

MOSES KOTANE LOCAL MUNICIPALITY

NW375



MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT

31 DECEMBER 2025

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Legislative Framework

This report has been prepared in terms of the following enabling legislation:

Municipal Finance Management Act, No. 56 of 2003

Section 72: Mid-year budget and performance assessment

72. (1) The accounting officer of a municipality must by 25 January of each year—

(a) assess the performance of the municipality during the first half of the financial year, taking into account—

- (i) the monthly statements referred to in section 71 for the first half of the financial year;
- (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
- (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
- (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) submit a report on such assessment to—

- (i) the mayor of the municipality;
- (ii) the National Treasury; and
- (iii) the relevant provincial treasury.

72. (2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.

72. (3) The accounting officer must, as part of the review—

- (a) make recommendations as to whether an adjustments budget is necessary; and
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Section 54: Budgetary control and early identification of financial problems

54. (1) On receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must—

- (a) consider the statement or report;
 - (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
 - (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustments budget;
 - (d) issue any appropriate instructions to the accounting officer to ensure—
 - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) that spending of funds and revenue collection proceed in accordance with the budget;
 - (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
 - (f) in the case of a section 72 report, submit the report to the council by 31 January of each year.
- (2) If the municipality faces any serious financial problems, the mayor must—
- (a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include—
 - (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
 - (ii) the tabling of an adjustments budget; or
 - (iii) steps in terms of Chapter 13; and
 - (b) alert the council and the MEC for local government in the province to those problems.
- (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

Municipal Finance Management Act, No. 56 of 2003
Municipal Budgeting and Reporting Regulation Notice 393 of 2009

Section 33: Format of a mid-year budget and performance assessment

33. A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.

Section 34: Publication of mid-year budget and performance assessments

34. (1) Within five working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.

34. (2) The municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the mid-year budget and performance assessment, including –

- (a) Summaries in alternate languages predominant in the community; and
- (b) Information relevant to each ward in the municipality

Section 35: Submission of mid-year budget and performance assessments

35. The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form –

- (a) the mid-year budget and performance assessment by 25 January of each year, and
- (b) any other information relating to the mid-year budget and performance assessment as may be required by the National Treasury.

PART 1: Mid-year Budget and performance assessment

This report has been prepared in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003: Municipal Budget and reporting Regulations, Government Gazette 32141, 17 April 2009.

1) Mayor's Report

In terms of section 72 (1) (a) and 52 (d) of the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA), the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report of such assessment must in terms of section 72 (1) (b) of the Local Government: Municipal Finance Management Act No. 56 of 2003 be submitted to the Executive Mayor, Provincial Treasury and National Treasury.

Once the Mayor has considered the section 72 report, such a report must be submitted to council by the 31 January each year as required in terms of section 54 (f) of the Local Government: Municipal Finance Management Act No. 56 of 2003. The mid-year budget and performance assessment report and supporting tables of Moses Kotane Local Municipality, was also prepared in accordance with the requirements of MFMA and the Municipal Budget and Reporting Regulations.

In order to achieve our goals as set out in our Integrated Development Plan we have to strive for institutional excellence through institutional re-engineering, effective leadership and effective long term development planning. Although there has been significant progress made towards realization of the set performance objectives for the period under review, there are however still a number of challenges that require attention and these include the following:

- State of our infrastructure backlogs and the need to upgrade the existing infrastructure (roads, sewerage and water)
- Unfunded budget
- Low revenue Collection
- Revenue losses due to aging water infrastructure or illegal connections and distribution losses;
- Institutional transformation (National Treasury Reforms)

We believe that having filled all senior managers position will assist the administration of the municipality in effectively exercising adequate and sound financial management of the institution, compliance with financial management norms and standards as well as other aspects of performance reporting.

In conclusion, I am confident that the mid-term performance results as contained in this report sets a tone for overall improved institutional performance results for this financial year and based on these results and the outlook of the remaining term of this financial year.

Cllr: Nketu Nkotswe
Mayor

2) Resolutions

**FOR
ATTENTION**

1. That the Mid-Term Budget and Performance Assessment Report be noted.
2. That the Medium-Term Revenue and Expenditure Framework Budget (MTREF) Adjustment in terms of MFMA Section 28 to be submitted to Council for consideration
3. That the Service Delivery and Budget Implementation Plans (SDBIP) to be submitted to Council for consideration

Council

Council
MM
CFO

Council
MM
PMS
Manager

3. Executive Summary

The purpose of this report is to ensure legislative compliance and also to facilitate accountability to the Moses Kotane Local Municipality Council against the targets that we have set for ourselves for the period 2025/26.

This report is prepared in compliance with Section 72 the Municipal Finance Management Act, 56 of 2003 (MFMA), the purpose of which is to facilitate accountability by the Municipal Manager and his Executive Management Team to the Municipal Council, over the performance of the municipality for the first six months of 2025/2026 financial year.

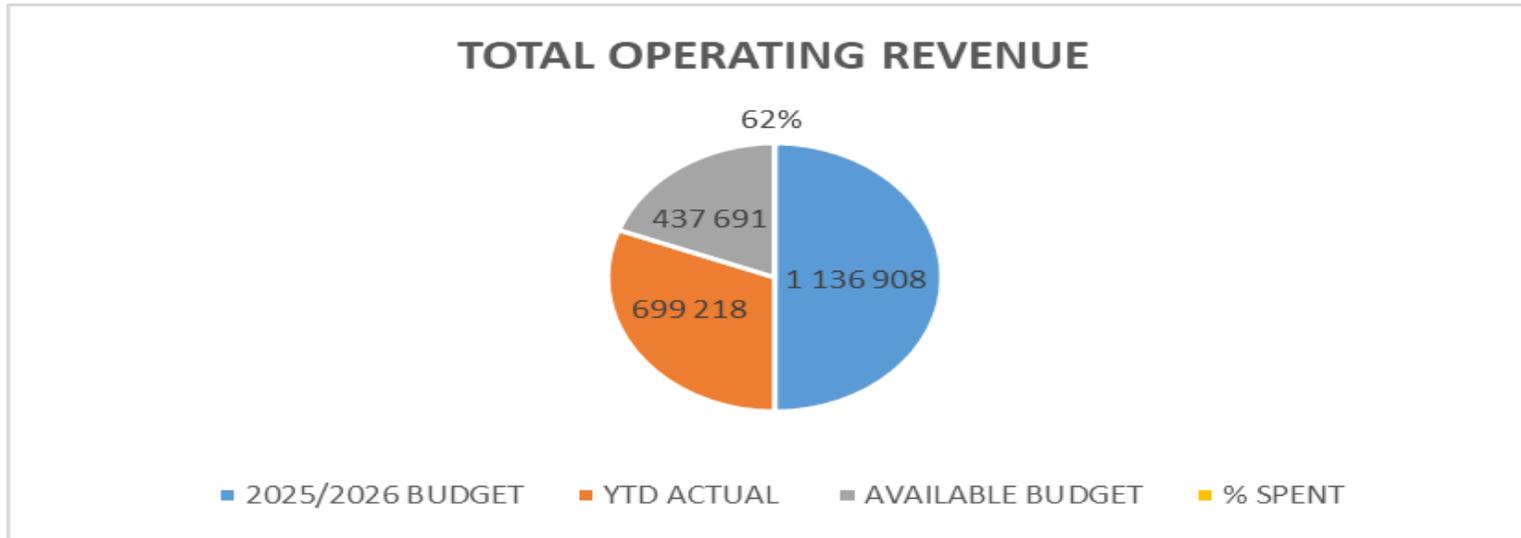
It must be noted that in all instance the tables contained within this report includes the audited outcomes for 2024/2025.

Operating Revenue Summary

The table below reflects operating revenue generated for the first half of the 2025/2026 financial year, which encompasses property rates, services charges, operating grants and other revenue items.

OPERATING REVENUE					
Revenue Sources	2025/26 Budget	Actual	Year to date	Available	% Spent
R'000	DECEMBER 2025				
Property Rates	174 056	14 434	86 553	87 502	50%
Service charges - water revenue	198 188	15 698	91 695	106 493	46%
Service charges - sanitation revenue	5 180	391	1 791	3 389	35%
Service charges - refuse revenue	14 109	1 144	6 945	7 164	49%
Interest earned - external investments	13 097	817	4 364	8 733	33%
Interest earned - outstanding debtors	96 057	7 201	41 777	54 279	43%
Traffic Fines	1 899			1 899	0%
Licence Applications	3 328	42	264	3 065	8%
Transfers recognised - operational	627 463	204 991	464 428	163 035	74%
Rental of facilities and equipment	101		15	86	15%
Other revenue	3 431	217	1 385	2 046	40%
TOTAL REVENUE	1 136 908	244 935	699 218	437 691	62%

Operating Revenue Graph



- a) Revenue generated for the reporting period amount to R699.2 million or 62% against the allocated budget, this is 12% above the expected norm.
- b) The overperformance is attributed to equitable share tranches received in July 2025 and December 2025 respectively.
- c) The property rates, water and refuse have achieved an average of 48% when compared against the budget, while sanitation has underperformed at 35%.
- d) Revenue generated from Interest on Investment has underperformed by 17%, this is due to reduced funds being invested. It must further be noted that the interest on investment is inflation linked.
- e) Non-billing on fines and penalties is due to lack of integration between system utilised at Traffic Unit and the core financial system. A journal will therefore be processed towards the end of the year to account for the revenue generated.
- f) The over performance on transfer and subsidies is due to the grants money which are received as legislated in tranches rather than on equal monthly instalments.

