Polokwane Municipality

Monthly Budget Statement

31 May 2026

The Ultimate in Innovation and Sustainable Development

CITY OF Polokwane NATURALLY PROGRESSIVE

Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.
Budget – The financial plan of the Municipality.
Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.
Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it scores as expenditure in the month it is received, even though it may not be paid in the same period.
Deficit – The amount by which expenditure exceed revenue.
DORA – Division of Revenue Act. Annual piece of legislation that shows the amount of allocations from national to local government.
Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.
GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.
MFMA – The Municipal Finance Management Act – no 53 of 2003. The principle piece of legislation relating to municipal financial management.
Operating Expenditure – Spending on the day-to-day expenses of the Municipality such as salaries and wages.
Rates – Local Government taxation based on an assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.
Surplus - A situation in which income exceeds expenditures.
Tariff – means a tariff for services which a municipality may set for the provision of a service to the local community and includes a surcharge on such tariff.
SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
Vote – One of the main segments into which a budget is divided into for the appropriation of money at department/ functional area- level.
MSCOA – Municipal Standard Chart of Accounts

DIRECTORATE: BUDGET AND TREASURY OFFICE

ITEM:

FILE REF:

FINANCIAL REPORT FOR THE PERIOD ENDED 31 May 2026.

Report of the Finance Portfolio

Purpose
The purpose of this report is to comply with section 71 and 52 (d) of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 April 2009 (Municipal Budgeting Monitoring and Reporting Requirements).

Strategic Objective
To comply with MFMA priorities as well as MFMA implementation plan

Background
The Financial Report provides a high-level overview of the organisation's financial viability and sustainability. The report meets the requirements of the Municipal Finance Management Act (MFMA 56/2003 – S66 and S71) and the Municipal Budgets and Reporting Regulations (MBRR - No 32141 gazetted 17 April 2009).

Discussion
Section 71 (1) states that "the accounting officer of the municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant treasury a statement in the prescribed format on the implementation of the municipality's approved budget".

The results for the month are summarised herein under and for the reporting period ended 31st May 2026, the 10th working day submission deadline to National Treasury is 12th June 2026. The Budget and Treasury Office has complied with the prescribed timelines for this reporting period.

RECOMMENDATION

That the report be noted

THABO NONYANE
GROUP CHIEF FINANCIAL OFFICER

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ANNEXURES

Annexure A: Capital Programme

Annexure B: C Schedule

Annexure C: Grant Performance

Annexure D: Transfer of funds

PART 1 – IN-YEAR REPORT

1.1 EXECUTIVE SUMMARY

These figures are presented in terms of section 71 of the MFMA. The information is presented for the month and year to date 31st May 2026.

The financial results are summarised below:

Description	2024/25	Budget Year 2025/26				
	Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	Year to Date Actual	% YTD vs Adjustments Budget
Total Operational Revenue	5 981 284 380	5 850 979 267	5 904 676 498	297 490 995	4 923 844 298	83%
Capital transfers recognised	615 385 902	595 574 865	663 762 768	60 565 124	550 688 651	83%
Total Revenue	**6 596 670 282**	**6 446 554 132**	**6 568 439 266**	**358 056 119**	**5 474 532 949**	**83%**
Total Expenditure	**6 253 474 272**	**5 724 363 741**	**5 728 194 286**	**414 682 305**	**4 692 232 618**	**82%**
Surplus/ (Deficit) for the year	**343 196 010**	**722 190 391**	**840 244 980**	**(56 626 186)**	**782 300 330**	**93%**

1.1.1 Revenue Performance

As at 31st May 2026, the actual year-to-date operational revenue and capital transfers recognised amounts to **R 5 474 532 949** , representing **83%** of the adjustments budget of **R6 568 439 266.**

Comparative Performance – 2024/25: For the same period in the prior year, revenue performance amounted to **R 5 093 210 133**, representing **85%** of the prior year's adjustments budget.

The current year's performance is higher in rand value compared to the same period in the prior year; however, performance as a percentage of the adjustments budget is marginally lower.

1.1.2 Expenditure performance

As at 31 May 2026, the actual year-to-date operating expenditure amounts to

R 4 692 232 618 which is **82%** of the **adjustments budget of R 5 728 194 286.**

Comparative Performance – 2024/25:

Operating expenditure amounted to **R 4 537 928 729**, which was **86%** of the prior year adjustments budget.

The current year's performance is higher in rand value and low in percentage compared to the same period in the prior year.

1.1.3 Capital Performance

As at 31 May 2026, payments in respect of capital projects amount to **R 765 596 997** (including VAT), representing **70%** of the **adjustments capital budget of R 1 098 491 901**.

- **Comparative Performance – 2024/25:**

Capital expenditure amounted to **R 586 430 034.00**, which was **75%** of the prior year capital budget. The current year's capital expenditure is higher in nominal terms compared to the same period in the prior year; however, expenditure as a percentage of the adjustments capital budget is lower.

The capital budget funding breakdown as of 31 May 2026 is tabulated as follows:

Description	Funding Source	ORIGINAL BUDGET 2025/26		ADJUSTMENTS BUDGET 2025/26 (WITH TRANSFER OF FUNDS)		May			Year To Date Actuals			% Spent
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT	VAT INCLUSIVE	VAT EXCLUSIVE	VAT	VAT INCLUSIVE	
CAPITAL FUNDING												
Intergrated Urban Development Grant	**IUDG**	240 742 714	276 854 121	253 267 181	291 257 258	21 754 905	3 263 236	25 018 141	228 053 332	32 828 256	260 881 587	90%
Public Transport Network Grant	**PTNG**	37 062 393	42 621 752	53 625 279	61 669 071	2 800 769	420 115	3 220 884	37 314 486	5 272 654	42 587 140	69%
Neighbourhood Development Grant	**NDPG**	33 539 129	38 569 998	38 539 129	44 319 998	8 584 687	1 287 703	9 872 390	29 894 664	4 268 615	34 163 279	77%
Water Services Infrastructure Grant	**WSIG**	56 521 739	65 000 000	56 521 739	65 000 000	6 195 518	929 328	7 124 846	44 918 574	6 452 852	51 371 425	79%
Regional Bulk Infrastructure Grant	**RBIG**	135 225 217	155 508 999	135 225 217	155 508 999	10 744 404	1 611 661	12 356 064	123 856 014	18 007 778	141 863 792	91%
Integrated National Electrification Programme Grant	**INEP**	10 221 739	11 755 000	10 221 739	11 755 000	-	-	-	9 320 192	1 342 839	10 663 031	91%
Infrastructure Skills Development Grant (ISDG)	**ISDG**	434 783	500 000	78 870	90 700	-	-	-	78 870	11 831	90 701	100%
Municipal Disaster Recovery Grant	**MDRG**	4 143 478	4 765 000	30 230 434	34 764 999	2 524 576	378 686	2 903 263	7 967 621	1 158 626	9 126 247	26%
Total DoRA Allocations		**517 891 192**	**595 574 870**	**577 709 587**	**664 366 025**	**52 604 859**	**7 890 729**	**60 495 588**	**481 403 752**	**69 343 450**	**550 747 201**	**83%**
									-	-	-	
Capital Replacement Reserve	**CRR**	198 169 479	227 894 901	377 500 751	434 125 863	39 817 959	5 972 694	45 790 652	187 204 720	27 586 395	214 849 795	49%
TOTAL FUNDING		**716 060 670**	**823 469 771**	**955 210 338**	**1 098 491 889**	**92 422 818**	**13 863 423**	**106 286 240**	**668 608 472**	**96 929 845**	**765 596 997**	**70%**
									-		-	

Vote Description	Funding Source	ORIGINAL BUDGET 2025/26		ADJUSTMENTS BUDGET 2025/26 (WITH TRANSFER OF FUNDS)		May			Year To Date Actuals			% Spent
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT	VAT INCLUSIVE	VAT EXCLUSIVE	VAT	VAT INCLUSIVE	
Vote 1 - CHIEF OPERATIONS OFFICE		2 000 000	2 300 000	2 000 000	2 300 000	-	-	-	-	-	-	0%
Vote 2 -MUNICIPAL MANAGER'S OFFICE		-	-	-	-	-	-	-	-	-	-	0%
Vote 3 - WATER AND SANITATION		322 342 797	370 694 217	408 553 619	469 836 662	25 311 244	3 796 687	29 107 931	319 649 264	46 137 054	365 786 319	77%
Vote 4 - ENERGY SERVICES		93 586 391	107 624 350	75 021 304	86 274 500	5 449 933	817 490	6 267 423	34 246 626	4 972 737	39 219 362	45%
Vote 5 - COMMUNITY SERVICES		109 153 483	125 526 506	129 988 518	149 486 796	22 876 704	3 431 506	26 308 209	107 771 181	15 409 881	123 181 062	95%
Vote 6 - PUBLIC SAFETY		15 000 000	17 250 000	16 000 000	18 400 000	- 71 760	- 10 764	- 82 524	10 883 843	1 582 390	12 466 232	68%
Vote 7 - CORPORATE AND SHARED SERVICES		51 722 558	59 480 941	71 464 791	82 184 509	7 628 611	1 144 292	8 772 903	54 377 820	8 137 731	62 515 551	76%
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT		6 000 000	6 900 000	5 750 000	6 612 500	525 977	78 897	604 873	525 977	78 897	604 873	9%
Vote 9 - BUDGET AND TREASURY OFFICE		2 000 000	2 300 000	2 000 000	2 300 000	- 56 250	- 8 438	- 64 688	1 810 441	271 566	2 082 007	91%
Vote 10 - TRANSPORT SERVICES		37 062 393	42 621 752	62 686 102	72 089 017	2 800 769	420 115	3 220 884	30 875 309	4 306 778	35 182 087	49%
Vote 11 - HUMAN SETTLEMENT		-	-	-	-	-	-	-	-	-	-	0%
Vote 12 - ROADS AND STORMWATER		77 193 048	88 772 005	181 746 004	209 007 905	27 957 590	4 193 639	32 151 229	108 468 012	16 032 812	124 559 504	56%
Total		**716 060 670**	**823 469 771**	**955 210 338**	**1 098 491 889**	**92 422 818**	**13 863 423**	**106 286 240**	**668 608 472**	**96 929 845**	**765 596 997**	**70%**

1.1.4 External Loans and Instalments

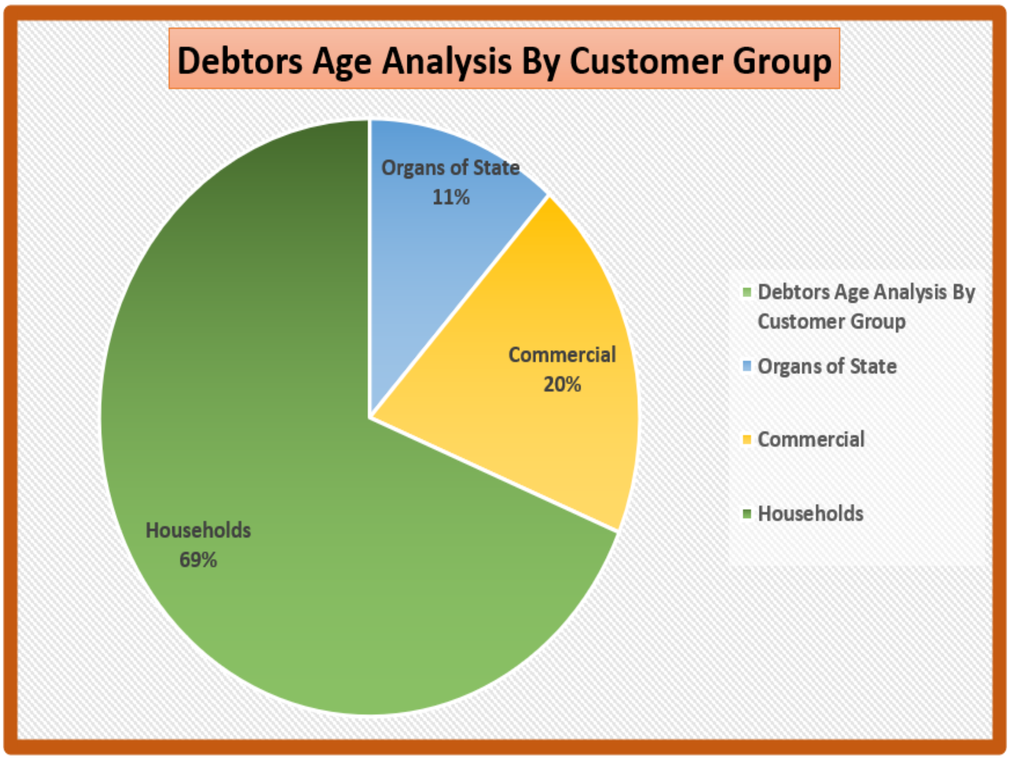
The council fulfils its instalments obligations and no payments were due this month; outstanding loans to **R 288 819 310** as of 31 May 2026.

INSTITUTION	APPROVED % INTEREST	OPENING BALANCE 01 MAY 2026	INTEREST ACCRUED	INTEREST PAID MAY 2026	REDEMPTION MAY 2026	BALANCE 31 MAY 2026	EXPIRY DATE/ REDEMPTION DATE
DEVELOPMENT BANK OF SOUTH AFRICA	10.75	142 555 294	-	-	-	142 555 294	31.01.2032
STANDARD BANK	10.98	146 264 015.93	-	-	-	146 264 016	31.07.2032
TOTAL		**288 819 310**	**-**	**-**	**-**	**288 819 310**	

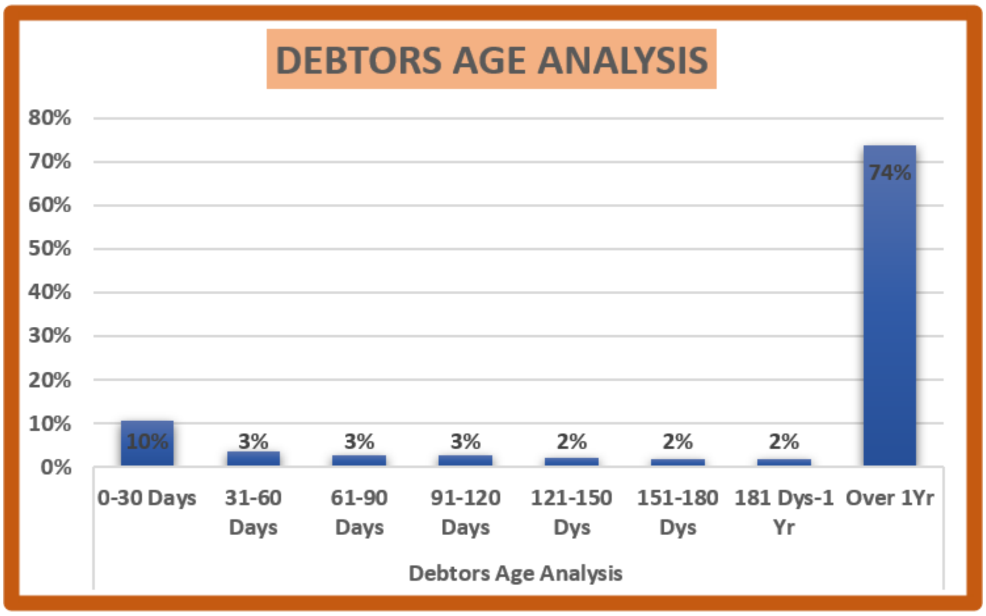
1.1.5 Debtors

Council debtor’s book/ledger has a total balance of **R 2 062 674 335.00** as at 31 May 2026.

Description	Budget Year 2025/26								
R thousands	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions - Water	29 431	9 312	7 479	16 369	4 315	3 962	3 744	255 618	330 230
Trade and Other Receivables from Exchange Transactions - Electricity	90 952	15 185	7 202	5 316	4 023	3 765	3 839	128 571	258 854
Receivables from Non-exchange Transactions - Property Rates	51 394	18 983	13 859	11 888	11 400	10 384	10 237	340 793	468 939
Receivables from Exchange Transactions - Waste Water Management	16 797	6 961	5 226	4 617	4 188	4 603	3 609	117 784	163 785
Receivables from Exchange Transactions - Waste Management	15 167	6 669	4 981	4 341	4 185	3 875	3 590	148 077	190 884
Receivables from Exchange Transactions - Property Rental Debtors	–	–	–	–	–	–	–	103	103
Interest on Arrear Debtor Accounts	10 954	10 629	11 337	11 032	10 830	10 679	10 563	441 720	517 744
Other	3 949	4 173	3 397	3 446	3 247	2 904	2 965	108 055	132 135
Total By Income Source	**218 644**	**71 913**	**53 481**	**57 009**	**42 187**	**40 172**	**38 546**	**1 540 722**	**2 062 674**
2024/25 - totals only	**220 414**	**85 231**	**55 671**	**52 101**	**48 118**	**44 055**	**40 917**	**1 543 136**	**2 089 643**
Debtors Age Analysis By Customer Group									
Organs of State	28 015	9 334	7 697	7 389	7 242	7 170	7 097	165 147	239 092
Commercial	90 844	18 420	11 773	9 803	7 224	6 183	5 942	255 854	406 043
Households	99 785	44 158	34 012	39 818	27 721	26 818	25 507	1 119 721	1 417 539
Other	–	–	–	–	–	–	–	–	–
Total By Customer Group	**218 644**	**71 913**	**53 481**	**57 009**	**42 187**	**40 172**	**38 546**	**1 540 722**	**2 062 674**



Debtors Age Analysis By Customer Group
Organs of State 11%
Commercial 20%
Households 69%
Debtors Age Analysis By Customer Group
Organs of State
Commercial
Households

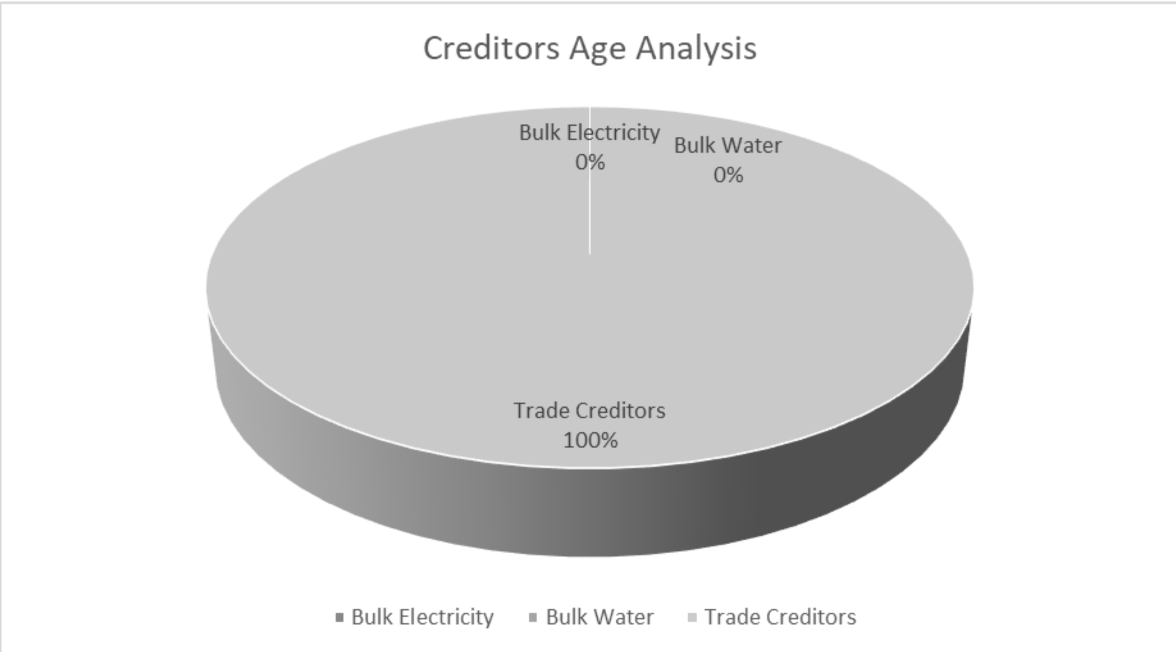


DEBTORS AGE ANALYSIS
80%
70%
60%
50%
40%
30%
20%
10%
0%
10%
3%
3%
3%
2%
2%
2%
74%
0-30 Days
31-60 Days
61-90 Days
91-120 Days
121-150 Dys
151-180 Dys
181 Dys-1 Yr
Over 1Yr
Debtors Age Analysis

1.1.6 Creditors

Outstanding trade creditors amounted to **R 4 476 435.33** as at 31 May 2026.

Description R thousands	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	–	–	–	–	–	–	–	–	–	–
Bulk Water	–	–	–	–	–	–	–	–	–	–
PAYE deductions	–	–	–	–	–	–	–	–	–	–
VAT (output less input)	–	–	–	–	–	–	–	–	–	–
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	–	–
Loan repayments	–	–	–	–	–	–	–	–	–	–
Trade Creditors	4 476	–	–	–	–		–	–	4 476	8 590
Auditor General	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	**4 476**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4 476**	**8 590**



The bulk electricity and water balances were excluded from the creditors' age analysis as the invoice had not been received by the time the month-end process was finalized. Upon eventual receipt of the invoice, amounts due by end of May 2026 to both Eskom and Lepelle Northern Water are as follows:

Eskom: **R 108 724 180.97**

Lepelle Northern Water: **R 30 979 345.24**

1.1.7 Bank Reconciliation and Investments

The bank reconciliation for 31 May 2026 has been completed on time. Cash book and bank balances are as follows:

DESCRIPTION	PRIMARY ACCOUNT	GRANTS ACCOUNT	HOUSING ACCOUNT	DBSA ACCOUNT	TOTAL
OPENING BALANCE - CASH BOOK	**246 368 096**	**6 594**	**1 250 147**	**343**	**247 625 179**
TOTAL RECEIPTS	883 926 219	34	6 525	2	**883 932 780**
TOTAL PAYMENTS	954 064 307				**954 064 307**
CASH BOOK BALANCE - 31 MAY 2026	**176 230 009**	**6 628**	**1 256 672**	**344**	**177 493 653**

	PRIMARY ACCOUNT	GRANTS ACCOUNT	HOUSING ACCOUNT	DBSA ACCOUNT	TOTAL
Cash Book Balance - 30 April 2026	**246 368 096**	**6 594**	**1 250 147**	**343**	**247 625 179**
Plus: Receipts	883 926 219	34	6 525	2	**883 932 780**
Less: Payments	954 064 307	-	-	-	**954 064 307**
Cash Book Balance -31 May 2026	176 230 009	6 628	1 256 672	344	**177 493 653**
Plus: RD Cheques - Revenue					
Plus: Bank Outstanding Revenue	7 058 711				**7 058 711**
Less: Deposit - Revenue	1 431 133				**1 431 133**
Less: Bank Outstanding Expenditure	208				**208**
Bank Statement Balance - 31 May 2026	**220 601 583**	**6 628**	**1 256 672**	**344**	**221 865 227**

Bank statement balance as at 31 May 2026 amounted to **R 221 865 227.39**

Council had **R 1000** of investment in P.H.A. The Grants account had a closing balance of **R 6 627.92** as at 31 May 2026, unspent funds were invested in a call account.

The Housing Grants Account has a closing balance of **R 1 256 671.74.**

On 31 May 2026 Council had **R 900 000 000** of investments.

Institution	Date of Investment	Maturity Date	Total Investment to Date	Type	Interest Rate %
Standardbank	09/04/2026	15/06/2026	R 450 000 000	67 Days	7.425%
Standardbank	22/05/2026	26/06/2026	R 300 000 000	35 Days	7.400%
Standardbank	22/05/2026	20/07/2026	R 150 000 000	59 Days	7.450%
TOTAL			**R 900 000 000**		

Movement and Exposure per institution

Institution	Opening Balance 01 May 2026	Made	Redeemed	Closing Balance 31 May 2026	Interest Accrued	Interest Earned
Standardbank	R 300 000 000	R -	R 300 000 000	R -	R -	R 3 905 753
Standardbank	R 250 000 000	R -	R 250 000 000	R -	R -	R 2 078 082
Standardbank	R 450 000 000	R -	R -	R 450 000 000	R 4 760 137	R -
Standardbank	R -	R 300 000 000	R -	R 300 000 000	R 547 397	R -
Standardbank	R -	R 150 000 000	R -	R 150 000 000	R 275 548	R -
TOTAL	**R 1 000 000 000**	**R 450 000 000**	**R 550 000 000**	**R 900 000 000**	**R 5 583 082**	**R 5 983 835**

Unspent Grants Cash Backing Analysis

Description	May-26
Bank Balance at the end of the month	221 865 227
Investments	900 000 000
Unspent grant as per grant register	131 041 876
Grants cash backed	**990 823 351**

1.1.8 Staff Expenditure Report

The Staff Expenditure Report is submitted in terms of Section 66 of the Municipal Finance Management Act, which states that the Accounting Officer of a Municipality must, in a format and for periods as may be prescribed, report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits, and in a manner that discloses such expenditure per type of expenditure, namely:

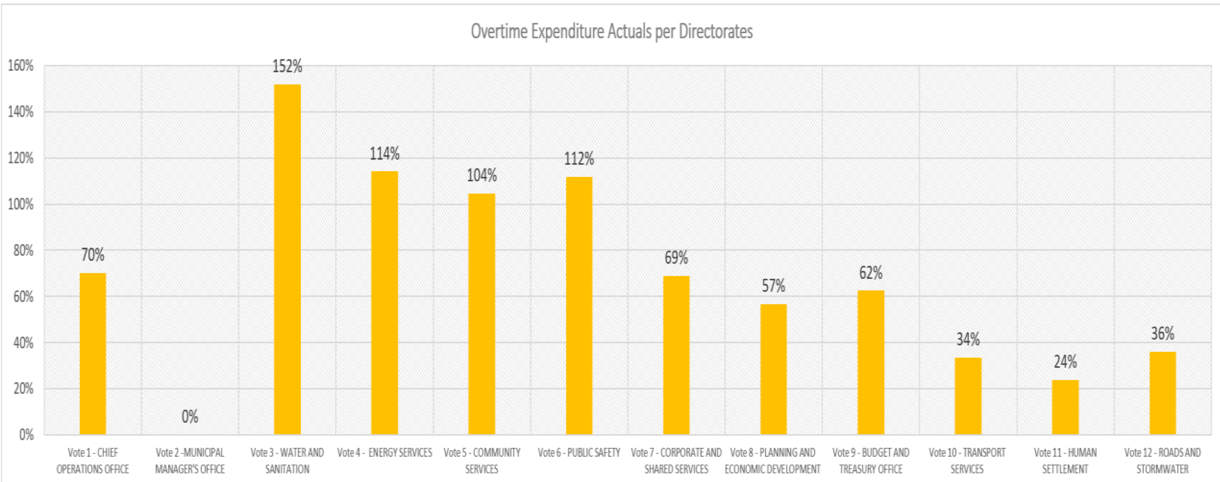
a) Salaries and wages
b) Contributions for pensions and medical aid
c) Travel, motor car, accommodation, subsistence, and other allowances.
d) Housing benefits and allowances
e) Overtime payments
f) Loans and advances
g) Any other type of benefit or allowance related to staff.

Councillor and Staff Benefits

Summary of Employee and Councillor remuneration	2024/25	Budget Year 2025/26					
	Audited Outcome	Original Budget	Adjusted Budget	May	YTD Actual	Available Budget	% Spent vs Adjusted Budget
Councillors (Political Office Bearers plus Other)							
Basic Salaries and Wages	56 033 556	41 616 676	43 644 474	3 599 708	40 380 902	3 263 572	93%
Pension and UIF Contributions	7 795 995	5 941 427	6 137 555	506 208	5 681 640	455 915	93%
Medical Aid Contributions	427 642	562 195	496 363	43 777	462 404	33 959	93%
Motor Vehicle Allowance	15 064 539	14 171 444	12 513 027	1 056 324	11 687 910	825 117	93%
Cellphone Allowance	4 048 777	3 844 800	4 040 676	331 546	3 689 406	351 270	91%
HousingAllowances	-	-	-	-	-	-	
Other benefits and allowances	340 616	342 360	340 588	28 243	312 193	28 395	92%
SubTotal-Councillors	**83 711 124**	**66 478 902**	**67 172 683**	**5 565 806**	**62 214 456**	**4 958 227**	**93%**
%increase							
Senior Managers of the Municipality							
Basic Salaries and Wages	10 966 856	15 082 352	14 198 483	951 616	10 689 208	3 509 275	75%
Pension and UIF Contributions	1 943 191	2 917 956	3 001 319	180 990	1 944 123	1 057 196	65%
Medical Aid Contributions	374 615	784 074	668 151	35 003	326 689	341 462	49%
Performance Bonus	-	-	-	-	-	-	
Motor Vehicle Allowance	2 573 460	3 939 336	3 376 534	237 557	2 550 853	825 681	76%
Housing Allowances	1 260 651	1 503 317	1 318 225	91 061	1 044 060	274 165	79%
Other benefits and allowances	338 084	168 691	48 668	-	177 729	- 129 061	365%
Sub Total - Senior Managers of Municipality	**17 456 858**	**24 395 726**	**22 611 380**	**1 496 227**	**16 732 662**	**5 878 718**	**74%**
%increase							
OtherMunicipalStaff							
Basic Salaries and Wages	592 682 529	804 719 002	680 716 237	57 271 685	621 894 207	58 822 030	91%
Pension and UIF Contributions	140 578 932	`	147 474 012	11 369 303	123 757 780	23 716 232	84%
Medical Aid Contributions	52 787 941	58 908 435	57 134 520	4 824 157	52 568 203	752 150 799	7%
Overtime	68 123 744	41 255 954	53 191 233	6 747 477	58 650 560	- 5 459 327	110%
Performance Bonus		21 275 385	100 000	-	78 568	21 432	79%
Motor Vehicle Allowance	69 005 808	80 631 194	74 463 403	6 069 685	66 328 677	8 134 726	89%
Cellphone Allowance	32 583	151 545	151 545	2 060	25 935	125 610	17%
Housing Allowances	5 717 815	9 619 557	9 647 643	543 000	5 362 940	4 284 703	56%
Other benefits and allowances	70 278 367	100 537 676	102 230 755	7 195 663	65 153 179	37 077 576	64%
Payments in lieu of leave	33 097 201	35 143 768	40 792 792	2 245 399	36 762 084	4 030 708	90%
Long service awards	0	22 892 888	20 783 480	156 746	2 960 861	17 822 619	14%
Acting And Post Related Allowance	6 047 267	10 390 223	11 045 550	281 402	4 250 080	6 795 470	38%
Post-retirement benefit obligations	39 156 000	6 857 500	9 512 758	862 489	8 949 284	563 474	94%
Sub Total - Other Municipal Staff	**1 077 508**	**1 192 383 127**	**1 207 243 928**	**97 569 065**	**1 046 742 356**	**160 501 572**	**87%**
Total Parent Municipality	**1 178 676**	**1 283 257 755**	**1 297 027 991**	**104 631 098**	**1 125 689 474**	**171 338 517**	**87%**

1.1.9 Overtime Report by Municipal Vote

Vote Description	Original Budget	Adjusted Budget	May	YTD actual	YTD Budget	YTD variance	% Spent vs Budget	% Spent vs YTD Budget
Vote 1 - CHIEF OPERATIONS OFFICE	**1 011 996**	**1 011 996**	**68 898**	**709 320**	**927 663**	**- 218 343**	**70%**	**83%**
Non Structured	999 988	999 988	68 898	709 320	916 655.67	- 207 336	71%	84%
Structured	12 008	12 008	-	-	11 007.33	- 11 007	0%	0%
Vote 2 -MUNICIPAL MANAGER'S OFFICE	**-**	**-**	**-**	**-**	**-**	**-**	**0%**	**0%**
Non Structured	-	-	-	-	-	-	0%	0%
Structured	-	-	-	-	-	-	0%	0%
Vote 3 - WATER AND SANITATION	**8 413 986**	**10 739 374**	**2 025 445**	**16 302 357**	**9 844 426**	**6 612 614**	**152%**	**181%**
Non Structured	8 413 986	10 570 629	2 025 445	16 302 357	9 689 743.25	6 612 614	154%	184%
Structured	-		-	-	-	-	0%	0%
Shift Additional Remuneration		168 745			154 682.92			
Vote 4 - ENERGY SERVICES	**8 399 999**	**8 568 744**	**805 191**	**9 777 334**	**7 854 682**	**2 077 335**	**114%**	**136%**
Non Structured	8 399 999	8 399 999	805 191	9 777 334	7 699 999.08	2 077 335	116%	139%
Structured	-		-	-	-	-	0%	0%
Shift Additional Remuneration	-	168 745			154 682.92			
Vote 5 - COMMUNITY SERVICES	**8 399 999**	**12 338 457**	**1 571 972**	**12 882 071**	**11 310 252**	**- 1 571 819**	**104%**	**124%**
Non Structured	8 399 999	9 703 009	1 571 972	12 882 071	8 894 424.92	3 987 646	133%	158%
Structured	-		-	-	-	-	0%	0%
Shift Additional Remuneration		2 635 448			2 415 827			
Vote 6 - PUBLIC SAFETY	**8 399 976**	**13 170 519**	**1 964 468**	**14 722 278**	**12 072 976**	**4 688 139**	**112%**	**133%**
Non Structured	8 399 976	10 946 334	1 964 468	14 722 278	10 034 139.50	4 688 139	134%	160%
Structured	-		-	-	-	-	0%	0%
Shift Additional Remuneration		2 224 185			2 038 836.25			
Vote 7 - CORPORATE AND SHARED SERVICES	**1 999 999**	**2 099 999**	**115 204**	**1 449 082**	**1 924 999**	**- 475 918**	**69%**	**82%**
Non Structured	1 999 999	1 999 999	115 204	1 449 082	1 833 332.42	- 384 251	72%	86%
Structured	-	100 000	-	-	91 667	- 91 667	0%	0%
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	**499 999**	**495 488**	**32 991**	**281 152**	**454 197**	**173 045**	**57%**	**68%**
Non Structured	499 999	495 488	32 991	281 152	454 197.33	- 173 045	57%	68%
Structured	-	-	-	-	-	-	0%	0%
Vote 9 - BUDGET AND TREASURY OFFICE	**2 000 000**	**3 157 607**	**149 477**	**1 972 306**	**2 894 473**	**922 167**	**62%**	**74%**
Non Structured	2 000 000	3 157 607	149 477	1 972 306	2 894 473.08	- 922 167		74%
Structured	-	-	-	-	-	-	0%	0%
Vote 10 - TRANSPORT SERVICES	**100 000**	**493 705**	**8 780**	**166 151**	**452 563**	**286 412**	**34%**	**40%**
Non Structured	100 000	230 000	8 780	166 151	210 833.33	- 44 682	72%	86%
Structured	**-**		**-**	**-**	**-**	**-**	0%	0%
Shift Additional Remuneration		263 705			**241 729.58**			
Vote 11 - HUMAN SETTLEMENT	**30 000**	**115 344**	**-**	**27 403**	**105 732**	**78 329**	**24%**	**28%**
Non Structured	30 000	115 344	-	27 403	105 732	- 78 329	24%	28%
Structured	-	-	-	-	-	-	0%	0%
Vote 12 - ROADS AND STORMWATER	**2 000 000**	**1 000 000**	**5 052**	**361 106**	**916 667**	**555 560**	**36%**	**43%**
Non Structured	2 000 000	1 000 000	5 052	361 106	916 666.67	- 555 560	36%	43%
Structured	-	-	-	-	-	-	0%	0%
Total	**41 155 954**	**53 191 233**	**6 747 477**	**58 650 560**	**48 758 630**	**13 127 522**	**110%**	**131%**



1.1.10 Financial Performance (Revenue and Expenditure)

Description	2024/25	Budget year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	M11 May Actual	YTD Actual	YTD Budget	YTD Variance	YTD variance %	Full Year Forecast
Revenue									
Exchange Revenue									
Service charges - Electricity	1 554 279 264	2 226 730 241	2 141 629 506	122 870 631	1 515 983 084	1 973 088 787	- 411 435 627	23%	2 141 629 506
Service charges - Water	311 369 230	424 132 374	363 928 703	25 855 090	258 787 128	340 625 079	- 84 389 376	-27%	363 928 703
Service charges - Waste Water Management	188 545 500	165 527 365	172 533 341	16 207 490	173 737 095	157 338 545	15 386 245	11%	172 533 341
Service charges - Waste Management	161 565 295	159 147 017	159 147 017	14 724 051	157 695 565	145 885 146	10 348 670	8%	159 147 017
Sale of Goods and Rendering of Services	24 864 540	22 289 460	25 455 016	1 069 120	14 519 299	22 964 460	- 7 023 710	-34%	25 455 016
Agency services	23 404 142	35 475 278	38 841 104	1 764 029	24 372 715	35 211 674	- 8 973 549	-28%	38 841 104
Interest earned from Receivables	92 189 669	99 384 097	99 622 572	5 412 785	65 441 059	91 292 989	- 22 934 987	-28%	99 622 572
Interest earned from Current and Non Current Assets	69 806 262	52 986 220	69 038 035	7 441 832	78 022 626	61 412 161	16 794 514	31%	69 038 035
Rental from Fixed Assets	37 413 432	19 125 050	41 495 414	4 114 673	35 919 419	35 427 615	2 444 962	8%	41 495 414
Licence and permits	14 351 674	16 178 855	16 178 855	1 364 829	26 112 663	14 830 629	11 265 443	84%	16 178 855
Operational Revenue	19 396 602	25 666 937	25 780 865	736 804	20 946 968	23 619 040	- 1 247 178	-6%	25 780 865
Non-Exchange Revenue						-			
Property rates	710 101 985	669 774 047	729 977 714	61 249 651	680 720 425	662 122 356	25 204 669	4%	729 977 714
Fines, penalties and forfeits	32 431 225	46 800 778	46 816 645	2 131 962	19 024 947	42 913 418	- 22 117 176	-57%	46 816 645
Transfer and subsidies - Operational	1 678 653 627	1 862 915 120	1 916 612 360	15 533 588	1 788 642 728	1 750 629 638	188 461 794	12%	1 916 612 360
Interest	59 007 934	24 846 028	57 619 351	3 873 986	50 776 366	48 994 197	6 533 341	16%	57 619 351
Gains on disposal of Assets	(9 286 789)	-	-	13 140 473	13 142 211			0%	-
Other Gains	1 013 190 788	-	-	-	-			0%	-
Total Revenue (excluding capital transfers and contributions)	**5 981 284 380**	**5 850 979 267**	**5 904 676 498**	**297 490 995**	**4 923 844 298**	**5 406 355 734**	**(281 681 965)**	**7%**	**5 904 676 498**
Expenditure									
Employee related costs	1 094 965 045	1 374 636 730	1 229 855 308	99 065 292	1 063 475 017	1 144 259 136	- 94 252 611	-9%	1 229 855 308
Remuneration of councillors	83 711 124	66 478 902	67 172 683	5 565 806	62 214 456	61 494 016	833 306	1%	67 172 683
Bulk purchases - electricity	1 186 442 906	1 469 753 263	1 469 753 263	98 866 620	1 065 103 500	1 347 273 829	- 258 557 510	-21%	1 469 753 263
Inventory consumed	285 576 003	344 496 541	351 591 907	21 151 260	192 693 649	312 360 000	- 119 795 403	-41%	351 591 907
Debt impairment	87 588 587	280 169 063				152 743 675	- 155 415 743	-100%	
Depreciation and amortisation	901 325 234	407 814 169	407 814 169	75 493 191	842 025 393	397 907 608	408 628 594	114%	407 814 169
Interest	52 064 136	40 124 330	41 124 330		19 556 514	37 580 634	- 14 480 426	-43%	41 124 330
Contracted services	1 234 820 562	1 269 378 047	1 384 457 521	76 532 585	1 067 490 587	1 260 593 000	- 139 814 000	-12%	1 384 457 521
Transfers and subsidies	16 480 000	60 480 000	67 166 961	120 000	62 028 543	60 789 568	7 496 366	14%	67 166 961
Irrecoverable debts written off		-				-	1		
Operational costs	273 982 270	411 032 696	429 089 071	37 887 551	317 644 959	387 606 000	- 69 648 000	-17%	429 089 071
Losses on disposal of Assets	(9 059 945)		280 169 073			80 000 000	- 1 738		280 169 073
Other Losses	1 045 578 350	-	-			-	- 60 000 000	-100%	-
Total Expenditure	**6 253 474 272**	**5 724 363 741**	**5 728 194 286**	**414 682 305**	**4 692 232 618**	**5 242 607 466**	**(495 007 164)**	**-10%**	**5 728 194 286**
Surplus/(Deficit)	**(272 189 892)**	**126 615 526**	**176 482 212**	**(117 191 311)**	**231 611 680**	**114 941 249**	**315 604 717**	**273%**	**176 482 212**
Transfers and subsidies - capital (monetary allocations)	615 385 902	595 574 865	663 762 768	60 565 124	550 688 651	600 493 950	- 47 101 597	-9%	663 762 768
Transfers and subsidies - capital (in-kind)	13 780 766	-			-	-	-		
Surplus/(Deficit) for the year	**356 976 776**	**722 190 391**	**840 244 980**	**(56 626 186)**	**782 300 330**	**764 242 218**	**166 223 602**	**49%**	**840 244 980**

1.1.11 Surplus or Deficit for the Trading Services

Description	2024/25	Budget Year 2025/26			
	Audited Outcome	Adjusted Budget	Monthly Actual	YearTD Actual	% YTD Actual vs Original Budget
Energy Sources					
Expenditure	**1 469 076 303**	**1 732 951 202**	**126 430 002**	**1 342 626 301**	**75%**
Bulk Purchases	1 186 442 906	1 469 753 263	98 866 620	1 065 103 500	**72%**
Contracted Services	13 851 962	29 372 961	4 029 594	14 514 681	**39%**
Depreciation and Amortisation	134 854 901	58 139 523	11 347 074	123 250 642	**212%**
Employee Related Cost	87 411 719	96 560 991	7 440 836	83 515 764	**67%**
Irrecoverable Debts Written Off					
Impairment Loss	498 210	15 303 280			**0%**
Inventory Consumed	21 320 363	32 883 277	2 948 564	31 308 359	**95%**
Operational Cost	24 696 241	30 937 907	1 797 314	24 933 356	**80%**
Revenue	**1 587 908 665**	**2 206 434 929**	**126 062 731**	**1 546 291 829**	**67%**
Exchange Revenue	1 574 599 391	2 180 041 304	123 996 572	1 531 017 386	**68%**
Non-exchange Revenue	13 309 274	26 393 625	2 066 159	15 274 443	**30%**
Surplus / (Deficit)	***118 832 362***	***473 483 727***	***- 367 271***	***203 665 528***	**38%**
Waste Management					
Expenditure	**165 383 910**	**194 668 303**	**18 364 654**	**176 218 375**	**84%**
Contracted Services	98 941 987	108 826 236	12 406 680	114 452 310	**105%**
Depreciation and Amortisation	828 496	196 900	123 123	1 330 524	**676%**
Employee Related Cost	51 931 671	56 517 891	4 571 158	50 614 272	**78%**
Impairment Loss	5 112 017	8 537 971			**0%**
Inventory Consumed	7 457 970	17 744 544	1 222 607	8 654 035	49%
Irrecoverable Debts Written Off					
Operational Cost	1 111 769	2 844 761	41 085	1 167 235	41%
Revenue	**195 793 750**	**203 419 814**	**17 691 765**	**200 264 451**	**98%**
Exchange Revenue	179 140 474	168 975 004	16 225 730	173 440 317	103%
Non-exchange Revenue	16 653 276	34 444 810	1 466 035	26 824 135	77%
Surplus / (Deficit)	***30 409 840***	***8 751 511***	***- 672 889***	***24 046 076***	***-370%***
Waste Water Management					
Expenditure	**148 349 565**	**146 919 835**	**13 701 319**	**131 386 344**	**93%**
Contracted Services	55 303 397	72 444 102	5 754 243	50 203 199	90%
Depreciation and Amortisation	42 873 574	14 670 593	3 213 432	34 233 053	233%
Employee Related Cost	43 083 841	48 888 636	4 710 571	45 698 046	89%
Impairment Loss	6 030 385	9 599 867			0%
Inventory Consumed	602 353	47 108			0%
Irrecoverable Debts Written Off					
Operational Cost	456 015	1 269 529	23 073	1 252 046	108%
Revenue	**302 119 399**	**321 873 272**	**29 247 519**	**304 123 907**	**103%**
Exchange Revenue	201 714 096	183 219 849	17 468 391	186 939 551	106%
Non-exchange Revenue	100 405 304	138 653 423	11 779 128	117 184 355	99%
Surplus / (Deficit)	***153 769 834***	***174 953 437***	***15 546 200***	***172 737 563***	***112%***
Water Management					
Expenditure	**775 670 206**	**704 751 148**	**39 209 154**	**504 993 730**	**77%**
Contracted Services	201 546 091	112 624 097	492 398	110 144 916	**80%**
Depreciation and Amortisation	157 163 602	73 833 071	12 773 272	142 443 678	**193%**
Employee Related Cost	99 505 482	108 977 270	9 510 062	93 826 957	**71%**
Impairment Loss	100 534 767	115 501 014			**0%**
Inventory Consumed	214 933 711	265 617 130	14 467 572	131 919 290	**51%**
Irrecoverable Debts Written Off					
Operational Cost	1 986 553	28 198 566	1 965 849	26 658 890	**89%**
Revenue	**566 895 444**	**652 337 654**	**47 469 498**	**511 870 156**	**71%**
Exchange Revenue	*350 699 105*	*394 171 788*	*27 841 671*	*280 659 087*	**62%**
Non-exchange Revenue	*216 196 339*	*258 165 866*	*19 627 827*	*231 211 069*	**87%**
Surplus / (Deficit)	***- 208 774 762***	***- 52 413 494***	***8 260 344***	***6 876 426***	**11%**
Trading Services Total Revenue	**2 652 717 259**	**3 384 065 669**	**220 471 512**	**2 562 550 343**	**73%**
Trading Services Total Expenditure	**2 558 479 984**	**2 779 290 488**	**197 705 129**	**2 155 224 750**	**77%**
Trading Services Surplus / (Deficit)	**94 237 275**	**604 775 181**	**22 766 383**	**407 325 593**	**55%**

Comments on Overall Performance based Annexure B – C Schedule Table C4 and C5.

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue			
Exchange Revenue			
Service charges - Electricity	-23%	The actual revenue is below the YTD budget is mainly attributable to lower electricity consumption and reduced sales volumes during the month, driven by seasonal demand patterns and ongoing energy efficiency initiatives by consumers. Another factor is the shortage of meters which lead to technicians to bypass faulty meters.	Fast tracking of installation of meters by service providers appointed on RT29 transversal contract.
Service charges - Water	24%	The actual revenue is below the YTD budget is primarily due to reduced water consumption, increased water-saving behaviour by consumers, and operational challenges, including intermittent supply interruptions and aging infrastructure losses, also contributed to lower billable volumes.	Fast tracking of installation of meters by service providers appointed on RT29 transversal contract.
Service charges - Waste Water Management	10%	The actual revenue is above the YTD budge due to the increase in Service charges -Waste Water Management as a result of increase in new property registration on the valuation and supplementary roll resulting in increase in new property being connected for waste connection as a result revenue collection increasing.	No remedial action required
Service charges - Waste management	8%	The actual revenue is above the YTD budge as a result of increase in new property registration on the valuation and supplementary roll resulting in increase properties registered for waste collection which further increase waste management revenue collected.	No remedial action required
Sale of Goods and Rendering of Services	-37%	The actual revenue is below the YTD budge in sale of goods and rendering of services as a result of less revenue generated from clearance certificates and transportation.	No remedial action required
Agency services	-31%	The underperformance of the agency fees can be explained by a percentage of the overperformance in licences and permits. This is because the licence office receipts all licences issued under “licences and permits” irrespective of whether it meets the definition of “agency fees” or “licences and permits”. This misallocation is only attributable to May 2026 month as all previous months have been corrected. A correcting journal will be passed during June 2026 to reflect the true amounts for both "agency fees" and "licences and permits” once all verification processes for April 2026 are complete.	No remedial action required
Interest earned from Receivables	-28%	The actual revenue is below the YTD budget due to customers settling their debts before the due date for service charges resulting in less interest charged on arrear debts on service charges revenue.	No remedial action required
Interest from Current and Non Current Assets	27%	The interest earned will overperform during the financial year whilst cash reserves remain high as a result of grant receipts not yet spent (and therefore can be invested). We expect the interest earned per month to decline as we approach year end. It should be noted further that all investments are made in accordance with the National Treasury Payment Schedule.	No remedial action required
Rental from Fixed Assets	1%	The actual revenue is above the YTD budget due to an increase in the rental of municipal facilities due to rental of more municipal investment properties. This is expected to increase due to marketing and facility commercialization.	No remedial action required

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue			
Exchange Revenue			
Licence and permits	76%	The overperformance in licences and permits is attributable to the following factor: the misallocation of agency fees that was collected during May 2026 as "licences and permits". Kindly refer to the explanation under agency fees. The proportion that is due to the Department of Transport for the month of April should be recorded as a liability and not in the revenue account. Once this correction is made the licences and permits will be significantly reduced thereby reducing the perceived overperformance. The correcting journals will be processed during June 2026 once all verification processes for the May 2026 month is complete.	The split between Agency revenue and Licences and permits are corrected post month end. This is because the Licence reports are only finalised on the 7th working day of the next month, after the Department of Transport conducts their monthly review.
Operational Revenue	-11%	The actual revenue is below the YTD budget due to the fact that there was a reduction in revenue earned on Incidental cash surpluses, Insurance fund and Sale of Property .	No remedial action required
Non-Exchange Revenue			
Property Rates	3%	The actual revenue is above the YTD budget is attributable to the assumptions over development and growth within the municipal jurisdiction, i.e. as growth and development occur throughout the year, additional properties are continuously added to the rates base through new property registrations on the valuation roll and supplementary rolls. This growth has resulted in increased property rates billed, thereby generating revenue above the budged amount.	No remedial action required
Fines, penalties and forfeits	-56%	The actual revenue is below the YTD budget due to the inadequate adjudication by the judiciary in finalising issued traffic fines , which impacts detrimentally to this revenue stream. Another factor is the tracing of outstanding warrants, which is also impacted by additional intervening events.	Adequate and speedy adjudication by the judiciary in the finalisation of issued traffic fines will assist the municipality on revenue collection for this stream. A service provider was appointed to assist the municipality in collecting traffic fines
Transfers and subsidies - Operational	2%	The significant variance is attributable to the receipt of the Equitable Share. The Equitable Share is recognised as revenue upon receipt, as it is an unconditional grant.	No remedial action required
Interest	4%	The actual revenue is above the YTD budget due to customers settling their debts before the due date for property rates. This improvement is a result of rigorous credit control measures and the use of debt collectors to recover overdue payments where necessary.	No remedial action required

Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type			
Employee related costs	-7%	To date R1.063 billion of the adjusted budget of R1.229 billion has been spent on employee related costs. The variance arises due to downwards adjustment in the employee related cost budget from the original budget of R1.374	No remedial action required
Remuneration of councillors	1%	Immaterial	No remedial action required
Bulk purchases - electricity	-21%	To date R1.063 billion of the adjusted budget of R1.469 billion has been spent on employee related costs. The variance is attributable to the seasonal nature of bulk purchases with variance expected to improve as we approach the colder	No remedial action required
Inventory consumed	-40%	To date R192.6 million of the R351 million has been spent of inventory consumed. Performance is dependant on the departmental needs of expenditure	No remedial action required
Debt Impairment	-100%	To date the total of budget of R150 million remains unspent as the impairment assessment will only be done at year end	No remedial action required
Depreciation and amortisation	112%	To date depreciation expenditure amounts to R842.0 million compared to the adjusted budget of R437 million. This reflects an insufficient depreciation budget, resulting from the institution applying the revaluation model rather than the cost model	Sufficient budget will result in a deficit budget. This increase in budget is incremental on the MTREF
Interest	-48%	Interest expense of R19.5 million has been spent to date with a adjusted budget of R41,1 million. The negative variance against the YTD budget is due to the Loan agreement which stipulates that payments are made twice a year.	The variance is expected to improve as payments are made
Contracted services	-15%	To date R1. 067 billion of the of the adjustment budget of R1.384 billion has been spent on contracted services. The negative variance can be attributed to the increase in the budget as a result of the adjustment budget	No remedial action required
Irrecoverable debts written off		Immaterial	No remedial action required
Transfers and subsidies	2%	To date R62.0 million has been spent of transfers and subsidies of the adjusted budget of R67 million. This includes R50 million earmarked for the taxi industry compensation	No remedial action required
Operational costs	-19%	To date R317.6 million of the adjusted budget of R425 million has been spent on Operational costs. Expenditure is expected to accelerate in the ensuing months due to the implementation of once-off activities, including Workmen's Compensation, Software Licence, Insurance underwriting Corporate and Municipal Activities initiatives.	No remedial action required
Capital Expenditure	-30%	Capital spending is currently at 70%, and expenditure is expected to improve in the last quarter.	No remedial action is required.

1.1.12 Grant Reconciliation

	YTD ACTUAL							
Grant	**Allocations**	**Revised Allocations**	**Received**	**Spend**	**Actual vs Allocations**	**Actual vs Revised Allocations**	**Actual vs Receipts**	**Unspent Grant**
Local Government Financial Management Grant	2 400 000	2 400 000	2 400 000	2 200 390	92%	92%	92%	199 610
Infrastructure Skills Development Grant	8 000 000	8 000 000	10 600 000	7 400 359	93%	93%	70%	3 199 641
Neighbourhood Development Partnership (Schedule 5B)	44 320 000	44 320 000	23 000 000	34 149 215	77%	77%	148%	- 11 149 215
Integrated Urban Development Grant	433 487 000	433 487 000	433 487 000	387 038 086	89%	89%	89%	46 448 914
Municipal Disaster Recovery Grant	4 765 000	34 765 000	38 765 000	9 126 247	192%	26%	24%	29 638 753
Public Transport Network Grant	189 331 000	189 331 000	189 331 000	146 201 127	77%	77%	77%	43 129 873
Expanded Public Works Programme Integrated Grant (Municipality)	6 531 000	6 531 000	6 531 000	5 070 931	78%	78%	78%	1 460 069
Integrated National Electrification Programme (Municipal) Grant	11 755 000	11 755 000	11 755 000	10 663 031	91%	91%	91%	1 091 969
Energy Efficiency and Demand Side Management (Municipal) Grant	3 000 000	3 000 000	3 000 000	1 997 884	67%	67%	67%	1 002 116
Regional Bulk Infrastructure Grant (Schedule 5B)	155 509 000	155 509 000	155 509 000	141 819 304	91%	91%	91%	13 689 696
Water Services Infrastructure Grant (Schedule 5B)	65 000 000	65 000 000	65 000 000	51 371 425	79%	79%	79%	13 628 575
Human Settlement Development Grant	47 584 826	133 887 165	49 314 112	60 612 237	127%	45%	123%	- 11 298 126
TOTAL GRANTS	**971 682 826**	**1 087 985 165**	**988 692 112**	**857 650 235**	**88%**	**79%**	**87%**	**131 041 876**

The additional Municipal Disaster Recovery Grant (R4 000 000) and the Infrastructure Skills Development Grant (R2 600 000) received during March 2026 were not included in the Original Budget Gazette.

Unlike in previous financial years, the annual adjustments budget submission for the 2025/26 financial year was not approved and, as a result, was not published by notice in the Government Gazette. Consequently, the additional conditional grant allocations were not formally approved.

Subsequently, National Treasury issued correspondence indicating that “the responsible transferring officer must, without delay, recover any overpayment” arising from the non-approval of the proposed adjustments.

Accordingly, the municipality will transfer an amount of R6 600 000 back to National Treasury during June 2026.

1.1.13 Cost Savings Disclosure

The cost containment regulations came into effect on 1 August 2019. The regulations require the municipality to monitor certain categories of expenditure with the objective to contain costs. The municipality is also required to report on the budget and actual expenditure

MFMA Circular No 108

9.3 Submission using LG Upload Portal

In MFMA Budget Circular No 107, it was indicated that budget-related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: https://lguploadportal.treasury.gov.za/ and that National Treasury was planning to retire lgdocuments@treasury.gov.za from 01 July 2021 to ensure that there is a single collection point of municipal financial data. However, based on workflow licensing challenges on the LG Upload Portal, data string submissions will shortly be shifted to the Open Portal GoMuni while documents must still be submitted using lgdocuments@treasury.gov.za. The document submissions will also be shifted to GoMuni as soon as possible.

All municipalities and their entities had to prepare their MTREF budget directly on the *m*SCOA financial systems from 01 July 2017. Therefore, all MBRR schedule submissions must be submitted in ***PDF format only***.

relating to the regulated costs on a regular basis as outlined below:

Cost Containment Measure	Original Budget (Incl. transfer of funds)	Adjustments Budget	Transfer of funds	Adjutments Budget (Incl. transfer of funds)	Total Expenditure	Savings
Contracted Services	230 784 094	243 132 882	1 330 000	244 462 882	157 316 124	87 146 758
Advertising Publicity and Marketing	66 637 658	77 852 762	- 494 000	77 358 762	61 646 593	15 712 169
Overtime	24 445 897	35 191 475	-	35 191 475	33 086 585	2 104 890
Catering Services	3 297 605	3 592 605	- 202 480	3 390 125	2 228 916	1 161 209
Travel Agency and Visa's	9 734 497	10 763 329	2 500 000	13 263 329	5 601 741	7 661 588
Travel and Subsistence	6 642 134	6 847 715	120 000	6 967 715	2 015 572	4 952 143
Total	**341 541 885**	**377 380 768**	**3 253 520**	**380 634 288**	**261 895 531**	**118 738 757**

In-year budget statement tables - Annexure

Schedule C

MFMA Circular 108

With effect from 1 August 2021 the municipality does not have access to the excel version of the C schedule, therefore the PDF format extracted from the financial system is attached as Annexure B.

There is lots of blank pages which may seem irrelevant, the budget office is unable to hide them as this is a National Treasury Template

LISTING OF MAIN TABLES IN ANNEXURE B:

The attached Annexure B comprises of the main tables listed below: -

Table C1: Monthly budget statement summary
The table provides a high-level summation of the Municipality's operating – and capital budgets, actual to date and financial position.

Table C2: Monthly Budget Statement - Financial Performance (standard classification)

The table is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

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

The table is an overview of the budgeted financial performance in relation to revenue and expenditure by vote as well as the operating surplus or deficit.

Table C4 - Monthly Budget Statement - Financial Performance (revenue and

Expenditure)

The table is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

Table C5 Monthly Budget Statement – Capital Expenditure (Municipal vote, standard Classification, and funding)
The table reflects the municipality's capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and funding sources required by capital budget; including information on capital transfers from other departments. The capital expenditure is reflected without VAT, however the grant conditions met journal is inclusive of VAT.

Table C6: Monthly Budget Statement - Financial Position.
The table reflects the performance to date in relation to the financial position of the Municipality.

Table C7: Monthly Budget Statement - Cash flow
The table reflects the performance to date in relation to the cash flow of the Municipality.

PART 2- LISTING OF SUPPORTING DOCUMENTATION ON ANNEXURE B

Table SC1 Monthly Budget Statement – Material Variance

Table SC2 Monthly Budget Statement - performance indicators

Section 3 – Debtors' analysis the debtor analysis provides an age analysis by revenue source and customer category.

Table SC3 Monthly Budget Statement - Aged Debtors

Section 4 – Creditors' Age analysis

The creditors' analysis contains an aged analysis by customer type.

Table SC4 Monthly Budget Statement - Aged Creditors

Table SC5 Monthly Budget Statement - investment portfolio

Table SC6 Monthly Budget Statement – Transfers and grants receipts

Table SC7 (1) Monthly Budget Statement – transfers and grant expenditure

Table SC7 (2) Monthly Budget Statement – transfers and grant expenditure rollover

Table SC8 Monthly Budget Statement - councillor and staff benefits

Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts

Capital programme performance.

The capital programme performance table provides details of capital expenditure by month.

Table SC12 Monthly Budget Statement - capital expenditure trend

Table SC13a Monthly Budget Statement - capital expenditure on new assets

Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing

Table SC13c Monthly Budget Statement – repairs and maintenance by asset class….

Table SC13d Monthly Budget Statement - depreciation by asset class

Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class.

Section 10 - Municipal Manager Quality certification

I, **THUSO NEMUGUMONI**, the Municipal Manager of Polokwane Local Municipality, hereby

Certify that –

☐ The Monthly Budget Statement

For the month of May 2026 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Thuso Nemugumoni

Municipal Manager of Polokwane Local Municipality: LIM354

Signature : TNemugumoni

Date : 2026/06/11