



FETAKGOMO – TUBATSE
LOCAL MUNICIPALITY

SUBMISSION

To	:	Audit Committee
From	:	Municipal Manager
Item	:	
Date	:	31 March 2026
Subject	:	3rd Quarter Budget Performance Assessment Report (Section 52) for the period ended March 2026
Ref / Commitment Nr:		Ordinary Meeting

- To** : The Mayor
: Provincial Treasury
: National Treasury
: Cooperative Governance Human Settlement and Traditional Affairs
: All Strategic Managers
: Staff
: Interested Members of the Community
: Any other stakeholder

PURPOSE

The purpose of this report is to comply with section 52 of the MFMA, and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009 (Municipal Budgeting Monitoring and Reporting Regulations: **MBMRR**)

STRATEGIC OBJECTIVE

To provide up to date financial and non-financial information to all interested parties as prescribed by MFMA section 52.

BACKGROUND

Section 52 of the MFMA and in terms of Section 28 of the Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 **Municipal Budget and Reporting Regulations**” necessitates that specific financial be reported on and in the format prescribed, hence this report to meet legislative compliance.

The mayor of a municipality—

(a) must provide general political guidance over the fiscal and financial affairs of the municipality.

(b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities.

(c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality’s approved budget.

(d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial situation of the municipality; and

(e) must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor

EXECUTIVE SUMMARY

1. INTRODUCTION

The monthly budget statement is prescribed in the MFMA and seeks to report on the implementation of the adopted IDP and budget.

The report covers revenue performance, operating expenditure performance, capital expenditure performance, and grant received, and grants spend, cash flow, financial position, and investment portfolio, and external loans, debtors and creditors age analysis.

The tables are also prescribed by the MFMA with intention to bring comparability of financial and non-financial information across all municipalities. The report must be read together with the SDBIP for better understanding.

The budget monitoring and reporting office relies on various internal stakeholders to provide information for this report.

The financial result for the period ending **31 March 2026** is summarised as follows.

Description	Annual Budget (R'000)	Adjusted Budget (R'000)	YTD Budget (R'000)	YTD Actual (R'000)	Variance% R'000
Total Revenue Including capital receipts	1,301,383	1,225,210	945 568	1 053 002	11%
Total Operating Expenditure	998,092	1 034 526	760,584	611 795	-20%
Operating surplus / (deficit)	303,290	190 684	184,984	411,206	122%

The annual budget for 2025/26 has an operating year to date budget surplus of R 190 683. Actual Operating revenue including capital receipts amounted to R 1 053 002 000 while actual operating expenditure amounted to R 611 795 000. Thus, resulting in an operating surplus of R 411 206 000 as at the end of March 2026 which is 122% over the year to date budget of R184 984 000.

1.1 REVENUE PER SOURCE

LIM476 Tubatse Fetakgomo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 - Quarter 3

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		–	200	(0)	–	–	70	(70)	-100%	(0)
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		29,962	31,400	30,751	8,615	23,990	23,291	700	3%	30,751
Sale of Goods and Rendering of Services		20,284	141,070	8,811	514	1,920	52,899	(50,979)	-96%	8,811
Agency services		8,498	9,201	10,096	2,394	7,442	7,258	183	3%	10,096
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		7,492	7,643	7,812	2,072	5,978	5,800	178	3%	7,812
Interest from Current and Non Current Assets		12,662	14,376	14,033	3,224	10,241	10,645	(404)	-4%	14,033
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		456	469	452	38	264	345	(81)	-24%	452
Licence and permits		–	–	–	–	–	–	–		–
Special Rating Levies		–	–	–	–	–	–	–		–
Operational Revenue		48,617	3,926	9,470	(4,657)	78	5,162	(5,084)	-98%	9,470
Non-Exchange Revenue										
Property rates		218,319	240,179	258,752	63,079	192,455	187,563	4,891	3%	258,752
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		1,627	3,644	11	2	7	1,280	(1,273)	-99%	11
Licence and permits		7,317	7,842	7,588	1,963	5,757	5,780	(23)	0%	7,588
Transfers and subsidies - Operational		628,174	625,403	698,145	183,569	650,562	498,149	152,412	31%	698,145
Interest		27,750	35,930	33,631	8,668	25,483	26,028	(544)	-2%	33,631
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		9	–	–	–	1,428	–	1,428	#DIV/0!	–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		1,011,166	1,121,282	1,079,552	269,480	925,604	824,269	101,335	12%	1,079,552

- Operational revenue recognised excluding capital receipts as at the end of March 2026 amounted to R 925 604 000.
- The planned revenue target of R 824 269 000 as at end of March 2026 is outperformed by 12%.
- There has been satisfactory performance on revenue recognised on some of the revenue streams however some revenue streams did not perform as anticipated as at end of March 2026.
- Below are explanations on over/under performance on other sources of revenue:

Revenue from exchange transaction

• Service Charges – Waste Management

Waste Management service charges reflect a 3% variance on billed revenue, which is within the National Treasury approved variance threshold of 5%.

• Sale of Goods and Rendering of Services

Revenue from the sale of goods and rendering of services reflects a -96% variance against projections. This underperformance is mainly attributable to lower-than-anticipated sales of land parcels in Extension 54 and Mashifane, resulting from delays in the completion of bulk infrastructure required to enable the sale of stands. Sales are anticipated to commence in the next financial year once infrastructure development is completed.

• Agency Fees

Agency fees reflect a 3% positive variance against budget, which is within the National Treasury acceptable norm of 5%.

• Interest Earned from Receivables

Interest earned from receivables reflects a 3% variance above budget, which is within the National Treasury acceptable norm of 5%.

• Interest Earned from Current and Non-Current Assets

Interest earned on current and non-current assets reflects a -4% variance, primarily due to a reduction in interest rates implemented from November 2025. The variance remains within the National Treasury acceptable norm of 5%.

• Rental from Fixed Assets

Rental income from fixed assets shows a -24% variance. This underperformance is mainly due to the under-utilisation of Council-approved facilities, including Community Halls and the Civic Hall, which were not utilised as anticipated up to the end of March 2026.

• Operational Revenue

Overall operational revenue collection reflects a performance level of 98% as at the end of March 2026. The under-collection is mainly attributable to lower-than-anticipated revenue from certain streams, including Clearance Certificates and Approval of Building Plans.

Revenue from non-exchange transaction

• **Property Rates**

Property rates reflect a 3% positive variance, indicating billed revenue that is higher than the anticipated year-to-date budget. The variance is within National Treasury guidelines of 5%.

• **Fines, Penalties and Forfeits**

Fines, penalties and forfeits underperformed by -99%. The underperformance is attributable to very low levels of fine issuance and collection. The municipality is currently in the process of procuring specialised equipment to improve the issuing, verification and collection of fines, which is expected to enhance revenue performance going forward.

• **Licences and Permits**

Revenue from licences and permits reflects a near-zero variance against the year-to-date budget and remains within National Treasury's acceptable norm of 5%.

• **Transfers and Subsidies – Operational**

Operational transfers and subsidies reflect 100% performance, indicating that all operational grant funding was received as anticipated and in line with allocations gazetted in the Division of Revenue Act (DORA).

• **Interest Charged on Property Rates**

Interest charged on property rates reflects an underperformance of -2%, mainly due to increased billing on long-outstanding debtors as at the end of March 2026. The variance is within the National Treasury acceptable norm of 5%.

1.2 EXPENDITURE PERFORMANCE AS AT MARCH 2026

LIM476 Tubatse Fetakgomo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 - Quarter 3

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		296,514	282,883	289,251	72,875	228,627	214,705	13,922	6%	289,251
Remuneration of councillors		44,388	46,350	46,350	9,764	31,648	34,762	(3,114)	-9%	46,350
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		17,692	6,504	6,166	663	2,571	4,743	(2,172)	-46%	6,166
Debt impairment		77,463	54,501	44,501	-	-	36,876	(36,876)	-100%	44,501
Depreciation and amortisation		100,661	74,288	73,197	3,899	17,678	55,171	(37,493)	-68%	73,197
Interest		15,093	900	500	-	-	515	(515)	-100%	500
Contracted services		372,984	391,104	429,278	112,163	246,145	306,597	(60,452)	-20%	429,278
Transfers and subsidies		-	-	600	-	-	240	(240)	-100%	600
Irrecoverable debts written off		4,016	2,919	2,319	804	2,478	1,950	529	27%	2,319
Operational costs		142,743	138,644	142,365	22,820	81,009	105,026	(24,017)	-23%	142,365
Losses on Disposal of Assets		709	-	-	-	-	-	-		-
Other Losses		6	-	-	-	1,639	-	1,639	#DIV/0!	-
Total Expenditure		1,072,267	998,092	1,034,527	222,988	611,795	760,584	(148,789)	-20%	1,034,527

Overall Expenditure Performance

Actual expenditure for Quarter 3 amounted to R222.99 million, with cumulative year-to-date expenditure of R611.80 million as at the end of March 2026, against planned expenditure of R760.58 million. This resulted in a positive variance of R148.79 million, representing 20% underspending for the period under review.

Operating Expenditure Variance

The underspending on operating expenditure amounting to R148.79 million is mainly attributable to the following cost drivers:

• Employee-Related Costs

Employee-related costs show a 6% variance against the year-to-date budget. This variance is mainly attributable to the payment of performance bonuses and travel allowances during the period, while the budgeted bonus provision was evenly phased over nine months. This timing difference is expected to normalise over the full 12-month financial period, with a minimal impact anticipated at year-end.

• Remuneration of Councillors

Remuneration of councillors reflects a -9% variance, mainly due to the non-payment of upper limits during the period under review. These payments are expected to be processed in April 2026, while the budget was evenly spread over the twelve-month period for cash-flow planning purposes.

• Inventory Consumed

Inventory consumed reflects a -46% variance compared to the year-to-date budget. The underspending is primarily due to reduced utilisation of consumables and materials, in line with the municipality's cost-containment measures and expenditure reprioritisation.

• Depreciation and Amortisation

Depreciation and amortisation show a -68% variance against the year-to-date budget. This is mainly due to the ongoing integration of the asset register into the core financial system. The process is expected to be finalised by June 2026, after which depreciation will be processed on a monthly basis.

• Interest, Dividends and Rent on Land

No interest was incurred on overdue accounts during the period under review. The budgeted amount of R0.5 million therefore remains unutilised, resulting in a 100% positive variance. This outcome reflects effective credit control measures and the timely settlement of obligations, which reduced exposure to interest charges.

• Contracted Services

Contracted services reflect a -20% variance against the year-to-date budget. The underspending is mainly attributable to projects that were not yet implementable in terms of the Demand Management Plan, as well as the deferral of certain projects to later months of the financial year. In addition, improved procurement outcomes and negotiated rates contributed positively to cost containment.

• Irrecoverable Debts Written Off

Irrecoverable debts written off for the nine-month period ended March 2026 amounted to R2.4 million, exceeding the budgeted amount of R1.9 million by R0.53 million (27%). This

overspending is mainly due to the write-off of long-outstanding consumer debt that was deemed uncollectable after all reasonable debt-collection processes were exhausted.

• **Other Operating Expenditure**

Other operating expenditure reflects a -23% variance, which is mainly attributable to the following cost drivers:

- Advertising, Publicity and Marketing, due to reduced promotional activities and deferred campaigns;
- Corporate and Municipal Activities, reflecting fewer events and municipal programmes during the period, as well as the implementation of stringent cost-containment measures; and
- Printing and Publications, indicating reduced spending on communication materials in support of expenditure control initiatives.

1.2 Capital Budget Performance

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital Expenditure - Functional Classification										
Governance and administration		8,676	38,900	7,500	282	2,274	16,615	(14,341)	-86%	7,500
Executive and council		805	6,900	500	-	-	2,615	(2,615)	-100%	500
Finance and administration		7,871	32,000	7,000	282	2,274	14,000	(11,726)	-84%	7,000
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		5,627	7,800	6,730	2,963	3,155	5,422	(2,267)	-42%	6,730
Community and social services		4,320	6,600	3,530	-	192	3,722	(3,530)	-95%	3,530
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		1,307	1,200	3,200	2,963	2,963	1,700	1,263	74%	3,200
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		155,859	213,628	187,759	62,098	163,682	149,873	13,809	9%	187,759
Planning and development		-	1,000	(0)	-	-	350	(350)	-100%	(0)
Road transport		155,859	212,628	187,759	62,098	163,682	149,523	14,159	9%	187,759
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		7,522	29,074	0	(13,596)	7,583	10,176	(2,593)	-25%	0
Energy sources		-	23,474	(0)	852	7,583	8,216	(633)	-8%	(0)
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		7,522	5,600	0	(14,448)	-	1,960	(1,960)	-100%	0
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	177,685	289,401	201,989	51,746	176,695	182,086	(5,391)	-3%	201,989
Funded by:										
National Government		88,467	180,101	145,659	15,394	109,634	121,299	(11,665)	-10%	145,659
Provincial Government		(0)	-	-	(921)	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		88,467	180,101	145,659	14,473	109,634	121,299	(11,665)	-10%	145,659
Borrowing	6	-	-	-	12,500	12,500	-	12,500	#DIV/0!	-
Internally generated funds		78,043	109,300	56,330	24,692	54,479	60,787	(6,308)	-10%	56,330
Total Capital Funding		166,510	289,401	201,989	51,665	176,613	182,086	(5,473)	-3%	201,989

Overall Capital Expenditure Performance

Actual capital expenditure for the month ended March 2026 amounted to R176.61 million (exclusive of VAT) against a planned year-to-date target of R182.09 million, resulting in a saving of R5.47 million (3%).

- **Municipal Infrastructure Grant (MIG)**

Capital expenditure on MIG-funded projects amounted to R99.23 million, inclusive of VAT and retention held, as at the end of March 2026. This represents 99% spending of the total MIG allocation of R99.62 million, indicating strong performance on grant implementation.

- **Integrated National Electrification Programme (INEP)**

Operational capital grant expenditure on INEP-funded projects amounted to R28.16 million as at the end of March 2026, representing 81% spending of the total allocation of R34.89 million. The variance is mainly due to implementation schedules extending beyond the reporting period.

- **Neighbourhood Development Partnership Grant (NDPG)**

Capital expenditure on Neighbourhood-funded projects amounted to R24.42 million, reflecting 53% spending of the total allocation of R45.90 million. The underperformance is attributable to project implementation delays, with expenditure expected to accelerate in the remaining period of the financial year.

- **Own-Funded Capital Projects**

Expenditure on own-funded capital projects amounted to R54.48 million as at the end of March 2026, reflecting 97% spending of the total allocation of R56.33 million. The variance represents cost savings realised, mainly due to certain projects not yet implemented during the reporting period.

1.4 FINANCIAL POSITION

LIM476 Tubatse Fetakgomo - Table C6 Monthly Budget Statement - Financial Position 31 December 2025

LIM476 Tubatse Fetakgomo - Table C6 Monthly Budget Statement - Financial Position - M09 - Quarter 3

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		202,273	213,576	53,678	349,887	53,678
Trade and other receivables from exchange transactions		(66,602)	109,003	20,421	(49,583)	20,421
Receivables from non-exchange transactions		(103,773)	65,370	95,347	(30,260)	95,347
Current portion of non-current receivables		-	-	-	-	-
Inventory		4,065	78,654	63,081	3,978	63,081
VAT		61,788	49,856	81,601	57,238	81,601
Other current assets		85,925	52,150	-	80,569	-
Total current assets		183,675	568,608	314,128	411,830	314,128
Non current assets						
Investments		58,748	-	61,685	62,653	61,685
Investment property		54,550	55,624	54,550	54,550	54,550
Property, plant and equipment		2,913,140	2,845,750	3,047,786	3,071,759	3,047,786
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		1,068	-	1,068	1,068	1,068
Intangible assets		2,118	354	2,118	2,091	2,118
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		3,029,624	2,901,727	3,167,207	3,192,121	3,167,207
TOTAL ASSETS		3,213,299	3,470,336	3,481,335	3,603,950	3,481,335

LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		(34,491)	36,000	36,000	(64,080)	36,000
Consumer deposits		41,880	-	-	16,880	-
Trade and other payables from exchange transactions		155,882	245,420	190,000	95,484	190,000
Trade and other payables from non-exchange transactions		0	-	8,405	66,648	8,405
Provision		36,562	22,342	24,782	36,102	24,782
VAT		8,892	9,667	13,810	10,883	13,810
Other current liabilities		-	-	-	-	-
Total current liabilities		208,725	313,429	272,997	161,917	272,997
Non current liabilities						
Financial liabilities		99,399	-	24,501	95,163	24,501
Provision		30,267	31,376	36,399	30,267	36,399
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		5,836	106,846	43,895	5,836	43,895
Total non current liabilities		135,501	138,222	104,794	131,266	104,794
TOTAL LIABILITIES		344,226	451,651	377,791	293,183	377,791
NET ASSETS	2	2,869,072	3,018,684	3,103,543	3,310,767	3,103,543
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,876,930	3,018,684	3,103,543	3,310,767	3,103,543
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2,876,930	3,018,684	3,103,543	3,310,767	3,103,543

- The net assets show a total of R 3 310 767 000 as at March 2026. This indicates that the municipality is operating within a surplus, contributing to long-term financial sustainability and providing a cushion for future "unforeseen and unavoidable expenditure

1.5 FINANCIAL RATIOS

1.5.1 Cash Coverage Ratio

•The cash coverage ratio shows 2.9 month which shows that the municipality is in a healthy financial position and has sufficient funds to meet its monthly fixed operating commitments from cash and short-term investments for the next 3 months to year end.

1.5.2 Liquidity Ratio

- The current ratio shows a ratio of 1:2.54 which is above the acceptable norm of 1:2 and shows that the municipality can pay its current or short-term obligation as and when they fall due.
- The acid test ratio is 1: 2.52 further illustrating the municipality ability to cover its current costs

Collection Rate

- The collection rate shows that **74%** of the billed revenue is collected.
- The reason for non-achievement of 80% target is among others the following
- Limited Services, the Municipality can't restrict water or cut power for efficient and effective credit control
- Culture of non-payment by the two townships
- Nonpayment by various Government Departments, only farm portions are paid and the debt for the improvements not paid/serviced.

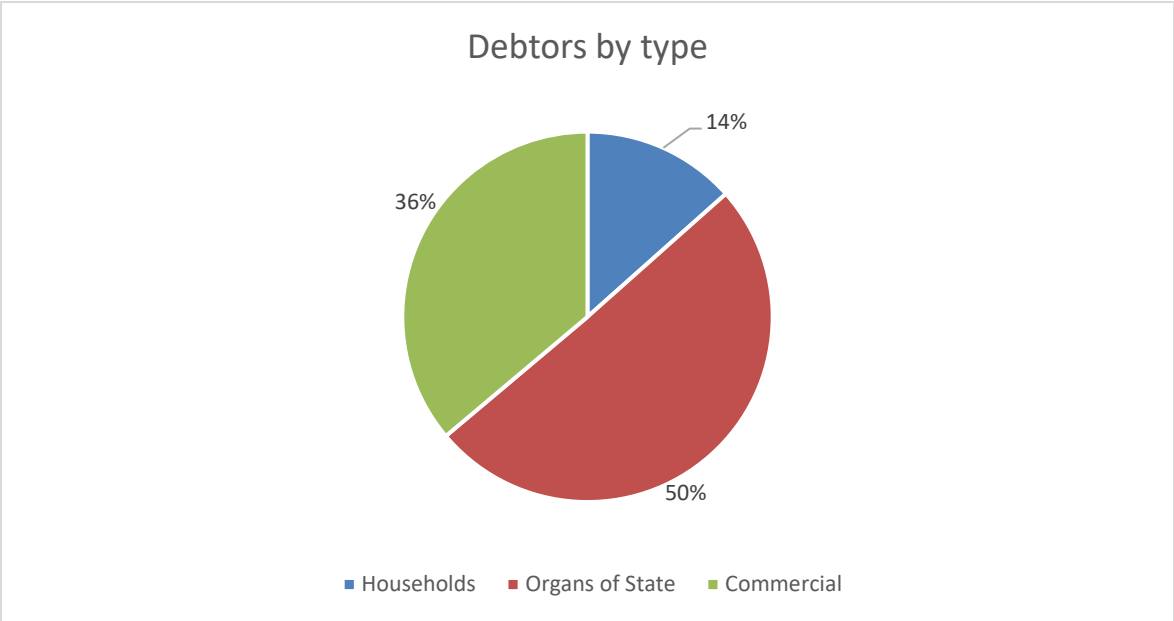
1.6 CASH FLOW STATEMENT

- The month-end cash and cash equivalents reported in Schedule C reflect a balance of R590.8 million. Preliminary bank reconciliations currently indicate a cash position of R202 million as per bank statement on 31 March 2026. The variance is currently being reviewed to align the system reporting with the verified bank statements as part of the standard month-end closing process.

LIM476 Tubatse Fetakgomo - Table C7 Monthly Budget Statement - Cash Flow - M09 - Quarter 3

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Quarter 3	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	180,134	193,135	45,819	132,809	140,301	(7,492)	-5%	193,135
Service charges		-	23,700	23,096	5,755	16,099	17,533	(1,435)	-8%	23,096
Other revenue		-	252,670	86,023	(1,964)	74,525	122,844	(48,318)	-39%	86,023
Transfers and Subsidies - Operational		-	625,403	698,145	189,519	656,080	498,149	157,931	32%	698,145
Transfers and Subsidies - Capital		-	180,101	145,659	38,822	188,558	121,299	67,259	55%	145,659
Interest		-	47,055	33,988	2,037	5,180	30,065	(24,884)	-83%	33,988
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		-	(864,384)	(912,309)	(123,962)	(387,809)	(664,919)	277,110	-42%	(912,309)
Interest		-	-	(400)	-	-	160	(160)	-100%	(400)
Transfers and Subsidies		-	-	600	-	-	(240)	240	-100%	600
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	444,679	267,937	156,026	685,443	265,192	(420,251)	-158%	267,937
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		5,295	-	-	1,221	3,905	-	3,905	#DIV/0!	-
Payments										
Capital assets		349,717	(289,401)	(201,989)	(85,631)	(267,031)	(182,086)	(84,945)	47%	(201,989)
NET CASH FROM/(USED) INVESTING ACTIVITIES		355,012	(289,401)	(201,989)	(84,410)	(263,126)	(182,086)	81,040	-45%	(201,989)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	(11,275)	(33,825)	-	(33,825)	#DIV/0!	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	(11,275)	(33,825)	-	33,825	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		355,012	155,278	65,949	60,342	388,492	83,106			65,949
Cash/cash equivalents at beginning:		283,676	99,298	17,896		202,273	17,896			202,273
Cash/cash equivalents at month/year end:		638,688	254,576	83,844		590,765	101,002			268,221

1.7 DEBTORS



1.7 DEBTORS

LIM476 Tubatse Fetakgomo - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 - Quarter 3

Description	NT Code	Budget Year 2025/26											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 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	-	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	19,583	12,888	8,100	7,922	7,360	6,834	6,740	387,762	457,188	416,618	(285)	-	
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	
Receivables from Exchange Transactions - Waste Management	1600	2,695	1,967	2,986	1,549	1,546	1,515	1,514	86,049	99,823	92,175	316	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	
Interest on Arrear Debtor Accounts	1810	3,810	3,655	3,551	3,437	3,356	3,290	3,216	50,681	74,998	63,982	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	1,159	46	45	41	11	10	9	4,272	5,594	4,343	90	-	
Total By Income Source	2000	27,248	18,556	14,682	12,949	12,274	11,650	11,480	528,765	637,603	577,117	122	-	
2024/25 - totals only		-	-	-	-	-	-	-	-	-	-	-	-	
Debtors Age Analysis By Customer Group														
Organs of State	2200	520	624	451	450	421	407	402	67,561	70,837	69,241	(25)	-	
Commercial	2300	19,280	12,908	10,078	8,466	7,910	7,366	7,276	265,047	338,332	296,066	(159)	-	
Households	2400	7,448	5,023	4,153	4,033	3,943	3,877	3,802	196,156	228,434	211,810	305	-	
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	
Total By Customer Group	2600	27,248	18,556	14,682	12,949	12,274	11,650	11,480	528,765	637,603	577,117	122	-	

Debtors Management and Aged Analysis

The debtors' report has been prepared in the prescribed format required for electronic submission to the National Treasury. The report provides a detailed extended aged analysis, as well as an aged analysis by debtor category.

The summary indicates that total outstanding consumer debt amounts to R637.60 million, of which R528.77 million (approximately 83%) is older than 90 days. The majority of the outstanding debt relates to refuse removal and property rates.

In response to the high level of long-outstanding debt, the municipality is in the process of finalising and approving a Debt Incentive Policy, aimed at encouraging settlement of arrear accounts. In addition, focused engagement and follow-up actions are being undertaken with key business debtors to improve cash realisation and enhance overall revenue collection performance.

TOP TEN DEBTORS PER CATEGORY (BUSINESS) MARCH 2026			
NO.	NO.	ACCOUNT_NO	TOTAL
1	1	0001225290	9,048,913.06
2	2	0001225321	8,269,224.96
3	3	0001007661	4,147,378.13
4	4	0010043674	2,712,764.78
5	5	0001071696	2,200,947.77
6	6	0001202227	1,898,220.13
7	7	0007069197	1,845,124.62
8	8	0001202510	1,771,531.76
9	9	0001014635	1,108,914.54
10	10	0001006339	1,071,144.54
TOTAL			34,074,164.29

TOP TEN DEBTORS PER CATEGORY INDUSTRIAL (MARCH) 2026		
NO.	ACCOUNT_NO	TOTAL
1	0001035665	1,401,429.79
2	0001225250	1,026,650.79
3	0001132148	897,058.51
4	0001016997	617,842.52
5	0001018280	572,913.59
6	0001129481	496,499.07
7	0001224656	306,877.65
8	0001097784	262,378.77
9	0001225158	252,684.89
10	0001224655	221,747.60
TOTAL		6,056,083.18

TOP TEN DEBTORS PER CATEGORY MINING (MARCH) 2026		
NO.	ACCOUNT_NO	TOTAL
1	0001022695	6,921,048.76
2	0001225028	2,431,822.73
3	0001067966	1,431,185.11
4	0001225307	475,822.12
5	0001225308	191,934.74
6	0001199773	148,892.14
7	0001199781	148,885.85
8	0001199765	129,056.36
9	0001225311	88,918.90
10	0001225310	81,328.23
TOTAL		12,048,894.94

TOP TEN DEBTORS PER CATEGORY RESIDENTIAL (MARCH) 2026		
NO.	ACCOUNT_NO	TOTAL
1	0001128361	1,512,176.85
2	0010043667	1,374,171.93
3	0001222880	917,448.92
4	0001005529	870,077.07
5	0001005537	615,035.33
6	0001106325	562,044.01
7	0001060406	554,998.58
8	0001138103	526,904.22
9	0001035517	464,632.70
10	0001017802	462,437.32
TOTAL		7,859,926.93

1.7 CREDITORS

As at end of March 2026 outstanding trade creditors were standing at R 15.9 million as per financial system.

LIM476 Tubatse Fetakgomo - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 - Quarter 3

Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
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	13,036	1,796	-	616	454	-	-	-	15,902	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	13,036	1,796	-	616	454	-	-	-	15,902	-

1.8 INVESTMENT PORTFOLIO

LIM476 Tubatse Fetakgomo - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 - March														
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
R thousands		Yrs/Months												
Municipality														
Standard Bank Fixed Deposit		Yrs	Fixed Deposit	Fixed	11%					61,431	1,221			62,653
Stabdard Bank Tiered Account		Months	Call Account	Call	7%					858	10			868
Stabdard Bank Call Account		Months	Call Account	Call	8%					132,242	1,659	(87,820)	110,000	156,081
FNB Call Account		Months	Call Account	Call	7%					96	1			97
STANDARD BANK CALL ACCOUNT 008										411	7			418
Municipality sub-total										195,039		(87,820)	110,000	220,116
Entities														
														-
														-
														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									195,039		(87,820)	110,000	220,116

References

Council's investment portfolio as at end of March 2026 indicates that R 220.1 million was invested in various Call accounts and fixed deposit as stipulated above.

1.9 EXTERNAL LOAN REPAYMENT AND INTEREST

Long-term loan amounts were received amounting to R 60 million and R 40 million during November 2023 and August 2024 respectively for purposes of purchase of land at Mashifane Park. The balance on the loan as end of March 2026 shows that the Municipality still owes R 34.9 million.

PLEGGED/SPECIFIC PURPOSE	LOAN NO	OPENING BALANCE	INTEREST PAYABLE	INTEREST PAID	CAPITAL REPAYMENT	CAPITAL & INTEREST EXPENSED	OUTSTANDING BALANCE
LAND ACQUISITION AND INFRASTRUCTURE DEVELOPMENT	000819602	36,117,621.71	-2,205,371.70	-2,205,371.71	-19,683,038.22	-21,888,409.93	16,434,583.49
	000850945	28,385,876.86	-2,029,784.36	-2,029,784.36	-9,906,346.96	-11,936,131.32	18,479,529.90
TOTAL		64,503,498.57	-4,235,156.06	-4,235,156.07	-29,589,385.18	-33,824,541.25	34,914,113.39

1.10 Proposed solution to address financial sustainability.

- The municipality is intensifying revenue enhancement initiatives through the full implementation of the Debt Incentive Policy, targeted engagement with major debtors (especially government departments and businesses), and improved enforcement of credit control measures within the limits of service availability. Priority given to reducing debt older than 90 days through structured payment arrangements and monitored settlement agreements. Improved billing accuracy and data cleansing and follow-up on unverified government accounts will further enhance cash inflows and financial sustainability.
- The municipality has institutionalised cost-containment measures by strengthening demand management planning, prioritising only critical and implementable projects, and continuously reviewing operational expenditure for efficiency gains. Improving asset management practices, including timely depreciation once the system integration is done by June 2026 and maintenance planning, will ensure long-term asset sustainability while preventing future unfunded liabilities. Ongoing monitoring of expenditure trends will support value-for-money outcomes without compromising service delivery.

1.11 CONCLUSION

- The 31 March 2026 report shows satisfactory performance of both operating revenue and expenditure. Savings has been realised on other expenditure items and thus shows good performance. The revenue collection rate increased drastically as compared to the previous financial years.

1.12 RECOMMENDATION

- 1.12.1 That the executive committee notes the Section 52 report for the period ended 31 March 2026.
- 1.12.2 That the report be made public in compliance to section 52 of the MFMA.
- 1.12.3 That the executive committee take note that errors are corrected on an ongoing basis to avoid non reliability of financial information.

PART 2

MONTHLY BUDGET STATEMENT TABLES

The monthly financial results for the period ended August 2024 attached consisting of the following tables, in Annexure A: -

- (a) Table C1: Consolidated Monthly Budget Statement – Summary
- (b) Table C2: Consolidated Monthly Budget Statement – Financial Performance (standard Classification)
- (c) Table C3: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure by Municipal vote)
- (d) Table C4: Consolidated Monthly Budget Statement – Financial Performance (Revenue and Expenditure)
- (e) Table C5: Consolidated Monthly Budget Statement – Capital Expenditure by vote, standard classification and funding
- (f) Table C6: Consolidated Monthly Budget Statement – Financial Position
- (g) Table C7: Consolidated Monthly Budget Statement – Cash Flow

Part 2

- (a) Table SC1: Material variance explanations
- (b) Table SC2: Monthly Budget Statement – Performance Indicators
- (c) Table SC3: Monthly Budget Statement – Aged Debtors
- (d) Table SC4: Monthly Budget Statement – Aged Creditors
- (e) Table SC5: Monthly Budget Statement – Investment Portfolio
- (f) Table SC6: Monthly Budget Statement – Transfers and grant receipts
- (g) Table SC7: Monthly Budget Statement – Transfers and grant expenditures
- (h) Table SC8: Monthly Budget Statement – Councillor and Staff Benefits
- (i) Table SC9: Monthly Budget Statement – Actual and Revised targets for cash receipts
- (j) Table SC12: Monthly Budget Statement – Capital Expenditure Trend
- (k) Table SC13a: Monthly Budget Statement – Capital expenditure on new assets by asset class
- (l) Table SC13c: Monthly Budget Statement – Capital expenditure on repairs and maintenance by asset class
- (m) Municipal manager's quality certification

Municipal Manager's Quality certification

I Makgata Mogaramedi Joel, Municipal Manager of Fetakgomo Tubatse Municipality, hereby certify that the section 52 budget performance report for the period ended March 2026 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act and that it is consistent with the Integrated Development Plan

Print name: _____

Municipal Manager of Fetakgomo Tubatse Municipality

Signature : _____

Date : _____

Municipal Manager's Quality certification

I Makgata Mogamede Joel, Municipal Manager of Fetakgomo Tubatse Municipality, hereby certify that the section 52 budget performance report for the period ended March 2026 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act and that it is consistent with the Integrated Development Plan

Print name:

Makgata M2

Municipal Manager of Fetakgomo Tubatse Municipality

Signature:

Makgata M2

Date

18/04/2026