



**SECTION 71 FINANCIAL REPORT**

**FEBRUARY 2026**

## PURPOSE

To report on monthly actual performance and implementation of the municipality's budget for the period ending 28 February 2026

## LEGAL/STATUTORY REQUIREMENT

Municipal Finance Management Act No. 56 of 2003.

Municipal Budget and Reporting Regulations gazette No 32141

## BACKGROUND

In terms of Section 71(1), (2) and (3) of the MFMA No 56, 2003 Chapter 8, the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement on the financial performance of that municipality.

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 of financial performance.

## Executive Mayors Report Summary

This report is a summary of the main budget, issues arising from the implementation of approved budget and in-year reporting monitoring process. It compares the progress in budget implementation to the projections as at the date of reporting.

### a) Summary Statement of Financial Performance

The Summary Statement of Financial Performance shown below is prepared on a similar basis of the prescribed budget format, detailing revenue by source type and expenditure per 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
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		-	-	-	-	-	-	-	-	-
Service charges - Water		-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management		-	-	-	-	-	-	-	-	-
Service charges - Waste management		3 895	500	500	322	2 711	333	2 378	713%	500
Sale of Goods and Rendering of Services		2 325	700	5 600	4	160	3 733	(3 573)	-96%	700
Agency services	(401)	1 700	2 000	2 000	816	2 854	1 333	1 521	114%	1 700
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		1 552	-	-	-	1 114	-	1 114	#DIV/0!	-
Interest from Current and Non Current Assets		45 354	32 000	42 000	205	22 896	28 000	-	-	32 000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	2 000	2 500	12	175	1 667	(1 491)	-	2 000
Rental from Fixed Assets		3 191	270	520	24	2 038	347	1 691	488%	270
Licence and permits		1 945	-	-	-	-	-	-	-	-
Special rating levies		-	-	-	-	-	-	-	-	-
Operational Revenue		428	1 210	1 210	148	490	807	(316)	-39%	1 210
<b>Non-Exchange Revenue</b>										
Property rates		21 099	10 000	12 500	402	19 320	8 333	10 986	132%	10 000
Surcharges and Taxes		615	27 057	17 057	-	543	11 372	(10 829)	-	27 057
Fines, penalties and forfeits		1 625	2 200	3 200	395	2 251	2 133	118	-	2 200
Licence and permits		574	1 000	1 800	266	1 365	1 200	105	-	1 000
Transfers and subsidies - Operational		382 752	373 535	383 025	6 826	275 774	255 350	20 425	-	373 535
Interest		4 130	-	-	-	1 330	-	1 330	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-
<b>Discontinued Operations</b>										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>469 064</b>	<b>452 172</b>	<b>471 912</b>	<b>9 420</b>	<b>332 963</b>	<b>314 608</b>	<b>18 355</b>	<b>6%</b>	<b>452 172</b>

The billing for the Municipality has been done for the month of February 2026. Property rates variance percentage is 132%. Service charges variance is 713%. Interest from current and non current Assets (Which is Cash monies) is showing an amount of R22 896 366 for the month of February 2026.

**EC121 Mbashe - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) – M08 February 2026**

Expenditure By Type										
Employee related costs	143 244	166 716	166 202	14	99 488	110 801	(11 315)	-10%	166 716	
Remuneration of councillors	26 342	30 565	30 565	-	13 655	20 377	(6 722)	-33%	30 565	
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-	
Inventory consumed	-	-	-	-	-	-	-	-	-	
Debt impairment	-	-	-	-	-	-	-	-	-	
Depreciation and amortisation	67 765	55 000	55 000	-	52 397	36 667	15 730	43%	55 000	
Interest	218	-	-	-	6 747	-	6 747	#DIV/0!	-	
Contracted services	101 245	153 503	172 053	9 652	92 668	114 702	(22 034)	-19%	153 503	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Irrecoverable debts written off	19 176	2 000	2 000	-	13 987	1 333	12 654	-	2 000	
Operational costs	74 613	64 263	74 265	3 164	37 084	49 510	(12 426)	-25%	64 263	
Losses on Disposal of Assets	-	-	-	-	-	-	-	-	-	
Other Losses	-	-	-	-	-	-	-	-	-	
<b>Total Expenditure</b>	<b>432.603</b>	<b>472.047</b>	<b>500.085</b>	<b>12.830</b>	<b>316.024</b>	<b>333.390</b>	<b>(17.366)</b>	<b>-5%</b>	<b>472.047</b>	

Municipality payroll integration and other earnings for the month were done, the full payroll costs for February is shown on the Section 66 Report.

**SECTION 66 REPORT FOR 2025/2026**

Description	Jul-25	Aug-25	Sept-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Total
Total Earnings	12 112 252.98	12 447 242.72	12 475 561.43	15 101 441.03	11 965 175.83	13 643 852.00	11 775 340.87	13 026 712.57	102 567 580.03
Total Deductions	3 490 603.87	3 515 931.82	3 552 407.38	4 566 287.97	3 278 128.83	3 909 389.25	3 428 036.35	3 494 231.75	29 232 987.09
Net Salaries	8 621 649.11	8 931 310.90	8 923 154.07	10 535 153.06	8 709 047.00	9 734 462.75	8 347 304.52	9 532 480.82	73 334 593.03
Total Company Contributions	2 069 703.70	2 050 475.76	2 034 145.88	2 045 781.03	1 837 919.78	2 025 411.81	2 069 222.07	2 103 963.89	16 236 623.92
Total Cost to Company	14 181 956.68	14 497 718.48	14 509 707.31	17 147 222.96	13 823 095.81	15 669 283.81	13 844 562.94	15 130 676.46	118 804 203.95

**Capital Expenditure**

The following table provides a summary of the capital expenditure trends based on planned capital projects and actual spending.

**EC121 Mbashe - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M08 February**

Month	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	115.812	10.633	12.108	15.742	15.742	12.108	(3.634)	-30.0%	12%
August	115.812	10.633	12.108	5.368	21.110	24.216	3.105	12.8%	17%
September	115.812	10.633	12.108	10.897	32.007	36.323	4.317	11.9%	25%
October	115.812	10.633	12.108	22.367	54.374	48.431	(5.943)	-12.3%	43%
November	115.812	10.633	12.108	18.093	72.467	60.539	(11.928)	-19.7%	57%
December	115.812	10.633	12.108	21.453	93.921	72.647	(21.274)	-29.3%	74%
January	115.812	10.633	12.108	9.895	103.816	84.755	(19.061)	-22.5%	81%
February	115.812	10.633	12.108	4.478	108.294	96.862	(11.432)	-11.8%	85%
March	115.812	10.633	12.108	3.936	112.230	108.970	(3.260)	-3.0%	88%
April	115.812	10.633	12.108	-	-	121.078	-	-	-
May	115.812	10.633	12.108	-	-	133.186	-	-	-
June	115.812	10.633	12.108	-	-	145.294	-	-	-
<b>Total Capital expenditure</b>	<b>1.389.745</b>	<b>127.592</b>	<b>145.294</b>	<b>112.230</b>					

Based on the above table total capital expenditure as at February 2026 is R112.230 million, most of this expenditure is capital projects for Infrastructure.

**GRANTS STATUS FOR THE PERIOD ENDED 28 FEBRUARY 2026**

GRANT DETAILS	PERIOD	ANNUAL BUDGET	TOTAL RECEIVED AS	ACTUAL SPENT	% SPENT VS	
			AT 28 FEBRUARY 2026		ANNUAL BUDGET	% SPENT BASED ON RECEIPTS
MIG	Feb-26	74.175.000.00	61.790.000.00	64.404.367.86	87%	104%
EPWP	Feb-26	2.382.000.00	1.668.000.00	2.382.000.00	100%	143%
OTP	Feb-26	10.000.000.00	15.645.488.03	11.769.974.19	118%	75%
FMG	Feb-26	1.700.000.00	1.700.000.00	1.103.561.88	65%	65%
INEP	Feb-26	16.369.000.00	16.369.000.00	14.547.597.40	89%	89%
DISASTER GRANT	Feb-26	24.167.000.00	54.852.000.00	19.901.959.00	82%	36%
LIBRARY	Feb-26	1.490.000.00	1.490.000.00	347.613.78	23%	23%
<b>GRAND TOTAL</b>		<b>130.283.000.00</b>	<b>152.024.488.03</b>	<b>114.109.460.33</b>	<b>88%</b>	<b>75%</b>

The Municipality has received R61.7 million of MIG allocation and managed to spend 104% of the received amount and 87% of the total allocation as at the end of February 2026. The municipality has spent 65% of the FMG Allocation. The Municipality has received R15 645 488.04 of Office of The Premier allocation and has managed to spend 118% of the allocated amount as at the end of February 2026. The municipality has received R54.8 million on Disaster Grant and spent 82% based on the total allocation. The municipality has received R16.3 million of INEP Grant allocation ,89% of the allocated amount has been spent. The municipality has received R1.4 million of Library Grant allocation 23% of the allocated amount has been spent. Expanded Public Works Programme has spent 100% based on the total allocation as at the end of February 2026.

**Cash and Investment management**

The table below details the Call Deposits made by the Municipality for the period ending 28 February 2026.

The total cash available as at 28 February 2026 indicates a total balance of R 551 791 549.03 which is made up of the following: -

INVESTMENTS AS AT 28 FEBRUARY 2026																									
Bank	Account Type	Acc name	Status	Acc number	2025/01	Interest Capitalised					Deposits				Withdrawals			Bank charges			Closing Balance as at 28/02/2026				
						Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Q1	Q2	Q3	Total	Q1	Q2	Q3		Total			
1	FNB	7 Day Interest Plus	Mthashe Municipality	Active	74321420942	128 339.29	893 040.12	387 385.53	1 825.08	1 972 250.73	80 000 000.00	-	-	-	80 000 000.00	(25 000 000.00)	(56 300 000.00)	-	(81 300 000.00)	-	-	-	-	-	1 890 950.83
2	FNB	Call Account	EPWP Call Account	Active	62562065373	37 178.15	474.49	465.92	339.28	1 237.89	-	-	-	-	-	-	-	-	-	-	-	-	-	-	38 416.86
3	FNB	Call Account	FMG Call Account	Active	62562065119	132 547.99	2 051.59	2 912.47	1 339.21	5 343.27	-	-	-	-	-	-	-	-	-	-	-	-	-	-	157 891.25
4	FNB	Call Account	(Depreciation Account	Active	74819155239	43 151 432.71	865 340.15	913 974.75	584 725.10	2 364 029.86	5 000 000.00	-	-	-	5 000 000.00	-	-	-	-	-	-	-	-	-	80 516 472.19
5	ABSA	Fixed Deposit	Mthashe Municipality	Active	23818979677	-	4 751 899.99	6 236 000.00	1 995 641.10	12 433 541.09	300 000 000.00	-	100 000 000.00	-	400 000 000.00	-	-	-	(311 614 000.00)	(311 614 000.00)	-	-	-	-	108 683 541.99
6	Redbank	Fixed Deposit	Mthashe Municipality	Active	037181169370000010	10 780.82	765 428.36	991 836.82	491 912.32	2 248 968.30	50 000 000.00	-	50 000 000.00	-	100 000 000.00	-	-	-	(51 929 767.12)	(51 929 767.12)	-	-	-	-	99 338 608.98
7	Standard Bank	Fixed Deposit	Mthashe Municipality	Active	88825611025	-	1 578 082.13	2 037 356.17	738 787.12	4 353 225.48	100 000 000.00	-	300 000 000.00	-	400 000 000.00	-	-	-	(123 985 041.12)	(123 985 041.12)	-	-	-	-	300 368 164.38
						<b>43 468 378.96</b>	<b>8 947 448.94</b>	<b>18 689 829.84</b>	<b>3 213 833.21</b>	<b>22 836 123.96</b>	<b>536 000 000.00</b>	<b>-</b>	<b>450 000 000.00</b>	<b>906 000 000.00</b>	<b>(25 000 000.00)</b>	<b>(56 300 000.00)</b>	<b>(447 732 808.22)</b>	<b>(548 932 808.22)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>552 257 675.83</b>	

Main Account balance R 49 533 873.34  
 Call Account Deposits R 502 257 675.69  
**Total R 551 791 549.03**

All the interest disclosed in the investment register is based on the received investment statements. The Revenue section has updated the interest in the system to align with the Investment register. Monies that were invested in other Banks, other than the primary bank were received into the Municipal primary account after maturity of the investments.

## Outstanding Creditors

The municipality strives to pay its creditors within 30 days. Below is the balance of creditors as at 28 February 2026.

EC121 Mbhashe - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February												
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			
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	-	-	-	-	-	14	1 231	(677)	568	568	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	-	-	-	-	-	278	278	278	
<b>Total By Customer Type</b>	<b>1000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>1 231</b>	<b>(389)</b>	<b>846</b>	<b>846</b>	

## Debt Management

### Outstanding debtors

DEBTORS AGE ANALYSIS AS AT 28 FEBRUARY 2026

CATEGORY	180 Days	150 Days	120 Days	90 Days	60 Days	30 Days	Current	Balance
AGRICULTURE	-45 817.43	2 289.74	5 848.46	2 325.33	2 325.33	2 325.33	3 765.41	-26 937.83
BUSINESS	10 260 995.83	177 474.79	158 219.21	181 457.99	153 563.13	214 329.81	212 034.17	11 358 074.93
GOVERNMENT	42 666 088.32	39 633.36	5 130 292.40	39 203.95	49 931.01	49 276.95	276 817.07	48 251 243.06
MUNICIPAL	540 689.09	14 697.40	14 915.67	15 017.67	15 119.69	15 371.72	15 387.95	631 199.19
OTHER	2 801 356.30	35 855.61	55 322.46	36 021.06	35 688.88	38 113.31	38 916.63	3 041 274.25
PLACE OF WORSHIP	540 689.09	14 697.40	14 915.67	15 017.67	15 119.69	15 371.72	15 387.95	631 199.19
PUBLIC SERVICE INFRASTRUCTURE	-109.73	0.00	0.00	0.00	0.00	0.00	0.00	-109.73
RESIDENTIAL	35 147 428.32	594 690.71	646 527.65	632 245.69	637 663.63	652 536.38	671 668.40	38 982 760.78
VACANT LAND	2 066 208.45	50 051.98	50 004.70	49 488.57	49 685.47	50 025.82	51 281.24	2 366 726.23
STAFF ACCOMMODATION RENTAL	258 073.62	0.00	0.00	0.00	-1 078.26	0.00	-16 900.19	240 095.17
<b>GRAND TOTAL</b>	<b>94 235 601.86</b>	<b>829 390.99</b>	<b>6 076 046.22</b>	<b>970 757.93</b>	<b>958 018.57</b>	<b>1 037 351.04</b>	<b>1 268 358.63</b>	<b>105 475 525.24</b>

As at the end of February 2026 the Municipality's total debtors accounts amounted to R105 474 525.24, substantial portion of this debt relates to residential and government.

### **Expenditure on Employee Related Costs**

The municipality has done integration up to 28 February 2026.

All monies that were due to third parties such as SARS, Pensions and Medical Aids have been paid according, including other employee deductions such as insurance, garnishes and bonds have been paid. No SARS interest or penalties that have been incurred in the month that ended 28 February 2026.

The table below is an extract from C – Schedule which details integrated remuneration for Councilors, Senior Managers (Including MM), Interns, Securities, EPWP and Permanent Staff.



**Recommendations**

1. That the monthly report for period ending 28 February 2026 **BE NOTED AND ACCEPTED.**



Prepared by: B. Tshefu  
Budget Accountant

Date: 13-03-2026



Reviewed by: B. September  
Financial Reporting Manager

Date: 13/03/2026



Reviewed by: V. Jam Jam  
Chief Financial Officer

Date: 12/03/2026



Approved by S. Janda  
Executive Mayor

Date: