GAMAGARA MUNICIPALITY (NC453)

Section 52(d) Report – Quarter 1

NC453 - GAMAGARA MUNICIPALITY

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To the Mayor

In accordance with Section 52(d) of the Municipal Management Act (MFMA), I submit on the state of Gamagara Local Municipality's budget reflecting the particulars for the first (1st) Quarter (July – September 2025)

Section 54(1) of the MFMA requires from the mayor of the municipality to take certain actions if needed on the receipt of this report to ensure that the approved budget is implemented in accordance with the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

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Lebogang Seetile **Date**
Accounting Officer / Gamagara Local Municipality

COMPETENCY: EXECUTIVE MAYOR AND MAYORAL COMMITTEE

1. **PURPOSE**

2. The purpose of report is to report the Financial Results of Quarter 1 as required by Section 52(d) of the Municipal Financial Management Act respectively. This will give an overview on the implementation of the approved annual budget 2025/26.

3. **BACKGROUND**

The monthly S71 and S52(d) reports which are primarily used to assess the budget, and performance reflects the budget outcomes of:

- revenue anticipated to be collected and revenue as per DORA; and
- expenditure (operating and capital) as per the approved budgets.

The objective of the Act and Regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities by establishing uniform norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting process and other relevant matters as required by the Act.

REPORT

Section 52 (d) requires that the Executive Mayor tables a report on performance of the Municipality to Council with 30 days after the end of the quarter.

This report is submitted in terms of the above-mentioned legislative requirements.

4. EXECUTIVE SUMMARY OF IN-YEAR FINANCIAL REPORTING

In compliance with Section 52(d) of the Municipal Finance Management Act and as per Schedule C of the Municipal Budget and Reporting Regulations.

REPORTING PERIOD: July - September 2025

SUMMARY OF FINANCIAL RESULTS

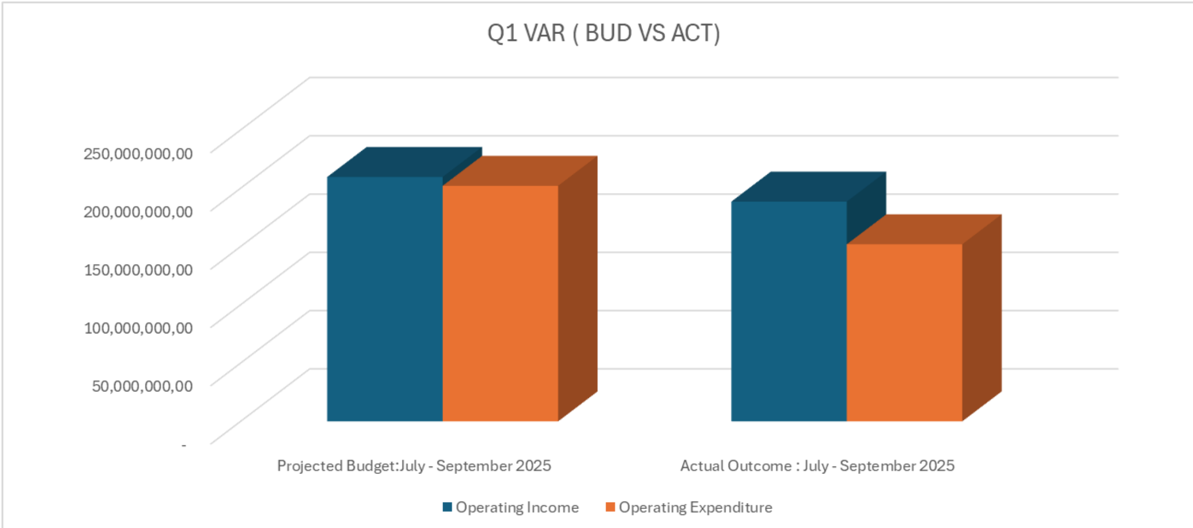
4.1 Operational Results

Description	Original Budget	Projected Budget:July - September 2025	Actual Outcome : July - September 2025	Year To Date Budget	Year To Date Actual	Quarteley Budget Variance: (Q1 Bud vs Q1 Actuals	% Variance (Year to date vs Budget Spending)	Yearly Budget Variance (% Budget billed/spent)
Operating Income	838,685,000,00	209,671,000,00	188,504,000,00	209,671,000,00	188,504,000,00	-10%	-10%	22%
Operating Expenditure	808,337,000,00	202,083,000,00	151,904,000,00	202,083,000,00	151,904,000,00	-25%	-25%	19%

Income to an amount of R188 million was recognised for the 1st quarter (Jul – Sept 2025), Quarter 1 Revenue variance amounts to -10%, that denotes that revenue billed for the quarter is -10% less than the budgeted revenue, with the revenue recognised for the year to date amounting to R188 million, which represents 22% of the annual budgeted revenue and is -10% below the year to date budgeted revenue. There are continuous efforts of Revenue enhancement and work on the Audit Action Plan to ensure that the billing levels coupled with the collection rate are improved significantly.

Expenditure to an amount of R151 million was incurred for the months July to September 2025. The expenditure for the year to date is R151 million, which represents 19% of annual budgeted expenditure and is -25% below the quarterly projected spending. Expenditure for Quarter 1 has a variance of -25%, that is, actual expenditure incurred for Quarter 1, is -25% less than Q3 budgeted projection. Caution is given to all the Heads of Departments to ensure that the spending reflects the plans for the year, and we spread out the spending evenly in the year and align with cashflow planning.

Below a diagram depicting the variance on the quarterly revenue and expenditure (July- September 2025):



There was a surplus of R19.8 million for the quarter under review. The decrease in expenditure was mainly due to R0 debt impairment processed for the quarter, furthermore, there was no bulk purchase amount noted for September 2025, thus leading to lower year-to-date expenditure. HODs are hereby encouraged to ensure that invoices are processed timeously, and that cost containment is prioritized.

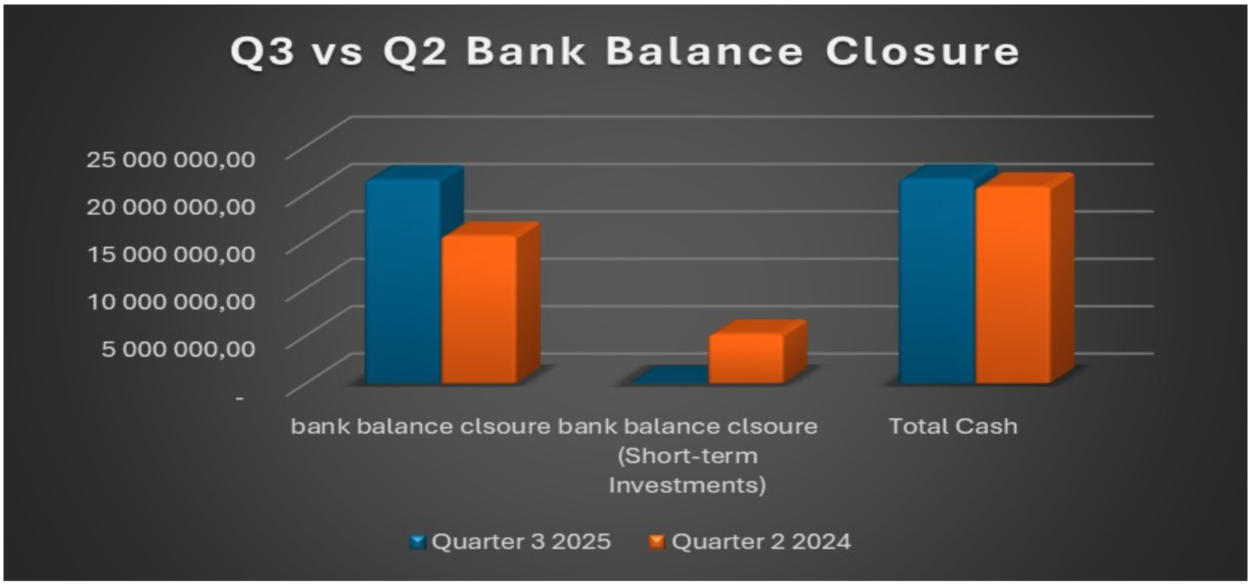
3.2 Debtors' Collection Rates (based on billed revenue)

The average collection rate for the quarter – July-Sept 2025	84%
The average collection rate to date is	84%
The average collection rate for the quarter – Apr-June 2024	82%

The municipality has an average collection rate of 83% for the first quarter. there was a 2% increase in the collection rate when compared to the fourth quarter, financial year 24-25. The average collection as at the end of September 2025 is 84%.

3.3 Cash and investments

Description	Quarter 3 2025	Quarter 2 2024	Variance	(% Incr / Decr)
bank balance clsoure	21 447 938,93	15 513 567,63	5 934 371,30	38%
bank balance clsoure (Short-term Investments)	90 316,17	5 164 761,97	- 5 074 445,80	-98%
Total Cash	**21 538 255,10**	**20 678 329,60**	**859 925,50**	**4%**

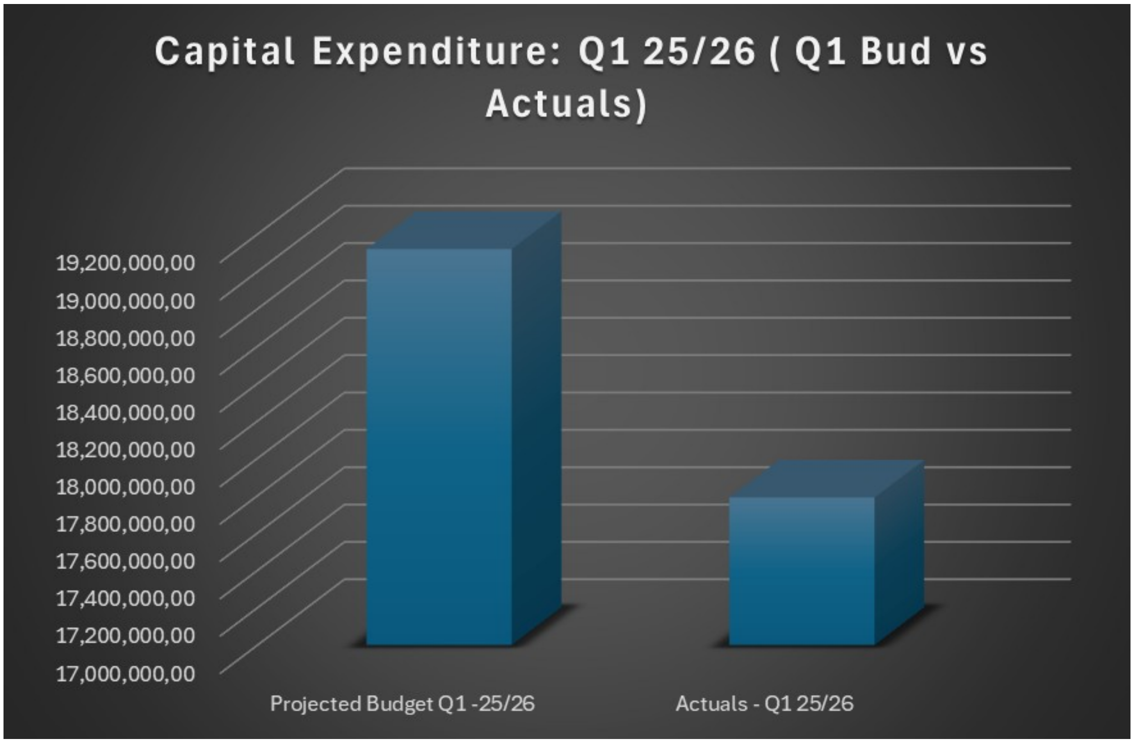


Council noting:

The municipality ended the month with a bank balance of R21 538 255.10 (which includes call accounts).

3.4 Capital Budget Results

Description	Full Year Budget	Projected Budget Q1 -25/26	Actuals - Q1 25/26	Year-To-Date Budget	Year to Date Actuals	Q1 Variance (Budget vs Spend)	Spent to Date %
Capital Expenditure	76,482,000,00	19,120,000,00	17,790,000,00	19,120,000,00	17,790,000,00	-7%	25%



The year-to-date capital expenditure amounted to R19.1 million which is 25% of the total annual budget. The quarterly capital expenditure was 7% below the quarterly projected budget.

4. <u>Supporting Documentation</u>

<u>4.1 Debtors analysis</u>

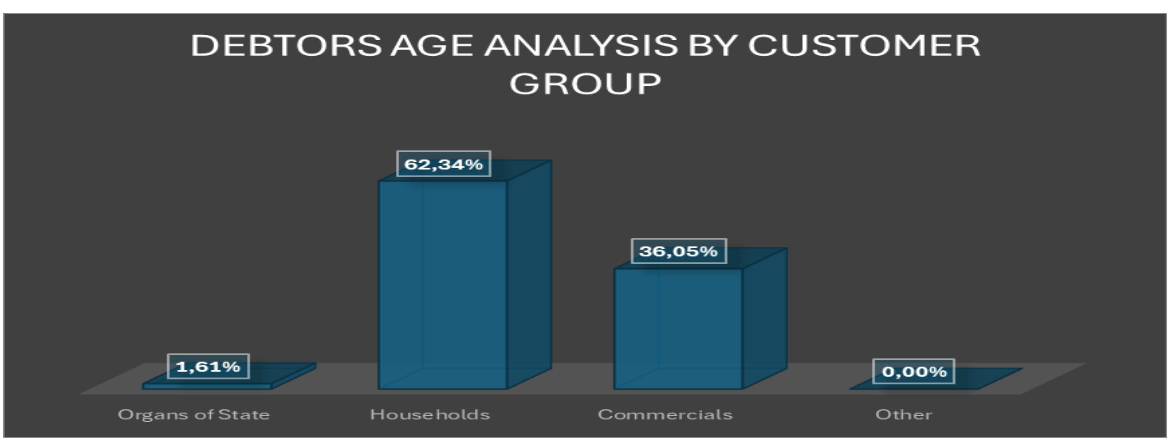
The debtors' age analysis at the end of the reporting period was as follows:

Choose name from list - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 - September

Description		Budget Year 2025/26									
R thousands	NT Code	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
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	3,744	2,660	1,829	1,874	1,068	832	950	57,669	70,627	62,393
Trade and Other Receivables from Exchange Transactions - Electric	1300	7,828	8,939	4,639	5,702	2,578	2,298	2,169	111,127	145,280	123,874
Receivables from Non-exchange Transactions - Property Rates	1400	12,762	6,750	9,023	3,189	2,830	2,217	2,652	91,006	130,430	101,895
Receivables from Exchange Transactions - Waste Water Manageme	1500	5,474	3,584	2,168	2,475	2,371	1,389	1,287	42,091	60,839	49,613
Receivables from Exchange Transactions - Waste Management	1600	4,292	3,259	2,145	2,619	1,418	1,344	1,240	66,438	82,754	73,058
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	–	–
Interest on Arrear Debtor Accounts	1810	5,461	5,406	5,251	5,571	5,395	5,048	4,942	159,912	196,985	180,867
Recoverable unauthorised, irregular, fruitless and wasteful expendit	1820	–	–	–	–	–	–	–	–	–	–
Other	1900	235	247	493	192	95	96	196	3,980	5,534	4,558
Total By Income Source	**2000**	**39,796**	**30,846**	**25,549**	**21,622**	**15,754**	**13,224**	**13,435**	**532,222**	**692,449**	**596,257**
2024/25 - totals only		–	–	–	–	–	–	–	–	–	–
Debtors Age Analysis By Customer Group											
Organs of State	2200	3,046	2,820	2,583	2,398	64	13	12	239	11,174	2,725
Commercial	2300	18,653	14,771	11,246	5,960	5,464	4,955	4,267	184,306	249,621	204,951
Households	2400	18,098	13,255	11,720	13,264	10,227	8,257	9,156	347,677	431,654	388,581
Other	2500	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**39,796**	**30,846**	**25,549**	**21,622**	**15,754**	**13,224**	**13,435**	**532,222**	**692,449**	**596,257**

The total outstanding debt as of 30 September 2025 was R692 million, which showed an increase of R60 million compared to June 2025, which is equivalent to a 9% increase on total debtors. As part of plans to improve the cashflow and the collections levels, the credit control performance is being reviewed and being revised to ensure that we recover and realise the debtor economic benefits.

An interest rebate/discount has been approved by Council to encourage the consumers to settle their accounts and thus also ensure that we realise the cash inflow from debt owed. The diagrams below depict the spread of outstanding debtors by customer group:



From the graphs above, it can be noted that much of the debt is from residential properties, followed by commercial consumers and organ of states respectively.

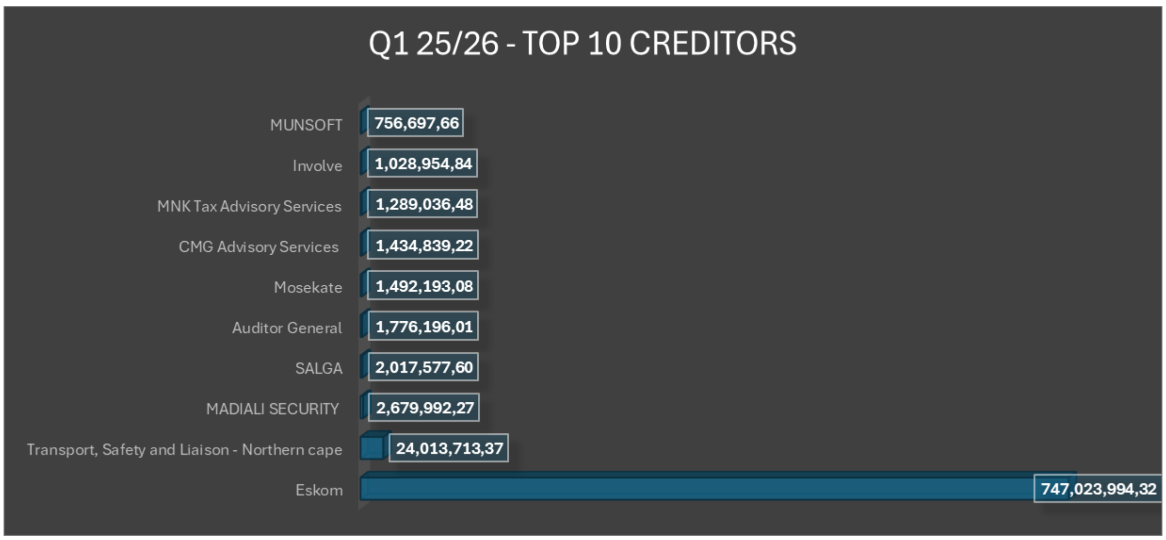
Council noting:

That it is noted that there was an increase of 9% on debtors' balance which is equivalent to an R60 million increase compared to fourth quarter of 2024/25 financial year and the municipality has a collection rate of 84% for the first quarter. Measures need to be put in place to reduce the outstanding debt of the municipality to improve the financial situation.

4.2 Creditors analysis

The GLM aims to pay all creditor invoices which are not in dispute with the relevant creditor within 30 days.

Top 10 Creditors - September 2025		AGING						
Supplier	Current	01-30 days	31-60 days	61-90 days	91-120 days	120+ days	Outstanding Amount	% Total of Outstanding Amount
Eskom	21,968,464,41	31,616,305,32	R 33,939,361,73	R 32,086,941,41	R 19,615,965,48	R 607,796,955,97	R 747,023,994,32	95,44%
Transport, Safety and Liaison - Northern cape	352,254,24	399,463,77	R 344,286,23	R 226,079,40	R 339,643,11	R 22,351,986,62	R 24,013,713,37	3,07%
MADIALI SECURITY	2,679,992,27		R-	R-	R-	R-	R 2,679,992,27	0,34%
SALGA	-	-	R 2,017,577,60	R-	R-	R-	R 2,017,577,60	0,26%
Auditor General	1,317,870,47	458,325,54					R 1,776,196,01	0,23%
Mosekate	440,633,54	441,001,54	R 610,558,00	R -	R -	R -	R 1,492,193,08	0,19%
CMG Advisory Services	1,434,839,22		R -	R-	R-	R-	R 1,434,839,22	0,18%
MNK Tax Advisory Services	1,289,036,48						R 1,289,036,48	0,16%
Involve	168,457,20	683,979,41	R 58,839,41	R 58,839,41	R 58,839,41		R 1,028,954,84	0,13%
MUNSOFT	118,863,44	637,834,22		R -		R -	R 756,697,66	0,10%
							R 782,756,497,19	



The total top 10 outstanding creditors as at 30 September 2025 as per the system ageing report is R782 million, which shows an increase of R56 million on top 10 creditors compared to the previous financial year Quarter 4, which amounted to R726 million. R747 million of outstanding debt owed pertains to Eskom.

User departments are therefore urged to ensure that invoices are requested and collaborated on time (monthly), as and when they are received if there are no disputes, to ensure accurate reporting of outstanding creditors.

Council noting:

Council needs to take note that there was a 7% increase on top ten outstanding creditors and 4.2% increase on top ten creditors for the quarter ended 30 September 2025. Repayment of creditors' need to be prioritized for the municipality to address the unfunded status and measures must be put in place for the municipality to adhere to the payment agreement entered with Eskom. The Municipality is currently on a Municipal debt relief.

4.3 External Loans

External loan balances are as follows:

External Loans Liabilities (DBSA)	R40,562,349.62

Payment arrangement was entered into with DBSA to make quarterly payments, the outstanding balance as at the end of September 2025 amounted to R40,562,349.62

Council noting:

Council needs to take note that the outstanding balance on the DBSA account amount to R40.5 million.

5. OPERATING INCOME: Actual revenue, per revenue source and explanation of variances

The revenue performance for the period to date is reflected in the table below. The one table summarises the revenue per main revenue category and the other table summarises the revenue per responsible Head of Department.

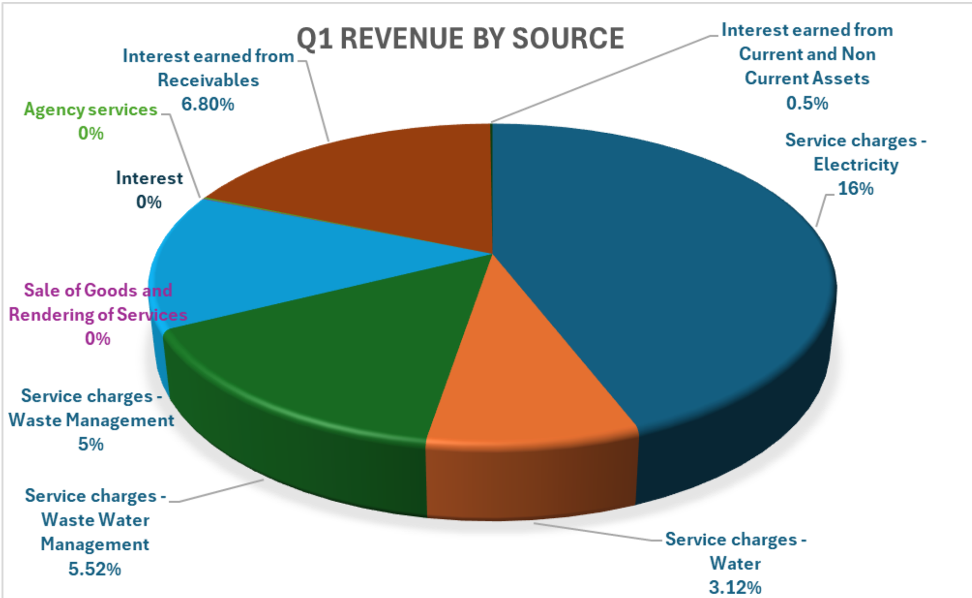
The following information is provided in each table:

• Budget for the year
• Actual revenue for the month / quarter
• Actual revenue for the year to date
• Percentage of actual revenue budget realised for the year to date
• For the individual revenue categories, year to date revenue annualised for the full year as an indication of the possible year end results (given all trends persist for the remainder of the financial year):

R thousands	Original Budget	Adjusted Budget	Q1 Actual	YTD Actual	% Total Budget Used/Realised Q1
Revenue					
Exchange Revenue					
Service charges - Electricity	237,444,000,00	237,444,000,00	38,642,000,00	38,642,000,00	16,27%
Service charges - Water	53,816,000,00	53,816,000,00	7,399,000,00	7,399,000,00	3,12%
Service charges - Waste Water Management	42,671,000,00	42,671,000,00	13,110,000,00	13,110,000,00	5,52%
Service charges - Waste Management	38,685,000,00	38,685,000,00	11,943,000,00	11,943,000,00	5,03%
Sale of Goods and Rendering of Services	- 17,440,000,00	- 17,440,000,00	48,000,00	48,000,00	0,02%
Agency services	432,000,00	432,000,00	141,000,00	141,000,00	0,06%
Interest					0,00%
Interest earned from Receivables	40,921,000,00	40,921,000,00	16,140,000,00	16,140,000,00	6,80%
Interest earned from Current and Non Current Assets	500,000,00	500,000,00	113,000,00	113,000,00	0,05%
Dividends					0,00%
Rent on Land					0,00%
Rental from Fixed Assets	2,528,000,00	2,528,000,00	1,090,000,00	1,090,000,00	0,46%
Licence and permits	27,000,00	27,000,00			0,00%
Special rating levies					0,00%
Operational Revenue	1,584,000,00	1,584,000,00	42,000,00	42,000,00	0,02%
Non-Exchange Revenue					0,00%
Property rates	160,339,000,00	160,339,000,00	46,531,000,00	46,531,000,00	19,60%
Surcharges and Taxes					0,00%
Fines, penalties and forfeits	1,876,000,00	1,876,000,00	43,000,00	43,000,00	0,02%
Licences or permits	1,656,000,00	1,656,000,00	348,000,00	348,000,00	0,15%
Transfer and subsidies - Operational	146,603,000,00	146,603,000,00	32,131,000,00	32,131,000,00	13,53%
Interest	22,396,000,00	22,396,000,00			0,00%
Fuel Levy					0,00%
Operational Revenue	540,000,00	540,000,00	4,076,000,00	4,076,000,00	1,72%
Gains on disposal of Assets					0,00%
Other Gains					0,00%
Discontinued Operations					0,00%
Total Revenue (excluding capital transfers and contributions)	734,581,000,00	734,581,000,00	171,796,000,00	171,796,000,00	72,35%

There is total Income billed to an amount of R171 million (excluding capital transfers) during the quarter July to September 2025. The revenue billed for the year to date is R171 million excluding grant transfers which is 23% of the budgeted revenue. The municipality has a collection rate of 84% as at 30 September 2025.

The diagrams below depict the spread of the revenue by source:



The major portion for the quarter July-Sept 2025 was billed on property rates and electricity. The major portion of the year-to-date revenue is billed on property rates and electricity.

Reason for variances above 10%:

R thousands	Q1 Actual : July-Sep 2025	Variance	Increase/Decrease %	Reasons for variance
Revenue				
Exchange Revenue				
Service charges - Electricity	38,642,000,00	-	0.00%	N/A
Service charges - Water	7,399,000,00	-	0.00%	N/A
Service charges - Waste Water Management	13,110,000,00	-	0.00%	N/A
Service charges - Waste Management	11,943,000,00	-	0.00%	N/A
Sale of Goods and Rendering of Services	48,000,00	-	0.00%	N/A
Agency services	141,000,00	-	0.00%	N/A
Interest		-	0.00%	N/A
Interest earned from Receivables	16,140,000,00	-	0.00%	N/A
Interest earned from Current and Non Current Assets	113,000,00	-	0.00%	N/A
Dividends		-	0.00%	N/A
Rent on Land		-	0.00%	N/A
Rental from Fixed Assets	1,090,000,00	-	0.00%	N/A
Licence and permits		-	0.00%	N/A
Special rating levies		-	0.00%	N/A
Operational Revenue	42,000,00	-	0.00%	N/A
Non-Exchange Revenue		-		N/A
Property rates	46,531,000,00	-	0.00%	N/A
Surcharges and Taxes		-	0.00%	N/A
Fines, penalties and forfeits	43,000,00	-	0.00%	N/A
Licences or permits	348,000,00	-	0.00%	N/A
Transfer and subsidies - Operational	32,131,000,00	-	0.00%	N/A
Interest		-	0.00%	N/A
Fuel Levy		-	0.00%	N/A
Operational Revenue	4,076,000,00	-	0.00%	N/A
Gains on disposal of Assets		-	0.00%	N/A
Other Gains		-	0.00%	N/A
Discontinued Operations		-	0.00%	N/A
Total Revenue (excluding capital transfers and contributions)	171,796,000,00	-	0.00%	N/A

Council noting:

Council needs to take note of the actual billing amount for Q3 January to September 2025, which amounted to R171 million with a collection rate of 84% as at the end of September 2025.

6. OPERATING EXPENDITURE: Actual expenditure, per category and explanation of variances

The expenditure performance for the period to date is reflected in the table below. The table summarises the expenditure per main expenditure category.

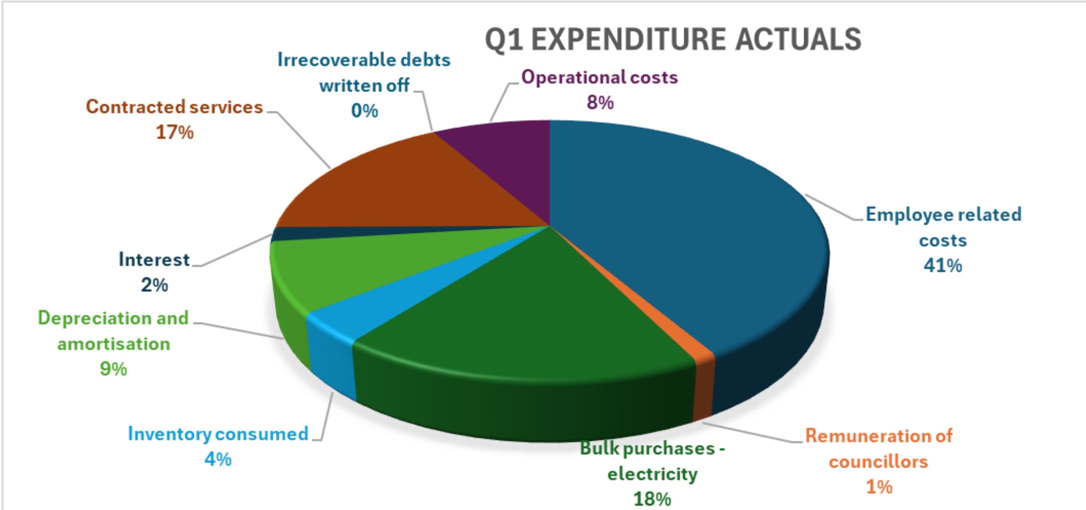
The following information is provided in each table:

• Budget for the year
• Actual expenditure for the month
• Actual expenditure for the year to date
• Percentage of actual expenditure budget incurred for the year to date
• For the individual expenditure categories, year to date expenditure annualised for the full year as an indication of the possible year end results (given all trends persist for the remainder of the financial year):

R thousands	Original Budget	Adjusted Budget	Q1 Actuals	Yeat TD Actuals	Total as % of Adjusted Budget
Expenditure					
Employee related costs	264,049,000,00	264,049,000,00	63,075,000,00	63,075,000,00	23,89%
Remuneration of councillors	6,848,000,00	6,848,000,00	1,709,000,00	1,709,000,00	24,96%
Bulk purchases - electricity	191,095,000,00	191,095,000,00	27,192,000,00	27,192,000,00	14,23%
Inventory consumed	19,385,000,00	19,385,000,00	5,845,000,00	5,845,000,00	30,15%
Debt impairment	48,572,000,00	48,572,000,00			0,00%
Depreciation and amortisation	54,423,000,00	54,423,000,00	13,205,000,00	13,205,000,00	24,26%
Interest	27,859,000,00	27,859,000,00	2,669,000,00	2,669,000,00	9,58%
Contracted services	85,154,000,00	85,154,000,00	25,687,000,00	25,687,000,00	30,17%
Transfers and subsidies	24,000,00	24,000,00			0,00%
Irrecoverable debts written off	21,723,000,00	21,723,000,00	10,000,00	10,000,00	0,05%
Operational costs	88,532,000,00	88,532,000,00	12,512,000,00	12,512,000,00	14,13%
Losses on disposal of Assets					#DIV/0!
Other Losses	671,000,00	671,000,00			0,00%
Total Expenditure	808,337,000,00	808,337,000,00	151,904,000,00	151,904,000,00	18,79%

Expenditure totalling R151 million was incurred during Q1, July to September 2025 and R151 million has been spent to date.

The diagrams below depict the spread of the operating expenditure:



From the graphs above, it can be noted that during Q1 July – September 2025, the major expenditure item relates to employee cost and Bulk purchases - electricity. Ongoing cost containment measures are being affected to reduce operational expenditure drastically.

<u>Reason for variances (10%):</u>

EXPENDITURE BY TYPE	Q1 ACTUALS : JULY - SEPT 2025	VARIANCE	INCREASE/DECREASE	REASON FOR VARIANCE
Employee related costs	63,075,000,00	0	N/A	N/A
Remuneration of councillors	1,709,000,00	0	N/A	N/A
Bulk purchases - electricity	27,192,000,00	0	N/A	N/A
Inventory consumed	5,845,000,00	0	N/A	N/A
Debt impairment		0	N/A	N/A
Depreciation and amortisation	13,205,000,00	0	N/A	N/A
Interest	2,669,000,00	0	N/A	N/A
Contracted services	25,687,000,00	0	N/A	N/A
Transfers and subsidies		0	N/A	N/A
Irrecoverable debts written off	10,000,00	0	N/A	N/A
Operational costs	12,512,000,00	0	N/A	N/A
Losses on disposal of Assets				N/A
Other Losses				N/A
Total Expenditure	**151,904,000,00**	0	N/A	N/A

Council noting:

Council take note that the expenditure for the quarter 1, July to September amount to R151 million, with major increases in employee cost, bulk purchased – electricity and contracted services. Measures to be put in place to ensure that transactions are captured within the month in which they are incurred.

7. SURPLUS/DEFICIT: Actual revenue vs actual expenditure

Description	Original Budget	Adjusted Budget	Q1 Actuals	YTD Actuals	Total as % of Adjusted Budget
Total Revenue (Excluding Capital Transfers & Contributions	814,694,000,00	814,694,000,00	171,796,000,00	171,796,000,00	21,09%
Total Expenditure	808,337,000,00	808,337,000,00	151,904,000,00	151,904,000,00	18,79%
Surplus/(Deficit)	6,357,000,00	6,357,000,00	19,892,000,00	19,892,000,00	312,91%

As depicted in the table above, the revenue for quarter one, July to September 2025 is higher than the expenditure incurred, which gives rise to a surplus of R19.8 million.

Council Noting:

Council to take note of the surplus for quarter one, July – September 2025 of R19.8 million and the same amount for Year-To-Date Actuals.

Summary of Grant Receipts

Grant register
July 2025- Sept 2025

	Grants	Unspent grant - PY 2023/2024	Roll over of Grants (approved/ denied)	Total roll over approved	Amount as per DoRA OR Provisional Gazatte 2025/26 OR Adjusted DoRA	Amount Received to Date	Stopping of funds/Withheld	Outstanding Receipts 2025/2026	Amount spent September 2025	Cumalative Spent 2025/2026	
1	Equitable share				70,911,000,00	29,546,000,00		41,365,000,00			
					70,911,000,00	**29,546,000,00**					
Conditional Grants											
1	FMG				2,000,000,00	2,000,000,00			1,108,863,10	2,233,751,85	- 233,751,85
2	EPWP				1,378,000,00	345,000,00			351,542,62	351,542,62	- 6,542,62
3	MIG	6,383,326,27	Denied		13,559,000,00	13,296,000,00			843,796,57	12,275,850,95	1,020,149,05
4	EEDSM	4,000,000,00	Denied		-				.		-
5	INEP				-				.		-
6	WSIG	1,438,207,15	Approved		10,392,000,00	5,196,000,00			4,019,835,10	4,019,835,10	2,614,372,05
7	LIBRARY GRANT										-
	TOTAL	**11,821,533,42**	-	-	**27,329,000,00**	**20,837,000,00**	-	-	**6,324,037,39**	**18,880,980,52**	**3,394,226,63**

The municipality has received a total of R50 million (operational and capital) for the year under review and had an opening balance roll over approval of WSIG amounting to R1.4 million from prior financial year. The total grants spent to date amount to R18 million (excluding equitable share). the municipality therefore has unspent grants of approximately R1.9 million as at the end of September 2025

Council Noting:

Council take note that the unspent grant as at the end of September 2025 amounted to R1.9 million which is not cashed back by the cash and cash equivalent balance of the municipality for the month of September 2025.

8. Capital Expenditure by Function and Funding Source

Choose name from list - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 - September

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited	Original	Adjusted	Monthly	YearTD actual	YearTD	YTD	YTD	Full Year
R thousands	1								%	
Funded by:										
National Government		61,792	23,991	–	3,316	14,622	5,998	8,624	144%	23,991
Provincial Government		6,758	–	–	–	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies,		–	–	–	–	–	–	–		–
Transfers recognised - capital		**68,550**	**23,991**	–	**3,316**	**14,622**	**5,998**	**8,624**	**144%**	**23,991**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		43,051	52,491	–	2,991	3,168	13,123	(9,955)	-76%	52,491
Total Capital Funding		**111,601**	**76,482**	–	**6,306**	**17,790**	**19,120**	**(1,331)**	**-7%**	**76,482**

The municipality incurred capital expenditure of R 17 million during quarter 1, July – September 2025

9. Summary of points for Council to take note of

That council take note of the Section 71 and 52 report, with the following recommendations:

1. The municipality ended the month with a bank balance of R21 538 255.10 (which includes call accounts).
2. That it is noted that there was an increase of 9% on debtor's balance which is equivalent to a R60 million. The municipality has a collection rate of 84% for the first quarter. Measures need to be put in place to reduce the outstanding debt of the municipality to improve the financial situation.
3. Council needs to take note that there was a 7% increase on top ten outstanding creditors and 4.2% increase on top ten creditors for the quarter ended 30 September 2025. Repayment of creditors' need to be prioritized for the municipality to address the unfunded status and measures must be put in place for the municipality to adhere to the payment agreement entered with Eskom. The Municipality is currently on a Municipal debt relief.
4. Council needs to take note that the outstanding balance on the DBSA account amount to R40.5 million.
5. Council needs to take note of the actual billing amount for Q1 July - September 2025, which amounted to R171 million with a collection rate of 84% as at the end of September 2025.
6. Council take note that the expenditure for the quarter July to September amount to R151 million, with major increases in employee cost, bulk purchased – electricity and contracted services. Measures to be put in place to ensure that transactions are captured within the month in which they are incurred. Council takes note of the surplus for quarter one, July - September of R19.8 million and the year-to-date deficit of R19.8 million.
7. Council take note that the unspent grant as at the end of 30 September 2025 amounted to R1.9 million which is not cashed back by the cash and cash equivalent balance of the municipality for the month of September 2025.
8. Council takes note of the surplus for July - September of R19.8 million and the year-to-date surplus of R19.8 million.