



# **Section 52D Financial Report 31 December 2025**

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## **PART 1**

### **SECTION 1**

#### **1. SECTION 52D REPORT TO EXECUTIVE MAYOR**

##### **1.1 PURPOSE**

The purpose of the report is for Council to consider and note the statement of financial performance and the implementation of the 2025/26 budget of the Amahlathi Local Municipality for the period ended 31 December 2025.

##### **1.2 LEGAL/STATUTORY REQUIREMENT**

Municipal Finance Management Act No. 56 of 2003.

Municipal Budget and Reporting Regulations gazette No 32141

##### **1.3 BACKGROUND**

The Mayor; who must provide general political guidance over the fiscal and financial affairs of the Municipality; is required by Section 52 (d) of the Municipal Finance Management Act to submit a report on the implementation of the budget and financial state of affairs of the Municipality; to the council within 30 days after the end of each quarter. This report is a summary of the main budget issues arising from the monitoring process. It compares the progress of the budget to the projections and is intended to inform and enable the council to fulfil its oversight responsibility.

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).

### **SECTION 2**

#### **2. EXECUTIVE MAYORS REPORT SUMMARY**

##### **2.1 INTRODUCTION**

This report is a summary of the main budget issues arising from the in-year monitoring process. It compares the progress of the budget to the projections.

## 2.2 CONSOLIDATED PERFORMANCE TABLE C1

EC124 Amahlathi - Table C1 Monthly Budget Statement Summary - Q2 Second Quarter									
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	22 003	28 350	28 350	1 846	16 023	14 175	1 847	13%	28 350
Service charges	75 469	86 861	95 361	5 433	41 380	47 680	(6 300)	-13%	86 861
Investment revenue	3 421	4 063	4 063	1 381	1 421	2 032	(611)	-30%	4 063
Transfers and subsidies - Operational	146 325	145 328	145 328	45 840	109 119	72 664	36 455	50%	145 328
Other own revenue	56 548	57 405	55 849	1 751	12 295	27 925	(15 629)	-56%	57 405
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>303 766</b>	<b>322 008</b>	<b>328 951</b>	<b>56 251</b>	<b>180 239</b>	<b>164 476</b>	<b>15 763</b>	<b>10%</b>	<b>322 008</b>
Employee costs	124 980	126 195	126 195	10 598	63 889	63 098	792		126 195
Remuneration of Councillors	14 006	15 692	15 692	1 149	6 914	7 846	(932)		15 692
Depreciation and amortisation	30 529	23 217	23 217	-	-	11 608	(11 608)		23 217
Interest	7 069	2 000	2 000	-	(98)	1 000	(1 098)		2 000
Inventory consumed and bulk purchases	59 491	65 673	65 880	1	(17 159)	32 940	(50 099)		65 673
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	70 673	57 719	58 730	1 103	40 910	29 365	11 545	39%	57 719
<b>Total Expenditure</b>	<b>306 748</b>	<b>290 497</b>	<b>291 714</b>	<b>12 851</b>	<b>94 456</b>	<b>145 857</b>	<b>(51 401)</b>	<b>-35%</b>	<b>290 497</b>
<b>Surplus/(Deficit)</b>	<b>(2 982)</b>	<b>31 511</b>	<b>37 237</b>	<b>43 401</b>	<b>85 783</b>	<b>18 619</b>	<b>67 164</b>	<b>361%</b>	<b>31 511</b>
Transfers and subsidies - capital (monetary allocations)	77 657	89 322	89 322	-	25 290	44 661	###	-43%	89 322
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	###		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>74 676</b>	<b>120 833</b>	<b>126 559</b>	<b>43 401</b>	<b>111 073</b>	<b>63 280</b>	<b>47 794</b>	<b>76%</b>	<b>120 833</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>74 676</b>	<b>120 833</b>	<b>126 559</b>	<b>43 401</b>	<b>111 073</b>	<b>63 280</b>	<b>47 794</b>	<b>76%</b>	<b>120 833</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>777 677</b>	<b>92 122</b>	<b>94 334</b>	<b>9 837</b>	<b>37 350</b>	<b>47 167</b>	<b>(9 817)</b>	<b>-21%</b>	<b>92 122</b>
Capital transfers recognised	714 074	89 322	89 839	9 837	34 894	44 920	(10 025)	-22%	89 322
Borrowing	670	-	-	-	-	-	-		-
Internally generated funds	71 603	2 800	4 495	-	2 455	2 247	208	9%	2 800
<b>Total sources of capital funds</b>	<b>786 348</b>	<b>92 122</b>	<b>94 334</b>	<b>9 837</b>	<b>37 350</b>	<b>47 167</b>	<b>(9 817)</b>	<b>-21%</b>	<b>92 122</b>
<b>Financial position</b>									
Total current assets	114 382	104 178	111 007		186 649				104 178
Total non current assets	468 429	600 889	603 101		505 778				600 889
Total current liabilities	159 681	143 434	104 654		124 314				143 434
Total non current liabilities	91 736	49 956	49 956		91 736				7 862
Community wealth/Equity	331 391	553 771	559 498		476 377				553 771
<b>Cash flows</b>									
Net cash from (used) operating	(6 438)	108 806	120 497	50 997	77 972	75 940	(2 031)	-3%	108 806
Net cash from (used) investing	786 348	(91 874)	(94 418)	(9 837)	(37 350)	(47 209)	(9 859)	21%	(91 874)
Net cash from (used) financing	-	-	-	-	-	-	-		-
<b>Cash/cash equivalents at the month/year end</b>	<b>781 468</b>	<b>47 757</b>	<b>56 904</b>	<b>41 161</b>	<b>42 181</b>	<b>59 556</b>	<b>17 376</b>	<b>29%</b>	<b>-</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	8 348	6 452	5 144	5 055	5 757	9 624	32 059	199 203	271 641
<b>Creditors Age Analysis</b>									
Total Creditors	21	609	1 051	368	103	946	12 647	80 973	96 718

- The year-to-date operating revenue excluding capital transfer for period ending 31 December 2025 amounts to R180 million, which constitutes 109% of the year-to-date budget and 54% of the Original Budget.
- The year-to-date operating expenditure for period ending 31 December 2025 amounts to R94 million, which constitutes 64% of the year-to-date budget and 32% of the Original Budget.
- The year-to-date capital expenditure for period ending 31 December 2025 amount to R37 million, which constitutes 79% of the year-to-date budget and 39% of the Original Budget.

