

**STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF
THE 2025/26 BUDGET FOR THE PERIOD ENDED 31 MAY 2026**

1. PURPOSE

The purpose of the report is for the Executive Mayor to **CONSIDER** and **NOTE** the statement of financial performance and the implementation of the 2025/26 budget of the Buffalo City Metropolitan Municipality for the period ended 31 May 2026.

2. AUTHORITY

Executive Mayor.

3. LEGAL / STATUTORY REQUIREMENTS

3.1. The Constitution of the Republic of South Africa, 1996

3.2. Municipal Finance Management Act No 56, 2003 Chapter 7, Section 71

3.3. Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND / REASONING

In terms of Section 71 of the Municipal Finance Management Act No 56, 2003 Chapter 7, “the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget”.

According to the Municipal Budget Reporting and Regulations (MBRR), 2009, “the monthly budget statement of a municipality must be in a format specified in Schedule C and include all the required tables, charts and explanatory information taking into account any guidelines issued by the Minister in terms of S168(1) of the Act” (MFMA). This report follows the legislative requirements of the Municipal Budget and Reporting Regulations (Schedule C format).

TABLE OF CONTENTS

REPORT TO EXECUTIVE MAYOR: 12 JUNE 2026.....	1
1. PURPOSE.....	1
2. AUTHORITY	1
3. LEGAL / STATUTORY REQUIREMENTS	1
4. BACKGROUND / REASONING	1
LIST OF TABLES	3
PART 1: IN-YEAR REPORT	4
5. RESOLUTIONS	5
ANNEXURES:	5
6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 31 MAY 2026.....	6
7. IN-YEAR BUDGET STATEMENT MAIN TABLES	15
PART 2: SUPPORTING DOCUMENTATION	27
8. DEBTOR'S MANAGEMENT	28
9. CREDITOR'S ANALYSIS.....	34
10. INVESTMENT PORTFOLIO ANALYSIS	36
11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE.....	38
12. COUNCILLOR AND EMPLOYEE BENEFITS	43
13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE	53
14. CAPITAL PROGRAMME PERFORMANCE.....	54
15. OTHER SUPPORTING DOCUMENTS	58
16. MUNICIPAL MANAGER'S QUALITY CERTIFICATION.....	60

LIST OF FIGURES

Figure 1: Current Ratio.....	8
Figure 2:Collection Ratio	9
Figure 3:Collection Ratio Per Region	9
Figure 4:Cash and Cash Equivalents	11
Figure 5:Cost Coverage	12
Figure 6:Debtors age analysis over the 3-year period.....	30
Figure 7: Workforce (Employee) Costs	44
Figure 8: Overtime Expenditure Monthly Trend.....	49
Figure 9: Capital Expenditure Trend.....	56
Figure 10: Operating Projects Expenditure Trend	59

LIST OF TABLES

Table 1: Performance Summary	6
Table 2: Account Payables breakdown	13
Table 3: C1: Monthly Budget Statement Summary	15
Table 4: C2: Monthly Budget Statement – Financial Performance (standard classification).....	16
Table 5: C3: Monthly Budget Statement – Financial Performance (Revenue and expenditure by municipal vote).....	17
Table 6: C4: Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)	18
Table 7: Repairs and Maintenance per Directorate	23
Table 8: C5: Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification, and funding)	24
Table 9: C6: Monthly Budget Statement – Financial Position.....	25
Table 10: C7: Monthly Budget Statement – Cash Flow	26
Table 11: SC3 Monthly Budget Statement Aged Debtors	28
Table 12: Debtor’s Age Analysis by Income Source Comparison	31
Table 13: Age Analysis per Category Type	32
Table 14: Analysis of Government Debtors	33
Table 15: SC4 Monthly Budget Statement Aged Creditors	34
Table 16: Payments made to the 20 highest paid creditors – May 2026	35
Table 17: SC5 Monthly Budget Statement – investment portfolio	36
Table 18: SC6 Monthly Budget Statement – transfers and grants receipts	38
Table 19: Spending per Conditional Grant Funding Allocation	39
Table 20: SC8 Monthly Budget Statement – Councillor, Board Members and Staff Benefits	43
Table 21: Overtime per Directorate	44
Table 22: Overtime Per Cost Centre: March 2026 – May 2026.....	45
Table 23: Standby & Shift Allowance per Directorate.....	51
Table 24: Temporary Staff per Directorate	52
Table 25: Councillors Costs	52
Table 26: Monthly Budget Statement – summary of municipal entity	53
Table 27: Capital Expenditure per Funding Source against Budget.....	54
Table 28: Actual Expenditure per Function against Budget.....	55
Table 29: Actual Expenditure per Directorate against Budget.....	55
Table 30: SC12 Monthly Budget Statement – capital expenditure trend	56
Table 31: Operating Projects per Directorate	58
Table 32: Operating Projects Per Funding Source	59

PART 1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

- (i) Executive Mayor **CONSIDERS** and **NOTES** the report on the statement of financial performance and the implementation of the 2025/26 budget for the period ended 31 May 2026 including supporting documentation attached as Annexure A to F.
- (ii) Executive Mayor **NOTES** the spending trend on capital and operating projects as well as the reasons for such an expenditure as indicated in section 14 and 15 respectively of this report.
- (iii) Executive Mayor **NOTES** the year to date collection rate for the period ended 31 May 2026 of 71.50%.

M. YAWA

CITY MANAGER

BUFFALO CITY METROPOLITAN MUNICIPALITY

SIYABULELA PETER/ YM

DATE

ANNEXURES:

Annexure A

- C1 Monthly Budget Statement - Summary
- C2 Monthly Budget Statement - Financial Performance (Std Classification)
- C3 Monthly Budget Statement - Financial Performance (By Municipal Vote)
- C4 Monthly Budget Statement - Financial Performance (Revenue and Expenditure)
- C5 Monthly Budget Statement - Capital Expenditure (Municipal Vote Std Classification and Funding)
- C6 Monthly Budget Statement - Financial Position
- C7 Monthly Budget Statement - Cash Flow

Annexure B

- SC1 Material Variance Explanation
- SC2 Performance Indicators
- SC3 Aged Debtors
- SC4 Aged Creditors
- SC5 Investment Portfolio
- SC6 Transfers and Grants Receipts
- SC7 (1) Transfers and Grants Expenditure
- SC7 (2) Expenditure against approved rollovers
- SC8 Councillor and Staff Benefits

- SC9 Actuals and Revised Targets for Cash Receipts
- SC11 Monthly Budget Statement – Summary of Municipal Entity
- SC14 Capital Expenditure trend
- SC13a Capital Expenditure on New Assets by Class
- SC13b Capital Expenditure on Renewal of Existing Assets by Class
- SC13c Expenditure on Repairs and Maintenance by Asset Class
- SC13d Depreciation by Asset Class
- SC13e Capital Expenditure on Upgrading of Existing Assets by Class

Annexure C

Schedule of Borrowings

Annexure D

Operating Expenditure Report

Annexure E

Capital Expenditure Report

Annexure F

Buffalo City Metropolitan Development Agency Performance Report

6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 31 MAY 2026

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS – 31 MAY 2025		OVERALL OPERATING RESULTS – 31 MAY 2026	
Income	R 9 349 948 401	Income	R 10 030 414 447
Expenditure	(R 10 260 531 892)	Expenditure	(R 10 582 580 269)
Operating Surplus/(Deficit) before Transfers and Subsidies Recognised – Capital	(R 910 583 491)	Operating Surplus/(Deficit) before Transfers and Subsidies Recognised – Capital	(R 552 165 822)
Transfers and Subsidies Recognized – Capital	R 455 810 908	Transfers and Subsidies Recognised – Capital	R 662 481 887
Intercompany/Parent subsidiary transactions	R 38 387 532	Intercompany/Parent subsidiary transactions	R 33,043,478
Surplus/(Deficit) after Capital Transfers	(R 416 385 051)	Surplus/(Deficit) after Capital Transfers	R 143 359 543
CASH MANAGEMENT – 31 MAY 2025		CASH MANAGEMENT – 31 MAY 2026	
Cash and cash equivalents	R 1 061 052 470	Cash and cash equivalents	R 1 208 109 541
Account Payables	(R 1 206 526 884)	Account Payables	(R 1 187 464 043)
Unspent conditional grants	(R 745 603 062)	Unspent conditional grants	(R 396 418 355)
Committed to Capital budget-own funds	(R 204 843 391)	Committed to Capital budget-own funds	(R 233 651 636)
DEBTORS – 31 MAY 2025		DEBTORS – 31 MAY 2026	
Total debtors' book (incl. impairment)	R 9 050 739 211	Total debtors' book (incl. impairment)	R 10 310 006 163
Total debtors – Government	R 99 177 136	Total debtors – Government	R 191 977 465
Total debtors – Business	R 1 616 417 925	Total debtors – Business	R 1 829 616 070
Total debtors – Households	R 7 335 144 150	Total debtors – Households	R 8 288 412 628
Total debt written off incl. Vat (YTD)	R 466 202 694	Total debt written off incl. Vat (YTD)	R 778 211 949
TOTAL LONG-TERM LOANS		SURPLUS / (DEFICIT) PER SERVICE	
31 MAY 2025	31 MAY 2026	30 MAY 2025	31 MAY 2026
R 79 609 412	R 54 587 358	Water R 214 904 070	R 224 973 720
REPAIRS AND MAINTENANCE		Electricity (R 750 443 516)	(R 821 210 546)
31 MAY 2025	31 MAY 2026	Refuse R 139 895 695	R 164 679 691
Exp.= R372.30 m, which is 71% of budget of R527.75 m	Exp.= R319.96 m, which is 71% of budget of R450.80 m	Sewerage R 232 191 170	R 292 382 989
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
<u>31 May 2025: Exp. as a % of Adjusted Budget of R1.43b:</u>	<u>31 May 2026: Exp. as a % of Adjusted Budget of R1.55b:</u>	<u>31 May 2025: Exp. as a % of Adjusted Budget of R521.16m:</u>	<u>31 May 2026: Exp. as a % of Adjusted Budget of R581.67m:</u>
Exp. (excl. vat) = 796.34 mil	Exp. (excl. vat) = R801,09 mil	Exp. (excl. vat) = R251.03 mil	Exp. (excl. vat) = R342.03 mil
% exp. (Excl. vat) :56%	% exp. (Excl. vat) :52%	% exp. (excl. vat): 48%	% exp. (excl. vat): 59%
Exp. (incl. vat) = R858.18 mil	Exp. (incl. vat) = R877.63 mil	Exp. (incl. vat) = R256.95 mil	Exp. (incl. vat) = R350.80 mil
% exp. (incl. vat): 60%	% exp. (incl. vat): 57%	% exp. (incl. vat): 49%	% exp. (incl. vat): 60%

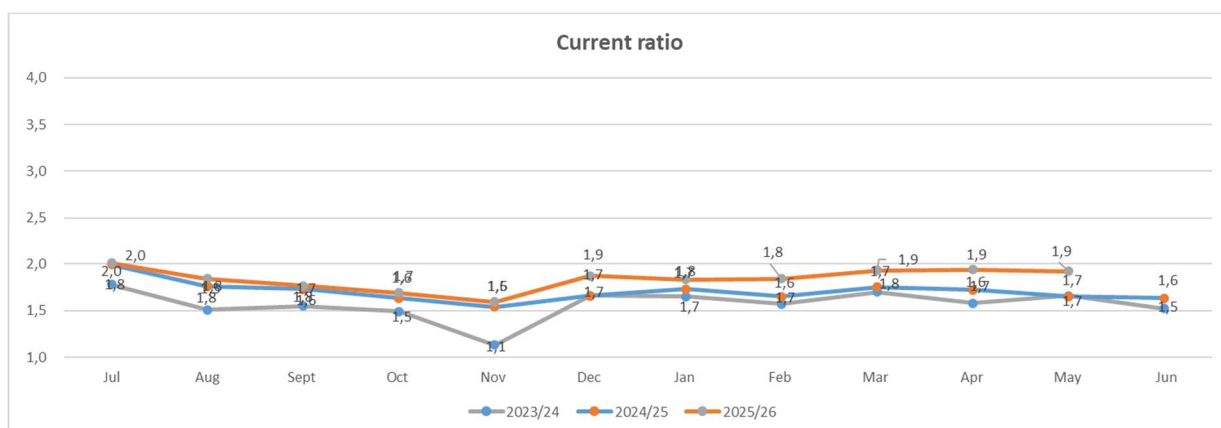
FINANCIAL	31 MAY 2025	31 MAY 2026	HUMAN RESOURCES 31 MAY 2026	
Operating Surplus/(Deficit) after Capital Transfers and Intercompany transactions	(R 910 583 491)	R 143 359 543	Total staff complement	4 780
Debtors' collection ratio	70,11%	71,50%	Staff Appointments	222
YTD Grants and subsidies: recognized – Capital	R 455 810 908	R 662 481 887	Staff Terminations	198
Creditor's payment days	32 days	35 days	Number of funded vacant posts (under recruitment process)	419
Current ratio	1,65:1	1,92:1	Total overtime paid (YTD)	R 165 704 933
Total Debt to Revenue	0,89%:	0,58%	Allowances and benefits – Councillors (YTD)	R 68 910 859
Capital Charges to Operating Expenditure	0,37%	0,30%	Salary bill – Officials (YTD)	R 2 598 517 850
Cost coverage ratio	0,45 month	1,16 month	Workforce costs as a % of expenditure	25,21%

6.2. Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered stable as the Current Ratio is 1.92:1. which indicates the ability of municipality's current assets to cover its current liabilities. This is within the norm of 1.5-2:1. However, the non-achievement of the budgeted collection of 76% and high rate of increase in operating costs is a threat to the City's cash position. This ratio denotes that the City is able to meet its short-term liabilities.

The graph below shows a comparison of the current ratio for the current financial year and the two previous financial years.

Figure 1: Current Ratio

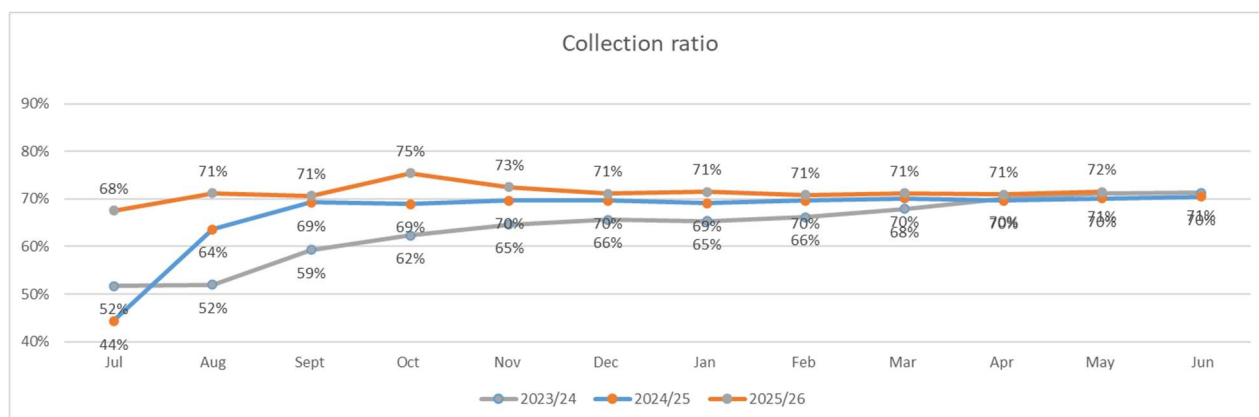


6.3. Collection Rate and Outstanding Debtors

The year-to-date collection rate as at 31 May 2026 is 71.50% (2024/25: 70.11%). This ratio denotes the City's ability to collect the billed revenue from its consumers. The collection rate has increased by 0.54% from last month where 70,96% was achieved for the period ended 30 April 2026. Refer to Section 8 for further details.

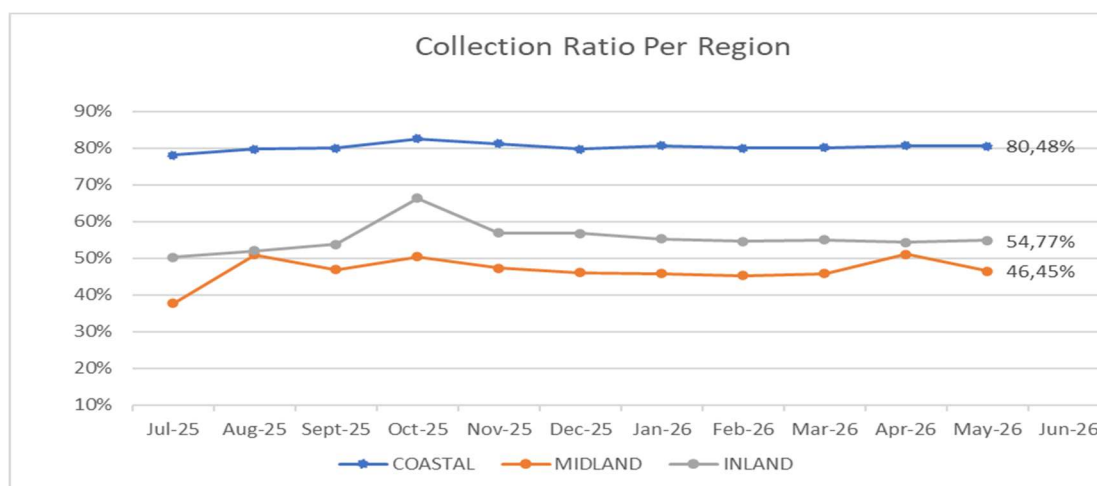
The graph below shows a comparison of the monthly collection ratio for the current financial year and the two previous financial years.

