

**STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF
THE 2025/26 BUDGET FOR THE PERIOD ENDED 30 JUNE 2026**

1. PURPOSE

The purpose of the report is for the Council to **CONSIDER** and **NOTE** the statement of financial performance and the implementation of the 2025/26 budget of the Buffalo City Metropolitan Municipality for the period ended 30 June 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 52
- 3.3. Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND / REASONING

In terms of Section 52 (d) of the Municipal Finance Management Act No 56, 2003 Chapter 7, “the mayor must within 30 (thirty) days of the end of each quarter, submit a report to Council on the implementation of the budget and the financial state of affairs of the Municipality”.

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).

This report contains preliminary information of transactions processed by end of business on 07 July 2026 as the financial year end closure is still in progress. BCMM will continue processing journals and closing entries to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2026. This will allow the institution to prepare a credible set of Annual Financial Statements for presentation to the Auditor General by 31 August 2026. Thus, the results in this report are as at a point in time (07 July 2026) and will be subject to potential certain adjustments as issues arise to fairly present the financial affairs of the institution as at 30 June 2026. This report has been compiled in compliance with Section 52(d) of the MFMA which requires submission within 30 days of the end of each quarter.

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PART 1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

- (i) Council **CONSIDERS** and **NOTES** the report on the statement of financial performance and the implementation of the 2025/26 budget for the period ended 30 June 2026 including supporting documentation attached as Annexure A to G.
- (ii) Council **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) Council **NOTES** the year to date collection rate for the period ended 30 June 2026 of 72.41%.
- (iv) Council **NOTES** the implemented and approved virement request from the various Directorates as indicated in section 16 of this report.

P. FAKU

DATE

EXECUTIVE MAYOR

BUFFALO CITY METROPOLITAN MUNICIPALITY

MXOLISI YAWA/ SP

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6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 30 JUNE 2026

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS – 30 JUNE 2025		OVERALL OPERATING RESULTS – 30 JUNE 2026	
Income	R 9 993 629 673	Income	R 10 754 128 056
Expenditure	(R 11 187 920 072)	Expenditure	(R 11 451 450 582)
Operating Surplus/(Deficit) before Transfers and Subsidies Recognised – Capital	(R 1 194 290 399)	Operating Surplus/(Deficit) before Transfers and Subsidies Recognised – Capital	(R 697 322 527)
Transfers and Subsidies Recognized – Capital	R 525 863 676	Transfers and Subsidies Recognised – Capital	R 769 243 557
Intercompany/Parent subsidiary transactions	R 41 344 054	Intercompany/Parent subsidiary transactions	R 33,043,478
Surplus/(Deficit) after Capital Transfers	(R 627 082 669)	Surplus/(Deficit) after Capital Transfers	R 104 964 528
CASH MANAGEMENT – 30 JUNE 2025		CASH MANAGEMENT – 30 JUNE 2026	
Bank	R 99 560 134	Bank	R153 888 097
Call investments Balance (excl. int.)	R 630 121 855	Call investments Balance (excl. int.)	R 810 234 949
Cash and cash equivalents	R 729 681 989	Cash and cash equivalents	R 964 123 047
Account Payables	(R 1 137 014 248)	Account Payables	(R 1 062 960 872)
Unspent conditional grants	(R 643 418 262)	Unspent conditional grants	(R 248 409 478)
Committed to Capital budget-own funds	(R 156 809 359)	Committed to Capital budget-own funds	(R 249 072 716)
DEBTORS – 30 JUNE 2025		DEBTORS – 30 JUNE 2026	
Total debtors' book (incl. impairment)	R 8 904 109 209	Total debtors' book (incl. impairment)	R 10 430 779 839
Total debtors – Government	R 103 425 893	Total debtors – Government	R 146 400 623
Total debtors – Business	R 1 629 148 074	Total debtors – Business	R 1 836 274 077
Total debtors – Households	R 7 171 535 242	Total debtors – Households	R 8 448 105 139
Total debt written off incl. Vat (YTD)	R 746 601 355	Total debt written off incl. Vat (YTD)	R 783 499 561
TOTAL LONG-TERM LOANS		SURPLUS / (DEFICIT) PER SERVICE	
30 JUNE 2025	30 JUNE 2026	30 JUNE 2025	30 JUNE 2026
R 79 587 367	R 54 575 401	Water R 214 904 070	R 260 422 939
REPAIRS AND MAINTENANCE		Electricity (R 801 251 120)	(R 833 609 770)
30 June 2025	30 June 2026	Refuse R 139 895 695	R 152 148 817
Exp.= R372.30 m, which is 71% of budget of R527.75 m	Exp.= R330.17m, which is 72% of budget of R457.91m	Sewerage R 232 191 170	R 298 486 685
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
<u>30 June 2025: Exp. as a % of Adjusted Budget of R1.43b:</u>	<u>30 June 2026: Exp. as a % of Adjusted Budget of R1.55b:</u>	<u>30 June 2025: Exp. as a % of Adjusted Budget of R521.16m:</u>	<u>30 June 2026: Exp. as a % of Adjusted Budget of R581.67m:</u>
Exp. (excl. vat) = R915.90 mil % exp. (Excl. vat) :64%	Exp. (excl. vat) = R884.03 mil % exp. (Excl. vat) :57%	Exp. (excl. vat) = R290.35 mil % exp. (excl. vat): 56%	Exp. (excl. vat) = R376.68 mil % exp. (excl. vat): 65%
Exp. (incl. vat) = R988.56 mil % exp. (incl. vat): 69%	Exp. (incl. vat) = R978.09 mil % exp. (incl. vat): 63%	Exp. (incl. vat) = R298.76 mil % exp. (incl. vat): 57%	Exp. (incl. vat) = R386.28 mil % exp. (incl. vat): 66%

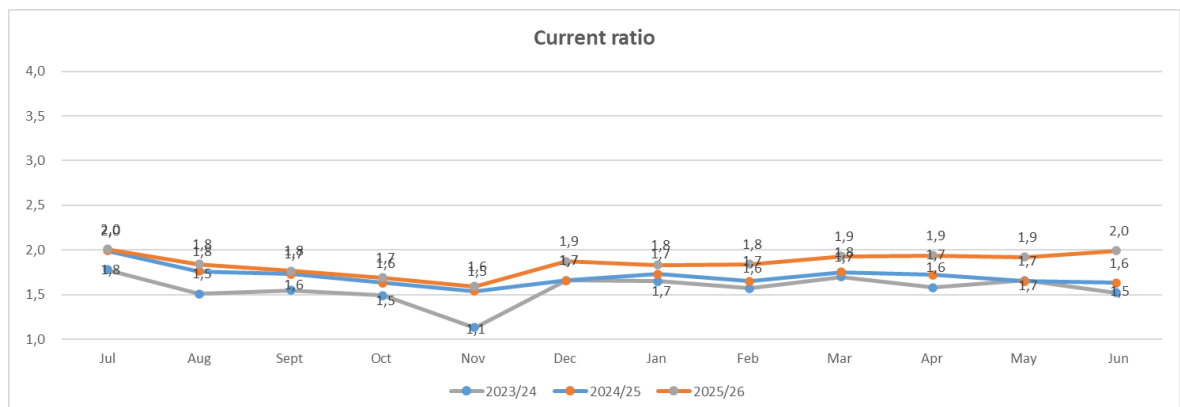
FINANCIAL	30 JUNE 2025	30 JUNE 2026	HUMAN RESOURCES 30 JUNE 2026	
Operating Surplus/(Deficit) after Capital Transfers and Intercompany transactions	(R 627 082 669)	R 104 964 528	Total staff complement	4 821
Debtors' collection ratio	70,47%	72,41%	Staff Appointments	260
YTD Grants and subsidies: recognized – Capital	R 525 863 676	R 769 243 557	Staff Terminations	213
Creditor's payment days	46 days	38 days	Number of funded vacant posts (under recruitment process)	388
Current ratio	1,63:1	1,99:1	Total overtime paid (YTD)	R 182 461 471
Total Debt to Revenue	0,89%:	0,58%	Allowances and benefits – Councillors (YTD)	R 75 452 545
Capital Charges to Operating Expenditure	0,34%	0,28%	Salary bill – Officials (YTD)	R 2 831 816 132
Cost coverage ratio	0.13 month	1.02 month	Workforce costs as a % of expenditure	25.39%

6.2. Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered stable as the Current Ratio is 1.99:1. which indicates the ability of municipality's current assets to cover its current liabilities. This is within the norm of 1.5-2:1. However, the non-achievement of the budgeted collection of 76% and high rate of increase in operating costs is a threat to the City's cash position. This ratio denotes that the City is able to meet its short-term liabilities.

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

Figure 1: Current Ratio

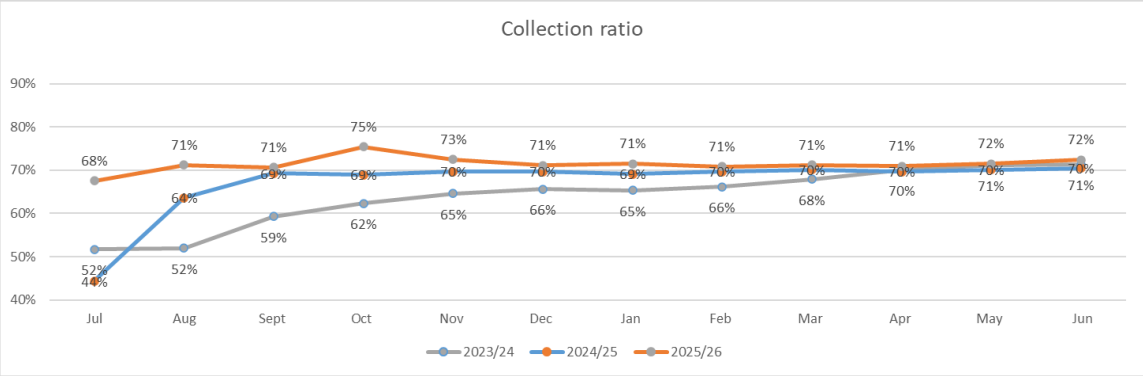


6.3. Collection Rate and Outstanding Debtors

The year-to-date collection rate as at 30 June 2026 is 72.41% (2024/25: 70.47%). This ratio denotes the City's ability to collect the billed revenue from its consumers. The collection rate has increased by 0.91% from last month where 71.50% was achieved for the period ended 31 May 2026. Refer to Section 8 for further details.

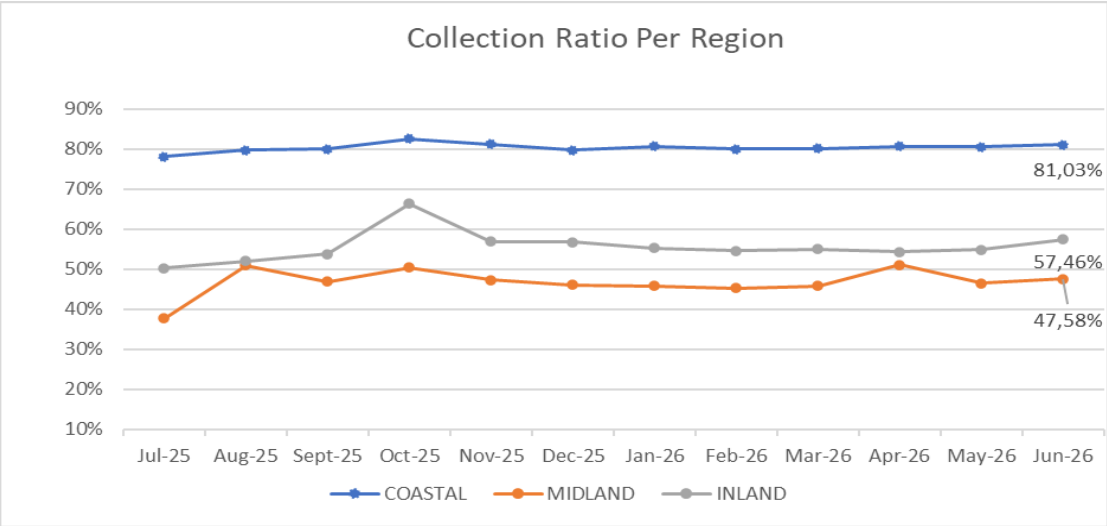
The graph below shows a comparison of the monthly collection ratio for the current financial year and the two previous financial years.

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 30 June 2026 per region is as follows: Coastal 81,03% Midland 47,58% and Inland 57,46%.

Figure 3: Collection Ratio Per Region



Total gross debtors' book (including current accounts) as at 30 June 2026 amounts to R10.43 billion (2024/25 R8.90 billion). Households: R8.45 billion, Business: R1.84 billion and Government: R146.40 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 63% (R978.10 million, inclusive of reclaimed vat) of its 2025/26 adjusted capital budget of R1.55 billion as at 30 June 2026. This reflects a decline when compared to the same period in the previous financial year where 69% (R988.56 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.43 billion was spent. The decline in performance is mainly due to procurement delays, late project implementation and contractor performance challenges. Expenditure is expected to further improve as the financial year end closure is still in progress. Journals and closing entries are still being processed to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2026. (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 66% (R386.28 million, inclusive of reclaimed vat) of its 2025/26 adjusted operating projects budget of R581.67 million as at 30 June 2026. This reflects an improvement when compared to the same period in the previous financial year where 57% (R298.76 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R521.16 million was spent. Expenditure is expected to further improve as the financial year end closure is still in progress. Journals and closing entries are still being processed to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2026 (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 73% (R906.52 million, inclusive of reclaimed vat) of its 2025/26 conditional grants approved adjusted budget of R1.25 billion as at 30 June 2026. This expenditure is reflecting the same trend when compared to the same period in the previous financial year where 73% (R767.10 million, inclusive

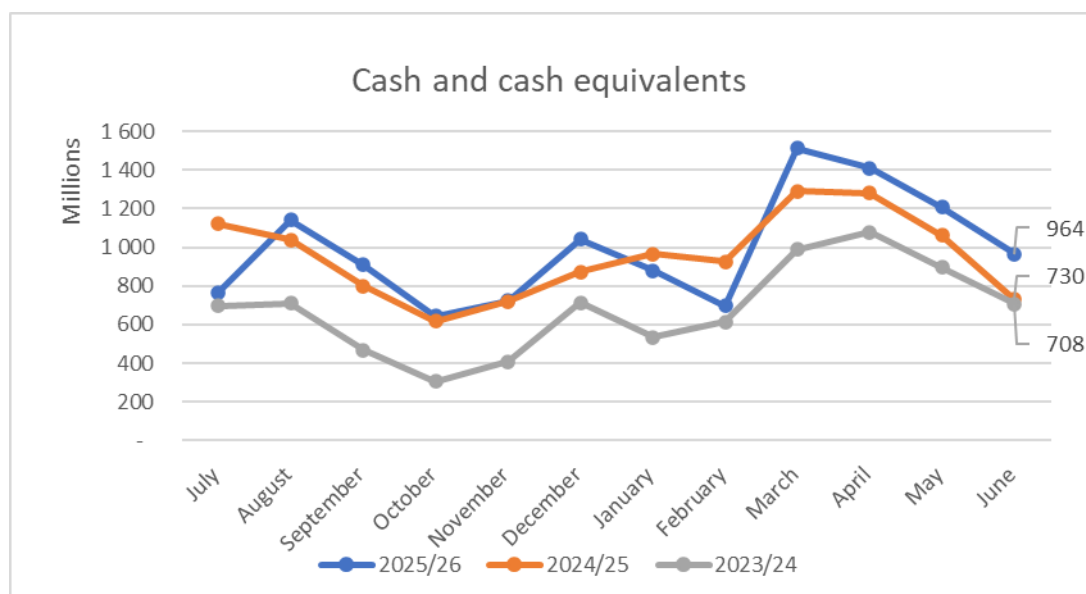
of reclaimed vat) of conditional grants budget of R1.05 billion was spent. Expenditure is expected to further improve as the financial year end closure is still in progress. Journals and closing entries are still being processed to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2026 (Refer to Section 11.1 for further details).

6.7. Cash and Cash Equivalents

The cash and cash equivalents of the City as at 30 June 2026 is R964.12 million made up of cash at the primary bank account amounting to R153.89 million and call investment deposits of R810.23 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 two financial years. Refer to Section 7.4.5 and Annexure A – C7 for the cash flow statement as well as Section 10 and Annexure B – SC5 for the investment portfolio breakdown. The City has since decreased its capital investment from internally generated funds.

The cost coverage ratio of the City is 1.02 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.