**2.3 SUMMARY OF STATEMENT OF FINANCIAL PERFORMANCE**  
**TABLE C4 OPERATING REVENUE PER CATEGORY**

In terms of section 64 of the Municipal Finance Management Act, the accounting officer of the municipality should ensure that the revenue that is due to the municipality is calculated on a monthly basis and that all money received is deposited to the municipal bank account promptly.

<b>EC124 Amahlathi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter</b>										
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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		63 735	72 499	80 999	4 696	37 017	40 499	(3 482)	-9%	72 499
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		11 734	14 362	14 362	737	4 363	7 181	(2 818)	-39%	14 362
Sale of Goods and Rendering of Services		6 435	7 363	1 828	88	1 183	914	269	29%	7 363
Agency services		800	2 005	2 005	18	497	1 002	(506)	-50%	2 005
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		9 497	8 566	8 566	883	5 202	4 283	919	21%	8 566
Interest from Current and Non Current Assets		3 421	4 063	4 063	-	40	2 032	(1 992)	-98%	4 063
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		286	209	209	17	142	105	37	36%	209
Licence and permits		1 549	3 845	3 845	-	877	1 922	(1 045)	-54%	3 845
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		3 507	891	4 869	0	0	2 435	(2 434)	-100%	891
<b>Non-Exchange Revenue</b>										
Property rates		22 003	28 350	28 350	1 846	16 023	14 175	1 847	13%	28 350
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		26	18	18	4	116	9	107	1191%	18
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		146 325	145 328	145 328	45 840	109 119	72 664	36 455	50%	145 328
Interest		7 763	7 955	7 955	742	4 278	3 978	301	8%	7 955
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		26 686	26 554	26 554	-	-	13 277	(13 277)	-100%	26 554
Discontinued Operations		-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>303 766</b>	<b>322 008</b>	<b>328 951</b>	<b>54 870</b>	<b>178 858</b>	<b>164 476</b>	<b>14 382</b>	<b>9%</b>	<b>322 008</b>

## **Revenue Variance Explanations against Planned Budget**

- Waste Management reflects an unfavourable variance of 39%. This is as result of the refuse removal billed being less than estimated. Reason for the variance will be investigated and adjusted for in the mid-year adjustments budget.
- Sale of goods and rendering of services an favourable variance of 29%. This variance is as result of the non-creation of the in-house projects
- Agency Services; Licences and permits; and Fines, penalties and forfeits reflects unfavourable variances of 50%, 54% and a favourable 1191% for the period, respectively. The unfavourable variances are due to a decrease in demand for traffic services. The favourable variance is due to the increased visibility of traffic officers.
- Interest from receivables from exchange transactions reflects a favourable variance of 21%, This is attributed to the collection rate being less than projected. The consistent favourable variance has resulted in an increase in the proposed adjustments budget.
- Rentals of facilities reflects a favourable variance of 36%. This is due to an increase in demand. This is a trend which continued from the forth quarter of the previous financial year as apposed to following of the same trend of the previous financial year, where demand was low during the first two quarters and increased during the final two.
- Operational revenue reflects a unfavourable variance of 100%, this is attributable to no insurance claims being submitted during the first quarter of the financial year.
- Property rates reflect a favourable variance of 13%. This is largely due to annual billing being done for certain consumers and the budgeted projections being over 12 months.
- Transfers and subsidies – Operational reflect a favourable variance of 50%. This is as result of the Equitable Share tranche received in the first and second quarter.

### **2.4 TABLE C4 OPERATING EXPENDITURE PER CATEGORY**

In terms of section 65 of the Municipal Finance Management Act, the accounting officer of the municipality must ensure that that the municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds.

**EC124 Amahlathi - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Q2 Second Quarter**

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
<b>R thousands</b>										
<b>Expenditure By Type</b>										
Employee related costs		124 980	126 195	126 195	10 598	63 889	63 098	792	1%	126 195
Remuneration of councillors		14 006	15 692	15 692	1 149	6 914	7 846	(932)	-12%	15 692
Bulk purchases - electricity		59 230	65 349	65 349	48 829	31 523	32 675	(1 152)	-4%	65 349
Inventory consumed		261	324	530	1	147	265	(118)	-45%	324
Debt impairment		-	20 385	20 385	-	22 275	10 193	12 083	119%	20 385
Depreciation and amortisation		30 529	23 217	23 217	1 935	11 608	11 608	0	0%	23 217
Interest		7 069	2 000	2 000	-	(98)	1 000	(1 098)	-110%	2 000
Contracted services		17 729	13 003	13 391	394	9 753	6 888	2 866	42%	13 003
Transfers and subsidies		-	-	-	-	-	-	-		-
Irrecoverable debts written off		28 602	-	-	-	-	-	-		-
Operational costs		22 771	24 330	24 953	709	8 881	12 284	(3 403)	-28%	24 330
Losses on Disposal of Assets		1 581	-	-	-	-	-	-		-
Other Losses		(10)	1	1	-	-	0	(0)		1
<b>Total Expenditure</b>		<b>306 748</b>	<b>290 497</b>	<b>291 714</b>	<b>63 615</b>	<b>154 894</b>	<b>145 857</b>	<b>9 037</b>	<b>6%</b>	<b>290 497</b>

