ELIAS MOTSOALEDI LOCAL MUNICIPALITY

A RE BELEGANENG

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

JULY 2025 TO DECEMBER 2025

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Executive Summary

The Elias Motsoaledi Local Municipality hereby presents its mid-year institutional and departmental performance report and for the 2025/2026 financial year. This submission is prepared in compliance with the Local Government: Municipal Systems Act, Act No. 32 of 2000 (MSA), as amended, and the Local Government: Municipal Financial Management Act, Act No. 56 of 2003 (MFMA). In accordance with Section 72 of the MFMA, the Accounting Officer is required by 25 January each year to assess the municipality's performance during the first half of the financial year.

The municipality achieved an overall mid-year performance of **87%** representing a **13% improvement** compared to the 74% recorded in the previous financial year 2024/2025 . Of the 47 performance targets set, 41 were successfully achieved. To sustain and further enhance this progress, the Accounting Officer will engage Senior Managers in structured coaching and mentoring sessions. This approach will cascade to line managers within their respective departments, ensuring accountability and continuous improvement across all levels.

Purpose

The purpose of this report is to provide a comprehensive overview of the municipality's progress and achievements during the first six months of the 2025/2026 financial year. It highlights the advancement of ongoing projects and initiatives, offering insight into how the municipality is working towards its strategic goals and objectives. The report is based on the approved Service Delivery and Budget Implementation Plan (SDBIP) and incorporates both financial and non-financial performance information.

Challenges and Progress

In line with MFMA Section 72(1)(a)(iii), the Accounting Officer must assess municipal performance during the first half of the financial year, considering the previous year's annual report and progress made in addressing identified challenges.

Challenges identified	Progress on resolving the challenge
Misstatement in the annual performance report	audit action plan is developed

Conclusion

This report underscores both the achievements and the challenges encountered by the municipality, while outlining the measures being implemented to address them. The progress achieved reflects the collective commitment of municipal staff, councillors, the audit committee, and external stakeholders.

Looking ahead, the municipality remains steadfast in its pursuit of excellence in service delivery and financial management. Based on the progress to date, the Accounting Officer recommends an adjustment budget to ensure alignment with performance outcomes and strategic priorities

2025/2026 Mid-year performance per Key Performance Area

Key Performance Area Number	Key Performance Area	Total Mid-year targets	Achieved KPIs	Not achieved KPIs	Total Percentage achieved %	Not applicable KPIs
1	Spatial Rationale	5	5	0	100%	
2	Institutional Development & Transformation	3	3	0	100%	
3	Local Economic Development	5	5	0	100%	
4	Basic Service Delivery	13	13	0	100%	1
5	Financial Management & Viability	10	7	3	70%	
6	Good Governance & Public Participation	11	8	3	73%	
	Total	**47**	**41**	**6**	**87%**	**1**

2025/2026 Mid-year performance per Department

Key Performance Area Number	Departments	Total Mid-year targets	Achieved KPIs	Not achieved KPIs	Total Percentage achieved %	Not applicable KPIs
1	Development planning	11	11	0	100%	
2	Corporate services	6	6	0	100%	
3	Municipal Manager's office	5	4	1	80%	
4	Budget & Treasury	10	8	2	80%	
5	Community services	7	7	0	100%	
6	Infrastructure	16	14	2	88%	1
7	Executive support	8	6	2	75%	
	Total	**63**	**56**	**7**	**89%**	**1**

2024/2025 Mid-Year Performance per Key Performance Area

Key Performance Area Number	Key Performance Area	Total Mid-year target	Achieved KPIs	Not achieved KPIs	Total Percentage achieved %
1	Spatial Rationale	5	1	4	20%
2	Institutional Development & Transformation	5	5	0	100%
3	Local Economic Development	5	4	1	80%
4	Basic Service Delivery	21	16	5	76%
5	Financial Management & Viability	7	5	2	71%
6	Good Governance & Public Participation	15	12	3	80%
	Total	**58**	**43**	**15**	**74%**

1. **Performance Service delivery**

The report is based on analysed and evaluated information through a process whereby information of the KPA's, objectives, KPI's and programmes/ projects reflected in the IDP objectives of the municipality. The information is based on the institutional IDP scorecard.

KPA 1: SPATIAL DEVELOPMENT ANALYSIS AND RATIONALE Strategic Objective: To promote integrated human settlements											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First quarter target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance/remedial action**	**Evidence**	**Comments**
Number of informal settlements assessed	n/a	n/a	12 Informal settlements assessed by 30 June 2026	3 Informal settlements assessed by 30 September 2025	6 Informal settlements assessed by 31 December 2025	6 informal settlements assessed	0	None	None	Informal settlement register	Achieved
number of working days taken to process residential building plan	n/a	n/a	15 working days taken to process residential building	15 working days taken to process residential building	15 working days taken to process residential building plan application	15 working days taken to process residential building plan application	0	None	None	Building plans register	Achieved

KPA 1: SPATIAL DEVELOPMENT ANALYSIS AND RATIONALE Strategic Objective: To promote integrated human settlements											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First quarter target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance/remedial action**	**Evidence**	**Comments**
application of less than 500 square metres			plan application of less than 500 square metres by 30 June 2026	plan application of less than 500 square metres by 30 September 2025	of less than 500 square metres by 31 December 2025	of less than 500 square metres					
number of working days taken to process residential building plan application of more	n/a	n/a	30 working days taken to process residential building plan application of more than 500	30 working days taken to process residential building plan application of more than 500	30 working days taken to process residential building plan application of more than 500 square metres by 31 December	30 working days taken to process residential building plan application of more than 500 square metres	0	None	None	Building plans register	Achieved

KPA 1: SPATIAL DEVELOPMENT ANALYSIS AND RATIONALE Strategic Objective: To promote integrated human settlements											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First quarter target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance/remedial action**	**Evidence**	**Comments**
than 500 square metres			square metres by 30 June 2026	square metres by 30 September 2025	2025						
Number of Land tenure upgrading applications developed and approved	R 1 700 000	R425 000.00	2 Land tenure upgrading applications developed and approved at Phucukani and Tambo Square by 30 June	Municipal Planning Tribunal Approval by 30 September 2025	Enrolment of General Plan with Surveyor General by 31 December 2025	Enrolment of General Plan with Surveyor General completed	None	None	None	Draft General Plan	Achieved

KPA 1: SPATIAL DEVELOPMENT ANALYSIS AND RATIONALE Strategic Objective: To promote integrated human settlements											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First quarter target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance/remedial action**	**Evidence**	**Comments**
Number of Land tenure upgrading application developed and approved	R 800 000	0	1 Land Tenure Upgrading application developed and approved at Ngolovane by 30 June 2026	Advertisement of Service Provider by 30 September 2025	Appointment of Service Provider by 31 December 2025	Service provider appointed	None	None	None	Appointment letter	Achieved

KPA 2: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION Strategic Objective: To build capable, responsive, accountable, effective and efficient municipal institutions and administration											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First quarter target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance / remedial action**	**Evidence**	**Comments**
% of municipal staff trained annually	Opex	0	36% of municipal staff trained annually by 30 June 2026	13% of municipal staff trained by 30 September 2025	20% of municipal staff trained by 31 December 2025	29% of municipal staff trained	9%	SETA provided support on OHS training	None	Training report	Achieved
% of performance agreements signed by all staff	n/a	n/a	100% of performance agreements signed by all staff by 30 September	100% of performance agreements signed by all staff by 30 September	100% of performance agreements signed by all staff by 30 September 2025	100% of performance agreements signed by all staff	0	None	None	Report of signed performance agreements	Achieved

KPA 2: INSTITUTIONAL DEVELOPMENT AND MUNICIPAL TRANSFORMATION Strategic Objective: To build capable, responsive, accountable, effective and efficient municipal institutions and administration											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First quarter target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance / remedial action**	**Evidence**	**Comments**
			2025	2025							
Number of LLF meetings held	n/a	n/a	8 LLF meetings held by 30 June 2026	2 LLF meetings held by 30 September 2025	4 LLF meetings held by 31 December 2025	4 LLF meetings held	0	None	None	Minutes and attendance register	Achieved

KPA 3: LOCAL ECONOMIC DEVELOPMENT Strategic Objective: To promote conducive environment for economic growth and development

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First quarter target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Evidence	Comments
Number of work opportunities created through Expanded Public Works Programme (EPWP)	n/a	n/a	186 work opportunities created through Expanded Public Works Programme (EPWP) by 30 September 2025	186 work opportunities created through Expanded Public Works Programme (EPWP) by 30 September 2025	186 work opportunities created through Expanded Public Works Programme (EPWP) by 30 September 2025	186 work opportunities created through Expanded Public Works Programme (EPWP)	0	None	None	List of appointees	Achieved
Number of work opportunities created through Community Work Programme	n/a	n/a	750 work opportunities created through Community Work	750 work opportunities created through Community Work	750 work opportunities created through Community Work	904 work opportunities created through Community Work	154	The National Department of Cooperative Governance and Traditional Affairs gives an allowance	None		Achieved

KPA 3: LOCAL ECONOMIC DEVELOPMENT Strategic Objective: To promote conducive environment for economic growth and development											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First quarter target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance / remedial action**	**Evidence**	**Comments**
(CWP)			Programme (CWP) by 30 September 2025	Programme (CWP) by 30 September 2025	Programme (CWP) by 30 September 2025	Programme (CWP)		of recruiting additional personnel as resignations and retirements are not replaced.		List of appointees	
Number of job opportunities created through infrastructure projects	n/a	n/a	241 job opportunities created through infrastructure projects by 30 June 2026	90 job opportunities created through infrastructure projects by 30 September	160 job opportunities created through infrastructure projects by 31 December	160 job opportunities created through infrastructure projects	0	None	None	List of appointees	Achieved

KPA 3: LOCAL ECONOMIC DEVELOPMENT Strategic Objective: To promote conducive environment for economic growth and development											
Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First quarter target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Evidence	Comments
				2025	2025						

KPA 3: LOCAL ECONOMIC DEVELOPMENT Strategic Objective: To promote conducive environment for economic growth and development											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First quarter target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance / remedial action**	**Evidence**	**Comments**
Number of days taken to finalize business license application	n/a	n/a	30 days taken to finalize business license applications by 30 June 2026	30 days taken to finalize business license applications by 30 September 2025	30 days taken to finalize business license applications by 31 December 2025	30 days taken to finalize business license applications	None	None	None	Business licenses application register	Achieved

KPA 3: LOCAL ECONOMIC DEVELOPMENT Strategic Objective: To promote conducive environment for economic growth and development											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First quarter target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance / remedial action**	**Evidence**	**Comments**
% of SMME's funded by municipality	R500 000	R500 000	100% of SMME's funded by municipality by 31 March 2026	25% Advertisement of SMME funding by 30 September 2025	50% Assessment of SMME applications by 31 December 2025	100% Assessment of SMME applications completed	50%	the effective and efficient collaborative efforts of experienced stakeholders has assisted LED to assess all SMME applications	None	Assessment report	Achieved

KPA 4: BASIC SERVICE DELIVERY AND INFRASTRUCTURE Strategic Objective: To provide for basic services and sustainable infrastructural development											
`Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First Quarter Target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance / remedial action**	**Evidence**	**Comments**
% of new electrical households connections applications received and addressed in municipal licenced area	n/a	n/a	100% of new electrical households connections applications received and addressed in municipal licenced area by 30 June 2026	100% of new electrical households connections applications received and addressed in municipal licenced area by 30 September 2025	100% of new electrical household's connections applications received and addressed in municipal licenced area by 31 December 2025	0% of new electrical household's connections applications received and addressed in municipal licenced area	100%	No applications received	None	Application register and closed job cards	Not applicable

% of unplanned outages that are restored to supply within standard timeframes (24 hours)	n/a	n/a	100% of unplanned outages that are restored within 24 hours by 30 June 2026	100% of unplanned outages that are restored within 24 hours by 30 September 2025	100% of unplanned outages that are restored within 24 hours by 31 December 2025	100% of unplanned outages that are restored within 24 hours	0%	none	None	Outages register and Closed job card	Achieved
% of planned maintenance performed on municipal roads as per the maintenance plan	n/a	n/a	100% of planned maintenance performed on municipal roads as per the maintenance plan by 30 June 2026	100% of planned maintenance performed on municipal roads as per the maintenance plan by 30 September 2025	100% of planned maintenance performed on municipal roads as per the maintenance plan by 31 December 2025	100% of planned maintenance performed on municipal roads as per maintenance plan	0	None	None	Maintenance report	Achieved

% of total electricity losses	n/a	n/a	Maximum of 10% total electricity losses by 30 June 2026	Maximum of 10% total electricity losses by 30 September 2025	Maximum of 10% total electricity losses by 31 December 2025	Maximum of 4% total electricity losses	6%	none	None	Distribution losses report	Achieved
% of electricity losses from the bulk supply	n/a	n/a	maximum of 10% electricity losses from bulk supply by 30 June 2026	maximum of 10% electricity losses from the bulk supply by 30 September 2025	maximum of 10% electricity losses from the bulk supply by 31 December 2025	maximum of 10% electricity losses from the bulk supply	0	None	None	Monthly Bulk readings from the supply points	Achieved
Number of high mast lights to be installed in various wards	R4 345 000	0	11 high mast lights installed in various wards by 30 June 2026	Approval of the Business plan for installation of high mast lights by	Appointment letter of the service provider by 31 December	Appointment letter of the service provider	None	None	None	Appointment letter	Achieved

			(1,3,4,5,14, 18,20,22,25,26,28)	30 September 2025	2025						
Number of km of unsurfaced road bladed	Opex	Opex	240km of unsurfaced road bladed by 30 June 2026	60km of unsurfaced road bladed by 30 September 2025	120km of unsurfaced road bladed by 31 December 2025	163km of unsurfaced road bladed	43	newly procured 4 graders which are highly efficient and no breakdown experience.	None	Completion certificate	Achieved
Number of KMs of **new** municipal road built	R51 923 050.00	R122 040 318.00	4.7km of new municipal road built by 31 Dec 2025	3.5km of new municipal road built by 30 September 2025	4.7km of new municipal road built by 31 December 2025	14.18km of new municipal road built	9.48km	Three projects from the previous financial year were completed during mid-year.	None	Completion certificate	Achieved
Number of storm water	n/a	n/a	86 of storm water catchment	20 of storm water	45 of storm water	50 of storm water catchment	5	implementation of forward planning	None	Completion certificate	

catchment pits/ drains maintained			pits/ drains maintained by 30 June 2026	catchment pits/ drains maintained by 30 September 2025	catchment pits/ drains maintained by 31 December 2025	pits/ drains maintained					Achieved
% of reported pothole complaints resolved within 72 hours	n/a	n/a	100% of reported pothole complaints resolved within 72 hours by 30 June 2026	100% of reported pothole complaints resolved within 72 hours by 30 September 2025	100% of reported pothole complaints resolved within 72 hours by 31 December 2025	100% of reported pothole complaints resolved within 72 hours	None	None	None	Department quarterly report and job cards, pothole register	Achieved

% of skip collections done in rural areas	n/a	n/a	100% of skip collections done in rural areas by 30 June 2026	100% of skip collections done in rural areas by 30 Septembe r 2025	100% of skip collections done in rural areas by 31 December 2025	100% of skip collections done in rural areas	None	None	None	Log book and report	Achieve d
Number of Tonnes of municipal solid waste sent to Groblersd al landfill	n/a	n/a	10000 Tonnes of municipal solid waste sent to Groblersdal landfill by 30 June 2026	2000 Tonnes of municipal solid waste sent to Groblersd al landfill by 30 Septembe r 2025	5000 Tonnes of municipal solid waste sent to Groblersd al landfill by 31 December 2025	8523.12 Tonnes of municipal solid waste sent to Groblersd al landfill	3523.1 2	The volumes of waste received increased due to the developme nts taking place within the jurisdiction of the municipality	None	Disposal report	Achieve d
Number of visits by library users	n/a	n/a	8000 Visits by library users by 30 June 2026	2000 visits by library users by 30 Septembe	400 visits by library users by 31 December 2025	7019 visits by library users (Groblersd al, Roosenek aal,	3019	Expansion of the outreach programme within local schools and communitie	None	Library users visit quarterly report	Achieve

			(Groblersdal, Roosenekaal, Sephaku)	r 2025 (Groblersdal, Roosenekaal, Sephaku)	(Groblersdal, Roosenekaal, Sephaku)	Sephaku)		s to promote library activities			d
Waste removal in Groblersdal Hlogotlou Roosenekaal Motetema Elansdoorn	R8 938 992	R2 799 703	waste removal in Groblersdal X 106 Hlogotlou X 100 Roosenekal X 103 Motetema X 52 Elansdoorn X 50 by 30 June 2026	waste removal in Groblersdal 27x Hlogotlou X 25 Roosenekal X 26 Motetema x14 Elandsdoorn X 13 by 30	waste removal in Groblersdal x 54 Hlogotlou X 51 Roosenekal X 51 Motetema x26 Elandsdoorn X 26 by 31 December	waste removal in Groblersdal x 54 Hlogotlou X 51 Roosenekal X 51 Motetema x26 Elandsdoorn X 26	none	none	none	Waste removal reports. Copy of Logbook	Achieved

				Septembe r 2025	2025						

KPA 5: FINANCIAL MANAGEMENT AND VIABILITY Strategic Objective: To improve sound and municipal financial management											
Key Performan ce Indicator (KPI)	**Budg et**	**Expenditu re**	**Annual Target**	**First Quarter Target**	**Mid-Year Target**	**Actual performan ce**	**Varian ce**	**Reason for variance**	**Measures to improve performance / remedial action**	**Evidence**	**Commen ts**

% of revenue clearance certificates issued within 10 working days from the time of completed application received	n/a	n/a	100% of revenue clearance certificates issued within 10 working days from the time of completed application received by 30 June 2026	100% of revenue clearance certificates issued within 10 working days from the time of completed application received by 30 September 2025	100% of revenue clearance certificates issued within 10 working days from the time of completed application received by 31 December 2025	93.7% of revenue clearance certificates issued within 10 working days from the time of completed application received by 31 December 2025	6.3%	awaiting the client to make payment at the Sekhukhune district municipality and submit proof of payment	improved intergovernmental relationship between Elias and Sekhukhune	Clearance certificate	Not achieved
% of total municipal operating expenditure spent on contracted services physically residing within the municipal	n/a	n/a	9% of total municipal operating expenditure spent on contracted services physically residing	2% of total municipal operating expenditure spent on contracted services physically residing	5% of total municipal operating expenditure spent on contracted services physically residing	24.99% of total municipal operating expenditure spent on contracted services physically residing	19.99%	More contracted services physically residing within the municipal area were appointed.	none	SCM Orders issued report and expenditure report	Achieved

area			within the municipal area by 30 June 2026	within the municipal area by 30 Septembe r 2025	within the municipal area by 31 December 2025	within the municipal area by 31 December 2025					
Total operating revenue as a percentage of total operating revenue budget	n/a	n/a	95% Total operating revenue as a percentag e of total operating revenue budget by 30 June 2026	25% Total operating revenue as a percentag e of total operating revenue budget by 30 Septembe r 2025	50% Total operating revenue as a percentag e of total operating revenue budget by 31 December 2025	64% Total operating revenue as a percentage of total operating revenue budget	14%	Actual performance more than overachievem ent on interest on investment , interest on outstanding debts and grants	none	Section 71 report	Achieved

number of days from the point of advertising to the letter of award per 80/20 procurement process	n/a	n/a	120 days from the point of advertising to the letter of award per 80/20 procurement process by 30 June 2026	120 days from the point of advertising to the letter of award per 80/20 procurement process by 30 September 2025	120 days from the point of advertising to the letter of award per 80/20 procurement process by 31 December 2025	120 days from the point of advertising to the letter of award per 80/20 procurement process	0	none	none	Copy of advert, final award and signed appointment letter	Achieved
% of municipal payments made to service providers within 30 days of invoice	n/a	n/a	100% of municipal payments made to service providers within 30 days of invoice	100% of municipal payments made to service providers within 30 days of invoice	100% of municipal payments made to service providers within 30 days of invoice	100% of municipal payments made to service providers within 30 days of invoice	0	none	none	Creditors age analysis and invoice register	Achieved

submission			submission by 30 June 2026	submission by 30 September 2025	submission by 31 December 2025	submission by 31 December 2025					
Revenue Collection rate	n/a	n/a	95% Revenue Collection rate (ratio) by June 2026	95% Revenue Collection rate (ratio) by 30 September 2025	95% Revenue Collection rate (ratio) by 31 December 2025	107% Revenue Collection rate (ratio)	12	The write-off amounts approved by Council were also considered when calculating the collection rate hence the overachievement.	none	Section 71 report and revenue management report	Achieved

Number of Mscoa meetings held	n/a	n/a	12 Mscoa meetings held by 30 June 2026	3 Mscoa meetings held by 30 September 2025	6 Mscoa meetings held by 31 December 2025	2 Mscoa meetings held	4	Unavailability of End-Users and stakeholder	Develop a training schedule	Minutes and attendance register	Not achieved
% MIG expenditure reported	n/a	n/a	100% MIG expenditure reported by 30 June 2026	25% MIG expenditure reported by 30 September 2025	50% MIG expenditure reported by 31 December 2025	64% MIG expenditure reported	14%	Implementation of forward planning	None	MIG report	Achieved
% INEP expenditure reported	n/a	n/a	100% INEP expenditure reported by 30 June 2026	25% INEP expenditure reported by 30 September 2025	50% INEP expenditure reported by 31 December 2025	59% INEP expenditure reported	9%	Implementation of forward planning	None	INEP report	Achieved

% budget on maintenance and operations spent	n/a	n/a	100% budget on maintenance and operations spent by 30 June 2025	25% budget on maintenance and operations spent by 30 September 2025	50% budget on maintenance and operations spent by 31 December 2025	39% budget on maintenance and operations spent	11%	Waiting for the finalization of procurement process	To expedite the process	Maintenance report and expenditure report	Not achieved

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Strategic Objective: To enhance good governance and public participation

Key Performance Indicator (KPI)	Budget	Expenditure	Annual Target	First Quarter Target	Mid-Year Target	Actual performance	Variance	Reason for variance	Measures to improve performance / remedial action	Evidence	Comments
Number of ward community meetings reports submitted to council	n/a	n/a	4 ward community meetings reports submitted to council by 30 June 2026	1 ward community meetings reports submitted to council by 30 September 2025	2 ward community meetings reports submitted to council by 31 December 2025	1 ward community meetings reports submitted to council	1	The target not aligned with Council sitting	To be rectified during the review of SDBIP	Ward Community meetings reports and Council resolution	Not achieved
Number of ward committee reports submitted to council	n/a	n/a	4 ward reports submitted to council lby 30 June 2026	1 ward reports submitted to council by 30 September 2025	2 ward reports submitted to council by 31 December 2025	1 ward reports submitted to council	1	The target not aligned with Council sitting	To be rectified during the reviewal of SDBIP	Ward committee report and Council resolution	Not achieved

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION Strategic Objective: To enhance good governance and public participation											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First Quarter Target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance / remedial action**	**Evidence**	**Comments**
Number of ordinary council meetings held	n/a	n/a	4 ordinary council meetings held by 30 June 2026	1 ordinary council meetings held by 30 September 2025	2 ordinary council meetings held by 31 December 2025	2 ordinary council meetings held	None	None	None	Notice of the meeting and Attendance register	Achieved
Number Mayoral outreach initiated	R 1 949 012	R195 000	3 Mayoral outreach programmes initiated by 30 June 2026	1 Mayoral outreach programmes initiated by 30 September 2025	2 Mayoral outreach programmes initiated by 31 December 2025	2 Mayoral outreach programmes initiated	None	None	None	Outreach Reports and attendance register	Achieved
Number of Speakers outreach	R 1 253 447	R151 905	3 Speaker's outreach	n/a	1 Speaker's outreach	1 Speaker's outreach programme	None	None	None	Outreach reports and attendanc	

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION Strategic Objective: To enhance good governance and public participation											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First Quarter Target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance / remedial action**	**Evidence**	**Comments**
initiated			programmes initiated by 30 June 2026		programmes initiated by 31 December 2025	s initiated				e register	Achieved
% of official complaints responded to through the municipal complaint management system	n/a	n/a	100% of official complaints responded to through the municipal complaint management system by 30 June 2026	100% of official complaints responded to through the municipal complaint management system by 30 June 2025	100% of official complaints responded to through the municipal complaint management system by 31 December 2025	100% of official complaints responded to through the municipal complaint management system none	None	None	None	Quarterly complaints register	Achieved

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION Strategic Objective: To enhance good governance and public participation											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First Quarter Target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance / remedial action**	**Evidence**	**Comments**
% of employees who have declared their financial interest	n/a	n/a	100% of Employees (412) who declared their financial interest by 30 September 2025	100% of Employees (412) who declared their financial interest by 30 September 2025	100% of Employees (412) who declared their financial interest by 30 September 2025	100% of Employees (412) who declared their financial interest	None	None	None	Financial declaration register	Achieved
% of councillors who have declared their financial	n/a	n/a	100% of councillors who have declared their	100% of councillors who have	100% of councillors who have	100% of councillors who have	None	None	None	Declaration register	Achieved

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION Strategic Objective: To enhance good governance and public participation											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First Quarter Target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance / remedial action**	**Evidence**	**Comments**
interest			financial interest by 30 Sept 2025	declared their financial interest by 30 September 2025	declared their financial interest by 30 September 2025	declared their financial interest					
% execution of identified risk mitigated	n/a	n/a	100% execution of identified risk mitigated by 30 June 2026	25% execution of identified risk mitigated by 30 September 2025	50% execution of identified risk mitigated by 31 December 2025	68% execution of identified risk mitigated	18%	Actions were completed before the official deadlines	None	Strategic risk register	Achieved
Obtain an Unqualified Auditor	n/a	n/a	Unqualified audit opinion by	n/a	Unqualified audit opinion by	Unqualified audit opinion obtained	None	None	None	AGSA Audit report	Achieved

KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION Strategic Objective: To enhance good governance and public participation											
Key Performance Indicator (KPI)	**Budget**	**Expenditure**	**Annual Target**	**First Quarter Target**	**Mid-Year Target**	**Actual performance**	**Variance**	**Reason for variance**	**Measures to improve performance / remedial action**	**Evidence**	**Comments**
General opinion for the 2024/2025 financial year			31 December 2025		31 December 2025						
% of Internal audit findings resolved	n/a	n/a	100% of Internal audit findings resolved d by 30 June 2026	100% of Internal audit findings resolved by 30 September 2025	100% of Internal audit findings resolved by 31 December 2025	96% of Internal audit findings resolved	4%	Internal Control deficiency	Improve and strengthen available controls.	Internal audit action plan	Not achieved

2. Financial Performance Assessment

1. INTRODUCTION

1.1 In terms of section 72 of the MFMA Act no 56 of 2003 the Accounting Officer of the municipality must by the 25th January each year-

Assess the performance of the municipality during the first half of the financial year, taking into account-

a) the monthly budget statement referred to as section 71 for the first half of the financial year
b) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan,
c) the past years annual report, and progress on resolving problems identified in the annual report.

The draft annual report 2024/25 and the mid-year performance/progress reports of 2025/26 SDBIPs referred to as part b and c above are respectively submitted under a separate report.

Submit a report on such assessment to –

a) the mayor of the municipality,
b) the national and the relevant provincial treasury.

1.2 The Accounting Officer must, as part of the review-
   a) make recommendations as to whether an adjustment budget is necessary, and
   b) Recommend revised projections for revenue and expenditure to the extent that this may be necessary.

