SEKHUKHUNE
District Municipality

July 2026/2027

Section 71 Financial Report

Contents

1. Executive Summary

A. Liquidity Measurement

The current ratio is measuring the short-term solvency of the municipality. It measures the extent to which the municipality's current assets cover its current liabilities. The ratio format divides the total current assets by the total current liabilities as the time or reporting and the norm is that the municipality's current assets will cover its current liabilities by **the norm range between 1.5 to 2:1** as per MFMA Circular no.71.

The ratio computation was as follows:

Current assets/current liabilities

218 292 609,73 / 729 618 740,62

=0.30

Table (i) Current ratio

	July 2026	June 2026
Current ratio	0.30: 1	0.62: 1

The municipality's current ratio was below the norm range of between 1.5 to 2:1 as at the end of July 2026, the cash and short-term investments balances contributed quite significantly to the unfavourable current ratio for this period with a combined closing balance of R 443 626 420,59.

Acid-Test Ratio

The acid-test ratio compares the municipality's "quick assets" (cash and accounts receivable) to its current liabilities. It is used to determine short-term liquidity of the municipality. The ratio format considers the total current assets less inventory items which will normally be difficult to liquidate though the municipality is not trading entity and divide by the total current assets as at the reporting date with a good ratio considered to be 1:1 as a norm.

The ratio computation was as follows:

(current assets – inventory) / current liabilities

[(218 292 609,73 – (-9 430 881,60))] / 729 618 740,62= 0,31

Table (ii) Acid-Test Ratio

	July 2026	June 2026
Acid-test ratio	0.31:1	0.62:1

1. Cash Flow and Investment Management

The municipality's primary bank account closed with a positive balance of about R 1 693 295,38 and short-term investments closed at R 441 933 125,21. The combined interest earned on short investment amounts to R 2 518 577,50 as of 31st July 2026.

Below is a breakdown of the short-term investment accounts per the banking Institution:

No:	Account number / description	31st July 2026
1	FNB Account No. 62858613980	R 83 916 574,13
2	STANDARD BANK Account No. 238890708008	R 143 513 043,63
3	NEDBANK Account No. 7881071850	R 1 139 682,08
4	ABSA Account No. 9368456281	R 213 363 825,37
5	ABSA Account No. 2080786868	-
6	ABSA Account No. 2080973405	-
	Total	**R 441 933 125,21**

Cash flows from operating activities amounts to a positive R 557 038 903,06 during the month ending on the 31st July 2026. This amount is calculated by subtracting Payments to employees and suppliers to the amount of R 232 190 163,87 from the total receipts of R789 229 066,93.

The municipality did pay in total an amount of R 102 449 542,26 on capital projects. The municipality also reported a net increase in cash held to an amount of R 454 604 849,38 during the month ending on the 31st July 2026.

2. Expenditure management

The total invoices received from suppliers were 211 during the month ending on the 31st July 2026, 88 invoices at a total rand value of R111 989 409,45 were processed and paid.

R23 339 823,85 in purchase orders, R11 925 711,58 in sundry purchases, R76 723 874,02 in capital projects and R9 418 540,01 in 3rd party payments were processed as at 31st July 2026, totalling R121 407 949,46.

The municipality incurred an expenditure to an amount of R 37 523 477,48 on employee related costs for the month of July 2026. Expenditure on council remuneration was R 1 305 370,91 for the same month.

Depreciation on non-current assets was R 8 383 985,92 as at the end of July 2026.

R 9 833 042,00 was the expenditure on contracted services for the month of July 2026. Contracted services include amongst others the security services operational fleet expenses, photocopying machines and vehicle tracking services.

Expenditure on transfers and subsidies was R312 474,45 for the month of July 2026.

R 16 753 428,29 was the expenditure on other operations expenditure programmes for the month under review.

3. Water Debt Relief

The municipality' budget for Bulk water supply is fully funded through the equitable share. Currently the municipality as a Water Authority has an agreement with 3 bulk water suppliers namely, Lepelle Northern Water (LNW), Dr JS Moroka and Department of Water and Sanitation (DWS). Total revenue billing on water and sanitation services was reported at R13 875 958,79. An amount of R18 148 958,55 was collected for the month of July 2026, collection rate was recorded at 131% for this period, the municipality did budget to collect 60% of the own revenue sources. The budgeted revenue on service charges is R108 101 778,00,00 with a year-to-date actual revenue of R 97 214 352,81 which is 90%.

Currently as at 31st July 2026, the Municipality has paid all invoices received as per the payment arrangement entered with Lepelle Northern Water to service the current account. The municipality has paid a total of R 287 780 764,16 for Lepelle Northern Water and R 3 287 478,33 for DWS in servicing their current account as at 31st July 2026. The municipality has incurred R 6 209 743,67 (702 412 kl) in water losses as at the July 2026. The municipality's strategy to reduce the water losses is currently in progress and being applied to reduce the amount of water losses to an acceptable level of 15% to 30% as per MFMA circular 71.

The municipality is voluntarily, on monthly basis preparing the FRP in terms of Chapter 13 of the Municipal Finance Management Act (Act No. 56, 2003) and currently is on the Rescue phase. Furthermore, the municipality is submitting the FRP to Provincial Treasury and upload the report.

Financial ratios on operational expenditure:

(i) Employee related cost as % of total operational expenditure:

Norm is between 25% – 40%
Employee related costs/ Total operating expenditure x100
37 523 477,48 / 96 460 845,21 x100
=39%

The municipality has incurred in total R 37 523 477,48 in employee related costs to date as at end of 31st July 2026. The expenditure incurred amounts to 39% of the total operational expenditure.

(ii) Contracted services as a % of total operational expenditure:

Norm is between 2% - 5%
Contracted services/ Total operating expenditure x 100
9 833 042,00 / 96 460 845,21 x 100
=10%

The expenditure on contracted services is currently above the 5% required norm on contracted services currently include amongst others the security services, operating leases on office buildings and photocopying machinery, and municipal fleet.

(iii) <u>Capital expenditure budget implementation indicator:</u>

Norm is between 95% - 100%

Actual capital expenditure/ Budgeted capital expenditure x100

102 449 542,26 / 433 282 990,00 x100

=24%

(iv) <u>Operating expenditure budget implementation indicator:</u>

Norm is between 95% - 100%

Actual operating expenditure/ budgeted operating expenditure x100

96 460 845,21 / 1 497 391 635,00 x100

=6%

Implementation on the operational expenditure budget was at 6% to date as at 31st July 2026.

(v) <u>Service Charges Revenue Budget Implementation Indicator</u>

The norm range between **95% and 100%**

Actual Service Charges Revenue / Budgeted Service Charges Revenue x 100

12 901 015,91 / 116 601 545 x 100

=11

4. Revenue management

A total of 7 544 water meter readings were captured as at 31st July 2026. This is a decrease of 12 meters from the previous month of June 2026.

Total revenue billing on water and sanitation services was reported at R13 875 958,79. An amount of R18 148 958,55 was collected for the month of July 2026, collection rate was recorded at 131% for this period, the municipality did budget to collect 60% of the own revenue sources. The revenue collected increased by R9 062 034,04 (99,73%) as compared to the previous month. The credit control and debt management policy was implemented from 1st July 2024, notices of disconnections were issued to all government departments with arrear accounts, businesses with arrear accounts were also swerved with notices and disconnections of water supply were implemented subsequently. Most revenue was collected around the areas of Tubatse Fetakgomo collected from the mines alone through disconnections of illegal connections. We continue to implement the credit control policy to other areas like Elias Motsoaledi, Ephraim Mogale and Makhuduthamaga.

We've successfully obtained permission from the National Treasury to participate in the RT29 transversal contract on prepaid smart water metering. All companies appointed under the RT29 were invited to the municipality for individual presentations on the contract, four of the seven companies responded and presentations were made to the revenue enhancement committee for evaluation in terms of the required specifications suitable to address the revenue related issues of the municipality, we're at an advanced stage to finalize the appointment of a suitable provider during the second quarter of the financial year.

The plan to implement the installation and maintenance of the smart water meters is outlined as follows in a process flow:

- The business community has been identified as the targeted customer group for piloting purposes.
- Greater FetakgomoTubatse will be our first area for installations given the larger business community in the area.
- Elias Motsoaledi will be second, followed by Ephraim Mogale and lastly Makhuduthamaga.
- Government departments will be second in terms of the targeted customer group for installations.
- Engagements already initiated with the departments as awareness on the smart pre-paid water meters.
- Households will be the third and last targeted customer group for installations with about 14 areas already identified for potential revenue growth.
- Installation of the bulk smart water meters at all off take points operated by the Lepelle Northern Water and some of the residential estates already identified.

The following processes will unfold during the implementation of the smart water metering:

- Establishment of satellite offices in each sub region as our technical support centre.
- Local municipal offices are to be used as satellite offices, Tubatse & Ephraim Mogale office spaces already secured.
- Training of staff and awareness campaigns to customers on how to utilise the new smart water meter system and request support.
- Establishment of a call centre facility for technical support.
- Installation of the vending points in various convenient stores.
- A one-month trial period is to be implemented in FetakgomoTubatse to test the efficiency of the system.

Notices of disconnection were also served to the government departments, and payments for services have since improved with the exception of two departments (Provincial Public Works & Education), the provincial department of Coghsta is currently discussions between the municipality and the two departments with reconciliations of the outstanding amounts at an advanced stage. The two departments visited the municipal offices for reconciliation of the amounts.

The revenue unit will embark on four revenue enhancement and collection campaigns within the district starting from 1st of June 2026 , procurement of the promotional material already has started. The campaign will promote payment of basic services, discourage illegal water connections, invitation of the applications as indigents and collection of data for purposes of automation of the billing data.

5. Supply Chain management

The following processes of procurement were implemented as at 31st July 2026:

(i) Purchase orders equal or less than R 30 000 VAT Inclusive:
47 Quotations to a total rand value of R551 628,86 were processed for the procurement of goods and services.

(ii) Purchase orders more than R 30 000 but less than R 200 000 VAT Inclusive:
36 Quotations to a total rand value of R3 333 247,44 were processed for the procurement of goods and services.

(iii) Purchase orders more than R 200 000 VAT Inclusive:
12 orders with a total rand value of R24 817 326,16 were processed.

The following competitive bidding processes were also implemented for the month of July 2026:

The municipality processed 5 requisitions of goods and services through the competitive bidding processes as at the month of July 2026. There are 05 bid processes are still in the specification committee while 01 is still in progress and 02 have been referred for re-advert. 04 tenders have been awarded as at 31st July 2026.

The municipality's UIF&W expenditure was as follows as at the month of July 2026:

Irregular expenditure **R0,00**
Fruitless & wasteful expenditure **R0,00**
Unauthorised expenditure **R0,00**

Unauthorized Irregular Fruitless and Wasteful expenditure as a % of total operational expenditure:
Norm is 0%

UIFW expenditure/ Total operating expenditure x100

0,00 / 96 460 845,21 x100

=0,00% for the month of July 2026.

The unauthorized irregular, fruitless and wasteful expenditure was within the norm in terms of percentage with an amount of R0,00 incurred as irregular expenditure for the month of July 2026. The increased UIFW from the amounts reported in the previous month is noted that the amount incurred as irregular prompts corrective measures to be implemented to remedy the root causes of the expenditure incurred.

R0,00 was the total rand value for all deviations as at 31st July 2026. Deviations were for services procured through processes where it was very impractical for the institution to follow the normal procurement processes.

UIFW RECONCILIATION

	IRREGULAR EXPENDITURE		
Recon for 2026/2027 Financial Year			
	Month - July 2026		
			Amount
GL Opening balance as at 01 July 2026			70 733 664,30
Incurred in Current year - 01 July 2026			-
Incurred in Prior year - 30 June 2026			**1 593 144 100,00**
			1 663 877 764,30
Write-off by council		-	**1 549 177 397,25**
Prior year adjustment	**Financial Year 2022/2023FY**	-	106 548 665,18
	Financial Year 2023/2024FY	-	74 904 123,30
	Financial Year 2023/2024FY	-	60 601 230,64
	Financial Year 2013/2014	-	104 826 926,00
	Financial Year 2014/2015	-	114 919 785,00
	Financial Year 2015/2016	-	357 980 404,84
	Financial Year 2016/2017	-	103 429 584,00
	Financial Year 2017/2018	-	26 621 779,00
	Financial Year 2018/2019	-	91 413 830,73
	Financial Year 2019/2020	-	6 594 201,13
	Financial Year 2020/2021	-	175 915 848,44
	Financial Year 2023/2024	-	93 766 807,97
	Financial Year 2021/2022	-	62 407 083,89
	Financial Year 2021/2022	-	2 647 037,52
	Financial Year 2022/2023	-	66 975 411,72
	Financial Year 2024/2025	-	99 624 677,89
Closing balance as at 31 July 2026			**114 700 367,05**

FRUITLESS & WASTEFUL EXPENDITURE		
Recon for 2025/2026 Financial Year		
	Month - July 2026	
		Amount
GL Opening balance as at 01 July 2026		**21 967 311,82**
Incurred in Prior year - 30 June 2025		126 048 531,42
		148 015 843,24
Incurred in Current year - July 2026		-
		148 015 843,24
Write-off by council		- **4 324 459,00**
	Financial Year 2013/2014	- **227 708,00**
	Financial Year 2017/2018	- **4 096 751,00**
Closing balance as at 31 July 2026		**143 691 384,24**

UNAUTHORISED EXPENDITURE		
Recon for 2026/2027 Financial Year		
	Month - July 2026	
		Amount
GL Opening balance as at 01 July 2025		**575 298 144,00**
Prior year adjustment		-
		575 298 144,00
Incurred in Current year - July 2026		-
		575 298 144,00
Write-off by council		- **370 143 293,52**
	Financial Year 2024/2025	- **142 974 883,52**
	Financial Year 2014/2015	- **32 423 782,00**
	Financial Year 2018/2019	- **194 744 628,00**
Closing balance as at 31 July 2026		**205 154 850,48**

6. Asset management

The municipality had in total **R 218 292 609,73** in current assets as at 31st July 2026 detailed as follows:

Class of Asset	Value
Cash and cash equivalents	(R 116 265 603,83)
Trade and other receivables from exchange transactions	R 172 961 540,86
Receivables from non-exchange transactions	R 31 038 658,72
Inventory	(R 9 430 881,60)
VAT	R 120 738 226,49
Other current assets	R 19 250 669,09
Total Current Assets	**R 218 292 609,73**

The municipality's non-current assets had a total of **R 5 958 252 002,66** as at 31st July 2026, the non-current assets consist of water infrastructure network and movable assets detailed as follows:

Class of Asset	Value
Land -	R 14 650 000
Plant and machinery -	R 2 868 636,00
Furniture and office equipment -	R 6 200 594,00
Transport assets -	R 22 900 689,00
IT Equipment -	R 8 173 660,00
Leasehold improvements -	R 7 309 495,40
Road infrastructure -	R 19 240 764,00
Community assets - Buildings	R 3 726 640,00
Wastewater network -	R 53 993 421,00
Water network -	R 4 154 962 196,00
Assets under construction -	R 1 671 535 403,00
Total Non-Current Assets	**R 5 958 252 002,66**

There were no assets additions to the municipality's infrastructure assets and movable assets respectively as at 31st July 2026. No disposal or donation of assets for the July 2026 month.
Retention amounts on capital infrastructure projects currently under construction had a combined value of **R246 306 446.72.**

The **R1 671 535 403,00** total cost on assets under construction includes the following projects which are taking a significant amount of time to complete and those that were stalled as at 31st July 2026.

Property, plant and equipment taking a significant amount of time to complete than expected:

1. De Hoop/Nebo Plateau/Schoonoord villages water scheme/ concrete reservoirs, R 68 679 128.39
2. De Hoop/Nebo Plateau/Senkgapudi & Manamane concrete reservoirs, R 65 235 249.64
3. Motlailana/Makgemeng village water supply, R 32 390 286.72

Property, plant and equipment where construction or development has been halted either during the current or previous periods

1. Jane Furse to Lobethal bulk water supply/De Hoop Augmentation, R 55 893 245.70
2. Rutseng water intervention, R 2 254 727.79
3. Ga-Maphopha command reservoir, R 41 554 264.76
4. Flag Boshielo: Letebejane water meter installation, R 10 846 497.73
5. Lebalelo south villages connector pipes and reticulation phase 2, R 25 401 835.41
6. Mooihoek/Tuibatse bulk water supply phase 4, R 2 429 695.00
7. Mahlokwena water supply, R 3 432 148.82
8. Legolaneng water supply, R 767 925.29
9. Mapodile water conservation and demand management, R 433 318.52

The municipality had a heritage asset valued at **R 746 801,50** as at end of July 2026, the asset is the mayoral chain of the municipality.

7. BUDGET MONITORING

There was no overspending of items for the month of July 2026, therefore no unauthorized expenditure at vote level is being reported for the month.

8. ANNEXURE A: C-SCHEDULE/ SCHEDULES

A. GRANTS PERFORMANCE

The overall spending on conditional grants was 19,88% as at 31st July 2026. The FMG spending at 17% and EPWP spending at 0% while MIG and RRAMs were reported at 20,42% and 0% respectively.

The details of the conditional grants are illustrated in Table 1 below.

GRANT REGISTER - 31 JULY 2026/2027									
	CONDITIONAL GRANTS								UNCONDITIONAL GRANT
	DIRECT CONDITIONAL GRANTS					INDIRECT CONDITIONAL GRANTS			
	FINANCIAL MANAGEMENT GRANT	MUNICIPAL INFRUSTRACTURE GRANT	EXPANDED PUBLIC WORKS PROGRAMME	RURAL ROAD ASSET MANAGEMENT SYSTEM	TOTALS	RBIG	WSIG	TOTALS	EQUITABLE SHARE
	34051178950FMZZZZZWD	35101258940MGZZZZZWD AND 35101178970MIZZZZZWD	35101178910EPZZZZZWD	35101259010RRZZZZZHO		35101259000RBZZZZZHO	34051259030WSZZZZZHO		34051179100EQZZZZZWD
BUDGET	2 500 000,00	413 050 000,00	8 044 000,00	2 795 000,00	426 389 000,00			-	1 277 711 000,00
UNSPENT GRANT AS AT 01 JULY 2026	-		-	51 992,00	51 992,00	-		-	
ROLLOVER DENIED	-		-		-	-		-	
AMOUNT RECEIVED AS PER B/S					-				
TOTAL	2 500 000,00	413 050 000,00	8 044 000,00	2 846 992,00	426 440 992,00	-	-	-	1 277 711 000,00
OPENING BALANCE			-	51 992,00		-		-	
APPROVED ROLLOVER	-	-	-			-	-	-	
UNSPEND PAID BACK			-			-		-	
GRANT INCOME	-	81 009 000,00	-	-	81 009 000,00	-	-	-	532 380 000,00
					-				
JUL	-	81 009 000,00	-	-	81 009 000,00	-	-	-	532 380 000,00
	34057630430FMZZZZZWD	34057630730MGZZZZZWD AND 34057610230MIZZZZZWD	34057630230EPZZZZZWD	34057610430RRZZZZZWD					
GRANT EXPENDITURE	432 657,95	84 353 877,69	-	-	84 786 535,64	-	-	-	
JUL	432 657,95	84 353 877,69		-	84 786 535,64			-	-
TOTAL UNSPENT	2 067 342,05	328 696 122,31	-	-	341 654 456,36	-	-	-	
PERCENTAGE	17	20,42	-	-	19,88				

B. CAPITAL EXPENDITURE

Table below shows the capital expenditure during the month of July 2026 versus the projections.

	JULY 2026				PROJECTIONS			
	Monthly Cashflow Budget	Monthly Expenditure	Variance		Annual Budget	Year-to-date Expenditure	Annual projections	Variance
	R	R	R	%	R	R	R	R
MACHINARY AND EQUIPMENT	183 333,33	-	183 333,33	1,00	2 200 000,00	-	2 200 000,00	2 200 000,00
MOBILE OFFICES	250 000,00	-	250 000,00	1,00	3 000 000,00	-	3 000 000,00	3 000 000,00
OFFICE EQUIPMENT	166 666,67	-	166 666,67	1,00	2 000 000,00	-	2 000 000,00	2 000 000,00
BUILDING STRUCTURES	250 000,00	-	250 000,00	-	3 000 000,00	-	3 000 000,00	3 000 000,00
SDM-CAPITAL REPLACEMENT RESERVE	1 666 666,67	1 844 868,75	- 178 202,08	- 0,11	20 000 000,00	1 844 868,75	20 000 000,00	18 155 131,25
MHS EQUIPMENT	125 000,00	-	125 000,00	1,00	1 500 000,00	-	1 500 000,00	1 500 000,00
ACQ LAND FOR SATELITE OFFICES LAND PURCH	72 916,67	-	72 916,67	1,00	875 000,00	-	875 000,00	875 000,00
OFFICE FENCING	41 666,67	-	41 666,67	1,00	500 000,00	-	500 000,00	500 000,00
DISASTER EQUIPMENT	16 666,67	-	16 666,67	-	200 000,00	-	200 000,00	200 000,00
EMS EQUIPMENT	83 333,33	-	83 333,33	-	1 000 000,00	-	1 000 000,00	1 000 000,00
DISASTER MANAGEMENT CENTRE DESIGNS	41 666,67	-	41 666,67	-	500 000,00	-	500 000,00	500 000,00
MARBLE HALL FIRE STATION DESIGN	41 666,67	-	41 666,67	1,00	500 000,00	-	500 000,00	500 000,00
REFURBISHMENT - ERF 488	33 333,33	-	33 333,33	-	400 000,00	-	400 000,00	400 000,00
OFFICE EQUIPMENT	29 166,67	-	29 166,67	-	350 000,00	-	350 000,00	350 000,00
COMPUTER	25 457,42	-	25 457,42	1,00	305 489,00	-	305 489,00	305 489,00
COMPUTER	125 000,00	-	125 000,00	1,00	1 500 000,00	-	1 500 000,00	1 500 000,00
SDM FUNDED	**3 152 540,75**	**1 844 868,75**	**1 307 672,00**	**8,89**	**37 830 489,00**	**1 844 868,75**	**37 830 489,00**	**35 985 620,25**
MIG-REFURBISHMENT OF LEEUWFONTEIN WWTW	1 330 000,00	6 842 011,98	- 5 512 011,98	- 4,14	15 960 000,00	6 842 011,98	15 960 000,00	9 117 988,02
MIG-REFURBISHMENT OF DENNILTON WWTW	1 496 666,67	6 621 073,63	- 5 124 406,96	- 3,42	17 960 000,00	6 621 073,63	17 960 000,00	11 338 926,37
MIG - UPGRADING OF GROBLERSDAL-LUCKAU P3	4 722 819,83	-	4 722 819,83	1,00	56 673 838,00	-	56 673 838,00	56 673 838,00
MIG - LEBALELO CENTRAL SUBSCHEME 1A	10 684 309,67	39 506 491,68	- 28 822 182,01	- 2,70	128 211 716,00	39 506 491,68	128 211 716,00	88 705 224,32
MIG-MALEKANE REGIONAL WATER SCHEME	551 039,83	-	551 039,83	1,00	6 612 478,00	-	6 612 478,00	6 612 478,00
MIG - UPGRADING OF DE HOOP WTW	2 174 219,42	9 733 364,46	- 7 559 145,04	- 3,48	26 090 633,00	9 733 364,46	26 090 633,00	16 357 268,54
MIG - UPGRADING OF GROBLERSDAL-LUCKAU P2	2 603 861,50	1 568 988,75	1 034 872,75	0,40	31 246 338,00	1 568 988,75	31 246 338,00	29 677 349,25
MIG - MAMPURU BULK WATER SCHEME	3 560 925,33	17 420 453,92	- 13 859 528,59	- 3,89	42 731 104,00	17 420 453,92	42 731 104,00	25 310 650,08
MIG-OLIFANTSPOORT SOUTH RWS PHASE 8	-	309 375,48	- 309 375,48	-	-	309 375,48	-	- 309 375,48
MIG- MOUTSE EAST & WEST WATER RETIC PH2	5 575 949,50	18 602 913,61	- 13 026 964,11	- 2,34	66 911 394,00	18 602 913,61	66 911 394,00	48 308 480,39
COMPUTERS (MIG)	21 666,67	-	21 666,67	1,00	260 000,00	-	260 000,00	260 000,00
MIG	**32 721 458,42**	**100 604 673,51**	**- 67 883 215,09**	**- 16,57**	**392 657 501,00**	**100 604 673,51**	**392 657 501,00**	**292 052 827,49**
RRAMS CAPITAL ACQUISITION	**232 916,67**	**-**	**232 916,67**	1,00	**2 795 000,00**	**-**	**2 686 000,00**	**2 795 000,00**
TOTAL CAPITAL	**36 106 915,83**	**102 449 542,26**	**- 66 342 626,43**	**- 6,68**	**433 282 990,00**	**102 449 542,26**	**433 173 990,00**	**330 833 447,74**

DC47 Sekhukhune - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M01 July

Vote Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1,00									
Multi-Year expenditure appropriation	2,00									
Vote 05 - Infrustracture And Water Services		14 779 324,18	15 960 000,00	15 960 000,00	6 842 011,98	6 842 011,98	1 330 000,00	5 512 011,98	4,14	6 842 011,98
Total Capital Multi-year expenditure	4,7	**14 779 324,18**	**15 960 000,00**	**15 960 000,00**	**6 842 011,98**	**6 842 011,98**	**1 330 000,00**	**5 512 011,98**	**4,14**	**6 842 011,98**
Single Year expenditure appropriation	2,00									
Vote 04 - Budget And Treasury		9 159 597,74	10 200 000,00	10 200 000,00	-	-	850 001,00	- 850 001,00	- 1,00	10 200 000,00
Vote 05 - Infrustracture And Water Services		586 104 344,26	400 992 501,00	400 992 501,00	95 607 530,28	95 607 530,28	33 416 046,00	62 191 484,28	1,86	95 607 530,28
Vote 06 - Planning And Economic Development		857 210,00	1 375 000,00	1 375 000,00	-	-	114 584,00	- 114 584,00	- 1,00	1 375 000,00
Vote 07 - Community Services		-	2 200 000,00	2 200 000,00	-	-	183 335,00	- 183 335,00	- 1,00	2 200 000,00
Vote 08 - Sekhukhune Development Angancy		160 000,00	1 055 489,00	1 055 489,00	-	-	87 959,00	- 87 959,00	- 1,00	1 055 489,00
Vote 09 - Corporate Services		3 100 540,89	1 500 000,00	1 500 000,00	-	-	125 000,00	- 125 000,00	- 1,00	1 500 000,00
Total Capital single-year expenditure	4,00	599 381 692,89	417 322 990,00	417 322 990,00	95 607 530,28	95 607 530,28	34 776 925,00	**60 830 605,28**	**1,75**	111 938 019,28
Total Capital Expenditure		**614 161 017,07**	**433 282 990,00**	**433 282 990,00**	**102 449 542,26**	**102 449 542,26**	**36 106 925,00**	**66 342 617,26**	**1,84**	**118 780 031,26**
Capital Expenditure - Functional Classification										
Governance and administration		**12 260 138,63**	**13 900 000,00**	**13 900 000,00**	**-**	**-**	**1 158 336,00**	- 1 158 336,00	- 1,00	**13 900 000,00**
Finance and administration		12 260 138,63	13 900 000,00	13 900 000,00	-	-	1 158 336,00	- 1 158 336,00	- 1,00	13 900 000,00
Economic and environmental services		**1 017 210,00**	**2 430 489,00**	**2 430 489,00**	**-**	**-**	**202 543,00**	- 202 543,00	- 1,00	**2 430 489,00**
Planning and development		1 017 210,00	2 430 489,00	2 430 489,00	-	-	202 543,00	- 202 543,00	- 1,00	2 430 489,00
Trading services		**600 883 668,44**	**416 952 501,00**	**416 952 501,00**	**102 449 542,26**	**102 449 542,26**	**34 746 046,00**	67 703 496,26	1,95	**102 449 542,26**
Water management		600 883 668,44	416 952 501,00	416 952 501,00	102 449 542,26	102 449 542,26	34 746 046,00	67 703 496,26	1,95	102 449 542,26
Total Capital Expenditure - Functional Classification	3,00	**614 161 017,07**	**433 282 990,00**	**433 282 990,00**	**102 449 542,26**	**102 449 542,26**	**36 106 925,00**	**66 342 617,26**	**1,84**	**118 780 031,26**

C. Employee Related Cost

Table below shows the salary related costs as at 31st July 2026 including the projections for the remainder of the financial year.

A. Municipal staff and Senior Managers

Description	JULY 2026				PROJECTIONS				
	Monthly Budget	Expenditure	Variance		Annual Budget	Year-to-date Expenditure	Annual projections	Variance	
	R	R	R	%	R	R	R	R	%
Basic Salary	26 104 044,58	23 907 796,29	2 196 248,29	0,12	313 248 535,00	23 907 796,29	313 248 535,00	289 340 738,71	0,85
Cellphone Allowance	624 516,67	211 979,00	412 537,67	0,65	7 494 200,00	211 979,00	7 494 200,00	7 282 221,00	0,94
Group life contribution	197 421,08	155 434,96	41 986,12	0,11	2 369 053,00	155 434,96	2 369 053,00	2 213 618,04	0,85
Housing benefits	253 344,00	183 619,06	69 724,94	0,24	3 040 128,00	183 619,06	3 040 128,00	2 856 508,94	0,87
Industrial Council	625 204,42	9 034,05	616 170,37	0,99	7 502 453,00	9 034,05	7 502 453,00	7 493 418,95	1,00
Leave Bonus	228 097,92	-	228 097,92	1,00	2 737 175,00	-	2 737 175,00	2 737 175,00	0,97
Medical Aid Contribution	1 565 143,92	1 472 890,63	92 253,29	0,08	18 781 727,00	1 472 890,63	18 781 727,00	17 308 836,37	0,85
Acting allowance	14 285,67	-	14 285,67	1,00	171 428,00	-	171 428,00	171 428,00	1,00
Annual/ Performance Bonus	1 041 649,00	2 618 460,17	- 1 576 811,17	- 25,81	12 499 788,00	2 618 460,17	12 499 788,00	9 881 327,83	- 4,73
Long Service Awards	-	-	-	- 3,10	-	-	-	-	0,42
Overtime	1 140 311,25	1 836 399,03	- 696 087,78	- 0,46	13 683 735,00	1 836 399,03	13 683 735,00	11 847 335,97	0,75
Pension Fund Contribution	4 153 847,83	3 983 468,66	170 379,17	0,10	49 846 174,00	3 983 468,66	49 846 174,00	45 862 705,34	0,85
Shift Allowance	363 023,58	327 542,94	35 480,64	0,10	4 356 283,00	327 542,94	4 356 283,00	4 028 740,06	0,85
Standby Allowance	323 549,67	110 489,80	213 059,87	0,71	3 882 596,00	110 489,80	3 882 596,00	3 772 106,20	0,94
Transport Allowance	2 894 099,42	2 577 898,32	316 201,10	0,02	34 729 193,00	2 577 898,32	34 729 193,00	32 151 294,68	0,84
UIF	184 903,33	128 464,57	56 438,76	0,28	2 218 840,00	128 464,57	2 218 840,00	2 090 375,43	0,88
Uniform Allowance	15 433,67	-	15 433,67	1,00	185 204,00	-	185 204,00	185 204,00	1,00
Grand Total	**39 728 876,00**	**37 523 477,48**	**2 205 398,52**	**- 23,00**	**476 746 512,00**	**37 523 477,48**	**476 746 512,00**	**439 223 034,52**	**9,12**

B. Councillors

Description	Jul-26				PROJECTIONS				
	Monthly Budget	Monthly Expenditure	Variance		Annual Budget	Year-to-date Expenditure	Annual projections	Variance	
	R	R	R	%	R	R	R	R	%
BASIC SALARY	1 081 385,58	973 288,05	108 097,53	1,37	12 976 627,00	973 288,05	12 976 627,00	12 003 338,95	92,50
CELLPHONE ALLOWANCE	152 958,92	132 755,00	20 203,92	- 0,60	1 835 507,00	132 755,00	1 835 507,00	1 702 752,00	92,77
MEDICAL AID BENEFITS	26 005,92	13 484,63	12 521,29	49,28	312 071,00	13 484,63	312 071,00	298 586,37	95,68
PENSION FUND CONTRIBUTIONS	79 892,83	59 795,34	20 097,49	- 3,12	958 714,00	59 795,34	958 714,00	898 918,66	93,76
TRAVELLING ALLOWANCE	340 089,92	126 047,89	214 042,03	75,09	4 081 079,00	126 047,89	4 081 079,00	3 955 031,11	96,91
GRAND TOTALS	**1 680 333,17**	**1 305 370,91**	**374 962,26**	**122,03**	**20 163 998,00**	**1 305 370,91**	**20 163 998,00**	**18 858 627,09**	**471,62**

DC47 Sekhukhune - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M01 July

Summary of Employee and Councillor remuneration R thousands	Ref	2025/26 Audited Outcome	Budget Year 2026/27 Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1,00	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		11 504 421,94	12 976 627,00	12 976 627,00	973 288,05	973 288,05	1 081 389,00	- 108 100,95	- 0,10	12 976 627,00
Pension and UIF Contributions		693 785,90	958 714,00	958 714,00	59 795,34	59 795,34	79 896,00	- 20 100,66	- 0,25	958 714,00
Medical Aid Contributions		150 739,55	312 071,00	312 071,00	13 484,63	13 484,63	26 007,00	- 12 522,37	- 0,48	312 071,00
Cellphone Allowance		1 579 462,62	1 835 507,00	1 835 507,00	132 755,00	132 755,00	152 961,00	- 20 206,00	- 0,13	1 835 507,00
Other benefits and allowances		1 538 561,90	4 081 079,00	4 081 079,00	126 047,89	126 047,89	340 092,00	- 214 044,11	- 0,63	4 081 079,00
Sub Total - Councillors		**15 466 971,91**	**20 163 998,00**	**20 163 998,00**	**1 305 370,91**	**1 305 370,91**	**1 680 345,00**	**- 374 974,09**	**- 0,22**	**20 163 998,00**
Senior Managers of the Municipality	3,00									
Basic Salaries and Wages		10 414 976,60	8 438 733,00	8 438 733,00	561 856,90	561 856,90	703 231,00	- 141 374,10	- 0,20	8 438 733,00
Pension and UIF Contributions		337 512,85	724 094,00	724 094,00	22 529,16	22 529,16	60 345,00	- 37 815,84	- 0,63	724 094,00
Medical Aid Contributions		132 552,35	139 046,00	139 046,00	11 711,63	11 711,63	11 588,00	123,63	0,01	11 711,63
Performance Bonus		94 441,69	115 872,00	115 872,00	-	-	9 657,00	- 9 657,00	- 1,00	115 872,00
Motor Vehicle Allowance		715 848,67	1 372 213,00	1 372 213,00	59 762,54	59 762,54	114 354,00	- 54 591,46	- 0,48	1 372 213,00
Cellphone Allowance		208 860,00	264 702,00	264 702,00	12 500,00	12 500,00	22 061,00	- 9 561,00	- 0,43	264 702,00
Housing Allowances		-	154 373,00	154 373,00	-	-	12 865,00	- 12 865,00	- 1,00	154 373,00
Other benefits and allowances		3 014,76	259 665,00	259 665,00	9 876,30	9 876,30	21 643,00	- 11 766,70	- 0,54	259 665,00
Payments in lieu of leave		-	193 242,00	193 242,00	-	-	16 104,00	- 16 104,00	- 1,00	193 242,00
Acting and post related allowance		-	171 428,00	171 428,00	-	-	14 287,00	- 14 287,00	- 1,00	171 428,00
Sub Total - Senior Managers of Municipality		**11 907 206,92**	**11 833 368,00**	**11 833 368,00**	**678 236,53**	**678 236,53**	**986 135,00**	**- 307 898,47**	**- 0,31**	**11 706 033,63**
Other Municipal Staff										
Basic Salaries and Wages		278 164 018,22	304 809 802,00	304 809 802,00	23 345 939,39	23 345 939,39	25 400 824,00	-2 054 884,61	- 0,08	304 809 802,00
Pension and UIF Contributions		49 289 322,30	53 526 439,00	53 526 439,00	4 244 839,03	4 244 839,03	4 460 553,00	- 215 713,97	- 0,05	53 526 439,00
Medical Aid Contributions		16 818 351,92	18 642 681,00	18 642 681,00	1 461 179,00	1 461 179,00	1 553 562,00	- 92 383,00	- 0,06	18 642 681,00
Overtime		25 865 712,43	18 040 018,00	18 040 018,00	2 163 941,97	2 163 941,97	1 503 348,00	660 593,97	0,44	2 163 941,97
Performance Bonus		28 320 432,93	12 499 788,00	12 499 788,00	2 618 460,17	2 618 460,17	1 041 652,00	1 576 808,17	1,51	2 618 460,17
Motor Vehicle Allowance		30 036 770,29	33 281 383,00	33 281 383,00	2 508 259,48	2 508 259,48	2 773 455,00	- 265 195,52	- 0,10	33 281 383,00
Cellphone Allowance		2 376 549,00	7 229 498,00	7 229 498,00	199 479,00	199 479,00	602 464,00	- 402 985,00	- 0,67	7 229 498,00
Housing Allowances		2 134 357,59	2 885 755,00	2 885 755,00	183 619,06	183 619,06	240 485,00	- 56 865,94	- 0,24	2 885 755,00
Other benefits and allowances		1 779 462,03	4 310 719,00	4 310 719,00	119 523,85	119 523,85	359 236,00	- 239 712,15	- 0,67	4 310 719,00
Payments in lieu of leave		102 755,02	2 543 933,00	2 543 933,00	-	-	211 999,00	- 211 999,00	- 1,00	2 543 933,00
Long service awards		46 874,96	2 130 867,00	2 130 867,00	-	-	177 577,00	- 177 577,00	- 1,00	2 130 867,00
TOTAL SALARY, ALLOWANCES & BENEFITS		**462 308 785,52**	**491 898 249,00**	**491 898 249,00**	**38 828 848,39**	**38 828 848,39**	**40 991 635,00**	**-2 162 786,61**	**- 0,05**	**466 013 510,77**
TOTAL MANAGERS AND STAFF		**446 841 813,61**	**471 734 251,00**	**471 734 251,00**	**37 523 477,48**	**37 523 477,48**	**39 311 290,00**	**-1 787 812,52**	**- 0,05**	**445 849 512,77**

DC47 Sekhukhune - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M01 July										
Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1,00								%	
Revenue - Functional										
Governance and administration		**1 389 803 372,83**	**1 932 472 935,00**	**1 932 472 935,00**	**19 387 922,83**	**19 387 922,83**	**161 039 396,00**	- 141 651 473,17	- 0,88	**1 932 472 935,00**
Finance and administration		1 389 803 372,83	1 932 472 935,00	1 932 472 935,00	19 387 922,83	19 387 922,83	161 039 396,00	- 141 651 473,17	- 0,88	1 932 472 935,00
Trading services		**519 846 290,86**	**-**	**-**	**84 808 880,50**	**84 808 880,50**	**-**	**84 808 880,50**	#DIV/0!	**84 808 880,50**
Water management		518 865 458,93	-	-	84 722 631,61	84 722 631,61	-	84 722 631,61	#DIV/0!	84 722 631,61
Waste water management		980 831,93	-	-	86 248,89	86 248,89	-	86 248,89	#DIV/0!	86 248,89
Total Revenue - Functional	2,00	**1 909 649 663,69**	**1 932 472 935,00**	**1 932 472 935,00**	**104 196 803,33**	**104 196 803,33**	**161 039 396,00**	**- 56 842 592,67**	**- 0,35**	**2 017 281 815,50**
Expenditure - Functional										
Governance and administration		**589 342 754,64**	**743 666 394,00**	**743 666 394,00**	**34 186 481,63**	**34 186 481,63**	**61 972 336,00**	- 27 785 854,37	- 0,45	**743 666 394,00**
Executive and council		234 443 371,17	252 282 241,00	252 282 241,00	14 503 395,57	14 503 395,57	21 023 595,00	- 6 520 199,43	- 0,31	252 282 241,00
Finance and administration		354 899 383,47	491 384 153,00	491 384 153,00	19 683 086,06	19 683 086,06	40 948 741,00	- 21 265 654,94	- 0,52	491 384 153,00
Economic and environmental services		**32 625 259,77**	**48 852 258,00**	**48 852 258,00**	**1 070 522,62**	**1 070 522,62**	**4 071 056,00**	- 3 000 533,38	- 0,74	**48 852 258,00**
Planning and development		32 625 259,77	48 852 258,00	48 852 258,00	1 070 522,62	1 070 522,62	4 071 056,00	- 3 000 533,38	- 0,74	48 852 258,00
Trading services		**789 884 440,43**	**704 872 983,00**	**704 872 983,00**	**61 203 840,96**	**61 203 840,96**	**58 739 463,00**	**2 464 377,96**	0,04	**63 149 380,96**
Water management		789 884 440,43	702 927 443,00	702 927 443,00	61 203 840,96	61 203 840,96	58 577 328,00	2 626 512,96	0,04	61 203 840,96
Waste water management		-	1 945 540,00	1 945 540,00	-	-	162 135,00	- 162 135,00	- 1,00	1 945 540,00
Total Expenditure - Functional	**3,00**	**1 411 852 454,84**	**1 497 391 635,00**	**1 497 391 635,00**	**96 460 845,21**	**96 460 845,21**	**124 782 855,00**	**- 28 322 009,79**	**- 0,23**	**855 668 032,96**
Surplus/ (Deficit) for the year		**497 797 208,85**	**435 081 300,00**	**435 081 300,00**	**7 735 958,12**	**7 735 958,12**	**36 256 541,00**	**- 28 520 582,88**	**- 0,79**	**1 161 613 782,54**

DC47 Sekhukhune - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
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 - Water		83 704 255,73	97 978 765,00	97 978 765,00	8 003 969,04	8 003 969,04	8 164 895,00	- 160 925,96	- 0,02	97 978 765,00
Service charges - Waste Water Management		13 510 097,08	18 622 780,00	18 622 780,00	4 897 046,87	4 897 046,87	1 551 897,00	3 345 149,87	2,16	4 897 046,87
Sale of Goods and Rendering of Services		1 216 257,77	2 381 785,00	2 381 785,00	127 191,53	127 191,53	198 480,00	- 71 288,47	- 0,36	2 381 785,00
Interest earned from Receivables		40 417 628,17	49 416 620,00	49 416 620,00	3 208 504,63	3 208 504,63	4 118 051,00	- 909 546,37	- 0,22	49 416 620,00
Interest from Current and Non Current Assets		31 718 302,47	53 521 655,00	53 521 655,00	2 593 827,27	2 593 827,27	4 460 137,00	- 1 866 309,73	- 0,42	53 521 655,00
Operational Revenue		1 195,85	58 332,00	58 332,00	-	-	4 859,00	- 4 859,00	- 1,00	58 332,00
Non-Exchange Revenue								-		
Surcharges and Taxes		-	3 886,00	3 886,00	-	-	323,00	- 323,00	- 1,00	3 886,00
Fines, penalties and forfeits		244 545,00	658 338,00	658 338,00	18 778,40	18 778,40	54 861,00	- 36 082,60	- 0,66	658 338,00
Licence and permits								-		
Transfers and subsidies - Operational		1 240 738 616,72	1 313 907 500,00	1 313 907 500,00	1 863 346,09	1 863 346,09	109 492 289,00	-107 628 942,91	- 0,98	1 313 907 500,00
Interest		1 950 680,71	-	-	175 353,57	175 353,57	-	175 353,57	#DIV/0!	175 353,57
Operational Revenue		3 236 620,44	-	-	279 649,24	279 649,24	-	279 649,24	#DIV/0!	279 649,24
Gains on disposal of Assets		-	730 774,00	730 774,00	-	-	60 897,00	- 60 897,00	- 1,00	730 774,00
Other Gains		345 000,00	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		**1 417 083 199,94**	**1 537 280 435,00**	**1 537 280 435,00**	**21 167 666,64**	**21 167 666,64**	**128 106 689,00**	**-106 939 022,36**	**- 0,83**	**1 524 009 704,68**
Expenditure By Type										
Employee related costs		446 841 813,61	471 734 251,00	471 734 251,00	37 523 477,48	37 523 477,48	39 311 290,00	- 1 787 812,52	- 0,05	471 734 251,00
Remuneration of councillors		15 466 971,91	20 163 998,00	20 163 998,00	1 305 370,91	1 305 370,91	1 680 345,00	- 374 974,09	- 0,22	20 163 998,00
Inventory consumed		263 011 638,76	159 929 469,00	159 929 469,00	31 045 526,53	31 045 526,53	13 327 461,00	17 718 065,53	1,33	31 045 526,53
Depreciation and amortisation		-	100 607 831,00	100 607 831,00	-	-	8 383 990,00	- 8 383 990,00	- 1,00	100 607 831,00
Interest		-	119 587,00	119 587,00	-	-	9 966,00	- 9 966,00	- 1,00	119 587,00
Contracted services		426 630 737,27	464 812 616,00	464 812 616,00	9 833 042,00	9 833 042,00	38 734 438,00	- 28 901 396,00	- 0,75	464 812 616,00
Transfers and subsidies		19 584 854,73	20 950 000,00	20 950 000,00	-	-	1 745 834,00	- 1 745 834,00	- 1,00	20 950 000,00
Irrecoverable debts written off		-	5 954 454,00	5 954 454,00	-	-	496 205,00	- 496 205,00	- 1,00	5 954 454,00
Operational costs		240 316 438,56	253 119 429,00	253 119 429,00	16 753 428,29	16 753 428,29	21 093 326,00	- 4 339 897,71	- 0,21	253 119 429,00
Total Expenditure		**1 411 852 454,84**	**1 497 391 635,00**	**1 497 391 635,00**	**96 460 845,21**	**96 460 845,21**	**124 782 855,00**	**- 28 322 009,79**	**- 0,23**	**1 368 507 692,53**
Surplus/(Deficit)		**5 230 745,10**	**39 888 800,00**	**39 888 800,00**	**- 75 293 178,57**	**- 75 293 178,57**	**3 323 834,00**	**- 78 617 012,57**	**- 23,65**	**155 502 012,15**
Transfers and subsidies - capital (monetary		491 040 656,45	395 192 500,00	395 192 500,00	82 923 189,55	82 923 189,55	32 932 707,00	49 990 482,55	**1,52**	82 923 189,55
Transfers and subsidies - capital (in-kind)		1 525 807,30	-	-	105 947,14	105 947,14	-	105 947,14	**#DIV/0!**	105 947,14
Surplus/ (Deficit) for the year		**497 797 208,85**	**435 081 300,00**	**435 081 300,00**	**7 735 958,12**	**7 735 958,12**	**36 256 541,00**	**- 28 520 582,88**	**- 0,79**	**238 531 148,84**

DC47 Sekhukhune - Table C6 Monthly Budget Statement - Financial Position - M01 July

Description	Ref	2025/26	Budget Year 2026/27			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1,00					
ASSETS						
Current assets						
Cash and cash equivalents		115 509 400,01	634 224 289,00	634 224 289,00	- 116 265 603,83	634 224 289,00
Trade and other receivables from exchange transactions		184 586 442,05	203 763 100,00	203 763 100,00	172 961 540,86	203 763 100,00
Receivables from non-exchange transactions		30 702 020,18	-	-	31 038 658,72	31 038 658,72
Inventory		- 5 017 552,51	243 985 999,00	243 985 999,00	- 9 430 881,60	243 985 999,00
VAT		93 908 923,78	-	-	120 738 226,49	120 738 226,49
Other current assets		19 115 355,20	85 671 417,00	85 671 417,00	19 250 669,09	85 671 417,00
Total current assets		**438 804 588,71**	**1 167 644 805,00**	**1 167 644 805,00**	**218 292 609,73**	**1 319 421 690,21**
Non current assets						
Property, plant and equipment		6 204 797 531,39	5 607 531 083,00	5 607 531 083,00	6 307 247 073,65	6 307 247 073,65
Heritage assets		746 801,50	-	-	746 801,50	746 801,50
Total non current assets		**6 205 544 333,36**	**5 607 531 083,00**	**5 607 531 083,00**	**6 307 993 875,62**	**6 307 993 875,62**
TOTAL ASSETS		**6 644 348 922,07**	**6 775 175 888,00**	**6 775 175 888,00**	**6 526 286 485,35**	**7 627 415 565,83**
LIABILITIES						
Current liabilities						
Consumer deposits		6 485 349,77	- 67 463 666,00	- 67 463 666,00	6 500 838,35	- 6 500 838,35
Trade and other payables from exchange transactions		732 226 592,02	360 136 777,00	360 136 777,00	608 082 501,18	360 136 777,00
Trade and other payables from non-exchange transactions		- 16 564 900,11	- 20 950 000,00	- 20 950 000,00	- 20 342 435,75	20 342 435,75
Provision		14 531 851,19	-	-	14 531 851,19	-
VAT		118 738 242,59	-	-	120 845 985,65	-
Total current liabilities		**855 417 135,46**	**271 723 111,00**	**271 723 111,00**	**729 618 740,62**	**373 978 374,40**
Non current liabilities						
Financial liabilities		218 683,59	-	-	218 683,59	-
Provision		25 810 619,41	-	-	25 810 619,41	-
Total non current liabilities		**26 029 303,00**	**-**	**-**	**26 029 303,00**	**-**
TOTAL LIABILITIES		**881 446 438,46**	**271 723 111,00**	**271 723 111,00**	**755 648 043,62**	**373 978 374,40**
NET ASSETS	2,00	**5 762 902 483,61**	**6 503 452 777,00**	**6 503 452 777,00**	**5 770 638 441,73**	**7 253 437 191,43**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		6 000 763 868,98	6 068 371 477,00	6 068 371 477,00	5 770 638 441,73	6 068 371 477,00
TOTAL COMMUNITY WEALTH/EQUITY	2,00	**6 000 763 868,98**	**6 068 371 477,00**	**6 068 371 477,00**	**5 770 638 441,73**	**6 068 371 477,00**

DC47 Sekhukhune - Table C7 Monthly Budget Statement - Cash Flow - M01 July

Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1,00								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Service charges		57 074 621,34	74 558 311,00	74 558 311,00	9 036 744,46	9 036 744,46	6 213 192,58	2 823 551,88	0,45	9 036 744,46
Other revenue		868 165 609,21	3 792 706,00	3 792 706,00	696 615 669,81	696 615 669,81	316 058,82	696 299 610,99	2 203,07	696 615 669,81
Transfers and Subsidies - Operational		1 384 067 438,78	1 313 907 500,00	1 313 907 500,00	-	-	109 492 291,67	-109 492 291,67	- 1,00	1 313 907 500,00
Transfers and Subsidies - Capital		483 976 739,04	395 192 500,00	395 192 500,00	81 009 000,00	81 009 000,00	32 932 708,34	48 076 291,66	1,46	81 009 000,00
Interest		30 132 654,36	53 521 655,00	53 521 655,00	2 567 652,66	2 567 652,66	4 460 137,92	- 1 892 485,26	- 0,42	53 521 655,00
Payments										
Suppliers and employees		-1 675 836 180,61	-1 395 799 092,00	-1 395 799 092,00	-232 190 163,87	-232 190 163,87	-116 316 591,02	115 873 572,85	- 1,00	-1 395 799 092,00
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1 147 580 882,12**	**445 173 580,00**	**445 173 580,00**	**557 038 903,06**	**557 038 903,06**	**37 097 798,31**	**-519 941 104,75**	**- 14,02**	**758 291 477,27**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	730 774,00	730 774,00	-	-	60 897,83	- 60 897,83	- 1,00	730 774,00
Payments										
Capital assets		- 612 266 808,94	- 433 282 990,00	- 433 282 990,00	-102 449 542,26	-102 449 542,26	- 36 106 915,85	66 342 626,41	- 1,84	- 433 282 990,00
NET CASH FROM/(USED) INVESTING ACTIVITIES		**- 612 266 808,94**	**- 432 552 216,00**	**- 432 552 216,00**	**-102 449 542,26**	**-102 449 542,26**	**- 36 046 018,02**	**66 403 524,24**	**- 1,84**	**- 432 552 216,00**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Increase (decrease) in consumer deposits		214 803,61	-	-	15 488,58	15 488,58	-	15 488,58	#DIV/0!	15 488,58
NET CASH FROM/(USED) FINANCING ACTIVITIES		**214 803,61**	**-**	**-**	**15 488,58**	**15 488,58**	**-**	**- 15 488,58**	**#DIV/0!**	**15 488,58**
NET INCREASE/ (DECREASE) IN CASH HELD		**535 528 876,79**	**12 621 364,00**	**12 621 364,00**	**454 604 849,38**	**454 604 849,38**	**1 051 780,29**			**325 754 749,85**
Cash/cash equivalents at beginning:		391 481 179,95	567 001 000,00	567 001 000,00	115 509 400,01	115 509 400,01	567 001 000,00			115 509 400,01
Cash/cash equivalents at month/year end:		927 010 056,74	579 622 364,00	579 622 364,00	570 114 249,39	570 114 249,39	568 052 780,29			441 264 149,86

D. Primary Bank Balances

Name of institution	Cash in the bank on 31st July 2026
Standard Bank	R 1 693 295,38

`	R
Bank statement balance (closing balance per B/S before adjusting to C/B)	1 693 295,38
Reconciling items:	
uncashed cheques	
uncashed ACBs	- 26 396 625,99
Undeposited receipts	405 338,82
Partially undeposited receipt	170 170,54
Miscellaneous charge	423 227,44
unreconciled on statement Deposit	- 534 450 048,39
Partially unreconciled on statement Deposit	- 41 364,96
unreconciled on statement transfers	
Adjusted statement C/F	**- 558 196 007,16**
cashbook account B/F	- 275 345 199,73
reconciled bank Charges	- 282 854 546,76
cashbook account C/F	**- 558 199 746,49**
In Cashbook not GL -Already reconciled ACBs	
In Cashbook Not GL - Already reconciled Cheques	
In cashbbook not GL -ACBs	
In Cashbook Not GL - CANCELED ACBs	
In GL Not Cashbook -ACBs	
In Cashbook Not GL - Deleted ACBs	
adjusted cashbook Account C/F	**- 558 199 746,49**
Difference	**3 739,33**

E. Short-term Investment Register

INVESTMENT REGISTER - 31 JULY 2026					
	RATE	ACCOUNT NUMBER			JULY
FNB	6,85%	62858613980		NEW	
			OPENING	34055053310ZZZZZZZWD	104 447 924,15
			ADDITIONS	34055053320ZZZZZZZWD	11 218 596,35
			WITHDRAWAL	34055053330ZZZZZZZWD	- 32 200 000,00
			SERVICE FEE	34055053350ZZZZZZZWD	-
			INTEREST	34055053340ZZZZZZZWD	450 053,63
					83 916 574,13
	RATE	ACCOUNT NUMBER			
STANDARD BANK	7%	238 890 708 008		NEW	
			OPENING	34055053010ZZZZZZZWD	8 111 776,36
			ADDITIONS	34055053020ZZZZZZZWD	240 000 000,00
			WITHDRAWAL	34055053030ZZZZZZZWD	- 105 500 000,00
			INTEREST	34055053040ZZZZZZZWD	901 267,27
					143 513 043,63
	RATE	ACCOUNT NUMBER			
NEDBANK BANK		03/7881071850		NEW	
			OPENING	34055053110ZZZZZZZWD	1 133 042,19
			ADDITIONS	34055053120ZZZZZZZWD	-
			WITHDRAWAL	34055053130ZZZZZZZWD	-
			INTEREST	34055053140ZZZZZZZWD	6 639,89
					1 139 682,08
	RATE	ACCOUNT NUMBER			
ABSA BANK		9368456281		NEW	
			OPENING	34055053210ZZZZZZZWD	1 203 208,66
			ADDITIONS	34055053220ZZZZZZZWD	250 000 000,00
			WITHDRAWAL	34055053230ZZZZZZZWD	- 39 000 000,00
			SERVICE FEE	34055053250ZZZZZZZWD	-
			INTEREST	34055053240ZZZZZZZWD	1 160 616,71
					213 363 825,37
					JULY
				INTEREST	**2 518 577,50**
				SHORT-TERM INVESTMENT	**441 933 125,21**

DC47 Sekhukhune - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M01 July													
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate [a]	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months										
Municipality												
FNB		6 Months	Short Term	No	Fixed	6,85	Call Account	104 447 924,15	450 053,63	- 32 200 000,00	11 218 596,35	**83 916 574,13**
STANDARD BANK		Call Account	Short Term	No	Fixed	7	Call Account	8 111 776,36	901 267,27	- 105 500 000,00	240 000 000,00	**143 513 043,63**
NEDBANK		Call Account	Short Term	No	Fixed	6,9	Call Account	1 133 042,19	6 639,89	-	-	**1 139 682,08**
ABSA BANK		Call Account	Short Term	No	Fixed	7,65	Call Account	1 203 208,66	1 160 616,71	- 39 000 000,00	250 000 000,00	**213 363 825,37**
												-
TOTAL INVESTMENTS AND INTEREST	2							**114 895 951,36**	**2 518 577,50**	**- 176 700 000,00**	**501 218 596,35**	**441 933 125,21**

I. EXPENDITURE MANAGEMENT

Hereunder is an analysis of creditor's payments for the month of July 2026, the quantity of the invoices, their percentage and the total amount in rand value, the creditors' age analysis report and third-party payments.

*Table 13: SDM Total Payment Summary and Overall performance of paid and unpaid invoices in quantity - **July 2026***

Month: July 2026	Total Number of valid and complete invoices Received	Total Number of paid invoices	Variance
Number of Invoices	**88**	**88**	**0**
Percentage	**100%**	**100%**	**0%**

The above table shows that invoices 88 received for the month of July 2026 were valid and complete invoices and were paid within 30 days.

*Table 14: Overall Summary of paid invoices in rand value- **July 2026***

Months	Rand value of amount paid	No. of items paid
July	**R**	
Invoices 211 **Value of R 205 915 893,37**	**R111 989 409,45**	**88**
100%	**54%**	**42%**

Table 15: Invoices Paid within 30 days.

Month: July 2026	Total Number of valid and complete invoices Received	Total Number of valid and complete invoices paid within 30 days
Invoices received	**211**	**88**
Percentage	**100%**	**42%**

Refer to attached **ANNEXURE A** for a list of invoices paid within 30 days in the month of July 2026.

Invoices Paid within 30days .xlsx

Table 16: Unpaid invoices

Month: July 2026	Total number of invoices Received	Total Number of invalid and Incomplete invoices
Overall Invoices received	**211**	**123**
Percentage	**100%**	**44%**

A total number of invalid, and incomplete invoices were (123) and as such, were not paid for reasons such as requests for payment not yet signed, GRN’s not generated, and invoices related queries. Refer to a list of such invoices below and the reasons thereof:

SEE THE ATTACHED ANNEXURE B

INVOICE TRACKER REPORT: OUTSTANDING INVOICES AS AT 31st July 2026

Outstanding Invoices
as of 30th June 2026.

TOTAL VALUE OF INVOICES RECEIVED	TOTAL VALUE OF INVALID AND INCOMPLETE INVOICES THAT WERE NOT PAID
Invoices: 211 **Value of R 205 915 893,37**	**Invoices: 123** **Value of R 93 926 483,92**
46%	**58%**

*Table 17: Number of Purchase Order Payment v/s Sundry Payment/ Third parties and Projects (**July 2026)***

Payment Method	Value	Number
Purchase Orders	23 339 823,85	111
Sundry Purchases	11 925 711,58	35
Projects	76 723 874,02	65
Third Parties	9 418 540,01	21
Total	**121 407 949,46**	**232**

CREDITORS AGE ANALYSIS REPORT DATED 31st July 2026

```
CRRO7002                                  ** SEKHUKHUNE SCOA PRODUCTION **              03 August 2026          07:55:13
HR191                                 Creditor Age Analysis for Selected Date                                Page       4
-----------------------------------------------------------------------------------------------------------------------------------
Company Type: A From Supplier No:         Company........:    Analyse As At Date: 20260731 Start Period: 202607 End Period: 202607
Report Type.: D To Supplier No..:         Report Sequence: T  File Name.........: cred_age.txt                   Year End:
Detail Work File..: hr191mpo.txt          File Y/N.......: Y     HDR: Y
Orders......: X GRN's/Returns...: X       Invoices.......: X  Debit/Credit Notes: X    Payment Vouchers: X   Location Code:
-----------------------------------------------------------------------------------------------------------------------------------
Deliveries
-----------------------------------------------------------------------------------------------------------------------------------
Supplier No and Name                                        Current         30 Days         60 Days         90 Days+          Total
-----------------------------------------------------------------------------------------------------------------------------------
       00044740           00044749

ASH001 ASHCOR TRAVELS PTY LTD                              10612.20            0.00            0.00            0.00        10612.20
-----------------------------------------------------------------------------------------------------------------------------------
       00044712

UCT002 UNIVERSITY OF CAPE TOWN                             37530.00            0.00            0.00            0.00        37530.00
-----------------------------------------------------------------------------------------------------------------------------------
       00044753

VIS002 VISION PRINT (PTY)LTD (2007/011165/07)              16365.94            0.00            0.00            0.00        16365.94
-----------------------------------------------------------------------------------------------------------------------------------
-----------------------------------------------------------------------------------------------------------------------------------
Total Deliveries          Count:          4 :               64508.14            0.00            0.00            0.00        64508.14
-----------------------------------------------------------------------------------------------------------------------------------
```

BULK PURCHASES AGE ANALYSIS AS AT 31st July 2026

BULK WATER AGE ANALYSIS REPORT DATED 31 JULY 2026

Count	Supplier Name	PRIOR- YEAR INVOICES AGEING				CURRENT YEAR INVOICES (2025/26) AGEING					Closing Bal
		OPENING	PAYMENT	ADJ/INT	BAL	Current	30 Days	60 Days	90 Days+	Total	
	BULK WATER CONSUMPTION										
1	NMS LEPELLE NORTHERN WATER	269 743 266,27	(61 038 811,35)	-	**208 704 454,92**	-	-	-	-	-	**208 704 454,92**
2	WATER & SANITATION DEPARTMENT	33 698 807,82	(276 633,14)	-	**33 422 174,68**	-	-	-		-	**33 422 174,68**
3	NJ VAN DER WAL	205 754,00	(205 754,00)	-	-	-	-	-		-	-
4	WINTERBACH ATTORNEYS (MADELEEN)	363 239,38	-	-	**363 239,38**	-	-	-		-	**363 239,38**
5	DR JS MOROKA LOCAL MUNICIPALITY	-	-	-	-	-	-	-		-	-
	TOTAL BULK WATER CONSUMPTION	**304 011 067,47**	**(61 521 198,49)**	**-**	**242 489 868,98**	**-**	**-**	**-**	**-**	**-**	**242 489 868,98**
	OPERATIONS & MAINTENANCE										
6	NMS LEPELLE NORTHERN WATER (O&M)		-	-		-					
	TOTAL OPERATIONS & MAINTENANCE	**-**	**-**	**-**		**-**	**-**	**-**	**-**	**-**	**-**
	TANKERING										
7	NGOATO LE NAREADI	8 598 873,75	(8 598 873,75)	-	-	-	-	-		-	-
8	DIKGALE AND SEBEGO	3 169 516,73	(3 169 516,73)	-	-	-	-	-		-	-
9	FITO AND SONS	3 914 600,00	(3 914 600,00)								
10	NKOTO CATERING & PROJECTS	3 434 365,25	(3 434 365,25)	-	-	-	-	-		-	-
		19 117 355,73	**(19 117 355,73)**	**-**	**-**	**-**				**-**	**-**
TOTAL BULK WATER REPORT AS AT 31 JULY '26		**323 128 423,20**	**(80 638 554,22)**	**-**	**242 489 868,98**	**-**	**-**	**-**	**-**	**-**	**242 489 868,98**

II. REVENUE MANAGEMENT

EXPLANATION OF REVENUE PROJECTION: SEE THE ABOVE TABLE:

METER READING STATUS REPORT

Table B: Meter reading status report

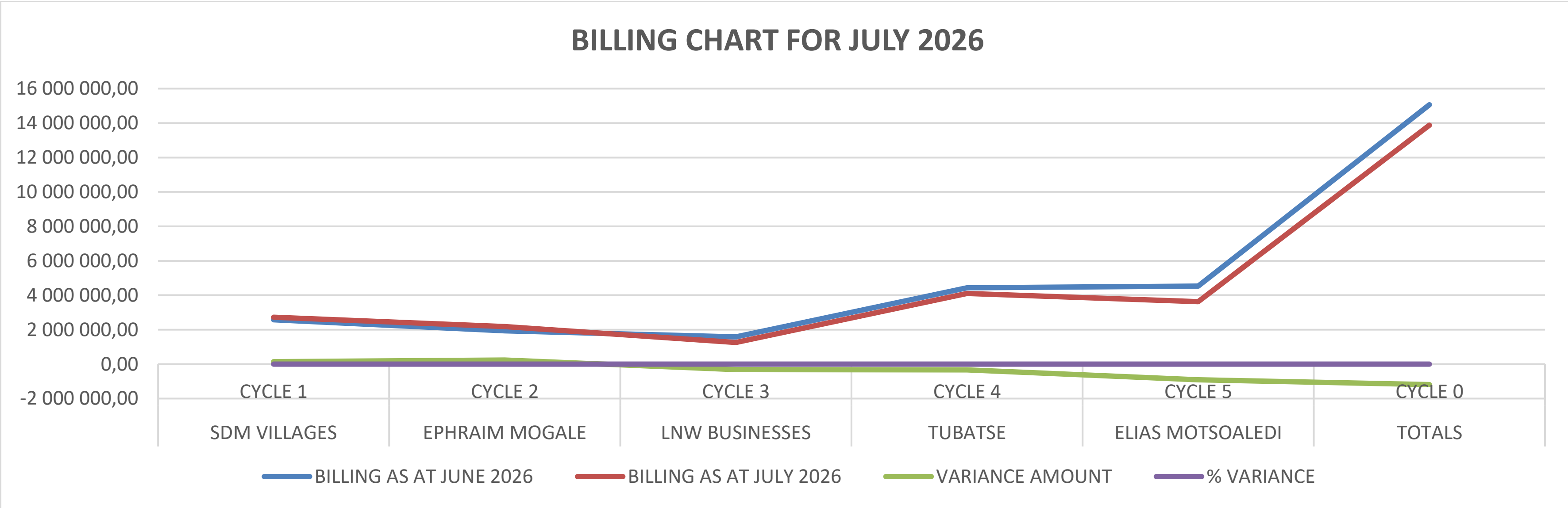
METER READING STATUS REPORT: THE REASONS OF VARIANCES:

Cycle	Meter Book			Meters read		% Read			Meters Not Accessed	
	26-May	26-Jun	26-Jul	26-May	26-Jun	26-July	Obtained Readings JULY-26	% Read JULY 2026	Qty	%
1	85	85	86	39	39	38	38	0,91%	4149	99,09%
2	1241	1234	1291	1161	1148	1210	1210	93,73%	81	6,27%
3	1492	1492	1492	794	802	802	802	53,75%	690	46,25%
4	4266	4302	4187	3077	3212	3152	3152	75,28%	1035	24,72%
5	2808	2831	2848	2310	2355	2342	2342	82,23%	506	17,77%
Total	**9807**	**9859**	**9818**	**7381**	**7556**	**7544**	**7544**	**76,84%**	**2274**	**23,16%**

Description	Explanation of report	Challenges	Remedial action
Meter reading report for period of July 2026	7 544 meters were read for the month of July 2026 and 7 556 in June 2026. There was a slight increase in cycles 2 for meters read.	• Lack of water/ shortages In the Areas • Lack of material to replace /repair faulty meters • Meters are stolen in various areas	• Increase water capacity provision to some areas • Fast track the procurement of spares • Replace the Copper meters with plastic meters

VARIANCES FOR BILLING

TOWN/ MUNICIPALITY	CYCLE	BILLING AS AT JUNE 2026	BILLING AS AT JULY 2026	VARIANCE AMOUNT	% VARIANCE
SDM VILLAGES	CYCLE 1	2 573 032,06	2 721 640,67	148 608,61	6%
EPHRAIM MOGALE	CYCLE 2	1 937 249,98	2 175 402,34	238 152,36	12%
LNW BUSINESSES	CYCLE 3	1 582 438,85	1 258 408,71	-324 030,14	-20%
TUBATSE	CYCLE 4	4 438 336,22	4 099 822,99	-338 513,23	-8%
ELIAS MOTSOALEDI	CYCLE 5	4 531 607,47	3 620 684,08	-910 923,39	-20%
TOTALS	**CYCLE 0**	**15 062 664,58**	**13 875 958,79**	**-1 186 705,79**	-8%

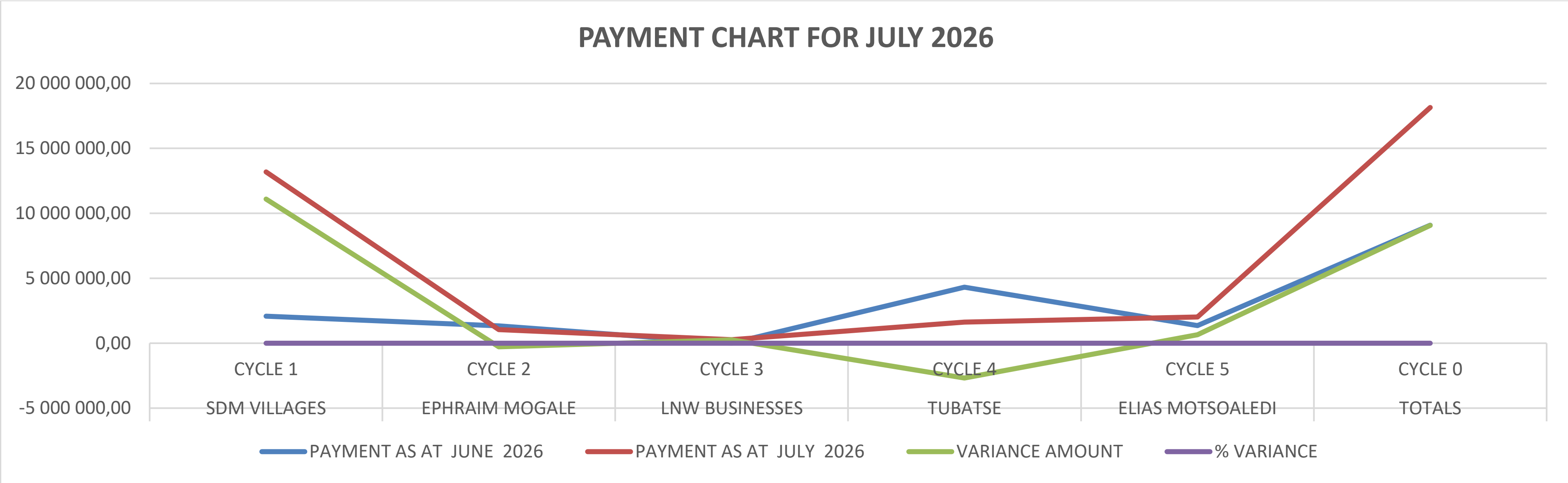


Description	Explanation of report	Challenges	Remedial action
Billing report for period of July 2026	Billing overall has decreased by R1 186 705 from R15 062 664 in June 2026 to R13 875 958 in July 2026. There is an increase in billing in cycles 1 & 2.	• Billing of average where meters could not be read • Faulty and stolen meters • residents in some areas are refusing meter readers to take the readings	• Fast track taking of actual readings in accessible areas • Replace coper meters with plastic meters • Political intervention required

RECEIPTS REPORT

THE REASONS FOR VARIANCES

TOWN/ MUNICIPALITY	CYCLE	PAYMENT AS AT JUNE 2026	PAYMENT AS AT JULY 2026	VARIANCE AMOUNT	% VARIANCE
SDM VILLAGES	CYCLE 1	2 081 114,98	13 178 536,08	11 097 421,10	533,24%
EPHRAIM MOGALE	CYCLE 2	1 332 903,08	1 051 648,06	-281 255,02	-21,10%
LNW BUSINESSES	CYCLE 3	7 677,81	272 411,26	264 733,45	3448,03%
TUBATSE	CYCLE 4	4 313 741,54	1 633 801,94	-2 679 939,60	-62,13%
ELIAS MOTSOALEDI	CYCLE 5	1 351 487,10	2 012 561,21	661 074,11	48,91%
TOTALS	**CYCLE 0**	**9 086 924,51**	**18 148 958,55**	**9 062 034,04**	**99,73%**

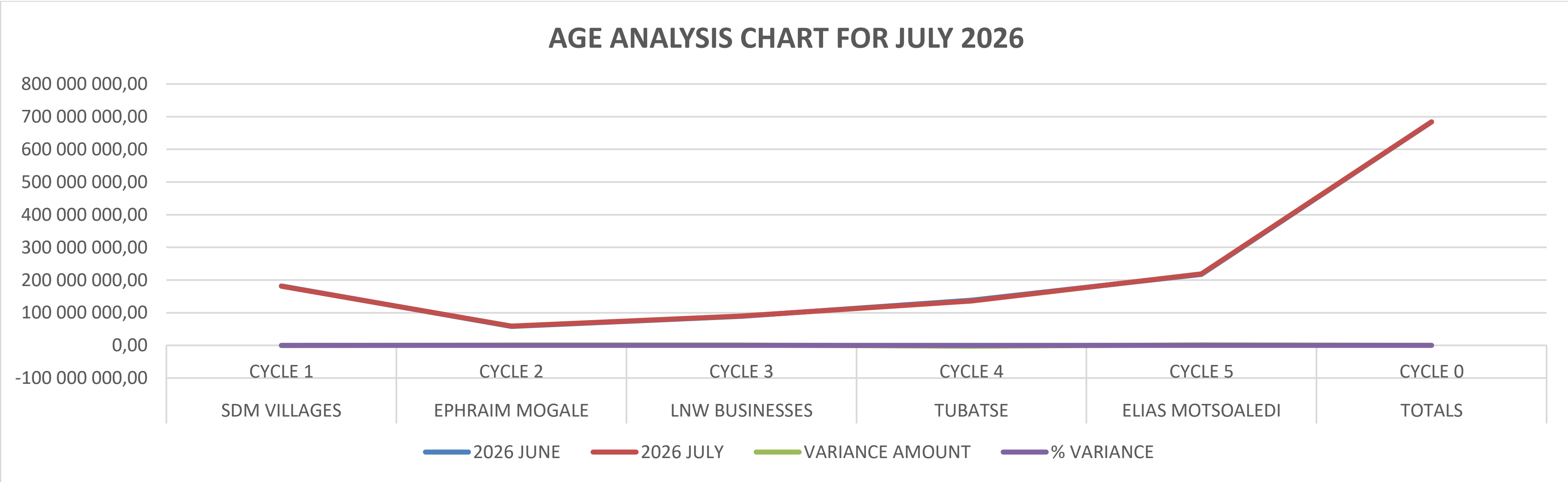


Description	Explanation of report	Challenges	Remedial action
Receipts report for period of July 2026	Receipts have increased by R9 062 034 from R9 086 924 in June 2026 to R18 148 958 in July 2026. Cycle 2 & 4 showed a drop in collection. R11 million comes from Modikwa mine.	• Culture of non-payment in most arears • Lack of internal capacity to effect the disconnections • Uncleansed Customer data	• Outreach consultations with customers, and convenient payment methods • scope of appointed provider for meter reading includes disconnections and reconnections • Perform data cleansing

AGE ANALYSIS VARIANCES

THE REASONS FOR VARIANCES

TOWN/ MUNICIPALITY	CYCLES	2026 JUNE	2026 JULY	VARIANCE AMOUNT	% VARIANCE
SDM VILLAGES	CYCLE 1	181 778 850,29	180 964 753,13	-814 097,16	-0,45%
EPHRAIM MOGALE	CYCLE 2	57 940 787,06	59 077 637,30	1 136 850,24	1,96%
LNW BUSINESSES	CYCLE 3	88 801 843,48	89 924 781,10	1 122 937,62	1,26%
TUBATSE	CYCLE 4	138 210 063,21	135 574 009,75	-2 636 053,46	-1,91%
ELIAS MOTSOALEDI	CYCLE 5	217 015 760,14	218 648 006,34	1 632 246,20	0,75%
TOTALS	**CYCLE 0**	**683 747 304,18**	**684 189 187,62**	**441 883,44**	**0,06%**



Description	Explanation of report	Challenges	Remedial action
Age analysis report for end of July 2026	The ageing report has increased by R441 883 due high collection and adjustments for the month.	• Culture of non-payments in the village • Lack of internal Capacity to do restrictions/disconnections	Outreach consultation with customers The scope of meter readers to do disconnections

MATTERS OF INTEREST AS AT END JULY 2026

OTHER MATTERS RELATING TO STRENGTHENING OF REVENUE COLLECTION PROCESSES

- **SITA** there were 8 978 electronic email statements sent for the month of July 2026 and 5 395 sms account balance updates were sent in July 2026.
- Africa Meter reading has been reading and doing maintenance since January 2024.
- There are fourteen areas that were identified and will be billed at flat rate as soon as data collections is in Progress.
- There are two of the fourteen areas (Mapodile and Elansdooring) remaining for Stakeholders consultation.

  and dates are to be rescheduled consultation with MMC IWS and MMC BTO
- As at end of July 2026 debtors were 71 164.

III. Supply Chain Management

A. Deviation Register as at 31st July 2026

Deviation Register as at 31 July 2026							
Financial Year / Period of Incident	Description (What was paid for)	Contractor / Service provider	Contract number	Invoice date	Invoice number	Amount	Payment batch number
Regulation 36 (1) (a) (i) A supply chain management policy may allow the accounting							
						-	
						-	
						-	
Regulation 36 (1) (a) (b) (ii) A supply chain management policy may allow the accounting							
						-	
						-	
						-	
Regulation 36 (1) (a) (v) A supply chain management policy may allow the accounting officer, in any other exceptional case where it is impractical or impossible to follow the official procurement processes							
			TOTAL Deviations			R0,00	

Deviations for the month ended 31st July 2026 = R0,00

F. Unauthorized, Irregular, Fruitless and Wasteful Expenditure

Irregular Expenditure for the Month of July 2026 = R0,00

Name of Municipality: SEKHUKHUNE DISTRICT MUNICIPALITY							
No	Transaction details				Person Liable (Official or Political Office Bearer)	Type of Prohibited Expenditure	Status
	Date of Payment	Payment Number	Amount	Description of Incident			UI
							X
			-				

Unauthorized Expenditure for the month of July 2026 = R0,00

Unauthorised Exepnditure listing as at 31 July 2026							
Financial Year/Period of Incident	Invoice number	Amount	Date of Discovery	Date reported to Accouting officer	Date of payment	Payment number	UP
None	None	-	None	None	None	None	
	TOTAL AMOUNT	-					

Fruitless and wasteful Expenditure for the month of July 2026 = R0,00

Name of Municipality: SEKHUKHUNE DISTRICT MUNICIPALITY							
No	Transaction details				Person Liable (Official or Political Office Bearer)	Type of Prohibited Expenditure	Status
	Date of Payment	Payment Number	Amount	Description of Incident			UI
1					CPS	Fruitless & Wasteful Expenditure	X
	TOTAL AMOUNT		R -				

B. The Competitive Bidding Processes

The municipality processed 5 requisitions of goods and services through the competitive bidding processes as at the month of July 2026. There are 05 bid processes are still in the specification committee while 01 is still in progress and 002 have been referred for re-advert. 04 tenders have been awarded as at 31st July 2026.

COMPETITIVE BIDDING PROCESSES					
Bids Specifications					
No.	**Bid No.**	**Description of Service**	**Specifications Date**	**Advertisement Date**	**Closing Date of Advert**
1	SK8/3/1-05/2026/2027	Re-Advertisement: Supply, Deliver, and Install Security Fencing at the Jane Furse RDP Sewage Ponds (Once-Off).	13/07/2026	17/07/2026	04/08/2026
2	SK8/3/1-04/2026/2027	Development and Implementation of Rural Roads Management System (RRAMS) for SDM for(3) years.	22/06/2026	13/07/2026	18/08/2026
3	SK8/3/1-03/2026/2027	Panel of Electro-Mechanical Terms Contract for Sekhukhune District Municipality for a period of three (3) years.	07/07/2026	13/07/2026	17/08/2026
4	SK8/3/1-01/2026/2027	Provision of Personal Protective Equipment (PPE) for SDM Employees for a Period of Three (3) Years.	01/07/2026	03/07/2026	12/08/2026
5	SK8/3/1-02/2026/2027	Re-Advertisement:Provision of Fuel and Lubricants for Diesel- and Petrol-Driven Water Infrastructure in the O&M Division for 3 Years	01/07/2026	03/07/2026	12/08/2026
Bids Evaluation					
No.	**Bid No.**	**Description of Service**	**Evaluation received**	**Date Received**	**Date Completed**
1	SK8/3/1-35/2025/2026	Asbestos Removal from Elokshini at JS Moroka 5 Portion	Yes	22/06/2026	In-progress
Bids Adjudication					
No.	**Bid No.**	**Description of Service**	**Adjudication received**	**Date Received**	**Date Completed**
1	SK8/3/1-36/2025/2026	Supply, Delivery and Installation of Security Fencing at the Jane Furse RDP Sewege Ponds (Once-Off)	Yes	30/06/2026	Re-advertised
2	SK8/3/1-33/2025/2026	Provision of Fuel and Lubricants for Diesel- and Petrol-Driven Water Infrastructure in the O&M Division for 3 years	Yes	25/06/2026	Re-advertised

MFMA Section 71 financial reporting – July 2026/2027 financial year

		Awarded Tenders				
No.	**No.**	**Description of Service**	**Awarded received**	**Adjudication Date**	**Date Awarded**	**Awarded Bidder**
1	SK8/3/1-34/2025/2026	Supply and Development of Customised GRAP 104 Compliant Expected Credit Loss Model for Receivables and Other Financia	Yes	01/07/2026	02/07/2026	TJ Rasimeni Chartered Accountant
2	SK8/3/1-30/2025/2026	Skills Development Providers for the Establishment of Database for Period of Three Years	Yes	20/07/2026	21/07/2026	5.Moepathutse JV Pfuneka R.A, 6. DSM Finance & Risks Solutions, 7. Striving Mind Trading, 8. Dignity Supply and Projects, 9. VPK Business Venture.
3	SK8/3/1-32/2025/2026	Laboratory Services to Analyse Water and Food Samples to Produce Certificates of Analysis Reports for(3) Years	Yes	20/07/2026	21/07/2026	Muratho Laboratory Services
4	SK8/3/1-37/2025/2026	Supply, Delivery, and Installation of CCTV Cameras Security Services In All Municipal Offices (Once-Off).	Yes	20/07/2026	21/07/2026	PMH Group of Companies

Purchase Orders less than R 30 000

RFQ Register Less than R 30 000.xlsx

Purchase Orders Less than R 200 000

RFQ Register Less than R 200 000.xlsx

Purchase Orders more than R 200 000

RFQ Register R200 000 & Above.xlsx

IV. ASSET MANAGEMENT

A. MONTHLY PERFORMANCE ANALYSIS REPORTS:

ASSET PROCUREMENT ANALYSIS REPORT:

This section of the report relates to the asset spend analysis (quantum and rand value) during the past month for all asset transactions.

OTHER ASSET PURCHASES	QUANTITY	CLASSIFICATION	July 2026
Movables Assets additions	**0**	Computer Equipment	**R0.00**
	0	Machinery and Office Equipment	**R0.00**
	0	Transport Assets	**R0.00**
Intangible assets	**0**	Intangible Assets	**R0.00**

The various values in the table above, determines the nature of the asset as well as the appropriate accounting treatment as follows:

INFRASTRUCTURE ASSET PURCHASES	QUANTITY	FACILITY CLASS	VALUE
Infrastructure additions -Water Supply (New and replacement assets) - Completed Projects	**01**	Water Supply	**R1 844 868.75**
	00	Water and Sanitation	**R0.00**

NB. Water infrastructure projects are capitalised upon completion as and when we obtain all relevant documentation from IWS.

ASSET DISPOSAL ANALYSIS REPORT:

This section of the report relates to the asset disposals (quantum and rand value) that occurred during the past month for all disposal transactions by means of a transfer, donation, and tender or competitive sale process.

ASSET PURCHASES	QUANTITY	CLASSIFICATION	VALUE
Asset Disposals through Transfers	-	-	R NIL
Asset Disposals through Donations	-	-	R NIL
Asset Disposals through Tender or Sale Process	**-**	**-**	**R NIL**
TOTAL TRANSACTION VALUE (Including VAT)	**-**	**-**	**R nil**

PROPERTIES

ASSET PURCHASES	QTY	CLASSIFICATION	EXTENSION	VALUE
Properties Transfers In	-		-	R 0.00
Properties Transfers Out	-		-	R 0.00

WIP ADDITIONS

The total Work in Progress additions for the month of July amounts to R84 760 605.02.

PHYSICAL VERIFICATION OF WIP AND COMPLETED CAPITAL PROJECTS

26 WIP and completed projects were visited during the month of July 2026.

G. RETENTION ANALYSIS

Opening Balance	2025/2026 Raised YTD	2025/2026 Retention Raised July	1 years	2 years	3 years +	2025/2026 Retention Paid YTD	2025/2026 Retention Paid July	Closing Balance 2025/2026 YTD
240 595 424.57	9 780 324.39	9 780 324.39	90 733 872.20	87 419 882.19	62 441 670.18	4 069 302.24	4 069 302.24	246 306 446.72

ACHIEVEMENTS

1. The FAR was updated during July month.
2. WIP and Assets Additions, Retention, Commitment and WIP registers were reviewed and updated.

PROJECTS IN THE ASSETS MANAGEMET UNIT THAT ARE CURRENTLY UNDERWAY

1. SOLAR Asset Management Module activation and training by BCX Consultant.
2.Tagging O &M materials and CRR at depots continuous.
3. Collection of new Immovable assets coordinates to continue during monthly verifications.
4. Update the Asset Module with monthly additions.
5. Additional CRR verifications continues.
6. Planning of Mid-year verification

CHALLENGES

1. Late submission of relevant unbundling documentations for completed infrastructure capital projects by the user department-IWS.
2. Overdue Stagnant/slow moving WIP projects.
3. Movement of assets by user departments (Facility, IT and IWS) without involvement of Assets Unit.
4. Lack/ Inadequate documentation for halted and slow-moving projects

MFMA Section 71 financial reporting – July 2026/2027 financial year

Fixed Assets Register Reconciliation Month end 31 July 2026										
	Vote Description Opening Cost	AFS Opening Balance	Restated Opening Balance	Closing Balance	Vote Description Opening Acc Dep	AFS Opening Balance	Restated Opening Balance	Current Year Depreciation until 31 July 2026	Closing Balance	Carrying Value
Movable Assets		Rand	Rand	Rand			Rand	Rand	Rand	Rand
Computer Equipment		32 214 810	32 214 810	32 214 810		23 679 699	23 679 699	361 450	24 041 150	8 173 660
	35106470010ZZZZZZZWD				39056470210ZZZZZZZWD					
	38056470010ZZZZZZZWD				39056470310ZZZZZZZWD					
	39056470010ZZZZZZZWD									
	39056470410ZZZZZZZWD									
	34056470010ZZZZZZZWD									
Furniture and Office Equipment		13 892 863	13 892 863	13 892 863		7 613 794	7 613 794	78 475	7 692 269	6 200 594
	39056460010ZZZZZZZWD				39056460210ZZZZZZZWD					
	35106460010ZZZZZZZWD				39056460310ZZZZZZZWD					
	34056460010ZZZZZZZWD				39056460710ZZZZZZZWD					
Leasehold Improvements	39056457010ZZZZZZZWD	7 309 495	7 309 495	7 309 495		7 309 495	7 309 495	-	7 309 495	-
					39056457210ZZZZZZZWD					
					39056457310ZZZZZZZWD					
					39056657210ZZZZZZZWD					
					39056654610ZZZZZZZWD					
Machinery and Equipment	39056456010ZZZZZZZWD	11 435 232	11 435 232	11 435 232		8 489 595	8 489 595	77 001	8 566 596	2 868 636
					39056456210ZZZZZZZWD					
					39056456310ZZZZZZZWD					
Transport Assets	35106420410ZZZZZZZWD	65 545 992	65 545 992	65 545 992	35106420610ZZZZZZZWD	41 950 639	41 950 639	694 664	42 645 303	22 900 689
	35106420410ZZZZZZZWD				35106420610ZZZZZZZWD					
	39056420410ZZZZZZZWD				39056420610ZZZZZZZWD					
	34056420420CFJ18ZZHO				35106420710ZZZZZZZWD					
	34056420410ZZZZZZZWD									
		130 398 392	**130 398 392**	**130 398 392**		**89 043 223**	**89 043 223**	**1 211 591**	**90 254 814**	**40 143 578**
Infrastructure										
Road Transport		66 882 669	66 882 669	66 882 669	35056472610ZZZZZZZWD	47 524 949	47 524 949	116 956	47 641 905	19 240 764
					35156450210ZZZZZZZWD					
	35056472410ZZZZZZZWD				35056472610ZZZZZZZWD					
	35106472410ZZZZZZZWD				35056472710ZZZZZZZWD					
Sewage Treatment		109 529 875	109 529 875	109 529 875		55 311 750	55 311 750	224 704	55 536 454	53 993 421
	35156449410ZZZZZZZWD				35106449610ZZZZZZZWD					
					35156449610ZZZZZZZWD					
					35156449710ZZZZZZZWD					
Water Network		5 536 881 727	5 708 499 809	5 708 499 809		1 540 682 417	1 540 682 417	12 855 195	1 553 537 612	4 154 962 196
Water Network	35106446010ZZZZZZZWD	-	-		35106444610ZZZZZZZWD	-	-	-	-	-
	34056446010ZZZZZZZWD				35106445210ZZZZZZZWD					
	35106444410ZZZZZZZWD				35106446210ZZZZZZZWD					
	35106446020CFG94ZZWD				35106446310ZZZZZZZWD					
	35102280300EQP53ZZWD				35106446610ZZZZZZZWD					
					35106447210ZZZZZZZWD					
					35106448210ZZZZZZZWD					
					37056447210ZZZZZZZWD					
Water Supply	35106445010ZZZZZZZWD								-	
		5 713 294 271	**5 884 912 353**	**5 884 912 353**	**-**	**1 643 519 117**	**1 643 519 117**	**13 196 855**	**1 656 715 971**	**4 228 196 382**
Community Assets										
Buildings		26 142 912	26 142 912	26 142 912		22 376 526	22 376 526	39 746	22 416 272	3 726 640
	37056474010ZZZZZZZWD				37056473610ZZZZZZZWD					
	37056475010ZZZZZZZWD				37056473710ZZZZZZZWD					
					37056474210ZZZZZZZWD					
					39056473610ZZZZZZZWD					
					35056475210ZZZZZZZWD					
					37056475210ZZZZZZZWD					
					39056473710ZZZZZZZWD					
					39056475210ZZZZZZZWD					
					39056474210ZZZZZZZWD					
	39056473510ZZZZZZZWD									
Land	37056473510ZZZZZZZWD	14 460 000	14 460 000	14 650 000	-	-	-		-	14 650 000
		40 602 912	**40 602 912**	**40 792 912**	**-**	**22 376 526**	**22 376 526**	**39 746**	**22 416 272**	**18 376 640**
Grant Total FAR		**5 753 897 183**	**5 925 515 265**	**5 925 705 265**	**-**	**1 754 938 865**	**1 665 895 642**	**13 236 601**	**1 679 132 243**	**4 246 573 022**
Work in progress (WIP)		1 671 535 403	1 671 535 403	1 671 535 403	-	-	-		-	1 671 535 403
	35106680010ZZZZZZZWD	1 671 535 403	1 671 535 403	1 773 984 945			-		-	
	35106444420MGJ63ZZWD			102 449 542		-	-		-	
Grand Total		**7 555 830 977,80**	**7 727 449 059,59**	**7 727 639 059,59**	**-**	**1 754 938 864,85**	**1 754 938 864,85**	**14 448 192,08**	**1 769 387 056,93**	**5 958 252 002,66**

9. ANNEXURE B: COMPLIANCE WITH THE CONDITIONS FOR MUNICIPAL DEBT RELIEF

A. MFMA Circular 124 – Municipality Compliance Self-Assessment

Annexure 02 - Monthly

Department of Water and Sanition and National Treasury

Water Debt Relief

Water Debt Relief Guideline

Municipal Finance Management Act No. 56 of 2003

National Treasury

Certificate of Compliance: Water Debt Relief Conditions

Period	Jul-26
National Financial Year	2026/27
Demarcation Code of Municipality being assessed	DC47
District	Sekhukhune
Demarcation Description	Sekhukhune

I, Meshack Kgwale , hereby certify that the Municipality monitored its compliance against the conditions of Municipal Debt Relief as set-out in the Water Debt Relief Guideline and that the Municipality is satisfied and certifies that it fully complies with the conditions as set-out in the table below:

Water Debt Relief Conditions (Monthly reporting)

Choose from drop down list

Condition		Condition	
	7.1	**Maintaining the bulk water current account –** [illegible]	
[illegible]	7.1	Has the municipality paid its **bulk water current account** within 30 days of receiving the relevant invoice [illegible]? Note: [illegible]	Yes, fully paid
[illegible]	7.1.1	[illegible]	Yes
[illegible]	7.1.2	Has the municipality submitted the **consolidated** proof of payments [illegible] National Treasury [illegible] Upload portal [illegible] by the 10th working day of the month following the invoice date (in PDF format)?	Yes
[illegible]	7.1.2	[illegible]	Yes
	7.2	**Accounting Treatment and mSCOA Reporting**	
[illegible]	7.2.1	**Accounting Treatment** - [illegible] 30 September 2024 [illegible]	N/A (No write-off yet)
[illegible]	7.2.1	[illegible]	N/A (No benefit yet)
	7.3	**Monitor and report on implementation –**	
[illegible]	7.3.1	**MFMA section 71 reporting** – [illegible]	Yes
[illegible]	7.3.1.1	[illegible]	Yes
	7.3.1	**Does the municipality's MFMA section 71 statement for the month being assessed -**	
[illegible]	7.3.1.2	**Part A:** [illegible]	Yes
[illegible]	7.3.1.2	**Part B:** [illegible]	N/A (Budget is Funded)
[illegible]	7.3.1.2	[illegible] **Part A and B** [illegible]	Yes
[illegible]	7.3.1.2	[illegible]	Yes
[illegible]	7.3.1.2	[illegible]	Does not have the function
[illegible]	7.3.1.2	**If the municipality is unable to calculate and report** [illegible] **progress in terms of its loss calculation/ reporting strategy** [illegible]	N/A (able to calculate/ report on losses)
[illegible]	7.3.1.3	[illegible] **water and energy losses reduction strategy**?	Yes
		Municipalities with financial recovery plans (FRP)	
[illegible]	7.3.1.2	**Municipalities with financial recovery plans (FRP)** – [illegible]	Yes
[illegible]	7.3.1.3	**Municipalities with financial recovery plans (FRP)** – [illegible]	Yes
[illegible]	7.3.2	[illegible]	Yes

PT: HOD/ NT / MM Name: M M Kgwale

Signature of PT: HOD/ NT/ MM:

Date: 15/08/2026

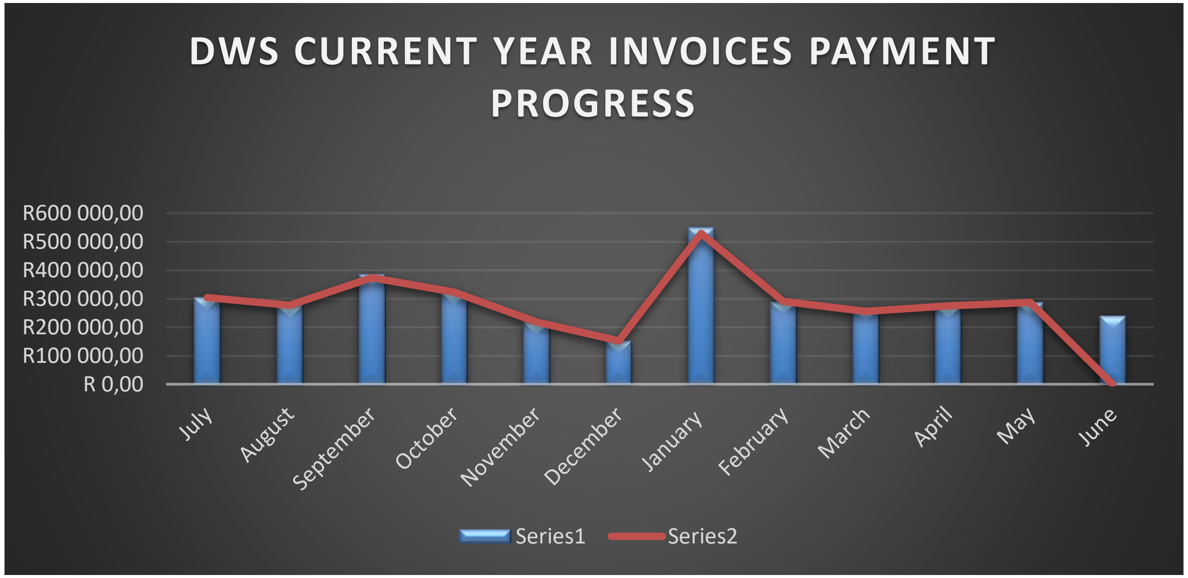
*Note – [illegible]

*Note – The Signed Certificate to be uploaded on Gomuni must not include comments column - [illegible]

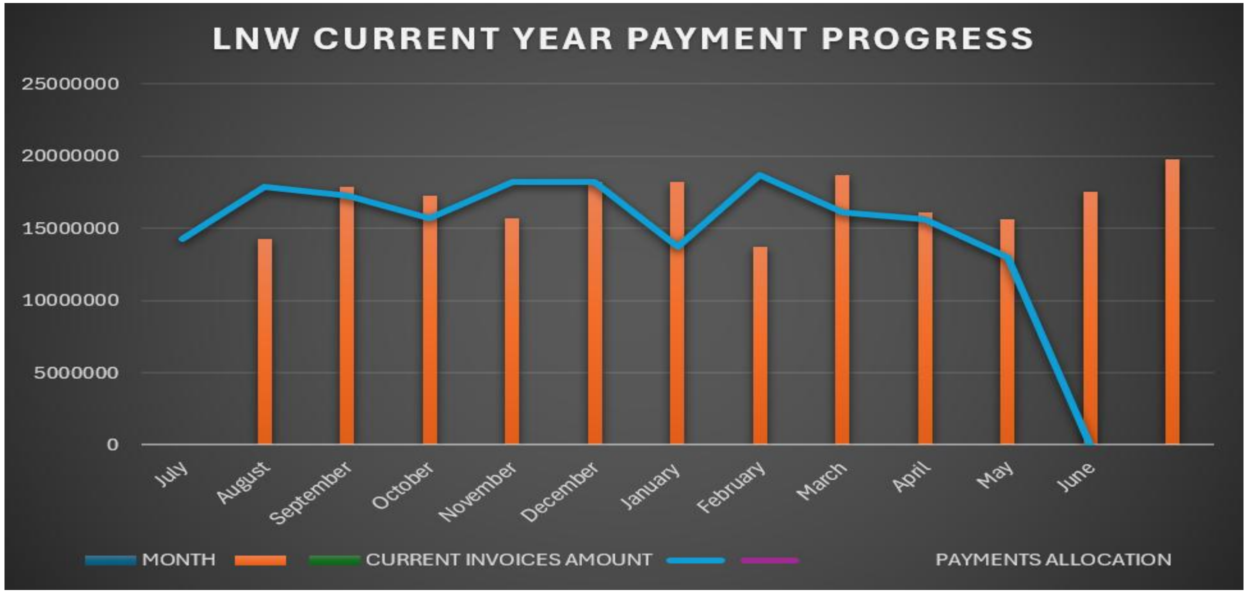
B. Municipal Debt Relief Performance across the period of debt relief participation

BULK WATER SUPPLY RECONCILIATION (DEPARTMENT OF WATER AND SANITATION)								
MONTH	CURRENT INVOICES AMOUNT	REPAYMENT ARRANGEMENT (100%)	INTEREST	PAYMENTS ALLOCATION				CUMMULATIVE OUTSTANDING
				PAYMENT	PAYMENT %	PAYMENT DATE	OUTSANDING CURRENT INVOICES	
Opening bal	R30 911 460,43		R2 104 256,48					R33 015 716,91
July	R304 177,10	R304 177,10	R0,00	R304 177,10	100,00%	2025/12/12	R0,00	R33 015 716,91
August	R277 479,29	R277 479,29	R0,00	R277 479,29	100,00%	2025/12/12	R0,00	R33 015 716,91
September	R385 097,61	R385 097,61	R135 708,64	R374 152,60	97,16%	2025/12/09	R10 945,01	R33 162 370,56
October	R322 931,32	R322 931,32	R0,00	R322 931,32	100,00%	2025/12/12	R0,00	R33 162 370,56
November	R218 179,57	R218 179,57	R0,00	R218 179,57	100,00%	2026/01/30	R0,00	R33 162 370,56
December	R152 563,29	R152 563,29	R167 538,49	R152 563,29	100,00%	2026/02/27	R0,00	R33 329 909,05
January	R548 146,55	R548 146,55	R0,00	R529 114,18	96,53%	2026/03/31	R19 032,37	R33 348 941,42
February	R290 069,33	R290 069,33	R0,00	R290 069,33	100,00%	2026/07/09	R0,00	R33 348 941,42
March	R266 965,26	R266 965,26	R34 045,00	R256 020,45	95,90%	2026/05/27	R10 944,81	R33 393 931,23
April	R275 213,25	R275 213,25	R0,00	R275 213,25	100,00%	2026/05/27	R0,00	R33 393 931,23
May	R287 577,95	R287 577,95	R0,00	R287 577,95	100,00%	2026/07/09	R0,00	R33 393 931,23
June	R239 394,63	R239 394,63	R0,00	R0,00	0,00%	-	R239 394,63	R33 633 325,86
TOTAL	**R34 479 255,58**	**R3 567 795,15**	**R2 441 548,61**	**R3 287 478,33**			**R280 316,82**	**R33 633 325,86**

NOTE:As at 31 July, we have not received July invoices



BULK WATER SUPPLY RECONCILIATION (LEPELLE NORTHERN WATER)								
MONTH	CURRENT INVOICES AMOUNT	REPAYMENT ARRANGEMENT	INTEREST	PAYMENTS ALLOCATION				CUMMULATIVE OUTSTANDING
				PAYMENT	PAYMENT %	PAYMENT DATE	OUTSANDING CURRENT INVOICES	
Opening bal	269 186 062,02			R109 151 931,68		2026/07/09		R160 034 130,34
July	R14 279 293,63	R14 279 293,63	R2 272 642,74	R14 279 293,63	100,00%	2025/09/10	R0,00	R162 306 773,08
August	R17 840 521,83	R17 840 521,83	R2 042 892,49	R17 840 521,83	100,00%	2025/09/15	R0,00	R164 349 665,57
September	R17 237 687,58	R17 237 687,58	R1 980 684,06	R17 237 687,58	100,00%	2025/10/24	R0,00	R166 330 349,63
October	R15 722 704,28	R15 722 704,28	R2 003 825,64	R15 722 704,28	100,00%	2025/11/18	R0,00	R168 334 175,27
November	R18 230 313,95	R18 230 313,95	R1 922 256,79	R18 230 313,95	100,00%	2025/12/22	R0,00	R170 256 432,06
December	R18 223 930,53	R18 223 930,53	R1 878 283,05	R18 223 930,53	100,00%	2026/01/30	R0,00	R172 134 715,11
January	R13 703 942,71	R13 703 942,71	R1 732 903,21	R13 703 942,71	100,00%	2026/02/12	R0,00	R173 867 618,32
February	R18 664 298,82	R18 664 298,82	R1 600 668,00	R18 664 298,82	100,00%	2026/03/24	R0,00	R175 468 286,32
March	R16 125 753,29	R16 125 753,29	R1 731 491,11	R16 125 753,29	100,00%	2026/05/19	R0,00	R177 199 777,43
April	R15 613 333,00	R15 613 333,00	R1 487 988,53	R15 613 333,00	100,00%	2026/07/09	R0,00	R178 687 765,96
May	R17 519 513,31	R17 519 513,31	R1 622 729,78	R12 987 052,86	74,13%	2026/07/09	R4 532 460,45	R184 842 956,19
June	R19 774 460,60	R197 774 460,60	R1 528 728,69	R0,00	0,00%		R19 774 460,60	R206 146 145,48
TOTAL	**R472 121 815,55**	**R380 935 753,53**	**R21 805 094,09**	**R287 780 764,16**			**R24 306 921,05**	**R206 146 145,48**
NOTE:As at 31 July, we have not received in july invoices. We paid R61 038 811,35. R30 453 457,27 was in relation to the 25/26 financial year while R30 585354,08 was in relation to historical debt.								



C. Maintaining the Water Bulk Current account & Water losses

Water Losses for the Period ending 31 July 2026					
Technical Losses (Kilolitres)	Technical Losses (Rands)	Non-Technical Losses (Kilolitres)	Non-Technical Losses (Rands)	Total Water Losses (Kilolitres)	Total Water Losses (Kilolitres)
702 412,00	**6 209 743,67**	**-**	**-**	**702 412,00**	**6 209 743,67**

10. ABBREVIATIONS

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