



FETAKGOMO – TUBATSE
LOCAL MUNICIPALITY

SUBMISSION

To	:	Executive Committee
From	:	Municipal Manager
90	:	
Item	:	
Date	:	31 December 2025
Subject	:	2nd Quarter Budget Performance Assessment Report (Section 72) for the period ended December 2025
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 72 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 72.

BACKGROUND

(a) The accounting officer of a municipality must by 25 January of each year- (a) assess the performance of the municipality during the first half of the financial year, taking into account

the monthly statements referred to in section 71 for the first half of the (ii) the municipality's service delivery performance during the first half of financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan:

(b) submit a report on such assessment to-

(i) the mayor of the municipality; (ii) the National Treasury; and (iii) the relevant provincial treasury. 35 (2) The statement referred to in section 71(1

Section 72 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 midyear 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 December 2025** is summarised as follows.

Description	Annual Budget (R'000)	YTD Budget (R'000)	YTD Actual (R'000)	Variance% R'000
Total Revenue Including capital receipts	1,301,383	650,692	764,262	17%
Total Operating Expenditure	998,092	499,046	388,807	-22%
Operating surplus / (deficit)	303,290	151,645	375,455	148%

The annual budget for 2025/26 has an operating year to date budget surplus of R 303 290 000. Actual Operating revenue including capital receipts amounted to R 764 262 000 while

actual operating expenditure amounted to R 388 807 000. Thus, resulting in an operating surplus of R 151 645 000 as at the end of December 2025.

1.1 REVENUE PER SOURCE

LIM476 Tubatse Fetakgomo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - Half Year

Description	Ref	Budget Year 2025/26						YTD variance %	Full Year Forecast	
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Mid Year	YearTD actual	YearTD budget			YTD variance
R thousands										
Revenue										
Exchange Revenue		-	200	-	-	-	100	(100)	-100%	200
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		30,369	31,400	-	15,376	15,376	15,700	(324)	-2%	31,400
Service charges - Waste management		20,148	141,070	-	1,406	1,406	70,535	(69,130)	-98%	141,070
Sale of Goods and Rendering of Services		8,498	9,201	-	5,048	5,048	4,600	447	10%	9,201
Agency services		-	-	-	-	-	-	-	-	-
Interest		7,494	7,643	-	3,906	3,906	3,821	85	2%	7,643
Interest earned from Receivables		12,662	14,376	-	7,017	7,017	7,776	(760)	-10%	14,376
Interest from Current and Non Current Assets		-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		456	469	-	226	226	234	(8)	-4%	469
Licence and permits		-	-	-	-	-	-	-	-	-
Special Rating Levies		-	-	-	-	-	-	-	-	-
Operational Revenue		48,617	3,926	-	4,735	4,735	1,963	2,772	141%	3,926
Non-Exchange Revenue										
Property rates		223,997	240,179	-	129,376	129,376	120,089	9,287	8%	240,179
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		1,627	3,644	-	5	5	1,822	(1,817)	-100%	3,644
Licence and permits		7,317	7,842	-	3,794	3,794	3,921	(127)	-3%	7,842
Transfers and subsidiaries - Operational		628,174	625,403	-	466,992	466,992	312,701	154,291	49%	625,403
Interest		29,593	35,930	-	16,815	16,815	17,965	(1,150)	-6%	35,930
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		9	-	-	1,428	1,428	-	1,428	#DIV/0!	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		1,018,960	1,121,282	-	656,124	656,124	561,229	94,894	17%	1,121,282

- Revenue for property rate and refuse removal is based on an accounting concept called accrual basis where revenue is recognised as and when a transaction occurs not when actual cash is received.
- Operational revenue recognised excluding capital receipts as at the end of the August 2025 amounted to R 656 124 000.
- The planned revenue collection target of R 560 641 000 as at end of December 2025 is outperformed by 17%.
- There has been satisfactory performance on revenue recognized on some of the revenue streams however some revenue streams did not perform as anticipated as at end of December 2025.
- Below are explanations on over/under performance on other sources of revenue:

