KAGISANO MOLOPO
Local Municipality

MID-YEAR BUDGET MONITORING STATEMENT

S71 REPORT

DECEMBER (M06) 2025

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PART 1 – IN-YEAR REPORT

1. Mayor's Report

In accordance with Section 52(d) of the Municipal Finance Management Act, the mayor submits a report to the council within 30 days after the end of each quarter which is the second quarter of 2025/26, on the implementation of the budget and the financial situation of the Kagisano-Molopo Local Municipality.

This report forms part of the general responsibilities of the Mayor of a Municipality and is intended to inform and enable the council to fulfil its oversight responsibility.

1. The statement referred to in section 71 (1) for the twelve-month of a financial year may be incorporated into the report referred to in subsection (1) (b) of this section.
2. The accounting officer must, as part of the review—
   (a) make recommendations as to whether an adjustments budget is necessary; and
   (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

This report forms part of the general responsibilities of the Mayor of a Municipality and is intended to inform and enable the council to fulfil its oversight responsibility.

1.1 Implementation of the budget in accordance with the SDBIP

A comprehensive report detailing the implementation for the second quarter ended 31 December 2025 will be tabled in a separate report to council.

1.2 Financial problems or risks facing the municipality

The cash flow position as of 31 December 2025 of the Municipality shows an improvement when compared to the previous financial year. This is mainly due to the increase collection of revenue from VAT, the municipality is still under financial distress

The municipality will seek to improve the cash flow more for the municipality to be stable and continue to show great improvements and close the financial year with positive bank balance.

The municipality also need to improve more in collection to reduce consumer debts because it will contribute towards the municipality’s cash flow. The increase in outstanding debt might impact the available funds for capital and operational expenditure negatively in the next financial year. Improving the debt collection will continue to rank high in the municipality’s priorities as we seek to improve financial sustainability.

1.3 Summary

The municipality achieved a qualified audit opinion for 4 financial years, however for the past two financial years (2023/2024 and 2024/2025) the municipality has regressed from qualified opinion to adverse opinion. In the 2023/24 financial year, the municipality had a total number of 18 qualification paragraphs, this was reduced to 9 in the 2024/25 financial year which reflects a 50% decrease.

2. Resolutions

That the **COUNCIL** notes the quarterly report on the implementation of the budget and the financial affairs for the municipality referred to in **Section 54(f) and Section 71 of the Municipal Finance Management Act** for the month ending **31 December 2025**.

3. Executive Summary

3.1. Introduction

Section 71(1) of the Municipal Finance Management Act (MFMA) requires from the Municipal Manager, as Accounting Officer of the Municipality, to submit a report in a prescribed format to the Mayor within 10 working days after the end of each month on the state of the municipality's budget for that month and for the financial year up to the end of that month.

This report is a summary of the main budget issues arising from the monitoring process. It compares the process of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP). Section 54 of the MFMA requires from the Executive Mayor to consider the Section 71 report and to take appropriate action, if needed, to ensure that the approved budget is implemented in accordance with the approved SDBIP.

The report therefore reports on the performance of the municipality for the month of **December 2025 (M06)**.

Revenue

It should be noted that annual billing for property rates have not been processed. Monthly billing for rental of facilities has been processed successfully. The amount for rental of facilities in Table C1 & C4 are the actual amount billed/levied and not the amount that is received.

The year-to-date actual for the month of December 2025 reflects an achievement of 76% of the year-to date budget. This is mainly due interest not yet charged in the property rates and decreased revenue collection on operating revenue.

This will be corrected in the adjustment budget to align to the actual receipt and the anticipated spending for the remainder of the financial year.

Operating expenditure

Operational expenditure is at 91% spent as at mid-term against what was budgeted as at mid-term. This mainly due to over expenditure in operating expenses and contracted services.

For the year-to-date all expenditure items that show a positive variance indicates a overspending on that specific expenditure item and where they show negative variance it indicates a saving on that specific expenditure item. Expenditure items such as provision for bad debt are being recorded at the end of the financial year. Depreciation is not yet reflecting as the municipality.

Capital expenditure

The capital expenditure for the month of December 2025 is 65% of the total budget. Spending on capital grants will increase in the second halve of the financial year, as some of the projects is close to finalisation stage.

3.2. Consolidated Performance

Actuals against annual budget (original approved and latest adjustments)

In-year Budget Statement Tables

Monthly Budget Statements

<u>Table C1: S71 Monthly Budget Statement Summary</u>

Table C1 summarizes an overview of the budget performance for the month of November 2025. The table outlines a high-level summary of the budget segments: operating expenditure, operating revenue, capital expenditure, balance sheet, and cash flow statement. A detailed analysis of the budget performance is further highlighted below.

