

TSWELOPELE LOCAL MUNICIPALITY (FS 183)
CIVIC CENTRE, BOSMAN STREET
BULTFONTEIN, 9670
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2025-2026

MID-YEAR ASSESSMENT REPORT

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1. Introduction

The mid-year assessment is a report prepared in terms of Municipal Finance Management Act, 56 of 2003, section 72 which states that the Accounting Officer of the municipality must perform mid-year budget and performance assessment. In this report, the municipal performance for the past six months has been incorporated together in order to determine where the municipality is standing with regard to the budget implementation as at the mid-financial year. This report must subsequently be submitted to the Mayor, National and Provincial Treasury.

National Treasury issued government gazette: 37577 (Regulations on Municipal Standard Chart of Accounts [MSCOA]), this government gazette was issued in 2014. The main purpose of this regulation was to standardize the way municipalities transact and report. Prior to the introduction of MSCOA, municipalities across the country had different chart of accounts and this was problematic to National Treasury and the users of municipal financial information (i.e. potential investors) as it made the task of comparing and reporting on municipal data to be impractical.

The municipal financial reforms started in 2009, with the introduction of Municipal Budget and Reporting Regulations (MBRR), same as the mSCOA regulations, these Budget regulations standardized how municipalities prepares their budget. As per government gazette 37577, all Municipalities had to fully comply with the requirement of these regulations by the 01 July 2017. This meant that, all transactions needed to be captured using MSCOA seven (7) segments.

National Treasury introduced a reporting channel called GoMuni portal, where all municipalities are expected to upload monthly, quarterly, bi-annual and annual reports. These reports are uploaded in different formats. Financial performance reports are mainly reported in the form of data strings extracted directly from the municipal financial system. This reporting is in line with the mSCOA regulations. Tswelopele municipality has maintained compliance with the mSCOA regulations by submitting credible data strings timeously, however, the municipality is still faced with minor mSCOA implementation challenges that arise due to new enhancements that are introduced by the enhancements to the mSCOA regulations. These challenges are tackled on a month-to-month basis in assistance with the Provincial Treasury and the municipality's system provider - Munsoft.

This report is prepared in accordance with Section 72 of the Municipal Finance Management Act (MFMA), and the summary of monthly performance is presented together with budget comparison to give indication of the municipality's current financial state.

2. Revenue Analysis

The section below highlights revenue analysis of the municipality for the first half of the financial year, with special focus on the following:

2.1. Budgeting

Tswelopele Local Municipality's budget was approved on the 29th of May 2025 and thus the budget was implemented with effect from the 1st of July 2025. The total budgeted operational revenue amount to R 332 million comprising mainly of the grants and subsidies, service charges and property rates and a total budgeted amount of R 41.2 million for capital revenue.

The approved budget of the municipality was assessed by the National Treasury to determine its credibility and funding. For the 2025/2026 MTREF, the budget of the municipality was found to be credible and funded. However, the budget is not sustainable, due to issues such as, amongst others the ESKOM long outstanding debt.

The municipality has voluntarily developed and implemented a financial recovery plan for the municipality in attempt to aid the sustainability of the budget and enhance revenue.

Additionally, the municipality appointed a debt collector through the National Treasury RT 27 Transversal contract in March 2025. The services of the debt collector should aid the municipality in collection of the long outstanding debt from the debtors.

The main tasks of the debt collector are to assist the municipality with the following:

- Data cleansing,
- Debt collection on agricultural consumers (property rates), and also
- Transfer the skill to the officials of the municipality

To date, the debt collector has been able to deliver the following to the municipality:

Data Cleansing and Debt Collection:

For many years the municipality has been having a challenge of locating most of the agricultural consumers and sending out municipal accounts to agricultural consumers as the data in the municipal system is outdated, this is the main cause of the municipality not being able to collect on their own from the agricultural consumers.

In terms of the project plan developed between the municipality and BTF Global, the implementation of this project is introduced on a phased-in approach.

The first phase of the project is focused on cleansing data relating to agricultural accounts, with limited efforts focusing on the collection thereof.

At the inception of the project, the municipality handed over to BTF Global, a total of 598 agricultural consumers (598 properties) with a debt book worth R 50 940 636 from which the municipality is unable to collect.

At the end of the month of December, BTF Global has been able to investigate these accounts and provided the municipality with significant data that the municipality can utilise to update their records. This will assist the municipality to contact the consumers directly without any hesitation in the future.

The debt collector has also managed to collect R 5.5 million on behalf of the municipality.

Eskom's Debt Relief

The municipality is still participating in the Eskom's Debt Relief Program as was introduced through the MFMA Circular 124.

The Free State Provincial Treasury monitored and assessed the municipality's compliance with all the debt relief conditions monthly since approval. From the Provincial Treasury's assessment, the municipality's performance is low.

The municipality has a challenge in meeting the major condition of the programme that is to maintain the Eskom's bulk current account and the long outstanding arrears that will not be written-off. The municipality is faced with financial constraints and is only able to pay the current account to Eskom, no payments have been made towards the arrear debt as per the conditions of the programme.

Subsequent to the approval of the annual budget by the municipal council in May 2025, the National Treasury assessed the municipality's budget implementation and provided feedback on the accuracy of the data submitted (budget) and proposed improvements to the quality of the data strings. Therefore, this suggests that the mid-year assessment must be undertaken with the view

to address issues already highlighted by National Treasury on the approved budget and its implementation as well as assessment of the municipal financial performance in the first half of the financial year.

2.2. Tariff setting

The municipality is experiencing challenges in terms of developing tariffs that are cost reflective. Most of the trading services are operating at a deficit thereby unable to subsidize non-trading services.

For electricity services, the municipality implemented a 12.5 percent increase as per the results of the cost of supply study and is still implementing the Time of Use tariff structure in an attempt to bridge the gap between the municipality and the Eskom tariffs.

Other service charges tariffs (water, waste water and waste) were increased with 6.0 percent. These tariffs are not yet cost reflective and processes are in place to address the backlog. An average of 6.0 percent was also approved for all other services.

2.3. Billing

Property Rates (Valuation Roll)

The valuation-roll in terms of Municipal Property Rates Act, act 6 of 2004 as amended, was implemented on the 1st July 2022, this valuation roll will be effective for five (5) years, ending June 2027. Every financial year after the implementation date, the municipality will prepare a supplementary roll in line with Section 78 of the Municipal Property Rates Act, act 6 of 2004. The current year is the fourth year of implementation and the first supplementary roll relating to this valuation period will be implemented in January 2026.

With the guidance of National Treasury, a valuation roll recon is performed by the municipality on a quarterly basis as is part of the conditions of the MFMA Circular 124. This reconciliation assists in cleansing the municipality's data to ensure the completeness and accuracy of the municipality's billing and therefore, enhances revenue collection.

Water

It is the municipality's long-term goal to implement a consumption-based billing across all households within the municipality with access to water service. However, the municipality is

experiencing financial challenges and is unable to procure and install infrastructure that allows for the accurate reading of water service consumed by debtors.

For the 2025/2026 financial year, the municipality is still billing a flat rate in the townships (Phahameng and Tikwana). Consumption based billing is only implemented in the towns (Bultfontein and Hoopstad).

Electricity

The municipality has completed installation of the prepaid meters project; the project only needs minor adjustments to some of the three-phase meters installed. Installation of pre-paid meters will aid municipality as follows:

- Managing electricity losses (resulting from bypassing);
- Ensuring accurate billing, no manual capturing of meter readings.
- Ensuring improved revenue collection.

The following table depicts the overview of the billing on property rates and service charges against the budget for first half of the current financial year:

Billing status as at 31 December 2025

PROPERTY RATES AND SERVICE CHARGES							
Revenue Source	Approved Budget	Total Billing at the end of 1st Quarter	Oct 25	Nov 25	Dec 25	Total Billing at Midyear	%
			Billing	Billing	Billing		
Property rates	42 771 000	21 045 000	1 648 000	1 649 000	1 649 000	25 991 000	61%
Service charges: electricity	64 740 000	17 846 000	4 564 000	6 497 000	5 603 000	34 510 000	53%
Service charges: water	9 828 000	1 908 000	883 000	658 000	604 000	4 053 000	41%
Service charges: waste water	8 715 000	2 008 000	662 000	670 000	667 000	4 007 000	46%
Service charges: waste	7 116 000	1 108 000	365 000	368 000	368 000	2 209 000	31%
Total	133 170 000	43 915 000	8 122 000	9 842 000	8 891 000	70 770 000	53%

It is evident on the table above that a budget of R 13301 million was approved for service charges and property rates. This constitutes the major revenue source from municipal own funds. As at the end of December 2025, a total billing of R 70.7 million was realized. This is approximately 53 percent of the budget. As much as billing is reasonable at 53 percent at mid-year, it should be noted that billing does not necessarily translate into actual cash. As such, the municipality needs take this into consideration when adjusting the budget.

2.4. Revenue enhancement strategy

The municipal council has adopted a voluntary financial recovery plan in an attempt to aid the sustainability of the budget and enhance revenue.

2.5. Revenue collection

Total revenue collected from service charges and property rates amount to R 46.3 million whilst total billing was R 70.7 million. This means approximately 35 percent of the budget has been collected and this translates to a 66 percent collection rate (actual billing vs actual collection).

Based on the below analysis, it is clear that prudent revenue collection strategies (implementation and regular monitoring of the Funding Plan/ Financial Recovery Plan) need to be implemented to ensure that sufficient revenue is collected so that such revenue can finance operations of the municipality.

Revenue Collection as at 31 December 2025

PROPERTY RATES AND SERVICE CHARGES										
Revenue Source	Approved Budget	Total Collection 1st Quarter	Oct Actual Receipts	Nov Actual Receipts	Dec Actual Receipts	Total Billing		Total Actual		Collection rate
						R	%	R	%	
Property rates	42 771 000	10 425 376	2 687 942	1 961 494	1 640 935	25 991 000	61%	16 715 747	39%	64%
Service charges: electricity	64 740 000	9 662 890	3 996 913	5 555 178	4 934 569	34 510 000	53%	24 149 550	37%	70%
Service charges: water	9 828 000	1 291 009	368 679	492 850	567 363	4 053 000	41%	2 719 901	28%	67%
Service charges: waste water	8 715 000	1 049 641	181 879	299 975	547 329	4 007 000	46%	2 078 824	24%	52%
Service charges: waste	7 116 000	384 678	116 829	117 537	114 649	2 209 000	31%	733 693	10%	33%
Total	133 170 000	22 813 594	7 352 242	8 427 034	7 804 845	70 770 000	53%	46 397 715	35%	66%
Average for Collection rate (Billing vs Actual collection)									66%	

The collection rates on billing per service are as low as 33 and 52 percent for solid waste and waste management respectively, while the highest percentage of 70 is realized in electricity. It is no surprise that actual collection of revenue for the electricity has the highest collection rate. This is informed by the utilization of prepaid meters. It should also be noted that the municipality is licensed to supply electricity only the town areas (Bultfontein and Hoopstad) and when implementing credit control measures, the municipality is able to perform cut-offs on electricity for both Bultfontein and Hoopstad for non-payment. Eskom is licensed to supply electricity for the rest of other areas within the municipality (i.e. Phahameng and Tikwana).

Collection rate on property rates is also higher due to the fact that the municipality has introduced an incentive policy on property rates where consumers benefit 5 percent rebate on early settlement.

2.6. Other revenue

In addition to the service charges and property rates, the municipality also budgeted R 207.1 million from other revenue sources to which the municipality derives revenue. The major source of other revenue is from grants and subsidies. In this regard the municipality will receive R 109.8 million for operational grants and R 37.7 million for capital grants.

OTHER INCOME									
Revenue Source	Budget	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Total at Mid-year	%
Rent of facilities and equipment	2 578 000	554 000	97 000	187 000	143 000	103 000	51 000	1 135 000	44%
Interest earned - external investments	3 219 000	187 000	143 000	223 000	212 000	255 000	404 000	1 424 000	44%
Interest earned - outstanding debtors	46 000 000	554 000	652 000	620 000	612 000	593 000	593 000	3 624 000	8%
Dividends received	241 000	-	-	59 000	-	-	62 000	121 000	50%
Fines	1 012 000	39 000	10 000	14 000	-	1 000	-	64 000	6%
Licenses and permits	545 000	12 000	2 000	5 000	74 000	22 000	16 000	131 000	24%
Grants and subsidies received - operating	109 873 000	44 661 000	2 515 000	-	-	747 000	35 321 000	83 244 000	76%
Grants and subsidies received - capital	37 721 000	11 713 000	-	-	5 000 000	7 406 000	-	24 119 000	64%
Other revenue	6 000 000	33 000	90 000	2 000	384 000	94 000	89 000	692 000	12%
Total	207 189 000	57 753 000	3 509 000	1 110 000	6 425 000	9 221 000	36 536 000	114 554 000	55%

For the period under review, the municipality collected/received R 114.5 million which translate to 55 percent of the budgeted operating revenue (Other Income). Operating grants to the value of R83.2 million has been received and R 24.1 million for capital grants has been received.

It should be noted that services such as interest earned from outstanding debtors is interest that was billed on overdue accounts and not necessarily actual cash that was collected. Part of this interested is subject to be written-off on basis of payments received in line with the condition of the incentive as discussed above.

3. Debtors

Total Debtors outstanding as at 31 December 2025 were R 206.3 million. This is a huge figure for municipality of our size. Economic factors such as unemployment rate within the municipal area as well as inability to implement effective credit control measures are also contributing towards the inclining debtor's book.

DEBTORS AGE ANALYSIS BY SERVICE									
SERVICE	0 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 - 120 DAYS	121 - 150 DAYS	151 - 180 DAYS	181 - 365 DAYS	>365	TOTAL
Water	704 000	478 000	461 000	404 000	348 000	363 000	350 000	16 827 000	19 935 000
Electricity	4 066 000	2 863 000	1 925 000	2 374 000	2 216 000	3 947 000	3 538 000	10 737 000	31 666 000
Property rates	1 646 000	622 000	935 000	562 000	390 000	11 631 000	302 000	67 196 000	83 284 000
Sewerage	763 000	652 000	598 000	541 000	502 000	470 000	427 000	24 036 000	27 989 000
Refuse	422 000	357 000	336 000	321 000	317 000	309 000	289 000	16 422 000	18 773 000
Other	594 000	591 000	600 000	599 000	595 000	577 000	512 000	20 589 000	24 657 000
TOTAL	8 195 000	5 563 000	4 855 000	4 801 000	4 368 000	17 297 000	5 418 000	155 807 000	206 304 000

Property rates debtors comprise 40 percent of the outstanding debtors. This could be attributed to the communication gap between the farmers and the municipality. Stringent controls should be enforced to collect the outstanding debtors on electricity and water given that such bulk accounts are not serviced on a monthly basis.

DEBTORS AGE ANALYSIS BY GROUP									
CUSTOMER	0 - 30 DAYS	31 - 60 DAYS	61 - 90 DAYS	91 - 120 DAYS	121 - 150 DAYS	151 - 180 DAYS	181 - 365 DAYS	>365	TOTAL
Government	1 034 000	426 000	293 000	375 000	274 000	1 239 000	123 000	3 267 000	7 031 000
Business	4 493 000	3 213 000	2 910 000	2 999 000	2 810 000	14 816 000	4 139 000	92 584 000	127 964 000
Households	2 668 000	1 924 000	1 652 000	1 427 000	1 284 000	1 242 000	1 156 000	59 956 000	71 309 000
Other	-	-	-	-	-	-	-	-	-
TOTAL	8 195 000	5 563 000	4 855 000	4 801 000	4 368 000	17 297 000	5 418 000	155 807 000	206 304 000

Majority of debtors are in businesses, followed by households and then government. The biggest challenge is that 60 percent of the outstanding debtors is over a year. Such debt is likely to be uncollectable and debtors may need to be impaired leading to revenue loss. However, the municipality is positive that the services of the appointed debt collector will assist the municipality to clean up the system; address the issues raised by the Auditor General relating to long outstanding debt of the municipality and improve the municipality's revenue collection.

4. Expenditure analysis

The municipality places reliance on the MFMA Cost containment regulations to ensure that cost containment objectives are realized within the municipality (despite the municipality not having an approved cost containment policy).

OPERATING EXPENDITURE							
Expenditure by type	Budget	Total at the end of the 1st Quarter	Oct 25	Nov 25	Dec 25	Total	%
Employee related costs- wages & salaries	104 071 000	27 296 000	9 221 000	9 019 000	9 122 000	54 658 000	53%
Remuneration of councillors	6 988 000	1 755 000	585 000	585 000	585 000	3 510 000	50%
Finance charges (Interest Paid)	3 000 000	2 775 000	1 809 000	1 257 000	1 478 000	7 319 000	244%
Bulk purchases	47 425 000	16 306 000	5 002 965	4 847 851	5 428 120	31 584 936	67%
Other Materials (R&M)	13 553 000	2 864 000	2 052 000	845 000	903 000	6 664 000	49%
Other expenditure/ Contracted services	65 687 000	17 542 000	6 735 000	8 998 000	7 070 000	40 345 000	61%
Total	240 724 000	68 538 000	25 404 965	25 551 851	24 586 120	144 080 936	60%

The municipality has spent R 144 million by the end of December 2025 out of the budget of R 240.7 million. This suggest that almost 60 percent was spent. This percent is acceptable given that the municipality is aiming to spend on essential services only and that there is still a need to reduce expenditure to ensure that the budget is funded in line with the MFMA.

The line item for Bulk purchases includes the expenditure incurred at Eskom and Sandvet. Due to financial constraints partial payments have been made towards ESKOM and Sandvet monthly accounts.

The line item for other expenditure / contracted services includes payments made to the Auditor General, Munsoft, payments for chemicals and other expenditure relating to the monthly accounts to service providers contracted to ensure the smooth running of municipal operations such as procurement of petrol and diesel.

4.1. Employee costs

Salaries and wages were budgeted at R 104 million and R 54.6 million was spent as at the end of December 2025. This translates to 53 percent of the budget.

Strict measures need to continue being practiced to curb expenditure on overtime and bloating of the organisational structure.

4.2. Project workers

The municipality is allocated R 1 659 000 from the Expanded Public Works Program. The funds are meant to create job opportunities for unemployed people within the municipal area.

As at the end of December 2025, the municipality had spent R 2.9 million and this amount exceeds the allocated grant.

This suggest that a grant meant to be utilized for 12 months has been exhausted within the first six months of the financial year. This could be attributed to either a high number of beneficiaries which might be informed by high level of unemployment within the municipality. Therefore, an additional budget is required to be allocated from the municipality's internally generated revenue in order to avoid unauthorized expenditure on the payments towards project workers.

4.3. Capital projects

The municipality has been allocated capital grants of R 37.7 million for the 2025/2026 financial year. As at the end of December 2025, R 24.1 million was transferred to the municipality.

Capital expenditure for the first six months of the 2025/2026 financial year is R 24.2 million.

The municipality has budgeted R 4.8 million to acquire capital assets from its internally generated funds, of which smaller operational immovable assets such as office furniture, welding machines and laptops have been bought.

However, due to aged assets the municipality still incurs a lot of expenditure on repairs and maintenance of the existing assets.

The above scenario is depicted on the table below:

Capital Expenditure - Standard Classification								
Details	Budget	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Total
Executive and council	580 000			12 995	28 000	189 000	39 000	268 995
Budget and treasury office	620 000	19 320	9 699	2 460	-	27 000	-	58 479
Corporate services	160 000				-			-
Community and social services	160 000		3 634		15 000			18 634
Sport and recreation	7 881 000				281 000			281 000
Road transport	11 100 000	965 900	78 475	63 775	1 823 639	1 016 198	4 647 493	8 595 480
Electricity	1 500 000		14 700		-	-	-	14 700
Water	70 000				-	-	-	-
Waste management	30 000				-	-	-	-
Waste water management	19 100 000	7 443 509	3 035 105	1 365 539	2 992 823	-	197 441	15 034 418
TOTAL	41 201 000	8 428 729	3 141 614	1 444 769	5 140 463	1 232 198	4 883 934	24 271 706
Funding								
Funded by:	Budget	Jul '25	Aug '25	Sep '25	Oct '25	Nov '25	Dec '25	Total at the end of the 4th Quarter
National Government	36 381 000	7 507 809	3 098 881	1 429 314	4 816 463	1 016 198	4 844 934	22 713 598
Provincial Government								-
Borrowing								-
Internally generated funds	4 820 000	920 920	42 733	15 455	324 000	216 000	39 000	1 558 108
	41 201 000	8 428 729	3 141 614	1 444 769	5 140 463	1 232 198	4 883 934	24 271 706

4.4. Loans repayment

Tswelopele Local Municipality loaned R15 million from DBSA. The loan was taken in 2005 for the Phahameng bucket eradication project. The loan currently has an outstanding balance of R 4 848 586.

4.5. Audit fees

A total of R 7.8 million was billed to the municipality by the Auditor General for the audit relating to the 2024/2025 financial year.

The municipality currently has an outstanding balance of R 3.2 million to the Auditor General.

4.6. Creditors

REPORT FOR THE CREDITORS AS AT 31 DECEMBER 2025									
Detail	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 -
Bulk Electricity	5 428 121	4 847 852	5 002 966		-			176 358 867	191 637 805
Bulk Water	1 195 227	-	1 278 612	1 282 488	-			26 658 524	30 414 850
DBSA	-			-	-			4 848 586	4 848 586
PAYE deductions									-
Trade Creditors									-
Auditor General	753 224	2 462 144	-	-	-				3 215 368
Other	-	1 308 226	-	-	-				1 308 226
Total	7 376 571	8 618 222	6 281 577	1 282 488	-	-	-	207 865 977	231 424 835

The municipality's unpaid debt amounts to the value of R 231.4 million. The major contributors to this debt are R 191.6 million which is owed to Eskom and R 30.4 million owed to Sandvet.

In the 2025/2026 financial year, the municipality has managed to pay R 20.7 million towards the Eskom monthly accounts however, due to financial constraints the municipality is currently struggling to keep up with the required payments to address the historic debt to both Eskom and Sandvet.

5. Cash flow

As at 31 December 2025, the municipality had R 3.6 million in its current account while other investment accounts had R 28.3 million which includes the unspent portion of the conditional grants. It also needs to be noted that the municipality has been experiencing cash flow challenges.

6. Grant performance

The municipality received grants as depicted in the table below and performance in terms of spending is shown in each grant.

PERFORMANCE ON CONDITIONAL GRANTS													
GRANT NAME	GAZETTED: DoRA	Rollover	YTD TRANSFER	%	ACTUAL SPENDING						YEAR TO DATE		UNSPENT / OVERSPENT TRANSFER
					Jul	Aug	Sep	Oct	Nov	Dec	Spending	%	
Finance Management Grant	2 100 000		2 100 000	100	684 195	60 000	887 023	81 994	60 000	60 000	1 833 211	87%	266 789
Municipal Infrastructure Grant	19 281 000		9 679 000	50	64 300	63 775	63 775	1 823 639	1 016 198	4 647 493	7 679 180	79%	1 999 820
Water Services Grant	18 440 000		14 440 000	78	7 443 509	3 035 105	1 383 586	2 992 823	-	197 441	15 052 464	104%	-612 464
Expanded Public Works Programme Grant	1 659 000		1 162 000	70	499 040	492 753	522 554	544 392	475 130	464 687	2 998 556	258%	-1 836 556
TOTAL GRANTS	41 480 000	-	27 381 000	66%	8 691 044	3 651 634	2 856 937	5 442 848	1 551 328	5 369 621	27 563 411	101%	-182 411

The table indicates that R 27.3 million was received as conditional grants to date. Overall, the municipality is utilising its received grants in line with the conditions of the grants. As at 31 December 2025, the unspent portion of the conditional grants is R 1.3 million and is cash-backed.

7. Conclusion

Based on the mid-year assessment performed, it is recommended that adjustments should be made to the 2025-2026 MTREF.

8. C-Schedule Tables

In terms of Municipal Budget and Reporting Regulations as per government gazette No. 32141 of 2009, the municipality is required to report on the following Tables:

- Table C1 MFMA s 71 Monthly budget statement summaries
- Table C2 Monthly budget statement – Financial performance (revenue and expenditure by municipal vote)
- Table C3 Monthly budget statement – Financial Performance (Revenue and expenditure by municipal vote)
- Table C4 Monthly budget statement – Financial Performance (Revenue and expenditure)
- Table C5 Monthly budget statement – Capital Expenditure (Municipal Vote, standard classification and funding)
- Table C6 Monthly budget statement – Financial Position
- Table C7 Monthly budget statement – Cash Flow

In the following pages the above tables are disclosed:

8.1. Table C1 – Budget Summary

FS183 Tswelopele - 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	35 998	42 771	–	1 649	25 992	21 386	4 606	22%	42 771
Service charges	88 269	90 399	–	7 243	44 780	45 200	(420)	-1%	90 399
Investment revenue	3 564	3 219	–	404	1 424	1 610	(186)	-12%	3 219
Transfers and subsidies - Operational	107 176	109 873	–	35 888	83 755	54 936	28 819	52%	109 873
Other own revenue	75 800	86 597	–	812	5 782	43 299	(37 516)	-87%	86 597
Total Revenue (excluding capital transfers and contributions)	310 807	332 860	–	45 996	161 733	166 430	(4 697)	-3%	332 860
Employee costs	100 192	104 071	–	9 122	54 658	52 035	2 622	5%	104 071
Remuneration of Councillors	7 190	6 988	–	585	3 511	3 494	17	1%	6 988
Depreciation and amortisation	34 168	20 000	–	–	–	10 000	(10 000)	-100%	20 000
Interest	13 273	3 000	–	1 478	8 062	1 500	6 562	437%	3 000
Inventory consumed and bulk purchases	68 271	60 978	–	5 446	35 840	30 489	5 351	18%	60 978
Transfers and subsidies	–	10	–	–	–	5	(5)	-100%	10
Other expenditure	109 858	85 687	–	19 716	54 474	42 843	11 630	27%	85 687
Total Expenditure	332 952	280 734	–	36 347	156 545	140 367	16 178	12%	280 734
Surplus/(Deficit)	(22 145)	52 126	–	9 649	5 188	26 063	(20 875)	-80%	52 126
Transfers and subsidies - capital (monetary allocations)	55 743	37 721	–	4 677	21 247	18 860	2 386	13%	37 721
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers &	33 598	89 847	–	14 326	26 435	44 924	(18 489)	-41%	89 847
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	33 598	89 847	–	14 326	26 435	44 924	(18 489)	-41%	89 847
Capital expenditure & funds sources									
Capital expenditure	49 255	41 201	–	4 545	21 165	20 600	564	3%	41 201
Capital transfers recognised	46 994	36 381	–	4 507	20 612	18 190	2 421	13%	36 381
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	1 450	4 820	–	38	553	2 410	(1 857)	-77%	4 820
Total sources of capital funds	48 443	41 201	–	4 545	21 165	20 600	564	3%	41 201
Financial position									
Total current assets	106 814	255 773	–	–	140 610	–	–	–	255 773
Total non current assets	778 855	160 212	–	–	800 020	–	–	–	160 212
Total current liabilities	258 209	109 213	–	–	286 734	–	–	–	109 213
Total non current liabilities	68 870	185 124	–	–	68 870	–	–	–	185 124
Community wealth/Equity	558 590	121 649	–	–	585 025	–	–	–	121 649
Cash flows									
Net cash from (used) operating	574 968	122 254	128 251	88 790	322 401	61 127	(261 274)	-427%	122 254
Net cash from (used) investing	55 653	(36 201)	(31 201)	(3 764)	(22 679)	(18 100)	4 578	-25%	(36 201)
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the month/year end	648 301	161 322	172 319	–	312 921	118 295	(194 626)	-165%	99 252
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	–	–	–	–	–	–	–	–	–
Creditors Age Analysis									
Total Creditors	8 655	8 605	7 634	6 132	7 820	8 594	10 031	173 222	230 693

8.2. Table C2 – Fin Performance (STD Classification)

FS183 Tswelopele - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 - December										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands	1									
Revenue - Functional										
Governance and administration		214 441	200 226	–	38 669	106 744	100 113	6 631	7%	200 226
Executive and council		99 616	104 299	–	35 859	73 707	52 149	21 558	41%	104 299
Finance and administration		114 825	95 927	–	2 810	33 037	47 964	(14 926)	-31%	95 927
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		2 231	1 865	–	528	2 412	933	1 479	159%	1 865
Community and social services		935	700	–	11	26	350	(324)	-92%	700
Sport and recreation		1 216	1 150	–	507	2 346	575	1 771	308%	1 150
Public safety		81	15	–	11	39	8	32	421%	15
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		32 350	20 271	–	481	1 936	10 135	(8 199)	-81%	20 271
Planning and development		912	900	–	9	176	450	(274)	-61%	900
Road transport		31 438	19 371	–	472	1 761	9 686	(7 925)	-82%	19 371
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		117 527	148 218	–	10 995	71 887	74 109	(2 222)	-3%	148 218
Energy sources		66 167	98 649	–	6 125	39 511	49 324	(9 813)	-20%	98 649
Water management		33 028	30 169	–	689	7 701	15 084	(7 383)	-49%	30 169
Waste water management		11 135	10 500	–	3 812	20 681	5 250	15 431	294%	10 500
Waste management		7 198	8 901	–	368	3 994	4 451	(457)	-10%	8 901
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	366 550	370 581	–	50 673	182 980	185 290	(2 311)	-1%	370 581
Expenditure - Functional										
Governance and administration		148 603	105 515	–	13 906	68 271	52 758	15 513	29%	105 515
Executive and council		50 767	31 022	–	2 503	16 563	15 511	1 052	7%	31 022
Finance and administration		97 836	74 493	–	11 402	51 708	37 246	14 461	39%	74 493
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		10 662	12 346	–	1 813	5 947	6 173	(226)	-4%	12 346
Community and social services		3 487	4 183	–	1 311	2 605	2 091	514	25%	4 183
Sport and recreation		5 112	6 686	–	344	2 277	3 343	(1 066)	-32%	6 686
Public safety		2 063	1 477	–	157	1 064	739	325	44%	1 477
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		32 069	37 332	–	2 171	14 188	18 666	(4 477)	-24%	37 332
Planning and development		9 233	9 354	–	847	4 728	4 677	51	1%	9 354
Road transport		22 836	27 978	–	1 324	9 461	13 989	(4 528)	-32%	27 978
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		141 618	125 540	–	18 458	68 139	62 770	5 368	9%	125 540
Energy sources		71 747	62 799	–	5 607	36 327	31 399	4 928	16%	62 799
Water management		32 474	28 897	–	4 083	14 820	14 449	371	3%	28 897
Waste water management		23 963	19 740	–	5 063	9 543	9 870	(327)	-3%	19 740
Waste management		13 434	14 104	–	3 704	7 449	7 052	397	6%	14 104
Other		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	332 952	280 734	–	36 347	156 545	140 367	16 178	12%	280 734
Surplus/ (Deficit) for the year		33 598	89 847	–	14 326	26 435	44 924	(18 489)	-41%	89 847

8.3. Table C3 – Fin Performance (Rev and Exp – Municipal Vote)

FS183 Tswelopele - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 - December										
Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD	Full Year
R thousands									%	
Revenue by Vote	1									
Vote 1 - Executive		99 890	104 669	-	35 862	73 790	52 334	21 456	41.0%	104 669
Vote 2 - Budget and Treasury Office		76 913	19 362	-	1 071	5 002	9 681	(4 679)	-48.3%	19 362
Vote 3 - Community and Social Services		2 838	2 345	-	68	1 320	1 173	147	12.6%	2 345
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		31	50	-	466	1 185	25	1 160	4638.6%	50
Vote 6 - Waste Management		7 198	8 901	-	368	3 994	4 451	(457)	-10.3%	8 901
Vote 7 - Waste Water Management		11 135	10 500	-	3 812	20 681	5 250	15 431	293.9%	10 500
Vote 8 - Road Transport		31 438	19 371	-	472	1 761	9 686	(7 925)	-81.8%	19 371
Vote 9 - Water		33 028	30 169	-	689	7 701	15 084	(7 383)	-48.9%	30 169
Vote 10 - Electricity		66 167	98 649	-	6 125	39 511	49 324	(9 813)	-19.9%	98 649
Vote 11 - Corporate Services		37 912	76 565	-	1 739	28 035	38 283	(10 247)	-26.8%	76 565
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	366 550	370 581	-	50 673	182 980	185 290	(2 311)	-1.2%	370 581
Expenditure by Vote	1									
Vote 1 - Executive		60 000	40 376	-	3 351	21 291	20 188	1 103	5.5%	40 376
Vote 2 - Budget and Treasury Office		60 609	48 666	-	6 800	36 558	24 333	12 225	50.2%	48 666
Vote 3 - Community and Social Services		10 139	11 227	-	1 769	5 866	5 613	252	4.5%	11 227
Vote 4 - Public Safety		470	979	-	44	51	489	(438)	-89.5%	979
Vote 5 - Sport and Recreation		53	140	-	0	30	70	(41)	-57.8%	140
Vote 6 - Waste Management		13 434	14 104	-	3 704	7 449	7 052	397	5.6%	14 104
Vote 7 - Waste Water Management		23 963	19 740	-	5 063	9 543	9 870	(327)	-3.3%	19 740
Vote 8 - Road Transport		22 836	27 978	-	1 324	9 461	13 989	(4 528)	-32.4%	27 978
Vote 9 - Water		26 774	27 397	-	4 083	14 820	13 699	1 121	8.2%	27 397
Vote 10 - Electricity		71 747	62 799	-	5 607	36 327	31 399	4 928	15.7%	62 799
Vote 11 - Corporate Services		37 227	25 827	-	4 603	15 150	12 914	2 236	17.3%	25 827
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	327 252	279 234	-	36 347	156 545	139 617	16 928	12.1%	279 234
Surplus/ (Deficit) for the year	2	39 298	91 347	-	14 326	26 435	45 674	(19 239)	-42.1%	91 347

8.4. Table C4 – (Rev& Exp)

FS183 Tswelopele - 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		64 580	64 740	-	5 603	34 510	32 370	2 140	7%	64 740
Service charges - Water		8 927	9 828	-	604	4 053	4 914	(861)	-18%	9 828
Service charges - Waste Water Management		9 350	8 715	-	667	4 008	4 358	(350)	-8%	8 715
Service charges - Waste management		5 413	7 116	-	368	2 209	3 558	(1 349)	-38%	7 116
Sale of Goods and Rendering of Services		973	1 458	-	48	424	729	(305)	-42%	1 458
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-
Interest from Current and Non Current Assets		3 564	3 219	-	404	1 424	1 610	(186)	-12%	3 219
Dividends		162	241	-	62	121	121	0	0%	241
Rent on Land		580	600	-	3	834	300	534	178%	600
Rental from Fixed Assets		1 298	520	-	55	372	260	112	43%	520
Licence and permits		718	545	-	16	131	272	(142)	-52%	545
Special Rating Levies		-	-	-	-	-	-	-	-	-
Operational Revenue		8 648	6 000	-	34	214	3 000	(2 786)	-93%	6 000
Non-Exchange Revenue										
Property rates		35 998	42 771	-	1 649	25 992	21 386	4 606	22%	42 771
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		932	1 012	-	-	63	506	(443)	-88%	1 012
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		107 176	109 873	-	35 888	83 755	54 936	28 819	52%	109 873
Interest		7 452	46 000	-	593	3 623	23 000	(19 377)	-84%	46 000
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		55 036	30 220	-	-	-	15 110	(15 110)	-100%	30 220
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		310 807	332 860	-	45 996	161 733	166 430	(4 697)	-3%	332 860
Expenditure By Type										
Employee related costs		100 192	104 071	-	9 122	54 658	52 035	2 622	5%	104 071
Remuneration of councillors		7 190	6 988	-	585	3 511	3 494	17	1%	6 988
Bulk purchases - electricity		57 097	47 425	-	4 543	29 175	23 712	5 463	23%	47 425
Inventory consumed		11 174	13 553	-	903	6 664	6 777	(112)	-2%	13 553
Debt impairment		-	10 000	-	-	-	5 000	(5 000)	-100%	10 000
Depreciation and amortisation		34 168	20 000	-	-	-	10 000	(10 000)	-100%	20 000
Interest		13 273	3 000	-	1 478	8 062	1 500	6 562	437%	3 000
Contracted services		35 714	41 808	-	3 861	21 227	20 904	322	2%	41 808
Transfers and subsidies		-	10	-	-	-	5	(5)	-100%	10
Irrecoverable debts written off		39 588	10 000	-	12 646	14 128	5 000	9 128	183%	10 000
Operational costs		32 292	23 879	-	3 209	19 119	11 939	7 180	60%	23 879
Losses on Disposal of Assets		2 141	-	-	-	-	-	-	-	-
Other Losses		123	-	-	-	-	-	-	-	-
Total Expenditure		332 952	280 734	-	36 347	156 545	140 367	16 178	12%	280 734
Surplus/(Deficit)		(22 145)	52 126	-	9 649	5 188	26 063	(20 875)	-80%	52 126
Transfers and subsidies - capital (monetary allocations)		55 743	37 721	-	4 677	21 247	18 860	2 386	13%	37 721
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		33 598	89 847	-	14 326	26 435	44 924			89 847
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		33 598	89 847	-	14 326	26 435	44 924			89 847
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		33 598	89 847	-	14 326	26 435	44 924			89 847
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		33 598	89 847	-	14 326	26 435	44 924			89 847
<i>References</i>										
1. Material variances to be explained on Table SC1										

8.5. Table – C5 – Capital Expenditure (Mun Vote)

FS183 Tswelopele - 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	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD %	Full Year
R thousands										
Multi-Year expenditure appropriation	1									
Vote 1 - Executive		-	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		-	-	-	-	-	-	-	-	-
Vote 6 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 7 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 8 - Road Transport		-	-	-	-	-	-	-	-	-
Vote 9 - Water		-	-	-	-	-	-	-	-	-
Vote 10 - Electricity		-	-	-	-	-	-	-	-	-
Vote 11 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - Executive		320	580	-	39	259	290	(31)	-11%	580
Vote 2 - Budget and Treasury Office		302	620	-	(1)	54	310	(256)	-83%	620
Vote 3 - Community and Social Services		0	160	-	-	128	80	48	60%	160
Vote 4 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 5 - Sport and Recreation		10 159	7 881	-	462	1 177	3 941	(2 763)	-70%	7 881
Vote 6 - Waste Management		-	30	-	-	-	15	(15)	-100%	30
Vote 7 - Waste Water Management		6 013	19 100	-	3 145	14 906	9 550	5 356	56%	19 100
Vote 8 - Road Transport		7 146	11 100	-	465	1 722	5 550	(3 828)	-69%	11 100
Vote 9 - Water		23 581	70	-	83	1 765	35	1 730	4943%	70
Vote 10 - Electricity		1 629	1 500	-	351	1 046	750	296	39%	1 500
Vote 11 - Corporate Services		106	160	-	-	107	80	27	34%	160
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	49 255	41 201	-	4 545	21 165	20 600	564	3%	41 201
Total Capital Expenditure		49 255	41 201	-	4 545	21 165	20 600	564	3%	41 201
Capital Expenditure - Functional Classification										
Governance and administration		652	1 260	-	(1)	361	630	(269)	-43%	1 260
Executive and council		245	480	-	-	199	240	(41)	-17%	480
Finance and administration		408	780	-	(1)	161	390	(229)	-59%	780
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		10 159	8 041	-	462	1 305	4 020	(2 715)	-68%	8 041
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		10 159	8 041	-	462	1 305	4 020	(2 715)	-68%	8 041
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		7 222	11 200	-	504	1 782	5 600	(3 818)	-68%	11 200
Planning and development		76	100	-	39	60	50	10	20%	100
Road transport		7 146	11 100	-	465	1 722	5 550	(3 828)	-69%	11 100
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		31 222	20 700	-	3 579	17 717	10 350	7 367	71%	20 700
Energy sources		1 629	1 500	-	351	1 046	750	296	39%	1 500
Water management		23 581	70	-	83	1 765	35	1 730	4943%	70
Waste water management		6 013	19 100	-	3 145	14 906	9 550	5 356	56%	19 100
Waste management		-	30	-	-	-	15	(15)	-100%	30
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	49 255	41 201	-	4 545	21 165	20 600	564	3%	41 201
Funded by:										
National Government		46 994	36 381	-	4 507	20 612	18 190	2 421	13%	36 381
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		46 994	36 381	-	4 507	20 612	18 190	2 421	13%	36 381
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		1 450	4 820	-	38	553	2 410	(1 857)	-77%	4 820
Total Capital Funding		48 443	41 201	-	4 545	21 165	20 600	564	3%	41 201

8.6. Table – C6 – Financial Position

FS183 Tswelopele - 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		13 199	163 472	–	36 540	163 472
Trade and other receivables from exchange transactions		34 318	1 630	–	33 853	1 630
Receivables from non-exchange transactions		20 399	42 428	–	27 687	42 428
Current portion of non-current receivables		–	–	–	–	–
Inventory		1 710	2 543	–	1 993	2 543
VAT		35 147	44 088	–	38 495	44 088
Other current assets		2 042	1 612	–	2 040	1 612
Total current assets		106 814	255 773	–	140 610	255 773
Non current assets						
Investments		1 630	1 426	–	1 630	1 426
Investment property		154 146	102 571	–	154 146	102 571
Property, plant and equipment		620 646	53 949	–	641 811	53 949
Biological assets		946	705	–	946	705
Living and non-living resources		–	–	–	–	–
Heritage assets		–	–	–	–	–
Intangible assets		–	–	–	–	–
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		1 487	1 561	–	1 487	1 561
Total non current assets		778 855	160 212	–	800 020	160 212
TOTAL ASSETS		885 669	415 985	–	940 629	415 985
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		4 849	2 769	–	4 849	2 769
Consumer deposits		1 954	1 700	–	2 062	1 700
Trade and other payables from exchange transactions		219 599	75 781	–	243 256	75 781
Trade and other payables from non-exchange transactions		(0)	9	–	3 696	9
Provision		17 155	863	–	17 155	863
VAT		14 651	28 091	–	15 716	28 091
Other current liabilities		–	–	–	–	–
Total current liabilities		258 209	109 213	–	286 734	109 213
Non current liabilities						
Financial liabilities		–	6 146	–	–	6 146
Provision		65 347	141 077	–	65 347	141 077
Long term portion of trade payables		–	30 000	–	–	30 000
Other non-current liabilities		3 523	7 901	–	3 523	7 901
Total non current liabilities		68 870	185 124	–	68 870	185 124
TOTAL LIABILITIES		327 079	294 336	–	355 604	294 336
NET ASSETS	2	558 590	121 649	–	585 025	121 649
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		558 590	121 649	–	585 025	121 649
Reserves and funds		–	–	–	–	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	558 590	121 649	–	585 025	121 649
<i>References</i>						

8.7. Table – C7 – Cash Flow

FS183 Tswelopele - 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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		27 429	64 467	64 467	1 607	18 029	32 233	(14 204)	-44%	64 467
Service charges		74 257	145 669	145 669	6 655	34 447	72 834	(38 388)	-53%	145 669
Other revenue		434 888	11 141	11 138	62 264	208 579	5 570	203 009	3644%	11 141
Transfers and Subsidies - Operational		105 212	109 723	109 723	36 071	82 766	54 862	27 904	51%	109 723
Transfers and Subsidies - Capital		46 905	37 721	37 721	-	37 739	18 860	18 879	100%	37 721
Interest		215	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(113 936)	(243 467)	(243 467)	(17 807)	(59 159)	(121 733)	62 575	-51%	(243 467)
Interest		-	(3 000)	3 000	-	-	(1 500)	1 500	-100%	(3 000)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		574 968	122 254	128 251	88 790	322 401	61 127	(261 274)	-427%	122 254
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		1	5 000	5 000	-	-	2 500	(2 500)	-100%	5 000
Decrease (increase) in non-current receivables		-	-	5 000	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		55 652	(41 201)	(41 201)	(3 764)	(22 679)	(20 600)	(2 078)	10%	(41 201)
NET CASH FROM/(USED) INVESTING ACTIVITIES		55 653	(36 201)	(31 201)	(3 764)	(22 679)	(18 100)	4 578	-25%	(36 201)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		630 621	86 053	97 050	85 026	299 722	43 026			86 053
Cash/cash equivalents at beginning:		17 680	75 269	75 269		13 199	75 269			13 199
Cash/cash equivalents at month/year end:		648 301	161 322	172 319		312 921	118 295			99 252

9. NON-FINANCIAL PERFORMANCE

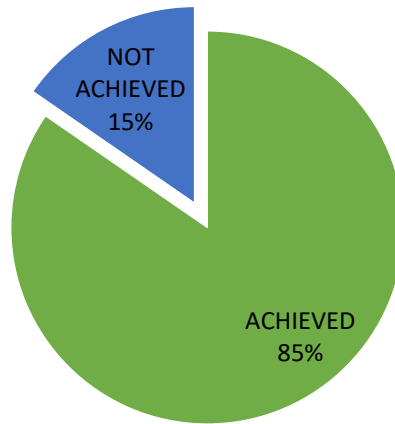
Performance management is prescribed by chapter 6 of the Municipal Systems Act of 2000 and the Municipal Planning and Performance Regulation of August 2001. Section 7 of the aforementioned regulation states that "A municipality's performance management systems entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players" This framework should reflect the linkage between the IDP, Budget and SDBIP.