Revenue from exchange transaction

- Service Charges - Waste Management shows an a variance of -2% on billed revenue due to agricultural properties which are billed once per year in July. This is within the acceptable national treasury 5% norm.
- Service Charges -Electricity -Delay in acquiring of electricity distribution license.
- Sale of goods and rendering of services - On sale of stands there is an underperformed by -98% and mainly due to reluctance of customer to pay for the monthly outstanding amount as agreed on the offer to purchase the stands. However the municipality will impose a penalty on defaulters as the twelve months period for payment has already elapsed.
- Agency Fees - There is an overperformance on agency fees by 10% due to increase in collection, employees working over festive season and capacitating of the unit with warm bodies.
- Rental from fixed assets is within treasury acceptable norm of -5% due to usage of council approved facilities (Community Halls and Civic Hall) during the end of December 2025.)
- Operational revenue shows an over collection of 100% as at end of December 2025 as a result of over collection on other revenue streams e.g., Clearance Certificates, Approval of Building Plans.

Revenue from non-exchange transaction

- Property Rates shows a variance of 8% which reflects positive billed revenue versus the the anticipated year to date budget. This is mainly due to agricultural properties which are billed once in July.
- Fines, Penalties and forfeits under performed by -96%. This emanates from late processing or raising of debtors to this revenue stream.
- There is a variance of -3% on Licenses and permits which is within treasury's acceptable norm of 5%.
- Transfers and Subsidies Operational shows 100% variance which means that all operational grants were received as anticipated and as gazetted on the DORA Bill.

- Interest charged on property rates shows underperformance of 6% which reflects increased billing of long outstanding debtors as at the end of December 2025.

1.2 EXPENDITURE PERFORMANCE AS AT DECEMBER 2025

The half yearly expenditure per type is as follows:

LIM476 Tubatse Fetakgomo - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 - Half Year

R thousands	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
	Total Revenue (excluding capital transfers and contributions)		1,018,960	1,121,282	-	656,124	656,124	561,229	94,894	17%	1,121,282
	Expenditure By Type										
	Employee related costs		296,514	282,883	-	155,752	155,752	141,442	14,311	10%	282,883
	Remuneration of councillors		44,388	46,350	-	21,884	21,884	23,175	(1,291)	-6%	46,350
	Bulk purchases - electricity		-	-	-	-	-	-	-	-	-
	Inventory consumed		17,692	6,504	-	1,908	1,908	3,252	(1,344)	-41%	6,504
	Debt impairment		77,463	54,501	-	-	-	27,250	(27,250)	-100%	54,501
	Depreciation and amortisation		104,093	74,288	-	13,779	13,779	37,144	(23,365)	-63%	74,288
	Interest		15,093	900	-	-	-	450	(450)	-100%	900
	Contracted services		372,984	391,084	-	133,982	133,982	195,542	(61,560)	-31%	391,084
	Transfers and subsidies		-	-	-	-	-	-	-	-	-
	Irrecoverable debts written off		4,016	2,919	-	1,675	1,675	1,460	215	15%	2,919
	Operational costs		142,743	138,644	-	58,189	58,189	69,416	(11,226)	-16%	138,644
	Losses on Disposal of Assets		709	-	-	-	-	-	-	-	-
	Other Losses		6	-	-	1,639	1,639	-	1,639	#DIV/0!	-
	Total Expenditure		1,075,700	998,072	-	388,807	388,807	499,130	(110,322)	-22%	998,072

- The actual expenditure as at end of December 2025 amounted to R 388 807 000 whilst the planned expenditure was estimated at R 494 643 000. This resulted in a variance of R 105 836 000.
- The variance of R 105 836 000 on operating expenditure is mainly due to the following:
 - Employee related costs show a variance of 10 which is primarily attributable to bonus payments and travel allowances claimed during the same period, whereas the budgeted bonus was apportioned evenly over six months. This timing difference is expected to normalise over the full 12-month period, resulting in a minimal impact by year-end. Additional allowances also contributed to the variance.
 - Remuneration of Councilors shows a variance of -6% and is due to increase on travel claims paid.
 - Inventory consumed reflects a variance of -41% as compared to the budgeted projections. The underspending is primarily due to lower utilization of consumables and materials.
 - Depreciation and amortization show a variance of 63% under spent as compared to the year-to-date budget. This is due to the asset integration to the core financial system to be done in February 2026 and depreciation will be carried out monthly.
 - Interest; Dividends and Rent on Land. No interest payments were made on overdue accounts during the period ended December. The budget allocation of R450,000 remains unutilised, resulting in a 100% positive variance. This outcome reflects effective credit control measures and timely settlement of obligations, which minimised exposure to interest charges.
 - Contracted Services shows a variance of -31% which emanates from projects which were not yet implementable as per the demand management plan. Contractors were significantly underspend (60% below budget) due to some projects differed to later months as well as better negotiated rates as the municipality is on a high drive to contain unnecessary costs
 - Irrecoverable debts written off for the six-month period ended December amounted to R1.67 million, exceeding the budget of R1.46 million by R215,004 (15%). This overspend is primarily driven by the write-off of long-outstanding consumer accounts that were deemed uncollectible after exhaustive recovery efforts.
 - Operational costs shows that there is a variance of -16% which emanates from amongst others the following reasons,

Advertising, Publicity and Marketing, largely due to reduced promotional activities and deferred campaigns

Corporate and Municipal Activities reflecting fewer events and municipal programs during the period together with stringent cost containment measures instituted

Printing and Publications, indicating cost containment in communication materials.

- The actual capital expenditure for the month ended December 2025 shows an underperformance of R 18 752 000 (26%) from planned target of R 143 701 000, the aggregate actual expenditure amounted to R124 949 000 exclusive of VAT.
- Capital grant expenditure on MIG and INEP funded projects amounted to R 87 449 000 excluding VAT and retention held as at end of December 2025 and shows 65% spending of the total allocation of R 134,501 000.
- Capital expenditure on Neighbourhood funded projects amounted to R 19 769 000 and shows 46% of the total allocation of R42 600 000.
- The expenditure on own funded projects amounted to R53 650 000 as at end of December 2025 and percentage spend is 50% on the total allocation of R 107 300 000. The variance in this regard reflects a saving as other projects were not yet implemented.

1.4 FINANCAL POSITION

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

LIM476 Tubatse Fetakgomo - Table C6 Monthly Budget Statement - Financial Position - M06 - Half Year

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	232,704	-	354,665	232,704
Trade and other receivables from exchange transactions		(64,992)	109,003	-	(55,405)	109,003
Receivables from non-exchange transactions		(97,393)	67,236	-	(44,921)	67,236
Current portion of non-current receivables		-	-	-	-	-
Inventory		4,065	78,654	-	4,258	78,654
VAT		61,788	49,856	-	53,852	49,856
Other current assets		85,925	52,150	-	85,946	52,150
Total current assets		191,665	589,603	-	398,396	589,603
Non current assets						
Investments		58,748	-	-	61,431	-
Investment property		54,550	55,624	-	54,550	55,624
Property, plant and equipment		2,918,655	2,842,750	-	3,029,426	2,842,750
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		105	-	-	105	-
Intangible assets		2,118	354	-	2,091	354
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		3,034,175	2,898,727	-	3,147,604	2,898,727
TOTAL ASSETS		3,225,840	3,488,330	-	3,545,999	3,488,330

LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		(34,491)	36,000	-	(53,930)	36,000
Consumer deposits		41,880	-	-	29,380	-
Trade and other payables from exchange transactions		150,622	248,512	-	91,875	248,512
Trade and other payables from non-exchange transactions		0	-	-	41,135	-
Provision		36,562	22,342	-	36,102	22,342
VAT		8,929	9,667	-	11,627	9,667
Other current liabilities		-	-	-	-	-
Total current liabilities		203,503	316,521	-	156,190	316,521
Non current liabilities						
Financial liabilities		99,399	-	-	96,288	-
Provision		30,267	31,376	-	30,267	31,376
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		5,836	106,846	-	5,836	106,846
Total non current liabilities		135,501	138,222	-	132,391	138,222
TOTAL LIABILITIES		339,004	454,743	-	288,581	454,743
NET ASSETS	2	2,908,113	409,791	-	3,250,880	409,791
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,885,563	3,018,684	-	3,270,828	3,018,684
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2,885,563	3,018,684	-	3,270,828	3,018,684

- The net assets show a total of R 3 250 880 as at December 2025.

1.5 FINANCIAL RATIOS

1.5.1 Cash Coverage Ratio

•The cash coverage ratio shows 1month 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.

1.5.2 Liduidity Ratio

- The current ratio shows a ratio of 1:2,55 which is above the acceptable norm and shows that the municipality can pay its current or short-term obligation as and when they fall due.
- **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.

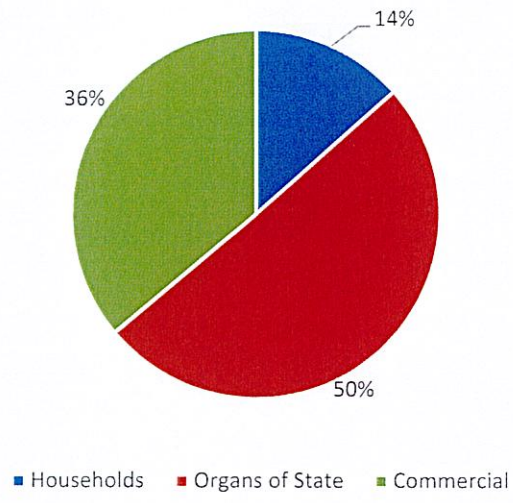
1.6 CASH FLOW STATEMENT

LIM476 Tubatse Fetakgomo - Table C7 Monthly Budget Statement - Cash Flow - 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										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		156,664	180,134	-	86,990	86,990	90,067	(3,077)	-3%	180,134
Service charges		20,401	23,700	-	10,344	10,344	11,850	(1,506)	-13%	23,700
Other revenue		82,683	252,670	-	76,489	76,489	126,335	(49,846)	-39%	252,670
Transfers and Subsidies - Operational		622,577	625,403	-	466,580	466,560	312,701	153,859	49%	625,403
Transfers and Subsidies - Capital		199,144	180,101	-	149,736	149,736	90,051	59,685	66%	180,101
Interest		7,408	47,055	-	3,144	3,144	23,528	(20,384)	-87%	47,055
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(599,548)	(854,282)	-	(263,847)	(263,847)	(427,141)	163,294	-38%	(854,282)
Interest		-	-	-	-	-	-	-	-	-
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		489,329	454,782	-	529,417	529,417	227,391	(302,026)	-133%	454,782
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	-	-	2,684	2,684	-	2,684	#DIV/0!	-
Payments										
Capital assets		349,717	(270,273)	-	(181,400)	(181,400)	(135,136)	(46,264)	34%	(270,273)
NET CASH FROM/(USED) INVESTING ACTIVITIES		355,012	(270,273)	-	(178,717)	(178,717)	(135,136)	43,580	-32%	(270,273)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		(45,099)	-	-	(22,550)	(22,550)	-	(22,550)	#DIV/0!	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(45,099)	-	-	(22,550)	(22,550)	-	22,550	#DIV/0!	-
NET INCREASE/ (DECREASE) IN CASH HELD		799,242	184,509	-	328,150	328,150	92,254			184,509
Cash/cash equivalents at beginning:		283,676	99,298	-		202,273	99,298			202,273
Cash/cash equivalents at month/year end:		1,082,918	283,807	-		530,423	191,552			386,782

- The cash and cash equivalents as at end of December 2025 shows R 520 423 000 as per C schedule.

Debtors by type



1.7 DEBTORS

LIM476 Tubatse Fetakgomo - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 - Half Year

Description		Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.l.o Council Policy				
		NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	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	18,823	11,315	8,592	7,981	12,800	6,572	375,890	450,044	411,315	(2)					
	Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Receivables from Exchange Transactions - Waste Management	1600	2,721	2,139	1,775	1,637	1,584	1,526	82,979	95,982	89,347	346					
	Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Interest on Arrear Debtor Accounts	1810	3,612	3,506	3,425	3,272	3,125	3,339	42,373	66,003	55,461	-					
	Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other	1900	60	47	42	33	10	3	4,485	4,684	4,534	22					
	Total By Income Source	2000	25,216	17,007	13,834	12,901	17,513	11,440	505,727	616,713	560,657	366					
	2024/25 - totals only		22,876	15,928	14,851	12,174	28,247	12,035	420,150	538,843	485,188	-					
Debtors Age Analysis By Customer Group																	
	Organs of State	2200	511	467	420	434	4520	314	75,687	82,850	81,453	3					
	Commercial	2300	18,268	11,374	9,202	8,408	9,146	7,068	239,083	311,022	272,178	155					
	Households	2400	6,436	5,167	4,212	4,059	3,846	4,058	190,957	222,840	207,026	207					
	Other	2500	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total By Customer Group	2600	25,216	17,007	13,834	12,901	17,513	11,440	505,727	616,713	560,657	366					

The debtor's report has been prepared based on the format required to be lodged electronically with the National Treasury. This format provides an extended aged analysis, as well as an aged analysis by debtor type. The summary report indicates that customers owe the municipality a staggering amount of R 616 713 000 of which R 560 657 000 is more than 90 days old. The bulk of the debt relates to refuse removal and property rates.

TOP TEN DEBTORS PER CATEGORY (BUSINESS) DECEMBER 2025

NO	ACCOUNT_NO	TOTAL
1	1225290	R 8,640,433.33
2	1225321	R 7,793,371.15
3	1007661	R 3,991,536.04
4	10043674	R 2,618,894.05
5	1071696	R 2,007,804.27
6	1202227	R 1,775,217.77
7	7069197	R 1,535,018.65
8	1014635	R 1,084,172.32
9	1006339	R 1,031,114.72
10	1139177	R 856,747.95
		R 31,334,310.25

TOP TEN DEBTORS PER CATEGORY (MINING) DECEMBER 2025

NO	ACCOUNT_NO	TOTAL
1	1225031	R 17,608,369.56
2	1022695	R 6,051,676.57
3	1106201	R 5,918,038.29
4	1225028	R 2,373,058.88
5	1225313	R 1,939,190.75
6	1067966	R 1,246,072.56
7	1225308	R 149,090.78
8	1199773	R 132,442.78
9	1199781	R 132,436.49
10	1199765	R 113,045.76
		R 35,663,422.42

TOP TEN DEBTORS PER CATEGORY (INDUSTRIAL) DECEMBER 2025

NO	ACCOUNT_NO	TOTAL
1	1035665	R 1,296,424.75
2	1225250	R 964,844.36
3	1132148	R 859,868.29
4	1016997	R 575,142.40
5	1018280	R 539,460.71
6	1145797	R 518,874.13
7	1129481	R 469,214.48
8	1110349	R 420,871.89
9	1105566	R 375,548.71
10	1097784	R 236,958.00
	TOTAL	R 6,257,207.72

TOP TEN DEBTORS PER CATEGORY (RESIDENTIAL AND DOMESTIC) DECEMBER 2025

NO	ACCOUNT_NO	TOTAL
1	1128361	1,504,741.59
2	10043667	1,250,221.46
3	1005529	850,475.78
4	1222880	830,983.84
5	1005537	601,608.24
6	1106325	543,498.30
7	1060406	537,954.48
8	1138103	491,127.62
9	1017802	446,632.45
10	1035517	443,441.15
	TOTAL	7,500,684.91

1.7 CREDITORS

LIM476 Tubatse Fetakgomo - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 - Half Year

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	
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	3,197	2,335	-	22	-	-	6	-	5,560	413
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	3,197	2,335	-	22	-	-	6	-	5,560	413

- As at end of December 2025 outstanding trade creditors were standing at R 231 000 as per financial system.

INVESTMENT PORTFOLIO

LIM476 Tubatse Fetakgomo - 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 ³	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												
R thousands															
<i>Municipality</i>															
Standard Bank Fixed Deposit											60,082	1,335			61,417
Standard Bank Tiered Account		3		Fixed Deposit		Fixed	10.59%				9,978	80	(9,200)		858
Standard Bank Call Account			Call Account	Call Account		Call	6.65%				65,245	547	(66,550)	133,000	132,242
FNB Call Account			Call Account	Call Account		Call	7.85%				95	1			96
STANDARD BANK CALL ACCOUNT 008			Call Account	Call Account		Call	6.50%				50,000	(50,000)	411		411
<i>Municipality sub-total</i>															
185,401															
(75,339)															
133,000															
<i>Entities</i>															
-															
-															
-															
185,401															
(75,339)															
133,000															
TOTAL INVESTMENTS AND INTEREST															
2															
195,024															

Council's investment portfolio as at end of December 2025 indicates that R 195 025 000 was invested in various Call accounts and fixed deposit as stipulated above.

1.8 EXTERNAL LOAN REPAYMENT AND INTEREST Long-term loan amounts were received amounting to R 60 000 000 and R 40 000 000 during November 2023 and August 2024 respectively for purposes of purchase of land at Mashifane Park. Interest paid on the R 100 000 000 drawdown as at December 2025 amounts to R3 112 546.01.

INSTITUTION	LOAN NO	OPENING BALANCE	INTEREST CAPITALISED	CAPITAL REPAYMENT	CAPITAL & INTEREST PAYMENT	OUTSTANDING BALANCE
STANDARD BANK	000819602	36,117,621.71	(1,656,509.69)	(12,937,054.64)	(14,102,378.49)	23,180,567.07
STANDARD BANK	000850945	28,385,876.86	(1,456,036.32)	(6,502,073.94)	(7,957,421.40)	21,883,802.92
TOTAL LOANS		64,503,498.57	(3,112,546.01)	(19,439,128.58)	(22,059,799.89)	45,064,369.99

1.9 Proposed solution to address financial sustainability.

- Included in the debtors age analysis the significant debts are with regards to government debt, the office of the CFO had engagement with the national department of public works and provincial public works, the two departments agreed to settle their outstanding debts pending verification on the numbers by the municipality and them.

1.10 CONCLUSION

- The December 2025 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.

1.11 RECOMMENDATION

- 1.11.1 That the audit committee notes the Section 72 report for the period ended 31 December 2025.
- 1.11.2 That the report be made public in compliance to section 72 of the MFMA.
- 1.11.3 That the audit 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
- (l) 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

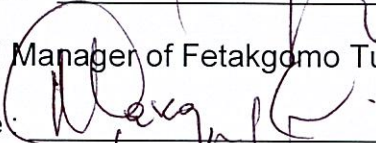
I Makgata MJ, Municipal Manager of Fetakgomo Tubatse Municipality, hereby certify that the section 72 budget performance report for the period ended December 2025 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act and that it is consistent with the Integrated Development Plan

Print name:

Makgata MJ

Municipal Manager of Fetakgomo Tubatse Municipality

Signature:



Date

: 12/01/2026