NW397 Kagisano-Molopo- Table C1 Monthly Budget Statement Summary - M06 December

Description	2024/25	2025/26	2025/26	2025/26				2025/26 Medium Term Revenue & Expenditure	
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	13 836	–	–	–	9 103	(9 103)	-100%	13 836
Service charges	–	–	–	–	–	–	–		–
Investment revenue	171	60	–	2	144	30	114	378%	60
Transfers and subsidies - Operational	121 384	168 609	–	53 493	123 120	84 304	38 816	46%	168 609
Other own revenue	1 113	16 225	–	117	2 585	8 113	(5 528)	-68%	–
Total Revenue (excluding capital transfers	**122 668**	**198 730**	**–**	**53 612**	**125 849**	**101 550**	**24 299**	**24%**	**198 730**
Employee costs	33 670	79 611	–	5 131	34 758	39 806	(5 047)		79 611
Remuneration of Councillors	7 226	15 436	–	1 123	7 045	7 718	(673)		15 436
Depreciation and amortisation	–	27 934	–	–	–	27 934	(27 934)		27 934
Interest	–	250	–	–	–	125	(125)		250
Inventory consumed and bulk purchases	–	–	–	–	–	–	–		–
Transfers and subsidies	34	–	–	84	140	–	140	#DIV/0!	–
Other expenditure	68 744	83 562	–	11 611	69 092	46 333	22 760	49%	83 562
Total Expenditure	**109 675**	**206 794**	**–**	**17 949**	**111 036**	**121 915**	**(10 880)**	**-9%**	**206 794**
Surplus/(Deficit)	**12 994**	**(8 063)**	**–**	**35 663**	**14 813**	**(20 366)**	**35 179**	**-173%**	**(8 063)**
Transfers and subsidies - capital (monetary	(240)	37 704	–	16 308	14 101	18 852	(4 752)	-25%	37 704
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers &	**12 753**	**29 641**	**–**	**51 971**	**28 914**	**(1 513)**	**30 427**	**-2010%**	**29 641**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**12 753**	**29 641**	**–**	**51 971**	**28 914**	**(1 513)**	**30 427**	**-2010%**	**29 641**
Capital expenditure & funds sources									
Capital expenditure	**3 769**	**37 954**	**–**	**1 449**	**12 192**	**18 977**	**(6 785)**	**-36%**	**37 954**
Capital transfers recognised	3 348	37 704	–	1 449	12 192	18 852	(6 660)	-35%	37 704
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**633**	**250**	**–**	**–**	**(0)**	**125**	**(125)**	**-100%**	**250**
Total sources of capital funds	**3 980**	**37 954**	**–**	**1 449**	**12 192**	**18 977**	**(6 785)**	**-36%**	**37 954**
Financial position									
Total current assets	4 109	162 053	–	(517)	–	13 925	(13 925)	-100%	162 053
Total non current assets	7 217	488 371	–	1 449	–	20 606	(20 606)	-100%	488 371
Total current liabilities	(23 739)	77 698	–	(50 664)	–	(31 252)	31 252	-100%	77 698
Total non current liabilities	–	40 370	–	–	–	–	–		40 370
Community wealth/Equity	**35 011**	**507 084**	**–**	**52 196**	**–**	**67 782**	(67 782)	-100%	**507 084**
Cash flows									
Net cash from (used) operating	15 680	(173 209)	–	47 092	148 096	(2 550)	(150 646)	5907%	(173 209)
Net cash from (used) investing	(3 769)	(37 954)	–	–	(12 192)	(18 977)	(6 785)	36%	(37 954)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	**11 910**	**(210 044)**	**–**	**110 891**	**135 904**	**(20 408)**	**(156 311)**	**766%**	**(210 044)**

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	–	–	–	–	–	–	–	–	–
Creditors Age Analysis									
Total Creditors	9 722	2 157	148	3 352	–	(5 541)	8 889	0	18 726

The operating revenue and expenditure per municipal Vote

Table C2: Monthly Budget Statement – Financial Performance (Standard Classification)

This table reflects the operating budget (Financial Performance) in the standard classifications which are the Government Finance Statistics Functions and Subfunctions. These are used by National Treasury to assist the compilation of national and international accounts for comparison purposes, regardless of the unique organisational structures used by the different institutions.

The main functions are Municipal Governance and Administration; Finance and Administration; Community and Public Safety; Economic and Environmental Services; and Other. It is for this reason that Financial Performance is reported in standard classification, Table C2, and by municipal vote.

NW397 Kagisano-Molopo- Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2024/25	2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**73 116**	**156 381**	**–**	**55 723**	**108 248**	**78 191**	30 057	38%	**156 381**
Executive and council		39 529	50 007	–	18 024	43 098	25 004	18 095	72%	50 007
Finance and administration		33 587	106 374	–	37 699	65 149	53 187	11 962	22%	106 374
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**16 992**	**20 073**	**–**	**8 412**	**17 330**	**10 036**	7 293	73%	**20 073**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		16 992	20 073	–	8 412	17 330	10 036	7 293	73%	20 073
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**15 568**	**54 001**	**–**	**6 112**	**15 870**	**27 000**	(11 131)	-41%	**54 001**
Planning and development		15 568	54 001	–	6 112	15 870	27 000	(11 131)	-41%	54 001
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**1 424**	**–**	**–**	**–**	**560**	**–**	**560**	0%	**–**
Energy sources		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		1 424	–	–	–	560	–	560	0%	–
Other	4	**15 568**	**5 980**	**–**	**–**	**8 358**	**2 990**	**5 368**	**180%**	**5 980**
Total Revenue - Functional	2	**122 668**	**236 435**	**–**	**70 246**	**150 366**	**118 217**	**32 149**	**27%**	**236 435**
Expenditure - Functional										
Governance and administration		**91 438**	**169 503**	**–**	**15 581**	**96 517**	**84 752**	11 766	14%	**169 503**
Executive and council		20 742	48 336	–	5 166	22 922	24 168	(1 246)	-5%	48 336
Finance and administration		70 696	121 167	–	10 415	73 595	60 584	13 012	21%	121 167
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**9 643**	**18 103**	**–**	**1 519**	**10 235**	**9 051**	1 184	13%	**18 103**
Community and social services		178	442	–	22	479	221	258	117%	442
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		9 465	17 661	–	1 496	9 757	8 830	926	10%	17 661
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**5 925**	**13 506**	**–**	**823**	**4 121**	**6 753**	(2 632)	-39%	**13 506**
Planning and development		5 925	13 506	–	823	4 121	6 753	(2 632)	-39%	13 506
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Energy sources		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Waste water management		–	–	–	–	–	–	–		–
Waste management		–	–	–	–	–	–	–		–
Other		**2 706**	**5 682**	**–**	**26**	**162**	**2 841**	(2 679)	**-94%**	**5 682**
Total Expenditure - Functional	3	**109 713**	**206 794**	**–**	**17 949**	**111 036**	**103 397**	**7 639**	**7%**	**206 794**
Surplus/ (Deficit) for the year		**12 955**	**29 641**	**–**	**52 297**	**39 330**	**14 820**	**24 510**	**165%**	**29 641**

This is a breakdown of the expenditure per department as per mSCOA classification.

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

The operating expenditure budget is approved by Council on the municipal vote level. The municipal votes reflect the organisational structure of the municipality which is made up of the following directorates: Executive and Council, Municipal Manager, Finance and Administration (Corporate Services), Community Services and Social Services, Planning and Development (Infrastructure).

NW397 Kagisano-Molopo- Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06

Vote Description	Ref	2024/25	2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 1 - Executive and council		39 529	50 007	–	18 024	43 098	25 004	18 095	72.4%	50 007
Vote 2 - Finance and administration		33 587	106 374	–	37 699	65 149	53 187	11 962	22.5%	106 374
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		–	–	–	–	–	–	–		–
Vote 5 - Sport and recreation		–	–	–	–	–	–	–		–
Vote 6 - Public safety		16 992	20 073	–	8 412	17 330	10 036	7 293	72.7%	20 073
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Health		–	–	–	–	–	–	–		–
Vote 9 - Planning and development		15 568	54 001	–	6 112	15 870	27 000	(11 131)	-41.2%	54 001
Vote 10 - Road transport		–	–	–	–	–	–	–		–
Vote 11 - Environmental protection		–	–	–	–	–	–	–		–
Vote 12 - Energy sources		–	–	–	–	–	–	–		–
Vote 13 - Water management		–	–	–	–	–	–	–		–
Vote 14 - Waste management		–	–	–	–	–	–	–		–
Vote 15 - Other		15 568	5 980	–	–	8 358	2 990	5 368	179.6%	5 980
Total Revenue by Vote	2	**121 244**	**236 435**	**–**	**70 246**	**149 806**	**118 217**	**31 589**	**26.7%**	**236 435**
Expenditure by Vote	1									
Vote 1 - Executive and council		20 742	48 336	–	5 166	22 922	24 168	(1 246)	-5.2%	48 336
Vote 2 - Finance and administration		70 696	121 167	–	10 415	73 595	60 584	13 012	21.5%	121 167
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		178	442	–	22	479	221	258	116.5%	442
Vote 5 - Sport and recreation		–	–	–	–	–	–	–		–
Vote 6 - Public safety		9 465	17 661	–	1 496	9 757	8 830	926	10.5%	17 661
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Health		–	–	–	–	–	–	–		–
Vote 9 - Planning and development		5 925	13 506	–	823	4 121	6 753	(2 632)	-39.0%	13 506
Vote 10 - Road transport		–	–	–	–	–	–	–		–
Vote 11 - Environmental protection		–	–	–	–	–	–	–		–
Vote 12 - Energy sources		–	–	–	–	–	–	–		–
Vote 13 - Water management		–	–	–	–	–	–	–		–
Vote 14 - Waste management		–	–	–	–	–	–	–		–
Vote 15 - Other		2 706	5 682	–	26	162	2 841	(2 679)	-94.3%	5 682
Total Expenditure by Vote	2	**109 713**	**206 794**	**–**	**17 949**	**111 036**	**103 397**	**7 639**	**7.4%**	**206 794**
	2	**11 531**	**29 641**	**–**	**52 297**	**38 770**	**14 820**	**23 950**	**161.6%**	**29 641**

Table C4: Monthly Budget Statement – Financial Performance (revenue and expenditure)