Figure 2: Collection Ratio



The graph below shows comparison of the monthly collection ratio per region for the current financial year. The year-to-date collection rate as at 31 May 2026 per region is as follows: Coastal 80,48% Midland 46,45% and Inland 54,77%.

Figure 3: Collection Ratio Per Region



Total gross debtors' book (including current accounts) as at 31 May 2026 amounts to R10.31 billion (2024/25 R9.05 billion). Households: R8.29 billion, Business: R1.83 billion and Government: R191.98 million. Refer to section 8 of the report for details on debtors' management. The debtors' age analysis report is reflected on Annexure B – SC3.

6.4. Capital Expenditure

The Metro has spent 57% (R877.63 million, inclusive of reclaimed vat) of its 2025/26 adjusted capital budget of R1.55 billion as at 31 May 2026. This reflects a decline when compared to the same period in the previous financial year where 60% (R858.18 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.43 billion was spent. The decline in performance is mainly due to procurement delays, late project implementation and contractor performance challenges. (Refer to Section 14 for further details).

A detailed schedule of the capital projects expenditure is outlined in **Annexure E**.

6.5. Operating Projects

The Metro has spent 60% (R350.80 million, inclusive of reclaimed vat) of its 2025/26 adjusted operating projects budget of R581.67 million as at 31 May 2026. This reflects an improvement when compared to the same period in the previous financial year where 49% (R256.95 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R521.16 million was spent. (Refer to Section 15 for further details).

A detailed schedule of the operating projects expenditure is outlined in **Annexure D**.

6.6. Expenditure on Conditional Grants (DoRA Allocation)

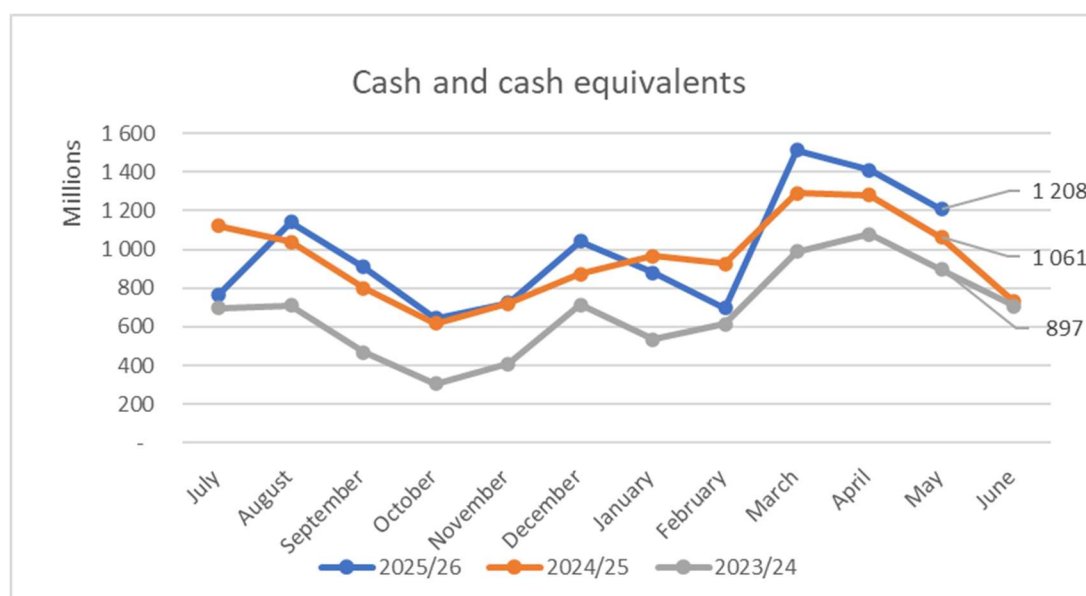
The Metro has spent 62% (R771.97 million, inclusive of reclaimed vat) of its 2025/26 conditional grants approved adjusted budget of R1.25 billion as at 31 May 2026. This reflects a slight decline when compared to the same period in the previous financial year where 63% (R662.20 million, inclusive of reclaimed vat) of conditional grants budget of R1.05 billion was spent. (Refer to Section 11.1 for further details).

6.7. Cash and Cash Equivalents

The cash and cash equivalents of the City as at 31 May 2026 is R1.21 billion. This funding is invested with various financial institutions in compliance with the MFMA.

The graph below shows comparison of the monthly cash and cash equivalents over the 3-year period.

Figure 4: Cash and Cash Equivalents



Cash reserves have shown an improvement when compared to the same period over the previous two financial years. Refer to Section 7.4.5 and Annexure A – C7 for the cash flow statement as well as Section 10 and Annexure B – SC5 for the investment portfolio breakdown. The City has since decreased its capital investment from internally generated funds.

The cost coverage ratio of the City is 1.16 month. This ratio indicates the municipality's ability to meet its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that period.

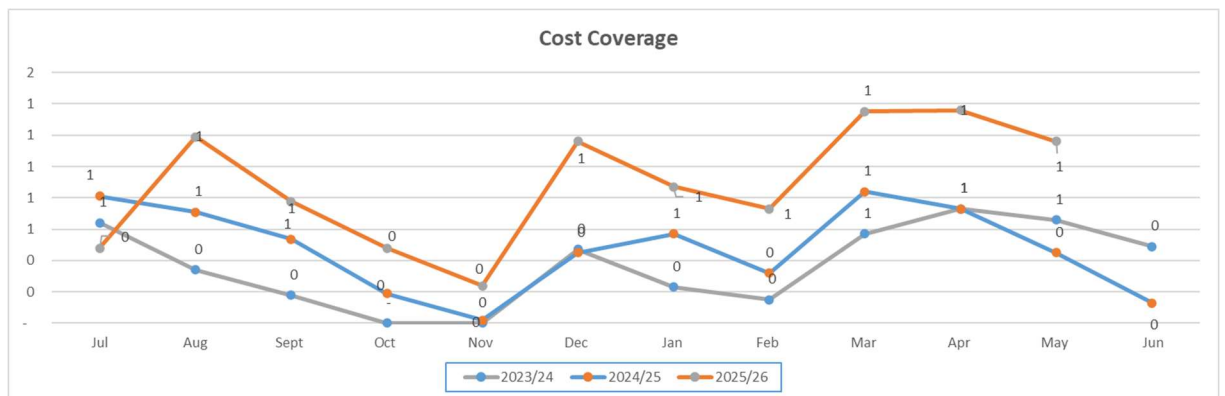
This ratio denotes that the City will be able to meet its monthly operating commitments as the ratio is within the norm of 1-3 months as per the MFMA circular 71. The City's cost coverage will have a short- and long-term negative effect on the City's Credit Ratings.

The below are the strategies to improve the cost coverage ratio:

- Continuous engagements with the Provincial Department of Human Settlements and BCMM Human Settlements to fast track the payment of HSDG projects and collection thereof.
- Recovery of collectable debt owed through full implementation of the Credit Control Policy
- Increase the Revenue base of the Metro
- Review and address the under/unfunded mandates the City carries out on behalf of other Government Departments
- Continuous implementation of the Cost Containment Measures currently in place to improve the City's financial health.

The graph below shows comparison of the monthly cost coverage for the current financial year and the two previous financial years.

Figure 5: Cost Coverage



6.8. Outstanding Creditors

The Metro always strives to pay all its creditors within 30 days as stipulated by section 65 (e) of the MFMA except when there are disputes on received invoices. The creditors payment period for the reporting period (31 May 2026) is 35 days.

Table 2 below reflects a breakdown of Account Payables for the reporting period under review which amounted to R1,19 billion made up of the following:

Table 2: Account Payables breakdown

Accounts Payable	Amount
Trade payables	246 357 810
Payments received in advance	230 888 802
Retention monies	76 655 849
Accrued leave pay	130 323 768
Sundry creditors - other	503 237 814
Total	1 187 464 043

6.9. Long-Term Debt Profile

The total long-term borrowings of the municipality as at 31 May 2026 amounts to R54.59 million. Refer to Annexure C for the schedule of borrowings. The ratio of capital charges to operating expenditure as at 31 May 2026 is 0.30%. This ratio assesses the level of capital charges / interest charges to operating expenditure. The norm as per the MFMA circular 71 is between 6 and 8%. The total debt to revenue ratio is 0.58% as at 31 May 2026, this indicates the extent of total borrowings (short- and long-term debt financing) in relation to total operating revenue of the municipality. The purpose of the ratio is to provide assurance that sufficient revenue will be generated to repay liabilities. The outcome is below the National Treasury set ceiling of 45%.

6.10. Performance by Trading Service - Electricity

The electricity service has achieved an operating deficit of R 821 210 546 for the period ended 31 May 2026. The following are the factors that contributed to the deficit.

- i. The Metro has high electricity losses which account for R1.28 for every kWh sold.
- ii. Increase in meter tampering and illegal connections into the BCMM Electrical Grid.
- iii. The move by more affluent consumers off grid or alternative energy

sources.

- iv. The City is using a Revaluation Model as an accounting policy of choice to subsequently measure its infrastructure assets in line with Generally Recognised Accounting Practices (GRAP) which results to annual increase in the City's asset base due to price increases in the construction industry, this therefore attracts an equivalent increase in the depreciation expense for the Metro's infrastructure network.

Remedial action to address loss of revenue from electricity services:

- i. The monitoring of Smart Electricity Metering will assist in curbing non-technical losses.
- ii. Electrification of informal areas is currently being implemented in suitable informal settlements to reduce illegal connections.
- iii. Investigating alternative ways to provide non-grid solutions to informal areas with potential support from Department of Energy (DoE).
- iv. Revenue protection services performs raids through collaborations with other law enforcement agencies (SAPS, Metro law enforcement & Department of Justice).
- v. The Metro has introduced a revised basic charge for Small-scale embedded generation (SSEG) customers to off-set some of the financial loss associated with "off-grid" customers.
- vi. The Metro has embarked on a National Treasury turn-around strategy where it is expected to derive funding from National Treasury to fund the loss reduction program.

7. IN-YEAR BUDGET STATEMENT MAIN TABLES

7.1 Monthly Budget Statement Summary

The table below provides a high-level summary of the Metro's financial performance, capital expenditure, financial position, cash flow, debtors and creditors analysis.

Table 3:C1: Monthly Budget Statement Summary

BUF Buffalo City - Table C1 Consolidated Monthly Budget Statement Summary - M11 May

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	2 169 015	2 328 401	2 328 401	169 364	2 015 490	2 035 954	(20 464)	-1%	2 328 401
Service charges	4 994 155	5 391 833	5 335 333	442 958	4 883 289	4 905 456	(22 166)	-0%	5 335 333
Investment revenue	72 215	71 134	71 134	8 018	53 026	65 521	(12 495)	-19%	71 134
Transfers and subsidies - Operational	1 483 807	1 801 124	1 771 062	5 620	1 540 352	1 499 937	40 415	0	1 771 062
Other own revenue	1 558 575	1 361 077	1 417 577	70 098	1 538 258	1 333 796	204 461	15%	1 417 577
	10 277 766	10 953 569	10 923 507	696 058	10 030 414	9 840 664	189 750	2%	10 923 507
Total Revenue (excluding capital transfers and contributions)									
Employee costs	2 780 686	2 932 056	2 899 791	222 972	2 598 518	2 598 190	328	0%	2 899 791
Remuneration of Councillors	70 373	81 578	81 578	6 170	68 911	69 692	(781)	-1%	81 578
Depreciation and amortisation	2 362 853	595 663	599 663	139 578	1 518 259	551 054	967 204	176%	599 663
Interest	44 468	6 551	21 551	474	6 093	18 090	(11 997)	-66%	21 551
Inventory consumed and bulk purchases	2 984 568	3 483 065	3 360 231	243 859	3 007 934	2 909 122	98 812	3%	3 360 231
Transfers and subsidies	102 451	117 729	129 479	30 920	118 670	90 314	28 355	31%	129 479
Other expenditure	3 737 721	3 734 958	3 829 245	337 162	3 264 196	3 365 923	(101 727)	-3%	3 829 245
Total Expenditure	12 083 121	10 951 601	10 921 539	981 136	10 582 580	9 602 386	980 194	10%	10 921 539
Surplus/(Deficit)	(1 805 354)	1 968	1 968	(285 078)	(552 166)	238 278	(790 444)	-332%	1 968
Transfers and subsidies - capital (monetary allocations)	773 040	808 900	1 101 895	96 022	662 482	719 672	(57 190)	-8%	1 101 895
Transfers and subsidies - capital (in-kind)	5 666	-	-	-	-	-	-	-	-
	(1 026 648)	810 868	1 103 864	(189 056)	110 316	957 950	(847 634)	-88%	1 103 864
Surplus/(Deficit) after capital transfers & contributions									
Share of surplus/ (deficit) of associate	36 996	-	-	-	33 043	-	33 043		-
Surplus/ (Deficit) for the year	(989 651)	810 868	1 103 864	(189 056)	143 360	957 950	(814 590)	-85%	1 103 864
Capital expenditure & funds sources									
Capital expenditure	1 230 341	1 159 709	1 549 220	91 652	801 086	1 382 545	(581 459)	-42%	1 549 220
Capital transfers recognised	702 486	808 800	1 102 795	76 072	577 330	977 374	(400 044)	-41%	1 102 795
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	527 855	350 908	446 425	15 580	223 756	405 171	(181 415)	-45%	446 425
Total sources of capital funds	1 230 341	1 159 709	1 549 220	91 652	801 086	1 382 545	(581 459)	-42%	1 549 220
Financial position									
Total current assets	5 595 370	6 037 042	5 977 169		7 470 572				5 977 169
Total non current assets	42 466 105	31 201 935	42 408 034		41 747 350				42 408 034
Total current liabilities	7 384 468	3 727 589	4 036 967		4 763 323				4 036 967
Total non current liabilities	1 331 812	1 049 141	1 374 428		1 304 456				1 374 428
Community wealth/Equity	43 011 000	32 462 247	42 973 808		43 150 369				42 973 808
Cash flows									
Net cash from (used) operating	5 810 727	1 205 726	1 641 863	(92 390)	6 013 009	(952 497)	(6 965 506)	731%	1 641 863
Net cash from (used) investing	(1 213 755)	(1 159 709)	(1 549 220)	(91 652)	(809 118)	(1 420 118)	(611 000)	43%	(1 549 220)
Net cash from (used) financing	(7 704)	(21 746)	(21 746)	(63)	(22 786)	(19 934)	2 852	-14%	(21 746)
Cash/cash equivalents at the month/year end	5 310 255	881 066	801 925	5 912 134	5 912 134	(1 661 521)	(7 573 654)	456%	801 925
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	703 325	371 566	313 163	274 763	246 709	254 234	1 372 928	6 773 319	10 310 006
Creditors Age Analysis									
Total Creditors	1 140 332	47 132	-	-	-	-	-	-	1 187 464

7.2 Monthly Budget Statement – Financial Performance (standard classification)

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

Table 4: C2: Monthly Budget Statement – Financial Performance (standard classification)

BUF Buffalo City - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M11 May

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									
Revenue - Functional										
<i>Governance and administration</i>		3 810 696	4 133 003	3 975 186	197 303	3 642 220	3 577 730	64 490	2%	3 975 186
Executive and council		22 480	19 211	19 211	(3 817)	20 359	15 789	4 570	29%	19 211
Finance and administration		3 788 216	4 113 792	3 955 975	201 120	3 621 861	3 561 941	59 920	2%	3 955 975
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		591 214	809 936	676 158	22 005	433 255	536 510	(103 254)	-19%	676 158
Community and social services		33 400	87 169	59 669	3 258	32 492	44 497	(12 005)	-27%	59 669
Sport and recreation		17 572	26 592	26 670	846	13 257	18 986	(5 728)	-30%	26 670
Public safety		242 505	208 755	216 376	6 507	197 136	175 728	21 408	12%	216 376
Housing		296 186	487 379	373 402	11 295	189 616	297 269	(107 653)	-36%	373 402
Health		1 552	42	42	99	754	30	724	2383%	42
<i>Economic and environmental services</i>		266 933	195 291	374 309	24 233	172 769	290 150	(117 381)	-40%	374 309
Planning and development		97 802	132 130	129 311	4 535	62 610	97 754	(35 144)	-36%	129 311
Road transport		169 131	63 160	244 998	19 698	110 159	192 396	(82 237)	-43%	244 998
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		6 303 481	6 518 064	6 902 856	544 505	6 370 352	6 085 139	285 213	5%	6 902 856
Energy sources		3 272 365	3 384 566	3 494 365	306 912	3 367 640	3 289 515	78 125	2%	3 494 365
Water management		1 399 786	1 376 974	1 557 549	121 621	1 474 820	1 293 655	181 165	14%	1 557 549
Waste water management		883 160	897 870	994 311	61 260	795 429	803 408	(7 979)	-1%	994 311
Waste management		748 170	858 654	856 631	54 712	732 463	698 561	33 902	5%	856 631
<i>Other</i>	4	84 149	106 175	96 892	4 033	74 300	70 807	3 492	5%	96 892
Total Revenue - Functional	2	11 056 473	11 762 469	12 025 402	792 080	10 692 896	10 560 336	132 561	1%	12 025 402
Expenditure - Functional										
<i>Governance and administration</i>		2 127 905	2 167 654	2 235 561	181 787	1 935 711	1 992 011	(56 300)	-3%	2 235 561
Executive and council		328 614	349 398	383 940	27 226	324 038	331 482	(7 443)	-2%	383 940
Finance and administration		1 787 421	1 801 686	1 835 033	153 897	1 599 781	1 645 947	(46 166)	-3%	1 835 033
Internal audit		11 870	16 570	16 588	663	11 892	14 582	(2 690)	-18%	16 588
<i>Community and public safety</i>		1 537 433	1 558 816	1 470 469	133 233	1 323 805	1 301 662	22 143	2%	1 470 469
Community and social services		216 319	169 006	171 109	15 075	179 101	153 296	25 805	17%	171 109
Sport and recreation		500 646	409 831	432 239	42 302	471 962	381 471	90 491	24%	432 239
Public safety		624 517	558 069	564 964	45 648	495 007	504 521	(9 514)	-2%	564 964
Housing		140 841	366 108	244 578	25 399	125 839	211 340	(85 501)	-40%	244 578
Health		55 110	55 802	57 578	4 808	51 896	51 035	861	2%	57 578
<i>Economic and environmental services</i>		786 385	741 073	764 094	80 512	905 024	681 447	223 577	33%	764 094
Planning and development		247 883	264 827	266 812	15 021	168 710	232 659	(63 949)	-27%	266 812
Road transport		538 502	476 246	497 282	65 491	736 314	448 788	287 526	64%	497 282
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		7 483 820	6 328 267	6 279 542	550 938	6 267 236	5 486 014	781 222	14%	6 279 542
Energy sources		3 625 107	4 382 455	4 226 132	322 521	3 969 576	3 650 037	319 539	9%	4 226 132
Water management		1 754 669	920 192	913 663	118 617	1 158 041	833 736	324 305	39%	913 663
Waste water management		1 302 563	461 200	495 720	45 080	495 666	431 866	63 800	15%	495 720
Waste management		801 480	564 419	644 027	64 720	643 953	570 374	73 579	13%	644 027
<i>Other</i>		149 554	155 791	171 873	34 666	150 804	141 251	9 552	7%	171 873
Total Expenditure - Functional	3	12 085 096	10 951 601	10 921 539	981 136	10 582 580	9 602 386	980 194	10%	10 921 539
Surplus/ (Deficit) for the year		(1 028 624)	810 868	1 103 864	(189 056)	110 316	957 950	(847 634)	-0,884841	1 103 864

7.3 Monthly Budget Statement – Financial Performance (Revenue and expenditure by municipal vote)

The table below shows budgeted financial performance in relation to the revenue and expenditure by vote as well as the operating surplus or deficit for the City.

**Table 5: C3: Monthly Budget Statement – Financial Performance
(Revenue and expenditure by municipal vote)**

BUF Buffalo City - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Directorate - Executive Support Services		148	-	935	87	190	773	(582)	-75,3%	935
Vote 02 - Directorate - Municipal Manager		22 798	19 211	19 211	(3 817)	20 390	15 789	4 600	29,1%	19 211
Vote 03 - Directorate - Human Settlement		296 186	487 379	373 402	11 295	189 616	297 269	(107 653)	-36,2%	373 402
Vote 04 - Directorate - ChiefFinancial Officer		3 706 308	4 075 817	3 917 065	193 395	3 584 583	3 531 719	52 864	1,5%	3 917 065
Vote 05 - Directorate - Corporate Services		15 638	9 851	9 851	535	8 590	7 993	597	7,5%	9 851
Vote 06 - Directorate - Infrastructure Services		5 724 454	5 722 571	6 291 224	509 491	5 748 048	5 578 974	169 074	3,0%	6 291 224
Vote 07 - Directorate - Spatial Planning And Development		152 615	98 155	95 336	11 311	79 243	67 772	11 472	16,9%	95 336
Vote 08 - Directorate - Health / Public Safety & Emergency Services		242 505	227 755	216 376	6 507	197 136	175 729	21 407	12,2%	216 376
Vote 10 - Directorate - Economic Development & Agencies		132 125	168 273	158 991	4 359	119 178	122 246	(3 068)	-2,5%	158 991
Vote 11 - Directorate - Solid Waste And Environmental Management		754 520	864 673	862 649	55 243	736 709	702 208	34 501	4,9%	862 649
Vote 12 - Directorate - Sport, Recreation & Community Development		46 173	88 783	80 361	3 672	42 275	59 865	(17 589)	-29,4%	80 361
Total Revenue by Vote	2	11 093 469	11 762 469	12 025 402	792 080	10 725 958	10 560 336	165 622	1,6%	12 025 402
Expenditure by Vote	1									
Vote 01 - Directorate - Executive Support Services		258 821	291 081	308 016	22 737	245 818	265 160	(19 342)	-7,3%	308 016
Vote 02 - Directorate - Municipal Manager		174 057	172 129	187 746	11 116	167 063	159 767	7 296	4,6%	187 746
Vote 03 - Directorate - Human Settlement		140 453	366 108	244 220	25 396	125 505	211 012	(85 506)	-40,5%	244 220
Vote 04 - Directorate - ChiefFinancial Officer		1 136 938	1 231 183	1 247 682	108 741	1 109 574	1 127 493	(17 919)	-1,6%	1 247 682
Vote 05 - Directorate - Corporate Services		239 628	245 802	271 702	18 914	233 571	245 729	(12 158)	-4,9%	271 702
Vote 06 - Directorate - Infrastructure Services		7 417 008	6 379 738	6 309 788	565 274	6 490 292	5 522 594	967 698	17,5%	6 309 788
Vote 07 - Directorate - Spatial Planning And Development		371 625	290 643	291 543	22 171	217 636	257 322	(39 686)	-15,4%	291 543
Vote 08 - Directorate - Health / Public Safety & Emergency Services		629 057	568 420	572 978	46 177	500 489	510 966	(10 476)	-2,1%	572 978
Vote 10 - Directorate - Economic Development & Agencies		183 148	217 790	224 308	37 072	188 864	183 213	5 651	3,1%	224 308
Vote 11 - Directorate - Solid Waste And Environmental Management		972 196	744 979	819 229	80 394	813 885	724 994	88 891	12,3%	819 229
Vote 12 - Directorate - Sport, Recreation & Community Development		562 166	443 727	444 327	43 143	489 882	394 137	95 746	24,3%	444 327
Total Expenditure by Vote	2	12 085 096	10 951 601	10 921 539	981 136	10 582 580	9 602 386	980 194	10,2%	10 921 539
Surplus/ (Deficit) for the year	2	(991 627)	810 868	1 103 864	(189 056)	143 378	957 950	(814 572)	-85,0%	1 103 864

7.4 Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ended 31 May 2026.

Table 6: C4: Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Table 6: Consolidated Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - May										
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		3 019 887	3 197 096	3 162 327	270 022	2 995 272	3 058 484	(63 212)	-2%	3 162 327
Service charges - Water		913 969	1 000 901	996 670	86 721	907 955	863 878	44 077	5%	996 670
Service charges - Waste Water Management		580 716	632 342	614 842	46 124	538 785	526 768	12 017	2%	614 842
Service charges - Waste management		479 584	561 494	561 494	40 091	441 278	456 326	(15 048)	-3%	561 494
Sale of Goods and Rendering of Services		122 557	159 693	133 271	10 692	114 956	104 228	10 728	10%	133 271
Agency services		21 002	29 389	29 389	(4 415)	19 632	26 450	(6 817)	-26%	29 389
Interest								—		
Interest earned from Receivables		375 564	231 858	281 578	47 048	448 542	252 983	195 559	77%	281 578
Interest from Current and Non Current Assets		72 215	71 134	71 134	8 018	53 026	65 521	(12 495)	-19%	71 134
Dividends								—		
Rent on Land								—		
Rental from Fixed Assets		31 261	25 306	25 306	4 120	33 609	24 742	8 868	36%	25 306
Licence and permits								—		
Special rating levies								—		
Operational Revenue		66 617	92 056	63 931	4 065	34 662	54 876	(20 214)	-37%	63 931
Non-Exchange Revenue										
Property rates		2 169 015	2 328 401	2 328 401	169 364	2 015 490	2 035 954	(20 464)	-1%	2 328 401
Surcharges and Taxes								—		
Fines, penalties and forfeits		56 647	10 108	10 108	1 227	9 083	9 682	(599)	-6%	10 108
Licence and permits		16 427	14 625	12 953	1 393	14 104	12 394	1 710	14%	12 953
Transfers and subsidies - Operational		1 483 807	1 801 124	1 771 062	5 620	1 540 352	1 499 937	40 415	3%	1 771 062
Interest		6 327	—	6 500	866	8 284	5 200	3 084	59%	6 500
Fuel Levy		777 132	798 042	798 042	—	798 042	798 042	—		798 042
Operational Revenue		54 818	—	56 500	5 102	57 279	45 200	12 079	27%	56 500
Gains on disposal of Assets		1 211	—	—	—	40	—	40		—
Other Gains		29 012	—	—	—	25	—	25		—
Discontinued Operations								—		
Total Revenue (excluding capital transfers and contributions)		10 277 766	10 953 569	10 923 507	696 058	10 030 414	9 840 664	189 750	2%	10 923 507

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		2 780 686	2 932 056	2 899 791	222 972	2 598 518	2 598 190	328	0%	2 899 791
Remuneration of councillors		70 373	81 578	81 578	6 170	68 911	69 692	(781)	-1%	81 578
Bulk purchases - electricity		2 631 543	3 193 457	3 065 657	213 610	2 715 014	2 630 818	84 196	3%	3 065 657
Inventory consumed		353 025	289 608	294 574	30 249	292 919	278 304	14 616	5%	294 574
Debt impairment		1 987 596	1 891 898	1 891 898	157 379	1 731 928	1 734 303	(2 375)	0%	1 891 898
Depreciation and amortisation		2 362 853	595 663	599 663	139 578	1 518 259	551 054	967 204	176%	599 663
Interest		44 468	6 551	21 551	474	6 093	18 090	(11 997)	-66%	21 551
Contracted services		854 597	1 165 425	1 153 463	89 451	787 401	880 785	(93 385)	-11%	1 153 463
Transfers and subsidies		102 451	117 729	129 479	30 920	118 670	90 314	28 355	31%	129 479
Irrecoverable debts written off		–	–	–	–	–	–	–		–
Operational costs		671 089	556 263	662 513	79 061	627 085	638 651	(11 566)	-2%	662 513
Losses on Disposal of Assets		11 817	–	–	–	–	–	–		–
Other Losses		212 622	121 371	121 371	11 271	117 783	112 184	5 600	5%	121 371
Total Expenditure		12 083 121	10 951 601	10 921 539	981 136	10 582 580	9 602 386	980 194	10%	10 921 539
Surplus/(Deficit)		(1 805 354)	1 968	1 968	(285 078)	(552 166)	238 278	(790 444)	(0)	1 968
Transfers and subsidies - capital (monetary allocations)		773 040	808 900	1 101 895	96 022	662 482	719 672	(57 190)	(0)	1 101 895
Transfers and subsidies - capital (in-kind)		5 666	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		(1 026 648)	810 868	1 103 864	(189 056)	110 316	957 950	(847 634)	(0)	1 103 864
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		(1 026 648)	810 868	1 103 864	(189 056)	110 316	957 950	(847 634)	(0)	1 103 864
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		(1 026 648)	810 868	1 103 864	(189 056)	110 316	957 950	(847 634)	(0)	1 103 864
Share of Surplus/Deficit attributable to Associate		1 976	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		36 996	–	–	–	33 043	–	33 043		–
Surplus/ (Deficit) for the year		(987 676)	810 868	1 103 864	(189 056)	143 360	957 950	(814 590)	(0)	1 103 864

7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

The explanation below pertains to all variances that are more than 10%.

7.4.1.1 Agency Services

Under collection or decrease in revenue can be attributed to the fact that vehicle licences can be renewed at major retail outlets and the Provincial Department of Transport directly. Members of the public go to the closest convenient point in order to pay which may not always be BCMM. It must further be noted that certain Banks now offer the same services.

7.4.1.2 Interest earned from Receivables

The variance is a result of the debtor's book that is increasing due to non-payment of debtors. The increase in debtor's results in an increase in interest charges, despite credit control action being implemented.

7.4.1.3 Interest from Current and Non Current Assets

A decrease in the interest rate has contributed to the underperformance of interest on external investments.

7.4.1.4 Rental from Fixed Assets

Rental from Fixed Assets has increased following as Revenue Management is currently in the process of aligning the billing register with the lease register; as a result of this exercise, certain lease debtor accounts were reviewed, updated, and adjusted accordingly, which has led to an increase in the revenue billed.

7.4.1.5 Operational Revenue - Exchange Revenue

Operational revenue is made up of numerous miscellaneous items such as sundry income, commission: transaction handling fees, insurance refund and administrative handling fees which makes it difficult to predict and some are market and/ or demand driven.

7.4.1.6 Licences and permits

Underperformance can be attributed to the fact that the department cannot compel an offender to pay their fine. An offender has the right to submit a representation to reduce or withdraw a fine, furthermore the offender also has the right to appear in court and the Magistrate or State Public Prosecutor may decide whether to proceed with the traffic offence or withdraw.

7.4.1.7 Interest

The variance is as a result of interest charged on availability charge that is charged on serviced vacant or undeveloped land, which has resulted in the debtor's book that is increasing due to non-payment of debtors despite credit control action being implemented.

7.4.1.8 Operational Revenue - Non-Exchange Revenue

Operational revenue relates to availability charge that is charged on serviced vacant or undeveloped land. The overperformance on operational revenue is due to vandalised properties, where land usage changed to vacant land. Land purchases by property developers lead to subdivision of properties, and these properties are registered to individual property owners as vacant land until the property is fully developed. This process leads to an increase in the vacant land serviced.

7.4.1.9 Depreciation & asset impairment

The depreciation amount as disclosed in the Statement of Financial Performance is inclusive of the Revaluation component which then translates into higher depreciation costs. The budget for depreciation resulting from the revalued portion of Property, Plant and Equipment is budgeted in the Statement of Financial Position in line with MFMA circular no.58, however, the monthly transactions are sitting in the Statement of Financial Performance and will be transferred to the Statement of Financial Position at year end to correct the overspending and align with the budget.

7.4.1.10 Interest

Interest in respect of the "Rehabilitation of Landfill sites" not yet realised on financial system. Provision to be realised on 30 June 2026. There has been no movement in the interest as the interest related to the rehabilitation of landfill sites is calculated at financial year-end to reflect the unwinding of the discount on the rehabilitation provision. This will be calculated and processed as at 30 June 2026.

7.4.1.11 Contracted services

The variance on contracted services can be attributed to the following:

- i. Operating projects – Under expenditure can be attributed to late start of projects due to lengthy procurement processes.
- ii. Repairs and maintenance have performed slower than originally anticipated as repairs can only be done when the need arises.

7.4.1.12 Transfers and subsidies

The overperformance of transfers and subsidies is result of a tranche payment that has been made to Buffalo City Metropolitan Development Agency (BCMDA), received from National Treasury for buy back centres.

7.4.2 Repairs and maintenance

Table 7 below reflects that as at 31 May 2026 the repairs and maintenance expenditure is 71% of the approved budget of R450.80 million (2024/25:71%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 7: Repairs and Maintenance per Directorate

Directorate	<u>2025/2026</u> <u>Annual</u> <u>Budget</u> <u>R</u>	<u>2025/2026</u> <u>Annual</u> <u>Expenditure</u> <u>R</u>	<u>2025/2026</u> <u>-</u> <u>Variance</u> <u>R</u>	<u>2025/2026</u> <u>% Of</u> <u>Budget</u> <u>%</u>
Directorate of Executive Support Services	1 994 811	252 638	1 742 173	13%
Directorate of The City Manager	202 568	18 195	184 373	9%
Directorate of Corporate Services	6 938 094	4 760 424	2 177 670	69%
Directorate of Spatial Planning & Development	22 421 369	11 342 501	11 078 868	51%
Directorate of Economic Development & Agencies	16 538 609	1 390 004	15 148 605	8%
Directorate of Finance	12 283 540	4 704 544	7 578 996	38%
Directorate of Public Safety & Emergency Services	8 610 360	2 799 525	5 810 835	33%
Directorate of Human Settlement	502 899	274 135	228 764	55%
Directorate of Infrastructure Services	351 672 011	280 901 265	70 770 746	80%
Electricity	156 162 523	135 106 303	21 056 220	87%
Water	41 463 591	26 653 209	14 810 382	64%
Sanitation	50 333 612	33 797 132	16 536 480	67%
Other	103 712 285	85 344 621	18 367 664	82%
Directorate of Solid Waste & Environmental Management	16 883 667	7 248 139	9 635 528	43%
Directorate of Sport, Recreation & Community Developmental Services	12 751 658	6 263 643	6 488 015	49%
TOTAL	450 799 586	319 955 013	130 844 573	71%

The repairs and maintenance budget of the Metro is below the recommended National Treasury norm of 8% as the percentage of Property Plant and Equipment. The main challenge in achieving the 8% is the use of the revaluation model to value Property Plant and Equipment. The Metro's infrastructure repairs, and maintenance programme is complemented by the renewal and upgrading of existing assets capital programme. In the current financial year, the metro has allocated R758.65 million in the upgrading and renewal programme that complements the repairs and maintenance. Refer to Annexure B: SC13b (Capital expenditure on renewal of existing assets by) and SC13e (Capital expenditure on upgrading of existing assets by asset class).

7.4.3 Capital Expenditure excluding vat (municipal vote, standard classification, and funding)

The table below reflects the Metro's capital programme in relation to capital expenditure by municipal vote, capital expenditure by standard classification and funding sources.

Table 8: C5: Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification, and funding)

BUF Buffalo City - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Directorate - Executive Support Services		679	2 500	2 500	43	965	2 275	(1 310)	-58%	2 500
Vote 02 - Directorate - Municipal Manager		9 120	3 750	25 850	3 027	8 928	21 067	(12 139)	-58%	25 850
Vote 03 - Directorate - Human Settlement		192 372	182 007	189 918	6 472	120 080	172 199	(52 119)	-30%	189 918
Vote 04 - Directorate - Chief Financial Officer		148 285	58 015	94 995	(17 263)	63 752	86 449	(22 697)	-26%	94 995
Vote 05 - Directorate - Corporate Services		12 289	10 900	28 123	12 798	17 034	23 892	(6 858)	-29%	28 123
Vote 06 - Directorate - Infrastructure Services		700 980	555 443	865 416	68 051	464 349	760 263	(295 914)	-39%	865 416
Vote 07 - Directorate - Spatial Planning And Development		71 344	54 435	61 615	5 292	40 077	55 685	(15 609)	-28%	61 615
Vote 08 - Directorate - Health / Public Safety & Emergency Services		12 538	52 500	51 005	661	18 712	47 958	(29 245)	-61%	51 005
Vote 10 - Directorate - Economic Development & Agencies		29 212	59 567	49 567	836	15 280	46 098	(30 818)	-67%	49 567
Vote 11 - Directorate - Solid Waste And Environmental Management		32 681	117 941	103 691	6 976	32 191	97 098	(64 908)	-67%	103 691
Vote 12 - Directorate - Sport, Recreation & Community Development		20 841	62 651	76 539	4 760	19 718	69 560	(49 842)	-72%	76 539
Total Capital Expenditure		1 230 341	1 159 709	1 549 220	91 652	801 086	1 382 545	(581 459)	-42%	1 549 220
Capital Expenditure - Functional Classification										
Governance and administration		194 194	91 138	167 741	2 719	99 888	148 456	(48 568)	-33%	167 741
Executive and council		9 799	6 250	26 850	3 070	9 893	22 142	(12 249)	-55%	26 850
Finance and administration		184 394	84 888	139 391	(351)	89 995	125 114	(35 119)	-28%	139 391
Internal audit		-	-	1 500	-	-	1 200	(1 200)	-100%	1 500
Community and public safety		238 611	312 504	341 319	12 462	165 635	310 770	(145 135)	-47%	341 319
Community and social services		7 567	45 915	51 265	1 857	9 799	46 402	(36 603)	-79%	51 265
Sport and recreation		21 937	36 582	48 371	3 473	15 622	44 296	(28 674)	-65%	48 371
Public safety		12 538	41 700	37 305	466	16 317	35 370	(19 053)	-54%	37 305
Housing		192 372	182 007	189 918	6 472	120 080	172 199	(52 119)	-30%	189 918
Health		4 197	6 300	14 461	195	3 816	12 503	(8 687)	-69%	14 461
Economic and environmental services		306 845	112 870	322 667	18 784	155 783	277 640	(121 856)	-44%	322 667
Planning and development		62 165	38 562	45 443	1 181	30 873	41 004	(10 130)	-25%	45 443
Road transport		244 680	74 309	277 225	17 602	124 910	236 636	(111 726)	-47%	277 225
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		461 498	583 729	668 025	56 855	364 505	599 672	(235 168)	-39%	668 025
Energy sources		208 474	186 195	212 647	26 145	159 089	189 301	(30 212)	-16%	212 647
Water management		135 836	161 031	190 119	17 259	140 419	170 693	(30 274)	-18%	190 119
Waste water management		97 367	133 909	185 426	7 045	39 931	163 634	(123 702)	-76%	185 426
Waste management		19 820	102 594	79 834	6 406	25 066	76 045	(50 979)	-67%	79 834
Other		29 193	59 467	49 467	832	15 275	46 007	(30 732)	-67%	49 467
Total Capital Expenditure - Functional Classification	3	1 230 341	1 159 709	1 549 220	91 652	801 086	1 382 545	(581 459)	-42%	1 549 220
Funded by:										
National Government		702 486	808 685	1 099 639	74 836	575 001	974 837	(399 836)	-41%	1 099 639
Provincial Government		-	115	-	-	-	12	(12)	-100%	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	3 156	1 236	2 329	2 525	(196)	-8%	3 156
Transfers recognised - capital		702 486	808 800	1 102 795	76 072	577 330	977 374	(400 044)	-41%	1 102 795
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		527 855	350 908	446 425	15 580	223 756	405 171	(181 415)	-45%	446 425
Total Capital Funding		1 230 341	1 159 709	1 549 220	91 652	801 086	1 382 545	(581 459)	-42%	1 549 220

7.4.4 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro has excess assets over liabilities resulting in the net worth of R43.15 billion as per statement of financial position. Consumer debtors and other debtors are reflected net of impairments.

Table 9: C6: Monthly Budget Statement – Financial Position

BUF Buffalo City - Table C6 Consolidated Monthly Budget Statement - Financial Position - M11

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		488 787	891 066	802 185	1 208 110	802 185
Trade and other receivables from exchange transactions		2 503 901	2 889 108	2 572 589	3 011 252	2 572 589
Receivables from non-exchange transactions		1 554 164	1 229 872	1 559 807	1 510 479	1 559 807
Current portion of non-current receivables		–	–	–	(1)	–
Inventory		64 219	77 652	64 061	88 433	64 061
VAT		965 689	929 804	960 214	1 640 050	960 214
Other current assets		18 610	19 539	18 313	12 249	18 313
Total current assets		5 595 370	6 037 042	5 977 169	7 470 572	5 977 169
Non current assets						
Investments						
Investment property		788 463	497 715	795 663	788 463	795 663
Property, plant and equipment		40 902 960	29 892 101	40 793 613	40 143 352	40 793 613
Biological assets						
Living and non-living resources						
Heritage assets		53 392	54 060	53 392	53 392	53 392
Intangible assets		11 698	29 955	46 775	52 551	46 775
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		709 592	728 104	718 592	709 592	718 592
Total non current assets		42 466 105	31 201 935	42 408 034	41 747 350	42 408 034
TOTAL ASSETS		48 061 475	37 238 977	48 385 203	49 217 923	48 385 203
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		47 553	20 829	18 534	20 829	18 534
Consumer deposits		97 981	105 157	101 320	101 781	101 320
Trade and other payables from exchange transactions		4 994 769	1 297 305	1 722 185	1 187 464	1 722 185
Trade and other payables from non-exchange transactions		166 229	289 601	52 650	482 315	52 650
Provision		473 646	443 844	470 507	479 449	470 507
VAT		1 604 290	1 570 854	1 671 771	2 491 485	1 671 771
Other current liabilities		–	–	–	–	–
Total current liabilities		7 384 468	3 727 589	4 036 967	4 763 323	4 036 967
Non current liabilities						
Financial liabilities		54 708	33 934	36 230	33 758	36 230
Provision		1 003 193	1 015 207	1 064 286	996 787	1 064 286
Long term portion of trade payables		273 911	–	273 911	273 911	273 911
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		1 331 812	1 049 141	1 374 428	1 304 456	1 374 428
TOTAL LIABILITIES		8 716 280	4 776 730	5 411 395	6 067 779	5 411 395
NET ASSETS	2	39 345 195	32 462 247	42 973 808	43 150 143	42 973 808
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		32 430 401	10 058 352	32 027 445	32 569 770	32 027 445
Reserves and funds		10 580 599	22 403 895	10 946 363	10 580 599	10 946 363
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	43 011 000	32 462 247	42 973 808	43 150 369	42 973 808

7.4.5 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net increase of R477,08 million resulting in cash and cash equivalents closing balance of R1.21 billion as at 31 May 2026.

Table 10: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M11 May

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		1 549 289	1 769 585	1 769 585	141 212	1 524 728	1 622 119	(97 391)	-6%	1 769 585
Service charges		3 911 764	4 097 793	4 054 853	407 012	4 030 897	3 716 949	313 948	8%	4 054 853
Other revenue		941 362	1 213 438	1 328 717	72 752	6 067 746	1 217 991	4 849 755	398%	1 328 717
Transfers and Subsidies - Operational		1 410 094	1 741 520	1 710 437	26 716	1 464 526	1 567 901	(103 375)	-7%	1 710 437
Transfers and Subsidies - Capital		773 040	808 685	904 925	–	782 363	829 515	(47 152)	-6%	904 925
Interest		354 639	257 153	285 133	13 662	110 856	261 372	(150 515)	-58%	285 133
Dividends								–		
Payments										
Suppliers and employees		(7 713 540)	(8 599 507)	(8 294 047)	(723 632)	(7 860 069)	(10 060 415)	(2 200 346)	22%	(8 294 047)
Interest		(9 577)	(6 551)	(21 551)	–	(7 089)	(19 755)	(12 666)	64%	(21 551)
Transfers and Subsidies		(61 780)	(86 389)	(96 189)	(30 112)	(100 949)	(88 174)	12 775	-14%	(96 189)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 155 291	1 195 726	1 641 863	(92 390)	6 013 009	(952 497)	(6 965 506)	731%	1 641 863
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		77 752	–	–	–	(8 032)	–	(8 032)		–
Decrease (increase) in non-current receivables			–	–	–	–	–	–		–
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		(1 194 010)	(1 159 709)	(1 549 220)	(91 652)	(801 086)	(1 420 118)	(619 032)	44%	(1 549 220)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 116 258)	(1 159 709)	(1 549 220)	(91 652)	(809 118)	(1 420 118)	(611 000)	43%	(1 549 220)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	3 340	3 340	(758 732)	(4 701 724)	3 061	(4 704 786)	-153682%	3 340
Payments										
Repayment of borrowing		(28 991)	(25 086)	(25 086)	–	(25 086)	(22 995)	2 090	-9%	(25 086)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(28 991)	(21 746)	(21 746)	(758 732)	(4 726 810)	(19 934)	4 706 876	-23612%	(21 746)
NET INCREASE/ (DECREASE) IN CASH HELD		10 042	14 272	70 897	(942 774)	477 081	(2 392 549)			70 897
Cash/cash equivalents at beginning:		720 987	856 795	731 029		731 029	731 029			731 029
Cash/cash equivalents at month/year end:		731 029	871 066	801 925		1 208 110	(1 661 521)			801 925

PART 2: SUPPORTING **DOCUMENTATION**

8. DEBTOR'S MANAGEMENT

The debtor analysis below (table 11) provides an age analysis summary by revenue source and customer category for the total debtors.

Table 11: SC3 Monthly Budget Statement Aged Debtors

BUF Buffalo City - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description		NT Code	Budget Year 2025/26											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
			0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands															
Debtors Age Analysis By Income Source															
Trade and Other Receivables from Exchange Transactions - Water	1200	125 902	86 181	74 180	61 378	48 654	57 284	297 963	1 994 550	2 746 092	2 459 829	5 030	19 759		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	245 231	83 331	70 730	60 513	46 560	56 350	291 079	664 972	1 518 765	1 119 473	3 369	57 461		
Receivables from Non-exchange Transactions - Property Rates	1400	170 586	77 341	59 465	52 214	51 645	45 881	289 880	1 345 593	2 092 604	1 785 213	8 846	51 603		
Receivables from Exchange Transactions - Waste Water Management	1500	53 368	32 769	25 321	21 741	21 165	19 731	119 127	582 314	875 535	764 077	2 657	13 401		
Receivables from Exchange Transactions - Waste Management	1600	43 852	30 126	25 503	23 492	23 858	22 588	132 008	823 381	1 124 809	1 025 327	1 891	11 900		
Receivables from Exchange Transactions - Property Rental Debtors	1700	273	256	252	249	251	248	1 440	11 053	14 023	13 242	-	-		
Interest on Arrear Debtor Accounts	1810	49 873	49 386	47 803	47 181	47 203	44 842	194 669	1 090 731	1 571 687	1 424 626	-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-		
Other	1900	14 240	12 173	9 909	7 995	7 374	7 309	46 763	260 726	366 490	330 168	1 650	3 255		
Total By Income Source	2000	703 325	371 566	313 163	274 763	246 709	254 234	1 372 928	6 773 319	10 310 006	8 921 953	23 443	157 379		
2024/25 - totals only		679 022	354 381	288 253	256 861	246 080	218 472	1 174 336	5 833 335	9 050 739	7 729 083	9 365	184 538		
Debtors Age Analysis By Customer Group															
Organs of State	2200	34 919	24 232	14 517	9 736	7 040	5 670	52 091	43 772	191 977	118 309	-	-		
Commercial	2300	291 547	84 425	63 668	61 207	52 559	49 052	270 355	956 804	1 829 616	1 389 976	-	-		
Households	2400	376 859	262 908	234 978	203 819	187 110	199 513	1 050 482	5 772 744	8 288 413	7 413 668	23 443	157 379		
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-		
Total By Customer Group	2600	703 325	371 566	313 163	274 763	246 709	254 234	1 372 928	6 773 319	10 310 006	8 921 953	23 443	157 379		

8.1. Additional debtors' information

The total debtor's book, which includes all charges including VAT, amounted to R10,310,006,163 as at 31 May 2026 which is an increase of R127,464,179 over the amount of R10 182,541,984 as at 30 April 2026.

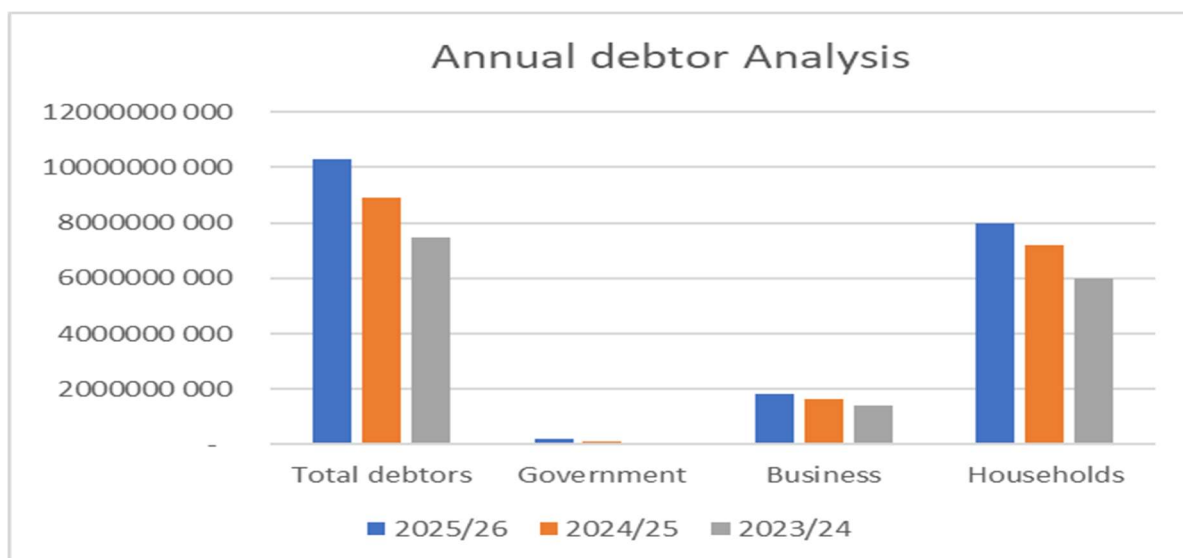
During the month, credit control action and debt collection action was implemented. Pre-termination notices were sent to all customers due for disconnection/blocking. This relates to residential and non-residential customers. Registered Indigent Debtors who are in arrears remain on the partial block type (60/40).

The following process has been done to assess the recoverability of the Debt Book:

- Analysis of indigent customers that are included in the debt book.
- Perform an analysis to identify bad debts to be written off on non-Indigent consumers using the appropriate reasonable methodologies.
- The irrecoverable debt will be quantified on each individual debt affected and the report will be submitted to Council for consideration.
- Business debtors to be considered based upon individual application for debt reduction of which the process is underway.
- Review the current incentive scheme and recommend that the 50/50 **(Option1 rand for rand incentive (Settlement 50% of the arrear debt and receive a 50% discount)** percentage be based on the reducing balance method when making an arrangement of the payment portion till the outstanding balance is settled.

The graph below shows comparison of annual movements in debtors for the 3-year period.

Figure 6: Debtors age analysis over the 3-year period



Total gross debtors' book (including current accounts) as at 31 May 2026 amounts to R10.31 billion (2024/25 R9.05 billion). Households: R8.29 billion, Business: R1.83 billion and Government: R191.98 million. Refer to section 8 of the report for details on debtors' management.

8.2. Debtor's Age Analysis.

8.2.1. Age Analysis by income source.

Table 12 below details debtors age analysis by income source as at 31 May 2026. It also provides comparison with the previous month (30 April 2026) which indicates an increase from 10.18 billion to R 10.31 billion.

Table 12: Debtor's Age Analysis by Income Source Comparison

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR MAY 2026	TOTAL FOR APRIL 2026
CURRENT	184 087 521	58 511 391	253 178 136	140 516 282	50 619 436	16 411 944	703 324 710	708 295 848
30 DAYS	90 599 565	37 864 665	91 280 162	100 721 143	36 823 278	14 276 688	371 565 500	375 369 740
60 DAYS	72 470 102	30 253 034	78 114 878	88 390 413	31 963 467	11 971 181	313 163 075	305 814 673
90 DAYS	64 859 849	26 565 823	68 052 937	75 386 309	29 855 818	10 041 840	274 762 575	265 171 008
120 DAYS TO 360 DAYS	527 626 223	208 590 943	475 198 465	534 808 563	238 126 219	82 887 924	2 067 238 337	2 079 467 896
YEAR 1+	1 631 418 975	677 976 244	736 643 782	2 273 233 860	940 861 677	319 817 429	6 579 951 966	6 448 422 819
TOTAL	2 571 062 235	1 039 762 100	1 702 468 360	3 213 056 569	1 328 249 894	455 407 005	10 310 006 163	10 182 541 984

8.2.2. Age Analysis per Category

Table 13 below details debtors age analysis per category type as at 31 May 2026. It also reflects the percentage split per category with domestic consumers having the highest share followed by business. Please note that the financial system is not able to produce a collection ratio per category, however the collection ratio is reported on total debtors.

Table 13: Age Analysis per Category Type

CATEGORY TYPE	CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS+	Total	% Share
Domestic	342 683 009	233 359 904	211 786 445	193 090 508	6 990 290 238	7 971 210 104	77
Indigent	30 823 942	28 244 730	22 247 434	9 920 988	206 379 983	297 617 077	3
Business	291 546 743	84 425 197	63 668 074	61 206 917	1 328 769 139	1 829 616 070	18
Government	34 919 404	24 232 256	14 516 505	9 736 479	108 572 821	191 977 465	2
Municipal Staff*	3 264 346	1 274 636	928 011	796 527	13 125 189	19 388 709	0
Councillors*	87 265	28 777	16 606	11 156	52 933	196 737	0
Total	703 324 710	371 565 500	313 163 075	274 762 575	8 647 190 303	10 310 006 163	100.00

Note*: A stop order deduction is implemented for all municipal staff and councillors in arrears. When new staff join the employ of the municipality in many instances there is services debt, and therefore the arrears will be liquidated over an acceptable period of time, in terms of the Credit Control Policy. The reason why the debt reflects in the 30/60/90 day columns relating to staff and councillors is due to the fact that when the stop orders are receipted the payment is allocated to the oldest ageing category. In terms of the accounting treatment of the amounts received, within the financial system the amounts are allocated against the oldest debt first resulting in the outstanding balance as reflected in the above table.

During the month of May 2026, a total of **R3 452 650.28** was receipted against staff and councillors accounts. The amount was allocated as follows:

Current Billing Receipts	R 2 690 997.49
Arrear's Receipts	<u>R 761 652.79</u>
Total Receipts	<u>R 3 452 650.28</u>

8.2.3. Government Accounts

The total owed by Government Departments to Buffalo City Metropolitan Municipality as at 31 May 2026 amounted to R191 977 465 and this is a decrease of R15 821 046 as compared to 30 April 2026. It must also be noted that Government departments do not settle their accounts by the due date and often pay after month-end, resulting in the accounts being unpaid at the time of reporting.

The breakdown of the arrears per department (excluding accounts in credit) indicated in the table hereunder, as at 31 May 2026.

Table 14: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	VALUE AS AT 31 MAY 2026	VALUE AS AT 30 APRIL 2026	DIFFERENCE
National Department of Public Works	22 226 625	16 767 662	38 994 288	35 020 909	3 973 379
Provincial Department of Public Works	53 887 688	18 150 909	72 038 597	78 714 637	-6 676 041
Department of Education	-	31 400 364	31 400 364	30 368 477	1 031 887
Department of Health	-	30 938 241	30 938 241	45 474 242	-14 536 001
Department of Social Development	-	816 169	816 169	448 425	367 744
Department of Transport	-	75 702	75 702	75 201	501
Department of Agriculture	-	121 504	121 504	139 695	-18 192
Department of Nature Conservation	-	322 489	322 489	322 844	-355
Department of Human Settlements	-	5 282 619	5 282 619	5 133 737	148 883
Sport, Recreation, Arts and Culture	-	2 527	2 527	211 898	-209 371
Department of Labour - UIF Services	-	46 559	46 559	42 409	4 150
Members of Provincial Legislature	-	254 002	254 002	220 874	33 128
Department of Water Affairs	-	90 992	90 992	86 817	4 174
Department of Rural Development and Land Reform	-	11 593 413	11 593 413	11 538 346	55 067
TOTAL	76 114 313	115 863 152	191 977 465	207 798 511	-15 821 046

9. CREDITOR'S ANALYSIS

The creditors' analysis as depicted in table 15 below contains an aged analysis by customer type. The Metro strives to pay its creditors within 30 days as stipulated by section 65 (e) of the MFMA except when there are disputes on received invoices. The creditors payment period for the reporting period (31 May 2026) is 35 days.

Table 15: SC4 Monthly Budget Statement Aged Creditors

BUF Buffalo City - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description R thousands	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	258 505	-	-	-	-	-	-	-	258 505	217 645
Bulk Water	0200	28 492	-	-	-	-	-	-	-	28 492	28 012
PAYE deductions	0300	38 995	-	-	-	-	-	-	-	38 995	47 171
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	39 128	-	-	-	-	-	-	-	39 128	43 066
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	199 226	47 132	-	-	-	-	-	-	246 358	343 425
Auditor General	0800	1 499	-	-	-	-	-	-	-	1 499	2 855
Other	0900	574 486	-	-	-	-	-	-	-	574 486	524 352
Medical Aid deductions	0950									-	
Total By Customer Type	1000	1 140 332	47 132	-	-	-	-	-	-	1 187 464	1 206 527

The table below (table 16) depicts actual payments made by BCMM to its top twenty (20) creditors in May 2026.

Table 16: Payments made to the 20 highest paid creditors – May 2026

CREDITOR	30 DAYS	60 DAYS	90 DAYS	120 DAYS	TOTAL	PAYMENT
Creditor 1	258 505 489	-			258 505 489	258 505 489
Creditor 2	28 492 387	-			28 492 387	28 492 387
Creditor 3	27 858 975	-			27 858 975	27 858 975
Creditor 4		21 453 412			21 453 412	21 453 412
Creditor 5	16 730 692	4 665 325	-		21 396 017	21 396 017
Creditor 6	19 024 588				19 024 588	19 024 588
Creditor 7	6 264 111	289 661			6 553 771	6 553 771
Creditor 8	2 192 367	3 417 159			5 609 526	5 609 526
Creditor 9	1 429 620	2 949 091			4 378 711	4 378 711
Creditor 10	451 353	3 794 604	-		4 245 958	4 245 958
Creditor 11	3 787 339				3 787 339	3 787 339
Creditor 12		3 722 668			3 722 668	3 722 668
Creditor 13	3 500 198				3 500 198	3 500 198
Creditor 14		3 376 125			3 376 125	3 376 125
Creditor 15	3 335 000				3 335 000	3 335 000
Creditor 16	2 350 836	925 375			3 276 211	3 276 211
Creditor 17	2 984 003				2 984 003	2 984 003
Creditor 18	1 333 113	1 599 350			2 932 463	2 932 463
Creditor 19	2 797 419				2 797 419	2 797 419
Creditor 20	1 814 457	939 435			2 753 892	2 753 892
TOTAL	382 851 946	47 132 205	-	-	429 984 151	429 984 151

10. INVESTMENT PORTFOLIO ANALYSIS

The investment portfolio analysis detailed in table 17 below includes information of the institution where funds are invested, period of investment, type of investment and accrued interest for the month.

Table 17: SC5 Monthly Budget Statement – investment portfolio

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M011 May 2026

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Absa - 4094793455		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	235	41	1 000	1 000	276
Absa - 4094788949		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	3 886	222	-	-	4 108
Absa - 4094793968		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	251	14	-	-	265
First National Bank - 62938182285		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	2 937	147	2 635	-	449
Stanlib - 552200137		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	15	1	-	-	16
Nedbank - 03/7881532939/000041		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 379	79	-	-	1 457
Nedbank - 03/7881532939/000108		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	119	7	-	-	125
Absa - 4094789157		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 178	67	-	-	1 246
Nedbank - 03/7881532939/000110		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	428	24	-	-	453
Absa - 4094790083		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 683	96	-	-	1 779
Stanlib - 552200133		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	367	23	-	-	390
Stanlib - 700475605		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	1	0	-	-	1
Nedbank - 03/7881532939/000128		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	18 008	1 726	151 480	170 175	38 429
First National Bank - 62938013572		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	14 906	1 175	83 394	70 996	3 684
Standard - 76586/442745		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	27 483	1 036	66 000	132 095	94 613
Absa - 4094790211		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	67 469	2 902	182 838	204 000	91 533
First National Bank - 62938181039		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	1 211	228	5 705	8 151	3 885
Stanlib - 552200140		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	253	16	-	-	268
Absa - 4094793895		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	653	12	665	-	0
First National Bank - 62938179951		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	617	36	-	-	653
Nedbank - 03/7881532939/000133		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	3 954	226	-	-	4 180
Nedbank - 03/7881532939/000134		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	194	11	-	-	205

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M011 May 2026

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
First National Bank - 62938190080		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	3 315	543	12 881	20 000	10 977
Standard - 76586/524914		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	21	1	-	-	22
Nedbank - 03/7881532939/000136		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	4	0	-	-	4
Nedbank - 03/7881532939/000144		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	681	39	-	-	720
Nedbank - 03/7881532939/000145		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	2 237	298	7 383	9 500	4 653
Standard - 76586/553472		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	739	42	-	-	781
Standard - 76586/553471		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 604	87	877	-	814
Absa - 4101937017		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	2 489	2 648	51 553	136 020	89 604
Standard - 76586/571767		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	873	1 623	154 066	199 332	47 761
Stanlib - 552200136		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	3 736	232	-	-	3 967
Stanlib - 700893064		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	2 313	170	10 000	10 000	2 484
Standard Bank - 76586/570901		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	11 773	673	-	-	12 446
Standard Bank - 76586/570902		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	4 281	245	-	-	4 526
First National Bank - 63074776891		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	147 347	8 488	-	-	155 834
Nedbank - 03/7881532939/000153		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	126 564	7 235	-	-	133 799
Absa - 4117284828		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	36 079	1 490	19 031	-	18 538
Nedbank - 03/7881532939/000154		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	30 579	1 357	25 768	-	6 168
Standard Bank - 76586/573578		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	77 212	3 988	29 682	-	51 518
First National Bank - 63170877775		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	-	609	21 699	103 307	82 216
Nedbank - 03/7881532939/000155		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	-	130	-	66 000	66 130
First National Bank - 63040210667		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	26 360	1 557	-	4 797	32 713
Stanlib - 552200130		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	402	25	-	-	427
Stanlib - 552200132		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	16	1	-	-	17
Standard - 76586/442736		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	620	1 110	69 000	125 000	57 730
Stanlib - 552200131		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	516	2 390	202 000	247 000	47 906
First National Bank - 62938189471		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	788	859	127 000	161 000	35 647
Nedbank - 03/7881532939/000101		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	169	1 702	181 000	250 000	70 871
Absa - 4094793536		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	180	3 480	300 000	417 000	120 660
Absa - 4094789872		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	496	28	-	-	524
Standard - 76586/442741		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	202	12	-	-	214
Standard - 76586/442744		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 193	68	-	-	1 261
First National Bank - 62938188887		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	81	5	-	-	85
Nedbank - 03/7881532939/000129		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 059	61	-	-	1 120
Standard - 76586/442738		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	4 137	76	4 213	-	0
Municipality sub-total										635 293	49 360	1 709 871	2 335 373	1 310 154
Entities														
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									635 293	49 360	1 709 871	2 335 373	1 310 154

11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Transfers and grants receipts per allocation or grant is provided in the table below. Further details on grants expenditure performance (inclusive of vat) are detailed in section 11.1 below.

Table 18: SC6 Monthly Budget Statement – transfers and grants receipts

BUF Buffalo City - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M11 May

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants	1,2									
National Government:		1 367 872	1 425 869	1 444 039	-	1 434 039	1 434 039	-	0.0%	1 444 039
Energy Efficiency And Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		1 218 324	1 296 018	1 296 018	-	1 296 018	1 296 018	-	0.0%	1 296 018
Expanded Public Works Programme Integrated Grant		2 314	2 434	2 434	-	2 434	2 434	-	0.0%	2 434
Infrastructure Skills Development Grant		10 800	8 800	8 800	-	8 800	8 800	-	0.0%	8 800
Local Government Financial Management Grant		981	1 000	1 000	-	1 000	1 000	-	0.0%	1 000
Metro Informal Settlements Partnership Grant		23 233	23 992	23 992	-	23 992	23 992	-	0.0%	23 992
Neighbourhood Development Partnership Grant		35 847	22 500	22 500	-	18 000	18 000	-	0.0%	22 500
Programme And Project Preparation Support Grant		15 000	16 000	16 000	-	10 500	10 500	-	0.0%	16 000
Public Transport Network Grant		-	-	-	-	-	-	-	-	-
Urban Development Financing Grant		-	-	18 170	-	18 170	18 170	-	0.0%	18 170
Urban Settlement Development Grant		61 373	55 125	55 125	-	55 125	55 125	-	0.0%	55 125
Provincial Government:		30 000	315 651	247 612	-	-	-	-	-	247 612
Deat		-	-	-	-	-	-	-	-	-
Dsac		-	18 757	8 112	-	-	-	-	-	8 112
Friends Of Zoo (Felzoo)		-	-	-	-	-	-	-	-	-
Gompo & Mdants Art		-	-	-	-	-	-	-	-	-
Gompo Surv (Duri)		-	-	-	-	-	-	-	-	-
Ikhwez Block / Dev		-	-	-	-	-	-	-	-	-
Infrastructure Grant		30 000	296 894	239 500	-	-	-	-	-	239 500
Kwt: Grants Gov		-	-	-	-	-	-	-	-	-
Mdants Upgr Md Asses Study		-	-	-	-	-	-	-	-	-
Mdants Urban Renew		-	-	-	-	-	-	-	-	-
Needsamp Planning		-	-	-	-	-	-	-	-	-
Pilot Housing Proj		-	-	-	-	-	-	-	-	-
Reeston Dev-Land Aff		-	-	-	-	-	-	-	-	-
Transitional Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		20 385	-	19 692	-	18 241	18 241	-	0.0%	19 692
Eastern Cape Arts Council		17 883	-	18 757	-	17 883	17 883	-	0.0%	18 757
European Union		-	-	-	-	-	-	-	-	-
Institutional Support (Housing)		-	-	-	-	-	-	-	-	-
Local Government Water And Related Service Seta		-	-	-	-	-	-	-	-	-
Peoples Housing Process (Housing)		-	-	-	-	-	-	-	-	-
Umsombomvu Fund		-	-	-	-	-	-	-	-	-
Unsp. City Of Leiden		-	-	-	-	-	-	-	-	-
Unsp. City Of Oldenburg		2 502	-	935	-	358	358	-	0.0%	935
Unsp. Glasgow Partnership		-	-	-	-	-	-	-	-	-
Unsp. Sabida/Gale		-	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	1 418 257	1 741 520	1 711 343	-	1 452 280	1 452 280	-	-	1 711 343
Capital Transfers and Grants										
National Government:		901 181	808 685	1 044 457	-	946 791	946 791	-	0.0%	1 044 457
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Public Transport Network Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		2 000	10 000	10 000	-	10 000	10 000	-	0.0%	10 000
Urban Development Financing Grant		-	-	164 428	-	164 428	164 428	-	0.0%	164 428
Integrated City Development Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		44 600	-	-	-	-	-	-	-	-
Local Government Financial Management Grant		-	-	-	-	-	-	-	-	-
Urban Settlement Development Grant		563 992	504 119	504 119	-	496 292	496 292	-	0.0%	504 119
Rural Road Asset Management Systems Grant		-	-	-	-	-	-	-	-	-
Metro Informal Settlements Partnership Grant		212 389	294 366	294 366	-	275 871	275 871	-	0.0%	294 366
Infrastructure Skills Development Grant		200	200	200	-	200	200	-	0.0%	200
Integrated National Electrification Programme Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Recovery Grant		78 000	-	71 344	-	-	-	-	-	71 344
Provincial Government:		19	-	-	-	-	-	-	-	-
Capacity Building and Other Grants		19	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		-	1 485	4 641	-	-	-	-	-	4 641
[insert description]		-	-	-	-	-	-	-	-	-
Parent Municipality		-	1 485	1 485	-	-	-	-	-	1 485
Unspecified		-	-	3 156	-	-	-	-	-	3 156
Total Capital Transfers and Grants	5	901 199	810 170	1 049 098	-	946 791	946 791	-	-	1 049 098
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	2 319 457	2 551 690	2 760 441	-	2 399 071	2 399 071	-	-	2 760 441

11.1. Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 62% (R771.97 million, inclusive of reclaimed vat) of its 2025/26 conditional grants approved adjusted budget of R1.25 billion as at 31 May 2026. This reflects a slight decline when compared to the same period in the previous financial year where 63% (R662.20 million, inclusive of reclaimed vat) of conditional grants budget of R1.05 billion was spent.

Table 19 below reflects the year-to-date expenditure on 2025/2026 total conditional grants.

Table 19: Spending per Conditional Grant Funding Allocation

<u>Funding/Grant</u>	<u>2025/26 Approved Budget</u>	<u>YTD Expenditure (vat) R</u>	<u>YTD Variance (vat incl.) R</u>	<u>% Expenditure (vat incl.)</u>
Finance Management Grant	1 000 000	907 944	92 056	91%
Infrastructure Skills Development Grant	9 000 000	6 607 229	2 392 771	73%
Urban Settlement Development Grant	559 244 001	369 073 181	190 170 820	66%
Urban Settlement Development Grant c/o	26 186 107	12 379 307	13 806 800	47%
Neighbourhood Development Partnership Grant	10 000 000	574 392	9 425 608	6%
Neighbourhood Development Partnership Grant (PEP)	22 500 000	22 546 257	(46 257)	100%
Informal Settlement Upgrading Partnership Grant	318 358 000	199 495 405	118 862 595	63%
Expanded Public Works Programme Grant	2 434 000	2 433 322	678	100%
Programme and Project Preparation Support Grant (PPPSG)	16 000 000	5 956 077	10 043 924	37%
Municipal Disaster Response Grant c/o	27 996 396	12 253 651	15 742 745	44%
Municipal Disaster Recovery Grant c/o	71 343 637	34 359 311	36 984 326	48%
Metro Trading Service	182 597 998	105 381 617	77 216 381	58%
TOTAL	1 246 660 139	771 967 692	474 692 448	62%

Comments on performance of programmes that are implemented by the above funding are detailed below.

Details of the projects that are implemented by each grant are reflected in both Annexure D and E.

Also refer to section 14.1 of the report on measures to improve expenditure performance.

11.1.1. FINANCE MANAGEMENT GRANT (FMG)

There are currently 8 (eight) interns serving on the internship programme. The interns are being remunerated accordingly. Furthermore, the grant will be utilised for capacity and upskilling of the interns and officials in the Finance directorate as well as Internal Audit. Expenditure is in line with set targets.

11.1.2. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

Seven (7) interns have left the programme since the commencement of the financial year. Subsequently, the number of mentors also decreased, this has led to low expenditure. Recruitment process to employ new interns was concluded in May 2026. Eight (8) interns have been appointed and will commence their duties on the 1st of June 2026. This will improve expenditure.

11.1.3. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

BCMM has spent 66% (R369,07 million, inclusive of reclaimed vat) of its 2025/2026 USDG adjusted budget of R559.24 million as at 31 May 2026. Under expenditure can be attributed to late start of projects due to lengthy procurement processes, expenditure is expected to improve as invoices are submitted for work done for the different projects. What has been approved by National Treasury as a rollover is R26,19 million and 47% expenditure has been incurred against this rollover amount as it was only approved on December 2025 Council.

11.1.4. NEIGHBORHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)

Delays in the procurement of a service provider, as well as the non-performance of the appointed contractor, resulted in no expenditure being incurred on the contract. The contractor has been terminated, and a new contractor has been appointed. The new contractor is on site and expenditure is expected to improve.

11.1.5. INFORMAL SETTLEMENT UPGRADING PARTNERSHIP GRANT (ISUPG)

BCMM has spent 63% (R199,50 million, inclusive of reclaimed vat) of its 2025/2026 ISUPG budget of R318.36 million as at 31 May 2026. Under expenditure can be attributed to late start of projects due to lengthy procurement processes, expenditure is expected to improve as invoices are submitted for work done for the different projects.

11.1.6. PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT (PPPSG)

There are currently two (2) projects being implemented under the PPPSG programme. The first is the Detailed Feasibility Study: West Bank and Woodbrook Battery Storage, which has been completed. The second is the Feasibility Study, including the signing of a Power Purchase Agreement and Public–Private Partnerships for Buffalo City Metropolitan Municipality, which was awaiting council approval to proceed with the appointment of GTAC (Government Technical Advisory Centre). Council has approved the appointment of GTAC in the January 2026 Council meeting and the grant will fully be spent by 30 June 2026.

11.1.7. MUNICIPAL DISASTER RESPONSE GRANT

The contractors for the projects have been appointed under the Municipal Disaster Response Grant, all projects that required environmental authorization have been approved and some projects are awaiting Water Use License Authorization (WULA). Expenditure is expected to improve as projects progress to implementation stage.

11.1.8. MUNICIPAL DISASTER RECOVERY GRANT

The contractors for the projects have been appointed under the Municipal Disaster Recovery Grant, all projects that required environmental authorization have been approved and some projects are awaiting Water Use License Authorization (WULA). Expenditure is expected to improve as projects progress to implementation stage.

11.1.9. METRO TRADING SERVICES

Funding of R182.60 million was appropriated into the budget after Council approval of the mid-year adjustment budget. Procurement processes have been initiated to ensure that funding is spent by 30 June 2026.

12. COUNCILLOR AND EMPLOYEE BENEFITS

12.1. Councillor and Employees Benefits Summary

Table 20 below provides summary of employees and councillors remuneration. The workforce costs as a percentage of total expenditure amounted to 25.21%. This is within the norm of 25% - 40%.

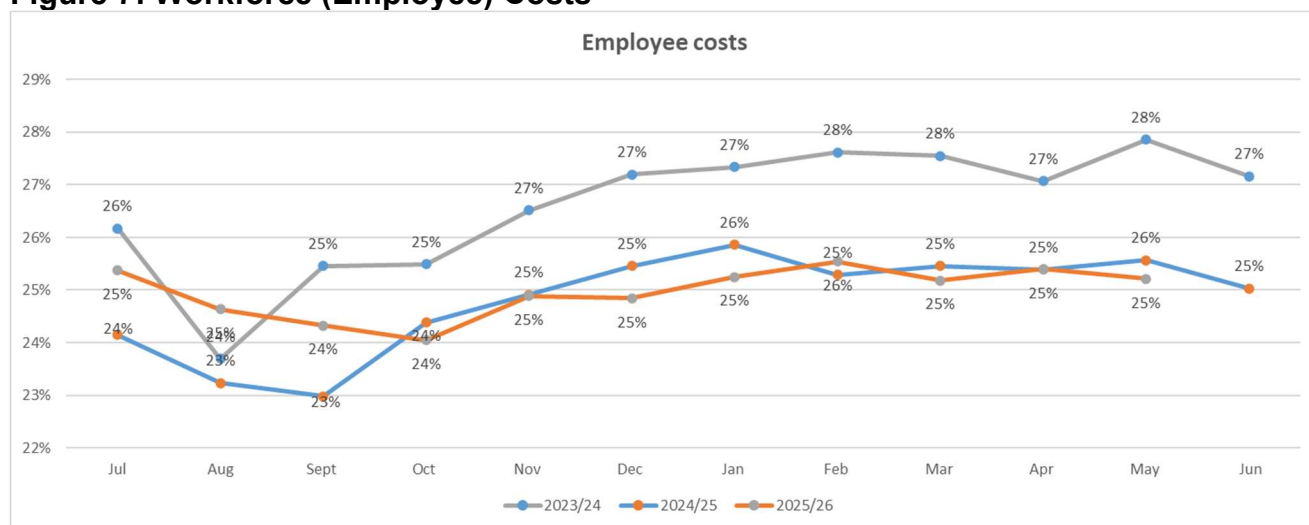
Table 20: SC8 Monthly Budget Statement – Councillor, Board Members and Staff Benefits

BUF Buffalo City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May

Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		39 843	49 631	49 631	3 495	38 990	42 400	(3 410)	-8%	49 631
Pension and UIF Contributions		4 369	4 956	4 956	391	4 299	4 234	64	2%	4 956
Medical Aid Contributions		1 773	2 397	2 397	169	1 803	2 048	(245)	-12%	2 397
Motor Vehicle Allowance										
Cellphone Allowance		4 313	4 945	4 945	345	3 927	4 225	(298)	-7%	4 945
Housing Allowances		14 807	2 839	2 839	1 266	14 360	2 426	11 935	492%	2 839
Other benefits and allowances		5 268	16 808	16 808	503	5 531	14 359	(8 828)	-61%	16 808
Sub Total - Councillors			70 373	81 578	81 578	6 170	68 911	69 692	(781)	-1%
% increase	4		15,9%	15,9%						15,9%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	17 438	19 668	25 379	1 701	17 723	21 922	(4 200)	-19%	25 379
Pension and UIF Contributions		3 304	2 689	2 689	278	3 314	2 406	908	38%	2 689
Medical Aid Contributions		563	434	434	48	560	388	172	44%	434
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	1 050	1 050	-	-	939	(939)	-100%	1 050
Motor Vehicle Allowance		3 749	4 179	4 179	301	3 707	3 738	(31)	-1%	4 179
Cellphone Allowance		309	251	251	25	290	225	65	29%	251
Housing Allowances		4 009	2 041	2 041	332	4 021	1 826	2 195	120%	2 041
Other benefits and allowances	2	23	55	55	0	(27)	50	(76)	-154%	55
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		17	99	99	-	-	89	(89)	-100%	99
In kind benefits		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		29 412	30 467	36 178	2 684	29 589	31 582	(1 993)	-6%	36 178
% increase	4		3,6%	23,0%						23,0%
Other Municipal Staff										
Basic Salaries and Wages		1 649 654	1 753 251	1 715 174	127 486	1 596 138	1 539 450	56 688	4%	1 715 174
Pension and UIF Contributions		336 733	376 668	376 668	29 420	326 248	336 894	(10 646)	-3%	376 668
Medical Aid Contributions		126 233	154 275	154 275	11 407	122 011	137 984	(15 973)	-12%	154 275
Overtime		163 884	165 227	165 327	17 340	165 705	147 856	17 849	12%	165 327
Performance Bonus		134 473	152 183	152 183	13 729	131 831	136 113	(4 282)	-3%	152 183
Motor Vehicle Allowance		48 559	49 434	49 434	4 379	49 322	44 214	5 107	12%	49 434
Cellphone Allowance		3 995	4 637	4 637	315	3 509	4 147	(638)	-15%	4 637
Housing Allowances		9 442	15 437	15 437	805	8 698	13 808	(5 110)	-37%	15 437
Other benefits and allowances	2	27 291	81 722	81 722	4 113	44 696	73 094	(28 399)	-39%	81 722
Payments in lieu of leave		51 801	-	-	-	-	-	-	-	-
Long service awards		52 706	40 184	40 184	3 835	42 548	35 941	6 607	18%	40 184
Post-retirement benefit obligations		65 157	42 031	42 031	0	1	37 592	(37 592)	-100%	42 031
Entertainment										
Scarcity		39 821	22 086	22 086	3 217	36 793	19 754	17 039	86%	22 086
Acting and post related allowance		13 783	12 187	12 187	1 464	12 343	10 900	1 443	13%	12 187
In kind benefits										
Sub Total - Other Municipal Staff		2 723 531	2 869 321	2 831 345	217 510	2 539 842	2 537 748	2 095	0%	2 831 345
% increase	4		5,4%	4,0%						4,0%
TOTAL MANAGERS AND STAFF		2 780 686	2 932 056	2 899 791	222 972	2 598 518	2 598 190	(1 062)	0%	2 899 131

The graph below shows the workforce costs as a percentage of total expenditure for the current financial year and the two previous financial years.

Figure 7: Workforce (Employee) Costs



12.2. Overtime Analysis

Table 21 below provides comparison of overtime expenditure against budget per directorate for the period ended 31 May 2026. Table 22 below details overtime expenditure incurred per cost centre for the past three months ended 31 May 2026.

Table 21: Overtime per Directorate

Directorate Overtime	2025/2026 Annual Budget R	2025/2026 YTD Budget R	2025/2026 YTD Expenditure R	2025/2026 YTD Variance R	2025/2026 % of YTD Budget %
Directorate of Executive Support Services	6 486 932	8 049 301	7 637 184	412 117	97%
Directorate of The City Manager	903 579	833 870	742 062	91 809	94%
Directorate of Corporate Services	483 244	523 856	752 426	(228 570)	142%
Directorate of Spatial Planning & Development	93 219	179 763	147 576	32 187	86%
Directorate of Economic Development & Agencies	254 256	690 801	778 327	(87 526)	113%
Directorate of Finance	5 545 679	5 499 049	7 737 325	(2 238 276)	140%
Directorate of Public Safety & Emergency Services	37 828 559	49 155 060	51 419 318	(2 264 258)	103%
Directorate of Infrastructure Services	62 167 450	55 701 552	64 894 022	(8 142 961)	117%
Electricity	23 945 535	21 455 013	26 836 667	(5 569 890)	125%
Water	12 000 961	10 752 768	24 123 679	(11 875 521)	224%
Sanitation	17 285 176	15 487 383	11 543 095	4 231 937	75%
Other	8 935 778	8 006 388	2 390 580	5 070 513	30%
Directorate of Solid Waste & Environmental Management	15 217 564	13 634 819	14 030 662	(174 107)	103%
Directorate of Sport, Recreation & Community Development	15 472 975	13 863 665	17 566 033	(3 264 924)	127%
Total	165 327 034	148 131 736	165 704 933	(17 573 197)	112%

The total overtime payment for the months of March 2026, April 2026 and May 2026 is reflected below. There was an increase in the total payment of overtime between March 2026 and April 2026 of R2 500 522 and an increase in the total payment of overtime between April 2026 and May 2026 of R1 358 963.

Table 22: Overtime Per Cost Centre: March 2026 – May 2026

	March Amount	April Amount	May Amount
DIRECTORATE EXECUTIVE SUPPORT SERVICES			
OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	-	14,725.67	-
COMM/MARKETING /INTERNAT & INTERGOV REL	19,202.02	-	-
INTERNATIONAL & INTERGOVERNMENTAL RELAT	23,384.95	3,105.60	-
IDP & BUDGET INTEGRATION	9,573.96	63,038.13	35,175.63
POLITICAL OFFICE ADMINISTRATION	-	19,631.70	5,109.73
OFFICE OF THE CHIEF WHIP	148,775.19	133,285.13	45,667.92
OFFICE OF THE DEPUTY EXECUTIVE MAYOR	9,711.00	8,811.11	7,437.95
OFFICE OF THE EXECUTIVE MAYOR	211,315.09	240,056.10	233,020.90
OFFICE OF THE SPEAKER	135,913.68	361,412.75	260,759.53
MPAC	23,108.37	40,752.87	-
	580,984.26	884,819.06	587,171.66
DIRECTORATE OF THE CITY MANAGER			
OFFICE OF THE CITY MANAGER	47,073.06	107,732.12	32,610.76
LEGAL SERVICES & MUNICIPAL COURT	-	6,640.32	-
	47,073.06	114,372.44	32,610.76
DIRECTORATE OF CORPORATE SERVICES			
ADMINISTRATIVE & CORPORATE SUPPORT	-8,247.30	19,494.74	24,194.18
AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	32,239.29	49,652.68	36,272.94
INFORMATION / TECHNOLOGY & SUPPORT	16,603.90	59,635.03	20,177.33
ORGANISATIONAL DEVELOPMENT	-	2,298.80	1,957.20
	40,595.89	131,081.25	82,601.65
DIRECTORATE OF SPATIAL PLANNING & DEVELOPMENT			
TRAFFIC MANAGEMENT & SAFETY	3,974.40	7,021.44	-
	3,974.40	7,021.44	-

	March Amount	April Amount	May Amount
DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES			
FRESH PRODUCE MARKET	26,509.23	22,859.86	29,278.63
TOURISM / ARTS / CULTURE & HERITAGE	-	5,185.43	8,714.20
TRADE / INDUSTRY & RURAL AGRARIAN	-	2,376.80	-
	26,509.23	30,422.09	37,992.83
DIRECTORATE OF FINANCE			
BUDGET & TREASURY MANAGEMENT	-	-	16,006.32
CORPORATE ASSET MANAGEMENT	601.35	2,245.04	11,593.40
PAYROLL & BENEFITS	12,210.76	-12,210.76	-
VAT / LEASES & PAYMENTS	-	-	19,795.77
ACCOUNTS MANAGEMENT & REVENUE CONTROL	4,802.49	4,268.88	11,463.55
COASTAL REVENUE MANAGEMENT	20,808.60	303,460.66	199,438.94
CUSTOMER RELATIONS (CALL CENTRE)	230346.69	311138.56	276278.07
INLAND REVENUE MANAGEMENT	22,857.58	231,327.34	71,136.76
MIDLAND REVENUE MANAGEMENT	11,348.46	125,653.53	17,386.32
RATES AND VALUATIONS	-	2,650.48	-
STRATEGY & OPERATIONS	21,461.72	3,496.50	24,915.24
SUPPLY CHAIN MANAGEMENT	-	9,137.76	124,695.56
	324,437.65	981,167.99	772,709.93
DIRECTORATE OF PUBLIC SAFETY & EMERGENCY SERVICES			
DISASTER MANAGEMENT	13,598.10	18,220.10	5,934.39
FIRE & RESCUE	436,480.51	783,961.19	1,372,219.90
LAW ENFORCEMENT SERVICES	1,540,358.90	1,934,202.34	2,281,561.29
TRAFFIC SERVICES	404,351.16	569,340.58	579,049.39
	2,394,788.67	3,305,724.21	4,238,764.97
DIRECTORATE OF INFRASTRUCTURE SERVICES			
OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	44,821.84	81,885.36	71,407.48
ELECTRICAL & ENERGY SERVICES	4,125.53	4,864.43	3,417.42
CUSTOMER SERVICES & REVENUE PROTECTION	161,372.08	214,802.21	202,529.50
ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	1,782.45	2,306.70	1,782.45
ELECTRICAL DISTRIBUTION	1,711,586.73	1,672,619.89	1,619,298.08
CONSTRUCTION	22,109.32	27,557.40	19,065.41
ROADS	98,433.09	103,511.96	151,407.07
SANITATION	1,321,135.22	1,356,102.96	1,653,183.37
SCIENTIFIC SERVICES	20,487.76	20,776.32	20,343.48

	March Amount	April Amount	May Amount
MADEN DAM	13,704.78	29,064.78	40,262.58
WATER SERVICES	909,297.34	947,781.37	1,155,066.41
UMZONYANA WATER TREATMENT WORKS	130,847.88	118,339.35	154,449.60
KWT WATER TREATMENT WORKS	49,319.48	111,877.10	111,062.78
MDANTSANE BULK PUMPING	41,293.20	34,955.82	83,335.92
WATER OPERATION & MAINT (INLAND)	407,023.06	393,836.38	450,180.92
WATER OPERATION & MAINT (MIDLAND)	337,984.51	407,701.86	399,017.76
FLEET SERVICES & PLANT	18,771.28	14,662.85	12,998.23
WORKSHOPS	50,099.95	34,888.99	53,988.14
	5,344,195.50	5,577,535.73	6,202,796.60
DIRECTORATE OF SOLID WASTE, ENVIRONMENTAL & HEALTH MANAGEMENT			
LANDFILLS & TRANSFER STATIONS	316,829.65	383,314.98	393,366.94
WASTE REMOVAL & CLEANSING (COASTAL)	85,205.11	88,973.10	306,512.49
WASTE REMOVAL & CLEANSING (MIDLAND)	183,472.60	219,011.97	291,977.14
LANDFILL & TRANSFER STATIONS	101,645.63	113,476.09	109,296.90
ENVIROMENTAL PLANNING (IEMP)	3,216.00	5,125.44	-
COASTAL BEACHES & NATURE MANAGEMENT	45,838.48	46,108.54	77,789.07
GRASS CUTTING & VEGETATION CONTROL	45,220.54	35,984.99	62,268.15
MUNICIPAL HEALTH SERVICES	5,378.70	2,759.27	-
	786,806.71	894,754.38	1,241,210.69
DIRECTORATE OF SPORT, RECREATION & COMMUNITY DEVELOPMENT			
OFFICE OF THE DIRECTOR OF SPORT, RECREATION & COMMUNITY DEVELOPMENT	2,298.80	22,480.21	2,298.80
GM OFFICE	43,837.76	63,633.43	48,655.40
LIBRARIES	39,369.72	47,849.74	44,662.44
HALLS	246,858.62	282,778.53	265,329.14
ZOO & AQUARIUM	149,383.59	178,972.51	169,948.76
PARKS (COASTAL)	1,282.40	732.80	5,327.28
CEMETERIES (COASTAL)	132,982.23	128,951.85	151,141.35
PARKS (MIDLAND)	18,446.26	4,938.59	3,952.63
CEMETERIES (MIDLAND)	131,074.86	76,398.67	175,075.10
PARKS (INLAND)	156,536.50	144,771.28	129,270.24
CEMETERIES (INLAND)	91,887.03	107,586.00	93,485.17

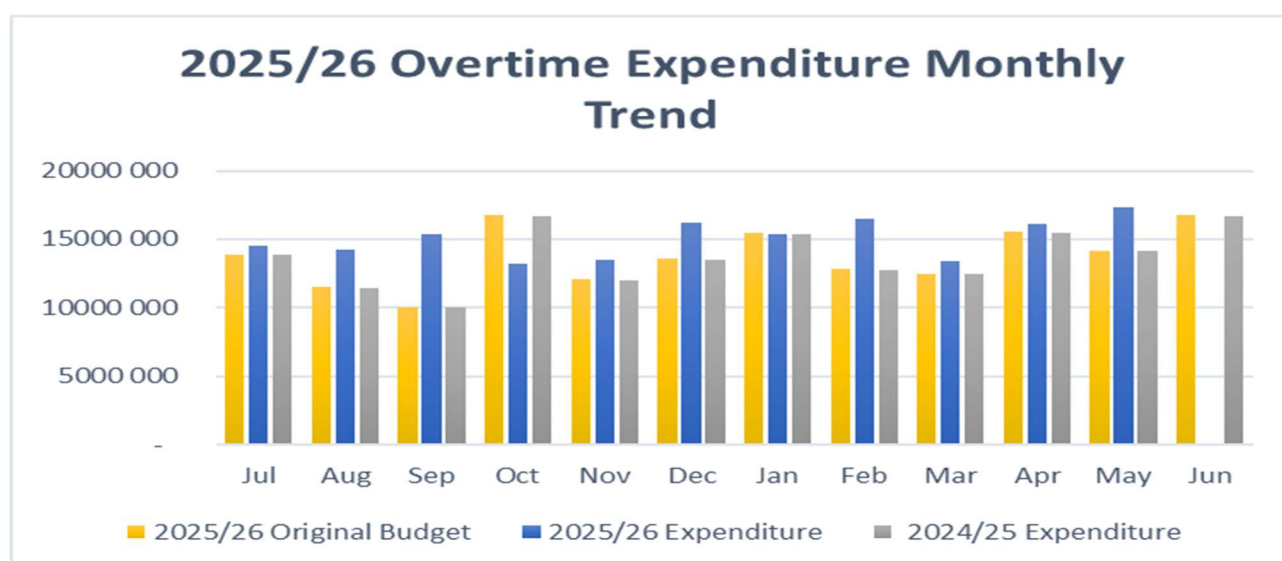
	March Amount	April Amount	May Amount
GM OFFICE	3,699.08	6,053.04	5,380.48
FACILITIES	154,070.69	149,531.22	145,237.09
SWIMMING POOLS	375,359.64	450,759.01	493,395.60
RESORTS MANAGEMENT	42,223.55	46,862.81	69,142.28
	1,589,310.73	1,712,299.69	1,802,301.76
TOTAL OVERTIME	11,138,676.10	13,639,198.28	14,998,160.85

The measures that have been put in place to reduce overtime are the following:

- a) Employees are not permitted to work more than ten (10) hours overtime per week in line with the Basic Conditions of Employment Act.
- b) All planned overtime is capped at forty (40) hours per month in line with the Basic Conditions of Employment Act.
- c) All emergency overtime to be signed and approved by Heads of Directorates to ensure accountability and emphasis on control measures.
- d) Regular communication is maintained with all line managers to ensure close monitoring overtime expenditure.
- e) Payroll division in Human Resources conducts spot checks on departmental calculations.
- f) Office of the Speaker and Chief Whip has implemented a 120-hour overtime threshold, effective from July 2024.
- g) Department of Electricity has capped overtime payments at 80 hours, including emergencies.
- h) The introduction of a twenty-four-hour (24) shift system for Law Enforcement has been put on hold.

The graph below shows the overtime expenditure monthly trend for the current financial year compared to prior year.

Figure 8: Overtime Expenditure Monthly Trend



12.2.1. Comments on Overtime

a) Directorate of Corporate Services

Due to an increase in vandalism targeting fibre infrastructure, after-hours support was required to ensure continuous network availability.

b) Directorate Of Economic Development & Agencies

The department prioritises overtime and only approves overtime that is necessary. The cold rooms, cashiers and access controllers are the few sections that work overtime.

c) Directorate of Finance

The over expenditure on overtime is as a result of Revenue Management staff who worked overtime to minimize the high volume of old queries and recent queries to get accounts resolved, as the call centre is required to be operational 365 days a year, which includes weekends and public holidays. The staff are 5-day workers and as such need to be paid overtime for work done on a weekend and public holidays in order to keep the Call Centre operational. The billing department worked overtime to resolve queries relating to meter changes and incorrect readings. Furthermore, overtime was worked for the finalisation of the Annual Financial Statements and attending to audit queries.

d) Directorate of Public Safety & Emergency Services

Structured overtime is compulsory compensation payable as a result of the requirements to work on Sundays and Public Holidays as part of a shift system.

These include but not limited to:

- a) Officers required to attend to emergencies and accidents.
- b) Security Guards working longer hours due to the fact that there are installations which require security & safeguarding.
- c) Disaster Management carrying out event safety management, including festive season events; and attending to disasters such as fires, storm damage & floods.

e) Directorate of Infrastructure Services

- i. Electricity – This is due to emergency raids which are carried out after hours to eradicate illegal connections and emergency standby work carried out over weekends and after hours. Vandalism & Theft contributes a large percentage of overtime worked.
- ii. Water - Overtime expenditure is due to emergency callouts for burst pipes, water leaks, water outages and replacement of shift workers at water treatment works and pump stations.

f) Directorate of Solid Waste & Environmental Management

Overtime expenditure was a result of extended working hours for Lifeguards in order to cater for the demand of the service. Supervisor's operating hours were also extended to accommodate operations executed by project participants over weekends. Municipal Health Services officials had to attend to a number of events, mainly musical that took place in the city as part of festive season's activities. Officials from the Department are therefore expected to be present to monitor Sound Levels, Food Vendors, Ablutions Facilities, Waste Management during these events.

g) Directorate of Sport, Recreation & Community Development

The Zoo and Aquarium are open 7 days a week and staff are required at the facility to ensure the captive animals are cared for correctly. Halls and Libraries overtime is linked to hall usage which is also operational for 7 days a week. Cemeteries burials and cremations conducted over weekends due to religious beliefs and cultural customs.

12.3. Standby and Shift Allowance Analysis

Table 23 below reflects the total standby and shift payment for the months of February 2026, March 2026 and April 2026. There was an increase in the total payment between March 2026 and April 2026 of R215 203 and an increase in the total payment between April 2026 and May 2026 of R90 739.

Table 23: Standby & Shift Allowance per Directorate

	March 2026 Amount	April 2026 Amount	May 2026 Amount
Directorate of Executive Support Services	18 673	19 717	21 319
Directorate of the City Manager	623	2 432	393
Directorate of Corporate Services	7 095	10 164	10 168
Directorate of Development & Spatial Planning	912	11 152	6 866
Directorate of Economic Development & Agencies	2 373	3 107	2 669
Directorate of Finance	20 730	24 448	22 158
Directorate of Public Safety & Emergency Services	847 447	1 008 420	954 570
Directorate of Infrastructure Services	982 593	994 354	1 101 925
Directorate of Solid Waste & Environmental Management	379 934	401 366	445 754
Directorate of Sport, Recreation & Community Development	31 094	31 515	31 591
TOTAL	2 291 473	2 506 676	2 597 415

12.4. Cost of Temporary Staff

Table 24 below reflects the total payment of Temporary Staff for the months of March 2026, April 2026 and May 2026. There was an increase in the total payment between March 2026 and April 2026 of R950 650 and a decrease in the total payment between April 2026 and May 2026 of R551 643.

Table 24: Temporary Staff per Directorate

	March 2026 Amount	April 2026 Amount	May 2026 Amount
Directorate of Executive Support Services	2 492 288	2 523 312	2 551 100
Directorate of the City Manager	194 182	226 638	186 308
Directorate of Corporate Services	1 219 880	1 179 985	1 266 898
Directorate of Spatial Planning & Development	87 168	124 517	72 645
Directorate of Finance	940 454	956 812	1 217 499
Directorate of Public Safety & Emergency Services	68 401	68 401	68 401
Directorate of Infrastructure Services	693 797	838 475	877 610
Directorate of Solid Waste & Environmental Management	669 687	1 409 776	501 181
Directorate of Sport, recreation & Community Development	143 626	132 220	166 850
TOTAL	6 509 485	7 460 135	6 908 492

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year-to-date budget of R69.70 million less the year-to-date expenditure of R68.91 million which leaves a variance of R781 332.

Table 25: Councillors Costs

Councillors Allowances and Benefits

Councillors Allowances And Benefits	2025/2026 Annual Budget R	2025/2026 YTD Budget R	2025/2026 YTD Expenditure R	2025/2026 Variance R	2025/2026 Variance %
Councillors Allowances	54 576 747	46 625 038	42 917 284	3 707 754	7,95
Housing Allowance	2 839 272	2 425 596	14 360 272	-11 934 676	-492,03
Medical Aid Allowance	2 397 470	2 048 164	1 803 437	244 727	11,95
Pension Allowance	4 956 471	4 234 324	4 298 762	-64 437	-1,52
Travel Allowance	16 807 948	14 359 068	5 531 104	8 827 964	61,48
Total	81 577 908	69 692 191	68 910 859	781 332	1,12

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R46.58 million (75%) of its 2025/2026 approved operating budget of R61.99 million. A detailed analysis of the entity's performance for month ended 31 May 2026 is outlined in the attached **Annexure F**.

Table 26: Monthly Budget Statement – summary of municipal entity

Buffalo City Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands									
Revenue	1								
Exchange Revenue									
Service charges - Electricity								-	
Service charges - Water								-	
Service charges - Waste Water Management								-	
Service charges - Waste Management								-	
Sale of Goods and Rendering of Services		0	-	-	-	18	-	18	-
Agency services		-	-	-	-	-	-	-	-
Interest								-	
Interest earned from Receivables								-	
Interest earned from Current and Non Current Assets		2 717	2 281	2 281	161	1 689	2 101	(412)	-19,6%
Dividends								-	
Rent on Land								-	
Rental from Fixed Assets		-	-	-	-	-	-	-	-
Licence and permits								-	
Special rating levies								-	
Operational Revenue		-	-	-	-	11	-	11	-
Non-Exchange Revenue									
Property rates								-	
Surcharges and Taxes								-	
Fines, penalties and forfeits								-	
Licences or permits								-	
Transfer and subsidies - Operational		8 263	59 718	59 718	165	10 116	49 256	(39 139)	-79,5%
Interest								-	
Fuel Levy								-	
Operational Revenue								-	
Gains on disposal of Assets		-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-
Discontinued Operations								-	
Total Revenue (excluding capital transfers and contributions)		10 980	61 999	61 999	326	11 835	51 356	(39 522)	-77,0%
Expenditure By Type									
Employee related costs		27 743	32 268	32 268	2 778	29 087	28 861	226	0,8%
Remuneration of board members								-	
Bulk purchases - electricity								-	
Inventory consumed		345	235	235	13	204	222	(18)	-8,1%
Debt impairment								-	
Depreciation and asset impairment		625	540	540	24	366	497	(130)	-26,2%
Interest		20	-	-	-	-	-	-	-
Contracted services		8 324	25 376	25 376	242	11 712	17 616	(5 903)	-33,5%
Transfers and subsidies		450	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	-	-	-	-	-
Operational costs		6 082	3 580	3 580	103	5 209	3 533	1 676	47,4%
Losses on disposal of Assets		-	-	-	-	-	-	-	-
Other Losses		9	-	-	-	-	-	-	-
Total Expenditure	3	43 597	61 999	61 999	3 159	46 579	50 729	(4 150)	-8,2%
Surplus/(Deficit)		(32 617)	-	-	(2 833)	(34 745)	627	(35 372)	-5640,4%
Transfers and subsidies - capital (monetary allocations)		-	100	100	-	-	82	(82)	-100,0%
Transfers and subsidies - capital (in-kind)								-	
Surplus/(Deficit) before taxation		(32 617)	100	100	(2 833)	(34 745)	710	(35 454)	-4996,4%
Income Tax		-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		(32 617)	100	100	(2 833)	(34 745)	710	(35 454)	100

14. CAPITAL PROGRAMME PERFORMANCE

The Metro has spent 57% (R877.63 million, inclusive of reclaimed vat) of its 2025/26 adjusted capital budget of R1.55 billion as at 31 May 2026. This reflects a decline when compared to the same period in the previous financial year where 60% (R858.18 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.43 billion was spent. The decline in performance is mainly due to procurement delays, late project implementation and contractor performance challenges.

