HARRY GWALA DISTRICT MUNICIPALITY

202526
SCHEDULE B

2526 BUDGET ADJUSTMENTS

Budget & Reporting

Budget & Treasury Office

202526 SCHEDULE B

Table of Contents

Glossary

Adjustments budget – Prescribed in section 28 of the MFMA.
The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities.

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings, and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by National to Provincial and local government.

Equitable share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal
accounting.

IDP – Integrated Development Plan. The main strategic planning document of the municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations April 2009

MFMA – The Municipal Finance Management Act – No. 56 of 2003. The principle piece of
legislation relating to municipal financial management.
MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.
Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages.
Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.
SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.
Strategic objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.
Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.
Virement – A transfer of budget.
Virement policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.
Vote – One of the main segments into which a budget. In Harry Gwala District Municipality means a directorate level.

PART 1 – ADJUSTMENTS BUDGET

1. Mayor's Report

INTRODUCTION

The adjustment budget seeks to rectify issues identified in the mid-year assessment of the financial results as well as the inclusion of additional allocations. It is drafted in terms of section 28 of the MFMA and seeks to adhere to the stipulations of specifically section 28(2) of the MFMA.

BACKGROUND

In terms of s (28) of the Municipal Finance Management Act, a municipality may revise an approved annual budget through an adjustments budget. Section 28(2) of the MFMA provides conditions under which an adjustment budget may be passed.

2) An adjustment budget –

a) Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year:

b) May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for:

c) May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality:

d) May authorise the utilisation of projected savings in one vote towards spending under another vote:

e) May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council:

f) May correct any errors in the annual budget; and

g) May provide for any other expenditure within a prescribed framework.

(3) An adjustments budget must be in a prescribed form.

(4) Only the mayor may table an adjustments budget in the municipal council, but an adjustments budget in terms of subsection (2)*(b)* to *(g)* may only be tabled within any prescribed limitations as to timing or frequency.

2. Resolutions

It is recommended that the Harry Gwala District Municipal Council:

2.1 Approves the adjustments budget and consolidated adjustments budget for the financial year 2025/2026, as set-out in the schedules contained in Section 4, be approved:

2.2 Approves any adjustments permitted in terms of Section 28 (2) of the Act,

2.3 Approves the revisions to the monthly and quarterly service delivery targets and performance indicators in the service delivery and budget implementation plan, if any, to correspond with the approval of the adjustments budget.

3. Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains viable and that the municipality services are provided sustainably, economically, and equitably to all communities.

It is critical to note that according to Municipal Finance Management Act and Municipal Budget Regulation and Reporting only one adjustment budget referred to in sub regulation (1) maybe tabled to municipal council during a financial year except when the additional revenues contemplated in section 28 (2) (b) of the MFMA are allocated to a municipality in a national or provincial adjustment budget.

The methodology Harry Gwala District Municipality applied during the preparation of this adjustment budget was to analyse the votes and identify virements, overspent votes, potential overspending on votes and projections for the rest of the year. Aligning operational activities or requirement to budget for the municipality to continue providing basic services to the people in a sustainable manner as required by the Constitution of the Republic of South Africa the municipality did not have any choice but to do adjustment budget to accommodate expenditure for repairs and maintenance that was unforeseeable economic and financial events that affect the fiscal targets set by the budget, adjustments may need to be done.

The Water Services had to attend the sewer blockages/spillages in Dr Nkosazana Dlamini Zuma which resulted in overspending of the approved budget where we have no choice but to implement s28 (c) of Municipal Finance Management Act due to the directive that was received from Department of Environmental Affairs regarding the raw sewer spillage that flows into the nearby river. The use of the honey sucker truck to transport sewage from Underberg WWTW to Ixopo/ uMzimkhulu WWTW for treatment until the operational challenges at the Underberg wastewater system have been resolved. This intervention will ensure continued sanitation service delivery, minimize environmental and public health risks, and support the municipality's compliance with statutory obligations.

Water and Services Department was under pressure to revive the collapsed water and sanitation infrastructure in a number of water schemes to improve service delivery to affected communities. The service delivery response resulted in the following items being overspent.

It was discovered that expenditure on certain items was initially described as operational however on further assessment it turned out that it was of capital nature. The expenditure in terms of GRAP 17 is required to be moved to CAPEX.

The Adjusted budget must be tabled to Council for approval and submit to National and Provincial treasury for comments and it must be prepared on B schedule as per MBRR. SDBIP also need to be revised to align to adjusted figures.

The following matters the preparation of the 2025/2026 Adjustments Budget have been considered:

1. Aging and poorly maintained infrastructure.

2. The need to reprioritise projects and expenditure within the existing resource envelope

3. The municipality should also ensure that the Adjustments Budget is funded.

The section that follows seeks to analyze and provide details of the upward/downward adjustment in revenue, Operational and Capital budget.

The Adjusted consolidated revenue has decreased by R473 794.11 (0%) to R1billion, and parent decreased from R992, 6m to R992, 1m. This downward adjustment is mainly due to Gains on disposal of Assets.

The Consolidated Adjusted operations budget is R893,9m having increased by R3,5m or 0 per cent from the original budget of R890.4million.

The upward adjustment is mainly due to following contributing factor:

- Inventory Consumed: A variance of R6million or 13 per cent due to the bulk water purchases seen as an increase of R3 million due to underbudgeted from the original budget therefore inventory consumed increased from the original budget of R 45,9million to adjusted budget of R 51,9million for the 2025/26 financial year.

- Contracted Services: A decrease variance of R 41, 7million or 21 per cent due to the discovery of the expenditure on certain items that was initially described as operational however on further assessment it turned out that it was actually of capital nature meaning there was a misclassification. The expenditure in terms of generally recognised accounting standards GRAP 17 is required to be moved to Capital budget.

- Depreciation and Amortization: An increase of R30,6million or 29 per cent due to increase in the capital asset base during the financial year.

Some expenditure that had originally been classified as operational was reclassified to capital in accordance with GRAP 17.

- Other expenditure or Operating Costs: A variance of R6.9million or 6 per cent due to a limited funds therefore the original budget was underestimated. The revised operating costs expenditure of R 6, 9million is 6 per cent more than the original budget of R 116.4million for the current financial year. The increase is mostly caused by fuel and oil and Eskom. Below is the evidence of the line items that has an impact on the adjustments budget.

The following line items had major movements.

OPERATING EXPENDITURE PER LINE ITEMS			
Detail	**Original Budget**	**Adjusted Budget**	**Adjustments Made**
INVENTORY - WATER	R 35 537 035	R 38 537 035	R 3 000 000
OS: SEWERAGE SERVICES	R 13 844 660	R 14 844 660	R 1 000 000
MUNICIPAL SERVICES: ESCOM	R 29 382 674	R 31 882 674	R 2 500 000
FUEL	R 11 593 159	R 16 142 202	R 4 549 043
DEPREACIATION	R 107 788 020	R 138 385 915	R 30 597 895
ADMINISTRATIVE & REVENUE SUPPORT SYSTEM	R 14 856 118	R 12 307 075	R -2 549 043
BUILDING CONSTRUCTION	R 24 085 910	R -23 000 000	R 1 085 910
INFRASTRUCTURE ASSETS	R 11 590 300	R -11 590 300	R -
OC: WORKMEN'S COMPENSATION FUND	R 2 000 000	R -2 000 000	R -
TOTAL	**R 248 677 876**	**R 215 509 261**	**R 40 183 805**

To this end much attention is given to the department of Water Services. Water services department also hosts the largest percentage of the municipality's labour force. Water Services department has seen an upward adjustment for bulk water purchase, sewerage services and electricity.

The increase in the capital expenditure in the implementation or investment in the water infrastructure contributed to the unanticipated rise in the actual depreciation. The depreciation will further increase with the capitalization of the completed project as completion certificates are received.

The Consolidated capital budget has increased from R331.5million to R367,8million. Parent capex budget has increased from R 326,5milion to R362,8million due to the R11,5million for Infrastructure Assets and R23million for repairs and maintenance that was budget under operational budget.

CAPITAL EXPENDITURE PER LINE ITEMS			
Detail	**Original Budget**	**Adjusted Budget**	**Adjustments Made**
BUILDING CONSTRUCTION	R -	R 23 000 000	R 23 000 000
INFRASTRUCTURE ASSETS	R -	R 11 590 300	R 11 590 300
INSTALLATION OF BULK WATER METERS	R 4 675 884	R 2 475 884	R 2 200 000
INSTALLATION OF SMART METER	R 10 585 363	R 12 785 363	R -2 200 000
TOTAL	**R -**	**R 49 851 547**	**R 34 590 300**

Budget Summary vs Adjusted Summary

TABLE B 1 CONSOLIDATED ADJUSTMENT BUDGET SUMMARY

Table B1 below provides a summary of the budget adjustment of the municipality and is unpacked in the sections that follow.

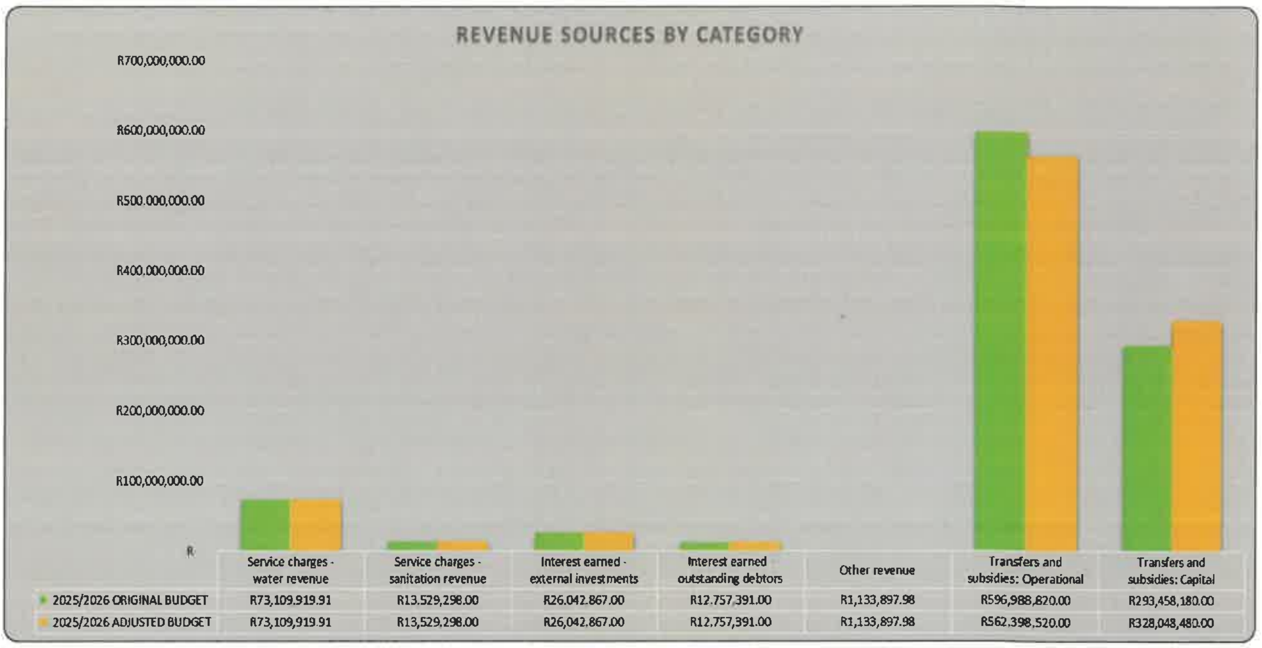
DC43 Harry Gwala - Table B1 Consolidated Adjustments Budget Summary - 16/07/2026							
Description	Budget Year 2025/26					Budget Year +1 2026/27	Budget Year +2 2027/28
	Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
		1	6	7	8		
R thousands	A	A1	F	G	H		
Financial Performance							
Service charges	81,589	86,639	–	–	86,639	95,753	105,328
Investment revenue	26,043	26,043	–	–	26,043	27,658	28,750
Transfers recognised - operational	596,989	596,989	(34,590)	(34,590)	562,399	609,089	639,342
Other own revenue	19,194	13,891	(474)	(474)	13,417	15,216	16,667
Total Revenue (excluding capital transfers and contributions)	**723,815**	**723,562**	**(35,064)**	**(35,064)**	**688,498**	**747,717**	**790,087**
Employee costs	291,721	310,807	562	562	311,369	331,991	347,555
Remuneration of councillors	8,059	8,101	175	175	8,276	8,426	8,763
Depreciation & asset impairment	139,318	139,318	30,579	30,579	169,896	121,468	125,487
Finance charges	54	54	559	559	613	56	58
Inventory consumed and bulk purchases	39,635	46,030	5,985	5,985	52,015	51,787	53,833
Transfers and subsidies	23,360	23,360	–	–	23,360	26,100	27,032
Other expenditure	317,027	362,750	(34,334)	(34,334)	328,416	337,820	352,245
Total Expenditure	**819,174**	**890,421**	**3,525**	**3,525**	**893,946**	**877,647**	**914,973**
Surplus/(Deficit)	(95,360)	(166,858)	(38,589)	(38,589)	(205,447)	(129,930)	(124,886)
Transfers and subsidies - capital (monetary allocations)	293,458	293,458	34,590	34,590	328,048	328,867	389,426
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**198,099**	**126,600**	**(3,999)**	**(3,999)**	**122,601**	**198,936**	**264,540**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**198,099**	**126,600**	**(3,999)**	**(3,999)**	**122,601**	**198,936**	**264,540**
Capital expenditure & funds sources							
Capital expenditure	302,060	331,362	36,521	36,521	367,883	322,349	376,439
Transfers recognised - capital	260,147	256,895	34,902	34,902	291,797	285,971	338,631
Borrowing	–	–	–	–	–	–	–
Internally generated funds	41,912	74,468	1,618	1,618	76,086	36,378	37,807
Total sources of capital funds	**302,060**	**331,362**	**36,521**	**36,521**	**367,883**	**322,349**	**376,439**
Financial position							
Total current assets	219,492	250,110	69,223	69,223	319,333	288,396	319,318
Total non current assets	3,446,443	3,444,301	36,521	36,521	3,480,822	4,359,937	4,661,330
Total current liabilities	121,261	192,338	–	–	192,338	220,427	220,027
Total non current liabilities	30,536	34,976	–	–	34,976	–	–
Community wealth/Equity	**3,514,683**	**3,539,376**	**33,464**	**33,464**	**3,572,840**	**4,421,998**	**4,769,139**
Cash flows							
Net cash from (used) operating	357,947	357,947	(26,806)	(26,806)	331,141	258,843	337,251
Net cash from (used) investing	(346,012)	(346,012)	(66,640)	(66,640)	(412,652)	(369,371)	(431,664)
Net cash from (used) financing	(1,831)	(1,831)	–	–	(1,831)	(1,831)	(1,831)
Cash/cash equivalents at the year end	**173,682**	**306,567**	**(24,223)**	**(24,223)**	**282,344**	**169,986**	**73,742**
Cash backing/surplus reconciliation							
Cash and investments available	175,980	214,692	69,223	69,223	283,914	244,300	270,183
Application of cash and investments	99,123	170,442	(62)	(62)	170,380	200,614	202,252
Balance - surplus (shortfall)	**76,857**	**44,249**	**69,285**	**69,285**	**113,535**	**43,686**	**67,931**
Asset Management							
Asset register summary (WDV)	2,806,919	2,787,854	36,521	36,521	2,824,374	3,703,490	4,004,882
Depreciation	107,788	107,788	30,579	30,579	138,367	115,501	119,323
Renewal and Upgrading of Existing Assets	41,526	35,688	(2,316)	(2,316)	33,372	88,865	160,290
Repairs and Maintenance	45,192	47,246	(5,300)	(5,300)	41,946	41,044	42,669
Free services							
Cost of Free Basic Services provided	(768)	0	–	–	0	–	–
Households below minimum service level							
Water:	88	–	–	–	88	93	99

TABLE B2 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

Schedule B2 is the Expenditure by standard classification presents the adjustment expenditures by the departments.

DC43 Harry Gwala - Table B2 Consolidated Adjustments Budget Financial Performance (functional classification) - 13/07/2026

Standard Description R thousands	Ref 1, 4	Budget Year 2025/26 Original Budget A	 Prior Adjusted 5 A1	 Other Adjusts. 10 F	 Total Adjusts. 11 G	 Adjusted Budget 12 H	Budget Year +1 2026/27 Adjusted Budget	Budget Year +2 2027/28 Adjusted Budget
Revenue - Functional								
Governance and administration		**551,433**	**549,438**	**(474)**	**(474)**	**548,965**	**579,480**	**610,051**
Finance and administration		551,433	549,438	(474)	(474)	548,965	579,480	610,051
Community and public safety		**18**	**84**	–	–	**84**	**87**	**91**
Community and social services		18	84	–	–	84	87	91
Economic and environmental services		**23,000**	**23,000**	–	–	**23,000**	**25,000**	**25,500**
Planning and development		23,000	23,000	–	–	23,000	25,000	25,500
Trading services		**442,822**	**444,498**	–	–	**444,498**	**472,016**	**543,872**
Water management		426,870	430,633	–	–	430,633	456,765	527,095
Waste water management		15,952	13,865	–	–	13,865	15,251	16,776
Total Revenue - Functional	2	**1,017,273**	**1,017,020**	**(474)**	**(474)**	**1,016,547**	**1,076,583**	**1,179,513**
Expenditure - Functional	-							
Governance and administration		**308,803**	**359,882**	**2,564**	**2,564**	**362,446**	**367,082**	**381,794**
Executive and council		52,195	53,471	34	34	53,505	48,636	50,082
Finance and administration		246,716	296,425	2,662	2,662	299,087	307,755	320,527
Internal audit		9,892	9,986	(132)	(132)	9,854	10,691	11,185
Community and public safety		**22,765**	**20,654**	**(1,233)**	**(1,233)**	**19,421**	**20,576**	**21,622**
Community and social services		22,765	20,654	(1,233)	(1,233)	19,421	20,576	21,622
Economic and environmental services		**217,958**	**220,676**	**(6,662)**	**(6,662)**	214,014	**212,343**	**222,399**
Planning and development		217,958	220,676	(6,662)	(6,662)	214,014	212,343	222,399
Trading services		**269,549**	**289,109**	**8,856**	**8,856**	**297,965**	**277,542**	**289,050**
Water management		260,256	279,963	8,878	8,878	288,841	267,846	279,025
Waste water management		9,292	9,146	(22)	(22)	9,123	9,696	10,026
Other		**100**	**100**	–	–	**100**	**104**	**108**
Total Expenditure - Functional	3	**819,174**	**890,421**	**3,525**	**3,525**	**893,946**	**877,647**	**914,973**
Surplus/ (Deficit) for the year		**198,099**	**126,600**	**(3,999)**	**(3,999)**	**122,601**	**198,936**	**264,540**



	Service charges - water revenue	Service charges - sanitation revenue	Interest earned - external investments	Interest earned outstanding debtors	Other revenue	Transfers and subsidies: Operational	Transfers and subsidies: Capital
2025/2026 ORIGINAL BUDGET	R73,109.919.91	R13.529,298.00	R26.042.867.00	R12.757.391.00	R1,133,897.98	R596,988,820.00	R293,458,180.00
2025/2026 ADJUSTED BUDGET	R73,109,919.91	R13,529,298.00	R26,042,867.00	R12,757,391.00	R1,133,897.98	R562.398.520.00	R328,048,480.00

The parent revenue has Decreased by 0% R473 794 from R992,5million originally approved budget to R992million. This downward adjustment is mainly due to Gains on disposal of Assets.

Chart 1: Adjusted Revenue Budget by Standard Classification

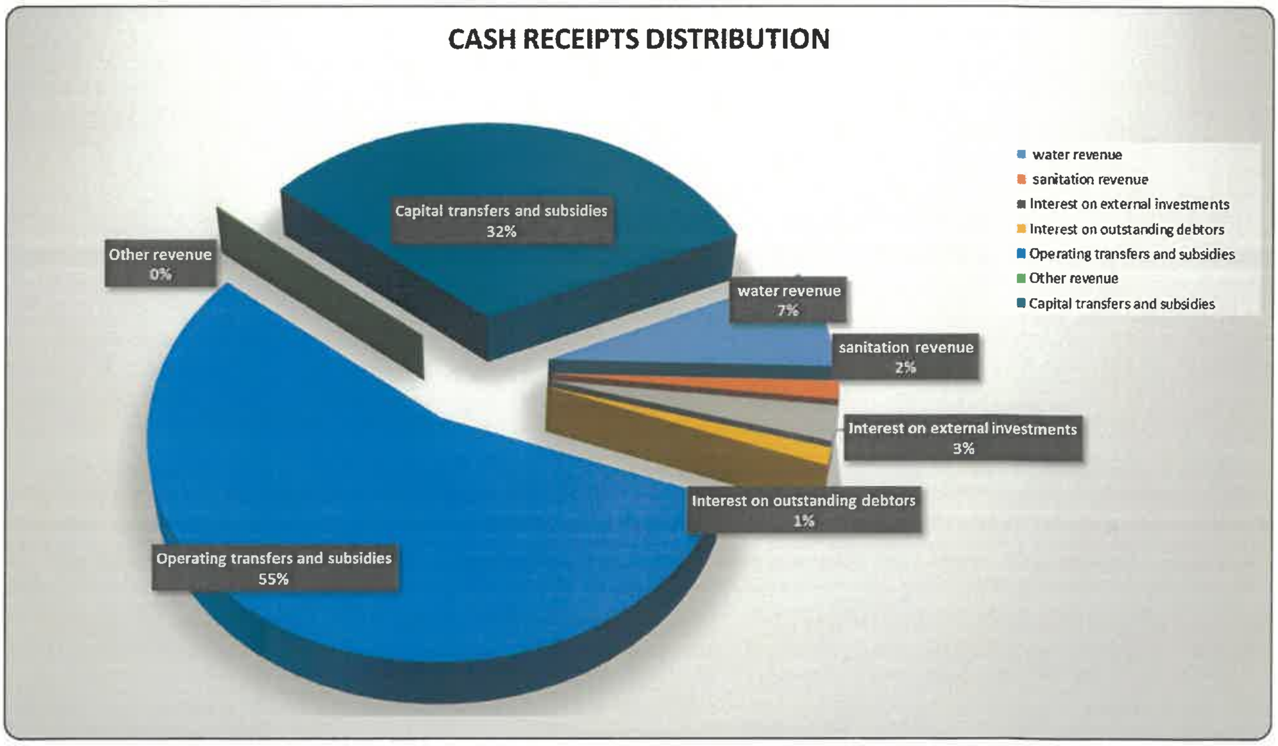
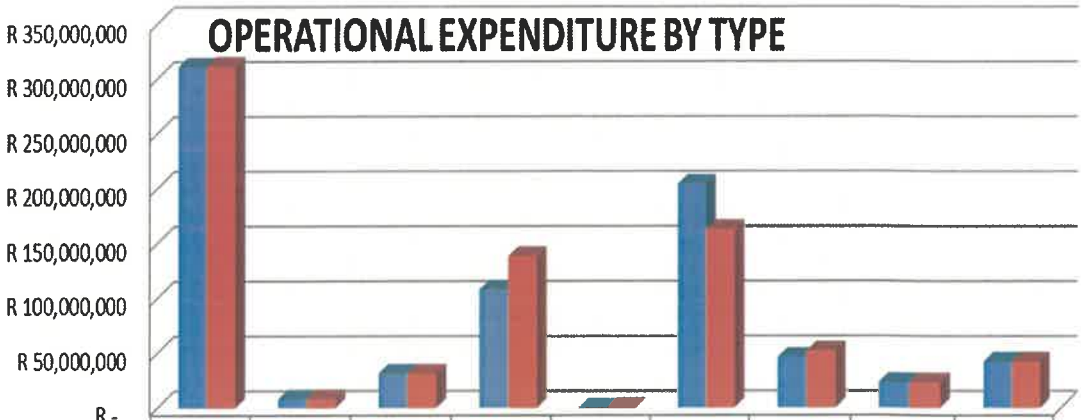


Chart 2: Adjusted Operation Budget by Standard Classification



	Employee related costs	Remuneration of councillors	Debt impairment	Depreciation & asset impairment	Finance charges	Contracted services	Inventory consumed	Transfers and subsidies	Irrecoverable debts written off
ORIGINAL BUDGET	R 310,807	R 8,101,4	R 31,529,	R 107,788	R 54,200	R 204,024	R 46,029,	R 23,360,	R 42,340,
ADJUSTED BUDGET	R 311,368	R 8,276,0	R 31,529,	R 138,366	R 613,144	R 162,701	R 52,014,	R 23,360,	R 42,340,

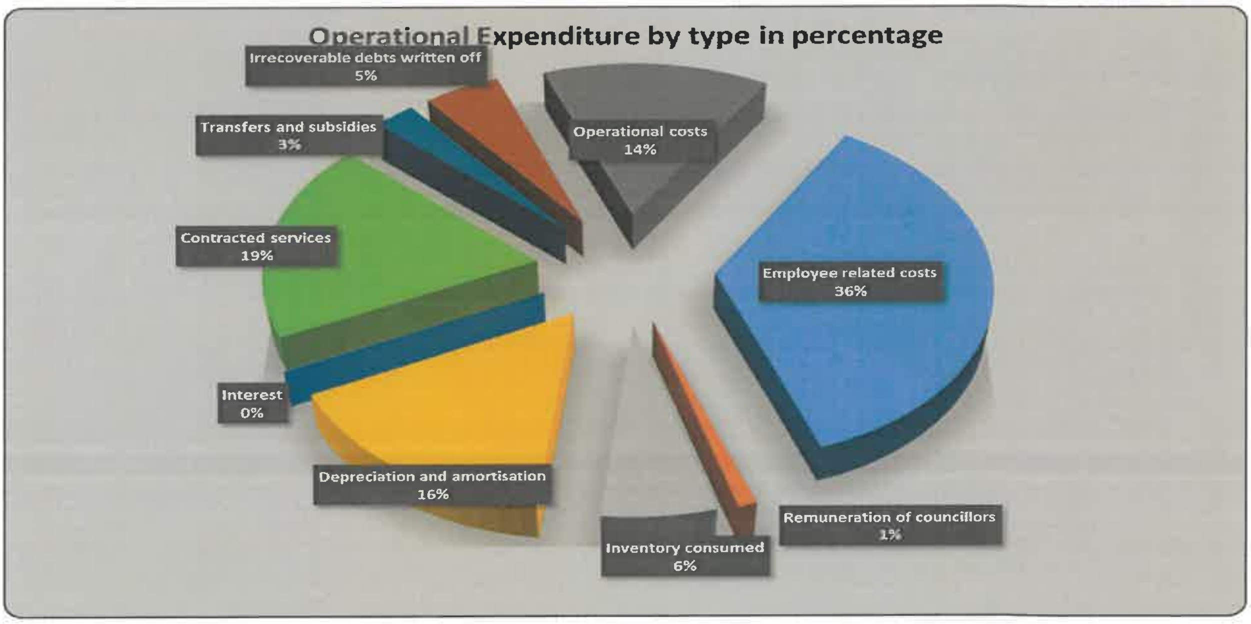
TABLE B3 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

Table B3 presents the same information as the table above, the difference being that it's by Municipal vote.

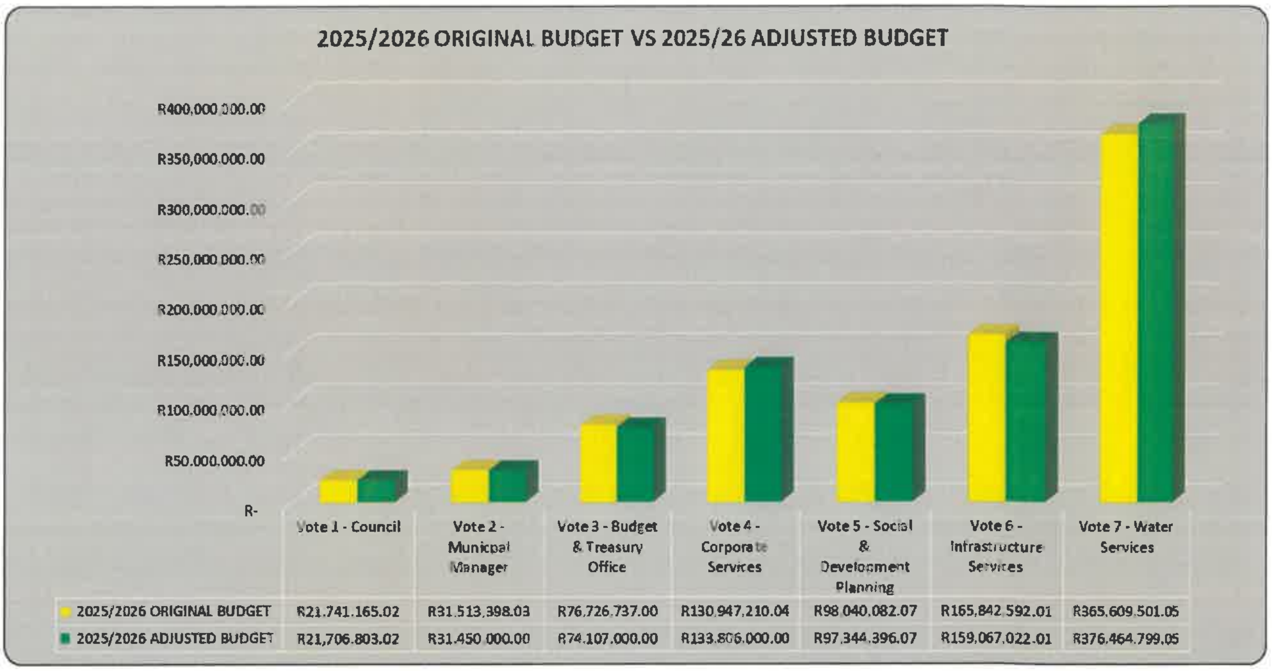
DC43 Harry Gwala - Table B3 Consolidated Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 13/07/:

Vote Description	Ref	Budget Year 2025/26					Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
[Insert departmental structure etc]			3	8	9	10		
R thousands		A	A1	F	G	H		
Revenue by Vote	1							
Vote 03 - Summary Budget And Treasury Office		549,507	547,435	(474)	(474)	546,962	576,366	606,791
Vote 04 - Summary Corporate Services		410	410	–	–	410	427	444
Vote 05 - Summary Social Services & Development Planing		24,479	24,545	–	–	24,545	27,181	27,754
Vote 06 - Summary Infrastructure Services		350,081	350,081	–	–	350,081	368,158	429,627
Vote 07 - Summary Water Services		92,795	94,548	–	–	94,548	104,452	114,898
Total Revenue by Vote	2	**1,017,273**	**1,017,020**	**(474)**	**(474)**	**1,016,547**	**1,076,583**	**1,179,513**
Expenditure by Vote	1							
Vote 01 - Summary Council		20,567	21,741	(34)	(34)	21,707	23,708	24,602
Vote 02 - Summary Municipal Manager		31,264	31,513	(64)	(64)	31,450	33,035	33,992
Vote 03 - Summary Budget And Treasury Office		64,749	76,727	(2,620)	(2,620)	74,107	74,826	78,130
Vote 04 - Summary Corporate Services		110,299	130,947	2,859	2,859	133,806	140,794	146,619
Vote 05 - Summary Social Services & Development Planing		97,924	98,040	(696)	(696)	97,344	109,590	113,919
Vote 06 - Summary Infrastructure Services		165,408	165,843	(6,776)	(6,776)	159,067	151,909	159,630
Vote 07 - Summary Water Services		328,964	365,610	10,855	10,855	376,465	343,785	358,081
Total Expenditure by Vote	2	**819,174**	**890,421**	**3,525**	**3,525**	**893,946**	**877,647**	**914,973**
Surplus/ (Deficit) for the year	2	**198,099**	**126,600**	**(3,999)**	**(3,999)**	**122,601**	**198,936**	**264,540**

Chart 3: Adjustment budget financial performance



The graph above presents the adjustment budget expenditure by type.



Some major differences above are caused by the cash flow constraint facing the municipality as a result of the limited revenue, while most departments have not adjusted their budgets, Water Services has seen an increase due to the nature of the operations and repairs and maintenance undertaken under water services department followed by Corporate Services due to day-to-day operations of the municipality. Water Services Department also hosts the largest percentage of the municipality's labour force.

The graph above presents the adjustment budget expenditure by vote.

TABLE B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

This schedule provides information on the adjustment revenue by source and adjustment operational expenditures by type.

DC43 Harry Gwala - Table B4 Consolidated Adjustments Budget Financial Performance (revenue and expenditure) - 13/07/2026

Description	Ref	Budget Year 2025/26					Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	8	9	10		
R thousands	1	A	A1	F	G	H		
Revenue By Source								
Exchange Revenue								
Service charges - Water	2	68,071	73,110	–	–	73,110	80,870	88,958
Service charges - Waste Water Management	2	13,518	13,529	–	–	13,529	14,882	16,370
Service charges - Waste Management	2	–	–	–	–	–	–	–
Sale of Goods and Rendering of Services		791	146	–	–	146	156	163
Interest earned from Receivables		16,055	12,757	–	–	12,757	14,033	15,436
Interest earned from Current and Non Current Assets		26,043	26,043	–	–	26,043	27,658	28,750
Operational Revenue		706	647	–	–	647	673	700
Non-Exchange Revenue								
Surcharges and Taxes					–	–		
Fines, penalties and forfeits		1,643	340	–	–	340	354	368
Licences or permits					–	–		
Transfer and subsidies - Operational		596,989	596,989	(34,590)	(34,590)	562,399	609,089	639,342
Gains on disposal of Assets		–	–	(474)	(474)	(474)	–	–
Total Revenue (excluding capital transfers and contributions)		**723,815**	**723,562**	**(35,064)**	**(35,064)**	**688,498**	**747,717**	**790,087**
Expenditure By Type								
Employee related costs		291,721	310,807	562	562	311,369	331,991	347,555
Remuneration of councillors		8,059	8,101	175	175	8,276	8,426	8,763
Inventory consumed		39,635	46,030	5,985	5,985	52,015	51,787	53,833
Debt impairment		31,530	31,530	–	–	31,530	5,967	6,164
Depreciation and amortisation		107,788	107,788	30,579	30,579	138,367	115,501	119,323
Interest		54	54	559	559	613	56	58
Contracted services		173,856	204,425	(41,723)	(41,723)	162,702	170,921	179,761
Transfers and subsidies		23,360	23,360	–	–	23,360	26,100	27,032
Irrecoverable debts written off		42,327	42,340	0	0	42,340	44,880	46,362
Operational costs		100,844	115,985	7,370	7,370	123,355	117,365	121,315
Losses on disposal of Assets		–	–	19	19	19	4,654	4,807
Total Expenditure		**819,174**	**890,421**	**3,525**	**3,525**	**893,946**	**877,647**	**914,973**
Surplus/(Deficit)		**(95,360)**	**(166,858)**	**(38,589)**	**(38,589)**	**(205,447)**	**(129,930)**	**(124,886)**
Transfers and subsidies - capital (monetary allocations)		293,458	293,458	34,590	34,590	328,048	328,867	389,426
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–
Surplus/(Deficit) before taxation		**198,099**	**126,600**	**(3,999)**	**(3,999)**	**122,601**	**198,936**	**264,540**
Surplus/(Deficit) after taxation		**198,099**	**126,600**	**(3,999)**	**(3,999)**	**122,601**	**198,936**	**264,540**
Surplus/(Deficit) attributable to municipality		**198,099**	**126,600**	**(3,999)**	**(3,999)**	**122,601**	**198,936**	**264,540**
Surplus/ (Deficit) for the year	1	**198,099**	**126,600**	**(3,999)**	**(3,999)**	**122,601**	**198,936**	**264,540**

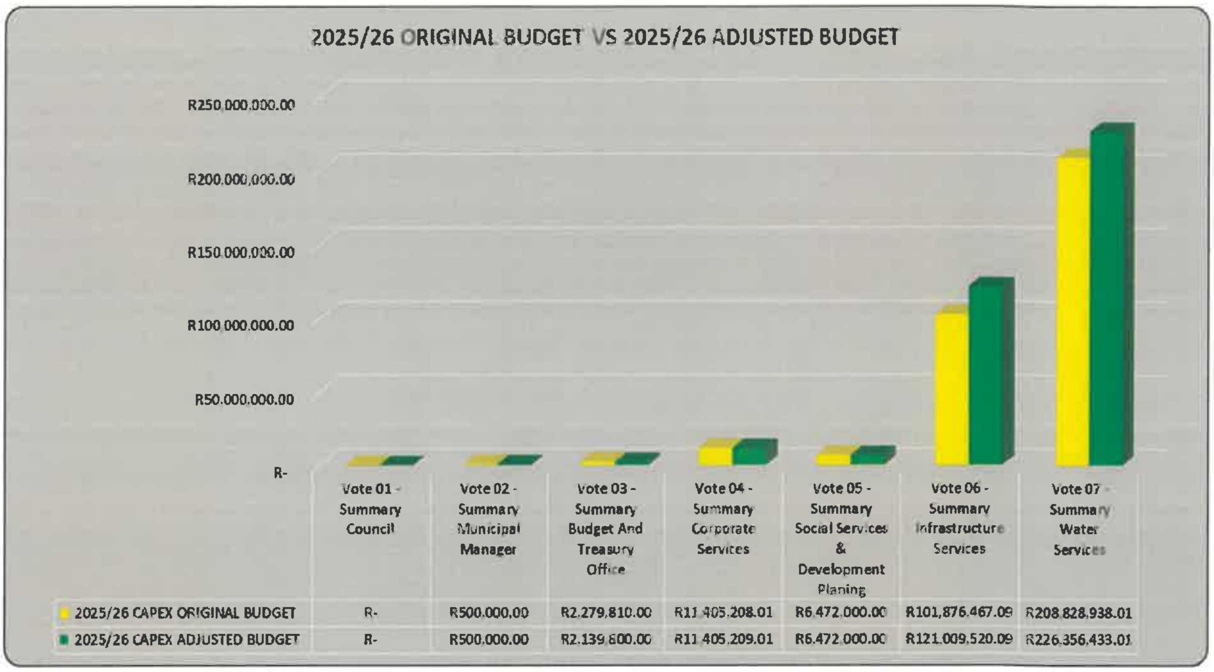
TABLE B5 ADJUSTMENT CAPITAL EXPENDITURE BUDGET BY VOTE AND FUNDING

Schedule B5 below reports on the adjusted capital expenditures by departments (municipal vote) and by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

DC43 Harry Gwala - Table B5 Consolidated Adjustments Capital Expenditure Budget by vote and funding - 13/07/2026

Description	Ref	Budget Year 2025/26					Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			5	10	11	12		
R thousands		A	A1	F	G	H		
Capital expenditure - Vote								
Multi-year expenditure *to be adjusted*	2							
Vote 02 - Summary Municipal Manager		1,364	500	–	–	500	–	–
Vote 03 - Summary Budget And Treasury Office		2,279	2,100	–	–	2,100	150	156
Vote 04 - Summary Corporate Services		3,374	6,525	1,462	1,462	7,987	8,064	8,387
Vote 05 - Summary Social Services & Development Planing		7,101	6,472	–	–	6,472	3,652	3,773
Vote 06 - Summary Infrastructure Services		99,656	100,876	19,133	19,133	120,010	140,433	237,748
Vote 07 - Summary Water Services		177,670	209,064	17,293	17,293	226,356	165,472	121,614
Capital multi-year expenditure sub-total	3	**291,443**	**325,537**	**37,887**	**37,887**	**363,425**	**317,772**	**371,678**
Single-year expenditure *to be adjusted*	2							
Vote 03 - Summary Budget And Treasury Office		180	180	(140)	(140)	40	–	–
Vote 04 - Summary Corporate Services		5,136	4,880	(1,462)	(1,462)	3,418	2,137	2,222
Vote 05 - Summary Social Services & Development Planing		–	–	–	–	–	–	–
Vote 06 - Summary Infrastructure Services		2,000	1,000	–	–	1,000	1,040	1,082
Vote 07 - Summary Water Services		3,300	0	–	–	0	1,400	1,456
Capital single-year expenditure sub-total		**10,616**	**6,060**	**(1,602)**	**(1,602)**	**4,458**	**4,577**	**4,760**
Total Capital Expenditure - Vote		**302,060**	**331,597**	**36,286**	**36,286**	**367,883**	**322,349**	**376,439**
Capital Expenditure - Functional								
Governance and administration		**17,434**	**19,057**	**(140)**	**(140)**	**18,917**	**14,004**	**14,538**
Executive and council		–	–	–	–	–	–	–
Finance and administration		16,071	18,557	(140)	(140)	18,417	14,004	14,538
Internal audit		1,364	500	–	–	500	–	–
Economic and environmental services		**95,891**	**102,704**	**19,905**	**19,905**	**122,610**	**132,418**	**220,964**
Planning and development		95,891	102,704	19,905	19,905	122,610	132,418	220,964
Trading services		**188,734**	**209,836**	**16,520**	**16,520**	**226,356**	**175,927**	**140,936**
Water management		188,473	206,645	14,263	14,263	220,908	175,927	140,936
Waste water management		261	3,191	2,257	2,257	5,449	–	–
Total Capital Expenditure - Functional	3	**302,060**	**331,597**	**36,286**	**36,286**	**367,883**	**322,349**	**376,439**

Chart 6: Capital Expenditure by Vote



The capital budget has increased from R326, 5million to R362,8million and the consolidated from R331, 5m to R367,8m. The municipality adjusted the budget upwards due to the R11,5million for Infrastructure Assets and R23million for repairs and maintenance that was budget under operational budget. An upward adjustment amounting to R36,3million and for consolidated is adjusted by R36,3m.

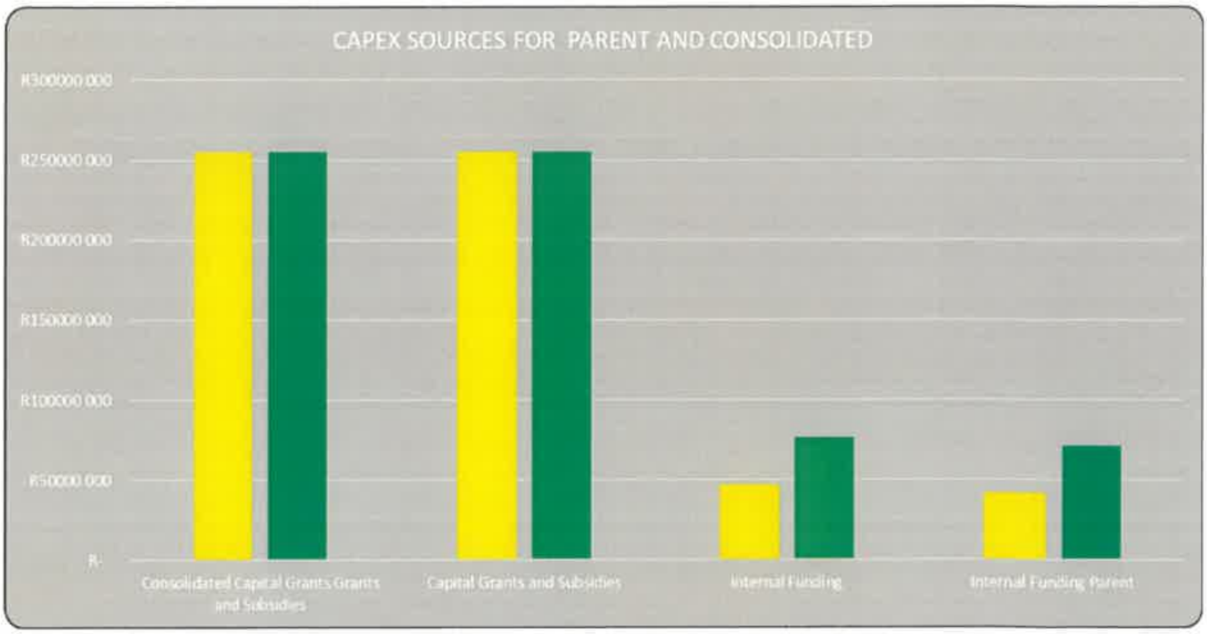

CAPEX SOURCES FOR PARENT AND CONSOLIDATED
R300000 000
R250000 000
R200000 000
R150000 000
R100000 000
R50000 000
R-
Consolidated Capital Grants Grants and Subsidies
Capital Grants and Subsidies
Internal Funding
Internal Funding Parent

TABLE B6 ADJUSTMENTS BUDGET FINANCIAL POSITION

Table B6 displays the adjustment budget financial position of the municipality.

DC43 Harry Gwala - Table B6 Consolidated Adjustments Budget Financial Position - 16/07/2026

Description	Ref	Budget Year 2025/26					Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	8	9	10		
R thousands		A	A1	F	G	H		
ASSETS								
Current assets								
Cash and cash equivalents		173,668	213,121	69,223	69,223	282,344	242,729	268,613
Trade and other receivables from exchange transactions	1	23,719	2,638	–	–	2,638	11,315	16,354
Receivables from non-exchange transactions	1	2,312	1,570	–	–	1,570	1,570	1,570
Current portion of non-current receivables	2	–	–	–	–	–	–	–
Inventory		858	963	(0)	(0)	963	963	963
VAT		19,165	32,125	–	–	32,125	32,125	32,125
Other current assets		(229)	(307)	–	–	(307)	(307)	(307)
Total current assets		**219,492**	**250,110**	**69,223**	**69,223**	**319,333**	**288,396**	**319,318**
Non current assets								
Investments					–	–		
Investment property		–	–	–	–	–	–	–
Property, plant and equipment	3	3,443,615	3,443,051	36,521	36,521	3,479,571	4,357,252	4,658,549
Biological assets					–	–		
Living and non-living resources					–	–		
Heritage assets					–	–		
Intangible assets		2,827	1,250	–	–	1,250	2,685	2,780
Trade and other receivables from exchange transactions					–	–		
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–
Other non-current assets		0	0	–	–	0	0	0
Total non current assets		**3,446,443**	**3,444,301**	**36,521**	**36,521**	**3,480,822**	**4,359,937**	**4,661,330**
TOTAL ASSETS		**3,665,935**	**3,694,411**	**105,743**	**105,743**	**3,800,154**	**4,648,333**	**4,980,647**
LIABILITIES								
Current liabilities								
Financial liabilities		8,006	10,406	–	–	10,406	8,006	5,606
Consumer deposits		3,748	4,010	–	–	4,010	4,010	4,010
Trade and other payables from exchange transactions		86,356	153,257	–	–	153,257	183,746	185,746
Trade and other payables from non-exchange transactions		1,483	1,483	–	–	1,483	1,483	1,483
Provisions		16,385	16,527	–	–	16,527	16,527	16,527
VAT		5,282	6,655	–	–	6,655	6,655	6,655
Other current liabilities					–	–		
Total current liabilities		**121,261**	**192,338**	**–**	**–**	**192,338**	**220,427**	**220,027**
Non current liabilities								
Provisions	1	30,536	34,976	–	–	34,976	–	–
Other non-current liabilities					–	–		
Total non current liabilities		**30,536**	**34,976**	**–**	**–**	**34,976**	**–**	**–**
TOTAL LIABILITIES		**151,797**	**227,314**	**–**	**–**	**227,314**	**220,427**	**220,027**
NET ASSETS	2	**3,514,138**	**3,467,097**	**105,743**	**105,743**	**3,572,840**	**4,427,906**	**4,760,620**
COMMUNITY WEALTH/EQUITY								
Accumulated Surplus/(Deficit)		3,514,683	3,539,376	33,464	33,464	3,572,840	4,421,998	4,769,139
Other					–	–		
TOTAL COMMUNITY WEALTH/EQUITY		**3,514,683**	**3,539,376**	**33,464**	**33,464**	**3,572,840**	**4,421,998**	**4,769,139**

TABLE B7 ADJUSTMENTS BUDGET CASH FLOWS

DC43 Harry Gwala - Table B7 Consolidated Adjustments Budget Cash Flows - 16/07/2026

Description	Ref	Budget Year 2025/26					Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	8	9	10		
R thousands		A	A1	F	G	H		
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Service charges		71,563	71,563	8,093	8,093	79,657	85,526	91,380
Other revenue		70,300	70,300	(4,755)	(4,755)	65,545	(19,223)	(25,077)
Transfers and Subsidies - Operational	1	573,989	573,989	(34,590)	(34,590)	539,399	584,089	613,842
Transfers and Subsidies - Capital	1	293,458	293,458	34,590	34,590	328,048	328,867	389,426
Interest		26,046	26,046	(3)	(3)	26,043	27,572	29,185
Payments								
Suppliers and employees		(677,355)	(677,355)	(29,582)	(29,582)	(706,937)	(747,931)	(761,447)
Finance charges		(54)	(54)	(559)	(559)	(613)	(56)	(58)
Transfers and Subsidies	1				–	–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		**357,947**	**357,947**	**(26,806)**	**(26,806)**	**331,141**	**258,843**	**337,251**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE		–	–	(474)	(474)	(474)	–	–
Payments								
Capital assets		(346,012)	(346,012)	(66,166)	(66,166)	(412,178)	(369,371)	(431,664)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(346,012)**	**(346,012)**	**(66,640)**	**(66,640)**	**(412,652)**	**(369,371)**	**(431,664)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Increase (decrease) in consumer deposits		569	569	–	–	569	569	569
Payments								
Repayment of borrowing		(2,400)	(2,400)	–	–	(2,400)	(2,400)	(2,400)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(1,831)**	**(1,831)**	**–**	**–**	**(1,831)**	**(1,831)**	**(1,831)**
NET INCREASE/ (DECREASE) IN CASH HELD		**10,105**	**10,105**	**(93,446)**	**(93,446)**	**(83,341)**	**(112,358)**	**(96,244)**
Cash/cash equivalents at the year begin:	2	163,577	296,462	69,223	69,223	365,685	282,344	169,986
Cash/cash equivalents at the year end:	2	173,682	306,567	(24,223)	(24,223)	282,344	169,986	73,742

TABLE B8 CASH-BACKED RESERVES / ACCUMULATED SURPLUS RECONCILIATION

DC43 Harry Gwala - Table B8 Consolidated Cash backed reserves/accumulated surplus reconciliation - 16/07/2026

Description	Ref	Budget Year 2025/26					Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	8	9	10		
R thousands		A	A1	F	G	H		
Cash and investments available								
Cash/cash equivalents at the year end	1	173,682	306,567	(24,223)	(24,223)	282,344	169,986	73,742
Other current investments > 90 days		2,298	(91,876)	93,446	93,446	1,570	74,313	196,441
Cash and investments available:		**175,980**	**214,692**	**69,223**	**69,223**	**283,914**	**244,300**	**270,183**
Applications of cash and investments								
Unspent conditional transfers		1,483	1,483	–	–	1,483	1,483	1,483
Other working capital requirements	2	81,254	152,432	(62)	(62)	152,370	182,603	184,242
Other provisions		16,385	16,527	–	–	16,527	16,527	16,527
Total Application of cash and investments:		**99,123**	**170,442**	**(62)**	**(62)**	**170,380**	**200,614**	**202,252**
Surplus(shortfall)		**76,857**	**44,249**	**69,285**	**69,285**	**113,535**	**43,686**	**67,931**

TABLEB9 ASSET MANAGEMENT

DC43 Harry Gwala - Table B9 Consolidated Asset Management - 13/07/2026

Description	Ref	Budget Year 2025/26					Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			7	12	13	14		
R thousands		A	A1	F	G	H		
CAPITAL EXPENDITURE								
Total New Assets *to be adjusted*	1	**260,534**	**295,909**	**38,602**	**38,602**	**334,511**	**233,484**	**216,148**
Water Supply Infrastructure		239,910	272,347	26,328	26,328	298,675	216,287	198,413
Sanitation Infrastructure		261	3,191	2,257	2,257	5,449	–	–
Infrastructure		240,171	275,538	28,586	28,586	304,123	216,287	198,413
Operational Buildings		6,901	5,751	235	235	5,985	3,222	3,329
Housing		2,000	1,000	–	–	1,000	1,040	1,082
Other Assets	6	8,901	6,751	235	235	6,985	4,262	4,411
Licences and Rights		955	955	–	–	955	2,389	2,485
Intangible Assets		955	955	–	–	955	2,389	2,485
Computer Equipment		2,859	2,873	(343)	(343)	2,529	5,236	5,320
Furniture and Office Equipment		5,288	5,608	125	125	5,733	3,242	3,368
Machinery and Equipment		2,360	4,185	10,000	10,000	14,185	2,069	2,152
Total Renewal of Existing Assets *to be adjusted*	2	**21,973**	**19,899**	**5,120**	**5,120**	**25,019**	**25,325**	**44,841**
Water Supply Infrastructure		7,764	772	(772)	(772)	0	10,794	39,225
Sanitation Infrastructure		1,739	2,747	11,066	11,066	13,814	9,130	–
Infrastructure		9,503	3,519	10,294	10,294	13,814	19,925	39,225
Operational Buildings		3,874	2,374	(174)	(174)	2,200	2,000	2,080
Housing		–	–	–	–	–	–	–
Other Assets	6	3,874	2,374	(174)	(174)	2,200	2,000	2,080
Transport Assets		8,595	14,006	(5,000)	(5,000)	9,006	3,400	3,536
Total Upgrading of Existing Assets *to be adjusted*	2a	**19,553**	**15,789**	**(7,437)**	**(7,437)**	**8,353**	**63,540**	**115,449**
Water Supply Infrastructure		17,379	9,964	(5,646)	(5,646)	4,318	43,781	58,318
Sanitation Infrastructure		2,174	5,826	(1,869)	(1,869)	3,957	19,759	57,131
Infrastructure		19,553	15,789	(7,515)	(7,515)	8,275	63,540	115,449
Machinery and Equipment		–	–	78	78	78	–	–
Total Capital Expenditure *to be adjusted*	4	302,060	331,597	36,286	36,286	367,883	322,349	376,439
Water Supply Infrastructure		265,054	283,083	19,910	19,910	302,993	270,862	295,956
Sanitation Infrastructure		4,174	11,764	11,455	11,455	23,219	28,889	57,131
Infrastructure		269,227	294,847	31,365	31,365	326,212	299,751	353,087
Operational Buildings		10,775	8,125	61	61	8,185	5,222	5,409
Housing		2,000	1,000	–	–	1,000	1,040	1,082
Other Assets		12,775	9,125	61	61	9,185	6,262	6,491
Licences and Rights		955	955	–	–	955	2,389	2,485
Intangible Assets		955	955	–	–	955	2,389	2,485
Computer Equipment		2,859	2,873	(343)	(343)	2,529	5,236	5,320
Furniture and Office Equipment		5,288	5,608	125	125	5,733	3,242	3,368
Machinery and Equipment		2,360	4,185	10,078	10,078	14,263	2,069	2,152
Transport Assets		8,595	14,006	(5,000)	(5,000)	9,006	3,400	3,536
TOTAL CAPITAL EXPENDITURE *to be adjusted*	4	**302,060**	**331,597**	**36,286**	**36,286**	**367,883**	**322,349**	**376,439**
ASSET REGISTER SUMMARY - PPE (WDV)	5	2,806,919	2,788,089	36,286	36,286	2,824,374	3,703,490	4,004,882
Roads Infrastructure		180	180	–	–	180	180	180
Storm water Infrastructure					–	–		
Electrical Infrastructure		2,257	2,495	–	–	2,495	596	116
Water Supply Infrastructure		2,504,815	2,448,106	32,910	32,910	2,481,016	3,345,949	3,643,435
Sanitation Infrastructure		209,401	253,490	(1,545)	(1,545)	251,945	272,719	292,634
Information and Communication Infrastructure		693	119	–	–	119	312	311
Infrastructure		2,717,346	2,704,390	31,365	31,365	2,735,755	3,619,757	3,936,676
Community Assets		1,380	1,432	(174)	(174)	1,259	1,093	1,093
Heritage Assets		2,827	1,250	–	–	1,250	2,685	2,780
Investment properties		–	–	–	–	–	–	–
Other Assets		48,781	41,583	235	235	41,818	42,885	43,066
Computer Equipment		4,811	4,965	(343)	(343)	4,622	6,867	3,464
Furniture and Office Equipment		15,784	9,430	125	125	9,555	14,654	13,883
Machinery and Equipment		8,685	6,724	10,078	10,078	16,802	5,846	5,156
Transport Assets		7,306	18,314	(5,000)	(5,000)	13,314	9,704	(1,237)
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**2,806,919**	**2,788,089**	**36,286**	**36,286**	**2,824,374**	**3,703,490**	**4,004,882**
EXPENDITURE OTHER ITEMS								
Depreciation & asset impairment		107,788	107,788	30,579	30,579	138,367	115,501	119,323
Repairs and Maintenance by asset class	3	**45,192**	**47,246**	**(5,300)**	**(5,300)**	**41,946**	**41,044**	**42,669**
Water Supply Infrastructure		40,241	45,016	(5,300)	(5,300)	39,716	38,652	40,198
Infrastructure		40,241	45,016	(5,300)	(5,300)	39,716	38,652	40,198
Community Facilities		–	–	–	–	–	–	–
Sport and Recreation Facilities		273	170	–	–	170	250	258
Community Assets		273	170	–	–	170	250	258
Operational Buildings		4,269	1,838	–	–	1,838	1,912	1,975
Housing		–	–	–	–	–	–	–
Other Assets		4,269	1,838	–	–	1,838	1,912	1,975
Computer Equipment		77	62	–	–	62	65	67
Transport Assets		332	160	–	–	160	166	171
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		**152,980**	**155,034**	**25,279**	**25,279**	**180,313**	**156,545**	**161,992**
Renewal and upgrading of Existing Assets as % of total capex		*13.7%*	*10.8%*			*9.1%*	*27.6%*	*42.6%*
Renewal and upgrading of Existing Assets as % of deprecn"		*38.5%*	*33.1%*			*24.1%*	*76.9%*	*134.3%*
R&M as a % of PPE		*1.6%*	*1.7%*			*1.5%*	*1.1%*	*1.1%*
Renewal and upgrading and R&M as a % of PPE		*3.1%*	*3.0%*			*2.7%*	*3.5%*	*5.1%*

TABLE B10 BASIC SERVICE DELIVERY MEASUREMENT

DC43 Harry Gwala - Table B10 Consolidated Basic service delivery measurement - 13/07/2026

Description	Ref	Budget Year 2025/26		Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget A	Adjusted Budget 14 H	Adjusted Budget	Adjusted Budget
Household service targets	1				
Water:					
Piped water inside dwelling		67272	67	71308	75587
Piped water inside yard (but not in dwelling)		27352	27	28993	30733
Using public tap (at least min.service level)	2	47975	48	50854	53905
Other water supply (at least min.service level)		39798	40	42	45
Minimum Service Level and Above sub-total		182	182	193	205
Using public tap (< min.service level)	3	47975	48	50854	53905
Other water supply (< min.service level)	3,4	39798	40	42186	44717
No water supply			–		
Below Minimum Servic Level sub-total		88	88	93	99
Total number of households	5	**270**	**270**	**286**	**304**
Sanitation/sewerage:					
Flush toilet (connected to sewerage)		105039	105,039	111341	118022
Flush toilet (with septic tank)		16935	16,935	17951	19028
Chemical toilet			–		
Pit toilet (ventilated)		60424	60,424	64049	67892
Other toilet provisions (> min.service level)			–		
Minimum Service Level and Above sub-total		182,398	182,398	193,341	204,942
Total number of households	5	**182,398**	**182,398**	**193,341**	**204,942**
Households receiving Free Basic Service	15				
Water (6 kilolitres per household per month)		3	3	3	3
Electricity/other energy (50kwh per household per month)		3	3	3	3
Cost of Free Basic Services provided (R'000)	16				
Water (6 kilolitres per indigent household per month)		(768)	0	–	–
Total cost of FBS provided		(768)	0	–	–
Total revenue cost of subsidised services provided		–	–	–	–

PARENT TABLES

TABLE B 1 PARENT ADJUSTMENT BUDGET SUMMARY

Table B1 below provides a summary of the budget adjustment of the municipality and is unpacked in the sections that follow.

DC43 Harry Gwala - Table B1 Adjustments Budget Summary - 16/07/2026

Description	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
	Original Budget	Prior Adjusted 1	Accum. Funds 2	Multi-year capital 3	Unfore. Unavoid. 4	Nat. or Prov. Govt 5	Other Adjusts. 6	Total Adjusts. 7	Adjusted Budget 8	Adjusted Budget	Adjusted Budget
R thousands	A	A1	B	C	D	E	F	G	H		
Financial Performance											
Property rates	–	–	–	–	–	–	–	–	–	–	–
Service charges	81,589	86,639	–	–	–	–	–	–	86,639	95,753	105,328
Investment revenue	24,581	24,581	–	–	–	–	–	–	24,581	25,565	26,587
Transfers recognised - operational	573,989	573,989	–	–	–	–	(34,590)	(34,590)	539,399	584,089	613,842
Other own revenue	19,194	13,891	–	–	–	–	(474)	(474)	13,417	15,216	16,667
Total Revenue (excluding capital transfers and contributions)	**699,353**	**699,101**	–	–	–	–	**(35,064)**	**(35,064)**	**664,036**	**720,623**	**762,424**
Employee costs	279,996	299,136	–	–	–	–	562	562	299,698	317,833	332,930
Remuneration of councillors	8,059	8,101	–	–	–	–	175	175	8,276	8,426	8,763
Depreciation & asset impairment	138,574	138,574	–	–	–	–	30,579	30,579	169,152	120,022	123,993
Finance charges	14	14	–	–	–	–	559	559	573	15	15
Inventory consumed and bulk purchases	39,625	45,960	–	–	–	–	5,985	5,985	51,945	51,714	53,758
Transfers and subsidies	23,000	23,000	–	–	–	–	–	–	23,000	25,000	25,500
Other expenditure	305,448	351,174	–	–	–	–	(34,334)	(34,334)	316,840	325,819	339,856
Total Expenditure	**794,717**	**865,959**	–	–	–	–	**3,525**	**3,525**	**869,484**	**848,828**	**884,815**
Surplus/(Deficit)	(95,364)	(166,859)	–	–	–	–	(38,589)	(38,589)	(205,448)	(128,205)	(122,390)
Transfers and subsidies - capital (monetary allocations)	293,458	293,458	–	–	–	–	34,590	34,590	328,048	328,867	389,426
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**198,095**	**126,599**	–	–	–	–	**(3,999)**	**(3,999)**	**122,601**	**200,662**	**267,035**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**198,095**	**126,599**	–	–	–	–	**(3,999)**	**(3,999)**	**122,601**	**200,662**	**267,035**
Capital expenditure & funds sources											
Capital expenditure	296,809	326,340	–	–	–	–	36,521	36,521	362,861	318,697	372,666
Transfers recognised - capital	259,997	256,745	–	–	–	–	34,902	34,902	291,647	285,971	338,631
Borrowing	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds	36,811	69,596	–	–	–	–	1,618	1,618	71,214	32,725	34,034
Total sources of capital funds	**296,809**	**326,340**	–	–	–	–	**36,521**	**36,521**	**362,861**	**318,697**	**372,666**
Financial position											
Total current assets	190,605	222,110	–	–	–	–	65,475	65,475	287,585	265,706	309,130
Total non current assets	3,440,399	3,438,486	–	–	–	–	36,521	36,521	3,475,007	4,350,970	4,652,242
Total current liabilities	117,744	188,822	–	–	–	–	(3,748)	(3,748)	185,074	216,911	216,511
Total non current liabilities	30,536	34,976	–	–	–	–	–	–	34,976	–	–
Community wealth/Equity	**3,483,269**	**3,509,074**	–	–	–	–	**33,464**	**33,464**	**3,542,538**	**4,393,425**	**4,727,054**
Cash flows											
Net cash from (used) operating	363,853	363,853	–	–	–	–	(30,141)	(30,141)	333,712	270,946	349,753
Net cash from (used) investing	(346,012)	(346,012)	–	–	–	–	(66,166)	(66,166)	(412,178)	(369,371)	(431,664)
Net cash from (used) financing	(1,831)	(1,831)	–	–	–	–	–	–	(1,831)	(1,831)	(1,831)
Cash/cash equivalents at the year end	**144,795**	**277,680**	–	–	–	–	**(27,085)**	**(27,085)**	**250,596**	**150,341**	**66,599**
Cash backing/surplus reconciliation											
Cash and investments available	147,093	186,691	–	–	–	–	65,475	65,475	252,166	221,610	259,995
Application of cash and investments	96,177	167,018	–	–	–	–	(3,786)	(3,786)	163,232	197,054	198,681
Balance - surplus (shortfall)	**50,915**	**19,673**	–	–	–	–	**69,261**	**69,261**	**88,935**	**24,556**	**61,315**
Asset Management											
Asset register summary (WDV)	2,800,875	2,782,039	–	–	–	–	36,521	36,521	2,818,560	3,694,523	3,995,795
Depreciation	107,044	107,044	–	–	–	–	30,579	30,579	137,623	114,055	117,630
Renewal and Upgrading of Existing Assets	41,526	35,688	–	–	–	–	(2,316)	(2,316)	33,372	88,865	160,290
Repairs and Maintenance	45,187	47,241	–	–	–	–	(5,300)	(5,300)	41,941	41,039	42,664
Free services											
Cost of Free Basic Services provided	(768)	0	–	–	–	–	–	–	0	–	–
Revenue cost of free services provided	–	–	–	–	–	–	–	–	–	–	–
Households below minimum service level											
Water:	88	–	–	–	–	–	–	–	88	93	99
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–	–
Refuse:	–	–	–	–	–	–	–	–	–	–	–

TABLE B2 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

Schedule B2 is the Expenditure by standard classification presents the adjustment expenditures by the departments.

DC43 Harry Gwala - Table B2 Adjustments Budget Financial Performance (functional classification) - 16/07/2026

Standard Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 5	Accum. Funds 6	Multi-year capital 7	Unfore. Unavoid. 8	Nat. or Prov. Govt 9	Other Adjusts. 10	Total Adjusts. 11	Adjusted Budget 12	Adjusted Budget	Adjusted Budget
R thousands	1, 4	A	A1	B	C	D	E	F	G	H		
Revenue - Functional												
Governance and administration		549,971	547,977	–	–	–	–	(474)	(474)	547,503	577,386	607,888
Executive and council		–	–	–	–	–	–	–	–	–	–	–
Finance and administration		549,971	547,977	–	–	–	–	(474)	(474)	547,503	577,386	607,888
Internal audit		–	–	–	–	–	–	–	–	–	–	–
Community and public safety		18	84	–	–	–	–	–	–	84	87	91
Community and social services		18	84	–	–	–	–	–	–	84	87	91
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		–	–	–	–	–	–	–	–	–	–	–
Planning and development		–	–	–	–	–	–	–	–	–	–	–
Road transport		–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
Trading services		442,822	444,498	–	–	–	–	–	–	444,498	472,016	543,872
Energy sources		–	–	–	–	–	–	–	–	–	–	–
Water management		426,870	430,633	–	–	–	–	–	–	430,633	456,765	527,095
Waste water management		15,952	13,865	–	–	–	–	–	–	13,865	15,251	16,776
Waste management		–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	992,811	992,559	–	–	–	–	(474)	(474)	992,085	1,049,490	1,151,850
Expenditure - Functional												
Governance and administration		286,912	338,047	–	–	–	–	2,564	2,564	340,612	339,714	353,533
Executive and council		41,939	43,269	–	–	–	–	34	34	43,303	46,053	47,409
Finance and administration		235,082	284,793	–	–	–	–	2,662	2,662	287,455	282,971	294,940
Internal audit		9,892	9,986	–	–	–	–	(132)	(132)	9,854	10,691	11,185
Community and public safety		22,765	20,654	–	–	–	–	(1,233)	(1,233)	19,421	20,576	21,622
Community and social services		22,765	20,654	–	–	–	–	(1,233)	(1,233)	19,421	20,576	21,622
Sport and recreation		–	–	–	–	–	–	–	–	–	–	–
Public safety		–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		215,491	217,725	–	–	–	–	(6,238)	(6,238)	211,487	210,996	220,609
Planning and development		215,491	217,725	–	–	–	–	(6,238)	(6,238)	211,487	210,996	220,609
Road transport		–	–	–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–	–	–
Trading services		269,549	289,533	–	–	–	–	8,432	8,432	297,965	277,542	289,050
Energy sources		–	–	–	–	–	–	–	–	–	–	–
Water management		260,256	280,387	–	–	–	–	8,454	8,454	288,841	267,846	279,025
Waste water management		9,292	9,146	–	–	–	–	(22)	(22)	9,123	9,696	10,026
Waste management		–	–	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	794,717	865,959	–	–	–	–	3,525	3,525	869,484	848,828	884,815
Surplus/ (Deficit) for the year		198,095	126,599	–	–	–	–	(3,999)	(3,999)	122,601	200,662	267,035

TABLE B3 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

Table B3 presents the same information as the table above, the difference being that it's by Municipal vote.

DC43 Harry Gwala - Table B3 Adjustments Budget Financial Performance (revenue and expenditure by municipal vote) - 16/07/2026

Vote Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
[Insert departmental structure etc]			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
Revenue by Vote	1											
Vote 01 - Summary Council		-	-	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager		-	-	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office		549,507	547,435	-	-	-	-	(474)	(474)	546,962	576,366	606,791
Vote 04 - Summary Corporate Services		410	410	-	-	-	-	-	-	410	427	444
Vote 05 - Summary Social Services & Development Planing		18	84	-	-	-	-	-	-	84	87	91
Vote 06 - Summary Infrastructure Services		350,081	350,081	-	-	-	-	-	-	350,081	368,158	429,627
Vote 07 - Summary Water Services		92,795	94,548	-	-	-	-	-	-	94,548	104,452	114,898
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	**992,811**	**992,559**	**-**	**-**	**-**	**-**	**(474)**	**(474)**	**992,085**	**1,049,490**	**1,151,850**
Expenditure by Vote	1											
Vote 01 - Summary Council		20,567	21,741	-	-	-	-	(34)	(34)	21,707	23,708	24,602
Vote 02 - Summary Municipal Manager		31,264	31,513	-	-	-	-	(64)	(64)	31,450	33,035	33,992
Vote 03 - Summary Budget And Treasury Office		64,749	76,727	-	-	-	-	(2,620)	(2,620)	74,107	74,826	78,130
Vote 04 - Summary Corporate Services		110,299	130,947	-	-	-	-	2,859	2,859	133,806	140,794	146,619
Vote 05 - Summary Social Services & Development Planing		73,467	73,579	-	-	-	-	(696)	(696)	72,883	80,771	83,761
Vote 06 - Summary Infrastructure Services		165,408	165,843	-	-	-	-	(6,776)	(6,776)	159,067	151,909	159,630
Vote 07 - Summary Water Services		328,964	365,610	-	-	-	-	10,855	10,855	376,465	343,785	358,081
Vote 08 -		-	-	-	-	-	-	-	-	-	-	-
Vote 09 -		-	-	-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	**794,717**	**865,959**	**-**	**-**	**-**	**-**	**3,525**	**3,525**	**869,484**	**848,828**	**884,815**
Surplus/ (Deficit) for the year	2	**198,095**	**126,599**	**-**	**-**	**-**	**-**	**(3,999)**	**(3,999)**	**122,601**	**200,662**	**267,035**

TABLE B4 ADJUSTMENT BUDGET FINANCIAL PERFORMANCE

This schedule provides information on the adjustment revenue by source and adjustment operational expenditures by type.

DC43 Harry Gwala - Table B4 Adjustments Budget Financial Performance (revenue and expenditure) - 16/07/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		
R thousands	1	A	A1	B	C	D	E	F	G	H		
Revenue By Source												
Exchange Revenue												
Service charges - Electricity	2	–	–	–	–	–	–	–	–	–	–	–
Service charges - Water	2	68,071	73,110	–	–	–	–	–	–	73,110	80,870	88,958
Service charges - Waste Water Management	2	13,518	13,529	–	–	–	–	–	–	13,529	14,882	16,370
Service charges - Waste Management	2	–	–	–	–	–	–	–	–	–	–	–
Sale of Goods and Rendering of Services		791	146	–	–	–	–	–	–	146	156	163
Agency services									–	–		
Interest									–	–		
Interest earned from Receivables		16,055	12,757	–	–	–	–	–	–	12,757	14,033	15,436
Interest earned from Current and Non Current Assets		24,581	24,581	–	–	–	–	–	–	24,581	25,565	26,587
Dividends									–	–		
Rent on Land									–	–		
Rental from Fixed Assets		–	–	–	–	–	–	–	–	–	–	–
Special rating levies									–	–		
Licence and permits									–	–		
Operational Revenue		706	647	–	–	–	–	–	–	647	673	700
Non-Exchange Revenue												
Property rates	2	–	–	–	–	–	–	–	–	–	–	–
Surcharges and Taxes									–	–		
Fines, penalties and forfeits		1,643	340	–	–	–	–	–	–	340	354	368
Licences or permits									–	–		
Transfer and subsidies - Operational		573,989	573,989	–	–	–	–	(34,590)	(34,590)	539,399	584,089	613,842
Interest		–	–	–	–	–	–	–	–	–	–	–
Fuel Levy									–	–		
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	(474)	(474)	(474)	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations									–	–		
Total Revenue (excluding capital transfers and contributions)		699,353	699,101	–	–	–	–	(35,064)	(35,064)	664,036	720,623	762,424
Expenditure By Type												
Employee related costs		279,996	299,136	–	–	–	–	562	562	299,698	317,833	332,930
Remuneration of councillors		8,059	8,101	–	–	–	–	175	175	8,276	8,426	8,763
Bulk purchases - electricity		–	–	–	–	–	–	–	–	–	–	–
Inventory consumed		39,625	45,960	–	–	–	–	5,985	5,985	51,945	51,714	53,758
Debt impairment		31,530	31,530	–	–	–	–	–	–	31,530	5,967	6,164
Depreciation and amortisation		107,044	107,044	–	–	–	–	30,579	30,579	137,623	114,055	117,830
Interest		14	14	–	–	–	–	559	559	573	15	15
Contracted services		171,585	201,753	–	–	–	–	(41,323)	(41,323)	160,430	168,559	177,304
Transfers and subsidies		23,000	23,000	–	–	–	–	–	–	23,000	25,000	25,500
Irrecoverable debts written off		42,327	42,340	–	–	–	–	0	0	42,340	44,880	46,362
Operational costs		91,537	107,080	–	–	–	–	6,970	6,970	114,050	107,726	111,384
Losses on disposal of Assets		–	–	–	–	–	–	19	19	19	4,654	4,807
Other Losses		–	–	–	–	–	–	–	–	–	–	–
Total Expenditure		794,717	865,959	–	–	–	–	3,525	3,525	869,484	848,828	884,815
Surplus/(Deficit)		(95,364)	(166,859)	–	–	–	–	(38,589)	(38,589)	(205,448)	(128,205)	(122,390)
Transfers and subsidies - capital (monetary allocations)		293,458	293,458	–	–	–	–	34,590	34,590	328,048	328,867	389,426
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) before taxation		198,095	126,599	–	–	–	–	(3,999)	(3,999)	122,601	200,662	267,035
Income Tax									–	–		
Surplus/(Deficit) after taxation		198,095	126,599	–	–	–	–	(3,999)	(3,999)	122,601	200,662	267,035
Share of Surplus/Deficit attributable to Joint Venture												
Share of Surplus/Deficit attributable to Minorities									–	–		
Surplus/(Deficit) attributable to municipality		198,095	126,599	–	–	–	–	(3,999)	(3,999)	122,601	200,662	267,035
Share of Surplus/Deficit attributable to Associate									–	–		
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	1	198,095	126,599	–	–	–	–	(3,999)	(3,999)	122,601	200,662	267,035

TABLE B5 ADJUSTMENT CAPITAL EXPENDITURE BUDGET BY VOTE AND FUNDING

Schedule B5 below reports on the adjusted capital expenditures by departments (municipal vote) and by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

DC43 Harry Gwala - Table B5 Adjustments Capital Expenditure Budget by vote and funding - 16/07/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			5	6	7	8	9	10	11	12		
R thousands		A	A1	B	C	D	E	F	G	H		
Capital expenditure - Vote												
Multi-year expenditure *to be adjusted*	2											
Vote 01 - Summary Council		–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Summary Municipal Manager		1,364	500	–	–	–	–	–	–	500	–	–
Vote 03 - Summary Budget And Treasury Office		2,279	2,100	–	–	–	–	–	–	2,100	150	156
Vote 04 - Summary Corporate Services		3,374	6,525	–	–	–	–	1,462	1,462	7,987	8,064	8,387
Vote 05 - Summary Social Services & Development Planing		1,850	1,450	–	–	–	–	–	–	1,450	–	–
Vote 06 - Summary Infrastructure Services		99,656	100,876	–	–	–	–	19,133	19,133	120,010	140,433	237,748
Vote 07 - Summary Water Services		177,670	208,829	–	–	–	–	17,527	17,527	226,356	165,472	121,614
Vote 08 -		–	–	–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	3	**286,192**	**320,280**	**–**	**–**	**–**	**–**	**38,122**	**38,122**	**358,403**	**314,119**	**367,905**
Single-year expenditure *to be adjusted*	2											
Vote 01 - Summary Council		–	–	–	–	–	–	–	–	–	–	–
Vote 02 - Summary Municipal Manager		–	–	–	–	–	–	–	–	–	–	–
Vote 03 - Summary Budget And Treasury Office		180	180	–	–	–	–	(140)	(140)	40	–	–
Vote 04 - Summary Corporate Services		5,136	4,880	–	–	–	–	(1,462)	(1,462)	3,418	2,137	2,222
Vote 05 - Summary Social Services & Development Planing		–	–	–	–	–	–	–	–	–	–	–
Vote 06 - Summary Infrastructure Services		2,000	1,000	–	–	–	–	–	–	1,000	1,040	1,082
Vote 07 - Summary Water Services		3,300	0	–	–	–	–	–	–	0	1,400	1,456
Vote 08 -		–	–	–	–	–	–	–	–	–	–	–
Vote 09 -		–	–	–	–	–	–	–	–	–	–	–
Vote 10 -		–	–	–	–	–	–	–	–	–	–	–
Vote 11 -		–	–	–	–	–	–	–	–	–	–	–
Vote 12 -		–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–
Vote 15 - Other		–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**10,616**	**6,060**	**–**	**–**	**–**	**–**	**(1,602)**	**(1,602)**	**4,458**	**4,577**	**4,760**
Total Capital Expenditure - Vote		**296,809**	**326,340**	**–**	**–**	**–**	**–**	**36,521**	**36,521**	**362,861**	**318,697**	**372,666**

TABLE B6 ADJUSTMENTS BUDGET FINANCIAL POSITION

Table B6 displays the adjustment budget financial position of the municipality.

DC43 Harry Gwala - Table B6 Adjustments Budget Financial Position - 16/07/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			3	4	5	6	7	8	9	10		
R thousands		A	A1	B	C	D	E	F	G	H		
ASSETS												
Current assets												
Cash and cash equivalents		144,781	185,121	–	–	–	–	65,475	65,475	250,596	220,039	258,425
Trade and other receivables from exchange transactions	1	23,719	2,638	–	–	–	–	–	–	2,638	11,315	16,354
Receivables from non-exchange transactions	1	2,312	1,570	–	–	–	–	–	–	1,570	1,570	1,570
Current portion of non-current receivables	2	–	–	–	–	–	–	–	–	–	–	–
Inventory		858	963	–	–	–	–	(0)	(0)	963	963	963
VAT		19,165	32,125	–	–	–	–	–	–	32,125	32,125	32,125
Other current assets		(229)	(307)	–	–	–	–	–	–	(307)	(307)	(307)
Total current assets		**190,605**	**222,110**	–	–	–	–	**65,475**	**65,475**	**287,585**	**265,706**	**309,130**
Non current assets												
Investments									–	–		
Investment property		–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	3,438,072	3,437,736	–	–	–	–	36,521	36,521	3,474,256	4,348,802	4,649,999
Biological assets									–	–		
Living and non-living resources									–	–		
Heritage assets									–	–		
Intangible assets		2,327	750	–	–	–	–	–	–	750	2,168	2,243
Trade and other receivables from exchange transactions									–	–		
Non-current receivables from non-exchange transactions									–	–		
Other non-current assets		0	0	–	–	–	–	–	–	0	0	0
Total non current assets		**3,440,399**	**3,438,486**	–	–	–	–	**36,521**	**36,521**	**3,475,007**	**4,350,970**	**4,652,242**
TOTAL ASSETS		**3,631,004**	**3,660,596**	–	–	–	–	**101,996**	**101,996**	**3,762,591**	**4,616,676**	**4,961,372**
LIABILITIES												
Current liabilities												
Bank overdraft									–	–		
Financial liabilities		8,006	10,406	–	–	–	–	–	–	10,406	8,006	5,606
Consumer deposits		3,748	4,010	–	–	–	–	–	–	4,010	4,010	4,010
Trade and other payables from exchange transactions		84,323	151,224	–	–	–	–	(3,748)	(3,748)	147,476	181,713	183,713
Trade and other payables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–	–
Provisions		16,385	16,527	–	–	–	–	–	–	16,527	16,527	16,527
VAT		5,282	6,655	–	–	–	–	–	–	6,655	6,655	6,655
Other current liabilities									–	–		
Total current liabilities		**117,744**	**188,822**	–	–	–	–	**(3,748)**	**(3,748)**	**185,074**	**216,911**	**216,511**
Non current liabilities												
Borrowing	1	–	–	–	–	–	–	–	–	–	–	–
Provisions	1	30,536	34,976	–	–	–	–	–	–	34,976	–	–
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities									–	–		
Total non current liabilities		**30,536**	**34,976**	–	–	–	–	–	–	**34,976**	–	–
TOTAL LIABILITIES		**148,280**	**223,798**	–	–	–	–	**(3,748)**	**(3,748)**	**220,050**	**216,911**	**216,511**
NET ASSETS	2	**3,482,724**	**3,436,798**	–	–	–	–	**105,743**	**105,743**	**3,542,541**	**4,399,766**	**4,744,861**
COMMUNITY WEALTH/EQUITY												
Accumulated Surplus/(Deficit)		3,483,269	3,509,074	–	–	–	–	33,464	33,464	3,542,538	4,393,425	4,727,054
Funds and Reserves		–	–	–	–	–	–	–	–	–	–	–
Other									–	–		
TOTAL COMMUNITY WEALTH/EQUITY		**3,483,269**	**3,509,074**	–	–	–	–	**33,464**	**33,464**	**3,542,538**	**4,393,425**	**4,727,054**

TABLE B7 ADJUSTMENTS BUDGET CASH FLOWS

DC43 Harry Gwala - Table B7 Adjustments Budget Cash Flows - 16/07/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates		–	–	–	–	–	–	–	–	–	–	–
Service charges		71,563	71,563	–	–	–	–	–	–	71,563	85,526	91,380
Other revenue		50,164	50,164	–	–	–	–	–	–	50,164	(19,223)	(25,077)
Transfers and Subsidies - Operational	1	573,989	573,989	–	–	–	–	–	–	573,989	584,089	613,842
Transfers and Subsidies - Capital	1	293,458	293,458	–	–	–	–	–	–	293,458	328,867	389,426
Interest		24,581	24,581	–	–	–	–	–	–	24,581	27,572	29,185
Dividends									–	–		
Payments												
Suppliers and employees		(649,849)	(649,849)	–	–	–	–	(29,582)	(29,582)	(679,431)	(735,828)	(748,945)
Finance charges		(54)	(54)	–	–	–	–	(559)	(559)	(613)	(56)	(58)
Transfers and Subsidies	1								–	–		
NET CASH FROM/(USED) OPERATING ACTIVITIES		**363,853**	**363,853**	**–**	**–**	**–**	**–**	**(30,141)**	**(30,141)**	**333,712**	**270,946**	**349,753**
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables									–	–		
Decrease (increase) in non-current investments									–	–		
Payments												
Capital assets		(346,012)	(346,012)	–	–	–	–	(66,166)	(66,166)	(412,178)	(369,371)	(431,664)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(346,012)**	**(346,012)**	**–**	**–**	**–**	**–**	**(66,166)**	**(66,166)**	**(412,178)**	**(369,371)**	**(431,664)**
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans									–	–		
Borrowing long term/refinancing									–	–		
Increase (decrease) in consumer deposits		569	569	–	–	–	–	–	–	569	569	569
Payments												
Repayment of borrowing		(2,400)	(2,400)	–	–	–	–	–	–	(2,400)	(2,400)	(2,400)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(1,831)**	**(1,831)**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,831)**	**(1,831)**	**(1,831)**
NET INCREASE/ (DECREASE) IN CASH HELD		**16,010**	**16,010**	**–**	**–**	**–**	**–**	**(96,307)**	**(96,307)**	**(80,297)**	**(100,255)**	**(83,742)**
Cash/cash equivalents at the year begin:	2	128,784	261,670	–	–	–	–	69,223	69,223	330,893	250,596	150,341
Cash/cash equivalents at the year end:	2	144,795	277,680	–	–	–	–	(27,085)	(27,085)	250,596	150,341	66,599

TABLE B8 CASH-BACKED RESERVES / ACCUMULATED SURPLUS RECONCILIATION

DC43 Harry Gwala - Table B8 Cash backed reserves/accumulated surplus reconciliation - 16/07/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands		Original Budget A	Prior Adjusted 3 A1	Accum. Funds 4 B	Multi-year capital 5 C	Unfore. Unavoid. 6 D	Nat. or Prov. Govt 7 E	Other Adjusts. 8 F	Total Adjusts. 9 G	Adjusted Budget 10 H	Adjusted Budget	Adjusted Budget
Cash and investments available												
Cash/cash equivalents at the year end	1	144,795	277,680	–	–	–	–	(27,085)	(27,085)	250,596	150,341	66,599
Other current investments > 90 days		2,298	(90,989)	–	–	–	–	92,560	92,560	1,570	71,269	193,397
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**147,093**	**186,691**	**–**	**–**	**–**	**–**	**65,475**	**65,475**	**252,166**	**221,610**	**259,995**
Applications of cash and investments												
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–	–
Unspent borrowing									–	–		
Statutory requirements		–	–	–	–	–	–	–	–	–	–	–
Other working capital requirements	2	79,792	150,491					(3,786)	(3,786)	146,705	180,527	182,154
Other provisions		16,385	16,527	–	–	–	–	–	–	16,527	16,527	16,527
Long term investments committed		–	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments		–	–					–	–	–	–	–
Total Application of cash and Investments:		**96,177**	**167,018**	**–**	**–**	**–**	**–**	**(3,786)**	**(3,786)**	**163,232**	**197,054**	**198,681**
Surplus(shortfall)		**50,915**	**19,673**	**–**	**–**	**–**	**–**	**69,261**	**69,261**	**88,935**	**24,556**	**61,315**

TABLE B9 ASSET MANAGEMENT

DC43 Harry Gwala - Table B9 Asset Management - 16/07/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted	Accum. Funds	Multi-year capital	Unfore. Unavoid.	Nat. or Prov. Govt	Other Adjusts.	Total Adjusts.	Adjusted Budget	Adjusted Budget	Adjusted Budget
			7	8	9	10	11	12	13	14		
R thousands		A	A1	B	C	D	E	F	G	H		
CAPITAL EXPENDITURE												
Total New Assets *to be adjusted*	1	255,283	290,652	–	–	–	–	38,837	38,837	329,489	229,832	212,375
Roads Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		239,910	272,112	–	–	–	–	26,563	26,563	298,675	216,287	198,413
Sanitation Infrastructure		261	3,191	–	–	–	–	2,257	2,257	5,449	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		240,171	275,303	–	–	–	–	28,820	28,820	304,123	216,287	198,413
Community Facilities		–	–	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Operational Buildings		2,551	1,630	–	–	–	–	235	235	1,864	500	520
Housing		2,000	1,000	–	–	–	–	–	–	1,000	1,040	1,082
Other Assets	6	4,551	2,630	–	–	–	–	235	235	2,864	1,540	1,602
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–	–	–
Licences and Rights		455	455	–	–	–	–	–	–	455	1,873	1,948
Intangible Assets		455	455	–	–	–	–	–	–	455	1,873	1,948
Computer Equipment		2,859	2,873	–	–	–	–	(343)	(343)	2,529	5,236	5,320
Furniture and Office Equipment		4,887	5,207	–	–	–	–	125	125	5,332	2,828	2,941
Machinery and Equipment		2,360	4,185	–	–	–	–	10,000	10,000	14,185	2,069	2,152
Transport Assets		–	–	–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets *to be adjusted*	2	21,973	19,899	–	–	–	–	5,120	5,120	25,019	25,325	44,841

DC43 Harry Gwala - Table B9 Asset Management - 16/07/2026

Description	Ref	Budget Year 2025/26									Budget Year +1 2026/27	Budget Year +2 2027/28
		Original Budget	Prior Adjusted 7	Accum. Funds 8	Multi-year capital 9	Unfore. Unavoid. 10	Nat. or Prov. Govt 11	Other Adjusts. 12	Total Adjusts. 13	Adjusted Budget 14	Adjusted Budget	Adjusted Budget
R thousands		A	A1	B	C	D	E	F	G	H		
Roads Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		7,764	772	–	–	–	–	(772)	(772)	0	10,794	39,225
Sanitation Infrastructure		1,739	2,747	–	–	–	–	11,066	11,066	13,814	9,130	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		9,503	3,519	–	–	–	–	10,294	10,294	13,814	19,925	39,225
Community Facilities		–	–	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–	–	–
Heritage Assets		–	–	–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Operational Buildings		3,874	2,374	–	–	–	–	(174)	(174)	2,200	2,000	2,080
Housing		–	–	–	–	–	–	–	–	–	–	–
Other Assets	6	3,874	2,374	–	–	–	–	(174)	(174)	2,200	2,000	2,080
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–	–	–
Transport Assets		8,595	14,006	–	–	–	–	(5,000)	(5,000)	9,006	3,400	3,536
Land		–	–	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–	–	–
Total Upgrading of Existing Assets *to be adjusted*	2e	19,553	15,789	–	–	–	–	(7,437)	(7,437)	8,353	63,540	115,449
Roads Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		17,379	9,964	–	–	–	–	(5,646)	(5,646)	4,318	43,781	58,318
Sanitation Infrastructure		2,174	5,826	–	–	–	–	(1,869)	(1,869)	3,957	19,759	57,131
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		19,553	15,789	–	–	–	–	(7,515)	(7,515)	8,275	63,540	115,449
Community Facilities		–	–	–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	78	78	78	–	–
Transport Assets		–	–	–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure *to be adjusted*	4	296,809	326,340	–	–	–	–	36,521	36,521	362,861	318,697	372,666
Roads Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		265,054	282,848	–	–	–	–	20,145	20,145	302,993	270,862	295,956
Sanitation Infrastructure		4,174	11,764	–	–	–	–	11,455	11,455	23,219	28,889	57,131
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		269,227	294,612	–	–	–	–	31,600	31,600	326,212	299,751	353,087
Community Facilities		–	–	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Operational Buildings		6,425	4,004	–	–	–	–	61	61	4,064	2,500	2,600
Housing		2,000	1,000	–	–	–	–	–	–	1,000	1,040	1,082
Other Assets		8,425	5,004	–	–	–	–	61	61	5,064	3,540	3,682
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–	–	–
Licences and Rights		455	455	–	–	–	–	–	–	455	1,873	1,948
Intangible Assets		455	455	–	–	–	–	–	–	455	1,873	1,948
Computer Equipment		2,859	2,873	–	–	–	–	(343)	(343)	2,529	5,236	5,320
Furniture and Office Equipment		4,887	5,207	–	–	–	–	125	125	5,332	2,828	2,941
Machinery and Equipment		2,360	4,185	–	–	–	–	10,078	10,078	14,263	2,069	2,152
Transport Assets		8,595	14,006	–	–	–	–	(5,000)	(5,000)	9,006	3,400	3,536
Land		–	–	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE *to be adjusted*	4	**296,809**	**326,340**	–	–	–	–	**36,521**	**36,521**	**362,861**	**318,697**	**372,666**
ASSET REGISTER SUMMARY - PPE (WDV)	5	2,800,875	2,782,039	–	–	–	–	36,521	36,521	2,818,560	3,694,523	3,995,795
Roads Infrastructure		180	180	–	–	–	–	–	–	180	180	180
Storm water Infrastructure									–	–		
Electrical Infrastructure		2,257	2,495	–	–	–	–	–	–	2,495	596	116
Water Supply Infrastructure		2,504,815	2,447,871	–	–	–	–	33,145	33,145	2,481,016	3,345,949	3,643,435
Sanitation Infrastructure		209,401	253,490	–	–	–	–	(1,545)	(1,545)	251,945	272,719	292,634
Solid Waste Infrastructure									–	–		
Rail Infrastructure									–	–		
Coastal Infrastructure									–	–		
Information and Communication Infrastructure		693	119	–	–	–	–	–	–	119	312	311
Infrastructure		2,717,346	2,704,156	–	–	–	–	31,600	31,600	2,735,755	3,619,757	3,936,676
Community Assets		1,380	1,432	–	–	–	–	(174)	(174)	1,259	1,093	1,093
Heritage Assets		2,327	750	–	–	–	–	–	–	750	2,168	2,243
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Other Assets		44,431	37,462	–	–	–	–	235	235	37,697	40,163	40,257
Biological or Cultivated Assets									–	–		
Intangible Assets									–	–		
Computer Equipment		4,811	4,965	–	–	–	–	(343)	(343)	4,622	6,867	3,464
Furniture and Office Equipment		14,590	8,236	–	–	–	–	125	125	8,361	8,925	8,142
Machinery and Equipment		8,685	6,724	–	–	–	–	10,078	10,078	16,802	5,846	5,156
Transport Assets		7,306	18,314	–	–	–	–	(5,000)	(5,000)	13,314	9,704	(1,237)
Land									–	–		
Zoo's, Marine and Non-biological Animals									–	–		
Living Resources												
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**2,800,875**	**2,782,039**	–	–	–	–	**36,521**	**36,521**	**2,818,560**	**3,694,523**	**3,995,795**

DC43 Harry Gwala - Table B9 Asset Management - 16/07/2026

EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment		107,044	107,044	–	–	–	–	30,579	30,579	137,623	114,055	117,630
Repairs and Maintenance by asset class	3	45,187	47,241	–	–	–	–	(5,300)	(5,300)	41,941	41,039	42,664
Roads Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		40,241	45,016	–	–	–	–	(5,300)	(5,300)	39,716	38,652	40,198
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–	–	–
Infrastructure		40,241	45,016	–	–	–	–	(5,300)	(5,300)	39,716	38,652	40,198
Community Facilities		–	–	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		273	170	–	–	–	–	–	–	170	250	258
Community Assets		273	170	–	–	–	–	–	–	170	250	258
Heritage Assets		–	–	–	–	–	–	–	–	–	–	–
Revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–	–	–
Operational Buildings		4,264	1,833	–	–	–	–	–	–	1,833	1,906	1,969
Housing		–	–	–	–	–	–	–	–	–	–	–
Other Assets		4,264	1,833	–	–	–	–	–	–	1,833	1,906	1,969
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–	–	–
Computer Equipment		77	62	–	–	–	–	–	–	62	65	67
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–	–	–
Transport Assets		332	160	–	–	–	–	–	–	160	166	171
Land		–	–	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	6	–	–	–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–	–	–
TOTAL EXPENDITURE OTHER ITEMS to be adjusted		152,231	154,285	–	–	–	–	25,279	25,279	179,563	155,094	160,493

PART 2 – SUPPORTING DOCUMENTATION

2.1 Adjustments to Budget Assumptions

There have not been major shifts in the budget assumptions. However, the few points noted below are work noting.

External factors: The economic slowdown as shown by the further declines in economic growth figures, the rising cost of living due to increases in the cost of borrowing and the high unemployment levels, financial resources are limited due to reduced payment levels by consumers. The latest figures released by the Census also show a decline in district population due to migration. This has resulted in declining cash inflows, which has necessitated major budgeted expenditure cuts to ensure that cash outflows remain within the affordability parameters of the district's finances.

2.2 Adjustments to Budget funding

Cash flow constraints still continue to affect the financial sustainability of the municipality as the municipality is largely grant dependent. This high grant dependency ratio (of over 93%) means that the municipality's operations are highly sensitive to non-payment by consumers. The increasing water & sanitation infrastructural assets also tend to burden the operations budget in the form of high operations and maintenance costs.

Table SB 7 below provides details of the Government Grants and Subsidies differentiated between National & Provincial Governments.

DC43 Harry Gwala - Supporting Table SB7 Consolidated Adjustments Budget - transfers and grant receipts - 16/07/2026

Description	Ref	Budget Year 2025/26							Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands		Original Budget A	Prior Adjusted 7 A1	Multi-year capital 8 B	Nat. or Prov. Govt 9 C	Other Adjusts. 10 D	Total Adjusts. 11 E	Adjusted Budget 12 F	Adjusted Budget	Adjusted Budget
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		**573,989**	**573,989**	**–**	**–**	**(34,590)**	**(34,590)**	**539,399**	**584,089**	**613,842**
Local Government Equitable Share		520,871	520,871	–	–	–	–	520,871	548,684	577,955
Energy Efficiency and Demand Side Management Grant	3	–	–	–	–	–	–	–	–	–
Expanded Public Works Programme Integrated Grant		3,660	3,660	–	–	–	–	3,660	3,007	–
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–	–	–
Local Government Financial Management Grant		1,300	1,300	–	–	–	–	1,300	1,400	1,500
Municipal Disaster Relief Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		45,548	45,548	–	–	(34,590)	(34,590)	10,958	28,283	31,564
Rural Road Asset Management Systems Grant		2,610	2,610	–	–	–	–	2,610	2,715	2,823
Water Services Infrastructure Grant		–	–	–	–	–	–	–	–	–
							–	–		
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Capacity Building and Other Grants		–	–	–	–	–	–	–	–	–
	5						–	–		
District Municipality:		**23,000**	**23,000**	**–**	**–**	**–**	**–**	**23,000**	**25,000**	**25,500**
Specify (Add grant description)		23,000	23,000	–	–	–	–	23,000	25,000	25,500
Other grant providers:		–	–	–	–	–	–	–	–	–
Chemical Industry Seta		–	–	–	–	–	–	–	–	–
Parent Municipality		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Total Operating Transfers and Grants	6	**596,989**	**596,989**	**–**	**–**	**(34,590)**	**(34,590)**	**562,399**	**609,089**	**639,342**
Capital Transfers and Grants										
National Government:		**293,458**	**293,458**	**–**	**–**	**34,590**	**34,590**	**328,048**	**328,867**	**389,426**
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–	–	–
Municipal Infrastructure Grant		193,458	193,458	–	–	34,590	34,590	228,048	213,867	238,676
Neighbourhood Development Partnership Grant		–	–	–	–	–	–	–	–	–
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant		100,000	100,000	–	–	–	–	100,000	115,000	150,750
							–	–		
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Infrastructure Grant		–	–	–	–	–	–	–	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Specify (Add grant description)		–	–	–	–	–	–	–	–	–
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
[insert description]							–	–		
Human Settlement Re-development Programme		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	6	**293,458**	**293,458**	**–**	**–**	**34,590**	**34,590**	**328,048**	**328,867**	**389,426**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		**890,447**	**890,447**	**–**	**–**	**–**	**–**	**890,447**	**937,956**	**1,028,768**

The total adjusted **Operational Government** grant allocations are as follows;

- National Government R 573, 9million

The **Operational Transfer to Development Agency** grant allocations are as follows;

- Transfer to Agency R 23million

The total consolidated adjusted **Operational Government** grant allocations are as follows;

- National Government R 596, 9million

While the adjusted **Capital Funding** are as follows;

- National Government R 293, 4million

Municipal Manager's Quality Certificates

I, **Gamakulu Ma'art Sineke**, Municipal Manager of **Harry Gwala District Municipality**, hereby certify that the adjustments budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under that Act, and that the adjustments budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print name: Gamakulu Ma'art Sineke

Municipal Manager of Harry Gwala District Municipality (DC43)

Signature: ____________________

Date 29 June 2026