

FETAKGOMO – TUBATSE
LOCAL MUNICIPALITY



SUBMISSION

| | | |
|-----------------------------|---|--|
| To | : | Audit Committee |
| From | : | Municipal Manager |
| Item | : | |
| Date | : | 30 April 2026 |
| Subject | : | Budget Performance Assessment Report (Section 71) for the period ended April 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 71 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 71.

BACKGROUND

Section 71 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 **30 April 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 | 1 038 782 | 1 067 005 | 3% |
| Total Operating Expenditure | 998,092 | 1 034 526 | 849,766 | 666 678 | -22% |
| Operating surplus / (deficit) | 303,290 | 190 684 | 189,016 | 416,392 | 100% |

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 1 067 005 000 while actual operating expenditure amounted to R 666 678 000. Thus, resulting in an operating surplus of R 416 392 000 as at the end of April 2026 which is 100% over the year-to-date budget of R189 016 000.

1.1 REVENUE PER SOURCE

LIM476 Tubatse Fetakgomo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 - April

| Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|--|-----|------------------|---------------------|------------------|----------------|----------------|----------------|---------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue | | | | | | | | | | |
| Exchange Revenue | | | | | | | | | | |
| Service charges - Electricity | | – | 200 | (0) | – | – | 47 | (47) | -100% | (0) |
| Service charges - Water | | – | – | – | – | – | – | – | | – |
| Service charges - Waste Water Management | | – | – | – | – | – | – | – | | – |
| Service charges - Waste management | | 29,638 | 31,400 | 30,751 | 2,189 | 26,179 | 25,777 | 402 | 2% | 30,751 |
| Sale of Goods and Rendering of Services | | 20,284 | 141,070 | 8,811 | 162 | 2,082 | 38,203 | (36,122) | -95% | 8,811 |
| Agency services | | 8,498 | 9,201 | 10,096 | 658 | 8,100 | 8,204 | (105) | -1% | 10,096 |
| Interest | | – | – | – | – | – | – | – | | – |
| Interest earned from Receivables | | 7,492 | 7,643 | 7,812 | 718 | 6,696 | 6,471 | 226 | 3% | 7,812 |
| Interest from Current and Non Current Assets | | 12,662 | 14,376 | 14,033 | 1,092 | 11,333 | 11,774 | (441) | -4% | 14,033 |
| Dividends | | – | – | – | – | – | – | – | | – |
| Rent on Land | | – | – | – | – | – | – | – | | – |
| Rental from Fixed Assets | | 456 | 469 | 452 | 24 | 288 | 381 | (93) | -24% | 452 |
| Licence and permits | | – | – | – | – | – | – | – | | – |
| Special Rating Levies | | – | – | – | – | – | – | – | | – |
| Operational Revenue | | 48,617 | 3,926 | 9,470 | (0) | 77 | 6,598 | (6,521) | -99% | 9,470 |
| Non-Exchange Revenue | | | | | | | | | | |
| Property rates | | 216,849 | 240,179 | 258,752 | 19,962 | 212,416 | 211,293 | 1,123 | 1% | 258,752 |
| Surcharges and Taxes | | – | – | – | – | – | – | – | | – |
| Fines, penalties and forfeits | | 1,627 | 3,644 | 11 | 3 | 10 | 857 | (847) | -99% | 11 |
| Licence and permits | | 7,317 | 7,842 | 7,588 | 623 | 6,380 | 6,382 | (3) | 0% | 7,588 |
| Transfers and subsidies - Operational | | 628,174 | 625,403 | 698,145 | 1,319 | 651,881 | 564,815 | 87,066 | 15% | 698,145 |
| Interest | | 27,462 | 35,930 | 33,631 | 2,891 | 28,374 | 28,562 | (188) | -1% | 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) | | 1,009,085 | 1,121,282 | 1,079,552 | 29,640 | 955,244 | 909,363 | 45,880 | 5% | 1,079,552 |

- Operational revenue recognised excluding capital receipts as at the end of April 2026 amounted to R 955 244 000.
- The planned revenue target of R 909 363 000 as at end of April 2026 is outperformed by 5%.
- 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 April 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 2% 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 -95% 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 1% 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 April 2026.

• Operational Revenue

Overall operational revenue collection reflects a performance level of -99% as at the end of April 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 1% 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 3%.

- **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 April 2026. The variance is within the National Treasury acceptable norm of 5%.

1.2 EXPENDITURE PERFORMANCE AS AT April 2026

LIM476 Tubatse Fetakgomo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 - April

| Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|---------------------------------|-----|------------------|---------------------|------------------|----------------|----------------|----------------|------------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Expenditure By Type | | | | | | | | | | |
| Employee related costs | | 296,514 | 282,883 | 289,251 | 24,372 | 252,999 | 239,550 | 13,450 | 6% | 289,251 |
| Remuneration of councillors | | 44,388 | 46,350 | 46,350 | 4,409 | 36,057 | 38,625 | (2,568) | -7% | 46,350 |
| Bulk purchases - electricity | | - | - | - | - | - | - | - | | - |
| Inventory consumed | | 17,692 | 6,504 | 6,166 | 201 | 2,772 | 5,217 | (2,445) | -47% | 6,166 |
| Debt impairment | | 77,463 | 54,501 | 44,501 | - | - | 39,417 | (39,417) | -100% | 44,501 |
| Depreciation and amortisation | | 100,661 | 74,288 | 73,197 | 100 | 17,778 | 61,089 | (43,311) | -71% | 73,197 |
| Interest | | 15,093 | 900 | 500 | 3,867 | 3,867 | 510 | 3,357 | 658% | 500 |
| Contracted services | | 372,991 | 391,104 | 429,278 | 20,512 | 266,658 | 345,824 | (79,167) | -23% | 429,278 |
| Transfers and subsidies | | - | - | 600 | - | - | 360 | (360) | -100% | 600 |
| Irrecoverable debts written off | | 4,016 | 2,919 | 2,319 | 219 | 2,697 | 2,073 | 625 | 30% | 2,319 |
| Operational costs | | 143,407 | 138,644 | 142,365 | 1,202 | 82,211 | 117,102 | (34,890) | -30% | 142,365 |
| Losses on Disposal of Assets | | 709 | - | - | - | - | - | - | | - |
| Other Losses | | 6 | - | - | - | 1,639 | - | 1,639 | #DIV/0! | - |
| Total Expenditure | | 1,072,938 | 998,092 | 1,034,527 | 54,883 | 666,678 | 849,766 | (183,088) | -22% | 1,034,527 |

Overall Expenditure Performance

Actual expenditure for April 2026 amounted to R54 883 million, with cumulative year-to-date expenditure of R 666 678 million as at the end of April 2026, against planned expenditure of R849.766 million. This resulted in a positive variance of R183.088 million, representing 22% underspending for the period under review.

Operating Expenditure Variance

The underspending on operating expenditure amounting to R183.088 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 -7% variance, mainly due to the non-payment of upper limits during the period under review. These payments are expected to be processed in May 2026, while the budget was evenly spread over the twelve-month period for cash-flow planning purposes.

- **Inventory Consumed**

Inventory consumed reflects a -47% 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 -71% 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 -23% 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 April 2026 amounted to R2.6 million, exceeding the budgeted amount of R2.7 million by R625 thousands (30%). 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 -30% 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

LIM476 Tubatse Fetakgomo - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M10 - April

| Vote Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|------------------|-----|---------|---------------------|----------|----------------|---------------|--------|-----|-------|-----------|
| | | Audited | Original | Adjusted | Monthly actual | YearTD actual | YearTD | YTD | YTD % | Full Year |
| R thousands | 1 | | | | | | | | | |

| | | | | | | | | | | |
|--|---|---------|---------|---------|----------|---------|---------|----------|-------|---------|
| Capital Expenditure - Functional Classification | | | | | | | | | | |
| Governance and administration | | 8,676 | 38,900 | 7,500 | 800 | 3,075 | 13,577 | (10,502) | -77% | 7,500 |
| Executive and council | | 805 | 6,900 | 500 | - | - | 1,910 | (1,910) | -100% | 500 |
| Finance and administration | | 7,871 | 32,000 | 7,000 | 800 | 3,075 | 11,667 | (8,592) | -74% | 7,000 |
| Internal audit | | - | - | - | - | - | - | - | | - |
| Community and public safety | | 5,627 | 7,800 | 6,730 | - | 3,155 | 5,858 | (2,703) | -46% | 6,730 |
| Community and social services | | 4,320 | 6,600 | 3,530 | - | 192 | 3,658 | (3,466) | -95% | 3,530 |
| Sport and recreation | | - | - | - | - | - | - | - | | - |
| Public safety | | 1,307 | 1,200 | 3,200 | - | 2,963 | 2,200 | 763 | 35% | 3,200 |
| Housing | | - | - | - | - | - | - | - | | - |
| Health | | - | - | - | - | - | - | - | | - |
| Economic and environmental services | | 155,859 | 213,628 | 187,759 | (7,424) | 156,258 | 162,502 | (6,243) | -4% | 187,759 |
| Planning and development | | - | 1,000 | (0) | - | - | 233 | (233) | -100% | (0) |
| Road transport | | 155,859 | 212,628 | 187,759 | (7,424) | 156,258 | 162,268 | (6,010) | -4% | 187,759 |
| Environmental protection | | - | - | - | - | - | - | - | | - |
| Trading services | | 7,522 | 29,074 | 0 | 2,197 | 9,779 | 6,784 | 2,996 | 44% | 0 |
| Energy sources | | - | 23,474 | (0) | - | 7,583 | 5,477 | 2,106 | 38% | (0) |
| Water management | | - | - | - | - | - | - | - | | - |
| Waste water management | | - | - | - | - | - | - | - | | - |
| Waste management | | 7,522 | 5,600 | 0 | 2,197 | 2,197 | 1,307 | 890 | 68% | 0 |
| Other | | - | - | - | - | - | - | - | | - |
| Total Capital Expenditure - Functional Classification | 3 | 177,685 | 289,401 | 201,989 | (4,427) | 172,268 | 188,720 | (16,453) | -9% | 201,989 |
| Funded by: | | | | | | | | | | |
| National Government | | 88,467 | 180,101 | 145,659 | 2,127 | 111,761 | 129,419 | (17,658) | -14% | 145,659 |
| Provincial Government | | (0) | - | - | - | - | - | - | | - |
| District Municipality | | - | - | - | - | - | - | - | | - |
| Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, | | - | - | - | - | - | - | - | | - |
| Transfers recognised - capital | | 88,467 | 180,101 | 145,659 | 2,127 | 111,761 | 129,419 | (17,658) | -14% | 145,659 |
| Borrowing | 6 | - | - | - | (12,500) | - | - | - | | - |
| Internally generated funds | | 78,043 | 109,300 | 56,330 | 5,946 | 60,425 | 59,301 | 1,123 | 2% | 56,330 |
| Total Capital Funding | | 166,510 | 289,401 | 201,989 | (4,427) | 172,186 | 188,720 | (16,534) | -9% | 201,989 |

Overall Capital Expenditure Performance

Actual capital expenditure for the month ended April 2026 amounted to R172,268 million (exclusive of VAT) against a planned year-to-date target of R188,720 million, resulting in a saving of R16,453 million (9%).

- **Municipal Infrastructure Grant (MIG)**

Capital expenditure on MIG-funded projects amounted to R100,275 million, inclusive of VAT and retention held, as at the end of April 2026. This represents 90% spending of the total MIG allocation of R110.858 million, indicating strong performance on grant implementation.

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

Operational capital grant expenditure on INEP-funded projects amounted to R23,280 million as at the end of April 2026, representing 67% spending of the total allocation of R34.886 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 R27,275 million, reflecting 67% spending of the total allocation of R45.900 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 April 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 30 April 2026

LIM476 Tubatse Fetakgomo - Table C6 Monthly Budget Statement - Financial Position - M10 - April

| 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 | 309,344 | 53,678 |
| Trade and other receivables from exchange transactions | | (66,975) | 109,003 | 20,421 | (48,153) | 20,421 |
| Receivables from non-exchange transactions | | (105,531) | 65,370 | 95,347 | (23,567) | 95,347 |
| Current portion of non-current receivables | | - | - | - | - | - |
| Inventory | | 4,065 | 78,654 | 63,081 | 4,201 | 63,081 |
| VAT | | 61,788 | 49,856 | 81,601 | 49,655 | 81,601 |
| Other current assets | | 85,931 | 52,150 | - | 80,576 | - |
| Total current assets | | 181,551 | 568,608 | 314,128 | 372,058 | 314,128 |
| Non current assets | | | | | | |
| Investments | | 58,748 | - | 61,685 | 63,102 | 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 | 3,067,231 | 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 | 3,188,043 | 3,167,207 |
| TOTAL ASSETS | | 3,211,175 | 3,470,336 | 3,481,335 | 3,560,099 | 3,481,335 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | - | - | - | - | - |
| Financial liabilities | | (34,491) | 36,000 | 36,000 | (67,523) | 36,000 |
| Consumer deposits | | 41,880 | - | - | 4,380 | - |
| Trade and other payables from exchange transactions | | 156,559 | 245,420 | 78,181 | 92,805 | 78,181 |
| Trade and other payables from non-exchange transactions | | 0 | - | 8,405 | 64,899 | 8,405 |
| Provision | | 36,562 | 22,342 | 24,782 | 36,102 | 24,782 |
| VAT | | 8,844 | 9,667 | 13,810 | 11,416 | 13,810 |
| Other current liabilities | | - | - | - | - | - |
| Total current liabilities | | 209,354 | 313,429 | 161,178 | 142,080 | 161,178 |
| Non current liabilities | | | | | | |
| Financial liabilities | | 99,399 | - | 24,501 | 98,715 | 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 | 134,818 | 104,794 |
| TOTAL LIABILITIES | | 344,855 | 451,651 | 265,972 | 276,897 | 265,972 |
| NET ASSETS | 2 | 2,866,320 | 3,018,684 | 3,215,363 | 3,283,201 | 3,215,363 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated surplus/(deficit) | | 2,866,327 | 3,018,684 | 3,215,363 | 3,283,201 | 3,215,363 |
| Reserves and funds | | - | - | - | - | - |
| Other | | - | - | - | - | - |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | 2,866,327 | 3,018,684 | 3,215,363 | 3,283,201 | 3,215,363 |

- The net assets show a total of R 3 283 201 000 as at April 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: 2.5 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.

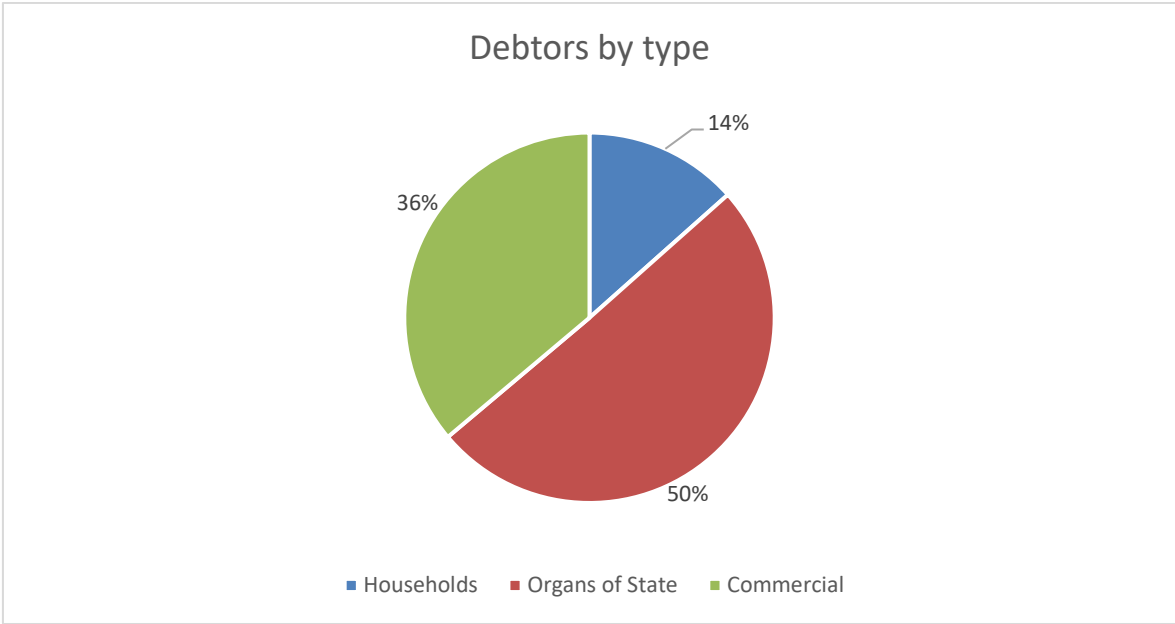
1.6 CASH FLOW STATEMENT

- 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 April 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 - M10 - April

| Description | Ref | 2024/25 | Budget Year 2025/26 | | | | | | | |
|--|----------|-----------------|---------------------|------------------|-----------------|------------------|------------------|------------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | 1 | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Property rates | | - | 180,134 | 193,135 | 14,009 | 146,818 | 157,913 | (11,094) | -7% | 193,135 |
| Service charges | | - | 23,700 | 23,096 | 1,323 | 17,422 | 19,388 | (1,965) | -10% | 23,096 |
| Other revenue | | - | 252,670 | 86,023 | 944 | 75,469 | 110,570 | (35,101) | -32% | 86,023 |
| Transfers and Subsidies - Operational | | - | 625,403 | 698,145 | 0 | 656,080 | 564,815 | 91,265 | 16% | 698,145 |
| Transfers and Subsidies - Capital | | - | 180,101 | 145,659 | - | 188,558 | 129,419 | 59,139 | 46% | 145,659 |
| Interest | | - | 47,055 | 33,988 | 216 | 5,396 | 31,373 | (25,976) | -83% | 33,988 |
| Dividends | | - | - | - | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Suppliers and employees | | - | (864,384) | (912,309) | (32,912) | (420,720) | (745,266) | 324,546 | -44% | (912,309) |
| Interest | | - | - | (400) | - | - | 240 | (240) | -100% | (400) |
| Transfers and Subsidies | | - | - | 600 | - | - | (360) | 360 | -100% | 600 |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | - | 444,679 | 267,937 | (16,420) | 669,023 | 268,090 | (400,933) | -150% | 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 | - | - | 450 | 4,355 | - | 4,355 | #DIV/0! | - |
| Payments | | | | | | | | | | |
| Capital assets | | 349,717 | (289,401) | (201,989) | (5,396) | (272,427) | (188,720) | (83,707) | 44% | (201,989) |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | 355,012 | (289,401) | (201,989) | (4,946) | (268,072) | (188,720) | 79,352 | -42% | (201,989) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | |
| Receipts | | | | | | | | | | |
| Short term loans | | - | - | - | - | - | - | - | | - |
| Borrowing long term/refinancing | | - | - | - | (3,758) | (37,583) | - | (37,583) | #DIV/0! | - |
| Increase (decrease) in consumer deposits | | - | - | - | - | - | - | - | | - |
| Payments | | | | | | | | | | |
| Repayment of borrowing | | - | - | - | - | - | - | - | | - |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | - | - | - | (3,758) | (37,583) | - | 37,583 | #DIV/0! | - |
| NET INCREASE/ (DECREASE) IN CASH HELD | | 355,012 | 155,278 | 65,949 | (25,124) | 363,368 | 79,370 | | | 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 | | 565,641 | 97,266 | | | 268,221 |

1.7 DEBTORS



1.7 DEBTORS

LIM476 Tubatse Fetakgomo - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 - April

| 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 | 18,714 | 11,399 | 11,527 | 7,791 | 7,034 | 6,770 | 6,528 | 391,569 | 461,332 | 419,692 | (73) | - |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | - | - | - | - | - | - | - | - | - | - | - | - |
| Receivables from Exchange Transactions - Waste Management | 1600 | 2,643 | 1,908 | 1,795 | 2,925 | 1,494 | 1,479 | 1,471 | 86,855 | 100,570 | 94,225 | 254 | - |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | - | - | - | - | - | - | - | - | - | - | - | - |
| Interest on Arrear Debtor Accounts | 1810 | 3,780 | 3,777 | 3,621 | 3,518 | 3,402 | 3,321 | 3,255 | 53,362 | 78,036 | 66,858 | - | - |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | 1900 | 311 | 1,145 | 44 | 29 | 23 | 11 | 10 | 4,271 | 5,843 | 4,344 | (75) | - |
| Total By Income Source | 2000 | 25,448 | 18,228 | 16,987 | 14,263 | 11,952 | 11,581 | 11,265 | 536,058 | 645,781 | 585,118 | 106 | - |
| 2024/25 - totals only | | - | - | - | - | - | - | - | - | - | - | - | - |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | 528 | 511 | 613 | 453 | 452 | 422 | 408 | 68,078 | 71,465 | 69,814 | (2) | - |
| Commercial | 2300 | 18,355 | 11,549 | 11,500 | 9,723 | 7,541 | 7,304 | 7,015 | 268,976 | 341,964 | 300,560 | (149) | - |
| Households | 2400 | 6,565 | 6,167 | 4,874 | 4,087 | 3,960 | 3,854 | 3,841 | 199,003 | 232,351 | 214,745 | 257 | - |
| Other | 2500 | - | - | - | - | - | - | - | - | - | - | - | - |
| Total By Customer Group | 2600 | 25,448 | 18,228 | 16,987 | 14,263 | 11,952 | 11,581 | 11,265 | 536,058 | 645,781 | 585,118 | 106 | - |

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 R645.781 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 April 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 - M10 - April

| Description R thousands | 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 | |
| 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 | 5,092 | 5,461 | 1,796 | - | 616 | 454 | - | - | 13,419 | - |
| Auditor General | 0800 | - | - | - | - | - | - | - | - | - | - |
| Other | 0900 | - | - | - | - | - | - | - | - | - | - |
| Total By Customer Type | 1000 | 5,092 | 5,461 | 1,796 | - | 616 | 454 | - | - | 13,419 | - |

1.8 INVESTMENT PORTFOLIO

| LIM476 Tubatse Fetakgomo - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M10 - April | | | | | | | | | | | | | | |
|---|-----|-------------------------|--------------------|-----------------------------------|---------------------------------------|---------------|----------------------------|-------------------------|------------------------------|--------------------|-------------------------|--|----------------------|--------------------|
| 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 | | | | | | | | | | | | | | - |
| Stabdard Bank Tiered Account | | Yrs | Fixed Deposit | Fixed | 0.1059 | | | | | 62,737 | 435,205.48 | | | 63,172 |
| Stabdard Bank Call Account | | Months | Call Account | Call | 0.0665 | | | | | 858 | 9,555.42 | | | 868 |
| Stabdard Bank Call Account | | Months | Call Account | Call | 0.0785 | | | | | 156,081 | 683,669.07 | (71,000) | | 85,765 |
| STANDARD BANK CALL ACCOUNT 0 | | Months | Call Account | Call | 0.065 | | | | | 97 418 | 283.47 161.25 | | | 97 418 |
| | | | | | | | | | | | | | | - |
| | | | | | | | | | | | | | | - |
| | | | | | | | | | | | | | | - |
| Municipality sub-total | | | | | | | | | | 220,191 | | (71,000) | - | 150,320 |
| Entities | | | | | | | | | | | | | | |

Council’s investment portfolio as at end of April 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 April 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 | -2,349,636 | -2,349,636 | -19,683,038.22 | -21,970,819.65 | 14,146,802.06 |
| | 000850945 | 28,385,876.86 | -2,200,504.84 | -2,200,504.83 | -11,061,863.39 | -13,262,368.22 | 17,324,013.47 |
| TOTAL | | 64,503,498.57 | -4,550,140.66 | -4,550,140.66 | -33,032,683.04 | -37,582,823.70 | 31,470,815.53 |

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 30 April 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 71 report for the period ended 30 April 2026.
- 1.12.2 That the report be made public in compliance to section 71 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