NW397 Kagisano-Molopo- Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	2024/25	2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		–	–	–	–	–	–	–		–
Service charges - Water		–	–	–	–	–	–	–		–
Service charges - Waste Water Management		–	–	–	–	–	–	–		–
Service charges - Waste management		–	–	–	–	–	–	–		–
Sale of Goods and Rendering of Services		106	155	–	(1)	53	77	(24)	-32%	155
Agency services		–	–	–	–	–	–	–		–
Interest		–	–	–	–	–	–	–		–
Interest earned from Receivables		–	124	–	–	–	62	(62)	-100%	124
Interest from Current and Non Current Assets		171	60	–	2	144	30	114	378%	60
Dividends		–	–	–	–	–	–	–		–
Rent on Land		–	–	–	–	–	–	–		–
Rental from Fixed Assets		683	1 235	–	116	2 279	618	1 661	269%	1 235
Licence and permits		–	–	–	–	–	–	–		–
Special rating levies		–	–	–	–	–	–	–		–
Operational Revenue		325	112	–	2	253	56	197	351%	112
Non-Exchange Revenue		–	–	–	–	–	–	–		–
Property rates		–	13 836	–	–	–	9 103	(9 103)	-100%	13 836
Surcharges and Taxes		–	–	–	–	–	–	–		–
Fines, penalties and forfeits		–	–	–	–	–	–	–		–
Licence and permits		–	–	–	–	–	–	–		–
Transfers and subsidies - Operational		121 384	168 609	–	53 493	123 120	84 304	38 816	46%	168 609
Interest		–	14 600	–	–	–	7 300	(7 300)	-100%	14 600
Fuel Levy		–	–	–	–	–	–	–		–
Operational Revenue		–	–	–	–	–	–	–		–
Gains on disposal of Assets		–	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations		–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**122 668**	**198 730**	**–**	**53 612**	**125 849**	**101 550**	**24 299**	**24%**	**198 730**
Expenditure By Type										
Employee related costs		33 670	79 611	–	5 131	34 758	39 806	(5 047)	-13%	79 611
Remuneration of councillors		7 226	15 436	–	1 123	7 045	7 718	(673)	-9%	15 436
Bulk purchases - electricity		–	–	–	–	–	–	–		–
Inventory consumed		–	–	–	–	–	–	–		–
Debt impairment		–	9 103	–	–	–	9 103	(9 103)	-100%	9 103
Depreciation and amortisation		–	27 934	–	–	–	27 934	(27 934)	-100%	27 934
Interest		–	250	–	–	–	125	(125)	-100%	250
Contracted services		48 238	38 382	–	7 826	52 769	19 191	33 578	175%	38 382
Transfers and subsidies		34	–	–	84	140	–	140	#DIV/0!	–
Irrecoverable debts written off		–	–	–	–	–	–	–		–
Operational costs		20 506	36 077	–	3 785	16 323	18 039	(1 715)	-10%	36 077
Losses on Disposal of Assets		–	–	–	–	–	–	–		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure		**109 675**	**206 794**	**–**	**17 949**	**111 036**	**121 915**	**(10 880)**	**-9%**	**206 794**
Surplus/(Deficit)		**12 994**	**(8 063)**	**–**	**35 663**	**14 813**	**(20 366)**	**35 179**	**(0)**	**(8 063)**
Transfers and subsidIRs - capital (monetary allocations)		(240)	37 704	–	16 308	14 101	18 852	(4 752)	-25%	37 704
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**12 753**	**29 641**	**–**	**51 971**	**28 914**	**(1 513)**			**29 641**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**12 753**	**29 641**	**–**	**51 971**	**28 914**	**(1 513)**			**29 641**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–		–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–		–
Surplus/(Deficit) attributable to municipality		**12 753**	**29 641**	**–**	**51 971**	**28 914**	**(1 513)**			**29 641**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**12 753**	**29 641**	**–**	**51 971**	**28 914**	**(1 513)**			**29 641**

Actual revenue vs year-to-date budgeted revenue is at 76% of what was budgeted for month 06 (December 2025).

Total Revenue, excluding capital transfers and contributions, realised for year-to-date actuals is R125,2 million, this includes conditional grants and property rates. Total actual revenue for the month of December 2025 is R53,6 million.

Exchange Revenue

1. **Sales of Goods and Rendering of Goods**
   - This consists mainly of selling of tender documents and issuing of property clearance certificates.
   - As at Mid-term the municipality sold tender documents and property clearance certificate amounting to R53 000.00 of the total year-to-date actual.
   - A possible downward adjustment needs to be considered.

2. **Interest earned on receivables:**
   - This relates to interest charged on outstanding debtors relating to rental debtors.
   - This is due to the low collection of debt from rental debtors.
   - Revenue enhancement initiatives and debt collection processes will be enforced to ensure that debt is collected.
   - Possible adjustments in interest earned on receivables will be necessary.

3. **Interest from current and non-current assets**
   - This consists of interest earned on the main bank account and investment callaccounts.
   - Only R144 000 of the budgeted interest earned as at mid-term on these accounts were realised as of December 2025.
   - More funds to be transferred to investment call accounts to ensure more interest isearned on these accounts.

4. **Rental from Fixed Assets**
   - This consists of hiring of municipal properties such as halls and sports facilities and the rental of municipal properties (investment properties).
   - R2.2 million of the budget as a mid-term was realised.
   - This is due to vacancies in rental properties as well as the decrease in hiring of municipal properties.

5. **Operational Revenue:**
   - This consists of insurance claim refunds, year to date actuals as of December 2025 is R253 thousand.

Non-exchange Revenue

6. Transfers and subsidies – Operational Expenditure

- This consists of operational grant expenditure and equitable share grant receipts
- Refer to PART G of the report of the receipt and allocation of the grants.

7. Property Rates:

- Property rates billing will be done in January 2026

Actual expenditure vs year-to-date budgeted expenditure is at 91% of what was budgeted for month 06 (December 2025).

1. Employee related cost:

- **R34 million** was spent as at Mid-term of 2025/2026 financial year.
- This due to the vacancies within the municipality, which was not filled, including the vacancies in senior managers

2. Remuneration of councillors:

- R7 million was spent as of December 2025

3. Debt impairment:

- Debt impairment would be determined at year-end.

4. Depreciation and asset impairment:

- This was not determined in December 2025. This would be done at year-end.

5. Contracted Services:

- **R52.7 million** of the contracted services was spent as of December 2025.
- Contracted services and contracts need to be reviewed and expenditure to be monitored to ensure that it meets the deliverables of annual project plan as well as that it is within the annual budget projections.
- The municipality is spending a lot of money on contracted services
- Upwards adjustment to contracted services needs to be considered.

6. Operating costs:

- **R16.3 million** was spent on operating costs as at of December 2025.
- Detail breakdown of the over/under expenditure per vote and per expense line item including possible reasons for adjustments are explained in the annexures attached herewith.

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

Capital Expenditure Budget Implementation indicator: This ratio measures the municipality's ability to implement capital projects and monitor the risks associated with non-implementation, which may result in failure to provide service delivery to the community

NW397 Kagisano-Molopo- Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2024/25	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 1 - Executive and council		–	–	–	–	–	–	–		–
Vote 2 - Finance and administration		–	–	–	–	–	–	–		–
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		–	–	–	–	–	–	–		–
Vote 5 - Sport and recreation		–	–	–	–	–	–	–		–
Vote 6 - Public safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Health		–	–	–	–	–	–	–		–
Vote 9 - Planning and development		–	–	–	–	–	–	–		–
Vote 10 - Road transport		–	–	–	–	–	–	–		–
Vote 11 - Environmental protection		–	–	–	–	–	–	–		–
Vote 12 - Energy sources		–	–	–	–	–	–	–		–
Vote 13 - Water management		–	–	–	–	–	–	–		–
Vote 14 - Waste management		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	–	–	–	–	–	–	–		–
Single Year expenditure appropriation	2									
Vote 1 - Executive and council		–	–	–	–	–	–	–		–
Vote 2 - Finance and administration		211	250	–	–	(0)	125	(125)	-100%	250
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		–	–	–	–	–	–	–		–
Vote 5 - Sport and recreation		–	–	–	–	–	–	–		–
Vote 6 - Public safety		211	–	–	–	(0)	–	(0)	#DIV/0!	–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Health		–	–	–	–	–	–	–		–
Vote 9 - Planning and development		3 348	37 704	–	1 449	12 192	18 852	(6 660)	-35%	37 704
Vote 10 - Road transport		–	–	–	–	–	–	–		–
Vote 11 - Environmental protection		–	–	–	–	–	–	–		–
Vote 12 - Energy sources		–	–	–	–	–	–	–		–
Vote 13 - Water management		–	–	–	–	–	–	–		–
Vote 14 - Waste management		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	3 769	37 954	–	1 449	12 192	18 977	**(6 785)**	**-36%**	37 954
Total Capital Expenditure		**3 769**	**37 954**	**–**	**1 449**	**12 192**	**18 977**	**(6 785)**	**-36%**	**37 954**
Capital Expenditure - Functional Classification										
Governance and administration		**211**	**250**	**–**	**–**	**(0)**	**125**	(125)	-100%	**250**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		211	250	–	–	(0)	125	(125)	-100%	250
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**211**	**–**	**–**	**–**	**(0)**	**–**	(0)	#DIV/0!	**–**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		211	–	–	–	(0)	–	(0)	#DIV/0!	–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**3 348**	**37 704**	**–**	**1 449**	**12 192**	**18 852**	(6 660)	-35%	**37 704**
Planning and development		3 348	37 704	–	1 449	12 192	18 852	(6 660)	-35%	37 704
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Energy sources		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Waste water management								–		–
Waste management		–	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**3 769**	**37 954**	**–**	**1 449**	**12 192**	**18 977**	**(6 785)**	**-36%**	**37 954**
Funded by:										
National Government		3 348	37 704	–	1 449	12 192	18 852	(6 660)	-35%	37 704
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**3 348**	**37 704**	**–**	**1 449**	**12 192**	**18 852**	**(6 660)**	**-35%**	**37 704**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		633	250	–	–	(0)	125	(125)	-100%	250
Total Capital Funding		**3 980**	**37 954**	**–**	**1 449**	**12 192**	**18 977**	**(6 785)**	**-36%**	**37 954**

1. The municipality is under cost reimbursement, and MIG transfers the money into the primary bank account of the municipality after receiving the invoices
2. Expenditure for MIG and EEDS is not appearing in the schedule, and it will be corrected in January 2027, however the municipality has sent **R24 million** on Capital conditional grants

Table C6: Monthly Budget Statement – Financial Position

Table C6 is the Statement of Financial Position as required by the MBRR (C-Schedule template) and is in the format as required by National Treasury, taking into consideration the MSCOA requirements

NW397 Kagisano-Molopo- Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	Ref	2024/25	2025/26				
R thousands	1	Audited Outcome	Original Budget	Monthly actual	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS							
Current assets							
Cash and cash equivalents		5 131	23 746	(1 404)	–	6 711	23 746
Trade and other receivables from exchange transactions		101	2 233	(451)	–	(3 288)	2 233
Receivables from non-exchange transactions		(975)	112 728	(104)	–	(1 508)	112 728
Current portion of non-current receivables		–	–	–	–	–	–
Inventory		–	–	–	–	–	–
VAT		(148)	23 405	1 442	–	12 009	23 405
Other current assets		–	(60)	–	–	–	(60)
Total current assets		**4 109**	**162 053**	**(517)**	**–**	**13 925**	**162 053**
Non current assets							
Investments		–	–	–	–	–	–
Investment property		–	43 673	–	–	–	43 673
Property, plant and equipment		3 980	444 697	1 449	–	12 192	444 697
Biological assets		–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–
Intangible assets		3 237	–	–	–	8 413	–
Trade and other receivables from exchange transactions		–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–
Total non current assets		**7 217**	**488 371**	**1 449**	**–**	**20 606**	**488 371**
TOTAL ASSETS		**11 326**	**650 424**	**932**	**–**	**34 530**	**650 424**
LIABILITIES							
Current liabilities							
Bank overdraft		–	–	–	–	–	–
Financial liabilities		–	–	–	–	–	–
Consumer deposits		(530)	–	–	–	–	–
Trade and other payables from exchange transactions		(39 782)	75 604	(34 056)	–	(26 844)	75 604
Trade and other payables from non-exchange transactions		16 574	1 700	(16 608)	–	(4 408)	1 700
Provision		–	393	–	–	–	393
VAT		–	–	–	–	–	–
Other current liabilities		–	–	–	–	–	–
Total current liabilities		**(23 739)**	**77 698**	**(50 664)**	**–**	**(31 252)**	**77 698**
Non current liabilities							
Financial liabilities		–	–	–	–	–	–
Provision		–	40 370	–	–	–	40 370
Long term portion of trade payables		–	–	–	–	–	–
Other non-current liabilities		–	–	–	–	–	–
Total non current liabilities		**–**	**40 370**	**–**	**–**	**–**	**40 370**
TOTAL LIABILITIES		**(23 739)**	**118 068**	**(50 664)**	**–**	**(31 252)**	**118 068**
NET ASSETS	2	**35 065**	**532 356**	**51 596**	**–**	**65 782**	**532 356**
COMMUNITY WEALTH/EQUITY							
Accumulated surplus/(deficit)		35 011	507 084	52 196	–	67 782	507 084
Reserves and funds		–	–	–	–	–	–
Other		–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**35 011**	**507 084**	**52 196**	**–**	**67 782**	**507 084**

Explanatory notes:

1. The statement of financial position lists all the Council's Current and Non-current Assets and liabilities together with their financial values representing the economic resources of the municipality.
2. Table C6 is meant to improve the stakeholder's understanding and management of budget and the impact of actual expenditure in comparison to the budget implications on the financial position.

Table C7: Monthly Budget Statement – Cash Flow

NW397 Kagisano-Molopo- Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2024/25	2025/26							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		0	–	–	–	428	–	428	0%	–
Service charges		–	–	–	–	–	–	–		–
Other revenue		–	–	–	–	244	–	244	0%	–
Transfers and Subsidies - Operational		25 292	500	–	53 493	128 815	84 304	44 511	53%	500
Transfers and Subsidies - Capital		–	–	–	17 208	18 608	–	18 608	0%	–
Interest		25 748	–	–	0	1	–	1	0%	–
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(35 382)	(173 459)	–	(23 609)	–	(86 730)	86 730	-100%	(173 459)
Finance charges		22	(250)	–	–	–	(125)	125	-100%	(250)
Transfers and Subsidies		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**15 680**	**(173 209)**	**–**	**47 092**	**148 096**	**(2 550)**	**(150 646)**	**5907%**	**(173 209)**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	–	–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(3 769)	(37 954)	–	–	(12 192)	(18 977)	6 785	-36%	(37 954)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(3 769)**	**(37 954)**	**–**	**–**	**(12 192)**	**(18 977)**	**(6 785)**	**36%**	**(37 954)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	–	–	–	–	–	–		–
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
NET INCREASE/ (DECREASE) IN CASH HELD		**11 910**	**(211 164)**	**–**	**47 092**	**135 904**	**(21 528)**			**(211 164)**
Cash/cash equivalents at beginning:		0	1 120	–	63 800	0	1 120	(1 120)	-100%	1 120
Cash/cash equivalents at month/year end:		11 910	(210 044)	–	110 891	135 904	(20 408)			(210 044)

Explanatory notes:

1. The cash and cash equivalent at the end of the month of December 2025 is **R17.8 million.** This includes both the main bank account, and the call investment accounts.
2. The municipality together with the system vendor are working together to ensure that the cash flow table is populating the correct data.
3. There is an improvement on M06’s cashflow compared to the previous months

PART 2 – SUPPORTING DOCUMENTATION

A. Debtors' Analysis

Explanatory notes:

1. *As of **December 2025**, the municipality's debtors' balance stands at **R185.0 million**, comprising primarily of property rates debtors and rental debtors. The system is currently under review to ensure correct classification and disclosure in the in-year monitoring reports.*
2. *Debt collection remains a key focus area, with the municipality actively implementing its debt collection policy and conducting follow-ups on all outstanding amounts. Of particular concern is the long-outstanding debt owed by farmers, as these accounts have remained unpaid for extended periods. Continuous engagements with the farmers' union are being undertaken to facilitate settlement of these debts.*
3. *Additionally, the possible write-off of certain farmers' debts is under consideration, pending the outcome of engagements and recoverability assessments.*

B. Creditors' Analysis

Explanatory notes:

1. *The municipality's creditors' balance as at **December 2025** amounts to **R12.7 million**. All creditors from the previous financial year were settled during the beginning of the financial year in July 2025.*

While the municipality is committed to settling creditors within 30 days of receipt of invoices, this has not always been possible due to budget constraints. Measures are in place to ensure that all receipts and invoices are fully accounted for, and allocations to creditors are being managed accordingly to improve compliance and payment timelines.

C. Investment Portfolio Analysis

KAGISANO-MOLOPO LOCAL MUNICIPALITY CALL ACCOUNT INVESTMENT REGISTER SUMMARY 30 JUNE 2026												
No	**Description**	**Banking Institution**	**Account Description**	**Account number**	**Account Status**	**Account Close Date**	**OPENING BALANCE**	**INTEREST RECEIVED**	**WITHDRAWAL**	**BANK CHARGES**	**DEPOSITS**	**CLOSING BALANCE**
1	Municipal Infrastructure Grant	First National Bank	Call Account	62360911202	Active	N/A	-	308 547.50	-35 900 000.00	-45.00	36 000 000.00	408 502.50
2	Financial Management Grant	First National Bank	Call Account	62371561062	Active	N/A	15 648.52	517.31	-	-45.00	-	16 120.83
3	MIG (KLM)	Standard Bank	Call Account	048549592	Active	N/A	1 487.23	-	-	-	-	1 487.23
4	Liquidity Plus Account	ABSA	Call Account	9401607262	Active	N/A		9 833.57	-	-	1 000 000.00	1 009 833.57
5	Investment Tracker	ABSA	Call Account	9403588204	Active	N/A		50 301.37			15 000 000.00	15 050 301.37
TOTAL							**17 135.75**	**369 199.75**	**-35 900 000.00**	**-90.00**	**52 000 000.00**	**16 486 245.50**

Municipal Investment Regulations, section 9, states that: “

1. The accounting officer of the municipality or municipal entity must within 10 working days of the end of each month, as part of the section 71 report required by the Act (MFMA), submit to the mayor of the municipality or the board of directors of the municipal entity a report describing in accordance with general recognised accounting practice, the investment portfolio of that municipality or municipal entity as at the end of the month

2. The report referred to in sub regulation (1) must set out at least –
(a) The market value of each investment at the beginning of the reporting period;
(b) Any changes to the investment portfolio during the reporting period;
(c) The market value of each investment as at the end of the reporting period; and
(d) Fully accrued interest and yield for the reporting period.

Investment portfolio:

Explanatory notes:

1. The investment call accounts as of December 2025 were **R16 486 245.50**
2. Interest on investment accounts received as of December 2025 is **R369 199.75**

D. Allocation and grant receipts

GRANT RECEIPT SUMMARY

30 JUNE 2025/2026

CONDITIONAL GRANTS

GRANT DESCRIPTION	ALLOCATION PER DORA R	ADDITIONAL ALLOCATION R	TOTAL ALLOCATION R	ACTUAL GRANT RECEIVED R	SURRENDED R	OUTSTANDING GRANTS NOT YET RECEIVED R
Municipal Infrastructure Grant	36 531 000.00	-	36 531 000.00	23 153 000.00	-	13 378 000.00
Financial Management Grant	3 000 000.00	-	3 000 000.00	3 000 000.00	-	-
DSAC - Libraries	1 060 000.00	-	1 060 000.00	-	-	1 060 000.00
EPWP - Public Works	2 241 000.00	-	2 241 000.00	560 000.00	-	1 681 000.00
LG Seta	-	-	-	-	-	-
Energy efficiency and demand side management grant	3 000 000.00	-	3 000 000.00	2 000 000.00	-	1 000 000.00
TOTAL	**45 832 000.00**	**-**	**45 832 000.00**	**28 713 000.00**	**-**	**17 119 000.00**

UNCONDITIONAL GRANTS

GRANT DESCRIPTION	ALLOCATION PER DORA R	ADDITIONAL ALLOCATION R	TOTAL ALLOCATION R	ACTUAL GRANT RECEIVED R	SURRENDED R	UNSPENT PORTION R
Equitable share	160 479 000.00	-	160 479 000.00	120 359 000.00	-	40 120 000.00
TOTAL	**160 479 000.00**	**-**	**160 479 000.00**	**120 359 000.00**	**-**	**40 120 000.00**

Explanatory notes:

1. The municipality received the following conditional grants and unconditional grants:
   a) Equitable shares of R120 359 000.00
   b) Municipal Infrastructure Grant R23 153 000.00
   c) Financial Management Grant R3 000 000.00
   d) EPWP - Public Works R520 000.00
   e) Energy Efficiency Grant R 2 000 000.00

E. Allocation and grant Expenditure

GRANT REGISTER - SUMMARY

30 JUNE 2025/2026

CONDITIONAL GRANTS

GRANT DESCRIPTION	TYPE OF GRANT	OPENING BALANCE PER AFS (Incl VAT) R	OPENING BALANCE SURRENDERED (Incl VAT) R	REVISED OPENING BALANCE (Incl VAT) R	TOTAL RECEIPTS (Incl VAT) R	TOTAL EXPENSES (Incl VAT) R	% SPENT	UNSPENT PORTION	RECOGNISED AS REVENUE DURING THE YEAR
Municipal Infrastructure Grant	Capital Grant	-	-	-	23 153 000.00	23 665 840.68	**102%**	13 378 000.00	23 665 840.68
Financial Management Grant	Operating Grant	-	-	-	3 000 000.00	1 987 768.00	**66%**	1 012 232.00	1 987 768.00
DSAC - Libraries	Operating Grant	-	-	-	-	-	**0%**	-	-
EPWP - Public Works	Operating Grant	-	-	-	560 000.00	-	**0%**	2 241 000.00	-
Energy Efficiency	Capital Grant	-	-	-	2 000 000.00	2 000 000.00	**100%**	-	2 000 000.00
		-	**-**	**-**	**28 713 000.00**	**27 653 608.68**	**96%**	**16 631 232.00**	**27 653 608.68**

UNCONDITIONAL GRANTS

GRANT DESCRIPTION	TYPE OF GRANT	OPENING BALANCE PER AFS (Incl VAT) R	OPENING BALANCE SURRENDERED (Incl VAT) R	REVISED OPENING BALANCE (Incl VAT) R	TOTAL RECEIPTS (Incl VAT) R	TOTAL EXPENSES (Incl VAT) R	% SPENT	UNSPENT PORTION	RECOGNISED AS REVENUE DURING THE YEAR
Equitable share	Operating Grant	-	-	-	120 359 000.00		-	40 120 000.00	120 359 000.00
TOTAL		**-**	**-**	**-**	**149 072 000.00**	**27 653 608.68**	-	**56 751 232.00**	**148 012 608.68**

Explanatory notes:

1. The above table reflects the total expenses incurred against the received conditional grants.
2. The municipality has received the following grants; therefore, expenditures were registered against these grants as at December 2025

a) Municipal Infrastructure Grant R23 665 840.68
b) Financial Management Grant R1 987 768.00
c) Energy Efficiency and Demand Side Management Grant R2 000 000.00

F. Councillors and board member allowances and employee benefits

Below reports on the salaries, allowances and benefits of staff in terms of section 66 of the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003).

Explanatory notes:

The total salary bill as of December 2025 is **R6,2 million** including remuneration of councillors, **R5,1 million** on employee-related costs, **R1,1 million** on remuneration of councillors.

Employee related cost:

- This constitutes the cost of both senior managers and municipal staff.
- This is less than budgeted due to the vacancies within the municipality, which were not filled, including the vacancies in senior managers.
- Recruitment process has been done and will be finalised in 2025/2026 financial year; currently there are officials that are acting in all vacant senior manager positions.

Remuneration of Councillors

- Remuneration of councillors as of December 2025 is **R7 million**

G. Capital Programme Performance

NW397 Kagisano-Molopo- Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2024/25	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 1 - Executive and council		–	–	–	–	–	–	–		–
Vote 2 - Finance and administration		–	–	–	–	–	–	–		–
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		–	–	–	–	–	–	–		–
Vote 5 - Sport and recreation		–	–	–	–	–	–	–		–
Vote 6 - Public safety		–	–	–	–	–	–	–		–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Health		–	–	–	–	–	–	–		–
Vote 9 - Planning and development		–	–	–	–	–	–	–		–
Vote 10 - Road transport		–	–	–	–	–	–	–		–
Vote 11 - Environmental protection		–	–	–	–	–	–	–		–
Vote 12 - Energy sources		–	–	–	–	–	–	–		–
Vote 13 - Water management		–	–	–	–	–	–	–		–
Vote 14 - Waste management		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	4,7	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Single Year expenditure appropriation	2									
Vote 1 - Executive and council		–	–	–	–	–	–	–		–
Vote 2 - Finance and administration		211	250	–	–	(0)	125	(125)	-100%	250
Vote 3 - Internal audit		–	–	–	–	–	–	–		–
Vote 4 - Community and social services		–	–	–	–	–	–	–		–
Vote 5 - Sport and recreation		–	–	–	–	–	–	–		–
Vote 6 - Public safety		211	–	–	–	(0)	–	(0)	#DIV/0!	–
Vote 7 - Housing		–	–	–	–	–	–	–		–
Vote 8 - Health		–	–	–	–	–	–	–		–
Vote 9 - Planning and development		3 348	37 704	–	1 449	12 192	18 852	(6 660)	-35%	37 704
Vote 10 - Road transport		–	–	–	–	–	–	–		–
Vote 11 - Environmental protection		–	–	–	–	–	–	–		–
Vote 12 - Energy sources		–	–	–	–	–	–	–		–
Vote 13 - Water management		–	–	–	–	–	–	–		–
Vote 14 - Waste management		–	–	–	–	–	–	–		–
Vote 15 - Other		–	–	–	–	–	–	–		–
Total Capital single-year expenditure	4	3 769	37 954	–	1 449	12 192	18 977	**(6 785)**	**-36%**	37 954
Total Capital Expenditure		**3 769**	**37 954**	**–**	**1 449**	**12 192**	**18 977**	**(6 785)**	**-36%**	**37 954**
Capital Expenditure - Functional Classification										
Governance and administration		**211**	**250**	**–**	**–**	**(0)**	**125**	(125)	-100%	**250**
Executive and council		–	–	–	–	–	–	–		–
Finance and administration		211	250	–	–	(0)	125	(125)	-100%	250
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**211**	**–**	**–**	**–**	**(0)**	**–**	(0)	#DIV/0!	**–**
Community and social services		–	–	–	–	–	–	–		–
Sport and recreation		–	–	–	–	–	–	–		–
Public safety		211	–	–	–	(0)	–	(0)	#DIV/0!	–
Housing		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Economic and environmental services		**3 348**	**37 704**	**–**	**1 449**	**12 192**	**18 852**	(6 660)	-35%	**37 704**
Planning and development		3 348	37 704	–	1 449	12 192	18 852	(6 660)	-35%	37 704
Road transport		–	–	–	–	–	–	–		–
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Energy sources		–	–	–	–	–	–	–		–
Water management		–	–	–	–	–	–	–		–
Waste water management								–		–
Waste management		–	–	–	–	–	–	–		–
Other		–	–	–	–	–	–	–		–
Total Capital Expenditure - Functional Classification	3	**3 769**	**37 954**	**–**	**1 449**	**12 192**	**18 977**	**(6 785)**	**-36%**	**37 954**
Funded by:										
National Government		3 348	37 704	–	1 449	12 192	18 852	(6 660)	-35%	37 704
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–		–
Transfers recognised - capital		**3 348**	**37 704**	**–**	**1 449**	**12 192**	**18 852**	**(6 660)**	**-35%**	**37 704**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		633	250	–	–	(0)	125	(125)	-100%	250
Total Capital Funding		**3 980**	**37 954**	**–**	**1 449**	**12 192**	**18 977**	**(6 785)**	**-36%**	**37 954**

1. The municipality is under cost reimbursement, and MIG transfers the money into the primary bank account of the municipality after receiving the invoices
2. Expenditure for MIG and EEDS is not appearing in the schedule, and it will be corrected in January 2027, however the municipality has sent **R24 million** on Capital conditional grants

H. Material Variances to the Service Delivery and Implementation Plan (SDBIP)

Explanatory notes:

A comprehensive report detailing the implementation for the second quarter ending 31 December 2025 will be tabled in a separate report to council.

I. Other Supporting Documents

- **None**

J. Disclaimer

- The municipality is engaging with the system provider regarding the mapping of accounts in the system

Municipal Manager's Quality Certification

I, O.O Ntsimane, the Acting Municipal Manager of **Kagisano-Molopo Local Municipality** hereby certify that the **In-Year Budget and performance assessment** for the month of **December of 2025 (M06)** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print Name: ____

Acting Municipal Manager of Kagisano-Molopo Local Municipality (NW397)

Signature: ____

Date: ____