Refer to Annexure A – C5 for the breakdown per municipal vote standard classification & funding; Annexure B – SC12 for monthly expenditure trends; SC13a for breakdown of asset classification for new assets; SC13b for breakdown on asset classification on renewal of existing asset and SC13e for breakdown on asset classification on upgrading of existing asset.

A detailed schedule of the capital projects expenditure is outlined in **Annexure E**.

Table 27 below reflects capital expenditure performance per source of funding.

Table 27: Capital Expenditure per Funding Source against Budget

Funding	2025/2026 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
TOTAL OWN FUNDING	447 424 689	223 773 053	223 651 636	50%
Urban Settlement Development Grant	504 119 128	310 615 452	193 503 676	62%
Urban Settlement Development Grant c/o	26 186 107	12 379 307	13 806 800	47%
City Of Oldenburg	3 155 797	2 324 924	830 873	74%
Informal Settlements Upgrading Partnership Grant	294 365 924	185 689 211	108 676 713	63%
Neighbourhood Development Partnership Grant	10 000 000	574 392	9 425 608	6%
Municipal Disaster Response Grant c/o	27 996 396	12 253 651	15 742 746	44%
Municipal Disaster Recovery Grant c/o	71 343 636	34 359 311	36 984 325	48%
Metro Trading Services Funding	164 428 200	95 510 959	68 917 241	58%
Infrastructure Skills Development Grant	200 000	148 396	51 604	74%
TOTAL GRANTS	1 101 795 189	653 855 602	447 939 587	59%
TOTAL CAPITAL BUDGET	1 549 219 878	877 628 655	671 591 223	57%

Table 28 below reflects capital expenditure performance per function.

Table 28: Actual Expenditure per Function against Budget

Function	2025/2026 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Governance and administration	167 141 206	99 993 855	67 147 351	60%
Executive and council	28 350 000	9 900 875	18 449 125	35%
Finance and administration	138 791 206	90 092 980	48 698 226	65%
Community and public safety	341 319 252	183 621 802	157 697 450	54%
Community and social services	51 264 638	10 396 109	40 868 529	20%
Sport and recreation	48 370 919	16 586 142	31 784 777	34%
Public safety	37 304 711	17 135 267	20 169 443	46%
Human settlements	189 917 983	135 688 059	54 229 924	71%
Health	14 461 000	3 816 224	10 644 776	26%
Economic and environmental services	323 267 295	169 123 687	154 143 608	52%
Planning and development	46 042 526	35 322 899	10 719 628	77%
Road transport	277 224 768	133 800 788	143 423 980	48%
Trading services	668 024 996	408 542 340	259 482 656	61%
Energy sources	212 646 630	178 528 808	34 117 822	84%
Water management	190 118 522	158 878 041	31 240 481	84%
Waste water management	185 425 951	44 961 204	140 464 747	24%
Waste management	79 833 894	26 174 288	53 659 606	33%
Other - LED	49 467 130	16 346 972	33 120 158	33%
TOTAL - PER FUNCTION	1 549 219 878	877 628 655	671 591 223	57%

Table 29 below reflects capital expenditure performance per directorate.

Table 29: Actual Expenditure per Directorate against Budget

Directorate	2025/2026 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Executive Support Services	2 500 000	965 313	1 534 687	39%
City Manager's Office	25 850 000	8 935 562	16 914 438	35%
Corporate Services	28 123 196	17 033 695	11 089 501	61%
Spatial Planning & Development	61 615 487	44 624 490	16 990 997	72%
Economic Development & Agencies	49 467 130	16 346 972	33 120 158	33%
Finance Services	88 745 049	63 501 172	25 243 877	72%
Public Safety & Emergency Services	51 004 711	19 530 272	31 474 439	38%
Human Settlements	189 917 983	135 688 059	54 229 924	71%
Infrastructure Services	865 415 871	516 168 840	349 247 030	60%
Sports, Recreation & Community Development	76 539 159	20 995 875	55 543 284	27%
Solid Waste & Environmental Management	103 691 292	33 581 884	70 109 408	32%
TOTAL DIRECTORATES	1 542 869 878	877 372 133	665 497 745	57%
BCMDA Projects	100 000	5 314	94 686	5%
Asset Replacements	6 250 000	251 209	5 998 791	4%
TOTAL CONSOLIDATED CAPITAL PER DIRECTORATE	1 549 219 878	877 628 655	671 591 223	57%

The capital programme performance by month is tabulated in table 30 below (exclusive of Vat).

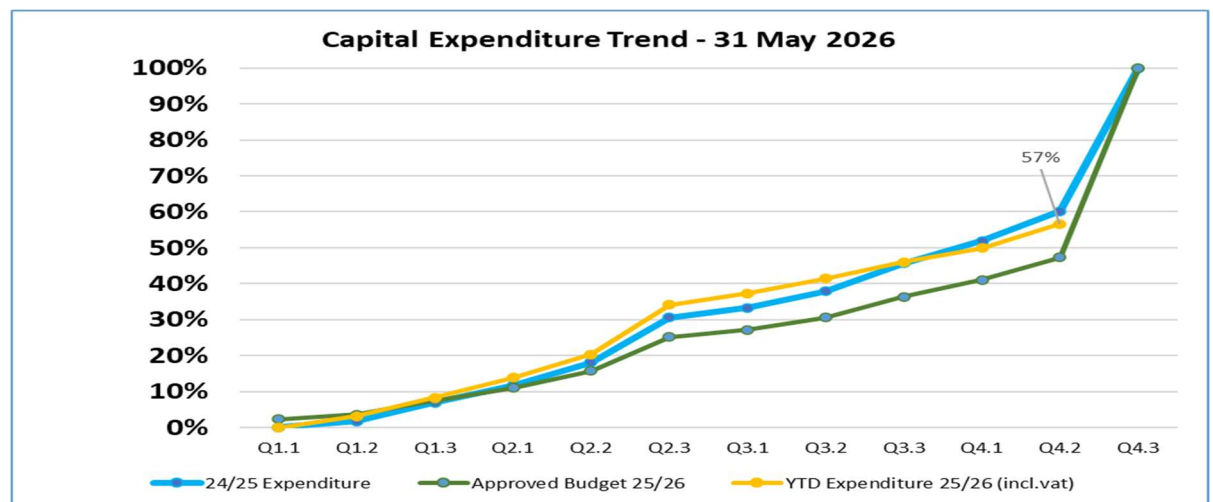
Table 30: SC12 Monthly Budget Statement – capital expenditure trend

BUF Buffalo City - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M11 May

Month	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	1 524	70 803	70 803	0	0	70 803	70 802	100,0%	0%
August	22 635	91 480	91 480	45 707	45 707	162 283	116 576	71,8%	3%
September	68 648	102 018	102 018	73 203	73 203	264 300	191 098	72,3%	5%
October	63 942	112 556	112 556	83 338	83 338	376 856	293 517	77,9%	5%
November	83 769	123 094	123 094	92 766	92 766	499 949	407 183	81,4%	6%
December	165 218	98 874	98 874	198 084	198 084	598 824	400 740	66,9%	13%
January	34 410	109 552	109 552	43 420	43 420	708 376	664 956	93,9%	3%
February	60 583	163 411	163 411	58 389	58 389	871 787	813 398	93,3%	4%
March	102 310	166 709	166 709	65 260	65 260	1 038 496	973 236	93,7%	4%
April	84 303	170 241	170 241	49 267	49 267	1 208 738	1 159 471	95,9%	0
May	108 995	173 807	173 807	91 648	49 267	1 382 545	1 333 278	96,4%	0
June	434 002	166 675	166 675	–	–	1 549 220	1 549 220	100,0%	–
Total Capital expenditure	1 230 341	1 549 220	1 549 220	801 082					

The graph below shows the capital expenditure trend inclusive of reclaimed vat for the current financial year and the previous financial year.

Figure 9: Capital Expenditure Trend



14.1. Strategies that have been put in place to improve expenditure.

The City continues to implement intervention measures to improve the City's spending performance. As a tool to monitor the performance of each bid committee, weekly reports are submitted to the City Manager

on the sitting of bid committees to assist in early identification of challenges and poor performance by the committees. The above assists the City Manager to produce prompt interventions and remedial actions, the following has been implemented as part of the remedial action:

- a) Continuous restructuring of bid committees to ensure effectiveness and efficiency. Additional members have been appointed to address the problem of non-sitting of committees because of meetings failing to meet the required quorum.
- b) All bid committee members have been taken through formal training in an effort to:
 - I. Improve the turnaround in processing of bids at committees.
 - II. Improve quality of bid specifications which in turn makes evaluation swifter and reduce the rate of withdrawn tenders due to incorrect specification.
 - III. Reduce the rate of litigations that are a result of incorrect evaluation and award due to poor specifications.
- c) This seeks to achieve the envisaged target of three months for the procurement process from initiation to the award of an open bid.
- d) Reconfiguration of processes at the Supply Chain Management unit are also underway to improve all procurement related activities. SCM is compiling weekly register of all requisitions submitted by Directorates and this process will help to address the challenges of missing requisitions or requisitions not captured timeously causing unnecessary procurement delays.
- e) All committee meetings are required to sit at least once a week to ensure that there is no backlog.
- f) There is a capital spending committee that has been set by the Executive Mayor which is composed of Mayoral Committee Members and Heads of Directorates; its purpose is to monitor capital expenditure performance.

15. OTHER SUPPORTING DOCUMENTS

15.1. Operating Projects Expenditure

The Metro has spent 60% (R350.80 million, inclusive of reclaimed vat) of its 2025/26 adjusted operating projects budget of R581.67 million as at 31 May 2026. This reflects an improvement when compared to the same period in the previous financial year where 49% (R256.95 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R521.16 million was spent.

A detailed schedule of the operating projects expenditure is outlined in **Annexure D**. Also refer to section 14.1 above of the report on measures that are implemented to improve expenditure.

Tables 31 and 32 below summarise Annexure D.

Table 31: Operating Projects per Directorate

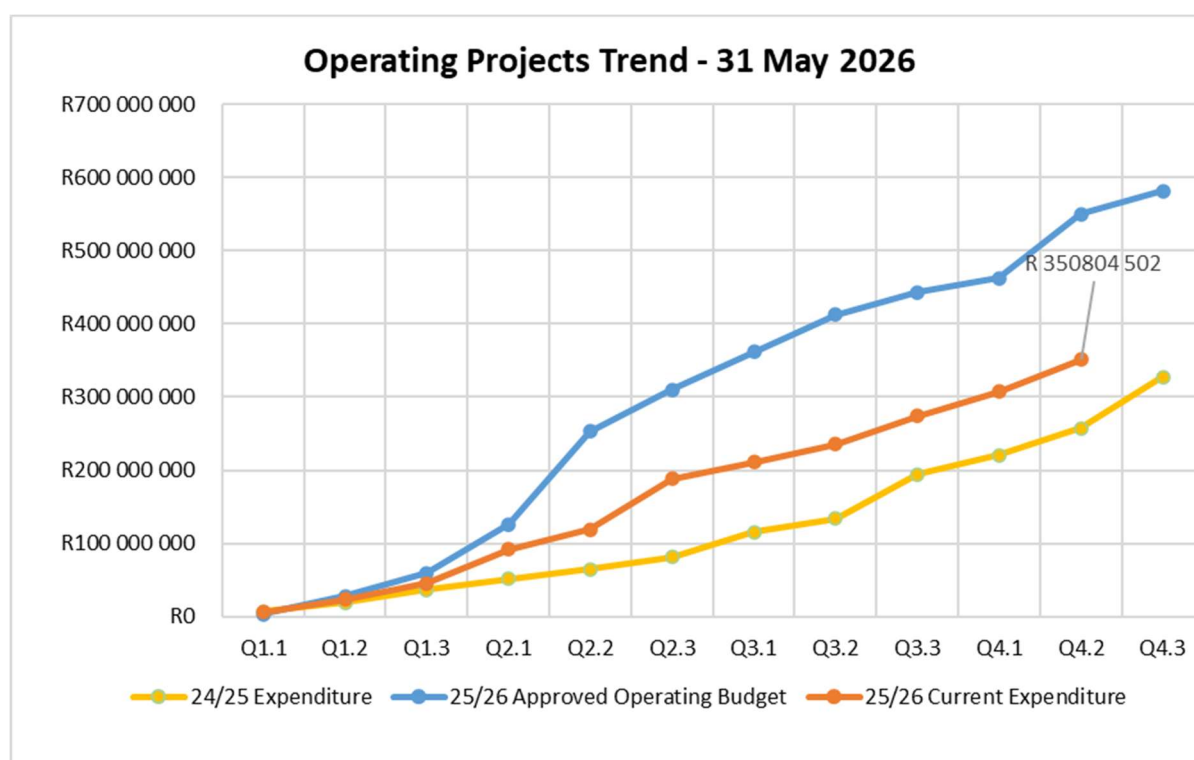
Directorate	<u>2025/2026 Adjusted Budget</u>	<u>YTD Expenditure (incl. vat)</u>	<u>Variance (incl.VAT)</u>	<u>% Expenditure (incl. vat)</u>
Executive Support Services	21 935 398	7 949 658	13 985 740	36%
City Manager's Office	44 810 224	38 720 787	6 089 437	86%
Corporate Services	34 250 000	6 728 833	27 521 167	20%
Spatial Planning & Development	13 414 886	4 660 184	8 754 702	35%
Economic Development & Agencies	50 269 823	19 939 504	30 330 319	40%
Finance Services	12 871 900	17 066 733	(4 194 833)	133%
Public Safety & Emergency Services	3 900 000	2 165 185	1 734 815	56%
Human Settlements	186 221 637	78 653 943	107 567 694	42%
Infrastructure Services	134 351 095	71 724 531	62 626 564	53%
Sports, Recreation & Community Development	3 450 000	1 606 496	1 843 504	47%
Solid Waste & Environmental Management	76 191 087	101 588 647	-25 397 560	133%
TOTAL OPERATING PROJECTS	581 666 051	350 804 502	230 861 549	60%

Table 32: Operating Projects Per Funding Source

Funding	2025/2026 Adjusted Budget	YTD Expenditure (incl. vat)	Variance (incl. VAT)	% Expenditure (incl. vat)
TOTAL OWN FUNDING	203 267 400	148 595 119	54 672 281	73%
City of Oldenburg c/o	935 398	190 478	744 920	20%
Urban Settlement Development Grant	55 124 874	58 457 729	(3 332 855)	106%
Finance Management Grant	1 000 000	907 944	92 056	91%
Informal Settlements Upgrading Partnership Grant	23 992 076	13 806 195	12 285 881	53%
Infrastructure Skills Development Grant	8 800 000	6 458 833	2 341 167	73%
Programme and Project Preparation Support Grant	16 000 000	5 956 077	10 043 924	37%
Expanded Public Works Programme	2 434 000	2 433 322	678	100%
Human Settlements Development Grant	167 611 947	66 389 357	99 122 590	40%
Neighbourhood Development Partnership Grant	22 500 000	22 546 257	(46 257)	100%
Department of Transport c/o	71 888 104	21 945 150	49 942 954	31%
Sector Education and Training Authority c/o	3 717 955	2 066 577	1 651 378	56%
Sector Education and Training Authority	4 394 297	1 051 466	3 342 831	24%
TOTAL GRANTS	378 398 651	202 209 382	176 189 268	53%
TOTAL OPERATING PROJECTS BUDGET	581 666 051	350 804 502	230 861 549	60%

The graph below shows the operating projects expenditure trend for the current financial year and the previous financial year.

Figure 10: Operating Projects Expenditure Trend



16. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, Mxolisi Yawa, City Manager of Buffalo City Metropolitan Municipality do hereby certify that –

☐

The monthly budget statement (Section 71 Report)

for the period ending **May 2026** has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print name: Mxolisi Yawa

City Manager of Buffalo City Metropolitan Municipality

Signature: