

NDLAMBE LOCAL MUNICIPALITY



2025/2026 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT



Address: 47 Campbell Street, Port Alfred,
Eastern Cape, South Africa, 6170
Tel: +27 (46) 604 5500
Fax: +27 (46) 604 5500
Email: info@ndlambe.gov.za

TABLE OF CONTENTS

PART 1: In-Year Report

1.1 Purpose.....2

1.2 Legislative Requirement2

1.3 Summary Overview3

1.4 In-year Budget Tables6

1.5 IDP and SDBIP Financial Performance as of 31 December 2025.....55

PART 2: Governance and Institutional arrangement

2.1 Weaknesses in Internal Controls67

2.2 Irregular, Fruitless and Wasteful Expenditure70

2.3 Implementation of mSCOA Reforms.....73

2.4 Progress report on 2025/2026 IDP/Budget progress.....74

PART 3: Quality Certificate.....76

PART 1 – IN-YEAR REPORTING

1.1 PURPOSE

The purpose of this report is to assess the financial performance and position of the municipality, as at 31 December 2025 and the consequential impact on the performance of the approved 2025/2026 IDP/SDBIP targets within the approved budget. Outline the progress report on Audit Action Plan.

1.2 LEGISLATIVE REQUIREMENT

In terms of Section 72(1)(a), (2), (3) and 52(d) of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such assessment must in terms of Section 72(1) (b) of the MFMA be submitted to the Mayor, Provincial Treasury and National Treasury.

Once the Mayor has considered the report, he must submit the report to Council by 31 January in terms of Section 54 of the MFMA.

In terms of the Section 54 (1), (2) and (3) of the Municipal Finance Management Act No. 56, 2003 Chapter 7, the following applies: -

“(1) on receipt of a statement or report submitted by the accounting officer of the Municipality in terms of section 72, the mayor must –

- (a) consider the statement or report;
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan:
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget:
 - (i) that the budget is implemented in accordance with the service delivery
 - (ii) that spending of funds and revenue collection proceed in accordance with the budget
- (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) in the case of a section 72 report, submit the report to the council by 31 January of each year

The mid-year performance reports and supporting tables of the Ndlambe Municipality, prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulation

1.3 SUMMARY OVERVIEW

Introduction

The Municipal Manager as Accounting Officer of the municipality is required by Section 72 of the Municipal Finance Management Act to submit a report to the Mayor of the Municipality, the National Treasury, and the relevant Provincial Treasury by the 25 January of each year, reviewing the financial performance of the municipality for the first six months of the financial year.

The mid-year report is a critical stage in the in-year reporting cycle of a municipality. As part of the review, in terms of Section 72(3) of the Municipal Finance Management Act, the Accounting Officer needs to make recommendations as to whether the Service Delivery Budget Implementation Plans and both capital and operating budgets need to be adjusted.

Section 54 (1) of the Municipal Finance Management Act requires the Mayor to consider and then submit the mid-year report to Council by 31 January of each year.

It must be noted that the Section 52 & 71, Quarterly/Monthly Budget Monitoring Report are incorporated in this report. Therefore, the requirements of Section 52 (d) and Section 71 of the Municipal Finance Management Act have been met in this mid-year Budget and Assessment Report.

The table below outlines the summary of the financial performance for the mid-year ending 31 December 2025

Table C1 Monthly Budget Statement Summary - M06 – Half Year

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	Year TD actual	Year TD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	170,174	183,503	-	93,352	93,352	91,751	1,600	2%	183,503
Service charges	235,511	252,866	-	130,548	130,548	126,433	4,114	3%	252,866
Investment revenue	10,515	14,215	-	2,874	2,874	7,107	(4,233)	-60%	14,215
Transfers and subsidies - Operational	148,220	225,558	-	119,741	119,741	135,872	(16,131)	-12%	225,558
Other own revenue	42,971	43,951	-	22,299	22,299	22,003	295	1%	43,951
Total Revenue (excluding capital transfers and contributions)	607,392	720,093	-	368,813	368,813	383,167	(14,354)	-4%	720,093
Employee costs	214,913	213,426	-	112,599	112,599	106,181	6,419	6%	213,426
Remuneration of Councillors	8,682	8,469	-	4,231	4,231	4,234	(3)	0%	8,469
Depreciation and amortisation	52,763	51,635	-	23,529	23,529	42,379	(18,851)	-44%	51,635
Interest	8,498	8,679	-	-	-	-	-	-	8,679
Inventory consumed and bulk purchases	144,067	146,806	-	69,719	69,719	66,161	3,559	5%	146,806
Transfers and subsidies	5,196	5,738	-	3,149	3,149	2,618	532	20%	5,738
Other expenditure	240,580	359,990	-	106,123	106,123	142,219	(36,097)	-25%	359,990
Total Expenditure	674,698	794,742	-	319,351	319,351	363,792	(44,441)	-12%	794,742
Surplus/(Deficit)	(67,306)	(74,649)	-	49,462	49,462	19,375	30,087	155%	(74,649)
Transfers and subsidies - capital (monetary allocations)	171,705	169,700	-	125,722	125,722	98,434	27,288	28%	169,700
Transfers and subsidies - capital (in-kind)	1,168	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & Share of surplus/ (deficit) of associate	105,567	95,051	-	175,184	175,184	117,809	57,375	49%	95,051
Surplus/ (Deficit) for the year	105,567	95,051	-	175,184	175,184	117,809	57,375	49%	95,051
Capital expenditure & funds sources									
Capital expenditure	168,747	158,488	-	111,393	111,393	97,630	13,763	14%	158,488
Capital transfers recognised	157,100	146,845	-	110,824	110,824	87,721	23,103	26%	146,845
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	10,478	11,643	-	569	569	9,908	(9,340)	-94%	11,643
Total sources of capital funds	167,578	158,488	-	111,393	111,393	97,630	13,763	14%	158,488
Financial position									
Total current assets	364,531	317,631	-	-	402,026	-	-	-	317,631
Total non-current assets	1,639,974	1,604,811	-	-	1,726,666	-	-	-	1,604,811
Total current liabilities	360,853	292,363	-	-	309,817	-	-	-	292,363
Total non-current liabilities	149,675	144,082	-	-	149,675	-	-	-	144,082
Community wealth/Equity	1,491,999	1,485,998	-	-	1,669,201	-	-	-	1,485,998
Cash flows									
Net cash from (used) operating	100,763	124,536	142,872	112,675	112,675	96,606	(16,069)	-17%	124,536
Net cash from (used) investing	178,092	(173,938)	(185,440)	(136,732)	(136,732)	(108,142)	28,590	-26%	(173,938)
Net cash from (used) financing	359	-	-	208	208	-	(208)	0	-

Cash/cash equivalents at the month/year end	418,736	89,151	95,984	-	42,842	127,016	84,174	66%	17,290
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	41,325	19,694	15,124	13,725	9,199	12,492	6,518	173,830	291,907
Creditors Age Analysis									
Total Creditors	1,466	-	-	-	-	-	-	-	1,466

- ❖ The municipality generated revenue of R368,813million excluding capital transfers and contributions for the past six months against the mid-year budget projections of R383,167 the variance is -4% over than the budget reflecting a negative performance.
- ❖ Operating expenditure is R319,351 million against the mid-year budget projection of R363,792 million the variance is -12%, the variance is reflecting an under spending, budget is not spent in accordance with the allocated monthly projections.
- ❖ The municipality has realised an operating surplus in the past six months of R49,462 million for the past six months, the variance is 155%
- ❖ Capital transfers and contributions reflect at R125,722 million. It must be noted that the capital transfers relate to conditional grants therefore the actual balance is translated to be the revenue recognised when the conditions of the grants are met.
- ❖ The municipality acquired assets to the value of R111,824 million included projects that are work in progress reflected at R110,794 million.
- ❖ Financial position for the period ending 31 December reflected at R1,669,201 billion.
- ❖ The municipality's realised a positive cash and cash equivalents (bank balances) of R42,842 million, the balance includes the investments on call accounts and the primary bank account. It must be noted that call accounts investments comprise unspent grants monies transferred to the municipality plus bank guarantees.
- ❖ At the end of 31 December 2025, the municipality creditor's outstanding balance is R1,466 million in 30 days.
- ❖ The municipality's debtor's age analysis for the period ending 31 December 2025 is R291,907 million

The table below outlines approved roll over grants that will affect the adjustment budget:

Table SC7 (2) Monthly Budget Statement – Expenditure against approved rollovers – M06 – Half Year

Description	Ref	Budget Year 2025/26				YTD variance %
		Approved Rollover 2024/25	Monthly Actual	YearTD actual	YTD variance	
R thousands						
EXPENDITURE						
Operating expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Provincial Government:		(1,340)	377	(1,340)	-	100%
Libraries and Archives (DSRAC)		(1,340)	377	(1,340)	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total operating expenditure of Approved Roll-overs		(1,340)	377	(1,340)	-	100%
Capital expenditure of Approved Roll-overs						
National Government:		-	-	-	-	
Provincial Government:		(28,779)	8,070	(28,779)	-	100%
Municipal Disaster Relief Grant		(28,308)	8,070	(28,308)	-	
Libraries and Archives (DSRAC)		(472)	-	(472)	-	
District Municipality:		-	-	-	-	
Other grant providers:		-	-	-	-	
Total capital expenditure of Approved Roll-overs		(28,779)	8,070	(28,779)	-	100%
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		(30,119)	8,447	(30,119)	-	100%

MID- YEAR PERFORMANCE 2025/2026

1.4 IN-YEAR BUDGET TABLES- FINANCIAL PERFORMANCE

The seven main budget tables, as required in terms of the municipal budget and reporting regulation, are included in this section of the report. These tables will give more insight in the financial performance of Ndlambe Municipality for the period of July 2025 to December 2025.

1.4.1 FINANCIAL PERFORMANCE TABLES (REVENUE AND EXPENDITURE)

Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 – Half Year

Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Mid-Year	Year TD actual	Year TD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
Governance and administration		280,327	297,948	-	168,998	168,998	164,055	4,943	3%	297,948
Executive and council		4,587	4,763	-	4,763	4,763	2,382	2,381	100%	4,763
Finance and administration		275,295	293,185	-	163,971	163,971	161,673	2,207	1%	293,185
Internal audit		444	-	-	265	265	-	265	0	-
Community and public safety		10,057	78,896	-	11,582	11,582	39,698	(28,116)	-71%	78,896
Community and social services		2,758	3,469	-	1,770	1,770	1,734	36	2%	3,469
Sport and recreation		1,298	1,666	-	380	380	1,083	(702)	-65%	1,666
Public safety		192	299	-	57	57	149	(92)	-62%	299
Housing		1,978	71,270	-	8,221	8,221	35,635	(27,414)	-77%	71,270
Health		3,830	2,193	-	1,154	1,154	1,097	57	5%	2,193
Economic and environmental services		47,504	60,360	-	54,959	54,959	43,009	11,950	28%	60,360
Planning and development		9,242	8,165	-	4,598	4,598	4,082	515	13%	8,165
Road transport		37,324	50,570	-	48,867	48,867	38,114	10,753	28%	50,570
Environmental protection		938	1,625	-	1,494	1,494	813	682	84%	1,625
Trading services		438,679	447,512	-	256,109	256,109	232,301	23,808	10%	447,512
Energy sources		116,188	141,866	-	72,572	72,572	71,196	1,376	2%	141,866
Water management		134,576	146,124	-	101,935	101,935	75,674	26,261	35%	146,124
Waste water management		132,960	101,691	-	51,752	51,752	54,289	(2,537)	-5%	101,691
Waste management		54,955	57,830	-	29,850	29,850	31,142	(1,292)	-4%	57,830
Other	4	3,698	5,076	-	2,886	2,886	2,538	348	14%	5,076
Total Revenue - Functional	2	780,265	889,793	-	494,535	494,535	481,601	12,934	3%	889,793
Expenditure - Functional										
Governance and administration		166,788	201,590	-	85,950	85,950	99,969	(14,018)	-14%	201,590
Executive and council		44,176	50,978	-	24,924	24,924	27,913	(2,988)	-11%	50,978
Finance and administration		114,447	140,556	-	54,777	54,777	65,344	(10,567)	-16%	140,556
Internal audit		8,165	10,056	-	6,249	6,249	6,712	(463)	-7%	10,056
Community and public safety		55,541	130,620	-	34,527	34,527	67,920	(33,393)	-49%	130,620
Community and social services		15,811	18,845	-	6,251	6,251	10,297	(4,045)	-39%	18,845
Sport and recreation		19,254	21,511	-	9,531	9,531	11,677	(2,146)	-18%	21,511
Public safety		13,008	12,367	-	6,832	6,832	6,746	86	1%	12,367
Housing		5,037	75,131	-	10,851	10,851	37,477	(26,626)	-71%	75,131
Health		2,431	2,766	-	1,062	1,062	1,724	(662)	-38%	2,766
Economic and environmental services		104,552	103,578	-	54,210	54,210	58,552	(4,341)	-7%	103,578
Planning and development		37,230	35,675	-	16,245	16,245	18,953	(2,708)	-14%	35,675
Road transport		64,870	65,104	-	36,570	36,570	38,184	(1,614)	-4%	65,104
Environmental protection		2,452	2,798	-	1,396	1,396	1,415	(19)	-1%	2,798
Trading services		345,245	356,365	-	143,185	143,185	136,008	7,177	5%	356,365
Energy sources		122,679	133,085	-	59,446	59,446	55,386	4,060	7%	133,085
Water management		123,093	116,370	-	49,300	49,300	43,763	5,536	13%	116,370
Waste water management		48,183	46,934	-	16,096	16,096	19,662	(3,566)	-18%	46,934
Waste management		51,290	59,976	-	18,343	18,343	17,197	1,147	7%	59,976
Other		2,572	2,589	-	1,477	1,477	1,343	135	10%	2,589
Total Expenditure - Functional	3	674,698	794,742	-	319,351	319,351	363,792	(44,441)	-12%	794,742
Surplus/ (Deficit) for the year		105,567	95,051	-	175,184	175,184	117,809	57,375	49%	95,051

Trading Services Operating Surplus / (Deficit)

The below diagram outlines the performance of Trading Services

Financial Performance Trading Services Operating Surplus/(Deficit) 31 December 2025

Description	2024/25 Audited			Budget Year 2025/26		
	2024/25 Audited Revenue	2024/25 Audited Expenditure	Audited Outcome	2025/26 Original Budget	31 Dec 2025 Sect 71 (Actuals)	Original Budget vs Half Year Performance
<i>R thousands</i>						
Surplus/ (Deficit) in trading services						
Service charges - Electricity	116,188	122,679	6,491	141,866	72,572	69,294
Service charges - Water	134,576	123,093	-11,483	146,124	101,935	44,189
Service charges - Waste Water Management	132,961	48,183	-84,778	101,691	51,752	49,939
Service charges - Waste management	54,955	47,195	-7,760	57,830	29,850	27,980
Surplus/ (Deficit) in trading services	398,286	288,644	109,642	447,511	256,109	191,402

Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) – M06 – Half Year

Vote Description	Ref	2024/25		Budget Year 2025/26						
		Audited	Original	Adjusted	Mid-Year	Year TD actual	Year TD	YTD	YTD %	Full Year
<i>R thousands</i>										
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		4,581	4,763	-	4,763	4,763	2,382	2,381	100.0%	4,763
Vote 2 - MUNICIPAL MANAGER		450	-	-	265	265	-	265	0	-
Vote 3 - CORPORATE SERVICES		3,938	3,999	-	1,889	1,889	2,000	(111)	-5.5%	3,999
Vote 4 - COMMUNITY AND PROTECTION SERVICES		59,249	61,732	-	31,940	31,940	33,343	(1,403)	-4.2%	61,732
Vote 5 - COMMUNITY AND PROTECTION SERVICES		5,821	7,000	-	4,437	4,437	3,500	937	26.8%	7,000
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		180,152	231,653	-	112,882	112,882	132,099	(19,217)	-14.5%	231,653
Vote 7 - ELECTRICITY SERVICES		116,188	141,866	-	72,572	72,572	71,196	1,376	1.9%	141,866
Vote 8 - WATER WORKS		134,576	146,124	-	101,935	101,935	75,674	26,261	34.7%	146,124
Vote 9 - FINANCIAL SERVICES		275,310	292,655	-	163,852	163,852	161,408	2,444	1.5%	292,655
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	780,265	889,793	-	494,535	494,535	481,601	12,934	2.7%	889,793
Expenditure by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		14,349	15,180	-	7,061	7,061	7,926	(865)	-10.9%	15,180
Vote 2 - MUNICIPAL MANAGER		40,132	48,645	-	24,900	24,900	28,398	(3,498)	-12.3%	48,645
Vote 3 - CORPORATE SERVICES		49,416	43,256	-	20,004	20,004	24,231	(4,226)	-17.4%	43,256
Vote 4 - COMMUNITY AND PROTECTION SERVICES		87,499	96,371	-	36,039	36,039	36,551	(512)	-1.4%	96,371
Vote 5 - COMMUNITY AND PROTECTION SERVICES		29,324	31,457	-	16,615	16,615	16,821	(207)	-1.2%	31,457
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		152,774	218,129	-	77,774	77,774	112,101	(34,327)	-30.6%	218,129
Vote 7 - ELECTRICITY SERVICES		122,679	133,085	-	59,446	59,446	55,386	4,060	7.3%	133,085
Vote 8 - WATER WORKS		123,093	116,370	-	49,300	49,300	43,763	5,536	12.7%	116,370
Vote 9 - FINANCIAL SERVICES		60,885	92,250	-	28,211	28,211	38,614	(10,403)	-26.9%	92,250
Vote 10 -		(5,453)	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	674,698	794,742	-	319,351	319,351	363,792	(44,441)	-12.2%	794,742
Surplus/ (Deficit) for the year	2	105,567	95,051	-	175,184	175,184	117,809	57,375	48.7%	95,051

Table C3 measure the monthly actuals and year to date actuals against the year-to- date budget.

- ❖ The above-mentioned budget table is presented by vote respectively for both revenue and expenditure.
- ❖ The narrations for table C3 focus on the performance of operating expenditure by vote which will further determine whether a particular vote has realised an unauthorised expenditure. The variances are all reflected in the year-to-date variance column.
- ❖ Water Services reflects unauthorised expenditure of R5,536 million, while electricity Services reflects unauthorised expenditure of R4,060 million at the end of December 2025. The unauthorised expenditure in Water and Electricity will be addressed in the adjustment budget.

Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 – Half Year

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		113,862	125,640	-	65,359	65,359	62,820	2,538	4%	125,640
Service charges - Water		38,635	71,898	-	32,050	32,050	35,949	(3,899)	-11%	71,898
Service charges - Waste Water Management		24,313	24,874	-	17,874	17,874	12,437	5,437	44%	24,874
Service charges - Waste management		25,727	30,454	-	15,264	15,264	15,227	38	0%	30,454
Sale of Goods and Rendering of Services		3,975	4,128	-	2,791	2,791	2,064	727	35%	4,128
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		14,255	18,219	-	5,833	5,833	9,110	(3,276)	-36%	18,219
Interest from Current and Non-Current Assets		10,515	14,215	-	2,874	2,874	7,107	(4,233)	-60%	14,215
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1,121	1,317	-	970	970	653	317	47%	1,317
Licence and permits		4,263	5,076	-	2,886	2,886	2,538	348	14%	5,076
Special Rating Levies		-	-	-	-	-	-	-	-	-
Operational Revenue		3,734	2,719	-	752	752	1,387	(635)	-46%	2,719
Non-Exchange Revenue										
Property rates		170,174	188,503	-	93,362	93,352	91,751	1,600	2%	188,503
Surcharges and Taxes		6,614	7,327	-	3,622	3,622	3,684	(62)	-1%	7,327
Fines, penalties and forfeits		580	550	-	250	250	275	(25)	-9%	550
Licence and permits		1,188	1,968	-	1,530	1,650	984	666	68%	1,968
Transfers and subsidies - Operational		118,220	226,895	-	119,741	119,741	135,872	(16,131)	-12%	226,895
Interest		6,685	2,547	-	3,123	3,123	1,323	1,799	136%	2,547
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		431	-	-	406	406	-	406	0	-
Other Gains		824	-	-	15	15	-	15	0	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		607,392	720,093	-	368,813	368,813	383,167	(14,354)	-4%	720,093
Expenditure By Type										
Employee related costs		214,913	213,426	-	112,589	112,589	109,181	6,419	6%	213,426
Remuneration of councillors		8,382	8,469	-	4,231	4,231	4,234	(3)	0%	8,469
Bulk purchases - electricity		94,626	92,054	-	44,753	44,753	37,675	7,088	19%	92,354
Inventory consumed		46,541	54,452	-	24,355	24,966	28,486	(3,530)	-12%	54,452
Debt impairment		64,383	60,910	-	-	-	(2,089)	2,089	-100%	60,910
Depreciation and amortisation		52,769	51,635	-	23,529	23,529	42,379	(18,851)	-44%	51,635
Interest		5,488	8,679	-	-	-	-	-	-	8,679
Contracted services		91,943	181,915	-	62,362	62,362	94,624	(32,262)	-34%	181,915
Transfers and subsidies		5,136	5,738	-	3,149	3,149	2,618	532	20%	5,738
Irrecoverable debts written off		31	41,774	-	8,478	8,478	2,323	6,155	265%	41,774
Operational costs		62,729	85,354	-	34,211	34,211	47,361	(13,150)	-28%	85,354
Losses on Disposal of Assets		2,397	-	-	1,068	1,068	-	1,068	0	-
Other Losses		25	-	-	2	2	-	2	0	-
Total Expenditure		674,698	794,742	-	319,351	319,351	363,792	(44,441)	-12%	794,742
Surplus/(Deficit)		(67,306)	(74,649)	-	49,462	49,462	19,375	30,087	155%	(74,649)
Transfers and subsidies - capital (monetary allocations)		171,705	169,700	-	125,722	125,722	98,434	27,288	28%	169,700
Transfers and subsidies - capital (in-kind)		1,168	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		105,567	95,051	-	175,184	175,184	117,809	-	-	95,051
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		105,567	95,051	-	175,184	175,184	117,809	-	-	95,051
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		105,567	95,051	-	175,184	175,184	117,809	-	-	95,051
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		105,567	95,051	-	175,184	175,184	117,809	-	-	95,051

Table C4 above: The municipality is on the accrual basis as a result revenue in this table reflects a breakdown of the actual revenue billed per revenue source (property rates, electricity, water, wastewater and waste), as well as "other" revenue received.

Revenue:

The overall actual year-to-date operational revenue at the end of December is R368,813 million and the year-to-date budget of R383,167 million and this reflects a negative variance of R14,354 million which is -4%.

- ❖ Water revenue is -11% below the year-to-date revenue budget this is as a result of corrections on the overbilling on water, billed to indigents debtors.
- ❖ Wastewater management shows a variance of 44% for the month of December. The increase in the billed revenue for wastewater is as result of a complete exercise that was done by the revenue section and the

infrastructure section during the month of May 2025. An additional +/- 2000 debtors that were not billed for sewer but had access to sewer services were being billed for sewer starting from May 2025. The budget therefore will be adjusted during mid-year adjustment.

- ❖ Sales of goods and rendering of services reflect a variance of 35% for December. The increase is as a result of increase in Town planning application.
- ❖ Interest from receivable exchange and non-exchange.
The budget allocation for exchange transactions has been overestimated, while the allocation for non-exchange transactions is understated. This misalignment will be addressed during the mid-year adjustment budget.
- ❖ Rental from fixed assets on exchange reflects a variance of 47% during the end of December this is as a result of rental billing corrections.
- ❖ Licenses and permits exchange reflect a variance of 14% in December. The increase is as the result of increase in boat license sales as during the festive season.
- ❖ Transfers and Subsidies operational reflects an underspending of -12 variance at the end of December, due to low spending as result of delays in the disbursement of funds from the funder

Operating Expenditure:

- ❖ The year-to-date operational expenditure at the end of December is R319,351 million, and the year-to-date budget is R368,792 million. This reflects an underspending of -44,441 million which is -12%.
- ❖ Operational costs are all the other expenses, which reflect the variance of 28% at the end of December due to the control in place of slow spending for the first few months of the financial year.
- ❖ Bulk purchases reflects a variance of 19%, this is as a result of the year-to-date budget figure reflecting incorrectly R37,675 the recalculated correct year-to-date budget figure is R46,177 vs the year to date actual of R44,763 results in a 3% variance.
- ❖ Inventory consumed for the month of December reflects a negative variance of -12%. Due to strengthening control enforcement.
- ❖ The item debt impairment relates to the contribution that is recognized for the debt impairment in the statement of financial position, to impair inactive debtor's accounts. The contribution is informed by the impairment calculations aligned to the Impairment policy which takes into consideration various factors, i.e. debtors payment trend and ageing of debts. The recognition of the provision is processed after year end
- ❖ Depreciation and amortization reflect a variance of 9% when considering the correct year-to-date figure being R25,818 million compared to the year-to-date actual of R23,529 million.
- ❖ Contracted Services reflects a negative underspending variance of -34%. Contracted services in the budget are inclusive of grants from Human Settlement for upgrading of informal settlement. The budget reflects underspending due to delays in the disbursement of funds from the Human Settlements department, which resulted in lower expenditure on projects. Furthermore, reprioritisation in spending also is a contributing factor.
- ❖ Transfers and subsidies consist of programs to promote local economic development, reflecting an underspending of 20% at the end of December, due to reprioritization in spending.
- ❖ The correct year-to-date budget is R20,887 million vs the actuals of R8,478 million which translate to 59% at the end of December. The write-offs are done in intervals which are Sept, Nov, March and June and the month of June carries the bulk write-offs relating to indigent and deceased debts.
- ❖ Operational costs comprise all other expenditure items and reflect a variance of 28% at the end of December. This variance is mainly due to expenditure controls implemented to curb spending during the first few months of the financial year. Most of these costs are incurred on an ad hoc basis, such as advertising, hire charges, and insurance excesses. Among these, hire charges account for the highest expenditure.

HIRE CHARGES AS AT 31 DECEMBER 2025

Financial Services

Function	Segment Desc	Total Budget	Dec Actual	Total Actual	Year to Date Budget	Variance	Variance %
Budget and Treasury Office	Hire Charges	195,000.00	-	195,000.00	97,500.00	(97,500.00)	-100
Revenue	Hire Charges	2,004.00	-	-	1,002.00	1,002.00	100
		197,004.00	-	195,000.00	98,502.00	(96,498.00)	-98

Community and Protection Services

Function	Segment Desc	Total Budget	Dec Actual	Total Actual	Year to Date Budget	Variance	Variance %
Parks and Recreation	Hire Charges	242,300.00	-	30,026.14	121,150.00	91,123.86	75
Small Animal Pound	Hire Charges	200,900.00	-	181,137.38	100,450.00	(80,687.38)	-80
Administration Community Protection	Hire Charges	45,000.00	-	-	22,500.00	22,500.00	100
Street Cleaning	Hire Charges	30,000.00	25,000.00	25,000.00	15,000.00	(10,000.00)	-67
Refuse Disposal	Hire Charges	1,200,000.00	222,699.93	360,308.63	600,000.00	239,691.37	40
Environmental Health	Hire Charges	33,232.00	-	-	16,616.00	16,616.00	100
Beaches	Hire Charges	60,000.00	-	-	30,000.00	30,000.00	100
Security and Protection Services	Hire Charges	30,000.00	-	-	15,000.00	15,000.00	100
		1,841,432.00	247,699.93	596,472.15	920,716.00	324,243.85	35

Municipal Manager

Function	Segment Desc	Total Budget	Dec Actual	Total Actual	Year to Date Budget	Variance	Variance %
Local Economic Development	Hire Charges	160,000.00	-	52,900.00	80,000.00	27,100.00	34
Special Programmes Unit	Hire Charges	80,000.00	7,000.00	15,850.00	40,000.00	24,150.00	60
Municipal Manager	Hire Charges	15,000.00	-	-	7,500.00	7,500.00	100
Integrated Development Plan	Hire Charges	50,000.00	-	9,600.00	25,000.00	15,400.00	62
Communications	Hire Charges	8,238.00	-	-	4,119.00	4,119.00	100
		313,238.00	7,000.00	78,350.00	156,619.00	78,269.00	50

Executive and Council

Function	Segment Desc	Total Budget	Dec Actual	Total Actual	Year to Date Budget	Variance	Variance %
Council General	Hire Charges	10,000.00	-	1,900.00	5,000.00	3,100.00	62
		10,000.00	-	1,900.00	5,000.00	3,100.00	62

Corporate Services

Function	Segment Desc	Total Budget	Dec Actual	Total Actual	Year to Date Budget	Variance	Variance %
Libraries and Archives	Hire Charges	43,478.00	-	6,450.00	36,739.00	30,289.00	82
Community Halls and Facilities	Hire Charges	50,000.00	14,500.00	40,350.00	25,000.00	(15,350.00)	-61
		93,478.00	14,500.00	46,800.00	61,739.00	14,939.00	24

Infrastructure Development

Function	Segment Desc	Total Budget	Dec Actual	Total Actual	Year to Date Budget	Variance	Variance %
Roads and general works	Hire Charges West	600,000.00	54,000.00	533,375.00	300,000.00	(233,375.00)	-78
Sanitation	Hire Charges West	900,000.00	200,940.00	1,326,717.39	450,000.00	(876,717.39)	-195
Water Administration	Hire Charges West	1,300,000.00	571,304.31	2,615,526.46	650,000.00	(1,965,526.46)	-302
Roads and general works	Hire Charges East	400,000.00	-	396,794.00	200,000.00	(196,794.00)	-98
Sanitation	Hire Charges East	1,000,000.00	472,520.00	2,597,457.39	500,000.00	(2,097,457.39)	-419
Roads and general works	Hire Charges	150,000.00	-	116,440.00	75,000.00	(41,440.00)	-55
Water Administration	Hire Charges East	1,300,000.00	313,043.50	2,872,544.83	650,000.00	(2,222,544.83)	-342
		5,650,000.00	1,611,807.81	10,458,855.07	2,825,000.00	(7,633,855.07)	-270

Water and Sanitation hire water tankers to distribute water in areas experiencing water shortages, as well as sanitation trucks to conduct pump-outs in order to address the backlog caused by obsolete and wear and tear on sanitation vehicles.

Surplus/Deficit:

- ❖ Taking the above into consideration, the net operating surplus for the period ending December is R49,462 million.
- ❖ The net operating surplus/deficit is made after deducting the total operating expenditure from the total operating revenue and operating revenue excludes capital transfers.
- ❖ It must be noted that the capital transfers that are funding capital projects are excluded

Revenue Management

Growth in Number of Active Consumer Accounts

❖ **Active Accounts:**

As of December 2025, the number of active accounts stands at 29,069, compare to December 2024, the number of active accounts stands at 29,798, which is a decrease of 2,45%.

❖ **Reasons for Decrease:**

This decline is attributed to ongoing data cleansing initiatives, including:

1. **Consolidation of Tenant and Owner Accounts:** Simplifying administration and improving oversight of payment liabilities.
2. **Closure of Inactive Accounts:** Accounts are being investigated to assess the collectability of debts and handled accordingly.

❖ **Owner Accounts Increase:**

The number of owner accounts reduced from **25,914** in December 2024 to **25,825** in December 2025. This decrease is as a result of ongoing data cleansing of owner account opened in error.

❖ **Reconciliation and Completeness:**

Measures such as reconciling the valuation roll with the billing system and leveraging the **Revenue Completeness Tool** ensure that all debtors are billed for rates and other services.

❖ **Indigent Accounts:**

As of December 2025, the number of indigent accounts is **6,909**, reflecting a **net increase of 395** from the December 2024 figure of **6,514**. This increase is primarily due to the mass indigent registration campaigning drive and door to door indigent registration that was undertaken during the July 2025 to November 2025 period.

Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 - December

Summary of Employee and Councillor remuneration R thousands	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		5,941	5,719	-	2,852	2,852	2,859	(7)	0%	5,719
Pension and UIF Contributions		387	396	-	130	199	199	-		398
Medical Aid Contributions		130	127	-	68	68	64	4	7%	127
Motor Vehicle Allowance		1,360	1,360	-	680	680	680	-		1,360
Cellphone Allowance		884	884	-	432	432	432	-		884
Housing Allowances		-	-	-	-	-	-	-		-
Other benefits and allowances		-	-	-	-	-	-	-		-
Sub Total - Councillors		8,688	8,469		4,231	4,231	4,234	(3)	0%	8,469
% increase	4	2	-2.5%							-2.5%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		7,802	6,950	-	3,760	3,750	3,475	284	8%	6,950
Pension and UIF Contributions		1,183	1,300	-	635	633	650	15	2%	1,300
Medical Aid Contributions		304	320	-	157	157	160	(3)	-2%	320
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		1,339	579	-	602	602	293	312	108%	579
Motor Vehicle Allowance		972	972	-	436	436	436	-		972
Cellphone Allowance		123	123	-	61	61	61	-		123
Housing Allowances		132	140	-	66	66	70	(4)	-6%	140
Other benefits and allowances		60	84	-	30	30	32	(2)	-6%	84
Payments in lieu of leave		540	614	-	72	72	307	(235)	-77%	614
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		199	199	199	129	129	99	30	30%	199
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		12,654	11,261		6,028	6,028	5,631	397	7%	11,261
% increase	4	4	-11.0%							-11.0%
Other Municipal Staff										
Basic Salaries and Wages		114,574	132,023	-	62,139	62,139	66,011	(3,872)	-6%	132,023
Pension and UIF Contributions		21,638	24,175	-	11,347	11,347	12,088	(740)	-6%	24,175
Medical Aid Contributions		16,084	18,634	-	6,156	6,156	6,317	(1,160)	-12%	18,634
Overtime		13,179	6,650	-	6,038	6,038	2,793	3,245	116%	6,650
Performance Bonus		9,876	10,789	-	10,129	10,129	5,394	4,735	88%	10,789
Motor Vehicle Allowance		5,826	6,495	-	3,149	3,149	2,747	402	15%	6,495
Cellphone Allowance		322	305	-	164	164	152	12	8%	305
Housing Allowances		1,038	467	-	237	237	249	(12)	-5%	467
Other benefits and allowances		4,251	2,855	-	2,182	2,182	1,428	754	53%	2,855
Payments in lieu of leave		73	-	-	416	416	-	416	0	-
Long service awards		2,775	-	-	-	-	-	-		-
Post-retirement benefit obligations		12,351	-	-	1,475	1,475	-	1,475	0	-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		620	743	-	674	674	372	302	81%	743
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		202,258	202,165		106,107	106,107	100,550	5,556	6%	202,165
% increase	4		0.0%							0.0%
Total Parent Municipality		223,594	221,895		116,366	116,366	110,415	5,951	5%	221,895

- ❖ The payment in lieu of leave is reflecting a variance of -77% the senior managers are allowed to encash leave in terms of their contracts and Directors are expected to take leave at least 10 days on the leave cycle. Staff other than senior managers are only entitled to encash leave when they are terminated.
- ❖ The line item for the performance bonus includes both performance appraisals and 13 cheques for senior managers whereas it represents only 13 cheques for other municipal staff, this is how it is modified in the mSCOA charts.
- ❖ The municipality pays long service awards to its employees starting from 5yrs and above, the calculation is in line with the salary's signed agreements by the bargaining council where the limits are outlined. The variance will be assessed during the mid-year adjustment budget in February.
- ❖ Performance bonus reflecting on other municipal staff relates to the 13th cheque for the municipal employees. The item is how it is configuring the mScoa chart.

- ❖ The remuneration ratio measures the extent of remuneration to the operating expenditure. The employee related expenditure costs excluding casuals and councillor’s remuneration as from July to December reflects the ratio of 37%-versus-the norm of 25%-40%

1.4.2 TABLE- C5 CAPITAL EXPENDITURE

Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 – Half Year

Vote Description	Ref	Budget Year 2025/26								
		2024/25 Audited	Original	Adjusted	Mid-Year	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 3 - CORPORATE SERVICES		-	-	-	-	-	-	-	-	-
Vote 4 - COMMUNITY AND PROTECTION SERVICES		-	-	-	-	-	-	-	-	-
Vote 5 - COMMUNITY AND PROTECTION SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		-	-	-	-	-	-	-	-	-
Vote 7 - ELECTRICITY SERVICES		-	-	-	-	-	-	-	-	-
Vote 8 - WATER WORKS		-	-	-	-	-	-	-	-	-
Vote 9 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - EXECUTIVE AND COUNCIL		9	560	-	106	106	560	(454)	-81%	560
Vote 2 - MUNICIPAL MANAGER		272	741	-	54	54	741	(687)	-93%	741
Vote 3 - CORPORATE SERVICES		285	187	-	10	10	187	(177)	-95%	187
Vote 4 - COMMUNITY AND PROTECTION SERVICES		3,221	3,507	-	39	39	1,772	(1,733)	-89%	3,507
Vote 5 - COMMUNITY AND PROTECTION SERVICES		1,638	580	-	62	62	580	(518)	-89%	580
Vote 6 - INFRASTRUCTURAL DEVELOPMENT		119,892	97,250	-	60,675	60,675	60,994	(319)	-1%	97,250
Vote 7 - ELECTRICITY SERVICES		-	12,834	-	4,247	4,247	10,046	(5,800)	-58%	12,834
Vote 8 - WATER WORKS		42,762	42,458	-	46,051	46,051	22,379	23,672	106%	42,458
Vote 9 - FINANCIAL SERVICES		668	371	-	149	149	371	(222)	-60%	371
Total Capital single-year expenditure	4	168,747	158,488	-	111,393	111,393	97,630	13,763	14%	158,488
Total Capital Expenditure		168,747	158,488	-	111,393	111,393	97,630	13,763	14%	158,488
Capital Expenditure - Functional Classification										
Governance and administration		1,734	2,434	-	443	443	2,434	(1,991)	-82%	2,434
Executive and council		261	1,261	-	132	132	1,261	(1,129)	-90%	1,261
Finance and administration		1,455	1,133	-	262	262	1,133	(851)	-75%	1,133
Internal audit		-	40	-	29	29	40	(11)	-29%	40
Community and public safety		1,661	3,407	-	77	77	1,672	(1,595)	-96%	3,407
Community and social services		(423)	-	-	-	-	-	-	-	-
Sport and recreation		1,536	2,307	-	1	1	572	(571)	-100%	2,307
Public safety		749	580	-	38	38	580	(542)	-94%	580
Housing		-	20	-	-	-	20	(20)	-100%	20
Health		-	500	-	35	35	500	(462)	-92%	500
Economic and environmental services		36,223	44,862	-	42,054	42,054	33,951	8,102	24%	44,862
Planning and development		1,212	30	-	32	32	30	22	74%	30
Road transport		35,010	44,832	-	42,021	42,021	33,921	8,080	24%	44,832
Environmental protection		1	-	-	-	-	-	-	-	-
Trading services		129,098	107,786	-	68,820	68,820	59,573	9,247	16%	107,786
Energy sources		-	12,834	-	4,247	4,247	10,046	(5,800)	-58%	12,834
Water management		42,762	42,458	-	46,051	46,051	22,379	23,672	106%	42,458
Waste water management		83,870	51,919	-	18,522	18,522	28,276	(8,050)	-30%	51,919
Waste management		2,667	575	-	-	-	575	(575)	-100%	575
Other		31	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	168,747	158,488	-	111,393	111,393	97,630	13,763	14%	158,488
Funded by:										
National Government		80,424	86,770	-	79,591	79,591	82,532	27,261	52%	86,770
Provincial Government		75,537	58,295	-	29,527	29,527	34,847	(5,120)	-15%	58,586
District Municipality		59	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		1,287	1,489	-	1,707	1,707	744	963	129%	1,489
Transfers recognised - capital		157,100	146,845	-	110,824	110,824	87,721	23,103	26%	146,845
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds	6	10,478	11,643	-	569	569	9,909	(9,340)	-94%	11,643
Total Capital Funding		167,578	158,488	-	111,393	111,393	97,630	13,763	14%	158,488

Capital expenditure spending is at 31 Dec 2025 is 70% of the original budget.

- ❖ National Government consists of Integrated Electrification Programme Grant (INEP), Municipal Infrastructure Grant (MIG) and Water Services Infrastructure Grant (WSIG) and Regional Bulk Infrastructure Grant (RBIG).
- ❖ Provincial Government consists of Library and Eastern Cape Department of Human Settlement, Alie Eradication Grant, Municipal Disaster Relief Grant and Small-Town Revitalisation Grant.
- ❖ Other transfers and grants consist of Extended Public Works Programme (EPWP)

Capital Internal generated funds reflected spending of 16% of the original budget. The municipality does not have capital replacement reserves; assets are acquired by utilising savings that becomes available

Asset Management

Supporting Table SC13a Capital expenditure on new assets by asset class – M06 – Half Year

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		59,684	95,144	-	62,347	62,347	51,564	(10,782)	-20.9%	95,144
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		527	12,334	-	4,247	4,247	9,546	5,300	55.5%	12,334
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	4,348	-	4,247	4,247	2,174	2,073	0	4,348
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	7,986	-	-	-	7,372	(7,372)	(0)	7,986
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		527	-	-	-	-	-	-	-	-
Water Supply Infrastructure		26,458	35,810	-	46,051	46,051	17,905	(28,146)	-157.2%	35,810
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		7,025	2,609	-	2,357	2,357	1,304	1,052	0	2,609
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		19,372	33,202	-	43,695	43,696	16,591	27,065	0	33,202
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		50	-	-	28	28	-	28	0	-
Sanitation Infrastructure		32,699	47,000	-	12,049	12,049	24,113	12,064	50.0%	47,000
Pump Station		299	-	-	-	-	-	-	-	-
Reticulation		24,432	40,334	-	9,747	9,747	20,167	(10,420)	(0)	40,334
Waste Water Treatment Works		299	5,440	-	1,512	1,512	2,720	(1,208)	(0)	5,440
Outfall Sewers		7,954	1,226	-	790	790	1,226	(436)	(0)	1,226
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2025/2026

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	700	-	-	-	700	700	100.0%	700
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	700	-	-	-	700	700	100.0%	700
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	700	-	-	-	700	(700)	(0)	700
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		(448)	-	-	-	-	-	-	-	-
Operational Buildings		(448)	-	-	-	-	-	-	-	-
Municipal Offices		(448)	-	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2025/2026

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<u>Stores</u>		-	-	-	-	-	-	-	-	-
<u>Laboratories</u>		-	-	-	-	-	-	-	-	-
<u>Training Centres</u>		-	-	-	-	-	-	-	-	-
<u>Manufacturing Plant</u>		-	-	-	-	-	-	-	-	-
<u>Depots</u>		-	-	-	-	-	-	-	-	-
<u>Capital Spares</u>		-	-	-	-	-	-	-	-	-
<u>Housing</u>		-	-	-	-	-	-	-	-	-
<u>Staff Housing</u>		-	-	-	-	-	-	-	-	-
<u>Social Housing</u>		-	-	-	-	-	-	-	-	-
<u>Capital Spares</u>		-	-	-	-	-	-	-	-	-
<u>Biological or Cultivated Assets</u>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<u>Intangible Assets</u>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
<u>Water Rights</u>		-	-	-	-	-	-	-	-	-
<u>Effluent Licenses</u>		-	-	-	-	-	-	-	-	-
<u>Solid Waste Licenses</u>		-	-	-	-	-	-	-	-	-
<u>Computer Software and Applications</u>		-	-	-	-	-	-	-	-	-
<u>Load Settlement Software Applications</u>		-	-	-	-	-	-	-	-	-
<u>Unspecified</u>		-	-	-	-	-	-	-	56.5%	-
<u>Computer Equipment</u>		1,146	530	-	231	231	530	299		530
Computer Equipment		1,146	530	-	231	231	530	(299)	(0)	530
<u>Furniture and Office Equipment</u>		191	564	-	128	128	564	436	77.3%	564
Furniture and Office Equipment		191	564	-	128	128	564	(436)	(0)	564
<u>Machinery and Equipment</u>		66	1,182	-	22	22	1,182	1,160	98.1%	1,182
Machinery and Equipment		66	1,182	-	22	22	1,182	(1,160)	(0)	1,182
<u>Transport Assets</u>		5,094	4,750	-	191	191	4,750	4,559	96.0%	4,750
Transport Assets		5,094	4,750	-	191	191	4,750	(4,559)	(0)	4,750
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Living resources</u>		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<u>Policing and Protection</u>		-	-	-	-	-	-	-	-	-
<u>Zoological plants and animals</u>		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<u>Policing and Protection</u>		-	-	-	-	-	-	-	-	-
<u>Zoological plants and animals</u>		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	65,733	102,870	-	62,919	62,919	59,290	(3,628)	-6.1%	102,870

Supporting Table SC13b Capital expenditure on renewal of existing assets by asset class- M06 – Half Year

Description	Ref	2024/25	Budget Year 2025/25							
		Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		998								
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		998								
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution		998								
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure										
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Send Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		476	1,785	-	-	-	485	485	100.0%	1,785
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		476	1,785	-	-	-	485	485	100.0%	1,785
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		476	1,785	-	-	-	485	(485)	(0)	1,785
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes:		-	-	-	-	-	-	-	-	-
Licences and Rights Water		-	-	-	-	-	-	-	-	-
Rights Effluent		-	-	-	-	-	-	-	-	-
Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications Load Settlement		-	-	-	-	-	-	-	-	-
Software Applications Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature Policing and Protection Zoological plants and animals Immature Policing and Protection Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	1,474	1,785	-	-	-	485	485	100.0%	1,785

Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 – Half Year

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		26,667	40,863	-	26,250	26,250	19,728	(6,523)	-33.1%	40,863
Roads Infrastructure		6,127	6,200	-	5,360	5,360	3,019	(2,340)	-77.5%	6,200
Roads		6,127	6,200	-	5,360	5,360	3,019	2,340	0	6,200
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		854	1,400	-	325	325	607	282	46.5%	1,400
Drainage Collection		854	1,400	-	325	325	607	(282)	(0)	1,400
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	3,276	-	2,423	2,423	1,638	(785)	-47.9%	3,276
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	3,276	-	2,423	2,423	1,638	785	0	3,276
Water Supply Infrastructure		12,489	17,812	-	13,078	13,078	8,613	(4,464)	-51.8%	17,812
Dams and Weirs		100	80	-	69	69	40	18	0	80
Boreholes		172	112	-	-	-	47	(47)	(0)	112
Reservoirs		98	570	-	381	381	245	136	0	570
Pump Stations		1,581	3,190	-	1,621	1,621	1,360	(273)	(0)	3,190
Water Treatment Works		10,539	13,860	-	11,357	11,357	6,922	4,630	0	13,860
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		840	3,450	-	936	936	1,488	552	37.1%	3,450
Pump Station		240	2,700	-	629	629	1,121	(492)	(0)	2,700
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	650	-	306	306	325	(19)	(0)	650
Outfall Sewers		-	100	-	-	-	42	(42)	(0)	100
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		6,356	8,725	-	4,129	4,129	4,362	233	5.3%	8,725
Landfill Sites		6,356	8,725	-	4,129	4,129	4,362	(233)	(0)	8,725
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		277	360	-	231	231	195	(36)	-18.5%	360
Community Facilities		45	60	-	45	45	45	0	0.6%	60
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		45	60	-	45	45	45	(0)	(0)	60
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		232	300	-	186	186	150	(36)	-24.3%	300
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		232	300	-	186	186	150	36	0	300
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	70	-	26	26	35	9	25.7%	70
Revenue Generating		-	70	-	26	26	35	9	25.7%	70
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	70	-	26	26	35	(9)	(0)	70
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		3,801	4,898	-	1,555	1,555	2,598	1,042	40.1%	4,898
Operational Buildings		3,801	4,898	-	1,555	1,555	2,598	1,042	40.1%	4,898
Municipal Offices		2,201	4,898	-	1,555	1,555	2,598	(1,042)	(0)	4,898
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Biological or Cultivated Assets</i>		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights Water</i>		-	-	-	-	-	-	-	-	-
<i>Rights Effluent</i>		-	-	-	-	-	-	-	-	-
<i>Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications Load Settlement</i>		-	-	-	-	-	-	-	-	-
<i>Software Applications Unspecified</i>		10	103	-	-	-	79	79	100.0%	103
Computer Equipment		10	103	-	-	-	79	(79)	(0)	103
<i>Computer Equipment</i>		30	467	-	22	22	260	238	91.4%	467
Furniture and Office Equipment		30	467	-	22	22	263	(238)	(0)	467
<i>Furniture and Office Equipment</i>		2,067	932	-	184	184	470	286	60.9%	932
Machinery and Equipment		2,067	932	-	184	184	470	(286)	(0)	932
<i>Machinery and Equipment</i>		2,414	3,870	-	1,273	1,273	1,983	710	35.8%	3,870
Transport Assets		2,414	3,870	-	1,273	1,273	1,983	(710)	(0)	3,870
<i>Transport Assets</i>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<i>Land</i>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<i>Zoo's, Marine and Non-biological Animals</i>		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
<i>Mature Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals Immature Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	35,266	51,562	-	29,542	29,542	25,347	(4,195)	-16.5%	51,562

The expenditure for repairs and maintenance for the period as at December 2025 is 129,542 million reflecting at 57.2 of the available budgets.

Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - M06 – Half Year

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		33,533	31,800	-	17,406	17,406	31,535	14,129	44.8%	31,800
Roads Infrastructure		13,482	12,659	-	6,880	6,880	12,657	5,776	45.6%	12,659
Roads		11,657	11,659	-	6,000	6,000	11,659	(5,699)	(0)	11,659
Road Structures		1,450	914	-	793	793	914	(121)	(0)	914
Road Furniture		125	63	-	87	87	63	24	0	63
Capital Spares		1	1	-	1	1	1	(1)	(0)	1
Storm water Infrastructure		80	1	-	16	16	1	(15)	-1182.4%	1
Drainage Collection		1	1	-	5	5	1	4	0	1
Storm water Conveyance		73	-	-	11	11	-	11	0	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		3,765	3,747	-	1,893	1,893	3,747	1,854	49.5%	3,747
Power Plants		37	37	-	18	18	37	(18)	(0)	37
HV Substations		4	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		351	350	-	177	177	350	(174)	(0)	350
MV Substations		625	627	-	312	312	627	(314)	(0)	627
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		12	12	-	6	6	12	(6)	(0)	12
LV Networks		97	97	-	49	49	97	(48)	(0)	97
Capital Spares		2,627	2,624	-	1,330	1,330	2,624	(1,294)	(0)	2,624
Water Supply Infrastructure		10,150	9,991	-	5,406	5,406	9,912	4,507	45.5%	9,991
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		37	37	-	19	19	37	(18)	(0)	37
Reservoirs		27	27	-	14	14	27	(14)	(0)	27
Pump Stations		593	942	-	515	515	942	(427)	(0)	942
Water Treatment Works		6,775	6,727	-	3,667	3,667	6,727	(3,060)	(0)	6,727
Bulk Mains		180	179	-	91	91	179	(89)	(0)	179
Distribution		1,898	1,776	-	949	949	1,697	(749)	(0)	1,776
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		47	47	-	24	24	47	(23)	(0)	47
Capital Spares		255	255	-	129	129	255	(126)	(0)	255
Sanitation Infrastructure		6,054	5,402	-	3,210	3,210	5,218	2,007	38.5%	5,402
Pump Station		388	388	-	196	196	204	(6)	(0)	388
Reticulation		529	-	-	313	313	-	313	0	-
Waste Water Treatment Works		28	-	-	247	247	-	247	0	-
Outfall Sewers		4,491	4,491	-	2,174	2,174	4,491	(2,317)	(0)	4,491
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		557	523	-	281	281	523	(243)	(0)	523
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		637	416	-	377	377	416	39	9.4%	416
Community Facilities		0	0	-	0	0	0	0	49.5%	0
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		0	0	-	0	0	0	(0)	(0)	0
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		637	416	-	377	377	416	39	9.4%	416
Indoor Facilities		64	64	-	32	32	64	(32)	(0)	64
Outdoor Facilities		490	269	-	303	303	269	34	0	269
Capital Spares		83	83	-	42	42	83	(41)	(0)	83
Heritage assets										
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		1,175	1,174	-	1,513	1,513	1,174	(339)	-28.9%	1,174
Revenue Generating		1,175	1,174	-	1,513	1,513	1,174	(339)	-28.9%	1,174
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		1,175	1,174	-	1,513	1,513	1,174	339	0	1,174
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		4,157	4,257	-	2,082	2,082	4,257	2,175	51.1%	4,257
Operational Buildings		4,157	4,257	-	2,082	2,082	4,257	2,175	51.1%	4,257
Municipal Offices		4,142	4,242	-	2,075	2,075	4,242	(2,167)	(0)	4,242
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		6	6	-	3	3	6	(4)	(0)	6
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		9	9	-	4	4	9	(4)	(0)	9
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2025/2026

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		7	2	-	2	2	2	(0)	-6.6%	2
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		7	2	-	2	2	2	(0)	-6.6%	2
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		7	2	-	2	2	2	0	0	2
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
		750	984	-	427	427	984	557	56.6%	984
Computer Equipment		750	984	-	427	427	984	(557)	(0)	984
Computer Equipment		750	984	-	427	427	984	(557)	(0)	984
Furniture and Office Equipment		521	590	-	260	260	588	328	55.8%	590
Furniture and Office Equipment		521	590	-	260	260	588	(328)	(0)	590
Machinery and Equipment		411	453	-	184	184	451	267	59.3%	453
Machinery and Equipment		411	453	-	184	184	451	(267)	(0)	453
Transport Assets		2,715	2,973	-	1,279	1,279	2,973	1,694	57.0%	2,973
Transport Assets		2,715	2,973	-	1,279	1,279	2,973	(1,694)	(0)	2,973
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
<i>Policing and Protection</i>		-	-	-	-	-	-	-	-	-
<i>Zoological plants and animals</i>		-	-	-	-	-	-	-	-	-
Total Depreciation	1	43,907	42,648	-	23,529	23,529	42,379	18,851	44.5%	42,648

Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading existing assets by asset class - M06 - Half Year

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		100,427	53,834	-	48,475	48,475	37,855	(10,620)	-28.1%	53,834
Roads Infrastructure		34,150	44,567	-	42,001	42,001	33,221	(8,780)	-26.4%	44,567
Roads		34,150	44,567	-	42,001	42,001	33,221	8,780	0	44,567
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		15,305	4,348	-	-	-	2,174	2,174	100.0%	4,348
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		15,305	4,348	-	-	-	2,174	(2,174)	(0)	4,348
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		50,972	4,919	-	6,473	6,473	2,460	(4,014)	-163.2%	4,919
Pump Station		28,708	4,519	-	4,893	4,893	2,480	2,433	0	4,919
Reticulation		22,264	-	-	1,580	1,580	-	1,580	0	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		859	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		869	-	-	-	-	-	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		869	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		254	-	-	-	-	-	-	-	-
Operational Buildings		254	-	-	-	-	-	-	-	-
Municipal Offices		254	-	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<u>Biological or Cultivated Assets</u>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<u>Intangible Assets</u>		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights Water		-	-	-	-	-	-	-	-	-
Rights Effluent		-	-	-	-	-	-	-	-	-
Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications Load Settlement		-	-	-	-	-	-	-	-	-
Software Applications Unspecified		-	-	-	-	-	-	-	-	-
<u>Computer Equipment</u>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
<u>Furniture and Office Equipment</u>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<u>Machinery and Equipment</u>		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
<u>Transport Assets</u>		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
<u>Land</u>		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Living resources</u>		-	-	-	-	-	-	-	-	-
Mature Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals Immature Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	101,540	53,834	-	48,475	48,475	37,855	(10,620)	-28.1%	53,834

2025/26 WORK-IN-PROGRESS PROJECTS

MIG PROJECTS

MIG-2025/2026 PROJECT				
Project Name	Budget Allocation	Expenditure	Balance	Comment
Thornhill Link Sanitation Service Portion 1	R 1 409 866.00	R 908 764.59	R 501 101.41	The project is 100% Completed
Upgrading of Mbundwini Road in Nemato Phase 2	R 3 018 750.00	R 2 988 468.61	R 30 281.39	Overall progress is 95% The contractor completed the layer works and busy completing the laying of paving and stormwater
Upgrading of Park Road	R 5 810 263.00	R 4 861 708.04	R 948 554.96	Overall progress is 51% The contractor completed the layer works and busy completing the laying of paving and stormwater
Upgrading of Mswela road in Nemato	R 3 649 381.25	R 4 207 522.35	R -558 141.10	Overall progress is 98% The contractor completed the layer works and busy completing the laying of paving and stormwater. The adjustment will be made from the savings
Upgrading of Koti Street in Bathurst	R 1 389 639.48	R 1 577 531.99	R -187 892.51	Overall progress is 100% The contractor completed the layer works and busy completing stormwater. The adjustment will be made from the savings
Upgrading of Atherstone Road	R 2 644 840.42	R 2 287 176.32	R 357 664.10	Overall progress is 98% The contractor completed the layer works and busy completing the laying of paving and stormwater
Upgrading of Giadiola Street in Alexandria	R 3 255 153.00	R 3 423 979.61	R - 168 826.61	Overall progress is 51% The contractor completed the layer works and busy completing the laying of paving and stormwater. The adjustment will be made from the savings. The project is co-funded by EPWP grant and also a multi-year project
Upgrading of Phandle Street	R 1 850 956.85	R 4 961 033.83	R - 3 110 076.98	Overall progress is 95% The contractor completed the layer works and busy completing the laying of paving and stormwater. The adjustment will be made from the savings.

Waste water Treatment Works and Bulk sewer Reticulation- Bathurst	R 6 262 550.00	R 1 444 992.39	R 4 817 557.61	Overall progress is 10% The contractor will be starting with the construction in the 26/27 financial year, and the remaining amount will be adjusted to the roads. All designs and tender document is complete and ready for the advert.
Development of Infrastructure Asset Management	R 1 627 300.00	R 0.00	R 1 627 300.00	Overall progress is 10% The consultant has started with conditional assessment, and the workshop is scheduled on 23 rd January 2026. This project is a multi-year project
PMU 5%	R 1 627 300.00	R 1 166 966.64	R 460 333.36	N/a
TOTALS	R 32 546 000.00	R 27 856 028.50	R 4 689 971.50	
Overall	87%			

EPWP PROJECTS

EPWP PROJECTS				Comments
Project Name	Budget Allocation	Expenditure	Balance	
Upgrading of Gladiola Road	R 1 489 000	R 769 786.13	R 719 213.87	The contractor completed the layer works and busy completing the laying of paving and stormwater. The funding is confounding the MIG project.
TOTALS	R 1 489 000	R 769 786.13	R 719 213.87	
Overall		51%		

RBIG PROJECTS

RBIG				Comments
Project Name	Budget Allocation	Expenditure	Balance	
Ndlambe Bulk Water Supply - Quick Wins	R 101 201 000.00	R 50 615 908.89	R 50 585 091.11	Port Alfred: The project is 44% completed, The construction work permit was issued in December 2024, with site establishment completed in January 2025, and the site assessment and audit concluded in February 2025. Civil works began mid-2025 and are progressing with installation and testing of pipelines and stormwater infrastructure. Electrical works have advanced through generator installation, MCC repairs, and wiring, with mains cabling ongoing. EC&I installations commenced and key cable infrastructure completed, while mechanical works are progressing with refurbishment

				of existing equipment, repairs, and installation of critical systems. The site has been secured and tidied. Alexandria : The project is 86% completed, the contractor has completed the bulk civil infrastructure and only has the testing of the pipeline and leak repairs that is outstanding.
TOTALS	R 101 201 000.00	R 50 615 908.89	R 50 585 091.11	
Overall		50%		

WSIG PROJECTS

WSIG Sch. 5B 2025/2026 PROJECTS				
Project Name	Budget Allocation	Expenditure	Balance	Comments
Port Alfred Sewerage Infrastructure System Phase 1 Reticulation	R 9 604 968.59	R 7 677 063.99	R 1 579 437.74	Overall progress is 62.31% 1. This is a multi-year contract, and the contractor has completed 7143m of gravity sewer line against the total scope of 11800m which translate to 60.53% completion. 2. The contractor has also completed a no. of 158 MH against 198 MH which translate to 80% and household connections completed is 174 against 375 which translate to 46.40%. 3. The contractors are still processing well on site. Overall progress is 0%
Refurbishment of Bathurst Water Treatment Plant	5 000 000.00	R 0.00	R 5 000 000.00	1. Due to the extent of delays in business plan approvals and other funding matters, the municipality has decided to implement this project next financial year or such time the business plan is approved Overall progress is 88%
Port Alfred Sewerage Pump Station Upgrades	R 5 657 031.41	R 5 398 783.84	R 258 247.57	1. This is a multi-year contract. 2. The contractor handed over other pump stations complete under his scope of work. 3. However, the Rosehill pump Station had issues at 95% complete. Cleaning out of blower station and removal of all redundant and old equipment was done, Replacement of handrails & stanchions was also done, Gearbox refurbishment for mixers, Newly Pipework, New Motor Control Centre and Cabling was still under WIP when the Engineer suggested to use chemical to digest sludge which was anticipated to take two months to digest. However, that chemical caused the structure to collapse, rendering the refurbishment process redundant and required another re-assessment for the way forward.

					4. Meanwhile the municipality continued to appoint other contractor for the upgrading of the sewer lines on upstream of the pump stations and is progressing very well with the unblocking and relaying of new pipes and installation of manholes that feeds the pump stations.
TOTALS	R 20 262 000.00	R 13 075 847.83	R 7 186 152.17		
Overall		64.5%			

DISASTER PROJECTS

Project Name	Budget Allocation	Expenditure	Balance	Comments
Bathurst: Crescent Street	R 9 768 818.01	R 4 006 437.48	R 5 762 380.15	Overall progress is 51% The contractor completed the layer works and busy completing the laying of paving and stormwater
Kleinmonde: Riverview Crescent	R 2 497 704.96	R 1 523 391.47	R 974 313.49	Overall progress is 95% The contractor completed the layer works and stormwater busy completing the laying of paving and stormwater
Port Alfred: Van Riebeeck To Henry Street	R 3 649 228.73	R 2 991 983.73	R 657 245.00	Overall progress is 88% The contractor completed the layer works and busy completing the laying of paving and stormwater

Project Name	Budget Allocation	Expenditure	Balance	Comments
Port Alfred: Keey Street	R 1 833 119.32	R 1 359 102.98	R 474 016.34	Overall progress is 95% The contractor completed the layer works and busy completing the laying of paving and stormwater
Port Alfred: Mpangele Street	R 1 622 188.43	R 473 123.23	R 1 149 065.20	Overall progress is 50% The contractor completed the layer works and busy completing the laying of paving and stormwater
Kenton-On-Sea: Van Der Stel St	R 3 475 378.33	R 2 796 474.52	R 678 903.81	Overall progress is 50%

					The contractor completed the layer works and busy completing the laying of paving and stormwater.
Bushman's River Mouth: Hertzog Street	R 1 994 507.79	R 4 399 855.48	R -2 405 347.69	Overall progress is 95%	The contractor completed the layer works and busy completing the laying of paving and stormwater. The adjustment will be made from the savings
Cannon Rock Town: Galjoen Street	R 0.00	R 2 374 466.83	R - 2 374 466.83	Overall progress is 29%	The contractor completed the layer works and busy completing the laying of paving and stormwater
Boknes: Daniel Scheepers Street	R 3 830 980.43	R 3 935 896.22	R - 104 915.79	Overall progress is 95%	The contractor completed the layer works and busy completing the laying of paving and stormwater. The adjustment will be made from the savings
Alexandria: Buite Road	R 0.00	R 2 273 500.63	R - 2 273 500.63	Overall progress is 95%	The contractor completed the layer works and busy completing the laying of paving and stormwater. The adjustment will be made from the savings
TOTALS	R 30 000 000.00	R 26 134 232.95	R 3 865 767.05		
Overall		87%			

TABLE C6 STATEMENT OF FINANCIAL POSITION

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		86 891	80 272	—	43 178	80 272
Trade and other receivables from exchange transactions		42 112	39 338	—	79 861	39 338
Receivables from non-exchange transactions		73 381	24 500	—	80 181	24 500
Current portion of non-current receivables		—	—	—	—	—
Inventory		2 000	2 148	—	1 041	2 148
VAT		178 438	189 845	—	181 842	189 845
Other current assets		409	1 519	—	84	1 519
Total current assets		364,531	317,831	—	402,026	317,631
Non current assets						
Investments		44	46	—	56	46
Investment property		233 059	241 717	—	230 332	241 717
Property, plant and equipment		1 408 815	1 382 996	—	1 497 419	1 382 996
Biological assets		—	—	—	—	—
Living and non-living resources		—	—	—	—	—
Heritage assets		0	0	—	(1,200)	0
Intangible assets		48	52	—	59	52
Trade and other receivables from exchange transactions		—	—	—	—	—
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		—	—	—	—	—
Total non current assets		1,639,974	1,604,811	—	1,726,666	1,604,811
TOTAL ASSETS		2,004,505	1,922,442	—	2,128,692	1,922,442
LIABILITIES						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		0	—	—	—	—
Consumer deposits		2 862	2 828	—	2 973	2 828
Trade and other payables from exchange transactions		86 584	79 850	—	54 631	79 850
Trade and other payables from non-exchange transactions		73 409	17 522	—	43 622	17 522
Provision		17 823	18 036	—	17 823	18 036
VAT		170 576	174 427	—	190 863	174 427
Other current liabilities		—	—	—	—	—
Total current liabilities		360,853	292,363	—	309,817	292,363
Non current liabilities						
Financial liabilities		(0)	—	—	(0)	—
Provision		79 426	81 999	—	79 426	81 999
Long term portion of trade payables		—	—	—	—	—
Other non-current liabilities		70 249	62 083	—	70 249	62 083
Total non current liabilities		149,675	144,082	—	149,675	144,082
TOTAL LIABILITIES		510,528	436,444	—	459,492	436,444
NET ASSETS	2	1,493,977	1,485,998	—	1,669,201	1,485,998
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		1 491 000	1 485 998	—	1 669 201	1 485 998
Reserves and funds		—	—	—	—	—
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	1,491,999	1,485,998	—	1,669,201	1,485,998

- ❖ The above table outlines that community wealth amounts to R1,669,201 billion, total liabilities R459,492 million and the total assets R2,128,692 billion.
- ❖ Non-current liabilities are mainly made up of borrowing, post-retirement medical aid, provisions for long service awards and landfill sites.
- ❖ It must be noted that the valuation for the items mentioned is done at year-end by the experts.
- ❖ The current ratio for the in December 1.3 vs the norm of 1.5-2:1, the ratio means that the municipality might experience difficulties on paying back its short-term liabilities (debt and payables/creditors) with

its short-term assets (cash, inventory, and receivables/debtors). To improve the ratio the municipality must ensure that it cuts down on expenditure that will yield to a decrease on outstanding creditors, reduce its debtor's book, and ensure that inventory is converted into cash quicker through being efficient on rendering service delivery.

1.4.3 TABLE C7 MONTHLY BUDGET STATEMENT - CASH FLOW

The manual cash flow is compiled as the automated cash flow remains the challenge.

The savings from operations and the interest earned from the investments are re-invested to build up reserves.

EC105 Ndlambe - Table C7 Monthly Budget Statement - Cash Flow – M06 – Half Year

Description	Ref	Budget Year 2025/26								
		2024/25 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		161,814	160,009	-	13,381	64,618	80,404	4,115	5%	160,802
Service charges		197,288	241,574	-	16,125	113,694	120,787	(10,093)	-8%	241,574
Other revenue		78,356	77,236	-	4,738	40,895	36,118	4,775	13%	72,236
Government - operating		177,573	222,280	-	53,894	123,986	111,100	12,856	12%	222,200
Government - capital		126,340	111,682	-	18,408	92,220	55,841	36,379	65%	111,682
Interest		11,199	16,174	-	297	3,166	8,087	(4,921)	-61%	16,174
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(648,740)	(694,599)	-	(67,786)	(341,570)	(347,300)	(5,721)	2%	(694,599)
Finance charges		(89)	-	-	-	-	-	-	-	-
Transfers and Grants		-	(5,535)	-	-	-	(2,769)	(2,769)	100%	(5,535)
NET CASH FROM/(USED) OPERATING ACTIVITIES		100,577	124,537	-	62,269	113,869	62,269	(51,601)	-83%	124,537
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		1,999	-	-	-	438	-	436	-100%	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(175,939)	(173,938)	-	(37,766)	(135,155)	(86,969)	48,189	-57%	(173,938)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(173,840)	(173,938)	-	(37,766)	(135,722)	(86,969)	48,753	-56%	(173,938)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		355	-	-	15	208	-	208	-	-
Payments										
Repayment of borrowing		(673)	-	-	-	(0)	-	0	0%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(614)	-	-	-	208	-	(208)	0%	-
NET INCREASE/ (DECREASE) IN CASH HELD		(73,876)	(49,401)	-	(24,701)	(21,645)	(24,701)			(49,401)
Cash/cash equivalents at beginning:		140,305	138,552	-	-	64,823	138,552			138,552
Cash/cash equivalents at month/year end:		66,433	89,151	-	-	43,178	113,852			89,151

It must be noted that figures in the cash flow statement above are VAT inclusive for vatable items therefore they will be different from the figures in the statement of financial performance and financial position.

- ❖ Service charges under receipts are informed by the aggregated collection rate of 82% for the month ending in December 2025.
- ❖ The municipality continues to closely manage and control the cash flow ensuring that monthly commitments i.e., Eskom and salaries etc plus invoices are paid within the due dates.
- ❖ The balance reflecting in cash and cash equivalent is dominantly made up of transfers and grants for both operating and capital and internal call account investments.
- ❖ Transfers and grants are invested separately in call accounts, and the money is withdrawn when there is an invoice that is due for payment.
- ❖ *"A cost coverage ratio its purpose is to indicate the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that month.*

The ratio is adjusted for unspent conditional grants as the cash is not available for normal day-to-day expenditure but rather reserved for grant related expenditure."

The ratio result of 3 month is within the norm, which is interpreted as positive, the municipality can be able to meet its operational monthly commitments without collecting any additional revenue for the active month

CONDITIONAL GRANTS

Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 – Half Year

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		140,898	147,880	-	110,868	110,868	96,833	14,036	14.5%	147,880
Local Government Financial Management	3	2,500	2,500	-	2,500	2,500	1,250	1,250	100.0%	2,500
Grant Municipal Infrastructure Grant		1,560	3,261	-	1,778	1,778	1,631	148	9.1%	3,261
Equitable Share		136,636	142,119	-	106,590	106,590	93,952	12,638	13.5%	142,119
Provincial Government:		31,960	72,470	-	10,892	10,892	36,435	(25,542)	-70.1%	72,470
Alien Plant Eradication Grant		-	1,200	-	-	-	800	(800)	-100.0%	1,200
EC Human Settlement		28,746	71,270	-	7,648	7,648	35,635	(27,987)	-78.5%	71,270
Libraries and Archives (DSRAC)		3,214	-	-	3,245	3,245	-	3,245	0	-
District Municipality:		1,007	-	-	-	-	-	-	-	-
Refurbishment of Water Pumpstations		1,007	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants		173,965	220,350	-	121,761	121,761	133,268	(11,507)	-8.6%	220,350
Capital Transfers and Grants										
Grants National		90,445	103,604	-	90,929	90,929	59,266	31,664	53.4%	103,604
Government:							4,862			
Municipal Infrastructure Grant		29,567	29,285	-	26,968	26,968	22,106	(603)	22.0%	29,285
Integrated National Electrification Programme		-	12,057	-	5,426	5,426	6,029	25,128	-10.0%	12,057
Grant Regional Bulk Infrastructure Grant		35,278	42,000	-	46,128	46,128	21,000	2,277	119.7%	42,000
Water Services Infrastructure Grant		37,600	20,262	-	12,408	12,408	10,131	(2,456)	22.5%	20,262
Provincial Government:		35,498	5,100	-	145	145	2,600	(100)	-94.4%	5,100
Alien Plant Eradication Grant		30,000	100	-	-	-	100	-	-100.0%	100
Water Infrastructure Grant OTP		5,569	-	-	-	-	-	(2,500)	-100.0%	-
Small Town revitalisation Grant		-	5,000	-	-	-	2,500	145	0	-
Libraries and Archives (DSRAC)		148	-	-	145	145	-	-	-	-
District Municipality:		-	-	-	-	-	-	(447)	-	-
Other grant providers:		1,317	2,978	-	1,042	1,042	1,489	(447)	-30.8%	2,978
Human Settlement Re-development Programme		1,317	2,978	-	1,042	1,042	1,489	(447)	-30.0%	2,978
Total Capital Transfers and Grants		127,258	111,682	-	92,116	92,116	63,355	28,761	45.4%	111,682
TOTAL RECEIPTS OF TRANSFERS & GRANTS		300,923	332,032	-	213,876	213,876	196,622	17,254	8.8%	332,032

Supporting table SC6 provides details of conditional and unconditional grants received (receipts).

Table SC6 is configured to report conditional and unconditional grants excluding subsidies and donations received by the municipality. The subsidy for environmental health received from the Sarah Baartman Municipality is R965 thousand, the subsidy is not included in the table above because of its nature.

2.5 Supporting Table SC7(1) Transfers and grant expenditure – M06 - Quarter 2

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Mid-Year	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:	3	4,056	5,781	-	1,933	1,933	2,881	(947)	-32.9%	5,781
Local Government Financial Management Grant		2,500	2,500	-	766	766	1,250	(484)	-38.7%	2,500
Municipal Infrastructure Grant		1,556	3,281	-	1,167	1,167	1,631	(464)	-28.4%	3,281
Provincial Government:		54,116	75,828	-	7,122	10,163	38,114	(27,951)	-73.3%	75,828
Alien Plant Eradication Grant		-	1,200	-	(810)	(810)	800	(1,610)	-201.3%	1,200
EC Human Settlement		51,674	74,270	-	7,032	7,032	36,635	(27,703)	-77.7%	71,270
Libraries and Archives (DSRAC)		2,442	3,358	-	-	3,041	1,679	1,362	81.1%	3,358
District Municipality:		1,007	-	-	93	93	-	93	0	-
Refurbishment of Water Pumpstations		-	-	-	61	61	-	61	0	-
Environmental Health Subsidy		-	-	-	32	32	-	32	0	-
Refurbishment of Water Pumpstations		1,007	-	-	-	-	-	-	-	-
Other grant providers:		14,114	-	-	293	293	-	293	0	-
Housing Development Agency		14,114	-	-	293	293	-	293	0	-
Total Operating Transfers and Grants		73,294	81,589	-	9,441	12,482	40,994	(28,512)	-33.6%	81,589
Capital Transfers and Grants										
National Government:		90,451	103,604	-	90,803	90,803	59,268	31,536	53.2%	103,604
Municipal Infrastructure Grant		29,578	29,285	-	22,780	22,783	22,106	683	3.1%	29,285
Integrated National Electrification Programme Grant		-	12,057	-	4,884	4,884	6,029	(1,145)	-19.0%	12,057
Regional Bulk Infrastructure Grant		22,026	-	-	40,597	40,007	-	49,997	0	-
Water Services Infrastructure Grant		37,847	62,262	-	13,134	13,134	31,131	(17,997)	-57.8%	62,262
Provincial Government:		38,280	64,607	-	7,644	61,671	38,423	23,248	60.5%	64,607
Municipal Disaster Relief Grant		15,716	100	-	-	85,624	100	53,425	53424.5%	100
Office of the Premier		5,349	-	-	-	-	-	-	-	-
Department of Water and Sanitation		-	-	-	84	84	-	84	0	-
EC Human Settlement		21,219	34,257	-	5,859	5,859	17,043	(12,194)	-71.5%	34,257
Municipal Disaster Relief Grant		-	30,426	-	2,719	2,719	21,280	(18,570)	-87.3%	30,426
Specify (Add grant description)		-	-	-	-	502	-	502	0	-
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		1,317	1,489	-	1,936	1,936	744	1,192	160.0%	1,489
Human Settlement Re-development Programme		1,317	1,489	-	1,936	1,936	744	1,192	160.0%	1,489
Total Capital Transfers and Grants		130,048	169,700	-	100,384	154,411	98,434	55,977	56.9%	169,700
TOTAL EXPENDITURE OF TRANSFERS & GRANTS		203,342	251,289	-	109,825	166,893	139,428	27,465	19.7%	251,289

The table below outlines the spending report on rollover conditional grants approved.

EC105 Ndlambe - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers – M06 – Half Year

Description	Ref	Budget Year 2025/26				YTD variance	YTD variance %
		Approved Rollover 2024/25	Monthly Actual	YearTD actual	YTD variance		
R thousands							
EXPENDITURE							
<u>Operating expenditure of Approved Roll-overs</u>							
National Government:		-	-	-	-		
Provincial Government:		(1,340)	917	(1,340)	-	100%	
Libraries and Archives (DSRAC)		(1,340)	917	(1,340)	-		
District Municipality:		-	-	-	-		
Other grant providers:		-	-	-	-		
Total operating expenditure of Approved Roll-overs		(1,340)	917	(1,340)	-	100%	
<u>Capital expenditure of Approved Roll-overs</u>							
National Government:		-	-	-	-		
Provincial Government:		(28,779)	17,256	(28,779)	-	100%	
Municipal Disaster Relief Grant		(28,308)	17,226	(28,308)	-		
Libraries and Archives (DSRAC)		(472)	31	(472)	-		
District Municipality:		-	-	-	-		
Other grant providers:		-	-	-	-		
Total capital expenditure of Approved Roll-overs		(28,779)	17,256	(28,779)	-	100%	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS		(30,119)	18,174	(30,119)	-	100%	

The rollover application for the disaster grant of R28,308 million was made to National Treasury pending approval. The library grant is a funded mandate the funder does not require the application to be made however the rollover will be incorporated with the adjustments during mid-year adjustment budget.

CREDITOR'S PAYMENTS

EC105 Ndlambe - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 – Half Year

Description	NT Code	Budget Year 2025/26									Total	Prior year totals
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	1,466	-	-	-	-	-	-	-	-	1,466	791
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1,466	-	-	-	-	-	-	-	-	1,466	791

The outstanding creditors as of 31 December 2025 reflect at R1,466 million compared to the previous year 31 December 2024 it was R791 thousand. The trade payables outstanding related to invoices that were within the 30-day period.

The table below outlines the top 20 highest creditors paid for the month of December.

Code	Creditor Name	Amount
16589	PROXA SOUTH AFRICA	(17,057,208.10)
02154	ESKOM HOLDINGS LIM	(10,124,837.82)
16431	SIZWE AMANSI INVESTMENTS	(4,870,245.36)
01066	COALITION TRADING	(3,737,586.72)
15693	SKY WINGS	(2,914,267.39)
06890	NORTHFIELD ENGINEE	(2,501,560.91)
07636	AUDITOR GENERAL	(2,368,567.83)
16427	BONTFOR	(1,964,707.70)
12070	AURECON SOUTH AFRICA (ZUTARI)	(1,755,947.67)
12344	CDR TECHNICAL (MONTHLY FIXED)	(1,430,219.04)
20089	MPHELE ENGINEERS AND PROJECT MANAGEMENT	(1,319,050.00)
14895	NIWATER SYSTEMS	(1,221,981.73)
17100	HARMONY SUPPLIERS	(1,176,237.30)
08046	Poppiez Trading Co.	(1,124,219.03)
16445	ALOE CONSULTING	(1,060,221.93)
04377	LRC CIVILS CC	(1,014,955.19)
16676	NGCE	(1,003,364.05)
11817	MANDLACHUMA TRADING	(954,000.00)
16316	Amlo Trading (PTY) LTD	(915,053.90)
12162	M/H GROUP	(909,657.59)

DEBTOR'S MANAGEMENT

Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 – Half Year

R thousands	NT Code	Description	Budget Year 2025/26										Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy	
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Dye-1 Yr	Over 1Yr	Total					
Debtors Age Analysis By Income Source																
	1200	Trade and Other Receivables from Exchange Transactions - Water	7,824	4,354	3,898	4,488	2,202	2,203	1,395	66,428	50,162	345				
	1300	Trade and Other Receivables from Exchange Transactions - Electricity	10,950	3,878	2,514	1,671	1,357	4,241	772	36,534	19,952	1,517				
	1400	Receivables from Non-exchange Transactions - Property Rates	14,358	5,744	3,208	2,486	1,914	4,873	1,278	63,286	40,194	73				
	1500	Receivables from Exchange Transactions - Waste Water Management	3,355	2,508	1,945	2,142	1,316	1,446	1,000	31,038	22,869	422				
	1600	Receivables from Exchange Transactions - Waste Management	3,315	2,030	1,527	1,490	1,017	1,418	635	36,784	29,811	431				
	1700	Receivables from Exchange Transactions - Property Rental Debtors								1,252						
	1810	Interest on Arrear Debtor Accounts	1,649	1,538	1,472	1,407	1,342	1,260		48,595						
	1820	Recoverable unauthorised, irregular, fruitless and wasteful expenditure														
	1900	Other	119	32	246	42	38	51	27	7,991	7,590	147				
	2000	Total By Income Source	41,325	19,694	15,124	13,725	9,199	12,492	6,518	291,907	215,764	3,505				
	2024/25 - totals only		54,707	19,900	14,925	12,385	10,360	12,122	7,911	308,545	239,032					
Debtors Age Analysis By Customer Group																
	2200	Organs of State	388	450	511	118	105	2,774	79	7,006	5,047	164				
	2300	Commercial	7,573	2,392	2,451	2,380	1,613	1,564	1,136	53,446	40,424	757				
	2400	Households	52,959	16,342	12,181	11,226	7,487	8,194	5,303	231,455	170,294	2,615				
	2500	Other														
	2500	Total By Customer Group	41,325	19,694	15,124	13,725	9,199	12,492	6,518	291,907	215,764	3,505				

Supporting table SC3 provides a breakdown of the debtors. The outstanding debtors as at end of December amount to R291,907 million, whereas debtor's account over 90 days reflect at R215,764 million.

- ❖ The debt breakdown shows that 83.28% of the debt is owed by households and 14.35% relates to debt owed by commercial property owners. Further 15.96% of the debt relates to interest charged on arrear debt.
- ❖ Lastly, Government departments account for 2.36% of the arrears.

For further details on the total debt of R291,967 million note that 71% or R197,156,883 million relates to debt from Eskom Electricity areas where the municipal does not have any control to enforce debt collection.

INSURANCE

The service provider that is rendering insurance services for the municipality is Gaudrisk Insurance Company LTD. The broker is AON South Africa (PTY) Ltd

Table below are all the insurance claims open as at December 2025:

CLAIM NUMBER	DIVISION	DATE OF LOSS	DATE NOTIFIED	REG NO	POLICY TYPE DESCRIPTION	GROSS	EXCESS TOTAL	DEDUCTIONS TOTAL	NETT
AIP429011	Ndlambe Municipality	2025/08/22	2025/08/28	FZR820EC	Motor	36 571	-	46 369	(9 798)
AIP440053	Ndlambe Municipality	2025/10/22	2025/11/26	JMG861GP	Motor	802	-	-	802
AIP427542	Ndlambe Municipality	2025/03/14	2025/08/15		Combined Claims	-	-	-	-
AIP380385	Ndlambe Municipality	2024/08/16	2024/09/02	HBF570EC	Motor	22 143	5 000	-	17 143
AIP386771	Ndlambe Municipality	2024/10/23	2024/10/28	000NCPEC	Motor	45 155	5 000	10 000	30 155
AIP392044	Ndlambe Municipality	2024/11/05	2024/11/29	HTM372EC	Motor	10 000	-	-	10 000
AIP409181	Ndlambe Municipality	2025/03/17	2025/04/01	HBX987EC	Motor	29 000	-	-	29 000
AIP419975	Ndlambe Municipality	2025/06/04	2025/06/19	JBH569EC	Motor	1 415	-	-	1 415

Table below are closed/ resolved insurance claims as at December 2025:

CLAIM NUMBER	DIVISION	DATE OF LOSS	DATE NOTIFIED	REG NO	POLICY TYPE DESCRIPTION	GROSS	EXCESS TOTAL	DEDUCTIONS TOTAL	NETT
AIP427589	Ndlambe Municipality	2025/08/08	2025/08/15		Electronic Equipment	11 199	2 500	-	8 699
AIP426650	Ndlambe Municipality	2025/07/11	2025/08/07	KJH326EC	Motor	139 684	6 913	-	132 770
AIP426598	Ndlambe Municipality	2025/07/18	2025/08/07	JPF808EC	Motor	56 933	5 000	-	51 933
AIP426233	Ndlambe Municipality	2025/07/20	2025/08/05		Motor	68 940	5 000	-	63 940
AIP427591	Ndlambe Municipality	2025/07/25	2025/08/15	KFN035EC	Motor	12 427	5 000	-	7 427
AIP429886	Ndlambe Municipality	2025/08/09	2025/09/05	DVX382EC	Motor	-	-	-	-
AIP431450	Ndlambe Municipality	2025/09/17	2025/09/19	988WJNEC	Motor	2 987	-	-	2 987
AIP443752	Ndlambe Municipality	2025/12/17	2025/12/18	HXF879EC	Motor	-	-	-	-
AIP415562	Ndlambe Municipality	2025/05/13	2025/05/20		Buildings Combined	-	-	-	-
AIP415480	Ndlambe Municipality	2025/05/09	2025/05/19		Combined Claims	10 499	2 500	-	7 999
AIP411979	Ndlambe Municipality	2025/04/06	2025/04/22		Business All Risk	27 390	-	-	27 390
AIP378011	Ndlambe Municipality	2024/07/28	2024/08/05		Electronic Equipment	-	-	-	-
AIP379569	Ndlambe Municipality	2024/08/10	2024/08/21		Electronic Equipment	8 450	2 500	-	5 950
AIP396865	Ndlambe Municipality	2024/12/31	2025/01/08		Electronic Equipment	14 099	-	-	14 099
AIP378081	Ndlambe Municipality	2024/07/12	2024/08/05	KJH326EC	Motor	-	-	-	-
AIP379514	NDLAMBE MUNICIPALITY	2024/08/09	2024/08/20	HHN377EC	Motor	4 117	-	-	4 117

AIP379573	Ndlambe Municipality	2024/08/19	2024/08/21	HXF879EC	Motor	-	-	-	-
AIP379732	Ndlambe Municipality	2024/08/20	2024/08/23	KDV937EC	Motor	1 282	-	-	1 282
AIP381747	Ndlambe Municipality	2024/08/28	2024/09/17	KHK065EC	Motor	13 484	-	-	13 484
AIP382272	Ndlambe Municipality	2024/09/09	2024/09/23	HBF570EC	Motor	39 857	-	-	39 857
AIP382563	Ndlambe Municipality	2024/09/13	2024/09/27	HXD242EC	Motor	81 654	-	-	81 654
AIP384438	Ndlambe Municipality	2024/09/18	2024/10/11	KDY710EC	Motor	3 533	-	-	3 533
AIP385293	Ndlambe Municipality	2024/10/04	2024/10/17	JLL113EC	Motor	8 792	-	-	8 792
AIP386153	Ndlambe Municipality	2024/10/04	2024/10/23	CGT788EC	Motor	-	-	-	-
AIP389598	Ndlambe Municipality	2024/10/16	2024/11/13	HTG277EC	Motor	-	-	-	-
AIP387312	Ndlambe Municipality	2024/10/18	2024/10/30	KKD466EC	Motor	4 766	-	-	4 766
AIP387348	Ndlambe Municipality	2024/10/18	2024/10/30	FPL659EC	Motor	-	-	-	-
AIP390171	Ndlambe Municipality	2024/10/25	2024/11/18	JVL343EC	Motor	-	-	-	-
AIP391116	Ndlambe Municipality	2024/10/26	2024/11/22	JYJ734EC	Motor	-	-	-	-
AIP391087	Ndlambe Municipality	2024/11/05	2024/11/22	JVL336EC	Motor	-	-	-	-
AIP395115	Ndlambe Municipality	2024/11/29	2024/12/20	JSH638EC	Motor	13 771	5 000	-	8 771
AIP393915	Ndlambe Municipality	2024/12/12	2024/12/12	TBA	Motor	3 756	-	-	3 756
AIP401315	Ndlambe Municipality	2025/01/07	2025/02/05	HZD086EC	Motor	20 085	5 000	-	15 085
AIP400443	Ndlambe Municipality	2025/01/17	2025/01/30	JFW531EC	Motor	1 377	-	-	1 377
AIP401348	Ndlambe Municipality	2025/01/20	2025/02/06	JMH006EC	Motor	15 015	5 000	-	10 015
AIP402880	Ndlambe Municipality	2025/01/21	2025/02/17	JVL343EC	Motor	87 675	-	-	87 675
AIP401233	Ndlambe Municipality	2025/01/23	2025/02/05	KDV927EC	Motor	38 626	-	-	38 626
AIP401622	Ndlambe Municipality	2025/01/30	2025/02/07	DYB116EC	Motor	-	-	-	-
AIP410480	Ndlambe Municipality	2025/03/22	2025/04/09	JJS331EC	Motor	9 663	5 000	-	4 663
AIP412449	Ndlambe Municipality	2025/04/11	2025/04/25	KFN032EC	Motor	9 575	5 000	-	4 575
AIP419900	Ndlambe Municipality	2025/05/12	2025/06/19	HMV935EC	Motor	59 239	5 000	-	54 239

The insurance premiums are paid monthly and occasionally they are updated either increase or decrease. In the past six months the municipality has made the premiums of R2,071,043 which includes commission to the broker. The contributing factors that result in changes in premium are insurance additions, disposals and impairment of fixed assets. The changes are communicated to the municipality before they are affected, and a new insurance policy schedule will be provided.

The insurance claims are lodged to the insurer within 6 weeks of the incident. The insurer's turnaround time to finalise the claim depends on the merits of each case; the insurer provides the claim number to the insured within 48 hours.

The above insurance registers outline the claims that are lodged to the insurer and the claims that are resolved within the past six months of the financial year

STAFF AND COUNCILOR'S ACCOUNTS

The two tables below show the status of councilors and staff account balances.

A total of 275 of 363 employee accounts are in current, 10 employees have credit balances, and 63 employees have arrear balances. The 60 employees with arrear balances are further broken into those with valid arrangements being 38 and those with arrangements for a period longer than 24 months being 22.

The 22 employees will be contacted during the month of January to discuss increases in the current arrangement amount to ensure debt will be settled within the next 24 months. Further 12 employees have accounts with enquiries to be resolved during the month of January 2026.

Of the twenty (20) Councillors, nineteen (19) is in current, while one (1) Councillor does not have an account as they reside in an informal settlement area where municipal accounts are not applicable. One Councillor maintains two (2) municipal accounts.

Of the twenty (20) accounts, seventeen (18) are up to date, and two (2) are in arrears. The details of the three Councillors in arrears are as follows:

- **Councillor A:** Will settle the outstanding balance within three (3) months.
- **Councillor B:** Disputes the outstanding balance and will meet with the Finance Department to discuss and resolve the matter.

Finance Credit Control compares the payroll and staff deduction listings on a Quarterly basis to identify municipal employees who are not included in the staff deduction list. A debt collection drive is conducted, during which these staff members are visited to establish payment arrangements, resulting in an increase in outstanding staff debt. This exercise remains ongoing.

REPORT ON MUNICIPAL STAFF ACCOUNTS		
Quantity of Debtors	Explanation	Balance as at Dec 2025
363	Staff on Age Analysis Coded as staff	1,142,846.94
275	Staff with current balance paying through staff deduction	308,402.86
10	Accounts with credit balances	10,279.82
38	Staff with arrears with valid arrangements in place (Balance is R 152 042.18 of which R 39 977.81 relates to current for Dec 2025 which is paid monthly and instalments towards arrears is R8 438.70(debt will be settled in 0-24 months)	152,042.18
22	Staff with arrears with arrangements towards arrears but repayment periods is from 27-391 months therefore arrangements are not valid. Balance of these staff debtors' arrears is R 252 309.26 of which current is R34 512.03and instalment towards arrears amounts to R 3 448.01(debt will be paid back between 27-391 months).	252,309.26
1	Account 1200786 relates to a staff member living on mothers' property mother applied to rates and valuation committee for arrear write-off. Employee only pays R2 000.00 towards current account mother to pay rest of current account.	3,401.99
12	Staff accounts with queries to be resolved during Jan 2026	428,623.78
5	Staff account Pay Account Cash monthly	8,346.69
363		R 1,142,846.94
REPORT ON COUNCILLORS ACCOUNTS		
Quantity of Debtors	Explanation	Balance as at Nov 2025
20		R 55,911.97

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2025/2026

18	Councilors in current balance - paying by staff deduction	51,744.67
0	Accounts with credit balances	
1	1x Councilors account number 4004030 in arrears with current account being deducted. Arrears arrangements are in place to recover arrear debt over period (0-13) months.	4,167.30
0	Councilors account number in arrears with current account being deducted. The Councilor has expressed disagreement regarding the outstanding balance and has indicated their intention to meet with municipal officials to resolve the issue	-
0	Councilors account with queries to be resolved during Nov 2025	-
20		R 55,911.97

Electricity and Water Losses

Electricity Losses

The electricity losses for the period ending in December 2025 is 1% is reflecting an improvement compared to December 2024 of the previous year which was 11%.

Town	Description	Jul	Aug	Sep	Oct	Nov	Dec	Total
	Purchases(kWh)	240,517.87	460,295.00	430,321.25	419,420.50	433,801.25	428,764.00	2,413,119.87
	Total Sales	362,912.12	328,881.72	334,178.37	333,401.72	291,248.54	371,921.57	2,022,344.06
	Sales(kWh)- Mun. Readings	140,575.00	112,863.00	127,311.00	115,772.00	74,564.00	141,818.00	712,903.00
	Sales (kWh)- CDR Readings	20,179.20	20,796.21	20,914.56	21,565.21	23,084.53	23,107.36	129,647.07
	Prepaid (kWh)	177,618.10	170,482.70	161,413.00	171,524.70	169,060.20	182,456.40	1,032,555.10
	Unmetered - streetlights(kwh)	24,539.81	24,539.81	24,539.81	24,539.81	24,539.81	24,539.81	147,238.88
	Unmetered - pumps	-	-	-	-	-	-	-
	Lost (kWh)	-122,394.25	131,613.28	96,142.88	86,018.78	142,552.71	56,842.43	390,775.81
	Loss %	-51%	29%	22%	21%	33%	13%	16%
	Purchases(kWh)	1,473,189.62	3,028,302.88	2,785,319.14	2,588,722.48	2,721,727.88	2,658,427.56	15,255,689.56
	Total Sales	2,560,701.17	2,786,570.65	2,568,762.61	2,521,712.61	2,396,480.02	2,632,789.79	15,467,016.87
	Sales(kWh)- Mun. Readings	1,035,000.96	1,086,461.67	1,107,943.00	1,056,120.00	870,790.00	1,012,342.15	6,168,057.78
	Sales(kWh)- CDR Readings	619,931.30	813,568.77	619,696.90	593,415.10	690,554.71	673,526.93	4,010,693.71
	Prepaid (kWh)	813,779.20	794,550.50	749,733.00	780,187.80	743,145.60	854,931.00	4,736,327.10
	Unmetered - streetlights(kwh)	74,376.53	74,376.53	74,376.53	74,376.53	74,376.53	74,376.53	446,259.21
	Unmetered - pumps(kwh)	17,613.18	17,613.18	17,613.18	17,613.18	17,613.18	17,613.18	105,679.08
	Lost (kWh)	-1,087,511.55	241,732.23	216,556.53	67,009.87	325,247.86	25,637.77	-211,327.31
	Loss %	-74%	8%	8%	3%	12%	1%	-1%
	Purchases(kWh)	1,713,707.49	3,488,597.88	3,215,640.39	3,008,142.98	3,155,529.13	3,087,191.56	17,668,809.43
	Total Sales	2,923,613.29	3,115,252.38	2,902,940.99	2,855,114.34	2,687,728.57	3,004,711.37	17,489,360.93
	Sales(kWh)- Mun. Readings	1,175,575.96	1,199,324.67	1,234,654.00	1,171,892.00	945,354.00	1,154,160.15	6,880,960.78
	Sales(kWh)- CDR Readings	640,110.50	834,364.98	640,611.46	614,980.31	713,639.24	696,534.29	4,140,340.78
	Prepaid (kWh)	991,397.30	965,033.20	911,146.00	951,712.50	912,205.80	1,037,387.40	5,768,882.20
	Total Unmetered - streetlights(kwh)	98,916.35	98,916.35	98,916.35	98,916.35	98,916.35	98,916.35	593,498.09
	Total Unmetered - pumps(kwh)	17,613.18	17,613.18	17,613.18	17,613.18	17,613.18	17,613.18	105,679.08
	Lost (kWh)	-1,209,905.80	373,345.50	312,699.40	153,028.64	467,800.56	82,480.19	179,448.50
	Loss %	-71%	11%	10%	5%	15%	3%	1%
Port Alfred								
Overall								

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2025/2026

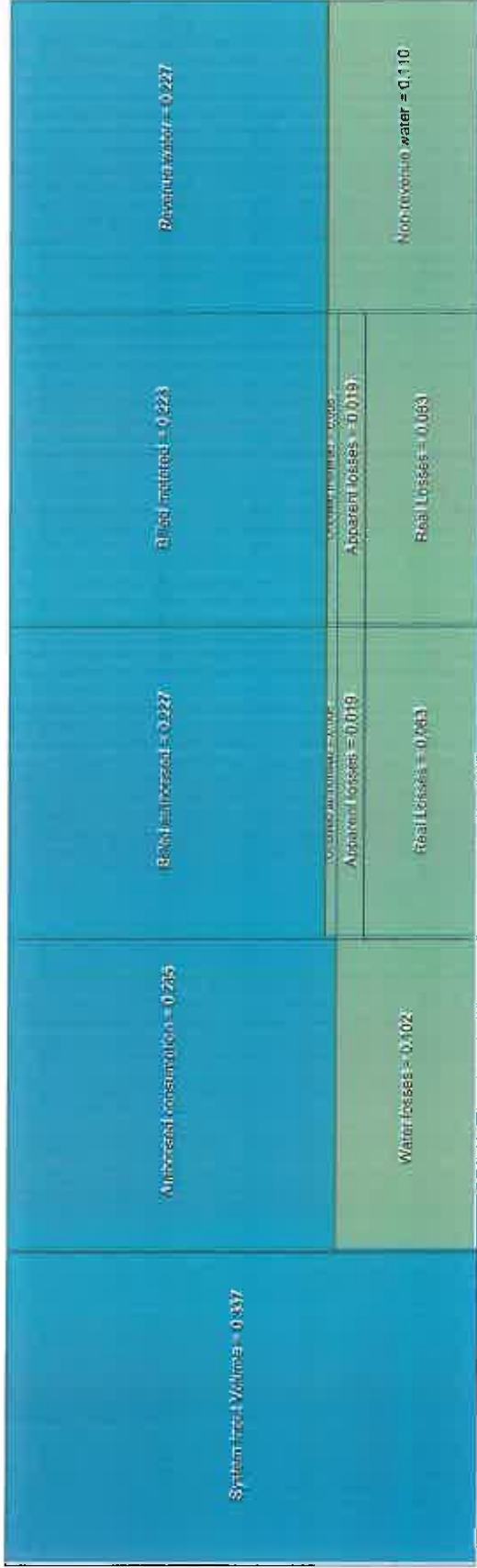
Indicator	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	TOTAL
% Revenue water	95.0%	94.8%	97.7%	97.9%	99.1%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%	97.4%
% Non-revenue water	35.0%	35.2%	32.3%	32.5%	31.9%	32.6%	32.6%	32.6%	32.6%	32.6%	32.6%	32.6%	32.6%
% Water Losses	13.8%	13.8%	31.1%	30.7%	30.2%	30.3%	30.3%	30.3%	30.3%	30.3%	30.3%	30.3%	30.3%
System Input volume unit consumption													
Litres / capita / day	137	139	133	134	139	146	146	146	146	146	146	146	138
m³ / household / month	13	13	13	13	13	14	14	14	14	14	14	14	13
m³ / connection / month	15	15	14	15	15	16	16	16	16	16	16	16	15
Authorized Unit Consumption													
Litres / capita / day	91	92	91	93	97	101	101	101	101	101	101	101	96
m³ / household / month	3	3	3	3	3	3	3	3	3	3	3	3	3
m³ / connection / month	10	10	10	10	11	11	11	11	11	11	11	11	10
Domestic (& ND) m³ / connection / month	10	10	10	10	11	11	11	11	11	11	11	11	10
Non-domestic m³ / connection / month	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data	No Data
Water loss indicators													
Litres / capita / day	46	47	41	41	42	44	44	44	44	44	44	44	46
m³ / household / month	4	4	4	4	4	4	4	4	4	4	4	4	4
m³ / connection / month	3	3	3	3	3	3	3	3	3	3	3	3	3
UARL : Losses (litres / connection / day)	3	3	3	3	3	3	3	3	3	3	3	3	3
CARL : Losses (litres / connection / day)	14	14	10	10	10	11	11	11	11	11	11	11	14
Infrastructure Leakage Index (ILI)	3.8	3.7	3.2	3.2	3.3	3.4	3.4	3.4	3.4	3.4	3.4	3.4	3.0
CARL : Losses (m³ / km mains / day)	3.8	3.8	3.2	3.2	3.3	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.0

Note : All underlined values have been calculated using trends and / or averages based on previous years.

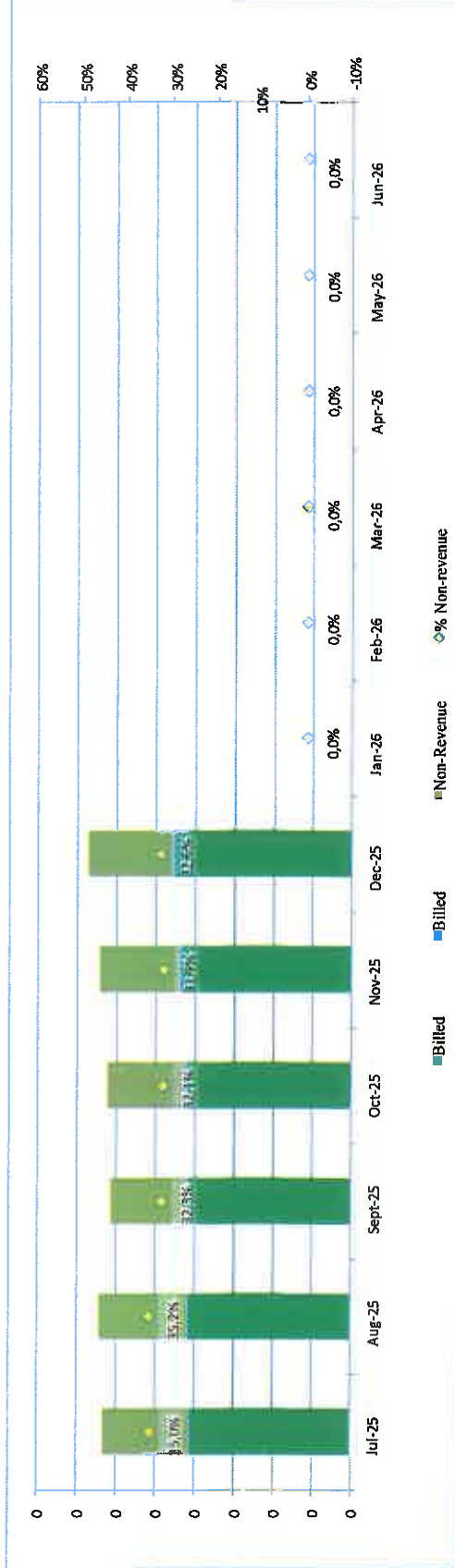
Source of information

Comments

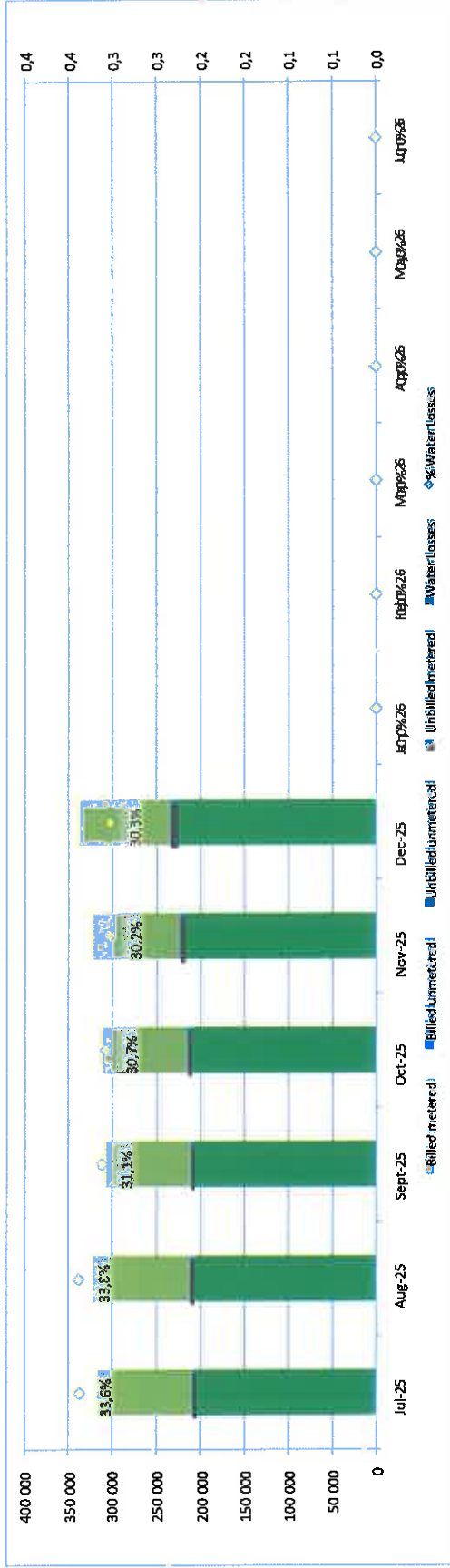
MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2025/2026



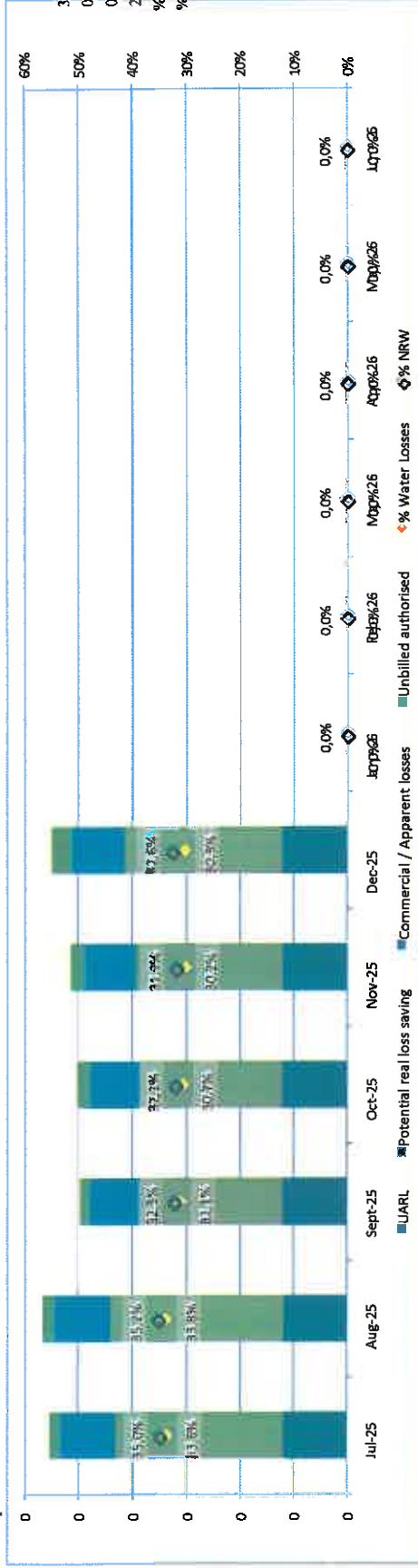
Non-revenue trend



Water Loss trend



Components of water trend



WATER BALANCE REPORT**Overview of Non-Revenue Water (NRW) and Losses****Overview of Non-Revenue Water (NRW) and Losses**

The Non-Revenue Water (NRW) report for the Ndlambe Municipality from July 2025 to December 2025 indicates an overall NRW average of 33.2% across the water supply systems.

Summary of Non-Revenue Water Per Water Supply System

Water Supply System	Water Supplied	Water Billed	Non-Revenue Water	
	(kL)	(kL)	kL	%
Port Alfred	1 066 775	718 737	348 038	32.6%
Bathurst	90 424	63 008	27 416	30.3%
Kleinemonde	34 846	21 428	13 418	38.5%
Kenton-on Sea	364 932	229 238	135 694	37.2%
Cannon Rocks	93 339	64 641	28 698	30.7%
Alexandria	262 558	180 356	81 792	31.2%
TOTAL	1 912 874	1 277 818	635 056	33.2%

INVESTMENTS

Supporting Table SC5 Monthly Budget Statement - Investment Portfolio - M06 – Half Year

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 %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs	Months												
FNB Municipality		3	Months	Call Account	Yes						16,246	597	(20,803)	22,857	17,657
ABSA Invested		1	Month to 1 Month	Call Account	No						7,771	1,068	(161,115)	151,322	19,577
Standard Bank		1	Month to 1 Month	Call Account	No						6,444	230	(4,319)	2,433	4,793
		1	Month to 1 Month	Call Account	No						20,779	1,056	(37,376)	20,492	11,651
TOTAL INVESTMENTS AND INTEREST	2										58,240	2,972	(213,943)	206,309	53,579

The conditional grant monies are being invested in a call account with the bank that offered the highest interest rate.

The breakdown of the balance of investments is as follows:

- ❖ FNB investment accounts to the value of R11,678,791 million are ceded to Eskom and DBSA for the surety and guarantee. The guarantee is for Ndlambe municipality's bulk account at Eskom and the surety for the remaining balance of a loan acquired from DBSA.
- ❖ The short-term investment portfolio for the period of the quarter ending in December and this excludes current accounts amounting to R53,579 million.

Ndlambe Municipality Financial Ratios as at December 2025.

Description	Formula	Norm	31-Dec-23	31-Dec-24	31-Dec-25	Reason for performance
Cost Coverage ratio	Cash and cash equivalents + Short term Investments/Total operating expenditure	1-3 months	3 months	2 months	0 month	The Ndlambe Municipality can potentially cover its monthly expenditure for more than 4 months with no additional revenue.
Reliance on national and provincial transfers	Grants/Total Revenue x 100	N/A	118.10%	74.10%	57.93%	This ratio is done to assess the level of reliance on revenue received in the form of grants. The ratio reflects that the municipality relies on grants and subsidies and the grants is 57.93% of the total revenue.
Capital Expenditure Budget Implementation indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	95%-100%	60.30%	76.30%	114.10%	The result of this ratio is 114.10% which is below the budgeted capital expenditure meaning that the spending of the municipality is not in accordance with the budget
Debt (Total borrowings)/Revenue	(Overdraft + Current Finance Lease Obligation + Non-current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	45%	18.75%	15.80%	0.00%	The municipality ratio is 0%. Therefore, the ratio indicates that the municipality has capacity to take increase funding from borrowings
Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	None	5.20%	6.40%	0.51%	The ratio reflects that the municipality does not have sufficient reserves to fund the capital expenditure
Remuneration as % of total operating expenditure	Remuneration (Employee Related Costs and Councilors' Remuneration) / Total Operating Expenditure x 100	25%-40%	33.30%	34.50%	36.58%	This ratio indicates that the municipality is doing well and is efficient. Most of the expenditure is correctly directed to essentials and service delivery related expenditure
Contracted Services % of Operating Expenditure	Contracted Services / Total Operating Expenditure x 100	2%-5%	26.60%	25.60%	19.53%	The percentage obtained by the municipality in terms of this ratio shows that many functions are being outsourced. This may expose the municipality to risks such as inability to build capacity and increased reliance on contractors
Current Ratio	Current Assets/Current Liabilities	1.5-2.1	1.24	1.26	1.30	This ratio indicates that the municipality might have difficulties paying all its current or short-term obligations.
Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	95%-100%	103%	82.20%	87.78%	This ratio indicates that the Municipality has utilised 87.78% of the budgeted operating expenditure. This may indicate inaccurate budgeting or poor financial management control.
Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 89	95%-100%	105.80%	79.60%	96.25%	The municipality achieved a rate of 96.25% which means they do not have sufficient capacity to implement effective billing, credit control, compilation of budgets and financial controls.

1.5 IDP AND SDBIP FINANCIAL AND NON-FINANCIAL PERFORMANCE AS AT 31 DECEMBER 2025

The municipality, in line with the PMS Policy makes use of the 5-point scale to rate the municipality's performance. The 5-point scale is included below:

PERFORMANCE RATING SCALE

SYSTEMATIC ICON	NUMERICAL RATING	PERCENTILE REPRESENTATION	BRIEF DESCRIPTION
N/A	Not Applicable for Reporting	Not Applicable	Not Applicable
R	1	0% - 74.99%	Unacceptable Performance
O	2	75% - 99.99%	Performance is not fully effective
G	3	100%	Fully effective
G2	4	100.01% - 149.99%	Performance significantly above expectations
B	5	150% - Upwards	Outstanding performance

KEY PERFORMANCE AREAS

The Key Performance Areas are as follows:



KPA 1: SPATIAL PLANNING

The municipality has two KPIs which are used to monitor the progress made in KPA 1: Spatial Planning. The KPIs are assigned to the Infrastructural Development directorate which executes the Spatial Planning function through the Town Planning section. The targets of both the KPIs have, according to the performance rating scale, been met.

SUMMARY OF PERFORMANCE			
KPI NAME	TARGET	ACTUAL	PERFORMANCE OUTCOME
1. Percentage turnaround time for processing of land use applications within 16 months in accordance with SPLUMA	100%	100%	Target has been met
2. Percentage of land development applications processed for business/industrial development or major impact developments	100%	100%	Target has been met

The KPIs were reported on in the system timeously. Additionally, the review by the PMS section did not necessitate a rejection as the relevant evidence was submitted. The Quality Assurance by Internal Audit was also conducted during the period being reported on.

GRAPHICAL REPRESENTATION OF PERFORMANCE:



Not Yet Applicable	0 (0%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	2 (100%)
Well Met	0 (0%)
Extremely Well Met	0 (0%)
Did Not Occur	0 (0%)

Summary of Results: Spatial Planning			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	0
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	2
O2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
Total KPIs:			2

KPA 2: BASIC SERVICE DELIVERY

KPA 2: Basic Service Delivery consists of 33 KPIs. Of the 33 KPIs, 12 KPIs were not applicable for reporting during the first half of the 2025/2026 financial year as there weren't any targets assigned for this period. The total number of KPIs which were applicable is 21. Of the 21 KPIs, 16 KPIs' targets were met and 5 KPIs' targets were not met.

SUMMARY OF PERFORMANCE				
KPI NAME	TARGET	REPORTED ACTUAL	ACTUAL BASED ON EVIDENCE ATTACHED	PERFORMANCE OUTCOME
3. Number of formal households with access to refuse removal as per the refuse collection schedule	21929	21968.83	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been well met
4. Number of known informal settlements receiving basic refuse removal services in accordance with the National Environmental Management Waste Act no. 59 of 2008.	12	12	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been met. Reporting for the first quarter will need to be rectified or evidence will need to be submitted for verification purposes.
5. Number of beaches with full blue flag status maintained according to blue flag beach criteria and explanatory notes 2020.	3	3	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been met.
6. Percentage of incidents reported to the fire department attended to	100%	100%	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been met.
8. Number of municipal sites (76) secured by alarms and armed response as per the security contract.	76	76	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been met.

9. Number of metres of water reticulation pipeline constructed.	4400	4400	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been met.
10. Number of metres of sewer reticulation pipeline constructed.	621	621	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been met.
13. Percentage of unplanned water outages that are restored to supply within industry standards. (98% of households restored within 24 hours)	98%	90.33%	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target was almost met
14. Percentage of planned maintenance performed as per the infrastructure maintenance plan.	98%	448.37%	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been extremely met
19. Number of Milestones reached towards the appointment of a contractor for the testing of leaks on the Contract 14 water pipeline.	4	0	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has not been met
21. Number of housing units in informal settlements with electricity installed.	20	0	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has not been met
24. Number of milestones reached towards the normalisation of receiving sub station (Port Alfred).	1	1	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been met.
25. Number of metres of stormwater drainages upgraded	877	1460	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been extremely met
26. Percentage of households with access to basic sanitation	80%	97.69%	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been well met
27. Percentage of households with access to water supply	95%	99.65%	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been well met
28. Percentage of non-revenue water	32%	33.27%	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has not been met
29. Percentage of waste water samples compliant to water use license conditions (Green Drop).	75%	63.26%	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target was almost met
30. Percentage of water samples complying to SANS241 (Blue Drop)	85%	92.57%	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been well met
31. Percentage of households with access to electricity within the municipal service areas	100%	106.17 %	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been well met
34. Metres of road improved (paving)	1425	1956.50	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Based on the actual provided, the target has been well met
35. Percentage registered Indigent households having access to free basic services	100%	100%	Not yet verified as the PMS Review and the Quality Assurance by Internal Audit have not been concluded	Target has been met.

The reviewal of the KPIs has not been concluded nor has the Quality Assurance by Internal Audit commenced. This therefore means that the information is subject to change during the PMS Review and during the Quality Assurance by Internal Audit. The table below shows KPIs which were rejected and not rectified by the relevant Directorate. The table below shows KPIs which were rejected in the first quarter of the financial year.:

STRATEGIC LAYER KPIS REVIEWED AND REJECTED BY PMS AND/OR INTERNAL AUDIT				
KPI NAME	TARGET	REPORTED ACTUAL	ACTUAL BASED ON THE EVIDENCE SUBMITTED	REASONS FOR A REJECTION
3. Number of formal households with access to refuse removal as per the refuse collection schedule	21929	22009	22009	The KPI was rejected on the basis of a performance comment. The targets for August and September were not met. However, the performance comment erroneously stated that the target had been met. This does not have an impact on the statistical performance information but it is a misrepresentation which has to be rectified. Rejections were made by PMS and Internal Audit in this regard.
4. Number of known informal settlements receiving basic refuse removal services in accordance with the National Environmental Management Waste Act no. 59 of 2008.	12	12	11	Based on the evidence submitted, the actual for July should be 11 and not 12; the actual for August is 12 and the actual for September should be 10 and not 12. Evidence to support the actuals provided of 12 have not yet been provided nor was the actual rectified upon rejection. The rejections were made by PMS and Internal Audit in this regard.
13. Percentage of unplanned water outages that are restored to supply within industry standards. (98% of households restored within 24 hours)	98%	81.33%	78.26%	The evidence submitted suggests that 18 of the 23 unplanned water outages were restored to supply within industry standards. The percentile representation of this is 78.26%. The actual for July = 7/8= 87.5%. The actual for August = 5/9=55.56%. The actual for September = 6/6=100%
14. Percentage of planned maintenance performed as per the infrastructure maintenance plan.	98%	509.33%	UNVERIFIABLE	The actual provided is unverifiable. Evidence supporting the calculation have not yet been provided. Rejections accompanied by requests for additional information have been submitted by PMS and Internal Audit. The actual is subject to change on the basis of verifiability.

The table below shows all of the KPIs which were not met, as well as the monthly performance comments which have been included to describe how the municipality fared against the monthly targets. The corrective measures have also been included to describe the process the municipality will undertake to ensure that the targets are met.

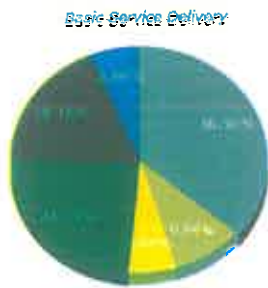
STRATEGIC LAYER KPIS REVIEWED AND REJECTED BY PMS AND/OR INTERNAL AUDIT				
KPI NAME	TARGET	REPORTED ACTUAL	PERFORMANCE COMMENTS	CORRECTIVE MEASURES
13. Percentage of unplanned water outages that are restored to supply within industry standards. (98% of households restored within 24 hours)	98%	81.33%	[T1 2_1_1.3_13] Director: Infrastructural Development: % of unplanned water outages number restores within 24Hrs/ Total unplanned water outages. 7/8 =88% (July 2025) [T1 2_1_1.3_13] Director: Infrastructural Development: % of unplanned water outages- Number restored within 24Hrs/Total Unplanned Water Outages = 5/9 =56% (August 2025) [T1 2_1_1.3_13] Director: Infrastructural Development: % of unplanned water outages- Number restored within 24Hrs/Total Unplanned Water Outages = 6/6 =100% (September 2025)	[T1 2_1_1.3_13] Director: Infrastructural Development: A water outage in Kenton On Sea water supply area extended for 57 hours as Bushmans's RO plant operated by Amatola Water required specialist reprogramming after an electrical failure scrambled the SCADA system controlling the plant. (July 2025) [T1 2_1_1.3_13] Director: Infrastructural Development: Two extended Eskom power failures in the Alexandria water system caused long water outages in the area. Additionally, two water outages in the Port Alfred areas required extensive investigations before they could be resolved in long restoration times. (August 2025)
19. Number of Milestones reached towards the appointment of a contractor for the	2	0	[T1 2_1_1.3_19] Director: Infrastructural Development: We have been unable to reach the target of Bid Evaluation Committee and Bid Adjudication Committee towards the appointment of a	[[T1 2_1_1.3_19] Director: Infrastructural Development: This project will be revised during the designated adjustment period, as progress has not met expectations. (December 2025)

testing of leaks on the Contract 14 water pipeline.			contractor for contract 14 due to the contractual dispute that we had with the consultants Zutari towards the payment of their fees. Subsequently this ended up delaying them to complete compiling the tender document for contract 14. (December 2025)	
21. Number of housing units in informal settlements with electricity installed.	20	0	[T1 2_2_2.1_21] Director: Infrastructural Development: The electrification of 20 units in the informal settlements has not yet commenced, as these areas fall within Eskom's supply jurisdiction. For the municipality to begin construction, Eskom must first approve the design drawings that were submitted. (December 2025)	[T1 2_2_2.1_21] Director: Infrastructural Development: An MOU has already been signed, and a meeting was held between the Municipality, Eskom, and the appointed consultant, during which the consultant presented the designs. The next meeting is scheduled for January 2026 to finalize Eskom's approval. Once approval is granted, the project will proceed with construction. (See the attached MOU and correspondence between (December 2025)
28. Percentage of non-revenue water	32%	33.27%	[T1 2_2_2.1_28] Director: Infrastructural Development: % of Non-Revenue Water-(Total Metered Supply-Total Billed)/Total Metered Supply = (316 071-201 790)/316 071 =36.20% (July 2025) [T1 2_2_2.1_28] Director: Infrastructural Development: % of Non-Revenue Water-(Total Metered Supply-Total Billed)/Total Metered Supply = (3210216-204 281)/321 216 =36.4% The non-revenue figure is above target due to a number of leaks experienced in the Port Alfred System as there were a lot of burst pipes caused by the excavations from the contractor working on the sewer projects. The intermittent water supply in the Kenton-on-Sea Water Supply System and the Alexandria Water supply System also increase pipe burst and water losses. (August 2025) [T1 2_2_2.1_28] Director: Infrastructural Development: % of Non-Revenue Water-(Total Metered Supply-Total Billed)/Total Metered Supply = (307 015-207 790)/307 015 =32.4 (September 2025)	[T1 2_2_2.1_28] Director: Infrastructural Development: The non-revenue figure is above target due to a number of leaks experienced in the Port Alfred System as there were a lot of burst pipes caused by the excavations from the contractor working on the sewer projects. The intermittent water supply in the Kenton-on-Sea Water Supply System and the Alexandria Water supply System also increase pipe burst and water losses. Corrective Actions 1. The contractor working on the sewer project has been provided with as built plans of the existing services, but they are not accurate in some places 2. Kenton-on-Sea is reliant on bulk water supply from the RO plant run by Amatola Water. The municipality is currently engaging the Department of Water and Sanitation as well as Amatola Water for the handover of the RO plant so that the municipality works to ensure reliable water supply for the area. The Alexandria Water Supply will improve after the completion of the Contract 14 which is anticipated at the end of November 2025. This will decrease the rate of intermittent water supply in this area. (July 2025) [T1 2_2_2.1_28] Director: Infrastructural Development: 1. The contractor working on the sewer project has been provided with as built plans of the existing services and they have been allocated a foreman who will assist in identifying water services when they are excavating. 2. Kenton-on-Sea is reliant on bulk water supply from the RO plant run by Amatola Water. The municipality is currently engaging the Department of Water and Sanitation as well as Amatola Water for the handover of the RO plant so that the municipality works to ensure reliable water supply for the area.

				<p>3. The Alexandria Water Supply will improve after the completion of the Contract 14 which is anticipated at the end of November 2025. This will decrease the rate of intermittent water supply in this area. (August 2025)</p>
<p>29. Percentage of waste water samples compliant to water use license conditions (Green Drop).</p>	<p>75%</p>	<p>63.26%</p>	<p>[T1 2_2_2.1_29] Director: Infrastructural Development: Test results submitted to determine the percentage of Compliance with Water Use Licence Conditions: % Compliance = no. of compliant parameters/total number of parameters Alexandria WWTW=9/12=75.00% Bushmans WWTW=9/12=75.00% Kenton-on-Sea WWTW=6/12=50.00% Bathurst WWTW=8/12=66.67% Port Alfred WWTW=8/12=66.67% Rosehill WWTW= Average Compliance=66.67% (October 2025)</p> <p>[T1 2_2_2.1_29] Director: Infrastructural Development: Test results submitted to determine the percentage of Compliance with Water Use Licence Conditions: % Compliance = no. of compliant parameters/total number of parameters Alexandria WWTW=10/12=83.00% Kenton-on-Sea WWTW=6/12=50.00% Bathurst WWTW=7/12=58.33% Port Alfred WWTW=8/12=66.67% Average Compliance=64.58% (November 2025)</p> <p>[T1 2_2_2.1_29] Director: Infrastructural Development: Test results submitted to determine the percentage of Compliance with Water Use Licence Conditions: % Compliance = no. of compliant parameters/total number of parameters Alexandria WWTW=10/12=66.67% Bushmans River Mouth WWTW=7/12=58.33% Bathurst WWTW=7/12=66.67% Port Alfred WWTW=8/12=66.67% Average Compliance=64.58% (December 2025)</p>	<p>[[T1 2_2_2.1_29] Director: Infrastructural Development: The Wastewater Treatment Works are not fully functional and they need to be upgraded to meet license conditions. Bathurst WWTW will be upgraded in the next financial year. The Kenton-on-Sea WWTW was desludged by the end of August 2025. Effluent quality is expected to improve as the activated sludge matures. The addition of bio-enzymes to fast-track the maturity of the sludge is being investigated. Electrical Conductivity at the Port Alfred WWTW will always be outside limits as the brine (salt water) from the Reverse Osmosis Plant is disposed in the ponds at the plant. (October 2025)</p> <p>[T1 2_2_2.1_29] Director: Infrastructural Development: The Wastewater Treatment Works are not fully functional and they need to be upgraded to meet license conditions. Bathurst WWTW upgrade will start in the next financial year as the procurement of the consultants to carry out the professional services was done . The Kenton-on-Sea WWTW was desludged by the end of August 2025. Bio-enzymes have been procured for December 2025 to assist with improving the effluent quality of Kenton-on-Sea WWTW. Electrical Conductivity at the Port Alfred WWTW will always be outside limits as the brine (salt water) from the Reverse Osmosis Plant is disposed in the ponds at the plant. (November 2025)</p> <p>[T1 2_2_2.1_29] Director: Infrastructural Development: • The Bathursts Wastewater Treatment Works are not fully functional and planned upgrade is scheduled for the next financial year. However, the appointed consultant has completed the tender document for the procurement of the contractor that will execute the upgrade works(see attached correspondence) • The Kenton-on-Sea WWTW was desludged by the end of August 2025. Bio-enzymes have been procured for December 2025 through the tender processes to assist with improving the effluent quality of Kenton-on-Sea WWTW (see attached purchase order) • Electrical Conductivity at the Port Alfred WWTW will always be outside limits as the brine (salt water) from the Reverse Osmosis Plant is</p>

disposed in the ponds at the plant.
(December 2025)

GRAPHICAL REPRESENTATION OF PERFORMANCE:



Not Yet Applicable	12 (36.36%)
Not Met	3 (9.09%)
Almost Met	2 (6.06%)
Met	8 (24.24%)
Well Met	6 (18.18%)
Extremely Well Met	2 (6.06%)
Did Not Occur	0 (0%)

Summary of Results: Basic Service Delivery			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	12
R	KPI Not Met	0% <= Actual/Target <= 74.999%	3
D	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	2
G	KPI Met	Actual meets Target (Actual/Target = 100%)	8
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	6
B	KPI Extremely Well Met	150.000% <= Actual/Target	2
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
Total KPIs:			33

KPA 3: MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

KPA 3: Municipal Transformation and Organisational Development consist of 3 KPIs. During the first half of the 2025/2026 financial year, only 1 KPI out of the 3 KPIs was applicable. The other 2 KPIs did not have targets during the first half of the financial year. Based on the evidence submitted, the target for the KPI was achieved. The KPI is the responsibility of the Office of the Municipal Manager. In terms of the Performance Rating Scale, the target was well met which translates to an overachievement of 100.01% to 149.99%.

The evidence submitted for KPI '37. Percentage of funded posts (Task Grade 5 upwards) filled within 6 months of vacancy according to municipal staff regulations 890' has been reviewed by PMS and Internal Audit Quarter 1 period, respectively. According to the reviews, the evidence correlates with the actual provided. However, reviews for Q2 have not yet been concluded and the information is subject to change until the reviews have been concluded.

SUMMARY OF PERFORMANCE			
KPI NAME	TARGET	REPORTED ACTUAL	PERFORMANCE OUTCOME
37. Percentage of funded posts (Task Grade 5 upwards) filled within 6 months of vacancy according to municipal staff regulations 890	60	86.67%	Target has been well met

GRAPHICAL REPRESENTATION OF PERFORMANCE:



Not Yet Applicable	2 (66.67%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	0 (0%)
Well Met	1 (33.33%)
Extremely Well Met	0 (0%)
Did Not Occur	0 (0%)

Summary of Results: Municipal Transformation and Organisational Development			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	2
R	KPI Not Met	0% <= Actual/Target <= 74.999%	0
B	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
Total KPIs:			3

KPA 4: LOCAL ECONOMIC DEVELOPMENT

KPA 4: Local Economic Development consists of 2 KPIs. Both these KPIs are the responsibility of the Office of the Municipal Manager via the Local Economic Development Department. The targets of both the KPIs have been met. According to the Performance Rating Scale, 1 KPI has been Well Met (100.001% - 149.999%) and 1 KPI has been Extremely Well Met (150.00%+).

SUMMARY OF PERFORMANCE				
KPI NAME	TARGET	REPORTED ACTUAL	ACTUAL BASED ON REVIEWED EVIDENCE	PERFORMANCE OUTCOME
39. Number of work opportunities created by the municipality through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes)	639	1625	1625	Target has been extremely met
40. Number of tourism initiatives supported	6	7	4	According to the evidence submitted for reviewal, 3 should be the actual and not 5. Additionally, 2 is the actual for Q2 which means that 5 should be the actual. The actual provided will change if evidence supporting the 7 is not provided.

KPI '39. Number of work opportunities created by the municipality through Public Employment Programmes (incl. EPWP, CWP and other related employment programmes)' was reviewed by PMS and Internal Audit, respectively. The evidence correlates with the actual submitted on the system.

KPI '40. Number of tourism initiatives supported' was reviewed by PMS and Internal Audit, respectively. There is a duplicate of the actual achieved for the first quarter. The reported actual provided is 5. Yet, the actual according to the evidence is a 3. The evidence submitted suggests that, during quarter 1, 3 tourism initiatives were provided with support. This has been highlighted by PMS and Internal Audit. Reviews for the performance achieved for the second quarter are ongoing. The actual is subject to change depending on the submission or non-submission of evidence.

GRAPHICAL REPRESENTATION OF PERFORMANCE:



Not Yet Applicable	0 (0%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	0 (0%)
Well Met	1 (50%)
Extremely Well Met	1 (50%)
Did Not Occur	0 (0%)

Summary of Results: Local Economic Development			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	0
R	KPI Not Met	0% <= Actual/Target <= 74.999%	0
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
Total KPIs:			2

KPA 5: FINANCIAL VIABILITY AND MANAGEMENT

KPA 5: Financial Viability and Management consist of 8 KPIS and of the 8 KPIs, 5 KPIs were applicable for reporting during the first half of the 2025/2026 financial year. The remaining 3 KPIs did not have targets due for reporting in the first half of the 2025/2026 financial year. The 5 applicable KPIs are the responsibility of the Financial Services Directorate. 4 of the 5 applicable KPIs' targets were met with 1 KPI's target not being achieved.

SUMMARY OF PERFORMANCE			
KPI NAME	TARGET	REPORTED ACTUAL	PERFORMANCE OUTCOME
41. Percentage Collection Rate	73.33%	80.48%	Target has been well met
42. Cash/ Cost Coverage Ratio (Excluding Unspent Conditional Grants)	03:01	0.19:1	Target has not been achieved.
45. Repairs and Maintenance as a % of Property, Plants and Equipment and Investment Property (Carrying Value)	0.06%	5.96%	Target has been extremely well met.
46. Current Ratio	1.10:1	1.30:1	Target has been well met.
48. Total Capital Expenditure as a percentage of Total Capital Budget	40%	70%	Target has been extremely well met.

All 5 KPIs were reviewed by PMS and Internal Audit for Q1, respectively. Based on the reviews conducted, the evidence submitted correlates with the actual provided. However, reviews for Q2 have not been completed yet. Information regarding the KPI which has been under achieved is contained in the table below:

KPIs WITH TARGETS NOT MET				
KPI NAME	TARGET	REPORTED ACTUAL	PERFORMANCE COMMENTS	CORRECTIVE MEASURES
42. Cash/ Cost Coverage Ratio (Excluding Unspent Conditional Grants)	03:01	0.19:1	<p>[T2 5_1_1.2_42] Chief Financial Officer: Target overachieved. The outcome is within the norm of 1 - 3 months, indicating that the municipality has sufficient cash available to meet its obligations as they become due. (July 2025)</p> <p>[T2 5_1_1.2_42] Chief Financial Officer: Target underachieved. Outcome is below the 1 à ?" 3 months norm, an indication that the municipality is at risk of being unable to meet its obligations to provide basic services. (August 2025)</p> <p>[T2 5_1_1.2_42] Chief Financial Officer: Target not met as outcome is affected by the Net Debtors Days that is above the norm. (September 2025)</p> <p>[T2 5_1_1.2_42] Chief Financial Officer: Target not met. The outcome is below the norm of 1 - 3 months as the cash available is not sufficient to cover the day-to-day operational expenditure of the municipality. (October 2025)</p> <p>[T2 5_1_1.2_42] Chief Financial Officer: Target not met. (November 2025)</p> <p>[T2 5_1_1.2_42] Chief Financial Officer: Target not met. (December 2025)</p>	<p>[T2 5_1_1.2_42] Chief Financial Officer: Target needs to be adjusted. (July 2025)</p> <p>[T2 5_1_1.2_42] Chief Financial Officer: Low collection for August has affected available cash. Follow ups to be made with government departments for payment of annual rates by end October (August 2025)</p> <p>[T2 5_1_1.2_42] Chief Financial Officer: Continue follow ups with government departments to ensure the annual rates billed are paid by the end of October 2025. A conservative approach to spending should be applied taking into account the cost containment measures laid out in the Cost Containment Policy. (September 2025)</p> <p>[T2 5_1_1.2_42] Chief Financial Officer: Continue with a conservative approach to spending. Prioritize collection of overdue accounts. Disconnection of electricity service to increase the collection. (October 2025)</p> <p>[T2 5_1_1.2_42] Chief Financial Officer: This outcome is affected by the Net Debtors Days ratio which is above the norm. The municipality will work on improving revenue and cash flow management in order to achieve a better Net Debtor Days outcome. (November 2025)</p> <p>[T2 5_1_1.2_42] Chief Financial Officer: The municipality is looking into strategies that can be applied to enforce collection in Eskom areas, should this matter be addressed cash flow will improve significantly as a substantial amount</p>

of cash is tied up in the portion of collectable debtors located in Eskom electricity areas. (December 2025)

GRAPHICAL REPRESENTATION OF PERFORMANCE:



Not Yet Applicable	3 (37.5%)
Not Met	1 (12.5%)
Almost Met	0 (0%)
Met	0 (0%)
Well Met	2 (25%)
Extremely Well Met	2 (25%)
Did Not Occur	0 (0%)

Summary of Results: Financial Viability and Management			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	3
R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
U	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0
Q2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	2
B	KPI Extremely Well Met	150.000% <= Actual/Target	2
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
Total KPIs:			8

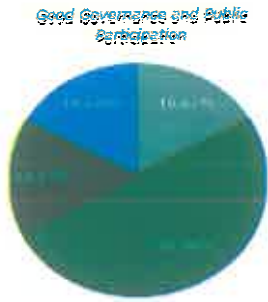
KPA 6: GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KPA 6: Good Governance and Public Participation consist of 6 KPIs and of the 6 KPIs, 5 were applicable for reporting during the first half of the 2025/2026 financial year. The 1 KPI did not have an applicable target during this period. 5 of the 5 applicable KPIs' targets have been met. According to the Performance Rating Scale, 3 KPIs' targets were met, 1 was well met and 1 was extremely well met. The details can be found in the summary below.

SUMMARY OF PERFORMANCE			
KPI NAME	TARGET	REPORTED ACTUAL	PERFORMANCE OUTCOME
49. Audit Opinion	3	4	Target has been overachieved. The scale of the targets is as follows: 5 - Clean Audit; 4 - Unqualified; 3 - Qualified; 2 - Adverse Findings; 1 - Disclaimer
50. Percentage of reported fraud and corruption allegations investigated.	100%	100.00%	Target has been met.
51. Number of Public Participation meetings and formal engagements held with the Local Communities (excluding tavern owner engagements, roundtable engagements and initiation forums)	4	12	Target has been extremely well met.
52. Number of special programmes held	9	9	Target has been met.
53. Percentage of councillors who have declared their financial interests	100%	100%	Target has been met.

All KPIs were reviewed by PMS and Internal Audit, respectively for the Quarter 1 period. The evidence submitted correlates with the actual provided. However, reviews have not been concluded for the Q2 period. The information is subject to change until these reviews are finalized.

GRAPHICAL REPRESENTATION OF PERFORMANCE



Not Yet Applicable	1 (16.67%)
Not Met	0 (0%)
Almost Met	0 (0%)
Met	3 (50%)
Well Met	1 (16.67%)
Extremely Well Met	1 (16.67%)
Did Not Occur	0 (0%)

Summary of Results: Good Governance and Public Participation			
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%	0
Y	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	3
GG	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
Total KPIs:			6

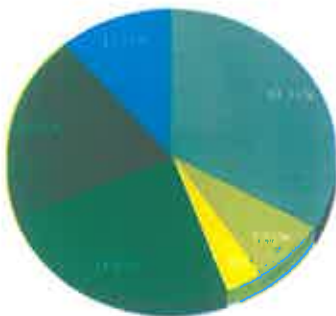
SUMMARY

The information contained in this report is subject to change as the PMS Review and the Quality Assurance by Internal Audit has not been concluded. The information is purely based on the evidence submitted, which has not been quality assured. However, the total number of KPIs which constitute the Strategic Layer of the SDBIP 2025/2026 is 54. 18 KPIs were not applicable for reporting during the period under review. 36 KPIs were applicable for reporting.

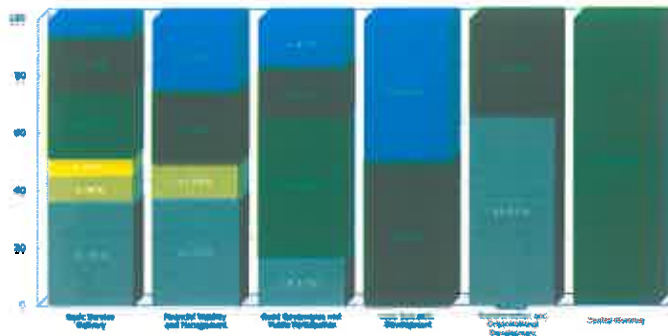
- 6 of the 36 applicable KPIs' targets were not achieved and of this 6 – 4 were 'not met' and 2 were 'almost met'. The percentile representation of targets which have not been achieved is 16.67%.
- 30 of the 36 applicable KPIs targets were achieved and of this 36 – 13 were 'met', 11 were 'well met' and 6 were 'extremely well met'. The percentile representation of KPIs with targets net is 83.33%

GRAPHICAL REPRESENTATION OF PERFORMANCE:

Ndlambe Local Municipality



Municipal KPIs



Overall Summary of Results			
N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	18
R	KPI Not Met	0% <= Actual/Target <= 74.999%	4
U	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	2
G	KPI Met	Actual meets Target (Actual/Target = 100%)	13
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	11
B	KPI Extremely Well Met	150.000% <= Actual/Target	6
N/A	KPI Did Not Occur	KPIs with a target which did not materialise	0
Total KPIs:			54

Part 2 GOVERNANCE AND INSTITUTIONAL ARRANGEMENT

Ndlambe Municipality's Internal Audit Unit is an in-house function.

2.1 WEAKNESSES IN INTERNAL CONTROLS

The key notable areas of internal controls weaknesses as identified by Internal Audit have been in the following:-

Supply Chain Management - While the Supply Chain Management unit is adequately staffed, management's efforts to address the challenge of evergreen contracts have not yet yielded the desired results. All identified evergreen contracts have, however, received attention from the SCM unit and are being actively monitored to ensure that their expiry dates are tracked and that new procurement processes are initiated timeously upon termination.

Despite continuous efforts by the oversight committee (MPAC) to highlight and caution management on the need to address irregular expenditure, minimal improvement has been achieved in this regard. This is evidenced by the level of irregular expenditure disclosed in the 2024/25 audited Annual Financial Statements.

Notwithstanding the above, management has demonstrated sustained efforts in addressing the high volume of procurement deviations, resulting in a measurable reduction in the use of deviations as a procurement method. This improvement represents commendable progress towards strengthening compliance within the SCM environment.

Fleet Management - Internal Audit identified basic internal control deficiencies within the fleet management environment. Management was duly informed of the identified control weaknesses; however, minimal remedial action has been implemented to address these matters. During Quarter 2 of the 2026/27 financial year, a new Fleet Manager was appointed and assigned, among other responsibilities, the task of addressing the identified fleet management control deficiencies. At the time of reporting, insufficient time has elapsed to adequately assess, or gauge progress made in resolving the identified control weaknesses.

Performance Management - The municipality has experienced challenges due to the lack of performance management assessments being conducted by senior management at the prescribed and regulated intervals. Although the Performance Management Policy makes provision for quarterly and mid-year performance assessments, these evaluations have not been conducted consistently and within the required timeframes. This inconsistency has resulted in non-compliance with policy requirements and has undermined the effectiveness of the performance management system as an early warning mechanism for identifying and addressing service delivery challenges timeously

Functionality of MPAC and sufficient resourcing in terms of personnel.

MPAC functionality has since improved and is functioning as desired. The committee is constituted of 5 councillors from various political parties, chaired by Cllr Mnyumka. The Committee has convened 2 meetings in the past 6 months of 2024/2025 mainly to deal with unauthorised, fruitless and wasteful and irregular expenditure reduction strategies. The committee also performed site visits throughout Ndlambe to get a sense of the progress and challenges on project implementation. However, the effectiveness of the Committee may not be adequately felt as is not resourced and relies on IA Unit for its programs. Ideally the Committee should have its own administrative resources in a form of a Coordinator to drive the committee's programs.

Functionality of the Audit and Performance Committee

Ndlambe municipality has a properly constituted Audit and Performance Committee. The committee is made up of 3 independent and qualified members, with specialization from finance, performance management, risk, and auditing.

The committee meets on a quarterly basis as required by the legislation and reports to the Council at least twice in a financial year.

Functionality of Internal Audit unit

Ndlambe Municipality's Internal Audit Unit operates as an in-house function and is staffed with three officials. The unit is established in terms of section 166 of the Municipal Finance Management Act (MFMA) and operates

in accordance with an approved Internal Audit Charter, a Council-approved three-year rolling strategic plan, and an annual risk-based internal audit plan.

Although the Auditor-General of South Africa (AGSA) does not place reliance on the work of Internal Audit, the unit's work is utilised for audit planning and risk assessment purposes.

The effectiveness of the Internal Audit Unit is largely dependent on management's responsiveness in implementing audit findings and recommendations. Delays or inadequate implementation of corrective actions negatively impact the overall effectiveness of the internal control environment.

RISK MANAGEMENT AND STRUCTURE

A Risk Management Unit has been established and is currently resourced with one permanent official and a student intern. Risk management has been progressively introduced over the past three years and is beginning to take shape, as evidenced by increased management responsiveness and acceptance of the risk management discipline.

The municipality has an approved Risk Management Policy in place. Each department has appointed a Risk Champion to coordinate and support risk management activities within their respective areas.

Strategic Risk Assessments are conducted annually with management participation, culminating in the development of an institutional Strategic Risk Register. The register is tracked and updated on a monthly basis, and risk management has been incorporated as a key performance indicator for each directorate

IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

The potential Irregular Expenditure identified for the period 01 October 2025 to 31 December 2025 is detailed in **Annexure D** and the expenditure amounted to approximately R36,030,709.48 (Quarter 1: R27,396,558.04). The expenditure is linked to transactions from new deviations approved during the period under review, ongoing expired contracts and expenditure from previous contracts recorded from identified Auditor General findings.

- New expenditure linked to deviations approved during the current period (refer to 4.2), notably expenditure for Sizwe Amansi Investments and LRC Civils;
- Ongoing payments under expired contracts; and
- Expenditure from previous year contracts previously flagged by the Auditor-General (AGSA) as irregular.

Table C below provides a summary by the department, Table D provides the 10 ten transactions contributing to Irregular Expenditure for the period under review, with the complete detailed listing in Annexure D and Annexure E.

TABLE C - IRREGULAR EXPENDITURE FOR THE PERIOD 01 OCTOBER 2025 – 31 DECEMBER 2025 (WITH COMPARATIVES)

DEPARTMENT	NO OF TRANSACTIONS QUARTER 2	SUM OF TRANSACTIONS QUARTER 2	NO OF TRANSACTIONS QUARTER 1	SUM OF TRANSACTIONS QUARTER 1
Community Services	0	R0.00	20	R2,046,294.99
Municipal Manager	0	R0.00	2	R23,244.10
Finance	12	R209,793.25	8	R221,344.63
Corp Services	4	R242,372.87	4	R272,118.19
Infrastructure	109	R35,578,543.36	102	R24,833,556.13
Grand Total	125	R36,030,709.48	136	R27,396,558.04

TABLE D – TOP 10 IRREGULAR TRANSACTIONS FOR THE PERIOD OCT 2025 – DEC 2025

SERVICE PROVIDER	PERCENTAGE OF EXPENDITURE RELATIVE TO TOTAL IRREGULAR EXPENDITURE	SUM OF EXPENDITURE RELATIVE TO TOTAL IRREGULAR EXPENDITURE
SIZWE AMANSI INVESTMENTS	47.74%	R17,199,616.08
CDR TECHNICAL (MONTHLY FIXED)	18.47%	R6,653,712.37
NUWATER SYSTEMS	12.52%	R4,510,641.25
LUKHOZI CONSULTING	4.99%	R1,797,196.72
GLENSHAW BUSINESS TRUST (P & S CONSULTING)	2.45%	R884,241.17
OKO 1020 TRADING	1.89%	R680,549.83
PULLEN BROS	1.48%	R531,829.62
CDR TECHNICAL SERVICES	1.39%	R501,410.38
MS NCUTHU GROUP	1.25%	R449,020.00
KLEINEMONDE TRADING	1.08%	R388,019.12
TOP 10 TOTAL	93.24%	R33,596,236.54
GRAND TOTAL	100%	R37,662,771.19

The Infrastructure Department accounts for the majority of the irregular expenditure recorded for the quarter, contributing approximately 98.75% of the total irregular expenditure incurred during the reporting period. The highest-value contributors within this category include:

- Sizwe Amansi Investments 47.74% (Q1: Cdr Electrical – 44%)
- Cdr Technical (Monthly Fixed) 18.47% (Q1: Nuwater Systems – 13%)
- Nuwater Systems 12.52% (Q1: LRC Civils – 5%)

The above suppliers form part of the Top 10 irregular expenditure contributors for the quarter, collectively representing 93.24% of the total irregular expenditure.

Mitigating Measures

- The transversal tender process for printing and related services has been initiated, with bid submissions received in December 2025. The process is expected to reach finalisation in January 2026.
- An item concerning CDR Electrical was reviewed by MPAC and submitted to the Council on 29 August 2025, for consideration of Council write-off, which Council approved. Based on MPAC's resolution, all future expenditure on the CDR Electrical contract (effective 1 June 2020 – 30 June 2030) will be treated as irregular and submitted to Council for write-off.
- The Infrastructure Department has initiated a tender process for the provision of water services within the Ndlambe jurisdiction. This project is recorded in the Municipal Procurement Plan and will be monitored against key milestones to mitigate further irregular expenditure.

Dec: the specifications for the new tender process have been approved and a tender process shall be initiated upon the end of the contractor shutdown period in January 2026.

- The Panel of Engineering Consultants bid was finalised during the 2024/25 financial year. However, all consultancy services procured prior to the establishment of the panel remain irregular until fully regularised. This affects providers such as Lukhozi Engineers, Aurecon, and Sizwe Amanzi.
- For Plant and Equipment Hiring, the municipality concluded a panel of service providers; however, the number of responsive bids was insufficient to meet operational requirements. Consequently, a new deviation was approved to ensure service continuity. The user department is finalising specifications for a second tender process to expand capacity and restore full compliance.

Dec: the specifications for the new tender process have been approved and a tender process shall be initiated upon the end of the contractor shutdown period in January 2026. Furthermore, use of the deviation process has been suspended by the municipality for these services.

DEVIATIONS

Paragraph 36 of the SCM Policy allows the Accounting Officer to dispense with the official procurement processes established by this Policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only –

- (i) in an emergency.
- (ii) if such goods or services are produced or available from a single provider only.
- (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile.
- (iv) acquisition of animals for zoos and/or nature and game reserves; or
- (v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.

For the quarter under review, twenty (20) deviations amounting to R4,096 436.83 were processed by the SCM unit and approved by the Accounting Officer (Q1: 29 – R17,050,575.98).

The summary of the approved deviations is depicted in Table B below, indicating the values and number of approvals for each period. A full listing of all approved deviations is noted in **Annexure C**.

Departmental Analysis

The table below outlines the deviation approved amounts and the number of transactions by department for the Quarter under review:

DEVIATIONS DEPARTMENTAL ANALYSIS

DEPARTMENT	NO OF TRANSACTIONS	SUM OF TRANSACTIONS
COMMUNITY PROTECTION SERVICES	8	R 218,955.78
CORP SERV	0	R 0.00
COUNCIL	2	R 9,150.54
FINANCE	3	R 39,330.23
INFRA	4	R 3,767,646.78
MM	4	R 61,353.50
GRAND TOTAL	20	R 4,096,436.83

Irregular Expenditure Implications from Approved Deviations

- Of the 20 deviations approved, four (4), have been deemed to be non-compliant with the regulatory requirements (Q1: 29 – 11 non-compliant), and as such, deemed to be irregular by the SCM unit, pending final review by the Municipal Public Accounts Committee (MPAC).
- One of these, from LRC Civils has future expenditure implications, where the transactions are not once-off, with an outstanding balance of R2,732,566.71.
- The key underlying causes for these irregular deviations are summarised below:
 - End-user department has utilised a contract after its expiry period, to ensure continuity of services (Finance – Windeed).
 - A new contract for the services has been finalized in December 2025***
 - Procurement of maintenance services (PA sewerage pumpstation upgrades and Mechanical and Electrical Repairs to Pumps at Pumpstation 3 through deviation due to the absence of an appointed service provider (Infrastructure Dept); ***Two new tenders for the services have been advertised which will close in January 2026.***
- The figures for the non-compliant deviations are depicted in Table C.1 and with comparatives for Quarter 1 in Table C.2.

**TABLE C.1 – QUARTER 2
NON-COMPLIANT DEVIATIONS**

SERVICE PROVIDER	DEVIATION AMOUNT	AMOUNT PAID 2526	BALANCE
Sizwe Amanzi	R 352,408.88	R 352,408.88	R -
Sholine Projects	R 159,677.50	R 159,677.50	R -
LRC Civils Cc	R 3,246,371.90	R 513,805.19	R2,732,566.71
Windeed	R 3,400.99	R 3,400.99	R -
GRAND TOTAL	R 3,761,859.29	R1,029,292.56	R 2,732,566.71

**TABLE C.2 – QUARTER 1
NON-COMPLIANT DEVIATIONS**

SERVICE PROVIDER	DEVIATION AMOUNT	AMOUNT PAID 2526	BALANCE
LUROLEX	R 264,566.00	R 264,566.00	R 10.00
KFC ENGINEERING AND INDUSTRIAL	R 12,195.75	R -	R 12,195.75
EKHAYA SEARCH	R 24,360.00	R 7,453.65	R 16,906.35
MAILTRONIC DIRECT MARKETING CC	R 273,376.62	R 91,125.54	R 182,251.08
SIZWE AMANZI	R 13,395,147.10	-	R 13,395,147.10
MVR	R 60,507.25	R 60,507.25	R -
NDLAMBE INVESTMENT (PTY) LTD	R 68,490.00	R 68,490.00	R -
PA PLANT	R 119,520.00	R 119,520.00	R -
PAYDAY	R 21,429.10	R 21,429.10	R -
SHOLINE	R 69,805.00	R 69,805.00	R -
HIRING OF PLANT AND EQUIPMENT	R 1,945,349.52	R 1,945,349.52	R -

GRAND TOTAL	R 16,254,746.34	R2,648,236.06	R 13,606,510.28
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PROGRESS ON UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

The table below outlines UIFW for as at December 2025

Nature of Expenditure	Opening Balance	Written off/Recovered 2023/2024	Incurred 2023/24	Balance	Progress
Unauthorised Expenditure	82,417,420.00	-42,069,515	52,177,374	92,525,279	The schedules will be tabled in the next MPAC meeting
Irregular Expenditure	102,020,197.00	-187,711,035	138,982,773	53,291,935	The schedules will be tabled in the next MPAC meeting
Fruitless Expenditure	666,807.00	- 87,982	96,257	675,081	The schedules will be tabled in the next MPAC meeting

2.3 IMPLEMENTATION OF MSCOA REFORMS

The table below outlines the Financial System's modules that are in use and live: -

mScoa Compliance Implementation as at 31 December 2025		
Modules	Y/N	Action plan
FAR Module Live and Used	Y	
Budget Module Live and Used	Y	
IDP Module Live and Used	Y	
SCM Module Live and Used	Y	
Payment Module Live and Used	Y	
Billing Module Live and Used	Y	
Revenue Module Live and Used	Y	
Payroll Module Live and Used	Y	
Bank Reconciliation Live and Used	Y	

It must be noted that Payroll runs in Payday system which seamlessly interface with the core financial system Munsoft The financial information for A Schedule (Budget), Schedule B (adjusted Budget) and Schedule C (Section 71) is generated by the municipal financial system (Munsoft).

PROGRESS REPORT ON 2026/2027 IDP/BUDGET PROCESS

TIME SCHEDULE OF KEY DEADLINES					
Mayor to Table in Council 10 Months Prior to Start of Budget Year 2026/2027					
Date	Mayor and Council	Date	Administration - Municipality	Evidence	Progress
30 July 2025	Mayor begins planning for next three-year budget in accordance with co-ordination role of budget process MFMA s 53 Planning includes review of the previous year's budget process and completion of the Budget Evaluation Checklist	30 July 2025	Accounting officers and senior officials of municipality and entities begin planning for next three-year budget MFMA s 68, 77 Accounting officers and senior officials of municipality review options and contracts for service delivery MSA s 76-81	Budget evaluation checklist/ Contracts performance report	Budget evaluation checklist was Completed
29 August 2025	Mayor tables in Council a time schedule outlining key deadlines for: preparing, tabling and approving the budget; reviewing the IDP (as per s 34 of MSA) and budget related policies and consultation processes at least 10 months before the start of the budget year. MFMA s 21,22, 23; MSA s 34, Ch 4 as amended Mayor establishes committees and consultation forums for the budget process	08 August 2025	IDP and Finance to prepare the schedule of key deadlines and align the IDP and Budget process.	Attendance register/ Council resolutions	The budget process plan was tabled on the 29 August 2025 to Council
15 September 2025 to 10 October 2025	Council through the IDP review process determines strategic objectives for service delivery and development for next three-year budgets including review of provincial and national government sector and strategic plans	1 st -20 October 2025	Budget office to set parameters for the next 3 years based on marked trends and other information available. <ul style="list-style-type: none">Tariff increasesSalary increasesGeneral expensesRepairs and maintenanceKey changes to be reflected considering all strategies and studies (including institutional study)Developed priority areasGrant allocations Reflect on all factors that could potentially impact on future budgets.	Next three Budget parameters and revenue projections/funding envelopes	Both milestones were completed within the due date Strategic objectives were revised to link them with the top 4 developmental areas Funding envelopes were made in November 2025
21 October 2025	Budget Steering Committee to consider budget parameters for the next three years and national plans	31 October 2025	Accounting officer does initial reviews of national policies and budget plans and potential price increases of bulk resources with function and department officials MFMA s 35, 36, 42; MTBPS Municipalities receive inputs from National and Provincial Government and other bodies on factors influencing the budget – reference to legislation.	Budget Steering Minutes and attendance register. National Adjusted budget25/26	Budget steering Com sat on the 4 th November. Parameters and IDP budget guidelines were discussed at the steering meeting
		12-20 October 2025 24 October 2025 27-29 October 2025 To 6 November 2025	Accounting officer reviews and drafts initial changes to IDP MSA s 34 A working session for the IDP Manager and directorates to complete the project template. IDP manager captures projects to strategic objectives and Key performance indicators (KPI's) in the financial system to create IDP data strings. Budget Offices and directorates are to breakdowns IDP projects into activities(items) and to align activities(items)to the other mScoa segments (Function, Funding, Region & Costing) to allocate budget for the next three years. complete the relevant capital request forms as provided by the Budget and Treasury with all required information and to provide a summary of capital requirements for the next three financial years. Budget and Treasury to workshop the directorates on how to complete the budget template and break Managers and directors assess the Human Resources component (organogram) of their operating budget for the next year and for the two following years and make submissions to the human resources department. Submissions would include full motivations for each post and assessments must take into consideration all known studies, establishment plan (organogram) and any other future developments over the next three years that would require a provision for costing. The submission on all offices and directorates human resources requirements to be considered by the Municipal Manager in consultation with each manager and director and to be facilitated by the chairperson of the IDP/Budget Steering Committee. The budget and treasury office will assist directorates where required in determining budget figures for: Insurance Depreciation	IDP Projects Extracts compile Budget templates for circulations Draft Budget Templates Revised organogram with new proposed positions with motivations Minutes of the management meeting Schedule of depreciation, insurance premium and debt impairment for the next three years.	Completed

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT 2025/2026

Provision for bad debt

<p>30 November 2025</p>	<p>Council finalizes tariff (rates and service charges) policies for next financial year MSA s 74, 75</p>				
		<p>5 December 2025</p>	<p>Accounting officer and senior officials consolidate and prepare proposed budget and plans for next financial year taking into account previous year's performance as per audited financial statements</p>	<p>Three-year budget plans submissions</p>	<p>The IDP/Budget Team— comprising the IDP unit, Budget & SCM Managers, and the Deputy Director: Finance— engaged in the allocation of funding envelopes and other standard expenditure items. These included employee-related costs, depreciation, debtor impairments, and long-term contractual commitments. Funds were allocated to these items prior to the distribution of the remaining balances from the funding envelopes.</p> <p>The Strategic objectives and indicators were captured in the system in December</p> <p>The planned IDP/budget sessions were deferred to 1st week of January due to engagements that took longer than anticipated on discussing on cost containment and the zero based-budgeting approach</p>

Part 3: QUALITY CERTIFICATE

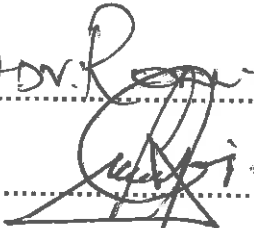
I, **ROLLY DUMEZWENI** the Municipal Manager of Ndlambe Municipality hereby certify that:

Mid – year budget and performance assessment

For the period ending December of 2025 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Municipal Manager of Ndlambe Municipality

Name ADV. ROLLY DUMEZWENI

Signature 

Date: 24 January 2026