

**STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF
THE 2025/26 BUDGET FOR THE PERIOD ENDED 31 JULY 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 July 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 July 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 July 2026 of 74.61%.

M. YAWA

CITY MANAGER

BUFFALO CITY METROPOLITAN MUNICIPALITY

SIYABULELA PETER/ YM

DATE

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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 JULY 2026

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS – 31 July 2025		OVERALL OPERATING RESULTS – 31 July 2026	
Income	R 1 359 706 497	Income	R 1 438 216 394
Expenditure	(R 942 853 207)	Expenditure	(R 957 383 000)
Operating Surplus/(Deficit) before Transfers and Subsidies Recognised – Capital	R 416 853 289	Operating Surplus/(Deficit) before Transfers and Subsidies Recognised – Capital	R 480 833 394
Transfers and Subsidies Recognized – Capital	R 0	Transfers and Subsidies Recognised – Capital	R 0
Intercompany/Parent subsidiary transactions	R 16 521 739	Intercompany/Parent subsidiary transactions	R 0
Surplus/(Deficit) after Capital Transfers	R 433 375 029	Surplus/(Deficit) after Capital Transfers	R 480 833 394
CASH MANAGEMENT – 31 July 2025		CASH MANAGEMENT – 31 July 2026	
Cash and cash equivalents	R 765 355 500	Cash and cash equivalents	R 926 938 510
Account Payables	(R 1 196 126 046)	Account Payables	(R 1 160 606 124)
Unspent conditional grants	(R 481 244 670)	Unspent conditional grants	(R 79 969 988)
Committed to Capital budget-own funds	(R 350 908 242)	Committed to Capital budget-own funds	(R 426 164 761)
DEBTORS – 31 July 2025		DEBTORS – 31 July 2026	
Total debtors' book (incl. impairment)	R 9 251 163 025	Total debtors' book (incl. impairment)	R 10 728 783 727
Total debtors – Government	R 227 572 190	Total debtors – Government	R 277 126 967
Total debtors – Business	R 1 684 118 345	Total debtors – Business	R 1 872 783 569
Total debtors – Households	R 7 339 472 490	Total debtors – Households	R 8 578 873 191
Total debt written off incl. Vat (YTD)	R 9 328 907	Total debt written off incl. Vat (YTD)	R 20 337 328
TOTAL LONG-TERM LOANS		SURPLUS / (DEFICIT) PER SERVICE	
31 July 2025	31 July 2026	31 July 2025	31 July 2026
R 81 493 717 81	R 54 575 401	Water R 110 313 242	R 131 770 910
REPAIRS AND MAINTENANCE		Electricity (R 143 682 595)	R 16 397 827
31 July 2025	31 July 2026	Refuse R 95 758 841	R 88 528 021
Exp.= R7.18 m, which is 1% of budget of R501.90 m	Exp.= R1.75m, which is 0% of budget of R463.87m	Sewerage R 96 539 449	R 79 492 496
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
<u>31 July 2025: Exp. as a % of Adjusted Budget of R1.16b:</u>	<u>31 July 2026: Exp. as a % of Adjusted Budget of R1.40b:</u>	<u>31 July 2025: Exp. as a % of Adjusted Budget of R561,28m:</u>	<u>31 July 2026: Exp. as a % of Adjusted Budget of R526.68m:</u>
Exp. (excl. vat) = R0 mil	Exp. (excl. vat) = R0 mil	Exp. (excl. vat) = R5.86 mil	Exp. (excl. vat) = R14.59 mil
% exp. (Excl. vat) :0%	% exp. (Excl. vat) :0%	% exp. (excl. vat): 1%	% exp. (excl. vat): 3%
Exp. (incl. vat) = R0 mil	Exp. (incl. vat) = R0 mil	Exp. (incl. vat) = R5.86 mil	Exp. (incl. vat) = R14.59 mil
% exp. (incl. vat): 0%	% exp. (incl. vat): 0%	% exp. (incl. vat): 1%	% exp. (incl. vat): 3%

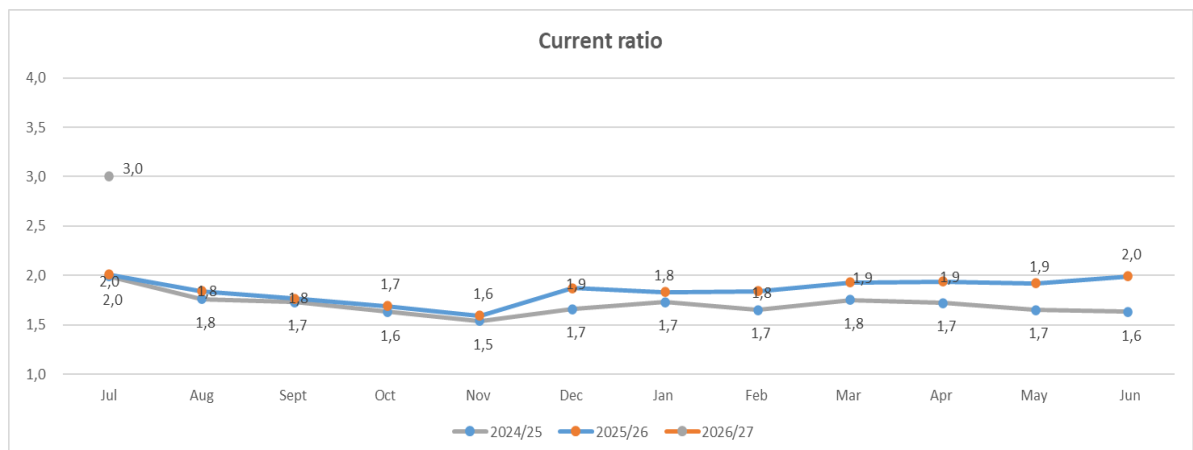
FINANCIAL	31 July 2025	31 July 2026	HUMAN RESOURCES 31 July 2026	
Operating Surplus/(Deficit) after Capital Transfers and Intercompany transactions	R 416 853 289	R 480 833 394	Total staff complement	4 799
Debtors' collection ratio	67.55%	74,61%	Staff Appointments	4
YTD Grants and subsidies: recognized – Capital	R 0	R 0	Staff Terminations	20
Creditor's payment days	4 days	40 days	Number of funded vacant posts (under recruitment process)	408
Current ratio	2,01:1	3:1	Total overtime paid (YTD)	R 15 889 806
Total Debt to Revenue	0,78%	0.50%	Allowances and benefits – Councillors (YTD)	R 6 376 966
Capital Charges to Operating Expenditure	0%	0%	Salary bill – Officials (YTD)	R 245 503 087
Cost coverage ratio	0.48 month	1.13 month	Workforce costs as a % of expenditure	26.31%

6.2. Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered stable as the Current Ratio is 3:1. which indicates the ability of municipality's current assets to cover its current liabilities. This is above the norm of 1.5-2:1. However, the non-achievement of the budgeted collection of 76% and high rate of increase in operating costs is a threat to the City's cash position. This ratio denotes that the City is able to meet its short-term liabilities.

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

Figure 1: Current Ratio

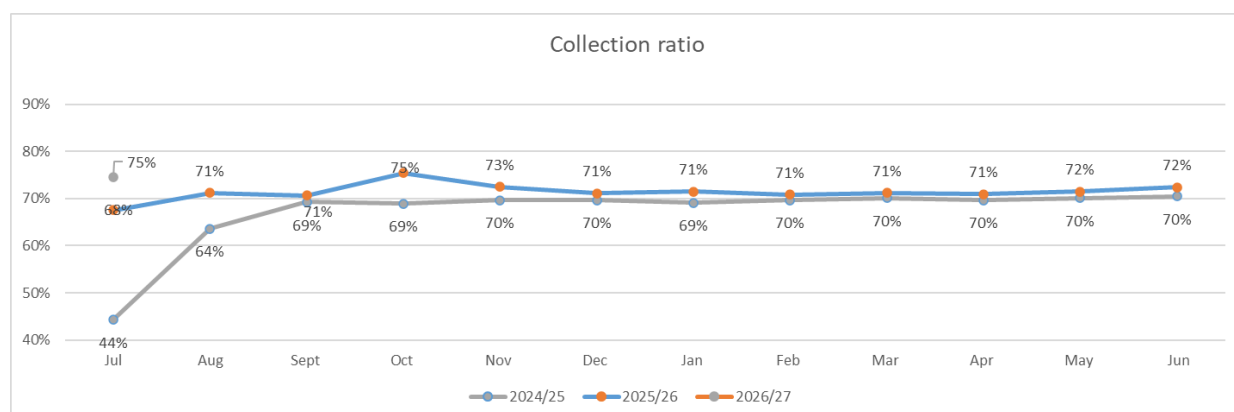


6.3. Collection Rate and Outstanding Debtors

The year-to-date collection rate as at 31 July 2026 is 74.61% (2025/26: 67.55%). This ratio denotes the City's ability to collect the billed revenue from its consumers. The collection rate has increased by 2.20% from last month where 72.41% was achieved for the period ended 30 June 2026. Refer to Section 8 for further details.

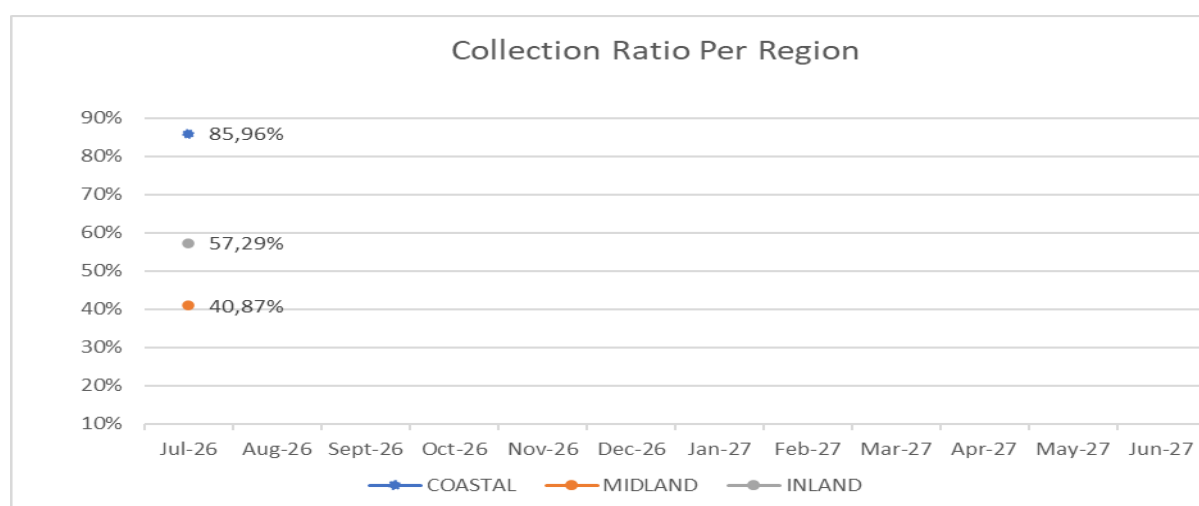
The graph below shows a comparison of the monthly collection ratio for the current financial year and the two previous financial years.

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 July 2026 per region is as follows: Coastal 85,96% Midland 40,87% and Inland 57,29%.

Figure 3: Collection Ratio Per Region



Total gross debtors' book (including current accounts) as at 31 July 2026 amounts to R10.73 billion (2025/26 R9.25 billion). Households: R8.58 billion, Business: R1.87 billion and Government: R277.13 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% (R0 million inclusive of reclaimed vat) of its 2026/27 approved capital budget of R1.40 billion as at 31 July 2026. This reflects the same trend when compared to the same period in the previous financial year where 0% (R0 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.16 billion was spent. (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 3% (R14.59 million, inclusive of reclaimed vat) of its 2026/27 approved operating projects budget of R526.68 million as at 31 July 2026. This reflects an improvement when compared to the same period in the previous financial year where 1% (R5.86 million, inclusive of reclaimed vat) of the approved operating projects budget of R561.28 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)

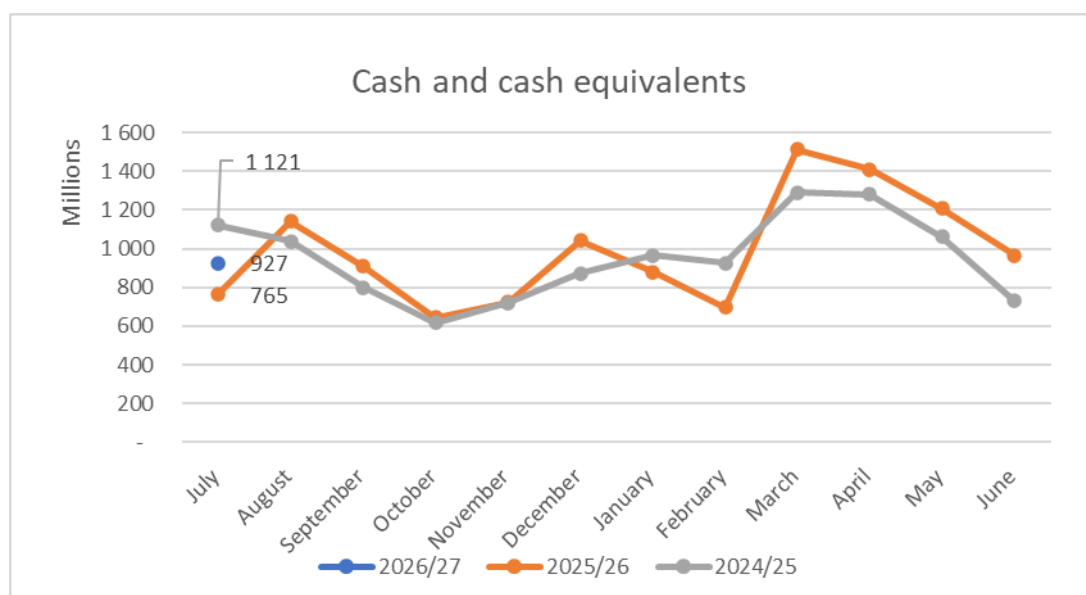
The Metro has spent 0% (R3.69 million, inclusive of reclaimed vat) of its 2026/27 conditional grants approved budget of R1.12 billion as at 31 July 2026. This expenditure reflects the same trend when compared to the same period in the previous financial year where 0% (R4.06 million, inclusive of reclaimed vat) of conditional grants budget of R925.04 was spent.

