CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
ORDINARY COUNCIL MEETING

2026.07.30

ITEM A-F (35-2026)

CITY OF EKURHULENI (CoE): UNAUDITED FINANCIAL AND PERFORMANCE RESULTS FOR THE FOURTH QUARTER OF THE 2025/26 FINANCIAL YEAR

1. PURPOSE

To report to Council, the Unaudited Financial and Performance Results for the **Fourth Quarter** of the 2025/26 FY (financial year) as required in terms of Section 52(d) of the Municipal Finance Management Act and more detailed in the Municipal Budget and Reporting Regulations.

2. STRATEGIC PRIORITY

To promote good governance and report on the financial performance of the City.

3. WARDS AFFECTED

All wards.

4. IDP LINKAGE

Good governance.

5. EXECUTIVE SUMMARY

5.1 Operating Budget Results

The table below shows the consolidated operating results (City and Entities) for the Fourth quarter of the 2025/26 financial year.

Description	Budget Year 2025/26			Reporting month of June 2026		
	Revised Budget	Budget Q4	Actual Q4	YearTD budget	YearTD actual	YTD variance
	R	R	R	R	R	
Exchange Revenue						
Service charges - electricity revenue	27 521 064 643	7 301 933 346	5 949 984 721	27 521 064 643	24 690 687 483	-10%
Service charges - water revenue	7 902 782 004	2 458 823 286	2 312 645 586	7 902 782 004	8 968 816 996	13%
Service charges - sanitation revenue	5 381 631 041	1 531 676 067	1 170 610 541	5 381 631 041	4 791 896 680	-11%
Service charges - refuse revenue	1 778 880 938	526 444 835	469 400 776	1 778 880 938	1 686 486 080	-5%
Sale of Goods and Rendering of Services	161 522 348	43 941 657	203 138 822	161 522 348	324 099 232	101%
Agency services	348 280 865	87 070 166	76 043 401	348 280 865	341 603 389	-2%
Interest earned from Receivables	1 325 692 893	447 307 445	361 110 650	1 325 692 893	1 503 728 006	13%
Interest earned from Current and Non Current Assets	128 664 582	27 894 200	38 994 416	128 664 582	130 805 656	2%
Rental from Fixed Assets	173 843 993	43 401 385	38 796 186	173 843 993	162 437 131	-7%
Operational Revenue	183 177 342	45 035 823	56 337 146	183 177 342	149 066 187	-19%
Non-Exchange Revenue						
Property rates	10 833 546 224	2 708 386 490	2 687 224 391	10 833 546 224	10 620 836 524	-2%
Fines, penalties and forfeits	418 041 378	193 597 890	91 792 720	418 041 378	293 208 397	-30%
Licences and permits	-	-	63	-	63	0%
Transfers and subsidies- Operational	7 103 334 095	247 535 594	242 413 629	7 103 334 095	6 678 609 840	-6%
Interest	389 778 899	148 077 533	100 794 649	389 778 899	448 550 781	15%
Fuel Levy	1 795 381 000	-	-	1 795 381 000	1 795 381 000	0%
Operational Revenue	879 757 619	282 031 201	227 861 679	879 757 619	932 973 514	6%
Total Revenue (excluding capital transfers and contributions)	**66 325 379 864**	**16 093 156 917**	**14 027 327 772**	**66 325 379 864**	**63 519 462 171**	**-4%**
Expenditure By Type						
Employee related costs	13 105 664 986	3 039 668 912	2 991 310 592	13 105 664 986	12 194 462 629	-7%
Remuneration of councillors	177 669 114	44 417 085	45 878 461	177 669 114	169 693 785	-4%
Debt impairment	6 773 068 541	2 115 874 037	1 478 239 927	6 773 068 541	5 427 184 708	-20%
Depreciation & asset impairment	3 101 194 710	724 193 307	680 406 236	3 101 194 710	2 727 281 453	-12%
Finance charges	1 591 590 805	744 228 388	319 531 245	1 591 590 805	916 103 203	-42%
Bulk purchases - electricity	22 646 142 157	5 809 596 962	5 920 954 957	22 646 142 157	22 101 393 013	-2%
Inventory consumed	7 989 469 917	2 843 433 679	1 153 944 402	7 989 469 917	5 752 948 074	-28%
Contracted services	7 202 630 821	2 065 872 642	1 844 221 160	7 202 630 821	6 965 830 367	-3%
Transfers and subsidies	969 604 174	247 743 144	271 092 294	969 604 174	846 129 679	-13%
Irrecoverable debts written off	1 829 993	457 493	-	1 829 993	(0)	-100%
Other expenditure	1 936 097 799	487 319 646	434 702 934	1 936 097 799	1 769 263 107	-9%
Loss on disposal of PPE	-	-	1 399 640	-	1 399 640	0%
Other Losses	-	-	10 715 547	-	12 871 350	0%
Total Expenditure	**65 494 963 017**	**18 122 805 294**	**15 152 397 395**	**65 494 963 017**	**58 884 561 009**	**-10%**
Surplus/(Deficit)	**830 416 847**	**(2 029 648 377)**	**(1 125 069 623)**	**830 416 847**	**4 634 901 162**	

The **Operating Income** budgeted for the **4th Quarter** ended 30th June 2026 is R16.093 billion. The actual income R14.027 billion which resulted in R2.065 billion (13%) less than budgeted.

The **Operating Income** budgeted for the **2025/26 financial year** was R66.325 billion. The actual income is R63.519 billion, which is R2.805 billion (4%) less than budgeted.

The **Operating Expenditure** budgeted for the **4th Quarter** ended 30th June 2026 is R18.122 billion. The actual expenditure is R15.152 billion which resulted in R2.970 billion (16%) less than budgeted.

The **Operating Expenditure** budgeted for the **2025/26 financial year** was R65.494 billion. The actual expenditure is R58.884 billion, which is R6.610 billion (10%) less than budgeted.

The Analyses of Performance in section 6.1 below provides reasons for variances of 8% above or below the budget.

5.2 Capital Budget Results

The actual Capital Expenditure at the end of the 4th quarter of the 2025/26 financial year is **R2.754 billion,** which represents a spending of 82.07% of the total capital budget of R3.355 billion. It is important to note that the outstanding commitments at the end of June 2026 amounted to R39 million. The actual expenditure plus commitments for the Fourth Quarter amounts to **R2.793 billion**, which represents 83.23% of the capital budget.

The last day for submission of invoices was on 20th July 2026 as per the Financial Year-end plan. Finance Department is currently accruing all the invoices submitted, and it is expected that by the time the Annual Financial Statements are completed, the final capex would have increased.

Capital spending is discussed in detail in section 6.2 of this report.

5.3 Collection Rate

The Collection Rate for the **4th quarter** ended 30th June 2026 is 95.08%% which is high than the quarterly target of 90%**.** This reflects a quarterly high performance of 5.08%. This high performance is mainly as a result of the inclusion of excess consumption funding.

The annual collection to date is 90.38%. This represents provisional rate as final year-end results are being processed to financial statements.

Quarter	Year	Perio	Net Billed	Receipts	%	Targe
Q1	2025-26	**Sep-25**	10,858,588,658	10,452,511,707	96.26%	89.00%
Q2	2025-26	**Dec-25**	12,500,038,885	10,741,588,273	85.93%	90.00%
Q3	2025-26	**Mar-26**	11,613,067,120	9,903,503,158	85.28%	90.00%
Q4	2025-26	**Jun-26**	10,859,718,708	10,325,724,749	95.08%	90.00%
			45,831,413,370	**41,423,327,887**	**90.38%**	**90.00%**

5.4. Bank balance and Cash on hand

The City had a bank balance of R1 588 465 064.69 at the end of June 2026. The number of days cash on hand is 20 days. This is 1 day below the target of 21 days. There is decline of the cash on hand during the quarter due to the city's revenue collection being lower than actual budget.

6. BACKGROUND AND DISCUSSION

In terms of Section 52 (d) read with Section 71 of the MFMA and Section 28 of the Government Notice 32141 dated 17 April 2009, regarding the "Local Government: Municipal Finance Management Act 2003: Municipal Budget and Reporting Regulations", specific financial particulars are required to reported on and in the format prescribed, hence this report to meet legislative compliance.

"The mayor of a municipality-

> *52(d) must, **within 30 days of the end of each quarter**, submit a report to **Council** on the implementation of the budget and the financial state of the municipality;"*

Further, Section 31(1) of the Government Gazette No 32141 of 17 April 2009 prescribes the following:

"31.(1) The mayor's quarterly report on the implementation of the budget and financial state of affairs of the municipality as required by section 52(d) of the Act must be –

(a) *in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister [of Finance] in terms of section 168(1) of the Act; and*
(b) *consistent with the monthly budget statement for September, December, March and June as applicable; and*
(c) *Submitted to the National Treasury and the relevant Provincial Treasury <u>within five days</u> of tabling of the report in the council."*

The following Annexures are provided:

Annexure A: Departmental Operating Budget Reports for 4th Quarter of 2025/26 Financial Year;
Annexure B: Detailed Capital Expenditure Reports for 4th Quarter of 2025/26 Financial Year; and
Annexure C: Detailed Performance Report (Pre-Determined Measurable Performance Targets for 4th Quarter of 2025/26).

6.1. Financial Performance of Operating Budget

The discussion below highlights the performance of the operating budget.

6.1.1 Revenue by Source

The revenue performance for the 4th Quarter ended 30th June 2026 is reflected in the table below.

Description	Budget Year 2025/26			Reporting month of June 2026		
	Revised Budget R	Budget Q4 R	Actual Q4 R	YearTD budget R	YearTD actual R	YTD variance
Exchange Revenue						
Service charges - electricity revenue	27 521 064 643	7 301 933 346	5 949 984 721	27 521 064 643	24 690 687 483	-10%
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Sale of Goods and Rendering of Services	161 522 348	43 941 657	203 138 822	161 522 348	324 099 232	101%
Agency services	348 280 865	87 070 166	76 043 401	348 280 865	341 603 389	-2%
Interest earned from Receivables	1 325 692 893	447 307 445	361 110 650	1 325 692 893	1 503 728 006	13%
Interest earned from Current and Non Current Assets	128 664 582	27 894 200	38 994 416	128 664 582	130 805 656	2%
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Operational Revenue	183 177 342	45 035 823	56 337 146	183 177 342	149 066 187	-19%
Non-Exchange Revenue						
Property rates	10 833 546 224	2 708 386 490	2 687 224 391	10 833 546 224	10 620 836 524	-2%
Fines, penalties and forfeits	418 041 378	193 597 890	91 792 720	418 041 378	293 208 397	-30%
Transfers and subsidies- Operational	7 103 334 095	247 535 594	242 413 629	7 103 334 095	6 678 609 840	-6%
Interest	389 778 899	148 077 533	100 794 649	389 778 899	448 550 781	15%
Fuel Levy	1 795 381 000	-	-	1 795 381 000	1 795 381 000	0%
Operational Revenue	879 757 619	282 031 201	227 861 679	879 757 619	932 973 514	6%
Total Revenue (excluding capital transfers and contributions)	**66 325 379 864**	**16 093 156 917**	**14 027 327 772**	**66 325 379 864**	**63 519 462 171**	**-4%**

Analysis of Performance

The **Operating Income** budgeted for the **4th Quarter** ended 30th June 2026 is R16.093 billion. The actual income R14.027 billion which resulted in R2.065 billion (13%) less than budgeted.

The **Operating Income** budgeted for the **2025/26 financial year** was R66.325 billion. The actual income is R63.519 billion, which is R2.805 billion (4%) less than budgeted.

Management has deemed any variances of **8% or less** to be immaterial and as such no reasons will be provided. The discussions of the significant deviations of 8% and more are elaborated below.

a. Service charges:

Service charges – electricity revenue

The actual income from sale of electricity is **R2.830 billion** less than the budget of R27.521 billion for the year ended ended 30 June 2026, which represent a negative deviation of **10%.**

Under-performance is attributable to the following categories:

- Pre-paid sales reported negative variance of R671.7 million, this is due to blocked electricity meters for credit control purposes. During this time there are no electricity purchases. This ultimately results in these meters getting bypassed.
- Residential customers reported negative variance of R1.382 billion. Tariff A2 Basic Charge that was abolished, budget for this charge was not adjusted downwards. Meter tampering, bypassing and illegal connections contributed to the reduction in the projected income. Moreover, there is an increase in customers installing embedded generation and other alternative energy sources, e.g., gas. Frequent power failures due to theft/vandalism of electrical infrastructure.
- Business and industrial customers reported negative variance of R182.1 million. Meter tampering, bypassing and illegal connections contributed to the reduction in the projected income. Moreover, there is an increase in customers installing embedded generation and other alternative energy sources, e.g., gas. Frequent power failures due to theft/vandalism of electrical infrastructure.
- R456.5 million negative variance is also reported on streetlight private, which was indicated to be a historic budget carried forward when the tariff was no longer applicable.

Service charges – water revenue

The actual income from water service charges is **R1.066 billion** more than the budgeted amount of R7.902 billion for the year ended 30 June 2026, resulting in a positive deviation of **13%**. The positive deviation is due to more than anticipated consumption by industrial customers. Furthermore, the increase in the water revenue is because of the change in the indigent support policy limiting the free basic water to 10kl per month for registered indigents.

Service charges – sanitation revenue

The **year-to-date** actual income from sanitation revenue is **R589.7 million** less than the budget of R5.381 billion for the 2025/26 financial year. The negative deviation is as a result of less than anticipated revenue from industrial effluent.

b. Sale of goods and rendering of services

The **year-to-date** actual income from sale of goods and rendering of services is **R162.5 million** more than the budget of R161.5 million for the 2025/26 financial year. Over-recovery was due to more than expected revenue from laboratory fees generated by ERWAT.

c. Interest earned from receivables

Interest earned on receivables is **R178 million** more than the budgeted amount of R1.325 million for the year ended 30th June 2026, representing a positive deviation of **13%.** This was primarily due to an increase in the debtors' balance, as collection rate is less than the target of 90% for the year ended June 2026.

d. Operational revenue - exchange

Operational revenue is **R34.1 million** less than the budgeted amount of R183.1 million for the ended 30th June 2026, representing a negative deviation of **19%.** Negative deviation is mainly attributable to less-than-anticipated revenue from developmental charges during the financial year under review.

e. Fines, penalties and forfeits

The budget for fines, penalties and forfeits for the 2025/26 financial year amounted to R418 million whilst the actual revenue amounted to R293.2 million. The negative variance is due to the delayed implementation of the City's own traffic management system which is still under development.

f. Interest on property rates debtors

Interest earned on receivables is **R58.7 million** more than the budgeted amount of R389.7 million for the year ended 30th June 2026, representing a positive deviation of **15%.** This was primarily due to an increase in the debtors' balance, as collection rate is less than the target of 90% for the year ended June 2026.

6.1.2 Expenditure by type

The expenditure performance for the 4th Quarter ended 30th June 2026 is reflected in the table below.

Description	Budget Year 2025/26			Reporting month of June 2026		
	Revised Budget	Budget Q4	Actual Q4	YearTD budget	YearTD actual	YTD variance
	R	R	R	R	R	
Expenditure By Type						
Employee related costs	13 105 664 986	3 039 668 912	2 991 310 592	13 105 664 986	12 194 462 629	-7%
Remuneration of councillors	177 669 114	44 417 085	45 878 461	177 669 114	169 693 785	-4%
Debt impairment	6 773 068 541	2 115 874 037	1 478 239 927	6 773 068 541	5 427 184 708	-20%
Depreciation & asset impairment	3 101 194 710	724 193 307	680 406 236	3 101 194 710	2 727 281 453	-12%
Finance charges	1 591 590 805	744 228 388	319 531 245	1 591 590 805	916 103 203	-42%
Bulk purchases - electricity	22 646 142 157	5 809 596 962	5 920 954 957	22 646 142 157	22 101 393 013	-2%
Inventory consumed	7 989 469 917	2 843 433 679	1 153 944 402	7 989 469 917	5 752 948 074	-28%
Contracted services	7 202 630 821	2 065 872 642	1 844 221 160	7 202 630 821	6 965 830 367	-3%
Transfers and subsidies	969 604 174	247 743 144	271 092 294	969 604 174	846 129 679	-13%
Irrecoverable debts written off	1 829 993	457 493	-	1 829 993	(0)	-100%
Other expenditure	1 936 097 799	487 319 646	434 702 934	1 936 097 799	1 769 263 107	-9%
Loss on disposal of PPE	-	-	1 399 640	-	1 399 640	0%
Other Losses	-	-	10 715 547	-	12 871 350	0%
Total Expenditure	**65 494 963 017**	**18 122 805 294**	**15 152 397 395**	**65 494 963 017**	**58 884 561 009**	**-10%**
Surplus/(Deficit)	**830 416 847**	**(2 029 648 377)**	**(1 125 069 623)**	**830 416 847**	**4 634 901 162**	

The **Operating Expenditure** budgeted for the **4th Quarter** ended 30th June 2026 is R18.122 billion. The actual expenditure is R15.152 billion which resulted in R2.970 billion (16%) less than budgeted.

The **Operating Expenditure** budgeted for the **2025/26 financial year** was R65.494 billion. The actual expenditure is R58.884 billion, which is R6.610 billion (10%) less than budgeted.

Analyses of significant items is highlighted below.

a. Employee related costs

The budget for employee related cost is R13.105 billion and the actual is R12.194 billion, savings of 7%.

Overtime

Overtime reflects a 5% spending above budgeted amount, where the actual overtime paid is R45.3 million above budget of R967.4 million.

The table below depicts the budget and actuals overtime per department for the Fourth quarter ended 30th June 2026 and yea-to-date.

Control of overtime is one of the focus areas for cost containment measures instituted by management. The overspending on overtime was mostly on the essential services and the breakdown was as follows:

Description	Budget Year 2025/26			Reporting month of June 2026			
	Revised Budget	Budget Q4	Actual Q4	YearTD budget	YearTD actual	Quarterly variance	YTD variance
	R	R	R	R	R	%	%
COMMUNICATIONS, MARKETING AND TOURISM	107,935	101,977	120,936	107,935	124,301	19%	15%
COMMUNITY SAFETY	541,425,552	229,042,347	139,645,629	541,425,552	555,088,569	-39%	3%
COMMUNITY SERVICES	9,382,728	2,449,576	644,338	9,382,728	3,746,969	-74%	-60%
ENERGY	110,530,355	41,054,358	36,952,651	110,530,355	135,145,334	-10%	22%
ENTERPRISE PROGRAMME MANAGEMENT OFFICE	4,173,697	2,507,666	707,871	4,173,697	3,512,697	-72%	-16%
ENVIRONMENTAL RESOURCES AND WASTE MANAGEMENT	85,339,413	21,751,687	24,317,884	85,339,413	84,696,948	12%	-1%
ERWAT	36,007,264	8,611,826	10,281,968	36,007,264	35,871,087	19%	0%
FINANCE	22,783,662	8,228,197	6,195,241	22,783,662	22,653,338	-25%	-1%
HUMAN RESOURCES	391,109	391,109	108,723	391,109	275,075	-72%	-30%
HUMAN SETTLEMENTS	402,672	61,306	-	402,672	23,506	-100%	-94%
INFORMATION COMMUNICATIONS AND TECHNOLOGY	105,887	26,462	-	105,887	194	-100%	-100%
LEGISLATURE	1,046,426	439,452	289,423	1,046,426	1,000,369	-34%	-4%
OFFICE OF THE CHIEF WHIP	1,357	331	-	1,357	-	-100%	-100%
OFFICE OF THE CITY MANAGER	11,000	2,747	-	11,000	-	-100%	-100%
REAL ESTATE AND DEVELOPMENT PLANNING	2,097,984	528,293	406,272	2,097,984	1,862,314	-23%	-11%
RISK AND LEGAL SERVICES	311,616	140,454	85,107	311,616	305,901	-39%	-2%
ROADS AND TRANSPORT MANAGEMENT	43,005,982	24,285,042	18,087,205	43,005,982	54,293,401	-26%	26%
SERVICE DELIVERY COORDINATION	7,852,382	3,023,093	2,040,761	7,852,382	7,937,318	-32%	1%
STRATEGY AND CORPORATE PLANNING	1,833,301	831,427	341,826	1,833,301	1,258,471	-59%	-31%
WATER AND SANITATION	100,666,095	40,442,481	27,303,294	100,666,095	104,989,892	-32%	4%
Grand Total	**967,476,417**	**383,919,830**	**267,529,130**	**967,476,417**	**1,012,785,684**	**-30%**	**5%**

b. Debt impairment

Debt impairment is based on preliminary assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments. Final assessment to be conducted in preparation for the annual financial statement.

c. Depreciation & assets impairment

The depreciation charges for the year show a savings of R373.9 million as at 30 June 2026, the saving has been done on the preliminary assets register and spending will improve once the capex spending and capitalisation process are completed.

d. Finance charges

The deviation of R675.4 million on finance charges in 2025/26 financial year relates to interest on loans to finance the capital projects, these costs exclude the annual employee benefits has not yet been accounted for as they await actuarial valuations which will be done as part of year-end processes. Calculations are done in August.

e. Inventory consumed

The actual expenditure on inventory consumed is R2.236 billion less than the budgeted expenditure of R7.989 billion, which represents an under-expenditure of 28%. Invoices are still being processed in preparation for the financial year-end as last day for submission was 10th July 2026 as per financial year-end plan. The actual expenditure is expected to increase by the time the draft Annual Financial Statements are finalised.

f. Transfers & subsidies

The actual expenditure on transfers and subsidies is R123.4 million less than the budgeted expenditure of R969.6 million, which represents negative deviation of 13%. Invoices are still being processed in preparation for the financial year-end as last day for submission was 10th July 2026 as per financial year-end plan. The actual expenditure is expected to increase by the time the draft Annual Financial Statements are finalised.

g. Other Expenditure

The actual expenditure on this category is R166.8 million less than the budgeted expenditure of R1.936 million, which represents negative deviation of 9%. This category includes discretionary expenditure items such as advertising, travel and accommodation, and non-service delivery items which are susceptible to cost containment.

6.2. Financial Performance of Capital Budget

The discussion below shows the budgeted capital expenditure as well as the expenditure according to the grants received. This is to ensure accurate reporting of the funds that were received as the City cannot spend what it does not have.

The actual Capital Expenditure at the end of the 4th quarter of the 2025/26 financial year is **R2.754 billion,** which represents a spending of 82.07% of the total capital budget of R3.355 billion. It is important to note that the outstanding commitments at the end of June 2026 amounted to R39 million. The actual expenditure plus commitments for the Fourth Quarter amounts to **R2.793 billion**, which represents 83.23% of the capital budget.

The actual **spending per department or municipal entity** is indicated in the following table.

Department	Budget 2025/26	Actuals	Actual Expenditure	Commitments on Solar (Stores Orders, etc.)	Actual Expenditure Incl Commitments	% Spent of Total Budget	% Spent (incl commitments) of Total Budget
	Adjusted	Quarter 4	Year to Date	Year to Date	Year to Date		
Community Safety	91 600 000	37 205 825	83 200 694	762	83 201 456	90,83%	90,83%
Community Services	95 250 000	56 583 184	56 667 921	1 758 528	58 426 449	59,49%	61,34%
Communications, Marketing and Tourism	750 000	-	-	-	-	0,00%	0,00%
Ekurhuleni Housing Company (EHC)	5 709 267	5 850 849	7 909 150	-	7 909 150	138,53%	138,53%
Energy	638 252 152	169 768 179	553 924 472	950 387	554 874 859	86,79%	86,94%
ERWAT	294 995 612	70 055 161	279 971 228	-	279 971 228	94,91%	94,91%
Executive Office	1 000 000	198 298	215 548	-	215 548	21,55%	21,55%
Human Settlement	489 274 501	233 039 230	415 887 981	8 575 395	424 463 376	85,00%	86,75%
Information and Communication Technology	215 000 000	71 123 766	123 525 116	5 858 118	129 383 234	57,45%	60,18%
Real Estate & Development Planning	30 736 220	13 978 909	16 945 149	1 882 771	18 827 920	55,13%	61,26%
Roads & Transport Management	570 850 000	206 639 806	459 039 441	-	459 039 441	80,41%	80,41%
Service Delivery Coordination	57 000 000	24 683 133	48 522 569	-	48 522 569	85,13%	85,13%
Waste Business Unit	197 800 000	38 999 009	148 800 846	6 654 381	155 455 227	75,23%	78,59%
Water and Sanitation	667 159 000	179 126 505	559 106 726	13 325 639	572 432 364	83,80%	85,80%
TOTAL CAPITAL EXPENDITURE	**3 355 376 752**	**1 107 251 853**	**2 753 716 841**	**39 005 981**	**2 792 722 822**	**82,07%**	**83,23%**

The last day for submission of invoices was on 20th July 2026 as per the Financial Year-end plan. Finance Department is currently accruing all the invoices submitted, and it is expected that by the time the Annual Financial Statements are completed, the final capex would have increased.

The actual Capital Expenditure plus commitments are funded as follows:

SOURCE OF FINANCE	Budget 2025/26	Actuals	Actual Expenditure	Commitments on Solar	Actual Expenditure Incl	% Spent of Total Budget	% Spent (incl commitments) of Total Budget
	Adjusted	Quarter 4	Year to Date	Year to Date	Year to Date		
Informal Settlement Upgrading Programme Grant (ISUPG)	769 706 000	224 900 846	667 348 923	8 575 395	675 924 318	86,70%	87,82%
SRAC Provincial Grant	12 200 000	2 916 689	2 916 689	1 505 026	4 421 715	23,91%	36,24%
Public Transport Network Grants (PTNG)	224 000 000	152 693 907	200 362 785	-	200 362 785	89,45%	89,45%
Revenue	756 515 879	238 836 179	535 922 199	15 668 396	551 590 595	70,84%	72,91%
Urban Development Financing Grant (UDFG)	154 906 720	92 854 484	108 339 639	110 771	108 450 410	69,94%	70,01%
Urban Settlement Development Grants (USDG)	1 438 048 153	395 049 749	1 238 826 605	13 146 394	1 251 972 999	86,15%	87,06%
Grand Total	**3 355 376 752**	**1 107 251 853**	**2 753 716 841**	**39 005 981**	**2 792 722 822**	**82,07%**	**83,23%**

The amount spent on **grant funded** projects amounts to R2.218 billion which represents **80.54%** of the total grants funding of the capital expenditure of R2.754 billion. As mentioned above, this is not an analysis or reflection of all grants spending of the funds received. The table below shows accurate spending of all the City's grants.

Spending of grants received and spent.

Name of Grant	EMM Responsible Department	Unspent Funds - 24/25 Opening Balances 25/26	Surrenders to National / Provincial Treasury / Appropriation to revenue	Accumulated Receipts for the Financial year	Accumulated Expenditure for the Financial year	Balance Available	% Spent
NATIONAL / DORA UNCONDITIONAL GRANTS							
Equitable Share - Electricity	Energy	-	-	1 221 243 464,44	(1 221 243 464,44)	-	100,00%
Equitable Share - Solid Waste	Environmental Resources & Waste Management	-	-	912 641 531,92	(912 641 531,92)	-	100,00%
Equitable Share -Water and Wastewater	Water & Sanitation	-	-	3 816 359 003,64	(3 816 359 003,64)	-	100,00%
Fuel Levy - Finance	Finance	-	-	1 795 381 000,00	(1 795 381 000,00)	-	100,00%
TOTAL		-	**-**	**7 745 625 000,00**	**(7 745 625 000,00)**	**-**	**100,00%**
NATIONAL / DORA CONDITIONAL GRANTS							
Finance Management Grant (FMG)	Finance	-	-	1 000 000,00	(951 704,20)	48 295,80	95,17%
Urban Settlement Development Grant (USDG)	Human Settlements	-	-	1 445 207 000,00	(1 042 572 692,07)	402 634 307,93	72,14%
Public Transport Network Grant (PTNG)	Roads & Transport Management	-	-	649 286 000,00	(523 157 111,19)	126 128 888,81	80,57%
Urban Development Financing Grant (UDFG)(Capex)	Human Settlements,Real Estate & Energy	-	-	145 170 500,00	(74 860 103,51)	70 310 396,49	51,57%
Urban Development Financing Grant (UDFG)(Opex)	Real Estate DP, EPMO & Energy	-	-	154 585 500,00	(119 525 946,82)	35 059 553,18	77,32%
(EEDSM)	Energy	-	-	7 000 000,00	(7 580 583,17)	(580 583,17)	108,29%
Expanded Public Works Programme (EPWP)	Real Estate & Development Plannin	-	-	9 597 000,00	(9 308 039,99)	288 960,01	96,99%
Informal Settlement Upgrading Partnership Grant (ISUPG)	Human Settlements	-	-	875 864 000,00	(651 785 706,87)	224 078 293,13	74,42%
TOTAL		**-**	**-**	**3 287 710 000,00**	**(2 429 741 887,82)**	**857 968 112,18**	**73,90%**
PROVINCIAL GRANTS - OPERATING							
SETA	Human Resources	-	-	17 609 149,28	(8 024 151,65)	9 584 997,63	45,57%
HIV/AIDS Grant	Community Services	1 689 947,66	(1 689 948,00)	21 672 000,00	(23 173 206,90)	(1 501 207,24)	106,93%
Recapitalisation of Community Libraries	Community Services	-	-	14 000 000,00	(5 025 244,86)	8 974 755,14	35,89%
Libraries Plan	Community Services	415 975,97	(299 967,00)	9 252 000,00	(3 572 833,85)	5 795 175,12	38,14%
TOTAL		**2 105 923,63**	**(1 989 915,00)**	**62 533 149,28**	**(39 795 437,26)**	**22 853 720,65**	**63,52%**
PROVINCIAL - SUBSIDIES							
Primary Health Care Subsidy (PHC)	Community Services	-	-	78 563 200,00	(78 563 200,00)	-	100,00%
TOTAL		**-**	**-**	**78 563 200,00**	**(78 563 200,00)**	**-**	**100,00%**
Total National / DORA Grants + Subsidies		**-**	**-**	**11 033 335 000,00**	**(10 175 366 887,82)**	**857 968 112,18**	**92,22%**
Total Provincial Grants + Subsidies		**2 105 923,63**	**(1 989 915,00)**	**141 096 349,28**	**(118 358 637,26)**	**22 853 720,65**	**83,82%**
GRAND TOTAL		**2 105 923,63**	**(1 989 915,00)**	**11 174 431 349,28**	**(10 293 725 525,08)**	**880 821 832,83**	**92,12%**

The final unspent grants at the beginning of the 2025/26 financial year are R2.1 million, of which R116, 010 was approved for roll over and R1.9 million was surrendered back to the Provincial Revenue Fund.

The YTD receipts for the reporting period amounted to **R11.2 billion**. The preliminary expenditure as at the end of June 2026 is **R10.3 billion** which represents **92.12%** of the received funds**.** The preliminary unspent balance at the end of June 2026 is **R 880.8 million**.

6.3. Other Financial Performance Matters

6.3.1. Collection level

The combined (CoE and Eskom supply areas) Collection Rate for the **4th quarter** ended 30 June 2026 is 95.08% which is below the quarterly target of 90%.

- Target achieved through implementation of revised indigent support policy property value increase from R 500 000 to R 600 0000
- Increased Credit control actions and meter blocking

Challenges remaining:

- Increasing decline in economic climate, high interest rates and customer ability to pay for services;
- General tariff increases with effect from 1 July 2025 which impacts on consumer ability to pay for services;
- Eskom supplied areas with limited credit control actions
- Challenging areas: Access to specific areas are limited and impacts on credit control actions and collection efforts
- Illegal connections, tampering and meter access
- Interim water and electricity readings impacts on correctness of consumer statements
- AMR meter interim
- Meter service Back Billing

The collection results of 4th Quarter of 2025-26 financial year are follows:

Quarter	Year	Peric	Net Billed	Receipts	%	Targe
Q1	2025-26	**Sep-25**	10,858,588,658	10,452,511,707	96.26%	89.00%
Q2	2025-26	**Dec-25**	12,500,038,885	10,741,588,273	85.93%	90.00%
Q3	2025-26	**Mar-26**	11,613,067,120	9,903,503,158	85.28%	90.00%
Q4	2025-26	**Jun-26**	10,859,718,708	10,325,724,749	95.08%	90.00%
			45,831,413,370	**41,423,327,887**	**90.38%**	**90.00%**

The quarterly revenue collection performance is 95.08% in comparison with quarterly target of 90%. The quarterly target was achieved and reflects an over performance of 5.08%%. This high performance mainly the result of the inclusion of excess consumption funding.

The city continues to implement rigorous debt recovery process, implementation of revenue blitz program and the removal of illegal connection within the city.

Annual Collection Rate per CCC.

2025-26	Billed	Receipts	%
Alberton	4,539,699,583.28	4,431,864,894.16	97.62%
Benoni	4,313,539,833.21	3,667,541,798.31	85.02%
Boksburg	6,638,265,855.88	6,140,403,785.75	92.50%
Brakpan	2,014,575,209.78	1,508,433,677.78	74.88%
Edenvale	2,539,794,123.34	2,554,409,358.67	100.58%
Germiston	9,717,628,687.99	8,229,543,369.41	84.69%
Kempton Park	11,131,592,950.72	10,443,184,922.16	93.82%
Nigel	1,780,810,034.53	1,627,824,064.85	91.41%
Springs	3,155,507,091.25	2,820,122,015.88	89.37%
Total	45,831,413,369.98	41,423,327,886.97	90.38%

Non-Technical Losses Reduction Strategies

Below are the non-technical losses mitigation strategies that are in place at the Energy Department:

- Removal of illegal connections continuously.
- Removal tampered meters, issuing of re-instatement fees and managing re-instatements of the meters.
- Monthly monitoring low and no consumption meters.
- Installation of protective structures with electronic locking mechanism.
- Eskom Bulk PoDs fitted with check meters to ensure bill accuracy.
- Retrofitting conventional meters with prepaid meters.
- Contracted with three skilled EMMC to manage meters and do audits.
- Establishment of Revenue Enhancement and Revenue Recover contract.
- Large power users read via automated meter reading is 13 000 meters – risk mitigation is exceptional, on average readings are 30-minute intervals and are managed effectively.
- 37 000 prepaid meters on semi-smart metering system (IMMS) with losses of about 3% in Tembisa.

6.3.2. Trade and other receivables

The table below shows the extent of consumer debt that is owed to the City. The debt is separated between income source and customer group.

Debtors age analysis

SUMMARY	NT Code	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
Debtors Age Analysis By Income Source											
Trade and Other Receivables from Exchange Transactions - Water	1200	1 171 101	977 964	513 226	570 604	718 558	469 949	2 662 266	7 712 656	**14 796 324**	12 134 033
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 719 905	273 372	153 328	106 156	89 135	65 454	527 506	1 405 085	**4 339 940**	2 193 335
Receivables from Non-exchange Transactions - Property Rates	1400	739 038	283 788	233 700	208 344	200 062	190 927	1 193 042	4 175 754	**7 224 655**	5 968 129
Receivables from Exchange Transactions - Waste Water Management	1500	331 418	249 688	137 971	147 414	185 140	127 407	741 035	2 171 001	**4 091 074**	3 371 998
Receivables from Exchange Transactions - Waste Management	1600	240 253	68 535	58 667	66 628	53 303	53 626	393 370	1 698 854	**2 633 234**	2 265 780
Receivables from Exchange Transactions - Property Rental Debtors-BP866	1700	4 623	5 691	5 437	402 413	–	–	–	–	**418 163**	402 413
Interest on Arrear Debtor Accounts	1810	154 616	153 364	155 060	151 098	143 417	154 527	1 009 353	3 137 422	**5 058 857**	4 595 817
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	**–**	–
Other	1900	86 922	36 039	23 202	29 704	23 360	18 807	271 200	661 788	**1 151 021**	1 004 859
Total By Income Source	**2000**	**4 447 876**	**2 048 439**	**1 280 590**	**1 682 361**	**1 412 974**	**1 080 696**	**6 797 772**	**20 962 560**	**39 713 269**	**31 936 364**
SUMMARY											
Debtors Age Analysis By Customer Group											
Organs of State	2200	104 405	56 181	42 395	36 855	31 443	26 726	119 757	64 463	**482 225**	279 244
Municipal		16 873	25	27	29	33	30	209	530	**17 756**	831
Commercial	2300	2 179 855	419 941	244 300	207 749	165 781	144 423	1 042 369	3 794 298	**8 198 718**	5 354 621
Households	2400	2 136 958	1 565 546	987 941	1 430 524	1 209 466	904 124	5 595 993	16 728 072	**30 558 625**	25 868 180
Other	2500	9 784	6 747	5 926	7 203	6 251	5 392	39 444	375 197	**455 945**	433 488
Total By Customer Group	**2600**	**4 447 876**	**2 048 439**	**1 280 590**	**1 682 361**	**1 412 974**	**1 080 696**	**6 797 772**	**20 962 560**	**39 713 269**	**31 936 364**

As per above-mentioned consolidated debtors analysis per service and debtor group as at reporting date;

- Outstanding consumer debtors amounts to R39.7 billion prior to year-end provisions with R 31.9 billion in arrears in excess of 90 days;
- Outstanding debtors in excess of 90 days represents 80.4% or R31.9 billion of total debtors;
- Water service debtors represent 38.0% of total 90 plus days debt. This is mainly because water cannot be effectively disconnected for non-payment – especially within Eskom supply areas; and
- Household/ Residential debt represents 76.94%% of total outstanding debtors with 81.0% of total 90+ days arrear debt.

The City is continuously encouraging qualified indigent registration to ensure allocation of free basic relief. Total of 228 057 approved and deemed indigents as at 30 June 2026.

6.3.3 Investments

The table below shows the investments held by the City with the various financial institutions as at 30 June 2026

- Unencumbered: 157 806 698.53
- Encumbered: 347 633 531.66
- In entities (Rand Airport) 4 000 100.00
- Total investments as per register 509 440 330.19

INVESTMENTS REGISTER AS AT 30.06.2026

CAPITAL															
COMMEN-CING DATE	**MATURITY DATE**	**INVESTMENT MADE /WITHDRAWAL DATE**	**TYPE OF INVESTMENT**	**ACCOUNT / CERT NUMBER**	**OPENING BALANCE 1.07.2024**	**INVESTMENT MADE**	**INVESTMENT WITHDRAWN**	**INTEREST ACCRUED / EARNED**	**INTEREST RATE**	**REFERENCE IN LEDGER**	**BALANCE 30.06.2026**	**ENCUMBERED**	**En/ Unencumbered**	**Description**	**Interest**
INVESTEC BANK															
13-Nov-98	ON CALL	Call deposit	ENCUMBERED DEP.	138799500	25 835 842,49			1 769 164,22	6,85%	GROWTH	27 605 006,71		Unencumbered	*Short term*	Capitalised
					25 835 842,49	-	-	**1 769 164,22**			**27 605 006,71**				
STANLIB															
10-Apr-00	ON CALL	Call deposit	MONEY MARKET FUND	53967019	8 088 225,63		0,00	590 541,24	Variable	700369888	8 678 766,87		Unencumbered	*Short term*	Capitalised
					8 088 225,63	0,00	0,00	590 541,24			8 678 766,87				
0															
02-Aug-00	Unit Trusts		GUARANTEED TRUST	RU 502221102	8 812 142,12			627 119,81	13,25%	GROWTH	9 439 261,93		Unencumbered	*Short term/ Inca Gurantee*	Capitalised
01-Oct-98	Money Market		MONEY MARKET FUND	RU500456214	60 119 259,18			4 278 412,55	6,07%	GROWTH	64 397 671,73		Unencumbered	*Short term/ Inca Gurantee*	Capitalised
12-Nov-98	Unit Trusts		GUARANTEED TRUST	RU500433509	44 517 859,00			3 168 132,29	14,76%	GROWTH	47 685 991,29		Unencumbered	*Short term/ Inca Gurantee*	Capitalised
					113 449 260,30	**0,00**		**8 073 664,65**			**121 522 924,95**	**0,00**			
NEDBANK STRUCTURED DEPOSIT SINKING FUND R2 BILLION DBSA															
			OPENING BALANCE		75 108 488,88				11,74%		75 108 488,88	75 108 488,88	Encumbered	*Structural Bond*	Capitalised
30-Jun-23	2034-May-25	25-Jul-24		66294929		8 558 161,15		708 077,57			9 266 238,72	9 266 238,72	Encumbered	*Structural Bond*	Capitalised
30-Jun-23	2034-May-25	25-Aug-25		66294929		8 558 161,15		821 948,56			9 380 109,71	9 380 109,71	Encumbered	*Structural Bond*	Capitalised
30-Jun-23	2034-May-25	25-Sept-25		66294929		8 558 161,16		913 326,26			9 471 487,42	9 471 487,42	Encumbered	*Structural Bond*	Capitalised
30-Jun-23	2034-May-25	25-Oct-25		66294929		8 558 161,16		1 038 032,61			9 596 193,77	9 596 193,77	Encumbered	*Structural Bond*	Capitalised
30-Jun-23	2034-May-25	25-Nov-25		66294929			28 682 030,40	1 028 168,61			-27 653 861,79	-27 653 861,79	Encumbered	*Structural Bond*	Capitalised
30-Jun-23	2034-May-25	24-Dec-25		66294929		8 558 161,16		909 974,60			9 468 135,76	9 468 135,76	Encumbered	*Structural Bond*	Capitalised
30-Jun-23	2034-May-25	25-Jan-26		66294929		8 558 161,16		832 700,06			9 390 861,22	9 390 861,22	Encumbered	*Structural Bond*	Capitalised
30-Jun-23	2034-May-25	25-Feb-26		66294929		8 558 161,16		980 710,01			9 538 871,17	9 538 871,17	Encumbered	*Structural Bond*	Capitalised
30-Jun-23	2034-May-25	25-Mar-26		66294929		8 558 161,16		999 260,97			9 557 422,13	9 557 422,13	Encumbered	*Structural Bond*	Capitalised
30-Jun-23	2034-May-25	28-Apr-26		66294929		8 558 161,16		1 315 503,47			9 873 664,63	9 873 664,63	Encumbered	*Structural Bond*	Capitalised
30-Jun-23	2034-May-25	25-May-26		66294929			28 682 030,40	1 128 439,19			-27 553 591,21	-27 553 591,21	Encumbered	*Structural Bond*	Capitalised
30-Jun-23	2034-May-25	25-Jun-26		66294929		8 558 161,16		1 027 198,09			9 585 359,25	9 585 359,25	Encumbered	*Structural Bond*	Capitalised
					75 108 488,88	85 581 611,58	57 364 060,80	11 703 340,00			115 029 379,66	115 029 379,66			

INVESTMENTS REGISTER AS AT 30.06.2026

CAPITAL															
COMMEN-CING DATE	MATURITY DATE	INVESTMENT MADE /WITHDRAWAL DATE	TYPE OF INVESTMENT	ACCOUNT / CERT NUMBER	OPENING BALANCE 1.07.2024	INVESTMENT MADE	INVESTMENT WITHDRAWN	INTEREST ACCRUED / EARNED	INTEREST RATE	REFERENCE IN LEDGER	BALANCE 30.06.2026	ENCUMBERED	En/ Unencumbered	Description	Interest
ABSA BANK STRUCTURED DEPOSIT SINKING FUND R2 BILLION DBSA															
			OPENING BALANCE		146 064 737,00						146 064 737,00	146 064 737,00	Encumbered	*Structural Bond*	Capitalised
30-Jul-23	28-Apr-34	28-Jul-25		178286025		18 539 097,00		1 384 333,00	11,53%		19 923 430,00	19 923 430,00	Encumbered	*Structural Bond*	Capitalised
30-Jul-23	28-Apr-34	28-Aug-25		178286025		18 539 097,00		1 573 160,00	11,53%		20 112 257,00	20 112 257,00	Encumbered	*Structural Bond*	Capitalised
30-Jul-23	28-Apr-34	26-Sept-25		178286025		18 539 097,00		1 881 360,00	11,53%		20 420 457,00	20 420 457,00	Encumbered	*Structural Bond*	Capitalised
30-Jul-23	28-Apr-34	24-Oct-25		178286025			60 460 904,00	1 892 067,00	11,53%		-58 568 837,00	-58 568 837,00	Encumbered	*Structural Bond*	Capitalised
30-Jul-23	28-Apr-34	25-Nov-25		178286025		18 539 097,00		1 402 221,00	11,53%		19 941 318,00	19 941 318,00	Encumbered	*Structural Bond*	Capitalised
30-Jul-23	28-Apr-34	25-Dec-25		178286025		18 539 097,00		1 697 297,00	11,53%		20 236 394,00	20 236 394,00	Encumbered	*Structural Bond*	Capitalised
30-Jul-23	28-Apr-34	28-Jan-26		178286025		18 539 097,00		1 783 008,00	11,53%		20 322 105,00	20 322 105,00	Encumbered	*Structural Bond*	Capitalised
30-Jul-23	28-Apr-34	27-Feb-26		178286025		18 539 097,00		1 843 903,00	11,53%		20 383 000,00	20 383 000,00	Encumbered	*Structural Bond*	Capitalised
30-Jul-23	28-Apr-34	27-Mar-26		178286025		18 539 097,00		2 385 671,00	11,53%		20 924 768,00	20 924 768,00	Encumbered	*Structural Bond*	Capitalised
30-Jul-23	28-Apr-34	28-Apr-26		178286025			60 460 903,00	2 209 300,00	11,53%		-58 251 603,00	-58 251 603,00	Encumbered	*Structural Bond*	Capitalised
30-Jul-23	28-Apr-34	28-May-26		178286025		18 539 097,00	0,00	1 875 526,00	11,53%		20 414 623,00	20 414 623,00	Encumbered	*Structural Bond*	Capitalised
30-Jul-23	28-Apr-34	28-Jun-26		178286025		18 539 097,00	0,00	2 142 406,00	11,53%		20 681 503,00	20 681 503,00	Encumbered	*Structural Bond*	Capitalised
			0,00		146 064 737,00	185 390 970,00	120 921 807,00	22 070 252,00			232 604 152,00	232 604 152,00	Encumbered	*Structural Bond*	Capitalised
RAND AIRPORT															
			SHAREHOLDING		4 000 000,00						4 000 000,00		Entities		
MUNICIPAL ENTITIES															
10-Mar-99			G.G. INNER CITY HSNG		100,00						100,00		Entities		
					100,00		0,00				100,00				
			TOTAL INVESTMENTS		**372 546 654,30**	**25 120 707,58**	**178 285 867,80**	**44 206 962,11**			**509 440 330,19**	**347 633 531,66**			

6.3.4 Creditors

The outstanding creditors as at end 30th June 2026 are the following:

Creditors	Current	30 Days+	60 Days+	90 Days+	120 Days+	Total creditors
Eskom Holdings	2 888 640 169,32	2 108 168 184,32	-	-	2 230 238 700,07	7 227 047 053,71
East rand Water care Company	147 800 343,43	298 168 434,06	99 978 213,73	146 528 153,50	421 903 597,10	1 114 378 741,82
Roads and Transport licensing departm	94 814 480,78	88 618 841,48	104 604 387,10	100 406 038,60	430 378 539,04	818 822 287,00
Rand water	585 552 840,92	524 228 547,51	-	-		1 109 781 388,43
Other creditors	1 206 636 611,00	546 298 190,00	437 152 618,00	579 637 621,00	216 924 210,00	2 986 649 250,00
	4 923 444 445,45	3 565 482 197,37	641 735 218,83	826 571 813,10	3 299 445 046,21	13 256 678 720,96

The table above shows all the major creditors and their status as at 30 June 2026. The current financial position has impacted on how the city services its outstanding creditors due to the low collection of revenue. Invoices are paid only when they are valid. All invalid invoices are sent back to Departments and services providers for correction

The payments to service providers in the 4th quarter were R2.671 billion and all invoices relating to bulk were R5,361 billion

There is an agreement with rand water to pay bulk monthly bulk invoice in 2 trenches, 60% within 30 days and 40% within 45 days. The city has not defaulted on this agreement.

The city entered a payment arrangement with Eskom on the 26th of February in addressing long outstanding invoice. The city has been paying in line with the agreement.
Eskom current invoices will be settled within 30 days.

6.3.6. Cost Containment

The Municipal Cost Containment Regulations, 2019 issued through Government Gazette number 42514, dated 7 June 2019 require regular disclosure of cost containment efforts. The table below shows the extent of cost containment during the 2025/26 Fourth quarter.

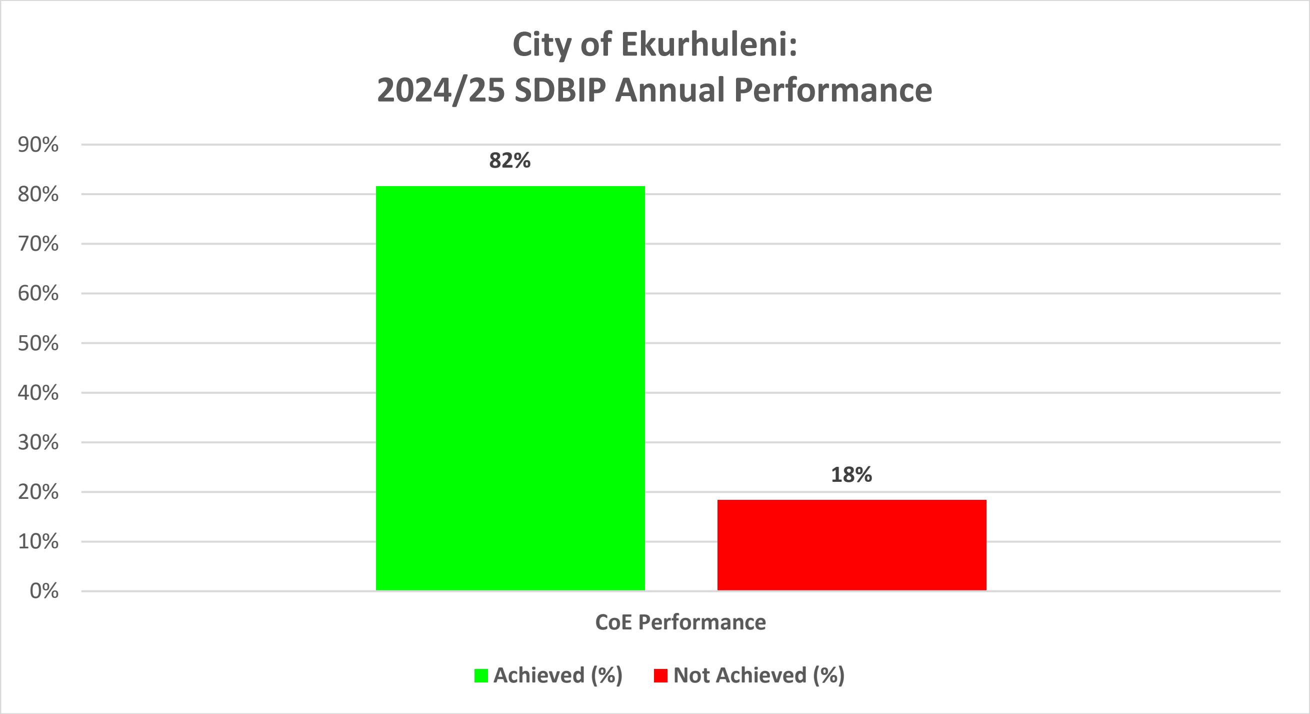
Description	Budget Year 2025/26			Reporting month of June 2026		
	Revised Budget R	Budget Q4 R	Actual Q4 R	YearTD budget R	YearTD actual R	YTD variance %
Advertising Costs	9,602,234	4,650,460	1,339,748	9,602,234	3,849,407	-59.9%
Catering services	5,664,549	1,447,273	1,654,479	5,664,549	3,998,317	-29.4%
Entertainment	280,674	77,593	14,542	280,674	45,599	-83.8%
Printing & Stationery	18,985,634	4,270,313	3,747,962	18,985,634	12,921,120	-31.9%
Professional services/Consultants	804,326,288	438,772,390	626,213,595	804,326,288	877,021,469	9.0%
Special Events(WAQ)	20,726,089	7,141,124	3,023,141	20,726,089	13,257,049	-36.0%
Staff study - Internal bursaries	609,217	-	609,157	609,217	609,157	0.0%
Travel & Accomodation - Domestic	4,172,154	1,727,769	1,262,421	4,172,154	2,764,907	-33.7%
Travel & Accomodation - Foreign	2,850,010	1,200,001	247,155	2,850,010	1,067,704	-62.5%
Workshops(WAD)	10,270,404	3,021,490	2,871,192	10,270,404	5,998,944	-41.6%
TOTAL	**877,487,253**	**462,308,414**	**640,983,392**	**877,487,253**	**921,533,675**	**5%**

7. SUMMARY OF THE UNAUDITED QUARTERLY SDBIP REPORT: QUARTER FOUR OF THE 2025/26 FINANCIAL YEAR

SUMMARY OF THE FOURTH QUARTER NON-FINANCIAL PERFORMANCE INFORMATION

CITY-WIDE PERFORMANCE

FIGURE 1: CITY-WIDE 2024/25 QUARTER 4 PERFORMANCE



The City committed to a total of 98 targets in the fourth quarter of the 2024/25 financial year. Against these commitments, 80 (82%) targets were achieved and 18 (18%) were not achieved. The committed targets were contributed by the seventeen (17) departments and one entity for the metro wide SDBIP. Of the seventeen (17) departments that committed to the targets, ten (10) departments achieved hundred per cent (100%) and one (1) department achieved less than 50%. The entity that was due for reporting (ERWAT) achieved 100% of its planned targets. One (1) department, Service Delivery Coordination achieved nil per cent (0%) of their targets during the reporting quarter.

FIGURE 2: CITY-WIDE 2024/25 QUARTER 4 PERFORMANCE PER CLUSTER

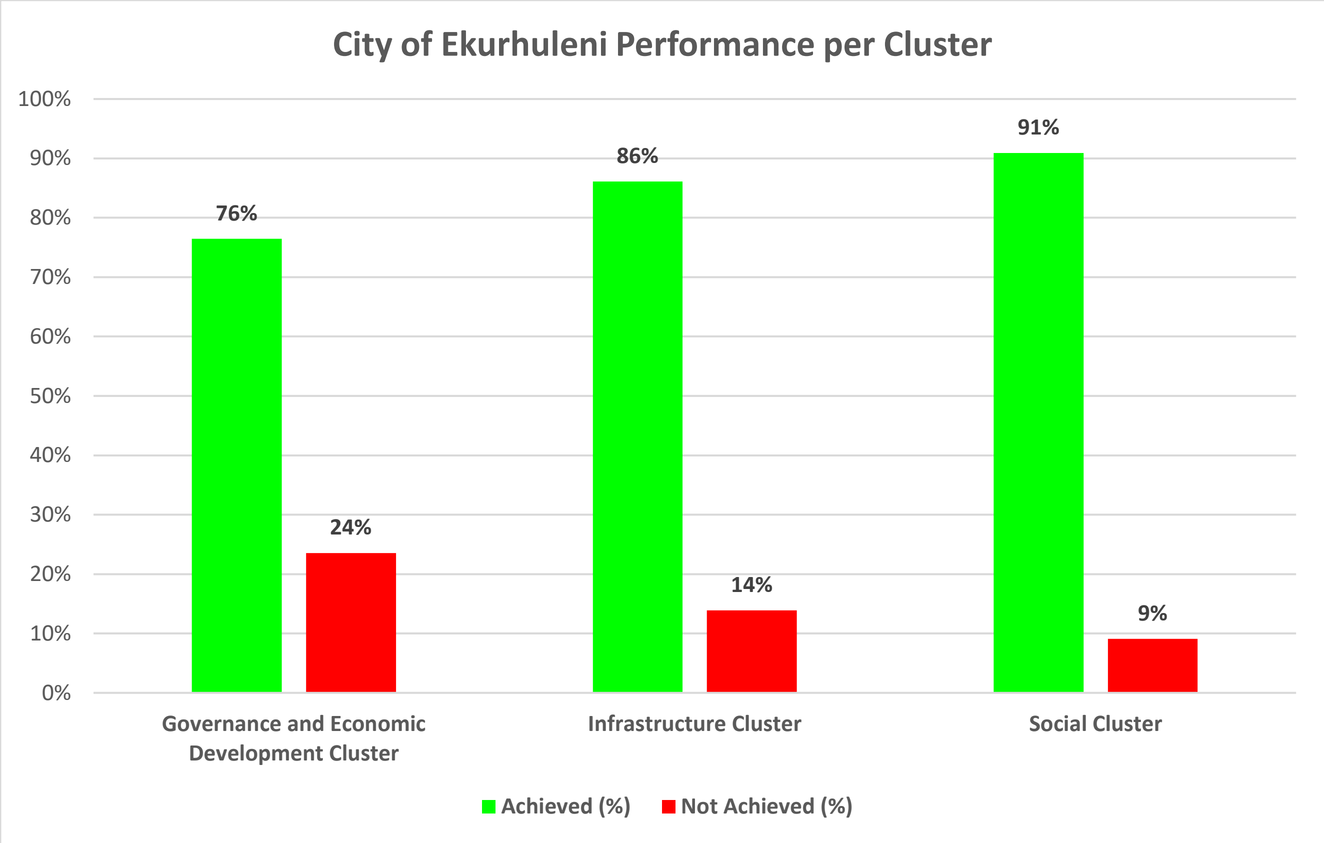


Figure 2. above presents the quarterly performance against the targets set for quarter 4 of the 2024/25 financial year per cluster. The figure shows that the Social Cluster recorded the highest performance of ninety-one per cent (91%) target achievement followed by Infrastructure Cluster at eighty six percent (86%), Governance and Economic Development Cluster achieved seventy six percent (76%) of its targets.

FIGURE 3: CITY-WIDE QUARTER 4 PERFORMANCE BY GDS THEMATIC AREAS

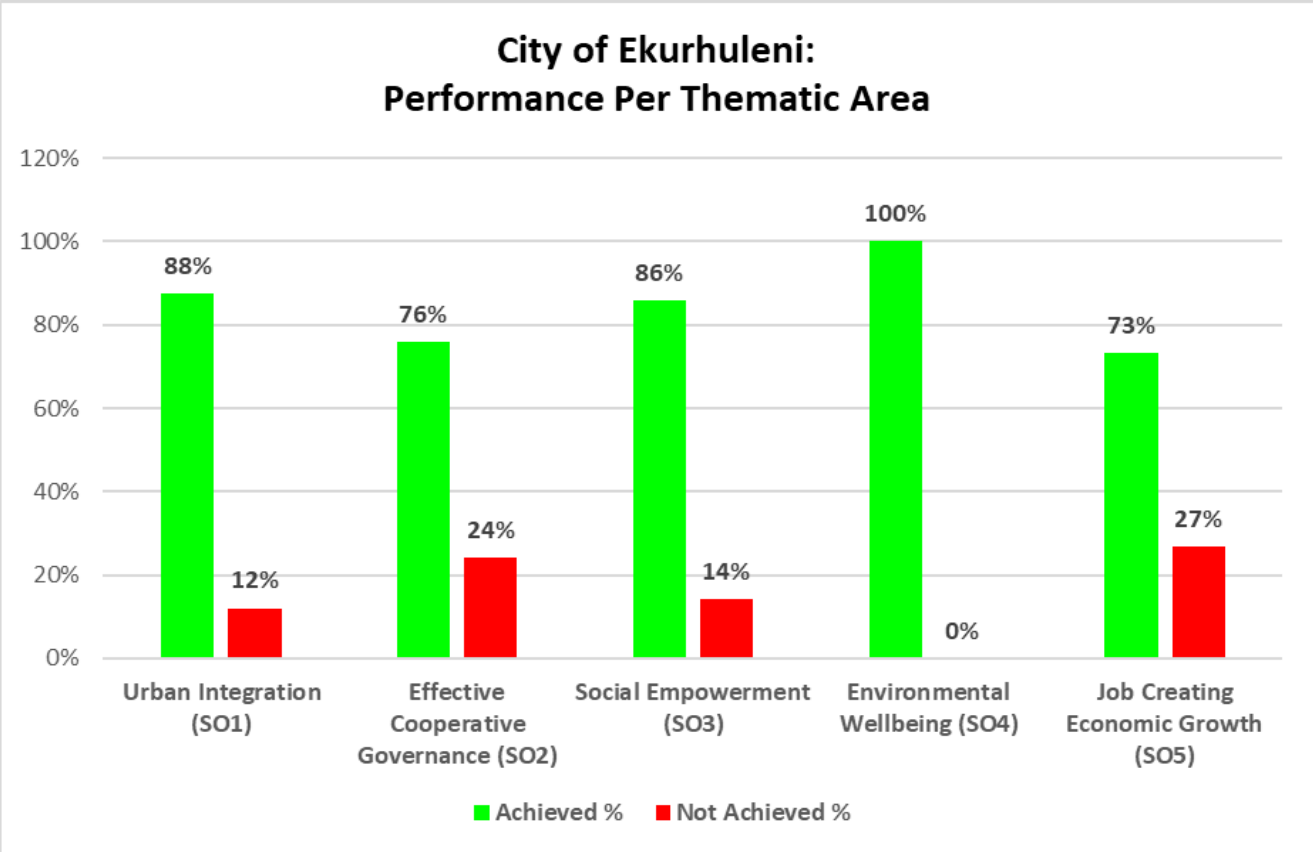
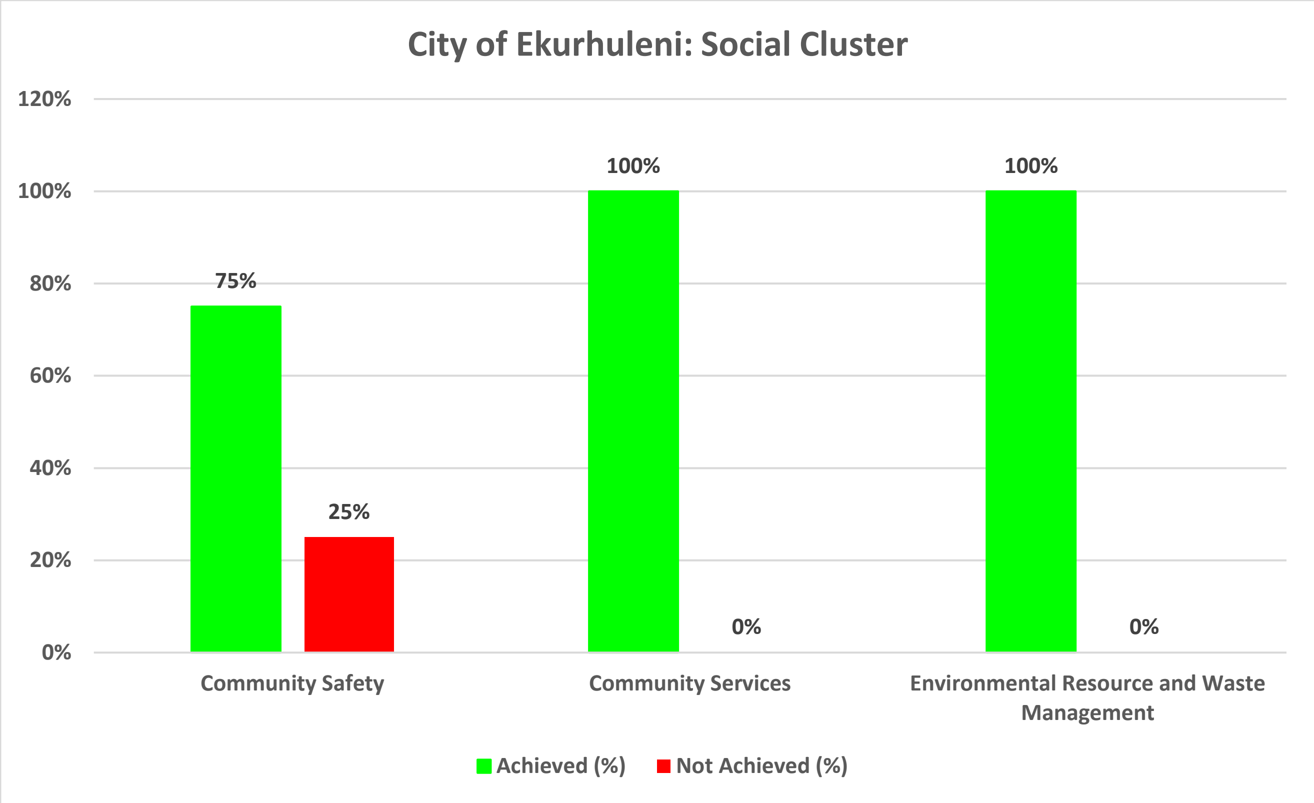


Figure 3. above presents the organisational performance against targets set within specific Thematic Areas of the Growth and Development Strategy (GDS) 2055. The performance on targets that were planned to be delivered over the period under review is summarised as follows:

- The highest performance was recorded at hundred per cent (100%) target achievement for the Environmental Wellbeing GDS Thematic Area.
- The second highest performance was recorded for targets that were planned for Urban Integration GDS Thematic Area at eighty eight percent (88%) targets achievement.
- The third highest performance was recorded for targets that were planned for Social Empowerment GDS Thematic Area at eighty-six per cent (86%) targets achievement.
- The Effective Cooperative Governance at seventy-six per cent (76%) targets achievement while Job Creating Economic Growth achieved seventy-three per cent (73%).

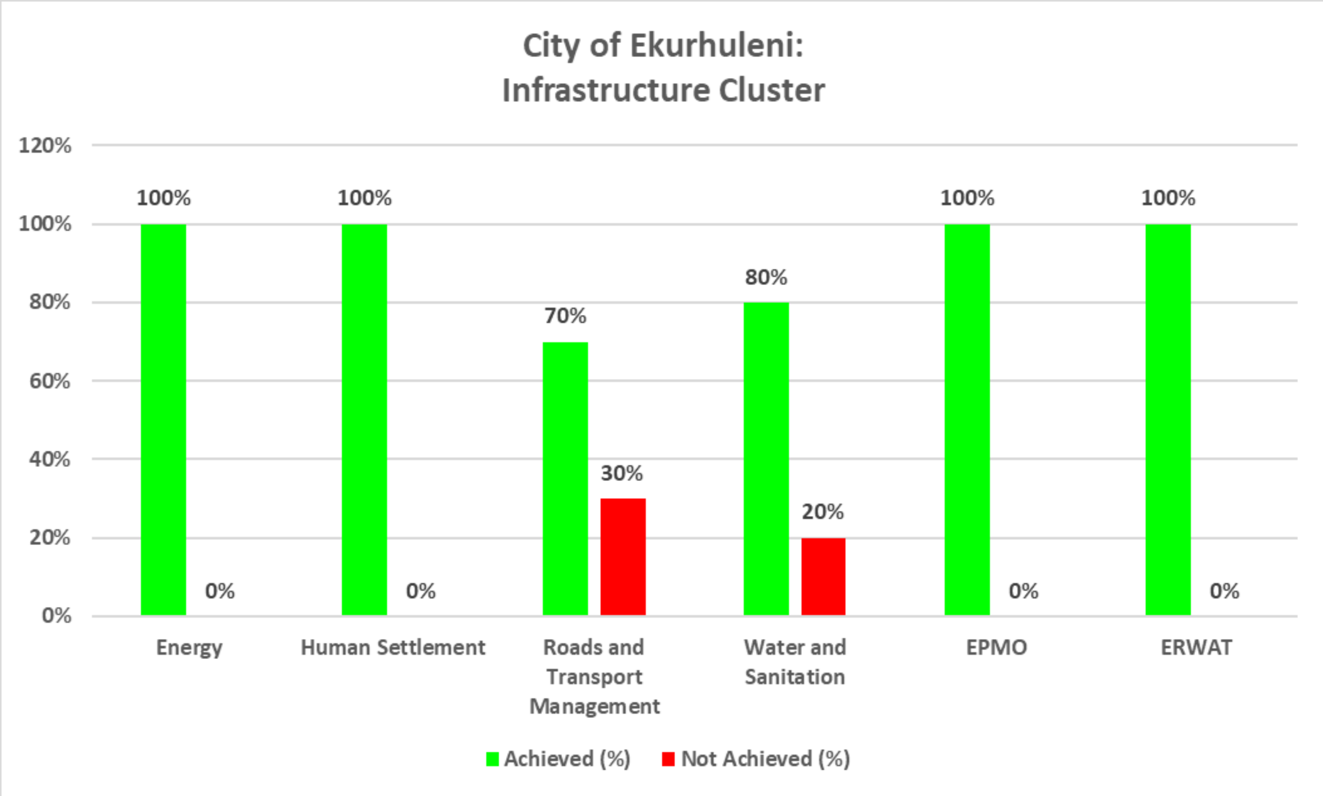
FIGURE 4: CITY-WIDE QUARTER 4 PERFORMANCE ACROSS SOCIAL CLUSTER



Social Cluster

The Social Cluster committed to a total of eleven (11) targets and ten (10) targets were achieved which translate to ninety-one per cent (91%). Two (2) of three departments in this cluster achieved hundred per cent (100%) of their planned targets for the quarter under review. These departments are Community Services (Sports, Recreation, Arts and Culture and Health and Social Development) and Environmental Resource and Waste Management. Community Safety department (Disaster and Emergency Management Services and Ekurhuleni Metro Police Department) achieved seventy-five per cent (75%) of its planned targets.

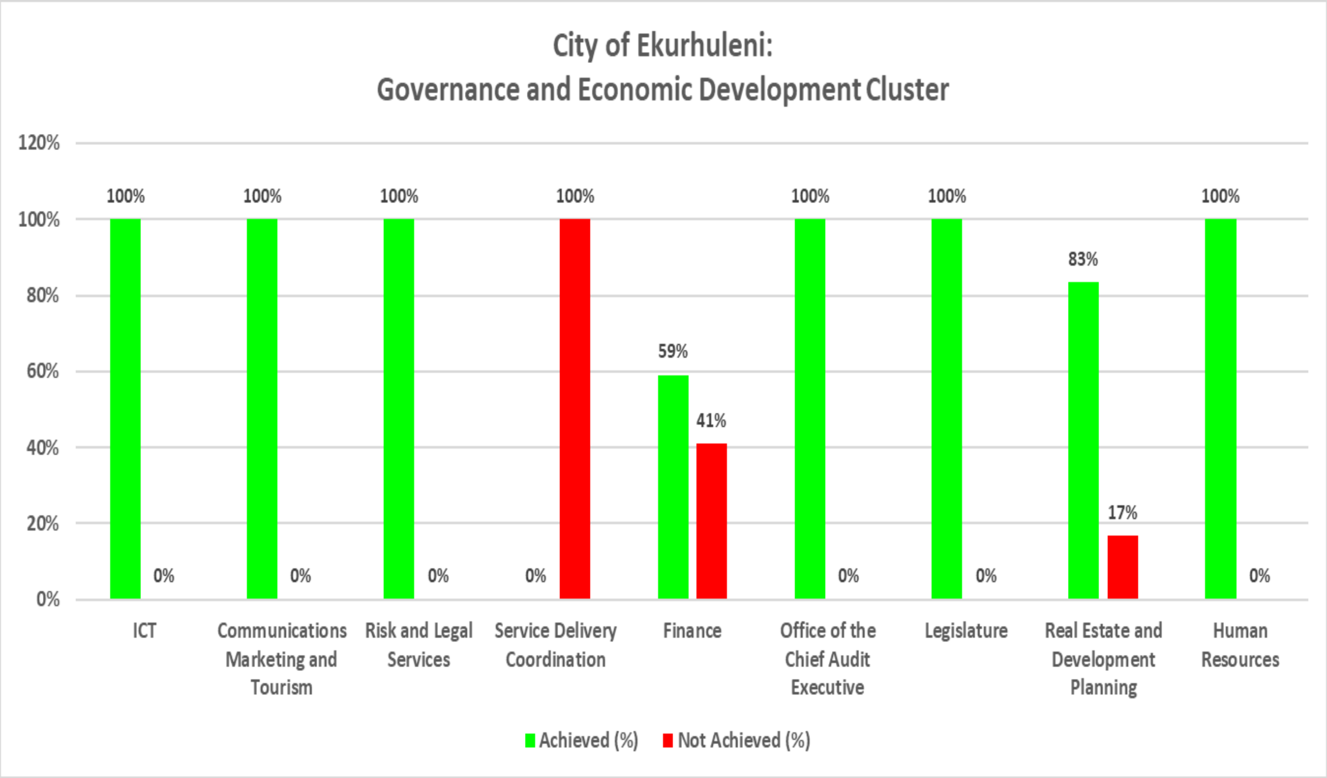
FIGURE 5: CITY-WIDE QUARTER 4 PERFORMANCE ACROSS INFRASTRUCTURE CLUSTER



Infrastructure Cluster

The cluster committed to a total of 36 targets and of those targets, 31 (86%) were achieved. Energy, Human Settlements; EPMO and ERWAT achieved hundred per cent (100%) of their planned targets. The second highest performing department in this cluster is Water and Sanitation which achieved eighty per cent (80%) of its planned targets, followed by Roads and Transport Management at seventy per-cent (70%).

FIGURE 6: CITY-WIDE QUARTER 4 PERFORMANCE ACROSS GOVERNANCE AND ECONOMIC DEVELOPMENT CLUSTER



Governance and Economic Development Cluster

The performance of the cluster was measured against fifty-one (51) targets that were planned to be met during the quarter under review. A total of 39 (76%) targets were achieved and 12 (24%) were not achieved. Six (6) departments (Information Communication and Technology, Communications Marketing and Tourism, Office of the Chief Audit Executive, Risk and Legal Services, Legislature and Human Resources) achieved 100% of their set targets. The second highest performing department in this cluster is Real Estate and Development Planning which achieved eighty-three per cent (83%) of its targets, followed by Finance department at fifty-nine per cent (59%) targets achievement. While Service Delivery Coordination department achieved nil per cent (0%) of its targets.

HIGHLIGHTS FOR 2024/25 SDBIP QUARTER FOUR PERFORMANCE

During this period under review, the key focus was on the improvement of increased security of water supply, refuse removal services, electrification, gravelling and upgrading of roads in the informal settlements and maintenance of service levels in all areas of the City are some of the noteworthy key service delivery highlights.

SOCIAL EMPOWERMENT

This thematic area aims at building a socially cohesive, healthy, active, and engaged citizenry capable of working in partnership. The City embarked on a number of initiatives that yielded some commendable results. These included:

- Community Services department supported **99** ECD Centres with school programmes during the reporting period engaging with children on leading active and positive lives for their own development.
- Commendable strides were made in the provision of health care services. Some of the notable achievements included the reduction of HIV transmission from Mother-To-Child to a level of **0.60%** at Q4 which is well below the National Targets of 2%.
- In contributing towards the attainment of the City's developmental agenda, the Department of Health and Social Development continued the implementation of its Indigent Support Programme aimed at improving the lives of the indigent households. During Q4, a total of **3157** new indigent households were captured and verified as part of the process to receive the free basic services.

Safety and security across the City continue to be a high priority. The municipality focused on reducing accidents, fatalities and injuries and restore confidence and respect for road traffic management. This was done through heightened awareness of road traffic safety issues and by-law enforcement operations thereby inculcating good road user behaviour and voluntary compliance to by-laws and traffic laws. A total of **35** planned by-law enforcement policing operations were implemented in Q4 while **147** interventions to reduce crime and related incidents were implemented at this quarter.

JOB CREATION

The City recognises unemployment, poverty, homelessness as fundamental challenges human development, restoration of human dignity which are being addressed as part of people's government. Unemployment has continued to be a challenge, and this undermines expectations for increased employment opportunities. In pursuit of addressing this challenge at a local level, the City has created **3928** work opportunities through public employment programmes (incl. EPWP, CWP and other related employment programmes).

8. ORGANISATIONAL AND HUMAN RESOURCE IMPLICATIONS

None

9. FINANCIAL IMPLICATIONS

None

10. LEGAL IMPLICATIONS

The report is compiled in accordance with the requirements of the MFMA and Municipal Budget and Reporting Regulations.

11. COMMUNICATION IMPLICATION

The contents of the report must be communicated to National and Provincial Treasuries.

The Marketing and Brand Management Department will ensure that the report is placed on the official website of Council.

12. OTHER DEPARTMENTS/ BODIES CONSULTED

- The Finance Management Team was consulted, and the recommendations are supported.
- The Strategy and Corporate Planning Department was responsible for the compilation of the Performance Report.
- The Municipal Entities compiled their own Performance Reports.

13. LIST OF ANNEXURES

Annexure A: Departmental Operating Budget Reports for 4th Quarter of 2025/26 Financial Year;

Annexure B: Detailed Capital Expenditure Reports for 4th Quarter of 2025/26 Financial Year; and

Annexure C: Detailed Performance Report (Pre-Determined Measurable Performance Targets for 4th Quarter of 2025/26).

14. RECOMMENDATIONS

1. **That** the report on the Unaudited Financial and Performance Results of the City of Ekurhuleni for the Fourth Quarter of the 2025/26 financial year as required in terms of Section 52(d) of the Municipal Finance Management Act **BE NOTED**.

2. **That**, in compliance with Section 52(d) and Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations” the financial results regarding the operating and capital budgets for the Fourth quarter of the 2025/26 financial year, and supporting documents as required by National Treasury (Schedule C) as at 30 June 2026, **IS SUBMITTED** to Council.

3. **That** in order to comply with Section 31(1) of the Government Gazette No 32141 of 17 April 2009, this report **BE SUBMITTED** to the National Treasury and the Gauteng Provincial Treasury within five days of tabling of the report in the Council, in both a Council approved document and in electronic format.

4. **That** the report on the Financial and Performance Results for the Fourth quarter of the 2025/26 financial year **BE REFERRED** to the relevant Section 79 Oversight Committees.