



**MAKHADO LOCAL MUNICIPALITY**

**ANNEXURE A**

**FINANCE: IN YEAR MONITORING AND REPORTING: SECOND QUARTER (Q2): 2025/2026 FINANCIAL YEAR (QUARTER ENDING DECEMBER 2025) (6/1/1(2025/26))**

**1. SECOND QUARTER SDBIP 31 DECEMBER 2025**

<b>MUNICIPAL FINANCIAL MANAGEMENT AND VIABILITY</b>			
<b>Summary of second quarter SDBIP (Oct , Nov and Dec 2025) Municipal financial management and viability</b>			
<b>Key Performance Indicators</b>	<b>Performance Remarks</b>	<b>Quarter Target</b>	<b>Actual achieved</b>
Number of Household earning less than per month with access to free electricity	Achieved	1 800	3 816
Improved Audit Opinion on previous financial year (2024/25) by 30 November 2025	Achieved	Improved Audit Opinion with less findings	Unqualified audit opinion with less findings
Number of section 71 reports submitted to Treasury within 10 days after the end of the month by (Oct, Nov and Dec 2025)	Achieved	3	3
Percentage Expenditure on MIG by 31 December 2025	Achieved	45%	54%
Percentage Expenditure of Financial Management Grant by 31 December 2025	Achieved	50%	52%

Percentage Expenditure on INEP Grant by 31 December 2025	Achieved	45%	64%
Percentage of Tenders processed within 90 days by 31 December 2025 (From closing date in the advert)	Not Achieved	95%	33%
Percentage of Electricity Distribution loss by 31 December 2025	Achieved	10%	5%
Percentage of Invoices Paid within 30 days of receipt by 31 December 2025	Achieved	100%	100%
Percentage of Billed revenue collected for the quarter ending 31 December 2025	Achieved	90%	98%

## **2. ANALYSIS OF SECOND QUARTER SDBIP KEY PERFORMANCE INDICATORS AND ACHIEVEMENT ENDING 31 DECEMBER 2025.**

### 1. Number of Household earning less than per month with access to free electricity

- The target was for the municipality to register 1800 households by the end of second quarter. The municipality achieved the target by registering 3 816 households by the end of December 2025.

### 2. Developed Improved Audit Opinion on previous financial year (2024/25) by 30 November 2025

- The target was for the municipality to obtain an improved audit opinion with less findings on 30 November 2025. The municipality did achieve the target by obtaining an Unqualified Audit Opinion with less findings on the 30<sup>th</sup> of November 2025.

### 3. Number of section 71 reports submitted to Treasury within 10 days after the end of the month by 31 December 2025

- The target was for the municipality to submit section 71 reports to provincial and national treasury within ten working days after the end of each month. The target was achieved and three section 71 reports were submitted to both national and provincial Treasury during second quarter.

### 4. Percentage Expenditure of Financial Management Grant by 31 December 2025.

- The target was to spend 50% of Financial Management Grant by 31 December 2025. The municipality achieved this target by spending 52% of the budget.

5. Percentage Expenditure of INEP Grant by 31 December 2025.

- The target was to spend 45% of INEP grant by 31 December 2025. The municipality achieved this target by spending 64% of the budget.

6. Percentage Expenditure of Municipal Infrastructure Grant by 31 December 2025.

- The target was to spend 45% of Municipal Infrastructure Grant by 31 December 2025. The municipality achieved this target by spending 54% of the budget.

7. Percentage of Tenders processed within 90 days by 31 December 2025 (From closing date in the advert).

- The target was to process 95% of the tenders within 90 days from closing date in advert. The municipality did not achieve the target as only 33% of the tenders were processed within 90 days .

8. Percentage of Electricity Distribution loss by 31 December 2025

- The target for the municipality was to achieve less than 10% on distribution loss at the end of the second quarter ending 31 December 2025. The municipality achieved the target as the distribution loss for the quarter was 5%.

9. Percentage of invoice processed within 30 days from the date of receipts of the invoice.

- The target was achieved and 100% of the invoice was paid within 30 days from the date of receipt of the invoice.

10. Percentage of Billed revenue collected per month during the quarter ending 31 December 2025.

- The target was for the municipality to achieve 90% collection rate at the end of the quarter ending 31 December 2025. The municipality achieved the target by collecting revenue of 98%.

**3. ANALYSIS FROM REPORTS FROM INCOME AND EXPENDITURE QUARTER TWO ENDING 31 DECEMBER 2025  
SUMMARY: INCOME AND EXPENDITURE REPORT PERFORMANCE**

**SUMMARY: INCOME AND EXPENDITURE REPORT PERFORMANCE**

The actual operational income for the second quarter is R 352 830 million and actual to date is R 780 484 million. The operational expenditure for the same period is R 391 036 million and actual to date is R 704 933 million.

**Summary overall budgeted and actual expenditure**

<b>Types of Budget</b>	<b>Approved Budget</b>	<b>Budget Spent</b>	<b>Balance</b>	<b>% Spent</b>
Operational	R 1 362 billion	R 705 million	R 657 million	52%
Capital	R 272 million	R 135 million	R 137 million	50%
<b>Total</b>	<b>R 1 634 billion</b>	<b>R 840 million</b>	<b>R 794 million</b>	<b>51%</b>

**4. SUMMARY OF PERFORMANCE OF INCOME AND EXPENDITURE 31 DECEMBER 2025**

Description	Budget Year 2025/26										
	R thousands	Approved budget	Mid-year Projections	Q1 Sept 2025	Q2 Dec 2025	YTD	YTD variance	YTD variance %	YTD Actual/Budget	Actual vs Projecte	Full year Forecast
<b>Revenue By Source</b>											
Property rates	132 050 505.45	66 025 252.73	32 818 934.61	32 955 465.13	65 774 399.74	-250 852.98	0%	50%	100%	132 050 505.45	
Service charges - electricity revenue	619 882 725.54	309 941 362.77	153 269 435.99	115 044 451.07	268 313 887.06	-41 627 475.71	-13%	43%	87%	619 882 725.54	
Service charges - refuse revenue	16 637 578.25	8 318 789.13	7 540 614.41	4 632 931.58	12 173 545.99	3 854 756.87	46%	73%	146%	16 637 578.25	
Rental of facilities and equipment	431 974.10	215 987.05	551 600.08	252 405.37	804 005.45	588 018.40	272%	186%	372%	431 974.10	
Interest earned - external investments	4 397 547.71	2 198 773.86	1 055 487.89	372 063.67	1 427 551.56	-771 222.30	-35%	32%	65%	4 397 547.71	
Interest earned - outstanding debtors	49 559 155.67	24 779 577.84	10 705 020.65	11 063 674.64	21 768 695.29	-3 010 882.55	-12%	44%	88%	49 559 155.67	
Fines, penalties and forfeits	4 991 368.28	2 495 684.14	627 861.54	413 650.60	1 041 512.14	-1 454 172.00	-58%	21%	42%	4 991 368.28	
Licences and permits	4 094 943.16	2 047 471.58	1 033 489.69	1 176 156.29	2 209 645.98	162 174.40	8%	54%	108%	4 094 943.16	
Transfers and subsidies	529 842 350.00	264 921 175.00	218 240 100.00	171 757 415.27	389 997 515.27	125 076 340.27	47%	74%	147%	529 842 350.00	
Operational Revenue	193 104 885.00	96 552 442.50	1 811 054.33	15 162 196.71	16 973 251.04	-79 579 191.46	-82%	9%	18%	193 104 885.00	
<b>Total Revenue</b>	<b>1 554 993 033.16</b>	<b>777 496 516.58</b>	<b>427 653 599.19</b>	<b>352 830 410.33</b>	<b>780 484 009.52</b>	<b>2 987 492.94</b>	<b>0%</b>	<b>50%</b>	<b>100%</b>	<b>1 554 993 033.16</b>	

<b>Operational Revenue</b>	
Sale of goods and rendering of services	484 313.08
Sale of stands	14 000 892.50
Administrative Handling Fees	209 973.12
Breakages and Losses Recovered	112 294.46
Commission	2 165 777.88
VBS	-
<b>TOTAL</b>	<b>16 973 251.04</b>

Description	Budget Year 2025/26									
	Approved budget	Mid-year Projections	Q1 Sept 2025	Q2 Dec 2025	YTD	YTD variance	YTD variance %	YTD Actual/Budget	Actual vs Projected %	Full year Forecast
<b>Expenditure By Source</b>										
Employee related costs	400 676 736.00	200 338 368.00	94 172 568.04	120 884 808.30	215 057 376.34	14 719 008.34	7%	54%	107%	400 676 736.00
Remuneration of councillors	34 781 061.00	17 390 530.50	7 402 435.59	7 439 243.41	14 841 679.00	-2 548 851.50	-15%	43%	85%	34 781 061.00
Debt impairment	42 109 199.00	21 054 599.50	288 776.40	44 142 059.13	44 430 835.53	23 376 236.03	111%	106%	211%	42 109 199.00
Depreciation & asset impairment	167 184 813.62	83 592 406.81	30 561 685.17	30 854 430.85	61 416 116.02	-22 176 290.79	-27%	37%	73%	167 184 813.62
Finance charges	20 057 933.00	10 028 966.50	59 284.67	1 952 125.41	2 011 410.08	-8 017 556.42	-80%	10%	20%	20 057 933.00
Bulk purchases	415 334 920.00	207 667 460.00	114 127 645.86	116 508 184.51	230 635 830.37	22 968 370.37	11%	56%	111%	415 334 920.00
Other materials	53 262 791.30	26 631 395.65	10 368 735.92	9 779 004.60	20 147 740.52	-6 483 655.13	-24%	38%	76%	53 262 791.30
Contracted services	165 909 678.00	82 954 839.00	39 169 542.43	45 480 233.00	84 649 775.43	1 694 936.43	2%	51%	102%	165 909 678.00
Operational costs	63 044 932.90	31 522 466.45	17 746 386.28	13 996 002.76	31 742 389.04	219 922.59	1%	50%	101%	63 044 932.90
<b>Total Expenditure</b>	<b>1 362 362 064.82</b>	<b>681 181 032.41</b>	<b>313 897 060.36</b>	<b>391 036 091.97</b>	<b>704 933 152.33</b>	<b>23 752 119.92</b>	<b>3%</b>	<b>52%</b>	<b>103%</b>	<b>1 362 362 064.82</b>

APPROVED CONDITIONAL GRANT AS AT 31 DECEMBER 2025

Description	Budget Year 2025/26									
	APPROVED BUDGET	Grants Received YTD R '000	Actual Received Q1 R '000	Actual Received Q2 R '000	Actual Q1 Expenditure R'000	Actual Q2 Expenditure R'000	Actual to date Expenditure R'000	% Spent on received	BUDGET VS ACTUAL %	Full Year Forecast
<b>APPROVED CONDITIONAL GRANT</b>										
<b><u>Funded by:</u></b>										
MIG	111 407	100 798	42 603	58 195	26 657	33 107	59 764	59%	54%	111 407
INEP	15 181	9 867	6 831	3 036	3 363	6 283	9 646	98%	64%	15 181
INEP (Roll-over)	4 545	4 545	4 545	–	1 382	–	1 382	30%	30%	4 545
FMG	2 000	2 000	2 000	–	508	532	1 039	52%	52%	2 000
EPWP	3 323	2 326	831	1 495	831	831	1 662	71%	50%	3 323
Disaster Grants	6 006	6 006	3 003	3 003	–	2 588	2 588	43%	43%	6 006
<b>Total Grants</b>	<b><u>142 462</u></b>	<b><u>125 542</u></b>	<b><u>59 813</u></b>	<b><u>65 729</u></b>	<b><u>32 741</u></b>	<b><u>43 340</u></b>	<b><u>76 080</u></b>	<b><u>61%</u></b>	<b><u>53%</u></b>	<b><u>142 462</u></b>

**1. Municipal infrastructure Grant (MIG)**

The actual amount received for the second quarter is R 58 195 million and to date is R 100 798 million and actual expenditure for the second quarter is R 33 107 million and to date is R 59 764 million that represent 54% of expenditure against approved allocation of R 111 407 million.

**2. Integrated National Electricity Programme (INEP) – Original allocation**

The actual amount received for the second quarter is R 3 036 million and to date is R 9 867 million and actual expenditure for the second quarter is R 6 283 million and to date is R 9 646 million that represents 64% of expenditure against approved allocation of R 15 181 million.

**3. Integrated National Electricity Programme (INEP) – Roll over**

The actual amount for Integrated National Electricity Programme (INEP) – Roll over amount to R 4 545 million and no expenditure incurred for the second quarter and to date is R1 382 million that represents 30% of expenditure against the Integrated National Electricity Programme (INEP) Roll over from 2024/25 financial year.

**4. Financial Management Grant (FMG)**

The amount received for the second quarter is R 0 million and to date is R 2 000 million and actual expenditure for the second quarter is R 532 thousand and to date is R 1 039 million that represents 52% against the approved allocation of R 2 000 million.

**5. Expanded Public Works Programme (EPWP)**

The actual amount received for the second quarter is R 831 thousand and to date is R 2 326 million and actual expenditure for the second quarter is R 831 thousand and to date is R 1 662 million that represent 50% against the approved allocation of R 3 323 million.

**6. Disaster Management Grants**

The actual amount received for the second quarter is R 3 003 million and to date is R 6 006 million and actual expenditure for the second quarter is R 2 588 and to date is R 2 588 that represent 43% against the approved allocation of R 6 006 million.

5. **CAPITAL EXPENDITURE.**

The Actual Capital expenditure for the second quarter ending 31 December 2025 is R 59 509 million and to date is R 135 255 million which represents 50% spending against the approved budget of R 272 155 million.

<b>SUMMARY PER DEPARTMENT</b>								
<b>CODE</b>	<b>DEPARTMENT</b>	<b>SOURCES</b>	<b>BUDGET</b>	<b>VIREMENT</b>	<b>FINAL BUDGET</b>	<b>EXPENDITURE</b>	<b>VARIANCE</b>	<b>PERCENTAGE</b>
SC	Technical Services	INCOME & GRANT	255 571 650.00		255 571 650.00	131 777 499.38	125 175 804.62	52%
SC	Community Services	INCOME	4 975 000.00		4 975 000.00	20 061.30	4 954 938.70	0%
SC	Budget and Treasury	INCOME	2 538 100.00		2 538 100.00	-	2 538 100.00	0%
SC	Corporate Services	INCOME	8 080 000.00		8 080 000.00	3 119 493.10	4 960 506.90	39%
SC	Regional Offices	INCOME	990 000.00		990 000.00	337 770.00	652 230.00	34%
<b>TOTAL</b>			<b>272 154 750.00</b>		<b>272 154 750.00</b>	<b>135 254 823.78</b>	<b>138 281 580.22</b>	<b>50%</b>

## **Analysis of Capital budget expending per department**

### **Department of Budget and Treasury office**

The actual expenditure for the second quarter is R0 and to date is R0 compared with the projection of R 1 269 million which result to underspending by 50%. The expenditure incurred for the second quarter represents 0% of approved budget of R 2 538 million for 2025/26 financial year.

### **Technical Services Department**

The actual expenditure for the second quarter is R 56 319 million and to date is R 131 777 million compared with the projection of R 127 786 million which result to overspending by 2%. The expenditure incurred to date represents 52% of approved budget of R 255 572 million for 2025/2026 financial year.

### **Department of Community services**

The actual expenditure for the second quarter is R 20 thousand and to date is R 20 thousand compared with the projection of R 2 488 million which result to underspending by 50%. The expenditure incurred to date represents 0% of approved budget of R 4 975 million for 2025/26 financial year.

### **Department of Corporate Services**

The actual expenditure for the second quarter is R 3 119 million and to date is R 3 119 million compared with the projection of R 4 040 million which result to underspending by 11%. The expenditure incurred to date represents 39% of approved budget of R 8 080 million for 2025/26 financial year.

### **Regional Offices**

The actual expenditure for the second quarter is R 50 thousand and to date is R 338 thousand compared with the projection of R 495 thousand which result to underspending by 16%. The expenditure incurred to date represents 34% of approved budget of R 990 thousand for 2025/26 financial year.

## **SOURCES OF FINANCE - CAPITAL REVENUE**

It should be noted that Capital Revenue represents the sources of finances of capital expenditure Section 71 Report in terms of the MFMA.

The above table show how the capital contribution has been financed and recognised during the quarter. The municipality projected to spend R 136 078 million up to the quarter ending 31 December 2025 and R 135 255 million was spent. An amount of R 67 537 million has been recognised from transfer and R 67 718 million was recognised from internally generated revenue. This represents 50% of the approved capital budget amount of R 272 155 million for 2025/26 financial year.

**6. DEBTORS**

The outstanding amount from debtors as at 31 DECEMBER 2025 is R 585 739 million

**Aged Debtors - DECEMBER 2025**

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	180 Days and Over	Total	Total over 90 days			
<b>R thousands</b>												
<b>Debtors Age Analysis By Income Source</b>												
Trade and Other Receivables	1200	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables	1300	2 231	2 209	1 727	1 863	712	49 778	92 577	56 289	–	–	–
Receivables from Non-exchange	1400	3 440	3 196	3 027	2 953	7 296	166 040	197 541	182 512	–	–	–
Receivables from Exchange	1500	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange	1600	455	1 071	432	411	383	31 327	35 673	33 624	–	–	–
Receivables from Exchange	1700	–	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtors	1810	3 622	7 908	3 466	3 363	18 822	163 051	207 582	196 610	–	–	–
Recoverable unauthorised	1820	–	–	–	–	–	–	–	–	–	–	–
Other	1900	(1 694)	265	1 249	1 242	2 155	43 323	52 366	48 234	–	–	–
<b>Total By Income Source</b>	<b>2000</b>	<b>8 054</b>	<b>14 648</b>	<b>9 902</b>	<b>9 833</b>	<b>29 369</b>	<b>453 519</b>	<b>585 739</b>	<b>517 270</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Debtors Age Analysis By Customer Group</b>												
Organs of State	2200	1 148	3 004	1 901	2 198	11 348	44 977	67 948	63 428	–	–	–
Commercial	2300	2 067	1 759	1 092	1 356	1 675	54 319	88 712	60 201	–	–	–
Households	2400	2 243	6 556	4 050	3 927	13 546	231 827	274 606	259 907	–	–	–
Other	2500	2 596	3 329	2 859	2 351	2 800	122 396	154 474	133 735	–	–	–
<b>Total By Customer Group</b>	<b>2600</b>	<b>8 054</b>	<b>14 648</b>	<b>9 902</b>	<b>9 833</b>	<b>29 369</b>	<b>453 519</b>	<b>585 739</b>	<b>517 270</b>	<b>–</b>	<b>–</b>	<b>–</b>

**MAKHADO LOCAL MUNICIPALITY**

**Quarter 1 Debt Breakdown Analysis - 31 DECEMBER 2025**

Account Type	Total Amount	Towns						
		Farm	Ha-Tshikota (Vleifontein)	Louis Trichardt	Makhado A (Dzanani)	Tshikota	Villages	Waterval
Agriculture	153 386 242.21	153 344 152.50	-	36 694.40	0.05	909.83	4 485.43	-
Businesses/ Industrial	88 711 638.31	37 483 188.80	2 141 156.22	38 415 449.53	8 278 310.58	750 072.42	265 517.97	1 377 942.79
Churches	980 419.85	107 530.39	201 884.47	362 471.48	50 467.52	23 171.51	70 487.58	164 406.90
Government (SOP)	58 930 145.80	61 223 090.49	-	- 2 946 502.11	333 214.47	9 253.63	164 491.13	146 598.19
Municipal	2 101 879.85	637 473.82	47 600.89	1 074 379.43	110 354.01	19 108.68	8 836.13	204 126.89
Public Benefit Organisatio	88 972.73	86 277.77	-	805.05	1 889.91	-	-	-
Public Service Infrustructu	27 200.94	- 156 821.67	-	184 022.61	-	-	-	-
Residential	274 596 847.07	3 115 240.65	55 717 300.98	55 265 011.42	24 016 960.94	7 569 724.00	18 114 131.08	110 798 478.00
Public Service Purpose (PS	6 915 916.02	- 18 561.57	2 234 130.47	- 129 449.01	1 918 208.85	714 579.72	-	2 197 007.56
<b>GRAND - TOTAL</b>	<b>585 739 262.78</b>	<b>255 821 571.18</b>	<b>60 342 073.03</b>	<b>92 262 882.80</b>	<b>34 709 406.33</b>	<b>9 085 909.96</b>	<b>18 627 949.32</b>	<b>114 888 560.33</b>

Summary of Debt Impairment and Narration

<b>Debt Impairment</b>			
<b>Debtors Age Analysis By Customer Group</b>			
<b>Customer Group</b>	<b>Total Debt per Customer Group</b>	<b>Impairment Provided</b>	<b>Net Debt per Customer Group</b>
Organs of State	67 948	(63 428)	4 520
Commercial	88 712	(60 201)	28 510
Households	274 606	(259 907)	14 699
Other	154 474	(133 735)	20 739
<b>Totals</b>	<b>585 739</b>	<b>(517 270)</b>	<b>68 469</b>

- Allowance for debt impairment for the second quarter ending 31 December 2025 equals R517 270 million.
- The Total Consumer Debtors as at the 31 December 2025 equals R585 739 million.
- The Net Debt Collectible as at 31 December 2025 equals R68 469 million.

The table below reflects both the collection rate and the distribution loss for the second quarter ending 31 DECEMBER 2025

Collection Rate Table			
Quarter - 1		Quarter - 2	
Month	<u>Percentage</u>	Month	<u>Percentage</u>
July – 2025	105%	Oct-25	101%
August – 2025	69%	Nov-25	85%
Sep-25	80%	Dec-25	109%
Total	254		295
<b>Average percentage for the Quarter - 1</b>	<b>85.00%</b>	<b>Average percentage for the Quarter - 2</b>	<b>98%</b>

The second quarter average collection rate is 98%.

The year-to-date average collection rate is 92%.

Distribution Rate Table			
Quarter - 1		Quarter - 2	
Month	<u>Percentage</u>	Month	<u>Percentage</u>
July – 2025	18%	Oct-25	25%
August – 2025	12%	Nov-25	-18%
Sep-25	7%	Dec-25	8%
Total	37		15
<b>Average percentage for the Quarter - 1</b>	<b>12%</b>	<b>Average percentage for the Quarter - 2</b>	<b>5%</b>

The second Quarter average Distribution Loss is 5%,

The year-to-date average Distribution Loss is 9%.

## **CHALLENGES**

- The non-existence of electricity in R293 Towns such as Dzanani, Waterval, Vleifontein, excluding Tshikota still exists as a challenge towards collection.
- Illegal connections

## **STRATEGIES TO IMPROVE COLLECTION**

- The meters are physically checked for those customers that are not buying or buying electricity that is unreasonably or too low because they raise a suspicion of illegal connection by Technical and finance.
- Credit Control will be applied to Government and business to be implemented without compromise.
- Municipality has handed over debts that are older and which cannot be collected using internal credit control measures to appointed debt collectors who are currently working on the data provided and are monitored on a monthly basis.
- Installation of prepaid meter and replacement of conventional meters those who are no longer accurate.
- Cancellation of Madombidzha Eskom intake point and Madodonga Eskom intake point.
- Disconnection of illegal connections.
- Implementation of Revenue Protection Committee.
- Reconciliation of meters received at stores vs meters issued to electricians vs meters captured on the financial system.
- Reducing Nominal Maximum Demand (NMD) from 66 MVA to 48 MVA

**SCM PROCESS**

**6. COMPETITIVE BIDDING PROCESSES ACTIVITY**

<b>ACTIVITY</b>	<b>Bids Advertised</b>	<b>Evaluated</b>	<b>Adjudicated</b>	<b>Awarded</b>	<b>RE-ADVERTISED</b>
<b>Balance B/F</b>	25	-	-	-	-
<b>1<sup>st</sup> Quarter</b>	14	14	14	14	10
<b>2<sup>nd</sup> Quarter</b>	16	06	06	06	-
<b>TOTAL</b>	55	20	20	20	10
<b>ANNEXURE</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>F</b>

All requests for adverts were processed. As at 31 December 2025, the following 25 Bids were not awarded:

<b>NO</b>	<b>BID NO</b>	<b>DESCRIPTION</b>	<b>CLOSING DATE</b>	<b>COMMENTS</b>
01	17 of 2025	Supply, Delivery, Installation and Commissioning of Uninterruptable Power Supply (UPS) And Batteries in Server Room and 3 Years Maintenance	31-Mar-25	In Evaluation
02	20 of 2025	panel of service providers for supply and delivery of cleaning material for the period of three years	11-Apr-25	In Evaluation
03	41 of 2025	RE-advertisement :leasing of public open space of remainder of portion 7 of the farm bergvliet 288 and to change land use from public open space to private space	25-Jul-25	In Evaluation
04	47 of 2025	Re-advertisement : Sale of Seventy-six (76) industrial zoned sites located within Louis Trichardt extension 12 township	10-Sep-25	In Evaluation
05	48 of 2025	Re-advertisement: Design and construction of residential complex at Louis Trichardt extension 14 township (padkamp)	10-Sep-25	In Evaluation
06	50 of 2025	Supply and delivery of woodchipper machine	26-Sep-25	In Evaluation
07	51of 2025	Supply and deliver of heavy-duty lawnmower and brush cutter	26-Sep-25	In Evaluation

		machine		
08	52 of 2025	Compilation and maintenance of the general valuation roll and supplementary valuation rolls as and when the supply of other valuation related services in compliance with the local government: municipal property rates act, 2004 ( act no 6 of 2004) read together with local government : municipal property rates amendment act,2014 ( act no.29 of 2014) for the period of three years	06-Oct-25	In Evaluation
09	55 of 2025	Appointment of panel of service providers for skills development programmes (skills development provider) for the period of three (03) years	28- Nov-25	In evaluation
10	56 of 2025	Supply, delivery, installation and maintenance of a large format multifunction printer (MFP) for the period of three years	28- Nov-25	In evaluation
11	57 of 2025	Re-advertisement: Construction, Supply, delivery and installation of new weighbridge at Makhado landfill site (Tshikota)	17- Nov-25	In evaluation
12	58 of 2025	Re-advertisement: Clinical psychologist services for Makhado local municipality employees for the period of three years.	28- Nov-25	In evaluation
13	59 of 2025	Re-advertisement: Occupational medical services for Makhado local municipality employees for the period of three (03) years.	28- Nov-25	In evaluation
14	66 of 2025	Re-advertisement: Refurbishment of Ha-Mutsha community hall	12-Dec-2025	In evaluation
15	68 of 2025	Supply and delivery of Large concrete round concrete refuse bins	05-Dec-2025	In evaluation
16	69 of 2025	Supply, delivery and installation of 11KV and 22KV indoor transformer circuit breakers at Eltivillas East Substation	12-Dec-2025	In evaluation
17	70 of 2025	Re-advertisement: Refurbishment of Vleifontein Satellite Office	12-Dec-2025	In evaluation
18	71 of 2025	Re-advertisement: Supply and delivery of boom lifter	05-Dec-2025	In evaluation
19	72 of 2025	Panel of services providers for supply and delivery of electrical material For the period of three (03) years	05-Dec-2025	In evaluation
20	81 of 2025	Provision of prepaid vending services for the period of three (03) years	15-Jan-2025	On advert
21	82 of 2025	Debt collectors for the provision of services regarding the debt collection for outstanding debts (accounts) for the period of three (03) years	15-Jan-2026	On advert

22	83 of 2025	Provision of meter reading (for electric consumption) and credit control for the period of three (03) years	15-Jan-2026	On advert
23	84 of 2025	Supply, delivery, installation and commissioning of server room environmental management system including quarterly support and maintenance plan for the period of three (03) years	15-Jan-2026	On advert
24	85 of 2025	Supply, delivery and installation of 11KV and 22KV indoor Transformer circuit breakers at Boom Substation	15-Jan-2026	On advert
25	86 of 2025	Appointment of electrical consulting engineer for protection scheme coordination for Makhado electrical networks	15-Jan-2026	On advert

**FORMAL WRITTEN QUOTATION ABOVE R30 000.00 AS AT 31 DECEMBER 2025**

ACTIVITY	Quotations Advertised	Quotations Evaluated	Quotations Awarded	BALANCE
<b>OPENING BALANCE</b>	<b>47</b>	-	-	-
<b>1<sup>st</sup> QUARTER</b>	20	39	39	28
<b>2<sup>nd</sup> QUARTER</b>	23	21	21	30

**FORMAL WRITTEN QUOTATION BELOW R30 000.00 AS AT 31 DECEMBER 2025**

ACTIVITY	Quotations Requested	Quotations Evaluated	Quotations Awarded	BALANCE
<b>1<sup>st</sup> QUARTER</b>	68	68	68	0
<b>2<sup>nd</sup> QUARTER</b>	61	61	61	0

## PROCUREMENT DEVIATION FIRST QUARTER REPORT

1. The number of awards made in terms of SCM regulation 36

**= 08**

2. Reason(s) for deviation in terms of SCM Regulations 36

**Reason: Sole service providers and impractical to follow normal SCM process**

3. Total value of deviations under R300 000.00

**= R 119 833.99**

4. Total value of deviations over R300 000

**= R0**

5. Total number of deviations under R 300 000 is 08

6. Total number of deviations over R 300 000 is 00

7. Total value of deviations awarded through SCM Regulation 36

**= R 119 833.99**

**C SCHEDULE AS AT 31 DECEMBER 2025**

**LIM344 Makhado - Table C1 Monthly Budget Statement Summary - M06 – December**

Description	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
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	125 104	132 051	–	10 957	65 774	66 025	(251)	0%	132 051
Service charges	531 063	636 520	–	48 024	280 487	318 260	(37 773)	-12%	636 520
Investment revenue	3 016	4 398	–	194	1 428	2 199	(771)	-35%	4 398
Transfers and subsidies - Operational	524 861	529 842	–	172 382	389 998	264 921	125 076	47%	529 842
Other own revenue	64 305	252 182	–	4 928	30 547	126 091	(95 544)	-76%	252 182
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>1 248 349</b>	<b>1 554 993</b>	<b>–</b>	<b>236 485</b>	<b>768 234</b>	<b>777 497</b>	<b>(9 263)</b>	<b>-1%</b>	<b>1 554 993</b>
Employee costs	409 708	400 677	–	57 957	215 057	200 338	14 719	7%	400 677
Remuneration of Councillors	30 557	34 781	–	2 481	14 842	17 391	(2 549)	-15%	34 781
Depreciation and amortisation	157 494	167 185	–	10 766	61 416	83 592	(22 176)	-27%	167 185
Interest	5 573	20 058	–	1 722	2 011	10 029	(8 018)	-80%	20 058
Inventory consumed and bulk purchases	489 443	468 598	–	39 317	208 743	234 299	(25 556)	-11%	468 598
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	288 609	271 064	–	64 756	160 823	135 532	25 291	19%	271 064
<b>Total Expenditure</b>	<b>1 381 384</b>	<b>1 362 362</b>	<b>–</b>	<b>176 999</b>	<b>662 892</b>	<b>681 181</b>	<b>(18 289)</b>	<b>-3%</b>	<b>1 362 362</b>
<b>Surplus/(Deficit)</b>	<b>(133 034)</b>	<b>192 631</b>	<b>–</b>	<b>59 486</b>	<b>105 342</b>	<b>96 315</b>	<b>9 026</b>	<b>9%</b>	<b>192 631</b>
Transfers and subsidies - capital (monetary allocations)	142 541	121 018	–	17 090	70 771	60 509	10 262	17%	121 018
Transfers and subsidies - capital (in-kind)	19 995	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp;</b>	<b>29 501</b>	<b>313 649</b>	<b>–</b>	<b>76 576</b>	<b>176 113</b>	<b>156 824</b>	<b>19 288</b>	<b>12%</b>	<b>313 649</b>
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
<b>Surplus/ (Deficit) for the year</b>	<b>29 501</b>	<b>313 649</b>	<b>–</b>	<b>76 576</b>	<b>176 113</b>	<b>156 824</b>	<b>19 288</b>	<b>12%</b>	<b>313 649</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Capital transfers recognised	90 795	121 018	–	12 487	60 530	60 509	21	0%	121 018
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	146 933	148 477	–	19 454	61 183	74 239	(13 056)	-18%	148 477
<b>Total sources of capital funds</b>	<b>237 728</b>	<b>269 495</b>	<b>–</b>	<b>31 942</b>	<b>121 713</b>	<b>134 747</b>	<b>(13 035)</b>	<b>-10%</b>	<b>269 495</b>



LIM344 Makhado - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 - December

Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Monthly actual	YearTD actual	YearTD	YTD	YTD %	Full Year
<b>R thousands</b>	<b>1</b>									
<b>Revenue - Functional</b>										
<i>Governance and administration</i>		699 777	710 247	-	185 865	470 593	355 124	115 470	33%	710 247
Executive and council		509 837	512 943	-	170 981	384 708	256 472	128 237	50%	512 943
Finance and administration		189 940	197 304	-	14 884	85 885	98 652	(12 767)	-13%	197 304
Internal audit		-	-	-	-	-	-	-		-
<i>Community and public safety</i>		401	519	-	32	186	260	(74)	-28%	519
Community and social services		152	258	-	21	90	129	(39)	-30%	258
Sport and recreation		129	116	-	11	65	58	7	12%	116
Public safety		120	146	-	0	31	73	(42)	-58%	146
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<i>Economic and environmental services</i>		142 810	297 472	-	13 954	67 148	148 736	(81 587)	-55%	297 472
Planning and development		2 668	162 702	-	20	1 933	81 351	(79 418)	-98%	162 702
Road transport		140 142	134 769	-	13 934	65 215	67 385	(2 169)	-3%	134 769
Environmental protection		-	-	-	-	-	-	-		-
<i>Trading services</i>		567 896	667 773	-	53 724	301 078	333 886	(32 809)	-10%	667 773
Energy sources		545 201	642 882	-	51 717	284 766	321 441	(36 675)	-11%	642 882
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		22 696	24 890	-	2 007	16 312	12 445	3 867	31%	24 890
<i>Other</i>	4	-	-	-	-	-	-	-		-
<b>Total Revenue - Functional</b>	<b>2</b>	<b>1 410 884</b>	<b>1 676 011</b>	<b>-</b>	<b>253 575</b>	<b>839 005</b>	<b>838 005</b>	<b>999</b>	<b>0%</b>	<b>1 676 011</b>

<b>Expenditure - Functional</b>										
<i>Governance and administration</i>		<b>615 061</b>	<b>436 571</b>	-	<b>107 063</b>	<b>289 182</b>	<b>218 285</b>	70 897	32%	<b>436 571</b>
Executive and council		115 585	100 096	-	10 376	58 856	50 048	8 808	18%	100 096
Finance and administration		499 477	336 475	-	96 687	230 326	168 237	62 088	37%	336 475
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		<b>19 243</b>	<b>25 907</b>	-	<b>1 734</b>	<b>8 615</b>	<b>12 953</b>	(4 339)	-33%	<b>25 907</b>
Community and social services		678	8 108	-	150	828	4 054	(3 226)	-80%	8 108
Sport and recreation		700	1 052	-	6	33	526	(493)	-94%	1 052
Public safety		17 384	16 148	-	1 577	7 395	8 074	(680)	-8%	16 148
Housing		-	-	-	-	-	-	-	-	-
Health		481	599	-	-	359	299	60	20%	599
<i>Economic and environmental services</i>		<b>166 133</b>	<b>293 466</b>	-	<b>17 855</b>	<b>95 356</b>	<b>146 733</b>	(51 377)	-35%	<b>293 466</b>
Planning and development		46 316	59 166	-	5 547	25 584	29 583	(3 999)	-14%	59 166
Road transport		119 817	234 300	-	12 307	69 772	117 150	(47 378)	-40%	234 300
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		<b>580 946</b>	<b>606 419</b>	-	<b>50 347</b>	<b>269 740</b>	<b>303 209</b>	(33 470)	-11%	<b>606 419</b>
Energy sources		532 724	562 612	-	44 500	245 706	281 306	(35 600)	-13%	562 612
Water management		168	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		48 054	43 807	-	5 848	24 034	21 903	2 131	10%	43 807
<i>Other</i>		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	<b>1 381 384</b>	<b>1 362 362</b>	-	<b>176 999</b>	<b>662 892</b>	<b>681 181</b>	<b>(18 289)</b>	<b>-3%</b>	<b>1 362 362</b>
<b>Surplus/ (Deficit) for the year</b>		<b>29 501</b>	<b>313 649</b>	-	<b>76 576</b>	<b>176 113</b>	<b>156 824</b>	<b>19 288</b>	<b>12%</b>	<b>313 649</b>

**LIM344 Makhado - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 – December**

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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		515 697	619 883	–	46 721	268 317	309 941	(41 624)	-13%	619 883
Service charges - Water		–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management		–	–	–	–	–	–	–	–	–
Service charges - Waste management		15 367	16 638	–	1 303	12 170	8 319	3 851	46%	16 638
Sale of Goods and Rendering of Services		1 843	2 876	–	67	484	1 438	(954)	-66%	2 876
Agency services		–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–
Interest earned from Receivables		17 215	12 748	–	1 365	7 921	6 374	1 547	24%	12 748
Interest from Current and Non Current Assets		3 016	4 398	–	194	1 428	2 199	(771)	-35%	4 398
Dividends		–	–	–	–	–	–	–	–	–
Rent on Land		129	116	–	11	65	58	7	12%	116
Rental from Fixed Assets		302	432	–	84	797	216	581	269%	432
Licence and permits		315	285	–	19	108	142	(34)	-24%	285
Special Rating Levies		–	–	–	–	–	–	–	–	–
Operational Revenue		6 814	190 229	–	360	4 147	95 115	(90 968)	-96%	190 229
<b>Non-Exchange Revenue</b>										
Property rates		125 104	132 051	–	10 957	65 774	66 025	(251)	0%	132 051
Surcharges and Taxes		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		6 227	4 991	–	108	1 005	2 496	(1 491)	-60%	4 991
Licence and permits		3 642	3 810	–	394	2 030	1 905	125	7%	3 810
Transfers and subsidies - Operational		524 861	529 842	–	172 382	389 998	264 921	125 076	47%	529 842
Interest		27 404	36 696	–	2 313	13 783	18 348	(4 565)	-25%	36 696
Fuel Levy		–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–
Other Gains		414	–	–	207	207	–	207	#DIV/0!	–
Discontinued Operations		–	–	–	–	–	–	–	–	–
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>1 248 349</b>	<b>1 554 993</b>	<b>–</b>	<b>236 485</b>	<b>768 234</b>	<b>777 497</b>	<b>(9 263)</b>	<b>-1%</b>	<b>1 554 993</b>

<b>Expenditure By Type</b>										
Employee related costs	409 708	400 677	-	57 957	215 057	200 338	14 719	7%	400 677	
Remuneration of councillors	30 557	34 781	-	2 481	14 842	17 391	(2 549)	-15%	34 781	
Bulk purchases - electricity	437 655	415 335	-	35 210	186 753	207 667	(20 914)	-10%	415 335	
Inventory consumed	51 788	53 263	-	4 107	21 990	26 631	(4 642)	-17%	53 263	
Debt impairment	26 050	38 231	-	43 911	43 911	19 116	24 795	130%	38 231	
Depreciation and amortisation	157 494	167 185	-	10 766	61 416	83 592	(22 176)	-27%	167 185	
Interest	5 573	20 058	-	1 722	2 011	10 029	(8 018)	-80%	20 058	
Contracted services	161 812	165 910	-	15 137	84 728	82 955	1 773	2%	165 910	
Transfers and subsidies	-	-	-	-	-	-	-		-	
Irrecoverable debts written off	0	3 878	-	81	520	1 939	(1 419)	-73%	3 878	
Operational costs	83 291	63 045	-	5 627	31 664	31 523	141	0%	63 045	
Losses on Disposal of Assets	16 802	-	-	-	-	-	-		-	
Other Losses	655	-	-	-	-	-	-		-	
<b>Total Expenditure</b>	<b>1 381 384</b>	<b>1 362 362</b>	<b>-</b>	<b>176 999</b>	<b>662 892</b>	<b>681 181</b>	<b>(18 289)</b>	<b>-3%</b>	<b>1 362 362</b>	
<b>Surplus/(Deficit)</b>	<b>(133 034)</b>	<b>192 631</b>	<b>-</b>	<b>59 486</b>	<b>105 342</b>	<b>96 315</b>	<b>9 026</b>	<b>9%</b>	<b>192 631</b>	
Transfers and subsidies - capital (monetary allocations)	142 541	121 018	-	17 090	70 771	60 509	10 262	17%	121 018	
Transfers and subsidies - capital (in-kind)	19 995	-	-	-	-	-	-		-	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>29 501</b>	<b>313 649</b>	<b>-</b>	<b>76 576</b>	<b>176 113</b>	<b>156 824</b>			<b>313 649</b>	
Income Tax	-	-	-	-	-	-	-		-	
<b>Surplus/(Deficit) after income tax</b>	<b>29 501</b>	<b>313 649</b>	<b>-</b>	<b>76 576</b>	<b>176 113</b>	<b>156 824</b>			<b>313 649</b>	
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-		-	
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-		-	
<b>Surplus/(Deficit) attributable to municipality</b>	<b>29 501</b>	<b>313 649</b>	<b>-</b>	<b>76 576</b>	<b>176 113</b>	<b>156 824</b>			<b>313 649</b>	
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-		-	
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-		-	
<b>Surplus/ (Deficit) for the year</b>	<b>29 501</b>	<b>313 649</b>	<b>-</b>	<b>76 576</b>	<b>176 113</b>	<b>156 824</b>			<b>313 649</b>	



<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		13 604	28 811	-	1 807	9 839	14 406	(4 566)	-32%	28 811
Executive and council		4 067	-	-	-	-	-	-		-
Finance and administration		9 537	28 811	-	1 807	9 839	14 406	(4 566)	-32%	28 811
Internal audit		-	-	-	-	-	-	-		-
<b>Community and public safety</b>		5 171	2 240	-	431	1 220	1 120	100	9%	2 240
Community and social services		261	-	-	396	396	-	396	#DIV/0!	-
Sport and recreation		4 911	2 240	-	34	824	1 120	(296)	-26%	2 240
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
<b>Economic and environmental services</b>		186 513	178 143	-	22 745	98 644	89 071	9 573	11%	178 143
Planning and development		-	-	-	-	-	-	-		-
Road transport		186 513	178 143	-	22 745	98 644	89 071	9 573	11%	178 143
Environmental protection		-	-	-	-	-	-	-		-
<b>Trading services</b>		42 938	60 301	-	6 393	13 975	30 151	(16 176)	-54%	60 301
Energy sources		41 798	57 231	-	6 393	13 975	28 616	(14 641)	-51%	57 231
Water management		-	-	-	-	-	-	-		-
Waste water management		-	-	-	-	-	-	-		-
Waste management		1 140	3 070	-	-	-	1 535	(1 535)	-100%	3 070
<b>Other</b>		-	-	-	-	-	-	-		-
<b>Total Capital Expenditure - Functional Classification</b>	3	248 226	269 495	-	31 376	123 679	134 747	(11 069)	-8%	269 495
<b>Funded by:</b>										
National Government		90 795	121 018	-	12 487	60 530	60 509	21	0%	121 018
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-		-
<b>Transfers recognised - capital</b>		90 795	121 018	-	12 487	60 530	60 509	21	0%	121 018
<b>Borrowing</b>	6	-	-	-	-	-	-	-		-
<b>Internally generated funds</b>		146 933	148 477	-	19 454	61 183	74 239	(13 056)	-18%	148 477
<b>Total Capital Funding</b>		237 728	269 495	-	31 942	121 713	134 747	(13 035)	-10%	269 495

LIM344 Makhado - Table C6 Monthly Budget Statement - Financial Position - M06 – December

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		19 589	60 741	–	139 646	60 741
Trade and other receivables from exchange transactions		102 286	492 755	–	61 051	492 755
Receivables from non-exchange transactions		52 695	94 931	–	54 189	94 931
Current portion of non-current receivables		–	–	–	–	–
Inventory		128 488	131 951	–	130 749	131 951
VAT		442 456	0	–	478 140	0
Other current assets		(4 877)	–	–	(5 206)	–
<b>Total current assets</b>		<b>740 637</b>	<b>780 378</b>	<b>–</b>	<b>858 569</b>	<b>780 378</b>
<b>Non current assets</b>						
Investments		–	–	–	–	–
Investment property		14 641	15 707	–	14 450	15 707
Property, plant and equipment		2 020 362	2 008 943	–	2 083 031	2 008 943
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		2 160	2 253	–	2 160	2 253
Intangible assets		1 248	1 803	–	1 033	1 803
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
<b>Total non current assets</b>		<b>2 038 411</b>	<b>2 028 706</b>	<b>–</b>	<b>2 100 674</b>	<b>2 028 706</b>
<b>TOTAL ASSETS</b>		<b>2 779 048</b>	<b>2 809 084</b>	<b>–</b>	<b>2 959 242</b>	<b>2 809 084</b>

<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		–	–	–	–	–
Financial liabilities		1 267	1 175	–	1 267	1 175
Consumer deposits		16 173	15 626	–	16 640	15 626
Trade and other payables from exchange transactions		339 541	291 695	–	280 772	291 695
Trade and other payables from non-exchange transactions		4 545	0	–	19 991	0
Provision		12 232	10 238	–	14 362	10 238
VAT		438 472	35 288	–	476 554	35 288
Other current liabilities		–	104	–	–	104
<b>Total current liabilities</b>		<b>812 228</b>	<b>354 128</b>	<b>–</b>	<b>809 586</b>	<b>354 128</b>
<b>Non current liabilities</b>						
Financial liabilities		573	1 919	–	(42)	1 919
Provision		24 024	19 677	–	25 125	19 677
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		129 938	124 106	–	136 167	124 106
<b>Total non current liabilities</b>		<b>154 535</b>	<b>145 701</b>	<b>–</b>	<b>161 250</b>	<b>145 701</b>
<b>TOTAL LIABILITIES</b>		<b>966 763</b>	<b>499 829</b>	<b>–</b>	<b>970 836</b>	<b>499 829</b>
<b>NET ASSETS</b>	2	<b>1 812 285</b>	<b>2 309 255</b>	<b>–</b>	<b>1 988 407</b>	<b>2 309 255</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		1 812 285	2 309 255	–	1 988 407	2 309 255
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>1 812 285</b>	<b>2 309 255</b>	<b>–</b>	<b>1 988 407</b>	<b>2 309 255</b>

**STATUS OF RECONCILIATIONS AS AT 31 DECEMBER 2025**

Bank reconciliations is up to date  
Grant Reconciliation is up to date  
Investment Reconciliations is up to date  
Assets Reconciliation is up to date  
Petty Cash reconciliation is up to date  
Retention reconciliation is up to date  
Inventory Reconciliation is up to date  
Debtors Reconciliations is up to date  
Salary Reconciliation is up to date  
Vat Reconciliation is done up to Month of November 2025

**7. A CASH FLOW POSITION**

This statement indicates the financial position as at 31 December 2025 is R 46 679 237.84. The municipality continues to keep a favorable balance on a monthly basis and these cash flow statements reflect positive balance of R 46 679 237.84 at the end of second quarter ending 31 December 2025.

Primary Account **R 46 679 237.84**

Closing balance as at 31 December 2025 **R 46 679 237.84**

## 8. PROGRESS ON THE IMPLEMENTATION OF THE mSCOA Roadmap

Below is the progress on the mSCOA Roadmap implementation as at 31 December 2025:

1.mSCOA Roadmap

No	Pillar	Objective/Purpose	Focus Area	Activity	Frequency	Start Date	Due Date	Responsible Designation (Intern, Clerk, Rev Manager, Exp)	Responsible for reviewing/monitoring performance (CFO/mSCOA Champion/Manager/Committee)	POE	December							
											Was Activity Performed	Activity Status	POE (On Implemented Activity)	By Responsible Official		By Supervisor		
														POE TYPE	Comments	Activity Evaluation (Was Activity)	Comments	
1	1. ICT Architecture	e.g. To ensure that the Hardware and Software capacity and capability is responsive to the mSCOA reform and its annual improvements	Hardware	Network infrastructure Refresher (Phase 3)	Annually	01/07/2025	30/06/2026	ICT Manager	CFO/ Director: Corporate services	Appointment letter	Yes	Concluded - Ongoing Activity	In Place	Appointment letter	None	Evaluated - With No Issues	None	
2			ICT Architecture	Plan	Disaster Recovery Architecture	Once Off Activity	01/07/2025	30/06/2026	ICT Manager	CFO/ Director: Corporate services	Appointment letter	No	In progress	Select		SCM processes - Specification submitted to SCM	Select	
3			ICT Architecture	Hardware	Procure, License and Support AD Manager Plus and AG Audit Plus	Once Off Activity	01/07/2025	30/06/2026	ICT Manager	CFO/ Director: Corporate services	Appointment letter	No	In progress	Select		SCM processes - Specification submitted to SCM	Select	
4			ICT Architecture	Software	Install Local Area Network for Testing Station old Building	Once Off Activity	01/07/2025	30/06/2026	ICT Manager	CFO/ Director: Corporate services	Appointment letter	Yes	Concluded	In Place	Appointment letter	Order was issued to the service provider	Evaluated - With No Issues	None
5			ICT Architecture	Software	Install Local Area Network for new Offices in Civic Centre	Once Off Activity	01/07/2025	30/06/2026	ICT Manager	CFO/ Director: Corporate services	Appointment letter	Yes	Concluded - Ongoing Activity	Select	Appointment letter	None	Evaluated - With No Issues	None
6			ICT Architecture	Software	Procure, License and Support Municipal Laptop Tracking solution for a period of three years	Once Off Activity	01/07/2025	30/06/2026	ICT Manager	CFO/ Director: Corporate services	Appointment letter	No	In progress			SCM processes - Evaluation phase	Select	N/A
7			ICT Architecture	Software	Procure Plotter for Printing GIS Maps and Images-Include 3 years Support and Maintenance	Once Off Activity	01/07/2025	30/06/2026	ICT Manager	CFO/ Director: Corporate services	Appointment letter	No	In progress			SCM processes - Evaluation phase	Select	N/A
8			ICT Architecture	Software	Supply and Licencing of cloud AUTOCAD System for a period of three years(5 USERS)	Once Off Activity	01/07/2025	30/06/2026	ICT Manager	CFO/ Director: Corporate services	Appointment letter	No	In progress	Select		SCM processes - Specification submitted to SCM	Select	N/A
9			ICT Architecture	Software	Server Room Environmental Management System	Once Off Activity	01/07/2025	30/06/2026	ICT Manager	CFO/ Director: Corporate services	Appointment letter	No	In progress	Select		SCM processes - On advert	Select	N/A
21	2. Governance and Institutional Arrangements	Governance and Institutional Arrangements	First MSCOA steering Committee	First MSCOA steering Committee	Quarterly	01/07/2025	31/10/2025	All Finance Managers CFO	CFO/ MM	Attendance register Minutes of meeting	No	Not Yet Started	Not In Place		The steering committee did not seat by the end of December 2025	Select	N/A	
22	2. Governance and Institutional Arrangements	Governance and Institutional Arrangements	Second MSCOA Steering Committee	Second MSCOA Steering Committee	Quarterly	01/10/2025	31/01/2026	Manager: Budget and Financial Reporting IDP Manager All managers	CFO/ All Directors/ MM	Attendance register Minutes of meeting	No	Not Yet Started	Not In Place		Not yet due	Select	N/A	

23		Governance and Institutional Arrangements		Third Mscoa Steering Committee	Mscoa Monthly data strings feedback by provincial treasury and Mscoa Road map progress report, Feed back Final MTREF 2026/2027	Quarterly	01/01/2026	30/04/2026	Manager: Budget and Financial Reporting IDP Manager All managers	CFO/ MM	Attendance register Minutes of meeting	No	Not Yet Started	Not In Place			Select		
																		Not yet due	N/A
41	3.System Functionality	System Functionality	e.g. To ensure optimal system functionality and seamless integration of the 3rd party systems	HR and Payroll	Continuous monitoring of the integration of HR and Payroll system in the core system	Monthly	01/07/2025	30/06/2026	ICT Manager	CFO/ Director: Corporate services	System report	Yes	Concluded - Ongoing Activity	Select			There's seamless intergration steering committee meetings that are held with system vendors	Evaluated - With No Issues	Seamless intergartion steering committee meeting was held on the 23rd July 2025 with the system vendors virtually
92		Other 2	To ensure Submission of Monthly data strings to gomun(Treasury portal). Section 71	All section 71 reports	monthly data strings on GoMun portal	Monthly	Within 10 working days after end of the month		Manager Budget and Financial Reporting	CFO	All section 71 reports	Yes	Concluded - Ongoing Activity	In Place	GoMun portal submission	None		Evaluated - With No Issues	N/A
			PT Circular 2 monthly reports	PT Circular 2 monthly reports	PT Circular 2 monthly reports	Monthly	Within 10 working days after end of the month		Manager Budget and Financial Reporting	CFO	All reconciliations	Yes	Concluded - Ongoing Activity	In Place	Reconciliations	None		Evaluated - With No Issues	Reconciliations are submitted to LPT on a monthly basis
			To receive Feedback from provincial treasury on monthly data strings	Monthly data strings feedback	To receive Feedback from provincial treasury on monthly data strings	Monthly			Manager Budget and Financial Reporting	CFO	Report from PT	Yes	Concluded - Ongoing Activity		N/A				N/A
			To ensure submission of quarterly section 52d reports	Section 52d reports	submission of quarterly section 52d reports	Quarterly	Within 30 days after end of the quarter		Manager Budget and Financial Reporting	CFO	Section 52d	Yes	Concluded	In Place	Section 52d report				N/A
93		Other 2	IDP process plan and Budget time table by 31 August 2025	Adoption of IDP process plan and Budget	Council to adopt IDP process plan and Budget time table by 31 August 2025	Annually	01/07/2025	31/08/2025	IDP Manager Manager Budget and Financial Reporting	CFO	Council resolution	N/a	Concluded	In Place	Concluded in July	Concluded in July		Evaluated - With No Issues	Concluded in July
94	6. Business Process	Other 2	To receive the feed back from Provincial treasury on adopted IDP Process plan and budget time table	Adoption of IDP process plan and Budget	To receive the feed back from Provincial treasury on adopted IDP Process plan and budget time table	Annually			IDP Manager Manager Budget and Financial Reporting	CFO	Report from PT	Yes	Concluded	In Place	IDP Process plan and budget time table together with the	IDP Process plan and budget time table were submitted to LPT and no feedback received		Not Evaluated	IDP Process plan and budget time table were submitted to LPT and no feedback received
95		Other 2	To ensure submission of AFS to Auditor General, Coghsta and Treasury on time and Pre-audit	Submission of AFS to AG, Coghsta and Treasury and pre-audit data string	To ensure submission of AFS to Auditor General, Coghsta and Treasury on time and Pre-audit data strings	Annually	01/07/2025	31/08/2025	Manager Budget and Financial Reporting/CFO	CFO	AFS	Yes	Concluded	In Place	Concluded in August	Concluded in August		Evaluated - With No Issues	N/A
96		Other 2	All department to submit budget adjustment input 2025/2026 and Draft budget input	Submission of budget adjustment input by all departments for 2025/26 and	All department to submit budget adjustment input 2025/2026 and Draft budget input 2026/2027	Annually	01/12/2025	31/12/2025	Manager Budget and Financial Reporting/CFO/ All directors	CFO	Adjusted budget and 2025/26 draft budget	Yes	In progress	In Place	Submission of budget adjustment input by all department	Deadline for submission of inouts by all departments is the 15th of January		Not Evaluated	Deadline for submission of inouts by all departments is the 15th of January 2026
97		Other 2	To ensure submission of audited data strings	Submission of audited data strings	To submit audited data strings	Annually	30/11/2025	05/12/2025	Manager Budget and Financial Reporting/CFO	CFO	Submission report from the system	Yes	Concluded	In Place	Submission of audited data strings	Audited data strings were successfully submitted		Evaluated - With No Issues	N/A

