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

MONTHLY BUDGET STATEMENTS FOR THE PERIOD JULY 2025 TO JUNE 2026 AND FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY AS AT 30 JUNE 2026 (2025/26 FINANCIAL YEAR)

1. Introduction

The purpose of this report is to comply with Section 71 and 52(d) 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 Section 52(d) of the MFMA, the Executive Mayor must within 30 days of the end of each quarter submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality.

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

3. **Discussion**

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

The report complies with Schedule C of the Municipal Budget and Reporting Regulations (MBRR), the following detailed schedules are attached for the period, ending 30 June 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 and 52(d) 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 and 52(d) 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……14 July 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's report on the implementation of the budget and the financial state affairs of the municipality, in accordance with section 52(d) of the MFMA be noted.

11.3. 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 June 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 1,391,181 million, whilst operating expenditure amounted to R 1,442,690 million, resulting in an operating deficit of R 51,510 million.
- Capital expenditure constituted 43.20% of the 2025/26 Adjusted Capital Budget.
- Overdue consumer debts increased by R 38,695 million (15.10%) since June 2025.
- An amount of R 98,797 million is owing to creditors, 94.87% represent current creditors. Currently all outstanding creditors are not reflected on the creditors age analysis.

The municipality's investment portfolio has increased by R 53,505,396 (29.63%) since June 2025, from R 180,581,218 to R234,086,615.

Below is an analysis of the Investment Portfolio as at 30 June 2026.

	Balance as at 30 June 2025	Invested	Interest	Withdrawals	Adjustments	Balance as at 30 June 2026
Standard Bank	22 335 077	49 329 097	1 949 969	36 403 096		37 211 047
ABSA	37 961 946	155 679 314	2 660 153	144 454 966	-	51 846 446
Nedbank	31 546 835	64 525 951	2 596 729	64 345 517		34 323 999
RMB	39 647 190	38 965 843	2 307 198	45 249 643		35 670 587
INVESTEC	29 600 838	54 951 627	2 413 184	52 892 058		34 073 590
Total	**161 091 885**	**363 451 831**	**11 927 233**	**343 345 280**	**-**	**193 125 669**
INVESTMENT	**Balance as at 30 June 2025**	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 30 June 2026**
General Account	23 745 388	203 107 991	11 020 969	220 553 320		17 321 028
Cash Reserves (DBSA)	92 170 550	100 000 000		49 090 412		143 080 139
Unspent borrowings (DBSA)		4 519 000				4 519 000
Cash Reserves (ESKOM)	14 500 000					14 500 000
Cash Reserves (Development Charges)	2 186 308	3 125 840				5 312 147
Conditional Grants	19 590 377	52 699 000		67 540 382		4 748 994
Housing Funds	8 899 262		906 264	6 161 165		3 644 361
Total	**161 091 885**	**363 451 831**	**11 927 233**	**343 345 280**	**-**	**193 125 669**
	Balance as at 30 June 2025	**Invested**	**Interest**	**Withdrawals**	**Adjustments**	**Balance as at 30 June 2026**
Cheque Accounts FNB 52540020791	800 205			(277 635)		522 570
Cheque Accounts FNB 52540033504	9 157 718			(6 781 269)		2 376 449
Cheque Accounts FNB 4123734437	-	606 155				606 155
Cheque Accounts FNB 63022194441	513 734			(357 513)		156 221
Cheque Accounts ABSA 4114176482	5 899 110	25 296 873				31 195 982
Cheque Accounts ABSA 4114114771	2 052 903	3 833 695				5 886 599
Cheque Accounts ABSA 4114176474	935 410			(910 293)		25 117
Cheque Accounts ABSA 4114176490	130 253	61 600				191 853
	19 489 333	**29 798 323**	**-**	**(8 326 710)**	**-**	**40 960 946**
Total	**180 581 218**	**393 250 153**	**11 927 233**	**335 018 570**	**-**	**234 086 615**

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

Cash backed Reserves.

Bank Balances and Cash	R 40,960,946
Short-term Investment Deposits	R 193,125,669
	R 234,086,615

Application of Cash

Unspent Conditional Grants	R 15,416,335
Unspent Borrowings (DBSA)	R143,080,140
Cash Reserves – ESKOM	R 4,519,000
Cash Reserves – DBSA	R 14,500,000
Cash Reserves – Developmental Charges	R 5,312,147
Outstanding Creditors Liability	R 98,796,985
	R 281,624,607
Cash Shortfall	**(R 47,537,992)**

The commitments exceed cash reserves at this stage by an amount of R 47,538 million.

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

Ratio	Actuals as at 30 June 2024	Actuals as at 30 June 2025	MFMA Circular 71 Norms	Actuals as at 30 June 2025	Approved Adjusted Budget 2025/26	Actuals as at 31 May 2026	Actuals as at 30 June 2026
Current Ratio	0.87:1	1.04:1	1.5:1 to 2:1	1.38:1	0.98:1	1.60:1	1.28:1
Liquidity Ratio	0.47:1	0.50:1		0.68:1	0.37:1	0.81:1	0:61:1
Cost Coverage (Excluding unspent conditional grants)	1.19 Months	0.53 Months	1 Month to 3 Months	0.74 Months	0.94 Months	0.39 Months	0.33 Months
Debtors Collection Rate	91.01%	91.38%	95%	91.38%	95%	93.24%	93.72%
Capital Expenditure	71.38%	84.49%	95%	67.88%	95%	28,13%	43.20%

"ANNEXURE A1"

1. OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE PERIOD JULY TO JUNE 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	130 270	1 391 181	1 461 865	(70 684)
Total Expenditure	1 581 117	1 545 173	186 046	1 442 690	1 545 173	(102 482)
Surplus/(Deficit)	(112 431)	(83 308)	(55 776)	(51 510)	(83 308)	(173 166)

The statement of financial performance reflects an operating deficit of R 51,510 million for the financial year.

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	460 106	97,08%

Service charges - Water	123 885	112 258	90,62%
Service charges - Waste Water Management	71 792	74 648	103,98%
Service charges - Waste management	53 826	52 521	97,58%
Sale of Goods and Rendering of Services	10 044	10 962	109,14%
Agency services	4 554	1 120	24,59%
Interest earned from Receivables	11 618	12 818	110,33%
Interest earned from Current and Non Current Assets	16 273	14 230	87,44%
Rental from Fixed Assets	4 312	5 083	117,88%
Licence and permits	2 856	2 920	102,26%
Special rating levies	15 436	-	0,00%
Operational Revenue	8 122	6 230	76,71%
Non-Exchange Revenue	**665 193**	**638 284**	
Property rates	307 899	321 482	104,41%
Surcharges and Taxes	25 277	20 989	83,03%
Fines, penalties and forfeits	90 465	52 877	58,45%
Licence and permits	3 139	3 417	108,86%
Transfer and subsidies - Operational	214 697	216 512	100,85%
Interest	4 050	3 610	89,12%
Operational Revenue	19 666	19 338	98,33%
Gains on disposal of Assets	–	60	
Total Revenue (excluding capital transfers and contributions)	**1 461 865**	**1 391 181**	**95,16%**

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.

- **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.

- **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 234,087 million as at 30 June 2026.

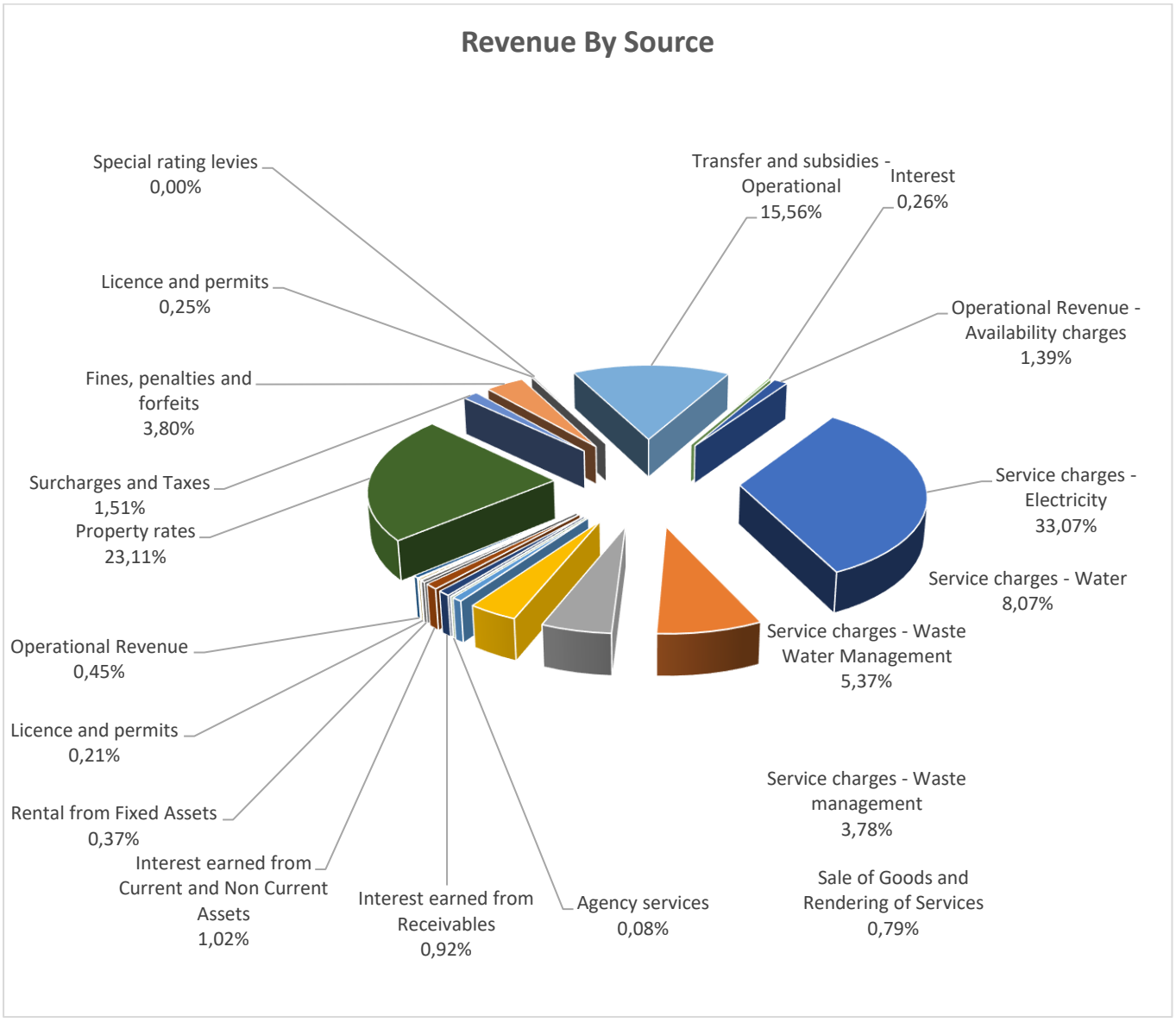
- **Rental from fixed assets**
  This relates to the rental of municipal buildings, community halls, caravans parks and camping sites, and other municipal facilities. The revenue is influenced by the extent of rental agreements and seasonal demands.

- **Specia rating levies**
  The special rating levies relate to the St Francis Bay Special Rating area established by the municipality in terms of Section 22 of the Property Rates Act. The revenue has been reclassified in terms of GRAP 23, from revenue

exchange to non-exchange revenue. The special rating levies revenue is included under property rates revenue.

- **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 the unrealized augmentation fees amounting to R 2 million.

- **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.


Revenue By Source
Special rating levies 0,00%
Transfer and subsidies - Operational 15,56%
Interest 0,26%
Licence and permits 0,25%
Operational Revenue - Availability charges 1,39%
Fines, penalties and forfeits 3,80%
Service charges - Electricity 33,07%
Surcharges and Taxes 1,51%
Property rates 23,11%
Service charges - Water 8,07%
Service charges - Waste Water Management 5,37%
Operational Revenue 0,45%
Licence and permits 0,21%
Service charges - Waste management 3,78%
Rental from Fixed Assets 0,37%
Sale of Goods and Rendering of Services 0,79%
Interest earned from Current and Non Current Assets 1,02%
Interest earned from Receivables 0,92%
Agency services 0,08%

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	462 182	104,95%
Remuneration of councillors	16 550	15 602	94,27%
Bulk purchases - electricity	436 820	459 058	105,09%
Inventory consumed	116 555	121 955	104,63%
Debt impairment	64 219	38 231	59,53%
Depreciation and amortisation	142 422	108 291	76,04%
Interest	39 542	20 730	52,42%
Contracted Services	121 310	103 604	85,40%
Transfers and subsidies	950	478	50,36%
Irrecoverable debts written off	54 197	16 418	30,29%
Operational Cost	97 170	94 349	97,10%
Losses on Disposal of Assets	–	1792	
Other Losses	15 051	–	0,00%
Total Expenditure	**1 545 173**	**1 442 690**	**93,37%**

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 30 June 2026 includes the following expenditure items:

Item Description	Adjusted Budget	YTD Actuals	%
Standard Rated	4 720 670	3 662 702	77,59%
Materials and Supplies	50 140 677	47 874 412	95,48%
Zero Rated	21 000 000	25 598 940	121,90%
Water	40 694 032	44 819 020	110,14%
Total	**116 555 379**	**121 955 074**	**104,63%**

- **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 76.04% 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 **30 June 2026** are broken down as follows:

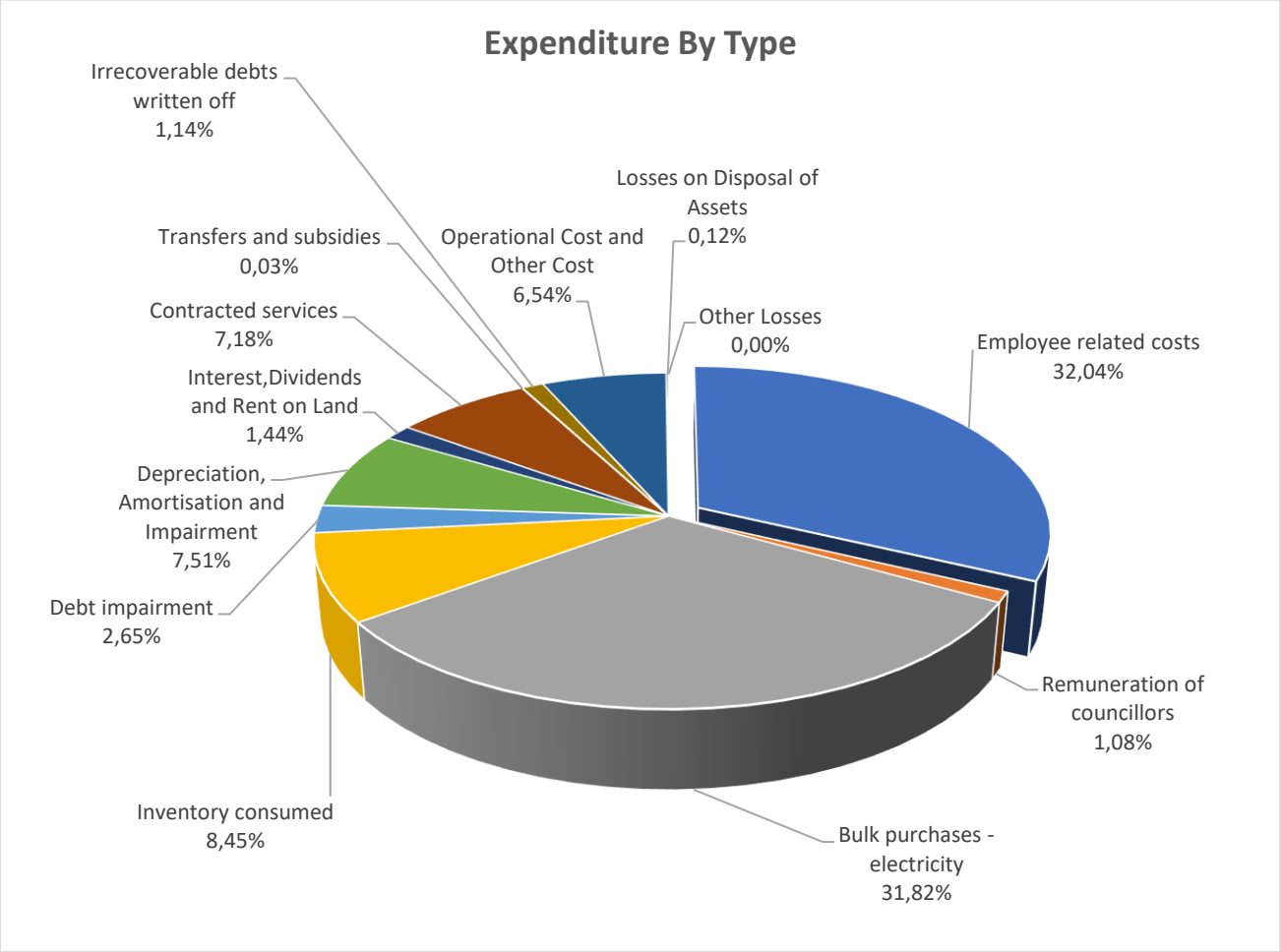
Item Description	Adjusted Budget 2025/26	YTD Actuals	%
Aloe Cup	68 000	-	0,00%
Animal Care	508 000	490 503	96,56%
Audit of Municipal Land & Properties	2 989 565	828 160	27,70%
BUILDING CONTROL	25 000	17 577	70,31%
Burial Services	77 000	68 258	88,65%
Calamari Festival	200 000	-	0,00%
Catering Services	736 350	476 347	64,69%
Clean up Operation	1 025 000	1 013 503	98,88%
Clearing and Grass Cutting Services	1 390 000	1 273 282	91,60%
Conducting of feasibility studies (EIA)	630 435	746 435	118,40%
Connection/Dis-connection:Electricity	475 000	407 585	85,81%
Consultants and Professional Services	9 529 492	7 752 783	81,36%
Destination Marketing & Promotion	400 000	377 751	94,44%
Drivers Licence Cards	603 000	463 992	76,95%
Dune Rehabilitation and Coastal Zone	1 220 000	910 543	74,63%
EC Tourism Awards	260 662	260 663	100,00%
Electricity Generation Project	1 460 000	900 000	61,64%
Environmental protection	312 000	3 460 955	1109,28%
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	360 000	100,00%
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	810 750	-7,84%
Legal Advice and Litigation	2 342 400	3 021 193	128,98%
Legal Cost:Collection	2 100 000	2 014 327	95,92%
LTO Capacitation	109 000	54 033	49,57%
Maintenance of Buildings and Facilities	8 925 461	6 974 909	78,15%
Maintenance of Electrical Infrastructure	6 498 811	6 612 609	101,75%
Maintenance of Equipment	1 435 000	1 085 393	75,64%
Maintenance Of Fire Equipment	52 000	50 952	97,98%
Maintenance of Vehicles	9 391 000	8 735 797	93,02%
Maintenance STORMWATER	855 000	278 197	32,54%
Media Monitoring	120 000	104 340	86,95%
Mscoa Alignment	791 633	791 633	100,00%
New Meter Installations	1 796 156	1 728 736	96,25%
Occupational Health and Safety	1 400 000	1 043 855	74,56%
Oceans Economy Masterplan	300 000	300 000	100,00%
Other Contracted Services	9 368 508	7 203 306	76,89%
Personnel and Labour	19 549 000	2 229 475	11,40%
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	412 791	82,56%
Replacement of Stormwater Headwalls along Kouga Co	85 000	-	0,00%

Contracted services as at **30 June 2026** continue to:

Item Description	Adjusted Budget 2025/26	YTD Actuals	%
Resealing & Maintenance of Roads in KLM	10 000 000	8 140 786	81,41%
Restricted Water Flow	200 000	200 000	100,00%
Revision of SDF	170 000	53 250	31,32%
Roads Defects Repairs	360 000	36 537	10,15%
SA Longboard Championship	315 000	273 913	86,96%
SA Open water swim	175 000	175 000	100,00%
Security Services	10 296 600	14 285 562	138,74%
SMART City Strategy	300 000	-	0,00%
SMME Capacitation Program	200 000	118 762	59,38%
Special Rating Area	13 951 880	12 170 272	87,23%
Technical Support Services	783 000	313 911	40,09%
Tourism Branding	300 000	215 872	71,96%
Upgrade and Repair SCADA	783 000	577 273	73,73%
Valuer	700 000	513 000	73,29%
Winterfest	1 785 000	992 659	55,61%
WSL Music Festival	279 769	69 769	24,94%
WTM Africa, Indaba, Meetings Africa, Educationals,	550 000	427 686	77,76%
	121 309 968	**103 604 154**	**85,40%**

The other expenditure as at **30 June 2026** is broken down as follows:

Item Description	Adjusted Budget 2025/26	YTD Actuals	%
Achievements and Awards	3 762 000	3 426 295	91,08%
Advertising, Publicity and Marketing	5 473 380	4 520 210	82,59%
Bank Charges	1 100 000	1 734 655	157,70%
Bargaining Council	5 245 665	4 833 408	92,14%
Cellular Contract (Subscription and Calls)	3 597 000	3 295 476	91,62%
Claims paid to Third Parties	466 000	444 925	95,48%
Expenditure:Operational Cost:Professional Bodies, Members	370 500	283 104	76,41%
External Audit Fees	4 500 000	4 392 962	97,62%
External Computer Service:Internet Charge	6 710 000	6 495 794	96,81%
Hire Charges	5 196 970	4 988 401	95,99%
Insurance Claims	254 000	249 776	98,34%
Insurance Underwriting:Premiums	3 764 237	3 965 028	105,33%
Leases:Furniture and Office Equipment	2 640 000	2 646 057	100,23%
Leases:Other Assets	4 923 500	4 925 260	100,04%
Motor Vehicle Licence and Registrations	1 741 446	1 167 426	67,04%
Other	1 056 772	2 641 520	249,96%
Postage/Stamps/Franking Machines	1 892 350	1 702 895	89,99%
Registration Fees:Professional and Regulatory Bodies	273 290	228 053	83,45%
Registration Fees:Seminars, Conferences, Workshops	1 698 658	1 300 394	76,55%
Remuneration to Ward Committees	1 980 000	1 993 200	100,67%
Riparian Levies	8 465 273	8 339 584	98,52%
SABC TV LICENCES	3 000	2 915	97,17%
Signage	605 650	569 004	93,95%
Skills Development Fund Levy	4 782 009	4 494 811	93,99%
Software Licences	10 952 550	11 294 753	103,12%
Storage of Files (Archiving)	120 000	64 767	53,97%
Third Party Vendors	3 517 000	3 639 746	103,49%
Travel and Subsistence	4 157 814	3 080 129	74,08%
Uniform and Protective Clothing	4 348 096	3 969 912	91,30%
Vehicle Tracking	895 300	1 086 853	121,40%
Workmen's Compensation Fund	2 677 641	2 571 587	96,04%
	97 170 101	**94 348 899**	**97,10%**



1.4. Repairs and Maintenance

Below is an analysis of actual repairs and maintenance expenditure as at 30 June 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	104 767 356	95.17%
Other materials	40 754 780	34 748 214	85.26%
Contracted Services	36 642 677	34 453 987	94.03%
Other expenditure	3 797 570	3 858 089	101.59%
Total	**191 276 058**	**177 827 645**	**92.97%**

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	460 106	97,08%
Interest earned from Receivables	837	1 991	237,93%
Operational Revenue	1 630	1 202	73,73%
Non-Exchange Revenue			
Transfers and subsidies - Operational	2 243	2 243	100,00%
Service charges - Electricity	10 089	9 886	97,99%
Total Revenue	**488 754**	**475 428**	**97,27%**
Expenditure By Type			
Employee related costs	26 096	25 054	96,01%
Bulk purchases - electricity	436 820	459 058	105,09%
Inventory consumed	17 270	17 554	101,64%
Debt impairment	13 133	(992)	-7,55%
Depreciation and amortisation	13 139	8 302	63,19%
Interest	488	812	166,40%
Contracted services	11 773	10 659	90,53%
Irrecoverable debts written off	5 573	992	17,80%
Operational costs	3 749	3 817	101,82%
Total Expenditure	**528 041**	**525 255**	**99,47%**
Surplus/(Deficit)	**(39 288)**	**(49 828)**	

1.5.1.1 Revenue

- The electricity service charges revenue reflects 97.08% of budget as at 30 June 2026, and this is in line with the projected budget ratio of 100% as at 30 June 2026.
- Transfers and subsidies – operational relate to the Equitable share allocation for the indigent subsidy.

1.5.1.2 Expenditure

- the bulk electricity reflects 105.09% of budget expenditure as at 30 June 2026.

1.5.1.3 Net surplus/deficit of electricity ratio

- Electricity reflects a deficit of R 49,828 million as at 30 June 2026 and the deficit amount equates to 11.34%, compared to the revenue. The adjusted budget deficit for the 2025/26 amount to R 39,377 million and equates to 8.06%, 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	112 258	90,62%
Interest earned from Receivables	5 567	6 239	112,09%
Operational Revenue	681	437	64,10%
Non-Exhange Revenue			
Transfers and subsidies - Operational	22 970	22 970	100,00%
Service charges - Water	6 398	6 311	98,63%
Total Revenue	**159 501**	**148 215**	**92,92%**
Expenditure By Type			
Employee related costs	38 268	38 288	100,05%
Inventory consumed	49 917	54 096	108,37%
Debt impairment	(14 655)	(7 483)	51,06%
Depreciation and amortisation	22 378	20 256	90,52%
Interest	506	1 894	374,25%
Contracted services	(9 328)	1 951	-20,91%
Irrecoverable debts written off	21 454	7 483	34,88%
Operational costs	1 752	1 731	98,77%
Other losses	15 051	–	0,00%
Total Expenditure	**125 343**	**118 216**	**94,31%**
Surplus/(Deficit)	**34 159**	**29 999**	

1.5.2.1 Revenue

- The water service charges revenue reflects 90.62% of budget as at 30 June 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 44,819 million (110.14% of budget).
- 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 29,999 million as at 30 June 2026 and equates to 20.24% 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	74 648	103,98%
Operational revenue	572	516	90,23%
Interest earned from Receivables	2 033	2 094	103,00%
Non-Exchange Revenue			
Transfers and subsidies - Operational	14 617	14 617	100,00%
Service charges - Waste Water Management	3 179	3 141	98,82%
Total Revenue	**92 192**	**95 016**	**103,06%**
Expenditure By Type			
Employee related costs	13 156	11 714	89,04%
Inventory consumed	15 869	16 760	105,62%
Debt impairment	(3 718)	(2 941)	79,08%
Depreciation and amortisation	36 895	29 111	78,90%
Interest	977	1 620	165,75%
Contracted services	4 133	8 190	198,16%
Irrecoverable debts written off	7 569	2 941	38,85%
Operational costs	5 723	5 778	100,97%
Total Expenditure	**80 603**	**73 174**	**90,78%**
Surplus/(Deficit)	**11 588**	**21 842**	

1.5.3.1 Revenue

- The waste water service charges revenue reflects 103.98% of budget as at 30 June 2026, and this is in line with the projected budget ratio of 100% as at 30 June 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 21,842 million as at 30 June 2026 and equates to 22.99% 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	52 521	97,58%
Operational revenue	122	77	63,10%
Sale of Goods and Rendering of Services	9	14	160,06%
Interest earned from Receivables	3 056	2 403	78,63%
Non-Exchange Revenue			
Transfers and subsidies - Operational	25 847	25 847	100,00%
Surcharges and Taxes - Waste	15 872	14 159	89,21%
Total Revenue	**98 730**	**95 021**	**96,24%**
Expenditure By Type			
Employee related costs	42 683	51 261	120,10%
Inventory consumed	7 887	9 149	116,00%
Debt impairment	3 638	–	0,00%
Depreciation and amortisation	3 195	1 174	36,75%
Interest	831	1 351	162,59%
Contracted services	15 605	6 168	39,53%
Operational costs	4 495	4 006	89,13%
Total Expenditure	**78 334**	**73 110**	**93,33%**
Surplus/(Deficit)	**20 396**	**21 911**	

1.5.4.1 Revenue

- The waste service charges revenue reflects 97.58% of budget as at 30 June 2026, and this is in line with the projected budget ratio of 100% as at 30 June 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 21,911 million as at 30 June 2026 and equates to 23.06% 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	2 229	19 549	(17 320)
2. Travel claims	4 158	3 069	4 158	(1 089)
3. Overtime	28 771	31 564	28 771	2 794
4. Catering Costs	736	476	736	(260)
5. Events, Advertising and sponsorships	6 175	5 085	6 175	(1 090)
6. Attendance of Conferences, Seminars & Workshops	1 699	1 300	1 699	(398)
7. Municipal Workshops, Retreats, Strategic Sessions and Internal training	988	480	988	(509)
9. Essential User Scheme	2 643	2 643	2 643	–
Total	**64 719**	**46 847**	**64 719**	**(17 872)**

A comparison of the year-to-date actuals to the adjusted budget reflects savings, amounting to R 17,872 million as at 30 June 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 2025/26	Operating Expenditure	Capital Actuals	Total Expenditure	Unathorised Expenditure
Expenditure by Vote							
Civil & Water Services	326 236	245 875	572 110	288 982	82 552	371 534	–
Community Services	331 156	4 890	336 046	308 036	4 509	312 545	–
Electro & Mechanical Services	552 576	44 135	596 711	558 713	41 322	600 035	–
Finance and Economic Development	126 048	1 335	127 382	104 569	1 162	105 731	–
Office of the DMM	152 894	2 660	155 554	132 240	2 147	134 387	–
Office of the MM	17 968	5	17 973	16 061	5	16 066	–
Planning and Development	38 295	23 666	61 961	34 089	7 656	41 746	–
Total Expenditure by Vote	**1 545 173**	**322 565**	**1 867 738**	**1 442 690**	**139 353**	**1 582 043**	-

No unauthorised expenditure reported for the period ended 30 June 2026.

Annexure "A2"

1. CAPITAL BUDGET PERFORMANCE

1.1. Summary Capital Expenditure and Funding

The capital expenditure as at 30 June 2026, constituted 43.20% of adjusted capital budget and the funding is broken down as follows:

- Grant funding is 56.91% of approved grant funding budget.
- Borrowing funding is 19.01% of approved borrowing funding budget.
- Internally generated funds are 80.60% 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	2 147	80,71%
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT	621	1 335	1 162	87,03%
Vote 4 - COMMUNITY SERVICES	4 891	4 890	4 509	92,21%
Vote 5 - CIVIL AND WATER SERVICES	206 142	245 875	82 552	33,57%
Vote 6 - ELECTRO/MECHANICAL SERVICES	49 509	44 135	41 322	93,63%
Vote 7 - PLANNING AND DEVELOPMENT	3 250	23 666	7 656	32,35%
Total Capital Multi-year expenditure	**265 462**	**322 565**	**139 353**	**43,20%**

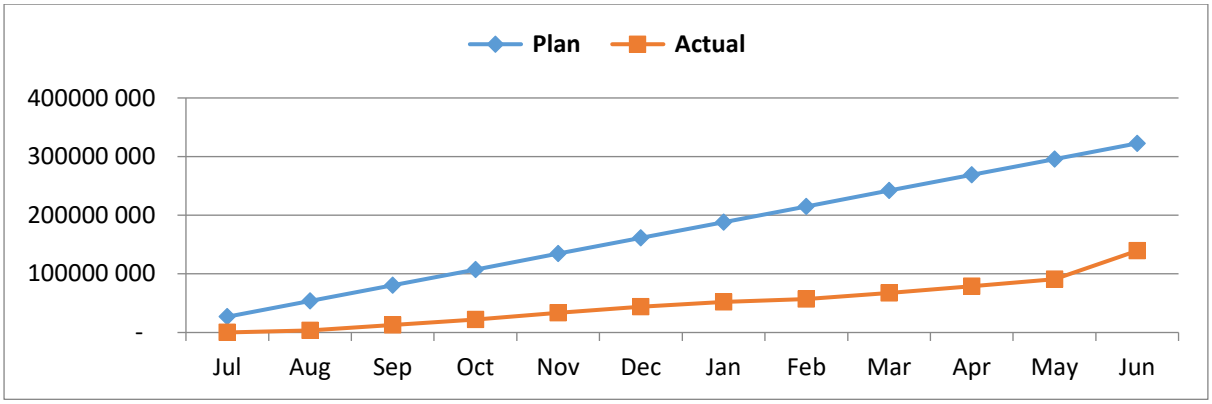
The capital expenditure as at 30 June 2026, constituted 43.20% of adjusted capital budget.

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 80.71% of R 2,660 million budget.
- Finance & Economic Development is 87.03% of R 1,335million budget.
- Community Services is 92.21% of R 4,890 million budget.
- Civil & Water Services 33.57% of R 245,875 million budget.
- Electro & Mechanical Services is 93.63% of R 44,135 million budget.
- Planning & Development is 32.35% of R 23,666 million budget.

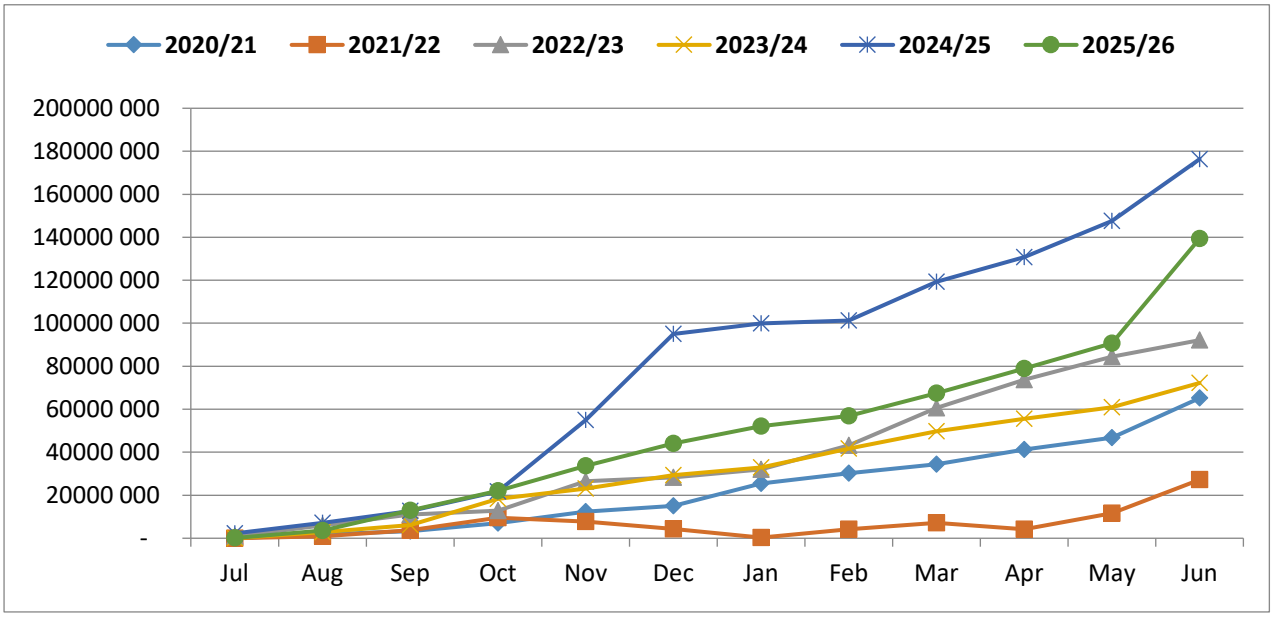
1.2. Monthly capital expenditure

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 30 June 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	28 585 243	18,68%
			153 002 755	**28 585 243**	**18,68%**
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	122 550	9,99%
ROADS AND STORMWATER	INTERNAL	Seekoei Estuary Causeway	3 535 940	3 514 729	99,40%
ROADS AND STORMWATER	INTERNAL	Umzamowethu SW Management Plan	400 000	-	0,00%
SEWERAGE	INTERNAL	Hankey: Refurbishment of WWTW	2 296 691	2 231 691	97,17%
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	806 110	99,38%
WATER	INTERNAL	Storage Containers	200 000	-	0,00%
WATER	INTERNAL	Machinery at WTW Facilities	868 120	449 571	51,79%
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	**8 708 259**	**63,83%**
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	761 291	83,26%
ROADS AND STORMWATER	MDRG	Re-instatement of Da Gama Road in the Kabeljous ar	1 048 958	873 486	83,27%
ROADS AND STORMWATER	MDRG	George Road, Re-instatement of Embankment, Water &	753 391	753 377	100,00%
ROADS AND STORMWATER	MDRG	Re-instatement of Phillip Street low level water c	1 652 292	1 199 469	72,59%
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	594 239	52,19%
ROADS AND STORMWATER	MDRG	Re-instatement of Nanto Street and stormwater infr	1 276 986	1 258 483	98,55%
ROADS AND STORMWATER	MDRG	Re-instatement of Meyer Street and stormwater infr	1 002 820	906 334	90,38%
			10 092 799	**8 595 852**	**85,17%**
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	115 652	115 652	100,00%
ROADS AND STORMWATER	MIG	Upgrading of Kouga Gravel Roads	12 650 231	12 650 230	100,00%
SEWERAGE	MIG	Arcadia Street: Refurbishment of Sewer Pump Station	202 419	202 419	100,00%
SEWERAGE	MIG	La Mer: Construction of New Sewer Rising Main	52 600	52 600	100,00%
SEWERAGE	MIG	Jeffreys Bay: Upgrade of Ocean View Sewer Pipe	184 765	184 765	100,00%
SEWERAGE	MIG	Kwanomzamo: Upgrading of WWTW	6 694 055	5 947 646	88,85%
WATER	MIG	Infrastructure Management Plan	1 531 682	1 531 682	100,00%
			24 248 081	**23 501 672**	**96,92%**

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	183 706	100,00%
SEWERAGE	UISP	Kruisfontein: Bulk Sewer Link Line	191 464	-	0,00%
SEWERAGE	UISP	Design: Upgrade Weston WWTW Outfall & Reticulation	1 141 258	1 041 764	91,28%
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	2 085 750	76,29%
WATER	UISP	Thornhill: Upgrading of Informal Settlement	419 403	411 822	98,19%
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	1 695 752	57,95%
WATER	UISP	Humansdorp: Upgrading of Kruisfontein Informal Set	2 118 388	1 880 435	88,77%
WATER	UISP	Kruisfontein: Upgrade of Gill Marcus Bulk Water Reservoir & Pipeline	5 780 466	512 515	8,87%
WATER	UISP	Kwanomzamo: New Bulk Water Pipeline	8 870 938	-	0,00%
			36 514 693	**8 046 525**	**22,04%**
WATER SERVICES INFRASTRUCTURE GRANT					
SEWERAGE	WSIG	Loerie: Upgrade of Sewer Pump Station & New Sewer	5 096 909	4 458 885	87,48%
WATER	WSIG	St Francis Bay: Groundwater Supply	3 276 130	655 844	20,02%
			8 373 039	**5 114 729**	**61,09%**
SUBTOTAL			**245 874 592**	**82 552 281**	**33,57%**

DEPARTMENT	FUNDING SOURCE	PROJECT DESCRIPTION	Adjusted Budget 2025/26	YearTD actuals	%
COMMUNITY SERVICES					
DISTRICT					
FIRE SERVICES	DISTRICT	Fire Services - Vehicle (DISTRICT)	955 034	955 034	100,00%
			955 034	**955 034**	**100,00%**
INTERNALLY FUNDED					
FIRE SERVICES	INTERNAL	Fire Services - Vehicle (District)	434 642	434 641	100,00%
FIRE SERVICES	INTERNAL	Extension of Incident Command Centre (ICC)	1 000 000	905 451	90,55%
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	**3 553 599**	**90,32%**
SUBTOTAL			**4 889 676**	**4 508 633**	**92,21%**
ELECTRO AND MECHANICAL SERVICES					
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME					
METERING AND REVENUE	INEP	Electrification of 1250 houses in Kouga	4 730 433	5 148 638	108,84%
			4 730 433	**5 148 638**	**108,84%**
INTERNALLY FUNDED					
METERING AND REVENUE	INTERNAL	Shore Road Miniature Substation & Associated Switc	2 000 000	1 921 025	96,05%
METERING AND REVENUE	INTERNAL	Battery Storage	22 500 000	17 985 076	79,93%
METERING AND REVENUE	INTERNAL	SeaVista Electrification	2 000 000	1 970 633	98,53%
METERING AND REVENUE	INTERNAL	Thornhill Electrification	1 500 000	1 497 884	99,86%
METERING AND REVENUE	INTERNAL	OceanView Electrification	2 500 000	2 441 916	97,68%
METERING AND REVENUE	INTERNAL	Electrical Oil circuit breakers replacement with v	1 560 165	2 549 013	163,38%
			32 060 165	**28 365 548**	**88,48%**
MUNICIPAL INFRASTRUCTURE GRANT					
METERING AND REVENUE	MIG	Design of New High Mast Lights - Construction	7 286 955	7 286 138	99,99%
			7 286 955	**7 286 138**	**99,99%**
UPGRADING OF INFORMAL SETTLEMENTS PROGRAMME					
METERING AND REVENUE	UISP	Kwanomzamo Bulk Electrical - Boskloof Secondary Feeder Line & Substation	29 703	-	0,00%
METERING AND REVENUE	UISP	Oceanview Substation Upgrade	27 938	27 939	100,00%
			57 641	**27 939**	**48,47%**
FINANCE LEASE					
FLEET AND WORKSHOP	LEASE	Vehicle	**-**	493 606	
			-	**493 606**	
SUBTOTAL			**290 009 786**	**123 874 148**	**42,71%**

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	148 171	98,78%
ECONOMIC DEVELOPMENT	INTERNAL	Furniture and Office Equipment	10 000	4 996	49,96%
EXPENDITURE	INTERNAL	Computer Equipment	57 000	52 763	92,57%
EXPENDITURE	INTERNAL	Furniture and Office Equipment	50 000	36 060	72,12%
LOCAL ECONOMIC DEVELOPMENT	INTERNAL	Computer Equipment	28 500	19 740	69,26%
REVENUE	INTERNAL	Vehicle	570 600	547 826	96,01%
REVENUE	INTERNAL	Furniture and Office Equipment	60 561	22 776	37,61%
REVENUE	INTERNAL	Computer Equipment	114 000	103 930	91,17%
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	**1 032 924**	**85,65%**
SUBTOTAL			**1 334 636**	**1 161 543**	**87,03%**
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	57 816	32,12%
HUMAN RESOURCES	INTERNAL	Furniture and Office Equipment	50 000	27 585	55,17%
HUMAN RESOURCES	INTERNAL	HR Sound System	15 000	11 500	76,67%
HUMAN RESOURCES	INTERNAL	Recording Devices: Labour Relations	15 000	13 300	88,67%
INFORMATION COMMUNICATION TECHNOLOGY (ICT)	INTERNAL	Computer Equipment	2 000 000	1 990 892	99,54%
LEGAL SERVICES	INTERNAL	Furniture and Office Equipment	50 000	17 150	34,30%
MEDIA LIAISON	INTERNAL	Camera Equipment	50 000	28 661	57,32%
			2 660 000	**2 146 904**	**80,71%**
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%**
PLANNING AND DEVELOPMENT					
INTERNALLY FUNDED					
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Acquisition of Land	2 900 000	2 900 000	100,00%
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Furniture and Office Equipment	175 000	1 704	0,97%
LAND AND PROPERTY ADMINISTRATION	INTERNAL	Computer Equipment	175 000	159 443	91,11%
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	**3 061 147**	**192,08%**
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%
SUBTOTAL			**19 016 082**	**4 595 220**	**24,16%**
TOTAL			**322 565 180**	**139 352 596**	**43,20%**

Status of capital programmes/projects in the Municipality as at 30 June 2026: Summary

	Budget Year 2025/26		
FUNDED BY:	**Adjusted Budget**	**YearTD Actual**	**%**
TOTAL GRANTS FUNDING	111 403 457	63 400 366	56.91%
BORROWINGS	153 002 755	29 078 849	19,01%
TOTAL INTERNALLY GENERATED FUNDS	58 158 968	46 873 381	80.60%
TOTAL CAPITAL FUNDING	**322 565 180**	**139 352 596**	**43.20%**

Annexure "A3"

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

1.1. Projected Cash Flow Statement as at 30 June 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 – M12 June 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	23 421	320 151	296 352	23 799	8%	296 352
Service charges		719 038	908 343	846 520	61 658	716 775	846 520	(129 745)	-15%	846 520
Other revenue		52 563	112 594	131 358	15 731	363 203	131 358	231 846	176%	131 358
Transfers and Subsidies - Operational		201 325	214 766	214 697	–	215 553	214 697	856	0%	214 697
Transfers and Subsidies - Capital		57 409	82 934	104 439	–	74 330	104 439	(30 109)	-29%	104 439
Interest		1 659 179	16 273	16 273	1 810	15 127	16 273	(1 145)	-7%	16 273
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(298 661)	(1 485 124)	(1 422 023)	(66 443)	(1 549 922)	(1 422 023)	127 900	-9%	(123 760)
Interest		–	(19 267)	(19 267)	(3 009)	(15 442)	(19 267)	(3 825)	20%	(19 267)
Transfers and Subsidies		–	(950)	(950)	–	–	(950)	(950)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 654 615**	**124 378**	**167 398**	**33 168**	**139 775**	**167 398**	**27 623**	**17%**	**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)	(318 057)	(55 896)	(160 255)	318 057	478 312	150%	318 057
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(130 825)**	**(265 462)**	**(318 057)**	**(55 896)**	**(160 255)**	**318 057**	**478 312**	**150%**	**318 057**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		(120 000)	100 000	100 000	–	100 000	100 000	–		100 000
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		(23 418)	(23 990)	(23 990)	1 658	(26 014)	(23 990)	2 024	-8%	(23 990)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(143 418)**	**76 010**	**76 010**	**1 658**	**73 986**	**76 010**	**2 024**	**3%**	**76 010**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 380 372**	**(65 075)**	**(74 649)**	**(21 070)**	**53 505**	**561 465**			**1 859 727**
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	105 933		234 087	742 046			2 040 308

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

Table C1 Monthly Budget Statement Summary – M12 June 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	36 542	321 482	307 899	13 583	4%	307 899
Service charges	629 997	761 356	723 457	56 621	699 533	723 457	(23 924)	-3%	723 457
Investment revenue	13 689	16 273	16 273	1 646	14 230	16 273	(2 043)	-13%	16 273
Transfers and subsidies - Operational	205 382	214 766	214 697	1 123	216 512	214 697	1 815	1%	214 697
Other own revenue	174 612	171 808	199 539	34 339	139 424	199 539	(60 115)	-30%	199 539
Total Revenue (excluding capital transfers and contributions)	**1 322 015**	**1 468 686**	**1 461 865**	**130 270**	**1 391 181**	**1 461 865**	**(70 684)**	**-5%**	**1 461 865**
Employee costs	418 731	525 261	440 386	53 040	462 182	440 386	21 796	5%	440 386
Remuneration of Councillors	15 443	15 988	16 550	1 342	15 602	16 550	(949)	-6%	16 550
Depreciation and amortisation	115 298	142 422	142 422	9 049	108 291	142 422	(34 131)	-24%	142 422
Interest	13 825	20 106	39 542	8 297	20 730	39 542	(18 812)	-48%	39 542
Inventory consumed and bulk purchases	521 483	555 432	553 375	57 281	581 013	553 375	27 637	5%	553 375
Transfers and subsidies	447	950	950	–	478	950	(472)	-50%	950
Other expenditure	333 344	320 959	351 947	57 036	254 395	351 947	(97 552)	-28%	351 947
Total Expenditure	**1 418 571**	**1 581 117**	**1 545 173**	**186 046**	**1 442 690**	**1 545 173**	**(102 482)**	**-7%**	**1 545 173**
Surplus/(Deficit)	**(96 556)**	**(112 431)**	**(83 308)**	**(55 776)**	**(51 510)**	**(83 308)**	**31 798**	**-38%**	**(83 308)**
Transfers and subsidies - capital (monetary allocations)	109 313	82 934	125 262	13 880	71 114	125 262	(54 148)	-43%	125 262
Transfers and subsidies - capital (in-kind)	15 000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**27 757**	**(29 497)**	**41 954**	**(41 896)**	**19 604**	**41 954**	**(22 349)**	**-53%**	**41 954**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**27 757**	**(29 497)**	**41 954**	**(41 896)**	**19 604**	**41 954**	**(22 349)**	**-53%**	**41 954**
Capital expenditure & funds sources									
Capital expenditure	**151 442**	**265 462**	**322 565**	**48 605**	**139 353**	**322 565**	**(183 213)**	**-57%**	**322 565**
Capital transfers recognised	103 754	72 117	111 403	13 121	63 400	111 403	(48 003)	-43%	111 403
Borrowing	69 882	152 174	153 003	12 587	29 079	153 003	(123 924)	-81%	153 003
Internally generated funds	44 891	41 172	58 159	22 897	46 873	58 159	(11 286)	-19%	58 159
Total sources of capital funds	**218 527**	**265 462**	**322 565**	**48 605**	**139 353**	**322 565**	**(183 213)**	**-57%**	**322 565**
Financial position									
Total current assets	378 763	266 780	315 185		490 761				315 185
Total non current assets	2 363 867	2 577 825	2 592 388		2 440 043				2 592 388
Total current liabilities	364 097	285 984	322 671		384 030				322 671
Total non current liabilities	368 452	465 849	473 581		468 232				473 581
Community wealth/Equity	2 058 047	2 092 771	2 111 322		2 078 542				2 111 322
Cash flows									
Net cash from (used) operating	2 654 615	124 378	167 398	33 168	139 775	167 398	27 623	17%	1 465 660
Net cash from (used) investing	(130 825)	(265 462)	(318 057)	(55 896)	(160 255)	318 057	478 312	150%	318 057
Net cash from (used) financing	(143 418)	76 010	76 010	1 658	73 986	76 010	2 024	3%	76 010
Cash/cash equivalents at the month/year end	**2 677 684**	**129 327**	**105 933**	**–**	**234 087**	**742 046**	**507 960**	**68%**	**2 040 308**
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	92 822	12 983	12 338	11 663	9 933	9 555	98 167	140 360	387 821
Creditors Age Analysis									
Total Creditors	93 845	3 716	450	518	82	579	392	(785)	98 797

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) – M12 June 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**	**67 402**	**536 035**	**576 997**	(40 961)	-7%	**576 997**
Executive and council		53	142	165	847	847	165	682	412%	165
Finance and administration		551 593	530 479	576 831	66 555	535 188	576 831	(41 643)	-7%	576 831
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**68 805**	**50 121**	**81 763**	**2 820**	**33 069**	**81 763**	(48 694)	-60%	**81 763**
Community and social services		3 335	3 385	3 464	34	3 442	3 464	(22)	-1%	3 464
Sport and recreation		7 349	12 255	13 245	247	10 763	13 245	(2 482)	-19%	13 245
Public safety		1 535	1 870	1 368	4	1 014	1 368	(354)	-26%	1 368
Housing		53 075	30 000	61 074	2 527	14 170	61 074	(46 905)	-77%	61 074
Health		3 511	2 612	2 612	7	3 680	2 612	1 069	41%	2 612
Economic and environmental services		**49 967**	**40 955**	**58 069**	**4 827**	**51 794**	**58 069**	(6 275)	-11%	**58 069**
Planning and development		8 979	10 838	11 675	2 013	13 669	11 675	1 995	17%	11 675
Road transport		21 204	10 185	23 787	1 689	17 061	23 787	(6 726)	-28%	23 787
Environmental protection		19 784	19 932	22 608	1 124	21 064	22 608	(1 544)	-7%	22 608
Trading services		**775 911**	**929 924**	**870 298**	**69 101**	**841 396**	**870 298**	(28 901)	-3%	**870 298**
Energy sources		417 937	501 093	494 194	38 308	480 865	494 194	(13 328)	-3%	494 194
Water management		165 405	203 581	169 130	11 453	153 798	169 130	(15 332)	-9%	169 130
Waste water management		121 149	141 631	128 457	14 729	130 213	128 457	1 756	1%	128 457
Waste management		71 420	83 619	78 517	4 611	76 520	78 517	(1 997)	-3%	78 517
Other	4	–	–	–	–	–	–	–		–
Total Revenue - Functional	2	**1 446 328**	**1 551 621**	**1 587 126**	**144 150**	**1 462 295**	**1 587 126**	**(124 831)**	**-8%**	**1 587 126**
Expenditure - Functional										
Governance and administration		**310 795**	**402 672**	**376 867**	**31 468**	**335 570**	**376 867**	(41 297)	-11%	**376 867**
Executive and council		49 885	66 561	60 854	4 057	59 134	60 854	(1 720)	-3%	60 854
Finance and administration		260 774	332 893	312 793	27 150	274 733	312 793	(38 060)	-12%	312 793
Internal audit		136	3 218	3 219	261	1 703	3 219	(1 516)	-47%	3 219
Community and public safety		**109 518**	**141 482**	**119 944**	**10 813**	**120 615**	**119 944**	672	1%	**119 944**
Community and social services		12 638	12 289	13 095	1 035	11 654	13 095	(1 441)	-11%	13 095
Sport and recreation		60 815	73 671	63 050	5 893	63 300	63 050	250	0%	63 050
Public safety		29 230	35 167	31 428	2 718	35 104	31 428	3 676	12%	31 428
Housing		1 253	11 626	9 446	1 025	9 081	9 446	(366)	-4%	9 446
Health		5 583	8 729	2 924	142	1 477	2 924	(1 447)	-49%	2 924
Economic and environmental services		**207 757**	**206 880**	**251 754**	**74 996**	**206 680**	**251 754**	(45 074)	-18%	**251 754**
Planning and development		33 240	39 914	33 922	3 521	30 964	33 922	(2 958)	-9%	33 922
Road transport		162 100	158 635	198 503	69 073	157 800	198 503	(40 703)	-21%	198 503
Environmental protection		12 417	8 331	19 329	2 402	17 915	19 329	(1 414)	-7%	19 329
Trading services		**790 138**	**830 084**	**796 244**	**68 738**	**779 477**	**796 244**	(16 767)	-2%	**796 244**
Energy sources		467 394	527 947	528 425	55 897	529 962	528 425	1 537	0%	528 425
Water management		177 229	121 164	126 271	3 723	119 230	126 271	(7 041)	-6%	126 271
Waste water management		86 800	109 169	80 603	6 736	73 174	80 603	(7 430)	-9%	80 603
Waste management		58 714	71 803	60 945	2 382	57 112	60 945	(3 833)	-6%	60 945
Other		**363**	–	**363**	**30**	**348**	**363**	**(16)**	**-4%**	**363**
Total Expenditure - Functional	3	**1 418 571**	**1 581 117**	**1 545 173**	**186 046**	**1 442 690**	**1 545 173**	**(102 482)**	**-7%**	**1 545 173**
Surplus/ (Deficit) for the year		**27 757**	**(29 497)**	**41 954**	**(41 896)**	**19 604**	**41 954**	**(22 349)**	**-53%**	**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 – M12 June 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	969	3 157	1 138	2 019	177,3%	1 138
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		459 109	484 342	485 848	25 791	479 690	485 848	(6 158)	-1,3%	485 848
Vote 4 - COMMUNITY SERVICES		205 341	176 939	219 749	46 202	172 592	219 749	(47 157)	-21,5%	219 749
Vote 5 - CIVIL AND WATER SERVICES		301 230	349 202	315 179	27 679	298 564	315 179	(16 615)	-5,3%	315 179
Vote 6 - ELECTRO/MECHANICAL SERVICES		418 360	501 094	494 372	38 899	481 610	494 372	(12 762)	-2,6%	494 372
Vote 7 - PLANNING AND DEVELOPMENT		60 017	38 929	70 840	4 525	25 525	70 840	(45 315)	-64,0%	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**	**144 064**	**1 461 137**	**1 587 126**	**(125 989)**	**-7,9%**	**1 587 126**
Expenditure by Vote	1									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		12 834	18 128	17 968	1 050	16 061	17 968	(1 907)	-10,6%	17 968
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		117 742	165 192	148 696	8 140	128 099	148 696	(20 597)	-13,9%	148 696
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		101 376	139 445	126 048	12 233	104 766	126 048	(21 282)	-16,9%	126 048
Vote 4 - COMMUNITY SERVICES		305 104	314 436	331 156	77 574	308 036	331 156	(23 120)	-7,0%	331 156
Vote 5 - CIVIL AND WATER SERVICES		363 474	341 894	326 236	24 702	288 982	326 236	(37 254)	-11,4%	326 236
Vote 6 - ELECTRO/MECHANICAL SERVICES		483 211	555 517	552 576	58 823	558 713	552 576	6 137	1,1%	552 576
Vote 7 - PLANNING AND DEVELOPMENT		34 502	44 085	38 295	3 373	34 089	38 295	(4 206)	-11,0%	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**	**185 895**	**1 438 745**	**1 540 974**	**(102 229)**	**-6,6%**	**1 540 974**
Surplus/ (Deficit) for the year	2	**28 083**	**(27 076)**	**46 152**	**(41 830)**	**22 392**	**46 152**	**(23 760)**	**-51,5%**	**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) – M12 June 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	37 107	460 106	473 955	(13 849)	-3%	473 955
Service charges - Water		104 737	147 583	123 885	8 716	112 258	123 885	(11 627)	-9%	123 885
Service charges - Waste Water Management		66 111	81 259	71 792	6 414	74 648	71 792	2 856	4%	71 792
Service charges - Waste management		58 681	52 990	53 826	4 384	52 521	53 826	(1 304)	-2%	53 826
Sale of Goods and Rendering of Services		6 687	10 044	10 044	1 868	10 962	10 044	918	9%	10 044
Agency services		6 045	4 554	4 554	–	1 120	4 554	(3 434)	-75%	4 554
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		22 366	34 661	11 618	1 151	12 818	11 618	1 200	10%	11 618
Interest earned from Current and Non Current Assets		13 689	16 273	16 273	1 646	14 230	16 273	(2 043)	-13%	16 273
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		4 068	3 322	4 312	130	5 083	4 312	771	18%	4 312
Licence and permits		2 137	2 856	2 856	183	2 920	2 856	65	2%	2 856
Special rating levies		–	15 436	15 436	(12 883)	–	15 436	(15 436)	-100%	15 436
Operational Revenue		8 061	1 955	8 122	719	6 230	8 122	(1 892)	-23%	8 122
Non-Exchange Revenue										
Property rates		298 334	304 484	307 899	36 542	321 482	307 899	13 583	4%	307 899
Surcharges and Taxes		–	22 602	25 277	3 547	20 989	25 277	(4 289)	-17%	25 277
Fines, penalties and forfeits		96 016	45 795	90 465	40 078	52 877	90 465	(37 588)	-42%	90 465
Licence and permits		6 849	3 139	3 139	(2 167)	3 417	3 139	278	9%	3 139
Transfer and subsidies - Operational		205 382	214 766	214 697	1 123	216 512	214 697	1 815	1%	214 697
Interest		3 214	5 841	4 050	290	3 610	4 050	(441)	-11%	4 050
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		19 241	21 605	19 666	1 383	19 338	19 666	(328)	-2%	19 666
Gains on disposal of Assets		(689)	–	–	40	60	–	60		–
Other Gains		617	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**1 322 015**	**1 468 686**	**1 461 865**	**130 270**	**1 391 181**	**1 461 865**	**–**		**1 461 865**
Expenditure By Type										
Employee related costs		418 731	525 261	440 386	53 040	462 182	440 386	21 796	5%	440 386
Remuneration of councillors		15 443	15 988	16 550	1 342	15 602	16 550	(949)	-6%	16 550
Bulk purchases - electricity		427 467	441 010	436 820	44 627	459 058	436 820	22 238	5%	436 820
Inventory consumed		94 016	114 422	116 555	12 654	121 955	116 555	5 400	5%	116 555
Debt impairment		(68 470)	65 115	64 219	38 231	38 231	64 219	(25 988)	-40%	64 219
Depreciation and amortisation		115 298	142 422	142 422	9 049	108 291	142 422	(34 131)	-24%	142 422
Interest		13 825	20 106	39 542	8 297	20 730	39 542	(18 812)	-48%	39 542
Contracted services		92 976	142 734	121 310	4 325	103 604	121 310	(17 706)	-15%	121 310
Transfers and subsidies		447	950	950	–	478	950	(472)	-50%	950
Irrecoverable debts written off		173 925	11 487	54 197	3 917	16 418	54 197	(37 779)	-70%	54 197
Operational costs		93 868	101 623	97 170	9 744	94 349	97 170	(2 821)	-3%	97 170
Losses on Disposal of Assets		13 672	–	–	818	1 792	–	1 792		–
Other Losses		27 372	–	15 051	–	–	15 051	(15 051)	-100%	15 051
Total Expenditure		**1 418 571**	**1 581 117**	**1 545 173**	**186 046**	**1 442 690**	**1 545 173**	**(102 482)**	**-7%**	**1 545 173**
Surplus/(Deficit)		**(96 556)**	**(112 431)**	**(83 308)**	**(55 776)**	**(51 510)**	**(83 308)**	**102 482**	**(0)**	**(83 308)**
Transfers and subsidies - capital (monetary allocations)		109 313	82 934	125 262	13 880	71 114	125 262	(54 148)	**(0)**	125 262
Transfers and subsidies - capital (in-kind)		15 000	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**27 757**	**(29 497)**	**41 954**	**(41 896)**	**19 604**	**41 954**			**41 954**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**27 757**	**(29 497)**	**41 954**	**(41 896)**	**19 604**	**41 954**			**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**	**(41 896)**	**19 604**	**41 954**			**41 954**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**27 757**	**(29 497)**	**41 954**	**(41 896)**	**19 604**	**41 954**			**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) – M12 June 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	–		5
Vote 2 - OFFICE OF THE DEPUTY MUNICIPAL MANAGER		1 623	1 050	2 660	118	2 147	2 660	(513)	-19%	2 660
Vote 3 - FINANCE AND ECONOMIC DEVELOPMENT		2 001	621	1 335	767	1 162	1 335	(173)	-13%	1 335
Vote 4 - COMMUNITY SERVICES		861	4 891	4 890	861	4 509	4 890	(381)	-8%	4 890
Vote 5 - CIVIL AND WATER SERVICES		61 676	206 142	245 875	25 595	82 552	245 875	(163 322)	-66%	245 875
Vote 6 - ELECTRO/MECHANICAL SERVICES		85 369	49 509	44 135	18 248	41 322	44 135	(2 813)	-6%	44 135
Vote 7 - PLANNING AND DEVELOPMENT		(112)	3 250	23 666	3 016	7 656	23 666	(16 010)	-68%	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**	**48 605**	**139 353**	**322 565**	**(183 213)**	**-57%**	**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**	**48 605**	**139 353**	**322 565**	**(183 213)**	**-57%**	**322 565**
Capital Expenditure - Functional Classification										
Governance and administration		**51 929**	**2 621**	**4 911**	**885**	**4 663**	**4 911**	(248)	-5%	**4 911**
Executive and council		293	–	–	–	–	–	–		–
Finance and administration		51 613	2 621	4 906	885	4 658	4 906	(248)	-5%	4 906
Internal audit		23	–	5	–	5	5	–		5
Community and public safety		**520**	**2 441**	**21 456**	**861**	**6 919**	**21 456**	(14 537)	-68%	**21 456**
Community and social services		–	50	50	–	29	50	(21)	-43%	50
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		632	2 391	2 390	861	2 295	2 390	(95)	-4%	2 390
Housing		(112)	–	19 016	–	4 595	19 016	(14 421)	-76%	19 016
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**20 298**	**173 232**	**190 204**	**22 093**	**59 615**	**190 204**	(130 589)	-69%	**190 204**
Planning and development		2 143	6 580	8 296	3 036	6 147	8 296	(2 149)	-26%	8 296
Road transport		18 155	166 652	181 909	19 057	53 469	181 909	(128 440)	-71%	181 909
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**78 695**	**87 169**	**105 994**	**24 766**	**68 155**	**105 994**	(37 839)	-36%	**105 994**
Energy sources		36 398	49 509	44 135	18 248	40 828	44 135	(3 307)	-7%	44 135
Water management		14 419	18 289	31 064	2 537	9 722	31 064	(21 342)	-69%	31 064
Waste water management		27 878	17 872	29 295	3 981	16 301	29 295	(12 994)	-44%	29 295
Waste management		–	1 500	1 500	–	1 304	1 500	(196)	-13%	1 500
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**151 442**	**265 462**	**322 565**	**48 605**	**139 353**	**322 565**	**(183 213)**	**-57%**	**322 565**
Funded by:										
National Government		67 436	44 639	54 860	11 445	49 776	54 860	(5 084)	-9%	54 860
Provincial Government		35 687	26 087	55 588	2 110	12 670	55 588	(42 919)	-77%	55 588
District Municipality		632	1 391	955	(435)	955	955	–		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**	**13 121**	**63 400**	**111 403**	**(48 003)**	**-43%**	**111 403**
Borrowing	6	69 882	152 174	153 003	12 587	29 079	153 003	(123 924)	-81%	153 003
Internally generated funds		44 891	41 172	58 159	22 897	46 873	58 159	(11 286)	-19%	58 159
Total Capital Funding	7	**218 527**	**265 462**	**322 565**	**48 605**	**139 353**	**322 565**	**(183 213)**	**-57%**	**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 – M12 June 2026

Description R thousands	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
ASSETS	1					
Current assets						
Cash and cash equivalents		180 582	143 991	120 544	234 087	120 544
Trade and other receivables from exchange transactions		63 211	59 899	63 211	124 099	63 211
Receivables from non-exchange transactions		79 492	26 651	79 496	39 197	79 496
Current portion of non-current receivables		–	–	–	–	–
Inventory		24 825	22 450	21 281	27 564	21 281
VAT		27 507	12 790	27 507	63 032	27 507
Other current assets		3 145	999	3 145	2 782	3 145
Total current assets		**378 763**	**266 780**	**315 185**	**490 761**	**315 185**
Non current assets						
Investments		–	–	–	–	–
Investment property		246 290	250 794	246 427	246 290	246 427
Property, plant and equipment		2 117 365	2 326 613	2 345 450	2 193 399	2 345 450
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		212	419	512	355	512
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		**2 363 867**	**2 577 825**	**2 592 388**	**2 440 043**	**2 592 388**
TOTAL ASSETS		**2 742 630**	**2 844 605**	**2 907 573**	**2 930 804**	**2 907 573**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		29 869	31 944	23 538	605	23 538
Consumer deposits		34 505	31 660	34 505	38 701	34 505
Trade and other payables from exchange transactions		210 501	143 222	196 030	213 777	196 030
Trade and other payables from non-exchange transactions		20 944	–	0	15 416	0
Provision		39 189	64 451	39 509	39 189	39 509
VAT		29 089	14 707	29 089	76 342	29 089
Other current liabilities		–	–	–	–	–
Total current liabilities		**364 097**	**285 984**	**322 671**	**384 030**	**322 671**
Non current liabilities						
Financial liabilities		119 060	203 183	201 401	218 840	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**	**468 232**	**473 581**
TOTAL LIABILITIES		**732 549**	**751 834**	**796 251**	**852 262**	**796 251**
NET ASSETS	2	**2 010 081**	**2 092 771**	**2 111 322**	**2 078 542**	**2 111 322**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2 055 861	2 078 271	2 091 822	2 073 230	2 091 822
Reserves and funds		2 186	14 500	19 500	5 312	19 500
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**2 058 047**	**2 092 771**	**2 111 322**	**2 078 542**	**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 – M12 June 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	23 421	320 151	296 352	23 799	8%	296 352
Service charges		719 038	908 343	846 520	61 658	716 775	846 520	(129 745)	-15%	846 520
Other revenue		52 563	112 594	131 358	15 731	363 203	131 358	231 846	176%	131 358
Transfers and Subsidies - Operational		201 325	214 766	214 697	–	215 553	214 697	856	0%	214 697
Transfers and Subsidies - Capital		57 409	82 934	104 439	–	74 330	104 439	(30 109)	-29%	104 439
Interest		1 659 179	16 273	16 273	1 810	15 127	16 273	(1 145)	-7%	16 273
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(298 661)	(1 485 124)	(1 422 023)	(66 443)	(1 549 922)	(1 422 023)	127 900	-9%	(123 760)
Interest		–	(19 267)	(19 267)	(3 009)	(15 442)	(19 267)	(3 825)	20%	(19 267)
Transfers and Subsidies		–	(950)	(950)	–	–	(950)	(950)	100%	(950)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**2 654 615**	**124 378**	**167 398**	**33 168**	**139 775**	**167 398**	**27 623**	**17%**	**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)	(318 057)	(55 896)	(160 255)	318 057	478 312	150%	318 057
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(130 825)**	**(265 462)**	**(318 057)**	**(55 896)**	**(160 255)**	**318 057**	**478 312**	**150%**	**318 057**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		(120 000)	100 000	100 000	–	100 000	100 000	–		100 000
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		(23 418)	(23 990)	(23 990)	1 658	(26 014)	(23 990)	2 024	-8%	(23 990)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(143 418)**	**76 010**	**76 010**	**1 658**	**73 986**	**76 010**	**2 024**	**3%**	**76 010**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 380 372**	**(65 075)**	**(74 649)**	**(21 070)**	**53 505**	**561 465**			**1 859 727**
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	105 933		234 087	742 046			2 040 308

Explanatory notes to Table C7 – Budgeted Cash Flow Statement

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

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

Annexure "A5"

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

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

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

Below is an analysis of the outstanding consumer debtors as at 30 June 2026, compared to the position as at 30 June 2025.

Debtors' Age Analysis (Inclusive of VAT) as at 30 June 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	34 174	4 820	5 220	5 232	4 190	4 169	22 504	22 677	102 985
Trade and Other Receivables from Exchange Transactions - Electricity	37 925	1 930	1 404	1 220	900	790	3 331	7 393	54 894
Receivables from Non-exchange Transactions - Property Rates	24 892	2 466	2 045	1 702	1 587	1 445	6 943	24 301	65 381
Receivables from Exchange Transactions - Waste Water Management	15 063	1 693	1 708	1 605	1 383	1 320	6 825	7 753	37 348
Receivables from Exchange Transactions - Waste Management	10 689	1 334	1 216	1 141	1 089	1 051	5 695	6 604	28 819
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	5 483	311	377	444	450	493	12 657	29 570	49 786
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–
Other	(35 404)	430	368	319	334	287	40 212	42 062	48 608
Total By Income Source	**92 822**	**12 983**	**12 338**	**11 663**	**9 933**	**9 555**	**98 167**	**140 360**	**387 821**
Debtors Age Analysis By Customer Group									
Organs of State	1 496	475	523	362	354	382	6 562	3 161	13 315
Commercial	13 718	423	305	270	219	190	2 015	6 312	23 452
Households	77 604	12 084	11 510	11 030	9 359	8 983	89 587	130 887	351 045
Other	4	1	0	0	0	0	3	–	8
Total By Customer Group	**92 822**	**12 983**	**12 338**	**11 663**	**9 933**	**9 555**	**98 167**	**140 360**	**387 821**

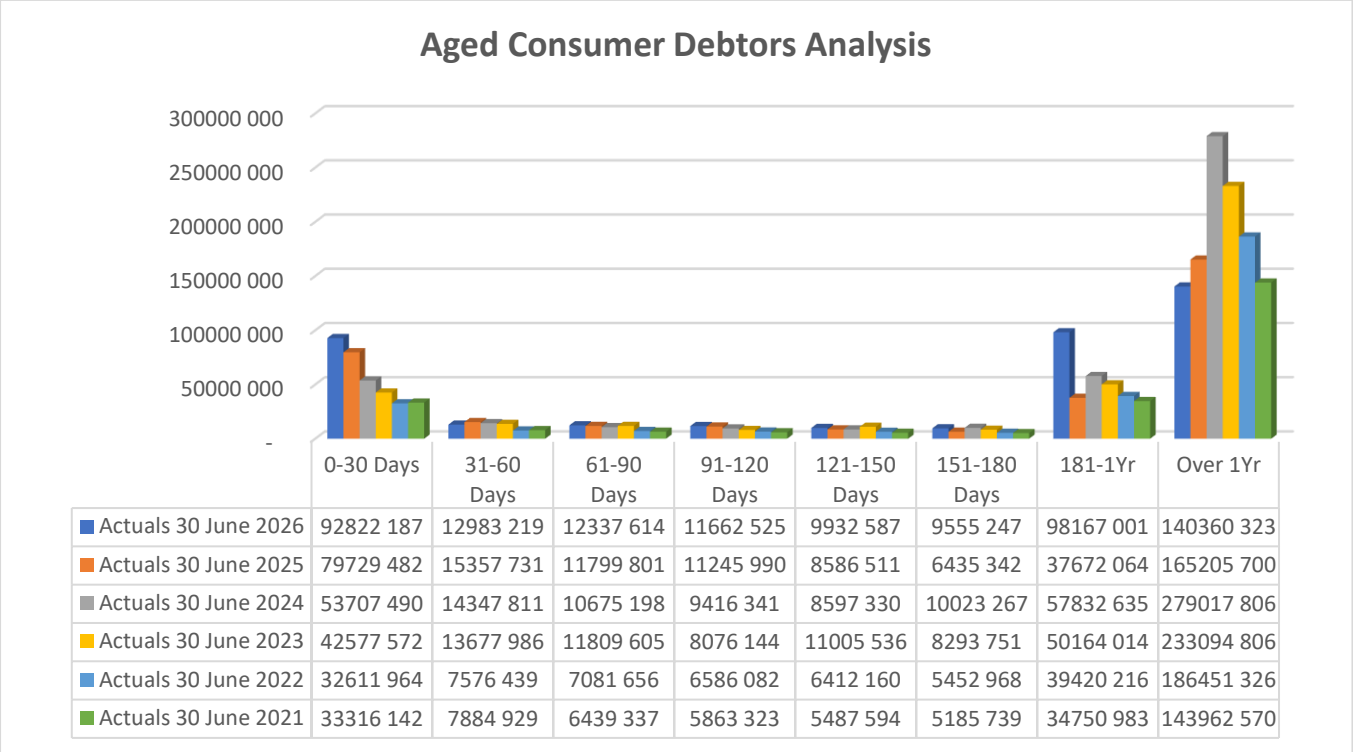
Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2025

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

The analysis indicates that from 30 June 2025 to 30 June 2026, the overdue debts have increased by R 38 695 million from R 256,303 million to R 294,999 million, as follows:

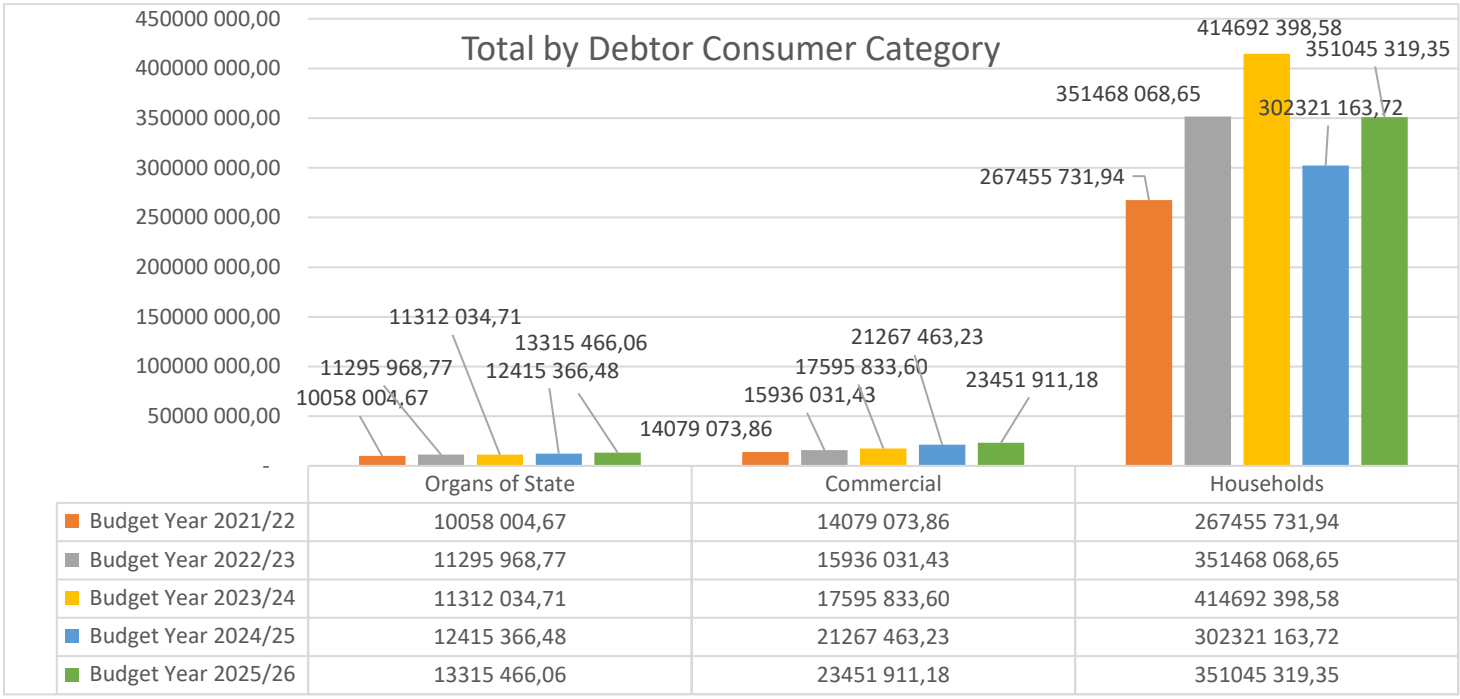
R thousands	OVERDUE AMOUNTS AS AT		
Debtors Age Analysis By Income Source	**30-Jun-25**	**30-Jun-26**	**DIFFERENCE**
Trade and Other Receivables from Exchange Transactions - Water	69 558	68 811	(747)
Trade and Other Receivables from Exchange Transactions - Electricity	24 215	16 969	(7 246)
Receivables from Non-exchange Transactions - Property Rates	48 684	40 489	(8 196)
Receivables from Exchange Transactions - Waste Water Management	26 371	22 285	(4 086)
Receivables from Exchange Transactions - Waste Management	27 508	18 131	(9 378)
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–
Interest on Arrear Debtor Accounts	44 532	44 303	(229)
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–
Other	15 436	84 012	68 576
Total By Income Source	**256 303**	**294 999**	**38 695**
Debtors Age Analysis By Customer Group			
Organs of State	12 461	11 819	(642)
Commercial	10 471	9 734	(736)
Households	233 347	273 441	40 094
Other	25	4	(21)
Total By Customer Group	**256 303**	**294 999**	**38 695**

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 30 June 2026	92822 187	12983 219	12337 614	11662 525	9932 587	9555 247	98167 001	140360 323
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	13315 466,06	23451 911,18	351045 319,35

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	50 547	–	–	–	–	–	–	–	**50 547**
Bulk Water	2 049	185	(20)	199	80	80	178	(817)	**1 933**
PAYE deductions	6 720								**6 720**
VAT (output less input)									**–**
Pensions / Retirement deductions									**–**
Loan repayments									**–**
Trade Creditors	34 529	3 531	470	319	2	499	214	32	**39 597**
Auditor General									**–**
Other									**–**
Total By Customer Type	**93 845**	**3 716**	**450**	**518**	**82**	**579**	**392**	**(785)**	**98 797**

The above amounts represent invoices still to be paid. The major creditors as at 30 June 2026 are as follows:

Eskom	R 50,547million
NMBM	R 1,933 million
PAYE	R 6,720 million
Other Creditors	R 39,597million
Total	**R 98,797 million**

It must be noted that the Eskom amount of R 50,547 million, represents the current account for June 2026, which is due in June 2026.

It is to be noted that the SARS amount of R 6,720 million, represents the current account for June 2026, which is due in June 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 – M12 June 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**	**-**	**209 160**	**209 160**	**-**	**0,00%**	**209 160**
Operational Revenue:General Revenue:Equitable Share	203 533	203 533	-	203 533	203 533	-	0,00%	203 533
Expanded Public Works Programme Integrated Grant for Municipalities [Schedu	2 081	2 081	-	2 081	2 081	-	0,00%	2 081
Local Government Financial Management Grant [Schedule 5B]	1 785	1 637	-	1 637	1 637	-	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**	**-**	**215 674**	**215 674**	**-**	**0,00%**	**214 697**
Capital Transfers and Grants								
National Government:	**51 334**	**51 482**	**-**	**49 153**	**49 153**		**0,00%**	**51 482**
Local Government Financial Management Grant [Schedule 5B]	-	148	-	148	148			148
Municipal Disaster Relief Grant	-	-	-	-	-	-		-
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 440	5 440	-	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:	**1 391**	**1 098**	**-**	**930**	**930**	**-**		**1 098**
Fire Services Subsidy	1 391	1 098	-	930	930	-		1 098
Total Capital Transfers and Grants	**82 726**	**104 439**	**-**	**65 699**	**65 699**	**-**	**0,00%**	**104 439**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**297 491**	**319 135**	**-**	**281 373**	**281 373**	**-**	**0,00%**	**319 135**

Below is an analysis of the spending associated with the grants as at 30 June 2026:

Supporting Table SC7 Monthly Budget Statement – transfers and grants expenditure – M12 June 2026.

Description	2025/26	Buget Year 2025/26						
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance%	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	**209 308**	**209 160**	**155**	**209 151**	**209 160**	**8**	**0**	**209 160**
Operational Revenue:General Revenue:Equitable Share	203 533	203 533	–	203 533	203 533	–	0%	203 533
Expanded Public Works Programme Integrated Grant for Municipalities [Schedule 5B	2 081	2 081	–	2 081	2 081	–	0%	2 081
Local Government Financial Management Grant [Schedule 5B]	1 785	1 637	155	1 629	1 637	8	1%	1 637
Municipal Infrastructure Grant [Schedule 5B]	1 909	1 909	–	1 909	1 909	–	0%	1 909
Provincial Government:	**2 955**	**3 034**	**–**	**3 034**	**3 034**	**–**	**–**	**3 034**
Human Settlement Grant	–	–	–	–	–			–
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:	**214 766**	**214 697**	**155**	**215 665**	**215 674**	**8**	**1%**	**214 697**
Capital expenditure of Transfers and Grants								
National Government:	**51 334**	**63 089**	**11 353**	**56 019**	**63 089**	**7 070**	**0,11**	**63 089**
Local Government Financial Management Grant [Schedule 5B]	–	148	–	148	148			148
Integrated National Electrification Programme (Municipal Grant) [Schedule 5B]	5 440	5 440	304	5 422	5 440	**18**	0%	5 440
Municipal Infrastructure Grant [Schedule 5B]	36 265	36 265	7 922	35 407	36 265	**858**	2%	36 265
Water Services Infrastructure Grant	9 629	9 629	1 678	5 583	9 629	**4 046**	42%	9 629
Municipal Disaster Relief Grant	–	11 607	1 448	9 458	11 607	2 148	19%	11 607
Provincial Government:	30 000	**61 074**	**2 527**	**14 165**	**61 074**	**46 909**	77%	**61 074**
Human Settlement	30 000	61 074	2 527	14 165	61 074	**46 909**	77%	61 074
District Municipality:	**1 391**	**955**	**–**	**955**	**955**	**–**		**955**
Fire Services Subsidy	1 391	955	–	955	955	–		955
Total capital expenditure of Transfers and Grants	**82 726**	**125 118**	**13 880**	**71 139**	**125 118**	**53 979**	**43%**	**125 118**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**297 491**	**339 815**	**14 035**	**286 805**	**340 792**	**53 987**	**16%**	**339 815**

CONDITIONAL GRANTS, SUBSIDIES AND DONATIONS RECEIVED

CONDITIONAL GRANTS, SUBSIDIES AND DONATIONS								
Reconciliation Grant Register as at 30 June 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	-	1 636 995	1 636 995	1 628 573	8 422	99,49%	8 422
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%	-
		-	**5 626 695**	**5 626 695**	**5 618 273**	**8 422**		**8 422**
Capex grants, subsidies and donations						-		
Municipal Infrastructure Grant	DORA	-	36 265 300	36 265 300	35 407 353	857 947	97,63%	857 947
Financial Management Grant	DORA	-	148 005	148 005	147 912	93	99,94%	93
Integrated National Electrification Programme	DORA	-	5 440 000	5 440 000	5 422 438	17 562	99,68%	17 562
Water Services Infrastructure Grant	DORA		7 300 000	7 300 000	5 583 312	1 716 688	76,48%	1 716 688
Municipal Disaster Response Grant	DORA	11 606 728	-	11 606 728	9 458 444	(9 458 444)	81,49%	2 148 284
			-					
Housing: Human Settlements Dev. Grant (Beneficiaries)	Provincial: Department of Infrastructure	9 216 084	15 616 123	24 832 207	14 164 866	1 451 257	57,04%	10 667 341
		20 822 812	**64 769 428**	**85 592 240**	**70 184 326**	**(5 414 898)**	**82,00%**	**15 407 914**
			70 396 123	**91 218 935**	**75 802 599**	**(5 406 476)**	**83,10%**	**15 416 336**

1.4 Councillor and employee benefits

Below is an analysis of Councillor and employee benefits:

Table SC8 Monthly Budget Statement – Councillor and staff benefits – M12 June 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	919	10 639	10 761	(122)	-1%	10 761
Pension and UIF Contributions	–	–	–	–	–	–	–		–
Medical Aid Contributions	–	–	–	–	–	–	–		–
Motor Vehicle Allowance	3 427	3 626	4 153	306	3 569	4 153	(584)	-14%	4 153
Cellphone Allowance	1 409	1 483	1 637	118	1 394	1 637	(243)	-15%	1 637
Housing Allowances	–	–	–	–	–	–	–		–
Sub Total - Councillors	**15 443**	**15 988**	**16 550**	**1 342**	**15 602**	**16 550**	**(949)**	**-6%**	**16 550**
Senior Managers of the Municipality									
Basic Salaries and Wages	10 400	9 436	10 393	939	12 470	10 393	2 077	20%	10 393
Pension and UIF Contributions	13	11	13	1	15	13	2	17%	13
Medical Aid Contributions	–	–	–	–	–	–	–		–
Overtime	–	–	–	–	–	–	–		–
Performance Bonus	1 657	395	761	–	1 707	761	945	124%	761
Motor Vehicle Allowance	1 024	655	1 085	90	1 080	1 085	(5)	0%	1 085
Cellphone Allowance	24	–	96	8	132	96	36	37%	96
Housing Allowances	–	–	–	–	–	–	–		–
Other benefits and allowances	10	0	28	(15)	35	28	7	24%	28
Sub Total - Senior Managers of Municipality	**17 381**	**10 498**	**12 376**	**1 166**	**16 825**	**12 376**	**4 449**	**36%**	**12 376**
Other Municipal Staff									
Basic Salaries and Wages	254 014	309 705	268 340	37 616	284 111	268 340	15 770	6%	268 340
Pension and UIF Contributions	36 539	52 636	45 383	3 756	42 936	45 383	(2 447)	-5%	45 383
Medical Aid Contributions	16 734	28 847	20 946	6 160	23 694	20 946	2 748	13%	20 946
Overtime	37 582	37 741	39 573	5 569	42 538	39 573	2 965	7%	39 573
Performance Bonus	979	227	1 010	–	948	1 010	(62)	-6%	1 010
Motor Vehicle Allowance	10 046	13 359	12 181	1 000	11 117	12 181	(1 064)	-9%	12 181
Cellphone Allowance	103	–	120	10	117	120	(3)	-2%	120
Housing Allowances	677	951	865	66	809	865	(56)	-6%	865
Other benefits and allowances	32 181	45 629	37 589	1 332	33 026	37 589	(4 563)	-12%	37 589
Payments in lieu of leave	–	–	0	3 021	3 021	0	3 021	151029643%	0
Long service awards	8 522	1 583	2 002	1 521	3 033	2 002	1 030	51%	2 002
Post-retirement benefit obligations	3 972	24 085	–	(8 176)	9	–	9		–
Sub Total - Other Municipal Staff	**401 350**	**514 763**	**428 010**	**51 874**	**445 358**	**428 010**	**17 348**	**4%**	**428 010**
Total Parent Municipality	**434 173**	**541 249**	**456 936**	**54 382**	**477 784**	**456 936**	**20 848**	**5%**	**456 936**
TOTAL SALARY, ALLOWANCES & BENEFITS	**434 173**	**541 249**	**456 936**	**54 382**	**477 784**	**456 936**	**20 848**	**5%**	**456 936**
TOTAL MANAGERS AND STAFF	**418 731**	**525 261**	**440 386**	**53 040**	**462 182**	**440 386**	**21 796**	**5%**	**440 386**

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**	**Approved Adjusted Budget 2025/26**	**Actuals as at 30 June 2026**
Capital Charges to Operating Expenditure	Interest & principal paid/Total Operating Expenditure	0.32%	0.52%	2.50%	2.8%	2.87%
Borrowed funding of "own" capital expenditure	Borrowings/Capital expenditure excl. transfers & grants	0%	0%	487.58%	171.94%	62.04%
Debt Servicing Costs to Operating Revenue	Debt Servicing Costs / Total Operating Revenue - Conditional Grants	0.00	0.01	0.03	0.03	0.03
Liquidity						
Current Ratio	Current assets / current liabilities	0.91	0.87	1.38:1	0.98	1.28
Liquidity Ratio	Monetary assets / current liabilities	0.40	0.47	0.68:1	0.37	0.61
Revenue Management						
Annual Debtors Collection Rate	Billed Revenue / Receipted Revenue	86.71%	91.01%	91.38%	95%	93.72%

Other indicators		Actuals as at 30 June 2023	Actuals as at 30 June 2024	Actuals as at 30 June 2025	Approved Adjusted Budget 2025/26	Actuals as at 30 June 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	0.74 Months	0.94 Months	0.33 Months
Employee Costs	Employee Costs / Total Operating Expenditure	29.47%	30.85%	31.08%	28.5%	32.04%
Capital Expenditure	Capital Expenditure / Capital Budget	94.66%	71.38%	67.88%	95%	43.20%
Repairs and Maintenance as % of Total Operating Expenditure	Repairs and Maintenance / Total Operating Expenditure	3.86%	2.24%	15.31%	12.15%	12.33%
Repairs and Maintenance as % of PPE (Book Value)	Repairs and Maintenance / Net PPE	2.32%	1.42%	9.45%	8%	8.11%
Own Revenue Sources / Total Operating Revenue (Including operating grants)	Own Revenue Sources / Total Operating Revenue (Including Conditional Grants)	77.74%	83.49%	83.34%	85.31%	84.44%

The above table is discussed in detail below.

1.1 Borrowing Management

1.1.1. Capital charges to Operating Expenditure.

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

Capital charges/Total Operating Expenditure to date.

The ratio is 2.87% as at 30 June 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 30 June 2026, the ratio indicates 62.04% of borrowed funding, compared to total expenditure to date, excluding transfers and grants.

1.1.2. Debt Servicing Costs to Operating Revenue Ratio

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

The ratio is determined as follows:

Debt Servicing Costs/Operating Revenue

As at 30 June 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:

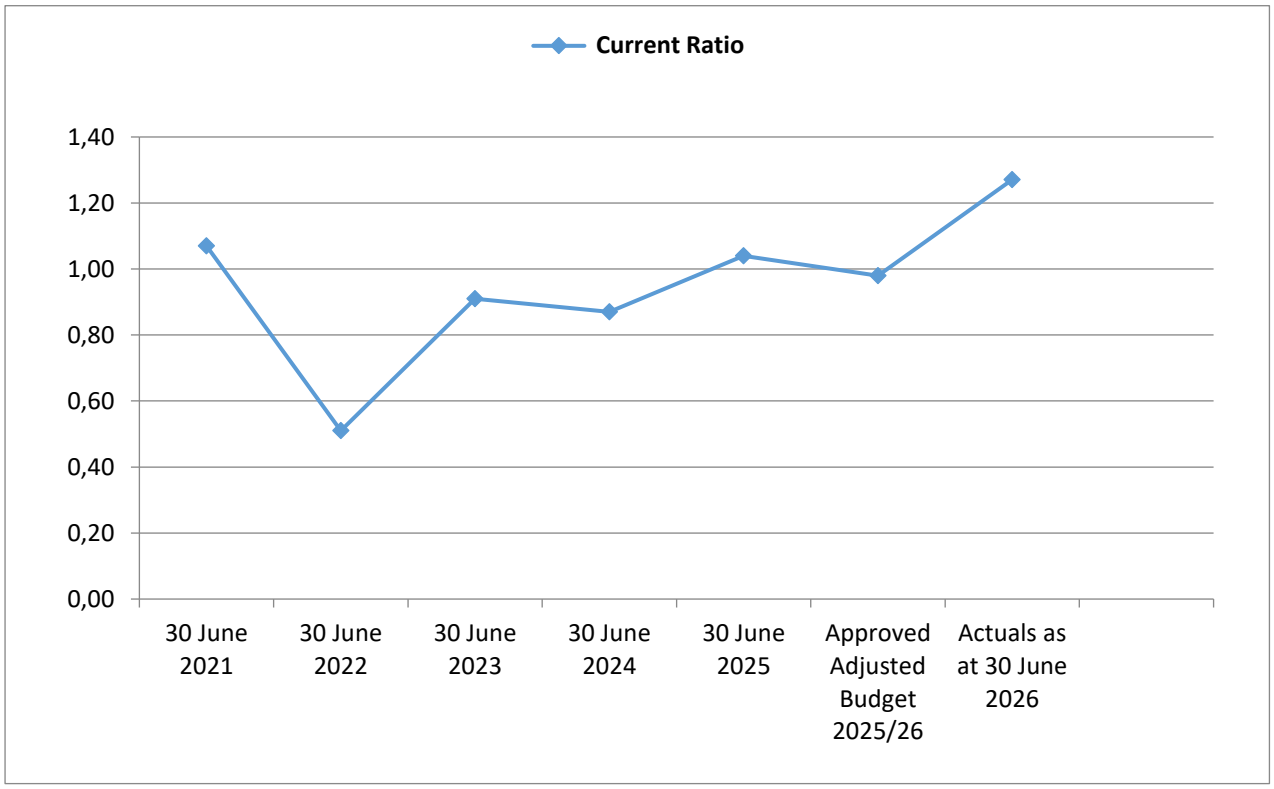
Current assets/Current liabilities

The ratio as at 30 June 2026 was 1.28:1, compared to the approved adjusted budget ratio of 0.80:1. As at 30 June 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.

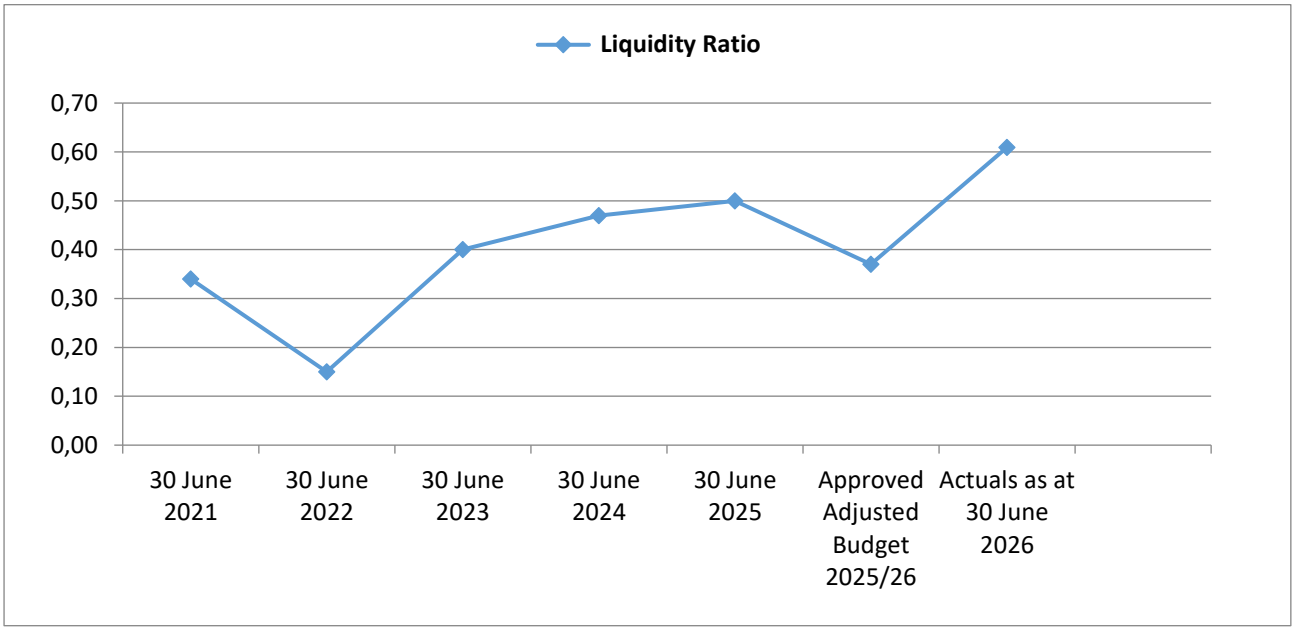
The ratio is determined as follows:

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 30 June 2026 was 0.61:1 compared to the approved adjusted budget ratio of 0.37:1.

As at 30 June 2026, cash reserves/commitments amounted to R 181,856 million, the liquidity ratio excluding the cash reserves constitute 0.14:1.

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



1.2. Revenue Management

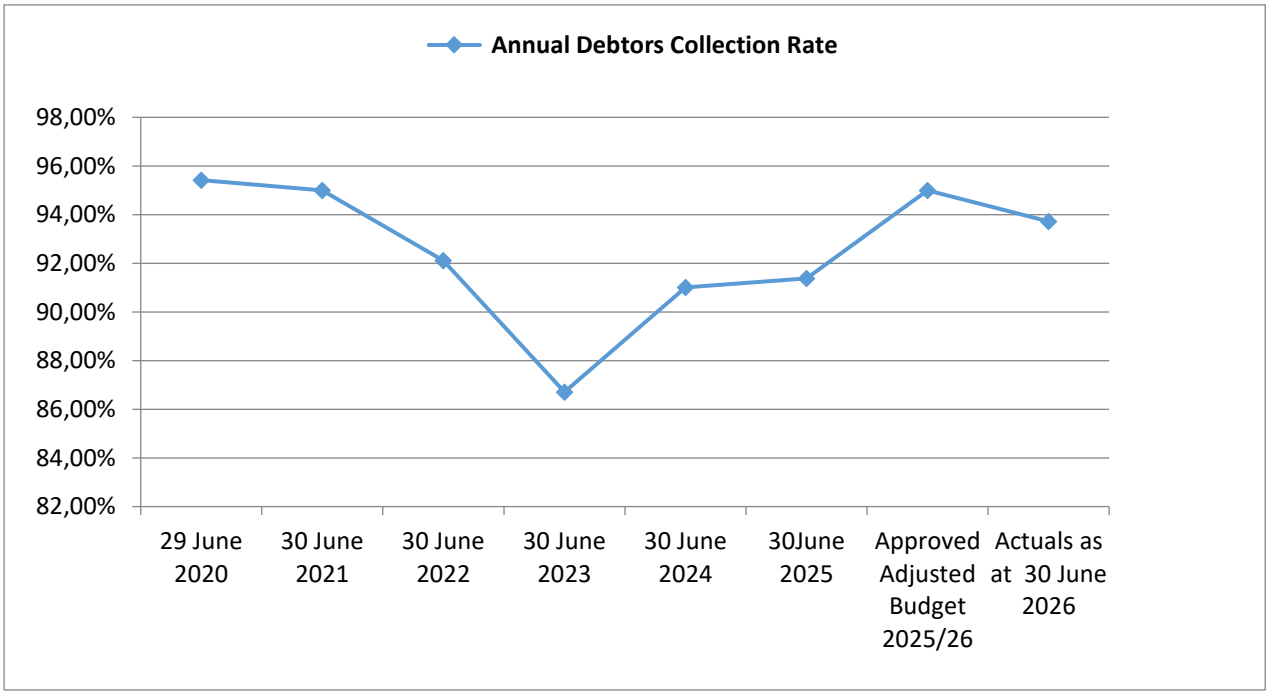
1.2.1. Annual Debtors Collection Rate

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

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

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

The average collection rate as at 30 June 2026 was 93.72%, compared to the approved adjusted budget collection rate of 95%. The actual collection rate for June is 99.51 %.



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.

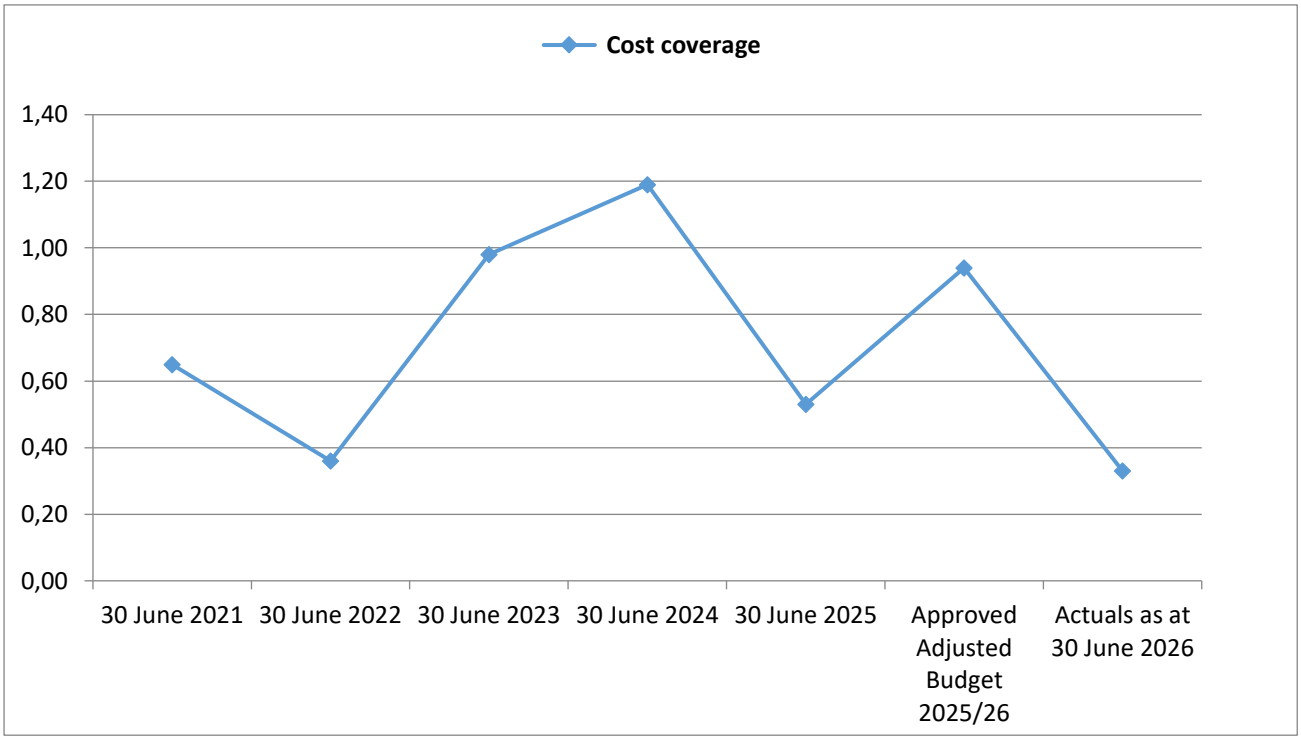
The Ratio is adjusted for Unspent Conditional Grants, Unspent borrowings, Cash Reserves for Eskom and Cash Reserves provided for the Development Bank of South Africa (DBSA) and augmentation fees, as the cash is not available for normal day-to-day operational expenditure but rather reserved for Grant 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 30 June 2026, the Ratio was 0.33 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.



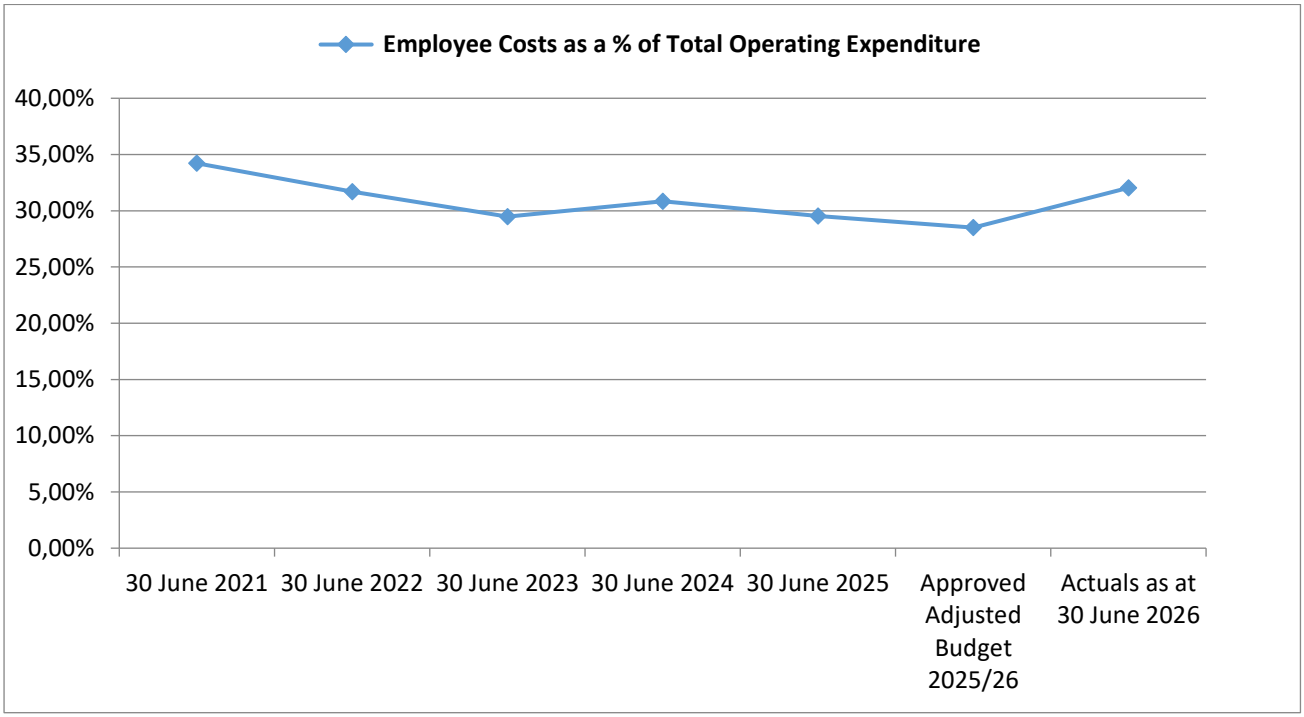
1.3.2. Employee costs as a % of Total Operating Expenditure

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 30 June 2026, Employee Related Costs constituted 32.04% of the Total Operating Expenditure, compared to the approved adjusted budget ratio 28.5%.



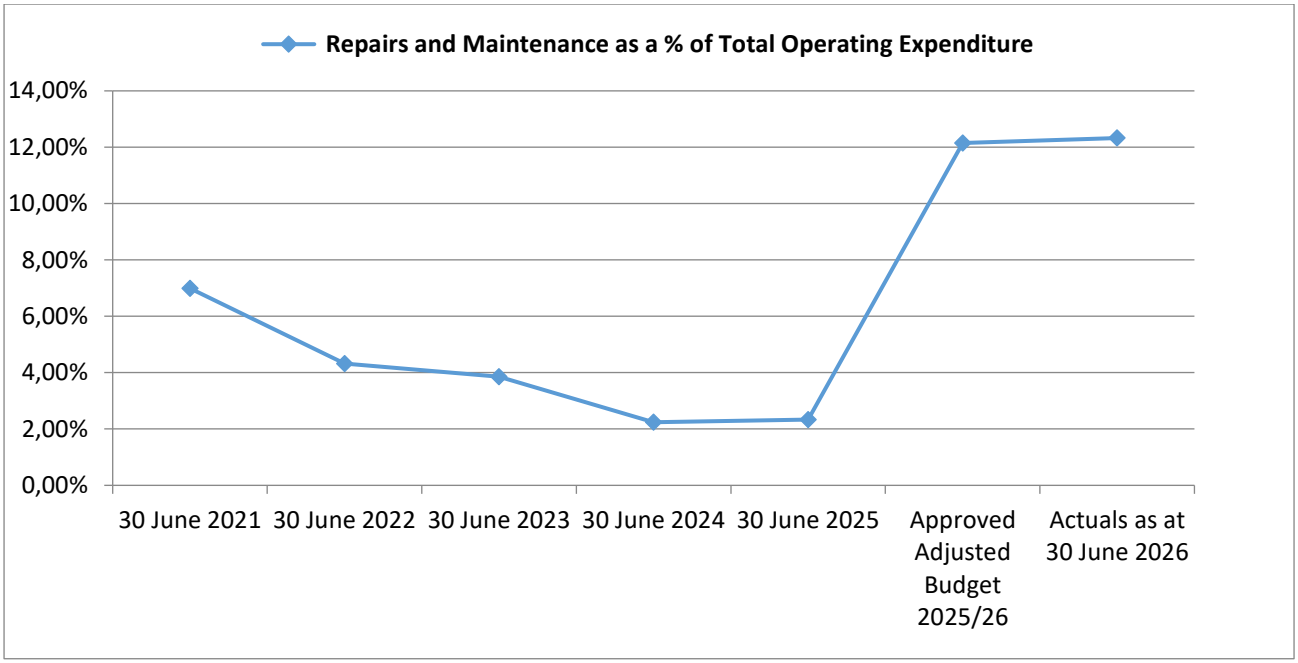
1.3.3. Repairs and Maintenance as a % of Total Operating Expenditure

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 30 June 2026, the ratio was 12.33%, 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)

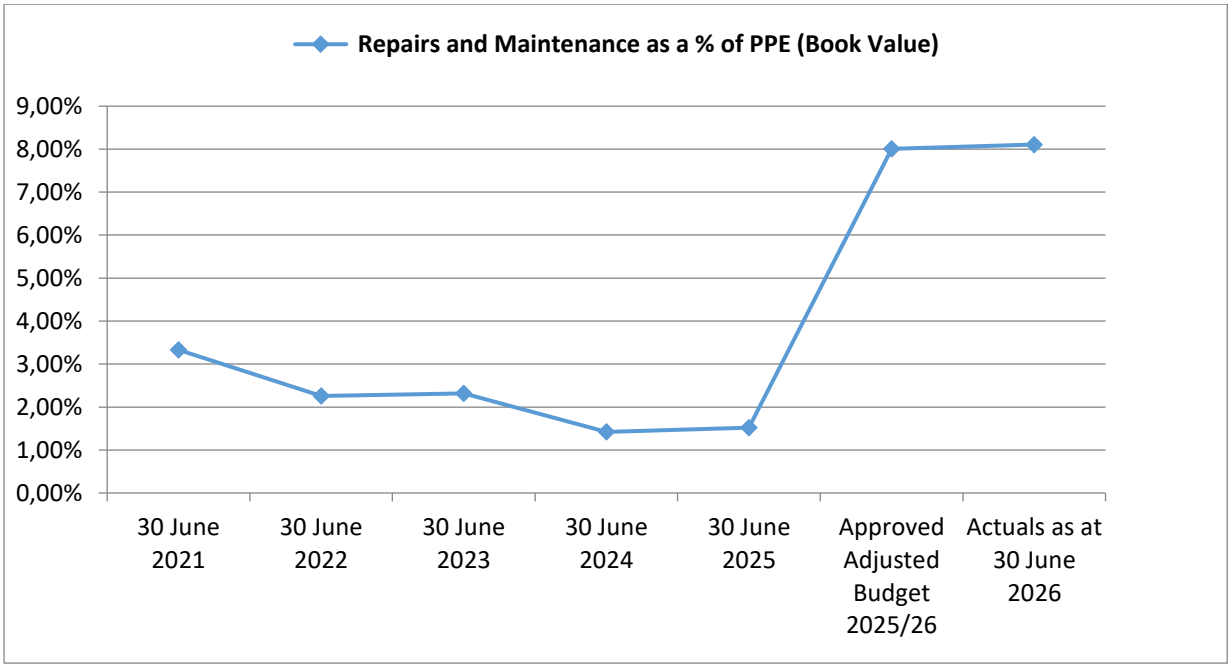
The Ratio measures the level of repairs and maintenance to ensure adequate maintenance to minimise breakdowns and interruptions in service delivery.

The ratio is determined as follows:

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

As at 30 June 2026, repairs and maintenance expenditure constituted 8.11% 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%.



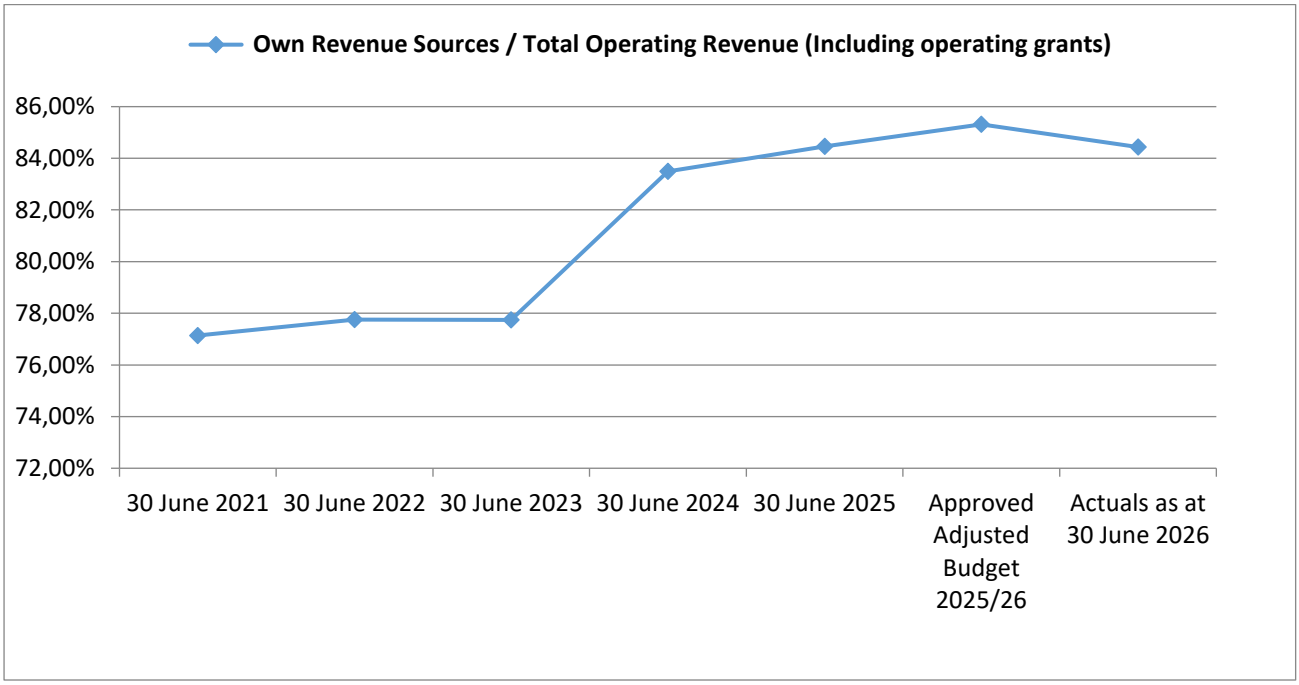
Own Revenue Generation

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 30 June 2026, the Municipality's own revenue sources constituted 84.44% 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 30 June 2026 amounted to 43.20%, compared to the approved adjusted budget ratio of 95%.

