



SEKHUKHUNE
District Municipality

May 2025/2026

Section 71 Financial Report

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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

564 062 687,54 / 719 484 781,25

=0.78

Table (i) Current ratio

	May 2026	April 2026
Current ratio	0.78: 1	1.02: 1

The municipality's current ratio was below the norm range of between 1.5 to 2:1 as at the end of May 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 254 689 090,14.

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

(564 062 687,54 - 0) / 719 484 781,25= 0.78

Table (ii) Acid-Test Ratio

	May 2026	April 2026
Acid-test ratio	0.78:1	1.01:1

1. Cash Flow and Investment Management

The municipality's primary bank account closed with a positive balance of about R 1 602 213,21 and short-term investments closed at R 253 086 876,93. The combined interest earned on short investment amounts to R 1 729 184,83 as of 31st May 2026.

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

No:	Account number / description	31 st May 2026
1	FNB Account No. 62858613980	R 232 703 099,91
2	STANDARD BANK Account No. 238890708008	R 18 061 189,47
3	NEDBANK Account No. 7881071850	R 1 126 652,79
4	ABSA Account No. 9368456281	R 1 195 934,76
5	ABSA Account No. 2080786868	-
6	ABSA Account No. 2080973405	-
Total		R 253 086 876,93

Cash flows from operating activities amounts to a positive R 69 885 995,02 during the month ending on the 31st May 2026. This amount is calculated by subtracting Payments to employees and suppliers to the amount of R68 463 618,39 from the total receipts of R138 349 613,41.

The municipality did pay in total an amount of R46 836 636,74 on capital projects. The municipality also reported a net increase in cash held to an amount of R 23 049 358,28 during the month ending on the 31st May 2026.

2. Expenditure management

The total invoices received from suppliers were 188 during the month ending on the 31st May 2026, 147 invoices at a total rand value of R31 872 832,53 were processed and paid.

R30 854 171,06 in purchase orders, R284 644,17 in sundry purchases, R784 017,30 in capital projects and R8 845 788,66 in 3rd party payments were processed as at 31st May 2026, totalling R40 718 621,19.

The municipality incurred an expenditure to an amount of R 37 611 502,46 on employee related costs for the month of May 2026. Expenditure on council remuneration was R 1 266 011,24 for the same month.

Depreciation on non-current assets was R 90 701 233,33 as at the end of May 2026.

R 16 176 915,13 was the expenditure on contracted services for the month of May 2026. Contracted services include amongst others the security services operational fleet expenses, photocopying machines and vehicle tracking services.

Expenditure on transfers and subsidies was R362 679,61 for the month of May 2026.

R 9 343 308,21 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) and Department of Water and Sanitation (DWS). The municipality has budgeted to collect 60% of the billed revenue on service charges and has collected 48% % of the billed R12 039 818,26 for the month of May 2026. An amount of R 5 878 489,90 was collected. The budgeted revenue on service charges is R108 101 778,00,00 with a year-to-date actual revenue of R 93 113 141,73 which is 86%.

Currently as at 31st May 2026, the Municipality has paid all invoices received as per the payment arrangement entered with Lepelle Northern Water to service the current accounts except for few disputed invoices from Lepelle Northern Water where Our technical team went on site for verification and found problems on the sites. Therefore, they did not agree with the invoice amounts, and they couldn't sign off on them. The matter has not been as at 31st May 2026. The municipality has paid a total of R 198 104 577,14 for Lepelle Northern Water and R 2 720 775,86

for DWS in servicing their current account as at 31st May 2026. The municipality has incurred R 5 233 395,84 (979 533 kl) in water losses as at the May 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

401 078 450,96 / 1 181 889 311,59 x100

=34%

The municipality has incurred in total R401 078 450,96 in employee related costs to date as at end of 31st May 2026. The expenditure incurred amounts to 34% 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

344 877 567,00 / 1 181 889 311,59 x 100

=29%

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

590 879 228,96 / 456 595 438,00 x100

=129%

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

Norm is between 95% - 100%

Actual operating expenditure/ budgeted operating expenditure x100

1 181 889 311,59 / 1 486 318 095,00 x100

=80%

Implementation on the operational expenditure budget was at 80% to date as at 31st May 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

93 113 141,73 / 108 101 778 x 100

=86%

4. Revenue management

A total of 7 381 water meter readings were captured as at 31st May 2026. This is an increase of 52 meters from the previous month of April 2026.

Total revenue billing on water and sanitation services was reported at R12 039 818,26. An amount of R5 878 489,90 was collected for the month of May 2026, collection rate was recorded at 48% for this period, the municipality did budget to collect 60% of the own revenue sources. The revenue collected increased by R1 150 377,64 (24,33%) 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 May 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 May 2026:

- (i) Purchase orders equal or less than R 30 000 VAT Inclusive:
61 Quotations to a total rand value of R690 964,76 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:
59 Quotations to a total rand value of R6 049 775,13 were processed for the procurement of goods and services.
- (iii) Purchase orders more than R 200 000 VAT Inclusive:
45 orders with a total rand value of R50 353 572,93 were processed.

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

The municipality processed 13 requisitions of goods and services through the competitive bidding processes as at the month of May 2026. There are 07 bid processes that are still in the in progress and 05 have been referred for re-advert. 32 tenders have been awarded as at 31st May 2026.

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

Irregular expenditure **R 697 854,62**

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

697 854,62 / 1 181 889 311,59 x100

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

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The unauthorized irregular, fruitless and wasteful expenditure was within the norm in terms of percentage with an amount of R697 854,62 incurred as irregular expenditure for the month of May 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.

R106 092,10 was the total rand value for all deviations as at 31st May 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 2025/2026 Financial Year			
	Month - May 2026		Amount
GL Opening balance as at 01 July 2025			1 593 144 100,12
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
			1 351 090 081,00
Incurred in Current year - May 2026			697 854,62
			1 351 787 935,62
Write-off by council		-	1 338 788 521,85
	RBIG PROJECTS 2014	-	24 928 095,87
	Financial Year 2024/2025	-	95 574 964,00
	Financial Year 2024/2025	-	368 031 807,84
	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 2018/2019	-	91 413 830,73
	Financial Year 2019/2020	-	6 594 201,13
	Financial Year 2020/2021	-	175 915 848,44
Closing balance as at 31 May 2026			12 999 413,77

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FRUITLESS & WASTEFUL EXPENDITURE				
Recon for 2025/2026 Financial Year				
	Month - May 2026			Amount
GL Opening balance as at 01 July 2025				126 048 532,00
Prior year adjustment				-
				126 048 532,00
Incurred in Current year - May 2026				-
				126 048 532,00
Write-off by council			-	28 909 224,87
Closing balance as at 31 May 2026				97 139 307,13

UNAUTHORISED EXPENDITURE				
Recon for 2025/2026 Financial Year				
	Month - May 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 - May 2026				-
				575 298 144,00
Write-off by council			-	142 974 883,52
Closing balance as at 31 May 2026				432 323 260,48

6. Asset management

The municipality had in total **R 564 062 687,54** in current assets as at 31st May 2026 detailed as follows:

Class of Asset	Value
Cash and cash equivalents	R 252 928 127,17
Trade and other receivables from exchange transactions	R 102 504 834,41
Receivables from non-exchange transactions	R 30 307 253,04
Inventory	(R 104 318,80)
VAT	R 159 345 405,59
Other current assets	R 19 081 386,13
Total Current Assets	R 564 062 687,54

The municipality's non-current assets had a total of **R 5 591 599 577,70** as at 31st May 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 1 630 573,00
Furniture and office equipment -	R 6 354 634,00
Transport assets -	R 26 864 917,00
IT Equipment -	R 6 761 220,00
Leasehold improvements -	R 7 309 495,40
Road infrastructure -	R 19 470 903,00
Community assets - Buildings	R 3 774 708,00
Wastewater network -	R 54 436 562,00
Water network -	R 4 159 717 254,00
Assets under construction -	R 1 297 938 808,00
Total Non-Current Assets	R 5 591 599 577,70

There were no assets additions to the municipality's infrastructure assets and movable assets respectively as at 31st May 2026. No disposal or donation of assets for the May 2026 month.

Retention amounts on capital infrastructure projects currently under construction had a combined value of **R240 712 395.46**.

The **R 1 297 938 808,00** 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 May 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/Sengapudi & 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. Mahlokwenwa 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 May 2026, the asset is the mayoral chain of the municipality.

7. BUDGET MONITORING

There following was the overspending of items for the month of May 2026, therefore unauthorized expenditure at vote level is being reported for the month.

Typ	Votenummer	Description	Budget	Curr Mth Exp	YTD Movement	Unspend Bud	Perc
P	34052260380EQP04ZZHO	OS: B&A PROJECT MANAGEMENT -	3 000 000,00	-	3 610 620,23	- 610 620,23	120,35
	Budget & Reporting Office		3 000 000,00	-	3 610 620,23	- 610 620,23	120,35
P	35102266400EQMRCZZWD	OS: WATER TANKERS	110 000 000,00	11 798 833,79	125 293 869,86	- 15 293 869,86	113,90
P	35102285410EQP35ZZWD	CONTR: SEWERAGE SERVICES	2 955 284,00	1 676 875,00	4 172 317,60	- 1 217 033,60	141,18
P	35102303610EQMRCZZWD	OC: MUNICIPAL SERVICES - ESKOM OWN USE	68 000 000,00	5 361 859,30	78 398 875,94	- 10 398 875,94	115,29
P	35102326600WTMRCZZWD	INVENTORY - WATER	130 000 000,00	26 716 507,64	162 019 642,19	- 32 019 642,19	124,63
	Infrastructure & Water Services		310 955 284,00	45 554 075,73	369 884 705,59	- 58 929 421,59	104,01
P	39052301170EQMRCZZHO	OC: COMM - PHONE FAX TELEGRAPH & TELEX	2 974 033,00	171 138,92	3 106 752,72	- 132 719,72	104,46
P	39052270340EQMRCZZHO	C&PS: B&A BUS & FIN MANAG - FINANCIAL SY	4 100 000,00	5 188 325,45	7 953 711,61	- 3 853 711,61	193,99
P	39052306610EQMRCZZHO	OC: WET FUEL	17 292 000,00	2 800 000,00	17 801 427,15	- 509 427,15	102,94
	Corporate Service (Including Capex)		24 366 033,00	8 159 464,37	28 861 891,48	- 4 495 858,48	401,39

8. ANNEXURE A: C-SCHEDULE/ SCHEDULES

A. GRANTS PERFORMANCE

The overall spending on conditional grants was above 99,77% as at 31st May 2026. The FMG spending at 92% and EPWP spending at 100% while MIG and RRAMs were reported at 100% and 70% respectively.

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

GRANT REGISTER - MAY 2025/2026

GRANT REGISTER - MAY 2025/2026									
CONDITIONAL GRANTS									UNCONDITIONAL GRANT
DIRECT CONDITIONAL GRANTS						INDIRECT CONDITIONAL GRANTS			EQUITABLE SHARE
FINANCIAL MANAGEMENT GRANT	MUNICIPAL INFRASTRUCTURE GRANT	EXPANDED PUBLIC WORKS PROGRAMME	RURAL ROAD ASSET MANAGEMENT SYSTEM	TOTALS	RBIG	WSIG	TOTALS	34051179100EQZZZZZWD	
34051178950FMZZZZZWD	35101258940MGZZZZZWD AND 35101178970MIZZZZZWD	35101178910EPZZZZZWD	35101259010RRZZZZZHO		35101259000RBZZZZZHO	34051259030WSZZZZZHO			
BUDGET	2 400 000,00	425 942 000,00	8 403 000,00	2 686 000,00	439 431 000,00	-	-	-	1 209 760 000,00
UNSPENT GRANT AS AT 01 JULY 2025	-	9 121 637,00	-	51 992,00	9 173 629,00	-	-	-	-
ROLLOVER DENIED	-	9 121 637,00	-	-	9 121 637,00	-	-	-	-
AMOUNT RECEIVED AS PER B/S	-	-	-	-	-	-	-	-	-
TOTAL	2 400 000,00	425 942 000,00	8 403 000,00	2 737 992,00	439 482 992,00	-	-	-	1 209 760 000,00
OPENING BALANCE	-	9 121 637,00	-	51 992,00	-	-	-	-	-
APPROVED ROLLOVER	-	-	-	-	-	-	-	-	-
UNSPEND PAID BACK	-	9 121 637,00	-	-	-	-	-	-	-
GRANT INCOME	2 400 000,00	425 942 000,00	8 403 000,00	2 686 000,00	439 431 000,00	-	-	-	1 200 638 000,00
JUL	-	-	-	-	-	-	-	-	504 067 000,00
AUG	2 400 000,00	118 026 000,00	2 101 000,00	1 880 000,00	124 407 000,00	-	-	-	-
SEPT	-	-	-	-	-	-	-	-	-
OCT	-	112 764 000,00	-	-	112 764 000,00	-	-	-	-
NOV	-	-	3 781 000,00	-	3 781 000,00	-	-	-	-
DEC	-	96 806 000,00	-	-	96 806 000,00	-	-	-	394 131 000,00
JAN	-	-	-	-	-	-	-	-	-
FEB	-	-	2 521 000,00	-	2 521 000,00	-	-	-	-
MAR	-	98 346 000,00	-	806 000,00	99 152 000,00	-	-	-	302 440 000,00
GRANT EXPENDITURE	2 208 178,08	425 942 000,00	8 403 000,00	1 872 042,15	438 425 220,23	8 761 625,44	45 134 773,54	-	-
JUL	333 892,80	1 038 617,51	642 232,00	-	2 014 742,31	-	-	-	-
AUG	80 689,95	52 940 710,04	684 012,50	-	53 705 412,49	-	-	-	-
SEPT	128 460,51	28 789 188,21	803 476,00	-	29 721 124,72	-	-	-	-
OCT	58 499,95	38 281 426,80	812 052,32	144 563,21	39 296 542,28	5 698 787,06	-	-	-
NOV	8 499,99	51 667 108,90	811 212,70	-	52 486 821,59	-	12 594 695,65	-	-
DEC	57 416,94	65 734 354,41	800 447,47	285 588,45	66 877 807,27	-	-	-	-
JAN	948 999,94	38 380 646,25	794 031,91	-	40 123 678,10	-	-	-	-
FEB	106 931,95	52 105 153,45	845 647,56	-	53 057 732,96	-	24 191 238,26	-	-
MAR	361 111,15	66 899 720,45	842 618,16	674 279,72	68 777 729,48	-	174 698,35	-	-
APR	57 374,95	30 105 073,98	842 618,16	-	31 005 067,09	-	4 710 407,73	-	-
MAY	66 299,95	-	524 651,22	767 610,77	1 358 561,94	3 062 838,38	3 463 733,55	-	-
TOTAL UNSPENT	191 821,92	-	-	813 957,85	1 057 771,77	8 761 625,44	45 134 773,54	-	-
PERCENTAGE	92	100,00	100	70	99,77	-	-	-	-

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B. CAPITAL EXPENDITURE

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

	MAY 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	416 666,67	-	416 666,67	1,00	5 000 000,00	1 727 950,00	5 000 000,00	3 272 050,00
MOTOR VEHICLE 10 SEATER FOR REV MAN TEAM	125 000,00	-	125 000,00	1,00	1 500 000,00	-	1 500 000,00	1 500 000,00
OFFICE EQUIPMENT	250 000,00	97 577,90	152 422,10	0,61	3 000 000,00	2 808 434,38	3 000 000,00	191 565,62
BUILDING STRUCTURES	416 666,67	-	416 666,67	1,00	5 000 000,00	4 623 213,36	5 000 000,00	376 786,64
SDM-O&M MANAGEMENT PLAN	-	37 424 055,32	- 37 424 055,32	-	-	114 780 725,02	-	- 114 780 725,02
SDM-CAPITAL REPLACEMENT RESERVE	2 083 333,33	1 276 040,10	807 293,23	0,39	25 000 000,00	24 824 919,16	25 000 000,00	175 080,84
MIG-GTLM LEBALELO SOUTH CONN PIPES&RETIC	166 666,67	-	166 666,67	1,00	2 000 000,00	5 337 759,82	2 000 000,00	- 3 337 759,82
PURCHASE OF OFFICE	125 000,00	-	125 000,00	1,00	1 500 000,00	190 000,00	1 500 000,00	1 310 000,00
SDM - MOUTSE EAST&WEST WATER RETIC PH1	-	-	-	-	-	332 698,39	-	- 332 698,39
SDM - LEBALELO SOUTH CONN PIPES&RETIC	-	-	-	-	-	4 825 328,24	-	- 4 825 328,24
SDM - MASHAMOTHANE & EXT WATER SUPPY	-	-	-	-	-	4 887 205,54	-	- 4 887 205,54
RBIG - NEBO SCHEME	-	-	-	-	-	-	-	-
PHOKWANE WATER SUPPLY	29 166,67	-	29 166,67	-	350 000,00	-	350 000,00	350 000,00
RUTSENG WATER SUPPLY	-	-	-	-	-	-	-	-
SDM - MOUTSE EAST&WEST WATER RETIC PH2	-	-	-	-	-	12 447 094,57	-	- 12 447 094,57
GIS EQ PLOTTER 2DESKTOPS SERVER COORDS	38 635,75	-	38 635,75	-	463 629,00	463 628,52	463 629,00	0,48
MHS EQUIPMENT	130 000,00	-	130 000,00	1,00	1 560 000,00	1 306 000,00	1 560 000,00	254 000,00
GIS EQUIP/PLOTTER/PCX2/SERVER/COORDNTS	128 030,92	-	128 030,92	1,00	1 536 371,00	857 210,00	1 536 371,00	679 161,00
REFURBISHMENT - ERF 488	-	-	-	-	-	-	-	-
OFFICE EQUIPMENT	-	-	-	-	-	-	-	-
COMPUTER	13 500,00	-	13 500,00	1,00	162 000,00	160 000,00	162 000,00	2 000,00
REFURBISHMENT - ERF 488	8 333,33	-	8 333,33	1,00	100 000,00	-	100 000,00	100 000,00
OFFICE EQUIPMENT	4 166,67	-	4 166,67	1,00	50 000,00	-	50 000,00	50 000,00
COMPUTER	8 053,25	-	8 053,25	1,00	96 639,00	-	96 639,00	96 639,00
DISASTER RECOVERY SYSTEM	4 166,67	-	4 166,67	1,00	50 000,00	-	50 000,00	50 000,00
COMPUTER	279 305,83	-	279 305,83	1,00	3 351 670,00	351 670,00	3 351 670,00	3 000 000,00
SDM FUNDED	4 226 692,42	38 797 673,32	- 34 570 980,90	14,00	50 720 309,00	179 923 837,00	50 720 309,00	- 129 203 528,00
MIG-REFURBISHMENT OF LEEUWVONTEIN WWTW	1 357 323,17	-	1 357 323,17	1,00	16 287 878,00	11 135 697,89	16 287 878,00	5 152 180,11
MIG-REFURBISHMENT OF DENNILTON WWTW	1 752 658,25	1 218 145,05	534 513,20	0,30	21 031 899,00	11 849 219,32	21 031 899,00	9 182 679,68
MIG - UPGRADING OF GROBLERSDAL-LUCKAU P3	208 333,33	-	208 333,33	1,00	2 500 000,00	2 833 819,71	2 500 000,00	- 333 819,71
MIG - LEBALELO CENTRAL SUBSCHEME 1A	4 108 387,42	-	4 108 387,42	1,00	49 300 649,00	64 520 250,45	49 300 649,00	- 15 219 601,45
MIG-MALEKANE REGIONAL WATER SCHEME	456 313,17	-	456 313,17	1,00	5 475 758,00	3 784 691,36	5 475 758,00	1 691 066,64
MIG - UPGRADING OF DE HOOP WTW	3 207 966,08	3 274 085,88	6 482 051,96	2,02	38 495 593,00	37 082 434,43	38 495 593,00	1 413 158,57
MIG - UPGRADING OF GROBLERSDAL-LUCKAU P1	2 361 480,42	-	2 361 480,42	1,00	28 337 765,00	8 288 399,35	28 337 765,00	20 049 365,65
MIG - UPGRADING OF GROBLERSDAL-LUCKAU P2	4 768 772,50	-	4 768 772,50	1,00	57 225 270,00	42 984 509,91	57 225 270,00	14 240 760,09
MIG - MAMPURU BULK WATER SCHEME	6 020 991,17	6 148 948,99	- 127 957,82	- 0,02	72 251 894,00	54 427 195,22	72 251 894,00	17 824 698,78
MIG- MOUTSE EAST & WEST WATER RETIC	1 816 640,08	-	1 816 640,08	1,00	21 799 681,00	20 907 936,08	21 799 681,00	891 744,92
MIG-OLIFANTSPOORT SOUTH RWS PHASE 8	1 461 510,17	-	1 461 510,17	1,00	17 538 122,00	11 619 330,27	17 538 122,00	5 918 791,73
MIG- MOUTSE EAST & WEST WATER RETIC PH2	6 057 885,00	-	6 057 885,00	1,00	72 694 620,00	85 865 662,07	72 694 620,00	- 13 171 042,07
COMPUTERS (MIG)	20 833,33	-	20 833,33	1,00	250 000,00	121 297,99	250 000,00	128 702,01
MIG	33 599 094,08	4 093 008,16	29 506 085,92	12,30	403 189 129,00	355 420 444,05	403 189 129,00	47 768 684,95
RRAMS CAPITAL ACQUISITION	223 833,33	671 869,38	- 448 036,05	1,00	2 686 000,00	1 638 548,93	2 686 000,00	1 047 451,07
TOTAL CAPITAL	38 049 619,83	43 562 550,86	- 5 512 931,03	27,30	456 595 438,00	536 982 829,98	456 595 438,00	- 80 387 391,98

MFMA Section 71 financial reporting – May 2025/2026 financial year

DC47 Sekhukhune - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M11 May										
Vote Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1,00									
Multi-Year expenditure appropriation	2,00									
Vote 05 - Infrastructure And Water Services		3 656 481,79	32 247 878,00	16 287 878,00	3 463 733,55	14 599 431,44	16 792 564,00	- 2 193 132,56	- 0,13	16 287 878,00
Total Capital Multi-year expenditure	4,7	3 656 481,79	32 247 878,00	16 287 878,00	3 463 733,55	14 599 431,44	16 792 564,00	- 2 193 132,56	- 0,13	16 287 878,00
Single Year expenditure appropriation	2,00									
Vote 04 - Budget And Treasury		8 058 967,44	9 500 000,00	14 500 000,00	97 577,90	9 159 597,74	12 708 337,00	- 3 548 739,26	- 0,28	14 500 000,00
Vote 05 - Infrastructure And Water Services		691 780 689,30	407 243 020,00	420 460 880,00	43 275 325,29	565 751 319,78	383 880 496,00	181 870 823,78	0,47	565 751 319,78
Vote 06 - Planning And Economic Development		-	-	1 536 371,00	-	857 210,00	1 229 096,80	- 371 886,80	- 0,30	1 536 371,00
Vote 08 - Sekhukhune Development Angancy		-	1 058 639,00	408 639,00	-	160 000,00	450 442,00	- 290 442,00	- 0,64	408 639,00
Vote 09 - Corporate Services		996 173,24	3 050 000,00	3 401 670,00	-	351 670,00	3 077 173,00	- 2 725 503,00	- 0,89	3 401 670,00
Total Capital single-year expenditure	4,00	700 835 829,98	420 851 659,00	440 307 560,00	43 372 903,19	576 279 797,52	401 345 544,80	174 934 252,72	0,44	585 597 999,78
Total Capital Expenditure		704 492 311,77	453 099 537,00	456 595 438,00	46 836 636,74	590 879 228,96	418 138 108,80	172 741 120,16	0,41	601 885 877,78
Capital Expenditure - Functional Classification										
Governance and administration		9 055 140,68	12 550 000,00	17 901 670,00	97 577,90	9 511 267,74	15 785 510,00	- 6 274 242,26	- 0,40	17 901 670,00
Finance and administration		9 055 140,68	12 550 000,00	17 901 670,00	97 577,90	9 511 267,74	15 785 510,00	- 6 274 242,26	- 0,40	17 901 670,00
Economic and environmental services		-	1 058 639,00	1 945 010,00	-	1 017 210,00	1 679 538,80	- 662 328,80	- 0,39	1 945 010,00
Planning and development		-	1 058 639,00	1 945 010,00	-	1 017 210,00	1 679 538,80	- 662 328,80	- 0,39	1 945 010,00
Trading services		695 437 171,09	439 490 898,00	436 748 758,00	46 739 058,84	580 350 751,22	400 673 060,00	179 677 691,22	0,45	580 350 751,22
Water management		695 437 171,09	439 490 898,00	436 748 758,00	46 739 058,84	580 350 751,22	400 673 060,00	179 677 691,22	0,45	580 350 751,22
Total Capital Expenditure - Functional Classification	3,00	704 492 311,77	453 099 537,00	456 595 438,00	46 836 636,74	590 879 228,96	418 138 108,80	172 741 120,16	0,41	600 197 431,22
Funded by:										
National Government		436 361 334,62	405 580 898,00	405 875 129,00	8 038 963,42	410 955 391,96	372 017 971,80	38 937 420,16	0,10	410 955 391,96
Transfers recognised - capital		436 361 334,62	405 580 898,00	405 875 129,00	8 038 963,42	410 955 391,96	372 017 971,80	38 937 420,16	0,10	410 955 391,96
Internally generated funds		268 130 977,15	47 518 639,00	50 720 309,00	38 797 673,32	179 923 837,00	46 120 137,00	133 803 700,00	2,90	179 923 837,00
Total Capital Funding		704 492 311,77	453 099 537,00	456 595 438,00	46 836 636,74	590 879 228,96	418 138 108,80	172 741 120,16	0,41	590 879 228,96

C. Employee Related Cost

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

A. Municipal staff and Senior Managers

Description	MAY 2026				PROJECTIONS				
	Monthly Budget	Expenditure	Variance		Annual Budget	Year-to-date Expenditure	Annual projections	Variance	
	R	R	R	%	R	R	R	R	%
Basic Salary	22 418 284,17	25 185 309,07	-2 767 024,90	0,12	296 717 245,00	269 019 410,02	296 717 245,00	27 697 834,98	0,85
Cellphone Allowance	193 142,92	208 475,00	- 15 332,08	0,65	7 156 503,00	2 317 715,00	7 156 503,00	4 838 788,00	0,94
Group life contribution	145 771,61	156 636,02	- 10 864,41	0,11	2 261 628,00	1 749 259,35	2 261 628,00	512 368,65	0,85
Housing benefits	163 255,40	175 292,77	- 12 037,37	0,24	2 902 270,00	1 959 064,82	2 902 270,00	943 205,18	0,87
Industrial Council	7 968,20	8 621,85	- 653,65	0,99	7 232 857,00	95 618,45	7 232 857,00	7 137 238,55	1,00
Leave Bonus	8 562,92	-	8 562,92	1,00	2 566 510,00	102 755,02	2 566 510,00	2 463 754,98	0,97
Medical Aid Contribution	1 291 412,02	1 449 095,90	- 157 683,88	0,08	17 781 594,00	15 496 944,22	17 781 594,00	2 284 649,78	0,85
Acting allowance	-	-	-	1,00	163 654,00	-	163 654,00	163 654,00	1,00
Annual/ Performance Bonus	1 411 665,00	1 182 475,86	229 189,14	- 25,81	15 315 199,00	16 939 980,02	15 315 199,00	- 1 624 781,02	- 4,73
Long Service Awards	3 906,25	-	3 906,25	- 3,10	1 945 851,00	46 874,96	1 945 851,00	1 898 976,04	0,42
Overtime	1 536 668,48	2 405 727,65	- 869 059,17	- 0,46	13 043 912,00	18 440 021,73	13 043 912,00	- 5 396 109,73	0,75
Pension Fund Contribution	3 486 503,33	3 792 188,70	- 305 685,37	0,10	47 699 210,00	41 838 039,95	47 699 210,00	5 861 170,05	0,85
Shift Allowance	284 133,15	307 124,18	- 22 991,03	0,10	4 158 743,00	3 409 597,75	4 158 743,00	749 145,25	0,85
Standby Allowance	118 210,41	145 582,41	- 27 372,00	0,71	3 706 536,00	1 418 524,91	3 706 536,00	2 288 011,09	0,94
Transport Allowance	2 221 530,66	2 439 678,28	- 218 147,62	0,02	33 114 391,00	26 658 367,91	33 114 391,00	6 456 023,09	0,84
UIF	131 307,62	144 709,35	- 13 401,73	0,28	2 120 623,00	1 575 691,43	2 120 623,00	544 931,57	0,88
Uniform Allowance	882,12	10 585,42	- 9 703,30	1,00	177 009,00	10 585,42	177 009,00	166 423,58	1,00
Grand Total	33 423 204,25	37 611 502,46	-4 188 298,21	- 23,00	458 063 735,00	401 078 450,96	458 063 735,00	56 985 284,04	9,12

B. Councillors

Description	May-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	1 032 349,00	949 512,60	82 836,40	1,37	12 388 188,00	10 566 226,08	12 388 188,00	1 821 961,92	14,71
CELLPHONE ALLOWANCE	146 022,83	128 838,00	17 184,83	- 0,60	1 752 274,00	1 450 624,62	1 752 274,00	301 649,38	17,21
MEDICAL AID BENEFITS	24 826,58	13 137,55	11 689,03	49,28	297 919,00	137 602,00	297 919,00	160 317,00	53,81
PENSION FUND CONTRIBUTIONS	76 269,92	57 923,62	18 346,30	- 3,12	915 239,00	635 862,28	915 239,00	279 376,72	30,53
TRAVELLING ALLOWANCE	324 668,25	116 599,47	208 068,78	75,09	3 896 019,00	1 283 596,51	3 896 019,00	2 612 422,49	67,05
GRAND TOTALS	1 604 136,58	1 266 011,24	338 125,34	122,03	19 249 639,00	14 073 911,49	19 249 639,00	5 175 727,51	183,31

MFMA Section 71 financial reporting – May 2025/2026 financial year

DC47 Sekhukhune - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May										
Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1,00	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		11 151 079,97	11 338 188,00	12 388 188,00	949 512,60	10 566 226,08	11 233 372,00	- 667 145,92	- 0,06	12 388 188,00
Pension and UIF Contributions		634 903,95	915 239,00	915 239,00	57 923,62	635 862,28	838 992,00	- 203 129,72	- 0,24	915 239,00
Medical Aid Contributions		149 347,56	297 919,00	297 919,00	13 137,55	137 602,00	273 108,00	- 135 506,00	- 0,50	297 919,00
Cellphone Allowance		1 542 909,00	1 752 274,00	1 752 274,00	128 838,00	1 450 624,62	1 606 275,00	- 155 650,38	- 0,10	1 752 274,00
Other benefits and allowances		2 823 063,80	4 996 019,00	3 896 019,00	116 599,47	1 283 596,51	3 699 696,00	- 2 416 099,49	- 0,65	3 896 019,00
Sub Total - Councillors		16 301 304,28	19 299 639,00	19 249 639,00	1 266 011,24	14 073 911,49	17 651 443,00	- 3 577 531,51	- 0,20	19 249 639,00
Senior Managers of the Municipality	3,00									
Basic Salaries and Wages		6 420 714,81	8 406 069,00	8 056 069,00	579 379,68	5 101 578,88	7 425 599,00	- 2 324 020,12	- 0,31	8 056 069,00
Pension and UIF Contributions		219 895,23	691 258,00	691 258,00	17 707,36	194 928,63	633 699,00	- 438 770,37	- 0,69	691 258,00
Medical Aid Contributions		124 890,96	132 741,00	132 741,00	11 364,55	121 187,80	121 693,00	- 505,20	- 0,00	132 741,00
Performance Bonus		99 320,91	110 618,00	110 618,00	-	94 441,69	101 409,00	- 6 967,31	- 0,07	110 618,00
Motor Vehicle Allowance		753 665,86	1 309 989,00	1 309 989,00	59 217,40	524 290,20	1 200 859,00	- 676 568,80	- 0,56	1 309 989,00
Cellphone Allowance		161 135,00	252 700,00	252 700,00	10 496,00	118 155,00	231 682,00	- 113 527,00	- 0,49	252 700,00
Housing Allowances		-	147 373,00	147 373,00	-	-	135 102,00	- 135 102,00	- 1,00	147 373,00
Other benefits and allowances		4 206,44	247 892,00	247 892,00	-	3 014,76	227 271,00	- 224 256,24	- 0,99	247 892,00
Payments in lieu of leave		-	184 480,00	184 480,00	-	-	169 114,00	- 169 114,00	- 1,00	184 480,00
Post-retirement benefit obligations	2,00	11 712 000,00	-	-	-	-	-	-	-	-
Acting and post related allowance		97 710,79	163 654,00	163 654,00	-	-	150 029,00	- 150 029,00	- 1,00	163 654,00
Sub Total - Senior Managers of Municipality		19 593 540,00	11 646 774,00	11 296 774,00	678 164,99	6 157 596,96	10 396 457,00	- 4 238 860,04	- 0,41	11 296 774,00
Other Municipal Staff										
Basic Salaries and Wages		288 994 565,74	316 138 416,00	288 661 176,00	24 605 929,39	263 917 831,14	267 811 844,00	- 3 894 012,86	- 0,01	288 661 176,00
Pension and UIF Contributions		45 874 148,73	53 768 482,00	51 214 991,00	4 075 826,71	44 968 062,10	47 245 182,20	- 2 277 120,10	- 0,05	51 214 991,00
Medical Aid Contributions		16 011 838,93	17 753 853,00	17 648 853,00	1 437 731,35	15 375 756,42	16 190 412,00	- 814 655,58	- 0,05	17 648 853,00
Overtime		22 074 222,00	17 446 975,00	17 202 655,00	2 712 851,83	21 849 619,48	15 797 697,00	- 6 051 922,48	- 0,38	21 849 619,48
Performance Bonus		856 586,35	547 820,00	15 204 581,00	1 182 475,86	16 845 538,33	12 227 580,80	- 4 617 957,53	- 0,38	16 845 538,33
Motor Vehicle Allowance		31 206 554,35	30 881 081,00	31 732 233,00	2 380 460,88	26 131 062,95	28 988 662,60	- 2 857 599,65	- 0,10	31 732 233,00
Cellphone Allowance		2 217 206,68	6 960 440,00	6 903 803,00	197 979,00	2 199 560,00	6 335 152,40	- 4 135 592,40	- 0,65	6 903 803,00
Housing Allowances		2 148 585,50	2 704 897,00	2 754 897,00	175 292,77	1 959 064,82	2 519 565,00	- 560 500,18	- 0,22	2 754 897,00
Other benefits and allowances		1 104 296,52	4 647 829,00	4 115 891,00	164 789,68	1 524 728,78	3 835 057,60	- 2 310 328,82	- 0,60	4 115 891,00
Payments in lieu of leave		-	3 678 577,00	2 428 577,00	-	102 755,02	2 372 072,00	- 2 269 316,98	- 0,96	2 428 577,00
Long service awards		104 563,37	1 605 851,00	1 945 851,00	-	46 874,96	1 744 075,00	- 1 697 200,04	- 0,97	1 945 851,00
Post-retirement benefit obligations	2,00	-	237 933,00	137 933,00	-	-	138 130,00	- 138 130,00	- 1,00	137 933,00
Sub Total - Other Municipal Staff		410 592 568,17	456 372 154,00	439 951 441,00	36 933 337,47	394 920 854,00	405 205 430,60	- 10 284 576,60	- 0,03	446 239 362,81
Total Parent Municipality		446 487 412,45	487 318 567,00	470 497 854,00	38 877 513,70	415 152 362,45	433 253 330,60	- 18 100 968,15	- 0,04	476 785 775,81
TOTAL SALARY, ALLOWANCES & BENEFITS		446 487 412,45	487 318 567,00	470 497 854,00	38 877 513,70	415 152 362,45	433 253 330,60	- 18 100 968,15	- 0,04	476 785 775,81
TOTAL MANAGERS AND STAFF		430 186 108,17	468 018 928,00	451 248 215,00	37 611 502,46	401 078 450,96	415 601 887,60	- 14 523 436,64	- 0,03	457 536 136,81

MFMA Section 71 financial reporting – May 2025/2026 financial year

DC47 Sekhukhune - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M11 May										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1,00									
Revenue - Functional										
<i>Governance and administration</i>		1 881 717 579,93	1 868 201 148,00	1 860 201 148,00	5 177 657,40	1 380 880 211,64	1 706 117 565,00	- 325 237 353,36	- 0,19	1 863 493 406,36
Finance and administration		1 881 717 579,93	1 868 201 148,00	1 860 201 148,00	5 177 657,40	1 380 880 211,64	1 706 117 565,00	- 325 237 353,36	- 0,19	1 863 493 406,36
<i>Economic and environmental services</i>		-	-	-	-	-	-	-		-
<i>Trading services</i>		5 376 941,79	-	-	18 711 878,91	536 667 694,17	-	536 667 694,17	#DIV/0!	536 667 694,17
Water management		4 446 744,00	-	-	18 628 938,33	535 770 671,13	-	535 770 671,13	#DIV/0!	535 770 671,13
Waste water management		930 197,79	-	-	82 940,58	897 023,04	-	897 023,04	#DIV/0!	897 023,04
Total Revenue - Functional	2,00	1 887 094 521,72	1 868 201 148,00	1 860 201 148,00	23 889 536,31	1 917 547 905,81	1 706 117 565,00	211 430 340,81	0,12	2 400 161 100,53
Expenditure - Functional										
<i>Governance and administration</i>		841 492 140,54	720 643 664,00	715 176 015,00	40 342 746,57	496 747 768,19	656 217 141,80	- 159 469 373,61	- 0,24	715 176 015,00
Executive and council		223 559 349,04	244 090 933,00	250 490 933,00	14 880 806,33	197 769 147,92	228 870 681,00	- 31 101 533,08	- 0,14	250 490 933,00
Finance and administration		617 932 791,50	476 552 731,00	464 685 082,00	25 461 940,24	298 978 620,27	427 346 460,80	- 128 367 840,53	- 0,30	464 685 082,00
<i>Economic and environmental services</i>		35 119 280,26	40 352 256,00	37 102 253,00	3 855 846,40	28 098 099,38	34 389 895,60	- 6 291 796,22	- 0,18	37 102 253,00
Planning and development		35 119 280,26	40 352 256,00	37 102 253,00	3 855 846,40	28 098 099,38	34 389 895,60	- 6 291 796,22	- 0,18	37 102 253,00
<i>Trading services</i>		782 148 177,05	652 874 627,00	734 039 827,00	25 979 532,55	657 043 444,02	663 400 998,00	- 6 357 553,98	- 0,01	734 039 827,00
Water management		782 119 990,92	651 017 310,00	732 182 510,00	25 979 532,55	657 043 444,02	661 698 396,00	- 4 654 951,98	- 0,01	732 182 510,00
Waste water management		28 186,13	1 857 317,00	1 857 317,00	-	-	1 702 602,00	- 1 702 602,00	- 1,00	1 857 317,00
Total Expenditure - Functional	3,00	1 658 759 597,85	1 413 870 547,00	1 486 318 095,00	70 178 125,52	1 181 889 311,59	1 354 008 035,40	- 172 118 723,81	- 0,13	1 486 318 095,00
Surplus/ (Deficit) for the year		228 334 923,87	454 330 601,00	373 883 053,00	- 46 288 589,21	735 658 594,22	352 109 529,60	383 549 064,62	1,09	913 843 005,53

MFMA Section 71 financial reporting – May 2025/2026 financial year

DC47 Sekhukhune - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Water		97 211 863,58	102 107 777,00	91 107 777,00	7 200 197,39	77 713 816,27	84 798 769,00	- 7 084 952,73	- 0,08	91 107 777,00
Service charges - Waste Water Management		16 109 252,81	16 994 001,00	16 994 001,00	1 455 707,12	15 399 325,46	15 577 826,00	- 178 500,54	- 0,01	16 994 001,00
Sale of Goods and Rendering of Services		2 008 818,01	2 703 940,00	2 103 940,00	- 1 370 941,66	1 032 182,17	1 998 575,00	- 966 392,83	- 0,48	2 103 940,00
Interest earned from Receivables		37 374 823,23	26 324 803,00	45 724 803,00	3 463 203,91	36 842 927,58	39 651 063,00	- 2 808 135,42	- 0,07	45 724 803,00
Interest from Current and Non Current Assets		57 242 592,43	63 719 050,00	48 719 050,00	1 793 455,41	30 696 354,11	46 409 120,00	- 15 712 765,89	- 0,34	48 719 050,00
Operational Revenue		165 854,60	17 285,00	17 285,00	-	896,72	15 829,00	- 14 932,28	- 0,94	17 285,00
Non-Exchange Revenue										
Surcharges and Taxes		-	3 747,00	3 747,00	-	-	3 432,00	- 3 432,00	- 1,00	3 747,00
Fines, penalties and forfeits		890 111,96	1 434 845,00	634 845,00	15 521,38	212 393,57	675 248,00	- 462 854,43	- 0,69	634 845,00
Transfers and subsidies - Operational		1 169 254 705,01	1 246 860 100,00	1 246 860 100,00	4 660 920,32	1 246 189 963,84	1 142 955 077,00	103 234 886,84	0,09	1 246 189 963,84
Interest		1 850 096,58	-	-	168 544,78	1 776 713,32	-	1 776 713,32	#DIV/0!	1 776 713,32
Operational Revenue		3 103 721,79	-	-	269 722,96	2 966 952,56	-	2 966 952,56	#DIV/0!	2 966 952,56
Gains on disposal of Assets		131 486,50	704 700,00	704 700,00	-	-	645 975,00	- 645 975,00	- 1,00	704 700,00
Other Gains		-	-	-	-	345 000,00	-	345 000,00	#DIV/0!	345 000,00
Total Revenue (excluding capital transfers and contributions)		1 385 343 326,50	1 460 870 248,00	1 452 870 248,00	17 656 331,61	1 413 176 525,60	1 332 730 914,00	80 445 611,60	0,06	1 457 288 777,72
Expenditure By Type										
Employee related costs		430 186 108,17	468 018 928,00	451 248 215,00	37 611 502,46	401 078 450,96	415 601 887,60	- 14 523 436,64	- 0,03	451 248 215,00
Remuneration of councillors		16 301 304,28	19 299 639,00	19 249 639,00	1 266 011,24	14 073 911,49	17 651 443,00	- 3 577 531,51	- 0,20	19 249 639,00
Inventory consumed		208 719 680,37	134 146 561,00	163 526 002,00	29 886 131,46	194 223 557,73	146 471 331,80	47 752 225,93	0,33	194 223 557,73
Depreciation and amortisation		149 163 646,95	98 946 800,00	98 946 800,00	-	-	90 701 237,00	- 90 701 237,00	- 1,00	98 946 800,00
Interest		26 459 696,80	115 320,00	115 320,00	-	-	105 710,00	- 105 710,00	- 1,00	115 320,00
Contracted services		477 589 198,72	415 916 479,00	486 036 458,00	- 7 928 827,85	344 877 567,00	434 106 984,05	- 89 229 417,05	- 0,21	486 036 458,00
Transfers and subsidies		3 176 182,00	20 000 000,00	20 000 000,00	-	19 277 604,73	18 333 337,00	944 267,73	0,05	19 277 604,73
Irrecoverable debts written off		99 298 033,77	5 742 000,00	5 742 000,00	-	-	5 263 500,00	- 5 263 500,00	- 1,00	5 742 000,00
Operational costs		238 819 222,19	251 684 820,00	241 453 661,00	9 343 308,21	208 358 219,68	225 772 604,95	- 17 414 385,27	- 0,08	241 453 661,00
Losses on Disposal of Assets		9 046 524,60	-	-	-	-	-	-	-	-
Total Expenditure		1 658 759 597,85	1 413 870 547,00	1 486 318 095,00	70 178 125,52	1 181 889 311,59	1 354 008 035,40	- 172 118 723,81	- 0,13	1 516 293 255,46
Surplus/(Deficit)		- 273 416 271,35	46 999 701,00	- 33 447 847,00	- 52 521 793,91	231 287 214,01	- 21 277 121,40	252 564 335,41	- 11,87	- 59 004 477,74
Transfers and subsidies - capital (monetary)		499 702 746,74	407 330 900,00	407 330 900,00	5 914 454,70	502 854 347,91	373 386 651,00	129 467 696,91	0,35	502 854 347,91
Transfers and subsidies - capital (in-kind)		2 048 448,48	-	-	318 750,00	1 517 032,30	-	1 517 032,30	#DIV/0!	1 517 032,30
Surplus/ (Deficit) for the year		228 334 923,87	454 330 601,00	373 883 053,00	- 46 288 589,21	735 658 594,22	352 109 529,60	383 549 064,62	1,09	445 366 902,47

MFMA Section 71 financial reporting – May 2025/2026 financial year

DC47 Sekhukhune - Table C6 Monthly Budget Statement - Financial Position - M11 May						
Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1,00					
ASSETS						
Current assets						
Cash and cash equivalents		391 481 179,95	623 379 871,00	860 903 813,00	252 928 127,17	860 903 813,00
Trade and other receivables from exchange transactions		20 168 024,39	300 991 465,00	281 418 465,00	102 504 834,41	281 418 465,00
Receivables from non-exchange transactions		26 378 486,15	-	-	30 307 253,04	30 307 253,04
Inventory		35 774 898,64	253 541 645,00	224 212 002,00	104 318,80	224 212 002,00
VAT		171 331 267,96	56 273 366,00	56 273 366,00	159 345 405,59	159 345 405,59
Other current assets		19 159 509,84	81 982 217,00	81 982 217,00	19 081 386,13	81 982 217,00
Total current assets		664 293 366,93	1 316 168 564,00	1 504 789 863,00	564 062 687,54	1 638 169 155,63
Non current assets						
Property, plant and equipment		5 589 872 166,49	5 661 545 219,00	5 666 242 790,00	6 181 515 743,28	6 181 515 743,28
Heritage assets		746 801,50	-	-	746 801,50	746 801,50
Intangible assets		3 000 000,00	50 000,00	50 000,00	-	50 000,00
Total non current assets		5 593 618 968,46	5 661 595 219,00	5 666 292 790,00	6 182 262 545,25	6 182 312 545,25
TOTAL ASSETS		6 257 912 335,39	6 977 763 783,00	7 171 082 653,00	6 746 325 232,79	7 820 481 700,88
LIABILITIES						
Current liabilities						
Consumer deposits		5 920 219,04	4 923 085,00	4 923 085,00	6 386 520,89	4 923 085,00
Trade and other payables from exchange transactions		818 528 565,98	388 440 538,00	646 284 944,00	610 606 734,87	646 284 944,00
Trade and other payables from non-exchange transactions		9 173 647,06	106 000 000,00	20 000 000,00	33 829 938,69	33 829 938,69
Provision		17 529 091,69	-	-	14 627 349,35	-
VAT		106 927 288,29	-	-	121 694 114,83	-
Total current liabilities		958 078 812,06	499 363 623,00	671 208 029,00	719 484 781,25	685 037 967,69
Non current liabilities						
Financial liabilities		218 683,59	-	-	218 683,59	-
Provision		32 301 473,50	52 278 291,00	52 278 291,00	25 857 898,97	52 278 291,00
Total non current liabilities		32 520 157,09	52 278 291,00	52 278 291,00	26 076 582,56	52 278 291,00
TOTAL LIABILITIES		990 598 969,15	551 641 914,00	723 486 320,00	745 561 363,81	737 316 258,69
NET ASSETS	2,00	5 267 313 366,24	6 426 121 869,00	6 447 596 333,00	6 000 763 868,98	7 083 165 442,19
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		5 267 313 366,24	5 971 791 268,00	6 073 713 280,00	6 000 763 868,98	6 073 713 280,00
TOTAL COMMUNITY WEALTH/EQUITY	2,00	5 267 313 366,24	5 971 791 268,00	6 073 713 280,00	6 000 763 868,98	6 073 713 280,00

MFMA Section 71 financial reporting – May 2025/2026 financial year

DC47 Sekhukhune - Table C7 Monthly Budget Statement - Cash Flow - M11 May										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1,00								%	
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Service charges		61 080 077,13	71 427 437,00	52 000 437,00	6 683 604,30	55 871 637,33	47 667 067,25	8 204 570,08	0,17	55 871 637,33
Other revenue		532 626 591,38	95 144 806,00	2 926 806,00	74 564 092,55	709 958 362,43	2 682 905,39	707 275 457,04	263,62	709 958 362,43
Transfers and Subsidies - Operational		1 152 420 000,00	1 246 860 100,00	1 246 860 100,00	-	1 384 067 438,78	1 142 955 091,63	241 112 347,15	0,21	1 384 067 438,78
Transfers and Subsidies - Capital		423 228 000,00	407 330 900,00	407 330 900,00	55 348 739,04	483 976 739,04	373 386 658,26	110 590 080,78	0,30	483 976 739,04
Interest		53 676 318,70	58 464 000,00	48 464 000,00	1 753 177,52	29 209 620,79	44 425 333,26	- 15 215 712,47	- 0,34	48 464 000,00
Payments										
Suppliers and employees		- 1 700 480 390,67	- 1 176 835 323,00	- 1 181 990 917,00	- 68 463 618,39	- 1 550 518 992,91	- 1 083 491 673,99	467 027 318,92	- 0,43	- 1 181 990 917,00
NET CASH FROM/(USED) OPERATING ACTIVITIES		522 550 596,54	702 391 920,00	575 591 326,00	69 885 995,02	1 112 564 805,46	527 625 381,80	- 584 939 423,66	- 1,11	1 500 347 260,58
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		131 486,50	704 700,00	704 700,00	-	-	645 975,00	- 645 975,00	- 1,00	704 700,00
Payments										
Capital assets		- 704 492 311,77	- 453 099 537,00	- 456 595 438,00	- 46 836 636,74	- 590 879 228,96	- 418 545 818,35	172 333 410,61	- 0,41	- 456 595 438,00
NET CASH FROM/(USED) INVESTING ACTIVITIES		- 704 360 825,27	- 452 394 837,00	- 455 890 738,00	- 46 836 636,74	- 590 879 228,96	- 417 899 843,35	172 979 385,61	- 0,41	- 455 890 738,00
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Increase (decrease) in consumer deposits		- 5 721,22	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		- 5 721,22	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		- 181 815 949,95	249 997 083,00	119 700 588,00	23 049 358,28	521 685 576,50	109 725 538,45			1 044 456 522,58
Cash/cash equivalents at beginning:		552 766 149,13	442 034 283,00	741 203 225,00	890 117 398,17	391 481 179,95	741 203 225,00			391 481 179,95
Cash/cash equivalents at month/year end:		370 950 199,18	692 031 366,00	860 903 813,00	913 166 756,45	913 166 756,45	850 928 763,45			1 435 937 702,53

D. Primary Bank Balances

Name of institution	Cash in the bank on 31st May 2026
Standard Bank	R 1 602 213,21

	R
Bank statement balance (closing balance per B/S before adjusting to C/B)	1 602 213,21
Reconciling items:	
uncashed cheques	-
uncashed ACBs	-
Undeposited receipts	405 338,82
Partially undeposited receipt	109 325,53
Miscellaneous charge	424 037,05
unreconciled on statement Deposit	- 2 693 564,75
Partially unreconciled on statement ACBs	
unreconciled on statement transfers	
Adjusted statement C/F	- 152 650,14
cashbook account B/F	- 71 157 802,20
reconciled bank Charges	70 998 034,99
cashbook account C/F	- 159 767,21
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	- 159 767,21
Difference	7 117,07

MFMA Section 71 financial reporting – May 2025/2026 financial year

DC47 Sekhukhune - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May												
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 Months	Short Term	No	Fixed	6,60	Call Account	280 040 300,03	1 462 799,88	- 48 800 000,00	-	232 703 099,91
STANDARD BANK		Call Account	Short Term	No	Fixed	6,75	Call Account	80 208 397,82	252 791,65	- 62 400 000,00	-	18 061 189,47
NEDBANK		Call Account	Short Term	No	Fixed	6,60	Call Account	1 120 302,37	6 350,42	-	-	1 126 652,79
ABSA		Call Account	Short Term	No	Fixed	7,65	Call Account	1 188 691,88	7 242,88	-	-	1 195 934,76
												-
TOTAL INVESTMENTS AND INTEREST	2,00							362 557 692,10	1 729 184,83	- 111 200 000,00	-	253 086 876,93

I. EXPENDITURE MANAGEMENT

Hereunder is an analysis of creditor’s payments for the month of May 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 - May 2026

Month: May 2026	Total Number of valid and complete invoices Received	Total Number of paid invoices	Variance
Number of Invoices	147	147	0
Percentage	100%	100%	0%

The above table shows that invoices 147 received for the month of May 2026 were valid and complete invoices and were paid within 30 days.

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

Months	Rand value of amount paid	No. of items paid
May	R	
Invoices 261		
Value of R 78 389 743,11	R31 872 832,53	147
100%	41%	56%

Table 15: Invoices Paid within 30 days.

Month: May 2026	Total Number of valid and complete invoices Received	Total Number of valid and complete invoices paid within 30 days
Invoices received	261	147
Percentage	100%	56%

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



Invoices paid within
30 days as of May 2026

Table 16: Unpaid invoices

Month: May 2026	Total number of invoices Received	Total Number of invalid and Incomplete invoices
Overall Invoices received	261	114
Percentage	100%	44%

A total number of invalid, and incomplete invoices were (114) 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 May 2026



Outstanding Invoices
as of 31st May 2026.x

TOTAL VALUE OF INVOICES RECEIVED	TOTAL VALUE OF INVALID AND INCOMPLETE INVOICES THAT WERE NOT PAID
Invoices: 261	Invoices: 114
Value of R 78 389 743,11	Value of R 46 515 910,58
59%	44%

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

Payment Method	Value	Number
Purchase Orders	30 854 171,06	144
Sundry Purchases	284 644,17	148
Projects	734 017,30	01
Third Parties	8 845 788.66	23
Total	R40 718 621,19	327

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CREDITORS AGE ANALYSIS REPORT DATED 31st May 2026

CRR07002 HR191		** SEKHUKHUNE SCOA PRODUCTION **			01 June 2026	Page	09:29:02
		Creditor Age Analysis for Selected Date				8	
Company Type: A From Supplier No:		Company.....	Analyse As At Date:	20260531	Start Period:	202507	End Period: 202605
Report Type: D To Supplier No:		Report Sequence: T	File Name.....	cred_age.txt	Year End:		
Detail Work File: hr191-20260531.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	
JOB001	JOBAFRIK CONSULTING (2011/118078/07)	156510.00	0.00	0.00	0.00	156510.00	
	00044331						
LEB005	LEBAKA CONSTRUCTION PTY LTD	154402.23	0.00	0.00	0.00	154402.23	
	00044448						
LEG008	LEGOBOLE GROUP PTY LTD (2020/542293/07)	3555.00	0.00	0.00	0.00	3555.00	
	00044420						
LOS002	LOSKOP ALARMS	2835.00	0.00	0.00	0.00	2835.00	
	00043657						
MAK038	MAKHUDUTHAMAGA LOCAL MUNICIPALITY (LIM473)	0.00	0.00	0.00	333212.50	333212.50	
	00043242						
MAN010	MANAGED INTEGRITY EVALUATION (PTY) LTD	0.00	0.00	0.00	13016.53	13016.53	
	00044396 00044425						
MAS011	MASA M PROJECTS PTY LTD	11640.30	0.00	0.00	0.00	11640.30	
	00044432						
NGOO01	NGOATO LE NAREADI CONSTRUCTION	2248365.00	0.00	0.00	0.00	2248365.00	
	00044430 00044431 00044433						
NKOO03	NKOTO CATERING AND PROJECT	2488226.25	0.00	0.00	0.00	2488226.25	
	00043384						
OMFO01	CIGFARO	0.00	0.00	0.00	18296.00	18296.00	
	00044447						
PHEO07	PHELADI NOKO B1 FUNERALS	42394.75	0.00	0.00	0.00	42394.75	
	00044449						

CRR07002 HR191		** SEKHUKHUNE SCOA PRODUCTION **			01 June 2026	Page	09:29:02
		Creditor Age Analysis for Selected Date				9	
Company Type: A From Supplier No:		Company.....	Analyse As At Date:	20260531	Start Period:	202507	End Period: 202605
Report Type: D To Supplier No:		Report Sequence: T	File Name.....	cred_age.txt	Year End:		
Detail Work File: hr191-20260531.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	
UNIO02	UNISA	6720.00	0.00	0.00	0.00	6720.00	
	00043740						
WHIO02	WHITE ROCK 75 INVESTMENT AND HOLDING	0.00	0.00	0.00	82450.84	82450.84	
Total Deliveries		Count:	39 :	5766510.58	0.00	0.00	500890.70 6267401.28

MFMA Section 71 financial reporting – May 2025/2026 financial year

BULK PURCHASES AGE ANALYSIS AS AT 31st May 2026

BULK WATER AGE ANALYSIS REPORT DATED 31 MAY 2026

Count	Supplier Name	PRIOR- YEAR INVOICES AGEING			CURRENT YEAR INVOICES (2025/26) AGEING					Closing Bal		
		OPENING	PAYMENT	BAL	Current	30 Days	60 Days	90 Days+	ADJ/INT		Total	
BULK WATER CONSUMPTION												
1	NMS LEPELLE NORTHERN WATER	319 016 387,32	-	111 187 177,83	207 829 209,49	17 519 513,31	15 613 333,00	-	13 201 438,64	15 243 330,30	61 577 675,25	269 406 884,74
2	WATER & SANITATION DEPARTMENT	34 632 512,93	-	3 033 570,69	31 598 942,24	38 683,11	256 020,45	285 620,96	36 419,03	-	676 743,55	32 275 685,79
3	NU VAN DER WAL	152 663,28	-	152 663,28	-	204 812,16	-	-	-	-	204 812,16	204 812,16
4	WINTERBACH ATTORNEYS (MADELEEN)	352 515,58	-	352 515,58	-	350 502,67	-	-	-	-	350 502,67	350 502,67
5	DR JS MOROKA LOCAL MUNICIPALITY	417 828 936,68	-	-	417 828 936,68	-	457 428,88	5 163 110,25	12 822 639,04	35 418 367,89	53 867 546,06	471 696 482,74
TOTAL BULK WATER CONSUMPTION		771 983 021,79	-	114 725 933,38	657 257 088,41	18 173 511,25	16 326 782,33	5 454 731,21	26 060 436,71	50 661 758,19	116 677 279,69	773 934 368,10
OPERATIONS & MAINTENANCE												
6	NMS LEPELLE NORTHERN WATER (O&M)	72 400 228,99	-	-	72 400 228,99	1 835 029,30	-	1 485 775,97	9 569 303,56	-	12 890 108,83	85 290 337,82
TOTAL OPERATIONS & MAINTENANCE		72 400 228,99	-	-	72 400 228,99	1 835 029,30	-	1 485 775,97	9 569 303,56	-	12 890 108,83	85 290 337,82
TANKERING												
7	NGOATO LE NAREADI	7 648 151,27	-	7 648 151,27	-	2 758 965,00	-	-	-	-	2 758 965,00	2 758 965,00
8	KGWADI YA MADIBA CENTRD & PRO 11	1 483 908,64	-	1 483 908,64	-	-	-	-	-	-	-	-
9	NKOTO CATERING & PROJECTS	4 828 476,25	-	4 828 476,25	-	-	-	-	-	-	-	-
10	DIKGALE AND SEBEGO	-	-	-	-	1 616 900,00	-	-	-	-	1 616 900,00	1 616 900,00
11	FIYO & SONS	-	-	-	-	1 702 000,00	-	-	-	-	1 702 000,00	1 702 000,00
		13 966 536,16	-	13 966 536,16	-	6 077 865,00	-	-	-	-	6 077 865,00	6 077 865,00
TOTAL BULK WATER REPORT AS AT 31 MAY'26		858 349 786,94	-	128 692 469,54	729 657 317,40	26 086 405,55	16 326 782,33	6 940 507,18	35 629 800,27	50 661 758,19	135 645 253,52	865 302 570,32

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:

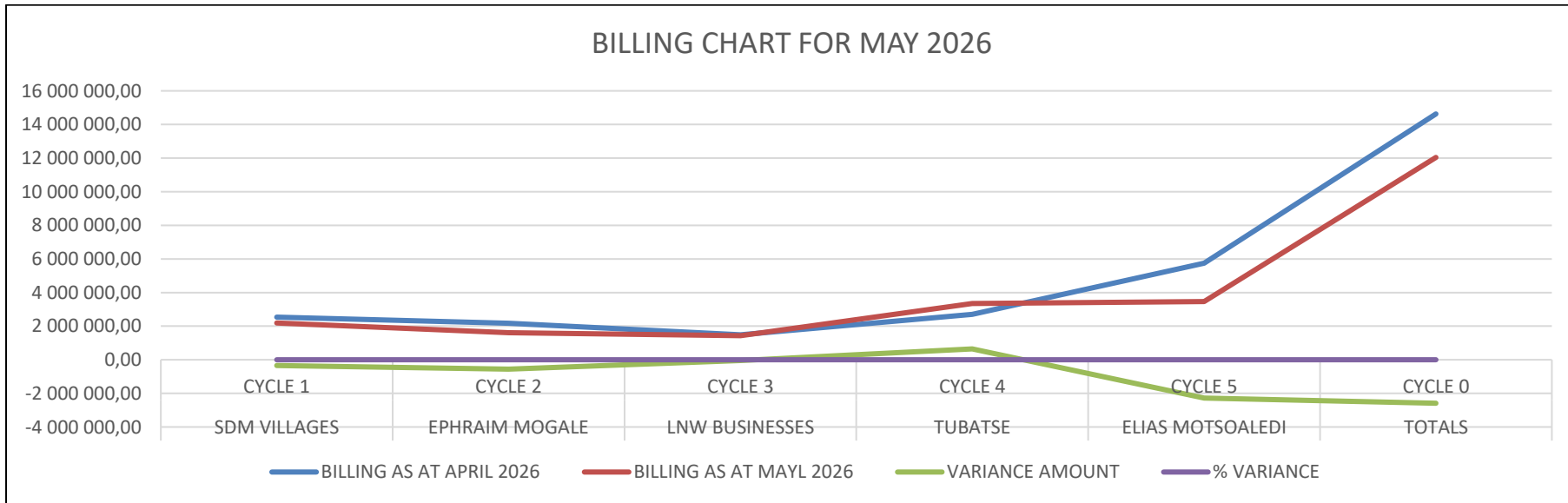
Cycle	Meter Book			Meters read			% Read		Meters Not Accessed	
	26-Mar	26-Apr	26-May	26-Mar	26-Apr	26-May	Obtained Readings MAY-26	% Read MAY 2026	Qty	%
1	76	85	85	29	38	39	39	0,91%	4227	99,09%
2	1237	1228	1241	1150	1145	1161	1161	93,55%	80	6,45%
3	1492	1492	1492	782	787	794	794	53,22%	698	46,78%
4	4183	4260	4266	3001	3035	3077	3077	72,13%	1189	27,87%
5	2807	2804	2808	2314	2324	2310	2310	82,26%	498	17,74%
Total	9719	9784	9807	7276	7329	7381	7381	75,26%	2426	24,74%

Description	Explanation of report	Challenges	Remedial action
Meter reading report for period of May 2026	7 381 meters were read for the month of May 2026 and 7 329 in April 2026. There was a slight increase in cycles 2,3 & 4 for meters read.	<ul style="list-style-type: none"> Lack of water/ shortages in the Areas Lack of material to replace /repair faulty meters Meters are stolen in various areas 	<ul style="list-style-type: none"> 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 APRIL 2026	BILLING AS AT MAYL 2026	VARIANCE AMOUNT	% VARIANCE
SDM VILLAGES	CYCLE 1	2 529 631,42	2 189 534,55	-340 096,87	-13%
EPHRAIM MOGALE	CYCLE 2	2 165 891,12	1 612 608,07	-553 283,05	-26%
LNW BUSINESSES	CYCLE 3	1 485 112,67	1 432 770,38	-52 342,29	-4%
TUBATSE	CYCLE 4	2 699 969,72	3 345 028,41	645 058,69	24%
ELIAS MOTSOALEDI	CYCLE 5	5 747 006,50	3 459 876,85	-2 287 129,65	-40%
TOTALS	CYCLE 0	14 627 611,43	12 039 818,26	-2 587 793,17	-18%

BILLING CHART FOR MAY 2026



MFMA Section 71 financial reporting – May 2025/2026 financial year

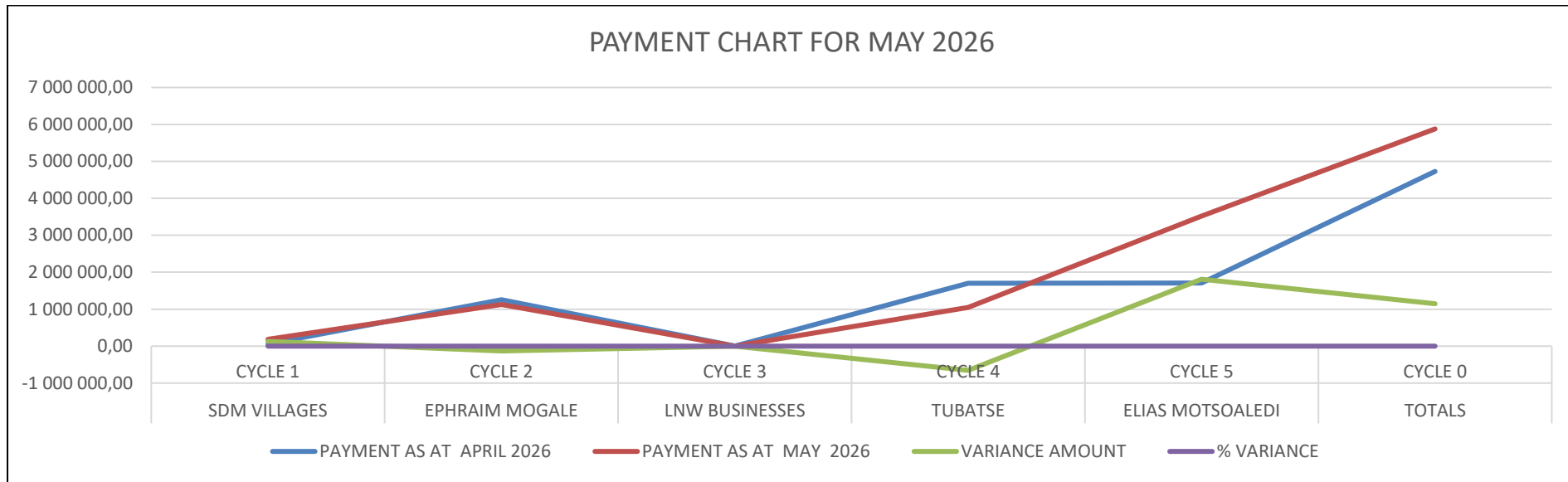
Description	Explanation of report	Challenges	Remedial action
Billing report for period of May 2026	Billing overall has decreased by R2 587 793.17 from R14 627 611 in April 2026 to R12 039 818 in May 2026. There is a decrease in billing in cycle 1,2,3 & 5.	<ul style="list-style-type: none"> Billing of average where meters could not be read Faulty and stolen meters residents in some areas are refusing meter readers to take the readings 	<ul style="list-style-type: none"> 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 APRIL 2026	PAYMENT AS AT MAY 2026	VARIANCE AMOUNT	% VARIANCE
SDM VILLAGES	CYCLE 1	55 888,40	183 203,27	127 314,87	227,80%
EPHRAIM MOGALE	CYCLE 2	1 258 194,54	1 129 151,14	-129 043,40	-10,26%
LNW BUSINESSES	CYCLE 3	2 224,51	300,00	-1 924,51	-86,51%
TUBATSE	CYCLE 4	1 701 533,92	1 045 586,42	-655 947,50	-38,55%
ELIAS MOTSOALEDI	CYCLE 5	1 710 270,89	3 520 249,07	1 809 978,18	105,83%
TOTALS	CYCLE 0	4 728 112,26	5 878 489,90	1 150 377,64	24,33%

MFMA Section 71 financial reporting – May 2025/2026 financial year



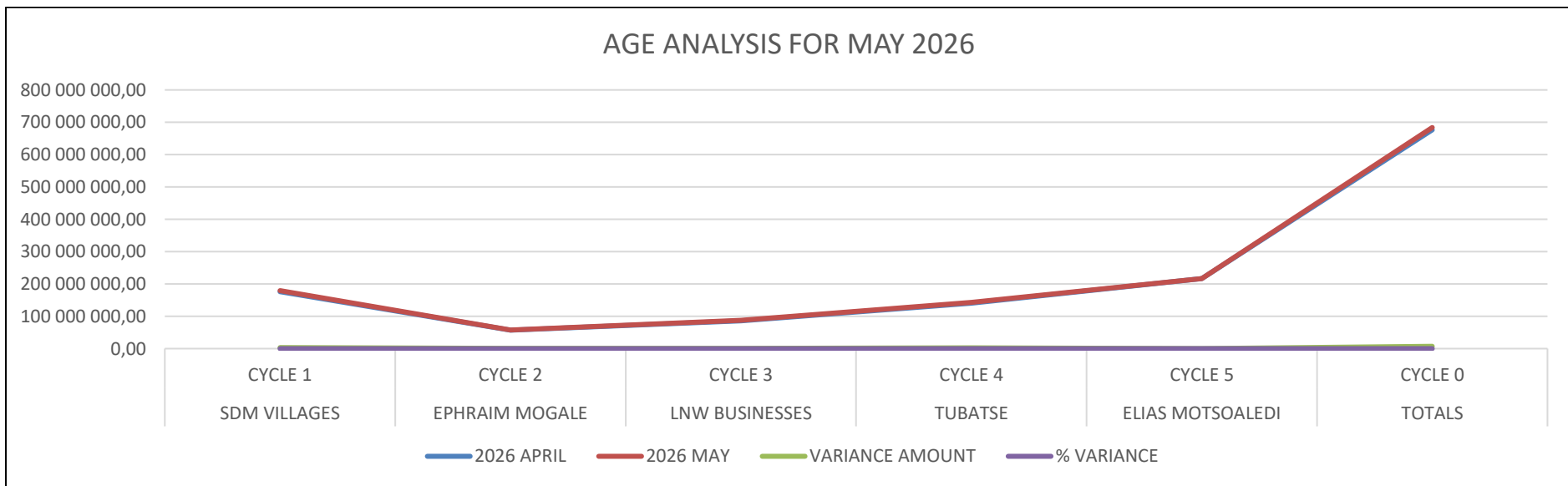
Description	Explanation of report	Challenges	Remedial action
Receipts report for period of May 2026	Receipts have increased by R1 150 377 from R4 728 112 in April 2026 to R5 878 489 in May 2026. Cycles 2, 3 & 4 showed a drop in collection.	<ul style="list-style-type: none"> • Culture of non-payment in most areas • Lack of internal capacity to effect the disconnections • Uncleansed Customer data 	<ul style="list-style-type: none"> • 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 APRIL	2026 MAY	VARIANCE AMOUNT	% VARIANCE
SDM VILLAGES	CYCLE 1	176 147 238,97	179 384 496,70	3 237 257,73	1,84%
EPHRAIM MOGALE	CYCLE 2	57 084 640,98	57 557 095,32	472 454,34	0,83%
LNW BUSINESSES	CYCLE 3	86 287 207,35	87 464 337,28	1 177 129,93	1,36%
TUBATSE	CYCLE 4	140 734 319,51	142 985 557,18	2 251 237,67	1,60%
ELIAS MOTSOALEDI	CYCLE 5	216 280 665,92	216 374 289,70	93 623,78	0,04%
TOTALS	CYCLE 0	676 534 072,73	683 765 776,18	7 231 703,45	1,07%

AGE ANALYSIS FOR MAY 2026



MFMA Section 71 financial reporting – May 2025/2026 financial year

Description	Explanation of report	Challenges	Remedial action
Age analysis report for end of May 2026	The ageing report has increased by R7 231 703 due adjustments and billing of the month.	<ul style="list-style-type: none"> • 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 MAY 2026

OTHER MATTERS RELATING TO STRENGTHENING OF REVENUE COLLECTION PROCESSES

- **SITA** 8 946 email statements were issued in May 2026, 5 401 smses were sent out in May 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 May 2026 debtors were 71 094.

III. Supply Chain Management

A. Deviation Register as at 31st May 2026

Deviation Register as at 31 Maay 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							
2025/2026	Training	Safety and Taining Solutions Pty Ltd		20260504	INV20383	R6 348,00	55038103
2025/2026	Membership fee	The Institute of Risk Management South Africa		20260325	INV-M005177	R2 638,10	55037991
2025/2026	Training fee	Adapt IT Pty Ltd		20260506	I1208779	R97 106,00	55038106
						R106 092	

Deviations for the month ended 31st May 2026 = R106 092,00

F. Unauthorized, Irregular, Fruitless and Wasteful Expenditure

Irregular Expenditure for the Month of May 2026 = R697 854,62

Name of Municipality: SEKHUKHUNE DISTRICT MUNICIPALITY								
No	Date of discovery	Date Reported to Accounting Officer	Transaction details				Person Liable (Official or Political Office Bearer)	Type of Prohibited Expenditure
			Date of Payment	Payment Number	Amount	Description of Incident		
1			20260527	55038104	R 282 781,58	Winterbach Familie Trust(Supply of water)	IWS	Irregular Expenditure
2			20260527	55038100	R 203 813,85	NJ Van Der Wal	IWS	Irregular Expenditure
3			20260527	55038100	R 211 259,19	NJ Van Der Wal	IWS	Irregular Expenditure
					697 854,62			

Unauthorized Expenditure for the month of May 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				
1	None	None	R -	None	None	None	X	
			R -					

Fruitless and wasteful Expenditure for the month of May 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 -				

MFMA Section 71 financial reporting – May 2025/2026 financial year

B. The Competitive Bidding Processes

The municipality processed 13 requisitions of goods and services through the competitive bidding processes as at the month of May 2026. There are 07 bid processes that are still in the in progress and 05 have been referred for re-advert. 32 tenders have been awarded as at 31st May 2026.

COMPETITIVE BIDDING PROCESSES					
Bids Specifications					
No.	Bid No.	Description of Service	Specifications Date	Advertisement Date	Closing Date of Advert
1	SK8/3/134/2025/2026	GRAP 104 Complaint Expected Credit Loss Model for Receivables and Other Financial Instrument Related to MAFS for 3 Years	13/05/2026	19/05/2026	24/06/2026
Bids Evaluation					
No.	No.	Description of Service	Evaluation received	Date Received	Date Completed
1	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	28/05/2026	In-progress
2	SK8/3/1-32/2025/2026	Laboratory Services to Analyse Water and Food Samples for 3 years	Yes	28/05/2026	In-progress
3	SK8/3/1-31/2025/2026	Re-Advert: Supply and Delivery of Laptops, Desktops, Printer, Projector and Laptop Bags (Once-Off).	Yes	12/05/2026	In-progress
4	SK8/3/1-30/2025/2026	Re-Advert: Skills Development Providers for the Establishment of a Database of Skills Providers for 3 years	Yes	18/05/2026	In-progress
5	SK8/3/1-28/2025/2026	Production Equipment's and Inputs for Support SMMEs and Cooperatives Projects (Once-Off).	Yes	28/04/2026	In-progress
6	SK8/3/1-29/2025/2026	Supply and Delivery of 400 SDM Logo Stickers for Recycling Bin (Once-Off).	Yes	28/04/2026	In-progress
7	SK8/3/1-10/2025/2026	Panel of General Building Construction for 3 Years	Yes	28/10/2025	Re-advert
8	SK8/3/1-15/2025/2026	ARCGIS Drone Devices and Its Software Licenses (Once Off).	Yes	17/11/2025	Re-advert
9	SK8/3/1-47/2024/2025	Procurement of hardware computer equipment and peripheral for a period of three years.	Yes	20/06/2025	Re-advert
6	SK8/3/1-16/2025/2026	Electronic Records Management System for a Period of Three (3) Years.	Yes	02/12/2025	Re-advert
Bids Adjudication					
No.	No.	Description of Service	Adjudication received	Date Received	Date Completed
1	SK8/3/1-17/2025/2026	Laptop and Bags, Desktops and Projector (once-off)	Yes	12/02/2026	In-progress
2	SK8/3/1-18/2025/2026	Development of Fully Integrated Municipality Geographic System for a Three Years	Yes	23/12/2024	Re-Advert

MFMA Section 71 financial reporting – May 2025/2026 financial year

Awarded Tenders						
No.	No.	Description of Service	Awarded received	Adjudication Date	Date Awarded	Awarded Bidder
1	SK8/3/1-01/2025/2026	Procurement of Personal Protective Equipment Bags	Yes	10/10/2025	13/10/2025	Tokollo Investment
2	SK8/3/1-48/2024/2025	Procurement of internet services and domain hosting for a period of three years.	Yes	11/09/2025	17/09/2025	Lakayla Investment (Pty) Ltd
3	SK8/3/1-05/2025/2026	Procurement of Office Equipment & Furniture	Yes	16/09/2024	29/09/2024	Tadi Enterprise T/A TE Technologies
4	SK8/3/1-09/2025/2026	Procurement of Laptops and Printers (Once-Off)	Yes	10/10/2025	13/10/2025	Collaborated Networks 48
5	SK8/3/1-49/2024/2025	Lebalelo Central Water Supply Scheme: 1A Contract A	Yes	18/08/2025	27/08/2025	Diff
6	SK8/3/1-50/2024/2025	Lebalelo Central Water Supply Scheme: 1A Contract B	Yes	18/08/2025	27/08/2025	Bothlabatsatsi
7	SK8/3/1-51/2024/2025	Lebalelo Central Water Supply Scheme: 1A Contract C	Yes	18/08/2025	27/08/2025	Blanko Investment
8	SK8/3/1-52/2024/2025	Mampuru Bulk Water Scheme: Phase 1A-Reservoirs	Yes	18/08/2025	27/08/2025	Murray and Dickson
9	SK8/3/1-53/2024/2025	Procurement of Vending System for Prepared Meters for 3 Years	Yes	16/09/2025	29/09/2025	Conlog (pty) ltd
10	SK8/3/1-54/2024/2025	Procurement of Working Tools/Equipment for 3 Years	Yes	03/10/2025	15/10/2025	Dev Dev (pty) ltd
11	SK8/3/1-55/2025/2026	Procurement of Performance Management System for 3 Years	Yes	29/10/2025	31/10/2025	Innovation Government Software
12	SK8/3/1-45/2024/2025	Lease of a New Vehicle and Full Maintenance for a Period of Three Years	Yes	18/08/2025	27/08/2025	Fleet Horizon
13	SK8/3/1-07/2025/2026	Refurbishment of Leeufontein WWTW	Yes	01/12/2025	19/12/2025	Fito and Son
14	SK8/3/1-08/2025/2026	Refurbishment of Denilton WWTW	Yes	01/12/2025	19/12/2025	Munyatlala Shakwana
15	SK8/3/1-02/2025/2026	Panel of Travelling and Accommodation Services for 3 Years	Yes	01/12/2025	15/12/2025	1. Dirane Trading , 2. Reakgona Travel, 3. KDM Travel, 4. Ashoor Travel,
16	SK8/3/1-04/2025/2026	Procurement of Disaster Relief Materials for 3 Years	Yes	01/12/2025	15/12/2025	1.Tshwane Engineering and Hydraulic Suppliers, 2. Unathi Catering and
17	SK8/3/1-06/2025/2026	Panel of Small Scheme Civil Contractor for 3 Years	Yes	05/12/2025	19/12/2025	Appointed Panel
18	SK8/3/1-12/2025/2026	Renewal of Antivirus Software License for 12 Months.	Yes	26/11/2025	04/12/2025	PMH Group of Companies
19	SK8/3/1-13/2025/2026	Servicing, Replacement, and Installation of Fire Extinguishers	Yes	21/01/2026	22/01/2026	Sghelembe Projects & Services
20	SK8/3/1-14/2025/2026	GIS Equipment.	Yes	17/11/2025	22/01/2026	Segokgome Trading & Projects
21	SK8/3/1-44/2024/2025	Term contract for Auction Services for Period of Three (03) years	Yes	05/08/2025	10/08/2025	Five Star Trading Enterprise
22	SK8/3/1-19/2025/2026	Sucking, Emptying and Cleaning Of 400 VIP toilets units for Matlerekeng RDP	Yes	29/01/2026	09/02/2026	Botepu Group
23	SK8/3/1-20/2025/2026	Sucking, Emptying and Cleaning Of 599 VIP toilets units for Mafisheng of Ephraim Mogale Region	Yes	29/01/2026	09/02/2026	Blacksky Investment and Holding
24	SK8/3/1-21/2025/2026	Sucking, Emptying and Cleaning Of 1075 VIP toilets units for Walter Sisulu RDP(ward 09) of Elias	Yes	29/01/2026	09/02/2026	lets of Mach
25	SK8/3/1-11/2025/2026	Panel of Water Tenkering for 3 Years	Yes	13/02/2026	20/02/2026	1. Dikgale and Sebege Energies, 2. Nkoto Catering, 3. Fito & Son Construction, 4. Ngoato Le Nareadi Construction
26	SK8/3/1-29/2025/2026	Panel for gardening, debushing, and maintenance of Municipal facilities for 3 years	Yes	13/04/2026	14/04/2026	Investment, 4. Kulasisebenze Trading
27	SK8/3/1-27/2025/2026	Laptops, Printers and Mobile WIFI Routers (Once-Off).	Yes	13/04/2026	17/04/2026	Monoka Hardware
28	SK8/3/1-25/2025/2026	Physical Security Services for Cluster 4: Makhuduthamaga Local Muni for 3 years	Yes	28/04/2026	30/04/2026	Tshepho NW Holdings
29	SK8/3/1-24/2025/2026	Physical Security Services for Cluster 3: Groblersdal Town Local Muni for 3 years	Yes	28/04/2026	30/04/2026	Leloba Bright Trading
30	SK8/3/1-23/2025/2026	Physical Security Services for Cluster 2: Elias Motsoaledi/Ephraim Mogale Local for 3 years	Yes	28/04/2026	30/04/2026	Euromo Trading
31	SK8/3/1-22/2025/2026	Physical Security Services for Cluster 1: Fetakgomo/Tubatse Local for 3 years	Yes	28/04/2026	30/04/2026	Tubatse Security Services (pty) ltd
32	SK8/3/1-26/2025/2026	Self-Contained Breathing Apparatus (SCBA) Face Masks for Fire fighters Personnel (Once-Off).	Yes	28/04/2026	18/05/2026	Mems Enterprise

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	May 2026
Movables Assets additions	04	Computer Equipment	R138 919,96
	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)	03	Water Supply	R1 019 805,00
- Completed Projects	01	Water and Sanitation	R9 119 896,14

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 May to R7 367 094,04 and R437 025 631,60

PHYSICAL VERIFICATION OF WIP AND COMPLETED CAPITAL PROJECTS

3 WIP and completed projects were visited during the month of May 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
214 880 607.04	36 391 480.34	842 155.79	67 454 918.46	64 199 613.39	109 057 863.61	10 559 691.92	0.00	240 712 395.46

ACHIEVEMENTS

1. The FAR was updated during May 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


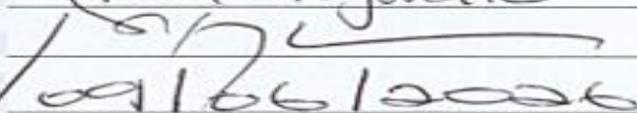
1. SOLAR Asset Management Module activation and training by BCX Consultant.
2. Tagging O &M materials and CRR at depots continuous.
3. Collection of new Immovable assets coordinates to continue during monthly verifications.
4. Update the Asset Module with monthly additions.
5. Additional CRR verifications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

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

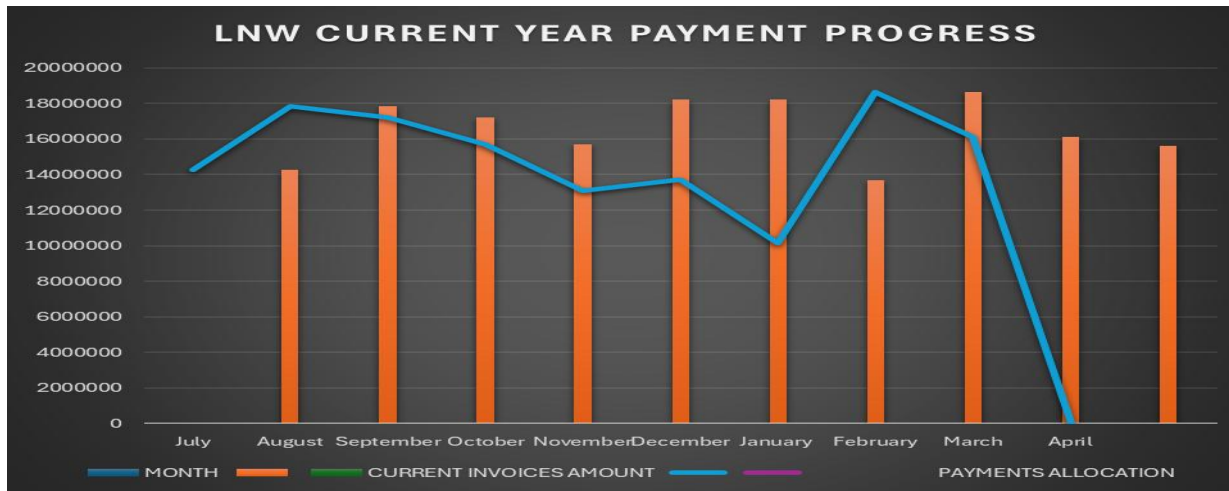
A. MFMA Circular 124 – Municipality Compliance Self-Assessment

Annexure 02 - Monthly		
 <div style="display: inline-block; vertical-align: middle;"> Department of Water and Sanitation and National Treasury Water Debt Relief Water Debt Relief Guideline Municipal Finance Management Act No. 56 of 2003 </div>		
National Treasury		
Certificate of Compliance: Water Debt Relief Conditions		
Period		May-25
National Financial Year		2025/26
Demarcation Code of Municipality being assessed		DC47
District	Sekhukhune	
Demarcation Description	Sekhukhune	
I, Meshack Kgwide – 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	7.1 Maintaining the bulk water current account –	Is your account for the purchase of this resource, covers the account for a single monthly consumption that was due and payment during the month being assessed?
-	7.1.1	- Has the municipality paid its bulk water current account within 30 days of receiving the relevant invoice (this applies to all municipalities, including metros)? Note – refer condition 7.2
+	7.1.1.1	- Has the municipality submitted the supporting evidence of the bulk water current account payment(s) to the relevant Water Board (WB) and/ or Water Trading Entry (WTE) and / or Water User Association (WUA) within 2 day of making any such payments (in PDF format)?
+	7.1.1.2	- Has the municipality submitted the consolidated proof of payments to the respective bulk suppliers to the National Treasury GoFund upload portal: https://go.fundreports@treasury.gov.za by the 30th working day of the month following the invoice date (in PDF format)?
+	7.1.2	- Does the amount of the bulk water current account payment as per the proof of payment reconcile to the amount recorded on the Financial system as per the mSCOA data string and the section 40(2) MFMA statement of the Water Board (WB) and/ or Water Trading Entry (WTE) and / or Water User Association (WUA)?
Condition	7.2 Accounting Treatment and mSCOA Reporting	
-	7.2.1	Accounting Treatment – has the municipality fully accounted for and correctly reported on the write-off of its Water smear debt (date existing as on 30 September 2024) as per any written instruction of the National Treasury Office of the Accountant General and NT: CG: Local Government Budget Analysis issued for Water Debt Relief to date?
-	7.2.1	Did the municipality account for any related benefit (e.g. interest suspension, etc.) and does such align with mSCOA?
Condition	7.3 Monitor and report on implementation –	
+	7.3.1	MFMA section 71 reporting – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the Water Debt Relief Conditions as part of the implementation of the municipality's funded budget (and Budget Funding Plan where relevant)?
+	7.3.1.1	Does the municipality's MFMA section 71 statement for the month being assessed include the municipality's water debt relief compliance self-assessment (signed by the Municipal Manager) – in the format of the Water Debt Relief compliance self-Report (Annexure 02 of the Water Debt Relief Guideline)?
+	7.3.1.2	Part A: include the municipality's progress against its approved funded budget?
+	7.3.1.2	Part B: if the municipality's budget was assessed as unfunded by any of the Treasuries, the municipality include the progress against approved Budget Funding Plan?
+	7.3.1.2	- Does the municipality's progress report envisaged in Part A and B above clearly demonstrate that the municipality is achieving the required Water Debt Relief compliance?
+	7.3.1.3	- Include the municipality's water losses (both in Rand value and millions) for the month being assessed? (MFMA Circular 71)
+	7.3.1.3	- Include the municipality's energy losses (both in Rand value and kilowatt hours) for the month being assessed? (MFMA Circular 71)
+	7.3.1.3	- If the municipality is unable to calculate and report on its water and/or energy losses, did the municipality make any progress in terms of its loss calculation/ reporting strategy towards calculating and reporting on such losses?
+	7.3.1.3	- Include the progress made to reduce the municipality's reported water and/ or energy losses against its water and energy losses reduction strategy?
Condition	Municipalities with financial recovery plans (FRP)	
+	7.3.1.2	- Municipalities with financial recovery plans (FRP) – if the municipality has a FRP as envisaged in the prevailing local government legislative framework; Did the municipality's FRP progress report during the month being assessed, explicitly include the municipality's progress against those components of the FRP aimed to achieve water debt relief compliance as part of achieving a funded budget?
+	7.3.1.2	- Municipalities with financial recovery plans (FRP) – Was the municipality's FRP progress report during the month being assessed, submitted to the relevant Provincial Executive?
+	7.3.2	- If progress is slow in terms of paragraph 7.3.1.3, is the municipal council and senior management team's active intervention evident from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?
PT: HOD/NT / MM Name:	M M Kgwide	
Signature of PT: HOD/ NT/ MM:		
Date:	09/06/2026	
<p>Note – If the officer is signing on behalf of the Head of the National Treasury (HOD) / Municipal Manager, the written permission of the HOD / MM must be attached as an Annexure to the Certificate of Compliance.</p> <p>Note – The Signed Certificate to be presented on Demand must not include comments column – comments need to be incorporated into the related PT report</p>		

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

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			R61 277 569,12		2025/12/22		R207 908 492,90
July	R14 279 293,63	R14 279 293,63	R2 272 642,74	R14 279 293,63	100,00%	2025/09/10	R0,00	R210 181 135,64
August	R17 840 521,83	R17 840 521,83	R2 042 892,49	R17 840 521,83	100,00%	2025/09/15	R0,00	R212 224 028,13
September	R17 237 687,58	R17 237 687,58	R1 980 684,06	R17 237 687,58	100,00%	2025/10/24	R0,00	R214 204 712,19
October	R15 722 704,28	R15 722 704,28	R2 003 825,64	R15 722 704,28	100,00%	2025/11/18	R0,00	R216 208 537,83
November	R18 230 313,95	R18 230 313,95	R1 922 256,79	R13 075 243,88	71,72%	2025/12/22	R5 155 070,07	R223 285 864,69
December	R18 223 930,53	R18 223 930,53	R1 878 283,05	R13 713 558,16	75,25%	2026/01/30	R4 510 372,37	R229 674 520,11
January	R13 703 942,71	R13 703 942,71	R1 732 903,21	R10 167 946,55	74,20%	2026/02/12	R3 535 996,16	R234 943 419,48
February	R18 664 298,82	R18 664 298,82	R1 600 668,00	R18 664 298,82	100,00%	2026/03/24	R0,00	R236 544 087,48
March	R16 125 753,29	R16 125 753,29	R1 731 491,11	R16 125 753,29	100,00%	2026/05/19	R0,00	R238 275 578,59
April	R15 613 333,00	R15 613 333,00	R0,00	R0,00	0,00%			R253 888 911,59
May								
June								
TOTAL	R434 827 841,64	R165 641 779,62	R17 165 647,09	R198 104 577,14			R13 201 438,60	R253 888 911,59

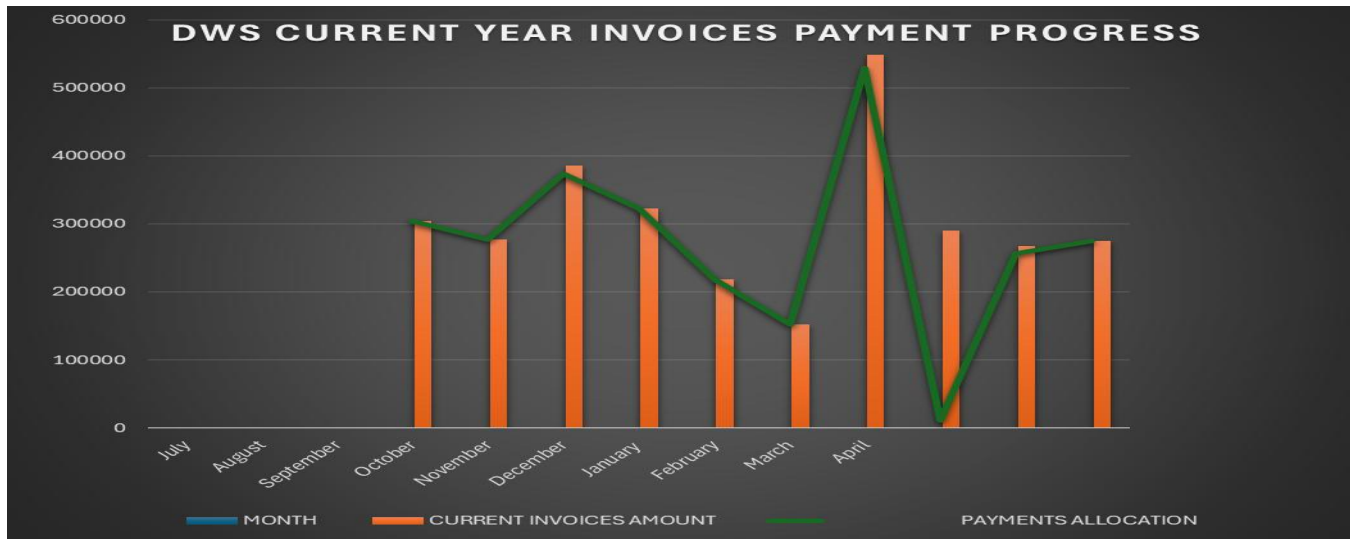
NOTE:As at 31 May 2026, we have not received May invoices.



MFMA Section 71 financial reporting – May 2025/2026 financial year

BULK WATER SUPPLY RECONCILIATION (DEPARTMENT OF WATER AND SANITATION)								
MONTH	CURRENT INVOICES AMOUNT	REPAYMENT ARRANGEMENT (100%)	INTEREST	PAYMENTS ALLOCATION			OUTSANDING CURRENT INVOICES	CUMMULATIVE OUTSTANDING
				PAYMENT	PAYMENT %	PAYMENT DATE		
Opening bal								R31 602 527,24
July	R304 177,10	R304 177,10	R0,00	R304 177,10	100,00%	2025/12/12	R0,00	R31 602 527,24
August	R277 479,29	R277 479,29	R0,00	R277 479,29	100,00%	2025/12/12	R0,00	R31 602 527,24
September	R385 097,61	R385 097,61	R0,00	R374 152,60	97,16%	2025/12/09	R10 945,01	R31 613 472,25
October	R322 931,32	R322 931,32	R0,00	R322 931,32	100,00%	2025/12/12	R0,00	R31 613 472,25
November	R218 179,57	R218 179,57	R0,00	R218 179,57	100,00%	2026/01/30	R0,00	R31 613 472,25
December	R152 563,29	R152 563,29	R0,00	R152 563,29	100,00%	2026/02/27	R0,00	R31 613 472,25
January	R548 146,55	R548 146,55	R0,00	R529 114,18	96,53%	2026/03/31	R19 032,37	R31 632 504,62
February	R290 069,33	R290 069,33	R0,00	R10 944,81	3,77%	-	R279 124,52	R31 911 629,14
March	R266 965,26	R266 965,26	R0,00	R256 020,45	95,90%	2026/05/27	R10 944,81	R31 922 573,95
April	R275 213,25	R275 213,25	R0,00	R275 213,25	100,00%	2026/05/27	R0,00	R31 922 573,95
May								
June								
TOTAL	R3 040 822,57	R3 040 822,57	R0,00	R2 720 775,86			R320 046,71	R31 922 573,95

NOTE:As at 31 May 2026, we have not received May invoices.



C. Maintaining the Water Bulk Current account & Water losses

Water Losses for the Period ending 31 May 2026					
Technical Losses (Kilolitres)	Technical Losses (Rands)	Non-Technical Losses (Kilolitres)	Non-Technical Losses (Rands)	Total Water Losses (Kilolitres)	Total Water Losses (Kilolitres)
979 533,00	5 233 395,84	-	-	979 533,00	5 233 395,84

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