**Expenditure Variance Explanations against Planned Budget**

- Remuneration of councillors reflects a unfavourable variances of 12%.
- Inventory consumed reflect a unfavourable variance of 45%, this is attributable to less inventory being consumed as was entisipated.
- Interest on overdue accounts reflect an favourable variance of 110%. This is as result of an Eskom interest reversal during the first two quarters.
- Depreciation and Debt Impairment reflect a variance of 100% respectively and these will be calculated at year end.
- Operational costs reflect an unfavourable variance of 28%. This is due to the implementation of cost containment measures and the management of the municipality's cash flow.

## 2.4.1 Table C3 Financial Performance by Vote

The table below reflects the operating revenue and expenditure by vote.

EC124 Amahlathi - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Q2 Second Quarter										
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
<b>R thousands</b>										
<b>Revenue by Vote</b>										
Vote 1 - Executive & Council	1	26 605	26 554	26 554	4	28	13 277	(13 249)	-99,8%	26 554
Vote 2 - Budget and Treasury		177 626	181 504	183 004	49 835	126 556	91 502	35 054	38,3%	181 504
Vote 3 - Corporate Services		399	-	-	-	-	-	-	-	-
Vote 4 - Community Services		29 365	35 057	29 522	1 427	12 350	14 761	(2 412)	-16,3%	35 057
Vote 5 - Planning and Development		957	1 178	1 178	32	161	589	(428)	-72,6%	1 178
Vote 6 - Engineering Services		146 472	167 036	178 014	4 953	66 435	89 007	(22 572)	-25,4%	167 036
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>381 424</b>	<b>411 330</b>	<b>418 273</b>	<b>56 251</b>	<b>205 529</b>	<b>209 137</b>	<b>(3 607)</b>	<b>-1,7%</b>	<b>411 330</b>
<b>Expenditure by Vote</b>										
Vote 1 - Executive & Council	1	70 846	41 225	41 373	3 251	20 413	20 687	(274)	-1,3%	41 225
Vote 2 - Budget and Treasury		39 554	44 947	45 007	1 604	15 590	22 504	(6 914)	-30,7%	44 947
Vote 3 - Corporate Services		28 941	26 108	26 108	1 417	11 670	13 054	(1 384)	-10,6%	26 108
Vote 4 - Community Services		34 338	43 395	43 070	2 544	15 934	21 535	(5 602)	-26,0%	43 395
Vote 5 - Planning and Development		8 580	9 115	9 145	777	4 627	4 573	54	1,2%	9 115
Vote 6 - Engineering Services		124 489	125 706	127 011	3 258	26 223	63 505	(37 282)	-58,7%	125 706
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>306 748</b>	<b>290 497</b>	<b>291 714</b>	<b>12 851</b>	<b>94 456</b>	<b>145 857</b>	<b>(51 401)</b>	<b>-35,2%</b>	<b>290 497</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>74 676</b>	<b>120 833</b>	<b>126 559</b>	<b>43 401</b>	<b>111 073</b>	<b>63 280</b>	<b>47 794</b>	<b>75,5%</b>	<b>120 833</b>

## 2.5 TABLE C5 CAPITAL EXPENDITURE BY MUNICIPAL VOTE

The following table provides a summary of the expenditure trends based on planned capital projects and actual spending. The percentage spending on capital projects as at 31 December 2025 amounts to 46% of the year to date capital budget and 21 % of the original budget. The table below reflects the capital expenditure performance by function.

EC124 Amahlathi - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Q2 Second Quarter										
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
<b>R thousands</b>	1									
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Executive & Council		594	-	-	-	-	-	-	-	-
Vote 2 - Budget and Treasury		33 324	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		4 809	2 800	4 495	-	2 455	2 247	208	9%	2 800
Vote 4 - Community Services		117 822	-	-	-	82	-	82	#DIV/0!	-
Vote 5 - Planning and Development		(45)	-	-	-	-	-	-	-	-
Vote 6 - Engineering Services		621 172	89 322	89 839	9 837	34 813	44 920	(10 107)	-23%	89 322
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	777 677	92 122	94 334	9 837	37 350	47 167	(9 817)	-21%	92 122
<b>Total Capital Expenditure</b>		777 677	92 122	94 334	9 837	37 350	47 167	(9 817)	-21%	92 122
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		46 271	2 800	4 495	-	2 455	2 247	208	9%	2 800
Executive and council		(989)	-	-	-	-	-	-	-	-
Finance and administration		45 677	2 800	4 495	-	2 455	2 247	208	9%	2 800
Internal audit		1 583	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		92 418	-	-	-	-	-	-	-	-
Community and social services		92 273	-	-	-	-	-	-	-	-
Sport and recreation		145	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		560 218	66 382	66 382	7 326	28 023	33 191	(5 168)	-16%	66 382
Planning and development		100 626	37 737	37 737	5 115	21 853	18 868	2 985	16%	37 737
Road transport		459 592	28 645	28 645	2 211	6 170	14 322	(8 153)	-57%	28 645
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		86 313	22 940	23 458	2 511	6 872	11 729	(4 857)	-41%	22 940
Energy sources		60 573	22 940	23 458	2 511	6 790	11 729	(4 939)	-42%	22 940
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		25 740	-	-	-	82	-	82	#DIV/0!	-
<b>Other</b>		1 127	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional Classification</b>	3	786 348	92 122	94 334	9 837	37 350	47 167	(9 817)	-21%	92 122
<b>Funded by:</b>										
National Government		709 939	74 322	74 839	9 837	34 421	37 420	(2 999)	-8%	74 322
Provincial Government		4 135	15 000	15 000	-	474	7 500	(7 026)	-94%	15 000
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		714 074	89 322	89 839	9 837	34 894	44 920	(10 025)	-22%	89 322
<b>Borrowing</b>	6	670	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		71 603	2 800	4 495	-	2 455	2 247	208	9%	2 800
<b>Total Capital Funding</b>		786 348	92 122	94 334	9 837	37 350	47 167	(9 817)	-21%	92 122

## 2.6 TABLE C6 SUMMARY OF STATEMENT OF FINANCIAL POSITION

The financial position reflects the position of Amahlathi Local Municipality having considered the assets; liabilities and equity as at 31 December 2025.

EC124 Amahlathi - Table C6 Monthly Budget Statement - Financial Position - Q2 Second Quarter

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		12 563	39 757	50 404	42 181	39 757
Trade and other receivables from exchange transactions		44 707	22 570	15 186	83 716	22 570
Receivables from non-exchange transactions		32 588	9 188	9 188	17 589	9 188
Current portion of non-current receivables		-	-	-	-	-
Inventory		6	24	(182)	155	24
VAT		11 670	32 639	36 412	30 117	32 639
Other current assets		12 849	-	-	12 891	-
<b>Total current assets</b>		<b>114 382</b>	<b>104 178</b>	<b>111 007</b>	<b>186 649</b>	<b>104 178</b>
<b>Non current assets</b>						
Investments		-	-	-	-	-
Investment property		11 678	11 686	11 686	11 678	11 686
Property, plant and equipment		451 563	582 387	584 600	488 913	582 387
Biological assets		4 568	6 214	6 214	4 568	6 214
Living and non-living resources		-	-	-	-	-
Heritage assets		610	610	610	610	610
Intangible assets		9	(9)	(9)	9	(9)
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
<b>Total non current assets</b>		<b>468 429</b>	<b>600 889</b>	<b>603 101</b>	<b>505 778</b>	<b>600 889</b>
<b>TOTAL ASSETS</b>		<b>582 811</b>	<b>705 067</b>	<b>714 108</b>	<b>692 427</b>	<b>705 067</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		1 850	1 844	1 844	1 634	1 844
Trade and other payables from exchange transactions		137 794	64 065	72 285	96 718	64 065
Trade and other payables from non-exchange transactions		428	47 000	-	-	47 000
Provision		16 456	20 407	20 407	16 456	20 407
VAT		3 153	10 118	10 118	9 508	10 118
Other current liabilities		-	-	-	-	-
<b>Total current liabilities</b>		<b>159 681</b>	<b>143 434</b>	<b>104 654</b>	<b>124 314</b>	<b>143 434</b>
<b>Non current liabilities</b>						
Financial liabilities		-	-	-	-	-
Provision		18 563	7 862	7 862	18 563	7 862
Long term portion of trade payables		42 094	42 094	42 094	42 094	-
Other non-current liabilities		31 078	-	-	31 078	-
<b>Total non current liabilities</b>		<b>91 736</b>	<b>49 956</b>	<b>49 956</b>	<b>91 736</b>	<b>7 862</b>
<b>TOTAL LIABILITIES</b>		<b>251 417</b>	<b>193 390</b>	<b>154 610</b>	<b>216 050</b>	<b>151 296</b>
<b>NET ASSETS</b>	2	<b>331 394</b>	<b>511 677</b>	<b>559 498</b>	<b>476 377</b>	<b>553 771</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		331 391	553 771	559 498	476 377	553 771
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>331 391</b>	<b>553 771</b>	<b>559 498</b>	<b>476 377</b>	<b>553 771</b>

## 2.6.1 CURRENT ASSETS

- **Cash** – The cash balance of R8 654 968.58 comprises of the cashbook balance for the main primary bank account as at 31 December 2025.
- **Call Investments Deposits** – Call investment deposits comprises of investments of call deposits made with various financial institutions when there is surplus cash available in the main account. These monies are invested in line with municipal investment policy. The table below details the Cash Balance in the Main Account and Call Deposits made by the Municipality for the period ending 31 December 2025.

Date	Type	Account Description	Balance
31 December 2025	<b>Cash</b>	<b>Main Account</b>	8 654 968.58
31 December 2025	<b>Call Investment Deposit</b>	Disaster Account	1 082 538.17
31 December 2025	<b>Call Investment Deposit</b>	MIG Account	1 700 002.26
31 December 2025	<b>Call Investment Deposit</b>	Insurance Account	255 819.38
31 December 2025	<b>Call Investment Deposit</b>	FNB Guarantee	4 935 941.94
31 December 2025	<b>Call Investment Deposit</b>	Retention Account	2 119 688.55
31 December 2025	<b>Call Investment Deposit</b>	FMG Account	2 092.21
31 December 2025	<b>Call Investment Deposit</b>	INEP Account	1 910 802.19
31 December 2025	<b>Call Investment Deposit</b>	LGSETA Account	57 246.69
31 December 2025	<b>Call Investment Deposit</b>	Payroll Account	21 110 342.88
31 December 2025	<b>Call Investment Deposit</b>	DEDEAT Account	259 650.25
31 December 2025	<b>Call Investment Deposit</b>	STR Account	1 144.71
31 December 2025	<b>Call Investment Deposit</b>	EEDSM Account	81 307.32
31 December 2025	<b>Call Investment Deposit</b>	Inhouse Account	9 136.99
			<b>42 180 682.12</b>

- The total cash available as at 31 December 2025 indicates a total balance of **R42 180 682.12**.
- **Inventory** – The value of inventory as at 31 December 2025 amounts to R155 thousand.
- **Investment Property; Biological Assets and Intangible Assets** – The depreciation will be calculated during the Second quarter FAR compilation.