6.7. Cash and Cash Equivalents

The cash and cash equivalents of the City as at 31 July 2026 is R926.94 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 shown an improvement 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 1.13 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.

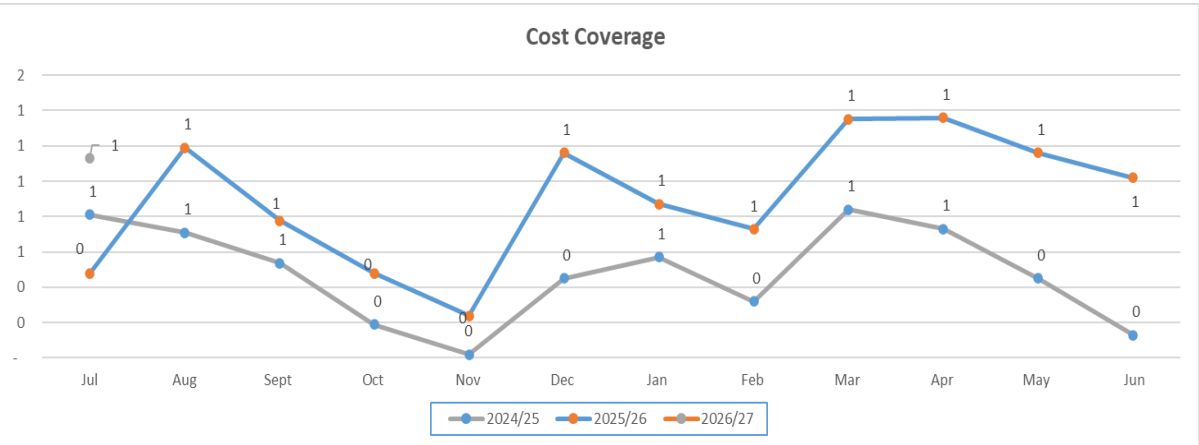
This ratio denotes that the City will be able to meet its monthly operating commitments as the ratio is within the norm of 1-3 months as per the MFMA circular 71. The City's cost coverage will have a short- and long-term negative effect on the City's Credit Ratings.

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 July 2026) is 40 days.

Table 2 below reflects a breakdown of Account Payables for the reporting period under review which amounted to R1,16 billion made up of the following:

Table 2: Account Payables breakdown

Accounts Payable	Amount
Trade payables	607 180 857
Payments received in advance	232 459 654
Retention monies	75 352 376
Accrued leave pay	183 321 696
Sundry creditors - other	62 291 541
Total	1 160 606 124

6.9. Long-Term Debt Profile

The total long-term borrowings of the municipality as at 31 July 2026 amounts to R54.56 million. Refer to Annexure C for the schedule of borrowings. The ratio of capital charges to operating expenditure as at 31 July 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 July 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%.

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 - M01 July

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	342,088	342,088	367,798	(25,709)	-7%	2,382,109
Service charges	5,419,313	5,853,646	5,853,646	488,161	488,161	532,094	(43,933)	-8%	5,853,646
Investment revenue	61,054	60,460	60,460	4,565	4,565	7,503	(2,938)	-39%	60,460
Transfers and subsidies - Operational	1,598,296	1,669,116	1,669,116	572,409	572,409	518,428	53,981	0	1,669,116
Other own revenue	1,737,283	1,495,028	1,495,028	30,994	30,994	67,141	(36,148)	-54%	1,495,028
Total Revenue (excluding capital transfers and contributions)	11,012,352	11,460,359	11,460,359	1,438,216	1,438,216	1,492,963	(54,747)	-4%	11,460,359
Employee costs	2,954,810	3,146,710	3,146,710	245,503	245,503	252,996	(7,493)	-3%	3,146,710
Remuneration of Councillors	75,451	85,453	85,453	6,377	6,377	6,153	224	4%	85,453
Depreciation, amortisation and impairment	2,629,303	587,597	587,597	146,929	146,929	58,760	88,169	150%	587,597
Interest, Dividends and Rent on Land	6,551	44,669	44,669	474	474	4,302	(3,828)	-89%	44,669
Inventory consumed and bulk purchases	3,208,347	3,641,393	3,641,393	327,317	327,317	319,984	7,333	2%	3,641,393
Transfers and subsidies	127,307	111,237	111,237	22,010	22,010	23,126	(1,116)	-5%	111,237
Other expenditure	2,097,039	3,841,205	3,841,205	208,773	208,773	209,624	(850)	-0%	3,841,205
Total Expenditure	11,098,809	11,458,264	11,458,264	957,383	957,383	874,945	82,438	9%	11,458,264
Surplus/(Deficit)	(86,456)	2,095	2,095	480,833	480,833	618,019	(137,185)	-22%	2,095
Transfers and subsidies - capital (monetary)	1,000,870	971,963	971,963	-	-	217	(217)	-100%	971,963
Transfers and subsidies - capital (in-kind)	2,329	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	916,743	974,058	974,058	480,833	480,833	618,236	(137,403)	-22%	974,058
Share of surplus/ (deficit) of associate	(3,441)	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	913,302	974,058	974,058	480,833	480,833	618,236	(137,403)	-22%	974,058
Capital expenditure & funds sources									
Capital expenditure	1,174,114	1,397,435	1,397,435	8	8	107,186	(107,178)	-100%	1,397,435
Capital transfers recognised	904,786	970,547	970,547	-	-	74,626	(74,626)	-100%	970,547
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	269,328	426,889	426,889	8	8	32,560	(32,552)	-100%	426,889
Total sources of capital funds	1,174,114	1,397,435	1,397,435	8	8	107,186	(107,178)	-100%	1,397,435
Financial position									
Total current assets	9,453,034	6,217,402	6,206,256		9,566,624				6,206,256
Total non current assets	32,713,983	41,669,059	41,669,059		33,812,657				41,669,059
Total current liabilities	4,990,088	4,150,239	4,186,854		4,452,846				4,186,854
Total non current liabilities	1,573,192	1,116,907	1,116,907		1,566,431				1,116,907
Community wealth/Equity	35,641,974	42,619,316	42,619,316		37,360,003				42,619,316
Cash flows									
Net cash from (used) operating	6,635,121	1,451,304	1,451,304	1,069,875	1,069,875	35,361	#####	-2926%	1,451,304
Net cash from (used) investing	(1,023,156)	(1,393,399)	(1,404,545)	849	849	(117,045)	(117,894)	101%	(1,404,545)
Net cash from (used) financing	(3,947)	(17,323)	(17,323)	557	557	(1,444)	(2,000)	139%	(17,323)
Cash/cash equivalents at the month/year end	6,339,046	842,767	831,620	2,045,116	2,045,116	719,057	#####	-184%	1,003,272
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	880,760	359,453	302,903	274,413	263,219	245,489	#####	#####	10,728,784
Creditors Age Analysis									
Total Creditors	1,165,848	95	-	-	-	-	-	-	1,165,943

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) - M01 July

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>		3 893 054	3 844 656	3 844 656	504 048	504 048	526 758	(22 710)	-4%	3 844 656
Executive and council		18 811	13 076	13 076	–	–	4 061	(4 061)	-100%	13 076
Finance and administration		3 874 243	3 815 828	3 815 828	504 048	504 048	517 804	(13 756)	-3%	3 815 828
Internal audit		–	15 753	15 753	–	–	4 893	(4 893)	-100%	15 753
<i>Community and public safety</i>		587 966	669 503	669 503	46 732	46 732	80 672	(33 940)	-42%	669 503
Community and social services		35 162	38 281	38 281	877	877	6 682	(5 805)	-87%	38 281
Sport and recreation		14 874	49 375	49 375	155	155	1 389	(1 234)	-89%	49 375
Public safety		268 954	223 012	223 012	45 408	45 408	31 774	13 634	43%	223 012
Housing		268 127	358 791	358 791	212	212	40 825	(40 613)	-99%	358 791
Health		849	43	43	81	81	3	78	3097%	43
<i>Economic and environmental services</i>		291 582	180 088	180 088	5 102	5 102	17 547	(12 445)	-71%	180 088
Planning and development		75 141	116 126	116 126	5 102	5 102	17 463	(12 361)	-71%	116 126
Road transport		216 442	63 962	63 962	–	–	85	(85)	-100%	63 962
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		7 144 569	7 641 927	7 641 927	879 153	879 153	861 841	17 312	2%	7 641 927
Energy sources		3 709 755	4 064 326	4 064 326	411 056	411 056	432 070	(21 014)	-5%	4 064 326
Water management		1 685 354	1 659 437	1 659 437	217 837	217 837	207 963	9 874	5%	1 659 437
Waste water management		954 955	1 013 515	1 013 515	119 738	119 738	114 248	5 490	5%	1 013 515
Waste management		794 505	904 650	904 650	130 521	130 521	107 560	22 962	21%	904 650
<i>Other</i>	4	83 853	96 148	96 148	3 182	3 182	6 362	(3 181)	-50%	96 148
Total Revenue - Functional	2	12 001 025	12 432 322	12 432 322	1 438 216	1 438 216	1 493 181	(54 964)	-4%	12 432 322
Expenditure - Functional										
<i>Governance and administration</i>		2 736 547	2 243 351	2 243 351	191 502	191 502	153 316	38 186	25%	2 243 351
Executive and council		1 272 574	421 314	421 314	27 744	27 744	32 973	(5 229)	-16%	421 314
Finance and administration		1 451 274	1 804 299	1 804 299	162 608	162 608	119 189	43 419	36%	1 804 299
Internal audit		12 699	17 738	17 738	1 149	1 149	1 154	(4)	0%	17 738
<i>Community and public safety</i>		1 517 940	1 555 343	1 555 343	105 090	105 090	108 396	(3 306)	-3%	1 555 343
Community and social services		213 519	192 665	192 665	14 067	14 067	14 591	(524)	-4%	192 665
Sport and recreation		543 391	511 274	511 274	38 188	38 188	39 857	(1 668)	-4%	511 274
Public safety		556 419	603 525	603 525	42 860	42 860	44 824	(1 964)	-4%	603 525
Housing		147 208	171 087	171 087	5 514	5 514	4 110	1 404	34%	171 087
Health		57 403	76 792	76 792	4 460	4 460	5 014	(554)	-11%	76 792
<i>Economic and environmental services</i>		956 202	740 487	740 487	70 938	70 938	55 747	15 192	27%	740 487
Planning and development		190 465	265 444	265 444	10 958	10 958	19 805	(8 848)	-45%	265 444
Road transport		765 737	475 043	475 043	59 981	59 981	35 941	24 039	67%	475 043
Environmental protection		–	–	–	–	–	–	–	–	–
<i>Trading services</i>		5 721 151	6 738 641	6 738 641	566 240	566 240	517 950	48 290	9%	6 738 641
Energy sources		3 673 983	4 538 874	4 538 874	388 903	388 903	372 633	16 270	4%	4 538 874
Water management		1 003 446	1 054 281	1 054 281	91 006	91 006	69 412	21 594	31%	1 054 281
Waste water management		414 301	514 887	514 887	43 067	43 067	33 662	9 405	28%	514 887
Waste management		629 420	630 598	630 598	43 263	43 263	42 243	1 021	2%	630 598
<i>Other</i>		163 633	180 442	180 442	23 612	23 612	18 692	4 920	26%	180 442
Total Expenditure - Functional	3	11 095 472	11 458 264	11 458 264	957 383	957 383	854 101	103 282	12%	11 458 264
Surplus/ (Deficit) for the year		905 553	974 058	974 058	480 833	480 833	639 079	(158 246)	-0,247616	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) - M01 July

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										
Revenue by Vote	1									
Vote 01 - Directorate - Executive Support Services		216	3	3	-	-	1	(1)	-100.0%	3
Vote 02 - Directorate - Municipal Manager		18,841	30,133	30,133	-	-	9,359	(9,359)	-100.0%	30,133
Vote 03 - Directorate - Human Settlement		268,187	358,791	358,791	212	212	40,825	(40,613)	-99.5%	358,791
Vote 04 - Directorate - Chief Financial Officer		3,790,775	3,768,502	3,768,502	514,856	514,856	507,654	7,201	1.4%	3,768,502
Vote 05 - Directorate - Corporate Services		12,168	27,303	27,303	-	-	8,177	(8,177)	-100.0%	27,303
Vote 06 - Directorate - Infrastructure Services		6,580,972	6,801,239	6,801,239	748,631	748,631	754,366	(5,734)	-0.8%	6,801,239
Vote 07 - Directorate - Spatial Planning And Development		131,941	67,848	67,848	(10,026)	(10,026)	3,468	(13,494)	-389.1%	67,848
Vote 08 - Directorate - Health / Public Safety & Emergency Services		268,954	223,012	223,012	45,408	45,408	31,774	13,634	42.9%	223,012
Vote 10 - Directorate - Economic Development & Agencies		131,151	163,141	163,141	7,502	7,502	21,924	(14,422)	-65.8%	163,141
Vote 11 - Directorate - Solid Waste And Environmental Management		798,022	909,444	909,444	130,602	130,602	107,580	23,022	21.4%	909,444
Vote 12 - Directorate - Sport, Recreation & Community Development		47,386	82,905	82,905	1,031	1,031	8,053	(7,022)	-87.2%	82,905
Total Revenue by Vote	2	12,048,595	12,432,322	12,432,322	1,438,216	1,438,216	1,493,181	(54,964)	-3.7%	12,432,322
Expenditure by Vote	1									
Vote 01 - Directorate - Executive Support Services		1,187,674	321,944	321,944	23,275	23,275	28,858	(5,583)	-19.3%	321,944
Vote 02 - Directorate - Municipal Manager		180,445	208,639	208,639	17,177	17,177	11,447	5,730	50.1%	208,639
Vote 03 - Directorate - Human Settlement		146,841	170,716	170,716	5,513	5,513	5,665	(152)	-2.7%	170,716
Vote 04 - Directorate - Chief Financial Officer		885,845	1,290,272	1,290,272	113,043	113,043	89,349	23,694	26.5%	1,290,272
Vote 05 - Directorate - Corporate Services		261,866	266,070	266,070	18,865	18,865	18,949	(84)	-0.4%	266,070
Vote 06 - Directorate - Infrastructure Services		6,010,242	6,717,677	6,717,677	594,577	594,577	529,820	64,756	12.2%	6,717,677
Vote 07 - Directorate - Spatial Planning And Development		254,828	288,221	288,221	18,212	18,212	22,883	(4,671)	-20.4%	288,221
Vote 08 - Directorate - Health / Public Safety & Emergency Services		564,018	612,502	612,502	43,392	43,392	46,124	(2,732)	-5.9%	612,502
Vote 10 - Directorate - Economic Development & Agencies		208,548	236,092	236,092	24,924	24,924	22,433	2,491	11.1%	236,092
Vote 11 - Directorate - Solid Waste And Environmental Management		815,072	858,220	858,220	58,304	58,304	60,101	(1,797)	-3.0%	858,220
Vote 12 - Directorate - Sport, Recreation & Community Development		579,987	487,911	487,911	40,100	40,100	39,315	785	2.0%	487,911
Total Expenditure by Vote	2	11,095,367	11,458,264	11,458,264	957,383	957,383	874,945	82,438	9.4%	11,458,264
Surplus/ (Deficit) for the year	2	953,227	974,058	974,058	480,833	480,833	618,236	(137,403)	-22.2%	974,058

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 July 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) - M01 July

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	291 569	291 569	330 854	(39 284)	-12%	3 542 330
Service charges - Water		1 048 167	1 079 693	1 079 693	88 488	88 488	101 393	(12 905)	-13%	1 079 693
Service charges - Waste Water Management		591 739	643 739	643 739	65 614	65 614	60 769	4 846	8%	643 739
Service charges - Waste management		488 456	587 884	587 884	42 490	42 490	39 079	3 411	9%	587 884
Sale of Goods and Rendering of Services		127 315	138 203	138 203	11 537	11 537	10 146	1 391	14%	138 203
Agency services		22 687	30 476	30 476	8 939	8 939	4 571	4 367	96%	30 476
Interest										
Interest earned from Receivables		500 222	291 996	291 996	8 422	8 422	36 237	(27 815)	-77%	291 996
Interest from Current and Non Current Assets		61 054	60 460	60 460	4 565	4 565	7 503	(2 938)	-39%	60 460
Dividends										
Rent on Land										
Rental from Fixed Assets		36 343	26 242	26 242	(10 354)	(10 354)	3 018	(13 372)	-443%	26 242
Licence and permits										
Special rating levies										
Construction Contract Revenue										
Development Charges										
Operational Revenue		51 757	90 890	90 890	4 715	4 715	5 314	(599)	-11%	90 890
Non-Exchange Revenue										
Property rates		2 196 406	2 382 109	2 382 109	342 088	342 088	367 798	(25 709)	-7%	2 382 109
Surcharges and Taxes										
Fines, penalties and forfeits		63 436	10 482	10 482	1 014	1 014	1 593	(580)	-36%	10 482
Licence and permits		15 712	13 432	13 432	1 373	1 373	807	566	70%	13 432
Transfers and subsidies - Operational		1 598 296	1 669 116	1 669 116	572 409	572 409	518 428	53 981	10%	1 669 116
Interest		9 220	6 741	6 741	152	152	152	0	0%	6 741
Fuel Levy		798 042	827 976	827 976						827 976
Operational Revenue		62 642	58 591	58 591	5 196	5 196	5 302	(106)	-2%	58 591
Gains on disposal of Fixed and Intangible Assets		171								
Other Gains		49 738								
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		11 012 352	11 460 359	11 460 359	1 438 216	1 438 216	1 492 963	(54 747)	-4%	11 460 359

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

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		2 954 810	3 146 710	3 146 710	245 503	245 503	252 996	(7 493)	-3%	3 146 710
Remuneration of councillors		75 451	85 453	85 453	6 377	6 377	6 153	224	4%	85 453
Bulk purchases - electricity		2 898 476	3 334 209	3 334 209	302 346	302 346	300 079	2 267	1%	3 334 209
Inventory consumed		309 871	307 184	307 184	24 971	24 971	19 906	5 066	25%	307 184
Debt impairment		50 421	1 910 728	1 910 728	133 377	133 377	133 560	(183)	0%	1 910 728
Depreciation, amortisation and impairment		2 629 303	587 597	587 597	146 929	146 929	58 760	88 169	150%	587 597
Interest, Dividends and Rent on Land		6 551	44 669	44 669	474	474	4 302	(3 828)	-89%	44 669
Contracted services		1 003 969	1 210 535	1 210 535	26 716	26 716	26 753	(37)	0%	1 210 535
Transfers and subsidies		127 307	111 237	111 237	22 010	22 010	23 126	(1 116)	-5%	111 237
Irrecoverable debts written off		—	—	—	—	—	—	—		—
Operational costs		745 377	592 101	592 101	38 875	38 875	39 083	(209)	-1%	592 101
Disposal of Fixed and Intangible Assets		711	—	—	8	8	—	8	#DIV/0!	—
Other Losses		296 561	127 841	127 841	9 797	9 797	10 227	(430)	-4%	127 841
Total Expenditure		11 098 809	11 458 264	11 458 264	957 383	957 383	874 945	82 438	9%	11 458 264
Surplus/(Deficit)		(86 456)	2 095	2 095	480 833	480 833	618 019	(137 185)	(0)	2 095
Transfers and subsidies - capital (monetary allocations)		1 000 870	971 963	971 963	—	—	217	(217)	(0)	971 963
Transfers and subsidies - capital (in-kind)		2 329	—	—	—	—	—	—		—
Surplus/(Deficit) after capital transfers & contributions		916 743	974 058	974 058	480 833	480 833	618 236	(137 403)	(0)	974 058
Income Tax		—	—	—	—	—	—	—		—
Surplus/(Deficit) after income tax		916 743	974 058	974 058	480 833	480 833	618 236	(137 403)	(0)	974 058
Share of Surplus/Deficit attributable to Joint Venture								—		
Share of Surplus/Deficit attributable to Minorities								—		
Surplus/(Deficit) attributable to municipality		916 743	974 058	974 058	480 833	480 833	618 236	(137 403)	(0)	974 058
Share of Surplus/Deficit attributable to Associate		(3 441)	—	—	—	—	—	—		—
Intercompany/Parent subsidiary transactions		(33 043)	—	—	—	—	—	—		—
Surplus/ (Deficit) for the year		880 258	974 058	974 058	480 833	480 833	618 236	(137 403)	(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 due to businesses closing down due to economic conditions, which affected the projected sales for electricity.

7.4.1.2 Service charges – Water

Under performance is due to a high number of accounts that recorded high consumption as a result of faulty and leaking meters. Meter Replacement and fixing of leaks has caused a decrease in consumption of water.

7.4.1.3 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.

7.4.1.4 Agency Services

The increase in the agency fees indicated for the month of July 2026 can be attributed to the fact that the licence commission fees must still be deducted from the total revenue collected.

7.4.1.5 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 %.

7.4.1.6 Interest from Current and Non Current Assets

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

7.4.1.7 Rental from Fixed Assets

The variance is due to property rental adjustments that were incorrectly processed for the 2025/26 financial year in the current year. A correcting journal will be submitted.

7.4.1.8 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.

7.4.1.9 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.

7.4.1.10 Licences and permits

Overperformance can be attributed to the Department allowing walk-ins in order to assist in the increase of Licence and permits renewals and applications. The roadworthy testing station is now operational which also contributed to the overperformance.

7.4.1.11 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.

7.4.1.12 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.

7.4.1.13 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.

7.4.2 Repairs and maintenance

Table 7 below reflects that as at 31 July 2026 the repairs and maintenance expenditure is 0% of the approved budget of R463.87 million (2025/26:1%). 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	-	23 250 960	0%
Directorate of Economic Development & Agencies	13 542 056	-	13 542 056	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	166 681 300	1 148 954	165 532 346	1%
Directorate Of Infrastructure Services	91 241 777	260 000	90 981 777	0%
Directorate Of Water and Sanitation	116 609 039	339 843	116 269 196	0%
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	463 870 682	1 748 797	448 284 315	0%

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 R628.65 million in the upgrading and renewal programme that complements the repairs and maintenance. Refer to Annexure B: SC13b (Capital expenditure on renewal of existing assets by) and SC13e (Capital expenditure on upgrading of existing assets by asset class).

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

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

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

BUF Buffalo City - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M01 July

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	-	-	197	(197)	-100%	2 500
Vote 02 - Directorate - Municipal Manager		14 807	11 800	11 800	-	-	972	(972)	-100%	11 800
Vote 03 - Directorate - Human Settlement		158 926	227 770	227 770	-	-	16 156	(16 156)	-100%	227 770
Vote 04 - Directorate - Chief Financial Officer		56 032	17 400	17 400	-	-	1 147	(1 147)	-100%	17 400
Vote 05 - Directorate - Corporate Services		14 200	20 150	20 150	-	-	1 614	(1 614)	-100%	20 150
Vote 06 - Directorate - Infrastructure Services		764 788	763 644	763 644	-	-	60 256	(60 256)	-100%	763 644
Vote 07 - Directorate - Spatial Planning And Development		52 505	63 564	63 564	-	-	4 949	(4 949)	-100%	63 564
Vote 08 - Directorate - Health / Public Safety & Emergency Services		23 697	44 336	44 336	-	-	3 385	(3 385)	-100%	44 336
Vote 09 - Directorate - Municipal Services		-	-	-	-	-	-	-	-	-
Vote 10 - Directorate - Economic Development & Agencies		25 451	48 808	48 808	-	-	3 045	(3 045)	-100%	48 808
Vote 11 - Directorate - Solid Waste And Environmental Management		37 683	109 945	109 945	8	8	8 881	(8 873)	-100%	109 945
Vote 12 - Directorate - Sport, Recreation & Community Development		25 068	87 518	87 518	-	-	6 586	(6 586)	-100%	87 518
Single Year expenditure appropriation	2									
Vote 08 - Directorate - Health / Public Safety & Emergency Services		730	-	-	-	-	-	-	-	-
Total Capital Expenditure		1 174 969	1 397 435	1 397 435	8	8	107 186	(107 178)	-100%	1 397 435
Capital Expenditure - Functional Classification										
Governance and administration		100 502	62 672	62 672	-	-	4 714	(4 714)	-100%	62 672
Executive and council		15 889	14 300	14 300	-	-	1 168	(1 168)	-100%	14 300
Finance and administration		84 613	48 372	48 372	-	-	3 546	(3 546)	-100%	48 372
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		215 150	375 336	375 336	-	-	27 282	(27 282)	-100%	375 336
Community and social services		14 311	37 818	37 818	-	-	2 671	(2 671)	-100%	37 818
Sport and recreation		17 326	82 112	82 112	-	-	6 193	(6 193)	-100%	82 112
Public safety		20 225	22 036	22 036	-	-	1 797	(1 797)	-100%	22 036
Housing		158 926	227 770	227 770	-	-	16 156	(16 156)	-100%	227 770
Health		4 363	5 600	5 600	-	-	467	(467)	-100%	5 600
Economic and environmental services		293 014	209 851	209 851	-	-	14 979	(14 979)	-100%	209 851
Planning and development		38 129	58 442	58 442	-	-	4 506	(4 506)	-100%	58 442
Road transport		254 884	151 410	151 410	-	-	10 473	(10 473)	-100%	151 410
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		540 857	701 468	701 468	8	8	57 208	(57 200)	-100%	701 468
Energy sources		190 038	175 224	175 224	-	-	14 541	(14 541)	-100%	175 224
Water management		188 110	259 114	259 114	-	-	20 533	(20 533)	-100%	259 114
Waste water management		131 755	172 897	172 897	-	-	14 408	(14 408)	-100%	172 897
Waste management		30 953	94 233	94 233	8	8	7 726	(7 718)	-100%	94 233
Other		25 446	48 108	48 108	-	-	3 003	(3 003)	-100%	48 108
Total Capital Expenditure - Functional Classification	3	1 174 969	1 397 435	1 397 435	8	8	107 186	(107 178)	-100%	1 397 435
Funded by:										
National Government		903 319	970 547	970 547	-	-	74 626	(74 626)	-100%	970 547
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)		2 325	-	-	-	-	-	-	-	-
Transfers recognised - capital		905 644	970 547	970 547	-	-	74 626	(74 626)	-100%	970 547
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		269 325	426 889	426 889	8	8	32 560	(32 552)	-100%	426 889
Total Capital Funding		1 174 969	1 397 435	1 397 435	8	8	107 186	(107 178)	-100%	1 397 435

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 R2.83 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 - M01 July

Description	Ref	2025/26	Budget Year 2026/27			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		973 836	842 767	842 767	2 230 118	842 767
Short term Investments						
Trade and other receivables from exchange transactions		4 384 838	2 726 345	2 726 345	(76 762)	2 726 345
Receivables from non-exchange transactions		2 131 264	1 608 920	1 608 920	139 492	1 608 920
Current portion of non-current receivables		(1)	—	—	—	—
Inventory		145 116	67 167	67 167	(1 787)	67 167
VAT Receivable		1 793 717	953 703	953 703	111 510	953 703
Other current assets		9 122	18 502	18 502	3 175	18 502
Total current assets		9 437 894	6 217 402	6 217 402	2 405 746	6 217 402
Non current assets						
Investments						
Investment property		746 639	803 223	803 223	—	803 223
Property, plant and equipment		32 392 157	40 015 877	40 015 877	(146 474)	40 015 877
Biological assets						
Living resources						
Heritage assets		54 600	53 392	53 392	—	53 392
Intangible assets		54 043	69 975	69 975	(447)	69 975
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		713 033	726 592	726 592	—	726 592
Total non current assets		33 960 473	41 669 059	41 669 059	(146 921)	41 669 059
TOTAL ASSETS		43 398 366	47 886 462	47 886 462	2 258 825	47 886 462
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		39 485	6 121	6 121	—	6 121
Consumer deposits		102 177	104 827	104 827	557	104 827
Trade and other payables from exchange transactions		3 526 335	1 951 412	1 951 412	(616 724)	1 951 412
Trade and other payables from non-exchange transactions		101 822	52 650	52 650	(18 167)	52 650
Provision		390 339	412 321	412 321	—	412 321
VAT Payable		780 983	1 601 771	1 601 771	59 108	1 601 771
Other current liabilities		29 313	21 136	21 136	—	21 136
Total current liabilities		4 970 453	4 150 239	4 150 239	(575 226)	4 150 239
Non current liabilities						
Financial liabilities		33 746	27 813	27 813	—	27 813
Provision		135 497	130 496	130 496	—	130 496
Long term portion of trade payables		292 892	281 911	281 911	—	281 911
Other non-current liabilities		1 111 057	676 686	676 686	—	676 686
Total non current liabilities		1 573 192	1 116 907	1 116 907	—	1 116 907
TOTAL LIABILITIES		6 543 645	5 267 146	5 267 146	(575 226)	5 267 146
NET ASSETS	2	36 854 722	42 619 316	42 619 316	2 834 051	42 619 316
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		29 568 501	31 275 755	31 275 755	481 015	31 275 755
Reserves and funds		7 324 457	11 343 561	11 343 561	—	11 343 561
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	36 892 958	42 619 316	42 619 316	481 015	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 decrease of R37.19 million resulting in cash and cash equivalents closing balance of R926.94 million as at 31 July 2026.

Table 10: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M01 July

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									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		1 675 361	1 840 179	1 840 179	143 520	143 520	153 348	(9 828)	-6%	1 840 179
Service charges		4 447 244	4 521 942	4 521 942	389 471	389 471	376 828	12 643	3%	4 521 942
Other revenue		1 323 429	1 122 489	1 122 489	765 826	765 826	93 541	672 286	719%	1 122 489
Transfers and Subsidies - Operational		1 466 767	1 669 116	1 669 116	551 460	551 460	139 093	412 367	296%	1 669 116
Transfers and Subsidies - Capital		782 363	971 963	971 963	–	–	80 997	(80 997)	-100%	971 963
Interest		124 121	291 234	291 234	4 978	4 978	24 269	(19 292)	-79%	291 234
Dividends								–		
Payments										
Suppliers and employees		(8 446 829)	(8 848 912)	(8 848 912)	(763 423)	(763 423)	(822 990)	(59 567)	7%	(8 848 912)
Finance charges		(7 089)	(4 669)	(4 669)	–	–	(389)	(389)	100%	(4 669)
Transfers and Subsidies		(105 170)	(112 037)	(112 037)	(21 958)	(21 958)	(9 336)	12 621	-135%	(112 037)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 260 198	1 451 304	1 451 304	1 069 875	1 069 875	35 361	(1 034 514)	-2926%	1 451 304
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	856	856	336	520		4 036
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments								–		
Payments										
Capital assets		(1 015 125)	(1 397 435)	(1 408 581)	(8)	(8)	(117 382)	(117 374)	100%	(1 408 581)
Retention (Capital)								–		
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 023 156)	(1 393 399)	(1 404 545)	849	849	(117 045)	(117 894)	101%	(1 404 545)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits		2 484	3 507	3 507	(1 107 908)	(1 107 908)	292	(1 108 200)	-379232%	3 507
Payments										
Repayment of borrowing		(6 431)	(20 829)	(20 829)	–	–	(1 736)	(1 736)	100%	(20 829)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(3 947)	(17 323)	(17 323)	(1 107 908)	(1 107 908)	(1 444)	1 106 465	-76648%	(17 323)
NET INCREASE/ (DECREASE) IN CASH HELD										
		233 094	40 582	29 436	(37 185)	(37 185)	(83 128)			29 436
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		926 939	719 057			993 559

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 - M01 July

Description	NT Code	Budget Year 2026/27											
		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	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	134 286	88 511	80 597	69 916	64 722	56 314	306 488	2 045 465	2 846 300	2 542 906	4 826	16 746
Trade and Other Receivables from Exchange Transactions - Electricity	1300	255 448	78 762	59 477	48 927	53 042	51 234	292 314	712 340	1 551 543	1 157 856	2 745	48 698
Receivables from Non-exchange Transactions - Property Rates	1400	337 612	71 212	57 634	51 392	48 168	43 391	274 745	1 387 880	2 272 034	1 805 576	5 986	–
Receivables from Exchange Transactions - Waste Water Management	1500	75 524	31 045	23 388	21 830	20 511	19 313	110 842	609 115	911 568	781 610	1 999	11 357
Receivables from Exchange Transactions - Waste Management	1600	46 789	30 481	25 326	24 828	23 131	22 197	128 588	861 788	1 163 129	1 060 533	1 380	10 085
Receivables from Exchange Transactions - Property Rental Debtors	1700	283	270	267	252	251	249	1 491	11 495	14 557	13 738	–	–
Interest on Arrear Debtor Accounts	1810	9 483	50 361	48 537	48 021	46 882	46 378	220 123	1 138 443	1 608 228	1 499 847	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	21 336	8 811	7 677	9 248	6 512	6 412	34 021	267 407	361 425	323 601	3 400	2 759
Total By Income Source	2000	880 760	359 453	302 903	274 413	263 219	245 489	1 368 613	7 033 934	10 728 784	9 185 668	20 337	89 644
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	183 286	11 554	8 336	4 380	4 768	3 501	28 497	32 805	277 127	73 951	–	–
Commercial	2300	326 755	81 025	59 565	52 977	49 124	54 110	268 238	980 990	1 872 784	1 405 439	–	–
Households	2400	370 720	266 874	235 002	217 056	209 327	187 878	1 071 878	6 020 139	8 578 873	7 706 277	20 337	89 644
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	880 760	359 453	302 903	274 413	263 219	245 489	1 368 613	7 033 934	10 728 784	9 185 668	20 337	89 644

8.1. Additional debtors' information

The total debtor's book, which includes all charges including VAT, amounted to R10,780,783,727 as at 31 July 2026 which is an increase of R350,003,888 over the amount of R10 430,779,839 as at 30 June 2026.

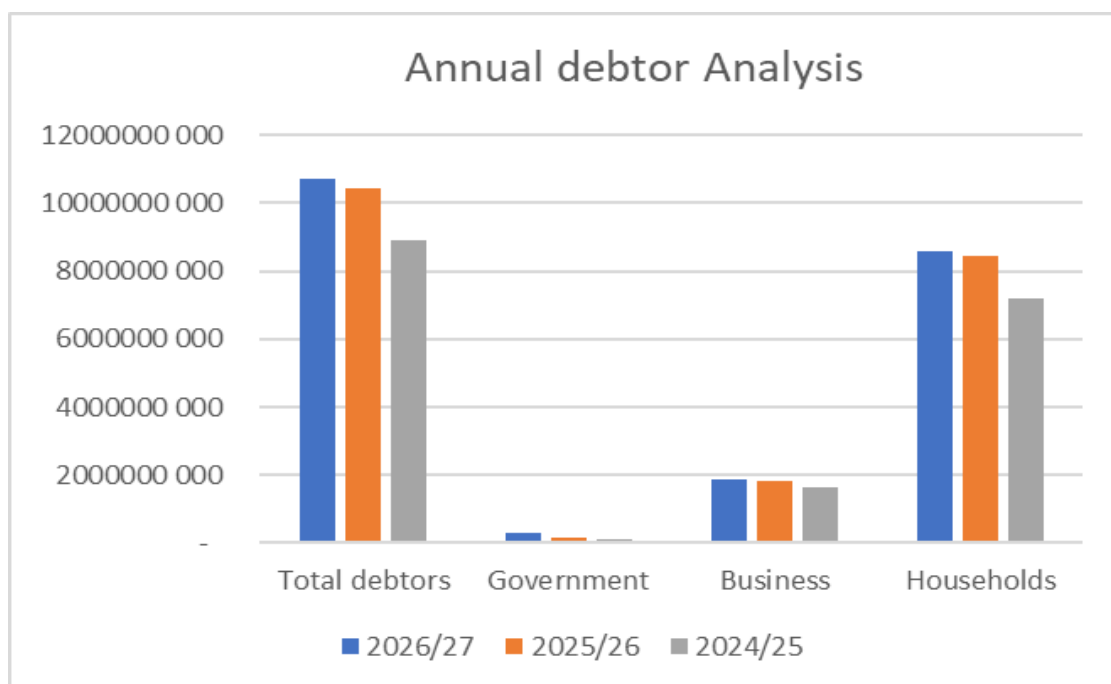
During the month, credit control action and debt collection action was implemented. Pre-termination notices were sent to all customers due for disconnection/blocking. This relates to residential and non-residential customers. Registered Indigent Debtors who are in arrears remain on the partial block 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 July 2026 amounts to R10.73 billion (2025/26 R9.25 billion). Households: R8.58 billion, Business: R1.87 billion and Government: R277.13 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 July 2026. It also provides comparison with the previous month (30 June 2026) which indicates an increase from 10.43 billion to R10.73 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR JULY 2026	TOTAL FOR JUNE 2026
CURRENT	340 178 249	76 513 722	257 206 859	136 812 662	48 072 208	21 976 631	880 760 330	716 849 716
30 DAYS	84 787 772	36 199 638	86 778 148	103 300 376	37 374 059	11 013 299	359 453 292	357 068 155
60 DAYS	70 722 799	28 342 508	66 826 488	95 242 864	31 956 105	9 811 836	302 902 600	303 394 691
90 DAYS	64 269 560	26 742 098	56 399 967	84 235 080	31 441 182	11 325 238	274 413 125	280 608 978
120 DAYS TO 360 DAYS	503 570 363	202 101 381	487 104 017	561 858 674	239 035 715	70 387 457	2 064 057 607	2 059 190 783
YEAR 1+	1 695 182 964	709 821 397	783 861 033	2 344 546 409	985 554 281	328 230 688	6 847 196 773	6 713 667 516
TOTAL	2 758 711 707	1 079 720 743	1 738 176 513	3 325 996 065	1 373 433 550	452 745 149	10 728 783 727	10 430 779 839

8.2.2. Age Analysis per Category

Table 13 below details debtors age analysis per category type as at 31 July 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	333 233 402	237 943 824	206 380 933	190 113 287	7 234 830 413	8 202 501 859	76
Indigent	33 978 126	26 873 869	27 629 483	26 049 433	240 559 888	355 090 799	3
Business	326 754 765	81 025 125	59 564 631	52 977 345	1 352 461 703	1 872 783 569	17
Government	183 285 951	11 553 999	8 335 982	4 380 226	69 570 809	277 126 967	3
Municipal Staff*	3 411 380	2 042 119	990 332	883 025	13 766 595	21 093 451	1
Councillors*	96 706	14 356	1 238	9 809	64 972	187 081	0
Total	880 760 330	359 453 292	302 902 600	274 413 125	8 911 254 380	10 728 783 727	100.00

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

During the month of July 2026, a total of **R3 022 690.36** was receipted against staff and councillors accounts. The amount was allocated as follows:

Current Billing Receipts	R 2 337 337.34
Arrear's Receipts	<u>R 685 353.02</u>
Total Receipts	<u>R 3 022 690.36</u>

8.2.3. Government Accounts

The total owed by Government Departments to Buffalo City Metropolitan Municipality as at 31 July 2026 amounted to R277,126,967 and this is an increase of R130,726,344 as compared to 30 June 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 July 2026.

Table 14: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	VALUE AS AT 31 JULY 2026	VALUE AS AT 31 MAY 2026	DIFFERENCE
National Department of Public Works	20 690 939	12 229 565	32 920 505	31 949 552	970 952
Provincial Department of Public Works	164 869 611	10 651 993	175 521 604	48 275 125	127 246 478
Department of Education	-	29 448 849	29 448 849	26 540 420	2 908 429
Department of Health	-	18 937 763	18 937 763	21 172 934	(2 235 171)
Department of Social Development	-	483 201	483 201	857 482	(374 281)
Department of Transport	-	126 975	126 975	94 536	32 439
Department of Agriculture	-	158 463	158 463	183 719	(25 257)
Department of Nature Conservation	-	335 663	335 663	335 502	161
Department of Human Settlements	-	5 054 190	5 054 190	4 799 825	254 366
Sport, Recreation, Arts and Culture	-	63 850	63 850	-	63 850
Department of Labour - UIF Services	-	792 657	792 657	54 839	737 818
Members of Provincial Legislature	-	269 880	269 880	285 356	(15 476)
Department of Water Affairs	-	-	-	95 209	(95 209)
Department of Rural Development and Land Reform	-	13 013 368	13 013 368	11 756 125	1 257 244
TOTAL	185 560 550	91 566 417	277 126 967	146 400 623	130 726 344

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 July 2026) is 40 days.

Table 15: SC4 Monthly Budget Statement Aged Creditors
 BUF Buffalo City - Supporting Table SC4 Monthly Budget Statement - aged creditors - M01 July

Description R thousands	NT Code	Budget Year 2026/27									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	406 408	-	-	-	-	-	-	-	406 408	319 693
Bulk Water	0200	33 619	-	-	-	-	-	-	-	33 619	27 365
PAYE deductions	0300	41 422	-	-	-	-	-	-	-	41 422	43 240
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	41 145	-	-	-	-	-	-	-	41 145	40 469
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	607 086	95	-	-	-	-	-	-	607 181	493 154
Auditor General	0800	1 314	-	-	-	-	-	-	-	1 314	381
Other	0900	34 854	-	-	-	-	-	-	-	34 854	271 825
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1 165 848	95	-	-	-	-	-	-	1 165 943	1 196 126

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

Table 16: Payments made to the 20 highest paid creditors – July 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	406 408 052				406 408 052
Creditor 2	33 619 051				33 619 051
Creditor 3	26 457 013	94 807			26 551 820
Creditor 4	24 179 548				24 179 548
Creditor 5	18 707 739				18 707 739
Creditor 6	17 105 670				17 105 670
Creditor 7	15 160 121				15 160 121
Creditor 8	14 418 328				14 418 328
Creditor 9	13 706 632				13 706 632
Creditor 10	13 367 587				13 367 587
Creditor 11	12 600 000				12 600 000
Creditor 12	12 081 270				12 081 270
Creditor 13	11 769 620				11 769 620
Creditor 14	10 267 886				10 267 886
Creditor 15	10 014 813				10 014 813
Creditor 16	9 761 790				9 761 790
Creditor 17	8 604 162				8 604 162
Creditor 18	8 311 070				8 311 070
Creditor 19	8 212 404				8 212 404
Creditor 20	6 623 103				6 623 103
TOTAL	681 375 859	94 807	-	-	681 470 665

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 - M01 July 2026

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Absa - 4094793455		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	154	-	144	-	10
Absa - 4094788949		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	4 154	-	-	-	4 154
Absa - 4094793968		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	268	-	-	-	268
First National Bank - 62938182285		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	57	-	-	-	57
Stanlib - 552200137		Call Account	Call Account	Yes	Variable	7,24	-		Call Account	16	-	-	-	16
Nedbank - 03/7881532939/000041		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 474	-	-	-	1 474
Nedbank - 03/7881532939/000108		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	127	-	-	-	127
Absa - 4094789157		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 260	-	-	-	1 260
Nedbank - 03/7881532939/000110		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	458	-	-	-	458
Absa - 4094790083		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 799	-	-	-	1 799
Stanlib - 552200133		Call Account	Call Account	Yes	Variable	7,24	-		Call Account	394	-	-	-	394
Stanlib - 700475605		Call Account	Call Account	Yes	Variable	7,24	-		Call Account	1	-	-	-	1
Nedbank - 03/7881532939/000128		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	13 179	-	13 000	-	179
First National Bank - 62938013572		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	3 726	-	-	-	3 726
Standard - 76586/442745		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	81 556	-	76 251	-	5 305
Absa - 4094790211		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	92 558	-	47 284	-	45 274
First National Bank - 62938181039		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	2 966	-	1 729	-	1 237
Stanlib - 552200140		Call Account	Call Account	Yes	Variable	7,24	-		Call Account	272	-	-	-	272
First National Bank - 62938179951		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	4	-	-	-	4
Nedbank - 03/7881532939/000133		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	6 469	-	-	-	6 469
Nedbank - 03/7881532939/000134		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	208	-	-	-	208

BUF Buffalo City - Supporting Table SC16 Monthly Budget Statement - investment portfolio - M01 July 2026

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
First National Bank - 62938190080		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	5 738	-	5 738	-	(0)
Standard - 76586/524914		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	22	-	-	-	22
Nedbank - 03/7881532939/000136		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	4	-	-	-	4
Nedbank - 03/7881532939/000144		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	728	-	-	-	728
Nedbank - 03/7881532939/000145		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	4 705	-	161	-	4 544
Standard - 76586/553472		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	790	-	-	-	790
Standard - 76586/553471		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	823	-	-	-	823
Absa - 4101937017		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	56 193	-	33 854	-	22 339
Standard - 76586/571767		Call Account	Call Account	Yes	Variable	7,24	-		Call Account	22 654	-	19 168	-	3 487
Stanlib - 552200136		Call Account	Call Account	Yes	Variable	7,24	-		Call Account	4 014	-	-	-	4 014
Stanlib - 700893064		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	2 513	-	-	-	2 513
Standard Bank - 76586/570901		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	12 586	-	-	-	12 586
Standard Bank - 76586/570902		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	4 577	-	-	-	4 577
First National Bank - 63074776891		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	157 593	-	-	-	157 593
Nedbank - 03/7881532939/000153		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	135 298	-	-	-	135 298
Absa - 4117284828		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	13 033	-	4 536	-	8 497
Nedbank - 03/7881532939/000154		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	5 004	-	4 816	-	188
Standard Bank - 76586/573578		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	33 107	-	17 995	-	15 112
First National Bank - 63170877775		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	35 517	-	35 000	-	517
Nedbank - 03/7881532939/000155		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	31 557	-	28 519	-	3 038
First National Bank - 63040210667		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	33 083	-	-	-	33 083
Stanlib - 552200130		Call Account	Call Account	Yes	Variable	7,24	-		Call Account	432	-	-	10 000	10 432
Stanlib - 552200132		Call Account	Call Account	Yes	Variable	7,24	-		Call Account	17	-	-	-	17
Standard - 76586/442736		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 313	-	-	65 000	66 313
Stanlib - 552200131		Call Account	Call Account	Yes	Variable	7,24	-		Call Account	18 269	-	-	45 000	63 269
First National Bank - 62938189471		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	1 010	-	-	61 000	62 010
Nedbank - 03/7881532939/000101		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	879	-	-	104 000	104 879
Absa - 4094793536		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	20 291	-	-	115 000	135 291
Absa - 4094789872		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	530	-	-	-	530
Standard - 76586/442741		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	216	-	-	-	216
Standard - 76586/442744		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 275	-	-	-	1 275
First National Bank - 62938188887		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	86	-	-	-	86
Nedbank - 03/7881532939/000129		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 132	-	-	-	1 132
Standard - 76586/442738		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	0	-	-	-	0
Municipality sub-total										816 089	-	288 196	400 000	927 893
Entities														
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									816 089	-	288 196	400 000	927 893

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 - M01 July

Description		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											
RECEIPTS		1, 2									
Operating											
National Government											
Monetary Allocations									-		
Equitable Share			1 296 018	1 363 341	1 363 341	568 059	568 059	568 059	-		1 363 341
Energy Efficiency And Demand Side Management Grant			-	-	-	-	-	-	-		-
Expanded Public Works Programme Integrated Grant			2 434	4 024	4 024	-	-	-	-		4 024
Infrastructure Skills Development Grant			8 800	9 300	9 300	-	-	-	-		9 300
Local Government Financial Management Grant			1 000	1 200	1 200	-	-	-	-		1 200
Metro Informal Settlements Partnership Grant			23 992	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			18 170	-	-	-	-	-	-		-
Urban Settlement Development Grant			55 125	34 662	34 662	-	-	-	-		34 662
Total Monetary Allocations			1 444 039	1 490 869	1 490 869	568 059	568 059	568 059	-		1 490 869
Total Operating/National Government			1 444 039	1 490 869	1 490 869	568 059	568 059	568 059	-		1 490 869
Provincial Government									-		
Monetary Allocations									-		
Deat			-	-	-	-	-	-	-		-
Dsrac			-	-	-	-	-	-	-		-
Friends Of Zoo (Felzoo)			-	-	-	-	-	-	-		-
Gompo & Mdants Art			-	-	-	-	-	-	-		-
Gompo Surv (Dvri)			-	-	-	-	-	-	-		-
Hsdg			-	-	-	-	-	-	-		-
Ikhwezi Block / Dev			-	-	-	-	-	-	-		-
Infrastructure Grant			-	117 898	117 898	-	-	-	-		117 898
Kwt: Grants Gov			-	-	-	-	-	-	-		-
Mdants Upgr Md Asses Study			-	-	-	-	-	-	-		-
Mdants Urban Renew			-	-	-	-	-	-	-		-
Needscamp Planning			-	57 349	57 349	-	-	-	-		57 349
Pilot Housing Proj			-	-	-	-	-	-	-		-
Reeston Dev-Land Aff			-	-	-	-	-	-	-		-
Transitional Grant			-	-	-	-	-	-	-		-
Total Monetary Allocations			-	175 247	175 247	-	-	-	-		175 247
Total Operating/Provincial Government			-	175 247	175 247	-	-	-	-		175 247
Other Grant Providers									-		
Monetary Allocations									-		
Eastern Cape Arts Council			17 883	3 000	3 000	-	-	-	-		3 000
European Union			-	-	-	-	-	-	-		-
Institutional Support (Housing)			-	-	-	-	-	-	-		-
Local Government Water And Related Service Seta			-	-	-	-	-	-	-		-
Peoples Housing Process (Housing)			-	-	-	-	-	-	-		-
Umsombomvu Fund			-	-	-	-	-	-	-		-
Unsp. City Of Leiden			-	-	-	-	-	-	-		-
Unsp. City Of Oldenburg			2 599	-	-	1 171	1 171	1 171	-		-
Unsp. Glasgow Partnshp			-	-	-	-	-	-	-		-
Unsp. Salaida/Galve			-	-	-	-	-	-	-		-
Total Monetary Allocations			20 482	3 000	3 000	1 171	1 171	1 171	-		3 000
Total Operating/Other Grant Providers			20 482	3 000	3 000	1 171	1 171	1 171	-		3 000
Total Operating		5	1 464 521	1 669 116	1 669 116	569 230	569 230	569 230			1 669 116
Capital											
National Government											
Monetary Allocations											
Energy Efficiency and Demand Side Management Grant			-	-	-	-	-	-	-		-
Public Transport Network Grant			-	-	-	-	-	-	-		-
Neighbourhood Development Partnership Grant			-	31 185	31 185	-	-	-	-		31 185
Urban Development Financing Grant			164 428	494 541	494 541	-	-	-	-		494 541
Integrated City Development Grant			-	-	-	-	-	-	-		-
Municipal Disaster Relief Grant			-	-	-	-	-	-	-		-
Local Government Financial Management Grant			-	-	-	-	-	-	-		-
Urban Settlement Development Grant			496 292	162 735	162 735	-	-	-	-		162 735
Rural Road Asset Management Systems Grant			-	-	-	-	-	-	-		-
Metro Informal Settlements Partnership Grant			275 871	282 601	282 601	-	-	-	-		282 601
Infrastructure Skills Development Grant			200	200	200	-	-	-	-		200
Integrated National Electrification Programme Grant			-	-	-	-	-	-	-		-
Municipal Disaster Recovery Grant			-	700	700	-	-	-	-		700
Total Monetary Allocations			936 791	971 963	971 963	-	-	-	-		971 963
Total Capital/National Government			936 791	971 963	971 963	-	-	-	-		971 963
Other Grant Providers											
Monetary Allocations											
Parent Municipality			-	1 634	1 634	-	-	-	-		1 634
Unspecified			-	-	-	-	-	-	-		-
Total Monetary Allocations			-	1 634	1 634	-	-	-	-		1 634
Total Capital/Other Grant Providers			-	1 634	1 634	-	-	-	-		1 634
Total Capital		5	936 791	973 597	973 597	-	-	-	-		973 597
TOTAL RECEIPTS OF TRANSFERS AND GRANTS			2 401 312	2 642 713	2 642 713	569 230	569 230	569 230			2 642 713

11.1. Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 0% (R3,69 million, inclusive of reclaimed vat) of its 2026/27 conditional grants approved adjusted budget of R1.12 billion as at 31 July 2026. This expenditure reflects the same trend when compared to the same period in the previous financial year where 0% (R4.06 million, inclusive of reclaimed vat) of conditional grants budget of R925.04 was spent.

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	42 722	1 157 278	4%
Infrastructure Skills Development Grant	9 500 000	265 704	9 234 296	3%
Urban Settlement Development Grant	197 397 001	1 891 366	195 505 635	1%
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	753 636	297 347 365	0%
Expanded Public Works Programme Grant	4 024 000	731 745	3 292 255	18%
Programme and Project Preparation Support Grant (PPPSG)	10 971 000	0	10 971 000	0%
Urban Development Financing Grant	546 413 000	0	546 413 000	0%
TOTAL	1 121 291 002	3 685 174	1 117 605 829	0%

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)

Five (5) interns and two (2) mentors have been newly appointed and were meant to start on the 1st of July 2026. Due to a delay in the recruitment process the appointees only commenced with their duties on the 1st of August 2026. This resulted in lower expenditure for July 2026 than what was originally planned. Expenditure will improve from the month of August with the stipends and salaries of the interns and mentors. There'll also be a workshop at the end of August for town planning and GIS delegates, which will further increase expenditure.

11.1.3. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

BCMM has spent 1% (R1.89 million, inclusive of reclaimed vat) of its 2026/2027 USDG adjusted budget of R197.39 million as at 31 July 2026. Low expenditure can be attributed to the slow start of the financial year as Directorates are busy with preparation of schedule of work in the first month of the financial year.

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 0% (R0.75 million, inclusive of reclaimed vat) of its 2026/2027 ISUPG budget of R298.10 million as at 31 July 2026. Low expenditure can be attributed to the slow start of the financial year as Directorates are busy with preparation of schedule of work in the first month of the financial year.

11.1.6. PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT (PPPSG)

Low expenditure can be attributed to the slow start of the financial year as Directorates are busy with preparation of schedule of work in the first month of the financial year.

11.1.7. METRO TRADING SERVICES

Low expenditure is a result of delays caused by the changes in supply chain management for the capturing of orders and invoices. SCM staff have been allocated to assist departments with the capturing of orders. Expenditure will increase going forward.

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 26.31%. 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 - M01 July

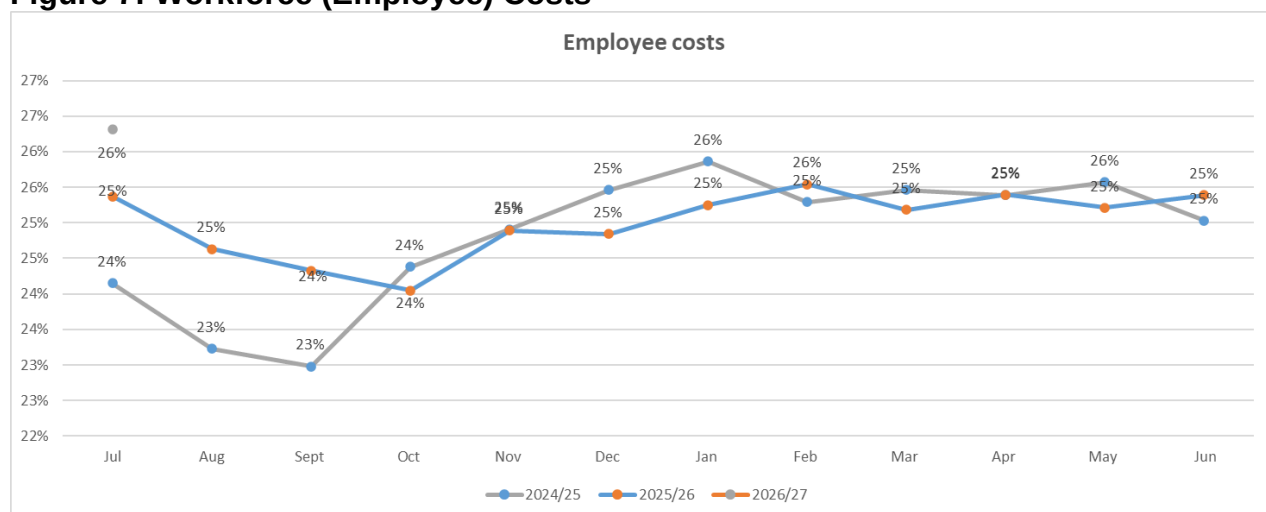
Summary of Employee and Councillor remuneration		Ref	2025/26 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Budget Year 2026/27				
R thousands						YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
		1	A	B	C					D	
Councillors (Political Office Bearers plus Other)											
Allowances and Service Related Benefits											
Basic Salary			42 485	51 989	51 989	3 622	3 622	3 743	(122)	-3%	51 989
Cell phone Allowance			4 272	5 180	5 180	345	345	373	(28)	-7%	5 180
Housing Allowance			15 625	2 974	2 974	1 323	1 323	214	1 109	518%	2 974
In-kind Benefits									-		
Market Related Non-pensionable Allowance									-		
Motor Vehicle Allowance									-		
Office-bearer Allowance									-		
Out of pocket Expenses									-		
Travelling Allowance			6 404	17 606	17 606	502	502	1 268	(765)	-60%	17 606
Use of Personal Facilities									-		
Total Allowances and Service Related Benefits			68 787	77 750	77 750	5 793	5 793	5 598	195	3%	77 750
Social Contributions											
Medial Aid Benefits			1 974	2 511	2 511	174	174	181	(7)	-4%	2 511
Pension Fund Contributions			4 690	5 192	5 192	410	410	374	37	10%	5 192
Total Social Contributions			6 664	7 703	7 703	584	584	555	30	5%	7 703
Total Councillors			75 451	85 453	85 453	6 377	6 377	6 153	224	4%	85 453
% increase		4									
Senior Managers of the Municipality		2									
Salaries and Allowances											
Basic Salary			19 198	20 096	20 096	1 471	1 471	1 616	(144)	-9%	20 096
Bonuses			-	103	103	-	-	8	(8)	-100%	103
Allowance											
Accommodation, Travel and Incidental			0	1	1	1	1	0	0	677%	1
Cellular and Telephone		3	315	892	892	24	24	72	(48)	-66%	892
Housing Benefits		3	4 444	4 064	4 064	330	330	327	3	1%	4 064
Non-pensionable			-	-	-	-	-	-	-		-
Travel or Motor Vehicle		3	4 088	4 288	4 288	304	304	345	(41)	-12%	4 288
Voluntary Work			-	-	-	-	-	-	-		-
Total Allowance			8 847	9 246	9 246	658	658	743	(85)	-11%	9 246
Total Salaries and Allowances			28 045	29 445	29 445	2 129	2 129	2 367	(238)	-10%	29 445
Social Contributions											
Bargaining Council			2	2	2	0	0	0	(0)	-8%	2
Group Life Insurance			163	170	170	12	12	14	(2)	-11%	170
Medical			620	652	652	51	51	52	(2)	-4%	652
Pension			3 455	3 610	3 610	264	264	290	(26)	-9%	3 610
Unemployment Insurance			26	27	27	2	2	2	(0)	-9%	27
Total Social Contributions			4 265	4 461	4 461	329	329	359	(30)	-8%	4 461
Sub Total - Senior Managers of Municipality			32 309	33 905	33 905	2 458	2 458	2 726	(268)	-10%	33 905

BUF Buffalo City - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M01 July

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												
Bonuses												
Allowance												
Accommodation, Travel and Incidental												
Cellular and Telephone												
Housing Benefits												
Non-pensionable												
Travel or Motor Vehicle												
Voluntary Work												
Total Allowance												
Service Related Benefits												
Acting												
Bonus												
Danger Allowance												
Entertainment												
Fire Brigade												
In-kind Benefits												
Leave Pay												
Lifeguard/Duty Squads												
Long Service Award												
Overtime												
Scarcity												
Standby Allowance												
Tools Allowance												
Uniform/Special/Protective Clothing												
Leave gratuity												
Long Term Service Award												
Total Service Related Benefits												
Total Salaries and Allowances												
Social Contributions												
Bargaining Council												
Group Life Insurance												
Medical												
Pension												
Unemployment Insurance												
Total Social Contributions												
Post-retirement Benefit												
Medical												
Other Benefits												
Pension												
Total Post-retirement Benefit												
Costs Capitalised to PPE												
Sub Total - Other Municipal Staff												
% increase												
Total Parent Municipality												
Board Members of Entities												
Salaries and Allowances												
Basic Salary												
Bonuses												
Allowance												
Accommodation, Travel and Incidental												
Cellular and Telephone												
Housing Benefits												
Non-pensionable												
Travel or Motor Vehicle												
Voluntary Work												
Total Allowance												
Total Salaries and Allowances												
Sub Total - Board Members of Entities												
% increase												
Senior Managers of Entities												
Salaries and Allowances												
Basic Salary												
Bonuses												
Allowance												
Accommodation, Travel and Incidental												
Cellular and Telephone												
Housing Benefits												
Non-pensionable												
Travel or Motor Vehicle												
Voluntary Work												
Total Allowance												
Total Service Related Benefits												
Total Salaries and Allowances												
Social Contributions												
Bargaining Council												
Group Life Insurance												
Medical												
Pension												
Unemployment Insurance												
Total Social Contributions												
Sub Total - Senior Managers of Entities												
% increase												
Other Staff of Entities												
Salaries and Allowances												
Basic Salary												
Bonuses												
Allowance												
Accommodation, Travel and Incidental												
Cellular and Telephone												
Housing Benefits												
Non-pensionable												
Travel or Motor Vehicle												
Voluntary Work												
Total Allowance												
Total Salaries and Allowances												
Social Contributions												
Bargaining Council												
Group Life Insurance												
Medical												
Pension												
Unemployment Insurance												
Total Social Contributions												
Sub Total - Other Staff of Entities												
% increase												
Total Municipal Entities												
TOTAL SALARY, ALLOWANCES & BENEFITS												
% increase												
TOTAL MANAGERS AND STAFF												

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

Table 21: Overtime per Directorate

Directorate Overtime	2025/2026 Annual Budget R	2025/2026 YTD Budget R	2025/2026 YTD Expenditure R	2025/2026 YTD Variance R	2025/2026 % of YTD Budget %
Directorate of Executive Support Services	7 645 824	621 429	658 206	(36 777)	106%
Directorate of The City Manager	622 880	50 626	77 188	(26 563)	152%
Directorate of Corporate Services	752 274	61 143	38 211	22 931	62%
Directorate of Spatial Planning & Development	148 108	12 038	48 479	(36 441)	403%
Directorate of Economic Development & Agencies	830 728	67 519	96 841	(29 322)	143%
Directorate of Finance	37 729 416	3 066 532	651 455	2 415 078	21%
Directorate of Public Safety & Emergency Services	55 961 168	4 548 354	4 852 698	(304 344)	107%
Directorate Of Electricity and Energy	20 682 585	1 681 018	1 942 071	0	0%
Directorate of Infrastructure Services	2 395 888	194 730	326 388	(131 658)	168%
Directorate Of Water and Sanitation	31 622 307	2 570 165	4 131 726	0	0%
Directorate of Solid Waste & Environmental Management	12 488 851	1 015 056	1 203 674	(188 619)	119%
Directorate Of Health & Environmental Management	1 688 766	137 258	146 890	0	0%
Directorate of Sport, Recreation & Community Development	18 258 771	1 484 017	1 715 978	(231 961)	116%
Total	190 827 566	15 509 884	15 889 806	(379 921)	102%

The total overtime payment for the months of May 2026, June 2026 and July 2026 is reflected below. There was a decrease in the total payment of overtime between May 2026 and June 2026 of R604 077, and a decrease in the total payment of overtime between June 2026 and July 2026 of R1 174 970.

