Harry Gwala District Municipality

MFMA S71 AND S52(d) REPORT FOR THE PERIOD ENDING 30 JUNE 2026

In-Year Report of the Municipality

Prepared in terms of Section 71 and Section 52(d) of the Local Government Municipal Finance Management Act, (Act 56 of 2003) and the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 June 2009.

Budget & Treasury Office

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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.

AFS – Annual Financial Statements

Budget – The financial plan of the Municipality.

Capital expenditure - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

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

Equitable share – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

FMG – Financial Management Grant.

GRAP – Generally Recognised Accounting Practice. The 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.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant.

MTREF – Medium Term Revenue and Expenditure Framework (MTREF). The medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes financial information of the previous and current year.

Operating expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages, repairs and maintenance etc.

SDBIP – Service Delivery and Budget Implementation Plan (SDBIP). A detailed plan comprising annual and quarterly performance information. Harry Gwala District Municipality MFMA s71 Monthly Report Page 5

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.

Vote – one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

YTD – Year to date

YoY – Year on Year

DBSA – Development Bank of South Africa

PURPOSE

To table a report on the Implementation of the current budget and the financial state of the Municipality in terms of Section 71 and Section 52(d) of the Municipal Finance Management Act (MFMA)

LEGAL FRAMEWORK

- Local Government: Municipal Finance Management Act, 56 of 2003
- SCM Regulations
- SCM Policy
- Municipal Budget Reporting Regulation
- Division of Revenue Act

Legislative Requirements

In terms of the section 71 of the MFMA the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

(a) Actual revenue, per revenue source;

(b) actual borrowings;

(c) actual expenditure, per vote;

(d) actual capital expenditure, per vote;

(e) the amount of any allocations received;

(f) actual expenditure on those allocations, excluding expenditure on—

(i) its share of the local government equitable share; and

(ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and

(g) when necessary, an explanation of—

(i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;

(ii) any material variances from the service delivery and budget implementation plan; and

(iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's

1.1 Mayors Report

In accordance with Section 52(d) of the Municipal Finance Management Act, the mayor submit a report to the council within 30 days after the end of each quarter which is the fourth quarter of 2025/2026, on the implementation of the budget and the financial state of affairs of the Harry Gwala District Municipality.

This report forms part of the general responsibilities of the Mayor of a Municipality and is intended to inform and enable the council to fulfil its oversight responsibility.

1.2.1 Implementation of the budget in accordance with the SDBIP

A comprehensive report detailing the implementation for the fourth quarter ended 30 June 2026 will be tabled in a separate report to council.

1.2.2 Financial problems or risks facing the municipality.

The cash flow position as at 30 June 2026 of the Municipality when compared to the previous financial year is decreased but stable. However, the municipality need to improve more on strategies of cash flow in order for the municipality to be constant and continue to show great improvements and close the financial year with positive bank balance and have the reserves in the next financial year.

The municipality also need to improve more in collection in order to reduce consumer debts because it will contribute towards the municipality's cash flow. Strengthen the debt collection will continue to rank high in the municipality's priorities as we seek to improve financial sustainability. The municipal also need to continue implementing cost containment policy.

The municipality also needs to encourage consumers to fix internal leaks timeously and water services to replace faulty meters.

1.2 Executive Summary or Background

This report is a summary of the main budget issues arising from the in-year monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

Revenue by Source

The Year-to-Date actual revenue is 97% above the YTD budget. All the allocated conditional grants receipted as per Division of Revenue Bill, However the recognition as revenue only occur when the expenditure is incurred.

Borrowings

The balance of borrowings does not have the long-term loans.

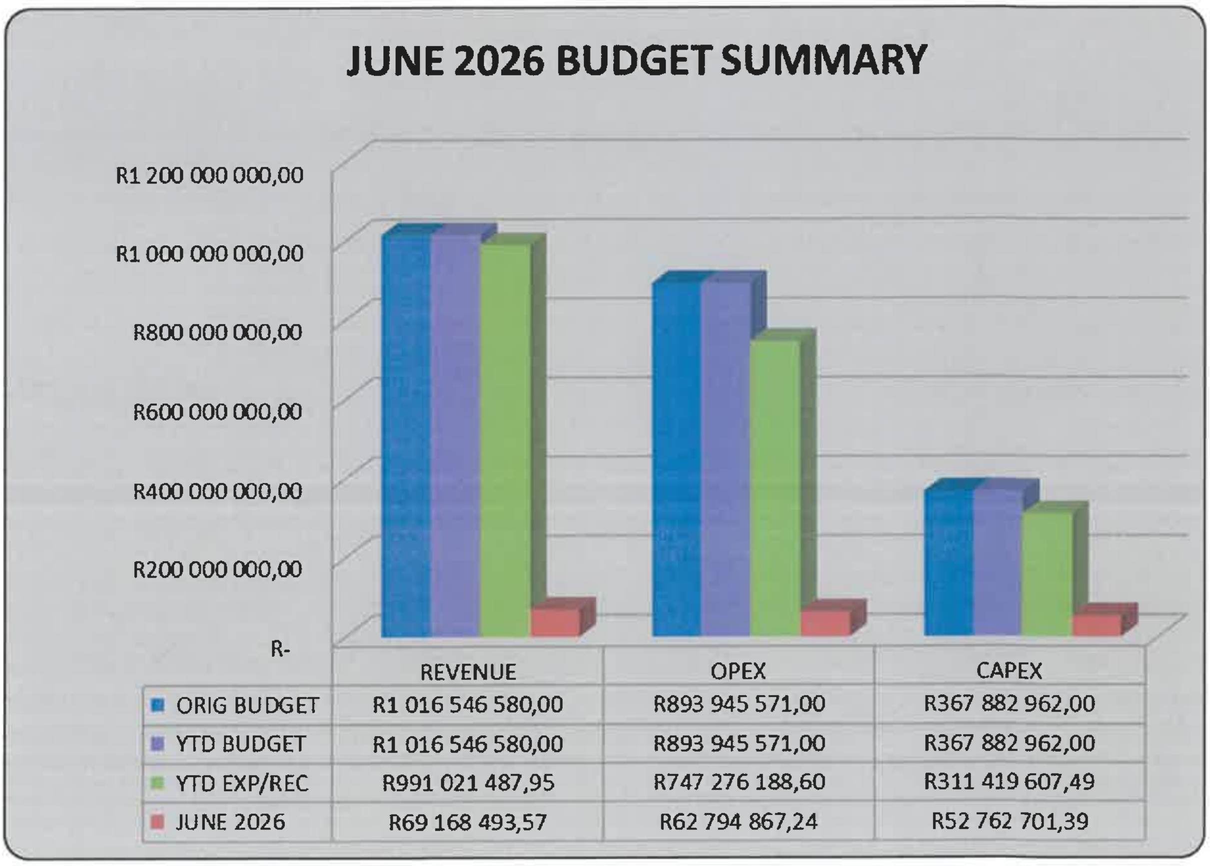
Operating expenditure by vote & type

The total operating budget for the current year amounts to R893, 9m. The YTD Operating expenditure for the month ended 30 June amounted to R747, 2m against a year to date (YTD) budget of R893, 9m. The actual YTD expenditure represented 84% of the planned.

Capital expenditure

The total capital budget for the current year amounts to R367, 8m. The YTD expenditure on capital amounts to R311, 4million, or 85% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

Chart 1: Budget vs. Expenditure Summary



	REVENUE	OPEX	CAPEX
ORIG BUDGET	R1 016 546 580,00	R893 945 571,00	R367 882 962,00
YTD BUDGET	R1 016 546 580,00	R893 945 571,00	R367 882 962,00
YTD EXP/REC	R991 021 487,95	R747 276 188,60	R311 419 607,49
JUNE 2026	R69 168 493,57	R62 794 867,24	R52 762 701,39

Cash flows

The municipality started the year with a positive cashbook balance of R262, 9million. The closing cash and cash equivalents as at the end of June 2026 was R250, 5million. Refer to the table below for cash and cash equivalent register for more detail on the cash position.

CASH AND INVESTMENT REGISTER AS AT 30 JUNE 2026

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Variable or Fixed interest rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands	Yrs/Months							
Municipality								
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	23 825	159	(23 782)	-	202
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	34 445	150	(34 593)	-	2
FIRST NATIONAL BANK	M	ADMIN CALL	Fixed	1 774	12	(1 784)	-	2
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	23 455	100	(23 553)	-	2
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	55	0	(53)	-	2
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	131 655	603	(5 000)	-	127 259
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 195	5	(1 193)	-	7
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	413	2	(411)	-	4
FNB BANK	M	FIXED DEPOSIT	Fixed	57 288	-	-	-	57 288
STANDARD BANK	M	FIXED DEPOSIT	Fixed	61 276	899		-	62 175
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	2 550		1 099		3 649
Municipality sub-total				337 931	1 931	(89 270)	-	250 592
TOTAL INVESTMENTS AND INTEREST				337 931	1 931	(89 270)	-	250 592

Allocations received (National & Provincial Grants)

All DORA and provincial grants allocations for 2025/2026 have been received as per payment schedule. The total grants received as at 30 June 2026 was R 837, 4million.Conditional Grants amounting to R 346, 5million and the equitable share is R 520, 8million. No conditional grant received in the month ending 30 June 2026.

Spending on Grants

Spending on grants amounted to R311, 4million or 85% for 2025/26 fourth quarter.

Conditional Grants Register as at 31 June 2026

GRANTS	OPENING BALANCE	Total Receipts 2025/2026	Total Receipts 2025/2026 including opening balance	ACCRUALS 2025/2026	ADJUSTMENT	TRANSFER TO OPEX	Expenditure	Vat on Grant	Expenditure Total	Advance MIG
CAPITAL										
Municipal Infrastructure Grant	-	239 006 000,00	239 006 000,00		-	(27 264 092,02)	(184 751 501,49)	(26 990 406,49)	(211 741 907,98)	(0,00)
WSIG - DWA	-	100 000 000,00	100 000 000,00	-			(87 055 491,73)	(12 944 508,26)	(99 999 999,98)	0,02
Department of Water and Sanitation	-	-	-							-
TOTAL CAPITAL GRANT EXPENDITURE	-	339 006 000,00	339 006 000,00	-	-	(27 264 092,02)		(39 934 914,75)	(311 741 907,97)	0,01
GRANTS										
OPERATING										
Municipal Infrastructure Grant	-		-			27 264 092,02	(24 546 170,46)	(2 717 921,56)	(27 264 092,02)	(0,00)
Financial Management Grant	-	1 300 000,00	1 300 000,00				(1 283 216,74)	(16 783,26)	(1 300 000,00)	(0,00)
Rural Transport Infrastructure Grant	-	2 610 000,00	2 610 000,00				(2 269 565,22)	(340 434,78)	(2 610 000,00)	(0,00)
Expanded Public Works Programme Grant	-	3 660 000,00	3 660 000,00				(3 660 000,00)	-	(3 660 000,00)	-
TOTAL OPERATING GRANT EXPENDITURE	-	7 570 000,00	7 570 000,00	-	-	27 264 092,02	(31 758 952,42)	(3 075 139,61)	(34 834 092,03)	(0,01)
GRANTS AND SUBSIDIES / UNSPENT CONDITIONAL GRANTS	-	346 576 000,00	346 576 000,00	-	-	-	(31 758 952,42)	(43 010 054,36)	(346 576 000,00)	0,00

All DORA grants allocations for 2025/2026 have been spent as required and the municipality achieved 100 per cent performance in expenditure as at 31 June 2026. No rollover is needed.

1.3 Resolutions

This report will be tabled to Executive committee and therefore the resolution will be available once it tabled to council in terms of Sec 52 (d) of the MFMA.

1.4 Monthly Budget Statement Tables

Monthly Budget Statements Summary

Table C1 below provides a summary of the overall performance in the Municipality and is unpacked in the sections that follow.

DC43 Harry Gwala - Table C1 Consolidated Monthly Budget Statement Summary - M12 June

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	76 533	81 589	86 639	7 686	85 134	86 639	(1 506)	-2%	86 639
Investment revenue	28 012	26 043	26 043	1 965	23 772	26 043	(2 271)	-9%	26 043
Transfers and subsidies - Operational	534 708	596 989	562 399	1 856	555 715	562 399	(6 683)	(0)	562 399
Other own revenue	16 989	19 194	13 417	1 452	14 669	13 417	1 251	9%	13 417
Total Revenue (excluding capital transfers and contributions)	656 242	723 815	688 498	12 959	679 290	688 498	(9 209)	-1%	688 498
Employee costs	261 756	291 721	311 369	24 202	275 515	311 369	(35 854)	-12%	311 369
Remuneration of Councillors	7 581	8 059	8 276	643	7 937	8 276	(340)	-4%	8 276
Depreciation and amortisation	116 317	107 788	138 367	9 817	119 194	138 367	(19 173)	-14%	138 367
Interest	–	54	613	270	799	613	186	30%	613
Inventory consumed and bulk purchases	58 827	39 635	52 015	(1 983)	40 761	52 015	(11 254)	-22%	52 015
Transfers and subsidies	–	23 360	23 360	–	23 000	23 360	(360)	-2%	23 360
Other expenditure	288 393	348 556	359 946	29 846	280 071	359 946	(79 874)	-22%	359 946
Total Expenditure	732 875	819 174	893 946	62 795	747 276	893 946	(146 669)	-16%	893 946
Surplus/(Deficit)	(76 633)	(95 360)	(205 447)	(49 836)	(67 987)	(205 447)	137 461	-67%	(205 447)
Transfers and subsidies - capital (monetary allocations)	317 693	293 458	328 048	56 209	311 732	328 048	(16 317)	-5%	328 048
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	241 060	198 099	122 601	6 374	243 745	122 601	121 144	99%	122 601
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	241 060	198 099	122 601	6 374	243 745	122 601	121 144	99%	122 601
Capital expenditure & funds sources									
Capital expenditure	349 075	302 060	367 883	52 763	311 420	367 883	(56 463)	-15%	367 883
Capital transfers recognised	276 005	260 147	291 797	49 015	280 454	291 797	(11 343)	-4%	291 797
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	73 070	41 912	76 086	3 748	30 966	76 086	(45 120)	-59%	76 086
Total sources of capital funds	349 075	302 060	367 883	52 763	311 420	367 883	(56 463)	-15%	367 883
Financial position									
Total current assets	308 794	219 492	319 333		278 392				319 333
Total non current assets	3 218 981	3 446 443	3 480 822		3 410 140				3 480 822
Total current liabilities	187 569	121 261	192 338		108 367				192 338
Total non current liabilities	34 976	30 536	34 976		34 976				34 976
Community wealth/Equity	3 305 231	3 514 683	3 648 883		3 538 912				3 648 883
Cash flows									
Net cash from (used) operating	1 506 678	377 947	331 141	8 172	1 800 730	331 141	(1 469 588)	-444%	331 141
Net cash from (used) investing	(350 553)	(346 012)	(412 652)	(51 465)	(313 264)	(412 652)	(99 388)	24%	(412 652)
Net cash from (used) financing	(15)	(1 831)	(1 831)	–	(2 979)	(1 831)	1 148	-63%	(1 831)
Cash/cash equivalents at the month/year end	1 365 540	193 682	282 344	1 746 157	1 746 157	282 344	(1 463 813)	-518%	178 329
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	8 428	4 677	2 596	2 738	2 706	2 465	40 333	164 694	228 637
Creditors Age Analysis									
Total Creditors	–	–	–	–	–	–	–	–	–

Financial Performance

Table C2 provides the statement of financial performance by standard classification.

DC43 Harry Gwala - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M12 June

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional									
Governance and administration	523 673	551 433	548 965	2 744	548 043	548 965	(921)	0%	548 965
Executive and council	–	–	–	–	–	–	–		–
Finance and administration	523 673	551 433	548 965	2 744	548 043	548 965	(921)	0%	548 965
Internal audit	–	–	–	–	–	–	–		–
Community and public safety	38	18	84	9	98	84	14	17%	84
Community and social services	38	18	84	9	98	84	14	17%	84
Sport and recreation	–	–	–	–	–	–	–		–
Public safety	–	–	–	–	–	–	–		–
Housing	–	–	–	–	–	–	–		–
Health	–	–	–	–	–	–	–		–
Economic and environmental services	24 064	23 000	23 000	–	–	23 000	(23 000)	-100%	23 000
Planning and development	24 064	23 000	23 000	–	–	23 000	(23 000)	-100%	23 000
Road transport	–	–	–	–	–	–	–		–
Environmental protection	–	–	–	–	–	–	–		–
Trading services	426 160	442 822	444 498	66 415	442 880	444 498	(1 618)	0%	444 498
Energy sources	–	–	–	–	–	–	–		–
Water management	412 843	426 870	430 633	65 293	429 985	430 633	(648)	0%	430 633
Waste water management	13 317	15 952	13 865	1 122	12 895	13 865	(970)	-7%	13 865
Waste management	–	–	–	–	–	–	–		–
Other	–	–	–	–	–	–	–		–
Total Revenue - Functional	973 935	1 017 273	1 016 547	69 168	991 021	1 016 547	(25 525)	-3%	1 016 547
Expenditure - Functional									
Governance and administration	268 495	308 803	362 446	25 669	298 604	362 446	(63 842)	-18%	362 446
Executive and council	35 024	52 195	53 505	3 588	37 971	53 505	(15 534)	-29%	53 505
Finance and administration	225 155	246 716	299 087	21 490	253 289	299 087	(45 798)	-15%	299 087
Internal audit	8 316	9 892	9 854	591	7 344	9 854	(2 510)	-25%	9 854
Community and public safety	18 204	22 765	19 421	1 096	14 747	19 421	(4 674)	-24%	19 421
Community and social services	18 204	22 765	19 421	1 096	14 747	19 421	(4 674)	-24%	19 421
Sport and recreation	–	–	–	–	–	–	–		–
Public safety	–	–	–	–	–	–	–		–
Housing	–	–	–	–	–	–	–		–
Health	–	–	–	–	–	–	–		–
Economic and environmental services	200 808	217 958	214 014	18 885	209 565	214 014	(4 449)	-2%	214 014
Planning and development	200 808	217 958	214 014	18 885	209 565	214 014	(4 449)	-2%	214 014
Road transport	–	–	–	–	–	–	–		–
Environmental protection	–	–	–	–	–	–	–		–
Trading services	245 367	269 549	297 965	17 145	224 360	297 965	(73 605)	-25%	297 965
Energy sources	–	–	–	–	–	–	–		–
Water management	245 183	260 256	288 841	12 149	218 430	288 841	(70 412)	-24%	288 841
Waste water management	185	9 292	9 123	4 996	5 930	9 123	(3 193)	-35%	9 123
Waste management	–	–	–	–	–	–	–		–
Other	–	100	100	–	–	100	(100)	-100%	100
Total Expenditure - Functional	732 875	819 174	893 946	62 795	747 276	893 946	(146 669)	-16%	893 946
Surplus/ (Deficit) for the year	241 060	198 099	122 601	6 374	243 745	122 601	121 144	0,9881182	122 601

This table assess the revenue by department and then the expenditure for the period ending 30 June 2026. Revenue receipts in June have largely constituted of equitable share and service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of June is 7%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has the largest expenditure for the month of June as the department responsible for the repairs and maintenance of the municipal assets and also with the largest staff complement, shares the greatest bulk of this budget and hence the expenditure of R24, 2million.

Table C3 presents the same information as the table above, the difference being that it's by Municipal vote.

DC43 Harry Gwala - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote									
Vote 01 - Summary Council	–	–	–	–	–	–	–		–
Vote 02 - Summary Municipal Manager	–	–	–	–	–	–	–		–
Vote 03 - Summary Budget And Treasury Office	523 056	549 507	546 962	2 744	547 412	546 962	451	0,1%	546 962
Vote 04 - Summary Corporate Services	393	410	410	–	553	410	143	34,8%	410
Vote 05 - Summary Social Services & Development Planing	38	24 479	24 545	9	98	24 545	(24 447)	-99,6%	24 545
Vote 06 - Summary Infrastructure Services	361 419	350 081	350 081	58 030	349 182	350 081	(900)	-0,3%	350 081
Vote 07 - Summary Water Services	89 029	92 795	94 548	8 385	93 776	94 548	(772)	-0,8%	94 548
Vote 15 - Other	–	–	–	–	–	–	–		–
Total Revenue by Vote	**973 935**	**1 017 273**	**1 016 547**	**69 168**	**991 021**	**1 016 547**	**(25 525)**	**-2,5%**	**1 016 547**
Expenditure by Vote									
Vote 01 - Summary Council	17 788	20 567	21 707	1 768	19 931	21 707	(1 776)	-8,2%	21 707
Vote 02 - Summary Municipal Manager	27 120	31 264	31 450	2 411	25 384	31 450	(6 066)	-19,3%	31 450
Vote 03 - Summary Budget And Treasury Office	69 768	64 749	74 107	3 833	64 849	74 107	(9 257)	-12,5%	74 107
Vote 04 - Summary Corporate Services	106 598	110 299	133 806	10 544	118 935	133 806	(14 871)	-11,1%	133 806
Vote 05 - Summary Social Services & Development Planing	55 654	97 924	97 344	4 762	63 285	97 344	(34 059)	-35,0%	97 344
Vote 06 - Summary Infrastructure Services	162 332	165 408	159 067	15 262	161 549	159 067	2 482	1,6%	159 067
Vote 07 - Summary Water Services	293 615	328 964	376 465	24 215	293 343	376 465	(83 122)	-22,1%	376 465
Vote 15 - Other	–	–	–	–	–	–	–		–
Total Expenditure by Vote	**732 875**	**819 174**	**893 946**	**62 795**	**747 276**	**893 946**	**(146 669)**	**-16,4%**	**893 946**
Surplus/ (Deficit) for the year	**241 060**	**198 099**	**122 601**	**6 374**	**243 745**	**122 601**	**121 144**	**98,8%**	**122 601**

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 June 2026.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue									
Exchange Revenue									
Service charges - Electricity							–		
Service charges - Water	63 688	68 071	73 110	6 546	72 028	73 110	(1 082)	-1%	73 110
Service charges - Waste Water Management	12 845	13 518	13 529	1 140	13 105	13 529	(424)	-3%	13 529
Service charges - Waste management							–		
Sale of Goods and Rendering of Services	141	791	146	7	306	146	159	109%	146
Interest earned from Receivables	14 599	16 055	12 757	1 030	12 585	12 757	(172)	-1%	12 757
Interest from Current and Non Current Assets	28 012	26 043	26 043	1 965	23 772	26 043	(2 271)	-9%	26 043
Rental from Fixed Assets	–	–	–	32	32	–	32	#DIV/0!	–
Licence and permits							–		
Special rating levies							–		
Operational Revenue	678	706	647	385	1 104	647	457	71%	647
Non-Exchange Revenue							–		
Property rates							–		
Surcharges and Taxes							–		
Fines, penalties and forfeits	786	1 643	340	(2)	168	340	(172)	-51%	340
Licence and permits							–		
Transfers and subsidies - Operational	534 708	596 989	562 399	1 856	555 715	562 399	(6 683)	-1%	562 399
Interest	–	–	–	–	–	–	–		–
Fuel Levy							–		
Operational Revenue	–	–	–	–	–	–	–		–
Gains on disposal of Assets	–	–	(474)	–	474	(474)	948	-200%	(474)
Other Gains	785	–	–	–	–	–	–		–
Discontinued Operations							–		
Total Revenue (excluding capital transfers and contributions)	**656 242**	**723 815**	**688 498**	**12 959**	**679 290**	**688 498**	**(9 209)**	**-1%**	**688 498**
Expenditure By Type									
Employee related costs	261 756	291 721	311 369	24 202	275 515	311 369	(35 854)	-12%	311 369
Remuneration of councillors	7 581	8 059	8 276	643	7 937	8 276	(340)	-4%	8 276
Bulk purchases - electricity	–	–	–	–	–	–	–		–
Inventory consumed	58 827	39 635	52 015	(1 983)	40 761	52 015	(11 254)	-22%	52 015
Debt impairment	2 907	31 530	31 530	–	–	31 530	(31 530)	-100%	31 530
Depreciation and amortisation	116 317	107 788	138 367	9 817	119 194	138 367	(19 173)	-14%	138 367
Interest	–	54	613	270	799	613	186	30%	613
Contracted services	159 115	173 856	162 702	14 816	160 414	162 702	(2 288)	-1%	162 702
Transfers and subsidies	–	23 360	23 360	–	23 000	23 360	(360)	-2%	23 360
Irrecoverable debts written off	17 551	42 327	42 340	6 284	20 368	42 340	(21 972)	-52%	42 340
Operational costs	108 821	100 844	123 355	8 746	98 222	123 355	(25 133)	-20%	123 355
Losses on Disposal of Assets	–	–	19	–	1 067	19	1 048	5488%	19
Other Losses	–	–	–	–	–	–	–		–
Total Expenditure	**732 875**	**819 174**	**893 946**	**62 795**	**747 276**	**893 946**	**(146 669)**	**-16%**	**893 946**
Surplus/(Deficit)	**(76 633)**	**(95 360)**	**(205 447)**	**(49 836)**	**(67 987)**	**(205 447)**	**137 461**	**(0)**	**(205 447)**
Transfers and subsidies - capital (monetary allocations)	317 693	293 458	328 048	56 209	311 732	328 048	(16 317)	(0)	328 048
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**241 060**	**198 099**	**122 601**	**6 374**	**243 745**	**122 601**	**121 144**	**0**	**122 601**
Income Tax							–		
Surplus/(Deficit) after income tax	**241 060**	**198 099**	**122 601**	**6 374**	**243 745**	**122 601**	**121 144**	**0**	**122 601**
Share of Surplus/Deficit attributable to Joint Venture							–		
Share of Surplus/Deficit attributable to Minorities							–		
Surplus/(Deficit) attributable to municipality	**241 060**	**198 099**	**122 601**	**6 374**	**243 745**	**122 601**	121 144	0	**122 601**
Share of Surplus/Deficit attributable to Associate							–		
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**241 060**	**198 099**	**122 601**	**6 374**	**243 745**	**122 601**	**121 144**	**0**	**122 601**

Capital Expenditure

Table C5 below reports on the capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

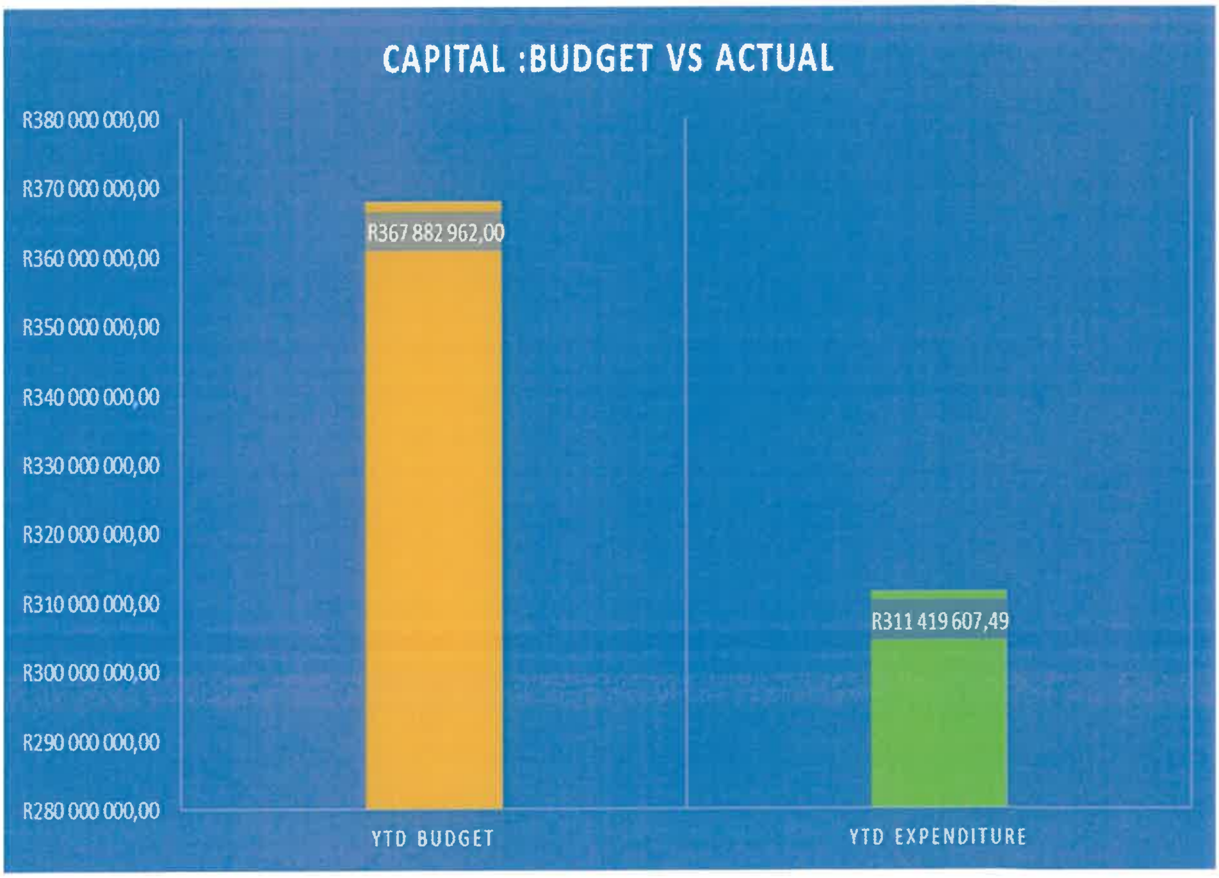
DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M12 June

Vote Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation									
Vote 01 - Summary Council	–	–	–	–	–	–	–		–
Vote 02 - Summary Municipal Manager	–	1 364	500	–	–	500	(500)	-100%	500
Vote 03 - Summary Budget And Treasury Office	–	2 279	2 100	(26)	79	2 100	(2 021)	-96%	2 100
Vote 04 - Summary Corporate Services	11 900	3 374	7 987	3	3 585	7 987	(4 402)	-55%	7 987
Vote 05 - Summary Social Services & Development Planing	–	7 101	6 472	–	722	6 472	(5 750)	-89%	6 472
Vote 06 - Summary Infrastructure Services	136 524	99 656	120 010	12 504	99 262	120 010	(20 748)	-17%	120 010
Vote 07 - Summary Water Services	198 273	177 670	226 356	40 281	205 086	226 356	(21 270)	-9%	226 356
Vote 15 - Other	–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	**346 697**	**291 443**	**363 425**	**52 763**	**308 734**	**363 425**	**(54 691)**	**-15%**	**363 425**
Single Year expenditure appropriation									
Vote 01 - Summary Council	–	–	–	–	–	–	–		–
Vote 02 - Summary Municipal Manager	–	–	–	–	–	–	–		–
Vote 03 - Summary Budget And Treasury Office	–	180	40	–	40	40	–		40
Vote 04 - Summary Corporate Services	101	5 136	3 418	–	2 646	3 418	(772)	-23%	3 418
Vote 05 - Summary Social Services & Development Planing	–	–	–	–	–	–	–		–
Vote 06 - Summary Infrastructure Services	–	2 000	1 000	–	–	1 000	(1 000)	-100%	1 000
Vote 07 - Summary Water Services	2 278	3 300	–	–	–	–	–		–
Vote 15 - Other	–	–	–	–	–	–	–		–
Total Capital single-year expenditure	2 378	10 616	4 458	–	2 686	4 458	**(1 772)**	**-40%**	4 458
Total Capital Expenditure	**349 075**	**302 060**	**367 883**	**52 763**	**311 420**	**367 883**	**(56 463)**	**-15%**	**367 883**
Capital Expenditure - Functional Classification									
Governance and administration	**12 001**	**17 434**	**18 917**	**(23)**	**6 350**	**18 917**	(12 567)	-66%	**18 917**
Executive and council	–	–	–	–	–	–	–		–
Finance and administration	12 001	16 071	18 417	(23)	6 350	18 417	(12 067)	-66%	18 417
Internal audit	–	1 364	500	–	–	500	(500)	-100%	500
Community and public safety	–	–	–	–	–	–	–		–
Community and social services	–	–	–	–	–	–	–		–
Sport and recreation							–		
Public safety							–		
Housing							–		
Health							–		
Economic and environmental services	**134 763**	**95 891**	**122 610**	**12 504**	**99 984**	**122 610**	(22 626)	-18%	**122 610**
Planning and development	134 763	95 891	122 610	12 504	99 984	122 610	(22 626)	-18%	122 610
Road transport							–		
Environmental protection							–		
Trading services	**202 311**	**188 734**	**226 356**	**40 281**	**205 086**	**226 356**	(21 270)	-9%	**226 356**
Energy sources							–		
Water management	182 256	188 473	220 908	39 520	199 562	220 908	(21 346)	-10%	220 908
Waste water management	20 055	261	5 449	761	5 525	5 449	76	1%	5 449
Waste management							–		
Other							–		
Total Capital Expenditure - Functional Classification	**349 075**	**302 060**	**367 883**	**52 763**	**311 420**	**367 883**	**(56 463)**	**-15%**	**367 883**
Funded by:									
National Government	255 079	259 997	291 647	49 015	280 454	291 647	(11 193)	-4%	291 647
Provincial Government	20 926	–	–	–	–	–	–		–
District Municipality	–	150	150	–	–	150	(150)	-100%	150
Transfers recognised - capital	**276 005**	**260 147**	**291 797**	**49 015**	**280 454**	**291 797**	**(11 343)**	**-4%**	**291 797**
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	73 070	41 912	76 086	3 748	30 966	76 086	(45 120)	-59%	76 086
Total Capital Funding	**349 075**	**302 060**	**367 883**	**52 763**	**311 420**	**367 883**	**(56 463)**	**-15%**	**367 883**

As alluded to above, the capital expenditure programme for the period ending 30 June 2026 was R311, 4m which represents 85% of capital expenditure against year to date budget of R367, 8million.

The chart below presents a high level analysis of YTD capital expenditure budget against the YTD actual expenditure.

Chart 1: 2025/2026 FOURTH QUARTER CAPEX



As at 30 June 2026, the year to date actual expenditure was R311, 4million against a YTD budget of R367, 8million. In monetary terms, these figures represent 85 per cent performance against the capital development programme as at 30 June 2026.

Table C6 displays the financial position of the municipality as at 30 June 2026.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M12 June

Description	2024/25	Budget Year 2025/26			
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash and cash equivalents	261 670	173 668	282 344	250 555	282 344
Trade and other receivables from exchange transactions	12 773	23 719	2 638	4 743	2 638
Receivables from non-exchange transactions	1 570	2 312	1 570	1 559	1 570
Current portion of non-current receivables	–	–	–	–	–
Inventory	963	858	963	1 014	963
VAT	32 125	19 165	32 125	21 102	32 125
Other current assets	(307)	(229)	(307)	(580)	(307)
Total current assets	**308 794**	**219 492**	**319 333**	**278 392**	**319 333**
Non current assets					
Investments					
Investment property	–	–	–	–	–
Property, plant and equipment	3 218 685	3 443 615	3 479 571	3 409 954	3 479 571
Biological assets					
Living and non-living resources					
Heritage assets					
Intangible assets	296	2 827	1 250	186	1 250
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	**3 218 981**	**3 446 443**	**3 480 822**	**3 410 140**	**3 480 822**
TOTAL ASSETS	**3 527 775**	**3 665 935**	**3 800 154**	**3 688 532**	**3 800 154**
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Financial liabilities	12 806	8 006	10 406	9 806	10 406
Consumer deposits	3 441	3 748	4 010	3 525	4 010
Trade and other payables from exchange transactions	148 140	86 356	153 257	76 236	153 257
Trade and other payables from non-exchange transactions	(0)	1 483	1 483	(3 162)	1 483
Provision	16 527	16 385	16 527	16 527	16 527
VAT	6 655	5 282	6 655	5 435	6 655
Other current liabilities	–	–	–	–	–
Total current liabilities	**187 569**	**121 261**	**192 338**	**108 367**	**192 338**
Non current liabilities					
Financial liabilities	(0)	–	–	(0)	–
Provision	34 976	30 536	34 976	34 976	34 976
Long term portion of trade payables	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–
Total non current liabilities	**34 976**	**30 536**	**34 976**	**34 976**	**34 976**
TOTAL LIABILITIES	**222 545**	**151 797**	**227 314**	**143 343**	**227 314**
NET ASSETS	**3 305 231**	**3 514 138**	**3 572 840**	**3 545 189**	**3 572 840**
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)	3 305 231	3 514 138	3 572 840	3 545 189	3 572 840
Reserves and funds	–	–	–	–	–
Other	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**3 305 231**	**3 514 138**	**3 572 840**	**3 545 189**	**3 572 840**

Table C7 below display the Cash Flow Statement for the period ending 30 June 2026.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M12 June

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	–	–	–	–	11	–	11	#DIV/0!	–
Service charges	69 696	71 563	79 657	6 821	82 058	79 657	2 401	3%	79 657
Other revenue	1 522 934	80 300	75 545	106 524	1 857 111	75 545	1 781 566	2358%	75 545
Transfers and Subsidies - Operational	499 995	573 989	539 399	–	528 441	539 399	(10 958)	-2%	539 399
Transfers and Subsidies - Capital	341 906	293 458	328 048	–	339 006	328 048	10 958	3%	328 048
Interest	28 012	26 046	26 043	1 965	23 772	26 043	(2 271)	-9%	26 043
Dividends							–		
Payments									
Suppliers and employees	(955 865)	(667 355)	(716 937)	(107 138)	(1 029 669)	(716 937)	312 733	-44%	(716 937)
Interest	–	(54)	(613)	–	–	(613)	(613)	100%	(613)
Transfers and Subsidies							–		
NET CASH FROM/(USED) OPERATING ACTIVITIES	**1 506 678**	**377 947**	**331 141**	**8 172**	**1 800 730**	**331 141**	**(1 469 588)**	**-444%**	**331 141**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	–	–	(474)	–	474	(474)	948	-200%	(474)
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments							–		
Payments									
Capital assets	(350 553)	(346 012)	(412 178)	(51 465)	(313 738)	(412 178)	(98 440)	24%	(412 178)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(350 553)**	**(346 012)**	**(412 652)**	**(51 465)**	**(313 264)**	**(412 652)**	**(99 388)**	**24%**	**(412 652)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							–		
Borrowing long term/refinancing							–		
Increase (decrease) in consumer deposits	(15)	569	569	–	21	569	(548)	-96%	569
Payments									
Repayment of borrowing	–	(2 400)	(2 400)	–	(3 000)	(2 400)	600	-25%	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(15)**	**(1 831)**	**(1 831)**	**–**	**(2 979)**	**(1 831)**	**1 148**	**-63%**	**(1 831)**
NET INCREASE/ (DECREASE) IN CASH HELD	**1 156 110**	**30 105**	**(83 341)**	**(43 293)**	**1 484 487**	**(83 341)**			**(83 341)**
Cash/cash equivalents at beginning:	209 430	163 577	365 685	1 789 449	261 670	365 685			261 670
Cash/cash equivalents at month/year end:	1 365 540	193 682	282 344	1 746 157	1 746 157	282 344			178 329

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 30 June 2026.

Table 2.1.1: Debtors Age Analysis by Income Source

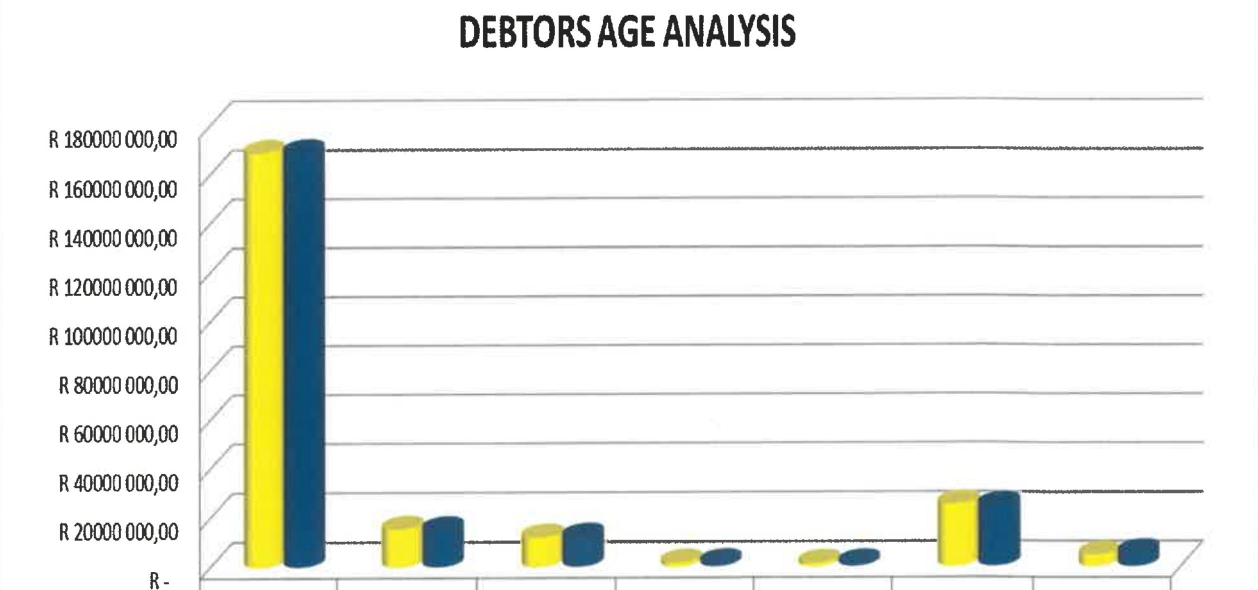
DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	Budget Year 2025/26									
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	5 410	3 003	1 666	1 757	1 737	1 582	25 891	105 721	146 767	136 688
Trade and Other Receivables from Exchange Transactions - Electricity									–	–
Receivables from Non-exchange Transactions - Property Rates									–	–
Receivables from Exchange Transactions - Waste Water Management	2 114	1 173	651	687	679	618	10 115	41 301	57 336	53 399
Receivables from Exchange Transactions - Waste Management									–	–
Receivables from Exchange Transactions - Property Rental Debtors									–	–
Interest on Arrear Debtor Accounts	904	502	279	294	290	264	4 328	17 672	24 533	22 848
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									–	–
Other									–	–
Total By Income Source	**8 428**	**4 677**	**2 596**	**2 738**	**2 706**	**2 465**	**40 333**	**164 694**	**228 637**	**212 935**
2024/25 - totals only	7923382	6213816	3218061	2949796	2780025	2873223	20983652	189821939	236 764	**219 409**
Debtors Age Analysis By Customer Group										
Organs of State	5 590	2 811	820	698	899	766	7 992	6 179	25 755	16 534
Commercial	867	333	250	466	156	139	3 024	10 512	15 746	14 296
Households	1 971	1 533	1 526	1 574	1 651	1 560	29 318	148 003	187 135	182 105
Other									–	–
Total By Customer Group	**8 428**	**4 677**	**2 596**	**2 738**	**2 706**	**2 465**	**40 333**	**164 694**	**228 637**	**212 935**

The municipal consumer debt is currently increasing citing rigorous actions to ensure that this trend is prevented from continuing as it has a direct negative impact on municipal cash flows.

Table 2.1.2: Debtors Age Analysis by Customer Category

Table 2.1.2 analyses consumer debt by Category. A further analysis in the form of a chart is provided below.

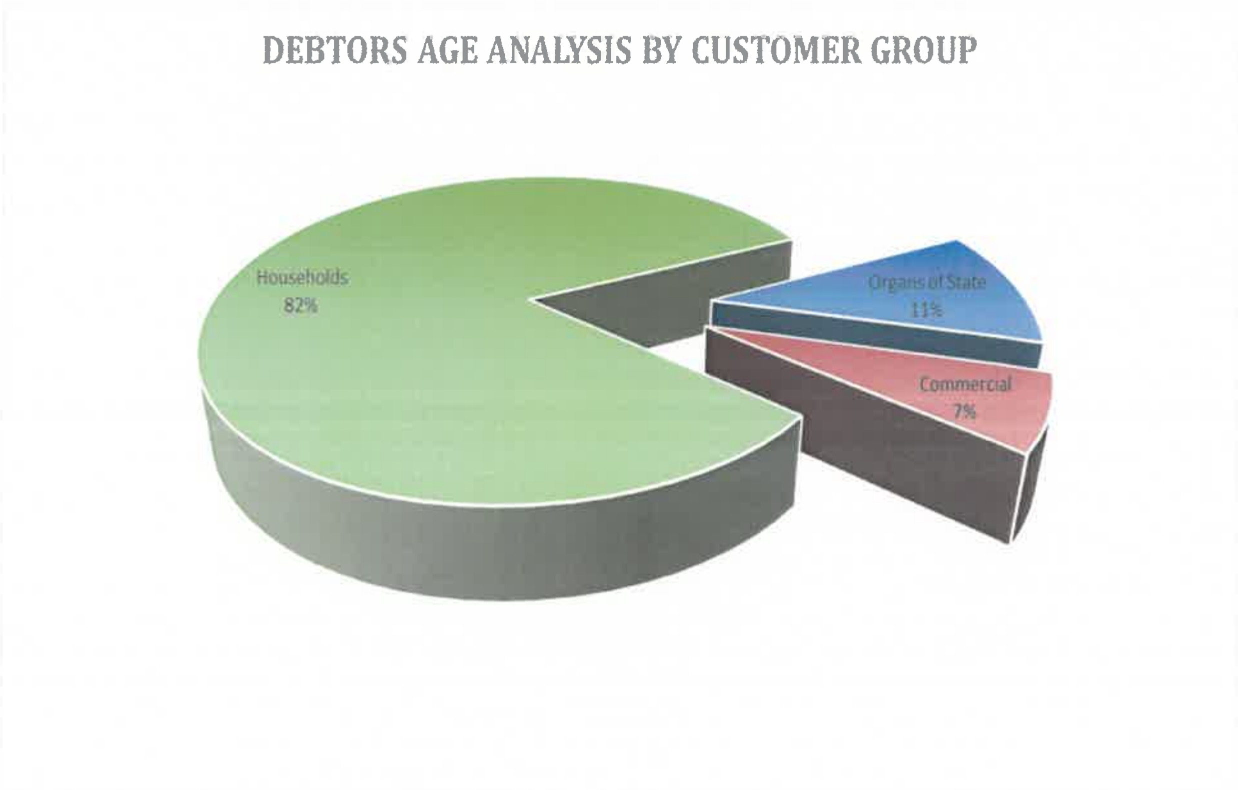


	DOMESTIC	BUSINESS	INDIGENTS	DECEASED DEBTORS	MUNICIPAL	GOVERNMENT	OTHER
MAY 2026	R 168898 419,6	R 15219 985,31	R 11873 112,76	R 1456 197,79	R 1194 693,50	R 25138 848,99	R 4532 257,50
JUNE 2026	R 168994 745,0	R 14958 135,00	R 12126 780,00	R 1494 659,00	R 1237 452,00	R 24401 764,00	R 5423 065,00

Chart 2: Debtors Age Analysis by Customer Group

The information presented in the chart above ranks total debt owed to the municipality from highest to the lowest,

- ✓ Households: 82%
- ✓ Government 11%
- ✓ Business 7%



The chart above shows that for each debtor type the amounts owing to the municipality have increased on a year-to-year basis.

The table that follows below unpacks the revenue receipts per Local Municipality in the District

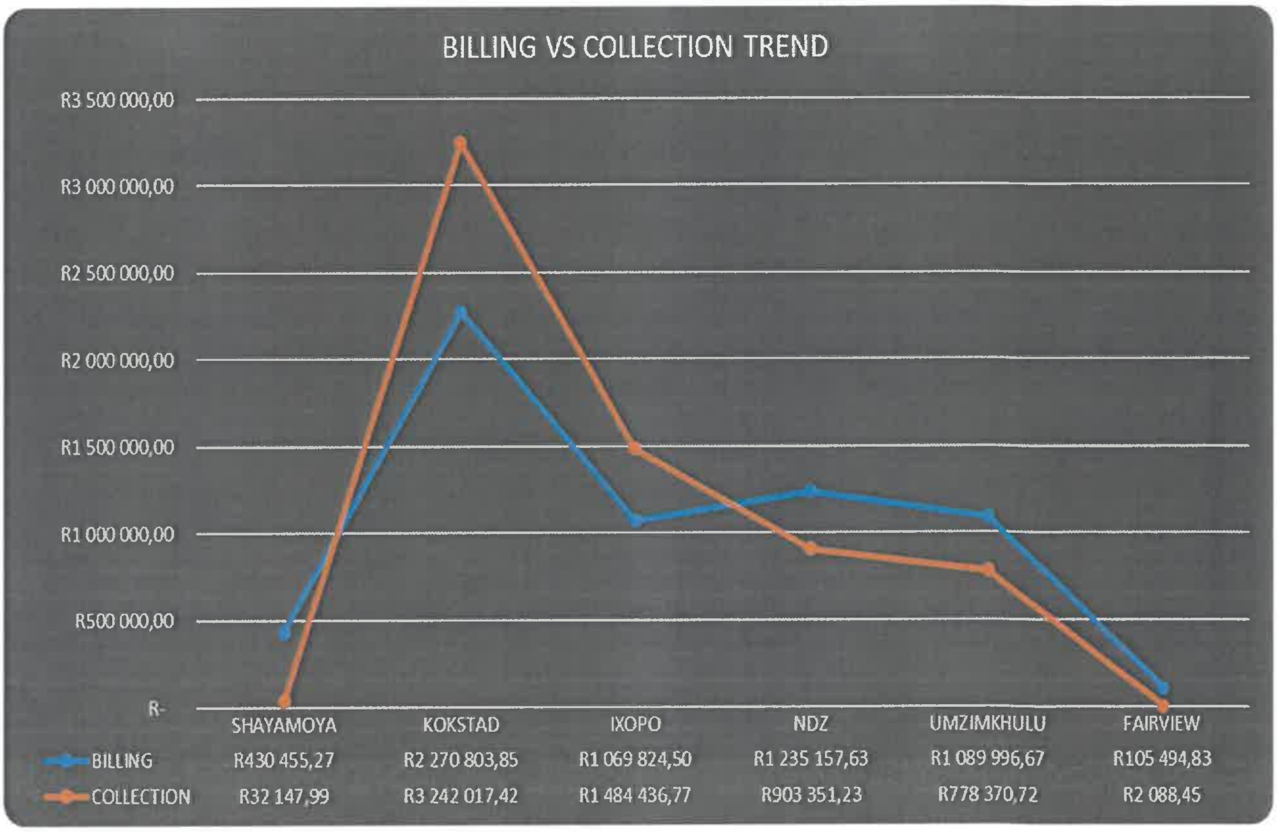
Revenue receipts per Area

AREA	AMOUNT	JUNE 2026	MAY 2026
Unallocated Receipts	R 17 506	0%	0%
Bhongweni	R 1 200	0%	0%
Shayamoya	R 32 148	0%	0%
Kokstad	R 3 242 017	50%	20%
Ixopo	R 1 484 437	23%	22%
NDZ	R 903 351	14%	14%
Umzimkhulu	R 778 371	12%	24%
Fairview	R 2 088	0%	0%
Total Receipts incl VAT	**R 6 461 119**	100%	100%

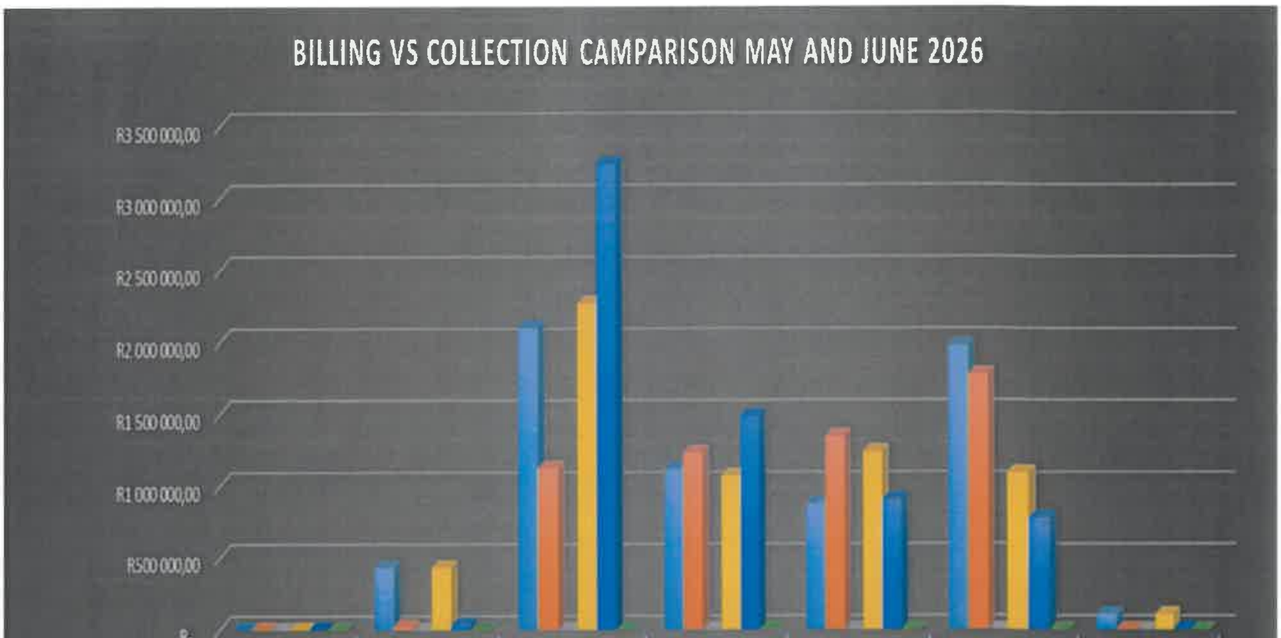
The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for June 2026 is R6, 4million. The collection for prepaid in the month of June is R 1, 696,823. Total cash collected including prepaid for the month ending 31 June 2026 is R 8,157,941.

Billing vs Collection trend for June 2026

The chart that follows below shows the comparison between billing and collection trend for the period ending 30 June 2026



The chart that follows below shows the comparison between billing and collection for the period ending 31 May and 30 June 2026



	BHONGWENI	SHAYAMOYA	KOKSTAD	IXOPO	NDZ	UMZIMKHULU	FAIRVIEW
MAY 2026 BILLING	R-	R430 455,55	R2 103 217,05	R1 115 569,84	R879 342,31	R1 975 415,69	R105 494,83
MAY 2026 COLLECTION	R2 700,00	R20 457,57	R1 121 373,16	R1 229 929,48	R1 345 091,86	R1 775 317,69	R1 810,06
%	0%	5%	53%	110%	153%	90%	2%
JUNE 2026 BILLING	R-	R430 455,27	R2 270 803,85	R1 069 824,50	R1 235 157,63	R1 089 996,67	R105 494,83
JUNE 2026 COLLECTION	R1 200,00	R32 147,99	R3 242 017,42	R1 484 436,77	R903 351,23	R778 370,72	R2 088,45
%	0%	7%	143%	139%	73%	71%	2%

Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 228,636,602 as at 30 June 2026 compared with the R 228,313,315 as at 31 May 2026. Current debt represents 4% of the total outstanding debt compared with the 3% of April 2026; 30 days and older debt 2% compared with the 2% for May 2026; 60 days and older debt 1% compared with the 1% of May 2026; and 90 days 1% compared with the 1% of May 2026; 120 days to History and older 92% compared with the 91% for June 2026.

Current debt increased with R 323,086 to R 228,636,602 in the month ending 30 June compared with the R 228,313,515 as at 31 May 2026; 30 days + debt decreased with R 146,116; 60 days + decreased with R 479,400; 90 days + debt decreased with R 146,498 and 120 + days and older debt as at 30 June 2026 has increased with R 284,100 to R 210,197,774 compared with the R 209,913,674 for June 2026.

Debtors age analysis per debtor type

Business debtors owes the municipality R 14,958,135 (7%); Municipal debtors R 1,237,452 (1%); domestic debtors R 168,994,745 (74%); Government accounts R 24,401,764 (11%); Indigent debtors R 12,126,780 (5%); Deceased R 1,494,659 (1%) and other debtors R 5,423,065 (2%) of the total outstanding debt of R 228,636,602.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 30 June 2026

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description R thousands	Budget Year 2024/25								
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Creditors Age Analysis By Customer Type									
Bulk Electricity									–
Bulk Water									–
PAYE deductions									–
VAT (output less input)									–
Pensions / Retirement deductions									–
Loan repayments									–
Trade Creditors	30	75							105
Auditor General									–
Other									–
Medical Aid deductions									–
Total By Customer Type	30	75	–	–	–	–	–	–	105

2.3 Investment Portfolio Analysis

The following information presents the cash at bank and short-term investments balances broken down per investment type as at 30 June 2026.

Cash and Bank Balances (Investments)

CASH AND INVESTMENT REGISTER AS AT 30 JUNE 2026

Investments by maturity Name of institution & investment ID R thousands	Period of Investment Yrs/Months	Type of Investment	Variable or Fixed interest rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Municipality								
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	23 825	159	(23 782)	–	202
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	34 445	150	(34 593)	–	2
FIRST NATIONAL BANK	M	ADMIN CALL	Fixed	1 774	12	(1 784)	–	2
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	23 455	100	(23 553)	–	2
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	55	0	(53)	–	2
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	131 655	603	(5 000)	–	127 259
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 195	5	(1 193)	–	7
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	413	2	(411)	–	4
FNB BANK	M	FIXED DEPOSIT	Fixed	57 288	–	–	–	57 288
STANDARD BANK	M	FIXED DEPOSIT	Fixed	61 276	899		–	62 175
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	2 550		1 099		3 649
Municipality sub-total				337 931	1 931	(89 270)	–	250 592
TOTAL INVESTMENTS AND INTEREST				337 931	1 931	(89 270)	–	250 592

2.4 Allocation and Grant receipts and Expenditure

Table SC 6 displays information relating to grant receipts.

DC43 Harry Gwala - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M12 June

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:									
Operating Transfers and Grants									
National Government:	534 708	573 989	539 399	1 856	555 715	539 399	16 317	3,0%	539 399
Energy Efficiency and Demand Side Management Grant	–	–	–	–	–	–	–		–
Equitable Share	491 837	520 871	520 871	–	520 871	520 871	–	0,0%	520 871
Expanded Public Works Programme Integrated Grant	4 460	3 660	3 660	305	3 660	3 660	–	0,0%	3 660
Integrated National Electrification Programme Grant	–	–	–	–	–	–	–		–
Local Government Financial Management Grant	1 200	1 300	1 300	363	1 300	1 300	–	0,0%	1 300
Municipal Disaster Relief Grant	–	–	–	–	–	–	–		–
Municipal Infrastructure Grant	33 363	45 548	10 958	658	27 274	10 958	16 317	148,9%	10 958
Rural Road Asset Management Systems Grant	2 498	2 610	2 610	530	2 610	2 610	–	0,0%	2 610
Water Services Infrastructure Grant	1 350	–	–	–	–	–	–		–
Other transfers and grants [insert description]							–		
Provincial Government:	–	–	–	–	–	–	–		–
Capacity Building and Other Grants	–	–	–	–	–	–	–		–
Other transfers and grants [insert description]							–		
District Municipality:	–	23 000	23 000	–	–	23 000	(23 000)	-100,0%	23 000
Specify (Add grant description)	–	23 000	23 000	–	–	23 000	(23 000)	-100,0%	23 000
Other grant providers:	–	–	–	–	–	–	–		–
Chemical Industry Seta	–	–	–	–	–	–	–		–
Parent Municipality	–	–	–	–	–	–	–		–
Unspecified	–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	534 708	596 989	562 399	1 856	555 715	562 399	(6 683)	-1,2%	562 399
Capital Transfers and Grants									
National Government:	293 629	293 458	328 048	56 209	311 732	328 048	(16 317)	-5,0%	328 048
Integrated National Electrification Programme Grant	–	–	–	–	–	–	–		–
Municipal Infrastructure Grant	194 979	193 458	228 048	50 318	211 732	228 048	(16 317)	-7,2%	228 048
Neighbourhood Development Partnership Grant	–	–	–	–	–	–	–		–
Regional Bulk Infrastructure Grant	–	–	–	–	–	–	–		–
Rural Road Asset Management Systems Grant	–	–	–	–	–	–	–		–
Water Services Infrastructure Grant	98 650	100 000	100 000	5 891	100 000	100 000	–	0,0%	100 000
Provincial Government:	24 064	–	–	–	–	–	–		–
Infrastructure Grant	24 064	–	–	–	–	–	–		–
District Municipality:	–	–	–	–	–	–	–		–
Specify (Add grant description)	–	–	–	–	–	–	–		–
Other grant providers:	–	–	–	–	–	–	–		–
[insert description]							–		
Human Settlement Re-development Programme	–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	317 693	293 458	328 048	56 209	311 732	328 048	(16 317)	-5,0%	328 048
TOTAL RECEIPTS OF TRANSFERS & GRANTS	852 401	890 447	890 447	58 065	867 447	890 447	(23 000)	-2,6%	890 447

It is clear from the chart above that the bulk of the grants received by the municipality are from the National Treasury.

Table SC7 track the expenditure on Conditional grant funding.

DC43 Harry Gwala - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
EXPENDITURE									
Operating expenditure of Transfers and Grants									
National Government:	**608 092**	**658 649**	**725 211**	**52 364**	**647 559**	**725 211**	**(77 652)**	**-10,7%**	**725 211**
							–		
Energy Efficiency and Demand Side Management Grant	–	–	–	–	–	–	–		–
Equitable Share	567 532	600 318	707 507	54 259	612 153	707 507	(95 355)	-13,5%	707 507
Expanded Public Works Programme Integrated Grant	5 270	8 988	4 243	(5 470)	3 929	4 243	(314)	-7,4%	4 243
Local Government Financial Management Grant	1 129	1 120	1 260	361	1 243	1 260	(17)	-1,3%	1 260
Municipal Disaster Relief Grant	–	–	–	–	–	–	–		–
Municipal Infrastructure Grant	30 815	45 613	9 590	2 753	27 964	9 590	18 374	191,6%	9 590
Rural Road Asset Management Systems Grant	2 172	2 610	2 610	461	2 270	2 610	(340)	-13,0%	2 610
Water Services Infrastructure Grant	1 174	–	–	–	–	–	–		–
Provincial Government:	**–**	**228**	**228**	**–**	**–**	**228**	**(228)**	**-100,0%**	**228**
							–		
Capacity Building and Other Grants	–	228	228	–	–	228	(228)	-100,0%	228
District Municipality:	**–**	**4 869**	**4 869**	**–**	**–**	**4 869**	(4 869)	-100,0%	**4 869**
Specify (Add grant description)	–	4 869	4 869	–	–	4 869	(4 869)	-100,0%	4 869
Other grant providers:	**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Chemical Industry Seta	–	–	–	–	–	–	–		–
Total operating expenditure of Transfers and Grants:	**608 092**	**663 747**	**730 308**	**52 364**	**647 559**	**730 308**	**(82 749)**	**-11,3%**	**730 308**
Capital expenditure of Transfers and Grants									
National Government:	255 079	259 997	291 647	49 015	280 454	291 647	(11 193)	-3,8%	291 647
Local Government Financial Management Grant	–	4 816	40	–	40	40	–	0,0%	40
Municipal Infrastructure Grant	169 198	168 224	204 650	36 511	185 977	204 650	(18 673)	-9,1%	204 650
Regional Bulk Infrastructure Grant	–	–	–	–	–	–	–		–
Water Services Infrastructure Grant	85 882	86 957	86 957	12 504	94 437	86 957	7 480	8,6%	86 957
Provincial Government:	**20 926**	**–**	**–**	**–**	**–**	**–**	–		**–**
Infrastructure Grant	20 926	–	–	–	–	–	–		–
District Municipality:	**–**	**150**	**150**	**–**	**–**	**150**	(150)	-100,0%	**150**
Specify (Add grant description)	–	150	150	–	–	150	(150)	-100,0%	150
Other grant providers:	–	–	–	–	–	–	–		–
							–		
Total capital expenditure of Transfers and Grants	**276 005**	**260 147**	**291 797**	**49 015**	**280 454**	**291 797**	**(11 343)**	-3,9%	**291 797**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**884 097**	**923 894**	**1 022 105**	**101 379**	**928 012**	**1 022 105**	**(94 092)**	-9,2%	**1 022 105**

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 30 June 2026.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration R thousands	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	A	B	C						D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	5 095	5 349	5 459	393	5 370	5 459	(89)	-2%	5 459
Pension and UIF Contributions	84	56	60	–	19	60	(40)	-68%	60
Medical Aid Contributions	2	3	3	–	–	3	(3)	-100%	3
Cellphone Allowance	518	545	545	40	511	545	(34)	-6%	545
Other benefits and allowances	1 881	2 105	2 209	210	2 036	2 209	(173)	-8%	2 209
Sub Total - Councillors	7 581	8 059	8 276	643	7 937	8 276	(340)	-4%	8 276
% increase		6,3%	9,2%						9,2%
Senior Managers of the Municipality									
Basic Salaries and Wages	5 145	5 710	8 433	712	7 675	8 433	(758)	-9%	8 433
Pension and UIF Contributions	–	4	6	–	0	6	(6)	-97%	6
Medical Aid Contributions	48	54	48	4	48	48	–		48
Performance Bonus	69	166	69	–	69	69	(0)	0%	69
Motor Vehicle Allowance	1 235	1 240	1 616	137	1 587	1 616	(29)	-2%	1 616
Cellphone Allowance	109	126	178	15	165	178	(13)	-7%	178
Housing Allowances	456	418	622	61	560	622	(61)	-10%	622
Other benefits and allowances	303	328	458	37	408	458	(50)	-11%	458
Payments in lieu of leave	85	109	93	–	93	93	(0)	0%	93
Sub Total - Senior Managers of Municipality	7 449	8 156	11 523	965	10 606	11 523	(917)	-8%	11 523
% increase		9,5%	54,7%						54,7%
Other Municipal Staff									
Basic Salaries and Wages	158 894	177 508	177 536	14 741	170 893	177 536	(6 643)	-4%	177 536
Pension and UIF Contributions	24 041	26 745	26 867	2 121	25 182	26 867	(1 685)	-6%	26 867
Medical Aid Contributions	11 462	14 199	12 445	1 031	12 035	12 445	(410)	-3%	12 445
Overtime	24 078	7 174	25 921	2 349	25 810	25 921	(111)	0%	25 921
Performance Bonus	11 323	12 138	13 613	1 227	11 578	13 613	(2 035)	-15%	13 613
Motor Vehicle Allowance	9 371	21 865	17 124	746	8 282	17 124	(8 842)	-52%	17 124
Cellphone Allowance	1 131	1 187	1 266	93	1 116	1 266	(150)	-12%	1 266
Housing Allowances	647	679	655	52	642	655	(13)	-2%	655
Other benefits and allowances	5 530	6 437	6 675	562	5 797	6 675	(878)	-13%	6 675
Payments in lieu of leave	1 756	2 329	3 332	46	1 367	3 332	(1 965)	-59%	3 332
Long service awards	642	1 205	2 431	249	1 921	2 431	(510)	-21%	2 431
Post-retirement benefit obligations	5 225	–	–	–	–	–	–		–
Acting and post related allowance	207	376	310	19	284	310	(25)	-8%	310
Sub Total - Other Municipal Staff	254 308	271 841	288 175	23 237	264 909	288 175	(23 266)	-8%	288 175
% increase		6,9%	13,3%						13,3%
Total Parent Municipality	269 338	288 056	307 974	24 845	283 451	307 974	(24 523)	-8%	307 974
		6,9%	14,3%						14,3%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	–	320	320	–	–	320	(320)	-100%	320
Sub Total - Executive members Board	–	320	320	–	–	320	(320)	-100%	320
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Other Staff of Entities									
Basic Salaries and Wages	–	9 108	9 054	–	–	9 054	(9 054)	-100%	9 054
Pension and UIF Contributions	–	1 165	1 165	–	–	1 165	(1 165)	-100%	1 165
Medical Aid Contributions	–	418	418	–	–	418	(418)	-100%	418
Overtime	–	–	–	–	–	–	–		–
Performance Bonus	–	429	429	–	–	429	(429)	-100%	429
Payments in lieu of leave	–	153	153	–	–	153	(153)	-100%	153
Acting and post related allowance	–	132	132	–	–	132	(132)	-100%	132
In kind benefits							–		
Sub Total - Other Staff of Entities	–	11 405	11 351	–	–	11 351	(11 351)	-100%	11 351
% increase		#DIV/0!	#DIV/0!						#DIV/0!
Total Municipal Entities	–	11 725	11 671	–	–	11 671	(11 671)	-100%	11 671
TOTAL SALARY, ALLOWANCES & BENEFITS	269 338	299 781	319 645	24 845	283 451	319 645	(36 194)	-11%	319 645
% increase		11,3%	18,7%						18,7%
TOTAL MANAGERS AND STAFF	261 756	291 401	311 049	24 202	275 515	311 049	(35 534)	-11%	311 049

2.6 Material Variances to the SDBIP

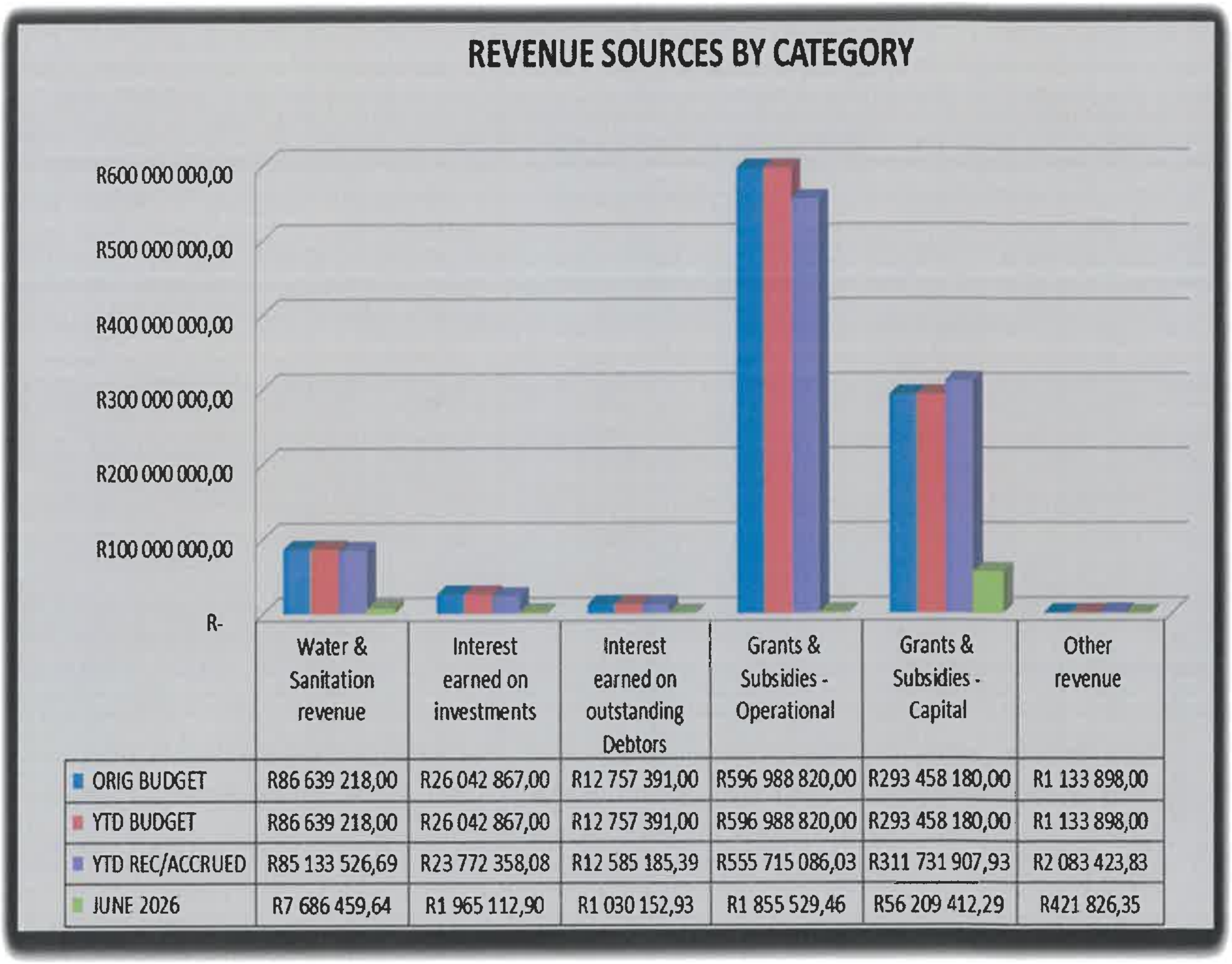
The following section analyses material variances between the actual targets as at 30 June 2026 and the budget for the same period. This report analyses each major component under following headings;

- ✓ Revenue by Source
- ✓ Operational Expenditure by Type, and
- ✓ Capital Expenditure
- ✓ Financial Position
- ✓ Cash Flows

REVENUE

The chart displays a comparison between the 2025/2026 financial year revenue budget and the performance against this budget as depicted in the form of Year to date (YTD) Actual figures. It should be emphasised that the information presented relates to "performance" rather than "cash movements" in terms of the revenue items listed below. This accounting principle relating to municipal performance is best illustrated in the analysis that follows.

Chart 3: Revenue Analysis



Water & Sanitation Charges

The year to date **actual** water & sanitation charges **(billing)** as at 30 June 2026 was R85, 1million against a year to date **budget** of R86, 6million which is 98 per cent of year to date budget.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R23, 7m against year to budget of R26m representing overperformance of 91 per cent of the year to date budget.

Transfers Recognised - Operational

The operational grants revenue of R555, 7million against a year to date budget of R596, 9million is largely attributable to the YTD equitable share received.

Transfers Recognised – Capital

The total capital budget for the current year amounts to R293, 4million. The YTD actual on capital amounts to R311, 7million, or 106% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

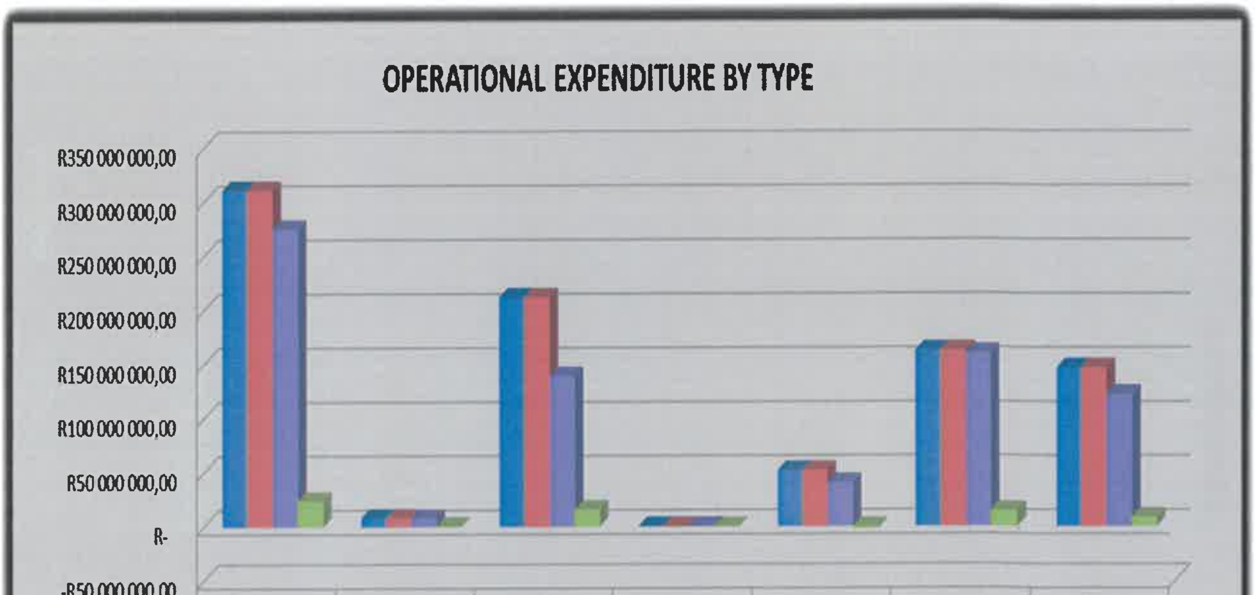
Other Revenue

The YTD performance of other revenue is R 2m against YTD budget of R 660 104 which is made up of tender documents and clearance certificates.

OPERATIONAL EXPENDITURE

The chart below presents the YTD operational expenditure movements against the YTD budgets. An analysis of each expenditure line item category is discussed below.

Chart 4: 2025/26 Financial Year Opex



	Employee related costs	Remuneration of councillors	Depreciation & Debt impairment	Finance charges	Inventory Consumed	Contracted services	Other expenditure
ORIG BUDGET	R311 368 854,00	R8 276 093,00	R212 236 827,00	R613 144,00	R52 014 909,00	R162 701 807,00	R146 733 937,00
YTD BUDGET	R311 368 854,00	R8 276 093,00	R212 236 827,00	R613 144,00	R52 014 909,00	R162 701 807,00	R146 733 937,00
YTD EXP	R275 514 638,85	R7 936 590,91	R139 561 721,08	R799 289,61	R40 760 552,28	R160 413 790,39	R122 289 605,48
JUNE 2026	R24 201 996,60	R642 925,51	R16 100 982,14	R270 145,28	-R1 983 030,23	R14 815 576,24	R8 746 271,70

Employee Related Costs

The YTD actual for employee related costs is R275, 5million against a YTD budget of R311, 3million which is 88% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R7, 9m against a YTD budget of R8, 2m representing 96% of the year to date budget.

Finance Charges

The YTD budget for finance charges is R613 144 against year to dat expenditure of R799 290.

Inventory Consumed

The inventory consumed has the original budget of R52m. The year to date expenditure for inventory is R40, 7m against a YTD budget of R52million representing 78 per cent expenditure of the year to date budget.

Contracted Services

The original budget for contracted services is R 162, 7milllion. The year to date expenditure for Contracted Services is R160, 4m against a YTD budget of R162, 7million representing 99 per cent of planned expenditure.

Other Expenditure

The YTD expenditure for operating costs was at R122, 2milllion against a YTD budget of R 146, 7million or 83 per cent and expenditure for the month of June 2026 is R 8, 7million.

Performance assessment

The Performance Assessment Report will be available on the fourth quarter in terms of Sec 52 (d) of the Municipal Finance Management Act.

Actual and revised targets for cash receipts

DC43 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M12 June

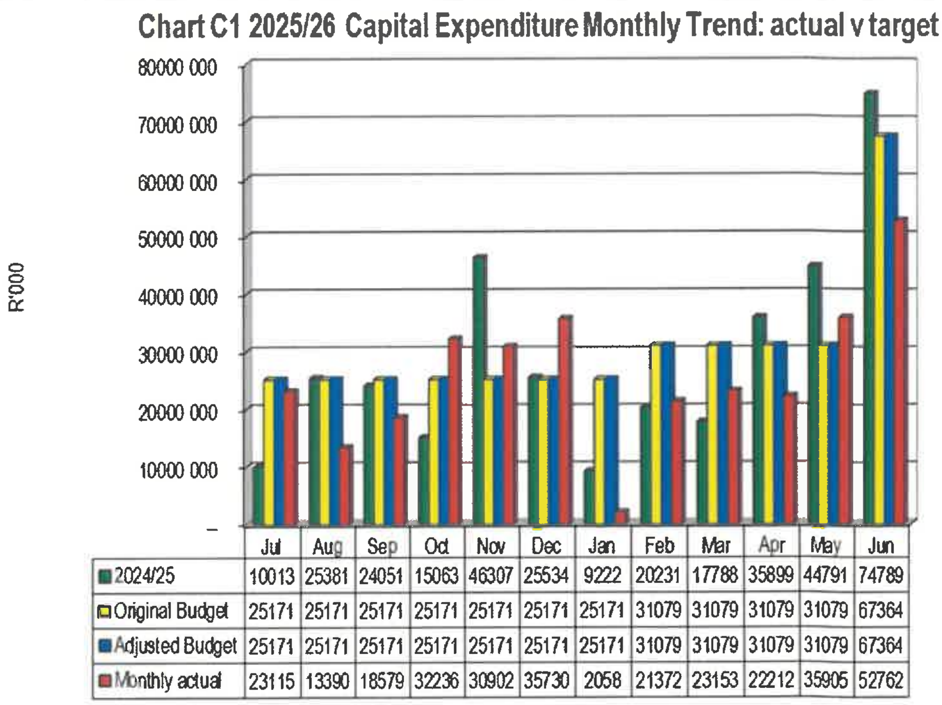
Description	Budget Year 2025/26												2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Outcome	April Outcome	May Outcome	June Outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash Receipts By Source															
Property rates	–	–	–	–	–	–	11	–	–	–	–	(11)	–	–	–
Service charges - Electricity revenue												–			
Service charges - Water revenue	7 805	7 227	6 114	5 841	5 215	6 778	4 669	5 583	6 052	5 329	5 545	1 101	67 260	72 365	77 408
Service charges - Waste Water Management	978	858	974	845	590	1 110	646	800	965	685	628	3 319	12 397	13 161	13 972
Interest earned - external investments	1 964	2 029	2 202	2 172	2 305	1 369	2 384	1 443	2 302	1 557	2 080	4 236	26 043	27 572	29 185
Fines, penalties and forfeits	200	–	(24)	–	(4)	(2)	–	(0)	–	–	–	170	340	354	368
Licences and permits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Agency services												–			
Transfers and Subsidies - Operational	217 029	4 042	–	–	–	175 271	–	1 881	130 218	–	–	10 958	539 399	584 089	613 842
Other revenue	305 733	79 412	217 189	147 876	104 978	426 185	30 223	72 180	55 620	212 074	98 946	(1 675 213)	75 204	(19 577)	(25 445)
Cash Receipts by Source	**533 709**	**93 569**	**226 454**	**156 734**	**113 083**	**610 711**	**37 933**	**81 887**	**195 158**	**219 646**	**107 198**	**(1 655 440)**	**720 643**	**677 963**	**709 330**
Other Cash Flows by Source												–			
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	90 000	–	71 000	30 000	–	65 000	–	–	83 006	–	–	(10 958)	328 048	328 867	389 426
Proceeds on Disposal of Fixed and Intangible Assets	–	474	–	–	–	–	–	–	–	–	–	(948)	(474)	–	–
Increase (decrease) in consumer deposits	19	2	–	–	–	–	–	–	–	–	–	548	569	569	569
VAT Control (receipts)	–	–	–	–	–	–	–	–	–	–	–	–	–	116 190	122 127
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	**623 729**	**94 045**	**297 454**	**186 734**	**113 083**	**675 711**	**37 933**	**81 887**	**278 164**	**219 646**	**107 198**	**(1 666 797)**	**1 048 787**	**1 123 589**	**1 221 453**
Cash Payments by Type												–			
Employee related costs	23 483	12 404	33 171	13 112	13 144	3 315	22 609	25 097	23 643	23 755	18 039	91 488	303 259	331 990	347 554
Remuneration of councillors	357	337	339	458	332	321	344	334	338	467	311	11 364	15 302	8 425	8 763
Interest	–	–	–	–	–	–	–	–	–	–	–	613	613	56	58
Acquisitions - water & other inventory	–	–	–	–	–	–	–	–	–	–	–	44 318	44 318	34 031	35 154
Contracted services	–	–	–	–	–	–	–	–	–	–	–	163 332	163 332	134 622	114 142
Other expenditure	109 972	50 223	53 119	87 917	67 459	92 116	21 482	58 060	56 075	48 019	59 667	(513 386)	190 726	238 861	255 833
Cash Payments by Type	**133 812**	**62 964**	**86 629**	**101 487**	**80 934**	**95 753**	**44 435**	**83 491**	**80 056**	**72 241**	**78 018**	**(202 271)**	**717 550**	**747 987**	**761 505**
Other Cash Flows/Payments by Type															
Capital assets	23 193	16 711	16 052	32 892	32 961	38 719	2 059	22 752	16 056	24 063	36 816	149 905	412 178	369 371	431 664
Repayment of borrowing	–	–	–	–	–	–	–	1 000	1 000	500	500	(600)	2 400	2 400	2 400
Other Cash Flows/Payments	–	–	452	452	452	452	452	452	–	–	–	(2 711)	–	–	–
Total Cash Payments by Type	**157 005**	**79 675**	**103 133**	**134 831**	**114 347**	**134 924**	**46 945**	**107 695**	**97 112**	**96 804**	**115 334**	**(55 676)**	**1 132 128**	**1 119 758**	**1 195 569**
NET INCREASE/(DECREASE) IN CASH HELD	**466 723**	**14 369**	**194 321**	**51 903**	**(1 264)**	**540 788**	**(9 012)**	**(25 808)**	**181 052**	**122 842**	**(8 136)**	**(1 611 121)**	**(83 341)**	**3 832**	**25 883**
Cash/cash equivalents at the month/year beginning:	261 670	728 393	742 762	937 084	988 987	987 723	1 528 511	1 519 499	1 493 691	1 674 742	1 797 585	1 789 449	261 670	178 329	182 161
Cash/cash equivalents at the month/year end:	728 393	742 762	937 084	988 987	987 723	1 528 511	1 519 499	1 493 691	1 674 742	1 797 585	1 789 449	178 329	178 329	182 161	208 044

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M12 June

Month R thousands	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend									
July	10 014	25 172	25 172	23 116	23 116	25 172	2 056	8,2%	6%
August	25 382	25 172	25 172	13 391	13 391	50 343	36 952	73,4%	4%
September	24 052	25 172	25 172	18 579	18 579	75 515	56 936	75,4%	5%
October	15 064	25 172	25 172	32 236	32 236	100 687	68 451	68,0%	9%
November	46 308	25 172	25 172	30 903	30 903	125 858	94 955	75,4%	8%
December	25 534	25 172	25 172	35 730	35 730	151 030	115 300	76,3%	10%
January	9 222	25 172	25 172	2 059	2 059	176 202	174 143	98,8%	1%
February	20 231	31 079	31 079	21 372	21 372	207 281	185 908	89,7%	6%
March	17 788	31 079	31 079	23 153	23 153	238 360	215 207	90,3%	6%
April	35 899	31 079	31 079	22 212	22 212	269 439	247 227	91,8%	0
May	44 791	31 079	31 079	35 905	22 212	300 518	278 306	92,6%	0
June	74 789	67 365	67 365	52 763	52 763	367 883	315 120	85,7%	0
Total Capital expenditure	349 075	367 883	367 883	311 420					

YTD Capital Budget vs. YTD Capital Expenditure



Capital Expenditure on New Assets by Asset Class

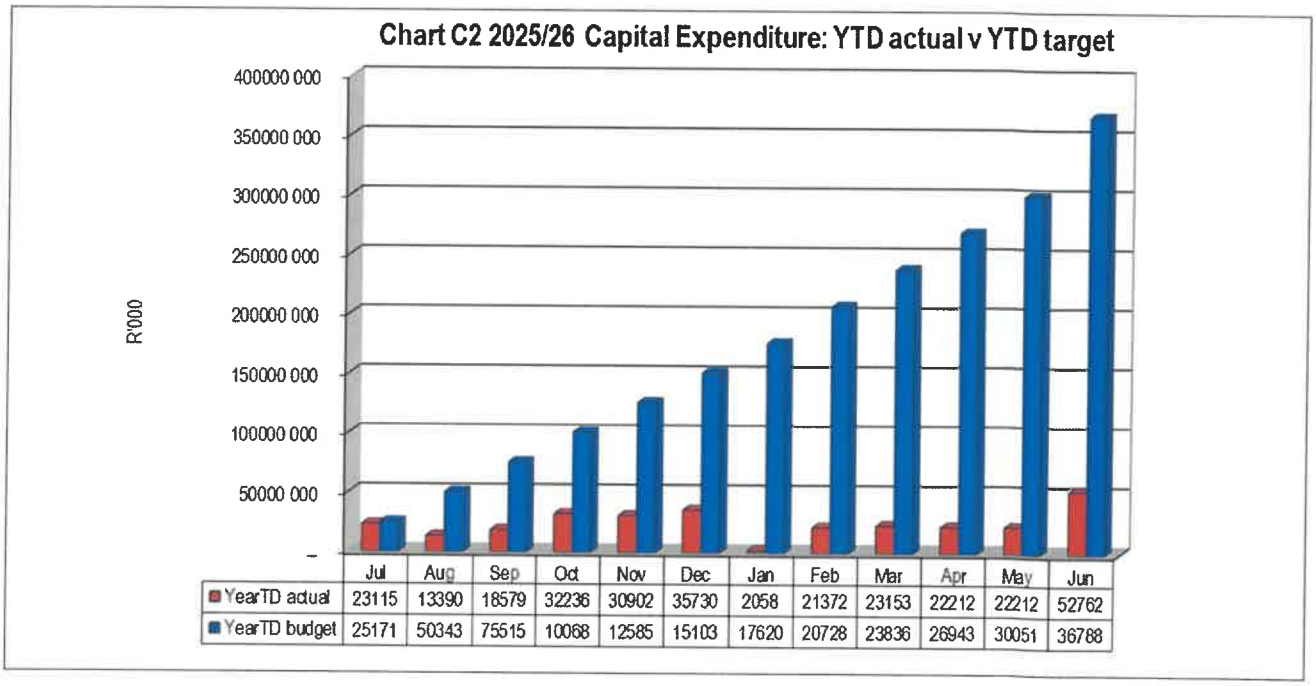
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M12 June

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	**299 786**	**240 171**	**304 123**	**52 428**	**292 280**	**304 123**	**11 844**	3,9%	**304 123**
Roads Infrastructure	–	–	–	–	–	–	–		–
Capital Spares							–		
Water Supply Infrastructure	279 731	239 910	298 675	51 667	286 755	298 675	11 920	4,0%	298 675
Dams and Weirs	33 386	53 150	75 419	13 900	79 700	75 419	(4 280)	-5,7%	75 419
Boreholes	14 333	–	856	–	756	856	100	11,7%	856
Reservoirs	–	435	–	–	–	–	–		–
Pump Stations	32 805	87	24 926	3 049	4 288	24 926	20 638	82,8%	24 926
Water Treatment Works	–	3 300	–	–	–	–	–		–
Bulk Mains	82 290	59 807	81 013	11 983	87 972	81 013	(6 959)	-8,6%	81 013
Distribution	116 917	123 131	116 461	22 734	114 039	116 461	2 422	2,1%	116 461
Distribution Points							–		
PRV Stations							–		
Capital Spares	–	–	–	–	–	–	–		–
Sanitation Infrastructure	20 055	261	5 449	761	5 525	5 449	(76)	-1,4%	5 449
Pump Station	1 234	87	(0)	–	–	(0)	(0)	100,0%	(0)
Reticulation	18 821	174	5 449	761	5 525	5 449	(76)	-1,4%	5 449
Waste Water Treatment Works	–	–	–	–	–	–	–		–
Other assets	**2 310**	**8 901**	**6 985**	**–**	**625**	**6 985**	**6 360**	91,1%	**6 985**
Operational Buildings	1 268	6 901	5 985	–	625	5 985	5 360	89,6%	5 985
Municipal Offices	1 268	6 901	5 985	–	625	5 985	5 360	89,6%	5 985
Pay/Enquiry Points							–		
Housing	1 042	2 000	1 000	–	–	1 000	1 000	100,0%	1 000
Staff Housing	1 042	2 000	1 000	–	–	1 000	1 000	100,0%	1 000
Social Housing							–		
Capital Spares							–		
Intangible Assets	**–**	**955**	**955**	**–**	**–**	**955**	**955**	100,0%	**955**
Servitudes							–		
Licences and Rights	–	955	955	–	–	955	955	100,0%	955
Water Rights							–		
Effluent Licenses							–		
Solid Waste Licenses							–		
Computer Software and Applications	–	955	955	–	–	955	955	100,0%	955
Load Settlement Software Applications							–		
Unspecified							–		
Computer Equipment	**2 029**	**2 859**	**2 529**	**–**	**446**	**2 529**	**2 084**	82,4%	**2 529**
Computer Equipment	2 029	2 859	2 529	–	446	2 529	2 084	82,4%	2 529
Furniture and Office Equipment	**2 178**	**5 288**	**5 733**	**(23)**	**3 386**	**5 733**	**2 347**	40,9%	**5 733**
Furniture and Office Equipment	2 178	5 288	5 733	(23)	3 386	5 733	2 347	40,9%	5 733
Machinery and Equipment	**4 767**	**2 360**	**14 185**	**–**	**1 506**	**14 185**	**12 679**	89,4%	**14 185**
Machinery and Equipment	4 767	2 360	14 185	–	1 506	14 185	12 679	89,4%	14 185
Total Capital Expenditure on new assets	**311 070**	**260 534**	**334 511**	**52 405**	**298 242**	**334 511**	**36 269**	10,8%	**334 511**

Capital Expenditure on Renewal of Existing Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M12 June

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	23 573	9 503	13 814	–	814	13 814	13 000	94,1%	13 814
Roads Infrastructure	–	–	–	–	–	–	–		–
Capital Spares							–		
Water Supply Infrastructure	21 914	7 764	–	–	–	–	–		–
Dams and Weirs							–		
Distribution	21 914	7 764	–	–	–	–	–		–
Distribution Points	–	–	–	–	–	–	–		–
PRV Stations							–		
Capital Spares							–		
Sanitation Infrastructure	1 658	1 739	13 814	–	814	13 814	13 000	94,1%	13 814
Pump Station							–		
Reticulation	–	–	–	–	–	–	–		–
Waste Water Treatment Works	1 658	1 739	13 814	–	814	13 814	13 000	94,1%	13 814
Outfall Sewers							–		
Other assets	–	3 874	2 200	–	131	2 200	2 069	94,0%	2 200
Operational Buildings	–	3 874	2 200	–	131	2 200	2 069	94,0%	2 200
Municipal Offices	–	3 874	2 200	–	131	2 200	2 069	94,0%	2 200
Pay/Enquiry Points							–		
Transport Assets	6 841	8 595	9 006	–	4 620	9 006	4 386	48,7%	9 006
Transport Assets	6 841	8 595	9 006	–	4 620	9 006	4 386	48,7%	9 006
Total Capital Expenditure on renewal of existing assets	30 413	21 973	25 019	–	5 565	25 019	19 455	77,8%	25 019



Expenditure on Repairs and maintenance by Asset Class

DC43 Harry Gwala - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M12 June

Description	2024/25	Budget Year 2025/26							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**35 932**	**40 241**	**39 716**	**1 907**	**36 648**	**39 716**	3 067	**7,7%**	**39 716**
Roads Infrastructure	–	–	–	–	–	–	–		–
Capital Spares							–		
Water Supply Infrastructure	35 932	40 241	39 716	1 907	36 648	39 716	3 067	**7,7%**	39 716
Dams and Weirs							–		
Boreholes							–		
Reservoirs	21 341	20 650	22 340	597	20 821	22 340	1 519	**6,8%**	22 340
Pump Stations	8 961	9 473	9 580	377	8 072	9 580	1 508	**15,7%**	9 580
Water Treatment Works							–		
Bulk Mains							–		
Distribution							–		
Distribution Points							–		
PRV Stations							–		
Capital Spares	5 629	10 118	7 796	933	7 756	7 796	40	**0,5%**	7 796
Sanitation Infrastructure	–	–	–	–	–	–	–		–
Community Assets	**77**	**273**	**170**	**88**	**108**	**170**	**62**	**36,3%**	**170**
Community Facilities	–	–	–	–	–	–	–		–
Halls							–		
Capital Spares							–		
Sport and Recreation Facilities	77	273	170	88	108	170	62	**36,3%**	170
Indoor Facilities	77	273	170	88	108	170	62	36,3%	170
Outdoor Facilities							–		
Capital Spares							–		
Other assets	**3 939**	**4 269**	**1 838**	**535**	**816**	**1 838**	**1 022**	**55,6%**	**1 838**
Operational Buildings	3 939	4 269	1 838	535	816	1 838	1 022	**55,6%**	1 838
Municipal Offices	3 939	4 269	1 838	535	816	1 838	1 022	55,6%	1 838
Pay/Enquiry Points							–		
Computer Equipment	**41**	**77**	**62**	**–**	**46**	**62**	**16**	26,2%	**62**
Computer Equipment	41	77	62	–	46	62	16	26,2%	62
Transport Assets	**478**	**332**	**160**	**–**	**0**	**160**	**160**	99,9%	**160**
Transport Assets	478	332	160	–	0	160	160	99,9%	160
Total Repairs and Maintenance Expenditure	**40 466**	**45 192**	**41 946**	**2 531**	**37 619**	**41 946**	**4 327**	**10,3%**	**41 946**

2.7 Municipal Manager's Quality's Certificate

Quality Certificate

I, Gamakulu Ma'art Sineke, the Municipal Manager of Harry Gwala District Municipality, hereby certify that-

- The monthly budget statement
- the quarterly report on the implementation of the budget in terms of s52 (d) of the MFMA

For the month of June 2026 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Gamakulu Ma'art Sineke

Municipal Manager of: Harry Gwala District Municipality

Signed____________________

Date 13/07/2026