



SEKHUKHUNE
District Municipality

August 2026/2027

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 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

594 689 923,15 / 501 989 826,08

=1.18

Table (i) Current ratio

	August 2026	July 2026
Current ratio	1.18: 1	0.30: 1

The municipality's current ratio was below the norm range of between 1.5 to 2:1 as at the end of August 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 368 605 965,97.

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

[(594 689 923,15 – 18 605 544,13)] / 729 618 740,62= 1.15

Table (ii) Acid-Test Ratio

	August 2026	July 2026
Acid-test ratio	1.15:1	0.62:1

1. Cash Flow and Investment Management

The municipality's primary bank account closed with a positive balance of about R 11 501 882,55 and short-term investments closed at R 357 104 083,42. The combined interest earned on short investment amounts to R 2 511 313,19 as of 31st August 2026.

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

No:	Account number / description	31st August 2026
1	FNB Account No. 62858613980	R 117 174 756,65
2	STANDARD BANK Account No. 238890708008	R 64 624 518,44
3	NEDBANK Account No. 7881071850	R 1 146 361,03
4	ABSA Account No. 9368456281	R 174 158 447,30
5	ABSA Account No. 2080786868	-
6	ABSA Account No. 2080973405	-
Total		R 357 104 083,42

Cash flows from operating activities amounts to a positive R 648 416 256,94 during the month ending on the 31st August 2026. This amount is calculated by subtracting Payments to employees and suppliers to the amount of R 96 902 945,49 from the total receipts of R745 319 202,43.

The municipality did pay in total an amount of R 9 939 749,30 on capital projects. The municipality also reported a net increase in cash held to an amount of R 638 528 254,00 during the month ending on the 31st August 2026.

2. Expenditure management

The total invoices received from suppliers were 293 during the month ending on the 31st August 2026, 153 invoices at a total rand value of R43 214 195,55 were processed and paid.

R32 850 290,49 in purchase orders, R463 498,36 in sundry purchases, R9 900 406,70 in capital projects and R9 418 540,01 in 3rd party payments were processed as at 31st August 2026, totalling R52 632 735,56.

The municipality incurred an expenditure to an amount of R 37 226 741,37 on employee related costs for the month of August 2026. Expenditure on council remuneration was R 1 284 874,77 for the same month.

Depreciation on non-current assets was R 16 767 971,83 as at the end of August 2026.

R 29 974 768,99 was the expenditure on contracted services for the month of August 2026. Contracted services include amongst others the security services operational fleet expenses, photocopying machines and vehicle tracking services.

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

R 25 056 779,90 was the expenditure on other operations expenditure programmes for the month under review.

3. Water Debt Relief

The municipality' budget for Bulk water supply is fully funded through the equitable share. Currently the municipality as a Water Authority has an agreement with 3 bulk water suppliers namely, Lepelle Northern Water (LNW), Dr JS Moroka and Department of Water and Sanitation (DWS). Total revenue billing on water and sanitation services was reported at R15 190 618,72. An amount of R6 181 773,91 was collected for the month of August 2026, collection rate was recorded at 40% for this period, the municipality did budget to collect 60% of the own revenue sources. The budgeted revenue on service charges is R116 601 545,00,00 with a year-to-date actual revenue of R 22 952 704,22 which is 19%.

Currently as at 31st August 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 31st August 2026. The municipality has incurred R 6 209 743,67 (702 412 kl) in water losses as

at the August 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

74 750 218,85 / 196 144 279,85 x100

=38,11%

The municipality has incurred in total R 74 750 218,85 in employee related costs to date as at end of 31st August 2026. The expenditure incurred amounts to 38,11% 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

39 807 810,99 / 196 144 279,85 x 100

=20,30%

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

112 389 291,56 / 433 282 990,00 x100

=26%

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

Norm is between 95% - 100%

Actual operating expenditure/ budgeted operating expenditure x100

196 144 279,85 / 1 497 391 635,00 x100

=13%

Implementation on the operational expenditure budget was at 13% to date as at 31st August 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

22 952 704,22 / 116 601 545 x 100

=20

4. Revenue management

A total of 7 535 water meter readings were captured as at 31st August 2026. This is a decrease of 9 meters from the previous month of July 2026.

Total revenue billing on water and sanitation services was reported at R15 190 618,72. An amount of R6 181 773,91 was collected for the month of August 2026, collection rate was recorded at 40% for this period, the municipality did budget to collect 60% of the own revenue sources. The revenue collected decreased by R11 967 184,64 (-65,94%) as compared to the previous month. The credit control and debt management policy was implemented from 1st July 2024, notices of disconnections were issued to all government departments with arrear accounts, businesses with arrear accounts were also swerved with notices and disconnections of water supply were implemented subsequently. Most revenue was collected around the areas of Tubatse Fetakgomo collected from the mines alone through disconnections of illegal connections. We continue to implement the credit control policy to other areas like Elias Motsoaledi, Ephraim Mogale and Makhuduthamaga.

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

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

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

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

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

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

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

5. Supply Chain management

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

- (i) Purchase orders equal or less than R 30 000 VAT Inclusive:
91 Quotations to a total rand value of R 1 111 414,30 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:
71 Quotations to a total rand value of R 5 569 908,38 were processed for the procurement of goods and services.
- (iii) Purchase orders more than R 200 000 VAT Inclusive:
52 orders with a total rand value of R 57 362 380,80 were processed.

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

The municipality processed 5 requisitions of goods and services through the competitive bidding processes as at the month of August 2026. There are 05 bid processes are still in the evaluation committee. 05 tenders have been awarded as at 31st August 2026.

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

Irregular expenditure **R0,00**

Fruitless & wasteful expenditure **R0,00**

Unauthorised expenditure **R0,00**

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

Norm is 0%

UIFW expenditure/ Total operating expenditure x100

0,00 / 196 144 279,85 x100

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

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

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

UIFW RECONCILIATION

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

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FRUITLESS & WASTEFUL EXPENDITURE					
Recon for 2025/2026 Financial Year					
	Month - August 2026				Amount
GL Opening balance as at 01 August 2026					21 967 311,82
Incurred in Prior year - 30 June 2025					126 048 531,42
					148 015 843,24
Incurred in Current year - August 2026					-
					148 015 843,24
Write-off by council				-	4 324 459,00
	Financial Year 2013/2014			-	227 708,00
	Financial Year 2017/2018			-	4 096 751,00
Closing balance as at 31 August 2026					143 691 384,24
UNAUTHORISED EXPENDITURE					
Recon for 2025/2026 Financial Year					
	Month - August 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 - August 2026					-
					575 298 144,00
Write-off by council				-	370 143 293,52
	Financial Year 2024/2025			-	142 974 883,52
	Financial Year 2014/2015			-	32 423 782,00
	Financial Year 2018/2019			-	194 744 628,00
Closing balance as at 31 August 2026					205 154 850,48

6. Asset management

The municipality had in total **R 594 689 923,15** in current assets as at 31st August 2026 detailed as follows:

Class of Asset	Value
Cash and cash equivalents	R 359 810 987,64
Trade and other receivables from exchange transactions	R 60 878 500,55
Receivables from non-exchange transactions	R 31 458 609,31
Inventory	R 18 605 544,13
VAT	R 104 721 068,67
Other current assets	R 19 215 212,85
Total Current Assets	R 594 689 923,15

The municipality's non-current assets had a total of **R 6 164 710 857,03** as at 31st August 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 3 711 112,00
Furniture and office equipment -	R 6 454 221,00
Transport assets -	R 22 666 092,00
IT Equipment -	R 10 846 367,00
Leasehold improvements -	R 7 309 495,40
Road infrastructure -	R 19 012 945,00
Community assets - Buildings	R 3 672 414,00
Wastewater network -	R 53 649 322,00
Water network -	R 4 586 616 770,00
Assets under construction -	R 1 443 621 614,00
Total Non-Current Assets	R 6 164 710 857,03

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

Retention amounts on capital infrastructure projects currently under construction had a combined value of **R246 604 476,45**.

The **R 1 443 621 614,00** 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 August 2026.

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

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

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

1. Jane Furse to Lobethal bulk water supply/De Hoop Augmentation, R 55 893 245.70
2. Rutseng water intervention, R 2 254 727.79
3. Ga-Maphopha command reservoir, R 41 554 264.76
4. Flag Boshielo: Letebejane water meter installation, R 10 846 497.73
5. Lebalelo south villages connector pipes and reticulation phase 2, R 25 401 835.41
6. Mooihoek/Tuibatse bulk water supply phase 4, R 2 429 695.00
7. 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 **R 916 252,25** as at end of August 2026, the asset is the mayoral chain of the municipality.

7. BUDGET MONITORING

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

8. ANNEXURE A: C-SCHEDULE/ SCHEDULES

A. GRANTS PERFORMANCE

The overall spending on conditional grants was 19,88% as at 31st August 2026. The FMG spending at 21% and EPWP spending at 0% while MIG and RRAMs were reported at 20,80% and 0% respectively.

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

GRANT REGISTER - AUGUST 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 35101178970MIZZZZZWD	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	81 009 000,00	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				
	34057630430FMZZZZWD	34057630730MGZZZZWD AND 34057610230MIZZZZZWD	34057630230EPZZZZWD	34057610430RRZZZZWD					
GRANT EXPENDITURE	537 289,90	85 933 684,32	-	-	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				
TOTAL UNSPENT	1 962 710,10	327 116 315,68	2 011 000,00	1 956 000,00	341 672 099,46	-	-	-	
PERCENTAGE	21	20,80	-	-	19,88				

B. CAPITAL EXPENDITURE

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

	AUGUST 2026				PROJECTIONS			
	Monthly Cashflow Budget	Monthly Expenditure	Variance		Annual Budget	Year-to-date Expenditure	Annual projections	Variance
	R	R	R	%	R	R	R	R
MACHINARY AND EQUIPMENT	183 333,33	-	183 333,33	1,00	2 200 000,00	-	2 200 000,00	2 200 000,00
MOBILE OFFICES	250 000,00	-	250 000,00	1,00	3 000 000,00	-	3 000 000,00	3 000 000,00
OFFICE EQUIPMENT	166 666,67	-	166 666,67	1,00	2 000 000,00	-	2 000 000,00	2 000 000,00
BUILDING STRUCTURES	250 000,00	-	250 000,00	-	3 000 000,00	-	3 000 000,00	3 000 000,00
SDM-CAPITAL REPLACEMENT RESERVE	1 666 666,67	-	1 666 666,67	- 0,11	20 000 000,00	1 844 868,75	20 000 000,00	18 155 131,25
MHS EQUIPMENT	125 000,00	-	125 000,00	1,00	1 500 000,00	-	1 500 000,00	1 500 000,00
ACQ LAND FOR SATELITE OFFICES LAND PURCH	72 916,67	-	72 916,67	1,00	875 000,00	-	875 000,00	875 000,00
OFFICE FENCING	41 666,67	-	41 666,67	1,00	500 000,00	-	500 000,00	500 000,00
DISASTER EQUIPMENT	16 666,67	-	16 666,67	-	200 000,00	-	200 000,00	200 000,00
EMS EQUIPMENT	83 333,33	-	83 333,33	-	1 000 000,00	-	1 000 000,00	1 000 000,00
DISASTER MANAGEMENT CENTRE DESIGNS	41 666,67	-	41 666,67	-	500 000,00	-	500 000,00	500 000,00
MARBLE HALL FIRE STATION DESIGN	41 666,67	-	41 666,67	1,00	500 000,00	-	500 000,00	500 000,00
REFURBISHMENT - ERF 488	33 333,33	-	33 333,33	-	400 000,00	-	400 000,00	400 000,00
OFFICE EQUIPMENT	29 166,67	-	29 166,67	-	350 000,00	-	350 000,00	350 000,00
COMPUTER	25 457,42	-	25 457,42	1,00	305 489,00	-	305 489,00	305 489,00
COMPUTER	125 000,00	1 330 700,00	- 1 205 700,00	1,00	1 500 000,00	1 330 700,00	1 500 000,00	169 300,00
SDM FUNDED	3 152 540,75	1 330 700,00	1 821 840,75	8,89	37 830 489,00	3 175 568,75	37 830 489,00	34 654 920,25
MIG-REFURBISHMENT OF LEEUWFontein WWTW	1 330 000,00	-	1 330 000,00	- 4,14	15 960 000,00	6 842 011,98	15 960 000,00	9 117 988,02
MIG-REFURBISHMENT OF DENNilton WWTW	1 496 666,67	-	1 496 666,67	- 3,42	17 960 000,00	6 621 073,63	17 960 000,00	11 338 926,37
MIG - UPGRADING OF GROBLERSDAL-LUCKAU P3	4 722 819,83	-	4 722 819,83	1,00	56 673 838,00	-	56 673 838,00	56 673 838,00
MIG - LEBALELO CENTRAL SUBSCHEME 1A	10 684 309,67	-	10 684 309,67	- 2,70	128 211 716,00	39 506 491,68	128 211 716,00	88 705 224,32
MIG-MALEKANE REGIONAL WATER SCHEME	551 039,83	-	551 039,83	1,00	6 612 478,00	-	6 612 478,00	6 612 478,00
MIG - UPGRADING OF DE HOOP WTW	2 174 219,42	-	2 174 219,42	- 3,48	26 090 633,00	9 733 364,46	26 090 633,00	16 357 268,54
MIG - UPGRADING OF GROBLERSDAL-LUCKAU P2	2 603 861,50	-	2 603 861,50	0,40	31 246 338,00	1 568 988,75	31 246 338,00	29 677 349,25
MIG - MAMPURU BULK WATER SCHEME	3 560 925,33	-	3 560 925,33	- 3,89	42 731 104,00	17 420 453,92	42 731 104,00	25 310 650,08
MIG-OLIFANTSPoorT SOUTH RWS PHASE 8	-	-	-	-	-	309 375,48	-	- 309 375,48
MIG- MOUTSE EAST & WEST WATER RETIC PH2	5 575 949,50	-	5 575 949,50	- 2,34	66 911 394,00	18 602 913,61	66 911 394,00	48 308 480,39
COMPUTERS (MIG)	21 666,67	-	21 666,67	1,00	260 000,00	-	260 000,00	260 000,00
MIG	32 721 458,42	-	32 721 458,42	- 16,57	392 657 501,00	100 604 673,51	392 657 501,00	292 052 827,49
RRAMS CAPITAL ACQUISITION	232 916,67	-	232 916,67	1,00	2 795 000,00	-	2 686 000,00	2 795 000,00
TOTAL CAPITAL	36 106 915,83	1 330 700,00	34 776 215,83	- 6,68	433 282 990,00	103 780 242,26	433 173 990,00	329 502 747,74

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DC47 Sekhukhune - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M02 August										
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	-	6 842 011,98	2 660 000,00	4 182 011,98	1,57	6 842 011,98
Total Capital Multi-year expenditure	4,7	-	15 960 000,00	15 960 000,00	-	6 842 011,98	2 660 000,00	4 182 011,98	1,57	6 842 011,98
Single Year expenditure appropriation	2,00									
Vote 04 - Budget And Treasury		3 849 029,01	10 200 000,00	10 200 000,00	-	-	1 700 002,00	- 1 700 002,00	1,00	10 200 000,00
Vote 05 - Infrastructure And Water Services		194 614 708,62	400 992 501,00	400 992 501,00	8 609 049,30	104 216 579,58	66 832 092,00	37 384 487,58	0,56	104 216 579,58
Vote 06 - Planning And Economic Development		848 930,00	1 375 000,00	1 375 000,00	-	-	229 168,00	- 229 168,00	1,00	1 375 000,00
Vote 07 - Community Services		-	2 200 000,00	2 200 000,00	-	-	366 670,00	- 366 670,00	1,00	2 200 000,00
Vote 08 - Sekhukhune Development Angancy		160 000,00	1 055 489,00	1 055 489,00	-	-	175 918,00	- 175 918,00	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	1 330 700,00	250 000,00	1 080 700,00	4,32	1 330 700,00
Total Capital single-year expenditure	4,00	205 192 766,41	417 322 990,00	417 322 990,00	9 939 749,30	105 547 279,58	69 553 850,00	35 993 429,58	0,52	120 377 768,58
Total Capital Expenditure		205 192 766,41	433 282 990,00	433 282 990,00	9 939 749,30	112 389 291,56	72 213 850,00	40 175 441,56	0,56	127 219 780,56
Capital Expenditure - Functional Classification										
Governance and administration		9 569 127,79	13 900 000,00	13 900 000,00	1 330 700,00	1 330 700,00	2 316 672,00	- 985 972,00	0,43	13 900 000,00
Finance and administration		9 569 127,79	13 900 000,00	13 900 000,00	1 330 700,00	1 330 700,00	2 316 672,00	- 985 972,00	0,43	13 900 000,00
Economic and environmental services		1 008 930,00	2 430 489,00	2 430 489,00	-	-	405 086,00	- 405 086,00	1,00	2 430 489,00
Planning and development		1 008 930,00	2 430 489,00	2 430 489,00	-	-	405 086,00	- 405 086,00	1,00	2 430 489,00
Trading services		194 614 708,62	416 952 501,00	416 952 501,00	8 609 049,30	111 058 591,56	69 492 092,00	41 566 499,56	0,60	111 058 591,56
Water management		194 614 708,62	416 952 501,00	416 952 501,00	8 609 049,30	111 058 591,56	69 492 092,00	41 566 499,56	0,60	111 058 591,56
Total Capital Expenditure - Functional Classification	3,00	205 192 766,41	433 282 990,00	433 282 990,00	9 939 749,30	112 389 291,56	72 213 850,00	40 175 441,56	0,56	127 389 080,56
Funded by:										
National Government		2 453 542,13	395 452 501,00	395 452 501,00	8 609 049,30	109 213 722,81	65 908 758,00	43 304 964,81	0,66	109 213 722,81
Transfers recognised - capital		2 453 542,13	395 452 501,00	395 452 501,00	8 609 049,30	109 213 722,81	65 908 758,00	43 304 964,81	0,66	109 213 722,81
Borrowing	6,00							-		
Internally generated funds		202 739 224,28	37 830 489,00	37 830 489,00	1 330 700,00	3 175 568,75	6 305 092,00	- 3 129 523,25	0,50	37 830 489,00
Total Capital Funding		205 192 766,41	433 282 990,00	433 282 990,00	9 939 749,30	112 389 291,56	72 213 850,00	40 175 441,56	0,56	147 044 211,81

C. Employee Related Cost

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

A. Municipal staff and Senior Managers

Description	AUGUST 2026				PROJECTIONS				
	Monthly Budget	Expenditure	Variance		Annual Budget	Year-to-date Expenditure	Annual projections	Variance	
	R	R	R	%	R	R	R	R	%
Basic Salary	26 104 044,58	24 601 938,72	1 502 105,86	5,75	313 248 535,00	48 509 735,01	313 248 535,00	264 738 799,99	84,51
Cellphone Allowance	624 516,67	211 979,00	412 537,67	66,06	7 494 200,00	423 958,00	7 494 200,00	7 070 242,00	94,34
Group life contribution	197 421,08	154 682,87	42 738,21	21,65	2 369 053,00	310 117,83	2 369 053,00	2 058 935,17	86,91
Housing benefits	253 344,00	182 774,12	70 569,88	27,86	3 040 128,00	366 393,18	3 040 128,00	2 673 734,82	87,95
Industrial Council	625 204,42	9 034,05	616 170,37	98,56	7 502 453,00	18 068,10	7 502 453,00	7 484 384,90	99,76
Leave Bonus	228 097,92	57 673,92	170 424,00	74,72	2 737 175,00	57 673,92	2 737 175,00	2 679 501,08	97,89
Medical Aid Contribution	1 565 143,92	1 485 137,46	80 006,46	5,11	18 781 727,00	2 958 028,09	18 781 727,00	15 823 698,91	84,25
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	1 345 993,56	- 304 344,56	- 29,22	12 499 788,00	3 964 453,73	12 499 788,00	8 535 334,27	68,28
Long Service Awards	177 572,25	242 348,35	- 64 776,10	- 36,48	2 130 867,00	242 348,35	-	1 888 518,65	88,63
Overtime	1 140 311,25	1 600 283,94	- 459 972,69	- 40,34	13 683 735,00	3 436 682,97	13 683 735,00	10 247 052,03	74,88
Pension Fund Contribution	4 153 847,83	3 988 082,88	165 764,95	3,99	49 846 174,00	7 971 551,54	49 846 174,00	41 874 622,46	84,01
Shift Allowance	363 023,58	327 676,99	35 346,59	9,74	4 356 283,00	655 219,93	4 356 283,00	3 701 063,07	84,96
Standby Allowance	323 549,67	108 161,60	215 388,07	66,57	3 882 596,00	218 651,40	3 882 596,00	3 663 944,60	94,37
Transport Allowance	2 894 099,42	2 782 135,93	111 963,49	3,87	34 729 193,00	5 360 034,25	34 729 193,00	29 369 158,75	84,57
UIF	184 903,33	128 837,98	56 065,35	30,32	2 218 840,00	257 302,55	2 218 840,00	1 961 537,45	88,40
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	37 226 741,37	2 679 706,88	508,15	478 877 379,00	74 750 218,85	476 746 512,00	404 127 160,15	1503,72

B. Councillors

Description	Aug-26				PROJECTIONS				
	Monthly Budget	Monthly Expenditure	Variance		Annual Budget	Year-to-date Expenditure	Annual projections	Variance	
	R	R	R	%	R	R	R	R	%
BASIC SALARY	1 081 385,58	939 909,47	141 476,11	86,92	12 976 627,00	1 913 197,52	12 976 627,00	11 063 429,48	14,74
CELLPHONE ALLOWANCE	152 958,92	129 155,00	23 803,92	84,44	1 835 507,00	261 910,00	1 835 507,00	1 573 597,00	14,27
MEDICAL AID BENEFITS	26 005,92	13 484,63	12 521,29	51,85	312 071,00	26 969,26	312 071,00	285 101,74	8,64
PENSION FUND CONTRIBUTIONS	79 892,83	56 451,20	23 441,63	70,66	958 714,00	116 246,54	958 714,00	842 467,46	12,13
TRAVELLING ALLOWANCE	340 089,92	145 874,47	194 215,45	42,89	4 081 079,00	271 922,36	4 081 079,00	3 809 156,64	6,66
GRAND TOTALS	1 680 333,17	1 284 874,77	395 458,40	336,76	20 163 998,00	2 590 245,68	20 163 998,00	17 573 752,32	56,44

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

DC47 Sekhukhune - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M02 August										
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	1,00	B	C							D
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		11 504 421,94	12 976 627,00	12 976 627,00	939 909,47	1 913 197,52	2 162 778,00	- 249 580,48	0,12	1 913 197,52
Cell phone Allowance		1 579 462,62	1 835 507,00	1 835 507,00	129 155,00	261 910,00	305 922,00	- 44 012,00	0,14	443 593,00
Travelling Allowance		1 548 942,90	4 081 079,00	4 081 079,00	145 874,47	271 922,36	680 184,00	- 408 261,64	0,60	271 922,36
Total Allowances and Service Related Benefits		14 632 827,46	18 893 213,00	18 893 213,00	1 214 938,94	2 447 029,88	3 148 884,00	- 701 854,12	0,22	2 628 712,88
Social Contributions										
Medial Aid Benefits		122 555,15	312 071,00	312 071,00	13 484,63	26 969,26	52 014,00	- 25 044,74	0,48	26 969,26
Pension Fund Contributions		946 337,52	958 714,00	958 714,00	56 451,20	116 246,54	159 792,00	- 43 545,46	0,27	151 561,96
Total Social Contributions		1 068 892,67	1 270 785,00	1 270 785,00	69 935,83	143 215,80	211 806,00	- 68 590,20	0,32	178 531,22
Total Councillors		15 701 720,13	20 163 998,00	20 163 998,00	1 284 874,77	2 590 245,68	3 360 690,00	- 770 444,32	0,23	2 807 244,10
Senior Managers of the Municipality	2,00									
Salaries and Allowances										
Basic Salary		10 414 976,60	8 438 733,00	8 438 733,00	561 858,29	1 123 715,19	1 406 462,00	- 282 746,81	0,20	8 438 733,00
Bonuses		94 441,69	115 872,00	115 872,00	-	-	19 314,00	- 19 314,00	1,00	115 872,00
Allowance										
Accommodation, Travel and Incidental		3 014,76	75 597,00	75 597,00	6 693,14	16 569,44	12 602,00	3 967,44	0,31	16 569,44
Cellular and Telephone	3,00	208 860,00	264 702,00	264 702,00	12 500,00	25 000,00	44 122,00	- 19 122,00	0,43	264 702,00
Housing Benefits	3,00	-	154 373,00	154 373,00	-	-	25 730,00	- 25 730,00	1,00	154 373,00
Non-pensionable		-	183 534,00	183 534,00	-	-	30 590,00	- 30 590,00	1,00	183 534,00
Travel or Motor Vehicle	3,00	715 848,67	1 372 213,00	1 372 213,00	55 045,91	114 808,45	228 708,00	- 113 899,55	0,50	1 372 213,00
Total Allowance		927 723,43	2 050 419,00	2 050 419,00	74 239,05	156 377,89	341 752,00	- 185 374,11	0,54	1 991 391,44
Service Related Benefits										
Acting	3,00	-	171 428,00	171 428,00	-	-	28 574,00	- 28 574,00	1,00	171 428,00
Leave Pay	3,00	-	193 242,00	193 242,00	-	-	32 208,00	- 32 208,00	1,00	193 242,00
Total Service Related Benefits		-	364 670,00	364 670,00	-	-	60 782,00	- 60 782,00	1,00	364 670,00
Total Salaries and Allowances		11 437 141,72	10 969 694,00	10 969 694,00	636 097,34	1 280 093,08	1 828 310,00	- 548 216,92	0,30	10 910 666,44
Social Contributions										
Bargaining Council		-	534,00	534,00	-	-	94,00	- 94,00	1,00	534,00
Group Life Insurance		-	-	-	23 568,12	23 568,12	-	23 568,12	#DIV/0!	23 568,12
Medical		132 552,35	139 046,00	139 046,00	359 112,54	370 824,17	23 176,00	347 648,17	15,00	370 824,17
Pension		329 011,09	712 470,00	712 470,00	687 612,46	709 433,14	118 748,00	590 685,14	4,97	709 433,14
Unemployment Insurance		8 501,76	11 624,00	11 624,00	885,60	1 594,08	1 942,00	- 347,92	0,18	11 624,00
Total Social Contributions		470 065,20	863 674,00	863 674,00	1 071 178,72	1 105 419,51	143 960,00	961 459,51	6,68	1 115 983,43
Post-retirement Benefit	6,00									
Medical		5 111 000,00	-	-	-	-	-	-		-
Pension		5 629 000,00	-	-	-	-	-	-		-
Total Post-retirement Benefit		10 740 000,00	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality		22 647 206,92	11 833 368,00	11 833 368,00	1 707 276,06	2 385 512,59	1 972 270,00	413 242,59	0,21	12 026 649,87
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		278 204 538,25	304 809 802,00	304 809 802,00	24 040 080,43	47 386 019,82	50 801 648,00	- 3 415 628,18	0,07	304 809 802,00
Allowance										
Cellular and Telephone	3,00	2 376 549,00	7 229 498,00	7 229 498,00	199 479,00	398 958,00	1 204 928,00	- 805 970,00	0,67	7 229 498,00
Housing Benefits	3,00	2 134 357,59	2 885 755,00	2 885 755,00	182 774,12	366 393,18	480 970,00	- 114 576,82	0,24	2 885 755,00
Travel or Motor Vehicle	3,00	30 043 003,36	33 281 383,00	33 281 383,00	2 720 396,88	5 228 656,36	5 546 910,00	- 318 253,64	0,06	33 281 383,00
Total Allowance		34 553 909,95	43 396 636,00	43 396 636,00	3 102 650,00	5 994 007,54	7 232 808,00	- 1 238 800,46	0,17	43 396 636,00
Service Related Benefits										
Bonus	3,00	28 320 432,93	12 499 788,00	12 499 788,00	1 345 993,56	3 964 453,73	2 083 304,00	1 881 149,73	0,90	3 964 453,73
Leave Pay	3,00	102 755,02	2 543 933,00	2 543 933,00	57 673,92	57 673,92	423 998,00	- 366 324,08	0,86	2 543 933,00
Long Service Award		46 874,96	2 130 867,00	2 130 867,00	242 348,35	242 348,35	355 154,00	- 112 805,65	0,32	2 130 867,00
Overtime		25 865 712,43	18 040 018,00	18 040 018,00	1 927 960,93	4 091 902,90	3 006 696,00	1 085 206,90	0,36	4 091 902,90
Standby Allowance	3,00	1 675 221,73	3 882 596,00	3 882 596,00	108 161,60	218 651,40	647 108,00	- 428 456,60	0,66	3 882 596,00
Uniform/Special/Protective Clothing	3,00	-	185 204,00	185 204,00	-	-	30 870,00	- 30 870,00	1,00	185 204,00
Total Service Related Benefits		56 010 997,07	39 282 406,00	39 282 406,00	3 682 138,36	8 575 030,30	6 547 130,00	2 027 900,30	0,31	16 798 956,63
Total Salaries and Allowances		368 769 445,27	387 488 844,00	387 488 844,00	30 824 868,79	61 955 057,66	64 581 586,00	- 2 626 528,34	0,04	365 005 394,63
Social Contributions										
Bargaining Council		104 202,65	242 919,00	242 919,00	9 034,05	18 068,10	40 494,00	- 22 425,90	0,55	242 919,00
Group Life Insurance		1 911 871,66	2 369 053,00	2 369 053,00	131 114,75	286 549,71	394 850,00	- 108 300,29	0,27	2 369 053,00
Medical		16 710 940,77	18 642 681,00	18 642 681,00	1 126 024,92	2 587 203,92	3 107 124,00	- 519 920,08	0,17	18 642 681,00
Pension		45 665 192,65	48 950 170,00	48 950 170,00	3 300 470,42	7 262 118,40	8 158 372,00	- 896 253,60	0,11	48 950 170,00
Unemployment Insurance		1 703 913,04	2 207 216,00	2 207 216,00	127 952,38	255 708,47	367 884,00	- 112 175,53	0,30	2 207 216,00
TOTAL MANAGERS AND STAFF	5,7	457 512 772,96	471 734 251,00	471 734 251,00	37 226 741,37	74 750 218,85	78 622 580,00	- 3 872 361,15		449 444 083,50

DC47 Sekhukhune - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M02 August										
Description	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1,00								%	
Revenue - Functional										
Governance and administration		1 553 841 028,73	1 932 472 935,00	1 932 472 935,00	548 885 174,14	568 273 096,97	322 078 792,00	246 194 304,97	0,76	568 273 096,97
Executive and council		720 000,00	-	-	-	-	-	-		-
Finance and administration		1 553 121 028,73	1 932 472 935,00	1 932 472 935,00	548 885 174,14	568 273 096,97	322 078 792,00	246 194 304,97	0,76	568 273 096,97
Trading services		501 456 354,70	-	-	456 693,57	85 265 574,07	-	85 265 574,07	#DIV/0!	85 265 574,07
Water management		500 475 522,77	-	-	370 072,31	85 092 703,92	-	85 092 703,92	#DIV/0!	85 092 703,92
Waste water management		980 831,93	-	-	86 621,26	172 870,15	-	172 870,15	#DIV/0!	172 870,15
Total Revenue - Functional	2,00	2 055 297 383,43	1 932 472 935,00	1 932 472 935,00	549 341 867,71	653 538 671,04	322 078 792,00	331 459 879,04	1,03	653 538 671,04
Expenditure - Functional										
Governance and administration		944 738 822,44	743 666 394,00	743 666 394,00	60 316 843,62	94 503 325,25	123 944 672,00	- 29 441 346,75	0,24	645 854 703,96
Executive and council		235 393 533,97	252 282 241,00	252 282 241,00	22 155 605,18	36 659 000,75	42 047 190,00	- 5 388 189,25	0,13	154 470 550,96
Finance and administration		709 345 288,47	491 384 153,00	491 384 153,00	38 161 238,44	57 844 324,50	81 897 482,00	- 24 053 157,50	0,29	491 384 153,00
Economic and environmental services		38 310 150,17	48 852 258,00	48 852 258,00	2 390 285,17	3 460 807,79	8 142 112,00	- 4 681 304,21	0,57	48 852 258,00
Planning and development		38 310 150,17	48 852 258,00	48 852 258,00	2 390 285,17	3 460 807,79	8 142 112,00	- 4 681 304,21	0,57	48 852 258,00
Trading services		700 943 899,74	704 872 983,00	704 872 983,00	36 976 305,85	98 180 146,81	117 478 926,00	- 19 298 779,19	0,16	704 872 983,00
Water management		700 901 264,31	702 927 443,00	702 927 443,00	36 976 305,85	98 180 146,81	117 154 656,00	- 18 974 509,19	0,16	702 927 443,00
Waste water management		42 635,43	1 945 540,00	1 945 540,00	-	-	324 270,00	- 324 270,00	1,00	1 945 540,00
Total Expenditure - Functional	3,00	1 683 992 872,35	1 497 391 635,00	1 497 391 635,00	99 683 434,64	196 144 279,85	249 565 710,00	- 53 421 430,15	0,21	1 399 579 944,96
Surplus/ (Deficit) for the year		371 304 511,08	435 081 300,00	435 081 300,00	449 658 433,07	457 394 391,19	72 513 082,00	384 881 309,19	5,31	- 746 041 273,92

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

DC47 Sekhukhune - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August										
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	8 486 005,85	16 489 974,89	16 329 790,00	160 184,89	0,01	16 489 974,89
Service charges - Waste Water Management		13 510 097,08	18 622 780,00	18 622 780,00	1 565 682,46	6 462 729,33	3 103 794,00	3 358 935,33	1,08	6 462 729,33
Sale of Goods and Rendering of Services		1 216 257,77	2 381 785,00	2 381 785,00	162 575,53	289 767,06	396 960,00	- 107 192,94	- 0,27	2 381 785,00
Interest earned from Receivables		40 417 628,17	49 416 620,00	49 416 620,00	3 595 706,84	6 804 211,47	8 236 102,00	- 1 431 890,53	- 0,17	49 416 620,00
Interest from Current and Non Current Assets		31 718 302,47	53 521 655,00	53 521 655,00	2 677 264,75	5 271 092,02	8 920 274,00	- 3 649 181,98	- 0,41	53 521 655,00
Operational Revenue		1 208 934,85	58 332,00	58 332,00	310,00	310,00	9 718,00	- 9 408,00	- 0,97	58 332,00
Non-Exchange Revenue								-		
Surcharges and Taxes		-	3 886,00	3 886,00	-	-	646,00	- 646,00	- 1,00	3 886,00
Fines, penalties and forfeits		244 545,00	658 338,00	658 338,00	17 628,71	36 407,11	109 722,00	- 73 314,89	- 0,67	658 338,00
Transfers and subsidies - Operational		1 242 614 395,61	1 313 907 500,00	1 313 907 500,00	532 380 000,00	534 243 346,09	218 984 578,00	315 258 768,09	1,44	534 243 346,09
Interest		1 950 680,71	-	-	177 044,33	352 397,90	-	352 397,90	#DIV/0!	352 397,90
Operational Revenue		3 236 620,44	-	-	279 649,24	559 298,48	-	559 298,48	#DIV/0!	559 298,48
Gains on disposal of Fixed and Intangible Assets		169 450,75	730 774,00	730 774,00	-	-	121 794,00	- 121 794,00	- 1,00	730 774,00
Other Gains		345 000,00	-	-	-	-	-	-		-
Total Revenue (excluding capital transfers and contributions)		1 420 962 539,54	1 537 280 435,00	1 537 280 435,00	549 341 867,71	570 509 534,35	256 213 378,00	314 296 156,35	1,23	664 879 136,69
Expenditure By Type										
Employee related costs		457 512 772,96	471 734 251,00	471 734 251,00	37 226 741,37	74 750 218,85	78 622 580,00	- 3 872 361,15	- 0,05	471 734 251,00
Remuneration of councillors		15 701 720,13	20 163 998,00	20 163 998,00	1 284 874,77	2 590 245,68	3 360 690,00	- 770 444,32	- 0,23	20 163 998,00
Bulk purchases - electricity		-	-	-	-	-	-	-		-
Inventory consumed		231 319 726,13	159 929 469,00	159 929 469,00	3 780 676,64	34 826 203,17	26 654 922,00	8 171 281,17	0,31	34 826 203,17
Debt impairment		-	-	-	-	-	-	-		-
Depreciation, amortisation and impairment		186 192 495,12	100 607 831,00	100 607 831,00	-	-	16 767 980,00	- 16 767 980,00	- 1,00	100 607 831,00
Interest, Dividends and Rent on Land		21 939 322,80	119 587,00	119 587,00	-	-	19 932,00	- 19 932,00	- 1,00	119 587,00
Contracted services		387 454 382,68	464 812 616,00	464 812 616,00	29 974 768,99	39 807 810,99	77 468 876,00	- 37 661 065,01	- 0,49	464 812 616,00
Transfers and subsidies		- 580 179,59	20 950 000,00	20 950 000,00	-	-	3 491 668,00	- 3 491 668,00	- 1,00	20 950 000,00
Irrecoverable debts written off		97 952 759,60	5 954 454,00	5 954 454,00	2 359 592,97	2 359 592,97	992 410,00	1 367 182,97	1,38	2 359 592,97
Operational costs		236 081 091,33	253 119 429,00	253 119 429,00	25 056 779,90	41 810 208,19	42 186 652,00	- 376 443,81	- 0,01	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	99 683 434,64	196 144 279,85	249 565 710,00	- 53 421 430,15	- 0,21	1 368 693 508,14
Surplus/(Deficit)		- 263 030 332,81	39 888 800,00	39 888 800,00	449 658 433,07	374 365 254,50	6 647 668,00	367 717 586,50	55,32	- 703 814 371,45
Transfers and subsidies - capital (monetary		632 809 036,59	395 192 500,00	395 192 500,00	-	82 923 189,55	65 865 414,00	17 057 775,55	0,26	82 923 189,55
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	449 658 433,07	457 394 391,19	72 513 082,00	384 881 309,19	5,31	- 620 785 234,76

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

DC47 Sekhukhune - Table C6 Monthly Budget Statement - Financial Position - M02 August						
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	359 810 987,64	634 224 289,00
Trade and other receivables from exchange transactions		72 751 681,09	203 763 100,00	203 763 100,00	60 878 500,55	60 878 500,55
Receivables from non-exchange transactions		30 702 020,18	-	-	31 458 609,31	31 458 609,31
Inventory		25 972 666,69	243 985 999,00	243 985 999,00	18 605 544,13	243 985 999,00
VAT Receivable		99 620 069,55	-	-	104 721 068,67	104 721 068,67
Other current assets		19 115 355,20	85 671 417,00	85 671 417,00	19 215 212,85	19 215 212,85
Total current assets		365 136 374,03	1 167 644 805,00	1 167 644 805,00	594 689 923,15	1 094 483 679,38
Non current assets						
Property, plant and equipment		6 248 464 153,31	5 607 531 083,00	5 607 531 083,00	6 360 853 444,87	6 360 853 444,87
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	6 361 769 697,59	6 361 769 697,59
TOTAL ASSETS		6 614 516 780,06	6 775 175 888,00	6 775 175 888,00	6 956 459 620,74	7 456 253 376,97
LIABILITIES						
Current liabilities						
Consumer deposits		6 485 349,77	- 67 463 666,00	- 67 463 666,00	6 552 584,71	6 552 584,71
Trade and other payables from exchange transactions		771 065 646,35	- 1 017 194 370,00	- 1 017 194 370,00	350 664 009,12	350 664 009,12
Trade and other payables from non-exchange transactions	-	3 394 331,42	- 20 950 000,00	- 20 950 000,00	- 2 715 867,06	- 2 715 867,06
Provision		25 248 447,19	-	-	25 248 447,19	25 248 447,19
VAT Payable		118 832 198,23	-	-	122 240 652,12	122 240 652,12
Total current liabilities		918 237 310,12	- 1 105 608 036,00	- 1 105 608 036,00	501 989 826,08	501 989 826,08
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	528 992 377,86	528 992 377,86
NET ASSETS	2,00	5 669 276 918,16	7 880 783 924,00	7 880 783 924,00	6 427 467 242,88	6 927 260 999,11
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		6 033 631 001,30	6 068 371 477,00	6 068 371 477,00	6 126 671 309,35	6 126 671 309,35
TOTAL COMMUNITY WEALTH/EQUITY	2,00	6 033 631 001,30	6 068 371 477,00	6 068 371 477,00	6 126 671 309,35	6 126 671 309,35

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

DC47 Sekhukhune - Table C7 Monthly Budget Statement - Cash Flow - M02 August										
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	5 146 548,68	14 183 293,14	12 426 385,16	1 756 907,98	0,14	14 183 293,14
Other revenue		854 481 649,52	3 792 706,00	3 792 706,00	200 812 960,34	897 428 630,15	632 117,64	896 796 512,51	1 418,72	897 428 630,15
Transfers and Subsidies - Operational		1 384 067 438,78	1 313 907 500,00	1 313 907 500,00	534 880 000,00	534 880 000,00	218 984 583,34	315 895 416,66	1,44	534 880 000,00
Transfers and Subsidies - Capital		477 967 888,45	395 192 500,00	395 192 500,00	1 956 000,00	82 965 000,00	65 865 416,68	17 099 583,32	0,26	82 965 000,00
Interest		30 132 654,36	53 521 655,00	53 521 655,00	2 523 693,41	5 091 346,07	8 920 275,84	- 3 828 929,77	- 0,43	53 521 655,00
Payments										
Suppliers and employees		-1 622 533 556,56	-1 395 799 092,00	-1 395 799 092,00	- 96 902 945,49	- 329 093 109,36	-232 633 182,04	96 459 927,32	- 0,41	-1 395 799 092,00
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 181 190 695,89	445 173 580,00	445 173 580,00	648 416 256,94	1 205 455 160,00	74 195 596,62	-1 131 259 563,38	- 15,25	187 179 486,29
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		169 450,75	730 774,00	730 774,00	-	-	121 795,66	- 121 795,66	- 1,00	730 774,00
Insurance Refund - Capital		-	17 143,00	17 143,00	-	-	2 857,16	- 2 857,16		17 143,00
Payments										
Capital assets		- 207 993 550,66	- 433 282 990,00	- 433 282 990,00	- 9 939 749,30	- 112 389 291,56	- 72 213 831,70	40 175 459,86	- 0,56	- 433 282 990,00
NET CASH FROM/(USED) INVESTING ACTIVITIES		- 207 824 099,91	- 432 535 073,00	- 432 535 073,00	- 9 939 749,30	- 112 389 291,56	- 72 089 178,88	40 300 112,68	- 0,56	- 432 535 073,00
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Increase (decrease) in consumer deposits		313 632,49	-	-	51 746,36	67 234,94	-	67 234,94	#DIV/0!	67 234,94
Payments										
NET CASH FROM/(USED) FINANCING ACTIVITIES		313 632,49	-	-	51 746,36	67 234,94	-	67 234,94	#DIV/0!	67 234,94
NET INCREASE/ (DECREASE) IN CASH HELD		973 680 228,47	12 638 507,00	12 638 507,00	638 528 254,00	1 093 133 103,38	2 106 417,74			- 245 288 351,77
Cash/cash equivalents at beginning:		391 481 179,95	567 001 000,00	567 001 000,00	571 579 430,70	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	1 210 107 684,70	1 210 107 684,70	569 107 417,74			- 128 313 770,45

D. Primary Bank Balances

Name of institution	Cash in the bank on 31st August 2026
Standard Bank	R 11 501 882,55

AUGUST	R
Bank statement balance (closing balance per B/S before adjusting to C/B)	11 501 882,55
Reconciling items:	
uncashed cheques	
uncashed ACBs	- 5 323 839,45
Undeposited receipts	405 338,82
Partially undeposited receipt	232 906,89
Miscellaneous charge	423 227,44
unreconciled on statement Deposit	- 4 488 525,19
Partially unreconciled on statement Deposit	- 41 364,96
unreconciled on statement transfers	
Adjusted statement C/F	2 709 626,10
cashbook account B/F	- 48 479 194,43
reconciled bank Charges	51 185 081,20
cashbook account C/F	2 705 886,77
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	2 705 886,77
Difference	3 739,33

E. Short-term Investment Register

INVESTMENT REGISTER 31 AUGUST 2026						
	RATE	ACCOUNT NUMBER			JULY	AUGUST
FNB	6,85%	62858613980	NEW			
			OPENING	34055053310ZZZZZZZWD	104 447 924,15	83 916 574,13
			ADDITIONS	34055053320ZZZZZZZWD	11 218 596,35	32 659 645,02
			WITHDRAWAL	34055053330ZZZZZZZWD	- 32 200 000,00	-
			SERVICE FEE	34055053350ZZZZZZZWD	-	-
			INTEREST	34055053340ZZZZZZZWD	450 053,63	598 537,50
					83 916 574,13	117 174 756,65
	RATE	ACCOUNT NUMBER				
STANDARD BANK	7%	238 890 708 008	NEW			
			OPENING	34055053010ZZZZZZZWD	8 111 776,36	143 513 043,63
			ADDITIONS	34055053020ZZZZZZZWD	240 000 000,00	-
			WITHDRAWAL	34055053030ZZZZZZZWD	- 105 500 000,00	- 79 500 000,00
			INTEREST	34055053040ZZZZZZZWD	901 267,27	611 474,81
					143 513 043,63	64 624 518,44
	RATE	ACCOUNT NUMBER				
NEDBANK BANK		03/7881071850	NEW			
			OPENING	34055053110ZZZZZZZWD	1 133 042,19	1 139 682,08
			ADDITIONS	34055053120ZZZZZZZWD	-	-
			WITHDRAWAL	34055053130ZZZZZZZWD	-	-
			INTEREST	34055053140ZZZZZZZWD	6 639,89	6 678,95
					1 139 682,08	1 146 361,03
	RATE	ACCOUNT NUMBER				
ABSA BANK		9368456281	NEW			
			OPENING	34055053210ZZZZZZZWD	1 203 208,66	213 363 825,37
			ADDITIONS	34055053220ZZZZZZZWD	250 000 000,00	-
			WITHDRAWAL	34055053230ZZZZZZZWD	- 39 000 000,00	- 40 500 000,00
			SERVICE FEE	34055053250ZZZZZZZWD	-	-
			INTEREST	34055053240ZZZZZZZWD	1 160 616,71	1 294 621,93
					213 363 825,37	174 158 447,30
			11501882,55		JULY	
			368 605 965,97	INTEREST	2 518 577,50	2 511 313,19
				SHORT-TERM INVESTMENT	441 933 125,21	357 104 083,42

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

DC47 Sekhukhune - Supporting Table SC16 Monthly Budget Statement - Investment Portfolio - M02 August												
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 s	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months										
<u>Municipality</u>												
FNB		6 Months	Short term	No	Fixed	6,85	Call Account	83 916 574,13	598 537,50	-	32 659 645,02	117 174 756,65
STANDARD BANK		Call Account	Short term	No	Fixed	7,00	Call Account	143 513 043,63	611 474,81	- 79 500 000,00	-	64 624 518,44
NEDBANK		Call Account	Short term	No	Fixed	6,90	Call Account	1 139 682,08	6 678,95	-	-	1 146 361,03
ABSA BANK		Call Account	Short term	No	Fixed	7,65	Call Account	213 363 825,37	1 294 621,93	- 40 500 000,00	-	174 158 447,30
												-
TOTAL INVESTMENTS AND INTEREST	2,00							-	-	-	-	357 104 083,42

I. EXPENDITURE MANAGEMENT

Hereunder is an analysis of creditor's payments for the month of August 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 - August 2026

Month: August 2026	Total Number of valid and complete invoices Received	Total Number of paid invoices	Variance
Number of Invoices	153	153	0
Percentage	100%	100%	0%

The above table shows that invoices 153 received for the month of August 2026 were valid and complete invoices and were paid within 30 days.

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

Months	Rand value of amount paid	No. of items paid
August	R	
Invoices 293		
Value of R 119 478 787.78	R43 214 195.55	153
100%	36%	52%

Table 15: Invoices Paid within 30 days.

Month: August 2026	Total Number of valid and complete invoices Received	Total Number of valid and complete invoices paid within 30 days
Invoices received	293	153
Percentage	100%	52%

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



Invoices Paid within
30days as 31st of Aug

Table 16: Unpaid invoices

Month: August 2026	Total number of invoices Received	Total Number of invalid and Incomplete invoices
Overall Invoices received	293	140
Percentage	100%	48%

A total number of invalid, and incomplete invoices were (140) 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 August 2026**

<i>TOTAL VALUE OF INVOICES RECEIVED</i>	<i>TOTAL VALUE OF INVALID AND INCOMPLETE INVOICES THAT WERE NOT PAID</i>
<i>Invoices: 293</i>	<i>Invoices: 140</i>
<i>Value of R 119 478 787.78</i>	<i>Value of R 76 264 592.78</i>
<i>64%</i>	<i>48%</i>

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

Payment Method	Value	Number
Purchase Orders	32 850 290.49	112
Sundry Purchases	463 498.36	38
Projects	9 900 406.70	02
Third Parties	9 418 540,01	21
Total	52 632 735,56	173

CREDITORS AGE ANALYSIS REPORT DATED 31st August 2026

CRR07002		** SEKHUKHUNE SCOA PRODUCTION **		31 August 2026		18:25:49	
HR191		Creditor Age Analysis for Selected Date				Page 5	
Company Type: A From Supplier No:		Company.....:	Analyse As At Date: 20260831 Start Period: 202607 End Period: 202608				
Report Type.: D To Supplier No.:		Report Sequence: T	File Name.....: cred_age.txt Year End:				
Detail Work File.: hr191bbt.txt		File Y/N.....: Y	HDR: Y				
Orders.....: X GRN's/Returns...: X		Invoices.....: X	Debit/Credit Notes: X Payment Vouchers: X Location Code:				
Deliveries							
Supplier No and Name		Current	30 Days	60 Days	90 Days+	Total	
00044944 00044949							
ASH001 ASHCOR TRAVELS PTY LTD		43580.40	0.00	0.00	0.00	43580.40	
00044940							
BUS010 BUSINESS CONNEXIONS PTY LTD		109195.38	0.00	0.00	0.00	109195.38	
00044898							
DR.LG DR LG NEMUKONGWE INC		29505.02	0.00	0.00	0.00	29505.02	
00044767							
KMD001 KDM TRAVEL EXPRESS		8997.60	0.00	0.00	0.00	8997.60	
00044769							
PHE007 PHELADI NOKO B1 FUNERALS		59409.00	0.00	0.00	0.00	59409.00	
00044773 00044808							
SOU016 SOUTH AFRICAN PLANNING INSTITUTE		29325.00	0.00	0.00	0.00	29325.00	
00044712							
UCT002 UNIVERSITY OF CAPE TOWN		0.00	37530.00	0.00	0.00	37530.00	
Total Deliveries		Count: 9 :	280012.40	37530.00	0.00	0.00	317542.40

BULK PURCHASES AGE ANALYSIS AS AT 31st August 2026

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

BULK WATER AGE ANALYSIS REPORT DATED 31 AUGUST 2026											
Count	Supplier Name	PRIOR- YEAR INVOICES AGEING				CURRENT YEAR INVOICES (2025/26) AGEING					Closing Bal
		OPENING	PAYMENT	ADJ/INT	BAL	Current	30 Days	60 Days	90 Days+	Total	
	BULK WATER CONSUMPTION										
1	NMS LEPELLE NORTHERN WATER	269 743 266,27	(61 038 811,35)	-	208 704 454,92	-	18 293 192,28	-	-	18 293 192,28	226 997 647,20
2	WATER & SANITATION DEPARTMENT	31 146 134,22	(287 577,95)	-	30 858 556,27	-	270 539,06	-	-	270 539,06	31 129 095,33
3	NJ VAN DER WAL	205 754,00	(205 754,00)	-	-	-	181 468,50	-	-	181 468,50	181 468,50
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)	-	-	-	-	-	-	-	-
	TOTAL BULK WATER CONSUMPTION	301 855 967,64	(61 929 717,07)	-	239 926 250,57	324 223,50	19 058 190,68	-	-	19 382 414,18	259 308 664,75
	OPERATIONS & MAINTENANCE										
6	NMS LEPELLE NORTHERN WATER (O&M)	59 360 021,06	-	-	59 360 021,06	-	-	-	-	-	-
	TOTAL OPERATIONS & MAINTENANCE	59 360 021,06	-	-	59 360 021,06	-	-	-	-	-	-
	TANKERING										
7	NGOATO LE NAREADI	8 201 299,98	(8 201 299,98)	-	-	4 498 138,75	-	-	-	4 498 138,75	4 498 138,75
8	DIKGALE AND SEBEGO	3 169 516,73	(3 169 516,73)	-	-	1 170 125,00	-	-	-	1 170 125,00	1 170 125,00
9	FILO AND SONS	3 914 600,00	(3 914 600,00)	-	-	5 786 800,00	-	-	-	-	-
10	NKOTO CATERING & PROJECTS	3 434 365,25	(3 434 365,25)	-	-	2 743 526,25	-	-	-	2 743 526,25	2 743 526,25
		18 719 781,96	(18 719 781,96)	-	-	14 198 590,00				8 411 790,00	8 411 790,00
	TOTAL BULK WATER REPORT AS AT 31 AUGUST 2026	379 935 770,66	(80 649 499,03)	-	299 286 271,63	14 522 813,50	19 058 190,68	-	-	27 794 204,18	267 720 454,75

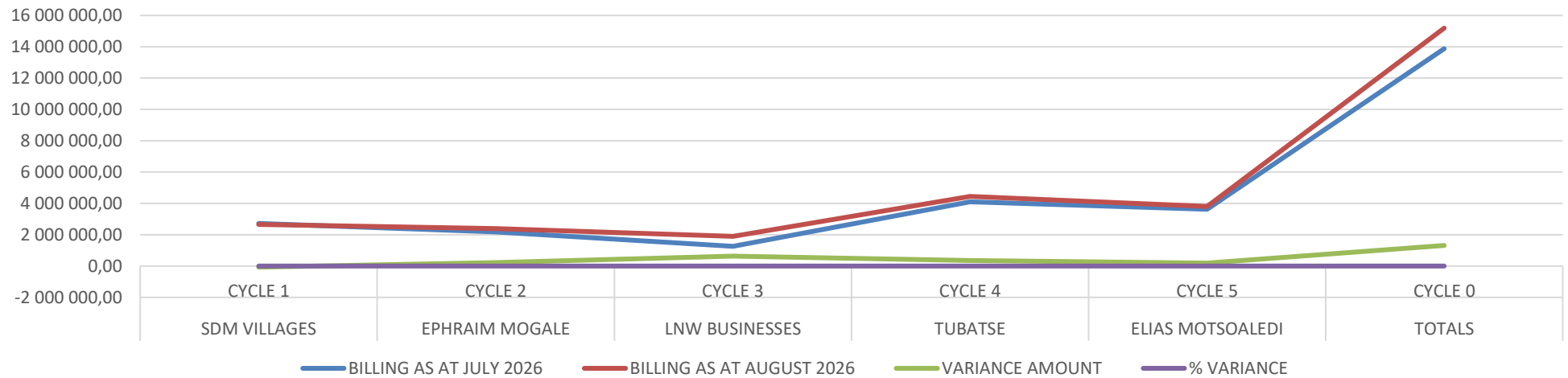
II. REVENUE MANAGEMENT**EXPLANATION OF REVENUE PROJECTION: SEE THE ABOVE TABLE:****METER READING STATUS REPORT***Table B: Meter reading status report***METER READING STATUS REPORT: THE REASONS OF VARIANCES:**

Cycle	Meter Book			Meters read			% Read		Meters Not Accessed	
	26-Jun	26-Jul	26-Aug	26-Jun	26-Jun	26-Aug	Obtained Readings August-26	% Read August 2026	Qty	%
1	85	86	86	39	38	42	42	1,01%	4136	98,99%
2	1234	1291	1218	1148	1210	1194	1194	98,03%	24	1,97%
3	1492	1492	1492	802	802	806	806	54,02%	686	45,98%
4	4302	4187	4178	3212	3152	3091	3091	73,98%	1087	26,02%
5	2831	2848	2802	2355	2342	2402	2402	85,72%	400	14,28%
Total	9859	9818	9690	7556	7544	7535	7535	77,76%	2155	22,24%

Description	Explanation of report	Challenges	Remedial action
Meter reading report for period of August 2026	7 535meters were read for the month of August 2026 and 7 544 in July 2026. There was a slight increase in cycles 2 for meters read.	- Lack of water/ shortages In the Areas - Lack of material to replace /repair faulty meters - Meters are stolen in various areas	- Increase water capacity provision to some areas - Fast track the procurement of spares - Replace the Copper meters with plastic meters

VARIANCES FOR BILLING

TOWN/ MUNICIPALITY	CYCLE	BILLING AS AT JULY 2026	BILLING AS AT AUGUST 2026	VARIANCE AMOUNT	% VARIANCE
SDM VILLAGES	CYCLE 1	2 721 640,67	2 648 907,59	-72 733,08	-3%
EPHRAIM MOGALE	CYCLE 2	2 175 402,34	2 391 995,50	216 593,16	10%
LNW BUSINESSES	CYCLE 3	1 258 408,71	1 894 880,70	636 471,99	51%
TUBATSE	CYCLE 4	4 099 822,99	4 449 617,72	349 794,73	9%
ELIAS MOTSOALEDI	CYCLE 5	3 620 684,08	3 805 217,21	184 533,13	5%
TOTALS	CYCLE 0	13 875 958,79	15 190 618,72	1 314 659,93	9%

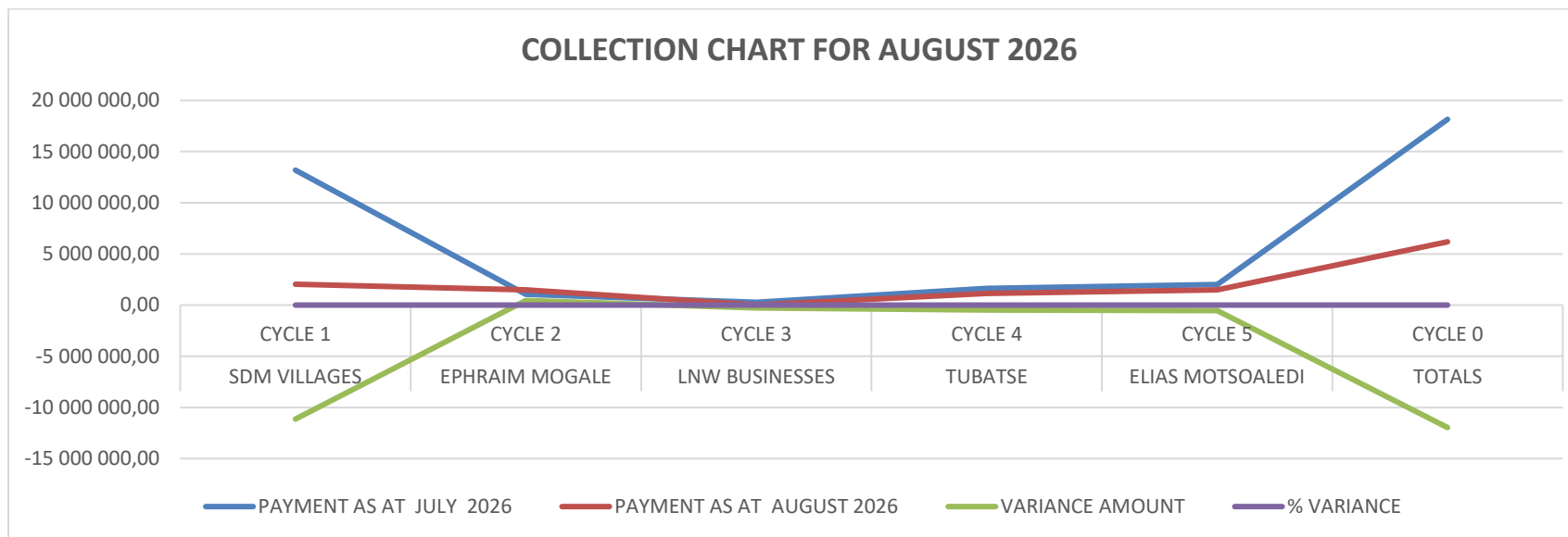
BILLING CHART FOR AUGUST 2026

Description	Explanation of report	Challenges	Remedial action
Billing report for period of August 2026	Billing overall has increased by R1 314 659 from R13 875 958 in July 2026 to R15 190 618 in August 2026. There is an increase in billing in cycles 2,3,4 & 5.	- Billing of average where meters could not be read - Faulty and stolen meters - residents in some areas are refusing meter readers to take the readings	- Fast track taking of actual readings in accessible areas - Replace coper meters with plastic meters - Political intervention required

RECEIPTS REPORT

THE REASONS FOR VARIANCES

TOWN/ MUNICIPALITY	CYCLE	PAYMENT AS AT JULY 2026	PAYMENT AS AT AUGUST 2026	VARIANCE AMOUNT	% VARIANCE
SDM VILLAGES	CYCLE 1	13 178 536,08	2 046 894,55	-11 131 641,53	-84,47%
EPHRAIM MOGALE	CYCLE 2	1 051 648,06	1 497 465,28	445 817,22	42,39%
LNW BUSINESSES	CYCLE 3	272 411,26	6 200,00	-266 211,26	-97,72%
TUBATSE	CYCLE 4	1 633 801,94	1 146 521,54	-487 280,40	-29,82%
ELIAS MOTSOLEDI	CYCLE 5	2 012 561,21	1 484 692,54	-527 868,67	-26,23%
TOTALS	CYCLE 0	18 148 958,55	6 181 773,91	-11 967 184,64	-65,94%

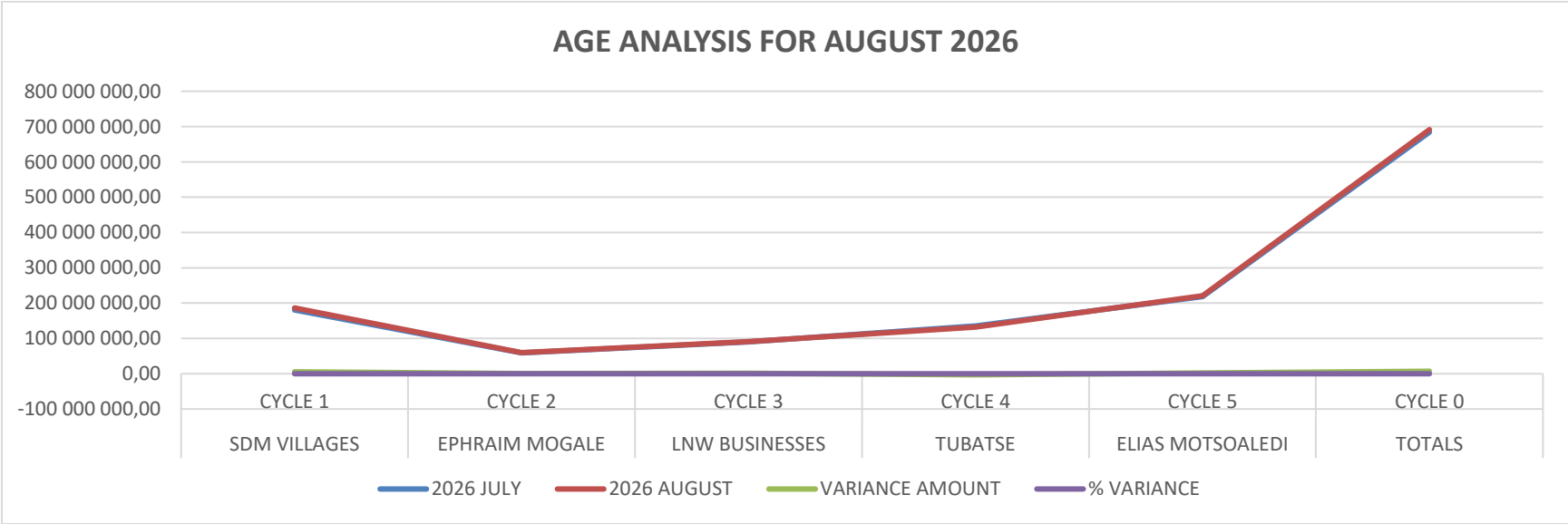


Description	Explanation of report	Challenges	Remedial action
Receipts report for period of August 2026	Receipts have decreased by R11 967 184 from R918 148 958n Junly2026 to R6 181 773 in August 2026. Cycle 1, 3, 4 & 5 showed a drop in collection.	• Culture of non-payment in most arears • Lack of internal capacity to effect the disconnections • Uncleansed Customer data	• Outreach consultations with customers, and convenient payment methods • scope of appointed provider for meter reading includes disconnections and reconnections • Perform data cleansing

AGE ANALYSIS VARIANCES

THE REASONS FOR VARIANCES

TOWN/ MUNICIPALITY	CYCLES	2026 JULY	2026 AUGUST	VARIANCE AMOUNT	% VARIANCE
SDM VILLAGES	CYCLE 1	180 964 753,13	186 610 209,49	5 645 456,36	3,12%
EPHRAIM MOGALE	CYCLE 2	59 077 637,30	59 803 696,31	726 059,01	1,23%
LNW BUSINESSES	CYCLE 3	89 924 781,10	91 456 865,52	1 532 084,42	1,70%
TUBATSE	CYCLE 4	135 574 009,75	132 550 454,17	-3 023 555,58	-2,23%
ELIAS MOTSOALEDI	CYCLE 5	218 648 006,34	220 915 034,16	2 267 027,82	1,04%
TOTALS	CYCLE 0	684 189 187,62	691 336 259,65	7 147 072,03	1,04%



Description	Explanation of report	Challenges	Remedial action
Age analysis report for end of August 2026	The ageing report has increased by R7 147 072 due high collection and adjustments for the month.	• Culture of non-payments in the village • Lack of internal Capacity to do restrictions/disconnections	Outreach consultation with customers The scope of meter readers to do disconnections

MATTERS OF INTEREST AS AT END AUGUST 2026

OTHER MATTERS RELATING TO STRENGTHENING OF REVENUE COLLECTION PROCESSES

- **SITA** there were 8 992 electronic email statements sent for the month of August 2026 and 5 396 sms account balance updates were sent in August 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 August 2026 debtors were 71 202.

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

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

F. Unauthorized, Irregular, Fruitless and Wasteful Expenditure**Irregular Expenditure for the Month of August 2026 = R0,00**

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

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

Unauthorised Exepnditure listing as at 31 August 2026									
Financial Year/Period of Incident	Description of the incident	Invoice date	Invoice number	Amount	Date of Discovery	Date reported to Accounting officer	Date of payment	Payment number	UP
None	None	None	None	-	None	None	None	None	
			TOTAL AMOUNT	-					

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

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

B. The Competitive Bidding Processes

The municipality processed 5 requisitions of goods and services through the competitive bidding processes as at the month of August 2026. There are 05 bid processes are still in the evaluation committee. 05 tenders have been awarded as at 31st August 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	19/08/2026	On process
2	SK8/3/1-03/2026/2027	Panel of Electro-Mechanical Terms Contract for SDM for 03 Years.	Yes	18/08/2026	On process
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	On process
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 Financials	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. Southern African Abet and Skills Dev Agency, 4. Jobafrik Consulting, 5. Moepathutse JV Ptuneka 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 Eloshini at JS Moroka 5 Portion	Yes	01/07/2026	12/08/2026	Asbestra (pty) Ltd

Purchase Orders less than R 30 000



RFQ Register Lee
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	August 2026
Movables Assets additions	0	Computer Equipment	R0.00
	0	Machinery and Office Equipment	R0.00
	0	Transport Assets	R0.00
Intangible assets	0	Intangible Assets	R0.00

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

INFRASTRUCTURE ASSET PURCHASES	QUANTITY	FACILITY CLASS	VALUE
Infrastructure additions -Water Supply (New and replacement assets)	00	Water Supply	R0.00
- Completed Projects	01	Water and Sanitation	R41 825 430.44

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 August amounts to R84 760 605.02

PHYSICAL VERIFICATION OF WIP AND COMPLETED CAPITAL PROJECTS

13 WIP and completed projects were visited during the month of August 2026.

G. RETENTION ANALYSIS

Opening Balance	2025/2026 Raised YTD	2025/2026 Retention Raised July	1 years	2 years	3 years +	2025/2026 Retention Paid YTD	2025/2026 Retention Paid July	Closing Balance 2025/2026 YTD
240 980 951.59	9 780 324.39	0.00	92 675 112.69	79 177 436.86	74 751 926.90	4 156 799.53	87 497.29	246 604 476.45

ACHIEVEMENTS

1. The FAR was updated during August 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. Year-end assets verification in progress
7. Assets Management System by the appointed consultant LimCounts
8. RFIs by the Auditor General are attended

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.
-

Fixed Assets Register Reconciliation Month end 31 August 2025										
	Vote Description Opening Cost	AFS Opening Balance	Restated Opening Balance	Additions	Closing Balance	Vote Description Opening Acc Dep	AFS Opening Balance	Restated Opening Balance	Current Year Depreciation until 31 August 2026	Carrying Value
Movable Assets		Rand	Rand	Rand	Rand			Rand	Rand	Rand
Computer Equipment		33 558 614	33 558 614	1 330 700,00	34 889 314		23 794 415	23 794 415	248 532	10 846 367
	35106470010ZZZZZZZWD					39056470210ZZZZZZZWD				
	38056470010ZZZZZZZWD					39056470310ZZZZZZZWD				
	39056470010ZZZZZZZWD									
	39056470410ZZZZZZZWD									
	35106470020MGJ30ZZWD									
Furniture and Office Equipment		14 217 220	14 217 220		14 217 220		7 630 484	7 630 484	132 514	6 454 221
	39056460010ZZZZZZZWD					39056460210ZZZZZZZWD				
	39056460010ZZZZZZZWD					39056460310ZZZZZZZWD				
	35106460010ZZZZZZZWD					39056460710ZZZZZZZWD				
	34056460010ZZZZZZZWD									
Leasehold Improvements		7 309 495	7 309 495		7 309 495		7 309 495	7 309 495	-	-
	39056457010ZZZZZZZWD					39056457210ZZZZZZZWD				
						39056457310ZZZZZZZWD				
						39056654610ZZZZZZZWD				
Machinery and Equipment		11 435 232	12 446 772		12 446 772		8 569 597	8 569 597	166 063	3 711 112
	39056456010ZZZZZZZWD					39056456210ZZZZZZZWD				
						39056456310ZZZZZZZWD				
Transport Assets		65 545 992	65 545 992		65 545 992		41 868 112	41 868 112	1 011 788	22 666 092
	35106420410ZZZZZZZWD					35106420610ZZZZZZZWD				
	35106420410ZZZZZZZWD					35106420610ZZZZZZZWD				
	39056420410ZZZZZZZWD					35106420610ZZZZZZZWD				
	34056420410ZZZZZZZWD			-		35106420710ZZZZZZZWD				
		132 066 553	133 078 093	1 330 700,00	134 408 793		89 172 104	89 172 104	1 558 897	43 677 791
Infrastructure										
Road Transport		66 882 669	66 882 669	-	66 882 669	35056472610ZZZZZZZWD	47 634 434	47 634 434	235 290	19 012 945
	35056472410ZZZZZZZWD					35056472610ZZZZZZZWD				
	35106472410ZZZZZZZWD					35056472710ZZZZZZZWD				
Sewage Treatment		109 529 875	109 529 875	-	109 529 875		55 423 378	55 423 378	457 175	53 649 322
	35156449410ZZZZZZZWD					35106449610ZZZZZZZWD				
						35156449610ZZZZZZZWD				
						35156449710ZZZZZZZWD				
Water Network		6 176 357 247	6 176 357 247	-	6 176 357 247	35106444610ZZZZZZZWD	1 559 521 148	1 559 521 148	30 219 329	4 586 616 770
Water Network	35106446010ZZZZZZZWD	-	-			35106445210ZZZZZZZWD	-	-	-	-
						35106446210ZZZZZZZWD				
						35106446310ZZZZZZZWD				
						35106446810ZZZZZZZWD				
						35106447210ZZZZZZZWD				
						35106448210ZZZZZZZWD				
Water Supply	35106446010ZZZZZZZWD					37056447210ZZZZZZZWD				
		6 352 769 791	6 352 769 791	-	6 352 769 791	-	1 662 578 959	1 662 578 959	30 911 79	

A. MFMA Circular 124 – Municipality Compliance Self-Assessment

Chlorine atoms always possess three

© 2005

Kegawale M.M
08/08/2026

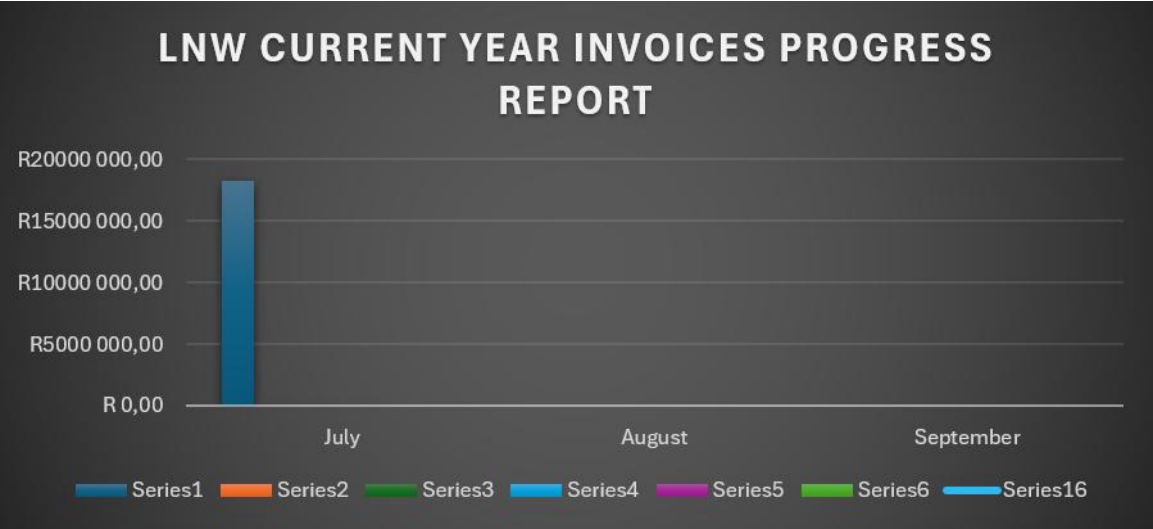
B. Municipal Debt Relief Performance across the period of debt relief participation

BULK WATER SUPPLY RECONCILIATION (DEPARTMENT OF WATER AND SANITATION)								
MONTH	CURRENT INVOICES AMOUNT	REPAYMENT ARRANGEMENT (100%)	INTEREST	PAYMENTS ALLOCATION				CUMMULATIVE OUTSTANDING
				PAYMENT	PAYMENT %	PAYMENT DATE	OUTSANDING CURRENT INVOICES	
Opening bal	R28 825 435,22		R2 320 699,55	R287 577,95				R30 858 556,82
July	R270 539,06	R270 539,06	R0,00	R0,00	-	-	R270 539,06	R31 129 095,88
August								
TOTAL	R29 095 974,28	R270 539,06	R2 320 699,55	R287 577,95			R270 539,06	R31 129 095,88
NOTE:As at 31 July, we have not received July invoices								

DWS CURRENT YEAR INVOICES PAYMENT PROGRESS



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	203 226 951,85		R66 517 708,78	R81 861 258,45				R187 883 402,18
July	R18 293 192,28		R0,00	R0,00		-	R18 293 192,28	R18 293 192,28
August								
September								
TOTAL	R221 520 144,13	R0,00	R66 517 708,78	R81 861 258,45			R18 293 192,28	R206 176 594,46



C. Maintaining the Water Bulk Current account & Water losses

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

10. ABBREVIATIONS

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