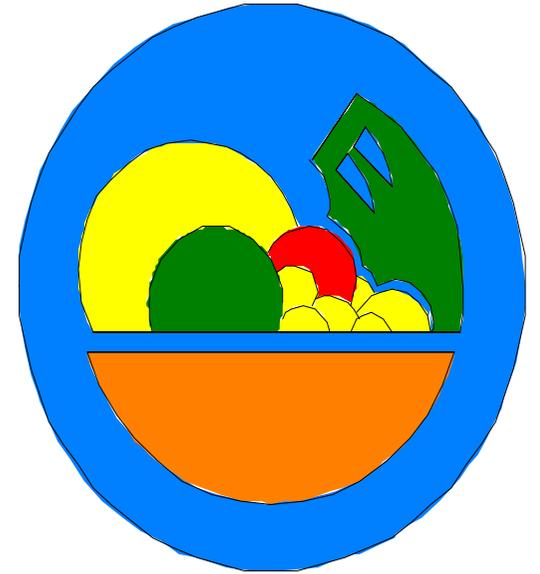




***GREATER TZANEEN
MUNICIPALITY***

***DECEMBER 2025/2026
FINANCIAL REPORT***



DECEMBER FINANCIAL REPORT

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1. BUDGET PERFORMANCES

1.1 OPERATING EXPENDITURE V/S CAPITAL EXPENDITURE

Description	Allocation	Adjustment Budget	December	YTD Expenditure	%YTD Expenditure	% YTD Target
Operating Expenditure	1 893 391 347	1 893 391 347	126 337 020	825 769 762	43.61%	50.00%
Capital Expenditure	300 030 253	300 030 253	33 707 099	85 040 041	28.34%	50.00%
TOTAL EXPENDITURE	2 193 421 600	2 193 421 600	160 044 119	910 809 803	41.52%	50.00%

OPERATIONAL EXPENDITURE

The actual operational expenditure represents 43.61 %, which is relative to the budgeted operational expenditure. The Operational expenditure does not include water and sewer expenses. The variance is because of various factors among others include savings realised through effective cost containment measures and prioritisation of essential services and fiscal discipline.

CAPITAL EXPENDITURE

The capital expenditure incurred for the month of December 2025 amounts to R 33 707 099 and the accumulated expenditure at year end was R 85 040 041 which represent 28.34%.

1.2 SALARIES

Description	Allocation	Adjustment Budget	December	YTD Expenditure	%YTD Expenditure	% YTD Target
Employee Related Cost	493 531 498	493 531 498	37 201 760	225 812 672	45.75%	50.00%
TOTAL	493 531 498	493 531 498	37 201 760	225 812 672	45.75%	50.00%

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1.3 OVERTIME

Department	Allocation	December	YTD Expenditure	%YTD Expenditure	% YTD Budget
Municipal Manager					
Executive & Council/Special Projects	54 242	0	211 042	389.07%	50.00%
Office of the Municipal Manager/Office of the Mayor#Administration	25 439	1 316	7 698	30.26%	50.00%
Office of the Municipal Manager/Office of the Municipal Manager#Administration	0	0	17 038	0.00%	50.00%
Office of the Municipal Manager/Strategic Support#Performance Management	97 419	0	70 358	72.22%	50.00%
Planning and Economic development					
Property Valuation	0	0	0	0.00%	50.00%
Strategic Town Planning	0	0	0	0.00%	50.00%
Tourism and LED: SME	0	0	0	0.00%	50.00%
Town Planning Administration	0	0	0	0.00%	50.00%
Budget and Treasury					
Budget and Treasury/Administration Finance	2 647	0	2 646	99.98%	50.00%
Budget and Treasury/Expenditure Management	783 420	47 113	537 591	68.62%	50.00%
Budget and Treasury/Financial Services and Reporting	264 220	43 079	270 067	102.21%	50.00%
Budget and Treasury/Revenue Management	393 081	45 368	307 116	78.13%	50.00%
Budget and Treasury/Stores	223 913	29 830	196 575	87.79%	50.00%
Budget and Treasury/Supply Chain Management	118 893	0	159 162	133.87%	50.00%
Corporate Services					
Corporate Services/CORPORATE SERVICES	42 017	57 837	260 824	620.76%	50.00%
Corporate Services/Employee Performance Management	0	0	0	0.00%	50.00%
Corporate Services/Human Resources	29 359	8 760	75 489	257.12%	50.00%
Corporate Services/Media Communications	108 055	27 434	141 727	131.16%	50.00%
Corporate Services/Networking and Security	5 048	6 180	48 753	965.79%	50.00%
Corporate Services/PUBLIC PARTICIPATION & PROJECT SUPPORT	368 350	34 383	199 024	54.03%	50.00%
Engineering Services					

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Engineering Services/Building Control, Maintenance and Fleet Management	234 623	32 293	214 951	91.62%	50.00%
Engineering Services/Housing	340 795	0	76 096	22.33%	50.00%
Engineering Services/ROADS & STORMWATER MANAGEMENT	1 226 957	274 970	1 107 493	90.26%	50.00%
Community Services					
Community Services/Administration transport, safety, security	3 958	0	0	0.00%	50.00%
Community Services/Environmental Management	333 328	0	90 779	27.23%	50.00%
Community Services/Licensing	1 316 111	213 142	1 136 576	86.36%	50.00%
Community Services/Pollution Control	1 767 371	204 941	1 345 274	76.12%	50.00%
Community Services/Public Toilet Management	449 097	56 857	355 350	79.13%	50.00%
Community Services/Rural Waste Management	2 493 383	316 396	2 016 350	80.87%	50.00%
Community Services/Safety and Security	892 797	119 032	637 501	71.40%	50.00%
Community Services/Sports, Art and Culture	846 748	165 391	748 223	88.36%	50.00%
Electrical Engineering					
Electrical Engineering/Customer and Retail Services	187 614	27 824	199 638	106.41%	50.00%
Electrical Engineering/Electrical Planning and Projects	1 769 273	229 648	1 280 462	72.37%	50.00%
Electrical Engineering/Operations and Maintenance	2 490 111	407 639	2 328 569	93.51%	50.00%
Total	16 868 269	2 349 432	14 042 371	83.25%	50.00%

The salary cost including social contributions represents 45.75% of the budget. An amount of R 2 349 432 was paid for overtime for the month. The municipality is embarking on a process of introducing shift system, which will assist to minimise high overtime and expedite service delivery. The overtime form has been amended to include provision of available budget prior to approval, this will assist to monitor overtime budget on regularly basis.

1.4 REMUNERATION ON COUNCILLORS

Description	Allocation	Adjustment Budget	December	YTD Expenditure	%YTD Expenditure	% YTD Target
Remunerations of Councillors	31 414 296	31 414 296	2 488 023	14 912 196	47.47%	50.00%
TOTAL	31 414 296	31 414 296	2 488 023	14 912 196	47.47%	50.00%

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2. GRANTS AND SUBSIDIES RECEIVED

Description	Allocation	Adjustment Budget	December Receipt	YTD receipt	%YTD Receipt
EQUITABLE SHARE	555 351 000	555 351 000	185 117 000	416 513 000	75.00%
MIG	122 308 000	122 308 000	24 191 000	98 713 000	80.71%
FMG	2 000 000	2 000 000	0	2 000 000	100.00%
EPWP	4 811 000	4 811 000	2 165 000	3 368 000	70.01%
INEP	10 536 000	10 536 000	2 107 000	6 848 000	65.00%
SETA	600 000	600 000	250 620	250 620	41.77%
TOTAL	695 606 000	695 606 000	213 830 620	527 692 620	75.86%

3 PERFORMANCE ON CONDITIONAL GRANTS

Description	Budget	Adjustment Budget	December Spending	YTD receipt	YTD spent	Total unspent/overspent	% Spent from Budget	% Spent from Receipt
MIG	122 308 000	122 308 000	26 967 441	98 713 000	72 128 430	26 584 570	58.97%	73.07%
FMG	2 000 000	2 000 000	55 044	2 000 000	689 384	1 310 616	34.47%	34.47%
EPWP	4 811 000	4 811 000	0	3 368 000	4 196 070	-828 070	87.22%	124.59%
INEP	10 536 000	10 536 000	594 766	6 848 000	7 695 829	-847 829	73.04%	112.38%
SETA	600 000	600 000	21 600	250 620	441 524	-190 904	73.59%	176.17%
TOTAL	140 255 000	140 255 000	27 638 851	111 179 620	85 151 237	26 028 383	60.71%	76.59%

All grants are used effectively for intended purpose, and the municipality conforms to grant conditions.

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4 REVENUE BILLED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	December Billing	YTD Billing	% YTD Billing	% YTD Target
Property Rates	190 271 814	198 271 814	19 198 294	111 394 196	58.54%	50.00%
Electricity	920 783 599	964 783 599	81 122 798	570 434 294	61.95%	50.00%
Solid Waste	43 979 397	43 979 397	4 404 520	25 575 256	58.15%	50.00%
TOTALS	1 155 034 810	1 207 034 810	104 725 612	707 403 747	61.25%	50.00%

5. REVENUE COLLECTED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	December Receipt	YTD Billing	YTD receipt	%YTD Receipt Per Billing	% YTD Receipt Per Budget
Property Rates	190 271 814	198 271 814	9 465 453	111 394 196	62 830 412	56.40%	33.02%
Electricity	920 783 599	964 783 599	103 327 268	570 434 294	523 873 286	91.84%	56.89%
Solid Waste	43 979 397	43 979 397	1 723 231	25 575 256	11 104 780	43.42%	25.25%
TOTALS	1 155 034 810	1 207 034 810	114 515 952	707 403 747	597 808 477	84.51%	51.76%

However, Council must note that the 84.51% excludes Mopani services (water and sewer) plus other sundry income.

6. BANK BALANCE

Name of institution	Cash in the Bank on 31 December 2025
ABSA	R 319,458,055.68

Council had a positive Bank Balance of R 319,458,055.68 at the end of December 2025

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7. BANK RECONCILIATION

Bank Reconciliation Summary - December 2025

Bank Statement balance

ABSA1260	-
ABSA4051	-
ABSA4222	45 743 373,44
ABSA3930	39 257 265,82
ABSA4237	228 315 261,41
ABSA4990	6 142 155,01
	<hr/>
	319 458 055,68

Outstanding BS entries - 1 761 144,40

Reconciling items

Outstanding Payments	- 28 768,32
Outstanding Receipts	1 160 664,19

Cashbook Closing Balance - **629 248,53**

Cashbook Opening Balance **196 158 182,03**

Withdrawals - 991 322 162,05

Deposits 1 113 992 787,17

Cashbook Closing Balance **318 828 807,15**

General Ledger Closing Balance 318 837 980,67

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8. INVESTMENTS

8.1 LONG TERM INVESTMENTS

Name of institution	Maturity Date	Balance as of 30 December 2025
ABSA	26 June 2026	23 396 246.67
TOTAL		R 23 396 246.67

- An investment of R 16 594 314 has been made with ABSA as a cession to repay a loan of R 90 million on maturity date.

8.2 SHORT TERM INVESTMENTS

Bank	Account Type	Amount
ABSA	call account	40 000 000.00
STANDARD BANK	call account	30 000 000.00
INVESTEC	Call Account	25 000 000.00
NEDBANK	Call Account	30 000 000.00
FNB	Call Account	25 000 000.00
Total		150 000 000.00

The short-term investments of the municipality amounted to R 150 000 000.00 at the end of the month

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9. LOAN MANAGEMENT

Greater Tzaneen Municipality has 6 loans with 3 different institutions.

COMPANY NAME	TYPE OF LOAN	TIMING OF LOAN INTEREST PAYMENT	LOAN AMOUNT (PRINCIPAL DEBT RAISED AT INCEPTION)	DATE OF LOAN TAKEN	LOAN TERMINATION DATE	OPENING BALANCE 01 DEC 2025	DEC 2025		CLOSING BALANCE AS AT 31 DEC 2025
							CAPITAL	INTEREST	
DBSA	ANNUITY	Monthly	41 000 000.00	01/11/2010	31/10/2030	16 005 852.96	221 971.64	97 679.55	15 783 881.32
ABSA	ANNUITY	Semi-Annually	25 140 000.00	02/06/2011	02/06/2026	1 695 793.42	-	-	1 695 793.42
STD BANK	10 yrs STOCK	Semi-Annually	30 000 000.00	30/11/2015	16/10/2025	-	-	-	-
DBSA	R 40 Mil	Quarterly	40 000 000.00	01/10/2018	31/12/2028	18 468 712.69	1 315 300.85	513 227.82	17 153 411.84
DBSA	R 20 Mil	Quarterly	20 000 000.00	01/10/2019	30/09/2029	9 058 892.22	653 408.27	231 758.73	8 405 483.95
DBSA	R 30 Mil	Quarterly	30 000 000.00	01/10/2020	20/12/2031	14 777 794.14	1 064 013.03	382 538.38	13 713 781.11
TOTAL			186 140 000.00			60 007 045.43	3 254 693.79	1 225 204.48	56 752 351.64

Long-term loan expenditure paid for December 2025 is R1 225 204.48

10. CREDITORS AGE ANALYSIS

10.1 All Trade and Sundry creditors were paid within 30 days as of 30 December 2025

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11. REVENUE MANAGEMENT

11.1 RATES AND SERVICE CHARGES OUTSTANDING - AGE ANALYSIS

RATES AND SERVICE CHARGES OUTSTANDING - AGE							
Age Analysis	Rates	Electricity	Refuse	Sewerage	Water	Sundry	Total
Current	32 154 701.45	114 186 707.37	7 644 753.75	1 782 754.15	9 673 926.51	- 16 993 977.08	148 448 866.15
30 days	10 875 697.35	20 143 989.52	2 914 747.24	663 978.16	3 815 156.84	1 196 226.60	39 609 795.71
60 days	10 544 395.74	23 678 231.68	2 885 968.97	650 730.10	3 557 438.39	1 318 543.51	42 635 308.39
90 days	10 053 201.90	16 858 650.58	2 780 263.76	594 545.65	3 062 012.46	1 314 236.15	34 662 910.50
120 days	9 789 975.67	14 869 629.82	2 737 036.53	583 970.74	3 162 633.75	1 293 772.33	32 437 018.84
120 days plus	420 357 499.59	393 310 711.42	169 863 369.74	35 610 512.89	179 494 744.30	56 890 722.08	1 255 527 560.02
Balance	493 775 471.70	583 047 920.39	188 826 139.99	39 886 491.69	202 765 912.25	45 019 523.59	1 553 321 459.61

The outstanding rates and service charges, includes Sundry Debtors of R 45 million.

The amount disclosed on Sundry Debtors current of negative R 16 million represents Sundry Debtors in credit, or advance payments.

The municipality is embarking on the following measures to enhance revenue collection:

- The municipality is enforcing credit control and debt collection policy and disconnect services for accounts in arrears
- Provide debt incentive for consumers who wishes to settle their accounts
- Data cleansing under way for purification of customer data, improve revenue collection measures
- Persuade government departments/ organ of state to bring their accounts in standing.

12. AGE ANALYSIS PER DEBTOR CLASSIFICATIONS

Classification	Current	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days +	Total
GOVERNMENT	10 829 750.00	3 875 547.00	3 932 885.00	3 542 172.00	60 074 376.66	82 254 730.66
BUSINESS	82 366 160.00	14 552 808.00	18 035 134.00	12 743 466.00	359 630 384.34	487 327 952.34
INDIVIDUALS	75 876 203.00	21 169 657.00	20 662 374.00	18 373 024.00	847 549 635.00	983 630 893.00
OTHER	34 506.00	11 925.00	4 917.00	4 250.00	52 286.00	107 884.00
BALANCE	169 106 619.00	39 609 937.00	42 635 310.00	34 662 912.00	1 267 306 682.00	1 553 321 460.00

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11.3 INDIGENT REGISTRATION AND ACCESS TO BASIC ELECTRICITY

The number of indigents registered and verified, amounts to 21 104.

11.4 REVENUE PER SOURCE BILLING VERSUS CASH RECEIVED

REVENUE PER SOURCE	BILLING	CASH RECEIVED	VARIANCES
Property Rate + Interest	19 198 294	9 465 453	9 732 841
Electricity	77 064 513	103 327 268	-26 262 755
Water	3 099 185	2 594 924	504 261
Sewerage	660 150	412 189	247 961
Refuse Removal	2 904 381	1 723 231	1 181 150
Sundry Charges	7 304 326	7 381 813	-77 487
TOTAL	110 230 849	124 904 879	-14 674 030

The R110 million is regarded as December Monthly revenue received on all services inclusive of other income.

11.5 COLLECTION RATE FOR THE MONTH

COLLECTION RATE- RATES AND SERVICE CHARGE DEBTORS				
	Balance previous month	Billed revenue	Balance current month	Payment Rate (%)
31-Dec-25	1 560 113 851.38	118 112 486.90	1 553 321 459.61	106%

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12. CAPITAL PROJECTS

Project Name	Current Year Budget	Actual	% Spent	Progress
CFO-111_Purchase of critical office furniture	1 000 000.00	189 374.57	19%	Bulk purchase of Furniture is earmarked for third quarter
Rehabilitation of Dan Access road from R36 (Scrapyard) to D5011 (TEBA)	17 677 123.00	13 728 896.47	82%	The contractor has completed 3,9km milled and asphalt, Contractor is busy with the edge beam, stone pitching, v-drain and cleaning of the site
Upgrading of Topanama Access Road from gravel to paving	1 376 973.00	1 376 973.00	100%	The project is complete and on liability period
ESD-85_Upgrading of civic centre building	2 000 000.00	-	0%	Contractor has been appointed and is to take site.
Connections (Consumer Contribution)	10 000 000.00	-	0%	
Lenyenye Street from gravel to paving	13 102 405.00	9 588 776.56	73%	The contractor has completed 3,0km of paving. The contractor is currently busy with bricks laying, kerbs and cleaning of the site.
Paving of Thapane Street from gravel to paving	6 834 400.00	6 399 965.79	94%	The project is complete and on liability period
Rebuilding of Henley 11 kV line (5 km)	1 500 000.00	1 379 131.73	92%	Project Complete. Attending to Snag list
Carpports and Guardroom and painting, tiling and repairs to leaking roof (Mulati & Shiluvani)	500 000.00	-	0%	The contractor has been appointed and will be handed over to site
Installation of new 11kv switchgear	4 500 000.00	-	0%	Awaiting appointment of a contractor
Streetlights (Tzaneen Town, Haernerstburg)	4 000 000.00	-	0%	Contractor appointed
Contribution to SANRAL for the construction of roundabout at junction of R71 and D978	500 000.00	-	0%	In the process of appointing the contractor
G.I.S(Procurement of equipment)	2 000 000.00	906 000.00	45%	Final stage: towards the launch of the project
New, streetlights with the latest technology type	1 000 000.00	-	0%	Awaiting appointment of a contractor
SCADA Monitoring system	5 000 000.00	-	0%	Waiting for appointment of a contractor

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Replace 11 kV and 33 kV Auto reclosers per annum	1 500 000.00	-	56%	Campies Glen CG62 and TE 281/1 completed, Tarentaal TRD220/1 to be installed, Middlekop MK1/40/1 structure completed and breaker mounted awaiting outage
Rebuild 66 kV wooden line from Tzaneen to Tarentaalrand	5 950 000.00	-	17%	Busy with site establishment and pegging of works
Procurement of Network planning software	1 000 000.00	-	0%	Consultations have been conducted with various software suppliers to assess available solutions in the market. Drafting of the technical specification is currently in progress.
Installing statistical metering system	500 000.00	-	0%	Technical specification finalized. Awaiting approval for procurement of contractor
Refurbishment of protection systems and panels in Main subs in phases	2 000 000.00	704 000.66	35%	Two projects <ul style="list-style-type: none"> • Expenditure relates to rollover • Current year- awaiting appointment of contractor
Replacement of Box type 33kV Breakers in Main Substations in phases	1 000 000.00	-	0%	Contractor has been appointed. Awaiting delivery of long lead materials
Replacement of Box type 33kV Breakers in Main Substations in phases	2 000 000.00	-	0%	Contractor has been appointed. Awaiting delivery of long lead materials
Replace, Refurbish & Upgrading of LV cables due to low voltage, metering kiosks and in phases	1 000 000.00	-	0%	Project has been deferred, in order to improve operational requirements in the network
Replacement of old metering boxes for SPU & LPU as per NRS 057	4 000 000.00	260 691.11	7%	Contractor has been appointed. Busy with consolidating of boxes to be replaced
Maintenance management software	1 000 000.00	-	0%	Technical specification completed. Busy with Bid specification meetings
Replair, Replace streetlights with the latest technology type	3 000 000.00	-	0%	Contractor appointed
Upgrading of Tzaneen Ext. 13 internal streets from paving blocks to tar	7 000 000.00	-	0%	Panel of contractors recently concluded and to be appointed at the end of January 2026

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Rehabilitation of Lenyenye Internal Streets (Main street to Industrial Area, Stadium, Ithuseng to Main street via Police Station)	5 500 000.00	-	0%	Panel of contractors recently concluded and to be appointed at the end of January 2026
Rehabilitation Voster street in Letsitele	2 000 000.00	-	0%	Panel of contractors recently concluded and to be appointed at the end of January 2026
New sleeping quarters at Georges valley treatment plant	1 000 000.00	379 143.33	38%	The physical progress is at 45%. The contractor is at roof level.
New sleeping quarters at Nkowankowa plumbers' workshop	1 000 000.00	-	0%	The physical progress is at 30%. The contractor is at window level. But no certificate paid yet
Township Establishments	4 000 000.00	985 088.09	25%	Inception reports completed and signed off. Invoices paid for Inception reports
Electrical Infrastructure Fencing	1 000 000.00	388 465.00	39%	Project completed
Electrical Capital Tools	500 000.00	359 174.14	72%	Insulation Resistance Tester procured. Busy with procurement of compaction tester
Purchase of IT Equipment	5 000 000.00	1 738 416.30	35%	Advertised a bid for procurement of IT equipment
Paving of Khetoni Access Street	500 000.00	-	0%	The consultant is busy with designs
Installation of 11x Highmast at (Ward 6,10,19,20,22,23,25,30,31,33 & 34)	10 000 000.00	1 565 484.84	22%	Seven Eskom connection invoices paid. Site handover for Nine High Mast done. Pegging out works for Eight High Mast completed.
Installation of cable	1 000 000.00	-	0%	Project differed to next financial (reallocation of budget during adjustment budget)
Rehabilitation on internal streets in Tzaneen (3rd Avenue, 2nd Avenue, Hospital and Middle Streets)	4 700 000.00	-	0%	Panel of contractors recently concluded and to be appointed at the end of January 2026
Alcohol breathe analyser	250 000.00	-	0%	To be procured in the third quarter
Rehabilitation of Antimony and Plantina Streets in Tzaneen New Industrial	5 000 000.00	-	0%	Panel of contractors recently concluded and to be appointed at the end of January 2026
Arc protection for all indoor switching station	1 000 000.00	-	8%	Technical specification completed. Busy with procurement of a contractor
Bush cutters, blower, woodchipper	800 000.00	-	0%	To be procured in the third quarter
Tzaneen CTM and Lifestyle Interception	500 000.00	-	0%	

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Construction Joppie Sport Facility	5 000 000.00	3 389 678.55	68%	The contractor is busy with foundation for ablution block, foundation for the change room, lining of the septic tank and 1 out of 2 combi court if partially complete.
Welcome to Tzaneen beautification Garden entrances	800 000.00	-	0%	The advert has been issued and will close in January 2026
Concrete verges for Agatha cemetery	300 000.00	-	0%	The advert has been issued and will close in January 2026
Extension of civic centre building	2 000 000.00	-	0%	The Consultant appointed recently
Installing of Quality of Supply recorders	500 000.00	-	8%	Specification completed. Awaiting approval for procurement of a service provider
Introduction of Paving Street Names Markings	500 000.00	-	0%	Tender stage
Rehabilitation of Lenyenye Stadium	3 000 000.00	-	0%	Panel of contractors recently concluded and to be appointed at the end of January 2026
Rehabilitation of Nkowankowa Internal Streets (Ntshunxeko, Ntwanano, Khanimambo, Basani and Chivirikane)	5 000 000.00	2 917 369.99	58%	The contractor has completed the rehabilitation and road marking. The ongoing activity is road signages.
Rehabilitation of Plantation Street in Tzaneen Old Industrial	7 000 000.00	-	0%	Panel of contractors recently concluded and to be appointed at the end of January 2026
Purchase of Chief Whip's Vehicle	700 000.00	-	0%	To be procured in the third quarter
Rebuilding Eiland 33kV Line (5.5km)	2 000 000.00	-	0%	Contractor appointed 16/10/2025. Digging of holes. Busy with construction of MV structures
Rebuilding of Duiweskloof 33 kv line (5km)	1 550 000.00	1 443 892.44	93%	Project Completed
Refurbishment of Dannie Joubert Street	400 000.00	-	0%	Tender stage
Construction of new ablution block in Letsitele Library	250 000.00	-	0%	Development of TOR
Replacement of old knife type Isolators	500 000.00	-	0%	Material received. Awaiting outage approval to install isolators
New firearms ½x 6	250 000.00	-	0%	Earmarked for third quarter and in the process of issuing advert
Replacement of old/ faded road signs ½	700 000.00	-	0%	
Ride-on lawn mowers for stadium ½s and side walks	800 000.00	-	0%	

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Construction of Speed Humps in Tzaneen Area	1 000 000.00	-	0%	
Purchase of Speed Law Enforcement Camera	400 000.00	-	0%	
Swimming pool upgrade	500 000.00	-	0%	
Upgrading of Access Street from Serutung to Malengenge from Gravel to Paving	33 623 787.00	15 770 837.10	46%	The contractor is busy the earthworks and setting out of survey pole.
Install a 2MVA transformer to increase capacity	3 000 000.00	-	0%	Awaiting for appointment
Upgrading of Nkowakowa Section B & D Streets from Gravel to Paving	34 300 000.00	18 688 989.04	54%	Contractors are busy with the site establishment.
Installations of new workstation counters at all cashiers at main building	800 000.00	-	0%	Earmarked for third quarter, in the process of issuing advert
Extension of Cement Store at Stores Tzaneen for redundant assets - 104 square meters	800 000.00	-	0%	Consultant appointed recently
Construction of Leretjeng Sports Ground_Own Funding	1 575 698.00	1 303 861.29	83%	Physical progress is 93% on site. The contractor is currently busy with sports filed irrigation, which is 96% complete and cleaning of the site
Construction of New ablution facility 4X male and female toilet. Painting of existing wall, access gate and replacing tiles	378 765.00	165 783.83	44%	In progress
Construction of New ablution block	1 177 251.00	936 630.61	80%	The contractor reached practical completion and is finalising the issued snaglist.
Installation for smoke detectors in municipal buildings	1 080 000.00	-	0%	The project is on hold
New Petanenge Pedestrian Crossing Bridge	R 8 839 294.62	R 2 614 723.28	30%	The physical progress currently stands at 43%. The contractor has completed the concrete works. The ongoing activity is the installation of gabions to foundations.
New Tlhabine Pedestrian Bridge	2 086 342.00	1 165 286.23	72%	The physical progress currently stands at 94%. Progress has stalled, as the contractor must implement corrective-action on concrete works.
New Rummymede Sport Facility Phase 2	4 825 522.00	-	0%	Contractor has been appointed and is to take site.

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Maintenance of Storm Water Drainage System at Thoko to Sefolwe Roads	78 995.00	-	0%	The This relates to project savings and will allocated to Mopje project
Maintenance of Storm Water Drainage System at Sebone School Road	52 000.00	-	0%	
Management of Pulaneng School Road	4 000 000.00	3 567 748.50	89%	The physical progress currently stands at 95%. The contractor has completed the culvert works and gabion installation. The ongoing activity is the regravelling of the road.
Management of Mopye Road	4 000 000.00	3 619 418.63	90%	The physical progress currently stands at 95%. The contractor has completed all culvert works, with ancillary works remaining.
Total	300 030 253.00	85 040 041.25	28.34%	

- Most of the budgeted projects are currently at the procurement stage, as the municipality is still in the early part of the financial year. Consequently, some projects have not yet recorded any expenditure.

13. EXPENDITURE PER ITEM

Expenditure By Type	Original Budget	Adjustment Budget	Sum of Expenditure	% Spent
Employee related costs	490 669 990	490 669 990	225 812 672	46.02%
Remuneration of councillors	31 414 296	31 414 296	14 912 196	47.47%
Debt impairment				0.00%
Depreciation & asset impairment	125 251 665	125 251 665	51 856 543	41.40%
Finance charges	12 354 069	12 354 069	4 769 783	38.61%
Bulk purchases - electricity	763 382 880	763 382 880	334 645 775	43.84%
Inventory consumed	106 642 852	106 642 852	30 246 840	28.36%
Contracted services	117 877 376	117 877 376	62 313 017	52.86%
Transfers and subsidies	39 774 048	39 774 048	13 490 143	33.92%
Operational costs	206 024 171	206 024 171	87 722 792	42.58%
Irrecoverable debts written off				0.00%
Total Expenditure	1 893 391 347	1 893 391 347	825 769 762	43.61%

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The actual operational expenditure represents 43.61% of the budgeted operational expenditure and the expenditure for debt impairment will be determined at the reporting period.

14. LIST OF PROPERTY LEASED FROM THE MUNICIPALITY

14.1 As per attached ANNEXURE A

15 Supply Chain Management

15.1 Deviation orders processed.

NO.	ORDER NO.	ORDER DATE	DEPARTMENT	VENDOR NAME	GOODS / SERVICE DISCRPTION	REASON FOR DEVIATION	TOTAL AMOUNT
1.	Ord20251222_0024928	22/12/2025	ELECTRICAL ENGINEERING	VOLTEX TZANEEN	WIRE ALUMINIUM RABBIT WIRE 0-05 180704	6 INCIDENTS OCCURRED WHERE 6.3KM OF MAIN FEEDER LINES WERE CUT AND STOLEN. THIS HAS HAD A DRAMATIC EFFECT ON THE SUPPLY OF ELECTRICITY. BECAUSE BULK FACTORIES ARE CLOSED IN DECEMBER. THE UNFORSEEN EVENTS LED TO THE OVERUSE OF STOCK ON HAND AND ORDER FOR MATERIAL HAD TO BE ISSUED	66 171.00
2.	Ord20251222_0024932	23/12/2025	ELECTRICAL ENGINEERING	VOLTEX TZANEEN	WIRE ALUMINIUM CONDUCTER MINK 180710	6 INCIDENTS OCCURRED WHERE 6.3KM OF MAIN FEEDER LINES WERE CUT AND STOLEN. THIS HAS HAD A DRAMATIC EFFECT ON THE SUPPLY OF ELECTRICITY. BECAUSE BULK FACTORIES ARE CLOSED IN DECEMBER. THE UNFORSEEN EVENTS LED TO THE OVERUSE OF STOCK ON HAND AND ORDER FOR MATERIAL HAD TO BE ISSUED	185 058.00

15.2 Variation order. None

15.3 Orders processed: ATTACHED AS ANNEXURE B

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15.4 Cancelled Orders. NONE

15.5 Quotations considered by Bid evaluation committee.

NO	Bid No	Description of goods & services	Closing Date	BEC Date	User Dept.
1.	SCMU 51/2025	SUPPLY AND DELIVERY OF OFFICE FURNITURE	17/12/2025	18/12/2025	CORPORATE SERVICES
2.	SCMU 46/2025	SUPPLY AND DELIVERY OF DIGITAL EARTH RESISTANCE TESTERS	15/12/2025	18/12/2025	ELECTRICAL ENGINEERING

15.6 Bids considered by Bid evaluation committee

NO	Bid No	Description of goods & services	Closing Date	BEC Date	User Dept.
01	SCMU 31/2025	REFURBISHMENT OF 35X6M3 SKIP BINS IN GREATER TZANEEN MUNICIPALITY	31/10/2025	09/12/2025	COMMUNITY SERVICES

15.7 Bids considered by Bid specification committee.

NO	Bid No	Description of goods & services	Specification Date	Approval date	Project Manager
1.	SCMU 41/2025	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INDIGENT MANAGEMENT SYSTEM FOR THE PERIOD OF 36 MONTHS AT GTM	09/12/2025	09/12/2025	Ms R Viljoen
2.	SCMU 42/2025	APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT VERIFICATION OF CANDIDATES' PERSONAL CREDENTIALS FOR A	09/12/2025	09/12/2025	Ms O Napo

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NO	Bid No	Description of goods & services	Specification Date	Approval date	Project Manager
		PERIOD OF 36 MONTHS AT GTM			

15.8 Quotations considered by Bid Specification committee. None

15.9 Bids closed. None

15.10 Quotations closed.

Bid No	Description	Closing date
SCMUQ 51/2025	RE - ADVERT SUPPLY AND DELIVERY OF OFFICE FURNITURE	12/12/2025
SCMUQ 46/2025	SUPPLY AND DELIVERY OF DIGITAL EARTH RESISTANCE TESTERS	15/12/2025
SCMUQ 52/2025	SUPPLY AND DELIVERY OF DIARIES	19/12/2025

15.11 BIDS CONSIDERED BY BID ADJUDICATION COMMITTEE AND RECOMMENDED TO THE ACCOUNTING OFFICER

NO	Bid No	Description of goods & services	Closing Date	BAC Date	Status	User Dept.
1	SCMU 22/2025	SUPPLY, INSTALL AND COMMISSION SCADA SYSTEM ON THE GTM ELECTRICAL NETWORK IN PHASES. PHASE 02: INSTALLATION AND COMMISSION OF FREE SCADA EQUIPMENT AND OTHER WORKS	21/07/2025	01/12/2025	AWARDED	ELECTRICAL ENGINEERING
2	SCMU 36/2025	PROVISION OF AN ELETRONIC PERFORMANCE SYSTEM FOR THE GREATER TZANEEN MUNICIPALITY FOR A PERIOD OF 36 MONTHS	15/09/2025	01/12/2025	AWARDED	ELECTRICAL ENGINEERING
3	SCMU 31/2025	REFURBISHMENT OF 35X6M3 SKIP BINS IN GREATER TZANEEN MUNICIPALITY	31/10/2025	17/12/2025	AWARDED	COMMUNITY SERVICES
4	SCMU 17/2025	PANEL OF SUPPLY AND DELIVERY OF PREMIXED ASPHALT BAGS AND GRADED MEDIUM GRADED ASPHALT (HOTMIX) FOR A PERIOD OF 36 MONTHS TO GTM	28/07/2025	17/12/2025	AWARDED	ENGINEERING

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5	SCMU 18/2025	PANEL OF CONTRACTORS FOR MAINTANANCE OF STORMWATER DRAINAGE WITHIN FOR 36 MONTHS	13/08/2025	19/12/2025	AWARDED	ENGINEERING
6	SCMU 19/2025	PANEL OF CONTRACTORS FOR THE MAINTANANCE OF TARRED ROADS FOR 36 MONTHS	13/08/2025	19/12/2025	AWARDED	ENGINEERING

15.12 QUOTATIONS AWARDED BY CFO

No	Bid number	Description	User Dept.	Closing date	Date of award	status
1	SCMU 51/2025	SUPPLY AND DELIVERY OF OFFICE FURNITURE	CORPORATE SERVICES	17/12/2025	18/12/2025	AWARDED
2	SCMU 46/2025	SUPPLY AND DELIVERY OF DIGITAL EARTH RESISTANCE TESTERS	ELECTRICAL EENGINEERING	15/12/2025	18/12/2025	AWARDED

15.13 BIDS AWARDED BY ACCOUNTING OFFICER. None

15.14 Bids advertised.

	Bid No	Description	Municipal Notice board	Municipal Website	I-tender CIDB	Local media	National media	e-tender	Date of advert
1.	SCMU 39/2025	APPOINTMENT OF ASERVICE PROVIDER FOR REPAIR AND REHABILITATION OF BRICK ISLAND ALONG DANIE JOUBERT STREET AT GREATER TZANEEN MUNICIPALITY	Yes	Yes	No	Yes	Yes	Yes	05/12/2025
2	SCMU 40/2025	APPOINTMENT OF A SERVICE PROVIDER FOR THE CONSTRUCTION OF WELCOME TO TZANEEN ORNAMENT AT TWO ENTRIES R71 NEXT TO MANORVLEI AND R71 NEXT TO BDF CORRECTIONAL SERVICES	Yes	Yes	No	Yes	Yes	Yes	05/12/2025

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3	SCMU 36/2025	APPOINTMENT OF A SERVICE PROVIDER FOR INTERNAL AUDIT & REPORTING SYSTEM WITH DATA ANALYTICS FOR A PERIOD OF THREE (3) YEARS	Yes	Yes	No	Yes	Yes	Yes	05/12/2025
4	SCMU 37/2025	APPOINTMENT OF PANEL OF INTERNAL AUDIT PROFESSIONAL SERVICE PROVIDERS FOR A PERIOD OF THREE (3) YEARS	Yes	Yes	No	Yes	Yes	Yes	05/12/2025
5	SCMU 38/2025	APPOINTMENT OF SERVICE PROVIDER FOR SUPPLY & DELIVERY OFFICE FURNITURE AND EQUIPMENT	Yes	Yes	No	Yes	Yes	Yes	05/12/2025
6	SCMU 39/2024 READVERT	APPOINTMENT OF A SERVICE PROVIDER FOR PROCUREMENT OF ICT EQUIPMENT, MAINTENANCE AND SUPPORT FOR GTM FOR A PERIOD OF 36 MONTHS	Yes	Yes	No	Yes	Yes	Yes	05/12/2025
7	SCMU 41/2025	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INDIGENT MANAGEMENT SYSTEM FOR THE PERIOD OF 36 MONTHS AT GTM	Yes	Yes	No	Yes	Yes	Yes	12/12/2025
8	SCMU 42/2025	APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT VERIFICATION OF CANDIDATES' PERSONAL CREDENTIALS FOR A PERIOD OF 36 MONTHS AT GTM	Yes	Yes	No	Yes	Yes	Yes	12/12/2025
9	SCMU 43/2025	APPOINTMENT OF A SERVICE PROVIDER TO RENDER AUCTIONEERING SERVICES FOR THE GTM FOR A PERIOD OF 03 YEARS	Yes	Yes	No	Yes	Yes	Yes	12/12/2025

15.15 Quotations advertised.

Bid No	Description	Municipal Notice board	Municipal Website	I-tender CIDB	Local media	National media	e-tender	Date of advert
SCMUQ 51/2025	RE - ADVERT SUPPLY AND DELIVERY OF OFFICE FURNITURE	YES	YES	NO	NO	NO	NO	05/12/2025
SCMUQ 46/2025	SUPPLY AND DELIVERY OF DIGITAL EARTH RESISTANCE TESTERS	YES	YES	NO	NO	NO	NO	08/12/2025
SCMUQ 52/2025	SUPPLY AND DELIVERY OF DIARIES	YES	YES	NO	NO	NO	NO	12/12/2025

16 AUDIT ACTION PLAN

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The Municipality received an unqualified audit opinion for 2024/2025 financial year. An audit action plan is in process of development, and implementation will be monitored monthly to address findings raised by Auditor General. Additionally, the implementation of the plan will be discussed at the management meeting for monitoring and to promote culture of accountability.

17 FRUITLESS AND WASTEFUL EXPENDITURE

There were no fruitless and wasteful expenditure for the month of December 2025 and second quarter.

The municipality recovered the following the amount during the quarter under review for fruitless expenditure incurred in previous year(s), R332 000 for legal fees relating to registration of stands, R77'387.00 for overpayment of spatial development framework and R363,660.66 for paving of Maseaneko to Cell c Pharare internal streets.

18 IRREGULAR EXPENDITURE

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Department	Amount
MM	-
Corporate Serv.	-
Comm	-
BTO	-
PED	2 277 000.00
Electrical Servi.	49 887.00
Engineering Serv.	2 733 587.53
	5 060 474.53
Month	Amount
Oct-25	-
Nov-25	2 306 086.43
Dec-25	2 754 388.10
Q2	5 060 474.53

The municipality incurred irregular expenditure of R5'060'474.53 during the quarter under review. This expenditure relates to long-term contracts that were appointed in prior years. The contracts were deemed to be irregular appointments due to non-compliance with supply chain management process and mostly relates to bids not advertised within number of prescribed days.

18.2 List of irregular expenditure attached as annexure C

Mr C.M Maeta

CHIEF FINANCIAL OFFICER

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GLOSSARY OF ABBREVIATIONS

Abbreviation	Description
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
UD	User Department
CS	Corporate Services
CFO	Chief Financial Officer
SCMU	Supply Chain Management Unit
BSC	Bid Specification Committee
CK	Company Registration
MFMA	Municipal Finance Management Act
SCMP	Supply Chain Management Policy
G.T.M	Greater Tzaneen Municipality
NT	National Treasury
BO	Buy Order
RF	Requisition Form
BF	Bid File
CIDB	Construction Industry Development Board
SP	Service Provider
MM/AC	Municipal Manager/Accounting Officer
BCM	Bid Committee Member
TCC	Tax Clearance Certificate