## 2.6.2 NON-CURRENT ASSETS

- The non-current assets amount to R505 million which the biggest contributor being the Property; Plant and Equipment of the municipality amounting to R488 million.

## 2.6.3 CURRENT LIABILITIES

- Section 65 of the Municipal Finance management Act requires that municipalities should pay its creditors within 30 days. The municipality strives to pay its creditors within 30 days, however delays are experienced due to cash flow challenges the

municipality is faced with. Below is the list of trade creditors as at 31 December 2025.

- **Trade and other Payables** – The trade and other payables are currently at R96 million which indicates a R19 million decrease when compared to Quarter 1.
- **Unspent Grant** – The unspent conditional grants amount to R9.5 million at 31 December 2025.

## 2.7 TABLE C7 CASH FLOW

The cash available as at 31 December 2025 amounts to R47 million; this consist of call deposits and cash available in the main account excluding the cash on hand.

EC124 Amahlathi - Table C7 Monthly Budget Statement - Cash Flow - Q2 Second Quarter										
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										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		(14 836)	31 710	31 710	884	7 292	15 855	(8 563)	-54%	31 710
Service charges		(47 268)	76 998	95 361	3 619	29 487	47 680	(18 193)	-38%	76 998
Other revenue		12 603	14 330	8 796	127	2 815	4 398	(1 582)	-36%	14 330
Transfers and Subsidies - Operational		67 056	145 328	145 328	45 840	112 896	72 664	40 232	55%	145 328
Transfers and Subsidies - Capital		(33 969)	89 322	89 322	8 739	42 708	44 661	(1 953)	-4%	89 322
Interest		20 680	12 629	12 629	1 625	9 520	6 315	3 205	51%	12 629
Dividends		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Suppliers and employees		(10 704)	(259 511)	(260 648)	(9 837)	(126 746)	(114 632)	12 114	-11%	(259 511)
Interest		-	(2 000)	(2 000)	-	-	(1 000)	(1 000)	100%	(2 000)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(6 438)</b>	<b>108 806</b>	<b>120 497</b>	<b>50 997</b>	<b>77 972</b>	<b>75 940</b>	<b>(2 031)</b>	<b>-3%</b>	<b>108 806</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Capital assets		786 348	(91 874)	(94 418)	(9 837)	(37 350)	(47 209)	(9 859)	21%	(91 874)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>786 348</b>	<b>(91 874)</b>	<b>(94 418)</b>	<b>(9 837)</b>	<b>(37 350)</b>	<b>(47 209)</b>	<b>(9 859)</b>	<b>21%</b>	<b>(91 874)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
<b>Payments</b>										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>779 910</b>	<b>16 932</b>	<b>26 079</b>	<b>41 161</b>	<b>40 622</b>	<b>28 731</b>			<b>-</b>
Cash/cash equivalents at beginning:		1 559	30 825	30 825	-	1 559	30 825			1 559
Cash/cash equivalents at month/year end:		781 468	47 757	56 904	41 161	42 181	59 556			-

## **SECTION 3**

### **3. RESOLUTIONS**

1. That the council notes the section 52D report for period ending 31 December 2025 as set out in the following tables:
  - (a) Table C1 – Monthly Budget Statement Summary.
  - (b) Table C2 – Monthly Budget Statement – Financial Performance (Standard (c) classification).
  - (d) Table C3 – Monthly Budget Statement – Financial Performance Standard classification (Revenue and expenditure by Municipal Vote)
  - (e) Table C4 – Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)
  - (f) Table C5 – Monthly Budget Statement – Capital Expenditure.
  - (g) Table C6 – Monthly Budget statement – Financial Position; and
  - (h) Table C7 – Monthly Budget statement – Cash Flows.
2. That the budget monitoring report (Section 52D) for period ending 31 December 2025 **BE NOTED AND ACCEPTED.**

## PART 2

### SECTION 4

#### 4. BUDGET STATEMENT SUPPORTING TABLES

##### 4.1 TABLE SC3 AGE DEBTORS ANALYSIS

In terms of section 64 of the Municipal Finance Management Act, the accounting officer must ensure that the municipality has an effective revenue collection system that is consistent with section 95 of the Municipal Systems Act and the municipality's credit control and debt collection policy. The debtors report below provides the total amount owed to the municipality by income source and by debtor type. Total outstanding debt for the month ending 31 December 2025 is R271 million. A R24 million increase from quarter one. The biggest contributor being the households that owe R173 million which is an increase of R5 million from previous quarter (household debt is increasing by approximately R2 million per month which is concerning); followed by government departments owing R62 million which is an increase of R4 million from previous quarter and business that owe R34 million, which is a decrease of R1 million. Household and Government debt is growing significantly on a monthly basis, which is of concern. Household and Government debt have increased on a monthly basis.

