

REPORT TO EXECUTIVE MAYOR: 14 SEPTEMBER 2026

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STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2026/27 BUDGET FOR THE PERIOD ENDED 31 AUGUST 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 2026/27 budget of the Buffalo City Metropolitan Municipality for the period ended 31 August 2026.

2. AUTHORITY

Buffalo City Metropolitan Municipality Council.

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).

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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 2026/27 budget for the period ended 31 August 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 August 2026 of 76.45%.

M. YAWA

CITY MANAGER

BUFFALO CITY METROPOLITAN MUNICIPALITY

SIYABULELA PETER/ YM

DATE

ANNEXURES:

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- 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 AUGUST 2026

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS – 31 AUGUST 2025		OVERALL OPERATING RESULTS – 31 AUGUST 2026	
Income	R 2 315 200 450	Income	R 2 370 141 009
Expenditure	(R 1 952 406 073)	Expenditure	(R 2 051 529 168)
Operating Surplus/(Deficit) before Transfers and Subsidies Recognised – Capital	R 362 794 377	Operating Surplus/(Deficit) before Transfers and Subsidies Recognised – Capital	R 318 611 841
Transfers and Subsidies Recognized – Capital	R 0	Transfers and Subsidies Recognised – Capital	R 2 047 808
Intercompany/Parent subsidiary transactions	R 16 521 739	Intercompany/Parent subsidiary transactions	R 0
Surplus/(Deficit) after Capital Transfers	R 379 316 116	Surplus/(Deficit) after Capital Transfers	R 320 659 649
CASH MANAGEMENT – 31 AUGUST 2025		CASH MANAGEMENT – 31 AUGUST 2026	
Bank Balance	R 96 888 321	Bank Balance	R 69 484 054
Call investments (excl. int.)	R 1 044 477 235	Call investments (excl. int.)	R 974 792 298
Cash and cash equivalents	R 1 141 365 556	Cash and cash equivalents	R 1 044 276 352
Account Payables	(R 1 172 848 237)	Account Payables	(R 1 129 929 558)
Unspent conditional grants	(R 421 772 274)	Unspent conditional grants	(R 259 868 571)
Committed to Capital budget-own funds	(R 423 447 032)	Committed to Capital budget-own funds	(R 479 472 201)
DEBTORS – 31 AUGUST 2025		DEBTORS – 31 AUGUST 2026	
Total debtors' book (incl. impairment)	R 9 407 392 785	Total debtors' book (incl. impairment)	R 10 823 854 350
Total debtors – Government	R 208 096 411	Total debtors – Government	R 285 392 948
Total debtors – Business	R 1 722 109 522	Total debtors – Business	R 1 810 099 516
Total debtors – Households	R 7 477 186 852	Total debtors – Households	R 8 728 361 886
Total debt written off incl. Vat (YTD)	R18 399 785	Total debt written off incl. Vat (YTD)	R 55 463 292
TOTAL LONG-TERM LOANS		SURPLUS / (DEFICIT) PER SERVICE	
31 AUGUST 2025	31 AUGUST 2026	31 AUGUST 2025	31 AUGUST 2026
R 79 543 276	R 54 575 401	Water R 91 485 378	R 119 203 076
REPAIRS AND MAINTENANCE		Electricity (R 283 532 701)	(R 158 145 356)
31 AUGUST 2025	31 AUGUST 2026	Refuse R 87 185 193	R 58 975 018
Exp.= R38.18 m, which is 8% of budget of R501.90 m	Exp.= R9.07m, which is 2% of budget of R460.41m	Sewerage R 115 412 392	R 89 697 693
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
<u>31 August 2025: Exp. as a % of Adjusted Budget of R1.26b:</u>	<u>31 August 2026: Exp. as a % of Adjusted Budget of R1.45b:</u>	<u>31 August 2025: Exp. as a % of Adjusted Budget of R637.11m:</u>	<u>31 August 2026: Exp. as a % of Adjusted Budget of R547.44m:</u>
Exp. (excl. vat) = R45,71 mil % exp. (Excl. vat) :4%	Exp. (excl. vat) = R3.88 mil % exp. (Excl. vat) :0%	Exp. (excl. vat) = R23.55 mil % exp. (excl. vat): 4%	Exp. (excl. vat) = R84.01 mil % exp. (excl. vat): 15%
Exp. (incl. vat) = R48,22 mil % exp. (incl. vat): 4%	Exp. (incl. vat) = R3.93 mil % exp. (incl. vat): 0%	Exp. (incl. vat) = R23.72 mil % exp. (incl. vat): 4%	Exp. (incl. vat) = R84.02 mil % exp. (incl. vat): 15%

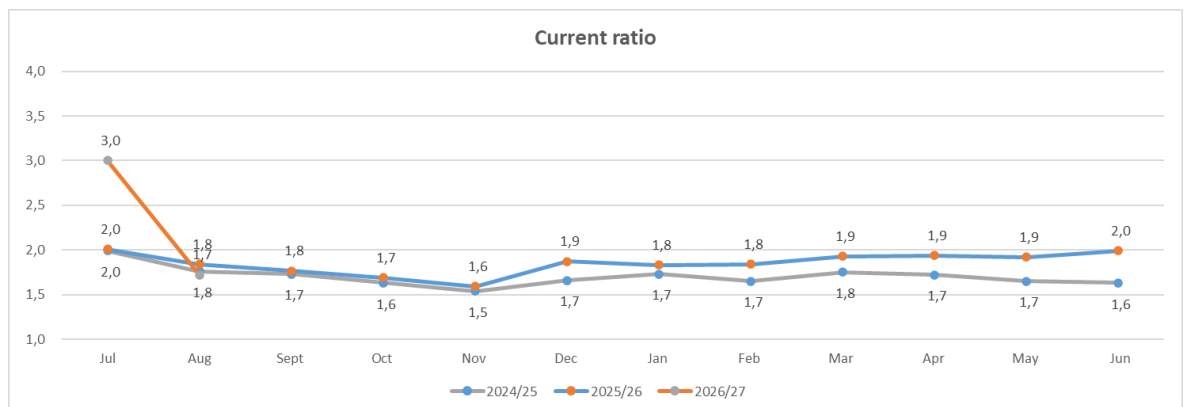
FINANCIAL	31 AUGUST 2025	31 AUGUST 2026	HUMAN RESOURCES 31 AUGUST 2026	
Operating Surplus/(Deficit) after Capital Transfers and Intercompany transactions	R 379 316 116	R 320 659 649	Total staff complement	4 794
Debtors' collection ratio	71.19%	76.45%	Staff Appointments	42
YTD Grants and subsidies: recognized – Capital	R 0	R 2 047 808	Staff Terminations	37
Creditor's payment days	8 days	41 days	Number of funded vacant posts (under recruitment process)	432
Current ratio	1.84:1	1.72:1	Total overtime paid (YTD)	R 32 852 004
Total Debt to Revenue	0,77%	0.50%	Allowances and benefits – Councillors (YTD)	R 12 701 690
Capital Charges to Operating Expenditure	0%	0%	Salary bill – Officials (YTD)	R 492 497 728
Cost coverage ratio	1.19 month	1.05 month	Workforce costs as a % of expenditure	24.63%

6.2. Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered stable as the Current Ratio is 1.72:1. 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 77% and the 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

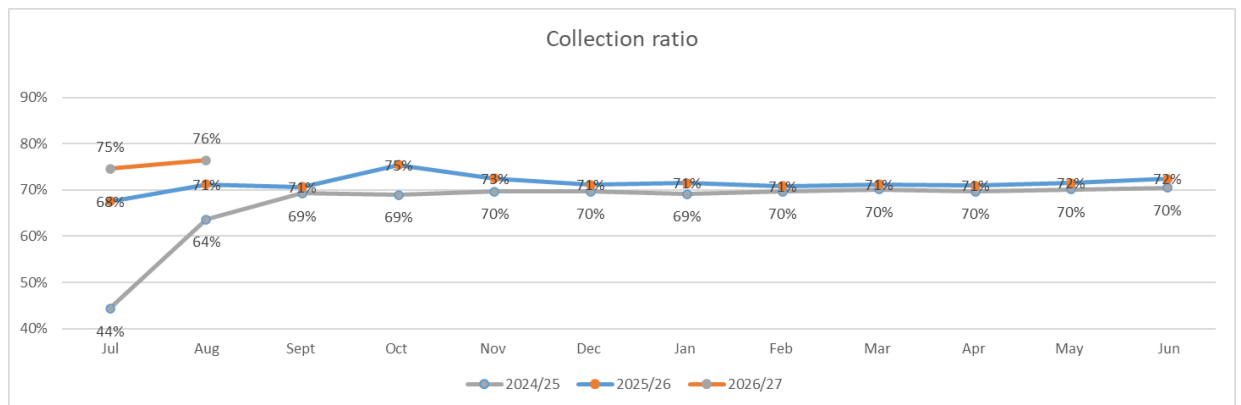


6.3. Collection Rate and Outstanding Debtors

The year-to-date collection rate as at 31 August 2026 is 76.45% (2025/26: 71.19%). This ratio denotes the City's ability to collect the billed revenue from its consumers. The collection rate has increased by 1.84% from last month where 74.61% was achieved for the period ended 31 July 2026. Refer to Section 8 for further details.

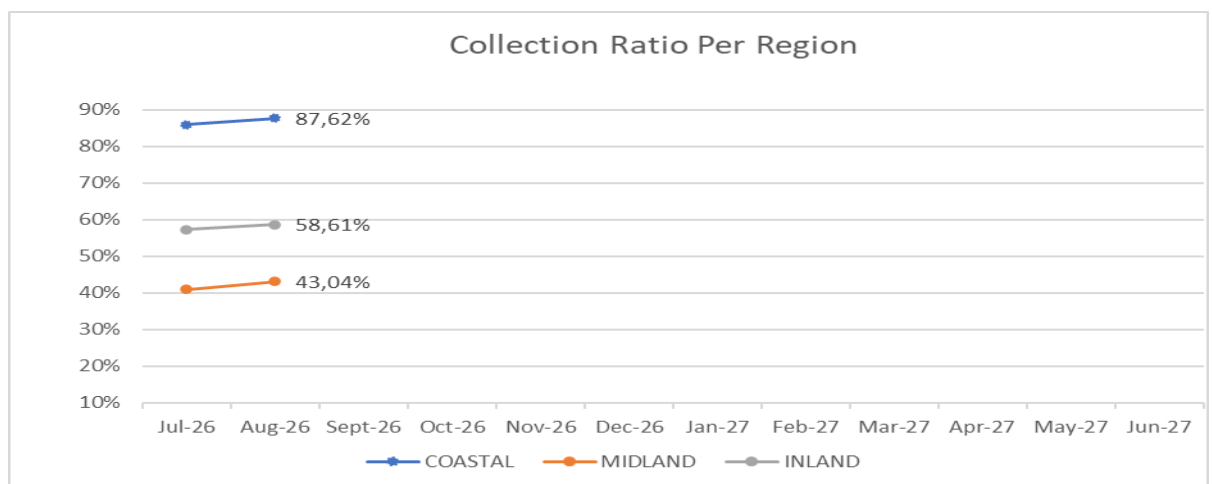
The graph below shows a comparison of the monthly collection ratio for the current financial year and the two previous financial years.

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 August 2026 per region is as follows: Coastal 87,62% Midland 43,04% and Inland 58,61%.

Figure 3: Collection Ratio Per Region



Total gross debtors' book (including current accounts) as at 31 August 2026 amounts to R10.82 billion (2025/26 R9.41 billion). Households: R8.73 billion, Business: R1.81 billion and Government: R285.39 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 0% (R3.93 million inclusive of reclaimed vat) of its 2026/27 adjusted capital budget of R1.45 billion as at 31 August 2026. This reflects a decline when compared to the same period in the previous financial year where 4% (R48.22 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.26 billion was spent. Low expenditure can be attributed to the challenge the Metro is experiencing with the automation of the new e-procurement system. However, this is being attended to and expenditure will improve once the Metro has dealt with the challenges of automation. (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 15% (R84.02 million, inclusive of reclaimed vat) of its 2026/27 adjusted operating projects budget of R547.44 million as at 31 August 2026. This reflects an improvement when compared to the same period in the previous financial year where 4% (R23.72 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R637.11 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)

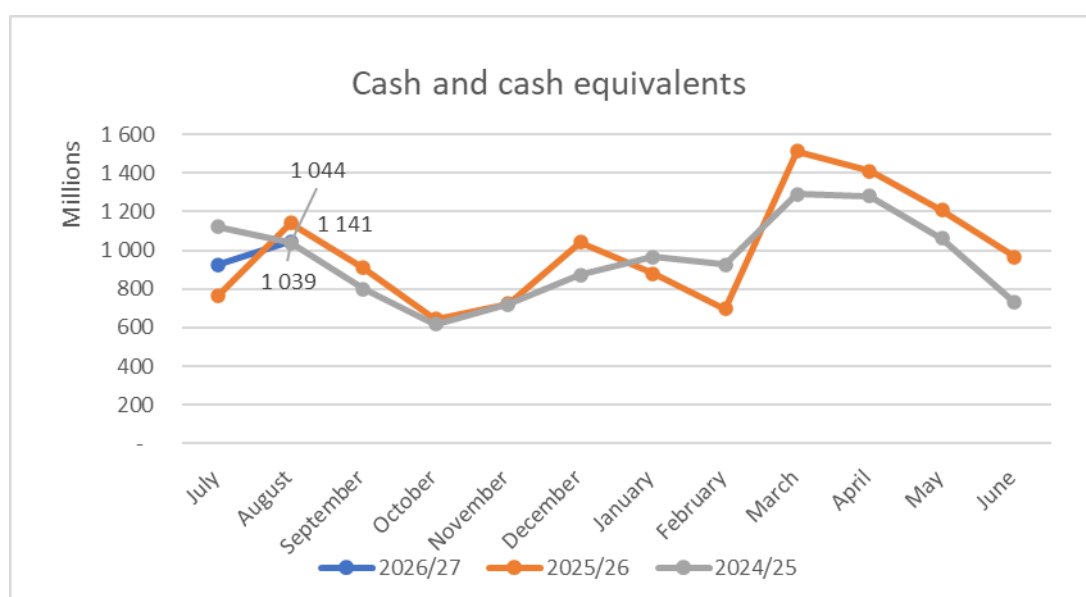
The Metro has spent 1% (R8.70 million, inclusive of reclaimed vat) of its 2026/27 conditional grants adjusted budget of R1.12 billion as at 31 August 2026. This expenditure reflects a decline when compared to the same period in the previous financial year where 4% (R38.86 million, inclusive of reclaimed vat) of conditional grants budget of R938.54 was spent. Low expenditure can be attributed to the challenge the Metro is experiencing with the automation of the e-procurement system. However, this is being attended to and expenditure will improve once the Metro has dealt with the challenges of automation.

6.7. Cash and Cash Equivalents

The cash and cash equivalents of the City as at 31 August 2026 is R1.04 billion made up of cash at the primary bank account amounting to R69.48 million and call investment deposits of R974.79 million. 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 slightly decreased when compared to the same period over the previous financial year. Refer to Section 7.4.5 and Annexure A – C7 for the cash flow statement as well as Section 10 and Annexure B – SC16 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 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

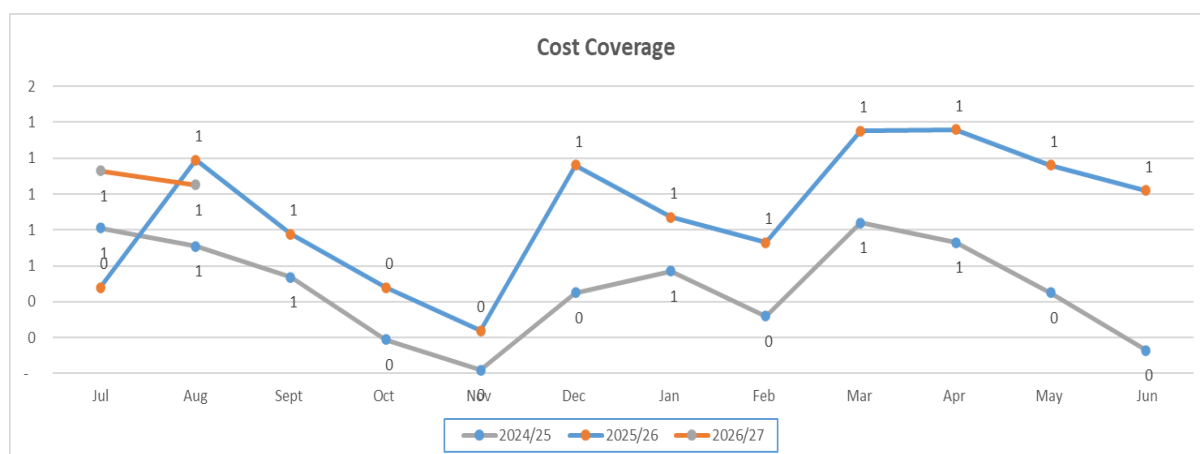
a short- and long-term negative effect on the City's Credit Ratings.

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 August 2026) is 41 days.

Table 2 below reflects a breakdown of Account Payables for the reporting period under review which amounted to R1,13 billion made up of the following:

Table 2: Account Payables breakdown

Accounts Payable	Amount
Trade payables	517 180 228
Payments received in advance	237 643 131
Retention monies	74 955 044
Accrued leave pay	181 142 660
Deposits Received	8 324 792
Sundry creditors - other	110 683 704
Total	1 129 929 558

6.9. Long-Term Debt Profile

The total long-term borrowings of the municipality as at 31 August 2026 amounts to R54.58 million. Refer to Annexure C for the schedule of borrowings. The ratio of capital charges to operating expenditure as at 31 August 2026 is 0%. 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 0.50% as at 31 August 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 158 145 356 for the period ended 31 August 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 to 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 - M02 August

Description	2025/26	Budget Year 2026/27							
	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	2 196 406	2 382 109	2 382 109	153 349	495 437	514 535	(19 098)	-4%	2 382 109
Service charges	5 473 214	5 853 646	5 853 646	463 464	951 625	1 048 277	(96 652)	-9%	5 853 646
Investment revenue	61 054	60 460	60 460	4 964	9 528	12 322	(2 793)	-23%	60 460
Transfers and subsidies - Operational	1 598 144	1 669 116	1 716 877	7 416	579 824	530 793	49 032	0	1 716 877
Other own revenue	1 716 637	1 495 028	1 495 028	302 732	333 726	395 362	(61 636)	-16%	1 495 028
Total Revenue (excluding capital transfers and contributions)	11 045 455	11 460 359	11 508 120	931 925	2 370 141	2 501 289	(131 148)	-5%	11 508 120
Employee costs	2 941 022	3 146 710	3 146 710	246 996	492 498	506 022	(13 524)	-3%	3 146 710
Remuneration of Councillors	75 451	85 453	85 453	6 325	12 702	12 271	431	4%	85 453
Depreciation, amortisation and impairment	2 694 757	587 597	602 597	111 721	258 650	108 249	150 401	139%	602 597
Interest Dividends and Rent on Land	45 566	44 669	44 669	474	947	8 603	(7 656)	-89%	44 669
Inventory consumed and bulk purchases	3 293 507	3 641 393	3 641 393	381 488	708 806	649 656	59 150	9%	3 641 393
Transfers and subsidies	127 307	111 237	121 237	3 951	25 960	27 610	(1 650)	-6%	121 237
Other expenditure	4 419 877	3 841 205	3 863 966	343 193	551 966	514 283	37 683	7%	3 863 966
Total Expenditure	13 597 487	11 458 264	11 506 025	1 094 146	2 051 529	1 826 694	224 835	12%	11 506 025
Surplus/(Deficit)	(2 552 032)	2 005	2 005	(162 222)	318 612	674 594	(355 983)	-53%	2 005
Transfers and subsidies - capital (monetary allocations)	998 541	971 963	971 963	2 048	2 048	318	1 730	544%	971 963
Transfers and subsidies - capital (in-kind)	2 329	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 551 162)	974 058	974 058	(160 174)	320 660	674 912	(354 253)	-52%	974 058
Share of surplus/(deficit) of associate	(3 441)	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 554 603)	974 058	974 058	(160 174)	320 660	674 912	(354 253)	-52%	974 058
Capital expenditure & funds sources									
Capital expenditure	1 131 834	1 397 435	1 454 492	3 877	3 885	223 616	(219 731)	-98%	1 454 492
Capital transfers recognised	902 457	970 547	971 377	958	958	152 094	(151 135)	-99%	971 377
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	229 376	426 889	483 115	2 919	2 926	71 523	(68 596)	-96%	483 115
Total sources of capital funds	1 131 834	1 397 435	1 454 492	3 877	3 885	223 616	(219 731)	-98%	1 454 492
Financial position									
Total current assets	6 383 658	6 217 402	6 185 345		6 626 739				6 185 345
Total non current assets	33 002 760	41 669 059	41 726 116		32 747 994				41 726 116
Total current liabilities	4 977 726	4 150 239	4 175 239		4 645 250				4 175 239
Total non current liabilities	1 566 431	1 116 907	1 116 907		1 566 381				1 116 907
Community wealth/Equity	35 323 240	42 619 316	42 619 316		33 163 102				42 619 316
Cash flows									
Net cash from (used) operating	6 334 881	1 451 304	1 476 304	736 983	1 806 858	133 464	(1 673 394)	-1254%	1 476 304
Net cash from (used) investing	(1 202 968)	(1 393 399)	(1 450 456)	(3 000)	(2 152)	(241 743)	(239 591)	99%	(1 450 456)
Net cash from (used) financing	(22 390)	(17 323)	(17 323)	666	1 222	(2 887)	(4 109)	142%	(17 323)
Cash/cash equivalents at the month/year end	5 840 552	842 767	810 710	2 778 908	2 779 765	691 019	(2 088 746)	-302%	982 361
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	851 555	353 288	309 356	279 390	262 268	251 775	1 357 307	7 158 914	10 823 854
Creditors Age Analysis									
Total Creditors	1 073 699	56 231	-	-	-	-	-	-	1 129 930

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) - M02 August

Description	Ref	2025/26	Budget Year 2026/27							
		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>		3 892 682	3 844 656	3 845 377	444 678	948 726	966 935	(18 209)	-2%	3 845 377
Executive and council		18 518	13 076	13 076	4 943	4 943	4 125	817	20%	13 076
Finance and administration		3 874 164	3 815 828	3 816 549	439 736	943 784	957 840	(14 056)	-1%	3 816 549
Internal audit		–	15 753	15 753	–	–	4 970	(4 970)	-100%	15 753
<i>Community and public safety</i>		586 098	669 503	669 503	12 391	59 123	95 638	(36 515)	-38%	669 503
Community and social services		33 609	38 281	38 281	909	1 786	7 752	(5 966)	-77%	38 281
Sport and recreation		14 499	49 375	49 375	204	359	2 567	(2 207)	-86%	49 375
Public safety		268 954	223 012	223 012	9 896	55 304	43 808	11 497	26%	223 012
Housing		268 187	358 791	358 791	1 324	1 535	41 507	(39 971)	-96%	358 791
Health		849	43	43	57	138	5	133	2688%	43
<i>Economic and environmental services</i>		291 182	180 088	225 276	974	6 076	26 140	(20 064)	-77%	225 276
Planning and development		74 741	116 126	116 126	974	6 076	21 843	(15 768)	-72%	116 126
Road transport		216 442	63 962	109 150	–	–	4 296	(4 296)	-100%	109 150
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		7 192 577	7 641 927	7 641 927	472 617	1 351 770	1 404 110	(52 340)	-4%	7 641 927
Energy sources		3 704 026	4 064 326	4 064 326	292 010	703 066	783 662	(80 596)	-10%	4 064 326
Water management		1 737 339	1 659 437	1 659 437	85 541	303 378	300 342	3 036	1%	1 659 437
Waste water management		956 708	1 013 515	1 013 515	52 027	171 765	164 318	7 447	5%	1 013 515
Waste management		794 505	904 650	904 650	43 040	173 561	155 789	17 772	11%	904 650
<i>Other</i>	4	83 787	96 148	98 000	3 312	6 494	8 784	(2 290)	-26%	98 000
Total Revenue - Functional	2	12 046 326	12 432 322	12 480 083	933 972	2 372 189	2 501 607	(129 418)	-5%	12 480 083
Expenditure - Functional										
<i>Governance and administration</i>		3 243 452	2 243 351	2 244 072	228 358	419 860	345 237	74 623	22%	2 244 072
Executive and council		1 296 206	421 314	421 314	54 569	82 314	64 786	17 528	27%	421 314
Finance and administration		1 934 548	1 804 299	1 805 020	172 703	335 312	277 890	57 422	21%	1 805 020
Internal audit		12 699	17 738	17 738	1 085	2 235	2 561	(326)	-13%	17 738
<i>Community and public safety</i>		1 613 320	1 555 343	1 555 343	111 572	216 662	225 792	(9 130)	-4%	1 555 343
Community and social services		214 903	192 665	192 665	14 675	28 742	30 536	(1 794)	-6%	192 665
Sport and recreation		545 152	511 274	511 274	42 657	80 845	79 191	1 654	2%	511 274
Public safety		648 654	603 525	603 525	43 813	86 674	92 746	(6 072)	-7%	603 525
Housing		147 208	171 087	171 087	5 812	11 326	12 739	(1 413)	-11%	171 087
Health		57 403	76 792	76 792	4 615	9 075	10 579	(1 505)	-14%	76 792
<i>Economic and environmental services</i>		1 090 147	740 487	775 675	65 058	135 996	116 657	19 339	17%	775 675
Planning and development		305 165	265 444	265 444	15 376	26 334	41 094	(14 761)	-36%	265 444
Road transport		784 981	475 043	510 230	49 682	109 662	75 563	34 100	45%	510 230
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		7 483 035	6 738 641	6 738 641	681 280	1 247 520	1 108 444	139 076	13%	6 738 641
Energy sources		4 231 551	4 538 874	4 534 074	462 702	851 604	780 257	71 348	9%	4 534 074
Water management		1 733 429	1 054 281	1 059 081	97 930	188 937	156 303	32 634	21%	1 059 081
Waste water management		606 124	514 887	514 887	46 509	89 576	75 688	13 888	18%	514 887
Waste management		911 931	630 598	630 598	74 139	117 403	96 197	21 206	22%	630 598
<i>Other</i>		164 093	180 442	192 294	7 879	31 491	30 565	927	3%	192 294
Total Expenditure - Functional	3	13 594 046	11 458 264	11 506 025	1 094 146	2 051 529	1 826 695	224 834	12%	11 506 025
Surplus/ (Deficit) for the year		(1 547 720)	974 058	974 058	(160 174)	320 660	674 912	(354 252)	-0.524887	974 058

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) - M02

Vote Description	Ref	2025/26	Budget Year 2026/27						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	Full Year Forecast
R thousands								%	
Revenue by Vote	1								
Vote 01 - Directorate - Executive Support Services		216	3	724	-	-	66	(66)	-100,0%
Vote 02 - Directorate - Municipal Manager		18 548	30 133	30 133	4 943	4 943	9 507	(4 564)	-48,0%
Vote 03 - Directorate - Human Settlement		268 187	358 791	358 791	1 324	1 535	41 507	(39 971)	-96,3%
Vote 04 - Directorate - Chief Financial Officer		3 790 775	3 768 502	3 768 502	436 432	951 288	946 036	5 252	0,6%
Vote 05 - Directorate - Corporate Services		12 168	27 303	27 303	1 380	1 380	8 344	(6 964)	-83,5%
Vote 06 - Directorate - Infrastructure Services		6 614 514	6 801 239	6 846 427	429 578	1 178 209	1 252 618	(74 409)	-5,9%
Vote 07 - Directorate - Spatial Planning And Development		131 461	67 848	67 848	2 692	(7 334)	6 053	(13 387)	-221,2%
Vote 08 - Directorate - Health / Public Safety & Emergency Services		268 954	223 012	223 012	9 896	55 304	43 808	11 497	26,2%
Vote 09 - Directorate - Municipal Services		(18)	-	-	-	-	-	-	-
Vote 10 - Directorate - Economic Development & Agencies		131 085	163 141	164 993	3 517	11 019	27 557	(16 537)	-60,0%
Vote 11 - Directorate - Solid Waste And Environmental Management		797 647	909 444	909 444	43 097	173 699	155 827	17 872	11,5%
Vote 12 - Directorate - Sport, Recreation & Community Development		45 833	82 905	82 905	1 114	2 145	10 285	(8 140)	-79,1%
Total Revenue by Vote	2	12 079 369	12 432 322	12 480 083	933 972	2 372 189	2 501 607	(129 418)	-5,2%
Expenditure by Vote	1								
Vote 01 - Directorate - Executive Support Services		1 311 427	321 944	322 665	27 188	50 463	52 764	(2 301)	-4,4%
Vote 02 - Directorate - Municipal Manager		194 833	208 639	208 639	35 538	52 715	25 262	27 453	108,7%
Vote 03 - Directorate - Human Settlement		146 841	170 716	170 716	5 617	11 130	12 678	(1 548)	-12,2%
Vote 04 - Directorate - Chief Financial Officer		1 358 986	1 290 272	1 290 272	108 235	221 279	202 860	18 418	9,1%
Vote 05 - Directorate - Corporate Services		260 671	266 070	266 070	53 735	72 600	41 751	30 848	73,9%
Vote 06 - Directorate - Infrastructure Services		7 520 877	6 717 677	6 752 865	659 444	1 254 021	1 108 620	145 401	13,1%
Vote 07 - Directorate - Spatial Planning And Development		254 435	288 221	288 221	16 742	34 955	45 236	(10 282)	-22,7%
Vote 08 - Directorate - Health / Public Safety & Emergency Services		656 254	612 502	612 502	43 666	87 058	94 071	(7 013)	-7,5%
Vote 09 - Directorate - Municipal Services		-	-	-	-	-	-	-	-
Vote 10 - Directorate - Economic Development & Agencies		209 008	236 092	247 944	12 336	37 260	37 578	(318)	-0,8%
Vote 11 - Directorate - Solid Waste And Environmental Management		1 098 190	858 220	858 220	88 613	146 917	128 777	18 140	14,1%
Vote 12 - Directorate - Sport, Recreation & Community Development		582 523	487 911	487 911	43 032	83 132	77 096	6 036	7,8%
Total Expenditure by Vote	2	13 594 046	11 458 264	11 506 025	1 094 146	2 051 529	1 826 694	224 835	12,3%
Surplus/ (Deficit) for the year	2	(1 514 677)	974 058	974 058	(160 174)	320 660	674 912	(354 253)	-52,5%

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 August 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) - M02 August										
Description	Ref	2025/26	Budget Year 2026/27							
		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		3 290 952	3 542 330	3 542 330	288 711	580 280	675 168	(94 888)	-14%	3 542 330
Service charges - Water		1 102 068	1 079 693	1 079 693	81 625	170 113	183 973	(13 860)	-8%	1 079 693
Service charges - Waste Water Management		591 739	643 739	643 739	50 725	116 339	105 895	10 444	10%	643 739
Service charges - Waste management		488 456	587 884	587 884	42 403	84 893	83 241	1 652	2%	587 884
Sale of Goods and Rendering of Services		127 315	138 203	138 203	10 437	21 975	19 149	2 825	15%	138 203
Agency services		22 687	30 476	30 476	(865)	8 074	7 619	455	6%	30 476
Interest								-		
Interest earned from Receivables		356 607	291 996	291 996	3 557	11 979	59 509	(47 530)	-80%	291 996
Interest from Current and Non Current Assets		61 054	60 460	60 460	4 964	9 528	12 322	(2 793)	-23%	60 460
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		36 343	26 242	26 242	2 327	(8 027)	6 036	(14 063)	-233%	26 242
Licence and permits								-		
Special rating levies								-		
Construction Contract Revenue										
Development Charges		-	-	-	-	-	-			-
Operational Revenue		51 757	90 890	90 890	4 507	9 222	11 013	(1 792)	-16%	90 890
Non-Exchange Revenue								-		
Property rates		2 196 406	2 382 109	2 382 109	153 349	495 437	514 535	(19 098)	-4%	2 382 109
Surcharges and Taxes								-		
Fines, penalties and forfeits		63 436	10 482	10 482	880	1 894	2 588	(694)	-27%	10 482
Licence and permits		15 712	13 432	13 432	989	2 362	1 993	369	19%	13 432
Transfers and subsidies - Operational		1 598 144	1 669 116	1 716 877	7 416	579 824	530 793	49 032	9%	1 716 877
Interest		152 835	6 741	6 741	167	318	801	(483)	-60%	6 741
Fuel Levy		798 042	827 976	827 976	275 992	275 992	276 047	(55)	0%	827 976
Operational Revenue		62 642	58 591	58 591	4 741	9 937	10 605	(668)	-6%	58 591
Gains on disposal of Fixed and Intangible Assets		171	-	-	-	-	-	-		-
Other Gains		29 091	-	-	-	-	-	-		-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		11 045 455	11 460 359	11 508 120	931 925	2 370 141	2 501 289	(131 148)	-5%	11 508 120

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

City of Dundas City - Table C-1 Consolidated Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - 302 August										
Description	Ref	2025/26	Budget Year 2026/27							
		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		2 941 022	3 146 710	3 146 710	246 995	492 498	506 022	(13 524)	-3%	3 146 710
Remuneration of councillors		75 451	85 453	85 453	6 325	12 702	12 271	431	4%	85 453
Bulk purchases - electricity		2 873 703	3 334 209	3 334 209	353 398	655 744	608 493	47 251	8%	3 334 209
Inventory consumed		419 804	307 184	307 184	28 090	53 062	41 163	11 899	29%	307 184
Debt impairment		2 131 001	1 910 728	1 910 728	185 278	318 654	319 092	(437)	0%	1 910 728
Depreciation, amortisation and impairment		2 694 757	587 597	602 597	111 721	258 650	108 249	150 401	139%	602 597
Interest, Dividends and Rent on Land		45 566	44 669	44 669	474	947	8 603	(7 656)	-89%	44 669
Contracted services		1 038 743	1 210 535	1 228 226	87 988	114 705	67 980	46 724	69%	1 228 226
Transfers and subsidies		127 307	111 237	121 237	3 951	25 960	27 610	(1 650)	-6%	121 237
Irrecoverable debts written off		—	—	—	—	—	—	—	—	—
Operational costs		700 466	592 101	597 172	59 856	98 730	106 501	(7 771)	-7%	597 172
Disposal of Fixed and Intangible Assets		217 174	—	—	—	8	—	8	—	—
Other Losses		332 494	127 841	127 841	10 071	19 868	20 710	(842)	-4%	127 841
Total Expenditure		13 597 487	11 458 264	11 506 025	1 094 146	2 051 529	1 826 694	224 835	12%	11 506 025
Surplus/(Deficit)		(2 552 032)	2 095	2 095	(162 222)	318 612	674 594	(355 983)	(0)	2 095
Transfers and subsidies - capital (monetary allocations)		998 541	971 963	971 963	2 048	2 048	318	1 730	0	971 963
Transfers and subsidies - capital (in-kind)		2 329	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		(1 551 162)	974 058	974 058	(160 174)	320 660	674 912	(354 253)	(0)	974 058
Income Tax		—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax		(1 551 162)	974 058	974 058	(160 174)	320 660	674 912	(354 253)	(0)	974 058
Share of Surplus/Deficit attributable to Joint Venture								—		
Share of Surplus/Deficit attributable to Minorities								—		
Surplus/(Deficit) attributable to municipality		(1 551 162)	974 058	974 058	(160 174)	320 660	674 912	(354 253)	(0)	974 058
Share of Surplus/Deficit attributable to Associate		(3 441)	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions		33 043	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year		(1 521 559)	974 058	974 058	(160 174)	320 660	674 912	(354 253)	(0)	974 058

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 Service charges – Electricity

The variance is attributable to an increase in interim readings resulting from offline electricity meters during the month of August 2026.

7.4.1.2 Sale of Goods and Rendering of Services

Sale of Goods and Rendering of Services is made up of numerous miscellaneous items such as, building plan approval fees, cemetery and burial fees, sale of scrap waste and entrance fees for recreational facilities which makes it difficult to predict and some are market and/ or demand driven.

7.4.1.3 Interest earned from Receivables

The variance is a result of the implementation of Council approval to reduce the interest rate instead of charging prime rate + 1 %.

7.4.1.4 Interest from Current and Non-Current Assets

The variance is caused by a reduction in total value of investments due to year end payments.

7.4.1.5 Rental from Fixed Assets

The variance is due to property rental adjustments that were incorrectly processed. A correcting journal has been submitted and will reflect in the month of September 2026.

7.4.1.6 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.

7.4.1.7 Fines, penalties, and forfeits

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. There are currently no new fines being issued as the metro is waiting for the new Administrative Adjudication of Road Traffic Offences Act (AARTO) system to go online.

7.4.1.8 Licences and permits

Overperformance can be attributed to the Traffic Department allowing walk-ins in order to assist in the increase of licence and permits renewals and applications.

7.4.1.9 Interest – None Exchange Revenue

The variance is as a result of interest charged on availability charge relating to serviced vacant or undeveloped land. The implementation of the Council approved reduction in the interest rate instead of applying prime rate + 1 % contributed to the variance.

7.4.1.10 Inventory consumed

Overperformance on inventory consumed is largely attributed to fuel usage, which is inherently difficult to forecast as a result of its fluctuating demand.

7.4.1.11 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.

7.4.1.12 Interest, Dividends and Rent on Land

Interest in respect of the Rehabilitation of Landfill sites has not yet been realised on the financial system. Provision to be realised on 30 June 2027.

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 2027.

7.4.1.13 Contracted Services

The overperformance on contracted services can be attributed to Operating projects caused by the following Directorates:

- i. Corporate Service – Payment of R35 million was made for the supply and installation of cybersecurity software to better protect the Metro from increasingly sophisticated cyber-attacks.
- ii. Solid Waste Trading Service – Total Payment of R15 million was made for Expanded Public Works Participants (EPWP) who assist with the operational demands of the trading service.

7.4.2 Repairs and maintenance

Table 7 below reflects that as at 31 August 2026 the repairs and maintenance expenditure is 2% of the approved budget of R460.41 million (2025/26:8%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 7: Repairs and Maintenance per Directorate

Directorate	<u>2026/2027</u> <u>Annual</u> <u>Budget</u> <u>R</u>	<u>2026/2027</u> <u>Annual</u> <u>Expenditure</u> <u>R</u>	<u>2026/2027</u> <u>-</u> <u>Variance</u> <u>R</u>	<u>2026/2027</u> <u>% Of</u> <u>Budget</u> <u>%</u>
Directorate of Executive Support Services	2 068 602	-	2 068 602	0%
Directorate of The City Manager	210 064	-	210 064	0%
Directorate of Corporate Services	7 194 804	-	7 194 804	0%
Directorate of Spatial Planning & Development	23 250 960	7 825	23 243 135	0%
Directorate of Economic Development & Agencies	13 542 056	5 037	13 537 019	0%
Directorate of Finance	2 889 791	-	2 889 791	0%
Directorate of Public Safety & Emergency Services	8 928 945	-	8 928 945	0%
Directorate of Human Settlement	521 507	-	521 507	0%
Directorate Of Electricity and Energy	163 218 175	8 203 890	155 014 285	5%
Directorate Of Infrastructure Services	91 241 777	260 000	90 981 777	0%
Directorate Of Water and Sanitation	116 609 039	591 612	116 017 427	1%
Directorate of Solid Waste Trading Services	13 837 570	-	13 837 570	0%
Directorate Of Health & Environmental Management	3 670 794	-	3 670 794	0%
Directorate Of Sport, Recreation & Community Development	13 223 473	-	13 223 473	0%
TOTAL	460 407 557	9 068 364	437 501 623	2%

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 R645.97 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 funding - M02 August

Vote Description	Ref	2025/26	Budget Year 2026/27							
		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		1 081	2 500	2 500	–	–	398	(398)	-100%	2 500
Vote 02 - Directorate - Municipal Manager		306	11 800	13 300	2 900	2 900	2 085	815	39%	13 300
Vote 03 - Directorate - Human Settlement		158 926	227 770	227 770	274	274	33 522	(33 248)	-99%	227 770
Vote 04 - Directorate - Chief Financial Officer		32 138	17 400	24 818	–	–	3 098	(3 098)	-100%	24 818
Vote 05 - Directorate - Corporate Services		14 225	20 150	20 150	–	–	3 259	(3 259)	-100%	20 150
Vote 06 - Directorate - Infrastructure Services		763 906	763 644	767 887	–	–	122 346	(122 346)	-100%	767 887
Vote 07 - Directorate - Spatial Planning And Development		52 105	63 564	65 569	–	–	10 230	(10 230)	-100%	65 569
Vote 08 - Directorate - Health / Public Safety & Emergency Services		24 436	44 336	64 261	19	19	8 715	(8 696)	-100%	64 261
Vote 09 - Directorate - Municipal Services		–	–	–	–	–	–	–	–	–
Vote 10 - Directorate - Economic Development & Agencies		25 451	48 808	49 629	344	344	6 602	(6 258)	-95%	49 629
Vote 11 - Directorate - Solid Waste And Environmental Management		36 814	109 945	120 847	340	348	18 873	(18 525)	-98%	120 847
Vote 12 - Directorate - Sport, Recreation & Community Development		22 446	87 518	94 645	–	–	14 205	(14 205)	-100%	94 645
Single Year expenditure appropriation	2									
Vote 11 - Directorate - Solid Waste And Environmental Management		–	–	3 117	–	–	283	(283)	-100%	3 117
Total Capital Expenditure		1 131 834	1 397 435	1 454 492	3 877	3 885	223 616	(219 731)	-98%	1 454 492
Capital Expenditure - Functional Classification										
Governance and administration		62 131	62 672	71 590	2 900	2 900	10 460	(7 560)	-72%	71 590
Executive and council		1 388	14 300	14 300	2 900	2 900	2 347	553	24%	14 300
Finance and administration		60 744	48 372	55 790	–	–	7 977	(7 977)	-100%	55 790
Internal audit		–	–	1 500	–	–	136	(136)	-100%	1 500
Community and public safety		212 162	375 336	413 503	293	293	59 829	(59 536)	-100%	413 503
Community and social services		12 676	37 818	50 333	19	19	6 685	(6 666)	-100%	50 333
Sport and recreation		15 851	82 112	88 421	–	–	13 319	(13 319)	-100%	88 421
Public safety		20 346	22 036	32 528	–	–	4 564	(4 564)	-100%	32 528
Housing		158 926	227 770	227 770	274	274	33 522	(33 248)	-99%	227 770
Health		4 363	5 600	14 450	–	–	1 738	(1 738)	-100%	14 450
Economic and environmental services		292 737	209 851	211 856	–	–	31 216	(31 216)	-100%	211 856
Planning and development		37 729	58 442	60 447	–	–	9 350	(9 350)	-100%	60 447
Road transport		255 008	151 410	151 410	–	–	21 866	(21 866)	-100%	151 410
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		539 358	701 468	708 614	340	348	115 600	(115 253)	-100%	708 614
Energy sources		188 252	175 224	175 224	–	–	29 109	(29 109)	-100%	175 224
Water management		188 891	259 114	261 856	–	–	41 769	(41 769)	-100%	261 856
Waste water management		131 755	172 897	174 398	–	–	28 953	(28 953)	-100%	174 398
Waste management		30 459	94 233	97 137	340	348	15 770	(15 422)	-98%	97 137
Other		25 446	48 108	48 929	344	344	6 511	(6 167)	-95%	48 929
Total Capital Expenditure - Functional Classification	3	1 131 834	1 397 435	1 454 492	3 877	3 885	223 616	(219 731)	-98%	1 454 492
Funded by:										
National Government		900 133	970 547	970 547	958	958	152 018	(151 060)	-99%	970 547
Provincial Government		–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		2 325	–	831	–	–	76	(76)	-100%	831
Transfers recognised - capital		902 457	970 547	971 377	958	958	152 094	(151 135)	-99%	971 377
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		229 376	426 889	483 115	2 919	2 926	71 523	(68 596)	-96%	483 115
Total Capital Funding		1 131 834	1 397 435	1 454 492	3 877	3 885	223 616	(219 731)	-98%	1 454 492

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 R33.16 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 - M02 August

Description	Ref	2025/26	Budget Year 2026/27			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash and cash equivalents		973 836	842 767	810 710	1 044 276	810 710
Short term Investments						
Trade and other receivables from exchange transactions		2 287 933	2 726 345	2 726 345	2 187 906	2 726 345
Receivables from non-exchange transactions		1 230 694	1 608 920	1 608 920	1 327 999	1 608 920
Current portion of non-current receivables		(1)	—	—	(1)	—
Inventory		88 254	67 167	67 167	83 052	67 167
VAT Receivable		1 793 819	953 703	953 703	1 969 652	953 703
Other current assets		9 122	18 502	18 502	13 855	18 502
Total current assets		6 383 658	6 217 402	6 185 345	6 626 739	6 185 345
Non current assets						
Investments						
Investment property		817 365	803 223	803 223	817 365	803 223
Property, plant and equipment		31 380 034	40 015 877	40 071 434	31 123 055	40 071 434
Biological assets						
Living resources						
Heritage assets		54 600	53 392	53 392	54 600	53 392
Intangible assets		37 728	69 975	71 475	39 942	71 475
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		713 033	726 592	726 592	713 033	726 592
Total non current assets		33 002 760	41 669 059	41 726 116	32 747 994	41 726 116
TOTAL ASSETS		39 386 418	47 886 462	47 911 462	39 374 734	47 911 462
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft						
Financial liabilities		20 829	6 121	6 121	20 829	6 121
Consumer deposits		102 177	104 827	104 827	103 399	104 827
Trade and other payables from exchange transactions		3 448 660	1 951 412	1 928 651	2 848 325	1 928 651
Trade and other payables from non-exchange transactions		114 602	52 650	100 411	264 535	100 411
Provision		390 339	412 321	412 321	345 441	412 321
VAT Payable		871 805	1 601 771	1 601 771	988 510	1 601 771
Other current liabilities		29 313	21 136	21 136	74 211	21 136
Total current liabilities		4 977 726	4 150 239	4 175 239	4 645 250	4 175 239
Non current liabilities						
Financial liabilities		33 746	27 813	27 813	33 696	27 813
Provision		135 497	130 496	130 496	135 497	130 496
Long term portion of trade payables		292 892	281 911	281 911	292 892	281 911
Other non-current liabilities		1 104 297	676 686	676 686	1 104 297	676 686
Total non current liabilities		1 566 431	1 116 907	1 116 907	1 566 381	1 116 907
TOTAL LIABILITIES		6 544 157	5 267 146	5 292 146	6 211 632	5 292 146
NET ASSETS	2	32 842 261	42 619 316	42 619 316	33 163 102	42 619 316
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated surplus/(deficit)		28 227 834	31 275 755	31 275 755	26 067 696	31 275 755
Reserves and funds		7 095 406	11 343 561	11 343 561	7 095 406	11 343 561
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	35 323 240	42 619 316	42 619 316	33 163 102	42 619 316

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 R80.15 million resulting in cash and cash equivalents closing balance of R1.04 billion as at 31 August 2026.

Table 10: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M02 August

Description	Ref	2025/26	Budget Year 2026/27							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		1 675 361	1 840 179	1 840 179	135 570	279 090	306 697	(27 606)	-9%	1 840 179
Service charges		4 447 244	4 521 942	4 521 942	389 331	778 803	753 657	25 146	3%	4 521 942
Other revenue		1 323 429	1 122 489	1 122 489	922 414	1 688 241	187 082	1 501 159	802%	1 122 489
Transfers and Subsidies - Operational		1 466 767	1 669 116	1 669 116	(517)	550 943	286 146	264 797	93%	1 716 877
Transfers and Subsidies - Capital		782 363	971 963	971 963	173 559	173 559	161 994	11 565	7%	971 963
Interest		124 121	291 234	291 234	10 976	15 953	48 539	(32 586)	-67%	291 234
Dividends								-		
Payments										
Suppliers and employees		(8 446 829)	(8 848 912)	(8 848 912)	(894 073)	(1 657 496)	(1 591 199)	66 297	-4%	(8 871 673)
Finance charges		(7 089)	(4 669)	(4 669)	-	-	(778)	(778)	100%	(4 669)
Transfers and Subsidies		(105 170)	(112 037)	(112 037)	(276)	(22 234)	(18 673)	3 561	-19%	(112 037)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 260 198	1 451 304	1 451 304	736 983	1 806 858	133 464	(1 673 394)	-1254%	1 476 304
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(8 032)	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Insurance Refund - Capital		-	4 036	4 036	877	1 733	673	1 060		4 036
Interest on Short Term Investment (Greater than 90 days) and Long Term Investments								-		
Payments										
Capital assets		(1 015 125)	(1 397 435)	(1 408 581)	(3 877)	(3 885)	(242 415)	(238 531)	98%	(1 454 492)
Retention (Capital)								-		
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 023 156)	(1 393 399)	(1 404 545)	(3 000)	(2 152)	(241 743)	(239 591)	99%	(1 450 456)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits		2 484	3 507	3 507	616 645	(1 724 553)	584	(1 725 138)	-295175%	3 507
Payments										
Repayment of borrowing		(6 431)	(20 829)	(20 829)	-	-	(3 472)	(3 472)	100%	(20 829)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3 947)	(17 323)	(17 323)	616 645	(1 724 553)	(2 887)	1 721 666	-59633%	(17 323)
NET INCREASE/ (DECREASE) IN CASH HELD		233 094	40 582	29 436	1 350 628	80 153	(111 165)			8 525
Cash/cash equivalents at beginning:		731 029	802 185	802 185	964 123	964 123	802 185			964 123
Cash/cash equivalents at month/year end:		964 123	842 767	831 620		1 044 276	691 019			972 648

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: SC2 Monthly Budget Statement Aged Debtors

BUF Buffalo City - Supporting Table SC2 Monthly Budget Statement - aged debtors - M02 August

Description	NT Code	Budget Year 2026/27											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	123 036	105 498	79 003	75 939	67 118	62 281	307 735	2 071 806	2 892 418	2 584 880	5 598		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	259 983	81 173	63 348	52 969	45 689	49 441	282 145	743 382	1 578 129	1 173 625	8 082		
Receivables from Non-exchange Transactions - Property Rates	1400	330 816	79 026	57 626	50 620	48 547	45 569	268 197	1 405 448	2 285 849	1 818 381	12 842		
Receivables from Exchange Transactions - Waste Water Management	1500	69 642	33 193	24 757	21 088	20 530	19 452	106 312	618 670	913 644	786 052	3 815		
Receivables from Exchange Transactions - Waste Management	1600	45 116	31 169	27 037	23 748	23 734	22 233	125 717	876 546	1 175 299	1 071 978	2 223		
Receivables from Exchange Transactions - Property Rental Debtors	1700	281	278	268	265	252	251	1 489	11 742	14 826	14 000			
Interest on Arrear Debtor Accounts	1810	9 876	9 335	49 439	47 658	47 450	46 250	231 907	1 160 181	1 602 096	1 533 446			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-			
Other	1900	12 805	13 617	7 877	7 104	8 949	6 299	33 805	271 138	361 593	327 294	2 566		
Total By Income Source	2000	851 555	353 288	309 356	279 390	262 268	251 775	1 357 307	7 158 914	10 823 854	9 309 654	35 126	-	
2025/26 - totals only		8 892 358	4 580 232	3 837 593	3 463 557	3 210 375	3 028 906	15 484 226	75 205 532	117 702 780	100 392 597	783 414	1 889 118	
Debtors Age Analysis By Customer Group														
Organs of State	2200	180 593	23 825	7 793	6 582	3 594	3 162	26 582	33 263	285 393	73 182	-	-	
Commercial	2300	322 778	79 946	63 037	50 757	48 940	44 926	237 356	962 360	1 810 100	1 344 339	-	-	
Households	2400	348 185	249 517	238 527	222 051	209 733	203 688	1 093 369	6 163 292	8 728 362	7 892 133	35 126		
Other	2500	-	-	-	-	-	-	-	-	-	-		-	
Total By Customer Group	2600	851 555	353 288	309 356	279 390	262 268	251 775	1 357 307	7 158 914	10 823 854	9 309 654	35 126	-	

8.1. Additional debtors' information

The total debtor's book, which includes all charges including VAT, amounted to R10,823,854,350 as at 31 August 2026, which is an increase of R43,070,623 over the amount of R10 728,783,727 as at 31 July 2026.

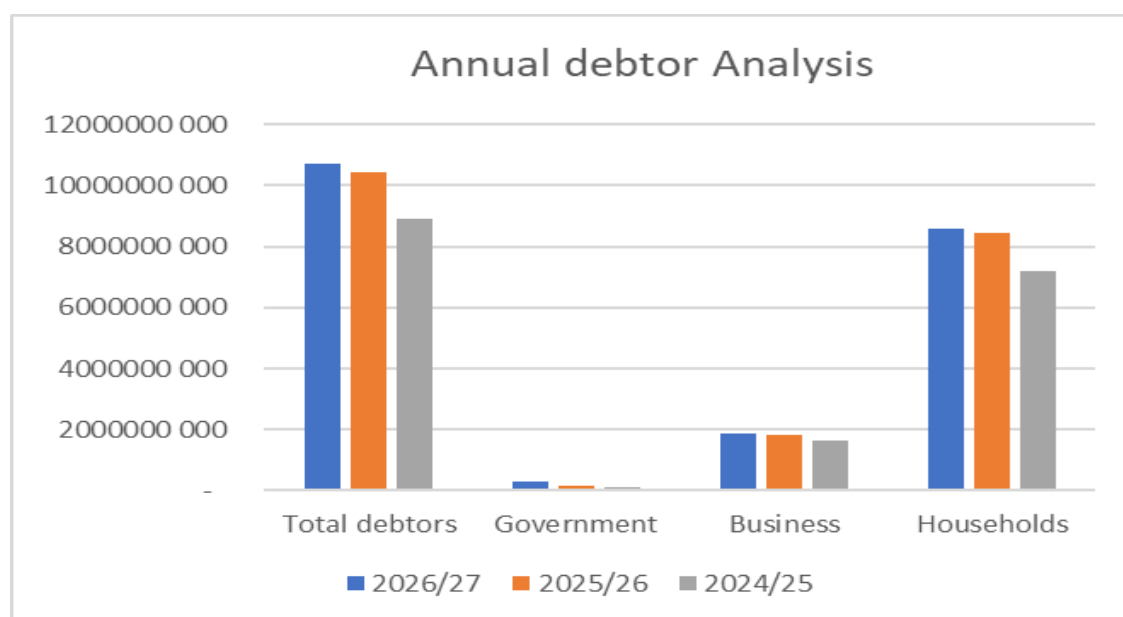
During the month, credit control action and debt collection action was implemented. Pre-termination notices were sent to all customers due for disconnection/blocking. This relates to residential and non-residential customers. Registered Indigent Debtors who are in arrears remain on the partial block 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 August 2026 amounts to R10.82 billion (2025/26 R9.41 billion). Households: R8.73 billion, Business: R1.81 billion and Government: R285.39 million.

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 August 2026. It also provides comparison with the previous month (31 July 2026) which indicates an increase from 10.73 billion to R10.82 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR AUGUST 2026	TOTAL FOR JULY 2026
CURRENT	333 411 660	70 686 933	262 083 552	125 555 704	46 378 876	13 434 700	851 551 424	880 760 330
30 DAYS	81 544 748	34 166 378	82 652 619	108 237 215	32 440 220	14 247 041	353 288 220	359 453 292
60 DAYS	70 875 282	29 797 155	71 026 246	93 754 615	33 845 225	10 057 964	309 356 486	302 902 600
90 DAYS	63 400 025	25 936 775	60 081 810	90 454 065	30 299 972	9 217 789	279 390 436	274 413 125
120 DAYS TO 360 DAYS	501 132 395	199 278 678	475 664 821	585 215 457	237 959 036	70 466 828	2 069 717 215	2 064 057 607
YEAR 1+	1 719 154 577	721 118 645	811 983 648	2 368 233 225,36	1 004 341 231	335 719 243	6 960 550 569	6 847 196 773
TOTAL	2 769 51 688	1 080 984 563	1 763 492 695	3 371 450 281	1 385 264 560	453 143 563	10 823 854 350	10 728 783 727

8.2.2. Age Analysis per Category

Table 13 below details debtors age analysis per category type as at 31 August 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	312 736 927	216 043 604	211 847 695	194 548 017	7 387 464 770	8 322 641 013	77
Indigent	32 000 257	32 075 897	25 702 812	26 668 494	268 576 164	385 023 624	4
Business	322 777 933	79 945 554	63 036 892	50 757 394	1 293 581 743	1 810 099 516	17
Government	180 592 783	23 825 263	7 792 652	6 582 116	66 600 134	285 392 948	3
Municipal Staff*	3 335 855	1 394 924	976 435	834 415	13 971 005	20 512 634	0
Councillors*	111 669	2 978	0	0	69 968	184 615	0
Total	851 555 424	353 288 220	309 356 486	279 390 436	9 030 263 784	10 823 854 350	100

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 August 2026, a total of **R3 378 294.77** was receipted against staff and councillors accounts. The amount was allocated as follows:

Current Billing Receipts	R 2 393 485.69
Arrear's Receipts	<u>R 984 809.08</u>
Total Receipts	<u>R 3 378 294.77</u>

8.2.3. Government Accounts

The total owed by Government Departments to Buffalo City Metropolitan Municipality as at 31 August 2026 amounted to R285,392,948 and this is an increase of R8,265,981 as compared to 31 July 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 August 2026.

Table 14: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	VALUE AS AT 31 AUGUST 2026	VALUE AS AT 31 JULY 2026	DIFFERENCE
National Department of Public Works	23 473 231	17 583 166	41 056 397	32 920 505	8 135 892
Provincial Department of Public Works	157 537 060	14 402 370	171 939 430	175 521 604	(3 582 174)
Department of Education	0	29 086 546	29 086 546	29 448 849	(362 302)
Department of Health	0	22 936 584	22 936 584	18 937 763	3 998 822
Department of Social Development	0	903 720	903 720	483 201	420 519
Department of Transport	0	86 382	86 382	126 975	(40 593)
Department of Agriculture	0	164 163	164 163	158 463	5 700
Department of Nature Conservation	0	336 742	336 742	335 663	1 079
Department of Human Settlements	0	4 977 082	4 977 082	5 054 190	(77 108)
Sport, Recreation, Arts and Culture	0	128 404	128 404	63 850	64 554
Department of Labour - UIF Services	0	0	0	792 657	(792 657)
Members of Provincial Legislature	0	305 000	305 000	269 880	35 120
Department of Rural Development and Land Reform	0	13 472 498	13 472 498	13 013 368	459 130
TOTAL	181 010 291	104 382 657	285 392 948	277 126 967	8 265 981

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 August 2026) is 41 days.

Table 15: SC4 Monthly Budget Statement Aged Creditors

BUF Buffalo City Municipality - Supporting Table SC4 Monthly Budget Statement - aged creditors - M02 August

Description R thousands	NT Code	Budget Year 2013/14									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	438 115								438 115	
Bulk Water	0200	28 774								28 774	
PAYE deductions	0300	49 143								49 143	
VAT (output less input)	0400	-								-	
Pensions / Retirement deductions	0500	46 366								46 366	
Loan repayments	0600	-								-	
Trade Creditors	0700	460 950	56 231							517 180	
Auditor General	0800	2 075								2 075	
Other	0900	48 277								48 277	
Total By Customer Type	1000	1 073 699	56 231	-	-	-	-	-	-	1 129 930	-

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

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

<u>CREDITOR</u>	<u>30 DAYS</u>	<u>60 DAYS</u>	<u>90 DAYS</u>	<u>120 DAYS</u>	<u>TOTAL</u>
Creditor 1	438 114 723			-	438 114 723
Creditor 2	28 774 152			-	28 774 152
Creditor 3		11 494 005		-	11 494 005
Creditor 4	6 217 023	2 718 870			8 935 893
Creditor 5		8 929 373			8 929 373
Creditor 6		6 769 674			6 769 674
Creditor 7	347 202	5 749 986			6 097 188
Creditor 8	5 196 318				5 196 318
Creditor 9		5 000 000			5 000 000
Creditor 10		3 341 634			3 341 634
Creditor 11		3 335 000			3 335 000
Creditor 12	2 915 486				2 915 486
Creditor 13	2 631 342				2 631 342
Creditor 14		2 581 250			2 581 250
Creditor 15	2 544 477				2 544 477
Creditor 16		2 451 628			2 451 628
Creditor 17	2 427 396				2 427 396
Creditor 18		1 930 282			1 930 282
Creditor 19		1 928 879			1 928 879
Creditor 20	1 908 508				1 908 508
TOTAL	491 076 628	56 230 580	-	-	547 307 208

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: SC16 Monthly Budget Statement – investment portfolio

BUF Buffalo City - Supporting Table SC16 Monthly Budget Statement - investment portfolio - M02 August 2026

Investments by maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	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														
Municipality														
Absa - 4094793455		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	154	1	144	-	11
Absa - 4094788949		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	4 154	24	-	-	4 178
Absa - 4094793968		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	268	2	-	-	270
First National Bank - 62938182285		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	57	0	-	-	57
Stanlib - 552200137		Call Account	Call Account	Yes	Variable	7,22	-		Call Account	16	0	-	-	16
Nedbank - 03/7881532939/000041		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 474	9	-	-	1 482
Nedbank - 03/7881532939/000108		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	127	1	-	-	128
Absa - 4094789157		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 260	7	-	-	1 267
Nedbank - 03/7881532939/000110		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	458	3	-	-	460
Absa - 4094790083		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 799	10	-	-	1 810
Stanlib - 552200133		Call Account	Call Account	Yes	Variable	7,22	-		Call Account	394	2	-	-	397
Stanlib - 700475605		Call Account	Call Account	Yes	Variable	7,22	-		Call Account	1	0	-	-	1
Nedbank - 03/7881532939/000128		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	13 179	57	13 000	13 330	13 565
First National Bank - 62938013572		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	3 726	22	-	16 000	19 747
Standard - 76586/442745		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	81 556	357	76 251	-	5 662
Absa - 4094790211		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	92 558	464	47 284	-	45 738
First National Bank - 62938181039		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	2 966	15	1 729	-	1 251
Stanlib - 552200140		Call Account	Call Account	Yes	Variable	7,22	-		Call Account	272	2	-	-	273
First National Bank - 62938179951		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	4	0	-	1 006	1 010
Nedbank - 03/7881532939/000133		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	6 469	37	-	1 171	7 677
Nedbank - 03/7881532939/000134		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	208	1	-	-	209

BUF Buffalo City - Supporting Table SC16 Monthly Budget Statement - investment portfolio - M02 August 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												
First National Bank - 62938190080		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	5 738	25	5 738	-	25
Standard - 76586/524914		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	22	0	-	-	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	728	4	-	-	733
Nedbank - 03/7881532939/000145		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	4 705	27	161	-	4 571
Standard - 76586/553472		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	790	5	-	-	795
Standard - 76586/553471		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	823	5	-	-	828
Absa - 4101937017		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	56 193	284	33 854	55 000	77 623
Standard - 76586/571767		Call Account	Call Account	Yes	Variable	7,22	-		Call Account	22 654	102	19 168	55 392	58 981
Stanlib - 552200136		Call Account	Call Account	Yes	Variable	7,22	-		Call Account	4 014	24	-	-	4 039
Stanlib - 700893064		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	2 513	15	-	-	2 528
Standard Bank - 76586/570901		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	12 586	73	-	-	12 658
Standard Bank - 76586/570902		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	4 577	26	-	-	4 603
First National Bank - 63074776891		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	157 593	917	-	-	158 510
Nedbank - 03/7881532939/000153		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	135 298	781	-	-	136 080
Absa - 4117284828		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	13 033	69	4 536	-	8 566
Nedbank - 03/7881532939/000154		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	5 004	22	4 816	-	210
Standard Bank - 76586/573578		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	33 107	163	17 995	-	15 275
First National Bank - 63170877775		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	35 517	154	35 000	-	671
Nedbank - 03/7881532939/000155		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	31 557	140	28 519	-	3 178
First National Bank - 63040210667		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	33 083	192	-	-	33 275
Stanlib - 552200130		Call Account	Call Account	Yes	Variable	7,22	-		Call Account	432	22	-	30 000	30 454
Stanlib - 552200132		Call Account	Call Account	Yes	Variable	7,22	-		Call Account	17	0	-	-	17
Standard - 76586/442736		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 313	129	35 000	84 000	50 441
Stanlib - 552200131		Call Account	Call Account	Yes	Variable	7,22	-		Call Account	18 269	198	-	45 000	63 467
First National Bank - 62938189471		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	1 010	98	73 000	97 000	25 108
Nedbank - 03/7881532939/000101		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	879	173	82 000	147 000	66 051
Absa - 4094793536		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	20 291	320	70 000	157 000	107 611
Absa - 4094789872		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	530	3	-	-	533
Standard - 76586/442741		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	216	1	-	-	217
Standard - 76586/442744		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 275	7	-	-	1 283
First National Bank - 62938188887		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	86	1	-	-	87
Nedbank - 03/7881532939/000129		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 132	7	-	-	1 139
Standard - 76586/442738		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	0	0	-	-	0
Municipality sub-total										816 089	5 000	548 196	701 899	974 792
Entities														-
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									816 089	5 000	548 196	701 899	974 792

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: SC18 Monthly Budget Statement – transfers and grants receipts

BUF Buffalo City - Supporting Schedule SC18 Monthly Budget Statement - Transfers and Grant Receipts - M02 August

Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS	1,2									
Operating										
National Government										
Monetary Allocations										
Equitable Share		1 296 018	1 363 341	1 363 341	–	568 059	568 059	–	–	1 363 341
Energy Efficiency And Demand Side Management Grant		3	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		2 434	4 024	4 024	1 006	1 006	1 006	–	–	4 024
Infrastructure Skills Development Grant		8 795	9 300	9 300	–	–	–	–	–	9 300
Local Government Financial Management Grant		1 000	1 200	1 200	1 200	1 200	1 200	–	–	1 200
Metro Informal Settlements Partnership Grant		22 089	15 500	15 500	–	–	–	–	–	15 500
Neighbourhood Development Partnership Grant		22 500	–	–	–	–	–	–	–	–
Programme And Project Preparation Support Grant		16 000	62 843	62 843	–	–	–	–	–	62 843
Public Transport Network Grant		–	–	–	–	–	–	–	–	–
Urban Development Financing Grant		16 801	–	–	–	–	–	–	–	–
Urban Settlement Development Grant		61 362	34 662	34 662	–	–	–	–	–	34 662
Total Monetary Allocations		1 447 003	1 490 869	1 490 869	2 206	570 265	570 265	–	–	1 490 869
Total Operating/National Government		1 447 003	1 490 869	1 490 869	2 206	570 265	570 265	–	–	1 490 869
Provincial Government										
Monetary Allocations										
Hsdg		–	–	1 852	–	–	–	–	–	1 852
Infrastructure Grant		–	117 898	163 086	–	–	–	–	–	163 086
Needsamp Planning		–	57 349	57 349	–	–	–	–	–	57 349
Total Monetary Allocations		–	175 247	222 287	–	–	–	–	–	222 287
Total Operating/Provincial Government		–	175 247	222 287	–	–	–	–	–	222 287
Other Grant Providers										
Monetary Allocations										
Eastern Cape Arts Council		17 883	3 000	3 000	–	–	–	–	–	3 000
Unsp. City Of Oldenburg		–	–	721	–	1 171	1 171	–	–	721
Total Monetary Allocations		17 883	3 000	3 721	–	1 171	1 171	–	–	3 721
Total Allocations In-kind		–	–	–	–	–	–	–	–	–
Total Operating/Other Grant Providers		17 883	3 000	3 721	–	1 171	1 171	–	–	3 721
Total Operating	5	1 464 886	1 669 116	1 716 877	2 206	571 436	571 436			1 716 877
Capital										
National Government										
Monetary Allocations										
Energy Efficiency and Demand Side Management Grant		(3)	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		–	31 185	31 185	–	–	–	–	–	31 185
Urban Development Financing Grant		165 797	494 541	494 541	–	–	–	–	–	494 541
Urban Settlement Development Grant		490 055	162 735	162 735	63 167	63 167	63 167	–	–	162 735
Municipal Disaster Recovery Grant		–	700	700	–	–	–	–	–	700
Metro Informal Settlements Partnership Grant		277 774	282 601	282 601	110 392	110 392	110 392	–	–	282 601
Infrastructure Skills Development Grant		205	200	200	–	–	–	–	–	200
Total Monetary Allocations		933 827	971 963	971 963	173 559	173 559	173 559			971 963
Total Capital/National Government		933 827	971 963	971 963	173 559	173 559	173 559			971 963
Other Grant Providers										
Monetary Allocations										
Parent Municipality		–	1 634	1 634	–	–	–	–	–	1 634
Unspecified		2 599	–	–	–	–	–	–	–	–
Total Monetary Allocations		2 599	1 634	1 634	–	–	–			1 634
Total Allocations In-kind		–	–	–	–	–	–			–
Total Capital/Other Grant Providers		2 599	1 634	1 634	–	–	–			1 634
Total Capital	5	936 427	973 597	973 597	173 559	173 559	173 559			973 597
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		2 401 312	2 642 713	2 690 474	175 765	744 995	744 995			2 690 474

11.1. Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 1% (R8,70 million, inclusive of reclaimed vat) of its 2026/27 conditional grants adjusted budget of R1.12 billion as at 31 August 2026. This expenditure reflects a decrease when compared to the same period in the previous financial year where 4% (R38.86 million, inclusive of reclaimed vat) of conditional grants budget of R938.54 was spent. Low expenditure can be attributed to the challenge the Metro is experiencing with the automation of the e-procurement system. However, this is being attended to and expenditure will improve once the Metro has dealt with the challenges of automation.

Table 19 below reflects the year-to-date expenditure on 2026/2027 total conditional grants.

Table 19: Spending per Conditional Grant Funding Allocation

<u>Funding/Grant</u>	<u>2026/27 Approved Budget</u>	<u>YTD Expenditure (vat) R</u>	<u>YTD Variance (vat incl.) R</u>	<u>% Expenditure (vat incl.)</u>
Finance Management Grant	1 200 000	85,288	1,114,712	7%
Infrastructure Skills Development Grant	9 500 000	690,931	8,809,069	7%
Urban Settlement Development Grant	197 397 001	4,415,930	192,981,071	2%
Neighbourhood Development Partnership Grant	31 185 000	0	31,185,000	0%
Neighbourhood Development Partnership Grant (PEP)	22 500 000	0	22,500,000	0%
Informal Settlement Upgrading Partnership Grant	298 101 002	2,034,122	296,066,880	1%
Expanded Public Works Programme Grant	4 024 000	1,475,105	2,548,895	37%
Programme and Project Preparation Support Grant (PPPSG)	10 971 000	0	10,971,000	0%
Metro Trading Services	546 413 000	0	546,413,000	0%
TOTAL	1 121 291 002	8,701,376	1,112,589,626	1%

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. FINANCIAL MANAGEMENT GRANT (FMG)

There are currently 5 (five) interns serving on the internship programme. The interns are being remunerated accordingly. Recruitment of three (3) additional interns is underway, as the target is to have eight (8) interns serving on the internship programme. Furthermore, the grant will be utilised for capacity and upskilling of the interns and officials in the Finance directorate as well as Internal Audit.

11.1.2. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

A payment for the salaries of mentors isn't reflected in the ISDG expenditure above due to the payment being made from a vote not linked to ISDG. A journal has been prepared and submitted to rectify this error. The postponement of the Town Planning and GIS alignment workshop which was scheduled to take place on 31 August to 01 September 2026 for 145 delegates has also contributed to low expenditure.

11.1.3. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

BCMM has spent 2% (R4.12 million, inclusive of reclaimed vat) of its 2026/2027 USDG adjusted budget of R197.39 million as at 31 August 2026. Low expenditure can be attributed to the new e-Procurement system and its complexity thereof. Continuous training is being provided for end users to adapt to, and efficiently utilise the system.

11.1.4. NEIGHBORHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)

The project managers are in the process of procuring the services of the contractor for the next phase of the contract. Requisitions for the work have been prepared and submitted.

11.1.5. INFORMAL SETTLEMENT UPGRADING PARTNERSHIP GRANT (ISUPG)

BCMM has spent 1% (R2.03 million, inclusive of reclaimed vat) of its 2026/2027 ISUPG budget of R298.10 million as at 31 August 2026. Low expenditure can be attributed to the new e-Procurement system and its complexity thereof. Continuous training is being provided for end users to adapt to, and efficiently utilise the system.

11.1.6. PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT (PPPSG)

The tender for the appointment of panel of Professional Service Providers is still at bid adjudication stage and is expected to be awarded by end of October 2026. Where urgent professional services are required before the panel is finalised, deviation processes in line with Supply Chain Management (SCM) policy and National Treasury regulations will be utilised, ensuring proper justification and approval is obtained and reported to the relevant oversight structures.

11.1.7. METRO TRADING SERVICES

Low expenditure can be attributed to the new e-Procurement system and its complexity thereof. Continuous training is being provided for end users to adapt to, and efficiently utilise the system.

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 24.63%. This is within the norm of 25% - 40%.

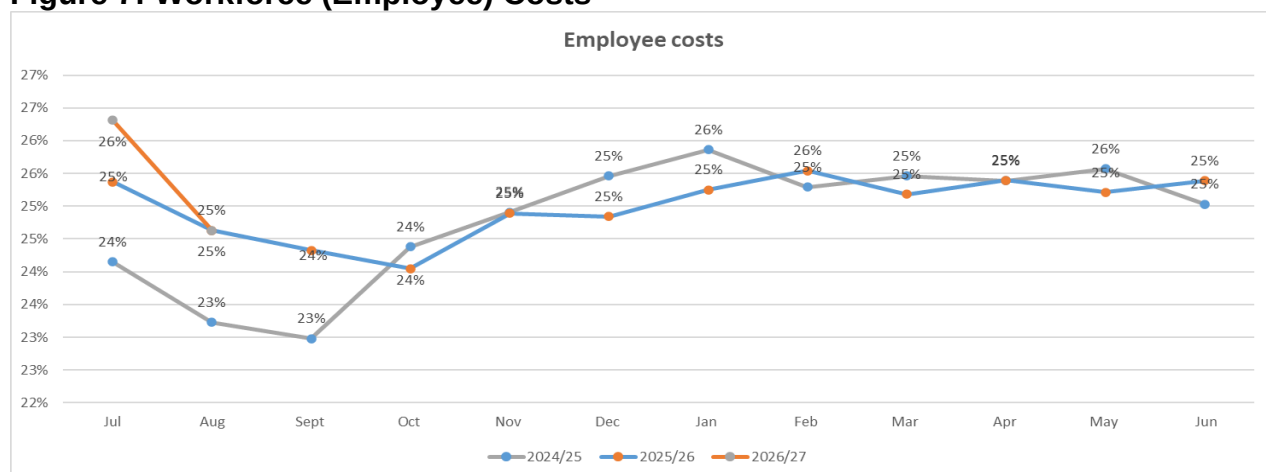
Table 20: SC22 Monthly Budget Statement – Councillor, Board Members and Staff Benefits

BUF Buffalo City - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M02 August

Summary of Employee and Councillor remuneration		Ref	2025/26 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2026/27 YearTD actual YearTD budget YTD variance YTD variance % Full Year Forecast				
R thousands											
Other Municipal Staff											
Salaries and Allowances											
Basic Salary			1 728 831	1 926 152	1 926 152	148 315	298 138	309 755	(11 616)	-4%	1 926 152
Bonuses									-		
Allowance											
Accommodation, Travel and Incidental			4 329	3 470	3 470	439	899	558	341	61%	3 470
Cellular and Telephone	3		3 828	4 433	4 433	309	623	713	(90)	-13%	4 433
Housing Benefits	3		39 571	46 996	46 996	3 373	6 788	7 557	(769)	-10%	46 996
Non-pensionable									-		
Travel or Motor Vehicle	3		53 603	59 691	59 691	4 787	9 529	9 598	(69)	-1%	59 691
Voluntary Work									-		
Total Allowance			101 331	114 590	114 590	8 908	17 840	18 427	(587)	-3%	114 590
Service Related Benefits											
Acting	3		13 524	15 983	15 983	1 030	2 032	2 570	(538)	-21%	15 983
Bonus	3		146 537	146 259	146 259	12 232	27 567	23 519	4 048	17%	146 259
Leave Pay	3		56 711	-	-	-	-	-	-		-
Long Service Award			51 427	68 737	68 737	4 703	9 383	11 053	(1 670)	-15%	68 737
Overtime			182 424	190 828	190 828	16 962	32 852	30 685	2 167	7%	190 828
Scarcity	3		39 814	38 488	38 488	3 646	7 316	6 189	1 127	18%	38 488
Standby Allowance	3		14 789	13 192	13 192	1 250	2 418	2 121	297	14%	13 192
Tools Allowance	3		100	86	86	8	17	14	3	20%	86
Uniform/Special/Protective Clothing	3		306	-	-	15	16	-	16		-
Total Service Related Benefits			505 631	473 572	473 572	39 847	81 601	76 151	5 450	7%	473 572
Total Salaries and Allowances			2 335 794	2 514 315	2 514 315	197 070	397 579	404 332	(6 753)	-2%	2 514 315
Social Contributions											
Bargaining Council			(16 760)	1 501	1 501	62	124	241	(117)	-49%	1 501
Group Life Insurance			11 478	15 221	15 221	1 099	2 199	2 448	(248)	-10%	15 221
Medical			133 392	177 801	177 801	11 567	23 167	28 590	(5 424)	-19%	177 801
Pension			333 985	334 792	334 792	28 919	57 740	53 835	3 905	7%	334 792
Unemployment Insurance			10 588	35 233	35 233	868	1 740	5 666	(3 926)	-69%	35 233
Total Social Contributions			472 683	564 547	564 547	42 516	84 970	90 780	(5 810)	-6%	564 547
Post-retirement Benefit											
Medical	6		68 588	-	-	-	-	-	-		-
Pension	1		1	-	-	0	0	-	0		-
Total Post-retirement Benefit			68 589	-	-	0	0	-	0		-
Sub Total - Other Municipal Staff			2 877 066	3 078 862	3 078 862	239 586	482 549	495 112	(12 563)		3 078 862
% increase	4										
Total Parent Municipality			2 984 821	3 198 220	3 198 220	248 365	500 163	512 835	(12 672)	-2%	3 198 220
TOTAL MANAGERS AND STAFF											
	5,7		2 941 022	3 146 710	3 146 710	246 995	492 498	506 022	(13 524)		3 146 710

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 August 2026. Table 22 below details overtime expenditure incurred per cost centre for the past three months ended 31 August 2026.

Table 21: Overtime per Directorate

Directorate Overtime	2026/2027 Annual Budget R	2026/2027 YTD Budget R	2026/2027 YTD Expenditure R	2026/2027 YTD Variance R	2026/2027 % of YTD Budget %
Directorate of Executive Support Services	7 645 824	1 229 523	1 345 554	(116 031)	109%
Directorate of The City Manager	622 880	100 165	128 423	(28 258)	128%
Directorate of Corporate Services	752 274	120 973	95 260	25 713	79%
Directorate of Spatial Planning & Development	148 108	23 817	88 016	(64 198)	370%
Directorate of Economic Development & Agencies	830 728	133 589	191 448	(57 859)	143%
Directorate of Finance	37 729 416	6 067 258	1 500 913	4 566 345	25%
Directorate of Public Safety & Emergency Services	55 961 168	8 999 102	9 636 165	(637 063)	107%
Directorate Of Electricity and Energy	20 682 585	3 325 962	3 965 089	(639 127)	119%
Directorate of Infrastructure Services	2 395 888	385 282	673 309	(288 027)	175%
Directorate Of Water and Sanitation	31 622 307	5 085 176	9 045 390	(3 960 215)	178%
Directorate of Solid Waste & Environmental Management	12 488 851	2 008 329	2 544 238	(535 909)	127%
Directorate Of Health & Environmental Management	1 688 766	271 570	330 423	(58 853)	122%
Directorate of Sport, Recreation & Community Development	18 258 771	2 936 189	3 307 776	(371 588)	113%
Total	190 827 566	30 686 935	32 852 004	(2 165 069)	107%

The total overtime payment for June 2026, July 2026 and August 2026 is reflected below. There was a decrease in the total payment of overtime between June 2026 and July 2026 of R1 174 970 and an increase in the total payment of overtime between July 2026 and August 2026 of R970 785.

Table 22: Overtime Per Cost Centre: June 2026 – August 2026

	June Amount	July Amount	August Amount
DIRECTORATE EXECUTIVE SUPPORT SERVICES			
OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	14,132.69	10,278.32	9,807.30
COMM/MARKETING /INTERNAT & INTERGOV REL	1,974.50	-	5,475.38
INTERNATIONAL & INTERGOVERNMENTAL RELAT	2,386.80	-	13,586.60
IDP & BUDGET INTEGRATION	30,726.92	25,571.21	
POLITICAL OFFICE ADMINISTRATION	-	-	8,267.87
OFFICE OF THE CHIEF WHIP	108,293.87	105,454.06	50,722.30
OFFICE OF THE DEPUTY EXECUTIVE MAYOR	8,852.77	9,424.92	
OFFICE OF THE EXECUTIVE MAYOR	247,454.95	219,990.99	278,099.90
OFFICE OF THE SPEAKER	288,182.77	267,682.37	261,182.06
	702,005.27	638,401.87	627,141.41
DIRECTORATE OF THE CITY MANAGER			
OFFICE OF THE CITY MANAGER	38,132.57	42,627.41	39,241.17
GOVERNANCE & INTERNAL AUDITING	-	33,512.77	-
	38,132.57	76,140.18	39,241.17
DIRECTORATE OF CORPORATE SERVICES			
ADMINISTRATIVE & CORPORATE SUPPORT	34,152.95	3,076.81	4,741.57
AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	47,794.50	7,066.16	17,285.73
INFORMATION / TECHNOLOGY & SUPPORT	34,006.76	25,632.88	21,249.21
ORGANISATIONAL DEVELOPMENT	-	1,957.20	9,231.42
	115,954.21	37,733.05	52,507.93
DIRECTORATE OF SPATIAL PLANNING & DEVELOPMENT			
BUILDING MAINTENANCE	-	36,661.54	27,325.20
INTEGRATED PUBLIC TRANSPORT NETWORK OPERATIONS	245.74	-	-
TRAFFIC MANAGEMENT & SAFETY	11,327.04	2,119.68	2,187.90
	11,572.78	38,781.22	29,513.10

	June Amount	July Amount	August Amount
DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES			
FRESH PRODUCE MARKET	30,639.39	36,311.43	47,122.62
TOURISM / ARTS / CULTURE & HERITAGE	1,736.80	10,252.00	-
TRADE / INDUSTRY & RURAL AGRARIAN	-	2,544.00	-
	32,376.19	49,107.43	47,122.62
DIRECTORATE OF FINANCE			
BUDGET & TREASURY MANAGEMENT	21,378.30	5,378.94	-
CORPORATE ASSET MANAGEMENT	-	11,593.40	80,433.75
PAYROLL & BENEFITS	1,552.80	-	5,273.88
VAT/LEASES & PAYMENTS	4,880.40	61,048.12	42,855.44
ACCOUNTS MANAGEMENT & REVENUE CONTROL	15,180.94	6,403.32	1,960.75
COASTAL REVENUE MANAGEMENT	110,300.05	34,337.16	84,051.82
CUSTOMER RELATIONS (CALL CENTRE)	277042.41	273518.50	308377.43
INLAND REVENUE MANAGEMENT	2,523.52	3,360.00	97,423.75
MIDLAND REVENUE MANAGEMENT	38,273.90	-	86,152.73
RATES & VALUATIONS	-	-	24,839.50
STRATEGY & OPERATIONS	21,461.72	36,158.08	25,617.90
SUPPLY CHAIN MANAGEMENT	-	162,903.69	35,384.52
	492,594.04	594,701.21	792,371.47
DIRECTORATE OF PUBLIC SAFETY & EMERGENCY SERVICES			
DISASTER MANAGEMENT	10,391.37	10,498.69	2,177.81
FIRE & RESCUE	1,021,938.62	626,620.73	511,052.80
LAW ENFORCEMENT SERVICES	2,370,516.47	751,007.00	799,180.05
TRAFFIC SERVICES	562,224.32	496,299.05	534,520.46
SECURITY SERV & VIP PROTECTION	-	1,251,285.30	1,195,267.06
	3,965,070.78	3,135,710.77	3,042,198.18
DIRECTORATE OF ELECTRICITY & ENERGY TRADING			
ELECTRICAL & ENERGY SERVICES	3,479.00	3,694.50	6,006.63
CUSTOMER SERVICES & REVENUE PROTECTION	189,278.26	210,760.60	-
ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	1,992.15	1,992.15	3,108.74
ELECTRICAL DISTRIBUTION	1,650,715.43	1,663,686.79	1,922,740.84
	1,845,464.84	1,880,134.04	1,931,856.21
DIRECTORATE OF INFRASTRUCTURE SERVICES			
OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	75,517.42	57,902.27	87,091.14
ROADS / PIU & CONSTRUCTION	-	1,370.82	-
CONSTRUCTION	19,770.98	26,788.06	44,340.01

	June Amount	July Amount	August Amount
ROADS	136568.39	108628.21	129,995.47
FLEET SERVICES & PLANT	15,264.95	12,785.73	16,249.48
WORKSHOPS	-	102696.95	53359.56
	247,121.74	310,172.04	331,035.66
DIRECTORATE OF WATER & SANITATION TRADING SERVICE			
	1,629,625.27	1,492,416.58	1,764,622.76
SANITATION	20,487.76	25,742.44	22,817.90
SCIENTIFIC SERVICES	24,253.50	26,030.64	22,255.92
MADEN DAM	991,177.90	1,147,479.11	1,351,412.98
WATER SERVICES	131,228.61	113,748.75	185,932.36
UMZONYANA WATER TREATMENT WORKS	88,424.56	85,067.42	104,525.70
KWT WATER TREATMENT WORKS	56,327.04	43,932.66	67,565.34
MDANTSANE BULK PUMPING	566,093.72	434,592.67	568,120.15
WATER OPERATION & MAINT (INLAND)	387,508.12	406,208.24	459,758.99
WATER OPERATION & MAINT (MIDLAND)	3,895,126.48	3,775,218.51	4,547,012.10
DIRECTORATE OF SOLID WASTE TRADING SERVICE			
LANDFILLS & TRANSFER STATIONS	420,158.04	317,634.79	423,999.17
WASTE REMOVAL & CLEANSING (COASTAL)	215,924.56	183,777.67	207,806.77
WASTE REMOVAL & CLEANSING (MIDLAND)	284,234.23	256,697.14	264,683.24
LANDFILL & TRANSFER STATIONS	115,499.30	107,078.55	138,164.15
	1,035,816.13	865,188.15	1,034,653.33
DIRECTORATE OF HEALTH & ENVIRONMENTAL MANAGEMENT			
ENVIROMENTAL PLANNING (IEMP)	18,249.60	13,369.04	12,216.89
COASTAL BEACHES & NATURE MANAGEMENT	48,436.66	43,352.29	32,710.54
GRASS CUTTING & VEGETATION CONTROL	125,806.14	61,049.68	101,548.95
	192,492.40	117,771.01	146,476.38
DIRECORATE OF SPORT, RECREATION & COMMUNITY DEVELOPMENT			
OFFICE OF THE DIRECTOR OF SPORT, RECREATION & COMMUNITY DEVELOPMENT	4,597.60	5,254.40	4,827.24
GM OFFICE	70,861.19	59,206.63	56,188.98
LIBRARIES	42,949.03	63,477.74	98,789.23
HALLS	283,528.44	306,722.30	307,730.94
ZOO & AQUARIUM	174,903.20	161,335.40	188,275.25
PARKS (COASTAL)	6,571.15	-	8,023.72
CEMETERIES (COASTAL)	172,620.20	137,270.55	152,930.16
PARKS (MIDLAND)	8,530.41	9,112.24	9,357.05
CEMETERIES (MIDLAND)	142,314.43	130,087.85	27,141.53

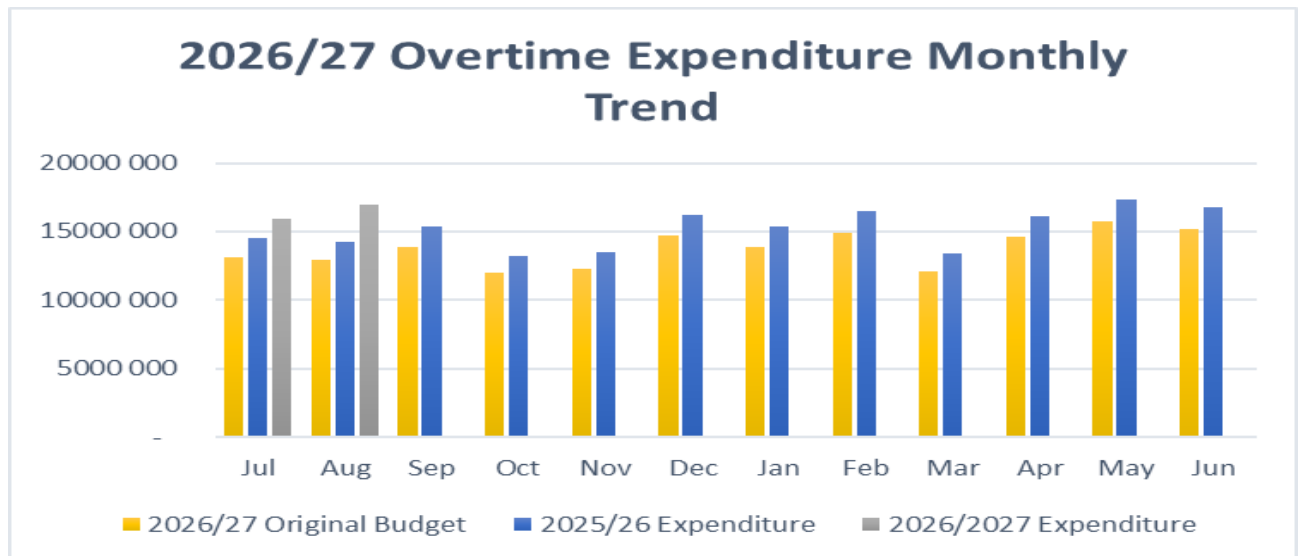
	June Amount	July Amount	August Amount
PARKS (INLAND)	222,323.17	160,212.75	198,925.52
CEMETERIES (INLAND)	23,286.45	149,154.50	143,754.38
GM OFFICE	3,699.08	4,707.92	6,377.84
FACILITIES	117,771.47	99,541.71	105,423.81
SWIMMING POOLS	459,873.06	364,369.56	204,433.74
RESORTS MANAGEMENT	86,527.15	49,600.26	56,589.64
	1,820,356.03	1,700,053.81	1,568,769.03
TOTAL OVERTIME	14,394,083.46	13,219,113.29	14,189,898.59

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 Executive Support

Staff assisted with preparations for Makinana and Tete memorials as well as the funerals. Overtime was also incurred in the deep cleaning that took place at the City Hall.

b) Directorate of The City Manager

The nature of tasks within City Manager's office contribute to excessive hours of work. The Governance & Internal Auditing unit had overtime for inventory count which also contributed to the over expenditure.

c) Directorate of Spatial Planning & Development

Overtime was pre-approved for Leasing personnel who worked over the weekend to finalise lease agreements within the required urgent timelines. The additional capacity was necessary to address the Material Irregularity (MI) related to unbilled leases and to ensure the timely completion, processing, and regularisation of outstanding lease documentation.

d) 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.

e) 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.

f) Directorate of Electricity and Energy Trading Service

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.

g) Directorate of Infrastructure Services

Overtime is due to the jetting of blocked stormwater drains, the removal of hazards that might obstruct the road surface and closing of dangerous potholes.

h) Directorate of Water and Sanitation Trading Service

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.

i) Directorate of Solid Waste Trading Service

The over expenditure on overtime is mainly due to increased operational and service delivery demands across the three regions. Staff were required to work additional hours to maintain essential waste collection, cleaning, and related services, including addressing operational challenges and service backlogs.

j) Directorate of Health & Environmental Management

The over-expenditure on overtime is due to staff being incorrectly remunerated from the Directorate's votes. The matter has been escalated to Human Resource Management to investigate and correct the issue.

k) 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 June 2026, July 2026, and August 2026. There was a decrease in the total payment between June 2026 and July 2026 of R66 598 and an increase in the total payment between July 2026 and August 2026 of R87 420.

Table 23: Standby & Shift Allowance per Directorate

	June Amount	July Amount	August Amount
Directorate of Executive Support Services	23 473	13 563	12 710
Directorate of the City Manager	673	1 048	707
Directorate of Corporate Services	10 374	8 832	11 087
Directorate of Development & Spatial Planning	19 301	10 740	16 275
Directorate of Economic Development & Agencies	3 039	3 106	2 858
Directorate of Finance	24 977	24 546	26 839
Directorate of Health/Public Safety & Emergency Services	1 050 043	989 783	1 063 609
Directorate of Infrastructure Services	1 047 837	1 082 599	150 099
Directorate of Electricity & Energy Trading Service	-	-	285 969
Directorate of Water & Sanitation Trading Service	-	-	666 497
Directorate of Environmental & Health	-	-	89 874
Directorate of Solid Waste Trading Service	446 802	425 388	318 668
Directorate of Sport, Recreation & Community Development	33 124	33 440	35 274
TOTAL	2 659 643	2 593 045	2 680 645

12.4. Cost of Temporary Staff

Table 24 below reflects the total payment of Temporary Staff for the months of June 2026, July 2026 and August 2026 is reflected above. There was an increase in the total payment between June 2026 and July 2026 of R800 519 and an increase in the total payment between July 2026 and August 2026 of R2 090 390.

Table 24: Temporary Staff per Directorate

	June Amount	July Amount	August Amount
Directorate of Executive Support Services	2 670 745	2 684 181	2 534 710
Directorate of the City Manager	285 344	293 674	336 301
Directorate of Corporate Services	1 388 551	1 497 144	4 296 941
Directorate of Development & Spatial Planning	123 341	103 877	70 443
Directorate of Economic Development & Agencies	-	-	-
Directorate of Finance	882 883	1 101 256	1 002 021
Directorate of Health/Public Safety & Emergency Services	68 401	72 995	231 200
Directorate of Infrastructure Services	-	-	-
Directorate of Electricity & Energy Trading Service	814 542	816 113	108 725
Directorate of Water & Sanitation Trading Services	-	-	212 464
Directorate of Environmental & Health	-	-	114
Directorate of Solid Waste Trading service	-	-	575 692
Directorate of Sport, Recreation & Community Development	634 823	1 075 045	358 471
TOTAL	6 959 821	7 760 340	9 850 730

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year-to-date budget of R12.27 million less the year-to-date expenditure of R12.70 million which leaves a variance of -R0.43 million.

Table 25: Councillors Costs**Councillors Allowances and Benefits**

Councillors Allowances And Benefits	2026/2027 Annual Budget R	2026/2027 YTD Budget R	2026/2027 YTD Expenditure R	2026/2027 Variance R	2026/2027 Variance %
Councillors Allowances	57 169 143	8 209 508	7 899 876	309 632	3,77
Housing Allowance	2 974 137	427 087	2 620 505	(2 193 418)	(513,58)
Medical Aid Allowance	2 511 349	360 631	349 774	10 857	3,01
Pension Allowance	5 191 904	745 559	815 619	(70 059)	(9,40)
Travel Allowance	17 606 324	2 528 274	1 015 916	1 512 358	59,82
Total	85 452 857	12 271 059	12 701 690	(430 631)	(3,51)

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R7.51 million (11%) of its 2026/2027 approved operating budget of R66.29 million. A detailed analysis of the entity's performance for month ended 31 August 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) - M02 August

Description	Ref	2024/25	Current 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	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		18	-	-	-	-	-	-		-
Agency services		-	-	-	-	-	-	-		-
Interest								-		
Interest earned from Receivables								-		
Interest earned from Current and Non Current Assets		1 847	2 338	2 338	205	205	476	(271)	-57,0%	2 338
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		-	-	-	-	-	-	-		-
Licence and permits								-		
Special rating levies								-		
Construction Contract Revenue								-		
Development Charges								-		
Operational Revenue		11	24 594	24 594	-	(30)	5 657	(5 686)	-100,5%	24 594
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes								-		
Fines, penalties and forfeits								-		
Licences or permits								-		
Transfer and subsidies - Operational		12 378	39 361	39 361	-	4 350	12 418	(8 069)	-65,0%	39 361
Interest Receivables								-		
Fuel Levy								-		
Operational Revenue - Service Charges								-		
Gains on disposal of Fixed and Intangible Assets		-	-	-	-	-	-	-		-
Other Gains		-	-	-	-	-	-	-		-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		14 254	66 293	66 293	205	4 525	18 551	(14 027)	-75,6%	66 293
Expenditure By Type										
Employee related costs		31 652	33 942	33 942	4 954	5 037	5 458	(421)	-7,7%	33 942
Remuneration of board members								-		
Bulk purchases - electricity								-		
Inventory consumed		208	641	641	28	24	86	(62)	-71,8%	641
Debt impairment								-		
Depreciation, amortisation and impairment		383	565	565	26	26	103	(77)	-75,2%	565
Finance charges		-	-	-	-	-	-	-		-
Contracted services		16 419	19 056	19 056	264	2 086	964	1 121	116,3%	19 056
Transfers and subsidies		-	-	-	-	-	-	-		-
Irrecoverable debts written off		-	-	-	-	-	-	-		-
Operational costs		5 506	12 088	12 088	225	331	2 164	(1 833)	-84,7%	12 088
Disposal of Fixed and Intangible Assets		-	-	-	-	8	-	8		-
Other Losses		-	-	-	-	-	-	-		-
Total Expenditure	3	54 169	66 293	66 293	5 498	7 511	8 775	(1 264)	-14,4%	66 293
Surplus/(Deficit)		(39 914)	-	-	(5 293)	(2 986)	9 777	(12 763)	-130,5%	-
Transfers and subsidies - capital (monetary allocations)		-	700	700	-	-	221	(221)	-100,0%	700
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-		-
Surplus/(Deficit) before taxation		(39 914)	700	700	(5 293)	(2 986)	9 998	(12 984)	-129,9%	700
Income Tax		-	-	-	-	-	-	-		-
Surplus/(Deficit) for the year		(39 914)	700	700	(5 293)	(2 986)	9 998	(12 984)		700

14. CAPITAL PROGRAMME PERFORMANCE

The Metro has spent 0% (R3.93 million inclusive of reclaimed vat) of its 2026/27 adjusted capital budget of R1.45 billion as at 31 August 2026. This reflects a decline when compared to the same period in the previous financial year where 4% (R48.22 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.26 billion was spent. Low expenditure can be attributed to the challenge the Metro is experiencing with the automation of the e-procurement system. However, this is being attended to and expenditure will improve once the Metro has dealt with the challenges of automation.

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	2026/2027 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
TOTAL OWN FUNDING	482 398 631	2 926 430	479 472 201	1%
Urban Settlement Development Grant	162 735 091	340 000	162 395 091	0%
City of Oldenburg	830 873		830 873	0%
Informal Settlements Upgrading Partnership Grant	282 601 002	659 555	281 941 447	0%
Neighbourhood Development Partnership Grant	31 185 000	0	31 185 000	0%
Infrastructure Skills Development Grant	200 000	0	200 000	0%
Metro Trading Services	494 541 490	0	494 541 490	0%
TOTAL GRANTS	972 093 456	999 555	971 093 901	0%
TOTAL CAPITAL BUDGET	1 454 492 087	3 925 985	1 450 566 102	0%

Table 28 below reflects capital expenditure performance per function.

Table 28: Actual Expenditure per Function against Budget

Function	2026/2027 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Governance and administration	71 589 784	2 900 000	68 689 784	4%
Executive and council	15 800 000	2 900 000	12 900 000	18%
Finance and administration	55 789 784	0	55 789 784	0%
Community and public safety	413 502 684	334 268	413 168 415	0%
Community and social services	50 333 457	18 630	50 314 827	0%
Sport and recreation	88 420 692	0	88 420 692	0%
Public safety	32 528 459	0	32 528 459	0%
Human settlements	227 769 728	315 638	227 454 090	0%
Health	14 450 348	0	14 450 348	0%
Economic and environmental services	211 856 141	0	211 856 141	0%
Planning and development	60 446 576	0	60 446 576	0%
Road transport	151 409 565	0	151 409 565	0%
Trading services	708 614 484	347 800	708 266 684	0%
Energy sources	175 223 999	0	175 223 999	0%
Water management	261 855 736	0	261 855 736	0%
Waste water management	174 397 718	0	174 397 718	0%
Waste management	97 137 032	347 800	96 789 232	0%
Other - LED	48 928 994	343 917	48 585 077	1%
TOTAL - PER FUNCTION	1 454 492 087	3 925 985	1 450 566 102	0%

Table 29 below reflects capital expenditure performance per directorate.

Table 29: Actual Expenditure per Directorate against Budget

Directorate	2026/2027 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Executive Support Services	2 500 000	0	2 500 000	0%
City Manager's Office	13 300 000	2 900 000	10 400 000	22%
Corporate Services	20 150 000	0	20 150 000	0%
Spatial Planning & Development	65 568 625	0	65 568 625	0%
Economic Development & Agencies	48 928 994	343 917	48 585 077	1%
Finance Services	10 833 944	0	10 833 944	0%
Public Safety & Emergency Services	64 260 730	18 630	64 242 100	0%
Human Settlements	227 769 728	315 638	227 454 090	0%
Electricity & Energy Trading Service	174 723 999	0	174 723 999	0%
Infrastructure Services	156 909 565	0	156 909 565	0%
Water & Sanitation Trading Service	436 253 454	0	436 253 454	0%
Sports & Recreation	94 644 863	0	94 644 863	0%
Solid Waste Trading Service	86 183 190	340 000	85 843 190	0%
Health & Environmental Management	37 781 205	7 800	37 773 405	0%
TOTAL DIRECTORATES	1 439 808 296	3 925 985	1 435 882 311	0%
BCMDA Projects	700 000	0	700 000	0%
Asset Replacements	13 983 791	0	13 983 791	0%
TOTAL CONSOLIDATED CAPITAL PER DIRECTORATE	1 454 492 087	3 925 985	1 450 566 102	0%

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

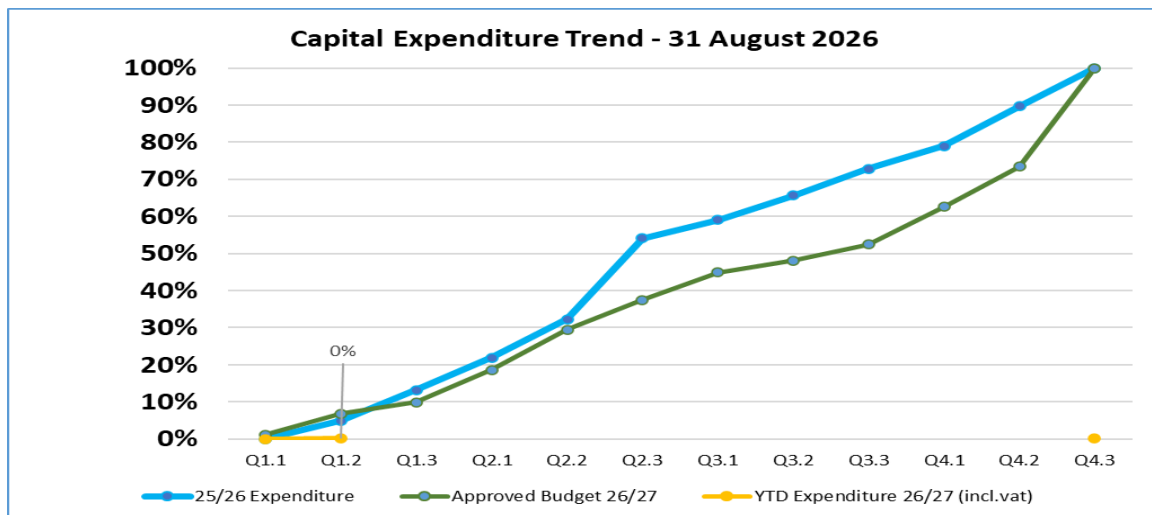
Table 30: SC12 Monthly Budget Statement – capital expenditure trend

BUF Buffalo City - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M02 August

Month	2025/26	Budget Year 2026/27							
	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	0	107 186	107 186	8	8	107 186	107 178	100,0%	0%
August	45 707	116 430	116 430	3 877	3 877	223 616	219 739	98,3%	0%
September	73 203	120 346	120 346	-	-	343 963	343 963	100,0%	0%
October	83 338	124 263	124 263	-	-	468 225	468 225	100,0%	0%
November	92 766	128 179	128 179	-	-	596 404	596 404	100,0%	0%
December	198 084	112 514	112 514	-	-	708 918	708 918	100,0%	0%
January	43 420	116 430	116 430	-	-	825 348	825 348	100,0%	0%
February	58 389	120 346	120 346	-	-	945 694	945 694	100,0%	0%
March	65 260	124 263	124 263	-	-	1 069 957	1 069 957	100,0%	0%
April	49 267	128 179	128 179	-	-	1 198 136	1 198 136	100,0%	-
May	91 652	132 095	132 095	-	-	1 330 231	1 330 231	100,0%	-
June	330 748	124 262	124 262	-	-	1 454 492	1 454 492	100,0%	-
Total Capital expenditure	1 131 834	1 454 492	1 454 492	3 885					

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 15% (R84.02 million, inclusive of reclaimed vat) of its 2026/27 adjusted operating projects budget of R547.44 million as at 31 August 2026. This reflects an improvement when compared to the same period in the previous financial year where 4% (R23.72 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R637.11 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

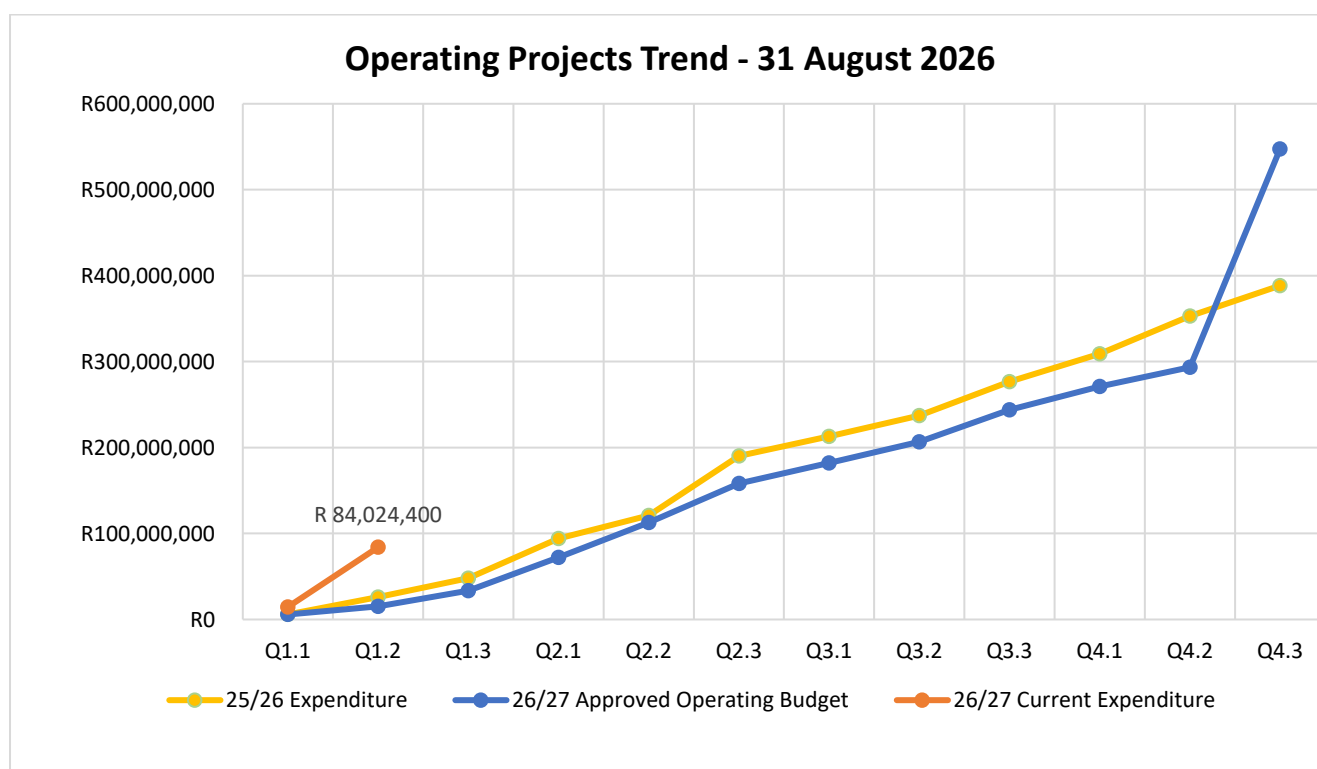
Directorate	<u>2026/2027</u> <u>Adjusted</u> <u>Budget</u>	<u>YTD</u> <u>Expenditure</u> <u>(incl. vat)</u>	<u>Variance</u> <u>(incl. VAT)</u>	<u>%</u> <u>Expenditure</u> <u>(incl. vat)</u>
Executive Support Services	31 721 099	7 743 837	23 977 262	24%
City Manager's Office	36 542 032	6 410 544	30 131 487	18%
Corporate Services	18 800 000	36 107 487	(17 307 487)	192%
Spatial Planning & Development	4 200 000	0	4 200 000	0%
Economic Development & Agencies	52 842 073	1 385 897	51 456 176	3%
Finance Services	46 500 000	1 772 668	44 727 332	4%
Public Safety & Emergency Services	2 600 000	0	2 600 000	0%
Human Settlements	135 898 000	1 749 023	134 148 978	1%
Electricity & Energy Trading Service	38 155 000	0	38 155 000	0%
Infrastructure Services	48 187 831	0	48 187 831	0%
Water & Sanitation Trading Service	57 797 890	0	57 797 890	0%
Directorate of Sports & Recreation	10 500 000	173 913	10 326 087	2%
Solid Waste Trading Service	44 500 000	28 013 360	16 486 640	63%
Health & Environmental Management	19 200 000	667 671	18 532 329	3%
TOTAL OPERATING PROJECTS	547 443 924	84 024 400	463 419 524	15%

Table 32: Operating Projects Per Funding Source

Funding	2026/2027 Adjusted Budget	YTD Expenditure (incl. vat)	Variance (incl. VAT)	% Expenditure (incl. vat)
TOTAL OWN FUNDING	273,130,122	75,889,305	197,240,817	28%
City of Oldenburg C/O	721,099	0	721,099	0%
Urban Settlement Development Grant	34,661,910	4,075,930	30,585,979	12%
Finance Management Grant	1,200,000	85,288	1,114,712	7%
Informal Settlements Upgrading Partnership Grant	15,500,000	1,374,567	14,125,433	9%
Infrastructure Skills Development Grant	9,300,000	690,961	8,609,039	7%
Programme and Project Preparation Support Grant	10,971,000	0	10,971,000	0%
Expanded Public Works Programme	4,024,000	1,475,105	2,548,895	37%
Human Settlements Development Grant	117,898,000	0	117,898,000	0%
Sector Education and Training Authorities	3,000,000	433,244	2,566,756	14%
Sector Education and Training Authorities C/O	1,852,073	0	45,187,831	0%
Department of Transport C/O	45,187,831	0	721,099	
Metro Trading Services	29,997,890	0	29,997,890	0%
TOTAL GRANTS	274,313,802	8,135,095	265,047,732	3%
TOTAL OPERATING PROJECTS BUDGET	547,443,924	84,024,400	462,288,549	15%

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 **August 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: