**265 462**	**322 565**	**11 768**	**90 747**	**295 684**	**(204 937)**	**-69%**	**322 565**
Financial position									
Total current assets	378 763	266 780	316 654		500 818				316 654
Total non current assets	2 364 279	2 577 825	2 592 388		2 401 747				2 592 388
Total current liabilities	364 097	285 984	324 140		313 774				324 140
Total non current liabilities	368 452	465 849	473 581		468 508				473 581
Community wealth/Equity	2 058 459	2 092 771	2 111 322		2 120 283				2 111 322
Cash flows									
Net cash from (used) operating	2 654 615	124 378	167 398	(8 307)	106 010	153 448	47 438	31%	1 465 660
Net cash from (used) investing	(130 825)	(265 462)	(318 092)	(13 534)	(104 360)	291 584	395 943	136%	318 092
Net cash from (used) financing	(143 418)	76 010	76 010	(1 551)	72 327	69 676	(2 652)	-4%	76 010
Cash/cash equivalents at the month/year end	**2 677 684**	**129 327**	**105 898**	**–**	**254 559**	**695 289**	**440 730**	**63%**	**2 040 343**
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	94 368	15 350	13 261	11 201	10 540	9 660	119 942	117 465	391 788
Creditors Age Analysis									
Total Creditors	57 808	(20)	199	80	80	–	193	(805)	57 534

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) – M11 May 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**	**26 805**	**468 633**	**528 913**	(60 281)	-11%	**576 997**
Executive and council		53	142	165	–	–	151	(151)	-100%	165
Finance and administration		551 593	530 479	576 831	26 805	468 633	528 762	(60 129)	-11%	576 831
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**68 805**	**50 121**	**81 763**	**769**	**30 250**	**74 949**	(44 700)	-60%	**81 763**
Community and social services		3 335	3 385	3 464	25	3 408	3 175	233	7%	3 464
Sport and recreation		7 349	12 255	13 245	336	10 516	12 141	(1 625)	-13%	13 245
Public safety		1 535	1 870	1 368	4	1 010	1 254	(244)	-19%	1 368
Housing		53 075	30 000	61 074	398	11 642	55 985	(44 342)	-79%	61 074
Health		3 511	2 612	2 612	6	3 673	2 394	1 279	53%	2 612
Economic and environmental services		**49 967**	**40 955**	**58 069**	**6 423**	**46 967**	**53 230**	(6 263)	-12%	**58 069**
Planning and development		8 979	10 838	11 675	1 150	11 656	10 702	954	9%	11 675
Road transport		21 204	10 185	23 787	4 133	15 372	21 805	(6 433)	-30%	23 787
Environmental protection		19 784	19 932	22 608	1 140	19 939	20 724	(784)	-4%	22 608
Trading services		**775 911**	**929 924**	**870 298**	**67 602**	**772 295**	**797 773**	(25 478)	-3%	**870 298**
Energy sources		417 937	501 093	494 194	40 672	442 557	453 011	(10 454)	-2%	494 194
Water management		165 405	203 581	169 130	12 192	142 346	155 036	(12 690)	-8%	169 130
Waste water management		121 149	141 631	128 457	10 159	115 484	117 752	(2 269)	-2%	128 457
Waste management		71 420	83 619	78 517	4 578	71 909	71 973	(65)	0%	78 517
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1 446 328**	**1 551 621**	**1 587 126**	**101 598**	**1 318 145**	**1 454 865**	**(136 721)**	**-9%**	**1 587 126**
Expenditure - Functional										
Governance and administration		**310 795**	**402 672**	**376 867**	**23 061**	**304 102**	**345 459**	(41 358)	-12%	**376 867**
Executive and council		49 885	66 561	60 854	3 283	55 077	55 782	(706)	-1%	60 854
Finance and administration		260 774	332 893	312 793	19 550	247 583	286 726	(39 143)	-14%	312 793
Internal audit		136	3 218	3 219	228	1 442	2 951	(1 509)	-51%	3 219
Community and public safety		**109 518**	**141 482**	**119 944**	**10 341**	**109 783**	**109 948**	(165)	0%	**119 944**
Community and social services		12 638	12 289	13 095	910	10 619	12 004	(1 385)	-12%	13 095
Sport and recreation		60 815	73 671	63 050	5 068	57 387	57 795	(408)	-1%	63 050
Public safety		29 230	35 167	31 428	2 606	32 386	28 809	3 577	12%	31 428
Housing		1 253	11 626	9 446	1 672	8 055	8 659	(604)	-7%	9 446
Health		5 583	8 729	2 924	85	1 335	2 681	(1 345)	-50%	2 924
Economic and environmental services		**207 757**	**206 880**	**251 754**	**11 092**	**131 657**	**230 774**	(99 117)	-43%	**251 754**
Planning and development		33 240	39 914	33 922	2 567	27 443	31 095	(3 652)	-12%	33 922
Road transport		162 100	158 635	198 503	6 875	88 727	181 961	(93 234)	-51%	198 503
Environmental protection		12 417	8 331	19 329	1 650	15 487	17 718	(2 231)	-13%	19 329
Trading services		**790 138**	**830 084**	**796 244**	**65 903**	**710 738**	**729 890**	(19 152)	-3%	**796 244**
Energy sources		467 394	527 947	528 425	39 735	474 066	484 389	(10 324)	-2%	528 425
Water management		177 229	121 164	126 271	9 825	115 507	115 748	(241)	0%	126 271
Waste water management		86 800	109 169	80 603	10 753	66 436	73 886	(7 450)	-10%	80 603
Waste management		58 714	71 803	60 945	5 591	54 730	55 866	(1 137)	-2%	60 945
Other		**363**	–	**363**	**29**	**318**	**333**	**(16)**	**-5%**	**363**
Total Expenditure - Functional	3	**1 418 571**	**1 581 117**	**1 545 173**	**110 426**	**1 256 598**	**1 416 404**	**(159 806)**	**-11%**	**1 545 173**
Surplus/ (Deficit) for the year		**27 757**	**(29 497)**	**41 954**	**(8 828)**	**61 546**	**38 461**	**23 086**	**60%**	**41 954**

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 – M11 May 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		2 268	1 115	1 138	80	2 188	1 043	1 144	109,7%	1 138
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		459 109	484 342	485 848	25 606	453 899	445 360	8 539	1,9%	485 848
Vote 4 - COMMUNITY SERVICES		205 341	176 939	219 749	6 348	126 390	201 437	(75 046)	-37,3%	219 749
Vote 5 - CIVIL AND WATER SERVICES		301 230	349 202	315 179	26 271	270 885	288 914	(18 029)	-6,2%	315 179
Vote 6 - ELECTRO/MECHANICAL SERVICES		418 360	501 094	494 372	40 675	442 711	453 174	(10 463)	-2,3%	494 372
Vote 7 - PLANNING AND DEVELOPMENT		60 017	38 929	70 840	1 547	21 000	64 937	(43 937)	-67,7%	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	**1 446 326**	**1 551 621**	**1 587 126**	**100 528**	**1 317 073**	**1 454 865**	**(137 792)**	**-9,5%**	**1 587 126**
Expenditure by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		12 834	18 128	17 968	787	15 011	16 471	(1 460)	-8,9%	17 968
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		117 742	165 192	148 696	11 032	119 959	136 304	(16 345)	-12,0%	148 696
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		101 376	139 445	126 048	7 468	92 533	115 543	(23 010)	-19,9%	126 048
Vote 4 - COMMUNITY SERVICES		305 104	314 436	331 156	18 425	230 416	303 559	(73 143)	-24,1%	331 156
Vote 5 - CIVIL AND WATER SERVICES		363 474	341 894	326 236	26 643	264 279	299 049	(34 770)	-11,6%	326 236
Vote 6 - ELECTRO/MECHANICAL SERVICES		483 211	555 517	552 576	42 022	499 890	506 527	(6 637)	-1,3%	552 576
Vote 7 - PLANNING AND DEVELOPMENT		34 502	44 085	38 295	3 705	30 717	35 103	(4 387)	-12,5%	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**	**1 540 974**	**110 081**	**1 252 804**	**1 412 556**	**(159 752)**	**-11,3%**	**1 540 974**
Surplus/ (Deficit) for the year	2	**28 083**	**(27 076)**	**46 152**	**(9 553)**	**64 269**	**42 309**	**21 960**	**51,9%**	**46 152**

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) – M11 May 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									%	
Exchange Revenue										
Service charges - Electricity		400 468	479 524	473 955	39 467	422 999	434 459	(11 460)	-3%	473 955
Service charges - Water		104 737	147 583	123 885	11 157	103 543	113 561	(10 018)	-9%	123 885
Service charges - Waste Water Management		66 111	81 259	71 792	6 578	68 234	65 809	2 425	4%	71 792
Service charges - Waste management		58 681	52 990	53 826	4 386	48 138	49 340	(1 202)	-2%	53 826
Sale of Goods and Rendering of Services		6 687	10 044	10 044	2 106	9 094	9 207	(113)	-1%	10 044
Agency services		6 045	4 554	4 554	–	1 120	4 175	(3 055)	-73%	4 554
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		22 366	34 661	11 618	1 129	11 667	10 650	1 018	10%	11 618
Interest earned from Current and Non Current Assets		13 689	16 273	16 273	1 596	12 583	14 917	(2 333)	-16%	16 273
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		4 068	3 322	4 312	161	4 953	3 953	1 001	25%	4 312
Licence and permits		2 137	2 856	2 856	171	2 737	2 618	120	5%	2 856
Special rating levies		–	15 436	15 436	1 019	12 883	14 149	(1 267)	-9%	15 436
Operational Revenue		8 061	1 955	8 122	417	5 511	7 445	(1 934)	-26%	8 122
Non-Exchange Revenue										
Property rates		298 334	304 484	307 899	22 530	284 940	282 241	2 699	1%	307 899
Surcharges and Taxes		–	22 602	25 277	1 163	17 441	23 171	(5 730)	-25%	25 277
Fines, penalties and forfeits		96 016	45 795	90 465	114	12 798	82 926	(70 128)	-85%	90 465
Licence and permits		6 849	3 139	3 139	272	5 584	2 877	2 706	94%	3 139
Transfer and subsidies - Operational		205 382	214 766	214 697	130	215 389	196 805	18 584	9%	214 697
Interest		3 214	5 841	4 050	290	3 320	3 713	(393)	-11%	4 050
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		19 241	21 605	19 666	1 383	17 955	18 027	(72)	0%	19 666
Gains on disposal of Assets		(689)	–	–	–	20	–	20		–
Other Gains		617	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**1 322 015**	**1 468 686**	**1 461 865**	**94 071**	**1 260 911**	**1 340 042**	**–**		**1 461 865**
Expenditure By Type										
Employee related costs		418 731	525 261	440 383	35 436	409 142	403 684	5 458	1%	440 383
Remuneration of councillors		15 443	15 988	16 550	1 314	14 259	15 171	(912)	-6%	16 550
Bulk purchases - electricity		427 467	441 010	440 010	34 552	414 431	403 342	11 089	3%	440 010
Inventory consumed		94 016	114 422	115 048	11 143	109 301	105 460	3 840	4%	115 048
Debt impairment		(68 470)	65 115	64 219	–	–	58 867	(58 867)	-100%	64 219
Depreciation and amortisation		115 298	142 422	142 422	9 046	99 241	130 553	(31 312)	-24%	142 422
Interest		13 825	20 106	39 542	288	12 433	36 247	(23 814)	-66%	39 542
Contracted services		92 976	142 734	119 616	9 155	99 232	109 647	(10 415)	-9%	119 616
Transfers and subsidies		447	950	950	–	478	871	(392)	-45%	950
Irrecoverable debts written off		173 925	11 487	54 197	1 651	12 501	49 681	(37 179)	-75%	54 197
Operational costs		93 868	101 623	97 184	6 873	84 604	89 084	(4 479)	-5%	97 184
Losses on Disposal of Assets		13 672	–	–	969	974	–	974		–
Other Losses		27 372	–	15 051	–	–	13 797	(13 797)	-100%	15 051
Total Expenditure		**1 418 571**	**1 581 117**	**1 545 173**	**110 426**	**1 256 598**	**1 416 404**	**(159 806)**	**-11%**	**1 545 173**
Surplus/(Deficit)		**(96 556)**	**(112 431)**	**(83 308)**	**(16 356)**	**4 313**	**(76 362)**	**159 806**	**(0)**	**(83 308)**
Transfers and subsidies - capital (monetary allocations)		109 313	82 934	125 262	7 528	57 234	114 823	(57 589)	**(0)**	125 262
Transfers and subsidies - capital (in-kind)		15 000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**27 757**	**(29 497)**	**41 954**	**(8 828)**	**61 546**	**38 461**			**41 954**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**27 757**	**(29 497)**	**41 954**	**(8 828)**	**61 546**	**38 461**			**41 954**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality		**27 757**	**(29 497)**	**41 954**	**(8 828)**	**61 546**	**38 461**			**41 954**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**27 757**	**(29 497)**	**41 954**	**(8 828)**	**61 546**	**38 461**			**41 954**

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) – M11 May 2026

Vote Description	Ref	2024/25	Budget Year 2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
Multi-Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		–	–	5	–	5	5	0	9%	5
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		1 623	1 050	2 660	81	2 029	2 438	(409)	-17%	2 660
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		2 001	621	1 335	84	394	1 223	(829)	-68%	1 335
Vote 4 - COMMUNITY SERVICES		861	4 891	4 890	1 697	3 647	4 482	(835)	-19%	4 890
Vote 5 - CIVIL AND WATER SERVICES		61 676	206 142	247 075	7 005	56 958	226 485	(169 527)	-75%	247 075
Vote 6 - ELECTRO/MECHANICAL SERVICES		85 369	49 509	42 935	2 901	23 074	39 357	(16 283)	-41%	42 935
Vote 7 - PLANNING AND DEVELOPMENT		(112)	3 250	23 666	–	4 640	21 694	(17 053)	-79%	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**	**11 768**	**90 747**	**295 684**	**(204 937)**	**-69%**	**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**	**11 768**	**90 747**	**295 684**	**(204 937)**	**-69%**	**322 565**
Capital Expenditure - Functional Classification										
Governance and administration		**51 929**	**2 621**	**4 911**	**526**	**3 778**	**4 502**	(724)	-16%	**4 911**
Executive and council		293	–	–	–	–	–	–		–
Finance and administration		51 613	2 621	4 906	526	3 773	4 497	(725)	-16%	4 906
Internal audit		23	–	5	–	5	5	0	9%	5
Community and public safety		**520**	**2 441**	**21 456**	**32**	**6 058**	**19 668**	(13 610)	-69%	**21 456**
Community and social services		–	50	50	–	29	46	(17)	-37%	50
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		632	2 391	2 390	32	1 434	2 191	(757)	-35%	2 390
Housing		(112)	–	19 016	–	4 595	17 431	(12 836)	-74%	19 016
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**20 298**	**173 232**	**191 012**	**5 655**	**37 523**	**175 094**	(137 571)	-79%	**191 012**
Planning and development		2 143	6 580	8 276	–	3 111	7 586	(4 475)	-59%	8 276
Road transport		18 155	166 652	182 736	5 655	34 412	167 508	(133 096)	-79%	182 736
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**78 695**	**87 169**	**105 186**	**5 555**	**43 389**	**96 420**	(53 031)	-55%	**105 186**
Energy sources		36 398	49 509	42 935	2 901	22 580	39 357	(16 777)	-43%	42 935
Water management		14 419	18 289	30 749	416	7 185	28 187	(21 002)	-75%	30 749
Waste water management		27 878	17 872	30 002	933	12 320	27 501	(15 182)	-55%	30 002
Waste management		–	1 500	1 500	1 304	1 304	1 375	(71)	-5%	1 500
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**151 442**	**265 462**	**322 565**	**11 768**	**90 747**	**295 684**	**(204 937)**	**-69%**	**322 565**
Funded by:										
National Government		67 436	44 639	54 860	5 635	38 330	50 288	(11 958)	-24%	54 860
Provincial Government		35 687	26 087	55 588	244	10 559	50 956	(40 396)	-79%	55 588
District Municipality		632	1 391	955	–	1 390	875	514	59%	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**	**5 879**	**50 280**	**102 120**	**(51 840)**	**-51%**	**111 403**
Borrowing	6	69 882	152 174	153 003	788	16 492	140 253	(123 761)	-88%	153 003
Internally generated funds		44 891	41 172	58 159	5 101	23 976	53 312	(29 336)	-55%	58 159
Total Capital Funding	7	**218 527**	**265 462**	**322 565**	**11 768**	**90 747**	**295 684**	**(204 937)**	**-69%**	**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 – M11 May 2026

Description	Ref	2024/25	Budget Year 2025/26			
R thousands		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
ASSETS	1					
Current assets						
Cash and cash equivalents		180 582	143 991	120 562	254 559	120 562
Trade and other receivables from exchange transactions		63 211	59 899	63 211	112 090	63 211
Receivables from non-exchange transactions		79 492	26 651	79 496	53 601	79 496
Current portion of non-current receivables		–	–	–	–	–
Inventory		24 825	22 450	22 785	24 830	22 785
VAT		27 507	12 790	27 507	53 656	27 507
Other current assets		3 145	999	3 145	2 083	3 145
Total current assets		**378 763**	**266 780**	**316 707**	**500 818**	**316 707**
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	2 155 158	2 345 450
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		212	419	512	362	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**	**2 401 946**	**2 592 388**
TOTAL ASSETS		**2 743 042**	**2 844 605**	**2 909 095**	**2 902 764**	**2 909 095**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		29 869	31 944	23 538	(864)	23 538
Consumer deposits		34 505	31 660	34 505	37 964	34 505
Trade and other payables from exchange transactions		210 501	143 222	197 552	131 280	197 552
Trade and other payables from non-exchange transactions		20 944	–	0	29 572	0
Provision		39 189	64 451	39 509	39 189	39 509
VAT		29 089	14 707	29 089	76 587	29 089
Other current liabilities		–	–	–	–	–
Total current liabilities		**364 097**	**285 984**	**324 193**	**313 728**	**324 193**
Non current liabilities						
Financial liabilities		119 060	203 183	201 401	219 116	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**	**468 508**	**473 581**
TOTAL LIABILITIES		**732 549**	**751 834**	**797 773**	**782 236**	**797 773**
NET ASSETS	2	**2 010 493**	**2 092 771**	**2 111 322**	**2 120 528**	**2 111 322**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 056 273	2 078 271	2 091 822	2 115 246	2 091 822
Reserves and funds		2 186	14 500	19 500	5 282	19 500
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2 058 459**	**2 092 771**	**2 111 322**	**2 120 528**	**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 – M11 May 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	25 346	296 729	271 656	25 074	9%	296 352
Service charges		719 038	908 343	846 520	58 085	655 117	775 977	(120 859)	-16%	846 520
Other revenue		52 563	112 594	131 358	59 226	347 473	120 411	227 062	189%	131 358
Transfers and Subsidies - Operational		201 325	214 766	214 845	–	215 553	196 941	18 612	9%	214 845
Transfers and Subsidies - Capital		57 409	82 934	104 291	–	74 330	95 600	(21 270)	-22%	104 291
Interest		1 659 179	16 273	16 273	1 484	13 317	14 917	(1 599)	-11%	16 273
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(298 661)	(1 485 124)	(1 422 023)	(152 159)	(1 484 077)	(1 303 521)	180 556	-14%	(123 760)
Interest		–	(19 267)	(19 267)	(288)	(12 433)	(17 661)	(5 229)	30%	(19 267)
Transfers and Subsidies		–	(950)	(950)	–	–	(871)	(871)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 654 615**	**124 378**	**167 398**	**(8 307)**	**106 010**	**153 448**	**47 438**	**31%**	**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)	(13 534)	(104 360)	291 584	395 943	136%	318 092
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(130 825)**	**(265 462)**	**(318 092)**	**(13 534)**	**(104 360)**	**291 584**	**395 943**	**136%**	**318 092**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		(120 000)	100 000	100 000	–	100 000	91 667	8 333	9%	100 000
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		(23 418)	(23 990)	(23 990)	(1 551)	(27 673)	(21 991)	5 682	-26%	(23 990)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(143 418)**	**76 010**	**76 010**	**(1 551)**	**72 327**	**69 676**	**(2 652)**	**-4%**	**76 010**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 380 372**	**(65 075)**	**(74 684)**	**(23 392)**	**73 978**	**514 707**			**1 859 762**
Cash/cash equivalents at beginning:		297 312	194 402	180 582		180 581	180 582			180 581
Cash/cash equivalents at month/year end:		2 677 684	129 327	105 898		254 559	695 289			2 040 343

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

Debtors' Age Analysis (Inclusive of VAT) as at 31 May 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	33 493	5 937	5 690	4 578	4 477	4 198	23 609	19 688	101 670
Trade and Other Receivables from Exchange Transactions - Electricity	39 800	2 598	1 843	1 378	1 161	820	3 191	7 345	58 136
Receivables from Non-exchange Transactions - Property Rates	25 083	2 604	1 954	1 745	1 571	1 438	6 397	24 376	65 166
Receivables from Exchange Transactions - Waste Water Management	14 760	2 086	1 792	1 559	1 449	1 329	6 791	7 188	36 953
Receivables from Exchange Transactions - Waste Management	10 794	1 369	1 231	1 162	1 113	1 072	5 470	6 027	28 239
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	5 509	337	401	420	461	510	17 366	24 983	49 987
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(35 071)	419	351	359	309	291	57 119	27 859	51 636
Total By Income Source	**94 368**	**15 350**	**13 261**	**11 201**	**10 540**	**9 660**	**119 942**	**117 465**	**391 788**
Debtors Age Analysis By Customer Group									
Organs of State	1 817	1 051	660	629	650	373	6 255	3 121	14 558
Commercial	12 372	490	329	261	224	182	2 641	5 713	22 212
Households	80 174	13 808	12 271	10 309	9 666	9 103	111 028	108 631	354 991
Other	4	1	1	1	1	1	18	–	27
Total By Customer Group	**94 368**	**15 350**	**13 261**	**11 201**	**10 540**	**9 660**	**119 942**	**117 465**	**391 788**

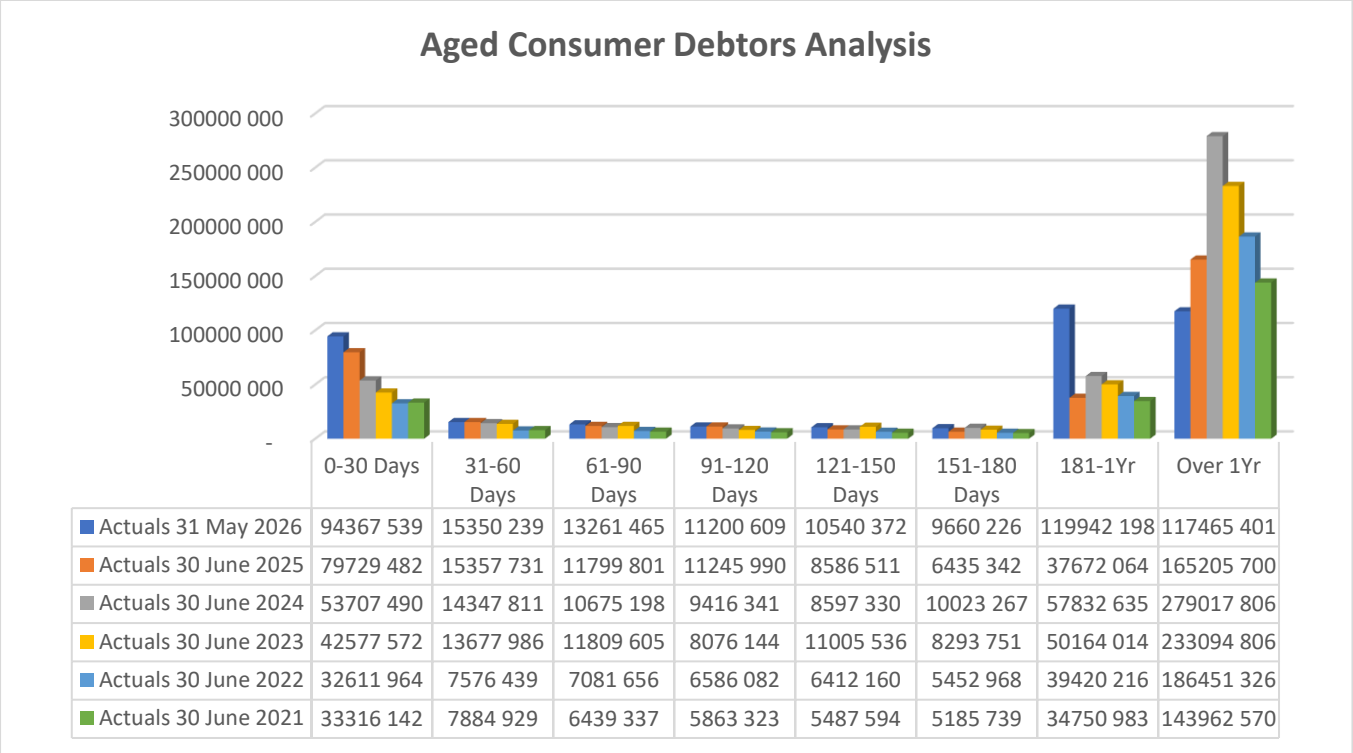
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2025

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 May 2026, the overdue debts have increased by R 41 117 million from R 256,303 million to R 297,421 million, as follows:

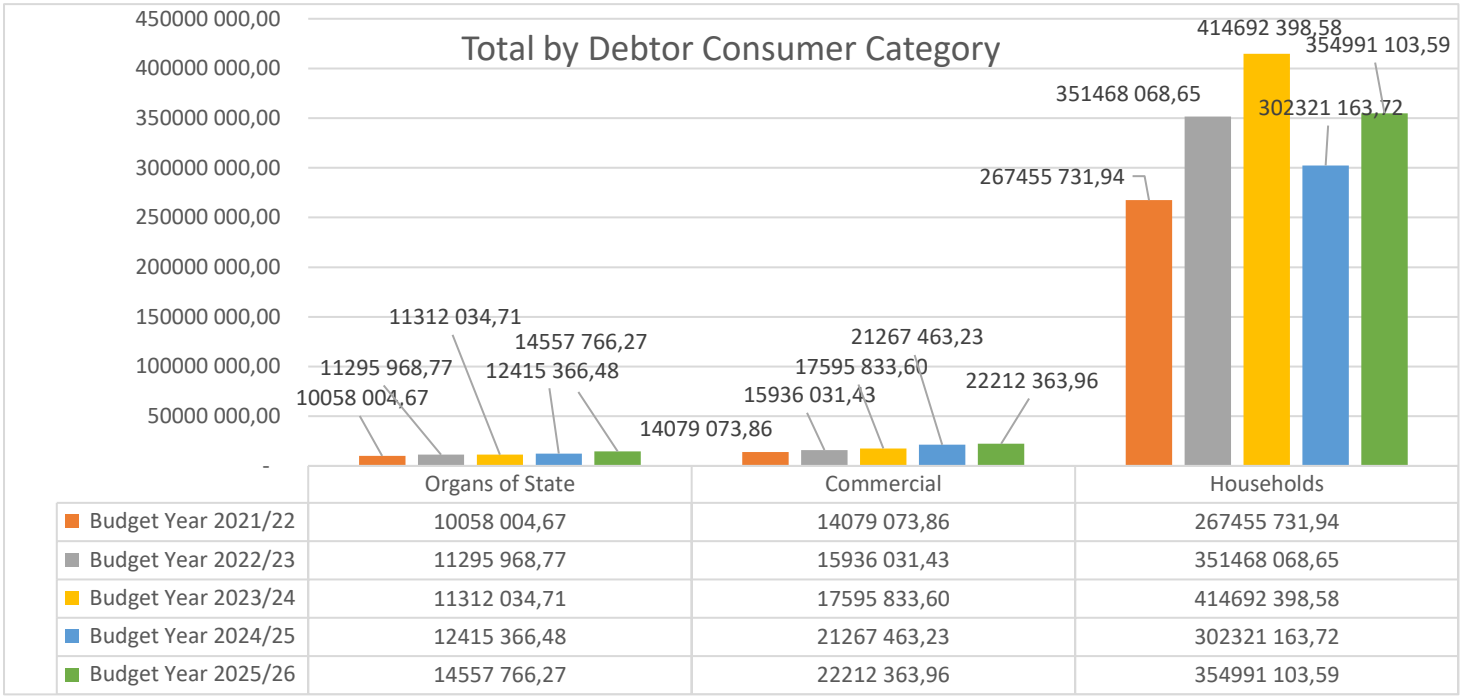
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-25**	**31-May-26**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	69 558	68 177	(1 381)
Trade and Other Receivables from Exchange Transactions - Electricity	24 215	18 335	(5 879)
Receivables from Non-exchange Transactions - Property Rates	48 684	40 084	(8 601)
Receivables from Exchange Transactions - Waste Water Management	26 371	22 193	(4 177)
Receivables from Exchange Transactions - Waste Management	27 508	17 446	(10 063)
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	44 532	44 478	(54)
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	15 436	86 708	71 272
Total By Income Source	**256 303**	**297 421**	**41 117**
Debtors Age Analysis By Customer Group			
Organs of State	12 461	12 741	280
Commercial	10 471	9 840	(631)
Households	233 347	274 817	41 470
Other	25	23	(2)
Total By Customer Group	**256 303**	**297 421**	**41 117**

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 May 2026	94367 539	15350 239	13261 465	11200 609	10540 372	9660 226	119942 198	117465 401
Actuals 30 June 2025	79729 482	15357 731	11799 801	11245 990	8586 511	6435 342	37672 064	165205 700
Actuals 30 June 2024	53707 490	14347 811	10675 198	9416 341	8597 330	10023 267	57832 635	279017 806
Actuals 30 June 2023	42577 572	13677 986	11809 605	8076 144	11005 536	8293 751	50164 014	233094 806
Actuals 30 June 2022	32611 964	7576 439	7081 656	6586 082	6412 160	5452 968	39420 216	186451 326
Actuals 30 June 2021	33316 142	7884 929	6439 337	5863 323	5487 594	5185 739	34750 983	143962 570

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



	Organs of State	Commercial	Households
Budget Year 2021/22	10058 004,67	14079 073,86	267455 731,94
Budget Year 2022/23	11295 968,77	15936 031,43	351468 068,65
Budget Year 2023/24	11312 034,71	17595 833,60	414692 398,58
Budget Year 2024/25	12415 366,48	21267 463,23	302321 163,72
Budget Year 2025/26	14557 766,27	22212 363,96	354991 103,59

1.2 Overview of Creditors position

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

Description	Budget Year 2025/26								
R thousands	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity	39 646	–	–	–	–	–	–	–	**39 646**
Bulk Water	3 811	(20)	199	80	80	–	193	(831)	**3 511**
PAYE deductions	6 638								**6 638**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	7 714	–	–	–	–	–	–	26	**7 740**
Auditor General									**–**
Other									**–**
Total By Customer Type	**57 808**	**(20)**	**199**	**80**	**80**	**–**	**193**	**(805)**	**57 534**

The above amounts represent invoices still to be paid. The major creditors as at 31 May 2026 are as follows:

Eskom	R 39,646 million
NMBM	R 3,511 million
PAYE	R 6,638 million
Other Creditors	R 7,740 million
Total	**R 57,534 million**

It must be noted that the Eskom amount of R 39,646 million, represents the current account for May 2026, which is due in May 2026.

It is to be noted that the SARS amount of R 6,638 million, represents the current account for May 2026, which is due in May 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 – M11 May 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**	**-**	**209 187**	**209 187**	**-**	**0,00%**	**209 160**
Operational Revenue:General Revenue:Equitable Share	203 533	203 533	-	203 412	203 412	-	0,00%	203 533
Expanded Public Works Programme Integrated Grant for Municipalities [Schedul	2 081	2 081	-	2 081	2 081	-	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	-	1 909	1 909	-	0,00%	1 909
Provincial Government:	**2 955**	**3 034**	**-**	**3 034**	**3 034**	**-**	**0,00%**	**3 034**
Humam Settlement Grant	-	-	-	-	-	-		-
Library grant	2 955	3 034	-	3 034	3 034	-	0,00%	3 034
District Municipality:	**2 503**	**2 503**	**-**	**3 480**	**3 480**	**-**	**0,00%**	**2 503**
Environmental health subsidy	2 503	2 503	-	3 480	3 480	-	0,00%	2 503
Other grant providers:	-	-	-	-	-			-
Departmental Agencies and Accounts	-	-	-	-	-	-		-
Total Operating Transfers and Grants	**214 766**	**214 697**	**-**	**215 701**	**215 701**	**-**	**0,00%**	**214 697**
Capital Transfers and Grants								
National Government:	**51 334**	**51 482**	**-**	**49 005**	**49 005**		**0,00%**	**51 482**
Local Government Financial Management Grant [Schedule 5B]	-	148	-	-	-			148
Municipal Disaster Relief Grant	-	-	-	-	-	-		-
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 440	5 440	-	5 440	5 440		0,00%	5 440
Municipal Infrastructure Grant [Schedule 5B]	36 265	36 265	-	36 265	36 265		0,00%	36 265
Water Services Infrastructure Grant	9 629	9 629	-	7 300	7 300		0,00%	9 629
Provincial Government:	**30 000**	**51 858**	**-**	**15 616**	**15 616**		**0,00%**	**51 858**
Human Settlement Grant	30 000	51 858	-	15 616	15 616		0,00%	51 858
District Municipality:	**1 600**	**1 098**	**-**	**930**	**930**	**-**		**1 098**
Fire Services Subsidy	1 600	1 098	-	930	930	-		1 098
Total Capital Transfers and Grants	**82 934**	**104 439**	**-**	**65 551**	**65 551**	**-**	**0,00%**	**104 439**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**297 700**	**319 135**	**-**	**281 252**	**281 252**	**-**	**0,00%**	**319 135**

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

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M11 May 2026.

Description	2024/25	Buget Year 2025/26						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance%	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	**209 308**	**209 160**	**130**	**208 875**	**208 570**	**(306)**	**(0)**	**209 160**
Operational Revenue:General Revenue:Equitable Share	203 533	203 533	–	203 412	203 412	–	0%	203 533
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B	2 081	2 081	–	2 081	1 908	(173)	-9%	2 081
Local Government Financial Management Grant [Schedule 5B]	1 785	1 637	130	1 474	1 501	27	2%	1 637
Municipal Infrastructure Grant [Schedule 5B]	1 909	1 909	–	1 909	1 750	(159)	-9%	1 909
Provincial Government:	**32 955**	**33 034**	**–**	**14 672**	**3 034**	**–**	**–**	**3 034**
Human Settlement Grant	30 000	30 000	–	11 638	–			–
Library grant	2 955	3 034	–	3 034	3 034	–		3 034
District Municipality:	**2 503**	**2 503**	**–**	**3 480**	**3 480**	**–**	**–**	**2 503**
Environmental health subsidy	2 503	2 503	–	3 480	3 480	–	0%	2 503
Other grant providers:	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Departmental Agencies and Accounts	–	–	–	–	–			–
Total operating expenditure of Transfers and Grants:	**244 766**	**244 697**	**130**	**227 027**	**215 084**	**(11 943)**	**-16%**	**214 697**
Capital expenditure of Transfers and Grants								
National Government:	**51 334**	**63 089**	**7 130**	**44 666**	**57 832**	**13 165**	**0,23**	**63 089**
Local Government Financial Management Grant [Schedule 5B]	–	148	–	148	136			148
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 440	5 440	55	5 119	4 987	(132)	-3%	5 440
Municipal Infrastructure Grant [Schedule 5B]	36 265	36 265	3 174	27 485	33 243	5 758	17%	36 265
Water Services Infrastructure Grant	9 629	9 629	–	3 905	8 827	4 922	56%	9 629
Municipal Disaster Relief Grant	–	11 607	3 901	8 010	10 639	2 630	25%	11 607
Provincial Government:	30 000	**61 074**	**398**	**11 638**	**55 985**	**44 347**	**79%**	**61 074**
Human Settlement	30 000	61 074	398	11 638	55 985	44 347	79%	61 074
District Municipality:	**1 600**	**1 098**	**–**	**1 600**	**875**	**(725)**		**955**
Fire Services Subsidy	1 600	1 098	–	1 600	875	(725)		955
Total capital expenditure of Transfers and Grants	**82 934**	**125 262**	**7 528**	**57 904**	**114 692**	**56 788**	**50%**	**125 118**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**327 700**	**369 958**	**7 657**	**284 931**	**329 776**	**44 845**	**14%**	**339 815**

CONDITIONAL GRANTS, SUBSIDIES AND DONATIONS RECEIVED

CONDITIONAL GRANTS, SUBSIDIES AND DONATIONS								
Reconciliation Grant Register as at 31 May 2026 (2025/26 F/Y)								
Name of Grants	**Name of organ of state**	**Opening balances (Rollovers) as at 1 July 2025**	**Monthly 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	1 473 660	311 340	82,56%	311 340
Expanded Public Works Programme	DORA	-	2 081 000	2 081 000	2 081 000	-	100,00%	-
Municipal Infrastructure Grant	DORA	-	1 908 700	1 908 700	1 908 700	-	100,00%	-
		-	**5 774 700**	**5 774 700**	**5 463 360**	**311 340**		**311 340**
Capex grants, subsidies and donations						-		
Municipal Infrastructure Grant	DORA	-	36 265 300	36 265 300	27 485 109	8 780 191	75,79%	8 780 191
Financial Management Grant	DORA	-	-	-	147 912	(147 912)	#DIV/0!	(147 912)
Integrated National Electrification Programme	DORA	-	5 440 000	5 440 000	5 118 628	321 372	94,09%	321 372
Water Services Infrastructure Grant	DORA	120 926	7 300 000	7 420 926	3 904 834	3 395 166	52,62%	3 516 092
Municipal Disaster Response Grant	DORA	11 606 728	-	11 606 728	8 009 956	(8 009 956)	69,01%	3 596 772
			-					
Housing: Human Settlements Dev. Grant (Beneficiaries)	Provincial: Department of Infrastructure	9 216 084	15 616 123	24 832 207	11 637 603	3 978 520	46,86%	13 194 604
		20 943 738	**64 621 423**	**85 565 161**	**56 304 042**	**8 317 381**	**65,80%**	**29 261 119**
			70 396 123	**91 339 861**	**61 767 402**	**8 628 721**	**67,62%**	**29 572 459**

1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M11 May 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	898	9 720	9 864	(144)	-1%	10 761
Pension and UIF Contributions	–	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	–	–	–	–	–		–
Motor Vehicle Allowance	3 427	3 626	4 153	299	3 263	3 807	(544)	-14%	4 153
Cellphone Allowance	1 409	1 483	1 637	118	1 277	1 500	(224)	-15%	1 637
Housing Allowances	–	–	–	–	–	–	–		–
Sub Total - Councillors	**15 443**	**15 988**	**16 550**	**1 314**	**14 259**	**15 171**	**(912)**	**-6%**	**16 550**
Senior Managers of the Municipality									
Basic Salaries and Wages	10 400	9 436	10 393	456	11 531	9 526	2 004	21%	10 393
Pension and UIF Contributions	13	11	13	1	14	12	2	19%	13
Medical Aid Contributions	–	–	–	–	–	–	–		–
Overtime	–	–	–	–	–	–	–		–
Performance Bonus	1 657	395	761	–	1 707	698	1 009	145%	761
Motor Vehicle Allowance	1 024	655	1 085	90	990	995	(5)	0%	1 085
Cellphone Allowance	24	–	96	8	124	88	36	41%	96
Housing Allowances	–	–	–	–	–	–	–		–
Other benefits and allowances	10	0	28	0	50	26	24	94%	28
Sub Total - Senior Managers of Municipality	**17 381**	**10 498**	**12 376**	**555**	**15 659**	**11 344**	**4 314**	**38%**	**12 376**
Other Municipal Staff									
Basic Salaries and Wages	254 014	309 705	268 337	22 377	246 495	245 975	519	0%	268 337
Pension and UIF Contributions	36 539	52 636	45 383	3 619	39 180	41 601	(2 421)	-6%	45 383
Medical Aid Contributions	16 734	28 847	20 946	1 731	17 534	19 201	(1 667)	-9%	20 946
Overtime	37 582	37 741	39 573	3 725	36 969	36 275	694	2%	39 573
Performance Bonus	979	227	1 010	–	948	926	22	2%	1 010
Motor Vehicle Allowance	10 046	13 359	12 181	1 007	10 117	11 166	(1 049)	-9%	12 181
Cellphone Allowance	103	–	120	10	107	110	(2)	-2%	120
Housing Allowances	677	951	865	69	743	793	(50)	-6%	865
Other benefits and allowances	32 181	45 629	37 589	1 311	31 694	34 457	(2 763)	-8%	37 589
Payments in lieu of leave	–	–	–	–	–	–	–		–
Long service awards	8 522	1 583	2 002	201	1 512	1 836	(324)	-18%	2 002
Post-retirement benefit obligations	3 972	24 085	–	830	8 185	–	8 185		–
Sub Total - Other Municipal Staff	**401 350**	**514 763**	**428 007**	**34 880**	**393 484**	**392 339**	**1 144**	**0%**	**428 007**
Total Parent Municipality	**434 173**	**541 249**	**456 933**	**36 750**	**423 402**	**418 855**	**4 547**	**1%**	**456 933**
TOTAL SALARY, ALLOWANCES & BENEFITS	**434 173**	**541 249**	**456 933**	**36 750**	**423 402**	**418 855**	**4 547**	**1%**	**456 933**
TOTAL MANAGERS AND STAFF	**418 731**	**525 261**	**440 383**	**35 436**	**409 142**	**403 684**	**5 458**	**1%**	**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 May 2025**	**Approved Adjusted Budget 2025/26**	**Actuals as at 31 May 2026**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	0.32%	0.52%	2.23%	2.35%	2.8%	3.26%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	269.91%	636.1%	171.94%	68.78%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.00	0.01	0.02	0.02	0.03	0.03
Liquidity							
Current Ratio	Current assets / current liabilities	0.91	0.87	1.04	1.41:1	0.98	1.60
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.50	0.63:1	0.37	0.81
Revenue Management							
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	86.71%	91.01%	91.38%	90.77%	95%	93.24%

Other indicators		Actuals as at 30 June 2023	Actuals as at 30 June 2024	Actuals as at 30 June 2025	Actuals as at 31 May 2025	Approved Adjusted Budget 2025/26	Actuals as at 31 May 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	0.65 Months	0.94 Months	0.39 Months
Employee Costs	Employee Costs / Total Operating Expenditure	29.47%	30.85%	29.53%	32.16%	28.5%	32.56%
Capital Expenditure	Capital Expenditure / Capital Budget	94.66%	71.38%	84.49%	56.8%	95%	28.13%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	3.86%	2.24%	2.33%	15.01%	12.15%	12.41%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.32%	1.42%	1.52%	8.32%	8%	7.24%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	77.74%	83.49%	84.46%	82.26%	85.31%	82.92%

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 3.26% as at 31 May 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 May 2026, the ratio indicates 68.78% 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 May 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:

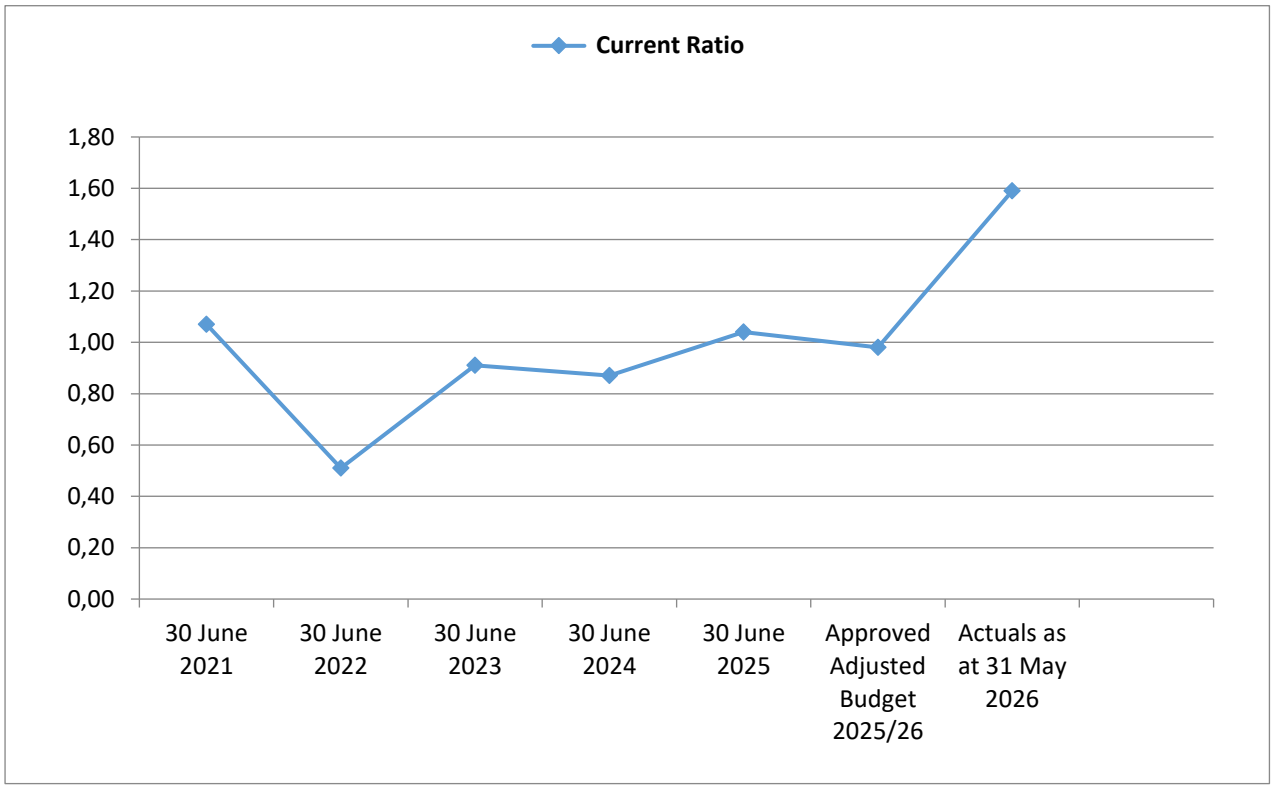
Current assets/Current liabilities

The ratio as at 31 May 2026 was 1.60:1, compared to the approved adjusted budget ratio of 0.98:1. As at 31 May 2026, cash reserves/commitments amounted to R 181,856 million, the current ratio excluding the cash reserves constitute 1.01:1.

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.

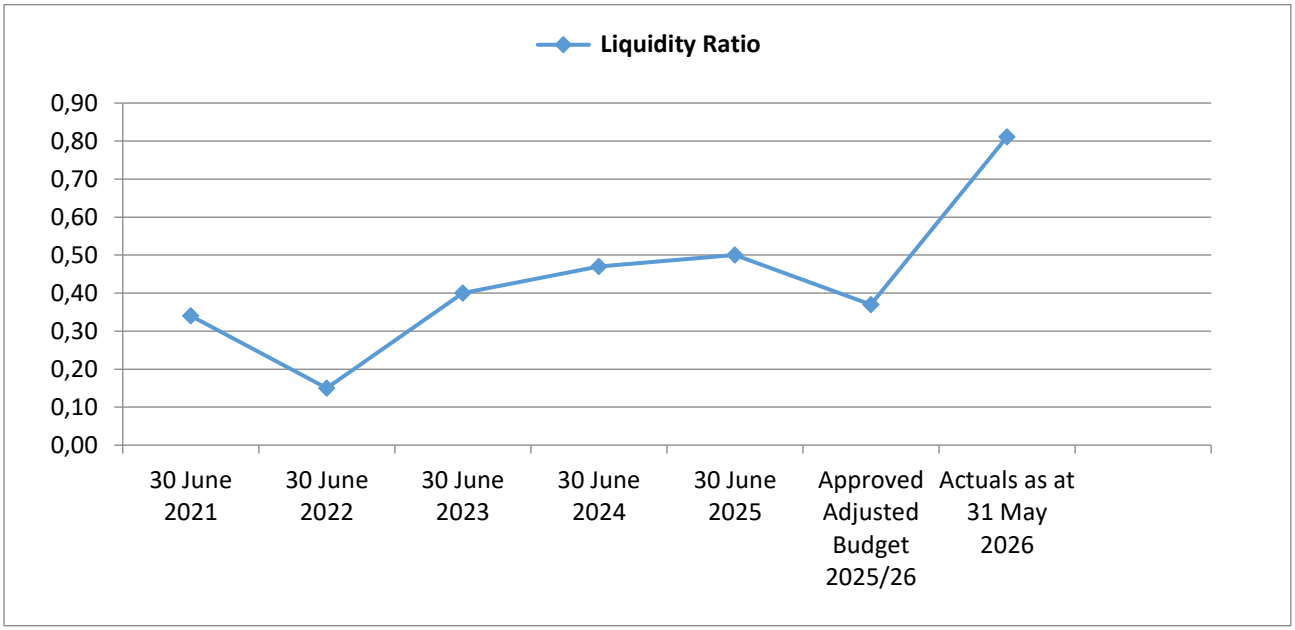
The ratio is determined as follows:

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 May 2026 was 0.81:1 compared to the approved adjusted budget ratio of 0.37:1.

As at 31 May 2026, cash reserves/commitments amounted to R 181,856 million, the liquidity ratio excluding the cash reserves constitute 0.23:1.

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



1.2. Revenue Management

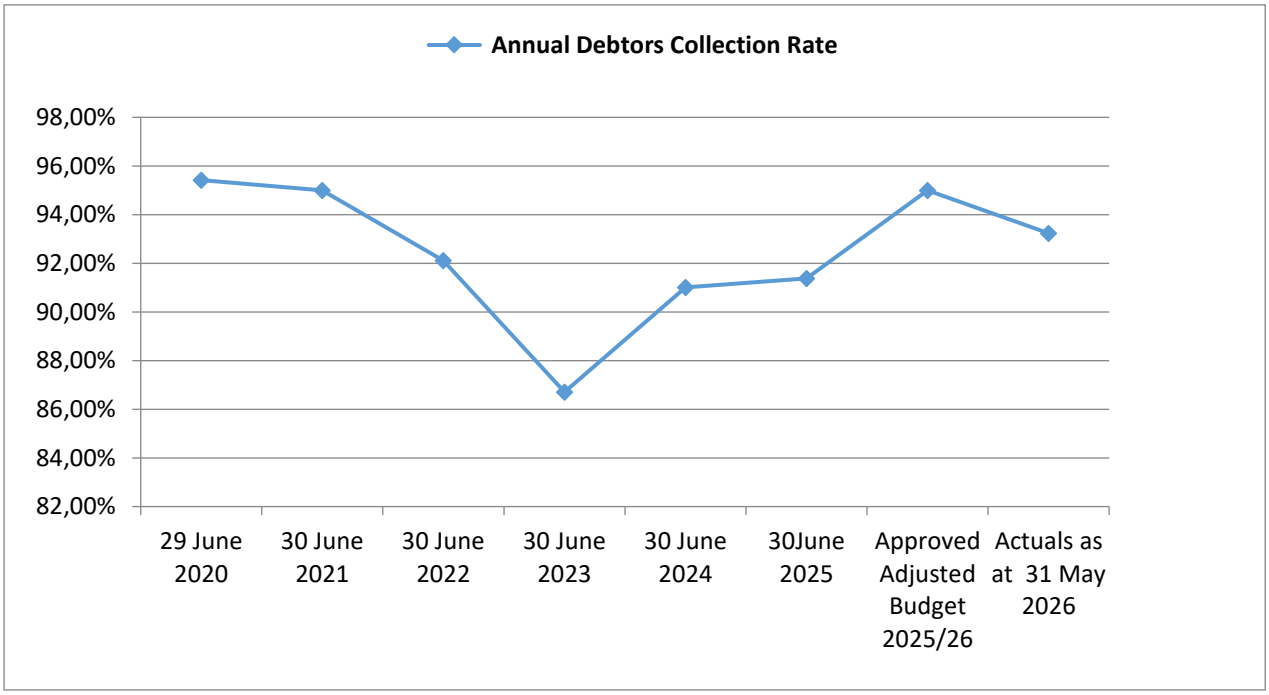
1.2.1. Annual Debtors Collection Rate

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 May 2026 was 93.24%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for May is 94.50 %.



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.

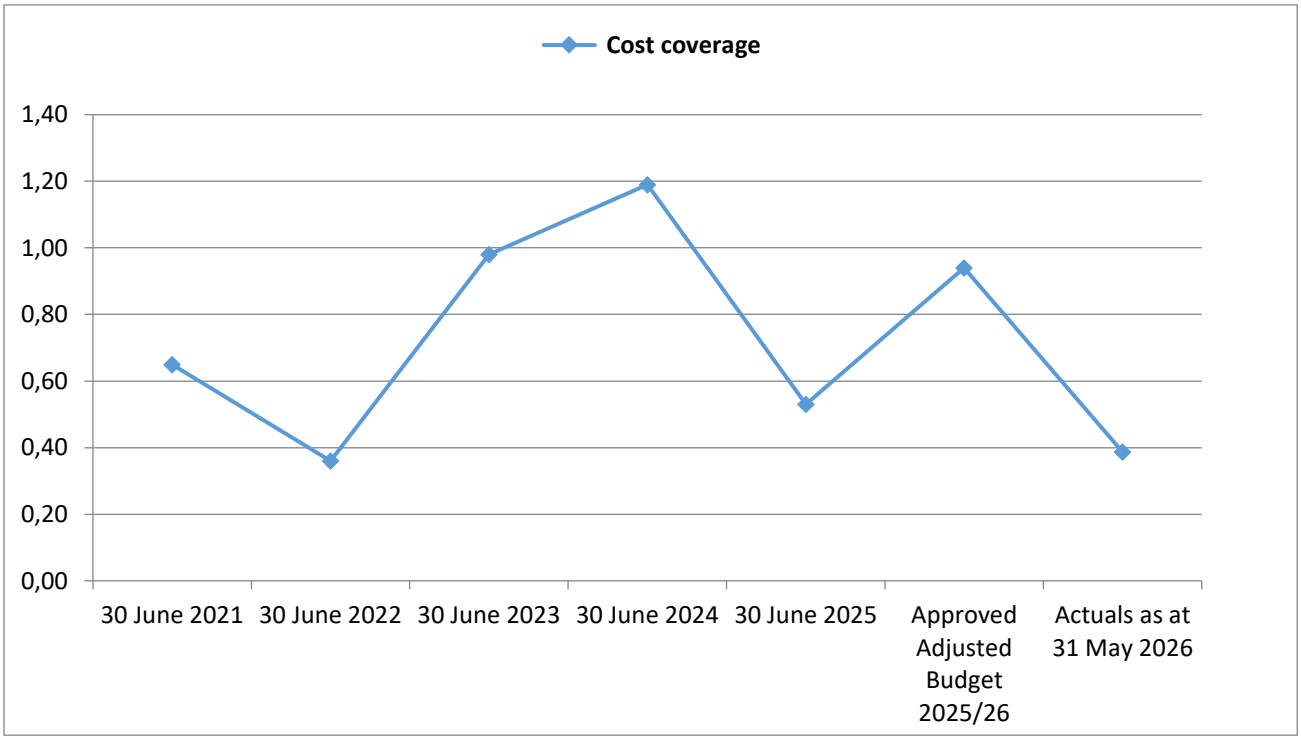
The Ratio is adjusted for Unspent Conditional Grants, Unspent borrowings, Cash Reserves for Eskom and Cash Reserves provided for the Development Bank of South Africa (DBSA) and augmentation fees, as the cash is not available for normal day-to-day operational expenditure but rather reserved for Grant 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 May 2026, the Ratio was 0.39 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.



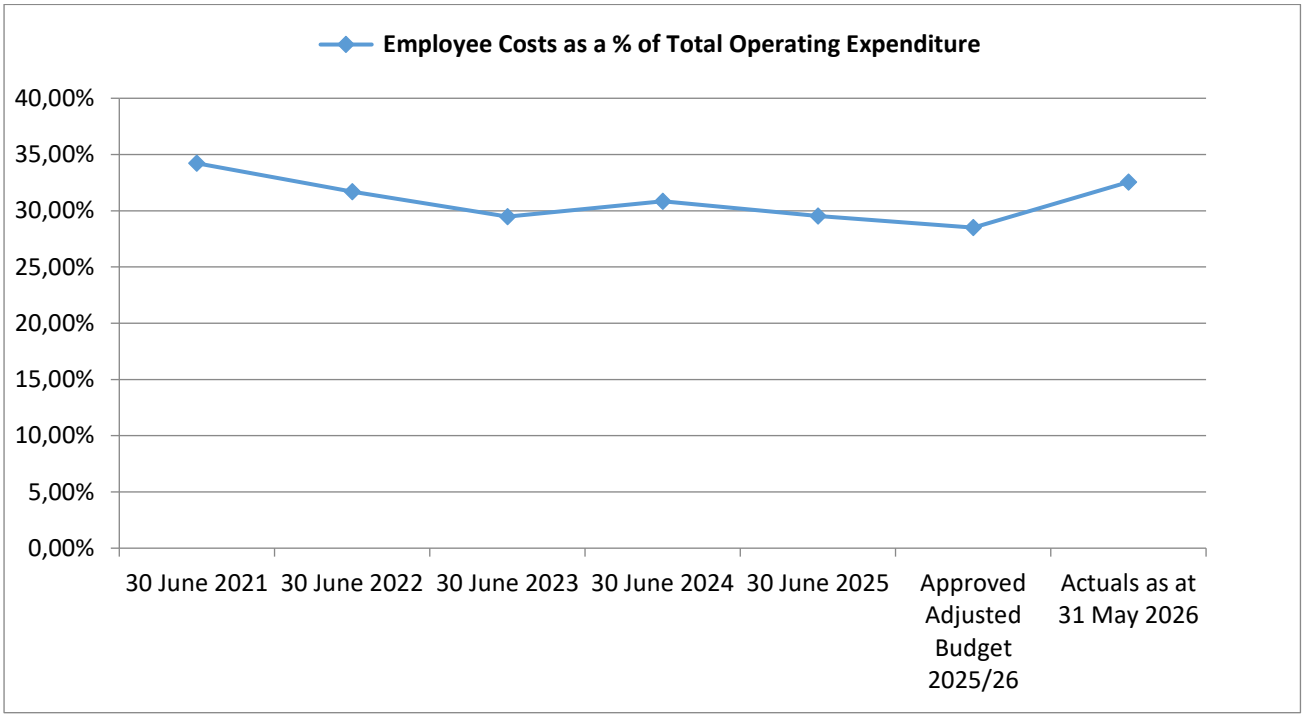
1.3.2. Employee costs as a % of Total Operating Expenditure

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 May 2026, Employee Related Costs constituted 32.56% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 28.5%.



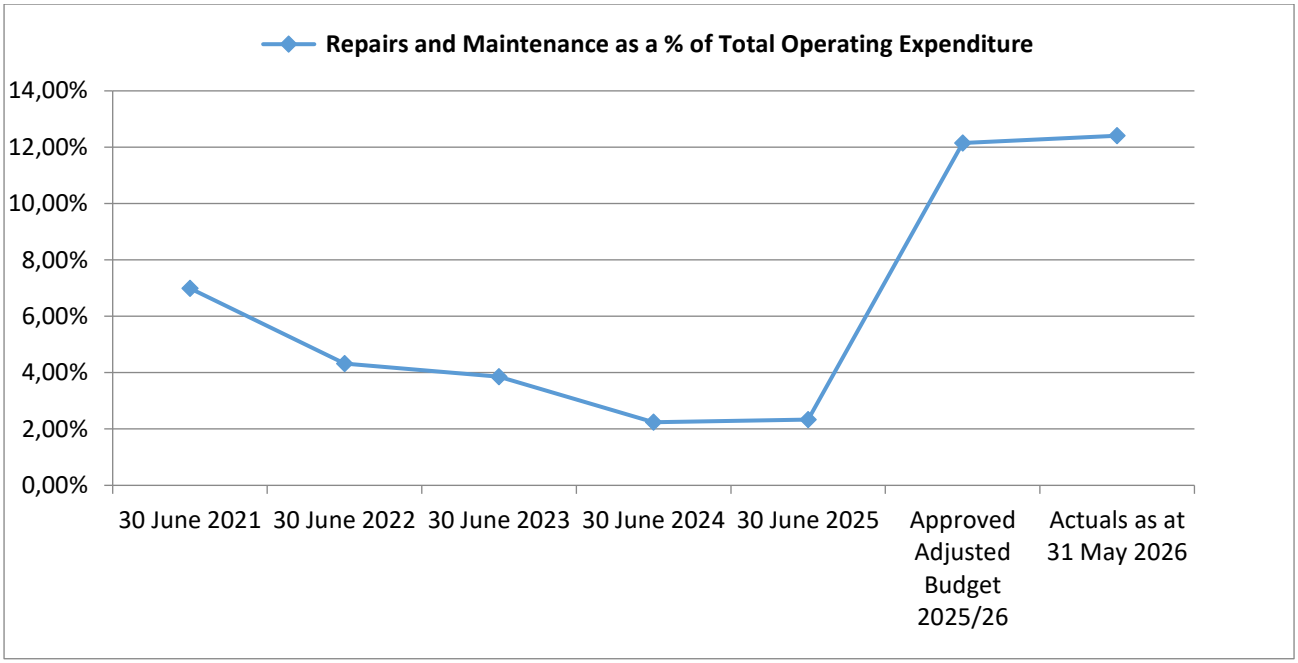
1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 May 2026, the ratio was 12.41%, 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)

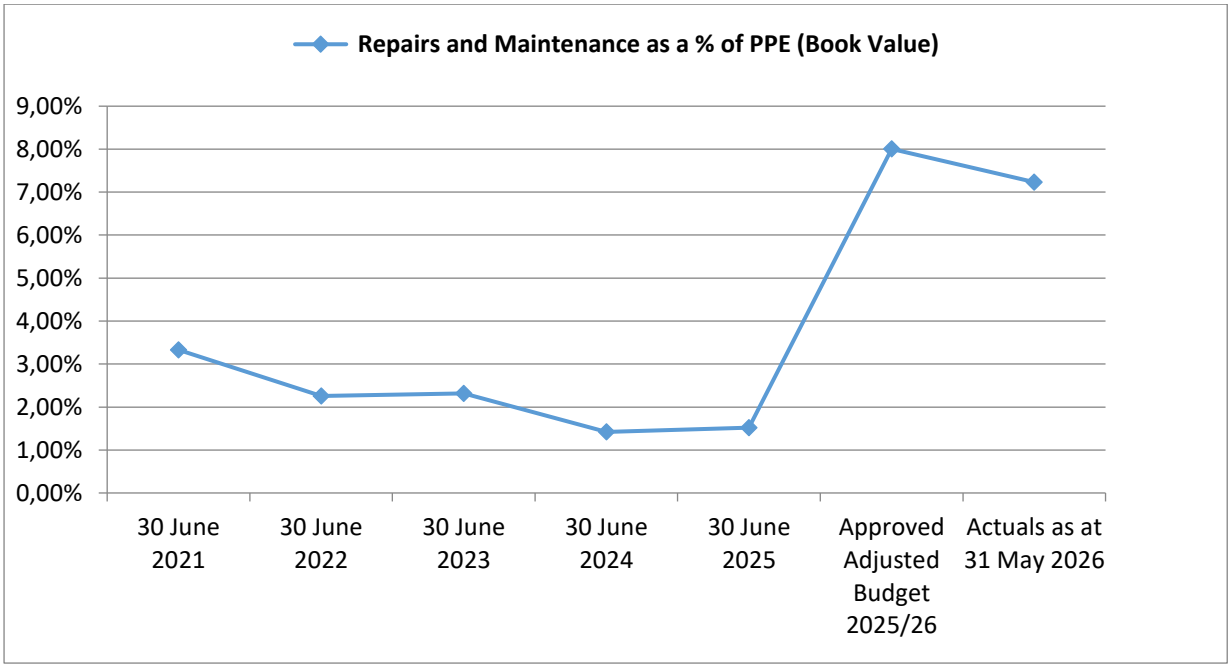
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 31 May 2026, repairs and maintenance expenditure constituted 7.24% 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%.



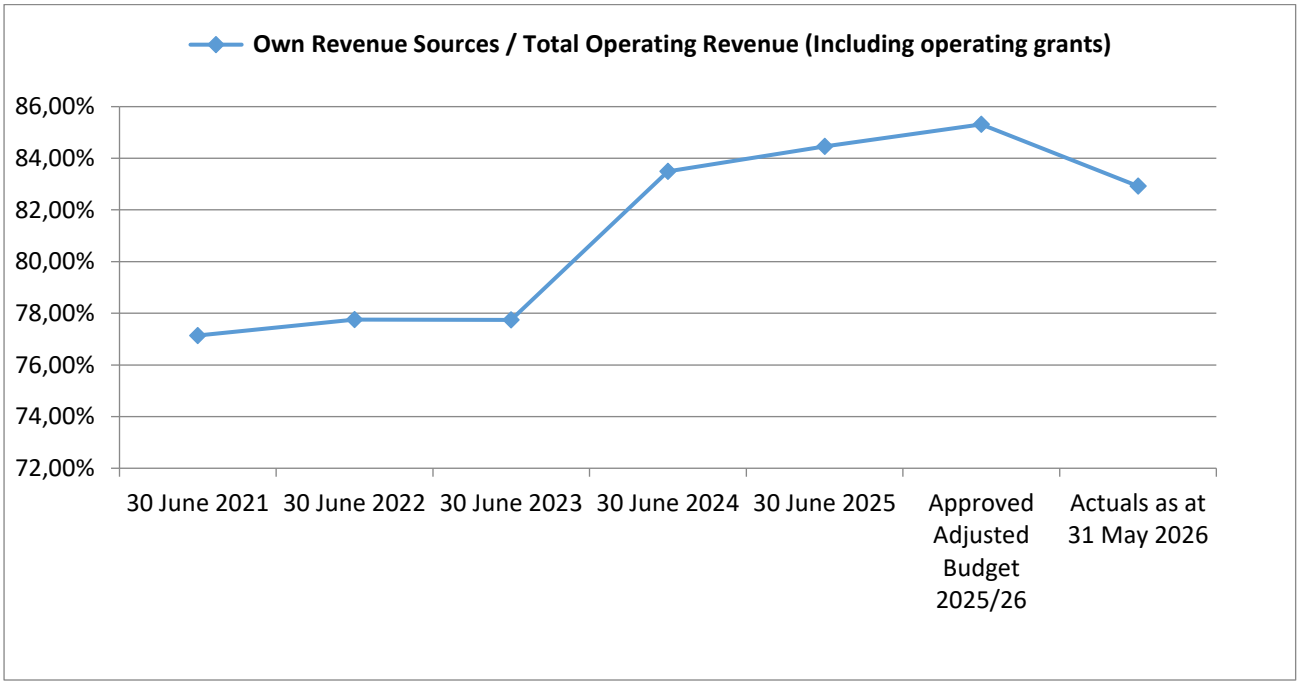
Own Revenue Generation

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 May 2026, the Municipality's own revenue sources constituted 82.92% 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 May 2026 amounted to 28.13%, compared to the approved adjusted budget ratio of 95%.