SUMMARY

DESCRIPTION	2025/26		
	ORIGINAL BUDGET	YEAR TO DATE ACTUAL	PERCENTAGE
OPERATING REVENUE	770,108,980	494,390,053	64%
OPERATING EXPENDITURE	753,261,967	364,599,144	48%
TRANSFER - CAPITAL	92,090,000	56,259,486	61%
SURPLUS/(DEFICIT)	109,312,915	186,050,394	170%
CAPITAL EXPENDITURE	98,829,145	58,469,149	59%

CHAPTER 2: FINANCIAL HEALTH ASSESSMENT AND MID-YEAR BUDGET STATEMENT: 31 DECEMBER 2025

Table C1 – Budget Statement Summary

Description	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
Financial Performance									
Property rates	61,818	63,085	–	5,429	32,568	31,631	937	3%	63,085
Service charges	161,854	186,549	–	19,338	93,062	89,086	3,976	4%	186,549
Investment revenue	10,989	6,656	–	755	4,994	3,331	1,663	50%	6,656
Transfers and subsidies	383,099	381,926	–	125,863	286,115	280,934	5,181	2%	381,550
Other own revenue	197,698	132,269	–	51,799	77,651	65,752	11,898	18%	132,269
Total Revenue (excluding capital transfers and contributions)	**815,459**	**770,485**	**–**	**203,183**	**494,390**	**470,734**	**23,656**	**5%**	**770,109**
Employee costs	196,286	209,467	–	27,420	113,886	104,754	9,132	9%	209,467
Remuneration of Councillors	29,661	30,966	–	2,342	13,752	15,483	(1,731)	-11%	30,966
Depreciation & asset impairment	62,754	63,492	–	5,006	29,669	31,349	(1,680)	-5%	63,492
Finance charges	1,104	5,962	–	221	666	2,982	(2,316)	-78%	5,962
Materials and bulk purchases	181,287	175,262	–	14,401	75,867	87,963	(12,096)	-14%	175,262
Transfers and subsidies	11,313	13,645	–	629	4,266	5,488	(1,222)	-22%	13,645
Other expenditure	173,226	254,467	–	45,749	126,493	127,873	(1,380)	-1%	254,467
Total Expenditure	**655,631**	**753,262**	**–**	**95,767**	**364,599**	**375,892**	**(11,293)**	**-3%**	**753,262**
Surplus/(Deficit)	**159,827**	**17,223**	**–**	**107,416**	**129,791**	**94,842**	**34,949**	**37%**	**16,847**
Transfers and subsidies - capital (monetary allocations)	160,508	92,090	–	10,859	56,259	73,027	(16,767)	-23%	92,090
Transfers and subsidies - capital (monetary allocations)	360	–	–	–	–	–	–		376
Surplus/(Deficit) after capital transfers & contributions	**320,696**	**109,313**	**–**	**118,275**	**186,050**	**167,869**	**18,182**	**11%**	**109,313**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**320,696**	**109,313**	**–**	**118,275**	**186,050**	**167,869**	**18,182**	**11%**	**109,313**
Capital expenditure & funds sources									
Capital expenditure	**173,549**	**98,829**	**–**	**12,815**	**58,438**	**47,244**	**11,194**	**24%**	**98,829**
Capital transfers recognised	160,868	92,090	–	10,794	55,530	43,537	11,993	28%	74,258
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	12,681	6,739	–	2,021	2,909	3,707	(799)	-22%	24,571
Total sources of capital funds	**173,549**	**98,829**	**–**	**12,815**	**58,438**	**47,244**	**11,194**	**24%**	**98,829**
Financial position									
Total current assets	298,373	349,635	–		510,365				349,635
Total non current assets	1,284,966	1,562,593	–		1,241,055				1,562,593
Total current liabilities	130,508	36,771	–		175,216				36,771
Total non current liabilities	135,904	169,872	–		163,329				169,872
Community wealth/Equity	1,316,927	1,705,585	–		1,412,875				1,705,585
Cash flows									
Net cash from (used) operating	158,035	125,873	–	85,291	203,139	47,943	(155,196)	-324%	125,873
Net cash from (used) investing	(115,768)	(44,179)	–	(12,815)	(63,142)	(198,957)	(135,816)	68%	(44,179)
Net cash from (used) financing	(11,751)	(9,348)	–	(456)	(1,151)	(5,310)	(4,159)	78%	(9,348)
Cash/cash equivalents at the month/year end	**53,191**	**81,556**	**–**	**–**	**148,055**	**(147,116)**	**(295,171)**	**201%**	**81,556**
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	27,951	8,567	3,514	4,651	4,388	4,323	4,269	199,051	256,713
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

The above C1 Sum table summarizes the following activities: -

Revenue:

The actual year to date operational revenue as at end of December 2025 is R494, 390 million against the year-to-date budget of R470, 734 million and this reflects a positive variance of R23, 656 million which is mostly attributable to the following:

- Traffic fines, the actual year to date revenue realised are actual payments as opposed to traffic fines issued. The integration between traffic fine system and our core financial management system is still a challenge.

The following are the revenue item categories reflecting a positive and negative material variance:

- Interest earned - external investments: 50% favourable variance,
- Interest earned – outstanding debtors: 31% favourable variance,
- Rental of Facilities and Equipment: 2% unfavourable variance,
- Fines, penalties and forfeits: 22% favourable variance
- Services Charges – electricity revenue: 5% favourable variance
- Services Charges – refuse revenue: 3% unfavourable variance
- Licenses and permits: 2% favourable variance
- Property rates: 3% favourable variance
- Other revenue:49% unfavourable
- Transfer and subsidies: 2% favourable

Operating expenditure

The year-to-date operational expenditure as at end of December 2025 amounts to R364, 599 million against the year-to-date budget of R375, 892 million. This reflects underspending variance of R11, 293 million that translates to 3% variance. The variance is attributed overspending variance on employee related costs, contracted services and other expenditure which will be addressed during the adjustment budget.

All other expenditure line items are performing almost in line with the year-to-date budget since the variance thereof is less than 10% except for the following:

Remuneration of councillors: 11% under spending
Debt impairment: 59% under spending
Finance charges: 78% under spending
Bulk purchase: 14% under spending
Other materials: 11% under spending
Contracted services: 18% overspending
Transfer and subsidies: 22% under spending
Other expenditure: 59% overspending
Losses: 1275% under performing

Capital expenditure

The year-to-date actual capital expenditure as at end of December 2025 amounts to R58, 469 million against the year-to-date budget amount of R47, 244 million and this gives rise to R11, 194 million over performance. This was as result of expediting MIG spending by December 2025.

Surplus/Deficit

Taking the above into consideration, the net operating surplus as at the end of December 2025 is R186, 050 million that is mainly attributed over performance on capital expenditure in the reporting period.

Debtors

Outstanding debtors are comprised of consumer and sundry debtors. The total outstanding debtors at end of December amounts to R256,713 million and this shows an increase of R7,591 million as compared to R249, 591 million as at end of 2024-25 financial year.

Consumer debtors are made up of service charges and property rates that amount to R161,107 million and other debtors amounting to R95, 606 million. Debtors relating to traffic fines are reported as other debtors as presented under current assets on Table C6 and as a result, do not form part of consumer debtors.

Creditors

All creditors are paid within 30 days of receipt of invoice as required by MFMA.

Table C2 – Financial Performance (Standard Classification)

Description	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
Revenue - Functional									
Governance and administration	**331,211**	**303,737**	**–**	**89,754**	**230,740**	**217,599**	**13,141**	**6%**	**303,737**
Executive and council	55,444	51,149	–	15,012	37,034	43,152	(6,117)	-14%	51,149
Finance and administration	256,883	238,427	–	68,321	179,768	163,289	16,479	10%	238,427
Internal audit	18,884	14,161	–	6,421	13,938	11,159	2,779	25%	14,161
Community and public safety	**59,675**	**133,322**	**–**	**60,118**	**88,516**	**75,396**	**13,120**	**17%**	**133,322**
Community and social services	11,320	10,504	–	3,855	8,804	7,723	1,081	14%	10,504
Sport and recreation	17,612	13,589	–	5,324	14,558	12,621	1,937	15%	13,589
Public safety	30,744	109,229	–	50,939	65,154	55,051	10,102	18%	109,229
Economic and environmental services	**210,401**	**162,700**	**–**	**26,074**	**88,480**	**105,253**	**(16,773)**	**-16%**	**162,700**
Planning and development	27,921	26,487	–	7,696	21,366	17,815	3,551	20%	26,487
Road transport	181,644	135,381	–	18,094	66,510	87,020	(20,510)	-24%	135,381
Environmental protection	836	832	–	284	604	418	186	45%	832
Trading services	**230,842**	**262,816**	**–**	**38,096**	**142,914**	**145,513**	**(2,600)**	**-2%**	**262,816**
Energy sources	190,852	216,641	–	29,438	118,311	120,931	(2,620)	-2%	216,641
Waste management	39,991	46,175	–	8,658	24,603	24,583	20	0%	46,175
Total Revenue - Functional	**832,129**	**862,575**	**–**	**214,042**	**550,650**	**543,761**	**6,888**	**1%**	**862,575**
Expenditure - Functional									
Governance and administration	**261,398**	**281,365**	**–**	**44,086**	**161,454**	**140,574**	**20,881**	**15%**	**281,365**
Executive and council	51,199	53,160	–	3,618	22,705	26,327	(3,622)	-14%	53,160
Finance and administration	195,181	214,461	–	37,124	128,126	106,405	21,721	20%	214,461
Internal audit	15,018	13,744	–	3,344	10,623	7,841	2,782	35%	13,744
Community and public safety	**63,737**	**135,842**	**–**	**26,443**	**53,333**	**68,011**	**(14,678)**	**-22%**	**135,842**
Community and social services	8,012	17,215	–	1,022	4,506	8,555	(4,049)	-47%	17,215
Sport and recreation	25,212	18,916	–	4,252	14,699	9,562	5,138	54%	18,916
Public safety	30,513	99,711	–	21,169	34,128	49,894	(15,766)	-32%	99,711
Economic and environmental services	**112,486**	**117,998**	**–**	**12,346**	**57,956**	**58,567**	**(611)**	**-1%**	**117,998**
Planning and development	24,797	27,626	–	3,713	12,784	13,715	(931)	-7%	27,626
Road transport	87,593	89,092	–	8,633	45,144	44,272	873	2%	89,092
Environmental protection	96	1,280	–	–	28	580	(552)	-95%	1,280
Trading services	**219,962**	**218,057**	**–**	**12,892**	**91,856**	**108,741**	**(16,886)**	**-16%**	**218,057**
Energy sources	158,434	170,466	–	8,568	68,547	84,778	(16,231)	-19%	170,466
Waste management	61,528	47,591	–	4,324	23,309	23,964	(655)	-3%	47,591
Total Expenditure - Functional	**657,583**	**753,262**	**–**	**95,767**	**364,599**	**375,892**	**(11,293)**	**-3%**	**753,262**
Surplus/ (Deficit) for the year	**174,546**	**109,313**	**–**	**118,275**	**186,050**	**167,869**	**18,182**	**11%**	**109,313**

Table C3 – Fin' Performance (Revenue and Expenditure by vote)

Vote Description	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
Revenue by Vote									
Vote 1 - Executive & Council	48,780	46,493	–	13,035	31,821	38,986	(7,164)	-18%	46,493
Vote 2 - Municipal Manager	53,017	41,927	–	18,472	40,242	32,060	8,182	26%	41,927
Vote 3 - Budget & Treasury	146,875	143,601	–	31,165	91,843	88,719	3,124	4%	143,601
Vote 4 - Corporate Services	46,686	36,374	–	13,369	36,205	29,714	6,491	22%	36,374
Vote 5 - Community Services	110,044	189,270	–	70,332	118,902	105,636	13,266	13%	189,270
Vote 6 - Technical Services	387,357	368,377	–	55,523	200,288	224,929	(24,641)	-11%	368,377
Vote 7 - Developmental Planning	19,670	18,235	–	5,014	15,382	13,144	2,238	17%	18,235
Vote 8 - Executive Support	19,701	18,298	–	7,131	15,966	10,570	5,396	51%	18,298
Total Revenue by Vote	**832,129**	**862,575**	**–**	**214,042**	**550,650**	**543,758**	**6,891**	**1%**	**862,575**
Expenditure by Vote									
Vote 1 - Executive & Council	43,295	43,414	–	2,777	17,951	22,042	(4,091)	-19%	43,414
Vote 2 - Municipal Manager	51,629	51,785	–	6,800	30,474	26,394	4,079	15%	51,785
Vote 3 - Budget & Treasury	84,720	84,881	–	26,991	69,572	42,024	27,548	66%	84,881
Vote 4 - Corporate Services	32,137	46,836	–	2,190	15,634	22,080	(6,446)	-29%	46,836
Vote 5 - Community Services	135,192	194,902	–	32,163	82,525	97,657	(15,132)	-15%	194,902
Vote 6 - Technical Services	265,963	288,567	–	18,485	124,248	144,256	(20,008)	-14%	288,567
Vote 7 - Developmental Planning	17,900	20,568	–	2,864	9,212	10,181	(969)	-10%	20,568
Vote 8 - Executive Support	26,747	22,310	–	3,496	14,984	11,258	3,726	33%	22,310
Total Expenditure by Vote	**657,583**	**753,262**	**–**	**95,767**	**364,599**	**375,892**	**(11,293)**	**-3%**	**753,262**
Surplus/ (Deficit) for the year	**174,546**	**109,313**	**–**	**118,275**	**186,050**	**167,866**	**18,184**	**11%**	**109,313**

Table C2 and C3 measure the monthly actuals and year to date actuals against the year-to-date budget. The aforementioned budget tables are presented by standard classification and vote respectively for both revenue and expenditure. The variances are all reflected in the year-to-date variance column.

The financial results portrayed in the two tables are the same as those in other tables (i.e. it is only the description or basis of reporting that is based on financial or budget performance by vote or department, and National Treasury's standard classification.

Table C4: Financial Performance by Revenue1 Source and Expenditure Type

Description	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
Revenue By Source									
Property rates	61,818	63,085	–	5,429	32,568	31,631	937	3%	63,085
Service charges - electricity revenue	147,578	164,683	–	18,241	86,446	82,283	4,163	5%	164,683
Service charges - refuse revenue	14,276	21,866	–	1,097	6,616	6,803	(188)	-3%	21,866
Rental of facilities and equipment	1,886	1,467	–	90	525	672	(147)	-22%	1,467
Interest earned - external investments	10,989	6,656	–	755	4,994	3,331	1,663	50%	6,656
Interest earned - outstanding debtors	13,635	16,493	–	1,709	10,640	8,147	2,492	31%	16,493
Fines, penalties and forfeits	98,497	104,744	–	49,409	62,204	52,036	10,168	20%	104,744
Licences and permits	7,302	6,916	–	523	3,539	3,458	81	2%	6,916
Transfers and subsidies	383,099	381,926	–	125,863	286,115	280,934	5,181	2%	381,550
Other revenue	4,296	2,648	–	67	735	1,438	(702)	-49%	2,648
Gains	72,082	–	–	–	7	1	6	439%	–
Total Revenue (excluding capital transfers and contributions)	**815,459**	**770,485**	**–**	**203,183**	**494,390**	**470,734**	**23,656**	**5%**	**770,109**
Expenditure By Type									
Employee related costs	196,286	209,467	–	27,420	113,886	104,754	9,132	9%	209,467
Remuneration of councillors	29,661	30,966	–	2,342	13,752	15,483	(1,731)	-11%	30,966
Debt impairment	20,144	87,202	–	18,007	18,007	44,017	(26,010)	-59%	87,202
Depreciation & asset impairment	62,754	63,492	–	5,006	29,669	31,349	(1,680)	-5%	63,492
Finance charges	1,104	5,962	–	221	666	2,982	(2,316)	-78%	5,962
Bulk purchases	139,391	150,170	–	11,694	64,463	75,085	(10,622)	-14%	150,170
Other materials	41,896	25,092	–	2,708	11,405	12,878	(1,474)	-11%	25,092
Contracted services	85,573	92,371	–	7,296	54,474	46,246	8,228	18%	92,371
Transfers and subsidies	11,313	13,645	–	629	4,266	5,488	(1,222)	-22%	13,645
Other expenditure	67,442	72,593	–	25,666	59,232	37,166	22,066	59%	72,593
Losses	67	2,301	–	(5,221)	(5,221)	444	(5,665)	-1275%	2,301
Total Expenditure	**655,631**	**753,262**	**–**	**95,767**	**364,599**	**375,892**	**(11,293)**	**-3%**	**753,262**
Surplus/(Deficit)	**159,827**	**17,223**	**–**	**107,416**	**129,791**	**94,842**	**34,949**	**37%**	**16,847**
Transfers and subsidies - capital (monetary allocations)	160,508	92,090	–	10,859	56,259	73,027	(16,767)	-23%	92,090
Transfers and subsidies - capital (monetary allocations)	360	–	–	–	–	–	–		376
Surplus/(Deficit) after capital transfers & contributions	**320,696**	**109,313**	**–**	**118,275**	**186,050**	**167,869**			**109,313**
Taxation							–		
Surplus/(Deficit) after taxation	**320,696**	**109,313**	**–**	**118,275**	**186,050**	**167,869**			**109,313**
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	**320,696**	**109,313**	**–**	**118,275**	**186,050**	**167,869**			**109,313**
Share of surplus/ (deficit) of associate									
Surplus/ (Deficit) for the year	**320,696**	**109,313**	**–**	**118,275**	**186,050**	**167,869**			**109,313**

Table C4 provides budget performance details for revenue by source and expenditure by type. For revenue, the main deviations from budget projections are on property rates, refuse, rental of facilities and equipment, interest on outstanding debtors, fines, penalties and forfeits, licenses and permits and other revenue.

In the case of expenditure, the following line items reflect material variance, Bulk purchases, other expenditure, debt impairment, depreciation and asset impairment, finance charges, other materials, contracted services, and transfer and subsidies.

Reasons for deviations will only be provided for material variances, and a variance is deemed to be material if it is 10% and more.

Table C5 Capex: Capital Expenditure by Standard Classification and Funding

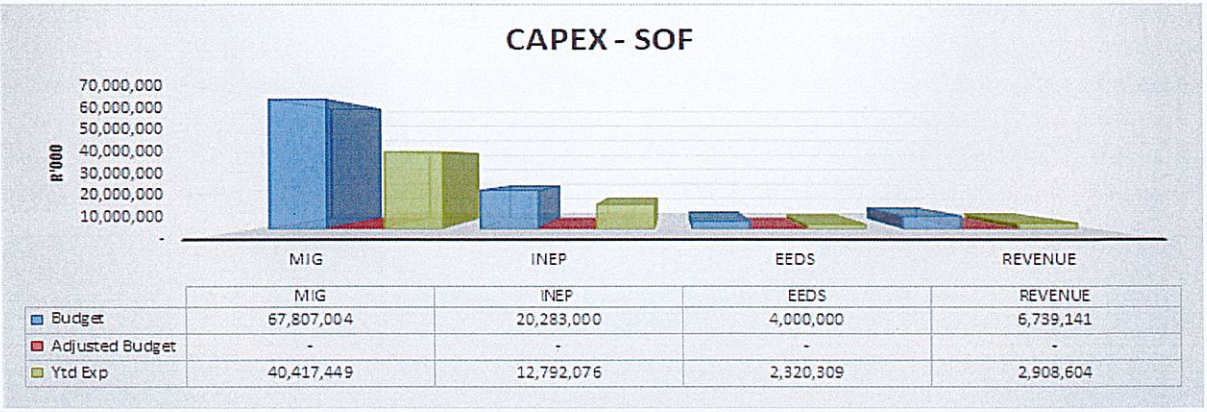
Vote Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Capital Expenditure - Functional Classification									
Governance and administration	**2,370**	**1,304**	**–**	**396**	**1,123**	**966**	**157**	**16%**	**1,304**
Executive and council	–	–				–	–		–
Finance and administration	2,370	1,304	–	396	1,123	966	157	16%	1,304
Internal audit	–	–				–	–		–
Community and public safety	**12,191**	**870**	**–**	**925**	**925**	**654**	**271**	**41%**	**870**
Community and social services	696	696	–	799	799	567	232	41%	696
Sport and recreation	11,495	174	–	126	126	87	39	45%	174
Public safety	–	–	–	–	–	–	–		–
Housing							–		
Health							–		
Economic and environmental services	**76,556**	**66,071**	**–**	**7,425**	**40,687**	**30,323**	**10,365**	**34%**	**66,071**
Planning and development	–	–	–	–	–	–	–		–
Road transport	76,556	66,071	–	7,425	40,687	30,323	10,365	34%	66,071
Environmental protection	–	–	–	–	–	–	–		–
Trading services	**23,448**	**30,585**	**–**	**3,982**	**15,616**	**15,302**	**315**	**2%**	**30,585**
Energy sources	21,342	29,932	–	3,982	15,616	14,929	688	5%	29,932
Waste management	2,107	652	–	–	–	373	(373)	-100%	652
Other							–		
Total Capital Expenditure - Functional Classification	**114,566**	**98,829**	**–**	**12,728**	**58,469**	**47,244**	**11,107**	**24%**	**98,829**
Funded by:									
National Government	140,508	92,090	–	10,794	55,530	43,537	11,993	28%	74,258
Provincial Government							–		
District Municipality	20,000		–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations)	360	–	–	–	–	–	–		–
Transfers recognised - capital	**160,868**	**92,090**	**–**	**10,794**	**55,530**	**43,537**	**11,993**	**28%**	**74,258**
Borrowing							–		
Internally generated funds	12,681	6,739	–	2,021	2,939	3,707	(799)	-22%	24,571
Total Capital Funding	**173,549**	**98,829**	**–**	**12,815**	**58,469**	**47,244**	**11,194**	**24%**	**98,829**

Table C5C: Capital Expenditure by Vote

Vote Description	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
Expenditure of multi-year capital appropriation									
Vote 1 - Executive & Council	–	–	–	–	–	–	–		–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–		–
Vote 3 - Budget & Treasury	–	–	–	–	–	–	–		–
Vote 4 - Corporate Services	1,660	435	–	396	412	346	66	19%	435
Vote 5 - Community Services	11,217	1,130	–	925	925	567	358	63%	1,130
Vote 6 - Technical Services	88,766	69,137	–	10,530	42,441	44,155	(1,493)	-3%	69,137
Vote 7 - Developmental Planning	–	–	–	–	–	–	–		–
Vote 8 - Executive Support	–	–	–	–	–	–	–		–
Total multi-year capital expenditure	**101,644**	**70,702**	**–**	**11,851**	**43,778**	**44,501**	**(723)**	**-2%**	**70,702**
Expenditue of single-year capital appropriation									
Vote 1 - Executive & Council	–	–	–	–	–	–	–		–
Vote 2 - Municipal Manager	–	–	–	–	–	–	–		–
Vote 3 - Budget & Treasury	–	–	–	–	–	–	–		–
Vote 4 - Corporate Services	710	870	–	–	711	966	(254)	-26%	870
Vote 5 - Community Services	2,559	391	–	87	87	460	(373)	-81%	391
Vote 6 - Technical Services	68,636	26,866	–	877	13,863	1,318	12,545	952%	26,866
Vote 7 - Developmental Planning	–	–	–	–	–	–	–		–
Vote 8 - Executive Support	–	–	–	–	–	–	–		–
Total single-year capital expenditure	**71,905**	**28,127**	**–**	**964**	**14,691**	**2,743**	**11,918**	**434%**	**28,127**
Total Capital Expenditure	**173,549**	**98,829**	**–**	**12,815**	**58,469**	**47,244**	**11,194**	**24%**	**98,829**

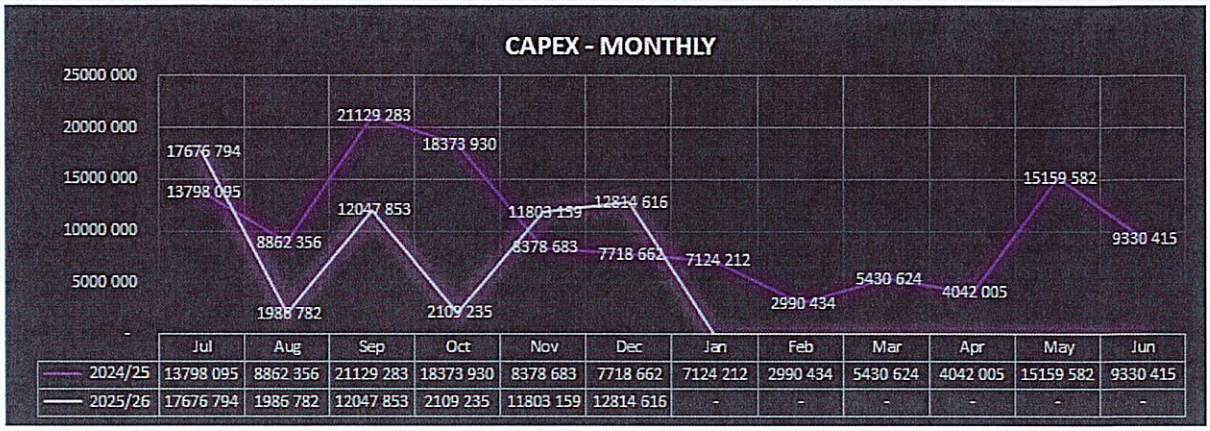
The above two tables (Table C5 Capex and C5C) present capital expenditure performance by Municipal vote, standard classification and the funding thereof. The year-to-date expenditure amounts to R58, 469 whilst the year-to-date budget is R47, 244 million and this gave rise to over performance variance of R11, 194 million that translates to 24%.

Figure 1: Capital expenditure by source



The above graph shows the components of sources of finance for capital budget. Of the total capital budget of R98, 829 million, R67, 807 million is funded from Municipal Infrastructure grant, R20, 283 million from Integrated National Electrification Programme, Energy Efficiency and Demand Side Management grant, R4, 000 million and R6, 739 million from own revenue and the spending per source of finance is presented in the above graph.

Figure 2: Monthly capital expenditure



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2024/25	13798 095	8862 356	21129 283	18373 930	8378 683	7718 662	7124 212	2990 434	5430 624	4042 005	15159 582	9330 415
2025/26	17676 794	1986 782	12047 853	2109 235	11803 159	12814 616	-	-	-	-	-	-

The above graph compares the 2024-25 and 2025-26 monthly capital expenditure performance.

Table C6: Budget Statement Financial Position

Description	2024/25	Budget Year 2025/26			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	71,789	90,859	–	10,233	90,859
Call investment deposits	–	–	–	137,822	–
Consumer debtors	167,485	205,168	–	227,204	205,168
Other debtors	20,723	20,791	–	96,618	20,791
Current portion of long-term receivables	119	–	–	–	–
Inventory	38,258	32,818	–	38,488	32,818
Total current assets	**298,373**	**349,635**	**–**	**510,365**	**349,635**
Non current assets					
Long-term receivables	–	–	–	–	–
Investments	18,475	21,552	–	–	21,552
Investment property	110,604	46,928	–	133,813	46,928
Investments in Associate	–	–	–	–	–
Property, plant and equipment	1,155,424	1,493,649	–	1,104,065	1,493,649
Biological	463	–	–	–	–
Intangible	–	–	–	–	–
Other non-current assets	–	463	–	3,178	463
Total non current assets	**1,284,966**	**1,562,593**	**–**	**1,241,055**	**1,562,593**
TOTAL ASSETS	**1,583,339**	**1,912,228**	**–**	**1,751,420**	**1,912,228**
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	6,639	9,126	–	3,525	9,126
Consumer deposits	6,810	6,956	–	5,337	6,956
Trade and other payables	112,056	9,126	–	156,308	9,126
Provisions	5,003	11,563	–	10,046	11,563
Total current liabilities	**130,508**	**36,771**	**–**	**175,216**	**36,771**
Non current liabilities					
Borrowing	45,602	48,089	–	15,985	48,089
Provisions	90,302	121,783	–	147,344	121,783
Total non current liabilities	**135,904**	**169,872**	**–**	**163,329**	**169,872**
TOTAL LIABILITIES	**266,412**	**206,643**	**–**	**338,545**	**206,643**
NET ASSETS	**1,316,927**	**1,705,585**	**–**	**1,412,875**	**1,705,585**
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	1,316,927	1,705,585	–	1,412,875	1,705,585
Reserves	–	–		–	–
TOTAL COMMUNITY WEALTH/EQUITY	**1,316,927**	**1,705,585**	**–**	**1,412,875**	**1,705,585**

The above table shows that community wealth amounts to R1, 412 billion, total liabilities R338 million and the total assets R1,751 billion. Non-current liabilities are mainly made up of borrowing and provisions for long service award, landfill site. Taking the current liabilities and current assets together, the municipality has current ratio of 2.9:1 which meets the acceptable norm of 2:1. The municipality needs to keep the current liabilities low and increase the current assets to strengthen the liquidity ratio.

Table C7: Budget Statement Cash Flow

Description	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
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	51,043	50,923	–	3,465	24,359	23,742	617	3%	50,923
Service charges	163,762	174,139	–	11,594	71,875	70,542	1,333	2%	174,139
Other revenue	27,788	17,646	–	50,118	143,495	144,260	(765)	-1%	17,646
Transfers and Subsidies - Operational	390,673	381,926	–	125,296	286,870	288,872	(2,002)	-1%	381,926
Transfers and Subsidies - Capital	140,508	92,090	–	19,357	71,734	156,585	(84,851)	-54%	92,090
Interest	5,318	9,058	–	797	7,971	7,366	605	8%	9,058
Payments									
Suppliers and employees	(621,057)	(580,294)	–	(124,486)	(398,234)	(632,756)	(234,522)	37%	(580,294)
Finance charges	–	(5,962)	–	(221)	(666)	(870)	(204)	23%	(5,962)
Transfers and Grants	(0)	(13,654)	–	(629)	(4,266)	(9,799)	(5,533)	56%	(13,654)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**158,035**	**125,873**	**–**	**85,291**	**203,139**	**47,943**	**(155,196)**	**-324%**	**125,873**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	659	43,526	–	–	–	–	–		43,526
Decrease (increase) in non-current receivables	(1,694)	1,360	–	–	–	–	–		1,360
Decrease (increase) in non-current investments	–	–	–	–	–	–	–		–
Payments									
Capital assets	(114,733)	(89,065)	–	(12,815)	(63,142)	(198,957)	(135,816)	68%	(89,065)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(115,768)**	**(44,179)**	**–**	**(12,815)**	**(63,142)**	**(198,957)**	**(135,816)**	**68%**	**(44,179)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–		–		–
Borrowing long term/refinancing	–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits	–	146	–	(22)	(17)	679	(696)	-103%	146
Payments									
Repayment of borrowing	(11,751)	(9,494)	–	(435)	(1,134)	(5,989)	(4,855)	81%	(9,494)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(11,751)**	**(9,348)**	**–**	**(456)**	**(1,151)**	**(5,310)**	**(4,159)**	**78%**	**(9,348)**
NET INCREASE/ (DECREASE) IN CASH HELD	**30,517**	**72,347**	**–**	**72,020**	**138,846**	**(156,325)**			**72,347**
Cash/cash equivalents at beginning:	22,675	9,209	–		9,209	9,209			9,209
Cash/cash equivalents at month/year end:	53,191	81,556	–		148,055	(147,116)			81,556

Table C7 presents details pertaining to cash flow performance. As at mid-year, the net cash inflow from operating activities is R203, 139 million whilst net cash outflow from investing activities is R63,142 million that is mainly comprised of capital expenditure movement, and cash outflow from financing activities is R1, 134 million. The cash and cash equivalent held at mid-year amounted to R148, 055 million and the net effect of the above cash flows is cash inflow movement of R138, 846 million. The cash and cash equivalent at end of the reporting period of R138, 055 million, is mainly made up of cash in the primary bank account amounting to R10, 233 million and short-term investments amounting to R137, 822 million at the end of December 2025.

SUPPORTING TABLES

Supporting Table: SC 3 - Debtors Age Analysis

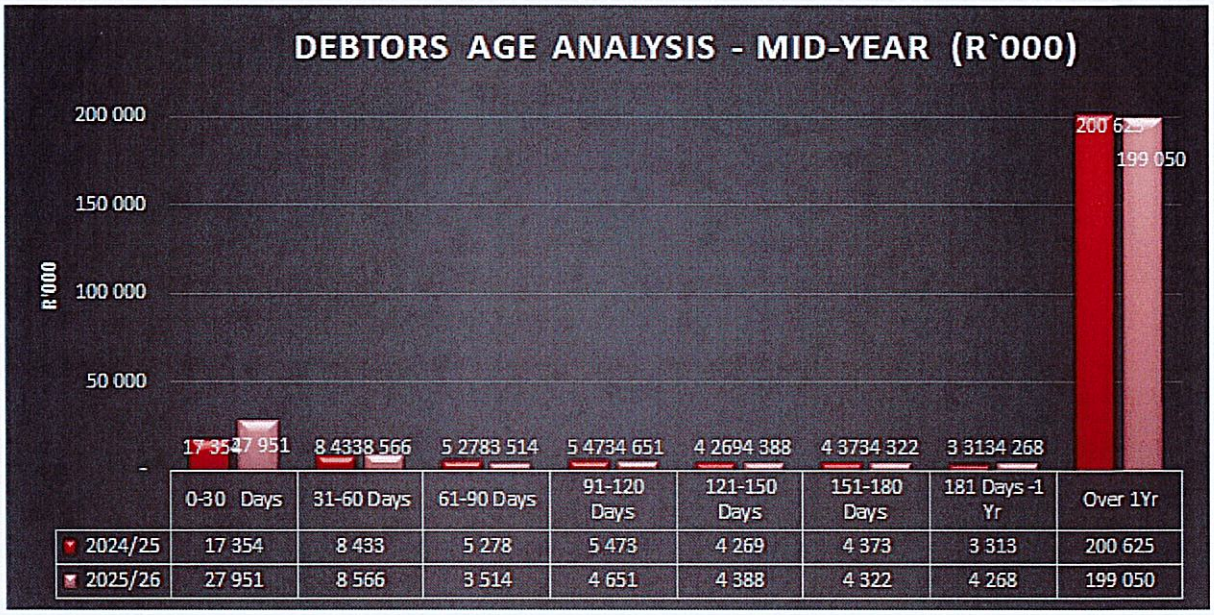
Description	Budget Year 2025/26											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off	Impairment - Bad Debts
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Electricity	16,780	1,553	352	119	156	95	91	2,636	21,782	3,097	-	-
Receivables from Non-exchange Transactions - Property Rates	6,090	2,596	2,080	2,007	1,984	1,979	1,884	83,517	102,139	91,372	-	-
Receivables from Exchange Transactions - Waste Management	1,097	714	628	615	604	604	610	31,242	36,114	33,675	-	-
Receivables from Exchange Transactions - Property Rental Debtors	90	101	21	21	39	39	39	723	1,072	861	-	-
Interest on Arrear Debtor Accounts	1,713	1,666	1,637	1,617	1,581	1,551	1,570	75,283	86,619	81,602	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–	–	-	-
Other	2,180	1,937	(1,204)	271	25	54	74	5,649	8,987	6,074	-	-
Total By Income Source	**27,951**	**8,567**	**3,514**	**4,651**	**4,388**	**4,323**	**4,269**	**199,051**	**256,713**	**216,681**	-	–
2024/25 - totals only	**17,354**	**8,433**	**5,279**	**5,474**	**4,269**	**4,374**	**3,314**	**200,625**	**249,122**	**218,056**		
Debtors Age Analysis By Customer Group												
Organs of State	3,871	2,311	1,155	1,076	1,067	1,052	978	48,264	59,774	52,437	-	–
Commercial	17,101	2,035	684	524	503	507	474	11,063	32,891	13,071	-	–
Households	6,267	4,059	2,851	2,940	2,715	2,671	2,722	136,956	161,181	148,004	-	–
Other	712	162	(1,176)	111	104	92	94	2,768	2,867	3,169	-	–
Total By Customer Group	**27,951**	**8,567**	**3,514**	**4,651**	**4,388**	**4,323**	**4,269**	**199,051**	**256,713**	**216,681**	-	–

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of December 2025 amount to R256, 0 million. The debtors' book is made up as follows:

- Rates 40%
- Electricity 8%
- Rental 0%
- Refuse removal 14%
- Interest on Debtors 34%
- Other 4%

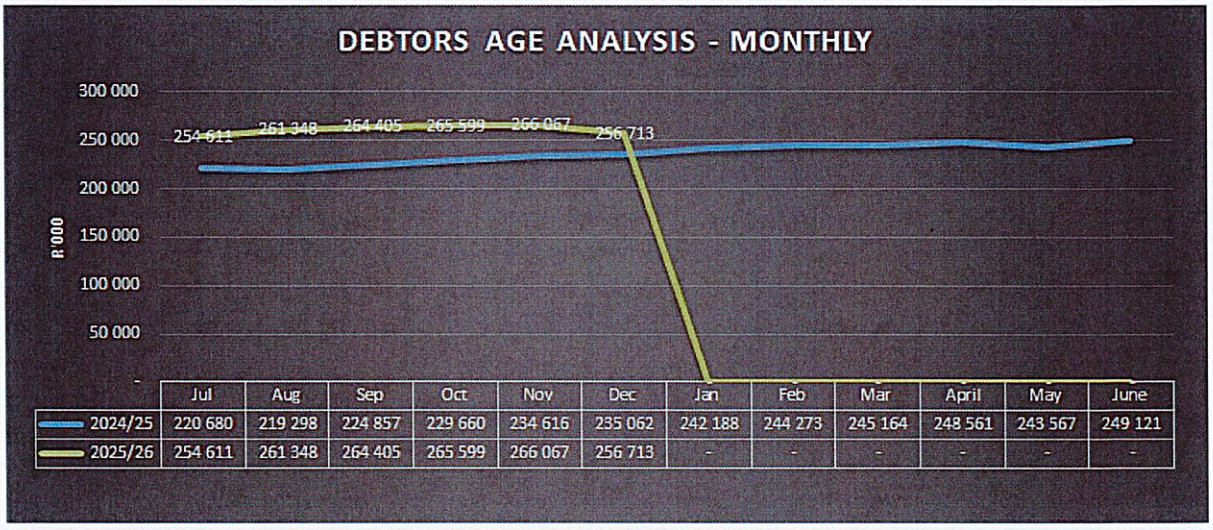
The debtors' age analysis is graphically presented below.

Figure 3: Debtors age analysis



	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days -1 Yr	Over 1Yr
2024/25	17 354	8 433	5 278	5 473	4 269	4 373	3 313	200 625
2025/26	27 951	8 566	3 514	4 651	4 388	4 322	4 268	199 050

Figure 4: Debtors book



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	April	May	June
2024/25	220 680	219 298	224 857	229 660	234 616	235 062	242 188	244 273	245 164	248 561	243 567	249 121
2025/26	254 611	261 348	264 405	265 599	266 067	256 713	-	-	-	-	-	-

The initial graph compares debtors' age analysis for 2024-25 financial year and 2025-26 (as at end of December 2025) whilst the latter shows monthly movement of debtors for both the current financial year and the 2024-25 financial year. The debtors book is materially less than the 2025-26 figures and this is an indication that the municipality is not performing well in terms of collection.

Below is list of top twenty debtors that contribute significantly to the ever-growing debt book

TOP TWENTY DEBTORS

ACCOUNT NO	ACCOUNT HOLDER NAME	INDIGENT	PENSIONER	HAND OVER	OUTSTANDING TOTAL BALANCE
9005301	PATRICIO & SONS PROP (PTY) LTD/ TWIN CITY TRADING (PTY) LTD	N	N	N	4 459 146
9012345	BREEDT J & OOSTHUIZEN J F	N	N	N	1 750 513
1501364	JAN JOUBERT TRUST (JO JO TANKS)	N	N	N	1 741 297
9001667	NDEBELE MAHLANGU TRIBE	N	N	N	1 417 531
9001668	NDEBELE MAHLANGU TRIBE	N	N	N	1 417 112
911906	TAFELKOP MALL (PTY) LTD	N	N	N	1 138 608
18857	VODACOM PTY LTD	N	N	N	1 019 200
9002327	DE LEMOS E M	N	N	N	973 729
9900067	SDM(WATER PURIFICATION & SEWAGE PLANT)	N	N	Y	961 787
1500176	KLIPBANK KOELKAMERS (PTY) LTD	N	N	N	958 466
136	LIZINEX (PTY) LTD	N	N	N	920 124
9001763	TSHEHLA TRUST MAMAILE GEORGE	N	N	N	713 351
9002503	GOUWS BOERDERY TRUST 1999/022459/07	N	N	N	616 247
5000633	ERASMUS G J	N	N	N	601 309
9001714	KWAMAQHUZE COMMUNAL PROP ASSOC	N	N	N	591 328
9019006	TIGER STRIPES INVESTMENTS (PTY	N	N	Y	586 435
2100165	LEBOWA TRANSPORT	N	N	N	568 358
9001550	LEHLAKONG COMMUNAL PROP ASSOC	N	N	Y	536 864
211693	BOXER SUPERSTORE'ATT KERSHNEE	N	N	N	519 651
5004546	I R L (SOUTH AFRICA) RESOURCES INVESTMENT PROP.LTD	N	N	N	518 354
TOTAL					**22 009 411**

Supporting Table: SC 4 - Creditors Age Analysis

Description	Budget Year 2025/26								Prior year totals for chart
	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	
Creditors Age Analysis By Customer Type									
Bulk Electricity									–
Bulk Water									–
PAYE deductions									–
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repayments									–
Trade Creditors									–
Auditor General									–
Other	681								–
Total By Customer Type	**681**	–	–	–	–	–	–	–	–

Supporting table SC4 provides creditors age analysis. In terms of section 65 of the MFMA all creditors must be paid within 30 days of receiving an invoice. The municipality is having challenges relating to extraction of creditors age analysis and below are the contributing factors:

- Goods received vouchers (GRV) are only processed on the system as and when we are about to pay and this approach distorts the entire picture of ageing our creditors since the system will count the number of days taken to process an invoice from the date the GRV is processed.
- The contracted services are to be paid through order system payments and that should feed the age analysis module.
- The municipality developed and implemented invoice register.

Supporting Table: SC 5 - Investment Portfolio

Name of institution & investment ID	Period of Investment	Type of Investment	Interest Rate	Commission Paid	Expiry date	Opening Balance	Interest Earned	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
ABSA CALL ACCOUNT(9396519964)	8 Months	Current Investment	7.7%		31-Dec-25	56,770,949	370,083	-45,000,000	35,296,000	47,437,032
STANDARD BANK(038823527 033)	1 Months	Current Investment	7.4%		22-Jan-26	-	127,295	-	30,000,000	30,127,295
STANDARD BANK(038823527 032)	Months	Current Investment	7.4%		24-Feb-26	-	128,382	-	30,000,000	30,128,382
STANDARD BANK(038823527 034)	1 Months	Current Investment	7.5%		24-Mar-26	-	129,245	-	30,000,000	30,129,245
Total						**56,770,949**	**755,004**	**-45,000,000**	**125,296,000**	**137,821,954**

The Municipality had short investment portfolios during the last month of the first half of the year with an opening balance of R56, 770 million and top up investment of R125 296 million, in various investment portfolios. An amount of R755 thousand was earned as an interest, withdrew R45, 000 million and closed off with R137, 821 at the end of mid-year.

Supporting Table: SC 6 - Transfers and Grant Receipts

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
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		383,099	381,550	–	125,296	286,721	280,864	5,857	2.1%	381,550
Expanded Public Works Programme Integrated Grant		2,609	2,862	–	–	2,004	2,069	(65)	-3.1%	2,862
Local Government Financial Management Grant	3	2,800	2,800	–	–	2,800	2,800	–		2,800
Equitable Share		377,690	375,888	–	125,296	281,917	275,995	5,922	2.1%	375,888
Provincial Government:		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	376	–	–	149	376	(227)	-60.3%	376
Education, Training and Development Practices SETA		–	376	–	–	149	376	(227)	-60.3%	376
Total Operating Transfers and Grants		383,099	381,926	–	125,296	286,870	281,240	5,630	2.0%	381,926
Capital Transfers and Grants										
National Government:		140,508	92,090	–	19,357	71,734	73,796	(2,062)	-2.8%	92,090
Energy Efficiency and Demand Side Management Grant		4,000	4,000	–	–	2,600	4,000	(1,400)	-35.0%	4,000
Municipal Infrastructure Grant		91,314	67,807	–	15,300	55,950	54,496	1,454	2.7%	67,807
Integrated National Electrification Programme Grant		17,544	20,283	–	4,057	13,184	15,300	(2,116)	-13.8%	20,283
Municipal Disaster Recovery Grant		27,650	–	–	–	–	–	–		–
Provincial Government:		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		359	–	–	–	–	179	(179)	-100.0%	–
Education, Training and Development Practices SETA		359	–	–	–	–	179	(179)	-100.0%	–
Total Capital Transfers and Grants		140,867	92,090	–	19,357	71,734	73,976	(2,242)	-3.0%	92,090
TOTAL RECEIPTS OF TRANSFERS & GRANTS		523,966	474,016	–	144,653	358,604	355,216	3,389	1.0%	474,016

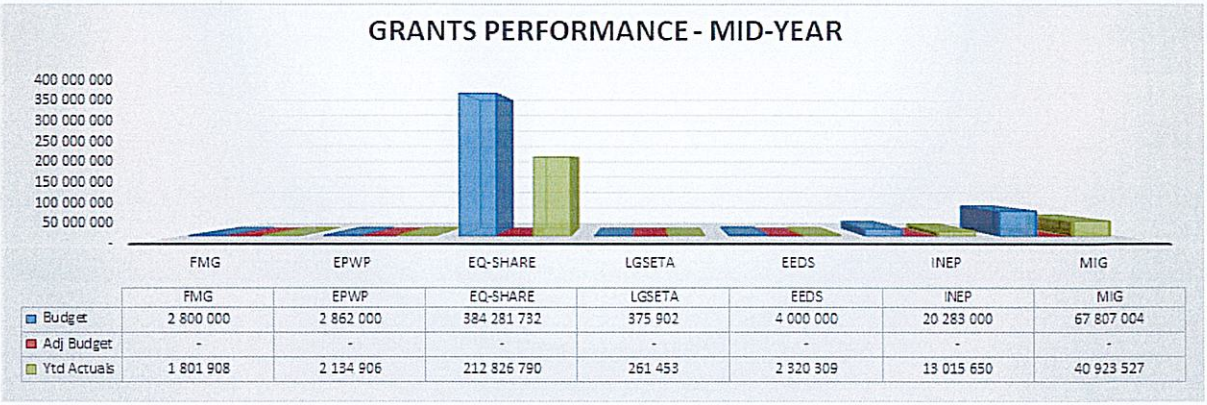
Supporting tables SC6 provides details of grants received. The year-to-date actual receipts amounts to R358, 604 million of which the major portion is attributed to equitable share. For the reporting period equitable shares amounting to R281, 917 million; Financial Management Grant amounting to R2,800 million LGSETA amounting R149,278 thousand, Municipal Infrastructure Grant amounting to R55 950 million; Integrated National Energy Grant R13, 184 million and Expanded Public Works Programme R2 004 million were received and Energy Efficiency and Demand Side Management Grant R2, 600 million. All the trenches of the grants allocated for the current financial year have been received in line with National Treasury payment schedule.

Supporting Table: SC 7 Transfers and grants – Expenditure

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		5,409	5,662	–	567	3,937	1,638	2,299	140.3%	5,662
Expanded Public Works Programme Integrated Grant		2,609	2,862	–	381	2,135	2,069	66	3.2%	2,862
Local Government Financial Management Grant	3	2,800	2,800	–	186	1,802	2,800	(998)	-35.6%	2,800
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	(3,231)	3,231	-100.0%	–
Provincial Government:		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		–	376	–	–	261	70	191	272.9%	376
Education, Training and Development Practices SETA		–	376	–	–	261	70	191	272.9%	376
Total Operating Transfers and Grants		5,409	6,038	–	567	4,198	1,708	2,490	145.8%	6,038
Capital Transfers and Grants										
National Government:		116,346	92,090	–	10,859	56,259	73,027	(16,767)	-23.0%	92,090
Energy Efficiency and Demand Side Management Grant		3,999	4,000	–	–	2,320	3,231	(910)	-28.2%	4,000
Municipal Infrastructure Grant		91,315	67,807	–	6,924	40,924	54,496	(13,572)	-24.9%	67,807
Integrated National Electrification Programme Grant		17,544	20,283	–	3,934	13,016	15,300	(2,285)	-14.9%	20,283
Municipal Disaster Recovery Grant		3,488	–	–	–	–	–	–		–
Provincial Government:		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Other grant providers:		350	–	–	–	–	–	–		–
Education, Training and Development Practices SETA		350	–	–	–	–	–	–		–
Total Capital Transfers and Grants		116,696	92,090	–	10,859	56,259	73,027	(16,767)	-23.0%	92,090
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		122,105	98,128	–	11,425	60,458	74,735	(14,277)	-19.1%	98,128

The year-to-date actuals is R60, 458 million whilst the year to date budget amounts to R74,735 million and this results in an under spending variance of R14 ,277 million that translates to 19.1%. Of the total spending amounting to R60, 458 million, R4, 198 million is spent on operational grants whilst capital grants spent R56, 259 million.

Figure 5: Grants performance



	FMG	EPWP	EQ-SHARE	LGSETA	EEDS	INEP	MIG
Budget	2 800 000	2 862 000	384 281 732	375 902	4 000 000	20 283 000	67 807 004
Adj Budget	-	-	-	-	-	-	-
Ytd Actuals	1 801 908	2 134 906	212 826 790	261 453	2 320 309	13 015 650	40 923 527

The above graph depicts the gazetted and budgeted amounts for all the grants and the expenditure thereof as at mid-year. The grants expenditure is shown below in percentages:

- Financial Management Grant 64.35%
- Expanded Public Work Programme 74.59%
- Equitable Share 55.38%
- Integrated National Electrification Grant 64.17%
- Municipal Infrastructure Grant 60.35%
- Energy Efficiency and Demand Side Management Grant 58.01%
- Local Government Sector Education and Training Authority 69.55%

Supporting Table: SC8 - Councillor Allowances and Employee Related Costs

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
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	17,052	17,802	–	1,399	8,096	8,901	(805)	-9%	17,802
Pension and UIF Contributions	2,442	2,550	–	193	1,158	1,275	(117)	-9%	2,550
Medical Aid Contributions	6	6	–	–	–	3	(3)	-100%	6
Motor Vehicle Allowance	6,759	7,056	–	490	2,930	3,528	(598)	-17%	7,056
Cellphone Allowance	3,118	3,255	–	239	1,442	1,627	(185)	-11%	3,255
Housing Allowances		–	–	–	–	–	–		–
Other benefits and allowances	285	297	–	21	126	149	(23)	-15%	297
Sub Total - Councillors	**29,661**	**30,966**	**–**	**2,342**	**13,752**	**15,483**	**(1,731)**	**-11%**	**30,966**
% increase		**4%**							**4%**
Senior Managers of the Municipality									
Basic Salaries and Wages	3,896	7,064	–	464	3,032	3,532	(500)	-14%	7,064
Pension and UIF Contributions	332	476	–	35	207	273	(66)	-24%	476
Medical Aid Contributions	285	393	–	113	247	196	50	26%	393
Motor Vehicle Allowance	740	1,414	–	76	454	707	(254)	-36%	1,414
Cellphone Allowance	355	196	–	14	84	98	(14)	-14%	196
Housing Allowances							–		
Other benefits and allowances	177	735	–	305	305	377	(72)	-19%	735
Sub Total - Senior Managers of Municipality	**5,785**	**10,277**	**–**	**1,006**	**4,328**	**5,183**	**(855)**	**-17%**	**10,277**
% increase		**78%**							**78%**
Other Municipal Staff									
Basic Salaries and Wages	125,657	127,054	–	11,227	67,688	63,527	4,161	7%	127,054
Pension and UIF Contributions	23,028	25,620	–	2,143	13,008	12,810	198	2%	25,620
Medical Aid Contributions	7,735	6,782	–	613	4,122	3,341	781	23%	6,782
Overtime	931	1,311	–	2	174	564	(390)	-69%	1,311
Performance Bonus							–		
Motor Vehicle Allowance	16,172	17,160	–	1,478	8,735	8,580	155	2%	17,160
Cellphone Allowance	2,377	2,382	–	214	1,292	1,199	93	8%	2,382
Housing Allowances	294	337	–	26	146	161	(14)	-9%	337
Other benefits and allowances	12,487	18,237	–	10,627	13,194	7,889	5,305	67%	18,237
Payments in lieu of leave	938	308	–	84	1,198	154	1,045	679%	308
Long service awards	881	–	–	–	–	1,347	(1,347)	-100%	–
Post-retirement benefit obligations		–		–	–	–	–		
Sub Total - Other Municipal Staff	**190,501**	**199,190**	**–**	**26,413**	**109,558**	**99,571**	**9,987**	**10%**	**199,190**
% increase		**5%**							**5%**
Total Parent Municipality	**225,947**	**240,434**	**–**	**29,761**	**127,638**	**120,238**	**7,401**	**6%**	**240,434**
% increase		**6%**							**6%**
TOTAL SALARY, ALLOWANCES & BENEFITS	**225,947**	**240,434**	**–**	**29,761**	**127,638**	**120,238**	**7,401**	**6%**	**240,434**
% increase		**6%**							**6%**
TOTAL MANAGERS AND STAFF	**196,286**	**209,467**	**–**	**27,420**	**113,886**	**104,754**	**9,132**	**9%**	**209,467**

Table SC8 provides details for Remuneration of Councillors and Employee related cost. The total salaries, allowances and benefits paid at end of December 2025 amounts to R127, 638 million and the year-to-date budget is R120, 238 million and the expenditure for remuneration of Councillors amounts to R13, 753 million while the year-to-date budget is R15, 483 million. The year-to-date actual expenditure for senior managers is R4, 328 million and the year-to-date budget is R5, 183 million. There is one senior managerial vacant position (Executive support), and this is causing an underspending variance on budget performance for senior management. The year-to-date actual for other municipal staff is R109, 558 million and the year-to-date budget is R99, 571 million. The remuneration of councillors and senior managers has underspending variance, and other municipal staff category has overspending variance.

Supporting Table SC9 Budget Statement - actuals and revised targets for cash receipts

Description	Budget Year 2025/26												2025/26 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Year	Year +1	Year +2
	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	2025/26	2026/27	2027/28
Cash Receipts By Source															
Property rates	4,941	3,311	3,173	5,766	3,702	3,465	4,203	3,203	4,229	4,203	4,303	6,422	50,923	53,066	54,392
Service charges - electricity revenue	9,327	9,351	13,506	10,867	14,163	11,020	15,504	14,559	14,051	15,559	15,559	24,535	168,000	175,561	179,967
Service charges - refuse	649	481	589	660	690	574	514	433	601	533	533	(117)	6,139	6,415	6,577
Rental of facilities and equipment	68	27	94	47	191	32	216	114	112	149	133	285	1,467	1,534	1,602
Interest earned - external investments	810	1,198	2,962	768	125	42	46	32	32	38	40	(795)	5,297	5,540	5,784
Interest earned - outstanding debtors	194	186	195	548	189	755	287	298	316	314	306	173	3,761	3,930	4,028
Fines, penalties and forfeits	2,755	2,676	2,508	2,428	2,429	49,409	224	143	102	121	113	(56,293)	6,614	8,183	8,917
Licences and permits	576	575	756	664	447	523	429	576	576	576	576	644	6,916	7,234	7,553
Transfers and Subsidies - Operational	156,621	3,545	–	120	1,288	125,296		793	85,893	–	–	8,370	381,926	376,589	393,576
Other revenue	68,184	169	2,583	112	6,090	154	199	190	103	104	108	(75,349)	2,648	2,770	2,892
Cash Receipts by Source	**244,124**	**21,518**	**26,365**	**21,980**	**29,313**	**191,270**	**21,623**	**20,341**	**106,014**	**21,597**	**21,671**	**(92,126)**	**633,691**	**640,823**	**665,288**
Other Cash Flows by Source												–			
Transfers and subsidies - capital (monetary allocations)	21,000	10,927	19,650	–	800	19,357	–	81,969	14,850	8,000	–	(86,463)	90,090	78,600	86,195
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	–	196	–	–	–	(179)	(17)	–	–	–
Proceeds on Disposal of Fixed and Intangible Assets	–	–	–	–	–	–	43,526	–	–	100,365	–	(100,365)	43,526	78,256	100,365
Increase (decrease) in consumer deposits	(3)	(2)	51	(35)	(6)	(22)	(278)	24	337	24	24	32	146	153	157
Decrease (increase) in non-current receivables	–	–	–	–	–	–	1,598	113	113	113	113	(690)	1,360	1,422	1,485
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**265,121**	**32,443**	**46,066**	**21,945**	**30,107**	**210,605**	**66,665**	**102,447**	**121,314**	**130,099**	**21,629**	**(279,629)**	**768,813**	**799,254**	**853,490**
Cash Payments by Type												–			
Employee related costs	17,619	17,690	17,470	17,069	16,619	27,420	16,963	16,976	16,977	16,972	16,969	4,870	203,613	207,906	213,270
Remuneration of councillors	2,282	2,282	2,282	2,282	2,282	2,342	2,581	2,581	2,581	2,581	2,581	4,309	30,966	32,360	33,169
Interest paid	–	173	–	–	272	221	1,116	1,116	1,116	1,116	1,116	(284)	5,962	4,913	2,513
Bulk purchases - Electricity	738	14,293	14,009	13,056	10,673	11,694	12,931	12,931	12,931	12,931	12,931	26,052	155,170	174,938	197,226
Other materials	917	2,080	1,855	2,087	1,757	2,708	14,373	52,976	14,373	14,373	14,373	(54,135)	67,738	70,768	72,563
Contracted services	5,853	13,716	7,895	10,755	8,960	7,296	6,524	4,851	7,886	3,505	7,043	(14,182)	70,102	68,548	72,158
Grants and subsidies paid - other	629	759	751	111	1,387	629	(3,530)	1,903	1,243	2,426	1,243	6,094	13,645	14,273	14,901
General expenses	7,371	18,245	3,949	30,610	7,052	73,027	17,447	17,447	17,447	17,447	17,447	(155,394)	72,095	67,770	69,661
Cash Payments by Type	**35,409**	**69,237**	**48,211**	**75,970**	**49,002**	**125,336**	**68,405**	**110,781**	**74,554**	**71,351**	**73,703**	**(182,670)**	**619,291**	**641,476**	**675,461**
Other Cash Flows/Payments by Type															
Capital assets	22,380	1,987	12,048	2,109	11,803	12,815	22,284	26,457	(5,367)	43,643	20,593	(81,687)	89,065	70,928	77,772
Repayment of borrowing	–	316	–	–	383	435	–	–	–	–	–	(1,134)	–	–	–
Other Cash Flows/Payments	**–**	**–**	**–**	**–**	**–**	**–**	**1,583**	**1,583**	**27,543**	**1,583**	**1,583**	**(14,876)**	**18,999**	**21,746**	**25,960**
Total Cash Payments by Type	**57,789**	**71,540**	**60,259**	**78,079**	**61,189**	**138,585**	**92,272**	**138,821**	**96,730**	**116,577**	**95,879**	**(280,366)**	**727,355**	**734,150**	**779,193**
NET INCREASE/(DECREASE) IN CASH HELD	207,332	(39,097)	(14,193)	(56,135)	(31,082)	72,020	(25,607)	(36,374)	24,584	13,522	(74,250)	738	41,458	65,103	74,297
Cash/cash equivalents at the month/year beginning:	9,209	216,541	177,444	163,251	107,116	76,035	148,055	122,448	86,074	110,658	124,180	49,930	9,209	50,667	115,771
Cash/cash equivalents at the month/year end:	216,541	177,444	163,251	107,116	76,035	148,055	122,448	86,074	110,658	124,180	49,930	50,667	50,667	115,771	190,068

Supporting table SC9 provides detailed monthly cash flow statement that spells out the receipts by source and payments by type. The monthly total cash receipts reflect an amount of R210, 605 million and the total cash payment for the month was R138, 585 million and this resulted in net increase in cash held amounting to R72, 020 million. With cash and cash equivalent of R76,035 million at the beginning of the reporting period, the municipality closed off the mid-year with cash and cash equivalent amounting to R148, 055 million. This is a supporting table for table C7 – Cash Flow Statement.

Supporting Table: SC 12 Capital Expenditure Trend

Month	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
Monthly expenditure performance trend									
July	4,245	8,331	–	17,677	17,677	8,331	(9,346)	-112%	18%
August	6,735	7,934	–	1,987	19,664	16,264	(3,399)	-21%	20%
September	7,018	7,609	–	12,048	31,711	23,873	(7,838)	-33%	32%
October	9,954	7,128	–	2,109	33,821	31,002	(2,819)	-9%	34%
November	7,123	7,604	–	11,803	45,624	38,605	(7,019)	-18%	46%
December	7,080	8,639	–	12,815	58,469	47,244	(11,194)	-24%	59%
January	11,054	9,425	–	–		56,669	–		
February	26,782	8,220	–	–		64,889	–		
March	30,069	10,081	–	–		74,970	–		
April	15,133	5,922	–	–		80,892	–		
May	26,556	8,719	–	–		89,612	–		
June	21,801	9,218	–	–		98,829	–		
Total Capital expenditure	**173,549**	**98,829**	**–**	**58,469**					

Supporting table SC12 provides information on the monthly trends for capital expenditure. In terms of this table the capital expenditure as at mid-year amounts to R58, 469 million whilst the year-to-date budget is R47, 244 million, that gives rise to under spending variance of R11, 194 million that translate to 24%.

Supporting Table: SC 13(a) Capital Expenditure on New Assets.

Description	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
Capital expenditure on new assets by Asset Class									
Infrastructure	**42,783**	**38,079**	**–**	**5,328**	**14,078**	**19,394**	**5,316**	**27%**	**38,079**
Roads Infrastructure	20,000	–	–	–	–	–	–		–
Roads	20,000	–	–	–	–	–	–		–
Road Structures							–		
Electrical Infrastructure	**22,248**	**31,292**	**–**	**3,797**	**10,182**	**14,929**	**4,747**	**32%**	**31,292**
Power Plants	4,000	3,100	–	404	2,099	1,859	(240)	-13%	3,100
MV Substations	–	–	–	–	–	–	–		–
MV Switching Stations							–		
MV Networks	17,544	28,192	–	3,393	8,083	13,069	4,987	38%	28,192
LV Networks							–		–
Capital Spares	704	–	–	–	–	–	–		–
Solid Waste Infrastructure	**100**	**5,221**	**–**	**886**	**3,252**	**3,616**	**364**	**10%**	**5,221**
Landfill Sites	100	5,221	–	886	3,252	3,616	364	10%	5,221
Rail Infrastructure	435	1,565	–	644	644	849	205	24%	1,565
Drainage Collection	435	1,565	–	644	644	849	205	24%	1,565
Community Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Community Facilities	–	–	–	–	–	–	–		–
Other assets	–	–	–	–	–	–	–		–
Operational Buildings	–	–	–	–	–	–	–		–
Municipal Offices	–						–		
Intangible Assets	–	–	–	–	–	–	–		–
Servitudes							–		
Computer Software and Applications		–	–	–	–	–	–		–
Computer Equipment	**1,660**	**870**	**–**	**–**	**711**	**737**	**26**	**4%**	**870**
Computer Equipment	1,660	870	–	–	711	737	26	4%	870
Furniture and Office Equipment	**760**	**435**	**–**	**–**	**–**	**228**	**228**	**100%**	**435**
Furniture and Office Equipment	760	435	–	–	–	228	228	100%	435
Machinery and Equipment	**278**	**174**	**–**	**–**	**–**	**87**	**87**	**100%**	**174**
Machinery and Equipment	278	174	–	–	–	87	87	100%	174
Transport Assets	–	–	–	–	–	–	–		–
Transport Assets	**–**						**–**		
Total Capital Expenditure on new assets	**45,481**	**39,557**	**–**	**5,328**	**14,789**	**20,446**	**5,657**	**28%**	**39,557**

Supporting Table: SC 13(b) Capital Expenditure on Renewal of Existing Assets

Description	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
Capital expenditure on renewal of existing assets by Asset Class									
Infrastructure	**17,550**	**3,414**	**–**	**185**	**2,923**	**2,772**	**(152)**	**-5%**	**3,414**
Roads Infrastructure	**17,050**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Roads	17,050	–	–	–	–	–	–		–
Road Structures							–		
Electrical Infrastructure	**500**	**3,240**	**–**	**185**	**2,794**	**2,642**	**(151)**	**0%**	**–**
MV Networks	–	3,240		185	2,794	2,642	(151)	0%	
Capital Spares	500	–	–	–	–	–	–		–
Solid Waste Infrastructure	**–**	**174**	**–**	**–**	**130**	**129**	**(0)**	**0%**	**3,414**
Landfill Sites	–	–	–	–	130	129	(0)	0%	3,414
Waste Transfer Stations		174					–		
Community Assets	**1,696**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Community Facilities	1,696	–	–	–	–	–	–		–
Cemeteries/Crematoria	1,696	–	–	–	–	–	–		–
Sport and Recreation Facilities	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Indoor Facilities							–		
Outdoor Facilities							–		
Other assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Operational Buildings	–	–	–	–	–	–	–		–
Municipal Offices	–	–	–	–	–	–	–		–
Intangible Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Servitudes							–		
Computer Software and Applications							–		
Computer Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Computer Equipment							–		
Furniture and Office Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Furniture and Office Equipment							–		
Machinery and Equipment	**238**	**87**	**–**	**–**	**–**	**57**	**57**	**100%**	**87**
Machinery and Equipment	238	87	–	–	–	57	57	100%	87
Transport Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Transport Assets							–		
Total Capital Expenditure on renewal of existing assets	**19,484**	**3,501**	**–**	**185**	**2,923**	**2,828**	**(95)**	**-3%**	**3,501**

Supporting Table: SC 13(c) Repairs and Maintenance Expenditure

Description	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
Repairs and maintenance expenditure by Asset Class									
Infrastructure	**19,675**	**15,722**	**–**	**882**	**9,597**	**8,497**	**(1,101)**	**-13%**	**15,622**
Roads Infrastructure	**13,024**	**7,129**	**–**	**–**	**4,610**	**3,713**	**(897)**	**-24%**	**7,029**
Roads	13,024	7,129	–	–	4,610	3,713	(897)	-24%	7,029
Road Furniture							–		
Electrical Infrastructure	**4,551**	**5,468**	**–**	**882**	**3,495**	**3,111**	**(384)**	**-12%**	**5,468**
MV Substations		100					–		100
MV Networks	4,551	5,368	–	882	3,495	3,111	(384)	-12%	5,368
Solid Waste Infrastructure	**2,100**	**3,125**	**–**	**–**	**1,492**	**1,562**	**70**	**4%**	**3,125**
Landfill Sites	2,100	3,125	–	–	1,492	1,562	70	4%	3,125
Capital Spares							–		
Rail Infrastructure	**–**	**–**	**–**	**–**	**–**	**110**	**110**	**100%**	**–**
MV Substations						110	110	100%	
LV Networks							–		
Community Assets	**448**	**2,227**	**–**	**865**	**1,056**	**3,512**	**2,456**	**70%**	**2,227**
Community Facilities	448	2,227	–	865	1,056	3,512	2,456	70%	2,227
Parks	448	2,227	–	865	1,056	3,512	2,456	70%	2,227
Sport and Recreation Facilities	–	–	–	–	–	–	–		–
Indoor Facilities							–		
Outdoor Facilities							–		
Other assets	**959**	**1,984**	**–**	**23**	**416**	**755**	**339**	**45%**	**1,984**
Operational Buildings	**959**	**1,984**	**–**	**23**	**416**	**755**	**339**	**45%**	**1,984**
Municipal Offices	959	1,984	–	23	416	755	339	45%	1,984
Intangible Assets	**1,470**	**100**	**–**	**6**	**31**	**–**	**(31)**	**0%**	**100**
Servitudes							–		
Licences and Rights	1,470	100	–	6	31	–	(31)	0%	100
Computer Software and Applications	**1,470**	**100**	**–**	**6**	**31**	**–**	**(31)**	**0%**	**100**
Computer Equipment	–	4,797	–	869	3,829	–	(3,829)	0%	4,797
Computer Equipment		4,797		869	3,829		(3,829)	0%	4,797
Furniture and Office Equipment	**–**	**580**	**–**	**–**	**263**	**290**	**27**	**9%**	**580**
Furniture and Office Equipment		580	–	–	263	290	27	9%	580
Machinery and Equipment	**12,401**	**12,701**	**–**	**1,948**	**6,952**	**6,621**	**(331)**	**-5%**	**12,701**
Machinery and Equipment	12,401	12,701	–	1,948	6,952	6,621	(331)	-5%	12,701
Transport Assets	**4,295**	**2,920**	**–**	**53**	**1,079**	**1,628**	**549**	**34%**	**2,920**
Transport Assets	4,295	2,920	–	53	1,079	1,628	549	34%	2,920
Total Repairs and Maintenance Expenditure	**39,247**	**41,032**	**–**	**4,646**	**23,224**	**21,303**	**(1,921)**	**-9%**	**40,932**

Supporting Table: SC 13(d) Depreciation and asset impairment

Description	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
Depreciation by Asset Class									
Infrastructure	**31,545**	**13,966**	**–**	**3,762**	**22,345**	**21,333**	**(1,012)**	**-5%**	**13,966**
Roads Infrastructure	**24,678**	**5,802**	**–**	**3,310**	**19,665**	**17,963**	**(1,702)**	**-9%**	**5,802**
Roads	24,221	5,395	–	360	2,138	17,759	15,621	88%	5,395
Road Structures	228	237	–	2,903	17,249	119	(17,131)	-14433%	237
Road Furniture	229	170	–	47	278	85	(193)	-227%	170
Storm water Infrastructure	–	44	–	–	–	–	–		44
Drainage Collection	–	44					–		44
Electrical Infrastructure	**4,640**	**6,472**	**–**	**401**	**2,382**	**2,710**	**328**	**12%**	**6,472**
MV Substations	1,226	3,171	–	77	457	1,549	1,093	71%	3,171
MV Switching Stations	(1)	335	–	26	156	168	11	7%	335
MV Networks	1,543	625	–	114	678	194	(484)	-249%	625
LV Networks	262	669	–	54	319	335	16	5%	669
Capital Spares	1,610	1,671	–	130	772	464	(308)	-66%	1,671
Solid Waste Infrastructure	**2,227**	**1,648**	**–**	**50**	**298**	**630**	**332**	**53%**	**1,648**
Landfill Sites	516	445	–	50	297	227	(70)	-31%	445
Waste Transfer Stations							–		
Waste Processing Facilities	1,708	1,200	–	–	–	402	402	100%	1,200
Capital Spares	3	3	–	0	1	1	(1)	-122%	3
Drainage Collection	–	–	–	–	–	31	31	0	–
Community Assets	**958**	**1,124**	**–**	**59**	**353**	**515**	**162**	**31%**	**1,124**
Community Facilities	802	849	–	59	353	433	80	0	849
Halls	30	30	–	2	12	22	10	0	30
Centres	183	193	–	6	36	96	60	0	193
Cemeteries/Crematoria	92	97	–	15	91	49	(42)	(0)	97
Purls	1	8	–	0	1	5	4	0	8
Taxi Ranks/Bus Terminals	244	258	–	16	94	129	35	27%	258
Capital Spares	253	264	–	20	118	132	14	11%	264
Sport and Recreation Facilities	**156**	**275**	**–**	**–**	**–**	**82**	**82**	**100%**	**275**
Indoor Facilities	–						–		
Outdoor Facilities	156	275	–	–	–	82	82	100%	275
Capital Spares							**–**		
Other Heritage	–	–	–	–	–	–	–		–
Other assets	**3,966**	**5,223**	**–**	**274**	**1,625**	**2,987**	**1,362**	**46%**	**5,223**
Operational Buildings	1,415	2,178	–	179	1,064	1,043	(21)	-2%	2,178
Municipal Offices	716	1,606	–	138	817	803	(14)	-2%	1,606
Stores	389	244	–	19	115	125	10	8%	244
Training Centres	310	328	–	22	132	115	(17)	-15%	328
Housing	**2,552**	**3,045**	**–**	**94**	**561**	**1,944**	**1,383**	**71%**	**3,045**
Social Housing	2,552	3,045	–	94	561	1,944	1,383	71%	3,045
Intangible Assets	**6**	**–**	**–**	**–**	**–**	**13**	**13**	**100%**	**–**
Servitudes	6	–	–	–	–	8	8	100%	–
Licences and Rights	–	–	–	–	–	4	4	100%	–
Computer Software and Applications	–	–	–	–	–	4	4	100%	–
Computer Equipment	**673**	**1,010**	**–**	**131**	**759**	**507**	**(253)**	**-50%**	**1,010**
Computer Equipment	673	1,010	–	131	759	507	(253)	-50%	1,010
Furniture and Office Equipment	**763**	**2,539**	**–**	**174**	**1,015**	**1,201**	**186**	**16%**	**2,539**
Furniture and Office Equipment	763	2,539	–	174	1,015	1,201	186	16%	2,539
Machinery and Equipment	**3,564**	**4,112**	**–**	**476**	**2,803**	**2,097**	**(706)**	**-34%**	**4,112**
Machinery and Equipment	3,564	4,112	–	476	2,803	2,097	(706)	-34%	4,112
Transport Assets	**20,401**	**35,518**	**–**	**130**	**769**	**2,697**	**1,929**	**72%**	**35,518**
Transport Assets	20,401	35,518	–	130	769	2,697	1,929	72%	35,518
Total Depreciation	**61,877**	**63,492**	**–**	**5,006**	**29,669**	**31,349**	**1,680**	**5%**	**63,492**

Supporting Table: SC 13(e) Capital Expenditure on upgrading of Existing Assets

Description	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
Capital expenditure on upgrading of existing assets by Asset Class									
Infrastructure	**98,282**	**55,771**	**–**	**7,302**	**40,726**	**26,612**	**(14,114)**	**-53%**	**55,771**
Roads Infrastructure	**96,932**	**55,771**	**–**	**7,302**	**40,726**	**26,612**	**(14,114)**	**-53%**	**55,771**
Roads	96,932	55,771	–	7,302	40,726	26,612	(14,114)	-53%	55,771
Storm water Infrastructure	–	–	–	–	–	–	–		–
Electrical Infrastructure	**916**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Power Plants							–		
MV Substations							–		
MV Switching Stations							–		
MV Networks	916						–		
LV Networks							–		
Solid Waste Infrastructure	**435**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Landfill Sites	435		–	–	–		–		–
Waste Transfer Stations				–	–		–		
Community Assets	**10,301**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Community Facilities	–	–	–	–	–	–	–		–
Parks		–	–	–	–	–	–		–
Sport and Recreation Facilities	**10,301**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Indoor Facilities							–		
Outdoor Facilities	10,301	–	–	–	–	–	–		–
Other assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Operational Buildings	–	–	–	–	–	–	–		–
Municipal Offices	–						–		
Yards	–	–		–	–	–	–		–
Intangible Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Licences and Rights	–	–	–	–	–	–	–		–
Computer Software and Applications							–		
Computer Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Computer Equipment							–		
Furniture and Office Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Furniture and Office Equipment							–		
Machinery and Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Machinery and Equipment			–	–	–		–		
Transport Assets	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Transport Assets							–		
Total Capital Expenditure on upgrading of existing assets	**108,584**	**55,771**	**–**	**7,302**	**40,726**	**26,612**	**(14,114)**	**-53%**	**55,771**

Supporting table SC13a, SC13b and SC13e provide details of capital expenditure in terms of asset classification based on new assets and renewal of existing assets; while table SC13c provide details of expenditure performance on repairs and maintenance by asset classification and Table SC13d presents expenditure on depreciation and asset impairment. These tables present the capital programme, and assets management and performance of the Municipality.