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

	May Amount	June Amount	July Amount
DIRECTORATE EXECUTIVE SUPPORT SERVICES			
OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	-	14,132.69	10,278.32
COMM/MARKETING /INTERNAT & INTERGOV REL	-	1,974.50	-
INTERNATIONAL & INTERGOVERNMENTAL RELAT	-	2,386.80	-
IDP & BUDGET INTEGRATION	35,175.63	30,726.92	25,571.21
POLITICAL OFFICE ADMINISTRATION	5,109.73	-	-
OFFICE OF THE CHIEF WHIP	45,667.92	108,293.87	105,454.06
OFFICE OF THE DEPUTY EXECUTIVE MAYOR	7,437.95	8,852.77	9,424.92
OFFICE OF THE EXECUTIVE MAYOR	233,020.90	247,454.95	219,990.99
OFFICE OF THE SPEAKER	260,759.53	288,182.77	267,682.37
	587,171.66	702,005.27	638,401.87
DIRECTORATE OF THE CITY MANAGER			
OFFICE OF THE CITY MANAGER	32,610.76	38,132.57	42,627.41
LEGAL SERVICES & MUNICIPAL COURT	-	-	33,512.77
	32,610.76	38,132.57	76,140.18
DIRECTORATE OF CORPORATE SERVICES			
ADMINISTRATIVE & CORPORATE SUPPORT	24,194.18	34,152.95	3,076.81
AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	36,272.94	47,794.50	7,066.16
INFORMATION / TECHNOLOGY & SUPPORT	20,177.33	34,006.76	25,632.88
ORGANISATIONAL DEVELOPMENT	1,957.20	-	1,957.20
	82,601.65	115,954.21	37,733.05
DIRECTORATE OF SPATIAL PLANNING & DEVELOPMENT			
BUILDING MAINTENANCE	-	-	36,661.54
INTEGRATED PUBLIC TRANSPORT NETWORK OPERATIONS	-	245.74	-
TRAFFIC MANAGEMENT & SAFETY	-	11,327.04	2,119.68
	-	11,572.78	38,781.22

	May Amount	June Amount	July Amount
DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES			
FRESH PRODUCE MARKET	29,278.63	30,639.39	36,311.43
TOURISM / ARTS / CULTURE & HERITAGE	8,714.20	1,736.80	10,252.00
TRADE / INDUSTRY & RURAL AGRARIAN	-	-	2,544.00
	37,992.83	32,376.19	49,107.43
DIRECTORATE OF FINANCE			
BUDGET & TREASURY MANAGEMENT	16,006.32	21,378.30	5,378.94
CORPORATE ASSET MANAGEMENT	11,593.40	-	11,593.40
PAYROLL & BENEFITS	-	1,552.80	-
VAT/LEASES & PAYMENTS	19,795.77	4,880.40	61,048.12
ACCOUNTS MANAGEMENT & REVENUE CONTROL	11,463.55	15,180.94	6,403.32
COASTAL REVENUE MANAGEMENT	199,438.94	110,300.05	34,337.16
CUSTOMER RELATIONS (CALL CENTRE)	276 278.07	277 042.41	273 518.50
INLAND REVENUE MANAGEMENT	71,136.76	2,523.52	3,360.00
MIDLAND REVENUE MANAGEMENT	17,386.32	38,273.90	-
STRATEGY & OPERATIONS	24,915.24	21,461.72	36,158.08
SUPPLY CHAIN MANAGEMENT	124,695.56	-	162,903.69
	772,709.93	492,594.04	594,701.21
DIRECTORATE OF PUBLIC SAFETY & EMERGENCY SERVICES			
DISASTER MANAGEMENT	5,934.39	10,391.37	10,498.69
FIRE & RESCUE	1,372,219.90	1,021,938.62	626,620.73
LAW ENFORCEMENT SERVICES	2,281,561.29	2,370,516.47	751,007.00
TRAFFIC SERVICES	579,049.39	562,224.32	496,299.05
SECURITY SERV & VIP PROTECTION	-	-	1,251,285.30
	4,238,764.97	3,965,070.78	3,135,710.77
DIRECTORATE OF INFRASTRUCTURE SERVICES			
OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	71,407.48	75,517.42	57,902.27
ELECTRICAL & ENERGY SERVICES	3,417.42	3,479.00	3,694.50
CUSTOMER SERVICES & REVENUE PROTECTION	202,529.50	189,278.26	210,760.60
ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	1,782.45	1,992.15	1,992.15
ELECTRICAL DISTRIBUTION	1,619,298.08	1,650,715.43	1,663,686.79
ROADS / PIU & CONSTRUCTION	-		1,370.82
CONSTRUCTION	19,065.41	19,770.98	26,788.06
ROADS	151407.07	136568.39	108628.21
SANITATION	1,653,183.37	1,629,625.27	1,492,416.58
SCIENTIFIC SERVICES	20,343.48	20,487.76	25,742.44

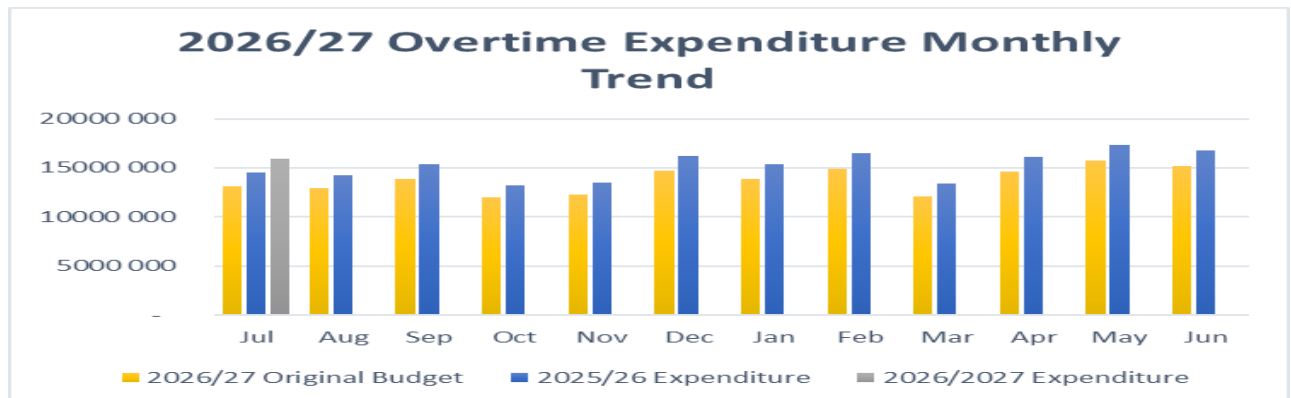
	May Amount	June Amount	July Amount
WATER SERVICES	1,155,066.41	991,177.90	1,147,479.11
UMZONYANA WATER TREATMENT WORKS	154,449.60	131,228.61	113,748.75
KWT WATER TREATMENT WORKS	111,062.78	88,424.56	85,067.42
MDANTSANE BULK PUMPING	83,335.92	56,327.04	43,932.66
WATER OPERATION & MAINT (INLAND)	450,180.92	566,093.72	434,592.67
WATER OPERATION & MAINT (MIDLAND)	399,017.76	387,508.12	406,208.24
FLEET SERVICES & PLANT	12,998.23	15,264.95	12,785.73
WORKSHOPS	53,988.14	0.00	102,696.95
	5 577 535.73	6 202 796.60	5 987 713.06
DIRECTORATE OF SOLID WASTE, ENVIRONMENTAL & HEALTH MANAGEMENT			
LANDFILLS & TRANSFER STATIONS	393,366.94	420,158.04	317,634.79
WASTE REMOVAL & CLEANSING (COASTAL)	306,512.49	215,924.56	183,777.67
WASTE REMOVAL & CLEANSING (MIDLAND)	291,977.14	284,234.23	256,697.14
LANDFILL & TRANSFER STATIONS	109,296.90	115,499.30	107,078.55
ENVIROMENTAL PLANNING (IEMP)	-	18,249.60	13,369.04
COASTAL BEACHES & NATURE MANAGEMENT	77,789.07	48,436.66	43,352.29
GRASS CUTTING & VEGETATION CONTROL	62,268.15	125,806.14	61,049.68
	1,241,210.69	1,228,308.53	982,959.16
DIRECTORATE OF SPORT, RECREATION & COMMUNITY DEVELOPMENT			
OFFICE OF THE DIRECTOR OF SPORT ,RECREATION & COMMUNITY DEVELOPMENT	2,298.80	4,597.60	5,254.40
GM OFFICE	48,655.40	70,861.19	59,206.63
LIBRARIES	44,662.44	42,949.03	63,477.74
HALLS	265,329.14	283,528.44	306,722.30
ZOO & AQUARIUM	169,948.76	174,903.20	161,335.40
PARKS (COASTAL)	5,327.28	6,571.15	-
CEMETERIES (COASTAL)	151,141.35	172,620.20	137,270.55
PARKS (MIDLAND)	3,952.63	8,530.41	9,112.24
CEMETERIES (MIDLAND)	175,075.10	142,314.43	130,087.85
PARKS (INLAND)	129,270.24	222,323.17	160,212.75
CEMETERIES (INLAND)	93,485.17	23,286.45	149,154.50
GM OFFICE	5380.48	3699.08	4707.92
FACILITIES	145,237.09	117,771.47	99,541.71
SWIMMING POOLS	493,395.60	459,873.06	364,369.56
RESORTS MANAGEMENT	69,142.28	86,527.15	49,600.26
	1,802,301.76	1,820,356.03	1,700,053.81
TOTAL OVERTIME	14,998,160.85	14,394,083.46	13,219,113.29

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

The department hosted the Alfred Mtsi Games as well as the gala dinner. Overtime was also incurred in the deep cleaning that took place at the City Hall.

b) Directorate of The City Manager

The Internal Audit department were present in the stock taking that took place at Supply Chain towards the end of the financial year.

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 Infrastructure Services

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

g) Directorate of Solid Waste & Environmental Management

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.

h) 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 April 2026, May 2026 and June 2026. There was an increase in the total payment between May 2026 and June 2026 of R62 228 and a decrease in the total payment between May 2026 and June 2026 of R66 598.

Table 23: Standby & Shift Allowance per Directorate

	May Amount	June Amount	July Amount
Directorate of Executive Support Services	21 319	23 473	13 563
Directorate of the City Manager	393	673	1 048
Directorate of Corporate Services	10 168	10 374	8 832
Directorate of Development & Spatial Planning	6 866	19 301	10 740
Directorate of Economic Development & Agencies	2 669	3 039	3 106
Directorate of Finance	22 158	24 977	24 546
Directorate of Health/Public Safety & Emergency Services	954 570	1 050 043	989 783
Directorate of Infrastructure Services	1 101 925	1 047 837	1 082 599
Directorate of Solid Waste, Environmental & Health	445 754	446 802	425 388
Directorate of Sport, Recreation & Community Development	31 591	33 124	33 440
TOTAL	2 597 415	2 659 643	2 593 045

12.4. Cost of Temporary Staff

Table 24 below reflects the total payment of Temporary Staff for the months of May 2026, June 2026 and July 2026. There was an increase in the total payment between May 2026 and June 2026 of R51 329 and a increase in the total payment between May 2026 and June 2026 of R800 519.

Table 24: Temporary Staff per Directorate

	May Amount	June Amount	July Amount
Directorate of Executive Support Services	2 551 100	2 670 745	2 684 181
Directorate of the City Manager	186 308	285 344	293 674
Directorate of Corporate Services	1 266 898	1 388 551	1 497 144
Directorate of Development & Spatial Planning	72 645	123 341	103 877
Directorate of Finance	1 217 499	882 883	1 101 256
Directorate of Health/Public Safety & Emergency Services	68 401	68 401	72 995
Directorate of Infrastructure Services	877 610	814 542	816 113
Directorate of Solid Waste, Environment & Health Man	501 181	634 823	1 075 045
Directorate of Sport, recreation & Community Development	166 850	91 191	116 094
TOTAL	6 908 492	6 959 821	7 760 340

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year-to-date budget of R6.15 million less the year-to-date expenditure of R6.38 million which leaves a variance of -R0.22 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	4 116 189	3 966 932	149 257	3,63
Housing Allowance	2 974 137	214 138	1 323 160	(1 109 022)	-517,90
Medical Aid Allowance	2 511 349	180 818	174 036	6 782	3,75
Pension Allowance	5 191 904	373 818	410 358	(36 540)	-9,77
Travel Allowance	17 606 324	1 267 658	502 480	765 179	60,36
Total	85 452 857	6 152 621	6 376 966	(224 345)	-3,65

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R2.01 million (3%) of its 2026/2027 approved operating budget of R66.29 million. A detailed analysis of the entity's performance for month ended 31 July 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) - M01 July

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	-	-	290	(290)	-100,0%	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)	(30)	2 828	(2 858)	-101,1%	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	4 350	12 225	(7 876)	-64,4%	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	4 320	4 320	15 344	(11 024)	-71,8%	66 293
Expenditure By Type										
Employee related costs		31 652	33 942	33 942	82	82	2 729	(2 647)	-97,0%	33 942
Remuneration of board members								-		
Bulk purchases - electricity								-		
Inventory consumed		208	641	641	(4)	(4)	42	(46)	-109,6%	641
Debt impairment								-		
Depreciation, amortisation and impairment		383	565	565	-	-	57	(57)	-100,0%	565
Finance charges		-	-	-	-	-	-	-		-
Contracted services		16 419	19 056	19 056	1 821	1 821	269	1 553	577,8%	19 056
Transfers and subsidies		-	-	-	-	-	-	-		-
Irrecoverable debts written off		-	-	-	-	-	-	-		-
Operational costs		5 506	12 088	12 088	106	106	649	(544)	-83,7%	12 088
Disposal of Fixed and Intangible Assets		-	-	-	8	8	-	8		-
Other Losses		-	-	-	-	-	-	-		-
Total Expenditure	3	54 169	66 293	66 293	2 013	2 013	3 745	(1 732)	-46,2%	66 293
Surplus/(Deficit)		(39 914)	-	-	2 307	2 307	11 599	(9 292)	-80,1%	-
Transfers and subsidies - capital (monetary allocations)		-	700	700	-	-	217	(217)	-100,0%	700
Transfers and subsidies - capital (in-kind)								-		
Surplus/(Deficit) before taxation		(39 914)	700	700	2 307	2 307	11 816	(9 510)	-80,5%	700
Income Tax		-	-	-	-	-	-	-		-
Surplus/(Deficit) for the year		(39 914)	700	700	2 307	2 307	11 816	(9 510)		700

14. CAPITAL PROGRAMME PERFORMANCE

The Metro has spent 0% (R0 million inclusive of reclaimed vat) of its 2026/27 approved capital budget of R1.40 billion as at 31 July 2026. This reflects the same trend when compared to the same period in the previous financial year where 0% (R0 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.16 billion was spent.

