

UBUNTU LOCAL MUNICIPALITY

Ubuntu Municipality



*menswaardigheid • hoop • erfenis
ubuntu • ithemba • izithethe
humanity • hope • heritage*

SECTION 52(d)

September 2026

DISTRIBUTION:

Executive Mayor: **Mrs C Jantjies**

Municipal Manager: **Mrs LS Itumeleng**

Chief Financial Officer: **Mr R Shuping**

Sector Departments: **National and Provincial Departments**

Uploaded to the National Treasury Go-Muni portal

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PART 1: IN-YEAR REPORT FOR THE PERIOD ENDING NOVEMBER 2024

TO: THE EXECUTIVE MAYOR

FROM: THE DIRECTORATE: FINANCIAL SERVICES: BUDGET & TREASURY OFFICE

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA): SECTION 71: IN-YEAR MONTHLY BUDGET STATEMENT FOR THE PERIOD ENDING JULY 2024

1. Purpose

The purpose of this report is to comply with section 71 of the MFMA and the requirements as promulgated in the Government Gazette No 32141 of 17 June 2009 by the submission of a monthly budget statement to the Executive Mayor, National and Provincial Treasuries containing prescribed financial performance particulars for that reporting month and for the financial year up to the end of that month, as legislated.

The municipality is aware of the critical importance of having a minimum 3 month's cash coverage as a directive and required norm from National Treasury. This has been the focus of the municipality for the past months in ensuring that Ubuntu Local Municipality recovers fully to ensure its sustainability and financial viability. Consistent actions will have to be undertaken to realize this target and Council's buy-in be secured to turn the municipality around. The municipality's main goal is to remain positive and committed in stabilizing the financial state of the municipality, improving its cash position and improving on the quality-of-service delivery.

In order for the municipality to thrive, overall performance must improve, the quality of services rendered should also improve, accountability be enforced, which must be complimented by strict consequence management. Consideration should be given to the service delivery and financial implications of all decisions taken. In executing their responsibilities, municipal officials must ensure that acts, regulations and policies are adhered to diligently, consistently and fairly. The municipality should enhance revenue collection and ensure that operational and capital funds are spent well for the purposes budgeted for.

2. Background

Section 71 of the MFMA and in terms of Government Notice No. 32141 dated 17 June 2009, regarding the “Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations” necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. ‘The monthly budget statement of a municipality must be in the 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 section 168(1) of the Act’. Further, Section 71 of the MFMA requires that, “the accounting officer of a municipality must not later than 10 working days after the end of each month submit to the mayor of the municipality, and the relevant national and provincial treasuries, a statement in the prescribed format on the state of the municipality’s budget reflecting certain particulars for that month and for the financial year up to end of that month”. For the reporting period ending 30 September 2024, the 10-working day reporting period expires on the 12 October 2024. The National Treasury will use the data collected from the mSCOA data strings which must be submitted before or on the 12 December 2025.

3. Executive summary

The Statement of Financial Performance shown in Annexure A, Table C4, is prepared on the prescribed monthly C-schedules, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 and 2 below:

Description R'000	YTD Budget September 2025	YTD Actual Sept 2025	Variance Favourable (Unfavourable)	%YTD Actual vs YTD Budget
Total Revenue (excl. Capital transfers and contributions)	41 361	46 775	5 414	13%

Total Operational Expenditure	40 757	33 623	(7 134)	-18%
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3.1 Revenue by Source for Q1

- The Municipality levied property rates to the total amount R 10 611 00
- Total electricity sales amounted to R6 331 000.00
- Water service charges at R1 304 000.00
- Sewer revenue totalled of R1 276 550
- Refuse service charges at R 1 518 280.00

4. Operating Expenditure by type

Description R'000	Original Budget	YTD Actual Sept 2025	Variance Favourable (Unfavourable)	%YTD Actual vs Original Budget
Total Revenue (excl. Capital transfers and contributions)	165 444	46 775	5 414	13%
Total Operational Expenditure	163 027	33 623	(7 134)	-18%

- **Employee Related Cost:** Employee Related costs for Q1 of 2026 were R10 851 040.78 with an overspending of 4% the variance is mainly due to annual notch increases.

- **Bulk Purchases:** There are R 492 084.11 water bulk purchases and there was R9 691 113.59 electricity bulk purchases for Q1 of 2026 with an overspending of 38% due to bulk Eskom changes.
- **Other Materials** (Repairs and Maintenance and General repairs and maintenance)
Contracted services for the month of Q1 of 2026 amounted to R 5 781 312.22

4.1 Operating by Revenue by source

0 - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		22 912	23 135	-	2 221	6 331	5 784	548	9%	23 135
Service charges - Water		10 884	13 437	-	644	1 304	3 359	(2 055)	-61%	13 437
Service charges - Waste Water Management		6 422	4 974	-	439	1 277	1 243	33	3%	4 974
Service charges - Waste management		7 083	5 620	-	505	1 518	1 405	113	8%	5 620
Sale of Goods and Rendering of Services		86	87	-	23	34	22	12	56%	87
Agency services		341	388	-	11	74	97	(23)	-24%	388
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		7 808	7 177	-	748	2 099	1 794	305	17%	7 177
Interest from Current and Non Current Assets		1 900	2 094	-	-	208	523	(315)	-60%	2 094
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		95	108	-	7	21	27	(6)	-22%	108
Rental from Fixed Assets		386	467	-	0	0	117	(116)	-100%	467
Licence and permits		226	270	-	7	29	68	(38)	-56%	270
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		270	501	-	34	64	125	(61)	-49%	501
Non-Exchange Revenue										
Property rates		17 149	23 799	-	1 452	10 611	5 950	4 662	78%	23 799
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		25 832	19 633	-	-	-	4 908	(4 908)	-100%	19 633
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		60 107	60 974	-	-	22 382	15 243	7 139	47%	60 974
Interest		2 696	2 779	-	253	821	695	126	18%	2 779
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		786	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		164 983	165 444	-	6 345	46 775	41 361	5 414	13%	165 444

Comparison YTD Actual against YTD Budget

Exchange Revenue

- Service Charges-Electricity is showing favourable variance of 9%
- Service Charges-Water is showing an un-favourable variance of 61% due to water losses experience as a result of ageing infrastructure and lack of smart meters to restrict legislated for indigent customers
- Service Charges-Waste Water Management shows a favourable variance of 3%

4.2 Operating expenditure by type

0 - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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
R thousands										
Expenditure By Type										
Employee related costs		41 199	41 671	–	3 618	10 851	10 418	433	4%	41 671
Remuneration of councillors		5 227	5 106	–	429	1 287	1 276	10	1%	5 106
Bulk purchases - electricity		29 709	28 086	–	2 594	9 691	7 021	2 670	38%	28 086
Inventory consumed		2 017	2 010	–	132	492	502	(10)	-2%	2 010
Debt impairment		–	20 133	–	–	–	5 033	(5 033)	-100%	20 133
Depreciation and amortisation		18 136	17 164	–	–	–	4 291	(4 291)	-100%	17 164
Interest		7 218	1 137	–	69	524	284	239	84%	1 137
Contracted services		15 622	20 963	–	1 349	5 781	5 241	541	10%	20 963
Transfers and subsidies		–	350	–	–	–	87	(87)	-100%	350
Irrecoverable debts written off		17 728	–	–	–	–	–	–	–	–
Operational costs		25 663	26 406	–	2 143	4 997	6 602	(1 605)	-24%	26 406
Losses on Disposal of Assets		–	–	–	–	–	–	–	–	–
Other Losses		432	–	–	–	–	–	–	–	–
Total Expenditure		162 952	163 027	–	10 334	33 623	40 757	(7 134)	-18%	163 027
Surplus/(Deficit)		2 031	2 417	–	(3 989)	13 153	604	12 548	0	2 417
Transfers and subsidies - capital (monetary allocations)		20 684	35 779	–	–	–	8 945	(8 945)	(0)	35 779
Transfers and subsidies - capital (in-kind)		–	46 000	–	–	–	11 500	(11 500)	(0)	46 000
Surplus/(Deficit) after capital transfers & contributions		22 715	84 196	–	(3 989)	13 153	21 049	(7 896)	(0)	84 196
Income Tax		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		22 715	84 196	–	(3 989)	13 153	21 049	(7 896)	(0)	84 196
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		22 715	84 196	–	(3 989)	13 153	21 049	(7 896)	(0)	84 196
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year		22 715	84 196	–	(3 989)	13 153	21 049	(7 896)	(0)	84 196

Comparison of YTD actual to YTD budget

- Total operating expenditure to date amounts to R33 623 000 for Q1 of 2025/26FY
- Employee related incurred for Q1 were R10 851 000
- Bulk electricity for Q1 amounts to R9 691 000 with an overspending of 38% compared to YTD budget of 7 021 0000.
- Contracted services for Q1 amounts to R5 241 000

4.3 Capital expenditure

0 - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

Vote Description	Ref	2024/25				Budget Year 2025/26				
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Financial Services Directorate		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate & Community Services		1 636	12 156	-	356	356	3 039	(2 683)	-88%	12 156
Vote 4 - Infrastructure & Planning		28 101	23 623	-	4 995	8 066	5 906	2 160	37%	23 623
Vote 5 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - Executive and Council		-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	29 737	35 779	-	5 352	8 422	8 945	(523)	-6%	35 779
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		-	1 000	-	-	-	250	(250)	-100%	1 000
Vote 2 - Financial Services Directorate		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate & Community Services		-	-	-	-	-	-	-	-	-
Vote 4 - Infrastructure & Planning		8 671	46 000	-	-	-	11 500	(11 500)	-100%	46 000
Vote 5 - COMMUNITY & SOCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 6 - Executive and Council		-	-	-	-	-	-	-	-	-
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]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	8 671	47 000	-	-	-	11 750	(11 750)	-100%	47 000
Total Capital Expenditure		38 407	82 779	-	5 352	8 422	20 695	(12 273)	-59%	82 779
Capital Expenditure - Functional Classification										
Governance and administration			1 000	-	-	-	250	(250)	-100%	1 000
Executive and council		-	1 000	-	-	-	250	(250)	-100%	1 000
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1 636	12 156	-	356	356	3 039	(2 683)	-88%	12 156
Community and social services		1 636	12 156	-	356	356	3 039	(2 683)	-88%	12 156
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services										
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		36 772	69 623	-	4 995	8 066	17 406	(9 340)	-54%	69 623
Energy sources		-	52 600	-	-	585	13 150	(12 565)	-96%	52 600
Water management		9 380	7 000	-	-	-	1 750	(1 750)	-100%	7 000
Waste water management		27 392	10 023	-	4 995	7 481	2 506	4 975	199%	10 023
Waste management		-	-	-	-	-	-	-	-	-
Other										
Total Capital Expenditure - Functional Classification	3	38 407	82 779	-	5 352	8 422	20 695	(12 273)	-59%	82 779
Funded by:										
National Government		38 407	35 779	-	5 352	8 422	8 945	(523)	-6%	35 779
Provincial Government		-	46 000	-	-	-	11 500	(11 500)	-100%	46 000
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		38 407	81 779	-	5 352	8 422	20 445	(12 023)	-59%	81 779
Borrowing	6									
Internally generated funds		-	1 000	-	-	-	250	(250)	-100%	1 000
Total Capital Funding		38 407	82 779	-	5 352	8 422	20 695	(12 273)	-59%	82 779

4.4 Cash flow

Total Aggregate Collection	Click to view/close months	Summary - Quarter 1				Q1
		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation		22 427 493	13 369 283	9 058 210	60%	60%
2.Collection <u>excl Eskom supplied areas</u>		8 010 450	5 294 482	2 715 968	66%	66%
3.Collection: Property Rates		10 044 144	4 662 732	5 381 412	46%	46%
4.Total average collection: Electricity (Municipal supplied areas)		4 607 073	3 119 092	1 487 981	68%	68%
5.Total average collection: Water		2 277 911	1 927 562	350 349	85%	85%
6.Total average collection: Wastewater		1 174 802	829 023	345 778	71%	71%
7.Total average collection: Refuse		1 415 896	972 708	443 188	69%	69%
8. 7.Total average collection: Interest		2 907 667	1 858 166	1 049 501	64%	

The table above is the summary of quarter 1 collection on service charges.

- Water-85%
- Waste water-71%
- Refuse-69%
- Property rates-46%
- Electricity-68%

Collection rate per ward

Complete This Section	Quarter 1 Performance Per Ward				Q1
	Billing	Collection	R - Billing not collected	% Collection	
Services					
Property Rates Tax	2 644 538	1 415 093	1 229 445	54%	54%
Electricity	1 209 214	871 332	337 882	72%	72%
Water	642 209	496 344	145 865	77%	77%
Refuse	191 048	123 526	67 522	65%	65%
Waste Water	211 835	128 082	83 753	60%	60%
Interest	442 133	281 814	160 319	64%	64%
Property Rates Tax	1 014 733	750 905	263 828	74%	74%
Electricity	19 598	26 335	(6 737)	134%	134%
Water	760 830	601 322	159 508	79%	79%
Refuse	438 487	338 210	100 277	77%	77%
Waste Water	439 990	318 325	121 665	72%	72%
Interest	852 511	627 953	224 558	74%	74%
Property Rates Tax	274 484	207 393	67 091	76%	76%
Electricity	1 626 776	1 249 292	377 484	77%	77%
Water	71 041	62 331	8 709	88%	88%
Refuse	137 124	99 123	38 002	72%	72%
Waste Water	154 921	105 750	49 170	68%	68%
Interest	405 127	254 402	150 724	63%	63%
Property Rates Tax	846 264	550 449	295 816	65%	65%
Electricity	260 331	139 301	121 030	54%	54%
Water	286 229	206 213	80 016	72%	72%
Refuse	294 335	181 466	112 870	62%	62%
Waste Water	169 995	118 514	51 481	70%	70%
Interest	522 417	325 166	197 251	62%	62%
Property Rates Tax	4 680 787	1 469 087	3 211 700	31%	31%
Electricity	1 119 362	603 698	515 665	54%	54%
Water	390 512	457 173	(66 661)	117%	117%
Refuse	189 773	165 405	24 368	87%	87%
Waste Water	95 359	76 120	19 240	80%	80%
Interest	500 169	286 582	213 588	57%	57%
Property Rates Tax	583 337	269 806	313 531	46%	46%
Electricity	371 792	229 134	142 658	62%	62%
Water	127 091	104 179	22 911	82%	82%
Refuse	165 128	64 979	100 150	39%	39%
Waste Water	102 702	82 233	20 469	80%	80%
Interest	185 310	82 248	103 062	44%	44%

The Challenges on the cashflow is due to late and non-payments of consumers.

The Credit control policy is being implemented to cut the services for the non-paying consumers and departments and only restored when a payment is received or an arranged

5. In-year budget statement tables

0 - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		34 765	42 838	-	33 730	42 838
Trade and other receivables from exchange transactions		12 150	24 248	-	42 179	24 248
Receivables from non-exchange transactions		6 957	10 546	-	2 660	10 546
Current portion of non-current receivables		-	-	-	-	-
Inventory		143	91	-	185	91
VAT		22 560	11 734	-	28 364	11 734
Other current assets		414	81	-	410	81
Total current assets		76 988	89 538	-	107 527	89 538
Non current assets						
Investments		-	-	-	-	-
Investment property		68 956	53 248	-	68 170	53 248
Property, plant and equipment		623 826	605 470	-	586 751	605 470
Biological assets		-	-	-	-	-
Living and non-living resources		-	-	-	-	-
Heritage assets		(17 171)	-	-	-	-
Intangible assets		(4)	60	-	(2)	60
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		675 608	658 778	-	654 918	658 778
TOTAL ASSETS		752 596	748 316	-	762 445	748 316
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	259	-	-	259
Consumer deposits		143	224	-	155	224
Trade and other payables from exchange transactions		104 119	60 916	-	117 476	60 916
Trade and other payables from non-exchange transactions		14 180	-	-	38 853	-
Provision		4 600	4 187	-	5 250	4 187
VAT		15 425	-	-	16 842	-
Other current liabilities		171	-	-	109	-
Total current liabilities		138 639	65 587	-	178 685	65 587
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		11 895	6 583	-	15 622	6 583
Long term portion of trade payables		-	55 340	-	-	55 340
Other non-current liabilities		4 936	4 926	-	4 219	4 926
Total non current liabilities		16 831	66 848	-	19 841	66 848
TOTAL LIABILITIES		155 470	132 435	-	198 526	132 435
NET ASSETS	2	597 126	615 882	-	563 920	615 882
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		526 432	531 686	-	550 767	531 686
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	526 432	531 686	-	550 767	531 686

PART 2: SUPPORTING DOCUMENTATION

6. Debtor's analysis

0 - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2025/26									Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr					
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	2 596	1 364	1 991	812	1 206	993	1 007	75 147	85 115	79 165	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	2 497	1 039	1 390	534	427	1 015	387	15 193	22 483	17 556	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	2 560	4 438	1 202	1 205	1 214	1 166	1 115	49 867	62 767	54 567	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	1 073	501	490	456	464	443	455	32 440	36 321	34 257	-	-	
Receivables from Exchange Transactions - Waste Management	1600	1 267	572	611	544	545	496	507	35 758	40 301	37 851	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	103	46	46	46	46	45	45	2 740	3 118	2 922	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	1	8	1	1	1	0	0	135	147	137	-	-	
Total By Income Source	2000	10 097	7 969	5 730	3 597	3 903	4 160	3 517	211 278	250 251	226 455	-	-	
2024/25 - totals only		7383608	4196438	4149105	3331555	3512873	3440982	3165065	191077055	220 257	204 528	0	0	
Debtors Age Analysis By Customer Group														
Organs of State	2200	2 238	4 067	1 279	633	563	600	559	30 282	40 221	32 636	-	-	
Commercial	2300	1 989	1 013	940	586	674	502	506	13 496	19 707	15 764	-	-	
Households	2400	5 081	2 530	3 103	2 013	2 307	2 696	2 144	150 817	170 691	159 977	-	-	
Other	2500	789	358	407	365	360	362	309	16 682	19 632	18 077	-	-	
Total By Customer Group	2600	10 097	7 969	5 730	3 597	3 903	4 160	3 517	211 278	250 251	226 455	-	-	

Measures implemented to reduce outstanding debt and time-frame

Category	Measures	Time frame
Organs of State	<ul style="list-style-type: none"> ● Seek meetings with management of organs of state owing the municipality to make payment arrangements, ● Communicate amount owed and arrangements entered into to the provincial and national treasuries, and COGHSTA and Salga for intervention and support, ● Arrange monthly standing meetings with state owned entities' management to discuss progress on the account, challenges and successes, 	<p>3rd Quarter 2025/26 FY</p> <p>3rd Quarter 2025/26 FY</p>
Commercial	<ul style="list-style-type: none"> ● Reinforce the list and contact details of commercial organizations doing business within the municipal boundaries, 	<p>3rd Quarter 2025/26 FY</p>

	<ul style="list-style-type: none"> ● Organise meetings to discuss statuses of the accounts of commercial entities within the municipality, ● The meetings will be held per commercial entity at a time. No matters of one commercial entity will be exposed to other commercial entities within the municipal area, ● Establish a working relationship with officials responsible for handling accounts at commercial entities, 	<p>3rd Quarter 2025/26 FY</p> <p>Monthly</p>
Households	<ul style="list-style-type: none"> ● Credit control measures are being executed relating to households that are in arrears, by cutting off their supplies, ● Encourage customers to enter into arrangements with the municipality in respect of their arrears, ● Consider Extended Service Package (ESP) for pensioners and poor residents who cannot afford the services due to lack of financial muscles. 	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>

Review of the Indigent register

- ❖ Ubuntu Local Municipality has a dedicated official, who amongst other responsibility, is required to update the Indigent register on a continuous basis,
- ❖ The supervisor reviews the register on a monthly basis to confirm accuracy and completeness,
- ❖ A standardised process exists and is communicated accordingly to residents for the registration of indigents in the register

7.Creditor's analysis

0 - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description	NT Code	Budget Year 2025/26								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	2 618	91	200	126	142	116	1 461	92 862	97 617	95 711
Bulk Water	0200	321	120	-	-	-	-	-	29	470	514
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	362	-	-	-	-	-	-	-	362	299
Loan repayments	0600	-	-	-	-	-	-	-	17	17	17
Trade Creditors	0700	3 912	277	533	714	176	727	1 370	2 401	10 110	6 800
Auditor General	0800	1 570	-	84	84	232	79	2 962	11 781	16 790	13 310
Other	0900	1 575	-	77	-	-	-	688	539	2 880	893
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	10 359	488	894	923	550	922	6 481	107 630	128 247	117 545

- The Eskom data strings reconcile with Invoices
- The Municipality has paid the Eskom and the proof of payments have been uploaded on the Go-Muni up until M02

8. Investment portfolio analysis

0 - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
2 Other		47 M	Call Account	No	Fixed	0.01	0		30/06/2026	375	-	-	-	375
3 Other		47 M	Call Account	No	Fixed	0.01	0		30/06/2026	1 261	-	-	-	1 261
4 Other		47 M	Call Account	No	Fixed	0.01	0		30/06/2026	2 807	-	-	-	2 807
5 Other		47 M	Call Account	No	Fixed	0.01	0		30/06/2026	3 164	-	-	-	3 164
6 Other		47 M	Call Account	No	Fixed	0.01	0		30/06/2026	(748)	-	-	-	(748)
7 Other		47 M	Call Account	No	Fixed	0.01	0		30/06/2026	1 535	-	-	-	1 535
8 Other		47 M	Call Account	No	Fixed	0.01	0		30/06/2026	3 173	-	-	-	3 173
10 Other		47 M	Call Account	No	Fixed	0.01	0		30/06/2026	11 090	-	-	-	11 090
12 Other		47 M	Call Account	No	Fixed	0.01	0		30/06/2026	3 467	-	-	-	3 467
13 Other		47 M	Call Account	No	Fixed	0.01	0		30/06/2026	13 164	-	-	-	13 164
Municipality sub-total										39 288	-	-	-	39 288
Entities														
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2									39 288	-	-	-	39 288

The Municipality currently has a call account investment in one bank- FNB which is a primary bank account

- ❖ Account number-54062338032
- ❖ Period of investment- Investments are on ongoing and call accounts
- ❖ Interest rates-

<u>INVESTMENT</u>	<u>INTEREST RATE</u>
Library	6.4 %
IOT	6.25%
Own Funds	6.25%
Retention	6.4%
WSIG	6.4
EPWP	6%
ESKOM	6.4%
FMG	6.25%
MIG	6.4%
Electrical Grant	6.4%

9. Allocation and grants receipt and expenditure

0 - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description	Ref	2024/25		Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		107 485	78 033	-	4 705	14 281	19 508	(5 227)	-26.8%	78 033
Equitable Share		104 246	73 877	-	4 532	12 902	18 469	(5 567)	-30.1%	73 877
Expanded Public Works Programme Integrated Grant		1 253	1 256	-	140	451	314	137	43.7%	1 256
Local Government Financial Management Grant		1 986	2 900	-	33	928	725	203	28.0%	2 900
Other transfers and grants [insert description]										
Provincial Government:		-	1 000	-	-	-	250	(250)	-100.0%	1 000
Specify (Add grant description)		-	1 000	-	-	-	250	(250)	-100.0%	1 000
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		1 725	1 546	-	142	466	387	79	20.5%	1 546
Northern Cape Arts and Cultural		1 725	1 546	-	142	466	387	79	20.5%	1 546
Northern Cape Arts and Cultural Council										
Total operating expenditure of Transfers and Grants:		109 210	80 579	-	4 847	14 747	20 145	(5 398)	-26.8%	80 579
Capital expenditure of Transfers and Grants										
National Government:		38 407	35 779	-	5 352	8 422	8 945	(523)	-5.8%	35 779
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-		-
Integrated National Electrification Programme Grant		-	6 600	-	-	585	1 650	(1 065)	-64.5%	6 600
Municipal Infrastructure Grant		3 244	18 179	-	3 510	4 245	4 545	(300)	-6.6%	18 179
Water Services Infrastructure Grant		35 164	11 000	-	1 842	3 592	2 750	842	30.6%	11 000
Other capital transfers [insert description]										
Provincial Government:		-	46 000	-	-	-	11 500	(11 500)	-100.0%	46 000
Specify (Add grant description)		-	46 000	-	-	-	11 500	(11 500)	-100.0%	46 000
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		38 407	81 779	-	5 352	8 422	20 445	(12 023)	-58.8%	81 779
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		147 618	162 358	-	10 199	23 169	40 590	(17 420)	-42.9%	162 358

Municipality received R73 887 267 of **Equitable Share**: Year-to-date spending amounts to R12 902 000 against a budget of R18 469 000 reflecting an underspend of R5 567 0000 (-30.1%)

Municipality received R1 256 000 of **Expanded Public Works Programme (EPWP)** the grant is used for the EPWP employee's wages, resources and skills. Year to date spending amounts to R451 000 compared to a budget R314 000 showing an overspend R137 000(43.7%).

The municipality received R2900 000 Of **Local Government Financial Management Grant (FMG)**the grant is used to pay intern's salaries, asset register, maintenance of financial system and internal auditing. Expenditure to date is R928 000 against a budget of R725 000 resulting in a favourable variance of R203 000 (28.0%).

Integrated National Electrification Programme Grant (INEP)with a Year-to-date spending of R585 000 compared to budget of R1 650 000 resulting in underspending of R1 065 000(-64.5%)

10.Councillors and board allowance and employee benefits

TOTAL SALARY, ALLOWANCES & BENEFITS		46 426	46 777	-	4 047	12 138	11 694	443	4%	46 777
% increase	4		0.8%							0.8%
TOTAL MANAGERS AND STAFF		41 199	41 671	-	3 618	10 851	10 418	433	4%	41 671

Senior Managers' benefits

Salaries and wages reveal actual expenditure of R10 851 000 for Q1 2025/26 FY

11.Material variances to the service delivery and budget implementation plan

1.WSIG Expenditure- R4 397 209.50 which is 79.9% of what the municipality has received to date on the following projects.

- a. Contractor Agisa - Upgrading of existing oxidation ponds and sewerage pump stations phase 01
- b. Contractor Savana- Upgrading and refurbishment of Richmond bulk water supply systems
- c. BVI- Upgrading and refurbishment of Richmond bulk water supply system (Consultant)

2.MIG expenditure-R5 311 881.18 which is 98.7% of the R5 383 000.00

The municipality has received to date on the following projects

- a. Installation of 22 solar highmast lighting in Victoria West.

- b. Upgrading of Richmond Sport and Recreational Facility – Contractor Zalisile Msebenzi Civils

3.INEP Expenditure-R2 970 000.01 which is 45% of what the municipality have received to date the following projects

- a. Victoria West KV22-Switching Station
- b. Reimbursement to Ubuntu Municipality

12.Capital programme performance

UBUNTU MUNICIPALITY								
GRANTS REGISTER ACCORDING								
RECONCILIATION 01 JULY 2025 - 30 JUNE 2026								
Grant	Type	DoRA Allocation	GL	Witheld	Received YTD	Spent YTD	(Underspent)/ Overspent	Over (+) or Under (-)
		2025/26	Description		2025/26	2025/26	2025/26	
FMG	CONDITIONAL	R 2 900 000.00	PROJECT NAT/TREASURY;		2 900 000.00	1 066 874.46	1 833 125.54	36.8%
WSIG	CONDITIONAL	R 11 000 000.00	WSIG GRANT EXPENDITURE		5 500 000.00	4 397 209.50	1 102 790.50	79.9%
INEP	CONDITIONAL	R 6 600 000.00	INEP GRANT EXPENDITURE		6 600 000.00	2 970 000.01	3 630 000.00	45.0%
MIG	CONDITIONAL	R 18 179 000.00	MIG GRANT	-	5 383 000.00	5 311 881.18	71 118.82	98.7%
EPWP	CONDITIONAL	R 1 256 000.00	EPWP PROJEK;		314 000.00	409 376.00	-95 376.00	130.4%
LIBRARY GRANT	CONDITIONAL	R 1 600 000.00	PROJECT LIBRARY;		0.00	356 892.03	-356 892.03	#DIV/0!
EQUITABLE SHARE	UNCONDITIONAL	R 53 718 000.00	RECEIVABLE N/T E/S GRANT		22 382 000.00	22 380 515.69	1 484.31	100.0%
		R 95 253 000.00		-	43 079 000.00	36 892 748.87	6 186 251.13	

13. Other supporting documents

0 - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

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
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		107 485	78 033	-	4 705	14 281	19 508	(5 227)	-26.8%	78 033
Equitable Share		104 246	73 877	-	4 532	12 902	18 469	(5 567)	-30.1%	73 877
Expanded Public Works Programme Integrated Grant		1 253	1 256	-	140	451	314	137	43.7%	1 256
Local Government Financial Management Grant		1 986	2 900	-	33	928	725	203	28.0%	2 900
Other transfers and grants [insert description]										
Provincial Government:		-	1 000	-	-	-	250	(250)	-100.0%	1 000
Specify (Add grant description)		-	1 000	-	-	-	250	(250)	-100.0%	1 000
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		1 725	1 546	-	142	466	387	79	20.5%	1 546
Northern Cape Arts and Cultural		1 725	1 546	-	142	466	387	79	20.5%	1 546
<i>Northern Cape Arts and Cultural Council</i>										
Total operating expenditure of Transfers and Grants:		109 210	80 579	-	4 847	14 747	20 145	(5 398)	-26.8%	80 579
Capital expenditure of Transfers and Grants										
National Government:		38 407	35 779	-	5 352	8 422	8 945	(523)	-5.8%	35 779
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-		-
Integrated National Electrification Programme Grant		-	6 600	-	-	585	1 650	(1 065)	-64.5%	6 600
Municipal Infrastructure Grant		3 244	18 179	-	3 510	4 245	4 545	(300)	-6.6%	18 179
Water Services Infrastructure Grant		35 164	11 000	-	1 842	3 592	2 750	842	30.6%	11 000
Other capital transfers [insert description]										
Provincial Government:		-	46 000	-	-	-	11 500	(11 500)	-100.0%	46 000
Specify (Add grant description)		-	46 000	-	-	-	11 500	(11 500)	-100.0%	46 000
District Municipality:		-	-	-	-	-	-	-		-
Other grant providers:		-	-	-	-	-	-	-		-
Total capital expenditure of Transfers and Grants		38 407	81 779	-	5 352	8 422	20 445	(12 023)	-58.8%	81 779
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		147 618	162 358	-	10 199	23 169	40 590	(17 420)	-42.9%	162 358

14. Conclusion

The municipality's main source of revenue stems from rendering of basic services to in the 3 (three) towns it services. Ubuntu Local Municipality has a poor payment culture which needs to be addressed with urgency. Awareness on the importance of paying municipal accounts remains a crucial aspect in improving the payment culture in our community, which will result in better service delivery to the residents of Ubuntu Local Municipality. Educating the community about their municipal accounts and ensuring that credit control is implemented will ensure that we decrease this outstanding debt. Being financially sustainable and viable is a goal we have to achieve in this lifetime.

In the 2025/26 financial year the municipality remains committed to this objective, to ensure creditors are paid within 30 days. We need to start prioritising expenditure and reduce the nice to have expenditure. Expenditure should be incurred in a manner where service delivery is prioritised.

The funding plan is being implement as well as payment arrangements.

15. Annexure A:C-Schedules

0 - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		22 912	23 135	-	2 221	6 331	5 784	548	9%	23 135
Service charges - Water		10 884	13 437	-	644	1 304	3 359	(2 055)	-61%	13 437
Service charges - Waste Water Management		6 422	4 974	-	439	1 277	1 243	33	3%	4 974
Service charges - Waste management		7 083	5 620	-	505	1 518	1 405	113	8%	5 620
Sale of Goods and Rendering of Services		86	87	-	23	34	22	12	56%	87
Agency services		341	388	-	11	74	97	(23)	-24%	388
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		7 808	7 177	-	748	2 099	1 794	305	17%	7 177
Interest from Current and Non Current Assets		1 900	2 094	-	-	208	523	(315)	-60%	2 094
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		95	108	-	7	21	27	(6)	-22%	108
Rental from Fixed Assets		386	467	-	0	0	117	(116)	-100%	467
Licence and permits		226	270	-	7	29	68	(38)	-56%	270
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		270	501	-	34	64	125	(61)	-49%	501
Non-Exchange Revenue										
Property rates		17 149	23 799	-	1 452	10 611	5 950	4 662	78%	23 799
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		25 832	19 633	-	-	-	4 908	(4 908)	-100%	19 633
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		60 107	60 974	-	-	22 382	15 243	7 139	47%	60 974
Interest		2 696	2 779	-	253	821	695	126	18%	2 779
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		786	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		164 983	165 444	-	6 345	46 775	41 361	5 414	13%	165 444
Expenditure By Type										
Employee related costs		41 199	41 671	-	3 618	10 851	10 418	433	4%	41 671
Remuneration of councillors		5 227	5 106	-	429	1 287	1 276	10	1%	5 106
Bulk purchases - electricity		29 709	28 086	-	2 594	9 691	7 021	2 670	38%	28 086
Inventory consumed		2 017	2 010	-	132	492	502	(10)	-2%	2 010
Debt impairment		-	20 133	-	-	-	5 033	(5 033)	-100%	20 133
Depreciation and amortisation		18 136	17 164	-	-	-	4 291	(4 291)	-100%	17 164
Interest		7 218	1 137	-	69	524	284	239	84%	1 137
Contracted services		15 622	20 963	-	1 349	5 781	5 241	541	10%	20 963
Transfers and subsidies		-	350	-	-	-	87	(87)	-100%	350
Irrecoverable debts written off		17 728	-	-	-	-	-	-	-	-
Operational costs		25 663	26 406	-	2 143	4 997	6 602	(1 605)	-24%	26 406
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		432	-	-	-	-	-	-	-	-
Total Expenditure		162 952	163 027	-	10 334	33 623	40 757	(7 134)	-18%	163 027
Surplus/(Deficit)		2 031	2 417	-	(3 989)	13 153	604	12 548	0	2 417
Transfers and subsidies - capital (monetary allocations)		20 684	35 779	-	-	-	8 945	(8 945)	(0)	35 779
Transfers and subsidies - capital (in-kind)		-	46 000	-	-	-	11 500	(11 500)	(0)	46 000
Surplus/(Deficit) after capital transfers & contributions		22 715	84 196	-	(3 989)	13 153	21 049	(7 896)	(0)	84 196
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		22 715	84 196	-	(3 989)	13 153	21 049	(7 896)	(0)	84 196
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		22 715	84 196	-	(3 989)	13 153	21 049	(7 896)	(0)	84 196
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		22 715	84 196	-	(3 989)	13 153	21 049	(7 896)	(0)	84 196

17.Municipal Manager’s quality certification

Section11-Municipal Manager’s quality certification

QUALITY CERTIFICATE

I, L Itumeleng as the Municipal Manager of **Ubuntu Municipality**,

hereby certify that –

(Mark as appropriate)

- The monthly budget statements. Sec.71
- The quarterly report on the implementation of the budget and financial state of the municipality. Sec.52 (d)
- The mid-year budget and performance assessment. Sec.72

For Q1 of **2025/26 financial year** has been prepared in terms of Local Government Municipal Finance Management Act (56/2003) Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 May 2009

It should be however noted that these figures have been extracted from the financial system EMS with alterations, some discrepancies or deviations may exist due to data migration and integration of FMS and EMS financial systems. The Sebata EMS system is non-compliant with MSCOA regulations.

Municipal Manager of **Ubuntu Local Municipality (NC071)**

Signature _____

Date _____