98	Other 2	To ensure submission of approved Mid-year Assessment report to Treasury Council to Approve the adjustment budget by 28 Feb 2026	Submission of approved Mid-year Assessment report to Treasury and Coesta by 25 January 2026	To submit approved Mid-year Assessment report to Treasury and Coesta by 25 January 2026	Annually	02/02/2026	25/01/2026	Manager Budget and Financial Reporting/CFO	CFO	Submission report from the system	No	Not Yet Started	Select	N/A	Not yet due	Select	N/A
99	Other 2	To submit ADJB and PRAD Data strings within a day after the approval by council 01 March 2026	Submit ADJB and PRAD Data strings within a day after the approval by council 01 March 2026	Council to Approve the adjustment budget by 28 Feb 2026	Annually	26/01/2026	28/02/2026	Manager Budget and Financial Reporting/CFO	CFO/ All directors	Council resolution	No	Not Yet Started	Select	N/A	Not yet due	Select	N/A
100	Other 2	To submit TABB and PRTA Data strings, all draft policies and Tarrifs to Gomuni (Treasury portal) a day after the tabling by council	Submit TABB and PRTA Data strings, all draft policies and Tarrifs to Gomuni (Treasury portal) a day after the tabling by council	To submit TABB and PRTA Data strings, all draft policies and Tarrifs to Gomuni (Treasury portal) a day after the tabling by council	Annually	31/03/2026	01/04/2026	Manager Budget and Financial Reporting/CFO	CFO	Submission report from the system	No	Not Yet Started	Select	N/A	Not yet due	Select	N/A
101	Other 2	To attend Budget engagement to be coordinated by Provincial treasury: In this meeting budget will be presented and Provincial treasury will be give the budget assessment report whether the Municipality's budget is funded	Budget engagement	To attend Budget engagement to be coordinated by Provincial treasury: In this meeting budget will be presented and Provincial treasury will be give the budget assessment report whether the Municipality's budget is funded or not and overall mscoa compliance assessment	Annually	April and May 2026		CFO/All directors/MM	CFO/ MM		No	Not Yet Started	Select	N/A	Not yet due	Select	N/A
102	Other 3	To receive all draft IDP and Budget input from community	Draft IDP and Budget input from community	To receive all draft IDP and Budget input from community	Annually	01/04/2026	29/04/2026	All Managers/ All Directors/ CFO/MM	All Managers/ All Directors/ CFO/MM	Inputs from community	No	Not Yet Started	Select	N/A	Not yet due	Select	N/A
103	Other 3	To ensure submission of the Final IDP and Budget to council for approval on or before 31 May 2026	submission of the Final IDP and Budget to council for approval on or before 31 May 2026	To submit the Final IDP and Budget to council for approval on or before 31 May 2026	Annually	29/04/2026	31/05/2026	Municipal Manager	All Managers/ All Directors/ CFO/MM	Council resolution	No	Not Yet Started	Select	N/A	Not yet due	Select	N/A
104	Other 3	To ensure submission ORGB and PROR Data strings to Gomuni (Treasury portal) and other relevant documents	Submission ORGB and PROR Data strings to Gomuni (Treasury portal) and other relevant documents	To submit ORGB and PROR Data strings to Gomuni (Treasury portal) and other relevant documents	Annually	01/06/2026	05/06/2026	Manager Budget and Financial Reporting/CFO	CFO	All budget and IDP related documents incl. council resolution	No	Not Yet Started	Select	N/A	Not yet due	Select	N/A
105	Other 3	To ensure submission of approved Mid-year Assessment report to Treasury Council to Approve the adjustment budget by 28 Feb 2026	Submission of approved Mid-year Assessment report to Treasury and Coesta by 25 January 2026	To submit approved Mid-year Assessment report to Treasury and Coesta by 25 January 2026	Annually	02/02/2026	25/01/2026	Manager Budget and Financial Reporting/CFO	CFO	Submission report from the system	No	Not Yet Started	Select	N/A	Not yet due	Select	N/A
106	Other 3	To ensure submission of approved Mid-year Assessment report to Treasury Council to Approve the adjustment budget by 28 Feb 2026	Submission of approved Mid-year Assessment report to Treasury and Coesta by 25 January 2026	To submit approved Mid-year Assessment report to Treasury and Coesta by 25 January 2026	Annually	02/02/2026	25/01/2026	Manager Budget and Financial Reporting/CFO	CFO	Submission report from the system	No	Not Yet Started	Select	N/A	Not yet due	Select	N/A
107	Other 3	To ensure submission of approved Mid-year Assessment report to Treasury Council to Approve the adjustment budget by 28 Feb 2026	Submission of approved Mid-year Assessment report to Treasury and Coesta by 25 January 2026	To submit approved Mid-year Assessment report to Treasury and Coesta by 25 January 2026	Annually	02/02/2026	25/01/2026	Manager Budget and Financial Reporting/CFO	CFO	Submission report from the system	No	Not Yet Started	Select	N/A	Not yet due	Select	N/A

7. Business Process

Other 3	To attend a year end closure procedure Training by System provider (Munsoft);Segment migration and alignment from old version to another) how to process transaction in the period 13,14 and 15 and Segment Validation)	Attend a year end closure procedure Training by System provider (Munsoft);Segment migration and alignment from old version to another) how to process transaction in the period 13,14 and 15 and Segment Validation)	To attend a year end closure procedure Training by System provider (Munsoft);Segment migration and alignment from old version to another) how to process transaction in the period 13,14 and 15 and Segment Validation)	Annually	12/06/2026	13/06/2026	Finance Managers CFO	CFO	Attendance register	No	Not Yet Started	Select				Select	
													N/A	Not yet due			N/A