

MASILONYANA LOCAL MUNICIPALITY



SECTION 72

MID-YEAR BUDGET AND PERFORMANCE

ASSESSMENT REPORT

2025/2026

This report is prepared in terms of the Local Government: Municipal Finance Management Act, No. 56 of 2003, the Municipal Budget and Reporting Regulations and Government Gazette 32141, dated 17 April 2009

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REPORT 2025/26**

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PART 3: MUNICIPAL MANAGER’S QUALITY CERTIFICATE

1. INTRODUCTION

- 1.1 Section 72(1) of the MFMA requires from the Municipal Manager, as Accounting Officer of the Municipality, to submit a mid-year budget assessment report to the Mayor by 25 January of each year detailing the state of the municipality's capital and operational budget, based on the Section 71 reports submitted; the municipality's service delivery performance for the first half of the financial year taking into account the service delivery targets and performance indicators set in the Service Delivery and Budget Implementation Plan (SDBIP); and also taking into account the previous year's Annual Report and progress made on resolving problems identified in the Annual Report.
- 1.2 This mid-year budget assessment report addresses only the financial related matters (budget versus actuals for operating income, operating expenditure and capital expenditure), and progress made on the financial related concerns identified in the 2024/2025 Annual Report. The municipality's service delivery performance assessment on the service delivery performance indicators, as specified in the SDBIP, will be provided in a separate report.
- 1.3 Section 28 of the MFMA determines that:
- (1) A municipality may revise an approved annual budget through an adjustments budget **[which is the case]**
 - (2) An adjustment budget:
 - a. Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year **[which is the case]**.
 - b. May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for **[which is the case]**.
 - c. May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality **[not applicable]**.
 - d. May authorise the utilisation of projected savings in one vote towards spending under another vote **[which is the case]**.
 - e. May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the Council **[not applicable]**.
 - f. May correct any errors in the annual budget **[which is the case]**.
 - g. May provide for any other expenditure within a prescribed framework **[which is the case]**
 - (3) An adjustments budget must be in a prescribed form **[which is the case]**
 - (4) Only the Mayor may table an adjustments budget in the Municipal Council, but an adjustments budget in terms of subsection 2(b) to (g) may only be tabled within any prescribed limitations as to timing and frequency **[which will be the case]**

(5) When an adjustments budget is tabled, it must be accompanied by:

- a. An explanation how the adjustments budget affects the annual budget **[which will be the case]**.
- b. A motivation of any material changes to the annual budget **[which will be the case]**.
- c. An explanation of the impact of any increased spending on the annual budget and the annual budgets for the next two financial years **[which will be the case]**.
- d. Any other supporting documentation that may be prescribed **[which will be the case]**

(6) Municipal tax and tariffs may not be increased during a financial year except when required in terms of a financial recovery plan **[which will not be the case]**

1.4 Section 54 of the MFMA requires the mayor to consider the Section 71 and 72 reports and to take appropriate action, if needed, to ensure that the approved budget is implemented in accordance with the SDBIP.

1.5 Regulation 23(1) of the Municipal Budget and Reporting Regulations determines that:

An adjustment budget referred to in Section 28(2)(b), (d) and (f) of the Act may be tabled in the Municipal Council at any time after the mid-year budget and performance assessment has been tabled in the Council, but not later than 28 February of the current year **[which will be the case]**

MUNICIPAL MANAGER'S FOREWORD

To the Mayor

It is my honour to present the Annual Report of Masilonyana Local Municipality for the financial year ended 30 June 2025, in compliance with the Municipal Finance Management Act, the Municipal Systems Act and applicable regulatory frameworks

This report reflects a year defined not only by challenges, but by decisive leadership actions aimed at stabilizing the Municipality and laying the foundation for improved governance and financial sustainability.

Year in Review: Leadership and Stabilization

The year under review was characterized by historic financial pressures, constrained liquidity, and heightened governance scrutiny. These realities required firm leadership and decisive management interventions to restore confidence and institutional stability.

Key leadership actions during the year included:

The implementation of Operation Re Ya Tima as a structured revenue enhancement and credit control programme.

The active management of litigation arising from Section 102 disputes, ensuring lawful enforcement of municipal accounts.

The appointment of a full complement of senior managers, strengthening institutional capacity and accountability. These actions reflect a deliberate shift from reactive management to structured, disciplined administration.

Financial Performance and Revenue Management

The Municipality's financial performance continues to reflect structural sustainability risks, particularly in relation to revenue collection and liquidity. A large historic debtor book and affordability challenges remain key constraints.

However, important progress has been made through:
Improved realism in financial reporting and debt impairment.

Strengthening credit control and enforcement.

Enhanced cash-flow monitoring and prioritization.

Transparent engagement with Provincial and National Treasury.

These measures position the Municipality for gradual stabilization and improved financial discipline.

Service Delivery and Developmental Mandate

Despite financial constraints, the Municipality continued to pursue its developmental mandate through infrastructure investment, maintenance of core services, and improved governance practices.

Where delays occurred, they were largely attributable to procurement processes, cash-flow constraints and external factors. These challenges have been acknowledged and addressed through revised planning and oversight.

Governance, Audit and Accountability

Governance and accountability remain central to the Municipality's approach. The Auditor-General's findings have informed structured action plans aimed at strengthening internal controls and performance management.

While risks remain, the Municipality has demonstrated a commitment to ethical leadership, transparency, and continuous improvement.

Acknowledgements and Way Forward

I wish to acknowledge the role played by Council, oversight structures, Provincial and National Treasury, management, and employees in navigating a demanding fiscal year.

The journey towards full financial sustainability requires patience, discipline, and collective effort. With a strengthened leadership team, clear strategic focus and continued stakeholder support, Masilonyana Local Municipality remains committed to restoring stability and delivering services responsibly.



Mr. Mojalefa Matlole
Municipal Manager: Masilonyana Local Municipality

23 January 2026

MAYOR'S FOREWORD

MID-YEAR FINANCIAL AND NON-FINANCIAL PERFORMANCE ASSESSMENT REPORT (SECTION 72 MFMA – 2025/2026)

It is my honour, in my capacity as the Mayor of Masilonyana Local Municipality, to present the Mid-Year Financial and Non-Financial Performance Assessment Report for the 2025/2026 financial year, prepared in terms of Section 72 of the Municipal Finance Management Act, 56 of 2003.

This report serves as an important governance instrument, enabling Council, communities and oversight institutions to assess the Municipality's performance during the first half of the financial year and to take informed decisions where corrective action is required.

The 2025/2026 mid-year period was characterised by significant financial and service delivery pressures, many of which are historic and structural in nature. As the political leadership of the Municipality, Council remains fully aware of these challenges and continues to exercise its oversight role responsibly and constructively.

Council has provided political guidance and support to the administration to ensure that governance stability, financial discipline and service delivery continuity remain prioritised.

The Mid-Year Assessment confirms that the Municipality continues to face cash-flow constraints, largely driven by low revenue collection levels and a substantial historic debtor book. Council acknowledges that these challenges require firm but lawful revenue enforcement.

In this regard, Council supports the implementation of Operation Re Ya Tima as a structured revenue enhancement and credit control intervention, as well as the enforcement of the Credit Control and Debt Collection Policy and a firm stance against the abuse of Section 102 disputes.

Council further notes and welcomes the appointment of a full complement of capable senior managers, recognising that stable and competent leadership is essential to improving governance outcomes, strengthening accountability and ensuring effective implementation of Council resolutions.

While progress has been made in certain areas of service delivery, Council acknowledges that challenges related to procurement processes, cash availability and external dependencies have affected implementation in others.

Council remains committed to transparent engagement with communities through public participation endeavours and use of smart technologies available.

Oversight, accountability and ethical governance remain central to Council's role. The Mid-Year Assessment provides assurance that audit risks are being monitored and that corrective actions are being implemented.

The second half of the financial year will require continued cooperation between Council, administration and communities.

Revenue protection, financial discipline and service delivery improvement remain key priorities.

I wish to thank the Municipal Manager, senior management, employees, oversight structures and communities for their continued commitment during a very challenging period.



Ms. Dimakatso Elizabeth Modise
Mayor: Masilonyana Local Municipality

23 January 2026

2. EXECUTIVE SUMMARY

This Mid-Year Assessment evaluates the Municipality’s financial and non-financial performance for the first half of the 2025/2026 fiscal year. The assessment is informed by Section 71 Monthly Budget Statements (August 2025 – M02), the Audited Annual Financial Statements, the Auditor-General’s report, and Provincial Treasury monitoring.

Key findings indicate that:

Revenue billing remains functional but can be improved.

Cash collection remains low, impacting liquidity.

A large historic debtor book continues to constrain sustainability.

Governance and leadership interventions have been implemented to stabilize the institution.

2.1 Operating Revenue and Expenditure Summary

2.1.1 The high-level budget assessment of operating revenue (capital grants included) and operating expenditure is presented in Table 1 below.

The municipality’s total approved budget amounts to R450. million on income and R.449 million on expenditure (Operating Budget), and a capital budget of R43 million and this resulted in a budgeted operating surplus of R1m

The total budget for the 2025/2026 financial year stands at as follow

- **R450 903 245** is allocated to the operating revenue budget, ensuring day-to-day service delivery
- **R449 851 937** is allocated to the operating expenditure budget, also ensure day-to-day delivery
- **R43 114 000** is dedicated to capital investment in key infrastructure projects.

						Budget Year 2025/2026			
						Year-to-Date	Actual		
						Actual	Expenditure	Positive /	
		2024/2025				Revenue /	as % of	(Negative)	Positive /
Row		Audited	Original	Adjusted	Expenditure	Budgeted	Variance	(D to G)	(Negative)
Number	Description	Outcome	Budget	Budget	31/12/2025	Expenditure		(D to G)	Variance %
Column Reference	A	B	C	D	E	F		H	I
1	Total Operating Revenue	R402 745 426	R450 903 245.00	R450 903 245	R168 617 005.00	37%		R282 286 240.00	62.60%
2	Total Operating Expenditure	R402 745 426	R449 851 937.00	R449 851 937	R51 768 574.00	12%		R398 083 363.00	88%
3	Operating Surplus / (Deficit)	R- 7 306 869	R1 051 308.00	R1 051 3087	R116 848 431.00			R115 797 123.00	
4	Capital Grants	R103 731 000	R43 114 000.00	R43 114 000	R9 352 988.00	22%		R33 761 012.00	70%

Table 1: High Level Summary of Operating Revenue and Expenditure

- 2.1.2 Total operating revenue (capital grants excluded) for the half year of 2025 projects variance of R282.2 million (Row 1 & Column H). These projections excluding grants and this is the amount that the Municipality still need to collect before financial year. (62% of the budget), reduction on the revenue and expenditure needs to be considered for downward adjustments.
- 2.1.3 Total operating expenditure projects over-expenditure R398 million (Row 2 and Column H) which still need to be incurred and recorded against budget. 88% of Operating expenditure is not yet incurred and 40% of this amount is part of Employee cost which is not yet integrated in the system and reported.

3. HIGH LEVEL OPERATING BUDGET ASSESSMENT

3.1 Operating Revenue per Category

3.1.1 Below is summary of Operating Revenue per category and the narrative for each one of Table 1 below.

		Budget Year 2025/2026						
		2024/2025		Proposed	Year-To-Date	Actual	Positive /	
Row		Audited	Original	Adjusted	Actual	as a % of	(Negative)	Positive /
Number	Description	Outcome	Budget	Budget	Revenue	Budgeted	Variance	(Negative)
Column		B	C	D	E	F	H	I
Reference	A	B	C	D	E	F	H	I
1	Service charges - Electricity	R25 334 140.00	R63 455 334.00	R63 455 334.00	R6 227 055.00	9.81%	R57 228 279.00	90%
2	Service charges - Water	R58 218 807.00	R41 625 028.00	R41 625 028.00	R29 424 273.00	70.69%	R12 200 755.00	29%
3	Service charges - Waste Water Management	R35 450 989.00	R23 682 972.00	R23 682 972.00	R18 376 081.00	77.59%	R5 306 891.00	22%
4	Service charges - Waste management	R22 219 113.00	R11 976 931.00	R11 976 931.00	R9 654 840.00	80.61%	R2 322 091.00	19%
5	Sale of Goods and Rendering of Services	R397 851.00	R14 247 937.00	R14 247 937.00	R311 226.00	2.18%	R13 936 711.00	88%
6	Interest earned from Receivables	R98 630 407.00	R2 088 000.00	R2 088 000.00	R47 945 370.00	2296.23%	-R45 857 370.00	-2196%
9	Interest from Current and Non Current Assets	R2 369 825.00	R0.00	R0.00	R0.00		R0.00	
12	Rental from Fixed Assets	R810 384.00	R109 516.00	R109 516.00	R426 607.00	389.45%	-R316 991.00	-289%
15	Operational Revenue	R4 916.00	R0.00	R0.00	R0.00		R0.00	
16	Property rates	R107 606 383.00	R93 037 515.00	R93 037 515.00	R46 498 209.00	49.98%	R46 539 306.00	50%
19	Licence and permits	R27 922.00	R308 012.00	R308 012.00	R85 193.00	27.66%	R222 819.00	72%
20	Transfers and subsidies - Operational	R198 761 416.00	R200 372 000.00	R200 372 000.00	R0.00	0.00%	R200 372 000.00	100%
21	Interest	-R64 272 434.00	R0.00	R0.00	R9 667 990.00		-R9 667 990.00	
	Grand Total	R485 559 719.00	R450 903 245.00	R450 903 245.00	R168 616 744.00	37%	R282 286 501.00	63%

Table 1: High Level Summary of Operating Revenue per Category

3.1.2 The year-to-date actual revenue (capital grants excluded) as at 31 December 2025 amounted to R 168. million (Row 15 & Column E) and represents 37. % (Row 15 & Column F) of the original budgeted revenue of R 450.million (Row 15 & Column C). There is very little collection in terms of revenue and billing is not close to 50% in six months because there are always negative variances monthly, meaning, it is not clear whether all households are billed for all service charges.

3.1.5 Notable variances are as follows:

- **Service charges, Sales of Goods and rendering of services, Property Rates,** The Municipality however embark on data cleansing with CCG to ensure that proper records are kept and exist to ensure that realist revenue is collected and based on the debtors that exist on the system, The audit action plan will be implemented as well.
- **Interest Earn from Receivable:** Interest was calculated for the month 06 and billed correctly without any clinches.
- **Transfer and subsidies-operation.** Grant Module was activated in month 05 and all grants' allocations were recorded in the system. The process was reviewed to ensure that all grants were recorded correctly as it constitutes huge amount of revenue received.

- **Service charges constitute** revenue collection for month 6 and this is due to the municipality embarking on operation Patala to ensure that the accounts are billed and statement are se3.2
Billing vs Collections

Summarised collection rate for the first half of the financial year is as follows:

OCTOBER 2025 BILLING AND COLLECTION

SERVICE DESCRIPTION	EXC BILLING AMOUNT	TAX AMOUNT	INC BILLING AMOUNT	RECEIPTS AMOUNT
Electricity Basic	R691 846.11	R108 061.36	R799 907.47	-R271 163.84
Electricity Consumption	R207 011.97	R31 671.95	R238 683.99	-R280 566.25
Property Rates	R7 195 850.00	R0.00	R7 195 850.00	-R4 715 245.89
Refuse	R1 659 308.95	R250 053.45	R1 909 362.40	-R151 366.30
Sanitation	R3 150 090.47	R473 270.00	R3 623 360.47	-R285 424.09
Water Basic	R1 762 110.55	R265 326.98	R2 027 437.53	-R133 110.50
Water Consumption	R103 364.62	R16 964.24	R120 328.86	-R80 930.56
Electricity Demand Charge	R19 949.02	R2 992.35	R22 941.38	-R34 193.41
Interest on Arrears	R19 364 458.94	R0.00	R19 364 458.94	-R132 235.70
Water Flat Rate	R3 067 159.05	R460 389.00	R3 527 548.05	-R24 880.14
Property Rates - Vacant	R0.00	R0.00	R0.00	-R0.02
Leases	R61 021.90	R9 153.32	R70 175.22	R0.00
Grand Total	R37 282 171.58	R1 617 882.65	R38 900 054.33	-R6 109 116.70

NOVEMBER 2025 BILLING AND COLLECTION

SERVICE DESCRIPTION	EXC BILLING AMOUNT	TAX AMOUNT	INC BILLING AMOUNT	RECEIPTS AMOUNT
Electricity Basic	R693 724.71	R107 804.48	R801 529.19	-R196 003.6
Electricity Consumption	R252 644.92	R38 350.42	R290 995.40	-R254 631.9
Property Rates	R7 158 743.86	R0.00	R7 158 743.86	-R2 697 909.0
Refuse	R1 633 164.95	R245 900.10	R1 879 065.05	-R262 451.7
Sanitation	R3 087 549.52	R466 250.45	R3 553 799.97	-R1 431 850.2
Water Basic	R1 724 150.60	R260 656.58	R1 984 807.18	-R107 993.3
Water Consumption	R143 496.73	R22 118.40	R165 615.14	-R123 784.7
Interest on Arrears	R9 486 774.10	R0.00	R9 486 774.10	-R68 665.3
Water Flat Rate	R3 008 924.25	R451 405.80	R3 460 330.05	-R24 908.3
Electricity Demand Charge	R23 388.37	R3 508.26	R26 896.63	-R29 293.2
Leases	R61 021.90	R9 153.32	R70 175.22	R0.0
Grand Total	R27 273 583.91	R1 605 147.81	R28 878 731.79	-R5 197 491.5

DECEMBER 2025 BILLING AND COLLECTION

SERVICE DESCRIPTION	EXC BILLING AMOUNT	TAX AMOUNT	INC BILLING AMOUNT	RECEIPTS AMOUNT
Electricity Basic	R670 773.20	R107 697.40	R778 470.60	-R156 313.4
Electricity Consumption	R212 509.70	R32 360.55	R244 870.31	-R241 000.9
Property Rates	R7 193 335.84	R0.00	R7 193 335.84	-R3 113 249.9
Refuse	R1 630 444.69	R245 811.75	R1 876 256.44	-R117 656.1
Sanitation	R3 095 714.68	R466 086.50	R3 561 801.18	-R260 807.2
Water Basic	R1 720 500.93	R260 589.38	R1 981 090.31	-R69 524.8
Water Consumption	R188 471.88	R29 521.03	R217 992.93	-R80 475.3
Water Flat Rate	R3 008 093.59	R451 293.51	R3 459 387.10	-R15 337.1
Leases	R61 021.90	R9 153.32	R70 175.22	R0.0
Interest on Arrears	R10 223 467.01	R0.00	R10 223 467.01	-R64 809.0
Electricity Demand Charge	R23 521.86	R3 528.28	R27 050.14	-R12 640.9
Grand Total	R28 027 855.28	R1 606 041.72	R29 633 897.08	-R4 131 814.0

- Collection revenue is sitting at 37% of the budgeted amount during the first 6 month of the year and this seem to be unfavourable and not given the courage that the municipality will collect the whole 63 % of the budget by the end of the year. Seeing this result, the municipality may need to adjust the budget downward during the adjustment budget and then implement the following revenue collection measures:
- To ensure that the Meter Readers are appointed in all 3 Towns so that the readings are taken on monthly basis.
- To ensure that billings are made on monthly basis for all 4 Towns.
- To ensure that accounts are correct and issued on monthly basis.
- To ensure that accounts queries are dealt with on a weekly basis and customers are informed timeously.
- To conduct public meetings to encourage the communities to pay the current accounts and that arrear debts will be suspended and dealt with, and the Council will be informed about the out outcomes and recommend to Council to pronounce itself.

3.2 Operating Expenditure per Category

3.2.1 The high-level budget assessment of operating expenditure per category is presented in Table 2 below.

		Budget Year 2025/2026						
						Actual		
						Year-to-Date	Expenditure	Positive /
		2024/2025	Proposed		Actual	as a % of	Projected	(Negative)
Row		Audited	Original	Adjusted	Expenditure	Budgeted	Expenditure	Variance
Number	Description	Outcome	Budget	Budget	31/12/2025	Expenditure	for the Year	(D to G)
Column	A	B	C	D	E	F	G	H
Reference								
1	Employee related costs	R141 984 105.00	R172 962 534.00	R172 962 534.00	R16 311.00	0%	R172 946 223.00	100%
2	Remuneration of councillors	R8 405 897.00	R8 339 059.00	R8 339 059.00	R0.00	0%	R8 339 059.00	100%
3	Bulk purchases - electricity	R52 588 079.00	R35 100 000.00	R35 100 000.00	R22 308 985.00	64%	R12 791 015.00	36%
4	Inventory consumed	R13 614 620.00	R44 227 817.00	R44 227 817.00	R1 550.00	0%	R44 226 267.00	100%
5	Debt impairment	R0.00	R32 594 795.00	R32 594 795.00	R0.00	0%	R32 594 795.00	100%
6	Depreciation and amortisation	R24 311 696.00	R47 713 999.00	R47 713 999.00	R0.00	0%	R47 713 999.00	100%
7	Interest	R28 376 480.00	R6 264 000.00	R6 264 000.00	R12 827 174.00	205%	-R6 563 174.00	-105%
8	Contracted services	R19 976 085.00	R55 444 060.00	R55 444 060.00	R10 328 228.00	19%	R45 115 832.00	81%
9	Transfers and subsidies	R0.00	R0.00	R0.00	R0.00		R0.00	
10	Irrecoverable debts written off	R286 537 490.00	R7 203 600.00	R7 203 600.00	R0.00	0%	R7 203 600.00	100%
11	Operational costs	R16 731 620.00	R40 002 073.00	R40 002 073.00	R6 286 326.00	16%	R33 715 747.00	84%
12		R592 526 072.00	R449 851 937.00	R449 851 937.00	R51 768 574.00	12%	R398 083 363.00	88%

- The municipality captured the invoices; hence most balances are no longer on credit. The current expenditure, when compared to budget, shows unsatisfactory variances due to December period where there was a cooling period to procure but expenditure tried to capture and pay invoices for the month the services were done.
- **As for employee-related cost and Remuneration,** Employee related cost journals were done up to month 04(90% in progress) we experienced system clinches before month 05 close and the municipality decided not to upload on month 06 as the employee cost journal would have caused the delay in month 06 data string submission if decided to wait and fix those system clinches on CCG. All months 01 to month 05 journal integration will be uploaded when the process is now clear with validations.
- **Bulk Purchases:** Invoices on bulk Electricity were captured and now can be shown on the system for the months of 05 and 06 after intervention with service provider.

4. HIGH LEVEL CAPITAL BUDGET ASSESSMENT

4.1 Capital Expenditure per Directorate

4.1.1 Council originally approved a capital budget of R 43. million (Row 9 & Column C) for the 2025/2026 financial year,

CAPITAL BUDGET HIGHLIGHTS

The capital budget has decrease from R128 731 000 in 2024/2025 to R43 114 000 in 2025/2026 – 33% decreases in infrastructure service expenditure.

2025/2026 planned capital expenditure in the following areas during the MTREF:

Municipal Infrastructure Grant Funded Projects

Project Name	Project Value	Budget 2025/26
Masilo Refurbishment of Sports facility Phase2	R1,252,710.00	R1,252,710.00
Makeleketla/Winburg: Refurbishment of Wastewater Treatment Works and Pump Station no.2	R15,567,759.27	R14,791,798.36

Water Service Infrastructure Grant

Project Name	Project Value	Budget 2025/26
Brandfort: Water conservation a water Demand Management	R17,216,927.53	R17,216,927.53

Reginal Bulk Infrastructure Grant

Project Name	Project Value	Budget 2025/26
Winburg Refurbishment of the Water Treatment Works	R33,630,000.00	R4,535,840.76
Clear Bulk Water Supply from Sedibeng to Winburg	R340,078,098.00	R10,000,000.00

DISASTER Grant Funded

Project Name	Project Value	Budget 2025/26
Winburg/Makeleketla: Construction of 1km block pave road and storm water drainage	R12,499,462.36	R6,249,731.18
Theunissen/Masilo: Construction of 1km block pave road and storm water drainage (Phase 2)	R12,499,462.36	R6,249,731.18

EEDSM Grant Funded Projects

Project Name	Project Value	Budget 2025/26
Upgrading of Theunissen main substation.	R6,500,000.00	R6,500,000.00
Upgrading of Piet Retief Street line and kiosks.	R2,000,000.00	R2,000,000.00

Streetlights power supply and retrofit of lighting units in Theunissen.	R4,500,000.00	R4,500,000.00
Upgrade of Leech substation in Winburg.	R950,000.00	R950,000.00
Electrification of Asijiki (new establishment in Theunissen)	R12,500,000.00	R12,500,000.00
Construction of ringfit line from main substation in Theunissen	R1,800,000.00	R1,800,000.00

DBSA Funded Projects

Project Name	Project Value	Budget 2025/26
Masilonyana Installation of bulk and domestic meters (Water and Electricity)	R23,000,000.00	R23,000,000.00

Row Number	Directorate	Budget Year 2025/2026					
		Original Budget	Adjusted Budget	Year-to-Date Actual Expenditure 31/12/2025	Actual Expenditure as a % of Original Budget	Positive / (Negative) Variance	Positive / (Negative) Variance %
Column Reference	A	B	C	D	E	F	H
1	Vote 1 - Executive & Council	R2 366 000.00	R2 366 000.00	R13 042.61	1%	R2 352 957.39	99.45%
2	Vote 2 - Finance & Administration	R2 783 600.00	R2 783 600.00	R668 166.97	24%	R2 115 433.03	76.00%
3	Vote 3 - Planning & Development	R300 000.00	R300 000.00	R0.00	0%	R300 000.00	100.00%
4	Vote 4 - Technical Services	R66 044 031.00	R66 044 031.00	R8 873 518.95	13%	R57 170 512.05	86.56%
5	Vote 5 - Community & Social Services	R3 127 000.00	R3 127 000.00	R0.00	0%	R3 127 000.00	100.00%
5	Vote 6 - Community & Social Services ¹	R3 109 910.00	R3 109 910.00	R1 216 194.00	39%	R1 893 716.00	60.89%
7	Grand Total	R77 730 541.00	R77 730 541.00	R10 770 922.53	3.80%	R66 959 618.47	86.14%

4.1.2 Actual capital expenditure during the first six months of the 2025/2026 financial year (capital commitments excluded) equates to R10 million (Row 9 & Column D) or 3.8%.

Municipal grants for the 2025/2026 financial year are as follows:

- Equitable Share: this is an unconditional grant meant to subsidise the poor and council support and is allocated R173 418 000.00
- Finance Management Grant (FMG): this is a conditional grant aimed at improving Finance management within the municipality and allocated R2 600 000
- Water Services Infrastructure Grant (WSIG): this is a conditional grant aimed to provide water and sanitation services and reduce backlogs allocated R18 220 000 000.
- Expanded Public Works Programme (EPWP): a job creation conditional grant, allocated R1 354 000.
- Municipal Infrastructure Grant (MIG): a conditional grant aimed at addressing backlogs of poor and ageing infrastructure as well as improving capacity on the performance of the water and sanitation networks is allocated R20 894 000.
- Energy Efficiency and Demand-Side Management Grant (EEDG): an in-kind a capital grant for energy improvements, allocated R4 000 0000.
- DBSA Grant: Installation of bulk and domestic meters (Water and Electricity) R23 800 000

PART 2: Supporting Document

2.1 Debtor Age Analysis

FS181 Masilonyana - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December											
Description	NT Code	Budget Year 2025/26									
		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	5 026	5 994	5 919	6 148	6 080	6 058	43 742	475 732	555 699	537 766
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 040	990	976	922	1 011	870	5 983	86 080	97 742	94 867
Receivables from Non-exchange Transactions - Property Rates	1400	8 959	8 829	8 471	8 344	8 283	8 243	51 544	431 827	534 300	508 241
Receivables from Exchange Transactions - Waste Water Management	1500	3 539	3 502	3 488	3 489	3 401	3 392	23 377	283 450	307 618	297 089
Receivables from Exchange Transactions - Waste Management	1600	(9)	(2)	(0)	(0)	(1)	(1)	(2)	45 125	49 109	49 121
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	55 181	55 181	55 181
Interest on Arrear Debtor Accounts	1810	10 223	9 485	19 169	10 347	10 315	10 507	74 859	256 831	404 536	385 659
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-
Other	1900	(2 051)	(506)	(564)	(1 507)	(89)	(97)	7 372	45 180	51 297	54 843
Total By Income Source	2000	27 727	27 662	37 329	27 723	28 990	28 972	206 676	1 670 485	2 055 483	1 962 766
2024/25 - totals only											
Debtors Age Analysis By Customer Group											
Organs of State	2200	1 625	901	1 712	848	2 083	2 076	18 452	90 854	116 349	114 312
Commercial	2300	1 192	1 188	1 163	1 164	1 117	1 148	8 006	48 474	63 451	59 902
Households	2400	24 832	25 286	24 084	25 399	25 453	25 442	178 458	1 527 308	1 866 254	1 782 051
Other	2500	179	397	370	324	337	306	1 759	3 768	7 429	6 494
Total By Customer Group	2600	27 727	27 662	37 329	27 723	28 990	28 972	206 676	1 670 485	2 055 483	1 962 766

Indicated on the table above, is the total outstanding debt by Income Source and Customer Group, with the total O/S Debt amounting to R2 055 483 000 listed above as at the end of December 2025. A Debt Collection Incentive was introduced to encourage consumers with long outstanding debt to receive a fifty percent on settlement their accounts owing from July 2025. This is a limited period incentive expiring on 30 June 2026 and it is not applicable to balances raised in the 2025/26 financial year. The Writing-Off of Irrecoverable Debt Policy will be revised and amended to cater for the envisaged incentive

Dedicated measures to keep Electricity and Water Distribution Losses below the national norm of a maximum of 10% and 30% respectively. The measures include a monthly report indicating the calculations of the losses as well as the remedial action to address the significant losses. These calculations are guided by the National Treasury norm as set out in Circular 71

- The municipality conducted an electricity meter audit, wherein it was discovered that some meters were tampered with and bypassed by our customers resulting in under collection of electricity revenue thus the municipality is in the process of taking corrective remedial action to address the inconsistency discovered above by Installation of New Meters for both electricity and water to enhance revenue
- It should be noted that the municipality took initiative to appoint debt collector to assist in revenue collection that will improve the performance on collection, also put measure in place to follow up on disputed on accounts

Waste management and other debtors' accounts are in credit balance which are under investigation and thereafter will be corrected

2.2 Creditors Age Analysis

FS181 Masilonyana - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December												
Description	MT 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			
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	2 048	4 093	-	1 781	1 876	1 809	13 882	77 153	102 449	102 449	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	(5 939)	3 888	(1 081)	(2 715)	8 758	9 214	10 829	225 154	248 108	248 108	
Auditor General	0800	(500)	(300)	-	-	-	(3 973)	(1 059)	-	(5 832)	(5 832)	
Other	0900	(14 677)	2 348	(906)	(872)	194	2 085	15 029	81 804	85 105	85 105	
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-	
Total By Customer Type	1000	(19 070)	10 030	(1 887)	(1 886)	10 627	9 135	38 691	384 111	429 830	429 830	

- This age analysis report shows creditors per category and shows a total of creditors amounting to R429 830 000 outstanding as of December 2025. The age however does not show Bulk Electricity; the issue was logged with CCG to check the linking. This issue is correct and on the C4 but not on the SC4, the matter is still under investigation and was logged with the service provider.

2.3 Investment Portfolio analysis

Investments play a crucial role in a municipality's financial management, as they enable the municipality to be able to meet its short-term liabilities, bridge shortfalls and earn interest on surplus cash. However, due to cash flow challenges, huge list of creditors and constant attachment of the municipal bank account, however, here is the investment Register submitted to treasury for reporting on Q2

Darmacation Code	Fin Year	Quarter	From	To	Monthly Interest percentage	Interest	Opening	Withdrawals	Deposit	Closing Balance
FS181 Masilonyana	2025	Q1	20250701	20250930	7%	R541 140,00	R15 798 369,00	-R62 559 650,00	R71 632 946,00	R25 412 805,00
FS181 Masilonyana	2026	Q2	20251001	20251231	9%	R278 772,00	R25 412 805,00	-R30 057 949,00	R20 190 000,00	R15 823 628,00

2.4 Allocation and grant receipt and expenditure

In terms of the Division of Revenue Bill for 2025/26, the municipality has been allocated a total of R220 millions of which R43 million is conditional grants.

Description	Budget
Equitable Share	173 418 000
Financial Management Grant (FMG)	2 600 000
Expanded Public Works Programme (EPWP)	1 354 000
Water Services Infrastructure Grants (WSIG)	18 220 000
RBIG	
Municipal Infrastructure Grant (MIG)	20 894 000
INEP	
EEDM	4 000 000
	220 486 000

The performance for conditional grants as of December 2025 is as follows:

Description	Budget	Received to Date	Total Grants still to be received	Percentage of the total Grants Received
FMG	R2 600 000.00	R2 600 000.00	R0.00	100%
EPWP	R1 354 000.00	R948 000.00	R406 000.00	70%
WSIG	R18 220 000.00	R14 020 000.00	R4 200 000.00	77%
MIG	R20 894 000.00	R12 424 031.00	R8 469 969.00	59%
EEDG	R4 000 000.00	R2 887 104.00	R1 112 896.00	72%
Equitable Share	R173 418 000.00	R121 563 000.00	R51 855 000.00	70%
TOTAL	R220 486 000.00	R154 442 135.00	R66 043 865.00	70%

2.4 Councillor and board member Allowance and Employee benefit

	591 Officials	19 Councilors	5 Section 57	5 Intern	98 Wards	25 Temps
Nett Salary Monthly						
July	6520193.54	424945.96	304727.00	44408.27	48955.00	447130.15
August	6834467.41	421627.61	306704.69	43598.43	48455.00	416396.12
September	7138898.58	421627.66	366089.18	43992.47	48500.00	349616.68
Nett Salary Monthly	591 Official	19 Councilors	5 Section 57	5 Intern	98 Ward	25 Temps
October	R6 824 767.21	R435 305.64	R173 397.09	R43 992.38	R47 500.00	R509 759.65
November	R6 589 135.18	R436 921.53	R172 252.50	R43 992.42	R47 500.00	R652 486.84
December	R6 884 250.60	R300 801.82	R177 590.51	R33 726.99	R47 500.00	R574 477.16

6. RECOMMENDATIONS

6.1 It is recommended:

- (a) That the mid-year budget and performance assessment as tabled be noted by Council.
- (b) That the 2025/26 annual budget be adjusted in February 2026 in terms of Section 28 of the MFMA;
- (c) That the mid-year budget and performance assessment report be submitted to COGTA and both National and Provincial Treasuries as required by Section 72 of the MFMA;
- (d) That the mid-year budget and performance report be placed on the municipal website within five working days after it has been adopted by Council.

7. TABLES

Table 1: High Level Summary of Operating Revenue per Category.

Table 2: High Level Summary of Operating Expenditure per Category.

Table 3: High Level Summary of Operating Revenue and Expenditure.

Table 4: High Level Capital Budget per Directorate.

Table 5: High Level Capital Budget per Funding Source.

Table 6: Audited Revenue for the 2025/2026 Financial Year.

Table 7: Audited Debtors Age Analysis per Revenue Source as at 31 December 2025;

Table 8: Audited Creditor Age Analysis per Revenue Source as at 31 December 2025 and

10. APPENDIX A

**Municipal Budget and Reporting Regulations
C-Schedule**

FS181 Masilonyana - Table C1 Monthly Budget Statement Summary - M06 December

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
R thousands									
Financial Performance									
Property rates	107 606	93 038	-	9 425	46 498	46 519	(21)	-0%	93 038
Service charges	141 223	140 740	-	10 781	63 682	76 710	(13 027)	-17%	140 740
Investment revenue	2 370	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	198 761	200 372	-	-	-	100 186	(100 186)	-100%	200 372
Other own revenue	35 599	16 753	-	8 165	58 437	8 377	50 060	598%	16 753
Total Revenue (excluding capital transfers and contributions)	485 560	450 903	-	28 371	168 617	231 791	(63 174)	-27%	450 903
Employee costs	141 984	172 963	-	-	16	86 481	(86 465)		172 963
Remuneration of Councillors	8 406	8 339	-	-	-	4 170	(4 170)		8 339
Depreciation and amortisation	24 312	47 714	-	-	-	23 857	(23 857)		47 714
Interest	28 376	6 264	-	427	12 827	3 132	9 695		6 264
Inventory consumed and bulk purchases	66 203	79 328	-	-	22 311	39 664	(17 353)		79 328
Transfers and subsidies	-	-	-	-	-	-	-		-
Other expenditure	323 245	135 245	-	4 604	16 615	51 325	(34 710)	-68%	135 245
Total Expenditure	592 526	449 852	-	5 030	51 769	208 629	(156 860)	-75%	449 852
Surplus/(Deficit)	(106 966)	1 051	-	23 340	116 848	23 163	93 686	404%	1 051
Transfers and subsidies - capital (monetary allocations)	6 878	43 114	-	-	-	21 557	###	-100%	43 114
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	(100 089)	44 165	-	23 340	116 848	44 720	72 129	161%	44 165
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year	(100 089)	44 165	-	23 340	116 848	44 720	72 129	161%	44 165
Capital expenditure & funds sources									
Capital expenditure	1 500 368	77 731	-	17	9 555	38 865	(29 311)	-75%	77 731
Capital transfers recognised	82 343	65 297	-	-	8 874	32 648	(23 775)	-73%	65 297
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	1 386 193	-	-	-	479	-	479	#DIV/0!	-
Total sources of capital funds	1 468 537	65 297	-	-	9 353	32 648	(23 295)	-71%	65 297
Financial position									
Total current assets	106 966	1 408 271	-	-	211 990				1 408 271
Total non current assets	1 149 774	1 244 363	-	-	1 159 329				1 244 363
Total current liabilities	798 652	1 390 275	-	-	796 382				1 390 275
Total non current liabilities	11 251	-	-	-	11 251				-
Community wealth/Equity	446 837	1 262 359	-	-	563 686				1 262 359
Cash flows									
Net cash from (used) operating	(65 613)	42 922	-	12 314	95 064	17 117	(77 948)	-455%	42 922
Net cash from (used) investing	1 500 368	(79 746)	-	(17)	(9 555)	(39 873)	(30 318)	76%	(79 746)
Net cash from (used) financing	-	-	-	-	-	-	-		-
Cash/cash equivalents at the month/year end	1 432 125	34 267	-	12 297	102 157	48 335	(53 823)	-111%	-
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	27 727	27 662	37 329	27 723	28 990	28 972	206 676	1 670 405	2 055 483
Creditors Age Analysis									
Total Creditors	(19 070)	10 030	(1 887)	(1 806)	10 627	9 135	38 691	384 111	429 830

FS181 Masilonyana - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - 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	1									
Revenue - Functional										
<i>Governance and administration</i>		357 304	266 250	-	18 311	109 243	149 422	(40 180)	-27%	266 250
Executive and council		-	-	-	-	-	-	-	-	-
Finance and administration		357 304	266 250	-	18 311	109 243	149 422	(40 180)	-27%	266 250
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	-	-	-
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	-	-	-
Planning and development		-	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		135 134	195 172	-	10 059	59 374	103 926	(44 551)	-43%	195 172
Energy sources		22 720	78 955	-	281	1 933	41 879	(39 946)	-95%	78 955
Water management		68 061	71 345	-	5 028	29 424	35 673	(6 246)	-18%	71 345
Waste water management		35 399	23 683	-	3 109	18 352	13 987	4 365	31%	23 683
Waste management		8 954	21 189	-	1 641	9 665	12 388	(2 722)	-22%	21 189
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	492 437	461 422	-	28 371	168 617	253 348	(84 731)	-33%	461 422
Expenditure - Functional										
<i>Governance and administration</i>		451 595	237 882	-	4 732	25 292	102 644	(77 351)	-75%	237 882
Executive and council		32 825	31 516	-	13	125	15 758	(15 633)	-99%	31 516
Finance and administration		418 770	206 261	-	4 719	25 167	86 833	(61 666)	-71%	206 261
Internal audit		-	104	-	-	-	52	(52)	-100%	104
<i>Community and public safety</i>		7 771	25 559	-	146	534	12 779	(12 245)	-96%	25 559
Community and social services		5 803	13 543	-	146	504	6 771	(6 267)	-93%	13 543
Sport and recreation		384	3 444	-	-	-	1 722	(1 722)	-100%	3 444
Public safety		687	6 686	-	-	4	3 343	(3 339)	-100%	6 686
Housing		896	815	-	-	-	408	(408)	-100%	815
Health		-	1 070	-	-	26	535	(510)	-95%	1 070
<i>Economic and environmental services</i>		11 437	38 992	-	-	257	19 496	(19 239)	-99%	38 992
Planning and development		5 664	32 158	-	-	-	16 079	(16 079)	-100%	32 158
Road transport		5 773	6 834	-	-	257	3 417	(3 160)	-92%	6 834
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		121 723	147 419	-	152	25 685	73 710	(48 025)	-65%	147 419
Energy sources		55 432	76 555	-	51	23 791	38 278	(14 487)	-38%	76 555
Water management		27 802	49 906	-	49	1 211	24 953	(23 742)	-95%	49 906
Waste water management		5 462	5 428	-	-	-	2 714	(2 714)	-100%	5 428
Waste management		33 027	15 530	-	51	683	7 765	(7 082)	-91%	15 530
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	592 526	449 852	-	5 030	51 769	208 629	(156 860)	-75%	449 852
Surplus/ (Deficit) for the year		(100 089)	11 571	-	23 340	116 848	44 720	72 129	161%	11 571

MASILONYANA LOCAL MUNICIPALITY – SECTION 72 REPORT – JANUARY 2026

FS181 Masilonyana - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - 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										
Revenue by Vote	1									
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance & Administration		357 304	266 250	-	18 311	109 243	149 422	(40 180)	-26.9%	266 250
Vote 3 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		126 180	173 983	-	8 418	49 709	91 538	(41 829)	-45.7%	173 983
Vote 5 - Community & Social Services		-	-	-	-	-	-	-	-	-
Vote 6 - Community & Social Services1		8 954	21 189	-	1 641	9 665	12 388	(2 722)	-22.0%	21 189
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 Revenue by Vote	2	492 437	461 422	-	28 371	168 617	253 348	(84 731)	-33.4%	461 422
Expenditure by Vote	1									
Vote 1 - Executive & Council		32 825	31 621	-	13	125	15 810	(15 685)	-99.2%	31 621
Vote 2 - Finance & Administration		419 235	209 296	-	4 719	25 167	88 351	(63 184)	-71.5%	209 296
Vote 3 - Planning & Development		4 425	16 794	-	-	-	8 397	(8 397)	-100.0%	16 794
Vote 4 - Technical Services		95 053	151 053	-	101	25 259	75 526	(50 268)	-66.6%	151 053
Vote 5 - Community & Social Services		7 387	24 315	-	146	509	12 157	(11 649)	-95.8%	24 315
Vote 6 - Community & Social Services1		33 411	15 730	-	51	683	7 865	(7 182)	-91.3%	15 730
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 Expenditure by Vote	2	592 336	448 808	-	5 030	51 743	208 107	(156 364)	-75.1%	448 808
Surplus/ (Deficit) for the year	2	(99 899)	12 615	-	23 340	116 874	45 242	71 632	158.3%	12 615

MASILONYANA LOCAL MUNICIPALITY – SECTION 72 REPORT – JANUARY 2026

FS181 Masilonyana - 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		25 334	63 455	-	998	6 227	34 129	(27 902)	-82%	63 455
Service charges - Water		58 219	41 625	-	5 028	29 424	20 813	8 612	41%	41 625
Service charges - Waste Water Management		35 451	23 683	-	3 113	18 376	13 987	4 389	31%	23 683
Service charges - Waste management		22 219	11 977	-	1 641	9 655	7 781	1 873	24%	11 977
Sale of Goods and Rendering of Services		398	14 248	-	35	311	7 124	(6 813)	-96%	14 248
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		98 630	2 088	-	8 022	47 945	1 044	46 901	4492%	2 088
Interest from Current and Non Current Assets		2 370	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		810	110	-	84	427	55	372	679%	110
Licence and permits		-	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		5	-	-	-	-	-	-	-	-
Non-Exchange Revenue										
Property rates		107 606	93 038	-	9 425	46 498	46 519	(21)	0%	93 038
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	0	-	0	-	-
Licence and permits		28	308	-	25	85	154	(69)	-	308
Transfers and subsidies - Operational		198 761	200 372	-	-	-	100 186	(100 186)	-	200 372
Interest		(64 272)	-	-	0	9 668	-	9 668	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		485 560	450 903	-	28 371	168 617	231 791	(63 174)	-27%	450 903
Expenditure By Type										
Employee related costs		141 984	172 963	-	-	16	86 481	(86 465)	-100%	172 963
Remuneration of councillors		8 406	8 339	-	-	-	4 170	(4 170)	-100%	8 339
Bulk purchases - electricity		52 588	35 100	-	-	22 309	17 550	4 759	-	35 100
Inventory consumed		13 615	44 228	-	-	2	22 114	(22 112)	-	44 228
Debt impairment		-	32 595	-	-	-	-	-	-	32 595
Depreciation and amortisation		24 312	47 714	-	-	-	23 857	(23 857)	-100%	47 714
Interest		28 376	6 264	-	427	12 827	3 132	9 695	310%	6 264
Contracted services		19 976	55 444	-	3 486	10 328	27 722	(17 394)	-83%	55 444
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		286 537	7 204	-	-	-	3 602	(3 602)	-	7 204
Operational costs		16 732	40 002	-	1 118	6 286	20 001	(13 715)	-69%	40 002
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-
Total Expenditure		592 526	449 852	-	5 030	51 769	208 629	(156 860)	-75%	449 852
Surplus/(Deficit)		(106 966)	1 051	-	23 340	116 848	23 163	93 686	0	1 051
Transfers and subsidies - capital (monetary allocations)		6 878	43 114	-	-	-	21 557	(21 557)	(0)	43 114
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(100 089)	44 165	-	23 340	116 848	44 720			44 165
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		(100 089)	44 165	-	23 340	116 848	44 720			44 165
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		(100 089)	44 165	-	23 340	116 848	44 720			44 165
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		(100 089)	44 165	-	23 340	116 848	44 720			44 165

MASILONYANA LOCAL MUNICIPALITY – SECTION 72 REPORT – JANUARY 2026

FS181 Masilonyana - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06
December

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 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 2 - Finance & Administration		-	-	-	-	-	-	-	-	-
Vote 3 - Planning & Development		-	-	-	-	-	-	-	-	-
Vote 4 - Technical Services		-	-	-	-	-	-	-	-	-
Vote 5 - Community & Social Services		-	-	-	-	-	-	-	-	-
Vote 6 - Community & Social Services1		-	-	-	-	-	-	-	-	-
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 - Executive & Council		0	2 366	-	-	13	1 183	(1 170)	-99%	2 366
Vote 2 - Finance & Administration		1 388 331	2 784	-	17	668	1 392	(724)	-52%	2 784
Vote 3 - Planning & Development		(0)	300	-	-	-	150	(150)	-100%	300
Vote 4 - Technical Services		77 786	66 044	-	-	8 874	33 022	(24 148)	-73%	66 044
Vote 5 - Community & Social Services		2 704	3 127	-	-	-	1 564	(1 564)	-100%	3 127
Vote 6 - Community & Social Services1		31 547	3 110	-	-	-	1 555	(1 555)	-100%	3 110
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	1 500 368	77 731	-	17	9 555	38 865	(29 311)	-75%	77 731
Total Capital Expenditure		1 500 368	77 731	-	17	9 555	38 865	(29 311)	-75%	77 731
Capital Expenditure - Functional Classification										
Governance and administration		1 388 331	5 150	-	17	681	2 575	(1 894)	-74%	5 150
Executive and council		0	2 366	-	-	13	1 183	(1 170)	-99%	2 366
Finance and administration		1 388 331	2 784	-	17	668	1 392	(724)	-52%	2 784
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		4 558	5 424	-	-	-	2 712	(2 712)	-100%	5 424
Community and social services		-	1 261	-	-	-	631	(631)	-100%	1 261
Sport and recreation		1 853	2 297	-	-	-	1 148	(1 148)	-100%	2 297
Public safety		2 704	1 344	-	-	-	672	(672)	-100%	1 344
Housing		-	522	-	-	-	261	(261)	-100%	522
Health		(0)	-	-	-	-	-	-	-	-
Economic and environmental services		11 134	7 550	-	-	1 869	3 775	(1 906)	-50%	7 550
Planning and development		(0)	1 300	-	-	29	650	(621)	-96%	1 300
Road transport		11 134	6 250	-	-	1 840	3 125	(1 285)	-41%	6 250
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		96 345	59 607	-	-	7 005	29 804	(22 799)	-76%	59 607
Energy sources		18 458	6 000	-	-	272	3 000	(2 728)	-91%	6 000
Water management		7 981	31 753	-	-	2 596	15 876	(13 281)	-84%	31 753
Waste water management		40 213	21 042	-	-	4 137	10 521	(6 384)	-61%	21 042
Waste management		29 694	813	-	-	-	407	(407)	-100%	813
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	1 500 368	77 731	-	17	9 555	38 865	(29 311)	-75%	77 731
Funded by:										
National Government		82 343	65 297	-	-	8 874	32 648	(23 775)	-73%	65 297
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		82 343	65 297	-	-	8 874	32 648	(23 775)	-73%	65 297
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		1 386 193	-	-	-	479	-	479	#DIV/0!	-
Total Capital Funding		1 468 537	65 297	-	-	9 353	32 648	(23 295)	-71%	65 297

FS181 Masilonyana - 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		16 648	34 478	–	(43 092)	34 478
Trade and other receivables from exchange transactions		236 139	681 190	–	364 646	681 190
Receivables from non-exchange transactions		(270 764)	433 991	–	(249 542)	433 991
Current portion of non-current receivables		–	–	–	–	–
Inventory		1 130	(59 397)	–	8 814	(59 397)
VAT		123 784	317 108	–	131 101	317 108
Other current assets		31	902	–	63	902
Total current assets		106 966	1 408 271	–	211 990	1 408 271
Non current assets						
Investments		–	–	–	–	–
Investment property		178 440	177 532	–	178 440	177 532
Property, plant and equipment		971 334	1 066 756	–	980 889	1 066 756
Biological assets		–	–	–	–	–
Living and non-living resources		–	–	–	–	–
Heritage assets		–	75	–	–	75
Intangible assets		–	–	–	–	–
Trade and other receivables from exchange transactions		–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		–	–	–	–	–
Total non current assets		1 149 774	1 244 363	–	1 159 329	1 244 363
TOTAL ASSETS		1 256 740	2 652 634	–	1 371 318	2 652 634
LIABILITIES						
Current liabilities						
Bank overdraft		–	484 506	–	–	484 506
Financial liabilities		–	534 760	–	–	534 760
Consumer deposits		1 063	928	–	1 112	928
Trade and other payables from exchange transactions		516 592	(1 977)	–	504 677	(1 977)
Trade and other payables from non-exchange transactions		50 001	–	–	50 001	–
Provision		67 656	–	–	67 656	–
VAT		163 340	372 058	–	172 937	372 058
Other current liabilities		–	–	–	–	–
Total current liabilities		798 652	1 390 275	–	796 382	1 390 275
Non current liabilities						
Financial liabilities		–	–	–	–	–
Provision		8 481	–	–	8 481	–
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		2 770	–	–	2 770	–
Total non current liabilities		11 251	–	–	11 251	–
TOTAL LIABILITIES		809 903	1 390 275	–	807 633	1 390 275
NET ASSETS	2	446 837	1 262 359	–	563 686	1 262 359
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		515 480	1 262 359	–	632 328	1 262 359
Reserves and funds		(68 643)	–	–	(68 643)	–
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	446 837	1 262 359	–	563 686	1 262 359

FS181 Masilonyana - Table C7 Monthly Budget Statement - Cash Flow - 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	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		(29 086)	49 368	-	3 178	15 874	24 684	(8 810)	-36%	49 368
Service charges		(16 625)	73 284	-	954	11 250	37 538	(26 288)	-70%	73 284
Other revenue		1 241	14 357	-	143	823	7 179	(6 356)	-89%	14 357
Transfers and Subsidies - Operational		(64 386)	197 971	-	-	(0)	101 387	(101 387)	-100%	197 971
Transfers and Subsidies - Capital		1 419	43 114	-	-	(51)	21 557	(21 608)	-100%	43 114
Interest		34 358	-	-	8 022	57 613	-	57 613	#DIV/0!	-
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		7 465	(328 908)	-	17	9 555	(172 096)	(181 651)	106%	(328 908)
Interest		-	(6 264)	-	-	-	(3 132)	(3 132)	100%	(6 264)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(65 613)	42 922	-	12 314	95 064	17 117	(77 948)	-455%	42 922
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		1 500 368	(79 746)	-	(17)	(9 555)	(39 873)	(30 318)	76%	(79 746)
NET CASH FROM/(USED) INVESTING ACTIVITIES		1 500 368	(79 746)	-	(17)	(9 555)	(39 873)	(30 318)	76%	(79 746)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/ refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		1 434 754	(36 824)	-	12 297	85 510	(22 756)			-
Cash/cash equivalents at beginning:		(2 629)	71 091	-	-	16 648	71 091			16 648
Cash/cash equivalents at month/year end:		1 432 125	34 267	-	12 297	102 157	48 335			-

FS181 Masilonyana - 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.L.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	6 026	5 994	5 919	6 148	6 080	6 058	43 742	475 732	555 699	537 760	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 040	960	876	922	1 011	870	5 983	86 080	97 742	94 867	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	8 959	8 629	8 471	8 344	8 283	8 243	51 544	431 827	534 300	508 241	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	3 539	3 502	3 488	3 469	3 401	3 392	23 377	263 450	307 618	297 089	-	-
Receivables from Exchange Transactions - Waste Management	1600	(9)	(2)	(0)	(0)	(1)	(1)	(2)	49 125	49 109	49 121	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	55 181	55 181	55 181	-	-
Interest on Arrear Debtor Accounts	1810	10 223	9 485	19 169	10 347	10 315	10 507	74 659	259 831	404 536	365 659	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(2 051)	(956)	(584)	(1 507)	(99)	(97)	7 372	49 180	51 297	54 849	-	-
Total By Income Source	2000	27 727	27 662	37 329	27 723	28 990	28 972	206 676	1 670 405	2 055 483	1 962 766	-	-
2024/25 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	1 525	801	1 712	848	2 083	2 076	18 452	90 854	118 349	114 312	-	-
Commercial	2300	1 192	1 188	1 163	1 164	1 117	1 148	8 006	48 474	63 451	59 908	-	-
Households	2400	24 832	25 286	34 084	25 388	25 453	25 442	178 458	1 527 309	1 866 254	1 782 051	-	-
Other	2500	179	387	370	324	337	306	1 759	3 768	7 429	6 494	-	-
Total By Customer Group	2600	27 727	27 662	37 329	27 723	28 990	28 972	206 676	1 670 405	2 055 483	1 962 766	-	-

MASILONYANA LOCAL MUNICIPALITY – SECTION 72 REPORT – JANUARY 2026

1 FS181 Masilonyana - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

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		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	2 048	4 093	-	1 781	1 675	1 809	13 892	77 153	102 449	102 449
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	(5 939)	3 888	(1 081)	(2 715)	8 758	9 214	10 829	225 154	248 108	248 108
Auditor General	0800	(500)	(300)	-	-	-	(3 973)	(1 059)	-	(5 832)	(5 832)
Other	0900	(14 877)	2 348	(808)	(872)	194	2 085	15 029	81 804	85 105	85 105
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	(19 070)	10 030	(1 887)	(1 806)	10 627	9 135	38 691	384 111	429 830	429 830

PART 2. NON-FINANCIAL MID-YEAR PERFORMANCE ASSESSMENT **REPORT 2025/2026**

1. Introduction

Masilonyana Local Municipality has compiled its Mid-Year Performance Assessment According to the Local Government Municipal Finance Management Act, Act 56 of 2003, Section 52 [c] thereof, the Mayor must take all reasonable steps to ensure that the municipality performs its Constitutional and statutory functions within the limits of the municipality's approved budget.

Performance management is prescribed by chapter 6 of the Municipal Systems Act of 2000 and the Municipal Planning and Performance Regulation of August 2001. Section 7 of the regulation states that "A municipality's performance management systems entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different role players. This framework should reflect the linkage between the IDP, Budget and SDBIP.

Masilonyana Local Municipality has compiled its mid-year [01 July 2025 to 31 December 2025] performance report in line with the above-mentioned legislation. The purpose of the report is to outline the achievements of the municipality in the period under review.

The purpose of this performance report is as follows:

- ☑ To analyse the performance of the municipality for the first half of the financial year
- ☑ To track progress against the targets set in the SDBIP.
- ☑ Inform decision making and future goal setting

In the period under review, the Masilonyana Municipality comprised of five departments, namely, Municipal Manager's Office, Finance, Corporate Services, Community & Social Services and Technical Services, Speaker's Office and Mayor's Office.

This analysis report covers the mid-term performance information from 1 July to 31 December 2025 and focuses on the implementation of the Service Delivery Budget and Implementation Plan, in relation to the Integrated Development and Plan.

1.1 Overall Performance of Each Directorate

The two tables below illustrate the Summary of overall performance of the Municipality Mid-term ending December 2025. This means that it is a tabulation of the total number of targets set by Directorates during the first six months which gives a picture of how the Municipality performed.

The report seeks to provide feedback on performance achieved to date against targets as laid out in the IDP and SDBIP, where performance is not satisfactory, or zero achievement of indicators have been experience, sufficient reasons are provided, and the corrective actions are being proposed to address poor performance.

The performance information with key performance indicators and targets are contained in a separate addendum document.

OVERALL MUNICIPAL PERFORMANCE RESULTS FOR MID YEAR 2025/2026

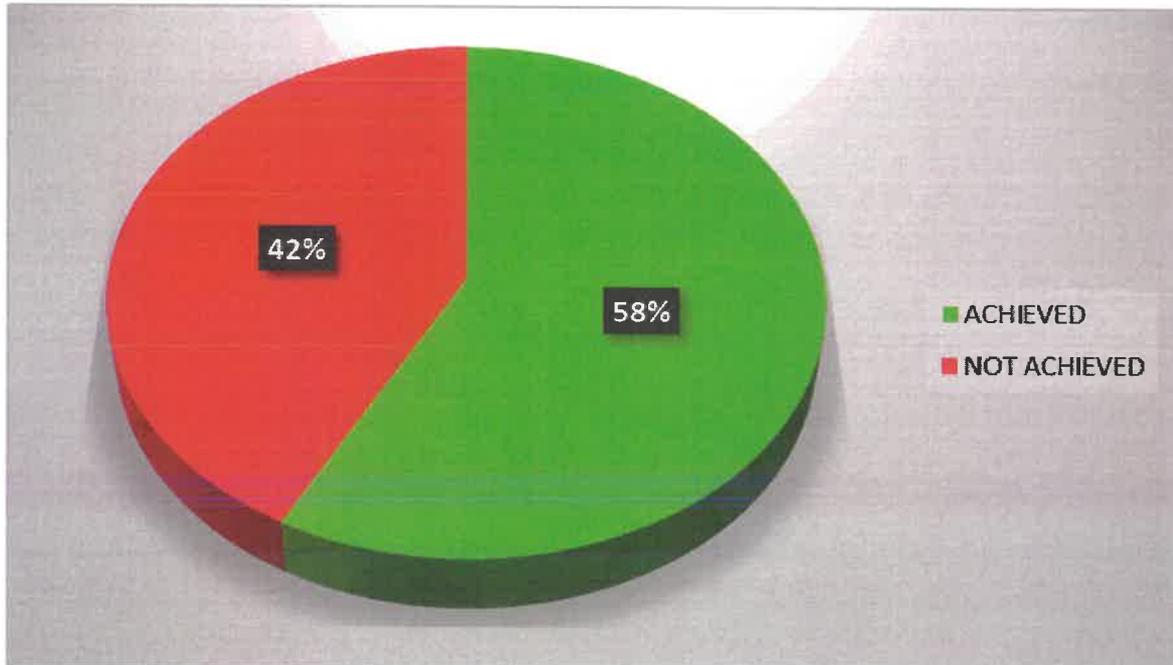
DEPARTMENT	NO OF TARGETS	OF TARGETS ACHIEVED	TARGET ACHIEVED	NOT ACHIEVED	DEPARTMENTAL ACHIEVEMENT %
MUNICIPAL MANAGER'S OFFICE	15	10	5		67%
CORPORATE SERVICES	47	35	12		74%
PLANNING AND ECONOMIC DEVELOPMENT	22	18	4		82%
FINANCE	28	18	10		64%
INFRASTRUCUTURE AND TECHNICAL SERVICES	66	23	43		35%
SOCIAL AND COMMUNITY SERVICES	24	06	18		25%
MAYOR'S OFFICE	08	08	0		100%
SPEAKER'S OFFICE	08	08	0		100%

Total Number of indicators for mid-year: 218

Total Number of Achieved Indicators: 126

Total Number of Non-Achieved Indicators: 92

OVERALL MUNICIPAL PERFORMANCE RESULTS FOR MID-YEAR 2025/2026



Department: Municipal Manager’s Office:

The Municipal Manager’s Office had (15) half yearly targets as per the key performance indicators, achieved (10) and not achieved (5)

- **Department: Corporate Services**

The Department of Corporate Services had (47) half yearly targets as per the key performance indicators, achieved (35) and not achieved (12)

- **Department: Planning and Economic Development**

The Department of Local Economic Development had (22) half yearly targets as per key performance indicators, achieved (18) and not achieved (4)

- **Department: Finance**

The Department of Finance had (28) half yearly targets as per key performance indicators, achieved (18) and not achieved (10)

- **Department: Infrastructure and Technical Services**

The Department of Infrastructure and Technical Services had (66) half yearly target as per key performance indicators, achieved (23) and not achieved (43)

- **Department: Social and Community Services**

The Department of Social and Community Services had (24) half yearly targets as per key performance indicators, achieved (6) and not achieved (18).

- **Department: Speaker’s Office**

The Department of the Speakers Office had (8) half yearly targets as per key performance indicators, achieved (8), and not achieved (0).

- **Department: Mayor’s Office**

The Department of the Mayor’s Office had 8) half yearly targets as per key performance indicators, achieved (8), and not achieved (0).

1.2 Details of Non-Achievement

Department: Municipal Manager’s Office

Actual Performance	Reasons for non-achievement	Corrective Measure
<ul style="list-style-type: none"> Quarterly Assessment for Senior Managers were not conducted during the 1st and the 2nd Quarter for the year under review 	<ul style="list-style-type: none"> Quarterly Assessment for were conducted late during the 3rd quarter, in January 2026 for Senior Managers as well as the Municipal Manager 	<ul style="list-style-type: none"> Senior Managers & Municipal Manager Quarterly were conducted in January 2026
<ul style="list-style-type: none"> 5 Strategic Documents of Risk Management Committee were endorsed by the risk Management Committee during the 1st quarter and due for Council approval 	<ul style="list-style-type: none"> 5 Strategic Documents were endorsed by the Risk Management Committee not tabled at the Council meeting for approval during the Q1 & Q2 for the year under review 	<ul style="list-style-type: none"> 5 Risk Management Documents to be tabled to Council for endorsement during the 3rd quarter for the year under review
<ul style="list-style-type: none"> The Risk Register has been developed during the 1st Q and to be discussed at the Management and deliberated at the risk committee meeting 	<ul style="list-style-type: none"> The risk register was not developed on timeously as per 	<ul style="list-style-type: none"> The Risk Register to be discussed at the Risk Committee meeting during the 3rd quarter for the year under review

Department: Corporate Services

Actual Performance	Reasons for non-achievement	Corrective Measure
<ul style="list-style-type: none"> Municipality does not have Employment Equity Plan in place 	Lack of Senior Managers.	Process has started to EEP to meet institutional needs as per compliance.
<ul style="list-style-type: none"> Job Descriptions are developed, and placement report is approved by council. 	Job evaluation process requires sister departments to finalise the process. SALGA/COGTA has now stalled migration to TASK. Municipality has been degraded to level 1.	Issuing of job descriptions and placement letters to unfold by end of March 2026. TASK is now dependent on directive from SALGA.COGTA
<ul style="list-style-type: none"> The Municipality has not conducted any wellness programme for the said Quarter. 	The Municipality has not conducted any wellness programme for the said Quarter institutional instability.	Wellness program to be rescheduled to the 3 rd quarter 2025-2026 FY.
<ul style="list-style-type: none"> PPE not provided to Employees and Councillors for the quarter under review 	SCM processes were interrupted by local SMME's. Fire Extinguishers and refill of first aid boxes will be address in the 2 nd Quarter.	Municipality consulted 5 Services Providers for Quotations of PPE. OHS presented sample to Union reps and management.
<ul style="list-style-type: none"> Measures for the efficient provision and management of municipal fleet put in place 	Indicator is misplaced.	Indicator will be restructured subject to Senior management 3 rd phase strategic session. KPI to be moved to Technical Services Department during the revision of SDBIP

Department: Local Economic Development

Actual Performance	Reasons for non-achievement	Corrective Measure
<ul style="list-style-type: none"> LED Summit did not take place for Q1 & Q2 for the year under review 	Financial Constraints	Indicator to be revised during the revision of the SDBIP in the 3 rd Quarter for the year under review
<ul style="list-style-type: none"> Projects such as the ZR Mahabane Brick manufacturing plant, poultry and N5 projects are resuscitated and supported, they were not reports on these projects during the Q1 & Q2 for the year under review 	KPI to be revised during the 3 rd Quarter for year under review	KPI to be revised for Quarter during the 3 rd quarter when the SDBIP is revised
<ul style="list-style-type: none"> MTP Committee has not sat for Q1 & Q2 for the year under review 	MTP has just been established	The Committee to sit during the 3 rd Quarter for the year under review

Department: Finance

Actual Performance	Reasons for non-achievement	Corrective Measure
<ul style="list-style-type: none"> Revenue Enhancement Strategy is developed and in place however still needs to be tabled before Sec 80 Committee and before council for approval 	Delay in sitting of finance committee and Council still. Including Institutional/ political instability	Item to be tabled to council during the 3 rd quarter 2025-2026 FY.
<ul style="list-style-type: none"> Data cleansing did not materialize in the said quarter 	Management is the process of Operation PATALA and indigent registration. During this process the Municipality will perform data cleansing. Furthermore, the municipality has appointed TELKOM to implement prepaid meters both for electricity and water during this process information of consumers will be gathered to update our financial system accordingly.	Process of training ward committees will commence on the 12 th of January 2026, and TELKOM as well will start doing community participation in January 2026.
<ul style="list-style-type: none"> Operation PATALA process did not materialize 	Management is the process of Operation PATALA and indigent registration	Process of training ward committees will commence on the 12 th of January 2026

<ul style="list-style-type: none"> Management has developed a draft Cost containment policy which will be tabled before section 80 and council for approval 	<p>Delay in sitting of finance committee and Council still including Institutional/ political instability</p>	<p>Item to be tabled to council during the 3rd quarter 2025-2026 FY.</p>
<ul style="list-style-type: none"> At least 80% of payments made to suppliers were done within the prescribed 30 days period, these payments exclude long outstanding creditors such as Eskom/SANDVET/SARS/Pensions-SALA & MRWF. 	<p>Financial constraints.</p>	<p>Municipality has revived revenue enhancement committee that will be sitting on every Monday of the week to deal with all issues of the revenue collection. Municipality is in the process of implementing prepaid meters both for electricity and water to deal with revenue losses so that our financial challenges can be overcome. Arrangements with various creditors were made and honoured.</p>

Department: Infrastructure and Technical Services

Actual Performance	Reasons for non-achievement	Corrective Measure
<ul style="list-style-type: none"> Electricity, water, sanitation and roads infrastructure Masterplans not developed 	<p>Financial Constraints</p>	<p>Source Funding</p>
<ul style="list-style-type: none"> Refurbishment of Winburg Outfall sewer Project is ongoing. 		<p>To be addressed during the 3rd Quarter for year under review</p>
<ul style="list-style-type: none"> Construction of new sewer reticulation for 2000 households in Brandfort not finalised 	<p>Project will be implemented in the FY 2027-2028</p>	<p>Project will be implemented in the FY 2027-2028</p>
<ul style="list-style-type: none"> Construction of new sewer reticulation for 581 households in Winburg business plan did not finalise. 	<p>Project will be implemented in the FY 2027-2028</p>	<p>Draft Business Plan to be submitted to Council by end June 2026</p>
<ul style="list-style-type: none"> Construction of 2Ml reservoir in Theunissen business plan not finalised 	<p>Project will be implemented in the FY 2028-29</p>	<p>Business Plan to be tabled to Council for approval</p>
<ul style="list-style-type: none"> Construction of new water reticulation for 1000 households in Theunissen. 	<p>Feasibility Study is underway, and Business Plan will be finalised by end of June 2026</p>	<p>Municipality to follow up with Human settlement on the bulk infrastructure construction</p>
<ul style="list-style-type: none"> Construction of new Water reticulation for 581 households in Winburg business plan not finalised 	<p>Project will be implemented in the FY 2028-29</p>	<p>Human Settlement yet to finalise Bulk infrastructure, project ongoing</p>
<ul style="list-style-type: none"> Construction of new Water reticulation for 2000 households in Brandfort business plan not finalised 	<p>Project will be implemented in the FY 2027-28</p>	<p>Project will be implemented in the FY 2027-28</p>
<ul style="list-style-type: none"> Refurbishment of four 	<p>Not provided</p>	<p>Not provided</p>

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boreholes in Winburg and construction of water supply business plan not finalised		
<ul style="list-style-type: none"> Construction of four boreholes in Brandfort, Majwemasweu business plan not finalised 	Not provided	Not provided
<ul style="list-style-type: none"> Winburg: Water conservation a water Demand Management project ongoing 	Project ongoing	Project to be completed by June 2026 and project monitored on a weekly basis
<ul style="list-style-type: none"> Theunissen: Refurbishment of Pump House not achieved 	Not provided	Not provided
<ul style="list-style-type: none"> Grading of 5km Roads in all 4 Towns around Masilonyana Municipality not achieved 	Request to purchase tyres for the grader was submitted to SCM Still waiting for response from.	Not provided
<ul style="list-style-type: none"> Construction of Winburg/Makeleketla 1 km block paved road and stormwater on going 	Project is ongoing due to end by end of March 2026	Cost reimbursement issue resolved; extension of time granted. Project is being monitored on a weekly basis
<ul style="list-style-type: none"> Construction of 1km block paved road and storm water drainage (Phase 2) in Theunissen/ Masilo: not achieved 	Management awaiting Council to give go ahead on the implementation of the project utilising own fund	Council to pronounce itself in the next Council sitting on the implementation of the project
<ul style="list-style-type: none"> Construction of 1km block paved road and storm water drainage in Winburg/ Makeleketla not achieved 	Management awaiting Council to give go ahead on the implementation of the project utilising own fund	Council to pronounce itself in the next Council sitting on the implementation of the project
<ul style="list-style-type: none"> Conversion of 165km gravel roads to paved/tared roads with stormwater channels in Masilonyana Local Municipality business plan not finalised 	DBSA is in process of assisting the Municipality with masterplans around Electricity, Sanitation water, roads & stormwater	If DBSA cannot assist the Municipality will seek services from a service provider (contingency plan)
<ul style="list-style-type: none"> Upgrading of Theunissen main substation business plan not finalised 	Project will be implemented 2027/28	Considering sec 33 of MFMA Municipality is prohibited from planning beyond 3 years as it will have implications on future projects
<ul style="list-style-type: none"> Upgrading of Piet Retief Street line and kiosks business plan not finalised 	Project will be implemented 2027/28	Considering sec 33 of MFMA Municipality is prohibited from planning beyond 3 years as it will have implications on future projects
<ul style="list-style-type: none"> Streetlights power supply and retrofit of lighting units in Theunissen business plan not finalised 	Project will be implemented 2028/29	Considering sec 33 of MFMA Municipality is prohibited from planning beyond 3 years as it will have implications on future projects
<ul style="list-style-type: none"> Upgrade of Leech substation in Winburg business plan not finalised 	Project will be implemented 2028/29	Considering sec 33 of MFMA Municipality is prohibited from planning beyond 3 years as it will have implications on future projects
<ul style="list-style-type: none"> Construction of ring fit line 	Project will be implemented	

from main substation in Theunissen business plan not finalised	2029/30	sec 33 of MFMA Municipality is prohibited from planning beyond 3 years as it will have implications on future projects -
<ul style="list-style-type: none"> Maintenance of infrastructure not achieved 	KPI refined to respond to other core functions of the Municipality	KPI refined to respond to other core functions of the Municipality

Department: Social and Community Services

Actual Performance	Reasons for non-achievement	Corrective Measure
<ul style="list-style-type: none"> Municipal Swimming Pool in Theunissen and Winburg renovated 	Financial Constraints	The indicator to be amended during the SDBIP processes in February for year under review
<ul style="list-style-type: none"> Renovation of Municipal Town and Community Halls in All Towns 	Financial Constraints	The indicator to be amended during the SDBIP processes in February for year under review
<ul style="list-style-type: none"> Renovation of Municipal Town and Community Halls in All Towns 	Financial Constraints	The indicator to be amended during the SDBIP processes in February for year under review
<ul style="list-style-type: none"> 18 cemeteries and only 9 cemeteries are in use. Details of the number of plots that have been utilised are stated on the attached report 	<p>Space constraints across Masilonyana</p> <p>Existing Cemeteries in Winburg, Veerkeedevlei and Theunissen are nearing full capacity.</p> <p>Molapo Cemetery in Winburg is constraints, with limited expansion due surrounding development and unstable terrain</p>	
<ul style="list-style-type: none"> Landfill sited operates 2 permitted 2 licenced 	<p>Lack of essential machinery</p> <p>Lack of weighbridges</p> <p>Absence of access control allow illegal dumping.</p> <p>Lack of awareness on proper disposal and land use</p> <p>Budget constraint</p>	
<ul style="list-style-type: none"> Structural \and other severe weather reported of the Quarter No Awareness Campaign undertaken for the Quarter under review No veld fires reported for the Quarter under review 	<p>Lack of equipment</p> <p>Lack of vehicles</p> <p>Limited interdepartmental coordination</p> <p>Low Public Awareness</p>	To be addressed

<ul style="list-style-type: none"> • Fire stations for all the towns constructed and equipment 	Lack of Funding	The indicator to be amended during the SDBIP processes in February for year under review
<ul style="list-style-type: none"> • Municipal buildings in all the towns upgraded 	Summary of buildings maintained for the Quarter under review	Inadequate tools and equipment's Vehicle shortages Budget constraints Staff overload Aging Infrastructure
<ul style="list-style-type: none"> • Renovation of Municipal Flats in Brandfort 	Budget Constraints	The indicator to be amended during the SDBIP processes in February for year under review
<ul style="list-style-type: none"> • Construction of RDP houses in all towns 	KPI to be moved to Planning and economic development	The indicator to be amended during the SDBIP processes in February for year under review

2. CONCLUSION

This assessment represents Masilonyana Municipality's detailed report back to residents and stakeholders of Masilonyana on the municipal performance over the first six months on the 2025/2026 financial year. This report provides a lens through which scrutiny of the progress and performance of the municipality can be made in terms of assessing achievements in efforts to realize the objectives as set by Municipal Council. As such, this report not only reflects on milestones and challenges experienced, but also on the ongoing commitment to progressively deepen accountability to residents of Masilonyana Local Municipality.

TOGETHER WE'LL DO BETTER

PART 3

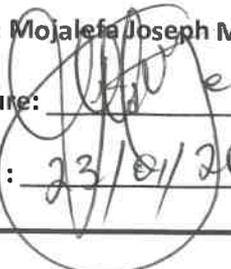
1. QUALITY CERTIFICATE

I, Mojalefa Joseph Matlole, Municipal Manager of Masilonyana Local Municipality

The Mid-Year Budget and Performance Assessment

For the period July 2025-December 2025 has been prepared in accordance with Section 72 of the Municipal Finance Management Act 56 of 2003 and the relevant regulations.

Name : Mojalefa Joseph Matlole

Signature:  _____

Date : 23/01/2026 _____

I, D.E. MODISE, the Mayor of Masilonyana Local Municipality (FS181) approve that the above Section 72 Report

Name : Dimakatso Elizabeth Modise

Signature:  _____

Date : 23/01/2026 _____