There are no major variances on revenue that requires an adjustment, except for sanitation and rental of facilities.

Revenue collection

The table below reflects actual collection against the billing for property rates and service charges for the reporting period, wherein R186.9 million was billed and only R89.2 million or 48% was received. According to Treasury norms, municipalities are expected to collect at least 95% of the billed revenue. Revenue collection remains a challenge and a threat to the financial sustainability of the municipality.

REVENUE PERFORMANCE AS AT 31 DECEMBER 2025					
	Budget	Billing	Billing/Budget	Actual Receipts	Actual/Billing
RATES	174 056	86 553	50%	29 898	35%
REFUSE	14 109	6 945	49%	186	3%
SANITATION	5 180	1 791	35%	1 308	73%
WATER	198 188	91 695	46%	57 894	63%
Total	391 533	186 985	48%	89 286	48%

Table A: Summary of collection rates

- The levies represent all the amounts billed, including indigent accounts, but excluding prepaid water sales
- The levied amount is net of the free basic amount.
- The payment amount does not include the indigent subsidy, as the free basic services are deducted from the levies.
- If the free basic services amounts are included in the levies and in the payments, the payment level will be slightly higher.

Distribution losses

The norms are set by National Treasury as per MFMA Circular 71- **Uniform Ratios and Norms (January 2014) paragraph B –Distribution losses**

The water loss has decreased from 41% in 2023/24 to 32% in 2024/25 financial year. This is a total decrease of 9% when compared to the preceding year. The total value of the loss amount is R53.5 million.

Operating Expenditure Summary

The table below reflects operating expenditure incurred for the first half of the 2025/2026 financial year.

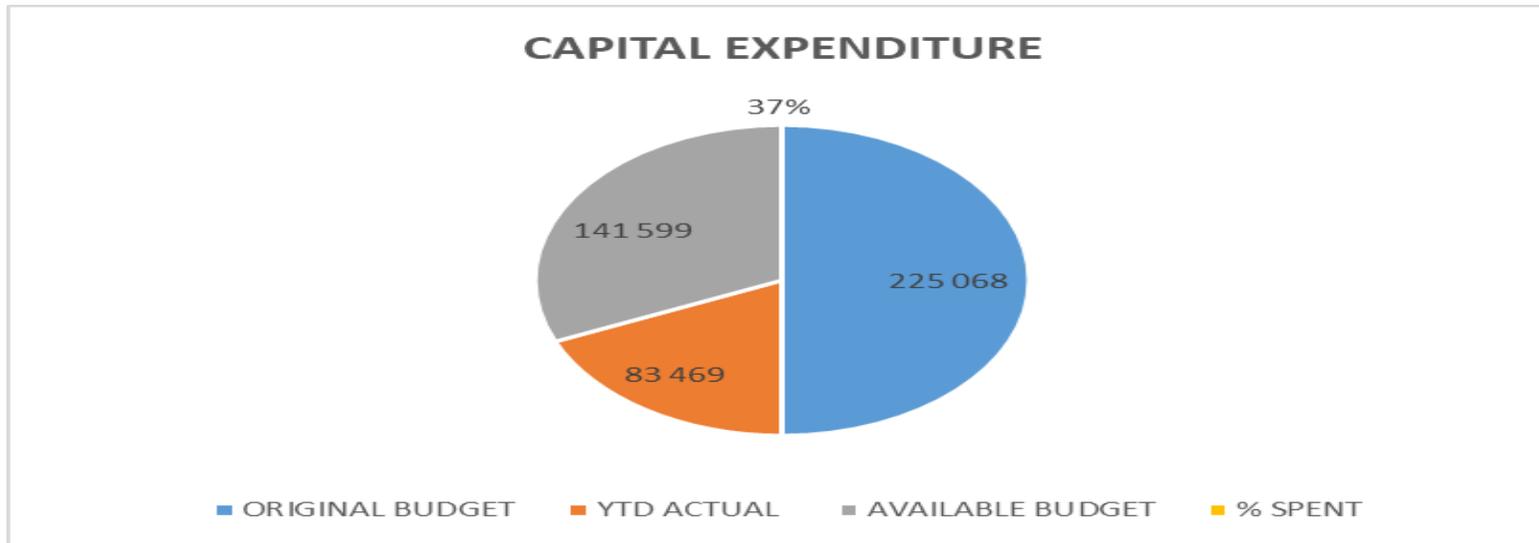
OPERATING EXPENDITURE					
Expenditure Item	2025/26 Budget	Actual	Year to date	Available	% Spent
R'000	DECEMBER 2025				
Employee Related Cost and Allowance of Councillors	405 431	5 181	159 771	245 660	39%
Contracted Services	204 518	30 211	90 891	113 627	44%
Operational Cost	105 455	13 921	44 262	61 193	42%
Inventory	189 153	73 146	93 974	95 179	50%
Bulk Purchases Electricity	46 620	2 493	19 563	27 057	42%
Interest on External Loans	2 597	192	520	2 077	20%
Operating Leases	3 500	–	2 815	685	80%
Debt Impairment	309 909	51 220	51 220	258 689	17%
Irrecoverable debts written off	–	43	1 181	(1 181)	–
Depreciation	186 561	11 160	67 508	119 053	36%
TOTAL EXPENDITURE	1 453 744	187 566	531 706	922 038	37%

- a) Operating expenditure for the reporting period amounts to R531.7 million or 37% when measured against the appropriated budget. This is underperformance of 13% when compared to the target of 50%. Underperformance resulted from understated employee related costs.
- b) Employee related costs, inclusive of councillors remuneration amount to R159.7 or 39% when compared to the budget. Underspensing occurred as a result of a technical glitch experienced during integration of expenditure for the month of December 2025.
- c) Depreciation and debt impairment have underperformed at 36% and 17% respectively. The analysis and calculation for these items are performed at year-end, therefore, the expenditure is reconciled at the end of the year.

Capital Expenditure Summary

The table below reflects capital expenditure for the period ending 31st December 2025.

2025/26 CAPITAL EXPENDITURE - 31 DECEMBER 2025				
(R'000)	ORIGINAL BUDGET	YTD ACTUAL	AVAILABLE BUDGET	% SPENT
CAPITAL EXPENDITURE	225 068	83 469	141 599	37%



The capital expenditure reported for the period under review amounts to R83.4 million or 37% of original budget of R225 million. The expenditure is below the targeted of 45-50% expected by December 2025. The 2025-26 capital budget is fully funded by National grants, wherein underspending is reported on MIG. For the reporting period, MIG and WSIG have spent R47.2 million (27%) and R35.9 million (72%) respectively.

Reasons for underspending are as follows;

- Delays in approval of environmental application from the DEDECT for cemetery and storm water projects which subsequently led to slow progress in project appraisal and registration.
- Delay of submission of technical reports from the consultants on three roads projects (Tlokweng, Mogwase and Welverdiend internal roads). All three projects were appointed in November 2025.
- Stoppages by SMMEs on ongoing projects demanding work packages. The affected projects are Kraalhoek Internal Roads and Replacement of Mogwase Asbestos. The municipality through the appointed social facilitators intervened and resolved all issues and the projects are executed without any interference.

It must be noted that the performance reflected above is VAT inclusive while the spending disclosed in the C-schedule is VAT exclusive. Expenditure for the period under review was mainly incurred on roads projects, followed by water and sanitation. SCM processes, without compromising compliance, will be expedited to ensure that capital grants are fully spent at year end to avoid roll overs or reverting funds to the National coffers.

4. In-Year Budget Statement Tables

4.1 Monthly Budget Statement Summary

NW375 Moses Kotane - 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
R thousands									
Financial Performance									
Property rates	165 035	174 056	174 056	14 434	86 553	87 028	(474)	-1%	174 056
Service charges	211 134	217 477	217 477	17 233	100 431	108 739	(8 307)	-8%	217 477
Investment revenue	13 235	13 097	13 097	817	4 364	6 548	(2 185)	-33%	13 097
Transfers and subsidies - Operational	610 284	627 463	627 463	204 991	464 428	313 731	150 697	0	627 463
Other own revenue	116 770	104 816	104 816	7 460	43 441	52 408	(8 967)	-17%	104 816
Total Revenue (excluding capital transfers and contributions)	1 116 457	1 136 908	1 136 908	244 935	699 218	568 454	130 764	23%	1 136 908
Employee costs	320 836	373 102	373 102	1 049	144 927	186 552	(41 625)	-22%	373 102
Remuneration of Councillors	30 671	32 329	32 329	4 132	14 844	16 165	(1 320)	-8%	32 329
Depreciation and amortisation	135 999	186 561	186 561	11 160	67 508	93 281	(25 772)	-28%	186 561
Interest	4 616	2 597	2 597	192	520	1 299	(778)	-60%	2 597
Inventory consumed and bulk purchases	194 197	235 773	235 773	75 638	113 537	117 887	(4 349)	-4%	235 773
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	608 700	623 382	623 382	95 395	190 369	311 691	(121 322)	-39%	623 382
Total Expenditure	1 295 020	1 453 744	1 453 744	187 566	531 706	726 874	(195 167)	-27%	1 453 744
Surplus/(Deficit)	(178 562)	(316 836)	(316 836)	57 369	167 511	(158 420)	325 931	-206%	(316 836)
Transfers and subsidies - capital (monetary)	215 615	225 068	225 068	40 390	83 260	112 534	###	-26%	225 068
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	37 053	(91 768)	(91 768)	97 759	250 771	(45 886)	296 657	-647%	(91 768)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	37 053	(91 768)	(91 768)	97 759	250 771	(45 886)	296 657	-647%	(91 768)
Capital expenditure & funds sources									
Capital expenditure	48 976	225 068	225 068	37 555	74 074	112 534	(38 460)	-34%	225 068
Capital transfers recognised	47 963	225 068	225 068	37 350	73 865	112 534	(38 669)	-34%	225 068
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	1 014	-	-	205	209	-	209	#DIV/0!	-
Total sources of capital funds	48 976	225 068	225 068	37 555	74 074	112 534	(38 460)	-34%	225 068

Moses Kotane Local Municipality – 2025-2026 Mid-Year Budget and Performance Assessment Report

Financial position									
Total current assets	317 493	264 535	264 535		447 447				264 535
Total non current assets	3 338 908	3 492 726	3 492 726		3 345 474				3 492 726
Total current liabilities	357 366	217 306	217 306		243 114				217 306
Total non current liabilities	51 480	47 989	47 989		51 480				47 989
Community wealth/Equity	3 197 553	3 583 734	3 583 734		3 498 327				3 583 734
Cash flows									
Net cash from (used) operating	741 355	130 142	130 142	151 910	415 483	65 071	(350 412)	-539%	130 142
Net cash from (used) investing	(37 113)	(258 828)	(258 828)	(37 555)	(74 065)	(129 414)	(55 349)	43%	(258 828)
Net cash from (used) financing	(14 817)	(9 987)	(9 987)	(3 614)	(9 014)	(4 994)	4 020	-81%	(9 987)
Cash/cash equivalents at the month/year end	733 012	329 602	329 602	387 970	387 970	398 938	10 969	3%	(83 108)
Debtors & creditors analysis	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									
Total By Income Source	85 252	40 657	40 232	36 485	31 743	31 988	183 948	#####	1 852 698
Creditors Age Analysis									
Total Creditors	2 509	-	-	-	-	-	-	-	2 509

4.1.1 Financial Performance by Functional Classification

NW375 Moses Kotane - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		613 938	629 847	629 847	200 536	475 065	314 923	160 142	51%	629 847
Executive and council		23 620	24 888	24 888	176	24 206	12 444	11 762	95%	24 888
Finance and administration		590 318	604 959	604 959	200 360	450 859	302 479	148 379	49%	604 959
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		17 416	24 435	24 435	627	3 778	12 218	(8 439)	-69%	24 435
Community and social services		12 978	1 208	1 208	100	365	604	(239)	-40%	1 208
Sport and recreation		24	18 000	18 000	485	3 150	9 000	(5 850)	-65%	18 000
Public safety		4 413	5 227	5 227	42	264	2 613	(2 350)	-90%	5 227
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		67 668	92 312	92 312	24 568	42 432	46 156	(3 724)	-8%	92 312
Planning and development		5 684	7 312	7 312	846	2 360	3 656	(1 296)	-35%	7 312
Road transport		61 984	85 000	85 000	23 722	40 072	42 500	(2 428)	-6%	85 000
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		633 051	615 382	615 382	59 595	261 202	307 691	(46 489)	-15%	615 382
Energy sources		6 563	7 000	7 000	—	423	3 500	(3 077)	-88%	7 000
Water management		490 202	468 370	468 370	31 881	131 321	234 185	(102 864)	-44%	468 370
Waste water management		30 492	31 358	31 358	26 570	27 970	15 679	12 291	78%	31 358
Waste management		105 794	108 653	108 653	1 144	101 489	54 327	47 163	87%	108 653
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	1 332 072	1 361 976	1 361 976	285 325	782 478	680 988	101 490	15%	1 361 976
Expenditure - Functional										
<i>Governance and administration</i>		420 732	441 308	441 308	67 171	194 212	220 655	(26 443)	-12%	441 308
Executive and council		109 096	103 912	103 912	9 491	53 264	51 956	1 308	3%	103 912
Finance and administration		305 295	331 088	331 088	57 680	137 625	165 545	(27 919)	-17%	331 088
Internal audit		6 342	6 308	6 308	—	3 322	3 154	168	5%	6 308
<i>Community and public safety</i>		139 239	148 457	148 457	14 312	61 724	74 229	(12 504)	-17%	148 457
Community and social services		43 450	40 717	40 717	2 765	15 909	20 359	(4 449)	-22%	40 717
Sport and recreation		47 605	56 966	56 966	2 987	22 781	28 483	(5 702)	-20%	56 966
Public safety		48 184	50 773	50 773	8 560	23 034	25 387	(2 353)	-9%	50 773
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		65 683	129 969	129 969	3 956	30 434	64 985	(34 551)	-53%	129 969
Planning and development		24 141	55 208	55 208	922	11 180	27 604	(16 424)	-59%	55 208
Road transport		41 542	74 760	74 760	3 033	19 253	37 380	(18 127)	-48%	74 760
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		666 176	730 495	730 495	102 127	243 894	365 248	(121 354)	-33%	730 495
Energy sources		51 358	63 956	63 956	4 457	26 301	31 978	(5 678)	-18%	63 956
Water management		518 638	553 818	553 818	84 075	182 668	276 909	(94 241)	-34%	553 818
Waste water management		38 748	54 288	54 288	2 242	9 255	27 144	(17 889)	-66%	54 288
Waste management		57 432	58 433	58 433	11 353	25 670	29 217	(3 546)	-12%	58 433
<i>Other</i>		3 190	3 516	3 516	—	1 443	1 758	(315)	-18%	3 516
Total Expenditure - Functional	3	1 295 020	1 453 744	1 453 744	187 566	531 706	726 874	(195 167)	-27%	1 453 744
Surplus/ (Deficit) for the year		37 053	(91 768)	(91 768)	97 759	250 771	(45 886)	296 657	-6.465137	(91 768)

4.1.2 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

NW375 Moses Kotane - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Municipal Council		23 620	24 888	24 888	176	24 206	12 444	11 762	94.5%	24 888
Vote 02 - Office Of The Accounting Officer		-	-	-	-	-	-	-	-	-
Vote 03 - Budget And Treasury Office		589 701	604 309	604 309	200 214	450 483	302 154	148 329	49.1%	604 309
Vote 04 - Corporate Services		617	650	650	146	376	325	51	15.6%	650
Vote 05 - Community Services		123 210	133 089	133 089	1 771	105 268	66 544	38 723	58.2%	133 089
Vote 06 - Planning & Development		198	312	312	11	92	156	(65)	-41.4%	312
Vote 07 - Infrastructure & Technical Services		594 726	598 728	598 728	83 007	202 053	299 364	(97 311)	-32.5%	598 728
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 332 072	1 361 976	1 361 976	285 325	782 478	680 988	101 490	14.9%	1 361 976
Expenditure by Vote	1									
Vote 01 - Municipal Council		92 178	85 651	85 651	7 740	47 562	42 825	4 737	11.1%	85 651
Vote 02 - Office Of The Accounting Officer		28 947	30 688	30 688	1 751	11 638	15 344	(3 706)	-24.2%	30 688
Vote 03 - Budget And Treasury Office		185 057	202 483	202 483	50 161	85 015	101 242	(16 227)	-16.0%	202 483
Vote 04 - Corporate Services		101 748	111 629	111 629	7 542	45 517	55 815	(10 298)	-18.5%	111 629
Vote 05 - Community Services		205 815	215 407	215 407	26 415	91 411	107 704	(16 293)	-15.1%	215 407
Vote 06 - Planning & Development		22 492	48 360	48 360	141	9 654	24 180	(14 527)	-60.1%	48 360
Vote 07 - Infrastructure & Technical Services		658 782	759 526	759 526	93 816	240 910	379 763	(138 854)	-36.6%	759 526
Vote 08 -		-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 295 020	1 453 744	1 453 744	187 566	531 706	726 874	(195 167)	-26.9%	1 453 744
Surplus/ (Deficit) for the year	2	37 053	(91 768)	(91 768)	97 759	250 771	(45 886)	296 657	-646.5%	(91 768)

4.1.3 Monthly Budget Statement - Financial Performance – Operating Revenue

NW375 Moses Kotane - 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
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		-	-	-	-	-	(0)	0	-100%	-
Service charges - Water		192 964	198 188	198 188	15 698	91 695	99 094	(7 399)	-7%	198 188
Service charges - Waste Water Management		4 879	5 180	5 180	391	1 791	2 590	(799)	-31%	5 180
Service charges - Waste management		13 292	14 109	14 109	1 144	6 945	7 055	(110)	-2%	14 109
Sale of Goods and Rendering of Services		722	1 418	1 418	16	284	709	(424)	-60%	1 418
Agency services								-		
Interest								-		
Interest earned from Receivables		59 933	60 358	60 358	3 423	19 977	30 179	(10 202)	-34%	60 358
Interest from Current and Non Current Assets		13 235	13 097	13 097	817	4 364	6 548	(2 185)	-33%	13 097
Dividends		-	-	-	-	-	-	-		-
Rent on Land								-		
Rental from Fixed Assets		25	101	101	-	15	50	(35)	-70%	101
Licence and permits		2 588	3 328	3 328	42	264	1 664	(1 401)	-84%	3 328
Special rating levies								-		
Operational Revenue		3 193	2 014	2 014	201	1 101	1 007	94	9%	2 014
Non-Exchange Revenue										
Property rates		165 035	174 056	174 056	14 434	86 553	87 028	(474)	-1%	174 056
Surcharges and Taxes								-		
Fines, penalties and forfeits		1 826	1 899	1 899	-	-	949	(949)	-100%	1 899
Licence and permits								-		
Transfers and subsidies - Operational		610 284	627 463	627 463	204 991	464 428	313 731	150 697	48%	627 463
Interest		36 388	35 698	35 698	3 778	21 800	17 849	3 951	22%	35 698
Fuel Levy								-		
Operational Revenue		-	-	-	-	-	-	-		-
Gains on disposal of Assets		11 863	-	-	-	-	-	-		-
Other Gains		232	-	-	-	-	-	-		-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		1 116 457	1 136 908	1 136 908	244 935	699 218	568 454	130 764	23%	1 136 908

Detailed Revenue Analysis

Total revenue generated for the first half of the financial year amount to R699.2 million. Revenue from Property Rates, Water, Refuse Removal, and Interest are the major sources of revenue for the Municipality, however revenue collection remains a challenge for the municipality due rural nature of the institution.

