



SEKHUKHUNE

District Municipality

1st Quarter 2026/2027

Section 52(d) Financial Report

Contents

1. Executive Summary.....	2
A. Liquidity Measurement	2
1. Cash Flow and Investment Management	3
2. Expenditure management.....	4
3. Water Debt Relief.....	4
4. Revenue management.....	7
5. Supply Chain management.....	8
6. Asset management.....	12
7. BUDGET MONITORING.....	14
8. ANNEXURE A: C-SCHEDULE/ SCHEDULES.....	15
I. EXPENDITURE MANAGEMENT	27
III. Supply Chain Management	37
IV. ASSET MANAGEMENT	41
9. ANNEXURE B: COMPLIANCE WITH THE CONDITIONS FOR MUNICIPAL DEBT RELIEF.....	0
10. ABBREVIATIONS.....	3

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 at the time of 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

594 549 128,77 / 440 868 786,29

=1.35

Table (i) Current ratio

	Quarter 1 2026/27	Forecast Q2
Current ratio	1.35: 1	1.06: 1

The municipality's current ratio was below the norm range of between 1.5 to 2:1 as at the end of 1st Quarter, the cash and short-term investments balances contributed quite significantly to the unfavourable current ratio for this period with a combined closing balance of R350 605 745,28.

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

[(594 549 128,77 - 17 110 690,49)] / 440 868 786,29

= 1.31

Table (ii) Acid-Test Ratio

	Quarter 1 2026/27	Forecast Q2
Acid-test ratio	1.31	0.84:1

1. Cash Flow and Investment Management

The municipality's primary bank account closed with a positive balance of about R88 561 411,45 and short-term investments closed at R262 044 333,83. The combined interest earned on short investment amounts to R1 840 250,41 as of 30th September 2026. Below is a breakdown of the short-term investment accounts per the banking institution:

No:	Account number / description	30 th September 2026
1	FNB Account No. 62858613980	R 117 839 281,98
2	STANDARD BANK Account No. 238890708008	R 9 892 158,81
3	NEDBANK Account No. 7881071850	R 1 152 909,43
4	ABSA Account No. 9368456281	R 133 159 983,61
5	ABSA Account No. 2080786868	-
6	ABSA Account No. 2080973405	-
Total		R 262 044 333,83

Cash flows from operating activities amount to a positive R 91 146 970,44 during the month ending on the 30th September 2026. This amount is calculated by subtracting Payments to employees and suppliers to the amount of R446 215 983,41 from the total receipts of R537 362 953,85.

The municipality did pay in total an amount of R164 793 796,60 on capital projects. The municipality also reported a net increase in cash held to an amount of negative R 134 253,45 during the quarter ending on the 30th September 2026.

2. Expenditure management

The total invoices received from suppliers were 810 during the 1st Quarter ending on the 30th September 2026, 334 invoices at a total rand value of R 194 197 539,68 were processed and paid.

R78 359 403,71 in purchase orders, R12 595 409,99 in sundry purchases, R103 242 726,92 in capital projects and R28 255 620,03 in 3rd party payments were processed by the end of the 1st Quarter, totalling R222 453 160,65.

The municipality incurred an expenditure to an amount of R 109 388 368,03 on employee related costs during the 1st Quarter 2026/2027.

Expenditure on council remuneration was R 3 736 635,33 for the 1st Quarter.

Depreciation on non-current assets was R 25 151 957,75 for the same quarter.

R 88 225 167,12 was the expenditure on contracted services incurred in the 1st Quarter. Contracted services include amongst others the security services operational fleet expenses, photocopying machines and vehicle tracking services.

Expenditure on transfers and subsidies was R 1 697 436,72 for the 1st Quarter 2026/2027.

R 59 521 443,79 was the expenditure on other operations expenditure programmes.

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 R42 517 246,16. An amount of R30 368 850,74 was collected for the month of September 2026, collection rate was recorded at 71% for this period, the municipality did budget to collect 60% of the own revenue sources.

Currently as at 30th September 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 369 642 022,61 for Lepelle Northern Water and R 3 575 056,28 for DWS in servicing their current account as at 30th September 2026. The municipality has incurred R 6 727 880,06

(703 960 kl) in water losses as at the September 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

109 388 368,03 / 337 249 342,91 x100

=32%

The municipality has incurred in total R109 388 368,03 in employee related costs to date as at end of 30th September 2026. The expenditure incurred amounts to 32% of the total operational expenditure.

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

Norm is between 2% - 5%

Contracted services/ Total operating expenditure x100

88 225 167,12 / 337 249 342,91 x 100

=26%

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) Capital expenditure budget implementation indicator:

Norm is between 95% - 100%

Actual capital expenditure/ Budgeted capital expenditure x100

$164\,793\,796,60 / 433\,282\,990,00 \times 100$

=38%

(iv) **Operating expenditure budget implementation indicator:**

Norm is between 95% - 100%

Actual operating expenditure/ budgeted operating expenditure x100

$337\,249\,342,91 / 1\,497\,391\,635,00 \times 100$

=23%

Implementation on the operational expenditure budget was at 23% to date as at 30th September 2026.

(v) **Service Charges Revenue Budget Implementation Indicator**

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

Actual Service Charges Revenue / Budgeted Service Charges Revenue x 100

$31\,135\,005,88 / 116\,601\,545 \times 100$

=26%

4. Revenue management

The municipality billed a total of R 42 517 246,16 in the 1st Quarter ending 30th September 2026. The collection on services charges was R30 368 850,74 showing a 71 collection of the total billing for the 1st Quarter 2026/2027.

The municipality has targeted to collect at minimum 60% of the billing revenue on service charges for 1st Quarter in the current financial year. The appointment of the smart pre-paid water metering was concluded in December 2024. The introductory meeting held virtually in December 2024. The implementation of the credit control and debt management policy, particularly to the business community, is in progress and will improve collection.

Businesses in arrears were also served with notices of disconnection; disconnections were subsequently implemented on accounts in arrears after notices have expired. An item on payment Incentive was approved by Council and campaign is due to start.

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.
- Awareness was activities initiated during the 3rd quarter, activities to continue in the 1st quarter.
- The audit of the site identified for piloting was conducted in March 2025 around Burgersfort area.
- 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.

The municipality did continue with the implementation of the credit control policy during the 1st Quarter of the current financial year.

5. Supply Chain management

The following processes of procurement were implemented as at end of 1st Quarter 2026/2027:

- (i) Purchase orders equal or less than R 30 000 VAT Inclusive:
264 Quotations to a total rand value of R3 171 444,30 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:
202 Quotations to a total rand value of R16 859 672,05 were processed for the procurement of goods and services.
- (iii) Purchase orders more than R 200 000 VAT Inclusive:
138 orders with a total rand value of R187 384 945,46 were processed.

The following 14 competitive bidding processes were also implemented as at end of 1st Quarter 2026/2027:

The municipality processed 05 requisitions of goods and services through the competitive bidding processes as at the end of the 1st Quarter ending 30 September 2026. There are 03 bid processes that are still in the in progress, and 02 are on re- advert. 05 tenders have been awarded as at the end of 1st Quarter.

The municipality's UIF&W expenditure was as follows as at end of 1st Quarter 2026/2027:

Irregular expenditure **R 363 683,40**

Fruitless & wasteful expenditure **R0,00**

Unauthorised expenditure **R 0.00**

UIF&W expenditure Reconciliation

IRREGULAR EXPENDITURE					
Recon for 2026/2027 Financial Year					
	Month - September 2026				Amount
GL Opening balance as at 01 July 2026					210 521 926,22
Prior year adjustment					-
Incurred in Prior year - 30 September 2026					363 683,40
Closing balance as at 30 September 2026					210 885 609,62

MFMA Section 52 financial reporting – 1st Quarter 2026/2027 financial year

FRUITLESS & WASTEFUL EXPENDITURE					
Recon for 2026/2027 Financial Year					
	Month - September 2026				Amount
GL Opening balance as at 01 July 2026					148 015 843,24
Incurred in Prior year - 30 June 2025					-
					148 015 843,24
Incurred in Current year - September 2026					-
					148 015 843,24
Closing balance as at 30 September 2026					148 015 843,24
UNAUTHORISED EXPENDITURE					
Recon for 2026/2027 Financial Year					
	Month - September 2026				Amount
GL Opening balance as at 01 July 2026					176 297 539,00
Prior year adjustment					-
					176 297 539,00
Incurred in Current year - September 2026					-
					176 297 539,00
Write-off by council					-
					-
					-
					-
Closing balance as at 30 September 2026					176 297 539,00

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

(UIFW expenditure/Total operational expenditure) x 100

363 683,40 / 337 249 342,91 x100

=0.00%

The unauthorized irregular, fruitless and wasteful expenditure was within the norm in terms of percentage though an amount of **R363 683,40** was incurred as fruitless and wasteful expenditure during the quarter, the user department is currently investigating this expenditure. The increased UIFW from the amounts reported in the previous quarter is noted that no amount is to be incurred as fruitless and wasteful hence corrective measures were implemented to remedy the root causes of the expenditure incurred during the first quarter.

R0,00 was the total rand value for all deviations during the 1st Quarter of the financial year. Deviations were for services procured through processes where it was very impractical for the institution to follow the normal procurement processes.

6. Asset management

The municipality had in total **R594 549 128,77** in current assets as at end of the 1st Quarter 2026/2027 detailed as follows:

Class of Asset	Value
Cash and cash equivalents	R 341 406 943,61
Trade and other receivables from exchange transactions	R 72 453 168,51
Receivables from non-exchange transactions	R 31 747 704,44
Inventory	R 17 110 690,49
VAT	R 112 579 952,63
Other current assets	R 19 250 669,09
Total Current Assets	R 594 549 128,77

The municipality's non-current assets had a total of **R6 179 082 620,00** as at end of the Quarter 2026/2027, the non-current assets consist of water infrastructure network and movable assets detailed as follows:

Class of Asset	Value
Land -	R 14 460 000,00
Plant and machinery -	R 6 390 101,00
Furniture and office equipment -	R 6 390 101,00
Transport assets -	R 22 837 752,00
IT Equipment -	R 10 534 740,00
Leasehold improvements -	R 7 309 495,40
Road infrastructure -	R 18 899 096,00
Community assets - Buildings	R 3 634 044,00
Wastewater network -	R 53 428 108,00
Water network -	R 4 571 968 409,00
Assets under construction -	R 1 473 300 904,00
Total Non-Current Assets	R 6 179 082 620,00

There were additions to the amount of **R197 000,00** on the municipality's movable assets respectively during the 1st Quarter of the 2026/2027 financial year. No disposal or donation of assets for the 1st Quarter 2026/2027.

Retention amounts on capital infrastructure projects currently under construction had a combined value of **R 249 645 029,14** as at the end of 1st Quarter.

The **R1 473 300 904,00** 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 end of 1st Quarter 2026/2027.

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. Mahlokweni 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 **R916 252.00** as at end of September 2026, the asset is the mayoral chain of the municipality. as at end of 1st Quarter 2026/2027, the asset is the mayoral chain of the municipality.

7. BUDGET MONITORING

There was no overspending of items for the quarter ending 30th September 2026, therefore no unauthorized expenditure at vote level is being reported for the quarter.

8. ANNEXURE A: C-SCHEDULE/ SCHEDULES

A. GRANTS PERFORMANCE

The overall spending on conditional grants was 19,88% as at 30th September 2026. The FMG spending at 55% and EPWP spending at 33% while MIG and RRAMs were reported at 29,46% and 0% respectively.

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

GRANT REGISTER - SEPTEMBER 2026/2027									
	CONDITIONAL GRANTS								UNCONDITIONAL GRANT
	DIRECT CONDITIONAL GRANTS					INDIRECT CONDITIONAL GRANTS			
	FINANCIAL MANAGEMENT GRANT	MUNICIPAL INFRASTRUCTURE GRANT	EXPANDED PUBLIC WORKS PROGRAMME	RURAL ROAD ASSET MANAGEMENT SYSTEM	TOTALS	RBIG	WSIG	TOTALS	EQUITABLE SHARE
	34051178950FMZZZZWD	35101258940MGZZZZWD AND 35101178970MIZZZZWD	35101178910EPZZZZWD	35101259010RRZZZZHO		35101259000RBZZZZHO	34051259030WSZZZZHO		34051179100EQZZZZWD
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	-		-	69 635,10	69 635,10	-		-	
ROLLOVER DENIED	-		-		-	-		-	
AMOUNT RECEIVED AS PER B/S					-				
TOTAL	2 500 000,00	413 050 000,00	8 044 000,00	2 864 635,10	426 458 635,10	-	-	-	1 277 711 000,00
OPENING BALANCE			-	69 635,10		-		-	
APPROVED ROLLOVER	-	-	-			-	-	-	
UNSPEND PAID BACK			-			-		-	
GRANT INCOME	2 500 000,00	216 297 000,00	2 011 000,00	1 956 000,00	87 476 000,00	-	-	-	532 380 000,00
					-				
JUL	-	81 009 000,00	-	-	81 009 000,00	-	-	-	532 380 000,00
AUG	2 500 000,00		2 011 000,00	1 956 000,00	6 467 000,00				
SEPTEMBER		135 288 000,00							
	34057630430FMZZZZWD	34057630730MGZZZZWD AND 34057610230MIZZZZWD	34057630230EPZZZZWD	34057610430RRZZZZWD					
GRANT EXPENDITURE	1 369 671,80	121 665 360,76	-	-	84 786 535,64	-	-	-	
JUL	432 657,95	84 353 877,69		-	84 786 535,64			-	-
AUG	104 631,95	1 579 806,63			1 684 438,58				
SEPTEMBER	832 381,90	35 731 676,44	663 934,66						
TOTAL UNSPENT	1 130 328,20	291 384 639,24	2 011 000,00	1 956 000,00	341 672 099,46	-	-	-	
PERCENTAGE	55	29,46	-	-	19,88				

B. CAPITAL EXPENDITURE

Table below shows the capital expenditure during the first quarter versus the projections as at end of 1st Quarter 2026/2027.

	QUARTER 01 2026				PROJECTIONS			
	Quartely Cashflow Budget	Quartely Expenditure	Variance		Annual Budget	Year-to-date Expenditure	Annual projections	Variance
	R	R	R	%	R	R	R	R
MACHINARY AND EQUIPMENT	550 000,00	662 534,79	- 112 534,79	1,00	2 200 000,00	662 534,79	2 200 000,00	1 537 465,21
MOBILE OFFICES	750 000,00	-	750 000,00	1,00	3 000 000,00	-	3 000 000,00	3 000 000,00
OFFICE EQUIPMENT	500 000,00	197 000,00	303 000,00	1,00	2 000 000,00	197 000,00	2 000 000,00	1 803 000,00
BUILDING STRUCTURES	750 000,00	-	750 000,00	-	3 000 000,00	-	3 000 000,00	3 000 000,00
SDM-CAPITAL REPLACEMENT RESERVE	5 000 000,00	8 973 033,67	- 3 973 033,67	- 0,11	20 000 000,00	8 973 033,67	20 000 000,00	11 026 966,33
MHS EQUIPMENT	375 000,00	-	375 000,00	1,00	1 500 000,00	-	1 500 000,00	1 500 000,00
ACQ LAND FOR SATELITE OFFICES LAND PURCH	218 750,00	-	218 750,00	1,00	875 000,00	-	875 000,00	875 000,00
OFFICE FENCING	125 000,00	-	125 000,00	1,00	500 000,00	-	500 000,00	500 000,00
DISASTER EQUIPMENT	50 000,00	-	50 000,00	-	200 000,00	-	200 000,00	200 000,00
EMS EQUIPMENT	250 000,00	-	250 000,00	-	1 000 000,00	-	1 000 000,00	1 000 000,00
DISASTER MANAGEMENT CENTRE DESIGNS	125 000,00	-	125 000,00	-	500 000,00	-	500 000,00	500 000,00
MARBLE HALL FIRE STATION DESIGN	125 000,00	-	125 000,00	1,00	500 000,00	-	500 000,00	500 000,00
REFURBISHMENT - ERF 488	100 000,00	-	100 000,00	-	400 000,00	-	400 000,00	400 000,00
OFFICE EQUIPMENT	87 500,00	-	87 500,00	-	350 000,00	-	350 000,00	350 000,00
COMPUTER	76 372,25	-	76 372,25	1,00	305 489,00	-	305 489,00	305 489,00
COMPUTER	375 000,00	1 330 700,00	- 955 700,00	1,00	1 500 000,00	1 330 700,00	1 500 000,00	169 300,00
SDM FUNDED	9 457 622,25	11 163 268,46	- 1 705 646,21	8,89	37 830 489,00	11 163 268,46	37 830 489,00	26 667 220,54
MIG-REFURBISHMENT OF LEEUWFontein WWTW	3 990 000,00	7 538 922,17	- 3 548 922,17	- 4,14	15 960 000,00	7 538 922,17	15 960 000,00	8 421 077,83
MIG-REFURBISHMENT OF DENNILTON WWTW	4 490 000,00	7 662 814,05	- 3 172 814,05	- 3,42	17 960 000,00	7 662 814,05	17 960 000,00	10 297 185,95
MIG - UPGRADING OF GROBLERSDAL-LUCKAU P3	14 168 459,50	1 183 831,02	12 984 628,48	1,00	56 673 838,00	1 183 831,02	56 673 838,00	55 490 006,98
MIG - LEBALELO CENTRAL SUBSCHEME 1A	32 052 929,00	39 506 491,68	- 7 453 562,68	- 2,70	128 211 716,00	39 506 491,68	128 211 716,00	88 705 224,32
MIG-MALEKANE REGIONAL WATER SCHEME	1 653 119,50	-	1 653 119,50	1,00	6 612 478,00	-	6 612 478,00	6 612 478,00
MIG - UPGRADING OF DE HOOP WTW	6 522 658,25	21 174 158,38	-14 651 500,13	- 3,48	26 090 633,00	21 174 158,38	26 090 633,00	4 916 474,62
MIG - UPGRADING OF GROBLERSDAL-LUCKAU P2	7 811 584,50	13 480 361,86	- 5 668 777,36	0,40	31 246 338,00	13 480 361,86	31 246 338,00	17 765 976,14
MIG - MAMPURU BULK WATER SCHEME	10 682 776,00	26 976 674,65	-16 293 898,65	- 3,89	42 731 104,00	26 976 674,65	42 731 104,00	15 754 429,35
MIG-OLIFANTSPPOORT SOUTH RWS PHASE 8	-	309 375,48	- 309 375,48	-	-	309 375,48	-	- 309 375,48
MIG- MOUTSE EAST & WEST WATER RETIC PH2	16 727 848,50	18 602 913,61	- 1 875 065,11	- 2,34	66 911 394,00	18 602 913,61	66 911 394,00	48 308 480,39
COMPUTERS (MIG)	65 000,00	-	65 000,00	1,00	260 000,00	-	260 000,00	260 000,00
MIG	98 164 375,25	136 435 542,90	-38 271 167,65	- 16,57	392 657 501,00	136 435 542,90	392 657 501,00	256 221 958,10
RRAMS CAPITAL ACQUISITION	698 750,00	-	232 916,67	1,00	2 795 000,00	-	2 686 000,00	2 795 000,00
TOTAL CAPITAL	108 320 747,50	147 598 811,36	-39 743 897,19	- 6,68	433 282 990,00	147 598 811,36	433 173 990,00	285 684 178,64

DC47 Sekhukhune - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September

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 - Infrastructure And Water Services		-	15 960 000,00	15 960 000,00	696 910,19	7 538 922,17	3 990 000,00	3 548 922,17	0,89	7 538 922,17
Total Capital Multi-year expenditure	4,7	-	15 960 000,00	15 960 000,00	696 910,19	7 538 922,17	3 990 000,00	3 548 922,17	0,89	7 538 922,17
Single Year expenditure appropriation	2,00									
Vote 04 - Budget And Treasury		3 849 029,01	10 200 000,00	10 200 000,00	859 534,79	859 534,79	2 550 003,00	- 1 690 468,21	- 0,66	10 200 000,00
Vote 05 - Infrastructure And Water Services		194 614 708,62	400 992 501,00	400 992 501,00	50 848 060,06	155 064 639,64	100 248 138,00	54 816 501,64	0,55	155 064 639,64
Vote 06 - Planning And Economic Development		848 930,00	1 375 000,00	1 375 000,00	-	-	343 752,00	- 343 752,00	- 1,00	1 375 000,00
Vote 07 - Community Services		-	2 200 000,00	2 200 000,00	-	-	550 005,00	- 550 005,00	- 1,00	2 200 000,00
Vote 08 - Sekhukhune Development Angancy		160 000,00	1 055 489,00	1 055 489,00	-	-	263 877,00	- 263 877,00	- 1,00	1 055 489,00
Vote 09 - Corporate Services		5 720 098,78	1 500 000,00	1 500 000,00	-	1 330 700,00	375 000,00	955 700,00	2,55	1 330 700,00
Total Capital single-year expenditure	4,00	205 192 766,41	417 322 990,00	417 322 990,00	51 707 594,85	157 254 874,43	104 330 775,00	52 924 099,43	0,51	171 225 828,64
Total Capital Expenditure		205 192 766,41	433 282 990,00	433 282 990,00	52 404 505,04	164 793 796,60	108 320 775,00	56 473 021,60	0,52	178 764 750,81
Capital Expenditure - Functional Classification										
Governance and administration		9 569 127,79	13 900 000,00	13 900 000,00	859 534,79	2 190 234,79	3 475 008,00	- 1 284 773,21	- 0,37	13 900 000,00
Finance and administration		9 569 127,79	13 900 000,00	13 900 000,00	859 534,79	2 190 234,79	3 475 008,00	- 1 284 773,21	- 0,37	13 900 000,00
Economic and environmental services		1 008 930,00	2 430 489,00	2 430 489,00	-	-	607 629,00	- 607 629,00	- 1,00	2 430 489,00
Planning and development		1 008 930,00	2 430 489,00	2 430 489,00	-	-	607 629,00	- 607 629,00	- 1,00	2 430 489,00
Trading services		194 614 708,62	416 952 501,00	416 952 501,00	51 544 970,25	162 603 561,81	104 238 138,00	58 365 423,81	0,56	162 603 561,81
Water management		194 614 708,62	416 952 501,00	416 952 501,00	51 544 970,25	162 603 561,81	104 238 138,00	58 365 423,81	0,56	162 603 561,81
Total Capital Expenditure - Functional Classification	3,00	205 192 766,41	433 282 990,00	433 282 990,00	52 404 505,04	164 793 796,60	108 320 775,00	56 473 021,60	0,52	178 934 050,81
Funded by:										
National Government		2 453 542,13	395 452 501,00	395 452 501,00	44 416 805,33	153 630 528,14	98 863 137,00	54 767 391,14	0,55	153 630 528,14
Transfers recognised - capital		2 453 542,13	395 452 501,00	395 452 501,00	44 416 805,33	153 630 528,14	98 863 137,00	54 767 391,14	0,55	153 630 528,14
Internally generated funds		202 739 224,28	37 830 489,00	37 830 489,00	7 987 699,71	11 163 268,46	9 457 638,00	1 705 630,46	0,18	11 163 268,46
Total Capital Funding		205 192 766,41	433 282 990,00	433 282 990,00	52 404 505,04	164 793 796,60	108 320 775,00	56 473 021,60	0,52	164 793 796,60

C. Employee Related Cost

Table below shows the salary related costs as at end of 1st Quarter 2026/2027 including the projections for the remainder of the financial year.

A. Municipal staff and Senior Managers

Description	Quarter 01 2026				PROJECTIONS				
	Quartely 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	74 190 437,04	- 48 086 392,46	- 184,21	313 248 535,00	74 190 437,04	313 248 535,00	239 058 097,96	76,32
Cellphone Allowance	624 516,67	634 938,00	- 10 421,33	- 1,67	7 494 200,00	634 938,00	7 494 200,00	6 859 262,00	91,53
Group life contribution	197 421,08	461 786,66	- 264 365,58	- 133,91	2 369 053,00	461 786,66	2 369 053,00	1 907 266,34	80,51
Housing benefits	253 344,00	547 096,54	- 293 752,54	- 115,95	3 040 128,00	547 096,54	3 040 128,00	2 493 031,46	82,00
Industrial Council	625 204,42	27 062,70	598 141,72	95,67	7 502 453,00	27 062,70	7 502 453,00	7 475 390,30	99,64
Leave Bonus	228 097,92	-	228 097,92	100,00	2 737 175,00	-	2 737 175,00	2 737 175,00	100,00
Medical Aid Contribution	1 565 143,92	4 443 020,72	- 2 877 876,80	- 183,87	18 781 727,00	4 443 020,72	18 781 727,00	14 338 706,28	76,34
Acting allowance	14 285,67	-	14 285,67	100,00	171 428,00	-	171 428,00	171 428,00	100,00
Annual/ Performance Bonus	1 041 649,00	4 886 230,69	- 3 844 581,69	- 369,09	12 499 788,00	4 886 230,69	12 499 788,00	7 613 557,31	60,91
Long Service Awards	177 572,25	-	177 572,25	100,00	2 130 867,00	-	-	2 130 867,00	100,00
Overtime	1 140 311,25	3 748 836,43	- 2 608 525,18	- 228,76	13 683 735,00	3 748 836,43	13 683 735,00	9 934 898,57	72,60
Pension Fund Contribution	4 153 847,83	11 933 885,95	- 7 780 038,12	- 187,30	49 846 174,00	11 933 885,95	49 846 174,00	37 912 288,05	76,06
Shift Allowance	363 023,58	980 754,95	- 617 731,37	- 170,16	4 356 283,00	980 754,95	4 356 283,00	3 375 528,05	77,49
Standby Allowance	323 549,67	256 336,05	67 213,62	20,77	3 882 596,00	256 336,05	3 882 596,00	3 626 259,95	93,40
Transport Allowance	2 894 099,42	6 879 698,07	- 3 985 598,65	- 137,71	34 729 193,00	6 879 698,07	34 729 193,00	27 849 494,93	80,19
UIF	184 903,33	398 284,23	- 213 380,90	- 115,40	2 218 840,00	398 284,23	2 218 840,00	1 820 555,77	82,05
Uniform Allowance	15 433,67	-	15 433,67	100,00	185 204,00	-	185 204,00	185 204,00	100,00
Grand Total	39 906 448,25	109 388 368,03	- 69 481 919,78	- 1 311,58	478 877 379,00	109 388 368,03	476 746 512,00	369 489 010,97	1449,03

B. Councillors

Description	Quarter 01 - 2026				PROJECTIONS				
	Quarterly Budget	Quarterly Expenditure	Variance		Annual Budget	Year-to-date Expenditure	Annual projections	Variance	
	R	R	R	%	R	R	R	R	%
BASIC SALARY	1 081 385,58	2 901 024,54	- 1 819 638,96	268,27	12 976 627,00	2 901 024,54	12 976 627,00	10 075 602,46	22,36
CELLPHONE ALLOWANCE	152 958,92	395 399,00	- 242 440,08	258,50	1 835 507,00	395 399,00	1 835 507,00	1 440 108,00	21,54
MEDICAL AID BENEFITS	26 005,92	40 453,89	- 14 447,97	155,56	312 071,00	40 453,89	312 071,00	271 617,11	12,96
PENSION FUND CONTRIBUTIONS	79 892,83	172 251,93	- 92 359,10	215,60	958 714,00	172 251,93	958 714,00	786 462,07	17,97
TRAVELLING ALLOWANCE	340 089,92	227 505,97	112 583,95	66,90	4 081 079,00	227 505,97	4 081 079,00	3 853 573,03	5,57
GRAND TOTALS	1 680 333,17	3 736 635,33	- 2 056 302,16	964,83	20 163 998,00	3 736 635,33	20 163 998,00	16 427 362,67	80,40

MFMA Section 52 financial reporting – 1st Quarter 2026/2027 financial year

DC47 Sekhukhune - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M03 September										
Summary of Employee and Councillor remuneration	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		A	B	C						D
Councillors (Political Office Bearers plus Other)	1,00									
Allowances and Service Related Benefits										
Basic Salary		11 504 421,94	12 976 627,00	12 976 627,00	987 827,02	2 901 024,54	3 244 167,00	- 343 142,46	- 0,11	2 901 024,54
Cell phone Allowance		1 579 462,62	1 835 507,00	1 835 507,00	133 489,00	395 399,00	458 883,00	- 63 484,00	- 0,14	544 914,00
Travelling Allowance		1 548 942,90	4 081 079,00	4 081 079,00	44 416,39	227 505,97	1 020 276,00	- 792 770,03	- 0,78	227 505,97
Total Allowances and Service Related Benefits		14 632 827,46	18 893 213,00	18 893 213,00	1 076 899,63	3 523 929,51	4 723 326,00	- 1 199 396,49	- 0,25	3 673 444,51
Social Contributions										
Medial Aid Benefits		122 555,15	312 071,00	312 071,00	13 484,63	40 453,89	78 021,00	- 37 567,11	- 0,48	40 453,89
Pension Fund Contributions		946 337,52	958 714,00	958 714,00	56 005,39	172 251,93	239 688,00	- 67 436,07	- 0,28	202 681,04
Total Social Contributions		1 068 892,67	1 270 785,00	1 270 785,00	69 490,02	212 705,82	317 709,00	- 105 003,18	- 0,33	243 134,93
Total Councillors		15 701 720,13	20 163 998,00	20 163 998,00	1 146 389,65	3 736 635,33	5 041 035,00	- 1 304 399,67	- 0,26	3 916 579,44
Senior Managers of the Municipality	2,00									
Salaries and Allowances										
Basic Salary		10 414 976,60	8 438 733,00	8 438 733,00	599 410,08	1 723 125,27	2 109 693,00	- 386 567,73	- 0,18	8 438 733,00
Allowance										
Accommodation, Travel and Incidental		3 014,76	75 597,00	75 597,00	-	16 569,44	18 903,00	- 2 333,56	- 0,12	75 597,00
Cellular and Telephone	3,00	208 860,00	264 702,00	264 702,00	12 500,00	37 500,00	66 183,00	- 28 683,00	- 0,43	264 702,00
Housing Benefits	3,00	-	154 373,00	154 373,00	-	-	38 595,00	- 38 595,00	- 1,00	154 373,00
Non-pensionable		-	183 534,00	183 534,00	-	-	45 885,00	- 45 885,00	- 1,00	183 534,00
Travel or Motor Vehicle	3,00	715 848,67	1 372 213,00	1 372 213,00	12 459,29	102 349,16	343 062,00	- 240 712,84	- 0,70	1 372 213,00
Total Allowance		927 723,43	2 050 419,00	2 050 419,00	40,71	156 418,60	512 628,00	- 356 209,40	- 0,69	2 050 419,00
Service Related Benefits										
Acting	3,00	-	171 428,00	171 428,00	-	-	42 861,00	- 42 861,00	- 1,00	171 428,00
Leave Pay	3,00	-	193 242,00	193 242,00	-	-	48 312,00	- 48 312,00	- 1,00	193 242,00
Total Service Related Benefits		-	364 670,00	364 670,00	-	-	91 173,00	- 91 173,00	- 1,00	364 670,00
Total Salaries and Allowances		11 437 141,72	10 969 694,00	10 969 694,00	599 450,79	1 879 543,87	2 742 465,00	- 862 921,13	- 0,31	10 969 694,00
Social Contributions										
Bargaining Council		-	534,00	534,00	-	-	141,00	- 141,00	- 1,00	534,00
Group Life Insurance		-	-	-	23 568,12	47 136,24	-	47 136,24	#DIV/0!	47 136,24
Medical		132 552,35	139 046,00	139 046,00	358 631,71	729 455,88	34 764,00	694 691,88	19,98	729 455,88
Pension		329 011,09	712 470,00	712 470,00	687 612,46	1 397 045,60	178 122,00	1 218 923,60	6,84	1 397 045,60
Unemployment Insurance		8 501,76	11 624,00	11 624,00	885,60	2 479,68	2 913,00	- 433,32	- 0,15	11 624,00
Total Social Contributions		470 065,20	863 674,00	863 674,00	1 070 697,89	2 176 117,40	215 940,00	1 960 177,40	9,08	2 185 795,72
Sub Total - Senior Managers of Municipality		22 647 206,92	11 833 368,00	11 833 368,00	1 670 148,68	4 055 661,27	2 958 405,00	1 097 256,27	0,37	13 155 489,72
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		278 204 538,25	304 809 802,00	304 809 802,00	25 081 291,95	72 467 311,77	76 202 472,00	- 3 735 160,23	- 0,05	304 809 802,00
Allowance										
Cellular and Telephone	3,00	2 376 549,00	7 229 498,00	7 229 498,00	198 480,00	597 438,00	1 807 392,00	- 1 209 954,00	- 0,67	7 229 498,00
Housing Benefits	3,00	2 134 357,59	2 885 755,00	2 885 755,00	180 703,36	547 096,54	721 455,00	- 174 358,46	- 0,24	2 885 755,00
Travel or Motor Vehicle	3,00	30 043 003,36	33 281 383,00	33 281 383,00	1 532 123,11	6 760 779,47	8 320 365,00	- 1 559 585,53	- 0,19	33 281 383,00
Total Allowance		34 553 909,95	43 396 636,00	43 396 636,00	1 911 306,47	7 905 314,01	10 849 212,00	- 2 943 897,99	- 0,27	43 396 636,00
Service Related Benefits										
Bonus	3,00	28 320 432,93	12 499 788,00	12 499 788,00	921 776,96	4 886 230,69	3 124 956,00	1 761 274,69	0,56	4 886 230,69
Leave Pay	3,00	102 755,02	2 543 933,00	2 543 933,00	57 673,92	-	635 997,00	- 635 997,00	- 1,00	2 543 933,00
Long Service Award		46 874,96	2 130 867,00	2 130 867,00	242 348,35	-	532 731,00	- 532 731,00	- 1,00	2 130 867,00
Overtime		25 865 712,43	18 040 018,00	18 040 018,00	637 688,48	4 729 591,38	4 510 044,00	219 547,38	0,05	4 729 591,38
Standby Allowance	3,00	1 675 221,73	3 882 596,00	3 882 596,00	37 684,65	256 336,05	970 662,00	- 714 325,95	- 0,74	3 882 596,00
Uniform/Special/Protective Clothing	3,00	-	185 204,00	185 204,00	-	-	46 305,00	- 46 305,00	- 1,00	185 204,00
Total Service Related Benefits		56 010 997,07	39 282 406,00	39 282 406,00	1 297 127,82	9 872 158,12	9 820 695,00	51 463,12	0,01	18 358 422,07
Total Salaries and Allowances		368 769 445,27	387 488 844,00	387 488 844,00	28 289 726,24	90 244 783,90	96 872 379,00	- 6 627 595,10	- 0,07	366 564 860,07
Social Contributions										
Bargaining Council		104 202,65	242 919,00	242 919,00	8 994,60	27 062,70	60 741,00	- 33 678,30	- 0,55	242 919,00
Group Life Insurance		1 911 871,66	2 369 053,00	2 369 053,00	128 100,71	414 650,42	592 275,00	- 177 624,58	- 0,30	2 369 053,00
Medical		16 710 940,77	18 642 681,00	18 642 681,00	1 126 360,92	3 713 564,84	4 660 686,00	- 947 121,16	- 0,20	18 642 681,00
Pension		45 665 192,65	48 950 170,00	48 950 170,00	3 274 721,95	10 536 840,35	12 237 558,00	- 1 700 717,65	- 0,14	48 950 170,00
Unemployment Insurance		1 703 913,04	2 207 216,00	2 207 216,00	140 096,08	395 804,55	551 826,00	- 156 021,45	- 0,28	2 207 216,00
Total Social Contributions		66 096 120,77	72 412 039,00	72 412 039,00	4 678 274,26	15 087 922,86	18 103 086,00	- 3 015 163,14	- 0,17	72 412 039,00
Sub Total - Other Municipal Staff		434 865 566,04	459 900 883,00	459 900 883,00	32 968 000,50	105 332 706,76	114 975 465,00	- 9 642 758,24	-	438 976 899,07
Total Parent Municipality		473 214 493,09	491 898 249,00	491 898 249,00	35 784 538,83	113 125 003,36	122 974 905,00	- 9 849 901,64	- 0,08	456 048 968,23
TOTAL SALARY, ALLOWANCES & BENEFITS		473 214 493,09	491 898 249,00	491 898 249,00	35 784 538,83	113 125 003,36	122 974 905,00	- 9 849 901,64	-	456 048 968,23
% increase	4,00									
TOTAL MANAGERS AND STAFF	5,7	457 512 772,96	471 734 251,00	471 734 251,00	34 638 149,18	109 388 368,03	117 933 870,00	- 8 545 501,97	-	452 132 388,79

DC47 Sekhukhune - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September										
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										
Revenue by Vote	1,00									
Vote 03 - Municipal Manager Office		720 000,00	-	-	-	-	-	-		-
Vote 04 - Budget And Treasury		1 549 488 239,09	1 932 472 935,00	1 932 472 935,00	15 424 242,60	583 697 339,57	483 118 188,00	100 579 151,57	0,21	583 697 339,57
Vote 05 - Infrastructure And Water Services		501 456 354,70	-	-	36 190 087,95	121 455 662,02	-	121 455 662,02	#DIV/0!	121 455 662,02
Vote 09 - Corporate Services		3 632 789,64	-	-	-	-	-	-		-
Total Revenue by Vote	2,00	2 055 297 383,43	1 932 472 935,00	1 932 472 935,00	51 614 330,55	705 153 001,59	483 118 188,00	222 034 813,59	0,46	705 153 001,59
Expenditure by Vote	1,00									
Vote 01 - Speakers Office		42 901 219,52	57 273 004,00	57 273 004,00	2 892 619,18	9 082 269,37	14 318 361,00	- 5 236 091,63	- 0,37	57 273 004,00
Vote 02 - Executive Mayor's Office		59 330 283,09	72 504 162,00	72 504 162,00	3 877 489,96	9 653 455,56	18 126 102,00	- 8 472 646,44	- 0,47	72 504 162,00
Vote 03 - Municipal Manager Office		133 162 031,36	122 505 075,00	122 505 075,00	10 885 038,91	35 578 423,87	30 626 322,00	4 952 101,87	0,16	35 578 423,87
Vote 04 - Budget And Treasury		448 125 902,04	210 389 642,00	210 389 642,00	10 066 382,03	25 447 851,44	52 597 479,00	- 27 149 627,56	- 0,52	210 389 642,00
Vote 05 - Infrastructure And Water Services		700 943 899,74	704 872 983,00	704 872 983,00	89 981 421,88	188 161 568,69	176 218 389,00	11 943 179,69	0,07	213 909 823,63
Vote 06 - Planning And Economic Development		28 559 992,17	38 372 580,00	38 372 580,00	2 145 867,84	5 003 621,20	9 593 205,00	- 4 589 583,80	- 0,48	38 372 580,00
Vote 07 - Community Services		86 343 310,78	94 037 702,00	94 037 702,00	5 922 759,71	19 855 589,92	23 509 482,00	- 3 653 892,08	- 0,16	94 037 702,00
Vote 08 - Sekhukhune Development Angancy		9 750 158,00	10 479 678,00	10 479 678,00	1 094 382,29	1 697 436,72	2 619 963,00	- 922 526,28	- 0,35	10 479 678,00
Vote 09 - Corporate Services		174 876 075,65	186 956 809,00	186 956 809,00	14 239 101,26	42 769 126,14	46 739 262,00	- 3 970 135,86	- 0,08	186 956 809,00
Total Expenditure by Vote	2,00	1 683 992 872,35	1 497 391 635,00	1 497 391 635,00	141 105 063,06	337 249 342,91	374 348 565,00	- 37 099 222,09	- 0,10	919 501 824,50
Surplus/ (Deficit) for the year	2,00	371 304 511,08	435 081 300,00	435 081 300,00	- 89 490 732,51	367 903 658,68	108 769 623,00	259 134 035,68	2,38	- 214 348 822,91

MFMA Section 52 financial reporting – 1st Quarter 2026/2027 financial year

DC47 Sekhukhune - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September										
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										
Revenue										
Exchange Revenue										
Service charges - Water		84 330 626,69	97 978 765,00	97 978 765,00	6 846 097,18	23 336 072,07	24 494 685,00	- 1 158 612,93	- 0,05	97 978 765,00
Service charges - Waste Water Management		13 510 097,08	18 622 780,00	18 622 780,00	1 336 204,48	7 798 933,81	4 655 691,00	3 143 242,81	0,68	7 798 933,81
Sale of Goods and Rendering of Services		1 216 257,77	2 381 785,00	2 381 785,00	216 664,24	506 431,30	595 440,00	- 89 008,70	- 0,15	2 381 785,00
Interest earned from Receivables		40 417 628,17	49 416 620,00	49 416 620,00	3 606 671,73	10 410 883,20	12 354 153,00	- 1 943 269,80	- 0,16	49 416 620,00
Interest from Current and Non Current Assets		31 718 302,47	53 521 655,00	53 521 655,00	1 903 655,48	7 174 747,50	13 380 411,00	- 6 205 663,50	- 0,46	53 521 655,00
Operational Revenue		1 208 934,85	58 332,00	58 332,00	620,86	930,86	14 577,00	- 13 646,14	- 0,94	58 332,00
Non-Exchange Revenue								-		
Surcharges and Taxes		-	3 886,00	3 886,00	-	-	969,00	- 969,00	- 1,00	3 886,00
Fines, penalties and forfeits		244 545,00	658 338,00	658 338,00	18 012,07	54 419,18	164 583,00	- 110 163,82	- 0,67	658 338,00
Transfers and subsidies - Operational		1 242 614 395,61	1 313 907 500,00	1 313 907 500,00	4 753 904,09	538 997 250,18	328 476 867,00	210 520 383,18	0,64	538 997 250,18
Interest		1 950 680,71	-	-	178 792,27	531 190,17	-	531 190,17	#DIV/0!	531 190,17
Operational Revenue		3 236 620,44	-	-	279 649,24	838 947,72	-	838 947,72	#DIV/0!	838 947,72
Gains on disposal of Fixed and Intangible Assets		169 450,75	730 774,00	730 774,00	-	-	182 691,00	- 182 691,00	- 1,00	730 774,00
Other Gains		345 000,00	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and		1 420 962 539,54	1 537 280 435,00	1 537 280 435,00	19 140 271,64	589 649 805,99	384 320 067,00	205 329 738,99	0,53	752 916 476,88
Expenditure By Type										
Employee related costs		457 512 772,96	471 734 251,00	471 734 251,00	34 638 149,18	109 388 368,03	117 933 870,00	- 8 545 501,97	- 0,07	471 734 251,00
Remuneration of councillors		15 701 720,13	20 163 998,00	20 163 998,00	1 146 389,65	3 736 635,33	5 041 035,00	- 1 304 399,67	- 0,26	20 163 998,00
Inventory consumed		231 319 726,13	159 929 469,00	159 929 469,00	38 314 829,94	73 141 033,11	39 982 383,00	33 158 650,11	0,83	73 141 033,11
Depreciation, amortisation and impairment		186 192 495,12	100 607 831,00	100 607 831,00	-	-	25 151 970,00	- 25 151 970,00	- 1,00	100 607 831,00
Interest, Dividends and Rent on Land		21 939 322,80	119 587,00	119 587,00	-	-	29 898,00	- 29 898,00	- 1,00	119 587,00
Contracted services		387 454 382,68	464 812 616,00	464 812 616,00	48 417 356,13	88 225 167,12	116 203 314,00	- 27 978 146,88	- 0,24	464 812 616,00
Transfers and subsidies	-	580 179,59	20 950 000,00	20 950 000,00	-	-	5 237 502,00	- 5 237 502,00	- 1,00	20 950 000,00
Irrecoverable debts written off		97 952 759,60	5 954 454,00	5 954 454,00	877 102,56	3 236 695,53	1 488 615,00	1 748 080,53	1,17	3 236 695,53
Operational costs		236 081 091,33	253 119 429,00	253 119 429,00	17 711 235,60	59 521 443,79	63 279 978,00	- 3 758 534,21	- 0,06	253 119 429,00
Disposal of Fixed and Intangible Assets		4 080 416,98	-	-	-	-	-	-		-
Other Losses		46 338 364,21	-	-	-	-	-	-		-
Total Expenditure		1 683 992 872,35	1 497 391 635,00	1 497 391 635,00	141 105 063,06	337 249 342,91	374 348 565,00	- 37 099 222,09	- 0,10	1 407 885 440,64
Surplus/(Deficit)		- 263 030 332,81	39 888 800,00	39 888 800,00	- 121 964 791,42	252 400 463,08	9 971 502,00	242 428 961,08	24,31	- 654 968 963,76
Transfers and subsidies - capital (monetary		632 809 036,59	395 192 500,00	395 192 500,00	32 474 058,91	115 397 248,46	98 798 121,00	16 599 127,46	0,17	115 397 248,46
Transfers and subsidies - capital (in-kind)		1 525 807,30	-	-	-	105 947,14	-	105 947,14	#DIV/0!	105 947,14
Surplus/ (Deficit) for the year		371 304 511,08	435 081 300,00	435 081 300,00	- 89 490 732,51	367 903 658,68	108 769 623,00	259 134 035,68	2,38	- 539 465 768,16

MFMA Section 52 financial reporting – 1st Quarter 2026/2027 financial year

DC47 Sekhukhune - Table C6 Monthly Budget Statement - Financial Position - M03 September						
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		116 974 581,32	634 224 289,00	634 224 289,00	341 406 943,61	634 224 289,00
Trade and other receivables from exchange transactions		72 751 681,09	203 763 100,00	203 763 100,00	72 453 168,51	72 453 168,51
Receivables from non-exchange transactions		30 702 020,18	-	-	31 747 704,44	31 747 704,44
Inventory		25 972 666,69	243 985 999,00	243 985 999,00	17 110 690,49	243 985 999,00
VAT Receivable		99 620 069,55	-	-	112 579 952,63	112 579 952,63
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		365 136 374,03	1 167 644 805,00	1 167 644 805,00	594 549 128,77	1 180 662 530,58
Non current assets						
Property, plant and equipment		6 248 464 153,31	5 607 531 083,00	5 607 531 083,00	6 413 257 949,91	6 413 257 949,91
Heritage assets		916 252,25	-	-	916 252,25	916 252,25
Total non current assets		6 249 380 406,03	5 607 531 083,00	5 607 531 083,00	6 414 174 202,63	6 414 174 202,63
TOTAL ASSETS		6 614 516 780,06	6 775 175 888,00	6 775 175 888,00	7 008 723 331,40	7 594 836 733,21
LIABILITIES						
Current liabilities						
Consumer deposits		6 485 349,77	- 67 463 666,00	- 67 463 666,00	6 619 603,22	6 619 603,22
Trade and other payables from exchange transactions		771 065 646,35	- 1 017 194 370,00	- 1 017 194 370,00	185 961 322,57	185 961 322,57
Trade and other payables from non-exchange transactions	-	3 394 331,42	- 20 950 000,00	- 20 950 000,00	100 564 674,45	100 564 674,45
Provision		25 248 447,19	-	-	24 720 874,87	24 720 874,87
VAT Payable		118 832 198,23	-	-	123 002 311,18	123 002 311,18
Total current liabilities		918 237 310,12	- 1 105 608 036,00	- 1 105 608 036,00	440 868 786,29	440 868 786,29
Non current liabilities						
Financial liabilities		195 259,37	-	-	195 259,37	195 259,37
Provision	-	6 490 854,09	-	-	-	-
Other non-current liabilities		33 298 146,50	-	-	26 807 292,41	26 807 292,41
Total non current liabilities		27 002 551,78	-	-	27 002 551,78	27 002 551,78
TOTAL LIABILITIES		945 239 861,90	- 1 105 608 036,00	- 1 105 608 036,00	467 871 338,07	467 871 338,07
NET ASSETS	2,00	5 669 276 918,16	7 880 783 924,00	7 880 783 924,00	6 540 851 993,33	7 126 965 395,14
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		6 033 631 001,30	6 068 371 477,00	6 068 371 477,00	6 037 180 576,84	6 037 180 576,84
TOTAL COMMUNITY WEALTH/EQUITY	2,00	6 033 631 001,30	6 068 371 477,00	6 068 371 477,00	6 037 180 576,84	6 037 180 576,84

MFMA Section 52 financial reporting – 1st Quarter 2026/2027 financial year

DC47 Sekhukhune - Table C7 Monthly Budget Statement - Cash Flow - M03 September										
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	4 955 921,73	19 139 214,87	18 639 577,74	499 637,13	0,03	19 139 214,87
Other revenue		854 481 649,52	3 792 706,00	3 792 706,00	1 144 529 873,57	247 101 243,42	948 176,46	248 049 419,88	261,61	3 792 706,00
Transfers and Subsidies - Operational		1 384 067 438,78	1 313 907 500,00	1 313 907 500,00	135 288 000,00	670 168 000,00	328 476 875,01	341 691 124,99	1,04	670 168 000,00
Transfers and Subsidies - Capital		477 967 888,45	395 192 500,00	395 192 500,00	5 220 504,51	88 185 504,51	98 798 125,02	10 612 620,51	0,11	395 192 500,00
Interest		30 132 654,36	53 521 655,00	53 521 655,00	1 880 131,82	6 971 477,89	13 380 413,76	6 408 935,87	0,48	53 521 655,00
Payments										
Suppliers and employees		- 1 622 533 556,56	- 1 395 799 092,00	- 1 395 799 092,00	- 117 122 874,05	- 446 215 983,41	- 348 949 773,06	97 266 210,35	0,28	- 1 395 799 092,00
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 181 190 695,89	445 173 580,00	445 173 580,00	- 1 114 308 189,56	91 146 970,44	111 293 394,93	20 146 424,49	0,18	- 253 985 016,13
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		169 450,75	730 774,00	730 774,00	-	-	182 693,49	182 693,49	1,00	730 774,00
Insurance Refund - Capital		-	17 143,00	17 143,00	-	-	4 285,74	4 285,74		17 143,00
Payments										
Capital assets		- 207 993 550,66	- 433 282 990,00	- 433 282 990,00	- 52 404 505,04	- 164 793 796,60	- 108 320 747,55	56 473 049,05	0,52	- 433 282 990,00
NET CASH FROM/(USED) INVESTING ACTIVITIES		- 207 824 099,91	- 432 535 073,00	- 432 535 073,00	- 52 404 505,04	- 164 793 796,60	- 108 133 768,32	56 660 028,28	0,52	- 432 535 073,00
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Increase (decrease) in consumer deposits		313 632,49	-	-	67 018,51	134 253,45	-	134 253,45	#DIV/0!	134 253,45
NET CASH FROM/(USED) FINANCING ACTIVITIES		313 632,49	-	-	67 018,51	134 253,45	-	134 253,45	#DIV/0!	134 253,45
NET INCREASE/ (DECREASE) IN CASH HELD		973 680 228,47	12 638 507,00	12 638 507,00	- 1 166 645 676,09	- 73 512 572,71	3 159 626,61			- 686 385 835,68
Cash/cash equivalents at beginning:		391 481 179,95	567 001 000,00	567 001 000,00	1 210 107 684,70	116 974 581,32	567 001 000,00			116 974 581,32
Cash/cash equivalents at month/year end:		1 365 161 408,42	579 639 507,00	579 639 507,00	43 462 008,61	43 462 008,61	570 160 626,61			- 569 411 254,36

D. Primary Bank Balances

Name of institution	Cash in the bank on 30th September 2026
Standard Bank	R88 561 411,45

SEPTEMBER	R
Bank statement balance (closing balance per B/S before adjusting to C/B)	88 561 411,45
Reconciling items:	
uncashed cheques	-
uncashed ACBs	- 5 323 839,45
Undeposited receipts	405 338,82
Partially undeposited receipt	330 249,33
Miscellaneous charge	423 227,44
unreconciled on statement Deposit	- 4 989 690,97
Partially unreconciled on statement Deposit	- 41 364,96
unreconciled on statement transfers	
Adjusted statement C/F	79 365 331,66
cashbook account B/F	- 111 031 827,73
reconciled bank Charges	190 393 420,06
cashbook account C/F	79 361 592,33
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	79 361 592,33
Difference	3 739,33

INVESTMENT REGISTER - 30 SEPTEMBER 2026							
	RATE	ACCOUNT NUMBER			JULY	AUGUST	SEPTEMBER
FNB	6,85%	62858613980		NEW			
			OPENING	34055053310ZZZZZZWD	104 447 924,15	83 916 574,13	117 174 756,65
			ADDITIONS	34055053320ZZZZZZWD	11 218 596,35	32 659 645,02	
			WITHDRAWAL	34055053330ZZZZZZWD	- 32 200 000,00	-	
			SERVICE FEE	34055053350ZZZZZZWD	-	-	
			INTEREST	34055053340ZZZZZZWD	450 053,63	598 537,50	664 525,33
					83 916 574,13	117 174 756,65	117 839 281,98
	RATE	ACCOUNT NUMBER					
STANDARD BANK	7%	238 890 708 008		NEW			
			OPENING	34055053010ZZZZZZWD	8 111 776,36	143 513 043,63	64 624 518,44
			ADDITIONS	34055053020ZZZZZZWD	240 000 000,00	-	-
			WITHDRAWAL	34055053030ZZZZZZWD	- 105 500 000,00	- 79 500 000,00	- 54 900 000,00
			INTEREST	34055053040ZZZZZZWD	901 267,27	611 474,81	167 640,37
					143 513 043,63	64 624 518,44	9 892 158,81
	RATE	ACCOUNT NUMBER					
NEDBANK BANK		03/7881071850		NEW			
			OPENING	34055053110ZZZZZZWD	1 133 042,19	1 139 682,08	1 146 361,03
			ADDITIONS	34055053120ZZZZZZWD	-	-	-
			WITHDRAWAL	34055053130ZZZZZZWD	-	-	-
			INTEREST	34055053140ZZZZZZWD	6 639,89	6 678,95	6 548,40
					1 139 682,08	1 146 361,03	1 152 909,43
	RATE	ACCOUNT NUMBER					
ABSA BANK		9368456281		NEW			
			OPENING	34055053210ZZZZZZWD	1 203 208,66	213 363 825,37	174 158 447,30
			ADDITIONS	34055053220ZZZZZZWD	250 000 000,00	-	-
			WITHDRAWAL	34055053230ZZZZZZWD	- 39 000 000,00	- 40 500 000,00	- 42 000 000,00
			SERVICE FEE	34055053250ZZZZZZWD	-	-	-
			INTEREST	34055053240ZZZZZZWD	1 160 616,71	1 294 621,93	1 001 536,31
					213 363 825,37	174 158 447,30	133 159 983,61
					JULY		
				INTEREST	2 518 577,50	2 511 313,19	1 840 250,41
				SHORT-TERM INVESTMENT	441 933 125,21	357 104 083,42	262 044 333,83

MFMA Section 52 financial reporting – 1st Quarter 2026/2027 financial year

DC47 Sekhukhune - Supporting Table SC16 Monthly Budget Statement - Investment Portfolio - M03 September												
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 ³	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 Motmhs	Short-Term	No	Fixed	6,85	Call Account	117 174 756,65	664 525,33	-	-	117 839 281,98
STANDARD BANK		Call Account	Short-Term	No	Fixed	7,00	Call Account	64 624 518,33	167 640,37	- 54 900 000,00	-	9 892 158,70
NEDBANK		Call Account	Short-Term	No	Fixed	6,90	Call Account	1 146 361,03	6 548,40	-	-	1 152 909,43
ABSA BANK		Call Account	Short-Term	No	Fixed	7,65	Call Account	174 158 447,30	1 001 536,31	- 42 000 000,00	-	133 159 983,61
TOTAL INVESTMENTS AND INTEREST	2,00							357 104 083,31	1 840 250,41	- 96 900 000,00	-	262 044 333,72

I. EXPENDITURE MANAGEMENT

Hereunder is an analysis of creditor's payments for the 1st Quarter of 2026/2027, 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 to September 2026

Month: July to September 2026	Total Number of valid and complete invoices Received	Total Number of paid invoices	Variance
Number of Invoices	334	334	0
Percentage	100%	100%	0%

The above table shows that 334 invoices received for the months of **July to September 2026** and were valid and complete and were paid within 30 days.

Table 14: Overall Summary of paid invoices in rand value for 1st Quarter Financial Report from (July to September 2026)

Months	Rand value of amount paid	No. of items paid
July to September 2026	R	
Invoices 810		
Value of R 477 519 818,93	R 194 197 539,68	334
100%	41%	41%

Table 15: Invoices Paid within 30 days.

Month: July to September 2025	Total Number of valid and complete invoices Received	Total Number of valid and complete invoices paid within 30 days
Invoices received	810	334
Percentage	100%	41%

Refer to attached **Annexure B** for a list of invoices paid within 30 days in the month of July to September 2026



Invoices paid within
30day in July.xlsx



Invoices paid within
30 days in August 2023



Invoices paid within
30days in September

Table 16: Unpaid invoices

Month: July to September 2026	Total number of invoices Received	Total Number of invalid and Incomplete invoices
Overall Invoices received	810	476
Percentage	100%	59%

A total number of invalid, and incomplete invoices were (476) 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 FROM JULY TO SEPTEMBER 2026

Outstanding Invoices
as of 31st July 2026



Invoices Not Paid
in 30 days as 31st



Outstanding Invoices
as of 30th September

TOTAL VALUE OF INVALID INVOICES AS AT 1st Quarter FROM JULY TO SEPTEMBER 2026

TOTAL VALUE OF INVOICES RECEIVED	TOTAL VALUE OF INVALID AND INCOMPLETE INVOICES THAT WERE NOT PAID
Invoices: 810	Invoices: 476
Value of R 477 519 818,93	Value of R 283 322 279.80
100%	59%

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

Payment Method	Value	Number
Purchase Orders	78 359 403,71	293
Sundry Purchases	12 595 409.99	92
Projects	103 242 726,92	71
Third Parties	28 255 620,03	63
Total	222 453 160,65	519

CREDITOR AGE ANALYSIS REPORT FROM JULY TO SEPTEMBER 2026

CRR07002 HR191		** SEKHUKHUNE SCOA PRODUCTION **			01 October 2026		05:58:44				
Creditor Age Analysis for Selected Date					Page		9				
Company Type: A From Supplier No:		Company.....		Analyse As At Date: 20260930		Start Period: 202507		End Period: 202609			
Report Type: D To Supplier No.:		Report Sequence: T		File Name.....		cred_age.txt		Year End:			
Detail Work File: hr191.txt		File Y/N.....		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	
UCT002 UNIVERSITY OF CAPE TOWN		0.00		0.00		37530.00		0.00		37530.00	
00045242											
VIS002 VISION PRINT (PTY)LTD (2007/011165/07)		112756.80		0.00		0.00		0.00		112756.80	
00045191 00045192											
WHIO02 WHITE ROCK 75 INVESTMENT AND HOLDING		152686.24		0.00		0.00		0.00		152686.24	
00045018 00045051											
WINO09 WINTERBACH FAMILY TRUST		646214.30		0.00		0.00		0.00		646214.30	
Total Deliveries		Count: 99 :		43565183.84		171266.40		37530.00		0.00 43773980.24	

BULK WATER PURCHASES AGE ANALYSIS FROM JULY TO SEPTEMBER 2026

BULK WATER AGE ANALYSIS REPORT DATED 30 SEPTEMBER 2026											
Count	Supplier Name	PRIOR- YEAR INVOICES AGEING				CURRENT YEAR INVOICES (2026/27) 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	(81 861 258,45)	-	187 882 007,82	-	18 310 578,99	13 419 921,22	-	31 730 500,21	219 612 508,03
2	WATER & SANITATION DEPARTMENT	31 146 134,22	(287 577,95)	-	30 858 556,27	-	249 692,25	-		249 692,25	31 108 248,52
3	NJ VAN DER WAL	205 754,00	(205 754,00)	-	-		-	-	-	-	-
4	WINTERBACH ATTORNEYS (MADELEEN)	363 239,38	-	-	363 239,38	-	324 223,50	312 990,84		637 214,34	1 000 453,72
5	NGOATO LE NAREADI MASHILABELA	397 573,77	(397 573,77)	-	-	398 010,31	-	-	-	398 010,31	398 010,31
	TOTAL BULK WATER CONSUMPTION	301 855 967,64	(82 752 164,17)	-	219 103 803,47	398 010,31	18 884 494,74	13 732 912,06	-	33 015 417,11	252 119 220,58
	OPERATIONS & MAINTENANCE										
6	NMS LEPELLE NORTHERN WATER (O&M)	59 360 021,06	-	-	59 360 021,06	-					59 360 021,06
	TOTAL OPERATIONS & MAINTENANCE	59 360 021,06	-	-	59 360 021,06	-	-	-	-	-	59 360 021,06
	TANKERING										
7	NGOATO LE NAREADI	8 201 299,98	(8 201 299,98)	-	-	4 499 547,50	-	-		4 499 547,50	4 499 547,50
8	DIKGALE AND SEBEGO	3 169 516,73	(3 169 516,73)	-	-	3 445 633,46	-	-		3 445 633,46	3 445 633,46
9	FITO AND SONS	3 914 600,00	(3 914 600,00)			5 786 800,00				5 786 800,00	5 786 800,00
10	NKOTO CATERING & PROJECTS	3 434 365,25	(3 434 365,25)	-	-	3 339 226,25	-	-		3 339 226,25	3 339 226,25
		18 719 781,96	(18 719 781,96)	-	-	17 071 207,21				17 071 207,21	17 071 207,21
	TOTAL BULK WATER REPORT AS AT 30 SEPTEMBER '26	379 935 770,66	(101 471 946,13)	-	278 463 824,53	17 469 217,52	18 884 494,74	13 732 912,06	-	50 086 624,32	328 550 448,85

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	
	Q4 ENDING JUNE 26	26-Jul	26-Aug	26-Sept	Q1 ENDING SEPTEMBER 26	Q4 ENDING JUNE 26	26-Jul	26-Aug	26-Sept	Q1 ENDING SEPTEMBER 26	Obtained Readings Q1	% Read Q1	Qty	%
1	255	86	86	86	258	116	38	42	42	122	122	47,29%	136	52,71%
2	3703	1291	1218	1261	3770	3454	1210	1194	1162	3566	3566	94,59%	204	5,41%
3	4476	1492	1492	1484	4468	2383	802	806	759	2367	2367	52,98%	2101	47,02%
4	12828	4187	4178	2839	11204	9324	3152	3091	2375	8618	8618	76,92%	2586	23,08%
5	8443	2848	2802	4042	9692	6989	2342	2402	2757	7501	7501	77,39%	2191	22,61%
Total	29705	9818	9690	9626	29392	22266	7544	7535	7095	22174	22174	75,44%	7218	24,56%

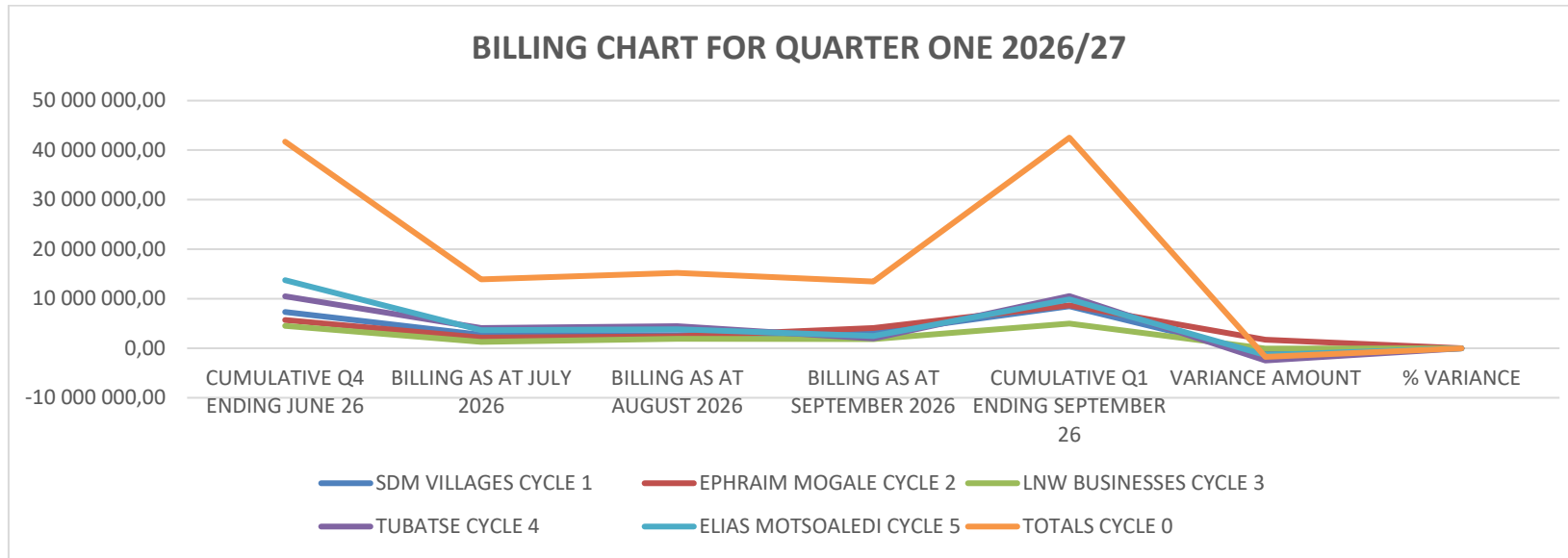
Description	Explanation of report	Challenges	Remedial action
Meter reading for one quarter ending September 2026	Overall meter reading in Q1 ending September 2026, is 22 174 meters read against 22 266 meters read in Q4 ending June 2026. An increase in cycle 1,2 and 5 in total number of meters read.	- Lack of material to replace /repair faulty meters. - Most meters have been stolen - Denied access to meter reading in some areas - Most meters are stacked	- Ensure availability of material to replace faulty meters. - Installation of prepaid meters in problematic areas - A provider has been appointed to do meter readings and disconnections - Political intervention where a meter reading access is denied. - Installation of smart meters is in progress

BILLING FOR QUARTER THREE

TOWN/ MUNICIPALITY	CYCLE	CUMULATIVE Q4 ENDING JUNE 26	BILLING AS AT JULY 2026	BILLING AS AT AUGUST 2026	BILLING AS AT SEPTEMBER 2026	CUMULATIVE Q1 ENDING SEPTEMBER 26	VARIANCE AMOUNT	% VARIANCE
SDM VILLAGES	CYCLE 1	7 292 198,03	2 721 640,67	2 648 907,59	3 107 136,48	8 477 684,74	-1 185 486,71	-16%
EPHRAIM MOGALE	CYCLE 2	5 715 749,17	2 175 402,34	2 391 995,50	4 099 974,20	8 667 372,04	1 707 978,70	30%
LNW BUSINESSES	CYCLE 3	4 500 321,90	1 258 408,71	1 894 880,70	1 823 321,88	4 976 611,29	-71 558,82	-2%
TUBATSE	CYCLE 4	10 483 334,35	4 099 822,99	4 449 617,72	1 979 106,69	10 528 547,40	-2 470 511,03	-24%
ELIAS MOTSOLEDI	CYCLE 5	13 738 490,82	3 620 684,08	3 805 217,21	2 441 129,40	9 867 030,69	-1 364 087,81	-10%
TOTALS	CYCLE 0	41 730 094,27	13 875 958,79	15 190 618,72	13 450 668,65	42 517 246,16	-1 739 950,07	-4%

Description	Explanation of report	Challenges	Remedial action
Billing report for Quarter one ending September 2026	Overall billing for Quarter one is R42 517 246 and quarter four ending June 2026 was R41 730 094. Based on reading taken to calculate the usage in the month and reversal of estimate billing which were replaced with actual readings	- Faulty meters - Some residents in the villages refusing meter readers' access - Estimate billing where meters could not be read create confusions to most customers	- Ensure availability of spares for water meters - Political intervention is required in areas where meter reading access is denied. - Engage the meter readers to increase their capacity to cover most areas - Data cleansing provider is in progress

MFMA Section 52 financial reporting – 1st Quarter 2026/2027 financial year

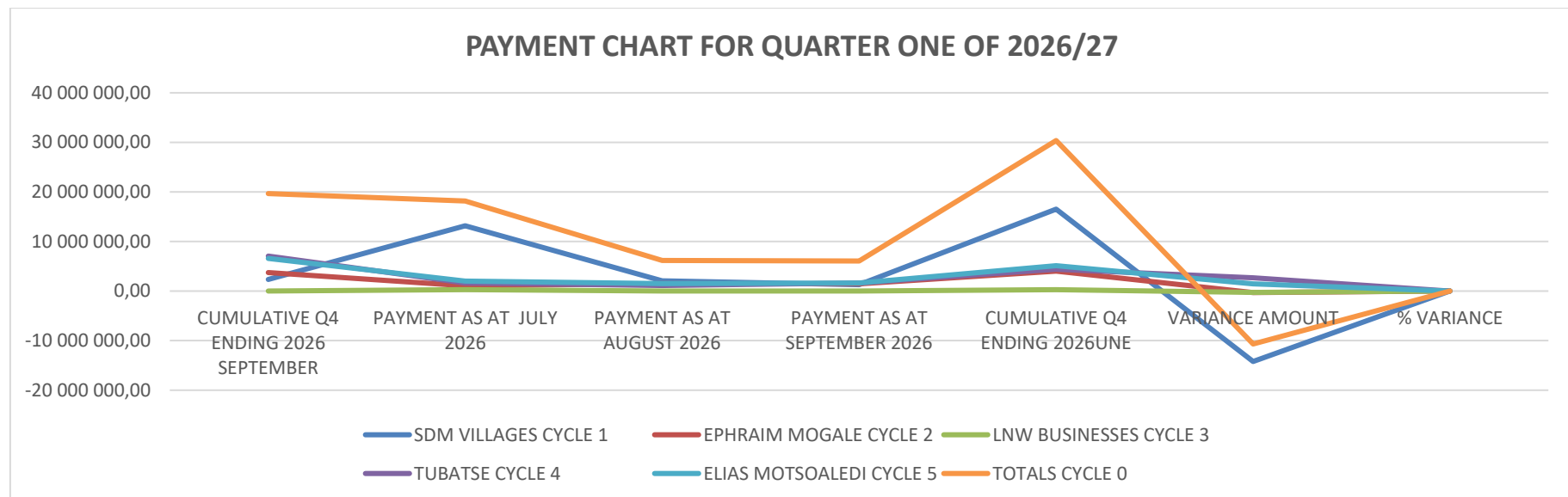


RECEIPTS FOR THE QUARTER 4 ENDING JUNE 2026

TOWN/ MUNICIPALITY	CYCLE	CUMULATIVE Q4 ENDING JUNE 2026	PAYMENT AS AT JULY 2026	PAYMENT AS AT AUGUST 2026	PAYMENT AS AT SEPTEMBER 2026	CUMULATIVE Q1 ENDING SEPTEMBER 2026	VARIANCE AMOUNT	% VARIANCE
SDM VILLAGES	CYCLE 1	2 320 206,65	13 178 536,08	2 046 894,55	1 303 028,99	16 528 459,62	-14 208 252,97	-612,37%
EPHRAIM MOGALE	CYCLE 2	3 720 248,76	1 051 648,06	1 497 465,28	1 471 861,02	4 020 974,36	-300 725,60	-8,08%
LNW BUSINESSES	CYCLE 3	10 202,32	272 411,26	6 200,00	3 205,37	281 816,63	-271 614,31	-2662,28%
TUBATSE	CYCLE 4	7 060 861,88	1 633 801,94	1 146 521,54	1 613 368,06	4 393 691,54	2 667 170,34	37,77%
ELIAS MOTSOLEDI	CYCLE 5	6 582 007,06	2 012 561,21	1 484 692,54	1 646 654,84	5 143 908,59	1 438 098,47	21,85%
TOTALS	CYCLE 0	19 693 526,67	18 148 958,55	6 181 773,91	6 038 118,28	30 368 850,74	-10 675 324,07	-54,21%

MFMA Section 52 financial reporting – 1st Quarter 2026/2027 financial year

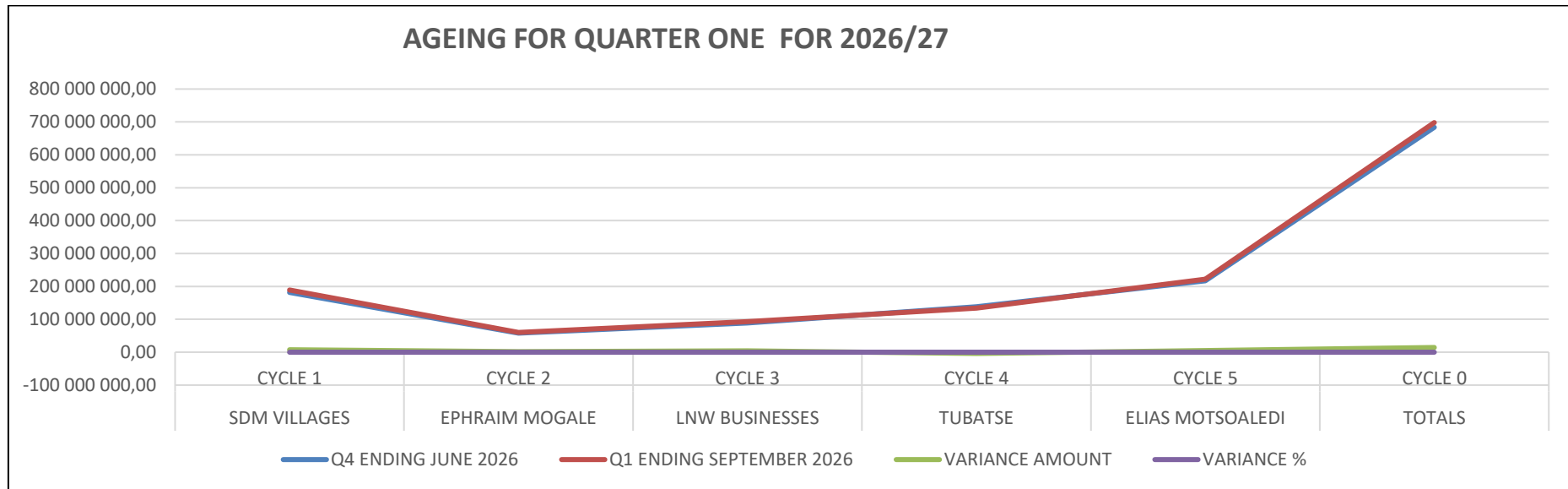
Description	Explanation of report	Challenges	Remedial action
Receipts for Quarter one ending September 2026	Receipts for Quarter one is R30 368 850 whilst for Quarter four it was R19 693 526.	- Water restrictions were not Effected due to lack restrictors materials in residentials - There is a culture of non-payment in the most areas. - Average billing creates problems to customer billing. - Uncleansed data result in accounts not reaching correct customers	- Political intervention is required. - Installation of prepaid meters - Encourage customers to use the available convenient payment methods. - Smart meters are being installed, and prepaid meters are to be installed in some areas to ensure payments are made for water consumed 50 % payment incentive have been approved by Council and is due to start to encourage payment of Services - meter reading provider to effect the restriction/Cut offs. - Data cleansing is in progress



AGE ANALYSIS FOR QUARTER 4 ENDING SEPTEMBER 2026

TOWN/ MUNICIPALITY	CYCLES	Q4 ENDING JUNE 2026	Q1 ENDING SEPTEMBER 2026	VARIANCE AMOUNT	VARIANCE %
SDM VILLAGES	CYCLE 1	181 778 850,29	188 878 949,23	7 100 098,94	3,91%
EPHRAIM MOGALE	CYCLE 2	57 940 787,06	60 022 723,20	2 081 936,14	3,59%
LNW BUSINESSES	CYCLE 3	88 801 843,48	92 730 178,06	3 928 334,58	4,42%
TUBATSE	CYCLE 4	138 210 063,21	134 247 814,20	-3 962 249,01	-2,87%
ELIAS MOTSOLEDI	CYCLE 5	217 015 760,14	222 181 427,93	5 165 667,79	2,38%
TOTALS	CYCLE 0	683 747 304,18	698 061 092,62	14 313 788,44	2,09%

Description	Explanation of report	Challenges	Remedial action
Age analysis report for Quarter One ending September 2026	The overall debt has increased by R14 313 788 which is 2.09 % from R 683 747 304 in Quarter 4 of 2025/26 to R698 061 092 in Quarter 1 of 2026/27 FY	- Water restrictions were not effected due to lack restrictors materials in residentials - There is a culture of non-payment in the most areas. - Average billing creates problems to customer billing. - Uncleansed data result in accounts not reaching correct customers	- Political intervention is required. - Installation of prepaid meters - Encourage customers to use the available convenient payment methods. - Prepaid meters are to be installed in some areas, and installation of smart meters is in progress 50 % payment incentive has been approved by Council to encourage payment of services - meter reading provider to effect the restriction/Cut offs. - Data cleansing is in progress



MATTERS OF INTEREST AS AT END SEPTEMBER 2026

OTHER MATTERS RELATING TO STRENGTHENING OF REVENUE COLLECTION PROCESSES

- **SITA** there were 9006 electronic email statements sent for the month of September 2026 and 5 390 sms account balance updates were sent in September 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 September 2026 debtors were 71 241.

F. Unauthorized, Irregular, Fruitless and Wasteful ExpenditureIrregular Expenditure for the 1st Quarter of 2026/2027 = R363 683,40

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
	08/09/2026	55038969	181 468,50	NJ Van Der Wal	IWS	Irregular Expenditure	X
	22/09/2026	55039043	182 214,90	NJ Van Der Wal	IWS	Irregular Expenditure	
			363 683,40				

Unauthorized Expenditure for the 1st Quarter of 2026/2027 = R0,00

Unauthorised Exepnditure listing as at 30 September 2026							
Financial Year/Period of Incident	Invoice number	Amount	Date of Discovery	Date reported to Accounting officer	Date of payment	Payment number	UP
None	None	-	None	None	None	None	
	TOTAL AMOUNT	-					

Fruitless and wasteful Expenditure for the 1st Quarter of 2026/2027 = 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	None	None	None	None	None	None	None

B. The Competitive Bidding Processes

The municipality processed 5 requisitions of goods and services through the competitive bidding processes as at the month of September 2026. There are 03 bid processes are still in the evaluation committee while 2 have been recommended for re-advert. 05 tenders have been awarded as at 30th September 2026.

COMPETITIVE BIDDING PROCESSES					
Bids Specifications					
No.	Bid No.	Description of Service	Specifications Date	Advertisement Date	Closing Date of Advert
Bids Evaluation					
No.	Bid No.	Description of Service	Evaluation received	Date Received	Date Completed
1	SK8/3/1-04/2026/2027	Development and Implementation of Rural Roads Management System (RRAMS) for SDM (3) Years.	Yes	18/09/2026	On process
2	SK8/3/1-03/2026/2027	Panel of Electro-Mechanical Terms Contract for SDM for 03 Years.	Yes	18/08/2026	Re-advert
3	SK8/3/1-02/2026/2027	Provision of Fuel and Lubricants for Diesel and Petrol-Driven Water Infrastructure in the O&M for 3 Years.	Yes	13/08/2026	On process
4	SK8/3/1-01/2026/2027	Provision of Personal Protective Equipment for 3 Years.	Yes	13/08/2026	Re-advert
5	SK8/3/1-05/2026/2027	Re-Advertisement: Supply, Deliver and Install Security Fencing at the Jane Furse RDP Sewege Ponds	Yes	17/07/2026	On process
Bids Adjudication					
No.	Bid No.	Description of Service	Adjudication received	Date Received	Date Completed

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 Financial Instruments Related to MAFS for (3) Years.	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	1. MPH Training & Skills, 2. Olrich Academy, 3. Southren African Abet and Skills Dev Agency, 4. Jobafrik Consulting, 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
5	SK8/3/1-35/2025/2026	Asbestos Removal from Elolshini at JS Moroka 5 Portion	Yes	01/07/2026	12/08/2026	Asbestra (pty) ltd

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 quarter for all asset transactions..

OTHER ASSET PURCHASES	QUANTITY	CLASSIFICATION	JULY – SEPTEMBER 2026/2027
Movables Assets additions	0	Computer Equipment	R0,00
	01	Machinery and Office Equipment	R197 000.00
	0	Transport Assets	R0.00
	0	-	R0.00
Intangible assets			

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 replacement assets)	12	Water Supply	R18 515 274.07
- Completed Projects	02	Water and Sanitation	R41 825 430.44
			R4 623 586.59

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 quarter 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 Q1 amounts to R156 313 466,82

PHYSICAL VERIFICATION OF WIP AND COMPLETED CAPITAL PROJECTS

17 WIP and completed projects were visited during Q1.

G. RETENTION ANALYSIS

Opening Balance	2026/2027 Raised YTD	2026/2027 Retention Q1	1 years	2 years	3 years +	2026/2027 Retention Paid YTD	2026/2027 Retention Paid Q1	Closing Balance 2026/2027 YTD
240 980 951.59	12 820 877.08	12 820 877.08	88 757 520.99	86 434 830.73	74 452 677.42	4 156 799.53	4 156 799.53	249 645 029.14

ACHIEVEMENTS

1. The FAR was updated for Quarter 1
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. AG requests and physical 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
-

Fixed Assets Register Reconciliation Month end 30 September 2026										
		AFS Opening Balance	Restated Opening Balance	Additions	Closing Balance	Vote Description Opening Acc Dep	AFS Opening Balance	Restated Opening Balance	Current Year Depreciation until 30 September 2026	Carrying Value
Movable Assets	Vote Description Opening Cost	Rand	Rand	Rand	Rand			Rand	Rand	Rand
Computer Equipment	35106470010ZZZZZZWD 38056470010ZZZZZZWD 39056470010ZZZZZZWD 39056470410ZZZZZZWD 35106470020MGJ30ZZWD	33 558 614	33 558 614	1 121 780,00	34 680 394	39056470210ZZZZZZWD 39056470310ZZZZZZWD	23 794 415	23 794 415	351 238	10 534 740
Furniture and Office Equipment	39056460010ZZZZZZWD 39086460010ZZZZZZWD 35106460010ZZZZZZWD 34056460010ZZZZZZWD	14 217 220	14 217 220		14 217 220	39056460210ZZZZZZWD 39056460310ZZZZZZWD 39056460710ZZZZZZWD	7 630 484	7 630 484	196 634	6 390 101
Leasehold Improvements	39056457010ZZZZZZWD	7 309 495	7 309 495		7 309 495	39056457210ZZZZZZWD 39056457310ZZZZZZWD 39056654610ZZZZZZWD	7 309 495	7 309 495	-	-
Machinery and Equipment	39056456010ZZZZZZWD	11 435 232	12 446 772		12 446 772	39056456210ZZZZZZWD 39056456310ZZZZZZWD 35106420610ZZZZZZWD 35106420610ZZZZZZWD 39056420610ZZZZZZWD 35106420710ZZZZZZWD	8 569 597	8 569 597	247 710	3 629 465
Transport Assets	35106420410ZZZZZZWD 35106420410ZZZZZZWD 39056420410ZZZZZZWD 34056420410ZZZZZZWD	65 545 992	65 545 992	662 534,79	66 208 527		41 868 112	41 868 112	1 502 663	22 837 752
		132 066 553	133 078 093	1 784 314,79	134 862 408		89 172 104	89 172 104	2 298 245	43 392 059
Infrastructure										
Road Transport	35056472410ZZZZZZWD 35106472410ZZZZZZWD	66 882 669	66 882 669	-	66 882 669	35056472610ZZZZZZWD 35056472610ZZZZZZWD 35056472710ZZZZZZWD	47 634 434	47 634 434	349 140	18 899 096
Sewage Treatment	35156449410ZZZZZZWD	109 529 875	109 529 875	-	109 529 875	35106449610ZZZZZZWD 35156449610ZZZZZZWD 35156449710ZZZZZZWD	55 423 378	55 423 378	678 389	53 428 108
Water Network		6 176 357 247	6 176 357 247	-	6 176 357 247	35106444610ZZZZZZWD 35106445210ZZZZZZWD 35106446210ZZZZZZWD 35106446310ZZZZZZWD 35106446610ZZZZZZWD 35106447210ZZZZZZWD 35106448210ZZZZZZWD 37056447210ZZZZZZWD	1 559 521 148	1 559 521 148	44 867 690	4 571 968 409
Water Network	35106446010ZZZZZZWD	-	-	20 022 556,82			-	-	-	-
Water Supply	35106445010ZZZZZZWD									
		6 352 769 791	6 352 769 791	20 022 556,82	6 352 769 791	-	1 662 578 959	1 662 578 959	45 895 219	4 644 295 612
Community Assets										
Buildings	37056474010ZZZZZZWD	26 142 912	26 142 912	-	26 142 912	37056473610ZZZZZZWD 37056473710ZZZZZZWD 39056475210ZZZZZZWD 39056473610ZZZZZZWD 39056474210ZZZZZZWD 39056657210ZZZZZZWD	22 391 201	22 391 201	117 667	3 634 044
Land	37056473510ZZZZZZWD	14 460 000	14 460 000	-	14 460 000	-	-	-	-	14 460 000
		40 602 912	40 602 912	-	40 602 912	-	22 391 201	22 391 201	117 667	18 094 044
Grant Total FAR		6 393 372 703	6 393 372 703	20 022 556,82	6 393 372 703	-	1 684 970 160	1 684 970 160	46 012 886	4 662 389 657
Work in progress (WIP)										
	35106680010ZZZZZZWD	1 316 987 437	1 316 987 437	156 313 466,82	1 473 300 904	-	-	-	-	1 473 300 904
	35106446020CFJ0ZZHO	1 316 987 437	1 316 987 437	156 313 466,82	1 473 300 904					
	35106444420MGJ63ZZWD			7 538 922,17						

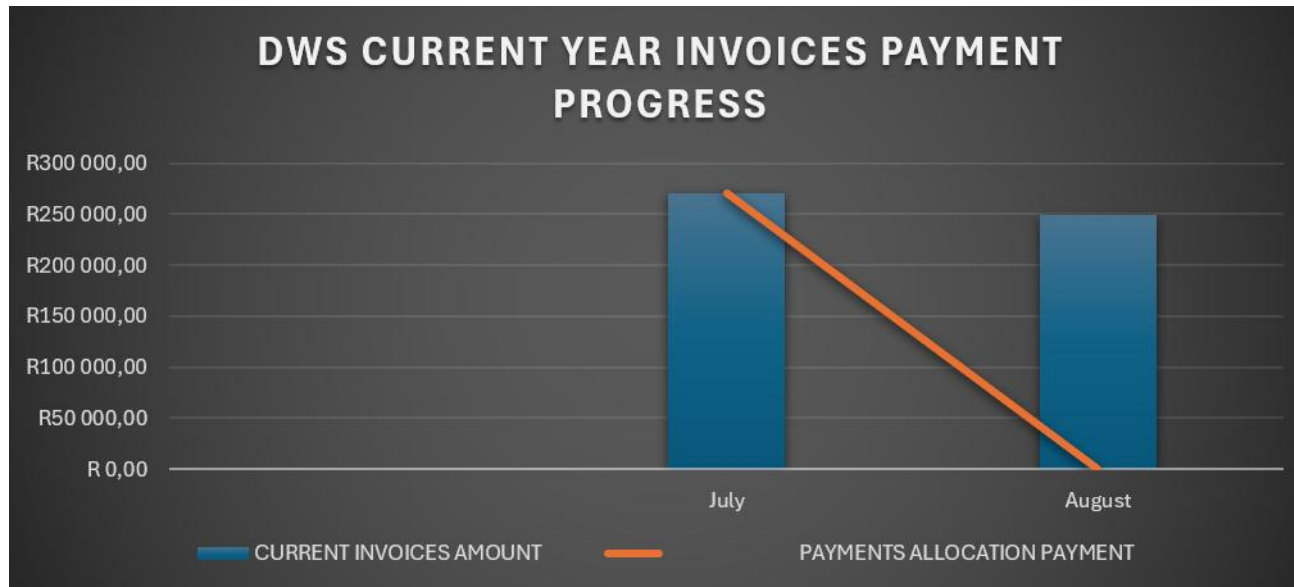
A. MFMA Circular 124 – Municipality Compliance Self-Assessment

¹³ *Note* – If the officer is signing on behalf of the town, the signature of the town clerk or other authorized official of the town is required. The written prescription of the MD/DO/BSN must be attached to the application in the Department of Transportation.

*Note - The Signed Certificate is an unsigned one. It should not include comments, initials, statements, etc. It is incorporated into the signed SP request.

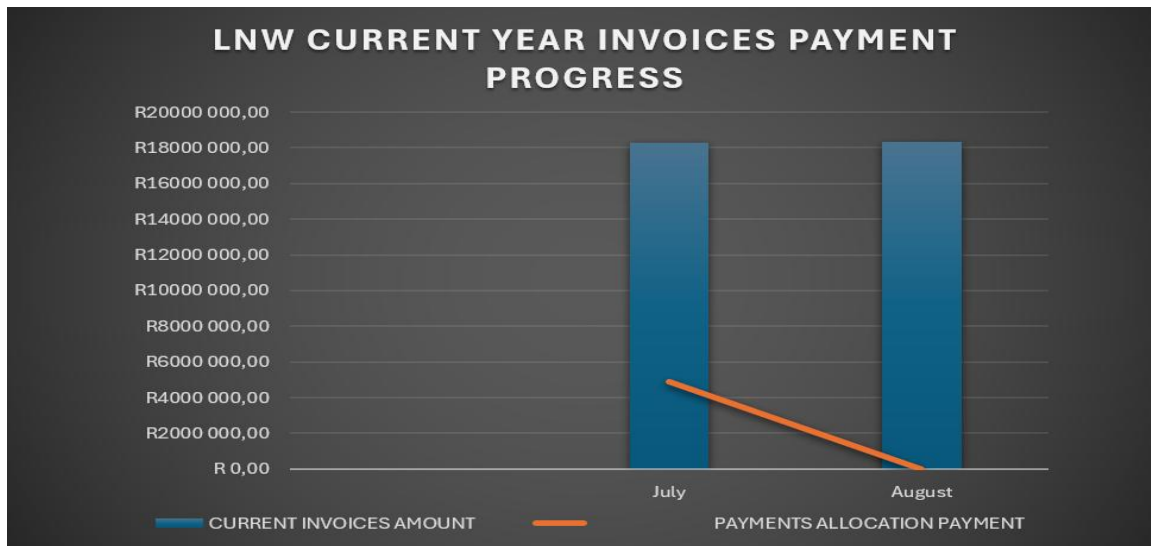
B. Municipal Debt Relief Performance across the period of debt relief participation

BULK WATER SUPPLY RECONCILIATION (DEPARTMENT OF WATER AND SANITATION)								
MONTHS	CURRENT INVOICES AMOUNT	REPAYMENT ARRANGEMENT (100%)	INTEREST	PAYMENTS ALLOCATION				CUMMULATIVE OUTSTANDING
				PAYMENT	PAYMENT %	PAYMENT DATE	OUTSANDING CURRENT INVOICES	
Opening bal	R28 825 435,22		R2 320 699,55	R287 577,95				R30 858 556,82
July	R270 539,06	R270 539,06	R0,00	R270 539,06	100,00%	2026/09/08	R0,00	R30 858 556,82
August	R249 692,25	R249 692,25	R0,00	R0,00	0,00%	-	R249 692,25	R31 108 249,07
September								
TOTAL	R29 345 666,53	R520 231,31	R2 320 699,55	R558 117,01			R249 692,25	R31 108 249,07



BULK WATER SUPPLY RECONCILIATION (LEPELLE NORTHERN WATER)								
MONTHS	CURRENT INVOICES AMOUNT	REPAYMENT ARRANGEMENT (100%)	INTEREST	PAYMENTS ALLOCATION				CUMMULATIVE OUTSTANDING
				PAYMENT	PAYMENT %	PAYMENT DATE	OUTSANDING CURRENT INVOICES	
Opening bal	203 226 951,85		R66 517 708,78	R81 861 258,45				R187 883 402,18
July	R18 293 192,28	R18 293 192,28	R0,00	R4 873 271,06	26,64%	2026/09/16	R13 419 921,22	R201 303 323,40
August	R18 310 578,99	R18 310 578,99	R0,00	R0,00	-		R18 310 578,99	R219 613 902,39
September								
TOTAL	R239 830 723,12	R36 603 771,27	R0,00	R4 873 271,06			R31 730 500,21	R219 613 902,39

Note: As at 30 September 2026, we have not received September invoices.



C. Maintaining the Water Bulk Current account & Water losses

Water Losses for the Period ending 30 September 2026					
Technical Losses (Kilolitres)	Technical Losses (Rands)	Non-Technical Losses (Kilolitres)	Non-Technical Losses (Rands)	Total Water Losses (Kilolitres)	Total Water Losses (Kilolitres)
703 960,00	6 727 880,06	-	-	703 960,00	6 727 880,06

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