EC124 Amahlathi - Supporting Table SC3 Monthly Budget Statement - aged debtors - Q2 Second Quarter

Description	NT Code	Budget Year 2025/26									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo 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			
R thousands													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	3 677	1 953	1 417	1 425	1 778	1 615	7 270	11 883	31 019	23 972	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	1 782	1 685	1 140	1 087	1 001	5 127	5 965	62 259	80 046	75 439	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	-	-	-	-	-	-	-	-	-	-	-	-
Receivables from Exchange Transactions - Waste Management	1600	1 244	1 068	978	956	949	940	5 705	55 894	67 734	64 444	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	18	6	6	6	6	6	86	520	654	624	-	-
Interest on Arrear Debtor Accounts	1810	1 625	1 767	1 607	1 585	1 559	1 481	10 286	53 869	73 779	68 780	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	2	(27)	(5)	(4)	464	454	2 746	14 778	18 408	18 438	-	-
<b>Total By Income Source</b>	<b>2000</b>	<b>8 348</b>	<b>6 452</b>	<b>5 144</b>	<b>5 055</b>	<b>5 757</b>	<b>9 624</b>	<b>32 059</b>	<b>199 203</b>	<b>271 641</b>	<b>251 697</b>	<b>-</b>	<b>-</b>
<b>2024/25 - totals only</b>													
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	1 769	2 446	1 755	1 823	2 313	6 250	11 207	34 673	62 237	56 266	-	-
Commercial	2300	3 434	1 150	733	660	679	647	3 488	23 336	34 126	28 809	-	-
Households	2400	3 073	2 794	2 609	2 535	2 725	2 674	17 089	139 787	173 287	164 811	-	-
Other	2500	71	62	47	36	40	53	274	1 407	1 992	1 811	-	-
<b>Total By Customer Group</b>	<b>2600</b>	<b>8 348</b>	<b>6 452</b>	<b>5 144</b>	<b>5 055</b>	<b>5 757</b>	<b>9 624</b>	<b>32 059</b>	<b>199 203</b>	<b>271 641</b>	<b>251 697</b>	<b>-</b>	<b>-</b>

## 4.2 TABLE SC 4 AGE CREDITORS ANALYSIS

Section 65 of the Municipal Finance management Act requires that municipalities should pay its creditors within 30 days. The municipality strives to pay its creditors within 30 days, however delays are experienced due to cash flow challenges the municipality is faced with. Below is the list of trade creditors as at 31 December 2025.

EC124 Amahlathi - Supporting Table SC4 Monthly Budget Statement - aged creditors - Q2 Second Quarter										
Description	NT Code	Budget Year 2025/26								
		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
<b>R thousands</b>										
<b>Creditors Age Analysis By Customer Type</b>										
Bulk Electricity	0100	-	212	285	14	47	1 227	3 035	50 292	55 112
Bulk Water	0200	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	356	7	-	8 749	12 462	21 574
Auditor General	0800	-	184	-	-	-	-	-	-	184
Other	0900	21	213	766	(3)	50	(281)	863	18 219	19 848
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-
<b>Total By Customer Type</b>	<b>1000</b>	<b>21</b>	<b>609</b>	<b>1 051</b>	<b>368</b>	<b>103</b>	<b>946</b>	<b>12 647</b>	<b>80 973</b>	<b>96 718</b>

## 4.3 TABLE SC5 INVESTMENT PORTFOLIO

The municipality invests money that is not immediately required on short term basis to generate interest, and this is in line with the municipal policy and the requirements of the Municipal Finance Management Act. The table below details the Call Deposits made by the Municipality for the period ending 31 December 2025.

Institution	Investments	Opening Balance	New Investment	Withdrawals	INTEREST						Total
					July	August	Sept	Oct	Nov	Dec	
FNB 62774382966	<a href="#">DEDEAT</a>	417 813,89	-	166 372,07	1 801,80	1 312,89	1 277,00	1 304,42	1 250,47	1 261,85	259 650,25
FNB 62063171351	<a href="#">Disaster</a>	3 304 716,81	16 921 875,00	19 236 528,70	13 441,80	7 363,50	27 410,87	32 217,02	6 025,85	6 016,02	1 082 538,17
FNB 63127290730	<a href="#">EEDSM</a>	80 111,96	-	1 234,86	425,25	410,41	399,20	408,64	391,58	395,14	81 307,32
FNB 62774381009	<a href="#">FMG</a>	2 061,22	2 200 000,00	2 201 485,48	10,94	1 457,13	17,41	10,75	10,07	10,17	2 092,21
FNB 62774381413	<a href="#">INEP</a>	18 758,05	22 792 000,00	21 021 881,25	99,58	26 948,48	33 668,08	30 892,64	19 473,77	10 842,84	1 910 802,19
FNB 63127288686	<a href="#">Inhouse projects</a>	12 543,55	3 596 456,83	3 607 113,03	5 583,10	1 450,85	79,08	48,20	44,00	44,41	9 136,99
FNB 61381739619	<a href="#">Insurance</a>	1 787 108,47	3 719 090,14	5 287 003,60	10 588,72	5 553,61	6 365,37	5 582,59	5 277,02	3 257,06	255 819,38
FNB 62774382445	<a href="#">LG Seta</a>	2 405,29	106 200,00	52 565,14	12,76	56,71	295,67	287,49	275,70	278,21	57 246,69
FNB 62135193770	<a href="#">MIG</a>	160528,12	39 106 266,00	37 754 660,19	8 949,32	60 793,82	35 288,99	7 062,27	40 689,47	35 084,46	1 700 002,26
FNB 62774383592	<a href="#">Salaries</a>	766171,49	100 900 000,00	100 737 444,51	99 546,46	11 200,64	8 524,95	193,64	185,73	61 964,48	1 110 342,88
FNB 62774381942	<a href="#">Retention</a>	301549,71	4 113 253,01	2 300 542,75	521,92	10,56	10,27	7,98	7,58	4 870,27	2 119 688,55
FNB 63127292538	<a href="#">STR</a>	1053,85	450 884,32	451 789,98	5,60	5,39	894,67	79,79	5,51	5,56	1 144,71
FNB 74568809858	<a href="#">FNB Guarantee</a>	5142095,16	-	396 039,60	33 388,40	34 725,37	33 830,67	29 080,14	29 823,68	29 038,12	4 935 941,94
	Payroll short term investments		56 000 000,00	36 543 726,71		65 391,78	120 390,14	174 495,20	183 449,59		20 000 000,00
		11 996 917,57	193 906 025,30	193 214 661,16	174 375,65	282 072,92	388 842,51	456 165,97	470 359,61	153 068,59	33 525 713,54

#### 4.4 TABLE SC 6 GRANTS TRANSFERRED

The conditional and unconditional grants allocation gazette for 2025/26 reflected an amount of R234m. An amount of R160. million has been received for period ending 31 December 2025. Transfers and grants receipts per allocation or grant is provided in the table below.

EC124 Amahlathi - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Q2 Second Quarter

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										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		495 836	143 505	-	45 840	108 586	71 753	1 354	1,9%	143 505
EPWP Incentive	-	6 905	1 799	-	-	1 260	900	360	40,1%	1 799
Finance Management	-	10 935	2 200	-	-	2 200	1 100	-	-	2 200
Local Government Equitable Share	-	-	137 520	-	45 840	103 140	68 760	-	-	137 520
Municipal Infrastructure Grant	-	-	1 986	-	-	1 986	993	993	100,0%	1 986
Other transfers and grants [insert description]										
<b>Provincial Government:</b>		16 536	1 823	-	-	1 823	912	911	100,0%	1 823
Eastern Cape_Capacity Building and Other_Specify (Add grant description)	-	16 536	1 823	-	-	1 823	912	911	100,0%	1 823
Other transfers and grants [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		1 403	-	-	-	-	-	-	-	-
Unspecified_Specify (Replace with the name of the Entity)_Receipts	-	1 403	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	513 775	145 328	-	45 840	110 409	72 664	2 265	3,1%	145 328
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		162 987	74 322	-	14 503	49 486	18 016	13 006	72,2%	74 322
Municipal Infrastructure Grant (MIG)	-	162 987	37 737	-	8 739	31 875	18 868	13 006	68,9%	37 737
Integrated National Electrification Programme Grant	-	-	17 440	-	1 744	7 848	8 720	-	-	17 440
Municipal Disaster Relief Grant	-	-	19 145	-	4 020	9 763	(9 573)	-	-	19 145
Other capital transfers [insert description]										
<b>Provincial Government:</b>		-	15 000	-	-	999	7 500	(6 501)	-86,7%	15 000
Eastern Cape_Infrastructure_Infrastructure_RECEIPTS	-	-	15 000	-	-	999	7 500	(6 501)	-86,7%	15 000
Other capital transfers [insert description]										
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]										
<b>Total Capital Transfers and Grants</b>	5	162 987	89 322	-	14 503	50 485	25 516	6 506	25,5%	89 322
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	676 761	234 650	-	60 343	160 894	98 180	8 771	8,9%	234 650

## 4.5 TABLE SC7 GRANTS EXPENDITURE

The table below reflects expenditure for the period ending 31 December 2025. The operating grants, excluding equitable share and capital grants amount to R48 million. It is worth noting that the funds for EPWP Grant are already depleted and the municipality is financing the expenditure from internally generated funds.

EC124 Amahlathi - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Q2 Second Quarter

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										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		22 070	5 985	-	545	6 142	2 993	3 150	105,3%	5 985
Expanded Public Works Programme Integrated Grant	-	6 028	1 799	-	-	2 673	900	1 774	197,2%	1 799
Local Government Financial Management Grant	-	10 935	2 200	-	545	1 483	1 100	383	34,8%	2 200
Municipal Infrastructure Grant	-	-	1 986	-	-	1 986	993	993	100,0%	1 986
Municipal Infrastructure Grant	-	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		14 831	1 823	-	-	1 823	912	911	100,0%	1 823
Eastern Cape	-	14 831	1 823	-	-	1 823	912	911	100,0%	1 823
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		1 403	-	-	-	-	-	-	-	-
<b>Unspecified-Specify (Replace with the name of the Entity)-Transfer</b>	-	1 403	-	-	-	-	-	-	-	-
<i>Unspecified_Specify (Replace with the name of the Entity)_Receipts</i>	-	-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		38 303	7 808	-	545	7 965	3 904	4 061	104,0%	7 808
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		164 441	74 322	-	11 355	39 351	37 161	2 190	5,9%	74 322
Integrated National Electrification Programme Grant	-	-	17 440	-	2 930	7 400	8 720	(1 320)	-15,1%	17 440
Municipal Disaster Relief Grant	-	11 281	19 145	-	1 026	7 168	9 573	(2 405)	-25,1%	19 145
Municipal Infrastructure Grant	-	153 160	37 737	-	7 399	24 783	18 868	5 915	31,3%	37 737
Other capital transfers [insert description]	-	-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	15 000	-	-	843	7 500	(6 657)	-88,8%	15 000
Eastern Cape	-	-	15 000	-	-	843	7 500	(6 657)	-88,8%	15 000
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		164 441	89 322	-	11 355	40 194	44 661	(4 467)	-10,0%	89 322
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		202 744	97 130	-	11 900	48 159	48 565	(406)	-0,8%	97 130

## 4.6 TABLE SC8 COUNCILLOR AND STAFF BENEFITS

In terms of section 66 of the Municipal Finance Management Act; all the expenditure the municipality incurred on staff salaries; wages; allowances and benefits must be reported to council. The expenditure on employee related costs and councillors allowance is detailed in the table below.

