

SOL PLAATJE LOCAL MUNICIPALITY



MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

1 JULY 2025 TO 31 DECEMBER 2025 (MFMA S72)

SECOND QUARTER PERFORMANCE ASSESSMENT

1 OCTOBER 2025 TO 31 DECEMBER 2025 52(D) REPORT (MFMA S52d)

20 JANUARY 2026

TABLE OF CONTENTS

| | | |
|------------|--|-----------|
| 1. | PURPOSE | 5 |
| 2. | BACKGROUND | 6 |
| 3. | BUDGET IMPLEMENTATION..... | 7 |
| 3.1 | Operating Budget Overview | 7 |
| 3.2 | Capital Budget Overview | 9 |
| 4. | REVENUE FRAMEWORK..... | 10 |
| 4.1 | Operating Revenue by Source | 10 |
| 4.2 | Revenue by Vote..... | 13 |
| 4.3 | Revenue By Major Service..... | 14 |
| 4.4 | Debtors Management..... | 17 |
| 4.5 | Prepaid Electricity | 22 |
| 4.6 | Allocation and grant receipts and expenditure | 24 |
| 4.7 | Cash flows | 27 |
| 5. | EXPENDITURE FRAMEWORK..... | 30 |
| 5.1 | Operating Expenditure By Type | 30 |
| 5.2 | Expenditure By Vote | 34 |
| 5.3 | Councillor and Board Member Allowances and Employee Benefits..... | 36 |
| 5.5 | Aged Creditors | 51 |
| 5.6 | Repairs And Maintenance | 52 |
| 6. | CAPITAL PROGRAMME PERFORMANCE..... | 52 |
| 6.1 | Capital Expenditure By Project..... | 54 |
| 6.2 | Capital Expenditure By Vote..... | 56 |
| 7. | INVESTMENT PORTFOLIO ANALYSIS | 58 |
| 8. | FINANCIAL MANAGEMENT AND REPORTING | 60 |
| 9. | ANNUAL FINANCIAL STATEMENTS AND AUDIT OUTCOMES FOR FY 2024/25..... | 62 |
| 10. | ADJUSTMENT BUDGET PROPOSALS | 64 |
| 11. | TOP LAYER SDBIP SECOND QUARTER PERFORMANCE REPORT: 1 JULY TO 30 DECEMBER 2025 | 67 |
| 11.1 | INFRASTRUCTURE AND SERVICES | 68 |
| 11.2 | FINANCIAL SERVICES | 76 |
| 11.3 | STRATEGY, ECONOMIC DEVELOPMENT AND PLANNING | 82 |
| 11.4 | CORPORATE SERVICES | 87 |

| | | |
|------------|---|-----------|
| 11.5 | COMMUNITY AND SOCIAL DEVELOPMENT SERVICES | 89 |
| 11.6 | MUNICIPAL MANAGER..... | 92 |
| 12. | <i>Municipal Manager's quality certification</i> | 95 |
| 13. | CONCLUSION..... | 96 |
| 14. | Annexure A: C-schedules | 97 |

Annexure A – Prescribed Tables in terms of GG 32141 of 17 April 2009

List of Abbreviations and Acronyms used in the MBS

AFS – Annual Financial Statements
AGSA - Auditor-General of South Africa
BTO - Budget and Treasury Office
CAPEX – Capital Expenditure
CFO - Chief Financial Officer
COGHSTA - Department of Co-operative Governance, Human Settlement and Traditional Affairs
DBSA - Development Bank of South Africa
DoRA - Division of Revenue Act
DPW – Department of Public Works
DSAC – Department of Sports, Arts and Culture
DWS - Department of Water and Sanitation
ED - Executive Director
EEDG - Energy Efficiency and Demand Side Management Grant
EPWP - Expanded Public Works Programme
FMG – Financial Management Grant
FY – Financial Year
GG – Government Gazette
GRAP - Generally Recognised Accounting Practices
GURP - Galeshewe Urban Renewal Programme
IDP - Integrated Development Plan
INEP - Integrated National Electrification Programme
ISDG - Infrastructure Skills Development Grant
IT - Information Technology
IUDG –Integrated Urban Development Grant
IYM – In-year Monitoring
KPA or KPI - Key Performance Area or Indicator
MBRR - Municipal Budget and Reporting Regulations (GG 32141 of 17 April 2009)
MBS – Monthly Budget Statement
MFMA - Municipal Finance Management Act (Act 56 of 2003)
MIG - Municipal Infrastructure Grant
MM - Municipal Manager
MSA - Municipal Systems Act
MSIG - Municipal Systems Improvement Grant
MTREF - Medium Term Revenue and Expenditure Framework
NDPG - Neighbourhood Development Partnership Grant
NERSA - National Energy Regulator of South Africa ("the Regulator")
NT - National Treasury
OPEX – Operational Expenditure
O/S - Outstanding
PPE - Property, Plant and Equipment
R&M - Repairs and Maintenance
SALGA - South African Local Government Association
SCM - Supply Chain Management
SCOA – Standard Chart of Accounts
SDBIP - Service Delivery and Budget Implementation Plan
SEDP - Strategic Economic Development and Planning
SLA -Service Level Agreement
SMME - Small, Medium and Micro Enterprises
SPLM - Sol Plaatje Local Municipality
VAT – Value Added Tax
YTD – Year to date
WRM - Water Resource Management
WRL - Water Research Levy
WSIG – Water Services Infrastructure Grant

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR THE SIX-MONTH PERIOD ENDING 31 DECEMBER 2025 AND S52(d) PERFORMANCE ASSESSMENT FOR THE SECOND QUARTER ENDING 31 DECEMBER 2025

1. PURPOSE

The purpose of this report is to comply with section 72(1), (2) and (3) and Quarter 2 Performance Report for the period 1 October to 31 December 2025 in terms of Section 52(d) of MFMA No. 56 of 2003. This report also comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009 by the submission of a monthly budget statement to the Executive Mayor and National Treasury containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month, as legislated.

The municipality realises, the critical importance of having a minimum 3 month's cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past few months to ensure that Sol Plaatje Municipality recovers fully to ensure its sustainability and financial viability. Serious actions will have to be taken to realise this target and Council's buy-in be secured, to the turn the municipality around is critically important. The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on quality service being rendered.

Currently, the total debtor's book is standing at R4,532,290 billion, of which 91% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R779,193 million is owed by government, R757,458 million by businesses and R2,854,286 billion by households. The municipality is urging government, businesses and households to meet their obligation to the municipality or make payment arrangements with the municipality. The cash collection is not at a desired level, and this does not bode well for the municipality's financial position. *There needs to be a major paradigm shift in the payment culture across all customer groups. This can only be achieved when the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied to all customer groups.* Consumers that are not paying for services, but consumers must bear in mind that no municipality will remain sustainable and functional if it expected to provide "services for free". And in the same breath, the municipality must employ all measures to ensure that customers receive quality and reliable services. The municipality appointed four debt collection specialists in order to strengthen the current debt collection initiatives. The value of providing quality services, should never be underestimated by the municipality because there is a direct correlation between providing quality services and consumers' willingness to pay.

Tough decisions have to be taken to have a meaningful impact and produce positive results. This action is long overdue, especially in light of the municipality's financial crisis and major threat to its financial viability and sustainability. In order for the municipality to thrive, overall performance must improve, the quality of services rendered must improve, accountability must be enforced which must be complimented by strict consequence management. Serious consideration should be given to the service delivery and financial implications of all decisions taken. Ensure that acts, regulations and policies are adhered to diligently, consistently and fairly. Enhance revenue collection and ensure that operational and capital funds are spent effectively with good value for money. Improving on preventative maintenance and spending funds cost-effectively and efficiently to address service delivery challenges can no longer be delayed. We are striving to ensure assets are maintained at desired levels and are being utilised optimally.

The spending of funds will have to be prioritised, wastage be curbed, and overall personnel performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure.

Refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

It is imperative that all municipal officials must have an inherent desire to do their job to the best of their ability, take pride and ownership in their work, take accountability for their job functions, doing the right thing consistently and work as a collective, cohesive team to achieve the municipality's strategic objectives. Foremost to all of these, have the community's best interest at heart.

2. BACKGROUND

Section 52(d) of the Municipal Finance Management Act requires that the Mayor of a municipality must within 30 days after the end of each quarter, submit a report to Council on the implementation of the budget and the financial state of affairs of the municipality.

Whilst section 72 of the Municipal Finance Management Act requires that the Accounting of a municipality must by 25 January each year, assess the performance of the municipality during the first half of the financial year and submit a report on such an assessment to the Mayor, National Treasury and Provincial Treasury.

The quarterly and mid-term assessment report of the municipality is prepared in accordance with the format specified in Schedule C and includes all the required tables, charts and explanatory information as prescribed in Municipal Budget and Reporting Regulations.

In terms of Section 72 (1) of the MFMA, the Accounting Officer of a municipality must by 25 January of each year

- a) Assess the performance of the municipality during the first half of the financial year, taking into account***
 - (i) The monthly statements referred to in section 71 for the first half of the financial year;***
 - (ii) 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;***
 - (iii) The past year's annual report, and progress on resolving problems identified in the annual report; and***
 - (iv) The performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and***
- b) submit a report on such assessment to-***
 - (i) The Mayor of the municipality;***
 - (ii) The National Treasury; and***
 - (iii) the relevant provincial treasury.***

In terms of Section 52 of the MFMA, the mayor of a municipality

- a) *must provide general political guidance over the fiscal and financial affairs of the municipality;*
- b) *in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;*
- c) *must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;*
- d) *must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and*
- e) *must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.*

3. BUDGET IMPLEMENTATION

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 June 2009, regarding the “Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations” necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. “The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.” Further, Section 71 of the MFMA requires that, “the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Junor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month.” For the reporting period ending **31 December 2025**, the ten working day reporting limit expires on **15 January 2026**. The National Treasury will use only the *mSCOA* data strings required for submission as prescribed and all publications will use the data collected from the *mSCOA* data strings” which must be submitted before or on **15 January 2026**, (ten working day limit).

Version 6.9 of *mSCOA* was implemented in July 2025. All submissions of supporting documents and data was done as per the regulation.

Compliance with various legislation is also an area of performance, especially with regards to payment procedures. Senior Managers have as per the delegation of powers been tasked with financial management duties.

Monthly reporting on budget performance is the responsibility of the Financial Services Directorate, and each directorate received operating revenue, operating expenditure and capital budget performance reports which ultimately are consolidated for reporting purposes to the Finance Committee and where necessary to the Municipal Public Accounts Committee.

These committees sit on a monthly basis and account to the Executive Mayor and to the Municipal Council, respectively.

3.1 Operating Budget Overview

The Sol Plaatje Municipality generates own revenue from service charges on various services as well as through the levying of property rates in line with the Amended Municipal Property Rates Act and the Municipal By-Laws on Property Rates and Taxes. The revenue sources also included the minor revenue streams such as rental income from various properties and assets of the municipality and interest earned from investments and on outstanding debtors.

The municipality provides all services directly to the customers and each customer receives a monthly bill of services consumed (metered and unmetered services).

This report summarizes the budget performance for the second quarter of 2025/26 financial year. The Statement of Financial Performance shown in Annexure A, Table C4, is prepared on the prescribed monthly C-schedules, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 and Table 2 below:

| Summary Statement of Financial Performance: YTD Budget | | | | | |
|---|--------------------------|--------------------------|------------------------------------|----------------------------|--------------------------------------|
| Description R thousand | YTD Budget December 2025 | YTD Actual December 2025 | Variance Favourable (Unfavourable) | % YTD Actual vs YTD Budget | % Variance Favourable (Unfavourable) |
| Total Revenue (excluding capital transfers and contributions) | 1,617,094 | 1,622,794 | 5,701 | 100.4% | 0.4% |
| Total Revenue (including capital transfers and contributions) | 1,959,177 | 1,967,042 | 7,865 | 100.4% | 0.4% |
| Total Operational Expenditure | 1,635,253 | 1,435,917 | (199,336) | 87.8% | -12.2% |

Table 1: Consolidated summary: Statement of Financial Performance: YTD Budget

As indicated in Table 1 above, as at 31 December 2025, the billed revenue excluding capital grants amounted to R1,622,795 billion which resulted in a satisfactory variance of 0.4% when compared to the YTD Budget of R1,617,094 billion. The billed revenue including capital grants amounted to R1,967,042 billion, resulting in a satisfactory variance of 0.4% when compared to the YTD budget of R1,959,177 billion. Capital grants are recognised in the Statement of Financial Performance, monthly as soon as the conditions of the grant have been met. Reasons for the variances are articulated in Section 4.1 below. The Total Operational Expenditure amounted to R1,435,917 billion versus the YTD Budget of R1,635,253 billion resulting in an unsatisfactory variance of minus 12.2%. Reasons for the variance are articulated in Section 4.2 below.

| Summary Statement of Financial Performance: Original Budget | | | | | |
|---|-----------------|--------------------------|------------------------------------|---------------------------------|--|
| Description R thousand | Original Budget | YTD Actual December 2025 | Variance Favourable (Unfavourable) | % YTD Actual vs Original Budget | % Variance Favourable (Unfavourable) Ideal IYM % - 50% |
| Total Revenue (excluding capital transfers and contributions) | 3,234,188 | 1,622,794 | 1,353,279 | 50.2% | 0.2% |
| Total Revenue (including capital transfers and contributions) | 3,918,354 | 1,967,042 | 1,640,512 | 50.2% | 0.2% |
| Total Operational Expenditure | 3,212,506 | 1,435,917 | 1,168,209 | 44.7% | -5.3% |

Table 2: Consolidated summary: Statement of Financial Performance: Original Budget

Indicated in Table 2 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 50% [calculated as follow: (100/12 months x 6 months of the year)] as at the end of December 2025, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of minus 0.2%. The Total operational revenue including capital grants versus the Original Budget resulted in an satisfactory variance of minus 0.2%. The Total Operational Expenditure resulted in a satisfactory variance of minus 5.3%.

Please note that certain Revenue by source and Expenditure by type categories are showing excessive negative and/or positive variances. This is due to fact that the YTD budgets were all systematically determined on a straight-line basis by dividing the total budget per category per line item by 12. The capital projections were also done in the same fashion.

Please note that variances within a 5 to 10 percent range, as prescribed by National Treasury are acceptable and need not necessarily be explained.

3.2 Capital Budget Overview

| NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - M06 December | | | | | | | | | | |
|--|-----------------|----------------|---------------|---------------|-----------------------|--------------|----------------|--------------------------|--------------------------|--------------------------------------|
| Capital expenditure | Original Budget | Monthly actual | YearTD actual | YearTD budget | % Achieved YTD Budget | YTD variance | YTD variance % | Achieved Original Budget | Original Budget Variance | Original Budget Variance IVM % - 50% |
| | R'000 | R'000 | R'000 | R'000 | % | R'000 | % | % | R'000 | % |
| Capital expenditure | 627,331 | 46,068 | 296,818 | 313,666 | 94.63% | (16,847) | -5.4% | 47.3% | (16,847) | -2.7% |
| Funded by | | | | | | | | | | |
| Capital transfers recognised | 594,927 | 46,068 | 291,870 | 297,463 | 98.12% | (5,594) | -1.9% | 49.1% | (5,594) | -0.9% |
| Internally generated funds | 32,404 | – | 4,949 | 16,202 | 30.5% | (11,253) | -69.5% | 15.3% | (11,253) | -34.7% |
| Weighting Capital transfer recognised | 94.8% | 100.0% | 98.3% | 94.8% | | | | | | |
| Weighting Internally generated funds | 5.2% | 0.0% | 1.7% | 5.2% | | | | | | |

Table 3: High level summary: Capital Budget

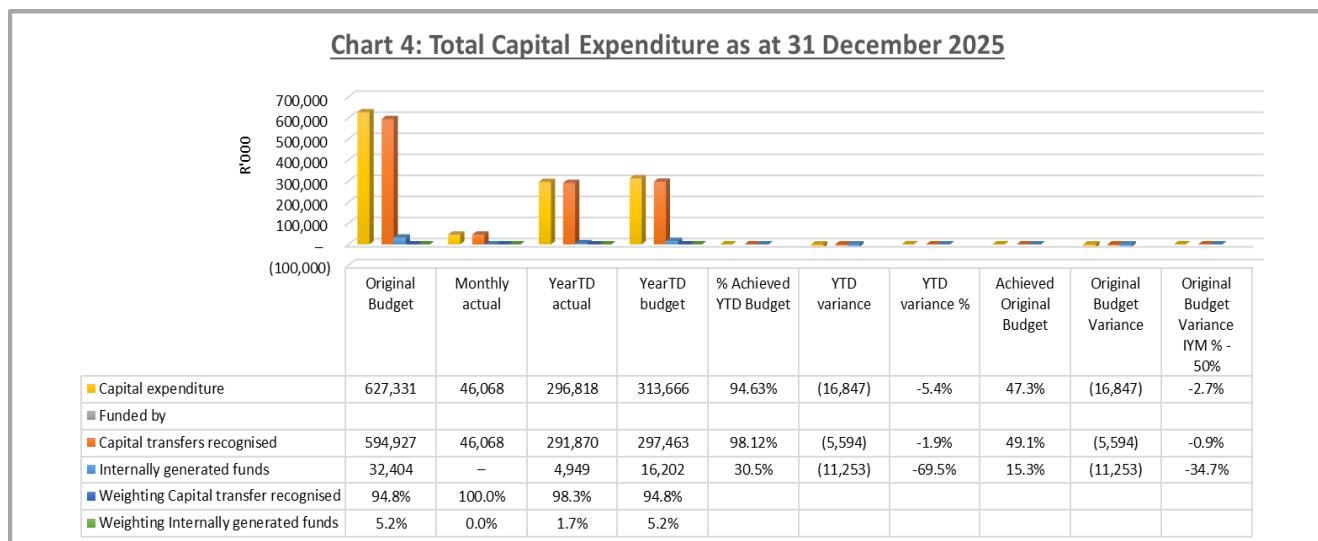


Chart 1: Total Capital Expenditure

As indicated in the Table 3 and Chart 1 above, the YTD Actual on capital expenditure as at end of December 2025 amounted to R296,818 million and 94.63% spent when compared to the YTD budget of R313,666 million and 47.3% spent when compared to the Original Budget of R627,331 million. The total YTD capex is funded from Capital grants R291,870 million (98.3%) and Internally generated funds R4,949 million (1.7%). Capex is slightly lower than anticipated but shows improvement when comparing the actual to the YTD budget. Intervention is required early in the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

The majority of capital projects are based on a functionality criteria. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately have to be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents. Secondly, project managers need to realistically anticipate challenges and immediately address delays in order to ensure that projects are completed within the specified timeframe. Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately. Lastly, it is advised that disputes, if any are addressed and resolved expeditiously.

The capital expenditure is slow and overall capital expenditure remains a major concern. Remedial action will have to be taken going forward to ensure improvement on capex.

It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report shown in Annexure A, Table C5 has been prepared on the prescribed monthly C-schedule, and is categorised by municipal vote and functional classification.

4. REVENUE FRAMEWORK

4.1 Operating Revenue by Source

Table C4 Monthly Budget Statement - Financial Performance (Revenue) - M06 December

| Description | Original Budget | Monthly actual | YearTD actual | YearTD budget | Achieved YTD Budget | YTD variance | YTD variance | Achieved Original Budget | Original Budget Variance | Original Budget Variance YM % - 50% |
|---|-----------------|----------------|---------------|---------------|---------------------|--------------|--------------|--------------------------|--------------------------|-------------------------------------|
| | R'000 | R'000 | R'000 | R'000 | % | R'000 | % | % | R'000 | % |
| Revenue | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | |
| Service charges - Electricity | 1,218,923 | 66,751 | 513,297 | 609,462 | 84.2% | (96,164) | -15.8% | 42.1% | (96,164) | -7.9% |
| Service charges - Water | 362,722 | 29,302 | 160,524 | 181,361 | 88.5% | (20,837) | -11.5% | 44.3% | (20,837) | -5.7% |
| Service charges - Waste Water Management | 106,274 | 9,940 | 58,415 | 53,137 | 109.9% | 5,278 | 9.9% | 55.0% | 5,278 | 5.0% |
| Service charges - Waste management | 73,593 | 7,473 | 44,376 | 36,796 | 120.6% | 7,580 | 20.6% | 60.3% | 7,580 | 10.3% |
| Sale of Goods and Rendering of Services | 18,644 | 1,007 | 9,263 | 9,322 | 99.4% | (59) | -0.6% | 49.7% | (59) | -0.3% |
| Agency services | - | - | - | - | - | - | - | - | - | - |
| Interest | - | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | 142,100 | 13,608 | 91,068 | 71,050 | 128.2% | 20,018 | 28.2% | 64.1% | 20,018 | 14.1% |
| Interest from Current and Non Current Assets | 18,000 | 491 | 1,832 | 9,000 | 20.4% | (7,168) | -79.6% | 10.2% | (7,168) | -39.8% |
| Dividends | - | - | - | - | - | - | - | - | - | - |
| Rent on Land | - | - | - | - | - | - | - | - | - | - |
| Rental from Fixed Assets | 29,740 | 2,321 | 14,999 | 14,870 | 100.9% | 129 | 0.9% | 50.4% | 129 | 0.4% |
| Licence and permits | 1,000 | 10 | 172 | 500 | 34.4% | (328) | -65.6% | 17.2% | (328) | -32.8% |
| Operational Revenue | 3,383 | 1,212 | 2,599 | 1,692 | 153.6% | 907 | 53.6% | 76.8% | 907 | 26.8% |
| Non-Exchange Revenue | | | | | | | | | | |
| Property rates | 717,920 | 53,470 | 429,555 | 358,960 | 119.7% | 70,595 | 19.7% | 59.8% | 70,595 | 9.8% |
| Surcharges and Taxes | - | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 34,743 | (8) | 626 | 17,371 | 3.6% | (16,745) | -96.4% | 1.8% | (16,745) | -48.2% |
| Licence and permits | 8,200 | (92) | 4,092 | 4,100 | 99.8% | (8) | -0.2% | 49.9% | (8) | -0.1% |
| Transfers and subsidies - Operational | 323,676 | 101,456 | 234,893 | 161,838 | 145.1% | 73,055 | 45.1% | 72.6% | 73,055 | 22.6% |
| Interest | 117,020 | 7,561 | 51,269 | 58,510 | 87.6% | (7,241) | -12.4% | 43.8% | (7,241) | -6.2% |
| Fuel Levy | - | - | - | - | - | - | - | - | - | - |
| Operational Revenue | 58,250 | 1,032 | 5,812 | 29,125 | 20.0% | (23,313) | -80.0% | 10.0% | (23,313) | -40.0% |
| Gains on disposal of Assets | - | - | - | - | - | - | - | - | - | - |
| Other Gains | - | - | - | - | - | - | - | - | - | - |
| Discontinued Operations | - | - | - | - | - | - | - | - | - | - |
| Total Revenue (excluding capital transfers and contributions) | 3,234,188 | 295,534 | 1,622,794 | 1,617,094 | 100.4% | 5,701 | 0.4% | 50.2% | 5,700 | 0.2% |
| Transfers and subsidies - capital | 684,166 | 61,575 | 344,247 | 342,083 | 100.6% | 2,164 | 0.6% | 50.3% | 2,164 | 0.3% |
| Total Revenue (including capital transfers and contributions) | 3,918,354 | 357,109 | 1,967,042 | 1,959,177 | 100.4% | 7,865 | 0.4% | 50.2% | 7,865 | 0.2% |

Table 4: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- Service charges - Electricity is showing an unsatisfactory variance of minus 15.8%. The basic and capacity charges for households for the 2025/26 financial year must still be resolved. Service charges Water is unsatisfactory with a variance of minus 11.5%. It is imperative that the Billing section does a proper investigation to ensure that all properties have functional meters installed and are billed accurately. This can be achieved by considering all properties on the General Valuation Roll. The same applies to all Service charges. Sanitation and Refuse is performing satisfactorily and is showing an over-recovery when compared to the YTD budget.

- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of minus 0.6%, when compared to the YTD Budget. Building plan approvals and income from the Market is showing an over-recovery.
- ❖ Interest earned from Receivables is showing a positive variance of 28.2% due to the increase in outstanding debt and high level of debt over 90 days.
- ❖ Interest from Current and Non-current Assets shows a negative variance of 79.6%. This is due to the accrued interest relating to the prior financial year. The municipality is improving on its cash and investment management and regularly invest funds not immediately needed for operations. The municipality invests capital grants already received, whilst keeping the unspent portion in the investment account. The bulk of the interest earned gets recognised at year-end.
- ❖ Rental from Fixed Assets, is showing a positive variance of 0.9% when compared to the YTD budget.
- ❖ Licences and permits are showing a negative variance of 65.6%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 17.19% achievement versus a budget of R1,000 million.
- ❖ Operational Revenue is showing a satisfactory variance of minus 53.6%, as a result on an over-recovery on Commission: Transaction Handling Fees.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 19.7%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 96.4%, due to an under-recovery on Fines: Law Enforcement that is standing at 6.02% achieved versus a target of R13,000 million. Penalties: Disconnection Fees standing at minus 0.85% versus a target of R21,500 million, this was due to erroneous penalty charges that needed to be reversed on the system, however there was an error in loading the correct charges which must still be resolved.
- ❖ Licence and permits are showing a satisfactory variance of 0.2%, due to possible outstanding payments due to the Department of Transport, Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of minus 45.1%, this is due to the receipt of the second tranche of the Equitable share.
- ❖ Interest is showing an under-recovery of minus 12.4%, as a result of a slight under-recovery for interest from Property rates.
- ❖ Operational Revenue is showing an unsatisfactory variance of minus 80.3%. Revenue from non-exchange transaction for electricity is not materialising but an in-depth investigation must be performed.
- ❖ Transfers and subsidies - Capital is showing a satisfactory variance of minus 0.6% when compared to the YTD budget. Capital grants are recognised monthly in the Statement of Financial Performance, as soon as the conditions of the grant have been met.

Comparison against Original Budget

Based on the IYM percentage of 50%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- ❖ Overall, Service charges when compared to the Original budget is performing satisfactorily. Same factors are applicable as described in the paragraph above.
- ❖ Sale of Goods and Rendering of Services is showing a satisfactory variance of minus 0.3%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 14.1%. Same factors are applicable as described in the paragraph above.

- ❖ Interest from Current and Non-current Assets shows a negative variance of 39.8%. Same factors are applicable as described in the paragraph above.
- ❖ Rental from Fixed Assets is showing a positive variance of 0.4%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 32.8%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of 26.8%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 9.8%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing an unsatisfactory variance of minus 48.2%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits are showing a satisfactory variance of minus 0.1%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of minus 22.6%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a negative variance of 40%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing a satisfactory variance of 0.3%. Capital grants remains lower than anticipated due to lower capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

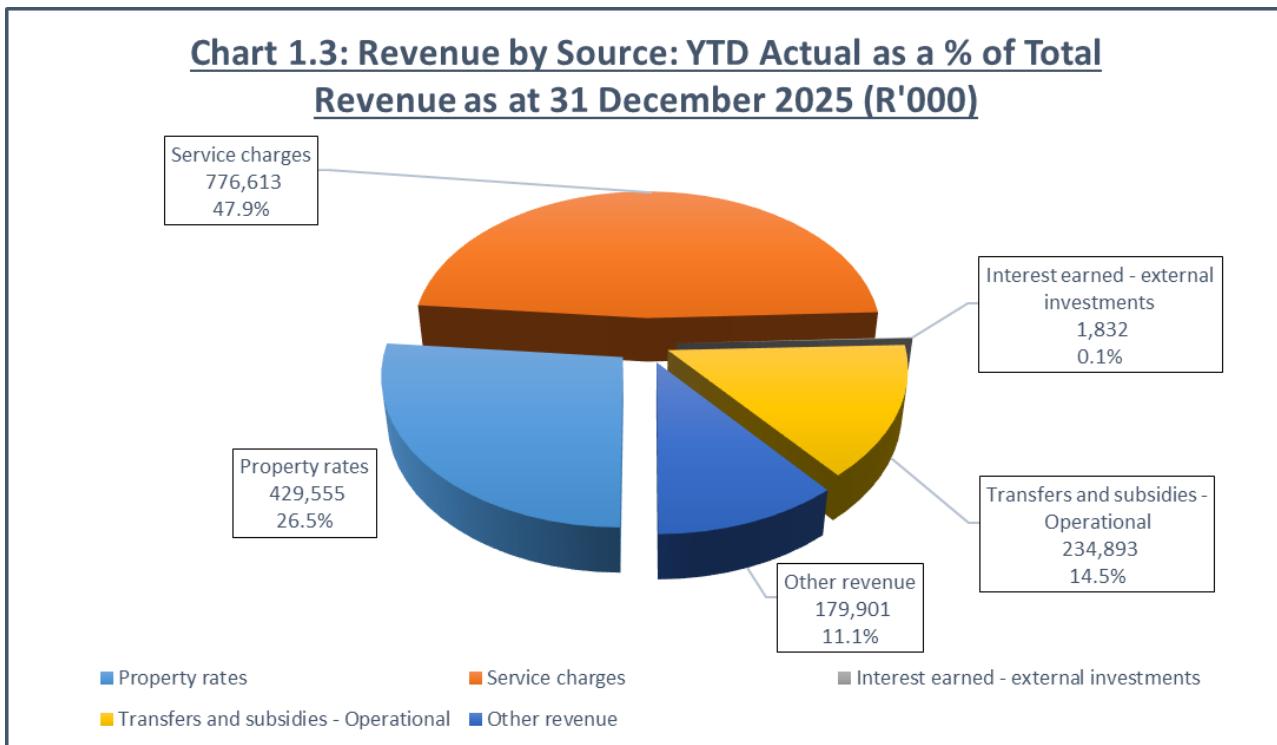


Chart 2: Revenue by Source: YTD Actual as a percentage of Total Revenue

Indicated in Chart 2 above is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 December 2025.

The main contributors of the municipality's revenue are Service Charges (47.9%), Property Rates (26.5%) and Other Revenue (11.1%). The weighting is distorted due to the annual billing on Property rates and the receipt of the second tranche of the Equitable share.

4.2 Revenue by Vote

The responsibility of billing and enhancing revenue is delegated to all directorates as per their budgets and functions. The financial services however, carries the bigger task of ensuring correct billing, to the correct customer and that the bill reaches the customer within 5 days from date of billing.

The municipality generates revenue primarily from service charges and property rates. Infrastructure is therefore the main revenue generating vote. The Municipal and General vote consists mostly of grants received by the municipality.

The table below represents revenue for the quarter generated from various votes as per the functions of assigned to the vote.

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

| Vote Description | Ref | 2024/25 | | Budget Year 2025/26 | | | | | | |
|--|-----|------------------|------------------|---------------------|----------------|------------------|------------------|------------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 01 - Executive & Council | | – | – | – | – | – | – | – | – | – |
| Vote 02 - Municipal And General | | 1,049,209 | 1,067,130 | 1,067,130 | 172,108 | 642,321 | 533,565 | 108,756 | 20.4% | 1,067,130 |
| Vote 03 - Municipal Manager | | 2,759 | 2,305 | 2,305 | 175 | 956 | 1,153 | (197) | -17.1% | 2,305 |
| Vote 04 - Corporate Services | | 6,263 | 6,110 | 6,110 | 470 | 2,004 | 3,055 | (1,051) | -34.4% | 6,110 |
| Vote 05 - Community Services | | 149,002 | 148,586 | 148,586 | 10,119 | 66,298 | 74,293 | (7,995) | -10.8% | 148,586 |
| Vote 06 - Financial Services | | 714,281 | 742,122 | 742,122 | 53,709 | 430,742 | 371,061 | 59,682 | 16.1% | 742,122 |
| Vote 07 - Strategy Econ Development And Planning | | 8,419 | 10,003 | 10,003 | 483 | 5,886 | 5,001 | 884 | 17.7% | 10,003 |
| Vote 08 - Infrastructure And Services | | 1,545,949 | 1,942,098 | 1,942,098 | 120,044 | 818,835 | 971,049 | (152,214) | -15.7% | 1,942,098 |
| Vote 09 - | | – | – | – | – | – | – | – | – | – |
| Vote 10 - | | – | – | – | – | – | – | – | – | – |
| Vote 11 - | | – | – | – | – | – | – | – | – | – |
| Vote 12 - | | – | – | – | – | – | – | – | – | – |
| Vote 13 - | | – | – | – | – | – | – | – | – | – |
| Vote 14 - | | – | – | – | – | – | – | – | – | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | – | – |
| Total Revenue by Vote | 2 | 3,475,882 | 3,918,354 | 3,918,354 | 357,109 | 1,967,042 | 1,959,177 | 7,865 | 0.4% | 3,918,354 |
| Expenditure by Vote | 1 | | | | | | | | | |
| Vote 01 - Executive & Council | | 57,033 | 61,221 | 61,221 | 5,428 | 28,607 | 30,610 | (2,003) | -6.5% | 61,221 |
| Vote 02 - Municipal And General | | 495,206 | 464,832 | 464,832 | 14,932 | 207,759 | 232,416 | (24,657) | -10.6% | 464,832 |
| Vote 03 - Municipal Manager | | 29,886 | 30,614 | 30,614 | 2,403 | 14,041 | 15,307 | (1,266) | -8.3% | 30,614 |
| Vote 04 - Corporate Services | | 73,335 | 81,513 | 81,513 | 7,916 | 39,947 | 40,757 | (809) | -2.0% | 81,513 |
| Vote 05 - Community Services | | 320,158 | 363,848 | 363,848 | 29,461 | 163,237 | 181,924 | (18,687) | -10.3% | 363,848 |
| Vote 06 - Financial Services | | 143,187 | 173,366 | 173,366 | 13,923 | 71,211 | 86,683 | (15,472) | -17.8% | 173,366 |
| Vote 07 - Strategy Econ Development And Planning | | 55,692 | 76,090 | 76,090 | 6,155 | 27,805 | 38,045 | (10,240) | -26.9% | 76,090 |
| Vote 08 - Infrastructure And Services | | 1,910,101 | 1,961,023 | 1,961,023 | 135,813 | 883,309 | 1,009,511 | (126,203) | -12.5% | 1,961,023 |
| Vote 09 - | | – | – | – | – | – | – | – | – | – |
| Vote 10 - | | – | – | – | – | – | – | – | – | – |
| Vote 11 - | | – | – | – | – | – | – | – | – | – |
| Vote 12 - | | – | – | – | – | – | – | – | – | – |
| Vote 13 - | | – | – | – | – | – | – | – | – | – |
| Vote 14 - | | – | – | – | – | – | – | – | – | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | – | – |
| Total Expenditure by Vote | 2 | 3,084,597 | 3,212,506 | 3,212,506 | 216,032 | 1,435,917 | 1,635,253 | (199,336) | -12.2% | 3,212,506 |
| Surplus/ (Deficit) for the year | 2 | 391,285 | 705,848 | 705,848 | 141,077 | 531,124 | 323,924 | 207,201 | 64.0% | 705,848 |

Table 5: Table C3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

The Community services vote generates income from renting out municipal facilities e.g. halls and recreation facilities. The revenue generated is not sufficient to cover the costs of running the department. However, revenue from rates is used to fund community services.

Revenue By Major Service

4.3.1 Housing

The municipality holds rental stock and the letting of this stock is managed by the Housing Section within the Infrastructure and Services Directorate. It is expected that the cost of administering this function including general maintenance of these units should be recovered from the rental service charges as determined by Council in its tariffs.

| Vote number | Description | Budget | YTD Movement | Perc |
|-----------------|--------------------------------------|-----------------------|-----------------------|--------------|
| 28401 - HOUSING | SUB TOTAL : OPERATIONAL REVENUE | -1 000,00 | -4 593,00 | 459,30 |
| 28401 - HOUSING | SUB TOTAL : RENTAL FROM FIXED ASSETS | -29 500 000,00 | -14 874 873,21 | 50,42 |
| 28401 - HOUSING | SUB TOTAL : EXCHANGE REVENUE | -29 501 000,00 | -14 879 466,21 | 50,43 |
| 28401 - HOUSING | TOTAL : INCOME | -29 708 307,00 | -14 879 466,21 | 50,08 |
| 28401 - HOUSING | SUB TOTAL : EMPLOYEE RELATED COST | 24 213 385,00 | 9 881 567,86 | 40,81 |
| 28401 - HOUSING | SUB TOTAL : CONTRACTED SERVICES | 1 205 000,00 | - | - |
| 28401 - HOUSING | SUB TOTAL : OPERATIONAL COST | 1 519 501,00 | 38 793,53 | 2,55 |
| 28401 - HOUSING | SUB TOTAL - INVENTORY | 4 407 000,00 | 2 011 770,49 | 45,64 |
| 28401 - HOUSING | TOTAL : EXPENDITURE | 20 733 538,00 | 7 050 228,73 | 34,00 |

4.3.2 Electricity

Revenue from sale of electricity is the major revenue source of the municipality. Sale of electricity is done through a conventional meter or prepaid electricity meter. Most of residential and small businesses are on prepaid electricity whilst large customers are on conventional/ credit meter. Prepaid meter has far reaching benefits compared to the conventional metering system. These benefits include controlling demand and usage of electricity within budget, no surprise accounts at month end as in the case with conventional meter, easy to monitor as balances can be checked on the meter device at any given point in time.

| Vote number | Description | Budget | YTD Movement | Perc |
|--------------------------|--|--------------------------|------------------------|--------------|
| 2880- ELECTRICITY | SUB TOTAL : SERVICE CHARGES | -1 218 923 440,00 | -513 297 446,04 | 42,11 |
| 2880- ELECTRICITY | SUB TOTAL : INTEREST DIV RENT ON LAND | -22 000 000,00 | -11 292 812,47 | 51,33 |
| 2880- ELECTRICITY | TOTAL : INCOME | -1 305 623 440,00 | -526 542 848,51 | 40,32 |
| 2880- ELECTRICITY | SUB TOTAL : EMPLOYEE RELATED COST | 67 166 431,00 | 30 713 025,30 | 45,72 |
| 2880- ELECTRICITY | SUB TOTAL : CONTRACTED SERVICES | 24 220 000,00 | 4 851 099,22 | 20,02 |
| 2880- ELECTRICITY | SUB TOTAL : OPERATIONAL COST | 10 269 831,00 | 1 038 962,57 | 10,11 |
| 2880- ELECTRICITY | SUB TOTAL - INVENTORY | 53 278 000,00 | 15 706 243,03 | 29,47 |
| 2880- ELECTRICITY | SUB TOTAL - INTEREST DIVID & RENT - LAND | 11 193 556,00 | 5 814 180,72 | 51,94 |
| 2880- ELECTRICITY | SUB TOTAL : BAD DEBTS WRITTEN OFF | | | |
| 2880- ELECTRICITY | SUB TOTAL : DEPRECIATION & AMORTISATION | 9 000 000,00 | - | - |
| 2880- ELECTRICITY | TOTAL : EXPENDITURE | 1 175 127 818,00 | 517 478 630,42 | 44,03 |

4.3.3 Water

Water is life, availability, certainty and safety of water is of paramount importance to us as the Water Services Authority. Infrastructure that is in good quality provides assurance of availability and certainty of water whilst operations and controls become very critical in as far as safety is concerned. All properties within the municipal jurisdiction has access to water, from free basic water to water used for industrial purposes. Each indigent household receives 6kl of water per month. Free basic water revenue is recouped from equitable share allocated against grants and subsidies made by the municipality.

| Vote Number | Description | Budget | YTD Movement | Perc |
|--------------------|--|------------------------|------------------------|--------------|
| 2860- WATER | SUB TOTAL : SERVICE CHARGES | -362 721 823,00 | -160 524 136,32 | 44,25 |
| 2860- WATER | SUB TOTAL : INTEREST DIV RENT ON LAND | -75 100 000,00 | -38 723 203,96 | 51,56 |
| 2860- WATER | SUB TOTAL : SALES & RENDERING OF SERV | -1 000,00 | -224 066,26 | 999,99 |
| 2860- WATER | TOTAL : INCOME | -448 092 823,00 | -200 452 106,06 | 44,73 |
| 2860- WATER | SUB TOTAL : EMPLOYEE RELATED COST | 64 409 471,00 | 29 975 766,37 | 46,53 |
| 2860- WATER | SUB TOTAL : CONTRACTED SERVICES | 1 520 000,00 | 1 426,67 | 0,09 |
| 2860- WATER | SUB TOTAL : OPERATIONAL COST | 58 812 453,00 | 23 857 335,56 | 40,56 |
| 2860- WATER | SUB TOTAL - INVENTORY | 129 773 000,00 | 56 361 909,72 | 43,43 |
| 2860- WATER | SUB TOTAL - INTEREST DIVID & RENT - LAND | 2 895 994,00 | 1 504 243,38 | 51,94 |
| 2860- WATER | SUB TOTAL : BAD DEBTS WRITTEN OFF | | | |
| 2860- WATER | SUB TOTAL : DEPRECIATION & AMORTISATION | 9 000 000,00 | - | - |
| 2860- WATER | TOTAL : EXPENDITURE | 266 410 918,00 | 111 700 681,70 | 41,92 |

4.3.4 Sewerage

Sewer and sanitation tariffs recovers the costs of managing, operating and maintenance of treatment plants and the reticulation network. Other costs recovered from the tariffs are costs associated with any long term borrowing that would have financed infrastructure investments.

Sewer and sanitation fees are billed on a monthly flat rate for all customers. As such, the table below indicates the amount billed as at end of quarter three against the year to date budget as estimated during the budget assumptions.

| Votenummer | Description | Budget | YTD Movement | Perc |
|----------------|--|------------------------|-----------------------|--------------|
| 2850- SEWERAGE | SEWERAGE | | | |
| 2850- SEWERAGE | SUB TOTAL : NON - EXCHANGE REVENUE | -28 500 000,00 | -2 877 067,38 | 10,09 |
| 2850- SEWERAGE | SUB TOTAL : SERVICE CHARGES | -106 273 521,00 | -58 414 923,51 | 54,96 |
| 2850- SEWERAGE | SUB TOTAL : INTEREST DIV RENT ON LAND | -23 000 000,00 | -14 319 261,15 | 62,25 |
| 2850- SEWERAGE | TOTAL : INCOME | -157 773 521,00 | -75 611 252,04 | 47,92 |
| 2850- SEWERAGE | SUB TOTAL : EMPLOYEE RELATED COST | 65 889 594,00 | 32 099 089,58 | 48,71 |
| 2850- SEWERAGE | SUB TOTAL : CONTRACTED SERVICES | 30 000,00 | 1 426,67 | 4,75 |
| 2850- SEWERAGE | SUB TOTAL : OPERATIONAL COST | 2 774 733,00 | 1 414 641,73 | 50,98 |
| 2850- SEWERAGE | SUB TOTAL - INVENTORY | 27 165 000,00 | 15 863 949,48 | 58,39 |
| 2850- SEWERAGE | SUB TOTAL - INTEREST DIVID & RENT - LAND | 1 624 938,00 | 844 028,76 | 51,94 |
| 2850- SEWERAGE | SUB TOTAL : BAD DEBTS WRITTEN OFF | - | - | - |
| 2850- SEWERAGE | SUB TOTAL : DEPRECIATION & AMORTISATION | 15 000 000,00 | - | - |
| 2850- SEWERAGE | TOTAL : EXPENDITURE | 112 484 265,00 | 50 223 136,22 | 44,64 |

4.3.5 Refuse Removal

As with sewer and sanitation, tariff charges for refuse collecting are billed on flat rate monthly as per the tariff book. All residential customers receive a door-to-door collection service at least once a week. The service is rendered by the municipality using its own fleet and staff.

| Service | Description | Original | YTD Movement | Perc |
|--------------------|---|-------------------------|------------------------|--------------|
| 2480-REFUSE | SUB TOTAL : NON - EXCHANGE REVENUE | - 19 800 000,00 | - 1 900 255,16 | 9,59 |
| 2480-REFUSE | SUB TOTAL : SERVICE CHARGES | - 73 592 747,00 | - 44 376 211,56 | 60,29 |
| 2480-REFUSE | SUB TOTAL : INTEREST DIV RENT ON LAND | - 16 000 000,00 | - 10 903 613,57 | 68,14 |
| 2480-REFUSE | TOTAL INCOME | - 109 392 747,00 | - 57 180 080,29 | 46,00 |
| 2480-REFUSE | SUB TOTAL : EMPLOYEE RELATED COST | 55 030 683,00 | 27 010 908,53 | 49,08 |
| 2480-REFUSE | SUB TOTAL : OPERATIONAL COST | 2 386 418,00 | 577 381,18 | 24,19 |
| 2480-REFUSE | SUB TOTAL - INVENTORY | 20 450 000,00 | 5 642 863,68 | 27,59 |
| 2480-REFUSE | SUB TOTAL : DEPRECIATION & AMORTISATION | 900 000,00 | - | - |
| 2480-REFUSE | TOTAL : EXPENDITURE | 78 767 101,00 | 33 231 153,39 | 42,18 |

4.4 Debtors' Analysis

| Part 4: Debtor Age Analysis | | 0 - 30 Days | | 31 - 60 Days | | 61 - 90 Days | | Over 90 Days | | Total | |
|---|--|----------------|-------------|----------------|-------------|----------------|-------------|------------------|--------------|------------------|---------------|
| R thousands | | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Debtors Age Analysis By Income Source | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | | 36,408 | 4.0% | 29,498 | 3.3% | 27,388 | 3.0% | 807,468 | 89.6% | 900,762 | 19.9% |
| Trade and Other Receivables from Exchange Transactions - Electricity | | 52,763 | 14.3% | 24,372 | 6.6% | 20,748 | 5.6% | 270,868 | 73.5% | 368,752 | 8.1% |
| Receivables from Non-exchange Transactions - Property Rates | | 44,492 | 4.7% | 21,167 | 2.3% | 18,866 | 2.0% | 856,187 | 91.0% | 940,713 | 20.8% |
| Receivables from Exchange Transactions - Waste Water Management | | 10,389 | 3.2% | 7,507 | 2.3% | 6,987 | 2.1% | 304,277 | 92.4% | 329,160 | 7.3% |
| Receivables from Exchange Transactions - Waste Management | | 8,325 | 3.3% | 5,799 | 2.3% | 5,296 | 2.1% | 234,208 | 92.3% | 253,628 | 5.6% |
| Receivables from Exchange Transactions - Property Rental Debtors | | 960 | .9% | 934 | .9% | 929 | .9% | 104,950 | 97.4% | 107,773 | 2.4% |
| Interest on Arrear Debtor Accounts | | 20,507 | 1.7% | 23,526 | 2.0% | 23,329 | 2.0% | 1,127,031 | 94.4% | 1,194,393 | 26.4% |
| Recoverable unauthorised, irregular or fruitless and wasteful Expenditure | | - | - | - | - | - | - | - | - | - | - |
| Other | | 6,090 | 1.4% | 21,346 | 4.9% | 6,126 | 1.4% | 403,548 | 92.3% | 437,110 | 9.6% |
| Total By Income Source | | 179,935 | 4.0% | 134,149 | 3.0% | 109,670 | 2.4% | 4,108,536 | 90.7% | 4,532,290 | 100.0% |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | |
| Organs of State | | 26,949 | 3.5% | 23,603 | 3.0% | 16,161 | 2.1% | 712,480 | 91.4% | 779,193 | 17.2% |
| Commercial | | 65,147 | 8.6% | 26,598 | 3.5% | 24,167 | 3.2% | 641,546 | 84.7% | 757,458 | 16.7% |
| Households | | 85,092 | 3.0% | 81,201 | 2.8% | 66,548 | 2.3% | 2,621,445 | 91.8% | 2,854,286 | 63.0% |
| Other | | 2,747 | 1.9% | 2,748 | 1.9% | 2,794 | 2.0% | 133,064 | 94.1% | 141,353 | 3.1% |
| Total By Customer Group | | 179,935 | 4.0% | 134,149 | 3.0% | 109,670 | 2.4% | 4,108,536 | 90.7% | 4,532,290 | 100.0% |

Table 6: Part 4: Debtors Age Analysis

Indicated in Table 6 above is the total outstanding debt by Income Source, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting. The total O/S Debt amounts to R4,532,290 billion as at the end of December 2025 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 90.7%.

The highest percentage weighting of debt owed by Income Source, over 90 days is attributable to:

- ❖ Interest on Arrear Debtor Accounts at 94.4% and Other at 92.3%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 97.4%
- ❖ Receivables from Exchange Transactions – Property Rates (91.0%); Waste Water Management (92.4%) and Waste Management (92.3%).

The highest percentage weighting of debt owed by Income Source is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 20.8%
- ❖ Interest on Arrear Debtor Accounts 26.4%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 19.9%

Indicated in Table 6 above is the total outstanding debt by Customer Group, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting.

The percentage weighting of debt owed by Customer Group, over 90 days is:

- ❖ Organs of State at 91.4%; Commercial at 84.7%; Households at 91.8% and Other at 94.1%.

The percentage weighting of debt owed by Customer Group is attributable to:

- ❖ Organs of state at 17.2%, total debt outstanding is R779,193 million

- ❖ Businesses at 16.7%, total debt outstanding is R757,458 million
- ❖ Households at 63.0%, total debt outstanding is R2,854,286 billion
- ❖ Other at 3.1%, total debt outstanding is R141,353 million.

Chart 3 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt increased to 91% for the month under review. Debt over 90 days increased by R75,929 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R60,631 million. It is concerning that total debt over 90 days is hovering at an average of 89 percent.

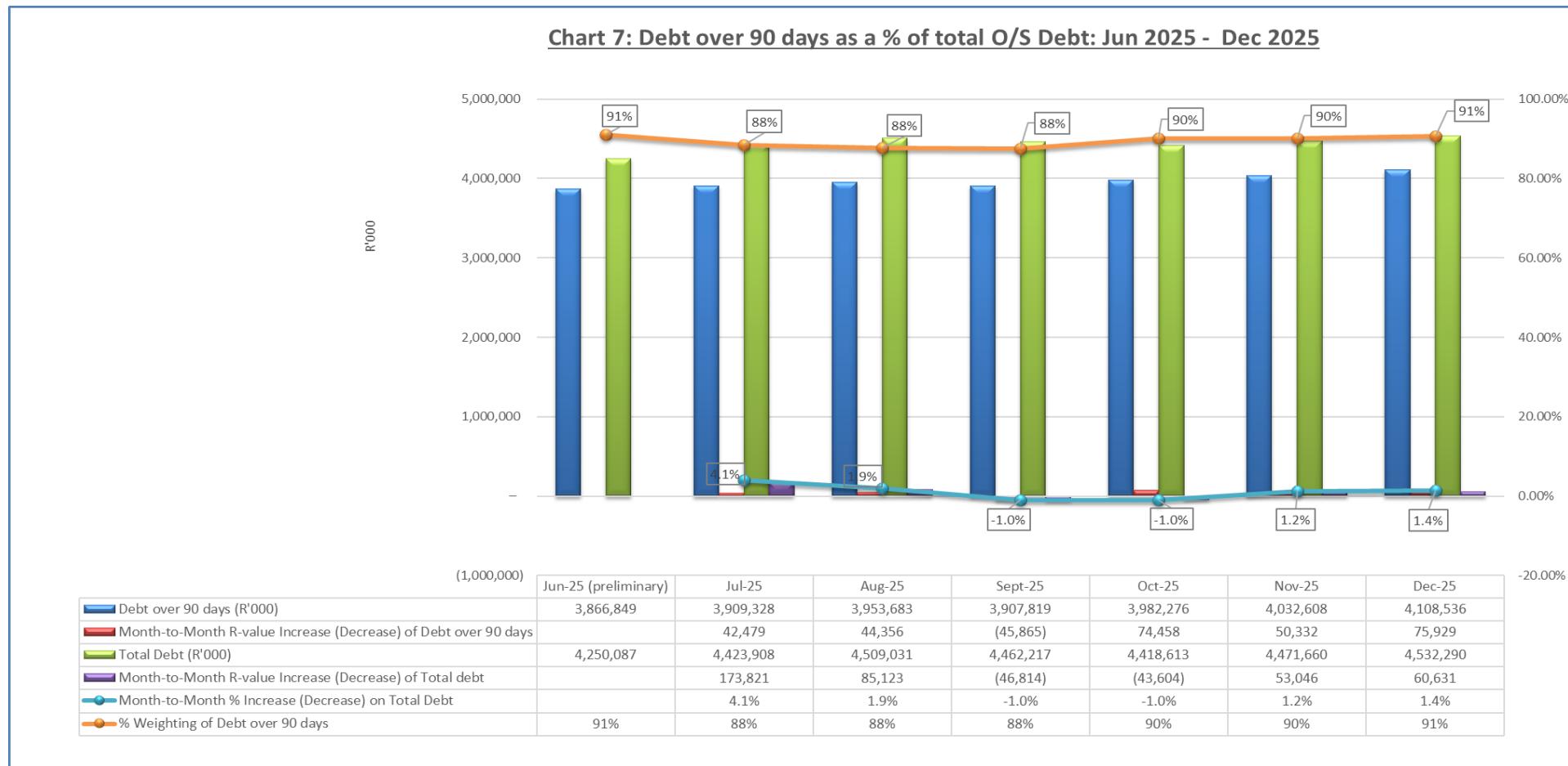


Chart 3: Debt over 90 days as a percentage of Total O/S Debt

- There is an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2024/25. This error affected Chart C3 Aged Consumer Debtors Analysis. The problem has been resolved by our financial system provider (BCX). However, the totals are for November 2024, this will have to be confirmed with NT, if it is for the same period of the prior year or the audited outcomes that are required. The error on Chart C4 Consumer Debtors (total by Debtor Customer Category) must be communicated to NT as the 2024/25 audited actuals is not aligned to the AFS and is based on an erroneous formula which the municipality is strictly prohibited from fixing manually. The C-schedule for this reason, is completely password protected. The corrected charts are indicated below.

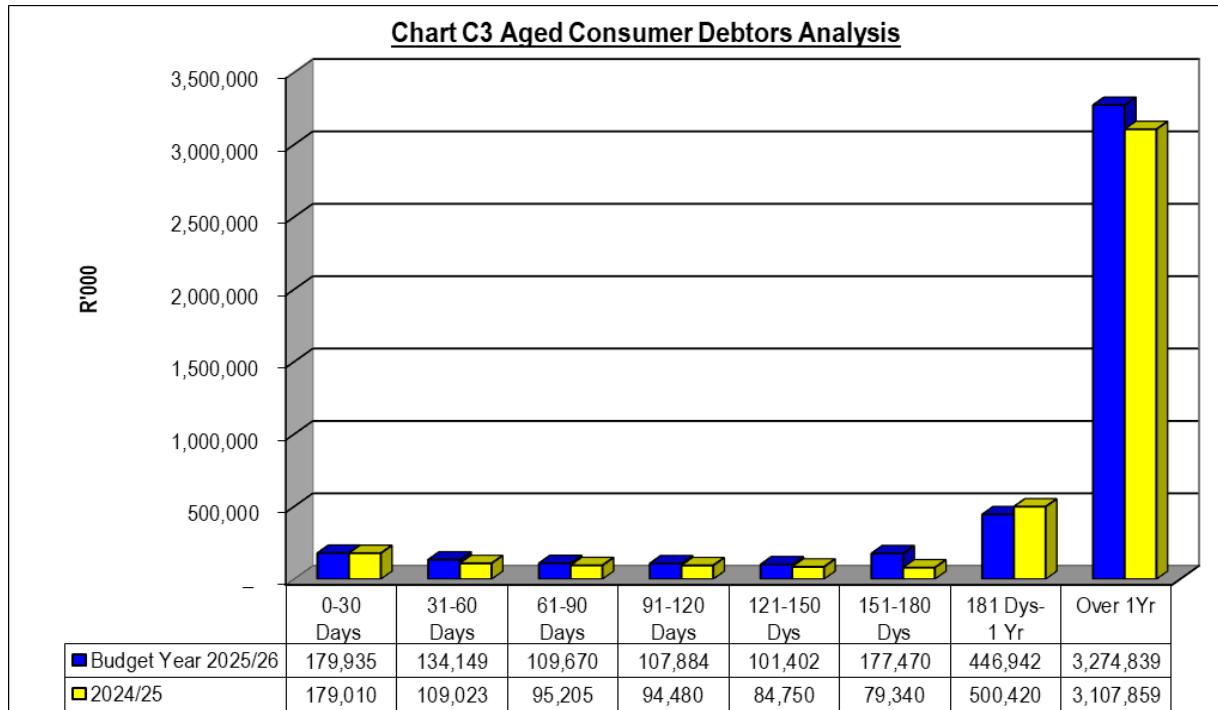


Chart 4: Aged Consumer Debtor Analysis

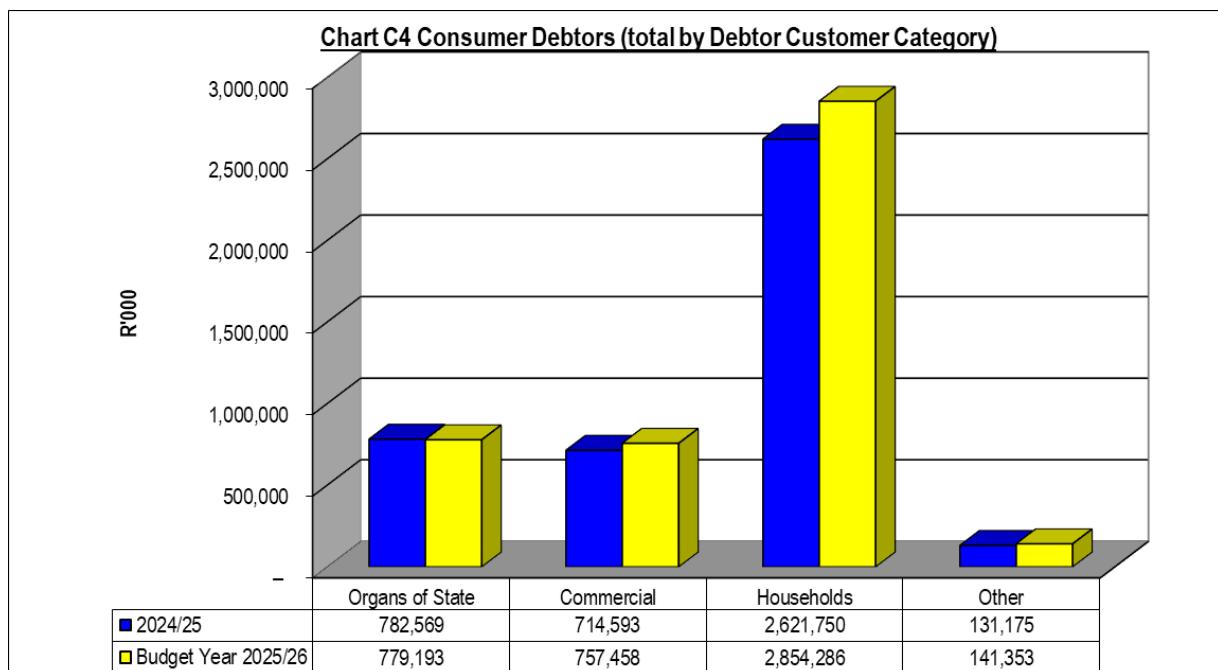


Chart 5: Consumer Debtors (Total by Debtor Customer Category)

Revised collection rate

As per Table 7 below, when taking into consideration what was billed in November 2025 and received in December 2025, the monthly collection rate is 65%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 60%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26th of the prior month to the 25th of the current month. The monthly collection rate is not satisfactory for the month under review. Unallocated receipts amounted to R12,353 million and will be allocated during January 2026. Indicated in Table 10 below is the revised average collection rate of 78.3%, for Property rates and Service charges only. The lower collection rate is not an ideal situation and is having a dire impact on the cash flow of the municipality. The current status quo cannot continue, and drastic action will have to be taken to address this critical issue. The collection target as per the Municipal Debt Relief is 95%, for the second cycle of the municipal debt relief.

When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 December to 31 December 2025. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September 2025 to settle their outstanding accounts.

| Monthly Collection Rate | Debits (Billed November 2025) | Credits (Received December) | % Collected |
|--------------------------------------|--------------------------------------|------------------------------------|--------------------|
| PROPERTY RATES | 53,146,999 | 35,953,945 | 68% |
| ELECTRICITY | 48,647,728 | 40,649,606 | 84% |
| WATER | 29,802,827 | 12,621,264 | 42% |
| SEWERAGE | 10,572,175 | 4,291,996 | 41% |
| REFUSE | 8,438,275 | 3,659,192 | 43% |
| PROPERTY RATES & SERVICES | 150,608,003 | 97,176,002 | 65% |
| OTHER | 28,780,435 | 9,838,171 | 34% |
| TOTAL | 179,388,438 | 107,014,173 | 60% |

Table 7: Monthly Collection rate

| REVENUE BY SOURCE | YTD ACTUAL DECEMBER 2025 | | YTD RECEIPTS | Rate |
|--|---------------------------------|----------------------|---------------------|---------------|
| PROPERTY RATES | R 429,554,782 | R 306,958,523 | | 71.5% |
| SERVICE CHARGE ELECTRICITY | R 324,294,267 | R 301,010,377 | | 92.8% |
| SERVICE CHARGE ELECTRICITY - PREPAIDS | R 189,003,179 | R 189,003,179 | | 100.0% |
| SERVICE CHARGE WATER | R 160,524,136 | R 88,036,512 | | 54.8% |
| SERVICE CHARGE SANITATION | R 58,414,924 | R 27,127,081 | | 46.4% |
| SERVICE CHARGE REFUSE | R 44,376,212 | R 23,487,665 | | 52.9% |
| SERVICE CHARGES NON-EXCHANGE | R 5,812,347 | R 1,272,271 | | 21.9% |
| UNALLOCATED CREDITS | | R 12,353,180 | | |
| REVISED AVERAGE COLLECTION RATE - December 2025 | R 1,211,979,847 | R 949,248,787 | | 78.3% |

Table 8: Revised Average collection rate

Chart 10: Comparative trend: Monthly and Revised average collection rate - Jun 2025 to Dec 2025

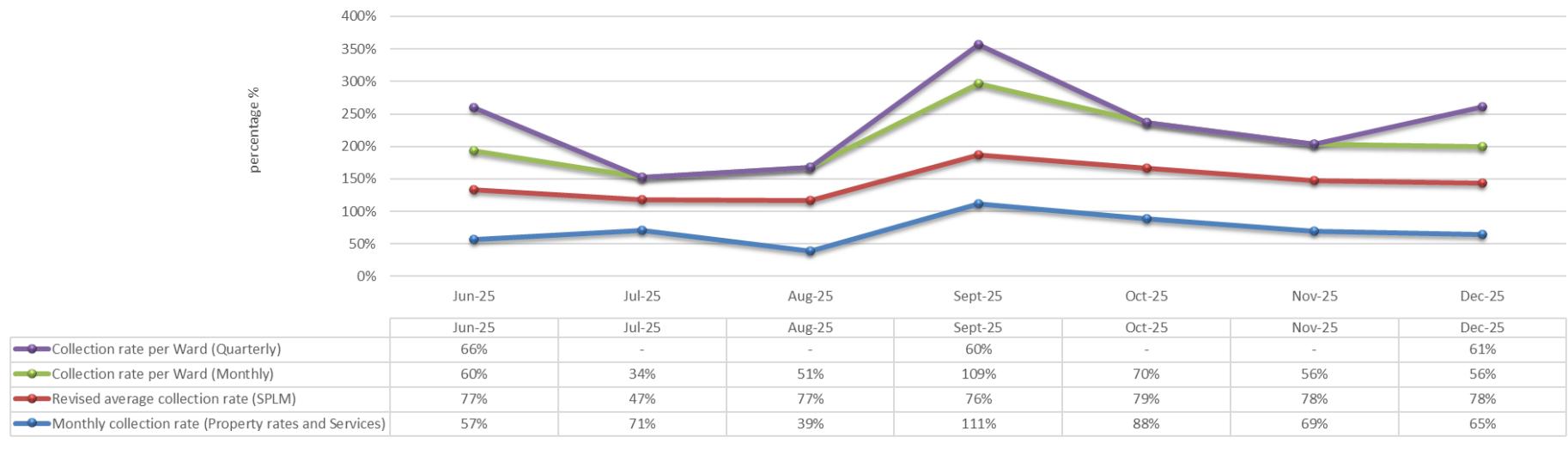


Chart 6: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 6 above, is the comparative trend between the monthly and average collection rate from June 2025 to December 2025. The monthly collection rate (Property rates & Services) for December 2025 is not satisfactory at 65%. The revised average collection for December 2025 which includes Prepaid sales and unallocated credits is 78%, for the month under review. The situation is exacerbated by the receipts on annual billing that is not materializing. It should be noted that the monthly collection rate takes into account what was billed in the previous month and received in the current month. The receipts are also based on the billing cycle, which will normally be from 26th of the previous month to 25th of the current month. The monthly collection rate also excludes Prepaid electricity sales and Other billing. It should be noted the monthly collection rate is based on the receipts versus billing for Property Rates and Service charges only. The lower collection levels are not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its short-term commitments. For the municipal debt relief, the municipality is also expected to report on the collection rate per ward which includes receipts from Property Rates, Services and Interest, but excludes Prepaid Electricity sales. The monthly collection rate per ward was 56% for the month under review. The quarterly collection rate per ward for the second quarter is 61%. Drastic action will have to be taken by the municipality, in implementing its own Credit Control Policy. It should be noted that an amount of R12,353 million was unallocated at month-end.

4.5 Prepaid Electricity

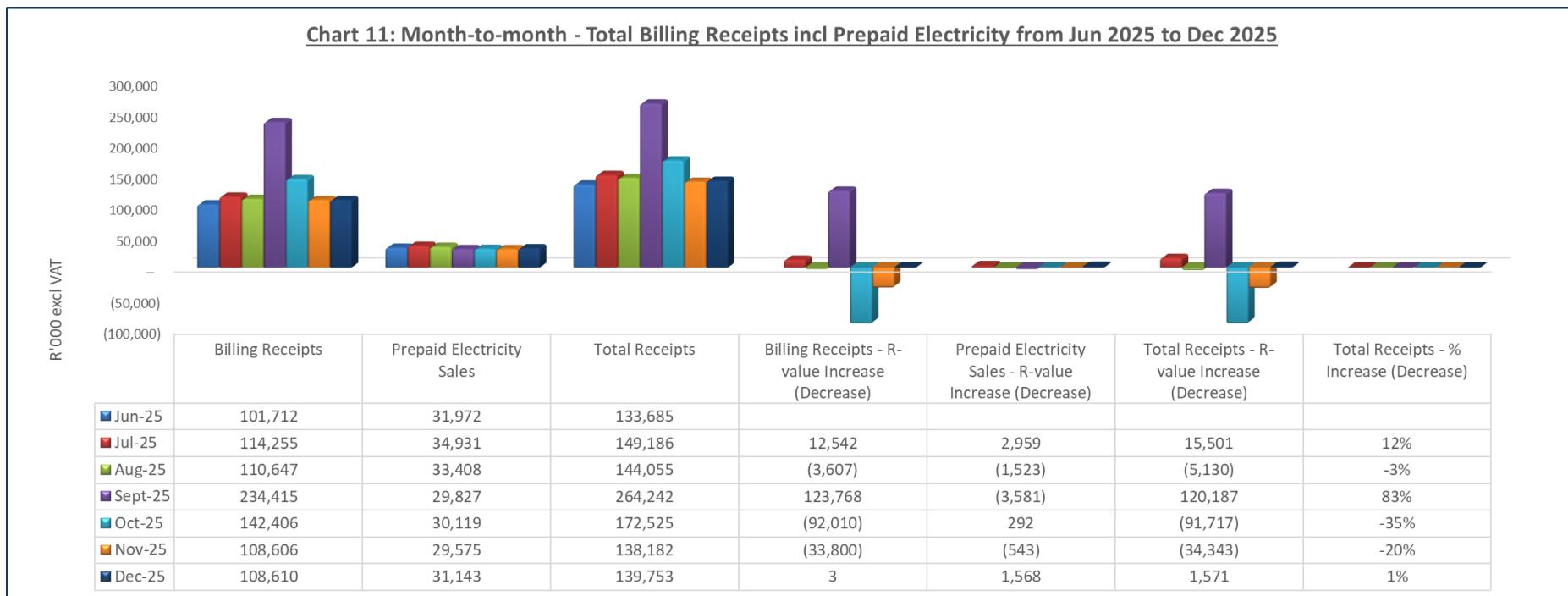


Chart 7: Month-to-Month: Total Billing Receipts Incl Prepaid Electricity

As indicated in Chart 7 above, the Total Receipts for December 2025 amounted to R139,753 million which resulted in an increase of R1,571 million (1%) in respect of the month-to-month comparison. Billing receipts increased by R3 thousand, whilst Prepaid Electricity Sales increased by R1,568 million. The deteriorating situation for the past few months/years does not bode well for the municipality's cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R12,353 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated, and assistance is sourced from the bank, when the municipality is unable to trace receipts so that it can be allocated accurately.

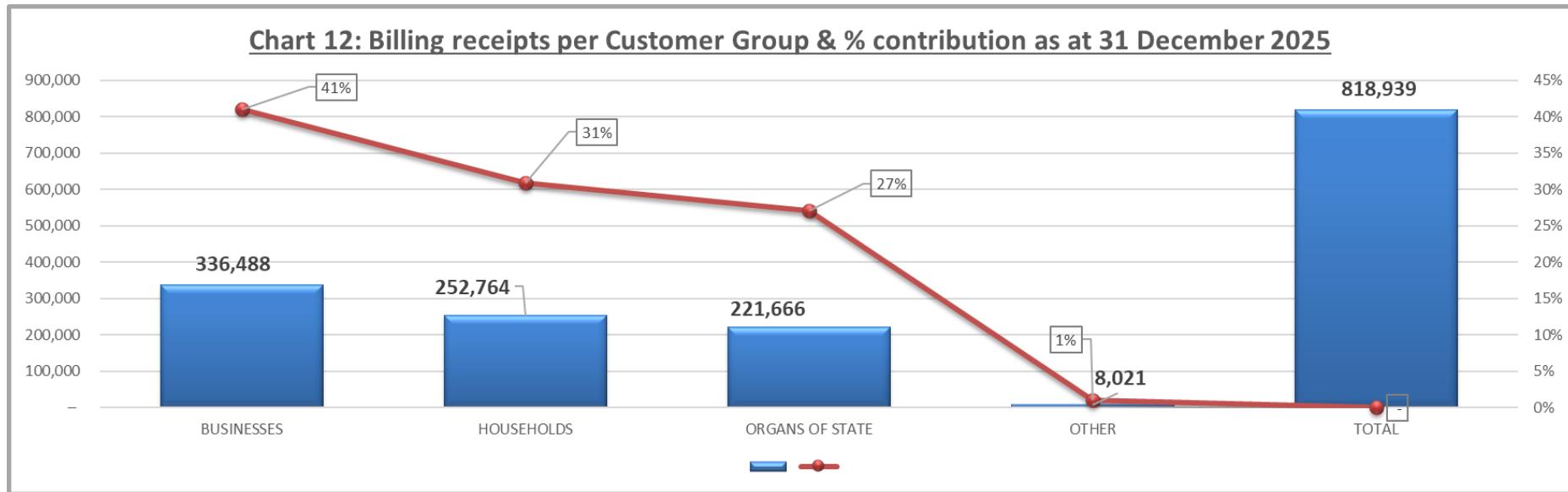


Chart 8: Billing receipts per Customer Group

Indicated in Chart 8 above, is the billing receipts and percentage contribution per major Customer group as at 31 December 2025 which amounts to R818,939 million. The municipality received R336,488 million (41%) from Businesses, Households R252,764 million (31%), Organs of State R221,666 million (27%) and Other R8,021 million (1%).

4.6 Allocation and grant receipts and expenditure

Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

| 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 | | | | | | | | | | |
| RECEIPTS: | 1,2 | | | | | | | | | |
| Operating Transfers and Grants | | | | | | | | | | |
| National Government: | | 294,090 | 314,669 | 314,669 | 101,354 | 234,298 | 157,335 | 76,963 | 48.9% | 314,669 |
| Energy Efficiency and Demand Side Management Grant | | — | — | — | — | — | — | — | — | — |
| Equitable Share | | 282,104 | 301,722 | 301,722 | 100,574 | 226,292 | 150,861 | 75,431 | 50.0% | 301,722 |
| Expanded Public Works Programme Integrated Grant | | 2,927 | 4,442 | 4,442 | — | 4,442 | 2,221 | 2,221 | 100.0% | 4,442 |
| Infrastructure Skills Development Grant | | 4,500 | 4,400 | 4,400 | 466 | 1,978 | 2,200 | (222) | -10.1% | 4,400 |
| Integrated Urban Development Grant | | 2,759 | 2,305 | 2,305 | 175 | 956 | 1,153 | (197) | -17.1% | 2,305 |
| Local Government Financial Management Grant | 3 | 1,800 | 1,800 | 1,800 | 138 | 631 | 900 | (269) | -29.9% | 1,800 |
| Municipal Disaster Relief Grant | | — | — | — | — | — | — | — | — | — |
| Municipal Infrastructure Grant | | — | — | — | — | — | — | — | — | — |
| Municipal Systems Improvement Grant | | — | — | — | — | — | — | — | — | — |
| Other transfers and grants [insert description] | | — | — | — | — | — | — | — | — | — |
| Provincial Government: | | 19,321 | 9,007 | 9,007 | 102 | 595 | 4,504 | (3,908) | -86.8% | 9,007 |
| Capacity Building and Other Grants | | 9,264 | 9,007 | 9,007 | 102 | 595 | 4,504 | (3,908) | -86.8% | 9,007 |
| Infrastructure Grant | | 10,057 | — | — | — | — | — | — | — | — |
| Other transfers and grants [insert description] | | — | — | — | — | — | — | — | — | — |
| District Municipality: | | — | — | — | — | — | — | — | — | — |
| [Insert description] | | — | — | — | — | — | — | — | — | — |
| Other grant providers: | | — | — | — | — | — | — | — | — | — |
| ESKOM | | — | — | — | — | — | — | — | — | — |
| European Union | | — | — | — | — | — | — | — | — | — |
| Higher Education SA (HESA) | | — | — | — | — | — | — | — | — | — |
| Unspecified | | — | — | — | — | — | — | — | — | — |
| Total Operating Transfers and Grants | 5 | 313,411 | 323,676 | 323,676 | 101,456 | 234,893 | 161,838 | 73,055 | 45.1% | 323,676 |
| Capital Transfers and Grants | | | | | | | | | | |
| National Government: | | 574,062 | 684,166 | 684,166 | 61,575 | 344,247 | 342,083 | 2,164 | 0.6% | 684,166 |
| Energy Efficiency and Demand Side Management Grant | | 5,000 | 5,000 | 5,000 | 311 | 2,260 | 2,500 | (240) | -9.6% | 5,000 |
| Integrated National Electrification Programme Grant | | 4,500 | 19,000 | 19,000 | 1,110 | 7,109 | 9,500 | (2,391) | -25.2% | 19,000 |
| Integrated Urban Development Grant | | 72,562 | 76,066 | 76,066 | 23,102 | 38,995 | 38,033 | 962 | 2.5% | 76,066 |
| Municipal Infrastructure Grant | | — | — | — | — | — | — | — | — | — |
| Neighbourhood Development Partnership Grant | | — | 100 | 100 | — | — | 50 | (50) | -100.0% | 100 |
| Regional Bulk Infrastructure Grant | | 492,000 | 574,000 | 574,000 | 37,052 | 295,884 | 287,000 | 8,884 | 3.1% | 574,000 |
| Water Services Infrastructure Grant | | — | 10,000 | 10,000 | — | — | 5,000 | (5,000) | -100.0% | 10,000 |
| Provincial Government: | | — | — | — | — | — | — | — | — | — |
| Infrastructure Grant | | — | — | — | — | — | — | — | — | — |
| District Municipality: | | — | — | — | — | — | — | — | — | — |
| Specify (Add grant description) | | — | — | — | — | — | — | — | — | — |
| Other grant providers: | | — | — | — | — | — | — | — | — | — |
| [Insert description] | | — | — | — | — | — | — | — | — | — |
| European Union | | — | — | — | — | — | — | — | — | — |
| Total Capital Transfers and Grants | 5 | 574,062 | 684,166 | 684,166 | 61,575 | 344,247 | 342,083 | 2,164 | 0.6% | 684,166 |
| TOTAL RECEIPTS OF TRANSFERS & GRANTS | 5 | 887,473 | 1,007,842 | 1,007,842 | 163,031 | 579,140 | 503,921 | 75,219 | 14.9% | 1,007,842 |

Table 9: Supporting Table SC6: Transfers and Grant Receipts

Operational grant monies were received for the month under review.

Equitable share – R100,574 mi

Capital grant monies received for the month under review.

IUDG – R22,480 million

There are some mapping errors pertaining to operational and capital grants, in respect of receipts. Capital grants specifically, is allocated to the Statement of Financial Position as receipts and is not mapped to the C-schedule. However, on a monthly basis journals are processed to recognize capital grant receipts in the Statement of Financial Performance, once all conditions of the grant have been met. The figure disclosed in the Statement of Financial Performance is mapped to supporting schedule SC6.

Sol Plaatje (NC091): Second Quarter Assessment and S72 Mid-year Budget & Performance Management Report: December 2025

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

| 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: | | 263,684 | 252,673 | 252,403 | 21,258 | 127,817 | 126,298 | 1,519 | 1.2% | 252,403 |
| Equitable Share | | 251,739 | 239,722 | 239,452 | 20,764 | 124,343 | 119,822 | 4,520 | 3.8% | 239,452 |
| Expanded Public Works Programme Integrated Grant | | 3,143 | 4,442 | 4,442 | 37 | 232 | 2,221 | (1,989) | -89.5% | 4,442 |
| Infrastructure Skills Development Grant | | 4,373 | 4,400 | 4,400 | 208 | 1,720 | 2,200 | (480) | -21.8% | 4,400 |
| Integrated Urban Development Grant | | 2,629 | 2,305 | 2,305 | 193 | 974 | 1,153 | (178) | -15.5% | 2,305 |
| Local Government Financial Management Grant | | 1,800 | 1,804 | 1,804 | 56 | 548 | 902 | (354) | -39.2% | 1,804 |
| Municipal Disaster Relief Grant | | — | — | — | — | — | — | — | — | — |
| Provincial Government: | | 14,526 | 8,942 | 11,442 | 274 | 2,395 | 5,721 | (3,326) | -58.1% | 11,442 |
| Capacity Building and Other Grants | | 9,055 | 8,942 | 8,942 | 102 | 596 | 4,471 | (3,875) | -86.7% | 8,942 |
| Infrastructure Grant | | 5,471 | — | 2,500 | 172 | 1,799 | 1,250 | 549 | 43.9% | 2,500 |
| District Municipality: | | — | — | — | — | — | — | — | — | — |
| Other grant providers: | | — | — | — | — | — | — | — | — | — |
| European Union | | — | — | — | — | — | — | — | — | — |
| Total operating expenditure of Transfers and Grants: | | 278,210 | 261,615 | 263,845 | 21,532 | 130,212 | 132,019 | (1,807) | -1.4% | 263,845 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | 504,592 | 594,927 | 594,927 | 46,068 | 291,870 | 297,463 | (5,594) | -1.9% | 594,927 |
| Energy Efficiency and Demand Side Management Grant | | 4,545 | 4,348 | 4,348 | 270 | 1,965 | 2,174 | (209) | -9.6% | 4,348 |
| Integrated National Electrification Programme Grant | | 3,958 | 16,522 | 16,522 | 965 | 6,182 | 8,261 | (2,079) | -25.2% | 16,522 |
| Integrated Urban Development Grant | | 64,588 | 66,144 | 66,144 | 12,613 | 26,433 | 33,072 | (6,640) | -20.1% | 66,144 |
| Municipal Infrastructure Grant | | — | — | — | — | — | — | — | — | — |
| Neighbourhood Development Partnership Grant | | — | 87 | 87 | — | — | 43 | (43) | -100.0% | 87 |
| Regional Bulk Infrastructure Grant | | 431,501 | 499,130 | 499,130 | 32,219 | 257,290 | 249,565 | 7,725 | 3.1% | 499,130 |
| Water Services Infrastructure Grant | | — | 8,696 | 8,696 | — | — | 4,348 | (4,348) | -100.0% | 8,696 |
| Provincial Government: | | — | — | — | — | — | — | — | — | — |
| District Municipality: | | — | — | — | — | — | — | — | — | — |
| Specify (Add grant description) | | — | — | — | — | — | — | — | — | — |
| Other grant providers: | | — | — | — | — | — | — | — | — | — |
| European Union | | — | — | — | — | — | — | — | — | — |
| Total capital expenditure of Transfers and Grants | | 504,592 | 594,927 | 594,927 | 46,068 | 291,870 | 297,463 | (5,594) | -1.9% | 594,927 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | 782,802 | 856,542 | 858,772 | 67,599 | 422,082 | 429,483 | (7,401) | -1.7% | 858,772 |

Table 10: Supporting Table SC7(1): Transfers and grant expenditure

The municipality is experiencing huge challenges in respect of funding for the EPWP which is not sufficient and this is putting strain on the municipality's finances. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted allocation for the EPWP is R4,442 million. In addition to this, the municipality budgeted R15,000 million for this programme.

| Description (R'000) | Original Budget | Monthly Actual | YTD Actual | Commitments | % Spent Original |
|--|-----------------|----------------|----------------|--------------|------------------|
| IUDG (INTEGRATED URBAN DEVELOPMENT GRANT) | 66,144 | 12,613 | 26,433 | 1,261 | 39.96% |
| EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT) | 4,348 | 270 | 1,965 | — | 45.19% |
| RBIG (REGIONAL BULK INFRASTRUCTURE GRANT) | 499,130 | 32,219 | 257,290 | — | 51.55% |
| INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT) | 16,522 | 965 | 6,182 | 2 | 37.42% |
| NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT) | 87 | — | — | — | 0.00% |
| WSIG (WATER SERVICES INFRASTRUCTURE GRANT) | 8,696 | — | — | — | 0.00% |
| Grand Total | 594,927 | 46,068 | 291,870 | 1,262 | 49.06% |

Table 11: Summary of Expenditure per Grant

As indicated in Table 11 above, the YTD grant expenditure amounts to R291,871 million or 49.06% spent against the Original capital grant allocation of R594,927 million.

Table 11: Summary of Expenditure per Grant

Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It remains concerning that YTD capital expenditure is low. It should be noted that grant budget and expenditure excludes VAT which will be recognized in the Statement of Financial performance, when all conditions of the grant have been met. Capex also excludes Commitments. Please refer to Section 3.2 in the Executive Summary which highlights some of the factors that negatively influences the delay in grant expenditure.

Rollover Grants: Expenditure

The rollover request for the 2024/25 financial year was submitted to National Treasury on or before 31 August 2025.

“Approval is hereby granted in terms of section 21(2) of the 2024 Division of Revenue Act, (Act No. 24 of 2024) (DoRA), as amended by the Division of Revenue Amendment Act, (Act No. 48 of 2024) (DoRAA) to retain an amount of **R535 thousand** allocated to your municipality in the 2024/25 financial year through the DoRA. This approval is in respect of the Integrated Urban Development Grant (IUDG).

The National Treasury in assessing your roll over request used the criteria set out in Circular No.130 of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) as a guide for the consideration of the roll over submission by your municipality.

The approval amount of R535 thousand is for the following projects:

- Ablution Block- Kenilworth and Phutanang Cemetery (R287 thousand); and
- Construction- Old Sink Toilets (R248 thousand). ”

| NC091 Sol Plaatje - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M06 December | | | | | |
|--|-----|------------------------------|----------------|---------------|-------------------|
| Description | Ref | Budget Year 2025/26 | | | |
| | | Approved Rollover 2022/23 | Monthly actual | YearTD actual | YTD variance |
| R thousands | | | | | % |
| EXPENDITURE | | | | | |
| Capital expenditure of Approved Roll-overs | | | | | |
| National Government: | | 535 | – | – | 535 100.0% |
| Intergated Urban Development Grant | | 535 | | | 535 100.0% |
| Provincial Government: | | – | – | – | – |
| District Municipality: | | – | – | – | – |
| Other grant providers: | | – | – | – | – |
| Total capital expenditure of Approved Roll-overs | | 535 | – | – | 535 100.0% |
| TOTAL EXPENDITURE OF APPROVED ROLL-OVERS | | 535 | – | – | 535 100.0% |

Table 12: Supporting Table SC7(2) - Expenditure against approved rollovers

4.7 Cash flows

In Chart 9 below investments increased by R21,893 million (76%) from 2019 to 2020. Investments decreased by R10,495 million (21%) from 2020 to 2021. Investments increased by R9,876 million (25%) from 2021 to 2022.

The total investment remained the same from 2022 to 2023 and increased by R8,399 million (17%) from 2023 to 2024 and increased by R72,321 million (124%) from 2024 to 2025. From 2018 to 2025, the total investments increased by R36,717 million (39%). The same trend can be seen year-on-year, as indicated in the chart above in respect of the Cash and cash equivalents. There has been a substantial increase in the Cash and Cash equivalents for the year ended 30 June 2022, due to portion of the Equitable Share that was held as reserve, to avert a crisis situation, where the municipality cannot pay salaries. This is attributable to various factors inter alia, the lower collection rate, increased capital expenditure, especially increase on CRR funding year-on-year, the non-implementation of the basic charge for the 2018/19 financial year, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.

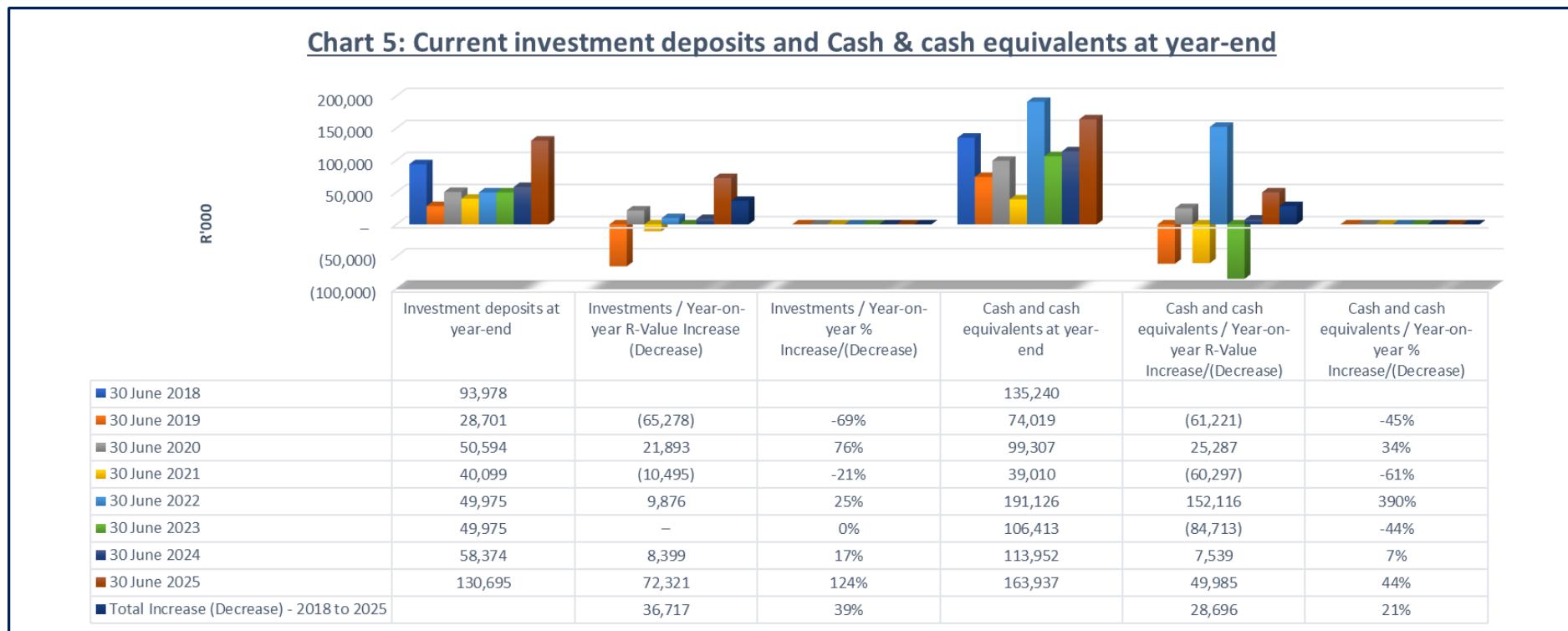


Chart 9: Call Investment deposits and Cash & Cash Equivalents at year-end

Chart 14: Call investment deposits incl interest for the period ending 31 December 2025

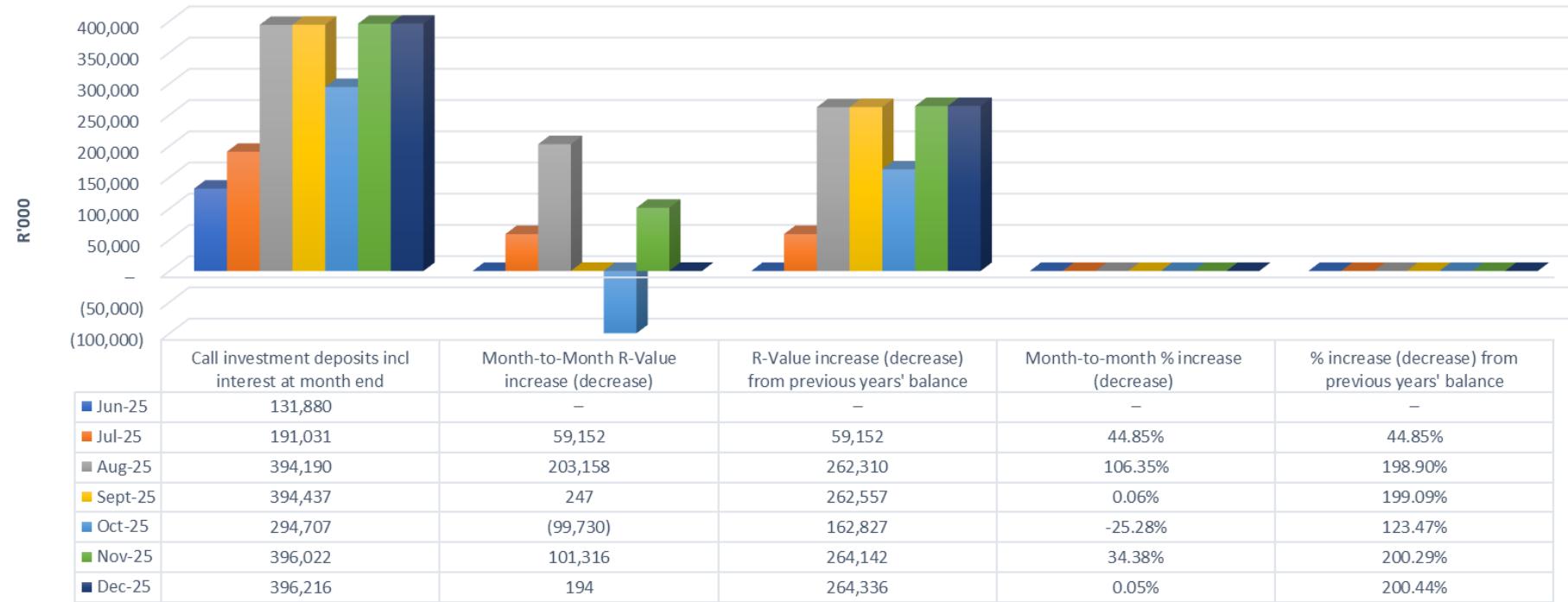


Chart 10: Call investments deposits at month-end

As indicated in the Chart 10 above from November 2025 to December 2025 investments incl interest increased by R194 thousand (0.05%), in respect of the month-to-month comparison. Investments increased by R264,336 million (200.44%) when compared to the previous years' balance of R131,880 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments, in December and June of each year. The non-charging of the basic charge for the 2018/19, 2023/24, 2024/25 and 2025/26 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

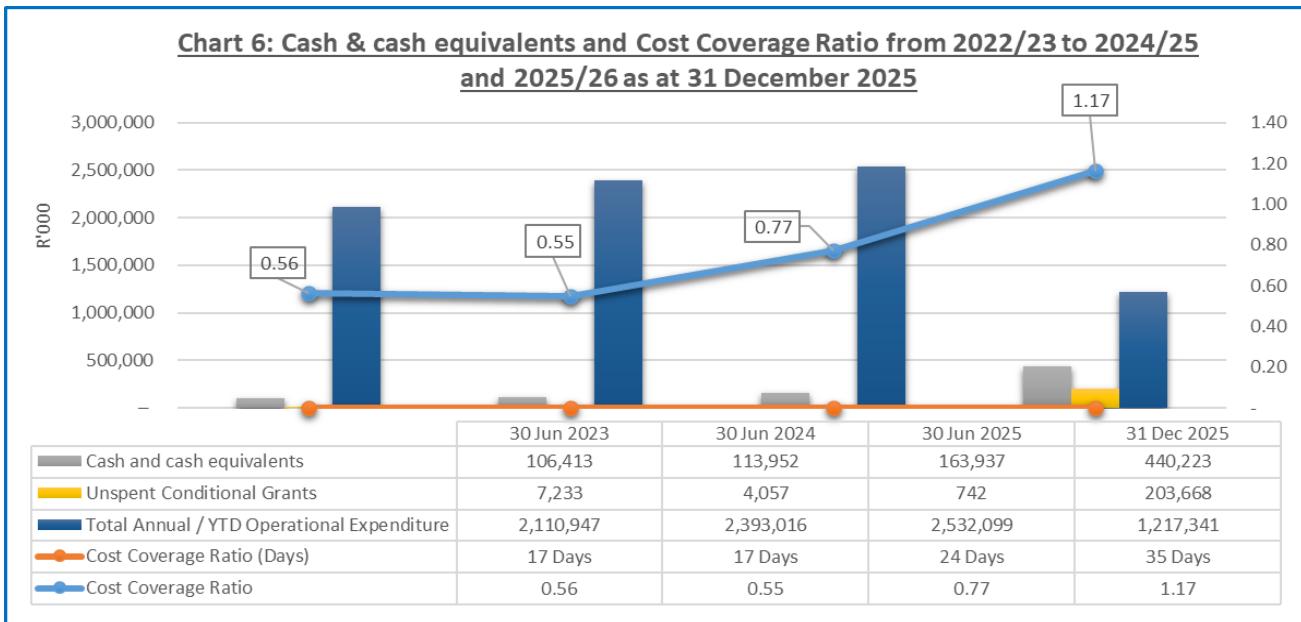


Chart 11: Cash & cash equivalents and Cost Coverage Ratio

Indicated in Chart 11 above, is the Cost coverage ratio, number of days coverage and the Cash and cash equivalents for the period. The required NT norm is 3 months Cost coverage. The audited outcome for the year ended 30 June 2023 (0.56; 17 days; R106,413m). The audited outcome for the year ended 30 June 2024 is (0.55; 17 days; R113,952m). The audited outcome for the year ended 30 June 2025 is (0.77; 24 days; R163,937m). The Cost coverage ratio as at 31 December 2025 is calculated at (1.17; 35 days; R440,223m). Unspent conditional grants amounted to R203,668 million, which is netted off against the Cash and cash equivalents (cashbook), resulting in the critically low-Cost coverage. Immediate and decisive action will have to be taken to ratify the situation.

Cash at this stage is monitored on a daily basis. The Cost coverage ratio is a critical indicator that the municipality is in a severe cash flow crisis and not in the conducive position to settle short-term commitments. This is a critical threat to the municipality's ability to pay salaries, bulk accounts and day-to-day operations which can have a detrimental effect on service delivery and irrevocably damage the municipality's relationship with its service providers and further tarnishing the municipality's reputation. This is also evident by the escalation in debt owed to ESKOM and DWS over the last few years. However, as a result of the debt agreement with DWS and the Incentive initiated by the Department, the municipality has made significant strides in reducing the arrear debt and managed to settle all invoices for the 2022/23 and 2023/24 financial year in full. This has deteriorated for the 2024/25 and 2025/26 financial year. The municipality also fared well whilst on the debt relief programme in complying to the settlement of the current Eskom account and ran into trouble with the settling of the accounts for the high winter months. This is further exacerbated by the fact that the actual receipts for the high months are below the actual bill.

The only way to address these issues, is to work as a collective team, enforce accountability within all departments and to collect outstanding debt and improve the collection rate. Therefore, the municipality must apply the Credit Control Policy diligently, consistently and fairly to ensure the credibility of the municipality. During the 2022/23 Mid-year engagement, National Treasury recommended that the Credit Control and Debt Collection Policy must be 100% applied. Generally, the payment culture of all consumers and stakeholders must improve. The municipality also needs to spend funds effectively and efficiently with good value for money. Cost containment measures must be stringently applied.

5. EXPENDITURE FRAMEWORK

5.1 Operating Expenditure By Type

Table C4 Monthly Budget Statement - Financial Performance (Expenditure) - M06 December

| Description | Original Budget | Monthly actual | YearTD actual | YearTD budget | % Achieved YTD Budget | YTD variance | YTD variance | Achieved Original Budget | Original Budget Variance | Original Budget Variance IYM % - 50% |
|---------------------------------|------------------|----------------|------------------|------------------|-----------------------|------------------|---------------|--------------------------|--------------------------|--------------------------------------|
| | R'000 | R'000 | R'000 | R'000 | % | R'000 | % | % | R'000 | % |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | 1,004,532 | 89,637 | 450,278 | 502,266 | 89.6% | (51,988) | -10.4% | 44.8% | (51,988) | -5.2% |
| Remuneration of councillors | 37,083 | 2,823 | 16,757 | 18,542 | 90.4% | (1,785) | -9.6% | 45.2% | (1,785) | -4.8% |
| Bulk purchases - electricity | 1,000,000 | 70,461 | 459,355 | 529,000 | 86.8% | (69,645) | -13.2% | 45.9% | (40,645) | -4.1% |
| Inventory consumed | 331,852 | 26,791 | 143,322 | 165,926 | 86.4% | (22,604) | -13.6% | 43.2% | (22,604) | -6.8% |
| Debt impairment | 437,149 | — | 218,574 | 218,574 | 100.0% | (0) | 0.0% | 50.0% | — | 0.0% |
| Depreciation and amortisation | 90,200 | — | — | 45,100 | 0.0% | (45,100) | -100.0% | 0.0% | (45,100) | -50.0% |
| Interest | 15,880 | 8,245 | 8,252 | 7,940 | 103.9% | 312 | 3.9% | 52.0% | 312 | 2.0% |
| Contracted services | 45,856 | 2,593 | 12,629 | 22,928 | 55.1% | (10,299) | -44.9% | 27.5% | (10,299) | -22.5% |
| Transfers and subsidies | 4,300 | 650 | 1,321 | 2,150 | 61.4% | (829) | -38.6% | 30.7% | (829) | -19.3% |
| Irrecoverable debts written off | — | — | 2 | — | — | 2 | — | — | 2 | — |
| Operational costs | 176,654 | 14,832 | 99,798 | 88,327 | 113.0% | 11,472 | 13.0% | 56.5% | 11,472 | 6.5% |
| Losses on Disposal of Assets | — | — | — | — | — | — | — | — | — | — |
| Other Losses | 69,000 | — | 25,629 | 34,500 | 74.3% | (8,871) | -25.7% | 37.1% | (8,871) | -12.9% |
| Total Expenditure | 3,212,506 | 216,032 | 1,435,917 | 1,635,253 | 87.8% | (199,336) | -12.2% | 44.7% | (170,336) | -5.3% |

Table 13: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 13 above, as at 31 December 2025 current YTD expenditure shows an unsatisfactory variance of minus 12.2%. The YTD actual amounted to R1,435,917 billion against the YTD Budget of R1,635,253 billion.

- ❖ Employee related costs show an unsatisfactory variance of minus 10.4%, due to Post-retirement benefit obligations that are not factored in and which will only be finalised as part of year-end procedures. There is a moratorium on the filling of non-critical vacancies and the sale of leave has been suspended.
- ❖ Remuneration of councillors is showing an unsatisfactory variance of minus 9.6%. The gazette for the upper limits of political office bearers will be issued during December for the current year and will be implemented accordingly.
- ❖ Bulk purchases – Electricity is showing an unsatisfactory variance of minus 13.2%. The invoice for December 2025 will be processed during January 2026.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 13.6%. Expenditure for the first month of the year is normally low, due to the later re-opening of the financial year after year-end closure. Various commitments are raised on the system, awaiting delivery of goods and services. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure is negatively influencing this expenditure line items and sound financial management of budgets is not always adequately exercised. Re-directing of funds to manage crisis's is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally.

There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality's finances to actually address service delivery challenges. The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT's annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M budget to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

Table 4.1 R&M Expenditure per Directorate per inventory type

| R&M Expenditure per Directorate per Inventory type as at 31 December 2025 (Amounts in Rand) | Sum of Original Budget | Sum of Adjustment Budget | Sum of Monthly Actual | Sum of YTD Actual | Sum of % Spent Original | % Spent compared against ideal IYM % of 50.00% |
|---|------------------------|--------------------------|-----------------------|--------------------|-------------------------|--|
| VOTE 1 - COUNCILLORS AND ADMIN | 140,000 | 140,000 | - | 32,083 | 22.92% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 70,000 | 70,000 | - | 19,133 | 27.33% | UNSATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 1,000 | 1,000 | - | - | 0.00% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 69,000 | 69,000 | - | 12,950 | 18.77% | UNSATISFACTORY |
| VOTE 2 - MUNICIPAL AND GENERAL | 25,297,000 | 25,297,000 | 2,958,706 | 14,808,609 | 58.54% | OVERSPENT |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 755,000 | 755,000 | 9,710 | 88,473 | 11.72% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 350,000 | 340,000 | 3,869 | 50,998 | 14.57% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 24,192,000 | 24,192,000 | 2,945,127 | 14,669,138 | 60.64% | OVERSPENT |
| VOTE 3 - MUNICIPAL MANAGER | 157,000 | 157,000 | 2,800 | 35,738 | 22.76% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 140,000 | 136,000 | 2,800 | 23,999 | 17.14% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 17,000 | 21,000 | - | 11,739 | 69.05% | OVERSPENT |
| VOTE 4 - CORPORATE SERVICES | 2,304,000 | 2,304,000 | 93,744 | 671,119 | 29.13% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 871,000 | 771,000 | 47,560 | 373,238 | 42.85% | SATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 51,000 | 172,000 | 42,671 | 155,696 | 305.29% | OVERSPENT |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 650,000 | 650,000 | - | 87,529 | 13.47% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 732,000 | 711,000 | 3,514 | 54,657 | 7.47% | UNSATISFACTORY |
| VOTE 5 - COMMUNITY SERVICES | 33,989,400 | 33,989,400 | 1,565,532 | 9,510,151 | 27.98% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 1,021,000 | 1,103,500 | 73,816 | 291,359 | 28.54% | UNSATISFACTORY |
| 2320602 (INV-CONSUMABLE-SR/FIRST AID) | 48,000 | 48,000 | - | 1,934 | 4.03% | UNSATISFACTORY |
| 2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS) | 217,000 | 267,000 | 45,211 | 144,100 | 66.41% | SATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 1,116,000 | 1,086,000 | 114,217 | 488,133 | 43.74% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 9,204,000 | 9,171,000 | 191,771 | 2,423,268 | 26.33% | UNSATISFACTORY |
| 2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET) | 336,400 | 336,400 | - | 90,010 | 26.76% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 22,047,000 | 21,977,500 | 1,140,518 | 6,071,346 | 27.54% | UNSATISFACTORY |
| VOTE 6 - FINANCIAL SERVICES | 2,190,000 | 2,190,000 | 162,052 | 1,130,213 | 51.61% | SATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 1,226,000 | 1,221,000 | 80,550 | 669,381 | 54.60% | SATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 172,000 | 172,000 | 13,240 | 70,658 | 41.08% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 180,000 | 175,000 | - | 32,232 | 17.91% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 612,000 | 622,000 | 68,262 | 357,942 | 58.49% | OVERSPENT |
| VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT | 11,968,000 | 11,968,000 | 912,243 | 2,106,970 | 17.61% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 387,000 | 396,000 | 12,833 | 126,104 | 32.59% | UNSATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 65,000 | 65,000 | 1,335 | 15,618 | 24.03% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 410,000 | 394,000 | - | 41,962 | 10.23% | UNSATISFACTORY |
| 2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET) | 14,000 | 14,000 | - | - | 0.00% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 11,092,000 | 11,099,000 | 898,075 | 1,923,285 | 17.34% | UNSATISFACTORY |
| VOTE 8 - INFRASTRUCTURE SERVICES | 255,806,914 | 255,806,914 | 21,095,559 | 115,027,362 | 44.97% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 620,000 | 620,000 | 46,584 | 173,759 | 28.03% | UNSATISFACTORY |
| 2320602 (INV-CONSUMABLE-SR/FIRST AID) | 2,000 | 2,000 | - | - | 0.00% | UNSATISFACTORY |
| 2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS) | 23,171,000 | 23,171,000 | 1,607,626 | 12,649,247 | 54.59% | SATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 1,845,000 | 1,845,000 | 139,806 | 550,920 | 29.86% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 10,040,000 | 10,040,000 | 267,925 | 3,305,209 | 32.92% | UNSATISFACTORY |
| 2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET) | 575,000 | 575,000 | 5,508 | 24,589 | 4.28% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 146,553,914 | 146,553,914 | 13,845,621 | 66,026,825 | 45.05% | SATISFACTORY |
| 2326600 (INVENTORY - WATER) | 73,000,000 | 73,000,000 | 5,182,488 | 32,296,813 | 44.24% | UNSATISFACTORY |
| Grand Total | 331,852,314 | 331,852,314 | 26,790,635 | 143,322,246 | 43.19% | UNSATISFACTORY |

Table 13.1: R&M Expenditure per Directorate per Inventory Type

Table 4.2 R&M Expenditure per Service per inventory type

| R&M Expenditure per Service per Inventory Type as at 31 December 2025 (Amounts in Rand) | Sum of Original Budget | Sum of Adjustment Budget | Sum of Monthly Actual | Sum of YTD Actual | Sum of % Spent Original Budget | % Spent compared against ideal IYM % of 50.00% |
|---|------------------------|--------------------------|-----------------------|--------------------|--------------------------------|--|
| 2480 - REFUSE | 20,450,000 | 20,450,000 | 855,494 | 5,642,864 | 27.59% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 100,000 | 100,000 | - | 3,554 | 3.55% | UNSATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 150,000 | 150,000 | - | 26,326 | 17.55% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 6,400,000 | 6,400,000 | 180,305 | 2,004,997 | 31.33% | UNSATISFACTORY |
| 2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET) | 100,000 | 100,000 | - | 1,905 | 1.91% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 13,700,000 | 13,700,000 | 675,190 | 3,606,082 | 26.32% | UNSATISFACTORY |
| 2830 - ROADS | 44,461,000 | 44,461,000 | 4,415,195 | 24,972,556 | 56.17% | OVERSPENT |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 68,000 | 68,000 | - | 18,993 | 27.93% | UNSATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 67,000 | 67,000 | 1,369 | 13,517 | 20.18% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 44,326,000 | 44,326,000 | 4,413,826 | 24,940,046 | 56.27% | OVERSPENT |
| 2840 - HOUSING | 3,407,000 | 3,407,000 | 92,314 | 1,783,076 | 52.34% | SATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 121,000 | 121,000 | 2,925 | 23,699 | 19.59% | UNSATISFACTORY |
| 2320602 (INV-CONSUMABLE-SR/FIRST AID) | 1,000 | 1,000 | - | - | 0.00% | UNSATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 135,000 | 135,000 | 13,940 | 62,656 | 46.41% | SATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 140,000 | 140,000 | 3,074 | 57,428 | 41.02% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 3,010,000 | 3,010,000 | 72,375 | 1,639,292 | 54.46% | SATISFACTORY |
| 2850 - SEWERAGE | 27,165,000 | 27,165,000 | 2,628,955 | 15,863,949 | 58.40% | OVERSPENT |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 35,000 | 35,000 | 1,647 | 13,547 | 38.70% | UNSATISFACTORY |
| 2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS) | 170,000 | 170,000 | - | 111,780 | 65.75% | OVERSPENT |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 295,000 | 295,000 | 11,162 | 80,022 | 27.13% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 2,900,000 | 2,900,000 | 109,946 | 1,054,764 | 36.37% | UNSATISFACTORY |
| 2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET) | 100,000 | 100,000 | - | - | 0.00% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 23,665,000 | 23,665,000 | 2,506,201 | 14,603,837 | 61.71% | OVERSPENT |
| 2860 - WATER | 129,773,000 | 129,773,000 | 11,781,819 | 56,361,910 | 43.43% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 76,000 | 76,000 | 11,502 | 29,575 | 38.92% | UNSATISFACTORY |
| 2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS) | 23,001,000 | 23,001,000 | 1,607,626 | 12,537,467 | 54.51% | SATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 141,000 | 141,000 | 4,409 | 55,429 | 39.31% | UNSATISFACTORY |
| 2320611 (INV-CONSUMABLE-ZR/FUEL FLEET) | 2,500,000 | 2,500,000 | 48,239 | 728,290 | 29.13% | UNSATISFACTORY |
| 2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET) | 475,000 | 475,000 | 5,508 | 24,589 | 5.18% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 30,580,000 | 30,580,000 | 4,922,049 | 10,689,747 | 34.96% | UNSATISFACTORY |
| 2326600 (INVENTORY - WATER) | 73,000,000 | 73,000,000 | 5,182,488 | 32,296,813 | 44.24% | UNSATISFACTORY |
| 2880 - ELECTRICITY | 53,268,000 | 53,268,000 | 1,460,784 | 15,702,241 | 29.48% | UNSATISFACTORY |
| 2320601 (INV-CONSUMABLE-SR/STATIONERY) | 180,000 | 180,000 | 15,815 | 50,520 | 28.07% | UNSATISFACTORY |
| 2320602 (INV-CONSUMABLE-SR/FIRST AID) | 1,000 | 1,000 | - | - | 0.00% | UNSATISFACTORY |
| 2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS) | 87,000 | 87,000 | - | 21,917 | 25.19% | UNSATISFACTORY |
| 2323600 (INVENTORY - MATERIALS & SUPPLIES) | 53,000,000 | 53,000,000 | 1,444,969 | 15,629,805 | 29.49% | UNSATISFACTORY |
| Grand Total | 278,524,000 | 278,524,000 | 21,234,562 | 120,326,596 | 43.20% | UNSATISFACTORY |

Table 13.2: R&M Expenditure per Service per Inventory Type

- ❖ Depreciation was projected for on a straight-line basis. The municipality implemented the Asset module (AM) on the financial system. This will resolve the automation of accounting for depreciation monthly. This did not transpire monthly and the matter must still be resolved. The matter should have been resolved once the audit process was completed. The matter will be taken up with the service provider.
- ❖ Debt impairment will be provided for on a quarterly basis. The journal for the second quarter was processed during November 2025.
- ❖ Interest is showing a satisfactory variance of 3.9%. Interest on External borrowing is paid bi-annually at the end of December and June each year. The total interest charges on overdue accounts on the Eskom bulk account, for the current financial year amounts to R32,451 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The budget will be corrected during the Adjustments budget.
- ❖ Expenditure on Contracted services is showing an unsatisfactory variance of minus 44.9%, as various line items is showing lower expenditure than anticipated.
- ❖ Transfers and subsidies showing negative variance of minus 38.6%. Due to cash constraints the municipality will be paying the allocation of R2,600 million, due to the SPCA over instalments, as and when sufficient cash is available.
- ❖ The movement under Irrecoverable debts written off is an error and needs to be investigated.
- ❖ Operational cost is showing an unsatisfactory variance of 13.0%. The municipality is offering a 10% discount on the early settlement of a consumer's municipal bill.

This discount is reflected as an expense under OC: Cash Discount of R22,027 million with a zero budget, but these costs will be transferred and debited against Revenue at year-end because it is considered Revenue foregone. The pro-rata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source.

The YTD actual on OC: Professional Bodies M/Ship & Subs is R9,962 million for predominantly annual SALGA membership fees. Monthly payments are being made to SALGA amounting to R1,241 million.

- ❖ Other Losses is showing an unsatisfactory variance of minus 25.7%. Bulk purchases Water is treated in line with GRAP 12. The invoices are captured on the balance sheet under Water: Input Vol: Bulk Purchases and the actual costs incurred is then split between Water inventory and Water losses and journalised from the Balance sheet to the Income Statement. A corrective journal for the recognition of Water inventory and losses for November and December 2025 must still be processed on the system.

Operating Expenditure by Type: Comparison against Original Budget

Indicated in Table 13 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of December 2025 is 50%. The total operational expenditure against the Original budget is 44.7% spent, resulting in a satisfactory variance of minus 5.3%.

- ❖ Employee related costs show a satisfactory variance of minus 5.2%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 4.8%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of minus 4.1%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 6.8%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a satisfactory variance of 0%. Same factors are applicable as explained above.
- ❖ Depreciation shows an unsatisfactory variance of minus 50%. Same factors are applicable as explained above.
- ❖ Interest is showing a satisfactory variance of 2%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at minus 22.5%, when compared to the Original budget. The YTD expenditure is lower than anticipated.
- ❖ Transfers and subsidies show an unsatisfactory variance of minus 19.3%. Same factors are applicable as explained above.
- ❖ Operational cost is showing a satisfactory variance of 6.5%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of minus 12.9%. Same factors are applicable as explained above.

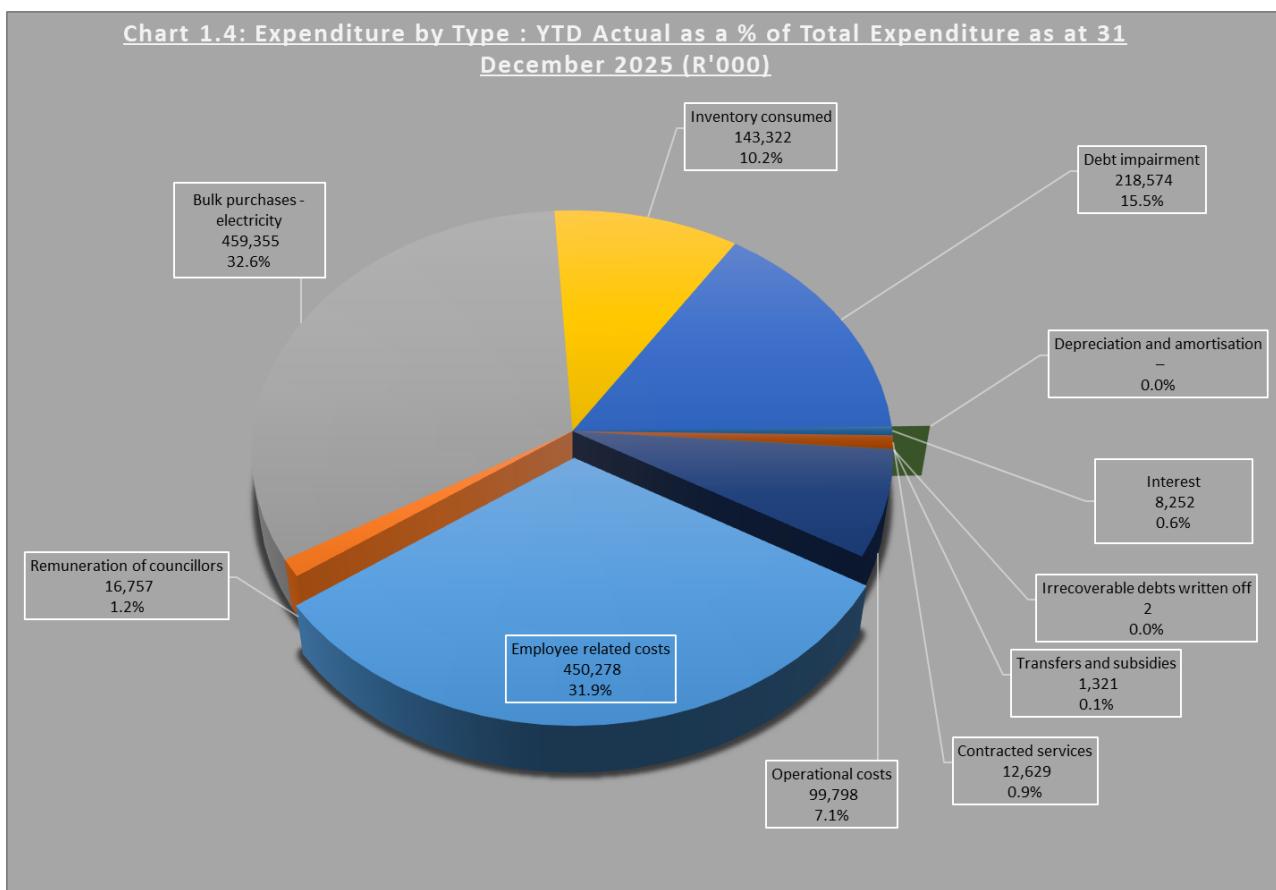


Chart 12: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 12 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 31 December 2025. The main cost drivers of the municipality are Employee Related Costs (31.9%), Bulk Purchases – Electricity (32.6%), Debt Impairment (15.5%) and Inventory consumed (10.2%).

It should be noted that the weighting per Expenditure type is distorted as a result of the following:

- ❖ Employee costs, the Post-retirement benefit obligations will be finalized as part of the year-end procedures.
- ❖ Depreciation will be provided for on a monthly basis. The automated integration from the Asset module must still be finalized. This should have transpired, once the audit process was finalised. The matter will be taken up with the service provider.
- ❖ Interest on the long-term borrowing is paid bi-annually in December and June of each year
- ❖ Debt Impairment is provided for, quarterly. The journal for the second quarter was processed during November 2025.
- ❖ The Eskom account for December 2025 will be captured during January 2026.

5.2 Expenditure By Vote

The vote structure of the municipality is represented by various directorates. Expenditure for the quarter ended 31 December 2025 is represented as per the tale below:

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

| Vote Description | Ref | 2024/25 | | Budget Year 2025/26 | | | | | | |
|--|-----|-----------------|-----------------|---------------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue by Vote | 1 | — | — | — | — | — | — | — | — | — |
| Vote 01 - Executive & Council | | 1,049,209 | 1,067,130 | 1,067,130 | 172,108 | 642,321 | 533,565 | 108,756 | 20.4% | 1,067,130 |
| Vote 02 - Municipal And General | | 2,759 | 2,305 | 2,305 | 175 | 956 | 1,153 | (197) | -17.1% | 2,305 |
| Vote 03 - Municipal Manager | | 6,263 | 6,110 | 6,110 | 470 | 2,004 | 3,055 | (1,051) | -34.4% | 6,110 |
| Vote 04 - Corporate Services | | 149,002 | 148,586 | 148,586 | 10,119 | 66,298 | 74,293 | (7,995) | -10.8% | 148,586 |
| Vote 05 - Community Services | | 714,281 | 742,122 | 742,122 | 53,709 | 430,742 | 371,061 | 59,682 | 16.1% | 742,122 |
| Vote 06 - Financial Services | | 8,419 | 10,003 | 10,003 | 483 | 5,886 | 5,001 | 884 | 17.7% | 10,003 |
| Vote 07 - Strategy Econ Development And Planning | | 1,545,949 | 1,942,098 | 1,942,098 | 120,044 | 818,835 | 971,049 | (152,214) | -15.7% | 1,942,098 |
| Vote 08 - Infrastructure And Services | | — | — | — | — | — | — | — | — | — |
| Vote 09 - | | — | — | — | — | — | — | — | — | — |
| Vote 10 - | | — | — | — | — | — | — | — | — | — |
| Vote 11 - | | — | — | — | — | — | — | — | — | — |
| Vote 12 - | | — | — | — | — | — | — | — | — | — |
| Vote 13 - | | — | — | — | — | — | — | — | — | — |
| Vote 14 - | | — | — | — | — | — | — | — | — | — |
| Vote 15 - Other | | — | — | — | — | — | — | — | — | — |
| Total Revenue by Vote | 2 | 3,475,882 | 3,918,354 | 3,918,354 | 357,109 | 1,967,042 | 1,959,177 | 7,865 | 0.4% | 3,918,354 |
| Expenditure by Vote | 1 | — | — | — | — | — | — | — | — | — |
| Vote 01 - Executive & Council | | 57,033 | 61,221 | 61,221 | 5,428 | 28,607 | 30,610 | (2,003) | -6.5% | 61,221 |
| Vote 02 - Municipal And General | | 495,206 | 464,832 | 464,832 | 14,932 | 207,759 | 232,416 | (24,657) | -10.6% | 464,832 |
| Vote 03 - Municipal Manager | | 29,886 | 30,614 | 30,614 | 2,403 | 14,041 | 15,307 | (1,266) | -8.3% | 30,614 |
| Vote 04 - Corporate Services | | 73,335 | 81,513 | 81,513 | 7,916 | 39,947 | 40,757 | (809) | -2.0% | 81,513 |
| Vote 05 - Community Services | | 320,158 | 363,848 | 363,848 | 29,461 | 163,237 | 181,924 | (18,687) | -10.3% | 363,848 |
| Vote 06 - Financial Services | | 143,187 | 173,366 | 173,366 | 13,923 | 71,211 | 86,683 | (15,472) | -17.8% | 173,366 |
| Vote 07 - Strategy Econ Development And Planning | | 55,692 | 76,090 | 76,090 | 6,155 | 27,805 | 38,045 | (10,240) | -26.9% | 76,090 |
| Vote 08 - Infrastructure And Services | | 1,910,101 | 1,961,023 | 1,961,023 | 135,813 | 883,309 | 1,009,511 | (126,203) | -12.5% | 1,961,023 |
| Vote 09 - | | — | — | — | — | — | — | — | — | — |
| Vote 10 - | | — | — | — | — | — | — | — | — | — |
| Vote 11 - | | — | — | — | — | — | — | — | — | — |
| Vote 12 - | | — | — | — | — | — | — | — | — | — |
| Vote 13 - | | — | — | — | — | — | — | — | — | — |
| Vote 14 - | | — | — | — | — | — | — | — | — | — |
| Vote 15 - Other | | — | — | — | — | — | — | — | — | — |
| Total Expenditure by Vote | 2 | 3,084,597 | 3,212,506 | 3,212,506 | 216,032 | 1,435,917 | 1,635,253 | (199,336) | -12.2% | 3,212,506 |
| Surplus/ (Deficit) for the year | 2 | 391,285 | 705,848 | 705,848 | 141,077 | 531,124 | 323,924 | 207,201 | 64.0% | 705,848 |

Table 14: Table C3 Monthly budget statement - Financial Performance (Expenditure by Vote)

5.3 Councillor and Board Member Allowances and Employee Benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

| Summary of Employee and Councillor remuneration | Ref | 2023/24 | | Budget Year 2024/25 | | | | | | |
|--|-----|-----------------|-----------------|---------------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | 1 | A | B | C | | | | | D |
| Councillors (Political Office Bearers plus Other) | | | | | | | | | | |
| Basic Salaries and Wages | | | | | | | | | | |
| Pension and UIF Contributions | | 1,065 | — | — | 57 | 488 | — | 488 | #DIV/0! | — |
| Medical Aid Contributions | | 536 | — | — | 46 | 320 | — | 320 | #DIV/0! | — |
| Motor Vehicle Allowance | | | | | | | | | | |
| Cellphone Allowance | | 2,997 | 3,055 | 3,055 | 256 | 1,501 | 1,528 | (27) | -2% | 3,055 |
| Housing Allowances | | — | — | — | — | — | — | — | — | — |
| Other benefits and allowances | | 29,271 | 34,021 | 34,021 | 2,010 | 14,040 | 17,011 | (2,971) | -17% | 34,021 |
| Sub Total - Councillors | | 33,869 | 37,077 | 37,077 | 2,369 | 16,348 | 18,538 | (2,190) | -12% | 37,077 |
| % increase | 4 | | 9.5% | 9.5% | | | | | | 9.5% |
| Senior Managers of the Municipality | | | | | | | | | | |
| Basic Salaries and Wages | | 4,942 | 8,791 | 8,791 | 353 | 2,473 | 4,396 | (1,922) | -44% | 8,791 |
| Pension and UIF Contributions | | 433 | 1,316 | 1,316 | 33 | 211 | 658 | (447) | -68% | 1,316 |
| Medical Aid Contributions | | 192 | 117 | 117 | 16 | 93 | 59 | 34 | 58% | 117 |
| Overtime | | | | | | | | | | |
| Performance Bonus | | 1,065 | 2,005 | 2,005 | 87 | 521 | 1,003 | (482) | -48% | 2,005 |
| Motor Vehicle Allowance | | 101 | 198 | 198 | 8 | 50 | 99 | (49) | -49% | 198 |
| Cellphone Allowance | | 22 | 9 | 9 | 2 | 11 | 5 | 6 | 128% | 9 |
| Housing Allowances | | | | | | | | | | |
| Other benefits and allowances | | | | | | | | | | |
| Payments in lieu of leave | | | | | | | | | | |
| Long service awards | | 14 | 15 | 15 | 1 | 7 | 7 | (0) | -3% | 15 |
| Post-retirement benefit obligations | 2 | | | | | | | | | |
| Entertainment | | | | | | | | | | |
| Scarcity | | | | | | | | | | |
| Acting and post related allowance | | | | | | | | | | |
| In kind benefits | | | | | | | | | | |
| Sub Total - Senior Managers of Municipality | | 6,769 | 12,452 | 12,452 | 500 | 3,366 | 6,226 | (2,860) | -46% | 12,452 |
| % increase | 4 | | 84.0% | 84.0% | | | | | | 84.0% |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | 460,448 | 509,499 | 507,037 | 38,618 | 232,866 | 253,845 | (20,979) | -8% | 507,037 |
| Pension and UIF Contributions | | 83,850 | 96,851 | 96,851 | 7,007 | 42,288 | 48,426 | (6,138) | -13% | 96,851 |
| Medical Aid Contributions | | 54,500 | 63,693 | 63,693 | 5,549 | 31,059 | 31,847 | (787) | -2% | 63,693 |
| Overtime | | 90,602 | 53,982 | 53,982 | 6,094 | 31,730 | 26,991 | 4,739 | 18% | 53,982 |
| Performance Bonus | | 30,591 | 38,317 | 38,317 | 15,702 | 22,462 | 19,159 | 3,304 | 17% | 38,317 |
| Motor Vehicle Allowance | | 43,767 | 51,151 | 51,151 | 3,409 | 21,194 | 25,576 | (4,382) | -17% | 51,151 |
| Cellphone Allowance | | 1,631 | 1,551 | 1,551 | 135 | 826 | 776 | 50 | 6% | 1,551 |
| Housing Allowances | | 2,856 | 2,887 | 2,887 | 226 | 1,356 | 1,444 | (88) | -6% | 2,887 |
| Other benefits and allowances | | 38,029 | 26,598 | 29,060 | 2,560 | 16,181 | 14,204 | 1,977 | 14% | 29,060 |
| Payments in lieu of leave | | 7,128 | 20,000 | 20,000 | 144 | 2,610 | 10,000 | (7,390) | -74% | 20,000 |
| Long service awards | | 30,958 | 29,981 | 29,981 | 2,883 | 15,610 | 14,991 | 619 | 4% | 29,981 |
| Post-retirement benefit obligations | 2 | 43,162 | 43,900 | 43,900 | 685 | 3,712 | 21,950 | (18,238) | -83% | 43,900 |
| Entertainment | | | | | | | | | | |
| Scarcity | | | | | | | | | | |
| Acting and post related allowance | | | | | | | | | | |
| In kind benefits | | | | | | | | | | |
| Sub Total - Other Municipal Staff | | 887,522 | 938,410 | 938,410 | 83,011 | 421,894 | 469,207 | (47,313) | -10% | 938,410 |
| % increase | 4 | | 5.7% | 5.7% | | | | | | 5.7% |
| Total Parent Municipality | | 928,160 | 987,939 | 987,939 | 85,880 | 441,608 | 493,972 | (52,363) | -11% | 987,939 |

Table 15: Supporting Table SC8 : Councillor and Staff Benefits

As depicted in Table 15 above, Employee related costs is satisfactory and showing a variance of minus 10%. There is currently a moratorium on the filling of non-critical vacancies and on the sale of leave. Post-retirement benefit obligations will be finalized as part of year-end procedures. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Individuals do act on positions from time to time, but all such acting allowances forms part of the basic salary line item. Councillors' Remuneration is showing a satisfactory variance of minus 10% when compared to the YTD Budget. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils is normally issued and implemented during December of the year.

For reporting purposes on Overtime, the municipality is only concentrating on (Overtime Structured and Non-structured). However, as per NT mapping Night-shift allowance and Payments - Shift Add Remuneration is also mapped to Overtime. The Overtime controls are not effective and the desired outcome to remain within budget, was not achieved for 2023/24 and 2024/25 financial year. Overtime can be monitored by implementing more stringent control measures. The municipality should also ensure that critical positions to compliment capacity on the ground is expedited and filled with qualified personnel. The moratorium placed on recruitment should ideally curb employee related expenditure going forward. The lack of capacity in certain departments, like Water services and the severe service delivery challenges is negatively impacting on the management of Overtime expenditure. Overtime hours were limited to 30 hours per month within most departments, but this control has since been revised to 40 hours. The Overtime policy was developed and approved by Council. There are some challenges with the implementation, especially pertaining to time-off in lieu of Overtime remuneration.

And indicated in Table 16 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of December 2025.

| Description per line item (Amount in Rand) | Original Budget | Adjustments Budget | Monthly Actual | YTD Actual | % Spent Original Budget |
|--|-------------------|--------------------|------------------|-------------------|-------------------------|
| MS: OVERTIME - NON STRUCTURED | 42,176,000 | 42,176,000 | 6,396,430 | 29,578,990 | 70% |
| MS: OVERTIME - STRUCTURED | 3,506,000 | 3,506,000 | 201,125 | 1,783,888 | 51% |
| Overtime as at 31 December 2025 | 45,682,000 | 45,682,000 | 6,597,555 | 31,362,878 | 69% |
| | | | | | |
| Row Labels | Original Budget | Adjustments Budget | Monthly Actual | YTD Actual | % Spent Original Budget |
| 20-EXECUTIVE AND COUNCIL | 560,000 | 560,000 | 111,332 | 535,315 | 96% |
| 21-MUNICIPAL AND GENERAL | - | - | - | - | - |
| 22-MUNICIPAL MANAGER | - | - | 2,068 | 14,166 | - |
| 23-CORPORATE SERVICES | 2,035,000 | 2,035,000 | 531,402 | 2,521,023 | 124% |
| 24-COMMUNITY SERVICES | 17,145,000 | 17,145,000 | 1,661,533 | 7,885,174 | 46% |
| 26-FINANCIAL SERVICES | 1,216,000 | 1,216,000 | 171,035 | 972,738 | 80% |
| 27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING | 1,112,000 | 1,112,000 | 55,294 | 404,001 | 36% |
| 28-INFRASTRUCTURE SERVICES | 23,614,000 | 23,614,000 | 4,064,891 | 19,030,463 | 81% |
| Overtime as at 31 December 2025 | 45,682,000 | 45,682,000 | 6,597,555 | 31,362,878 | 69% |

Table 16: Current YTD Overtime expenditure excl Night Shift Allowance

Overtime was previously capped at 30 hours across most units within the municipality and this has been re-instated and curbed to 40 hours across all sections. The YTD Overtime expenditure is 69% spent versus the Original budget, resulting in an unsatisfactory variance of 18.7% for the period under review, when compared to the ideal IYM percentage of 50%.

Chart 15.1: Overtime Actual vs Budget - 2018/19 to 2025/26

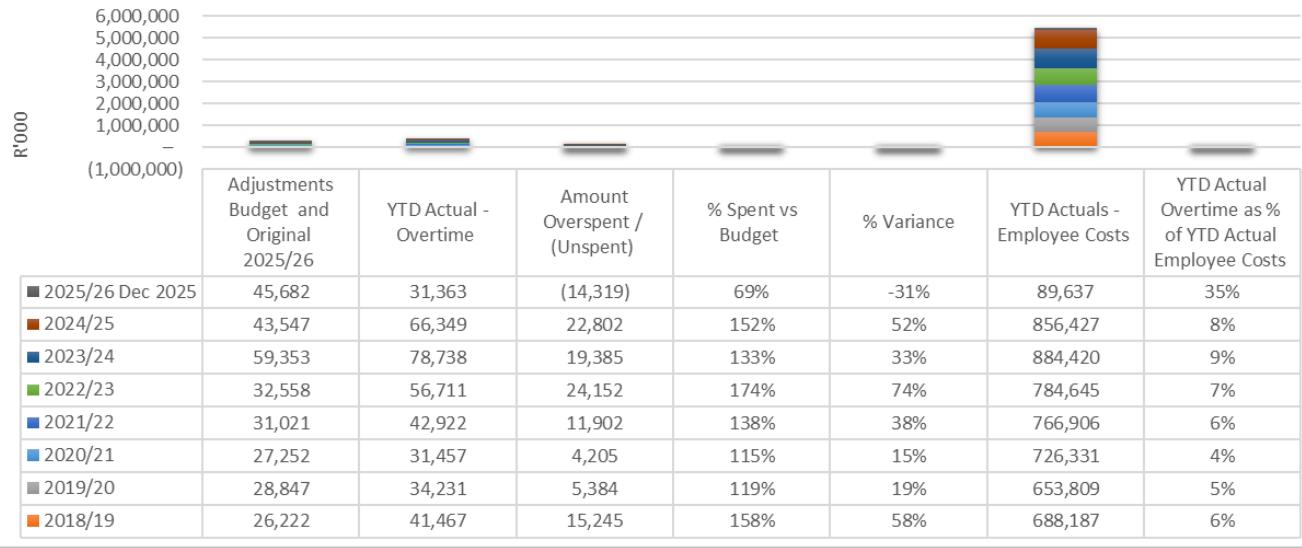


Chart 13.1: Overtime Actual Vs Budget

Indicated in Chart 13.1, is the actual Overtime versus Budget from 2018/19 to 2024/25 financial year, disclosing the percentage spent and the amount overspent/unspent per financial year. The chart also articulates the actual Overtime as a percentage of Total Employee costs for the same period.

Indicated in Chart 15.2 is the monthly and annual Overtime comparison from July 2018 to May 2025. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2020/21. As reiterated, as a result of the lack in controls measures to curb Overtime, the YTD actual for 2023/24 financial year was R73,393 million. A 40-hour cap on Overtime has been instituted across all sections for 2024/25 financial year. The Overtime control implemented was fairly effective, it resulted in a R12.4 million reduction in Overtime expenditure when compared to the prior financial year.

Chart 15.2: Monthly and Annual Overtime Comparison - Jul 2018 to Dec 2025

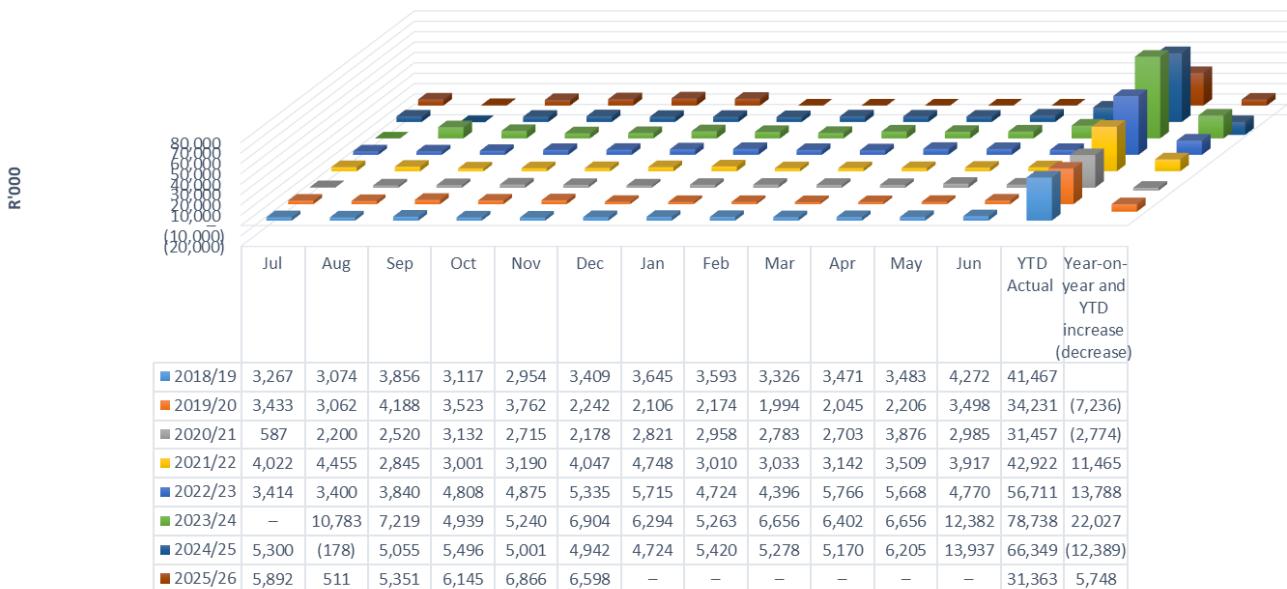


Chart 13.2: Monthly and Annual Overtime Comparison

The BTO office recommended the following precautionary measures.

- The monitoring of daily tasks/assignments. This means that work that can be done during normal working hours should be monitored closely. Ideally, put emphasis on performance and especially the quality of work done.
- Finding means to actually verify work performed, even if this means that for the first few questionable overtime work that managers/supervisors actually go out to the site, if possible.
- Using the vehicle tracking reports to ascertain the timespan at a particular site.
- Making sure that the hours claimed are legitimate and is actually consistent and correlates to the normal estimated time to complete a job of a similar nature.

- Request a detailed description of the nature of work done and insist on the exact site where work was performed being specified.
- Ensure that managers remain vigilant and question hours claimed and not just sign Overtime forms. We believe that this will make workers more aware that they cannot just claim hours like they did in the past.
- Stopping planned Overtime, unless it is to avoid major shutdowns or service interruptions.
- The adherence to the Overtime Policy stipulations, is imperative in order to address the issues on overtime.

Listed below are the challenges with regard to Overtime which was identified during the 2012/13 MTREF.

- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility.
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable.
- Ensuring the compliance and adherence to applicable laws and regulations and internal policies.
- Approval of Overtime prior to it being incurred.
- Inability to manage overtime proactively.
- To remain within the budgeted Overtime.
- Curbing / Limiting / Curtailing expenditure on Overtime.
- Monitoring expenditure on Overtime.
- Utilizing the available workforce optimally.
- Unduly compromising or hampering service delivery, which basically means that work that could have been done during normal hours is deliberately delayed so that work can be finalized after hours.
- Implementing an alternative method of compensation.
- Addressing the immediate infrastructure maintenance requirements, specifically addressing preventative maintenance.
- Ensuring and enhancing the lifespan of Property, plant and equipment.
- Improve both the personal productivity of individual employees and the overall productivity of departments and the entire municipal system.
- Difficult to track departmental overtime on more than a monthly or even quarterly basis, by then it's too late to take meaningful action to minimize overtime costs.

Bulk Purchases: Electricity, Water inventory and Water losses

- ❖ Indicated in Table 18.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 50% as at end of December 2025, Bulk Purchases Electricity is showing a satisfactory variance of minus 4.06%. The bulk invoice for December 2025 will be processed during January 2026.

| Description | Original Budget | Monthly Actual | YTD Actual | % Spent Original Budget | % Variance Favourable (Unfavourable) Ideal IYM % - 50% |
|-----------------------------|----------------------|-------------------|--------------------|-------------------------|--|
| BULK PURCHASES: ELECTRICITY | 1,000,000,000 | 70,460,604 | 459,355,120 | 45.94% | -4.06% |
| Total | 1,000,000,000 | 70,460,604 | 459,355,120 | 45.94% | -4.06% |

Table 17.1: Summary of YTD Bulk Electricity Expenditure

- ❖ Indicated in Table 17.2 below, is the Water inventory and Water losses which is showing an unsatisfactory variance of minus 9.2%, when compared to the ideal percentage of 50%. During the Adjustment budget for 2021/22 and advised by NT, Bulk purchases Water was split between Water Inventory and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals, for November and December 2025 must still be processed on the system.

| Description | Original Budget | Monthly Actual | YTD Actual | % Spent Original Budget | % Variance Favourable (Unfavourable) Ideal IYM % - 50% |
|--------------------------|--------------------|------------------|-------------------|-------------------------|--|
| INVENTORY - WATER | 73,000,000 | 5,182,488 | 32,296,813 | 44.24% | -5.76% |
| NON-REVENUE WATER LOSSES | 69,000,000 | - | 25,628,609 | 37.14% | -12.86% |
| Total | 142,000,000 | 5,182,488 | 57,925,422 | 40.8% | -9.2% |

Table 17.2: Summary of YTD Bulk Water Expenditure

Outstanding debt: ESKOM

| ESKOM - Outstanding debt (R'000) | Sum of Invoice amount | Sum of Bulk Payments (2023/24, 2024/25 & 2025/26) | Sum of Interest written-off | Sum of Debt written off Bulk account | Sum of Outstanding Balance | Sum of Arrear Debt | Sum of Interest Charges |
|----------------------------------|-----------------------|---|-----------------------------|--------------------------------------|----------------------------|--------------------|-------------------------|
| 2021/22 | 275,682 | — | | (248,128) | 275,682 | 275,682 | — |
| Oct-21 | — | — | | (51,028) | — | — | — |
| Nov-21 | — | — | | (50,813) | — | — | — |
| Dec-21 | — | — | | (51,379) | — | — | — |
| Jan-22 | — | — | | (53,401) | — | — | — |
| Feb-22 | 9,938 | — | | (41,507) | 9,938 | 9,938 | — |
| Mar-22 | 54,652 | — | | | 54,652 | 54,652 | — |
| Apr-22 | 51,835 | — | | | 51,835 | 51,835 | — |
| May-22 | 57,826 | — | | | 57,826 | 57,826 | — |
| Jun-22 | 101,431 | — | | | 101,431 | 101,431 | — |
| 2022/23 | 389,602 | 103,242 | (37,482) | | 248,878 | 248,878 | — |
| Dec-22 | 48,088 | — | | | 48,088 | 48,088 | — |
| Jan-23 | 59,491 | — | | | 59,491 | 59,491 | — |
| Feb-23 | 56,821 | — | (9,504) | | 47,317 | 47,317 | — |
| Apr-23 | 45,106 | — | (7,923) | | 37,183 | 37,183 | — |
| May-23 | 65,831 | — | (9,033) | | 56,798 | 56,798 | — |
| Jun-23 | 114,264 | 103,242 | (11,022) | | — | — | — |
| 2023/24 | 975,208 | 819,809 | (69,632) | | 85,767 | 85,767 | — |
| Jul-23 | 131,032 | 110,162 | (8,736) | | 12,134 | 12,134 | — |
| Aug-23 | 123,594 | 70,000 | (10,784) | | 42,810 | 42,810 | — |
| Sept-23 | 71,421 | 30,000 | (10,598) | | 30,823 | 30,823 | — |
| Oct-23 | 76,317 | 62,679 | (13,638) | | — | — | — |
| Nov-23 | 70,580 | 62,348 | (8,232) | | 0 | 0 | — |
| Dec-23 | 64,311 | 61,246 | (3,065) | | — | — | — |
| Jan-24 | 65,735 | 63,044 | (2,691) | | — | — | — |
| Feb-24 | 64,371 | 62,479 | (1,893) | | — | — | — |
| Mar-24 | 66,311 | 62,973 | (3,338) | | — | — | — |
| Apr-24 | 61,436 | 59,697 | (1,739) | | — | — | — |
| May-24 | 66,327 | 63,149 | (3,178) | | — | — | — |
| Jun-24 | 113,772 | 112,033 | (1,739) | | — | — | — |
| 2024/25 | 1,055,591 | 878,647 | — | | 176,944 | 176,944 | 19,389 |
| Jul-24 | 148,333 | 148,333 | — | | — | — | 274 |
| Aug-24 | 127,601 | 127,601 | — | | — | — | 155 |
| Sept-24 | 71,087 | 71,087 | — | | — | — | 1,749 |
| Oct-24 | 73,508 | 73,508 | — | | — | — | 2,766 |
| Nov-24 | 69,974 | 25,000 | — | | 44,974 | 44,974 | 2,160 |
| Dec-24 | 71,859 | 71,859 | — | | — | — | 1,730 |
| Jan-25 | 75,732 | 75,732 | — | | — | — | 1,879 |
| Feb-25 | 68,070 | 68,070 | — | | — | — | 1,066 |
| Mar-25 | 72,107 | 72,107 | — | | — | — | 1,733 |
| Apr-25 | 68,058 | 68,058 | — | | — | — | 1,809 |
| May-25 | 77,292 | 77,292 | — | | — | — | 2,094 |
| Jun-25 | 131,970 | — | — | | 131,970 | 131,970 | 1,975 |
| 2025/26 | 607,734 | 281,800 | — | | 325,934 | 242,617 | 32,451 |
| Jul-25 | 146,873 | 100,000 | — | | 46,873 | 46,873 | 5,424 |
| Aug-25 | 129,313 | — | — | | 129,313 | 129,313 | 4,112 |
| Sept-25 | 81,800 | 81,800 | — | | — | — | 4,264 |
| Oct-25 | 86,066 | 40,000 | — | | 46,066 | 46,066 | 7,375 |
| Nov-25 | 80,365 | 60,000 | — | | 20,365 | 20,365 | 4,432 |
| Dec-25 | 83,316 | — | — | | 83,316 | — | 6,844 |
| Grand Total ESKOM | 3,303,817 | 2,083,498 | (107,114) | (248,128) | 1,113,205 | 1,029,888 | 51,840 |

Table 18.1: Summary of Outstanding ESKOM Debt

Indicated in Table 18.1 above, is the total outstanding debt owed to ESKOM amounting to R1,113,205 billion. The first debt write off of R248 million must still be effected in the municipality's books. The total arrear debt amounts to R1,029,888 billion summarized as follow 2021/22 (R275,682m); 2022/23 (R248,878m); 2023/24 (R85,767m); 2024/25 (R176,944m) and 2025/26 (R242,617m). The total interest charges on overdue accounts for the current financial year amounted to R32,451 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The budget on Interest on overdue accounts will be corrected during the Adjustments budget.

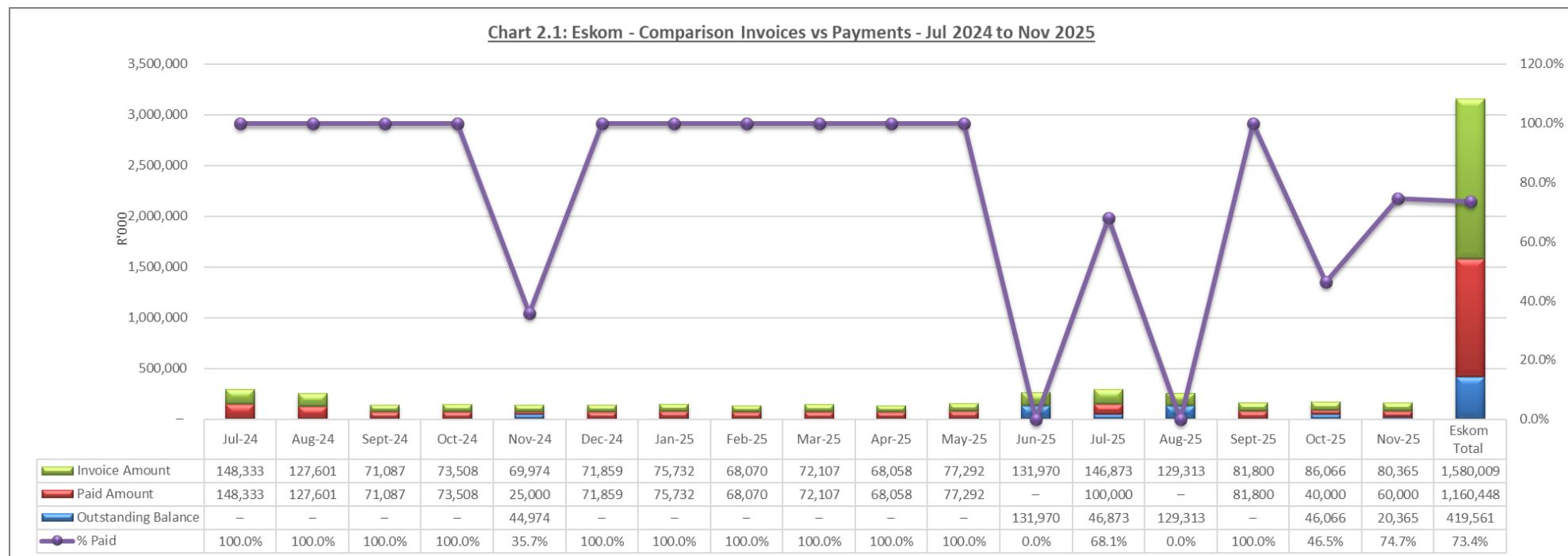


Chart 14.1: Eskom – Comparison Invoices vs Payments

Indicated in Chart 14.1 above, is the comparison of Eskom invoices versus payments for the 2024/25 and 2025/26 financial year. The current account for December 2025 is excluded because it is not yet due and payable. It will also distort the percentage paid. The YTD actual until November 2025 show that 73.4% of invoices were settled, based on invoices raised of R1,580,009 billion versus payments of R1,160,448 billion. The percentage on partially paid invoices are November 2024 (35.7%); June 2025 (0%); July 2025 (68.1%); August 2025 (0%), October 2025 (46.5%) and November 2025 (74.7%). The total arrear outstanding balance for the period July 2024 to November 2025 amounts to R419,561 million.

Outstanding debt: DWS

| DWS - Outstanding debt (R'000) | Sum of Invoice amount | Sum of Bulk Payments (2023/24, 2024/25 & 2025/26) | Sum of Outstanding Balance | Sum of Arrear Debt |
|--------------------------------|-----------------------|---|----------------------------|--------------------|
| 2021/22 | 126,431 | 88,873 | 37,558 | 37,558 |
| INTEREST (APR-JUN 2022) | 6,191 | – | 6,191 | 6,191 |
| Aug-21 | 15,075 | 15,075 | – | – |
| Sept-21 | 15,795 | 15,795 | – | – |
| Oct-21 | 15,275 | 15,275 | – | – |
| Nov-21 | 14,523 | 14,523 | – | – |
| Dec-21 | 11,108 | 11,108 | – | – |
| Jan-22 | 17,098 | 17,098 | – | – |
| Feb-22 | 16,437 | – | 16,437 | 16,437 |
| Mar-22 | 14,930 | – | 14,930 | 14,930 |
| 2023/24 | 150,526 | 150,526 | – | – |
| Jul-23 | 15,303 | 15,303 | – | – |
| Aug-23 | 13,588 | 13,588 | – | – |
| Sept-23 | 18,332 | 18,332 | – | – |
| Oct-23 | 17,633 | 17,633 | – | – |
| Nov-23 | 17,070 | 17,070 | – | – |
| Dec-23 | 13,333 | 13,333 | – | – |
| Jan-24 | 13,333 | 13,333 | – | – |
| Feb-24 | 36,046 | 36,046 | – | – |
| Mar-24 | 5,194 | 5,194 | – | – |
| Jun-24 | 694 | 694 | – | – |
| 2024/25 | 162,756 | 88,492 | 74,264 | 74,264 |
| Jul-24 | 17,724 | 17,724 | – | – |
| Aug-24 | 16,698 | 16,698 | – | – |
| Sept-24 | 18,973 | 18,973 | – | – |
| Oct-24 | 17,504 | – | 17,504 | 17,504 |
| Nov-24 | 17,504 | – | 17,504 | 17,504 |
| Dec-24 | 15,681 | – | 15,681 | 15,681 |
| Jan-25 | 20,396 | – | 20,396 | 20,396 |
| Feb-25 | 18,328 | 18,328 | (0) | (0) |
| Mar-25 | 16,769 | 16,769 | (0) | (0) |
| Jun-25 | 3,179 | – | 3,179 | 3,179 |
| 2025/26 | 110,877 | – | 110,877 | 96,011 |
| Jul-25 | 21,434 | – | 21,434 | 21,434 |
| Aug-25 | 14,866 | – | 14,866 | 14,866 |
| Sept-25 | 20,043 | – | 20,043 | 20,043 |
| Oct-25 | 24,801 | – | 24,801 | 24,801 |
| Nov-25 | 14,866 | – | 14,866 | 14,866 |
| Dec-25 | 14,866 | – | 14,866 | |
| Grand Total | 550,590 | 327,891 | 222,699 | 207,833 |

Table 18.2: Summary of outstanding DWS Debt

Indicated in Table 18.2 above, is the total outstanding debt owed to DWS which amounts to R105,345 million. The total debt also has to be concurred with the Department. The total arrear debt amounts to R89,665 million which pertains to outstanding invoices for 2021/22 (R54,656m) and 2024/25 (R35,008m). The balance for 2021/22 includes interest of R14,704 million which must still be written off by the Department, once all the arrear debt has been settled. All the invoices for the 2022/23 and the 2023/24 financial year, has been settled in full. For 2024/25 financial year the total debt outstanding is R50,689 million. The municipality defaulted on the October and November 2024 account and the current account for December 2024, is payable on or before 30 January 2024.

The municipality opted to partake in the Department's Debt Incentive Scheme which constitutes of the following conditions:

The municipality opted to partake in the Department's Debt Incentive Scheme which constitutes of the following conditions:

- Settling 10% of the arrear debt (municipality complied)
- Settling the current account each month (municipality complied since inception of Incentive scheme but has defaulted on some months. All invoices for 2022/23 and 2023/24 financial year have since been settled in full).
- Settling the monthly debt instalment (municipality complied but defaulted for current year from July to date, due to insufficient cash available from operations. The other major reason why the municipality defaulted, was to prioritise the payment of outstanding invoices for 2023/24 financial year. This has yielded positive results because there are no outstanding invoices for 2023/24 financial year. For the 2023/24 financial year an average of R17m was paid to the Department. The municipality also managed to keep the 2024/25 account current but defaulted on the October, November, December 2024 and January, June, July, August, September, October and November 2025 invoices. The February and March 2025 accounts were settled. The municipality incurred accumulative arrear debt for the prior and current year of R207 million. A major cause of concern is the fact that the municipality is in arrears with R22 million on the debt repayment agreement. This amount would have been settled already, if the municipality kept up with the repayment instalments).
- Repayment of debt over 12 months (municipality requested 24-month repayment period, which was approved by the Department)
- Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the prior and current financial year. The repayment proposal was approved by the Department.

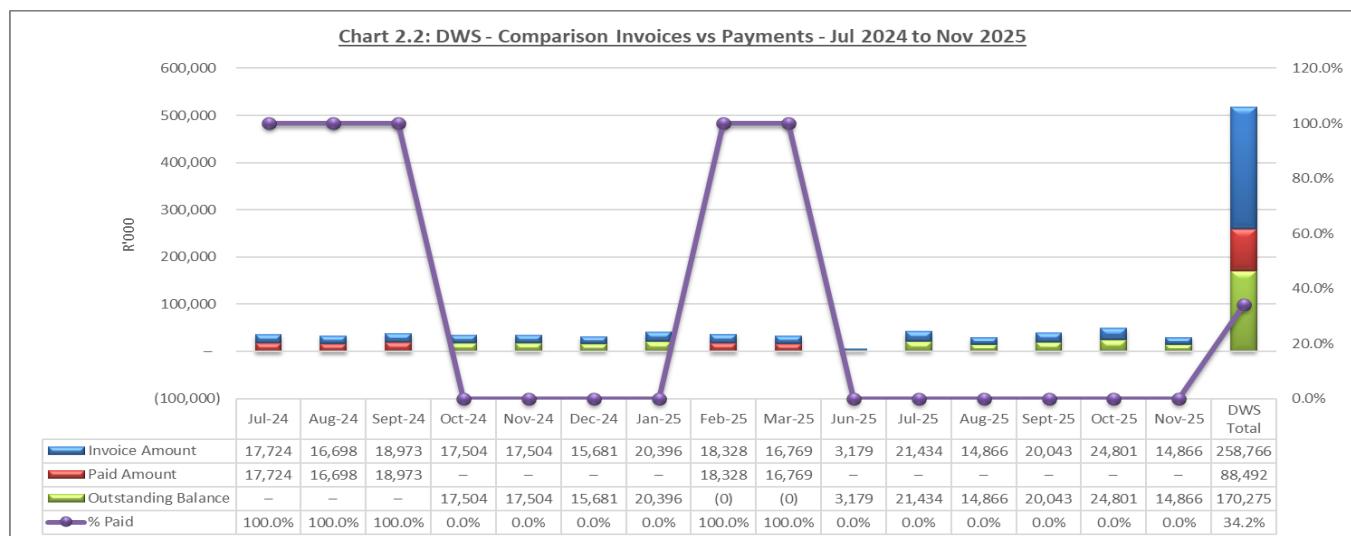


Chart 14.2: DWS – Comparison Invoices vs Payments

Indicated in Chart 14.2 is the comparison of DWS invoices versus payments for the 2024/25 and 2025/26 financial year from July 2024 to November 2025. The current account for December 2025 is excluded because it is not yet due and payable. The YTD actual until November 2025 show that 34.2% of invoices were settled, based on invoices raised of R258,766 million versus payments of R88,492 million. Invoices for July to September 2024, February and March 2025 were settled in full, whilst the invoices for October 2024 to January 2025, June, July, August, September, October and November 2025 remain unpaid. The total arrear outstanding balance for the period July 2024 to November 2025 amounts to R170,275 million.

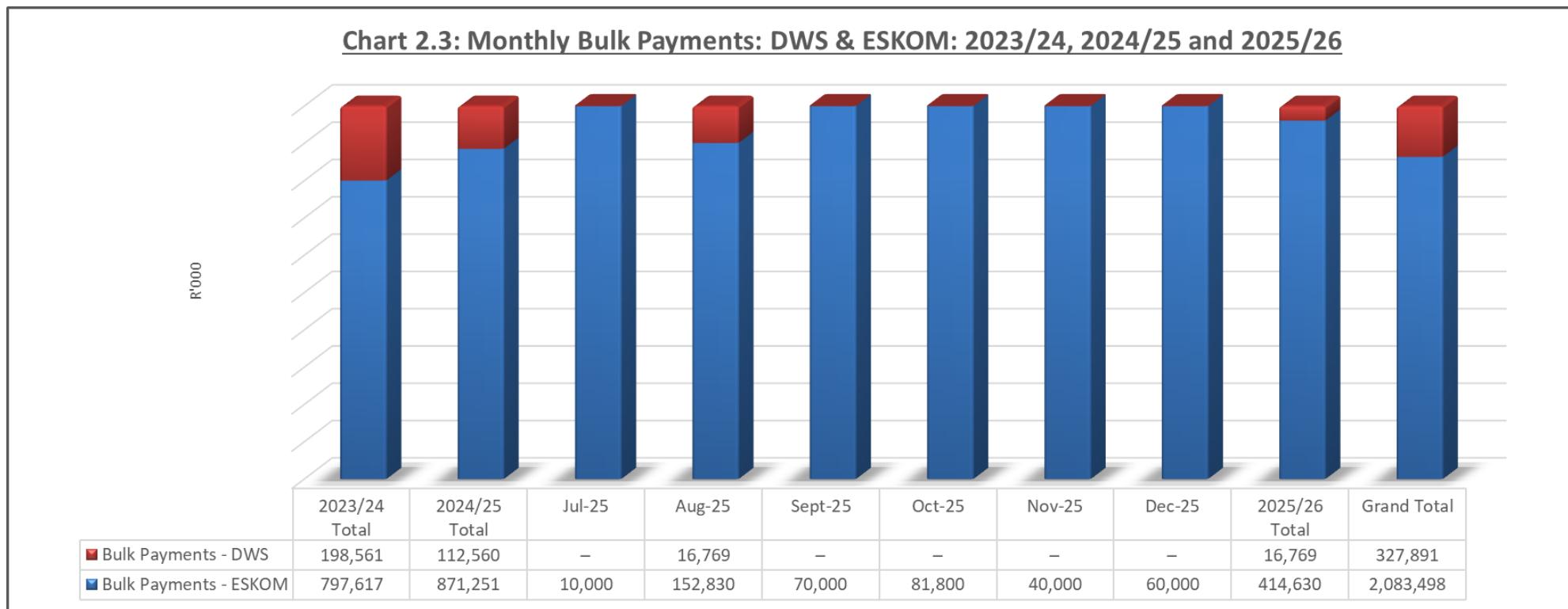


Chart 14.3: Monhtly payments to DWS & ESKOM

Indicated in Chart 14.3 above, are the monthly payments made to DWS and ESKOM for 2023/24, 2024/25 and 2025/26 financial year as at 31 December 2025.

DWS - The invoice payments for 2023/24 amounts to R198,561 million, whilst payments for 2024/25 amounts to R112,560 million. The payments for 2025/26 amounts to R16,679 million. The total payments amount to R327,891 million. The municipality has shown significant improvement over the 2022/23 and 2023/24 financial years, with the average amount paid per month amounting to approximately R17 million for the 2023/24 financial year. The municipality ran into serious trouble during the 2024/25 financial year invoices for October 2024 to January 2025, June, July, August, September, October and November 2025 are now outstanding. The debt agreement with DWS should have been paid up already but due to insufficient cash available this has not materialised. Urgent intervention is necessary to remedy the situation.

ESKOM The municipality partially settled an amount of R60,000 million on the November 2025 account during December 2025. The municipality had insufficient cash available from operations to settle the payment arrangement of R6,700 million. The total payments made for the 2023/24 financial year amounted to R797,617 million and for 2024/25 financial year the payments amounted to R871,251 million and for 2025/26 financial year the payments amounts to R414,630 million, resulting in the total payments for the three periods amounting to R2,083,498 billion. The high months remains a major concern.

Monthly and YTD comparison of bulk Electricity and Water Debt

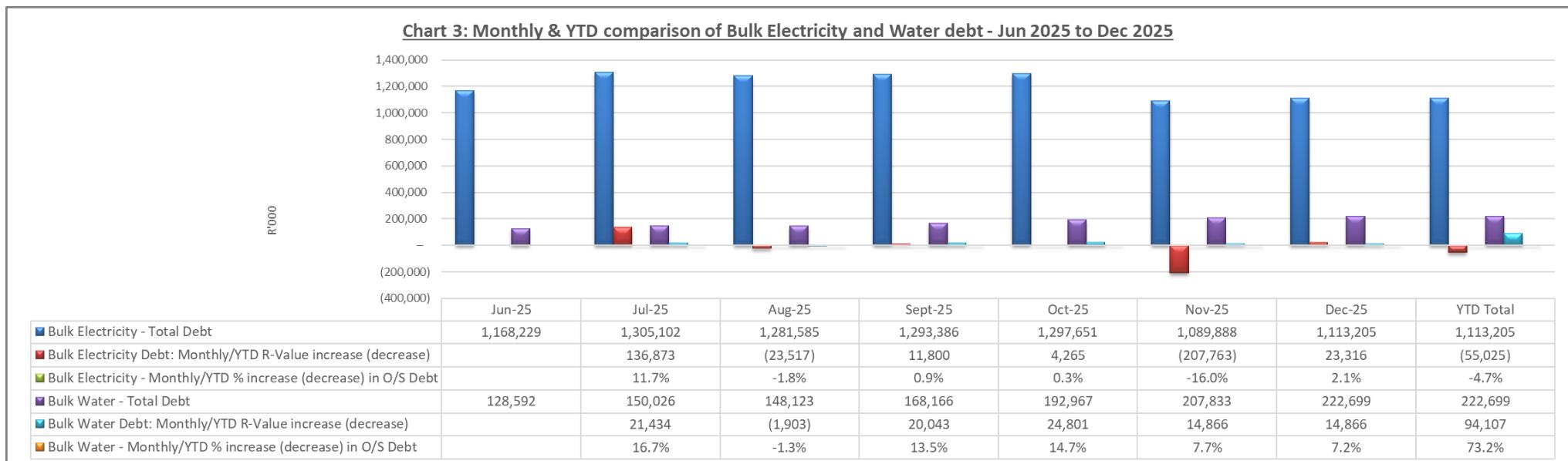


Chart 15: Monthly & YTD Chart Comparison – Bulk Electricity & Water Debt

Indicated in Chart 15 above, is the monthly and YTD comparison of Bulk electricity and Water debt.

ESKOM - From November 2025 to December 2025, debt owed to ESKOM increased by R23,316 million or 2.1%, from R1,089,888 billion to R1,113,205 billion. When comparing the total outstanding debt to June 2025, the outstanding debt decreased by R55,025 million or 4.7%, from R1,168,229 billion to R1,113,205 billion. It should be noted that the debt write off for the first cycle is taken into account.

DWS - From November 2025 to December 2025, debt owed to DWS increased by R14,866 million or 7.2% from R207,833 million to R222,699 million. When comparing the total outstanding debt to June 2025, the outstanding debt increased by R94,107 million or 73.2% from R128,592 million to R222,699 million. The municipality has made significant strides in reducing the debt owed to DWS and managed to reduce the total debt by R71,775 million for the 2023/24 financial year. The positive trajectory did not transpire for the 2024/25 and 2025/26 financial year, although the municipality started the financial year well, with the July to September 2024 accounts being settled in full, the municipality defaulted on the October, November, December 2024 and January, March, June, July, August, September, October and November 2025 accounts which remains unpaid. The February and March 2025 accounts were settled in full. Serious remedial action will have to be taken by management to ratify this grave situation.

| ESKOM Amount subject to Payment arrangement Instalment of R6,700 million | | | | | | | R | 163,062,000 | |
|---|-----------------|----------|--------------|-------------------------|----------------------------------|-----------------------|-------------------------|-------------|----------------------------|
| Period | Settlement Date | ELE No | Payment date | Invoice no | Monthly Instalment / Amount paid | Accumulative Payments | Outstanding Balance | % Paid | Arrear Monthly Instalments |
| | 2024/01/02 | 77064505 | 2023/12/20 | 544917625256 - Jul 2023 | R 2,262,000.00 | R 2,262,000.00 | R 160,800,000.00 | 1.39% | |
| 1 | 2024/02/15 | 77065112 | 2024/02/20 | 544917625256 - Jul 2023 | R 6,700,000.00 | R 8,962,000.00 | R 154,100,000.00 | 5.50% | |
| 2 | 2024/03/15 | 77065709 | 2024/03/19 | 544917625256 - Jul 2023 | R 6,700,000.00 | R 15,662,000.00 | R 147,400,000.00 | 9.60% | |
| 3 | 2024/04/15 | | | | | | R 163,062,000.00 | 0.00% | |
| 4 | 2024/05/15 | 77066657 | 2024/05/24 | 544917625256 - Jul 2023 | R 13,400,000.00 | R 29,062,000.00 | R 134,000,000.00 | 17.82% | |
| 5 | 2024/06/15 | 77067062 | 2024/06/21 | 544917625256 - Jul 2023 | R 6,700,000.00 | R 35,762,000.00 | R 127,300,000.00 | 21.93% | |
| 6 | 2024/07/31 | 77068429 | 2024/08/29 | 544917625256 - Jul 2023 | R 6,700,000.00 | R 42,462,000.00 | R 120,600,000.00 | 26.04% | |
| 7 | 2024/08/31 | 77068766 | 2024/09/30 | 544917625256 - Jul 2023 | R 6,700,000.00 | R 49,162,000.00 | R 113,900,000.00 | 30.15% | |
| 8 | 2024/09/30 | | | | | | R 6,700,000.00 | | |
| 9 | 2024/10/31 | | | | | | R 6,700,000.00 | | |
| 10 | 2024/11/30 | | | | | | R 6,700,000.00 | | |
| 11 | 2024/12/31 | | | | | | R 6,700,000.00 | | |
| 12 | 2025/01/31 | | | | | | R 6,700,000.00 | | |
| 13 | 2025/02/28 | | | | | | R 6,700,000.00 | | |
| 14 | 2025/03/31 | | | | | | R 6,700,000.00 | | |
| 15 | 2025/04/30 | | | | | | R 6,700,000.00 | | |
| 16 | 2025/05/30 | | | | | | R 6,700,000.00 | | |
| 17 | 2025/06/30 | | | | | | R 6,700,000.00 | | |
| 18 | 2025/07/30 | | | | | | R 6,700,000.00 | | |
| 19 | 2025/08/30 | | | | | | R 6,700,000.00 | | |
| 20 | 2025/09/30 | | | | | | R 6,700,000.00 | | |
| 21 | 2025/10/30 | | | | | | R 6,700,000.00 | | |
| 22 | 2025/11/30 | | | | | | R 6,700,000.00 | | |
| 23 | 2025/12/30 | | | | | | R 6,700,000.00 | | |
| TOTAL | | | | R 49,162,000.00 | | | R 113,900,000.00 | | R 107,200,000.00 |

As articulated in adjacent Table 18.3, the total amount that was subject to the payment arrangement was R163,062 million for the debt that accrued after March 2023. To date the municipality settled an amount of R49,162 million on the payment arrangement, resulting in the total current balance outstanding of R113,900 million. The municipality is in arrears with repayment instalments amounting to R107,200,000 million.

Table 18.3 Reconciliation Eskom Payment Arrangement

| Debt agreement (Instalment R5,957,537.18) | Invoice amount | Arrear Debt | 10 % Down Payment | Amount paid | Balance O/S on Debt Agreement |
|--|-------------------------|------------------------|------------------------------|-------------------------|--|
| INTEREST CHARGES - APR TO JUN 2022 | R 6,191,399.16 | R 6,191,399.16 | | | R 6,191,399.16 |
| AUG 2021 BULK ACCOUNT | R 15,074,754.70 | R 15,074,754.70 | | R 15,074,754.70 | - |
| SEP 2021 BULK ACCOUNT | R 15,794,682.80 | R 15,794,682.80 | | R 15,794,682.80 | - |
| OCT 2021 BULK ACCOUNT | R 15,275,086.61 | R 15,275,086.61 | | R 15,275,086.61 | R - |
| NOV 2021 BULK ACCOUNT | R 14,522,530.48 | R 14,522,530.48 | | R 14,522,530.48 | R - |
| DEC 2021 BULK ACCOUNT | R 11,107,773.22 | R 11,107,773.22 | | R 11,107,773.22 | R - |
| JAN 2022 BULK ACCOUNT | R 17,098,078.18 | R 17,098,078.18 | | R - | R 17,098,078.18 |
| FEB 2022 BULK ACCOUNT | R 16,436,776.66 | R 16,436,776.66 | | R - | R 16,436,776.66 |
| MAR 2022 BULK ACCOUNT | R 14,930,212.48 | R 14,930,212.48 | | R - | R 14,930,212.48 |
| JUL 2022 BULK ACCOUNT | R 13,793,141.72 | R 13,793,141.72 | | R 13,793,141.72 | - |
| AUG 2022 BULK ACCOUNT | R 17,460,136.80 | R 17,460,136.80 | | R 17,460,136.80 | - |
| SEP 2022 BULK ACCOUNT | R 16,309,287.82 | | 16,309,287.82 | R 16,309,287.82 | - |
| WRM LEVIES SEP 2022 | R 82,471.24 | | 82,471.24 | R 82,471.24 | - |
| Total Debt as per SPM | R 174,076,331.87 | R157,684,572.81 | R 16,391,759.06 | R 119,419,865.39 | R 54,656,466.48 |
| INTEREST CHARGES - APR TO JUN 2022 | -R 6,191,399.16 | | | | -R 6,191,399.16 |
| INTEREST PAID | -R 8,512,281.30 | | | | -R 8,512,281.30 |
| TOTAL INTEREST CHARGES | -R 14,703,680.46 | | | | -R 14,703,680.46 |
| NET OUTSTANDING | R 159,372,651.41 | | | R 119,419,865.39 | R 39,952,786.02 |

Table 18.4 Reconciliation DWS Debt Agreement

As articulated in the adjacent Table 18.4, the total debt amounted to R174,076 million, whilst the municipality settled an amount of R136,518 million resulting in an outstanding balance of R37,558 million. An amount of R14,704 million for interest incurred must still be written-off, resulting in a net outstanding balance of R22,855 million on the payment arrangement, which should have been settled in full already, if the municipality did not default on any payments

5.4 Aged Creditors

Part 5: Creditor Age Analysis

| R thousands | 0 - 30 Days | | 31 - 60 Days | | 61 - 90 Days | | Over 90 Days | | Total | |
|----------------------------------|----------------|--------------|---------------|-------------|---------------|-------------|------------------|--------------|------------------|---------------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Creditor Age Analysis | | | | | | | | | | |
| Bulk Electricity | 83,316 | 7.5% | 20,365 | 1.8% | 46,066 | 4.1% | 963,457 | 86.5% | 1,113,205 | 79.3% |
| Bulk Water | 14,866 | 6.7% | 14,866 | 6.7% | 24,801 | 11.1% | 168,166 | 75.5% | 222,699 | 15.9% |
| PAYE deductions | 13,059 | 100.0% | - | - | - | - | - | - | 13,059 | .9% |
| VAT (output less input) | - | - | - | - | - | - | - | - | - | - |
| Pensions / Retirement deductions | 8,560 | 100.0% | - | - | - | - | - | - | 8,560 | .6% |
| Loan repayments | - | - | - | - | - | - | - | - | - | - |
| Trade Creditors | 13,215 | 70.2% | 5,323 | 28.3% | 115 | .6% | 171 | .9% | 18,823 | 1.3% |
| Auditor-General | 336 | 100.0% | - | - | - | - | - | - | 336 | - |
| Other | 13,426 | 49.9% | - | - | - | - | 13,502 | 50.1% | 26,928 | 1.9% |
| Medical Aid deductions | - | - | - | - | - | - | - | - | - | - |
| Total | 146,778 | 10.5% | 40,554 | 2.9% | 70,982 | 5.1% | 1,145,295 | 81.6% | 1,403,610 | 100.0% |

Table 19 : Creditors Age Analysis

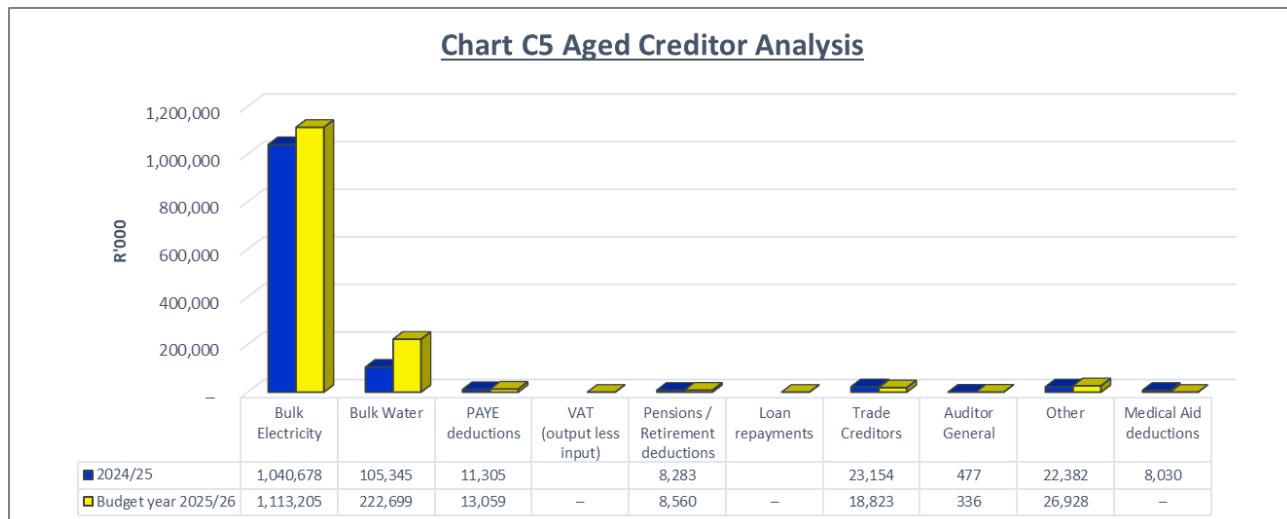


Chart 16: Aged Creditors Analysis

It should be noted that comparative figure for 2024/25 in Chart 13 is based on the outstanding creditors as at 31 December 2024 (prior year totals for the same period). Articulated in Table 11 above, is the age creditors analysis, which is standing at R1,403,610 billion owed to creditors. The analysis shows that 10.5% of creditors is owed between 0 to 30 days, whilst 81.6% of creditors is owed over 90 days. Bulk Electricity is the largest creditor at 79.3%.

Bulk Electricity – As at the 31 December 2025, the outstanding debt owed to ESKOM amounted to R1,113,205 billion.

Bulk Water – As at the 31 December 2025, the outstanding debt owed to DWS amounted R222,699 million. The debt owed to DWS is spiralling out of control. This is a huge concern, and management will have to take drastic action to ratify the situation. A payment agreement with DWS for the 2022/23 financial year was concluded for a period of 24 months as the municipality participated in the Debt Incentive scheme that the Department provided to municipalities. All invoices for 2022/23 and 2023/24 financial year were settled in full. The total outstanding debt must be concurred with the Department.

VAT – after the monthly VAT reconciliation, the municipality claimed an amount of R2,570 million to SARS.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions on or before 7 January 2026.

Trade creditors are all suppliers registered on the municipality's database, and it is a prerequisite for these suppliers to be registered on the Central Supplier Database (CSD).

Auditor General – the current account due to the AGSA is R336 thousand.

Other creditors – includes Sundry creditors which were unpaid as at 31 December 2025.

Medical Aid deductions –medical aid contributions were settled on or before 31 December 2025 for the month under review.

5.5 Repairs And Maintenance

Repairs and maintenance enables the municipality to deliver much needed services to the people. Infrastructure requires continuous maintenance to perform.

| R&M Expenditure per Directorate as at 30 November 2025 (Amounts in Rand) | Original Budget | YTD Actual | % Spent Original Budget |
|--|--------------------|--------------------|-------------------------|
| VOTE 1 - COUNCILLORS AND ADMIN | 140,000 | 32,083 | 22.9% |
| VOTE 2 - MUNICIPAL AND GENERAL | 25,297,000 | 14,808,609 | 58.5% |
| VOTE 3 - MUNICIPAL MANAGER | 157,000 | 35,738 | 22.8% |
| VOTE 4 - CORPORATE SERVICES | 2,304,000 | 671,119 | 29.1% |
| VOTE 5 - COMMUNITY SERVICES | 33,989,400 | 9,510,151 | 28.0% |
| VOTE 6 - FINANCIAL SERVICES | 2,190,000 | 1,130,213 | 51.6% |
| VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT | 11,968,000 | 2,106,970 | 17.6% |
| VOTE 8 - INFRASTRUCTURE SERVICES | 255,806,914 | 115,027,362 | 45.0% |
| Grand Total | 331,852,314 | 143,322,246 | 43.2% |

| R&M Expenditure per Service as at 30 November 2025 (Amounts in Rand) | Original Budget | YTD Actual | % Spent Original Budget |
|--|--------------------|--------------------|-------------------------|
| 2480 - REFUSE | 20,450,000 | 5,642,864 | 27.6% |
| 2830 - ROADS | 44,461,000 | 24,972,556 | 56.2% |
| 2840 - HOUSING | 3,407,000 | 1,783,076 | 52.3% |
| 2850 - SEWERAGE | 27,165,000 | 15,863,949 | 58.4% |
| 2860 - WATER | 129,773,000 | 56,361,910 | 43.4% |
| 2880 - ELECTRICITY | 53,268,000 | 15,702,241 | 29.5% |
| Grand Total | 278,524,000 | 120,326,596 | 43.2% |

6. CAPITAL PROGRAMME PERFORMANCE

| Capital expenditure | Original Budget | Monthly actual | YearTD actual | YearTD budget | % Achieved YTD Budget | YTD variance | YTD variance % | Achieved Original Budget | Original Budget Variance | Original Budget Variance IYM % - 50% |
|---------------------------------------|-----------------|----------------|---------------|---------------|-----------------------|--------------|----------------|--------------------------|--------------------------|--------------------------------------|
| | R'000 | R'000 | R'000 | R'000 | % | R'000 | % | % | R'000 | % |
| Capital expenditure | 627,331 | 46,068 | 296,818 | 313,666 | 94.63% | (16,847) | -5.4% | 47.3% | (16,847) | -2.7% |
| Funded by | | | | | | | | | | |
| Capital transfers recognised | 594,927 | 46,068 | 291,870 | 297,463 | 98.12% | (5,594) | -1.9% | 49.1% | (5,594) | -0.9% |
| Internally generated funds | 32,404 | – | 4,949 | 16,202 | 30.5% | (11,253) | -69.5% | 15.3% | (11,253) | -34.7% |
| Weighting Capital transfer recognised | 94.8% | 100.0% | 98.3% | 94.8% | | | | | | |
| Weighting Internally generated funds | 5.2% | 0.0% | 1.7% | 5.2% | | | | | | |

Table 20: High level summary: Capital Expenditure

Chart 4: Total Capital Expenditure as at 31 December 2025

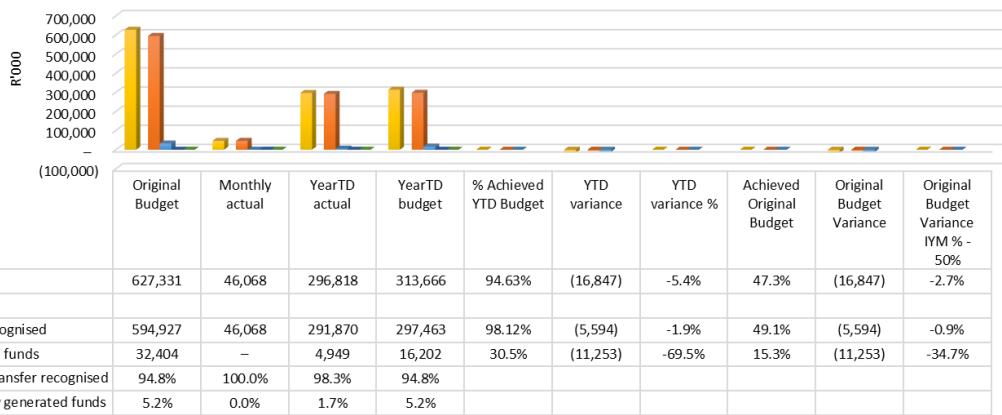


Chart 17: Total Capital expenditure

As indicated in the Table 20 and Chart 17 above, the YTD Actual on capital expenditure as at end of December 2025 amounted to R296,818 million and 94.63% spent when compared to the YTD budget of R313,666 million and 47.3% spent when compared to the Original Budget of R627,331 million. The total YTD capex is funded from Capital grants R291,870 million (98.3%) and Internally generated funds R4,949 million (1.7%). Capex is slightly lower than anticipated but shows improvement when comparing the actual to the YTD budget. Intervention is required early in the financial year. Planning of project managers also needs to improve going forward. One of the major challenges that the municipality is experiencing is in respect of tendering processes.

The majority of capital projects are based on a functionality criteria. Bidders either do not meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately have to be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents. Secondly, project managers need to realistically anticipate challenges and immediately address delays in order to ensure that projects are completed within the specified timeframe. Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately. Lastly, it is advised that disputes, if any are addressed and resolved expeditiously. The capital expenditure is slow and overall capital expenditure remains a major concern. Remedial action will have to be taken going forward to ensure improvement on capex. It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report shown in Annexure A, Table C5 has been prepared on the prescribed monthly C-schedule, and is categorised by municipal vote and functional classification.

Chart C1 2025/26 Capital Expenditure Monthly Trend: actual v target

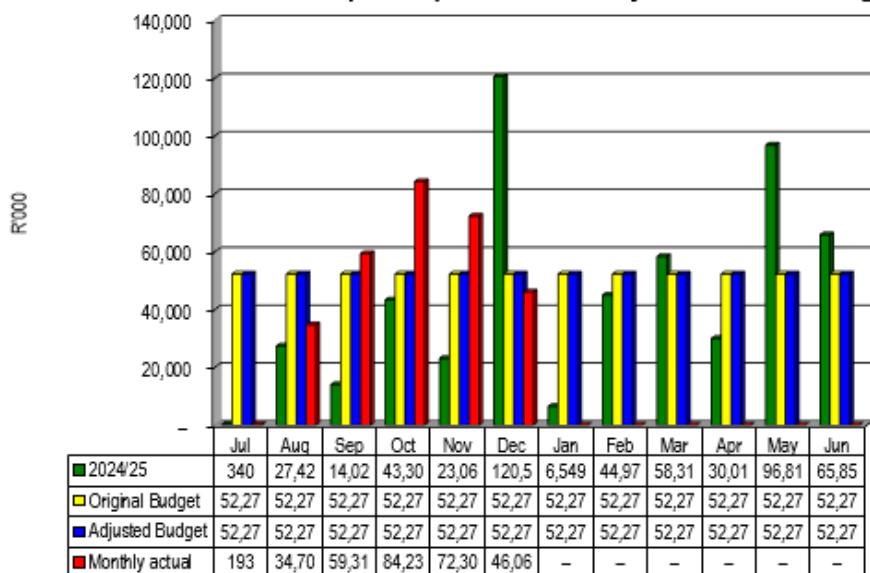


Chart 18.1 Capital Expenditure Monthly Trend: Actual vs Target

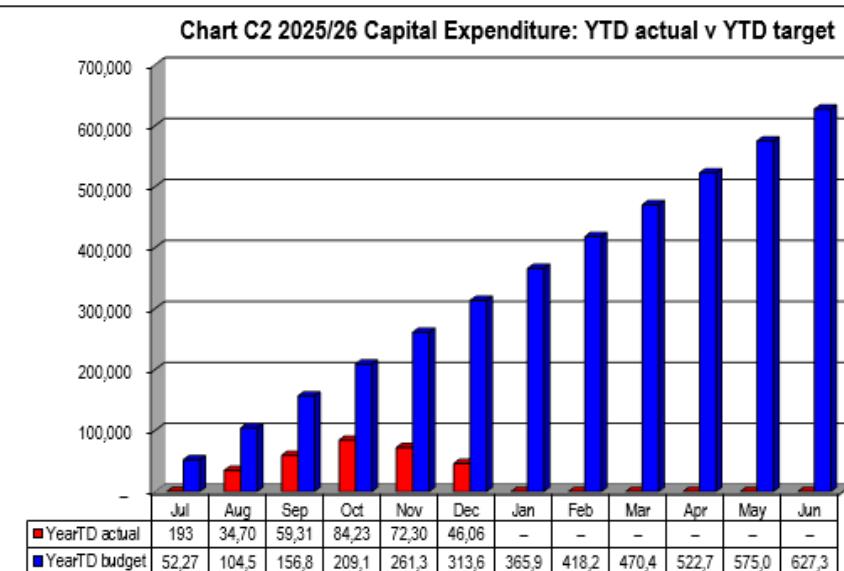


Chart 18.2 Capital Expenditure YTD Actual v YTD Target

6.1 Capital Expenditure By Project

Indicated in Table 21 below, is a list of projects with the applicable funding source compared to the Original budget. Capital expenditure as at the end of December 2025 is fairly satisfactory and at a desired level. Capital expenditure requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for December 2025 amounted to R46,068 million. The total YTD Capex amounts to R296,818 million. Please note that Commitments is excluded from the YTD actual. Capital expenditure is also exclusive of VAT. Spending on grants needs improvement.

The percentage expenditure per funding source IUDG (39.96%), EEDSM (45.19%), RBIG (51.55%), INEP (37.42%), WSIG (0%). Spending on Internally generated funds is 15.27% spent. Implementation of projects is normally delayed due to the finalization of procurement processes. Payment certificates are settled once work is completed. Capex for the first quarter is normally slow for this reason, in that commencement of procurement processes is not aligned to the budget approval and specifications are not done early so that it can be advertised timeously.

| Projects per funding source (R'000) | Original Budget | Adjusted Budget | Monthly Actuals | YTD Actuals | Commitments | % Original Bud | % Adjusted Bud |
|---|-----------------|-----------------|-----------------|----------------|--------------|----------------|----------------|
| INTERNALLY GENERATED FUNDS | 32,404 | 32,404 | – | 4,949 | 583 | 15.27% | 15.27% |
| ACQ-COMPUTER EQUIPMENT REPLACEMENT | 6,783 | 6,783 | – | 692 | 572 | 10.21% | 10.21% |
| ACQ-FLEET REPLACEMENT | 4,348 | 4,348 | – | – | 11 | 0.00% | 0.00% |
| ACQ-FURNITURE AND OFFICE EQUIP REPLACEMENT | 870 | 870 | – | – | – | 0.00% | 0.00% |
| CAPITAL SPARES-ACQ-PREPARED METERS | 435 | 435 | – | – | – | 0.00% | 0.00% |
| DSITRIBUTION-ACQ-WAT METER REPLACEMENT | 435 | 435 | – | – | – | 0.00% | 0.00% |
| PHDA PLANNING & SURVEYING | 1,304 | 1,304 | – | 206 | – | 15.75% | 15.75% |
| RUFURBISHMENT OF THE VINTAGE TRAM | 1,409 | 1,409 | – | – | – | 0.00% | 0.00% |
| PLANNING & DEVELOPMENT | 870 | 870 | – | 160 | – | 18.36% | 18.36% |
| CARTERS GLEN SEWER PUMP STATION | 6,957 | 6,957 | – | – | – | 0.00% | 0.00% |
| TOWNSHIP ESTABLISHMENT | 1,739 | 1,739 | – | 1,070 | – | 61.54% | 61.54% |
| TOWNSHIP REVITALISATION | 870 | 870 | – | – | – | 0.00% | 0.00% |
| FENCING OF MARKET | 2,039 | 2,039 | – | 2,039 | – | 100.00% | 100.00% |
| REFURBISHMENT OF HOMEVALE WWTW | 4,348 | 4,348 | – | 782 | – | 17.99% | 17.99% |
| IUDG (INTEGRATED URBAN DEVELOPMENT GRANT) | 66,144 | 66,144 | 12,613 | 26,433 | 1,261 | 39.96% | 39.96% |
| UPGRADE GRAVEL ROADS WARDS VARIOUS | 8,261 | 8,261 | 2,111 | 5,944 | 612 | 71.95% | 71.95% |
| SPECIALISED FLEET REPLACEMENT | 7,826 | 7,826 | 4,502 | 4,502 | – | 57.53% | 57.53% |
| REFURBISHMENT OF HALLS | 3,536 | 3,536 | – | – | – | 0.00% | 0.00% |
| LINING OF STORMWATER CHANNELS WARD 16 | 2,609 | 2,609 | 210 | 1,875 | 450 | 71.88% | 71.88% |
| CONSTRUCTION OLD SINK TOILETS | 9,565 | 9,565 | – | – | – | 0.00% | 0.00% |
| UPGRADE OF RITCHIE SPORTS GROUNDS | 1,739 | 1,739 | – | – | – | 0.00% | 0.00% |
| REDEVELOPMENT OF RC ELLIOT HALL | 2,174 | 2,174 | – | – | – | 0.00% | 0.00% |
| DEVELOPMENT OF RIVERTON HALL | 870 | 870 | – | – | – | 0.00% | 0.00% |
| FENCING OF ABC CEMETERY | 5,217 | 5,217 | – | 5,217 | – | 99.99% | 99.99% |
| SATELITE OFFICE CONTAINERS | 870 | 870 | – | – | – | 0.00% | 0.00% |
| GREENPOINT BUSINESS DEVELOPMENT CENTRE | 2,174 | 2,174 | 388 | 1,254 | 46 | 57.70% | 57.70% |
| BEACONSFIELD WASTE WATER TREATMENT WORKS | 12,609 | 12,609 | 4,573 | 4,573 | – | 36.27% | 36.27% |
| HIGH MAST LIGHTS | 8,696 | 8,696 | 828 | 3,067 | 153 | 35.27% | 35.27% |
| EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT) | 4,348 | 4,348 | 270 | 1,965 | – | 45.19% | 45.19% |
| STREETLIGHTS AND HIGH MAST RETROFITTING | 4,348 | 4,348 | 270 | 1,965 | – | 45.19% | 45.19% |
| RBIG (REGIONAL BULK INFRASTRUCTURE GRANT) | 499,130 | 499,130 | 32,219 | 257,290 | – | 51.55% | 51.55% |
| UPGRADE EXISTING/NEW RESERVOIR CONSTRUCT | 46,541 | 46,541 | 559 | 10,323 | – | 22.18% | 22.18% |
| REFURBISHMENT/REPLACEMENT BULK PIPELINE | 366,547 | 366,547 | 27,303 | 177,658 | – | 48.47% | 48.47% |
| KBY/RITCHIE NETWORK LEAK DETECT/REPAIR | 32,220 | 32,220 | 398 | 21,757 | – | 67.52% | 67.52% |
| KBY/RITCHIE BULK METERS/PRESSURE MANAGE | 3,698 | 3,698 | 301 | 3,503 | – | 94.73% | 94.73% |
| NEWTON AND RIVERTON WWTW | 50,125 | 50,125 | 3,658 | 44,050 | – | 87.88% | 87.88% |
| INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT) | 16,522 | 16,522 | 965 | 6,182 | 2 | 37.42% | 37.42% |
| ELECTRIFICATION OF JACKSONVILLE | 5,891 | 5,891 | 965 | 3,380 | – | 57.37% | 57.37% |
| NETWORKS ACQ - ELECTR SANTA CENTRE | 2,804 | 2,804 | – | 2,802 | 2 | 99.93% | 99.93% |
| GALESHEWE TRANSFORMER | 7,826 | 7,826 | – | – | – | 0.00% | 0.00% |
| NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT) | 87 | 87 | – | – | – | 0.00% | 0.00% |
| REDEVELOPMENT OF RC ELLIOT HALL | 87 | 87 | – | – | – | 0.00% | 0.00% |
| WSIG (WATER SERVICES INFRASTRUCTURE GRANT) | 8,696 | 8,696 | – | – | – | 0.00% | 0.00% |
| ACQ - CARTERS GLEN SEWER PUMP STATION | 8,696 | 8,696 | – | – | – | 0.00% | 0.00% |
| Grand Total | 627,331 | 627,331 | 46,068 | 296,818 | 1,845 | 47.31% | 47.31% |

Table 22: Detailed Capital Expenditure

Indicated in Table 22 above, is a list of projects with the applicable funding source compared to the Original budget. Capital expenditure as at the end of December 2025 is fairly satisfactory and at a desired level. Capital expenditure requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for December 2025 amounted to R46,068 million. The total YTD Capex amounts to R296,818 million. Please note that Commitments is excluded from the YTD actual.

Capital expenditure is also exclusive of VAT. Spending on grants needs improvement. The percentage expenditure per funding source IUDG (39.96%), EEDSM (45.19%), RBIG (51.55%), INEP (37.42%), WSIG (0%). Spending on Internally generated funds is 15.27% spent. Implementation of projects is normally delayed due to the finalization of procurement processes. Payment certificates are settled once work is completed. Capex for the first quarter is normally slow for this reason, in that commencement of procurement processes is not aligned to the budget approval and specifications are not done early so that it can be advertised timeously.

6.2 Capital Expenditure By Vote

Capital projects are analyzed by vote to ensure that the performance contracts of the executive management team include these projects. Further to this and as compelled by multiyear planning, projects may span over one year.

The table below indicates single year and multi-year projects by vote.

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

| Vote Description | Ref | 2024/25 | | Budget Year 2025/26 | | | | | |
|---|-----|-----------------|-----------------|---------------------|----------------|---------------|---------------|--------------|----------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % |
| R thousands | 1 | | | | | | | | |
| Multi-Year expenditure appropriation | 2 | | | | | | | | |
| Vote 01 - Executive & Council | | – | – | – | – | – | – | – | – |
| Vote 02 - Municipal And General | | 2,214 | 1,739 | 1,739 | – | – | 870 | (870) | -100% |
| Vote 03 - Municipal Manager | | – | – | – | – | – | – | – | – |
| Vote 04 - Corporate Services | | – | – | – | – | – | – | – | – |
| Vote 05 - Community Services | | 3,043 | 6,579 | 6,579 | – | – | 3,290 | (3,290) | -100% |
| Vote 06 - Financial Services | | – | – | – | – | – | – | – | – |
| Vote 07 - Strategy Econ Development And Planning | | 143 | 3,130 | 3,130 | – | 1,276 | 1,565 | (289) | -18% |
| Vote 08 - Infrastructure And Services | | 509,323 | 524,952 | 524,952 | 39,513 | 249,455 | 262,476 | (13,021) | -5% |
| Vote 09 - | | – | – | – | – | – | – | – | – |
| Vote 10 - | | – | – | – | – | – | – | – | – |
| Vote 11 - | | – | – | – | – | – | – | – | – |
| Vote 12 - | | – | – | – | – | – | – | – | – |
| Vote 13 - | | – | – | – | – | – | – | – | – |
| Vote 14 - | | – | – | – | – | – | – | – | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | – |
| Total Capital Multi-year expenditure | 4,7 | 514,722 | 536,400 | 536,400 | 39,513 | 250,730 | 268,200 | (17,470) | -7% |
| Single Year expenditure appropriation | 2 | | | | | | | | |
| Vote 01 - Executive & Council | | – | – | – | – | – | – | – | – |
| Vote 02 - Municipal And General | | 16,951 | 19,826 | 19,826 | 4,502 | 5,195 | 9,913 | (4,718) | -48% |
| Vote 03 - Municipal Manager | | – | – | – | – | – | – | – | – |
| Vote 04 - Corporate Services | | – | – | – | – | – | – | – | – |
| Vote 05 - Community Services | | 2,014 | 5,217 | 5,217 | – | 5,217 | 2,609 | 2,608 | 100% |
| Vote 06 - Financial Services | | – | 870 | 870 | – | – | 435 | (435) | -100% |
| Vote 07 - Strategy Econ Development And Planning | | 1,518 | 7,361 | 7,361 | 388 | 3,453 | 3,680 | (227) | -6% |
| Vote 08 - Infrastructure And Services | | 871 | 57,657 | 57,657 | 1,664 | 32,223 | 28,829 | 3,395 | 12% |
| Vote 09 - | | – | – | – | – | – | – | – | – |
| Vote 10 - | | – | – | – | – | – | – | – | – |
| Vote 11 - | | – | – | – | – | – | – | – | – |
| Vote 12 - | | – | – | – | – | – | – | – | – |
| Vote 13 - | | – | – | – | – | – | – | – | – |
| Vote 14 - | | – | – | – | – | – | – | – | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | – |
| Total Capital single-year expenditure | 4 | 21,353 | 90,931 | 90,931 | 6,555 | 46,088 | 45,466 | 623 | 1% |
| Total Capital Expenditure | | 536,075 | 627,331 | 627,331 | 46,068 | 296,818 | 313,666 | (16,847) | -5% |
| Capital Expenditure - Functional Classification | | | | | | | | | |
| Governance and administration | | 19,165 | 22,435 | 22,435 | 4,502 | 5,195 | 11,217 | (6,023) | -54% |
| Executive and council | | 19,165 | 21,565 | 21,565 | 4,502 | 5,195 | 10,783 | (5,588) | -52% |
| Finance and administration | | – | 870 | 870 | – | – | 435 | (435) | -100% |
| Internal audit | | – | – | – | – | – | – | – | – |
| Community and public safety | | 5,056 | 11,797 | 11,797 | – | 5,217 | 5,898 | (681) | -12% |
| Community and social services | | 3,043 | 11,797 | 11,797 | – | 5,217 | 5,898 | (681) | -12% |
| Sport and recreation | | 2,014 | – | – | – | – | – | – | – |
| Public safety | | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – |
| Economic and environmental services | | 38,159 | 17,913 | 17,913 | 2,709 | 10,509 | 8,957 | 1,552 | 17% |
| Planning and development | | 1,415 | 7,043 | 7,043 | 388 | 2,690 | 3,522 | (832) | -24% |
| Road transport | | 36,744 | 10,870 | 10,870 | 2,321 | 7,819 | 5,435 | 2,384 | 44% |
| Environmental protection | | – | – | – | – | – | – | – | – |
| Trading services | | 473,450 | 571,739 | 571,739 | 38,856 | 273,859 | 285,870 | (12,010) | -4% |
| Energy sources | | 8,503 | 30,000 | 30,000 | 2,064 | 11,213 | 15,000 | (3,787) | -25% |
| Water management | | 444,716 | 499,565 | 499,565 | 32,219 | 257,290 | 249,783 | 7,508 | 3% |
| Waste water management | | 20,231 | 42,174 | 42,174 | 4,573 | 5,356 | 21,087 | (15,731) | -75% |
| Waste management | | – | – | – | – | – | – | – | – |
| Other | | 246 | 3,448 | 3,448 | – | 2,039 | 1,724 | 315 | 18% |
| Total Capital Expenditure - Functional Classification | 3 | 536,075 | 627,331 | 627,331 | 46,068 | 296,818 | 313,666 | (16,847) | -5% |
| Funded by: | | | | | | | | | |
| National Government | | 504,592 | 594,927 | 594,927 | 46,068 | 291,870 | 297,463 | (5,594) | -2% |
| Provincial Government | | – | – | – | – | – | – | – | – |
| District Municipality | | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Deparmt Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) | | – | – | – | – | – | – | – | – |
| Transfers recognised - capital | | 504,592 | 594,927 | 594,927 | 46,068 | 291,870 | 297,463 | (5,594) | -2% |
| Borrowing | 6 | 31,484 | 32,404 | 32,404 | – | 4,949 | 16,202 | (11,253) | -69% |
| Internally generated funds | | – | – | – | – | – | – | – | – |
| Total Capital Funding | | 536,075 | 627,331 | 627,331 | 46,068 | 296,818 | 313,666 | (16,847) | -5% |

Table 23: Supporting Table C5 -Capital Expenditure by Vote

7. INVESTMENT PORTFOLIO ANALYSIS

The market value of the investment portfolio has been utilized and for the period ending 31 December 2025, the value of total investments made was R396,216 million. Partially or prematurely withdrawn investments amounted to R2,201 million. There was no investment top-up for the month under review. The current status quo does not bode well for the municipality and we are running into major trouble in terms of meeting commitments to pay salaries, Eskom, DWS and even other creditors. The disclosure of interest has to be discussed with NT so that the municipality can align interest received to the data strings, whilst NT must provide guidance of the YTD accrued interest that are not yet reflected in the books. This exercise is normally performed during year-end procedures. Please note that the investments are committed and/or held for the following reasons:

| Purpose | R'000 |
|---|----------------|
| • A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan. | 21,191 |
| • A fixed deposit that was made as a security to the Self-Insurance Workman Compensation reserve as required by the Department of Labour - Compensation Commissioner. | 7,704 |
| • Unspent Capital grant receipts that was invested for the current year. | 203,668 |
| • Own funds invested - Ring-fenced Eskom income / If amount is NEGATIVE, it means that there are Grant funds in the main account | 163,653 |
| Total | 396,216 |

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

| Investments by maturity Name of institution & investment ID | Ref | Period of Investment | Type of Investment | Capital Guarantee (Yes/ No) | Variable or Fixed interest rate | Interest Rate ^a | Commission Paid (Rands) | Commission Recipient | Expiry date of investment | Opening balance | Interest to be realised | Partial / Premature Withdrawal (4) | Investment Top Up | Closing Balance |
|--|-----|----------------------|--------------------|-----------------------------|---------------------------------|----------------------------|-------------------------|----------------------|---------------------------|-----------------|-------------------------|------------------------------------|-------------------|-----------------|
| | | | | | | | | | | | | | | |
| R thousands | | | | | | | | | | | | | | |
| Municipality | | | | | | | | | | | | | | |
| Standard Bank 048466271-089 | | 6 months | Call a/c | No | Variable | 6.9 | 0 | | | – | – | – | – | – |
| Standard Bank 04 846 6271-090 | | 48 hours | Notice | No | Fixed | 8.85% | 0 | n/a | | – | – | – | – | – |
| Standard Bank - 04 846 6271-092 | | 6 months | Notice | No | Fixed | 892.00% | 0 | n/a | | 189,321 | 1,113 | (1,113) | – | 189,321 |
| Absa Bank 20-6295-4443 | | 12 months | Notice | Yes | Fixed | 9.71% | 0 | | 2023/06/28 | 7,647 | 57 | – | – | 7,704 |
| Standard Bank - 04 846 6271-091 | | Monthly | Notice | No | Fixed | 890.00% | 0 | n/a | 2024/06/30 | 5,000 | 30 | (30) | – | 5,000 |
| Standard Bank 048466271-088 | | 12 months | Notice | No | Fixed | 970.00% | 0 | | 2024/11/10 | – | – | – | – | – |
| Standard Bank - 048466271-093 | | 12 months | Fixed | No | Fixed | 887.00% | 0 | | 2025/11/10 | – | – | – | – | – |
| Absa - 94 0279 0375 | | Monthly | Notice | No | Variable | 745.00% | 0 | n/a | 2026/06/30 | 173,000 | 1,058 | (1,058) | – | 173,000 |
| Standard Bank - 04 846 6271-094 | | 12 months | Fixed | No | Fixed | 742.50% | 0 | n/a | 2026/11/12 | 21,054 | 137 | – | – | 21,191 |
| Municipality sub-total | | | | | | | | | | 396,022 | 2,395 | (2,201) | – | 396,216 |

Table 24: Supporting Table SC5: Investment portfolio

Chart 14: Call investment deposits incl interest for the period ending 31 December 2025

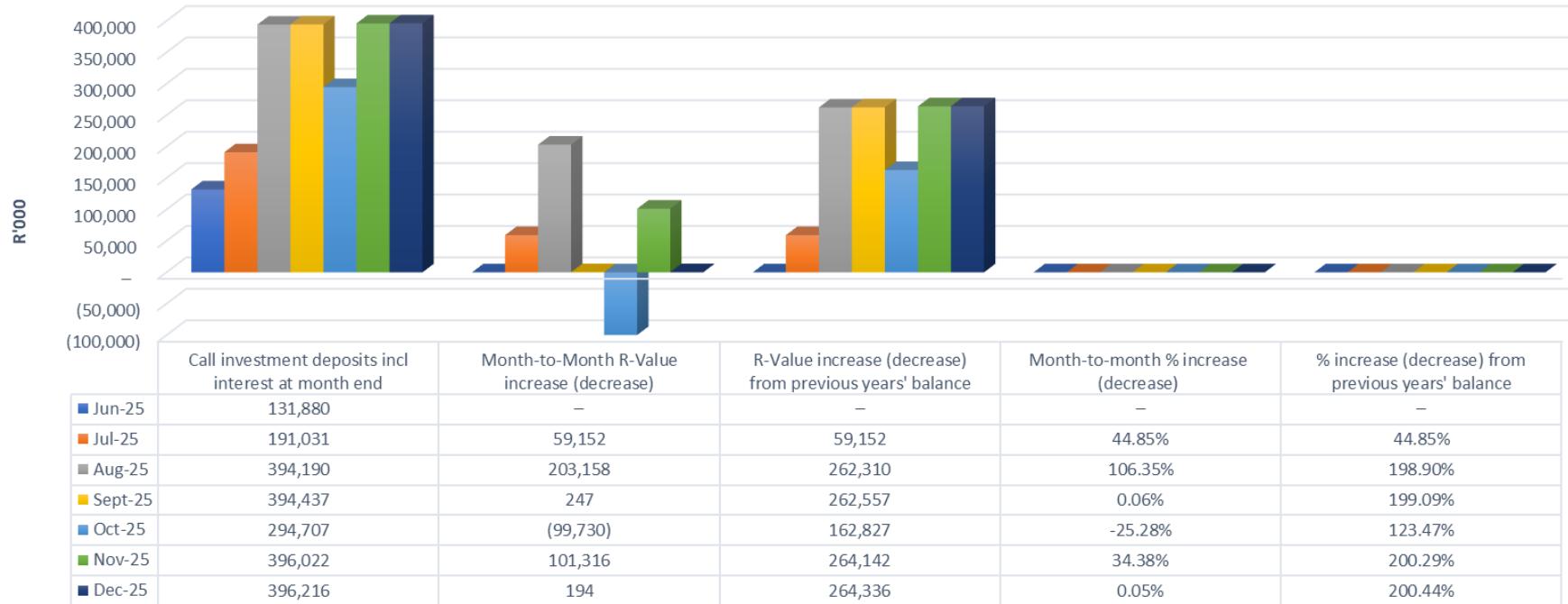


Chart 19: Call investment deposits at month-end

As indicated in the Chart 19 above from November 2025 to December 2025 investments incl interest increased by R194 thousand (0.05%), in respect of the month-to-month comparison. Investments increased by R264,336 million (200.44%) when compared to the previous years' balance of R131,880 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments, in December and June of each year. The non-charging of the basic charge for the 2018/19, 2023/24, 2024/25 and 2025/26 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

8. FINANCIAL MANAGEMENT AND REPORTING

MFMA Section 52 (d) to require that the Executive Mayor reports on the financial state of affairs of the municipality. As such, financial ratios have been used to analyse the municipality's performance as at 31 December 2025. The municipality has used the financial ratios as published in MFMA Circular that are aimed at replacing those that were promulgated in the Performance Regulations of 2001. The following is a summary of the outcomes of the analysis.

Financial Position

8.1 Assets Management

| 1. FINANCIAL POSITION | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|--|--------------|--|---------------------------------|-----------|----------|-------------------------------|-----------|--|---|-----------|--|---|-----------|--|--|-----------|--|---|---------|--|---|
| A. Asset Management/Utilisation | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Collection Rate | (Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100 | Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR | 95% | <table border="1"> <tr><td>Gross Debtors closing balance</td><td>4,532,290</td><td>75%</td></tr> <tr><td>Gross Debtors opening balance</td><td>4,320,575</td><td></td></tr> <tr><td>Bad debts written Off</td><td>96,039</td><td></td></tr> <tr><td>Billed Revenue</td><td>1,211,980</td><td></td></tr> </table> | Gross Debtors closing balance | 4,532,290 | 75% | Gross Debtors opening balance | 4,320,575 | | Bad debts written Off | 96,039 | | Billed Revenue | 1,211,980 | | <p>Please refer to page 5 of MFMA Circular No. 71</p> | | | | | | |
| Gross Debtors closing balance | 4,532,290 | 75% | | | | | | | | | | | | | | | | | | | | | | |
| Gross Debtors opening balance | 4,320,575 | | | | | | | | | | | | | | | | | | | | | | | |
| Bad debts written Off | 96,039 | | | | | | | | | | | | | | | | | | | | | | | |
| Billed Revenue | 1,211,980 | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Net Debtors Days | ((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue) x 365 | Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR | 30 days | <table border="1"> <tr><td>Gross debtors</td><td>4,532,290</td><td>396 days</td></tr> <tr><td>Bad debts Provision</td><td>1,899,243</td><td></td></tr> <tr><td>Billed Revenue</td><td>1,211,980</td><td></td></tr> </table> | Gross debtors | 4,532,290 | 396 days | Bad debts Provision | 1,899,243 | | Billed Revenue | 1,211,980 | | <p>Please refer to page 6 of MFMA Circular No. 71</p> <p>Change formula</p> | | | | | | | | | |
| Gross debtors | 4,532,290 | 396 days | | | | | | | | | | | | | | | | | | | | | | |
| Bad debts Provision | 1,899,243 | | | | | | | | | | | | | | | | | | | | | | | |
| Billed Revenue | 1,211,980 | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants) | ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets) | Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR | 1 - 3 Months | <table border="1"> <tr><td>Cash and cash equivalents</td><td>440,223</td><td>1 Month</td></tr> <tr><td>Unspent Conditional Grants</td><td>203,688</td><td></td></tr> <tr><td>Overdraft</td><td></td><td></td></tr> <tr><td>Short Term Investments</td><td></td><td></td></tr> <tr><td>Total Annual Operational Expenditure</td><td>1,217,341</td><td></td></tr> </table> | Cash and cash equivalents | 440,223 | 1 Month | Unspent Conditional Grants | 203,688 | | Overdraft | | | Short Term Investments | | | Total Annual Operational Expenditure | 1,217,341 | | <p>Please refer to page 7 of MFMA Circular No. 71</p> | | | |
| Cash and cash equivalents | 440,223 | 1 Month | | | | | | | | | | | | | | | | | | | | | | |
| Unspent Conditional Grants | 203,688 | | | | | | | | | | | | | | | | | | | | | | | |
| Overdraft | | | | | | | | | | | | | | | | | | | | | | | | |
| Short Term Investments | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Annual Operational Expenditure | 1,217,341 | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | Current Ratio | Current Assets / Current Liabilities | Statement of Financial Position, Budget, IDP and AR | 1.5 - 2.1 | <table border="1"> <tr><td>Current Assets</td><td>3,591,680</td><td>2.23</td></tr> <tr><td>Current Liabilities</td><td>1,611,707</td><td></td></tr> </table> | Current Assets | 3,591,680 | 2.23 | Current Liabilities | 1,611,707 | | <p>Please refer to page 7 of MFMA Circular No. 71</p> | | | | | | | | | | | | |
| Current Assets | 3,591,680 | 2.23 | | | | | | | | | | | | | | | | | | | | | | |
| Current Liabilities | 1,611,707 | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | Creditors Payment Period (Trade Creditors) | Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365 | Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR | 30 days | <table border="1"> <tr><td>Trade Creditors</td><td>1,402,795</td><td>25 days</td></tr> <tr><td>Contracted Services</td><td>12,629</td><td></td></tr> <tr><td>Repairs and Maintenance</td><td>143,322</td><td></td></tr> <tr><td>General expenses</td><td>99,788</td><td></td></tr> <tr><td>Bulk Purchases</td><td>459,355</td><td></td></tr> <tr><td>Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment)</td><td>296,818</td><td></td></tr> </table> | Trade Creditors | 1,402,795 | 25 days | Contracted Services | 12,629 | | Repairs and Maintenance | 143,322 | | General expenses | 99,788 | | Bulk Purchases | 459,355 | | Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment) | 296,818 | | <p>Please refer to page 16 of MFMA Circular No.71</p> <p>Change formula</p> |
| Trade Creditors | 1,402,795 | 25 days | | | | | | | | | | | | | | | | | | | | | | |
| Contracted Services | 12,629 | | | | | | | | | | | | | | | | | | | | | | | |
| Repairs and Maintenance | 143,322 | | | | | | | | | | | | | | | | | | | | | | | |
| General expenses | 99,788 | | | | | | | | | | | | | | | | | | | | | | | |
| Bulk Purchases | 459,355 | | | | | | | | | | | | | | | | | | | | | | | |
| Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property,Plant and Equipment) | 296,818 | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | Remuneration as % of Total Operating Expenditure | Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100 | Statement of Financial Performance, Budget, IDP, In-Year reports and AR | 25% - 40% | <table border="1"> <tr><td>Employee/personnel related cost</td><td>450,278</td><td>33%</td></tr> <tr><td>Councillors Remuneration</td><td>16,757</td><td></td></tr> <tr><td>Total Operating Expenditure</td><td>1,435,917</td><td></td></tr> <tr><td>Taxation Expense</td><td></td><td></td></tr> </table> | Employee/personnel related cost | 450,278 | 33% | Councillors Remuneration | 16,757 | | Total Operating Expenditure | 1,435,917 | | Taxation Expense | | | <p>Please refer to page 17 of MFMA Circular No. 71</p> | | | | | | |
| Employee/personnel related cost | 450,278 | 33% | | | | | | | | | | | | | | | | | | | | | | |
| Councillors Remuneration | 16,757 | | | | | | | | | | | | | | | | | | | | | | | |
| Total Operating Expenditure | 1,435,917 | | | | | | | | | | | | | | | | | | | | | | | |
| Taxation Expense | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | | | | | | |
|---|--|---|--|------------|---|-----------|---|--|
| 1 | Capital Expenditure Budget Implementation Indicator | Actual capital Expenditure / Budget Capital Expenditure x 100 | Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR | 95% - 100% | | 47% | Please refer to page 19 of MFMA Circular No. 71 | |
| | | | | | Actual Capital Expenditure | 296,818 | | |
| 2 | Operating Expenditure Budget Implementation Indicator | Actual Operating Expenditure / Budgeted Operating Expenditure x 100 | Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR | 95% - 100% | | 45% | Please refer to page 20 of MFMA Circular No. 71 | |
| | | | | | Actual Operating Expenditure | 1,435,917 | | |
| 3 | Operating Revenue Budget Implementation Indicator | Actual Operating Revenue / Budget Operating Revenue x 100 | Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR | 95% - 100% | | 50% | Please refer to page 20 of MFMA Circular No. 71 | |
| | | | | | Actual Operating Revenue | 1,622,794 | | |
| 4 | Service Charges and Property Rates Revenue Budget Implementation Indicator | Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100 | Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR | 95% - 100% | | 48% | Please refer to page 21 of MFMA Circular No. 71 | |
| | | | | | Actual Service Charges and Property Rates Revenue | 1,211,980 | | |
| | | | | | Budget Service Charges and Property Rates Revenue | 2,537,681 | | |

9. ANNUAL FINANCIAL STATEMENTS AND AUDIT OUTCOMES FOR FY 2024/25

The municipality was able to submit the Annual Financial Statements (AFS) and Annual Report (AR) on predetermined objectives to the Office of the Auditor General by the legislative deadline of 31 August 2025. Based on the audit report received on the 30th of November 2025. The municipality received a qualified audit opinion with findings for the year ended 30 June 2025 on both the AFS and AR as shown below. Material non-compliance matters were raised during the audit process. Audit outcomes of the prior three financial years, are indicated in the chart below. The audit outcomes have remained stagnant over the past years.

Audit results per outcome area

| Outcome area | Movement | 2024-25 | 2023-24 | 2022-23 |
|---|----------|---------|---------|---------|
| Financial statements | ▶ | | | |
| Annual performance report | | | | |
| • Improved service delivery | ▶ | | | |
| Compliance with legislation | | | | |
| • Annual financial statements, performance reports and annual reports | ▶ | | | |
| • Asset management | ▶ | | | |
| • Consequence management | ▶ | | | |
| • Expenditure management | ▶ | | | |
| • Human resource management | ▶ | | | |
| • Procurement and contract management | ▶ | | | |
| • Revenue management | ▶ | | | |
| • Strategic planning and performance management | ▼ | | | |
| • Utilisation of conditional grants | ▶ | | | |
| • Oversight and governance | n/a | | | |

| | | | | | |
|----------------------------------|-----------|-------------------------------------|--|-------------------|-------------|
| Unqualified/No material findings | Qualified | Adverse/Pervasive material findings | Disclaimer/Pervasive material limitation | Material findings | Not audited |
|----------------------------------|-----------|-------------------------------------|--|-------------------|-------------|

| | | | | | |
|---|-------------|---|------------|---|-----------|
| ▲ | Improvement | ▼ | Regression | ▶ | Unchanged |
|---|-------------|---|------------|---|-----------|

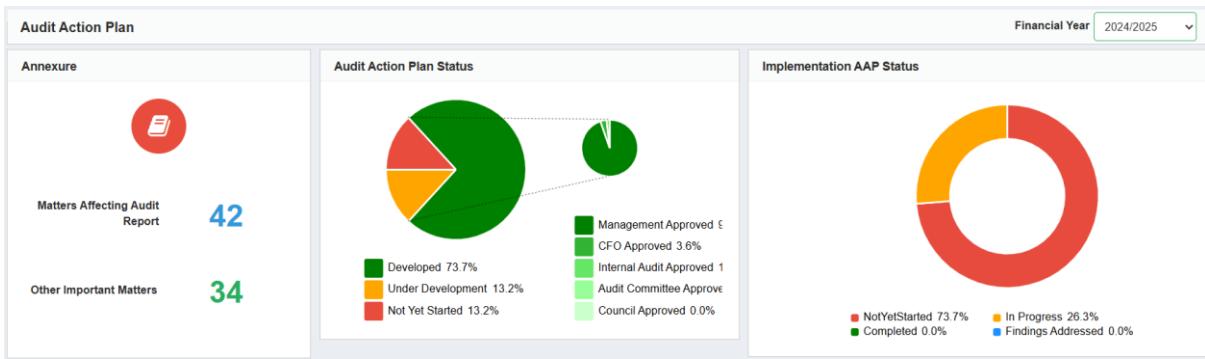
Articulated in the table below, is the basis for the qualified opinion for the year ended 30 June 2025 in comparison to the year ended 30 June 2024.

| Auditor-General Report on Financial Performance 2024/25 | |
|---|--------------------------------|
| Audit Report Status: | Qualified Audit Opinion |
| Audit Findings | 77 |
| Non-Compliance Issues | |
| Basis for qualified opinion | |
| Service charges | |
| Property, Plant and Equipment | |
| Loss/ write-down of inventory | |
| Material losses – electricity | |
| Emphasis of matter paragraphs | |
| None | |

| Auditor-General Report on Financial Performance 2023/24 | |
|---|--------------------------------|
| Audit Report Status: | Qualified Audit Opinion |
| Audit Findings | 114 |
| Non-Compliance Issues | |
| Basis for qualified opinion | |
| Property, Plant and Equipment | |
| Service charges | |
| Investments Property | |
| Trade Receivables from exchange transactions | |
| Material Losses - Electricity | |
| Emphasis of matter paragraphs | |
| Restatement of corresponding figures | |
| Material losses - Water | |

Audit Action Plan

The Audit Action Plan for the 2024/25 financial year is in the processes of being finalized. The section heads have developed the actions which have been reviewed by the CFO. They still have to go through a process of being reviewed by Internal Audit before finalization.



As indicated in the table above, as at 19 January 2026, 13.2 percent of the findings have not been started; 13.2 percent is under development and 73.7 percent has been developed. In terms of implementation status, 73.7 percent has not been started, 26.3 percent is in progress and not any have been completed.

Progress thus far has been slow due to staff being on leave over the festive season. If, executive management and responsible officials truly put in a concerted effort and work hard to address audit findings; enhance internal controls and processes, adhere and implement recommendations of the Auditor General, it can significantly improve the audit outcome in the future. It is imperative that performance overall improves and officials diligently do what is expected from them on a daily and/or monthly basis in line with their job requirements, to ensure that audit findings are reduced or eliminated to eventually achieve a clean audit. Improvement and stricter application of internal controls, consequence management measures and holding officials accountable will significantly contribute to the improvement of audit outcomes.

10. ADJUSTMENT BUDGET PROPOSALS

The Budget and Treasury Office is awaiting proposals from managers with the due date set for 31 January 2026. Based on the mid-year results the following will be evaluated, and realistic forecasts will be made.

Operational Revenue

Operating revenue is performing satisfactorily, with the actual achieved versus the Main appropriation standing at 50.2% versus the ideal percentage of 50%. This is largely attributable to the annual billing on Property rates. Overall, service charges when compared to the Original budget is performing satisfactorily. Sale of Goods and Rendering of Services show a satisfactory variance of minus 0.3%. Interest earned from Receivables shows a positive variance of 14.1%. Interest from Current and Non-current Assets shows a negative variance of 39.8%. Rental from Fixed Assets shows a positive variance of 0.4%. Licences and permits show an unsatisfactory variance of minus 32.8%. Operational Revenue shows a satisfactory variance of 26.8%.

Operational expenditure

Operating expenditure is 44.7% spent. It should be noted that post-retirement health benefits and Depreciation is not yet accounted for, the bulk electricity account for December 2025 will be captured during January 2026. The budget for Interest on overdue accounts will be adjusted upwards to make provision for the interest charges on the Eskom bulk account and other minor accounts. Major adjustments will have to be made to the repairs and maintenance budget for Sewerage and Water as these budgets are already under severe strain and are facing insurmountable challenges in terms of service delivery. However, these adjustments will put severe pressure on the municipality's cash flow, which might result in an unfunded Adjustments budget which will have serious repercussions for the municipality.

Proposed Capital Expenditure Adjustments

Dora Adjustments have not been finalized, YTD grant expenditure amounts to R291,871 million or 49.06% spent against the Original capital grant allocation of R594,927 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. There are no expected reductions as the Capital Grants, with most grant expenditure over 45% as required by the Division of Revenue Bill.

There are proposed adjustments in the IUDG projects to move funds from some non-performing projects.

CRR projects and dependent on the availability of cash.

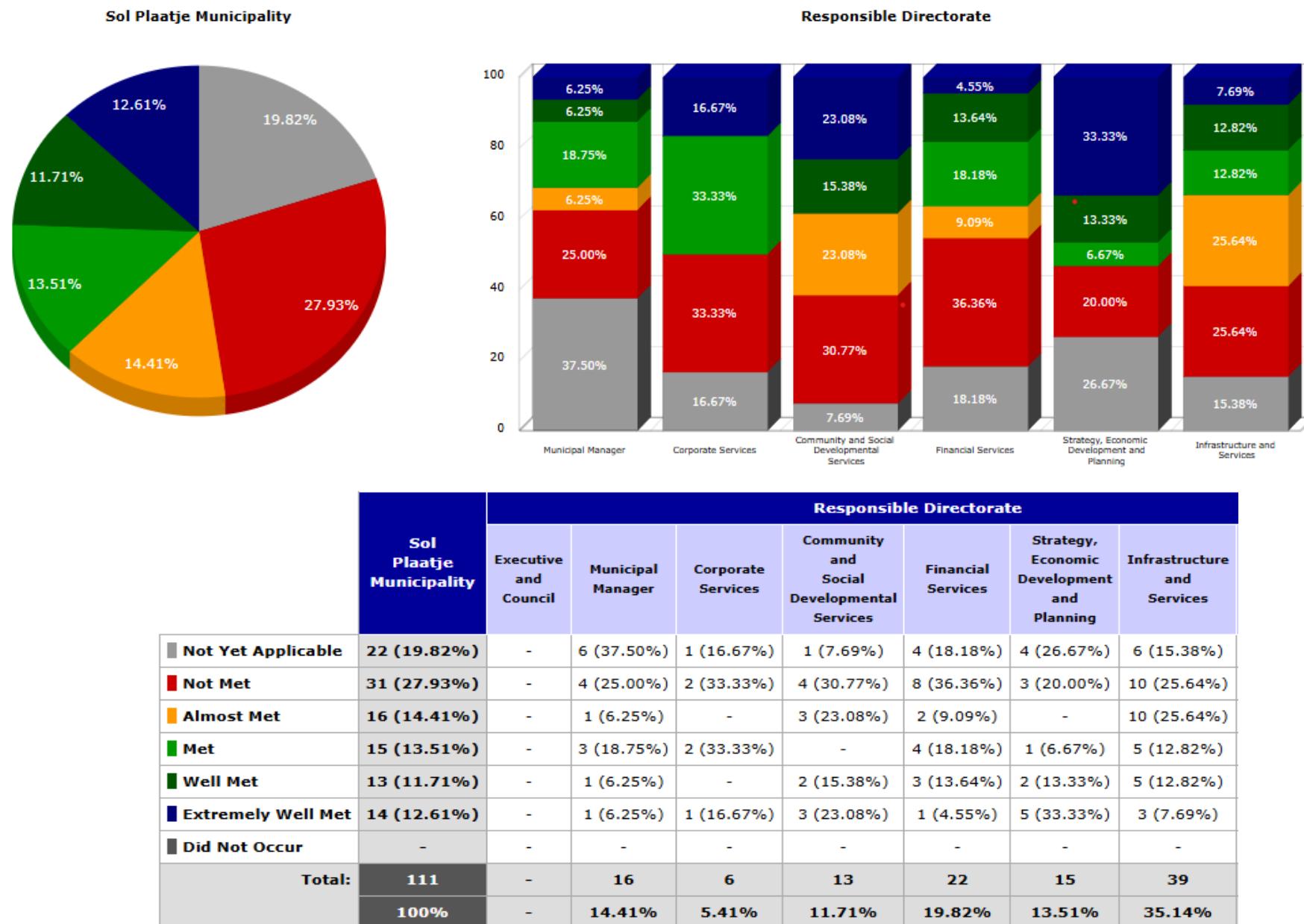
Changes are imminent as The Municipality in the process to finalise capex adjustments, the due date is 31 January 2026.

2ND QUARTER/MID-YEAR SDBIP PERFORMANCE REPORT

FINANCIAL YEAR 2025/26

1 JULY TO 30 DECEMBER 2025

11. TOP LAYER SDBIP SECOND QUARTER/MID-YEAR PERFORMANCE REPORT: 1 JULY TO 30 DECEMBER 2025



11.1 INFRASTRUCTURE AND SERVICES

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|--|--|------------------------|---------------------------------------|--------|-----|---|--------|---|---|--------|---|---|--|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL43 | Strategic Objective 2: Improved Service Delivery | Limit unaccounted for electricity to less than 25% by 30 June 2026 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased }x 100} | % unaccounted for electricity by 30 June 2026 | 25% | 25% | 33% | R | 25% | 29.88% | R | 25% | 29.88% | R | Electricity: There is a shortfall of 4.88% to achieve the target. | Replace MV Fittings with LED on streetlights and High Masts Normalize bypassed electrical meters. Disconnected and penalize tampered electrical meters |
| TL44 | Strategic Objective 2: Improved Service Delivery | Limit unaccounted for water (Non-Revenue Water) to less than 40% by 30 June 2026 {(Number of Kilolitres Water Purified - Number of kilolitres Water Sold) / Number of kilolitre's Water Purified) X100} | % unaccounted for water (Non-Revenue Water) annually | 40% | 40% | 70% | R | 40% | 60% | R | 40% | 60% | R | The commercial losses are still high as the municipality is still struggling bills to the consumer. Technical water losses have reduced. | The Municipality will intensify the implementation of the revenue enhancement management strategy. |
| TL63 | Strategic Objective 2: Improved Service Delivery | Number of new high-mast lights to be constructed by 30 June 2026 | Number of new high-mast lights constructed | 30 | 0 | 0 | N/A | 10 | 0 | R | 10 | 0 | R | Tender for supply and delivery of High Mast Steel Structure is on Final Stage to be awarded to the successful Bidder. However, Plinths preparations for New High Masts Lights are completed at- Dingaan Street(E P Lekhela Street) Snake Park Richie Pump Station Phuthanang | Once the tender has been awarded to successful bidder, target for each month must be overachieved. |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|--|---|------------------------|------------------------------------|--------|----|--------------------------------------|--------|----|---|--------|----|--|--|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL64 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the refurbishment of the filters and backwash system for the new Waste Water Treatment Works (WWTW), Phase 1 by 30 June 2026 | % Progress as per the annual project plan | 100% | 15% | 55% | B | 45% | 58% | G2 | 45% | 58% | G2 | N/A | N/A |
| TL65 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the upgrade of the security at the Riverton water treatment works by 30 June 2026 | % Progress as per the annual project plan | 100% | 50% | 89% | B | 100% | 90% | O | 100% | 90% | O | Water and Sanitation: Fence installed to date is at 1.6 km. Due to the construction break, the project could not be completed on time. | the implementation of the project will continue amid the construction break. Project to be completed by the 1st quarter of 2026. |
| TL66 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the repair of emergency leakages at the Newton reservoir by 30 June 2026 | % Progress as per the annual project plan | 100% | 50% | 67% | G2 | 100% | 90% | O | 100% | 90% | O | Water and Sanitation: Valve assessments have been completed. Sub-soil drain excavation has commenced. Leak repairs are ongoing. | Project to be completed by March 2026. |
| TL67 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the completion of the emergency water meter installation and procurement of a water quality monitoring hardware, Ph 1 by 30 June 2026 | % Progress as per annual project plan | 100% | 100% | 96% | O | 0% | 95% | B | 100% | 95% | O | Extension of time approved. Civil works currently undergoing at Rhodes Avenue. Water and Sanitation: Contractor is on schedule. | Extension of time approved. |
| TL68 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the upgrade of the power supply and refurbishment of the abstraction pump station (Old and New Plant - | % Progress as per annual project plan | 100% | 100% | 94% | O | 0% | 95% | B | 100% | 95% | O | MV cable installation is completed with terminations completed and connection completed on the 10 MVA transformer. Faulty transformer repair | Extension of time to be presented to Council. |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | | |
|------|--|---|---|------------------------|------------------------------------|--------|--------|--------------------------------------|--------|-----------|---|--------|------------|---|--|--|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures | |
| | | Riverton , Ph 1 by 30 June 2026 | | | | | Orange | | | Dark Blue | | | Light Grey | Orange | underway at Atom in Germiston. Contractor is on standby without cost . | |
| TL69 | Strategic Objective 2: Improved Service Delivery | Percentage completion on the design work for Phase 1 of the Kimberley network leak detection and repair by 30 June 2026 | % Progress as per annual project plan | 100% | 15% | 62% | B | 45% | 69% | B | 45% | 69% | B | N/A | N/A | |
| TL70 | Strategic Objective 2: Improved Service Delivery | Percentage completion on the design work for Phase 2 of the Kimberley network leak detection and repair 30 June 2026 | % Progress as per annual project plan | 60% | 0% | 0% | N/A | 25% | 25% | G | 25% | 25% | G | Project life cycle is at procurement and documentation stage. Project is at BAC | Appointment of Contractor will be awarded in January 2026. Validity period extended. | |
| TL71 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the upgrade of the old Water Treatment Plant (WTP) chlorine and dosing work by 30 June 2026 | % Progress as per the annual project plan | 100% | 50% | 75% | B | 100% | 85% | Orange | 100% | 85% | Orange | Filter gallery pipework filters 7 - 12 is 95% complete. Filters 7 to 12 laterals complete and casted in, 100% completion of filter nozzle installation. Backwash pump plinth 100% complete, backwash pumps installed. | Project to be completed in the 2026 | |
| TL72 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the upgrade of the new Water Treatment Plant (WTP) chlorine and dosing works by 30 June 2026 | % Progress as per the annual project plan | 100% | 50% | 86% | B | 100% | 95% | Orange | 100% | 95% | Orange | Chlorine building paintwork is completed. MCC building is complete and installation commenced. Poly dosing room | Contractor contract to be terminated if proof of payment is not provided by January 2026 . | |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|--|--|------------------------|------------------------------------|--------|-----|--------------------------------------|--------|----|---|--------|----|---|---|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| | | | | | | | | | | | | | | refurbishment is 100% complete. Contractor is behind schedule | |
| TL73 | Strategic Objective 2: Improved Service Delivery | % Completion of the upgrade of the Ritchie Water Treatment Works (WTW) and bulk pipeline by 30 June 2026 | % Progress as per annual project plan | 100% | 15% | 50% | B | 45% | 53% | G2 | 45% | 53% | G2 | N/A | N/A |
| TL74 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the repair of the bulk pipeline from Riverton to Mid station (Section 2) by 30 June 2026 | % Progress as per annual project plan | 100% | 35% | 45% | G2 | 45% | 45% | G | 45% | 45% | G | N/A | N/A |
| TL75 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the installation of the 1200 mm new steel bulk water pipe line from Mid station to Newton Reservoir (Section 3) by 30 June 2026 | % Progress as per annual project plan | 60% | 0% | 0% | N/A | 25% | 25% | G | 25% | 25% | G | N/A | N/A |
| TL76 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the procurement of the of the bulk 1200 ND steel pipeline material by 30 June 2026 | % Progress as per the procurement plan | 100% | 0% | 0% | N/A | 70% | 90% | G2 | 70% | 90% | G2 | N/A | N/A |
| TL77 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the installation of bulk water meters and pressure regulating valves by 30 June 2026 | % Progress as per annual project plan | 100% | 100% | 93% | O | 0% | 92.50% | B | 100% | 92.50% | O | 95% of the job cards have been completed. | Extension of time has been approved, and contract amount was increased. |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | | |
|------|--|---|--|------------------------|------------------------------------|--------|-----|--------------------------------------|--------|----|---|--------|----|--|--|--|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures | |
| TL78 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the upgrade of the security at the Newton Reservoir Complex (Electrical) by 30 June 2026 | % Progress as per annual project plan | 50% | 0% | 0% | N/A | 20% | 25% | G2 | 20% | 25% | G2 | N/A | N/A | |
| TL79 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the upgrade of the security at the Newton Reservoir Complex (Mechanical) by 30 June 2026 | % Progress as per annual project plan | 50% | 0% | 0% | N/A | 20% | 25% | G2 | 20% | 25% | G2 | N/A | N/A | |
| TL80 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the update of the Emergency Leak Repairs on priority leaks identified from Smartball Survey and Midstation Valve Repairs by 30 June 2026 | % Progress as per annual project plan | 100% | 50% | 88% | B | 100% | 87.50% | O | 100% | 87.50% | O | Total of 36 leaks attended to. 16 chambers reconstructed and retrofitted with smart lock lockable cover frames and lids. Community strike delayed progress at midstation | Project to be completed by March 2026. | |
| TL81 | Strategic Objective 2: Improved Service Delivery | 99% water quality level achieved as per SANS 241 annually by 30 June 2026 | % water quality level achieved as per SANS 241 criteria annually | 99% | 99% | 77% | O | 99% | 88.20% | O | 99% | 88.20% | O | The water treatment plant has not been maintained adequately over the years, as a result, water quality was compromised. | The municipality appointed three service providers for the refurbishment of the water treatment plant to ensure improvement in water quality. | |
| TL82 | Strategic Objective 2: Improved Service Delivery | 80% waste water effluent quality level achieved as per National Effluent Quality Standards by 30 June 2026 | % waste water effluent quality level achieved as per National Effluent Quality Standards, annually | 80% | 80% | 54% | R | 80% | 55.40% | R | 80% | 55.40% | R | The Homevale Wastewater Treatment Plant is not operating adequately. | Business Plan was submitted to National Treasury and Department of Water and Sanitation. Appointed a Civil Engineer to do the scoping report. There are two projects | |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|---|--------------------------------------|------------------------|------------------------------------|--------|-----|--------------------------------------|--------|---|---|--------|---|--|---|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL83 | Strategic Objective 2: Improved Service Delivery | Number of square metres of roads to be resealed by 30 June 2026 | Square metres of road to be resealed | 250 000 | 0 | 0 | N/A | 125 000 | 0 | R | 125 000 | 0 | R | Project has been put on hold | Project to be submitted during adjustment budget. |
| TL84 | Strategic Objective 2: Improved Service Delivery | Distance of kilometres of residential roads upgraded from gravel to a paved surface by 30 June 2026 | Number of kilometres paved | 5 | 0 | 0 | N/A | 2.5 | 0.52 | R | 2.5 | 0.52 | R | Project not on schedule . Overall progress of the project is at 46% | Project will resume by end of January 2026 for completion in June 2026, |
| TL85 | Strategic Objective 2: Improved Service Delivery | Replace 250W HPS luminaires with 100W LED luminaires by 30 June 2026 | Number of luminaires replaced | 262 | 0 | 0 | N/A | 87 | 184 | B | 87 | 184 | B | N/A | N/A |
| TL86 | Strategic Objective 2: Improved Service Delivery | Replace 70W MV luminaires with 36W LED luminaires by 30 June 2026 | Number of luminaires replaced | 200 | 0 | 0 | N/A | 66 | 39 | R | 66 | 39 | R | No 70W MV was replaced with 36W LED fittings in December 2025. | January Target for replacement of 70W MV must be overachieved to recover backlog of December 2025 |
| TL87 | Strategic Objective 2: Improved Service Delivery | Replace 400W MV luminaires with 276W LED luminaires by 30 June 2026 | Number of luminaires replaced | 315 | 0 | 0 | N/A | 105 | 0 | R | 105 | 0 | R | For December 2025, No 400 w MV has been replaced with 276 W LED, as we ran out of 276W LED Fittings at Municipal Store, However the tender for supply and delivery of LED fittings is at BEC stage of Supply Chain Management, in order for the tender to be awarded to the successful bidder. | Once the tender has been awarded to the successful bidder, and we have LED Fitting in stock, Replacement target for every month must be overachieved by at least 30% in order to reached original target. |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | | |
|------|--|---|--|------------------------|------------------------------------|--------|-----|--------------------------------------|--------|---|---|--------|---|---|--|--|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures | |
| TL88 | Strategic Objective 2: Improved Service Delivery | Replacement of 125W MV luminaires with 36W LED luminaires by 30 June 2026 | Number of luminaires replaced | 300 | 0 | 0 | N/A | 100 | 0 | R | 100 | 0 | R | No 125 W MV was replaced with 36 W LED fittings in December 2025. | Target for January 2026, must be overachieved to recap the backlog of December 2025. | |
| TL89 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the refurbishment of the Beaconsfield waste water treatment works by 30 June 2026 | Percentage progress as per project plan | 100% | 15% | 10% | R | 50% | 50% | G | 50% | 50% | G | N/A | N/A | |
| TL90 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the refurbishment of the Homevale waste water treatment works by 30 June 2026 | Percentage progress as per project plan | 100% | 15% | 10% | R | 50% | 35% | R | 50% | 35% | R | The municipality is in the process of finalizing the procurement of the contractor for the installation of the sewer pipes. Transnet has already delivered the pipes on site. | Procurement processes will be accelerated. The tender document is at Bid Evaluation stage. This tender has been advertised for the 3rd time. | |
| TL91 | Strategic Objective 2: Improved Service Delivery | Percentage progress on the construction phase for the Carters Ridge sewer pump station (Phase 2) as per the annual plan by 30 June 2026 | Percentage progress as per the annual project plan | 100% | 15% | 22% | G2 | 50% | 45% | O | 50% | 45% | O | The project is at the tendering stage for sourcing three contractors for implementation. | To accelerate the procurement of the contractors who are going to be sourced under the pool of contractors. | |
| TL94 | Strategic Objective 2: Improved Service Delivery | Upgrade water infrastructure (replace 500 water meters) by 30 June 2026 | Number of water meters replaced | 500 | 0 | 0 | N/A | 250 | 250 | G | 250 | 250 | G | N/A | N/A | |
| TL95 | Strategic Objective 2: Improved Service Delivery | Upgrade electricity infrastructure (replace 50 prepaid electricity meters) by 30 June 2026 | Number of electricity meters replaced | 100 | 50 | 312 | B | 25 | 196 | B | 75 | 508 | B | N/A | N/A | |

Summary of Results: Infrastructure and Services

| | | | |
|-------------|------------------------|---|----|
| N/A | KPI Not Yet Applicable | KPIs with no targets or actuals in the selected period. | 6 |
| R | KPI Not Met | 0% <= Actual/Target <= 74.999% | 10 |
| O | KPI Almost Met | 75.000% <= Actual/Target <= 99.999% | 10 |
| G | KPI Met | Actual meets Target (Actual/Target = 100%) | 5 |
| G2 | KPI Well Met | 100.001% <= Actual/Target <= 149.999% | 5 |
| B | KPI Extremely Well Met | 150.000% <= Actual/Target | 3 |
| Total KPIs: | | | 39 |

11.2 FINANCIAL SERVICES

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|---|--|------------------------|---------------------------------------|--------|---|---|--------|----|---|--------|----|--|--|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL38 | Strategic Objective 3: Good, Clean and Transparent Governance and Public Participation | Quarterly review of the ICT Strategic Risk Register by the ICT Steering Committee by 30 June 2026 | Quarterly review of the ICT Strategic Risk Register | 4 | 1 | 0 | R | 1 | 1 | G | 2 | 1 | R | The Q1 Quarterly meeting was postponed due to the absence ICT Manager. | An acting ICT manager has been appointed to perform the tasks of the ICT manager until further notice.Target for quarter 2 was achieved. |
| TL39 | Strategic Objective 3: Good, Clean and Transparent Governance and Public Participation | Quarterly ICT Steering Committee meetings to ensure effective ICT Governance by 30 June 2026 | Quarterly minutes of ICT Steering Committee | 4 | 1 | 0 | R | 1 | 1 | G | 2 | 1 | R | The Q1 Quarterly meeting was postponed due to the absence ICT Manager. | An acting ICT manager has been appointed to perform the tasks of the ICT manager until further notice.Target for quarter 2 was achieved. |
| TL41 | Strategic Objective 4: Establishment of a Healthy Financial Management | The percentage of the municipal capital budget actually spent on capital projects by 30 June 2026 (Total actual amount spent on capital projects/Total amount budgeted for capital projects) X100 | % of Capital budget spent by 30 June {Actual amount spent on capital projects /Total amount budgeted for capital projects} X100} | 90% | 15% | 15% | G | 45% | 47% | G2 | 45% | 47% | G2 | N/A | N/A |
| TL42 | Strategic Objective 4: Establishment of a Healthy Financial Management | The percentage of the total municipal operational budget spent by 30 June 2026 ((Actual amount spent on total operational budget/Total operational budget) X100) | % of the total municipal operational budget spent by 30 June 2026 | 90% | 15% | 25% | B | 45% | 45% | G | 45% | 45% | G | N/A | N/A |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|---|----------------------------|------------------------|---------------------------------------|--------|----|---|--------|----|---|--------|----|---|--|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL45 | Strategic Objective 4: Establishment of a Healthy Financial Management | Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2026 (Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) | Debt to revenue by 30 June | 10% | 10% | 54% | R | 10% | 52% | R | 10% | 52% | R | The underperformance is as a result of the escalation in debt owed to Eskom. | The Credit Control Policy must be strictly applied and adhered to. |
| TL46 | Strategic Objective 4: Establishment of a Healthy Financial Management | Maintain the debt coverage ratio of 2:1 against net assets of the municipality by 30 June 2026 (Current Assets / Current Liabilities) | Debt coverage ratio | 2 | 2 | 2.15 | G2 | 2 | 2.23 | G2 | 2 | 2.23 | G2 | The municipality must reduce outstanding creditors and improve the collection rate. | Adhere to MFMA S65, apply the Credit control policy. |
| TL47 | Strategic Objective 4: Establishment of a Healthy Financial Management | Reduce net debtor days to 300 days by 30 June 2026 ((Gross Debtors - Bad debt Provision) / Actual Billed Revenue) × 365 | Net debtor days | 300 | 300 | 342 | R | 300 | 396 | R | 300 | 396 | R | The target was not met due to the lower collection rate, resulting in an escalation of outstanding debtors. (December 2025) | The municipality will enforce its Credit Control Policy more stringently. The municipality appointed four debt collection companies to assist in its collection efforts. |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|---|--------------------------------|------------------------|------------------------------------|--------|---|--------------------------------------|--------|----|---|--------|----|--|--|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL48 | Strategic Objective 4: Establishment of a Healthy Financial Management | Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2026 (Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets) | Cost coverage ratio by 30 June | 1 | 1 | 0.93 | O | 1 | 1.17 | G2 | 1 | 1.17 | G2 | N/A | N/A |
| TL49 | Strategic Objective 4: Establishment of a Healthy Financial Management | Number of planned BSC meetings conducted to process bids by 30 June 2026 | Number of meetings conducted | 24 | 6 | 12 | B | 6 | 14 | B | 12 | 26 | B | N/A | N/A |
| TL50 | Strategic Objective 4: Establishment of a Healthy Financial Management | 95% collection rate and ensure payment based on correct account by 30 June 2026 (receipts/ billing x100) | 95% collection rate achieved | 95% | 95% | 76% | O | 95% | 78% | O | 95% | 78% | O | The target was not met due to the lower collection rate. | The municipality will enforce its Credit Control Policy more stringently. The municipality appointed four debt collection companies to assist in its collection efforts. ` |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|--|--|------------------------|------------------------------------|--------|---|--------------------------------------|--------|---|---|--------|---|---|--|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL52 | Strategic Objective 4: Establishment of a Healthy Financial Management | 75% reduction of irregular expenditure by 30 June 2026 | % reduction of irregular expenditure after condonement (Current year - Prior year) / Prior year | 75% | 75% | 0% | R | 75% | 0% | R | 75% | 0% | R | Irregular expenditure has not been reduced, it has increased from R264 744 198 to R334 256 581 | Section 32 of the MFMA to be followed including UIFWE. council approved reduction plan UIFWE policy. MPAC reduction plan to be reviewed & updated. |
| TL53 | Strategic Objective 4: Establishment of a Healthy Financial Management | 100% elimination of Fruitless & wasteful expenditure by 30 June 2026 | % Elimination of Fruitless and wasteful expenditure after condonement against total operational expenditure x100 | 100% | 100% | 0% | R | 100% | 0% | R | 100% | 0% | R | Fruitless & wasteful expenditure has not been reduced, it has increased from R74 742 279 to R93 556 834 i.e. 25% increase in quarter 2. | Section 32 of the MFMA to be followed including UIFWE. council approved reduction plan UIFWE policy. MPAC reduction plan to be reviewed & updated. |
| TL54 | Strategic Objective 4: Establishment of a Healthy Financial Management | Reduce 75% of Unauthorised expenditure by 30 June 2026 | % of Unauthorised expenditure after condonement against total operational expenditure x100 | 75% | 75% | 0% | R | 75% | 0% | R | 75% | 0% | R | Unauthorized expenditure remains at R29m (opening balance). No unauthorized expenditure has been incurred or reduced since the beginning of the financial year. | Historical & current processing of expenditure through council needs to be expedited by MPAC by effecting their UIFWE reduction plan on a monthly basis. |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|--|--|------------------------|---------------------------------------|--------|---|---|--------|-----|---|--------|---|--|--|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL55 | Strategic Objective 4: Establishment of a Healthy Financial Management | % Submission of financial and non-financial mSCOA data strings and documentation on the GoMuni web-based application by the set deadlines provided by National Treasury by 30 June 2026. (All reports to be uploaded within 10 working days after the month-end) | % of reports loaded on the GoMuni application | 100% | 100% | 96% | O | 100% | 87% | O | 100% | 87% | O | The municipality performed fairly well in submitting data strings and documents throughout the quarter. | The municipality must improve on coordination of submissions |
| TL56 | Strategic Objective 4: Establishment of a Healthy Financial Management | Reduce Trade Creditors payment period to 30 days by 30 June 2026 (Trade Creditors Outstanding / Credit Purchases/(Operating and Capital) x365) | Creditors Payment Period (Trade Creditors) | 30 | 30 | 259 | R | 30 | 253 | R | 30 | 253 | R | Due to cashflow constraints creditors are not paid within 30 days. The escalation in debt owed to Eskom and Department of Water and Sanitation is a major contributing factor. | Apply the Credit Control Policy strictly to improve the collection rate. Comply to the conditions of the Municipal Debt Relief Programme. Implementation of circular 49 of 2023 ensuring adherence to 30-day payment period through barring non-cash backed procurement being initiated. |
| TL57 | Strategic Objective 4: Establishment of a Healthy Financial Management | Prepare and submit the Asset Register for the FY 2024/25 to the Auditor General by 31 August 2025 | Approved Asset Register submitted to the Auditor General | 1 | 1 | 1 | G | 0 | 0 | N/A | 1 | 1 | G | N/A | N/A |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|--|---|------------------------|------------------------------------|--------|---|--------------------------------------|--------|---|---|--------|---|---------------------|---------------------|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL58 | Strategic Objective 5: Improved Institutional Management | Ensure that the actual spending on employee related costs does not exceed 33% of the total expenditure by 30 June 2026 (employee related costs and councillors remuneration/total operating expenditure x100 | Employee cost as a percentage of total operating cost | 33% | 33% | 27% | B | 33% | 33% | G | 33% | 33% | G | N/A | N/A |
| TL59 | Strategic Objective 5: Improved Institutional Management | To implement ICT systems and technology to enable the municipality to deliver excellent customer experience by 30 June 2026 | Percentage implementation of the ICT operational plan | 100% | 100% | 100% | G | 100% | 100% | G | 100% | 100% | G | N/A | N/A |

Summary of Results: Financial Services

| | | | |
|-------------|------------------------|---|----|
| N/A | KPI Not Yet Applicable | KPIs with no targets or actuals in the selected period. | 4 |
| R | KPI Not Met | 0% <= Actual/Target <= 74.999% | 8 |
| O | KPI Almost Met | 75.000% <= Actual/Target <= 99.999% | 2 |
| G | KPI Met | Actual meets Target (Actual/Target = 100%) | 4 |
| G2 | KPI Well Met | 100.001% <= Actual/Target <= 149.999% | 3 |
| B | KPI Extremely Well Met | 150.000% <= Actual/Target | 1 |
| Total KPIs: | | | 22 |

11.3 STRATEGY, ECONOMIC DEVELOPMENT AND PLANNING

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|--|---|------------------------|------------------------------------|--------|-----|--------------------------------------|--------|---|---|--------|---|---|---|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL11 | Strategic Objective 1: Economic Growth Through Promoting Sol Plaatje Municipality as an Economic Hub | Percentage implementation of the township revitalization programme | % Progress as per the annual project plan | 100% | 0% | 0% | N/A | 50% | 0% | R | 50% | 0% | R | The procurement is at an advance stage as the technical report has been prepared and submitted to SCM to be presented at the BEC and BAC respectively. The project is on schedule and should be completed by end of April 2026 if respective committees convene in earnest. (See attached Technical report as POE). | Contractor to be appointed by 15 February 2026. |
| TL12 | Strategic Objective 1: Economic Growth Through Promoting Sol Plaatje Municipality as an Economic Hub | Percentage upgrade of the Tram by 30 June 2026 | % Completion as per the annual plan | 100% | 0% | 0% | N/A | 50% | 10% | R | 50% | 10% | R | Appointment of consultants to develop tender documents and specificationss is concluded . | Consultant to develop tender documents. Project schedule to be reviewed and adjusted accordingly. Project will also be submitted for rollover. Actual mechanical repair works is expected to commence in May of 2026. |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|---|-------------------------------------|------------------------|------------------------------------|--------|-----|--------------------------------------|--------|----|---|--------|----|---|---|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL13 | Strategic Objective 1: Economic Growth Through Promoting Sol Plaatje Municipality as an Economic Hub | Percentage establishment of the greenpoint Business Development Centre by 30 June 2026 | % Completion as per the annual plan | 100% | 0% | 0% | N/A | 50% | 69% | G2 | 50% | 69% | G2 | N/A | N/A |
| TL14 | Strategic Objective 1: Economic Growth Through Promoting Sol Plaatje Municipality as an Economic Hub | Percentage completion of the design, printing and distribution of tourism Brochures by 30 June 2026 | % completion as per the annual plan | 100% | 0% | 0% | N/A | 50% | 0% | R | 50% | 0% | R | Technical reports submitted to SCM for evaluation and appointment of a suitable service provider. | Project to be expedited and amid appointment of the service provider. |
| TL15 | Strategic Objective 1: Economic Growth Through Promoting Sol Plaatje Municipality as an Economic Hub | Percentage progress on the completion of the fencing of the market by 30 June 2026 | % completion as per the annual plan | 100% | 0% | 0% | N/A | 50% | 100% | B | 50% | 100% | B | N/A | N/A |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|---|--|------------------------|---------------------------------------|--------|-----|---|--------|---|---|--------|---|---|-----------------------|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL16 | Strategic Objective 1: Economic Growth Through Promoting Sol Plaatje Municipality as an Economic Hub | Number of tourism information boards installed (new and replaced) by 30 June 2026 | Number of signage boards installed | 10 | 0 | 12 | B | 3 | 3 | G | 3 | 15 | B | N/A | N/A |
| TL2 | Strategic Objective 1: Economic Growth Through Promoting Sol Plaatje Municipality as an Economic Hub | % Progress on the redevelopment (Planning and Designs) of the RC Elliot Hall as per the annual plan by 30 June 2026 | Percentage progress as per the annual plan | 30% | 0% | 0% | N/A | 15% | 15% | G | 15% | 15% | G | A technical report was presented at the Bid Evaluation Committee and was recommended for BAC scheduled for the 04/11/2025, due to lack of quorum the item could not be presented at the said Bid Adjudication Committee. The PSP was provided with an offer and we are awaiting the acceptance offer. (December 2025) | NO CORRECTIVE MEASURE |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|-----|--|--|--|------------------------|------------------------------------|--------|---|--------------------------------------|--------|----|---|--------|----|---------------------|---------------------|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL5 | Strategic Objective 1: Economic Growth Through Promoting Sol Plaatje Municipality as an Economic Hub | Ensuring a response time of 11 weeks for building plans submissions received in the current financial year for buildings / architectural buildings less than 500m2 (number of plans received / divided by number of weeks to process by 30 June 2026) | Average response time in weeks to process building plans | 11 | 11 | 4.2 | B | 11 | 6.4 | B | 11 | 5.3 | B | N/A | N/A |
| TL6 | Strategic Objective 1: Economic Growth Through Promoting Sol Plaatje Municipality as an Economic Hub | Ensuring a response time of 11 weeks for building plans submissions received in the current financial year for buildings / architectural buildings greater than 500m2 (number of plans received / divided by number of weeks to process by 30 June 2026) | Average response time in weeks to process building plans | 11 | 11 | 0 | B | 11 | 2.8 | B | 11 | 1.4 | B | N/A | N/A |
| TL7 | Strategic Objective 1: Economic Growth Through Promoting Sol Plaatje Municipality as an Economic Hub | Number of workshops provided to SMMEs by 30 June 2026 | Number of workshop provided to SMMEs | 10 | 3 | 3 | G | 3 | 4 | G2 | 6 | 7 | G2 | N/A | N/A |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|-----|--|---|--------------------------------|------------------------|---------------------------------------|--------|---|---|--------|---|---|--------|---|---------------------|---------------------|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL9 | Strategic Objective 1: Economic Growth Through Promoting Sol Plaatje Municipality as an Economic Hub | Number of marketing and promotion of tourist attractions conducted annually | Number of programmes conducted | 4 | 1 | 3 | B | 1 | 3 | B | 2 | 6 | B | N/A | N/A |

Summary of Results: Strategy, Economic Development and Planning

| | | | |
|-------------|------------------------|---|----|
| N/A | KPI Not Yet Applicable | KPIs with no targets or actuals in the selected period. | 4 |
| R | KPI Not Met | 0% <= Actual/Target <= 74.999% | 3 |
| O | KPI Almost Met | 75.000% <= Actual/Target <= 99.999% | 0 |
| G | KPI Met | Actual meets Target (Actual/Target = 100%) | 1 |
| G2 | KPI Well Met | 100.001% <= Actual/Target <= 149.999% | 2 |
| B | KPI Extremely Well Met | 150.000% <= Actual/Target | 5 |
| Total KPIs: | | | 15 |

11.4 CORPORATE SERVICES

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|--|---|------------------------|------------------------------------|--------|---|--------------------------------------|--------|---|---|--------|---|---|--|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL17 | Strategic Objective 3: Good, Clean and Transparent Governance and Public Participation | To disseminate on a monthly basis the electronic municipal newsletter through social media platforms by 30 June 2026 | Monthly distribution | 12 | 3 | 0 | R | 3 | 1 | R | 6 | 1 | R | Communication: News letter for December 2025 distributed and placed on website. | KPI to be adjusted during adjustment period for the newsletter to be printed quarterly and not monthly |
| TL18 | Strategic Objective 3: Good, Clean and Transparent Governance and Public Participation | Number of quarterly reports submitted on gender activities (mainstream values of moral regeneration movement, child centered governance approach, women empowerment and gender equity and quality) by 30 June 2026 | Number of reports submitted | 4 | 1 | 1 | G | 1 | 1 | G | 2 | 2 | G | N/A | N/A |
| TL19 | Strategic Objective 3: Good, Clean and Transparent Governance and Public Participation | Percentage facilitation of Council and its Committee meetings as per the approved schedule by 30 June 2026 | % facilitation as per the approved schedule | 100% | 100% | 85% | O | 100% | 72% | R | 100% | 72% | R | All council meetings for quarter 1 & 2 took place as scheduled. Not all scheduled committee meetings took place due to "No Items" being submitted to Committee Services | Committee Services is to share the deadline of item submission calenda. To explore other social media platforms to enhance communication of scheduled/rescheduled or postponed meetings with councillors and the administration. |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|--|---|------------------------|------------------------------------|--------|---|--------------------------------------|--------|---|---|--------|---|---|---------------------|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| | | | | | | | | | | | | | | for the compilation of Agendas. Furthermore, some committee meetings did not form a quorum which warranted meetings to be rescheduled or postponed. | |
| TL20 | Strategic Objective 5: Improved Institutional Management | Limit vacancy rate to 20% of funded post by 30 June 2026 {(Number of funded posts vacant divided by budgeted funded posts) x100} | (Number of funded posts vacant divided by budgeted funded posts) x100 | 20% | 20% | 9% | B | 20% | 0% | B | 20% | 9% | B | N/A | N/A |
| TL22 | Strategic Objective 5: Improved Institutional Management | Review the organisational structure in line with the staff regulations and submit to council by 30 September 2025 | Number of organisational structures reviewed and submitted to council | 1 | 1 | 0 | R | 0 | 1 | B | 1 | 1 | G | N/A | N/A |

| Summary of Results: Corporate Services | | |
|--|------------------------|---|
| N/A | KPI Not Yet Applicable | KPIs with no targets or actuals in the selected period. |
| R | KPI Not Met | 0% <= Actual/Target <= 74.999% |
| O | KPI Almost Met | 75.000% <= Actual/Target <= 99.999% |
| G | KPI Met | Actual meets Target (Actual/Target = 100%) |
| G2 | KPI Well Met | 100.001% <= Actual/Target <= 149.999% |
| B | KPI Extremely Well Met | 150.000% <= Actual/Target |
| Total KPIs: | | 6 |

11.5 COMMUNITY AND SOCIAL DEVELOPMENT SERVICES

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|---|--|---|------------------------|------------------------------------|--------|---|--------------------------------------|--------|----|---|--------|----|---|---|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL23 | Strategic Objective 6: Provision of Community and Social Services | Number of reading outreach programmes conducted at all libraries by 30 June 2026 | Number of outreach programmes held | 60 | 15 | 35 | B | 15 | 16 | G2 | 30 | 51 | B | N/A | N/A |
| TL24 | Strategic Objective 6: Provision of Community and Social Services | % Completion of the planning and designs for the redevelopment of the Ritchie sports grounds by 30 June 2026 | % Completion of the planning and designs as per the annual project plan | 100% | 15% | 10% | R | 45% | 63% | G2 | 45% | 63% | G2 | N/A | N/A |
| TL25 | Strategic Objective 6: Provision of Community and Social Services | % Refurbishment of the Ritchie Community Hall by 30 June 2026 | % Progress on the refurbishment as per the annual project plan | 100% | 15% | 10% | R | 45% | 10% | R | 45% | 10% | R | This project has been suspended pending approval by funder | Project will continue once approved by the funder during the adjustment budget. |
| TL26 | Strategic Objective 6: Provision of Community and Social Services | % Completion for the refurbishment of the Floors/Colville Community hall by 30 June 2026 | % Progress on the completion for the refurbishment of the Community hall as per the annual project plan | 100% | 50% | 50% | G | 100% | 95% | O | 100% | 95% | O | The project has been completed. The Municipality is awaiting the close-out report and handover by the contractor. | The final checks and balances will be concluded and the project will be closed out. |
| TL27 | Strategic Objective 6: Provision of Community and Social Services | Number of road blocks conducted by 30 June 2026 | Number of roadblocks conducted | 8 | 2 | 7 | B | 2 | 5 | B | 4 | 12 | B | N/A | N/A |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|---|--|---|------------------------|------------------------------------|--------|----|--------------------------------------|--------|----|---|--------|----|---|---|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL28 | Strategic Objective 6: Provision of Community and Social Services | Plan and conduct stop and check points to improve road safety by 30 June 2026 | Number of stop and checkpoints conducted | 6 000 | 1 500 | 1 852 | G2 | 1 500 | 866 | R | 3 000 | 2 718 | O | Stop and check points conducted | NO CORRECTIVE MEASURE WAS RECORDED |
| TL29 | Strategic Objective 6: Provision of Community and Social Services | Conduct quarterly awareness for HIV, STI and TB by 30 June 2026 | Number of awareness campaigns conducted | 4 | 1 | 0 | R | 1 | 1 | G | 2 | 1 | R | The campaign planned for the first quarter could not materialise due to delays with the Mandela Day programmes which had to be postponed due to supply chain processes. | Improvement in planning to be done to avoid a recurrence of the non-performance |
| TL30 | Strategic Objective 6: Provision of Community and Social Services | Monthly inspections conducted at food premises to ensure compliance to legislation by 30 June 2026 | Number of Inspections conducted | 2 700 | 675 | 554 | O | 675 | 603 | O | 1 350 | 1 157 | O | Due to capacity constrains(shortage of EHPs) target could not be met. | Due to insufficient budget no additional EHP's can be appointed. |
| TL31 | Strategic Objective 6: Provision of Community and Social Services | Monthly inspections conducted at non-food premises to ensure compliance to legislation by 30 June 2026 | Number of inspections conducted | 1 200 | 300 | 29 | R | 300 | 24 | R | 600 | 53 | R | EHPs focus was more on food premises than non-food premises due to the demand thereof | Due to insufficient budget no additional EHP's can be appointed. |
| TL32 | Strategic Objective 6: Provision of Community | Number of water samples collected and submitted to the Laboratory by 30 June 2026 | Number of water samples collected and submitted to the Laboratory | 600 | 150 | 163 | G2 | 150 | 159 | G2 | 300 | 322 | G2 | N/A | N/A |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|---|--|---|------------------------|------------------------------------|--------|-----|--------------------------------------|--------|---|---|--------|---|---------------------------------------|---|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| | and Social Services | | | | | | G | | | R | | | G | | |
| TL33 | Strategic Objective 6: Provision of Community and Social Services | Review of the Indigent Burial Policy by 30 June 2026 | Final Reviewed Indigent Burial Policy | 1 | 0 | 0 | N/A | 1 | 0 | R | 1 | 0 | R | The policy is still in a draft state. | Meetings with the policy office still in progress to finalise the policy. |
| TL35 | Strategic Objective 6: Provision of Community and Social Services | Percentage completion of the fencing of the ABC Cemetery by 30 June 2026 | % Progress as per the annual project plan | 100% | 15% | 100% | B | 45% | 0% | R | 45% | 100% | B | N/A | N/A |

Summary of Results: Community and Social Developmental Services

| | | | |
|-------------|------------------------|---|----|
| N/A | KPI Not Yet Applicable | KPIs with no targets or actuals in the selected period. | 1 |
| R | KPI Not Met | 0% <= Actual/Target <= 74.999% | 4 |
| O | KPI Almost Met | 75.000% <= Actual/Target <= 99.999% | 3 |
| G | KPI Met | Actual meets Target (Actual/Target = 100%) | 0 |
| G2 | KPI Well Met | 100.001% <= Actual/Target <= 149.999% | 2 |
| B | KPI Extremely Well Met | 150.000% <= Actual/Target | 3 |
| Total KPIs: | | | 13 |

11.6 MUNICIPAL MANAGER

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|-------|--|---|--|------------------------|------------------------------------|--------|---|--------------------------------------|--------|---|---|--------|----|---|--|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL100 | Strategic Objective 2: Improved Service Delivery | Number of project management meetings conducted by the Project Management Unit by 30 June 2026 | Number of meetings conducted | 10 | 3 | 2 | R | 2 | 2 | G | 5 | 4 | O | The project management meeting for september did not sit due to unavailability of members | The meeting was rescheduled and held on the 10 October 2025. |
| TL101 | Strategic Objective 2: Improved Service Delivery | Number of project management reports tabled at the Executive Management Team meetings by 30 June 2026 | Number of reports tabled | 12 | 3 | 2 | R | 3 | 1 | R | 6 | 3 | R | Due to the non sitting of EMT meetings, 3x project management reports were not tabled as scheduled. | The reports will be tabled when EMT |
| TL104 | Strategic Objective 3: Good, Clean and Transparent Governance and Public Participation | Report quarterly on the progress of risk mitigation to the MM and EMT by 30 June 2026 | Quarterly reports on strategic risk register | 4 | 1 | 1 | G | 1 | 1 | G | 2 | 2 | G | N/A | N/A |
| TL105 | Strategic Objective 3: Good, Clean and Transparent Governance and Public Participation | Number of audits conducted as per the internal audit plan by 30 June 2026 | Number of internal audits conducted | 20 | 5 | 4 | O | 5 | 9 | B | 10 | 13 | G2 | N/A | N/A |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|-------|--|---|--|------------------------|------------------------------------|--------|-----|--------------------------------------|--------|-----|---|--------|---|--|---|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL106 | Strategic Objective 3: Good, Clean and Transparent Governance and Public Participation | Number of audit committee meetings conducted annually | Number of audit committee meetings conducted | 4 | 1 | 3 | B | 1 | 1 | G | 2 | 4 | B | N/A | N/A |
| TL109 | Strategic Objective 3: Good, Clean and Transparent Governance and Public Participation | Percentage implementation of all approved Mayoral programmes as per the annual plan by 30 June 2026 | % implementation | 100% | 40% | 0% | R | 70% | 0% | R | 70% | 0% | R | No programmes were implemented in the quarters under review. | The Mayor's office will collaborate with the Gender and special programmes unit to implement programmes in the future. |
| TL110 | Strategic Objective 3: Good, Clean and Transparent Governance and Public Participation | Percentage implementation of the public participation programme for IDP and budget as per the approved schedule by 30 June 2026 | % implementation | 100% | 0% | 0% | N/A | 50% | 0% | R | 50% | 0% | R | Council postponed the IDP review public participation meetings to January 2026 | Council approved the IDP public participation schedule in Dec 2025 . The programme is scheduled to take place from the 12 January 2026 -02 February 2026. |
| TL112 | Strategic Objective 5: Improved Institutional Management | % Completion of the appointed Sec 56 & 57 Managers performance agreements by August 2025 | % Completion of Performance agreements developed, submitted and publicised | 100% | 100% | 100% | G | 0% | 0% | N/A | 100% | 100% | G | N/A | N/A |
| TL97 | Strategic Objective 2: Improved Service Delivery | Percentage Completion on the construction of the satelite office containers by 30 June 2026 | % Completion as per the annual project plan | 100% | 0% | 0% | N/A | 50% | 0% | R | 50% | 0% | R | Project has been put on hold, as the funder did not approve to fund the project. | The project will be submitted for consideration during adjustment budget. |

| REF | Strategic Objective | KPI Name | Unit of Measurement | Original Annual Target | Quarter 1 (July to September 2025) | | | Quarter 2 (October to December 2025) | | | Overall Performance for July to December 2025 | | | | |
|------|--|--|---|------------------------|------------------------------------|--------|-----|--------------------------------------|--------|---|---|--------|---|---------------------|---------------------|
| | | | | | Target | Actual | R | Target | Actual | R | Target | Actual | R | Performance Comment | Corrective Measures |
| TL98 | Strategic Objective 2: Improved Service Delivery | Percentage Progress on the construction of the Riverton Community Hall by 30 June 2026 | % Progress as per the annual project plan | 100% | 0% | 0% | N/A | 50% | 50% | G | 50% | 50% | G | N/A | N/A |

Summary of Results: Municipal Manager

| | | | |
|-------------|------------------------|---|----|
| N/A | KPI Not Yet Applicable | KPIs with no targets or actuals in the selected period. | 6 |
| R | KPI Not Met | 0% <= Actual/Target <= 74.999% | 4 |
| O | KPI Almost Met | 75.000% <= Actual/Target <= 99.999% | 1 |
| G | KPI Met | Actual meets Target (Actual/Target = 100%) | 3 |
| G2 | KPI Well Met | 100.001% <= Actual/Target <= 149.999% | 1 |
| B | KPI Extremely Well Met | 150.000% <= Actual/Target | 1 |
| Total KPIs: | | | 16 |

12. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

Quality Certificate

I, **B MGAGULI**, the Acting Municipal Manager of Sol Plaatje Municipality, hereby certify that -

(mark as appropriate)

the monthly budget statement

quarterly report on the implementation of the budget and financial state affairs of the municipality

mid-year budget and performance assessment

For the quarter ended **31 December 2025** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Ms B MGAGULI

Acting Municipal Manager of Sol Plaatje Local Municipality (NC091)

SIGNATURE:

DATE: 20. January . 2026

13. CONCLUSION

This report meets the Section 52(d) MFMA, Act 56 of 2003, requirement for the Executive Mayor to report on the financial state of affairs of the municipality within 30 working days.

Communication

In compliance to legislative requirements (Section 52(d) of the MFMA, Act 56 of 2003) this document is provided to all stakeholders by placing it on the Sol Plaatje municipal website: www.solplaatje.org.za or can be viewed or downloaded from the following link: <http://www.solplaatje.org.za/CityManagement/Reporting/Pages/SDBIP.aspx>

14. ANNEXURE A: C-SCHEDULES

Prescribed Tables in terms of Municipal Budget and Reporting Regulations GG 32141 of 17 April 2009

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M06 December

| 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 |
| R thousands | | | | | | | | | |
| Financial Performance | | | | | | | | | |
| Property rates | 687,339 | 717,920 | 717,920 | 53,470 | 429,555 | 358,960 | 70,595 | 20% | 717,920 |
| Service charges | 1,449,088 | 1,761,512 | 1,761,512 | 113,467 | 776,613 | 880,756 | (104,143) | -12% | 1,761,512 |
| Investment revenue | 21,841 | 18,000 | 18,000 | 491 | 1,832 | 9,000 | (7,166) | -80% | 18,000 |
| Transfers and subsidies - Operational | 313,411 | 323,676 | 323,676 | 101,456 | 234,893 | 161,838 | 73,055 | 0 | 323,676 |
| Other own revenue | 430,140 | 413,080 | 413,080 | 26,651 | 179,901 | 206,540 | (26,639) | -13% | 413,080 |
| Total Revenue (excluding capital transfers and contributions) | 2,901,820 | 3,234,188 | 3,234,188 | 295,534 | 1,622,794 | 1,617,094 | 5,701 | 0% | 3,234,188 |
| Employee costs | 884,420 | 1,004,532 | 1,004,532 | 89,637 | 450,278 | 502,266 | (51,988) | -10% | 1,004,532 |
| Remuneration of Councillors | 33,794 | 37,083 | 37,083 | 2,823 | 16,757 | 18,842 | (1,785) | -10% | 37,083 |
| Depreciation and amortisation | 96,037 | 90,200 | 90,200 | - | - | 45,100 | (45,100) | -100% | 90,200 |
| Interest | 104,569 | 15,880 | 15,880 | 8,245 | 8,252 | 7,940 | 312 | 4% | 15,880 |
| Inventory consumed and bulk purchases | 1,182,440 | 1,331,852 | 1,331,852 | 97,251 | 602,677 | 694,926 | (92,249) | -13% | 1,331,852 |
| Transfers and subsidies | 2,807 | 4,300 | 4,300 | 650 | 1,321 | 2,150 | (829) | -39% | 4,300 |
| Other expenditure | 780,530 | 728,658 | 728,658 | 17,425 | 356,632 | 364,329 | (7,697) | -2% | 728,658 |
| Total Expenditure | 3,084,597 | 3,212,506 | 3,212,506 | 216,032 | 1,435,917 | 1,635,253 | (199,336) | -12% | 3,212,506 |
| Surplus/(Deficit) | (182,777) | 21,682 | 21,682 | 79,502 | 186,877 | (18,159) | 205,036 | -1129% | 21,682 |
| Transfers and subsidies - capital (monetary) | 574,062 | 684,166 | 684,166 | 61,575 | 344,247 | 342,083 | 2,164 | 1% | 684,166 |
| Transfers and subsidies - capital (in-kind) | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | 391,285 | 705,848 | 705,848 | 141,077 | 531,124 | 323,924 | 207,201 | 64% | 705,848 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | 391,285 | 705,848 | 705,848 | 141,077 | 531,124 | 323,924 | 207,201 | 64% | 705,848 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | 536,075 | 627,331 | 627,331 | 46,068 | 296,818 | 313,666 | (16,847) | -5% | 627,331 |
| Capital transfers recognised | 504,592 | 594,927 | 594,927 | 46,068 | 291,870 | 297,463 | (5,594) | -2% | 594,927 |
| Borrowing | - | - | - | - | - | - | - | - | - |
| Internally generated funds | 31,484 | 32,404 | 32,404 | - | 4,949 | 16,202 | (11,253) | -69% | 32,404 |
| Total sources of capital funds | 536,075 | 627,331 | 627,331 | 46,068 | 296,818 | 313,666 | (16,847) | -5% | 627,331 |
| Financial position | | | | | | | | | |
| Total current assets | 2,957,797 | 3,027,796 | 3,027,796 | | 3,591,680 | | | | 3,027,796 |
| Total non current assets | 2,257,023 | 3,131,060 | 3,131,060 | | 2,553,841 | | | | 3,131,060 |
| Total current liabilities | 1,204,094 | 1,669,231 | 1,669,231 | | 1,611,707 | | | | 1,669,231 |
| Total non current liabilities | 1,177,512 | 442,927 | 442,927 | | 1,169,476 | | | | 442,927 |
| Community wealth/Equity | 2,833,214 | 4,046,698 | 4,046,698 | | 3,364,338 | | | | 4,046,698 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | 515,176 | 753,802 | 753,802 | (43,796) | 177,240 | 376,901 | 199,661 | 53% | 753,802 |
| Net cash from (used) investing | (529,312) | (721,431) | (721,431) | (46,068) | (296,818) | (360,715) | (63,897) | 18% | (721,431) |
| Net cash from (used) financing | 100 | (16,688) | (16,688) | (6) | 30 | (8,344) | (8,374) | 100% | (16,688) |
| Cash/cash equivalents at the monthly/year end | 99,690 | 146,574 | 146,574 | 44,361 | 44,361 | 138,732 | 94,372 | 68% | 179,592 |
| Debtors & creditors analysis | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Ds | 151-180 Ds | 181 Ds-1 Yr | Over 1Yr | Total |
| Debtors Age Analysis | | | | | | | | | |
| Total By Income Source | 179,935 | 134,149 | 109,670 | 107,884 | 101,402 | 177,470 | 446,942 | 3,274,839 | 4,532,290 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | - | - | - | - | - | - | - | - | - |

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

| Description | Ref | 2024/25 | | Budget Year 2025/26 | | | | | | |
|--|-----|------------------|------------------|---------------------|----------------|------------------|------------------|----------------|------------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| Revenue - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 1,770,560 | 1,815,862 | 1,815,862 | 226,340 | 1,075,371 | 907,931 | 167,440 | 18% | 1,815,862 |
| Executive and council | | 1,049,209 | 1,067,130 | 1,067,130 | 172,108 | 642,321 | 533,565 | 108,756 | 20% | 1,067,130 |
| Finance and administration | | 721,351 | 748,732 | 748,732 | 54,232 | 433,050 | 374,366 | 58,684 | 16% | 748,732 |
| Internal audit | | – | – | – | – | – | – | – | – | – |
| <i>Community and public safety</i> | | 52,398 | 46,152 | 46,152 | 2,966 | 18,717 | 23,076 | (4,359) | -19% | 46,152 |
| Community and social services | | 12,453 | 12,888 | 12,888 | 308 | 2,106 | 6,444 | (4,338) | -67% | 12,888 |
| Sport and recreation | | 3,217 | 2,910 | 2,910 | 332 | 1,435 | 1,455 | (21) | -1% | 2,910 |
| Public safety | | 818 | 570 | 570 | 19 | 297 | 285 | 12 | 4% | 570 |
| Housing | | 31,910 | 29,708 | 29,708 | 2,306 | 14,879 | 14,854 | 25 | 0% | 29,708 |
| Health | | 4,000 | 75 | 75 | – | – | 38 | (38) | -100% | 75 |
| <i>Economic and environmental services</i> | | 21,781 | 23,377 | 23,377 | 1,634 | 7,153 | 11,689 | (4,535) | -39% | 23,377 |
| Planning and development | | 8,200 | 9,207 | 9,207 | 597 | 4,985 | 4,604 | 381 | 8% | 9,207 |
| Road transport | | 13,581 | 14,170 | 14,170 | 1,037 | 2,168 | 7,085 | (4,917) | -69% | 14,170 |
| Environmental protection | | – | – | – | – | – | – | – | – | – |
| <i>Trading services</i> | | 1,619,577 | 2,020,883 | 2,020,883 | 126,231 | 859,786 | 1,010,441 | (150,655) | -15% | 2,020,883 |
| Energy sources | | 984,262 | 1,305,623 | 1,305,623 | 68,837 | 526,543 | 652,812 | (126,269) | -19% | 1,305,623 |
| Water management | | 387,287 | 448,093 | 448,093 | 35,331 | 200,452 | 224,046 | (23,594) | -11% | 448,093 |
| Waste water management | | 141,634 | 157,774 | 157,774 | 12,602 | 75,611 | 78,887 | (3,276) | -4% | 157,774 |
| Waste management | | 106,393 | 109,393 | 109,393 | 9,460 | 57,180 | 54,696 | 2,484 | 5% | 109,393 |
| <i>Other</i> | 4 | 11,566 | 12,081 | 12,081 | (61) | 6,014 | 6,040 | (26) | 0% | 12,081 |
| Total Revenue - Functional | 2 | 3,475,882 | 3,918,354 | 3,918,354 | 357,109 | 1,967,042 | 1,959,177 | 7,865 | 0% | 3,918,354 |
| Expenditure - Functional | | | | | | | | | | |
| <i>Governance and administration</i> | | 805,135 | 756,026 | 756,026 | 49,406 | 381,369 | 378,013 | 3,356 | 1% | 756,026 |
| Executive and council | | 566,498 | 532,963 | 532,963 | 21,504 | 243,405 | 266,482 | (23,077) | -9% | 532,963 |
| Finance and administration | | 234,475 | 219,046 | 219,046 | 27,515 | 135,632 | 109,523 | 26,109 | 24% | 219,046 |
| Internal audit | | 4,162 | 4,017 | 4,017 | 387 | 2,332 | 2,009 | 323 | 16% | 4,017 |
| <i>Community and public safety</i> | | 195,831 | 219,901 | 219,901 | 18,402 | 97,299 | 109,951 | (12,652) | -12% | 219,901 |
| Community and social services | | 48,397 | 52,711 | 52,711 | 4,703 | 23,569 | 26,356 | (2,787) | -11% | 52,711 |
| Sport and recreation | | 63,434 | 66,957 | 66,957 | 5,731 | 30,544 | 33,478 | (2,935) | -9% | 66,957 |
| Public safety | | 42,589 | 47,422 | 47,422 | 4,131 | 21,954 | 23,711 | (1,757) | -7% | 47,422 |
| Housing | | 22,733 | 31,345 | 31,345 | 2,075 | 11,932 | 15,672 | (3,740) | -24% | 31,345 |
| Health | | 18,679 | 21,467 | 21,467 | 1,763 | 9,300 | 10,733 | (1,433) | -13% | 21,467 |
| <i>Economic and environmental services</i> | | 179,646 | 189,177 | 189,177 | 20,506 | 104,152 | 94,589 | 9,564 | 10% | 189,177 |
| Planning and development | | 48,260 | 55,838 | 55,838 | 4,996 | 25,548 | 27,919 | (2,371) | -8% | 55,838 |
| Road transport | | 130,479 | 132,364 | 132,364 | 15,389 | 78,107 | 66,182 | 11,925 | 18% | 132,364 |
| Environmental protection | | 907 | 975 | 975 | 121 | 497 | 487 | 10 | 2% | 975 |
| <i>Trading services</i> | | 1,878,985 | 2,016,320 | 2,016,320 | 124,839 | 839,924 | 1,037,160 | (197,236) | -19% | 2,016,320 |
| Energy sources | | 1,239,137 | 1,303,951 | 1,303,951 | 85,630 | 561,979 | 680,975 | (118,997) | -17% | 1,303,951 |
| Water management | | 439,992 | 445,043 | 445,043 | 23,208 | 171,829 | 222,521 | (50,692) | -23% | 445,043 |
| Waste water management | | 117,220 | 158,834 | 158,834 | 10,051 | 61,885 | 79,417 | (17,532) | -22% | 158,834 |
| Waste management | | 82,637 | 108,493 | 108,493 | 5,950 | 44,231 | 54,246 | (10,015) | -18% | 108,493 |
| <i>Other</i> | | 25,000 | 31,081 | 31,081 | 2,878 | 13,173 | 15,540 | (2,367) | -15% | 31,081 |
| Total Expenditure - Functional | 3 | 3,084,597 | 3,212,506 | 3,212,506 | 216,032 | 1,435,917 | 1,635,253 | (199,336) | -12% | 3,212,506 |
| Surplus/ (Deficit) for the year | | 391,285 | 705,848 | 705,848 | 141,077 | 531,124 | 323,924 | 207,201 | 0.6396587 | 705,848 |

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December

| Vote Description | Ref | 2024/25 | | Budget Year 2025/26 | | | | | | |
|--|-----|------------------|------------------|---------------------|----------------|------------------|------------------|------------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue by Vote | 1 | – | – | – | – | – | – | – | – | – |
| Vote 01 - Executive & Council | | 1,049,209 | 1,067,130 | 1,067,130 | 172,108 | 642,321 | 533,565 | 108,756 | 20.4% | 1,067,130 |
| Vote 02 - Municipal And General | | 2,759 | 2,305 | 2,305 | 175 | 956 | 1,153 | (197) | -17.1% | 2,305 |
| Vote 03 - Municipal Manager | | 6,263 | 6,110 | 6,110 | 470 | 2,004 | 3,055 | (1,051) | -34.4% | 6,110 |
| Vote 04 - Corporate Services | | 149,002 | 148,586 | 148,586 | 10,119 | 66,298 | 74,293 | (7,995) | -10.8% | 148,586 |
| Vote 05 - Community Services | | 714,281 | 742,122 | 742,122 | 53,709 | 430,742 | 371,061 | 59,682 | 16.1% | 742,122 |
| Vote 06 - Financial Services | | 8,419 | 10,003 | 10,003 | 483 | 5,886 | 5,001 | 884 | 17.7% | 10,003 |
| Vote 07 - Strategy Econ Development And Planning | | 1,545,949 | 1,942,098 | 1,942,098 | 120,044 | 818,835 | 971,049 | (152,214) | -15.7% | 1,942,098 |
| Vote 08 - Infrastructure And Services | | – | – | – | – | – | – | – | – | – |
| Vote 09 - | | – | – | – | – | – | – | – | – | – |
| Vote 10 - | | – | – | – | – | – | – | – | – | – |
| Vote 11 - | | – | – | – | – | – | – | – | – | – |
| Vote 12 - | | – | – | – | – | – | – | – | – | – |
| Vote 13 - | | – | – | – | – | – | – | – | – | – |
| Vote 14 - | | – | – | – | – | – | – | – | – | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | – | – |
| Total Revenue by Vote | 2 | 3,475,882 | 3,918,354 | 3,918,354 | 357,109 | 1,967,042 | 1,959,177 | 7,865 | 0.4% | 3,918,354 |
| Expenditure by Vote | | | | | | | | | | |
| Vote 01 - Executive & Council | 1 | 57,033 | 61,221 | 61,221 | 5,428 | 28,607 | 30,610 | (2,003) | -6.5% | 61,221 |
| Vote 02 - Municipal And General | | 495,206 | 464,832 | 464,832 | 14,932 | 207,759 | 232,416 | (24,657) | -10.6% | 464,832 |
| Vote 03 - Municipal Manager | | 29,886 | 30,614 | 30,614 | 2,403 | 14,041 | 15,307 | (1,266) | -8.3% | 30,614 |
| Vote 04 - Corporate Services | | 73,335 | 81,513 | 81,513 | 7,916 | 39,947 | 40,757 | (809) | -2.0% | 81,513 |
| Vote 05 - Community Services | | 320,158 | 363,848 | 363,848 | 29,461 | 163,237 | 181,924 | (18,687) | -10.3% | 363,848 |
| Vote 06 - Financial Services | | 143,187 | 173,366 | 173,366 | 13,923 | 71,211 | 86,683 | (15,472) | -17.8% | 173,366 |
| Vote 07 - Strategy Econ Development And Planning | | 55,692 | 76,090 | 76,090 | 6,155 | 27,805 | 38,045 | (10,240) | -26.9% | 76,090 |
| Vote 08 - Infrastructure And Services | | 1,910,101 | 1,961,023 | 1,961,023 | 135,813 | 883,309 | 1,009,511 | (126,203) | -12.5% | 1,961,023 |
| Vote 09 - | | – | – | – | – | – | – | – | – | – |
| Vote 10 - | | – | – | – | – | – | – | – | – | – |
| Vote 11 - | | – | – | – | – | – | – | – | – | – |
| Vote 12 - | | – | – | – | – | – | – | – | – | – |
| Vote 13 - | | – | – | – | – | – | – | – | – | – |
| Vote 14 - | | – | – | – | – | – | – | – | – | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | – | – |
| Total Expenditure by Vote | 2 | 3,084,597 | 3,212,506 | 3,212,506 | 216,032 | 1,435,917 | 1,635,253 | (199,336) | -12.2% | 3,212,506 |
| Surplus/ (Deficit) for the year | 2 | 391,285 | 705,848 | 705,848 | 141,077 | 531,124 | 323,924 | 207,201 | 64.0% | 705,848 |

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

| 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 | | | | | | | | | | |
| Revenue | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | |
| Service charges - Electricity | | 942,441 | 1,218,923 | 1,218,923 | 66,751 | 513,297 | 609,462 | (96,164) | -16% | 1,218,923 |
| Service charges - Water | | 312,941 | 362,722 | 362,722 | 29,302 | 160,524 | 181,361 | (20,837) | -11% | 362,722 |
| Service charges - Waste Water Management | | 110,559 | 106,274 | 106,274 | 9,940 | 58,415 | 53,137 | 5,278 | 10% | 106,274 |
| Service charges - Waste management | | 83,147 | 73,593 | 73,593 | 7,473 | 44,376 | 36,796 | 7,580 | 21% | 73,593 |
| Sale of Goods and Rendering of Services | | 16,897 | 18,644 | 18,644 | 1,007 | 9,263 | 9,322 | (59) | -1% | 18,644 |
| Agency services | | | | | | | | | | |
| Interest | | - | - | - | - | - | - | - | - | - |
| Interest earned from Receivables | | 166,017 | 142,100 | 142,100 | 13,608 | 91,068 | 71,050 | 20,018 | 28% | 142,100 |
| Interest from Current and Non Current Assets | | 21,841 | 18,000 | 18,000 | 491 | 1,832 | 9,000 | (7,168) | -80% | 18,000 |
| Dividends | | - | - | - | - | - | - | - | - | - |
| Rent on Land | | | | | | | | | | |
| Rental from Fixed Assets | | 32,057 | 29,740 | 29,740 | 2,321 | 14,999 | 14,870 | 129 | 1% | 29,740 |
| Licence and permits | | 660 | 1,000 | 1,000 | 10 | 172 | 500 | (328) | -66% | 1,000 |
| Special rating levies | | | | | | | | | | |
| Operational Revenue | | 3,152 | 3,383 | 3,383 | 1,212 | 2,599 | 1,692 | 907 | 54% | 3,383 |
| Non-Exchange Revenue | | | | | | | | | | |
| Property rates | | 687,339 | 717,920 | 717,920 | 53,470 | 429,555 | 358,960 | 70,595 | 20% | 717,920 |
| Surcharges and Taxes | | | | | | | | | | |
| Fines, penalties and forfeits | | 36,851 | 34,743 | 34,743 | (8) | 626 | 17,371 | (16,745) | -96% | 34,743 |
| Licence and permits | | 8,435 | 8,200 | 8,200 | (92) | 4,092 | 4,100 | (8) | 0% | 8,200 |
| Transfers and subsidies - Operational | | 313,411 | 323,676 | 323,676 | 101,456 | 234,893 | 161,838 | 73,055 | 45% | 323,676 |
| Interest | | 103,759 | 117,020 | 117,020 | 7,561 | 51,269 | 58,510 | (7,241) | -12% | 117,020 |
| Fuel Levy | | | | | | | | | | |
| Operational Revenue | | 27,322 | 58,250 | 58,250 | 1,032 | 5,812 | 29,125 | (23,313) | -80% | 58,250 |
| Gains on disposal of Assets | | 6,763 | - | - | - | - | - | - | - | - |
| Other Gains | | 28,227 | - | - | - | - | - | - | - | - |
| Discontinued Operations | | | | | | | | | | |
| Total Revenue (excluding capital transfers and contributions) | | 2,901,820 | 3,234,188 | 3,234,188 | 295,534 | 1,622,794 | 1,617,094 | 5,701 | 0% | 3,234,188 |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 884,420 | 1,004,532 | 1,004,532 | 89,637 | 450,278 | 502,266 | (51,988) | -10% | 1,004,532 |
| Remuneration of councillors | | 33,794 | 37,083 | 37,083 | 2,823 | 16,757 | 18,542 | (1,785) | -10% | 37,083 |
| Bulk purchases - electricity | | 901,045 | 1,000,000 | 1,000,000 | 70,461 | 459,355 | 529,000 | (69,645) | -13% | 1,000,000 |
| Inventory consumed | | 281,395 | 331,852 | 331,852 | 26,791 | 143,322 | 165,926 | (22,604) | -14% | 331,852 |
| Debt impairment | | 476,743 | 437,149 | 437,149 | - | 218,574 | 218,574 | (0) | 0% | 437,149 |
| Depreciation and amortisation | | 96,037 | 90,200 | 90,200 | - | - | 45,100 | (45,100) | -100% | 90,200 |
| Interest | | 104,569 | 15,880 | 15,880 | 8,245 | 8,252 | 7,940 | 312 | 4% | 15,880 |
| Contracted services | | 53,129 | 45,856 | 45,856 | 2,593 | 12,629 | 22,928 | (10,299) | -45% | 45,856 |
| Transfers and subsidies | | 2,807 | 4,300 | 4,300 | 650 | 1,321 | 2,150 | (829) | -39% | 4,300 |
| Imrecoverable debts written off | | - | - | - | - | 2 | - | 2 | #DIV/0! | - |
| Operational costs | | 151,187 | 176,654 | 176,654 | 14,832 | 99,798 | 88,327 | 11,472 | 13% | 176,654 |
| Losses on Disposal of Assets | | 4,924 | - | - | - | - | - | - | - | - |
| Other Losses | | 94,546 | 69,000 | 69,000 | - | 25,629 | 34,500 | (8,871) | -26% | 69,000 |
| Total Expenditure | | 3,084,597 | 3,212,506 | 3,212,506 | 216,032 | 1,435,917 | 1,635,253 | (199,336) | -12% | 3,212,506 |
| Surplus/(Deficit) | | (182,777) | 21,682 | 21,682 | 79,502 | 186,877 | (18,159) | 205,036 | (0) | 21,682 |
| Transfers and subsidies - capital (monetary allocations) | | 574,062 | 684,166 | 684,166 | 61,575 | 344,247 | 342,083 | 2,164 | 0 | 684,166 |
| Transfers and subsidies - capital (in-kind) | | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | | 391,285 | 705,848 | 705,848 | 141,077 | 531,124 | 323,924 | 207,201 | 0 | 705,848 |
| Income Tax | | | | | | | | | | |
| Surplus/(Deficit) after income tax | | 391,285 | 705,848 | 705,848 | 141,077 | 531,124 | 323,924 | 207,201 | 0 | 705,848 |
| Share of Surplus/Deficit attributable to Joint Venture | | | | | | | | | | |
| Share of Surplus/Deficit attributable to Minorities | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | 391,285 | 705,848 | 705,848 | 141,077 | 531,124 | 323,924 | 207,201 | 0 | 705,848 |
| Share of Surplus/Deficit attributable to Associate | | | | | | | | | | |
| Intercompany/Parent subsidiary transactions | | | | | | | | | | |
| Surplus/ (Deficit) for the year | | 391,285 | 705,848 | 705,848 | 141,077 | 531,124 | 323,924 | 207,201 | 0 | 705,848 |

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

| Vote Description | Ref | 2024/25 | | Budget Year 2025/26 | | | | | | |
|--|-----|-----------------|-----------------|---------------------|----------------|----------------|----------------|-----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 01 - Executive & Council | | – | – | – | – | – | – | – | – | – |
| Vote 02 - Municipal And General | | 2,214 | 1,739 | 1,739 | – | – | 870 | (870) | -100% | 1,739 |
| Vote 03 - Municipal Manager | | – | – | – | – | – | – | – | – | – |
| Vote 04 - Corporate Services | | – | – | – | – | – | – | – | – | – |
| Vote 05 - Community Services | | 3,043 | 6,579 | 6,579 | – | – | 3,290 | (3,290) | -100% | 6,579 |
| Vote 06 - Financial Services | | – | – | – | – | – | – | – | – | – |
| Vote 07 - Strategy Econ Development And Planning | | 143 | 3,130 | 3,130 | – | 1,276 | 1,565 | (289) | -18% | 3,130 |
| Vote 08 - Infrastructure And Services | | 509,323 | 524,952 | 524,952 | 39,513 | 249,455 | 262,476 | (13,021) | -5% | 524,952 |
| Vote 09 - | | – | – | – | – | – | – | – | – | – |
| Vote 10 - | | – | – | – | – | – | – | – | – | – |
| Vote 11 - | | – | – | – | – | – | – | – | – | – |
| Vote 12 - | | – | – | – | – | – | – | – | – | – |
| Vote 13 - | | – | – | – | – | – | – | – | – | – |
| Vote 14 - | | – | – | – | – | – | – | – | – | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | – | – |
| Total Capital Multi-year expenditure | 4,7 | 514,722 | 536,400 | 536,400 | 39,513 | 250,730 | 268,200 | (17,470) | -7% | 536,400 |
| Single Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 01 - Executive & Council | | – | – | – | – | – | – | – | – | – |
| Vote 02 - Municipal And General | | 16,951 | 19,826 | 19,826 | 4,502 | 5,195 | 9,913 | (4,718) | -48% | 19,826 |
| Vote 03 - Municipal Manager | | – | – | – | – | – | – | – | – | – |
| Vote 04 - Corporate Services | | – | – | – | – | – | – | – | – | – |
| Vote 05 - Community Services | | 2,014 | 5,217 | 5,217 | – | 5,217 | 2,609 | 2,608 | 100% | 5,217 |
| Vote 06 - Financial Services | | – | 870 | 870 | – | – | 435 | (435) | -100% | 870 |
| Vote 07 - Strategy Econ Development And Planning | | 1,518 | 7,361 | 7,361 | 388 | 3,453 | 3,680 | (227) | -6% | 7,361 |
| Vote 08 - Infrastructure And Services | | 871 | 57,657 | 57,657 | 1,664 | 32,223 | 28,829 | 3,395 | 12% | 57,657 |
| Vote 09 - | | – | – | – | – | – | – | – | – | – |
| Vote 10 - | | – | – | – | – | – | – | – | – | – |
| Vote 11 - | | – | – | – | – | – | – | – | – | – |
| Vote 12 - | | – | – | – | – | – | – | – | – | – |
| Vote 13 - | | – | – | – | – | – | – | – | – | – |
| Vote 14 - | | – | – | – | – | – | – | – | – | – |
| Vote 15 - Other | | – | – | – | – | – | – | – | – | – |
| Total Capital single-year expenditure | 4 | 21,353 | 90,931 | 90,931 | 6,555 | 46,088 | 45,466 | 623 | 1% | 90,931 |
| Total Capital Expenditure | | 536,075 | 627,331 | 627,331 | 46,068 | 296,818 | 313,666 | (16,847) | -5% | 627,331 |
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | 19,165 | 22,435 | 22,435 | 4,502 | 5,195 | 11,217 | (6,023) | -54% | 22,435 |
| Executive and council | | 19,165 | 21,565 | 21,565 | 4,502 | 5,195 | 10,783 | (5,588) | -52% | 21,565 |
| Finance and administration | | – | 870 | 870 | – | – | 435 | (435) | -100% | 870 |
| Internal audit | | – | – | – | – | – | – | – | – | – |
| Community and public safety | | 5,056 | 11,797 | 11,797 | – | 5,217 | 5,898 | (681) | -12% | 11,797 |
| Community and social services | | 3,043 | 11,797 | 11,797 | – | 5,217 | 5,898 | (681) | -12% | 11,797 |
| Sport and recreation | | 2,014 | – | – | – | – | – | – | – | – |
| Public safety | | – | – | – | – | – | – | – | – | – |
| Housing | | – | – | – | – | – | – | – | – | – |
| Health | | – | – | – | – | – | – | – | – | – |
| Economic and environmental services | | 38,159 | 17,913 | 17,913 | 2,709 | 10,509 | 8,957 | 1,552 | 17% | 17,913 |
| Planning and development | | 1,415 | 7,043 | 7,043 | 388 | 2,690 | 3,522 | (832) | -24% | 7,043 |
| Road transport | | 36,744 | 10,870 | 10,870 | 2,321 | 7,819 | 5,435 | 2,384 | 44% | 10,870 |
| Environmental protection | | – | – | – | – | – | – | – | – | – |
| Trading services | | 473,450 | 571,739 | 571,739 | 38,856 | 273,859 | 285,870 | (12,010) | -4% | 571,739 |
| Energy sources | | 8,503 | 30,000 | 30,000 | 2,064 | 11,213 | 15,000 | (3,787) | -25% | 30,000 |
| Water management | | 444,716 | 499,565 | 499,565 | 32,219 | 257,290 | 249,783 | 7,508 | 3% | 499,565 |
| Waste water management | | 20,231 | 42,174 | 42,174 | 4,573 | 5,356 | 21,087 | (15,731) | -75% | 42,174 |
| Waste management | | – | – | – | – | – | – | – | – | – |
| Other | | 246 | 3,448 | 3,448 | – | 2,039 | 1,724 | 315 | 18% | 3,448 |
| Total Capital Expenditure - Functional Classification | 3 | 536,075 | 627,331 | 627,331 | 46,068 | 296,818 | 313,666 | (16,847) | -5% | 627,331 |
| Funded by: | | | | | | | | | | |
| National Government | | 504,592 | 594,927 | 594,927 | 46,068 | 291,870 | 297,463 | (5,594) | -2% | 594,927 |
| Provincial Government | | – | – | – | – | – | – | – | – | – |
| District Municipality | | – | – | – | – | – | – | – | – | – |
| Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Deptm | | – | – | – | – | – | – | – | – | – |
| Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions) | | – | – | – | – | – | – | – | – | – |
| Transfers recognised - capital | | 504,592 | 594,927 | 594,927 | 46,068 | 291,870 | 297,463 | (5,594) | -2% | 594,927 |
| Borrowing | 6 | 31,484 | 32,404 | 32,404 | – | 4,949 | 16,202 | (11,253) | -69% | 32,404 |
| Total Capital Funding | | 536,075 | 627,331 | 627,331 | 46,068 | 296,818 | 313,666 | (16,847) | -5% | 627,331 |

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M06 December

| Description | Ref | 2024/25 | Budget Year 2025/26 | | | |
|---|-----|------------------|---------------------|------------------|------------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands | 1 | | | | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | | 163,909 | 146,574 | 146,574 | 440,223 | 146,574 |
| Trade and other receivables from exchange transactions | | 1,517,568 | 1,518,421 | 1,518,421 | 1,635,610 | 1,518,421 |
| Receivables from non-exchange transactions | | 993,234 | 1,060,605 | 1,060,605 | 1,041,890 | 1,060,605 |
| Current portion of non-current receivables | | – | – | – | – | – |
| Inventory | | 107,239 | 112,013 | 112,013 | 125,119 | 112,013 |
| VAT | | 175,145 | 189,484 | 189,484 | 348,135 | 189,484 |
| Other current assets | | 704 | 699 | 699 | 703 | 699 |
| Total current assets | | 2,957,797 | 3,027,796 | 3,027,796 | 3,591,680 | 3,027,796 |
| Non current assets | | | | | | |
| Investments | | | | | | |
| Investment property | | 197,016 | 205,599 | 205,599 | 198,451 | 205,599 |
| Property, plant and equipment | | 2,006,820 | 2,873,339 | 2,873,339 | 2,302,203 | 2,873,339 |
| Biological assets | | | | | | |
| Living and non-living resources | | | | | | |
| Heritage assets | | 12,071 | 13,480 | 13,480 | 12,071 | 13,480 |
| Intangible assets | | 41,117 | 38,642 | 38,642 | 41,117 | 38,642 |
| Trade and other receivables from exchange transactions | | – | – | – | – | – |
| Non-current receivables from non-exchange transactions | | – | – | – | – | – |
| Other non-current assets | | – | – | – | – | – |
| Total non current assets | | 2,257,023 | 3,131,060 | 3,131,060 | 2,553,841 | 3,131,060 |
| TOTAL ASSETS | | 5,214,820 | 6,158,856 | 6,158,856 | 6,145,521 | 6,158,856 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | – | – | – | – | – |
| Financial liabilities | | – | (16,688) | (16,688) | – | (16,688) |
| Consumer deposits | | 50,445 | 49,962 | 49,962 | 51,609 | 49,962 |
| Trade and other payables from exchange transactions | | 900,690 | 1,191,824 | 1,191,824 | 1,069,969 | 1,191,824 |
| Trade and other payables from non-exchange transactions | | 742 | 106,409 | 106,409 | 203,668 | 106,409 |
| Provision | | 788 | 788 | 788 | 788 | 788 |
| VAT | | 251,429 | 336,936 | 336,936 | 285,673 | 336,936 |
| Other current liabilities | | – | – | – | – | – |
| Total current liabilities | | 1,204,094 | 1,669,231 | 1,669,231 | 1,611,707 | 1,669,231 |
| Non current liabilities | | | | | | |
| Financial liabilities | | 860,485 | 139,019 | 139,019 | 852,449 | 139,019 |
| Provision | | 317,027 | 303,908 | 303,908 | 317,027 | 303,908 |
| Long term portion of trade payables | | – | – | – | – | – |
| Other non-current liabilities | | – | – | – | – | – |
| Total non current liabilities | | 1,177,512 | 442,927 | 442,927 | 1,169,476 | 442,927 |
| TOTAL LIABILITIES | | 2,381,606 | 2,112,158 | 2,112,158 | 2,781,183 | 2,112,158 |
| NET ASSETS | 2 | 2,833,214 | 4,046,698 | 4,046,698 | 3,364,338 | 4,046,698 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated surplus/(deficit) | | 2,758,410 | 3,971,894 | 3,971,894 | 3,289,534 | 3,971,894 |
| Reserves and funds | | 74,804 | 74,804 | 74,804 | 74,804 | 74,804 |
| Other | | – | – | – | – | – |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 2,833,214 | 4,046,698 | 4,046,698 | 3,364,338 | 4,046,698 |

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M06 December

| Description | Ref | 2024/25 | | Budget Year 2025/26 | | | | | | |
|--|-----|------------------|------------------|---------------------|-----------------|------------------|------------------|-----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates | | 468,755 | 610,232 | 610,232 | 37,641 | 304,478 | 305,116 | (638) | 0% | 610,232 |
| Service charges | | 1,254,616 | 1,891,008 | 1,891,008 | 84,802 | 630,701 | 945,504 | (314,803) | -33% | 1,891,008 |
| Other revenue | | 1,079,730 | 421,814 | 421,814 | 25,263 | 244,026 | 210,907 | 33,119 | 16% | 421,814 |
| Transfers and Subsidies - Operational | | 312,601 | 323,676 | 323,676 | 105,074 | 244,541 | 161,838 | 82,703 | 51% | 323,676 |
| Transfers and Subsidies - Capital | | 574,597 | 684,166 | 684,166 | 22,480 | 537,526 | 342,083 | 195,443 | 57% | 684,166 |
| Interest | | 29,685 | 46,525 | 46,525 | 2,238 | 16,241 | 23,262 | (7,021) | -30% | 46,525 |
| Dividends | | | | | | | | | | |
| Payments | | | | | | | | | | |
| Suppliers and employees | | (3,205,722) | (3,207,739) | (3,207,739) | (321,294) | (1,801,478) | (1,603,869) | 197,609 | -12% | (3,207,739) |
| Interest | | 914 | (15,880) | (15,880) | - | 1,207 | (7,940) | (9,147) | 115% | (15,880) |
| Transfers and Subsidies | | - | - | - | - | - | - | - | - | - |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | 515,176 | 753,802 | 753,802 | (43,796) | 177,240 | 376,901 | 199,661 | 53% | 753,802 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Proceeds on disposal of PPE | | 6,763 | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current receivables | | - | - | - | - | - | - | - | - | - |
| Decrease (increase) in non-current investments | | | | | | | | | | |
| Payments | | | | | | | | | | |
| Capital assets | | (536,075) | (721,431) | (721,431) | (46,068) | (296,818) | (360,715) | (63,897) | 18% | (721,431) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | (529,312) | (721,431) | (721,431) | (46,068) | (296,818) | (360,715) | (63,897) | 18% | (721,431) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | | | | | | | | | |
| Borrowing long term/refinancing | | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in consumer deposits | | 100 | - | - | (6) | 30 | - | 30 | #DIV/0! | - |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | - | (16,688) | (16,688) | - | - | (8,344) | (8,344) | 100% | (16,688) |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | 100 | (16,688) | (16,688) | (6) | 30 | (8,344) | (8,374) | 100% | (16,688) |
| NET INCREASE/ (DECREASE) IN CASH HELD | | (14,037) | 15,684 | 15,684 | (89,869) | (119,548) | 7,842 | | | 15,684 |
| Cash/cash equivalents at beginning: | | 113,726 | 130,891 | 130,891 | 134,230 | 163,909 | 130,891 | | | 163,909 |
| Cash/cash equivalents at month/year end: | | 99,690 | 146,574 | 146,574 | 44,361 | 44,361 | 138,732 | | | 179,592 |

The BTO made a concerted effort to align the Cash and equivalents of A6 and A7 for the Adjustment budget for 2024/25 financial year, by relooking at the mapping as advised by NT and BCX. However, there are some errors that must be resolved so that the monthly and YTD actuals populate correctly. The Cash and Cash equivalents on C7 is slightly overstated. **As per C6, the Cash and cash equivalents is R440,223 million as per the Cash book balance.**