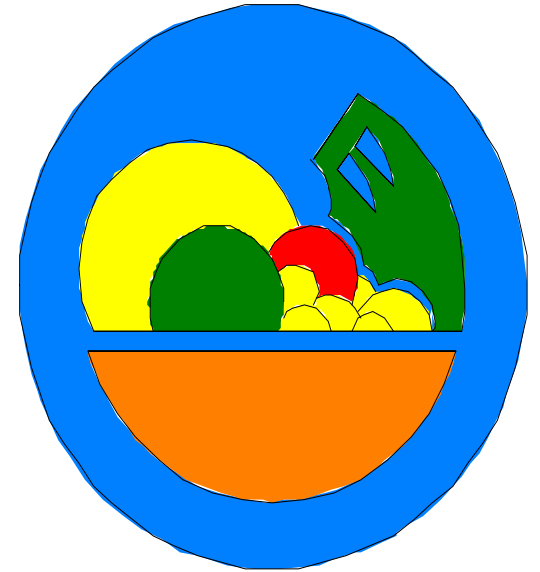




***GREATER TZANEEN
MUNICIPALITY***

***MAY 2025/2026
FINANCIAL REPORT***



MAY FINANCIAL REPORT

TABLE OF CONTENTS

1. Budget Performance
2. Grants and Subsidies Received
3. Performance on Conditional Grants
4. Revenue Billed from Service Charges
5. Revenue Collected from Service Charges
6. Bank Balance
7. Bank Reconciliation
8. Investments
9. Loan Management
10. Creditors Age Analysis
11. Revenue Management
12. Capital Projects
13. Expenditure per Item
14. List of Properties leased from the Municipality.
15. Supply Chain Management Report
16. Audit Findings
17. Fruitless and Wasteful expenditure
18. Irregular Expenditure

MAY FINANCIAL REPORT

1. BUDGET PERFORMANCES

1.1 OPERATING EXPENDITURE V/S CAPITAL EXPENDITURE

Description	Allocation	Adjustment Budget	May	YTD Expenditure	%YTD Expenditure	% YTD Target
Operating Expenditure	1 893 391 347	1 938 122 027	129 936 485	1 486 222 098	76.68%	91.66%
Capital Expenditure	303 030 228	364 152 867	28 786 618	190 101 330	52.20%	91.66%
TOTAL EXPENDITURE	2 196 421 575	2 302 274 894	158 723 103	1 676 323 428	72.81%	91.66%

OPERATIONAL EXPENDITURE

The actual operational expenditure represents 76.68 %, 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 May 2026 amounts to R 28 786 618 and the accumulated expenditure at year end was R 190 101 330 which represent 52.20%.

1.2 SALARIES

Description	Allocation	Adjustment Budget	May	YTD Expenditure	%YTD Expenditure	% YTD Target
Employee Related Cost	493 531 498	490 657 545	38 447 330	415 039 649	84.59%	91.66%
TOTAL	493 531 498	490 657 545	38 447 330	415 039 649	84.59%	91.66%

MAY FINANCIAL REPORT

1.3 OVERTIME

Department	Allocation	May	YTD Expenditure	%YTD Expenditure	% YTD Budget
Municipal Manager					
Executive & Council/Special Projects	54 242		100 246	184.81%	91.66%
Office of the Municipal Manager/Office of the Mayor#Administration	25 439	1 974	59 582	234.21%	91.66%
Office of the Municipal Manager/Office of the Municipal Manager#Administration	0		22 226	0.00%	91.66%
Office of the Municipal Manager/Strategic Support#Performance Management	97 419		70 358	72.22%	91.66%
Planning and Economic development					
Property Valuation	0			0.00%	91.66%
Strategic Town Planning	0			0.00%	91.66%
Tourism and LED: SME	0			0.00%	91.66%
Town Planning Administration	0			0.00%	91.66%
Budget and Treasury					
Budget and Treasury/Administration Finance	2 647		2 646	99.98%	91.66%
Budget and Treasury/Expenditure Management	783 420	28 059	624 264	79.68%	91.66%
Budget and Treasury/Financial Services and Reporting	264 220	0	290 523	109.95%	91.66%
Budget and Treasury/Revenue Management	393 081	35 535	484 562	123.27%	91.66%
Budget and Treasury/Stores	223 913	27 236	374 802	167.39%	91.66%
Budget and Treasury/Supply Chain Management	118 893	0	159 162	133.87%	91.66%
Corporate Services					
Corporate Services/CORPORATE SERVICES	42 017	83 380	640 669	1524.79%	91.66%
Corporate Services/Employee Performance Management	1 329	0	1 329	0.00%	91.66%
Corporate Services/Human Resources	29 359	12 383	147 554	502.59%	91.66%
Corporate Services/Media Communications	108 055	45 782	398 160	368.48%	91.66%
Corporate Services/Networking and Security	5 048	1 572	51 843	1027.00%	91.66%
Corporate Services/PUBLIC PARTICIPATION & PROJECT SUPPORT	368 350	49 057	373 198	101.32%	91.66%
Engineering Services					
Engineering Services/Building Control, Maintenance and Fleet Management	256 719	65 908	484 745	188.82%	91.66%

MAY FINANCIAL REPORT

Engineering Services/Housing	318 699	0	76 096	23.88%	91.66%
Engineering Services/ROADS & STORMWATER MANAGEMENT	1 226 957	216 335	2 269 558	184.97%	91.66%
Community Services					
Community Services/Administration transport, safety, security	3 958		2 863	72.33%	91.66%
Community Services/Environmental Management	333 328	3 781	104 389	31.32%	91.66%
Community Services/Libraries	3 037	0	3 037	100.00%	91.66%
Community Services/Licensing	1 316 111	207 213	2 136 435	162.33%	91.66%
Community Services/Pollution Control	1 767 371	284 675	2 821 971	159.67%	91.66%
Community Services/Public Toilet Management	449 097	71 410	743 847	165.63%	91.66%
Community Services/Rural Waste Management	2 493 383	421 431	4 287 249	171.95%	91.66%
Community Services/Safety and Security	892 797	152 094	1 391 483	155.86%	91.66%
Community Services/Sports, Art and Culture	846 748	145 328	1 647 391	194.55%	91.66%
Electrical Engineering					
Electrical Engineering/Customer and Retail Services	187 614	47 204	377 280	201.09%	91.66%
Electrical Engineering/Electrical Planning and Projects	1 769 273	217 029	2 696 159	152.39%	91.66%
Electrical Engineering/Operations and Maintenance	2 490 111	298 068	4 843 826	194.52%	91.66%
Total	16 872 635	2 415 450	27 687 452	164.10%	91.66%

The salary cost including social contributions represents 84.59% of the budget. An amount of R 2 415 450 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	May	YTD Expenditure	%YTD Expenditure	% YTD Target
Remunerations of Councillors	31 414 296	31 414 296	2 631 627	28 957 301	92.18%	91.66%
TOTAL	31 414 296	31 414 296	2 631 627	28 957 301	92.18%	91.66%

MAY FINANCIAL REPORT

2. GRANTS AND SUBSIDIES RECEIVED

Description	Allocation	Adjustment Budget	Rollover	May Receipt	YTD receipt	%YTD Receipt
EQUITABLE SHARE	555 351 000.00	555 351 000.00	-		555 351 000.00	100.00%
MIG	122 308 000.00	122 308 000.00	-	-	122 479 000.00	100.14%
FMG	2 000 000.00	2 000 000.00	-	-	2 000 000.00	100.00%
EPWP	4 811 000.00	4 811 000.00	-	-	4 811 000.00	100.00%
INEP	10 536 000.00	10 536 000.00	-	-	10 536 000.00	100.00%
MDRG	-	27 041 411.00	7 041 411.00	-	27 041 411.00	100.00%
SETA	600 000.00	600 000.00	-	-	561 712.00	93.62%
TOTAL	695 606 000	722 647 411	7041411	0	699 014 123	96.73%

3 PERFORMANCE ON CONDITIONAL GRANTS

Description	Budget	Adjustment Budget	Rollover	May Spending	YTD receipt	YTD spent	Total unspent/overspent	% Spent from receipt
MIG	122 308 000.00	122 308 000.00		9 542 266.00	98 713 000.00	95 767 950.00	2 945 050.00	97.02%
FMG	2 000 000.00	2 000 000.00		207 819.00	2 000 000.00	1 587 257.07	412 742.93	79.36%
EPWP	4 811 000.00	4 811 000.00			4 811 000.00	4 570 450.00	240 550.00	95.00%
INEP	10 536 000.00	10 536 000.00		194 828.00	10 536 000.00	8 739 459.00	1 796 541.00	82.95%
MDRG	-	27 041 411.00	7 041 411.00		27 041 411.00	5 120 508.00	21 920 903.00	18.94%
SETA	600 000.00	600 000.00			561 712.00	362 368.00	199 344.00	64.51%
TOTAL	140 255 000.00	167 296 411.00	7 041 411.00	9 944 913.00	143 663 123.00	116 147 992.07	27 515 130.93	80.85%

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

MAY FINANCIAL REPORT

- **FMG:** The FMG grant underspending is due to certain training programmes which are streamlined to take place in the third quarter of the financial year.
- **MDRG:** The MDRG Grant rollover application was approved and significant progress is realized.
- **MIG:** The expenditure is within cashflow projections
- **INEP:** The recorded expenditure is due to high performance on the implementation of the projects by the contractors
- **EPWP:** The high performance on EPWP grant is due to employment of 517 employees. At a monthly salary cost of R1,149,200.00 which is also subsidized by own funding.
- **SETA:** Seta expenditure is within the projected cashflow and ytd budget.

4 REVENUE BILLED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	May Billing	YTD Billing	% YTD Billing	% YTD Target
Property Rates	190 271 814	202 824 080	16 793 406	203 147 353	106.77%	91.66%
Electricity	920 783 599	1 080 673 716	78 979 882	949 895 554	103.16%	91.66%
Solid Waste	43 979 397	46 980 000	3 691 361	46 710 053	106.21%	91.66%
TOTALS	1 155 034 810	1 330 477 796	99 464 649	1 199 752 960	103.87%	91.66%

5. REVENUE COLLECTED FROM SERVICES CHARGES

Description	Original Budget	Adjustment Budget	May Receipt	YTD Billing	YTD receipt	%YTD Receipt Per Billing	% YTD Receipt Per Budget
Property Rates	190 271 814	202 824 080	12 001 162	203 147 353	130 799 425	64.39%	64.49%
Electricity	920 783 599	1 080 673 716	79 263 861	949 895 554	878 561 534	92.49%	81.30%
Solid Waste	43 979 397	46 980 000	2 137 492	46 710 053	20 961 304	44.88%	44.62%
TOTALS	1 155 034 810	1 330 477 796	93 402 515	1 199 752 960	1 030 322 263	85.88%	77.44%

However, Council must note that the 85.88% excludes Mopani services (water and sewer) plus other sundry income.

MAY FINANCIAL REPORT

6. BANK BALANCE

Name of institution	Cash in the Bank on 31 May 2026
ABSA	R 125,549,930.75

Council had a positive Bank Balance of R 125,549,930.75 at the end of May 2026

7. BANK RECONCILIATION

In progress

8. INVESTMENTS

8.1 LONG TERM INVESTMENTS

Name of institution	Maturity Date	Balance as of 31 May 2026
ABSA	26 June 2026	R 23 948 244.87
TOTAL		R 23 948 244.87

- An investment of R 16 594 314 has been made with DBSA 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	45 000 000.00
ABSA	Call Account	40 000 000.00
STANDARD BANK	Call Account	30 000 000.00
STANDARD BANK	Call Account	30 000 000.00
INVESTEC	Call Account	50 000 000.00
NEDBANK	Call Account	55 000 000.00
FNB	Call Account	25 000 000.00
FNB	Call Account	25 000 000.00

MAY FINANCIAL REPORT

Total		300 000 000.00
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The short-term investments of the municipality amounted to R 300 000 000.00 at the end of the month

9. LOAN MANAGEMENT

Greater Tzaneen Municipality has 5 loans with 3 different institutions.

COMPANY NAME	TYPE OF LOAN	LOAN AMOUNT (PRINCIPAL DEBT RAISED AT INCEPTION)	INTERES T RATE PER ANNUM	DATE OF LOAN TAKEN	LOAN TERMINATION DATE	OPENING BALANCE 01 MAY 2026	MAY 2026		CLOSING BALANCE AS AT 31 MAY 2026
							CAPITAL	INTEREST	
DBSA	ANNUITY	41 000 000.00	6.75%	01/11/2010	31/10/2030	14 847 673.86	240 022.91	79 628.28	14 607 650.95
ABSA	ANNUITY	25 140 000.00	11.66%	02/06/2011	02/06/2026	1 695 793.42	1 695 793.42	98 593.89	(0.00)
STD BANK	10 yrs STOCK	30 000 000.00	11.90%	30/11/2015	16/10/2025	-	-	-	-
DBSA	R 40 Mil	40 000 000.00	11.025%	01/10/2018	30/09/2028	15 791 197.50	-	-	15 791 197.50
DBSA	R 20 Mil	20 000 000.00	10.15%	01/10/2019	30/09/2028	7 730 684.34	-	-	7 730 684.34
DBSA	R 30 Mil	30 000 000.00	10.27%	01/10/2020	30/09/2028	12 614 507.72	-	-	12 614 507.72
TOTAL		186 140 000.00				52 679 856.84	1 935 816.33	178 222.17	50 744 040.51

Long-term loan expenditure paid for May 2026 is R 178 222.17

MAY FINANCIAL REPORT

10. CREDITORS AGE ANALYSIS

Creditors are paid within 30 days

11. REVENUE MANAGEMENT

11.1 RATES AND SERVICE CHARGES OUTSTANDING - AGE ANALYSIS

RATES AND SERVICE CHARGES OUTSTANDING - AGE ANALYSIS							
Age Analysis	Rates	Electricity	Refuse	Sewerage	Water	Sundry	Total
Current	29 993 375.00	113 938 419.37	7 170 296.47	1 709 991.64	10 244 209.86	- 15 236 340.93	147 819 951.41
30 days	10 954 241.33	18 271 647.29	2 977 478.72	663 328.61	3 514 829.71	1 215 974.00	37 597 499.66
60 days	10 532 915.82	18 161 847.81	2 896 199.22	644 564.55	3 793 255.19	1 061 589.31	37 090 371.90
90 days	9 892 576.15	13 978 664.04	2 866 914.15	589 546.31	3 175 865.01	1 015 246.23	31 518 811.89
120 days	9 677 777.23	16 503 860.17	2 789 522.49	574 309.21	3 047 357.03	975 876.50	33 568 702.63
120 days plus	446 585 424.40	427 077 332.83	181 415 517.95	37 674 740.14	190 365 766.72	60 994 054.68	1 344 112 836.72
Balance	517 636 309.93	607 931 771.51	200 115 929.00	41 856 480.46	214 141 283.52	50 026 399.79	1 631 708 174.21

The outstanding rates and service charges, includes Sundry Debtors of R 50 million.

The amount disclosed on Sundry Debtors current of negative R 15 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.

MAY FINANCIAL REPORT

12. AGE ANALYSIS PER DEBTOR CLASSIFICATIONS

Classification	Current	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days +	Total
GOVERNMENT	10 131 932.00	3 901 012.00	3 556 935.00	2 909 027.00	111 100 283.00	131 599 189.00
BUSINESS	83 951 855.00	12 495 957.00	12 846 990.00	9 608 431.00	333 732 620.00	452 635 853.00
INDIVIDUALS	71 662 829.00	20 525 247.00	19 998 534.00	18 324 067.00	896 619 674.31	1 027 130 351.31
OTHER	1 335 772.00	679 190.00	691 472.00	682 357.00	16 953 990.00	20 342 781.00
BALANCE	167 082 388.00	37 601 406.00	37 093 931.00	31 523 882.00	1 358 406 567.31	1 631 708 174.31

11.3 INDIGENT REGISTRATION AND ACCESS TO BASIC ELECTRICITY

The number of indigents registered and verified, amounts to 22126

11.4 REVENUE PER SOURCE BILLING VERSUS CASH RECEIVED

REVENUE PER SOURCE	BILLING	CASH RECEIVED	VARIANCES
Property Rate + Interest	16 793 406	12 001 162	4 792 243
Electricity	74 873 947	79 263 861	-4 389 914
Water	4 353 619	2 197 972	2 155 647
Sewerage	665 998	450 454	215 544
Refuse Removal	2 735 458	2 137 492	597 967
Sundry Charges	13 732 340	12 484 980	1 247 360
TOTAL	113 154 768	108 535 921	4 618 847

The R108 million is regarded as May Monthly revenue received on all services inclusive of other income

MAY FINANCIAL REPORT

11.5 COLLECTION RATE FOR THE MONTH

COLLECTION RATE- RATES AND SERVICE CHARGE DEBTORS				
	Balance previous month	Billed revenue	Balance current month	Payment Rate (%)
2026/05/31	1 620 038 476.20	119 965 131.74	1 631 708 174.21	90%

12. CAPITAL PROJECTS

Project Name	Current Year Budget	Actual	% Spent	Progress
CFO-111_Purchase of critical office furniture	1 000 000.00	6 587 754.54	658.78%	Bulk purchase of Furniture is earmarked for third quarter
Rehabilitation of Dan Access road from R36 (Scrapyard) to D5011 (TEBA)	19 463 418.00	13 728 896.48	70.54%	The project is in the practical completion stage, and the contractor is busy with the snag list, edge beam, stone pitching, v-drain and cleaning of the site. Slow progress on site due to rain.
Upgrading of Topanama Access Road from gravel to paving	1 376 973.00	1 197 368.17	86.96%	The project is complete and on liability period
ESD-85_Upgrading of civic centre building	2 000 000.00		0.00%	Consultant is currently busy with the designs
Connections (Consumer Contribution)	10 000 000.00		0.00%	Connections
Lenyenye Street from gravel to paving	17 340 316.00	9 588 776.56	55.30%	The contractor has completed 3.1km of paving and The contractor is not on site. The outstanding work is laying of bricks, kerbs, and cleaning the site.
Paving of Thapane Street from gravel to paving	6 834 399.00	5 706 021.91	83.49%	The project is complete and on liability period
Rebuilding of Henley 11 kV line (5 km)	2 379 131.00	1 379 131.73	57.97%	Project Complete.