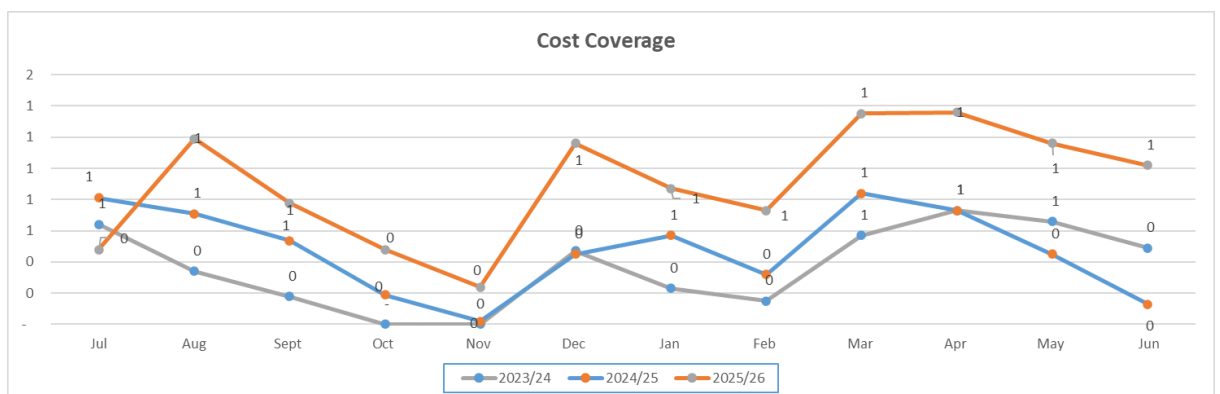
This ratio denotes that the City will be able to meet its monthly operating commitments as the ratio is within the norm of 1-3 months as per the MFMA circular 71. The City's cost coverage will have a short- and long-term negative effect on the City's Credit Ratings.

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 (30 June 2026) is 38 days. Table 2 below reflects a breakdown of Account Payables for the reporting period under review which amounted to R1,06 billion made up of the following:

Table 2: Account Payables breakdown

Accounts Payable	Amount
Trade payables	147 463 398
Payments received in advance	255 142 091
Retention monies	77 669 805
Accrued leave pay	127 945 955
Sundry creditors - other	454 739 623
Total	1 062 960 872

6.9. Long-Term Debt Profile

The total long-term borrowings of the municipality as at 30 June 2026 amounts to R54.58 million. Refer to Annexure C for the schedule of borrowings. The ratio of capital charges to operating expenditure as at 30 June 2026 is 0.28%. This ratio assesses the level of capital charges / interest charges to operating expenditure. The norm as per the MFMA circular 71 is between 6 and 8%. The total debt to revenue ratio is 0.58% as at 30 June 2026, this indicates the extent of total borrowings (short- and long-term debt financing) in relation to total operating revenue of the municipality. The purpose of the ratio is to provide assurance that sufficient revenue will be generated to repay liabilities. The outcome is below the National Treasury set ceiling of 45%.

6.10. Performance by Trading Service - Electricity

The electricity service has achieved an operating deficit of R 833 609 770 for the period ended 30 June 2026. The following are the factors that contributed to the deficit.

- i. The Metro has high electricity losses which account for R1.28 for every kWh sold.

- ii. Increase in meter tampering and illegal connections into the BCMM Electrical Grid.
- iii. The move by more affluent consumers off grid or alternative energy sources.
- iv. The City is using a Revaluation Model as an accounting policy of choice to subsequently measure its infrastructure assets in line with Generally Recognised Accounting Practices (GRAP) which results to annual increase in the City's asset base due to price increases in the construction industry, this therefore attracts an equivalent increase in the depreciation expense for the Metro's infrastructure network.

Remedial action to address loss of revenue from electricity services:

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

7. IN-YEAR BUDGET STATEMENT MAIN TABLES

7.1 Monthly Budget Statement Summary

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

Table 3:C1: Monthly Budget Statement Summary

BUF Buffalo City - Table C1 Consolidated Monthly Budget Statement Summary - M12 June

Description	2024/25 Audited Outcome	Budget Year 2025/26							
		Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	2 169 015	2 328 401	2 328 401	158 431	2 173 921	2 328 401	(154 480)	-7%	2 328 401
Service charges	4 994 155	5 391 833	5 335 333	449 713	5 333 002	5 335 333	(2 331)	-0%	5 335 333
Investment revenue	72 215	71 134	71 134	7 048	60 074	71 134	(11 059)	-16%	71 134
Transfers and subsidies - Operational	1 483 807	1 801 124	1 771 062	32 556	1 572 907	1 771 062	(198 155)	(0)	1 771 062
Other own revenue	1 558 575	1 361 077	1 417 577	75 966	1 614 223	1 417 577	196 646	14%	1 417 577
Total Revenue (excluding capital transfers and contributions)	10 277 766	10 953 569	10 923 507	723 714	10 754 128	10 923 507	(169 379)	-2%	10 923 507
Employee costs	2 780 686	2 932 056	2 899 791	233 298	2 831 816	2 899 791	(67 975)	-2%	2 899 791
Remuneration of Councillors	70 373	81 578	81 578	6 542	75 453	81 578	(6 125)	-8%	81 578
Depreciation and amortisation	2 362 853	595 663	599 663	63 879	1 582 138	599 663	982 475	164%	599 663
Interest	44 468	6 551	21 551	458	6 551	21 551	(15 000)	-70%	21 551
Inventory consumed and bulk purchases	2 984 568	3 483 065	3 360 231	253 144	3 261 078	3 360 231	(99 153)	-3%	3 360 231
Transfers and subsidies	102 451	117 729	129 479	5 128	123 797	129 479	(5 682)	-4%	129 479
Other expenditure	3 737 721	3 734 958	3 829 245	306 421	3 570 617	3 829 245	(258 628)	-7%	3 829 245
Total Expenditure	12 083 121	10 951 601	10 921 539	868 870	11 451 451	10 921 539	529 912	5%	10 921 539
Surplus/(Deficit)	(1 805 354)	1 968	1 968	(145 157)	(697 323)	1 968	(699 291)	-35526%	1 968
Transfers and subsidies - capital (monetary allocations)	773 040	808 900	1 101 895	106 455	768 937	1 101 895	(332 958)	-30%	1 101 895
Transfers and subsidies - capital (in-kind)	5 666	—	—	306	306	—	306	—	—
Surplus/(Deficit) after capital transfers & contributions	(1 026 648)	810 868	1 103 864	(38 395)	71 921	1 103 864	(1 031 943)	-93%	1 103 864
Share of surplus/ (deficit) of associate	36 996	—	—	—	33 043	—	33 043	—	—
Surplus/ (Deficit) for the year	(989 651)	810 868	1 103 864	(38 395)	104 965	1 103 864	(998 899)	-90%	1 103 864
Capital expenditure & funds sources									
Capital expenditure	1 230 341	1 159 709	1 549 220	82 946	884 032	1 549 220	(665 188)	-43%	1 549 220
Capital transfers recognised	702 486	808 800	1 101 795	108 364	685 694	1 101 795	(416 102)	-38%	1 101 795
Borrowing	—	—	—	—	—	—	—	—	—
Internally generated funds	527 855	350 908	447 425	(25 417)	198 339	447 425	(249 086)	-56%	447 425
Total sources of capital funds	1 230 341	1 159 709	1 549 220	82 946	884 032	1 549 220	(665 188)	-43%	1 549 220
Financial position									
Total current assets	5 837 612	6 037 042	5 977 169		7 263 641				5 977 169
Total non current assets	42 466 105	31 201 935	42 408 034		41 763 776				42 408 034
Total current liabilities	3 967 311	3 727 589	4 036 967		4 613 919				4 036 967
Total non current liabilities	1 325 406	1 049 141	1 374 428		1 304 444				1 374 428
Community wealth/Equity	43 011 000	32 462 247	42 973 808		42 991 235				42 973 808
Cash flows									
Net cash from (used) operating	5 810 727	1 205 726	1 641 863	535 987	6 548 996	(1 424 827)	(7 973 823)	560%	1 641 863
Net cash from (used) investing	(1 213 755)	(1 159 709)	(1 549 220)	(82 946)	(892 064)	(1 549 220)	(657 156)	42%	(1 549 220)
Net cash from (used) financing	(30 172)	(21 746)	(21 746)	184	(22 602)	(21 746)	856	-4%	(21 746)
Cash/cash equivalents at the month/year end	5 287 787	881 066	801 925	6 365 358	6 365 358	(2 264 764)	(8 630 123)	381%	801 925
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	716 850	357 068	303 395	280 609	255 882	236 094	1 367 474	6 913 408	10 430 780
Creditors Age Analysis									
Total Creditors	989 624	73 337	—	—	—	—	—	—	1 062 961

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) - M12

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		3 810 696	4 133 003	3 975 186	175 121	3 817 341	3 975 186	(157 845)	-4%	3 975 186
Executive and council		22 480	19 211	19 211	(4 056)	16 303	19 211	(2 908)	-15%	19 211
Finance and administration		3 788 216	4 113 792	3 955 975	179 177	3 801 038	3 955 975	(154 937)	-4%	3 955 975
Internal audit		–	–	–	–	–	–	–	–	–
Community and public safety		591 214	809 936	676 158	58 542	491 797	676 158	(184 361)	-27%	676 158
Community and social services		33 400	87 169	59 669	2 584	35 076	59 669	(24 592)	-41%	59 669
Sport and recreation		17 572	26 592	26 670	720	13 977	26 670	(12 693)	-48%	26 670
Public safety		242 505	208 755	216 376	23 802	220 938	216 376	4 561	2%	216 376
Housing		296 186	487 379	373 402	31 341	220 957	373 402	(152 444)	-41%	373 402
Health		1 552	42	42	95	849	42	807	1936%	42
Economic and environmental services		266 933	195 291	374 309	45 592	218 360	374 309	(155 949)	-42%	374 309
Planning and development		97 802	132 130	129 311	7 595	70 205	129 311	(59 106)	-46%	129 311
Road transport		169 131	63 160	244 998	37 997	148 155	244 998	(96 843)	-40%	244 998
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		6 303 481	6 518 064	6 902 856	543 793	6 914 145	6 902 856	11 288	0%	6 902 856
Energy sources		3 272 365	3 384 566	3 494 365	307 995	3 675 634	3 494 365	181 269	5%	3 494 365
Water management		1 399 786	1 376 974	1 557 549	107 672	1 582 492	1 557 549	24 943	2%	1 557 549
Waste water management		883 160	897 870	994 311	75 600	871 029	994 311	(123 283)	-12%	994 311
Waste management		748 170	858 654	856 631	52 527	784 990	856 631	(71 641)	-8%	856 631
Other	4	84 149	106 175	96 892	7 429	81 729	96 892	(15 164)	-16%	96 892
Total Revenue - Functional	2	11 056 473	11 762 469	12 025 402	830 475	11 523 372	12 025 402	(502 031)	-4%	12 025 402
Expenditure - Functional										
Governance and administration		2 127 905	2 109 264	2 173 323	223 967	2 159 267	2 173 323	(14 056)	-1%	2 173 323
Executive and council		328 614	349 398	382 894	35 813	359 851	382 894	(23 043)	-6%	382 894
Finance and administration		1 787 421	1 743 296	1 773 840	186 358	1 785 728	1 773 840	11 888	1%	1 773 840
Internal audit		11 870	16 570	16 588	1 796	13 688	16 588	(2 900)	-17%	16 588
Community and public safety		1 537 433	1 558 816	1 470 469	113 072	1 436 877	1 470 469	(33 591)	-2%	1 470 469
Community and social services		216 319	169 006	171 109	15 146	194 247	171 109	23 138	14%	171 109
Sport and recreation		500 646	409 831	432 239	37 809	509 771	432 239	77 532	18%	432 239
Public safety		624 517	558 069	564 964	44 454	539 461	564 964	(25 503)	-5%	564 964
Housing		140 841	366 108	244 578	11 212	137 051	244 578	(107 527)	-44%	244 578
Health		55 110	55 802	57 578	4 451	56 347	57 578	(1 231)	-2%	57 578
Economic and environmental services		786 385	741 073	764 094	43 771	948 795	764 094	184 701	24%	764 094
Planning and development		247 883	264 827	266 812	20 170	188 880	266 812	(77 932)	-29%	266 812
Road transport		538 502	476 246	497 282	23 601	759 915	497 282	262 633	53%	497 282
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		7 483 820	6 386 656	6 341 780	480 049	6 747 696	6 341 780	405 916	6%	6 341 780
Energy sources		3 625 107	4 382 455	4 231 848	293 253	4 262 829	4 231 848	30 980	1%	4 231 848
Water management		1 754 669	978 582	972 053	65 553	1 224 006	972 053	251 953	26%	972 053
Waste water management		1 302 563	461 200	493 852	54 400	550 066	493 852	56 214	11%	493 852
Waste management		801 480	564 419	644 027	66 843	710 796	644 027	66 769	10%	644 027
Other		149 554	155 791	171 873	8 011	158 815	171 873	(13 058)	-8%	171 873
Total Expenditure - Functional	3	12 085 096	10 951 601	10 921 539	868 870	11 451 451	10 921 539	529 912	5%	10 921 539
Surplus/ (Deficit) for the year		(1 028 624)	810 868	1 103 864	(38 395)	71 921	1 103 864	(1 031 943)	-0,93484607	1 103 864

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

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

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

BUF Buffalo City - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description		Ref	2024/25	Budget Year 2025/26							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%		
Revenue by Vote		1									
Vote 01 - Directorate - Executive Support Services			148	-	935	9	199	935	(736)	-78,7%	935
Vote 02 - Directorate - Municipal Manager			22 798	19 211	19 211	(4 056)	16 334	19 211	(2 878)	-15,0%	19 211
Vote 03 - Directorate - Human Settlement			296 186	487 379	373 402	31 341	220 957	373 402	(152 444)	-40,8%	373 402
Vote 04 - Directorate - Chief Financial Officer			3 706 308	4 075 817	3 917 065	181 010	3 765 593	3 917 065	(151 472)	-3,9%	3 917 065
Vote 05 - Directorate - Corporate Services			15 638	9 851	9 851	611	9 201	9 851	(650)	-6,6%	9 851
Vote 06 - Directorate - Infrastructure Services			5 724 454	5 722 571	6 291 224	529 263	6 277 310	6 291 224	(13 913)	-0,2%	6 291 224
Vote 07 - Directorate - Spatial Planning And Development			152 615	98 155	95 336	2 722	81 965	95 336	(13 371)	-14,0%	95 336
Vote 08 - Directorate - Health / Public Safety & Emergency Services			242 505	227 755	216 376	23 802	220 938	216 376	4 561	2,1%	216 376
Vote 10 - Directorate - Economic Development & Agencies			132 125	168 273	158 991	9 848	129 026	158 991	(29 965)	-18,8%	158 991
Vote 11 - Directorate - Solid Waste And Environmental Management			754 520	864 673	862 649	52 621	789 331	862 649	(73 318)	-8,5%	862 649
Vote 12 - Directorate - Sport, Recreation & Community Development			46 173	88 783	80 361	3 304	45 579	80 361	(34 782)	-43,3%	80 361
Total Revenue by Vote		2	11 093 469	11 762 469	12 025 402	830 475	11 556 433	12 025 402	(468 969)	-3,9%	12 025 402
Expenditure by Vote		1									
Vote 01 - Directorate - Executive Support Services			258 821	291 081	306 971	31 638	277 456	306 971	(29 515)	-9,6%	306 971
Vote 02 - Directorate - Municipal Manager			174 057	172 129	187 746	9 995	177 059	187 746	(10 687)	-5,7%	187 746
Vote 03 - Directorate - Human Settlement			140 453	366 108	244 220	11 211	136 717	244 220	(107 503)	-44,0%	244 220
Vote 04 - Directorate - Chief Financial Officer			1 136 938	1 231 183	1 246 182	120 976	1 230 550	1 246 182	(15 632)	-1,3%	1 246 182
Vote 05 - Directorate - Corporate Services			239 628	245 802	271 702	20 209	253 780	271 702	(17 922)	-6,6%	271 702
Vote 06 - Directorate - Infrastructure Services			7 417 008	6 379 738	6 313 636	467 769	6 958 062	6 313 636	644 425	10,2%	6 313 636
Vote 07 - Directorate - Spatial Planning And Development			371 625	290 643	290 240	26 305	243 941	290 240	(46 299)	-16,0%	290 240
Vote 08 - Directorate - Health / Public Safety & Emergency Services			629 057	568 420	572 978	45 065	545 554	572 978	(27 424)	-4,8%	572 978
Vote 10 - Directorate - Economic Development & Agencies			183 148	217 790	224 308	14 885	203 749	224 308	(20 558)	-9,2%	224 308
Vote 11 - Directorate - Solid Waste And Environmental Management			972 196	744 979	819 229	80 827	894 712	819 229	75 482	9,2%	819 229
Vote 12 - Directorate - Sport, Recreation & Community Development			562 166	443 727	444 327	39 990	529 872	444 327	85 545	19,3%	444 327
Total Expenditure by Vote		2	12 085 096	10 951 601	10 921 539	868 870	11 451 451	10 921 539	529 912	4,9%	10 921 539
Surplus/ (Deficit) for the year		2	(991 627)	810 868	1 103 864	(38 395)	104 983	1 103 864	(998 881)	-90,5%	1 103 864

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

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ended 30 June 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) - M12 June

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		3 019 887	3 197 096	3 162 327	278 523	3 273 795	3 162 327	111 468	4%	3 162 327
Service charges - Water		913 969	1 000 901	996 670	77 967	985 922	996 670	(10 748)	-1%	996 670
Service charges - Waste Water Management		580 716	632 342	614 842	50 385	589 170	614 842	(25 672)	-4%	614 842
Service charges - Waste management		479 584	561 494	561 494	42 837	484 115	561 494	(77 379)	-14%	561 494
Sale of Goods and Rendering of Services		122 557	159 693	133 271	11 276	126 232	133 271	(7 039)	-5%	133 271
Agency services		21 002	29 389	29 389	10 792	30 424	29 389	1 035	4%	29 389
Interest								—		
Interest earned from Receivables		375 564	231 858	281 578	46 165	494 707	281 578	213 129	76%	281 578
Interest from Current and Non Current Assets		72 215	71 134	71 134	7 048	60 074	71 134	(11 059)	-16%	71 134
Dividends								—		
Rent on Land								—		
Rental from Fixed Assets		31 261	25 306	25 306	(5 804)	27 806	25 306	2 500	10%	25 306
Licence and permits								—		
Special rating levies								—		
Operational Revenue		66 617	92 056	63 931	4 123	38 785	63 931	(25 146)	-39%	63 931
Non-Exchange Revenue										
Property rates		2 169 015	2 328 401	2 328 401	158 431	2 173 921	2 328 401	(154 480)	-7%	2 328 401
Surcharges and Taxes								—		
Fines, penalties and forfeits		56 647	10 108	10 108	1 425	10 508	10 108	400	4%	10 108
Licence and permits		16 427	14 625	12 953	1 566	15 670	12 953	2 717	21%	12 953
Transfers and subsidies - Operational		1 483 807	1 801 124	1 771 062	32 556	1 572 907	1 771 062	(198 155)	-11%	1 771 062
Interest		6 327	—	6 500	927	9 212	6 500	2 712	42%	6 500
Fuel Levy		777 132	798 042	798 042	—	798 042	798 042	—		798 042
Operational Revenue		54 818	—	56 500	5 362	62 641	56 500	6 141	11%	56 500
Gains on disposal of Assets		1 211	—	—	—	40	—	40		—
Other Gains		29 012	—	—	132	157	—	157		—
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)										
		10 277 766	10 953 569	10 923 507	723 714	10 754 128	10 923 507	(169 379)	-2%	10 923 507

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		2 780 686	2 932 056	2 899 791	233 298	2 831 816	2 899 791	(67 975)	-2%	2 899 791
Remuneration of councillors		70 373	81 578	81 578	6 542	75 453	81 578	(6 125)	-8%	81 578
Bulk purchases - electricity		2 631 543	3 193 457	3 065 657	221 002	2 936 017	3 065 657	(129 641)	-4%	3 065 657
Inventory consumed		353 025	289 608	294 574	32 142	325 062	294 574	30 488	10%	294 574
Debt impairment		1 987 596	1 891 898	1 891 898	157 379	1 889 307	1 891 898	(2 591)	0%	1 891 898
Depreciation and amortisation		2 362 853	595 663	599 663	63 879	1 582 138	599 663	982 475	164%	599 663
Interest		44 468	6 551	21 551	458	6 551	21 551	(15 000)	-70%	21 551
Contracted services		854 597	1 165 425	1 153 463	66 218	853 619	1 153 463	(299 844)	-26%	1 153 463
Transfers and subsidies		102 451	117 729	129 479	5 128	123 797	129 479	(5 682)	-4%	129 479
Irrecoverable debts written off		–	–	–	3 242	3 242	–	3 242		–
Operational costs		671 089	556 263	662 513	68 477	695 561	662 513	33 048	5%	662 513
Losses on Disposal of Assets		11 817	–	–	–	–	–	–		–
Other Losses		212 622	121 371	121 371	11 105	128 889	121 371	7 517	6%	121 371
Total Expenditure		12 083 121	10 951 601	10 921 539	868 870	11 451 451	10 921 539	529 912	5%	10 921 539
Surplus/(Deficit)		(1 805 354)	1 968	1 968	(145 157)	(697 323)	1 968	(699 291)	(0)	1 968
Transfers and subsidies - capital (monetary allocations)		773 040	808 900	1 101 895	106 455	768 937	1 101 895	(332 958)	(0)	1 101 895
Transfers and subsidies - capital (in-kind)		5 666	–	–	306	306	–	306		–
Surplus/(Deficit) after capital transfers & contributions		(1 026 648)	810 868	1 103 864	(38 395)	71 921	1 103 864	(1 031 943)	(0)	1 103 864
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		(1 026 648)	810 868	1 103 864	(38 395)	71 921	1 103 864	(1 031 943)	(0)	1 103 864
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		(1 026 648)	810 868	1 103 864	(38 395)	71 921	1 103 864	(1 031 943)	(0)	1 103 864
Share of Surplus/Deficit attributable to Associate		1 976	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		36 996	–	–	–	33 043	–	33 043		–
Surplus/ (Deficit) for the year		(987 676)	810 868	1 103 864	(38 395)	104 965	1 103 864	(998 899)	(0)	1 103 864

7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

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

7.4.1.1 Service charges – Waste management

The variance on Waste Management relates to certain categories of properties which changed to vacant properties during the 2025/2026 financial year. This includes an impact of prior year period adjustments done in the current year.

7.4.1.2 Interest earned from Receivables

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

7.4.1.3 Interest from Current and Non Current Assets

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

7.4.1.4 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.

7.4.1.5 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.

7.4.1.6 Transfers and subsidies

The underperformance is caused by grant revenue which has not yet been recognized. Revenue on grants can only be recognized when conditions are met.

7.4.1.7 Interest (Non-Exchange Revenue)

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

7.4.1.8 Operational Revenue - Non-Exchange Revenue

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

7.4.1.9 Depreciation & asset impairment

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

7.4.1.10 Interest

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

7.4.1.11 Contracted services

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

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

7.4.2 Repairs and maintenance

Table 7 below reflects that as at 30 June 2026 the repairs and maintenance expenditure is 72% of the approved budget of R457.91 million (2024/25:79%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 7: Repairs and Maintenance per Directorate

Directorate	<u>2025/2026</u> <u>Annual</u> <u>Budget</u> <u>R</u>	<u>2025/2026</u> <u>Annual</u> <u>Expenditure</u> <u>R</u>	<u>2025/2026</u> <u>-</u> <u>Variance</u> <u>R</u>	<u>2025/2026</u> <u>% Of</u> <u>Budget</u> <u>%</u>
Directorate of Executive Support Services	1 994 811	296 102	320 605	15%
Directorate of The City Manager	202 568	18 195	18 195	9%
Directorate of Corporate Services	6 938 094	4 749 859	5 234 052	68%
Directorate of Spatial Planning & Development	22 421 369	13 004 094	13 752 136	58%
Directorate of Economic Development & Agencies	23 650 988	1 440 237	22 210 751	6%
Directorate of Finance	12 283 540	5 381 125	6 902 415	44%
Directorate of Public Safety & Emergency Services	8 610 360	3 228 998	5 381 362	38%
Directorate of Human Settlement	502 899	283 662	219 237	56%
Directorate of Infrastructure Services	351 672 011	287 848 689	63 823 322	82%
Electricity	156 162 523	138 850 300	17 312 223	89%
Water	41 463 591	28 669 745	12 793 846	69%
Sanitation	50 333 612	36 449 617	13 883 995	72%
Other	103 712 285	83 879 026	19 833 259	81%
Directorate of Solid Waste & Environmental Management	16 883 667	8 283 050	8 600 617	49%
Directorate of Sport, Recreation & Community Developmental Services	12 751 658	5 640 888	7 110 770	44%
TOTAL	457 911 965	330 174 899	133 573 463	72%

The repairs and maintenance budget of the Metro is below the recommended National Treasury norm of 8% as the percentage of Property Plant and Equipment. The main challenge in achieving the 8% is the use of the revaluation model to value Property Plant and Equipment. The Metro's infrastructure repairs, and maintenance programme is complemented by the renewal and upgrading of existing assets capital programme. In the current financial year, the metro has allocated R758.88 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 - M12 June

Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Directorate - Executive Support Services		679	2 500	2 500	–	965	2 500	(1 535)	-61%	2 500
Vote 02 - Directorate - Municipal Manager		9 120	3 750	25 850	2 928	11 856	25 850	(13 994)	-54%	25 850
Vote 03 - Directorate - Human Settlement		192 372	182 007	191 376	13 117	133 197	191 376	(58 179)	-30%	191 376
Vote 04 - Directorate - Chief Financial Officer		148 285	58 015	94 995	(21 942)	41 810	94 995	(53 185)	-56%	94 995
Vote 05 - Directorate - Corporate Services		12 289	10 900	28 123	(13 827)	3 207	28 123	(24 916)	-89%	28 123
Vote 06 - Directorate - Infrastructure Services		700 980	555 443	890 864	83 974	548 323	890 864	(342 541)	-38%	890 864
Vote 07 - Directorate - Spatial Planning And Development		71 344	54 435	61 615	7 831	47 908	61 615	(13 708)	-22%	61 615
Vote 08 - Directorate - Health / Public Safety & Emergency Services		12 538	52 500	51 005	293	19 005	51 005	(31 999)	-63%	51 005
Vote 10 - Directorate - Economic Development & Agencies		29 212	59 567	42 661	5 751	21 032	42 661	(21 630)	-51%	42 661
Vote 11 - Directorate - Solid Waste And Environmental Management		32 681	117 941	103 691	1 822	34 012	103 691	(69 679)	-67%	103 691
Vote 12 - Directorate - Sport, Recreation & Community Development		20 841	62 651	56 539	2 999	22 717	56 539	(33 822)	-60%	56 539
Total Capital Expenditure		1 230 341	1 159 709	1 549 220	82 946	884 032	1 549 220	(665 188)	-43%	1 549 220
Capital Expenditure - Functional Classification										
Governance and administration		194 194	91 138	167 741	(28 037)	71 851	167 741	(95 891)	-57%	167 741
Executive and council		9 799	6 250	26 850	2 928	12 821	26 850	(14 029)	-52%	26 850
Finance and administration		184 394	84 888	139 391	(30 965)	59 030	139 391	(80 361)	-58%	139 391
Internal audit		–	–	1 500	–	–	1 500	(1 500)	-100%	1 500
Community and public safety		238 611	312 504	322 777	16 734	182 369	322 777	(140 408)	-43%	322 777
Community and social services		7 567	45 915	31 265	2 241	12 040	31 265	(19 224)	-61%	31 265
Sport and recreation		21 937	36 582	48 371	763	16 385	48 371	(31 985)	-66%	48 371
Public safety		12 538	41 700	37 305	204	16 522	37 305	(20 783)	-56%	37 305
Housing		192 372	182 007	191 376	13 117	133 197	191 376	(58 179)	-30%	191 376
Health		4 197	6 300	14 461	409	4 225	14 461	(10 236)	-71%	14 461
Economic and environmental services		306 845	112 870	369 483	45 556	201 339	369 483	(168 144)	-46%	369 483
Planning and development		62 165	38 562	45 443	3 027	33 900	45 443	(11 542)	-25%	45 443
Road transport		244 680	74 309	324 041	42 528	167 438	324 041	(156 602)	-48%	324 041
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		461 498	583 729	646 657	42 942	407 447	646 657	(239 210)	-37%	646 657
Energy sources		208 474	186 195	227 757	19 062	178 151	227 757	(49 606)	-22%	227 757
Water management		135 836	161 031	190 119	7 503	147 922	190 119	(42 197)	-22%	190 119
Waste water management		97 367	133 909	148 947	14 881	54 812	148 947	(94 135)	-63%	148 947
Waste management		19 820	102 594	79 834	1 497	26 562	79 834	(53 272)	-67%	79 834
Other		29 193	59 467	42 561	5 751	21 026	42 561	(21 535)	-51%	42 561
Total Capital Expenditure - Functional Classification	3	1 230 341	1 159 709	1 549 220	82 946	884 032	1 549 220	(665 188)	-43%	1 549 220
Funded by:										
National Government		702 486	808 685	1 098 639	108 367	683 369	1 098 639	(415 271)	-38%	1 098 639
Provincial Government		–	115	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm		–	–	3 156	(4)	2 325	3 156	(831)	-26%	3 156
Agencies, Households, Non-profit Institutions, Private Enterprises, Public		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		702 486	808 800	1 101 795	108 364	685 694	1 101 795	(416 102)	-38%	1 101 795
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		527 855	350 908	447 425	(25 417)	198 339	447 425	(249 086)	-56%	447 425
Total Capital Funding		1 230 341	1 159 709	1 549 220	82 946	884 032	1 549 220	(665 188)	-43%	1 549 220

7.4.4 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro has excess assets over liabilities resulting in the net worth of R43.11 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 - M12 June

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		731 029	891 066	802 185	964 123	802 185
Trade and other receivables from exchange transactions		2 503 901	2 889 108	2 572 589	3 013 513	2 572 589
Receivables from non-exchange transactions		1 554 164	1 229 872	1 559 807	1 482 935	1 559 807
Current portion of non-current receivables		–	–	–	(1)	–
Inventory		64 219	77 652	64 061	96 550	64 061
VAT		965 689	929 804	960 214	1 694 895	960 214
Other current assets		18 610	19 539	18 313	11 625	18 313
Total current assets		5 837 612	6 037 042	5 977 169	7 263 641	5 977 169
Non current assets						
Investments						
Investment property		788 463	497 715	795 663	788 463	795 663
Property, plant and equipment		40 902 960	29 892 101	40 793 613	40 158 872	40 793 613
Biological assets						
Living and non-living resources						
Heritage assets		53 392	54 060	53 392	53 392	53 392
Intangible assets		11 698	29 955	46 775	53 456	46 775
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		709 592	728 104	718 592	709 592	718 592
Total non current assets		42 466 105	31 201 935	42 408 034	41 763 776	42 408 034
TOTAL ASSETS		48 303 717	37 238 977	48 385 203	49 027 417	48 385 203
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		25 086	20 829	18 534	20 829	18 534
Consumer deposits		97 981	105 157	101 320	102 186	101 320
Trade and other payables from exchange transactions		1 600 080	1 297 305	1 722 185	1 062 961	1 722 185
Trade and other payables from non-exchange transactions		166 229	289 601	52 650	364 613	52 650
Provision		473 646	443 844	470 507	479 976	470 507
VAT		1 604 290	1 570 854	1 671 771	2 583 353	1 671 771
Other current liabilities		–	–	–	–	–
Total current liabilities		3 967 311	3 727 589	4 036 967	4 613 919	4 036 967
Non current liabilities						
Financial liabilities		54 708	33 934	36 230	33 746	36 230
Provision		996 787	1 015 207	1 064 286	996 787	1 064 286
Long term portion of trade payables		273 911	–	273 911	273 911	273 911
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		1 325 406	1 049 141	1 374 428	1 304 444	1 374 428
TOTAL LIABILITIES		5 292 717	4 776 730	5 411 395	5 918 363	5 411 395
NET ASSETS	2	43 011 000	32 462 247	42 973 808	43 109 054	42 973 808
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		32 430 401	10 058 352	32 027 445	32 528 455	32 027 445
Reserves and funds		10 580 599	22 403 895	10 946 363	10 580 599	10 946 363
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	43 011 000	32 462 247	42 973 808	43 109 054	42 973 808

7.4.5 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net increase of R233.09 million resulting in cash and cash equivalents closing balance of R964.12 million as at 30 June 2026.

Table 10: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		1 549 289	1 769 585	1 769 585	150 634	1 675 362	1 769 585	(94 222)	-5%	1 769 585
Service charges		3 911 764	4 097 793	4 054 853	416 350	4 447 247	4 054 853	392 393	10%	4 054 853
Other revenue		941 362	1 223 438	1 328 717	649 669	6 717 415	1 328 717	5 388 698	406%	1 328 717
Transfers and Subsidies - Operational		1 410 094	1 741 520	1 710 437	2 241	1 466 767	1 710 437	(243 670)	-14%	1 710 437
Transfers and Subsidies - Capital		773 040	808 685	904 925	–	782 363	904 925	(122 562)	-14%	904 925
Interest		354 639	257 153	285 133	13 265	124 121	285 133	(161 011)	-56%	285 133
Dividends								–		
Payments										
Suppliers and employees		(7 713 540)	(8 599 507)	(8 294 047)	(691 951)	(8 552 020)	(11 360 737)	(2 808 717)	25%	(8 294 047)
Interest		(9 577)	(6 551)	(21 551)	–	(7 089)	(21 551)	(14 462)	67%	(21 551)
Transfers and Subsidies		(61 780)	(86 389)	(96 189)	(4 222)	(105 170)	(96 189)	8 981	-9%	(96 189)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 155 291	1 205 726	1 641 863	535 987	6 548 996	(1 424 827)	(7 973 823)	560%	1 641 863
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		77 752	–	–	–	(8 032)	–	(8 032)		–
Decrease (increase) in non-current receivables			–	–	–	–	–	–		–
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		(1 194 010)	(1 159 709)	(1 549 220)	(82 946)	(884 032)	(1 549 220)	(665 188)	43%	(1 549 220)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 116 258)	(1 159 709)	(1 549 220)	(82 946)	(892 064)	(1 549 220)	(657 156)	42%	(1 549 220)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	3 340	3 340	(697 027)	(5 398 752)	3 340	(5 402 091)	-161755%	3 340
Payments										
Repayment of borrowing		(28 991)	(25 086)	(25 086)	–	(25 086)	(25 086)	0	0%	(25 086)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(28 991)	(21 746)	(21 746)	(697 027)	(5 423 838)	(21 746)	5 402 091	-24842%	(21 746)
NET INCREASE/ (DECREASE) IN CASH HELD		10 042	24 272	70 897	(243 986)	233 094	(2 995 793)			70 897
Cash/cash equivalents at beginning:		720 987	856 795	731 029		731 029	731 029			731 029
Cash/cash equivalents at month/year end:		731 029	881 066	801 925		964 123	(2 264 764)			801 925

PART 2: SUPPORTING **DOCUMENTATION**

8. DEBTOR'S MANAGEMENT

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

Table 11: SC3 Monthly Budget Statement Aged Debtors

BUF Buffalo City - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	139 163	88 893	74 619	67 996	58 231	46 721	302 416	2 023 731	2 801 770	2 499 095	(6 854)	19 759
Trade and Other Receivables from Exchange Transactions - Electricity	1300	240 316	76 917	58 478	59 284	54 765	43 590	296 224	690 470	1 520 045	1 144 333	3 705	57 461
Receivables from Non-exchange Transactions - Property Rates	1400	165 553	74 603	60 176	52 915	46 280	49 455	277 190	1 367 269	2 093 442	1 793 110	5 094	51 603
Receivables from Exchange Transactions - Waste Water Management	1500	57 253	29 341	24 954	22 098	20 223	19 935	114 085	596 309	884 198	772 650	928	13 401
Receivables from Exchange Transactions - Waste Management	1600	46 021	28 753	26 408	23 971	22 766	23 260	128 536	843 965	1 143 681	1 042 498	182	11 900
Receivables from Exchange Transactions - Property Rental Debtors	1700	274	269	255	251	249	251	1 487	11 252	14 287	13 489	–	–
Interest on Arrear Debtor Accounts	1810	51 493	49 175	48 612	47 261	46 761	46 773	205 910	1 115 144	1 611 127	1 461 847	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	16 776	9 117	9 893	6 833	6 606	6 109	41 627	265 268	362 230	326 444	2 147	3 255
Total By Income Source	2000	716 850	357 068	303 395	280 609	255 882	236 094	1 367 474	6 913 408	10 430 780	9 053 467	5 202	157 379
2024/25 - totals only		683 445	328 809	279 457	246 198	239 914	231 146	1 180 975	5 714 165	8 904 109	7 612 398	280 399	184 538
Debtors Age Analysis By Customer Group													
Organs of State	2200	29 913	13 505	9 818	9 343	6 320	4 667	36 923	35 910	146 401	93 164	–	–
Commercial	2300	297 613	76 797	59 853	53 077	56 531	49 366	268 721	974 317	1 836 274	1 402 011	–	–
Households	2400	389 324	266 765	233 724	218 188	193 032	182 061	1 061 830	5 903 181	8 448 105	7 558 292	5 202	157 379
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	2600	716 850	357 068	303 395	280 609	255 882	236 094	1 367 474	6 913 408	10 430 780	9 053 467	5 202	157 379

8.1. Additional debtors' information

The total debtor's book, which includes all charges including VAT, amounted to R10,430,779,839 as at 30 June 2026 which is an increase of R120,773,676 over the amount of R10 310,006,163 as at 31 May 2026.

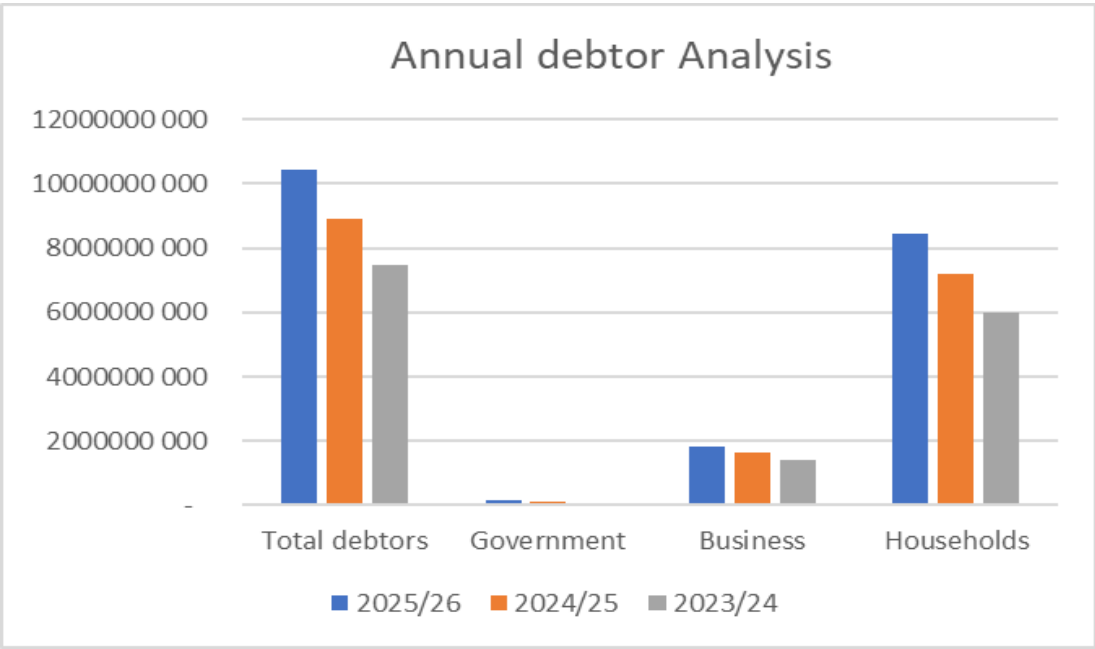
During the month, credit control action and debt collection action was implemented. Pre-termination notices were sent to all customers due for disconnection/blocking. This relates to residential and non-residential customers. Registered Indigent Debtors who are in arrears remain on the partial block 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 30 June 2026 amounts to R10.43 billion (2024/25 R8.90 billion). Households: R8.45 billion, Business: R1.84 billion and Government: R146.40 million. Refer to section 8 of the report for details on debtors' management.

8.2. Debtor's Age Analysis.

8.2.1. Age Analysis by income source.

Table 12 below details debtors age analysis by income source as at 30 June 2026. It also provides comparison with the previous month (30 May 2026) which indicates an increase from 10.31 billion to R10.43 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR JUNE 2026	TOTAL FOR MAY 2026
CURRENT	179 457 093	62 577 337	248 627 438	154 161 200	53 020 008	19 006 641	716 849 716	703 324 710
30 DAYS	87 875 911	34 403 536	84 451 963	103 644 811	35 428 366	11 263 569	357 068 155	371 565 500
60 DAYS	73 218 476	29 966 104	66 135 204	89 033 176	33 060 135	11 981 596	303 394 691	313 163 075
90 DAYS	65 722 156	26 968 196	66 466 866	82 168 611	30 396 760	8 886 388	280 608 978	274 762 575
120 DAYS TO 360 DAYS	510 148 810	206 723 606	480 305 997	545 057 673	240 096 818	76 857 879	2 059 190 783	2 067 238 337
YEAR 1+	1 664 246 326	692 081 859	763 260 035	2 307 557 716	961 416 806	325 104 774	6 713 667 516	6 579 951 966
TOTAL	2 580 668 772	1 052 720 638	1 709 247 502	3 281 623 187	1 353 418 893	453 100 846	10 430 779 839	10 310 006 163

8.2.2. Age Analysis per Category

Table 13 below details debtors age analysis per category type as at 30 June 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	356 993 711	237 045 038	206 165 748	197 322 106	7 109 300 472	8 106 827 075	78
Indigent	28 330 405	28 478 567	26 568 350	20 010 141	217 463 425	320 850 887	3
Business	297 612 875	76 797 385	59 852 509	53 077 335	1 348 933 973	1 836 274 077	18
Government	29 913 162	13 505 303	9 818 106	9 343 264	83 820 788	146 400 623	1
Municipal Staff*	3 898 671	1 219 445	966 450	839 872	13 280 365	20 204 804	0
Councillors*	100 893	22 416	23 528	16 260	59 276	222 372	0
Total	716 849 716	357 068 155	303 394 691	280 608 978	8 772 858 299	10 430 779 839	100

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

During the month of June 2026, a total of **R3 081 437.84** was receipted against staff and councillors accounts. The amount was allocated as follows:

Current Billing Receipts	R 2 315 922.73
Arrear's Receipts	<u>R 765 515.11</u>
Total Receipts	<u>R 3 081 437.84</u>

8.2.3. Government Accounts

The total owed by Government Departments to Buffalo City Metropolitan Municipality as at 30 June 2026 amounted to R146 400 623 and this is a decrease of R45 576 842 as compared to 31 May 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 30 June 2026.

Table 14: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	VALUE AS AT 30 JUNE 2026	VALUE AS AT 31 MAY 2026	DIFFERENCE
National Department of Public Works	19 646 315	12 303 237	31 949 552	38 994 288	(7 044 736)
Provincial Department of Public Works	34 183 674	14 091 452	48 275 125	72 038 597	(23 763 471)
Department of Education	-	26 540 420	26 540 420	31 400 364	(4 859 945)
Department of Health	-	21 172 934	21 172 934	30 938 241	(9 765 307)
Department of Social Development	-	857 482	857 482	816 169	41 313
Department of Transport	-	94 536	94 536	75 702	18 834
Department of Agriculture	-	183 719	183 719	121 504	62 216
Department of Nature Conservation	-	335 502	335 502	322 489	13 013
Department of Human Settlements	-	4 799 825	4 799 825	5 282 619	(482 795)
Sport, Recreation, Arts and Culture	-	-	-	2 527	(2 527)
Department of Labour - UIF Services	-	54 839	54 839	46 559	8 280
Members of Provincial Legislature	-	285 356	285 356	254 002	31 354
Department of Water Affairs	-	95 209	95 209	90 992	4 218
Department of Rural Development and Land Reform	-	11 756 125	11 756 125	11 593 413	162 712
TOTAL	53 829 989	92 570 634	146 400 623	191 977 465	(45 576 842)

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 (30 June 2026) is 38 days.

Table 15: SC4 Monthly Budget Statement Aged Creditors

BUF Buffalo City - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	369,738	-	-	-	-	-	-	-	369,738	
Bulk Water	0200	29,098	-	-	-	-	-	-	-	29,098	
PAYE deductions	0300	39,213	-	-	-	-	-	-	-	39,213	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	39,025	-	-	-	-	-	-	-	39,025	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	124,259	73,337	-	-	-	-	-	-	197,596	
Auditor General	0800	1,422	-	-	-	-	-	-	-	1,422	
Other	0900	386,870	-	-	-	-	-	-	-	386,870	
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	989,624	73,337	-	-	-	-	-	-	1,062,961	-

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

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

<u>CREDITOR</u>	<u>30 DAYS</u>	<u>60DAYS</u>	<u>90DAYS</u>	<u>120DAYS</u>	<u>TOTAL</u>	<u>PAYMENT</u>
Creditor 1	369 738 418					
Creditor 2	29 097 512					
Creditor 3	28 538 382	9 973 845			38 512 227	38 512 227
Creditor 4		30 811 171			30 811 171	30 811 171
Creditor 5	18 991 782	266 135			19 257 916	19 257 916
Creditor 6	12 685 147	5 016 744			17 701 891	17 701 891
Creditor 7	13 749 305				13 749 305	13 749 305
Creditor 8	10 321 682	767 401			11 089 083	11 089 083
Creditor 9	7 081 960				7 081 960	7 081 960
Creditor 10	-	6 951 407			6 951 407	6 951 407
Creditor 11	2 669 557	4 175 026			6 844 584	6 844 584
Creditor 12	6 669 310				6 669 310	6 669 310
Creditor 13	0	5 849 493			5 849 493	5 849 493
Creditor 14	5 394 944				5 394 944	5 394 944
Creditor 15	-	5 161 300			5 161 300	5 161 300
Creditor 16	4 977 000				4 977 000	4 977 000
Creditor 17	4 673 127				4 673 127	4 673 127
Creditor 18	4 534 825				4 534 825	4 534 825
Creditor 19	-	4 364 200			4 364 200	4 364 200
Creditor 20	3 972 020				3 972 020	3 972 020
					-	
TOTAL	523 094 971	73 336 723	-	-	197 595 763	197 595 763

10. INVESTMENT PORTFOLIO ANALYSIS

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

Table 17: SC5 Monthly Budget Statement – investment portfolio

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M012 June 2026														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Absa - 4094793455		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	235	42	1 124	1 000	153
Absa - 4094788949		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	3 886	245	-	-	4 131
Absa - 4094793968		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	251	16	-	-	267
First National Bank - 62938182285		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	2 937	150	3 033	-	54
Stanlib - 552200137		Call Account	Call Account	Yes	Variable	7,17	-		Call Account	15	1	-	-	16
Nedbank - 03/7881532939/000041		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 379	87	-	-	1 466
Nedbank - 03/7881532939/000108		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	119	7	-	-	126
Absa - 4094789157		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 178	74	-	-	1 253
Nedbank - 03/7881532939/000110		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	428	27	-	-	455
Absa - 4094790083		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 683	106	-	-	1 789
Stanlib - 552200133		Call Account	Call Account	Yes	Variable	7,17	-		Call Account	367	25	-	-	392
Stanlib - 700475605		Call Account	Call Account	Yes	Variable	7,17	-		Call Account	1	0	-	-	1
Nedbank - 03/7881532939/000128		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	18 008	1 940	177 132	170 175	12 991
First National Bank - 62938013572		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	14 906	1 196	83 394	70 996	3 705
Standard - 76586/442745		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	27 483	1 559	80 041	132 095	81 095
Absa - 4094790211		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	67 469	3 413	182 838	204 000	92 044
First National Bank - 62938181039		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	1 211	249	6 661	8 151	2 949
Stanlib - 552200140		Call Account	Call Account	Yes	Variable	7,17	-		Call Account	253	17	-	-	270
Absa - 4094793895		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	653	12	665	-	0
First National Bank - 62938179951		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	617	39	652	-	4
Nedbank - 03/7881532939/000133		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	3 954	249	-	2 241	6 445
Nedbank - 03/7881532939/000134		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	194	12	-	-	207