EC124 Amahlathi - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Q2 Second Quarter										
Summary of Employee and Councillor remuneration	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages		9 463	10 834	10 834	773	4 643	5 417	(774)	-14%	10 834
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		460	619	619	36	234	310	(76)	-24%	619
Cellphone Allowance		1 416	1 777	1 777	119	711	888	(177)	-20%	1 777
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		2 666	2 462	2 462	221	1 327	1 231	95	8%	2 462
<b>Sub Total - Councillors</b>		<b>14 006</b>	<b>15 692</b>	<b>15 692</b>	<b>1 149</b>	<b>6 914</b>	<b>7 846</b>	<b>(932)</b>	<b>-12%</b>	<b>15 692</b>
% increase	4		12,0%	12,0%						12,0%
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		4 562	5 980	5 980	441	2 573	2 990	(417)	-14%	5 980
Pension and UIF Contributions		9	9	9	1	5	5	1	14%	9
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		200	431	431	35	193	216	(23)	-11%	431
Cellphone Allowance		67	71	71	8	45	36	9	26%	71
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		1	1	1	0	0	0	0	12%	1
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>		<b>4 838</b>	<b>6 493</b>	<b>6 493</b>	<b>485</b>	<b>2 816</b>	<b>3 246</b>	<b>(431)</b>	<b>-13%</b>	<b>6 493</b>
% increase	4		34,2%	34,2%						34,2%
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		82 534	79 503	79 503	6 875	41 512	39 751	1 761	4%	79 503
Pension and UIF Contributions		14 109	14 621	14 621	1 234	7 369	7 311	58	1%	14 621
Medical Aid Contributions		6 099	6 665	6 665	517	3 059	3 332	(273)	-8%	6 665
Overtime		1 387	1 219	1 219	99	686	610	76	12%	1 219
Performance Bonus		(0)	6 807	6 807	552	3 603	3 404	200	6%	6 807
Motor Vehicle Allowance		4 533	3 409	3 409	363	2 122	1 704	417	24%	3 409
Cellphone Allowance		818	889	889	72	430	445	(15)	-3%	889
Housing Allowances		2 430	2 661	2 661	204	1 228	1 330	(102)	-8%	2 661
Other benefits and allowances		621	518	518	62	361	259	102	39%	518
Payments in lieu of leave		-	163	163	-	225	81	143	176%	163
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		6 945	2 813	2 813	-	-	1 407	(1 407)	-100%	2 813
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		667	435	435	134	479	217	262	120%	435
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Municipal Staff</b>		<b>120 142</b>	<b>119 703</b>	<b>119 703</b>	<b>10 113</b>	<b>61 074</b>	<b>59 851</b>	<b>1 223</b>	<b>2%</b>	<b>119 703</b>
% increase	4		-0,4%	-0,4%						-0,4%
<b>Total Parent Municipality</b>		<b>138 986</b>	<b>141 887</b>	<b>141 887</b>	<b>11 747</b>	<b>70 804</b>	<b>70 944</b>	<b>(140)</b>	<b>0%</b>	<b>141 887</b>

## 4.7 TABLE SC13C REPAIRS AND MAINTENANCE

The table below reflects expenditure on repairs by asse class. The expenditure on repairs and maintenance is at 65% of annual budget.

EC124 Amahlathi - Supporting Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class - Q2 Second

Description	Ref	Budget Year 2025/26								
		2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		1 158	1 880	1 880	23	1 210	940	(270)	-28,7%	1 880
Roads Infrastructure		325	1 150	1 150	0	610	575	(35)	-6,0%	1 150
Roads		325	1 150	1 150	0	610	575	(35)	-6,0%	1 150
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		25	30	30	-	21	15	(6)	-38,4%	30
Drainage Collection		25	30	30	-	21	15	(6)	-38,4%	30
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		807	700	700	23	579	350	(229)	-65,6%	700
Power Plants		-	100	100	-	-	50	50	100,0%	100
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		807	600	600	23	579	300	(279)	-93,2%	600
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	100	100	-	17	50	33	66,0%	100
Community Facilities		-	100	100	-	17	50	33	66,0%	100
Halls		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	100	100	-	17	50	33	66,0%	100
Police		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		352	400	105	0	0	53	52	99,1%	400
Operational Buildings		352	400	105	0	0	53	52	99,1%	400
Municipal Offices		344	300	5	-	-	3	3	100,0%	300
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		8	100	100	0	0	50	49	99,0%	100
<b>Computer Equipment</b>		-	-	50	-	-	25	25	100,0%	-
Computer Equipment		-	-	50	-	-	25	25	100,0%	-
<b>Furniture and Office Equipment</b>		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>		33	50	50	-	30	25	(5)	-21,4%	50
Machinery and Equipment		33	50	50	-	30	25	(5)	-21,4%	50
<b>Transport Assets</b>		1 065	545	545	68	524	522	(1)	-0,3%	545
Transport Assets		1 065	545	545	68	524	522	(1)	-0,3%	545
<b>Total Repairs and Maintenance Expenditure</b>	1	2 608	2 975	2 730	92	1 782	1 615	(166)	-10,3%	2 975

**SECTION 5**

**MUNICIPAL MANAGERS QUALITY CERTIFICATE**

**QUALITY CERTIFICATE**

I, **Dr. Z Shasha** Municipal Manager of **Amahlathi Municipality**, hereby certify that -

(Mark as appropriate)

the monthly budget statement

Quarterly report on the implementation of the budget and financial state of affairs of the municipality

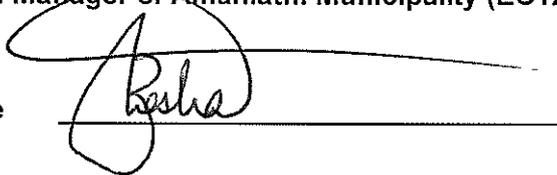
Mid-year budget and performance assessment

for the month of December 2025 of 2025/2026 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

**Print Name: Dr. Z Shasha**

**Municipal Manager of Amahlathi Municipality (EC124)**

**Signature**

A handwritten signature in black ink, appearing to read 'Z Shasha', is written over a horizontal line. The signature is stylized and cursive.

**Date: 07 January 2026**