MAY FINANCIAL REPORT

				Physical progress is at 12% against 8% time elapsed — marginally ahead of programme. Stadium roof installed and sports field earthworks commenced. Budget reduced from R5,000,000 to R4,000,000 at mid-year adjustment due to late project start and multi-year status. Remaining scope and funding to be carried into 2026/27.
Runnymede Sport Facility Phase 2	4 000 000.00	3 955 467.63	98.89%	
Carports and Guardroom and painting, tiling and repairs to leaking roof	575 333.00		0.00%	
Installation of new 11kv switchgear	7 500 000.00	564 000.00	7.52%	Contractor appointed. Busy with sourcing of materials. Technical drawings submitted , 75% of the civil work completed
Streetlights (Tzaneen Town, Haernerstburg)	4 003 000.00		0.00%	
Rehabilitation of Streets in Letsitele	3 000 000.00	1 468 130.36	48.94%	Construction stage, recently appointed a contractor
G.I.S(Procurement of equipment)	2 000 000.00	599 000.00	29.95%	The service provider contract extended - busy with the procurement of ArcGIS pro
Rehabilitation of Lenyenye Internal Streets (Main street to Industrial Area, Stadium, Ithuseng to Main street via Police Station)	5 000 000.00	4 433 071.50	88.66%	Construction stage, recently appointed a contractor
SCADA Monitoring system	7 338 285.00		0.00%	Contractor Appointed. Busy with site surveying
Replace 11 kV and 33 kV Auto reclosers per annum	1 500 000.00		0.00%	X3 Completed (Lepelle water works TE281/1and Champsis glen CG62 and MK1/40/1). RS 21 outstanding, awaiting outage to correct the installation
Rebuild 66 kV wooden line from Tzaneen to Tarentaalrand	9 135 999.00	2 801 413.11	30.66%	Busy with structure designs and Geotechnical assessment for foundations. Long lead material ordered.
Procurement of Network planning software	1 000 000.00		0.00%	Submitted bids did not meet the minimum required points after evaluation. Currently preparing for re-advertisement
Installing statistical metering system	500 000.00		0.00%	Contractor appointed. Awaiting long lead material

MAY FINANCIAL REPORT

Refurbishment of protection systems and panels in Main subs in phases	2 400 000.00	1 493 091.93	62.21%	Contractor appointed. Preliminary design approved. Busy with orders for long lead materials
Replacement of Box type 33kV Breakers in Main Substations in phases	1 000 000.00	906 897.00	90.69%	Installation completed
Replacement of Box type 33kV Breakers in Main Substations in phases	2 000 000.00		0.00%	Outage planned (16th May 2026)
Replacement of old metering boxes for SPU & LPU as per NRS 057	4 000 000.00	260 691.11	6.52%	Awaiting delivery of long lead materials
Maintenance management software	1 000 000.00		0.00%	The evaluation of the submitted bids is currently in progress. A demonstration session has been conducted with the bidders as part of the evaluation process.
Replair, Replace streetlights with the latest technology type	3 000 000.00		0.00%	Contractor appointed. Busy with sourcing of materials. Technical drawings submitted , 75% of the civil work completed
Upgrading of Tzaneen Ext. 13 internal streets from paving blocks to tar	2 000 000.00		0.00%	This is a multi-year project currently in the design review stage. Consequently, the budget was reduced from R7,000,000.00 to R2,000,000.00 to reallocate funds toward more immediate projects for the current financial year.
Reconstruction of Base layer and drainage structures,30mm q=asphalt Surfacing.	3 600 000.00		0.00%	Contractor appointed but to mobilise on site. No mid-year budget adjustments were made.
Rehabilitation of Lenyenye Internal Streets (Main street to Industrial Area, Stadium, lthuseng to Main street via Police Station)	5 500 000.00		0.00%	Physical progress is at 98%, with the project currently at practical completion stage. No budget adjustments were made during the mid-year review as the project remained within the original allocation.
Rehabilitation Voster street in Letsitele	2 000 000.00		0.00%	Refer to Rehabilitation of Streets in Letsitele for project progress update
Construction of Sleeping quarters and new kitchen	839 375.00	660 098.33	78.64%	Budget reduced following a revision to the building programme — reduced floor area resulted in lower quantities, confirmed during

MAY FINANCIAL REPORT

				procurement when market pricing exceeded the original estimate.
Construction of Sleeping quarters and new kitchen	1 292 934.00	128 234.78	9.92%	Budget increased from R1,000,000 to R1,292,934 following a revision to the building programme — increased floor area resulted in higher quantities, confirmed during procurement when market pricing exceeded the original estimate.
Township Establishments	4 000 000.00	1 565 721.26	39.14%	The projects are on Second Phases and in progress
Electrical Infrastructure Fencing	446 734.00	388 465.00	86.96%	Project completed
Electrical Capital Tools	937 666.00		0.00%	2xEarth Resistance Tester procured. Busy with procurement of compaction tester and Battery Test Systems and Linesman Tools
Purchase of IT Equipment	7 587 026.00	2 198 529.61	28.98%	Appointed SP at the end of March 2026, the significant expenditure will be recorded from end of April 2026
Paving of Khetoni Access Street	1 481 879.00	1 277 285.99	86.19%	Preliminary design report approved and engineers submitted detailed design report and present the report on the 18/05/2026.
Installation of 11x Highmast at (Ward 6,10,19,20,22,23,25,30,31,33 & 34)	10 000 000.00	5 825 029.53	58.25%	13 High Mast Lights installed, Awaiting installation of Electricity connection by Eskom to energize the High Mast Lights.
Rehabilitation on internal streets in Tzaneen (3rd Avenue, 2nd Avenue, Hospital and Middle Streets)	6 900 000.00	924 286.80	13.40%	
Alcohol breathe analyser	250 000.00		0.00%	Procurement stage
Rehabilitation of Antimony and Plantina Streets in Tzaneen New Industrial	5 300 000.00	3 725 003.10	70.28%	
Arc protection fo all indoor switchingg station	1 000 000.00		0.00%	Contracor appointed. Busy arranging project handover
Bush cutters, blower, woodchipper	800 000.00		0.00%	Appointment done, waiting for delivery
Tzaneen CTM and Lifestyle Intercection	500 000.00		0.00%	Recently appointed a service provider

MAY FINANCIAL REPORT

Construction Joppie Sport Facility	5 000 000.00	5 463 870.29	109.28%	Contractor is currently on Combi courts 98%, Change room 88%, ablution facilities 75 %, High Mast light 97%, Borehole 100%, Septic tank 80%, Water tank 100%, Spectator benches 57% and Fencing 57%
Welcome to Tzaneen beautification Garden entrances	800 000.00		0.00%	Appointment is done and now project is waiting Road Agency Limpopo approval, for the work to start.
Concrete verges for Agatha cemetery	300 000.00	258 852.17	86.28%	Completed
Extension of civic centre building	2 000 000.00		0.00%	
Installing of Quality of Supply recorders	500 000.00		0.00%	Busy with the procurement of a contractor. Awaiting appointment of service provider.
Introduction of Paving Street Names Markings	500 000.00		0.00%	Procurement stage
Rehabilitation of Lenyenye Stadium	3 000 000.00	1 354 749.69	45.16%	
Rehabilitation of Nkowankowa Internal Streets (Ntshunxeko, Ntwanano, Khanimambo, Basani and Chivirikane)	5 500 000.00	5 333 622.71	96.97%	Physical progress is at 98% — project is at practical completion stage. Budget increased following scope confirmation and procurement, where market rates exceeded the original estimate. Adjustment formally captured during the mid-year budget review
Construction of Petanenge Pedestrian Crossing Bridge	3 900 000.00	2 268 139.53	58.16%	
Rehabilitation of Plantation Street in Tzaneen Old Industrial	7 000 000.00		0.00%	Appointed service provider and the project is at construction stage
Purchase of Chief Whip's Vehicle	700 000.00		0.00%	Procurement stage through transversal contract
Rebuilding Eiland 33kV Line (5.5km)	2 000 000.00	1 219 903.19	61.00%	Construction at 67%. Busy with the construction of MV structures. Additional scope added
Rebuilding of Duiweskloof 33 kv line (5km)	1 493 891.00	1 443 892.44	96.65%	Project Completed
Refurbishment of Dannie Joubert Street	400 000.00		0.00%	
Construction of new ablution block in Letsitele Library	250 000.00		0.00%	Appointed a service provider recently and the project is at the construction stage

MAY FINANCIAL REPORT

Replacement of old knife type Isolators	500 000.00	499 013.48	99.80%	Installation completed
New firearms	250 000.00		0.00%	Procurement stage
Replacement of old/ faded road signs	700 000.00		0.00%	Procurement stage
Ride-on lawn mowers for stadium and side walks	800 000.00		0.00%	Appointed and waiting delivery
Construction of Speed Humps in Tzaneen Area	1 000 000.00		0.00%	No adjustment made during mid-year review. Budget remains at R1 000 000.
Purchase of Speed Law Enforcement Camera	400 000.00		0.00%	Procurement stage
Swimming pool upgrade	500 000.00		0.00%	Appointed and waiting start of the project
Upgrading of Access Street from Serutung to Malengenge from Gravel to Paving	31 695 611.00	21 009 584.19	66.29%	Contractor currently completes 3km earthworks, 2.2km roadbed, 1.8km of selected layer and subbase 1.4km. Slow progress due to underground water on site.
Install a 2MVA transformer to increase capacity	6 053 265.00		0.00%	Contractor appointed. Transformer drawings reviewed and approved. Busy with geotechnical investigations and approval for additional space.
Upgrading of Nkowakowa Section B & D Streets from Gravel to Paving	32 000 000.00	21 936 555.16	68.55%	The contractor currently completed 1.5km earthworks, 1.3km roadbed and 1.3 stormwater drains. Slow progress due to underground water on site.
Installations of new workstation counters at all cashiers at main building	800 000.00		0.00%	Bid committees sat and waiting for award
Extension of Cement Store at Stores Tzaneen for redundant assets - 104 square meters	800 000.00	1 871 436.60	233.93%	
Construction of Leretjeng Sports Ground_Own Funding	1 575 698.00	1 303 861.29	82.75%	
Upgrading of Thapane Streets from Gravel to Paving	1 924 302.00		0.00%	
Upgrading of Topanama Street from Gravel to Paving	2 499 999.00	1 061 185.52	42.45%	The project is complete and on liability period

MAY FINANCIAL REPORT

Construction of New ablution facility 4X male and female toilet. Painting of existing wall, access gate and replacing tiles	378 764.00	347 983.83	91.87%	
Construction of New ablution block	1 177 250.00	965 321.61	82.00%	
Installation for smoke detectors in municipal buildings	1 080 000.00		0.00%	Consultants have been appointed and are currently engaged in design development
New Petanenge Pedestrian Crossing Bridge	4 798 362.00		0.00%	
New Tlhabine Pedestrian Bridge	2 086 341.00	1 165 286.23	55.85%	
New Rummymede Sport Facility Phase 2	4 825 522.00		0.00%	Construction stage, expenditure to be recorded from April 2026
Maintenance of Storm Water Drainage System at Thako to Sefolwe Roads	78 995.00		0.00%	
Maintenance of Storm Water Drainage System at Sebone School Road	52 000.00		0.00%	Savings and the funds will be reallocated
Management of Pulaneng School Road	3 558 467.00	2 536 710.00	71.29%	
Management of Mopye Road	3 351 948.00	3 240 844.88	96.69%	
Upgrading of Access Streets from Serututung to tickyline from Gravel to Paving	1 000 000.00	869 565.22	86.96%	Preliminary design report approved and engineers submitted detailed design report and present the report on the 18/05/2026.
Management of Mopye Road_OWN FUNDING	4 800 000.00		0.00%	
Installation of streetlights from R71 Prison to Adshade Bridge	1 650 000.00		0.00%	Contractor appointed and project handover done.
Replacement of 60MVA 132/66/33kV Transformer 2 at Tarentaalrand	2 000 000.00		0.00%	Busy design and draft technical specification submitted
Rehabilitation of Dan Access Road from R36 (Scrapyard) to D5011 (TEBA)_OWN FUNDING	500 000.00		0.00%	MIG project- Top up during adjustment budget to cover consulting fees
Rehabilitation of Streets in Tzaneen Town	15 000 000.00	10 608 482.32	70.72%	
Rehabilitation of Streets in Nkowankowa	2 000 000.00		0.00%	New project added at mid-year adjustment following storm damage identified during post-rain assessments in January 2026. Funded through reallocation from the operational budget.

MAY FINANCIAL REPORT

Rehabilitation of Streets in Lenyenye	2 000 000.00		0.00%	New project added at mid-year adjustment following storm damage identified during post-rain assessments in January 2026. Funded through reallocation from the operational budget.
Purchase of Mini Bus	1 500 000.00		0.00%	Procurement stage through transversal contract
Msiphane Taxi Road Culvert Bridges (2No.)_OWN FUNDING	190 000.00		0.00%	MDRG funding was insufficient to cover the full project scope. The R190,000 own funding allocation was introduced to bridge the shortfall and enable implementation.
Construction Joppie Sport Facility_OWN FUNDING	2 000 000.00		0.00%	Top up with own funding, construction stage
Mavele Cemetry Road Culvert Bridge	4 090 000.00		0.00%	Recently received disaster grant, consultants appointed to assist with designs
Dan Ext to Mokgolobotho RDP Road Culvert Bridge	3 270 000.00		0.00%	
Nkomaneng Culvert Bridge	5 460 000.00		0.00%	
Msiphane Taxi Road Culvert Bridges (2No.)	7 180 000.00		0.00%	
Renewal Repairs and maintenance of Bulk meters and replace current transformers & meter panel Tarentaalrand	1 500 000.00		0.00%	Current Transformer and MV transformer installation and termination completed.
Airfield fencing	-	16 926.13	0.00%	
Concrete palisade fence at Lenyenye cemetery		246 923.82		
Total	364 152 883.00	156 385 076.73	42.94%	

MAY FINANCIAL REPORT

13. EXPENDITURE PER ITEM

Expenditure By Type	Original Budget	Adjustment Budget	Sum of Expenditure	% Spent
Employee related costs	490 669 990	490 657 545	415 039 649	84.59%
Remuneration of councillors	31 414 296	31 414 296	28 957 301	92.18%
Debt impairment				0.00%
Depreciation & asset impairment	125 251 665	125 251 665	104 566 532	83.49%
Finance charges	12 354 069	12 355 019	6 318 953	51.14%
Bulk purchases - electricity	763 382 880	763 382 880	586 244 689.38	76.80%
Inventory consumed	106 642 852	136 129 199	74 695 376	54.87%
Contracted services	117 877 376	136 491 876	112 299 058	82.28%
Transfers and subsidies	39 774 048	34 924 048	18 081 974	51.78%
Operational costs	206 024 171	207 515 499	140 018 566	67.47%
Irrecoverable debts written off				0.00%
Total Expenditure	1 893 391 347	1 938 122 027	1 486 222 098	76.68%

The actual operational expenditure represents 76.68% 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. None

15.2 Variation order. None

15.3 Orders processed: ATTACHED AS ANNEXURE B

15.4 Cancelled Orders. NONE

15.5 Quotations considered by Bid evaluation committee. None

MAY FINANCIAL REPORT

15.6 Bids considered by Bid evaluation committee.

NO	Bid No	Description of goods & services	Closing Date	BEC Date	User Dept.
1	SCMU 18/2026	APPOINTMENT OF A SERVICE PROVIDER FOR THE CONSTRUCTION OF EXHIBITION STALLS/SHELL SCHEMES FOR TZANEEN AGRIC EXPO 2026	2026/05/22	2026/05/27	PED
2	SCMU 06/2026	APPOINTMENT OF SERVICE PROVIDER TO CONDUCT MEDICAL SURVEILLANCE AT GREATER TZANEEN MUNICIPALITY	2026/02/13	2026/05/20	CORPPORATE SERVICES
3	SCMU 34/2025	PROVISION OF METER READING, DISCONNECTION AND RECONNECTIONS SERVICES FOR THE PERIOD OF THREE (03) YEARS AT GTM	2025/11/24	2026/04/23	Budget and Treasury

15.7 Bids considered by Bid specification committee.

NO	Bid No	Description of goods & services	Specification Date	Approval date	Project Manager
1	SCMU 18/2026	APPOINTMENT OF A SERVICE PROVIDER FOR THE CONSTRUCTION OF EXHIBITION STALLS/SHELL SCHEMES FOR TZANEEN AGRIC EXPO 2026	2026/05/06	2026/05/06	Mr V Mulaudzi
2					
3	SCMU 20/2026	SUPPLY AND DELIVERY OF SUBSTATION BATTERY TEST SYSTEM	2026/06/19	2026/05/19	Mr B.M Sengwayo
4	SCMU 13/2026 RE-ADVERT	REQUEST FOR PROPOSALS FOR COMPUTERIZED MAINTENANCE MANAGEMENT SOFTWARE FOR A PERIOD OF 36 MONTHS	2026/05/19	2026/05/19	Mr B.M Sengwayo
5	SCMU 12/2026 RE-ADVERT	APPOINTMENT OF A SUITABLE SERVICE PROVIDER FOR THE SUPPLY, INSTALLATION, AND MAINTENANCE OF NETWORK PLANNING SOFTWARE	2026/05/19	2026/05/19	Mr B.M Sengwayo
6	SCMU 19/2026	SUPPLY AND DELIVERY OF ELECTRICAL ENGINEERING PERSONNEL TOOLS OF TRADE	2026/05/19	2026/05/19	Mr B.M Sengwayo

MAY FINANCIAL REPORT

7	SCMU 21/2026	PROVISION OF INTERGRATED SECURITY MEASURES FOR ALL ELECTRICAL MAIN AND SUB STATIONS AT GREATER TZANEEN MUNICIPALITY FOR A PERIOD OF 03 YEARS	2026/05/20	2026/05/20	Mr K Makhubele
8	SCMU 34/2025 RE-ADVERT	PROVISION OF METER READING, DISCONNECTION AND RECONNECTIONS SERVICES FOR THE PERIOD OF THREE (03) YEARS AT GTM	2026/05/06	2026/05/06	Ms R Viljoen

15.8 Quotations considered by Bid Specification committee.

NO	Bid No	Description of goods & services	Specification Date	Approval date	Project Manager
1	SCMUQ 15/2026	SUPPLY AND DELIVERY OF FIRE SUPPRESSION COVERS OF RAPID SMOTHERING FOR GTM STATIONS	2026/05/26	2026/05/26	Community Servioces
2	SCMUQ 16/2026	DEVELOPMENT OF WORKPLACE OPERATIONAL SAFETY MANAGEMENT PROTOCOLS FOR COMMUNITY SERVICES	2026/05/26	2026/05/26	Engineering Services
3	SCMUQ 17/2026	SUPPLY AND DELIVERY OF FIRE SUPPRESSION FOR RAPID SMOTHERING FOR GTM STATIONS.	2026/05/26	2026/05/26	PED

15.9 Bids closed.

NO	BID NO	DESCRIPTION	CLOSING DATE
1	SCMU 15/2026	PROVISION OF WASTE MANAGEMENT SERVICES IN LENYENYE WASTE SERVICE AREA (LITTER PICKING, KERBSIDE COLLECTION & TRANSPORTATION OF (G) WASTE) IN GREATER TZANEEN MUNICIPALITY FOR PERIOD OF 36 MONTHS	2026/05/11

MAY FINANCIAL REPORT

2	Advert)	SCMU 26/2025 (Re-	PROVISION OF LEASED OFFICE SPACE AND PARKING FACILITIES FOR GREATER TZANEEN MUNICIPALITY FOR A PERIOD OF THREE YEARS	2026/05/25
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MAY FINANCIAL REPORT

3	Advert)	SCMU 42/2025 (Re-	APPOINTMENT OF A SERVICE PROVIDER TO CONDUCT VERIFICATION OF CANDIDATES' PERSONAL CREDENTIALS FOR A PERIOD OF 36 MONTHS AT GTM	2026/05/25
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MAY FINANCIAL REPORT

4	SCMU 17/2026	PROVISION OF AN AUTOMATED METER READING SYSTEM (AMR) AND CUSTOMER WEB PORTAL FOR LARGE POWER USERS' ELECTRICITY METERS FOR A PERIOD OF 36 MONTHS	2026/05/25
	SCMU 18/2026	APPOINTMENT OF A SERVICE PROVIDER FOR THE CONSTRUCTION OF EXHIBITION STALLS/SHELL SCHEMES FOR TZANEEN AGRIC EXPO 2026	2026/05/22
5			

15.10 Quotations closed. None

15.11 BIDS CONSIDERD BY BID ADJUDICATION COMMITTE AND RECOMMENDED TO THE ACCOUNTING OFFICER.

NO	Bid No	Description of goods & services	Closing Date	BAC Date	Status	User Dept.
1	SCMU 02/2026	SUPPLY, DELIVERY AND INSTALLATION OF SPEED AND RED-LIGHT VIOLATION MANAGEMENT SYSTEM AT THE TZANEEN CTM INTERACTION	2026/02/12	2026/05/12	AWARDED	COMMUNITY SERVICES

MAY FINANCIAL REPORT

2	SCMU 03/2026	SUPPLY, DELIVERY AND TRAINING OF SPEED MEASURING INSTRUMENT FOR THE GEATER TZANEEN MUNICIPALITY	2026/02/12	2026/05/12	AWARDED	COMMUNITY SERVICES
3	SCMU 11/2026	APPOINTMENT OF SERVICE PROVIDER FOR SUPPLY AND DELIVERY OF THREE PHASE POWER QUALITY RECORDERS	2026/03/20	2026/05/12	AWARDED	ELECTRICAL ENGINEERING
4	SCMU 41/2025	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INDIGENT MANAGEMENT SYSTEM FOR THE PERIOD OF 36 MONTHS AT GTM	2026/03/16	2026/05/12	AWARDED	BUDGET AND TREASURY
5	RT57 - 2022	SUPPLY AND DELIVERY OF SEDAN, LIGHT AND HEAVY COMMERCIAL VEHICLES, BUSES, MOTORCYCLES, AGRICULTURAL TRACTORS, CONSTRUCTION PLANT AND EQUIPMENT TO THE STATE FOR A PERIOD OF 1 JULY 2023 TO 30 JUNE 2026.		2026/05/26	AWARDED	COMMUNITY SERVICES

15.12 QUOTATIONS AWARDED BY CFO.

No	Bid number	Description	User Dept.	Closing date	Date of award	status
1	SCMUQ 10/2026	SUPPLY AND DELIVERY OF TRAFFIC SIGNS	COMMUNITY SERVICES	2026/04/20	2026/05/04	Awarded
2	SCMUQ 16/2026	SUPPLY AND DELIVERY OF ANNUAL COMPLIANCE	COMMUNITY SERVICES	2026/06/12	2026/05/05	Awarded
3	SCMUQ 17/2026	CONFERENCE VENUE HIRE FOR AGRI – EXPO	COMMUNITY SERVICES	2026/06/12	2026/05/05	Awarded

MAY FINANCIAL REPORT

15.13 BIDS AWARDED BY ACCOUNTING OFFICER.

No	Bid number	Description	User Dept.	Closing date	Date of award	status
1	SCMU 02/2026	APPOINTMENT OF A SERVICE PROVIDER FOR THE SUPPLY, DELIVERY AND INSTALLATION OF SPEED AND RED-LIGHT VIOLATION MANAGEMENT SYSTEM AT THE TZANEEN CTM INTERACTION	COMMUNITY SERVICES	2026/02/12	2026/05/14	AWARDED
2	SCMU 03/2026	APPOINTMENT OF A SERVICE PROVIDER FOR THE SUPPLY, DELIVERY AND TRAINING OF SPEED MEASURING INSTRUMENT FOR THE GEATER TZANEEN MUNICIPALITY	COMMUNITY SERVICES	2026/02/12	2026/05/14	AWARDED
3	SCMU 11/2026	APPOINTMENT OF SERVICE PROVIDER FOR SUPPLY AND DELIVERY OF THREE PHASE POWER QUALITY RECORDERS	ELECTRICAL ENGINEERING	2026/03/20	2026/05/14	AWARDED
4	SCMU 41/2025	APPOINTMENT OF A SERVICE PROVIDER FOR THE PROVISION OF INDIGENT MANAGEMENT SYSTEM FOR THE PERIOD OF 36 MONTHS AT GTM	BUDGET AND TREASURY	2026/03/16	2026/05/14	AWARDED

15.14 Bids advertised.

NO	Bid No	Description	Municipal Notice board	Municipal Website	I-tender CIDB	Local media	National media	e-tender	Date of advert
1	SCMU 16/2026	MAINTENANCE OF TRAFFIC LIGHTS, LIFTS AND DIESEL GENERATORS AT GREATER TZANEEN MUNICIPALITY FOR THE PERIOD OF 36 MONTHS	Yes	Yes	No	Yes	Yes	Yes	2026/05/08
2	SCMU 18/2026	APPOINTMENT OF A SERVICE PROVIDER FOR THE CONSTRUCTION OF EXHIBITION STALLS/SHELL SCHEMES FOR TZANEEN AGRIC EXPO 2026	Yes	Yes	No	Yes	Yes	Yes	2026/05/08

MAY FINANCIAL REPORT

3	SCMU 34/2025 RA	PROVISION OF AN AUTOMATED METER READING DISCONNECTIONS AND RECONNECTIONS	Yes	Yes	No	Yes	Yes	Yes	2026/05/08
4	SCMU 19/2026	SUPPLY AND DELIVERY OF ELECTRICAL ENGINEERING PERSONNEL TOOLS OF TRADE	Yes	Yes	No	Yes	Yes	Yes	2026/05/22
5	SCMU 20/2026	SUPPLY AND DELIVERY OF SUBSTATION BATTERY TEST SYSTEM	Yes	Yes	No	Yes	Yes	Yes	2026/05/22
6	SCMU 12/2026 Re-advert	APPOINTMENT OF A SUITABLE SERVICE PROVIDER FOR THE SUPPLY, INSTALLATION, AND MAINTENANCE OF NETWORK PLANNING SOFTWARE	Yes	Yes	No	Yes	Yes	Yes	2026/05/22
7	SCMU 13 Re-advert	REQUEST FOR PROPOSALS FOR COMPUTERIZED MAINTENANCE MANAGEMENT SOFTWARE FOR A PERIOD OF 36 MONTHS	Yes	Yes	No	Yes	Yes	Yes	2026/05/29
8	SCMU 21/2026	PROVISION OF INTERGRATED SECURITY MEASURES FOR ALL ELECTRICAL MAIN AND SUB STATIONS AT GREATER TZANEEN MUNICIPALITY FOR A PERIOD OF 03 YEARS	Yes	Yes	No	Yes	Yes	Yes	2026/05/29
9	SCMU 22/2026	APPOINTMENT OF A SERVICE PROVIDER FOR SUPPLY AND DELIVERY OF TRAFFIC UNIFORM	Yes	Yes	No	Yes	Yes	Yes	2026/05/29

15.15 Quotations advertised. None

16 AUDIT ACTION PLAN

The Municipality received an unqualified audit opinion for 2024/2025 financial year. An audit action plan is in process of the implementation, and the ASC was held in March 2026 monitor progress. Additionally, the implementation of the plan is discussed at the management meeting for monitoring and to promote culture of accountability.

17 FRUITLESS AND WASTEFUL EXPENDITURE

MAY FINANCIAL REPORT

Department	Opening Balance	Addition: Current	Recovered	Written Off	Condoned	Closing balance
MM						
Corporate Serv.						
Comm						
BTO	27 566 857					27 566 857
PED						
Electrical Servi.						
Engineering Serv.	R4 590					R4 590
Total	27 571 447	-	-	-	-	27 571 447

There were no fruitless and wasteful expenditure incurred during the month of May 2026

18 IRREGULAR EXPENDITURE

Department	Opening Balance	Addition: Current	Written Off	Condoned	Closing balance
MM					-
Corporate Serv.	-	-			-
Comm	108 083.51	-			108 083.51
BTO	-	-			-
PED	-	-			-
Electrical Servi.	7 968 041.66	65 965.45			8 034 007.11
Engineering Serv.	40 769 714.82	-			40 769 714.82
Total	48 845 839,99	65 965.45	-	-	48 911 805,44

There were no Irregular expenditure incurred during the month of May 2026.

MAY FINANCIAL REPORT

The cumulative irregular expenditure to date is **R6 561 757.99**. 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. Majority of the contracts have lapsed.

18.2 List of irregular expenditure attached as annexure C

Mr C.M Maeta

CHIEF FINANCIAL OFFICER

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

MAY FINANCIAL REPORT

MM/AC	Municipal Manager/Accounting Officer
BCM	Bid Committee Member
TCC	Tax Clearance Certificate