Revenue for the midterm equates to 62% when compared to the budget, this is 12% higher than the target of 50%. The over performance is attributed to the receipts of equitable shares which is paid in accordance with payment schedule approved by National Treasury.

Of the total amount of revenue generated for the reporting period, 34% relates to own revenue while operational grants contributed 66%. The above table indicates that the municipality relies on government grants to fund its daily operations.

REVENUE PERFORMANCE AS AT 31 DECEMBER 2025					
	Budget	Billing	Billing/Budget	Actual Receipts	Actual/Billing
RATES	174 056	86 553	50%	29 898	35%
REFUSE	14 109	6 945	49%	186	3%
SANITATION	5 180	1 791	35%	1 308	73%
WATER	198 188	91 695	46%	57 894	63%
Total	391 533	186 985	48%	89 286	48%

Property rates, water and refuse have achieved an average 48% while sanitation service charge has underperformed at 35%. This is due to correcting journals that were processed.

Property Rates has billed R86.5 or 50% of the budgeted amount of R174 million, actual collection amount to R29.8 million (35%) of the billed amount for the reporting period, i.e. July – December 2025.

Water revenue reflects billing of 46% (R91.6 million) of the budgeted amount of R198.1. Water revenue has underperformed by 4%, this is mainly due to inconsistent water supply in the area of Mogwase and Madikwe. Actual cash receipts for the reporting period amount to R57.8 million or 63% when compared to the billed amount.

Sanitation service charge has under billed at R1.7 million or 35% against the budgeted amount of R5.1 million. Actual cash receipts amount to R1.3 million (73%) of the billed amount. This item will be considered for adjustment.

Revenue generated from refuse removal service amount to R6.9 million 49% of the appropriated budget of R14.1 million. Actual cash receipts amount to R186 000 or 3% against the billed amount.

The low collection rate on property rates and service charges has a negative impact on the cash flow of the municipality and if this trend of non-payment continues, the municipality will not be in the position to pay all the creditors within the legislated time frame. This will further have an influence on the quality of the service due lack of funds to perform routine maintenance on water infrastructure.

Interest charges on arrear accounts amount to R47.2 million and have performed below the anticipated target by 7% when measured against the budget. This could be an indication that less interest is being charged due to improved collection rate.

Underperformance is further noted on fines and license and permits, these two items are reconciled at the end of the financial year.

A downward adjustment will be considered for rental of facilities which only achieved 15% against the allocated budget of R101 000. Similarly, revenue generated from interest earned on receivables amounts to R4.3 million or 33% when compared to the budget of R13 million. The item will be reviewed during adjustment budget stage. It must also be noted that interest on investments is inflation linked.

Operating revenue have fairly performed in the first six months of the financial year.

4.1.4 Monthly Budget Statement – Financial Performance - Operating Expenditure

NW375 Moses Kotane - 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
R thousands										
Expenditure By Type										
Employee related costs		320 836	373 102	373 102	1 049	144 927	186 552	(41 625)	-22%	373 102
Remuneration of councillors		30 671	32 329	32 329	4 132	14 844	16 165	(1 320)	-8%	32 329
Bulk purchases - electricity		36 173	46 620	46 620	2 493	19 563	23 310	(3 747)	-16%	46 620
Inventory consumed		158 024	189 153	189 153	73 146	93 974	94 577	(602)	-1%	189 153
Debt impairment		314 542	309 909	309 909	51 220	51 220	154 955	(103 735)	-67%	309 909
Depreciation and amortisation		135 999	186 561	186 561	11 160	67 508	93 281	(25 772)	-28%	186 561
Interest		4 616	2 597	2 597	192	520	1 299	(778)	-60%	2 597
Contracted services		165 960	204 518	204 518	30 211	90 891	102 259	(11 368)	-11%	204 518
Transfers and subsidies		-	-	-	-	-	-	-		-
Irrecoverable debts written off		1 641	-	-	43	1 181	-	1 181	#DIV/0!	-
Operational costs		112 564	108 955	108 955	13 355	46 511	54 477	(7 966)	-15%	108 955
Losses on Disposal of Assets		13 469	-	-	-	-	-	-		-
Other Losses		525	-	-	566	566	-	566	#DIV/0!	-
Total Expenditure		1 295 020	1 453 744	1 453 744	187 566	531 706	726 874	(195 167)	-27%	1 453 744
Surplus/(Deficit)		(178 562)	(316 836)	(316 836)	57 369	167 511	(158 420)	325 931	(0)	(316 836)
Transfers and subsidies - capital (monetary allocations)		215 615	225 068	225 068	40 390	83 260	112 534	(29 274)	(0)	225 068
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		37 053	(91 768)	(91 768)	97 759	250 771	(45 886)	296 657	(0)	(91 768)
Income Tax		-	-	-	-	-	-	-		-
Surplus/(Deficit) after income tax		37 053	(91 768)	(91 768)	97 759	250 771	(45 886)	296 657	(0)	(91 768)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-		-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality		37 053	(91 768)	(91 768)	97 759	250 771	(45 886)	296 657	(0)	(91 768)
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-		-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year		37 053	(91 768)	(91 768)	97 759	250 771	(45 886)	296 657	(0)	(91 768)

Detailed Operating Expenditure Analysis

The year to date expenditure as at the midterm amounts to R531.7 million or 37% when compared against the total operating expenditure budget of R1,453 billion. The operating expenditure incurred for the reporting period is 13% below the target of 50% as at the end of December 2025. Amongst others, this is as a result of implementation of cost containment measures, understatement of employee costs due to salaries not being fully integrated from the Payday system. Additionally, debtors and assets were not fully impaired as required.

Current spending patterns on the line items indicates that the municipality as at the midterm is on average, with exception of debt impairment, depreciation and finance costs.

Employee Related Costs (Incl. Councillors remuneration) - as at the mid-year amount to R159.7 million or 39% of the budget. It must be noted that this line item is understated by salaries for December 2025 that could not be fully integrated due to a technical glitch.

Irrecoverable debts written off - The Council has resolved that consumers be provided with incentives with the aim to improve collection rate, a total of R1.1 million have been written off since the resolution was taken. The provision of bad debts is a non-cash item and does not have impact on the cash flow of the municipality. It however gives an indication that the municipality is not performing as expected on revenue collection, the higher the provision, the lower the collection rate. The budget will therefore be provided during the adjustment budget period in February 2026 to avoid incurrence of unauthorized expenditure.

Contracted services – expenditure incurred to date amount to R90.8 million or 44% of the allocated budget. Performance is 6% below the SDBIP target.

Operational Costs - As at the reporting period, operational costs have spent R44.2 million or 42% of the appropriated budget. This is 8% below the 50% target. Underperformance on contracted service and operational costs occurred as a result of implementation of cost containment measures.

Bulk Purchases – Expenditure to date amounts to R19.5 million or 42% when compared to the allocated budget. Expenditure for electricity is consumption bases, high performance is expected during winter months.

Interest / Finance Cost have spent R520 000 or 20%. Budget will be revised as a portion of vehicle lease contract has ended and the long-term loan was settled.

Debt Impairment – Expenditure for the reporting period amount to R51.2 million or 17%. Debt impairment measures the extend of revenue collection for the municipality. It must be noted that debtors for the first half of the year were not fully impaired. A further assessment will be performed as the collection rate remains very low.

Depreciation has spent R67.5 million or 36% of the budget. Similar to debt impairment, assessment will be performed to determine the full depreciation amount. A journals will therefore be processed to rectify this understatement in the next reporting period.

4.1.5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding)

NW375 Moses Kotane - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital Expenditure - Functional Classification										
Governance and administration		678	-	-	205	209	-	209	#DIV/0!	-
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		678	-	-	205	209	-	209	#DIV/0!	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		336	16 000	16 000	422	2 731	8 000	(5 270)	-66%	16 000
Community and social services		336	16 000	16 000	422	2 731	8 000	(5 270)	-66%	16 000
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		3 264	85 000	85 000	21 803	36 021	42 500	(6 479)	-15%	85 000
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		3 264	85 000	85 000	21 803	36 021	42 500	(6 479)	-15%	85 000
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		44 699	124 068	124 068	15 125	35 114	62 034	(26 920)	-43%	124 068
Energy sources		-	7 000	7 000	-	328	3 500	(3 172)	-91%	7 000
Water management		42 171	88 068	88 068	8 647	17 595	44 034	(26 439)	-60%	88 068
Waste water management		-	27 000	27 000	6 478	17 191	13 500	3 691	27%	27 000
Waste management		2 527	2 000	2 000	-	-	1 000	(1 000)	-100%	2 000
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	48 976	225 068	225 068	37 555	74 074	112 534	(38 460)	-34%	225 068
Funded by:										
National Government		47 963	225 068	225 068	37 350	73 865	112 534	(38 669)	-34%	225 068
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		47 963	225 068	225 068	37 350	73 865	112 534	(38 669)	-34%	225 068
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		1 014	-	-	205	209	-	209	#DIV/0!	-
Total Capital Funding		48 976	225 068	225 068	37 555	74 074	112 534	(38 460)	-34%	225 068

NB The amount reflected on the C-Schedule above is VAT exclusive.

The total accumulated capital spending (VAT Inclusive) for the period ended 31st December 2025, amounted **R83.4 million** which is translate to **37%** of the capital budget of **R225 million**. Most spending was recorded on roads, followed by water and sanitation. The capital budget for 2025/26 financial year is fully funded by MIG and WSIG grants. Own funded has procured assets to the value of R209 000 and the budget will be adjusted accordingly to avert unauthorised expenditure.

2025/2026 Grants' Performance

GRANT PERFORMANCE					
31-Dec-25					
DESCRIPTION (R'000)	BUDGET	RECEIVED	CONDITIONS SPEND	% Exp / Budget	% Exp/ Received Amount
EQUITABLE SHARE	615 410	459 844	287 143	47%	62%
MIG CAPITAL PROJECTS	175 068	75 278	47 292	27%	63%
WSIG CAPITAL PROJECTS	50 000	40 000	35 968	72%	90%
FMG GRANT	2 000	2 000	764	38%	38%
EPWP	1 895	1 327	1 213	64%	91%
PMU	7 000	7 000	2 268	32%	32%
LIBRARY	1 158	1 157	338	29%	29%
TOTAL	852 531	586 606	374 987	44%	64%

The percentage is calculated based on the Grants received as well as the budgeted amount. The percentage calculation is based on the Grants as per DORA as well as the funds received

Total conditional grant spending to date amount to R374.9 million or 64% of the received allocation. The total expenditure incurred as at the reporting period accounts for 44% of the appropriated budget. It is must be noted that only WSIG and EPWP grants have surpassed a 50% mark when compared to the allocated budget. Spending on MIG and Library grants are a concern as it has only

spent 27% and 29% respectively. The spending will be expedited in accordance with the approved business plans as underperformance could lead to stopping of funds by the transferring Department. Spending on FMG will be accelerated as the interns only assumed duty in December and the planned training programme for BTO and Internal Audit.

4.1.6 Monthly Budget Statement - Financial Position

NW375 Moses Kotane - 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
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		55 565	619	619	100 104	619
Trade and other receivables from exchange transactions		75 828	121 731	121 731	156 794	121 731
Receivables from non-exchange transactions		96 581	99 947	99 947	111 861	99 947
Current portion of non-current receivables						
Inventory		32 437	23 430	23 430	16 331	23 430
VAT		31 990	13 519	13 519	37 616	13 519
Other current assets		25 092	5 289	5 289	24 741	5 289
Total current assets		317 493	264 535	264 535	447 447	264 535
Non current assets						
Investments		-	-	-	-	-
Investment property		161 643	153 482	153 482	161 643	153 482
Property, plant and equipment		3 164 924	3 326 552	3 326 552	3 172 613	3 326 552
Biological assets						
Living and non-living resources						
Heritage assets		14	14	14	14	14
Intangible assets		12 328	12 678	12 678	11 204	12 678
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets						

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Total non current assets		3 338 908	3 492 726	3 492 726	3 345 474	3 492 726
TOTAL ASSETS		3 656 402	3 757 261	3 757 261	3 792 921	3 757 261
LIABILITIES						
Current liabilities	-					
Bank overdraft		-	-	-	-	-
Financial liabilities		2 703	1 107	1 107	(6 310)	1 107
Consumer deposits		758	605	605	762	605
Trade and other payables from exchange transactions		275 871	209 171	209 171	117 157	209 171
Trade and other payables from non-exchange transactions		9 740	-	-	48 658	-
Provision		59 988	6 423	6 423	57 372	6 423
VAT		8 305	-	-	25 476	-
Other current liabilities		-	-	-	-	-
Total current liabilities		357 366	217 306	217 306	243 114	217 306
Non current liabilities						
Financial liabilities		9 029	603	603	9 029	603
Provision		42 450	47 386	47 386	42 450	47 386
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		51 480	47 989	47 989	51 480	47 989
TOTAL LIABILITIES		408 846	265 295	265 295	294 594	265 295
NET ASSETS	2	3 247 556	3 491 967	3 491 967	3 498 327	3 491 967
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		3 197 553	3 583 734	3 583 734	3 498 327	3 583 734
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	3 197 553	3 583 734	3 583 734	3 498 327	3 583 734

The cash balance of the municipality stood at a favourable balance of R124 million as at the end of the midterm. It must be noted that the municipality is experiencing a challenge with the balance sheet and cash flow reporting, wherein not all bank balances are reflected on the schedule. However, we are currently rectifying all misstatements on our C-Schedule. The process will be concluded by the end of the fourth quarter.

4.1.7 Monthly Budget Statement - Cash Flow

NW375 Moses Kotane - Table C7 Monthly Budget Statement - Cash Flow - 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
R thousands										
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		63 602	90 509	90 509	1 726	29 898	45 255	(15 357)	-34%	90 509
Service charges		27 379	82 666	82 666	14 725	59 388	41 333	18 055	44%	82 666
Other revenue		(357 136)	42 032	42 032	83 579	(214 421)	21 016	(235 438)	-1120%	42 032
Transfers and Subsidies - Operational		604 194	627 463	627 463	203 423	464 328	313 732	150 596	48%	627 463
Transfers and Subsidies - Capital		222 552	225 068	225 068	-	122 278	112 534	9 744	9%	225 068
Interest		21 892	19 678	19 678	1 441	7 154	9 839	(2 685)	-27%	19 678
Dividends								-		
Payments										
Suppliers and employees		158 872	(957 274)	(957 274)	(152 984)	(53 141)	(478 637)	(425 496)	89%	(957 274)
Interest		-	-	-	-	-	-	-		-
Transfers and Subsidies										
NET CASH FROM/(USED) OPERATING ACTIVITIES		741 355	130 142	130 142	151 910	415 483	65 071	(350 412)	-539%	130 142
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		11 863	-	-	-	9	-	9	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(48 976)	(258 828)	(258 828)	(37 555)	(74 074)	(129 414)	(55 340)	43%	(258 828)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(37 113)	(258 828)	(258 828)	(37 555)	(74 065)	(129 414)	(55 349)	43%	(258 828)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		(13 805)	-	-	-	-	-	-		-
Borrowing long term/refinancing		(94)	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		(1)	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		(917)	(9 987)	(9 987)	(3 614)	(9 014)	(4 994)	4 020	-81%	(9 987)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(14 817)	(9 987)	(9 987)	(3 614)	(9 014)	(4 994)	4 020	-81%	(9 987)
NET INCREASE/ (DECREASE) IN CASH HELD		689 425	(138 673)	(138 673)	110 741	332 405	(69 336)			(138 673)
Cash/cash equivalents at beginning:		43 587	468 275	468 275	277 228	55 565	468 275			55 565
Cash/cash equivalents at month/year end:		733 012	329 602	329 602	387 970	387 970	398 938			(83 108)

Due to the challenges highlighted on the statement of Financial Position, the above cash flow statement does not reflect a true cash position of the municipality. The municipality closed the period with a favourable cash balance of R124 million. The municipality is working hand in hand with the system vendor to improve credibility of the information. There is an improvement wherein suppliers and employees have accurately for the first time in December 2025.

5. Debtors' Analysis

NW375 Moses Kotane - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	44 084	20 847	20 510	17 006	12 717	13 879	81 239	678 548	888 829	803 389	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300									-	-	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	23 030	11 021	10 964	10 946	10 384	7 490	44 522	418 977	537 335	492 319	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	872	381	403	372	397	376	2 263	9 395	14 459	12 803	-	-
Receivables from Exchange Transactions - Waste Management	1600	2 620	1 296	1 317	1 315	1 314	1 353	7 317	40 563	57 095	51 863	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700									-	-	-	-
Interest on Arrear Debtor Accounts	1810	14 259	6 960	6 877	6 698	6 591	8 686	47 724	224 731	322 525	294 429	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	-	-
Other	1900	388	152	161	149	340	205	882	30 177	32 455	31 754	-	-
Total By Income Source	2000	85 252	40 657	40 232	36 485	31 743	31 988	183 948	1 402 392	1 852 698	1 686 556	-	-
2024/25 - totals only		140828688	121727548	41121741	41910327	32560007	32417598	175771897	#####	1 634 797	1 331 119	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	16 531	7 846	7 774	8 151	7 917	7 623	44 435	234 827	335 105	302 954	-	-
Commercial	2300	27 186	13 729	12 732	11 387	6 793	4 856	26 823	357 787	461 294	407 646	-	-
Households	2400	41 250	18 981	19 618	16 850	16 847	19 354	112 116	803 964	1 048 980	969 131	-	-
Other	2500	285	101	108	97	186	154	575	5 813	7 320	6 826	-	-
Total By Customer Group	2600	85 252	40 657	40 232	36 485	31 743	31 988	183 948	1 402 392	1 852 698	1 686 556	-	-

- The debtor's age analysis until the month of December 2025 amounts R1.852 billion.
- The total debtors book have increased by R147.6 million or 8% since the beginning of the financial year.
- Credit control measures must be applied strictly throughout the municipality, regardless of the customer type.
- Households and businesses are the most owing customers at 52% and 22% respectively. Organs of state owes R302 million or 16% of the total outstanding debtors.

5.1 Debtors' Book Analysis

The table below reflects the municipality's debtors book trend analysis.

Debtors growth analysis							
Description	Budget Year 2025/26						
R thousands	Jun 25	Jul 25	Aug 25	Sep 25	Oct 25	Nov 25	Dec 25
Debtors Growth Analysis							
Gross debtors balance	1 705 060.00	1 734 755.00	1 749 359.00	1 806 942.00	1 810 232.00	1 832 782.00	1 852 698.00
Net debtor increase / (decrease)	–	29 695.00	14 604.00	57 583.00	3 290.00	22 550.00	19 916.00
Percentage increase (decrease)	–	2%	1%	3%	0%	1%	1%

- a) The gross debtors' book amount to R1.852 billion for the reporting period.
- b) The consumer household are the main contributors to the debtors' book with outstanding balance of R969.1 million.

5.1.1 Debt collection Control

- a) Debt collection control measures must be applied to all household consumers throughout the municipality
- b) The municipality does not have sufficient capacity in the debt management department to manage all the household debt.
- c) The debt management department needs to be further capacitated.
- d) Credit control measures are not effective in all customer category.
- e) The consumption of water and the non-payment for water consumption must be addressed as a matter of urgency.
- f) Most Indigent households used more than the 6kl water that they received free, measures to curb the excess water consumption beyond 6kl must be implemented.

6. Creditors' Analysis

NW375 Moses Kotane - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description R thousands	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100										-	
Bulk Water	0200										-	
PAYE deductions	0300										-	
VAT (output less input)	0400										-	
Pensions / Retirement deductions	0500										-	
Loan repayments	0600										-	
Trade Creditors	0700	2 509	-	-	-	-	-	-	-	-	2 509	12 730
Auditor General	0800										-	
Other	0900										-	
Medical Aid deductions	0950										-	
Total By Customer Type	1000	2 509	-	-	-	-	-	-	-	-	2 509	12 730

The outstanding creditors balance for the reporting period amount to R2.5 million. The total balance is payable to trade creditors and is due for 30 days. The municipality takes cognisance of MFMA Section 65 (2) (e) which requires that the invoices be paid within 30 days of receipt,

7. Investment Portfolio analysis

The table below reflects a summary of investments for the first six months of the 2025/2026 financial year.

INVESTMENTS MOSES KOTANE 2025/2026							
SUMMARY OF INVESTMENTS							
ACCOUNT	TYPE OF	BALANCE	BANK	DEPOSIT	INTEREST	WITHDREW	BALANCE
NUMBER	INVESTMENT	01/07/2025	CHARGES		CAPITALIZED		31/12/2025
228810957(002)	CALL MKLM MAIN STANDARD BANK	930 171.04	0.00	0.00	31 327.60	0.00	961 498.64
2062250801	12 MONTHS CEDED ESCOM	502 452.95	0.00	0.00	45 845.73	0.00	548 298.68
228810957(004)	CALL - MIG STANDARD BANK	127 083.00	0.00	102 278 000.00	940 769.55	66 350 280.00	36 995 572.55
228810957(003)	CALL WSIG GRANT	4 138 235.83	0.00	40 000 000.00	724 851.99	34 595 882.47	10 267 205.35
228810957(001)	CALL FLEET	411 345.49	0.00	0.00	13 747.29	0.00	425 092.78
BALANCE		6 109 288.31	0.00	142 278 000.00	1 756 542.16	100 946 162.47	49 197 668.00

The municipality’s investments amount to R49.1 million for the period under review. Investments are made in accordance with Municipal Investment Regulations.

8. Allocation and grant receipts and expenditure

Table SC6 Monthly Budget Statement - transfers and grant receipts

NW375 Moses Kotane - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - 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
R thousands										
RECEIPTS:	1,2									
-										
Operating Transfers and Grants										
National Government:		608 679	626 305	626 305	204 892	464 090	313 152	150 937	48.2%	626 305
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-		-
Equitable Share		600 070	615 410	615 410	203 423	459 844	307 705	152 139	49.4%	615 410
Expanded Public Works Programme Integrated Grant		1 124	1 895	1 895	176	1 213	947	266	28.0%	1 895
Local Government Financial Management Grant		2 000	2 000	2 000	459	764	1 000	(236)	-23.6%	2 000
Municipal Disaster Relief Grant		-	-	-	-	-	-	-		-
Municipal Infrastructure Grant	3	5 486	7 000	7 000	834	2 268	3 500	(1 232)	-35.2%	7 000
Other transfers and grants [insert description]										
Provincial Government:		1 604	1 158	1 158	99	338	579	(241)	-41.6%	1 158
Capacity Building and Other Grants		1 604	1 158	1 158	99	338	579	(241)	-41.6%	1 158
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-		-
National Library South Africa		-	-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	610 284	627 463	627 463	204 991	464 428	313 731	150 697	48.0%	627 463

Capital Transfers and Grants										
National Government:		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
District Municipality:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Other grant providers:		-	-	-	-	-	-	-	-	-
<i>[insert description]</i>										
Total Capital Transfers and Grants	5	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	610 284	627 463	627 463	204 991	464 428	313 731	150 697	48.0%	627 463

Table SC8 Council and Staff Benefits

NW375 Moses Kotane - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		23 040	23 864	23 864	3 817	12 931	11 932	999	8%	23 864
Pension and UIF Contributions		3 209	3 322	3 322	(6)	(37)	1 661	(1 698)	-102%	3 322
Medical Aid Contributions		289	314	314	(3)	(21)	157	(178)	-113%	314
Motor Vehicle Allowance		-	-	-	-	-	-	-	-	-
Cellphone Allowance		3 173	3 204	3 204	259	1 559	1 602	(43)	-3%	3 204
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		959	1 625	1 625	66	412	812	(400)	-49%	1 625
Sub Total - Councillors		30 671	32 329	32 329	4 132	14 844	16 165	(1 320)	-8%	32 329
% increase	4		5.4%	5.4%						5.4%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	2 958	9 950	9 950	-	988	4 975	(3 986)	-80%	9 950
Pension and UIF Contributions		617	1 774	1 774	-	35	887	(852)	-96%	1 774
Medical Aid Contributions		-	165	165	-	-	82	(82)	-100%	165
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		238	281	281	-	96	140	(44)	-31%	281
Motor Vehicle Allowance		541	541	541	-	225	271	(45)	-17%	541
Cellphone Allowance		-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		0	1	1	-	0	1	(1)	-98%	1

Moses Kotane Local Municipality – 2025-2026 Mid-Year Budget and Performance Assessment Report

Sub Total - Senior Managers of Municipality		4 354	12 711	12 711	-	1 345	6 356	(5 011)	-79%	12 711
% increase	4		191.9%	191.9%						191.9%
Other Municipal Staff										
Basic Salaries and Wages		213 589	245 997	245 997	754	98 273	122 999	(24 725)	-20%	245 997
Pension and UIF Contributions		39 416	47 739	47 739	278	19 549	23 870	(4 320)	-18%	47 739
Medical Aid Contributions		17 688	21 559	21 559	17	7 803	10 779	(2 977)	-28%	21 559
Overtime		18 552	18 420	18 420	-	8 947	9 210	(263)	-3%	18 420
Performance Bonus		14 977	18 204	18 204	-	5 954	9 102	(3 148)	-35%	18 204
Motor Vehicle Allowance		770	1 193	1 193	-	338	596	(259)	-43%	1 193
Cellphone Allowance								-		
Housing Allowances		853	901	901	-	399	451	(52)	-11%	901
Other benefits and allowances		3 982	5 123	5 123	-	1 704	2 561	(857)	-33%	5 123
Payments in lieu of leave		4 035	-	-	-	-	-	-		-
Long service awards		1 079	-	-	-	-	-	-		-
Post-retirement benefit obligations	2	-	-	-	-	-	-	-		-
Entertainment								-		
Scarcity								-		
Acting and post related allowance		1 542	1 255	1 255	-	615	627	(12)	-2%	1 255
In kind benefits								-		
Sub Total - Other Municipal Staff		316 482	360 391	360 391	1 049	143 582	180 196	(36 614)	-20%	360 391
% increase	4		13.9%	13.9%						13.9%
Total Parent Municipality		351 507	405 431	405 431	5 181	159 771	202 717	(42 945)	-21%	405 431
TOTAL SALARY, ALLOWANCES & BENEFITS		351 507	405 431	405 431	5 181	159 771	202 717	(42 945)	-21%	405 431
% increase	4		15.3%	15.3%						15.3%
TOTAL MANAGERS AND STAFF		320 836	373 102	373 102	1 049	144 927	186 552	(41 625)	-22%	373 102

- a) Employee cost as at December 2025 amount R144.9 million which represents 39% of the administration salary budget.
- b) Councillors remuneration as at the midterm amount to R14.8 million which represents 46% of the remuneration budget.
- c) The average staff complements in terms of Moses Kotane LM Payroll and HR administrative records totals to **645**, this number exclude councillors and temporary employee.

Overtime analysis

The schedule below is an analysis of the overtime for the period of **December 2025 per Department.**

2025-26 OVERTIME EXPENDITURE									
Department (R'000)	Budget	Quarter 1	Oct-25	Nov-25	Dec-25	Quarter 2	YTD	% to date	% Per Dept.
INFRASTRUCTURE	10 527	3 041	912	1 103	–	2 015	5 056	48%	57%
COMMUNITY SERVICES	2 983	1 207	323	293	–	616	1 823	61%	21%
CORPORATE SERVICES	2 809	867	243	206	–	449	1 316	47%	15%
BTO	1 051	351	58	124	–	182	533	51%	6%
COUNCIL GENERAL	82	28	9	–	–	9	37	45%	0%
MUNICIPAL MANAGER	56	37	23	–	–	23	60	107%	1%
LED	74	–	3	5	–	9	9	11%	0%
TOTAL	17 582	5 531	1 572	1 730	–	3 302	8 834	50%	100%

The table above indicates that the departments have spent a total of R8.8 million for the reporting period, wherein the Municipal Manager’s office have overspent by 7%. The overtime report is reported to Council on a quarterly basis as required by Municipal Cost Containment Regulation.

9. Material variances to the service delivery and budget implementation plan

NW375 Moses Kotane - Supporting Table SC1 Material variance explanations - M06 December

Ref	Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
	R thousands			
1	Revenue			
	Transfers and subsidies	48%	Receipt of Equitable share firanches	Budget will be corrected during adjustment budget phase to align with the payment schedule.
	Interest on current & non current assets	-33%	Reduced Bank balances - inflation linked	Adjustment budget will be considered.
	Fines	-100%	Lack of seamless integration between the two systems	A journal will be processed at the end of the year to account for the revenue derived from issuing
	Sanitation	-31%	Correction journal processed to rectify debtors accounts	Adjustment budget will be considered.
2	Expenditure By Type			
	Interrest - finance cost	-60%	Portion of Vehicle lease end in September	Budget will be revised accordingly
	Debt Impairment and Depreciation		Debtors and assets were not fully impaired	Calculation will be performed and a journal will be processed to the system.
	Irrecoverable debt	100%	No budget was allocated for the item.	Budget will be allocated during adjustment period budget to avoid unauthorised expenditure.
3				
4	Financial Position			
	Cash		Not all the bank accounts balances are included on C6.	The system vendor is bening engaged to assist with the mapping to rectify the discrepancy.
5	Cash Flow			
	Payment to suppliers and employees		Incorrect mapping of vote numbers	Current month imapped accurately. Year to date will be verified and corrected.
	Other revenue and opening balance			
6	Measureable performance			
7	Municipal Entities			

NW375 Moses Kotane - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December 2025

NW375 Moses Kotane - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M06 December

Description	Ref	Budget Year 2025/26												2025/26 Medium Term Revenue & Expenditure Framework		
		July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands	1															
Cash Receipts By Source																
Property rates		1 562	14 915	6 600	4 244	850	1 726	7 542	7 542	7 542	7 542	7 542	22 899	90 509	94 801	99 027
Service charges - Electricity revenue																
Service charges - Water revenue		(7 640)	(6 003)	(35 982)	86 395	6 812	14 311	6 326	6 326	6 326	6 326	6 326	(13 608)	75 918	81 205	82 705
Service charges - Waste Water Management		206	140	149	353	69	389	164	164	164	164	164	(159)	1 968	2 101	2 131
Service charges - Waste Management		47	54	16	22	23	24	398	398	398	398	398	2 602	4 780	4 984	5 105
Rental of facilities and equipment		3	4	1	3	4	—	8	8	8	8	8	44	101	103	103
Interest earned - external investments		206	1 030	1 387	701	222	817	1 091	1 091	1 091	1 091	1 091	3 276	13 097	13 482	13 921
Interest earned - outstanding debtors		345	829	640	261	91	623	548	548	548	548	548	1 049	6 582	11 890	14 496
Dividends received																
Fines, penalties and forfeits		29	14	8	9	32	64	30	30	30	30	30	54	361	377	386
Licences and permits		29	49	49	57	37	42	277	277	277	277	277	1 678	3 328	3 478	3 628
Agency services																
Transfers and Subsidies - Operational		256 421	2 474	—	1 157	853	203 423	52 289	52 289	52 289	52 289	52 289	(98 308)	627 463	641 339	671 243
Other revenue		(328 326)	22 198	49 739	(88 672)	46 732	83 473	3 187	3 187	3 187	3 187	3 187	237 165	38 242	41 234	43 237
Cash Receipts by Source		(77 117)	35 705	22 608	4 530	55 727	304 893	71 862	156 690	862 348	894 994	935 982				
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		60 434	—	—	15 000	46 844	—	18 756	18 756	18 756	18 756	18 756	9 012	225 068	243 443	255 796
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)																
Proceeds on Disposal of Fixed and Intangible Assets		—	—	—	9	—	—	—	—	—	—	—	(9)	—	—	—
Short term loans		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Increase (decrease) in consumer deposits		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
VAT Control (receipts)		—	—	—	—	—	—	2 907	2 907	2 907	2 907	2 907	20 350	34 886	37 734	39 648
Decrease (increase) in non-current receivables		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Decrease (increase) in non-current investments		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Receipts by Source		(16 683)	35 705	22 608	19 539	102 571	304 893	93 525	186 043	1 122 302	1 176 170	1 231 427				
Cash Payments by Type																
Employee related costs		335	100	(305)	656	(4 701)	5 390	31 092	31 092	31 092	31 092	31 092	216 168	373 102	390 640	411 851
Remuneration of councillors		(107)	36	(111)	(102)	(529)	353	2 694	2 694	2 694	2 694	2 694	19 319	32 329	33 633	34 925
Interest		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Bulk purchases - Electricity		1 582	453	20	1 293	59	284	3 885	3 885	3 885	3 885	3 885	23 504	46 620	48 252	49 458
Acquisitions - water & other inventory		51 589	—	—	—	—	—	13 763	13 763	13 763	13 763	13 763	44 750	165 153	181 669	205 285
Contracted services		—	—	—	—	—	89 748	—	—	—	—	—	(89 748)	—	—	—
Transfers and subsidies - other municipalities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - other		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other expenditure		(216 109)	49 256	18 272	17 768	(26 032)	53 686	28 339	28 339	28 339	28 339	28 339	301 534	340 070	337 017	343 480
Cash Payments by Type		(162 711)	49 846	17 875	19 615	(31 204)	149 461	79 773	515 528	957 274	991 210	1 045 000				
Other Cash Flows/Payments by Type																
Capital assets		—	9 248	7 238	20 029	4	37 555	21 569	21 569	21 569	21 569	21 569	76 909	258 828	279 959	294 165
Repayment of borrowing		—	—	—	4 498	901	3 614	832	832	832	832	832	(3 188)	9 987	1 109	603
Other Cash Flows/Payments		—	1 035	4 722	—	980	3 523	—	—	—	—	—	(10 259)	—	—	—
Total Cash Payments by Type		(162 711)	60 129	29 835	44 142	(29 319)	194 152	102 174	578 991	1 226 089	1 272 279	1 339 768				
NET INCREASE/(DECREASE) IN CASH HELD		146 028	(24 424)	(7 227)	(24 603)	131 890	110 741	(8 649)	(392 947)	(103 787)	(96 108)	(108 341)				
Cash/cash equivalents at the month/year beginning:		55 565	201 593	177 169	169 942	145 338	277 228	387 970	379 321	370 672	362 023	353 374	344 725	55 565	(48 223)	(144 331)
Cash/cash equivalents at the month/year end:		201 593	177 169	169 942	145 338	277 228	387 970	379 321	370 672	362 023	353 374	344 725	(48 223)	(48 223)	(144 331)	(252 672)

10. Capital Programme Performance

Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M06 December

NW375 Moses Kotane - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - 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
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		44 699	84 100	84 100	13 003	22 805	42 050	19 245	45.8%	84 100
Roads Infrastructure		-	1 500	1 500	-	-	750	750	100.0%	1 500
Roads		-	1 500	1 500	-	-	750	750	100.0%	1 500
Road Structures		-	-	-	-	-	-	-		-
Road Furniture		-	-	-	-	-	-	-		-
Attenuation		-	-	-	-	-	-	-		-
Electrical Infrastructure		-	7 000	7 000	-	328	3 500	3 172	90.6%	7 000
LV Networks		-	7 000	7 000	-	328	3 500	3 172	90.6%	7 000
Capital Spares		-	-	-	-	-	-	-		-
Water Supply Infrastructure		42 171	63 600	63 600	8 561	15 124	31 800	16 676	52.4%	63 600
Dams and Weirs		-	-	-	-	-	-	-		-
Boreholes		-	-	-	-	-	-	-		-
Reservoirs		-	-	-	-	-	-	-		-
Pump Stations		-	-	-	-	-	-	-		-
Water Treatment Works		23 598	-	-	-	-	-	-		-
Bulk Mains		-	9 000	9 000	3 069	7 261	4 500	(2 761)	-61.3%	9 000
Distribution		18 573	39 600	39 600	4 705	7 076	19 800	12 724	64.3%	39 600
Distribution Points		-	15 000	15 000	787	787	7 500	6 713	89.5%	15 000
Sanitation Infrastructure		-	10 000	10 000	4 441	7 353	5 000	(2 353)	-47.1%	10 000
Waste Water Treatment Works		-	10 000	10 000	4 441	7 353	5 000	(2 353)	-47.1%	10 000
Solid Waste Infrastructure		2 527	2 000	2 000	-	-	1 000	1 000	100.0%	2 000
Landfill Sites		2 527	2 000	2 000	-	-	1 000	1 000	100.0%	2 000
Furniture and Office Equipment		678	-	-	205	209	-	(209)	#DIV/0!	-
Furniture and Office Equipment		678	-	-	205	209	-	(209)	#DIV/0!	-
Transport Assets		336	-	-	-	-	-	-		-
Transport Assets		336	-	-	-	-	-	-		-
Total Capital Expenditure on new assets	1	45 712	84 100	84 100	13 207	23 014	42 050	19 037	45.3%	84 100

Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M06 December

NW375 Moses Kotane - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	15,000	15,000	6,847	6,847	7,500	653	8.7%	15,000
Roads Infrastructure		-	15,000	15,000	6,847	6,847	7,500	653	8.7%	15,000
Roads		-	15,000	15,000	6,847	6,847	7,500	653	8.7%	15,000
Libraries		-						-		
Cemeteries/Crematoria		-	4,468	4,468	-	-	2,234	2,234	100.0%	4,468
Unimproved Property		-						-		
Other assets		-	2,000	2,000	-	-	1,000	1,000	100.0%	2,000
Operational Buildings		-	2,000	2,000	-	-	1,000	1,000	100.0%	2,000
Laboratories		-						-		
Training Centres		-	2,000	2,000	-	-	1,000	1,000	100.0%	2,000
Policing and Protection		-						-		
Zoological plants and animals		-						-		
Total Capital E	1	-	21,468	21,468	6,847	6,847	10,734	3,887	36.2%	21,468

Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06 December

NW375 Moses Kotane - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M06

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		48 930	65 374	65 374	6 936	29 078	32 687	3 609	11.0%	65 374
Roads Infrastructure		394	3 300	3 300	215	215	1 650	1 436	87.0%	3 300
<i>Roads</i>		394	3 000	3 000	215	215	1 500	1 286	85.7%	3 000
<i>Road Furniture</i>		–	300	300	–	–	150	150	100.0%	300
Electrical Infrastructure		375	100	100	–	–	50	50	100.0%	100
<i>LV Networks</i>		375	100	100	–	–	50	50	100.0%	100
Water Supply Infrastructure		29 963	36 500	36 500	4 260	22 361	18 250	(4 111)	-22.5%	36 500
<i>Reservoirs</i>		–	6 500	6 500	–	–	3 250	3 250	100.0%	6 500
<i>Water Treatment Works</i>		29 963	30 000	30 000	4 260	22 361	15 000	(7 361)	-49.1%	30 000
Sanitation Infrastructure		5 029	2 000	2 000	311	578	1 000	422	42.2%	2 000
<i>Waste Water Treatment Works</i>		5 029	2 000	2 000	311	578	1 000	422	42.2%	2 000
Solid Waste Infrastructure		13 169	23 474	23 474	2 150	5 925	11 737	5 812	49.5%	23 474
<i>Landfill Sites</i>		13 169	23 474	23 474	2 150	5 925	11 737	5 812	49.5%	23 474
Community Assets		30	350	350	2	4	175	171	97.5%	350
Community Facilities		–	100	100	–	–	50	50	100.0%	100
<i>Cemeteries/Crematoria</i>		–	100	100	–	–	50	50	100.0%	100
Sport and Recreation Facilities		30	250	250	2	4	125	121	96.5%	250
<i>Outdoor Facilities</i>		30	250	250	2	4	125	121	96.5%	250
Other assets		6 468	8 600	8 600	1 693	3 756	4 300	544	12.7%	8 600
Operational Buildings		6 468	8 600	8 600	1 693	3 756	4 300	544	12.7%	8 600
<i>Municipal Offices</i>		6 468	8 600	8 600	1 693	3 756	4 300	544	12.7%	8 600
Intangible Assets		7 125	9 000	9 000	1 165	1 962	4 500	2 538	56.4%	9 000
Licences and Rights		7 125	9 000	9 000	1 165	1 962	4 500	2 538	56.4%	9 000
<i>Computer Software and Applications</i>		7 125	9 000	9 000	1 165	1 962	4 500	2 538	56.4%	9 000
Computer Equipment		34	50	50	–	2	25	23	91.3%	50
Computer Equipment		34	50	50	–	2	25	23	91.3%	50
Machinery and Equipment		–	100	100	–	–	50	50	100.0%	100
Machinery and Equipment		–	100	100	–	–	50	50	100.0%	100
Transport Assets		3 775	14 750	14 750	2 275	5 392	7 375	1 983	26.9%	14 750
Transport Assets		3 775	14 750	14 750	2 275	5 392	7 375	1 983	26.9%	14 750
Total Repairs and Maintenance Expenditure	1	66 362	98 224	98 224	12 071	40 194	49 112	8 918	18.2%	98 224

Table SC13d Monthly Budget Statement - depreciation by asset class - M06 December

NW375 Moses Kotane - Supporting Table SC13d Monthly Budget Statement - depreciation by asset class - 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
R thousands	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		104 019	141 156	141 156	8 323	49 940	70 578	20 638	29.2%	141 156
Roads Infrastructure		34 881	53 345	53 345	2 234	13 403	26 672	13 269	49.7%	53 345
<i>Roads</i>		34 881	53 345	53 345	2 234	13 403	26 672	13 269	49.7%	53 345
Storm water Infrastructure		5 019	5 927	5 927	423	2 540	2 963	423	14.3%	5 927
<i>Drainage Collection</i>		5 019	5 927	5 927	423	2 540	2 963	423	14.3%	5 927
Electrical Infrastructure		3 724	4 251	4 251	312	1 871	2 125	255	12.0%	4 251
<i>Power Plants</i>		3 724	4 251	4 251	312	1 871	2 125	255	12.0%	4 251
Water Supply Infrastructure		57 599	74 316	74 316	5 101	30 607	37 158	6 551	17.6%	74 316
<i>Dams and Weirs</i>		6	–	–	–	–	–	–		–
<i>Distribution</i>		57 593	74 316	74 316	5 101	30 607	37 158	6 551	17.6%	74 316
Sanitation Infrastructure		2 134	2 542	2 542	179	1 072	1 271	199	15.6%	2 542
<i>Waste Water Treatment Works</i>		2 134	2 542	2 542	179	1 072	1 271	199	15.6%	2 542
Solid Waste Infrastructure		662	776	776	74	447	388	(59)	-15.2%	776
<i>Landfill Sites</i>		662	776	776	74	447	388	(59)	-15.2%	776
Community Assets		16 647	24 672	24 672	1 384	8 302	12 336	4 034	32.7%	24 672
Community Facilities		16 647	24 672	24 672	1 384	8 302	12 336	4 034	32.7%	24 672
<i>Halls</i>		14 681	20 772	20 772	1 220	7 319	10 386	3 067	29.5%	20 772
<i>Centres</i>		1 966	3 899	3 899	164	983	1 950	967	49.6%	3 899
Other assets		6 190	8 288	8 288	518	3 106	4 144	1 038	25.0%	8 288
Operational Buildings		6 190	8 288	8 288	518	3 106	4 144	1 038	25.0%	8 288
<i>Municipal Offices</i>		6 190	8 288	8 288	518	3 106	4 144	1 038	25.0%	8 288
Intangible Assets		2 244	2 856	2 856	189	1 124	1 428	305	21.3%	2 856
Licences and Rights		2 244	2 856	2 856	189	1 124	1 428	305	21.3%	2 856
<i>Computer Software and Applications</i>		2 244	2 856	2 856	189	1 124	1 428	305	21.3%	2 856
Furniture and Office Equipment		2 295	3 071	3 071	259	1 537	1 536	(1)	-0.1%	3 071
Furniture and Office Equipment		2 295	3 071	3 071	259	1 537	1 536	(1)	-0.1%	3 071
Machinery and Equipment		219	305	305	16	104	153	49	31.9%	305
Machinery and Equipment		219	305	305	16	104	153	49	31.9%	305
Transport Assets		4 385	6 212	6 212	471	3 396	3 106	(290)	-9.3%	6 212
Transport Assets		4 385	6 212	6 212	471	3 396	3 106	(290)	-9.3%	6 212
Total Depreciation	1	135 999	186 561	186 561	11 160	67 508	93 281	25 772	27.6%	186 561

**Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M06
December**

NW375 Moses Kotane - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		3,264	105,500	105,500	17,079	41,483	52,750	11,267	21.4%	105,500
Roads Infrastructure		3,264	68,500	68,500	14,956	29,173	34,250	5,077	14.8%	68,500
<i>Roads</i>		3,264	68,500	68,500	14,956	29,173	34,250	5,077	14.8%	68,500
Water Supply Infrastructure		–	20,000	20,000	86	2,472	10,000	7,528	75.3%	20,000
<i>Bulk Mains</i>		–	20,000	20,000	86	2,472	10,000	7,528	75.3%	20,000
Sanitation Infrastructure		–	17,000	17,000	2,037	9,837	8,500	(1,337)	-15.7%	17,000
<i>Reticulation</i>		–	–	–	–	–	–	–		–
<i>Waste Water Treatment Works</i>		–	17,000	17,000	2,037	9,837	8,500	(1,337)	-15.7%	17,000
Community Assets		–	14,000	14,000	422	2,731	7,000	4,269	61.0%	14,000
Community Facilities		–	14,000	14,000	422	2,731	7,000	4,269	61.0%	14,000
<i>Cemeteries/Crematoria</i>		–	14,000	14,000	422	2,731	7,000	4,269	61.0%	14,000
<i>Policing and Protection</i>								–		
<i>Zoological plants and animals</i>								–		
Total Capital Expenditure	1	3,264	119,500	119,500	17,501	44,213	59,750	15,537	26.0%	119,500

Quality Certificate

I, **M.V Letsoalo** the Municipal Manager of **Moses Kotane Local Municipality**, hereby certify that:

The Mid-Year Budget and Performance Assessment Report for the period 1 July 2025 to 31 December 2025 have been prepared in accordance with the Municipal Finance Management Act, No. 56 of 2003 and Municipal Budget and Reporting Regulations Notice 393 of 2009.

Mr MV Letsoalo

Municipal Manager

Moses Kotane Local Municipality, NW375