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	426 172 561	7 800	426 164 761	0%
Urban Settlement Development Grant	162 735 091	0	162 735 091	0%
Informal Settlements Upgrading Partnership Grant	282 601 002	0	282 601 002	0%
Neighbourhood Development Partnership Grant	31 185 000	0	31 185 000	0%
Infrastructure Skills Development Grant	200 000	0	200 000	0%
Urban Development Financing Grant	494 541 490	0	494 541 490	0%
TOTAL GRANTS	971 262 583	0	971 262 583	0%
TOTAL CAPITAL BUDGET	1 397 435 144	7 800	1 397 427 344	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	62 672 049	0	62 672 049	0%
Executive and council	14 300 000	0	14 300 000	0%
Finance and administration	48 372 049	0	48 372 049	0%
Community and public safety	375 335 803	0	375 335 803	0%
Community and social services	37 818 383	0	37 818 383	0%
Sport and recreation	82 112 000	0	82 112 000	0%
Public safety	22 035 693	0	22 035 693	0%
Human settlements	227 769 728	0	227 769 728	0%
Health	5 600 000	0	5 600 000	0%
Economic and environmental services	209 851 433	0	209 851 433	0%
Planning and development	58 441 868	0	58 441 868	0%
Road transport	151 409 565	0	151 409 565	0%
Trading services	701 467 858	7 800	701 460 058	0%
Energy sources	175 223 999	0	175 223 999	0%
Water management	259 113 518	0	259 113 518	0%
Waste water management	172 897 151	0	172 897 151	0%
Waste management	94 233 190	7 800	94 225 390	0%
Other - LED	48 108 000	0	48 108 000	0%
TOTAL - PER FUNCTION	1 397 435 144	7 800	1 397 427 344	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	11 800 000	0	11 800 000	0%
Corporate Services	20 150 000	0	20 150 000	0%
Spatial Planning & Development	63 563 917	0	63 563 917	0%
Economic Development & Agencies	48 108 000	0	48 108 000	0%
Finance Services	9 400 000	0	9 400 000	0%
Public Safety & Emergency Services	44 335 693	0	44 335 693	0%
Human Settlements	227 769 728	0	227 769 728	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	432 010 669	0	432 010 669	0%
Sports & Recreation	87 518 383	0	87 518 383	0%
Solid Waste Trading Service	86 183 190	0	86 183 190	0%
Health & Environmental Management	23 762 000	7 800	23 754 200	0%
TOTAL DIRECTORATES	1 388 735 144	7 800	1 388 727 344	0%
BCMDA Projects	700 000	0	700 000	0%
Asset Replacements	8 000 000	0	8 000 000	0%
TOTAL CONSOLIDATED CAPITAL PER DIRECTORATE	1 397 435 144	7 800	1 397 427 344	0%

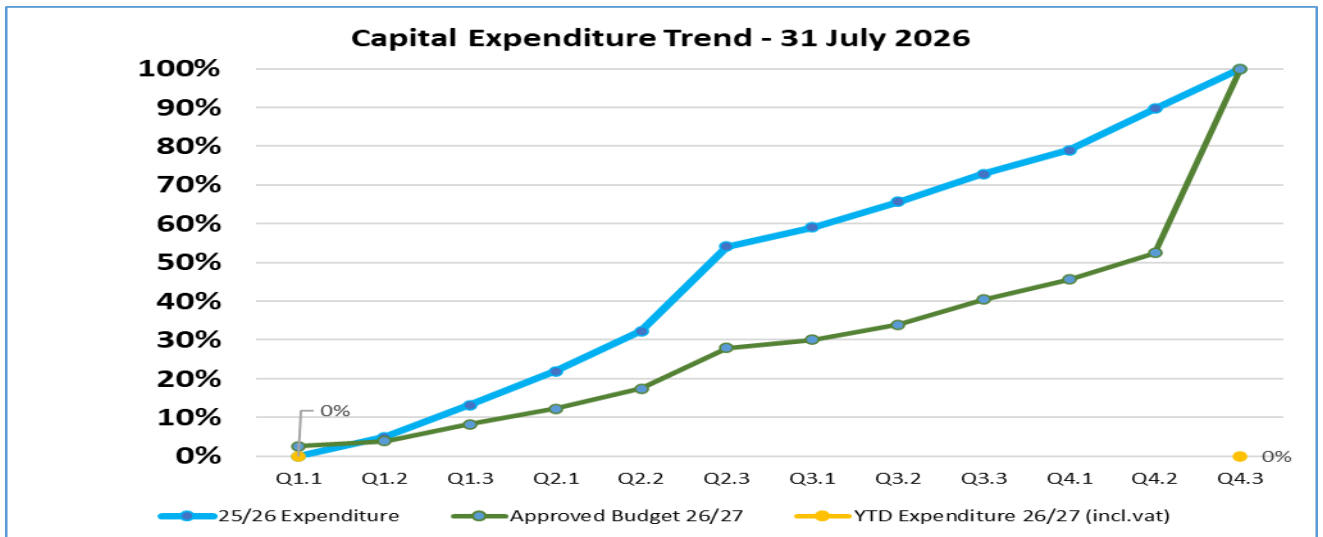
The capital programme performance by month is tabulated in table 30 below (exclusive of Vat).

Table 30: SC12 Monthly Budget Statement – capital expenditure trend

BUF Buffalo City - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M01 July									
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	111,158	111,158	—	—	218,344	218,344	100.0%	0%
September	73,203	115,129	115,129	—	—	333,473	333,473	100.0%	0%
October	83,338	119,101	119,101	—	—	452,574	452,574	100.0%	0%
November	92,766	123,072	123,072	—	—	575,646	575,646	100.0%	0%
December	198,084	107,186	107,186	—	—	682,832	682,832	100.0%	0%
January	43,420	111,158	111,158	—	—	793,990	793,990	100.0%	0%
February	58,389	115,129	115,129	—	—	909,119	909,119	100.0%	0%
March	65,260	119,101	119,101	—	—	1,028,220	1,028,220	100.0%	0%
April	49,267	123,072	123,072	—	—	1,151,292	1,151,292	100.0%	—
May	91,652	127,044	127,044	—	—	1,278,335	1,278,335	100.0%	—
June	373,028	119,100	119,100	—	—	1,397,435	1,397,435	100.0%	—
Total Capital expenditure	1,174,114	1,397,435	1,397,435	8					

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 3% (R14.59 million, inclusive of reclaimed vat) of its 2025/26 adjusted operating projects budget of R526.68 million as at 31 July 2026. This reflects an improvement when compared to the same period in the previous financial year where 1% (R5.86 million, inclusive of reclaimed vat) of the approved operating projects budget of R561.28 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

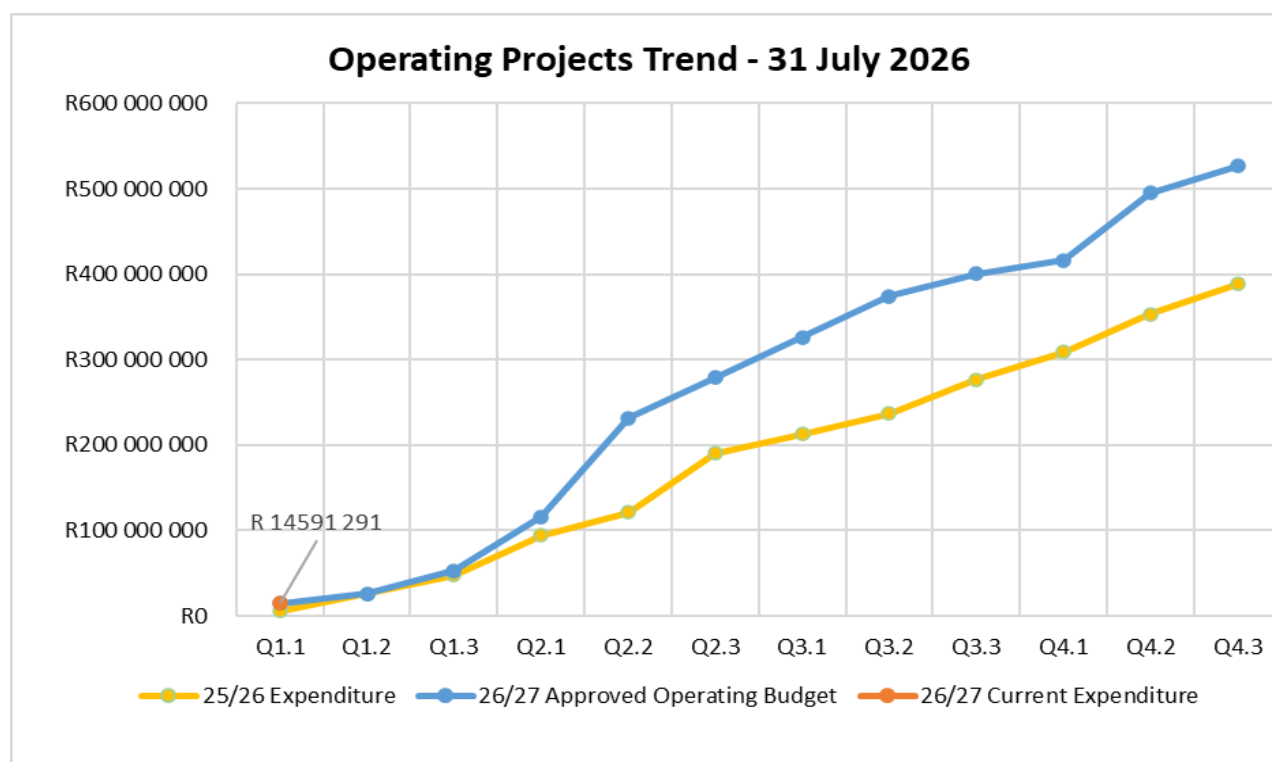
Directorate	2026/2027 Adjusted Budget	YTD Expenditure (incl. vat)	Variance (incl. VAT)	% Expenditure (incl. vat)
executive Support Services	31 000 000	0	31 000 000	0%
city Manager's Office	36 542 032	2 768 937	33 773 095	8%
corporate Services	20 800 000	265 704	20 534 296	1%
spatial Planning & Development	4 200 000	0	4 200 000	0%
economic Development & Agencies	50 990 000	251 240	50 738 760	0%
finance Services	46 500 000	42 722	46 457 278	0%
public Safety & Emergency Services	2 600 000	0	2 600 000	0%
human Settlements	135 898 000	753 636	135 144 364	1%
Electricity & Energy Trading Service	42 955 000	0	42 955 000	0%
infrastructure Services	28 000 000	0	28 000 000	0%
Water & Sanitation Trading Service	52 997 890	0	52 997 890	0%
Directorate of Sports & Recreation	10 500 000	0	10 500 000	0%
Solid Waste Trading Service	44 500 000	10 204 789	34 295 211	23%
Health & Environmental Management	19 200 000	304 263	18 895 738	2%
TOTAL OPERATING PROJECTS	526 682 921	14 591 291	512 091 630	3%

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	300 130 122	10 835 670	289 294 452	4%
Urban Settlement Development Grant	34 661 910	1 891 366	32 770 543	5%
Finance Management Grant	1 200 000	42 722	1 157 278	4%
Informal Settlements Upgrading Partnership Grant	15 500 000	753 636	14 746 364	5%
Infrastructure Skills Development Grant	9 300 000	265 704	9 034 296	3%
Programme and Project Preparation Support Grant	10 971 000	0	10 971 000	0%
Expanded Public Works Programme	4 024 000	731 745	3 292 255	18%
Human Settlements Development Grant	117 898 000	0	117 898 000	0%
Sector Education and Training Authorities	3 000 000	70 448	2 929 553	2%
Urban Development Financing Grant	29 997 890	0	29 997 890	0%
TOTAL GRANTS	226 552 799	3 755 621	222 797 178	2%
TOTAL OPERATING PROJECTS BUDGET	526 682 921	14 591 291	512 091 630	3%

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 –

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The monthly budget statement (Section 71 Report)

for the period ending **July 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: