Harry Gwala District Municipality

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 first 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 first quarter ended 30 September 2025 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 September 2025 of the Municipality shows a great improvement when compared to the previous financial year. However, the municipality will seek to improve more for the municipality to be constant.

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. Improving 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.

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 123% 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.

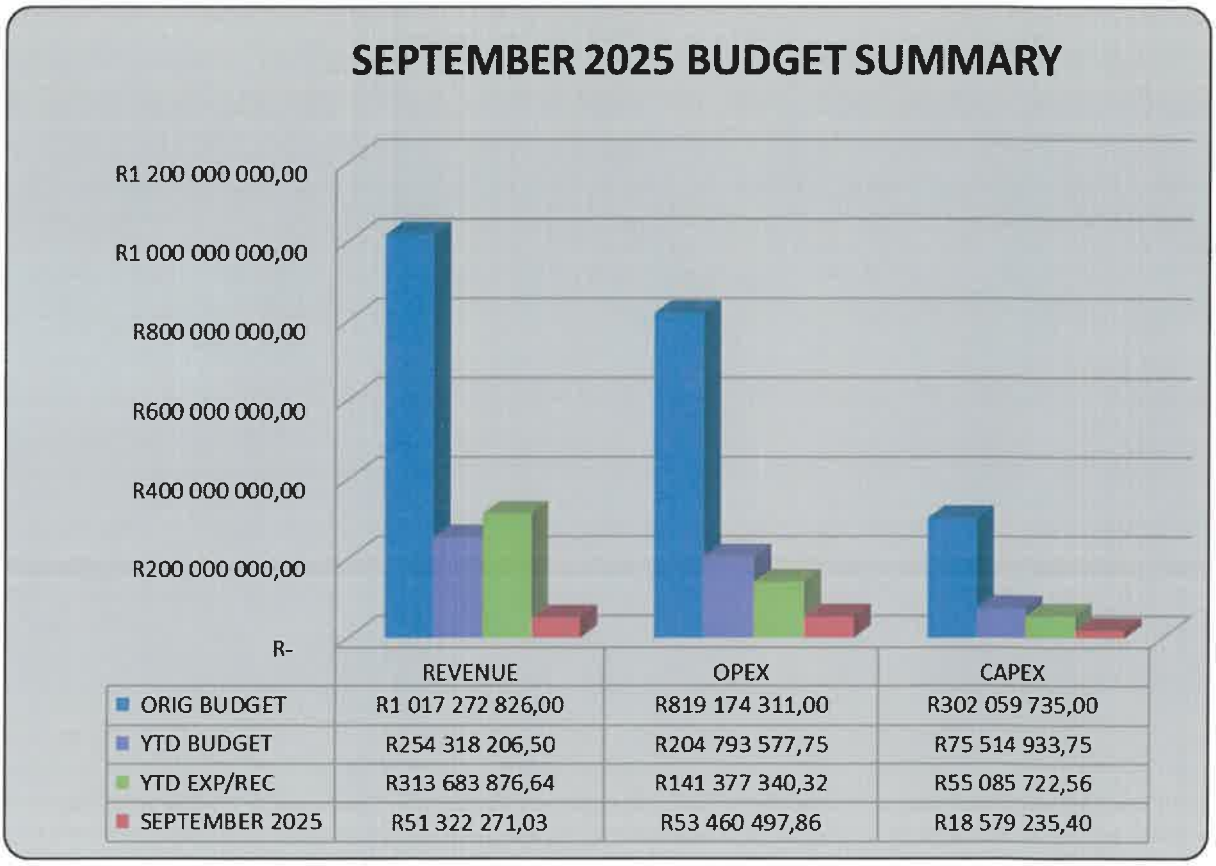
Operating expenditure by vote & type

The total operating budget for the current year amounts to R819, 1m. The YTD Operating expenditure for the month ended 30 September amounted to R141, 3m against a year to date (YTD) budget of R204, 7m. The actual YTD expenditure represented 69% of the planned.

Capital expenditure

The total capital budget for the current year amounts to R302m. The YTD expenditure on capital amounts to R55million, or 73% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

Chart 1: Budget vs. Expenditure Summary



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 September 2025 was R412, 1million. 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 SEPTEMBER 2025

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	111 509	540	(33 483)	–	78 566
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	52	39	(21 194)	93 294	72 191
FIRST NATIONAL BANK	M	ADMIN CALL	Fixed	84 324	395	(29 028)	–	55 691
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	61	51	(15 327)	25 708	10 492
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	81	0	–	–	81
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	64 447	319	(1 105)	15 053	78 714
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 149	5	–	–	1 155
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	4	–	–	–	4
FNB BANK	M	FIXED DEPOSIT	Fixed	54 016	666	–	–	54 682
STANDARD BANK	M	FIXED DEPOSIT	Fixed	58 504	–	–	–	58 504
FIRST NATIONAL BANK	M	CURRENT ACCOUNT	Fixed	49 982		(47 925)	–	2 057
Municipality sub-total				424 128	2 015	(148 062)	134 055	412 136
TOTAL INVESTMENTS AND INTEREST				424 128	2 015	(148 062)	134 055	412 136

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 September 2025 was R 382million.Conditional Grants amounting to R 165million and the equitable share is R 217million. One grant received in the month ending 30 September 2025.

Transfers Recognised – Operating

No operational grant received for the month of September 2025 namely:

Transfers Recognised – Capital

One Capital grant received for the month of September 2025 namely:

- Municipal Infrastructure Grant- R 71 000 000

Spending on Grants

Spending on grants amounted to R55million or 73% for 2025/26 first quarter.

CONDITIONAL GRANTS REGISTER AS AT 30 SEPTEMBER 2025

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	-	121 000 000,00	121 000 000,00		-	(9 182 565,36)	(21 348 306,27)	(3 202 245,94)	(24 550 552,21)	87 266 882,43
WSIG - DWA	-	40 000 000,00	40 000 000,00	-			(25 592 162,21)	(3 838 824,33)	(29 116 027,63)	10 883 972,37
Department of Water and Sanitation	-	-	-						-	-
TOTAL CAPITAL GRANT EXPENDITURE	-	161 000 000,00	161 000 000,00	-	-	(9 182 565,36)	(46 940 468,48)	(7 041 070,27)	(53 666 579,84)	98 150 854,80
GRANTS										
OPERATING									-	-
Municipal Infrastructure Grant	-		-			9 182 565,36	(8 220 150,54)	(962 414,82)	(9 182 565,36)	-
Financial Management Grant	-	1 300 000,00	1 300 000,00				(169 773,10)	(5 475,26)	(175 248,36)	1 124 751,64
Rural Transport Infrastructure Grant	-	1 827 000,00	1 827 000,00						-	1 827 000,00
Expanded Public Works Programme Grant	-	915 000,00	915 000,00				(915 000,00)		(915 000,00)	-
TOTAL OPERATING GRANT EXPENDITURE	-	4 042 000,00	4 042 000,00	-	-	9 182 565,36	(9 304 923,64)	(967 890,08)	(10 272 813,72)	2 951 751,64
GRANTS AND SUBSIDIES / UNSPENT CONDITIONAL GRANTS	-	165 042 000,00	165 042 000,00	-	-	-	(56 245 392,12)	(8 008 960,36)	(63 939 393,57)	101 102 606,43

Total unspent as at 30 September 2025 is sitting at R 101, 1million. Municipal Infrastructure Grant expenditure as at 30 September is sitting at R33, 7million representing 28 per cent of MIG receipts. Water services Infrastructure Grant is at R29,1million representing 73 per cent against receipts as at 30 September 2025.

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 - M03 September

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	81 589	6 477	22 184	20 397	1 787	9%	81 589
Investment revenue	28 012	26 043	26 043	2 202	6 194	6 511	(316)	-5%	26 043
Transfers and subsidies - Operational	534 708	596 989	596 989	8 215	227 302	149 247	78 055	0	596 989
Other own revenue	16 989	19 194	19 194	1 049	4 022	4 799	(776)	-16%	19 194
Total Revenue (excluding capital transfers and contributions)	**656 242**	**723 815**	**723 815**	**17 943**	**259 702**	**180 954**	**78 749**	**44%**	**723 815**
Employee costs	261 756	291 721	291 721	22 425	67 667	72 931	(5 264)	-7%	291 721
Remuneration of Councillors	7 581	8 059	8 059	624	1 888	2 015	(127)	-6%	8 059
Depreciation and amortisation	116 317	107 788	107 788	–	–	26 947	(26 947)	-100%	107 788
Interest	–	54	54	–	–	14	(14)	-100%	54
Inventory consumed and bulk purchases	58 827	39 635	39 635	3 607	7 061	9 909	(2 848)	-29%	39 635
Transfers and subsidies	–	23 360	23 360	–	7 000	5 840	1 160	20%	23 360
Other expenditure	288 112	348 556	348 556	26 805	57 761	87 139	(29 378)	-34%	348 556
Total Expenditure	**732 594**	**819 174**	**819 174**	**53 460**	**141 377**	**204 795**	**(63 417)**	**-31%**	**819 174**
Surplus/(Deficit)	**(76 351)**	**(95 360)**	**(95 360)**	**(35 517)**	**118 325**	**(23 841)**	**142 166**	**-596%**	**(95 360)**
Transfers and subsidies - capital (monetary allocations)	317 693	293 458	293 458	33 379	53 982	73 365	(19 383)	-26%	293 458
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**241 342**	**198 099**	**198 099**	**(2 138)**	**172 307**	**49 524**	**122 783**	**248%**	**198 099**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**241 342**	**198 099**	**198 099**	**(2 138)**	**172 307**	**49 524**	**122 783**	**248%**	**198 099**
Capital expenditure & funds sources									
Capital expenditure	**349 075**	**302 060**	**302 060**	**18 579**	**55 086**	**75 515**	**(20 429)**	**-27%**	**302 060**
Capital transfers recognised	276 005	260 147	259 147	14 979	47 421	64 787	(17 366)	-27%	259 147
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**73 070**	**41 912**	**42 912**	**3 600**	**7 665**	**10 728**	**(3 064)**	**-29%**	**42 912**
Total sources of capital funds	**349 075**	**302 060**	**302 060**	**18 579**	**55 086**	**75 515**	**(20 429)**	**-27%**	**302 060**
Financial position									
Total current assets	308 752	219 492	219 492		445 064				219 492
Total non current assets	3 218 981	3 446 443	3 446 443		3 274 067				3 446 443
Total current liabilities	187 245	121 261	121 261		206 787				121 261
Total non current liabilities	34 976	30 536	30 536		34 976				30 536
Community wealth/Equity	**3 363 268**	**3 514 683**	**3 514 683**		**3 477 845**				**3 514 683**
Cash flows									
Net cash from (used) operating	1 475 617	357 947	357 947	204 123	723 257	89 487	(633 771)	-708%	357 947
Net cash from (used) investing	(349 075)	(346 012)	(346 012)	(18 579)	(54 612)	(86 503)	(31 891)	37%	(346 012)
Net cash from (used) financing	–	(1 831)	(1 831)	11	33	(458)	(490)	107%	(1 831)
Cash/cash equivalents at the month/year end	**1 335 973**	**173 682**	**173 682**	**930 348**	**930 348**	**166 103**	**(764 245)**	**-460%**	**271 775**
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	7 082	3 770	3 001	2 641	2 615	2 333	16 157	187 578	225 177
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) - M03 September

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**	**551 433**	**2 379**	**224 258**	**137 858**	86 400	63%	**551 433**
Executive and council	–	–	–	–	–	–	–		–
Finance and administration	523 673	551 433	551 433	2 379	224 258	137 858	86 400	63%	551 433
Internal audit	–	–	–	–	–	–	–		–
Community and public safety	**38**	**18**	**18**	**4**	**20**	**4**	15	347%	**18**
Community and social services	38	18	18	4	20	4	15	347%	18
Sport and recreation	–	–	–	–	–	–	–		–
Public safety	–	–	–	–	–	–	–		–
Housing	–	–	–	–	–	–	–		–
Health	–	–	–	–	–	–	–		–
Economic and environmental services	**24 064**	**23 000**	**23 000**	**–**	**–**	**5 750**	(5 750)	-100%	**23 000**
Planning and development	24 064	23 000	23 000	–	–	5 750	(5 750)	-100%	23 000
Road transport	–	–	–	–	–	–	–		–
Environmental protection	–	–	–	–	–	–	–		–
Trading services	**426 160**	**442 822**	**442 822**	**48 939**	**89 406**	**110 706**	**(21 300)**	-19%	**442 822**
Energy sources	–	–	–	–	–	–	–		–
Water management	412 843	426 870	426 870	47 875	85 952	106 718	(20 765)	-19%	426 870
Waste water management	13 317	15 952	15 952	1 064	3 453	3 988	(535)	-13%	15 952
Waste management	–	–	–	–	–	–	–		–
Other	**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
Total Revenue - Functional	**973 935**	**1 017 273**	**1 017 273**	**51 322**	**313 684**	**254 318**	**59 366**	**23%**	**1 017 273**
Expenditure - Functional									
Governance and administration	**268 214**	**308 803**	**308 803**	**23 606**	**64 535**	**77 201**	(12 666)	-16%	**308 803**
Executive and council	35 024	52 195	52 195	2 975	10 879	13 049	(2 170)	-17%	52 195
Finance and administration	224 874	246 716	246 716	19 993	51 679	61 679	(10 000)	-16%	246 716
Internal audit	8 316	9 892	9 892	638	1 977	2 473	(496)	-20%	9 892
Community and public safety	**18 204**	**22 765**	**22 765**	**1 134**	**3 836**	**5 691**	(1 856)	-33%	**22 765**
Community and social services	18 204	22 765	22 765	1 134	3 836	5 691	(1 856)	-33%	22 765
Sport and recreation	–	–	–	–	–	–	–		–
Public safety	–	–	–	–	–	–	–		–
Housing	–	–	–	–	–	–	–		–
Health	–	–	–	–	–	–	–		–
Economic and environmental services	**200 808**	**217 958**	**217 958**	**6 814**	**24 589**	**54 490**	(29 901)	-55%	**217 958**
Planning and development	200 808	217 958	217 958	6 814	24 589	54 490	(29 901)	-55%	217 958
Road transport	–	–	–	–	–	–	–		–
Environmental protection	–	–	–	–	–	–	–		–
Trading services	**245 367**	**269 549**	**269 549**	**21 907**	**48 418**	**67 387**	**(18 970)**	-28%	**269 549**
Energy sources	–	–	–	–	–	–	–		–
Water management	245 183	260 256	260 256	22 359	48 845	65 064	(16 219)	-25%	260 256
Waste water management	185	9 292	9 292	(452)	(427)	2 323	(2 750)	-118%	9 292
Waste management	–	–	–	–	–	–	–		–
Other	**–**	**100**	**100**	**–**	**–**	**25**	**(25)**	**-100%**	**100**
Total Expenditure - Functional	**732 594**	**819 174**	**819 174**	**53 460**	**141 377**	**204 795**	**(63 417)**	**-31%**	**819 174**
Surplus/ (Deficit) for the year	**241 342**	**198 099**	**198 099**	**(2 138)**	**172 307**	**49 524**	**122 783**	**2,4792882**	**198 099**

This table assess the revenue by department and then the expenditure for the period ending 30 September 2025. Revenue receipts in September have largely constituted of equitable share and service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of September is 20%.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has the largest expenditure for the month of September 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 R27, 9million.

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) - M03 September

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	549 507	2 379	224 163	137 377	86 786	63,2%	549 507
Vote 04 - Summary Corporate Services	393	410	410	–	–	103	(103)	-100,0%	410
Vote 05 - Summary Social Services & Development Planing	38	24 479	24 479	4	20	6 120	(6 100)	-99,7%	24 479
Vote 06 - Summary Infrastructure Services	361 419	350 081	350 081	41 672	64 996	87 520	(22 525)	-25,7%	350 081
Vote 07 - Summary Water Services	89 029	92 795	92 795	7 267	24 505	23 199	1 306	5,6%	92 795
Vote 15 - Other	–	–	–	–	–	–	–		–
Total Revenue by Vote	**973 935**	**1 017 273**	**1 017 273**	**51 322**	**313 684**	**254 318**	**59 366**	**23,3%**	**1 017 273**
Expenditure by Vote									
Vote 01 - Summary Council	17 788	20 567	20 567	1 239	6 508	5 142	1 367	26,6%	20 567
Vote 02 - Summary Municipal Manager	27 120	31 264	31 264	2 374	6 347	7 816	(1 469)	-18,8%	31 264
Vote 03 - Summary Budget And Treasury Office	69 768	64 749	64 749	6 085	17 227	16 187	1 039	6,4%	64 749
Vote 04 - Summary Corporate Services	106 316	110 299	110 299	7 800	22 832	27 575	(4 743)	-17,2%	110 299
Vote 05 - Summary Social Services & Development Planing	55 654	97 924	97 924	2 539	15 140	24 481	(9 341)	-38,2%	97 924
Vote 06 - Summary Infrastructure Services	162 332	165 408	165 408	5 452	13 415	41 352	(27 937)	-67,6%	165 408
Vote 07 - Summary Water Services	293 615	328 964	328 964	27 972	59 908	82 241	(22 333)	-27,2%	328 964
Vote 15 - Other	–	–	–	–	–	–	–		–
Total Expenditure by Vote	**732 594**	**819 174**	**819 174**	**53 460**	**141 377**	**204 795**	**(63 417)**	**-31,0%**	**819 174**
Surplus/ (Deficit) for the year	**241 342**	**198 099**	**198 099**	**(2 138)**	**172 307**	**49 524**	**122 783**	**247,9%**	**198 099**

Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 30 September 2025.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

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	68 071	5 461	18 761	17 018	1 743	10%	68 071
Service charges - Waste Water Management	12 845	13 518	13 518	1 016	3 423	3 379	44	1%	13 518
Service charges - Waste management							–		
Sale of Goods and Rendering of Services	141	791	791	3	47	198	(151)	-76%	791
Agency services							–		
Interest							–		
Interest earned from Receivables	14 599	16 055	16 055	1 046	3 249	4 014	(765)	-19%	16 055
Interest from Current and Non Current Assets	28 012	26 043	26 043	2 202	6 194	6 511	(316)	-5%	26 043
Dividends							–		
Operational Revenue	678	706	706	24	77	176	(99)	-56%	706
Non-Exchange Revenue							–		
Property rates							–		
Surcharges and Taxes							–		
Fines, penalties and forfeits	786	1 643	1 643	(24)	176	411	(235)	-57%	1 643
Licence and permits							–		
Transfers and subsidies - Operational	534 708	596 989	596 989	8 215	227 302	149 247	78 055	52%	596 989
Interest	–	–	–	–	–	–	–		–
Fuel Levy							–		
Operational Revenue	–	–	–	–	–	–	–		–
Gains on disposal of Assets	–	–	–	–	474	–	474	#DIV/0!	–
Other Gains	785	–	–	–	–	–	–		–
Discontinued Operations							–		
Total Revenue (excluding capital transfers and contributions)	**656 242**	**723 815**	**723 815**	**17 943**	**259 702**	**180 954**	**78 749**	**44%**	**723 815**
Expenditure By Type									
Employee related costs	261 756	291 721	291 721	22 425	67 667	72 931	(5 264)	-7%	291 721
Remuneration of councillors	7 581	8 059	8 059	624	1 888	2 015	(127)	-6%	8 059
Bulk purchases - electricity	–	–	–	–	–	–	–		–
Inventory consumed	58 827	39 635	39 635	3 607	7 061	9 909	(2 848)	-29%	39 635
Debt impairment	2 907	31 530	31 530	–	–	7 882	(7 882)	-100%	31 530
Depreciation and amortisation	116 317	107 788	107 788	–	–	26 947	(26 947)	-100%	107 788
Interest	–	54	54	–	–	14	(14)	-100%	54
Contracted services	159 115	173 856	173 856	15 046	32 899	43 464	(10 565)	-24%	173 856
Transfers and subsidies	–	23 360	23 360	–	7 000	5 840	1 160	20%	23 360
Irrecoverable debts written off	17 551	42 327	42 327	5 342	5 693	10 582	(4 889)	-46%	42 327
Operational costs	108 540	100 844	100 844	6 416	19 169	25 211	(6 042)	-24%	100 844
Total Expenditure	**732 594**	**819 174**	**819 174**	**53 460**	**141 377**	**204 795**	**(63 417)**	**-31%**	**819 174**
Surplus/(Deficit)	**(76 351)**	**(95 360)**	**(95 360)**	**(35 517)**	**118 325**	**(23 841)**	**142 166**	**(0)**	**(95 360)**
Transfers and subsidies - capital (monetary allocations)	317 693	293 458	293 458	33 379	53 982	73 365	(19 383)	(0)	293 458
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**241 342**	**198 099**	**198 099**	**(2 138)**	**172 307**	**49 524**	**122 783**	**0**	**198 099**
Income Tax							–		
Surplus/(Deficit) after income tax	**241 342**	**198 099**	**198 099**	**(2 138)**	**172 307**	**49 524**	**122 783**	**0**	**198 099**
Share of Surplus/Deficit attributable to Joint Venture							–		
Share of Surplus/Deficit attributable to Minorities							–		
Surplus/(Deficit) attributable to municipality	**241 342**	**198 099**	**198 099**	**(2 138)**	**172 307**	**49 524**	122 783	0	**198 099**
Share of Surplus/Deficit attributable to Associate							–		
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**241 342**	**198 099**	**198 099**	**(2 138)**	**172 307**	**49 524**	**122 783**	**0**	**198 099**

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 - M03 September

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	1 364	–	–	341	(341)	-100%	1 364
Vote 03 - Summary Budget And Treasury Office	–	2 279	2 279	51	104	570	(465)	-82%	2 279
Vote 04 - Summary Corporate Services	11 900	3 374	3 374	–	270	844	(573)	-68%	3 374
Vote 05 - Summary Social Services & Development Planing	–	7 101	7 101	–	–	1 775	(1 775)	-100%	7 101
Vote 06 - Summary Infrastructure Services	136 524	99 656	99 656	7 164	26 753	24 914	1 839	7%	99 656
Vote 07 - Summary Water Services	198 273	177 670	177 670	9 833	26 428	44 417	(17 990)	-41%	177 670
Vote 15 - Other	–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	**346 697**	**291 443**	**291 443**	**17 049**	**53 555**	**72 861**	**(19 306)**	**-26%**	**291 443**
Single Year expenditure appropriation									
Vote 01 - Summary Council	–	–	–	–	–	–	–		–
Vote 02 - Summary Municipal Manager	–	–	–	–	–	–	–		–
Vote 03 - Summary Budget And Treasury Office	–	180	180	–	–	45	(45)	-100%	180
Vote 04 - Summary Corporate Services	101	5 136	5 136	1 531	1 531	1 284	246	19%	5 136
Vote 05 - Summary Social Services & Development Planing	–	–	–	–	–	–	–		–
Vote 06 - Summary Infrastructure Services	–	2 000	2 000	–	–	500	(500)	-100%	2 000
Vote 07 - Summary Water Services	2 278	3 300	3 300	–	–	825	(825)	-100%	3 300
Vote 15 - Other	–	–	–	–	–	–	–		–
Total Capital single-year expenditure	2 378	10 616	10 616	1 531	1 531	2 654	(1 124)	-42%	10 616
Total Capital Expenditure	**349 075**	**302 060**	**302 060**	**18 579**	**55 086**	**75 515**	**(20 429)**	**-27%**	**302 060**
Capital Expenditure - Functional Classification									
Governance and administration	**12 001**	**17 434**	**17 434**	**1 582**	**1 905**	**4 359**	(2 453)	-56%	**17 434**
Executive and council	–	–	–	–	–	–	–		–
Finance and administration	12 001	16 071	16 071	1 582	1 905	4 018	(2 112)	-53%	16 071
Internal audit	–	1 364	1 364	–	–	341	(341)	-100%	1 364
Community and public safety	–	–	–	–	–	–	–		–
Community and social services	–	–	–	–	–	–	–		–
Sport and recreation							–		
Public safety							–		
Housing							–		
Health							–		
Economic and environmental services	**134 763**	**95 891**	**95 891**	**7 164**	**26 753**	**23 973**	2 780	12%	**95 891**
Planning and development	134 763	95 891	95 891	7 164	26 753	23 973	2 780	12%	95 891
Road transport							–		
Environmental protection							–		
Trading services	**202 311**	**188 734**	**188 734**	**9 833**	**26 428**	**47 184**	(20 756)	-44%	**188 734**
Energy sources							–		
Water management	182 256	188 473	188 473	9 833	25 142	47 118	(21 976)	-47%	188 473
Waste water management	20 055	261	261	–	1 285	65	1 220	1871%	261
Waste management							–		
Other							–		
Total Capital Expenditure - Functional Classification	**349 075**	**302 060**	**302 060**	**18 579**	**55 086**	**75 515**	**(20 429)**	**-27%**	**302 060**
Funded by:									
National Government	255 079	259 997	258 997	14 979	47 421	64 749	(17 328)	-27%	258 997
Provincial Government	20 926	–	–	–	–	–	–		–
District Municipality	–	150	150	–	–	38	(38)	-100%	150
Transfers recognised - capital	**276 005**	**260 147**	**259 147**	**14 979**	**47 421**	**64 787**	**(17 366)**	**-27%**	**259 147**
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	73 070	41 912	42 912	3 600	7 665	10 728	(3 064)	-29%	42 912
Total Capital Funding	**349 075**	**302 060**	**302 060**	**18 579**	**55 086**	**75 515**	**(20 429)**	**-27%**	**302 060**

As alluded to above, the capital expenditure programme for the period ending 30 September 2025 was R55m which represents 73% of capital expenditure against year to date budget of R75, 5million.

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

Chart 1: 2025/2026 FIRST QUARTER CAPEX

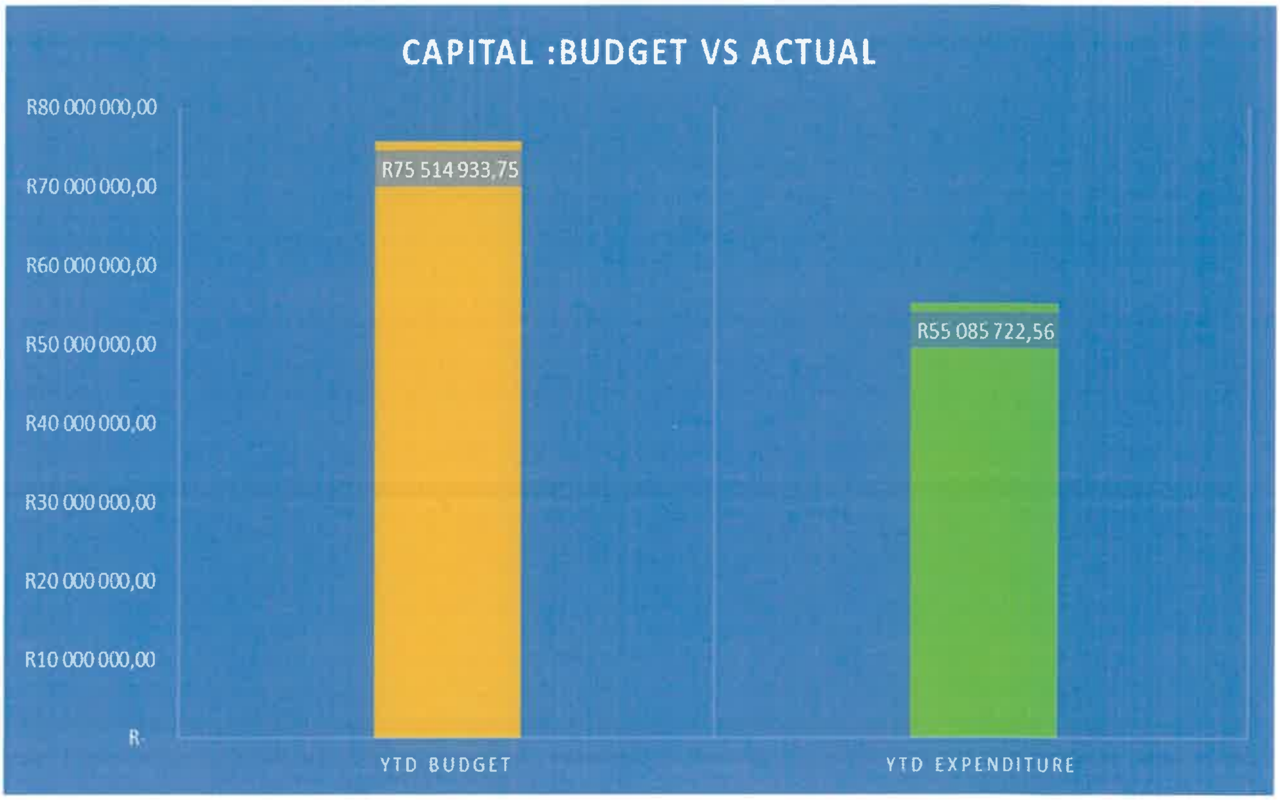


Table C6 displays the financial position of the municipality as at 30 September 2025.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M03 September

Description R thousands	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash and cash equivalents	261 670	173 668	173 668	414 314	173 668
Trade and other receivables from exchange transactions	12 773	23 719	23 719	6 706	23 719
Receivables from non-exchange transactions	1 570	2 312	2 312	1 570	2 312
Current portion of non-current receivables	–	–	–	–	–
Inventory	963	858	858	963	858
VAT	32 083	19 165	19 165	21 918	19 165
Other current assets	(307)	(229)	(229)	(408)	(229)
Total current assets	**308 752**	**219 492**	**219 492**	**445 064**	**219 492**
Non current assets					
Investments					
Investment property	–	–	–	–	–
Property, plant and equipment	3 218 685	3 443 615	3 443 615	3 273 771	3 443 615
Biological assets					
Living and non-living resources					
Heritage assets					
Intangible assets	296	2 827	2 827	296	2 827
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**	**3 446 443**	**3 274 067**	**3 446 443**
TOTAL ASSETS	**3 527 733**	**3 665 935**	**3 665 935**	**3 719 130**	**3 665 935**
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Financial liabilities	12 806	8 006	8 006	12 806	8 006
Consumer deposits	3 441	3 748	3 748	3 474	3 748
Trade and other payables from exchange transactions	147 817	86 356	86 356	67 530	86 356
Trade and other payables from non-exchange transactions	(0)	1 483	1 483	100 788	1 483
Provision	16 527	16 385	16 385	16 527	16 385
VAT	6 655	5 282	5 282	5 664	5 282
Other current liabilities	–	–	–	–	–
Total current liabilities	**187 245**	**121 261**	**121 261**	**206 787**	**121 261**
Non current liabilities					
Financial liabilities	(0)	–	–	(0)	–
Provision	34 976	30 536	30 536	34 976	30 536
Long term portion of trade payables	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–
Total non current liabilities	**34 976**	**30 536**	**30 536**	**34 976**	**30 536**
TOTAL LIABILITIES	**222 221**	**151 797**	**151 797**	**241 763**	**151 797**
NET ASSETS	**3 305 512**	**3 514 138**	**3 514 138**	**3 477 367**	**3 514 138**
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)	3 305 512	3 514 138	3 514 138	3 477 367	3 514 138
Reserves and funds	–	–	–	–	–
Other	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**3 305 512**	**3 514 138**	**3 514 138**	**3 477 367**	**3 514 138**

Table C7 below display the Cash Flow Statement for the period ending 30 September 2025.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M03 September

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	–	–	–	–	–	–	–		–
Service charges	69 696	71 563	71 563	7 087	23 956	17 891	6 065	34%	71 563
Other revenue	1 507 411	70 300	70 300	213 814	598 476	17 575	580 901	3305%	70 300
Transfers and Subsidies - Operational	499 995	573 989	573 989	–	221 071	143 497	77 574	54%	573 989
Transfers and Subsidies - Capital	341 906	293 458	293 458	71 000	161 000	73 365	87 635	119%	293 458
Interest	28 012	26 046	26 046	2 202	6 194	6 511	(317)	-5%	26 046
Dividends							–		
Payments									
Suppliers and employees	(971 403)	(677 355)	(677 355)	(89 980)	(287 440)	(169 339)	118 101	-70%	(677 355)
Interest	–	(54)	(54)	–	–	(14)	(14)	100%	(54)
Transfers and Subsidies							–		
NET CASH FROM/(USED) OPERATING ACTIVITIES	**1 475 617**	**357 947**	**357 947**	**204 123**	**723 257**	**89 487**	**(633 771)**	**-708%**	**357 947**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	–	–	–	–	474	–	474	#DIV/0!	–
Decrease (increase) in non-current receivables	–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments							–		
Payments									
Capital assets	(349 075)	(346 012)	(346 012)	(18 579)	(55 086)	(86 503)	(31 417)	36%	(346 012)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(349 075)**	**(346 012)**	**(346 012)**	**(18 579)**	**(54 612)**	**(86 503)**	**(31 891)**	**37%**	**(346 012)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							–		
Borrowing long term/refinancing							–		
Increase (decrease) in consumer deposits	–	569	569	11	33	142	(110)	-77%	569
Payments									
Repayment of borrowing	–	(2 400)	(2 400)	–	–	(600)	(600)	100%	(2 400)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**–**	**(1 831)**	**(1 831)**	**11**	**33**	**(458)**	**(490)**	**107%**	**(1 831)**
NET INCREASE/ (DECREASE) IN CASH HELD	**1 126 542**	**10 105**	**10 105**	**185 556**	**668 678**	**2 526**			**10 105**
Cash/cash equivalents at beginning:	209 430	163 577	163 577	744 792	261 670	163 577			261 670
Cash/cash equivalents at month/year end:	1 335 973	173 682	173 682	930 348	930 348	166 103			271 775

PART 2 – SUPPORTING DOCUMENTATION

2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 30 September 2025.

Table 2.1.1: Debtors Age Analysis by Income Source

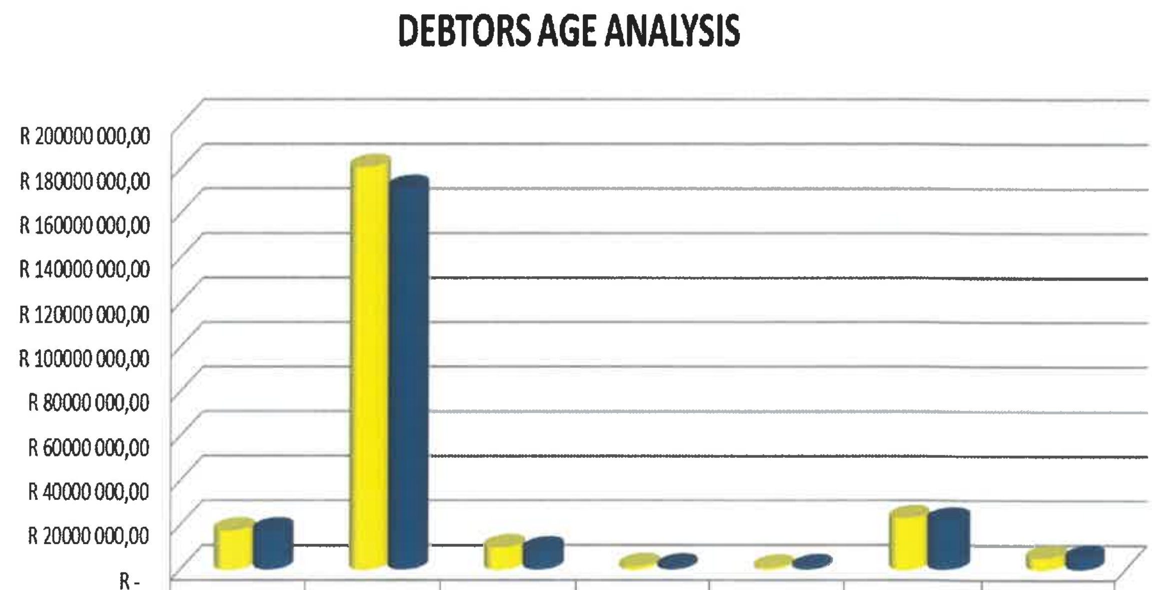
DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

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	4 546	2 420	1 926	1 695	1 679	1 497	10 371	120 411	144 546	135 653
Trade and Other Receivables from Exchange Transactions - Electricity									–	–
Receivables from Non-exchange Transactions - Property Rates									–	–
Receivables from Exchange Transactions - Waste Water Management	1 776	945	753	662	656	585	4 052	47 040	56 469	52 995
Receivables from Exchange Transactions - Waste Management									–	–
Receivables from Exchange Transactions - Property Rental Debtors									–	–
Interest on Arrear Debtor Accounts	760	405	322	283	281	250	1 734	20 128	24 162	22 675
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									–	–
Other									–	–
Total By Income Source	**7 082**	**3 770**	**3 001**	**2 641**	**2 615**	**2 333**	**16 157**	**187 578**	**225 177**	**211 323**
2024/25 - totals only	8236989	6519093	4658249	4812273	4353503	3804899	15687072	178467333	226 539	**207 125**
Debtors Age Analysis By Customer Group										
Organs of State	4 489	1 777	954	759	656	606	3 497	9 793	22 530	15 310
Commercial	723	372	406	307	405	214	1 571	13 609	17 608	16 106
Households	1 870	1 621	1 640	1 575	1 554	1 513	11 089	164 175	185 039	179 907
Other	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**7 082**	**3 770**	**3 001**	**2 641**	**2 615**	**2 333**	**16 157**	**187 578**	**225 177**	**211 323**

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.

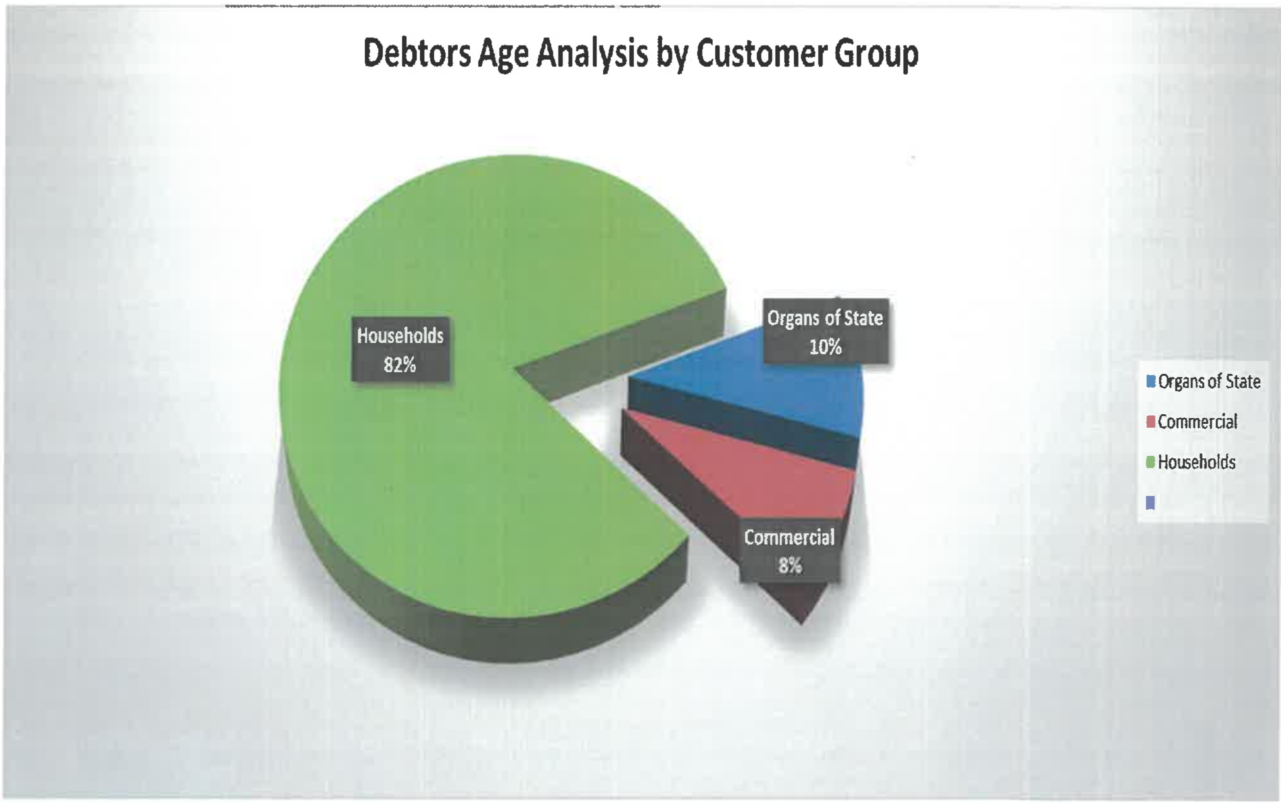


	BUSINESS	DOMESTIC	INDIGENTS	DECEASED DEBTORS	MUNICIPAL	DEPT	OTHER
AUGUST 2025	R 17203 743,29	R 180392 375,2	R 9693 807,65	R 1231 978,86	R 631 277,08	R 22798 324,39	R 4957 322,34
SEPTEMBER 2025	R 17094 931,00	R 170949 114,0	R 8648 369,00	R 1040 448,00	R 730 494,00	R 21738 038,00	R 4975 381,00

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 10%
- ✓ Business 8%



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

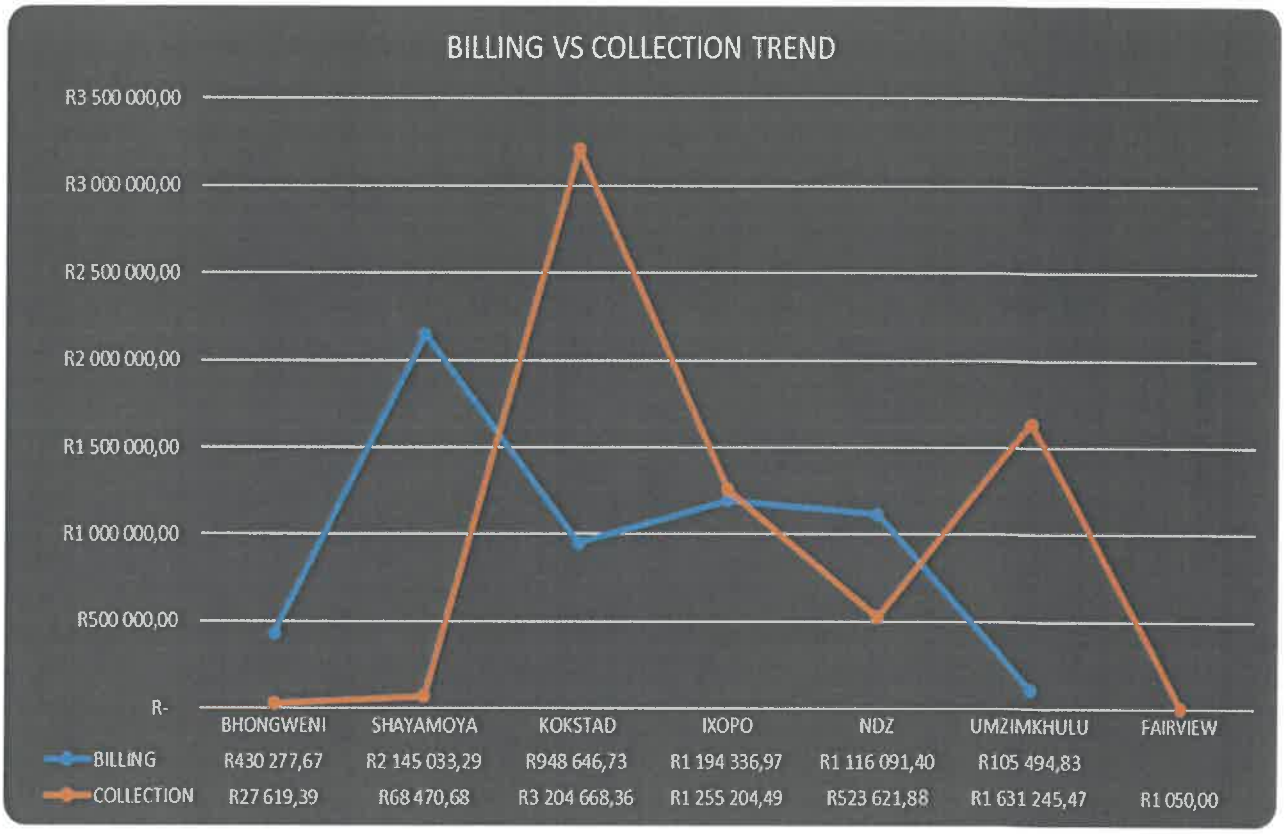
AREA	AMOUNT	**SEPTEMBER 2025**	**AUGUST 2025**
Unallocated receipts	R 4 047	0%	0%
Bhongweni	R 27 619	0%	0%
Shayamoya	R 68 471	1%	0%
Kokstad	R 3 204 668	48%	38%
Ixopo	R 1 007 039	15%	23%
NDZ	R 717 787	11%	16%
Umzimkulu	R 1 631 245	24%	22%
Fairview	R 1 050	0%	0%
TOTAL RECEIPTS INCL VAT	**R 6 715 927**	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 September 2025 is R6, 7million. The collection for prepaid in the month of September is R 1, 438,575. Total cash collected including prepaid for the month ending 30 September 2025 is R 8,154,502.

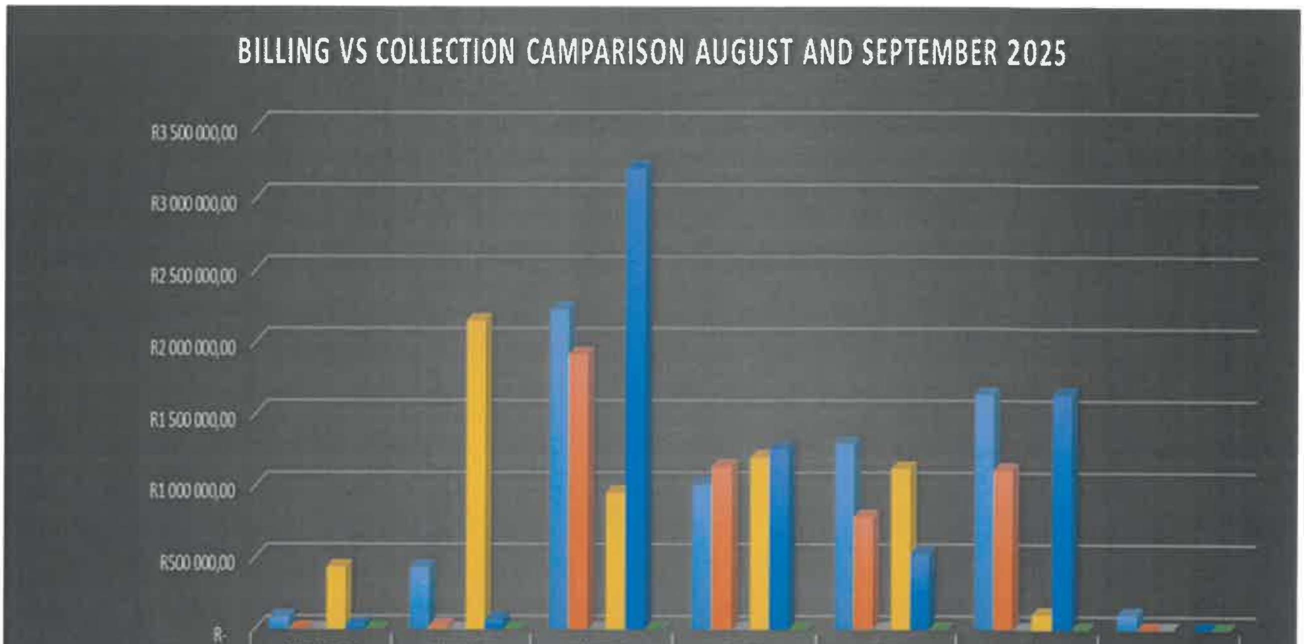
BILLING VS COLLECTION

Billing vs Collection trend for September 2025.

The chart that follows below shows the comparison between billing and collection trend for the period ending 30 September 2025



BILLING VS COLLECTION (COMPARISON BETWEEN AUGUST AND SEPTEMBER 2025)



	BHONGWENI	SHAYAMOYA	KOKSTAD	IXOPO	NDZ	UMZIMKHULU	FAIRVIEW
AUGUST 2025 BILLING	R86 476,40	R430 366,61	R2 224 377,21	R1 005 862,42	R1 289 677,85	R1 634 706,57	R105 494,83
AUGUST 2025 COLLECTION	R2 996,15	R23 944,16	R1 910 783,36	R1 129 132,05	R781 380,01	R1 105 447,77	R1 511,96
%	3%	6%	86%	112%	61%	68%	1%
SEPTEMBER 2025 BILLING	R430 277,67	R2 145 033,29	R948 646,73	R1 194 336,97	R1 116 091,40	R105 494,83	
SEPTEMBER 2025 COLLECTION	R27 619,39	R68 470,68	R3 204 668,36	R1 255 204,49	R523 621,88	R1 631 245,47	R1 050,00
%	6%	3%	338%	105%	47%	1546%	0%

Debtors age analysis per service

The municipality's total outstanding debtors amounted to R 225,176,776 as at 30 September 2025 compared with the R 236,908,829 as at 31 August 2025. Current debt represents 3% of the total outstanding debt compared with the 3% of August 2025; 30 days and older debt 2% compared with the 2% for August 2025; 60 days and older debt 1% compared with the 1% of August 2025; and 90 days 1% compared with the 1% of August 2025; 120 days to History and older 93% compared with the 94% for September 2025.

Current debt decreased with R 11,732,053 to R 225,176,776 in the month ending 30 September compared with the R 236,908,829 as at 31 August 2025; 30 days + debt decreased with R 892,279; 60 days + decreased with R 373,140; 90 days + debt decreased with R 623,604 and 120 + days and older debt as at 30 September 2025 has decreased with R 9,111,590 to R 208,682,491 compared with the R 217,794,081 for August 2025.

Debtors age analysis per debtor type

Business debtors owes the municipality R 17,094,931 (8%); Municipal debtors R 730,493 (0%); domestic debtors R 170,949,114 (76%); Government accounts R 21,738,038 (10%); Indigent debtors R 8,648,369 (4%); Deceased R 1,040,448 (0%) and other debtors R 4,975,381 (2%) of the total outstanding debt of R 225,176,776.

2.2 Creditors Analysis

Table SC presents the aged creditors as at 30 September 2025

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September									
Description	Budget Year 2023/24								
R thousands	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	488	3	731	–	–	–	–	–	1 222
Auditor General									–
Other									–
Total By Customer Type	**488**	**3**	**731**	**–**	**–**	**–**	**–**	**–**	**1 222**

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 September 2025.

Cash and Bank Balances (Investments)

CASH AND INVESTMENT REGISTER AS AT 30 SEPTEMBER 2025

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	111 509	540	(33 483)	–	78 566
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	52	39	(21 194)	93 294	72 191
FIRST NATIONAL BANK	M	ADMIN CALL	Fixed	84 324	395	(29 028)	–	55 691
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	61	51	(15 327)	25 708	10 492
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	81	0	–	–	81
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	64 447	319	(1 105)	15 053	78 714
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 149	5	–	–	1 155
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	4	–	–	–	4
FNB BANK	M	FIXED DEPOSIT	Fixed	54 016	666	–	–	54 682
STANDARD BANK	M	FIXED DEPOSIT	Fixed	58 504	–	–	–	58 504
FIRST NATIONAL BANK	M	CURRENT ACCOUNT	Fixed	49 982		(47 925)	–	2 057
Municipality sub-total				424 128	2 015	(148 062)	134 055	412 136
TOTAL INVESTMENTS AND INTEREST				424 128	2 015	(148 062)	134 055	412 136

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 - M03 September

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	573 989	8 215	227 302	143 497	83 805	58,4%	573 989
Energy Efficiency and Demand Side Management Grant	–	–	–	–	–	–	–		–
Equitable Share	491 837	520 871	520 871	–	217 029	130 218	86 811	66,7%	520 871
Expanded Public Works Programme Integrated Grant	4 460	3 660	3 660	915	915	915	–	0,0%	3 660
Integrated National Electrification Programme Grant	–	–	–	–	–	–	–		–
Local Government Financial Management Grant	1 200	1 300	1 300	175	175	325	(150)	-46,1%	1 300
Municipal Disaster Relief Grant	–	–	–	–	–	–	–		–
Municipal Infrastructure Grant	33 363	45 548	45 548	7 125	9 183	11 387	(2 204)	-19,4%	45 548
Rural Road Asset Management Systems Grant	2 498	2 610	2 610	–	–	653	(653)	-100,0%	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	–	–	5 750	(5 750)	-100,0%	23 000
Specify (Add grant description)	–	23 000	23 000	–	–	5 750	(5 750)	-100,0%	23 000
Other grant providers:	–	–	–	–	–	–	–		–
Chemical Industry Seta	–	–	–	–	–	–	–		–
Parent Municipality	–	–	–	–	–	–	–		–
Unspecified	–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	534 708	596 989	596 989	8 215	227 302	149 247	78 055	52,3%	596 989
Capital Transfers and Grants									
National Government:	293 629	293 458	293 458	33 379	53 982	73 365	(19 383)	-26,4%	293 458
Integrated National Electrification Programme Grant	–	–	–	–	–	–	–		–
Municipal Infrastructure Grant	194 979	193 458	193 458	13 571	24 551	48 365	(23 814)	-49,2%	193 458
Neighbourhood Development Partnership Grant	–	–	–	–	–	–	–		–
Regional Bulk Infrastructure Grant	–	–	–	–	–	–	–		–
Rural Road Asset Management Systems Grant	–	–	–	–	–	–	–		–
Water Services Infrastructure Grant	98 650	100 000	100 000	19 808	29 431	25 000	4 431	17,7%	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	293 458	33 379	53 982	73 365	(19 383)	-26,4%	293 458
TOTAL RECEIPTS OF TRANSFERS & GRANTS	852 401	890 447	890 447	41 595	281 283	222 612	58 672	26,4%	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 - M03 September

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:	609 928	658 649	658 649	41 313	122 250	164 663	(42 414)	-25,8%	658 649
							–		
Energy Efficiency and Demand Side Management Grant	–	–	–	–	–	–	–		–
Equitable Share	569 368	600 318	600 318	36 637	111 471	150 080	(38 609)	-25,7%	600 318
Expanded Public Works Programme Integrated Grant	5 270	8 988	8 988	696	2 004	2 247	(243)	-10,8%	8 988
Local Government Financial Management Grant	1 129	1 120	1 120	76	170	280	(110)	-39,4%	1 120
Municipal Disaster Relief Grant	–	–	–	–	–	–	–		–
Municipal Infrastructure Grant	30 815	45 613	45 613	3 904	8 605	11 403	(2 798)	-24,5%	45 613
Rural Road Asset Management Systems Grant	2 172	2 610	2 610	–	–	653	(653)	-100,0%	2 610
Water Services Infrastructure Grant	1 174	–	–	–	–	–	–		–
Provincial Government:	–	228	228	–	–	57	(57)	-100,0%	228
							–		
Capacity Building and Other Grants	–	228	228	–	–	57	(57)	-100,0%	228
District Municipality:	–	4 869	4 869	–	–	1 217	(1 217)	-100,0%	4 869
Specify (Add grant description)	–	4 869	4 869	–	–	1 217	(1 217)	-100,0%	4 869
Other grant providers:	–	–	–	–	–	–	–		–
Chemical Industry Seta	–	–	–	–	–	–	–		–
Total operating expenditure of Transfers and Grants:	609 928	663 747	663 747	41 313	122 250	165 938	(43 688)	-26,3%	663 747
Capital expenditure of Transfers and Grants									
National Government:	255 079	259 997	258 997	14 979	47 421	64 749	(17 328)	-26,8%	258 997
Local Government Financial Management Grant	–	4 816	3 816	–	–	954	(954)	-100,0%	3 816
Municipal Infrastructure Grant	169 198	168 224	168 224	8 495	21 348	42 056	(20 708)	-49,2%	168 224
Regional Bulk Infrastructure Grant	–	–	–	–	–	–	–		–
Water Services Infrastructure Grant	85 882	86 957	86 957	6 484	26 073	21 739	4 334	19,9%	86 957
Provincial Government:	20 926	–	–	–	–	–	–		–
Infrastructure Grant	20 926	–	–	–	–	–	–		–
District Municipality:	–	150	150	–	–	38	(38)	-100,0%	150
Specify (Add grant description)	–	150	150	–	–	38	(38)	-100,0%	150
Other grant providers:	–	–	–	–	–	–	–		–
							–		
Total capital expenditure of Transfers and Grants	276 005	260 147	259 147	14 979	47 421	64 787	(17 366)	-26,8%	259 147
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	885 933	923 894	922 894	56 293	169 671	230 725	(61 054)	-26,5%	922 894

2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 30 September 2025.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	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
	A	B	C						D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	5 095	5 349	5 349	418	1 253	1 337	(84)	-6%	5 349
Pension and UIF Contributions	84	56	56	–	–	14	(14)	-100%	56
Medical Aid Contributions	2	3	3	(1)	(2)	1	(3)	-338%	3
Cellphone Allowance	518	545	545	43	130	136	(7)	-5%	545
Other benefits and allowances	1 881	2 105	2 105	163	507	526	(19)	-4%	2 105
Sub Total - Councillors	**7 581**	**8 059**	**8 059**	**624**	**1 888**	**2 015**	**(127)**	**-6%**	**8 059**
% increase		**6,3%**	**6,3%**						**6,3%**
Senior Managers of the Municipality									
Basic Salaries and Wages	5 145	5 710	5 779	301	1 079	1 440	(361)	-25%	5 779
Pension and UIF Contributions	–	4	4	–	–	1	(1)	-100%	4
Medical Aid Contributions	48	54	54	4	12	13	(1)	-10%	54
Performance Bonus	69	166	166	69	69	41	28	67%	166
Motor Vehicle Allowance	1 235	1 240	1 273	85	268	316	(48)	-15%	1 273
Cellphone Allowance	109	126	126	6	23	32	(9)	-28%	126
Housing Allowances	456	418	418	21	80	105	(24)	-23%	418
Other benefits and allowances	303	328	338	18	63	84	(21)	-25%	338
Payments in lieu of leave	85	109	109	–	93	27	65	239%	109
Sub Total - Senior Managers of Municipality	**7 449**	**8 156**	**8 267**	**505**	**1 687**	**2 059**	**(372)**	**-18%**	**8 267**
% increase		**9,5%**	**11,0%**						**11,0%**
Other Municipal Staff									
Basic Salaries and Wages	158 894	177 508	178 113	14 000	41 977	44 487	(2 510)	-6%	178 113
Pension and UIF Contributions	24 041	26 745	26 851	2 128	6 390	6 706	(316)	-5%	26 851
Medical Aid Contributions	11 462	14 199	14 243	992	2 985	3 558	(573)	-16%	14 243
Overtime	24 078	7 174	7 199	2 287	6 500	1 798	4 702	262%	7 199
Performance Bonus	11 323	12 138	12 120	1 164	3 384	3 031	352	12%	12 120
Motor Vehicle Allowance	9 371	21 865	20 750	645	2 059	5 264	(3 204)	-61%	20 750
Cellphone Allowance	1 131	1 187	1 198	93	282	299	(17)	-6%	1 198
Housing Allowances	647	679	679	56	168	170	(2)	-1%	679
Other benefits and allowances	5 530	6 437	6 565	485	1 443	1 633	(190)	-12%	6 565
Payments in lieu of leave	1 756	2 329	2 329	37	370	582	(212)	-36%	2 329
Long service awards	642	1 205	1 205	–	372	301	70	23%	1 205
Post-retirement benefit obligations	5 225	–	–	–	–	–	–		–
Acting and post related allowance	207	376	476	34	51	112	(61)	-55%	476
Sub Total - Other Municipal Staff	**254 308**	**271 841**	**271 729**	**21 920**	**65 980**	**67 940**	**(1 961)**	**-3%**	**271 729**
% increase		**6,9%**	**6,9%**						**6,9%**
Total Parent Municipality	**269 338**	**288 056**	**288 056**	**23 049**	**69 555**	**72 015**	**(2 460)**	**-3%**	**288 056**
		6,9%	**6,9%**						**6,9%**
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	–	320	320	–	–	80	(80)	-100%	320
Pension and UIF Contributions	–	–	–	–	–	–	–		–
Sub Total - Executive members Board	**–**	**320**	**320**	**–**	**–**	**80**	**(80)**	**-100%**	**320**
% increase		**#DIV/0!**	**#DIV/0!**						**#DIV/0!**
Other Staff of Entities									
Basic Salaries and Wages	–	9 108	9 108	–	–	2 277	(2 277)	-100%	9 108
Pension and UIF Contributions	–	1 165	1 165	–	–	291	(291)	-100%	1 165
Medical Aid Contributions	–	418	418	–	–	104	(104)	-100%	418
Overtime	–	–	–	–	–	–	–		–
Performance Bonus	–	429	429	–	–	107	(107)	-100%	429
Payments in lieu of leave	–	153	153	–	–	38	(38)	-100%	153
Acting and post related allowance	–	132	132	–	–	33	(33)	-100%	132
Sub Total - Other Staff of Entities	**–**	**11 405**	**11 405**	**–**	**–**	**2 851**	**(2 851)**	**-100%**	**11 405**
% increase		**#DIV/0!**	**#DIV/0!**						**#DIV/0!**
Total Municipal Entities	**–**	**11 725**	**11 725**	**–**	**–**	**2 931**	**(2 931)**	**-100%**	**11 725**
TOTAL SALARY, ALLOWANCES & BENEFITS	**269 338**	**299 781**	**299 781**	**23 049**	**69 555**	**74 946**	**(5 391)**	**-7%**	**299 781**
% increase		**11,3%**	**11,3%**						**11,3%**
TOTAL MANAGERS AND STAFF	**261 756**	**291 401**	**291 401**	**22 425**	**67 667**	**72 851**	**(5 184)**	**-7%**	**291 401**

2.6 Material Variances to the SDBIP

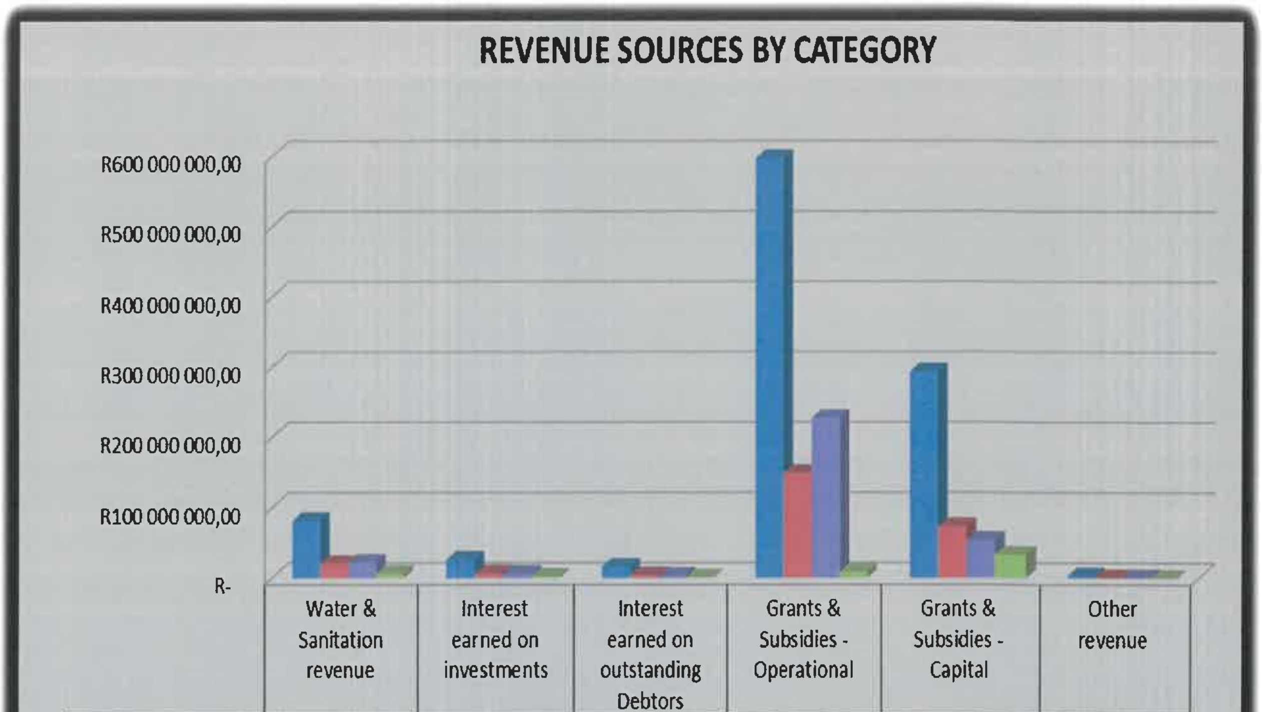
The following section analyses material variances between the actual targets as at 30 September 2025 and the budget for the same period. This report analyses each major component under following headings;

- ✓ 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 revenue	Interest earned on investments	Interest earned on outstanding Debtors	Grants & Subsidies - Operational	Grants & Subsidies - Capital	Other revenue
ORIG BUDGET	R81 588 901,00	R26 042 867,00	R16 054 716,00	R596 988 820,00	R293 458 180,00	R3 139 342,00
YTD BUDGET	R20 397 225,25	R6 510 716,75	R4 013 679,00	R149 247 205,00	R73 364 545,00	R784 835,50
YTD REC/ACCRUED	R22 183 994,75	R6 194 394,20	R3 248 545,58	R227 301 813,72	R53 981 538,75	R773 589,64
SEPTEMBER 2025	R6 476 916,78	R2 201 959,23	R1 046 069,15	R8 215 436,25	R33 379 213,11	R2 676,51

Water & Sanitation Charges

The year to date **actual** water & sanitation charges **(billing)** as at 30 September 2025 was R22, 1million against a year to date **budget** of R20, 3million which is 109 per cent of year to date budget.

Interest Earned on External Investments

The interest earned on external investments year to date actual is R6, 1m against year to budget of R6, 5m representing performance of 95 per cent of the year to date budget.

Transfers Recognised - Operational

The operational grants revenue of R227, 3million against a year to date budget of R149, 2million 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 expenditure on capital amounts to R53, 9million, or 74% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

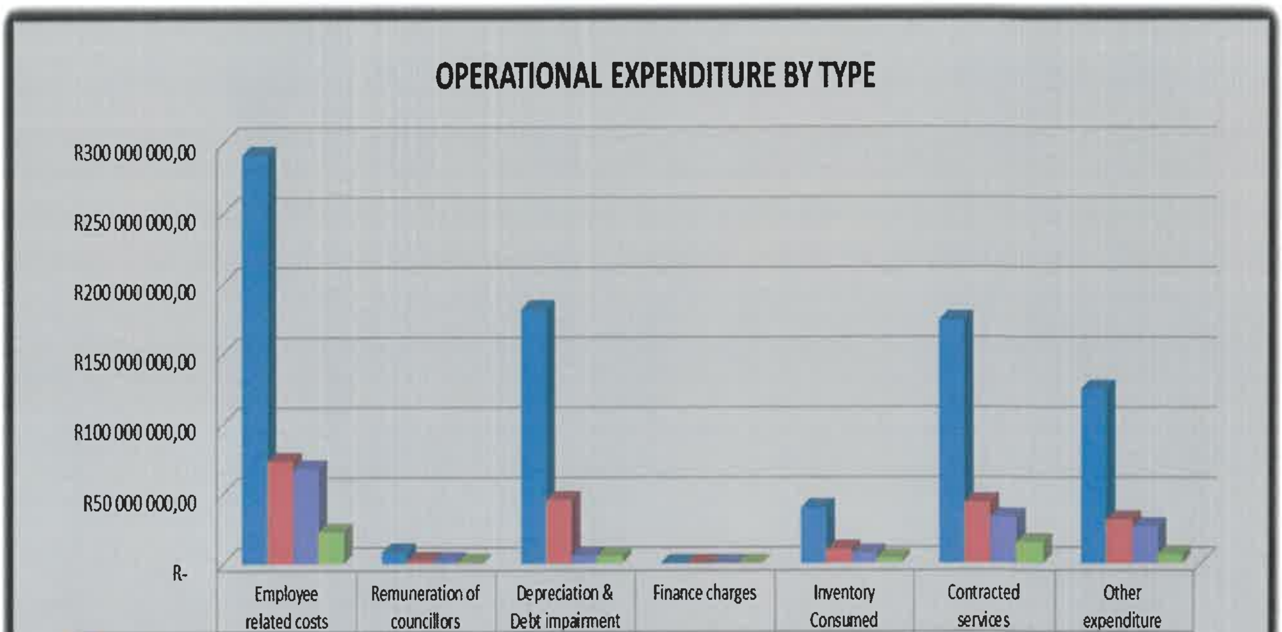
Other Revenue

The YTD performance of other revenue is R 773 590 against YTD budget of R 784 836 which is made up of tender documents, clearance certificates etc.

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	R291 721 201,00	R8 059 321,00	R181 535 951,00	R54 200,00	R39 635 122,00	R173 856 043,00	R124 312 473,00
YTD BUDGET	R72 930 300,25	R2 014 830,25	R45 383 987,75	R13 550,00	R9 908 780,50	R43 464 010,75	R31 078 118,25
YTD EXP	R67 666 885,91	R1 888 003,92	R5 692 837,86	R-	R7 061 096,48	R32 899 179,30	R26 169 336,85
SEPTEMBER 2025	R22 425 106,91	R623 698,07	R5 342 330,78	R-	R3 606 690,41	R15 046 322,96	R6 416 348,73

Employee Related Costs

The YTD actual for employee related costs is R67, 6million against a YTD budget of R72, 9million which is 93% of the YTD budget.

Remuneration of Councillors

The remuneration of councillor's year to date expenditure is at R1, 8m against a YTD budget of R2m representing 94% of the year to date budget.

Finance Charges

The YTD budget for finance charges is R13 550m. There was no movement in the month ending September 2025.

Inventory Consumed

The inventory consumed has the original budget of R39, 6m. The year to date expenditure for inventory is R7m against a YTD budget of R9, 9million representing 71 per cent expenditure of the year to date budget.

Contracted Services

The original budget for contracted services is R 173, 8milllion. The year to date expenditure for Contracted Services is R32, 8m against a YTD budget of R43, 4million representing 76 per cent of planned expenditure.

Other Expenditure

The YTD budget for operational costs was at R31milllion against a YTD expenditure of R 26, 1million or 84 per cent and expenditure for the month of September 2025 is R 6, 4million.

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 - M03 September

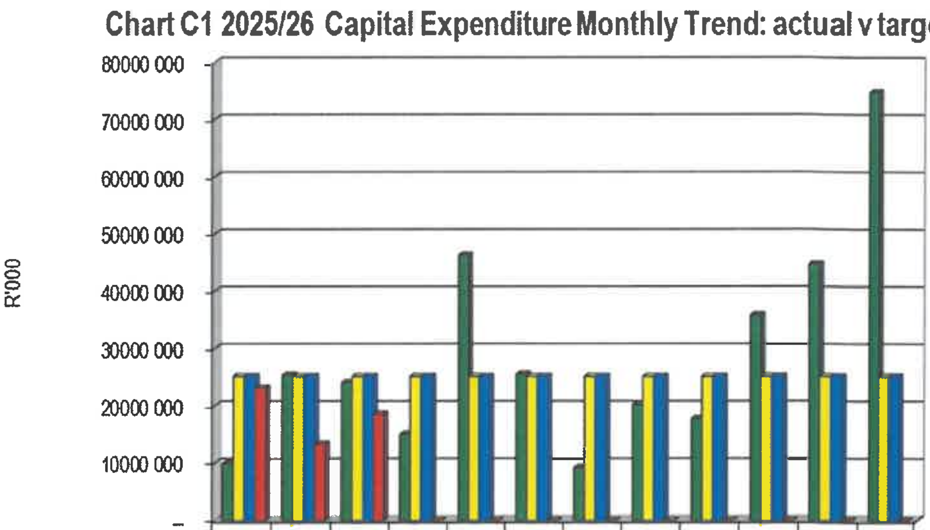
Description	Budget Year 2025/26												2025/26 Medium Term Revenue & Expenditure Framework		
R thousands	July Outcome	August Outcome	Sept Outcome	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash Receipts By Source															
Property rates	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - Electricity revenue												–			
Service charges - Water revenue	7 805	7 227	6 114	4 969	4 969	4 969	4 969	4 969	4 969	4 969	4 969	(1 269)	59 632	65 452	69 379
Service charges - Waste Water Management	978	858	974	994	994	994	994	994	994	994	994	1 167	11 932	12 920	13 695
Rental of facilities and equipment												–			
Interest earned - external investments	1 964	2 029	2 202	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 170	2 487	26 046	27 586	29 242
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	200	–	(24)	137	137	137	137	137	137	137	137	372	1 643	–	–
Licences and permits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Agency services												–			
Transfers and Subsidies - Operational	217 029	4 042	–	47 832	47 832	47 832	47 832	47 832	47 832	47 832	47 832	(29 741)	573 989	606 254	633 881
Other revenue	305 425	79 037	213 838	5 721	5 721	5 721	5 721	5 721	5 721	5 721	5 721	(575 414)	68 657	71 098	66 402
Cash Receipts by Source	**533 401**	**93 194**	**223 103**	**61 825**	**61 825**	**61 825**	**61 825**	**61 825**	**61 825**	**61 825**	**61 825**	**(602 398)**	**741 898**	**783 310**	**812 599**
Other Cash Flows by Source												–			
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	90 000	–	71 000	24 455	24 455	24 455	24 455	24 455	24 455	24 455	24 455	(63 181)	293 458	325 980	341 871
Proceeds on Disposal of Fixed and Intangible Assets	–	**474**	–	–	–	–	–	–	–	–	–	**(474)**	–	–	–
Increase (decrease) in consumer deposits	19	2	11	47	47	47	47	47	47	47	47	157	569	569	569
VAT Control (receipts)	–	–	–	7 646	7 646	7 646	7 646	7 646	7 646	7 646	7 646	30 586	91 758	91 758	91 758
Decrease (increase) in non-current investments												–			
Total Cash Receipts by Source	**623 420**	**93 669**	**294 115**	**93 974**	**93 974**	**93 974**	**93 974**	**93 974**	**93 974**	**93 974**	**93 974**	**(635 309)**	**1 127 684**	**1 201 617**	**1 246 797**
Cash Payments by Type												–			
Employee related costs	23 483	12 404	33 171	24 212	24 212	24 212	24 212	24 212	24 212	24 212	24 212	27 790	290 541	305 719	318 018
Remuneration of councillors	357	337	339	672	672	672	672	672	672	672	672	1 653	8 059	8 482	8 928
Interest	–	–	–	5	5	5	5	5	5	5	5	18	54	57	16
Acquisitions - water & other inventory	–	–	–	2 819	2 819	2 819	2 819	2 819	2 819	2 819	2 819	11 276	33 828	35 858	38 009
Contracted services	–	–	–	14 813	14 813	14 813	14 813	14 813	14 813	14 813	14 813	59 251	177 752	195 927	207 775
Transfers and subsidies - other municipalities												–			
Other expenditure	109 972	50 223	53 119	13 098	13 098	13 098	13 098	13 098	13 098	13 098	13 098	(160 923)	157 174	163 776	140 125
Cash Payments by Type	**133 812**	**62 964**	**86 629**	**55 617**	**55 617**	**55 617**	**55 617**	**55 617**	**55 617**	**55 617**	**55 617**	**(60 936)**	**667 409**	**709 819**	**712 871**
Other Cash Flows/Payments by Type															
Capital assets	23 116	13 391	18 579	28 834	28 834	28 834	28 834	28 834	28 834	28 834	28 834	60 252	346 012	371 355	388 819
Repayment of borrowing	–	–	–	200	200	200	200	200	200	200	200	800	2 400	2 400	2 400
Other Cash Flows/Payments	308	375	3 351	833	833	833	833	833	833	833	833	(701)	10 000	13 000	14 200
Total Cash Payments by Type	**157 236**	**76 730**	**108 559**	**85 485**	**85 485**	**85 485**	**85 485**	**85 485**	**85 485**	**85 485**	**85 485**	**(586)**	**1 025 821**	**1 096 574**	**1 118 291**
NET INCREASE/(DECREASE) IN CASH HELD	**466 184**	**16 939**	**185 556**	**8 489**	**8 489**	**8 489**	**8 489**	**8 489**	**8 489**	**8 489**	**8 489**	**(634 724)**	**101 863**	**105 044**	**128 507**
Cash/cash equivalents at the month/year beginning:	261 670	727 854	744 792	930 348	938 836	947 325	955 814	964 302	972 791	981 279	989 768	998 257	261 670	363 533	468 577
Cash/cash equivalents at the month/year end:	727 854	744 792	930 348	938 836	947 325	955 814	964 302	972 791	981 279	989 768	998 257	363 533	363 533	468 577	597 083

Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M03 September

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%	8%
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%	6%
October	15 064	25 172	25 172	–	–	100 687	100 687	100,0%	0%
November	46 308	25 172	25 172	–	–	125 858	125 858	100,0%	0%
December	25 534	25 172	25 172	–	–	151 030	151 030	100,0%	0%
January	9 222	25 172	25 172	–	–	176 202	176 202	100,0%	0%
February	20 231	25 172	25 172	–	–	201 373	201 373	100,0%	0%
March	17 788	25 172	25 172	–	–	226 545	226 545	100,0%	0%
April	35 899	25 172	25 172	–	–	251 717	251 717	100,0%	–
May	44 791	25 172	25 172	–	–	276 888	276 888	100,0%	–
June	74 789	25 171	25 171	–	–	302 060	302 060	100,0%	–
Total Capital expenditure	349 075	302 060	302 060	55 086					

YTD Capital Budget vs. YTD Capital Expenditure



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
2024/25	10013	25381	24051	15063	46307	25534	9222	20231	17788	35899	44791	74789
Original Budget	25171	25171	25171	25171	25171	25171	25171	25171	25171	25171	25171	25171
Adjusted Budget	25171	25171	25171	25171	25171	25171	25171	25171	25171	25171	25171	25171
Monthly actual	23115	13390	18579	–	–	–	–	–	–	–	–	–

Capital Expenditure on New Assets by Asset Class

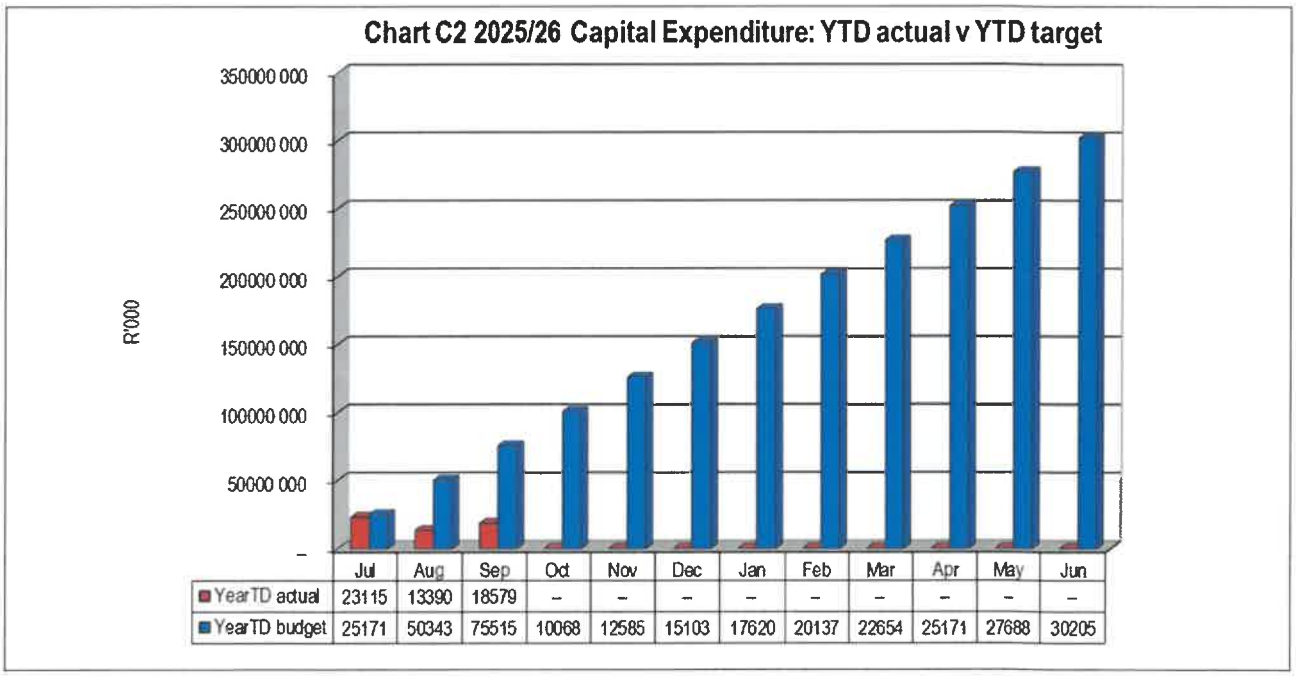
DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M03 September

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**	**240 171**	**15 356**	**50 739**	**60 043**	9 304	15,5%	**240 171**
Roads Infrastructure	–	–	–	–	–	–	–		–
Capital Spares							–		
Water Supply Infrastructure	279 731	239 910	239 910	15 356	49 454	59 978	10 524	17,5%	239 910
Dams and Weirs	33 386	53 150	53 150	2 746	6 364	13 288	6 923	52,1%	53 150
Boreholes	14 333	–	–	–	–	–	–		–
Reservoirs	–	435	435	–	–	109	109	100,0%	435
Pump Stations	32 805	87	87	–	–	22	22	100,0%	87
Water Treatment Works	–	3 300	3 300	–	–	825	825	100,0%	3 300
Bulk Mains	82 290	59 807	59 807	5 809	24 365	14 952	(9 414)	-63,0%	59 807
Distribution	116 917	123 131	123 131	6 802	18 725	30 783	12 058	39,2%	123 131
Distribution Points							–		
PRV Stations							–		
Capital Spares	–	–	–	–	–	–	–		–
Sanitation Infrastructure	20 055	261	261	–	1 285	65	(1 220)	-1870,6%	261
Pump Station	1 234	87	87	–	–	22	22	100,0%	87
Reticulation	18 821	174	174	–	1 285	43	(1 242)	-2855,9%	174
Waste Water Treatment Works	–	–	–	–	–	–	–		–
Other assets	**2 310**	**8 901**	**8 901**	**625**	**625**	**2 225**	**1 600**	71,9%	**8 901**
Operational Buildings	1 268	6 901	6 901	625	625	1 725	1 100	63,8%	6 901
Municipal Offices	1 268	6 901	6 901	625	625	1 725	1 100	63,8%	6 901
Pay/Enquiry Points							–		
Capital Spares							–		
Housing	1 042	2 000	2 000	–	–	500	500	100,0%	2 000
Staff Housing	1 042	2 000	2 000	–	–	500	500	100,0%	2 000
Social Housing							–		
Capital Spares							–		
Intangible Assets	**–**	**955**	**955**	**–**	**–**	**239**	**239**	100,0%	**955**
Servitudes							–		
Licences and Rights	–	955	955	–	–	239	239	100,0%	955
Computer Software and Applications	–	955	955	–	–	239	239	100,0%	955
Load Settlement Software Applications							–		
Unspecified							–		
Computer Equipment	**2 029**	**2 859**	**2 859**	**–**	**50**	**715**	**665**	93,0%	**2 859**
Computer Equipment	2 029	2 859	2 859	–	50	715	665	93,0%	2 859
Furniture and Office Equipment	**2 178**	**5 288**	**5 288**	**1 582**	**1 855**	**1 322**	**(533)**	-40,3%	**5 288**
Furniture and Office Equipment	2 178	5 288	5 288	1 582	1 855	1 322	(533)	-40,3%	5 288
Machinery and Equipment	**4 767**	**2 360**	**2 360**	**55**	**55**	**590**	**535**	90,7%	**2 360**
Machinery and Equipment	4 767	2 360	2 360	55	55	590	535	90,7%	2 360
Total Capital Expenditure on new assets	**311 070**	**260 534**	**260 534**	**17 618**	**53 325**	**65 134**	**11 809**	18,1%	**260 534**

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 - M03

Description	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
R thousands								%	
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	23 573	9 503	9 503	–	–	2 376	2 376	100,0%	9 503
Roads Infrastructure	–	–	–	–	–	–	–		–
Capital Spares							–		
Water Supply Infrastructure	21 914	7 764	7 764	–	–	1 941	1 941	100,0%	7 764
Bulk Mains	–	–	–	–	–	–	–		–
Distribution	21 914	7 764	7 764	–	–	1 941	1 941	100,0%	7 764
Distribution Points	–	–	–	–	–	–	–		–
PRV Stations							–		
Capital Spares							–		
Sanitation Infrastructure	1 658	1 739	1 739	–	–	435	435	100,0%	1 739
Pump Station							–		
Reticulation	–	–	–	–	–	–	–		–
Waste Water Treatment Works	1 658	1 739	1 739	–	–	435	435	100,0%	1 739
Outfall Sewers							–		
Other assets	–	3 874	3 874	–	–	968	968	100,0%	3 874
Operational Buildings	–	3 874	3 874	–	–	968	968	100,0%	3 874
Municipal Offices	–	3 874	3 874	–	–	968	968	100,0%	3 874
Pay/Enquiry Points							–		
Transport Assets	6 841	8 595	8 595	–	800	2 149	1 349	62,8%	8 595
Transport Assets	6 841	8 595	8 595	–	800	2 149	1 349	62,8%	8 595
Total Capital Expenditure on renewal of existing assets	30 413	21 973	21 973	–	800	5 493	4 693	85,4%	21 973



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 - M03

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**	**40 241**	**2 799**	**3 762**	**10 060**	6 299	**62,6%**	**40 241**
Roads Infrastructure	–	–	–	–	–	–	–		–
Capital Spares							–		
Water Supply Infrastructure	35 932	40 241	40 241	2 799	3 762	10 060	6 299	62,6%	40 241
Dams and Weirs							–		
Boreholes							–		
Reservoirs	21 341	20 650	20 650	1 395	1 807	5 163	3 355	65,0%	20 650
Pump Stations	8 961	9 473	9 473	920	1 470	2 368	898	37,9%	9 473
Water Treatment Works							–		
Bulk Mains							–		
Distribution							–		
Distribution Points							–		
PRV Stations							–		
Capital Spares	5 629	10 118	10 118	484	484	2 530	2 046	80,9%	10 118
Sanitation Infrastructure	–	–	–	–	–	–	–		–
Pump Station							–		
Community Assets	**77**	**273**	**273**	**–**	**20**	**68**	**49**	**71,3%**	**273**
Community Facilities	–	–	–	–	–	–	–		–
Capital Spares							–		
Sport and Recreation Facilities	77	273	273	–	20	68	49	71,3%	273
Indoor Facilities	77	273	273	–	20	68	49	71,3%	273
Outdoor Facilities							–		
Capital Spares							–		
Other assets	**3 939**	**4 269**	**4 269**	**58**	**198**	**1 067**	**870**	**81,5%**	**4 269**
Operational Buildings	3 939	4 269	4 269	58	198	1 067	870	81,5%	4 269
Municipal Offices	3 939	4 269	4 269	58	198	1 067	870	81,5%	4 269
Pay/Enquiry Points							–		
Building Plan Offices							–		
Computer Equipment	**41**	**77**	**77**	**–**	**–**	**19**	**19**	100,0%	**77**
Computer Equipment	41	77	77	–	–	19	19	100,0%	77
Furniture and Office Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Furniture and Office Equipment							–		
Machinery and Equipment	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Machinery and Equipment	–	–	–	–	–	–	–		–
Transport Assets	**478**	**332**	**332**	**–**	**0**	**83**	**83**	99,9%	**332**
Transport Assets	478	332	332	–	0	83	83	99,9%	332
Land	**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
Land							–		
Total Repairs and Maintenance Expenditure	**40 466**	**45 192**	**45 192**	**2 857**	**3 979**	**11 298**	**7 319**	64,8%	**45 192**

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 September 2025 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 10/10/2025