The total capital expenditure for new capital projects amounts to R14,789 million and the year-to-date budget is R20, 446 million that reflects positive spending variance of R5, 657 million that translates to 28% variance.

The total capital expenditure for renewal/upgrading of existing assets amounts to R2,923 million and the total budget amounts to R2, 828 million for the 2025/26 financial year.

The year-to-date actual expenditure on repairs and maintenance is R23, 224 million, and the total budget is R21, 303 million, reflecting an underspending variance of R1, 921 million that translates to 9%.

The year-to-date actual expenditure on upgrading of existing assets is R40, 726 million and the year-to-date budget is R26, 612 million, reflecting a negative spending variance of R14, 114 million that translates to 53%.

The year-to-date actual expenditure on depreciation and asset impairment is R29, 669 million and the year-to-date budget is R31, 349 million, reflecting a positive spending variance of R 1, 680 million, that translates to 5% which means the integration between asset management system and core financial system is working which is one of the requirements for implementation of mSCOA. This is basically mean that the municipality is complying mSCOA requirements in terms of the depreciation method

List of Capital Programmes and Projects

Department	Project Description	Type	Asset Class	Asset Sub-Class	2025/26 Medium Term Revenue and Expenditure Framework			
					Original Budget	Original Budget After Virements	YTD Actuals	Percentage
Community Services	Landfill Sites:Ablution Facility Groblersdal	single	Community Assets	Community Assets	43,479	43,479	43,450	100%
	Landfill Sites:Ablution Facility Roossenekal	single	Furniture and Office Equipment	Furniture and Office Equipment	43,479	43,479	43,450	100%
	Landfill Sites:construction of washbay at Groblersdal landfill site	single	Solid Waste Infrastructure	Landfill Sites	173,914	173,914	-	0%
	Landfill Sites:Fencing of Tafelkop Cemetery	Multi	Community Assets	Community Assets	695,653	695,653	799,250	115%
	Landfill Sites:Landfill Site Off Storage	single	Machinery and Equipment	Machinery and Equipment	43,479	43,479	-	0%
	Landfill Sites:Notice Boards	single	Community Assets	Landfill Sites	86,957	86,957	-	0%
	Landfill Sites:Weighbridge Groblersdal Landfill Site	Multi	Machinery and Equipment	Machinery and Equipment	260,870	260,870	-	0%
	Machinery and Equipment:Machinery and Equipment	Multi	Community Assets	Community Assets	173,914	173,914	125,900	72%
Corporate Services	Computer Equipment	single	Computer Equipment	Computer Equipment	869,566	869,566	711,204	82%
	Furniture and Office Equipment:Furniture and Office Equipment	Multi	Furniture and Office Equipment	Furniture and Office Equipment	434,783	434,783	411,600	95%
Technical Services	Drainage Collection:Groblersdal Storm water	Multi	Electrical Infrastructure	Capital Spares	1,565,218	1,565,218	644,198	41%
	Landfill Sites:Groblersdal Landfill site 6.6	Multi	Storm water Infrastructure	Drainage Collection	11,538,950	11,538,950	-	0%
	Machinery and Equipment:Machinery and Equipment	single	Machinery and Equipment	Capital Spares	173,914	173,914	129,552	74%
	MV Networks:Electrification of Doorom (Designs)	Multi	Electrical Infrastructure	MV Networks	1,299,000	1,299,000	810,363	62%
	MV Networks:Electrification of Kgaphamadi	Multi	Electrical Infrastructure	MV Networks	2,736,000	2,736,000	1,093,100	40%
	MV Networks:Electrification of Luckau Maganagobuswa	Multi	Electrical Infrastructure	MV Networks	1,588,000	1,588,000	559,813	35%
	MV Networks:Electrification of Lusaka (Designs)	Multi	Electrical Infrastructure	MV Networks	2,400,000	2,400,000	1,746,970	73%
	MV Networks:Electrification of Mantrombi Section	Multi	Electrical Infrastructure	MV Networks	3,100,000	3,100,000	2,098,946	68%
	MV Networks:Electrification of Mkhanjini ward 19	Multi	Electrical Infrastructure	MV Networks	500,000	500,000	-	0%
	MV Networks:Electrification of Ntswelemotse ext (Designs)	single	Electrical Infrastructure	MV Networks	3,240,000	3,240,000	2,793,739	86%
	MV Networks:Electrification of Oorlog (Designs)	Multi	Electrical Infrastructure	MV Networks	1,872,000	1,872,000	1,206,122	64%
	MV Networks:Electrification of Phooko	Multi	Electrical Infrastructure	MV Networks	1,100,000	1,100,000	813,197	74%
	MV Networks:Electrification of Zaaipluss Police Station (Designs)	Multi	Electrical Infrastructure	MV Networks	2,448,000	2,448,000	1,669,826	68%
	MV Networks:Energy Efficiency and Demand Side Management	single	Electrical Infrastructure	Power Plants	4,000,000	4,000,000	2,320,309	58%
	MV Networks:Installation of Engineering Services at Game Farm	single	Electrical Infrastructure	MV Substations	434,783	434,783	-	0%
	MV Networks:Installation of high mast in Tafelkop Dipakapakeng bluemoon	Multi	Roads Infrastructure	Roads	395,000	684,627	45,802	7%
	MV Networks:Installation of high mast light in Dikgalaopeng	Multi	Roads Infrastructure	Roads	395,000	684,627	45,802	7%
	MV Networks:Installation of high mast light in Legolaneng	Multi	Roads Infrastructure	Roads	395,000	684,627	45,802	7%
	MV Networks:Installation of high mast light in Lusaka	single	Roads Infrastructure	Roads	395,000	684,627	45,802	7%
	MV Networks:Installation of high mast light in Magakadimeng	single	Roads Infrastructure	Roads	395,000	684,627	45,802	7%
	MV Networks:Installation of high mast light in Makgopheng	Multi	Roads Infrastructure	Roads	395,000	684,627	45,802	7%
	MV Networks:Installation of high mast light in Matlala Lehwelere	Multi	Roads Infrastructure	Roads	395,000	684,627	45,802	7%
	MV Networks:Installation of high mast light in Matsitsi Village	Multi	Roads Infrastructure	Roads	395,000	684,627	45,802	7%
	MV Networks:Installation of high mast light in Stompo	single	Roads Infrastructure	Roads	395,000	684,627	45,802	7%
	MV Networks:Installation of high mast light in Tafelkop Rammupudu T-Junction	Multi	Roads Infrastructure	Roads	395,000	684,627	45,802	7%
	MV Networks:Installation of high mast light in Waalkraal Clinic	Multi	Roads Infrastructure	Roads	395,000	684,627	45,802	7%
	MV Networks:Installation of Solar Panels	Multi	Electrical Infrastructure	Roads	434,783	434,783	-	0%
	MV Networks:Refurbishment of Roosenekal Network	Multi	Electrical Infrastructure	MV Networks	434,783	434,783	-	0%
	Roads:Upgrading of Kgobokwane-Kgaphamadi Road	Multi	Roads Infrastructure	Roads	11,430,592	13,474,737	9,466,739	70%
	Roads:Upgrading of Malaeneng A Ntwane Access Road	Multi	Roads Infrastructure	Roads	2,084,317	1,951,272	1,952,272	100%
	Roads:Upgrading of Maraganeng internal Access road (MIG)	Multi	Roads Infrastructure	Roads	12,006,125	12,006,125	11,494,249	96%
	Roads:UPGRADING OF MOGAUNG ROAD	Multi	Roads Infrastructure	Roads	434,783	434,783	-	0%
	Roads:Upgrading of Mokumong access road to Marateng taxi rank	Multi	Roads Infrastructure	Roads	8,569,778	8,569,778	8,549,577	100%
	Roads:Upgrading of Ramaphosa from gravel to paved road	Multi	Roads Infrastructure	Roads	434,783	434,783	-	0%
	Roads:Upgrading of Tafelkop Bapeding Bus route	single	Roads Infrastructure	Roads	6,584,350	3,627,797	3,627,797	100%
	Roads:Upgrading of Waalkral Bus route	single	Roads Infrastructure	Roads	11,247,892	9,107,448	4,853,706	53%
TOTAL					98,829,145	98,829,145	58,469,149	

ADJUSTED BUDGET ON REVENUE AND EXPENDITURE

Description	2024/25	Budget Year 2025/26			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	%
Revenue By Source					
Property rates	61 818	63 085	65 137	32 568	3%
Service charges - electricity revenue	147 578	164 683	172 893	86 446	5%
Service charges - refuse revenue	14 276	21 866	13 231	6 616	-39%
Rental of facilities and equipment	1 886	1 467	1 467	525	-28%
Interest earned - external investments	10 989	6 656	6 656	4 994	50%
Interest earned - outstanding debtors	13 635	16 493	21 279	10 640	29%
Fines, penalties and forfeits	98 497	104 744	124 409	62 204	19%
Licences and permits	7 302	6 916	7 079	3 539	2%
Transfers and subsidies	383 099	381 926	426 126	286 115	50%
Other revenue	4 296	2 648	1 485	742	-44%
Gains	72 082	–	–	–	0%
Total Revenue (excluding capital transfers and contributions)	**815 459**	**770 485**	**839 761**	**494 390**	

Reasons for deviations will only be provided for material variances, and a variance is deemed to be material if it is 10% and more.

Rental of facilities and equipment

No adjustment will be processed on rental of facilities and machinery as straight lining journals are typically calculated and applied at year-end.

Interest on external investments

There will be no adjustment to interest earned from investments, as only one remaining tranche is expected from the grant funders. Although mid-year performance has been strong, it would be prudent not to assume the same level of performance will be sustained in the second half of the year.

Interest on outstanding debtors

Interest from outstanding debtors will be adjusted upwards due to strong performance. However, this performance should not be viewed positively, as it indicates that customers are failing to pay their municipal charges, whether as a result of unemployment or unwillingness to pay.

Traffic fines

The actual year to date revenue realised are actual payments as opposed to traffic fines issued. The integration between traffic fine system and our core financial management system is still a challenge. The municipality is performing well compared to prior year and the upward adjustment is based on traffic fines issued report as opposed to actual year to date (payments). The municipality issued R62 204 million traffic fine as at mid-year.

Transfer and subsidies

The Municipality received approval of R20 million operational grant to assist with development and refurbishment of underground water sources (Boreholes). The municipality received roll-over approval of Municipal Disaster Grant amounting to R24.2 million.

There are no changes; therefore, the gazetted grants will be transferred to the municipality as published.

Service charges refuse revenue

Service charge waste includes cost of free basic services to be provided to indigents and still needs to be implemented

Other revenue

Downwards adjustment is based on actual performance.

Description	2024/25	Budget Year 2025/26		
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual
Expenditure By Type				
Employee related costs	196,286	209,467	227,773	113,886
Remuneration of councillors	29,661	30,966	27,504	13,752
Debt impairment	20,144	87,202	25,573	12,786
Depreciation & asset impairment	62,754	63,492	59,337	29,669
Finance charges	1,104	5,962	2,817	666
Bulk purchases	139,391	150,170	128,926	64,463
Other materials	41,896	25,092	22,809	11,405
Contracted services	85,573	92,371	108,949	54,474
Transfers and subsidies	11,313	13,645	8,532	4,266
Other expenditure	67,442	72,593	118,464	59,232
Losses	67	2,301	2,301	–
Total Expenditure	**655,631**	**753,262**	**732,984**	**364,599**

Reasons for deviations will only be provided for material variances and a variance is deemed to be material if it is 10% and more.

Remuneration of councillors

No adjustment will be processed as there is still upper limits to be adjusted at the end of February 2026.

Debt impairment

The municipality is still facing a challenge regarding the computation of monthly movement and majority of the debts is written off.

Finance charges

Finance charges will be adjusted to reflect the latest amortisation schedule applicable to the fleet delivered under the finance lease.

Bulk purchases

Electricity bulk purchases will be prudently adjusted downwards based on current performance. Due cognisance has been taken of the approaching winter season, during which higher electricity consumption is anticipated. Credit is also due to the Electrical Department for the reduction in illegal connections, which has contributed to the observed underperformance in bulk electricity purchases.

Losses

The scrutiny has been performed on municipal losses, no adjustment on losses.

Transfers and subsidies

No adjustment will be processed as actuarial reports are received at year end and the recognition therefore is processed.

Other expenditure

The upward adjustment in other expenditure is primarily attributable to a material amount of debt written off during the period.

Contracted services

Based on the actual performance there is no overspending on any item however the following items are unlikely to meet their contractual obligations: refuse removal, litigation and legal fees, illegal dumping, business advisory, maintenance of parks, MPAC advisory panel, printing, mayoral catering, campaigns, administration support, audit committee etc. Thorough assessment will be performed during adjustment budget to ensure spending has been kept minimal. The adjustment will be based on actual performance and commitments.

Quality certificate

I, **Namudi Reginah Makgata**, the Municipal Manager of **ELIAS MOTSOALEDI LOCAL MUNICIPALITY**, hereby certify that the monthly budget statement report and supporting documentation for the month of 31 December 2025 has been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Municipal Manager of Elias Motsoaledi Local Municipality (LIM472)

Signature .....

Date 23/01/2026