This section of the report serves to provide feedback regarding the half-yearly organisational and departmental performance of Tswelopele Local Municipality as required through the Municipal Systems Act No 32 of 2000. The information included in this report is based on the Reviewed IDP and SDBIP as developed for the financial year 2025/26. The performance plans/agreements were aligned to the IDP and SDBIP, thus this report reflect the performance progress as at 31 December 2025. This report is based on the assessment of key service delivery quarterly targets. Actual quarterly performance obtained through a process whereby Key Performance Indicators and targets are compared to the initial planned as contained in the 2025/26 SDBIP.

This report serves as a summary of performance results. The detailed performance information with KPI's and targets is contained in a separate addendum document. This report seeks to provide feedback on the performance level achieved to date against the targets as laid out in the IDP and SDBIP. Where underperformance or zero achievement of indicators have been experienced the respective reasons or mitigating actions are highlighted and detailed pertaining to the relevant measures being implemented or those that need to be implemented and are included thereto.

9.1 Level of attainment of objectives and targets

OVERALL MUNICIPAL PERFORMANCE RESULTS FOR MID-YEAR.



Municipal managers office

The Municipal Manager's Office had [38] half yearly targets set as per the key performance indicators, Attained [30] and not achieved [8].

Finance

The Finance Department had [25] half yearly targets set as per the key performance indicators, Attained [24] and not achieved [1].

Corporate services

The Corporate Services had [20] half yearly targets set as per the key performance indicators, Attained [17] and not achieved [3].

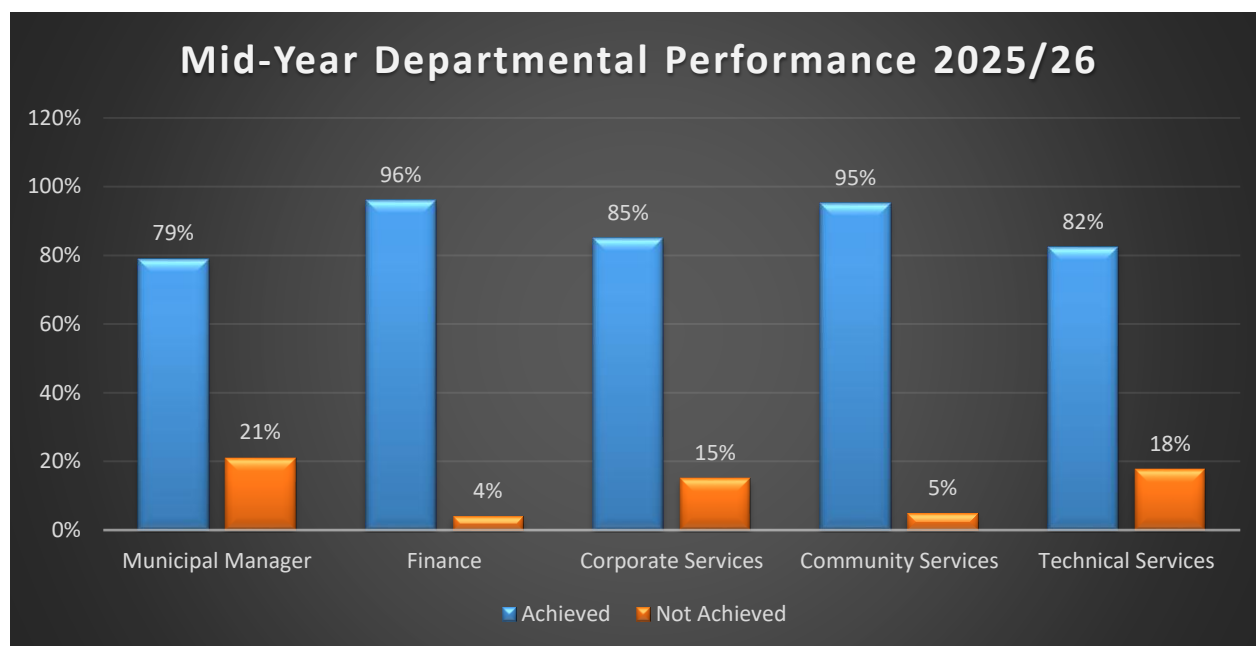
Technical services

The Technical Services had [51] half yearly targets set as per the key performance indicators, Attained [42] and not achieved [9].

Community services

The Community Services had [20] half yearly targets set as per the key performance indicators, Attained [19] and not achieved [1].

The table below depicts performance results as per the above summary:



9.2 Details of non-achievements

DEPARTMENT: MUNICIPAL MANAGER

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	92% (R 9 191 918,45/ R 10 000 000,00) of the expenditure was spent on the rehabilitation and construction at existing sports facilities in Phahameng / Bultfontein.	A percentage of the project budget is specifically reserved for the retention payable at the completion of the project. The project has reached substantial completion. However, 5% of the total budget is being withheld pending the successful rectification of all items identified on the official snag list.	The 5% retention money will only be released after the end of the defect liability period (12 month).	N/A
2.	98,4% (R 37 621 510,67 / R 38 201 053,44) of the budget was spent on the Construction of	All service providers involved in the construction and installation phases have been fully paid for works completed. There are no outstanding	N/A	N/A

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
	toilet structures and sewer connections in Tikwana/Hoopstad (499 sites)	invoices or pending claims for the project. The remaining unspent balance is officially regarded as savings. These savings represent the difference between the projected project costs and the actual costs incurred during until the final implementation phase.		
3.	0% progress was made on the Retrofitting of 6 sewer pump stations and installations of inline grinders and repairs to waste water treatment plant in Hoopstad and Tikwana	Muteo Consulting was appointed on October 2025. The Contractor was subsequently appointed during the first week of December 2025, within the second quarter of the financial year. The contractor has not yet commenced construction or major activities; therefore, there is no physical progress to report. Only site establishment was completed prior to the builder's break.	The Contractor is scheduled to resume work on-site on the 12 of January 2026.	January 2026
4.	94% (R 1 336 300,00 / R 1 414 500,00) of the budget was spent on the Construction of 3 high mast lights in Hoopstad	A portion of the budget is usually ""withheld"" until the lights are switched on and certified. Because the Eskom connection is missing, the contractor cannot perform the "soak test" meaning this money remains unspent in the budget.	Awaiting Eskom to provide the 3 connection points for the contractor to connect the lights.	N/A
5.	88% progress was made on the Construction of 3 high mast lights in Hoopstad.	While physical installation of the masts and luminaires is complete, 100% progress was not achieved due to outstanding 'Point of Supply' connections from Eskom.	Awaiting Eskom to provide the 3 connection points for the contractor to connect the lights.	N/A
6.	92% (1 258/1 362) progress was reported on the installation of electricity smart meter for households, businesses and public facilities in Bultfontein and Hoopstad.	The project experienced a total stock-out of available smart meter units toward the end of the quarter. High installation volume in Q1 and early Q2 depleted our existing reserves faster than projected.	To ensure the long-term reliability of our network, we have transitioned our focus to Landis+Gyr smart meters. We have formally requested quotations for these units. The RFQ for the supply and delivery of the smart electricity meters closes on the 14th of January 2026.	31 March 2026

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
7.	0% progress was Refurbishment of landfill site in Hoopstad.	<p>Phecron Engineering group was appointed on October 6, 2025. The contractor was subsequently appointed during the last week of November 2025, within the second quarter of the financial year.</p> <p>The Contractor has not yet commenced construction or major activities; therefore; there is no physical progress to report. Only site establishment was completed prior to the builder's break.</p>	The contractor is scheduled to resume work on-site on 12 January 2026.	January 2026
8.	Only one (1) LLF meeting was held on 23 September 2025.	LLF meeting for the second quarter did not take place as scheduled due to the fact that on the day of the meeting, a quorum was not met and therefore the meeting could not materialise.	The schedule of the meeting will be aligned to SDBIP and Members will ensure that the schedule is adhered to, so that the meetings will take place regularly on a quarterly basis.	February 2026

DEPARTMENT: FINANCIAL SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	Funding plan was not submitted to EXCO	The management has developed a financial recovery plan in 2024/25 financial year which adopted by council. The plan is monitored and will be reported to council and other council committees.	The service delivery and budget implementation plan will be revised and the indicator will be replaced by the financial recovery plan which will be monitored and reported to council on regular basis.	February 2026

DEPARTMENT: CORPORATE SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	Only one (1) health and safety meeting was conducted on 26 July 2025.	The health and safety meeting could not take place because the term of office of the health and safety committee expired and a new Committee to be established.	A meeting has been scheduled for the 22nd of January 2026 and a new committee will be established.	31 March 2026
2.	Only 37% (R267 564.73 / R720 000.00 x 100) of the training budget was spent.	The budget on training was underspent because training needs were overestimated during the budget process and the Municipality also took into consideration historical spending patterns.	During the adjustment budget a reduction of the training budget will be done.	February 2026
3.	Only one (1) LLF meeting was held on 23 September 2025.	LLF meeting for the second quarter did not take place as scheduled due to the fact that on the day of the meeting, a quorum was not met and therefore the meeting could not materialise.	The schedule of the meeting will be aligned to SDBIP and Members will ensure that the schedule is adhered to, so that the meetings will take place regularly on a quarterly basis.	February 2026

DEPARTMENT: TECHNICAL SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	92% (R 9 191 918,45/ R 10 000 000,00) of the expenditure was spent on the rehabilitation and construction at existing sports facilities in Phahameng / Bultfontein.	A percentage of the project budget is specifically reserved for the retention payable at the completion of the project. The project has reached substantial completion. However, 5% of the total budget is being withheld pending the successful rectification of all items identified on the official snag list.	The 5% retention money will only be release after the end of the defect liability period (12 month)	N/A
2.	98,4% (R 37 621 510,67 / R 38 201 053,44) of the budget was spent on the Construction of toilet structures and sewer connections in Tikwana/Hoopstad (499 sites)	All service providers involved in the construction and installation phases have been fully paid for works completed. There are no outstanding invoices or pending claims for the project. The remaining unspent balance is officially regarded as savings. these savings represent the difference between the projected project costs and the actual costs incurred during until the final implementation phase.	N/A	N/A
3.	0% progress was made on the Retrofitting of 6 sewer pump	Muteo Consulting was appointed on October 2025. The Contractor was subsequently	The Contractor is scheduled to resume work	January 2026

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
	stations and installations of inline grinders and repairs to waste water treatment plant in Hoopstad and Tikwana	appointed during the first week of December 2025, within the second quarter of the financial year. The contractor has not yet commenced construction or major activities; therefore, there is no physical progress to report. Only site establishment was completed prior to the builder's break.	on-site on the 12 January 2026.	
4.	94% (R 1 336 300,00 / R 1 414 500,00) of the budget was spent on the Construction of 3 high mast lights in Hoopstad.	A portion of the budget is usually ""withheld"" until the lights are switched on and certified. Because the Eskom connection is missing, the contractor cannot perform the ""soak test"". Meaning this money remains unspent in the budget.	Awaiting Eskom to provide the 3 connection points for the contractor to connect the lights.	N/A
5.	88% progress was made on the Construction of 3 high mast lights in Hoopstad	While physical installation of the masts and luminaires is complete, 100% progress was not achieved due to outstanding 'Point of Supply' connections from Eskom.		
6.	92% (1 258/1 362) progress was reported on the installation of electricity smart meter for households, businesses and public facilities in Bultfontein and Hoopstad.	The project experienced a total stock-out of available smart meter units toward the end of the quarter. High installation volume in Q1 and early Q2 depleted our existing reserves faster than projected.	To ensure the long-term reliability of our network, we have transitioned our focus to Landis+Gyr smart meters. We have formally requested quotations for these units. The RFQ for the supply and delivery of the smart electricity meters closes on the 14th of January 2026.	31 March 2026
7.	35% (R2 227 904,26/ R6 282 732.04) of the budget was spent on the Refurbishment of landfill site in Hoopstad.	The Municipality struggled to get the project registered on time with the funder (MIG) due to not getting proper support from the DFFEE. The project got registered late into the first quarter of the financial year.	The Municipality managed to conclude the procurement processes and the contractor got appointed. The contractor site established by end of December 2025. the project is set to kick-start early January 2026	31 March 2026
8.	0% progress was Refurbishment of landfill site in Hoopstad	Phecron Engineering group was appointed on October 6, 2025. The contractor was subsequently appointed during the last week of November 2025, within the second quarter of the financial year. The Contractor has not yet commenced construction or major activities, therefore there is	The contractor is scheduled to resume work on-site on January 12, 2026.	January 2026

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
		no physical progress to report. Only site establishment was completed prior to the builder's break.		
9.	146 trees were planted in the first semester of the 2025/2026 financial year.	The target was not properly budgeted for by the Municipality. The trees were expected to be obtained from the DFFEE and to date only 146 trees were received from the department.	The target will be revised and the department will look into the prospects of budgeting for the planting of trees in the future. Currently the majority of the available budget is focused mainly on rendering of service delivery and ordering basic services to the Community.	February 2026

DEPARTMENT: COMMUNITY SERVICES

No.	Actual performance reported	Reasons for non-achievement	Actions to improve performance	Target date
1.	Only one (1) MPT sitting was conducted on 12 December 2025.	Category 1 applications were referred back to the applicants due to incomplete information and additional information was requested and therefore the MPT sitting could not be held.	MPT will have to sit twice during each quarter in order to have positive achievements for the annual performance.	February 2026

9.3 Conclusion

The municipality has achieved 85% on all the applicable targets for the mid-year which is below the overall target of 90%. The following concerns were noted:

- The procurement processes delayed the commencement or implementation of capital projects, as such management should the targets in line with revised implementation plans.
- The installation of electricity smart meter project has overlapped in 2 financial years and the completion challenges have been reported as well in the current financial.
- More targets are due in the 3rd and 4th of the financial year, as departments are required to regularly monitor performance.

It is therefore recommended that management should revise the current Service Delivery and Budget Implementation Plan in line with Auditor General's recommendations and adjust targets based on the adjustment budget.

10. PROGRESS ON RESOLVING PRIOR ISSUES (AGSA AND INTERNAL AUDIT)

Management has made measurable progress in implementing corrective actions to address the findings raised by the AGSA. Focus has been placed on addressing the root causes of audit findings to prevent repeat findings and improve the overall audit outcome.

In relation to compliance with legislation, corrective measures have been implemented to strengthen controls in high-risk areas, particularly supply chain management and financial management, resulting in a reduction in instances of non-compliance. Regarding performance reporting, improvements were made to the review processes and the availability of supporting documentation which has enhanced the credibility and reliability of reported performance information.

Key internal control deficiencies were addressed through the strengthening of record keeping, review and oversight processes.

For the 2023/2024 AGSA recovery plan, 72% of the AGSA recommendations were fully implemented, indicating meaningful progress. The 2024/2025 AGSA action plan has been developed, no significant progress has been achieved as at mid-year.

Internal Audit conducted a follow-up audit on the Audits for the first quarter of 2025/2026. There was improvement on the implementation of Internal Audit recommendations and the overall achievement is sitting at 67% in areas such as IT, Governance and Public Participation, SCM, Expenditure, Asset Management and LED.

Management remains committed to resolving outstanding findings within agreed timeframes and achieving sustained improvement in audit outcomes.