

UBUNTU LOCAL MUNICIPALITY

Ubuntu Municipality



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

SECTION 52(d)

December 2026

DISTRIBUTION:

Executive Mayor: Mrs C Jantjies

Municipal Manager: Mrs LS Itumeleng

Chief Financial Officer: Mr RJ 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 DECEMBER 2025

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 DECEMBER 2025

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 December 2025, the 10-working day reporting period expires on the 14 January 2025. The National Treasury will use the data collected from the mSCOA data strings which must be submitted before or on the 12 December 2024.

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 Decemb er 2025	YTD Actual Decemb er 2025	Variance Favourable (Unfavoura ble)	
Total Revenue (exl. Capital transfers and contributions)	82 722	80 919	(1 803)	-2%
Total Operational Expenditure	81 513	63 593	(17 921)	-22%

3.1 Revenue by source for Q2

- The municipality levied property rates to the total amounting to R14 969 000
- Total electricity sales amounted to R10 782 000
- Water service charges for Q2 amounted R4 058 000
- Sewer (waste water management) revenue is totalled to R2 575 000
- Refuse (waste management) service charges at R3 041 000

4. Operating expenditure by type

Description R'000	Original Budget	YTD Actual December 2025	Variance Favourable (Unfavourable)	%YTD Actual vs Original Budget
Total Revenue (excl. Capital transfers and contributions)	165 444	801 919	(1 803)	-2%
Total Operational Expenditure	163 027	63 593	(17 921)	-22%

- **Employee related costs:** Employee related costs for Q2 of 2026 are R21 457 000 with an overspending of 3% against the YTD budget. the variance is mainly due to notch increases
- **Bulk Purchases: Inventory consumed** amounted R760 000 water which is 24% below the YTD budget mainly due to reduced usage and controlled procurement.
Bulk Purchases-Electricity for Q2 2026 amounted to R15 701 000 reflecting overspending of 12% against the YTD

budget. This variance is mainly due to increased Eskom bill charges.

- **Other Materials (Repairs and maintenance and General repairs and maintenance)**

Contracted services- for Q2 of 2026 amounted to R10 027 0004.1
Operating Revenue by Source

4.1 Operating by revenue by source

NC071 Ubuntu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

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										
Revenue										
Exchange Revenue										
Service charges - Electricity		22 912	23 135	-	(163)	10 782	11 568	(785)	-7%	23 135
Service charges - Water		7 953	13 437	-	842	4 058	6 718	(2 661)	-40%	13 437
Service charges - Waste Water Management		6 422	4 974	-	421	2 575	2 487	88	4%	4 974
Service charges - Waste management		7 083	5 620	-	508	3 041	2 810	231	8%	5 620
Sale of Goods and Rendering of Services		86	87	-	9	79	44	35	80%	87
Agency services		341	388	-	4	115	194	(79)	-41%	388
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		7 808	7 177	-	770	4 388	3 589	799	22%	7 177
Interest from Current and Non Current Assets		1 900	2 094	-	-	379	1 047	(668)	-64%	2 094
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		95	108	-	7	43	54	(11)	-21%	108
Rental from Fixed Assets		386	467	-	-	1	233	(232)	-99%	467
Licence and permits		226	270	-	1	43	135	(93)	-69%	270
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		270	501	-	17	114	251	(137)	-55%	501
Non-Exchange Revenue										
Property rates		17 149	23 799	-	1 459	14 969	11 899	3 070	26%	23 799
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		25 832	19 633	-	-	-	9 817	(9 817)	-100%	19 633
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		60 107	60 974	-	16 370	38 752	30 487	8 265	27%	60 974
Interest		2 696	2 779	-	245	1 580	1 389	191	14%	2 779
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		786	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		162 052	165 444	-	20 491	80 919	82 722	(1 803)	-2%	165 444

Comparison YTD actual against YTD budget

Exchange Revenue

- **Service Charges – Electricity** revenue reflects an unfavourable variance of 7%, mainly due to lower-than-expected consumption and collection challenges during the period.
- **Service Charges – Water** revenue shows an unfavourable variance of 40%, primarily due to high water losses resulting from

ageing infrastructure and the absence of smart metering systems to effectively manage consumption for indigent households.

- **Service Charges – Waste Water Management (Sewer)**

Sewer revenue reflects a favourable variance of 4%, indicating improved billing accuracy and stable service charge collection

4.2 Operating expenditure by type

NC071 Ubuntu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

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	–	3 524	21 457	20 836	621	3%	41 671
Remuneration of councillors		5 227	5 106	–	429	2 573	2 553	20	1%	5 106
Bulk purchases - electricity		29 709	28 086	–	2 535	15 701	14 043	1 658	12%	28 086
Inventory consumed		2 017	2 010	–	(67)	760	1 005	(245)	-24%	2 010
Debt impairment		–	20 133	–	–	–	10 066	(10 066)	-100%	20 133
Depreciation and amortisation		18 194	17 164	–	–	–	8 582	(8 582)	-100%	17 164
Interest		7 218	1 137	–	269	891	569	323	57%	1 137
Contracted services		15 622	20 963	–	1 974	10 027	10 482	(455)	-4%	20 963
Transfers and subsidies		–	350	–	–	–	175	(175)	-100%	350
Irrecoverable debts written off		17 728	–	–	–	–	–	–	–	–
Operational costs		25 663	26 406	–	5 024	12 183	13 203	(1 020)	-8%	26 406
Losses on Disposal of Assets		–	–	–	–	–	–	–	–	–
Other Losses		432	–	–	–	–	–	–	–	–
Total Expenditure		163 010	163 027	–	13 688	63 593	81 513	(17 921)	-22%	163 027
Surplus/(Deficit)		(958)	2 417	–	6 803	17 327	1 209	16 118	0	2 417
Transfers and subsidies - capital (monetary allocations)		20 684	35 779	–	–	–	17 889	(17 889)	(0)	35 779
Transfers and subsidies - capital (in-kind)		–	46 000	–	–	–	23 000	(23 000)	(0)	46 000
Surplus/(Deficit) after capital transfers & contributions		19 727	84 196	–	6 803	17 327	42 098	(24 772)	(0)	84 196
Income Tax		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		19 727	84 196	–	6 803	17 327	42 098	(24 772)	(0)	84 196
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		19 727	84 196	–	6 803	17 327	42 098	(24 772)	(0)	84 196
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year		19 727	84 196	–	6 803	17 327	42 098	(24 772)	(0)	84 196

Comparison of YTD actual to YTD budget

- Total Operating Expenditure to date amounts to R63 593 000, which is 22% below the year-to-date budget of R81 513 000, reflecting overall underspending for the period.
- Employee Related Costs incurred for Q2 amounted to R21 457 000, representing a 3% overspending against the year-to-date budget, mainly due to notch increases and salary adjustments.

- Bulk Electricity Purchases expenditure for Q2 amounted to R15 701 000, reflecting a 12% unfavourable variance against the year-to-date budget as a result of increased Eskom bulk supply charges.
- Contracted Services expenditure for Q2 amounted to R10 027 000, which is 4% below the year-to-date budget, mainly due to delayed project implementation and cost containment measures.

4.3 Capital Expenditure

NC071 Ubuntu - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote 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	1									
Multi-Year expenditure appropriation	2									
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-
Vote 2 - [NAME OF VOTE 2]		-	-	-	-	-	-	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-
Vote 4 - [NAME OF VOTE 4]		-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Single Year expenditure appropriation	2									
Vote 1 - [NAME OF VOTE 1]		-	-	-	-	-	-	-	-	-
Vote 2 - [NAME OF VOTE 2]		-	-	-	-	-	-	-	-	-
Vote 3 - [NAME OF VOTE 3]		-	-	-	-	-	-	-	-	-
Vote 4 - [NAME OF VOTE 4]		-	-	-	-	-	-	-	-	-
Vote 5 - [NAME OF VOTE 5]		-	-	-	-	-	-	-	-	-
Vote 6 - [NAME OF VOTE 6]		-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-
Total Capital Expenditure		-	-	-	-	-	-	-	-	-
Capital Expenditure - Functional Classification										
Governance and administration		-	1 000	-	-	-	500	(500)	-100%	1 000
Executive and council		-	1 000	-	-	-	500	(500)	-100%	1 000
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		1 636	12 156	-	-	356	6 078	(5 722)	-94%	12 156
Community and social services		1 636	12 156	-	-	356	6 078	(5 722)	-94%	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	-	4 245	14 844	34 811	(19 968)	-57%	69 623
Energy sources		-	52 600	-	2 172	2 757	26 300	(23 543)	-90%	52 600
Water management		9 380	7 000	-	-	-	3 500	(3 500)	-100%	7 000
Waste water management		27 392	10 023	-	2 074	12 087	5 011	7 076	141%	10 023
Waste management		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	38 407	82 779	-	4 245	15 200	41 390	(26 189)	-63%	82 779
Funded by:										
National Government		38 407	35 779	-	4 245	15 200	17 890	(2 689)	-15%	35 779
Provincial Government		-	46 000	-	-	-	23 000	(23 000)	-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	-	4 245	15 200	40 890	(25 689)	-63%	81 779
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		-	1 000	-	-	-	500	(500)	-100%	1 000
Total Capital Funding		38 407	82 779	-	4 245	15 200	41 390	(26 189)	-63%	82 779

4.4 Cash Flow

Total Aggregate Collection		Summary - Quarter 2				Q2
		Billing	Collection	R - Billing not collected	% Collection	
1.Collection for whole demarcation	Summary	16 128 342	12 969 118	3 159 223	80%	80%
2.Collection <u>excl Eskom supplied areas</u>		5 905 155	4 977 798	927 357	84%	84%
3.Collection: Property Rates		3 585 316	5 074 677	(1 489 361)	142%	142%
4.Total average collection: Electricity (Municipal supplied areas)		4 051 958	3 513 008	538 950	87%	87%
5.Total average collection: Water		2 814 203	1 385 026	1 429 178	49%	49%
6.Total average collection: Wastewater		1 185 922	463 544	722 379	39%	39%
7.Total average collection: Refuse		1 524 714	819 122	705 592	54%	54%
8. 7.Total average collection: Interest		2 966 229	1 713 742	1 252 486	58%	58%

The table above is a summary of quoter 2 collection on the service charges

- Water-49% collection rate
- Waste water-39% collection rate
- Refuse-54% collection rate
- Property rates-142% collection rate
- Electricity-84% collection rate

Collection rate per ward

Complete This Section			Quarter 2 Performance Per Ward				
Services	Electricity Supplier	Ward Name & Number	Billing	Collection	R - Billing not collected	% Collection	Q2
Property Rates Tax Electricity Water Refuse Waste Water Interest	Mun Supplied	Ward 1 - Lynwood Manor	895 872	1 583 100	(687 228)	177%	177%
			1 280 136	907 282	372 854	71%	71%
			505 445	271 035	234 411	54%	54%
			201 897	102 127	99 770	51%	51%
			220 764	101 364	119 400	46%	46%
			406 083	272 156	133 926	67%	67%
Property Rates Tax Electricity Water Refuse Waste Water Interest	Eskom supplied	Ward 2 - Glenstatnia	252 966	370 988	(118 022)	147%	147%
			20 987	25 114	(4 127)	120%	120%
			460 612	198 655	261 957	43%	43%
			457 416	264 460	192 956	58%	58%
			449 295	172 718	276 577	38%	38%
			880 450	225 403	655 047	26%	26%
Property Rates Tax Electricity Water Refuse Waste Water Interest	Mun Supplied	Ward 3 - Hatfield	280 047	221 882	58 165	79%	79%
			992 307	1 036 911	(44 603)	104%	104%
			412 678	182 733	229 945	44%	44%
			141 978	79 172	62 806	56%	56%
			151 552	52 668	98 884	35%	35%
			416 395	167 369	249 026	40%	40%
Property Rates Tax Electricity Water Refuse Waste Water Interest			688 590	290 000	398 590	42%	42%
			255 540	667 642	(412 102)	261%	261%
			552 799	331 813	220 986	60%	60%
			296 103	168 782	127 321	57%	57%
			163 651	51 397	112 254	31%	31%
			533 564	197 928	335 636	37%	37%
Property Rates Tax Electricity Water Refuse Waste Water Interest			1 012 728	1 975 466	(962 738)	195%	195%
			1 052 122	648 326	403 796	62%	62%
			576 002	261 287	314 716	45%	45%
			253 797	134 728	119 069	53%	53%
			97 245	68 412	28 833	70%	70%
			534 950	788 391	(253 441)	147%	147%
Property Rates Tax Electricity Water Refuse Waste Water Interest			455 112	633 241	(178 128)	139%	139%
			450 865	227 733	223 132	51%	51%
			306 666	139 503	167 163	45%	45%
			173 522	69 853	103 669	40%	40%
			103 415	16 984	86 431	16%	16%
			194 787	62 495	132 291	32%	32%

The challenges on the cashflow are 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

NC071 Ubuntu - Table C6 Monthly Budget Statement - Financial Position - M06 December

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	-	57 845	42 838
Trade and other receivables from exchange transactions		12 150	24 248	-	46 261	24 248
Receivables from non-exchange transactions		6 957	10 546	-	1 294	10 546
Current portion of non-current receivables		-	-	-	-	-
Inventry		143	91	-	185	91
VAT		22 560	11 734	-	30 065	11 734
Other current assets		414	81	-	410	81
Total current assets		76 988	89 538	-	136 061	89 538
Non current assets						
Investments		-	-	-	-	-
Investment property		68 956	53 248	-	68 170	53 248
Property, plant and equipment		623 769	605 470	-	593 529	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		675 550	658 778	-	661 696	658 778
TOTAL ASSETS		752 539	748 316	-	797 757	748 316
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	259	-	-	259
Consumer deposits		143	224	-	176	224
Trade and other payables from exchange transactions		104 119	60 916	-	142 535	60 916
Trade and other payables from non-exchange transactions		14 180	-	-	43 645	-
Provision		9 856	4 187	-	5 250	4 187
VAT		15 425	-	-	18 105	-
Other current liabilities		171	-	-	109	-
Total current liabilities		143 895	65 587	-	209 821	65 587
Non current liabilities						
Financial liabilities		-	-	-	-	-
Provision		6 639	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		11 575	66 848	-	19 841	66 848
TOTAL LIABILITIES		155 470	132 435	-	229 662	132 435
NET ASSETS	2	597 069	615 882	-	568 095	615 882
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		529 363	531 686	-	550 766	531 686
Reserves and funds		-	-	-	-	-
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	529 363	531 686	-	550 766	531 686

PART: SUPPORTING DOCUMENTATION

6. Debtor's analysis

NC071 Ubuntu - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2025/26										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.o Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	2 604	1 159	1 089	1 138	1 303	1 923	797	77 803	87 817	82 964	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 765	573	551	535	643	1 124	339	15 438	20 965	18 078	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	2 557	1 133	1 106	1 074	2 708	1 142	1 144	50 475	61 338	56 543	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	1 029	497	493	505	488	476	451	33 672	37 611	35 592	-	-	
Receivables from Exchange Transactions - Waste Management	1600	1 262	586	567	571	549	582	533	37 032	41 681	39 266	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	104	47	46	46	46	46	46	2 834	3 216	3 018	-	-	
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	
Other	1900	1	0	1	0	8	0	1	136	147	146	-	-	
Total By Income Source	2000	9 322	3 995	3 852	3 869	5 745	5 294	3 310	217 389	252 776	235 607	-	-	
2024/25 - totals only		13250479	4479531	2944907	2913233	3860271	3790442	3001637	191116813	225 357	204 682	0	0	
Debtors Age Analysis By Customer Group														
Organs of State	2200	1 524	728	691	696	2 339	1 101	489	29 054	36 622	33 679	-	-	
Commercial	2300	1 930	585	546	525	660	781	500	14 170	19 697	16 636	-	-	
Households	2400	5 065	2 326	2 249	2 311	2 397	3 016	1 962	156 617	175 933	166 303	-	-	
Other	2500	812	356	366	337	349	396	359	17 548	20 523	18 989	-	-	
Total By Customer Group	2600	9 322	3 995	3 852	3 869	5 745	5 294	3 310	217 389	252 776	235 607	-	-	

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, Organise meetings to discuss statuses of the accounts of commercial entities within the municipality, 	<p>3rd Quarter 2025/26 FY</p> <p>3rd Quarter 2025/26 FY</p>

	<ul style="list-style-type: none"> ● 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, 	Monthly
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

NC071 Ubuntu - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	2 099	2 032	2 059	2 618	91	200	923	93 785	103 807	96 871
Bulk Water	0200	244	164	175	-	-	-	-	29	613	196
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	346	363	-	-	-	-	-	-	709	303
Loan repayments	0600	-	-	-	-	-	-	-	17	17	17
Trade Creditors	0700	2 915	2 316	3 951	1 847	1 046	524	2 788	2 310	17 696	5 068
Auditor General	0800	583	2 376	1 693	1 164	406	84	1 097	14 040	21 443	17 943
Other	0900	2 242	86	160	1 851	351	-	345	882	5 916	1 232
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	8 429	7 337	8 038	7 481	1 893	807	5 153	111 063	150 202	121 630

- The municipality has paid Eskom and the proof of payments have been uploaded on the Go Muni up to M05

8.Investment portfolio analysis

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

NC071 Ubuntu - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

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:		107 543	78 033	-	7 912	28 817	39 017	(10 200)	-26.1%	78 033
Equitable Share		104 303	73 877	-	7 750	26 960	36 939	(9 978)	-27.0%	73 877
Expanded Public Works Programme Integrated Grant		1 253	1 256	-	114	792	628	164	26.2%	1 256
Local Government Financial Management Grant		1 986	2 900	-	48	1 064	1 450	(386)	-26.6%	2 900
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	1 000	-	-	-	500	(500)	-100.0%	1 000
Specify (Add grant description)		-	1 000	-	-	-	500	(500)	-100.0%	1 000
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		1 725	1 546	-	155	921	773	148	19.2%	1 546
Northern Cape Arts and Cultural		1 725	1 546	-	155	921	773	148	19.2%	1 546
<i>Northern Cape Arts and Cultural Council</i>		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		109 268	80 579	-	8 066	29 738	40 290	(10 552)	-26.2%	80 579
Capital expenditure of Transfers and Grants										
National Government:		38 407	35 779	-	4 245	15 200	17 890	(2 689)	-15.0%	35 779
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		-	6 600	-	2 172	2 757	3 300	(543)	-16.5%	6 600
Municipal Infrastructure Grant		3 244	18 179	-	-	6 778	9 090	(2 312)	-25.4%	18 179
Water Services Infrastructure Grant		35 164	11 000	-	2 074	5 666	5 500	166	3.0%	11 000
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	46 000	-	-	-	23 000	(23 000)	-100.0%	46 000
Specify (Add grant description)		-	46 000	-	-	-	23 000	(23 000)	-100.0%	46 000
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		38 407	81 779	-	4 245	15 200	40 890	(25 689)	-62.8%	81 779
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		147 675	162 358	-	12 311	44 938	81 179	(36 241)	-44.6%	162 358

Ouncillos and board allowance and emplot

YTD Actual of operating grants

- Equitable Share: R26 960 000
- Expanded Public Works Programme (EPWP): R792 000
- Local Government Financial Management Grant R1 064 000

YTD actual of Capital grants

Integrated National Electrification Programme (INEP): R2 757 000

Municipal Infrastructure Grant (MIG): R6 778 000

Water Services Infrastructure Grant: R5 666 000

10.Councillors and board allowance and employee benefits

TOTAL SALARY, ALLOWANCES & BENEFITS		46 426	46 777	-	3 953	24 030	23 389	641	3%	46 777
% increase	4		0.8%							0.8%
TOTAL MANAGERS AND STAFF		41 199	41 671	-	3 524	21 457	20 836	621	3%	41 671

Salaries and wages reveal actual expenditure of R21 457 000 for Q1&Q2 of 2025/2026

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

1.WSIG Expenditure-R6 209 036.42 which is 70.6% of what the municipality has received to day on the following projects

- a) Contractor Agisa -upgrading of existing oxidation ponds and sewerage pump station phase 01
- b) Contractor Savana-upgrading and refurbishment and Richmond bulk water supply system
- c) BVI upgrading and refurbishment of Richmond bulk water supply system(consultants)

2.MIG Expenditure-R10 091 245.40 which is 62% of what 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 Recreation facility-contractor Zalisile Msebenzi Civils

3.INEP Expenditure -R5 467 230.50 which is 65%of what the municipality has received to date

- a) Victoria West KV22-switching Station
- b) Reimbursement to Ubuntu Municipality

12.Capital programme performance

Grant	Type	DoRA Allocation		Unspent/ Roll-Over	Received YTD		Spent YTD		(Underspent)/ Overspent	Over (+) or Under (-)
		2025/26	2024/25		2025/26	2025/26	2025/26			
FMG	CONDITIONAL	R 2 900 000.00	R -	2 900 000.00	1 166 874.42	1 733 125.58	40.2%			
WSIG	CONDITIONAL	R 11 000 000.00	R 9 365 037.00	8 800 000.00	6 209 036.89	2 590 963.11	70.6%			
INEP	CONDITIONAL	R 6 600 000.00		6 600 000.00	4 290 000.00	2 310 000.00	65.0%			
MIG	CONDITIONAL	R 18 179 000.00	R 4 614 853.00	16 283 000.00	10 091 245.40	6 191 754.60	62.0%			
EPWP	CONDITIONAL	R 1 256 000.00	R -	879 000.00	674 446.50	204 553.50	76.7%			
LIBRARY GRANT	CONDITIONAL	R 1 600 000.00	R 200 041.00	800 000.00	640 929.76	359 111.24	80.1%			
EQUITABLE SHARE	UNCONDITIONAL	R 53 718 000.00		38 752 000.00	38 750 515.69	1 484.31	100.0%			
		R 95 253 000.00	14 179 931.00	75 014 000.00	61 823 048.66	13 390 992.34				

13. Other supporting documents

NC071 Ubuntu - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

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:		107 543	78 033	-	7 912	28 817	39 017	(10 200)	-26.1%	78 033
Equitable Share		104 303	73 877	-	7 750	26 960	36 939	(9 978)	-27.0%	73 877
Expanded Public Works Programme Integrated Grant		1 253	1 256	-	114	792	628	164	26.2%	1 256
Local Government Financial Management Grant		1 986	2 900	-	48	1 064	1 450	(386)	-26.6%	2 900
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	1 000	-	-	-	500	(500)	-100.0%	1 000
Specify (Add grant description)		-	1 000	-	-	-	500	(500)	-100.0%	1 000
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		1 725	1 546	-	155	921	773	148	19.2%	1 546
Northern Cape Arts and Cultural		1 725	1 546	-	155	921	773	148	19.2%	1 546
Northern Cape Arts and Cultural Council		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		109 268	80 579	-	8 066	29 738	40 290	(10 552)	-26.2%	80 579
Capital expenditure of Transfers and Grants										
National Government:		38 407	35 779	-	4 245	15 200	17 890	(2 689)	-15.0%	35 779
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Integrated National Electrification Programme Grant		-	6 600	-	2 172	2 757	3 300	(543)	-16.5%	6 600
Municipal Infrastructure Grant		3 244	18 179	-	-	6 778	9 090	(2 312)	-25.4%	18 179
Water Services Infrastructure Grant		35 164	11 000	-	2 074	5 666	5 500	166	3.0%	11 000
Other capital transfers [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		-	46 000	-	-	-	23 000	(23 000)	-100.0%	46 000
Specify (Add grant description)		-	46 000	-	-	-	23 000	(23 000)	-100.0%	46 000
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		38 407	81 779	-	4 245	15 200	40 890	(25 689)	-62.8%	81 779
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		147 675	162 358	-	12 311	44 938	81 179	(36 241)	-44.6%	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-Schedule

NC071 Ubuntu - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

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										
Revenue										
Exchange Revenue										
Service charges - Electricity		22 912	23 135	-	(163)	10 782	11 568	(785)	-7%	23 135
Service charges - Water		7 953	13 437	-	842	4 058	6 718	(2 661)	-40%	13 437
Service charges - Waste Water Management		6 422	4 974	-	421	2 575	2 487	88	4%	4 974
Service charges - Waste management		7 083	5 620	-	508	3 041	2 810	231	8%	5 620
Sale of Goods and Rendering of Services		86	87	-	9	79	44	35	80%	87
Agency services		341	388	-	4	115	194	(79)	-41%	388
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		7 808	7 177	-	770	4 388	3 589	799	22%	7 177
Interest from Current and Non Current Assets		1 900	2 094	-	-	379	1 047	(668)	-64%	2 094
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		95	108	-	7	43	54	(11)	-21%	108
Rental from Fixed Assets		386	467	-	-	1	233	(232)	-99%	467
Licence and permits		226	270	-	1	43	135	(93)	-69%	270
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		270	501	-	17	114	251	(137)	-55%	501
Non-Exchange Revenue										
Property rates		17 149	23 799	-	1 459	14 969	11 899	3 070	26%	23 799
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		25 832	19 633	-	-	-	9 817	(9 817)	-100%	19 633
Licence and permits		-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational		60 107	60 974	-	16 370	38 752	30 487	8 265	27%	60 974
Interest		2 696	2 779	-	245	1 580	1 389	191	14%	2 779
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		786	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		162 052	165 444	-	20 491	80 919	82 722	(1 803)	-2%	165 444
Expenditure By Type										
Employee related costs		41 199	41 671	-	3 524	21 457	20 836	621	3%	41 671
Remuneration of councillors		5 227	5 106	-	429	2 573	2 553	20	1%	5 106
Bulk purchases - electricity		29 709	28 086	-	2 535	15 701	14 043	1 658	12%	28 086
Inventory consumed		2 017	2 010	-	(67)	760	1 005	(245)	-24%	2 010
Debt impairment		-	20 133	-	-	-	10 066	(10 066)	-100%	20 133
Depreciation and amortisation		18 194	17 164	-	-	-	8 582	(8 582)	-100%	17 164
Interest		7 218	1 137	-	269	891	569	323	57%	1 137
Contracted services		15 622	20 963	-	1 974	10 027	10 482	(455)	-4%	20 963
Transfers and subsidies		-	350	-	-	-	175	(175)	-100%	350
Irrecoverable debts written off		17 728	-	-	-	-	-	-	-	-
Operational costs		25 663	26 406	-	5 024	12 183	13 203	(1 020)	-8%	26 406
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		432	-	-	-	-	-	-	-	-
Total Expenditure		163 010	163 027	-	13 688	63 593	81 513	(17 921)	-22%	163 027
Surplus/(Deficit)										
Transfers and subsidies - capital (monetary allocations)		20 684	35 779	-	-	-	17 889	(17 889)	(0)	35 779
Transfers and subsidies - capital (in-kind)		-	46 000	-	-	-	23 000	(23 000)	(0)	46 000
Surplus/(Deficit) after capital transfers & contributions		19 727	84 196	-	6 803	17 327	42 098	(24 772)	(0)	84 196
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		19 727	84 196	-	6 803	17 327	42 098	(24 772)	(0)	84 196
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		19 727	84 196	-	6 803	17 327	42 098	(24 772)	(0)	84 196
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		19 727	84 196	-	6 803	17 327	42 098	(24 772)	(0)	84 196

16. Quality Certificate

Section 11 – Municipal manager's quality certification

I, **Mrs. L Itumeleng** as the Municipal Manager of **Ubuntu Municipality**, hereby certify that –

(Mark as appropriate)

- The monthly budget statements. Sec.71_M06_2026
- 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 **Q2** 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:

