

# Harry Gwala District Municipality

MFMA s71 report for the period ending 28 February 2026.



## **In-Year Report of the Municipality**

Prepared in terms of Section 71 & Section 52 (d) of the Local Government Municipal Finance Management Act, (Act 56 of 2003) and the Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 June 2009.

## Table of Contents

1.2	Executive Summary.....	6
1.3	Resolutions.....	10
1.4	Monthly Budget Statement Tables.....	10
2.1	Debtors Analysis.....	21
2.2	Creditors Analysis.....	27
2.3	Investment Portfolio Analysis.....	27
2.4	Allocation and Grant receipts and Expenditure.....	28
2.5	Councillor and Staff Benefits.....	30
2.6	Material Variances to the SDBIP.....	34
2.7	Municipal Manager's Quality's Certificate.....	45

## Glossary

**Adjustments budget** – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

**AFS** – Annual Financial Statements

**Budget** – The financial plan of the Municipality.

**Capital expenditure** - Spending on assets such as infrastructure, land & buildings minor assets etc. Any capital expenditure must be reflected as an asset on the Municipality's statement of financial position.

**DORA** – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

**Equitable share** – An unconditional grant paid to municipalities. It is predominantly targeted towards funding the Indigent Policy.

**FMG** – Financial Management Grant.

**GRAP** – Generally Recognised Accounting Practice. The standard for municipal accounting.

**IDP** – Integrated Development Plan. The main strategic planning document of the Municipality.

**MBRR** – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

**MFMA** – Local Government: Municipal Finance Management Act (56/2003). The principle legislation relating to municipal financial management.

**MIG** – Municipal Infrastructure Grant.

**MTREF** – Medium Term Revenue and Expenditure Framework (MTREF). The medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes financial information of the previous and current year.

**Operating expenditure** – Spending on the day to day expenses of the Municipality such as salaries and wages, repairs and maintenance etc.

**SDBIP** – Service Delivery and Budget Implementation Plan (SDBIP). A detailed plan comprising annual and quarterly performance information. Harry Gwala District Municipality MFMA s71 Monthly Report Page 5

**Strategic objectives** – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

**Vote** – one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

**YTD** – Year to date

**YoY** – Year on Year

**DBSA** – Development Bank of South Africa

## **PURPOSE**

To table a report on the Implementation of the current budget and the financial state of the Municipality in terms of Section 71 of the Municipal Finance Management Act (MFMA) for the period ending 28 February 2026.

## **LEGISLATIVE FRAMEWORK**

- Local Government: Municipal Finance Management Act, 56 of 2003
- SCM Regulations
- SCM Policy
- Municipal Budget Reporting Regulation
- Division of Revenue Act

## **Legislative Requirements**

In terms of the section 71 of the MFMA the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the Mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:

- (a)* Actual revenue, per revenue source;
- (b)* actual borrowings;
- (c)* actual expenditure, per vote;
- (d)* actual capital expenditure, per vote;
- (e)* the amount of any allocations received;

(f) actual expenditure on those allocations, excluding expenditure on—

- (i) its share of the local government equitable share; and
- (ii) allocations exempted by the annual Division of Revenue Act from compliance with this paragraph; and

(g) when necessary, an explanation of—

- (i) any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote;
- (ii) any material variances from the service delivery and budget implementation plan; and
- (iii) any remedial or corrective steps taken or to be taken to ensure that projected revenue and expenditure remain within the municipality's

## **1.2 Executive Summary**

This report is a summary of the main budget issues arising from the in-year monitoring process. It compares the progress of the budget to the projections contained in the Service Delivery and Budget Implementation Plan (SDBIP).

## **Revenue by Source**

The Year-to-Date actual revenue is 99% above the YTD budget. All the allocated conditional grants receipted as per Division of Revenue Bill, However the recognition as revenue only occur when the expenditure is incurred.

## **Borrowings**

The balance of borrowings does not have the long term loans.

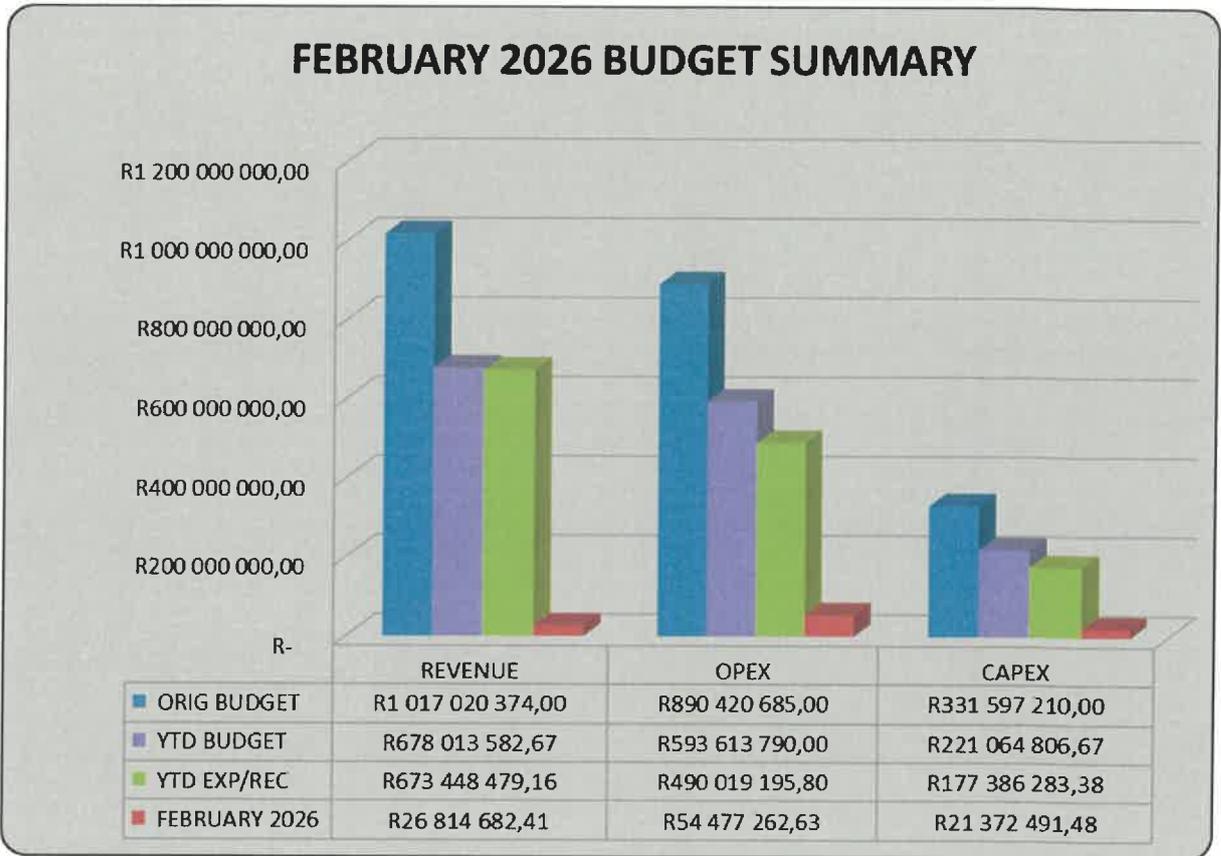
## **Operating expenditure by vote & type**

The total operating budget for the current year amounts to R890, 4m. The YTD Operating expenditure for the month ended 28 February amounted to R490m against a year to date (YTD) budget of R593, 6m. The actual YTD expenditure represented 83% of the planned.

## **Capital expenditure**

The total capital budget for the current year amounts to R331, 9m. The YTD expenditure on capital amounts to R177, 3million, or 80% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

**Chart 1: Budget vs. Expenditure Summary**



**Cash flows**

The municipality started the year with a positive cashbook balance of R262, 9million. The closing cash and cash equivalents as at the end of January 2026 was R320, 3million. Refer to the table below for cash and cash equivalent register for more detail on the cash position.

**CASH AND INVESTMENT REGISTER AS AT 28 FEBRUARY 2026**

Investments by maturity Name of institution & Investment ID	Period of Investment	Type of Investment	Variable or Fixed interest rate	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
	Yrs/Months							
<b>R thousands</b>								
<b>Municipality</b>								
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	22 076	73	(10 752)	–	11 397
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	63 422	275	(14 187)	–	49 510
FIRST NATIONAL BANK	M	ADMIN CALL	Fixed	39 087	162	(30 875)	–	8 374
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	8 008	25	(7 959)	–	74
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 825	7	–	–	1 832
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	109 342	487	(385)	11 865	121 300
FIRST NATIONAL BANK	M	CALL ACCOUNT	Fixed	1 175	5	–	–	1 180
FIRST NATIONAL BANK	M	FIXED DEPOSIT	Fixed	1 321	5	–	–	1 326
FNB BANK	M	FIXED DEPOSIT	Fixed	56 001	–	–	–	56 001
STANDARD BANK	M	FIXED DEPOSIT	Fixed	60 362	–	–	–	60 362
STANDARD BANK	M	FIXED DEPOSIT	Fixed	–	–	–	–	–
STANDARD BANK	M	FIXED DEPOSIT	Fixed	–	–	–	–	–
STANDARD BANK	M	FIXED DEPOSIT	Fixed	22 600	344	(22 944)	–	–
FIRST NATIONAL BANK	M	CURRENT ACCOUNT	Fixed	7 555	–	–	1 402	8 956
<b>Municipality sub-total</b>				<b>385 219</b>	<b>1 383</b>	<b>(87 111)</b>	<b>11 865</b>	<b>320 313</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>				<b>385 219</b>	<b>1 383</b>	<b>(87 111)</b>	<b>11 865</b>	<b>320 313</b>

**Allocations received (National & Provincial Grants)**

All DORA and provincial grants allocations for 2025/2026 have been received as per payment schedule. The total grants received as at 28 February 2026 was R 654, 2million. Conditional Grants amounting to R 263, 5million and the equitable share is R 390, 6million. Two grants received in the month ending 28 February 2026.

**Spending on Grants**

Spending on grants amounted to R177, 3million or 80% for the month ending February 2026.

### **1.3 Resolutions**

This report will be tabled to Executive committee and therefore the resolution will be available once it tabled to council in terms of Sec 52 (d) of the MFMA.

### **1.4 Monthly Budget Statement Tables**

#### **Monthly Budget Statements Summary**

Table C1 below provides a summary of the overall performance in the Municipality and is unpacked in the sections that follow.

# Harry Gwala District Municipality

DC43 Harry Gwala - Table C1 Consolidated Monthly Budget Statement Summary - M08 February

Description	2024/25			Budget Year 2025/26					
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	76 533	81 589	86 639	5 595	56 388	55 403	986	2%	86 639
Investment revenue	28 012	26 043	26 043	1 443	15 868	17 362	(1 494)	-9%	26 043
Transfers and subsidies - Operational	534 708	596 989	596 989	1 435	417 013	397 993	19 021	0	596 989
Other own revenue	16 989	19 194	13 891	1 150	9 716	11 735	(2 020)	-17%	13 891
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>656 242</b>	<b>723 815</b>	<b>723 562</b>	<b>9 624</b>	<b>498 985</b>	<b>482 492</b>	<b>16 492</b>	<b>3%</b>	<b>723 562</b>
Employees costs	261 756	291 721	310 807	24 632	181 170	198 300	(17 129)	-9%	310 807
Remuneration of Councilors	7 581	8 059	8 101	624	5 240	5 381	(142)	-3%	8 101
Depreciation and amortisation	116 317	107 788	107 788	-	69 681	71 859	(2 178)	-3%	107 788
Interest	-	54	54	-	-	36	(36)	-100%	54
Inventory consumed and bulk purchases	58 827	39 635	46 030	4 072	31 507	27 880	3 627	13%	46 030
Transfers and subsidies	-	23 360	23 360	-	14 000	15 573	(1 573)	-10%	23 360
Other expenditure	288 393	348 556	394 280	25 149	188 421	241 339	(52 917)	-22%	394 280
<b>Total Expenditure</b>	<b>732 875</b>	<b>819 174</b>	<b>890 421</b>	<b>54 477</b>	<b>490 019</b>	<b>560 368</b>	<b>(70 349)</b>	<b>-13%</b>	<b>890 421</b>
Surplus/(Deficit)	(76 633)	(95 360)	(166 859)	(44 854)	8 965	(77 875)	86 841	-112%	(166 859)
Transfers and subsidies - capital (monetary allocations)	317 693	293 458	293 458	17 191	174 484	195 639	(21 175)	-11%	293 458
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>241 060</b>	<b>198 099</b>	<b>126 600</b>	<b>(27 663)</b>	<b>183 429</b>	<b>117 763</b>	<b>65 666</b>	<b>56%</b>	<b>126 600</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>241 060</b>	<b>198 099</b>	<b>126 600</b>	<b>(27 663)</b>	<b>183 429</b>	<b>117 763</b>	<b>65 666</b>	<b>56%</b>	<b>126 600</b>
<b>Capital expenditure &amp; funds sources</b>									
Capital expenditure	349 075	302 060	331 597	21 372	177 386	207 281	(29 895)	-14%	331 597
Capital transfers recognised	276 005	260 147	255 511	16 586	154 138	172 038	(17 899)	-10%	255 511
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	73 070	41 912	76 086	4 787	23 248	35 243	(11 995)	-34%	76 086
<b>Total sources of capital funds</b>	<b>349 075</b>	<b>302 060</b>	<b>331 597</b>	<b>21 372</b>	<b>177 386</b>	<b>207 281</b>	<b>(29 895)</b>	<b>-14%</b>	<b>331 597</b>
<b>Financial position</b>									
Total current assets	308 794	219 492	250 110		357 580				250 110
Total non current assets	3 218 981	3 446 443	3 444 536		3 325 819				3 444 536
Total current liabilities	187 569	121 261	192 338		158 315				192 338
Total non current liabilities	34 976	30 536	34 976		34 976				34 976
Community wealth/Equity	3 363 268	3 514 683	3 539 376		3 489 957				3 539 376
<b>Cash flows</b>									
Net cash from (used) operating	1 475 602	357 947	294 039	(9 766)	1 385 451	196 026	(1 189 425)	-807%	294 039
Net cash from (used) investing	(349 075)	(346 012)	(375 549)	(21 372)	(176 793)	(250 366)	(73 573)	29%	(375 549)
Net cash from (used) financing	(15)	(1 831)	(1 831)	(1 000)	(979)	(1 220)	(242)	20%	(1 831)
<b>Cash/cash equivalents at the month/year end</b>	<b>1 335 942</b>	<b>173 682</b>	<b>213 121</b>	<b>1 512 747</b>	<b>1 469 349</b>	<b>240 902</b>	<b>(1 228 447)</b>	<b>-510%</b>	<b>173 329</b>
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	7 425	4 085	2 733	2 959	2 524	2 441	43 241	163 830	229 338
<b>Creditors Age Analysis</b>									
Total Creditors	223	-	40	-	-	-	-	-	263

## Financial Performance

Table C2 provides the statement of financial performance by standard classification.

DC43 Harry Gwala - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M08 February

Description	2024/25	Budget Year 2025/26							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
<b>R thousands</b>									
<b>Revenue - Functional</b>									
<i>Governance and administration</i>	523 673	551 433	549 438	1 545	408 230	367 223	41 007	11%	549 438
Executive and council	-	-	-	-	-	-	-	-	-
Finance and administration	523 673	551 433	549 438	1 545	408 230	367 223	41 007	11%	549 438
Internal audit	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	38	18	84	4	51	25	26	105%	84
Community and social services	38	18	84	4	51	25	26	105%	84
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	24 064	23 000	23 000	-	-	15 333	(15 333)	-100%	23 000
Planning and development	24 064	23 000	23 000	-	-	15 333	(15 333)	-100%	23 000
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	426 160	442 822	444 498	25 265	265 167	295 550	(30 383)	-10%	444 498
Energy sources	-	-	-	-	-	-	-	-	-
Water management	412 843	426 870	430 633	24 231	256 412	285 333	(28 920)	-10%	430 633
Waste water management	13 317	15 952	13 865	1 034	8 755	10 217	(1 462)	-14%	13 865
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	<b>973 935</b>	<b>1 017 273</b>	<b>1 017 020</b>	<b>26 815</b>	<b>673 448</b>	<b>678 131</b>	<b>(4 683)</b>	<b>-1%</b>	<b>1 017 020</b>
<b>Expenditure - Functional</b>									
<i>Governance and administration</i>	268 495	308 803	359 882	28 698	202 211	216 075	(13 864)	-6%	359 882
Executive and council	35 024	52 195	53 471	4 168	25 031	35 052	(10 021)	-29%	53 471
Finance and administration	225 155	246 716	296 425	23 977	172 237	174 409	(2 173)	-1%	296 425
Internal audit	8 316	9 892	9 986	554	4 943	6 613	(1 670)	-25%	9 986
<i>Community and public safety</i>	18 204	22 765	20 654	1 140	9 741	14 755	(5 013)	-34%	20 654
Community and social services	18 204	22 765	20 654	1 140	9 741	14 755	(5 013)	-34%	20 654
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	200 808	217 958	220 252	6 684	127 863	145 765	(17 902)	-12%	220 252
Planning and development	200 808	217 958	220 252	6 684	127 863	145 765	(17 902)	-12%	220 252
Road transport	-	-	-	-	-	-	-	-	-
Environmental protection	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	245 367	289 549	289 533	17 955	150 205	183 707	(33 502)	-18%	289 533
Energy sources	-	-	-	-	-	-	-	-	-
Water management	245 183	260 256	280 387	17 913	149 872	177 541	(27 669)	-16%	280 387
Waste water management	185	9 292	9 146	42	332	6 166	(5 833)	-95%	9 146
Waste management	-	-	-	-	-	-	-	-	-
<i>Other</i>	-	100	100	-	-	67	(67)	-100%	100
<b>Total Expenditure - Functional</b>	<b>732 875</b>	<b>819 174</b>	<b>890 421</b>	<b>54 477</b>	<b>490 819</b>	<b>560 368</b>	<b>(70 349)</b>	<b>-13%</b>	<b>890 421</b>
<b>Surplus/ (Deficit) for the year</b>	<b>241 060</b>	<b>198 099</b>	<b>126 600</b>	<b>(27 663)</b>	<b>183 429</b>	<b>117 763</b>	<b>65 666</b>	<b>0,5576151</b>	<b>126 600</b>

This table assess the revenue by department and then the expenditure for the period ending 28 February 2026. Revenue receipts in February have largely constituted of service charges which is water and sanitation. The overall budgeted revenue cash receipt for the month of February is 4% against original budget.

Expenditure by standard classification presents the expenditures by the departments. Water Services Department has the largest expenditure for the month of February as the department responsible for the repairs and maintenance of the municipal assets and also with the largest staff complement, shares the greatest bulk of this budget and hence the expenditure of R25, 3million.

Table C3 presents the same information as the table above, the difference being that it's by Municipal vote.

DC43 Harry Gwala - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M08 February

Vote Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue by Vote</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	523 056	549 507	547 435	1 494	407 773	365 924	41 849	11,4%	547 435
Vote 04 - Summary Corporate Services	393	410	410	107	413	274	139	50,9%	410
Vote 05 - Summary Social Services & Development Planning	38	24 479	24 545	4	51	16 333	(16 281)	-99,7%	24 545
Vote 06 - Summary Infrastructure Services	361 419	350 081	350 081	18 843	202 963	233 388	(30 425)	-13,0%	350 081
Vote 07 - Summary Water Services	89 029	92 795	94 548	6 366	62 249	62 214	35	0,1%	94 548
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	<b>973 935</b>	<b>1 017 273</b>	<b>1 017 020</b>	<b>26 815</b>	<b>673 448</b>	<b>678 131</b>	<b>(4 683)</b>	<b>-0,7%</b>	<b>1 017 020</b>
<b>Expenditure by Vote</b>									
Vote 01 - Summary Council	17 788	20 567	21 741	2 617	14 372	13 946	426	3,1%	21 741
Vote 02 - Summary Municipal Manager	27 120	31 264	31 513	2 104	15 602	20 893	(5 290)	-25,3%	31 513
Vote 03 - Summary Budget And Treasury Office	69 768	64 749	76 727	6 791	46 832	45 562	1 270	2,8%	76 727
Vote 04 - Summary Corporate Services	106 598	110 299	130 947	9 790	75 190	77 663	(2 473)	-3,2%	130 947
Vote 05 - Summary Social Services & Development Planning	55 654	97 924	98 040	3 349	38 346	65 307	(26 960)	-41,3%	98 040
Vote 06 - Summary Infrastructure Services	162 332	165 408	165 843	4 519	99 605	110 359	(10 754)	-9,7%	165 843
Vote 07 - Summary Water Services	293 615	328 964	365 610	25 307	200 072	226 639	(26 567)	-11,7%	365 610
Vote 15 - Other	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	<b>732 875</b>	<b>819 174</b>	<b>890 421</b>	<b>54 477</b>	<b>490 019</b>	<b>560 368</b>	<b>(70 349)</b>	<b>-12,6%</b>	<b>890 421</b>
<b>Surplus/ (Deficit) for the year</b>	<b>241 060</b>	<b>198 099</b>	<b>126 600</b>	<b>(27 663)</b>	<b>183 429</b>	<b>117 763</b>	<b>65 666</b>	<b>55,8%</b>	<b>126 600</b>

## Statement of financial Performance

This schedule provides information on the planned revenue and operational expenditures against the actual results for the period ending 28 February 2026.

DC43 Harry Gwala - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M08 February

Description	Budget Year 2025/26								
	2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Revenue</b>									
<b>Exchange Revenue</b>									
Service charges - Electricity							-		
Service charges - Water	63 688	68 071	73 110	4 598	47 527	46 388	1 139	2%	73 110
Service charges - Waste Water Management	12 845	13 518	13 529	997	8 861	9 014	(153)	-2%	13 529
Service charges - Waste management							-		
Sale of Goods and Rendering of Services	141	791	146	(3)	75	398	(323)	-81%	146
Agency services							-		
Interest							-		
Interest earned from Receivables	14 599	16 055	12 757	1 042	8 456	10 044	(1 587)	-16%	12 757
Interest from Current and Non Current Assets	28 012	26 043	26 043	1 443	15 868	17 362	(1 494)	-9%	26 043
Dividends							-		
Rent on Land							-		
Rental from Fixed Assets							-		
Licence and permits							-		
Special rating levies							-		
Operational Revenue	678	706	647	111	541	459	82	18%	647
<b>Non-Exchange Revenue</b>									
Property rates							-		
Surcharges and Taxes							-		
Fines, penalties and forfeits	786	1 643	340	(0)	170	835	(665)	-80%	340
Licence and permits							-		
Transfers and subsidies - Operational	534 708	596 989	596 989	1 435	417 013	397 993	19 021	5%	596 989
Interest	-	-	-	-	-	-	-		-
Fuel Levy							-		
Operational Revenue	-	-	-	-	-	-	-		-
Gains on disposal of Assets	-	-	-	-	474	-	474	#DIV/0!	-
Other Gains	785	-	-	-	-	-	-		-
<b>Discontinued Operations</b>									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>656 242</b>	<b>723 815</b>	<b>723 562</b>	<b>9 624</b>	<b>498 985</b>	<b>482 492</b>	<b>16 492</b>	<b>3%</b>	<b>723 562</b>
<b>Expenditure By Type</b>									
Employee related costs	261 756	291 721	310 807	24 632	181 170	198 300	(17 129)	-9%	310 807
Remuneration of councillors	7 581	8 059	8 101	624	5 240	5 381	(142)	-3%	8 101
Bulk purchases - electricity	-	-	-	-	-	-	-		-
Inventory consumed	58 827	39 635	46 030	4 072	31 507	27 880	3 627	13%	46 030
Debt impairment	2 907	31 530	31 530	-	-	21 020	(21 020)	-100%	31 530
Depreciation and amortisation	116 317	107 788	107 788	-	69 681	71 859	(2 178)	-3%	107 788
Interest	-	54	54	-	-	36	(36)	-100%	54
Contracted services	159 115	173 856	204 025	14 150	113 399	121 803	(8 404)	-7%	204 025
Transfers and subsidies	-	23 380	23 380	-	14 000	15 573	(1 573)	-10%	23 380
Irrecoverable debts written off	17 551	42 327	42 340	505	8 903	28 221	(19 317)	-68%	42 340
Operational costs	108 821	100 844	116 385	9 427	65 052	70 295	(5 243)	-7%	116 385
Losses on Disposal of Assets	-	-	-	1 067	1 067	-	1 067	#DIV/0!	-
Other Losses	-	-	-	-	-	-	-		-
<b>Total Expenditure</b>	<b>732 875</b>	<b>819 174</b>	<b>890 421</b>	<b>54 477</b>	<b>490 019</b>	<b>560 368</b>	<b>(70 349)</b>	<b>-13%</b>	<b>890 421</b>
<b>Surplus/(Deficit)</b>	<b>(76 633)</b>	<b>(95 360)</b>	<b>(166 858)</b>	<b>(44 854)</b>	<b>8 965</b>	<b>(77 876)</b>	<b>86 841</b>	<b>(0)</b>	<b>(166 858)</b>
Transfers and subsidies - capital (monetary allocations)	317 693	293 458	293 458	17 191	174 464	195 639	(21 175)	(0)	293 458
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>241 060</b>	<b>198 099</b>	<b>126 600</b>	<b>(27 663)</b>	<b>183 429</b>	<b>117 763</b>	<b>65 666</b>	<b>0</b>	<b>126 600</b>
Income Tax							-		
<b>Surplus/(Deficit) after income tax</b>	<b>241 060</b>	<b>198 099</b>	<b>126 600</b>	<b>(27 663)</b>	<b>183 429</b>	<b>117 763</b>	<b>65 666</b>	<b>0</b>	<b>126 600</b>
Share of Surplus/Deficit attributable to Joint Venture							-		
Share of Surplus/Deficit attributable to Minorities							-		
<b>Surplus/(Deficit) attributable to municipality</b>	<b>241 060</b>	<b>198 099</b>	<b>126 600</b>	<b>(27 663)</b>	<b>183 429</b>	<b>117 763</b>	<b>65 666</b>	<b>0</b>	<b>126 600</b>
Share of Surplus/Deficit attributable to Associate							-		
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>241 060</b>	<b>198 099</b>	<b>126 600</b>	<b>(27 663)</b>	<b>183 429</b>	<b>117 763</b>	<b>65 666</b>	<b>0</b>	<b>126 600</b>

## **Capital Expenditure**

Table C5 below reports on the capital expenditures by departments (municipal vote) and also by standard classification. The bottom part of the schedule looks at the funding sources of the capital projects.

DC43 Harry Gwala - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M08 February)

Vote Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Multi-Year expenditure appropriation</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	1 364	500	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	2 279	2 100	-	144	736	(736)	-100%	500
Vote 04 - Summary Corporate Services	11 900	3 374	7 909	1 506	3 050	1 484	(1 339)	-90%	2 100
Vote 05 - Summary Social Services & Development Planning	-	7 101	6 472	722	722	3 156	(107)	-3%	7 909
Vote 06 - Summary Infrastructure Services	136 524	99 656	101 111	6 880	67 267	4 608	(3 886)	-84%	6 472
Vote 07 - Summary Water Services	198 273	177 670	208 829	12 870	103 588	66 186	1 081	2%	101 111
Vote 15 - Other	-	-	-	-	-	126 211	(22 623)	-18%	208 829
<b>Total Capital Multi-year expenditure</b>	<b>346 697</b>	<b>291 443</b>	<b>326 921</b>	<b>21 978</b>	<b>174 770</b>	<b>202 381</b>	<b>(27 611)</b>	<b>-14%</b>	<b>326 921</b>
<b>Single Year expenditure appropriation</b>									
Vote 01 - Summary Council	-	-	-	-	-	-	-	-	-
Vote 02 - Summary Municipal Manager	-	-	-	-	-	-	-	-	-
Vote 03 - Summary Budget And Treasury Office	-	180	180	-	-	120	(120)	-100%	180
Vote 04 - Summary Corporate Services	101	5 136	3 497	(605)	2 616	3 096	(480)	-16%	3 497
Vote 05 - Summary Social Services & Development Planning	-	-	-	-	-	-	-	-	-
Vote 06 - Summary Infrastructure Services	-	2 000	1 000	-	-	-	-	-	-
Vote 07 - Summary Water Services	2 278	3 300	-	-	-	1 133	(1 133)	-100%	1 000
<b>Total Capital single-year expenditure</b>	<b>2 378</b>	<b>10 616</b>	<b>4 677</b>	<b>(605)</b>	<b>2 616</b>	<b>4 900</b>	<b>(2 284)</b>	<b>-47%</b>	<b>4 677</b>
<b>Total Capital Expenditure</b>	<b>349 075</b>	<b>302 060</b>	<b>331 597</b>	<b>21 372</b>	<b>177 386</b>	<b>207 281</b>	<b>(29 895)</b>	<b>-14%</b>	<b>331 597</b>
<b>Capital Expenditure - Functional Classification</b>									
<b>Governance and administration</b>									
Executive and council	12 001	17 434	19 057	901	5 810	11 947	(6 137)	-51%	19 057
Finance and administration	-	-	-	-	-	-	-	-	-
Internal audit	12 001	16 071	18 557	901	5 810	11 211	(5 401)	-48%	18 557
<b>Community and public safety</b>									
Community and social services	-	1 364	500	-	-	736	(736)	-100%	500
Sport and recreation	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>									
Planning and development	134 763	95 891	102 939	7 602	67 989	64 795	3 194	5%	102 939
Road transport	134 763	95 891	102 939	7 602	67 989	64 795	3 194	5%	102 939
Environmental protection	-	-	-	-	-	-	-	-	-
<b>Trading services</b>									
Energy sources	202 311	188 734	209 601	12 870	103 588	130 539	(26 951)	-21%	209 601
Water management	182 256	188 473	206 410	12 870	100 831	128 581	(27 750)	-22%	206 410
Waste water management	20 055	261	3 191	-	2 756	1 958	799	41%	3 191
Waste management	-	-	-	-	-	-	-	-	-
<b>Other</b>									
<b>Total Capital Expenditure - Functional Classification</b>	<b>349 075</b>	<b>302 060</b>	<b>331 597</b>	<b>21 372</b>	<b>177 386</b>	<b>207 281</b>	<b>(29 895)</b>	<b>-14%</b>	<b>331 597</b>
<b>Funded by:</b>									
National Government	255 079	259 997	255 361	16 586	154 138	171 938	(17 799)	-10%	255 361
Provincial Government	20 926	-	-	-	-	-	-	-	-
District Municipality	-	150	150	-	-	100	(100)	-100%	150
Transfers recognised - capital	276 005	260 147	255 511	16 586	154 138	172 038	(17 899)	-10%	255 511
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	73 070	41 912	76 086	4 787	23 248	35 243	(11 995)	-34%	76 086
<b>Total Capital Funding</b>	<b>349 075</b>	<b>302 060</b>	<b>331 597</b>	<b>21 372</b>	<b>177 386</b>	<b>207 281</b>	<b>(29 895)</b>	<b>-14%</b>	<b>331 597</b>

As alluded to above, the capital expenditure programme for the period ending 28 February 2026 was R177, 3m which represents 80% of capital expenditure against year to date budget of R221million.

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

**Chart 1: 2025/2026 CAPEX**

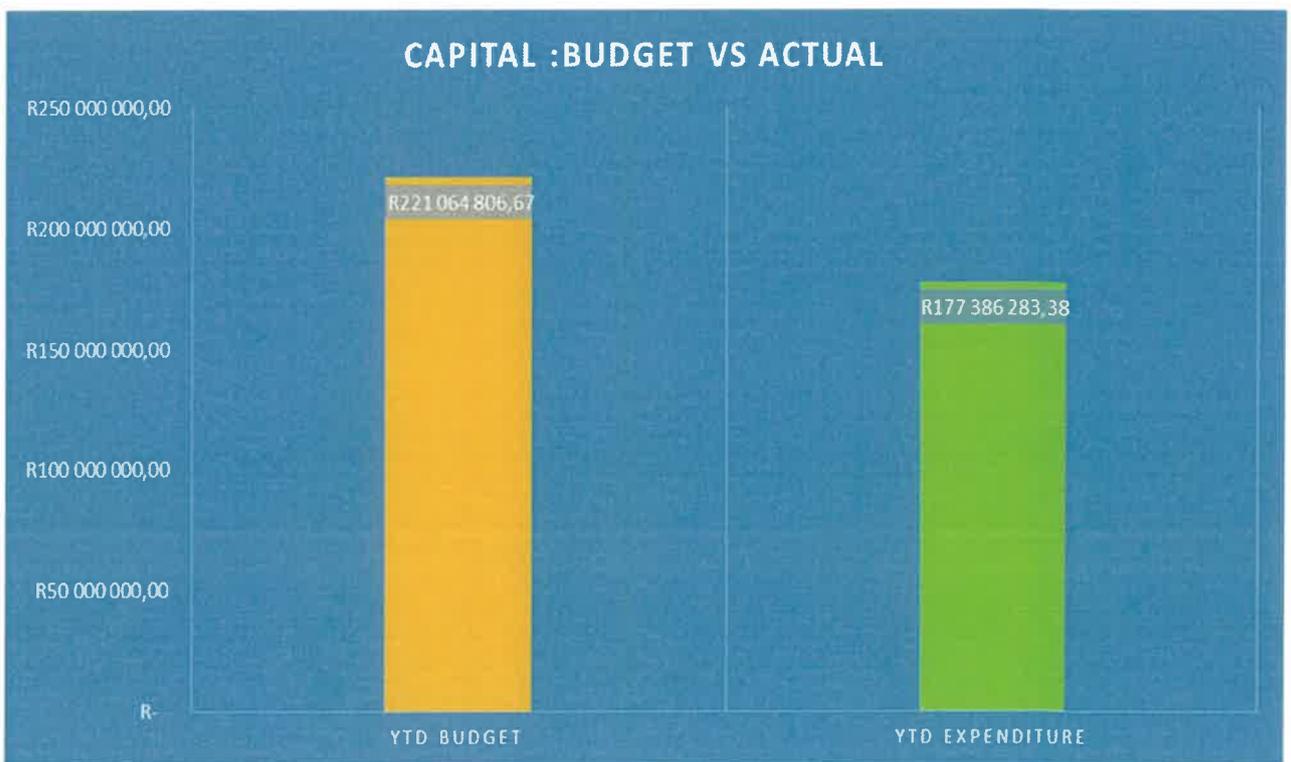


Table C6 displays the financial position of the municipality as at 28 February 2026.

DC43 Harry Gwala - Table C6 Consolidated Monthly Budget Statement - Financial Position - M08 February

Description	2024/25	Budget Year 2025/26			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	261 670	173 668	213 121	321 194	213 121
Trade and other receivables from exchange transactions	12 773	23 719	2 638	10 243	2 638
Receivables from non-exchange transactions	1 570	2 312	1 570	1 559	1 570
Current portion of non-current receivables	-	-	-	-	-
Inventory	963	858	963	989	963
VAT	32 125	19 165	32 125	24 107	32 125
Other current assets	(307)	(229)	(307)	(532)	(307)
<b>Total current assets</b>	<b>308 794</b>	<b>219 492</b>	<b>250 110</b>	<b>357 560</b>	<b>250 110</b>
<b>Non current assets</b>					
Investments					
Investment property	-	-	-	-	-
Property, plant and equipment	3 218 685	3 443 615	3 443 285	3 325 387	3 443 285
Biological assets					
Living and non-living resources					
Heritage assets					
Intangible assets	296	2 827	1 250	232	1 250
Trade and other receivables from exchange transactions					
Non-current receivables from non-exchange transactions	-	-	-	-	-
Other non-current assets	0	0	0	0	0
<b>Total non current assets</b>	<b>3 218 981</b>	<b>3 446 443</b>	<b>3 444 536</b>	<b>3 325 619</b>	<b>3 444 536</b>
<b>TOTAL ASSETS</b>	<b>3 527 775</b>	<b>3 665 935</b>	<b>3 694 646</b>	<b>3 683 179</b>	<b>3 694 646</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	-	-	-	-	-
Financial liabilities	12 806	8 006	10 406	11 806	10 406
Consumer deposits	3 441	3 748	4 010	3 509	4 010
Trade and other payables from exchange transactions	148 140	86 356	153 257	55 686	153 257
Trade and other payables from non-exchange transactions	(0)	1 483	1 483	60 035	1 483
Provision	16 527	16 385	16 527	16 527	16 527
VAT	6 655	5 282	6 655	10 753	6 655
Other current liabilities	-	-	-	-	-
<b>Total current liabilities</b>	<b>187 569</b>	<b>121 261</b>	<b>192 338</b>	<b>158 315</b>	<b>192 338</b>
<b>Non current liabilities</b>					
Financial liabilities	(0)	-	-	(0)	-
Provision	34 976	30 536	34 976	34 976	34 976
Long term portion of trade payables	-	-	-	-	-
Other non-current liabilities	-	-	-	-	-
<b>Total non current liabilities</b>	<b>34 976</b>	<b>30 536</b>	<b>34 976</b>	<b>34 976</b>	<b>34 976</b>
<b>TOTAL LIABILITIES</b>	<b>222 545</b>	<b>151 797</b>	<b>227 314</b>	<b>193 291</b>	<b>227 314</b>
<b>NET ASSETS</b>	<b>3 305 231</b>	<b>3 514 138</b>	<b>3 467 332</b>	<b>3 489 888</b>	<b>3 467 332</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated surplus/(deficit)	3 305 231	3 514 138	3 467 332	3 489 888	3 467 332
Reserves and funds	-	-	-	-	-
Other	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>3 305 231</b>	<b>3 514 138</b>	<b>3 467 332</b>	<b>3 489 888</b>	<b>3 467 332</b>

Table C7 below display the Cash Flow Statement for the period ending 28 February 2026.

DC43 Harry Gwala - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M08 February

Description	2024/25	Budget Year 2025/26							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates	-	-	-	-	11	-	11	#DIV/0!	-
Service charges	69 696	71 563	79 657	6 382	56 032	53 105	2 927	6%	79 657
Other revenue	1 507 396	70 300	65 071	68 325	1 367 740	43 380	1 324 360	3053%	65 071
Transfers and Subsidies - Operational	499 995	573 989	573 989	1 881	398 223	382 659	15 564	4%	573 989
Transfers and Subsidies - Capital	341 906	293 458	293 458	-	256 000	195 639	60 361	31%	293 458
Interest	28 012	26 046	26 043	1 443	15 868	17 362	(1 494)	-9%	26 043
Dividends									
<b>Payments</b>									
Suppliers and employees	(971 403)	(677 355)	(744 165)	(87 798)	(708 423)	(496 110)	212 313	-43%	(744 165)
Interest	-	(54)	(14)	-	-	(9)	(9)	100%	(14)
Transfers and Subsidies									
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1 475 602</b>	<b>357 947</b>	<b>294 039</b>	<b>(9 766)</b>	<b>1 385 451</b>	<b>196 026</b>	<b>(1 189 425)</b>	<b>-607%</b>	<b>294 039</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE	-	-	-	-	474	-	474	#DIV/0!	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments									
<b>Payments</b>									
Capital assets	(349 075)	(346 012)	(375 549)	(21 372)	(177 267)	(250 366)	(73 089)	29%	(375 549)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(349 075)</b>	<b>(346 012)</b>	<b>(375 549)</b>	<b>(21 372)</b>	<b>(176 793)</b>	<b>(250 366)</b>	<b>(73 573)</b>	<b>29%</b>	<b>(375 549)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans									
Borrowing long term/refinancing									
Increase (decrease) in consumer deposits	(15)	569	569	-	21	380	(358)	-94%	569
<b>Payments</b>									
Repayment of borrowing	-	(2 400)	(2 400)	(1 000)	(1 000)	(1 600)	(600)	38%	(2 400)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(15)</b>	<b>(1 831)</b>	<b>(1 831)</b>	<b>(1 000)</b>	<b>(979)</b>	<b>(1 220)</b>	<b>(242)</b>	<b>20%</b>	<b>(1 831)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>									
Cash/cash equivalents at beginning:	209 430	163 577	296 462	1 544 885	261 670	296 462			261 670
Cash/cash equivalents at month/year end:	1 335 942	173 682	213 121	1 512 747	1 469 349	240 902			178 329

## PART 2 – SUPPORTING DOCUMENTATION

### 2.1 Debtors Analysis

The table presented below summarises the Debtors Age Analysis as at 28 February 2026.

**Table 2.1.1: Debtors Age Analysis by Income Source**

DC43 Harry Gwala - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 February

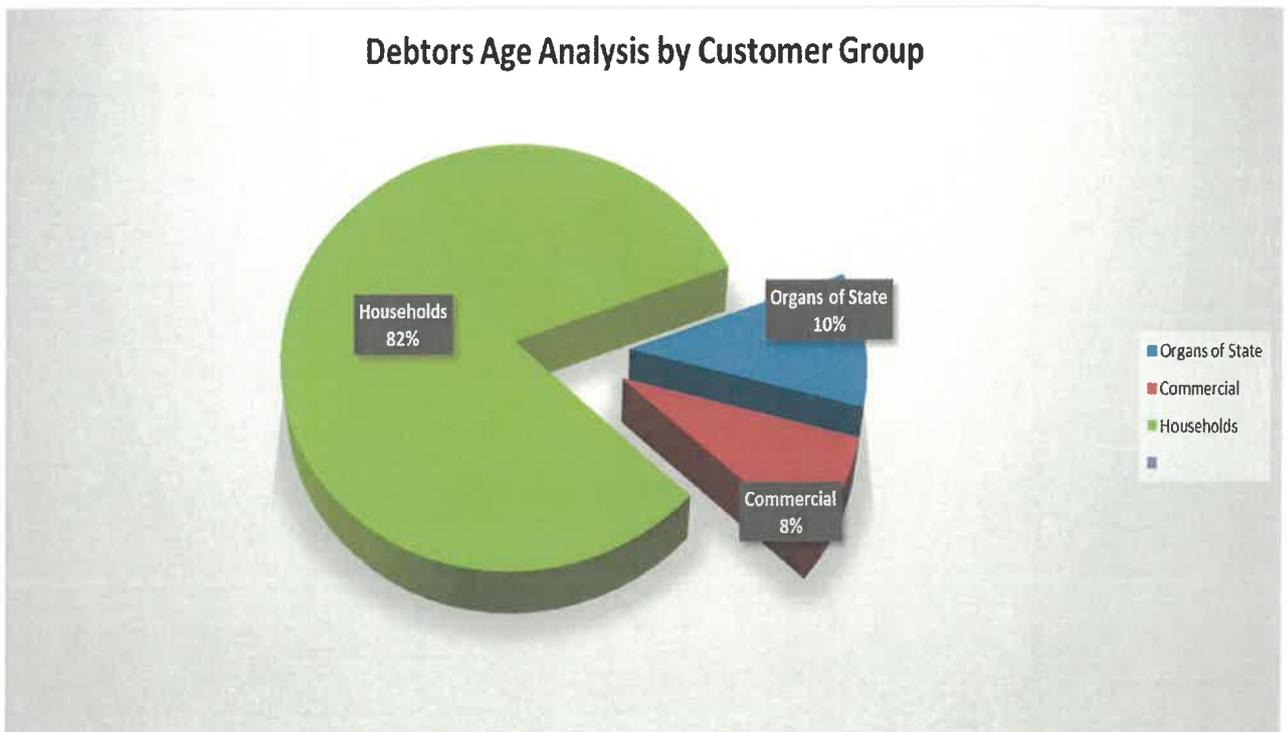
Description	Budget Year 2025/26									Total over 90 days
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	
<b>R thousands</b>										
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	4 766	2 622	1 755	1 899	1 620	1 567	27 757	105 231	147 218	138 074
Trade and Other Receivables from Exchange Transactions - Electricity									-	-
Receivables from Non-exchange Transactions - Property Rates									-	-
Receivables from Exchange Transactions - Waste Water Management	1 862	1 025	685	742	633	612	10 844	41 110	57 512	53 940
Receivables from Exchange Transactions - Waste Management									-	-
Receivables from Exchange Transactions - Property Rental Debtors									-	-
Interest on Arrear Debtor Accounts	797	436	293	318	271	262	4 640	17 590	24 609	23 080
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-
Other									-	-
<b>Total By Income Source</b>	<b>7 425</b>	<b>4 085</b>	<b>2 733</b>	<b>2 959</b>	<b>2 524</b>	<b>2 441</b>	<b>43 241</b>	<b>163 930</b>	<b>229 338</b>	<b>215 095</b>
<b>2024/25 - totals only</b>	<b>7132549</b>	<b>6841127</b>	<b>4731962</b>	<b>4621569</b>	<b>4029330</b>	<b>3708551</b>	<b>22044404</b>	<b>188067263</b>	<b>241 177</b>	<b>222 471</b>
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	4 773	1 674	878	1 144	728	606	7 286	6 066	23 355	15 630
Commercial	777	582	242	237	200	191	3 995	11 495	17 719	16 118
Households	1 875	1 630	1 614	1 579	1 596	1 643	31 960	146 369	188 265	183 147
Other									-	-
<b>Total By Customer Group</b>	<b>7 425</b>	<b>4 085</b>	<b>2 733</b>	<b>2 959</b>	<b>2 524</b>	<b>2 441</b>	<b>43 241</b>	<b>163 930</b>	<b>229 338</b>	<b>215 095</b>

The municipal consumer debt is currently decreasing as the municipality implementing amnesty and installing prepaid meters as it has a direct impact on municipal cash flows.

### Chart 2: Debtors Age Analysis by Customer Group

The information presented in the chart above ranks total debt owed to the municipality from highest to the lowest,

- ✓ Households: 82%
- ✓ Government 10%
- ✓ Business 8%



The chart above shows that for each debtor type the amounts owing to the municipality have increased on a year to year basis.

The table that follows below unpacks the revenue receipts per Local Municipality in the District

### Revenue receipts per Area

AREA	AMOUNT		
		FEBRUARY 2026	JANUARY 2026
Unallocated Receipts	R 88 172	1%	0%
Bhongweni	R 1 400	0%	0%
Shayamoya	R 27 212	0%	0%
Kokstad	R 2 320 177	32%	43%
Ixopo	R 1 655 164	23%	12%
NDZ	R 1 310 392	18%	16%
Umzimkhulu	R 1 804 983	25%	28%
Fairview	R 1 103	0%	0%
<b>Total Receipts incl VAT</b>	<b>R 7 208 604</b>	100%	100%

The table above presents the cash receipts from consumer debtors in each of the detailed areas as well as the comparative receipts for the previous month. The total cash collected for February 2026 is R7, 2million. The collection for prepaid in the month of February is R 1, 409,152. Total cash collected including prepaid for the month ending 31 February 2026 is R 8,617,756.

**BILLING VS COLLECTION**

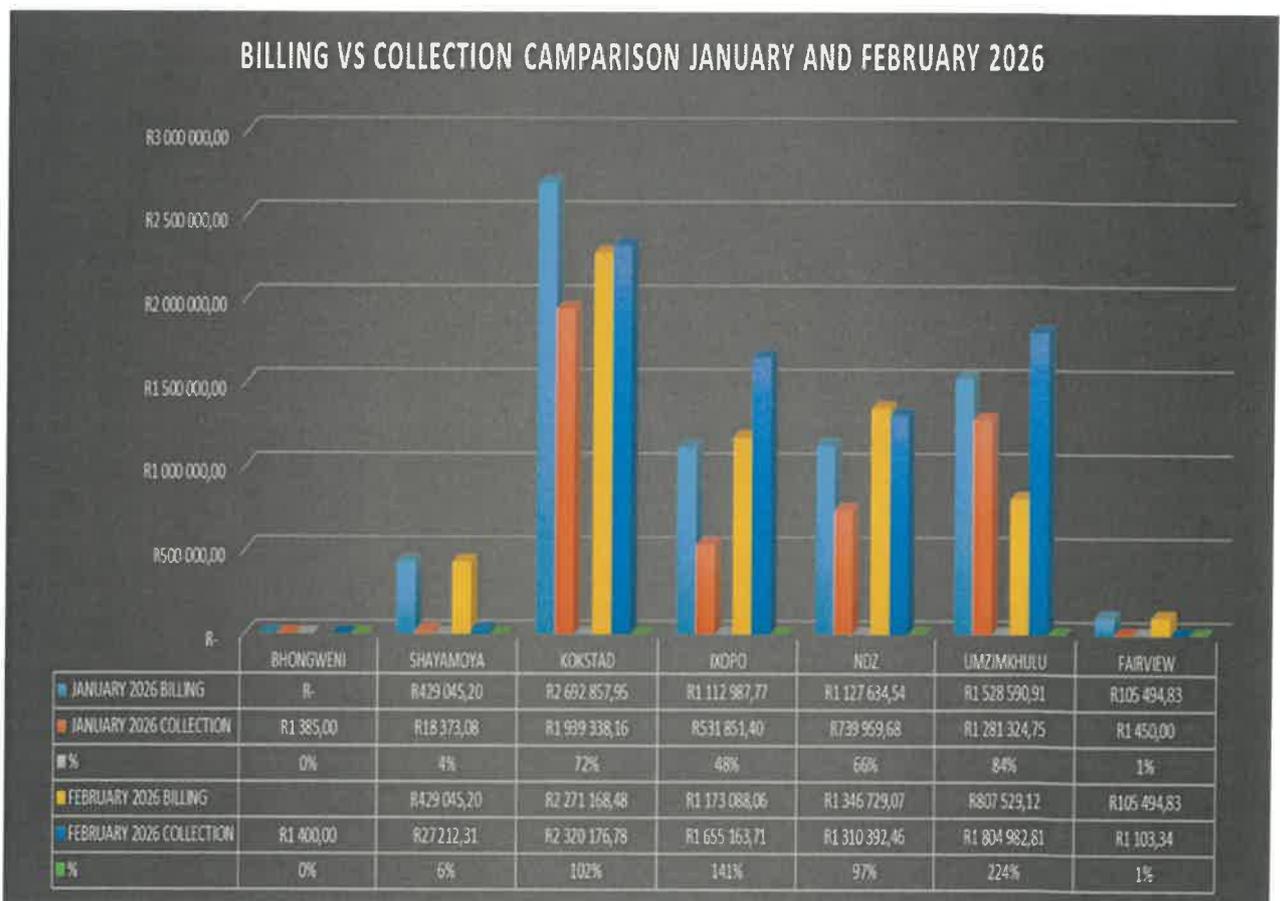
Billing vs Collection trend for February 2026

The chart that follows below shows the comparison between billing and collection trend for the period ending 28 February 2026



### BILLING VS COLLECTION (COMPARISON BETWEEN JANUARY AND FEBRUARY 2026)

The chart that follows below shows the comparison between billing and collection for January and February 2026



### **Debtors age analysis per service**

The municipality's total outstanding debtors amounted to R 229,338,445 as at 28 February 2025 compared with the R 229,909,600 as at 31 January 2026. Current debt represents 3% of the total outstanding debt compared with the 3% of January 2025; 30 days and older debt 2% compared with the 2% for January 2025; 60 days and older debt 1% compared with the 1% of January 2025; and 90 days 1% compared with the 1% of January 2025; 120 days to History and older 92% compared with the 92% for February 2026.

Current debt decreased with R 571,155 to R 229,338,445 in the month ending 28 February compared with the R 229,909,600 as at 31 January 2026; 30 days + debt increased with R 195,629; 60 days + decreased with R 924,251; 90 days + debt increased with R 312,523 and 120 + days and older debt as at 28 February 2026 has increased with R 423,869 to R 212,136,129 compared with the R 211,712,260 for January 2026.

### **Debtors age analysis per debtor type**

Business debtors owes the municipality R 17,165,330 (7%); Municipal debtors R 984,757 (0%); domestic debtors R 172,895,159 (75%); Government accounts R 22,326,683 (10%); Indigent debtors R 9,622,795 (4%); Deceased R 1,329,242 (1%) and other debtors R 5,014,479 (2%) of the total outstanding debt of R 229,338,445.

## 2.2 Creditors Analysis

Table SC presents the aged creditors as at 28 February 2026

DC43 Harry Gwala - Supporting Table SC4 Monthly Budget Statement - aged creditors - M08 February

Description	Budget Year 2025/26								Total
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	
<b>R thousands</b>									
<b>Creditors Age Analysis By Customer Type</b>									
Bulk Electricity									-
Bulk Water									-
PAYE deductions									-
VAT (output less input)									-
Pensions / Retirement deductions									-
Loan repayments									-
Trade Creditors	223	-	40	-	-	-	-	-	263
Auditor General									-
Other									-
Medical Aid deductions									-
<b>Total By Customer Type</b>	<b>223</b>	<b>-</b>	<b>40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>263</b>

## 2.3 Investment Portfolio Analysis

The following information presents the cash at bank and short term investments balances broken down per investment type as at 28 February 2026.

## Cash and Bank Balances (Investments)

### Monthly budget statement- Investment Portfolio

DC43 Harry Gwala - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
	Yrs/Months												
R thousands													
<b>Municipality</b>													
First National Bank-Salaries	12	Call account	No	Fixed	9,25	0			22 077	73	(10 752)	-	11 397
First National Bank-Mig	12	Call account	No	Fixed	9,25	0			63 422	275	(14 187)	-	49 510
First National Bank-Admin Call	12	ADMIN CALL	No	Fixed	9,25	0			39 087	162	(30 875)	-	8 374
Investec	12	FIXED DEPOSIT	No	Fixed	9,25	0			-	-	-	-	-
First National Bank-Mw-	12	CALL ACCOUNT	No	Fixed	9,25	0			8 008	25	(7 959)	-	74
First National Bank-Epip	12	Call account	No	Fixed	9,25	0			1 825	7	-	-	1 832
First National Bank-Cogta Water Intervn	12	Call account	No	Fixed	9,25	0			109 342	487	(395)	11 865	121 300
First National Bank-Fmg	12	FIXED DEPOSIT	No	Fixed	9,25	0			1 321	5	-	-	1 326
Frb New 76204521754	12	FIXED DEPOSIT	No	Fixed	9,25	0			56 001	-	-	-	56 001
First National Bank-Fbig	12	CALL ACCOUNT	No	Fixed	9,25	0			1 175	5	-	-	1 180
Standard Bank - 268610053-004	3 months	CALL ACCOUNT	No	Fixed	7,40%	0			22 600	344	(22 944)	-	-
Standard Bank - 268610053-001	12	FIXED	No	Fixed	9,25	0		2025/07/31	60 362	-	-	-	60 362
Frb 76204521754	12	CALL ACCOUNT	No	Fixed	9,25	0	0	2025/09/30	-	-	-	-	-
Frb 7620782832	12	CALL ACCOUNT	No	Fixed	9,25	0		2025/12/31	-	-	-	-	-
<b>Municipality sub-total</b>									<b>385 219</b>	<b>1 383</b>	<b>(87 111)</b>	<b>11 865</b>	<b>311 357</b>
<b>Entities</b>													
<b>Entities sub-total</b>									<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>									<b>385 219</b>	<b>1 383</b>	<b>(87 111)</b>	<b>11 865</b>	<b>311 357</b>

## 2.4 Allocation and Grant receipts and Expenditure

Table SC 6 displays information relating to grant receipts.

DC43 Harry Gwala - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M08 February

Description	Budget Year 2025/26								
	2024/25 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>RECEIPTS:</b>									
<b>Operating Transfers and Grants</b>									
<b>National Government:</b>	534 708	573 989	573 989	1 435	417 013	382 659	34 354	9,0%	573 989
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	491 837	520 871	520 871	-	390 653	347 247	43 406	12,5%	520 871
Expanded Public Works Programme Integrated Grant	4 460	3 660	3 660	-	2 562	2 440	122	5,0%	3 660
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	1 200	1 300	1 300	51	431	867	(436)	-50,3%	1 300
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	33 363	45 548	45 548	1 384	22 001	30 365	(8 364)	-27,5%	45 548
Rural Road Asset Management Systems Grant	2 498	2 610	2 610	-	1 367	1 740	(373)	-21,5%	2 610
Water Services Infrastructure Grant	1 350	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	-	-	-	-	-	-	-	-	-
Capacity Building and Other Grants	-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]	-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	23 000	23 000	-	-	15 333	(15 333)	-100,0%	23 000
Specify (Add grant description)	-	23 000	23 000	-	-	15 333	(15 333)	-100,0%	23 000
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
Chemical Industry Sets	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>534 708</b>	<b>596 989</b>	<b>596 989</b>	<b>1 435</b>	<b>417 013</b>	<b>397 993</b>	<b>19 021</b>	<b>4,8%</b>	<b>596 989</b>
<b>Capital Transfers and Grants</b>									
<b>National Government:</b>	293 629	293 458	293 458	17 191	174 464	195 639	(21 175)	-10,8%	293 458
Integrated National Electrification Programme Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	194 979	193 458	193 458	10 311	99 414	128 972	(29 559)	-22,9%	193 458
Neighbourhood Development Partnership Grant	-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	98 650	100 000	100 000	6 880	75 050	66 667	8 384	12,6%	100 000
<b>Provincial Government:</b>	24 064	-	-	-	-	-	-	-	-
Infrastructure Grant	24 064	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	-	-	-	-	-	-	-	-
Specify (Add grant description)	-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
[insert description]	-	-	-	-	-	-	-	-	-
Human Settlement Re-development Programme	-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>317 693</b>	<b>293 458</b>	<b>293 458</b>	<b>17 191</b>	<b>174 464</b>	<b>195 639</b>	<b>(21 175)</b>	<b>-10,8%</b>	<b>293 458</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>852 401</b>	<b>890 447</b>	<b>890 447</b>	<b>18 626</b>	<b>591 477</b>	<b>593 631</b>	<b>(2 154)</b>	<b>-0,4%</b>	<b>890 447</b>

It is clear from the chart above that the bulk of the grants received by the municipality are from the National Treasury.

Table SC7 track the expenditure on Conditional grant funding.

DC43 Harry Gwala - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M08 February

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>EXPENDITURE</b>									
<b>Operating expenditure of Transfers and Grants</b>									
<b>National Government:</b>	610 209	658 649	722 781	45 390	424 213	451 929	(27 716)	-6,1%	722 781
Energy Efficiency and Demand Side Management Grant	-	-	-	-	-	-	-	-	-
Equitable Share	569 649	600 316	663 697	43 019	395 434	412 890	(17 456)	-4,2%	663 697
Expanded Public Works Programme Integrated Grant	5 270	8 988	9 694	940	6 514	6 133	381	6,2%	9 694
Local Government Financial Management Grant	1 129	1 120	1 120	48	427	747	(320)	-42,8%	1 120
Municipal Disaster Relief Grant	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant	30 815	45 613	45 660	1 383	20 649	30 418	(9 769)	-32,1%	45 660
Rural Road Asset Management Systems Grant	2 172	2 610	2 610	-	1 188	1 740	(552)	-31,7%	2 610
Water Services Infrastructure Grant	1 174	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>	-	228	228	-	-	152	(152)	-100,0%	228
Capacity Building and Other Grants	-	228	228	-	-	152	(152)	-100,0%	228
<b>District Municipality:</b>	-	4 869	4 869	-	-	3 246	(3 246)	-100,0%	4 869
Specify (Add grant description)	-	4 869	4 869	-	-	3 246	(3 246)	-100,0%	4 869
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
Chemical Industry Seta	-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>610 209</b>	<b>663 747</b>	<b>727 879</b>	<b>45 390</b>	<b>424 213</b>	<b>455 327</b>	<b>(31 114)</b>	<b>-6,8%</b>	<b>727 879</b>
<b>Capital expenditure of Transfers and Grants</b>									
<b>National Government:</b>	255 079	259 997	255 361	16 586	154 138	171 938	(17 799)	-10,4%	255 361
Local Government Financial Management Grant	-	4 816	180	(605)	-	1 817	(1 817)	-100,0%	180
Municipal Infrastructure Grant	169 198	168 224	168 224	10 311	87 853	112 150	(24 297)	-21,7%	168 224
Regional Bulk Infrastructure Grant	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	85 882	86 957	86 957	6 880	66 286	57 971	8 314	14,3%	86 957
<b>Provincial Government:</b>	20 926	-	-	-	-	-	-	-	-
Infrastructure Grant	20 926	-	-	-	-	-	-	-	-
<b>District Municipality:</b>	-	150	150	-	-	100	(100)	-100,0%	150
Specify (Add grant description)	-	150	150	-	-	100	(100)	-100,0%	150
<b>Other grant providers:</b>	-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>276 005</b>	<b>260 147</b>	<b>255 511</b>	<b>16 586</b>	<b>154 138</b>	<b>172 038</b>	<b>(17 899)</b>	<b>-10,4%</b>	<b>255 511</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>886 214</b>	<b>923 894</b>	<b>983 390</b>	<b>61 976</b>	<b>578 351</b>	<b>627 365</b>	<b>(49 013)</b>	<b>-7,8%</b>	<b>983 390</b>

## 2.5 Councillor and Staff Benefits

Table SC8 presents the expenditure of councillor and staff benefits at 28 February 2026.

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

Summary of Employee and Councillor remuneration	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	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>									
Basic Salaries and Wages	5 095	5 349	5 349	428	3 551	3 566	(15)	0%	5 349
Pension and UIF Contributions	84	56	56	-	12	38	(26)	-69%	56
Medical Aid Contributions	2	3	3	-	(3)	2	(5)	-219%	3
Cellphone Allowance	518	545	545	43	346	363	(18)	-5%	545
Other benefits and allowances	1 881	2 105	2 147	153	1 333	1 412	(78)	-6%	2 147
<b>Sub Total - Councillors</b>	<b>7 581</b>	<b>8 059</b>	<b>8 101</b>	<b>624</b>	<b>5 240</b>	<b>5 381</b>	<b>(142)</b>	<b>-3%</b>	<b>8 101</b>
% increase		6,3%	6,9%						6,9%
<b>Senior Managers of the Municipality</b>									
Basic Salaries and Wages	5 145	5 710	7 662	1 999	4 531	4 227	304	7%	7 662
Pension and UIF Contributions	-	4	6	0	0	3	(3)	-94%	6
Medical Aid Contributions	48	54	68	4	33	39	(6)	-16%	68
Performance Bonus	69	166	224	-	69	122	(53)	-43%	224
Motor Vehicle Allowance	1 235	1 240	1 696	369	1 044	932	112	12%	1 696
Cellphone Allowance	109	126	168	50	105	93	12	13%	168
Housing Allowances	456	418	539	89	253	303	(50)	-17%	539
Other benefits and allowances	303	328	446	119	262	247	15	6%	446
Payments in lieu of leave	85	109	152	-	93	81	11	14%	152
<b>Sub Total - Senior Managers of Municipality</b>	<b>7 449</b>	<b>8 156</b>	<b>10 961</b>	<b>2 629</b>	<b>6 390</b>	<b>6 047</b>	<b>343</b>	<b>6%</b>	<b>10 961</b>
% increase		9,5%	47,2%						47,2%
<b>Other Municipal Staff</b>									
Basic Salaries and Wages	158 894	177 508	174 729	14 459	112 945	116 047	(5 103)	-4%	174 729
Pension and UIF Contributions	24 041	26 745	27 401	2 081	16 741	18 008	(1 267)	-7%	27 401
Medical Aid Contributions	11 462	14 199	12 439	1 036	7 934	9 133	(1 199)	-13%	12 439
Overtime	24 078	7 174	25 329	2 064	16 995	8 425	8 571	102%	25 329
Performance Bonus	11 323	12 138	13 354	776	7 646	8 328	(681)	-8%	13 354
Motor Vehicle Allowance	9 371	21 865	20 719	621	5 377	13 861	(8 484)	-61%	20 719
Cellphone Allowance	1 131	1 187	1 258	88	743	811	(67)	-8%	1 258
Housing Allowances	647	679	655	111	492	448	43	10%	655
Other benefits and allowances	5 530	6 437	7 222	491	3 800	4 505	(705)	-16%	7 222
Payments in lieu of leave	1 756	2 329	3 347	78	1 095	1 756	(661)	-38%	3 347
Long service awards	642	1 205	1 205	121	807	803	4	1%	1 205
Post-retirement benefit obligations	5 225	-	-	-	-	-	-	-	-
Acting and post related allowance	207	376	516	77	205	322	(118)	-37%	516
In kind benefits									
<b>Sub Total - Other Municipal Staff</b>	<b>254 308</b>	<b>271 841</b>	<b>288 175</b>	<b>22 002</b>	<b>174 781</b>	<b>184 447</b>	<b>(9 666)</b>	<b>-5%</b>	<b>288 175</b>
% increase		6,9%	13,3%						13,3%
<b>Total Parent Municipality</b>	<b>269 338</b>	<b>288 056</b>	<b>307 238</b>	<b>25 256</b>	<b>186 410</b>	<b>195 875</b>	<b>(9 465)</b>	<b>-5%</b>	<b>307 238</b>



# Harry Gwala District Municipality

DC43 Harry Gwala - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M08 February

Summary of Employee and Councillor remuneration	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
<b>R thousands</b>									
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>									
<b>Board Members of Entities</b>									
Basic Salaries and Wages	-	320	320	-	-	213	(213)	-100%	320
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
<b>Board Fees</b>									
Payments in lieu of leave .	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Scarcity	-	-	-	-	-	-	-	-	-
Acting and post related allowance	-	-	-	-	-	-	-	-	-
In kind benefits	-	-	-	-	-	-	-	-	-
<b>Sub Total - Executive members Board</b>	-	320	320	-	-	213	(213)	-100%	320
<b>% Increase</b>		#DIV/0!	#DIV/0!						#DIV/0!
<b>Senior Managers of Entities</b>									
Basic Salaries and Wages	-	-	-	-	-	-	-	-	-
Pension and UIF Contributions	-	-	-	-	-	-	-	-	-
Medical Aid Contributions	-	-	-	-	-	-	-	-	-
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	-	-	-	-	-	-	-	-	-
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Scarcity	-	-	-	-	-	-	-	-	-
Acting and post related allowance	-	-	-	-	-	-	-	-	-
In kind benefits	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>	-	-	-	-	-	-	-	-	-
<b>% Increase</b>									
<b>Other Staff of Entities</b>									
Basic Salaries and Wages	-	9 108	9 054	-	-	6 061	(6 061)	-100%	9 054
Pension and UIF Contributions	-	1 165	1 165	-	-	777	(777)	-100%	1 165
Medical Aid Contributions	-	418	418	-	-	279	(279)	-100%	418
Overtime	-	-	-	-	-	-	-	-	-
Performance Bonus	-	429	429	-	-	286	(286)	-100%	429
Motor Vehicle Allowance	-	-	-	-	-	-	-	-	-
Cellphone Allowance	-	-	-	-	-	-	-	-	-
Housing Allowances	-	-	-	-	-	-	-	-	-
Other benefits and allowances	-	-	-	-	-	-	-	-	-
Payments in lieu of leave	-	153	153	-	-	102	(102)	-100%	153
Long service awards	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Scarcity	-	-	-	-	-	-	-	-	-
Acting and post related allowance	-	132	132	-	-	88	(88)	-100%	132
In kind benefits	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>	-	11 405	11 351	-	-	7 592	(7 592)	-100%	11 351
<b>% Increase</b>		#DIV/0!	#DIV/0!						#DIV/0!
<b>Total Municipal Entities</b>	-	11 725	11 671	-	-	7 806	(7 806)	-100%	11 671
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	269 338	299 761	318 909	25 256	186 410	203 641	(17 271)	-8%	318 909
<b>% Increase</b>		11,3%	16,4%						16,4%
<b>TOTAL MANAGERS AND STAFF</b>	281 756	291 401	310 487	24 632	181 170	198 086	(16 916)	-9%	310 487

## 2.6 Material Variances to the SDBIP

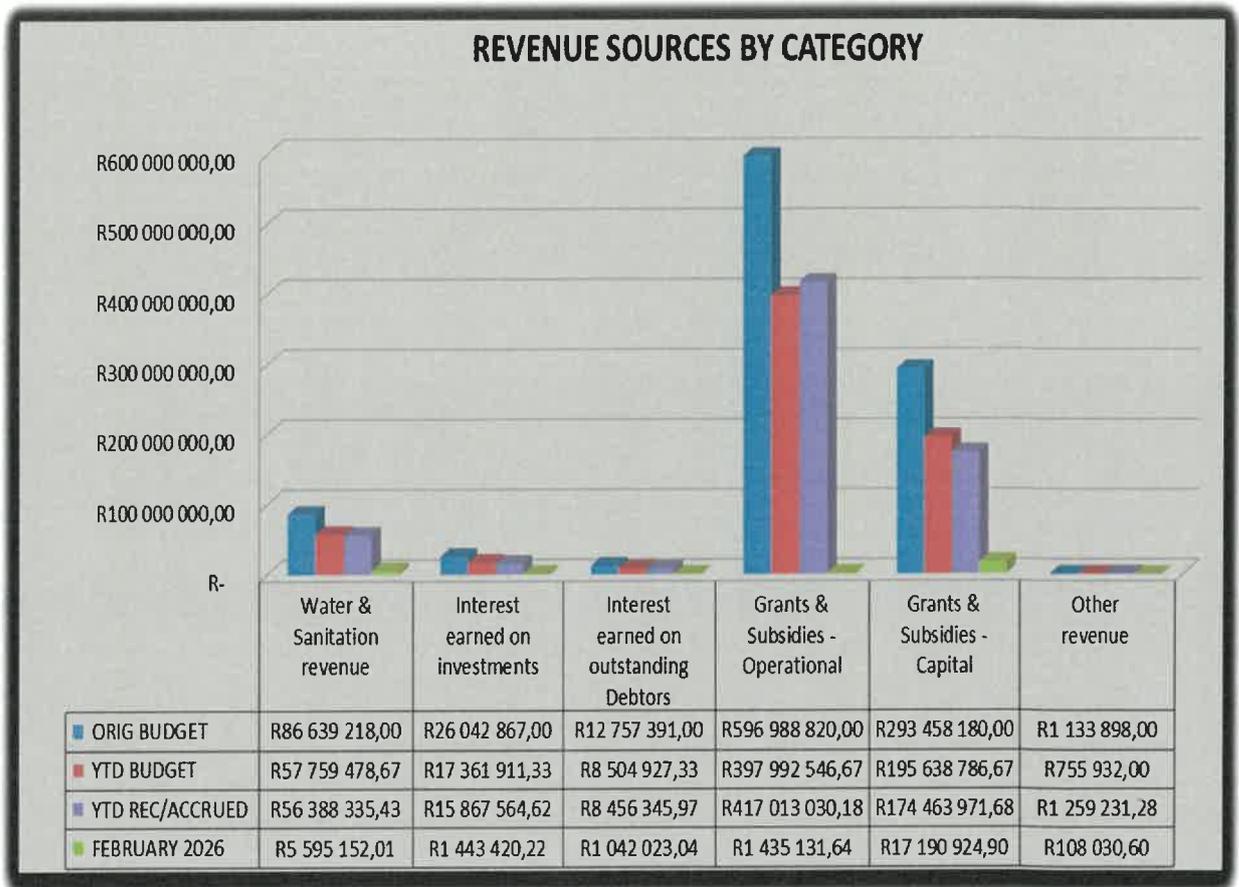
The following section analyses material variances between the actual targets as at 28 February 2026 and the budget for the same period. This report analyses each major component under following headings;

- ✓ Revenue by Source
- ✓ Operational Expenditure by Type, and
- ✓ Capital Expenditure
- ✓ Financial Position
- ✓ Cash Flows

### **REVENUE**

The chart displays a comparison between the 202526 financial year revenue budget and the performance against this budget as depicted in the form of Year to date (YTD) Actual figures. It should be emphasised that the information presented relates to "performance" rather than "cash movements" in terms of the revenue items listed below. This accounting principle relating to municipal performance is best illustrated in the analysis that follows.

**Chart 3: Revenue Analysis**



**Water & Sanitation Charges**

The year to date **actual** water & sanitation charges (**billing**) as at 28 February 2026 was R56, 3million against a year to date **budget** of R57, 7million which is 98 per cent of year to date budget.

### **Interest Earned on External Investments**

The interest earned on external investments year to date actual is R15, 8m against year to budget of R17, 3m representing performance of 91 per cent of the year to date budget.

### **Transfers Recognised - Operational**

The operational grants revenue of R417million against a year to date budget of R397, 9million is largely attributable to the YTD equitable share received.

### **Transfers Recognised – Capital**

The total capital budget for the current year amounts to R293, 4million. The YTD actual on capital amounts to R174, 4million, or 89% of the planned expenditure. Capital expenditure is mainly funded by means of National grants.

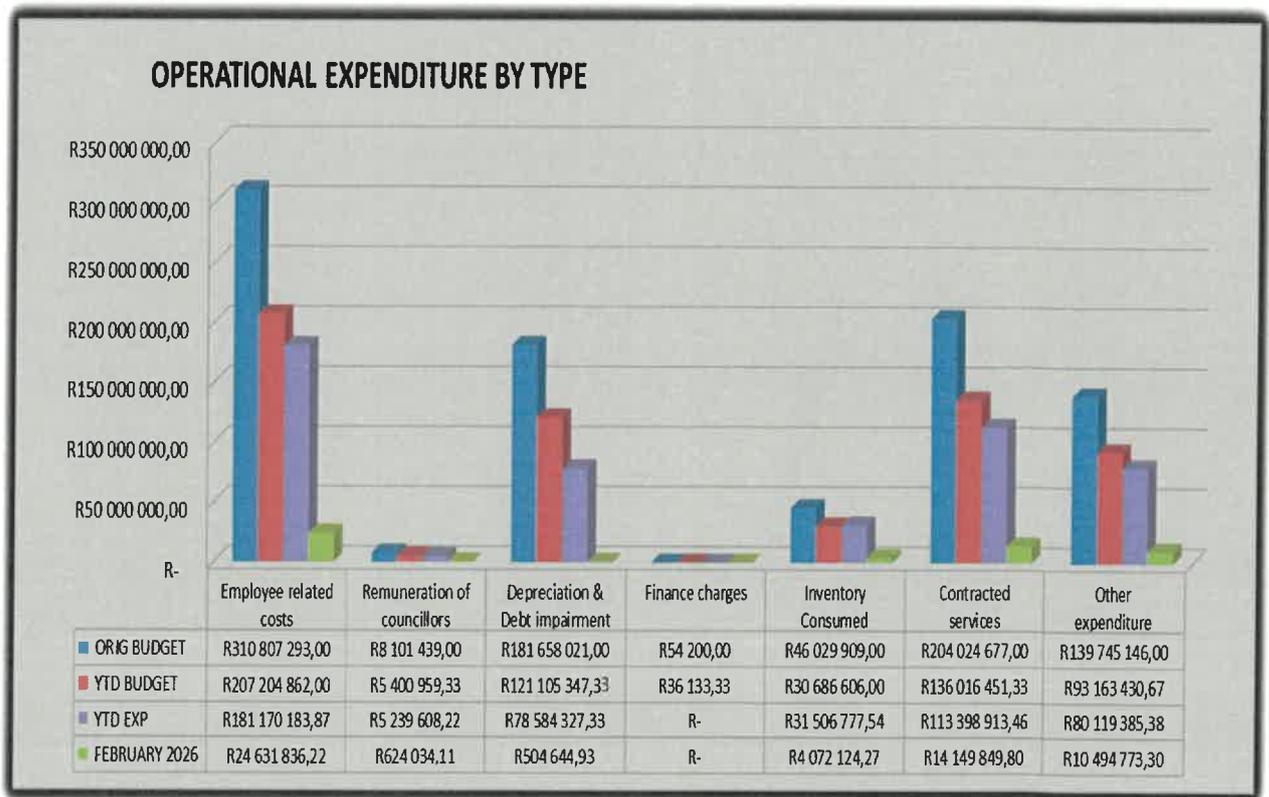
### **Other Revenue**

The YTD performance of other revenue is R 1, 2m against YTD budget of R 755 932m which is made up of tender documents and clearance certificates.

## OPERATIONAL EXPENDITURE

The chart below presents the YTD operational expenditure movements against the YTD budgets. An analysis of each expenditure line item category is discussed below.

**Chart 4: 2025/26 financial year Opex**



### Employee Related Costs

The YTD actual for employee related costs is R181, 1million against a YTD budget of R270, 2million which is 87% of the YTD budget.

## **Remuneration of Councillors**

The remuneration of councillor's year to date expenditure is at R5, 2m against a YTD budget of R5, 4m representing 97% of the year to date budget.

## **Finance Charges**

The YTD budget for finance charges is R36 133. There was no movement in the month ending February 2026.

## **Inventory Consumed**

The inventory consumed has the original budget of R40m. The year to date expenditure for inventory is R31, 5m against a YTD budget of R30, 6million representing 103 per cent expenditure of the year to date budget.

## **Contracted Services**

The original budget for contracted services is R 204million. The year to date expenditure for Contracted Services is R113, 3m against a YTD budget of R136million representing 83 per cent of planned expenditure.

### **Other Expenditure**

The YTD expenditure for operating costs was at R80, 1million against a YTD budget of R 93, 1million or 86 per cent and expenditure for the month of February 2026 is R 10, 4million.

### **Performance assessment**

The Performance Assessment Report will be available on the fourth quarter in terms of Sec 52 (d) of the Municipal Finance Management Act.

### **Actual and revised targets for cash receipts**

D4C3 Harry Gwala - Supporting Table SC9 Monthly Budget Statement - actuals and revised targets for cash receipts - M08 February

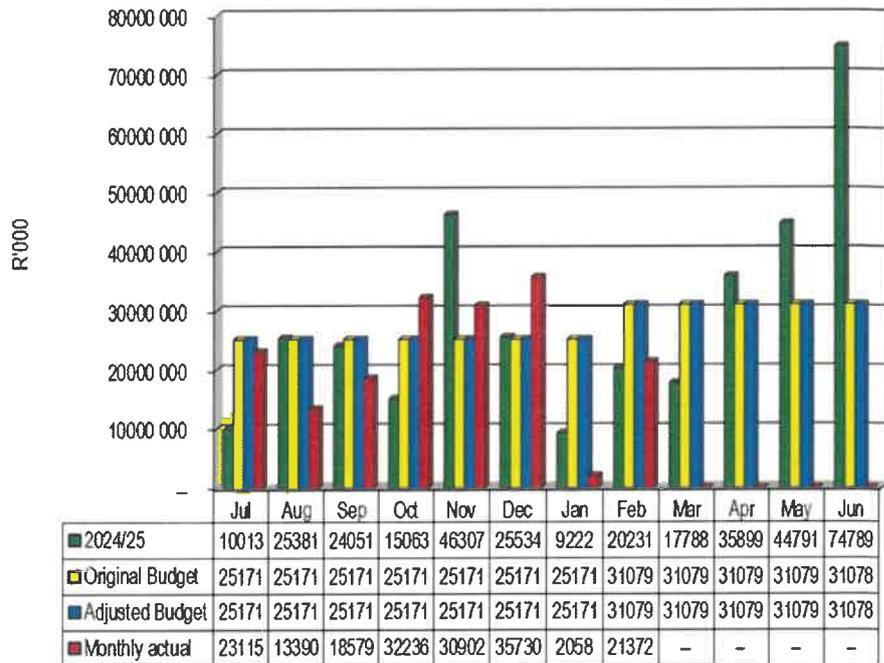
Description	Budget Year 2025/26												2025/26 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Outcome	Feb Outcome	March Budget	April Budget	May Budget	June Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousands</b>															
<b>Cash Receipts by Source</b>															
Property rates	-	-	-	-	-	-	11	-	-	-	(11)	-	-	-	-
Service charges - Electricity revenue	7 805	7 227	6 114	5 641	5 215	6 778	4 689	5 583	5 605	5 605	1 213	67 260	65 452	69 379	
Service charges - Water revenue	978	858	974	845	590	1 110	646	800	1 033	1 033	2 498	12 397	12 920	13 695	
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	1 984	2 029	2 202	2 172	2 305	1 369	2 384	1 443	2 170	2 170	3 665	26 043	27 586	29 242	
Interest earned - external investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	(24)	-	(4)	(2)	-	(0)	28	28	85	340	-	-	-
Fines, penalties and forfeits	200	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	217 029	4 042	-	-	-	175 271	-	1 881	47 832	47 832	32 269	573 989	606 254	633 881	
Other revenue	305 425	79 037	213 838	144 891	104 978	422 392	28 694	68 326	5 394	5 394	(1 319 023)	64 731	71 098	66 402	
<b>Cash Receipts by Source</b>	<b>533 401</b>	<b>93 194</b>	<b>223 103</b>	<b>153 748</b>	<b>113 083</b>	<b>606 909</b>	<b>36 404</b>	<b>78 032</b>	<b>62 063</b>	<b>62 063</b>	<b>(1 273 304)</b>	<b>744 758</b>	<b>783 310</b>	<b>812 599</b>	
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	90 000	-	71 000	30 000	-	65 000	-	-	24 455	24 455	-	293 458	325 980	341 871	-
Proceeds on Disposal of Fixed and Intangible Assets	-	474	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	19	2	-	-	-	-	-	-	47	47	406	699	559	569	569
VAT Control (receipts)	-	-	7 914	6 378	9 743	7 498	11 885	1 467	7 646	7 646	23 963	91 758	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>629 426</b>	<b>93 669</b>	<b>302 017</b>	<b>190 126</b>	<b>122 826</b>	<b>679 407</b>	<b>48 289</b>	<b>79 499</b>	<b>94 212</b>	<b>94 212</b>	<b>(1 291 326)</b>	<b>1 130 545</b>	<b>1 109 859</b>	<b>1 155 039</b>	
<b>Cash Payments by Type</b>															
Employee related costs	23 483	12 404	33 171	13 112	13 144	3 315	22 609	25 097	25 225	25 225	-	80 688	302 698	305 719	318 018
Remuneration of councillors	367	337	338	458	332	321	344	334	1 261	1 261	11	8 524	15 127	8 482	8 928
Interest	-	-	-	-	-	-	-	-	1	1	-	-	14	57	16
Bulk purchases - Electricity	-	-	-	-	-	-	-	-	3 406	3 406	30 651	40 858	35 658	38 009	38 009
Acquisitions - water & other inventory	-	-	-	-	-	-	-	-	16 712	16 712	150 408	200 545	185 927	207 775	207 775
Contracted services	-	-	-	-	-	-	-	-	14 577	14 577	(409 154)	174 927	183 776	140 125	140 125
Other expenditure	109 972	50 223	53 119	87 917	67 459	92 116	21 482	58 060	16 577	14 577	(138 872)	734 179	709 519	712 871	712 871
<b>Cash Payments by Type</b>	<b>133 812</b>	<b>62 964</b>	<b>86 629</b>	<b>101 487</b>	<b>80 934</b>	<b>95 753</b>	<b>44 435</b>	<b>83 491</b>	<b>61 182</b>	<b>61 182</b>	<b>(138 872)</b>	<b>734 179</b>	<b>709 519</b>	<b>712 871</b>	
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	23 116	13 391	18 579	32 117	30 903	35 730	2 059	21 372	31 286	31 286	104 395	375 549	371 355	388 819	388 819
Repayment of borrowing	-	-	-	-	-	-	-	1 000	200	200	800	2 400	2 400	2 400	2 400
Other Cash Flows/Payments	308	375	3 802	3 437	452	4 254	1 981	4 307	833	833	(11 417)	10 000	13 000	14 200	14 200
<b>Total Cash Payments by Type</b>	<b>157 236</b>	<b>76 730</b>	<b>109 011</b>	<b>137 041</b>	<b>112 289</b>	<b>135 738</b>	<b>48 474</b>	<b>110 170</b>	<b>93 511</b>	<b>93 511</b>	<b>(48 094)</b>	<b>1 122 128</b>	<b>1 086 574</b>	<b>1 118 291</b>	
<b>NET INCREASE/DECREASE IN CASH HELD</b>	<b>466 184</b>	<b>18 939</b>	<b>193 006</b>	<b>53 085</b>	<b>10 537</b>	<b>543 669</b>	<b>(205)</b>	<b>(30 671)</b>	<b>701</b>	<b>701</b>	<b>(1 246 232)</b>	<b>8 417</b>	<b>13 286</b>	<b>36 749</b>	
Cash/cash equivalents at the monthly/year beginning:	261 670	727 854	744 792	937 799	990 894	1 001 421	1 545 090	1 544 895	1 514 215	1 514 215	1 516 319	261 670	270 087	283 372	283 372
Cash/cash equivalents at the monthly/year end:	727 854	744 792	937 799	990 894	1 001 421	1 545 090	1 544 885	1 514 215	1 514 916	1 515 617	1 516 319	270 087	283 372	320 121	320 121

## Capital Expenditure Trend

DC43 Harry Gwala - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M08 February

Month	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<b>Monthly expenditure performance trend</b>									
July	10 014	25 172	25 172	23 116	23 116	25 172	2 056	8,2%	7%
August	25 382	25 172	25 172	13 391	13 391	50 343	36 952	73,4%	4%
September	24 052	25 172	25 172	18 579	18 579	75 515	56 936	75,4%	6%
October	15 064	25 172	25 172	32 236	32 236	100 687	68 451	68,0%	10%
November	46 308	25 172	25 172	30 903	30 903	125 858	94 955	75,4%	9%
December	25 534	25 172	25 172	35 730	35 730	151 030	115 300	76,3%	11%
January	9 222	25 172	25 172	2 059	2 059	176 202	174 143	98,8%	1%
February	20 231	31 079	31 079	21 372	21 372	207 281	185 908	89,7%	6%
March	17 788	31 079	31 079	-	-	238 360	238 360	100,0%	0%
April	35 899	31 079	31 079	-	-	269 439	269 439	100,0%	-
May	44 791	31 079	31 079	-	-	300 518	300 518	100,0%	-
June	74 789	31 079	31 079	-	-	331 597	331 597	100,0%	-
<b>Total Capital expenditure</b>	<b>349 075</b>	<b>331 597</b>	<b>331 597</b>	<b>177 386</b>					

Chart C1 2025/26 Capital Expenditure Monthly Trend: actual v target



### Capital Expenditure on New Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M08 February

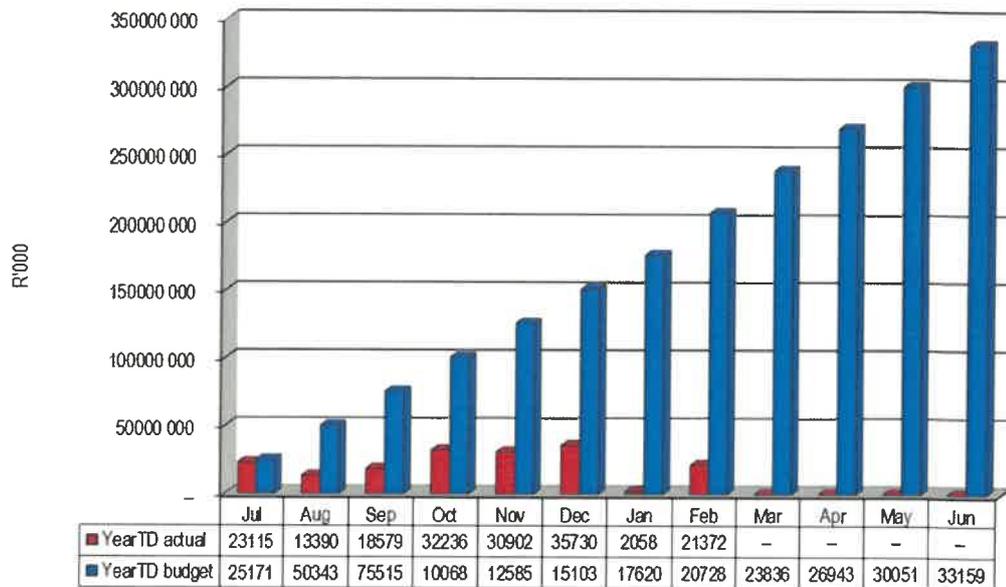
Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	<b>299 786</b>	<b>240 171</b>	<b>275 303</b>	<b>18 077</b>	<b>162 987</b>	<b>167 779</b>	<b>4 792</b>	<b>2,9%</b>	<b>275 303</b>
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	279 731	239 910	272 112	18 077	160 231	165 822	5 591	3,4%	272 112
Dams and Weirs	33 386	53 150	64 880	6 218	40 225	37 873	(2 352)	-6,2%	64 880
Boreholes	14 333	-	5 781	-	756	1 423	666	46,8%	5 781
Reservoirs	-	435	-	-	-	203	203	100,0%	-
Pump Stations	32 805	87	11 426	-	-	3 016	3 016	100,0%	11 426
Water Treatment Works	-	3 300	-	-	-	550	550	100,0%	-
Bulk Mains	82 290	59 807	76 147	6 880	60 342	42 427	(17 915)	-42,2%	76 147
Distribution	116 917	123 131	113 877	4 979	58 908	80 330	21 422	26,7%	113 877
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	20 055	261	3 191	-	2 756	1 958	(799)	-40,8%	3 191
Pump Station	1 234	87	435	-	-	128	128	100,0%	435
Reticulation	18 821	174	2 756	-	2 756	1 830	(926)	-50,6%	2 756
Waste Water Treatment Works	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	<b>2 310</b>	<b>8 901</b>	<b>6 985</b>	<b>-</b>	<b>625</b>	<b>5 551</b>	<b>4 926</b>	<b>88,7%</b>	<b>6 985</b>
Operational Buildings	1 268	6 901	5 985	-	625	4 418	3 793	85,9%	5 985
Municipal Offices	1 268	6 901	5 985	-	625	4 418	3 793	85,9%	5 985
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	1 042	2 000	1 000	-	-	1 133	1 133	100,0%	1 000
Staff Housing	1 042	2 000	1 000	-	-	1 133	1 133	100,0%	1 000
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>955</b>	<b>955</b>	<b>-</b>	<b>-</b>	<b>636</b>	<b>636</b>	<b>100,0%</b>	<b>955</b>
Servitudes	-	955	955	-	-	636	636	100,0%	955
Licences and Rights	-	955	955	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	955	955	-	-	636	636	100,0%	955
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	<b>2 029</b>	<b>2 859</b>	<b>2 873</b>	<b>-</b>	<b>466</b>	<b>1 906</b>	<b>1 440</b>	<b>75,6%</b>	<b>2 873</b>
Computer Equipment	2 029	2 859	2 873	-	466	1 906	1 440	75,6%	2 873
<b>Furniture and Office Equipment</b>	<b>2 178</b>	<b>5 288</b>	<b>5 608</b>	<b>123</b>	<b>3 212</b>	<b>3 592</b>	<b>381</b>	<b>10,6%</b>	<b>5 608</b>
Furniture and Office Equipment	2 178	5 288	5 608	123	3 212	3 592	381	10,6%	5 608
<b>Machinery and Equipment</b>	<b>4 767</b>	<b>2 360</b>	<b>4 185</b>	<b>266</b>	<b>1 506</b>	<b>1 938</b>	<b>432</b>	<b>22,3%</b>	<b>4 185</b>
Machinery and Equipment	4 767	2 360	4 185	266	1 506	1 938	432	22,3%	4 185
<b>Total Capital Expenditure on new assets</b>	<b>311 070</b>	<b>260 534</b>	<b>295 909</b>	<b>18 465</b>	<b>168 796</b>	<b>181 403</b>	<b>12 607</b>	<b>6,9%</b>	<b>295 909</b>

### Capital Expenditure on Renewal of Existing Assets by Asset Class

DC43 Harry Gwala - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M08

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	23 573	9 503	3 519	-	814	4 863	4 049	83,3%	3 519
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	21 914	7 764	772	-	-	3 778	3 778	100,0%	772
Dams and Weirs	-	-	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-	-	-
Reservoirs	-	-	-	-	-	-	-	-	-
Pump Stations	-	-	-	-	-	-	-	-	-
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	-	-	-	-	-	-	-	-
Distribution	21 914	7 764	772	-	-	3 778	3 778	100,0%	772
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sanitation Infrastructure	1 658	1 739	2 747	-	814	1 085	271	25,0%	2 747
Pump Station	-	-	-	-	-	-	-	-	-
Reticulation	-	-	-	-	-	-	-	-	-
Waste Water Treatment Works	1 658	1 739	2 747	-	814	1 085	271	25,0%	2 747
Outfall Sewers	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	3 874	2 374	-	131	2 283	2 152	94,3%	2 374
Operational Buildings	-	3 874	2 374	-	131	2 283	2 152	94,3%	2 374
Municipal Offices	-	3 874	2 374	-	131	2 283	2 152	94,3%	2 374
<b>Transport Assets</b>	6 841	8 595	14 006	2 907	4 313	7 112	2 800	39,4%	14 006
Transport Assets	6 841	8 595	14 006	2 907	4 313	7 112	2 800	39,4%	14 006
<b>Total Capital Expenditure on renewal of existing assets</b>	30 413	21 973	19 899	2 907	5 257	14 258	9 001	63,1%	19 899

Chart C2 2025/26 Capital Expenditure: YTD actual v YTD target



## Expenditure on Repairs and Maintenance by Asset Class

DC43 Harry Gwala - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M08

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>									
<b>Infrastructure</b>	35 932	40 241	45 016	4 008	29 988	27 416	(2 573)	-9,4%	45 016
Roads Infrastructure	-	-	-	-	-	-	-	-	-
Water Supply Infrastructure	35 932	40 241	45 016	4 008	29 988	27 416	(2 573)	-9,4%	45 016
Dams and Weirs	-	-	-	-	-	-	-	-	-
Boreholes	-	-	-	-	-	-	-	-	-
Reservoirs	21 341	20 650	26 440	2 391	17 408	14 925	(2 484)	-16,6%	26 440
Pump Stations	8 961	9 473	9 580	908	6 855	6 337	(518)	-8,2%	9 580
Water Treatment Works	-	-	-	-	-	-	-	-	-
Bulk Mains	-	-	-	-	-	-	-	-	-
Distribution	-	-	-	-	-	-	-	-	-
Distribution Points	-	-	-	-	-	-	-	-	-
PRV Stations	-	-	-	-	-	-	-	-	-
Capital Spares	5 629	10 118	8 996	709	5 725	6 154	429	7,0%	8 996
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-
<b>Community Assets</b>	77	273	170	-	20	161	142	87,8%	170
Community Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	77	273	170	-	20	161	142	87,8%	170
Indoor Facilities	77	273	170	-	20	161	142	87,8%	170
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	3 939	4 269	1 838	18	245	2 264	2 019	89,2%	1 838
Operational Buildings	3 939	4 269	1 838	18	245	2 264	2 019	89,2%	1 838
Municipal Offices	3 939	4 269	1 838	18	245	2 264	2 019	89,2%	1 838
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	41	77	62	17	46	48	2	4,8%	62
Computer Equipment	41	77	62	17	46	48	2	4,8%	62
<b>Transport Assets</b>	478	332	160	-	0	187	187	100,0%	160
Transport Assets	478	332	160	-	0	187	187	100,0%	160
<b>Total Repairs and Maintenance Expenditure</b>	<b>40 466</b>	<b>45 192</b>	<b>47 246</b>	<b>4 042</b>	<b>30 299</b>	<b>30 076</b>	<b>(223)</b>	<b>-0,7%</b>	<b>47 246</b>

## 2.7 Municipal Manager's Quality's Certificate

### Quality Certificate

I, Gamakulu Ma'art Sineke, the Municipal Manager of Harry Gwala District Municipality, hereby certify that-

- The monthly budget statement

For the month of February 2026 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Gamakulu Ma'art Sineke

Municipal Manager of: Harry Gwala District Municipality

Signed \_\_\_\_\_

Date 11/03/2026.