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M012 June 2026

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
First National Bank - 62938190080		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	3 315	603	25 661	27 449	5 706
Standard - 76586/524914		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	21	1	-	-	22
Nedbank - 03/7881532939/000136		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	4	0	-	-	4
Nedbank - 03/7881532939/000144		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	681	43	-	-	724
Nedbank - 03/7881532939/000145		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	2 237	324	7 383	9 500	4 679
Standard - 76586/553472		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	739	47	-	-	786
Standard - 76586/553471		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 604	91	877	-	818
Absa - 4101937017		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	2 489	3 151	85 802	136 020	55 859
Standard - 76586/571767		Call Account	Call Account	Yes	Variable	7,17	-		Call Account	873	1 888	179 679	199 332	22 414
Stanlib - 552200136		Call Account	Call Account	Yes	Variable	7,17	-		Call Account	3 736	255	-	-	3 991
Stanlib - 700893064		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	2 313	185	10 000	10 000	2 499
Standard Bank - 76586/570901		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	11 773	742	-	-	12 516
Standard Bank - 76586/570902		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	4 281	270	-	-	4 551
First National Bank - 63074776891		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	147 347	9 364	-	-	156 711
Nedbank - 03/7881532939/000153		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	126 564	7 982	-	-	134 546
Absa - 4117284828		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	36 079	1 592	24 728	-	12 943
Nedbank - 03/7881532939/000154		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	30 579	1 390	26 993	-	4 976
Standard Bank - 76586/573578		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	77 212	4 269	48 578	-	32 904
First National Bank - 63170877775		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	-	1 054	69 053	103 307	35 308
Nedbank - 03/7881532939/000155		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	-	488	35 210	66 000	31 279
First National Bank - 63040210667		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	26 360	1 741	-	4 797	32 897
Stanlib - 552200130		Call Account	Call Account	Yes	Variable	7,17	-		Call Account	402	27	-	-	430
Stanlib - 552200132		Call Account	Call Account	Yes	Variable	7,17	-		Call Account	16	1	-	-	17
Standard - 76586/442736		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	620	1 431	126 000	125 000	1 051
Stanlib - 552200131		Call Account	Call Account	Yes	Variable	7,17	-		Call Account	516	2 647	232 000	247 000	18 163
First National Bank - 62938189471		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	788	1 060	162 000	161 000	848
Nedbank - 03/7881532939/000101		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	169	2 075	251 500	250 000	745
Absa - 4094793536		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	180	4 135	401 500	417 000	19 816
Absa - 4094789872		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	496	31	-	-	527
Standard - 76586/442741		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	202	13	-	-	215
Standard - 76586/442744		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 193	75	-	-	1 268
First National Bank - 62938188887		Call Account	Call Account	Yes	Variable	6,85	-		Call Account	81	5	-	-	86
Nedbank - 03/7881532939/000129		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	1 059	67	-	-	1 126
Standard - 76586/442738		Call Account	Call Account	Yes	Variable	6,80	-		Call Account	4 137	76	4 213	-	0
Municipality sub-total										635 293	56 596	2 226 717	2 345 063	810 235
Entities														
Entities sub-total										-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2									635 293	56 596	2 226 717	2 345 063	810 235

11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

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

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

BUF Buffalo City - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		1,367,872	1,425,869	1,444,039	–	1,434,039	1,444,039	(10,000)	-0.7%	1,444,039
Energy Efficiency And Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Equitable Share		1,218,324	1,296,018	1,296,018	–	1,296,018	1,296,018	–	0.0%	1,296,018
Expanded Public Works Programme Integrated Grant		2,314	2,434	2,434	–	2,434	2,434	–	0.0%	2,434
Infrastructure Skills Development Grant		10,800	8,800	8,800	–	8,800	8,800	–	0.0%	8,800
Local Government Financial Management Grant		981	1,000	1,000	–	1,000	1,000	–	0.0%	1,000
Metro Informal Settlements Partnership Grant	3	23,233	23,992	23,992	–	23,992	23,992	–	0.0%	23,992
Neighbourhood Development Partnership Grant		35,847	22,500	22,500	–	18,000	22,500	(4,500)	-20.0%	22,500
Programme And Project Preparation Support Grant		15,000	16,000	16,000	–	10,500	16,000	(5,500)	-34.4%	16,000
Public Transport Network Grant		–	–	–	–	–	–	–	–	–
Urban Development Financing Grant		–	–	18,170	–	18,170	18,170	0	0.0%	18,170
Urban Settlement Development Grant		61,373	55,125	55,125	–	55,125	55,125	–	0.0%	55,125
Provincial Government:		30,000	315,651	247,612	–	–	–	–	–	247,612
Deat		–	–	–	–	–	–	–	–	–
Dsrac		–	18,757	8,112	–	–	–	–	–	8,112
Friends Of Zoo (Felzoo)		–	–	–	–	–	–	–	–	–
Gompo & Mdants Art		–	–	–	–	–	–	–	–	–
Gompo Surv (Dvri)		–	–	–	–	–	–	–	–	–
Ikhwezi Block / Dev		–	–	–	–	–	–	–	–	–
Infrastructure Grant		30,000	296,894	239,500	–	–	–	–	–	239,500
Kwt: Grants Gov		–	–	–	–	–	–	–	–	–
Mdants Upgr Md Asses Study		–	–	–	–	–	–	–	–	–
Mdants Urban Renew		–	–	–	–	–	–	–	–	–
Needscamp Planning		–	–	–	–	–	–	–	–	–
Pilot Housing Proj		–	–	–	–	–	–	–	–	–
Reeston Dev -Land Aff		–	–	–	–	–	–	–	–	–
Transitional Grant		–	–	–	–	–	–	–	–	–
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		20,385	–	19,692	2,241	20,482	19,692	790	4.0%	19,692
Eastern Cape Arts Council		17,883	–	18,757	–	17,883	18,757	(874)	-4.7%	18,757
European Union		–	–	–	–	–	–	–	–	–
Institutional Support (Housing)		–	–	–	–	–	–	–	–	–
Local Government Water And Related Service Seta		–	–	–	–	–	–	–	–	–
Peoples Housing Process (Housing)		–	–	–	–	–	–	–	–	–
Umsombomvu Fund		–	–	–	–	–	–	–	–	–
Unsp. City Of Leiden		–	–	–	–	–	–	–	–	–
Unsp. City Of Oldenburg		2,502	–	935	2,241	2,599	935	1,664	177.9%	935
Unsp. Glasgow Partshp		–	–	–	–	–	–	–	–	–
Unsp. Salaida/Galve		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	5	1,418,257	1,741,520	1,711,343	2,241	1,454,521	1,463,731	(9,210)	-0.6%	1,711,343
Capital Transfers and Grants										
National Government:		901,181	808,685	1,044,457	–	946,791	973,113	(26,322)	-2.7%	901,770
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–	–	–
Infrastructure Skills Development Grant		200	200	200	–	200	200	–	0.0%	200
Integrated City Development Grant		–	–	–	–	–	–	–	–	–
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant		–	–	–	–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		212,389	294,366	294,366	–	275,871	294,366	(18,495)	-6.3%	294,366
Municipal Disaster Recovery Grant		78,000	–	71,344	–	–	–	–	–	(71,344)
Municipal Disaster Relief Grant		44,600	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		2,000	10,000	10,000	–	10,000	10,000	–	0.0%	10,000
Public Transport Network Grant		–	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		–	–	–	–	–	–	–	–	–
Urban Development Financing Grant		–	–	164,428	–	164,428	164,428	–	0.0%	164,428
Urban Settlement Development Grant		563,992	504,119	504,119	–	496,292	504,119	(7,827)	-1.6%	504,119
Provincial Government:		19	–	–	–	–	–	–	–	–
Capacity Building and Other Grants		19	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		–	1,485	4,641	–	–	4,641	(4,641)	-100.0%	4,641
[insert description]		–	–	–	–	–	–	–	–	–
Parent Municipality		–	1,485	1,485	–	–	1,485	(1,485)	-100.0%	1,485
Unspecified		–	–	3,156	–	–	3,156	(3,156)	-100.0%	3,156
Total Capital Transfers and Grants	5	901,199	810,170	1,049,098	–	946,791	977,754	(30,963)	-3.2%	906,410
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	2,319,457	2,551,690	2,760,441	2,241	2,401,312	2,441,485	(40,173)	-1.6%	2,617,754

11.1. Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 73% (R906.52 million, inclusive of reclaimed vat) of its 2025/26 conditional grants approved adjusted budget of R1.25 billion as at 30 June 2026. This expenditure is consistent when compared to the same period in the previous financial year where 73% (R767.10 million, inclusive of reclaimed vat) of conditional grants budget of R1.05 billion was spent.

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

Table 19: Spending per Conditional Grant Funding Allocation

<u>Funding/Grant</u>	<u>2025/26 Approved Budget</u>	<u>YTD Expenditure (vat) R</u>	<u>YTD Variance (vat incl.) R</u>	<u>% Expenditure (vat incl.)</u>
Finance Management Grant	1 000 000	950 444	49 556	95%
Infrastructure Skills Development Grant	9 000 000	7 218 196	1 781 804	80%
Urban Settlement Development Grant	559 244 001	422 787 663	136 456 338	76%
Urban Settlement Development Grant c/o	26 186 107	15 570 319	10 615 788	59%
Neighbourhood Development Partnership Grant	10 000 000	6 092 410	3 907 590	61%
Neighbourhood Development Partnership Grant (PEP)	22 500 000	25 481 770	(2 981 770)	113%
Informal Settlement Upgrading Partnership Grant	318 358 000	238 119 755	80 238 245	75%
Expanded Public Works Programme Grant	2 434 000	2 433 322	678	100%
Programme and Project Preparation Support Grant (PPPSG)	16 000 000	5 956 077	10 043 924	37%
Municipal Disaster Response Grant c/o	27 996 396	15 517 884	12 478 512	55%
Municipal Disaster Recovery Grant c/o	71 343 637	41 158 534	30 185 103	58%
Metro Trading Service	182 597 998	125 231 169	57 366 829	69%
TOTAL	1 246 660 139	906 517 543	340 142 597	73%

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. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

Seven (7) interns have left the programme since the commencement of the financial year. Subsequently, the number of mentors also decreased, this has led to low expenditure. Recruitment process to employ new interns was concluded in May 2026. Eight (8) interns have been appointed and commenced their duties on the 1st of June 2026. The interns attended training programmes in the month of June and two laptops have been procured. Expenditure is expected to further improve as the financial year end closure is still in progress. Journals and closing entries are still being processed to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2026.

11.1.2. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

BCMM has spent 76% (R422,79 million, inclusive of reclaimed vat) of its 2025/2026 USDG adjusted budget of R559.24 million as at 30 June 2026. Under expenditure can be attributed to late start of projects due to lengthy procurement processes, expenditure is expected to improve as invoices are submitted for work done for the different projects. What has been approved by National Treasury as a rollover is R15,57 million and 59% expenditure has been incurred against this rollover amount as it was only approved on December 2025 Council. Expenditure is expected to further improve as the financial year end closure is still in progress. Journals and closing entries are still being processed to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2026.

11.1.3. NEIGHBORHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)

Delays in the procurement of a service provider, as well as the non-performance of the appointed contractor, resulted in no expenditure being incurred on the contract. The contractor has been terminated, and a new contractor was appointed. Expenditure is expected to further improve as the financial year end closure is still in progress.

Journals and closing entries are still being processed to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2026.

11.1.4. INFORMAL SETTLEMENT UPGRADING PARTNERSHIP GRANT (ISUPG)

BCMM has spent 75% (R238,12 million, inclusive of reclaimed vat) of its 2025/2026 ISUPG budget of R318.36 million as at 30 June 2026. Under expenditure can be attributed to late start of projects due to lengthy procurement processes, expenditure continues to improve as invoices are submitted for work done for the different projects. Expenditure is expected to further improve as the financial year end closure is still in progress. Journals and closing entries are still being processed to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2026.

11.1.5. PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT (PPPSG)

There are currently two (2) projects being implemented under the PPPSG programme. The first is the Detailed Feasibility Study: West Bank and Woodbrook Battery Storage, which has been completed. The second is the Feasibility Study, including the signing of a Power Purchase Agreement and Public–Private Partnerships for Buffalo City Metropolitan Municipality, which was awaiting council approval to proceed with the appointment of GTAC (Government Technical Advisory Centre). Council only approved the appointment of GTAC in the January 2026 Council meeting. There's been no movement on the feasibility study due to the contract not having been extended. A meeting will take place on the 17th of July 2026 to clarify and discuss all concerns regarding the contract extension. This late approval and contract issue therefore led to the inability to fully spend the grant.

11.1.6. MUNICIPAL DISASTER RESPONSE GRANT

The contractors for the projects have been appointed under the Municipal Disaster Response Grant, all projects that required environmental authorization have been approved and some projects are awaiting Water Use License Authorization (WULA). Expenditure is expected to further improve as the financial year end closure is still in progress. Journals and closing entries are still being processed to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2026.

11.1.7. MUNICIPAL DISASTER RECOVERY GRANT

The contractors for the projects have been appointed under the Municipal Disaster Recovery Grant, all projects that required environmental authorization have been approved and some projects are awaiting Water Use License Authorization (WULA). Expenditure is expected to further improve as the financial year end closure is still in progress. Journals and closing entries are still being processed to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2026.

11.1.8. METRO TRADING SERVICES

Funding of R182.60 million was appropriated into the budget after Council approval of the mid-year adjustment budget. Procurement processes have been initiated which continues to result in improved expenditure. Expenditure is expected to further improve as the financial year end closure is still in progress. Journals and closing entries are still being processed to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2026.

12. COUNCILLOR AND EMPLOYEE BENEFITS

12.1. Councillor and Employees Benefits Summary

Table 20 below provides summary of employees and councillors remuneration. The workforce costs as a percentage of total expenditure amounted to 25.39%. This is within the norm of 25% - 40%.

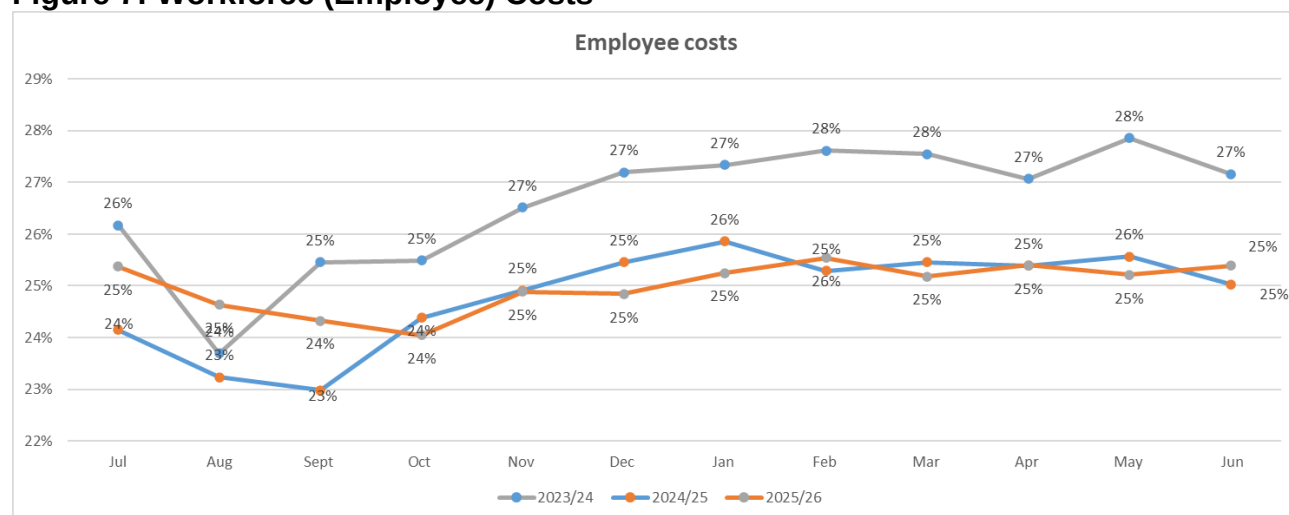
Table 20: SC8 Monthly Budget Statement – Councillor, Board Members and Staff Benefits

BUF Buffalo City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		39 843	49 631	49 631	3 495	42 485	49 631	(7 146)	-14%	49 631
Pension and UIF Contributions		4 369	4 956	4 956	391	4 690	4 956	(266)	-5%	4 956
Medical Aid Contributions		1 773	2 397	2 397	171	1 974	2 397	(423)	-18%	2 397
Motor Vehicle Allowance										
Cellphone Allowance		4 313	4 945	4 945	347	4 274	4 945	(672)	-14%	4 945
Housing Allowances		14 807	2 839	2 839	1 265	15 625	2 839	12 786	450%	2 839
Other benefits and allowances		5 268	16 808	16 808	873	6 404	16 808	(10 404)	-62%	16 808
Sub Total - Councillors		70 373	81 578	81 578	6 542	75 453	81 578	(6 125)	-8%	81 578
% increase	4		15,9%	15,9%						15,9%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		17 438	19 668	25 379	1 346	19 068	25 379	(6 310)	-25%	25 379
Pension and UIF Contributions		3 304	2 689	2 689	304	3 618	2 689	928	35%	2 689
Medical Aid Contributions		563	434	434	56	616	434	182	42%	434
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	1 050	1 050	-	-	1 050	(1 050)	-100%	1 050
Motor Vehicle Allowance		3 749	4 179	4 179	341	4 048	4 179	(131)	-3%	4 179
Cellphone Allowance		309	251	251	25	315	251	63	25%	251
Housing Allowances		4 009	2 041	2 041	385	4 406	2 041	2 365	116%	2 041
Other benefits and allowances		23	55	55	0	(26)	55	(82)	-148%	55
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations		-	-	-	-	-	-	-		-
Entertainment		-	-	-	-	-	-	-		-
Scarcity		-	-	-	-	-	-	-		-
Acting and post related allowance		17	99	99	-	-	99	(99)	-100%	99
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		29 412	30 467	36 178	2 455	32 044	36 178	(4 134)	-11%	36 178
% increase	4		3,6%	23,0%						23,0%
Other Municipal Staff										
Basic Salaries and Wages		1 649 654	1 753 251	1 715 174	136 711	1 732 848	1 715 174	17 674	1%	1 715 174
Pension and UIF Contributions		336 733	376 668	376 668	29 368	355 615	376 668	(21 053)	-6%	376 668
Medical Aid Contributions		126 233	154 275	154 275	11 386	133 396	154 275	(20 879)	-14%	154 275
Overtime		163 884	165 227	165 327	16 757	182 461	165 327	17 134	10%	165 327
Performance Bonus		134 473	152 183	152 183	16 293	148 125	152 183	(4 058)	-3%	152 183
Motor Vehicle Allowance		48 559	49 434	49 434	4 391	53 713	49 434	4 278	9%	49 434
Cellphone Allowance		3 995	4 637	4 637	318	3 828	4 637	(809)	-17%	4 637
Housing Allowances		9 442	15 437	15 437	787	9 485	15 437	(5 953)	-39%	15 437
Other benefits and allowances		27 291	81 722	81 722	4 166	48 861	81 722	(32 861)	-40%	81 722
Payments in lieu of leave		51 801	-	-	-	-	-	-		-
Long service awards		52 706	40 184	40 184	3 844	46 393	40 184	6 209	15%	40 184
Post-retirement benefit obligations		65 157	42 031	42 031	0	1	42 031	(42 030)	-100%	42 031
Entertainment		-	-	-	-	-	-	-		-
Scarcity		39 821	22 086	22 086	3 057	39 850	22 086	17 764	80%	22 086
Acting and post related allowance		13 783	12 187	12 187	1 202	13 545	12 187	1 358	11%	12 187
In kind benefits		-	-	-	-	-	-	-		-
Sub Total - Other Municipal Staff		2 723 531	2 869 321	2 831 345	228 278	2 768 120	2 831 345	(63 225)	-2%	2 831 345
% increase	4		5,4%	4,0%						4,0%
Total Municipal Entities		27 743	32 268	32 268	2 565	31 652	32 268	(616)	-2%	32 268
TOTAL SALARY, ALLOWANCES & BENEFITS		2 851 059	3 013 634	2 981 369	239 840	2 907 269	2 981 369	(74 100)	-2%	2 981 369
% increase	4		5,7%	4,6%						4,6%
TOTAL MANAGERS AND STAFF		2 780 686	2 932 056	2 899 791	233 298	2 831 816	2 899 791	(67 975)	-2%	2 899 791

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 30 June 2026. Table 22 below details overtime expenditure incurred per cost centre for the past three months ended 30 June 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	8 983 673	8 983 673	8 363 280	620 393	93%
Directorate of The City Manager	930 667	930 667	780 824	149 843	84%
Directorate of Corporate Services	584 666	584 666	870 244	(285 578)	149%
Directorate of Spatial Planning & Development	200 630	200 630	167 249	33 381	83%
Directorate of Economic Development & Agencies	770 990	770 990	849 041	(78 051)	110%
Directorate of Finance	6 137 385	6 137 385	8 277 512	(2 140 127)	135%
Directorate of Public Safety & Emergency Services	54 861 034	54 861 034	56 900 259	(2 039 225)	104%
Directorate of Infrastructure Services	62 167 450	62 167 450	71 255 087	(9 087 637)	115%
Electricity	23 945 535	23 945 535	28 806 109	(4 860 574)	120%
Water	12 000 961	12 000 961	26 517 390	(14 516 429)	221%
Sanitation	17 285 176	17 285 176	13 358 151	3 927 025	77%
Other	8 935 778	8 935 778	2 573 438	6 362 340	29%
Directorate of Solid Waste & Environmental Management	15 217 564	15 217 564	15 599 249	(381 685)	103%
Directorate of Sport, Recreation & Community Development	15 472 975	15 472 975	19 398 725	(3 925 750)	125%
Total	165 327 034	165 327 034	182 461 471	(17 134 437)	110%

The total overtime payment for the months of April 2026, May 2026 and June 2026 is reflected below. There was an increase in the total payment between April 2026 and May 2026 of R90 740 and an increase in the total payment between May 2026 and June 2026 of R62 228

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

	April Amount	May Amount	June Amount
DIRECTORATE EXECUTIVE SUPPORT SERVICES			
OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	14 725.67	-	14 132.69
COMM/MARKETING /INTERNAT & INTERGOV REL	-	-	1 974.50
INTERNATIONAL & INTERGOVERNMENTAL RELAT	3 105.60	-	2 386.80
IDP & BUDGET INTEGRATION	63 038.13	35 175 .63	30 726.92
POLITICAL OFFICE ADMINISTRATION	19 285.13	5 109.73	-
OFFICE OF THE CHIEF WHIP	133 285.13	45 667.92	108 293.87
OFFICE OF THE DEPUTY EXECUTIVE MAYOR	8 811.11	7 437.95	8 852.77
OFFICE OF THE EXECUTIVE MAYOR	240 056.10	233 020.90	247 454.95
OFFICE OF THE SPEAKER	361 412.75	260 759.53	288 182.77
MPAC	40 752.87	-	-
	884 819.06	587 171.66	702 005.27
DIRECTORATE OF THE CITY MANAGER			
OFFICE OF THE CITY MANAGER	107 732.12	32 610.76	38 132.57
LEGAL SERVICES & MUNICIPAL COURT	6 640.32	-	-
	114 372.44	32 610.76	38 132.57
DIRECTORATE OF CORPORATE SERVICES			
ADMINISTRATIVE & CORPORATE SUPPORT	19 494.74	24 194.18	34 152.95
AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	49 652.68	36 272.94	47 794.50
INFORMATION / TECHNOLOGY & SUPPORT	59 635.03	20 177.33	34 006.76
ORGANISATIONAL DEVELOPMENT	2 298.80	1 957.20	-
	131 081.25	82 601.65	115 954.21
DIRECTORATE OF SPATIAL PLANNING & DEVELOPMENT			
PUBLIC TRANSPORT NETWORK OPS	-	-	245.74
TRAFFIC MANAGEMENT & SAFETY	7 021.44	-	11 327.04
	7 021.44	-	11 572.78

	April Amount	May Amount	June Amount
DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES			
OFFICE OF THE DIRECTOR ECONOMIC DEVELOPMENT			-
FRESH PRODUCE MARKET	22 859.86	29 278.63	30 639.39
TOURISM / ARTS / CULTURE & HERITAGE	5 185.43	8 714.20	1 736.80
TRADE / INDUSTRY & RURAL AGRARIAN	2 376.80	-	-
	30 422.09	37 992.83	32 376.19
DIRECTORATE OF FINANCE			
BUDGET & TREASURY MANAGEMENT	-	16 006.32	21 378.30
CORPORATE ASSET MANAGEMENT	2 245.04	11593.40	-
PAYROLL & BENEFITS	12 210.76	-	1 552.80
VAT/LEASES & PAYMENTS	-	19 795.77	4 880.40
ACCOUNTS MANAGEMENT & REVENUE CONTROL	4 268.88	7 194.67	15 180.94
COASTAL REVENUE MANAGEMENT	303 460.66	199 438.94	110 300.05
CUSTOMER RELATIONS (CALL CENTRE)	311 138.56	280 546.95	277 042.41
INLAND REVENUE MANAGEMENT	22 857.58	71 136.76	2 523.52
MIDLAND REVENUE MANAGEMENT	125 653.53	17 386.32	38 273.90
RATES AND VALUATIONS	2 650.48	-	-
STRATEGY & OPERATIONS	3 496.50	24 915.24	21 461.72
SUPPLY CHAIN MANAGEMENT	9 137.76	124 695.56	-
	981 167.99	772 709.93	492 594.04
DIRECTORATE OF PUBLIC SAFETY & EMERGENCY SERVICES			
DISASTER MANAGEMENT	18 220.10	5 934.39	10 391.37
FIRE & RESCUE	783 961.19	1 372 219.90	1 021 938.62
LAW ENFORCEMENT SERVICES	1 934 202.34	2 281 561.29	2 370 516.47
TRAFFIC SERVICES	569 340.58	579 049.39	562 224.32
	3 305 724.21	4 238 764.97	3 965 070.78
DIRECTORATE OF INFRASTRUCTURE SERVICES			
OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	81 885.36	71 407.48	75 517.42
ELECTRICAL & ENERGY SERVICES	4 864.43	3 417.42	3 479.00
CUSTOMER SERVICES & REVENUE PROTECTION	214 802.21	202 529.50	189 278.26
ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	2 306.70	1 782.45	1 992.15
ELECTRICAL DISTRIBUTION	1 672 619.89	1 619 298.08	1 650 715.43
CONSTRUCTION	27 557.40	19 065.41	19 770.98
ROADS	103 511.96	151 407.07	136 568.39
SANITATION	1 356 102.96	1 653 183.37	1 629 625.27
SCIENTIFIC SERVICES	20 776.32	20 343.48	20 487.76
MADEN DAM	29 064.78	40 262.58	24 253.50

	April Amount	May Amount	June Amount
WATER SERVICES	947 781.37	1 155 066.41	991 177.90
UMZONYANA WATER TREATMENT WORKS	118 339.35	154 449.60	131 228.61
KWT WATER TREATMENT WORKS	11 877.10	111 062.78	88 424.56
MDANTSANE BULK PUMPING	34 955.82	83 335.92	56 327.04
WATER OPERATION & MAINT (INLAND)	393 836.38	450 180.92	566 093.72
WATER OPERATION & MAINT (MIDLAND)	407 701.86	339 017.76	387 508.12
FLEET SERVICES & PLANT	14 662.85	12 998.23	15 264.95
WORKSHOPS	34 888.99	53 988.14	15 264.95
	5 577 535.73	6 202 796.60	5 987 713.06
DIRECTORATE OF SOLID WASTE, ENVIRONMENTAL & HEALTH MANAGEMENT			
GENERAL MANAGER'S OFFICE	-	-	-
LANDFILLS & TRANSFER STATIONS	383 314.98	393 366.94	420 158.04
WASTE REMOVAL & CLEANSING (COASTAL)	88 973.10	306 512.49	215 924.56
WASTE REMOVAL & CLEANSING (MIDLAND)	219 011.97	219,011.97	284 234.23
LANDFILL & TRANSFER STATIONS	101,645.63	109 296.90	115 499.30
ENVIROMENTAL PLANNING (IEMP)	5 125.44	-	18 249.60
COASTAL BEACHES & NATURE MANAGEMENT	46 108.54	77 789.07	48 436.66
GRASS CUTTING & VEGETATION CONTROL	35 984.99	62 268.15	125 806.14
MUNICIPAL HEALTH SERVICES	2 459.27	-	-
	894 754.38	1 241 210.69	1 228 308.53
DIRECTORATE OF SPORT, RECREATION & COMMUNITY DEVELOPMENT			
OFFICE OF THE DIRECTOR OF SPORT, RECREATION & COMMUNITY DEVELOPMENT	22 480.21	2 298.80	4 597.60
GM OFFICE	63 633.43	48 655.40	70 861.19
LIBRARIES	47 849.74	44 662.44	42 949.03
HALLS	282 778.53	265 329.14	283 528.44
ZOO & AQUARIUM	178 972.51	169 948.76	174 903.20
PARKS (COASTAL)	1,282.40	732.80	6 571.15
CEMETERIES (COASTAL)	128 951.85	151 141.35	172 620.20
PARKS (MIDLAND)	4 938.59	3 952.63	8 530.41
CEMETERIES (MIDLAND)	76 398.67	175 075.10	142 314.43
PARKS (INLAND)	144 771.28	129 270.24	222 323.17

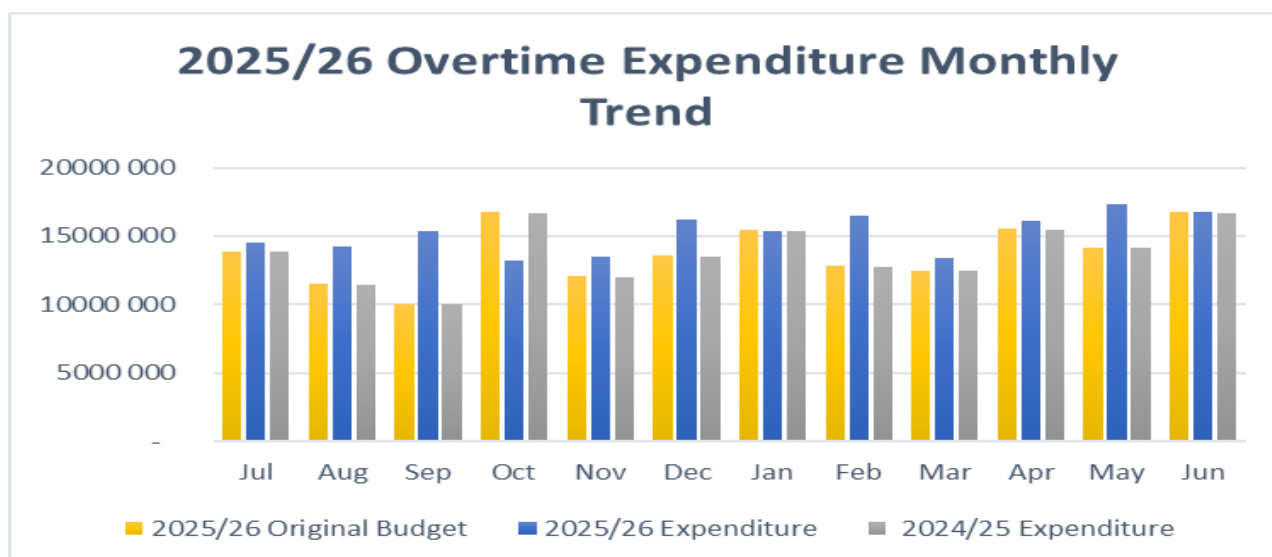
	April Amount	May Amount	June Amount
CEMETERIES (INLAND)	107 586.00	93 485.17	23 286.45
GM OFFICE	6 053.04	5 380.48	3 699.08
FACILITIES	149 531.22	145 237.09	117 771.47
SWIMMING POOLS	450 759.01	493 395.60	459 873.06
RESORTS MANAGEMENT	46 862.81	69 142.28	86 527.15
	1,589,310.73	1 802 301.76	1 820 356.03
TOTAL OVERTIME	13 639 198.28	14 998 160.85	14 394 083.46

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

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

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

Figure 8: Overtime Expenditure Monthly Trend



12.2.1. Comments on Overtime

a) Directorate of Corporate Services

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

b) Directorate Of Economic Development & Agencies

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

c) Directorate of Finance

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

d) Directorate of Public Safety & Emergency Services

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

These include but not limited to:

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

e) Directorate of Infrastructure Services

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

f) Directorate of Solid Waste & Environmental Management

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

g) Directorate of Sport, Recreation & Community Development

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

12.3. Standby and Shift Allowance Analysis

Table 23 below reflects the total standby and shift payment for the months of April 2026, May 2026 and June 2026. There was an increase in the total payment between April 2026 and May 2026 of R90 739 and an increase in the total payment between May 2026 and June 2026 of R62 228.

Table 23: Standby & Shift Allowance per Directorate

	April 2026 Amount	May 2026 Amount	June 2026 Amount
Directorate of Executive Support Services	19 717	21 319	23 473
Directorate of the City Manager	2 432	393	673
Directorate of Corporate Services	10 164	10 168	10 374
Directorate of Development & Spatial Planning	11 152	6 866	19 301
Directorate of Economic Development & Agencies	3 107	2 669	3 039
Directorate of Finance	24 448	22 158	24 977
Directorate of Public Safety & Emergency Services	1 008 420	954 570	1 050 043
Directorate of Infrastructure Services	994 354	1 101 925	1 047 837
Directorate of Solid Waste & Environmental Management	401 366	445 754	446 802
Directorate of Sport, Recreation & Community Development	31 515	31 591	33 124
TOTAL	2 506 676	2 597 415	2 659 643

12.4. Cost of Temporary Staff

Table 24 below reflects the total payment of Temporary Staff for the months of April 2026, May 2026 and June 2026. There was a decrease in the total payment between April 2026 and May 2026 of R551 643 and an increase in the total payment between May 2026 and June 2026 of R51 329.

Table 24: Temporary Staff per Directorate

	April 2026 Amount	May 2026 Amount	June 2026 Amount
Directorate of Executive Support Services	2 523 312	2 551 100	2 670 745
Directorate of the City Manager	226 638	186 308	285 344
Directorate of Corporate Services	1 179 985	1 266 898	1 388 551
Directorate of Spatial Planning & Development	124 517	72 645	123 341
Directorate of Finance	956 812	1 217 499	882 883
Directorate of Public Safety & Emergency Services	68 401	68 401	68 401
Directorate of Infrastructure Services	838 475	877 610	814 542
Directorate of Solid Waste & Environmental Management	1 409 776	501 181	634 823
Directorate of Sport, recreation & Community Development	132 220	166 850	91 191
TOTAL	7 460 135	6 908 492	6 959 821

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year-to-date budget of R81.58 million less the year-to-date expenditure of R75.45 million which leaves a variance of R6.13 million.

Table 25: Councillors Costs

Councillors Allowances and Benefits

Councillors Allowances And Benefits	2025/2026 Annual Budget R	2025/2026 YTD Budget R	2025/2026 YTD Expenditure R	2025/2026 Variance R	2025/2026 Variance %
Councillors Allowances	54 576 747	54 576 747	46 758 974	7 817 773	14,32
Housing Allowance	2 839 272	2 839 272	15 625 007	-12 785 735	-450,32
Medical Aid Allowance	2 397 470	2 397 470	1 974 318	423 152	17,65
Pension Allowance	4 956 471	4 956 471	4 690 118	266 353	5,37
Travel Allowance	16 807 948	16 807 948	6 404 127	10 403 821	61,90
Total	81 577 908	81 577 908	75 452 545	6 125 363	7,51

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R54.17 million (87%) of its 2025/2026 approved operating budget of R61.99 million. A detailed analysis of the entity's performance for month ended 30 June 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) - M12 June

Description	Ref	2023/24	Current Year 2024/25							
		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		0	-	-	-	18	-	18		-
Agency services		-	-	-	-	-	-	-		-
Interest								-		
Interest earned from Receivables								-		
Interest earned from Current and Non Current Assets		2 717	2 281	2 281	158	1 847	2 281	(434)	-19,0%	2 281
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		-	-	-	-	-	-	-		-
Licence and permits								-		
Special rating levies								-		
Operational Revenue		-	-	-	-	11	-	11		-
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes								-		
Fines, penalties and forfeits								-		
Licences or permits								-		
Transfer and subsidies - Operational		8 263	59 718	59 718	2 262	12 378	59 718	(47 340)	-79,3%	59 718
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		-	-	-	-	-	-	-		-
Other Gains		-	-	-	-	-	-	-		-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		10 980	61 999	61 999	2 420	14 254	61 999	(47 745)	-77,0%	61 999
Expenditure By Type										
Employee related costs		27 743	32 268	32 268	2 565	31 652	32 268	(616)	-1,9%	32 268
Remuneration of board members								-		
Bulk purchases - electricity								-		
Inventory consumed		345	235	235	3	208	235	(27)	-11,4%	235
Debt impairment								-		
Depreciation and asset impairment		625	540	540	16	383	540	(158)	-29,2%	540
Interest		20	-	-	-	-	-	-		-
Contracted services		8 324	25 376	25 376	4 707	16 419	25 376	(8 956)	-35,3%	25 376
Transfers and subsidies		450	-	-	-	-	-	-		-
Irrecoverable debts written off		-	-	-	-	-	-	-		-
Operational costs		6 082	3 580	3 580	297	5 506	3 580	1 926	53,8%	3 580
Losses on disposal of Assets		-	-	-	-	-	-	-		-
Other Losses		9	-	-	-	-	-	-		-
Total Expenditure	3	43 597	61 999	61 999	7 589	54 169	61 999	(7 830)	-12,6%	61 999
Surplus/(Deficit)		(32 617)	-	-	(5 170)	(39 914)	-	(39 914)		-
Transfers and subsidies - capital (monetary allocations)		-	100	100	-	-	100	(100)	-100,0%	100
Transfers and subsidies - capital (in-kind)								-		
Surplus/(Deficit) before taxation		(32 617)	100	100	(5 170)	(39 914)	100	(40 014)	-40014,3%	100
Income Tax		-	-	-	-	-	-	-		-
Surplus/(Deficit) for the year		(32 617)	100	100	(5 170)	(39 914)	100	(40 014)		100

14. CAPITAL PROGRAMME PERFORMANCE

The Metro has spent 63% (R978.10 million, inclusive of reclaimed vat) of its 2025/26 adjusted capital budget of R1.55 billion as at 30 June 2026. This reflects a decline when compared to the same period in the previous financial year where 69% (R988.56 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.43 billion was spent. The decline in performance is mainly due to procurement delays, late project implementation and contractor performance challenges. Expenditure is expected to further improve as the financial year end closure is still in progress. Journals and closing entries are still being processed to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2026.

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

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

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

Table 27: Capital Expenditure per Funding Source against Budget

Funding	2025/2026 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
TOTAL OWN FUNDING	447 424 689	198 351 973	249 072 716	44%
Urban Settlement Development Grant	504 119 128	367 224 061	136 895 066	73%
Urban Settlement Development Grant c/o	26 186 107	15 570 319	10 615 788	59%
City Of Oldenburg	3 155 797	2 324 924	830 873	74%
Informal Settlements Upgrading Partnership Grant	294 365 924	221 075 608	73 290 321	75%
Neighbourhood Development Partnership Grant	10 000 000	6 092 410	3 907 590	61%
Municipal Disaster Response Grant c/o	27 996 396	15 517 884	12 478 513	55%
Municipal Disaster Recovery Grant c/o	71 343 636	41 158 534	30 185 102	58%
Metro Trading Services Funding	164 428 200	110 634 475	53 793 725	67%
Infrastructure Skills Development Grant	200 000	148 396	51 604	74%
TOTAL GRANTS	1 101 795 193	779 746 610	322 048 583	71%
TOTAL CAPITAL BUDGET	1 549 219 882	978 098 583	571 121 299	63%

Table 28 below reflects capital expenditure performance per function.

Table 28: Actual Expenditure per Function against Budget

Function	2025/2026 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Governance and administration	167 141 206	71 440 384	95 700 821	43%
Executive and council	28 350 000	12 833 151	15 516 849	45%
Finance and administration	138 791 206	58 607 233	80 183 972	42%
Community and public safety	322 777 182	202 202 307	120 574 875	63%
Community and social services	31 264 638	12 839 467	18 425 171	41%
Sport and recreation	48 370 919	17 349 138	31 021 781	36%
Public safety	37 304 711	17 339 363	19 965 348	46%
Human settlements	191 375 913	150 449 135	40 926 778	79%
Health	14 461 000	4 225 204	10 235 796	29%
Economic and environmental services	370 083 144	222 107 778	147 975 366	60%
Planning and development	46 042 526	39 241 872	6 800 654	85%
Road transport	324 040 618	182 865 906	141 174 712	56%
Trading services	646 657 271	459 587 932	187 069 339	71%
Energy sources	227 757 489	201 082 611	26 674 878	88%
Water management	190 118 522	167 984 071	22 134 451	88%
Waste water management	148 947 367	62 177 172	86 770 194	42%
Waste management	79 833 894	28 344 078	51 489 816	36%
Other - LED	42 561 079	22 760 181	19 800 898	53%
TOTAL - PER FUNCTION	1 549 219 882	978 098 583	571 121 299	63%

Table 29 below reflects capital expenditure performance per directorate.

Table 29: Actual Expenditure per Directorate against Budget

Directorate	2025/2026 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditur e (incl. VAT)
Executive Support Services	2 500 000	965 313	1 534 687	39%
City Manager's Office	25 850 000	11 867 838	13 982 162	46%
Corporate Services	28 123 196	3 207 061	24 916 135	11%
Spatial Planning & Development	61 615 487	52 826 438	8 789 049	86%
Economic Development & Agencies	42 561 079	22 760 181	19 800 898	53%
Finance Services	88 745 049	41 481 458	47 263 591	47%
Public Safety & Emergency Services	51 004 711	19 823 123	31 181 588	39%
Human Settlements	191 375 913	150 449 135	40 926 778	79%
Infrastructure Services	890 863 995	614 109 761	276 754 235	69%
Sports, Recreation & Community Development	56 539 159	24 197 524	32 341 635	43%
Solid Waste & Environmental Management	103 691 292	36 076 601	67 614 691	35%
TOTAL DIRECTORATES	1 542 869 882	977 764 435	565 105 447	63%
BCMDA Projects	100 000	5 314	94 686	5%
Asset Replacements	6 250 000	328 835	5 921 165	5%
TOTAL CONSOLIDATED CAPITAL PER DIRECTORATE	1 549 219 882	978 098 583	571 121 299	63%

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

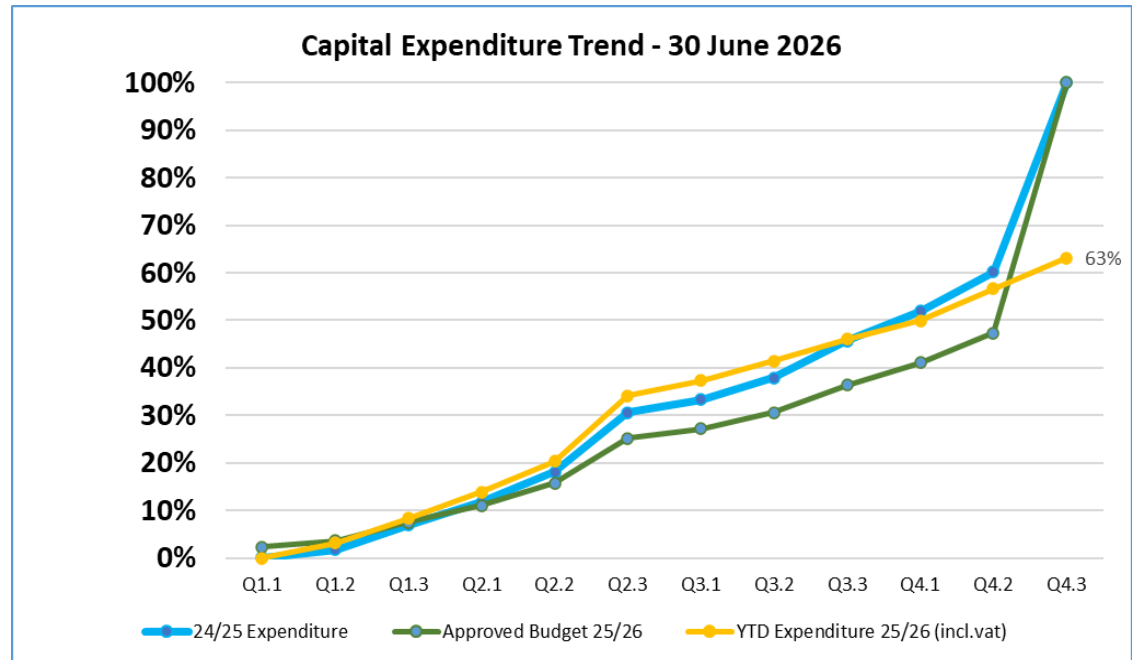
Table 30: SC12 Monthly Budget Statement – capital expenditure trend

BUF Buffalo City - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M12 June

Month	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	1 524	70 803	70 803	0	0	70 803	70 802	100,0%	0%
August	22 635	91 480	91 480	45 707	45 707	162 283	116 576	71,8%	3%
September	68 648	102 018	102 018	73 203	73 203	264 300	191 098	72,3%	5%
October	63 942	112 556	112 556	83 338	83 338	376 856	293 517	77,9%	5%
November	83 769	123 094	123 094	92 766	92 766	499 949	407 183	81,4%	6%
December	165 218	98 874	98 874	198 084	198 084	598 824	400 740	66,9%	13%
January	34 410	109 552	109 552	43 420	43 420	708 376	664 956	93,9%	3%
February	60 583	163 411	163 411	58 389	58 389	871 787	813 398	93,3%	4%
March	102 310	166 709	166 709	65 260	65 260	1 038 496	973 236	93,7%	4%
April	84 303	170 241	170 241	49 267	49 267	1 208 738	1 159 471	95,9%	0
May	108 995	173 807	173 807	91 652	49 267	1 382 545	1 333 278	96,4%	0
June	434 002	166 675	166 675	82 946	82 946	1 549 220	1 466 274	94,6%	0
Total Capital expenditure	1 230 341	1 549 220	1 549 220	884 032					

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 66% (R386.28 million, inclusive of reclaimed vat) of its 2025/26 adjusted operating projects budget of R581.67 million as at 30 June 2026. This reflects an improvement when compared to the same period in the previous financial year where 57% (R298.76 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R521.16 million was spent. Expenditure is expected to further improve as the financial year end closure is still in progress. Journals and closing entries are still being processed to adequately account for all the financial transactions which were incurred for the financial year ended 30 June 2026.

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

Tables 31 and 32 below summarise Annexure D.

Table 31: Operating Projects per Directorate

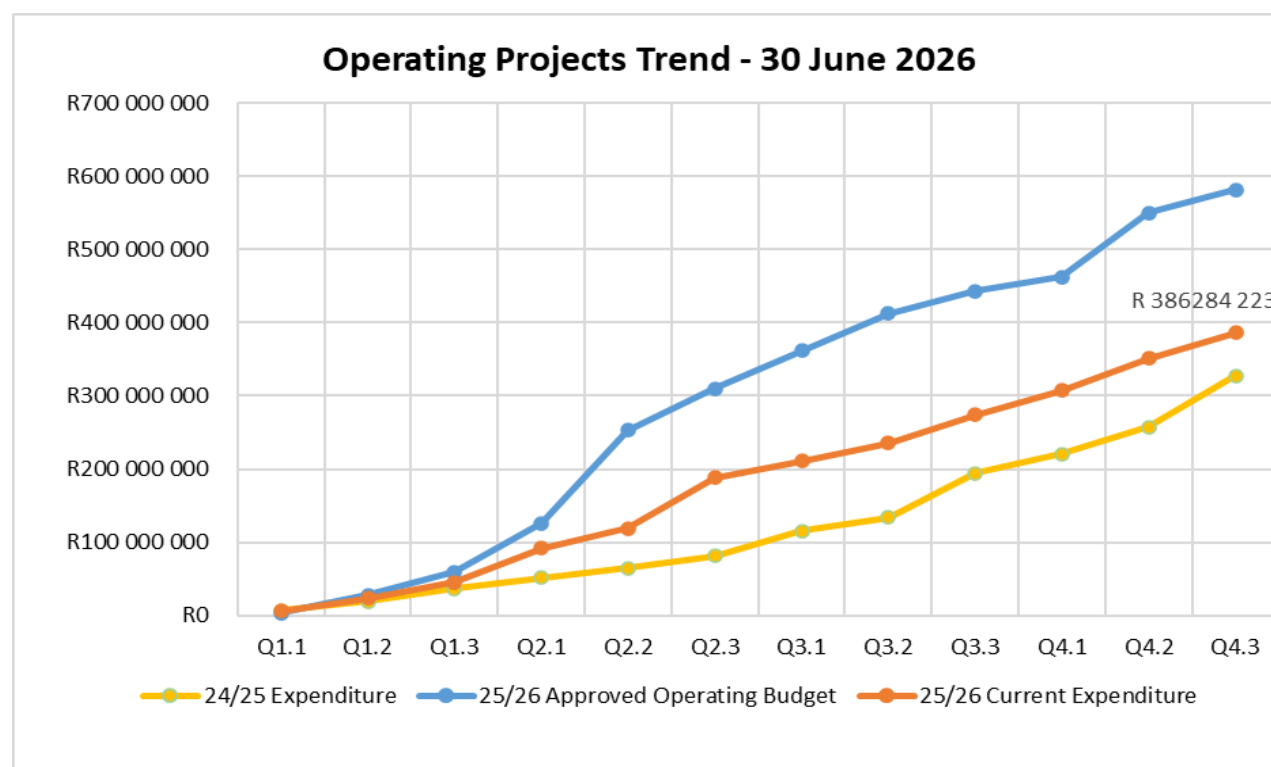
Directorate	<u>2025/2026 Adjusted Budget</u>	<u>YTD Expenditure (incl. vat)</u>	<u>Variance (incl.VAT)</u>	<u>% Expenditure (incl. vat)</u>
Executive Support Services	21 935 398	15 308 164	6 627 234	70%
City Manager's Office	44 810 224	40 589 622	4 220 602	91%
Corporate Services	34 250 000	8 839 800	25 410 200	26%
Spatial Planning & Development	13 414 886	7 143 636	6 271 250	53%
Economic Development & Agencies	50 269 823	23 335 232	26 934 591	46%
Finance Services	12 871 900	20 889 897	-8 017 997	162%
Public Safety & Emergency Services	3 900 000	2 214 385	1 685 615	57%
Human Settlements	186 221 637	84 779 863	101 441 774	46%
Infrastructure Services	134 351 095	76 760 309	57 590 786	57%
Sports, Recreation & Community Development	3 450 000	1 883 802	1 566 198	55%
Solid Waste & Environmental Management	76 191 087	104 539 511	-28 348 424	137%
TOTAL OPERATING PROJECTS	581 666 051	386 284 223	195 381 828	66%

Table 32: Operating Projects Per Funding Source

Funding	2025/2026 Adjusted Budget	YTD Expenditure (incl. vat)	Variance (incl. VAT)	% Expenditure (incl. vat)
TOTAL OWN FUNDING	203 267 400	170 748 002	32 519 398	84%
City of Oldenburg c/o	935 398	198 999	736 399	21%
Urban Settlement Development Grant	55 124 874	55 563 602	-438 728	101%
Finance Management Grant	1 000 000	950 444	49 556	95%
Informal Settlements Upgrading Partnership Grant	26 092 076	17 044 147	9 047 929	65%
Infrastructure Skills Development Grant	8 800 000	7 069 800	1 730 200	80%
Programme and Project Preparation Support Grant	16 000 000	5 956 077	10 043 924	37%
Expanded Public Works Programme	2 434 000	2 433 322	678	100%
Human Settlements Development Grant	165 511 947	71 297 835	94 214 112	43%
Neighbourhood Development Partnership Grant	22 500 000	25 481 770	-2 981 770	113%
Department of Transport c/o	71 888 104	26 357 674	45 530 430	37%
Sector Education and Training Authority c/o	3 717 955	2 137 024	1 580 931	57%
Sector Education and Training Authority	4 394 297	1 045 526	3 348 771	24%
TOTAL GRANTS	378 398 651	215 536 221	162 862 430	57%
TOTAL OPERATING PROJECTS BUDGET	581 666 051	386 284 223	195 381 828	66%

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. VIREMENTS ON THE 2025/26 BUDGET

Changing circumstances and prioritisation during a financial year may give rise to a need for virement of funds within the vote as permitted in terms of the Municipal Finance Management Act (MFMA) no 56 of 2003. The City's virement policy permits that sufficient budgetary provision should be available within the "giving" vote or project concerned to give effect to the budgetary virement.

The implemented virement is in accordance with the prescripts of section 15 of the MFMA. Furthermore section 29(2) (c) of the MFMA, permits the Mayor to report such virement in the next municipal council after being implemented.

16.1. Directorate's Urban Settlement Development Grant virements

An amount totalling R75 140 844 was transferred from the Directorates of Economic Development and Agency, Sports Recreation and Community Development, Sanitation and Human Settlements. The funds were transferred to Roads Transport, Human Settlements and Electricity and Energy. The budget was surrendered by departments with slow or nil expenditure due to various challenges experienced, to departments that had outstanding invoices and ongoing expenditure due to ongoing work on site.

Table 33: Virement Implemented among Directorates for Urban Settlement Development Grant

Directorate Name	2025/2026 Adjustment Budget	2025/2026 Transfers	2025/2026 Budget after Adjustment
Transferred from:			
Directorate of Economic Development and Agencies	R24 527 968	(R6 906 051)	R17 621 917
Directorate of Human Settlements	R70 878 684	(R11 756 209)	R59 122 475
Directorate of Infrastructure	R385 012 575	(R36 478 584)	R348 533 991
Directorate of Sports, Recreation and Community	R76 395 675	(R20 000 000)	R56 395 675
Transferred To:			
Directorate of Infrastructure	R385 012 575	R61 926 709	R446 939 284
Directorate of Human Settlements	R70 878 684	R13 214 135	R84 092 819

16.2. Directorates of Human Settlements

An amount totalling R10 632 601 was reallocated within the Human Settlements Directorate project to aid active projects with the settling of outstanding invoices and progress work on site.

Table 34: Virement Implemented within the Directorate of Human Settlements

Project Name	2025/2026 Adjustment Budget	2025/2026 Transfers	2025/2026 Budget after Adjustment
Transferred from:			
Potsdam Ikhwezi BI 1 - Stormwater	R10 000 000	(R326 086)	R9 673 914
Potsdam North Kanana - Sanitation	R1 000 000	(R754 000)	R246 000
Cluster 3	R7 000 000	(R1 846 348)	R5 153 652
D Hostel - Stormwater	R200 001	(R200 001)	R0
Ekuphumleni - Water	R12 300 000	(R6 725 818)	R2 498 170
East Bank Restitution - Water	R2 000 000	(R636 928)	R11 663 072
Morningside Indegent Site – Old Age (Mtsotso)	R200 000	(R143 420)	R1 856 580
Transferred to:			
Berlin Lingelitsha - Phase 1 - Water	R5 223 988	R462 915	R5 686 903
Ilitha Sportsfield - Water	R3 723 988	R273 000	R3 996 988
Matsheni Park - Water	R700 000	R1 500 000	R2 200 000
Cnip Victims Project: Cambridge West - Roads	R3 669 798	R946 121	R4 615 919
Hemingways Informal Settlements	R0	R294 765	R294 765
Silvertown	R0	R1 141 025	R1 141 025
Reeston Phase 2 Stage 3 -(Khayelitsha Internal Roads	R3 000 000	R391 139	R3 391 139
Kaisers Beach Internal Roads	R5 000 000	R586 934	R5 586 934
Amalinda Junction Tra Phase 1 - Isupg	R6 000 000	R813 062	R6 813 062
Scenery Park	R3 000 000	R4 223 640	R7 223 640

16.3. Directorate of Corporate Services

An amount of R1.3 million has been reallocated within the Directorate in order to adequately meet SDBIP targets of the installation of fibres as well as the installation of Wi-Fi hotspots, and other critical ICT operations.

Table 35: Virement Implemented within the Directorate of Corporate Services

Project Name	2025/2026 Adjustment Budget	2025/2026 Transfers	2025/2026 Budget after Adjustment
Transferred from:			
Payday Electronic Attendance System	R1 800 000	(R1 300 000)	R500 000
Transferred To:			
WI-FI	R600 000	R700 000	R1 300 000
Fibre Network	R600 000	R600 000	R1 200 000

16.4. Directorate of Sports, Recreation and Community Development

An amount of R900 000 has been reallocated within the Directorate to purchase a vehicle that will aide in the operations of the City zoo.

Table 36: Virement Implemented within the Directorate of Sports, Recreation and Community Development

Project Name	2025/2026 Adjustment Budget	2025/2026 Transfers	2025/2026 Budget after Adjustment
Transferred from:			
Upgrading of Zoo	R1 200 000	(R500 000)	R700 000
Refurbishment of Aquarium	R800 000	(R400 000)	R400 000
Transferred To:			
Zoo Plant	R400 000	R900 000	R1 300 000

16.5. Directorate of Infrastructure

An amount totalling R5 906 231 was transferred from the Directorates of Executive Support Services, Spatial Planning, Finance and Infrastructure. The funds were transferred to Electricity and Energy. The budget was surrendered by departments with budget to spare due to fully paid invoices and others with nil to low expenditure due to various challenges experienced in procurement processes.

Table 37: Virement Implemented for Directorate of Electricity and Energy

Directorate Name	2025/2026 Adjustment Budget	2025/2026 Transfers	2025/2026 Budget after Adjustment
Transferred from:			
Directorate of Executive Support Services	R1 045 320	(R1 045 320)	R0
Directorate of Spatial Planning	R 1 361 231	(R1 361 231)	R0
Directorate of Finance	R9 496 853	(R1 500 000)	R7 996 853
Directorate of Waste Water Services	R6 719 971	(R2 000 000)	R4 719 971
Transferred To:			
Directorate of Electricity and Energy	R3 000 000	R5 906 551	R8 906 551

17. COST CONTAINMENT MEASURES

The cost containment policy of BCMM was approved by council on 29 June 2020 with effect from 01 July 2020. In terms of regulation 15(1) of the cost containment regulations, the disclosure of cost containment measures applied by the municipality and municipal entity must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.

Table 34 below compares expenditure incurred on cost containment items per quarter and total savings realised for the quarter under review.

Table 38: Cost Containment Quarterly Report

	Cost Containment In-Year Report			
Measures	2025/2026 Budget	Q4 April - June		Savings realised when compared to year to date expenditure
		25/26 YTD Budget	25/26 Expenditure	
Catering	6 767 633	6 767 633	4 086 936	2 680 697
Use of Consultants	90 514 169	90 514 169	65 857 470	24 656 699
Travel & Subsistence and Accommodation	13 697 218	13 697 218	12 260 526	1 436 692
Entertainment	1 156 586	1 156 586	635 227	521 359
Advertising, Publication & Marketing	11 465 296	11 465 296	14 046 271	(2 580 975)
Sponsorships and Events	21 860 381	21 860 381	21 409 996	450 385
<u>Total</u>	145 461 283	145 461 283	118 296 424	27 164 859

18. SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS

BCMM revised its SDBIP after budget adjustment and was adopted by Council on the 31 March 2026. Indicators and targets are categorised into two; namely, National prescribed performance indicators and BCMM indicators and they are also classified as:

- **Service delivery indicators and targets**. These are indicators that are budgeted for and are addressing service delivery needs or priorities.
- **Compliance indicators**. These indicators respond to different legislations, norms and standards.

Below is the summary of the **un-audited** fourth quarter service delivery targets and performance indicators reporting per **directorate**.

18.1. SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOURTH QUARTER 2025/2026 PER DIRECTORATE

- Executive Support Services**
The Directorate has two service delivery indicators/targets one achieved and one not for reporting. The Directorate has achieved 100% performance for Service Delivery indicators/targets.
- Human Settlements**
The Directorate has five service delivery indicators/targets, one indicator/ target has been achieved and four have not been achieved. The Directorate has achieved 20% performance for Service Delivery indicators/targets.
- Directorate Of Finance**
The Directorate has two service delivery indicators/targets, both have been achieved. The Directorate has achieved 100% performance for Service Delivery indicators/targets.

iv. **Corporate Services**

The Directorate has one service delivery indicator/target, and it has been achieved. The Directorate has achieved 100% performance for Service Delivery indicators/targets.

v. **Office of the Chief Operations Officer**

The Directorate has four service delivery indicators/targets. One achieved and two not achieved. One is not for reporting for this quarter. The Directorate has achieved 33% performance for Service Delivery indicators/targets.

vi. **Spatial Planning And Development**

The Directorate has six service delivery indicators/targets, four have been achieved and two indicators are not achieved. The Directorate has achieved 67% performance for Service Delivery indicators/targets.

vii. **Economic Development And Agencies**

The Directorate has eleven service delivery indicators/targets, eight have been achieved and two not achieved. One indicator is not for reporting this quarter. The Directorate has achieved 80% performance for Service Delivery indicators/targets.

viii. **Public Safety And Emergency Services**

The Directorate has four service delivery indicators/targets and three have been achieved and one not achieved. The Directorate has achieved 75% performance for Service Delivery indicators/targets.

ix. **Solid Waste And Environmental Management**

The Directorate has two service delivery indicators/targets and two have been achieved for this quarter. The Directorate has achieved 100% performance for Service Delivery indicators/targets.

x. **Sport, Recreation And Community Development**

The Directorate has fourteen are service delivery indicators/targets, four have been achieved and six not achieved. Four indicators are not for

reporting for this quarter. The Directorate has achieved 40% performance for Service Delivery indicators/targets.

xi. Electricity and Energy

The Directorate has four service delivery indicators/targets and all four have been achieved. The Directorate has achieved 100% performance for Service Delivery indicators/targets.

xii. Infrastructure Services (Roads and Stormwater)

The Directorate has nine service delivery indicators/targets and five have been achieved, three not achieved and one is not for reporting for this quarter. The Directorate has achieved 63% performance for Service Delivery indicators/targets

xiii. Water and Sanitation

The Directorate has six service delivery indicators/targets and three have been achieved, three not achieved. The Directorate has achieved 50% performance for Service Delivery indicators/targets.

The un-audited overall performance for service delivery indicators is **63%**.

**Table 39: Summary of BCMM Fourth Quarter (Service Delivery)
Performance per Directorate**

Directorates	Total no. of Service Delivery KPI(s)	No. of KPI(s) achieved	No. of KPI's not achieved	Not for reporting this quarter	Fourth Quarter % of KPI's achieved
Executive Support Services	2	1	0	1	100%
Human Settlements	5	1	4	0	20%
Directorate of Finance	2	2	0	0	100%
Corporate Services	1	1	0	0	100%
COO	4	1	2	1	33%
Infrastructure Services (Roads and Stormwater)	9	5	3	1	63%
Spatial Planning & Development	6	4	2	0	67%
Economic Development and Agencies	11	8	2	1	80%
Public Safety and Emergency Services	4	3	1	0	75%
Solid Waste and Environmental Management	2	2	0	0	100%
Sport, Recreation And Community Development	14	4	6	4	40%
Electricity and Energy	4	4	0	0	100%
Water and Sanitation	6	3	3	0	50%
TOTALS	70	39	23	8	63%

18.2. PERFORMANCE TARGETS THAT ARE FOR COMPLIANCE AND REPORTING ONLY

Below is the summary of Circular 88 compliance indicators per directorate. Out of thirteen directorates, three directorates (Infrastructure (roads and stormwater), Office of the Chief Operations Officer and Sport, recreation, and community development) are not allocated compliance indicators by National Treasury.

- i. **Executive Support Services**
The Directorate has four compliance and reporting indicators/targets and two have been achieved and one not achieved. One indicator is not for reporting for this quarter.
- ii. **Human Settlements**
The Directorate has one compliance and reporting indicator/target and it has been achieved.
- iii. **Directorate Of Finance**
The Directorate has thirty-four compliance and reporting indicators/targets. Twenty-two have been achieved and twelve have not been achieved.
- iv. **Corporate Services**
The Directorate has a total of eight compliance & reporting indicators/targets and four have been achieved. Four have not been achieved for this quarter.
- v. **Spatial Planning And Development**
The Directorate has two compliance indicators/targets and both have been achieved.
- vi. **Economic Development And Agencies**
The Directorate has a total of two compliance indicators/targets and both have been achieved.

vii. Public Safety And Emergency Services

The Directorate has five compliance & reporting indicators/targets and four have been achieved and one not achieved.

viii. Solid Waste And Environmental Management

The Directorate has seven compliance & reporting indicators/ targets. All indicators have been achieved.

ix. Sport, Recreation And Community Development

The Directorate has no compliance indicators/targets.

x. Electricity and Energy

The Directorate has one compliance and reporting indicator/target and it has not been achieved.

xi. Water and Sanitation

The Directorate has five compliance indicators/targets and four have been achieved. One is not achieved.

xii. Infrastructure Services (Roads and Stormwater)

The Directorate has no compliance indicators/targets.

xiii. Office of the Chief Operations Officer

The Directorate has no compliance indicators/targets.

Table 40: Summary of BCMM Fourth Quarter (Compliance/Reporting) Performance per Directorate

Directorates	Total no. of Compliance KPI(s)	No. of KPI(s) achieved	No. of KPI's not achieved	Not for reporting this quarter
Executive Support Services	4	2	1	1
Human Settlements	1	1	0	0
Directorate of Finance	34	22	12	0
Corporate Services	8	4	4	0
Infrastructure Services (Roads and Stormwater)	N/A	N/A	N/A	N/A
Office of the Chief Operations Officer	N/A	N/A	N/A	N/A
Spatial Planning & Development	2	2	0	0
Economic Development and Agencies	2	2	0	0
Public Safety and Emergency Services	5	4	1	0
Solid Waste and Environmental Management	7	7	0	0
Sport, Recreation and Community Development	N/A	N/A	N/A	N/A
Electricity and Energy	1	0	1	0
Water and Sanitation	5	5	1	0

19. CONCLUSION

This Fourth quarter Service Delivery targets and Performance indicators Report 2025/2026 is **unaudited** at this stage and is still going to be subjected to internal audit processes.

20. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

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

☐

The quarterly report on the implementation of the budget and financial state of affairs of the municipality (Section 52d Report)

for the period ending **June 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: